TITLE: CONGRESSIONAL RECORD; PROCEEDINGS AND DEBATES OF THE CONGRESS. 99TH CONGRESS FIRST SESSION. PERMANENT EDITION.

REEL NO: 5 OF 6

PAGES: 11,237-14,266

VOLUME: 131

PARTS: 9-10

DATE: May 9 - June 4, 1985

PUBLICATION NO: 2569

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UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 99th CONGRESS
FIRST SESSION

VOLUME 131—PART 9

MAY 9, 1985 TO MAY 20, 1985
(PAGES 11237 TO 12701)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1985

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE *99th* CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Thursday, May 9, 1985*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O God, that with the tumult and distractions of each day, You will grant inner peace which is Your gift to us. We pray for serenity of mind in spite of the tensions, we pray for quiet moments to hear Your spirit, even when noise seems to overwhelm. Speak to us, O God, in the depths of our hearts, heal and refresh us with Your peace that possesses all human understanding. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. STRANG. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STRANG. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 250, nays 162, answered "present" 2, not voting 20, as follows:

[Roll No. 102]

YEAS—250

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Archer
Aspin
Atkins
AuCoin
Barnard
Barnes
Bateman
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Callahan
Carper
Carr
Chappell
Coelho
Coleman (TX)
Conyers
Cooper
Coyne
Crockett
Daniel
Darden
Daschle
de la Garza
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dyson
Eckart (OH)
Edwards (CA)
English
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gibbons
Glickman
Gonzalez
Gordon
Gray (PA)
Guarini
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hatcher
Hayes
Hefner
Heftel
Hertel
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Natcher
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pease
Pepper
Perkins
Petri
Pickle
Price
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Rinaldo
Robinson
Rodino
Roe
Rose
Rostenkowski
Roukema
Rowland (GA)
Rudd
Russo
Sabo
Savage
Scheuer
Schumer
Seiberling
Sharp
Shelby
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Snyder
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Stump
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Watkins
Waxman
Weiss
Wheat
Whitley
Whitten
Williams
Wirth
Wise
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (MO)

NAYS—162

Armey
Badham
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Brown (CO)
Burton (IN)
Campbell
Carney
Chandler
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis
Delay
Derrick
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Eckert (NY)
Edwards (OK)
Emerson
Evans (IA)
Fawell
Fiedler
Fields
Fish
Franklin
Gallo
Gekas
Gilman
Gingrich
Goodling
Gradison
Green
Gregg
Grotberg
Gunderson
Hammerschmidt
Hartnett
Hendon
Henry
Hiler
Hillis
Holt
Hyde
Ireland
Jacobs
Jeffords
Kasich
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCain
McCandless
McCollum
McDade
McEwen
McGrath
McKernan
McKinney
McMillan
Meyers
Miller (OH)
Miller (WA)
Molinari
Monson
Morrison (WA)
Nielson
Oxley
Packard
Parris
Pashayan
Penny
Porter
Pursell
Ritter
Roberts
Roemer
Rogers
Roth
Rowland (CT)
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sikorski
Siljander
Skeen
Slaughter
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Solomon
Spence
Stangeland
Stenholm
Strang
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wolf
Wortley
Young (AK)
Young (FL)
Zschau

ANSWERED "PRESENT"—2

Dymally
Mitchell

NOT VOTING—20

Addabbo
Applegate
Boggs
Collins
Early
Edgar
Ford (MI)
Gephardt
Gray (IL)

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Hansen
Hawkins
Kemp
Michel
Neal
Ridge
Roybal
Vander Jagt
Walgren
Weaver
Wilson

□ 1120

So the Journal was approved.

The result of the vote was announced as above recorded.

APPOINTMENT AS MEMBERS OF ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

The SPEAKER. Pursuant to the provisions of section 3(a), Public Law 86-380, the Chair appoints as members of the Advisory Commission on Intergovernmental Relations the following members on the part of the House:

Mr. Weiss of New York;
Mr. Levin of Michigan; and
Mr. Walker of Pennsylvania.

APPOINTMENT AS MEMBERS OF FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 94-371, as amended, the Chair appoints as Members of the Franklin Delano Roosevelt Memorial Commission the following Members on the part of the House:

Mr. Pepper of Florida;
Mr. Scheuer of New York;
Mr. Fish of New York; and
Mr. Green of New York.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING 5-MINUTE RULE

Mr. MORRISON of Connecticut. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule today, May 9, 1985.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. PASHAYAN. Mr. Speaker, reserving the right to object, I should like an explanation, please, of what the request is all about.

Mr. MORRISON of Connecticut. Mr. Speaker, if the gentleman will yield, this is merely a request that the committee be permitted to sit during the 5-minute rule, and it has been cleared with the ranking member on your side, the gentleman from New York [Mr. Fish], who is on the floor.

Mr. PASHAYAN. What bills does the gentleman have in mind?

Mr. MORRISON of Connecticut. This is for the consideration of H.R. 2348, the Department of Justice authorization for appropriations act for 1986, and H.R. 1452, the Refugee Assistance Extension Act of 1985.

Mr. PASHAYAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

NATIONAL SCIENCE WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 59) to designate "National Science Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. PASHAYAN. Mr. Speaker, reserving the right to object, this side of the aisle has no objections. We support the measure.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Speaker, I would like to thank the gentleman. This is a very fine resolution, honoring science next week, and I urge its consideration. I appreciate the cooperation of the members of the committee.

Mr. TRAXLER. Mr. Speaker, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Speaker, I thank the gentleman for yielding to me, and I congratulate the committee for reporting this fine resolution.

Mr. PASHAYAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 59

Whereas science and technology are currently major elements in the expansion of the economy and in the improvement of the quality of life in the United States;

Whereas the rate of scientific discovery and technological innovation continues to increase more rapidly than at any time in our history;

Whereas it is vital to build and maintain a highly dedicated and motivated work force with scientific and technological skills;

Whereas it is important that scientific research be made more interesting and accessible to youth as a potential career option;

Whereas it is in the national interest to increase the public's awareness and understanding of science and technology; and

Whereas schools, universities, museums, and professional, educational, and voluntary organizations, along with industry, labor, government, and private individuals, should be encouraged to work cooperatively to develop programs, events, and materials that will contribute to the public's education in science and technology: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 12 through May 18, 1985, is designated as "National Science Week". The President is requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities, including programs aimed at furthering the awareness of all Americans, and particularly the Nation's youth, of the importance of science and technology.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 59, the Senate joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CENTRAL AMERICA: A DOSE OF REALITY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, I wish to continue my discussion of the violations by the United States of the Treaty of the Organization of American States.

Some of us have learned through the ages that there is strength in numbers, and that by working together combining resources and negotiating viewpoints we may pursue a thoughtful and united policy. We forgot this lesson within our country when we tried to fight a war in Vietnam without the combined support of the Congress and the people of America as well as with the leadership of the President. And we are forgetting this lesson as well as we pursue a fragmented and undirected policy in Central America.

The administration has made commitments and taken action without the support of the Congress and the American people. Tragically, the administration has also failed to remember that there is strength in numbers not only within our country but within our world. The President has unilaterally intervened in the affairs of Central America without working together with countries who have pledged mutual support in peaceful endeavors. The Rio Treaty pledges mutual cooperation and mutual decisionmaking in security matters of the signatory countries.

The President is not working with the other countries; in truth, he is working against them, because his

intervention in Central America is not a peaceful intervention which the other member countries of the OAS can support. The Rio Treaty condemns war—it doesn't endorse war like the war our President is conducting. The signatory countries to the Rio Treaty agree not to attack each other with armed force, and yet that is exactly what this President is doing against the country of Nicaragua.

When is this President going to learn? If the United States does not work with the OAS countries, it works against them. If the United States does not seek the support of the other OAS countries in peaceful activities, then the United States has turned against these same countries in making war on any one of them, such as Nicaragua. And by making war on any one of the OAS countries, according to the Rio Treaty which the United States signed, the President is making war on all of the OAS countries. He has not learned the lesson of Vietnam; and he has forgotten the wisdom of the concept of mutual support and collective security, which was the whole purpose of the Rio Treaty, and the sole purpose for the existence of the OAS.

ADMINISTRATION'S ECONOMIC SANCTIONS POLICY AGAINST NICARAGUA BASED ON NATURAL SECURITY

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, in a hearing Tuesday, May 7, before the Joint Subcommittees on International Economic Policy and Trade and Western Hemisphere Affairs, critics of the administration decision to impose economic sanctions against Nicaragua complained that U.S. allies do not support that policy decision.

Administration officials rightly responded that the United States makes its policy choices based on what is in its national security interests and not on a popularity poll. And whether there are nations who speak out in opposition to our having imposed sanctions on Nicaragua or are those who privately support our actions, there are some nations who do have the courage of their convictions to stand up and express their support and back U.S. policy against Nicaragua.

One of the most important examples is Honduras, which is the country which faces one of the greatest threats from Nicaragua. Honduran foreign minister Edgardo Paz Barnica, in a press conference, said he welcomed the U.S. embargo against Nicaragua, but added that if it fails, the next step will have to include military measures. Foreign Minister Paz said that if diplomatic and economic pressures fail, then the only other alternative will be to use force.

CONGRESS SHOULD DECLARE WAR ON DRUG SMUGGLERS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in today's newspapers there were two headlines that might be interesting. The first one, "Two Tons of Cocaine Seized in Miami," the second one, "The Coast Guard, Florida Officers, Grab 3 Tons of Drugs."

When is Congress going to take the stand and declare war on these large drug smugglers?

My bill, introduced 6 weeks ago, H.R. 994, will do just that. First of all, it will eliminate bond for large drug smugglers who bring in excess of 1 kilogram of narcotics into this country.

Second of all, if convicted, they must serve 50 percent of that sentence.

Finally, what many Members are backing off of, a second offender of this type would be subject, with an option, to the death penalty.

I think, before long, Congress is going to have to make a decision, or we are going to have this type of problem every day in the newspaper, and more and more of our children and the lives of our children will be threatened by this problem.

Congress must declare war on drug smugglers.

I would appreciate it if the Members would look at H.R. 994.

WORKER RETRAINING

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, Preston Martin, the Vice Chairman of the Federal Reserve Board, was quoted as saying that America was on the verge of a "growth recession." In a growth recession, the economy grows, but not enough to prevent a rise in unemployment. This comes on the heels of news from the Commerce Department that our economy has become sluggish and our slower growth rate may prevent us from reaching the administration's goal of reducing unemployment.

Mr. Speaker, while we all hope that these predictions are wrong, let's not wait until the unemployment rate grows worse. Let's not ignore the changes which are occurring within our economy and the world's economy. It is time to retrain American workers to keep step with changes and address the new competitive challenges faced by U.S. business and industry.

It is in this spirit that I and a bipartisan group of 42 of our House colleagues have cosponsored the national Training Incentives Act of 1985. This bill would increase American competitiveness by encouraging additional training of our work force. It permits employers to take a 25-percent tax credit for training expenses over a 5-year historical average. It allows individuals with IRA's to withdraw their savings without penalty or taxation to pay for retraining. And it provides that the participation of unemployed workers in a training program will not disqualify them from unemployment compensation.

Mr. Speaker, it's time to take aggressive and appropriate steps to help American workers respond to global challenges. It's also time for Congress to be ahead of the curve of change, rather than behind it. I would invite my colleagues to cosponsor this important retraining proposal.

JTPA DOES MAKE A DIFFERENCE

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, I recently received two letters regarding the Job Training Partnership Act [JTPA] that I want to bring to my colleagues' attention. They both demonstrate the importance for this House to reject the administration's request for a 25-percent cut for JTPA next year.

The first letter was from the Wayne County Private Industry Council [PIC]. In an area with double digit unemployment, the Wayne PIC has put together a program to train dislocated and disadvantaged workers for 1,000 newly created jobs in the airline industry. In addition to putting people back to work, this program will help to diversify Wayne's economy away from its traditional dependence on the highly cyclical automobile industry. This program represents some of the best of what JTPA can accomplish—Government and business working together to the advantage of both.

The second letter was from Mr. John Ong, the chairman of the B.F. Goodrich Co. in his capacity as Chair of the National Alliance of Business [NAB]. In his letter, Mr. Ong notes "the powerful impact of the public/private partnership in job training for the disadvantaged which is embodied in the act." After stating that "Federal funding for job training has already been reduced substantially from almost $10 billion in 1981 to the current $3.6 billion," he urges the Congress to reject the administration's proposed recissions and to maintain the current funding levels for next year.

Mr. Speaker, I believe these endorsements of JTPA pointedly show that the answer to joblessness is not to slash funding, but to support programs that are clearly putting people back to work.

FREEZE EVERYTHING

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, we in this Congress owe it to our children and grandchildren to find a bipartisan solution to this plaque of deficits.

The best first step is plain to see. A total freeze, on every budget category. A freeze on Republican priorities. A freeze on Democratic priorities. On defense. On Social Security COLA's. On everything else, too. Almost everyone will accept this for their program, if everyone else is treated the same.

I hear support for a freeze every day, from defenders, of all kinds of spending programs. Listen to what the American Medical Association recently said. The AMA wants to unfreeze and increase physicians' and hospitals' Medicare fees, unless—

> The Congress legislates an across-the-board freeze of domestic and defense spending as part of a broad program to reduce the federal deficit and bring stability to the economy.

We have two choices, as I see it. We can debate priorities, end up in a stalemate, and watch the deficits mount. Or we can agree on a freeze.

SPINOFFS

(Mr. NELSON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELSON of Florida. Mr. Speaker, each year NASA publishes its book on "Spinoffs" from space technology. Such items as robotic systems, high temperature lubricants, protective coatings, medical scanning equipment, tough new ceramic surfaces, even ingestible toothpaste are contributions from the space program to society.

There is a small Florida-based company that was founded in 1979—Microgravity Research Associates—which expects its first product to be crystals of gallium and arsenic made in space on the shuttle. Gallium-arsenide crystals, which conduct electron crystals 10 times faster than silicon, can be used in computer chips, lasers, switching devices in fiber-optic systems, high frequency antennas, solar power arrays, and other wonders necessary for the high tech world.

Because of the great market potential of these gallium-arsenide crystals in the next generation of computers and in solar-cell technology, other companies, such as the giant 3M Corp. are also joining in the research.

If we are to make progress on reducing the deficit through economic growth, we need real growth, the kind of growth that can be enabled by gallium-arsenide technology, which lets us do more with less.

This is another example of the kind of benefit that we get from our space program and demonstrates why we need to continue a vigorous civilian program.

WIC FUNDING

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, I am today introducing a resolution stating that it is the sense of Congress that the Office of Management and Budget release funds appropriated by Congress for the Women, Infants, and Children Program.

Fiscal year 1985 funding for the WIC Program was contained in a continuing resolution, that was passed at the end of the last session of Congress. It was clear that Congress intended that the total amount appropriated in Public Law 98-473 be spent. The continuing resolution stated that the total amount: "be appropriated to the States based on an annual appropriation level of $1.5 billion."

The OMB has chosen to interpret the language of Public Law 98-473 to mean that they need only maintain the WIC caseload that existed in September 1984. Consequently, they intend to spend only $169 million of the $245 million appropriated for August and September of this year. Because the State WIC programs were not, in some cases, officially notified of this decision until early April, and had previously operated under the assumption that the full funding would be available, approximately 237,000 women in at least 30 States must be cut from WIC roles in the fourth quarter of the fiscal year. My resolution restates the sense of Congress that the executive branch should release the remaining funds appropriated by Congress. Because of the urgency and the gravity of the situation, I urge my colleagues to join as cosponsors.

□ 1140

BORDER SHOOTING INCIDENT

(Mr. BATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BATES. Mr. Speaker, on April 18, a tragic incident occurred. Humberto Carillo Estrada, a 12-year-old Mexican boy, was shot and wounded by a U.S. Border Patrol Agent. Humberto was standing on the Mexican side of the border and reportedly throwing rocks at agents who were trying to apprehend his 15 year-old brother. Humberto's brother was attempting to return to Mexico.

The U.S. attorney's office in San Diego determined that it had no statutory authority to review this case.

While only a full and accurate accounting of the situation can determine if the Border Patrol Agent's actions were justified or not, it would be a travesty if improper conduct did occur and no Federal action was taken.

This is clearly a Federal matter that should be handled by the Federal Government.

Mr. Speaker, I am introducing legislation today that would establish a Federal criminal statute that would ensure the prosecution of Federal law enforcement officers who committed an unjustified injury. I urge my colleagues to join me in this important endeavor.

CIVIL RIGHTS "YES", H.R. 700, "NO"

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, in Tuesday's Dallas Times Herald, James Kilpatrick, a respected columnist, wrote about H.R. 700. I want to share this wisdom with my colleagues.

I quote, "Very soon now, the House of Representatives will take up the most dangerous bill of the Year. The bill is marvelously named "Civil Rights Restoration Act of 1985."

> If the principle of federalism still has meaning, if separation is to be maintained between the public and private sectors of American life, if the heavy hand of Federal regulation is not to be laid upon the whole of our society, members of Congress had better vote against this devious and deceptive little sleeper.
>
> [The bill] is cosmetically disguised with fresh lipstick and an innocent wig. It wears this darling new title. . . . The many sponsors do not acknowledge—perhaps they do not even know—the drastic reach of the bill to which they have given their names.
>
> The bill is not a bill to restore anybody's civil rights, for no civil rights were taken away by the Grove City case. It is a bill to expand Federal power into every aspect of our public and private life.

Mr. Speaker, civil rights "yes", H.R. 700 "No."

WHAT "MILITARY MIGHT" REALLY MEANS TO MR. GORBACHEV

(Mr. McMILLAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McMILLAN. Mr. Speaker, on the news this morning, we watched a commentator report on the activities of the world's two most powerful leaders as they celebrated V-E Day.

President Reagan was traveling in Europe promoting peace. General Secretary Gorbachev was attending a Soviet parade in Red Square where hundreds of tanks and nuclear missiles were driven by.

President Reagan spoke of eliminating the nuclear arsenals of the world. Gorbachev saluted his country's war equipment.

I wonder what would happen around the world if we here in the United States held a ticker tape parade in New York City and displayed U.S. tanks and missiles? Would our citizens smile or frown? Our press would call it sabre-rattling. Of course, we will never know what the Soviet citizens really are thinking—or their press, for that matter.

The commentator noted that the Soviets said this event was not a show of military might. God forbid that we should ever find out what "military might" really means to Mr. Gorbachev.

HOUSE SHOULD RECONSIDER GIVING AID TO THE CONTRAS

(Mr. GROTBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GROTBERG. Mr. Speaker, I rise in the hope of persuading my colleagues to reverse the dreadful decision we made 2 weeks ago not to aid the Nicaraguan Contras.

Every Member of this body should be embarrassed that immediately after we voted down humanitarian aid to the Contras, Mr. Ortega visited his comrades in Moscow and the Sandinistas began a major offensive against the Contras. There can be no doubt that there is a direct correlation between our failure to act and Mr. Ortega's actions.

We must continue to put pressure on the Sandinistas to moderate their hardline Marxist-Leninist policies and to sit down and negotiate with the Contras. Peace will only come to Nicaragua when truly free elections have been held.

Mr. Speaker, we must act swiftly to reverse our fateful decision of 2 weeks ago. As Winston Churchill said, "The signals flash through the night in vain, for death is in charge of the clattering train." I believe that the actions of the Sandinistas over the last 2 weeks are signals that we must not ignore.

THE AMERICAN MERCHANT MARINE IS AN ENDANGERED INDUSTRY

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, the American merchant marine is an endangered industry today primarily at the hands of agricultural interests which represent the most heavily subsidized U.S.A. industry in the past half century.

The cargo preference law, which several of my colleagues would have repealed or severely reduced in scope, generated in 1983 approximately 37 percent of the total tonnage carried by the U.S. merchant marine and provided it with more than a half billion in revenues. This same law impacted in the AID and Public Law 480 Programs only 2.9 million tons of agricultural exports which were carried by the U.S. merchant marine. This tonnage represents less than 2 percent of the 145 million tons of U.S. agricultural commodities which were exported in 1983.

Yes; the merchant marine is clearly an endangered industry. There are few, if any, industries that could survive with an immediate loss of 37 percent of their revenue environment. Elimination or serious reduction of this law to the artificially generated exports, for which we the Congress have provided the funding, will be a death blow to this industry. Then, we will have only ourselves to thank for being held hostage by foreign nations' vessels.

THINGS HAVE NOT CHANGED A HECK OF A LOT, HAVE THEY?

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, yesterday House Republican Leader Bob Michel and the Republican leadership of this House introduced a series of House reform amendments, changes to the House rules. It brought to mind something that happened about 11 years ago in this body.

In the Bloomington, IN, press they reported a caucus that the Democrats had on May 9, 1974; exactly 11 years ago today. During that meeting, that Democrat caucus, there was a great deal of controversy over changes in the House rules. Some of the people thought the rules ought to be changed; they were outdated, archaic, and unfair, as we do today.

After the caucus took place, after the brutal fight subsided, the rules remained the same as they are today. Perhaps Speaker Tip O'Neill of Massachusetts, who was majority leader at the time, best explained why the caucus voted the way that they did. He said, and I quote:

> The name of the game is power, and the boys don't want to give it up.

Things have not changed a heck of a lot, have they? But it is time they did, Mr. Speaker; it is time they did.

FEDERAL RESERVE SHOULD REGULATE GOVERNMENT SECURITIES DEALERS

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, the newspapers again today report another Government securities dealer in trouble—one of a long series of Government securities dealers who have problems that have been in the press with ESM and so forth over the past few weeks. There is no question we need to have regulation of Government securities dealers.

There is, at the present time, no statutory authority for any agency or any entity that is associated with the Federal Government to actually regulate Government securities dealers. A few weeks ago, I introduced H.R. 1896 which would give that authority to regulate Government securities dealers to the Federal Reserve Board, which I admit is the most logical agency to deal with this problem; to regulate the dealers.

The Government securities market is the largest capital market in the world. On some days they actually sell more than 80 billion dollars' worth of U.S. bills, bonds, and notes just to finance the debt of this country. If we are going to be able to keep the United States alive while we, in this Congress, get responsible about balancing our budget, we have got to be sure that whatever we do we do not disrupt this marketplace. We need to have confidence restored in it; we need to have liquidity in it; we need to have efficiency in it; we need to have all of the various dealers audited regularly, and we need to be sure that whoever does the regulation is the right agency.

The Federal Reserve Bank of New York sells all debt instruments and is the only Government-related agency which has an indepth experience with Government securities dealers and this market.

I submit it is long past time we regulated. The agency that ought to have the regulatory authority is the Federal Reserve Board, and I urge my colleagues to join with me and cosponsor H.R. 1896. Thank you.

□ 1150

RESOLUTION CONDEMNING SANDINISTA OPPRESSION

(Mr. LEWIS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Speaker, there are Members of this House who would suggest that Sandinista President Ortega's trip to the Soviet Union can be directly linked to our ex-

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pression of support for the freedom fighters—otherwise known as Contras. These Members would say that we are pushing the Sandinistas into the arms of the Soviets. Others, however, argue that the opposite is, in fact, the case. America played an important part in the Organization of American States' role of forcing the Somoza government to step down. Just weeks later, the Sandinistas were playing footsie with the Soviets while we were flooding Nicaragua with millions and millions of U.S. tax dollars.

Before taking over, the Commandantes were devout Marxists. They promised a democratic government which would protect human rights, ensure freedoms such as elections, and a free press, on the public platform, while they went about establishing a regime more oppressive than Somoza's.

I oppose the practices of this Sandinista government and today am introducing a resolution condemning their oppression as well as condemning President Ortega's recent trip to Moscow.

DEPARTMENT OF STATE, U.S. INFORMATION AGENCY, AND BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATION ACT, FISCAL YEARS 1986 and 1987

The **SPEAKER** pro tempore. Pursuant to House Resolution 137 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2068.

☐ 1152

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board of International Broadcasting, and for other purposes, with Mr. Pease in the chair.

The Clerk read the title of the bill.

The **CHAIRMAN**. When the Committee of the Whole rose on Wednesday, May 8, 1985, title I was open for amendment at any point.

Are there further amendments to title I?

Mr. MICA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this opportunity to bring the Members up to date as to where we are on this legislation.

First, let me remind everyone that we are again considering the State Department authorization legislation, as we have been for some 3 weeks now.

We are in the midst of approximately 25 amendments that have been filed for committee consideration. We have accepted or dealt with about 15 of the 25. It is my understanding that we have all of the amendments before us, and that the order of business today will be to consider those key amendments and then have a final vote on this legislation.

I might say, just as an aside, that as chairman of the subcommittee, I am extremely pleased at the way this legislation has progressed and the professionalism that has characterized the debate. Each of the amendments has been discussed in a way that I think reflects very well on this House and on the committee, and we hope we can maintain this attitude for the balance of the debate.

AMENDMENTS OFFERED BY MR. MC COLLUM

Mr. McCOLLUM. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Florida?

There was no objection.

The **CHAIRMAN**. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. McCollum: Page 28, after line 25, insert the following new section:

SEC. 128. AUDITS OF US FUNDS RECEIVED BY THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES.

The Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 8. AUDITS OF US FUNDS RECEIVED BY THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES.

"(a) Funds may not be made available to the United Nations High Commissioner for Refugees under this or any other Act unless the President of the General Assembly directs and the High Commissioner provides for—

"(1) the United Nations Joint Inspection Unit to conduct quarterly audits of the use of such funds, including audits of the use by private and voluntary organizations of such funds; and

"(2) such audits to be made available for inspection by the Comptroller General of the United States.

"(b) The Comptroller General of the United States shall inspect each such audit and submit a report of that inspection to the Congress.".

Page 28, after line 25, insert the following new section:

SEC. 128. USE OF REFUGEE FUNDS TO ACQUIRE UNITED STATES GOODS.

(a) Study.—The Comptroller General of the United States shall conduct a study to determine the origin of goods acquired with funds contributed by the United States to the United Nations High Commissioner for Refugees. In conducting such study, the Comptroller General shall determine—

(1) the criteria the High Commissioner uses in determining what goods to acquire and the origin of those goods;

(2) the percentage of goods of United States-origin which are acquired with funds contributed by the United States; and

(3) why more goods of United States-origin are not acquired with such funds.

(b) Report.—Not more than six months after the date of the enactment of this Act, the Comptroller General shall submit to the Congress a preliminary report on the study conducted under subsection (a). As soon as practical after two years after the date of the enactment of this Act, the Comptroller General shall submit a final report to the Congress on the study conducted under subsection (a).

Mr. McCOLLUM (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the Record.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. McCOLLUM. Mr. Chairman, the United Nations and the United States have one thing that we do that is very important and not discussed often in this body. There are thousands of refugees all around the world, in Pakistan, in Southeast Asia, in Africa, in Central America.

Those refugees are driven out of countries for various reasons of war, famine, hunger, whatever. They are then in other countries and are most often in refugee camps. Those camps are supervised by the U.N. High Commissioner on Refugees. The High Commissioner really supervises a lot of voluntary agencies who are granted money under his supervision to perform various necessary social services and to prepare the camps and make sure that they are healthy, and so on and so forth, while the various countries of the world decide, if they are to decide, what to do about those refugees—if they are to return home, or perhaps to be placed, as they are in some cases, in our country or settled in another country.

It is a very important humanitarian function. This bill embodies the authorization for moneys that the United States donates, contributes, gives from time to time to the U.N. High Commissioner on Refugees as our part of that assistance to take care of refugees in the world. In my role as a member of the House Immigration, Refugee, and International Law Subcommittee of the Committee on the Judiciary, I have spent a lot of time involved with the various camps around the world, and I am concerned that there is no easy audit trail of what happens to our moneys or how they are spent in the process.

So the amendments I have offered today are very simple. They simply call upon the U.N. General Assembly President and the High Commissioner to provide for regular quarterly audits of the funds and to provide such audits to the Comptroller General and he report to us about them, and to provide for a study by the Comptroller

General of how these funds are used, that is, the U.S. contribution to the funds.

Are American goods purchased with them? What percentage of all the goods purchased are American goods? Just where does the money go and how does it go, and what else is done in the proceedings of the U.N. High Commissioner in dealing with these funds?

I submit that we need this. It adds no additional cost to this bill, and it would help immensely in a better understanding of what is happening to our funds and how the U.N. High Commissioner conducts his business.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I would be glad to yield to the chairman, the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding.

Mr. Chairman, I would just like to commend the gentleman for his initiative. I think the audit could provide information for us to make better judgments and evaluation on the use of funds, and the committee, on this side of the aisle, has no problem with the amendments and would accept them.

Mr. McCOLLUM. I thank the gentleman.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I would be delighted to yield to the gentlewoman from Maine.

Ms. SNOWE. I thank the gentleman for yielding.

Mr. Chairman, I thank the gentleman for raising these issues and bringing them to our attention. I support the gentleman's amendment and hope that the investigations and the audits will produce the results that we hope for.

Mr. McCOLLUM. I thank the gentlewoman.

The **CHAIRMAN**. The question is on the amendments offered by the gentleman from Florida [Mr. McCollum].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. BONKER

Mr. BONKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bonker: Page 28, after line 25, insert the following new section:

SEC. 128. INTELSAT.

(a) Policy.—The Congress declares that it is the policy of the United States—

(1) as a party to the International Telecommunications Satellite Organization (hereafter in this section referred to as "Intelsat"), to foster and support the global commercial communications satellite system owned and operated by Intelsat;

(2) to make available to consumers a variety of communications satellite services utilizing the space segment facilities of Intelsat and any additional such facilities which are found to be in the national interest and which—

(A) are technically compatible with the use of the radio frequency spectrum and orbital space by the existing or planned Intelsat space segment, and

(B) avoid significant economic harm to the global system of Intelsat; and

(3) to authorize use and operation of any additional space segment facilities only if the obligations of the United States under Article XIV(d) of the Intelsat Agreement have been met.

(b) Preconditions for Intelsat Consultation.—Before consulting with Intelsat for purposes of coordination of any separate international telecommunications satellite system under Article XIV(d) of the Intelsat Agreement, the Secretary of State shall—

(1) in coordination with the Secretary of Commerce, ensure that any proposed separate international satellite telecommunications system comply with the Executive Branch conditions established pursuant to the Presidential Determination No. 85-2; and

(2) ensure that one or more foreign authorities have authorized the use of such system consistent with such conditions.

(c) Amendments of Intelsat Agreement.—(1) The Secretary of State shall consult with the United States signatory to Intelsat and the Secretary of Commerce regarding the appropriate scope and character of, a modification to Article V(d) of the Intelsat Agreement which would permit Intelsat to establish cost-based rates for individual traffic routes, as exceptional circumstances warrant, paying particular attention to the need for avoiding significant economic harm to the global system of Intelsat as well as United States foreign policy interests.

(2) Pursuant to the consultation under paragraph (1), the United States shall actively support an appropriate modification to Article V(d) of the Intelsat Agreement to accomplish the purpose described in paragraph (1).

(d) Congressional Consultation.—In the event that, after United States consultation with Intelsat for the purposes of coordination under Article XIV(d) of the Intelsat Agreement for the establishment of a separate international telecommunications satellite system, the Assembly of Parties of Intelsat fails to recommend such a separate system, and the President determines to pursue the establishment of a separate system notwithstanding the Assembly's failure to approve such system, the Secretary of State, after consultation with the Secretary of Commerce, shall submit to the Congress a detailed report which shall set forth—

(1) the foreign policy reasons for the President's determination, and

(2) a plan for minimizing any negative effects of the President's action on Intelsat and on United States foreign policy interests.

(e) Notification to Federal Communications Commission.—In the event the Secretary of State submits a report under subsection (d), the Secretary, 60 calendar days after the receipt by the Congress of such report, shall notify the Federal Communications Commission as to whether the United States obligations under Article XIV(d) of the Intelsat Agreement have been met.

(f) Implementation.—In implementing the provisions of this section, the Secretary of State shall act in accordance with Executive Order 12046.

(g) Definition.—For the purposes of this section, the term "separate international telecommunications satellite system" or "separate system" means a system of one or more telecommunications satellites separate from the Intelsat space segment which is established to provide international telecommunications services between points within the United States and points outside the United States, except that such term shall not include any satellite or system of satellites established—

(1) primarily for domestic telecommunications purposes and which incidentally provides services on an ancillary basis to points outside the jurisdiction of the United States but within the western hemisphere, or

(2) solely for unique governmental purposes.

Mr. BONKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Washington?

Mr. BROYHILL. Mr. Chairman, reserving the right to object, I do so only for the purpose of asking the gentleman which amendment he is offering. I have two in my hand.

Mr. BONKER. If the gentleman will yield, I would respond by saying that the amendment is essentially the Broyhill amendment, with these two changes that will be explained in the course of my presentation.

Mr. BROYHILL. I thank the gentleman.

Mr. Chairman, I withdraw my reservation of objection.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BONKER. Mr. Chairman, this amendment is intended simply to assure that any U.S. decision to authorize separate satellite communications systems is fully and properly coordinated with Intelsat, the international consortium of 109 nations which provides the international segment for public satellite communications around the globe. The amendment would also assure that certain key issues regarding Intelsat's authority to compete with separate private systems are confronted before those new systems are finally approved by the United States, and that the limitations on new systems set forth recently by the President are fully adhered to.

This amendment, Mr. Chairman, has been worked out in close consultation with the chairman of the Energy and Commerce Committee and others. It deals only with aspects of this complex process of international communications which are directly within the jurisdiction of the Committee on Foreign Affairs; namely, the steps to be taken by the Secretary of State in consulting and coordinating with the parties to the Intelsat Agreement, of which the United States is one.

In conjunction with the Subcommittee on International Operations chaired by the gentleman from Florida [Mr. Mica], the Subcommittee on International Economic Policy and Trade which I chair, has held several hearings on the foreign policy implications of creating new satellite communications systems which would compete with Intelsat. Substantial concern was expressed at those hearings that the economic strength and viability of Intelsat be fully protected and assured. The United States was the guiding light behind the creation of Intelsat. The idea was to bind the whole world together—rich and poor nations alike—in a single global public telecommunications network.

That system has been an unqualified success. Intelsat's 15 telecommunications satellites today serve 173 countries, territories, and possessions. In contrast, the Soviet Union's competing Intersputnik system serves only a few countries outside the Soviet bloc itself.

This achievement would be in jeopardy, however, if new private satellite systems divert substantial Intelsat traffic from the most lucrative transatlantic routes.

Mr. Chairman, the President, the Secretary of State, and the Secretary of Commerce, in authorizing the Federal Communications Commission to consider applications for separate satellite systems, have already established two conditions that would help assure that such systems do not destroy Intelsat's economic viability. First, any separate system should provide only customized services—that is communications which are not interconnected with the public-switch network. Second, the United States and foreign governmental authorities which may authorize use of such a separate system should consult with Intelsat so as to ensure technical compatibility and prevent significant economic harm to Intelsat, which the United States is obligated to do.

My amendment, Mr. Chairman, endorses those conditions, and directs the Secretary of State to adhere strictly to them in international consultations prior to any final authorization by the United States of such a private satellite communications system.

In addition, however, my amendment would assure that the question of whether Intelsat has the ability to compete with separate satellite systems on a route-by-route basis be taken up by the Intelsat Assembly of Parties prior to any final U.S. action authorizing separate systems, and that the United States would actively support an effort to modify article 5(d) of the Intelsat Agreement to permit Intelsat to establish competitive, cost-based rates for individual traffic routes. That is a crucial condition because the economic impact of separate systems on Intelsat cannot be fully known until the question of route-by-route pricing flexibility is resolved. Prospective competitors deserve and need to know whether flexible route-by-route pricing is available to Intelsat before making the huge capital investments that separate systems involve. By the same token, Congress and the executive branch cannot fully judge the economic impact upon Intelsat of competitive systems without a clearer indication of Intelsat's ability and readiness to compete on a route-by-route basis.

Which brings me to a further feature of my amendment, Mr. Chairman. The amendment provides for a 60-day period after consultation is complete within Intelsat and prior to any final authorization of a competitive system for Congress to review the situation. The Secretary of State is required to report the results of the consultations to the Congress, and no final action can be taken by any executive agency or official until 60 days have elapsed. The importance of Intelsat to our foreign policy and national security is such that Congress should have a final opportunity to assess the situation. Particularly from a foreign policy point of view, the implications of going forward with separate systems cannot be fully understood until the required Intelsat consultation process is completed.

Mr. Chairman, this is a workable amendment. It does not preclude final approval of competitive systems. It does not significantly delay a final decision. The consultative process that is outlined in the amendment is one that we are already obligated to engage in as a signatory to the Intelsat Agreement. What the amendment does is make sure that those obligations are fulfilled, and that all factors bearing upon Intelsat's ability to compete, and therefore its economic viability, are resolved. We are committed to give priority to the continued economic viability of Intelsat, and this amendment simply assures that we fulfill that obligation.

Mr. Chairman, we have attempted to negotiate with other principals in order to reach agreement on this amendment. My amendment has Congress presupposing the need for a change in the Intelsat agreement to allow for flexible pricing on a route-by-route basis. Congress is not prejudging the outcome of the matter of Intelsat. That decision belongs to the assembly of parties.

I might conclude by saying that this amendment is needed for the reasons that Secretary of Commerce, Malcolm Baldrige, cogently stated in his October 30, 1984, letter to Secretary Shultz, and I quote:

> Intelsat should have pricing flexibility when confronted by actual or potential competition as long as the prices it charges covers its costs.

Mr. Chairman, I ask for adoption of the amendment.

□ 1200

The CHAIRMAN. The time of the gentleman from Washington [Mr. Bonker] has expired.

(On request of Mr. Nelson of Florida, and by unanimous consent, Mr. Bonker was allowed to proceed for 5 additional minutes.)

Mr. NELSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the distinguished gentleman from Florida.

Mr. NELSON of Florida. Mr. Chairman, I thank my friend for yielding.

As the Member having the privilege to Chair the Subcommittee on Space Science and Applications, I want to lend my support to the amendment offered by the gentleman from Washington [Mr. Bonker].

Our Nation has a longstanding commitment to Intelsat and support of a single global satellite system.

The industry framework which the Congress established 20 years ago to provide international communications has served the world well.

A duplication of Intelsat facilities may jeopardize U.S. relations with the 107 other member nations of Intelsat and U.S. relations with developing countries which rely on one of the most advanced communications network in history.

Consideration must be given to the ramifications of any alterations to our international communications policies. A change could have a negative impact on U.S. foreign relations as well as create complex problems in the delicate network of relationships that make up the international communications marketplace.

The Intelsat agreements require member nations to coordinate with Intelsat before building or using any system that could have an adverse economic or technical impact on the system.

This amendment calls for responsible review and coordination between the State Department and Intelsat of any U.S. decision to authorize independent telecommunications companies.

Mr. BONKER. Mr. Chairman, I thank my friend, the gentleman from Florida.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the distinguished chairman of the subcommittee.

Mr. MICA. Mr. Chairman, I would like to take a moment to speak in favor of the Bonker amendment. I also would like to ask the gentleman to correct me if my comments are inaccurate, because I have tried to look through the gentleman's amendment and see for myself what it does and does not do. If I have an incorrect assessment, please let me know.

The Bonker amendment, as I see it, does not alter the regulatory process in any way. The applicant is still required to meet the same conditions and go through the same process. It does not create any new delays. The Bonker amendment does not add any roadblocks in the processing of FCC applications.

The Bonker amendment does not alter the conditions—and I think this is important—of the Presidential determination No. 85-2 on this subject. In fact, the Bonker amendment reaffirms the Presidential determination. The Bonker amendment, as I understand it, in no way undermines U.S. sovereignty.

I might add that the Bonker amendment does reaffirm the U.S. commitment to Intelsat, as expressed in the administration's proposal.

I might just say at this point that, as we cochaired these hearings in our subcommittees, I said on numerous occasions that I support separate systems and would like to see competition take place, but also feel that we should protect Intelsat. This is what this effort is all about. In fact, for the first time, as I read the Bonker amendment, separate systems are legitimatized in legislation. These are just a few of the things that I think Members need to know.

Mr. Chairman, I do support the Bonker amendment. I must commend the gentleman for doing everything possible to try to work out an agreement, and I hope we can have an agreement on this amendment.

Mr. BONKER. Mr. Chairman, I thank the gentleman for his kind comments and his support, and I would note that he is one of the most knowledgeable members on this subject in our respective subcommittees, having conducted a series of hearings on this issue. In light of those hearings, I think the amendment is timely.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I am happy to yield to the gentlewoman from Maine, who is the ranking member of the subcommittee.

Ms. SNOWE. Mr. Chairman, I thank the gentleman for yielding, and I would like to congratulate the gentleman for offering this amendment here today and for bringing this issue to our attention.

I do believe this issue has far-reaching implications. Having joined the gentleman in a number of hearings concerning the ramifications of opening up separate systems to Intelsat, I think our efforts were worthwhile and are deserving of consideration here in the House of Representatives.

I would say to the gentleman that there is a fundamental question here today. It is not a question of opening up competition to Intelsat. The question is, do we intend to maintain our commitment?

The CHAIRMAN. The time of the gentleman from Washington [Mr. Bonker] has expired.

(On request of Ms. Snowe, and by unanimous consent, Mr. Bonker was allowed to proceed for 5 additional minutes.)

Ms. SNOWE. Mr. Chairman, if the gentleman will yield further, the fundamental issue here today is whether or not we are willing to maintain that commitment and preserve the integrity and the economic soundness of Intelsat as a system. We as a country created Intelsat some 22 years ago as part of a consortium of 109 nations.

Are we now willing to reverse that commitment and that investment, as well as the foreign-policy position that we have, because Intelsat provides communications services to all parts of the world? And what obligation will there be to the new business interests, for example, the new competitors to Intelsat, to fulfill that obligation?

What we are saying is that we support competition, but we want to insure that the President's criteria are met before the competition is allowed to Intelsat.

□ 1210

I stress that, because it is the President's criteria. It is not the criteria of the gentleman from Washington. The President of the United States set this down and put it forth in a determination, so that is all we are recommending here today.

I would suggest that the burden of proof is on those who think that if the benefits are so great that it is worth presenting the risk that it does to Intelsat. The Intelsat system has worked well in the last 22 years. I consider it analogous to the divestiture of AT&T. Are we better off today than we were prior to that divestiture?

It is an analogous situation because many parts of the world are provided communications services because of Intelsat and if we allow unabated competition to the Intelsat system, I am afraid that it threatens the eventual existence of that system as exists today.

So I support the gentleman's amendment. I think this issue needed to be addressed here in the House of Representatives because of the applications that are now pending.

I support competition, but I think it ought to be competition that does not duplicate the services that are now provided by the Intelsat system. That is all we are asking for here today.

So I would hope the Members of the House would support this approach, because the gentleman offers a very reasonable approach and he is only setting into legislative form the criteria of the President of the United States.

So I thank the gentleman.

Mr. BONKER. Mr. Chairman, I think the gentlewoman has stated the case extremely well and I welcome the gentlewoman's support.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I would be happy to yield to the distinguished ranking member of the Energy and Commerce Committee.

Mr. BROYHILL. Mr. Chairman, I thank the gentleman for yielding.

I understand that the gentleman's amendment follows to a great extent the language that I have submitted to the gentleman and I certainly appreciate the gentleman including that language in this amendment; however, I do understand that there may be one or two changes in the language that I had submitted to the gentleman. I wondered if the gentleman could point out those differences or those areas where there have been changes. I think I found two areas, but I want to make sure that there are not others. One is on page 2 in the gentleman's amendment, page 2, subsection (c). The gentleman has left out the words "need for." Is that correct?

Mr. BONKER. The gentleman is correct and it is not an oversight.

Mr. BROYHILL. Would the gentleman explain the reason that he would leave out the words "need for"? It would seem to me that the Secretary in consulting with the U.S. signatories to Comsat and also consulting with the Secretary of Commerce should have the flexibility to discuss the need for any modifications to the Intelsat agreement that would permit any changes in the rates. That it seems to me goes to the heart of the arguments that I have been making, that what we are doing here is tying the hands of our administration, of our Secretary of State and that we ought to give them some flexibility to deal with these issues and not tie their hands in legislative language of this kind.

Mr. BONKER. Well for the benefit of those who do not have the draft in front of them, I shall read just a few lines involved:

> The Secretary of State shall consult with the United States signatory to Intelsat—that is COMSAT—and the Secretary of Commerce regarding the appropriate scope and character of, a modification to article V(d).

The language of the gentleman from North Carolina [Mr. Broyhill] included the words "need for," so it read: "the Secretary of Commerce regarding the need for."

That is a critical phrase.

My position presupposes that Congress wants to see a change in article V(d) to allow for price flexibility on a route-by-route basis. It makes the language consistent with the next paragraph, which says, "The United States shall actively support" such a position.

I might add that the Secretary of Commerce in his letter dated November 30, 1984, to the Secretary of State has already asserted such a position on this question of flexible prices. In that letter, Secretary Baldrige said: "Intelsat should have pricing flexibility when confronted with actual or potential competition as long as the prices it charges cover its costs."

Mr. BROYHILL. Well, if the gentleman will continue to yield, and I appreciate his patience in this and also the fact that we have been able to negotiate it to this extent, that we are only debating over some few words, but they are critical words.

It seems to me that what the amendment of the gentleman would do with these changes would tie the hands of the administration.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(At the request of Mr. Broyhill, and by unanimous consent, Mr. Bonker was allowed to proceed for an additional 5 minutes.)

Mr. BROYHILL. Mr. Chairman, if the gentleman will continue to yield, it is an issue that needs to be resolved and that is the changing of the rate structure in Intelsat, but it may be that in the future as events occur that there is no need to change the rate structure. It may be that there would be no loss of traffic. There would be no loss of communication traffic, and for the United States to jump in and to be forced by this legislation to support this amendment is going to do damage to our foreign policy interests.

As the gentleman from Florida so correctly said, and both gentlemen from Florida I think said that, we do need to be concerned about our foreign policy interests; but it could be that this may have the opposite effect that the gentleman intends here, that there may be no loss of traffic and there is no need for this, and yet we have tied the hands of our Secretary of State and thus by their actions they will be alienating many people who we should be trying to seek friendship with.

Would the gentleman respond to that argument?

Mr. BONKER. Well, the gentleman, I think, makes a valid point and as the gentleman knows, we have attempted to work out an accord on this matter, but my amendment by striking "need for" does not mandate the administration to propose to Intelsat that such a modification of article V(d) take place.

Indeed, I have made a major concession by dropping the next clause which would have mandated the administration to raise this issue. That is where we have accepted the gentleman's language on "actively supporting" such a position that may be raised by another member nation.

So what we are talking about in the earlier provision is a matter of the administration taking appropriate steps toward modification of article V(d), but we cannot unilaterally make that change. We have to go to Intelsat and vote like all the other member nations on any changes to their charter.

Mr. BROYHILL. Well, let us assume we have a situation that arises where one nation makes a proposal and then we are required to support that, but we have alienated everybody else and they are voting no. Our representative and our State Department is left in the position that they have no flexibility to negotiate this and to work with the other signatories in order to work out the problem. There could be other ways to accomplish the same results or it could be that if there is a competititive service that is being offered, for example, that has been approved, that it is not going to take away business from Intelsat, it is not going to take away traffic, and to require the United States to take this action is going to deprive these nations of income and then they are going to blame the United States for that action. It seems to me that is not what we want to accomplish here. We want to maintain some flexibility.

Mr. BONKER. Let me be clear so that we can put this matter to rest.

The amendment does not mandate any particular U.S. position on this question.

I think Congress ought to provide some direction to that position, but we are not getting into the specifics. We are only saying that the United States through the Secretary of State ought to take the appropriate steps to modify article V(d).

Now, whatever the member nations want to do, that is their collective decision.

Mr. BROYHILL. That is an important statement the gentleman made. I want to be sure of our understanding.

The gentleman is saying that the Secretary of State, our administration, will have some flexibility with regard to the position that it takes, that if they should find that there is no need for any change in the rate structure in Intelsat, would they then be able to say that we would not have to support an amendment——

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(At the request of Mr. Broyhill, and by unanimous consent, Mr. Bonker was allowed to proceed for an additional 5 minutes.)

Mr. BROYHILL. Mr. Chairman, I appreciate having this additional 5 minutes and I appreciate the patience of Members, because this is critical.

Mr. BONKER. I say to the gentleman from North Carolina, there is flexibility in this language, because we only provide that the Secretary in consultation with the other departments of our Government shall look at the appropriate scope and character of article V(d) for the purpose of modification.

☐ 1220

So the administration has the flexibility to develop its position. But we ought to be moving in that direction.

Mr. BROYHILL. Well, what happens then if there is a decision and apparently it is supported by a majority of the signatories that there is no need to make a change and then do you say that then our country is forced to vote for a change?

Mr. BONKER. The United States cannot actively support "no position."

Mr. MICA. Will the gentleman yield?

Mr. BONKER. I yield to the chairman of the subcommittee.

Mr. MICA. I would just say that a reading of the language shows that the amendment addresses the gentleman's concern.

I must just add, too, the gentleman's committee is fully protected on this.

What we are talking about is not accepting whatever Intelsat or a member thereof proposes but rather supporting an appropriate modification. So as I understand the language, Intelsat could make a recommendation, we may not agree with it and offer some other appropriate recommendation. That would then give us the flexibility the gentleman is seeking.

Mr. BROYHILL. Will the gentleman yield further?

Mr. BONKER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Would the gentleman from Florida [Mr. Mica] agree with me that we could have a situation arise where we are forcing our Nation to support a position that may be untenable or may not have support and thus tie the hands of our representatives and not be able to negotiate this with the other signatories?

Mr. MICA. First, let me say I would share the gentleman's concern but I do not read the legislation as doing that.

I think we will always be in the position to offer a counterproposal and we will always be in a position to offer what we call in the legislation "an appropriate modification" which may not be—and the legislation does not say it has to be—the same as that which would be proposed. I think that does cover the gentleman's concern.

Mr. BROYHILL. If the gentleman would continue to yield, would the gentleman from Washington agree with what the gentleman from Florida has said? Because it is certainly an important interpretation.

I am not quite sure that the words say that and that is why I offered additional words. Perhaps if we had time, we could continue to negotiate and work this out. But apparently the legislative process is moving on and we do not have that flexibility ourselves.

With that understanding, I would like to continue working with the gentleman as the legislative process goes through to the other body to see if we could not have legislative language that would carry out the intent of what the gentleman have stated here.

If the gentleman would yield further, I have one other concern with respect to language that is found in subsection 2 of (b). My concern is that we are having foreign governments here, we are saying that they would have to be enforcing conditions that have been laid down by the President in Presidential Determination No. 85-2. I am not sure that we want to do that. I think we can certainly have the authority to enforce Presidential conditions but is it the intent here that you want the foreign authorities to be enforcing Presidential determinations?

Mr. BONKER. I do not think the legislation really speaks to this issue in a way that will breach our extraterritorial respect for foreign governments and their policies. I think the administration has responsibility, in consultations with other governments, to see that we are playing by the same rules. So I do not think this will have extraterritorial reach that will prove offensive.

Mr. BROYHILL. The reason I bring this up is a letter addressed to the chairman, signed by the Acting Secretary. Mr. Kenneth Dam raises this point as to whether or not the U.S. national interests would be served.

The CHAIRMAN. The time of the gentleman from Washington [Mr. Bonker] has again expired.

(On request of Mr. Broyhill and by unanimous consent, Mr. Bonker was allowed to proceed for 5 additional minutes.)

Mr. BROYHILL. I assume the gentleman has seen this letter. If not, I will be glad to show it to him.

Mr. BONKER. I have not seen the letter. Maybe as others speak, I will have an opportunity to read the letter and respond.

Mr. BROYHILL. As I understand, at the end of that first paragraph, what he is saying is that the U.S. limitations on services is expressing concern that we are going to be imposing these kinds of limitations on foreign governments and that what we are doing we can do ourselves but we are in effect saying what other governments should do.

Mr. BONKER. It is not my intent through this amendment to dictate our policies to other countries, but I do think the Secretary ought to be consulting with them concerning changes to the Intelsat system.

Mr. BROYHILL. I thank the gentleman for his patience.

Mr. LAGOMARSINO. Will the gentleman yield to me?

Mr. BONKER. I am glad to yield to the gentleman from California.

Mr. LAGOMARSINO. With regard to the last question of the gentleman from North Carolina, the way I read the duty of the Secretary of State, it is merely to find whether something is a fact or not, has another country agreed, as is required under the Intelsat agreement. Is that not the gentleman's understanding?

Mr. BONKER. If you read the language, subsection b(2) of the amendment says that the Secretary shall "ensure that one or more foreign authorities have authorized the use of such system consistent with such conditions."

Mr. LAGOMARSINO. But it does not impose on him a duty to get another state to do that?

Mr. BONKER. No, it does not.

Mr. LAGOMARSINO. It merely is to find whether or not they actually have. You could say the Secretary of State shall find. I think you could perhaps use other words. But I do not know that it really makes any difference.

Mr. BROYHILL. Would the gentleman yield?

Mr. BONKER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Let me see if I can articulate my concern here. I think my concern is what this could be doing is giving the foreign government the power to interpret these U.S.-imposed conditions which are contained in that Presidential order or pronouncement or whatever you want to call it that the foreign government could interpret those in such a way that they could become a trade barrier.

In other words, it would make it difficult for a competitive satellite system to operate, depending upon the interpretation of the host government.

Mr. BONKER. I think you may be reading more into the provision than is actually there, but that is why this colloquy is useful. It is not my intent as sponsor of the amendment to dictate the Presidential conditions to other foreign governments. But I think that we ought to be working with foreign governments to see that compatible conditions are in place.

Mr. LAGOMARSINO. Will the gentleman yield again?

Mr. BONKER. I yield to the gentleman from California.

Mr. LAGOMARSINO. With regard to the first point the gentleman from North Carolina and the gentleman from Washington had a colloquy about with regard to the Secretary of State and Intelsat, if you read on in the language, it says the Secretary of State, regarding the appropriate scope and character of a modification to article V(d) of the Intelsat agreement, which would permit Intelsat to establish cost-based rates for individual traffic routes as exceptional circumstances warrant.

So there would have to be that and then it goes on to say paying particular attention to the need for avoiding significant economic harm to the global system of Intelsat, as well as the United States.

So I think that there is perhaps even more flexibility in the gentleman's amendment than the gentleman thinks there is and perhaps the deletion of the words "need for" and "above" do not have as much effect as perhaps the gentleman told us.

I think that even with that deletion, that there is appropriate discretion on the part of the Secretary of State and while perhaps it could be helpful if at some point along the line clarifying language could be added, I think the amendment makes sense. I support it.

I started out about one year ago strongly in opposition to the idea of the kind of competition we are talking about. Through a series of meetings and hearings that have been held in the gentleman's subcommittee, I have come to the conclusion that what is being proposed here is a pretty good way to do.

In other words, that competition is not going to be harmful as long as we keep in mind the basic parameters of the original agreement to set up the system in the first place. So I hope the gentleman's amendment is adopted.

☐ 1230

But I do urge on the gentleman that he continue the dialog with the gentleman from North Carolina [Mr. Broyhill] and others to see if we cannot get even closer agreement on this issue.

Mr. BONKER. I appreciate the comments of the gentleman and his support.

Mr. WIRTH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will not oppose this amendment. I have discussed its contents with its sponsors, and they have agreed to a number of changes that I think will provide a better balance to the language that was originally going to come before us. I thank them for their willingness to accommodate my views.

Mr. Chairman, as we debate the issue of alternative satellite systems, and the role of the United States in Intelsat, I'd like to take a few moments and try to put these issues in perspective. We are not simply picking a winner between Intelsat and the applicants to provide alternative services. We are setting in place the infrastructure that will facilitate U.S. exports—

in this case, not telecommunications hardware, but the information and programming services which can make a significant dent in our trade deficit.

Until there was the threat of competition to Intelsat, it was impossible to obtain a 24-hour video channel linking the United States and Europe. Cable programming services, for instance, had no mechanism to export their product to cable systems in Europe.

But within the last few months, Intelsat's signatory—Comsat—has finally signed a contract to provide such a service to a U.S. programmer—CNN—and service will commence in September.

That's the good news.

The bad news is that Comsat's rates are double the rates for comparable service in the United States. And the service is preemptible.

Mr. Chairman, I do not mean to imply that Intelsat has not been good for the United States. From its conception in the early days of the Kennedy administration Intelsat has succeeded in creating a global satellite network that serves its members well.

Intelsat now has 109 member countries. It has brought instantaneous communication to virtually every country in the world, helping to make the world a smaller place. Its interconnected network has hastened the integration of member countries into the world economy, and has made international telecommunications almost as ubiquitous as the domestic system. Intelsat is a monument to the peaceful uses of outer space, and to cooperation among nations.

But it is important to understand just who Intelsat's owners are. They are primarily the postal, telephone and telegraph administrations of member countries. The satellite network they designed is suited to their needs—providing point-to-point telecommunications for switched voice and record services.

Thus, traffic destined for European distribution is collected at one of three Earth stations in the United States, uplinked to the satellite, and received in another country. At that point, the message transits the domestic network of the receiving country, and ultimately arrives at its destination.

The facilities of Intelsat have served this market well. Moreover, by virtue of satellite technology, thin routes and high density routes can be served over the same facility. Transmissions are virtually distance insensitive.

But there are other markets, distinct from the switched voice market, that lend themselves to satellite technology. We can identify some of these other markets—for example, the video market. And the video market provides a good example of the way changes in satellite policy can help to bring new products and services to the public. Let me explain.

Until 1972, the FCC regulated the ownership and construction of satellite Earth stations, even if the Earth station could only receive a signal. In 1972, however, the FCC adopted its so-called open-skies policy, which deregulated receive-only Earth stations. No one was quite sure what benefits would result from the new policy, but the FCC took a chance and let marketplace forces work.

And the marketplace did work. Programmers for cable systems quickly realized that satellites offered an inexpensive alternative to terrestrial transmission facilities. With a single uplink signal, a programmer could reach virtually every cable system in the country, at nominal costs.

The result was the inauguration of services like HBO. And with the advent of premium channels on cable systems, the cable industry has grown at a rapid pace.

Intelsat does not now serve the video marketplace in a meaningful fashion. The few video transponders that are available are preemptible, they must be reserved far in advance, and they are extremely expensive.

Moreover, the Intelsat tariffs include additional charges for additional receiving points, reflecting the fact that Intelsat was designed to meet the needs of its owners—the PTT administrations.

The applications currently under consideration by the FCC propose to serve the video market. They will make facilities available that will facilitate the export of U.S. programming.

In short, there is a market under construction, which the alternative satellite systems could enable U.S. programmers to fill.

What are the U.S. options? If we are to take advantage of the development of nontraditional applications of satellite technology. What is the appropriate course to pursue?

It seems to me that our options are threefold.

First, we could rely upon Intelsat, and try to encourage Intelsat to fulfill these new needs as well as its obligations to the public switched network.

Second, we could protect Intelsat's switched services from competition, but allow alternative systems for other applications.

Or third, we could pursue competition with ideological fervor, and permit alternative satellite systems to compete directly with Intelsat.

As Americans, I believe we have a predisposition toward competition. We know that competition encourages innovation, lower prices, and a greater level of responsiveness to the market. Moreover, we already have alternative systems providing international satellite services—most notably, the Inmarsat system—which connects ships at sea to the public switched networks of the world.

And asking Intelsat to be all things to all people is not fair—particularly to those from underdeveloped nations. The new applications for satellite transmissions—video, high speed data—will, in all likelihood, only be utilized by developed countries. Forcing Intelsat to meet the needs of a few of its members—while incurring costs for each member country—is unfair. The Third World should not be forced to underwrite the cost of video distribution between the United States and Europe. Thus, I do not believe that the first option is realistic for the United States.

The third option—of permitting unrestricted competition to Intelsat for all services—is equally unrealistic. To do so would constitute an abrogation of our obligations under the Intelsat agreements. Unrestricted competition would deny us the benefits of a globally interconnected system for switched services. And such a policy would offend our partners in Intelsat.

The second opinion of permitting competition for some services, while protecting Intelsat's switched traffic, is far more reasonable. It has the virtue of maintaining the good things that Intelsat has brought—cooperation, interconnectivity, and access to every corner of the world.

But this option will also permit the development of new applications of satellite technology, without imposing the costs of the new applications on those who do not use them. Reliance on market forces for the offering of nontraditional services is consistent with our own tradition of free enterprise, and will facilitate greater responsiveness to the marketplace.

We have already seen Intelsat respond to the threat of competition. Just 2 months ago, Ted Turner announced an agreement to export his Cable News Network to Europe, over Intelsat. Intelsat now offers a new data service—International Business Satellite Services. I would expect to see additional innovation on the part of Intelsat in the future, proving the maxim that competition brings users new services.

Protecting Intelsat's switched services, while permitting alternative systems for customized services, is sound telecommunications policy. But international telecommunications are, by their nature, joint undertaking. And Intelsat, in particular, represents both a telecommunications and a foreign policy success.

There are foreign policy ramifications to this issue, which I'd like to address as well. Those ramifications have both substantive and political dimensions, which must be separated.

On a substantive basis, there is legitimate concern that fragmenting Intelsat's traffic will cause Intelsat economic harm. It seems to me that, by limiting alternative systems to customized services, and prohibiting them from offering switched service, Intelsat's primary mission will be safeguarded. We're not talking about cream skimming here, in which the most lucrative traffic is diverted from Intelsat.

Rather, we are opening up to competition a new market, currently unserved or underserved—and making sure that those who use the new services are the ones who pay for them.

The political dimension is, however, another story. For a variety of reasons, and by a variety of players, the members of Intelsat have been told that the decision to permit alternative systems represents a movement away from a single global system for the provision of switched service.

Nothing could be further from the truth.

Those member countries must be presented with a detailed explanation of U.S. policy, the safeguards that will be employed to Intelsat, and most importantly, the rationale behind the policy to permit alternative systems.

That job has not been done.

The absence of that explanation has created a situation in which a foreign policy problem can develop, if it hasn't already.

I do not believe that the proposed alternative systems pose substantive problems for the United States and its relationship with the other members of Intelsat. But the manner in which the United States has addressed the issue may well have created a political problem.

The State Department must undertake an aggressive effort to explain the policy to our partners in Intelsat. It must reassure them that the limited authorizations proposed by the President will not have an adverse economic impat on Intelsat, and do not represent a diminution of America's commitment to Intelsat.

One subsidiary question that has been raised in this debate is whether Intelsat ought to be allowed to compete with the alternative systems.

It seems to me a more competitive Intelsat could bring many advantages—to the United States and to the rest of the world.

However, as we address this question, it seems to me that there are two principles that ought to govern the resolution of the debate:

First, there should be no cross-subsidies. Intelsat should not be permitted to use its protected position in the switched market to underwrite the cost of entering the new markets.

Second, those who benefit from Intelsat's competing should be the ones to pay for it. Less developed countries [LDC's]—which will not be utilizing high speed data links, nor 24-hour video transponders—should not be forced to pay for their construction, launch, and operation.

The United States—together with its partners in Intelsat— should begin the process of defining the future role of Intelsat in these newly competitive markets. If there is a consensus that Intelsat should be permitted to compete, we should attempt to define the manner of that competition, consistent with the two principles I outlined earlier. This effort should help to reassure Intelsat and its member countries that the United States has a strong interest in seeing Intelsat prosper, and will continue to work to achieve that goal.

We are only at the beginning of this process. The detailed recommendations from the executive branch are less than a year old.

As we examine these issues, it is important to keep several things in mind:

First, the technology that has made Intelsat possible is not static. There have been tremendous advances over the past 20 years.

As the technologies involved have changed, so also should the policies of the United States. By permitting alternative systems to make facilities available for unserved, or underserved markets, those who depend on satellite transmission will be better off.

Second, unless we continue in the direction of alternative systems, there will be serious opportunity costs. New export markets will remain undeveloped. At a time when our balance of trade is approaching crisis proportions, those opportunity costs are significant and growing.

Finally, we should remember that Intelsat has been good for the United States, and good for the rest of the world. We should attempt to build on that base as we permit new applications of satellite technology, and make sure that our partners are kept well aware of our ongoing commitment to the Intelsat system.

Mr. Chairman, the amendment before us today will not impede this goal. I would like to thank the gentleman from Florida [Mr. MICA] and the gentleman from Washington [Mr. BONKER] for their willingness to work with us in crafting an amendment. Very importantly, I appreciate their willingness to assure that the amendment reflect my view that with respect to the issue of flexible pricing, the United States have complete flexibility in determining what position it will support. I look forward to working with them in the future, as the Committee on Energy and Commerce continues its work in international telecommunications issues.

I give back the balance of my time.

Mr. Chairman, I want to first of all compliment the gentleman from Washington [Mr. BONKER] and the gentleman from Florida [Mr. MICA] for making accommodations to the concerns that many of us on the Commerce Committee have about this important piece of legislation. The amendment offered by the gentleman from Washington [Mr. BONKER] is certainly a great deal better than the original language and I think we have practically accommodated our concerns.

I was especially pleased to hear the gentleman from Florida [Mr. MICA] point out that we were not going to in any way interfere with the FCC's process.

I point out there is some confusion, I think, about what is being accomplished here; there are three broad principles that I think we all agree with. The first, relating to competition in the international satellite area, is critically important and there is no intent here to interfere with such competition.

Second, contrary to some of the arguments that have been made against competition, there is no intent here to harm Third World countries in any way, shape, or form.

Third, there is no intent here that we would permit cross subsidies on the part of Intelsat.

The most vexing question is the question of price flexibility for Intelsat and it is my understanding, having talked to the gentleman from Washington and the gentleman from Florida, that under this amendment the United States will have full flexibility in developing a position on the issue of flexible pricing as put forward by any party to the Intelsat agreement.

That issue of price flexibility is there, the Congress is not determining one way or another; it is saying that that flexibility remains.

Mr. Chairman, I just want to confirm with the gentleman from Washington that it is his intent as the author of the amendment that the amendment does not in any way prejudge or predetermine the issue of flexible pricing with respect to the Intelsat agreement?

I offer that question to the gentleman from Washington.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman.

Mr. BONKER. I thank the gentleman for yielding.

As was discussed earlier, the administration has flexibility within Intelsat on flexible pricing. I think that is implied in the language that is in the amendment before the House.

Mr. WIRTH. I understand what the gentleman's intent is. I think we have arrived at that under this amendment and I think that this does not involve any kind of prejudging of the issue.

Mr. TAUKE. Mr. Chairman, will the gentleman yield on that point?

Mr. WIRTH. I would be happy to yield to the gentleman from Iowa.

Mr. TAUKE. I thank the gentleman for yielding.

If I may also have the attention of the gentleman from Washington, is he suggesting by that comment that the United States need not necessarily support the averaging of rates?

Mr. BONKER. Mr. Chairman, will the gentleman yield to me?

Mr. WIRTH. I yield to the gentleman from Washington [Mr. Bonker].

Mr. BONKER. I thank the gentleman for yielding.

There is nothing that specific in the amendment. But we do have a provision in there that says that the U.S. Government shall actively support a position to modify article 5(d).

Now, what the United States position is, developed through the Secretary of Commerce and Secretary of State and Comsat, remains to be seen.

My language requires the United States to address the question of route-by-route price flexibility and modification of article 5. While the amendment does not require that the United States support any particular proposed modification of article 5(d) of Intelsat's charter, it does require that the United States support some version of route pricing authority. I regret that I was not able to reach agreement with all Members on this particular point. But the language is clear that the United States support route-by-route pricing flexibility within Intelsat, and I am unable to agree to anything less than that.

Mr. TAUKE. But if we were to conclude that for some reason a position of deaveraging was not necessarily in the interest this amendment would not compel the U.S. Government to support something like that.

Mr. BONKER. The amendment does not compel the United States to support any specific position.

Mr. TAUKE. I thank the gentleman from Washington [Mr. Bonker].

Mr. Chairman, I thank the gentleman from Colorado [Mr. Wirth].

Mr. WIRTH. I thank the gentleman from Washington.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to engage my colleague, Mr. Mica, in a colloquy concerning his amendment.

Am I correct that the Secretary of State is required to conduct the activities assigned to him by this amendment under the existing terms and procedures that govern the allocation of executive branch responsibilities for international communications policy?

Mr. MICA. Mr. Chairman, if the gentleman will yield, the gentleman is correct. The amendment does not assign to the Secretary of State an expanded role in the formulation of executive branch international communications policy. Subsection (f) of this section states that "In implementing the provisions of this section, the Secretary shall act in accordance with Executive Order 12046." Pursuant to this Executive order, a State-Commerce Arrangement on Responsibilities for International Communications and Information Policy was signed on August 31, 1983, by the Secretaries of State and Commerce. This arrangement will govern the activities of the Secretary of State under this section.

Mr. DINGELL. I thank the gentleman. Is it his understanding that this arrangement assigns to the Department of Commerce the responsibility "for the development and presentation of telecommunications and information policy for the executive branch."

Mr. MICA. That is correct. In addition, under this arrangement the State Department is responsible for incorporating the telecommunications policy area with other aspects of U.S. foreign policy. Effectively advancing U.S. interests requires close collaboration and cooperation between the Departments of State and Commerce.

I want to assure my colleague, the chairman of the Committee on Energy and Commerce, that nothing in this amendment alters the current allocation of international telecommunications responsibilities. The Secretary of Commerce retains his role as the President's principal adviser on telecommunications policy.

Mr. DINGELL. I thank the gentleman and urge my colleagues to support this amendment. It is a compromise that allows alternative international satellite systems to be established only under the terms recommended by the administration, while assuring that Intelsat has the flexibility to provide U.S. customers with high quality, reliable service at cost-based rates.

Mr. Chairman, I thank my colleague and express my great respect for him.

Mr. MICA. I thank the gentleman.

Mr. MacKAY. Mr. Chairman, I move to strike the requisite number of words.

I would like to read a statement and ask the gentleman from Florida [Mr. Mica] to listen to this and confirm that it represents his intention.

Ever since the breakup of AT&T, I have been concerned that, prior to authorizing major changes to existing telecommunications institutions, Congress must analyze the effects of proposed changes and ensure that the benefits to be gained outweigh the possible detriments.

I am likewise interested, however, in allowing innovation and new technologies to flourish and to bring benefits to all parts of the world. I am particularly interested in making sure that our procedures are not used to stymie developments in the lesser developed world.

I support the amendment because I have been assured that the intent here is to ensure that transatlantic competitors to Intelsat will not impair Intelsat's ability to continue to provide quality international services to all countries of the world.

The amendment is not intended to impede the development of domestic satellite services or transborder satellite services. For example, this amendment would not affect the Mexican satellite system from providing services to the United States on a transborder basis nor will it affect American companies from selling satellite capacity to Latin American nations for domestic and transborder purposes.

Mr. MICA. Mr. Chairman, if the gentleman will yield, first I would like to thank the gentleman for his concern. I think this will be a very helpful addition to the Record on this subject.

Mr. Chairman, the gentleman is absolutely correct.

Mr. MacKAY. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. Bonker].

The amendment was agreed to.

□ 1240

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Panetta: Page 28, after line 25, insert the following new section:
>
> SEC. 128. EMERGENCY TELEPHONE SERVICE AT U.S. CONSULAR OFFICES.
>
> It is the sense of the Congress that the Secretary of State should ensure that all United States consular offices are equipped with 24-hour emergency telephone service through which United States citizens can contact a member of the staff of any such office. The Secretary should publicize the telephone number of each such service for the information of United States citizens. Not more than 90 days after the date of the enactment of this Act, the Secretary shall submit a report to the Congress on steps taken in accordance with this section.

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Chairman, I rise today to offer an amendment to the State Department authorization. I offer it, because I think it addresses a very real problem in the services provided by our consulates abroad.

I ask you today to amend the State Department authorization to include a new section, section 128, which would express the sense of Congress that the

Secretary of State ensure that all U.S. consular services worldwide are equipped with a 24-hour emergency telephone service through which U.S. citizens can contact a member of the consulate staff. This amendment would also direct the Secretary to publicize this phone number so that any U.S. citizen traveling abroad is aware of who to call in the event of an emergency.

Mr. Chairman, it was only last fall when two of my constituents were killed in a car accident in Tijuana, Mexico. Leslie and Mary Bugalski were visiting with friends in Mexico when the van they were riding in was struck. Four of the passengers in the van died as a result of the accident.

If the accident were not tragic enough, consider that it happened at a time when the U.S. consulate was closed. Friends of the victims, kept calling the consulate, attempting to find information relating to their friends—not knowing about the accident. Sadly, these friends learned of the accident and their friends' deaths not from the U.S. consul, but from a local newspaper the next day.

I will not relate here the horrible treatment to which two of the victims' father was subsequently subjected, but let me say that it was clear that our consular services were sorely lacking in Tijuana.

Unbelievable as it might sound, U.S. consulates worldwide are not required by law to provide for 24-hour-a-day contact with a member of the consulate staff, even in the event of dire emergency or death. In many consulates, callers to the U.S. consul after business hours reach a local answering service. Whether the U.S. consul ever gets the message, and whether the U.S. citizen in trouble gets the assistance he or she needs immediately, depends on the operability of the local system.

Mr. Chairman, I believe we owe our citizens more than that. I ask my colleagues to adopt this amendment to provide for 24-hour-a-day contact with a member of the U.S. consulate staff. Further, I ask that this emergency phone number be publicized so that all American travelers are aware of this service.

In the case of the Bugalski girls, the availability of this service might have avoided undue trauma and delay. Now that such services are provided at the U.S. consulate in Tijuana, I am confident that no American citizen in Tijuana will ever have to wait to receive the emergency assistance they need. But what guarantees do we have in other parts of Mexico, and other parts, indeed, of the world?

Mr. Chairman, I urge the passage of this amendment so that American citizens, wherever they may be, can rest easy knowing that emergency assistance from a U.S. consultate is available whenever they need it, and not just during normal working hours. Let us not abandon our own citizens during their times of greatest need.

Mr. Chairman, I yield to the chairman of the subcommittee.

Mr. MICA. The committee has reviewed this amendment and has no objections to it. I would like to add, however, that it has been our understanding that this type of service has been provided by the Department of State. There may be some holes in this network, and this amendment would indeed patch that up.

I think this amendment is needed. It is a helpful amendment, particularly since a report will be submitted in 90 days as to what actions have been taken to make sure that there is a worldwide comprehensive system, so this type of situation does not occur again.

Mr. PANETTA. I thank the gentleman.

Mr. Chairman, I yield to the gentlewoman from Maine [Ms. Snowe].

Ms. SNOWE. Mr. Chairman, we have examined the amendment, and I, too, would be in absolute agreement with the gentleman from California.

In the meantime, I think we should explore the situation further, beyond this amendment, to make sure that this does not occur again. It was unfortunate circumstances that brings this issue to our attention.

I thank the gentleman for raising the issue, and I support the amendment.

Mr. PANETTA. Mr. Chairman, I thank the gentlewoman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Panetta].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HUTTO

Mr. HUTTO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Hutto of Florida: Page 28, strike out line 11 and all that follows through line 25, and insert in lieu thereof the following:
>
> Assignment of members and advisers to the United States delegation to the Coordinating Committee on Export Controls shall be determined by the Secretary of State in consultation with the Secretary of Defense and the Secretary of Commerce.

Mr. HUTTO. Mr. Chairman, my amendment would delete the section 127, and replace it with language that would permit the Secretary of State, after consultation with the Secretaries of Defense and Commerce, to assign the members and advisers to the U.S. delegation to the Coordinating Committee on Export Controls, known as Cocom.

The present section 127 must be deleted from this bill for the following reasons:

Under section 127, as presently written, only State Department employees could be members of the U.S. delegation or assigned to Cocom as advisers to the U.S. delegation. Further, only State Department appropriations could be used to fund, repair, or maintain Cocom facilities.

Section 127 would serve to undermine the extensive, ongoing efforts to improve our Nation's ability to control defense-related goods and technology for national security reasons, and we do need to protect these critical technologies, because the Soviets have been getting a free ride on the military technology that the American taxpayers have been spending, over $20, nearly $30 billion a year, and this isn't right.

It would prevent the use of DOD funding already committed for Cocom modernization and enhancement. Two years ago, $2 million of defense funds were requested by the Under Secretary of State to enhance the Cocom secretariat; and the Congress approved this request, which was cleared through the House Armed Services Committee.

It would also deny the assignment of DOD and Commerce experts to provide timely advice to the U.S. Cocom representatives—even though, for a number of years, officials of the Departments of Defense and Commerce have been active participants in the Cocom negotiating process.

Furthermore, I understand this section was suggested during full committee consideration of the bill without hearings or testimony from responsible witnesses. Also, the section was not considered by the House Committee on Armed Services, which is responsible for all matters affecting the Department of Defense.

Cocom has been operating with minimum staff, with virtually no equipment and under poor working conditions, and members of our staff visited Cocom a year or so ago and found this to be a fact. As a result of the DOD funds, modern computer equipment is about to be installed to serve exporters more expeditiously.

My amendment would ensure that the already authorized and appropriated funds are permitted to be used to improve the Cocom operations, which is clearly in our best interests. In addition, the Secretary of State will have at his disposal the best of talents from both the Departments of Defense and Commerce to help his own department's personnel.

Section 127 is counterproductive, ill advised and has the dual effect of undermining national security and cheating the business community of the efficiency we are trying to create for them in Cocom.

Mr. Chairman, I know that Members have received letters from defense contractors, from the U.S. Chamber of Commerce, and surely, no, they want little or no restrictions, but we have a responsibility to see that our critical technology does not go to the Soviet Union, the Warsaw Pact nations.

For that reason, we need to strike section 127 from this bill.

Mr. ZSCHAU. Will the gentleman yield to me?

Mr. HUTTO. I would be happy to yield to the gentleman.

Mr. ZSCHAU. I thank the gentleman for yielding to me. It is my understanding that currently there can be at Cocom advisers, consultants, temporary personnel from a variety of agencies to deal with some of the problems that the gentleman alludes to without their being there on a permanent basis.

It would seem to me that in those events where it is necessary to have those people, that under current law, even if this—your amendment would not pass, and the language in this bill were retained, that these resources could be used.

Is not that correct?

(On request of Mr. Zschau and by unanimous consent, Mr. Hutto was allowed to proceed for 3 additional minutes.)

Mr. HUTTO. The gentleman from California is exactly right, and what my amendment does is to maintain the status quo, and I cannot understand why the Committee on Foreign Affairs would not accept this amendment, because I put it under the Secretary of State, as you heard the amendment read.

And so, if section 127 is maintained, no, you would not be able to have the advisers; it explicitly states in section 127 as passed by the committee without a lot of hearings, then you would preclude those advisers.

Mr. ZSCHAU. If the gentleman will yield, does not section 127 refer to permanent personnel rather than people who are there on a temporary basis, or consulting basis, as is currently done?

Mr. HUTTO. Let me read section 127(a) for you:

> Funds for Cocom Facilities.—No funds other than funds appropriated to the Department of State may be used to alter, repair, expand, or modernzie, or engage in any other additional construction of, the facilities of the Coordinating Committee on Export Controls.

Of course, you would deny the facilities that we used for Cocom, if you kept in 127.

Now, going to your point a little further in paragraph (b):

> Assignment of Members and Advisers to United States Delegation.

It says:

> No officer or employee of any department or agency other than the Department of State may—
>
> (1) be assigned to be a member of the United States permanent delegation to the Coordinating Committee on Export Controls, or
>
> (2) be permanently assigned to the Coordinating Committee as an adviser to the United States permanent delegation to the Coordinating Committee.

□ 1250

Mr. ZSCHAU. If the gentleman would yield further, I appreciate that clarification, and what it does clarify is that the permanent member and permanent adviser or member of the permanent delegation is what is being prohibited here. This language, 127, would not prevent temporary advisers, consultants, as are currently used at Cocom from a variety of departments.

Mr. HUTTO. If I may, let me ask the gentleman a question. What is the purpose, other than prohibiting the upgrading of the facilities which we very badly need, what is the purpose of that paragraph (b)?

Mr. MICA. Mr. Chairman, will the gentleman yield on that point?

Mr. HUTTO. I would be happy to yield to the chairman.

Mr. MICA. There is no problem with upgrading the facilities. In fact, the State Department was authorized $2 million for upgrading the Cocom facility last year, but these funds were not appropriated.

(On request of Mr. Mica and by unanimous consent, Mr. Hutto was allowed to proceed for 5 additional minutes.)

Mr. MICA. If the gentleman will yield further, I have been wrestling with this situation because I share some of the concerns of the gentleman from Florida and can certainly give some support to the intent of his language. I have reviewed it. I understand the concern is that we wanted in some way to alter the status quo. In the gentleman's opening statement he said that the language in the legislation would prohibit other agencies from being involved in Cocom and that would somehow change the status quo. Currently the permanent delegation is led by the State Department. That is the status quo. This would allow this situation to continue. The Defense Department can send advisers. Commerce can send advisers. Anybody can send advisers. What would change—and this is where I was concerned because I wanted to help the gentleman—was not the status quo. It is the gentleman's amendment that would affect the status quo because for the first time you would have a situation where the State Department, which is now the lead agency, would have to compete with other departments at Cocom.

The gentleman from California just pointed out what the gentleman in the well just read, that the word "permanent" applies in both of these. So I would submit that there might be some misunderstanding. We are trying to preserve the status quo. We would like to see the facilities upgraded, but we do not want a situation where you have every agency in the Government potentially coming in and adding permanent people to Cocom.

Mr. HUTTO. Mr. Chairman, I understand your concern, and I know that you are concerned. But it is considerably changing the status quo if we maintain 127. If we want to maintain the status quo, I think that we would adopt my amendment, because it clearly puts it in the domain of the Secretary of State, and then he could name advisers or delegates or whomever, after consultation with the Departments of Defense and Commerce.

And also I would like to say, Mr. Chairman, that Secretary Baldrige of the Commerce Department called me today and he is very much in support of this amendment. It has to be a cooperative effort between the agencies of Government. You are trying to exclude Defense, and we need that expertise.

Mr. MICA. If the gentleman will continue to yield, there is no provision in section 127 that permanently excludes Defense or any other agency. With regard to the Commerce Department, the U.S. Chamber of Commerce totally opposes deletion of this section 127.

Mr. HUTTO. I understand that.

Mr. MICA. What I continue to say is that I think we have a misunderstanding or misinterpretation of the intent of the language that the gentleman just read. In effect we are preserving the current situation at Cocom. We would like to preserve what appears to be an attempt to station permanent individuals from other agencies at Cocom.

Mr. HUTTO. That is the chairman's interpretation.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I yield to the gentleman from California.

(On request of Mr. Lagomarsino and by unanimous consent, Mr. Hutto was allowed to proceed for 5 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, I want to rise in strong support of the gentleman's amendment.

It seems to me that the Chamber of Commerce and others who oppose the gentleman's amendment and favor the Bonker amendment maybe are not really looking at what happens.

The complaint I get from people is that Cocom takes too long, that they do not know what is going to happen, and even when they find out, it is many months later and perhaps they have even lost their sale. And it seems to me that what we need to do is to carry out what the President stated to our allies; namely, we want to modernize and enhance Cocom, not go the other way.

The Under Secretary of State promised in the 1983 meeting of Cocom that the United States would fund a

$2 million effort to modernize and upgrade it, and subsequently he asked the DOD for funding, and that was done, it was programmed, as the gentleman knows, in 1984 from DOD funds. We have made formal commitments on this, and there has been no money authorized and appropriated in the State Department budget.

So I think the gentleman's amendment not only makes sense from the national security standpoint, and I think it is far different to have someone temporarily assigned who, if you are going to follow the law, would be temporarily assigned, not permanently. You can violate that, I suppose, but the same people would be objecting to that, as well they should, because it would be a violation of law.

One of the problems that we have in Government is that all too often the people who are in an assigned spot do not stay there long enough to find out what is going on.

The amendment that is in the bill is not going to lead to a correction of that, whereas the gentleman's amendment might. It might not, either, depending on how the assignments are made; but certainly it allows it to be done.

I think, from both the national security standpoint and from the standpoint of those who need to get answers from Cocom, that the gentleman's amendment makes sense. I hope the House will adopt it.

Mr. HUTTO. I thank the gentleman very much. I believe the gentleman, who is a member of the Foreign Affairs Committee, makes an excellent point, that what we want to do is upgrade Cocom, and thereby I think it would be beneficial to American industry, because our defense contractors and our computer producers I do not think want these things to get into the hands of the Soviets and the Warsaw Pact nations, and this amendment is entirely reasonable.

Mrs. BYRON. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I yield to the gentlewoman from Maryland.

Mrs. BYRON. I thank the gentleman for yielding, and I rise in strong support of the gentleman's amendment.

Mr. Chairman, I am a bit surprised that the opponents are so concerned over this amendment offered by the gentleman from Florida.

They were not so adamant when the Department of Defense came up with $2 million at the request of the State Department to meet its commitment to modernize the Cocom's headquarters. Mr. Chairman, DOD has spent money on the Cocom process to upgrade the facilities and the communication equipment at the request of the Department of State.

Nor were these same individuals arguing over the nearly 2½ years that was necessary to draft the Export Administration Act that the Department of Defense was to be excluded from the Cocom process. It was, seemingly, obvious during those years that an international organization designed to restrict the flow of military technology would have defense experts involved. What has changed in the few months that now calls for the elimination of military experts in the process has not been explained.

Yet, Mr. Chairman, the bill as presently written would preclude the Secretary of State from using Department of Defense military technology experts in the Cocom delegation. Mr. Hutto's amendment would retain the authority of the Secretary of State to appoint the Cocom staff as necessary, which would include DOD military technology experts if in the Secretary's judgment it would improve the Cocom delegation.

It is also interesting that the opponents of this amendment are opposed to better management and efficiency in the Cocom delegation. In the past, the Department of Defense has rotated teams of experts into the Cocom process. In all probability, we could expect that a permanent expert that understands military technology would ensure a continuous, unbroken corporate memory that would better serve the negotiating process. If it is a consistent and rational export processes that is often claimed to be needed for American businessmen, then surely a stable and consistent Cocom delegation will go a long way toward that end.

Finally, Mr. Chairman, let us note one important point. The committee provision, that Mr. Hutto is attempting to restore to existing practice, would preclude any Department of Defense military experts to be on staff at Cocom. The committee proposes that a State Department economics specialist be assigned in that space. Mr. Chairman, Cocom is supposed to restrict the flow of critical military technology to the Soviet Union and the Warsaw Pact. With all due respect, Mr. Chairman, it would be a sham to send a U.S. delegation to the Cocom process and not have a military technology expert out of the Department of Defense at the disposal of the negotiating team appointed and headed by the State Department.

Mr. Chairman, I urge my colleagues to support the Hutto amendment.

Mr. HUTTO. I thank the gentlewoman very much. Not only would if shut defense out of the process, more or less, but also Commerce, which is the lead organization, as I understand it, for screening the exports of our technology and critical materials to the Soviet Union.

Mr. ZSCHAU. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I yield to the gentleman from California.

Mr. ZSCHAU. Mr. Chairman, the gentlewoman from Maryland suggested that in our long deliberations on the Export Administration Act, which passed the House on April 16, that we did not raise any objection to the involvement of the Department of Defense in the licensing in Cocom or West-West trade.

□ 1300

The CHAIRMAN. The time of the gentleman from Florida [Mr. Hutto] has expired.

(On request of Mr. Zschau and by unanimous consent, Mr. Hutto was allowed to proceed for 4 additional minutes.)

Mr. ZSCHAU. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I continue to yield to the gentleman.

Mr. ZSCHAU. I thank the gentleman.

Mr. Chairman, as the gentleman knows, because he was part of the conference with the other body, there was a lot of debate about this issue. The Export Administration conference finally concluded that no additional authority should be provided to the Department of Defense for review of West-West licensing. This is an issue that we discussed, and debate went along the following lines: The question was asked, "What would be the additional value of having Department of Defense involvement in the licensing process involving West-West trade; trade with our allies?"

The conclusion was that the license decisions would not be improved, but that there might be additional delays. I guess I would ask the gentleman what specific value or additional value in the Cocom decisions do you feel that having permanent members on the delegation of Cocom from Department of Defense, would have, versus the current system, which allows consultants and temporary advisors on issues of particular importance?

What would be the unique, additional value that would result from this amendment?

Mr. HUTTO. I appreciate very much the gentleman asking that because I think there is a very big misunderstanding on the part of a lot of Members.

My amendment does not mandate any permanent members to Cocom; not at all. In fact, I thought I made that clear in my opening statement, that this is strictly controlled by the Secretary of State. That is the reason. I fail to find a good reason for the Foreign Affairs Committee to disagree with that.

Mr. ZSCHAU. If the gentleman would yield further, is the gentleman suggesting that he would not anticipate any employees from the Department of Commerce or the Department of Defense to be assigned?

Mr. HUTTO. No.

Mr. ZSCHAU. Is there any reason why you would feel that they might be assigned?

Mr. HUTTO. No; I did not say that. It does not mandate any permanent delegates, but it does mandate that the Secretary of State would have control of this in consultation with Commerce and Defense. I believe the gentleman would want that. Commerce is the lead agency in this export business, and Defense certainly is having a key role in what goes to our adversaries.

Mr. ZSCHAU. If the gentleman would yield further, when the gentleman made his original presentation, he suggested that one of the problems today that we face is a leakage of technology and part of the cause may be that only State Department employees are there at Cocom. If those comments are true, I guess my question is: What additional activities would the Department of Defense employees, if they were assigned there on a permanent basis, be?

Mr. HUTTO. I did not mean to infer that it was the result of any State Department activity; certainly not. We live in a free and open society, and it is hard enough to guard our technologies because the KGB is ever present, even here in the United States. I did not mean to infer that at all.

But Defense and Commerce, as I understand it, they have been a part of this process, and essentially this section 127 would preclude them. What I am doing is just trying to maintain the status quo and let the Secretary of State handle the responsibility.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I yield to the gentlewoman from Maine.

Ms. SNOWE. I thank the gentleman for yielding to me.

Mr. Chairman, I think the gentleman has answered a number of concerns that have been raised today with respect to the current provisions regarding Cocom that are in the bill before the House. I thank the gentleman for his amendment because I do believe that his amendment is far more flexible in allowing the military personnel to continue in the present advisory role.

As I understand what the gentleman has indicated here today, he is attempting to maintain the status quo in the relationship that exists between the Department of State and the Department of Defense. Am I correct in this understanding?

Mr. HUTTO. That is correct.

Ms. SNOWE. And will the Department of State continue with its primary responsibility for the negotiations and for the administration of Cocom?

Mr. HUTTO. Absolutely.

Ms. SNOWE. I also understand that the Department of State agreed to the reprogramming of funds by the Department of Defense to upgrade Cocom facilities because the Department of State did not request any additional authorizations or appropriations this year for the upgrading that is obviously necessary.

Mr. HUTTO. It is my understanding that the Department of State requested the DOD funding for the upgrading of the facility.

Ms. SNOWE. I thank the gentleman for his amendment. It is necessary to continue the presence of the Department of Defense in providing the technical expertise during the decisionmaking process as to which commodities will be exported, and which need to have security controls. The gentleman raises a legitimate point, as I am also concerned that the provisions in the legislation, as it is currently written, will prohibit the advisory participation of the Defense Department personnel.

So long as we have the understanding that it is the Department of State that will continue the lead role and that all participating agencies will be answerable to it I will support the gentleman's amendment.

Mr. MICA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to say that I think we have an honest difference of opinion here. As I read this amendment, there is nothing, absolutely nothing in the amendment that precludes any agency from continuing to operate on the basis of the status quo.

The Defense Department can indeed, with this language, advise, and so can the Commerce Department. Any agency can be involved and can advise. I think, I truly believe we just have a misunderstanding here, and it is unfortunately that we were not able to work it out prior to the floor debate. There is nothing in this language that prevents the Department of Defense to do exactly what the gentleman from Florida [Mr. Hutto] would like to see them do, and that is to advise and be involved.

It just simply maintains a situation so that new approaches are not developed that expand the role of what could be dozens of agencies to take a permanent role on what is essentially an informal agreement among our trading partners to work on the day-to-day licensing prospects for U.S. trade and U.S. business, and in a cooperative spirit.

I think that needs to be mentioned here. That has been the whole success of Cocom. It has been a cooperative effort. If we ever get into a situation where it becomes antagonistic, Cocom, in and of itself, would collapse.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentleman from Florida.

Mr. HUTTO. I thank the gentleman.

If we pass this, it will not be too acrimonious, because at least two departments do not like this provision at all. I do not think the State Department is too enamored with it. But you automatically set them at odds if you pass this bill with this section in it as it is written.

Mr. MICA. I would just state again that I have no greater respect for any Member in this Chamber, but I think we, very respectfully, disagree with that assessment.

Mr. Chairman, I yield back the balance of my time.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Florida. As presently written, section 129 in the bill would prohibit any official or employee of the Defense Department from being assigned as a member of the permanent U.S. delegation to Cocom. I believe this restriction to be very ill-advised. And the amendment now before us would modify this very damaging provision.

Frankly, I am baffled as to how it is that Congress will go to great lengths scrutinizing every aspect of the defense budget and be constantly sniping at the weapons systems that are necessary to protect the freedom and security of our country while at the same time Congress takes a casual, even cavalier, approach to the whole problem of how American technology is bought, copied, and stolen. Technology that the Soviets then use for their military buildup, requiring in turn a corresponding response from us.

Mr. Chairman, as presently written, section 129 wipes out 4 years of interagency efforts within our Government to develop stronger U.S. participation in Cocom. Our delegation at Cocom would ultimately have to send all substantive matters concerning national security back to Washington for review, because the Defense Department representatives at Cocom would be on a revolving door. How continuity and effectiveness can be achieved that way is beyond me.

I deeply regret the committee action that placed the responsibility for U.S. participation in Cocom exclusively in the hands of the State Department. A Defense Department representative would be prohibited from being permanently assigned even as an adviser to the U.S. delegation.

We have to get serious about the technology drain to the Soviets. Our

role in Cocom must be strengthened: And I urge support for Mr. Hutto's amendments as a very important and necessary step in the right direction.

□ 1310

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is with some trepidation that I rise to oppose an amendment which is supported by people whose positions I normally follow and whose rationale is often similar to my own.

In this case, however, it is, at least to me, quite clear that this Committee of the Whole would be best advised to follow the path set out for it by the subcommittee of the Committee on Foreign Affairs.

The situation at Cocom, I think, is well known. This House has just gone through a 2½-year period in which we have sweated, and negotiated, and worked very hard to develop an Export Administration Act. We have finally achieved an agreement with the other body. I understand the President concurs in that agreement. Soon we will have an extended Export Administration Act.

All of the work and all of the understandings that have gone into the Export Administration Act are not going to be overturned by the amendment offered by the gentleman from Florida [Mr. Hutto]. But some of them are. The Hutto amendment is in conflict, in my personal judgment, with the agreements that we made with respect to the Export Administration Act.

My principal objection to the Hutto amendment is that it will create a series of secretariats at Cocom headquarters, rather than the single, focused, Cocom delegation now controlled by the Department of State. That is, we will have a State Department contingent, a Commerce Department contingent, and a Defense Department contingent, each operating with at least some autonomy. That will give industrial interests in the United States and patriotic interests among our Cocom allies three different shopping centers, depending on what kinds of decisions any of those interests are looking for.

As I understand the Cocom operation, its decisions are supervised by an interagency in the United States. The Cocom group responds to those decisions. Defense is included; Commerce is included; State is included in the interagency group. Any other agency which has a legitimate interest, and often there are many, can be included. However, it is important, I think, in the conduct of our international affairs that we have, as often as possible, a single voice speaking for America.

It seems to me what we are doing is creating the possibility that our work at Cocom in Europe, will be fractionalized, and that makes me very, very nervous. The other thing that makes me a little bit nervous is that the Department of Defense is already a major partner in the process in which it has a very important need to be a partner. It does not need an enhanced role. In fact, a new DOD delegation at Cocom may reduce the Department's effectiveness in maintaining a strong export administration law.

DOD is not the lead agency, and yet this amendment is asking it for money to rebuild the facilities of Cocom, and to fund what seems to me to be permanent Cocom positions in Paris. My guess is that no item in the U.S. budget is going to be under more severe pressure in this House than the Defense Department budget.

I believe that it is probably not a good thing for the Department of Defense to look as if it is willing to spray money around for operations in which it has an interest but in which it is not the lead agency. So I suggest that the DOD construction money is unwise policy, too.

Those of our industrial interests who worked with us on the Export Administration Act now think they understand how the system works. Many of them are very nervous about changing the system as the Hutto amendment would do. Who are they going to see now? Who do they work through? Is it one department? Is it four departments? Who is in charge, and where?

My great fear, and that fear stems from many exporting corporations talking to me about it, is that if we pass the amendment offered by the gentleman from Florida [Mr. Hutto], we will put confusion in the game.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. Frenzel] has expired.

(By unanimous consent, Mr. Frenzel was allowed to proceed for 4 additional minutes.)

Mr. FRENZEL. My worry is that, when we have this enormous trade deficit, we want to be very sure we impose no confusion or inhibitions to trade. We want to give our people the best shot.

Our industrial corporations are anxious to cooperate with whatever kind of program we have. They are patriotic. We do not want any technology to escape. We grant that the Department of Defense should have, and has, a major role. We think it has the authority and the facilities to carry out that role effectively.

So my respectful suggestion to the House is that it follow the direction of the committee of jurisdiction here, the Committee on Foreign Affairs, and not put any more confusion into an already confused area. If we pass the Hutto amendment, the U.S. commercial interests abroad may be not well served and we may lose sales.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from Florida, and I apologize for running on at such length.

Mr. HUTTO. I appreciate the distinguished gentleman from Minnesota yielding to me.

Mr. Chairman, I am a little bit perplexed at a couple of statements that the gentleman made, and for that reason I think there is some misunderstanding.

The gentleman indicated that my amendment would overturn some provisions of the Export Administration Act. Can my colleague elaborate on that a little bit?

Mr. FRENZEL. I did not say any of the conditions of the act. I said the understandings of the act, which, I believe, was that the State Department would continue to do the operations in Europe and that it would be assisted by the detailees and the people from the Department of Defense who normally make up the bulk of our people over there.

Mr. HUTTO. And that is in accordance with the Export Administration Act that you are talking about.

Mr. FRENZEL. That is in accordance with past practice. I simply want to be sure that we do not confuse the thing by putting more than one agency in charge.

Mr. HUTTO. We are not, and I think where there is a lot of misunderstanding. If the gentleman will read my amendment, it is fairly simple and I think reasonable. It leaves it in the hands of the Secretary of State, and we still speak with one voice in Cocom, but the Secretary of State would be in charge. He would consult with Commerce and Defense, as is now the case.

Mr. FRENZEL. I thank the gentleman for his description of the amendment. I must say that it has caused some unease, and I will be delighted to take another look at it at the gentleman's suggestion.

Mr. HUTTO. I would appreciate it if the gentleman would do that.

Mr. BONKER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I authored section 127 to deny money for the expansion of the Cocom facilities in Paris and to ensure that the State Department remains as the U.S. permanent representative in Paris.

The Export Administration Act, the law governing our export control program, very clearly states that the Secretary of Commerce is the principal department for administering and enforcing the program. It also states that the Secretary of State, in consultation with the Secretaries of Defense and Commerce, will represent the United States at Cocom in Paris.

□ 1320

The amendment I offered and which was adopted in the committee, reaffirms this intention of Congress that the State Department represent the United States.

So what is happening? What is happening is that the dispute and the controversy that pervades our domestic export control policy, much of which we have attempted to deal with in the reauthorization of the Export Administration Act, is all going to spill over to the multilateral Cocom process. All of the divisions and the confusions, the uncertainty, the licensing delays and the disapprovals—all of the problems that plague our domestic licensing program are now going to be present at that Cocom office in Paris.

My amendment was intended to prevent this transfer of problems from happening. It merely states that the State Department will represent the United States at Cocom.

Now, there is a need from time to time for Commerce and Defense to have representation, and that is provided for in current law and protected by my amendment. Indeed, over the past year we have had delegations going on almost a monthly basis to the Cocom office in an advisory capacity. On July 9, we had 19 advisers going to Cocom, 11 of whom represented the Department of Defense.

DOD has considerable influence, not only in Washington, DC, in the development of our export control policy but at Cocom as well. But if we allow Defense and Commerce to set up their own offices there and to represent U.S. policy, we are going to confuse and dismay our allies in Cocom, and we are going to frustrate U.S. exporters who need to be more competitive.

Mr. Chairman, I would add that the money that is prohibited under my provision is money that was originally authorized by our committee to go to the State Department to upgrade those facilities. And I might add that we are talking primarily about cosmetic changes, physical expansion of the offices there, not equipment. But that money was denied by an Appropriations Committee of this House, and so Defense went around the block and over to the Armed Services Committee to have the money reprogrammed. So it is not State Department money, it is DOD money. But if this House determined, for whatever reason, that it was going to deny the $2 million to the State Department, it had good reason, and we should not have departments going around to committees to get exceptions, which is the case here.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I would like to ask the distinguished gentleman from Washington if he is knowledgeable of this fact: It is my understanding that the State Department wanted these funds. That is not something we would deny.

Mr. BONKER. The State Department indeed wants the funds, and our committee authorized the funds.

Mr. HUTTO. And at their request.

Mr. BONKER. But the Appropriations Committee denied the funds. It does not matter who wants them. If the Congress has spoken, the Congress has spoken.

Mr. HUTTO. I agree wholeheartedly. And tell me, by what provision would Defense and Commerce have the authority to set up an office at Cocom under my amendment? It is clearly left to the Secretary of State.

Mr. BONKER. My amendment would deny Commerce and DOD from sending personnel to the permanent delegation at Cocom.

Mr. HUTTO. If the Secretary of State wanted to do that.

Mr. BONKER. Your amendment merely restates the fact that the State Department will continue to represent the United States in consultation with Defense and Commerce, but it will permit these departments to have permanent staff assigned, and that is the whole point of the amendment.

Mr. HUTTO. No. How does the gentleman read that it would allow them to assign permanent staff?

Mr. BONKER. Well, if you state that your amendment merely maintains the status quo, that is the status quo at the moment.

The CHAIRMAN. The time of the gentleman from Washington [Mr. Bonker] has expired.

(On request of Mr. Mica, and by unanimous consent, Mr. Bonker was allowed to proceed for 1 additional minute.)

Mr. BONKER. Mr. Chairman, the Department of Defense is in the process of sending permanent representatives to Cocom. We heard in testimony before my subcommittee 2 weeks ago that the Department of Commerce was denied the request for representatives at Cocom by the State Department, and yet the Defense Department has been approved. So we are going to have the Defense Department with permanent personnel stationed at Cocom, and the Commerce Department, which is the principal authority for enforcing and implementing our export control laws, being denied.

Mr. HUTTO. Mr. Chairman, if the gentleman will yield further, that is one of the points I made, that the Department of Commerce is being excluded, and under your provision 127, Defense is being excluded.

Mr. BONKER. My purpose is to exclude both Commerce and Defense and allow the State Department to properly represent us. That is congressional intent. Not only that, but if we allow each of these departments, with equal authority in their own eyes——

Mr. HUTTO. It would not be equal authority.

Mr. BONKER. Well, let me tell you, in the licensing program, they all believe they have equal authority.

The CHAIRMAN. The time of the gentleman from Washington [Mr. Bonker] has again expired.

(On request of Mr. Mica, and by unanimous consent, Mr. Bonker was allowed to proceed for 30 additional seconds.)

Mr. MICA. Mr. Chairman, if the gentleman will yield, I would like to say that I support the position of the gentleman from Washington [Mr. Bonker]. I commend the gentleman and say that the committee urges a no vote on the Hutto amendment.

Mr. BONKER. Mr. Chairman, I thank the chairman of the subcommittee, and I will take a little time to conclude my statement.

The CHAIRMAN. The time of the gentleman from Washington [Mr. Bonker] has again expired.

(By unanimous consent, Mr. Bonker was allowed to proceed for 2 additional minutes.)

Mr. BONKER. Mr. Chairman, the U.S. State Department had a very distinguished public servant who served as director of the Office of East-West Trade for many years, and he has written a letter to me as the principal sponsor of section 127 in support of my efforts to ensure that the State Department maintains its exclusive representation of the United States at Cocom. I will quote briefly from the letter. I will first, Mr. Chairman, include the full text of the letter with my remarks, as follows:

> Kensington, MD, *May 9, 1985.*
>
> Hon. Don Bonker,
> *Chairman, Subcommittee on International Economic Policy and Trade, Committee on Foreign Affairs, Washington, DC.*
>
> Dear Mr. Chairman: I believe you are on the right track in insisting on State financing of COCOM and on a U.S. Delegation to COCOM staffed by State personnel.
>
> The need for more money for the international COCOM secretariat was (and is) minimal. Starting in 1981 and 1982, Defense pressed money on State for COCOM improvements, i.e., several years before any decision State might have made in 1985 concerning the assignment of DoD personnel to the U.S. Delegation. State was, naturally receptive to obtaining money. But there was no serious unfunded COCOM requirement.
>
> The modernization of Secretariat equipment was proceeding without Defense funding. The justification for other improvements in Secretariat furnishings and space (which, as you know, were never in the basement) was largely cosmetic. New drapes will not speed processing of cases.

> The Defense-funded communication link between Paris and Washington is a negative, rather than a positive, factor. Defense insisted on a separate channel between the offices of the U.S. Delegation and the Pentagon so that DoD members of Washington Teams in Paris could communicate directly with DoD officials in Washington. This parallels the official U.S. Government link between the Paris Embassy and Washington, which is substantially as fast for Defense purposes because there is electronic transmission from the Embassy to the Pentagon. The separate DoD link therefore increases the risk of uncoordinated instructions without improving transmission times for coordinated messages.
>
> COCOM problems are a function of inadequacies in national delegations, not in the Secretariat. Difficulties are experienced in reaching agreements not only between these delegations but also within national governments, particularly within the U.S. Government.
>
> Assigning Defense personnel to the U.S. Delegation in Paris will not help. This has been considered many times before but has, previously, been rejected on the grounds that decisions are made in Washington and there would be little, if anything, which a Defense person could do constructively in Paris. It is virtually certain that Defense would not permit such a person to speak for Defense on issues for which DoD in Washington had not already reached a clear position.
>
> The State personnel assigned to the U.S. Delegation in Paris have conscientiously carried out instructions from Washington. Occasional DoD complaints about uncoordinated actions have arisen because of the content of instructions from the State Department in Washington, not because of free-wheeling by the U.S. Delegation in Paris.
>
> Under these circumstances, it is difficult to see any purpose for the assignment of Defense personnel to the U.S. Delegation in Paris other than a desire by Defense to position itself to take over some of State's statutory responsibility to conduct negotiations with other countries regarding their cooperation in restricting exports for security reasons.
>
> If you have any questions on these matters which I might be able to answer, please feel free to call me.
>
> Sincerely yours,
>
> William A. Root.

Mr. Chairman, Mr. Root has made reference to the fact that the Defense Department has influenced policy decisions beyond what Congress intended, which is the reason why Mr. Root resigned in protest, in the first place.

Second, he said that the modernization of the program there is a justification for DOD to increase its impact on those policy decisions, and said that the improvements are merely cosmetic. He says, "New drapes will not speed processing of cases."

Indeed I would make that point that if you want to improve the turnaround time and expedite licensing at Cocom, you are not going to achieve that goal by setting up the DOD permanent staff there.

In conclusion, Mr. Root in his letter to me stated this:

> Under these circumstances, it is difficult to see any purpose for the assignment of Defense personnel to the U.S. Delegation in Paris other than a desire by Defense to position itself to take over some of State's statutory responsibility to conduct negotiations with other countries regarding their cooperation in restricting exports for security reasons.

Mr. Chairman, if we are going to reduce our trade deficit, we have to allow our high-tech industries, which are competitive now in global economy, to compete equally with other countries, and I think we can help achieve that goal by defeating the Hutto amendment.

Mr. ZSCHAU. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, this has been an excellent debate about the issue of who should represent the United States in Cocom. This debate is a continuation of the debate that we had over the past 2½ years, because the whole export licensing procedure was discussed in depth when the House and the other body considered the Export Administration Act.

As the gentleman from Minnesota has indicated, the Hutto amendment, even though it seems rather innocuous, is, by what it deletes from section 127, against and contrary to the spirit of the Export Administration Act that was passed here in the House on April 16 and which was so carefully crafted.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield briefly?

Mr. ZSCHAU. I am happy to yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I would like to respond—because I could not in the presentation by the gentleman from Florida—by agreeing with the gentleman from California. I do not have objection to the language of the gentleman's amendment. I have strong objections to deleting the language it strikes from the committee bill.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. ZSCHAU. I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, if I may, I would like to ask the gentleman from Minnesota, is it the first part or the second part of section 127 that I delete that the gentleman objects to?

Mr. FRENZEL. Well, I prefer the committee language as it stands in section 127, but as between (a) and (b), I do not have a particular preference.

Mr. HUTTO. (a) would be, of course, the upgrading of facilities there, and I think the gentleman would want that. The other part leaves it in the hands of the Secretary of State.

Mr. Chairman, I thank the gentleman for yielding.

Mr. ZSCHAU. Mr. Chairman, the Export Administration Act, after extensive negotiation, was written specifically to not provide increased authority for the Department of Defense in the licensing of West-West trade. However, shortly thereafter the Department of Defense announced that it would be sending its own representatives to Cocom.

Within the current authorized procedures, the Department of Defense and other agencies are involved in the licensing process, but that involvement occurs here in the United States. When decisions are made here, they are transmitted to Cocom. It is my feeling that we should speak with one voice, and one voice only, in international fora such as Cocom. Otherwise, the problem which the gentleman from Minnesota has suggested might occur—that is, shopping around for more favorable decisions would probably occur.

□ 1330

I believe we should speak with one voice at Cocom. However, that one voice in Paris needs to be assisted from time to time. Under the current system and under section 127, temporary advisers and consultants from a variety of departments could still be provided. If the Hutto amendment is defeated, this assistance and support from other departments could still be provided while the permanent delegation would be from the Department of State.

Exporters who have to deal with the export control procedures have been concerned about the impact of this amendment. The Private Sector Advisory Committee to the Department of Commerce has written to the Secretary of Commerce opposing this particular proposal. It would seem to me that at a time when we have enormous trade deficits that are impacting the industrial structure of this country, we should be very concerned about avoiding any actions that would make it more difficult by delays, more paperwork, or confusion for our exporters to export.

The author of the amendment has pointed out that it would permit the Department of Defense to spend $2 million in the upgrading of the U.S. facilities at Cocom. I support the upgrading of the facilities, but frankly it seems to me that it is the Department of State that has responsibility for this and should be doing the upgrading. It is only because the Department of Defense is able to get a lot more money than the other departments that they have the funds available to do this.

Mr. HUTTO. Mr. Chairman, would the gentleman yield on that point?

Mr. ZSCHAU. I would be happy to yield to the gentleman.

Mr. HUTTO. Mr. Chairman, does the gentleman know of any dispute between the Department of State and DOD about the funding, about the Congress funding the money?

Mr. ZSCHAU. No. As a matter of fact, the Department of State, since it was unable to get its own funds, would welcome additional funds.

Mr. HUTTO. In fact, they requested them.

Mr. ZSCHAU. But it seems to me that the Department of Defense, just because it has a lot of money, should not be permitted to buy its way into increased authority and responsibility throughout the rest of the Government.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. ZSCHAU was allowed to proceed for 1 additional minute.)

Mr. ZSCHAU. In conclusion, Mr. Chairman, let me say that this amendment goes counter to the spirit of the Export Administration Act. It would blur the lines of responsibility. It could result in delays in the licensing process that could hurt exports. I frankly feel that even though the Department of Defense has funds to spend on a variety of projects, that those projects should be focused on defense responsibilities, rather than enabling the Department of Defense to buy its way into increased authority.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the 5 minutes.

Mr. Chairman, I am advised that the municipal authorities in Paris have condemned the building in which Cocom operates, so they have to find a new one.

The statement has been made by some that the changes that would be made with the $2 million are cosmetic. I would like to read what the $2 million would be used for:

Equipment for Cocom Secretariat, two Wang work stations, one paper feeder.

Cocom building architectural study performed by State Department contract architects.

Purchase of minicomputer system for the Cocom Secretariat.

Development of custom software system for automation of Cocom case processing and less review management.

I would only repeat what I said earlier and that is that the complaints I get about Cocom are that people do not get answers right away. Let us speed up the process. It sounds to me like we are going in the right direction.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Washington.

Mr. BONKER. Mr. Chairman, if the municipality has condemned the building, I think this committee would be more than happy to provide funds to the State Department for upgrading. Meanwhile, DOD ought to use the money we give it to meet our defense needs.

Mr. LAGOMARSINO. Mr. Chairman, I am sorry, I did not hear what the gentleman said. What was the gentleman's last statement, to do what?

Mr. BONKER. The money this Congress grants to the Department of Defense ought to be used for weapons systems, for carrying out our defense needs. Cocom is properly a matter for the State Department and this authorizing committee.

Mr. LAGOMARSINO. Well, it just seems to me that it does not do much good to authorize defense systems and arms systems if we are going to be giving the Soviets the technology to counter the systems we have.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, just standing here listening to the debate, I have already spoken in favor of the Hutto amendment and I urge everybody on both sides of the aisle to support it; but I have heard several speakers claim that the Defense Departmetn is trying to horn in on the Cocum jurisdiction and that is not so. It is Members of this House like me who want the Defense Department to have a say in how much high technology we allow to be sold, given away or stolen and since the State Department does not always have the expertise in these matters, we need to have the Defense Department input when it comes to the national security of the country.

Mr. AUCOIN. Mr. Chairman, I rise in opposition to the amendment which would allow the Defense Department to pay for improved Cocom facilities and have permanent Cocom representatives. The gentleman's amendment is ill-advised on two counts.

First, it would permit the Defense Department to go ahead with its plans to transfer $2 million of its own funds to expand the Cocom building without congressional consent.

Second, it would increase the Defense Department's influence over export control policy even when it doesn't make sense to do so. No other Cocom nation has military personnel assigned to its delegation. The Defense Department already has a heavy hand in export licensing both at Cocom and here at home. The committee bill does not change that.

This amendment must be defeated to block what amounts to an unauthorized attempt by the Defense Department to dominate the export control process. We must continue to speak with one voice and to our allies at Cocom and resist any moves that could muddle our message to the detriment of both U.S. exports and national security. I urge you to reject the Hutto amendment and support the committee bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. HUTTO].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SOLOMON. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 103]

ANSWERED "PRESENT"—409

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Barnard
Barnes
Bartlett
Barton
Bateman
Bates
Bedell
Bellenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
Delay
Dellums
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Gray (IL)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry

Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

☐ 1350

The CHAIRMAN pro tempore (Mr. DURBIN). Four hundred nine Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from New York [Mr. SOLOMON] for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 222, not voting 16, as follows:

[Roll No. 104]

AYES—196

Anderson
Anthony
Applegate
Armey
Aspin
Badham
Barnard
Barton
Bateman
Bennett
Bentley
Bevill
Bilirakis
Bliley
Boulter
Breaux
Broomfield
Brown (CO)
Broyhill
Burton (IN)
Byron
Callahan
Campbell
Carney
Chappell
Chappie
Cheney
Coats
Cobey
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Craig
Crane
Daniel
Dannemeyer
Darden
Davis
de la Garza
Delay
Derrick
DeWine
Dickinson
DioGuardi
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Dreier
Duncan
Dyson
Eckert (NY)
Emerson
English
Erdreich
Fiedler
Fields
Flippo
Foglietta
Franklin
Gaydos
Gekas
Gilman
Gingrich
Goodling
Gregg
Grotberg
Hall, Ralph
Hall, Sam
Hammerschmidt
Hansen
Hartnett
Hatcher
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jenkins
Jones (NC)
Kasich
Kemp
Kindness
Kolter
Lagomarsino
Latta
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
Mack
Marlenee
Martin (IL)
Martin (NY)
McCain
McCandless
McCollum
McCurdy
McDade
McEwen
McGrath
McKernan
McMillan
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Monson
Montgomery
Moorhead
Murphy
Murtha
Myers
Nelson
Nichols
Ortiz
Oxley
Pickle
Price
Pursell
Ray
Regula
Rinaldo
Ritter
Robinson
Roemer
Rogers
Rowland (GA)
Rudd
Schaefer
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shelby
Shumway
Shuster
Siljander
Sisisky
Skelton
Slattery
Slaughter
Smith (NH)
Smith (NJ)
Smith, Denny
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stratton
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Valentine
Volkmer
Vucanovich
Walker
Watkins
Whitehurst
Whitley
Whitten
Wortley
Yatron
Young (AK)
Young (FL)

NOES—222

Ackerman
Akaka
Alexander
Andrews
Annunzio
Archer
Atkins
AuCoin
Barnes
Bartlett
Bates
Bedell
Bellenson
Bereuter
Berman
Biaggi
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Carper
Carr
Chandler
Clay
Clinger
Coelho
Coleman (TX)
Conyers
Cooper
Coyne
Crockett
Daschle
Daub
Dellums
Dicks
Dingell
Dixon
Downey
Durbin
Dwyer
Dymally
Eckart (OH)
Edgar
Edwards (CA)
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fish
Florio
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frenzel
Frost
Fuqua
Gallo
Garcia
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Gradison
Gray (IL)
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hawkins
Hayes
Howard
Hoyer
Jacobs
Jeffords
Johnson
Jones (OK)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolbe
Kostmayer
LaFalce
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lightfoot
Lipinski
Long
Lowry (WA)
Luken
Lundine
MacKay
Madigan
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McHugh
McKinney
Meyers
Mica
Mikulski
Miller (CA)
Mineta
Mitchell
Moakley
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrazek
Natcher
Nielson
Nowak
O'Brien
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Oberstar
Obey
Olin
Owens
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Porter
Rahall
Rangel
Reid
Richardson
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Roberts
Rodino
Roe
Rose
Rostenkowski
Roth
Roukema
Russo
Sabo
Savage
Saxton
Scheuer
Schneider
Schumer
Seiberling
Sharp
Sikorski
Smith (FL)
Smith (IA)
Smith (NE)
Smith, Robert
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Strang
Studds
Swift
Synar
Tauke
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vander Jagt
Vento
Visclosky
Walgren
Waxman
Weber
Weiss
Wheat
Whittaker
Williams
Wirth
Wise
Wolf
Wolpe
Wright
Wyden
Wylie
Yates
Young (MO)
Zschau

NOT VOTING—16

Addabbo
Collins
Early
Edwards (OK)
Gray (PA)
Jones (TN)
Kramer
Leland
Lowery (CA)
Neal
Quillen
Rowland (CT)
Roybal
Skeen
Weaver
Wilson

☐ 1400

Messrs. PARRIS, LIGHTFOOT, ECKART of Ohio, and FISH changed their votes from "aye" to "no."

Mr. OXLEY changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD: On page 28, after line 25, add the following section:

SEC. . Sense of the Congress in response to the murder by the Soviet Union of Major Arthur D. Nicholson, Jr.

It is the sense of the Congress that the Soviet Union's chief of mission to the United States should be declared persona non grata beginning on June 1, 1985, until the President certifies to the Congress that the Soviet Union has made a formal apology for the murder of Major Arthur D. Nicholson, Jr., unless the President certifies to the Congress that an apology has been made by the Soviet Union before June 1, 1985.

Mr. BROOMFIELD. Mr. Chairman, I offer this sense of Congress amendment calling for action against the Soviet Chief of Mission. It's time to get tough with the Kremlin over the tragic murder of Major Nicholson. Once again, the Soviets shot first and asked questions later. Let's send a clear signal to the Kremlin leaders showing our outrage over this tragic murder of an innocent man.

The Soviets murdered Maj. Arthur D. Nicholson, Jr., in cold blood. They refused to let his companion, an Army sergeant, administer first aid. The murder was a clear violation of the 1947 accords governing the treatment of Soviet and U.S. military personnel in East Germany.

The murder was also a clear violation of the rules of fair play. It undermined the spirit of confidence and trust which the United States and the Soviet Union are trying to foster.

While the Soviets agreed to reject the use of force in future incidents when they met with U.S. negotiators, they later refuted the U.S. claim that they would not resort to force against U.S. military personnel in future incidents. They have yet to apologize for their barbaric and senseless action.

How can our Nation ever trust a country which takes a human life with an almost cavalier attitude? How can we expect the Soviets to honor solemn arms control accords if they violate basic agreements regarding military personnel?

If the Soviet Union has not made a formal apology to the United States by June 1, 1985, this amendment calls for the Soviet Chief of Mission to be declared persona non grata and sent packing back to the Soviet Union.

This, my friends, is serious business. I believe that something must be done to show our country's outrage at the mindless murder of Major Nicholson. I call upon all of you to support this important effort.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. No.

Mr. WEISS. The gentleman will not yield?

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Broomfield] has expired.

Mr. WEISS. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman from New York [Mr. Weiss] is recognized for 5 minutes.

Mr. WEISS. Mr. Chairman, I had wanted the gentleman to yield so that I could ask him whether he had checked this matter out with either the White House or the Secretary of State, because what he is suggesting is an extremely serious matter.

As the ranking member of the House Foreign Affairs Committee, I would assume that he would not be offering a resolution wherein he asks the House of Representatives to go on record in favor, in essence, of almost breaking off diplomatic relations with the Soviet Union without at least having checked with the White House or the Secretary of State.

Pending that kind of explanation, I would hope that we would vote this amendment down. It is extremely important and destructive without that kind of information.

Mr. RUDD. Will the gentleman yield?

Mr. WEISS. I would be pleased to yield to my friend.

Mr. RUDD. I thank my friend for yielding to me. I only have a question that has come up two or three times during the course of this bill, as to the reason why the Congress should check with the State Department before placing amendments in on a bill. I do not know whether we are answerable to them or not.

Mr. WEISS. If I may, I have heard Members, especially on the gentleman's side of the aisle, repeatedly over the course of recent weeks and months, take matters of broad policy, not matters of executive branch privilege but matters of broad national policy, and suggest that the House ought to allow the administration, the executive branch of Government, to have a total free reign.

☐ 1410

And I think that is wrong. But certainly in matters which are in the purview of the executive branch, for this House to be asked to take action, without even so much as asking the President or the Secretary of State as to what their position, is, whether they believe this would be helpful or damaging to the national security interest of the United States, I think is so terribly irresponsible that I would hope that the gentleman from Michigan would see the wisdom of not asking the House to do that at this point.

Mr. RUDD. I thank the gentleman for his explanation, and I can understand that we should certainly confer with the President of the United States, who was elected by the people to be our leader, but I do not understand about the State Department, which does not always agree with the leadership at all.

Mr. WEISS. Does the gentleman know if in fact the President was asked about this amendment?

Mr. RUDD. If the gentleman will yield, I really would like to thank the gentleman for his expanation, and I thank him for yielding.

Mr. GINGRICH. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Georgia.

Mr. GINGRICH. I just want to ask the gentleman, because he went through this same cycle the other day when I offered an amendment, when the gentleman offered a resolution to impeach the President of the United States, the current President, the same one who appoints the State Department, did the gentleman clear it with the State Department?

Mr. WEISS. If I may take my time back at that point, the gentleman knows full well that the offering of a resolution of impeachment is in fact within the absolute purview of the House of Representatives. There is nothing in it to be left to the executive branch. This matter however is one which is in the purview of the executive branch of government. To move forward, even if it were not a President of your own party, but to move forward with a President of your own party in the White House, and to undertake an action which he may consider to be damaging to the national security of the United States is just beyond my comprehension. I cannot think of anything more irresponsible than such an action.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Texas.

Mr. ARMEY. I cannot quite understand the gentleman's argument, since indeed we would not by this resolution actually declare the gentleman from the Soviet Union personna non grata but express our congressional point of view that the President or the State Department ought to take that action. We are only extending our opinion, not asking for his.

Mr. WEISS. If the gentleman will permit me to take back my time, this House has already adopted a resolution by unanimous vote, in fact, expressing the outrage of the House at the action regarding Major Nicholson. Now, what this amendment seeks to do is to become involved in the execution of foreign policy, and I think that before you undertake such a step the very least you would want to do is to check with the President and with the Secretary of State.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I would be pleased to yield to my friend, the gentleman from New York.

Mr. SOLOMON. The gentleman just spoke about my resolution which was unanimously adopted by this House, condemning the Soviet Union.

I am corrected to say that two Members voted "no." But besides that——

Mr. WEISS. OK, all but unanimous, with two Members voting "no."

Mr. SOLOMON. If the gentleman will continue to yield, I will not argue over who voted how.

Mr. WEISS. I would be pleased to yield to the gentleman.

Mr. SOLOMON. But the problem was that 2 weeks after——

The CHAIRMAN. The time of the gentleman from New York [Mr. Weiss] has expired.

Mr. SOLOMON. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. Weiss] be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. MICA. Mr. Chairman, reserving the right to object, the gentlewoman from Maine and the gentleman have discussed this continuing situation in which we are drawing out these discussions over more and more time. We have agreed that from this point forward, without any prejudice to the Members speaking, we would both encourage the Members try to move on with the business, and will object to further such requests.

I will make a comment about this particular resolution, but by agreement with the majority and the minority we are going to try to maintain the schedule that we have laid out to the leadership, both the majority and the minority, and we will be objecting from this point forward.

Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MICA. Mr. Chairman, I rise in support of the amendment.

I say that with some regret.

This particular amendment, the language of which was not worked out with the ranking minority or majority member of the committee, but was presented to us without notice, creates some concerns. The amendment is a sense of Congress resolution. We still have an opportunity to go to conference to work on the language. It is, if you will, a recommendation from the minority party to their President. It is a recommendation only as a sense of Congress.

We had a recorded vote on the issue that all but two Members supported. I think it would be very difficult for Members to oppose it, but I do also understand some concerns with the wording.

I would yield to our ranking minority member to make whatever comments she might wish.

Ms. SNOWE. I thank the gentleman for yielding, and I rise in support of the resolution before us. On many occasions we do pass resolutions here expressing the sense of Congress on a number of issues, and in this case we are expressing our outrage with respect to the fact that the Soviet Union has failed to apologize for what was a reprehensible act.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the distinguished chairman of the Committee on Foreign Affairs.

Mr. FASCELL. I thank the gentleman for yielding.

I understand the position of the gentleman from Florida [Mr. Mica] and the ranking minority member. We have to remember that in our anxiety to make a declaration that we seek to make in this resolution that we also have an ambassador in Moscow. This is a matter that we are going to have to seriously consider before the final outcome of this legislation, as to what our representation in the Soviet Union will be if we persist in this course of action. So, while I understand what the committee is trying to do, I think we need to take that part of the equation into very careful consideration.

Mr. MICA. We do understand that, and that is why we have made the point that this is simply a sense of the Congress resolution, a recomendation, not a requirement.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know we all have to keep rational minds on this issue. But as I started to say before, this House did pass a unanimous resolution, or minus 2 votes, condemning the Soviet Union for the barbarous murder of Major Nicholson, and 2 weeks later the official Soviet newspaper, Tass, reported that the Soviet Politburo had no intention of apologizing to this country, no intention to apologize to the family of Major Nicholson, and certainly no intention to make any kind of monetary settlement for the family. And I think that is more of a outrage than just our condemnation of 2 weeks ago. I think that this House ought to pass this resolution. I do not think it ought to be a question of debate. I think it ought to be unanimously accepted and done so right now.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, the statement was made here a few minutes ago that the action that is proposed in the sense of the Congress resolution is a very serious action. And indeed it is. Indeed it is. But I think that what we have got to understand here is, what the Soviet Union did against Major Nicholson was a very serious act, too. They murdered an American military soldier who was doing his duty in accordance with the agreements that we had with the Soviet Union. They murdered him in cold blood.

I cannot imagine there is a more serious kind of action that can be taken than that one. That is what took place. That is what we are complaining about. It does not seem to me that what we are proposing is anywhere near as serious as the action that the Soviet Union has already engaged in.

So I think the gentleman is absolutely right. I think the question in my mind is: How long do we go on in this Congress memorializing the Soviet Union to do certain things that they can laugh in our face about. Is it not about time that we pass something around here that has some teeth in it? And this particular action with regard to the Major Nicholson murder has a little bit of teeth in it, and no wonder we hear some people complaining. But it is about time, it seems to me, to pass that kind of resolution.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Arizona.

Mr. RUDD. This is a very serious matter, and I am very concerned about it. I intend to support the resolution. But I think we ought to consider that there could be some problems attached to it from the standpoint of the chief of mission here from the Soviet Union, who has been here for 30 years, and it might be he might refuse to go home if he were called home. So I would like to just point that out, because it is a serious consideration which would cause an incident.

Mr. SOLOMON. The gentleman makes an excellent point.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

I know you are groaning, Mr. Chairman, but you should have heard my grown when you signified you were going to accept this rather derogatory amendment to the integrity of the House of Representatives. I think this whole procedure stinks, literally, and I want to rise in support of everything that the distinguished Member from New York, Mr. Ted Weiss, has said.

Let me expain why.

☐ 1420

If these gentlemen really want to send a message to Russia, as they say, then submit a resolution declaring war. Why do you not do that? That is really sending a message to Russia; that would really be a message.

What you are trying to do here is bring the ridicule of the knowledgeable world and every single parliamentary body in the world; that is all you are doing. Now, of course, it can be used as a test to show patriotism; great indignation; great hatred of communism; that is fine. But I think it is illusory; I think it is self-delusion.

I think, above all, it reflects on our capability as legislators. It reflects on our misunderstanding of the rightful constitutional prerogatives, with limi-

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tations and all, that are placed on this first branch of the Government, the policymaking or the legislative.

Certainly Mr. Weiss was correct in asking the question where the House is making an incursion into that thicket of the second branch of Government, the executive branch, to at least inquire of the President and his Secretary of State, if the sense of Congress as expressed in the House's resolution, is in conformity with the over-arching policy of this administration.

Nobody doubts for a minute that President Reagan is anti-Russian and has spoken his unutterable indignation at the murder of the American soldier. But the real issue is deeper than that, my friends. Just like in the case of the downing of the Korean airliner, the headline the day before yesterday or rather the front page story was that the United States and Russia were once again trying to see how they could sanction international flights between the United States and Russia and vice versa, which the President, in the sense of an embargo, suspended, and which was the direct reason and the underlying cause for the knocking down of the Korean flight.

If you think that this tension that has been excited, particularly since the President has brought up a "psychosis of war" against Russia, wait until you see what is apt to happen over this narrow corridor and its approach in Berlin. There is your real issue. Tensions have mounted; the Russians are just as fearful as we would be if we were to be in a reverse situation.

I think that rather than approaching the focal problem with a focal solution; rather than pantomiming and parading and prancing to the ridicule of the world, our great indignation at this outrageous act on the part of Soviet soldiery. I certainly do not favor this; I am shocked that the chairman of the subcommittee would accept this sense of Congress resolution. I am really shocked.

I again say that instead of saying what Mr. Weiss said, that he hoped that it would not be considered, I say that I would appeal to the author and the ranking minority member of the committee to withdraw this resolution, and let us have a chance to soberly, calmly, dispassionately consider the issue.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman.

Mr. MICA. I thank the gentleman.

I would just like to say that, as the manager of this bill, I made a judgment as to how a vote on this issue would turn out. It appears there will not be a vote. In the judgment of this chairman, the vote will be overwhelmingly in support of this amendment as worded.

The chairman had intended that we look at this language in conference and try to work this out with the ranking minority member.

Mr. CROCKETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to identify with the comments just made by my colleague from New York [Mr. Weiss] and my colleague from Texas [Mr. Gonzalez].

I think we should face up to the fact that the only thing that distinguishes our present relations with the Soviet Union from an actual state of war is the fact that we are not actually shooting bullets at each other. Once we realize that, we can appreciate the fact that when a member of the Armed Forces of the United States is found trespassing upon restricted territory occupied by the armed forces of the Soviet Union, you can expect that person to be treated essentially as he or she would be treated during a state of war. Particularly when it appears that he or she is engaged in photographing objects that have been prohibited from being photographed by the forces of the Soviet Union. You can expect that extreme measures will be taken.

I voted against the resolution condemning the Soviet Union, not because I approve of the actual killing of a member of the American Armed Forces, but because I was not satisfied that this House had before it all of the facts connected with the case. The State Department, at the time we passed that resolution, was still engaged in discussions with the Soviet Union about that incident. I felt that it was undiplomatic, that it was an interference with the carrying on of foreign policy by the State Department for us to pass that resolution. That explains why I voted against it.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. CROCKETT. I yield to the gentleman.

Mr. SOLOMON. I thank the gentleman.

You are entitled to your opinion, and I do respect your right to your opinion, even though I do not agree with it, but it has to be made perfectly clear that Major Nicholson was not trespassing; Major Nicholson was acting under the accords of the 1947 agreements in which we and they are allowed to take photographs in unrestricted areas and this was, by the Soviets' own admission, an unrestricted area.

Further, he was unarmed, as all of our men are, military personnel traveling under those accords. The Russians knew he was unarmed and after shooting him, they let him lay there for 1 hour. They prevented Sergeant Shatz from administering vital first aid to him to prevent him from dying, and they murdered him in cold blood. We ought to have that perfectly clear.

The gentleman is entitled to his opinion, but he is not entitled to stand here and say that Major Nicholson was trespassing and was doing something against the law in the Soviet Union, because even the Soviet Union says he was not.

Mr. CROCKETT. That is the gentleman's understanding of the facts. My understandings are to the contrary.

Thank you.

Mr. McHUGH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had not intended to speak on this issue, and I know Members are anxious to bring it to a vote. But our friend from Florida, the manager of the bill, indicated, probably correctly, that we would have a record vote on this issue, and for that reason, I think it is important to state for the record that those of us who vote against this sense-of-Congress provision in no way intend to suggest that what the Soviet Union did is tolerable or in any way acceptable.

I voted for the resolution condemning the Soviet action because, in my judgment, based upon the facts that we have, there was no justification whatsoever for the shooting of Major Nicholson.

However, the issue before us is not whether or not that action was in any way justifiable or indeed, whether it is deplorable, which it is; the issue is whether, as a matter of policy, the executive branch of our Government should, in effect, terminate diplomatic relations or suggest the termination of diplomatic relations over the incident. In my judgment, that would be wholly disproportionate to the act which took place.

If anyone here votes against this resolution on that basis, it should not be interpreted as a vote in favor of the Soviet action or in any way an implication that what the Soviets did was acceptable or not a serious act. It was, but this policy, as reflected in the resolution offered here is wholly disproportionate to that act.

☐ 1430

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I would be happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman has made a very fine statement, and also the gentleman from Texas [Mr. Gonzalez] and the gentleman from Michigan [Mr. Crockett].

Let me just say this: For 2 years now Members of the House and Senate, over 100 of them, have been attending a monthly series of discussions on U.S.-U.S.S.R. relations—bipartisan sponsorship, all points of view represented, expert speakers from the United States mainly, although occasionally a Soviet point of view presented by one of their officials.

If there is one thing we have learned from that, it is that the Soviets, above everything else, want respect as a great power, which indeed they are, whether we like all their policies or not, and of course we do not. To make a deliberate slap at the Soviet Union will be counterproductive to the efforts the President himself is trying to make to reach a modus vivendi on nuclear weapons and other important issues. Just yesterday he spoke at Strasbourg and advocated four important steps to try to avoid exacerbating the bad state of relations.

I tell the Members who think they are going to use this kind of amendment for political reasons and try to put Members on this side of the aisle who are acting responsibly in a hole by this kind of thing; they are playing with dangerous fire; they are undermining the foreign policy of the President of the United States; they are going to label themselves a war party at the rate they are going. I suggest to them and their colleagues that they better stop and think and work these things out on a sensible basis without going off the deep end, before they even have any idea of what the consequences are—and I have just outlined what I think they will be in this case.

Mr. McHUGH. I thank the gentleman for his comments.

Let me make clear once again that I do think it was appropriate for us to adopt the resolution condemning the act of the Soviet Union in the case of our serviceman who was shot, but I think it would be wholly irresponsible to suggest that as a result of that act, as serious as it was, we should terminate our diplomatic relations with the Soviet Union.

Mr. GINGRICH. We are not doing that.

Mr. McHUGH. Or take an act which will be interpreted in that way. We are two superpowers. We have enormously important issues to deal with which transcend this particular incident, as significant as it was in itself, and therefore I think it would be wrong to suggest that taking the step of withdrawing our Ambassador is proportionate to that event.

In any event, my purpose in speaking was simply to indicate that anyone who votes on the record against this particular resolution is in no way sanctioning what the Soviets have done.

Mr. GINGRICH. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I will be happy to yield to the gentleman from Georgia.

Mr. GINGRICH. I thank the gentleman for yielding.

Mr. Chairman, I just want to make the point that this resolution in no way terminates relations. It singles out the single most important ambassador the Soviet Union has, the person who is the most important single pawn they have on the planet outside the Soviet Union.

Mr. GINGRICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to continue my point to the distinguished gentleman from New York. The central problem the Western World has is in dealing with the Soviet system which, after shooting down an airliner, rewards and promotes the man who shot it down, which after killing an American major specifically refuses to take responsibility, and the reason, frankly, that many on this side of the aisle think this is a legitimate expression of concern is to say to the Soviet Union we can respond in a very narrow and precise way involving one personality, the personality you most value, the personality you have the highest level of investment in, the personality with the widest range of networking in the Western World, the personality who you will suffer the most if that person has to leave America.

If it is so important to the Soviet Union that they not accept the moral responsibility for killing an American major, if it is so important to the Soviet Union that they not under any circumstance admit that what they did in killing an American soldier was wrong, that they would accept that loss, then the world needs to understand the kind of system they have.

It is not just that they accidentally happened to kill an American officer. It is not just that they happened to accidentally shoot down a Korean airliner. It is the systematic decisions at the top of the Soviet system to reject any civilized behavior when a wrong of this nature has been done.

It is clear that in conference, as the distinguished gentleman from Florida said, this can be made more sophisticated, it can be made more appropriate, that ways are there to apply pressure, but I would say to everybody before they vote, the Soviet Union and its allies have learned to watch this Congress; that the gentleman who is the distinguished representative of the Soviet Union in this city, if he sees a decisive vote by this House saying, "If your government does not apologize, quite candidly, we are willing for you to leave," I suspect that he will this evening have a much deeper sense of the long-term willingness of our society to find new and relatively sophisticated methods of dealing with them.

I am not sure of the exact figures, and I do not know if the gentleman from Michigan has them, but my guess would be that between the United Nations mission, the consulate in San Francisco, the other members of the Soviet delegation here in Washington, there would be literally hundreds of Soviet representatives still in the United States, and I yield to the gentleman from Michigan for confirmation of that.

Mr. BROOMFIELD. It is several thousand in fact. The gentleman is very, very low in numbers. There are several thousand involved.

Mr. GINGRICH. In other words, the point I make to the body is that we would still have diplomatic relations, we would not have closed the consulate in San Francisco, as someone suggested, but we would have in a very narrow way focused attention on the most important asset the Soviet Union has in the United States.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Ohio.

Mr. KASICH. I thank the gentleman for yielding.

Mr. Chairman, I would like to relate to the House that I had the good fortune of having Anatoly Shcharansky's wife fly from Israel to the United States to hold a press conference on the steps of this Capitol because she says it does make a difference what the U.S. House of Representatives says about Soviet action.

She pleaded with me to get as many Members of Congress as possible down there because it would send a strong signal, because the Soviets, in fact, do listen to the Congress of the United States. The gentleman from Georgia, Mr. Gingrich, is only trying to say here today that this sends a clear signal to the Soviet Union about our feelings about the killings of that major and the concern about his family.

We should do it. We should not only do it because it is our judgment, but it is the judgment of a woman whose husband still sits in a Soviet prison who has the hope that this House will speak loud and clear to the Soviet Union and we ought to do it in this circumstance.

Mr. GINGRICH. Let me make one more point and then I will yield to the gentleman from New York.

Mr. Chairman, somebody over here got up and said, "Well, why do you not just declare war?" I would suggest to Members that this resolution, this proposal, this amendment, precisely lays out the question.

If the only choices America has are absolute impotence or war, then we are indeed in a terribly risky world. Instead, we are offering a very specific diplomatic action which they have several weeks to avoid having happen but which says to the Soviets that we in this body can learn to raise diplomatic stakes also.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding to me.

Mr. Chairman, the gentleman is a very sophisticated practitioner of political science and he understands full well that if the Soviet Union's national legislative body were to adopt a resolution, that unless the United States apologized for a certain act which they considered to be insulting to them, they would have our Ambassador considered personna non grata, the gentleman would consider that kind of ultimatum to be unacceptable. Indeed every Member of this body would rightfully resent it. Why should we expect the Russians to react differently than we would?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BROOMFIELD].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WEISS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 322, noes 93, answered "present" 1, not voting 18, as follows:

[Roll No. 105]

AYES—322

Ackerman
Akaka
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
AuCoin
Badham
Barnard
Bartlett
Beilenson
Bennett
Bentley
Bereuter
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boner (TN)
Borski
Boucher
Boulter
Breaux
Brooks
Broomfield
Brown (CO)
Broyhill
Bruce
Bryant
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chappie
Cheney
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Combest
Cooper
Coughlin
Courter
Craig
Crane
Daniel
Dannemeyer
Darden
Daschle
Daub
de la Garza
Delay
Derrick
DeWine
Dickinson
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Dreier
Duncan
Durbin
Dwyer
Dyson
Eckart (OH)
Eckert (NY)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Fawell
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Ford (MI)
Fowler
Franklin
Frenzel
Frost
Fuqua
Gallo
Gaydos
Gekas
Gilman
Gingrich
Glickman
Goodling
Gordon
Gradison
Gray (IL)
Green
Gregg
Grotberg
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (OK)
Kanjorski
Kaptur
Kasich
Kemp
Kennelly
Kindness
Kolbe
Kolter
Lagomarsino
Lantos
Latta
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Lott
Lujan
Luken
Lungren
Mack
MacKay
Madigan
Manton
Marlenee
Martin (IL)
Martin (NY)
Martinez
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Monson
Montgomery
Moore
Moorhead
Morrison (WA)
Mrazek
Murphy
Myers
Natcher
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Olin
Ortiz
Oxley
Packard
Parris
Pashayan
Penny
Pepper
Petri
Porter
Price
Pursell
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Rudd
Saxton
Schaefer
Schneider
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skelton
Slattery
Slaughter
Smith (FL)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Strang
Stratton
Stump
Sundquist
Sweeney
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traficant
Valentine
Vander Jagt
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wirth
Wise
Wolf
Wortley
Wright
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

NOES—93

Alexander
Aspin
Barnes
Bates
Bedell
Berman
Boland
Bonior (MI)
Bonker
Bosco
Boxer
Brown (CA)
Burton (CA)
Clay
Conte
Conyers
Coyne
Crockett
Dellums
Dicks
Dingell
Downey
Dymally
Edgar
Edwards (CA)
Evans (IL)
Fascell
Fazio
Foley
Ford (TN)
Frank
Garcia
Gejdenson
Gephardt
Gibbons
Gonzalez
Gray (PA)
Guarini
Hamilton
Hayes
Hoyer
Jones (NC)
Kastenmeier
Kildee
Kleczka
Kostmayer
LaFalce
Leach (IA)
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lowry (WA)
Lundine
Markey
Matsui
McHugh
Miller (CA)
Mineta
Mitchell
Moody
Morrison (CT)
Murtha
Oberstar
Obey
Owens
Panetta
Pease
Perkins
Pickle
Rahall
Rangel
Rodino
Rostenkowski
Russo
Sabo
Savage
Scheuer
Schroeder
Seiberling
Smith (IA)
Solarz
Stark
Stokes
Studds
Swift
Towns
Udall
Vento
Visclosky
Weiss
Wolpe
Yates

ANSWERED "PRESENT"—1

Bateman

NOT VOTING—18

Addabbo
Barton
Collins
Davis
Early
Jones (TN)
Kramer
Leland
Long
Lowery (CA)
Neal
Quillen
Robinson
Roybal
Skeen
Traxler
Weaver
Wilson

☐ 1450

Messrs. GARCIA, GRAY of Pennsylvania, WOLPE, BOLAND, CONTE, DELLUMS, DICKS, KLEZCKA, and BONKER changed their votes from "aye" to "no."

Mr. SCHUMER changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 1500

(By unanimous consent Mr. MITCHELL was allowed to speak out of order.)

RUNS ON DEPOSITS ON BALTIMORE SAVINGS & LOAN

Mr. MITCHELL. Mr. Chairman, I thank my colleagues on both sides of the aisle for allowing me this privilege.

Today I understand that some people are lined up outside the doors of a savings and loan in my city of Baltimore requesting a return on their deposits. I also understand that there are so-called solid runs on several other State-chartered savings and loans in my State of Maryland.

The institutions on which these runs are taking place are State-chartered institutions and are insured by the Maryland State Insurance Fund.

I wish to state to you, Mr. Chairman, and Members of the House, and to my fellow citizens in Maryland that I, along with other members of the Maryland delegation, Congresswoman MIKULSKI, Congressman HOYER, and all of us have been in touch with all of the necessary Federal agencies to make sure they are aware of the situation and are prepared to offer whatever assistance they can, whatever assistance that is necessary and appropriate.

Several of these institutions have applied for Federal insurance through the Federal Savings and Loan Insurance Corporation. I want to make it very clear that is why I took this time.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. MITCHELL] has expired.

(On request of Mr. HOYER, and by unanimous consent, Mr. MITCHELL was allowed to proceed for 1 additional minute.)

Mr. MITCHELL. I was saying that some of these institutions have applied for the Federal Savings and Loan Insurance Corporation. In order to obtain that Federal insurance they will have to comply with the necessary net worth standards and other criteria contained in the law and other regulations of the Home Loan Bank Board and its Federal corporation.

I know that there is a great deal of uncertainty with reference to some of our S&L's. I know there is a great deal of uncertainty on the part of some of the citizens. But speaking for the Maryland delegation I want to take this time to assure everyone that we will do all that we can, that is necessary, in order to protect the institutions and to protect the safety of the deposits.

We have touched base with all of the Federal agencies. We are in contact with the Banking Committees in both Houses, and whatever is necessary to be done to protect these deposits will be done.

I thank the gentleman from Florida [Mr. MICA] and the gentlewoman from Maine [Ms. SNOWE] for allowing me this time.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 5, strike out lines 4 through 11 (section 106), and redesignate subsequent sections accordingly.

Mr. BURTON of Indiana. Mr. Chairman, section 106 of the State Department authorization bill provides $25,000 in 1986 and another $25,000 in 1987 for special religious sensitivity instruction for Foreign Service officers. Special religious sensitivity instruction! I would like to ask the gentleman from New York [Mr. WEISS] the author of this amendment—what is special religious sensitivity instruction and why we are paying taxpayers money for this purpose?

Now I understand that with this amendment, we will be sending Foreign Service officers for a 1-day trip to New York to the Appeal to Conscience Foundation. The Appeal to Conscience Foundation will provide our Foreign Service officers with instruction on Judaism, Hinduism, Buddhism, and other world religions.

I didn't realize that the gentleman from New York was such a strong supporter of combining state and church. That is of using taxpayers money to provide religious instruction to Government officials.

I am really amazed by the gentleman's amendment. We are facing a crisis in reducing the Federal budget. This is not the time to be adding new programs. And particularly not for special religious sensitivity instruction.

I assume that all of our Foreign Service officers went to college. In fact many of them are graduates of Georgetown's School of Foreign Service—a Jesuit school that requires instruction in world religions. I assume also that many Foreign Service officers practice a religion—and have learned about other religions through their church or synagogue. But even if a Foreign Service officer has never studied world religions, we do have libraries in this country. And I would assume that if a Foreign Service officer is being assigned to India, he might take the time to learn about their religious culture.

We do not need to spend taxpayer's money on this program and I hope that the House Appropriations Committee will take a good look at this expenditure for a new, unnecessary, and inappropriate program.

Mr. WEISS. Mr. Chairman, will the gentleman yield to me?

Mr. BURTON of Indiana. I am glad to yield to my colleague, the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding and I appreciate his asking the question as to what the program is about.

First let me say that the purpose of religious sensitivity training is to provide an opportunity for Foreign Service officials of the United States who are sent to those parts of the world, especially in Eastern Europe but also some parts of Asia where discrimination against various religious groups and members of those religious groups is rampant.

The U.S. State Department's Foreign Service Institute has for some time now been sending its people to get this training from the Appeal to Conscience Foundation. That foundation has been conducting this program without any cost to the taxpayers for a number of years.

It has now come to the point where the expenses of this organization, funded strictly by voluntary, philanthropic contributions, has become a burden to the organization and so after checking with the State Department they asked us to provide for reimbursement to them of up to $25,000 a year.

Now let me just say a word about the Appeal to Conscience Foundation.

Mr. BURTON of Indiana. I would like to interrupt for just a second.

As I understand it, we have been paying for the transportation costs for our Foreign Service officers to go up there already and now, to add to that $25,000 per year as a fee to this organization I think is wrong. It appears to me to be unconstitutional.

Mr. WEISS. If the gentleman will allow me to finish my statement, and if not I will get my own time and do it whatever way the gentleman prefers.

Mr. BURTON of Indiana. Sure.

Mr. WEISS. I appreciate that.

The Appeal to Conscience Foundation has an ecumenical board and a track record which we should all be proud of and be supportive of. These are people who have been working with the countries which we consider to be most discriminatory and oppressive as far as religious practices are concerned, and they have had a tremendous track record in helping individuals and families to exercise their rights.

Now let me indicate who comprises the board. On the board of directors——

Mr. BURTON of Indiana. I think I will let the gentleman finish with his time. I just want to summarize because I am limited to 5 minutes, and I know the gentleman from New York [Mr. WEISS] will be happy to get 5 minutes for his defense of his amendment.

Mr. WEISS. I thank the gentleman for yielding to me.

Mr. BURTON of Indiana. You are welcome.

This is a new program and the bottom line is that it is a new program and we are facing a fiscal chaos in this country.

We are trying to cut $50 billion out of the deficit and here is a new program that is going to add $25,000 this year and $25,000 next year.

Granted, it is a small sum. But, nevertheless, it is an additional expenditure and it should not be tolerated.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do appreciate the gentleman having yielded some of his time to me. I simply want to continue naming some of the people who comprise the board of directors of the Appeal to Conscience Foundation.

On that board are the Vice President of the United States, Mr. George Bush; Mr. J. Peter Grace; the chairman of the New York County Republican Party, Mr. Roy Goodman; Mr. J.W. Marriott, Jr., the president of the Marriott Corp.; Mr. Walter Stoessel, Jr., a former Ambassador of the United States; and former Ambassador Angier Biddle Duke; Archbishop Ikavos of the Greek Orthodox Church; Rev. John M. Allin of Boston; Rev. James R. Crumley, Jr.; Rev. Theodore E. McCarrie of the Metuchen Archdiocese of the Roman Catholic Church; Richard L. Moore of the Grace Co.; Dr. Austin S. Murphy, East River Savings Bank; and Rev. Joseph A. O'Hare, S.J., president of the Fordham University, as well as a great number of other clergymen of all faiths, as well as laymen of all faiths and denominations.

Again, we are not asking for a specific sum. We are asking for an amount up to $25,000. The moneys would be expended upon the judgment of the Foreign Service Institute of the State Department. The program is administered by them. They would, in essence, retain so this group, which has had this tremendous experience behind the Iron Curtain of working to help people to exercise their religious rights, to continue their good work.

□ 1510

It seems to me, on the basis of some of the expressions that we have heard on behalf of human rights throughout this entire House, that this may be the most effective investment for the dollar that we can possibly make.

I offered this provision only after I was assured, and personally verified, that it had the full support of the State Department.

I hope that the amendment is not agreed to.

Mr. MICA. Mr. Chairman, will the gentleman from New York yield to me?

Mr. WEISS. I yield to the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding.

Mr. Chairman, I would like to point out to the Members that the very amendment to be introduced will be a freeze amendment that will bring this bill in far below the President's request and comparable to last year's level.

Mr. WEISS. Mr. Chairman, I yield back the balance of my time.

Mr. ROTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is an issue that I have some interest in. I did have a chance to talk to the gentleman from New York about it, and he was gracious enough to explain it to me and I told him I was not going to add an amendment. I do support the amendment that the gentleman from Indiana [Mr. Burton] has introduced for these reasons: The gentleman from Florida [Mr. Mica], who is the manager of this particular bill, is doing a terrific job and I take my hat off to him and to the ranking minority Member [Ms. Snowe] for the diligence and work that they have put into this legislation.

But, quite frankly, when we talk about a freeze it is not going to be touching this issue because this is a new issue, a new funding introduced into the bill. It is $25,000 this year and $25,000 next year and we know where it is all going to lead. Where is it all going to stop? It starts with an anthill and grows into a Mt. McKinley.

We also, I think, have to consider the issues involved as far as the constitutional question. I think there is a question here of some constitutional dimension.

Everybody in the State Department is going to be for this amendment. Why not? It is a day's vacation up to New York. If you were in the State Department you would probably also be for it.

But the question is: Who is paying for it? The American taxpayers. When we are proposing cutting back on Social Security, Amtrak, all of these other programs, including programs in every one of our districts, is it fair to start a new program? Yes; it is only $50,000 here, but I predict in 5 years it will be $1 million and from there on up.

That is why I think it is very important for us to look at these amendments when they come in as innocent programs that are started with a very few dollars. We all know how they can mushroom and go out of all proportion.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield to me?

Mr. ROTH. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. I would like to point out that the gentleman from New York [Mr. Weiss] indicated or stated a list of people who support this foundation, many of them multimillionaires. I am sure $50,000 is but a pittance to that august group of individuals.

One of them he mentioned I think was Mr. Grace of the Grace Commission, who is very concerned about the budget deficit and has recommended 2,477 areas that we can cut Federal spending in, trying to get the budget more in balance.

I feel confident that Mr. Grace and those other individuals could raise that $50,000 and not burden the Federal Government with an additional $50,000 in expenditures.

I think this is an improper use of Government funds, opening up a new door for spending, and I do not think we need it.

Mr. Chairman, I thank the gentleman for yielding.

Mr. ROTH. I thank the gentleman for his comments.

Our good friend from New York [Mr. Weiss] keeps asking the question, whenever an amendment comes up: "Did you ask the State Department? Are they in favor of this amendment?" I would like to ask the gentleman from New York sometime: "Did you ask the Members of this Board and are they in favor of this amendment?" And if Peter Grace is in favor of it, well——

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. ROTH. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

Mr. Chairman, the president of the Appeal to Conscience Foundation made the request after consulting both his board and with the State Department.

Mr. ROTH. So Peter Grace is in favor of this amendment. Then I think it is only appropriate that the next time Mr. Grace comes to us and talks about cutting the budgets and make the tough decisions we are going to ask him about this particular proposal. If he is for more spending for his particular programs, then I think we are justified in asking Mr. Grace some questions about his purposes, and the like; also.

Mr. Chairman, I yield back the balance of my time.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise simply to say to the Members that the Appeal of Conscience Foundation is one that I know well, it is a group with a most distinguished leadership of clergy and laity.

The work it has done in this field I think is extremely well regarded and well needed.

I would urge my colleagues not to throw away a most valuable program in a fit of pique.

This is a program which is extremely useful in parts of the world where religious freedom is virtually known, in grave trouble, and it is an area where I think Foreign Service officers, however excellent their previous education may have been, can use some additional training. We might have avoided some pitfalls in the Mideast, for example, if some of the people in our Foreign Service had had somewhat more understanding of some of the religious cross-currents there involved.

So it seems to me that our recent history teaches us that in fact this kind of training is extremely useful.

It is, it seems to me, a very, very small price to pay to accomplish a very, very important goal in terms of America's world objectives.

Mr. Chairman, I would therefore urge my colleagues to support the committee's recommendation and to defeat the effort to delete these funds.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will try to be brief, and I hope I can be the last speaker.

I understand the sensitivities of the gentleman who proposed the amendment and those who support him. Obviously, any time you talk about even a small amount of money in these times of trying to stem the red ink you are asking about something which I think has a raw nerve in it. But, I think, by the same token, let us examine the record of this House. There is not a single person in this House on either side of the aisle who has not expressed deep concern about human rights. Human rights are the umbrella words, part of which include religious rights. There are countries behind the Iron Curtain, countries in the Middle East and the like where our diplomats on a daily basis have to deal with questions that arise about religious differences and differences between religious and oppressions of religions.

To talk in terms of $25,000 a year for training for some of our diplomats as being excessive or costly when it comes to their understanding the

question of religious rights in places like Czechoslovakia or the Soviet Union or Bulgaria or Roumania, is a little bit beyond the pale of how we ought to approach the problem of the deficit.

Yes, every dollar counts; but there are some places where even the application of a few dollars, even in times of red ink, can enhance greatly the prospects of the foreign policy of this country.

Every Member of this House, and I think it is 100 percent of the body who has not talked about human rights I believe understands the value of this program.

I understand the gentleman's concern. I share his concern. Let us talk about the programs where the money is wasted where the big bucks are. This is really not the place to attack the foreign policy of this country; it is de minimis and it is wrong.

I would urge everyone vote against this amendment, although we understand the spirit in which it is delivered.

□ 1520

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. Burton].

The question was taken, and on a division (demanded by Mr. Burton of Indiana) there were—ayes 26, noes 26.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 224, noes 189, not voting 21, as follows:

[Roll No. 106]

AYES—224

Andrews
Anthony
Applegate
Archer
Armey
AuCoin
Badham
Barnard
Bateman
Beilenson
Bentley
Bereuter
Bilirakis
Bliley
Boggs
Boner (TN)
Boulter
Breaux
Broomfield
Brown (CO)
Broyhill
Burton (IN)
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappie
Cheney
Coats
Cobey
Coble
Coleman (TX)
Combest
Coughlin
Courter
Craig
Crane
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
Delay
Derrick
DeWine
Dickinson
Dingell
DioGuardi
Dorgan (ND)
Dowdy
Dreier
Duncan
Eckart (OH)
Eckert (NY)
Edwards (OK)
Emerson
English
Erdreich
Fields
Flippo
Fowler
Franklin
Frenzel
Fuqua
Gallo
Gaydos
Gekas
Gingrich
Goodling
Gray (IL)
Gregg
Grotberg
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hefner
Hendon
Henry
Hertel
Hiler
Hillis
Hopkins
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jenkins
Johnson
Jones (OK)
Kanjorski
Kasich
Kemp
Kindness
Kolbe
LaFalce
Lagomarsino
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lott
Lujan
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCain
McCandless
McCloskey
McCollum
McCurdy
McEwen
McGrath
McKernan
McMillan
Meyers
Michel
Miller (OH)
Mollohan
Monson
Montgomery
Moore
Moorhead
Mrazek
Murphy
Murtha
Myers
Natcher
Nelson
Nichols
Nielson
O'Brien
Olin
Oxley
Packard
Parris
Pashayan
Pease
Porter
Pursell
Ray
Regula
Ritter
Roberts
Roemer
Rogers
Roth
Rowland (CT)
Rowland (GA)
Rudd
Saxton
Schaefer
Schroeder
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Sisisky
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snyder
Solomon
Spence
Stangeland
Stenholm
Strang
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauzin
Thomas (CA)
Thomas (GA)
Valentine
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Weber
Whitehurst
Whitley
Whittaker
Wolf
Wortley
Wyden
Wylie
Young (AK)
Young (FL)
Young (MO)
Zschau

NOES—189

Ackerman
Akaka
Alexander
Anderson
Annunzio
Aspin
Atkins
Barnes
Bartlett
Bates
Bedell
Bennett
Berman
Bevill
Biaggi
Boehlert
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Chappell
Clay
Clinger
Coelho
Coleman (MO)
Conte
Conyers
Cooper
Coyne
Crockett
de la Garza
Dellums
Dicks
Dixon
Donnelly
Dornan (CA)
Downey
Durbin
Dwyer
Dymally
Dyson
Edgar
Edwards (CA)
Evans (IA)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fish
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Gordon
Gradison
Gray (PA)
Green
Guarini
Gunderson
Hawkins
Hayes
Heftel
Holt
Horton
Howard
Hoyer
Jeffords
Jones (NC)
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
Lantos
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lipinski
Loeffler
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McDade
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Moody
Morrison (CT)
Morrison (WA)
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens
Panetta
Penny
Pepper
Perkins
Petri
Pickle
Price
Rahall
Rangel
Reid
Richardson
Ridge
Rinaldo
Rodino
Roe
Rose
Rostenkowski
Roukema
Russo
Sabo
Savage
Scheuer
Schumer
Seiberling
Sikorski
Smith (FL)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Swift
Synar
Tauke
Taylor
Torres
Torricelli
Towns
Traficant
Udall
Vento
Walgren
Waxman
Weiss
Wheat
Whitten
Williams
Wirth
Wise
Wolpe
Wright
Yates
Yatron

NOT VOTING—21

Addabbo
Barton
Collins
Early
Evans (IL)
Glickman
Jones (TN)
Kramer
Latta
Leland
Long
Lowery (CA)
Neal
Quillen
Robinson
Roybal
Schneider
Skeen
Traxler
Weaver
Wilson

□ 1530

Messrs. SCHEUER, DIXON and GEJDENSON, Mrs. KENNELLY, Messrs. BARTLETT, OWENS, MILLER of California, BIAGGI, LOEFFLER, WALGREN, and DORNAN of California changed their votes from "aye" to "no."

Messrs. DASCHLE, DICKINSON, SAXTON, DINGELL, HERTEL of Michigan, and ROWLAND of Georgia changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1540

The CHAIRMAN. Are there further amendments to this title?

If not, the Clerk will designate title II. The text of title II reads as follows:

TITLE II—UNITED STATES INFORMATION AGENCY

SEC. 201. SHORT TITLE.

This title may be cited as the "United States Information Agency Authorization Act, Fiscal Years 1986 and 1987".

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for the United States Information Agency $949,639,000 for the fiscal year 1986 and $1,138,177,000 for the fiscal year 1987 to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 2 of 1977, and for other purposes authorized by law.

SEC. 203. MODERNIZATION OF VOICE OF AMERICA.

Of the authorizations of appropriations contained in section 202, authorizations of $151,947,000 for the fiscal year 1986 and $310,000,000 for the fiscal year 1987, which shall be available for essential modernization of the facilities and operations of the Voice of America, shall remain available until the appropriations are made and when those amounts are appropriated they are authorized to remain available until expended.

SEC. 204. INCREASED AMOUNTS FOR BOOK PROGRAM.

An amount not less than the amount requested by the United States Information Agency in its presentation to the Congress for increases in TV WORLDNET and facilities for each of the fiscal years 1986 and 1987 shall be used for increases in the world wide book program initiative and related support for the Educational and Cultural Exchange Bureau.

SEC. 205. NATIONAL ENDOWMENT AND DEMOCRACY.

(a) Requirements Relating to the Endowment and Its Grantees.—The National Endowment for Democracy Act (22 U.S.C. 4411 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 505. REQUIREMENTS RELATING TO THE ENDOWMENT AND ITS GRANTEES.

"(a) Codification of Certain Policies of the Endowment.—The Endowment shall adhere to the following policies:

"(1) All proposals approved by the Board of Directors, grant agreements between the Endowment and its grantees, and any other official document of the Endowment shall be available to the public upon request.

"(2) Funds may not be expended, either by the Endowment or by any of its grantees, to finance the campaigns of candidates for public office.

"(3) No funds granted to the political party institutes by the Endowment may be used to finance activities of the Republican National Committee or the Democratic National Committee.

"(b) Consultation with United States Diplomatic Missions.—The Endowment shall require its grantees to consult with the United States Chief of Mission to a foreign country before funds provided by the Endowment are made available by the grantee for a project in that country.

"(c) Joint Projects by Political Party Institutes.—Amounts made available by the Endowment in the fiscal years 1986 and 1987 to the institutes established by the two major American political parties shall be used, to the maximum extent feasible, for projects jointly implemented by those institutes.".

(b) Earmark for Certain Recipients.—Section 503(e) of such Act (22 U.S.C. 4412(e)) is amended to read as follows:

"(e)(1) Subject to paragraph (2), of the amounts made available to the Endowment for each of the fiscal years 1986 and 1987 to carry out programs in furtherance of the purposes of this Act—

"(A) not less than $13,800,000 shall be for the Free Trade Union Institute; and

"(B) not less than $5,500,000 shall be for the Center for International Private Enterprise.

"(2) If the amount made available to the Endowment for either of the fiscal years 1986 or 1987 is less than $31,300,000, the Board of Directors of the Endowment may reduce the amounts provided pursuant to paragraph (1), except that in exercising this authority, the Board may not provide—

"(A) the Free Trade Union Institute with less than 40 percent, and

"(B) the Center for International Private Enterprise with less than 20 percent,

of the amount made available to the Endowment for that fiscal year.".

(c) Audits by USIA.—Section 504 of such Act is amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively, and

(2) by inserting after subsection (f) the following new subsection (g):

"(g) The financial transactions of the Endowment for each fiscal year may also be audited by the United States Information Agency under the conditions set forth in subsection (f)(1).".

(d) Effective Date.—The amendment made by subsection (b) shall take effect on October 1, 1985.

AMENDMENT OFFERED BY MR. MICA

Mr. MICA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Mica:

Page 29, line 9, strike out "$949,639,000" and insert in lieu thereof "$922,286,000"; and line 10, strike out "$1,138,177,000" and insert in lieu thereof "$962,866,000".

Page 29, line 19, strike out "$151,947,000" and insert in lieu thereof "$136,594,000"; and line 20, strike out "$310,000,000" and insert in lieu thereof "$142,604,000".

Page 33, line 15, strike out "$136,677,000" and insert in lieu thereof "$127,700,000"; and line 24, strike out "$30,000,000" and insert in lieu thereof "$21,030,000".

Page 32, after line 24, add the following:

(d) Limitation on Grants to the Endowment.—Of the amounts authorized to be appropriated by section 202 for the United States Information Agency, not more than $19,300,000 for the fiscal year 1986 and not more than $20,100,000 for the fiscal year 1987 may be made available to the National Endowment for Democracy.

Page 33, line 1, strike out "(d)" and insert in lieu thereof "(e)".

Page 31, strike out line 19 and all that follows through line 14 on page 32 and insert in lieu thereof the following:

"(e) Of the amounts made available to the Endowment for each of the fiscal years 1986 and 1987 to carry out programs in furtherance of the purposes of this Act—

"(1) not less than 40 percent shall be for the Free Trade Union Institute; and

"(2) not less than 20 percent shall be for the Center for International Private Enterprise.".

Mr. MICA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MICA. Mr. Chairman, the much heralded and long awaited freeze amendment is at hand. Knowing of the constraints on Members' time, the minority Member, Ms. Snowe and myself have agreed to try to present this in a 5-minute period of time for a vote. We know of no single objection to this amendment.

Essentially, we have a budget freeze before us. Let me just relate what the committee has done. we came in $40 million less than the President's request. On top of that, we have crafted a freeze amendment that brings us in $27 million less, for a total reduction of $67 million this year.

Next year, the bill is $9 million less than the President's request. The freeze on top of that, adds up to $184 million less, for a total reduction of $193 million. We have heeded the actions of the House this year; we have heeded the urgings of my colleague, Mr. Morrison from Connecticut and others that we should move ahead with a freeze amendment, and that is simply and precisely what we are doing. A 4.4-percent inflation factor is the only factor that was added in at this point

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentlewoman from Maine.

Ms. SNOWE. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment that has been offered by the gentleman. I think this is certainly the direction that we should be moving in, and is part of an ongoing effort on the part of Members here in the House to offer amendments to authorizing legislation that would freeze the overall funding level to the 1985 appropriations level.

We did that by reducing programs in the Voice of America, by providing a reduction in the National Endowment for Democracy funds to the 1985 appropriations level. We think that these programs can absorb those reductions, and I would urge the Members to support this amendment.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment. I want to commend the committee, and, in particular, the chairman and the ranking Member for having brought us this freeze amendment which is in keeping with the overwhelming votes of the House in this direction.

I hope we will continue to move in that direction.

Mr. PURSELL. Mr. Chairman, will the gentleman yield.

Mr. MICA. I yield to the gentleman from Michigan.

Mr. PURSELL. I thank the gentleman for yielding to me.

Mr. Chairman, I want to congratulate the Committee leadership on both sides to move ahead on the freeze movement. Our group 92 has been in the forefront; this is the fourth budget battle today. The leadership here on the Committee has taken that initiative, rather than other Members outside the Committee, to offer amendments.

Therefore, I too, put my signature on behalf of our group, in support of this amendment. I am not sure we even need a recorded vote; I think we can expedite the matters of the House, because I think this will be a unanimous vote.

● Mr. RUDD. Mr. Chairman, I support the pending amendment to freeze the fiscal year 1986 State Department authorization at the anticipated 1985 appropriated level.

If we are ever to gain control over spending and make serious progress toward lower deficits, we must begin exercising restraint at every opportunity.

We've already had the courage to freeze authorizations for the National

Science Foundation, the National Bureau of Standards, and NASA.

A spending freeze alone will not make the deficits disappear, nor will it solve the problem of wasteful or unnecessary programs. However, a freeze is a step in the right direction.

I urge my colleagues to support the amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. Mica].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MORRISON of Connecticut. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and they were—ayes 398, noes 1, answered present-1, not voting 34, as follows

[Roll No. 107]

AYES—398

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Barnard
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carper
Carr
Chandler
Chappell
Chapple
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
Delay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Lott
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shuster
Sikorski
Siljander
Sisisky
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

NOES—1

Williams

ANSWERED "PRESENT"—1

Gonzales

NOT VOTING—34

Addabbo
Anthony
Badham
Barton
Brown (CA)
Carney
Collins.
Dixon
Dowdy
Early
Flippo
Glickman
Jones (TN)
Kramer
Latta
Leland
Lent
Long
Lowery (CA)
McGrath
Mitchell
Neal
Quillen
Robinson
Roybal
Schneider
Shumway
Skeen
St Germain
Traxler
Waxman
Weaver
Wilson
Wylie

□ 1600

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. KOSTMAYER

Mr. KOSTMAYER. Mr. Chairman, I offer an amendment and I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman rom Pennsylvania?

There was no objection.

The text of the amendment is as follows:

Amendment offered by Mr. Kostmayer: Page 33, after line 2 add the following new section:

SEC. 206. DISTRIBUTION WITHIN THE UNITED STATES OF THE USIA FILM ENTITLED "HAL DAVID: EXPRESSING A FEELING".

Notwithstanding the second sentence of section 501 of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1461)—

(1) the Director of the United States Information Agency shall make available to the Archivist of the United States a master copy of the film entitled "Hal David: Expressing a Feeling"; and

(2) upon evidence that necessary United States rights and licenses have been secured and paid for by the person seeking domestic release of the film, the Archivist shall reimburse the Director for any expenses of the Agency in making that master copy available, shall deposit that film in the National Archives of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. Kostmayer] is recognized for 5 minutes in support of his amendment.

Mr. KOSTMAYER. Mr. Chairman, this will take less than 30 seconds.

There is currently in law a ban on the dissemination of films produced by the United States Information Agency for showing in this country. This amendment would waive that ban for a film called "Hal David: Expressing a Feeling."

Mr. Chairman, I ask for agreement on this amendment.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Florida.

Mr. MICA. Mr. Chairman, this will also take less than 30 seconds.

Not only this film but two other films, will be offered for release in this bill. An amendment will be offered on those in just a moment. The committee staff has reviewed them and recommended them, and there is no objection on either side.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, we support the amendment as well. I understand the distribution of these films is often done by acts of Congress, so I support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KOSTMAYER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LAGOMARSINO

Mr. LAGOMARSINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGOMARSINO: Page 33, after line 2, add the following new section:

SEC. 206. DISTRIBUTION WITHIN THE UNITED STATES TWO USIA FILMS RELATING TO AFGHANISTAN.

Notwithstanding the second sentence of section 501 of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1461)—

(1) the Director of the United States Information Agency shall make available to the Archivist of the United States a master copy of the films entitled "Afghanistan 1982: the Struggle for Freedom Continues" and "We Are Afghanistan"; and

(2) upon evidence that necessary United States rights and licenses have been secured and paid for by the person seeking domestic release of such a film, the Archivist shall reimburse the Director for any expenses of the Agency in making the master copy of such film available, shall deposit such film in the National Archives of the United States, and shall make copies of such film available for purchase and public viewing within the United States.

Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

Mr. LAGOMARSINO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LAGOMARSINO. Mr. Chairman, my amendment is noncontroversial and quite simple. The U.S. Information Agency [USIA] has produced two outstanding films which document the tragic plight of the people of Afghanistan since the Soviet invasion in 1979. The amendment would allow USIA to take action to allow them to be seen by the U.S. public.

The first film, entitled "Afghanistan 1982: The Struggle for Freedom Continues," contains exclusive interviews with eyewitnesses, respected international journalists and other concerned individuals, combined with extensive footage of the actual 1979 invasion; Soviet troops, tanks, helicopters, and antipersonnel mines; scenes of recent destruction; refugees in camps in Pakistan and on the move inside Afghanistan; Afghan resistance fighters in the hills; and scenes from the 1980 and 1981 U.N. General Assembly votes condemning the Soviet invasion. Interviews include Soviet emigre and author Vladimir Bukovsky; a former official in the Afghan Government; an Afghan student leader; a recently evacuated "Mujahideen" or freedom fighter "double agent" from Kabul; U.N. General Assembly delegates; a representative of the International Federation for Human Rights in Paris; two Soviet prisoners of war held by the "Mujahideen"; two French volunteer doctors just back from the strategic Panshir Valley; and American, French, Italian, and other TV and print journalists. This 47-minute color film was produced in 1982, yet the information it conveys is still quite useful and instructive.

The second film, entitled "We are Afghanistan," was produced in 1984 for use in conjunction with United States and worldwide activities marking the fifth anniversary of the Soviet invasion of Afghanistan. It contains the latest available footage from inside Afghanistan, and through scenes of the refugee camps and extensive interviews with refugees, Western medical volunteers, and Western journalists, documents the plight of the 4 million-plus refugees driven from their homeland. Included are scenes of the aid and cooperation provided by neighboring Moslem and Western countries; scenes of the frontier refugee camps in Pakistan; discussion of the economic and social effects of the refugee influx on Pakistan; the plight of the 1 to 2 million refugees wandering within Afghanistan, homeless, in their attempt to escape the ravages of war; the role of French and American medical volunteers in Afghanistan and the refugee camps; and interviews with individual freedom fighters and London Sunday Times correspondent Barry Penrose after his return from Kabul on an unauthorized visit to that embattled and besieged capital city. The film appropriately closes with scenes that demonstrate the will of the Afghan people to fight until the Soviets are driven from their homeland.

Mr. Chairman, it is time the American people were given a glimpse of that brutal and destructive war. To date, the war has received from the Western news media only scant coverage. Many reporters refuse to go to Afghanistan for fear of their very survival—and who can blame them. The Soviets have specifically threatened Western reporters with death if they dare cover this bloody genocide. Obviously, an integral component of the Soviet strategy in the Afghan war is to limit opposition to their barbaric behavior in Afghanistan through preventing adequate media coverage. Simply stated, Soviet leaders are content with the slaughter underway in that country; they do wish, however, that opposition and condemnation of their vicious war would go away.

My amendment, Mr. Chairman, would help ensure that Americans do receive sufficient information about the Afghan war, and its disastrous effect on the people, culture, and terrain of that once unrulable land.

During the crisis in Poland in 1981, this House voted to release another marvelous USIA film entitled, "Let Poland Be Poland." That outstanding film documented the role of "Solidarnosc—Solidarity," the outlawed Polish trade union, in the Polish peoples' efforts to gain freedom from Communist tyranny and oppression. The release of that film was, I believe, viewed universally as a strong message of support for the Polish people in their time of struggle. By releasing these two USIA films on the war in Afghanistan, we can send an equally strong message to the Afghan people that we are aware of their plight and that we stand with them in their struggle to be free from foreign domination.

Mr. Chairman, legislation, Senate Concurrent Resolution 74, passed this body late last Congress, which plainly specified U.S. policy toward the Afghan war. In part, Senate Concurrent Resolution 74 stated:

> It should be the policy of the United States: (1) To encourage and support the people of Afghanistan to continue thier struggle to be free of foreign domination; (2) to effectively support the Afghan people in their fight for freedom; and (3) to pursue a negotiated settlement to the conflict.

Mr. Chairman, my amendment would help to ensure that stated U.S. policy on the war in Afganistan is being implemented. If any people today are pursuing a just and legitimate struggle for national liberation, it is the Afghans. They have taken on the Soviet Union—and all its trappings, including its troops, helicopters, Mig jets, chemical weapons, booby trap toys, and so forth—and have emerged only more determined to rid their country of the foreign invaders. They deserve our support. And one way we can show our support is by approving my amendment.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the chairman of the subcommittee.

Mr. MICA. Mr. Chairman, as was just indicated moments ago, we have reviewed this film, and we have no objection to it. In fact, we hope in the future to find a way to do this without congressional action.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, I support the gentleman's amendment.

I think it would be appropriate for the distribution of these films to further inform the American public about the brutal nature of the Soviet invasion of Afghanistan and the

Afghan people's opposition to the occupying forces. We need to continue to inform the American people and other countries as well as to the exact problems there now and into the future.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentlewoman, and I want to take this time to commend the chairman of the subcommittee and the ranking member for their fine work on this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LAGOMARSINO].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SMITH OF FLORIDA

Mr. SMITH of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Florida: Page 33, after line 2, add the following new section:

SEC. 206. NOTIFICATION OF PROGRAM GRANTS.

(a) APPLICATION TO FISCAL YEARS 1986 AND 1987.—Section 705(b) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1477c(b)) is amended by striking out "1984 and 1985" and inserting in lieu thereof "1986 and 1987".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1985.

Mr. SMITH of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SMITH of Florida. Mr. Chairman, this amendment really is mostly a technical amendment. What it does is basically increase the existing portions of the bill for the next 2 years, adding in 1986 and 1987, to make sure that the letter and spirit of the Fulbright-Hays Act and the U.S. Information Educational Exchange Act is effectively observed and partisan political considerations do not enter into the grant-making process with reference to the USIA, which makes grants to education and cultural exchange programs.

All the amendment does is for the next 2 years carry forward the policy that is already in the law this year and has been for previous years.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to the gentleman from Florida.

□ 1610

Mr. MICA. Mr. Chairman, the committee has reviewed this amendment. This amendment is technical in nature. It simply continues existing law that is due to expire.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I would be pleased to yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, I would be pleased to accept this amendment as well. This has been a good provision in the past, which does not require much paperwork on the part of the USIA. It is a notification process which gives Congress an idea as to how and to whom these grants are issued; so I would be pleased to accept this amendment.

Mr. CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SMITH].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MC CAIN

Mr. McCAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCAIN: Page 30, strike out lines 19 through 23; line 24, strike out "(2)" and insert in lieu thereof "(1)"; Page 31, line 1, strike out "(3)" and insert in lieu thereof "(2)"; line 15, strike out the quotation marks and the final period; and after line 15, add the following new subsection:

"(d) PUBLIC ACCESS TO INFORMATION.—

"(1) The Endowment shall make available to the public, upon request, any information regarding its organization, procedures, requirements, and activities, except that the Endowment is authorized to withhold information which is exempted from disclosure pursuant to subsection (b) of section 552 of title 5, United States Code (relating to freedom of information).

"(2) The Endowment, upon receipt of any request for information, shall (in accordance with section 552(a)(6) of such title) determine promptly whether to comply with such request and shall promptly notify the person making the request of such determination. In the event of an adverse determination, and if requested by the person requesting the information, such determination shall be reviewed by the General Counsel of the Endowment.".

Mr. McCAIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. McCAIN. Mr. Chairman, I will be as brief as possible, since I have secured the agreement of the chairman and the ranking minority member on this amendment. It basically is an improvement so that we can make it easier for those individuals or groups who have not been granted funds by the National Endowment for Democracy to ascertain the reasons why and for our taxpayers to be able to know better how the funding is being dispensed from the National Endowment for Democracy.

Mr. Chairman, the current language states that all proposals approved by the board of directors, grant agreements between the endowment and its grantees and any other official document shall be available to the public upon request. This amendment helps to assist those who were disapproved as well.

This amendment recognizes the valid concerns of those who feel that the National Endowment for Democracy is a private organization and should not be covered by the FOIA.

The language is very similar to that contained in the authorization for the Synfuels Corporation, another private group which receives funding from the Federal Government.

We will not be creating new regulations or setting new precedents by putting in this amendment.

The amendment refers to two sections of the Freedom of Information Act. The first allows the National Endowment for Democracy to withhold information if they determine that releasing such information would be dangerous or inappropriate. Current language provides no such protection to the NED.

The second reference is a timetable and procedure for the National Endowment for Democracy to follow when responding to a request for information. It provides them a framework from which to operate.

I believe the taxpayers have a right to know if a group of Americans is denied funding.

I also understand that complete use of this FOIA could harm or damage the activities and the role of the National Endowment for Democracy.

This is not an attempt to harm the apparatus nor work against the National Endowment for Democracy.

I believe the amendment is noncontroversial.

I would like to express my appreciation to the subcommittee chairman, the gentleman from Florida, and the ranking minority member, the gentlewoman from Maine, for their assistance in working out what at one time was a very difficult problem.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. McCAIN. I yield to the gentleman from Florida.

Mr. MICA. I thank the gentleman. Let me just take 10 seconds to say, first, that the committee tried to address the Members' concerns on access to information. The USIA now has specific authority to audit. We have codified extensive disclosure rules. This amendment adds to that already expansive disclosure requirement.

The committee is happy to accept the amendment.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. McCAIN. I am happy to yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, I certainly support the gentleman's amendment. It does expand upon what we have already done in the committee.

As the gentleman has explained, his amendment would modify the committee bill to specify the means by which we could secure public access to those documents held by the National Endowment for Democracy.

I think the gentleman has drafted his amendment very carefully, because it is modeled after the Synthetic Fuels Corporation, which is an entity similar to the structure of the National Endowment for Democracy.

I also support the gentleman's intent, which is to make these agencies even more accountable by opening up their files for public scrutiny. Although the National Endowment for Democracy is a nongovernmental entity, in a sense it is entirely supported by Government funds, and for that reason we should require as much access to their files as possible.

As I also understand, the gentleman's amendment would only provide exemption from disclosure similar to the exemptions provided for under the Freedom of Information Act.

So I support the gentleman's amendment.

Mr. McCAIN. Mr. Chairman, I thank the gentlewoman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. McCain].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title II? If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

SEC. 301. SHORT TITLE.

This title may be cited as the "Board for International Broadcasting Authorization Act, Fiscal Years 1986 and 1987".

SEC. 302. AUTHORIZATION OF APPROPRIATIONS.

(a) Fiscal Years 1986 and 1987.—Subparagraph (A) of section 8(a)(1) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)(1)(A)) is amended to read as follows:

"(A) $122,325,000 for the fiscal year 1986 and $136,677,000 for the fiscal year 1987; and".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1985.

SEC. 303. IMPROVEMENT OF FACILITIES.

Section 8 of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877) is amended by adding at the end thereof the following new subsection:

"(c) Of the authorization of appropriations contained in subsection (a)(1)(A), authorizations of $20,000,000 for the fiscal year 1986 and $30,000,000 for the fiscal year 1987, which shall be available for radio modernization, shall remain available until the appropriations are made and when those amounts are appropriated they are authorized to remain available until expended.".

SEC. 304. MANAGEMENT OF RFE/RL, INCORPORATED.

(a) Findings.—The Congress finds that—

(1) RFE/RL, Incorporated, is essential to the continued and effective furtherance of the open flow of information and ideas throughout Eastern Europe and the Soviet Union:

(2) effective communication of information and ideas can only be accomplished if the long-term credibility of RFE/RL, Incorporated, operating in accordance with the highest standards of professionalism, is maintained:

(3) the performance of RFE/RL, Incorporated, is dependent on proper management, an objective approach to news, quality programming, and effective oversight;

(4) The Board for International Broadcasting, in addition to making grants, is responsible for overseeing broadcast quality and effectiveness and for overseeing effective utilization of Federal funds;

(5) RFE/RL, Incorporated, is responsible for its own management and for daily broadcasts into Eastern Europe and the Soviet Union;

(6) the Board for International Broadcasting and RFL/RL, Incorporated, must remain very distinct and different institutions if they adhere to the Joint Explanatory Statement of the Committee on Conference relating to the Board of International Broadcasting Authorization Act, Fiscal Years 1982 and 1983;

(7) the absence of a procedure, and an individual (other than the President) charged with enforcing that procedure, for supervising the daily program content and quality of RFE/RL, Incorporated, may have undermined the management of the radios and their sensitivity to audience reaction to programming;

(8) the Board for International Broadcasting, in an effort to preserve or enhance its ability to properly oversee the operations of RFE/RL, Incorporated, must avoid even the appearance of involvement in daily operational decisions and management of RFE/RL, Incorporated; and

(9) the absence of satisfactory pre-broadcast review and the lack of sufficient records of actions taken to explain or remedy program problems identified through post-broadcast review, may endanger the long-term credibility of RFE/RL, Incorporated.

(b) Actions To Be Taken by RFE/RL.—It is the sense of the Congress that RFE/RL, Incorporated, should—

(1) reestablish the procedure, and a position charged with enforcement of that procedure, the primary emphasis of which is the daily oversight and managment of RFE/RL, Incorporated, program content and quality;

(2) strengthen existing pre- and post-broadcast review and controls; and

(3) improve its personnel management system to include such things as better documentation of internal decisionmaking and communication, personnel review, and job description.

(c) Actions to be Taken by BIB.—It is the sense of the Congress that the Board for International Broadcasting should—

(1) periodically review and update the Program Policy Guidelines of RFE/RL, Incorporated, with the goal of maintaining their clarity and responsiveness; and

(2) ensure that the distinctions between the Board for International Broadcasting and RFE/RL, Incorporated, remain clear and that these two entities continue to operate within the framework established by law.

AMENDMENT OFFERED BY MR. HUNTER

Mr. HUNTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hunter: At the end of the bill, add the following new section:

Sec. . The Congress commends our fine Ambassador to Mexico, John Gavin, for insuring a full and complete investigation and prosecution of the murderers of Enrique Camerena and for his continuing advocacy of a strong drug enforcement program.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I would be happy to yield.

Mr. MICA. Mr. Chairman, we would be happy to accept this amendment. There is no objection from the majority side.

Mr. HUNTER. I appreciate the gentleman's cooperation.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentlewoman.

Ms. SNOWE. Mr. Chairman, I rise in support of the gentleman's amendment. I congratulate the gentleman for raising the issue and congratulate the Ambassador for his outstanding work in handling a very difficult situation.

Mr. HUNTER. Mr. Chairman, I thank the gentlewoman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Hunter].

The amendment was agreed to.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage the gentleman from Florida [Mr. Mica] in a colloquy concerning section 115 of the bill which authorizes, in exceptional circumstances, the Secretary of Commerce to make limited appointments in the United States and Foreign Commercial Service without regard to the 5-percent limit on noncareer appointments to the Senior Foreign Service. When we developed the Foreign Service Act of 1980, we placed a 5-percent limit on the number of noncareer members of the Senior Foreign Service systemwide to prevent a wholesale politicization of the Foreign Service and to insure that career paths are not blocked by political appointees. This second concern is of paramount importance if the Foreign Service is to work as up or out system. Yet, section 115 of this bill provides an exception to this 5-percent limit. Could the gentleman from Florida explain the reasoning behind this?

Mr. MICA. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield the gentleman from Florida.

Mr. MICA. First, I would like to thank the gentlewoman from Colorado [Mrs. Schroeder] for her assistance in drafting this section. The 1980 act excepted the Department of Commerce from the 5-percent limitation on noncareer appointees to the Senior Foreign Service until September 30,

1985. When this transitional provision lapses, the Foreign Commercial Service can have only one noncareer appointee. Right now, the Service has six from the business community and another four who have reemployment rights in the Senior Executive Service. If the transitional provision lapsed, the Foreign Commercial Service would lose much of its ability to promote trade with the United States abroad.

So, section 115 provides for one noncareer appointee and authorizes the appointment of other individuals to limited appointments where two conditions are met. The first condition is that no career member of the Senior Foreign Service with the necessary qualifications is available to serve in the position. The second condition is that the individual appointed to the limited position has unique qualifications for the specific position. In this regard, the first sentence of the committee report concerning section 115 should read: "Section 115 allows the United States and Foreign Commercial Service to appoint individuals to limited appointments for specific positions abroad in the Senior Foreign Service where no career member is qualifed or available and where the appointed individuals have unique qualifications for the specific position."

Mrs. SCHROEDER. Thank you for the description. These special limited appointees, who could never serve more than 5 years in any case, would be appointed to a single position and would not be subject to reassignment. Is that right?

Mr. MICA. The gentlewoman is correct. Currently, they are appointed on 2-year contracts, which can be renewed up to a total of 5 years. I expect that the Department of Commerce would continue to limit the initial length of appointments of noncareer members of the Senior Foreign Service to 2 years. And, they are appointed to specific positions for which they are uniquely qualified.

Mrs. SCHROEDER. One condition in this section has to do with the lack of availability of career members of the Service. What does this mean?

Mr. MICA. Currrently, the Department has procedures for surveying career members of the Service when a vacancy occurs or is expected. I expect the Department to continue and strengthen these procedures so that only in extraordinary circumstances is the noncareer authority utilized. If a qualified career member of the Service can be found and made available, the career member should be assigned to the position.

Mrs. SCHROEDER. I have heard concerns raised about the open ended authority to name political appointees to FS-1 positions, just below the Senior Foreign Service. Could the United States and Foreign Commercial Service be larded with political appointees at the FS-1 level to circumvent the strict limits on the use of noncareer personnel in the Senior Foreign Service?

Mr. MICA. Let me say, first, that my experience with the United States and Foreign Commercial Service is that they have not abused their authorities to appoint noncareer staff by using these authorities for political appointees. I think the administration would be making a mistake if it believes that it can appoint all the political people it wants at the FS-1 level. Section 115 provides for the unrestricted appointment of only one noncareer person in the Senior Foreign Service. We will be watching the use of the authority contained in section 115 closely and the appointments to the United States and Foreign Commercial Service to make sure that FS-1 appointments are not used to circumvent the provisions of section 115.

Mrs. SCHROEDER. Do you expect the Department to report to your subcommittee each time an appointment is made under section 115?

Mr. MICA. As you know, this is not required by the bill. Yet, I have no doubt that the United States and Foreign Commercial Service would report each time such an appointment is made if we request them to do so and I intend to make such a request.

Mrs. SCHROEDER. One last question. What does the language "the individual appointed has unique qualifications for the specific position" mean?

Mr. MICA. What that means is that a person appointed in a specific country, for example Japan, should have specialized knowledge about trading with the Japanese. This knowledge would typically be demonstrated by an ability to speak the local language, by experience in dealing with companies and government officials in that country, and by experience with trade with that country. The new authority in section 115 is there so that the United States can hire the best to promote trade with the United States abroad. As I said, we will be monitoring this authority to ensure that only the best are hired.

Mrs. SCHROEDER. I thank the gentleman.

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The CHAIRMAN. The time of the gentlewoman from Colorado [Mrs. Schroeder] has expired.

(By unanimous consent, Mrs. Schroeder was allowed to proceed for 1 additional minute.)

Mrs. SCHROEDER. Mr. Chairman, I would also like to commend the gentlewoman from Maine [Ms. Snowe] for her work at the Foreign Affairs Committee to draw attention to the slow progress on preparations for the upcoming World Conference on Women. This U.N.-sponsored global event, set in motion 10 years ago, represents the culmination of the U.N. Decade for Women. It is a serious, international conference and one that demands significant preparation of our U.S. delegation. But with barely 2 months left before the world conference, it appears that preparations are way behind schedule.

Ms. SNOWE. Mr. Chairman, if the gentlewoman will yield, I want to thank the gentlewoman for raising this issue. I share her concern about the state of U.S. preparations for the conference. Our colleagues may not be aware that the Secretariat at the State Department, which is charged with these preparations, has undergone almost a complete change of staff since it was created only 8 weeks ago. The committee report on the State Department authorization contains, at my request, language urging the Department to provide adequate staff and resources to the conference Secretariat so that preparations can be completed at the earliest possible time.

Mrs. SCHROEDER. The massive preparation appears to be an enormous task to complete within a matter of weeks. A worldwide conference is clearly a major and serious political event, and surely one that demands the full commitment of time, staff, and resources from our Government. This is not a ladies' tea party. But when the Secretariat office is physically relocated three times in the last few weeks, one wonders whether there is a serious commitment to U.S. involvement.

Ms. SNOWE. Again, I share the gentlewoman's concern on this matter, but I would say that I am encouraged by the fact that our delegation consists of many distinguished women to be led by the President's daughter, Maurean Reagan. To be a truly effective force, however, these delegates must be prepared for every issue and eventuality likely to arise at the Nairobi Conference. I hope our colleagues here today will join us in urging the State Department to fulfill its responsibility to our delegation and the conference at large.

Mrs. SCHROEDER. I thank the gentlewoman for her remarks.

AMENDMENT OFFERED BY MR. RINALDO

Mr. RINALDO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Rinaldo: Page 36, after line 22, add the following new section:

SEC. 305. TASK FORCE WITH RESPECT TO BROADCASTS TO SOVIET JEWRY.

(a) Establish Task Force.—There shall be established by the Board for International Broadcasting a task force to conduct a study of the advisability and feasibility of increasing broadcasts to the Jewish population within the Soviet Union.

(b) Study.—The Task Force shall—

(1) investigate the needs of Jewish audiences in the Soviet Union;

(2) study the practicality and desirability of establishing a special program, in accordance with the Program Policy Guidelines of RFE/RL, Inc., of Russian language broadcasting to the Jewish population of the Soviet Union; and

(3) make recommendations with respect to the desirable content of broadcast programming;

(c) Report.—Not later than six months after the date of the enactment of this Act, the Board for International Broadcasting shall submit a report to the Congress. Such report shall include the following:

(1) Whether expansion of original programming scheduled ("Jewish Cultural and Social Life") or planned ("Judaism") is fulfilling the needs of the audience, and whether expanded Soviet-Jewish programming should include broadcasts on Jewish history, culture, and religion.

(2) The extent to which such programming is broadcast in Russian, Hebrew, and Yiddish.

(3) Recommendations for implementing expanded programming within the structure of RFE/RL, Inc., including specific personnel required and providing for a Soviet Jewry administrative unit within Radio Liberty.

(4) The findings of, and the recommendations from, the study required under subsection (b).

(d) Existing Personnel To Conduct Study and Make Report.—The study and the report required by this section shall be carried out by existing personnel of RFE/RL, Inc., or the Board of International Broadcasting.

Mr. RINALDO [during the reading]. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RINALDO. Mr. Chairman, my amendment would require that the Board for International Broadcasting establish a working group known as the Radio Maccabbee task force that would identify the radio broadcasting needs of the Jewish population of the Soviet Union.

This amendment contains the theme of legislation which I introduced on January 3, 1985, H.R. 423 calling for the establishment of a Radio Maccabbee radio program that would operate under the auspices of Radio Liberty.

The amendment I offer today establishes the foundation upon which Radio Maccabbee or any other entity which increases broadcasting to the Jewish population of the Soviet Union can be built. Radio Liberty, which broadcasts to 12 other nationalities in the Soviet Union, must do more to provide communication to the Jewish population behind the Iron Curtain.

As we are all well aware, the situation in the Soviet Union grows worse each day for its 3 million Jewish citizens. Emigration which totaled over 50,000 in 1979 fell to less than 1,000 last year. Almost every day there are new reports of state-sanctioned anti-Semitism and the arbitrary detention of those who seek to practice their religion. Soviet authorities, in violation of the Helsinki accords, are interfering with postal and telephone communications and seek increasingly to isolate the Jewish population from contact with the West.

Our colleagues are well aware of this breakdown of communications, and more than 50 of them have cosponsored my bill.

The Radio Maccabbee task force should include representatives from not only the Board for International Broadcasting but also from groups which have taken an active interest in this issue, such as the Union of Councils for Soviet Jews. In 6 months, they are to report to Congress the efforts that are being undertaken by the Board for International Broadcasting to meet the needs of the Jewish population of the Soviet Union. They are also instructed to make a recommendation as to whether or not the establishment of a separate Radio Maccabbee radio program would be an appropriate response to a pressing communications problem.

Far too often, Members of this body are frustrated in our efforts to come to the assistance of persecuted persons in the Soviet Union.

By adopting this amendment, we are sending a clear signal that the American people will never waver in their support.

With growing Soviet interference over telephone and postal communications, the Board for International Broadcasting must do more. The Radio Maccabbee task force will identify those needs and set into place the programs which are so vital for the survival of the Jewish people in the Soviet Union. Radio communications will be the messenger of hope for those who seek to preserve their culture.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the requisite number of words.

I just want to rise to commend the gentleman from New Jersey [Mr. Rinaldo] for the effort that he has made on this amendment. As a Member who has been timely involved with Radio Liberty and Radio Free Europe, and did an overview as a result of which we brought many of the things that the gentleman referred to tonight, I want to congratulate the gentleman for the interest that he has taken and commend him for the kind of thing that we are doing with this amendment.

This is the kind of situation that bears very strong scrutiny by the Congress of the United States to make sure that Radio Liberty, especially that very credible voice of the United States that beams to the Soviet Union, does not offend sensibilities and takes into account all of the things that are ongoing of a political nature in the Soviet Union.

The Radio Maccabbee Task Force will not create more bureaucracy, will not add more money. And what it will do is to make sure that the radio continues to be sensitive to the kinds of things that the gentleman outlined in his remarks.

Mr. RINALDO. Will the gentleman yield?

Mr. SMITH of Florida. I will be happy to yield.

Mr. RINALDO. I want to thank the gentleman for his comment and also commend him for his efforts in this regard. I know he has been diligent in seeking to further the causes which this legislation promotes, and I am very grateful for his assistance in this matter.

Mr. SMITH of Florida. I thank the gentleman. I think this is a good amendment and I hope everyone will support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. Rinaldo].

This amendment was agreed to.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time simply to note the significant public servcie that has been performed by the distinguished chairman of the subcommittee and the manager of this bill. The gentleman from Florida [Mr. Mica] has been on this floor now for 4 weeks attempting to get the bill passed and now, as he brings it toward the end, I think it is appropriate that all of us take notice of the diligence that he has demonstrated and of the foresight and the really responsible, constructive manner in which this bill has been managed by the gentleman from Florida [Mr. Mica].

And may I say also the ranking minority Member, the gentlewoman from Maine, Olympia Snowe, who has provided the same character of foresight and ability and bipartisan responsibility.

The CHAIRMAN. Are there further amendments to title III?

AMENDMENT OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment Offered by Mr Conyers: Page 29, line 9, strike out "$949,639,000" and insert in lieu thereof "$918,339,000"; and line 10, strike out "$1,138,177,000" and insert in lieu thereof "$1,106,877,000".

Page 30, strike out line 9 and all that follows through line 2 on page 33 and insert in lieu thereof the following:

SEC. 205. NATIONAL ENDOWMENT FOR DEMOCRACY.

(a) Prohibition on Funding for NED. — Funds authorized to be appropriated for the United States Information Agency or any other agency of the Government may not

be provided to the corporation known as the National endowment for Democracy.

(b) Repeal of National Endowment for Democracy Act.—The National Endowment for Democracy Act (22 U.S.C. 4411–4413) is repealed.

(c) GAO Audits.—Subsection (b) shall not affect the authorities and responsibilities of the Comptroller General and the General Accounting Office as they relate to audits of the National Endowment for Democracy in accordance with the National Endowment for Democracy Act.

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The CHAIRMAN (during the reading). The Clerk will suspend. The Chair must notify the gentleman from Michigan that his amendment is to title II which has already been passed in the reading of the bill.

In order to entertain this amendment the gentleman would have to seek unanimous consent.

Mr. CONYERS. Mr. Chairman, I ask unanimous consent that I may be able to introduce this amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. MICA. Objection, Mr. Chairman.

Ms. SNOWE. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Are there further amendments to title III?

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. COBEY. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from North Carolina.

Mr. COBEY. I thank the gentleman for yielding.

Mr. Chairman, I was going to offer an amendment to create a new title IV to this bill concerning the continued funding of activities that came out of the International Youth Conference in Kingston, Jamaica. But I have received an assurance from the chairman of the subcommittee.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the chairman of the subcommittee.

Mr. MICA. I thank the gentleman for yielding.

Mr. Chairman, the Chair has agreed to raise this subject in hearings. We appreciate the gentleman [Mr. Cobey] withdrawing the amendment.

I understand that there are no further amendments.

Mr. COBEY. Mr. Chairman, will the gentleman yield further?

Mr. LAGOMARSINO. I yield to the gentleman from North Carolina.

Mr. COBEY. I thank the gentleman for yielding.

Mr. Chairman, could the Chairman of the subcommittee give me some assurance as to how sooon those hearings could be held?

Mr. MICA. The Chair would say very frankly, and this is not an intent to avoid, but as quickly as we can do it we will.

I do not have a date.

Mr. COBEY. I appreciate the response of the gentleman.

I appreciate the gentleman yielding.

Mr. LAGOMARSINO. Mr Chairman, I yield back the balance of my time.

The CHAIRMAN. Are there further amendments to the bill?

Mr. CONYERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I apologize for my inability to timely bring an amendment that would eliminate the National Endowment for Democracy which has been bothering a number of Members in this body and also has been voted to be abolished and defunded at least once, if memory serves me correctly.

I consider the NED to be one of the most wasteful and mischievous expenditures of funds in the foreign policy area that I've seen in some time.

At a time when we are cutting billions of dollars from programs to feed our young and poor, to house our elderly, and to educate our students, I see no justification whatsoever to be supporting this $18 million such dubious program as NED which actively supports political parties in other countries. Its a program which also has a highly dubious track record to accompany it.

According to NED's annual report, its political arms, including the National Republican Institute for International Affairs, the National Democratic Institute for International Affairs, and the American Institute for Free Labor Development, have been supporting political parties in other countries as well as organizations with clear ideological affiliations. I don't think that U.S. Government should sponsor or endorse such questionable activities.

The taxpayers don't support it, it has been embarrassing when revealed to the public in the past, it can backfire in terms of our own national interests, and in a time of budget cutting, we already have dozens of private and public organizations engaging in similar activities.

Mr. Chairman, we all remember how embarrassing it was when it became public last year when a NED recipient spent $20,000 to actively support a Presidential candidate in Panama in a very close election. How many more debacles of this sort will we see?

What about the embarrassing political repercussions of supporting an organization which, with a U.S. Government sanction, meddles in foreign elections. Are U.S. interests really served through this overzealous expenditure of Federal moneys for such a dubious political purpose?

What happens if the President's political party supports, in any election in any country, a political party that does not prevail? We would be putting the United States in an unprecedented position of having to deal with a foreign country where the elected officials he himself opposed through his political party.

Some argue that NED recipients use these large sums of money simply for technical assistance and get out to vote. I think that one has to be somewhat naive to buy this. Political parties get out to vote who they want to get out to vote. Additionally, if you support a political party in any way, you support it in every way. A party is like an institution. It is a fungible whole. If you support one part of it, you promote the whole program.

The credibility and utility of NED is also questioned by a March GAO report which concluded that NED had improperly and perhaps illegally diverted funds to the political party institutes after Congress last year mandated that the party institutes be ineligible for NED grants.

Mr. Chairman, it is ironic that when an organization giving funds to promote democracy ends up interfering in free elections of another country, that a group such as NED, which claims to be dedicated to the rule of law, disregards the very statutes that created it, and that a group which should avoid any conflict of interest gives most of its funds to groups represented on its board.

The U.S. Government has more than enough to account for with the CIA than to explain the activities of any NED-sponsored activity. This is not about left, right, or center. It is about whether we should be butting into elections in other countries.

There are a dozen private and public groups attempting to promote democracy throughout the world. These include the State Department's Agency for International Development and the U.S. Information Agency, the Peace Corps, and others. Last year, private citizens contributed over $1.5 billion to such private groups.

At a time of unprecedented Federal deficits, and with dozens of public and private organizations already installed for this purpose, with its questionable political track record, and with its lavish expense and travel accounts, if we are really serious about cutting the deficit, then we should cut this.

Legally, NED is a private entity. Perhaps it would be better off it it sought private funding. It was a bad idea from the start. I hope that the House will now reaffirm the position that it took last year. This was a bad idea to begin with.

Mr. BROWN of Colorado. Mr. Chairman, I move to strke the requisite number of words.

Mr. Chairman, I would just like to comment briefly on the National Endowment for Democracy and the real progress I believe that has been achieved in this session. The measure that is before the body has some major shifts and changes in the National Endowment for Democracy. First of all, the issue of disclosure and Freedom of Information Act has been addressed not only with the McCain amendment but with the amendments that are contained in section 505. It is not perfect, but I believe it represents substantial progress and a sincere and honest effort on the part of the chairman and its ranking member to address this important issue.

Second, on funding, the committee has been willing to cut back the authorization funding in line with the freeze proposal and I believe that represents an honest and a sincere effort to face up to our funding dilemma.

Third, the political parties specifically have been addressed in the amendments that are before the body.

In subparagraph 3, it indicates clearly no funds granted to the political party institutes by the endowment may be used to finance activities of the Republican or Democratic National Committees.

Mr. Chairman, I add those remarks because, while I have not been a fan of the activities of the National Endowment for Democracy, I believe there has been substantial progress made in this piece of legislation and I believe through the leadership of the chairman we have seen many of what I had considered abuses or potential abuses of the Endowment corrected in this legislation.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Colorado. I yield to the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding, for just about 10 seconds.

Mr. Chairman, I want to commend the gentleman. What we see here today is a year of cooperative work to address the legitimate problems that the gentleman raised and to have the gentleman stand up and speak like that is really a tribute to the work of the entire committee. I thank the gentleman very much.

Ms. SNOWE. Mr. Chairman, will the gentleman yield to me?

Mr. BROWN of Colorado. I yield to the gentlewoman from Maine.

Ms. SNOWE. I thank the gentleman for yielding.

Mr. Chairman, I thank the gentleman for his comments as well because we tended to address a number of the issues that the gentleman from Colorado [Mr. Brown] has raised over the last several years since the inception of the National Endowment for Democracy. As one who originally opposed the National Endowment, because of the changes that have been made to address the misgivings of Members like those of the gentleman, I hope that we can now see a positive outcome and results from the National Endowment for Democracy.

We should give it an opportunity to work to strengthen democratic institutions throughout the world.

So hopefully we have made sufficient changes to address the possible misuse of funds or any misgivings concerning the program.

So I thank the gentleman for his comments and we will now await the results.

Mr. BROWN of Colorado. I thank the gentlewoman for comments and for her leadership on this subject.

The CHAIRMAN. Are there further amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Pease, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board of International Broadcasting, and for other purposes, pursuant to House Resolution 137, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

□ 1640

The title was amended so as to read: "A bill to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes."

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE TECHNICAL CORRECTIONS IN THE ENGROSSMENT OF H.R. 2068

Mr. MICA. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill H.R. 2068, the Clerk be authorized to correct section numbers, punctuation, and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

GENERAL LEAVE

Mr. MICA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 1868, THE MEDICARE AND MEDICAID PATIENT AND PROGRAM PROTECTION ACT OF 1985

Mr. PEASE. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be permitted to file its report on the bill, H.R. 1868, the Medicare and Medicaid Patient and Program Protection Act of 1985 on Friday, May 10.

The SPEAKER. Is there objection to the request of the gentleman from Ohio.

There was no objection.

LEGISLATIVE PROGRAM

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute.)

Mr. BOEHLERT. Would the distinguished majority leader please enlighten us as to the schedule for next week?

Mr. WRIGHT. I am delighted to respond to the acting minority leader. This concludes the business for today and for this week. When we adjourn today we will ask to adjourn until 11 o'clock on Monday. The reason we want to come in at 11 o'clock is because that is the annual observance of Former Members Day, from 11 until 12 here on the House floor.

They have an honorable society, to which many of us aspire some day to belong, not in any big hurry about it, but some day. They will meet here at 11 o'clock on Monday. We will declare a recess, if that permission is granted for that purpose.

Then we will have suspensions Monday. There are six bills that we hope to bring on the suspension of the rules, postponing votes until Tuesday on the suspensions.

They are as listed on a sheet which I believe the gentleman from New York has in his possession, H.R. 873, providing authority for additional Federal employee health benefit plans; H.R. 105, providing for the Washington Square at the Independence National Historical Park in Philadelphia.

H.R. 934, erosion control at the Cuyahoga National Recreation Area; House Concurrent Resolution 95, providing for the 20th anniversary of the Head Start Program; House Concurrent Resolution 132, providing for the 20th anniversary of the Older Americans Act; and H.R. 2005, to amend title II of the Social Security Act to make technical changes.

On Tuesday, we would expect to take up a bill providing Panama Canal authorization, and one providing the Maritime authorization, each under an open rule with 1 hour of general debate, and then we would hope to adopt a rule on the Foreign Assistant Act authorizations. That is an open rule with 1 hour of debate, but we would adopt that rule only on Tuesday.

On Wednesday and the balance of the week, we meet at 10 o'clock a.m. and take up the Department of Defense authorization bill, subject to the granting of a rule, hoping to take the rule and the general debate on Wednesday and conclude it on—we will have the general debate on Thursday. That is a bill of some substance, and we are not sure that we would be able to conclude it next week.

Mr. BOEHLERT. Am I correct that there are no legislative votes scheduled for Monday?

Mr. WRIGHT. The gentleman is correct. There are no legislative votes scheduled.

Mr. LOTT. Will the majority leader yield, please.

Mr. WRIGHT. Of course, the gentleman from New York has the time. I am sure he would yield.

Mr. BOEHLERT. I yield to the gentleman.

Mr. LOTT. I had a number of questions I would like to ask about, if I could.

Perhaps I missed it, but the rule on the Panama Canal authorization and the maritime authorization, I know the one on maritime authorization has not been passed yet and I do not think the one on the Panama Canal authorization has been passed yet, so I presume that we would, on Tuesday that you would intend to take up the rule, and then go to the general debate and the vote on the Panama Canal authorization and the maritime authorization. Is that correct?

Mr. WRIGHT. That would be our expectation, to vote on those two things as well as any votes that would be held over from the suspensions considered on the previous day.

Mr. LOTT. And then the rule on the Defense authorization bill is not referred to, either, so I presume that that rule would come up on Wednesday just prior to the Defense authorization bill coming up.

Mr. WRIGHT. Yes, that would have to happen, would it not. We would expect to have a vote on that rule on Wednesday and go into general debate.

Then probably on Thursday we would expect to have the general debate on the Foreign Assistance Act authorization.

Mr. LOTT. Now, looking at this schedule, it looks to me like that except for some votes on the Journal or something of that nature, that there would not be recorded votes after Tuesday on either amendments to the Defense authorization bill or the Foreign Assistance Act, if it should come up, because it does say general debate only.

So you anticipate, other than potentially procedural votes, no votes on Wednesday, Thursday, or Friday of next week?

Mr. WRIGHT. Of course there would have to be a debate on the rule, I suppose. Beyond that, I am not sure that there would be any requisite votes and the probability is that the House will want to debate these matters and consider them in general debate, and give them ample time for full consideration.

Mr. LOTT. Well, I think I know what is happening Thursday or Friday, but forgive me, I do not know why on Wednesday we would not possibly have recorded votes.

Is there any particular reason?

Mr. WRIGHT. Oh, I fully expect that on Wednesday there would probably be a vote on the rule for the Defense authorization, and then I suppose that the Defense authorization would consume sufficient time in the general debate that it would consume most of the the day. I doubt very much that we would get to the point of having to, being able to get into the 5-minute rule, because that is a very big bill; as the gentleman knows, that is probably the largest single authorization bill that the House considers in a given year.

Mr. LOTT. The Members should expect probably at least one or two votes on Wednesday?

Mr. WRIGHT. Members will probably want to have a vote on the adoption of the rule. I do not know whether anybody will demand a rollcall vote on it or not, but if one did, then that vote could indeed come on Wednesday.

Mr. LOTT. You do not intend to complete consideration, though, of the Defense authorization bill next Friday.

Mr. WRIGHT. I very much doubt that it will occur.

Mr. LOTT. Could the distinguished majority leader give us any information about the status of the budget? Next week also includes May 15, which is supposed to be a magic day with regard to having to get action on the budget here in the House.

I know the other body has been addressing that question, shall we say, but this one does not seem to have done anything yet; either a subcommittee or a full committee level, and certainly not on the floor, and May the 15th is upon us.

What is the status of the budget resolution out of the Budget Committee?

Mr. WRIGHT. The hearings have been conducted in the Budget Committee, on the budget resolution. The gentleman will recall that last year, we were quite early in our adoption of the budget resolution on the floor. I think we passed the budget resolution on the House floor in April, perhaps it was April 9 last year, and that was a budget resolution which called for $181 billion in cuts in the deficit, below the figures that had been projected in the budget submitted by the executive branch.

We passed that, and it went over to the other body and languished there for many weeks, I think it was June before the other body passed a budget resolution last year, and then it was August before they assented to meet us in conference.

For those reasons, we had not thought it not necessary to bring the budget resolution next week; we had been requested by the chairman of the Armed Services Committee to schedule the Department of Defense authorization bill.

□ 1650

And I think the Department of Defense was anxious to have that considered, as well. That is the reason we scheduled it.

The budget we had thought would be best considered after the other body had completed its action. As the gentleman knows, they have not done so, unless they have done so in the last few minutes. We had heard early reports, back in January, from the majority leader in the Senate and also from the chairman of the Budget Committee to the effect that they would have a budget in place by February 1, I think I recall. That date has long since passed, of course. Then we heard there would be one by February 15, and we were waiting until that occurred and adopted the general rule that we would wait and see what the other body did because we did not feel that we should be denying them or preempting them the opportunity to perform their action.

As of the moment, I think they have not yet completed their action on that budget. Once they do, perhaps I could respond intelligently to the gentleman. There is no deliberate plan, I can report, to delay or to drag our feet, and I would expect that the Budget Committee probably would be in markup next week on the budget resolution.

Mr. LOTT. If the gentleman will yield further, I would like to just note here that I think we are getting in a real problem around here with our schedule, in that we are now at the end of the week of the 11th. Next week we will complete very little action. We will not complete the Foreign Assistance Act authorization; we will not complete the Defense Department authorization; we are not going to take up the budget resolution. We are going to be out for a few days at the end of this month for the Memorial Day recess. We have got a supplemental appropriations bill coming along. I think more and more is being shoved off later and later into the month of June, and we are going to have a real problem as we get into the summer and try to complete the work we need to do around here.

One of the things that concerns me on this May 15 deadline, we have got committees that are coming forward now having to get budget waivers because we have not had a budget resolution.

So next week I propose to offer and will offer an amendment to the appropriate legislation that would require that with any waivers of the Congressional Budget Act the Rules Committee has to report, accompanying that waiver, an explanation of and a justification of any such waiver and a summary of comments received from the Committee on the Budget with respect to any such waiver. I think that we need to have an understanding here that we are proceeding without a budget. We are going to have to waive every bill that comes to the floor, and I think, at the very minimum, the Rules Committee ought to have to give an explanation in the their report as to why that is being done. So I do want to put the Members on notice that next Tuesday I plan to offer that amendment.

Mr. WRIGHT. If the gentleman from New York would yield, I would just like to comment that I am sure the gentleman from Mississippi is most anxious to expedite the business of the House. I appreciate his diligence and his concern over the dilatory tactics that some Members have employed this year. I know that the gentleman from Mississippi will use his quite considerable influence to put at a minimum any further dilatory tactic, delay, guerrilla warfare, obstructionism or just general downright cussedness that might occur on either side of the aisle.

Mr. LOTT. If the gentleman from New York will yield, I appreciate the comment and the intent of the distinguished majority leader to move legislation forward, and that is why I have been asking these questions about next week's schedule. As a matter of fact, we are going to have 1 day next week on which we are going to have substantive votes. That is Tuesday.

Mr. WRIGHT. And the gentleman from Mississippi has given us an additional matter to consider on that particular day. I want to express my appreciation to him for having fleshed out the schedule, so to speak.

Mr. LOTT. Well, we want to put the distinguished majority leader on notice as to some of the things he might expect next week. But I want the Members to take note, when there is talk around here about dilatory tactics of the previous few days or weeks, that in next week's schedule we are going to have 3 days of the week on which we will have no substantive votes here in the House of Representatives. That is not the result of any kind of dilatory tactics by any of the Members on this side of the aisle.

ADJOURNMENT TO MONDAY, MAY 13, 1985

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a.m. on Monday next.

The SPEAKER pro tempore (Mr. Gray of Illinois). Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING SPEAKER TO DECLARE A RECESS ON MONDAY, MAY 13, 1985

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to declare a recess, subject to the call of the Chair, on Monday, May 13, 1985, for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispended with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

NATURAL RESOURCES SUBSIDY

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. GIBBONS. Mr. Speaker, today I am introducing a very important piece of legislation addressing the problem of natural resource subsidies. Although a similar provision was passed by the House of Representatives during the 98th Congress as part of H.R. 4784, the Trade Remedies Reform Act, the provision was dropped in conference due to administration objections and did not become part of the Trade and Tariff Act of 1984.

The problem of foreign government regulatory controls affecting natural resource distribution is one of growing concern to U.S. industries. These policies, which are becoming particularly noticeable in the energy, mining, and timber sectors, generally involve a rigidly controlled high world price for the resource coupled with a domestic price that is a mere fraction of the world price. Such policies are being pursued by a number of resource-rich countries to promote their own export industries, and in the process, are causing material injury to resource-based manufacturers in the United States.

The competitive position of many U.S. industries, such as the cement, ammonia, refining, lumber, and petrochemical industries has deteriorated in recent years as a direct result of foreign governments' natural resource subsidies. I strongly believe that these government resource policies are subsidy practices, and that they should be cognizable under our countervailing duty law if they cause injury to U.S. industries.

The bill I am introducing today addresses the trade distorting effects resulting from the subsidization of input products used in manufacturing articles such as cement, ammonia, carbon black, petrochemicals, and gasoline as well as the trade distorting effects resulting from subsidization of removal rights relating to input products to be sold in this country at prices substantially below what would otherwise be a fair price absent any government regulation and below prices charged to U.S. producers who do not have access to such subsidized inputs or removal rights. The bill contains a material injury test to conform to our GATT obligations.

This bill would amend our countervailing duty law to clearly establish that a subsidy exists when a government, acting through a controlled or regulated entity, sells an input product or sells or grants the right to remove or extract an input product to domestic industries at a price that is below market value for such inputs or removal rights. The subsidy would only exist if the controlled domestic price of the input product is not freely available to U.S. purchasers and if the resource components constitutes a substantial portion of the total production costs of the final manufactured product. The provision would authorize a countervailing duty against the final manufactured product, but only if imports of such products cause or threaten to cause material injury to U.S. producers of the like product.

The subsidy would be measured by the difference between the domestic price for such resource input products or removal right and the fair market value of such product or removal right. The fair market value for an input product would be the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller for that product from that country in an arms length transaction. Among the factors which shall be taken into account in making this determination is the export price of the product.

The fair market value of a removal right would be:

(i) The price paid for a comparable removal right in a comparable region in the country (other than the country providing or selling the right) which has the largest number of arms-length sales of such rights, or

(ii) If no country sells a comparable removal right at arms length, the price that a willing buyer would pay a willing seller in an arms-length transaction for the removal right in the country providing or selling the right.

I urge my colleague to join me on this legislation to help lend the playing field for the many U.S. industries which are being devastated by these subsidy practices.

COMMUNICATION FROM HONORABLE MARY ROSE OAKAR

The SPEAKER pro tempore laid before the House the following communication from the Honorable Mary Rose Oakar, Member of Congress:

House of Representatives,
Washington, DC, May 8, 1985.

Hon. Thomas P. O'Neill, Jr.,
Speaker of the House, H-204, the Capitol, Washington, DC.

Dear Mr. Speaker: This is to notify you, pursuant to Rule L(50) of the Rules of the House, that I have recently been served with a civil trial subpoena issued by the United States District Court for the Eastern District of Virginia, Alexandria Division.

I have consulted with the General Counsel to the Clerk of the House and have determined that compliance with this subpoena is consistent with the privileges and precedents of the House of Representatives.

Sincerely,

Mary Rose Oakar,
Member of Congress.

HAWAII'S SMALL BUSINESSMAN OF THE YEAR: ROBERT M. FUJIMOTO

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, I rise before this august body to honor an outstanding citizen of my fair State. I wish to speak of a man whose contributions in business and community service have garnered the deepest admiration and respect of his colleagues, neighbors, and friends. I speak in honor of a man and his business which have survived natural disasters and the vagaries of the market to become a success. My fellow colleagues, I rise today during Small Business Week to salute Hawaii's Small Businessman of the Year, Mr. Robert M. Fujimoto.

The story of Mr. Fujimoto's business career is rooted in his four-generation family business, HPM Building Supply of Hilo, HI. Founded in 1921 by Robert's grandfather, Kametaro Fujimoto, HPM Building Supply originally processed rough hewn timbers from the mainland and supplied the finished lumber to building contractors.

In 1929, Kametaro's son, Barney, took over and expanded the firm by adding other construction supplies to the family lumber business. Then disaster struck. In 1946, a tsunami wiped out the lumber mill. The Fujimoto family pulled themselves up by their bootstraps, rebuilt and prospered.

In 1954, our honoree Robert Fujimoto, assumed leadership of HPM Building Supply. Then, in 1960, a second tsunami completely destroyed the company's newly relocated and enlarged facility. Robert was able to rebuild with the help of a $650,000 Small Business Administration [SBA] Disaster Assistance Loan, hard work, determination, and talent. By 1968, Robert was able to refinance his SBA loan and further expand his business.

Today, Robert's son, Michael, who developed under the tutelege of his father, is at the helm of HPM Building Supply. This extremely successful company now has a corrugated metal facility, a lumber and truss manufacturing plant, a lumber pressure treating facility, a prehung door operation, as well as the latest management tools such as a modern electronic accounting system. Last year, HPM's sales exceeded $18 million and employed 112 people, a considerable number in our big island community.

Mr. Fujimoto's achievements as an entrepreneur were recognized by his peers. He is now director of one of Hawaii's largest corporations, C. Brewer & Co.

Furthermore, Mr. Fujimoto, as all leaders do, has made the time to serve his community. He has won awards for his contributions to scouting and has been a leader in United Way campaigns. He has also served on the Hawaii State Board of Land and Natural Resources and has chaired the University of Hawaii's board of regents, two of the most important executive and policymaking bodies in the State.

Enduring tidal waves and the fluctuations of the construction industry, Bobby, as his friends call him, has distinguished himself as a true leader. This week we repay him in some small measure as Hawaii's Small Businessman of the Year.

□ 1130

PLANT CITY, FL: THE SPIRIT OF AMERICA

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BILIRAKIS. Mr. Speaker, all of us have communities in our districts that truly embody the spirit of America. One of those cities I am fortunate to represent is Plant City, FL.

This year marks the 100th anniversary of Plant City, and residents have been celebrating it in a grand fashion. There have been parades, fireworks, songfests, pioneer days, and the golden anniversary of the Strawberry Festival.

I can honestly say that the enthusiasm, pride, and sense of history displayed by the people of Plant City have made it an honor for me to represent them in Congress.

The people of Plant City wish to share their centennial celebration with you, and tomorrow through strawberry growers Tommy Brock, Johnny St. Martin, Carl Grooms, Charlie Grimes, Darryl Williams, and F.G. "Jerry" McDonald Produce, each of your offices will receive delicious Plant City strawberries. These particular berries had an official send off by mayor of Plant City, J.D. Merrill; Strawberry Festival president, B.M. "Mac" Smith; and Strawberry Growers Association executive director, Dr. Charles F. "Chip" Hinton.

Mr. Speaker, in our increasingly complicated world, places like Plant City are extremely important. As they join in celebration of themselves, they also celebrate the spirit of all America.

The Plant City calendar of events follows:

Centennial Calendar of Events

September 6—Release Centennial Edition *Plant City: Its Origin and History* by Quintilla Geer Bruton and D.E. Bailey, Jr. and *100th Anniversary Calendar*, both sponsored by the East Hillsborough Historical Society. Meet the Authors Party. Lobby. Hillsboro Sun Bank.

September 24—100th Anniversary Plant City Courier.

October 3—Centennial Fantasy Fashions, Yesterday and Today. Sponsored by the Junior Woman's Club.

October 4)—Second Century Kick-off Bar-B-Que sponsored by the Pilot Club.

October 27—Henry B. Plant Birthday Banquet sponsored by the East Hillsborough Historical Society.

November 16–18—Plant City's Flying High Centennial Celebration Hot Air Balloon Race, Florida State University Flying Circus, Carnival and Concessions by Area Civic Clubs Centennial Classic Run.

December 1—Centennial Christmas Parade, sponsored by Holiday Inn; Christmas at the Depot, sponsored by the Arts Council.

December 20—Historic District Walking Tour and Caroling sponsored by East Hillsborough Historical Society and Arts Council.

January 9—Centennial Ball sponsored by the Chamber of Commerce.

January 10—100th Birthday Celebration—Downtown Plant City.

February 2—Strawberry Ball, Celebrating Fifty Years of Memories Sponsored by the Strawberry Festival.

February 7—Strawberry Festival Fashion Show and Luncheon Celebrating Fifty Years of Memories sponsored by Strawberry Festival.

February 28-March 9—Florida Strawberry Festival and Hillsborough County Fair—Golden Anniversary.

March 4—Grand Feature Parade Celebrating The Festival's Golden Anniversary and Plant City's Centennial sponsored by Strawberry Festival.

March 31—Palm Sunday Community-wide Choral Performance.

April 7—Sunrise Easter Service at Walden Lake.

April 20—Centennial Children's Fun Festival sponsored by Arts Council; Centennial Health Fair sponsored by South Florida Baptist Hospital.

May 4-5—Centennial Flower Show sponsored by area Garden Clubs.

May 3—Henry B. Plant Art Exhibit sponsored by First National Bank of Florida and Arts Council.

May 15—Law Enforcement Banquet.

May 18—Centennial Pioneer Day sponsored by East Hillsborough Historical Society.

June—School Class Reunions Month.

July 4—A Salute to Independence; Religious Emphasis Month.

July 25—100th Anniversary Celebration, First Presbyterian Church.

September—Plant City Business Showcase sponsored by Chamber of Commerce.

THE PRIVATE CALENDAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. BOLAND] is recognized for 5 minutes.

● Mr. BOLAND. Mr. Speaker, I would like to take this opportunity to set forth some of the history behind, as well as describe the workings of the Private Calendar. I hope this might be of some value to the Members of this House, especially our newer colleagues.

Of the five House calendars, the Private Calendar is the one to which all private bills are referred. Private bills deal with specific individuals, corporations, institutions and so forth, as distinguished from public bills which deal with classes only.

Of the 108 laws approved by the First Congress, only 5 were private laws. But their number quickly grew as the wars of the new Republic produced veterans and veterans' widows seeking pensions and as more citizens came to have private claims and demands against the Federal Government. The 49th Congress, 1885 to 1887, the first Congress for which complete workload and output data is available—passed 1,031 private laws, as compared with 434 public laws. At the turn of the century the 56th Congress passed 1,498 private laws and 443 public laws—a better than 3-to-1 ratio.

Private bills were referred to the Committee of the Whole House as far back as 1820, and a calendar of private bills was established in 1839. These bills were initially brought before the House by special orders, but the 62d Congress changed this procedure by its rule XXIV, clause 6 which provided for the consideration of the Private Calendar in lieu of special orders. This rule was amended in 1932 and then adopted in its present form on March 22, 1935.

A determined effort to reduce the private bill workload of the Congress was made in the Legislative Reorganization Act of 1946. Section 131 of that act banned the introduction or the consideration of four types of private bills: first, those authorizing the payment of money for pensions; second, for personal or property damages for which suit may be brought under the Federal tort claims procedure; third, those authorizing the construction of a bridge across a navigable stream, or fourth, those authorizing the correction of a military or naval record.

This ban afforded some temporary relief but was soon offset by the rising postwar and cold war flood for private immigration bills. The 82d Congress passed 1,023 private laws, as compared with 594 public laws. The 88th Congress passed 360 private laws compared with 666 public laws.

Under rule XXIV, clause 6, the Private Calendar is called the first and third Tuesday of each month. The consideration of the Private Calendar bills on the first Tuesday is mandatory unless dispensed with by a two-thirds vote. On the third Tuesday, however, recognition for consideration of the Private Calendar is within the discretion of the Speaker and does not take precedence over other privileged business in the House.

On the first Tuesday of each month, after disposition of business on the Speaker's table for reference only, the Speaker directs the call of the Private Calendar. If a bill called is objected to by two or more Members, it is automatically recommitted to the committee reporting it. No reservation of objection is entertained. Bills unobjected to are considered in the House in the Committee of the Whole.

On the third Tuesday of each month, the same procedure is followed with the exception that omnibus bills embodying bills previously rejected have preference and are in order regardless of objection.

Such omnibus bills are read by paragraph, and no amendments are entertained except to strike out or reduce amounts or provide limitations. Matters so stricken out shall not be again included in an omnibus bill during that session. Debate is limited to motions allowable under the rule and does not admit motions to strike out the last word or reservation of objections. The rules prohibit the Speaker from recognizing Members for statements or for requests for unanimous consent for debate. Omnibus bills so passed are thereupon resolved in their component bills, which are engrossed separately and disposed of as if passed separately.

Private Calendar bills unfinished on one Tuesday go over to the next Tuesday on which such bills are in order and are considered before the call of bills subsequently on the calendar. Omnibus bills follow the same procedure and go over to the next Tuesday on which that class of business is again in order. When the previous question is ordered on a Private Calendar bill, the bill comes up for dispostion on the next legislative day.

Mr. Speaker, I would also like to describe to the newer Members the official objectors system the House has established to deal with the great volume of private bills.

The Majority Leader and the Minority Leader each appoint three Members to serve as Private Calendar objectors during a Congress. The objectors are on the floor ready to object to any private bill which they feel is objectionable for any reason. Seated near them to provide technical assistance are the majority and minority legislative clerks.

Should any Member have a doubt or a question about a particular private bill, he can get assistance from objectors, their clerks, or from the Member who introduced the bill.

The great volume of private bills and the desire to have an opportunity to study them carefully before they are called on the Private Calendar has caused the six objectors to agree upon certain ground rules. The rules limit consideration of bills placed on the Private Calendar only shortly before the calendar is called. The agreement adopted on June 3, 1958, the members of the Majority Private Calendar Objectors Committee have agreed that during the 99th Congress, they will consider only those bills which have been on the Private Calendar for a period of 7 days, excluding the day the bill is reported and the day the calendar is called. Reports must be available to the objectors for 3 calendar days.

It is agreed that the majority and minority clerks will not submit to the objectors any bills which do not meet this requirement.

This policy will be strictly enforced except during the closing days of a session when House rules are suspended.

This agreement was entered into by: The gentleman from Massachusetts [Mr. BOLAND], the gentleman from Minnesota [Mr. OBERSTAR], the gentleman from Virginia [Mr. BOUCHER], the

gentleman from Wisconsin [Mr. SENSENBRENNER], the gentleman from Colorado [Mr. BROWN] and the gentleman from Ohio [Mr. DEWINE].

I feel confident that I speak for my colleagues when I request all Members to enable us to give the necessary advance consideration to private bills, by not asking that we depart from the above agreement unless absolutely necessary.

EDWARD P. BOLAND,
JAMES L. OBERSTAR,
FREDERICK C. BOUCHER,
F. JAMES SENSENBRENNER, JR.,
HANK BROWN,
MICHAEL DEWINE,
Members of Congress.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, I was unavoidably absent for the vote agreeing to the Speaker's approval of the Journal yesterday, May 8, 1985, roll No. 99. Had I been present for this vote approving the Journal by a vote of 259 yeas to 157 nays, I would have voted "aye."●

CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEAR 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina [Mr. DERRICK] is recognized for 5 minutes.

● Mr. DERRICK. Mr. Speaker, on behalf of Chairman WILLIAM H. GRAY III, pursuant to the procedures of the Committee on the Budget and section 311(b) of the Congressional Budget Act of 1974, I am submitting the official letter to the Speaker advising him of the current level of spending and revenues for fiscal year 1985. There have been no changes since the last report to the House, but I am submitting a report stating such.

The current level is used to compare enacted spending after the start of a fiscal year with the aggregate ceiling on budget authority, outlays, and revenues established in a second budget resolution and enforced by point of order pursuant to section 311(a) of the act. The term current level refers to the estimated amount of budget authority, outlays, entitlement authority, and revenues that are available—or will be used—for the full fiscal year in question based only on enacted law.

As with last year, the procedural situation with regard to the spending ceiling is affected this year by section 4(b) of House Concurrent Resolution 280. Enforcement against possible breaches of the spending ceiling under section 311(a) of the Budget Act will not apply where a measure would not cause a committee to exceed its "appropriate allocation" made pursuant to section 302(a) of the Budget Act. In the House, the appropriate 302(a) allocation includes "new discretionary budget authority" and "new entitlement authority" only. It should be noted that under this procedure neither the total level of outlays nor a committee's outlay allocation is considered. This exception is only provided because an automatic budget resolution is in effect and will cease to apply if Congress revises the budget resolution for fiscal year 1985.

The intent of the section 302(a) "discretionary budget authority" and "new entitlement authority" subceiling provided by section 4(b) of the resolution is to protect a committee that has stayed within its own spending allocation—discretionary budget authority and new entitlement authority—from points of order if the total spending ceiling has been breached for reasons outside of its control. The 302(a) allocations to House committees made pursuant to the conference report on House Concurrent Resolution 280 were printed in the CONGRESSIONAL RECORD, September 25, 1984, H. 10190 [daily edition] (H. Rept. 98-1079, page 32).

As Chairman of the Budget Process Task Force, and on behalf of Chairman GRAY, I intend to keep the House informed regularly on the status of current level.

COMMITTEE ON THE BUDGET,
Washington, DC, May 9, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending.

Pursuant to Committee Rule 10, I am herewith transmitting the status report under H. Con. Res. 280, the First Concurrent Resolution on the Budget for Fiscal Year 1985. This report reflects the adopted budget resolution of October 1, 1984, and the current CBO estimates of budget authority, outlays, and revenues.

As with last year, the procedural situation with regard to the spending ceiling is affected this year by Section 4(b) of H. Con. Res. 280. Enforcement against possible breaches of the spending ceiling under Section 311(a) of the Budget Act will not apply where a measure would not cause a committee to exceed its "appropriate allocation" made pursuant to Section 302(a) of the Budget Act. In the House, the appropriate 302(a) allocation includes "new discretionary budget authority" and "new entitlement authority" only. It should be noted that under this procedure neither the total level of outlays nor a committee's outlay allocation is considered. This exception is only provided because an automatic budget resolution is in effect and will cease to apply if Congress revises the budget resolution for fiscal year 1985.

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The attached tables compare actual legislation to each committee's 302(a) allocation of discretionary budget authority and of new entitlement authority.

With best wishes,
Sincerely,
WILLIAM H. GRAY III,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1985 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 280

REFLECTING COMPLETED ACTION AS OF MAY 8, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate Level	1,021,350	932,050	750,900
Current Level	1,015,965	933,359	750,739
Amount under ceilings	5,385		
Amount over ceilings		1,309	
Amount under floor			161

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and that exceeds $5,385 million for fiscal year 1985, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 280 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate in outlays for fiscal year 1985, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 280 to be exceeded.

REVENUES

Any measure that would result in a revenue loss for fiscal year 1985, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 280.

FISCAL YEAR 1985 BUDGET AUTHORITY—COMPARISON OF CURRENT LEVEL AND BUDGET RESOLUTION ALLOCATION BY COMMITTEE

[In millions of dollars]

	Current level budget authority
House committee:	
Total current level	−5,385
Appropriations Committee: Discretionary	(−4,497)
Authorizing committee—Discretionary action:	
Agriculture	(−90)
Armed Services	(+276)
Banking, Finance, and Urban Affairs	(—)
District of Columbia	(*)
Education of Labor	—
Energy and Commerce	(−4)
Foreign Affairs	(—)
Government Operations	(—)
House Administration	(—)
Interior and Insular Affairs	(+2)

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FISCAL YEAR 1985 BUDGET AUTHORITY—COMPARISON OF CURRENT LEVEL AND BUDGET RESOLUTION ALLOCATION BY COMMITTEE—Continued

[In millions of dollars]

	Current level budget authority
Judiciary	(+50)
Merchant Marine and Fisheries	(+15)
Post Office and Civil Service	(+1)
Public Works and Transportation	(−713)
Science and Technology	(—)
Veterans' Affairs	(—)
Ways and Means	(+50)

[1] Less than $1 million.

Note.—Committees are over (+) or under (−) their 302(a) allocation.

FISCAL YEAR 1985 NEW ENTITLEMENT AUTHORITY—COMPARISION OF CURRENT LEVEL AND BUDGET RESOLUTION ALLOCATION BY COMMITTEE

[In millions of dollars]

Committee	Allocation	Reported	Enacted
Agriculture		3,600	
Appropriations			
Armed Services	1,900	1,500	1,663
Banking, Finance and Urban Affairs			
District of Columbia		1	1
Education and Labor	202	−306	
Energy and Commerce		3	4
Foreign Affairs			
Government Operations			
Interior and Insular Affairs		1	1
Judiciary			
Merchant Marine and Fisheries			
Post Office and Civil Service			
Public Works and Transportation			
Science and Technology			
Small Business			
Veterans Affairs	402	503	432
Ways and Means	40	254	201

U.S. Congress,
Congressional Budget Office,
Washington, DC, May 8, 1985.

Hon. William H. Gray III,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

Dear Mr. Chairman: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the 1985 budget (H. Con. Res. 280). This report for fiscal year 1985 is tabulated as of close of business April 3, 1985, and is based on assumptions and estimates consistent with H. Con. Res. 280. A summary of this tabulation is as follows:

[In millions of dollars]

	Budget authority	Outlays	Revenues
Current level	1,015,965	933,359	750,739
1985 budget resolution, H. Con. Res. 280	1,021,350	932,050	750,900
Current level is:			
Over resolution by		1,309	
Under resolution by	5,385		161

Since my last report the Congress has cleared Appropriations for the MX Missile, H.J. Res. 181, urgent supplemental appropriations for Emergency Famine Relief and Recovery in Africa, H.R. 1239, and the Federal Supplemental Compensation Phaseout Act, H.R. 1866.

With best wishes,
Sincerely,
Rudolph G. Penner.

PARLIAMENTARIAN STATUS REPORT—HOUSE SUPPORTING DETAIL, FISCAL YEAR 1985 AS OF CLOSE OF BUSINESS MAY 8, 1985

[In millions of dollars]

	Budget authority	Outlays
I. Enacted:		
Permanent appropriations and trust funds	651,994	579,636
Enacted previous session	543,411	534,273
Offsetting receipts	−184,669	−184,669
Enacted this session		
Total enacted	1,010,735	929,240
II. Entitlement authority and other mandatory items requiring further appropriation action:		
Assistance payments	23	23
Black lung trust fund	25	25
Child support enforcement	82	82
Civilian agency pay raise allowance	777	803
Coast Guard pay raise allowance	25	23
Defense pay raise allowance	2,242	2,201
Defense claims	20	3
Family social services	20	20
Medicaid	7	7
Public Health Service officers retirement pay	3	
Range improvements	2	2
Readjustment benefits	163	156
Salaries of judges	5	5
Student loans	498	
Supplemental security income	5	
Veterans compensation	389	241
Total	4,286	3,591
III. Continuing resolution authority		
IV. Conference agreements ratified by both Houses:		
Appropriations for the MX missile (Public Law 99–18)		79
Famine relief and recovery in Africa (Public Law 99–10)	784	289
Federal supplemental compensation phaseout (Public Law 99–15)	160	160
Total	944	528
Total, current level as of May 8, 1985	1,015,965	933,359
1985 budget resolution, H. Con. Res. 280	1,021,350	932,050
Amount remaining:		
Over ceiling		1,309
Under ceiling	5,385	

Note.—Detail may not add due to rounding.●

□ 1700

THE TAX FAIRNESS FOR FAMILIES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. Coats] is recognized for 60 minutes.

Mr. COATS. Mr. Speaker, I have asked time for this special order to highlight what I think is an extremely important issue before the Congress; one that we will be increasingly focusing on in the coming days and weeks, something that I hope my colleagues will pay a great deal of attention to, as many already have.

The subject is "Tax Fairness for Families." As we move into, I think the critical period of the discussions on tax reform, I think it is important that perhaps the one group in America that is least heard from in terms of the Tax Code and the impact of the Tax Code is the American family.

Each day as I walk from my office to the floor of the House of Representatives, I have to pass by the Ways and Means hearing room. Often, the halls are so full that is difficult to wend my way through on the way to the floor. Those halls are filled with some fairly well-paid, high-priced Washington lobbyists, there to lobby members of the Ways and Means Committee for special tax deductions for various interest groups.

Anyone who has just recently completed, as most of us have, our tax forms, this last April 15, knows how complicated and how difficult our Tax Code is. Anybody who has picked up the actual United States Code and looked at the tax provisions know that it consists of thousands and thousands of pages of materials, of deductions, of special interest provisions, accompanied by many more thousands of pages of regulations. Our Tax Code is complex to the point that very few people in our society can comprehend the various deductions and special privileges that are available for various special interest groups.

But the family does not stalk the Halls of Congress. It does not wait outside the Ways and Means Committee room; it does not have a voice as to whether or not it is being treated fairly under the Tax Code. I have had the great privilege in the last several months to be the Republican ranking member of the Children, Youth, and Family Committee, and as such, I have heard, not only in my position this last several months, but in the previous 2 years, as chairman of the Economic Security Task Force, heard testimony from families, and children, and youth from across this land as to the difficulties that our present-day families encounter.

It has become evident in those hearings that the average American family is finding it increasingly more difficult to bear the financial burdens of raising children. We have heard testimony from mothers, many of whom do not choose to be in the employment market, but out of economic necessity, find themselves working either part-time, or more often is the case, full-time, in the job market.

Mothers with small children at home that would prefer to be at home, particularly during those critical early years, early months of childhood, where the mother's presence is so needed and necessary, but, out of economic necessity, cannot do that.

We have heard from families where even with two incomes they have found that the cost of affording quality day care so their children can be taken care of when they have to work is prohibitively high.

These family difficulties, and all the accompanying family problems and social problems that result from economic difficulties within the family, are not caused, as we have found, by decreasing income, but rather are directly attributable to increasing tax

burdens on the average taxpayer in the family.

Over the past 3½ decades, median family income has increased dramatically; increased dramatically in real terms and in constant dollars. Since 1950, the median income for two-parent, one-earner families has increased more than 50 percent. For two-earner families, the median income has almost doubled. But the increase in Federal taxes for both the one-earner and the two-earner families has far outstripped the increases in income, making average families not income poor, but tax poor.

This dramatic increase was not legislated, but it came about rather because the personal exemption that is allowed to family members has not been indexed for inflation or for income growth, and as a result it has diminished greatly in value over this time period.

The personal exemption, which taxpayers take for themselves, their spouses, and their dependents, is the primary means that the Federal Government has of adjusting the tax burden according to the family's expenses for its children. Therefore, the failure to adjust the personal exemption for inflation has affected all taxpayers, but it has hurt families with children far more than any other group. I might add that the greater the number of children, the greater the tax impact has been on the family and the greater the amount of discrimination.

As I said, the personal exemption has not kept pace with either income growth or inflation growth. In 1948, the personal exemption was set by Congress at $600 for each taxpayer, spouse, and dependent. By 1979, this exemption had been raised to $1,000; a $400 increase over a substantial three-decade period. Finally, this personal exemption has been indexed for inflation, and in fact this year went up about $40 per taxpayer.

However, if the personal exemption had been indexed back to 1948, it today would be worth about $2,600. If it were to offset the same percentage of average income as it did in 1948, it would be worth $5,600. So it is this devaluation of the personal exemption that has caused a tremendous increase in the tax burden of the average family. Let us look at some of these percentages.

In 1950, when median family income was $3,319 and the exemption was $600, the personal exemption reduced the taxable income of the typical family of four by 72 percent. In 1983, the exemption reduces the taxable income of that same family by only 16 percent. In 1950, the median income family of four with one wage earner, paid 3.4 percent of its income in Federal taxes. Today, that same family pays 11.8 percent of its income in Federal taxes; a more than threefold increase.

This devaluation of the personal exemption has caused the Federal tax burden to shift disproportionately onto the backs of families with children.

For single persons and couples without children, because increases in exclusions from adjusted gross income and in itemized deductions and tax credits have offset the decreased value of the exemption, these persons face almost the same average effective tax rate in 1984 as they did in 1960. In other words, the single taxpayer or the married taxpayer and spouse without children are paying about the same average tax rate as they were in 1960.

In 1984, however, the average couple with two dependents had an effective tax rate of 43 percent higher than what they paid in 1960, and a couple with four dependents had an average tax rate 223 percent higher than what they paid in 1960.

So what have we seen? We have seen changes in the Tax Code effected so that the single taxpayer, the married taxpayer, and spouse without children, have been able to maintain a tax rate at about the same level as it was in 1960. But those families that have two children have an average tax increase of 43 percent; those with four children have an average tax increase of 223 percent. They have faced an increasingly difficult tax burden.

Was this discrimination intended? No; I do not think so. But it is the unintended consequence of the failure to index the personal exemption for increases in inflation and for increases in income growth. Therefore, our current Tax Code places a penalty on families with children. It means that for each additional child added to the family, that family has to bear a disproportionate share of the income tax burden.

The current personal exemption recognizes less than one-fourth of what the average family spends on its children, and only one-half of what it costs to raise a child in poverty. Let me illustrate that point.

The average cost of raising a child to 18 today in a middle-income family with two children, with wife employed, part-time, was estimated to be a little more than $84,000 a year in 1981.

□ 1710

Divide that by 18 and that works out to about $4,600 per child per year. The official U.S. poverty threshold is increased an average of $2,027 for each child added to a family, so what do we have here?

We have an indication from pretty reliable estimates that is costs more than $4,000 per child per year to raise children at home. We have official U.S. Government statistics that says for each additional child in a family, $2,027 is added to the poverty threshold level that is used for official statistical purposes and welfare benefit purposes. Yet, we have a Tax Code that only allows $1,000 exemption for each child, a Tax Code, then, that discriminates against a family with children.

This antifamily bias of this backdoor tax increase, unintended though it may have been, falls most heavily, interestingly enough, on those racial and ethnic groups which are also the most economically vulnerable groups.

I want to repeat this point, because it is important. We are not here talking necessarily about a white, suburban, two-child, four-person family. We are talking here about a situation where the burden of this tax inequity falls most heavily on racial and ethnic groups, which are the most economically vulnerable groups in our society today.

About 50 percent of all American families have children under 18 years of age, but 60 percent of black families and almost 70 percent of Hispanic families have children under 18 years of age. In 1960, 36 percent of all American families with children under 18 had three or more children. By 1983, that figure had dropped by more than a third, to 21 percent, as families are becoming smaller, as families are having fewer children.

But that is not the case with Hispanic families or with black families. In 1983, 31 percent of Hispanic families and 29 percent of black families in 1983 had three or more children.

It is this background, it is this 2½-year presentation of the burden of the Tax Code on the American family before our Committee on Children, Youth, and Families that has led us to look at ways in which we can address this inequity. We have seen the incidence and the problems of poverty and its effect on the American family. We have seen the struggles of the low income and the low to middle-income and the middle-income families as they attempt to meet and address the burdens of raising children from a financial standpoint. We have seen the difficulties of providing for those children because of increased costs of everything that children need across the board, the increase in clothes, and food, housing provisions, education, the things that we want to provide for our children and are necessary to provide for our children in raising a family today.

Yet, we have seen that family try to cope with that situation in an ever more difficult situation as that personal exemption has remained flat while the average tax rate for families with children has increased. For that reason, I was an early cosponsor of the Kemp-Kasten bill, the tax reform package introduced by the gentleman from New York, Mr. Kemp, and Senator Kasten, primarily because that bill, including all its other merits, places at its very center the whole concept of tax fairness for families by doubling the personal exemption from $1,000 a year to $2,000 a year.

I have had numerous occasions to speak with the gentleman from New York [Mr. Kemp] regarding this particular provision and know of his deep and abiding commitment to this principle, to the principle of raising the personal exemption from $1,000 to $2,000, and heard him just this morning in a news conference announce that that is one of two items that he will not compromise on in this whole tax reform process which we are now undergoing.

I have introduced a bill, H.R. 1551, the Tax Fairness for Families Act, which isolates on this particular question, and we hope, through this effort, to gather a coalition of support not only on the floor of the House of Representatives but across the country in support of tax fairness for families in raising the personal exemption from $1,000 to $2,000 per year. We want to make this a central part of tax reform.

I was pleased when the initial Treasury proposal also included the provision for the doubling of the personal exemption. I was both pleased and disappointed when the Bradley-Gephardt bill was introduced, because while it did provide for an increase in the personal exemption, it did not do so to the extent that I thought was necessary. The $2,000 level does not even bring the family to an equity position, although it goes a long way to restoring that equity position.

As I indicated earlier in my remarks, just indexing for inflation alone would require a level of $2,600 exemption, and if we tied that to growth and income, we are talking about several thousand dollars more. But we realize the political realities of what we are dealing with. We realize that we cannot redress the problem completely at one time, so we are doubling this from $1,000 to $2,000 and we want to make this a very central part of the entire tax reform process.

We think that these proposals can achieve tax fairness without increasing the deficit. Both the Kemp-Kasten proposal and Treasury-I proposal are revenue neutral; that is, they do not bring in more revenues than we currently have, nor do they take away from revenues that we currently have. I think this is an important component of tax reform. We do not want to use tax reform as a basis for dealing with the deficit because we realize the pitfalls that can result from that. We do not want to be accused of using tax reform as a guise for raising revenues for the Government, nor do we want to impact negatively on the current deficit that we have, so we have constructed these bills to be revenue neutral.

I am pleased to announce to my colleagues and to others that the provisions in the Kemp-Kasten bill and Treasury-I bill both call for a doubling of the personal exemption, yet do not impact negatively on the deficit. They are a pay-as-you-go type of process and I think bring about some basic fairness to the process.

I have more I want to say on this, but I notice that my colleague, the gentleman from Virginia [Mr. Wolf], is here and I would like to yield to him at this particular time.

Mr. WOLF. I want to thank the gentleman very much for yielding.

Mr. Speaker, I want to join the gentleman and thank him today for taking this special order to bring this important issue to the people of America.

Mr. Speaker, I would like to join my colleague today, in expressing concern about the tax burden on families. To address this issue I have joined as a cosponsor of H.R. 1551, the Tax Fairness for Families Act, introduced by Congressman Dan Coats.

A review of the statistics shows that the value of the personal exemption has decreased over the past 35 years. Even though the exemption rose from $600 in 1950 to $1,000 in 1984, it has not kept up with inflation. It would be worth nearly $5,600 today if it had done so.

As a member of the Select Committee on Children, Youth, and Families and a father, I think it is important to support the family, which is the basic component of American society, in any way we can. The figures I just mentioned contribute to my concern about the tax burden on families.

Families today have trouble making ends meet, buying homes, and raising their children with the standard of living they desire. These are difficult times for families; raising the personal deduction could assist families by making money available to families who need the cash to invest in their future.

I urge my colleagues to support a doubling of the personal exemption and to consider cosponsoring this legislation and to support all legislative efforts to relieve the financial burden on families.

□ 1720

So I want to urge all the people watching today, certainly those in Virginia and those in the other 49 States, to think seriously about this and to urge your Congressmen and your Senators to support this. This legislation is very, very important to the future of the American family. As my colleague said, it does not have a negative impact on the deficit.

What are the figures? How does this work? Is it basically revenue-neutral based on the other changes?

Mr. COATS. That is correct. As I indicated before in my remarks, the idea is embodied in the Kemp-Kasten tax reform proposal. That is a revenue-neutral proposal, as is the initial Treasury proposal. In fact, the gentleman from New York [Mr. Kemp] is here, and he can explain it better than I can. I would be happy to yield to him. He is the gentleman who really grabbed onto this idea and made it a central part of the tax reform. He has carried the torch long and hard for the American family, and I greatly appreciate his efforts.

I also want to thank my colleague, the gentleman from Virginia [Mr. Wolf], who has served so diligently and faithfully on the Select Committee on Children, Youth, and Families, and who has been a voice for the family in this Congress. Your cosponsorship of H.R. 1551, the Tax Fairness for Families Act, and your outspoken work in favor of the family over a number of years has been very important to this institution and very important to the American family.

Mr. WOLF. Mr. Speaker, I thank the gentleman very much, and I want to commend him for taking this time. I thank him for his leadership on this issue.

As the ranking member on the Select Committee on Children, Youth, and Families, you are the Member who pushed this, and I am glad you did.

I want to say this about Congressman Kemp. His leadership in this area and, quite frankly, his leadership on all the tax issues, the indexing and the tax cuts we have had before, I think, has been such a help to the American family. Anybody watching today, I think, owes a tremendous debt of gratitude to Congressman Jack Kemp.

Mr. Speaker, I thank the gentleman for yielding.

Mr. COATS. Mr. Speaker, I thank the gentleman from Virginia [Mr. Wolf], and I am happy now to yield to the gentleman from New York [Mr. Kemp]. Again I wish to express my deep appreciation for his leadership and support on this most important issue.

Mr. KEMP. Mr. Speaker, I thank my colleague, the gentleman from Indiana, for yielding, and also for the kind words. I want to express my thanks not only for his words but also those of the gentleman from Virginia [Mr. Wolf], both of whom are good friends of mine and with whom I have had a very pleasant friendship. I salute him for the effort that he has made, and I salute you for the effort you have made, Congressman Coats, on the Select Committee on Children, Youth, and Families, for your concern about

this issue, and for your recognition that the keystone of our whole democratic system, our free society, is the family. What we do in Government to help encourage the family is very instrumental, not just to the survival of that institution, but also to the overall institution of democracy and freedom for America.

So if I put it in rather expansive terms, it is just because I join the gentleman from Indiana in believing that this is one of the most important issues in America today.

Someone said this morning—I think it was Beverly La Haye—at our press conference that if the family exemption had been indexed to inflation in 1946, today the exemption would be closer to $5,000 or $6,000, not the $1,000 at which it is presently set. We are raising it to $2,000.

That is a fundamental part of reform. It is a fundamental part of the Kemp-Kasten tax simplification plan. We also index it so that we do not see a devaluation of this family exemption in the future.

We used to look at children as an asset. Today in some cases the Government has treated children as a drain on the resources of our country. I particularly appreciate the leadership of the gentleman from Indiana because he has reminded us, if we needed reminding as parents, that children are not a drain on resources, they are a resource, not just for the family in terms of those intangible things that are important to our lives but also in terms of their own futures and their own ability to produce the good life for themselves and their new families. But it is very difficult to raise children, knowing that this exemption has not been indexed.

I think highlighting the issues and reminding ourselves of these very important ideas is extremely valuable to the deliberations, not just of the House of Representatives but also of the White House, because the President soon will make a decision on what type of a tax reform bill he will send up to Capitol Hill. And the Treasury plan, as highlighted in several of our newspapers, suggests that there will be an $1,800 exemption

□ 1730

I hope that this effort that we are making today and that which was made this morning in our press conference will remind our colleagues and the President that $2,000 is just the barest equity treatment of the family exemption, that indexing should be an institutionalized part of our tax system, not only on personal income, but on the exemption.

We have to make sure that whatever tax reform moves forward in the Congress that it is aimed at expanding the economy and creating jobs and the opportunity for people and families not only to remain together, but to rise on that ladder that we call the American dream.

Not only is the job important, but how you tax that job, how you tax that family, how you tax the future is incredibly important to those basic institutions so necessary to our country, to our freedoms, to our families, to our ability to see our children rise on the ladder of opportunity.

If a woman on welfare with two or three children were to leave welfare and take a job in America today the county, the State, and the Federal Government would take away the welfare benefits or at least reduce them sharply. Then her income would be taxed to a point where in many counties in the United States that family of four, held together by the barest and most meager access to income, would literally have to earn close to $18,000 of pretax income in order to get the equivalent of about $9,000 of transfer payment income on welfare, which is not taxed.

So we have created this terrible disincentive in our economy wherein we are taxing work at such a level that it is strangling the ability of men and women to get access to the income that is so necessary to their own lives and that of their families.

I hope some day the top tax rate in America is about 24 or 25 percent and no poverty-level family has to pay any Federal income tax and the personal exemption is $2,000 or $3,000 and indexed. Then we can get this country back on the right road, the right track to full implementation of the American dream, not just for working men and women, but for all those families who are relying on us in government to do something about the poverty trap, about the inability to send your children to school or to buy a home.

There are certain things upon which I will compromise. But the two things upon which I will not compromise are the personal exemption for families must be $2,000 and indexed.

Second, tax reform must be growth oriented. It must get this economy moving at such a high level of output and employment and productivity that we can raise the national income; we can get that tide rising that will lift those boats.

Mr. COATS. Well, Mr. Speaker, I thank the gentleman for his remarks and appreciate not only the gentleman's support, but his leadership on this important issue.

Two points I think are important to follow up on what Congressman Kemp has said. First is the point of compromise. There is as we get down to the crunch period here of tax reform, there is a lot of give and take. There are interests that want to be addressed and there are, as the gentleman said, a heterogeneous composition here of this House floor that represent the 230 million-some people of this country and there are important interests; but on the question of who gives and who takes, it is important to remember that the $2,000 level that has been selected as the level at which the personal exemption ought to be set at is already a compromise level.

We are not fully redressing the inequities that exist toward the American family. We have not brought this to $2,600, as it would be if indexed for inflation, or $5,600, as it would be if it kept pace with income growth. The $2,000 is already a compromise. It is already a concession that we cannot go all the way.

So as I said, as we get into this process of giving and taking and fashioning a final package, it is extremely important that we not give in and compromise on the $2,000 level.

Mr. KEMP. Mr. Speaker, will the gentleman yield for one further comment?

Mr. COATS. I yield.

Mr. KEMP. I just saw the gentleman from Mississippi [Mr. Lott] on the floor. It really is important for me at this point to express my thanks to Trent Lott, our minority whip, for his support of this bill and this effort. He is the original cosponsor of the Kemp-Kasten bill.

At the Republican Party Convention in Dallas, it was Trent Lott who helped build into our platform this $2,000 exemption and indexing for families. I personally want to thank him and appreciate his leadership.

When Senator Kasten and I first introduced Kemp-Kasten last year, one of our chief concerns was to design a tax system that was profamily. A major flaw in the current Tax Code is its strong bias against investment in human capital. Over the years we have put in all kinds of tax loopholes to protect various groups from rising tax rates—but not the traditional family.

In many respects Kemp-Kasten was guided by asking how tax reform would affect the traditional family of modest means trying to raise children. We also wanted to protect senior citizens, the working poor, single people and two-earner couples; after all, a family doesn't stop being a family when the children grow up and the parents grow old.

I really believe that we succeeded in making Kemp-Kasten a profamily tax reform bill. In fact, it is the most favorable overall in its treatment of what might be called investment in human capital. With the family in mind, three of Kemp-Kasten's features are especially important:

First, there is a flat 24-percent tax rate on taxable income.

Second, we double the personal exemption to $2,000 for each taxpayer, spouse, and dependent—as well as the extra exemption for the elderly, blind, and disabled.

Third, there is a new exclusion: In general, people can exclude 20 percent of their wages and salaries up to the amount on which they pay Social Security tax. The exclusion is phased out by adding back 20 percent of income in excess of the maximum Social Security wage base. This exclusion lowers the effective and marginal income tax rates on low- and middle-income Americans and helps offset the Social Security payroll tax, resulting in a smooth, almost flat total tax rate.

We also retain the current deductions for mortgage interest, real proerty taxes, charitable contributions, and catastrophic medical expenses, as well as the tax deferral of all kinds of retirement savings. We keep the exclusion for employer-provided health and life insurance. Many of the other tax preferences in the Tax Code are eliminated.

Kemp-Kasten also keeps indexing, which is especially crucial to lower- and middle-income taxpayers so that they are not forced to bear higher tax burdens because of inflation-induced bracket creep. Under Kemp-Kasten, the personal exemption, zero bracket amounts, employment income exclusion, and the earned income tax credit are all indexed for inflation.

This approach has several major advantages over progressive income tax rates. It allows a much higher tax-free income threshold than the other tax reform plans without greater cost. It also allows a lower marginal tax rate at the top. It substantially removes the unequal tax rates on labor and capital income, and results in a virtually flat combined income and payroll tax rate. Finally, it avoids shifting the tax burden like a pure flat income tax rate.

Let me explain these advantages by considering their effect on various taxpayers.

FAMILIES WITH CHILDREN

The drastic erosion of the personal exemption by inflation has caused taxes to rise almost twice as fast for families with children as for other taxpayers since World War II. Back in 1948, the personal exemption was $600; in constant dollars, it has shrunk to only $137, or to about one-fifth of its value almost 40 years ago. If the personal exemption had been indexed for inflation since 1948, it would be more than $2,500 today. Instead, it is only $1,040.

The value of the personal exemption depends not only on its size, but also on the nature of its deductibility. For example, the same $1,040 exemption under current law is worth $114 in the bottom tax bracket, but $520 in the top tax bracket.

The Bradley-Gephardt tax proposal increases the exemption for adults to $1,600, but reduces the exemption for dependent children from $1,040 in 1985 to $1,000 in 1986. Because of the higher bottom tax rate, the value of the exemption for each child rises from $114 to $140 a year, though Bradley-Gephardt repeals inflation-indexing. Since the Bradley-Gephardt plan allows the exemption only against the 14-percent bottom tax rate, the exemption is worth $140 for all taxpayers, including those in the 26-percent and 30-percent tax brackets. This represents a reduction of the tax value for the exemption in the top bracket from $520 to $140.

The personal exemption is worth $2,000 and indexed for inflation under both Kemp-Kasten and the Treasury plan. But because of the different rate structures, the effect of the $2,000 exemption is different under the Treasury plan than under Kemp-Kasten.

Under the Treasury plan, with tax rates of 15 percent, 25 percent, and 35 percent, the value of each exemption rises from $114 to $300 in the bottom tax bracket, and from $520 to $700 in the top tax bracket. Under Kemp-Kasten, all exemptions, deductions, exclusions, et cetera are worth 24 cents on a dollar. Therefore, the value of each child exemption for a low-income family more than quadruples, from $114 to $480 a year. At high incomes the value of the exemption remains about the same, $480 compared with the current $520. The increased value of the child exemption under Kemp-Kasten is concentrated at middle and low incomes where it is most needed.

THE WORKING POOR

Right now, families living in poverty pay rather stiff rates of Federal income tax. While the 1981 tax rate reductions helped to slow down the rising tax burden on the poor, high inflation and sharp increases in the Social Security payroll tax—the most regressive of all taxes—during the late 1970's hit the working poor especially hard.

Much of the worst impact of inflationary bracket creep has been felt by low-income families, who used to be exempt from income tax but have been swept onto the tax rolls by inflation. The poverty level in 1985 is $11,101 for a family of four—it probably will be more than $11,500 next year—while the income tax threshold for a family of four is $7,700—or $9,436 including the earned income tax credit. The tax disincentives are compounded because in many cases the disposable income obtainable through transfer payments for not working is almost as great as or even greater than after-tax wages at a comparable income. This is the famous poverty trap.

Kemp-Kasten addresses this problem in several ways. One way is to raise signifcantly the tax-free threshold of income. The income tax threshold for a family of four is raised to $11,800 under the Treasury plan, and $11,500 under Bradley-Gephardt. But under Kemp-Kasten, the tax-free level of income for a family of four is raised to $14,125. For a single taxpayer, the income tax threshold is $5,750 under Kemp-Kasten, compared with $4,800 under the Treasury plan, $4,600 under Bradley-Gephardt, and $3,430 under current law. Kemp-Kasten also raises the income tax threshold for a retired couple from $7,700 to $14,125, and for a retired single person from $4,470 to $8,250. The income tax threshold for a single parent with two dependents is increased from $8,375 to $10,750. This removes about 1.5 million of the lowest-income taxpayers from the tax rolls, and indexing will keep them off the rolls for as long as they are poor.

Another Kemp-Kasten change which cuts high effective marginal tax rates at low incomes is to modify the earned income credit. Under current law, the earned income credit is 11 percent of earned income up to $5,000. The maximum credit of $550 is phased out by reducing the credit by 12½ percent of income in excess of $6,500. This makes the credit disappear at $11,000.

Phasing out the credit adds a marginal tax rate of 12½ percent to the usual tax rate; and since the bottom income tax brackets overlap the phaseout range of the earned income tax credit, this can result in fairly high effective marginal tax rates at low incomes, under current law and under the other tax reform plans. For example, a single head of household earning $10,000 with one dependent faces a marginal income tax rate of 26 percent under current law and under Bradley-Gephardt, and 27 percent under the Treasury plan, plus the 7 percent payroll tax rate and the 50 percent to 75 percent effective marginal tax rates from foregoing transfer payments. This only makes it more difficult for low-income people to work their way out of poverty.

Kemp-Kasten reduces these effective marginal income tax rates by coordinating the earned income credit and the normal income tax thresholds. This approach increases work incentives at low incomes and supports intact families with children. Kemp-Kasten ties the percentage of the earned income tax credit to the combined employer/employee Social Security payroll tax. For 1986, this means that the credit is increased from 11 percent under current law to 14.3 percent. This explicitly recognizes that the earned income tax credit is not welfare, but a refund of taxes already paid by families who earn their own income.

Kemp-Kasten relates the maximum earned income tax credit for the first time to the size of a family. Under current law, the credit is the same for a single parent with one child as for a family of three, four, five. Our new bill starts phasing out the credit at $4,500 for a family with one dependent, $5,000 for a family with two dependents, and $5,500 for a family with three or more dependents.

Because Kemp-Kasten phases out the earned income credit before taxpayers reach the bottom tax bracket, it keeps down the high marginal tax rates on the poor. The credit for two-person families is phased out at about $8,800, for three-person families at about $9,700, and for families with four or more persons at about $10,750. Though the credit is phased out somewhat sooner under Kemp-Kasten than under current law, the tax burden is lower in almost every case because the percentage is larger, and because Kemp-Kasten substantially raises the income tax threshold. Kemp-Kasten also indexes the earned income credit for inflation, for the first time, to help protect the poor from paying higher taxes because of inflation-driven increases in income.

Important as the poverty trap is, cutting high effective marginal tax rates alone will not magically cure poverty. The more we understand about the causes of poverty, the more we are drawn to the conclusion that it has at least as much to do with the stability of families as with after-tax income. While this question goes far beyond the realm of tax policy, I believe that the profamily aspects of Kemp-Kasten should be considered as an integral part of its antipoverty strategy.

WAGE-EARNERS

For many years upper-bracket taxpayers faced a higher tax rate on investment than on employment income. This distinction was removed in the 1981 tax bill. However, there still exists a distinction between labor and capital income at middle and lower incomes. Under current law—and the other tax reform plans—the payroll tax is added on top of the personal income tax rate for labor income, but not for capital income. Therefore, the tax rate on workers is higher than the tax rate on savers. This is true under current law and under all tax reform plans other than Kemp-Kasten.

Since the payroll tax base stops at about $40,000, the marginal tax rate on labor income can be higher at lower income levels than on upper-income taxpayers, under both current law and the other tax reform plans. Viewed by income level, the combined marginal tax rate structure above the income tax threshold behaves as follows. Under current law, the tax rate starts at 18 percent, rises to 41 percent, falls to 34 percent, then rises to 50 percent. The tax rate under Bradley-Gephardt starts at 21 percent, rises to 37 percent, then falls to 30 percent. The Treasury plan tax rate starts at 22 percent, rises to 42 percent, then falls to 35 percent. Under Kemp-Kasten, the income and payroll tax rates are coordinated, so that the tax rate starts at 26 percent for labor income, 24 percent for capital income, and ends at 28 percent for both.

MORE FAMILY ISSUES

Kemp-Kasten seeks to equalize the tax treatment among families in several ways. Both Bradley-Gephardt and the Treasury plan repeal the child care credit and replace it with a deduction for child care expenses, which generally helps only two-earner families with children below school age.

Kemp-Kasten repeals the credit and devotes the extra revenue, in effect, to helping all families with children by increasing the personal exemption. Compared with current law, this helps one-earner families with children more than two-earner families; but in general the Kemp-Kasten treatment is absolutely more favorable for all low- and moderate-income families than either Bradley-Gephardt or the Treasury plan.

For example, a family of four earning $15,000, with the second spouse earning a third of the income and child care expenses totaling 10 percent of the family's total income, pays Federal income tax in 1986 of $393 under current law, $475 under Bradley-Gephardt, $419 under the Treasury plan, and $168 under Kemp-Kasten. With only one earner and no child care expenses, the Federal tax is $868 under current law, $532 under Bradley-Gephardt, $480 under the Treasury plan, and $168 under Kemp-Kasten.

In this way, Kemp-Kasten equalizes the treatment of families with children, regardless of their parents' employment status. Any other approach seems to imply that the effort of the parent who stays at home to care for the children is worth less than if he or she worked outside the home. It does not seem fair to recognize the expense of earning a second income, but ignore the cost of giving up a second career, which often goes with the decision of a spouse to remain at home to raise the children.

At the same time, Kemp-Kasten removes a bias against two-earner couples, which exists under current law and the other major tax reform plans. A two-earner family with combined wages in excess of the Social Security payroll tax base pays a higher Social Security payroll tax and therefore a higher combined marginal tax rate than other taxpayers on the same income. Under Kemp-Kasten, two earner couples may figure out their 20-percent wage exclusions separately and add the two, if this results in a larger total exclusion. This offsets 5 of the 7 percentage-point increase in the combined marginal tax rate that occurs under current law and the other tax reform plans. In a sense, then, the Kemp-Kasten wage exclusion acts like a second-earner deduction for married couples.

The American family is the foundation of our society, and I believe that any tax reform plan will ultimately be judged on how well it helps American families in their daily lives to fulfill their hopes through their own efforts. We cannot have real tax reform and ignore our best and brightest investment—our children. Our children are our hope for the future—a promise that another generation will carry on the dreams and aspirations that we all share.

Children and the poor really have no high-powered lobbying firm to look after their interests. We must ensure that tax reform meets their needs and hopes for the future. In discussing the fate of this deduction or that credit, I hope that we all keep in mind the needs of the American family.

Mr. COATS. Well, Mr. Speaker, I appreciate those comments also. The gentleman from Mississippi was one of the first and earliest supporters of the Tax Fairness for Families Act and we have appreciated his support for this.

□ 1740

As I said earlier, the $2,000 level, it is important to remember, is already a compromise level. It only partially redresses the inequity that has existed since 1948 because the personal exemption has not been indexed.

The second point I think is important to reiterate was made by the gentleman from New York [Mr. Kemp]. That is the fact that our Tax Code historically has been based on some basic principles. The primary one was that people should be taxed according to their ability to pay. Two, that taxpayers with dependents have less ability to pay than those with equal income but without dependents. And, three, that persons in poverty should not be taxed.

Those are principles that were integral to the massive tax reform that took place in the 1960's. Yet because the personal exemption has been ignored since that time, because it has not been indexed, these principles are no longer reflected in our Tax Code as they relate to families, and families have disproportionately paid a higher tax than they should.

The gentleman from Ohio [Mr. Kasich] is also a cosponsor of this important piece of legislation.

Mr. KASICH. Will the gentleman yield?

Mr. COATS. I yield to the gentleman from Ohio [Mr. Kasich].

Mr. KASICH. I would like to rise in support of the legislation offered by the gentleman from Indiana, Congressman Coats. He really points out some very important facts when he

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talks about the fact that the personal exemption has not been indexed as it should have been since 1948. And I am not going to attempt to go through all of the argument because I do not think anybody does it better than the gentleman from New York [Mr. Kemp].

But if we could one more time I think make the point that in 1948 Congress set the exemption at $600 and then in 1979 we increased the personal exemption to $1,000 as an attempt to offset inflation.

But the significant thing is if it had been indexed, in other words, starting in 1948, if we had taken into account inflation and made sure that the family or that individuals in that family, if every year their exemption was increased to make up for inflation, there was no real increase but simply an increase to make up for inflation as had been originally set in 1948, that exemption would be worth $2,600 a person today, in 1984.

So I think, as the gentleman, Dan Coats, says, we are not attempting in any way, shape, or form to give away the store here. What we are simply trying to do is the offset just part of the inflation that the American family has experienced over the years. And I think what is really something that is amazing is that in the middle 1960's the policymakers in this country basically agreed that we ought not to tax people who are either at the poverty line or below it, but literally today there are people who are at or below the poverty level who are paying taxes.

Now, we try to figure out ways in which to increase the incentives of people to work and I think Congressman Coats would agree that there are many people, many of our constituents, you go home and you say what can we do to give people more incentives to work. Well, you do not give people an incentive to work when, if they are struggling to try to get out of what Mr. Kemp calls the poverty trap and if they go out and earn their first dollar of income, they find themselves in a higher marginal or at a higher tax rate on the first dollar that they earn than those people who were at the highest levels of income in the country, you kill the incentive for people to go to work. It suddenly becomes not productive for them to go out and earn that first dollar in the private sector. And that is counterproductive to everything we believe in.

What we ought to be doing is encouraging people and giving them incentives, financial incentives to be able to get a job.

I personally believe that those people who are at or below the poverty line, who are not working, but want to work, I think it is in our best interests and in the best interests of the American spirit to give people an incentive and make it advantageous for them to have productive work and give them an opportunity to improve their lives, not tax them into the chains of poverty, because I think most people want to get out there and get that job.

It does not make sense to have a tax system that is counterproductive.

Of course the Treasury plan that the gentleman from New York [Mr. Kemp] referred to, and I know the gentleman from Indiana [Mr. Coats] has been talking about is a very critical plan because what it tries to do is to bring down marginal rates doubling that personal exemption so people can earn more, can be more productive at the lower levels, but also designed to make those people who pay nothing at the upper levels start to pay. But also to bring down that marginal rate.

Why do we want to do that? Why do we want to close the loopholes and bring down the marginal rate? Because we believe there is some rate at which people are taxed that produces the maximum amount of revenue. If you get above that rate you start to lose revenue. It is the old law of diminishing return that every farmer in America understands when they are trying to plant their crops.

There are only so many rows you can plant on an acre, just like there is only so much, there is some point, some level at which you start to lose revenue by raising taxes higher.

What we are trying to do is to bring that tax level down as low as possible to make sure that the incentives that we tried to put in the tax system in 1981 are enhanced so that we have greater productivity, greater earning capacity, and greater incentives in our tax system so that America can go forward. And doubling of this personal income tax exemption is critical. And I think everybody on this floor today that is here to talk on this legislation wants to send a clear message to the Treasury that we do not want any eating away or ebbing away at that $2,000 personal exemption as the family-oriented provision in that original Treasury bill. Do not take it away because we are simply going to fight you up here on Capitol Hill because we think that Dan Coats is right. Dan Coats was a leader in this area and I know Dan Coats is not going to give up the ship. And I am certainly going to be right there along with him as a Member, as one of the mates on that ship, to make sure that we preserve something that the American family needs, deserves, wants, and something that is going to build a stronger America.

I want to commend the gentleman for his hard work and let me tell you it takes a lot of work to put together something like this, to travel all over Capitol Hill promoting this, trying to lobby support among your colleagues, testifying at every opportunity you have, not on behalf of Dan Coats but on behalf of the American taxpayer and the most integral part of this country: the American family.

Again I want to commend the gentleman for his efforts.

Mr. COATS. I thank the gentleman from Ohio for his strong support and eloquent statement in support of the Tax Fairness for Families Act. And we are looking forward to the battle that lies ahead. Thirty-five Members have already signed up onto the Tax Fairness for Families Act. It was introduced today in the other body. It is gaining support there.

Families across America are finding out about this particular provision. You know, for years the family has silently paid their taxes believing that they were doing their fair share, only to find out now that because of this situation that exists with the personal exemption they were doing more than their fair share, only to find out that because they did not have a high paid Washington lobbyist working for them in the Halls of Congress, that special interest groups are receiving special deductions at the expense of the American family. And it was the family, the wage earner, the basic average American at home trying to make a living and raise his kids or her kids, they were the ones that were footing a disproportionate share.

Just since I have introduced this bill I have received in my office letters from 49 of the 50 States, people from all over the country, writing in and saying a number of interesting things about the Tax Fairness for Families Act. I would like to, if I could, just quote from a couple.

One lady from New York writes in and says:

> My husband needs the dignity of being able to bring home most of his pay and not stand in line for government surplus and other handouts. The tax exemption for his children should be * * * doubled. He should not have to pay the Federal deficit by himself.

We heard from a constituent from Ohio, the gentleman's State, Bay Village, OH:

> I never collected unemployment compensation in my life. When one job wasn't enough, I had to moonlight, and still care for the house and children. You see, I have no write-off for tax shelters or loopholes.

From Buckeye, AZ:

> I feel the time has come that we need our families to be considered. After all, the Constitution says "We, the people," not "We, the lobbyists."

From West Chester, PA:

> We have nine in our family. We barely skim by. We could qualify for a least reduced school lunches for our seven children, but we don't feel this is right or good, We are supposed to be close to poverty level but we pay all of those taxes.

Mr. KASICH. If the gentleman would yield, I think he makes a very important point when he says that the taxpayers in this country, middle income, low income, taxpayers don't get tax breaks, that the tax breaks go to people who are at the top income levels and to the corporations in the country.

☐ 1750

Now you know, I think Dan would have to agree with this. It sometimes does not sound like a Republican to talk about corporations that do not pay any taxes or people who are making fortunes and pay no taxes, but the simple fact of the matter is this party is changing and this individual, who is a conservative, I believe and have believed all along that this system ought to be made fair.

And those companies who buy and sell tax credits, major industries who have made billion and billions of dollars, who get refunds and do not pay one dime in taxes by manipulating this tax system, a lot of which was constructed by special interests in this Congress, in addition to that, individuals at the highest levels of income in this country who do not pay one dime in Federal income taxes and take advantage of all the loopholes.

What concerns me is, yes, there have to be some provisions in this tax law which encourage a strong America, that is what tax reform is all about; what we are trying to do is to close those loopholes that are simply just that, loopholes that allow people to avoid paying their fair share but do not build a stronger America, versus what we want to do with tax reform, which is to have incentives in that tax law that really contribute to a stronger America.

They may benefit an individual in getting a deduction but that deduction benefits everybody, not just the people at the top income levels, but those people at the middle and at the lower income levels.

So what this provision does is to say, "Hey, American taxpayer," not the one who has to be lobbying in the Halls of Congress, but the American family and those people at the lowest income levels, "we are going to give you what you deserve, which is to help catch you up to what you would have had if this personal exemption would have been indexed starting in 1948 like it was promised." They should be getting $2,600 in exemptions.

What they are going to get under this is $2,000 and it is a real, justifiable provision in this Tax Code.

So when we move to close the loopholes that do not go toward a strong America, but we move to preserve those exemptions that we believe make a strong economy and make a stronger America, we also ought to have a provision in there that makes for a stronger American family.

I think that is what this gentleman is all about and what the American people want and certainly ought to be the philosophy that we ought to be promoting.

I hope and pray that we do get a good tax reform bill that not only takes advantage of a tax system to build a stronger America on the corporate side, or helps build a stronger America with proper incentives for upper income Americans but also takes into account the middle and lower income Americans who make this country what it is.

Mr. Speaker, I appreciate the gentleman allowing me this time.

Mr. COATS. I thank the gentleman for his comments. He puts his finger precisely on the pulse and the mood of the average working American today. The responses that we have received in our office, the hundreds and thousands of responses we have received reflect exactly what the gentleman was saying.

If I may continue reading some of this, from Florida, and right to the point:

> Thank you for your interest in helping take some of the burden off of the backs of the taxpayers that are not able to walk the Halls of the Capitol Building.
>
> It seems to me it would be a great idea to help our children be able to afford to have children by doubling the exemption for dependents. If you pass H.R. 1551 maybe they can afford to marry and give me grandchildren.

That is from Patricia Heller Kelley. I am not exactly sure where she is from, but she is a lady looking for some grandchildren and wanting tax exemptions for her children.

If I may read on, from Newkirk, OK:

> As a young couple with five children we desparately desire some sort of tax reform that will make it possible to have our own home someday.

From Missoula, MT:

> I believe this bill is overdue but at least it is a start in the right direction.

From Coos Bay, OR:

> I have no children of deductible age. I do recall how difficult it was from the 1950's as our family grew. We never seemed to have any more than barely enough from one month to the next. Because the situation has greatly worsened since those days my heart bleeds for the young families of today.

From Decatur, GA:

> Thank you for standing tall for the traditional family.

From Yonkers, NY:

> Thanks for speaking for those who are too busy providing basic needs as food, clothing, and shelter to lobby in Washington.

From Spencer, IN:

> I do support your tax bill concerning the family. We have had six children. My husband has worked very hard as a truck driver trying to support the family, yet I needed to work out, too, to help and yet they were taking out more in taxes than I could earn.

I could go on and on. We have had hundreds and thousands of letters from people expressing the same basic point, that is that the working family today is suffering a tremendous burden in terms of raising the family and meeting its tax obligations.

Again, what are we asking for? A special break? A special deduction? No. What we are asking for is some basic fairness, some basic justice in our Tax Code that treats the American family as an important unit, that redresses an imbalance that has existed since the 1950's.

We are seeking not even to restore the personal exemption to the full measure of equity, but by merely doubling the personal exemption from $1,000 to $2,000, making it part of the basic tax reform to treat the American family as one of the most basic, one of the most special, one of the broadest and one of the most pervasive interests in this society today.

If we learned anything in our hearings in the Children, Youth and Families Committee, it is that the American family, No. 1, is in trouble today and, No. 2, is the absolute basic, bedrock portion of this society. It is absolutely essential that we do what we can to strengthen the family, to make the family whole, to keep the family from pulling apart.

We can do that in part by enacting Tax Fairness for Families, by supporting H.R. 1551, the Tax Fairness for Families Act, by making sure that it is incorporated in the tax reform proposals that come before this body, by making sure that those who are talking about tax reform and supporting it understand how basic and how important this concept is to true reform, and by making sure that most of us who support this concept hold fast and not compromise on this most important issue.

I want to thank the Members of Congress who have supported this legislation, those who took the time to help support this special presentation of this issue and, most importantly, those families across America who have taken the time to write expressing their support for H.R. 1551, the Tax Fairness for Families Act, and who are ready to stand shoulder to shoulder with us as we move forward into tax reform and bring about some basic equity and fairness to the American family.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Neal (at the request of Mr. Wright), for today, on account of illness.

Mrs. Long (at the request of Mr. Wright) after 2 p.m. today, on account of official business.

Mr. Leland (at the request of Mr. Wright), after 1 p.m. today, on account of official business.

Mr. Weaver (at the request of Mr. Wright), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Boehlert, for 60 minutes, May 14.

(The following Members (at the request of Mr. Kanjorski) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Boland, for 5 minutes, today.

Mr. Pepper, for 5 minutes, today.

Mr. Derrick, for 5 minutes, today.

Mr. Gonzalez, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. AuCoin, prior to the vote on the Hutto amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. Boehlert) and to include extraneous matter:)

Mr. Kolbe in four instances.

Mr. Leach of Iowa in three instances.

Mr. Chappie.

Mr. Broomfield in two instances.

Mr. Lewis of California.

Mr. Franklin.

Mrs. Holt.

Mr. Myers of Indiana.

Mr. Edwards of Oklahoma.

Mr. Gekas.

Mr. Ritter in three instances.

Mr. Dreier of California.

Mr. Kemp in two instances.

Mr. Coats.

Mr. Bereuter.

Mr. Bartlett.

(The following Members (at the request of Mr. Kanjorski) and to include extraneous matter:)

Mr. Borski in two instances.

Mr. Montgomery in two instances.

Mr. Fazio.

Mr. Kanjorski.

Mr. Studds.

Mrs. Schroeder.

Mr. Heftel of Hawaii.

Mr. Traficant.

Mr. Ackerman in two intances.

Ms. Kaptur in two instances.

Mr. Frank.

Mr. Moakley in five instances.

Mr. Russo.

Mr. Boucher.

Mr. Lundine.

Ms. Mikulski.

Mr. Leland.

Mr. Barnes.

Ms. Oakar in two instances.

Mr. Walgren in two instances.

Mr. Ford of Michigan.

Mr. Berman.

Mr. Murtha.

Mr. Edgar.

Mr. Kildee in two instances.

Mr. Hertel of Michigan in two instances.

Mr. Stark.

Mr. Rangel.

Mr. Weiss.

Mr. Wolpe.

Mr. Mavroules.

Mr. Miller of California.

Mr. Lantos.

Mr. Hubbard.

Mr. Ford of Tennessee.

Mr. Rahall.

Mr. Solarz.

Mr. Aspin.

ADJOURNMENT

Mr. COATS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 58 minutes p.m.) under its previous order, the House adjourned until Monday, May 13, 1985, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1259. A letter from the Director, Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of May 1, 1985, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 96-66); to the Committee on Appropriations and ordered to be printed.

1260. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting a draft of proposed legislation to authorize the Federal Energy Regulatory Commission [FERC] to collect fees and charges for services, benefits, privileges, and authorizations granted in administering its regulatory programs, and for other purposes; to the Committee on Energy and Commerce.

1261. A letter from the Director, Office of Management and Budget, transmitting a draft of proposed legislation to integrate the Office of Federal Procurement Policy more closely with the Office of Management and Budget, to vest the duties and functions of the Administrator for Federal Procurement Policy in the Director of the Office of Management and Budget, and for other purposes; to the Committee on Government Operations.

1262. A letter from the Senior Vice President—Planning, Administration and Human Resources, Federal Home Loan Mortgage Corporation, transmitting an audited copy of the financial report on the Corporation's Employees' Pension Trust for the year ending December 31, 1983, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1263. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Urban Mass Transportation Act of 1964 to provide authorizations for appropriations and for other purposes; to the Committee on Public Works and Transportation.

1264. A letter from the Under Secretary, Department of Labor, transmitting a report on the expenditure and need for worker adjustment assistance training funds under the Trade Act of 1974, covering the fourth quarter of fiscal year 1984, pursuant to Public Law 93-618, section 236(a)(2) (95 Stat. 885); to the Committee on Ways and Means.

1265. A letter from the Director, Office of Management and Budget, transmitting a draft of proposed legislation to amend the Office of Federal Procurement Policy Act and the Small Business Act to increase the dollar threshold required for publicizing procurement notices in the "Commerce Business Daily" and raise the ceiling for reservation of small purchases for small business concerns; jointly, to the Committees on Government Operations and Small Business.

1266. A letter from the Secretary of Energy, transmitting a draft of proposed legislation to encourage the standardization of nuclear powerplants, to improve the nuclear licensing and regulatory process, to amend the Atomic Energy Act of 1954, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Ms. OAKAR: Committee on Post Office and Civil Service. H.R. 873. A bill to permit Employee Organizations, which are not eligible to participate in the Federal Employees Health Benefits Program solely because of the requirement that applications for approval be filed before January 1, 1980, to apply for approval to offer a health benefits plan; with amendments (Rept. No. 99-72). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. House Concurrent Resolution 95. Resolution commemorating the 20th anniversary of Head Start (Rept. No. 99-73). Referred to the House Calendar.

Mr. HAWKINS: Committee on Education and Labor. House Concurrent Resolution 132. Resolution observing the 20th anniversary of the enactment of the Older Americans Act of 1965 (Rept. No. 99-74). Referred to the House Calendar.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1406. A bill to authorize appropriations for nongame fish and wildlife conservation during fiscal years 1986, 1987, and 1988 (Rept. No. 99-75). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLPE: Committee on Foreign Affairs. H.R. 1460. A bill to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes; with an amendment (Rept. No. 99-76, Pt. I). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 1529. A bill for the relief of Gerald M. Hendley (Rept. No. 99-77). Referred to the Committee of the Whole House.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 1783. A bill for the relief of Mary E. Stokes (Rept. No. 99-78). Referred to the Committee of the Whole House.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 1010. A bill for the relief of Audrey O. Lewis and Emerson B. Vereen (Rept. No. 99-79). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MINETA (for himself, Mr. Stark, Mr. Panetta, and Mr. Edwards of California):

H.R. 2450. A bill to amend part A of title XVIII of the Social Security Act to restrict the time period within which a penalty for late enrollment can be imposed under that part; to the Committee on Ways and Means.

By Mr. GIBBONS (for himself, Mr. Anthony, Mr. Bonker, Mr. Ireland, Mr. Loeffler, Mr. Williams, Mr. Hughes, Mr. Mollohan, Mr. MacKay, Mr. Akaka, Mr. Lewis of California, Mr. Kindness, Mr. Spratt, Mr. Heftel of Hawaii, Mr. Ortiz, Mr. Stark, Mr. Roe, and Mr. Guarini):

H.R. 2451. A bill to amend title VII of the Tariff Act of 1930 in order to apply countervailing duties with respect to resource input subsidies; to the Committee on Ways and Means.

By Mr. BATES (for himself, Mr. Coelho, Mr. Matsui, Mr. Bonior of Michigan, Mr. Richardson, Mr. Garcia, and Mr. Martinez):

H.R. 2452. A bill to amend title 18, United States Code, to impose a criminal penalty for unjustified physical injury by a Federal law enforcement officer; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself and Mr. Kildee):

H.R. 2453. A bill to amend the Older Americans Act of 1965 to increase the amounts authorized to be appropriated for fiscal years 1985, 1986, and 1987 for commodity distribution; and for other purposes; to the Committee on Education and Labor.

By Mr. COATS (for himself, Mr. Ritter, Mr. Fields, and Mr. Schaefer):

H.R. 2454. A bill to amend the Railroad Unemployment Insurance Act to increase benefits and to increase the compensation base upon which contributions are computed, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. CONYERS (for himself, Mrs. Kennelly, Mr. Gekas, Mr. Edwards of California, Mr. Berman, Mr. Boucher, Mr. Schumer, Mr. Smith of Florida, Mrs. Boxer, Mr. Dymally, Mr. Fazio, Mr. Gray of Pennsylvania, Ms. Kaptur, Mr. Kildee, Mr. Lehman of Florida, Mr. Levin of Michigan, Mr. Martinez, Mr. Mitchell, Mr. Moody, Mr. Studds, Mr. Torricelli, Mr. Wolpe, and Mr. Green):

H.R. 2455. A bill to provide for the collection of data about crimes motivated by racial, religious, or ethnic hatred; to the Committee on the Judiciary.

By Mr. FASCELL (for himself, Mr. Broomfield, Mr. Berman, Mr. Udall, Mr. Hamilton, Mr. Solarz, Mr. Studds, Mr. Barnes, Mr. Lantos, Mr. Hyde, Mr. Leach of Iowa, Ms. Snowe, and Mr. Dornan of California):

H.R. 2456. A bill to amend the Arms Control and Disarmament Act in order to increase the authorization of appropriations for the fiscal year 1985, to extend the authorization of appropriations for the fiscal years 1986 and 1987, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FAUNTROY:

H.R. 2457. A bill to authorize the Alpha Phi Alpha Fraternity to establish a monument in Washington, DC, to honor Martin Luther King, Jr.; to the Committee on House Administration.

By Mr. GRAY of Illinois (for himself, Mr. Foley, Mr. Alexander, Mr. Michel, Mr. Bennett, Mr. Hertel of Michigan, Mr. Stratton, Mr. Dyson, Mr. Bustamante, Mr. Whitehurst, Mr. Daniel, Mr. Montgomery, Mr. Foglietta, Mr. Kramer, Mrs. Byron, Mrs. Lloyd, Mr. Hartnett, Mr. Mavroules, Mr. Rostenkowski, Mr. Bruce, Mrs. Collins, Mr. Annunzio, Mr. Lipinski, Mr. Hayes, Mr. Madigan, Mr. Hyde, Mr. Evans of Illinois, Mr. Russo, Mr. O'Brien, Mr. Durbin, Mr. Porter, Mr. Yates, Mr. Heftel of Hawaii, Mr. Fauntroy, Mr. Rodino, Mr. Rose, Mr. Myers of Indiana, Mr. Roe Mr. Petri, Mr. Jacobs, Mr. Wilson, Mr. Coleman of Texas, Mr. Lagomarsino, Mr. Ford of Michigan, Mr. Dwyer of New Jersey, Mr. Berman, Mr. Frost, Mr. Manton, Mr. Lantos, Mr. Jones of North Carolina, Mr. Biaggi, Mr. Rangel, Mr. Matsui, Mr. Sunia, Mr. Martinez, Mr. Hutto, Mr. Hopkins, and Mr. de la Garza):

H.R. 2458. A bill to authorize joint military and civil use of Scott Air Force Base, IL, and to rename that base as the "Mel Price Air Force Base and Airport Illinois"; to the Committee on Armed Services.

By Mr. SAM B. HALL, JR.:

H.R. 2459. A bill to amend the act entitled "An Act granting a charter to the General Federation of Women's Clubs"; to the Committee on the Judiciary.

By Mr. HOWARD (by request):

H.R. 2460. A bill entitled: "The Fiscal Year 1986 Highway Amendments Act"; to the Committee on Public Works and Transportation.

By Mr. HOWARD (for himself, Mr. Anderson, Mr. Snyder, and Mr. Shuster) (by request):

H.R. 2461. A bill to approve the interstate cost estimate and permit the apportionment of funds authorized for fiscal year 1987; to the Committee on Public Works and Transportation.

By Mr. IRELAND:

H.R. 2462. A bill to recognize the Cabinet status of the Administrator of the Small Business Administration; to the Committee on Small Business.

By Mr. MOLINARI:

H.R. 2463. A bill to amend the Comprehensive Environmental Response, Compensation and Liability Act of 1980 to provide funding for certain health assessments, and for other purposes; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. PASHAYAN:

H.R. 2464. A bill to amend the Agricultural Act of 1949 with respect to the Dairy Price-Support Program for the 1985 through 1989 fiscal years, and for other purposes; to the Committee on Agriculture.

By Mrs. SMITH of Nebraska:

H.R. 2465. A bill to provide additional market credit options for developing nations with expanding economies and to expand markets for U.S. agricultural commodities abroad, and for other purposes; jointly, to the Committees on Agriculture, Foreign Affairs, Ways and Means, Merchant Marine and Fisheries, and Energy and Commerce.

By Mr. STUDDS (for himself, Mr. Jones of North Carolina, Ms. Mikulski, and Mrs. Boggs):

H.R. 2466. A bill to make miscellaneous changes in laws affecting the U.S. Coast Guard, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VALENTINE (for himself, Mr. Daniel, Mr. Jones of North Carolina, Mr. Neal, and Mr. Hefner):

H.R. 2467. A bill to prohibit the Secretary of the Army from issuing certain permits in connection with a proposed water pipeline project until an environmental impact statement for that project has been completed; to the Committee on Public Works and Transportation.

By Mr. STANGELAND (for himself, Mr. Addabbo, Mr. Akaka, Mr. Applegate, Mr. Badham, Mr. Barnes, Mr. Bartlett, Mr. Bedell, Mrs. Bentley, Mr. Berman, Mr. Biaggi, Mr. Boner of Tennessee, Mr. Bosco, Mr. Breaux, Mr. Broomfield, Mr. Bryant, Mrs. Byron, Mr. Callahan, Mr. Carney, Mr. Chappie, Mr. Clay, Mr. Coelho, Mr. Conte, Mr. Conyers, Mr. Cooper, Mr. Coughlin, Mr. Coyne, Mr. Crockett, Mr. Daniel, Mr. Dannemeyer, Mr. Darden, Mr. Daub, Mr. Davis, Mr. DeWine, Mr. Dickinson, Mr. Dicks, Mr. DioGuardi, Mr. Donnelly, Mr. Dymally, Mr. Dyson, Mr. Emerson, Mr. Shumway, Mr. Synar, Mr. Tauke, Mr. Thomas of California, Mr. Young of Missouri, Mr. Towns, Mr. Solomon, Mr. Wilson, Mr. Wolpe, Mr. Wolf, Mr. Wortley, Mr. Wyden, Mr. Wylie, Mr. Yates, Mr. Gunderson, Mr. Henry, Mrs. Holt, Mr. Horton, Mr. Hoyer, Mr. Hyde, Mr. Jeffords, Mr. Jones of Tennessee, Mrs. Johnson, Mr. Jacobs, Mr. Kildee, Mr. Hefner, Mr. Kolter, Ms. Kaptur, Mr. Lantos, Mr. Kasich, Mr. Latta, Mr. Jenkins, Mr. Hartnett, Mr. Lehman of Florida, Mr. Levin of Michigan, Mr. Lewis of California, Mr. Lewis of Florida, Mr. Hubbard, Mr. Lungren, Mr. McDade, Ms. Oakar, Mr. Nowak, Mr. Oberstar, Mr. Ortiz, Mr. Owens, Mr. Pepper, Mr. Perkins, Mr. Porter, Mr. Nichols, Mr. Rahall, Mr. Ray, Mr. Roberts, Mr. Nelson of Florida, Mr. Roe, Mr. St Germain, Mr. Saxton, Mr. Scheuer, Mr. Shelby, Mr. Sundquist, Mr. Swindall, Mr.

Rodino, Mr. Smith of Florida, Mr. Savage, Mr. Sabo, Mr. Torricelli, Mr. Valentine, Mrs. Vucanovich, Mr. Walgren, Mr. Waxman, Mr. Wheat, Mr. Whitley, Mr. Whittaker, Mr. Robert F. Smith, Ms. Snowe, Mr. Snyder, Mr. Spence, Mr. Spratt, Mr. Stenholm, Mr. Stokes, Mr. Strang, Mr. Thomas of Georgia, Mr. McMillan, Mr. Luken, Mr. Howard, Mr. Madigan, Mr. Martin of New York, Mr. Michel, Mr. McEwen, Mr. Moakley, Mr. Kostmayer, Mr. Lundine, Mr. McGrath, Mr. Moorhead, Mr. Murtha, Mr. Flippo, Mr. Foglietta, Mr. Roemer, Mr. Stallings, Mr. Stark, Mr. de Lugo, Mr. Traficant, Mr. Volkmer, Mr. Fuster, Mr. Pursell, Mr. Ackerman, Mr. Weaver, Mr. Lightfoot, Mr. Hammerschmidt, and Mr. Foley):

H.J. Res. 285. Joint resolution designating the week of May 11, 1985, through May 17, 1985, as "Handicapped Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. KOLBE (for himself, Mr. Udall, Mr. McCain, Mr. Rudd, and Mr. Stump):

H. Con. Res. 145. Concurrent resolution recognizing the achievements and commemorating the centennial of the University of Arizona; to the Committee on Post Office and Civil Service.

By Mr. KOLBE (for himself, Mr. McCain, Mr. Owens, Mr. Penny, Mr. Hall of Ohio, Mr. Stark, Mr. Bonker, Mr. Moody, Mr. Mavroules, Mr. Fauntroy, Mr. Wortley, Mr. Savage, Mr. Moakley, Mr. Miller of California, Mr. Wyden, and Mr. McKernan):

H. Con. Res. 146. Concurrent resolution to express the sense of the Congress that the executive branch should expeditiously release the remaining money appropriated by Congress under Public Law 98-473 for the Special Supplemental Food Program for Women, Infants, and Children; jointly, to the Committees on Appropriations and Education and Labor.

By Mr. LEVINE of California (for himself, Mr. Fish, Mr. Gilman, Mr. Leach of Iowa, Mr. Solarz, Mr. Wheat, Ms. Fiedler, Mr. Kastenmeier, Mr. Wyden, Mr. Beilenson, Mr. Stokes, Mr. Borski, Mr. Dellums, Mr. Schumer, Mr. Clinger, Mr. Berman, Mr. Feighan, Mr. Fauntroy, Mr. Frank, Mr. McKinney, Mr. Frost, Mr. Jeffords, Mr. Sabo, Mrs. Boxer, Mr. Hawkins, Mr. Roe, Mr. Oberstar, Mr. Hayes, Mr. Morrison of Connecticut, Mr. Heftel of Hawaii, Mr. Seiberling, Mr. Scheuer, Mr. Mineta, Mr. Moakley, Mr. Lundine, Mr. Conyers, Mr. Mitchell, Mr. Waxman, Mr. Markey, Ms. Kaptur, Mr. Neal, Mr. Owens, Mr. Frenzel, Mr. Durbin, Mr. Edgar, Mr. Bryant, Mr. Weiss, Mr. Lowry of Washington, Mr. Pepper, Mr. Fazio, Mr. Kostmayer, Mr. Bedell, Mr. Hall of Ohio, Mr. Savage, Mrs. Schneider, Mr. Wilson, Mr. Kolter, Mr. Richardson, Mr. Garcia, and Mr. Smith of Florida):

H. Res. 166. Resolution expressing the sense of the House of Representatives with respect to ratification of the Convention on the Prevention and Punishment of the Crime of Genocide; to the Committee on Foreign Affairs.

By Mr. LEWIS of California:

H. Res. 167. Resolution to condemn the actions of the Sandinista regime in Nicaragua; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

120. The SPEAKER presented a memorial of the Legislature of the State of Tennessee, relative to the Tennessee Valley Authority; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 21: Mr. Frost, Mr. Smith of Florida, Mr. Heftel of Hawaii, and Mr. Frenzel.

H.R. 26: Mr. Murphy, Mr. Perkins, and Mr. Fazio.

H.R. 44: Mr. Obey.

H.R. 147: Ms. Snowe and Mr. Edwards of Oklahoma.

H.R. 343: Mr. DeLay and Mr. Packard.

H.R. 362: Mr. Ortiz, Mr. Coleman of Texas, and Mr. Ford of Tennessee.

H.R. 528: Mr. Fazio and Mr. Taylor.

H.R. 537: Mr. Gray of Pennsylvania.

H.R. 604: Mr. Coats, Mr. Lewis of California, Mr. Schuette, Mr. Hammerschmidt, Mr. Lowery of California. Mr. O'Brien, Mr. Smith of Florida, Mr. Burton of Indiana, and Mr. Gregg.

H.R. 864: Mr. Traficant and Mr. Jeffords.

H.R 994: Ms. Fiedler.

H.R. 1000: Mr. Bedell.

H.R. 1081: Mrs. Bentley.

H.R. 1111: Mr. Bilirakis.

H.R. 1124: Ms. Kaptur.

H.R. 1161: Mr. Wise.

H.R. 1168: Mr. McEwen, Mr. Valentine, Mr. Bustamante, Mr. Roberts, Mr. McCollum, Mr. Saxton, Mr. Mavroules, Mrs. Holt, Mr. Burton of Indiana, Mr. Hatcher, Mr. Murtha, Mr. Boner of Tennessee, Mr. Hughes, Mr. Gallo, Mr. Penny, Mr. Bevill, Mr. Barnes, Mr. Smith of Iowa, Mr. Alexander, Mr. Wilson, Mr. Schuette, Mr. Chappell, Mrs. Boggs, Mr. Coleman of Texas, Mr. Gingrich, Mr. Lujan, Mr. McKinney, Mr. Hyde, Mr. Jeffords, Mr. Morrison of Washington, Mr. DioGuardi, Mr. Bereuter, and Mr. Edgar.

H.R. 1205: Mr. Young of Alaska, Ms. Mikulski, Mr. Echart of Ohio, Mr. Wortley, and Mr. Clinger.

H.R. 1310: Mr. Fish and Mr. Kolbe.

H.R. 1346: Ms. Kaptur, Mr. Seiberling, Mr. Morrison of Connecticut, Mr. Matsui, and Mr. Fazio.

H.R. 1375: Mr. Flippo, Mr. Smith of Florida, Mr. Ford of Tennessee, Mr. Feighan, and Mr. Fauntroy.

H.R. 1376: Mr. Martinez.

H.R. 1385: Mr. Monson.

H.R. 1534: Mr. Williams, Mr. Akaka, Mr. Sikorski, Mr. Rahall, Mr. Young of Alaska, Mr. Clay, Mr. Udall, Mr. de Lugo, Mr. Yatron, and Mr. Wolf.

H.R. 1572: Mrs. Lloyd, Ms. Kaptur, and Mr. Edgar.

H.R. 1587: Mr. Hoyer and Mr. Morrison of Washington.

H.R. 1612: Mr. Oxley, Mr. Bevill, Mr. Moore, and Mr. Dorgan of North Dakota.

H.R. 1648: Mr. Huckaby, Mr. Montgomery, Mr. Dowdy of Mississippi, Mr. Oberstar, Mr. Mollohan, Mr. Ford of Michigan, Mr. Leland, Mr. Wilson, Mr. Brooks, Mr. Taylor, Mr. Hefner, and Mr. Wolpe.

H.R. 1650: Mr. Heftel of Hawaii, Mr. Wolpe, Mr. Weiss, Mr. Vento, Mr. Darden, Mr. Pickle, Mr. Roemer, and Mr. Torres.

H.R. 1759: Mr. Crockett.

H.R. 1763: Ms. Snowe, Mr. Thomas of California, Mr. Lagomarsino, Mr. Bliley, Mr. Bilirakis, and Mr. Lott.

H.R. 1809: Mr. Hawkins, Mr. Lehman of Florida, and Mr. Biaggi.

H.R. 1908: Mr. Daub, Mr. Burton of Indiana, and Mrs. Lloyd.

H.R. 1946: Mr. Armey, Mr. Bennett, Mrs. Bentley, Mr. Bliley, Mr. Chappie, Mr. Daub, Mr. DioGuardi, Mr. Dornan of California, Mr. Lagomarsino, Mr. Porter, Mr. Rudd, Mr. Shumway, and Mr. Weber.

H.R. 1965: Mr. Bliley, Mr. Davis, Mr. Gekas, and Mr. Kindness.

H.R. 1980: Mr. Gonzalez.

H.R. 2013: Mr. Hunter, Mr. Smith of Florida, Mr. Rahall, Mr. Akaka, Mr. Roe, Mr. Wilson, Mr. Dornan of California, Mr. LaFalce, Mr. Strang, Mr. Stokes, Mr. Wheat, Mr. Matsui, Mr. Roemer, Mr. Kindness, Mr. Addabbo, Ms. Mikulski, Mr. Fazio, Mr. Guarini, and Ms. Kaptur.

H.R. 2014: Mr. Fauntroy, Mr. Smith of Florida, Mr. Lagomarsino, Mr. Akaka, Mr. Leland, Mr. Fascell, Mr. Levine of California, Mr. Edwards of California, Mr. Roe, Mr. Mitchell, Mr. Mineta, Mr. Dornan of California, Mr. Parris, Mr. LaFalce, Mr. Savage, Mr. Torres, Mr. Seiberling, Mr. Murphy, Mr. Matsui, Mr. Wheat, Mrs. Boxer, Mr. Frost, Mr. Rose, Ms. Mikulski, Mr. Fazio, Mr. DioGuardi, and Ms. Kaptur.

H.R. 2034: Mr. Fazio, Mr. Dornan of California, and Ms. Kaptur.

H.R. 2069: Mr. Coats, Mr. Lantos, Mr. Richardson, Mr. Akaka, Mr. Torricelli, Mr. Marlenee, Mr. Kolbe, Mr. Lowery of California, Mr. Coughlin, Mr. Smith of New Jersey, Mr. Nowak, Mr. Lehman of California, Mr. Schuette, and Mr. Anderson.

H.R. 2119: Mr. Bateman, Mr. Fuqua, Mr. Smith of New Jersey, Mr. Stenholm, Mr. Daschle, Mr. Bonior of Michigan, Mr. Evans, of Illinois, Mr. Armey, Mr. Wortley, and Mr. Martinez.

H.R. 2124: Mr. Florio, Mr. Oberstar, Mr. Lehman of Florida, Mr. Mitchell, Mr. Mrazek, Mr. Evans of Illinois, Mr. Mazzoli, Mr. Hayes, Mr. Schumer, Mrs. Collins, Mr. Fauntroy, Mr. Roe, Mr. Penny, Mr. Stokes, Mr. Lundine, Mr. Scheuer, Mr. Conyers, Ms. Kaptur, Ms. Mikulski, Mr. Eckart of Ohio, Mr. Beilenson, Mr. Panetta, Mr. Levin of Michigan, Mr. Moody, Mr. Frost, Mr. Rangel, Mr. Downey of New York, Mr. Dixon, and Mr. McKinney.

H.R. 2170: Mr. Swindall.

H.R. 2205: Mr. Akaka, Mr. Barnes, Mr. Bevill, Mr. de la Garza, Mr. DeWine, Mr. Dornan of California, Mr. Fazio, Mr. Frank, Mr. Ireland, Mr. Kindness, Mr. Madigan, Mr. Matsui, Mr. McGrath, Ms. Mikulski, Mr. Moody, Mr. Roe, and Mr. Torres,

H.R. 2211: Mr. Wyden, Mr. Montgomery, Mr. Glickman, Mr. Richardson, Mr. Skelton, and Ms. Kaptur.

H.R. 2277: Mr. Smith of Iowa, Mr. Evans of Iowa, Mr. Craig, Mr. Strang, Mr. Kemp, Mr. Nielson of Utah, and Mr. Myers, of Indiana.

H.R. 2401: Mr. Fazio, Mrs. Burton of California, Mr. Morrison of Connecticut, Mr. Tallon, Mr. Mikulski, Mr. Coehlo, Mr. Fascell, Mr. Towns, Mr. St Germain, Mr. Weiss, Mr. Fauntroy, and Mr. Martinez.

H.J. Res. 41: Mrs. Kennelly, and Mr. Wolpe.

H.J. Res. 101: Mr. Kostmayer.

H.J. Res. 105: Mr. McHugh, Mr. Moody, Mrs. Roukema, Mr. Tallon, and Mr. Wolpe.

H.J. Res. 127: Mr. DioGuardi.

H.J. Res. 145: Mr. Jeffords, Mr. Guarini, Mr. Waxman, Mrs. Byron, and Mr. Carney.

H.J. Res. 182: Mr. Fazio, Mr. Badham, Mr. Lantos, Mr. Rinaldo, Mr. Flippo, Mr. Frenzel, and Mr. Nichols.

H.J. Res. 193: Mr. Mazzoli, and Mr. Clay.

H.J. Res. 204: Mr. Akaka, Mr. AuCoin, Mr. Boehlert, Mrs. Boggs, Mr. Broomfield, Mr. Campbell, Mr. Chappie, Mr. Cheney, Mr. Coelho, Mr. Coleman of Texas, Mr. Conte, Mr. Dellums, Mr. Dorgan of North Dakota, Mr. Edwards of Oklahoma, Mr. Emerson, Mr. English, Mr. Evans of Iowa, Mr. Frank, Mr. Frenzel, Mr. Gaydos, Mr. Hopkins, Mr. Jones of Tennessee, Mr. Kasich, Mr. Kastenmeier, Mr. Leach of Iowa, Mr. Lewis of California, Mr. McHugh, Mr. Markey, Mr. Mineta, Mr. Mitchell, Mr. Rudd, Mrs. Schroeder, Mr. Siljander, Mr. Smith of New Jersey, Mr. Solomon, Mr. Thomas of California, Mr. Udall, Mr. Walker, Mr. Wolpe, Mr. Zschau, Mr. Fauntroy, Mr. Jacobs, Mrs. Martin of Illinois, and Mr. Lundine.

H.J. Res. 266: Mr. Lightfoot, Mr. DioGuardi, Mr. Hyde, Mr. Sabo, Mr. Gradison, Mr. Robert F. Smith, Mr. McMillan, Mr. Mineta, Mr. Wyden, Mr. Fazio, Mr. Stangeland, and Mr. Green.

H.J. Res. 270: Mr. Ackerman, Mr. AuCoin, Mr. Beilenson, Mr. Berman, Mr. Bryant, Mrs. Burton of California, Mr. Bustamante, Mr. Conte, Mr. DioGuardi, Mr. Dornan of California, Mr. Dymally, Mr. Eckart of Ohio, Mr. Erdreich, Mr. Evans of Illinois, Mr. Feighan, Mr. Frank, Mr. Frost, Mr. Gallo, Mr. Gejdenson, Mr. Gilman, Mr. Hall of Ohio, Ms. Kaptur, Mr. Kemp, Mr. Kostmayer, Mr. Kramer, Mr. Lent, Mr. Lowery of California, Mr. McGrath, Mr. Moakley, Mr. Morrison of Connecticut, Mr. Owens, Mr. Porter, Mr. Sabo, Mr. Saxton, Mr. Schumer, Mr. Smith of New Jersey, Mr. Smith of Florida, Mr. Stark, Mr. Studds, Mr. Synar, Mr. Thomas of Georgia, Mr. Towns, Mr. Udall, Mr. Weiss, and Mr. Young of Missouri.

H. Con. Res. 69: Mr. Roth, Mr. Coney, Mr. Lipinski, and Ms. Fiedler.

H. Con. Res. 90: Mr. Fazio, and Mr. Ortiz.

H. Con. Res. 95: Mr. Wolpe, Mr. Guarini, Mr. Bustamante, Mr. Coats, Mr. Addabbo, Mr. Rogers, Mr. Reid, and Mr. Chappie.

H. Con. Res. 116: Mrs. Bentley, Mr. DioGuardi, Mr. Leland, and Mr. Yatron.

H. Con. Res. 120: Mr. Hayes, Mr. Stenholm, Mr. Mrazek, Mr. Savage, Mr. Morrison of Connecticut, Mr. Bedell, Mr. Fazio, Mr. Leland, Mr. Bonior of Michigan, Ms. Kaptur, and Mr. Dymally.

H. Con. Res. 132: Mr. Reid, Mr. Henry, Mr. Sabo, and Mr. Clinger.

H. Res. 60: Mr. Schuette, and Mr. Clinger.

H. Res. 67: Mr. Ackerman, Mr. Panetta, Mr. Ford of Tennessee, Mr. Rodino, and Mr. Fazio.

H. Res. 105: Mr. Green, Mr. Eckert of New York, Mr. Seiberling, and Mrs. Vucanovich.

H. Res. 111: Mr. Smith of New Hampshire, Mrs. Johnson, Mr. Levine of California, Mr. Evans of Iowa, Mr. Pepper, Mr. Miller of Washington, Mr. Armey, Mr. Nowak, Mr. Stenholm, Mr. Coats, Mr. Boulter, Mr. Roukema, Mr. Gibbons, Mr. Lent, Mr. Monson, and Mr. Burton of Indiana.

H. Res. 132: Mr. Mrazek, Mrs. Holt, Mr. Lagomarsino, Mr. Eckart of Ohio, Mr. Monson, Mr. Burton of Indiana, Mr. Mineta, Mr. Smith of New Jersey, Mr. Berman, and Mr. Armey.

H. Res. 134: Mr. Kolter, Mr. Rudd, Mr. Spratt, Mrs. Vucanovich, Mr. Andrews, Mr. Gregg, Mr. Grotberg, Mr. Jones of North Carolina, Mr. Leach of Iowa, and Mr. Nowak.

PETITIONS, ETC.

Under clause 1 of rule XXII,

103. The SPEAKER presented a petition of the Dutchess County Legislature, Poughkeepsie, NY, relative to social services programs; which was referred to the Committee on Ways and Means.

SENATE—*Thursday, May 9, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Almighty God, in whom love and justice, mercy and grace, wisdom and knowledge meet in perfection, we pray for a manifestation of Your presence and virtue in this place today. Eloquent speeches, moving and persuasive in content and presentation, have been made. Those who spoke share a common, profound concern for the present dilemma and future welfare of the Nation. You know what divides the Senate, Lord, the depths of division, and its justification. You know the hearts and minds of the Senators and that which motivates each. You know the total picture, past, present, and future, and the short-term—long-term consequences of whatever action the Senate takes on the monumental issue now confronting it. Spirit of God, move upon hearts and minds in ways which will guarantee truth and justice be served in the interests of the Nation. Let these deliberations yield victory for all the people and their descendants. We pray in the name of Him whose unconditional, universal love covers all humanity. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each. Then we have special orders in favor of the distinguished Senator from Pennsylvania [Mr. SPECTER] and the distinguished Senator from Wisconsin [Mr. PROXMIRE].

Following that, there will be a period for routine morning business not to extend beyond the hour of 10 a.m. with statements therein limited to 5 minutes each.

Following morning business, we shall resume consideration of the budget resolution, hopefully by about 10 o'clock. By then, we may have some idea of how many amendments Senators feel compelled to offer.

It is my hope that Members will keep in mind that if they want to finish this bill at a reasonable time today, they should withhold amendments, because if there are 25 or 30 amendments and rollcalls on each amendment, that in itself will keep us here until tomorrow morning.

There are, I think, about 6 hours remaining on the budget resolution about 4 hours on the Democratic side and 2 on this side. I hope that I shall be in a position to indicate whether we will try to finish the bill today. It is my present intention to do that.

I think it is fair to say that we need to make one phone call to Portugal. Somebody over there wants to check out what we have been doing. I think as soon as that is completed, I shall be in a position to notify the minority leader.

Then, if we could get our amendments together—hopefully not too many—we can finish the resolution. I am advised by colleagues on both sides of the aisle that it is their hope that we can finish early, rather than late in the day, because of commitments. As soon as I have some information, I shall relay it to the minority leader.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The distinguished Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the distinguished occupant of the chair, the President pro tempore of the Senate.

BUDGET RESOLUTION AMENDMENTS

Mr. BYRD. Mr. President, I wish to say that we, on our side of the aisle, are checking this morning to try to get some indication of how many amendments remain. I am hopeful that we can work with the distinguished majority leader and sequence the amendments and, even more hopefully, that we can provide for a total reduction of time on those amendments. I do not know whether we shall be successful or not, because that is what I am going to try to do to cut the time if we possibly can and avoid duplication of amendments, if possible—recognizing the right of Senators, however, to offer whatever amendments they wish to offer.

I have to say we are running short on time and will finally reach the point where, if any further amendments are offered, there will be no debate on them, just votes. I hope we will not too much extend the Senate's time doing that. But we shall have to see.

Mr. President, I reserve the remainder of my time to the end of the period for morning business by unanimous consent.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, if the minority leader has no objection, I ask unanimous consent that special orders may be executed in the order in which Senators appear. If Senator PROXMIRE should arrive first, he will speak first.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDENT pro tempore. The distinguished Senator from Wisconsin is recognized.

Mr. PROXMIRE. I thank the Chair.

STILL ANOTHER REASON WHY WE DON'T NEED STAR WARS

Mr. PROXMIRE. Mr. President, in the argument for the strategic defense initiative or star wars, the assumption is made that without some kind of defense a Russian nuclear attack on targets in this country would succeed unless we could construct a defense that would frustrate the Soviet's ICBM's. The reasoning assumes that, without some kind of defense, the Russians would devastate this country. And, they would. But would an antimissile system protect this country?

With a star wars defense, Secretary of Defense Weinberger has contended, we might stop all of their attacking missiles. What would really happen in the event of a nuclear exchange? Would any defense we might construct in the next 15 or 20 years provide any kind of effective defense, the kind of effective defense Mr. Weinberger has talked about. The answer, Mr. President, is that any Russian nuclear missile attack on this country, with or without an American antimissile system, would have only partial success, and it would have many, many failures. The devastation on our country would be immense, but there would probably be far more failures than successes. The same would apply—and even more so—to any defense we might construct. Such a defense might succeed in stopping some incoming missiles, but there is no way that we could achieve the perfection Secretary Weinberger talks about.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

In an editorial on December 8, the New York Times discussed the huge uncertainties for the attacker in a nuclear war. The editorial discusses the experience every nation has had with new technology. Working the bugs out of any new technology takes repeated tests over and over again in the kind of circumstances that would prevail in actual practice. The fact is that no nation has ever tested their nuclear striking force in an actual nuclear attack in wartime since the United States dropped single bombs from planes over Hiroshima and Nagasaki in 1945. Since then, there have been a series of far-reaching revolutions in nuclear weapons. Today's nuclear weapons vastly differ from the fat A-bombs dropped on Japan in World War II. Not one single nuclear weapon has ever been tested in combat conditions in all those 39 years.

Would this new technology work? The New York Times in an editorial of December 8, 1984, offers the following examples of the kind of failures and mistakes that both sides would suffer in any kind of a nuclear war:

> An Atlas rocket now sitting at Vandenberg Air Force Base in California has had its launch reset for tomorrow—the 11th attempt in a month to get it off the ground. Previous attempts have been canceled because of high altitude winds that threatened to whipsaw the rocket apart, problems with a radar console and a glitch in the guidance system.

Of course, this is because someone of the literally 100 people who monitor the rocket can cancel it. And as an Air Force official said, "when they were less fussy, a lot of them blew up." That Air Force official points out that our warhead carrying missile, the Minuteman, can be even less assured of reliable takeoff; he said that "We had one Minuteman that we tried to launch every night for a year." The Russians' nuclear arsenal is almost certainly even less reliable. Their strategic missiles are liquid fueled. That surely reduces the reliability of timely launch.

Mr. President, this is the status of U.S. nuclear weaponry after nearly 40 years of intense technological research and development and an expenditure of close to a trillion dollars. With that record, can anyone really have any confidence in the perfection of the administration's proposed antimissile defense or star wars to shoot down incoming missiles? Absent effective arms control progress, we have two big facts on which to pin our hopes and prayers for nuclear peace. One is the deterrence that the appalling threat of nuclear retaliation poses for both sides. With all its terrible implications, deterrence has been widely recognized as the prime peacekeeping element in the world today. But, ironically, there is another force that may be even more potent in keeping the nuclear peace. It is the fact that the top military advisers on both sides—the experts on whose advice the leaders who can push the nuclear button must rely—these military leaders understand that if and when that button is ever pushed by either superpower the result could be a fiasco. Some missiles undoubtedly would reach their targets in the adversaries' homeland. But many more would explode in the air. Some would even collapse on the homeland of the power that launched them.

Nothing has enjoyed greater immunity from "will-it-work" criticism than scientific progress in nuclear missiles. And it has been overpowering and awe-inspiring. But these awesome arsenals have never been put to the practical test of real war. Thank God for that. But, meanwhile, we move on to an even more distant technological dream land with the star wars future the President and his Secretary of Defense have called for.

If an offensive attack by a superpower would fumble and stumble and at most achieve only limited success while causing considerable devastation in the homeland of the attacking power, the defensive technology of star wars would certainly have an even greater failure rate. Obviously, it would never be tested in a wartime scenario. So the fact is that an antimissile defense could be frustrated by the simple multiplication of numbers on the other side, by decoys, by hardening the skin of attacking missiles, by the shift by the opposition to cruise missiles and bomber and submarines, all of which would be immune from the star wars defense.

The killing fact is that the star wars defense depends on working perfectly the first time everywhere—and with a system that had never been tested until the doomsday of Armageddon arrives. Would star wars work then? Whom are we trying to kid?

NEVER AGAIN AND THE NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, when President Reagan visited the site of the Bergen-Belsen concentration camp in West Germany on May 5, he spoke sadly of the innocent men, women and especially children who were killed there. Mr. Reagan went on to speak of the hope he believes has risen from the ashes of the crematoriums and finished by repeating the traditional pledge of Holocaust survivors: "Never again."

The President's return to a site where, as Mr. Reagan said, "lie people—Jews—whose death was inflicted for no other reason than their very existence," reinforces our perception of the need for U.S. ratification of the Genocide Convention. This treaty when ratified by the United States would do much to focus world attention on preventing contemporary attempts at genocide.

When President Reagan broke his long silence on the subject of the Genocide Convention on September 6, 1984, and joined every postwar President, except one, in announcing his support for the treaty, it appeared that ratification was close at hand. Unfortunately, this was not the case.

However, the President's visit to the site of one of the Nazi death camps on the 40th anniversary of the defeat of those hated tyrants should spark new interest in the treaty. President Reagan was clearly moved by the sight of "bleak and lifeless mounds, the plainness of which does not even hint at the unspeakable acts that created them." I hope that this visit to Bergen-Belsen will lead him to redouble his efforts to secure immediate ratification of the Genocide Convention.

For, as the President himself said at the graveyard, "We are here today to confirm that the horror cannot outlast the hope—and that even from the worst of all things, the best may come forth. Therefore, even out of this overwhelming sadness, there must be some purpose." Ratification of the Genocide Convention could, in an important way, fulfill this purpose. Then the United States would be adding its voice to 97 other nations in proclaiming to all the world that humanity will never allow anything like the Nazi death camp at Bergen-Belsen to happen again.

HUD WINS MAY GOLDEN FLEECE AWARD

Mr. PROXMIRE. Mr. President, I am awarding my Golden Fleece for the month of May to the Department of Housing and Urban Development—HUD—for bestowing over $1 million in public money to build an access road, ramp and tunnel to a privately-funded entertainment spa in Pittsburgh featuring sightseeing and shuttle boats, and a 3-tiered floating dock. The taxpayers' money was actually spent, nothing new about that, but the promised passenger boat ended up in New York, the shuttle has yet to be seen, and the dock, to be bustling with restaurants, lounges, and offices, faded into the bureaucratic fog and reemerged as two barges.

The sinking of this project gave new meaning to the phrase "Up the creek without a paddle." HUD's riverboat gamble leaves the taxpayers with a losing hand.

The Urban Development Action Grant Program [UDAG] has the dubious distinction of funding this project. These grants are touted as seed money for local governments, which chase after them because the money can be used to encourage private development. According to HUD, "As a requirement for funding, a firm private sector financial commitment must be in place."

HUD must have a squishy-soft definition of the word firm. In support of this project, HUD committed a $530,000 grant, a $370,000 loan, and $155,000 in other funding. This money was spent essentially to improve access to the project.

In return for this taxpayer money, the private concern was to spend $1,551,000 for that sightseeing boat, $500,000 for the shuttle, and $1,500,000 for the entertainment dock. HUD spent its money based on a January 29, 1982, agreement. But the required private investment, remember that firm private sector financial commitment, sank faster than the *Titanic*.

An internal HUD audit concluded, "The developer failed to complete any of the activities identified in the grant agreement, including the acquisition of a 1,000 passenger sightseeing boat and a 300-passenger shuttle boat, and the development of an 18,000 square foot floating dock." HUD was not completely routed—the developer found two barges in place of the dock. HUD clearly bankrolled this floating crap game without covering their bets.

The lawyers will now pick over the bones of this failure. This fleece demonstrates why I oppose UDAG grants. They do some good for a few communities but all too often they subsidize outright boondoggles, support development which would have taken place without a subsidy, or help one community pirate industry from another. They are corporate welfare and have no place in the budget.

Mr. COCHRAN. Mr. President, if the distinguished Senator has any time remaining, I wonder if he will yield it to me.

Mr. PROXMIRE. I am delighted to yield to my good friend from Mississippi whatever time I have remaining.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator.

THE U.S. TRADE DEFICIT

Mr. COCHRAN. Mr. President, this morning I noticed in the Washington Post a report that was filed by the Associated Press relating to the trade deficit for this quarter. Yesterday, the Commerce Department, according to this article, released figures showing that during the quarter from January through March of this year the United States has suffered a $28.3 billion merchandise trade deficit. The article goes on to describe the specific parts of the trade picture that were most significant. Among the disclosures in this report was included a statement that farm exports, agriculture exports are down 11 percent from the October-December quarter.

Mr. President, the reason I think this is important enough to bring to the attention of the Senate is that it corroborates projections which were earlier made by the Department of Agriculture that exports of farm products were grinding to a halt. In December, the Department projected a $36.5 billion volume for export sales in agriculture, but in February that estimate was revised downward to $35.5 billion, and then the very next month, in March, another billion dollars was cut from the projection. So that as of March, the projection is that our exports in agriculture will amount to no more than $34.5 billion this year.

This illustrates very clearly, Mr. President, that our effort to come together on a resolution to effectively reduce the budget deficit is so important to the economic health and well-being of our country. We have to get these deficits down and relieve the pressure on the dollar value, which is responsible in some measure for the difficulties we are facing in selling our goods and services and commodities in overseas markets.

There is another challenge which I think is also a part of this morning's story, and that is as we go about the business of rewriting our farm legislation, which is scheduled to begin next week, as I understand, in our Agricultural Committee, it is so important for us to include in the farm bill provisions which will assist the farmer in selling his commodities overseas.

We have to have an aggressive trade policy written into that farm bill or we are going to see a crisis of unbelievable dimensions in American agriculture. The article I refer to, Mr. President, has within it a very important message for the Senate today. We have to get serious about reducing our budget deficit, and we have to use our good judgment to the fullest in coming up with provisions for a farm bill that will make our farmers more competitive sellers in the international marketplace.

Mr. President, I ask unanimous consent to have printed in the Record the Associated Press article to which I have referred.

There being no objection, the article was ordered to be printed in the Record, as follows:

Trade Deficit 16 Percent Higher for Quarter

(By Martin Crutsinger)

The United States suffered a $28.3 billion merchandise trade deficit from January through March, up 16 percent from the deficit during the last three months of 1984, the government reported yesterday.

The sharp deterioration came despite the fact that oil imports fell to the lowest level since the early 1970s.

The good news on oil was overshadowed by a big increase in imports of manufactured goods and a sizable decline in agricultural sales overseas, the Commerce Department said.

The new report, which shows merchandise trade on a balance-of-payments basis, confirms parallel figures released last week showing an even deeper merchandise trade deficit of $32.8 billion for the first three months of 1985.

While the new report covers the same trade, it shows a lower deficit because it omits such factors as military sales and the cost of shipping and insurance.

Commerce Secretary Malcolm Baldrige, commenting on the report, repeated calls for congressional action to lower federal budget deficits as a way to lower the value of the dollar and thus bolster the country's poor trading performance.

He said the trade deficit was "likely to continue to worsen, though not by as much as the first quarter's deterioration."

The surge in imports and weak export sales during the first quarter have been blamed for the sharp slump in overall growth. The economy, as measured by the gross national product, grew at an anemic 1.3 percent rate from January through March, the slowest pace in more than two years.

The new report said imports rose 5 percent and exports dropped 1 percent during the first three months of the year, compared with the October-December quarter.

Imports totaled $84.4 billion from January through March, with non-oil imports surging by 11 percent. The big gains in this category were registered by household appliances, automobiles and other manufactured goods.

Oil imports dropped 25 percent from the fourth-quarter level as both the price and the amount of overseas oil declined.

The country imported 4.32 million barrels of oil daily, compared with 5.59 million barrels a day in the October-December quarter. It was the lowest rate since 4.17 million barrels were imported from July through September of 1971.

The price fell from $27.59 per barrel in the fourth quarter to $26.86 per barrel in the first three months this year.

Exports dropped 1 percent to a total of $56.1 billion despite a 44 percent increase in sales of civilian aircraft.

Exports were hurt by an 11 percent slump in sales of U.S. farm products. Agricultural sales totaled $8.5 billion from January through March, compared with $9.5 billion in the last quarter of 1984.

American farmers have seen their sales restricted by the high value of the dollar, which makes their products more expensive on overseas markets.

Wheat shipments dropped 35 percent, corn sales were off 12 percent, soybean sales fell 5 percent and cotton sales dropped 2 percent from levels in the fourth quarter, the government said.

The average price of cotton was down 6 percent, while the price of soybeans and corn both fell 2 percent and the average price of wheat was unchanged.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McConnell). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR SPECTER

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania is recognized for not to exceed 15 minutes.

Mr. SPECTER. I thank the Chair.

S. 1112—THE TAX FAIRNESS FOR FAMILIES ACT

Mr. SPECTER. Mr. President, today I am introducing the Tax Fairness for Families Act. This bill will double the personal exemption for taxpayers, their spouses, and their dependents from $1,000 to $2,000.

I have just come from a media conference where Mr. Jerry Regier, chairman of the Committee for Fairness to Families and president of the Family Research Council, presided over a session stating the intent of a broad-based coalition to press ahead to enact legislation which would double the exemption for tax purposes for all taxpayers, including spouses and dependents, from $1,000 to $2,000. This event was also attended by Mrs. Beverly LaHaye of the Concerned Women for America; Mr. Paul Weyrich, president of the Free Congress Committee; and Rabbi Yehuda Levin, president of the Union of Orthodox Rabbis. The Committee for Fairness to Families constitutes these and other groups, representing a large coalition. I ask unanimous consent at this point that the complete listing of all the groups so represented by the Committee for Fairness to Families be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

American Legislative Exchange Council.
American Coalition for Traditional Values.
Family Research Council of America.
Concerned Women for America.
Eagle Forum.
National Pro-Family Coalition.
Conservative Caucus.
Citizens for America.
National Association of Pro America.
Pro-Family Forum.
National Integrity Forum.
Catholic Study Council.
Couple to Couple League.
Union of Orthodox Rabbis.
Family Protection Lobby.
Intercessors for America.
Committee to Protect the Family.
Alive and Free.
Conservative Youth Federation.
United Families.
Terence Considine—Businessman.
Christian Impact.
Contact America.
National Center for Public Policy.
National Forum Foundation.
National Center for Constitutional Studies.
Free the Eagle.

Mr. SPECTER. Mr. President, also in attendance was my colleague from Idaho, Senator Steve Symms, who is cosponsoring this legislation with me today, and Congressman Dan Coats, a Representative from Indiana, who has introduced similar legislation in the House of Representatives. Congressman Jack Kemp was present, speaking about tax reform generally and the importance of raising the personal exemption from $1,000 to $2,000. Raising this exemption comprises an integral part of the tax reform which he has introduced in Congress under the designation of Kemp-Kasten.

This legislation, Mr. President, will provide recognition of the importance of children in our society by elevating the economic value of this exemption. The personal exemption stood at $400 in 1948 and was raised to $1,000 in 1979. Had the personal exemption kept pace with inflation and the rise in personal income, the exemption would be worth approximately $5,600 today.

In pressing for this change in the tax laws, it is obvious that it is an expense proposition at a time when the deficit is high and when major efforts are being made, as evidenced by the action on this floor in the past many days, and continuing today. We are trying to achieve a budget which will make a significant reduction in the deficit for fiscal year 1986 in the amount of approximately $52 billion and for a 3-year period, fiscal years 1986, 1987, and 1988, in the range of $300 billion.

But in assessing the tax picture today and in looking at the legislative proposals for a leveling and a fairness in taxation, there are many preferences and many benefits which are given by the Tax Code which ought to be changed and ought to be equalized on an approach which would be tax neutral, so that there would not be a loss in revenue to the Federal Government.

Mr. President, the personal and dependent exemptions measure, in a very fundamental sense, the importance that society attaches to the children and to families. Its value has decreased significantly over past decades, and the tax burden has gradually shifted to families with children. Fair tax reform must restore the value of this exemption and protect it against inflation.

The personal and dependent exemptions are the principal means by which our Tax Code takes into account taxpayers' responsibilities for their children. Its failure to keep up with income growth has hit families with children harder than any other group. For three decades, families have been footing the bill for other special interests, and now families are in trouble. More and more, average families are finding that they cannot make ends meet. They cannot buy homes. They can no longer afford to live on just one income. These are difficult times in which to raise children, and the Federal Government is making them even harder.

According to the Committee for Fairness to Families, whose member groups represent over 5 million constituents, over 81 percent of Americans live in families. Working parents, who are raising the Nation's next generation, have lost a great deal of ground due to rising taxes as a result of inflation over the past two decades. For example, since 1948 the value of personal exemption has decreased by two-thirds. As a result, the increase of the tax burden on households has risen 10 percent.

While the value of the personal exemption has been shrinking, taxes and the cost of raising children have increased dramatically. According to a recent Census Bureau study, the average family of four spends over $103,000 from birth to college graduation for each child. Quite clearly, even an exemption of $2,000 provides only a small aid to our Nation's primary resource—its children.

Doubling the personal exemption will not give back to families all we have taken from them, but it will be a significant downpayment. We are in the midst of a historic debate over the future direction of our Tax Code. It is time that tax policy again reflect the simple justice due to parents who are giving their all to bring up the next generation of Americans.

Mr. President, rebuilding America begins with restoring family strength and preserving family values. I hope that you and my colleagues agree that this is an important step to achieving a fairer sharing of our Nation's tax burden and join me in supporting this bill.

Mr. President, I ask unanimous consent that the full text of the legislation be printed in the Record.

There being no objection, the text was ordered to be printed in the Record, as follows:

S. 1112

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tax Fairness for Families Act".

SEC. 2. INCREASE IN EXEMPTION AMOUNT TO $2,000.

(a) In General.—Subsection (f) of section 151 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "$2,000".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 1985.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m. with statements therein limited to 5 minutes each.

SALLY FIELD, JANE FONDA, JESSICA LANGE, AND SISSY SPACEK ON THE FARM CRISIS

Mr. KENNEDY. Mr. President, the Reagan administration isn't winning any Oscars for its farm program; that point was forcefully driven home earlier this week when four Oscar-winning actresses testified before the House Democratic Caucus Task Force on Agriculture. The task force is chaired by our able colleague in the House from South Dakota, Representative Tom Daschle.

It is not coincidence that four important films in the past year have dealt with the crisis in American agriculture. All of us know that our current farm policy has been a costly and continuing failure. The so-called economic recovery of which the administration is so quick to boast in other areas has bypassed the farm economy; hundreds of thousands of family farmers across the country are suffering hardships of a magnitude not seen since the Great Depression.

In the past year, four of the most famous actresses in America—Sally Field, Jane Fonda, Jessica Lange, and Sissy Spacek—have appeared in widely acclaimed films that have provided outstanding entertainment and have also helped to sensitize the Nation to the very real crisis facing our family farmers.

Their testimony to the House task force last Monday is an eloquent tribute to their impressive understanding of the issue, their commitment to a more effective national policy—and their intention to do something about it. I recommend Congressman Daschle for organizing the hearing, and I ask unanimous consent that the testimony and other materials may be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

(House Democratic Caucus Task Force on Agriculture Hearing on "Human Dimensions of the Farm Crisis" May 6, 1985)

Statement of Sally Field

I regret being unable to personally participate in today's hearing with my colleagues.

The crisis in agriculture has affected more than just the farm families throughout the country. It has touched small towns and their many small businesses in every rural corner of the nation.

My friends here today will testify to the fact that you don't have to live on a farm to experience the pain these families are feeling. We have played the roles of the farm family and in doing so have witnessed the suffering inflicted on the American farm family today.

We don't pretend to have all the answers.

We are not the policy makers.

We hope by our words today to encourage the men and women of Congress to act now in improving the environment for our nation's farm families.

Statement of Jane Fonda

Mr. Chairman and Members of the Task Force, last year I played Gertie Nevels in a film I produced for television called "The Dollmaker". She was a farm woman in the mountains of Kentucky, and in the years I spent researching and preparing for the role I spent time with small farmers in Arkansas, Kentucky and Tennessee.

I was very moved by the people I met, by how hard they worked and by their attachment to the land. Perhaps I felt at home with these people because as far back as I can remember my father had loved to plow his fields and plant and grow things.

He was born and raised in Nebraska, and while he was never a farmer by profession, he always felt a kinship with rural America. That was perhaps why, of all his roles, he loved Tom Joad in "The Grapes of Wrath" the most.

Maybe it was then, as a little girl, sensing how he identified with and internalized that role, and watching his silhouette on his tractor as he put in a field of alfalfa, that I learned how a role strongly felt by an actor can open his heart and mind and eyes to realities that extend beyond the screen and the darkened movie house.

Perhaps that's the most wonderful part of our profession: that it exposes us to these realities and allows us to be affected. That's why I'm here today.

Not since "The Grapes of Wrath" have we seen so much attention by actors and filmmakers to the plight of the family farmer—until today.

Art and movies reflect reality, but also shed light on it. Having made these films, we three have a natural desire to express our concern for those farmers in the real world who are being driven off their land into the graveyard of debt.

We understand there are no simple answers to farm policy, but there are simple values that never lose their meaning. One is that people come before profit because it is people who create profit—not the other way around.

Another is that families should not be disrupted or destroyed by circumstances beyond their control. High interest rates mean lower incomes, and the strong dollar means a weak foundation for countless farm families who depend on exporting to a needy world.

We believe as well in the simple propositions that land should not be taken away callously and impersonally from families who have farmed it well for generations. Nor should the next generation of Americans be discouraged from entering into the profession of farming.

The Reagan Administration practices a double standard regarding free enterprise. They want to subsidize silos for MX missiles but not for family farmers. They lavish subsidies on wasteful defense contractors but take them away from providers of our food.

They provide tax loopholes wide enough to drive a tractor through for Beverly Hills attorneys who farm for tax breaks, but want to take incentives away from those who farm for a livelihood.

Most importantly, they provide lower interest rates to foreign governments than to Kansas farmers, and they roll over the debt of Poland more obligingly than of Iowa.

These policies are unfair. Reducing the deficit by destroying what remains of the family farm is the wrong course.

We are not simple romantics, though there is nothing all that wrong with a little romanticism to off-set the pervasive cynicism of public policy.

We recognize the need for reform and adjustment. Much of agriculture is over-centralized, over-mechanized and over-dependent on dangerous pesticides.

The wealthier farmers often receive greater benefits from federal programs than the smaller farmers with greater needs. But the Reagan Administration policies will only accelerate these trends, not relieve them.

It seems sensible that a cap should be placed on commodity price support loans, as Congressman Byron Dorgan suggests, to eliminate the excessive amounts going to larger farmers and freeing up money to be re-targeted towards family-sized farms.

The FMHA loan program might be re-focused to its original purpose of providing economic opportunity to fledging farmers and small farmers. Tax policies which encourage speculation and drive up land prices should be reformed. And interest rates must be revised to make credit more accessible.

The development of policy, however, we leave to the legislators whose business is legislative. The immediate need is some way to re-structure farm debt to prevent the human tragedy of unnecessary foreclosures.

The reason we are here is to underscore the gravity of the crisis that is leading to the bankruptcy, humiliation and banishment of farmers from their lands at a rate not seen since my father made "The Grapes of Wrath."

As actresses whose work is to identify with what is most human, we cannot confine ourselves to the screen while the cruel and unusual punishment of farmers grinds on. There are a lot of Tom Joads and Gertie Nevels still out there.

Please do not let them perish from the earth. Thank you.

Statement of Jessica Lange

Mr. Chairman and Members of the Task Force, one of the difficulties in speaking about the crisis in American farming is that the implications found in this single issue are so wide sweeping that they become synonymous with the crisis in American culture as a whole.

This nation was founded by an agrarian society, and inherited by a technological one. Parallel with these two, diametrically opposed systems, two completely independent psychologies have evolved. Even though we could say one grew out of the other, neither has the least understanding of the other's essence.

It's as though the inheritors have fallen into a profound amnesia of their origins. While the descendants of our agrarian forefathers are desperately waving white flags all over this country they are getting little or no response.

The question we're faced with now is more far-reaching than mere economics or political maneuvering. It's a question of values. Are we willing to allow the last remnants of our heritage to disappear? Or, worse, to see it systematically eradicated by an economic power structure that views small farming as obsolete? Is it really possible for us to repeat the same blind mistakes without examining the history of similar action in our society?

The small farmer in America is being replaced—that's obvious. By what, is the question? How many other sub-cultures in this country have been similarily replaced and what is there, now standing, that we could say justified that replacement? Is economic feasibility the only true measure of a culture's value?

The outcome of the issue being addressed here today, the plight of the family farm, will have monumental repercussions throughout this society and across this land for time to come. And that issue is: how we relate to our land.

There is a theory put forth that divides people into two mutually exclusive groups—those who exploit. Those who nurture. The exploiter's goal is money, profit. The nurturer's goal is health—his land's health, his own, his family's, his community's, his country's. The exploiter thinks in terms of numbers, quantities, "hard fact". The nurterer in terms of character, condition, quality, kind.

There is no question, the best farming requires a farmer, a nurturer. Family farms, owned and controlled by those who labor to produce food for this nation and whose connection to the land is an emotional one have created an unique environment and culture across this country.

Absentee ownership of farms and corporate agriculture would drastically and tragically change all that. The loss of talented and industrious families from the land will have disastrous consequences for our society and for our economy!

If it's really true that large scale agri-business proves to be more efficient; more productive and more controlled than small scale family farming then what do we have left to measure that increase against? Nothing but the memory of the traditional American family farm.

This memory will camp right alongside the memory of the American Indian, the memory of Vietnam and all our other memories that are intimately related through greed and arrogant disregard. Already there are ghost towns sprinkled throughout the farm-belt. Abandoned farms. Fields that have gone to seed. Equipment and farm auction notices are posted in every shop window.

With every farmer that leaves the land, and there have been roughly 280,000 since January 1981, the repercussions are felt throughout rural society. Schools, shops, businesses drop away like dominoes. What we are witnessing in this decade is the systematic destruction of much of rural society. And in those states, the so-called farm states when the family goes down, the whole state will go down.

The heartland of America is being vacated, almost without a sound. Suddenly we are being faced with the fact that in one generation's time there will be no trace of the traditional American character Ralph Waldo Emerson described when he spoke of farming:

"This hard work will always be done by one kind of man; not by scheming speculators, nor by soliders, nor professors, but by men of endurance—deep chested, long-winded, tough, slow and sure, and timely."

I have sat countless hours over the last couple years talking with farmers trying to understand what they are going through. And I know this: they are in pain. Heartbreaking anguish as they watch their lives stripped away. Their boundaries disappearing. The boundaries which describe their work, their land, their family, their faith in this country and their faith in God.

These people are living in a kind of modern day slavery. Not just physical laboring fullscale with no proportionate reward. But also mental and emotional. I've seen over and over the terrible toll living with the fear of losing everything takes on these proud people.

They are being made to believe they have failed. They've failed their families, their heritage, their country and they have failed their land.

Every morning they must newly encounter the overwhelming anxiety and stress of their situation. Outstanding loans, principle payments that can't possibly be met. Interest payments that are larger than the family's yearly income, operating loans that are handed out or withheld with no conscionable license. Being forced to make figures work that cannot work until a recommitment is made by this government to assure the survival of our farms and rural communities.

They, as individuals, are not responsible for this economic crisis that has pushed them to the brink. The staggering combination of low prices, high interest rates, high production costs and declining net worth is beyond the control or responsibility of any one individual citizen. But for them the result is a life of torment. Emotional and intellectual imprisonment.

In all my experiences, I've never seen a people work harder or longer or with more commitment to their product. And like all Americans, they've been taught the work ethic and they've been encouraged to do more, get bigger, get better, more efficient, be more productive, make more money, expand! Plant fence post to fence post.

You know, I never really understood what the meant until I lived in Iowa during the winter months and discovered the reality of planting fence post to fence post was the cutting of the hedgerows. Hedgerows, by nature, were left as a protection, a guard against the elements. Now they've been eliminated.

And isn't it a strange and sad parable that in an effort to live the American dream these people are now left totally unprotected out there on the American landscape?

If this is allowed to continue then we must admit that it is painfully clear we are a nation no longer motivated by laws of Christianity, that we are exempt from moral or spiritual responsibilities by our own misguided and mis-informed self-righteousness.

Farmers, by the nature of the breed, are typically and historically the most patriotic people in this country. But they are being betrayed by this government and left to suffer.

If this administration continues on the path it has determined it will cause irreparable damage across the homeland of America. If David Stockman's response to the farm crisis is: "We have too many farmers." And Ronald Reagan lamely jokes that it's the farmers who should be exported. Or that farm bankruptcies and foreclosures are part of the solution to inflation.

What prayer do these people have?

It is a great tragedy to witness their loss of faith in this government because as Thomas Jefferson said, "The farmer is the strength of the nation."

How can we allow this great American tradition to be annihilated through conscious and cruel disregard? If you who are going to be making the policies that shape their destinies—if your could truly see with your hearts and not just allow the issue to remain an intellectual idea locked in the mind—then perhaps there is hope.

If immediate short term action is taken to aid distressed farm families and ease the current credit crunch—followed by the working out of a 1985 farm bill that would guarantee better price supports in combination with supply management on the part of the farmers. Perhaps then there is hope.

But if economic debt becomes the criteria for justifying extinction than we have conveniently erased our moral debt. Is there a political frame of mind that can honestly weigh these two sides, or is an entire way of life going to be swept away on the basis that the "numbers don't work"?

Emerson voiced it this way and it still holds true: "It needs science and great numbers to cultivate the best lands, and in the best manner. Thus true political economy is not mean, but liberal, and on the pattern of the sun and sky.

"Population increases in the ratio of morality; credit exists in the ratio of morality. The city has always recruited from the country. The men in cities who are the centers of energy, the driving wheels of trade, politics, or practical arts, and the women of beauty and genius, are the children and grandchildren of farmers, and are spending the energies which their fathers' hardy, silent life accumulated in frosty furrows, in poverty, necessity and darkness."

Thank you.

Statement of Sissy Spacek

Mr. Chairman and Members of the Task Force, my personal connection to American agriculture goes beyond appearing in one of last year's "farm" movies. I am a product of rural America. I was born there. I grew up there. I was a 4-H'er.

My mother was a homemaker. My father served for 30 years as a county Agricultural Agent in Texas. My grandfather was a farmer and Deputy Agent of the Federal Farm Credit Administration under Franklin Roosevelt.

I am very proud that I come from a family that for generations has cared about American farmers and American farmlands, and it is our conviction that the American family farmer is the most efficient, stable and productive of all the world's farmers.

So I'm not here today to defend them on nostalgic grounds, but to support them as the best and wisest of farmers.

Right now the future of American agriculture looks pretty bleak. Young farmers can't afford to get started, and in an effort to make up losses, existing farmers plant every available scrap of ground, contributing to the worst soil erosion in history.

And corporate farms are learning the hard way what the family farmer has known for centuries: farming is no easy road to short-term profits.

I would be naive to assume that this is a simple problem with simple answers, but one thing I'm sure of: we can't turn our backs on these people who have fed us all so abundantly and cheaply throughout our history.

Our largest and most vital industry is disintegrating. It is not marginal producers, speculators or bad managers who are being squeezed out, but the solid core of our agriculture which is threatened.

And trouble on the farm spreads without regard for performance. As bankruptcies mount, land values fall—and since production loans are secured by land, without borrowing another dime, all farmers fall deeper into debt.

If we think this catastrophe affects only the farmers, we are dangerously naive.

The drugstore, the implement dealer, the grocery store and the bank in every agricultural community in this country is in trouble, and that trouble arrives in the cities when homeless farmers with their wives and children come to town to look for a job.

We have a responsibility to insure that our farmers make not only a fair living, but can't afford to put back into the soil what they take out.

And the American public recognizes our responsibility in this crisis: According to recent USA Today and New York Times polls, more than 70 percent believe that the federal government has a clear obligation to save financially distressed farm families—families who are endangered by forces beyond their control, families who are the stewards of our homelands; this fertile American earth.

We have to give farming back its hope. We have to give farming back its future, because these farmers are our hope.

I quote Wendell Berry: "We have neglected the truth that a good farmer is a craftsman of the highest order, a kind of artist. It is the good work of good farmers—nothing else—that assures a sufficiency of food over the long term. Good work, which in fact endures beyond the foresight of economists, can be valued, but not priced because its worth is incalculable.

"We are a society that has fallen in love with disposable items. We are fast becoming a society that knows how much things cost but has no idea what they are worth"—end quote.

I would like to read this letter from a farmer in Minnesota, postmarked April 17th, 1985:

"Dear Ms. Spacek, I am writing this letter to you because you understand the farm problem. I am asking you if you could help me financially save my farm. I don't like doing this but I've got to find somebody before it drives both my wife and I crazy. I know I'm asking a lot, but all I want is a chance for my son to farm too. If you can't help me, would you know of anyone who would? As it is time to put the corn in the ground, could you respond quickly?"

Mr. Chairman, it will be a great world tragedy if we allow ourselves to believe that the family farm is disposable.

A century ago, William Jennings Bryan said, "Burn down your cities and leave your farms, and cities will spring up again as if by magic, but destroy our farms and the grass will grow in the streets of every city in the country."

Thank you for this opportunity to appear before you today.

[Press Release House Democractic Caucus Task Force on Agriculture]

ACTRESSES TESTIFY ON FARM CRISIS

WASHINGTON, May 6, 1985.—Three award-winning actresses who recently starred in films portraying struggling family farmers testified today on the "human dimensions of the farm crisis" before a special House panel on agriculture.

Jane Fonda, Jessica Lange and Sissy Spacek appeared before the House Democratic Caucus Task Force on Agriculture, chaired by Rep. Thomas Daschle (SD). They also met privately with House and Senate members and with farm organizations at a meeting hosted by WIFE (Women Involved in Farm Economics).

"These very talented women care deeply about agriculture and the plight of the family farm," Rep. Daschle said. "With their films and their testimony today, they have raised the consciousness of the American people about the struggling family farmer and have made an important contribution to the national debate on the crisis in rural America."

In her testimony, Ms. Fonda said, "The reason we are here is to underscore the gravity of the crisis that is leading to the bankruptcy, humiliation and banishment of farmers from their lands at a rate not seen since my father made 'The Grapes of Wrath.'"

Ms. Lange added, "I have sat countless hours over the last couple years talking with farmers, trying to understand what they are going through. And I know this: they are in pain."

Ms. Spacek, who grew up on a farm, told the task force, "We have to give farming back its hope. We have to give farming back its future, because these farmers are our hope."

Ms. Fonda spent 10 years developing "The Dollmaker", which she produced for ABC-TV and which won her an Emmy for her role as Gertie Nevels, a farm wife struggling to keep her family together during World War II. Ms. Lange portrayed Jewell Ivy in "Country," a film about an Iowa farm family trying to overcome seemingly insurmountable odds. And Ms. Spacek, produced and starred in "The River." Both Ms. Lange and Ms. Spacek received Academy Award noninations for Best Actress.

Actress Sally Field, who won the Best Actress award for her role in "Places in the Heart," another film about the farm crisis, was unable to testify personally but did submit a written statement.

TAKEOVER ATTEMPTS

Mr. BUMPERS. Mr. President, recent press reports indicate that the oil industry is being subjected to a major involuntary restructuring as a result of takeover attempts by various financial interests. Mr. Boone Pickens and others have made persuasive arguments that this revolution should proceed unexamined, but I am not convinced. The Senate should be concerned about such radical changes in a major industry for many reasons.

One of the arguments that Mr. Pickens makes with the most conviction is that the companies which he and his allies have targeted are poorly run, and that a takeover will help the shareholders. Mr. Pickens' record as chief executive officer of Mesa Petroleum, however, indicates a rather limited concern for shareholders.

The May 6, 1985, issue of Business Week contains an article showing that Mr. Pickens is the highest paid executive of any company, earning $22,823,000 in 1984 and a total of $23,773,000 from 1982 to 1984, but Mesa shareholders only realized a 5 percent return on their investment, including dividends and appreciation of equity. Similarly, some shareholders have been hurt by fluctuations in the value of Mesa's stock. In 1981 Mesa was selling for $34 per share, but today it is selling for only $17. These fluctuations were caused by Mr. Pickens' attempts to take over various companies. It appears that Mr. Pickens' concerns for shareholders lasts only as long as their interests happens to coincide with his.

Mr. Pickens and his financial allies have argued persuasively that they are merely operating as our free market allows them. That begs the question, because there is no doubt that such financial freebooters as Jay Gould and his allies did the same thing in the 19th century. It became very apparent that their operations were nonetheless contrary to the public interest, because they were manipulating stock values in order to benefit themselves and ruin others.

States passed laws to prevent such manipulations, and Congress eventually passed security laws to cure other problems. Therefore, the question is not whether these moneyed men are operating in the free market, but whether they are able to manipulate the market unfairly to their advantage and to the economic disadvantage of true investors. If so, Congress should take appropriate action.

In this regard, there are some very definite and immediate financial concerns, particularly the use of so-called "junk bonds" to finance these takeovers. Junk bonds are exchanged for pledges of financial assistance in a takeover attempt.

If the attempt succeeds, they will be repaid out of either the assets of the target company or its future profits.

They are a very speculative undertaking when used in taking over an oil company. A sudden decrease in oil prices can bankrupt a company saddled with such a debt. Investors would be severely damaged. That in itself need not be a serious concern in our free market economy. The difficulty arises from the fact that federally insured depository institutions may be among the major investors in these bonds.

Thus it is conceivable that the Federal Government is at least the partial surety for some of these shaky investments. This fact deserves serious consideration, and it is one of the reasons that Senator DOMENICI introduced S. 975, the Securities Safety and Soundness Act of 1985, which would impose a moratorium upon using junk bonds in hostile takeovers.

There is a further serious and fundamental public policy consideration in takeovers of oil companies, and that is the effect upon future energy production. When Phillips Petroleum staved off successive takeover attempts, it did

so only by assuming huge amounts of debt and contracting its operations, including a reduction of exploration. ARCO has recently taken similar action.

Outsiders can argue whether this action resulted from the considered judgment of company officials or from sheer fear of being taken over. Regardless of the motivation, the most important point is that its restructuring will undoubtedly reduce its exploration efforts. Similarly, with smaller exploration funds available, the company will assuredly shrink from more risky ventures, even though they might have a higher payoff.

It is very likely that if Unocal survives Mr. Pickens' latest takeover attempt, it will do so as a shrunken company with a greatly reduced oil exploration budget. Moreover, we must remember that most of these companies have made valuable efforts to develop alternative sources of energy. Mr. Pickens has already stated that these efforts are a waste of the shareholders' equity, so it is clear that any company that he eventually conquers will be forced to abandon attempts to develop oil shale, geothermal and solar technologies.

I am afraid these takeover artists have a very shortsighted approach to profitability and a no-sighted view toward the public interest. Rather than meekly submitting to their financial ministrations under the guise of honoring the free market and its hidden hand, we must carefully examine whether their activities serve the public interest, and, if not, then we must devise appropriate legislative responses.

SOVIET MANIPULATION OF THE MEDIA

Mr. HATCH. Mr. President, the Soviet Union is engaging in an intensive ideological warfare campaign aimed at discrediting the United States and breaking up the NATO alliance. According to the CIA, the Soviets spend at least $3 to $4 billion per year on ideological warfare. This effort is not mere propaganda, but an intensive so-called disinformation campaign of lies, distortions, and forgeries which are part of a larger Soviet tactic known as active measures. The Soviets use the term "active measures" to describe their efforts to actively influence Westerners to further Soviet interests. One key component of this campaign is manipulation of the Western press. Experts disagree on the extent of Soviet influence in this area and how successful their effort has been, but it is widely acknowledged that the Soviets are making a conscious effort to influence Western political behavior through the media.

An interesting and very important paper has come to my attention on this topic by Dr. Roy Godson, who is a distinguished foreign service professor at Georgetown University and an expert on Soviet active measures. Dr. Godson points out that the Soviets' long-term goal in manipulating the Western press is first and foremost to discredit the United States. According to Dr. Godson, the Soviets seek to affect Western attitudes and behaviour on important issues, especially the key issue of military preparedness.

Mr. President, I hope that each and everyone one of my colleagues will take the time to read this thought-provoking paper by Dr. Godson. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOVIET MANIPULATION OF THE MEDIA: FACT OR FICTION

(Address to the Commonwealth Club of California)

Today, I want to talk about a subject which is attracting increasing and serious attention in the West, a subject which controversial but one which remains important: the manipulation of the media, and hence informed decisionmaking in our democratic society.

Although we sometimes take for granted our vigorous and free press, we tend to react strongly against attempts to manipulate free expression, either by legal means, or by overt or covert pressure from governments or groups which espouse particular ideas. We generally assume that left to its own devices, and given freedom and time, the press will deliver to us truthful, objective information and analysis that contributes to rational policymaking. Recently, however, we have begun to learn about a relatively new threat to objective media reporting: that we may be reading, seeing and hearing a version of events which not only is inaccurate and downright false, but one which has been manufactured to distort our perception of reality and to influence us. This afternoon I would like to discuss this issue.

Let me begin with a major and telling example. In the Spring of 1982, the world press and particularly the American press was flooded with stories about the former Soviet KGB Chairman, Yuri Andropov, who some months later succeeded Leonid Brezhnev as the major Soviet leader. When Andropov headed the KGB from 1967 until the early 1980's, his image in the Western press was that of a hardline secret police boss, who used the largest and perhaps the most effective secret police and intelligence service in the history of the world to ensure the Communist Party's continued control of the Soviet people. Indeed, under his regime, the KGB, in a fit of creativity that surely rivals that of Heinrich Himmler and Joseph Mengele, developed the use of psychiatric hospitals to control Soviet dissidents.

But in the Spring of 1983, Andropov's public image in the West began to suddenly and radically change. Let me recall for you just a few of the stories and descriptions of Andropov that appeared in many newspapers.

One major East Coast daily headlined a story from Moscow with: "Andropov Seen as Closet Liberal." That paper had previously reported Andropov to be an unimpressive "five feet eight inches", but now elevated him to "tall", and added urbane, well-educated, and enlightened. Another major East Coast paper noted that Andropov "stood conspicuously taller than most" Soviet leaders, and that "his spectacles, intense gaze and donnish demeanor gave him the air of a scholar." He was credited with knowledge of foreign languages—English, German and even Hungarian. He was described as a "witty conversationalist" a "bibliophile," a lover of jazz, romantic novels and a connoisseur of modern art. There were even hints that he might be partly Jewish. In short, as the liberal magazine, The New Republic put it, "a short, burly thug almost overnight became a tall, dapper Chubby Checker fan."

Let me cite a few more examples of stories which I believe have a less obvious but nonetheless common thread:

"CIA Seen Involved in Ghandi Assassination."

"Regan Presidency Leads to Strained Relations With Moscow."

"U.S. Implicated in Plot to Tie Soviets to Pope Assassination."

"Korean Airliner Alleged to be U.S. Spyplane."

How and why did these and many other similar stories—of very dubious authenticity—appear on almost every continent? Why did the electronic and print media from Washington to Wellington give international currency to them? All are sensational and have damaging implications far beyond their apparent subject matter.

Of course, it is entirely possible that the media, on its own, in various parts of the world and at about the same time, came to similar conclusions on the basis of highly contentious "evidence." It is also true that many journalists are not sympathetic to the United States or to its current Administration, and that it is by no means unusual for stories about the U.S. to be negative in tone and content.

There is however, another possible explanation—namely that the headlines and the stories just cited—and many like them—are the result of a conscious effort to manipulate the media. Proponents of this view differ on how extensive this manipulation is and how successful it has been, but they believe there is a massive and ongoing effort to affect political behavior in the West through the world media—and that the Soviet Union and its allies are largely responsible.

I have been studying this subject together with a colleague on the faculty at the Fletcher School for several years, and we recently published a book—"Dezinformatsia"—about it, convinced that the weight of evidence supports the view that manipulation can and does take place.

I want to be very clear about what I am saying, however. I do not believe, as some do, that most of the world's media are controlled or manipulated systematically and that every or almost every negative story about the United States is the result of Soviet manipulation. Nor do I mean to imply that ALL attempts to make use of the media succeed. What I would like to propose and submit evidence to support is the proposition that there is a massive attempt by the Soviet Union to influence and use the media as well as other important Western governmental and private sector opinion leaders; that sometimes these attempts are successful; that the campaign is ongoing; and that by being aware of it, by speaking the truth about it, a free society can in large part neutralize its effects.

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How can such conclusions be substantiated?

First, we have learned a great deal from information provided by Soviet bloc officials who now live in the West. This information has been cross-checked by scholars and Western government officials. These defectors tell us that the manipulation the media is part of what in Moscow is referred to as "active measures" (aktivnyye meropriatia). These are attempts to actively influence Westerners to act in ways designed to further Soviet interests.

A variety of tactics are subsumed under the term "active measures." Among the most important are the use of the media to influence, mislead, or deceive the target so that he acts in a way favorable to Moscow. This is done through overt propaganda and manipulation, as well on covert means including the use of secret agents of influence and forgeries—or a combination of the two—Kombinatsia—as the Russians sometimes call it. This also involves the use of information which is basically true, as well as intentionally false information, or disinformation.

Based on the eyewitness accounts of those who received their orders to engage in these activities from top Soviet leaders, we can be fairly sure that Moscow believes that the use of "active measures" and particularly media manipulation and disinformation is an important means of shifting what they call the "correlation of forces" further in their direction.

The institutions or organizations in Moscow and throughout the world that engage in these activities are directed from the very top echelons of Soviet government. They involve a vast array of techniques, fueled by an unprecedented level of financial and human resources.

The most important Soviet institutions that control and carry out these activities are the International Department of the Central Committee of Communist Party of the Soviet Union—the CPSU. The International Department is perhaps one of the most important and least studied parts of the Soviet government. It controls, to a significant degree, more than ninety Communist parties around the world and 13 major international fronts, the most important of which—the World Peace Council—has affiliates in every major western country including the US Peace Council. The International Department also works to influence Western scholars, young political leaders, trade unions, women's groups, and lawyers around the world.

The second organ of the CPSU is the International Information Department. Created in the late 1960's this institution coordinates the Soviet media in Moscow and the Soviet media and press throughout the world. It passes on the information in the 3,000 plus hours of Soviet radio broadcasts to the world in eighty languages each week. It coordinates the themes of the hundreds of Soviet "journalists" stationed throughout the world. It would be as if the Republic Party controlled and coordinated the entire media in the U.S., and every U.S. journalist overseas.

A third institution in the Soviet active measures apparatus is the press section of the Ministry of Foreign Affairs. It accredits Western correspondents in Moscow, and has a great deal of day-to-day control over their access to and contacts with Soviet officials and citizens. Through Soviet Embassies and consulates abroad, it also seeks to influence journalists in non-communist countries.

Two other institutions that play an important role in Soviet manipulation are the KGB's First Directorate and a section of the KGB's Second Chief Directorate. The First Chief Directorate works almost exclusively to spy on and to influence the non-communist world. It has a special staff in Moscow, now known as Service A, whose function is to assist in secretly influencing the media and other important sectors of our society.

Abroad, the First Chief Directorate of the KGB and other Soviet bloc intelligences have headquarters in every country, usually based in Embassies, missions, and consulates. In addition to engaging in espionage and buying—or stealing—technology, they also carry out "active measures." In Western Europe, for example at any one time there are approximately 14,000 legal Soviet bloc officials, 30–40% of whom work for the KGB and its sister services. Of these ½ or approximately 3,000 work in what Moscow calls Line PR—that is political espionage and influence operations. In the United States there are about 2,200 legal Soviet bloc officials, so using the 30–40% figure, this means about 700 are intelligence officers, and 300 of them in Line PR, engaged in political spying and influence operations.

In addition to thousands of "legal" spies and active measures specialists, Moscow also has an unknown number of illegal or deep cover agents embedded in Western society. In recent years for example I was startled to learn that a student at my own university was a second generation illegal. That is, his parents had been sent by the KGB to be illegal agents first in West Germany and Canada. Then his parents went to live and work as photographers in the suburbs of New York in the 1970's and they sent their son to Georgetown University. In addition to his regular studies, the son was being trained in the summers to be a deep cover illegal and it was expected that after graduation he would seek a position in the U.S. government. While he was at Georgetown Moscow also asked him to identify fellow students who were planning to join the CIA, as well as keep an eye on Chinese students studying on the campus.

Another section of the KGB in Moscow, the Second Chief Directorate, is concerned with counterintelligence, but has a special section to study, assess, and manipulate the Western press stationed in Moscow. I have talked with a former Soviet official who worked in this section and he has described in detail how he went about his work.

In terms of manpower, it is estimated that these institutions employ somewhere between ten and fifteen thousand people in Moscow and another ten to fifteen thousand throughout the world. Their annual budget the U.S. government now believes is in the range of 3–4 billion dollars.

To influence and manipulate the western media, the Soviet apparatus uses a combination of overt and covert instrumentalities, and old tried and true methods together with new public relations techniques. For example, in Moscow, because they completely control access to all important government officials and all Soviet media, they are in a position to assist a journalist become a star reporter—first with the news. Take the case of the liberalization of Yuri Andropov. How did this come about? Let me cite the seminal story in the East coast newspaper in 1983. "While largely unknown in the West, East Europeans who have met with Andropov"—because the Western journalist could not—"have described him as an affable and efficient man who has managed to place considerable restraints on the KGB". Note that this report about Andropov is the story about the same man who crushed the Hungarian Revolution in 1956, who innovated the use of psychiatric hospitals and drugs, and who was responsible for the KGB at the time there were attempts on the life of the Pope and probably Lech Walensa. Clearly, someone in Moscow was planting rumors.

Some columnists and reporters are conscious of this Soviet technique. For example, Joseph Kraft recently pointed to various published stories about current Soviet leaders as emanating from a journalist "long in Moscow, who is thought to have KGB ties. A second was a planted rumor which blazed through the diplomatic community and was then traced back to a KGB source." Other journalists, particularly those under pressure from their editors for dramatic news from Moscow, may be less careful and more susceptible to influence and rumors. This is a tried and true Soviet gambit, and I have discussed the technique involved with specialists who used it.

Other documented methods of Soviet influence include actually recruiting and controlling a journalist, a government press spokesman, a news service, or even a newspaper as well circulating and recycling forgeries. One example which shocked France in recent years was the conviction of journalist Charles Pathe in the late 1970's, who had been working for the KGB for nearly twenty years. Pathe was a well connected journalist who wrote under his own and other names. He also published a newsletter, which the Soviets helped finance, received by a small but influential readership. The newsletter consistently attacked the U.S. and sought to detach France from the NATO Alliance. Now in other European countries, the public is learning that a recent press spokesman at the Norwegian Ministry of Foreign Affairs has been working for the KGB for many years, and that a major Greek daily newspaper was influenced by, if not completely financed by the KGB, and is consistently anti-U.S.

Another favorite covert Soviet bloc tactic is the production and dissemination of forgeries. This long time favorite apparently was halted in the 1970's during the Watergate investigations, but in the late 1970's the pace of Soviet bloc forgeries picked up and now hardly a month goes by without the U.S. government finding forgeries designed to influence the media. Sometimes these forgeries are crude, quickly spotted and do little damage, such as the fake Ku Klux Klan letters last summer designed to intimidate African and Asian athletes. Sometimes however they damage the reputation of the U.S. and are recycled in the press year after year in spite of being identified as forgeries.

In addition to these covert and traditional methods of media manipulation, Moscow also sometimes is more open and innovative. One new technique is the Western-style press conference. One of the more sensational examples was the appearance of the then head of the Soviet General Staff before the world press after the Soviets again shot down an unarmed civilian airliner, this time in September, 1983. The news conference was unprecedented. The General's speech and charts received extensive coverage and confused many as the Soviets sought to exculpate themselves from intentionally shooting down the Korean civilian airliner, whose many passengers included a U.S. Congressman. During the course of the press conference and in the ensuing propaganda barrage, the Soviets sought to sow doubt about the benign nature of the flight, and tried to suggest that the United States was somehow implicated in the massacre of innocent travellers.

Another recent technique is the veritable parade of Soviet "journalists' and "scholars" who now appear as invited guests regularly on Sunday morning and late night TV talk shows, live coast-to-coast radio programs—as well as instant commentators on special occasions such as the inauguration of President Reagan. All of them speak very good English, appear very much at home on the U.S. media, and are excellent propagandists. All of these gentleman, however, are part of the Soviet active measures apparatus. Their appearances and the themes they espouse are coordinated by the International Department and IID of the Central Committee. They are completely paid Soviet government propagandists, even though their U.S. radio and TV talk show hosts usually describe them to the U.S. audience as "journalists" and "scholars". I am not suggesting here that they should be denied free time on the U.S. media. What I am saying, however, is that we should recognize them for what they are—part of a massive and increasingly sophisticated effort to use the media to influence us.

Now what does Moscow hope to achieve with all this effort and money? It is not always easy to understand Soviet motivation, but based on careful reading and analysis of Soviet overt and covert propaganda and disinformation, as well as numerous interviews with former Soviet specialists who sought to manipulate the Western press, Moscow appears to have both long-term objectives which they pursue year in and year out, as well as short term objectives geared to specific events and opportunities.

Over the past several decades, and there is no indication that this is about to change, whether we are in a period of detente or a period of more strained relations, Moscow seeks first and foremost to weaken and discredit the U.S. We are, they teach their KGB and other active measures personnel the "main enemy," (glavnyy vrag) and one of their main tasks is to diminish U.S. military, economic, and political power throughout the world. Second, they seek to split the various strategic alliances we have built up, particularly the NATO Alliance. They want to separate—to decouple—the U.S. from Britain, France and Germany, and to separate the major European allies from each other, as well as to weaken our alliance with Japan, Australia and New Zealand. Should they succeed, they would be in a position to dominate each continent.

Third, Soviet leaders seek to enhance the reputation of politicians and parties that help achieve these objectives, and denigrate if not destroy those politicians, parties, and movements that don't. Their attempt to enhance Andropov's reputation and denigrate Reagan's in recent years, was preceded in the 1960's and 1970's with active measures—campaigns against politicians such as the conservative Franz Joseph Strauss in Germany, and supportive of center right candidate Giscard d'Estaing against Socialist Mitterand in France. In other words, they don't only support left-of-center politicians. They support those whom they believe are useful. In their view, Giscard was more useful and Strauss and Mitterand less valuable in splitting and weakening the NATO Alliance.

Finally, they seek to affect Western attitudes and behavior on important issues, particularly military preparedness. They engaged in a massive, and they believed, successful campaign to stop NATO deployment of the so-called neutron bomb in the late 1970's. They are still in the midst of seeking to influence the peace movement to prevent the modernization of U.S. and NATO forces.

In addition to pursuing these long term objectives, Moscow also pursues short-term gains. In the coming months, for example, they will seek to influence the media so that (1) the new Indian Prime Minister, scheduled to visit the U.S. in June, 1985, does not develop closer relations with the U.S., (2) ensure attention is drawn away from the evidence that more and more links Moscow and the Bulgarians intelligence service to the shooting of the Pope; and (3) ensure that the 40th Anniversary of the ending of World War II is perceived as a result of Soviet efforts and that the cause of the war and the use of the atomic bomb can be laid at the feet of Western politicians.

Not all these campaigns—and others they will mount—will be successful by any means. Moscow doesn't expect them to be. They are, however, an important means, in addition to diplomacy and military power, that the Politburo uses to exert its influence.

What can and should be done about this attempt to manipulate the press and distort our understanding of reality? There are no simple solutions. We are and wish to remain a free, pluralistic society which allows freedom of expression. Hence, we will remain vulnerable to manipulation, in ways which closed totalitarian systems—where the media is totally controlled—are not.

At the same time there are a number of measures, each with advantages and disadvantages, that can be taken to limit the deleterious effects of Soviet manipulation.

The most appealing option we have is truth.

Let us simply make ourselves as aware as possible of how and through what means Moscow is seeking to manipulate the media and to disinform us. To a large extent this already is happening. Seven or eight years ago those in the government, the press and the academic community who stated that there was cause to study Soviet active measures techniques and disseminate information about them were ridiculed or called McCarthyites and right-wing fanatics.

But beginning in the last year of the Carter Administration and now continuing in the Reagan Administration, the U.S. government is making available information on Soviet attempts at manipulation. This should be continued and expanded. I am glad to see that other Western governments such as the West Germans are beginning to do the same.

On the non-governmental side, academics, novelists and journalists, more and more are taking the subject seriously and alerting the public and their colleagues. Much more needs to be done however.

One important step would be the creation of a non-governmental scholarly group to identify and report to the press on current and anticipated Soviet attempts at manipulation and disinformation. Until now, awareness of Soviet efforts at manipulation has been based on revelations of past ventures. There has been no mechanism dedicated to the timely monitoring and dissemination of information on current and anticipated Soviet activities. Politicians, journalists and scholars are uncertain of Soviet attempts to influence and deceive them until after the fact. Hence, protective measures are all but impossible.

I am glad to report that plans are now underway for the production of timely information and analysis on Soviet active measures. The National strategy Information Center of New York and Washington, D.C., which sponsored the research which resulted in my recent book on Soviet disinformation, hopes to produce such analysis and make it available to the public and the press, several times a year.

These reports, like the book "Dezinformatsia," will be based on objective study both of contemporary Soviet overt and, to an extent, Soviet covert attempts to manipulate the West. The reports will be prepared, entirely by non-governmental scholars and specialists with private funds. Hence, journalists and others who are the target of the Soviet apparatus, whether they are stationed in the United States, Moscow, or elsewhere in the world, will be further forewarned and forearmed.

Another series of steps can be taken by the media itself. Here, a series of very impressive proposals have been made by the British/French publisher, Sir James Goldsmith who puts out two major and very popular French magazines, L'Express and Lire. In a speech last year in Washington, he suggested, among other things, that journalists should disclose to their editors and publishers their sources of income, to help ensure that they are not subject to conflicts of interest. Sir James pointed out that while the invasion of some degree of privacy is odious, public servants and other types of professionals are required to make just such disclosures about their income. He then recommended that journalists do the same, and to bolster his point he gave the example of a New York journalist who was asked to resign when his editors unexpectedly discovered that he was receiving money from a Palestinian/American organization of dubious objectivity.

Sir James also maintained that owner/publishers, as well as editors should exercise more rigor in the supervision of their employees. He cited as examples the failure of the editors of Op-Ed columns to adequately identify the partisan backgrounds of some of their columnists, and the failure of other editors to ensure that their reporters remained objective and not subject to manipulation. Just how this might be done, Sir James did not say. He maintained, however, that until now discussion of these problems has been taboo. Those who confronted them frankly were labelled McCarthyites or worse. He urged further serious consideration of the problem, by publishers, journalists and editors.

Another proposal which has been made, and again it fits in with the theme of using the truth and openness to combat manipulation and disinformation, is including in the curriculum and training program of journalists, courses on disinformation and manipulation. Indeed, at least one school of journalism in the United States, Boston University, now has a course on the subject. Similar courses could be added to the curriculum of other schools of journalism and communications.

Finally, there is investigative journalism. Journalists, in the best tradition of the free press, could investigate attempts at manipulation and publish their findings. Scholars investigate the work of other scholars, policemen investigate other policemen, should not journalists probe attempts to manipulate the media? Again, this is beginning to happen. The media in the U.S. and abroad increasingly is publishing stories on the subject. As Time magazine put it last fall, after the major German newsmagazine Der Spiegel accepted that to some extent it had been manipulated by Moscow to discredit Franz Joseph Strauss in the 1960's, the problem raised in the Speigel case "is one that knowing journalists cannot easily dismiss."

Ladies and gentlemen, that the Soviets attempt to manipulate the media is a fact. Soviet policymakers believe that this is an important vehicle to affect our behavior, and they have increased the resources they devote to this instrumentality as well as improving the quality of their efforts.

Sometimes, Soviet leaders are successful. On occasion we learn of their success when the truth about a particular subject becomes known years later, or when individuals who engaged in these activities defect and tell us precisely what they did.

We will continue to be the targets of attempt to deceive and mislead us. The best defense is truth, not regulation. Government can assist by making available information on attempts at manipulation. But it is up to all of us to ensure that the information that affects our ability to make informed rational decisions remains as objective as possible.

Thank you very much.

"THE POPPY"

Mrs. HAWKINS. Mr. President, the National Geographic did its usual fine job with an article in its most recent issue entitled "The Poppy."

In this exhaustively researched article, the National Geographic provides its readers with a wealth of information about the opium poppy. This information is provided from both a historical perspective and a modern-day insight. The product of the heroin-producing poppy is referred to as "unique in its profound and far-reaching effects on humanity, both good and evil."

The good that comes from this beautiful flower we all know—the medically necessary painkillers, morphine and codeine. But it is the evil that comes from the opium poppy, heroin, that holds half a million Americans in the grips of addiction, and that causes users to rob and kill to procure it.

Nearly all heroin is produced by outlaws, primarily from poppies illicitly grown in remote corners of Asia or Mexico. Smuggled into the United States, it reaches nearly every community and every level of our society, bringing addiction and misery to hundreds of thousands of people.

This product of the opium poppy has been recognized as special for many centuries. In its long recorded history, it initially appears as an accessory of magic and religious ritual, and as a sedative and sleeping potion. Ceramic jugs shaped like poppy capsules which date from the late Bronze Age are exhibited in museums, and relics from ancient Egypt also indicate that society's use of opium.

A particularly fascinating bit of historical hypothesis emerges from this article: When Christ was dying on the Cross, according to Scripture, He was offered vinegar mixed with gall. It seems that the ancient Hebrew word for gall is "rosh," which means opium.

As civilization advanced, the benefits of the poppy became more obvious; for example, the father of medicine, Hippocrates, discovered its use as a pain killer. As early as mid-16th century, opium was developed into a liquid form, which became known as laudanum, and was used as a pain killer until this century. In 1815, morphine was derived from opium by a German scientist, and this drug is still the modern world's standard against which all pain medicines are measured.

But, as this article points out, it was an equally long time ago that it was discovered opium can kill. It was not until the late 19th century that opium's most destructive derivative, heroin, was developed and marketed. It has remained, since its inception, as the most addictive and damaging of narcotics. The short-term effect of heroin, when injected directly into a vein, is a rush, an overpowering sensation of pleasure. The results soon thereafter include illness, hallucination, and addiction.

Latest U.S. Government estimates indicate that Americans spend $4 billion a year on heroin. The National Geographic also provides us with spending estimates for other illicit narcotics: $18 billion for cocaine and $44 billion for marijuana. Then, the markup for these products is compared—for cocaine and marijuana, as much as 200 percent; for heroin, 900 percent.

The amount of heroin smuggled into the United States per year is estimated to have reached 4 metric tons a year, and it is thought by the Drug Enforcement Administration that nearly half of this tonnage comes from the nations of Afghanistan and Pakistan. The National Geographic points out that even though opium was banned in parts of the opium growing areas in 1979, tradition dies hard and the farmers in this mountainous terrain are slow in relinquishing their opium crop. Something is happening in opium producing nations in this part of the world, however, that might speed up their crop eradication efforts—heroin addiction is becoming an internal problem. It is estimated that Pakistan has now tens of thousands of addicts; in 1979, there were almost none.

The newly escalating problem of heroin trafficking and abuse in India is discussed in detail in this National Geographic article. Opium itself is legally available to certain physicians in India, but only those who practice ancient rites of medicine. Opium constitutes a large part of India's history, as it has produced this crop for their own and other nations for centuries. While the Indian Government makes great effort to control legal opium production, some does leak to an illicit market. More and more, India is becoming a haven for narcotics traffickers, and this is also resulting in an increasing problem of internal drug consumption.

The other area of the world responsible for the production of the opium poppy is referred to as the Golden Triangle, the Burma-Thailand-Laos area of Southeast Asia. Extensive poppy growing began in this area of the world in the 19th century. As one villager commented: "If you grow something else to trade, you might have to carry it for 2 days' walking; for opium, the trader comes to you." Though numerous drug law enforcement officials in Thailand have taken steps to curb drug production, Laos and especially Burma remain major producers of the world's heroin supply.

The misconception of heroin being solely an American problem is discussed at length in this article, and as more and more nations fall victim to the problems caused by heroin abuse, the true international scope of the problem is perceived. There is barely a nation left in the world community that is not affected by drug abuse, and the problems we each experience are very much the same, and just as destructive. For this reason alone, we must all fight the war against drugs together.

Mr. President, I would like to take this opportunity to commend the National Geographic magazine for its consistently fine work, and especially for this superb article, "The Poppy."

RESTORATION OF PROGRAMMATIC CIVIL SERVICE CUTS TO BUDGET DEFICIT PACKAGE

Mr. EAGLETON. Mr. President, the Republican compromise amendment on civil service proposes to save approximately $15.1 billion during the next 3 years through civil service programmatic reductions—reductions that will come somehow from employee's total compensation packages—salary, health and retirement benefits, annual leave, raises, et cetera. That is $15.1 billion from a group—Federal employees—which during the last decade has already withstood $40 billion in cuts, according to calculations by the General Accounting Office and the House Post Office and Civil Service Committee.

How can the Senate—a body that on May 3 refused to cut its own pay—ask this group to absorb an additional $15.1 billion in programmatic reductions? Most of these individuals earn far less than Senators; many of them live in the high-priced Washington area. It is simply unfair and unjust to ask this magnitude of savings from

this group at this time. It is also poor policy.

What benefits will be cut as a result of these projected savings? The Republicans don't really know, $2 billion of the projected savings come from unspecified program cuts; I repeat, unspecified program cuts. The remaining billions represent major policy changes in existing retirement, health, and employment programs, and I do not feel these policy decisions can be made in the meat-ax fashion adopted by the Republican compromise amendment.

For example, the Republicans totally ignore the fact that for 2 years the Governmental Affairs Committee, on which I serve as ranking minority member, has been formulating a new retirement system for Federal employees brought into the Social Security system beginning January 1, 1984. The new retirement system will both directly and indirectly affect the benefit package of the current work force. As a case in point, the Republicans project a savings of $3 billion over 3 years by raising employees' contributions to the current retirement system from 7 percent of salary to 9 percent. Now the new system may allow current employees to transfer to the new plan, and the new plan will probably be noncontributory.

If 50 percent of the current work force were to transfer into the new plan, the contribution base would be so reduced that the $3 billion figure would be impossible to attain. Likewise, the Republicans suggest having the Postal Service and the District of Columbia pay substantially more for retirement coverage. Again, the new system may not include District of Columbia employees or even Postal Service employees, so where does that leave our budget projections?

Mr. President, I urge my colleagues on both sides of the aisle to take a careful look at this area and restore the bulk of these funds in any future compromise budget legislation. I am placing in the Record a lengthy and detailed statement which addresses the specific proposals and explains why the budget process cannot be used to make the necessary policy decisions at this time.

The statement follows:

STATEMENT OF SENATOR THOMAS F. EAGLETON

Mr. President, included in the Republican compromise amendment are cuts in civil service programs which severely hurt the federal employee. These are not pay freezes or cost-of-living adjustments, but programmatic changes proposed in addition to pay freezes and COLA reductions.

Some of the programmatic changes are straightforward, such as raising federal employees' contributions to their retirement system from 7 percent of salary to 9 percent. Some $2 billion in other deficit reduction amounts, however, come out of unspecified program cuts—let me repeat—unspecified program cuts.

Mr. President, during the last 10 years federal civil servants have already borne nearly $40 billion in cuts in specified programs: reductions and delays in scheduled pay increases, revisions in the Federal Employee Health Benefits Program, implementation of the Medicare hospital insurance tax, elimination of paid holidays from lump sum annual leave payments upon separation from federal service, revisions in the basis for computing general pay from 2080 to 2087 hours annually, changing the annuity adjustment for federal retirees from semiannual to annual adjustments, limiting the COLA to ½ of the increase in the CPI for retirees under age 62, denying any COLA to military retirees employed in the civil service, postponing the COLA, covering federal workers hired after January 1, 1984 under Social Security, reducing the "windfall" created by dual entitlement to Civil Service retirement and Social Security, and reducing Federal retirees' Social Security spouses benefit by an amount equal to two-thirds their Government pension.

These specified cuts and their accumulated 40 billion dollar savings—calculated by the General Accounting Office and up-dated by the House Post Office and Civil Service Committee—have also been accompanied by loss of jobs through reductions-in-force and contracting out.

Now, after 10 years of cost cutting at the expenses of the federal workforce—a group that I contend has already taken its fair share of deficit reductions—the Republican package suggests deficit reduction methods which will further reduce the number of federal jobs and further "reform" federal retirement benefits, federal pay, and federal health benefits. Worst of all, even the Republicans are hard pressed to find an additional $2 billion they want from the civilian workforce, so we are expected to buy-off on $2 billion of unspecified cuts.

Mr. President, this is simply no way to manage the government's workforce—our employees. Before any additional programmatic changes can be made in the Civil Service, the appropriate House and Senate committees will need to take a long and careful look at the policy proposed, the costs associated with each proposal, and the impact on specific programs. For example, the meat-ax approach embraced by the Republicans in this recent exercise totally ignores the fact that since March, 1983, the Governmental Affairs Committee, on which I serve as ranking minority member, has been working on legislation to provide a new Civil Service Retirement System for employees hired after January 1, 1984, since those employees are now covered by Social Security.

The Committee has spent hundreds of hours on this matter and under the 1983 law must have legislation in place by the end of this year. During the two years it has tackled this project—the largest change in civil service retirement since the system started in 1920—the Committee has been acutely aware that all decisions it makes regarding civil service retirement ultimately affect all other employment benefits. The buzz word is "total compensation," but the point is that if retirement benefits are changed, then can the employee be compensated elsewhere through higher pay, more health benefits, more annual leave, better disability provisions, .etc? The programmatic changes proposed in the Republican budget package fail to acknowledge that any "trade-offs" will adversely affect the federal employees. This is particularly serious in light of a recent study by the highly regarded private company, Hay/Huggins, which concluded that total federal compensation already lags 7.2 percent behind the private sector.

Therefore I deeply resent, and personally cannot be party to, ill-conceived and unspecified budgetary cuts at the expense of the federal employee and retiree, and I urge my colleagues to restore the Republican reductions in any final compromise budget package.

Obviously the $2 billion in unspecified changes cannot be substantively assessed, so I recommend that we simply restore $2 billion. The Republican package also includes the following:

(1) Increasing employees' contributions to the federal retirement system from 7 to 9 percent (in effect a pay reduction);

(2) Conforming civil service survivor benefit criteria to Social Security for future beneficiaries;

(3) Reforming the Federal Employee Health Benefits Program to further reduce health benefits now available to federal employees;

(4) Delaying the waiting period for within-grade pay increases by one year (it is unclear whether merit increases and bonuses for senior executives would also be so frozen);

(5) Reducing the federal workforce through attrition by hiring only two workers to replace every three employees who leave;

(6) Substantially increasing the Postal Service and District of Columbia employer contributions to the Civil Service Retirement System and ending the retirement health subsidy for the District of Columbia;

(7) Making pay raises effective in January of each year rather than October;

(8) Cutting agency administrative costs (other than salaries) by 10 percent; and

(9) Making permanent the 2087 hour work year (for purposes of computation of pay per pay period).

Let's analyze each of these proposals.

1. INCREASING EMPLOYEE CONTRIBUTIONS TO RETIREMENT

The Administration has consistently charged that federal employees do not pay enough for their pensions. At the present contributory rate, civil servants must pay 7 percent of their base pay to the Civil Service Retirement System and 1.35 percent of salary, up to the Social Security maximum wage base, to Medicare, for a total payroll deduction of 8.35 percent. In the private sector, workers must contribute 5.7 percent of salary up to $39,600 for Social Security and an additional 1.35 percent to Medicare, for a total payroll deduction of 7.05 percent, more than a full percent less than federal employees. In addition, private sector workers receive pension benefits for which, according to a 1982 Bureau of Labor Statistics survey of firms employing 250 or more employees, 93 percent of private employers require no employee contributions. Finally, many private sector employers match employees' voluntary contributions to thrift or savings plans. Thus, the private sector employee currently has the potential to receive more retirement benefits than federal employees, and at a mandatory contribution rate (Social Security and Medicare) less than the combined Medicare and civil service rate. Therefore, to raise the federal contribution rate at this time would be both unfair and unwise.

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2. CONFORMING CIVIL SERVICE SURVIVOR BENEFITS TO SOCIAL SECURITY

The survivor benefits available to federal employees are part of their retirement package, which is an employment benefit for which each employee contributes. There is no social welfare aspect to the Civil Service Retirement System, as there is to Social Security, so it is irresponsible to jump to the conclusion, as does the Republican package, that what is good policy for Social Security is good policy for federal employees. The civil service retirement benefits for survivors are more generous than Social Security—for example, Social Security will allow benefits to surviving children only to age 18, while Civil Service allows them to 21 if the child remains a full-time student—but these are benefits provided federal employees, as explained earlier, in lieu of other employment compensation. Also, I should emphasize that the civil service survivor's package is similar to the package required by private sector employers under ERISA, and finally, since few civil servants actually die while working, the cost of providing a fair survivor benefit package is actually a minimal expense item.

3. REFORMING THE FEDERAL EMPLOYEE HEALTH BENEFITS PROGRAM

The Republican budget package seeks to freeze physicians' fees for a period of one year, as they are currently frozen under Medicare, and it establishes a system of flat rates that hospitals may charge federal health benefit enrollees, again based on a Medicare-type fee schedule. Again, I remind my colleagues that benefits provided federal employees for health care are part of a total compensation package. Also, no federal program can be equated with Medicare because the federal government workforce is an active, working group of individuals, primarily under 65. The needs of a workforce are not the needs of Medicare recipients.

In addition, the federal employee already pays more for health coverage than does the equivalent private sector employee, whose benefits are very often provided by the employer with no employee contributions required, and private health care plans do not use Medicare formulations as the basis for health care coverage. Finally, at this time, the Medicare prospective payment system should not be our model. The Medicare PPS is a brand new program whose results are still being studied. There are allegations that the quality of care is slipping, and until we know more about this, we should not adopt the Medicare system for other programmatic areas simply to save money.

Having said this, however, I also wish to advise my colleagues that while I disagree with the Republican programmatic changes proposed in the health benefit area, I also feel there are potential government savings in the FEHBP—savings that are in excess of one billion dollars. These savings can be found in the special reserves held by those insurance companies who underwrite the federal health plans. Each year when premiums are established for federal health insurance plans, a portion of the money is held in reserve for unforeseen contingencies. Half of the reserves are held by the Treasury; half are held by private carriers.

While CBO and GAO have recommended that these reserves levels should equal about 6 percent of premium income, and while the private sector retains about 10 percent of premium income in reserves, the Reagan Administration has allowed its FEHBP reserve level to grow to 30 percent of premium income, or, $2.1 billion. If the government simply brings the carriers' reserves back to the Treasury—a procedure recommended by both CBO and GAO—we could attain a $1 billion deficit reduction. Because of possible outstanding contractual and legal obligations to the carriers, I do not recommend using the budget process to enact legislation to bring this money back. I am confident, however, that these reserve funds will provide at least as much savings as are contained in the Republican budget reduction targets for health, and I am committed to bringing all the funds back to government through the appropriate legislation at the appropriate time.

4. DELAYING WITHIN-GRADE PAY INCREASES ONE YEAR

To delay within-grade pay increases is to cut pay for employees on the General Schedule. It is unclear whether the Republicans also seek to delay merit pay raises and bonuses, which go to mid-level senior executives. Also, blue-collar federal workers, protected under union contracts, probably will not have negotiated pay increases frozen, so I simply cannot accept singling out one group of workers over another. Thus, I urge that this cut be put back in.

5. REDUCING THE FEDERAL WORKFORCE FOUR PERCENT THROUGH ATTRITION

The Reagan Administration has made a really big thing of cutting the federal workforce. What it has not publicized so vociferously is that for every civilian employee cut, another civilian has been hired over at the Defense Department. Because of this, the size of the federal workforce has actually increased slightly during the Reagan Administration. We should not allow this game to continue through the budget process. If the workforce is to be cut, then we must know where those cuts will occur, which agencies and departments will suffer the consequences, and what savings by government department will result. A simple formula is not acceptable, and I reject that budget cut, too.

6. INCREASING POSTAL SERVICE AND DISTRICT OF COLUMBIA EMPLOYER CONTRIBUTIONS TO THE CIVIL SERVICE RETIREMENT SYSTEM

Most of my colleagues are probably unaware that most District of Columbia employees, because of historical reasons, are part of the Civil Service Retirement System. On the other hand, most of my colleagues probably assume that Postal workers are part of the system. However, since the independent Postal Service was created in 1970, it is questionable whether postal employees should remain part of civil service. There are good arguments that neither D.C. employees nor Postal workers should remain in civil service retirement, but if they do, there are also good arguments that both groups and their employers should be required to pay the full cost of their participation in the system. This is not the place to debate those concerns. Nor, however, is the budget the place to make those policy determinations. Both the Postal Service and the District government will need extensive lead time to re-work their budgets and other commitments, should they decide to opt out of Civil Service, or should they be required to pay full costs. I cannot, in fairness, ask either group to make the necessary adjustments and changes at this time because of this process, and I will therefore urge restoration of the savings projected from these cuts, too.

7. MAKING PAY RAISES EFFECTIVE IN JANUARY OF EACH YEAR RATHER THAN OCTOBER

8. CUTTING AGENCY ADMINISTRATIVE COSTS 10 PERCENT

9. MAKING PERMANENT THE 2087-HOUR WORK YEAR

Mr. President, here are three areas where I would leave the Republican package alone. First, the Governmental Affairs Committee has already discussed and approved the January pay raise date and the 2087 hour work year on a temporary basis, and despite some complaints, these are not policy issues that need further examination or revisiting. As for the 10 percent administrative savings, while I would certainly oppose this if it results in a back-door reduction-in-force, my understanding is that all agencies, departments and government entities will face a like administrative reduction. Therefore, in fairness and equity, I cannot argue for special treatment for programs which administer federal employees' concerns. I have serious reservations, however, that this may mean people rather than paperclip reductions, and I will monitor changes made pursuant to these cuts most carefully to make sure that Congress is not authorizing RIFs.

That, Mr. President, covers the scope and content of my concerns. Restoring these budget reductions will not be cheap. My budget wizards tell me that restoration of the bulk of the civil service programmatic changes will cost $1.2 billion in FY 1986, $5.5 billion by FY 1987, and $6.1 billion in 1988. Let me remind my colleagues, however, that $2 billion of this was earmarked from unspecified cuts, and I cannot believe any of my colleagues would support such amorphous savings.

Like all of my colleagues, I, too, am committed to reducing the deficit and solving the nation's economic problems. In fact, I think the deficit is our country's single most pressing problem. I cannot, however, reduce the deficit on the backs of civil servants who have already withstood $40 billion in cuts during the last decade. Nor can I support reductions which are ill-conceived and ignore programmatic and policy realities and needs. There may be savings in the Civil Service area. Our committee may reduce government costs as it drafts new programs and reviews old programs, but the Republican budget proposals simply fail to do the job fairly.

I-MATCH IS BAD NEWS FOR U.S. EXPORTERS

Mr. HEINZ. Mr. President, as we continue to devote our attention to crafting a budget for the country that produces major savings while providing for necessary expenditures, it is crucial that we take into account the essential role played by the Export-Import Bank in sustaining American exports and the jobs and economic growth that these exports provide. Without a healthy export sector all of our recent debate on the budget will have been beside the point, because we will find ourselves in a recession with disastrous consequences for the long-term industrial strength of our country. As I have pointed out on number of occasions, failure to support the Export-Import Bank will result in an industrial policy in reverse, for we will

be forcing our major capital and high technology industries to move their operations to countries where export financing is available.

Mr. President, my counterpart in the House of Representatives, the chairman of the House Banking Committee's Subcommittee on International Finance, Mr. NEAL, recently introduced legislation that would reject the proposal to eliminate Eximbank's direct credit program and replace it with an interest subsidy program, the so-called I-Match Program. In introducing the bill H.R. 1787, Congressman NEAL makes an excellent analysis of the importance of the Bank and of the pitfalls of the I-Match Program which I have strongly opposed it would be a grave mistake if we were to curtail the Exim's direct credit program. While I would differ with my colleague from Iowa on the partisan tone of some of his comments, I find his analysis of the Bank and the I-Match Program to be directly on target, and I recommend it to my colleagues for their consideration.

Mr. President, I ask unanimous consent that the text of Congressman NEAL's statement be included in the RECORD at this point.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

STATEMENT IN SUPPORT OF H.R. 1787

(Stephen L. Neal)

The purpose of this legislation is to make clear and explicit the Committee's rejection of the Administration's proposals to eliminate Eximbank's authority to make direct loans and to substitute in lieu thereof its so-called "I-Match" program. Before I explain why I think we should reject the Administration's proposals, I want to respond to a few distorted and misleading charges that have been leveled at the Export-Import Bank by its critics, including some within the Administration.

The Administration has apparently reached a budget compromise, of sorts, with some Senate Republicans. It includes adoption of I-Match and elimination of Exim loans. A booklet has been distributed setting forth some arguments for this budget package, including some statements to support its elimination of Exim's direct loans. I want to address a few of these grossly misleading statements.

According to the Administration, "from 1980 to 1984 almost half of (Exim) direct loan financing went to only five major corporations." It charges that Exim is used primarily to subsidize big business.

While it is quite true that Exim loans finance the exports of these companies, it is grossly misleading to caricature them simply as big business subsidies. Many of these companies operate, in fact, like large trading companies. They have hundreds, even thousands of subcontractors, small businesses who supply them with many of the parts, much of the input into the big projects—power plants, aircraft, communications or transportation systems—that they build or export abroad. These companies collect these inputs, package them and add to them, and export the final product. Exim financing for big corporations should in fact be viewed as a highly efficient mechanism for financing the exports of all their subcontractors.

It is, moreover, hard to understand why this charge is always leveled against big exporters. Exim was established primarily to promote and facilitate U.S. exports. It would seem natural for it to finance the sales of those companies that can export most successfully, and whose exports face the most severe competition in terms of foreign financing. To blame those companies for being large and successful is entirely beside the point. It amounts to blaming Exim for doing what it is supposed to do—promoting U.S. exports.

Furthermore, the subsidies in question do *not* go to the exporter. They go to the foreign purchaser. The foreign importer gets the loan at slightly below market rates, and profits thereby. The U.S. exporter profits only because he is able to make a sale he otherwise could not have made.

Official export credit from Exim is absolutely essential to offset the subsidies offered by foreign governments to their exporters. Ideally, we should all abolish these subsidies. But we do not face the ideal world of perfectly free markets. The degree of subsidy embedded in these export loans has been progressively reduced in the past few years, due to real progress we have made in negotiating better international agreements to regulate and discipline official export financing. The remaining modest subsidy is the price we must pay to remain competitive in those few cases where subsidized financing offered by foreign governments will steal our overseas markets unless our exports receive equivalent support from the Export-Import Bank.

The Administration points out Exim has financed only a small share of U.S. exports. Most U.S. exporters do not use Exim financing. It then implies that this fact somehow justifies taking it away from those who do use it. That is illogical. While many U.S. exporters can be competitive because they do not face serious foreign subsidized financing. Those who do face it need Exim financing to compete on even terms.

If they had merit, the Administration's rhetorical attacks on Exim might possibly support the conclusion that we should simply put Exim out of business, that is, stop all subsidized export financing. But the Administration does not propose the elimination of such financing. It just proposes to carry it out under a different guise—its so-called "I-Match", or interest subsidy payment program. Every criticism the Administration makes of Exim financing would be just as valid of its own I-Match program: the same degree of subsidies will be offered to finance U.S. exports; the same exporters, the same notorious big corporations the Administration likes to pillory in its bogus populist rhetoric, would continue to receive the same kind of support from I-Match as they now receive from Exim direct loans; and the same percentage of U.S. exports would be financed under I-Match as under Exim's direct loan program. In short, the Administration's rhetoric in support of its I-Match is, on these points, pure and complete hypocrisy.

I-Match would be vulnerable to the same criticisms the Administration levels against Exim loans (if those criticisms had merit) because I-Match promises to offer foreign purchasers exactly equivalent financing—just to offer it through a different funding mechanism. Then why not adopt it, if it does the same thing? I have decided that we should reject it because it is not, in fact, and equivalent substitute for direct loans. It is seriously flawed, for three reasons:

(1) It is inherently more costly than Exim direct loans. In terms of real cost to the taxpayer—that is, funds expended that will never be recouped—it will substantially exceed the real cost of an equivalent volume of Exim loans. This point emerged quite clearly from our hearings on I-Match.

(2) Its budgetary savings are phony. I-Match would, to be sure, generate some recorded reduction in the federal deficit—but only by the budgetary gimmick of replacing Exim loans with Exim guarantees of private loans. Even these savings would disappear after a few years, when all of Exim's outstanding loans were paid off. This budgetary gimmick would have no beneficial impact on the economy.

The Administration contends that I-Match would rely on private sector rather than public sector financing. That claim is ridiculous. The only change would be from an Exim direct loan to an Exim guaranteed loan. Loans guaranteed by the U.S. government are not "private sector" loans.

(3) Finally, I-Match, as presently constituted, will not work well on a technical level. Our hearings have revealed a number of serious drawbacks in its design—so serious that, if it went into effect as it now stands it would not provide fully competitive financing on terms equivalent to those offered by Exim's direct loan program. While these technical flaws could perhaps, be remedied, until they are we should withhold any authority for I-Match.

The Administration's proposal for I-Match has generated unprecedented confusion and uncertainty about the future of the Export-Import Bank. Our purpose in calling up H.R. 1787 is to reduce that uncertainty to the extent we can—to establish clearly and explicitly that this Committee is not prepared to approve it in its present form. By taking this action, we also make clear that Exim should stick to its current direct loan program, and spend its time trying to make it work even better, not dreaming up new remedies to problems that don't exist.

WILLIAM HADDON, JR., M.D.

Mr. DANFORTH. Mr. President, earlier this year, the world lost a true pioneer in the field of highway safety, William Haddon, Jr., M.D. Dr. Haddon's distinguished career included his service as the first Director of what is now known as the National Highway Traffic Safety Administration and as president of the Insurance Institute for Highway Safety.

Throughout his life, Dr. Haddon was a staunch advocate of improved automobile safety and worked tirelessly to that end. His efforts have saved thousands of lives over the years and are sure to continue to do so.

Clearly, one person can make a difference; Bill Haddon was such a person. He will be greatly missed.

Mr. President, I ask unanimous consent that four tributes given at Dr. Haddon's memorial service be included in the RECORD in their entirety. These tributes, by Susan Baker, Joan Claybrook, Brian O'Neill, and Donald

Schaffer, indeed demonstrate Bill Haddon's unflagging commitment to highway safety.

There being no objection, the tributes were ordered to be printed in the RECORD, as follows:

Remarks by Susan Baker, M.P.H., Associate Professor, Johns Hopkins University School of Public Health

Bill Haddon's family has always shared him generously with the rest of the world. I want to thank them for giving all of us who admired and cared for him a chance to be together for this celebration of his life.

Until fairly recently, most people believed that human injury was part of the price you had to pay for moving people around in cars. Bill Haddon didn't believe it. He spent most of the past three decades trying to correct that and many other misconceptions, to explore new ideas, and apply available knowledge—so that fewer people would die needlessly.

In the process, he created the field of Injury Control, giving it a solid scientific base as well as practical application, and attracting and inspiring and encouraging promising young scientists.

Yesterday, I spent a couple of sad but wonderful hours reading over all my correspondence with Bill, stretching back over 17 years. There was the usual ration of criticism, and occasional annoyance with me or someone else, but the bulk of the letters consisted of very short notes of encouragement or praise for something I'd written or done—what I call "attaboys." Somehow, an "attaboy" from Bill Haddon was worth three or four from anyone else.

The very first letter in the file, dated February 26, 1968, was actually to my husband. Tim had written Bill to say that his wife New York State Health Department, and Tim had written Bill to say that This wife was getting her MPH degree and was interested in accidents.

Bill's response began "Dear Tim: Thank you for your letter. What I have been trying to do now for over a decade is to sow seeds for others to reap, so, needless to say, I am always pleased to hear that things are sprouting and being taken care of * * *. I do hope, however, that Mrs. Baker will not do her work on 'accidents.'"

I confess there have been times when I wondered whether all the fuss over the word "accident" was worthwhile. But, today I know that the reason we have attracted not only public health professionals but also the medical community to this field is the shift in emphasis from accidents to injury—to human damage, and ways to prevent it.

Among Bill's greatest contributions have been the conceptual frameworks he developed. Haddon's Ten Strategies are now well known to thousands of students, who have applied them to everything from bee stings to electrocutions. Bill himself applied them to just about every problem I can think of, perhaps except "running out of gas," a problem that many of Bill's family and friends wondered whether he would ever solve.

With his strategies, and his vivid ways of applying them, the excitement he generated in every class he taught, and his incredible vision, Bill set many things in motion that will be reaping benefits for a long, long time. For many researchers, he and the Insurance Institute made it possible for us to grow professionally, to do better research than we had believed possible, and eventually be recognized as productive members of an important field.

As most of you know, Bill liked to play games. I suspect what he really liked was winning. I remember the end of a long day when we'd been working together on what he referred to as "the damned chapter." He apologized for the fact that he hadn't been able to agree with me on some particular point of contention. "Oh, that's OK," I said. "Can't win them all." Bill looked dismayed. "Which one did *you* win?"

Bill Haddon was a winner. He won the admiration and respect of colleagues, students, friends, and even adversaries. He won the highest awards and honors in the public health world. Best of all, he won freedom from injury for millions of people in this and future generations. In fact, all of us are winners today, because of Bill Haddon's life.

Remarks by Brian O'Neill, Executive Vice President, Insurance Institute for Highway Safety

I joined the Insurance Institute for Highway Safety at the end of 1969, nine months after Bill Haddon had been made president. I didn't know anything about Bill before I joined; if I had I might not have taken the job. Sometimes ignorance is bliss.

Before I worked for Bill, I had worked in a number of research capacities and for several individuals who, at the time, I thought of as outstanding scientists. It didn't take long, however, to realize that Bill was special, a man of extraordinary vision. He was one of those rare scientists who make major breakthroughs by tearing up the old rules and rewriting them. I believe that an important difference between Bill and most other scientists was that Bill had the ability to identify and ask the truly insightful questions. Many of Bill's ideas now seem to us so simple and they are widely accepted. This is one of the most important tributes we can pay to Bill, because he was one of the first to ask the questions that cut right through to the basic issues. Bill and a handful of other pioneers like Hugh de Haven asked questions that today may not seem profound. But at the time they were, because they had not been asked before and they had the effect of reorienting the research in entirely new directions.

They asked why shouldn't the same scientific approaches that had successfully controlled many infectious diseases be applied to the control and prevention of motor vehicle crash injuries. These approches are now being applied and are paying off.

Bill asked why not apply the same principles that we use for packaging fragile objects for shipment through the mail, when we design automobiles for transporting people. Bill never tired of explaining the principles of crash packaging, pointing out for example that no one would dream of packing china so that if the box were dropped, the china could be thrown clear! The analogies may be obvious now, but they weren't always.

He also asked why not apply the well proven principles of automatic protection widely used in public health to motor vehicle protection.

Bill Haddon recognized—long before most others—that crash deaths and injuries are a public health problem needing effective countermeasures derived from scientific studies, not wishful thinking and sloganeering. As I said before, he tore up the old rules and started a new ballgame.

Those of us who worked with Bill at the Institute never had a better teacher—nor a more demanding one. But his demands were O.K.—sometimes they frustrated us when he made them, but eventually we would realize they were O.K. because he was demanding excellence, refusing to allow us to settle for second best. At the Institute the basic rule was, and still is, quality not quantity. This insistence on excellence is one of the many important legacies from Bill for those of us still at the Institute.

Bill Haddon was a medical doctor who dedicated his professional life to saving lives and preventing injuries. Unlike doctors in the more traditional fields, his patients cannot be identified. People cannot come forward and thank him, like patients saved by surgeons. Bill Haddon's contributions in government and at the Institute have saved thousands of lives and prevented many more injuries. Perhaps even in this church someone is alive because of Bill's work.

Those of us who worked with him at the Institute feel that the nation has lost one of its finest servants. And we feel a personal loss too, made all the more profound because he was still young. Bill had so much more to teach us and the Institute can never be quite the same without him.

We will all miss him.

Remarks by Donald L. Schaffer, Senior Vice President, Secretary, and General Counsel, Allstate Insurance Co.

We are gathered here to remember and honor Dr. William Haddon, physician, engineer, scientist, researcher, administrator, government official, husband, father, humanitarian, saver of lives and preventor of injuries—and friend. He combined ability, foresight, dedication and energy into a cohesive, organized assault on the entire matrix of events that can cause death and injury on the highways of America. He developed the first organized and systematic approach to the study of injury cause, effect and prevention. He moved the Insurance Institute for Highway Safety from the era of slogans and handwringing to production of meaningful data and effective responsive action. I am here for the Board of that organization to attest to our respect, admiration and affection for Bill Haddon.

The family has asked that this not be a somber or sad occasion—and it should not be. We should rather rejoice in the success which Bill has achieved. Tens of thousands of Americans are either alive or uninjured because of his vision and accomplishments. Automobiles are safer to operate and more protective in crashes—they are less subject to damage and easier and less expensive to repair.

Child restraint laws resulted directly from Bill Haddon's foresight and efforts. His work has led to the phased introduction of passive restraints—air bags and automatic belts—scheduled for the future. The pressure and background produced by his passive restraint activity created the present environment making it politically possible to enact seat belt use laws in a number of states. Even such mundane but important items as automobile bumpers of equal height which can absorb minor impacts without damage are the product of Bill's imagination and activity. Plus thousands of other contributions to automotive engineering and medicine. Highway design improvement, traffic control, motor vehicle administration, driver training and licensing, drug and alcohol impairment, vehicle lighting and design—in these and many other areas Bill Haddon's imprint has been the cause of major change and improvement.

In 1969 when Dr. Haddon was just concluding his successful and productive term as the first head of what is now the National Highway Traffic Safety Administration, the Board of IIHS had determined it needed a new head man and new direction. Bill had established all the initial vehicle safety rules and the Board was highly impressed by both his accomplishments and vision. The unanimous opinion of the Board was that he was the perfect choice to head the Institute.

As the then Chairman I was asked to approach Bill and offer him the presidency of the Institute. I made a date for dinner with Bill at Paul Young's Restaurant. I heard some rumors that other opportunities were available and that Bill was probably going to turn down the Institute offer.

So knowing Bill fairly well—knowing his inherent reaction to challenge—his often sharp response to criticism—I decided to play a lawyers trick on Bill. After the initial hellos and Bill had consumed his traditional thimbleful of sherry, I made up a little story and said: "Bill, the Board of IIHS is very much interested in you as President. Everyone has great confidence in your technical and scientific ability but some of the Board members think you are a poor Administrator and may not have the administrative skills to staff and run a small organization of this type."

Well Bill blew up and vehemently denied he was a poor administrator and strongly asserted that he could staff, organize and run the Institute better than any other candidate. He rose to the challenge, took the bait and accepted the job.

I've never known whether or not my ploy was an important factor—whether he might have accepted in any event. But I and the Board will be eternally thankful and grateful that he did—and so should the American people.

Bill has left us with a strong, able, effective and dedicated staff and organization. The Institute possesses both a national and international reputation. It is the pre-eminent scientific highway safety organization in the world—thanks to Bill Haddon.

And the Board thanks the Haddon family for lending us so much of Bill Haddon.

If we can continue his work and particularly if passive restraints become standard equipment, Bill Haddon will have saved more lives than anyone since Louis Pasteur.

May the Lord accept and honor him as we do.

Remarks by Joan Claybrook, President, Public Citizen

I rise to celebrate the life and work of Dr. William Haddon, Jr., the father of vehicle crashworthiness, a physician of preventive medicine who represented the victims rather than treating the rich and powerful, an engineer who bridged the gap between concept and action.

Bill Haddon's conceptual work in developing a unified theory of safety revolutionized our nation's approach to reducing highway death and injury. His epidemiological analysis of the precrash, crash and post crash events, his focus on energy management, and his insistence on allocating resources to factors such as automatic crash protection that can effectively limit human injury, are all now well accepted. But in the mid-1960's, when his definitive book "Accident Research, Methods and Approaches," was published, these precepts were not part of the transportation safety lexicon. Auto crashes were treated as a human behavioral problem. "The life you save may be your own" was the cliche of the day. The potential for injury prevention technology was recognized, but only by industry engineers and researchers and a few other technical experts. It was not publicly discussed. Bill Haddon brought the scientists out from behind the closed doors and made crashworthiness job one, as they say in Detroit.

Bill had some unique human qualities and preferences those of us who had the privilege of working with him can never forget. I'd like to mention a few picked from among many during the early days at NHTSA after consultation with his other colleagues Bob Brenner and Lenora Borow.

As his special assistant, I learned in short order that he was a creative genius and a perfectionist, in the words he used, the papers he authored, the ideas he developed. And there is also no question about what Bill liked and disliked. In those days he had a military crew cut, wore white shirts and a bow tie—every day. He hated air conditioning and kept the windows at the Department of Commerce building wide open all summer long. He also disliked anything green (it reminded him of bile), mayonnaise (from his MIT food technology days), cigarette smoking, garrulous people, and especially lawyers.

He disdained the perks of public office and ignored the furnishings until his secretary ordered new furniture when we moved from Commerce to DOT. It included a bright orange couch with high tufted sides and a multitude of covered buttons, a glass top coffee table, and multicolored low-slung matching chairs on wheels. Within minutes of the delivery, Bill complained he couldn't put his feet on a glass topped table. He ordered it all removed immediately to the hall where it sat for months until a senior DOT scientist for whom Bill already had great disdain, rescued it.

Bill Haddon enjoyed challenging authority, even his own. Shortly after his face appeared on the front pages of numerous national magazines, irate consumers started writing thousands of letters and crowding our then tiny offices with defective tires. Late one evening as we were leaving after a particularly grueling day Bill picked up a defective tire and slung it like a bowling ball down the full length of the Department of Commerce block-long hall which was populated with glass doors. As we looked on in horror, he roared with laughter at his own boyishness.

The other giant Bill enjoyed twitting was the auto industry. When he could, he persuaded them to move, as in his conversations with GM President Ed Cole about side bar protection devices and padding the header. But other occasions were not so friendly as when Henry Ford threatened to close down the auto industry if the proposed initial standards weren't changed.

In the tradition of his beloved New England, Bill was sparse with his words, a very direct, no nonsense person. He was a great teacher of people he respected, but parcelled out tart words for those he didn't. He was also sparse in expressing appreciation or giving compliments, but when they came you knew he really meant it. Once after I edited an urgent report Haddon and Brenner had struggled to write, he read it and looking somewhat surprised, said "not bad,"

Bill Haddon's legacy is found in the millions of American who have not died or suffered grievous injury on the highway because of his insight, determination, energy and courage. And his legacy will continue to grow as the years pass. His contributions will become even better known after his life than during it because he helped change massive institutions which will never be as they once were. He forced the auto industry to design safety into its product planning and raised the stature of the safety engineer inside these companies. With only a few engineers on board in 1966, Bill and Bob Brenner personally wrote the first 30 vehicle safety standards, an accomplishment unmatched with more than 100 engineers during the subsequent 18 years.

Bill also energized and focused the auto insurance industry on expanding the base of safety proponents and getting actively engaged in battling Detroit for safety improvements, paticularly air bags. Rarely have two giants of Amercan industry ever clashed over a public health issue.

As a medical doctor, Bill Haddon was furious about the sorry state of emergency medical services and poured DOT money into upgrading them, despite the outraged cries of jurisdictional encroachment from bureaucratic competitors at the Department of HEW. To regain their jurisdiction, the NIH finally started an aggressive program to upgrade hospital emergency treatment of trauma victims, just as Dr. Haddon predicted they would. In 1968 Dr. Haddon also found time to write a definitive report on alcohol and driving, and pioneered the finding still accurate today: That alcohol is involved in 50 percent of all crashes.

Bill Haddon believed that the highest professional ethic was preventing death and injury rather than applying his talents to remedying the damage after the fact. I hope that all of us here, and Bill's many colleagues and friends around the world, can help to continue the seed planting he relished so much by establishing a memorial lecture in injury prevention at Harvard Medical School or the John Hopkins School of Public health or an endowment for summer scholarships for young doctors and engineers in trauma prevention to entice the next generation to carry on his work. Perhaps we can do both. I know Bill would like that.

THE PRESIDENT'S SPEECH IN STRASBOURG

Mr. WARNER. Mr. President, I rise this afternoon to commend President Reagan for the eloquent and moving address which he delivered to a special session of the European Parliament in Strasbourg, France. On this, the 40th anniversary of the liberation of Europe, the President vividly recalled the triumphs and tragedies of that war. He reminded us once again of lessons that must never be forgotten. And, equally important, he spoke with confidence and vision of the opportunities and challenges that confront the Western democracies as we begin the fifth decade of the postwar era.

In his speech, President Reagan defined the task of current leaders in the following terms, "to keep the peace with an ever more powerful Soviet Union, to introduce greater stability in our relationship with it, and to live together in a world in which our values can prosper." I am particularly pleased that the President used the occasion of this speech to go beyond mere words and propose to the Soviet Union a number of practical steps that could, if accepted, contribute significantly to the realization of these goals.

The President's four-part proposal for reducing military tensions includes the exchange of observers at military exercises, regular, high-level contacts between United States and Soviet military leaders, discussion in the Conference on Disarmament in Europe of the Soviet proposal on the nonuse of force in the context of Soviet agreement to NATO's proposed CBM's, and the establishment of a permanent military-to-military communications link to exchange notifications and other information regarding routine military activities.

Mr. President, over the past several years, the Senate has been in the forefront of efforts to devise practical measures to strengthen controls over nuclear weapons and to reduce the risk that these weapons might ever be used due to accident or miscalculation. Let me briefly review the history of our risk reduction initiative.

Back in the early 1980's, Senator Nunn asked the Strategic Air Command [SAC] to undertake a study of the dangers of an accidental war between the United States and the Soviet Union triggered by a third party. The SAC study concluded that neither superpower may have the capability to determine the country of origin of a third party attack, and neither had adequate warning and detection systems to deal with unconventional type attacks.

In 1982, Senator Nunn, our beloved late colleague Senator Jackson, and I introduced an amendment to the fiscal year 1983 defense authorization bill requiring the Defense Department to evaulate several proposals aimed at reducing the risk of nuclear confrontations. That legislation resulted in an April 1983 report by Secretary Weinberger to the Congress outlining four specific risk reduction measures which were eventually proposed to the Soviet Union. The four measures were:

First, adding a high-speed facsimile capability to the hotline.

Second, creating a joint military communications link [JMCL] between the Pentagon and the Soviet military command. This is one of the proposals which the President today asked the Soviets to reconsider.

Third, installing high rate data links between the United States and the Soviet Union with their embassies in the capital of the other.

Fourth, proposing a multilateral agreement for nations to consult in the event of a nuclear incident involving terrorists.

Of these four measures, the Soviets have showed no interest in the JMCL or the embassy date links. There has been discussions on the nuclear-armed terrorist problem, and agreement was reached last July on the hotline upgrade. On April 4, Senator Nunn and I introduced Senate Joint Resolution 108, authorising the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary to implement this agreement. The joint resolution was passed unanimously by the Armed Services Committee on May 2, and I hope that it will be quickly approved by the Senate.

One important risk reduction measure which was cited in our 1982 legislation, but not acted on by the administration, was the establishment of risk reduction centers. Basically, the administration took the position at that time that while these centers might represent a useful long-term goal, it preferred to pursue its own package of proposals before taking on what it regarded as the more ambitious step of establishing the centers.

In November 1983, the Nunn/Warner Working Group on Nuclear Risk Reduction, which we had formed a year earlier, released its report and recommendations. Members of our group included Gen. Brent Scowcroft, Gen. Richard Ellis, Dr. James Schlesinger, William Hyland, Dr. Barry Blechman, Adm. Bobby Inman, Dr. William Perry, and Dr. Donald Rice.

In its report, the working group commended the administration for proposing the four confidence-building measures. However, it disagreed with the administration's decision not to adopt the risk reduction center proposal. In its report, the group stated that there are "crucial political aspects" to controlling crises which can only be addressed through "more comprehensive language involving designation of particualr representatives and facilities in both nations that would be assigned specific responsibilities for preventing a nuclear crisis."

On February 1, 1984, Senator Nunn and I introduced Senate Resolution 329, which incorporated the recommendations of the working group and urged the President to propose to the Soviets the establishments of these centers. This resolution was approved unanimously by the Foreign Relations Committee last May. On June 15, the Senate voted 82–0 to approve an amendment which we introduced to the fiscal year 1985 defense authorization bill incorporating the language of Senate Resolution 329. This provision was subsequently approved by the conference committee on this bill and enacted into law.

Despite the overwhelming congressional support for this proposal, the idea has yet to be formally embraced by this administration. We were, however, encouraged by Secretary Weinberger's January 31 testimony before the Foreign Relations Committee, in which he stated that it was very important to negotiate the creation of these centers.

Mr. President, I applaud the President for renewing his earlier crisis prevention offers to the Soviet Union, and I urge the Soviets to sit down with our representatives and try to reach agreement along these lines. At the same time, I remain hopeful that the administration will recognize the merit of our proposal for the establishment of risk reduction centers and add it to its negotiating agenda in future discussions with the Soviet Union on an overall framework of confidence-building measures.

I recognize that the Soviets often strongly resist proposals for easing tensions and reducing mutual risks which seem eminently sensible to us. But, as Secretary Weinberger said in his testimony in January, "this is not a reason not to try again."

I speak from some personal experience on this point, because 15 years ago I had the privilege of leading a U.S. delegation to the Soviet Union for the initial round of discussions that led to the 1972 Incidents At Sea agreement. After nearly 2 years of rigorious negotiations, in Washington, DC, and Moscow, I was privileged to sign in May 1972, on behalf of the United State Navy, an agreement that has been most effective for both nations.

Mr. President, I now yield to my distinguished colleague from Georgia, Senator Nunn.

Mr. NUNN. Mr. President, I join Senator Warner in paying tribute to the President for his speech yesterday in Strasbourg and his four-part proposal for reducing military tensions.

One year ago, when Senator Warner and I testified before the Foreign Relations Committee on our resolution, I noted that although the United States and the Soviet Union had in large measure been able to avoid confrontations entailing the risk of nuclear war over the past three decades, there were compelling reasons to be concerned about their ability to continue this into the future. Indeed, there are an increasing number of circumstances that could precipitate the outbreak of nuclear war that neither side anticipated or intended, possibly involving terrorist groups or the growing number of nuclear-armed states that will likely exist by the end of the century.

If anything, I am more convinced today that I was then that the establishment of nuclear risk reduction centers is a crucial, indeed imperative, step. Over the past year, we have witnessed three different Soviet military accidents that could easily have been misinterpreted by one side or the other: The errant Soviet cruise missile incident in January and two major explosions in the Soviet Union last year, one at the naval munitions depot at

Severomorsk, the other at a munitions factory in western Siberia.

Even more compelling, though, is the shift that both sides are now undertaking in their strategic posture toward a much prompter launch of land-based systems. I will not get into a discussion here as to whether we are talking about launch on confirmed warning of attack or launch under attack. But suffice it to say that as increasingly accurate, MIRV'd ICBM's like the MX, the SS–18, the SS–19, and the new SS–24 which the President mentioned in his speech yesterday make each side more and more vulnerable to a first strike, we are moving inexorably toward a hair trigger retaliatory posture. In these conditions, there is an extraordinary premium placed on avoiding any misinterpretation of nuclear incidents or military activities, and this is precisely the role that nuclear risk reduction centers could perform.

What we have in mind is separate facilities in Moscow and Washington, linked by the most modern communications equipment. The U.S. center should probably be directed by an ambassador-level official who would report directly to the National Security Council through the President's National Security Adviser. The permanent staff should include such other diplomatic, military, and intelligence personnel needed to maintain a 24-hour watch and support the various other functions performed by the centers. We do not believe that it would be prudent to start out with joint United States/Soviet manning of the centers, though this step might be feasible at some stage further down the road.

Senator Warner and I believe that there are presently a number of functions which these centers could usefully perform. We recommend that the centers be assigned rather modest tasks in their initial phase of operations, recognizing that a more ambitious set of responsibilities would have to evolve over time as the centers demonstrated their worth.

The first recommended function is one which is most commonly associated with the risk reduction center concept: That of serving as the primary point of contact for the exchange of all military information required under United States/Soviet agreements and, if accepted by the Soviets, the types of notifications that were proposed by the United States in the START working group on confidence building measures. This tasking corresponds to a function that was specifically cited in our amendment, the exchange of information about military activities that might be misunderstood during periods of mounting tensions.

This communications link would be under political control, as opposed to the military-to-military communications system which President Reagan proposed yesterday. Given the Soviets' longstanding practice of keeping their military under strict political control, we think that they might be more disposed to establishing this kind of communications link if it were not proposed to be under independent military control.

The centers could also serve as facilities for the exchange of information concerning events that might lead to the acquisition of nuclear weapons by subnational groups or terrorists. This function also specifically cited in the legislation which the Senate passed last year.

Another function draws on a proposal by President Reagan in his September 1984 U.N. speech. The President suggested that the United States and Soviet Union hold regular, institutionalized meetings at the ministerial or Cabinet-level and that the agenda for these meetings could involve, for example, the exchange of 5-year military plans for weapons development and procurement. Another activity that might be appropriate for these meetings is one that was also outlined in the legislation: Discussing procedures to be followed in the event of possible incidents involving the use of nuclear weapons by third parties. We believe the risk reduction centers would be an ideal location for conducting these kinds of discussions.

Another promising option also relates to a proposal that President Reagan renewed yesterday, though it has been suggested by many others, including General Vessey when he became Chairman of the JCS in 1982, and by myself, Senator Levin, and 54 other Senators in a letter to the President in 1983. This is to institute regular, high-level meetings between United States and Soviet military leaders. These meetings could promote a dialog on nuclear doctrines, forces and activities, as recommended in the Nunn/Warner amendment. We believe the risk reduction centers would also be a perfect facility for conducting these meetings.

In closing, I would say that of these functions, the first is probably the one most directly related to the concept of these centers as it has evolved over time. Obviously, the most important function is the around-the-clock maintenance of communications, facilities, and personnel for preventing a nuclear crisis. To the extent that the other functions involve activities that could stand on their own absent the existence of risk reduction centers, bringing them under the umbrella of these centers is admittedly an essentially symbolic act.

But when we are dealing with the profound question of preventing nuclear war, I would argue that symbols matter. The American people want reassurance. They want to know that the Government which they are entrusting with command authority over tens of thousands of nuclear devices is giving the highest priority to reducing the risks of nuclear war. The establishment of nuclear risk reduction centers can provide such a symbol and also serve crucial substantive functions. Holding various high-level meetings in these centers would promote greater public awareness of the centers and, in turn, greater reassurance that the two Governments were indeed working to reduce the risk of nuclear war.

Mr. President, President Reagan's four-part proposal could, if accepted, contribute significantly to reducing military tensions. I hope that both countries will also consider taking another important step toward this goal: The establishment of nuclear risk reduction centers.

BISHOP JAMES D. NIEDERGESES HONORED IN NASHVILLE

Mr. SASSER. Mr. President, I rise to pay tribute to a distinguished constituent, a leader in the cultural and spiritual life of Tennessee, His Excellency James D. Niedergeses, bishop of the Roman Catholic Diocese of Nashville.

I was recently privileged to speak at a dinner in the bishop's honor in Nashville, and I was deeply impressed by the fondness toward him that was displayed by the 650 people in attendance at that event. He deserves the affection and respect of them all.

The bishop has tirelessly served God and the Catholic community of middle and east Tennessee for more than a decade. His stewardship has been one of honor and distinction.

Nowhere more than in the field of Catholic education has the bishop's many contributions been more evident or more appreciated. The dinner in his honor was on behalf of Father Ryan High School, a great institution he has served nobly by establishing its development fund. Bishop Niedergeses' example has demonstrated that Catholic education, especially in the Nashville diocese, renders a positive contribution to society and to the minds and spirits of the young.

I commend the devoted service of a distinguished clergyman and citizen, Bishop James D. Niedergeses.

50TH ANNIVERSARY OF REA

Mr. SIMPSON. Mr. President, I am pleased to join with several of my colleagues to speak in commemoration of the 50th anniversary of the establishment of the Rural Electrification Administration—the REA. When the REA first embarked upon its historic mission to "electrify" America, it was viewed by all America as a stunning success. In those early beginnings in

1935 when most farm homes were illuminated—but just barely—with kerosene lamps—it literally illuminated the face of America. It financed electric co-ops and even conducted traveling "road shows" to promote the use of electricity, prepared wiring and plumbing plans and lent farmers the money to purchase and install appliances. Today it is as busy as ever, even though over 99 percent of all of America's farms have electricity.

Rural electric cooperatives today comprise a vast operating network of more than 1,000 local and regional electric systems found in 46 States. These co-ops are consumer-owned, nonprofit utilities incorporated under the laws of the States in which they operate. I know personally those fine gentlemen and gentlewomen who serve on the various boards of directors of REA's in my own State of Wyoming—they are a remarkable and dedicated lot. In fact, one of the most significant supporters of the REA was from my home State of Wyoming many years ago. He was one of the founders of the National Rural Electric Cooperative Association [NRECA]—a man named J. C. "Kid" Nichols. He was one of the guiding lights and a moving force in the early days of the REA.

Rural electric systems serve approximately 25 million people in about 2,600 counties of the United States. Their service territories encompass 75 percent of the land base of the United States. They pay no Federal income tax because they are nonprofit entities and in at least 21 States they are not regulated by public utility commissions. They own and maintain nearly 44 percent of the Nation's electric distribution lines. In fiscal year 1978, 92 percent of the capital requirements of all rural systems was satisfied through REA insured and guaranteed loans.

Yet all is not well with REA. I think all thoughtful persons would admit that the task of electrifying rural America is largely completed, and yet we find that over the years some very crafty and creative financiers, accountants, lawyers, businessmen and trade associations entered the picture in order to preserve the massive infusions of Federal money into the original system. They created a phalanx of complex financing schemes, off budget financing and revolving fund capers for the REA-financial plotting that would make even an atomic scientist marvel. In their zeal to expand they forgot the original reason for being.

Almost as important a duty for the REA as advancing new services has been subsidizing the costs of existing services. The price of electricity, for example, has been held down despite the higher cost of serving rural areas. Only 172 of the Nation's 930 rural electric distribution systems increased their retail rates during 1984. This continued a trend in which the number of co-op rate increases have declined in each year since 1981, when 443 co-ops increased their rates.

"The major reason for the decline in co-op rate increases is the slowdown in wholesale power costs," according to Richard Larochelle, NRECA economic and rate specialist. "The large wholesale power rate increases of the 1970's and early 1980's are over and co-ops in most parts of the country can look forward to a period of relative rate stability," he said.

At the center of the Federal Government's rural electrification program is the assurance that the Nation's rural electric systems will have access to operating and finance capital. REA's role in making and backing loans to co-ops—historically for electric distribution and transmission—has been pivotal to the success of the rural electric program from its beginning. Since 1935, the REA role in financially backing rural electric systems has only been altered twice; once in 1944 to extend the loan repayment period from 10 to 35 years at a fixed 2 percent rate; and again in 1973, when the direct 2 percent loan program was terminated and replaced with insured and guaranteed loan programs (amendments made in the Rural Electrification Act in 1976 were required to correct technical deficiencies of the 1973 amendments). Since the beginning of the Rural Electric Administration, in each instance where Congress has set an interest rate to borrowers, that rate has been made approximately equivalent to the then prevailing cost of government funds.

As with so many of the varied activities of the Federal Government, programs that draw their nourishment from deep within the bowels of the Federal Treasury—on budget and off budget—tend to grow beyond all projections. In that way, the REA has become much much more than just a distribution system. It is both a growing dynamo and a ruptured dinosaur providing power to commercial industry (with the taxpayer providing the subsidy through the low interest loans), and providing backdoor Federal financing for commercial utilities in their generation and transmission activities and in the construction of conventional and nuclear powerplants. There are presently 54 REA co-ops which serve urban, rather than rural areas—and they continue to be heavily subsidized. Such procedures need a most thorough review, and the Congress deserves an opportunity to thoughtfully determine whether the Nation's taxpayers should continue to foot a good part of the bill for the projects that have sprouted up from the creative and original need to electrify rural America—and to honestly re-assess the worth of those that have grown far out of proportion to their basic and well-accepted mission.

During the last Congress, the NRECA presented us with legislation which purported to bring self-sufficiency to the rural electric and telephone revolving fund. I dubbed that proposal "fiction financing" and urged my colleagues to consider all of the issues involved in order to shed some light on the workings of that remarkable revolving fund which no longer revolves. If we are to make adjustments to the revolving fund, let us do it up front, honestly, responsibly. Let's stop the duplicity and outbursts of defensiveness and legerdemain to shroud what is really going on. Let's really assure that "REA pays its way." Let us continue to make available the specific Federal assistance which was envisioned as being so necessary at the birth of the REA. In that way the individuals who—because of geography, isolation or other valid reasons—need assistance in receiving a dependable supply of power indeed shall have it. At the same time, we will demonstrate a responsibility to the general public which has grown so very weary of Federal programs which have grown far beyond their fine original intended purposes and which have then become distorted in concept and increasingly ravenous for Federal dollars. REA is assuredly one of those. Let's get it fixed up and working right. I'm ready to help.

Mr. KERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SPECTER). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1986

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 32) setting forth the congressional budget for the United States Government for the fiscal years 1986, 1987, and 1988 and revising the congressional budget for the United States Government for the fiscal year 1985.

The Senate resumed consideration of the resolution.

AMENDMENT NO. 59

(Purpose: To provide funding for Amtrak at a level which is 10 percent less than fiscal year 1985 levels)

Mr. SPECTER. Mr. President, I call up amendment No. 59.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 59.

Mr. SPECTER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, increase the amount on line 12 by $600,000,000.

On page 3, increase the amount on line 13 by 700,000,000.

On page 3, increase the amount on line 14 by $700,000,000.

On page 3, increase the amount on line 18 by $500,000,000.

On page 3, increase the amount on line 19 by $700,000,000.

On page 3, increase the amount on line 20 by $700,000,000.

On page 3, increase the amount on line 25 by $500,000,000.

On page 4, increase the amount on line 1 by $700,000,000.

On page 4, increase the amount on line 2 by $700,000,000.

On page 4, increase the amount on line 6 by $500,000,000.

On page 4, increase the amount on line 7 by $1,200,000,000.

On page 4, increase the amount on line 8 by $1,900,000,000.

On page 4, increase the amount on line 12 by $500,000,000.

On page 4, increase the amount on line 13 by $700,000,000.

On page 4, increase the amount on line 14 by $700,000,000.

On page 16, increase the amount on line 20 by $600,000,000.

On page 16, increase the amount on line 21 by $500,000,000.

On page 17, increase the amount on line 4 by $600,000,000.

On page 17, increase the amount on line 5 by $600,000,000.

On page 17, increase the amount on line 13 by $600,000,000.

On page 17, increase the amount on line 14 by $600,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $100,000,000.

On page 33, increase the amount on line 12 by $100,000,000.

On page 38, decrease the first amount on line 24 by $616,000,000.

On page 38, decrease the second amount on line 24 by $536,000,000.

On page 38, decrease the amount on line 25 by $616,000,000.

On page 39, decrease the amount on line 1 by $577,000,000.

On page 39, decrease the first amount on line 2 by $616,000,000.

On page 39, decrease the second amount on line 2 by $616,000,000.

On page 46, decrease the amount on line 9 by $616,000,000.

On page 46, decrease the amount on line 10 by $536,000,000.

On page 46, decrease the first amount on line 11 by $616,000,000.

On page 46, decrease the second amount on line 11 by $577,000,000.

On page 46, decrease the amount on line 12 by $616,000,000.

On page 46, decrease the amount on line 13 by $616,000,000.

On page 52, increase the amount on line 1 by $600,000,000.

On page 52, increase the amount on line 3 by $600,000,000.

On page 52, increase the amount on line 4 by $600,000,000.

Mr. SPECTER. Mr. President, in order to expedite the treatment of this amendment, because of the limited time remaining—and the distinguished Senator from New Mexico [Mr. DOMENICI] has asked as little time be used as possible—I shall be referring to some of the material I will be introducing and will try to use as little floor time as possible.

Mr. President, today I offer an amendment to Senate Concurrent Resolution 32, the fiscal year 1986 budget resolution, as amended by the distinguished majority leader's substitute amendment.

My amendment to the budget would restore Federal funding for Amtrak at a 10-percent reduction over the fiscal year 1985 level.

Amtrak is presently threatened with the total elimination of its Federal subsidies by September 30, 1985. If this happens, the United States would be the only industrial nation without rail passenger service. My amendment to restore funding for Amtrak at a 10-percent cut over the fiscal year 1985 level is the maximum cut that Amtrak could withstand without sacrificing or eliminating major components of its passenger service. A cut, and not total elimination, in Amtrak represents an equitable move toward reducing the Federal deficit while sustaining the viability of this vital program.

Preservation of Amtrak's passenger service is a matter of great national importance. It provides vital services for the entire Nation, particularly for the populous eastern seaboard. With its elimination, traffic will be snarled all over the east coast, with highways jammed and airports clogged. It would become impossible for traffic to get through the Baltimore Harbor Tunnel. In fact, the U.S. Senate might have difficulty getting a quorum.

The elimination of Amtrak will also have serious economic implications nationwide. Amtrak presently employs some 25,000 people in 44 States, and in 1984, contributed $1.4 billion to our economy through its payroll and the purchase of goods and services. During 1984, Amtrak remained the sixth largest transportation company in the country.

In my State of Pennsylvania in 1984, Amtrak employed 3,242 residents with an annual payroll of $85.5 million. Amtrak contributed another $76 million to Pennsylvania's economy through the purchase of goods and services in 1984.

Amtrak's passenger service plays a vital role in our intercity transportation network and Amtrak's sustained progress in improving its service and reducing its dependence on Federal funds shows continued Federal support will pay great dividends in the long run. Amtrak's current funding level of $684 million is the lowest since fiscal year 1977. In 1986, Amtrak expects to cover at least 60 percent of its costs through revenues, compared to 48 percent just 4 years ago.

Amtrak's capital plant, assembled almost entirely with Federal funds, is now worth some $3.1 billion. Salvage value on these assets—rail line, stations, maintenance facilities, and the like—will be minimal if all intercity rail passenger service is eliminated.

In addition to the investment of the Federal Government, many States have made capital expenditures that total more than $100 million in order to support and enhance passenger service within their borders. This investment will be lost if Amtrak is phased out.

Amtrak currently carries 20 million passengers each year. The total elimination of rail passenger service will leave many communities, particularly in the more sparsely settled areas of the country, without any common carrier passenger transportation. Even travelers that count on other modes of transportation under normal conditions find they must depend on Amtrak in the event of weather emergency or labor strikes.

Among the major cities between Washington and New York, Amtrak trains carry almost 18,000 people daily, or 60 percent of the total air/rail ridership. Elimination of Amtrak service in the Northeast corridor will add to air congestion and will ultimately require billions of dollars in additional Federal investment for airport and highway construction.

Amtrak's Northeast corridor is also used by Conrail freight trains and commuter rail trains. If Amtrak is eliminated, Conrail and the commuter agencies will have to absorb $116 million in additional costs to sustain their own operations on the Northeast corridor.

The elimination of funding for Amtrak would trigger a $2.1 billion Amtrak liability for labor protection agreements, which provide up to 6 years full salary for employees who are furloughed. Neither the Government nor the public would derive any benefit in service or value from these payments.

State and local governments are unable or unlikely to pick up Amtrak rail passenger service. If they do, costs will still be borne by the taxpayer but with reduced service because Amtrak's current contracts allow for more favorable operating agreements than outside parties could hope to negotiate.

The private sector will not pick up lost Amtrak service, as confirmed by Transportation Secretary Elizabeth Dole on April 23. The cost of doing so in competition with publicly subsidized air and highway transportation would be prohibitive.

The effective elimination of Amtrak will result in serious adverse economic consequences to the Nation in terms of: loss of investment, loss of income to equipment and supply contractors with Amtrak, loss of rail passenger service, and loss of jobs along with the strain on the railroad retirement system.

When these costs and consequences are considered, it is clear that the far better choice is for the Federal Government to continue providing support to Amtrak.

The amendment I am offering today would continue to fund Amtrak at a 10-percent reduction over the fiscal year 1985 level of $684 million. According to the Congressional Budget Office, this would translate into budget authorities of $616 million for fiscal years 1986, 1987, and 1988. Corresponding outlays would be $536 million for fiscal year 1986, $573 million for fiscal year 1987, and $616 million for fiscal year 1988. This amendment accordingly modifies the reconciliation instructions to the House and Senate authorizing committees of jurisdiction.

I submit that the cost to continue Federal funding of Amtrak could be offset by $500 million if the Congress approves legislation I recently introduced which would use the profits of Conrail to defray Amtrak's deficits. The remainder of the cost to operate Amtrak could be funded by a corresponding reduction in function 300, relating to national resources and environment. The $200 million offset will reduce the Bureau of Reclamation's construction budget in a manner consistent with the administration's budget proposal for that account. The administration has proposed a reduction of $300 million for fiscal year 1986, but the budget resolution before us now contains a reduction of only $80 million. According to OMB, the Bureau of Reclamation failed to spend some $200 million of its fiscal year 1985 appropriation.

Mr. President, I urge my colleagues to consider these arguments as we reduce the Federal deficit while recognizing the critical importance of our national rail passenger service.

Mr. President, if the current proposal stands with the elimination of Federal support for Amtrak, Amtrak will stop operating on September 30 and will constitute an enormous national dislocation affecting some 20 million riders in 44 States in this country. I suggest, Mr. President, that it will be impossible to land an airplane at La Guardia and National Airports and many other airports around the country because of the clog of the transportation system; that it will be difficult, if not impossible, to drive on the eastern seaboard with the added influx of bus and automobile traffic; impossible perhaps to get through the Baltimore Harbor Tunnel without enormous delay; and probably impossible to get a quorum in the U.S. Senate, not that the latter fact might be of great consequence to the national welfare, but it would be an enormous dislocation.

Mr. President, if the Federal funding is eliminated, there is not going to be any magical way that Amtrak is going to continue to operate under some private auspices in certain key sections of the country like the eastern seaboard or in other parts which are profitable for Amtrak.

As set forth in Congressional Quarterly for April 27, 1985:

> Transportation Secretary Elizabeth Hanford Dole admitted on April 23rd that if the administration proposal to cut all assistance to Amtrak were enacted, private railroads are unlikely to want any of Amtrak's routes and the passenger rail corporation might go bankrupt.

The same issue of Congressional Quarterly pointed out that Secretary of Transportation Dole said the Department of Transportation had sought a $765 million subsidy for Amtrak for fiscal year 1986, and when that was rejected by the Office of Management and Budget, then the U.S. Department of Transportation sought a $608 million subsidy for Amtrak. And that is obviously strong evidence that prior to the intervention by OMB, the official of the U.S. Government responsible for transportation felt it worthy of a subsidy for $765 million.

The reinstatement of funding that this amendment proposes would take the $684 million for fiscal year 1985 and reduce it by 10 percent in an effort to be as economical as possible and make as much contribution as possible to reduce the deficit, leaving a net subsidy of $616 million. This figure has been arrived at after I consulted with Mr. Graham Clater, president of Amtrak, who says that that is the absolutely irreducible minimum that it would take to operate Amtrak.

The Budget Committee had proposed a 30-percent reduction in Amtrak funding for fiscal year 1986, but according to information provided to me, the committee did not take into account the labor protection agreement which could have consumed the remaining subsidy, leaving virtually nothing for train operation; and it would be satisfactory with this Senator to have whatever figure is practical for the operation of Amtrak. If that could be lower than $616 million, that would be acceptable. But based upon all the information available to this Senator, that appears to be the irreducible minimum.

Mr. President, I suggest that if the funding for Amtrak is eliminated, the Federal Government will be paying more money than it would if this amendment were adopted and Amtrak continued to exist with the $616 million Federal subsidy. That is because the labor protection cost would be $645 million in the first year, assuming an 80-percent employee participation rate, and the total 6-year liability for labor protection costs will be some $2.1 billion.

Mr. President, at this time I ask unanimous consent to print in the RECORD opinions of counsel Covington and Burling dated April 17, 1985 and April 25, 1985, which set forth the legal authority for the proposition that the U.S. Government will be liable for the labor protection costs even if funding stops. There are conflicting opinions, not unusual in the context where lawyers opine on the same subject, and it may be that before the litigation costs are completed the figure will be staggering, very large even in comparison to the amount of money which is involved in this amendment.

There being no objection, the opinions were ordered to be printed in the RECORD, as follows:

COVINGTON & BURLING,
Washington, DC, April 17, 1985.

PAUL F. MICKEY, Esq.,
Executive Vice President, Law and Public Affairs, National Railroad Passenger Corp., Washington, DC.

DEAR MR. MICKEY: You have informed us that, if no funds for Amtrak are included in the FY 1986 budget, Amtrak will be unable to continue its rail passenger service operations.[1] In the event of discontinuance of such operations Amtrak will become insolvent, since it will be unable to pay from funds on hand its labor-protection[2] and other[3] obligations. Proceedings under Chapter 11 of the Bankruptcy Act would, presumably, quickly follow. It is expected that liquidation of Amtrak's assets would fall far short of producing the amount needed to pay its creditors in full.[4]

You have asked us four questions:

1. Would a bankruptcy court be likely to hold that the claims of the United States, although secured by liens on most of Amtrak's property, should be equitably subordinated to prebankruptcy unsecured claims, particularly the $2.1 billion of labor protection, with the probable result that the United States would realize nothing on its claims?

2. Could Congress constitutionally, by amending the RPSA or otherwise, eliminate or reduce Amtrak's labor-protection obligations in the context of a complete elimination of federal funding of Amtrak?

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[1] Footnotes at end.

3. If the answer to question 1 is yes, could Congress prevent that result, and ensure priority for the United States' claims, by legislation?

4. Is it likely that the United States would itself be held liable to pay Amtrak's labor-protection obligations?

Our answers are as follows: question 1, yes; question 2, probably not; question 3, probably not; question 4, yes.

THE FACTS

The facts material to these questions are as follows. The United States, by § 301 of RPSA, caused Amtrak to be incorporated as a for-profit corporation, "the purpose of which shall be to provide intercity and commuter rail passenger services." "The Corporation will not be an agency or establishment of the United States Government." "The right to appeal, alter, or amend this Act at any time is expressly reserved." Id.

While Amtrak issued common stock to private railroads in return for financial contributions mandated by Congress, RPSA, § 304(a), the United States owns all the preferred stock, which has a liquidation preference, id., and is entitled to all the voting power until the preferred stock is progressively converted to common stock, § 303(c), which has never occurred. The federal government thus is for practical purposes the sole shareholder of Amtrak.

The rail passenger system that Amtrak was initially ordered to operate was directed by Congress on the recommendation of the Secretary of Transportation, §§ 201, 202. All subsequent decisions as to whether to continue, abandon or add specific service are determined by detailed criteria established by Congress, §§ 403, 404, 1001–04. It is thus on the United States' sole responsibility that Amtrak has operated a rail passenger system that results in substantial losses and has made large federal subsidies necessary.

As already mentioned, Amtrak was required by Congress (§ 405) to enter into the contract that establishes the labor-protection obligations which, upon Amtrak's complete discontinuance of service, would constitute the major non-federal creditor claims against Amtrak's estate.[5] While Congress has provided annual funding for the relatively minor labor-protection payments occasioned by specific discontinuances of service, it provided no funding or security that could meet the approximately $2.1 billion of payments that Amtrak would be required to make in the event of complete discontinuance. Since these claims would rank equally in bankruptcy with other prebankruptcy unsecured claims, all other claims in that category would be decisively affected by the existence of these obligations and Amtrak's inability to discharge them out of the liquidation proceeds of its assets. Thus ordinary trade, tort and other creditors would, like Amtrak's employees, be adversely affected by the failure to fund labor-protection obligations and, absent liability of the United States, are likely to realize only a small fraction of their claims in the event of Amtrak's bankruptcy.

In operating the rail passenger service prescribed by Congress, Amtrak has incurred large losses in each year of its operations. Cumulatively, Amtrak has received approximately $10 billion from the United States. Of this amount, preferred stock has been issued for approximately $2.9 billion; $1.1 billion has been treated as a loan secured by Amtrak's rolling stock; another $1.9 billion has been treated as a loan secured by a mortgage on the Northeast Corridor, and the remaining $4.1 billion has not been converted into any debt or equity interest.

We are informed that it could not reasonably be contended that the approximately $3 billion of federal payments to Amtrak that have been treated as loans could have been borrowed from any other source.

QUESTION 1.—EQUITABLE SUBORDINATION

We believe it probable that a bankruptcy court would hold that the claims of the United States as a creditor against Amtrak's estate should be equitably subordinated to the claims of general unsecured prebankruptcy creditors, and the United States' liens[6] should disappear or pass to the estate.[7]

Equitable subordination, until recently judge-created doctrine, now has statutory recognition in the Bankruptcy Code.[8] The doctrine entails that the claims, as creditor, of controlling shareholders will be subordinated in circumstances where allowance of such claims on a priority or equal basis would be unfair and harmful to other creditors.[9] Among the best-recognized situations in which the doctrine will be applied are (1) where the bankrupt corporation is deemed to have been undercapitalized by its controlling shareholders,[10] and (2) where those shareholders have supplied debt financing in circumstances where equity capital was economically requred.[11] Such shareholders will not be permitted to enjoy equality with, let alone priority over, other creditors when they made loans to, and/or obtained security interests in the property of, their undercapitalized subsidiary.

An enterprise is undercapitalized if its owners do not provide it with sufficient equity capital to meet the normal and foreseeable demands and obligations of the business in which it is to engage.[12] A strong, though not at all necessary, factor indicating undercapitalization is the existence of loans made to the subsidiary by the parent in circumstances where investing the amount as equity would have made the subsidiary more viable and where such loans could not have been procured from independent sources of financing.[13]

We believe a court would probably find that Amtrak was undercapitalized, and particularly so with respect to its labor-protection obligations. While Congress conveyed very large sums to Amtrak in the form of appropriations, taking no ownership or debt interest at all for some of those sums and taking an equity interest (the preferred stock) for some others,[14] the adequacy of the sums must be assessed in the light of the magnitude of the nationwide, money-losing rail passenger operations that Amtrak was required to conduct and, indeed, to expand and to upgrade. Moreover, to the extent that the congressional appropriations were expended on operations or for investment in capital purchases and improvements with no net-income-producing capacity, they furnished little or no equity cushion to Amtrak or protection to its creditors. And Congress kept Amtrak on a tight leash; there has never been a time when a cessation of government appropriations would not have led to Amtrak's prompt bankruptcy.[15]

Most important of all, Congress required Amtrak to assume by contract a liability for labor protection that, in the event of Amtrak's total discontinuance of service, is estimated to amount to some $2.1 billion. Total discontinuance was always a real and foreseeable possibility. Congress originally authorized Amtrak to operate its service on a two-year trail basis only. Appropriations could always be cut off, with discontinuance as the neccessary result. And Congress expressly reserved the right to repeal, alter or amend the RPSA at any time.[16] Thus a total discontinuance of Amtrak's operations, and the consequent triggering of the maximum labor-protection obligation, must be considered a normal and foreseeable incident of the business in which Amtrak was directed to engage.[17]

In these circumstances, it can be strongly argued that, since Amtrak's parent—the United States—did not provide Amtrak, through equity capital or otherwise,[18] with some means of satisfying that obligation, the legal conclusion must be that Amtrak was undercapitalized and that the United States' claims should be subordinated. The fact that Amtrak's parent caused it to assume the liability in question, without regard to Amtrak's own business interests, provides strong additional support for this conclusion.[19]

Still further support is provided by the fact that the United States caused Amtrak to become indebted to it to the extent of some $3 billion—a sum far greater than the probable liquidation value of all its assets—in circumstances where such debt financing could not have been obtained from any independent source. As we have seen, this is a circumstance that has been accorded substantial weight in determining undercapitalization. Finally, the United States required Amtrak, as security for the debt financing, to convey liens on the great bulk of its assets, to the prejudice of Amtrak's employees and others who have unsecured claims that otherwise might have been satisfied, at least in part, from the proceeds of those assets.

QUESTION 2.—COULD CONGRESS CONSTITUTIONALLY ELIMINATE OR REDUCE AMTRAK'S LABOR-PROTECTION OBLIGATIONS IN THE CONTEXT OF A COMPLETE ELIMINATION OF FEDERAL FUNDING OF AMTRAK?

Could it be successfully argued that Congress could constitutionally, by statute, eliminate or reduce the labor-protection obligations—imposed by Section 405 of the RPSA and undertaken in Appendix C-2 to the Basic Agreement—as part of a plan to disengage the United States from Amtrak by the complete elimination of funding?

In Title V of the Regional Rail Reorganization Act of 1973 (RRRA), 87 Stat. 1012 (1974), Congress provided certain labor-protection benefits for employees of Conrail. No contract was involved; the detailed protection provisions were spelled out in the statute. Subsequently, in successive stages, by the Staggers Act of 1980, 94 Stat. 1985, and then by the Northeast Rail Service Act of 1981, 45 U.S.C. 581 et seq., Congress first modified and then repealed Title V and substituted less generous protection provisions. In Section 1132 of the 1981 Act, Congress declared that the RRRA had failed in its objective of creating a self-sustaining Conrail; that the labor-protection provisions of the RRRA "have resulted in the payment of benefits far in excess of levels anticipated at the time of enactment, have imposed an excessive fiscal burden on the Federal taxpayer, and are now an obstacle to the establishment of improved rail service and continued rail employment in the Northeast"; and that failure to reduce the benefits provided by Title V "would destroy [Conrail's] prospects of becoming a profitable carrier and further injure its employees."

The reduction of benefits was challenged as an unconstitutional taking of property without just compensation and without due process of law. The Special Court rejected the challenges, holding that Title V created no proerty rights but was rather "social welfare legislation" which Congress could repeal or amend at any time, so long as its action had a reasonable basis and was not patently arbitrary or irrational.[20] The Court examined in detail the finding in Section 1132 that Title V had resulted in benefits far higher than anticipated, and held that finding to have been fully justified.[21] The congressional finding that failure to reduce the benefits of Title V would result in discontinuance of rail service, and consequent great injury to employees, was also held justified. In these circumstances, the court had no difficulty in holding that Congress had a reasonable basis for its action, and therefore in rejecting the constitutional challenges.

Congressional repeal or reduction of Amtrak's labor-protection obligations in the context of a complete cessation of funding would present quite different consideration. We are informed that, unlike the situation with Conrail, it could not be claimed that Amtrak has incurred obligations beyond what was intended or expected. Moreover, Congress' purpose would not be the continuance of rail service—since Amtrak's service will stop in any event if federal funding ceases [22]—with concomitant benefits to employees. Congress' purpose would, rather, be to advantage other claimants against Amtrak's assets (including the United States) and/or to avoid the expenditure of federal funds to discharge the labor-protection obligations. It is by no means clear that such purposes would be held to provide the reasonable basis that due-process-clause analysis requires even for the repeal of mere social-welfare benefits.

Moreover, in Amtrak's case, unlike Conrail's contractual rights are involved. With respect to Congrail Congress provided for benefits by statute, whereas with respect to Amtrak Congress caused a contract to be negotiated, signed, and certified by the Secretary of Labor. It is true that Congress can legislate so as to frustrate private contract rights if a reasonable basis exists.[23] For the reasons already indicated, we doubt that a reasonable basis would be found if the congressional objective was not to preserve amtrak's service and employment but merely to benefit some of Amtrak's creditors at the expense of others. [24]

Finally, a substantial argument could be made that congressional action eliminating or reducing the labor-protection rights of Amtrak's employees—action taken in circumstances in which Amtrak's bandruptcy was foreseeable and indeed imminent—would in substance be an ad hoc attemp to alter the rights and priorities of creditors in a particular bankruptcy. So viewed, the statute would stand an excellent change of being held to infringe the uniformity requirement of the bankruptcy clause of the Constitution (Art. I, § 8, cl. 4, giving Congress power "To establish . . . uniform Laws on the subject of Bankruptcies throughout the United States").[25]

QUESTION 3.—COULD CONGRESS PREVENT EQUITABLE SUBORDINATION BY LEGISLATION?

An attempt by Congress to prevent equitable subordiation by legislation would be in substance, if not in form, an amendment to § 510(c) of the Bankruptcy Code. If such an amendment were limited to an Amtrak bankruptcy, it would almost certainly be held to infringe the uniformity requirement of the bankruptcy clause of the Constitution, see above.

In addition, such legislation would likely be held to infringe the due-process clause of the Fifth Amendment for the reasons discussed in the answer to Question 2, as well as the equal-protection component of that clause, discussed below.

Suppose that Congress enacted legislation providing that, as a general and uniform rule in bankruptcy, claims of the United States are not subject to equitable subordination. The uniformity problem would then disappear. Moreover, such a statute would not infringe the rule that vested rights in specific property may not be destroyed by bankruptcy legislation,[26] because that rule is inapplicable to unsecured claims.[27] And statutory alterations in the priorities of creditors can constitutionally be made applicable to bankruptcy proceedings commenced before the enactment.[28]

However, a substantial argument could be made that the statute violated the equal-protection component of the due-process clause,[29] which is fully applicable to bankruptcy legislation.[30] Under the principles discussed in our answer to Question 2, a reasonable, non-arbitrary basis would have to be shown for treating the United States differently from all other creditors for the purpose of equitable subordination. If the United States has acted in a fashion that would require subordination of any other creditor's claim, it is difficult to discern a non-arbitrary basis for treating the United States differently. In addition, the fact that the difference in treatment resulted in direct financial benefit to the United States would permit a substantial argument that application of the statute to defeat equitable subordination in a particular bankruptcy would effect a taking of property without just compensation, notwithstanding the rule that statutory alterations of priorities in bankruptcy do not normally have that result.

Finally, if the United States were itself held liable for Amtrak's labor-protection obligations—and we suggest under Question 4 that it might well be so held—any issue of equitable subordination or the constitutionality of a congressional attempt to defeat that result would be academic.

QUESTION 4.—DIRECT LIABILITY OF THE UNITED STATES FOR AMTRAK'S LABOR-PROTECTION OBLIGATIONS

Liability of a controlling shareholder or parent for the debts of its subsidiary is variously justified on alter-ego, piercing-the-corporate-veil, and agency-or-instrumentality principles.[31] No finding of "wrongdoing" is necessarily involved; it is sufficient if the corporate form has been used in such a way that creditors have been injured in circumstances inconsistent with justice and equity.[32] Piercing the corporate veil for one purpose does not imply piercing it for other or all purposes; what is required, as has been held with respect to Amtrak itself, is "a nexus between the challenged actions of the defendant and the state's regulation and subsidization.[33]

Undercapitalization of the subsidiary is a major and often decisive factor in holding the parent liable.[34]

The fact that Amtrak's parent is a government rather than a commercial enterprise would not appear to be material in assessing its liability. Many formally separate corporations created by the United States have been held to be its agents, instrumentalities or alter egos for a variety of purposes. Questions of whether ostensibly private conduct is attributable to the federal or a state government, so as to become "state action" for purposes of the 5th and 14th amendments to the Constitution, have been analyzed on the basis of normal veil-piercing principles.[35] And in appropriate circumstances government-created corporations, including those created by the United States, have been held to be interchangeable with their sovereign parents for purposes of liability.[36]

As the Court of Claims has observed, "We recognize, of course, that these corporations wholly owned by the Government [e.g., the Panama Canal Company] are hybrid creatures, and that if the equivocal nature of such creatures resulted in fraud upon or other abuse of outside persons, a court would look through the corporate fiction and place liability upon the real pincipal." [37]

The provision of the RPSA that Amtrak is not "an agency or establishment of the United States Government," RPSA § 301, should not preclude that result. The provision is best read as making it clear that Amtrak was to be a private corporation and that the United States would not be liable for its debts merely because it was created by statute; in other words, that the relationship created was one of parent and subsidiary, subject to limited liability except as the law provides otherwise. It strains the provisions too far to argue that it exempted the United States-Amtrak relationship from the entire body of common law on the subject of parents and subsidiaries. While Congress may have acted from the best of motives, and in the public interest, in creating Amtrak and in managing and funding it as it did, the fact remains that Amtrak was a business corporation quite capable of going bankrupt, with consequent injury to its creditors. In such circumstances it is difficult to see why the normal rules for holding parents liable should not be fully applicable. In other contexts, courts have held that the normal rules are fully applicable to the United States-Amtrak relationship.[38]

We conclude, therefore, that there is a substantial likelihood that, if Amtrak enters bankruptcy, the United States would be held liable for Amtrak's debts. The argument is strongest with respect to Amtrak's labor-protection obligations, since we have found an undercapitalization directly related to those obligations.

The factors we have already discussed under Question 1—undercapitalization, the congressional requirements that Amtrak both operate a losing business and undertake massive labor-protection liability in the event of discontinuance, and the federal loans to Amtrak and taking of liens therefor—appear to provide the "nexus" between the United States' actions and Amtrak's debts that arguably makes the United States liable for those debts, at least for its labor-protection obligations. Cases where no such nexus was shown, and which hold merely that Amtrak is not generally an agency or instrumentality of the United States, are therefore readily distinguishable.[39]

Yours very truly,

Covington & Burling,
(By) Brice M. Clagett.

Footnotes

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[1] You have informed us that, even without regard to labor-protection obligations, continued operation not only of Amtrak's entire system but of any part thereof (such as the Northeast Corridor) without federal funding would be at a loss.

In these circumstances, Amtrak would appear not to be authorized to operate after the beginning of FY 1986, in view of the provision of Section 404(c)(4)(A) of the Rail Passenger Service Act, as amended ("RPSA," 45 U.S.C. § 501 et seq.), that Amtrak's "annual total costs shall not exceed the funds" provided by Congress and by other sources.

[2] Under Section 405 of the RPSA, Amtrak was required to "provide fair and equitable arrangements to protect the interests of employees . . . affected by a discontinuance of intercity rail passenger service," in accordance with detailed standards specified in the statute, and such arrangements were required to be certified by the Secretary of Labor as complying with the requirements of the Act. The labor-protection obligations were agreed between Amtrak and the labor unions and signed by them, and were certified by the Secretary of Labor. They appear in Appendix C-2 to the Basic Agreement between Amtrak and the railroads.

You have informed us that Amtrak's studies indicate that, in the event of a total discontinuance of Amtrak operations, the labor-protection obligations pursuant to Appendix C-2 would require the payment of approximately $2.1 billion over the six years following discontinuance.

[3] The amount of prebankruptcy unsecured claims, aside from labor-protection obligations and claims of the United States, has not yet been estimated but would be substantial. They would include claims under trade contracts and tort claims.

The United States' principal claims as a creditor would be (1) $1,119,635,428.42, plus interest, pursuant to a Note dated as of October 5, 1983, secured by "all Amtrak equipment" (rolling stock), and (2) approximately $1.9 billion (plus interest in certain contingencies), or such lesser amount as shall represent the value of the Northeast Corridor on Apr. 1, 1976, secured by a mortgage on the Northeast Corridor. Both notes have maturity dates far in the future and no installment payments are provided for. However, the United States may declare all amounts under the equipment Note due and payable if Amtrak should permanently cease operation of intercity rail passenger service, and the United States may declare amounts owing under the mortgage Note due and payable at any time by statute.

[4] While the book value of Amtrak's assets is approximately $3.1 billion, you have informed us that the amount realizable in liquidation for those assets would undoubtedly be far less.

[5] The United States was not itself a party to the Basic Agreement with the railroads, *National Railroad Passenger Corp.* v. *Atchison, T. & S.F. Ry.*, 53 U.S.L.W. 4285 (U.S., Mar. 18, 1985), or to Appendix C-2 to the Basic Agreement, which contains Amtrak's direct labor-protection obligations.

Appendix C-1 contains the labor-protection obligations of the freight railroads which contracted with Amtrak. Amtrak agreed to reimburse these railroads for amounts spent by them to protect employees holding jobs which Amtrak requested to be added subsequent to the initiation of Amtrak's service. That agreement would cost Amtrak approximately $.2 billion in the event of complete discontinuance; Amtrak's direct obligations under Appendix C-2 would cost approximately $1.9 billion.

[6] One of the United States' liens is a security interest in Amtrak's rolling stock. It does not, however, appear to be a "purchase-money equipment security interest" within the meaning of § 1168 of the Bankruptcy Act, and in any event the Note for the debt in question does not grant the United States a right to take possession of the rolling stock in the event of bankruptcy. For both these reasons, the United States would not be entitled under § 1168 to take possession of the rolling stock in the event of Amtrak's bankruptcy.

[7] This is a consequence of equitable subordination. *Reiner* v. *Washington Plate Glass Co.*, 711 F.2d 414 (D.C. Cir. 1983).

[8] 11 U.S.C. § 510(c). See 3 Collier on Bankruptcy § 510.05 (15th ed. 1984).

[9] Id. at § 510.05[2]; *In the Matter of Mobile Steel Co.*, 563 F.2d 692 (5th Cir. 1977).

[10] *Pepper* v. *Litton*, 308 U.S. 295 (1939); Hackney & Benson, "Shareholder Liability for Inadequate Capital," 43 U. Pitt. L. Rev. 837, 879–83 (1982).

[11] *Taylor* v. *Standard Gas & Electric Co.*, 306 U.S. 307, 323 (1939); *Goldie* v. *Cox*, 130 F.2d 695 (8th Cir. 1942); *In the Matter of Mobile Steel Co.*, supra.; *Machinery Rental Inc.* v. *Herpel*, 622 F.2d 709 (5th Cir. 1980); *In re Trimble Co.*, 479 F.2d 103 (3d Cir. 1973). "The essential fairness of this result is readily apparent because not only did the claimant increase the risks of failure to the debtor by undercapitalizing it, the claimant also seeks to share in the distribution of the debtor's assets based on purported loans to the debtor which were substitutes for risk capital. If these 'loans' had been invested in the proper form, they would not have been grouped, in the order of distribution, on a parity with the claims of the general creditors." 3 Collier, supra, at § 510.05[4][a].

[12] *In the Matter of Mobile Steel Co.*, supra, at 703 ("Capitalization is inadequate if, in the opinion of a skilled financial analyst, it would definitely be insufficient to support a business of the size and nature of the bankrupt in light of the circumstances existing at the time the bankrupt was capitalized"); Henn & Alexander, Laws of Corporations 356 (3d ed. 1983); 1 Fletcher, Cyclopedia of the Law of Private Corporations § 44.1 (1983).

[13] *In the matter of Mobile Steel Co.*, supra, at 703 ("Capitalization is inadequate if, at the time when the advances were made, the bankrupt could not have borrowed a similar amount of money from an informed outside source."); 3 Collier on Bankruptcy § 510.05[4][a] (1984); Latty, op. cit. at 110–41; Hackney & Benson, op. cit. at 893–95.

[14] It might, however, be argued that the preferred stock resembles debt more than equity in view of RPSA § 304(d), which provides that "no obligation with a liquidation interest superior to any preferred stock . . . shall be incurred without the consent of the Secretary."

[15] "If the subsidiary is financially helpless and, through the fault of the parent corporation can call on the parent corporation for capital funds only when and if the parent corporation pleases to grant them, it is cogent evidence" of undercapitalization. Powell, Parent and Subsidiary Corporations 14–15 (1931).

[16] RPSA § 301.

[17] It might be argued that those who voluntarily and knowingly contract with an inadequately capitalized corporation are not entitled to equitable subordination, although this argument is generally deemed relevant only when the creditor seeks to hold the parent directly liable for the subsidiary's debts. See Hackney & Benson, "Shareholder Liability for Inadequate Capital," 43 U. Pitt. L. Rev. 837, 860–67 (1982). Even if the argument is relevant when only equitable subordination is sought, it is far from clear that the argument would succeed here. Employees arguably do not deal with their employer on a purely voluntary basis, id. at 862. That is especially true of workers in a declining industry, like passenger railroad service in the 1970s, whose only alternative to dealing with Amtrak was to lose jobs that in many cases they had held for many years. Finally, Amtrak's employees were arguably entitled to rely on the assurance of Congress and the certification by the Secretary of Labor that the contract they accepted guaranteed them "fair and equitable protection" "against a worsening of their positions with respect to their employment." RPSA § 405 (b), (c). Surely, the nonpayment of their contracted-for benefits as a result of Amtrak's bankruptcy would be such a "worsening of their positions." Indeed the employees may have reasonably believed that the United States was directly bound to perform the labor-protection obligations. See n. 24 infra.

[18] A parent should not "launch the subsidiary in business without furnishing the appropriate funds or obligating itself to do so." Powell, op. cit. at 14. If Congress did not wish to fund Amtrak with equity capital sufficient to pay labor protection, it could, of course, have "obligat[ed] itself" by guaranteeing the obligation.

[19] See *Taylor* v. *Standard Gas & Electric Co.*, supra.

[20] *Railway Labor Executives' Ass'n* v. *United States*, 575 F. Supp. 1554 (Sp. Ct. 1983), cert. denied, 104 S. Ct. 1596 (1984); *Hinds* v. *Consolidated Rail Corp.*, 518 F. Supp. 1350 (Sp. Ct. 1981), cert. denied, 454 U.S. 1145 (1982). See also *Pension Benefit Guaranty Corp.* v. *R.A. Gray & Co.*, 104 S. Ct. 2709 (1984); *U.S. Railroad Retirement Board* v. *Fritz*, 449 U.S. 166 (1980).

[21] *Hinds* v. *Consolidated Rail Corp.*, supra.

[22] If relief from labor-protection obligations would enable Amtrak to continue operations (and employment) on the Northeast Corridor while discontinuing all other operations, the situation would be much closer to that held to warrant relief for Conrail. You have informed us, however, that without any Federal funds Amtrak could not conduct profitable or break-even operations on the Northeast Corridor even if relief from the labor-protection obligations triggered by its discontinuance of all other service was available.

[23] *Usery* v. *Turner Elkhorn Mining Co.*, 428 U.S. 1, 15 (1976); *United Transportation Union* v. *Consolidated Rail Corp.* 535 F. Supp. 697 (Sp. Ct.), cert. denied, 457 U.S. 1133 (1982).

[24] As suggested in note 22, supra, a quite different situation would be presented if Congress modified Amtrak's labor-protection benefits in the context of ongoing Amtrak passenger-service operations and for the purpose of making Amtrak more economically viable. That would be much closer to the Conrail situation where modifications have been upheld.

[25] See *Railway Labor Executives' Ass'n* v. *Gibbons*, 455 U.S. 457, 468–71 (1982) (statute that applies to only one bankrupt railroad and its labor-protection obligations violates the uniformity requirement); Regional Rail Reorganization Act Cases, 419 U.S. 102, 160 (1974) (RRRA held not to violate the uniformity requirement because "the Rail Act in fact operates uniformly upon all bankrupt railroads then operating in the United States and uniformly with respect to all creditors of each of these railroads.").

[26] *United States* v. *Security Industrial Bank*, 103 S. Ct. 407, 410–12 (1982); *Louisville Joint Stock Land Bank* v. *Radford*, 295 U.S. 555 (1935); Note, "Constitutional Limitations on the Bankruptcy Power," 52 N.Y.U. L. Rev. 362, 390–401 (1977).

[27] See authorities just cited; see also *Kuehner* v. *Irving Trust Co.*, 299 U.S. 445, 451–52 (1937).

[28] *New York Credit Men's Adjustment Bureau, Inc.* v. *A. Jesse Goldstein & Co.*, 279 F.2d 886, 888 (2d Cir. 1960); *Coin Machine Acceptance Corp.* v. *O'Donnell*, 192 F.2d 773, 777–78 (4th Cir. 1951); *City of Chelsea* v. *Dolan*, 34 F.2d 522 (1st Cir. 1929).

[29] See cases cited in n. 20 supra.

[30] See, e.g., In re Crist, 632 F.2d 1226 (5th Cir. 1980), cert. denied, 451 U.S. 906 (1981).

[31] Powell, op. cit., passim; 1 Fletcher, op. cit. §§ 41–48.

[32] Powell, op. cit. at 77–81.

[33] *Anderson* v. *National Railroad Passenger Corp.* (7th Cir., Dec. 6, 1984), Slip op. p. 3; accord, *Marcucci* v. *National Railroad Passenger Corp.*, 589 F. Supp. 726, 727 (N.D. Ill. 1984); see *Blum* v. *Yaretsky*, 457 U.S. 991 (1982); *Rendell-Baker* v. *Kohn*, 457 U.S. 830 (1982).

[34] See, e.g., *Taylor* v. *Standard Gas & Electric Co.*, supra, 306 U.S. at 323; *Anderson* v. *Abbott*, 321 U.S. 349 (1944); *Segan Construction Corp.* v. *Nor-West Builders, Inc.*, 274 F. Supp. 691, 699 (D. Conn. 1967); *Automotriz del Golfo de California, S.A.* v. *Resnick*, 306 P.2d 1 (Cal. 1957); *Remme* v. *Herzog*, 222 Cal. 586 (Cal. App. 1964); *Mobridge Community Industries, Inc.* v. *Toure, Ltd.*, 273 N.W.2d 128 (S.D. 1978); Powell, op. cit. at 14; Henn & Alexander, op. cit. at 356; Note, Liability of a Corporation for Acts of a Subsidiary or Affiliate, 71 Harv. L. Rev. 1122, 1125–261, 1128–30 (1958); Latty, Subsidiaries and Affiliated Corporations 110–41 (1936); Hackney & Benson, op. cit. at 837, 851, 854–60; Meiners, Mofsky & Tollison, "Piercing the Veil of Limited Liability," 4 Del. J. Corp. Law 351, 354–55 (1979); 1 Fletcher, op. cit. §§ 41.30, 41.85, 44.1 ("If a corporation is organized and carries on a business without substantial capital in such a way that the corporation is likely to have insufficient assets available to meet its debts, it is inequitable that the stockholders should set up such a flimsy organization to escape personal liability. The attempt to do corporate business without providing any sufficient basis of financial responsibilities to creditors is an abuse of the separate entity and will be ineffectual to exempt the stockholders from corporate debts. It is coming to be recognized as the policy of the law that stockholders should in good faith put at the risk of the business unencumbered capital reasonably adequate for its prospective liabilities. If the capital is illusory of trifling compared with the business to be done and the risks of loss, this is ground for denying the separate entity privilege. It has been stated that a corporation's capitalization is a major consideration of courts in deciding whether a legitimate separate corporate entity was maintained.)".

[35] See the Supreme Court's recent decisions in *Blum* v. *Yaretsky*, supra; *Rendell-Baker* v. *Kohn*, supra.

[36] See *First National City Bank* v. *Banco para el Comercio Exterior de Cuba*, 103 S. Ct. 2591 (1983); *Cherry Cotton Mills, Inc.* v. *United States*, 327 U.S. 536 (1946) (Reconstruction Finance Corporation); *Breitbeck* v. *United States*, 500 F.2d 556 (Ct. Cl. 1974) (Saint Lawrence Seaway Development Corporation); *Banco Nacional de Cuba* v. *First National City Bank*, 478 F.2d 191 (2d Cir. 1973); *John Morrell & Co.* v. *United States*, 89 Ct. Cl. 167 (1939) (Federal Surplus Relief Corporation); *Skinner & Eddy Corp.* v. *United States*, 58 Ct. Cl. 663 (1923) (U.S. Emergency Fleet Corporation); *Electronic Data Systems Corp. Iran* v. *Social Security Organization*

of the Government of Iran, CA3-79-218-F (N.D. Tex. May 2, 1980), reprinted in Iranian Assets Litigation Reporter 848 (1980), affirmed and judgment suspended, 651 F.2d 1007 (5th Cir. 1981); *Westland Helicopters Ltd.* v. *Arab Organization for Industrialization*, 23 I.L.M. 1071 (I.C.C. Ct. Arb. 1984); see also *American International Group* v. *Iran*, 493 F. supp. 522, 523, 526 (D.D.C. 1980), remanded on other grounds, 657 F.2d 430 (D.C. Cir. 1981); *Ayer* v. *Comm'r of Administration*, 165 N.E. 2d 885 (Mass. 1960); Stoke, "Some Aspects of the Legal Status of Federal Corporations," 27 Geo. L.J. 1 (1938).

[31] *Abbott* v. *United States*, 112 F. Supp. 801, 804 (Ct. Cl. 1953).

[32] See, e.g., *Anderson* v. *National Railroad Passenger Corp.*, supra; *Marcucci* v. *National Railroad Passenger Corp.*, supra. The Marcucci court found that the provision of RPSA § 301, 45 U.S.C. § 541, that Amtrak "is not an agency or establishment of the United States government" "sheds little light on the state action issue." 589 F. Supp at 727 n.3.

[33] E.g., *Anderson* v. *National Railroad Passenger Corp.*, supra; *Ehm* v. *National Railroad Passenger Corp.*, 732 F.2d 1250 (5th Cir. 1984); *Marcucci* v. *National Railroad Passenger Corp.*, supra; *Kimbrough* v. *National Railroad Passenger Corp.*, 549 F. Supp. 169 (M.D. Ala. 1982); *Senter* v. *Amtrak*, 540 F. Supp. 557 (D.N.J. 1982).

COVINGTON & BURLING,
Washington, DC, April 25, 1985.

PAUL F. MICKEY, Esq.,
Executive Vice President, Law and Public Affairs, National Railroad Passenger Corporation, 400 N. Capitol Street, NW, Washington, DC.

DEAR MR. MICKEY: You have asked for our comments on the letter signed for the Comptroller General of the United States ("GAO") to Senator Danforth, dated March 18, 1985, giving GAO's opinion on a number of questions asked by the Senator. We addressed some of the same questions in our letter to you of April 17, 1985.

As GAO recognizes (p. 20), "a legitimate difference of opinion may exist with respect to some, if not all, of our answers", and if litigation followed a complete discontinuance of Amtrak service "it is impossible for us to predict the likely outcome of such litigation with any degree of confidence." We believe, however, that applicable legal principles and precedents make an outcome different from GAO's prediction more likely in the case of Question 1.

QUESTION 1

If the employees of Amtrak or the contract railroads were laid off as a result of discontinuances of railroad passenger service, would the Federal Government be legally or otherwise liable for the payment of the resultant labor-protection costs?

In our April 17 letter we concluded (pp. 14–17) that there is a substantial likelihood that this question would be answered in the affirmative. GAO argues against this result and, subject to the reservations noted above, appears to regard it as less likely than we do.

We agree with GAO's initial conclusions (p. 4) that the United States is not a party to the Basic Agreement between Amtrak and the railroads or to its Appendices C-1 and C-2 (setting forth the labor-protection obligations of the railroads and Amtrak respectively), and that the fact that the creation of these obligations was mandated by statute and by the Secretary of Labor does not, without more, make the United States a guarantor of them.[1]

GAO identifies two arguments that might result in liability of the United States. The first (p. 8) is that Amtrak acted as agent for the United States in entering into the Appendix C-2 agreement and that the United States is therefore bound by it. GAO contends that Amtrak is not generally to be classified as a Government agency, and cites several cases so holding in a variety of contexts; GAO further argues that the Basic Agreement is a private, not a Government, contract. We do not disagree with either proposition, and did not argue to the contrary in our April 17 letter. On the same day that GAO's letter is dated, its conclusion on these points was confirmed by the Supreme Court's opinion in *National Railroad Passenger Corporation* v. *Atchison, T. & S.F. Ry.*, 53 U.S.L.W. 4285 (U.S. March 18, 1985). See our letter of April 17, p. 4 n.5.

We express no opinion on whether Appendix C-2 is an agreement subject to the Railway Labor Act, 45 U.S.C. § 51 *et seq.*

GAO then addresses (pp. 9–10) the argument that we did make: that the United States would likely be held liable for Amtrak's labor-protection obligations on an alter-ego or piercing-the-corporate-veil theory. GAO appears to make four contentions:

1. Since the United States' control over Amtrak does not make Amtrak an agency or instrumentality of the United States, Amtrak cannot be a "subsidiary or instrumentality" of the United States for the purpose of the alter-ego doctrine.

2. The assertion that Amtrak was undercapitalized by the United States is "a difficult proposition to prove."

3. Since the alleged undercapitalization was open and notorious, the United States should not be held liable to those who voluntarily contracted with Amtrak.

4. United States liability in this instance could mean that the Government could never end subsidies to an organization like Amtrak once they had begun.

We discuss these contentions below.

1. We see no reason why the fact that Amtrak is not a Government agency would deter a court, in appropriate circumstances, from applying normal veil-piercing principles. These principles have been evolved to provide exceptions to the normal rule that distinct entities (such as parent and subsidiary) will be treated as distinct in law. A number of decisions—some involving Amtrak itself—have recognized that the same principles will be applied when the "parent" is a government. See pp. 15–17 of our April 17 letter. The United States' control over, and ownerships of all the voting stock of, Amtrak clearly creates a parent-subsidiary relationship.

The "nexus" between that United States ownership and control and Amtrak's acts on which liability would be founded provides the remaining element necessary to implicate the United States in that liability. Several of the very decisions quoted by GAO recognized that the nexus factor is critical, and declined to pierce the veil only because, after careful factual analysis of the asserted claims, it was determined that the necessary nexus did not exist; that is, that the Government was not responsible for or involved in Amtrak's acts that gave rise to the claim. *See Anderson* v. *National Railroad Passenger Corp.* (7th Cir., Dec. 6, 1984), Slip. op. (discharge of employee); *Senater* v. *Amtrak*, 540 F. Supp. (D.N.J. 1982) (train accident); *see also Marcucci* v. *National Railroad Passenger Corp.*, 589 F. Supp. 725 (N.D. Ill. 1984), (discharge of employee).

Here, of course, the nexus is if provided by the facts that the United States (1) caused Amtrak to operate a losing business, (2) required Amtrak to incur massive contingent labor-protection obligations, (3) failed to capitalize Amtrak in such a fashion that it could meet those obligations; and (4) now threatens to make those obligations due and payable by causing Amtrak's total discontinuance of service. In these circumstances, the very cases cited by GAO would support United States liability for the obligations.

A different conclusion is not warranted, in our opinion, by the language of *Kimbrough* v. *National Railroad Passenger Corp.*, 549 F. Supp. 169 (M.D. Ala. 1982), in which the court observed that "Amtrak was to be treated as a private, for-profit railroad in regard to its employee relations." GAO argues (p. 6) that it follows that "the United States is not liable to Amtrak employees for any labor-protection payments mandated by the Basic Agreement or the underlying statute, just as the United States would not be liable for similar debts owed by other private railroads to their employees." *Kimbrough*, like *Anderson* and *Marcucci, supra*, involved a claim that Amtrak's discharge of an employee was government action subject to the due-process clauses of the 5th and 14th amendments to the Constitution. There was no allegation, however, that the United States was involved in Amtrak's decision to discharge the employee; thus the nexus requirement was not met. It stretches the decision much too far, we think, to extend its language to Amtrak's labor-protection obligations, given the heavy federal involvement both in the creation of those obligations and in the prospective inability of Amtrak to perform them.

2. GAO does not explain the basis for its statement that "undercapitalization of Amtrak is a difficult proposition to prove." It is undisputed that the United States caused Amtrak to incur contingent labor-protection obligations of $2.1 billion, and that it was entirely foreseeable that these amounts would become due and payable if federal funding of Amtrak ceased, as is now proposed. In these circumstances we think Amtrak was and is clearly undercapitalized with respect to its labor-protection obligations.

In *Matter of Mobile Steel Co.*, 563 F.2d 692 (5th Cir. 1977), cited by GAO, the court defined adequate capitalization as "what reasonably prudent men with a general background knowledge of the particular type of business and its hazards would determine was reasonable capitalization in the light of any special circumstances which existed at the time of incorporation of the now defunct enterprise." *Id.* at 703.

The labor-protection obligations which the United States caused Amtrak to assume would appear to be a "special circumstance" that "reasonably prudent men" would have realized had to be capitalized or guaranteed if Amtrak was to remain solvent in the event of a cessation of federal funding.

Mobil Steel also applies another test for undercapitalization in a case where the parent has lent money to the subsidiary and taken a security interest in its property in return: "Capitalization is inadquate if, at the time when the advances were made, the bankrupt could not have borrowed a similar amount of money from an informed outside source." *Id.*

In *Mobile*, the court concluded that this test was not met because the subsidiary had in fact obtained large commercial loans from independent sources. Here, in contrast, it seems clear that Amtrak could not have borrowed from such sources the $3 billion that it obtained in secured loans from its parent, the United States.

It thus appears that both of the *Mobile Steel* tests for undercapitalization are met in this instance.

3. We recognized (April 17 letter, p. 8 n.17) that "it could be argued" that a parent should not be held liable to "those who voluntarily and knowingly contract with an inadequately capitalized corporation." However, courts often pierce the corporate veil even for the benefit of voluntary creditors when there is clear undercapitalization, when the parent has intervened in the transaction in question, or generally where "an inequitable result" would otherwise follow. *See* Douglas & Shanks, "Insulation from Liability Through Susidiary Corporation," 39 Yale L.J. 193, 218 (1929). The "voluntary creditor" argument tends to be successful only when the creditor is sophisticated and has equal bargaining power. "It would seem . . . that many contract creditors are in fact involuntary claimants, in that as a practical matter they are not in a position to select whom to contract with or to familiarize themselves with the financial condition of the corporation they are dealing with." Hackney & Benson, "Shareholder Liability for Inadequate Capital," 43 U. Pitt. L. Rev. 837, 863 (1982). Employees, in particular, are not generally regarded as "voluntary" creditors for this purpose. *Id.* As we noted in our April 17 letter (p. 8, n.17), "[T]hat is especially true of workers in a declining industry, like passenger railroad service in the 1970s, whose only alternative to dealing with Amtrak was to lose jobs that in many cases they had held for many years."

As we also noted (*id.*), "Amtrak's employees were arguably entitled to rely on the assurance of Congress and the certification by the Secretary of Labor that the contract they accepted guaranteed them 'fair and equitable protection' 'against a worsening of their positions with respect to their employment.' RPSA §405(b), (c)."

In these circumstances, a court could well hold that the imposition of liability on the United States is necessary to avoid "an inequitable result."

4. GAO's final argument—that the United States liability would mean that federal subsidies to private entities, once begun, could never be ended—seems inadequately focused on Amtrak's unique situation. Federal subsidies do not normally involve the creation of massive contingent liabilities, such as those here, that will become due and payable only if and when the subsidies cease and that cannot be paid out of the subsidies themselves. Nothing in the argument we have made implies that the United States has any obligation to subsidize Amtrak indefinitely—merely that it cannot walk away from existing obligations that it itself caused to be created without capitalization or guarantee, and on which Amtrak's many thousands of employees have reasonably relied.

There is nothing in the argument that could "substantially undermine the authority of Congress to control Federal expenditures through the authorization and appropriation process" (GAO letter, p. 10). It was Congress itself, of course, that adopted the measures that arguably result in liability of the United States here.

QUESTIONS 2 AND 3

Would Amtrak be liable for the payment of the resultant labor-protection costs, and would any liability be affected if the discontinuance of service was system-wide rather than partial?

GAO concludes (pp. 11–14) that Amtrak itself would be liable for the labor-protection costs and that both that liability and any liability of the United States would not be affected if the discontinuance of Amtrak service was total rather than partial. We agree with these conclusions.

QUESTION 4

Assuming Amtrak was liable for labor-protection costs but received no federal subsidies, how would it pay the costs?

GAO correctly concludes (pp. 14–15) that, unless the United States' claims against Amtrak's estate are equitably subordinated, Amtrak would have "no assets" to pay the labor-protection costs.

It is likewise clear that, even if there were equitable subordination, only a small fraction of the $2.1 billion of labor-protection costs could be paid out of Amtrak's estate. As GAO notes, Amtrak estimates that the liquidation value of the estate would probably approximate $400 million, and that perhaps half of that would be consumed by claims indisputably senior to the labor-protection claims.

GAO regards it as "questionable" whether the federal claims would be subordinated, but does not discuss the issue. We fully set forth, at pp. 5–9 of our April 17 letter, our reasons for concluding that equitable subordination would be proper. Among the best-recognized situations in which a secured claim of a controlling shareholder will be subordinated to unsecured claims (and the lien canceled) is a situation where the bankrupt corporation was undercapitalized and where the controlling shareholder has supplied debt financing in circumstances where equity capital was economically required or where debt financing could not have been obtained from independent sources. We believe these principles rather clearly apply to the Amtrak situation.

QUESTION 5

Could Amtrak and its employees agree without legislation to revise the existing labor-protection arrangements?

GAO concludes (pp. 15–16) that Amtrak and its employees could not agree to amend Appendix C-2 of the Basic Agreement so as to modify or reduce Amtrak's labor-protection obligations. We did not address this question in our April 17 letter, and you have not asked us to address it. We agree with GAO's observation that it seems unlikely that Amtrak's employees would have any incentive to agree to such an amendment in the event of a complete discontinuance of Amtrak's service.

GAO also concludes (p. 16) that a statute amending Amtrak's labor-protection obligations might be unconstitutional without employee consent. GAO relies on the 7th Circuit's decision that was revised in *National Railroad Passenger Corp.* v. *Atchison, T. & S.F. Ry.*, *supra*. For different reasons, we agree that such a statute would probably be unconstitutional if enacted in the context of a complete discontinuance of Amtrak service. See pp. 9–12 of our April 17 letter.

Statutes amending the labor-protection obligations enacted by Congress for Conrail were upheld by the courts on the grounds that Conrail's obligations were not imposed by contract but merely by "social-welfare legislation"; that the obligations had turned out to be many times more expensive than anticipated, and that amendments were reasonably necessary to avoid discontinuance of rail service and consequent injury to employees. None of these factors could be used to justify elimination or reduction of Amtrak's labor-protection obligations in the context of a complete discontinuance of Amtrak's service. The only purposes of such legislation would appear to be to prefer some claimants against Amtrak's estate over others and to avoid liability of the federal government. We believe such legislation would likely be held to violate the due-process clause of the Fifth Amendment to the Constitution and also to violate Article I, § 8, cl. 4, requiring that bankruptcy laws be uniform. *See Railway Executives Ass'n* v. *Gibbons*, 455 U.S. 457, 469–71 (1982).

QUESTION 6

Could a bankruptcy court revise Amtrak's existing labor-protection arrangements?

GAO expresses no opinion on this question, but notes that Amtrak's view is that Appendix C-2 would not be an "executory contract" in bankruptcy and hence that a bankruptcy court would not have the power, under 11 U.S.C. § 365, to revise the labor-protection arrangements. We agree with Amtrak's position.

Yours very truly,

COVINGTON & BURLING,
(By Brice M. Clagett).

Mr. SPECTER. Mr. President, I ask unanimous consent to have printed in the RECORD a summary sheet showing the 1984 State totals which recite the enormous impact of Amtrak in this country, constituting a total of some 20 million riders with 7,236,000 from the State of New York and my State, Pennsylvania, second with a total of 4,504,135 passengers.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

AMTRAK RIDERSHIP BY STATE

1984 State totals	On	Off	Total
Alabama	45,422	45,527	90,949
Arkansas	11,171	11,021	22,192
Arizona	36,955	39,249	76,204
California	2,099,334	2,084,990	4,184,334
Colorado	127,686	126,028	253,714
Connecticut	704,220	654,690	1,358,910
District of Columbia	1,150,413	1,136,402	2,286,815
Delaware	259,373	266,944	526,317
Florida	394,205	394,051	788,256
Georgia	82,313	80,804	163,117
Iowa	32,088	32,442	64,530
Idaho	24,057	23,923	47,980
Illinois	1,377,171	1,372,741	2,749,912
Indiana	107,217	106,925	214,142
Kansas	25,421	25,287	50,708
Kentucky	5,928	6,425	12,353
Louisiana	124,532	125,546	250,078
Massachusetts	533,720	434,300	968,020
Maryland	589,265	595,523	1,184,788
Michigan	312,703	314,082	626,785
Minnesota	136,934	135,200	272,134
Missouri	210,031	215,821	425,852
Mississippi	69,997	71,367	141,363
Montana	60,580	60,922	121,502
North Carolina	74,659	74,457	149,116
North Dakota	50,695	50,540	101,235
Nebraska	30,257	30,115	60,373

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[1] We do, however, take exception to GAO's implication (p. 4) that labor protection is mandated only by "social-welfare legislation" like the labor-protection obligations applicable to Conrail. Appendix C-2 is a contract. GAO elsewhere recognizes (p. 16) that Amtrak's obligations "were created and currently exist in a contractual context," but apparently believes that the only contract involved was between Amtrak and the railroads, with the employees "being at most third-party beneficiaries" (p. 17). GAO relies entirely on the statement in McLaughlin v. Penn Central Transportation Co., 384 F. Supp. 179, 183–84 (S.D.N.Y. 1974), that Appendix C-1 was not a contract between the former passenger railroads and their employees. What GAO has overlooked is that, while Appendix C-1 was not signed by the railroads and the unions, Appendix C-2 was signed by Amtrak and the unions. The *McLaughlin* case is therefore not relevant.

AMTRAK RIDERSHIP BY STATE—Continued

1984 State totals	On	Off	Total
New Jersey	925,653	881,204	1,806,857
New Mexico	36,871	37,321	74,192
Nevada	91,245	101,221	192,465
New York	3,584,879	3,651,379	7,236,258
Ohio	85,388	83,247	168,635
Oregon	257,654	260,188	517,843
Pennsylvania	2,249,502	2,254,633	4,504,135
Rhode Island	203,881	212,406	416,287
South Carolina	107,472	108,529	216,000
Tennessee	15,895	16,382	32,277
Texas	75,917	74,450	150,367
Utah	79,123	81,522	160,645
Virginia	172,683	177,935	350,618
Vermont	20,650	20,871	41,521
Washington	325,840	327,186	653,026
Wisconsin	144,782	145,310	290,093
West Virginia	27,101	28,433	55,534
Commuters all States			2,876,284

Note.—Commuters are not included in State totals.

Mr. SPECTER. Mr. President, I ask unanimous consent to include in the RECORD the summaries of riders in all of the 44 States which are covered by Amtrak which set forth in some detail the impact of Amtrak on the national transportation system.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

	On	Off	Total
Alabama 1984—City:			
Anniston	5,365	5,055	10,420
Birmingham	20,139	20,458	40,597
[illegible]	288	315	603
Tuscaloosa	7,737	8,459	16,196
Mobile	11,912	11,241	23,153
Total	45,442	45,527	90,969
Arkansas 1984—City:			
Little Rock	6,720	6,709	13,429
Malvern	1,053	1,016	2,069
Newport	418	433	851
Texarkana	2,295	2,052	4,347
Walnut Ridge	685	811	1,496
Total	11,171	11,021	22,192
Arizona 1984—City:			
Benson	609	1,530	2,139
Flagstaff	14,083	14,535	28,617
Kingman	1,500	1,456	2,956
Phoenix	10,025	8,370	18,396
Seligman	216	633	850
Tucson	7,406	8,946	16,352
Winslow	2,095	2,649	4,744
Yuma	1,021	1,129	2,149
Tempe	0	1	1
Total	36,955	39,249	76,204
California 1984—City:			
Barstow	5,927	6,463	12,390
Bakersfield	27,809	26,808	54,617
Chico	4,873	5,323	10,196
Colfax	4,255	4,287	8,541
Davis	10,568	9,858	20,426
Del Mar	116,437	107,094	223,531
Dunsmuir	1,839	1,771	3,610
Fresno	50,164	48,134	98,298
Fullerton	139,921	141,183	281,104
Glendale	10,958	11,693	22,651
Hanford	27,018	28,984	56,002
Indio	664	596	1,260
Los Angeles	595,503	598,317	1,193,820
Merced	13,888	14,377	28,265
Madera	3,420	2,365	5,785
Marysville	1,973	2,028	4,001
Martinez	54,090	52,177	106,267
Needles	2,171	1,855	4,026
Oakland	76,722	68,852	145,574
Oceanside	119,627	97,253	216,880
Oxnard	16,207	15,318	31,525
Pasadena	8,439	8,452	16,891
Pomona (AT+SF)	9,815	9,520	19,335
Pomona (SP)	1,466	1,542	3,008
Redding	4,886	4,663	9,549
Richmond	14,225	14,466	28,691
Riverbank	12,937	13,942	26,879
Sacramento	65,253	62,177	127,430
San Diego	252,737	248,954	501,691
Santa Barbara	25,318	28,027	53,346
San Francisco	65,563	68,825	134,388
San Jose	24,654	24,096	48,750
Stockton	19,380	17,543	36,923
San Luis Obispo	24,599	24,949	49,548
Santa Ana	108,253	123,871	232,124
San Bernardino	15,897	15,682	31,579
San Juan Capistrano	90,074	92,435	182,509
Salinas	13,033	13,129	26,162
San Clemente	10,756	15,796	26,553
Suisun-Fairfield	2,023	2,178	4,200
Truckee	3,024	5,906	8,930
Wasco	2,960	2,266	5,226
Saugus	566	666	1,232
Van Nuys	1,095	1,403	2,499
Antioch-Pitt.	3	0	3
Anaheim	38,078	39,394	77,472
Lodi	237	335	572
Oroville	30	45	76
Total	2,099,334	2,084,999	4,184,334
Colorado 1984—City:			
Akron	903	954	1,857
Bond (D+RWG)	132	30	162
Denver	81,155	77,851	159,006
Fort Morgan	1,306	1,347	2,853
La Junta	4,333	4,443	8,776
Lamar	1,244	1,149	2,393
Trinidad	2,138	1,497	3,635
Grand Junction	13,047	13,182	26,228
Granby	3,168	3,654	6,822
Glenwood Springs	20,205	21,851	42,056
Rifle	54	70	125
Total	127,686	126,028	253,714
Connecticut 1984—City:			
Berlin	16,406	17,062	32,467
Bridgeport	27,895	29,537	57,431
Hartford	79,908	93,628	173,536
Meriden	21,745	24,002	45,748
Mystic	7,446	10,644	18,090
North Haven	608	725	1,333
New Haven	340,231	258,167	598,397
New London	86,449	88,533	174,983
Old Saybrook	28,883	31,428	60,312
Stamford	75,257	79,678	154,935
Thompsonville	789	950	1,749
Wallingford	11,569	11,787	23,356
Windsor	2,219	2,225	4,444
Windsor Locks	5,806	6,325	12,131
Total	704,220	654,690	1,358,910
District of Columbia 1984—City:			
Washington	1,150,413	1,136,402	2,286,815
Total	1,150,413	1,136,402	2,286,815
Delaware 1984—City:			
Newark	1,984	3,046	5,031
Wilmington	257,389	263,897	521,286
Total	259,373	266,944	526,317
Florida 1984—City:			
Clearwater	7,979	8,103	16,082
Cypress Gardens (bus)	29	33	62
Deerfield Beach	15,540	15,046	30,587
Del Ray Beach	4,358	4,945	9,304
Deland	7,545	7,919	15,464
Fort Lauderdale	24,549	25,546	50,095
Hollywood	17,899	17,303	35,202
Jacksonville	41,687	37,664	79,352
Kissimmee	5,687	7,083	12,770
Lakeland	11,370	11,710	23,080
Miami Beach (bus)	31	38	69
Miami	39,982	41,171	81,153
Ocala	10,353	10,715	21,068
Orlando	37,612	42,453	80,065
Palatka	4,199	5,167	9,366
Sebring	11,712	11,627	23,339
Sanford (auto-ferry)	28,144	27,378	55,522
Sanford	7,944	6,683	14,627
St. Petersburg	10,835	9,970	20,805
Tampa	36,006	34,621	70,627
Waldo	8,457	7,751	16,208
Walt Disney World (B)	319	414	733
West Palm Beach	31,174	29,924	61,098
Winter Park	10,877	10,371	21,248
Winter Haven	13,572	14,104	27,676
Wildwood	4,397	4,633	9,030
Clearwater Beach	23	15	38
Bradenton	244	243	486
Sarasota	1,354	1,092	2,446
Tallahassee	302	302	604
Treasure Island	24	25	49
Total	394,205	394,051	788,255
Georgia 1984—City:			
Atlanta	52,129	51,230	103,359
Gainesville	3,511	3,576	7,087
Jesup	3,581	3,542	7,123
Savannah	20,908	19,910	40,817
Toccoa	2,186	2,545	4,731
Total	82,313	80,803	163,117
Iowa 1984—City:			
Burlington	5,549	6,016	11,565
Creston	3,188	3,114	6,302
[illegible]	755	755	1,510
Fort Madison	5,048	5,216	10,264
Mt. Pleasant	4,774	5,102	9,876
Osceola	5,501	5,562	11,063
Ottumwa	7,272	6,676	13,948
Total	32,088	32,442	64,530
Idaho 1984—City:			
Boise	9,157	9,175	18,331
Nampa	3,030	3,255	6,285
Pocatello	7,736	7,172	14,908
Shoshone	1,675	1,679	3,355
Sandpoint	2,459	2,642	5,100
Total	24,057	23,923	47,980
Illinois 1984—City:			
Alton	21,373	18,075	39,447
Aurora	8,635	8,307	16,942
Bloomington	32,732	31,197	63,929
Cairo	712	874	1,586
Carbondale	30,590	31,948	62,537
Centralia	7,680	7,737	15,417
Chicago (Un Sta)	993,651	987,713	1,981,364
Champaign-Urbana	55,872	59,499	115,371
Chillicothe	4,712	4,833	9,545
Carlinville	1,327	1,597	2,924
Effingham	4,396	5,838	10,234
Galesburg (BN)	6,868	6,923	13,791
Galesburg	19,375	20,189	39,564
Glenview	11,599	10,568	22,167
Homewood	14,969	12,229	27,198
Joliet (Un Sta)	22,608	22,268	44,876
Kewanee	2,238	2,381	4,619
Kankakee (ICG)	10,816	11,478	22,294
Lagrange (Road)	6,005	5,375	11,381
Lincoln	12,546	13,294	25,841
Macomb	15,525	18,747	34,272
Mattoon	9,464	8,771	18,235
Mendota	2,343	2,246	4,589
Monmouth	63	75	138
Normal	39	1,340	1,379
Princeton	2,020	2,186	4,205
Plano	804	970	1,774
Pontiac	2,344	2,135	4,479
West Quincy	4,876	3,504	8,379
Rantoul	6,008	5,118	11,127
Springfield	61,845	62,189	124,034
Streator	1,868	1,896	3,763
Quincy	1,270	1,242	2,512
Total	1,377,171	1,372,741	2,749,912
Indiana 1984—City:			
Crawfordsville	2,829	2,659	5,488
Dyer	1,768	2,209	3,977
Elkhart	6,261	7,742	14,003
Fort Wayne	10,904	12,357	23,261
Gary (Broadway)	2,559	1,200	3,759
Gary (5th & Chase)	4,322	3,178	7,500
Hammond/Whiting	15,906	15,566	31,472
Hobart	2,775	2,270	5,045
Indiana Harbor	4,704	3,979	8,682
Indianapolis	21,959	21,284	43,243
Lafayette	7,946	7,988	15,934
Michigan City	1,834	1,928	3,762
Muncie	1,647	1,875	3,522
Marion	1,127	1,335	2,462
Peru	1,146	1,074	2,220
Rensselaer	1,706	2,244	3,951
Richmond	789	793	1,583
Southbend	7,174	8,378	15,553
Valparaiso	8,239	7,336	15,576
Wheeler	9	15	24
Whiting	1,612	1,514	3,126
Total	107,217	106,925	214,142
Kansas 1984—City:			
Dodge City	3,509	3,214	6,722
Emporia	1,181	1,363	2,544
Garden City	3,858	3,939	7,797
Hutchinson	2,831	2,810	5,641
Lawrence	1,797	1,778	3,575
Newton	6,664	6,627	13,290
Topeka	5,582	5,556	11,138
Total	25,421	25,287	50,708
Kentucky 1984—City:			
Fulton	2,041	2,330	4,370
Maysville	988	1,122	2,109
Southportsmouth	1,534	1,949	3,483
Tri-State Station	1,365	1,025	2,390
Total	5,928	6,425	12,353
Louisiana 1984—City:			
Hammond	6,113	5,802	11,945
Lake Charles	1,159	1,794	2,953
Lafayette	3,318	3,269	6,587
New Iberia	1,092	1,396	2,489
New Orleans	108,947	109,243	218,189
Schriever	302	729	1,031

	On	Off	Total
Slidell	3,015	3,106	6,121
East New Orleans	454	112	566
New Orleans (Sleeper)	102	96	197
Total	124,532	125,546	250,078
Massachusetts 1984—City:			
Boston (So. Sta)	318,818	314,489	633,306
Framingham	1,370	1,526	2,896
Northampton	1,113	1,320	2,433
Pittsfield	2,172	2,611	4,782
Route 128 (Boston)	50,121	43,908	94,029
Springfield	56,858	65,962	122,820
Worchester	3,268	4,485	7,753
Total	433,720	434,300	868,020
Maryland 1984—City:			
Aberdeen	9,912	12,358	22,270
Baltimore	424,979	436,292	861,271
Balt-Wash International	26,208	23,710	49,919
Brunswick	2,394	7,793	10,187
Capital Beltway	7,657	6,855	14,513
Cumberland	4,271	4,191	8,462
Gaithersburg	2,500	92	2,591
Rockville	2,955	1,790	4,745
Silver Spring	2,732	1,841	4,574
New Carrollton	105,656	100,600	206,257
Total	589,265	595,523	1,184,788
Maine 1984—City:			
Total	0	0	0
Michigan 1984—City:			
Albion	1,034	1,139	2,173
Ann Arbor	54,874	54,340	109,214
Battle Creek	24,466	24,585	49,051
Dearborn	42,022	40,394	82,415
Detroit	45,962	45,856	91,818
Dowagiac	759	1,275	2,034
Durand	2,097	2,538	4,635
Flint	11,987	12,435	24,421
Jackson	12,629	11,770	24,399
Kalamazoo	48,530	49,381	97,911
Lansing	17,560	17,763	35,324
Lapeer	2,490	2,846	5,336
Niles	17,144	18,246	35,390
Port Huron	29,760	29,694	59,454
Ypsilanti	383	814	1,197
Holland	1,007	1,007	2,014
Total	312,703	314,083	626,785
Minnesota 1984—City:			
Cambridge	3,006	3,003	6,009
Detroit Lakes	1,532	1,625	3,157
Duluth	30,962	32,466	63,428
Minneapolis/St. Paul	84,501	80,957	165,459
Red Wing	2,702	3,373	6,075
St. Cloud	3,960	3,914	7,874
Staples	2,248	2,552	4,800
Sandstone	821	868	1,688
Winona	7,201	6,441	13,643
Total	136,934	135,200	272,134
Missouri 1984—City:			
Herman	2,029	2,177	4,205
Independence	4,411	4,273	8,683
Jefferson City	21,408	22,976	44,384
Kansas City	58,288	59,293	117,581
Kirkwood	26,604	23,114	49,718
La Plata	1,824	2,094	3,918
Lee's Summit	7,744	6,505	14,249
Marceline	1,605	1,594	3,199
Poplar Bluff	850	952	1,802
Sedalia	3,711	4,639	8,350
St. Louis	72,745	78,083	150,828
Warrensburg	5,373	5,453	10,826
West Quincy	3,188	4,417	7,605
Chamois	252	252	503
Total	210,031	215,821	425,852
Montana 1984—City:			
Browning	829	966	1,795
Belton	1,954	1,997	3,952
Cut Bank	1,830	1,607	3,437
Glasgow	4,102	4,550	8,651
Glacier Park	4,759	5,616	10,375
Havre	11,343	10,743	22,087
Libby	2,233	2,251	4,484
Malta	2,204	2,220	4,424
Shelby	5,447	5,632	11,078
Whitefish	19,538	19,206	38,745
Wolf Point	6,342	6,133	12,475
Total	60,580	60,922	121,502
Mississippi 1984—City:			
Brookhaven	2,496	2,617	5,112
Batesville	1,889	2,064	3,953
Canton	2,287	2,277	4,565
Durant	3,334	3,215	6,549
Grenada	2,325	2,238	4,563
Hazelhurst	683	1,767	2,449
Hattiesburg	6,461	4,741	11,202
Jackson	15,003	13,967	28,970
Laurel	3,534	4,158	7,692
McComb	4,501	4,467	8,968
Meridian	6,992	7,622	14,614
Picayune	933	849	1,883
Winona	2,057	2,258	4,315
Biloxi	3,142	3,370	6,512
Gulfport	3,963	4,113	8,075
Pascagoula	8,439	8,452	16,891
Waveland-Bay St. Louis	1,958	3,093	5,051
Total	69,997	71,367	141,363
North Carolina 1984—City:			
Charlotte (SR)	9,214	8,784	17,998
Fayetteville	13,500	13,405	26,905
Gastonia	2,150	2,020	4,170
Greensboro	6,430	6,487	12,917
Hamlet	3,958	4,453	8,411
Henderson	2,056	2,896	4,952
High Point	998	1,151	2,148
Raleigh	13,954	13,064	27,018
Rocky Mount	8,371	9,274	17,646
Salisbury	1,888	1,791	3,679
Southern Pines	3,399	3,466	6,865
Selma/Smithfield	598	649	1,247
Wilson	8,144	7,016	15,160
Total	74,659	74,457	149,116
North Dakota 1984—City:			
Devils Lake	3,249	3,361	6,609
Fargo	9,312	9,095	18,407
Grand Forks	7,459	7,747	15,206
Minot	14,623	14,339	28,963
Rugby	2,707	2,713	5,420
Stanley	1,403	1,504	2,908
Williston	11,941	11,780	23,721
Total	50,695	50,540	101,235
Nebraska 1984—City:			
Hastings	3,376	3,772	7,148
Holdrege	1,967	2,001	3,969
Lincoln	8,439	7,650	16,089
McCook	3,377	3,043	6,420
Omaha	13,099	13,648	26,747
Total	30,257	30,115	60,373
New Mexico 1984—City:			
Albuquerque	21,569	19,825	41,394
Deming	586	643	1,229
Gallup	3,772	3,853	7,625
Lordsburg	375	352	727
Lamy	4,711	5,782	10,493
Las Vegas	1,971	2,134	4,106
Raton	3,887	4,731	8,618
Total	36,871	37,321	74,192
Nevada 1984—City:			
Caliente	341	514	856
Carlin	11	17	28
Elko	916	802	1,719
Las Vegas	35,345	36,797	72,142
Reno	42,892	51,366	94,259
Sparks	10,969	10,888	21,857
Winnemucca	770	835	1,605
Total	91,245	101,221	192,465
New Jersey 1984—City:			
Metropark	95,615	87,641	183,286
New Brunswick	41,707	47,245	88,952
Newark	427,913	376,011	803,924
Princeton Junction	69,089	83,384	152,472
Trenton	291,299	286,923	578,222
Total	925,653	881,204	1,806,857
New York 1984—City:			
Albany-Rensselaer	236,569	236,726	473,294
Amsterdam	8,089	8,303	16,392
Buffalo (Exch St)	5,297	4,492	9,789
Buffalo	34,978	38,196	73,174
Croton-Harmon	22,386	22,528	44,914
Fort Edward	1,777	2,170	3,947
Fort Ticonderoga	375	528	902
Hudson	49,120	53,251	102,371
Niagara Falls	23,394	20,935	44,329
New York (GC Sta)	422,676	405,353	828,028
New York (Penn Sta)	2,474,317	2,547,874	5,022,191
Plattsburgh	3,876	4,438	8,314
Fort Henry	620	703	1,323
Poughkeepsie	17,874	17,761	35,636
Fort Kent	126	181	307
Rhinecliff	47,250	51,909	99,159
Rochester	53,732	53,722	107,455
Rome	8,349	8,384	16,734
Rouses Point	1,178	648	1,826
Rye	31,143	29,453	60,596
Saratoga Springs	4,458	5,055	9,513
Schenectady	52,502	51,566	104,068
Syracuse	50,308	50,732	101,040
Utica	31,279	31,818	63,097
Whitehall	1,306	1,801	3,107
Wilsboro	159	529	688
Westport	1,741	2,324	4,064
Total	3,584,879	3,651,379	7,236,258
Ohio 1984—City:			
Bryan	2,648	2,978	5,626
Canton	5,322	5,174	10,496
Cincinnati	10,815	10,678	21,493
Cleveland	20,771	19,122	39,893
Crestline	3,058	3,185	6,244
Elyria	2,725	2,732	5,458
Hamilton	960	1,375	2,336
Lima	5,780	6,073	11,853
Sandusky	1,708	1,928	3,636
Toledo	31,600	30,002	61,602
Total	85,388	83,247	168,635
Oregon 1984—City:			
Albany	9,409	8,374	17,784
Baker	2,106	2,140	4,247
Chemult (ski area)	3,932	3,956	7,888
Cascade Locks	1,926	2,032	3,958
Eugene	28,259	30,070	58,329
Hinkle	4,612	5,251	9,863
Hood River	2,839	3,142	5,981
Klamath Falls	9,084	8,963	18,047
Lagrande	4,501	4,901	9,402
Ontario	2,463	2,540	5,003
Portland	163,237	163,449	326,686
Pendleton	8,330	7,755	16,085
Salem	13,487	14,205	27,691
The Dalles	2,470	3,410	5,880
Total	257,654	260,188	517,843
Pennsylvania 1984—City:			
Altoona	15,685	14,994	30,679
Ardmore	11,633	11,744	23,377
Bryn-Mawr	25	52	78
Coatesville	20,178	21,764	41,942
Connellsville	1,563	1,976	3,539
Downingtown	41,520	42,850	84,370
Elizabethtown	6,840	7,994	14,834
Elizabethtown	2	0	2
Erie	5,784	5,710	11,494
Exton	5,842	7,186	13,029
Greensburg	5,415	5,042	10,457
Harrisburg	123,135	120,123	243,258
Huntingdon	3,840	3,654	7,493
Johnstown	8,632	9,584	18,216
Latrobe	1,338	1,773	3,111
Lewistown	4,556	4,716	9,271
Lancaster	123,072	121,019	244,090
McKeesport	840	853	1,692
Middletown	2,887	2,986	5,884
Mount Joy	1,043	1,246	2,289
Malvern	12,310	12,718	25,027
Overbrook	248	5	253
Paoli	39,727	37,215	76,942
Parkesburg	5,398	6,111	11,509
Pittsburgh	30,753	32,967	63,719
Philadelphia 30th St.	1,702,789	1,706,902	3,409,691
Philadelphia North	13,676	13,203	26,879
Philadelphia (suburbs)	49,426	50,089	99,515
Tyrone	790	757	1,547
Whitford	9,817	8,375	18,192
Wayne	84	360	444
Leaman Place	654	654	1,309
Total	2,249,502	2,254,633	4,504,135
Rhode Island 1984—City			
East Greenwich	1,332	2,543	3,875
Kingston	36,791	37,291	74,082
Providence	150,501	155,500	306,000
Westerly	15,257	17,073	32,329
Total	203,881	212,406	416,287
South Carolina 1984—City:			
Camden	3,179	3,307	6,487
Charleston	33,133	34,201	67,334
Columbia	22,283	21,173	43,456
Clemson (SR)	2,416	2,635	5,051
Dillon	2,280	3,849	6,129
Denmark	2,960	2,987	5,947
Florence	18,724	17,797	36,521
Greenville	6,562	6,351	12,913
Kingstree	5,524	4,745	10,269
Spartanburg	3,527	3,563	7,090
Yemassee	6,772	6,655	13,426
Fort Jackson	0	1,104	1,104
Myrtle Beach	112	162	274
Total	107,472	108,529	216,000
Tennessee 1984—City:			
Dyersburg	1,600	1,652	3,252
Memphis	14,295	14,730	29,025
Total	15,895	16,382	32,277
Texas 1984—City:			
Alpine	838	1,069	1,907
Austin	7,578	5,724	13,302
Beaumont	1,703	2,021	3,724

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	On	Off	Total
Cleburne	1,150	1,537	2,687
Dallas	13,726	12,748	26,474
Del Rio	605	696	1,301
El Paso	8,233	7,621	15,855
Fort Worth	5,805	6,831	12,636
Houston (SP)	8,902	8,153	17,055
Longview	2,699	2,913	5,612
McGregor	695	1,170	1,865
Marshall	2,277	2,250	4,527
San Antonio (MP)	10,100	7,494	17,594
San Antonio (SP)	6,449	7,085	13,534
San Marcos	1,040	1,306	2,346
Sanderson	350	227	577
Taylor	798	2,924	3,722
Temple	2,965	2,682	5,647
Total	75,917	74,450	150,367
Utah 1984—City:			
Cache Junction	701	680	1,381
Milford	754	963	1,717
Ogden	3,553	3,666	7,219
Salt Lake City	60,175	60,444	120,619
Green River	38	100	138
Helper	6,139	5,824	11,963
Provo	6,741	8,575	15,316
Thompson	1,030	1,262	2,292
Total	79,123	81,522	160,645
Vermont 1984—City:			
Bellows Falls	1,036	958	1,994
Brattleboro	3,029	3,112	6,141
Essex Junction	4,458	4,607	9,065
Montpelier Junction	2,675	2,601	5,276
St. Albans	1,332	1,842	3,174
Waterbury	1,463	1,665	3,128
White River Junction	6,656	6,085	12,741
Total	20,650	20,871	41,521
Virginia 1984—City:			
Alexandria	33,647	32,364	66,011
Clifton Forge	1,039	1,129	2,168
Culpeper (SR)	2,301	2,510	4,811
Charlottesville (SR)	13,881	15,775	29,656
Danville (SR)	1,686	1,976	3,663
Fredericksburg	3,943	4,777	8,720
Lee Hall	657	809	1,466
Lorton (auto-ferry)	27,378	28,144	55,522
Lynchburg	5,357	6,099	11,456
[illegible]	496	707	1,203
Manassas (SR)	2,742	3,190	5,933
Newport News	12,651	13,687	26,338
Petersburg (SCL)	8,077	7,504	15,582
Quantico	4,114	5,513	9,627
Richmond	47,135	45,406	92,541
Staunton	853	980	1,832
Williamsburg	6,724	7,366	14,090
Total	172,683	177,935	350,618
Washington 1984—City:			
Bingen-White Salmon	362	409	771
Centralia	11,137	10,964	22,101
Edmonds	3,657	2,495	6,152
East Olympia	5,143	4,905	10,048
Ephrata	1,490	1,522	3,012
Everett	6,079	5,186	11,265
Kelso	12,274	12,227	24,501
Pasco	7,398	7,834	15,231
Puyallup	476	581	1,057
Seattle	178,514	180,217	358,731
Spokane	27,544	29,573	57,117
Tacoma	39,066	39,224	78,289
Vancouver	22,616	20,680	43,296
Wenatchee	6,327	7,639	13,966
Wishram	1,172	1,184	2,356
Leavenworth	2,467	2,467	4,933
Total	325,840	327,186	653,026
Wisconsin 1984—City:			
Columbus	8,610	8,193	16,803
Lacrosse	9,088	10,785	19,873
Milwaukee	112,093	110,535	222,628
Portage	2,528	2,413	4,941
Superior	1,148	942	2,090
Sturtevant	6,724	7,271	13,995
Tomah	1,987	2,425	4,413
Wisconsin Dells	2,605	2,745	5,350
Total	144,782	145,310	290,093
West Virginia 1984—City:			
Alderson	183	215	399
Charleston	5,908	5,593	11,500
Harpers Ferry	4,369	4,698	9,067
Hinton	1,638	1,892	3,530
Huntington	4,512	4,721	9,233
Montgomery	544	581	1,125
Martinsburg	4,384	4,985	9,360
Prince	3,076	2,959	6,035
Thurmond	76	113	189
White Sulfur Springs	2,411	2,678	5,089
Total	27,101	28,433	55,534

Mr. SPECTER. Mr. President, if the subsidy is cut, the United States will be the only major industrial nation which would be without a major rail system. The dislocation, in all its ramifications, will take an enormous amount of time to chronicle.

Perhaps a few statistics are worthy of some special note. Some 83,000 transit passengers would be thrown out of their regular routes on the lines now between Trenton, NJ, and New York City. Some 50,000 transit passengers would be thrown out of their regular routes on the Southeastern Pennsylvania Transportation Authority, which services the southeastern part of Pennsylvania.

It has been estimated that, in addition, 25,000 Amtrak employees would lose their jobs and there would also be in jeopardy the jobs of some 150,000 other employees who rely upon Amtrak for affected businesses.

There would be further enormous dislocation in the national rail system, because, without Amtrak to pay the cost of some $164 million for servicing the eastern seaboard, Conrail, which now pays $53 million, will have to pick up the balance of that $164 million. The cost of the eastern rail line is now $218 million; and, as I say, Conrail now pays $53 million and would be obligated to pick up the difference. Were that not done, some 200 industries would be adversely affected along that line.

Mr. President, the dislocation to Conrail would further impact very materially on the proposed sale of Conrail, which is now a subject of major controversy; but the bid of Norfolk Southern would have to be revised, and the bids coming in from Morgan, Stanley would have to be revised, and there would be a tremendous dislocation in that particular line.

Mr. President, it should be noted that Amtrak has improved in efficiency, requiring a subsidy of almost 60 percent in 1977, when Amtrak was able to assume a little more than 40 percent of its own cost, to the situation at the present time when Amtrak is able to pay almost 60 percent of its own cost.

The Federal Government, according to Secretary of Transportation Dole, as set forth in Congressional Quarterly, has sunk $11 billion into Amtrak, on the proposition that rail passenger service is vital as a transit link for an industrial society.

Amtrak's assets are of enormous value, at a minimum in the $3 billion range. If Amtrak goes out of existence on September 30, 1985, while the bankruptcy courts move through this complex litigation and entanglement, it will take a very protracted period of time, doubtless years, and those assets will become worthless.

It is not a matter that at some point in the future, someone can come back in and pick up the rail equipment, the locomotives, and the rails and start to operate with this system. As previously quoted from Secretary of Transportation Dole, it is unlikely that anyone would come in to acquire Amtrak.

One other point, and a contention made succinctly in an article by Tom Wicker in the New York Times on May 3 of this year, in responding to the contention of OMB about the $35 per head subsidy which each Amtrak passenger supposedly receives: a devastating rebuttal to that contention was rendered by Mr. Wicker, as follows:

> Sixty-five percent of airline revenues are for busines travel; so for each airline passenger, business travel deductions alone provide a subsidy of $33. In 1984, moreover, air-traffic control cost the Federal Government $2.1 billion, or $9 for each of 221 million air passengers; so by young David's irrelevant arithmetic, the Federal subsidy per air passenger was $42.

He refers to Mr. Stockman as "young David."

Mr. President, I ask unanimous consent to have the entire article by Mr. Wicker printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 3, 1985]

YOUNG DAVID'S TANTRUM

(By Tom Wicker)

David Stockman, the boy genius of the Reagan Administration, threw a tantrum the other day before a Senate subcommittee. If senators did not have "the courage, the foresight, the comprehension" to "pull the plug" on what he called an "irredeemable" Amtrak rail passenger system, he saw little hope for deficit reduction or for avoiding a "whopping tax increase."

There, there, little man. It won't be as bad as all that, if Amtrak survives. Take Elizabeth Dole's word for it.

As Secretary of Transportation, she affirmed last September that she shared the view of Federal Railroad Administrator John H. Riley that Amtrak had made "great strides" toward "modern, cost-efficient intercity rail passenger service"—running in 1985 "more route miles than it did in 1981 at approximately 28 percent lower funding."

Mrs. Dole, far from sharing young David's hysteria about what he cutely called a "mobile money-burning machine," had asked for a $765 million Amtrak subsidy for fiscal 1986. But that was before the youthful Budget Director began to drum his heels.

He and President Reagan squawk frequently about a $35-per-head subsidy that each Amtrak passenger supposedly receives. This prestidigitation requires adding the Amtrak subsidy to the amount that Amtrak business travelers can deduct from their income taxes, and dividing by 20 million passengers; presto! $35 a head.

Young David is so distraught that he apparently forgets some of the other numbers—surely so brilliant a Budget Director knows them—he might be expected to crunch. For example:

Sixty-five percent of airline revenues are for business travel; so for each airline passenger, business travel deductions alone provide a subsidy of $33. In 1984, moreover, air-traffic control cost the Federal Government

$2.1 billion, or $9 for each of 221 million air passengers; so by young David's irrelevant arithmetic, the Federal subsidy per air passenger was $42.

From its ticket revenues—which pay 60 percent of its costs—and subsidy, Amtrak is required to spend $116 million annually to maintain the Northeast Corridor right-of-way, over which also move the freight trains of Conrail (which earned $500 million in 1984) and every rail commuter service from Boston to Washington.

If, as young David urges, Congress pulls the plug on Amtrak, the Government will have to pay $2.1 billion in labor termination costs over the next six years, an obligation inherited from the private railroads; $3 billion in modern locomotives, equipment, specialized shops and Northeast Corridor plant will be scrapped, with little market for salvage; and about 150,000 jobs in affected business sectors will be jeopardized (25,000 railroad employees will be thrown out of jobs).

But the young genius told the senators that few programs ranked lower than Amtrak "in terms of the good they do, the purpose they serve and the national need." Boyish overstatment again—Amtrak carried 20 million passengers last year, while receiving a smaller Federal subsidy (in current dollars) than in 1978; and in the Northeast Corridor 160,000 commuters on various services rode over Amtrak-maintained right-of-way every day.

The Empire State Passengers Association points out that at least 1,200 people board a train daily in Albany, N.Y., alone; and asks, pertinently, who—if Amtrak goes—will pay to operate Penn Station for the great tide of commuters from Long Island and New Jersey into and out of New York City. Killing Amtrak also would nullify the two bond issues New Yorkers have voted for high-speed rail service, with $100 million already invested.

Aside from New York and the Northeast (never high concerns for Reaganites), Amtrak serves 25 American communities (and surrounding regions) that have no air or bus service, 52 more that have no bus service and 94 that have no air service. Almost a million passengers got on or off trains at places without bus service in fiscal 1984.

So young David shouldn't get so wrought up about Amtrak; and returning White House colleagues might calm him with news that the West German Government, planning its infrastructure investments for the next decade, has decided to put 34 billion marks into its railroads and only 28 billion into its highway network. Now that's a grown-up decision.

Mr. SPECTER. Mr. President, it may well be that in seeking the best of rail transit service, there should be a reappraisal of Amtrak across the country. Many will cite the fact that only a few passengers get on and off at some specific stops in this country. But what has to be borne in mind is that those are trains which are en route and that there are many segments of the country which will be left without any service at all.

Mr. Wicker points out that Amtrak serves 25 American communities that have no air or bus service, 54 communities which have no bus service, and 94 which have no air service. Almost a million passengers got on and off trains at places without bus service in fiscal 1984.

It may be that on some lines which are used to a slight extent, there could be a reevaluation of Amtrak and that it might be reduced in due course, leaving the very heavily traveled lines in operation. That would obviously be a more rational way to handle the situation than by an abrupt termination which will lead to the junking of Amtrak and to the trashing of the American passenger rail system.

Mr. President, I ask unanimous consent that the names of Senators HEINZ, ROTH, EXON, PELL, ZORINSKY, MATHIAS, LEVIN, SARBANES, and BYRD be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, will the Senator include the name of the senior Senator from Minnesota as a cosponsor?

Mr. SPECTER. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Minnesota [Mr. DURENBERGER] be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, I reserve the remainder of my time, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield 2 minutes from the resolution to the distinguished Senator from New Jersey.

Mr. LAUTENBERG. I thank the floor manager.

Mr. President, I am going to vote for the amendment of my colleague from Pennsylvania, but I will do so reluctantly. I have misgivings.

The amendment might save Amtrak from the ax, but not from the knife. It would restore 90 percent of Amtrak's funding and perhaps save a railroad, a vital link in the economy of our country and many States. We need more. It falls short of a freeze; and by falling short, it will force cutbacks that will be felt in my State, and I believe they could be felt in the State of Pennsylvania. The section 403(d) trains we commonly call Clockers that run between Philadelphia and New York could be the first to go. I believe there is also a line between Philadelphia to Harrisburg that could be subject to discontinuance if there are cutbacks.

I have intended to offer an amendment that would restore funding to present levels and then freeze it there, forcing belt-tightening. It would also restore funding for mass transit and for urban development action grants. Our economy depends on an integrated system to move people and goods. There must be continued investment in the future and effective programs to revive the economies of our cities and towns.

Our economy is built on a foundation of roads, water systems, and railroads. If we allow that foundation to crumble, I fear that the economy will tumble down with it. Amtrak is an essential part of our transportation network. It is a network on which cities, regions, businesses, and people depend.

We should not be the only advanced, industrialized nation in the world that lacks a Government-supported national passenger railroad.

We subsidize air travel. We subsidize highway travel.

But the budget before us threatens to abandon the rails; abandoning 500 Amtrak towns and cities; abandoning 20 million Amtrak passengers who would overload the roads and the airlines; abandoning $3 billion of locomotives, equipment, and plant; abandoning our senses because saving $684 million a year in Amtrak subsidy will cost Amtrak over $2 billion in contracted labor protection costs.

This amendment would give us a reprieve for Amtrak but not a pardon. It might save a vital rail link between cities and towns in my State and around the Nation, a link that is important to the economies of these regions and the people who live there.

Reluctantly, I urge support for this amendment and will vote for it, but I believe full restoration is justified.

I thank you.

Mr. DANFORTH. Mr. President, I yield myself 3 minutes in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, unfortunately, when we get into the business of creating budgets for the Federal Government, difficult decisions have to be made, choices have to be made, and we do not like to make choices. We would rather make no difficult decisions at all, spend any amount of money on any program we like, make no distinctions between high-priority programs and very marginal programs.

But at a time when we are facing well over $200 billion annual deficits and when the national debt is about to exceed $2 trillion, we must make some priority choices. We must distinguish between what is very important and what would be nice but is not important at all.

Mr. President, under no circumstances could Amtrak be reasonably called an essential ingredient in our national transportation system. It is not essential. Amtrak carries one-quarter of 1 percent of intercity passengers; one-quarter of 1 percent of people who travel between cities travel on Amtrak.

It has been said, "Well, Amtrak is essential to parts of the country, to the Northeast corridor." One-fourth of 1 percent of those who enter Manhattan every day do so on Amtrak, one-quarter of 1 percent. It is not essential to our national transportation picture, or to the Northeast corrider.

Amtrak's cost is very great. We have heard the question raised about the relative subsidy for different modes of transportation provided by the Federal Government. All modes are subsidized to some extent, but there is no real comparison between the Amtrak subsidy and the Government subsidy for other modes of transportation.

We subsidize Amtrak at 23.6 cents per passenger mile. Compare that to our subsidy for air transportation, two-tenths of a penny, or for automobile or bus transportation. Even figuring in the contributions from the highway trust fund, only one-tenth of 1 cent per passenger mile is expended by the Federal Government on automobile and bus transportation. There is no comparision in the subsidy whatever.

The final point I make has to do with the cost of labor protection. This is a point that is made by everyone who advocates continuing Amtrak. They say we are locked into labor protection agreements, therefore we must clasp Amtrak to our breasts forever.

I do not agree with that at all.

First of all, as a legal matter, it is very controversial whether the Federal Government has any responsibility for labor protection. Even if we do, $2.1 billion, which is the estimated future cost of labor protection, should be compared with the $8 billion which it would cost to maintain Amtrak for the next 10 years—4 to 1.

The PRESIDING OFFICER. The Senator has used his 3 minutes.

Mr. DANFORTH. I yield myself 1 additional minute, Mr. President.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. DANFORTH. Mr. President, furthermore, with respect to labor protection, it should be pointed out that Amtrak's assets have a book value of $3.6 billion. Some of these assets are highly desirable locations in the middle of major cities. There is no reason why the cost of labor protection could not be borne in very large part by a sale of some of the assets which Amtrak holds.

Mr. President, I think that there is no strong, logical argument against terminating the Amtrak subsidy. I think rather it is a matter of something like symbolism, the desire that we have, for emotional reasons, to maintain a railroad on one hand, and the need to cut the deficit and the Federal budget on the other hand. The question is which comes first, our feelings or budgetary necessity?

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, will the distinguished manager yield 5 minutes to me, please?

Mr. DANFORTH. I yield 5 minutes to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I thank the Senator from Missouri for yielding.

A decade and-a-half ago we began this great experiment in passenger railroad subsidy by the Federal Government, and if there is one thing we have shown, it is that the Government does not know how to run a railroad.

The idea was at the outset that if we appropriated $40 million for an experiment, refurbishing a few cars and getting things on track, pretty soon the passenger railroad business would be operating profitably again. That was about $8 billion ago, actually about $9 billion ago, and there is not the slightest sign that passenger railroad service in this country if subsidized by the Government will ever operate on a profitable basis, and indeed, the proponents of Amtrak have dropped that pretense altogether. They no longer even talk about the notion of getting this thing on a profitable or break-even basis.

Mr. President, railroad passenger travel is a wonderful thing. When I was elected to Congress 12 years ago, my family and I came to Washington on the passenger train. We had my wife and I and my parents and our two kids and 17 pieces of luggage, and it took 2 days, and it was just wonderful. There is a certain ambience about traveling on the train. I have been over the country on the train. It is a marvelous experience. I recommend it.

But I do not think it makes sense for the taxpayers of this country to be required to subsidize this fine experience.

It has been argued here this morning that it is OK to subsidize passenger rail traffic because we subsidize other kinds of transportation. For example, someone said a moment ago we subsidize highway travel. It appears to me that highway travel in this country is about as close as you can get to a user-financed program as anything I can imagine because it is paid for by those who use it by the motor fuel tax.

Someone else said we subsidize airline travel, after all two-thirds of the trips are for business, and those are tax deductible items. To the extent they get a tax deduction for it, somehow, according to this logic, it means we are subsidizing air travel.

If that is true, then everything which is in some way a business expense and thereby becomes tax deductible is indirectly being subsidized by the Federal Government.

But it appears to me, Mr. President, that such a description really tortures the English language and really defies commonsense understanding of what a subsidy is.

What we are talking about is people getting on the train and paying only about a third of the cost of the trip which they are provided, and the rationale for it really has been historically threefold.

First, someday it will be profitable. We know now that is not true.

Second, that it was in some way environmentally more desirable to have train travel, and the General Accounting Office in its study of this matter has shown that is not true, either, that other forms of transportation, including intercity bus, produce less environmental pollution than does Amtrak on a per-passenger-mile basis.

So the last remaining argument in support of federally subsidized passenger rail travel is we cannot be the only nation in the world that does not have such a thing. I mean this is nostalgia.

Suppose one had been around here a few years ago when the stagecoach business was getting ready to go under and said, "Can we be the last country in the world not to have a passenger stage coach industry?"

Surely we are not going to be persuaded by such an argument. Surely there is more to the issue before us than just nostalgia, not going to be the only nation without a passenger railroad service.

In the first place, I do not think that is true. I believe the private sector will provide, in those areas of the country where it makes sense, passenger railroad service, possibly better service than we have now.

I refer to the short-haul areas like the Northeast corridor and maybe even some new areas such as San Diego to Los Angeles to San Francisco or Pueblo, CO, to Fort Collins where there is enough demand, enough traffic to support a for-profit or break-even operation.

I can see no logic to anyone wanting to go from coast to coast at a cost even after subsidy of twice or three times what it is for an airplane ticket and take 3 days to do it other than just for the sheer pleasure of it, just the sheer experience of the scenery. I do not think Congress should be in the business of paying for that kind of experience.

Finally, Mr. President, we are told that we do not want to leave these communities without other forms of transportation, and there are just not many such communities. I do not believe there is one community in this country—I may be proven wrong on this—but I will bet there is not one community in this country where travelers would be seriously inconvenienced by the lack of Amtrak's service because of the ready availability of highways, intercity motorbuses, and commercial airline service.

Now, we have been told that there are 29 cities that do not have buses

that do have Amtrak. Do you want to know what some of these are? Rockville, MD, is one of them. Rockville, MD, for heaven's sake, has been cited as an example of a city where travelers will be stranded. This is preposterous, I say to my friends.

I am not opposed to passenger railroad service. In some areas it makes sense and where it does private enterprises will provide it.

In closing, Mr. President, let me say that I should disclose my own adverse interest. Amtrak runs right through the heart of my State. In fact, it cuts through Colorado in two places. Passengers in my area benefit from the service. But I just cannot see that it makes sense for people in Mississippi and Alabama and Minnesota and Pennsylvania, and wherever it might be, to pay for this experience for passengers from Lamar or Pueblo who use this service ought to be paying for it. Therefore, I hope this amendment will be rejected.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, I yield 5 minutes to the distinguished Senator from Delaware.

Mr. BIDEN. Mr. President, the matter we have before us—the proposed elimination of Amtrak—is a wide-reaching and ruinous proposal built on a weak foundation. The proposal is part of a budget package that does little to try and distribute the effects of spending reduction in anything approaching an equitable manner. In fact, including this proposal in a budget reduction plan appears to be a contradiction.

Ending Amtrak will scrap a huge investment the government just made in the transportation network of this country, and require sizable payments to displaced employees over the next 6 years. There has to be a better way to reduce the deficit than to waste a brand new rail system, incurring huge liabilities for the next 6 years to boot.

I find it hard to believe the administration fully understands the impact the elimination of Amtrak would have on the country. Does it make sense to invest $3 billion in railroad track and equipment, and then give it up for nothing? Does it make sense to include a proposal that will be devastating to many manufacturers in the Northeast as part of a package that is supposed to promote economic activity? Does it make sense to get rid of a transportation means that helps relieve highways and airports that are already overcrowded? While we are supposed to be engaged in deficit reduction actions, does it make sense to consider a proposal that will increase the deficit by more than $2 billion during the next 6 years, and leave our country worse off than when we started?

The administration claims that much of the $3 billion investment could be recovered through the sale of Northeast corridor track and facilities. Frankly, I don't believe this, and I would like to know if there is anyone who has contacted the administration about the possibility of buying the Northeast corridor for that amount, or any amount at all. Even the Heritage Foundation backs away from the assertion that there is a buyer willing to pay $3 billion for Amtrak property. Instead, their report on this proposal states that it makes sense—believe it or not—to "sell that part of the system at a tiny fraction of its book value—or even give it away." Goodbye $3 billion in investments.

This also raises questions about Amtrak liabilities to its employees. Contracts Amtrak inherited from private rail service companies could require over $2 billion in labor protection payments. The adminstration has a neat answer to this problem—it's not their responsibility, it's Amtrak's. Balancing the budget would be a snap if this trick could be used more often. The only hitch is that it probably wouldn't stand up in court. So the Government will have to pay $2 billion over the next 5 years to close down Amtrak, and get nothing in return.

With just these two factors, the Government will have spent over $5 billion on the hope that someone in the private sector will be willing to run a passenger railroad. I don't think this goal is likely to be achieved. Ending Amtrak means taking a multibillion investment, throwing it onto the trash heap, with no passenger train service—private or public—to show for it.

Let me emphasize this last point, which seems to be the subject of some confusion—privately owned rail passenger service is not going to reappear out of Amtrak's grave. Once we close the books on Amtrak, that's it, no more intercity travel by rail in this country. The obstacles to reestablishing national rail service would be too much for anyone to overcome. The agreements that Amtrak has worked out with freight railroad companies could not be replicated. The magic of the marketplace would not be enough to dispell the logistical and legal details that would have to be addressed for rail service to reappear under new ownership.

An end to Amtrak will have an economic impact that goes far beyond rail passengers that are suddenly stranded. Freight railroads—Conrail in particular—use the Northeast corridor lines for a sizable part of their traffic. Making a rather dangerous assumption that the Amtrak-owned line is available after October 1, rail freight users will see their shipping costs jump by as much as $125 million as they are forced to pay a higher share of operating expenses along the corridor.

Actually, I think they would be lucky to get away with just a price increase. A more likely scenario is that they would have no service at all because the Amtrak lines—the only ones that serve many factories in the region—would be tied up in bankruptcy court.

Rail travelers in the Northeast and elsewhere are also expected to find alternative means to get around, presumably the highways or the airlines. I think everyone in this body already knows how overcrowded these choices are. A reasonable response would be to expand these facilities to accommodate more users, but this is a very costly response. The end result is that in 3 to 5 years we end up spending billions because of a decision this year that we wanted to save millions. The lasting deficit reduction goal we had hoped for is wiped out.

Finally, I remember a little less than 2 years ago when Congress had to make some changes in the railroad retirement system because of an imbalance between funds coming in and funds going out. Changes made in the system took into account that there would be some reduction in railroad employment in the future, but not a shock to the system that an end to Amtrak would cause. Serious problems will result in lower unemployment and health benefits to all railroad employees, and the retirement account will be reduced by about $4 billion by 1990. Something would have to give, and it would probably be a combination of another increase in taxes on employees and the railroads, and cuts in retirement benefits. Again, the effects of Amtrak's elimination would ripple through the economy, causing problems that could be avoided.

The Office of Management and Budget has painted a pretty picture of a nation barely noticing when Amtrak ceases to exist. No cost, everyone is still able to get where they want with no problem. It's fairy-tale stuff. It's the end of long distance rail transportation in this country. It's throwing away all the progress Amtrak has made in recent years in improving it's cost recovery, improvements that have cut Federal expenditures for the system by 26 percent since 1981.

Mr. President, cutting the deficit to the extent that the economy demands will require many painful choices to be made. Our responsibility is to distribute those cuts in as equitable manner as possible. The deficit is not going to be eliminated in 1 year, that much is a foregone conclusion. We will be here next year at this same time, working on another deficit reduction package, trying to make further cuts in Federal spending.

This is going to be a long, hard fight, and the only way we are going to succeed at it is, first, to get everyone in the country involved. Americans have made it clear they will accept cuts in their programs as long as there is a sense of equity to the reductions. When everyone shares, I believe the deficit will be reduced, but more importantly, it will stay reduced. However, an unbalanced attack on Federal programs will only boomerang after several years, with no net progress to show after years of work.

The second ingredient for success in cutting the Federal deficit is that it take a long-term approach. The steps we take today must be consistent with the goals we set for this country 5 and 10 years from now. It does none of us any good to cut programs now that are needed for economic growth in the future, or to throw away investments we have made in the past that are worth keeping. There is a need to cut the Federal budget and deficit this year, next year, and to continue these efforts for years after that. The vital point to remember during budget considerations is that cutting the budget is not an end in itself: we are cutting it to promote economic growth for the long-term. We should not shoot ourselves in the foot by haphazardly cutting or eliminating spending that will come back to haunt us in later years.

An idea that has been questioned by the administration's own Secretary of Transportation; a proposal that is backed by dubious numbers and faulty reasoning; a recommendation that claims to reduce the deficit, but will actually waste billions of dollars—this is the type of budget action Congress has to avoid if it is going to bring the deficit under control in a way that is meaningful and does not have effects we are going to seriously regret in the future.

If the past is any indication, there should be no doubt that further efficiencies will be made in Amtrak's operations, and Federal assistance will decline even further. The best course of action, using any standard of measurement—the deficit, performance records, long-term economic effects—is to continue Amtrak operations. I urge my colleagues to support the national Amtrak system.

Mr. President, let me just speak for a moment about what seems to be a creeping regionalism in this body that I find fascinating. I find my distinguished friend from Colorado, with whom I agree on a number of fiscal matters, asking the rhetorical question, and I suspect my friend from Missouri asked a similar question, although I was not here, and that is: Why should the people of Mississippi pay for the train in Colorado and why should the people from Arkansas pay for passenger service in New York, and so on and so forth?

Well, we really have a fascinating thing that is beginning to develop here. I wonder why the people in Delaware pay for the water that my friends in the Southwest drink? Why in the heck should we do that? Why do they not pay for their own water the way we pay for our water? Why are we going out and subsidizing that glass of water that you drink, when you sit and sip water in Phoenix, AZ, and New Mexico and parts of arid, parched Colorado, as beautiful as it is? Why do we do that silly, old thing? Why are we subsidizing that?

Well, you all do not want us to ride passenger rail service in the Northeast, particularly in the Northeast, which is vital, critical, and essential to our well-being, our fiscal well-being. It is not just the problem of being able to see the grandeur of Delaware as you ride on Amtrak. It is a simple problem. As Amtrak goes, so do many of those systems that move people in and out of the cities of our major Northeastern megalopolis cities.

Now, I really am beginning to wonder whether or not we are seven regions or one country. I am so sick of hearing "Why should the people of * * *." I mean, 4 years ago, we heard, when Lawton Chiles was asking for help for the Mariel boat lift responsibility that was dropped on Florida, we heard people saying, "Why should we help the people of Florida?"

I will tell you why. We are Americans. That is why we should help. A real simple reason. We are Americans.

The people of Delaware had as much responsibility for the Cubans who Castro dumped on our shores as the Floridians had. The people of Colorado have as much responsibility for making sure the major cities of the Northeast function as we in the Northeast have to see that you all out in Colorado have water to drink and irrigation for those farms that we subsidize.

You do not subsidize my farmers. Why in the heck should I subsidize yours? Why should I ask the taxpayers of Delaware to do that? Because I am an American, that is why.

We have a President engendering this notion that we are somehow seven different nations. If I live in Florida, I have different problems than if I live in Delaware. If I live in Arizona, I have different problems than if I live in Missouri. Thank God I live in Delaware and not those other wonderful places.

But the fact of the matter is I think this whole notion of going into everything we do is destructive to the fabric of this Nation.

Now, if there is waste in Amtrak, then, fine, let us go after the waste. I am not arguing against that notion. And you may assume it is all waste, like I think the notion of seeing to it that we guaranteed that the folks in the Hoover Dam area get their electricity at outrageously low and subsidized rates compared to what we pay in Delaware. I think we should clean that up. I think we should go over the waste and the fraud and the abuse and so on and so forth.

But, quite frankly, everybody keeps talking about passenger rail service that works on its own. Now, I may be wrong—and it will not be the first time I will have been wrong on this floor when I have spoken—But I am not aware of any passenger rail service on a nationwide basis in any country that makes money. I am not aware of any system that provides for drinking water for the entire country that makes money.

What are we?

I ask my friend from Colorado, why should my mother, in Wilmington, DE, subsidize your farmer in Colorado, who gets Government subsidized water to irrigate his fields? I would like the Senator to answer that, if he would be willing to do so.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. BIDEN. I ask unanimous consent that my friend from Pennsylvania would yield me 3 more minutes.

Mr. SPECTER. I yield 3 more minutes to the Senator from Delaware.

Mr. ARMSTRONG. Mr. President, I will respond to the Senator from Delaware that our positions are not as far apart as he might imagine. I certainly think he is correct in pointing out that there is a national interest to be served.

He mentioned the concerns of Floridians about the influx of Cubans and asked would the same logic which I have suggested with respect to Amtrak apply to the situation of the refugees of Cuba. I did not think so. I think that was a national problem, and so I voted, as did the majority of Senators, to fund that.

Mr. BIDEN. Mr. President, I only have 3 minutes. I ask the Senator: Is it a national problem to see to it that the people of Philadelphia can get in and out of that city with a mass transit system? Is that a national problem or just a Philly problem?

Mr. ARMSTRONG. That is a part of a service which I am confident—Philadelphia to New York and Philadelphia to Washington—would be provided by the private sector.

Mr. BIDEN. Since I only have about a minute left, I am confident that in later debate I will point out, hopefully, if we have time, that they could not do it that way. But let us leave that alone.

Again, though, I still want to make this point and reiterate the point time and again. I just want you all to remember that we are all in this thing together.

My friend from Missouri is asking for things that affect Missouri that Delawareans should not have to pay for on the logic being applied to Amtrak. But we should pay, because the logic we should apply here is how do we make a better and healthier Nation.

I would point out to my friend from Colorado—and I only mention him so much because he is the only one I have heard so far because I was in a committee hearing—I point out to him that it is not merely that we subsidize from a tax side those folks who fly on planes, but my friend from Missouri is going to have to figure out how many new air traffic controllers the Federal Government pays when the Northeast corridor is gone. He is going to have to figure out how many new towers we build, how much more money we put in runways, how much more money we put in subsidizing traffic patterns of those airports.

Mr. ARMSTRONG. Will the Senator yield for a question?

Mr. BIDEN. Yes.

Mr. ARMSTRONG. Why should we subsidize the air traffic? Why should not the people who fly on the airplanes pay for it?

Mr. BIDEN. Why should not the farmers in Colorado who, in fact, irrigate their fields, pay for their own water?

Mr. ARMSTRONG. I think that is a reasonable proposition.

Mr. BIDEN. Good. I want the record to show that the Senator from Colorado believes that the farmers of Colorado should pay all the costs of the water for irrigation. Is that correct?

Mr. ARMSTRONG. Mr. President, it is my view that unless you are talking about a national situation, such as was in Florida, or unless you are talking about real hardship cases where people are simply too poor to be able to do so, that those who benefit from a service should pay for it.

Mr. BIDEN. Let me ask the question.

Mr. ARMSTRONG. That is true whether you are discussing passengers on railroads or airplanes.

Mr. BIDEN. How about farmers irrigating their fields in Colorado?

Mr. ARMSTRONG. Colorado or anyplace else.

Mr. BIDEN. I will introduce an amendment shortly that will in fact see to it that all moneys for irrigation anywhere in this country be——

The PRESIDING OFFICER. The gentleman's time has expired.

Mr. BIDEN. Thank you very much. I thank the President, and I thank my colleagues for yielding.

Mr. HEINZ. Mr. President, it should come as no surprise to anyone in this Chamber that I rise in support of my colleague's amendment to add sufficient funds to the pending budget to restore 90 percent of Amtrak's subsidy. I have consistently stated my belief that this body should not—indeed cannot—reduce the deficit by terminating the Federal Government's aid to Amtrak.

The administration's proposal to eliminate 100 percent of the Amtrak subsidy is a proposal to eliminate Amtrak itself—and eliminating Amtrak is a very expensive proposition. The labor protection costs resulting from the collapse of Amtrak would cost the Federal Government $2.1 billion alone. The various other legal and administrative nightmares associated with bankruptcy guarantee that the total cost to the Government would climb vastly higher. Without subjecting this body to a detailed account of the true costs involved in the administration's proposal, I will go on record as predicting that abolishing Amtrak would, in the final analysis, cost the Federal Government much more than it would save.

Eliminating 100 percent of Amtrak's subsidy doesn't make sense from a business standpoint, but you don't have to be an accountant to support continued funding for rail passenger service. Transportation experts, public officials, and regular citizens have all stated their belief that Amtrak should be given sufficient funding to guarantee its survival.

Transportation experts deplore the administration's Amtrak elimination because they know that, once abolished, this Nation's rail passenger system can never be resurrected. Public officials oppose the move because they believe that Government has an obligation to do for the people what the people cannot do for themselves, and that long-distance rail transportation is an area of human commerce especially deserving of Government support. Regular citizens decry the cut because the existence of a sound intercity rail passenger system is essential to the conduct of their lives.

Mr. President, I do not mean to imply that Amtrak should not be required to make some contribution to the deficit-reduction effort we have undertaken; these are fiscally grim times and everybody must shoulder a portion of the burden. However, the President's proposal to cut 100 percent of Amtrak's budget is simply unfair and unwise. I think many of my colleagues will agree that the measure proposed here today by Senator Specter—a 10-percent cut—is a much more reasoned and well-balanced approach. My colleague's amendment will allow us to achieve badly needed budget savings without bringing about the collapse of one of this country's most important assets. Senator Specter's amendment has been greeted warmly by important and diverse sectors of our society, and makes sense from every point of view. I urge my colleagues to support this worthy measure.

Mr. ANDREWS. Mr. President, I rise in support of the Senator's amendment which restores 90-percent funding for Amtrak. To completely eliminate funding for the National Railroad Passenger Corporation, as the President has proposed, ignores the commendable progress that Amtrak has made in reducing costs. It would be one thing if Amtrak had not or could not meet the performance and standard goals set by Congress.

Amtrak, however, has met or exceded those congressionally mandated revenue/loss criteria. In addition, Amtrak now receives less subsidy—$684 million—than it did 4 years ago. In real terms, since 1981, Amtrak has had a 27-percent reduction in funds provided. If other programs had done as well as Amtrak, we wouldn't have the $200 billion deficits that we face today.

The elimination of Amtrak funds is not a "savings." The cut ignores the fact that Amtrak's labor provisions alone would cost approximately $600 million in fiscal year 1986. That means the taxpayers invest $600 million and receive no service for that investment.

Furthermore, dismantling Amtrak means that we turn our backs on the investment already made on the system. Mr. President, these are capital investments that are now paying dividends.

Finally, this abrupt cut breaks faith with those States and localities which invested their funds to fix stations and make other capital investments to attract Amtrak and its passengers.

Now Mr. President, the administration would have Congress believe that miraculously, on October 1, various entities will pick up certain elements of Amtrak service. I would like to inform my colleagues that the subcommittee has looked into this claim and, to date, there are no takers. Even if one or two States desired to pick up service, the time for legislatures to consider and fund this action is all too short.

Also, the Administrator of the Federal Aviation Administration has testified that the additional 17,500 daily passengers in the already congested Northeast corridor could not be absorbed without great difficulty and considerable additional expense. Anyone who has been stalled in traffic around Washington and New York knows that our highways are not the answer either.

Beyond the Northeast, the administration's funding cut will deprive hundreds of communities who rely on Amtrak service. In the final analysis, Mr. President, what kind of national transportation system will we have when we drop passenger rail service, and leave communities already hard hit by aviation and bus deregulation no real alternative.

Zero funding for Amtrak is not reversible—you cannot easily restart a system that has served over 21,000 em-

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ployees and had a fire sale on its 3 billion dollars' worth of equipment.

I have and will continue to diligently review Amtrak's operations as chairman of the Transportation Subcommittee on Appropriations. They will not get one penny more than they need or deserve—but they certainly deserve more than that proposed by the administration—so without hesitation I support the amendment of my good friend and colleague, Senator SPECTER.

Mr. WALLOP. Mr. President, today, I rise in complete support of one very positive provision in the Senate-White House Deficit Reduction Agreement. I am referring to the proposal, that would terminate the Federal Government's subsidy to the National Railroad Passenger Corporation, commonly known as Amtrak.

Some of my friends in the Senate may reall that this is not the first time this Senator from Wyoming has spoken out against continuing the wasteful use of every good American's hard earned money through the Amtrak sieve. On July 15, 1983, virtually the same day Amtrak went thundering out of the prairies of Wyoming, for what is considered a more picturesque view of the Colorado Rocky Mountains, I successfully offered an amendment to the fiscal year 1984 Department of Transportation appropriations bill reducing Amtrak's subsidy by $1.6 million—or the amount Mr. Graham Claytor, Jr., President of Amtrak, claimed the Corporation would save by terminating its service to my State.

My purpose for lending support to this portion of the budget package, as it was during the Appropriations process almost 2 years ago, is to insure that the Federal Government is not only fiscally responsible, but fiscally reasonable. With deficits hovering around the $200 billion mark, this country can no longer afford the luxury of bankrolling a so-called national passenger train that does not come close to serving the rail passenger needs of every State in this Nation. A glance at their route map will show several totally blank States with nonexisting service including Wyoming, Oklahoma, and South Dakota.

Mr. President, when Amtrak abandoned Wyoming almost 2 years ago, it left the State without any passenger train service for the first time in about 100 years. Yet, Wyoming taxpayers have been forced to maintain Amtrak service to other parts of the country for several years now, and I believe that's far too long to pay a public service that is truly not public.

And, making the situation even more insulting, Mr. President, is that while Amtrak left southern Wyoming because it considered our prairies and grasslands not as spectacular as the Colorado Rockies, the same train—the California Zephyr that used to stop and pick up passengers—still streaks through the State not braking or slowing down for man nor beast within our borders. This situation has occurred primarily as a result of unsafe track conditions on the Denver and Rio Grande line through Colorado. As of April 17, the Zephyr has been rerouted 27 times over Wyoming's safer Union Pacific tracks because of mud slides, snow slides, high water, or track washouts.

Not only does this situtation raise concerns about safety conditions of the present route, but it causes me to question how much extra money it really costs Amtrak to reroute the train through Wyoming while simultaneously busing passengers to points in Colorado made inaccessible by Mother Nature. These continuing circumstances seem to illustrate that perhaps a permanent bus route along this stretch would be much safer and a far more economical way to proceed.

Our National Treasury simply cannot afford to underwrite this cushy, well-padded transportation welfare program. More importantly, how can the Federal Government justify to the American people any financial support for the passenger arm of the railroad industry, Amtrak, while it extricates itself from the freight business through the pending $1.2 billion sale of Conrail? Why should the Federal Government continue to support a corporation that has been unable to make a profit in 14 years?

Truly, we should have sold our interest in Amtrak many years ago, had Congress been able to muster the courage, we could have put close to over a decade's worth of Amtrak subsidies, or $10 billion, toward a deficit downpayment. It simply no longer makes fiscal sense to keep handing out $60 subsidy checks to encourage the traveling public to take the train.

Our Nation's transportation system, especially our railroad network, will not collapse without Amtrak. If anything, the traveling public, and perhaps a few enterprising businessmen and businesswomen, would become interested in pursuing more creative and probably more profitable ways of supplying a similar service, or even relying on other modes of transportation such as car, bus, or plane. America can survive without Amtrak. Let us start connecting the bright light at the end of the tunnel with deficit reduction efforts instead of speeding Amtrak locomotives.

AMTRAK MUST BE RETAINED

Mr. PELL. Mr. President, I am happy to join in cosponsoring Senator SPECTER's amendment to restore funding for Amtrak at a 10-percent reduction from the fiscal year 1985 level. This represents a reasonable cutback in Federal spending, and one which Amtrak has indicated it can tolerate, while still preserving the system and its basic service. I urge the Senate to approve the amendment.

With all due respect to the administration's intentions for trimming the deficit, I do believe that in the case of Amtrak its spokesmen have become entrapped in their own rhetoric. The Amtrak subsidy represents a miniscule seven one hundredths of 1 percent of the Federal budget. But the administration's spokesmen have become so intent on making Amtrak the symbol of their designs that they have failed to answer all the essential questions raised by their proposal.

They have failed, most of all, to tell us where Amtrak's 20 million passengers would go if the system were to shut down next October 1. It is not enough to say that we should give each of them a $35 airline ticket. If the displaced passengers were to turn to the airlines, it would cause unmanageable congestion, adding nearly a million passengers a year to National Airport alone. And if they were to turn to the highways, as most of them probably would, the result would be unimaginable chaos, particularly in the Northeast corridor on a snowy day.

The administration spokesmen have likewise failed to take account of statutorily mandated labor protection agreements, the settlement of which would wipe out any savings realized by a partial shutdown, and which in the case of a total shutdown would consume the value of the liquidated assets of the system.

And they have failed to give any consideration at all to the secondary impacts of a shutdown, particularly in the Northeast corridor, where Amtrak maintains the right-of-way and operates signal, dispatching and tower operations not only for its own trains but for other users of the tracks, including commuter services in Maryland, New Jersey, and Pennsylvania, and the freight traffic of Conrail, the Delaware and Hudson system and the Providence and Worcester railroad in New England.

These secondary users presently pay Amtrak some $53 million in fees for these services, but if they had to pick up Amtrak's share of the costs, the net additional cost would be $164 million, which could be a crippling blow to some if not all of the users. One consequence which has received scant consideration is the impact on Conrail, which would have to pick up some $82 million of the additional costs. It seems quite possible that these added annual costs may effect the dynamics of the proposed sale of Conrail to the Norfolk and Sourthern Railroad, to which the administration is so firmly committed.

In Rhode Island, we have a unique situation, also apparently disregarded by the administration, in which $25

million in prior Federal investment in railroad relocation would in all probability be wasted if Amtrak were to be shut down. The project involves the virtual reconstruction of the heart of downtown Providence, and its centerpiece is the relocation of Amtrak's main line from an elevated loop that has long separated the business district from the statehouse to a new below-grade right-of-way, serviced by a new railroad station.

Rhode Island's commitment to this landmark project was based on the good-faith assumption that Federal support of Amtrak service could reasonably be expected to continue. It would indeed be an ironic and wasteful turn of events if that support should now be abruptly withdrawn just as the project is drawing to completion. In this connection, Mr. President, I ask unanimous consent that a letter from the Capitol Center Commission and a resolution of the Rhode Island General Assembly be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE CAPITAL CENTER COMMISSION,
Providence, RI, April 26, 1985.

Senator CLAIBORNE deB. PELL,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR PELL: The Capital Center Project, as you are well aware, is well underway. Representing the single largest construction project in the history of the state of Rhode Island, it never would have occurred were it not for the significant contribution of the Federal Railroad Administration acting on behalf of the National Railroad Passenger Service Corporation (Amtrak). In their efforts to upgrade the entire northeast corridor, which serves points between Washington and Boston, the city of Providence was the beneficiary of a contribution of over $25 million to the construction of the aforementioned Capital Center Project. The Federal Railroad Administration's contribution funds the relocation of the railroad tracks and the construction of the new railroad station here in Providence.

The present Administration's plans to eliminate the subsidy to Amtrak is the cause for grave concern to the Capital Center Commission. It is important to note that the northeast corridor provides over 40 percent of the revenues which Amtrak realizes annually, and thus utilizes a significantly less percentage of the subsidy presently provided. If in fact some cutback in subsidies is deemed to be essential, it is our hope that an equitable formula will be established so that the northeast corridor may continue to operate at its current levels of service.

Needless to say, it would appear to be indeed ironical if the new railroad station, which is at a 70 percent completion stage, were not to receive the utilization anticipated when this unique construction project/economic development opportunity for the state of Rhode Island was first envisioned.

Sincerely,

ALFRED H. JOSLIN,
Chairman.
CHARLENE B. HALL,
Executive Director.

HOUSE RESOLUTION MEMORIALIZING CONGRESS TO MAINTAIN AT ITS CURRENT LEVEL FEDERAL FUNDING TO AMTRAK

Whereas, President Reagan's proposed budget cuts include the elimination of federal subsidies to Amtrak; and

Whereas, According to the Chief Executive Officer of Amtrak, the loss of federal subsidies would virtually shut down the passenger train system and would lead to high federal costs due to expensive labor settlements; now, therefore, be it

Resolved, That this house of representatives of the state of Rhode Island and Providence Plantations hereby memorializes Congress to maintain at its current level federal funding to Amtrak; and be it further

Resolved, That the secretary of state be and she hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in the United States Congress.

Mr. PELL. Mr. President, it seems to me that the administration's failure to take account of so many significant adverse consequences of its proposal with respect to Amtrak simply demonstrates that the proposal is ill-considered and short-sighted in the extreme. For this reason I urge the approval of the Specter amendment.

For the longer range, I believe we are reaching a point where the continuity of rail passenger service as an integral part of our national transportation system should be affirmed as a matter of national policy. Amtrak should not be put on the block every time the Budget Director needs to save a few dollars. We should be prepared to reexamine our expectations as to the economic self-sufficiency of rail passenger service, particularly in view of the fact that virtually all industrialized nations subsidize such service as a matter of course. A rational, integrated transportation policy might well provide regular funding from dedicated sources, such as taxes on fuel used by less cost effective forms of transportaion.

We should keep these possibilities in mind, I believe, as we vote today, hopefully to keep Amtrak in business for the immediate future. Beyond that, there's got to be a better way to run the railroad.

Mr. ARMSTRONG. Mr. President, if the 15 years of Amtrak experience proved anything, it is not only the futility of expecting rail passenger service to be an important transportation mode, but the senselessness of using taxpayer dollars in an effort to make such a system profitable.

Congress thought rail passenger service might still be viable when it created the National Rail Passenger Corporation in 1970. At the time, many railroads had or were proposing to end rail passenger service because the decades of declining ridership had produced an unprofitable situation. At the turn of the decade, trains carried 95 percent of all intercity traffic. Except for the blips during World War I and World War II, it has been all downhill. In 1920, trains still carried 77 percent of all intercity passengers. However, 1936 was the last year trains were able to carry passengers profitably. By 1950, ridership on trains was only 5.6 percent of intercity traffic and today Amtrak carries only three-tenths of 1 percent of intercity traffic.

As a result of this steady decline, many railroads proposed abandonment of such service and after often-heated public hearings, these trains began to slowly disappear from the picture. So Congress rode to the rescue with a Federal subsidy program designed to save the passenger trains. The intent was that with some seed money from Congress to update the system, a new passenger train network could be built which would be self-supporting.

In fact, the original law explicity provides that "the corporation shall be operated and managed as a for-profit corporation."

The intent of Congress in establishing Amtrak was very clear.

One influential Congressman, in announcing his support for the Amtrak bill, said,

> It is entirely possible that an alert, imaginative program, thoroughly promoted and publicized, can recreate an acceptable image for railroad passenger travel, and bring this mode of transportation back into profitable use.

One of the original cosponsors of the Amtrak bill reiterated the intent.

> Hopefully, new developments in high speed rail technology will enable the National Rail Passenger Corporation to eventually become solvent, and the initial seed money from the Federal government is a worthwhile investment to enable us to find out if rail passenger service can be self-sustaining.

In the Senate, one of the four sponsors of the bill warned at great length against continued operating subsidies. And with those understandings, the bill passed the Senate 78–3, and passed the House by voice vote.

Like so many things in Washington, the promise far outshone the performance. Amtrak has lost money every year of its existence and the cost to the Federal Government has grown 20-fold annually. The total cost of the program to date has been $12.5 billion and another $8 billion is expected to be spent over the next decade. Yet, despite this tremendous amount of money being spent to help a private company provide rail passenger service, less people ride Amtrak today than did even 5 years ago.

One would think Congress could recognize a turkey when it saw one, but as incredible as it may seem, Congress continues to use the taxpayers' money to operate Amtrak.

The budget process provides the appropriate process to reevaluate the need for Amtrak subsidies since it allows us to look at all our national priorities and determine how to allocate our resources. This is especially important considering the predictions of Federal budget deficits in excess of $200 billion.

The subsidy for Amtrak is the largest subsidy for any transportation mode whether the numbers are compared in total funds received, total funds per passenger, or total funds per passenger mile.

In 1984, according to the Congressional Budget Office, essentially all of the net Federal subsidy for intercity passenger service went toward Amtrak.

It must also be understood that while just about all transportation assistance is provided through fees or taxes paid by the users of the transportation mode, Amtrak stands as an exception that is wholly funded directly out of the general revenue fund of the U.S. Treasury that all citizens pay into.

Next, it should be understood that the amount that autos and airplanes pay into their trust funds is greater than the total amount they receive from the Federal Government, according to the latest figures from the Congressional Budget Office. Buses receive a small subsidy equivalent to two-tenths of 1 percent. The subsidy for Amtrak is 17 cents per passenger mile, or 23 cents if improvements on the Northeast corridor are included. This means the Amtrak subsidy is 85 times greater than that for buses.

With the Federal appropriations for Amtrak equaling about $700 million last year and Amtrak providing just under 20 million passenger trips, this means the taxpayers paid on the average $35 dollars for every Amtrak ticket.

Amtrak boasts that it covered 56 percent of its operating costs last year, but it actually covered only 50 percent of its total costs. On some routes operated by Amtrak, it covers only 13 percent of its costs.

Amtrak supporters note how the system has cut its annual appropriations from nearly $900 million in 1981 to a little less than $700 million today and asks why the system is being punished just at the time it was beginning to show improvement. Amtrak should be commended for these improvements, but this does not mean Amtrak makes sense. Most of the reductions have come because of congressional requirements that Amtrak end its least efficient routes. It still requires a $700 million a year subsidy to operate and there is little chance for significantly reducing this amount given the labor intensiveness of a system with labor costs two to three times those of bus and airway systems, high equipment and maintenance costs, little ability to raise fares or increase ridership and the difficulty of Amtrak expanding services without incurring greater costs.

In comparison to the oft-quoted $35 subsidy taxpayers assume for each Amtrak passenger, Amtrak supporters contend the Federal Government is providing an equivalent subsidy per passenger for the airlines. They base this on tax deductions businesses receive for business trips, the use of industrial development bonds to construct airports, and Treasury funds used to finance air traffic control.

First, tax deductions for business travel is not a transportation subsidy. The tax break goes to businesses, not transportation modes. This tax deduction is available for all aspects of business travel including meals, lodging, and so forth. Next, Amtrak has calculated the value of the business tax deduction incorrectly by assuming that all businesses are corporations taxed at the 46-percent corporate rate. Amtrak's numbers do not distinguish among the types of businesses, such as partnerships, that have lower tax rates, and thus receive less benefit from a tax break. Finally, the user determines which mode he will travel on. So, if the person does not choose Amtrak, it is not because one mode is being unfairly subsidized, but that Amtrak does not offer the best means of getting from one place to the next. But 40 percent of Amtrak's riders in the Northeast corridor are business travelers, so this is a tax break available to a substantial number of Amtrak riders.

Second, industrial development bonds are also not specific to any one transportation mode. The use of development bonds involves a decision by local authorities for a project whether it be transportation or not and, if transportation, whether the community wants a new airport or a rail station, or other facility. Again, it is misleading to assume that since $1 billion in bonds were issued by local communities that this represents the value of the subsidy. The tax break to the purchaser of the bond is the extent of the subsidy and it is three hundredieth the value of the bond, according to the Congressional Budget Office.

Last, about half of air traffic control funds are paid out of General Treasury revenues. In aggregate, however, air systems pay more in Federal funds than they receive in Federal expenditures. There are enough funds in the aviation trust fund to assume the full costs of air traffic control and it is only because Congress has decided to distribute the money otherwise that some funds have come out of general revenues. This year's budget assumes the full cost of operating air traffic control for commercial and general aviation will be paid out of the trust funds.

Amtrak supporters also have released numbers to show that road systems received $13.5 billion in non-user fee assistance in 1983. About $11 billion of this is attributed to State and local governments, which has nothing to do with the debate on Federal assistance for Amtrak, and it is certainly not for us to decide how a State or locality will raise its revenues. The remaining $2 billion is attributed to the Federal Government. The bulk of this is general revenue funds used to construct roads. Again, this involves a local decision, but the budget will also end this program in a couple of years. The remainder is roads built in national forests, which the logging companies actually pay for. Finally, a portion of Federal funds are used to construct roads in national parks and on Indian reservations.

The amount of Federal assistance is certainly an important factor, but the mere fact that large sums are spent does not mean the cost is unjustified. We have to assess this cost in terms of Amtrak's role as a national transportation system.

The most telling fact in this regard lies in Amtrak's meager ridership that comprises only three hundredieth of 1 percent of all intercity passenger trips. A little less than 20 million trips are attributed to Amtrak ridership each year, but even this overstates the case, since it includes the many people who commute every day. As already pointed out, this cost per passenger is unparalleled.

Since Amtrak clearly is not the transportation mode that makes America tick, one has to discern whether it fills a particularly important niche in our transportation network that could not otherwise be met.

One contention of Amtrak supporters is to point out cities that do not have alternative transportation. First, it should be pointed out that Amtrak serves only 500 communities across the Nation, while bus service is available in nearly 10,000 communities. A recent list published by Amtrak says that out of its 500 stops, 130 have no air service, 53 have no bus service, and 29 are served by neither. To begin, it should be pointed out that all these cities and towns are accessible by car. Some have no commercial air service, but do have airports. This is the case for the six stops listed in Colorado without air service.

In regard to alternative bus service, the Amtrak list has been scrutinized and found that most of the towns listed without alternative bus service are near towns that do or are part of a larger metropolitan area served by buses. In fact, only four stops are farther than 30 miles from a bus stop. Three of these are within 35 miles of bus stops and the combined population of the four towns is less than 3,000. Finally, the American Bus Association has pledged to provide "adequate, alternative bus transportation" to fill any gaps should Amtrak service end. I have attached a list at the end of my remarks listing the alternative bus service at the 82 stops Amtrak claims there is no alternative service.

Not only is bus service available to just about every community served by Amtrak, but the bus serves those communities more frequently than Amtrak. In Colorado, for instance, the bus is 16 times more frequent than Amtrak at their similar stops. In Montana, buses are 26 times more frequent; in Arizona, 32 times more, and in Texas, 74 times. Even in the more densely populated areas, the bus stops more often than Amtrak; in California, the bus is nine times more frequent than Amtrak; Illinois, four times more frequent; Pennsylvania, 13 times more frequent; Massachusetts, 10 times; and in New Jersey and New York, the bus is three times as frequent at Amtrak.

Amtrak, however, tries to assert that bus service is somehow complementary to Amtrak and not competitive, as though bus service would somehow disappear if Amtrak service ended. This directly overlooks the 1979 General Accounting Office finding that "there is little question that subsidized Amtrak service has attracted customers that would have otherwise ridden buses." Bus service has declined 10 percent since Amtrak began, and this is particularly detrimental to rural America, since bus is the most important means of public transportation between communities in rural areas. Even in the Northeast corridor, bus service has declined 46 percent since Amtrak started serving the area. In some cases, bus routes have been developed to complement Amtrak, but this is only to survive, since Amtrak's predatory pricing policies have made many routes unprofitable and put many bus companies out of business. The evidence, then, shows Amtrak has hurt bus service, and ending of Amtrak would more than likely increase bus service.

Another Amtrak argument to continue its subsidy relies on the belief that highway and air traffic will become uncontrollably congested in the Northeast corridor. In the portion of the corridor from Washington, DC to New York, over 17,000 trips are taken on Amtrak daily. This seems like a lot, but it should be noted that only 2,700 travel the full distance from New York to Washington, DC. Most are commuters from outlying suburbs into the large cities of Philadelphia, New York, Washington, DC and Baltimore. According to Amtrak's own surveys on the Northeast corridor, 32 percent of the passengers would go by bus if rail service were terminated. This means 100 buses will be needed to carry 5,500 people; 48 percent will go by car or 8,400 people; and 16 percent or 2,800 would go by plane. For air travel, there are currently 2 million extra seats on flights in the Northeast corridor.

To put this in relation to current traffic, 3 million people daily use the roads to get into New York City. Even if all the Amtrak passengers in the corridor were included, their presence would hardly be noticed. The fact is, though, these people are spread throughout the corridor at all the different cities and traveling at different times.

Amtrak also believes its subsidy is justified because it currently covers the bulk of the costs on certain lines in the Northeast corridor that local commuter lines also use, but pay only marginal costs. First, Congress should not fund the National Rail Passenger Corporation as a guise for subsidizing local transit systems. Second, if these local commuter trains are that valuable, then local, State, or regional governments can assume the cost. Amtrak estimates the increased cost to these local lines at $162 million, but half of this amount would have to be assumed by Conrail. Transportation Secretary Dole, in testimony before a House subcommittee, stated that Norfolk Southern understands that as a nonnegotiable part of its purchase of Conrail, it will have to assume this cost.

It would seem then from a cost and purely transportation aspect, Amtrak does not serve a need. But there are still other factors to be considered. Maybe Amtrak is not the least costly or the most efficient or most important transportation mode in the country, but maybe it is helping to provide economic opportunity to the poor, transporting people in an environmentally less damaging manner, helping conserve scarce energy, or assisting in our national defense efforts. Amtrak's supporters would have you believe Amtrak achieves all these laudable objectives.

It is not difficult to view a sleak, rapidly moving train with no exhaust trailing it as the futuristic answer to pollution control. But it is better to view Amtrak in terms of what it does and does not emit as a system and compare that to other modes. The Environmental Protection Agency has forecast pollutants from the different transportation modes for 1990 and found that Amtrak is more environmentally sound only if one compares the amount of carbon monoxide and particulants it puts into the air compared to the auto. In the amount of hydrocarbons, nitrous oxide, and sulfur dioxide, Amtrak is a larger polluter than the automobile. In comparison to the bus and the airplane, Amtrak is a greater polluter in all five categories.

Another proposition is to tout Amtrak as the solution to a future energy crisis. Instead of driving to work and consuming gasoline, we will all just hop into the nearest train at anyone of the conveniently located 500 stops nationwide. This proposition was exposed for what it was when President Carter's Transportation Secretary Brock Adams declared Amtrak an "energy waster." DOT at that time had found Amtrak to be three times less energy-efficient than the bus. To consider rail passenger service an energy-efficient mode is to ignore basic facts about the inherent inability of a rail system to transport people in an energy-efficient manner. Freight trains are efficient because they can carry weight three times the weight of the car trains. A passenger train, on the other hand, has one ton for every passenger even on a train full of passengers. A bus, then, that needs less than ⅛ of a ton to haul each passenger, naturally has the ability to haul people with less energy in most instances.

One instance where Amtrak has proven efficient is the Northeast corridor when, according to the Congressional Budget Office, Amtrak is compared to all the alternative transportation modes; it saves the equivalent of 3½ pints per passenger mile. On all other routes, Amtrak loses 3½ gallons. The system as a whole is a net energy loser, and last year, Amtrak resulted in the additional consumption of 2,000 barrels of oil per day.

If we are to judge Amtrak in terms of energy conservation, we must look at what Amtrak can achieve in this area in comparison to other ways to achieve energy conservation. Amtrak may be able to take advantage of improvements in rail technology and greater use of electrical energy based on nuclear or coal sources to operate trains in the Northeast corridor, but the Congressional Budget Office has found that these savings will represent less than one-hundredth of 1 percent of the Nation's petroleum needs. For each barrel of petroleum saved through improvements to Amtrak, the cost will be $395, and this compares to only $20 that will be required to achieve the same savings by improving automobile efficiency. It is interesting to note that during the energy crisis period from 1974 to 1979, Amtrak did not improve its energy efficiency while the automobile did.

When Amtrak fails to appeal to our sentiments for the environment or dependence on oil imports, its backers raise the flag, bring back memories of World War II and declare its trains will be there to transport the troops when the alarm sounds. They overlook, however, that since WW II, we have built the world's finest air and road systems, in part to diversify and improve our internal transportation network to facilitate rapid mobilization during a time of war. That is why our Nation's highway system bears the name "National System of Interstate and Defense Highways."

The Amtrak system plays neither a vital role in our defense preparedness, nor does it serve any particular need or do its tracks follow a particularly vital route. Amtrak follows the same routes as freight trains and the quality of those tracks reflect the needs of freight trains, not those of Amtrak. Amtrak has upgraded some tracks to improve tracks for the purpose of making rail passenger service quicker or safer, but they are not improvements that make the system better at transporting troops or equipment during war.

The Department of Defense has identified the tracks in the Nation that are vital to defense, and of these, one-third are on low volume branch lines, but Amtrak's operations are not a factor in the continuation of these lines.

When the surge of nationalism has passed, Amtrak swoops down to the poor and elderly and claims that its service has made travel affordable to the poor. This is a most curious argument, since Amtrak ridership is conspicuously not directed toward low-income persons. According to the Census Bureau, 51 percent of Amtrak's riders have incomes in excess of $30,000 and only 10 percent have incomes below $10,000. This compares with the national averages of 21 percent of the population with income under $10,000 and 37 percent with incomes over $30,000. Twenty percent of bus riders, however, have incomes below $10,000. The medium income of Amtrak riders is $16,000, which is higher than any other mode. The average income of a bus rider is $13,000.

The income disparity between modes is most apparent on the Northeast corridor where 58 percent of the passengers had incomes over $30,000 and where Amtrak's president recently admitted before the Senate Transportation Appropriations Subcommittee that Northeast corridor passengers are "generally orientated toward business."

Of particular importance in regard to rail's ability to help the poor, is the conclusion reached in the 1982 CBO study that "If transportation subsidies are to be channeled specifically toward low-income people, aiding intercity bus service would be more effective than aid to Amtrak."

In regard to other groups that might be considered disadvantaged besides low-income persons, Amtrak again has a conspicuously poor record in relation to the bus, its closest competitor. Intercity buses carry more persons over 65 years of age—13 percent compared to Amtrak's 7 percent; twice the number of persons under 18—36 percent compared to 18 percent of Amtrak's riders; more blacks—20 percent compared to 15 percent for Amtrak; more Hispanics—5 percent compared to 1 percent for Amtrak; 35 percent of bus riders do not have a high school education, and 43 percent do not have college degrees compared to 20 percent and 30 percent of Amtrak's passengers who do not have high school degrees or college degrees respectively; and finally, 60 percent of bus passengers are female compared to 50 percent for Amtrak.

One of the more recent arguments for Amtrak is the number of jobs that would be lost if Amtrak service terminated and the liability this would be for the Government. It's too bad no one ever asked in the beginning how many jobs might be lost in the bus or other industries by subsidizing Amtrak. Jobs lost in the bus industry have no opportunity to receive Federal severance pay and already, 5,000 jobs have been lost in the bus industry since Amtrak's inception. The American Bus Association predicts 25,000 more jobs may be lost if Amtrak continues. Looking in a broader perspective, a standard assumption is to assume that one job is created for every $40,000 to $100,000 of capital invested. Then, if one calculates that the total cost of Amtrak to society by including Federal assistance and the opportunity cost if those funds had been invested in other ways at $17 billion, Amtrak has resulted in the loss of 150,000 to 400,000 jobs.

Nor are the labor protection agreements Amtrak has signed with its employees a liability of the Federal Government. Amtrak is a private corporation, not a Federal entity. This was restated recently by the Supreme Court in National Railroad Passenger Corporation versus Atchison, Topeka, and Santa Fe Railway Co., which said the "Act expressly established the Rail Passenger Corporation as a non-Government entity." Labor protection costs would be funded out of the court-supervised liquidation of assets in full or in part. Congress may decide that the Federal Government has an obligation to protect Amtrak's employee as it has done in recent years for several other railroads. In any event, this is a matter for Congress to decide. If it chooses to do so, Amtrak's liabilities will most likely by one-sixth what they are now. Even if the total costs are $2.1 billion, as Amtrak suggests, it is a one-time expense and far less than paying for Amtrak for each year forever and forever.

Well, at this point, one would think that no reason exists that could possibly rationalize Amtrak's existence. But Amtrak's supporters leave no stone unturned and when it is abundantly clear that Amtrak serves no overriding purpose, Amtrak's supporters say we need it because the Japanese and Europeans have rail passenger systems. Why we should have the need for a rail passenger system just because Japan does is difficult enough to explain, but the rational is even more flimsy when one looks at the transportation needs of Japan, Europe, and the United States. Europe and Japan are smaller areas with denser populations and none of the vast distances with few people like the United States. European cities and regions have not been built uniquely for the use of the car. The roads, except in Germany, are of poorer quality. Auto ownership is below U.S. levels and it has never become the basic transportation mode of the average family. And all those systems run at a loss that must be assumed by the taxpayers in Europe and Japan.

In summary, Amtrak serves no vital purpose, so it's not surprising so few people ride it or that it has never made money. What is surprising is that Congress ever thought it would. The system is in trouble for the same reason stagecoach lines would be in trouble if earlier Congresses has subsidized them in perpetuity—time and technology have passed them by. Since the Model T began to make cars affordable, trains have steadily declined in their usefulness for most Americans. Since 1956, when the first transcontinental jet flight was completed—which is the same year Congress authorized the Interstate Highway System—trains have simply become obsolete for most Americans. And passengers deserted the trains just as quickly as they had deserted stagecoaches generations before. But rather than let technological advances take their course, Congress tried to reverse the inevitable.

As one observer noted, "People like to watch trains but they don't like to ride them, so Amtrak is not providing a system of transportation but a form of kinetic art."

Mr. President, I ask unanimous consent to have printed in the RECORD several editorials and related tables.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Rocky Mountain News, May 1, 1985]

AMTRAK'S A PICKPOCKET

Indiana Gov. Robert Orr recently told a House subcommittee it is "fanciful" to believe the states will help pay for Amtrak should the government's passenger rail system lose its federal subsidy.

Orr's words carry weight. He's President Reagan's appointee to the Amtrak board representing the nation's governors.

Transportation Secretary Elizabeth Dole had more bad news for Amtrak when she told the same subcommittee that chances of private interests buying into the system are slim to none.

Congress is considering the question since the Reagan administration has proposed ending Amtrak's subsidies. The Carter and Ford administrations also sought to reduce them.

And no wonder. Ridership has fallen in recent years while costs have escalated. The subsidy, at last tally, came to $60 per passenger, which means it would be cheaper for the government to hand out free airplane tickets to some destinations.

Amtrak fans used to argue that a government-run rail system would provide an alternative to the private automobile, thereby conserving energy and reducing environmental pollution. But studies seem to have derailed even these claims.

Finally, they said low-cost passenger trains would increase the mobility of poor people who could not otherwise pay full fare. That has never been convicing, since bus tickets have almost always been less expensive than Amtrak's. On top of that, the Congressional Budget Office estimates that Amtrak travelers tend to have above-average incomes.

Even so, no one has ever explained why the government ought to be in the personal transportation business in the first place, even if it could manage to run the system at a profit.

As it stands, we're not only losing money but doing so by taking it out of the pockets of the poor and middle-income so a relative few of their better-paid neighbors can enjoy the "grandeur" and "gracious service" of travel-by-rail. That's a luxury that is hard to justify.

[From the Chicago Tribune, Feb. 24, 1985]

LEAVE AMTRAK AT THE STATION

(By Stephen Chapman)

Americans have a sentimental attachment to trains. Once the hated symbol of industrialization, they now nourish memories of a simpler age. But nostalgia has no place in the federal budget, particularly when it has a $180 billion deficit, which means Amtrak has no place. Ronald Reagan is the first president to acknowledge that.

Past budgets have trimmed the outlay for Amtrak, the federally financed passenger railroad; this one simply removes it. Reagan would get the federal government out of transporting rail passengers once and for all.

Amtrak's chief function is to illustrate why federal spending is so hard to cut. It adds little to the nation's transportation system, while extracting a handsome subsidy from taxpayers. Few Americans would suffer if Amtrak shut down tomorrow.

But neither do they notice its cost. At $684 million in 1985, it is dwarfed by more expensive programs. Given Amtrak's value as pork barrel, plus the drawbacks of antagonizing the fanatical minority of train buffs, most members of Congress see the possible savings as insignificant.

What do taxpayers get for their dollars? Not much. Only one in 50 travelers takes the train, and they account for just one-third of one percent of all intercity passenger miles. Small wonder: Trains combine the disadvantages of cars [like slowness] with those of airplanes [fixed schedules, lack of privacy].

Amtrak was originally supposed to turn a profit. In fact, since its creation in 1971, the corporation has lost nearly $9 billion. The Office of Management and Budget figures that, left alone, it will lose another $8 billion in the next decade. Amtrak's revenues cover just 52 percent of its costs. Taxpayers cover the rest.

Railroad fans retort that other types of transportation get federal help, too. Indeed they do. Washington provides funds for airport construction and air traffic control, besides helping to pay for the highways used by buses and cars.

But there's a difference. Airlines pay the entire cost of the federal aid, and then some, out of an 8 percent tax on every ticket sold. The airlines subsidize the federal government, not the other way around.

Drivers likewise pay more than their way, through the federal gasoline tax. Though intercity buses and exempt from fuel taxes and from the heavy vehicle tax, the aid is trivial.

A comparison of federal aid isn't flattering to Amtrack. Richard Mudge of the Congressional Budget Office says buses get a federal subsidy of two-tenths of one cent per passenger-mile. Private cars and airlines pay back more than they take. Amtrak gets about 17 cents per passenger-mile. The federal government thus spends 85 times more to transport someone a given distance by train than by bus.

OMB points out that in many cases it would be cheaper to buy all the passengers plane tickets that to run the trains. On the New York-Boston route, Amtrak spends $43 to dissuade travelers from buying a $19 airplane ticket.

Amtrak says the claimed budget savings is illusory, because if it shuts down it will owe $2.1 billion over the next six years to laid-off workers. But it has capital assets that could be sold to defray the cost, and in any case it would cost less to pay off Amtrak's contracts than to keep the trains running.

In some places, particularly the Boston-to-Washington line, passenger trains make a certain amount of sense. On that route, they actually turn an operating profit. Amtrak might operate these trains, along with a few others, even without federal help. If not, some private entrepreneur might take them over. Any service lost would be service that travelers don't want or aren't willing to pay for.

Whatever the cost in nostalgia, that's as it should be. If Congress can't muster the nerve to cut a program as wasteful as this one, it can't hope to contain spending. In an age of fiscal austerity, the traditional charity toward Amtrak is as obsolete as a steam locomotive.

[From the New York Times, Feb. 27, 1985]

THE AMTRAK WORTH SAVING

The Reagan Administration wants to eliminate subsidies for Amtrak, which this year totaled $684 million. That is harsh medicine. But in a time of budgetary restraint, subsidies for the little-used intercity rail service have become increasingly hard to defend.

Happily, the withdrawal of Federal aid does not have to mean the end of passenger service in the densely traveled corridors where trains are really needed. Indeed, once Amtrak is freed of the political baggage that comes with Government subsidies, it might flourish.

Amtrak was created by Congress in 1970 to halt the rapid decline in passenger rail service. It did save the intercity trains and, in time, dramatically improved service. But the turnaround did not come cheaply. About $10 billion has been spent to rebuild and run the sprawling transcontinental system. This year, about $4 in operating subsidies will be needed to match every $6 earned from tickets.

Many reasons have been offered for continuing this subsidy; few bear scrutiny. Contrary to claims by Amtrak's friends, competing transportation systems receive little or no subsidy. Private cars, intercity buses and airlines all pay their own way through taxes and user fees.

Poor people don't depend on Amtrak because they can't afford to travel much. And when they do travel, it's usually by bus. Trains do save energy, but only on a few heavily used corridors and only at exorbitant cost per barrel saved. Train travel is undeniably more romantic or fun, but it's hard to see why this form of recreation should be favored by taxpayers.

The one plausible rationale for subsidy is that train service reduces congestion in densely traveled, short-haul routes like Boston-Washington and Los Angeles-San Diego. Fortunately, these are also the routes that now consume the lowest subsidies per passenger mile. And there's real hope that, left on its own, Amtrak could turn small losses into healthy profits.

Like any public beggar, Amtrak's first priority has always been pleasing Congress. That has locked the railroad into hopelessly unprofitable routes and forced its management to accept overmanning and 19th-century work rules.

Amtrak would probably turn a profit if Congress were to end the subsidies but free the railroad of the obligations to serve hundreds of small towns and to guarantee its workers cushy lifetime jobs. Some experts believe there is so much potential for good rail service that the Boston-Washington corridor could support several unregulated, unsubsidized competitors.

Four years ago Congress gave Conrail, the money-hemorrhaging freight railroad, the choice of shaping up or breaking up. Today a smaller, more productive Conrail is making a profit. It's time, past time, to try the same strategy with Amtrak.

AMTRAK

Amtrak has furnished a list of points that would be without bus or air service which are currently served only by Amtrak. The list follows with comments by each:

1. Berlin, CT—2,000 Pop. Suburb of New Britian with plenty of bus service.

2. Mystic, CT—5,650 Pop. 10 miles from New London with abundant bus service.

3. Northhaven, CT—22,080 Pop. Suburb of New Haven with abundant bus service.

4. Old Saybrook, CT—2,281 Pop. No bus station, but on Greyhound's New London-New Haven route with 14 trips daily.

5. Thompsonville, CT—Pop. not in Rand McNally, but, just 2 miles west of Hartford-Springfield, MA routes with about 40 bus schedules daily.

6. Wallingford, CT— 37,274 Pop. Between Meriden and New Haven with service by Trailways, Greyhound and the Arrow Line.

7. Windson, CT—16,100 Pop. Just off main Hartford-Springfield, MA route which has about 40 buses daily.

8. Windsor Locks, CT—12,190 Pop. Just off main Hartford-Springfield, MA route which has about 40 buses daily.

9. Wildwood, FL—2,665 Pop. 9 miles from Leesburg with multiple daily service by Trailways and Greyhound.

10. Toccoa, GA—9,104 Pop. 9 miles from Hollywood, GA with daily bus service by American Trailways of Georgia.

11: Carlinville, IL—5,439 Pop. 10 miles from Springfield, IL—St. Louis route with multiple daily bus schedules.

12. Kewanee, IL—14,508 Pop. 11 miles off Chicago-Moline route with multiple daily bus service.

13. Alton, IL—34,171 Pop. Suburb of St. Louis, MO.

14. Chillicothe, IL—6,176 Pop. 15 miles from Peoria with abundant bus service.

15. Glenview, IL—30,842 Pop.[1]

16. Ind. Harbor, IN [1]

17. Dyer, IN—9,555 Pop.[1]

18. Whiting, IN—5,630 Pop.[1]

19. Wheeler, IN—600 Pop.[1]

20. Rensselaer, IN—4,944 Pop. Has bus station and Greyhound service several times daily.

21. Creston, IA—8,429 Pop. 28 miles from Osecola, IA with multiple daily service by Greyhound.

22. Maysville, KY—7,983 Pop. Across river bridge from Aberdeen, OH with 6 Greyhound trips daily.

23. South Portsmouth, KY—550 Pop. Across river bridge from Portsmouth, OH with multiple daily Greyhound service.

24. Schriever, LA—500 Pop. Greyhound goes through there every day, Guide Table 430 between Houma and Thibodaux.

25. Brunswick, MD—4,572 Pop. 13 miles to Frederick which is served by Greyhound.

26. Gaithersburg, MD—26,424 Pop. Bedroom community for Washington, DC with subway service 2 miles from Gaithersburg (at Shady Grove).

27. Rockville, MD—43,811 Pop. Bedroom community for Washington, DC with subway service.

28. Bangor, MI—2,001 Pop. 19 miles to Paw Paw which is served by Indian Trails.

29. West Quincy, MO—Pop. not shown in Rand McNally. 2 miles west of Quincy, IL which Trailways Lines, Inc. and Burlington Trailways service.

30. Browning, MT—1,226 Pop. 35 miles west of Cut Bank, MT which is served by Intermountain Transportation Co.

31. Belton, MT—Pop. not shown in Rand McNally. Approximately 55 miles west of Cut Bank, MT which is served by Intermountain Transportation Co. and approximately 50 miles east of Whitefish which is served by Brown Lines, Inc.

32. Metro Park, NJ—Pop. not shown in Rand McNally. In New Brunswick Metroplex—9 miles from downtown, plenty of bus service.

33. Croton-on-Hudson—6,889 Pop. 4 miles to Ossinging which is served by Leprachaun Lines.

34. Rhinecliff, NY—Pop. not shown in Rand McNally. 5 miles to Rhinebeck which is served by Hudson Transit Line (Short Line).

35. Rye, NY—15,083 Pop. 9 miles to New Rochelle which is served by Adirondack Trailways and Greyhound.

36. Port Edward, NY—3,661 Pop. 4 miles to Glen Falls which is served by Adirondack Trailways and Greyhound.

37. Ft. Ticonderoga NY—Pop. not shown in Rand McNally. 22 miles to Schroon Lake which is served by Adirondack Trailways and Greyhound.

38. Port Henry, NY—1,450 Pop. 23 miles to Elizabethtown which is served by Greyhound.

39. Port Kent, NY—Pop. not shown in Rand McNally. Plattsburg, NY—21,057 Pop. served by Greyhound.

40. Willsboro, NY—950 Pop. 12 miles from Keeseville which is served by Greyhound.

41. Westport, NY—Pop. not shown in Rand McNally. 9 miles to Elizabethtown which is served by Greyhound.

42. Bryan, OH—7,879 Pop. 17 miles to Defiance which is served by Greyhound.

43. Crestline, OH—5,406 Pop. 9 miles to Mansfield which is served by Greyhound and Trailways Lines, Inc.

44. Hinkle, OR (Pendleton, OR)—14,521 Pop. Hinkle does not show on the map but is near Pendleton which is served by Greyhound.

45. Parkersburg, PA—2,578 Pop. 5 miles from Coatsville which is served by Greyhound.

46. Ardmore, PA—13,600 Pop. 7 miles to downtown Philadelphia, which is served by Capitol Trailways of Pennsylvania, Carl Bieber, Inc. Carolina, Trailways, Greyhound, Martz Trailways, New Jersey Transit, Trailways Lines, Inc.

47. Bryn Mawr, PA—9.500 Pop. 9 miles to downtown Philadelphia which is served by Capitol Trailways of Pennsylvania, Carl Bieber, Inc., Carolina Trailways, Greyhound, Martz Trailways, New Jersey Transit, Trailways Lines, Inc.

48. Connellsville, PA—10,319 Pop. 10 miles to Uniontown which is served by Greyhound.

49. Elizabethtown, PA—8,233 Pop. 17 miles to downtown Lancaster which is served by Greyhound and Trailways.

50. Huntingdon, PA—7,042 Pop. 17 miles to Tyrone which is served by Fullington Trailways and Greyhound.

51. KcKeesport, PA—31,012 Pop. 12 miles to Monroeville and 14 miles to downtown Pittsburgh. Both Cities are served by Blue & White, Fullington Trailways, Greyhound, Trailways and Pittsburgh is also served by Butler Motor, Grove City Bus Line and Lincoln Coach.

52. Middletown, PA—10,122 Pop. 14 miles to downtown Harrisburg which is served by Capitol Trailways of Pennsylvania, Fullington Trailways, Greyhound, and Trailways Lines, Inc.

53. Mt. Joy, PA—5,680 Pop. 11 miles to downtown Lancaster which is served by Greyhound and Trailways Lines, Inc.

54. Malvern, PA—2,999 Pop. 7 miles to King of Prussia, 14 miles to downtown Philadelphia. Both cities are served are by Capitol Trailways of Pennsylvania, Greyhound, Trailways Lines, Inc. Philadelphia is also served by Carolina Trailways, Carl Bieber, Inc., Martz Trailways, Jersey Transit and Trailways Lines, Inc.

55. Overbrook, PA—Pop. not shown in Rand McNally. Suburb of Philadelphia, 9 minutes on Amtrak at 5:44 AM only.

56. Paoli, PA—6,100 Pop. 5 miles to King of Prussia and 19 miles to Philidelphia. Both cities are served by Capitol of Pennsylvania, Greyhound and Trailways Lines, Inc. Philadelphia is also served by Carolina Trailways, Carl Bieber, Inc., Martz Trailways, New Jersey Transit and Trailways Lines, Inc.

57. Whitford, PA—Pop. not shown in Rand McNally. 8 miles from Coatsville, PA with Greyhound service.

58. Wayne, PA—8,900 Pop. 4 miles to King of Prussia, 14 miles to Philadelphia. Both cities are served by Capitol of Pennsylvania, Greyhound and Trailways Lines, Inc. Philadelphia is also served by Carolina Trailways, Carl Bieber, Inc., Martz Trailways, New Jersey Transit and Trailways Lines, Inc.

59. East Greenwich, RI—10,211 Pop. 14 miles from downtown Providence which is served by Arrow Line, Blue & Grey, Bonanza Bus, Brander Bus, and Greyhound.

60. Westerly, RI—Pop. not shown in Rand McNally. 20 miles from downtown New London which is served by Greyhound.

61. Clemson, SC—8,118 Pop. 18 miles from downtown Anderson which is served by Greyhound and Trailways Lines, Inc.

62. Cache Jct., UT—Pop. not shown in Rand McNally. Approximately 10 miles west of Smithfield which Greyhound serves daily.

63. Milford/Cedar City, UT—1,304 Pop. Greyhound and Trailways both serve Cedar City.

64. Delta, UT—1,610 Pop. 49 miles southwest of Nephi and 35 miles morthwest of Fillmore. Greyhound serves Nephi and Fillmore—Trailways serves Nephi.

65. Thompson, UT/Moab, UT—4,793 Pop. 7 miles east of Crescent Junction which is served by Trailways. Trailways also serves Moab, UT.

66. Essex Junction, VT—7,077 Pop. 6 miles from downtown Burlington which is served by Greyhound and Vermont Transit.

67. Lee Hall, VA—500 Pop. 9 miles from downtown Williamsburg and 11 miles from downtown Newport News which are both served by Carolina Trailways and Greyhound.

68. Monroe, VA—400 Pop. 6 miles from downtown Lynchburg—this is the "rail yard" for Lynchburg.

69. Manassas, VA—15,438 Pop. 7 miles from Centreville which is served by Trailways Lines, Inc.

70. Edmonds, WA—27,528 Pop. 12 miles north of downtown Seattle and 13 miles south of downtown Everett. Greyhound and Evergreen Trailways operate between Seattle and Everett through Edmonds in I-5.

71. East Olympia, WA—Pop. not shown in Rand McNally. Suburb of Olympia, WA which is served by Greyhound, Trailways and Gray's Harbor Transportation.

72. Bingen, WA—644 Pop./White Salmon, WA—1,853 Pop. 3 miles north of Hood River, OR which Greyhound serves with 9 daily schedules on I-84.

73. Harpers Ferry, WV—361 Pop. 18 miles from downtown Frederick, MD which is served by Greyhound.

74. Alderson, WV—1,375 Pop. 19 miles from Lewisburg which is served by Greyhound.

75. Hinton, WV—4,622 Pop. 25 miles from Beckley which is served by Greyhound.

76. Martinsburg, WV—13,063 Pop. 20 miles from Hagerstown, MD which is served by Greyhound.

77. Prince, WV—Pop. not shown in Rand McNally. Seasonal summer stop on Amtrak—10 miles from Beckley which is served by Greyhound.

78. Thurmond, WV—Pop. not shown in Rand McNally. 23 miles from Beckley which is served by Greyhound.

79. Sturtevant, WI—4,130 Pop. 7 miles from downtown Racine, WI which is served by Greyhound, Royal Coach and Wisconsin Coach.

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[1] All five are in Chicago-Hammond-Gray-Metro Area.

AMTRAK-BUS SERVICE COMPARISONS, MARCH 1985

State	Number of communities served	Mean frequency of service at Amtrak points
Alabama:		
Amtrak	4	1
Bus	216	21
Alaska:		
Amtrak	0	
Bus	17	
Arizona:		
Amtrak	8	.5
Bus	119	16
Arkansas:		
Amtrak	5	[1] 3
Bus	214	[2] 15
California:		
Amtrak	37	5.5
Bus	593	47
Colorado:		
Amtrak	6	1
Bus	193	16
Connecticut: [3]		
Amtrak	14	4.5
Bus	26	26
Delaware:		
Amtrak	2	12.5
Bus	23	8.5
Florida:		
Amtrak	23	2.5
Bus	209	20
Georgia:		
Amtrak	5	2
Bus	197	26.5
Idaho:		
Amtrak	4	1
Bus	110	5
Illinois:		
Amtrak	29	12
Bus	318	51
Indiana:		
Amtrak	14	3.5
Bus	168	23.5
Iowa:		
Amtrak	6	1
Bus	253	2.5
Kansas:		
Amtrak	7	1
Bus	161	6
Kentucky:		
Amtrak	4	[2] .5
Bus	147	2
Louisiana:		
Amtrak	7	2
Bus	250	16.5
Maryland: [4]		
Amtrak	4	16
Bus	62	33
Massachusetts:		
Amtrak	7	7.5
Bus	135	83
Michigan:		
Amtrak	19	2.5
Bus	252	34
Minnesota:		
Amtrak	9	1.5
Bus	365	17
Mississippi:		
Amtrak	17	1
Bus	181	15
Missouri:		
Amtrak	12	2.5
Bus	181	15
Montana:		
Amtrak	11	1
Bus	294	26
Nebraska:		
Amtrak	5	1
Bus	159	11
Nevada:		
Amtrak	5	1
Bus	69	9
New Jersey: [5]		
Amtrak	4	17
Bus	222	48
New Mexico:		
Amtrak	7	.5
Bus	129	12
New York: [6]		
Amtrak	21	7
Bus	590	21
North Carolina:		
Amtrak	16	1.5
Bus	305	16.5
North Dakota:		
Amtrak	7	1
Bus	76	4
Ohio:		
Amtrak	10	1.5
Bus	168	20.5
Oregon:		
Amtrak	14	3
Bus	184	18
Pennsylvania: [7]		
Amtrak	11	2
Bus	414	27.5
Rhode Island:		
Amtrak	4	6.5
Bus	14	38
South Carolina:		
Amtrak	11	1.5
Bus	101	11
South Dakota:		
Amtrak	0	
Bus	104	
Tennessee:		
Amtrak	2	1
Bus	150	23
Texas:		
Amtrak	17	.5
Bus	783	37
Utah:		
Amtrak	8	1.5
Bus	49	9
Vermont:		
Amtrak	7	1
Bus	78	5
Virginia:		
Amtrak	16	4
Bus	237	23
Washington:		
Amtrak	14	2.5
Bus	155	12
West Virginia:		
Amtrak	10	1.5
Bus	51	6
Wisconsin:		
Amtrak	7	2.5
Bus	366	16
Wyoming:		
Amtrak	0	
Bus	74	

[1] Weekly.

[2] Daily.

[3] Does not cover commuter area south of Hartford to New York City.

[4] Does not cover commuter area south of Baltimore.

[5] Does not cover Metro New York City commuter area.

[6] Does not cover commuter service in Metro New York City area.

[7] Does not cover commuter service in Philadelphia-Lancaster area.

Mr. QUAYLE. Mr. President, I support the Specter amendment which calls for a funding level for Amtrak at 90 percent of the current rate over a 3-year period.

We all know that the future of Amtrak is at stake in the serious discussion we are now having on ways to reduce our deficit. I would have preferred a gradual reduction in the Amtrak subsidy over time, but I cannot accept zero funding for Amtrak in one fell swoop as the administration has suggested.

I am suggesting that we put Amtrak on notice that while Congress will support a modest 10-percent reduction in fiscal year 1986, we must also set a realistic timetable for future reductions. In the long run, Amtrak should receive no more subsidy than other modes of transportation: No more than we give the airlines through the air traffice control system and support of airports, or the bus companies through support of highways.

Congress should not only adopt Amtrak's own legislative package, but also additional measures to reduce costs and increase revenues. We must take off the financial burdens placed on the system by Federal legislation. Labor costs, such as benefits for laid-off employees, should not be mandated by statute, but should be negotiated as they are in the truly private sector.

Just like Chrysler, Amtrak must examine all its operations and revamp its system. Those who benefit from Amtrak must partake in rebuilding its future: Passengers must pay economic fares; employees must accept economic wages; management must adopt aggressive policies to generate sufficient revenues.

The Rail Passenger Service Act of 1981 directed Amtrak to enter into agreements with the private sector and undertake initiatives which are consistent with good business practices, designed to maximize revenues and minimize Federal subsidies. It is important to note Amtrak's accomplishments in this regard, particularly the efforts at Beech Grove, IN, where a modernized facility and skilled work force have allowed Amtrak to pursue outside contracts that generate additional revenues. This is the type of initiative that Amtrak must be encouraged to pursue.

I believe that Amtrak has made significant progress, but there is still clearly room for progress. I believe that Amtrak will survive with the proposals I am suggesting. I believe it is important to give Amtrak the tools needed to achieve self-sufficiency without unnecessary impediments.

Mr. CHAFEE. Mr. President, I am pleased to join Senator SPECTER in offering this amendment which restores funding for Amtrak at 10 percent less than the fiscal year 1985 level.

The leadership budget package eliminates funding for Amtrak. This amendment continues funding at a level 10 percent lower than fiscal year 1985, thus adding $616 million in budget authority in fiscal year 1986 and maintaining this level in fiscal year 1987 and 1988.

Amtrak was created in 1970 with the goal of gradually becoming self sufficient. I support efforts to lessen Amtrak's reliance on Federal subsidies. However, from an economic standpoint, now is not the time to end abruptly our commitment to a national passenger rail system. The taxpayer's investment in Amtrak is finally beginning to pay off. Amtrak has become a modern, reliable, and efficient method of transportation. Operating costs have declined 26.6 percent between 1981 and 1985. Revenues are at an all-time high in an extremely competitive environment. The proportion of Amtrak costs borne by passengers has increased from 48 percent in 1978 to 58 percent today. Next year it is projected to be 60 percent. The taxpayer is getting more and better service for the money.

To terminate abruptly Amtrak service would leave the taxpayer with financial obligations in excess of the required subsidy for years. While the Government has invested $3 billion in Amtrak's modernization, any proceeds due to Amtrak's liquidation would be minimal. In addition, approximately 25,000 railroad employees in 44 States would be unemployed. Labor protection liabilities to displaced employees would approximate $2.1 billion over 6 years. The first year liabilities alone would be $684 million, equal to the total Federal outlay for operations.

Dissolution of Amtrak would pose a hardship to those who use the system regularly. Amtrak serves 500 communities and 20 million customers. In my home State of Rhode Island, total 1984 ridership was 416,287. In the Northeast corridor, elimination of Amtrak would pose serious problems for our already congested highways and airports. Ultimately, additional Federal investments would be required for airport and highway construction. Elsewhere, Amtrak may be the only reliable public transportation available. One hundred sixty-one of the communities served by Amtrak have no air service, 52 have no intercity bus service, and 29 have no air or bus service.

A passenger rail system is an integral part of our transportation network. Trains can carry more people more efficiently than any other travel mode. Trains can operate in extreme weather conditions. Trains provide an important alternative to congested highways and airports and lessen America's dependence on oil. Without Amtrak, the United States would be the only developed country in the world without intercity rail passenger service.

Support for Amtrak from the Federal Government should continue. This amendment will restore funding for Amtrak at 10 percent less than its current funding levels, in order to achieve savings and contribute to reduction of the deficit while maintaining Amtrak service.

The administration has insisted that Amtrak should be immediately abolished in order to help reduce the Federal deficit. Others seem ready to increase spending for Amtrak, ignoring the need for restraint in all segments of the budget. This amendment recognizes the need for spending restraint while preserving Amtrak service. We should do everything we can to make Amtrak eventually selfsufficient. However, the overnight termination of Amtrak would not serve the national interest.

I hope my colleagues will join in supporting this amendment.

Mr. DODD. Mr. President, I rise in strong support of the amendment being offered by the Senator from Pennsylvania [Mr. SPECTER] to provide funding for the continuation of Amtrak.

This amendment will provide funding for Amtrak in the upcoming fiscal year at a level equal to 90 percent of the current year's allocation. I want to commend my colleague for offering this proposal.

Along with the Senator from New Jersey [Mr. LAUTENBERG], I had intended to offer an amendment to freeze funding for Amtrak and several other important infrastructure programs at the fiscal year 1985 level. While I feel that our broader approach would have been a better way to proceed, I support this amendment enthusiastically as it may be our only opportunity to signal our displeasure with the absurd notion that the United States should be the only industrial country in the world without a rail passenger system.

I am prepared to support this amendment even though it incorporates a 10-percent reduction below the funding level for the current year. The enormity of the deficit problem confronting this Nation dictates that even popular and important programs must take some reductions.

Mr. President, I see no supportable reasons being put forward for the elimination of this important service. The administration would argue that all taxpayers have no business supporting an enterprise in which all taxpayers do not derive direct benefits. This notion is contrary to the nature of our governmental union and misses the essential point that we cannot divorce Amtrak or passenger rail service from a national transportation network or policy.

On economic grounds, the proposal to terminate Amtrak is shortsighted and I believe would result in a far greater future expenditure of public resources. There is the question of labor protection payment obligations were Amtrak to be abolished. In addition, the Federal Government has invested considerable resources in the infrastructure associated with Amtrak.

In conclusion, Mr. President, I want to again signal my strong support for the continuation of Amtrak funding albeit at a level which could necessitate some service reductions and deferred maintenance. Earlier this year I conducted a hearing in Stamford, CT, on the effects in my State of the administration's proposed budget for transportation programs.

The consensus from all participants was first shock that such a proposal would be offered but, most importantly, a shared recognition on the part of Government officials, business leaders, and passengers that more is at stake here than higher fares or alternative transportation accommodations. When we talk about eliminating Amtrak or other efforts which provide modest levels of support for maintenance of this Nation's infrastructure, we should have clear understanding that we are putting our own economic growth and productivity at risk. When viewed in this larger context, I am confident my colleagues will support this amendment.

Mr. D'AMATO. Mr. President, I rise in support of the amendment offered by my distinguished colleague from Pennsylvania. This amendment would both restore the Federal commitment to fund Amtrak and address our serious concern with the deficit. It provides that Amtrak will receive no increase in funding and will instead absorb a cut of 10 percent from its current level.

In order to be fiscally responsible, it is important that Amtrak, like many other Federal programs, contribute to the effort to reduce the Federal deficit. Under both the administration's budget request and the White House/Senate leadership budget package, Amtrak would have been terminated. I do not agree with either of those plans, or with the Senate Budget Committee proposal which would have made debilitating cuts in funding for our national passenger rail system. It is important to keep Amtrak alive and in accomplishing this goal, we must allow it to be healthy.

The amendment which I will vote for today, provides for a cut of $68.4 million, or 10 percent from Amtrak's fiscal year 1985 level of $684 million in Federal aid. Amtrak has indicated that such a cut would not cripple the railroad, but would certainly require belt-tightening. Amtrak, the National Passenger Rail Corp., employs more than 21,000 workers and 79 percent of its labor force, 17,000 workers, is in the Northeast-Midwest region.

The Amtrak system extends for 24,000 miles and serves more than 20 million passengers a year. On Amtrak's Northeast Corridor route from Washington, DC to New York City, Amtrak carries 47 percent more passengers, 17,500, daily than all the airlines combined. The administration has not been able to explain how all of these passengers could be accommodated by our already crowded airports and highways on this route.

Although the administration has claimed that profitable Amtrak routes could be picked up by combinations of State, local, or private entities, it has not yet met with any parties willing to do so. This budget would simply abandon Amtrak and throw away the billions of dollars of Federal investment in the passenger railroad's infrastructure and rolling stock.

Amtrak is the Nation's sixth largest passenger carrier, only Greyhound, United, Delta, Eastern, and American are larger than it. Amtrak carriers 20 million passengers per year. Although Amtrak provides service in limited markets, its termination would have a significant and, in many cases, disruptive, impact on the people who live and travel in those areas.

In fiscal year 1984 Amtrak recovered $759 million of its $1,359 million of expenses or 56 cents on each dollar. Furthermore, Amtrak is on target to achieve its goal of recovering 58 cents on the dollar in fiscal year 1985. It expects to be able to recover 60 cents on the dollar in fiscal year 1986.

OMB claims that Amtrak riders are subsidized at a cost of $35 per passenger. However, that argument fails to consider the plain fact that nearly

every other mode of transportation in this country is also subsidized. We allocate billions to build and repair our network of interstate highways and federally-aided highways in each State. In addition, we spend billions of Federal dollars to construct and maintain airport runways, other aviation facilities and sophisticated electronic improvements to the air traffic control system.

Besides paying direct Federal subsidies to other modes of transportation, the Government also provides a tax deduction for business travel which costs the Federal Government much more in lost tax revenues than Amtrak's annual subsidy. Of course, business travelers who use Amtrak also benefit from the deduction, but business travelers are encouraged by this tax provision to use more costly air travel for business purposes.

Getting rid of Amtrak is penny wise and pound foolish. Not very long ago this Nation was caught in the stranglehold of a foreign oil crisis. That was only about 10 years ago, but have we already forgotten the hard lessons learned at that time? We have now invested in a passenger rail system that provides the infrastructure to help withstand energy crises which cripple other modes of transportation. Let's not throw away the investment this Nation has made in its passenger rail system. If we do, America will be the only major industrialized nation without a national passenger railroad.

I urge my colleagues to support this amendment.

Thank you, Mr. President.

Mr. SPECTER. Mr. President, I yield 3 minutes to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. DURENBERGER. Mr. President, I thank my colleague for yielding.

Mr. President. I rise in support of the Specter amendment and urge its adoption. These are difficult times no doubt, and no Federal program should be overlooked in our quest to reduce Federal spending, but the leadership's proposals to terminate Federal operating assistance for our National Rail Passenger Corporation [Amtrak] are extremely ill-advised.

The annual Federal grant to Amtrak is just as important to its future as business expense deductions are for the future of the auto, airline, and cruise ship industry. If Congress wants to try and create a national transportation policy in this year's budget resolution, then let us get to it. We can add 20 hours to the resolution and debate the merit of the tax deductibility of airfare expenses, depreciation of business automobiles and a host of other tax expenditures. But let us not kill Amtrak and think we have done this country's transportation system a favor.

If the annual payment is withdrawn, cessation of service and the immediate addition of 28,000 employees to the unemployment rolls is a certainty. And the sad thing about it is that the end of Federal payments will not reduce the deficit a bit and could have the Federal Government liable for over $2.1 billion in labor protection agreements.

Mr. President, as you know, Amtrak has been on the defensive since 1979, when President Carter sought to reduce it to a regional carrier. He almost succeeded, but Congress opposed him and he managed to salvage a national system, albeit at a sharply reduced level of funding. From a high of $1.1 billion in fiscal year 1980, Amtrak's subsidy has fallen to $680 million in fiscal year 1985.

For fiscal year 1986, Amtrak had requested the baseline figure of $680 million, a level of funding sufficient to operate the 403 (b) and (d) trains, continue capital improvements and make up for the shortfall in revenue. The President proposed terminating Amtrak, effective immediately. The Budget Committee had proposed a $480 million budget for Amtrak, a level which would require the entire system to shut down.

I believe a middle ground exists between the $480 million contained in the budget resolution and the Amtrak budget request of $680 million. And the amendment offered by the distinguished Senator from Pennsylvania is it. I think Congress could cut out the $60 million we spend on 403(b) trains or could pick up another $70 million by forcing other users of the Northeast corridor to pay a fair share of Amtrak's overhead costs, thus bringing the subsidy need down to about $610 million.

But, after a review of the facts, I think that any cuts below $610 million will cost us more than we save. The problem is that, when Congress created Amtrak, it instituted some fairly attractive labor protection agreements to induce employees to work for the company. The liability for these agreements, which cover 21,000 Amtrak employees and 4,100 employees on other railroads, exceeds $2.1 billion.

The leadership package assumes the Federal Government will not provide Amtrak with the funds to cover it liabilities. If Congress appropriates $610 million for fiscal year 1986, Amtrak could operate a national system and avoid labor protection expenses. If, however, Congress only appropriated $480 million, as the Senate Budget Committee had proposed, Amtrak would file for bankruptcy on October 1, and shut down the system.

The Budget Committee assumed that with a figure of $480 million, Amtrak would lop off all of its non-Northeast corridor trains. This would result in a nominal savings in operating losses of $392 million. However, the labor protection liability created by lopping off the routes would exceed $1 billion, with $360 million payable in the first year. With Northeast corridor costs of $250 million and labor protection costs of $360 million, Amtrak would find itself with costs $130 million over the Budget Committee figure of $480 million. Unable to meet its obligations, Amtrak would be forced to file for bankruptcy and shut down the national route system until enough of its assets were sold to make up the shortfall.

The difference between a zero budget and $480 million is that Amtrak would have to immediately auction off all of its assets and the labor protection liability would jump from $1 billion to $2.1 to $2.4 billion. Amtrak's first year liability would be $645 million, or about what it costs to run the entire national system. Its 25,000 employees would be without a job, and would have to take their $2.1 billion in statutorily mandated protection claims and join all of Amtraks other creditors in bankruptcy court. More likely than not, Amtrak would be forced by the courts to auction off its $3 billion in assets.

Unfortunately, few people are interested in rail passenger cars and the track they run on. Amtrak expects that its cars and track would be liquidated at scrap value and its stations—some of them national treasures—would be sold without regard for their historic of aesthetic value. The proceeds from a sale of Amtrak assets would fall far short of meeting Amtrak's liability to its creditors. More likely than not, the creditors would sue the Federal Government, which is Amtrak's sole stockholder.

And this is where OMR's arguments start to stink a little. The whole case for termination of subsidies rests on the premise that Amtrak, not the Government, is liable for claims against the estate. Congress created Amtrak, required it to offer employees labor protection and told the corporation which routes it had to operate over. For the Government to now turn around, decline responsibility for unfunded liabilities and tell employees and other creditors to take 15 cents on the dollar is a serious breach of faith on the Government's part.

Mr. President, I think we have opened up today one of the more interesting issues that is not going to get covered in this budget debate. That is whether or not there is in this body as we approach the budget issues any sense of national purpose.

I compliment my colleague from Delaware for finally reminding us of the fact of whether it is the Amtrak issue, refugee issue—whatever it is—

that what is totally lost in the discussion of the budget is what are we doing in the Congress of the United States? The Amtrak issue is not an issue of subsidies as much as it is an issue of a national commitment to a transportation system. I would argue with my colleague from Missouri that we even have a national transportation system in this country. I do not believe we do. I think the reality is if you ran out of interest subsidy, tax subsidy, energy subsidies, and if you ran out the way we use import quotas to run up the price of automobiles in this country, I think I would come up with a whale of a lot bigger subsidy for the automobile than he can come up with for rail passenger. But that still is not the point.

The point is in effect that the other subsidies on the other mode of transportation in this country have deprived us of a national rail passenger system that we used to have in this country. In my self-interest, I will also read into the RECORD that I have 272,134 Minnesota riders. I have a $2.1 million annual investment in my State, and 91 residents who are employed by Amtrak. But that is not why I rise on this occasion. I rise on this occasion because it gives me an opportunity to say that when we get past our concept of what is the real Washington Monument in this process, whether it is direct spending, tax spending or some other form of subsidy, maybe we will finally get down to deciding what as a nation is the responsibility of its government, whether that is budget spending, tax spending, or whatever it is. We desperately need to get to that issue. I compliment my colleague from Pennsylvania for raising it and everyone else who participated in this debate and continuing the debate that is going to go long beyond the few minutes we have here this morning.

The PRESIDING OFFICER. The Senator's 3 minutes have expired. Who yields time?

Mr. SPECTER. Mr. President, I am advised that Senator WEICKER is on his way to the floor and wishes to make a statement on this subject on the remainder of time on my side. I suggest that we give our colleague an opportunity to arrive and, if no one else wishes to speak in the interim, I suggest the absence of a quorum and make the request that it be charged——

Mr. BIDEN. Before the Senator yields, will the Senator yield for 30 seconds?

Mr. SPECTER. I do.

Mr. BIDEN. I would like to make the point that what is a national subsidy to some of us is a necessity to others and what is a national subsidy at Grand Junction, MO, is an absolute necessity to others. You watch the train go by. Look at the fields. It is the only way to get to work.

Mr. SPECTER. Mr. President, I ask the distinguished Senator from Missouri if he would be willing to allow a quorum call to run for a few moments, for 5 minutes on his time, to give Senator WEICKER an opportunity to come to the floor.

Mr. DANFORTH. Mr. President, I would very much like to accommodate the Senator from Connecticut and the Senator from Pennsylvania. I have been asked, however, by the leadership to try to expedite this amendment because time is running so short. I wonder if Senator WEICKER would put his statement in the RECORD.

Mr. CHILES. I hope we can move this forward. We have so many people on our side that are afraid they will not have time to even offer their amendments. This amendment has taken a lot more time than I ever expected it to take. We are trying to shorten everything on our side.

Mr. SPECTER. I appreciate that, Mr. President. We were supposed to go on the bill this morning at 10. We did not go on it until 10:20. We have consumed a lot of time. We have a colleague en route from a hearing which he is chairing on health and human services. I think we ought to give him a few minutes to get here. I am advised he is on his way.

The PRESIDING OFFICER (Mr. MATTINGLY). Who yields time? If no one yields time, time runs equally.

Mr. DANFORTH. Mr. President, I yield back the balance of my time.

The PRESIDING OFFICER. The Senator from Pennsylvania has 3 minutes.

Mr. SPECTER. On behalf of the Senator from Connecticut [Mr. WEICKER] who had wanted to be here but who had other commitments on health and human services, I know that he has been eloquent in his articulation of the necessity for the continuation of Amtrak. It provides vital services for his State and a vital service for the Nation. I hope that he can arrive in the intervening time to say at least a few words. I cannot understand our inability to accommodate him. But those are the rules.

By way of very brief rebuttal in the time remaining, I believe I heard the Senator from Missouri say that one quarter of 1 percent ride the system nationally, and also one quarter of 1 percent ride the system in New York. It may have been a slip of the tongue or I may have heard him incorrectly. But in fact he did say that. I think he is in gross error. There are some 58,000 passengers who ride the trains from Trenton, NJ, north to New York, and if you carry that out on a mathematical basis of one quarter of 1 percent represented by 58,000, that would be in excess of 232 million people who travel from New York City each day. I do not think that is so. On this Senate floor, we hear repetitively statistics like one quarter of 1 percent. It is amazing to me where they come from. I have grave doubts about the accuracy of that statistic, but I have no doubt whatsoever about the vital importance of Amtrak to the 20 million people who ride it each year. I think it is a fair assessment that Amtrak is an indispensable segment of the national transit system, and when the distinguished Senator from Colorado asserts that someone will pick up the transit system in the Philadelphia, PA, area, I would refer him to the authority of the Secretary of Transportation Dole, citing in the Congressional Quarterly, that "It is unlikely that anyone would want to acquire Amtrak from the private railroad system." So that if we are to keep Amtrak, this body is going to have to be resolute enough in the assessment of priorities.

I agree with the distinguished Senator from Missouri that it is a matter of priorities and a fair assessment, I would submit, on a national scale.

Mr. WEICKER. Mr. President, I rise to support the amendment before the Senate today which restores Federal funding for Amtrak. Without the Federal assistance proposed in this amendment, Amtrak will be forced to discontinue its service and the United States will be the only industrialized nation in the world without national rail passenger service.

Throughout my career, I have consistently fought for public sector participation in both coordinating and financing railroad service. As a representative in the Connecticut general assembly, I fought to establish a State transportation authority and to provide State funds for the privately owned New Haven Railroad. In the U.S. House of Representatives, I served as chairman of the Public Ground Transportation Committee and repeatedly argued for mass transit funding, as well as the establishment of a coordinated national transportation system. In 1970, when Amtrak was created, I actively fought for the Federal Government to prevent the rapid abandonment of intercity rail passenger service all across the country.

There are those in the administration and here in the U.S. Senate who will argue that the Federal Government should no longer be subsidizing intercity rail passenger service. Amtrak, or at least portions of Amtrak, they will tell you, could and should be run by the private sector. Mr. President, to rely on the private sector for rail passenger service not only ignores history but condemns us to repeating it.

By 1970, a number of railroads in the Northeast and Midwest region of the United States, including the Penn Central which operated the New Haven Railroad in Connecticut, had

declared bankruptcy. Those railroads that were not bankrupt were reporting devastating operating losses and had essentially stopped investing any money in rail and passenger care maintenance. According to the Interstate Commerce Commission, in 1969, railroads experienced a deficit of almost $225 million on passenger service. At that time, over 100 of the approximately 400 passenger trains operating throughout the United States were on the verge of discontinuing their service.

Abandonment of intercity rail passenger service was prevented when Congress passed the Rail Passenger Service Act of 1970 and authorized Amtrak to contract with private railroads to relieve them of passenger service. It is precisely because the private sector was abandoning intercity rail passenger service that Amtrak was created in the first place. We must not place the fate of such a vital service back in the hands of those who nearly caused its demise.

We also cannot and should not rely on the States to cover the cost of lost Federal subsidies. Most States cannot afford to cover the costs. Even if they could, interstate compacts, which would be essential to continue intercity rail service, are difficult to develop and maintain. In the early 1960's, it became so time consuming and difficult to get a tristate railroad compact approved by Connecticut, New York, and New Jersey, that I encouraged the Connecticut State Legislature to establish Connecticut's own transportation authority to ensure rail passenger service in our State. A tristate compact was eventually developed but it took years. It is completely unrealistic to expect that any States, given legislative calendars and the complexities involved with interstate compacts, would have any rail service compacts in place by October 1 of this year, if Federal funding for Amtrak is terminated. If we eliminate Federal funding for Amtrak, Amtrak will not be purchased by the private sector and it will not be taken over by individual States. Mr. President, Amtrak will declare bankruptcy and this country will be left without national intercity rail passenger service.

The administration argues that the American taxpayer should not have to pay a $35 subsidy per Amtrak passenger. In fact, the President has said, in some cases, it would be cheaper to provide Amtrak riders with an airline ticket. Mr. President, the Federal Government subsidizes all modes of transportation in this country. There are hidden and indirect subsidies for automobile drivers. The highway trust fund does not cover all costs related to automobile travel, such as air pollution, parking, law enforcement, emergency repairs, and others.

The revenues from airline tickets certainly do not cover the cost of air travel. When you include the general funds used for operations and the tax expenditures lost due to business expense write-offs, the Federal subsidy to air travelers is approximately $40—$5 more per person than the subsidy for Amtrak.

I do not believe, as busy and as congested as air traffic is today, that the airports and airlines can accommodate all of the Amtrak riders who would be forced to fly rather than take the train, if Amtrak should cease to exist. This is particularly true in the Northeast corridor where approximately 17,500 passengers ride Amtrak between New York and Washington, DC, everyday. Without Amtrak, former rail passengers who do not choose to fly or who cannot afford to fly will be forced to use automobiles as an alternative. I cannot understand, given the energy crisis this country faced in the 1970's, why we would discourage the operation and development of an energy efficient rail service, and, instead, force people to travel by car or airplane.

The elimination of Federal funds for Amtrak can only result in a transportation and energy disaster. It is in our national interest to develop and maintain effective, energy efficient alternatives to automobile and air travel. It is also in our national interest to maintain rail service which can provide immediate mobilization of people and supplies. Amtrak currently works with the Federal Emergency Management Administration [FEMA] and the Army logistics staff at the Pentagon to respond quickly and efficiently should Amtrak be called on to mobilize its resources.

In the past, I have argued for completely nationalizing rail passenger service. While I am not here, today, to argue for nationalizing Amtrak, I am here to urge my colleagues to support the Federal funding essential for Amtrak to continue providing national rail passenger service. When Amtrak was created by the Rail Passenger Service Act of 1970, Congress declared:

> That rail passenger service can help to end the congestion on our highways and the overcrowding of airways and airports; that the traveler in America should to the maximum extent feasible have freedom to choose the mode of travel most convenient to his needs; that to achieve these goals requires the designation of a basic national rail passenger system and the establishment of a rail passenger corporation for the purpose of providing modern, efficient, intercity rail passenger service; (and) that Federal financial assistance as well as investment capital from the private sector of the economy is needed for this purpose. . .

I urge my colleagues to support this amendment so that the national rail passenger service Congress envisioned in 1970 will not disappear in 1986.

AMTRAK

Mr. BYRD. Mr. President, rail passenger service is an essential part of our national transportation system. The Federal Government's role in transportation has long been recognized. During World War II, one area of major concern to General Eisenhower was the lack of a network of highways to reach from one end of the United States to the other on which to move troops and supplies. As a matter of fact, one of General Eisenhower's first actions when he became President was to propose the Interstate Highway System. Thus, the Interstate Highway System was established, recognizing the need for such a network as vital to the national security. Likewise, the Federal Government has recognized its role in transportation in providing support to our air traffic control system.

Just as highways and air travel are essential to our national transportation system, so is our rail system. Indeed, Congress recognized the role of the Federal Government and the importance of rail service when Amtrak was established.

Unlike other forms of transportation, Federal financial support for Amtrak has declined by 25.6 percent since fiscal year 1981; from $893.6 million 4 years ago to $684 million in fiscal year 1985. During this time, Amtrak has consistently improved its ratio of revenues to cost. In 1981 Amtrak's revenue to cost ratio was 48 percent. In 1984 it was 56 percent, and is expected to go above 60 percent in 1986.

Amtrak carries 20 million passengers per year. Many of its passengers prefer the train over all other forms of transportation; to others, the train is the only form of transportation available to them. Of the over 500 communities Amtrak serves, 29 communities have no air or bus service, 52 more communities have no bus service and it is estimated that there will be another 161 communities, which Amtrak serves, that will not have air service upon the termination of the essential air service subsidy. There are fewer and fewer affordable transportation alternatives for rural America.

Rail passenger service is a vital link in our transportation infrastructure. To disrupt rail passenger service would only hurt rural America, which has already suffered from the loss of air and bus service since the deregulation of those industries. If Amtrak service is severely curtailed, what are the alternatives? The Federal Aviation Administration recently testifed before the Senate Appropriations Subcommittee on Transportation that it had no alternative plans to deal with the influx of commuter traffic in the Northeast corridor were rail service to be disrupted. Further, the Interstate Commerce

Commission testified that it had no alternative plans, and indeed, no role in insuring bus transportation for those communities that would no longer be served by Amtrak.

I support funding for Amtrak. The amendment I offered yesterday included full funding for Amtrak. The amendment pending before us reduces funding by 10 percent. In response to questions before the Senate Appropriations Subcommittee on Transportation, Amtrak testified that it could survive and continue most of its present service with a reduction of 10 percent; however, such a reduction would virtually eliminate Amtrak's capital budget and operating and maintenance improvements designed to enhance the quality of service would have to be deferred. This amendment may not be the best approach; however, I intend to support this amendment inasmuch as it is an improvement over the funding reductions presently included in this resolution.

It is worth repeating that Amtrak serves 20 million Americans, including more than 55,000 West Virginians. I do not feel that at a time when Amtrak is making progess in recovering its costs from fares and reducing its dependence on Federal support that we should precipitously withdraw that support. To do so is shortsigthed and needlessly disruptive.

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. DANFORTH (when his name was called). Mr. President, on this vote, I have a live pair with the Senator from Maryland (Mr. Mathias). If he were present and voting, he would vote in the affirmative. If I were permited to vote, I would vote in the negative. Therefore, I withhold my vote.

Mr. SIMPSON. I announce that the Senator from Virginia [Mr. Trible] and the Senator from Maryland [Mr. Mathias], are necessarily absent.

I also announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 41—as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—53

Andrews
Baucus
Biden
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
D'Amato
DeConcini
Dixon
Dodd
Durenberger
Eagleton
Ford
Glenn
Gore
Grassley
Harkin
Hart
Hawkins
Heflin
Heinz
Hollings
Inouye
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Pryor
Quayle
Riegle
Rockefeller
Roth
Sarbanes
Sasser
Simon
Specter
Stafford
Warner
Weicker
Zorinsky

NAYS—41

Abdnor
Armstrong
Bentsen
Boschwitz
Cochran
Cohen
Cranston
Denton
Dole
Domenici
Evans
Garn
Goldwater
Gorton
Gramm
Hatch
Hatfield
Hecht
Helms
Humphrey
Johnston
Kassebaum
Kasten
Laxalt
Long
Mattingly
McClure
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Proxmire
Rudman
Simpson
Stennis
Stevens
Symms
Thurmond
Wallop

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Danforth, against

NOT VOTING—5

East
Exon
Mathias
Trible
Wilson

So the amendment (No. 59) was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BIDEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I am convinced we can finish this matter today, but in order to make a final judgment we need to know how many amendments there are. We are not asking for any amendments. But if there are going to be amendments, I think we are getting down in the point where we are going to have to make some accommodation for those amendments, have very short debate and then have a vote. The votes themselves, if everybody feels compelled to offer one or two amendments, will take a long, long time.

As I indicated last evening, there are Members on both sides who have come to me saying, "How late will it be Thursday night? I have a problem." We would like to try to accommodate those Members, but I must say, if we can finish this tonight, even if it takes until midnight, we ought to get finished.

If it goes into next week, we will be on the resolution all next week and everybody will be offering amendments. So I hope that those who feel they just must offer amendments will let the managers or the leadership on each side know so that we can sequence the amendments and come back to the floor and make some announcement within the next hour of what we propose to do.

Parliamentary inquiry, Mr. President: How much time does remain?

The PRESIDING OFFICER. The majority leader has 1 hour and 8 minutes. The minority leader has 2 hours and 3 minutes.

Mr. DOLE. It is well within 5 hours that this could be completed.

I yield to the distinguished minority leader.

Mr. BYRD. Mr. President, I thank the distinguished majority leader for yielding.

We have talked earlier today about amendments, about reducing time on amendments, and about the possibility of stacking votes. So far as I am concerned, we might reach a time when the Senate will know when the last vote will occur.

My suggestion is that the distinguished majority leader propose that time on amendments, which, under the boilerplate language in the Budget Reform Act, is either 1 hour or 2 hours each, depending upon whether it is an amendment to an amendment or an amendment to the resolution—my suggestion, and I have discussed this with Mr. Chiles, is that we propose an agreement in which no amendment would take more than 30 minutes total on both sides, and there would be no yielding from time on the resolution. That may not carry, but I hope we would make such a request—no more than 30 minutes. On many of the amendments, we can talk to the offerers and get the time down to less than that.

Mr. CHILES. I say to the distinguished minority leader that if we did that, we would want some protection on our side, if they were controlling all time on the amendment on their side.

Mr. BYRD. Absolutely. It would have to be half and half.

I hope we could move the bigger amendments—if I may give them that term—first. Otherwise, we are going to get down to the end of the time and there will be no more time; and then Senators who have been waiting to call up their amendments can call them up and can have a vote, without debate, but that is not what they want.

In the interest of all Senators who have amendments, I hope we try to work in such a way as to let them have some time, also, so that they are not forced to call up their amendments and have them voted on, up or down, without debate.

I will work with the distinguished majority leader. So far as I am concerned, he could make this proposed request right now and outline it, and maybe we would want 2 minutes to run our hotlines.

I think the time is ripe. The anvil is hot. All Senators who have amendments certainly want a little time, and they will be shut out if we do not make this arrangement now.

Mr. DOLE. I thank the distinguished minority leader. I will make that request, but I think in fairness to Senators if I had just some idea, maybe I cannot hit it precisely, of how many amendments there will be, so then we would know how to divide the time.

Mr. DeCONCINI. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. DeCONCINI. Mr. President, I have an amendment, and I will be glad to settle for 10 minutes on each side. I do not think we will use that much.

Mr. DOMENICI. Let us get a list going.

Mr. DOLE. I will take that deal right now.

What is the amendment? I should ascertain that before I take that deal.

Mr. DeCONCINI. It is a sense of the Senate on the WIC program on 1985 funding. I do not think it will take 10 minutes. We will agree now to 10 minutes on each side.

Mrs. HAWKINS. Mr. President, I have an amendment.

Mr. DOLE. Mr. President, let me suggest this. I think we can dispose of Senator DeConcini's amendment very quickly and maybe accept it. But, as I understand, there are about 20 amendments on that side. Maybe before I propound the request we should take a look at the amendments on each side, and then following the disposition of the next amendment I will propound a request, and I hope that the next amendment will not take more than 15 minutes on a side.

Mr. HART. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. HART. Mr. President, on a couple of occasions the majority leader in trying to schedule has said——

The PRESIDING OFFICER. Let there be order in the Chamber.

Mr. HART. He has said a vote on final resolution of the budget issue would depend on whether or not he felt he had the votes.

What are the prospects of going through the amendments today and staying here and working and then having the majority leader put the vote on final passage, if you will, over to next week on the grounds he does not have the votes?

I am asking that as a matter of scheduling.

Mr. DOLE. If it is very important and the Senator will give me his vote, we will be in good shape.

Mr. HART. We might have a discussion about that.

Mr. DOLE. Right.

Mr. HART. Barring that, what are the prospects?

Mr. DOLE. I would say the prospects are about 50-50. I am advised that we asked the Vice President to return to the Capitol, if that is any indication. He has been out of Washington on official business, I understand. And we also will be talking to Lisbon, Portugal.

Mr. HART. Are there votes over there?

Mr. DOLE. There is one who would have a veto.

Mr. BYRD. He will have 10 days on that.

Mr. DOLE. So I will try to accommodate the Senator by 3 p.m., but I sort of have the feeling now are going to head for final vote. That could change.

Mr. HART. I thank the leader.

Mr. BUMPERS. Mr. President, will the majority leader yield?

Mr. DOMENICI. Mr. President, if the Senator will yield for just a moment, as I understand it, the next amendment is a Cranston veterans' amendment, and perhaps shortly we can get an agreement on how long it will take.

Could I say to Senators that the distinguished majority leader has indicated he would like to arrange to accommodate amendments. It is very difficult for us to do it unless everyone is willing to get their amendments in to someone so we can start looking at them. I do not need them but someone needs them from both sides.

Could we agree that anyone who has amendments on this side who wishes to be accommodated will get them to me as soon as possible and do the Democrats want them on their side to go to the distinguished manager of the resolution or to the minority leader?

Mr. BYRD. Both.

Mr. DOMENICI. Both.

Mr. BYRD. We are working with our manager and trying to help to get the information he needs. There might be a possibility we could stack votes at some point this afternoon which would hopefully save much more time, at least 15 minutes. The rollcall votes are lasting 20 or 25 minutes.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. DOLE. Let me yield first to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, is it the majority leader's intention in the last waning minutes of this debate allowed on the resolution to offer either an amendment which is essentially a substitute? Is it the intention of the majority leader to offer a substitute, and if so why are we doing these amendments?

Mr. DOLE. That is a good question. I prefer you did not do the amendments.

They may not be in the substitute. I can tell the Senator the one we just completed is not in the substitute.

But Senators are free to offer amendments. Sooner or later we want to dispose of the amendments, and then we will offer a substitute, and that is why I think if we have an opportunity to discuss some of these amendments with the proponents they may be accommodated, or they may not be accommodated, but it would be very helpful to the Senator.

Mr. BUMPERS. It seems to me, as an observation for the majority leader, cbviously as to these amendments the size of the vote, for example, is going to determine to some extent whether it goes into the final package or not.

But the other point is that if the majority leader's amendment comes up—for example, Senator Bentsen and I want to add some money for the immunization program as we feel strongly about it, and I think the majority leader would probably accept that. But if the criteria is going to be determined on how much support there is in the Senate, Senators are going to ask for rollcall votes and try to prove the efficacy of their amendment rather than letting them be accepted.

Mr. DOLE. I say to the Senator from Arkansas, I think we can take care of the problem in the colloquy. I am referring to his amendment.

Mr. BUMPERS. I thank the majority leader.

Mr. CRANSTON. Mr. President, will the majority leader yield?

Mr. DOLE. Mr. President, I wonder if we might reach an agreement for 30 minutes on the amendment to be offered, 15 minutes on each side?

Mr. CRANSTON. I will shoot for 30 minutes. I wish to agree to 40 minutes at this time.

Mr. DOLE. Twenty minutes on each side. The Senator shoots hard.

Mr. CRANSTON. I will do my best to make it a half-hour.

Mr. MURKOWSKI. Mr. President, let us move along. I will agree to 20 minutes equally divided.

Mr. DOLE. Mr. President, I ask unanimous consent for 40 minutes equally divided, 20 minutes each side.

Mr. CRANSTON. Forty minutes, not twenty minutes.

Mr. MURKOWSKI. I think there is some confusion. I was under the impression it was an hour equally divided. We will take the reduced time. I would offer 20 minutes if my colleague, Senator Cranston, felt that was reasonable, a total of 40 minutes.

Mr. CRANSTON. Forty minutes apiece. I will do my best to make it 15 minutes apiece by not using it. I do not want to agree to less. I will do my best.

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The **PRESIDING OFFICER**. Is there objection to the request.

Mr. **MURKOWSKI**. Mr. President, I wish to have a clarification from the Chair.

The **PRESIDING OFFICER**. Forty minutes equally divided.

Mr. **MURKOWSKI**. I thank the Chair.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The Senator from California is recognized.

AMENDMENT NO. 75

(Purpose: To adjust the budget levels and reconciliation instructions with respect to veterans' programs)

Mr. **CRANSTON**. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. May there be order in the Chamber.

The majority leader.

Mr. **DOLE**. Mr. President, I understand we have 20 minutes on each side.

The **PRESIDING OFFICER**. The Senator is correct.

Mr. **DOLE**. That does not mean we have to take the 20 minutes on our side; 5 minutes will be sufficient.

The **PRESIDING OFFICER**. Before the Senator from California speaks, I want the well to be cleared, and I want the staff to get to the rear of the room, and I need there to be order in the Chamber.

The Senator from California.

Mr. **CRANSTON**. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California, Mr. CRANSTON, for himself, Mr. MATSUNAGA, Mr. DECONCINI, Mr. MITCHELL, Mr. ROCKEFELLER, Mr. INOUYE, Mr. SARBANES, Mr. KENNEDY, Mr. EXON, Mr. RIEGLE, Mr. LEAHY, Mr. BURDICK, Mr. BINGAMAN, Mr. ZORINSKY, and Mr. HOLLINGS proposes an amendment numbered 75.

Mr. **CRANSTON**. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $500,000,000.

On page 3, increase the amount on line 13 by $900,000,000.

On page 3, increase the amount on line 14 by $1,100,000,000.

On page 3, increase the amount on line 18 by $600,000,000.

On page 3, increase the amount on line 19 by $1,100,000,000.

On page 3, increase the amount on line 20 by $1,300,000,000.

On page 3, increase the amount on line 25 by $600,000,000.

On page 4, increase the amount on line 1 by $1,100,000,000.

On page 4, increase the amount on line 2 by $1,300,000,000.

On page 4, increase the amount on line 6 by $600,000,000.

On page 4, increase the amount on line 7 by $1,700,000,000.

On page 4, increase the amount on line 8 by $3,000,000,000.

On page 4, increase the amount on line 12 by $600,000,000.

On page 4, increase the amount on line 13 by $1,100,000,000.

On page 4, increase the amount on line 14 by $1,300,000,000.

On page 27, strike out the amount on line 4 and insert in lieu thereof "$27,600,000,000".

On page 27, strike out the amount on line 5 and insert in lieu thereof "$27,100,000,000".

On page 27, strike out the amount on line 13 and insert in lieu thereof "$28,200,000,000".

On page 27 strike out the amount on line 14 and insert in lieu thereof "$27,800,000,000".

On page 27 strike out the amount on line 22 and insert in lieu thereof "$28,700,000,000".

On page 27, strike out the amount on line 23 and insert in lieu thereof "$28,400,000,000".

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $200,000,000.

On page 33, increase the amount on line 12 by $200,000,000.

On page 43, strike out the amount on line 7 and insert in lieu thereof "$292,000,000".

On page 43, strike out the amount on line 8 and insert in lieu thereof "$130,000,000".

On page 43, strike out the first amount on line 9 and insert in lieu thereof "$199,000,000".

On page 43, strike out the second amount on line 9 and insert in lieu thereof "$199,000,000".

On page 43, strike out the amount on line 10 and insert in lieu thereof "$177,000,000".

On page 43, strike out the amount on line 11 and insert in lieu thereof "$253,000,000".

On page 50, strike out the amount on line 18 and insert in lieu thereof "$292,000,000".

On page 50, strike out the amount on line 19 and insert in lieu thereof "$139,000,000".

On page 50, strike out the first amount on line 20 and insert in lieu thereof "$199,000,000".

On page 50, strike out the second amount on line 20 and insert in lieu thereof "$199,000,000".

On page 50, strike out the amount on line 21 and insert in lieu thereof "$177,000,000".

On page 50, strike out the amount on line 22 and insert in lieu thereof "$253,000,000".

On page 52, increase the amount on line 1 by $400,000,000.

On page 52, increase the amount on line 3 by $424,000,000.

On page 52, increase the amount on line 4 by $461,000,000.

Mr. **MURKOWSKI**. Mr. President, reserving the right to object, and I do not intend to object, but I wish to raise a question.

The **PRESIDING OFFICER**. The request has already been granted, I tell the Senator from Alaska.

Mr. **MURKOWSKI**. It involves the proposed amendment. My question is as to the accuracy of the figures in the amendment which I wish to call to the attention of my colleagues at this time.

I do not intend to object to the consideration of the amendment. I will simply point out that there appears to be an understatement in the figures for the budget authority outlay of approximately $100 million in the deficit figure. I simply wish to call that to the attention of my colleague from California.

On the first page of the amendment, lines 6 and 7, there appears to be an understatement of the budget authority of $100 million for 1988; on the second page, lines 3 and 4, an understatement of outlays of $100 million; and on pages 9 and 10, a deficit understatement of $100 million.

I have no objection to the amendment, Mr. President.

Mr. **CRANSTON**. Mr. President, I ask unanimous consent that if any inconsistency is found, I be permitted to modify the amendment accordingly.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

BUDGET FOR VETERANS' PROGRAMS

Mr. **CRANSTON**. Mr. President, the purpose of the amendment is to provide for fair, prudent treatment of veterans' programs.

Mr. President, the fiscal year 1986 budget agreement entered into between the Senate Republican leadership and the President is unfair to our Nation's veterans. Even more unfair as the fiscal year 1986 is the Budget Committee's reported resolution. Our amendment would correct these inequities while still providing for a freeze on VA programs at President Reagan's fiscal year 1985 level, plus funding for a cost-of-living adjustment for veterans with service-connected disabilities.

With the compelling need to deal with projected Federal deficits in mind, we are proposing budget levels at the minimum necessary to carry out our Nation's commitment to those who served, and to remedy major deficiencies in the reported resolution.

Overall, our amendment would establish the fiscal year 1986 levels for function 700, "Veterans' benefits and services," at $27.6 billion in budget authority and $27.1 billion in outlays. For the outyears, we propose function 700 totals of $28.1 billion in BA and $27.7 billion in outlays in fiscal year 1987 and $28.7 billion in BA and $28.3 billion in outlays in fiscal year 1988.

Compared to the pending resolution as modified by the full-COLA amendment adopted on May 2, our amendment would add back $500 million in BA and $600 million in outlays in fiscal year 1986, $800 million in BA and $1 billion in outlays in fiscal year 1987, and $900 million in BA and $1.1 billion in outlays in fiscal year 1988.

These totals actually are somewhat less than a "Freeze-Plus-COLA" budget for the VA. Let me stress that again—our amendment is less than a "Freeze-Plus-COLA" budget. Our fiscal year 1986 figures include the fiscal year 1985 function 700 totals in the President's budget—$27.340 billion in BA and $26.850 billion in outlays—with the only addition being $282 million in BA and $280 million in outlays, the amounts needed to provide fully for the cost of a 4.1-percent COLA in service-connected disability compensation benefits in fiscal year 1986, which is $345 million in BA and $310 million in outlays.

Mr. President, I ask unanimous consent that a table providing a subfunction-by-subfunction comparison of our amendment with the Reagan/Senate Republican leadership package as originally proposed and as amended to restore funding for full COLA's in compensation and pension be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CRANSTON AMENDMENT: FUNCTION 700, VETERANS' BENEFITS AND SERVICES

Subfunction	Reagan/Republican leadership (original)		Reagan/Republican leadership (with COLA add-back)		Cranston		Cranston v. original		Cranston v. with COLA add-back	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
FISCAL YEAR 1986										
701—Income security for veterans	15,221	14,985	15,452	15,194	15,452	15,194	231	209	0	0
702—Veterans education, training, and rehabilitation	1,148	1,058	1,148	1,058	1,148	1,058	0	0	0	0
703—Hospital and medical care	9,680	9,551	9,680	9,551	10,234	10,064	554	513	554	513
704—Veterans housing	0	(121)	0	(121)	0	65	0	186	0	186
705—Other veterans benefits and services	838	839	838	839	838	839	0	0	0	0
Unspecified cost savings	0	0	0	0	(50)	(90)	(50)	(90)	(50)	(90)
Total	26,887	26,312	27,118	26,521	27,622	27,130	735	818	504	609
FISCAL YEAR 1987										
701—Income security	15,258	15,017	15,799	15,531	15,799	15,531	541	514	0	0
702—Veterans education, training, and rehabilitation	932	816	932	816	932	816	0	0	0	0
703—Hospital and medical care	9,847	9,880	9,847	9,880	10,651	10,675	804	795	804	795
704—Veterans housing	0	(241)	0	(241)	0	(1)	0	240	0	240
705—Other veterans benefits and services	817	815	817	815	828	825	11	10	11	10
Unspecified cost savings	0	0	0	0	(50)	(90)	(50)	(90)	(50)	(90)
Total	26,854	26,287	27,395	26,801	28,160	27,756	1,306	1,469	765	955
FISCAL YEAR 1988										
701—Income security for veterans	15,269	15,050	16,112	15,869	16,112	15,869	843	819	0	0
702—Veterans education, training, and rehabilitation	760	664	760	664	760	664	0	0	0	0
703—Hospital and medical care	10,117	10,049	10,117	10,049	11,020	10,948	903	899	903	899
704—Vets' housing	0	(123)	0	(123)	0	132	0	255	0	255
705—Other benefits	800	798	800	798	831	828	31	30	31	30
Unspecified cost savings	0	0	0	0	(50)	(90)	(50)	(90)	(50)	(90)
Total	26,946	26,438	27,789	27,257	28,673	28,351	1,727	1,913	884	1,094

MEDICAL CARE

Mr. **CRANSTON**. Mr. President, our amendment would provide for the VA medical care account a funding level that is necessary to maintain the VA health-care system at the programmatic and staffing level for which Congress specifically appropriated funds in fiscal year 1985. Let me stress that this staffing level has just been reconfirmed on April 29 by the House Appropriations Subcommittee on HUD-Independent Agencies.

To retain this congressional approved level for fiscal year 1986 requires $391 million in budget authority and $351 million in outlays more than was recommended by the Budget Committee or by the Republican leadership. The only difference between the recommendations of the Budget Committee and the Reagan/Republican leadership package with respect to the funding level for the medical care account is that the latter package makes one new assumption—that Congress will impose an administration-proposed means test on all non-service-connected disabled veterans seeking VA care. The funding levels are exactly the same in both budget packages.

The levels recommended for the medical care account by the Budget Committee and the Republican leadership would be a devastating blow to the VA health-care system. Faced with those fiscal year 1986 levels, the agency would have no alternative but to deny care to tens of thousands of eligible veterans—approximately 69,000 inpatient episodes of care and 310,000 outpatient visits would have to be eliminated—and to cut its health-care staffing by 8,095 FTEE. This is just in fiscal year 1986 only. This is information provided by the VA's Office of the Chief Medical Director. I did not concoct it.

In order to make these reductions, the VA would have to close many existing wards or other units or even some entire facilities.

The fiscal year 1986 medical care account levels provided for in our amendment—$9.353 billion in budget authority and $9.106 billion in outlays—are only $60 million in budget authority and outlays above the level of the President's very stringent fiscal year 1986 February budget for the medical care account when that level is increased for restoration of the 5-percent civilian pay cut. Neither the Budget Committee, the President, nor the Republican leadership is now supporting that ill-advised proposed pay cut.

That $60-million addition was also supported by six Republican members of the Veterans' Affairs Committee when they signed a March 7, 1985, letter to the chairman of the Budget Committee. This level is the bare minimum needed, in our view, to enable the VA to maintain in fiscal year 1986 the health-care staffing level that the Congress specifically intended be maintained in fiscal year 1985 when it enacted the fiscal year 1985 HUD-Independent Agencies Appropriations Act.

With reference to the Reagan/Republican leadership recommendation and the savings purported to be derived from the imposition of a means test, it was not until April 18 that the administratioin finally submitted proposed means test legislation. Very significantly, in the official transmittal letter, the Administrator of Veterans' Affairs made no representation whatsoever of any specific cost savings. This lack of a cost-savings estimate was no oversight. Indeed, it was well advised for no one can predict with any accuracy that veterans turned away from VA facilities through application of the means test would not be replaced by other eligible veterans. Nor can anyone predict with much accuracy that the costs of implementing the test for veterans, age 65 and older, and the offsetting costs to Medicare would not outstrip any savings resulting from reductions in VA care.

This view was confirmed during an April 23 joint hearing before the House Veterans' Affairs Subcommittee on Hospitals and Health Care and the House Select Committee on Aging. In response to a question about the basis for savings that are being assumed in the White House/Senate Republican leadership package resulting from the enactment of means-test legislation, the VA's Chief Medical Director, Dr. John Ditzler, said that he could not "identify any figure in that cost savings that is familiar or (that he had) seen before." In addition, Dr. Ditzler, when asked how much would be saved in fiscal year 1986 if the proposed means test were implemented, stated, "I would hazard a guess that we may not save anything, but that again is speculative."

Clearly, there is no basis for the administration now to be claiming any savings based on its proposed means test. This is just a smoke screen OMB is trying to use to hide its goal and purpose of slashing the VA Health Care Program and staffing levels.

The bottom line here is that the Reagan/Republican leadership package—like the Budget Committee recommendation—would extract savings from the VA Health Care Program by restricting the resources allotted to it, regardless of whether the means test itself does or does not result in fewer veterans being treated. As I noted a moment ago, both proposals would arbitrarily reduce the amount of VA care provided and the staffing levels at VA facilities. For the administration, which has not provided an estimate showing that any savings would be produced by its means test, to take this approach, is the worst kind of sham—denying needed health care to many thousands of sick and disabled veterans, all the while pretending that nothing of the sort is occurring. If the Senate wants such a result—and let me be clear, beyond any question, that I do not—then it should at least be open and honest about what it is doing.

But, regardless of the lack of validity and substantiation for any claim to savings from the implementation of a means tests, the only way to reduce spending in the VA system is to reduce staffing and inpatient and outpatient treatments.

Mr. President, a moment ago, I described the very serious cuts that the Republican leadership package would make in VA health-care services in fiscal year 1986. This damage inflicted by the Reagan/Republican leadership package would become still more severe in the outyears.

Even if it were assumed that the VA would cancel its current plans for 111 facility activations resulting from construction projects currently underway or planned and scheduled for activation in fiscal year 1987 and fiscal year 1988, the Reagan/Republican leadership levels for the VA medical care account are $230 million less than needed in fiscal year 1987 and $264 million less than needed in fiscal year 1988 to maintain existing VA facilities at the fiscal year 1985 staffing and program levels for which Congress appropriated funds. In fiscal year 1987, the VA would be required to cut another 5,546 FTEE and provide 47,184 fewer episodes of inpatient care and 212,300 fewer outpatient visits. In fiscal year 1988, the VA would have to reduce employment by another 6,213 FTEE's and provide 52,851 fewer inpatient episodes of care and 237,800 fewer outpatient visits. When these reductions are added to the fiscal year 1986 cuts I mentioned earlier, the 3-year totals entail cutting off 19,854 FTEE's, cutting the number of inpatient episodes of care by 169,035, and reducing outpatient visits by 760,100.

Let me mention all of the activations that would likely be canceled so that Senators in those States will clearly know exactly what they are voting for:

NEW ACTIVATION LISTING

[In fiscal years 1987–88]

Alabama:	
Birmingham	Expansion (Clinic, outpatient clinic, administration, education facilities, and seismic reinforcement).
Tuskegee	Renovation of building for lab services.
Arizona:	
Prescott	60-bed nursing home care unit.
Tucson	120-bed nursing home care unit.
Arkansas: Fayetteville	Expansion of Laboratory.
California:	
Fresno	Clinical addition.
Loma Linda	60-bed nursing home care unit.
Long Beach	Relocation and consolidation of hemodialysis.
Do	160-bed spinal cord injury unit and outpatient clinic.
Los Angeles	Ambulatory care clinic.
Palo Alto	Spinal cord injury addition.
San Diego	Spinal cord injury unit and outpatient clinic.
San Francisco	120-bed nursing home care unit and parking facility
Do	Remodeling of buildings 2, 4, and 200.
Sepulveda	Spinal cord injury and recovery renovation.
West L.A.	Renovation of building for domiciliary facility.
Do	Conversion for 120-bed nursing home care unit.
Do	117-bed nursing home care unit.
Colorado: Grand Junction	Outpatient and clinical addition.
Florida:	
Lake City	Renovation of lab B64.
Do	Outpatient and clinical addition.
Miami	Relocation of radiotherapy.
Do	Renovation of medical intensive care unit and coronary care unit.
Do	120-bed nursing home care unit.
Tampa	Radiation therapy unit.
Georgia: Augusta	Replacement medical center.
Illinois:	
Chicago Lakeside	Crown Point satellite outpatient clinic.
Chicago Westside	Renovation of buildings 11A and 11B (phase 2).
Do	Outpatient addition.
Hines	40-bed spinal cord injury building.
Do	Renovation of 1st floor, B200, lab services (phase 1).
Do	New linear acceleration facility.
Do	120-bed nursing home care unit.
Marion	Dental and medical support.
Indiana: Indianapolis	Radiology oncology treatment.
Iowa:	
Iowa City	Ambulatory care and clinical addition.
Do	Expansion of research animal facility.
Kentucky:	
Lexington	Clinical addition.
Louisville	Clinical and education unit.
Do	Establish 8-bed coronary care unit.
Louisiana:	
Alexandria	Clinical improvement.
Do	120-bed nursing home care unit.
New Orleans	Renovation of surgical intensive care unit.
Do	Renovation of medical intensive care unit and coronary care unit.
Do	Expansion of clinic, outpatient services, education, and research
Shreveport	Renovation of medical intensive care unit and coronary care unit
Do	Ambulatory care building and linear accelerator.
Do	Education addition.
Maine: Togus	Clinical improvement, building 200.
Massachusetts:	
Bedford	Ambulatory care addition.
Boston	Nuclear magnetic resonance imaging.
Brockton	Outpatient addition, research and education, and administration.
Michigan: Ann Arbor	Linear accelerator.
Minnesota:	
Minneapolis	120-bed nursing home care unit.
Do	Replacement medical center (phase 5).
Mississippi: Biloxi	Modernization of various buildings.
Missouri: St. Louis	Research labs.
Nebraska: Omaha	Outpatient clinical addition.
New Hampshire: Manchester	Relocation of radiology and chapel.
New Jersey:	
East Orange	Linear accelerator.
Do	Relocation and consolidation of research and expansion of clinical lab.
Lyons	240-bed nursing home care unit.
New Mexico:	
Albuquerque	New clinical services bed building.
Do	Replacement and modernization of clinical services.
New York:	
Albany	Renovation of clinic.
Bath	Renovation of domiciliary facility.
Bronx	Therapeutic pool.
Brooklyn	Relocation of surgical intensive care unit.
Buffalo	Research building and clinical expansion.
Castle Point	Laboratory addition.
Northport	10-bed surgical intensive care unit.
Do	120-bed nursing home care unit.
North Carolina:	
Durham	Clinical addition.
Do	120-bed nursing home care unit.
Fayetteville	Clinical addition.
North Dakota: Fargo	Clinical addition.
Ohio:	
Cincinnati	Remodel morgue and loading dock.
Do	Renovation of vacated surgical space for research.
Cleveland	Clinical improvements.
Oregon: Portland	Replacement hospital (phase 3).
Pennsylvania:	
Philadelphia	Clinical addition and renovations.
Do	240-bed nursing home care unit.
Pittsburgh	Outpatient clinical addition.
Do	Education and training center.
Wilkes-Barre	Alcohol treatment unit.
Do	Relocation of nuclear medicine.
Puerto Rico:	
San Juan	Ponce satellite outpatient clinic.
Do	120-bed nursing home care unit.
South Carolina:	
Charleston	Clinical addition.
Do	Savannah satellite outpatient clinic.
Columbia	Greenville satellite outpatient clinic.
Tennessee:	
Memphis	Relocation and expansion of surgical intensive care unit.
Mountain Home	Renovation of bed towers.
Murfreesboro	120-bed nursing home care unit.
Texas:	
Amarillo	Addition and renovation of clinical support.
Do	120-bed nursing home care unit.
Big Springs	Renovation of surgery.
Dallas	Expansion of cobalt facility.
Do	Renovation of building B3 for research.
San Antonio	120-bed nursing home care unit.
Temple	408-bed replacement domiciliary facility.
Vermont:	
White Riv. Junc	Expansion of medical intensive care unit
Do	Research and education building.
Virginia:	
Hampton	200-bed replacement domiciliary facility
Richmond	Linear accelerator.
Do	Magnetic resonance imaging.
Washington: Seattle	Replacement hospital (phase 4).
West Virginia: Clarksburg	Clinical alterations, and addition.
Wisconsin: Wood	Renovation of building 43 for domiciliary facility.
Wyoming:	
Cheyenne	Expansion and renovation of clinical functions.
Sheridan	Outpatient clinic addition.

If, on the other hand, the VA nevertheless decided to proceed with its current plans to activate new facilities scheduled to come on line in fiscal year 1987 and fiscal year 1988, then the budget under the Reagan/Republican leadership package would fall even further short of being able to maintain existing VA facilities at the fiscal year 1985 appropriated staffing levels. Under that scenario, in fiscal year 1987, the package would require VA health care personnel cuts of 10,997 FTEE's, a reduction of 93,548 inpatient episodes of care, and a 421,000-outpatient visit cutback. In fiscal year 1988, the reductions would be 14,259 FTEE's, 121,298 inpatient episodes, and 545,800 outpatient visits. The 3-year total reductions would produce cuts of 33,351 staff years, 283,845 fewer inpatient care episodes, and 1,276,800 fewer outpatient visits.

These are obviously enormous reductions and they would require correspondingly enormous changes in the VA system. Large number of existing units and several total hospitals would almost certainly have to be shut down. Based on my 16 years' experience working closely with the VA medical system, I believe that the result would almost certainly be that some or all of the 111 planned facility activations would not be brought on line as scheduled.

Mr. President, these would be most destructive cuts, and I challenge the proponents and supporters of this amendment to tell me and our colleagues and our Nation's veterans how they propose that the VA should implement these cutbacks. From what VA medical centers would these employees be taken? Which units, which facilities, which medical centers would be closed? I believe we're entitled to have that information before voting to inflict such extensive devastation on this system.

Let me also stress that our amendment would still force economies in the VA health-care system. It would restore 90 percent of the shortfall in fiscal year 1987 funding needed to maintain the existing system and proceed with the scheduled activations and 71 percent of that shortfall in fiscal year 1988.

The VA health-care system is a vitally important national resource that we must preserve. Not only is it the means by which we meet our very fundamental obligation to provide health care to veterans who are disabled during their service, but the 172-hospital VA system also has a statutory role as the first backup to the Department of Defense health care system in time of war or national emergency. In addition, the VA system plays very vital roles in overall health care personnel education and in medical research. These latter roles are of importance not only to veterans but to the Nation as a whole.

And let's not be misled by talk about reallocation and realignment of resources. There are no savings there—moving an employee or an employee slot, or a dollar, from the Midwest to the Sun Belt does not save any money. If anything, it costs money.

Cutbacks of the magnitude of those proposed in the Reagan/Republican leadership package would savage the system as it now exists and would cripple it in ways that could hamper its ability to provide quality care to our Nation's veterans for years and decades to come. Anyone who thinks I may be exaggerating the impact of these cuts just does not understand the VA health-care system or how it functions.

HEALTH-INSURANCE REIMBURSEMENT

Mr. President, I would like to address the so-called third-party reimbursement proposal. This legislative proposal was mentioned in the VA's budget documents in February but was submitted to the Congress only yesterday. It would require private health insurance carriers to delete from their policies clauses precluding payment for VA furnished care. It would also provide for the VA to obtain reimbursement from these carriers for VA care provided for veterans' non-service-connected conditions.

I am opposed to this proposal. It would do absolutely nothing to improve or increase health care services for veterans. By increasing administrative costs for both the VA and the insurers it would simply add inflationary costs to our Nation's health care bill. I also oppose this proposal because, if no additional VA administrative personnel were added to shuffle the necessary papers—and none are being proposed to be added—it would require the diversion of VA staff from activities relating to furnishing veterans with health care to the redtape involved in billing insurance carriers.

Moreover, there remain numerous unanswered questions about this proposal. The unknowns include, among others, the extent to which non-service-connected veterans receiving VA care have health insurance that would yield any significant payments under such a law, the ability or willingness of the VA to generate billings and to submit to cost-containment reviews which accord with requirements in existing insurance contracts, and the extent to which health insurance premiums would be increased to cover the cost of any claims paid.

In addition, the possibility of realizing any of the receipts that are claimed for this initiative in the first few years after its enactment are extremely remote. Insurance companies are adamantly opposed to a mandate to pay for VA care, when the VA is not subject to the same utilization controls applied to private sector facilities, and serious questions have been raised about the constitutionality of this provision. Insurance companies suggested during hearings before our committee in 1979 that they would not pay these claims unless and until finally ordered to do so by judicial authority. This would likely entail protracted legal proceedings until all appellate remedies are exhausted. Thus, for years to come, the proposal would produce paper savings only and make no real reduction in the deficit.

I am convinced that the only impact of this provision for the VA will be increased costs for the agency. Some costs will result from efforts by the agency to begin to establish the administrative framework, including costly new automated data processing capacity, necessary to process insurance claims—something the agency does not now have. Costs will also result from efforts actually to collect payments from insurance carriers. The collection effort likely will generate additional costs as carriers refuse to honor VA claims, either because the claims do not comply with the terms of the relevant insurance contracts or because the carriers believe the legislation authorizing VA collections is unconstitutional. In either event, it is likely that still further litigation will ensue, generating more expense and leading to further delay in collection efforts.

Also with reference to the issue of the projected savings, the administration has now proposed that the VA implement a means test pursuant to which the VA will actually evaluate the extent to which veterans seeking VA care on the basis of their inability to pay for the needed care do not in fact have sufficient resources. To the extent that veterans seeking care for non-service-connected conditions have health insurance coverage clearly adequate to enable them to obtain care without resulting hardship, a means test should result in their being referred to non-VA facilities for their care—not in the VA providing the care and then collecting funds from the insurance carriers.

Mr. President, there is one final point regarding the issue of health insurance reimbursement which I believe needs to be addressed—namely, that enacting such legislation would end the free ride that insurance companies receive when veterans who have paid insurance premiums use the VA health-care system. The essence of this position, which was included in the April 15, 1985, OMB booklet regarding the Reagan/Republican leadership plan, is that somehow insurance carriers are, under current law, receiving a windfall in the form of excess premiums from veteran policy holders. This position is totally inaccurate and misleading. During our committee's very comprehensive hearing in 1979 on health insurance reimbursement legislation—the committee's only hearing to date on this issue—the undisputed testimony was that premiums for health-plan coverage are experience rated, that is, based on an insurer's experience with regard to claims presented, actual payouts, and that, in the absence of insurer payments for care received in VA facilities, no component of the premium is ascribed to the veteran or nonveteran status of the insured. Thus, there is no windfall to the insured to be recovered, no free ride to be ended. Rather, as the testimony at the 1979 hearing indicated and as the GAO recognized in its recent report on this issue, the effect of the enactment of health-insurance reimbursement legislation would be to increase health care premiums. The transfer of the costs of veterans health care from the Federal Government to private insurers would in turn be transferred to health-insurance premium payers.

On February 26, 1985, the General Accounting Office published its fourth report on health insurance reimbursement. Although I believe that this report represents a bona fide effort by GAO to address this issue, I do not believe it really answers the many questions that must be addressed.

I must note that I was not surprised by the GAO's support for legislation to allow the VA to collect from health insurance carriers. This was the GAO's fourth report since 1970 on this issue and each one has reached the same conclusion.

The most fundamental flaw with this most recent report is its failure to come to terms with the fundamental policy issue involved—namely, how is the public interest served by simply transferring the costs of care provided to veterans—with all of the added costs associated with such a transfer—from taxpayers to those who pay health insurance premiums. This transfer between two groups that are made up of many of the same individuals is an unnecessary, inflationary action.

The GAO's analysis of the legal issues involved in this issue was very superficial and conclusory. I will not attempt to predict how the various legal issues will be resolved but I am confident that there will be greater difficulty than GAO suggests.

My final major concern about the recent GAO report concerns possible methodological flaws in the study effort to determine the scope of health insurance coverage among veterans, the basis for all estimates of potential recoveries. Of particular concern was the very significant nonparticipation rate by those selected by the GAO to take part in the survey. Of an original sample of nearly 2,700 veterans, GAO received usable replies from only 1,356 veterans, approximately a 50-percent rate of participation. This low rate of participation raises an important question as to whether the respondents and nonrespondents differ in a significant way and, in fact, the GAO report provides some evidence of this problem. The GAO survey found that 10 percent of the respondents had health insurance whereas, according to other VA data surveyed by GAO, only 6 percent of a sampling of the nonrespondents to the GAO survey had advised the VA that they had health insurance.

The other flaw that results from the methodology used is the GAO's reliance on insurance data from 1982 or earlier. Since the early 1980's, there has been a significant growth in the level of deductible and copayments that individuals with health insurance have to pay. The fact that the GAO report does not reflect this change undoubtedly has produced a significant overestimation of the amount of funds that could be recovered from health-insurance carriers.

VA LOAN GUARANTY FEE

Mr. President, our amendment rejects the discriminatory new tax—in the form of an increase in the VA home loan guaranty fee—that the Republican leadership is recommending be imposed on certain veterans. Under their new proposal for a fee increase, which has not yet been made available in writing, the VA loan guaranty fee—currently 1 percent of the loan amount—would be doubled effective October 1, 1985. Thereafter, as I understand the proposal, the fee would be increased if the need is justified based on an annual study of the loan guaranty program by the Administrator of Veterans' Affairs. I am further advised that the fee could also be reduced on the basis of the annual study. The maximum increase would be to 2.5 percent in fiscal year 1987, 3 percent in fiscal year 1988, 3.5 percent in fiscal year 1989, and 3.8 percent in fiscal year 1990.

How this modified fee-increase arrangement would actually work is not clear. For example, it's not clear whether the fee would increase automatically unless the Administrator determined that an increase was not necessary or whether it would not be increased unless and until the administrator determined that an increase was necessary. Also, how far into the future would the potential need justifying a fee increase be? Would the need be required to be in the upcoming year or could it go on 20 years on down the road?

Other questions I have include what happens to the schedule for the phasing-in of increases if, in a particular year, the fee is not increased. Does that push the whole schedule back 1 year or can the increase skipped 1 year be made up in the following year? Also, how far and when can the fee be decreased? Can it, under this proposal, ever be decreased below 2 percent? If so, could that occur during fiscal year 1986? Can the decreases be by more than 1 percent, and can they reduce the fee to less than the current 1-percent level?

I don't know if there are any answers to these questions. The new proposal has never been set forth definitively and in detail in any administration document of which I am aware.

Mr. President, last year, in response to the need to shore up the VA's loan guaranty revolving fund, which supports the VA Home-Loan Guaranty Program and which was facing a shortfall, the Veterans' Affairs Committee reported and the Senate passed a measure, S. 2391, providing for the deposit of long-guaranty-user-fee receipts into the Revolving Fund—instead of the General Treasury—and increasing the fee from ½ to 1 percent. Such provisions ultimately were enacted in section 2511 of the Deficit Reduction Act of 1984.

According to CBO, the Fund will have no need for an appropriation, or receipts, from a further increased fee at any time during the 5-year period covered in CBO's current projections.

It should also be noted that the VA's direct loan revolving fund will, according to the VA's budget documents, have an unobligated balance of $77.7 million at the beginning of fiscal year 1986, rising to $122.3 million by the close of that fiscal year.

CBO estimates a $50-million margin of direct loan fund receipts over obligations in each of fiscal years 1986 through 1990. According to the VA, that average annual margin would be $38 million over the 5 years.

Under a provision included each year in the HUD-Independent Agencies Appropriations Act, unobligated direct loan fund balances are available for transfer to the loan guaranty fund. The direct loan fund thus provides an additional cushion—of about $250 to $300 million over the next 5 fiscal years—to ensure the solvency of the loan guaranty program.

Mr. President, under these circumstances, I consider any proposal to increase the fee—such as the doubling of it on October 1, which the Republican leadership proposes—as nothing other than imposing a special, new tax on certain veterans in order to help with deficit reduction.

Mr. President, the fee increase proposal would entail a heavy, discriminatory burden principally on Vietnam-era veterans who are in the market for their first homes and in need of exactly the type of assistance that the VA guaranty is intended to provide. According to VA estimates, in fiscal year 1986, 96,800 Vietnam-era veterans—or 44 percent of all veterans expected to use the program—would use their home-loan guaranty entitlement if the fee were not increased.

According to CBO, the proposed doubling of the fee in fiscal year 1986 would result in 16,000 veterans not using their VA loan-guaranty entitlement in fiscal year 1986 alone. About half of these would probably be Vietnam-era veterans. If the fee were to remain at 2 percent through fiscal year 1990, 72,000 fewer veterans would acquire homes using their VA entitlement during the period fiscal year 1986 through fiscal year 1990. If the fee were to be increased to the permissible maximum rates—up to 3.8 percent in fiscal year 1990—the results would be a total of 141,250 fewer veterans over that period using their VA entitlement to acquire homes; again, about half of them would probably be Vietnam-era veterans.

Veterans of World War II and the Korean conflict did not have this obstacle to home ownership and the use of their VA benefits placed in their path when they were the same average age that Vietnam-era veterans now are and when, in as large numbers as Vietnam-era veterans are now, they were seeking to buy homes. Indeed, prior to 1981 when the current fee was imposed at a rate of one-half of 1 percent of the loan amount, the only veterans ever to have paid a fee were post-Korean conflict veterans who did not derive their entitlement to guaranty by virtue of wartime service. Public Law 89-358, enacted in 1966, required that these veterans of peacetime service pay a one-half of 1-percent fee. The fee was subsequently repealed in 1970 by Public Law 91-506.

Thus, lacking any justification in terms of the need to shore up the Loan Guaranty Revolving Fund, I find this proposal highly discriminatory against Vietnam-era veterans.

Indeed, the current 1 percent fee is already discriminatory against Vietnam-era veterans.

The new, doubled discrimination and unfairness would not be just in the form of the possible lost opportunity to own a home; the new tax itself would impose a significant burden on those who do qualify for a VA-guaranteed loan with the increased fee. Assuming the current interest rate on VA loans, 12½ percent, and the VA's average loan amount for fiscal year 1984, $64,300, if the fee were doubled and financed over the life of the loan, the fee-increase alone would cost the veteran about $7 per month, $84 per year, and $2,520 over the life of the loan. It is argued that $84 a year is a negligible additional amount to collect from these veterans. But, I'm sure that many from whom it is to be collected—Vietnam-era veterans who have young families and are seeking to acquire their first homes—would not consider the increase in the fee negligible. They would view it as diminishing what they are able to do for their families—and they would be right.

Moreover, it must be kept in mind that what would be collected from the veteran would be not just the fee increase—but the full, increased fee. What is being proposed is a minimum of a 2-percent fee, which would cost the veteran $165 per year and $4,950 over the life of a 30-year mortgage on the average-size, VA-guaranteed loan. That's a considerable amount, I believe, from anyone's perspective. And, it's a tax that World War II and Korean conflict veterans did not have to pay to use their VA guaranty when they were buying their first homes. It's a substantial, doubly discriminatory tax that would be imposed on veterans and principally on Vietnam-era veterans.

Mr. President, I also note that the Republican Leadership package includes increased revenues based on the assumption that this new tax will actually increase annually from 2 percent in fiscal year 1986 to 2.5 to 3 to 3.5 and eventually to 3.8 percent in fiscal year 1990. Thus, we should also consider the effects of increases above 2 percent. According to CBO, if the fee were so increased by these increments, 141,250 fewer veterans would use their VA guaranty in the 5-year period fiscal year 1986 through fiscal year 1990. CBO estimates that in fiscal year 1990, a 3.8-percent fee would result in 42,000 veterans not using their VA guaranty—42,000 in that 1 year alone. Even without adjusting for inflation in housing prices and based on current interest rates, the cost of a 3.8-percent fee to the veteran using the guaranty in fiscal year 1990 would exceed the cost of a 1-percent fee by $20 per month, $240 per year, and $7,200 over the life of a 30-year mortgage on the average VA-assisted home loan.

In addition, according to CBO, since the increased fee would in most cases be financed as part of the mortgage loan, the VA-fee increase would also produce a rise in the VA-loan foreclosure rate because the length of time during which the veterans would have no equity in the properties would increase. And, according to CBO, it would also mean that the average cost to the VA of a defaulted loan would increase.

Thus, it is extremely difficult to understand how the Budget Committee, the Senate Republican Leadership, and the President—in the face of the CBO analysis and their steadfast adherence to a "no new taxes" approach—can justify imposing this new tax.

Mr. President, a key aspect of this debate over whether the VA loan fee should or should not be increased is whether the Senate is so convinced that OMB is so right in asserting that a fee increase is needed to bolster the revolving fund—and CBO is so wrong in saying it is not—that we should now proceed to double the fee and provide for further increases. In this regard, I am convinced that an examination of the administration's various, ever-changing positions on this issue and its ridiculous assertions regarding the effects of the fee shows beyond any doubt that the administration should be accorded no credibility whatsoever in this area.

The first action of the administration this year was to propose in its fiscal year 1986 budget a fivefold increase in the fee—to 5 percent—effective October 1, 1985. That increase, financed over the life of a 30-year loan, would have added $28 per month to the average VA mortgage-loan payment—a total of $10,080 over the life of the loan. Nevertheless, the administration made the totally ridiculous prediction that that fee increase would not have resulted in one single veteran not using his or her VA guaranty. The exact same number using the guaranty with the fee at 1 percent would use the guaranty if it were increased to 5 percent, the administration contended. On the other hand, CBO predicted that a 5-percent fee would result in 60,500 fewer veterans using the guaranty each year, and internal VA projections are that that fee could effectively bar up to 110,000 eligible veterans in fiscal year 1986 alone.

When in questioning at committee hearings in both Houses, the administration was confronted with massive disbelief, it stuck with its ridiculous prediction. Of course, no one believed it.

As justification for the fee increase, the administration pointed to its prediction that, without the increase, appropriations would be needed to keep the Loan Guaranty Revolving Fund solvent. However, the administration's estimates were that the 5-percent fee would result in collections of $605 million in fiscal year 1986 and $3.5 billion in the 5 years fiscal year 1986 through fiscal year 1960—at the expense of veterans—and that the needs of the revolving fund would be only $405 million in fiscal year 1986 and $1.6 billion over the 5-year projection period, far less than half of what it estimated it would collect over the 5 years. According to the administration's own figures, by fiscal year 1990, the 5-percent fee would have produced an enormous surplus of nearly $2 billion in receipts over the administration's own projections of the needs of the revolving fund. Who could possibly believe any assertion that the fee increase was being sought in order to keep the revolving fund solvent?

Based on this unbroken string of unbelievable assertions, I find the administration's entire position in this area totally suspect. Plainly, it wishes to raise revenues through the fee—to whatever extent it believes it can get—and it seems willing to do everything necessary to accomplish that objective. Under these circumstances, I do not believe that this fee increase is needed, as the administration asserts, and I don't believe that any impartial observer would either.

Mr. President, I urge my colleagues to reject this new, discriminatory tax by voting for this amendment.

COMPENSATION AND PENSION COLA'S

Mr. President, our amendment would provide for full cost-of-living adjustments, in fiscal years 1986, 1987, and 1988, in VA compensation benefits paid to service-connected disabled veterans and to the survivors of those who die from service-connected causes, and in VA pension benefits paid to needy, non-service-connected disabled and aged wartime veterans and to the needy survivors of wartime veterans.

As presented to the Senate, the Republican leadership/Reagan package applied to the VA's service-connected disability compensation and need-based pension programs the same arbitrary, complex, 3-year COLA-reduction formula it had proposed to apply to Social Security and which the Senate has now rejected. Thus, instead of COLA's at the administration-projected inflation rates of 4.1, 4.3, and 4.1 percent in fiscal years 1986, 1987, and 1988, respectively—on which the Republican leadership/Reagan budget proposal is premised—the President proposes to cut veterans' compensation and pension COLA's by more than half, to only 2 percent, in each of those years.

FAIRNESS TO VETERANS

Major veterans' organizations have stated clearly that if all COLA's are foregone in fiscal year 1986 so should be VA compensation and pension COLA's. Presumably, they would be equally as willing to share in an across-the-board COLA reduction—although perhaps not one that cuts into their COLA's in each of 3 years running. In any event, that is not what the Republican leadership/White House package entailed and, with a full Social Security COLA now approved, that is not what the pending resolution would entail.

Rather, in addition to the fact that the President's package would provide supplemental security income and food stamp beneficiaries with full COLA's in all 3 fiscal years, a full COLA for Social Security would also now be given. But either way, the full compensation and pension COLA's should be provided.

I have heard the argument made with respect to the COLA's for SSI and food stamp beneficiaries that veterans should not feel that the Reagan/Republican leadership package discriminates against them, that they should acknowledge fairness in a policy that enables benefits for welfare recipients to keep pace with inflation while denying such treatment to those who served our Nation in time of war and those disabled in military service.

That argument plays on the conceptual distinction between compensation and pension, which are considered benefits earned through honorable service, on the one hand, and welfare program, such as SSI and food stamps for low-income persons, on the other hand, which are not earned benefits. But, this argument turns the distinction inside out. Veterans' benefits, by virtue of being earned benefits, are more—not less—deserving of favored treatment.

The Reagan/Republican leadership package seemed to consider veterans especially deserving of unfavorable treatment. And now that the Senate has gone on record as supporting full Social Security COLA's, that unfavorable treatment would be aggravated if full COLA's were not provided in compensation and pension benefits.

COMPENSATION

The VA's service-connected Disability Compensation Program has been and should remain a top priority of the Congress. Under this program, benefits are paid to the veteran to replace the average impairment of earning capacity attributed to his or her service-connected disability, and benefits to replace lost earnings are paid to the survivors of those who die from service-connected causes.

In the cases of many seriously disabled veterans, VA compensation is the only source of income.

Based on the administration's projections of inflation, in the case of a 100-percent service-connected disabled veteran, the reduced COLA formula on which the Reagan/Republican leadership package was premised would mean the loss of more than $2,100 over the 3-year period encompassed by this resolution, and over $4,400 in a 5-year period. Assuming a 45-year-old totally disabled compensation recipient lives to be 65, the loss would total almost $29,000 if COLA rates remained at 4 percent after fiscal year 1988.

It has been asserted that the Republican leadership package treats service-connected disabled veterans and the survivors of those who have died from service-connected causes more equitably than did the version reported by the Senate Budget Committee, which would simply have denied them a COLA in fiscal year 1986. The fact is, however, that the Republican leadership package would even more seriously erode the value of compensation benefits than the Budget Committee had proposed.

Based on the administration's projections for Social Security COLA's, as of December 1, 1987, compensation for a veteran with a service-connected disability rated totally disabling would be $420 per year less under the Republican leadership package than it would have been under the Budget Committee's proposal. through the end of fiscal year 1990, the totally disabled compensation recipient would receive $1,044 less under the Republican leadership's COLA reduction proposal than under the Budget Committee's 1-year freeze.

PENSION

In the case of VA pension—a needs-based program as is SSI—the Reagan leadership proposal was to penalize individuals simply by being wartime veterans or survivors of wartime veterans since SSI, as well as Social Security, recipients would receive full COLA's, but VA pensioners would be at the reduced level.

The argument has been made, however, that denying pension recipients, but not SSI recipients, a full COLA is fair because the benefit levels under the new pension program, enacted in 1978 in Public Law 95-588, are significantly higher than SSI benefits. This argument seems to attempt to create the false impression that VA pensioners are fairly well-off and that there is no need for their benefits to keep pace with inflation.

That is just not so.

Veteran-pensioners are truly needy individuals who are either 65 or older or permanently and totally disabled. Those eligibility criteria parallel SSI. The improved VA pension program enacted in 1978 is a very strict needs-based system.

The income standard applicable to a 70-year-old World War II veteran with no dependents is $5,709 per year. If the veteran receives $3,500 per year in Social Security benefits and no other nonpension income, his or her pension would be $2,209 per year—$184 per month.

In the case of a Vietnam-era veteran who is permanently and totally disabled and has a spouse and one child, the income standard is $8,446. This family of three would have only $704—about $235 per person—per month to live on. Do they not need full protection against inflation?

Can people such as these afford—as the President and the Republican leadership proposed—to suffer a reduction of nearly 7 percentage points in their benefits over a 3-year period? Is that the expression of gratitude and special consideration that the Senate, the Congress, and the Nation intends for those who have answered the call and taken up arms in time of war?

Mr. President, the April 15, 1985, booklet entitled "Senate/Administration Deficit Reduction Plan" provides the following one-line justification for the reductions in COLA's for VA pensioners: "Since pension cap exceeds poverty line, COLA restraint will not result in any veteran falling into poverty." That's one line stating two concepts and both of them are false.

It is simply not true that the pension income standards are above the poverty line generally. In fact, the levels are above the poverty line only in the cases of veterans with no dependents or only one or two dependents. The pension income levels permitted for a veteran with a spouse and two children and all those with more than three dependents are already below the poverty line.

For example, a veteran-pensioner with two dependents in 1984 received $8,160 for the year while the poverty line, determined by the Bureau of the Census, for a family of three was $8,280. Moreover, the VA pension income standards for all surviving spouses are well below the Census Bureau's proverty level figures. For example, the pension provided to a surviving spouse with no dependents in 1984 was $3,695—that's 30 percent below the $5,280 poverty level for a single person for 1 year.

The second part of the justification—that "COLA restraint will not result in any veteran falling into poverty"—is as wrong as it possibly could be. All, I repeat, all veteran-pensioners who are not already below the poverty line and would be affected by the COLA reduction would be pushed down below the poverty line as the result of the Reagan/Republican leadership proposal.

As projected by the Education and Public Welfare Division of the Congressional Research Service, using Social Security trustees' economic assumptions, the 1987 poverty line for one person has been estimated at $6,060 per year; with 2 percent COLA's, the pension in that same year for a veteran with no dependents would be $5,939. Indeed, in 1987, the only veteran-pensioner group that is estimated to exceed the poverty line with 2-percent COLA's are those veterans with one dependent—and only by $31. By 1988, even the veteran-pensioner with one dependent would, as would all other veteran-pensioner groups, fall below the poverty line—the pension level would be $6,058 while the poverty line for a family of two in 1988 is estimated at $6,370.

THE 2-PERCENT GAMBLE IS DEMEANING

Some might try to justify this unfair treatment of veterans by pointing out that the Republican leadership package would guarantee 2-percent COLA's in each of the 3 years even if inflation drops below 2 percent. The odds of that national lottery paying off are as poor as the logic behind that entire jerry-built device.

Veterans deserve fair, equitable, and dignified consideration under the budget. I consider it undignified and demeaning—as well as unfair and inequitable—to our Nation's service-connected disabled veterans to offer them in this budget proposal substantially less than full COLA's in fiscal years 1986, 1987, and 1988 and to try to entice them into accepting such a raw deal by promising to give them 2-percent COLA's in each of those years even if the rate of inflation does not justify those COLA's.

The suggestion that the possibility of unwarranted increases in these veterans' benefits would buy them off is insulting. They're never asked for unjustified COLA's. Who is it who thinks that such increases would be tempting to them?

In any event, it sure didn't work since all the major veteran's organizations support my amendment restoring full COLA's.

Moreover, Mr. President, if one were to assume that, against all odds, the inflation rate in fiscal year 1986, 1987, or 1988 were to fall below 2 percent, why should the Federal Government pay 2-percent COLA's in Social Security and VA compensation and pension rates? If, for example, the actual rate were only 1 percent in these years, the total cost in VA compensation and pension would exceed $100 million per year. The Federal Government would thus be paying out hundreds of millions of dollars with no policy justification for doing so that I can perceive.

Yet, those considered the most needy group of welfare recipients—SSI recipients—would not share in this windfall. Nor would food stamp recipients.

Mr. President, there is one further quirk in the pending resolution without any justification that I can comprehend. In the event that inflation is unexpectedly high in any of the 3 years involved, compensation and pension COLA's would be higher than 2 percent—but the amount of the COLA's would not be based solely on how high the rate of inflation was. Rather, the COLA's would be based on how far off the administration's current estimate of inflation turned out to be.

For purposes of illustration, if the applicable inflation rate were actually 5 percent in each of fiscal years 1986 and 1987, the COLA's would be 2.9 percent in fiscal year 1986 and 2.7 percent in fiscal year 1987. The reason for this difference would be that the administration's estimate of 4.3 percent for fiscal year 1987 would be closer than its 4.1-percent estimate for fiscal year 1986. The question I cannot answer in my own mind is what the size of the error made by an OMB forecaster has to do with sound public policy and with the real needs—for food, clothing, shelter, and other necessities—of the individuals who receive the benefits involved.

Surely, no one expects the inflation rate to be below 2 percent for any of those years; so the so-called carrot is truly misleading.

The pending package seeks to transform the provision of COLA's in these vitally important VA programs into tawdry gambles—tosses of dice that are plainly loaded in the administration's favor with a cynical and totally ill-conceived minimum COLA guaranty thrown in as an illusory sweetner.

What a terrible array of unfair, absured policies this COLA-reduction proposal entails.

The Senate should reject it overwhelmingly and, by so doing, restore a measure of fairness, dignity, and sound judgment to the budget process.

UNSPECIFIED COST-SAVING LEGISLATION

Mr. President, our amendment assumes the enactment of legislation that would achieve cost savings totaling $150 million in BA and $270 million in outlays for fiscal years 1986, 1987, and 1988. This level of legislative cost-savings would both reduce the function 700 totals and be assumed in the reconciliation instructions. This is $120 million more in savings in outlays than the maximum that the Veterans' Affairs Committee Democrats had committed themselves to achieving contingent upon their original budget recommendations being achieved. The greater proposed legislative savings reflects a revised estimate of what could fairly and equitably be achieved in non-service-connected programs if the other features of this amendment were adopted.

RECONCILIATION INSTRUCTIONS

Our amendment would modify the cost-savings totals in the reconciliation instructions to the Veterans' Affairs Committees to reflect the policy assumptions that I have described. Thus, the fiscal year 1986 savings required by the instructions in the resolution as previously amended would be reduced from $858 million in BA and $791 million in outlays to $292 million in BA and $130 million in outlays in fiscal year 1986. The new amount is based on the following changes in the Reagan/Senate Republican leadership's underlying assumptions: First, instead of the assumption that all VA health care accounts would be capped at subbaseline levels—at the lower of either a freeze level or the President's request for fiscal year 1986—the VA construction, medical administration, and research accounts would be limited in fiscal year 1986 to the levels requested by the President; it assumes that the medical care account would be funded at $60 million more than the President's request—with funding restored for the proposed 5-percent pay cut—in order to maintain the approximately 194,000 FTEE staffing level specified by Congress last July in enacting the VA's fiscal year 1985 appropriations and just reconfirmed last week by the HUD-Independent Agencies Subcommittee of the House Appropriations Committee in marking up a fiscal year 1985 Supplemental Appropriation Act. Measured against the baseline figures for these accounts, the new assumptions would achieve savings of $224 million in BA and $28 million in outlays in fiscal year 1986, instead of the Budget Committee's assumption of $446 million in BA and $220 million in outlays.

Second, in lieu of the assumptions of savings through the enactment of health insurance reimbursement legislation and increases in the VA home loan fee, our amendment assumes savings of $150 million in BA and $270 million in outlays annually over the 3 years through the enactment of as yet unspecified cost-savings legislation.

We accept the assumption of fiscal year 1986 savings of $18 million in BA and $14 million in outlays in VA discretionary programs other than health programs.

Over the 3-year period, fiscal year 1986, 1987, and 1988, our amendment proposes cost-saving totals in the reconciliation instruction to the Veterans' Affairs Committees of $668 million in BA and $582 million in outlays.

VETERANS' PROGRAMS SHARING DEFICIT REDUCTION EFFORTS

Mr. President, as these reconciliation levels we are proposing clearly show, our amendment does not treat veterans' programs as sacred cows—$600 to $700 million in new savings is not peanuts. The Veterans' Affairs Committee has always met its cost-savings responsibilities dutifully. With the active participation of its Democratic members, the committee over the past 4 years has produced new cost-saving laws that will reduce the deficit by $1.6 billion by the end of the current fiscal year and will save over $500 million more in fiscal year 1986.

Those figures are all in addition to the reconciliation savings we are proposing in our amendment.

WITHHOLDING OF RELEVANT INFORMATION

Mr. President, I regret to note that, in presenting to my colleagues relevant data pertaining to our amendment, I am under a significant handicap. That, unfortunately, means that the Senate will similarly be hindered in giving veterans' programs the fair and full consideration they deserve.

In entering into agreement with the Senate Republican leadership, the administration has very substantially changed the positions it took on various VA programs in its original budget submissions. However, it has not provided revisions to the detailed information regarding VA programs that it submitted in February in justification of the President's original budget. At that point, the VA provided 5-volume sets of backup books that contained the information set forth in the Budget itself and the Budget Appendix plus a great deal of additional detail with respect to VA programs and operations under the President's budget.

Now, the Reagan/Republican leadership agreement has rendered the original budget and these backup submissions obsolete with respect to VA Compensation, Pension, Health Care, and Home Loan Guaranty Programs and related administrative operations.

In light of the obvious need for updated information reflecting those changes, I wrote to Administrator of Veterans' Affairs Harry Walters on April 12 to request that he provide revisions of the VA budget documents showing the effects of the changes in the administration's positions. Because I then expected the budget resolution to come before the Senate within several days, I asked the Administator to provide whatever revised data he could by April 18 and to let me know how soon thereafter he could provide the rest.

Having received no response at all, on April 26, I again wrote to the Administrator to renew my earlier request and to urge him, in light of the fact that the fiscal year 1986 budget resolution was already before the full Senate, to provide the needed updates as quickly as possible.

I did not receive any response to either letter until yesterday, when I received a May 7 letter from the Administrator that provided none, absolutely none, of the information that I had requested regarding the impact of the leadership package on the VA. In essence, the Administrator provided only brief descriptions of the leadership package as it applies to VA programs—information made public weeks ago.

Mr. President, I consider it a most regrettable discourtesy—and a disparagement of the important responsibilities of this body with respect to the VA's budget—that no data showing the programmatic and administrative ramifications of the change in the administration's proposals have been provided.

This situation raises a rather obvious question regarding this nonresponsive attitude. What does the Administrator wish to conceal about the impact on the VA of the Reagan/Senate Republican leadership package? Are the outcomes so poor that he is too greatly embarrassed by the shabby treatment afforded veterans by the agreement—obviously imposed upon him—that he wishes to conceal the data from the U.S. Senate so that it might adopt the budget in ignorance of its true impact?

Whatever the answers to those questions—and I am convinced that the agreement is grossly unfair to veterans—we all need to recognize that the administration is playing a shell game. We are all the victims, along with the Nation's veterans and their families, of this great coverup.

This situation is most unfortunate. The Senate deserves whatever relevant information is available regarding the extremely important issues before us. These issues deserve to be decided on their merits, not as the result of tactical advantage.

Mr. President, the administration should not be handed the victory it seeks—the defeat of our amendment—through such concealment tactics. Where there is any doubt—and I submit there is much doubt in every area—as to just how devastating the Reagan/Republican leadership agreement would be to the VA's health care system, the VA Home Loan Guaranty Program, and the Compensation and Pension Program, those doubts should all be resolved against the administration.

If the administration's current proposals are fair to veterans, it should produce the data. Since it hasn't, it should be presumed they are not fair—and I have no doubt, based on the information I do have, that they are indeed unfair.

Mr. President, I ask unanimous consent that copies of my April 12 and 26 letters and the Administrator's May 7 letter be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, April 12, 1985.

Hon. HARRY N. WALTERS,
Administrator of Veterans' Affairs, Vermont Avenue, NW., Washington, DC.

DEAR HARRY: I am writing in connection with the agreement reached last Thursday, April 4, between the President and the Senate Republican Leadership on the budget for FY 1985 through FY 1988.

Enclosed are excerpts from an April 5 memorandum prepared by the Senate Budget Committee Staff Director summarizing the major provisions of the agreement. As you can see, the memorandum provides very little information on the Veterans' Administration budget. Based on past practice, I do not expect the Budget Committee to provide any further detail, other than appropriations account totals, regarding the VA budget revisions under the

agreement and their impact on VA programs.

In the absence of the VA providing more detailed information, I am concerned that the Senate may proceed to consideration of this budget agreement without benefit of specific information regarding its impact on such matters as caseloads under the affected programs, staffing levels, and various other programmatic effects. Therefore, in order to enable the Senate and the Congress to evaluate the budget agreement into which the President has entered, I request that you prepare the changes to the VA documents submitted in February of this year in connection with the President's FY 86 budget submission that are necessary to show in detail the effects of the agreement on VA programs.

In light of the fact that the full Senate may begin consideration of the first concurrent resolution on the budget for FY 86 (S. Con. Res. 32) during the week of April 22, I urge that you develop this information as quickly as possible. Also, in the interest of expediting submission of the changes, I suggest that you provide them in the form of either revised pages with changes made by hand, wherever that would be practical, or as replacement pages.

In addition, I note that the Presidential agreement will directly affect VA budget authority and outlay levels in FY's 87 and 88, as well as FY 86—both through overall caps on domestic spending in each of FY's 86, 87, and 88 and reconciliation instructions designed specifically to require the Veterans' Affairs Committees to report legislation that would produce certain budget levels for the VA in each of those years. Therefore, I also request that you provide detailed information with respect to the VA budgets for FY's 87 and 88 under the agreement and the programmatic effects—at least in terms of the various caseloads and staffing levels involved.

Please also let me know what effect any overall agreement to reduce the federal workforce through this new budget proposal has on VA staffing levels for FY's 86, 87, and 88.

I look forward to your response to this request and ask that, no later than April 18, you provide me with whatever information is available at that point and a timetable for providing the remainder.

Finally, as you know, I have longstanding concerns regarding the ability of the individual serving as Administrator to participate in and influence budget decisions within the Executive Branch that affect the VA. During your confirmation hearing in December 1982, in response to a question I asked you in this regard, you stated, "I intend to run the Veterans' Administration, and I intend to represent our budget to OMB. It is not going to be the other way around." Also, responding to my question as to whether you could provide assurance that you would be consulted before any Administration revisions are made in the VA budget, you indicated that you could not give such assurances but that being consulted or heard in that regard would "be of high priority" to you. Since the VA's budget has been very significantly revised in the agreement into which the President entered, I ask that you include in your initial response to this letter a description of your involvement in the decision-making processes, insofar as VA programs are concerned, leading up to both the formulation of the Administration's position in the negotiations with the Senate Republican Leadership and the final agreement.

As always, I greatly appreciate your cooperation and assistance with regard to matters of concern to our Nation's veterans and their families.

With warm personal regards,
Cordially,

ALAN CRANSTON,
Ranking Minority Member.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, April 26, 1985.

Hon. HARRY N. WALTERS,
Administrator of Veterans' Affairs, Vermont Avenue, NW., Washington, DC.

DEAR HARRY: I am writing to follow up on my letter of April 12, 1985, regarding the recent agreement reached by the President and the Senate Republican Leadership on the budget for FY 1986 through FY 1988.

In that letter, I requested detailed information from you on the impact of that budget agreement on Veterans' Administration programs. Specifically, I asked that you provide changes to the VA documents submitted in February of this year in connection with the President's FY 86 budget submission that would show in detail the effects of this budget agreement on VA programs in FY's 86, 87 and 88. Recognizing that you might not have been able to provide all of the information within a few days, I asked that by April 18 you provide whatever information you could at that point plus a timetable for furnishing the remaining information. I am very disappointed that I have not, as of yet, received any response to my request.

Yesterday, the Senate began consideration of the First Concurrent Resolution on the Budget for FY 1986 (S. Con. Res. 32). Without the requested information from you, as the Administrator of Veterans' Affairs, on the White House/Senate Republican Leadership (WH/SRL) agreement, I am concerned that the Senate and the Congress will be denied the kind of specific information needed to understand fully and evaluate fairly what the programmatic effects of the WH/SRL package would be on the VA. Therefore, I am renewing my request and strongly urge you to provide the information, as outlined in my April 12 letter, as quickly as possible.

Also, at a meeting of the Committee on Veterans' Affairs on Tuesday, April 23, the Chairman stated that, on the Administration's initiative, the WH/SRL package had been modified to extend the period over which the VA home-loan guaranty fee would be increased to 3.8 percent and to make any increase above 2 percent contingent upon a determination by the Administrator of Veterans' Affairs, based on annual studies of the solvency of the program, that the increase would be needed in order to keep the program actuarially sound. The Administrator would also have the authority, consistent with the actuarial soundness of the program, to decrease the fee. Under the revised proposal, the fee would double to 2 percent of the loan amount, effective October 1, 1985, and further increases could not exceed 2.5 percent in FY 87, 3 percent in FY 88, 3.5 percent in FY 89, and 3.8 percent in FY 90.

In addition to responding to my request in my April 12 letter regarding your role in the formulation of the WH/SRL package as it affects the VA, please describe your role in the negotiations and the decision-making process that led to this modification in the fee-increase proposal.

In view of the fact that the FY 86 budget resolution is currently before the full Senate, the need for this information is most urgent, and I hope to hear from you at your earliest opportunity.

With warm regards,
Cordially,

ALAN CRANSTON,
Ranking Minority Member.

VETERANS' ADMINISTRATION,
Washington, DC, May 7, 1985.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRANSTON: Your letter of April 12, 1985 requested specific details on VA programs impacted by the budget agreement reached on April 4, between the President and the Senate Republican Leadership. We have received essentially the same information you have except we also have some information on a budget authority basis. Any analysis prepared is complicated by the fact that the Budget Committee is working from a baseline which is different from the President's Budget.

With respect to budget authority, information received indicates that the amount included for VA programs is $26.7 billion which is $400 million below the President's Budget request. A significant portion of this reduction represents the reduction in cost-of-living allowances in Compensation and Pensions from 4.1% to 2.0%.

The reduction to a 2.0% COLA is consistent with the Committee's proposal to hold the Social Security cost-of-living increase to 2.0%. I support this proposal. As I have always stated, I fully support budget deficit reduction initiatives so long as they are applied consistently and veterans do not take a disproportionate share of the reductions.

The agreement actually reduced the VA housing loan origination fee from the President's Budget level of 5.0% to 3.8%. Also additional receipts are anticipated from the collection of third party reimbursements for non-service-connected care to privately insured veterans. The change in the loan fee should have no impact on budget authority.

With respect to FY 1987 and FY 1988, no attempt is being made to bridge changes from the President's Budget estimate. As you know I testified during the budget hearings that the outyear base totals were plugged numbers. Therefore, any comparison from that base would be meaningless. The FY 1987 and FY 1988 base totals shown in the FY 1986 President's Budget will be renegotiated when the FY 1987 budget process begins with OMB.

Thank you for your continued interest in the budget activities for the Veterans Administration. Please be assured that I will continue to monitor the FY 1986 budget process to ensure that our nation's veterans receive the funding support they so richly deserve.

Sincerely,

HARRY N. WALTERS,
Administrator.

SUPPORT OF VETERANS' ORGANIZATIONS

Mr. CRANSTON. Mr. President, major veterans' organizations have not been fooled by any of the attempts we have seen to portray the Reagan/Senate leadership package as fair to our Nation's veterans. The American Legion, the VFW, the Disabled American Veterans, the AMVETS, and the Paralyzed Veterans of America have all announced—and have steadfastly maintained—their support for our amendment and have strongly pursued its adoption.

Mr. President, I ask unanimous consent that copies of communications from these organizations in support of our amendment be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

CONCLUSION

Mr. CRANSTON. Mr. President, for all the foregoing reasons, and others that I will be stating as the debate on our amendment ensues, I urge all of my colleagues—on both sides of the aisle—to vote for our amendment. Essential fairness to our Nation's veterans requires what we are proposing.

EXHIBIT 1

THE AMERICAN LEGION,
Washington, DC, April 19, 1985.

DEAR SENATOR: On April 2 our National Commander, Clarence Bacon, presented to you The American Legion's assessment of proposed funding levels for various Veterans Administration budget accounts in Fiscal Year 1986, in addition to the Legion's belief that congressional treatment of VA spending over the past ten years has demonstrated fiscal restraint. In that letter Commander Bacon expressed concern over pending recommendations to authorize no cost of living adjustment in disability compensation benefits, to eliminate 4,000 VA medical care personnel, to apply a third party reimbursement mechanism for certain VA medical services rendered, and to impose a substantially increased VA home loan user fee.

The American Legion remains convinced that these proposals are unwise, and that they fail when subjected to tests of equity, program integrity, or budgetary good sense. It appears to us that these proposals were developed as a frantic effort to generate short term savings, with no apparent concern for program participants/beneficiaries or long term costs. For example, VA's inability to treat veterans because of reduced medical staffing levels would likely result in a transfer of that treatment obligation to the Medicare program or some other federally-supported health service.

Our analyses of the third party reimbursement and increased user fee recommendations lead us to believe that even the actual short term savings to be derived are much less than those projected. We expect a dramatically reduced participation rate in the home loan program, whether the 3.8 percent fee is imposed at one time or it is phased in over several years. In our opinion, projected savings associated with the reimbursement initiative are based upon an assumption that a substantial number of veterans using the VA hospital system also have private medical insurance. We believe the VA patient population to be almost exclusively without such insurance. We also believe that the expense of establishing an accounting system sufficient to accommodate the reimbursement procedure would further actual savings.

In view of these considerations, The American Legion urges you to support our positions when the FY 86 first concurrent resolution is debated on the Senate floor. Specifically, we request that you (1) approve funding to equitably treat disability compensation recipients, (2) approve funding to reinstate critically needed VA health care personnel, (3) reject the third party reimbursement plan and (4) reject the proposed home loan user fee increase.

Among those amendments which we have had the opportunity to review, we find the one sponsored by Senator Cranston to meet our objectives. We, therefore, encourage you to join with Senators Matsunaga, DeConcini, Mitchell and Rockefeller by cosponsoring the amendment and voting for it on the Senate floor.

Sincerely,

E. PHILIP RIGGIN,
Director, National Legislative Commission.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, April 24, 1985.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRANSTON: The purpose of this letter is to express the views of the Veterans of Foreign Wars with respect to the budget for the Veterans Administration for fiscal year 1986 under Function 700, Veterans' Benefits and Services.

Quite frankly, we cannot in good conscience support any of the Administration's or majority proposals put forth to date. Not the President's proposed budget, not the First Concurrent Budget Resolution, S. Con. Res. 32, and not the Senate/Administration Deficit Reduction Plan.

The only alternative we find acceptable and can support at this time is Amendment No. 24 to S. Con. Res. 32 introduced by the Honorable Alan Cranston.

Therefore, and on behalf of the more than 2 million men and women of the Veterans of Foreign Wars and the 700,000 members of our Ladies Auxiliary, I urge you to support and vote for passage of the Cranston Amendment.

Sincerely,

BILLY RAY CAMERON,
National Commander-in-Chief.

DISABLED AMERICAN VETERANS,
Washington, DC, April 23, 1985.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRANSTON: Tomorrow the Senate will begin debate on the First Concurrent Budget Resolution for Fiscal Year 1986.

The debate will center on the Senate Budget Committee recommendations and pending amendments thereto, to include the White House/Senate Republican Leadership Compromise Agreement.

Quite frankly, the DAV is adamantly opposed to the recommendations of the Senate Budget Committee and the White House/Senate Republican Leadership Agreement.

Specifically, in terms of veterans' benefits and programs, these proposals:

1. fail to treat service-connected disabled veterans in receipt of VA compensation and widows and orphans in receipt of VA service-connected death (DIC) benefits equally with all other federal beneficiaries in terms of cost of living adjustments;

2. jeopardize the quality of VA health care by reduced funding for medical care and illusionary savings projected from health insurance reimbursement; and

3. require veterans to pay a greater origination fee to use the VA Home Loan Guaranty Program—in other words, require veterans to pay for the privilege of using an earned benefit.

In response to the Senate Budget Committee and White House/Senate Republican Leadership proposals regarding veterans' benefits, Senator Alan Cranston will be offering an amendment to restore funds necessary to treat service-connected disabled veterans and DIC recipients equally with all other federal beneficiaries and to assure quality health care for eligible veterans.

Therefore, on behalf of the more than one million members of the Disabled American Veterans, I strongly urge you to cast your vote in favor of the Cranston Amendment to the First Concurrent Budget Resolution for Fiscal Year 1986.

Sincerely,

CHAD COLLEY,
National Commander.

DISABLED AMERICAN VETERANS,
Washington, DC, May 7, 1985.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRANSTON: I am aware that you have recently received a number of letters concerning the question of adequate funding for the Veterans Administration.

Apparently, some controversy has evolved regarding the impact the Senate Budget Committee recommendation and the White House/Senate Republican Leadership Agreement would have upon VA medical care in Fiscal Year 1986 and thereafter.

As you know, the President's original Fiscal Year 1986 request for VA medical care was $9.051 billion in outlays which assumed a 5% pay cut and third party reimbursements from private insurance carriers. The White House/Senate Republican Leadership Agreement proposes $8.755 billion in outlays, but assumes no pay cut. However, the agreement does assume substantial savings from implementation of a medical care means test and reimbursements from private insurance carriers. Senator Alan Cranston's amendment proposes $9.128 billion in outlays for VA medical care—which rejects the "so-called" savings from health insurance reimbursements/pay cuts and maintains medical services essentially at the program level appropriated for Fiscal Year 1985.

The simple fact of the matter is that the Senate Budget Committee recommendation and the White House/Senate Republican Leadership Agreement would, if adopted, deal a serious blow to VA medical care. In the final analysis, under either of these proposals there would be significant reductions in VA health care personnel and more eligible veterans would be denied VA health care services in future years.

The VA's own statistics indicate that, at the present time, they are turning away in excess of 20,000 eligible veterans seeking VA health care each month—how many would be turned away this time next year should these proposals be enacted?

Therefore, on behalf of the more than one million members of the Disabled American Veterans, I again strongly urge you to cast your vote in favor of the Cranston Amendment to the First Concurrent Budget Resolution for Fiscal Year 1986.

Sincerely,

CHAD COLLEY,
National Commander.

[Mailgram]

APRIL 30, 1985.

TO ALL SENATORS: On behalf of Paralyzed Veterans of America and our 11,000 catastrophically disabled members, I request your favorable consideration and support for amendment 24 Senate Concurrent Resolution 32.

PVA understands the need to deal with the ever-increasing projected Federal deficits, and amendment 24 sets the VA's budget levels at the minimum necessary to carry out our Nation's commitment to those who served, and to remedy major deficiencies in the reported Senate Concurrent Resolution 32 and in the proposal of the Republican leadership and White House.

This amendment was submitted by the ranking minority member of the Senate Committee on Veterans' Affairs, Senator CRANSTON, who realizes the needs of our Nations veterans.

PVA asks for your support for amendment 24 which realistically addresses the health care needs of America's veterans and provides for an overall freeze on Veterans Administration spending in FY86 at the President's proposed FY85 level, plus funding for a cost-of-living adjustment for veterans with service-connected disabilities.

RICHARD HOOVER,
PVA President.

Mr. CRANSTON. Mr. President, pursuant to the prior unanimous-consent agreement, I send to the desk a modification of the amendment making the changes of $100 million in five figures on the first 3 pages due to differences from adding and subtracting unrounded numbers in fiscal year 1988 only.

The PRESIDING OFFICER (Mr. RUDMAN). The Senator's amendment is so modified.

The modified amendment follows:

In the pending amendment, do the following:

On page 3, increase the amount of line 12 by $500,000,000.

On page 3, increase the amount on line 13 by $900,000,000.

On page 3, increase the amount on line 14 by 1,200,000,000.

On page 3, increase the amount on line 18 by $600,000,000.

On page 3, increase the amount on line 19 by $1,100,000,000.

On page 3, increase the amount on line 20 by $1,400,000,000.

On page 3, increase the amount on line 25 by $600,000,000.

On page 4, increase the amount on line 1 by $1,100,000,000.

On page 4, increase the amount on line 2 by $1,400,000,000.

On page 4, increase the amount on line 6 by $600,000,000.

On page 4, increase the amount on line 7 by $1,700,000,000.

On page 4, increase the amount on line 8 by $3,100,000,000.

On page 4, increase the amount on line 12 by $600,000,000.

On page 4, increase the amount on line 13 by $1,100,000,000.

On page 4, increase the amount on line 14 by $1,400,000,000.

On page 27, strike out the amount on line 4 and insert in lieu thereof "$27,600,000,000".

On page 27, strike out the amount on line 5 and insert in lieu thereof "$27,100,000,000".

On page 27, strike out the amount on line 13 and insert in lieu thereof "$28,200,000,000".

On page 27, strike out the amount on line 14 and insert in lieu thereof "$27,800,000,000".

On page 27, strike out the amount on line 22 and insert in lieu thereof "$28,700,000,000".

On page 27 strike out the amount on line 23 and insert in lieu thereof "$28,400,000,000".

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $200,000,000.

On page 33, increase the amount on line 12 by $200,000,000.

On page 43, strike out the amount on line 7 and insert in lieu thereof "$292,000,000".

On page 43, strike out the amount on line 8 and insert in lieu thereof "$139,000,000".

On page 43, strike out the first amount on line 9 and insert in lieu thereof "$199,000,000".

On page 43, strike out the second amount on line 9 and insert in lieu thereof "$199,000,000".

On page 43, strike out the amount on line 10 and insert in lieu thereof "$177,000,000".

On page 43, strike out the amount on line 11 and insert in lieu thereof "$253,000,000".

On page 50, strike out the amount on line 18 and insert in lieu thereof "$292,000,000".

On page 50, strike out the amount on line 19 and insert in lieu thereof "$130,000,000".

On page 50, strike out the first amount on line 20 and insert in lieu thereof "199,000,000".

On page 50, strike out the second amount on line 20 and insert in lieu thereof "$199,000,000".

On page 50, strike out the amount on line 21 and insert in lieu thereof "$177,000,000".

On page 50, strike out the amount on line 22 and insert in lieu thereof "$253,000,000".

On page 52, increase the amount on line 1 by $400,000,000.

On page 52, increase the amount on line 3 by $424,000,000.

On page 52, increase the amount on line 4 by $461,000,000.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senator from West Virginia [Mr. BYRD] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE addressed the Chair.

Mr. INOUYE. Will the Senator from California yield?

Mr. CRANSTON. I yield 1 minute to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. MATSUNAGA. Mr. President, as a cosponsor of the Cranston amendment, I join the Senator from California in calling for its favorable consideration. As the Senator from California has explained, our amendment would not increase veteran benefits. It would simply restore some of the drastic reductions proposed in the Republican-White House budget resolution, and freeze spending for veterans programs at the current, fiscal year 1985 level.

Of particular concern to me is the fate of medical care for disabled veterans under the proposed agreement between the Republican leadership and the White House. According to the Veterans' Administration [VA] itself, the agreement calls for cuts of $4.7 million in fiscal year 1987 and $8.7 million in fiscal year 1988. Cuts of this magnitude mean that the VA could not continue providing service at the existing level, much less provide the increased services which will be needed in future years due to the aging of World War II and Korean conflict veterans. Indeed, there is every indication that the proposed severe budget cuts will cripple the opening of new VA medical facilities already planned and under construction, and that they may cause the closure of several existing facilities, layoffs of approximately 25,000 VA health care personnel over the 2-year period, and a drastic reduction in both in-patient beds and outpatient visits.

Mr. President, our amendment also rejects a proposal contained in the Republican leadership-White House budget resolution which would require private insurance carriers to delete from their contracts with veterans, provisions precluding payment for care received at VA facilities. Such insurance carriers would then be required to reimburse the VA for care provided to non-service-connected disabled veterans. There are numerous problems connected with this administration-sponsored proposal. For one thing, VA medical facilities are not subject to the same utilization and cost controls applied to private sector facilities. Furthermore, it is not known how many veterans receiving treatment in VA facilities have private health insurance. And, finally, it appears that this requirement would impose tremendous new administrative costs on the VA. Private health insurance carriers have, over the past several years, expressed to Congress their strong opposition to this type of legislation, and it appears that there may even be constitutional problems with the proposal.

Finally, with respect to veterans' health care, Mr. President, I would like to point out that the Republican leadership-White House agreement assumes the enactment of legislation which would impose a means test on all non-service-connected disabled veterans seeking treatment at VA facilities. Although it is claimed that substantial cost savings will be realized from this new rule, no hard proof of such savings has been submitted to the Veterans' Affairs Committee. Indeed, the imposition of a means test might result in higher Medicare costs.

The amendment offered by the Senator from California and myself, along with others, would also reject the proposed increase in fees charged to veterans who use their home loan guaranty. The increase is not needed, for information provided by the Congressional Budget Office reveals that the VA's Loan Guaranty Revolving Fund is now solvent, for at least the next 5 years. My colleagues may recall that Congress only recently doubled the fee paid by veterans who use their home loan guaranty from one-half of 1 percent to 1 percent. A further increase to 2 percent as proposed by the administration and Republican Senate leadership is totally unnecessary.

Mr. President, it is ironic that we should be here in the Senate fighting to save benefits provided for veterans even as television brings to us pictures of the solemn observances of the 40th anniversary of V-E Day. This is not time for Congress to renege on the commitments made over the past 40 years to the veterans who sacrificed so much to preserve our American way of life. It is no time to deny medical care, to deny adequate medical treatment to the disabled or sick veteran and it is no time to deny home ownership to his younger counterpart. I strongly urge my colleagues to support the pending amendment, which would assure an adequate level of benefits for veterans.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. How much time do I have?

The PRESIDING OFFICER. The Senator from Alaska has 19 minutes remaining.

Mr. MURKOWSKI. Mr. President I rise to speak against the amendment to function 700: veterans' benefits and services, which has been offered by my esteemed colleague and ranking minority member of the Veterans' Affairs Committee, Senator ALAN CRANSTON. This amendment would add more than $4 billion in outlays between fiscal year 1986 and fiscal year 1988 for veterans' programs over the amounts originally contained in Senate Concurrent Resolution 32, as reported.

The majority of the Senate has already voted to add back a substantial amount of funds—$1.5 billion in outlays for fiscal year 1986–88—to provide a full COLA for both the VA compensation and pension programs for fiscal years 1986, 1987, and 1988, in order to ensure that our Nation's veterans would receive no less than the same full COLA's that beneficiaries of Social Security and other Federal entitlement programs would receive.

The budgetary impact on the veterans' function as a result of the COLA conforming amendment would be an increase in the Federal deficit in fiscal year 1986 by $200 million.

My esteemed colleague, Mr. CRANSTON, now proposes to add an additional $2.1 billion and $2.8 billion in outlays in budget authority to function 700: veterans' benefits and services above the $1.5 billion added back to provide full VA COLAs over the next 3 fiscal years. If we are to act responsibly to reduce the spiraling deficit, we must reject outright this costly proposal. We will never reduce Federal spending if we begin adding back dollars in the amount suggested of my distinguished colleague from California, over and above the compromise already agreed to for the veterans' function. We simply cannot continue to add funds to this function or other functions, if we intend to significantly reduce the Federal deficit this year and to lay the foundation for deficit reduction in the future.

When the Budget Committee reported Senate Concurrent Resolution 32, I had significant reservations regarding some of the proposals for function 700. During the discussions between the Senate leadership and the administration, I expressed my strong reservations, especially in the areas of VA pension and compensation COLA's, as well as the home loan origination fee increase. I am pleased that my concerns were well received and that the Senate leadership/administration compromise subsequently incorporated changes in veterans' COLA's and in the loan guarantee funding fee which took into consideration my objections.

Frankly, I still have reservations about some components of this compromise deficit reduction plan for function 700. However, I am satisfied that as a compromise it has resolved, to a reasonable extent, the major concerns which I had expressed on the original inequitable recommendations included in the resolution as reported. The budget compromise for function 700 was reached after careful deliberation and consultation with myself and others. It incorporates sufficient funding levels to ensure the continuation of quality VA programs and services for fiscal year 1986 and the outyears.

My greatest concern with Senate Concurrent Resolution 32, as reported by the Budget Committee, was the lack of COLA equity within the VA compensation and pension programs and the lack of equitable treatment with regard to other similar Federal entitlement programs. I was also deeply concerned with any recommendation to increase the origination fee on the VA Home Loan Guarantee Program without first examining the entire program in detail with the purpose of identifying and correcting any problems within the program.

The compromise has addressed my concerns in both of those areas. Although the compromise amendment does not completely eliminate the loan guarantee origination fee increase, the rationale for the policy adopted in the compromise is supportable and makes good sense to me. The approval of the amendment offered by the distinguished majority leader, which I cosponsored, has now restored full COLAs for the veterans' and other entitlement programs.

Overall, the compromise agreement, as now amended, would provide $27.1 billion in budget authority and $26.5 billion in outlays for function 700 in fiscal year 1986. This represents an increment of $200 million in budget authority and $200 million in outlays for fiscal year 1986 over the levels provided for in the leadership/White House compromise.

Aside from the COLA issue, there are two additional major components of the compromise agreement for function 700 which differ from Senate Concurrent Resolution 32 as reported, which I wish to address briefly.

First, the compromise would gradually increase the VA Home Loan Program origination fee for guaranteed and vendee loans from 1 to 3.8 percent over 5 years. The annual increments would be provided by statute as follows: 2 percent in fiscal year 1986, 2.5 percent in fiscal year 1987, 3.0 percent in fiscal year 1988, 3.5 percent in fiscal year 1989 and 3.8 percent in fiscal year 1990. The 3.8 percent cap by fiscal year 1990 would be equal to the fee currently charged for FHA mortgage loans. Additionally, the VA would be required to conduct a comprehensive study on the loss rate of the program, and after fiscal year 1986, the Administrator would have the discretion to reduce the origination fee below the statutory rate if the study indicates that the full statutory rate is not necessary.

The compromise would significantly address the immediate solvency problem of the loan guarantee program and would have minimal impact on veteran users of this program. All the existing benefits of the program would continue; that is, no down payment, fully assumable VA loans, interest rates somewhat below market rates, and an exemption for service-connected disabled veterans. The average VA home loan payment on an average VA mortgage of $68,000 would only increase by $7 per month as a result of the recommended 1 percent increase for fiscal year 1986. The fee could be financed over the life of the loan and veterans would still receive the benefit of home ownership through the best mortgage program available to our Nation's veterans, while the increased fees will help keep the loan guarantee fund solvent. The Committee on Veterans' Affairs held an extensive hearing on the VA Home Loan Guarantee Program on May 1, and the committee will continue to look at possible administrative and legislative options to improve the program.

Second, the overall budget totals for VA medical care and medical construction would not change from the resolution as reported by the Budget Committee as a result of the compromise. The only change would be the added assumption of an income means test for non-service-connected—I emphasize non-service-connected—disabled veterans regardless of age, as a component of reconciliation savings. This means test policy assumption would establish uniform medical care eligibility criteria for all non-service-connected disabled veterans.

Mr. President, historically, the primary mission of the VA health care system has been to furnish care to service-connected disabled veterans and to veterans unable to pay for needed medical care. In 1970, Congress extended eligibility for VA hospital and nursing home care to veterans 65 years of age and older, regardless of their ability to pay.

This change resulted in inequitable treatment of non-service-connected veterans on the basis of age. This means test proposal included in the leadership/White House compromise is intended to overcome this inequity and to enable the VA, for the first time since 1970, to provide all non-service-connected veterans with equal access to VA health care based on medical and financial need, not age alone.

A means test is not a new idea. Public Law 96–330, the Veterans Administration Health-Care Amendments of 1980, established a means test. Those veterans "unable to defray the cost of VA health care" were defined as veterans who are service-connected, receiving VA pensions, or receiving Medicaid. I note for the record that Senator CRANSTON supported this measure at that time.

The Congressional Budget Office projects savings for this proposal. In fiscal yer 1986, there would be net savings of $439 million in budget authority and $361 million in outlays. These figures include an offset for Medicare costs of $79 million in outlays for fiscal year 1986.

There have been several assertions raised by my distinguished colleague, Mr. CRANSTON, about the impact of the budget agreement on the future of the VA's health care system. These are serious charges and we must set the record straight.

First, in his May 1 "Dear Colleague" letter, Senator CRANSTON states—

> The proposed reductions would slash the amount of VA care provided and the staffing levels at VA facilities—by eliminating nearly 70,000 inpatient episodes of care, 300,000 outpatient visits, and more than 8,000 employees.

The VA's Chief Medical Director, Dr. John Ditzler, stated at congressional hearings that the VA budget for fiscal year 1986 is sufficient—I emphasize is sufficient—to meet the health care needs of veterans using the system. After receiving a copy of the Dear Colleague letter, we solicited the views of Dr. Ditzler again on these specific points. We quoted him the projections outlined by Senator CRANSTON and asked him to verify the information. He told us emphatically that these statistics cannot be substantiated.

A second point raised by my colleague is that, "current plans for facility activations resulting from construction projects currently underway or planned and scheduled for activation in fiscal year 1987 or fiscal year 1988," could be canceled or experience serious cutbacks. It is important to note that the word "could" in Senator CRANSTON's predictions has been emphasized in several of the statements made in the Dear Colleague letter. The VA has assured us that currently they have no plans to cut back on any planned activities and that no layoffs will take place. The critical factor in this entire discussion is that the VA acknowledges that it does not plan concretely for outyear facility activations because of the uncertain nature of the congressional budget process. And even if the VA did engage in such planning, which again, they do not, there is always a certain amount of "construction slippage." Projects are delayed again and again, often due to the seemingly endless number of changes made to individual projects throughout the overly lengthy construction planning process.

Mr. President, if a problem does exist for the VA with respect to sufficient staffing needs, it is not a result of any fiscal year 1986 budget action. I as chairman of the Veterans' Affairs Committee, and Senator SIMPSON, our majority whip and chairman before me, have discussed and proposed and attempted to persuade the VA to reexamine the relationship between its construction program and its current services and facilities. We have advocated and even insisted that the VA ensure that its existing facilities are fully staffed and operational before planning or attempting to activate new programs and facilities.

The VA maintains, on the one hand, that it has a working and workable resource allocation program. The "strategic management system" has a planning component, a staffing component, and a resource allocation component. And yet we see, time and time again, that certain facilities do quite well under the resource distribution method and others do not fare quite so well at all. We also know there are VA hospitals which operate at below normal occupancy rates. VA statistics called, Summary of Medical Programs January 1984, provide data on occupancy rates for all hospitals and for each psychiatric, surgical, and medical bed sections. The average occupancy rate for all 172 medical centers is 79.8 percent. This conforms with desirable occupancy rate norms. However, certain facilities have total occupancy rates well below this norm. Twenty VA hospitals have occupancy rates between 60 and 70 percent. Two hospitals have occupancy rates between 50 and 60 percent.

There could be many reasons for this occurrence, some of which may be outside the control of the VA or the individual hospital administrator. And yet, We would be irresponsible in our role if we did not question the advisability of this practice. Is this an efficient use of VA resources? Are there extra beds in the VA health care system and if so, how can anyone possibly suggest that veterans are or will be denied care?

The second important point I wish to raise concerning this issue is to note that a draft General Accounting Office study has found that almost half the VA's hospital days are medically unneccessary. The draft report, yet to be released, found that "43 percent of days that medical and surgical patients spent in VA hospitals in fiscal year 1982 could have been avoided." About 20 percent of the total days were attributable to the absence of efficient management practices at the hospitals while 23 percent were attributable to the unavailability of alternate levels of care. The VA service chiefs in the hospitals agreed with 86 percent of the avoidable days indentified by the consultant.

I can not overemphasize the importance and the relevance of these numbers. The budgetary implications of this review are critical to the issues we are discussing here today.

By establishing more efficient patient management practices, patient stays could be reduced and hospital beds could be freed to serve additional numbers of acutely ill patients. "In so doing", GAO concludes, "VA could meet more of the expected patient demand with existing resources, and avoid constructing at least a part of the expensive hospital facilities it says it may need in the future.

Third, an attachment to the "Dear Colleague" letter that was sent by my distinguished colleague [Mr. CRANSTON], stated:

> The attached letter explains that if the Republican Leadership/White House agreement with respect to VA health-care funding is adopted the VA will very likely be forced to forgo, in fiscal year 1987 and fiscal year 1988, 111 facility or service activations resulting from construction projects currently underway or scheduled for activation in those years.

Each letter then proceeded to list on a State-by-State basis which specific construction projects would not be activated.

Mr. President, I am compelled to respond to these "projections," "assertions," or "speculation," which term is most appropriate, to defuse any apprehension and/or confusion which these letters may have generated.

At the outset, I will state in no uncertain terms that these facility and project-specific projections which my esteemed colleague states that the VA will not activate within each of my colleagues States are totally unfounded.

The Chief Medical Director of the Veterans' Administration has indicated that these "projections" of foregone activations during fiscal year 1987 and fiscal year 1988 cannot be substantiated by the Veterans' Administration. The VA plans, year by year, for facility activation after the adoption of a Federal budget in order to make specific plans within available resources.

Further, the Senate leadership/White House compromise agreement clearly does not assume any reconciliation savings with the extreme specificity that the letters from Senator CRANSTON would suggest. Rather, the compromise agreement makes only broad policy assumptions to achieve reconciliation savings. These assumptions for VA hospital and medical care include: A freeze on medical construction at the fiscal year 1985 program level, and reforms to medical care through the imposition of an income means test on VA medical care eligibility for all non-service-connected and non-poor veterans, and reimbursement from private health insurers for care provided by VA medical facilities for the treatment of veterans with non-service-connected disabilities. These are merely broad policy assumptions which the authorizing committee may choose to enact in whole, in part, or not at all, in the committee's task of recommending reconciliation savings to meet the target established for the Veterans' Affairs Committee. The reconciliation savings for the Committee on Veterans' Affairs may be achieved by means entirely separate from the assumptions which the compromise agreement has recommended. The ultimate decision on the means of deriving reconciliation savings rests with the authorizing committee—not with the compromise budget package.

Further, there has historically been slippage in the completion dates for VA medical construction projects, which has historically delayed activation of these facilities. Therefore, the outyear activation projections included in Senator CRANSTON's letters are extremely difficult to project with any reasonable degree of accuracy. It is also significant to take into account that, currently, the VA has an unobligated balance which exceeds $1 billion in its construction program.

The Administrator of the Veterans' Administration has also cautioned at the hearing on the VA's fiscal year 1986 budget held by the Committee on Veterans' Affairs, that:

> The outyear numbers for medical care in this budget are plug numbers. They are not meaningful, and national policy decisions must yet be reached. Decisions which will affect the VA; discussions leading to these decisions will be conducted hopefully in the sunlight, including the Veterans' Administration, the Veterans' service organizations and all other interested parties.

Mr. President, veterans' issues are often difficult to discuss in a rational manner because all of us are anxious to ensure that the veterans of our Nation will never doubt for a moment the gratitude of our Nation for their service on our behalf. This debt of gratitude will certainly be paid this year as it always has been in the past and always will continue to be in the future.

As chairman of the Veterans' Affairs Committee, Mr. President, I accept the responsibility to ensure that the VA health care system remains an independent provider of the highest quality health care. Likewise, I accept the responsibility to ensure that all veterans' programs and services continue to be of the highest quality and most appropriate to reflect the needs of eligible beneficiaries.

Within this context, we must work together to provide those benefits and services. But veterans, above all others, will stand up as examples of our most patriotic Americans in saying that they do not want their programs to be set as an example of unrestrained Federal spending. If our economy does not recover, we are weakened as a Nation. And, although this is not a military issue, it strikes at the very core of what keeps us strong and free at home. So, I appeal to the patriotism of my colleagues. I appeal to their sense of responsibility, while I assure them that veterans' programs will be adequately funded by the "leadership" compromise—as amended—and I urge in the stongest possible terms, that they oppose the Cranston amendment.

Mr. President, I have two further observations to make with regard to fairness.

The assertion has been made that under the agreement that VA would be faced with a great dilemma. It could face serious cutbacks and massive reductions in services provided through existing facilities in fiscal year 1987 and fiscal year 1988, or have to cancel its current plans to activate facilities resulting from construction projects.

This is a false dilemma based on erroneous and misleading assumptions. Not one construction project will be delayed or deferred as a result of the agreement. Funding and staffing for facility activations will be provided.

The agreement provides for activation of nearly 2,400 nursing home beds by 1988 and the treatment of over 4,000 additional nursing home patients; and activation of new and expanded outpatient clinics which will accommodate an additional 400,000 outpatient visits in 1988.

The agreement proposes to freeze 1986 funding for the medical care account at the 1985 level, in a program which has experienced over 40-percent real growth in the last 10 years.

So, Mr. President, obviously the program is moving ahead.

Mr. President, the assertion has been made that large numbers of existing units and several total hospitals would almost certainly have to be shut down.

No hospitals will be closed. Further, the agreement fully supports maintenance of existing facilities. The VA has an unobligated balance of approximately $1 billion because of a backlog in VA medical construction projects for which funds have been authorized and appropriated.

The assertion has been made that the 3-year total cutbacks would produce layoffs of 33,000 employees.

No one would be laid off, Mr. President. The VA has an attrition rate of 17 percent per year which results in an annual turnover of over 32,000 employees.

The assertion has been made that the VA would eliminate 70,000 inpatient episodes of care in 1986. CBO estimates that under a means test 85 percent of current VA hospital users will continue to be eligible for care.

Mr. President, I yield to the majority whip, Senator SIMPSON.

Mr. SIMPSON. Mr. President, I thank the chairman of the Veterans' Affairs Committee for the extraordinary work he has done. He takes over one of the toughest jobs in the Senate. I have been there. I know what it is when you get the slings and arrows and the whole load from the various veterans' organizations in the United States. But I certainly hope we will reject this amendment.

It really is quite extraordinary, whether it is going to add $2.2 billion or $2.8 billion or $4.0 billion in 3 years or 4. Whatever the billions—it smacks of the attitude that we have not done anything for the veterans of the United States.

Mr. President, that is what just grinds me right down to the nub. We will spend 27 billion bucks-plus on the veterans of the United States of America during this year. I am a veteran. I served for 2 years in Germany. I am very proud of that. There are many in this body who have served and those who have given pieces of their anatomy for their country—BOB DOLE, STROM THURMOND, DAN INOUYE, LLOYD BENTSEN, MARK HATFIELD, AL CRANSTON, and many more. For heaven's sake, we have done more for the veterans of the United States than any other group within our society. What we are trying to do here is give heavy

dollars to the service-connected disabled veteran and go to some degree of means testing for the non-service-connected and the non-combat veteran. That is my view. That is what I am up to. You walk up to a guy on the street and say, "What should we do for the veterans of the United States?" And he says, "Anything it takes." And then you say, "Do you know that millions of them never left the United States, never served over 1 year and don't know a mortar tube from either end and yet draw every single benefit that a combat veteran draws?" They are surprised by that. Who wouldn't be?

That is the way it is. Millions of them may have been injured by something that happened while looking for a case of lemon extract in the mess tent to finish off a 3-dayer—and injured on furlough or other activity—and they have been drawing a green check for 20 years. That is reality.

So what we are trying to do is deal with a little reality. I will tell you what gets me, as one of the guys who has been laboring in this area. It is almost as if nowadays, if you are a veteran, you are somehow one of the disadvantaged in our society. I will tell you that embarrasses and offends me, absolutely offends me—that if you are a veteran, you are somehow disadvantaged. How did we ever get to that point? We got here because of some absolutely extraordinary system where we just ladle out the bucks and then we say, "If you don't vote for that, you are antipatriotic, you are antiveteran, you are everything worse." Bosh. And it keeps coming. They keep cranking it out in the bowels of this system through these staffs, through extraordinary novelty and adventurism, a lot of it from guys who feel guilty because they never served in the U.S. Armed Forces. That is a tedious, ponderous, pathtic process.

And I admire deeply what the VFW does. I am a lifetime member of the Veterans of Foreign Wars. I am a member of the American Legion, a member of Amvets. I know what they do. I greatly admire them. But they have a need to get their membership up, and the way they do it is to pretend that every veteran in America is disadvantaged. And that is a pretty poor way to do business. I tire of it. I think the rest of us should tire of it. But watch out when it comes to a vote. And I know how that goes, too.

Hospital construction, why you cannot even find how they build veterans hospitals. They do not have a list. They do not have a memory bank. They know not what they do with regard to construction. They just erect one for a former House chairman or a former Senate chairman. At least they have never named one for AL CRANSTON or me. I do not think we are going to make it.

That is where we are with the veterans' budget. They have 150 different data processing systems over there and they do not even know which button to press to get the information on construction.

Well, obviously, Mr. President, you see a person who is no longer the chairman of the Veterans' Affairs Committee, I've been there on the parade ground when they played the retreat at night. But I sure want to share with you that we are headed for some awful tough times in the United States of America when we think that every veteran who ever served this country—in war or peace is "disadvantaged."

Boy, that is not the way this old cowboy feels. It was the greatest privileage and honor of my life. They gave me the GI bill, GI life insurance, and I do not even remember them telling me that when I signed up. Is that not strange? Now, when you sign up, you have to get a list from your Government as to what it is that you get, what benefit handle you get your hand on when you join the U.S. Armed Forces. It is a duty and a responsibility and an honor. It is not a slot machine.

I thank the Chair.

Mr. DECONCINI. I am pleased to be an original cosponsor of the amendment being offered to the budget resolution by the distinguished ranking member of the Senate Veterans' Affairs Committee, Senator CRANSTON, which will restore crucial funding for certain programs administered by the Veterans' Administration.

I take my responsibilities as a member of the Senate Veterans' Affairs Committee very seriously and believe that we have an obligation to honor the commitments we have made to those who have served the Nation honorably during their military service. The budget resolution before us today does not, in my opinion, honor the commitments we have made to our veterans, nor does it meet the test of equity and fairness.

There are a number of reasons why I believe the resolution before us merits modification vis-a-vis the veterans of this Nation. First, the funding levels provided for VA health care are simply inadequate to meet projected needs and would seriously impair the VA's ability to provide comprehensive and quality health care to eligible veterans, as mandated by Congress. In addition, the projected savings to be realized through the adoption of the budget resolution are, at least in part, illusory. For example, the administration is projecting significant savings to be realized through the imposition of a means test for non-service-connected disabled veterans and for veterans over age 65. Yet, there is no data to support the projected savings. In fact, the directors of the three Arizona VA medical centers have reached the same conclusion I have—that little, if any savings would be realized from a means test since veterans who are ineligible under the test will simply be replaced by those who are eligible. The implementation of a means test for veterans over age 65 would simply force veterans to seek health care through the Medicare system which is more costly than VA care. Shifting costs from one Federal health care program to another makes no budgetary sense. If we are serious about reducing the budget deficit, then it is incumbent upon us not to use phony assumptions. But even if the projected budget savings were realistic, it is patently unfair to balance the budget in this high priority area of veterans' health care.

In light of the magnitude of the proposed cutbacks in VA health care, it is estimated that fiscal year 1986 staffing levels at VA medical facilities will be reduced by 8,000 employees, inpatient stays will be cut by 70,000 and outpatient visits will be slashed by 300,000. In the outyears, the funding reductions will have ever more serious consequences. The enormous cutbacks in funding for the outyears of the budget could be achieved in only one of two ways: By canceling plans for VA facility activations or by proceeding with those activations and making even larger reductions in services provided through existing facilities. If, in fact, the VA opts to cancel scheduled facility activations, two critically needed facilities in Arizona would be affected: a 60-bed nursing home care unit in Prescott, and 120 bed nursing home care unit in Tucson. The potential cancellation of similar activations nationwide should be a matter of serious concern to every Member of this body.

A second issue addressed in this amendment is the proposed fee increase for veterans who participate in the VA Home Loan Guaranty Program. Whether that fee is increased to 2 percent or to 3.8 percent or is phased in over a 3-year period, it still represents a discriminatory tax on veterans no matter how it is disguised. The loan guaranty revolving fund is currently solvent and CBO projects that no appropriation will be needed for at least 5 years. So, this proposal cannot be described as a spending reduction measure. It is a tax, pure and simple.

The VA Home Loan Guaranty is one of the most often used benefits by veterans. If the fee is increased, it will impair the ability of many veterans to purchase a home, especially those from the Vietnam era. It has been 10 years since the last American troops were removed from Vietnam and the wounds from that divisive conflict have finally begun to heal. Now is not the time to reopen those wounds and undermine the process of reconciliation. But that is exactly what will occur if the fee increase proposal is adopted.

Mr. President, there is no more patriotic group of Americans than our veterans. They stand willing to share in the pain of reducing our Federal deficits. But the proposals incorporated in the budget resolution are not fair and I fully understand and share the veterans' opposition to it.

Mr. President, I commend Senator CRANSTON for proposing his amendment and I urge my colleagues to support it.

Mr. **BUMPERS**. Mr. President, I want to take this opportunity to express my strong support for Senator CRANSTON's budget amendment to restore the necessary funding levels and fairness to important veterans' programs. I believe that these changes are vital if we are to carry out our Nation's commitment to those veterans.

The fiscal year 1986 budget agreed to by the White House and the Republican leadership is blatantly unfair to veterans. No one is more concerned over the serious implications of the staggering deficit than I am, and I have made some extremely difficult decisions and cast some equally difficult votes. I have voted for both the Chiles/Hollings budget freeze proposal, which, had it been enacted, would have achieved a balanced budget by 1989. I also voted for the Byrd proposal, which would have treated veterans fairly and would have achieved substantial budget savings. Undoubtedly, many difficult decisions remain as we seek to restore the economy, and no program will or should be excluded from contributing its fair share to these efforts. However, it is inexcusable to expect the thousands of brave men and women who honorably served our country to bear such an inequitable share of the budget cuts.

Mr. President, I support each of the important provisions of this amendment because I believe they provide fair treatment of veterans and are consistent with our efforts to control spending. Spending would be frozen at those levels provided for fiscal year 1985, plus cost-of-living adjustments would be provided that are consistent with those which have been allowed for other Federal beneficiaries. I want to emphasize my belief that all benefit recipients are entitled to equal treatment, and this amendment affirms that equal treatment. The amendment also rejects the proposed increase in the VA home loan guarnty fee from 1 to 3.8 percent. I strongly oppose that discriminatory increase. It simply imposes an unfair tax on a select group, primarily first-time home buyers, and almost quadruples the fee after it has recently been doubled already. This increase is unnecessary for the solvency of the fund and should be rejected.

Mr. President, I am also particularly supportive of another provision of this amendment, which restores veterans health care programs to the levels provided in fiscal year 1985. The severe cuts proposed in the Republican budget package would be absolutely devastating to the delivery of health care for thousands of veterans throughout our Nation. Over 28 million veterans live in the United States. Of these, 4.6 million are 65 or older. The aging veteran population is rapdily increasing, and will number over 9 million by the turn of the century. Over 1 million of them are over 75, and that number is also rapidly increasing to over 4.5 million by the year 2005. This group has the greatest health care needs. In Arkansas alone, there are over 271,000 veterans, and of those, over 240,000 received care through a VA medical facility during fiscal year 1984. The VA's own records indicate that thousands of eligible veterans seeking health care are turned away each month now due to lack of facilities. Under these conditions, it is preposterous to think that severe cuts in the spending levels for health care would not be detrimental to providing adequate levels of service.

Another provision of the amendment rejects the idea that private insurance carriers should be required to pay for VA-provided care. Many extremely important and complex questions about the implications and effects of such a change remain unanswered, and therefore, such a policy change should never be considered without the benefit of complete investigation by the authorizing committees involved, which has not been carried out in the case.

Finally, Mr. President, this amendment recognizes the need to reduce spending, and includes a provision which provides for the enactment of legislation to achieve a real savings of $50 million in budget authority and $90 million in outlays in each of the next 3 years. This represents a significant effort toward our economic goal of reduced spending, and ultimately, a balanced Federal budget.

I am proud to give my support to Senator CRANSTON's amendment to correct the inequities in the proposed budget package. I want to urge my colleagues to join me in this important effort and to stand up for our Nation's veterans by voting to support the passage of this amendment. This amendment is not a budget buster. It is sensible, it is modest, and it is fair.

Mr. **KENNEDY**. Mr. President, I rise in strong support of this amendment offered by my distinguished colleague Senator CRANSTON.

This amendment ensures that fair and equitable treatment is provided to veterans' programs and to the thousands and thousands of men and women who have served their country.

This amendment does not ask for a large increase for VA programs. It merely calls for a freeze on these programs at President Reagan's fiscal 1985 level. It provides the bare minimum necessary to maintain the VA programs and our Nation's commitment to those who served.

The veterans of this country are willing and ready to help fight the dangerous budget deficit that now exists. But they should not be asked to shoulder more than their share of this burden. Already in each veteran's lifetime, they have been asked to help their country by going to war to protect our liberty. There should be no hesitation on our part in maintaining the integrity of the programs that serve our veterans.

Mr. President, yesterday we celebrated the 40th anniversary of V-E Day and honored the commitment and courage of the thousands and thousands of Americans who fought in World War II. And today, our honor and thanks must be shown by actions and not just words.

Our veterans answered their country's call for help without questioning. We have a responsibility to listen to them when they call on our Government. Our commitment to our veterans is a hollow one if we cannot ensure fair and equitable treatment and I urge my colleagues to vote yes on this amendment to restore the unfair cuts proposed in the budget resolution.

Mr. **GLENN**. Mr. President, I rise to support the amendment offered by my colleagues, Democratic members of the Senate Veterans' Affairs Committee. In essence, this amendment is a freeze at the fiscal year 1985 level for veterans benefits and services with only the addition of a COLA for veterans pensions and compensation on par with the COLA's approved by this body earlier for all entitlement programs.

Mr. President, we all recognize the pressing need for budget responsibility as we face today's unprecedented deficits. Yet I cannot be a party to deficit reduction at the expense of our Nation's veterans. The amendment before us freezes the function 700 medical care account at the fiscal year 1985 appropriated level, and rejects reductions based upon anticipated savings from a new means test the administration seeks to impose on our older veterans. The amendment rejects a new tax on veterans in the form of an unwarranted increase in the VA Home Loan Guaranty Program user fee. Congress increased this fee last year and thus assured the solvency of the revolving fund for several years to come at least. The new requested fee increase is thus not needed to maintain the Home Loan Guaranty Program but merely a revenue-producing measure imposed solely on the veterans, and in particular those of the Vietnam era. The amendment further rejects questionable savings assumptions based on the requested enactment of third-party reimbursements for VA medical care.

We are not seeking costly new programs or vastly increased funding for the Veterans' Administration. Rather I believe we are acting responsibly in freezing the VA budget at current levels, even in the vital medical care area where demand is increasing as our veteran population ages. The only increase provided is for COLA's for recipients of pensions and compensation. This is only equitable since all other entitlement recipients will receive such COLA's.

We owe our freedom and our independent way of life to the sacrifices of America's veterans—men and women who answered the call to duty and served with honor. In recognition of that debt we have an obligation to protect and maintain the benefits they earned. As a veteran of 23 years in the Marines I know that the costs of war can never be accurately measured and they do not end with the cessation of hostilities. These costs should not be discounted by budget-cutting bureaucrats and must not be written off during times of peace.

Only peace and freedom are worthy of the exertions and sacrifices our veterans have made. Those of us who live free and secure as a result of these sacrifices owe more than a debt of thanks, we have a moral obligation to provide continuing care and comfort to America's veterans. Thus I urge my colleagues to join me in supporting a fair and responsible budget for veterans programs.

Mr. **MURKOWSKI**. Mr. President, how much time do I have?

The **PRESIDING OFFICER**. Who yields time?

The Senator from California.

Mr. **CRANSTON**. Mr. President, I want to emphasize a final point.

The **PRESIDING OFFICER**. Will the Senator suspend?

To answer the question of the Senator from Alaska, there is 1 minute remaining on his time.

Mr. **MURKOWSKI**. I thank the Chair.

Mr. **CRANSTON**. Mr. President, I want to emphasize a point to my colleagues regarding the amendment to provide full COLA's in veterans' compensation and pension, along with military and civil-service retirement benefits, which was so preemptorily proposed by the distinguished majority leader last Thursday and adopted by a vote of 80 to 18. The adoption of that amendment does not provide any real assurance that the Senate-passed version of the budget will provide full COLA's for the VA programs. Clearly, last Thursday's amendment was proposed only in light of the vote, on the day before, to grant full COLA's to Social Security beneficiaries. Equally clearly, the Republican leadership is now working to assemble a new budget package from the wreckage of the Reagan/Republican leadership plan.

In the words of the majority leader, they're trying to put humpty-dumpty together again. When and if they do, the new plan could well entail a freeze or other form of restraint on Social Security COLA's. And if that occurs I feel certain that veterans who were dealt back in only after full COLA's were agreed to for Social Security will be dealt back out when a freeze or reduction in Social Security COLA's are proposed again as part of a final package.

Mr. President, our amendment has an entirely different background and an entirely different premise. We are proposing full COLA's for VA compensation and pension apart from and independent of what is proposed or adopted with respect to Social Security. We believe that, in the absence of across-the-board, equitable reductions or freezes in all COLA's, compensation and pension recipients should be entitled to full COLA's. Thus, when the Budget Committee recommended full COLA's for supplemental security income, food stamps, and non-service-connected VA pension, but not for service-connected disability compensation, we submitted our amendment to provide for full COLA's for compensation.

When the Reagan/Republican leadership package proposed to subject VA compensation and pension benefits, along with Social Security, to 3 years, more than 50-percent cuts in COLA's, but to continue to grant full COLA's for SSI and food stamp, welfare recipients, we took the position that, as a matter of fairness to veterans, full COLA's should be provided to both compensation and pension recipients.

Therefore, Mr. President, the real vote, the meaningful vote on COLA's for VA compensation and pension beneficiaries will occur on this amendment. This amendment is not a me-too addendum to a successful Social Security amendment that may well be undone and which, at this very moment, the Republican Senate leadership is seeking to undo.

Our amendment is a veterans' programs amendment that stands on its own, separate from Social Security. Thus, the real test of support for VA compensation and pension COLA's is on this amendment, and I urge all of my colleagues to show their support for these COLA's, for fairness for disabled veterans, by voting for our amendment.

Mr. President, I have a number of points I want to raise in addition to those I made in my earlier statement.

MEANS TEST SAVINGS

First, I want to respond to the claim that the enormous cuts in VA health care proposed by the Reagan/Senate Republican leadership package would be achieved simply by denying care for certain non-service-connected disabilities of veterans who can afford to obtain care in non-VA facilities. This is an unfounded claim. Indeed, it is one that even the administration has not made.

I have previously noted the administration's official position—both in the letter transmitting the draft means test legislation and in testimony on April 23 before the House Committee on Veterans' Affairs—that the proposal would not produce measurable savings. In fact, the VA chief medical director's testimony asserted that the means test proposal was not being put forward as a cost-saving proposal.

Therefore, any assertions that the cuts in VA health-care funding would be absorbed simply by turning away veterans who would not pass the means test contradicts the administration's established, official position.

The theory that the means test would yield hundreds of millions of dollars of savings is just that—a theory. But, the dollars proposed to be taken out of the VA are not theoretical dollars. The health-care personnel cutbacks that would occur would not be theoretical either. Nor would the great reductions in the capacities of VA medical facilities that would inevitably follow be other than all too real.

These are all realities that would occur under the proposed budget levels. Compared to the staffing levels and caseloads that the VA would maintain in fiscal years 1986, 1987, and 1988 if it were to continue operating its existing facilities and carry out its plans for new activations in those years, the Reagan/Senate Republican leadership plan would require a staffing reduction of over 33,000 employees and patient-care cutbacks of over 280,000 hospital admissions and nearly 1.3 million outpatient visits in these 3 years.

And does anyone believe that these cutbacks would be reversed after fiscal year 1988?

Mr. President, we're asked to approve these cuts, and to enforce them as part of the caps on discretionary appropriations, because of a totally untested, entirely speculative theory. That theory is based on the possibility that the means-test proposal submitted to Congress less than 3 weeks ago and on which our committee has not yet held hearings would justify those enormous cuts. I once again emphasize: the administration did not claim such savings when it submitted the proposal. And the VA's chief medical director clearly disavowed such savings in the only congressional hearings, those conducted in the other body, that have been conducted.

Mr. President, I am sure that all Senators can recognize that reliance on this theory is a very, very bad risk to which sick and disabled veterans should not be subjected.

Mr. President, I also wish to comment on the CBO analysis of the means test that has been referenced. Although I certainly believe that the CBO effort represents a good faith attempt to predict the impact of a means test, I am not persuaded as to its accuracy or overall validity.

First, it is not a formal cost estimate, and it has not been signed by the director of the CBO or even by the head of the CBO division concerned. It is only staff analysis of the proposed means test and an admittedly highly speculative analysis at that.

The analysis and a covering memorandum contain the following statements attesting to its preliminary, speculative nature:

On page 3 of the cover memo, it is stated, "the results of the analysis are sensitive to some data limitations, particularly the lack of sufficient information about veterans' out-of-pocket medical expenses."

On page 7 of the cover memo, it is stated, "it is important to note that the findings in this analysis could be overstated because they assume complete implementation of the means test."

Page 9 of the analysis contains the following statement: "[A]ll of the results are based on VA hospital users—sampled during the sample year 1979, and may not always reflect the characteristics of future VA users."

Page 12 of the analysis states, "note . . . that the small number of aged veterans in the sample precludes reliable estimates for that population."

These are just examples of the reservations stated in the staff analysis and cover memo. I would also note that the analysis does not take into account the exclusion from the means test of the 2.3 million Vietnam veterans who may have been exposed to agent orange or the 250,000 veterans who participated in nuclear weapons testing whose disabilities may be related to their exposure to those hazards. This is over 2½ million eligible veterans.

Likewise, the analysis ignores totally the administration's proposed authority to waive the means test in order to avoid hardship. It seems reasonable to me to expect that the waiver authority would be exercised in cases involving extraordinarily expensive care and that those cases would have an impact on any cost savings.

Second, it is clear that the CBO staff informal analysis is, at best, a prediction and, as with any prediction, may prove to be wide of the mark. Making up-front reductions in medical-care funding in an amount equal to the predicated savings is plainly not justifiable from the standpoint of fairness to veterans.

Third, Mr. President, the most fundamental flaw in the CBO analysis is the complete failure to address the issue of whether there are veterans waiting to gain access to the VA but who have been denied care because of a lack of resources. This issue—the so-called replacement question—goes to the very core of the CBO analysis. If there are no veterans to replace veterans displaced from VA care by the means test, then there may be some validity to the estimate. If, however, there are eligible veterans who will take the place of veterans denied care, as the VA has asserted there are, then much of the projected savings is illusory. There are different viewpoints on this question and very few hard facts. However, the failure, in the CBO analysis, even to acknowledge the possibility of other veterans who may be seeking VA care is a very serious flaw in my mind. We have asked that the flaw be corrected.

We did so in an April 30 letter to the director of CBO, Dr. Rudolph Penner, from the chairmen and ranking minority members of the House and Senate committees. However, in a May 3, 1985, letter, CBO advised that it would not be able to produce the necesary analysis until May 10, at the earliest.

The other problem I have with the CBO analysis is that nowhere does it translate the projected dollar savings into the reductions in VA staffing and health-care capacity that will have to accompany the assumed caseload reductions. This omission can create the impression that the savings will appear as if by magic. But the only way to save money in the VA medical care account is to cut back staff and resources. That point must be understood in the context of the upcoming vote.

In the final analysis, the means test is an unknown and the CBO informal analysis is just an unofficial staff prediction and a highly speculative one at that. Placing reliance upon it to make drastic cuts in VA health care would be most irresponsible and patently unfair to veterans.

MEANS TEST AND FAIRNESS

Mr. President, it has been asserted that the proposed means test and particularly the application of the means test to veterans age 65 and older is necessary in order to be fair to veterans under age 65. I am quite puzzled by the references to the fairness of such an action to veterans under age 65. There has been no official estimate yet produced showing any savings resulting from the means test.

As I have previously noted, the position stated by the administration in the letter officially transmitting its means test proposal and in its testimony before the House Committee on Veterans' Affairs is that the proposal would not—would not—produce measurable savings. The administration has not produced a detailed cost estimate showing which veterans would be denied care by the VA under the means test.

The only written analysis of the administration's means test that has been produced—an April 22, 1985, CBO memorandum—estimates that, through fiscal year 1990, for every veteran age 65 or older who would be excluded from care, three veterans under age 65 would be turned away. I fail to see any greater fairness to younger veterans in that result than they receive under current policies.

Much more importantly, however, I am certain that the administration's inappropriate use of the proposal in the context of this resolution—that is, to cut deeply into funding for the VA medical care system—is grossly unfair to veterans of all age groups.

Mr. President, I want my colleagues to be absolutely clear about this last point: Any savings claimed for a means test can come only from the VA maintaining fewer beds and less outpatient capacity and employing fewer staff in order to provide fewer episodes of care. Reductions in funding for VA medical care cannot be accomplished with mirrors. To reduce outlays, there must be a reduction in health-care staff and capacity. And my colleagues can be assured that the assumption underlying the Reagan/Senate Republican leadership agreement that a means test will produce large-scale savings in VA health care means large-scale cuts both in VA health-care personnel and in the numbers of veterans provided care.

MAY 6 DEAR COLLEAGUE LETTER

Mr. President, on May 6, the chairman of the Veterans' Affairs Committee sent out a "Dear Colleague" letter seeking to refute my May 1 "Dear Colleague" letters, in which I shared with all Senators information regarding the massive adverse impact on the VA health-care system that would result from the Reagan/Republican leadership package.

The chairman enclosed with his May 6 letter, a letter he had obtained from the Administrator of Veterans' Affairs, Harry Walters.

I want to comment on both letters.

Administrator Walters in his letter admits, I am pleased to note, that the data in my May 1 letter were obtained from the VA inexplicably, however, he erroneously characterizes the questions posed to the VA by the Veterans' Affairs Committee's minority staff as "hypothetical questions dealing with the magnitudes of varying budget scenarios." As evidenced by the answers the VA provided and I shared with all Senators—the questions did not deal with "varying budget scenarios." The questions related precisely to the funding levels underlying the function 700 totals in the Reagan/Republican leadership package; and the question asked was simply: "What would the VA have to do if it were given those funding levels in its medical care account?" Also, the questions were hypothetical only in the sense that any question asking what an agency would do if confronted with certain budget cuts is hypothetical.

Next, Administrator Walters stated, "It appears that numbers, based on hypothetical situations and making very significant and unfounded geographic-specific assumptions, are being

shared with the Senate. In my May 1 letter, I reported that, for the VA to proceed with planned VA activations in fiscal years 1987 and 1988 within the stringent limitations of the Reagan/Republican leadership budget levels would have required the VA to cut staffing at its existing facilities by over 25,000 FTEE in those years. By not proceeding with those activations, the VA would be able to reduce its personnel losses at existing facilities by nearly 14,000 FTEE. Therefore, I made the logical point, based on these factors, that the VA might well elect to cancel or postpone many of its planned activations. That was and is my judgment. I stand by it."

Mr. President, the most disappointing part of Administrator Walters' letter was the incredible admission "that the VA has not developed specific geographic facility or personnel impact analyses of resources that may be made available either in—fiscal year 1986—or the outyears except for those based on the President's original fiscal year 1986 budget request." And the Administrator went on to state, "All outyear numbers are plugged numbers in that no detailed analysis has been developed to either support or deny them."

Mr. President, what excuse can there possibly be for the administration not developing information to enable itself, the Congress, and the public to understand what this administration is proposing in the Reagan/Republican leadership plan? When this administration proposes a comprehensively revised budget plan, why does it feel no responsibility to know—and to explain—what the impact will be on the Nation's veterans? Does it even care?

What is clearly evident here is a conscious effort not to know and not to inform. The attempt is being made to put the truth and the facts off limits to the Senate of the United States. That is why my April 12 and 26 letters to Mr. Walters urgently requesting detailed information regarding the impact of the Reagan/Republican leadership package on VA programs have been totally—totally—ignored. The only response I ever received was a May 7 letter providing absolutely none of the information I had requested.

Fortunately, Mr. President, this embargo on the truth has not been entirely effective. My informal request, through committee staff, for information on the impact of the leadership plan produced some data—and I presented all of those data to my colleagues. Some truth, at least, did emerge.

Mr. President, regarding Senator Murkowski's May 6 "Dear Colleague" letter, in my May 1 letter I shared with all Senators the information that I had obtained from the Office of the VA's Chief Medical Director on the effects of the leadership package on VA medical care. Senator Murkowski has presented no data to contradict what I provided.

What exactly does Senator Murkowski's letter present to us? The answer is that his May 6 letter gave us one monumental set of contradictions and nonsequiturs. Please review that letter closely. In the second paragraph he restates Administrator Walters' unusual claim that the administration has not analyzed the resources that would be available under his own President's plan.

Having forcefully made the point that nothing is known, Senator Murkowski's letter goes on to make broad sweeping claims—that funding and staff for facility activations will be provided to the VA, that all construction will proceed on schedule, and that not one employee will be laid off as a result of the Reagan/Republican leadership plan. Clearly, these are the assertions that are without foundation. This letter itself claims that the analyses necessary to support such assertions have not been done. If the analyses do not exist, how can the assertions be made?

This is self-contradiction in its purest form.

Moreover, the letter raises the issue of funding levels for new construction projects and provides assurances about two major replacement facilities a year being provided for in the administration's long-range plans. First, no question has been raised—certainly not by me—about the funding of construction projects out of the construction account. The question has been whether there would be adequate funds in the medical care account to provide staffing needed to activate the construction projects that are scheduled to come on line.

I have done all that I could do to discover what impact the deep, deep cuts in VA health-care funding would have on veterans' health care. Despite the administration's concerted effort that has now come to light not to know or learn the truth and even to try to keep it from escaping, we were successful in learning the outlines of the utter devastation that would befall the VA's health-care system if the Reagan/Republican leadership package were implemented. All Senators now have that information.

LAYOFFS

As I have stressed several times, the figures—including those which relate to the reduction in the number of health-care employees—that I have cited were provided by the VA in response to the request by the minority staff for information on the impact on VA medical care of the funding levels in the Republican leadership/White House Agreement. Those figures are accurate and no evidence has been produced to the contrary. Nor has Chairman Murkowski offered any evidence to support the assertion in his May 6 "Dear Colleague" letter that "not one employee will be laid off" the Republican leadership proposal is adopted.

Clearly, the leadership agreement assumes significant reductions in funding for the medical care account in each of the next 3 fiscal years.

Equally clearly, such reductions must involve a reduction in the number of overall staff—a total reduction of over 33,000 F.T.E.E. through fiscal year 1988 compared to what the VA says it needs in order to maintain staffing levels at its existing facilities and bring planned activations on line.

The argument is now made that not one employee will be laid off because the staffing reductions can be achieved through an employment freeze and normal attrition. That argument won't wash.

Although there is turnover among VA health-care employees—frequently as a result of the availability of higher wages in the private sector—which, through a freeze on new hires, could result in some reduction in overall staffing, it is simply not possible to rely on attrition alone to accomplish the massive reductions that would be required. Attrition is a very imprecise tool and cannot be expected to yield reductions in the type or grade level or in the geographic areas of the employees whose jobs would be proposed for elimination. On the basis of my over 16 years of experience with the VA Health-Care System, I am absolutely confident that a reduction of the size involved in this debate absolutely cannot be made in a system as complex and interrelated as the VA Health-Care System without substantial layoffs. That point must be understood before Senators vote on the pending amendment.

ACTIVATIONS

Mr. President, I want it to be very clear that neither I nor committee minority staff were the ones to first raise the issue of canceling or postponing new facility activations in fiscal year 1987 or fiscal year 1988. The Office of the VA's Chief Medical Director raised that issue in the first instance.

This is how the issue came up. Committee minority staff asked the Chief Medical Director's Office to provide information as to what the VA would have to do if it were given the medical care account levels that are provided for in the Reagan/Republican leadership plan. In response to that question, the VA provided two alternative ways in which it could deal with the cutbacks. One way involved going ahead with planned activations in fiscal year 1987 and fiscal year 1988 and taking all of the cuts in existing facilities. The other approach presented to us by the VA was to cancel all of the fiscal year 1987 and fiscal year 1988 planned activations and thereby minimize the cutbacks in existing fa-

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cilities. I then passed that information along to all Senators.

That, Mr. President, is how the activation issue arose. We did not raise it or even mention it at all until after committee minority staff received that VA response. It was brought up by the Office of the VA's Chief Medical Director as a possible means for dealing with the devastating cutbacks that the Reagan/Republican leadership package would require.

SOLVENCY OF LOAN GUARANTY REVOLVING FUND

Mr. President, it's asserted that the increase in the VA loan guaranty fee is necessary to ensure the solvency of the Loan Guaranty Revolving Fund.

In this regard, I want to stress again that the Congressional Budget Office has estimated that there is no need—I repeat, no need—for any appropriations to the Loan Guaranty Revolving Fund. No need now and no need in the future, through at least 1990.

Congressional Budget Office takes this position based on its assumptions that in fiscal year 1986 and later years the VA will continue—at the rate it experienced in fiscal year 1984—to sell properties it obtains as a result of foreclosures and to sell on the secondary market its portfolio of vendee loans. There is good reason to give full credence to the Congressional Budget Office's assumptions.

In a February 28, 1985, memorandum, Congressional Budget Office points out that in fiscal year 1984 the VA sold 46 percent of the vendee loans in its portfolio. However, the VA's budget estimates are based on it selling only 30 percent of its portfolio in fiscal year 1986. With respect to properties obtained through foreclosures, although the VA sold 56 percent of the real property in its inventory in 1984, it estimates that it will sell only 40 percent in fiscal year 1986.

The decline in these figures is at the heart of the matter. If the VA were simply to maintain the rates of sales it achieved in fiscal year 1984 and is achieving thus far in fiscal year 1985, the revolving fund would remain solvent and there would be no need for appropriations or a fee increase.

The dispute here involves the administration's claim that the rates of both types of sales will fall off precipitously, and I have seen no factual justification for it. To the contrary, the facts—as well as the judgment of the Congressional Budget Office—clearly indicate that those rates can be maintained or exceeded. They show that the administration's claim that the VA lacks the ability to keep up its sales of properties and loans is just another one of its deceptions designed to make us believe that there is some dire need to take action to shore up the solvency of the revolving fund.

Indeed, the VA itself has just expressed a much rosier picture of its capacity to continue to make these sales at or above the current rate. At a hearing last week, the VA testified,

> We have been able to make encouraging progress with our property sales results during 1984 and expect to accelerate sales further during 1985 to reduce our inventory and to minimize the demands on the loan guaranty revolving fund.

Mr. President, the Agency itself says they expect to do better in fiscal year 1985 than in fiscal year 1984. Yet, the OMB-approved budget documents stated exactly the opposite.

The VA testified that, during the first half of fiscal year 1985, it has sold 37 percent more properties than it did in the first half of fiscal year 1984. In March alone, the Agency experienced the highest monthly sales figure since September 1966. Sales of properties this past March represented 12 percent of the total property inventory for the VA. Agency officials testified that, based on the experience of the first 6 months of fiscal year 1985, they expect to sell "over a billion dollars in property by the end of fiscal year 1985."

Mr. President, this means that the VA will sell properties for $100 million or more in excess of what the President's fiscal year 1986 budget documents estimated for fiscal year 1985. That means $100 million more in offsetting collections for the revolving fund in fiscal year 1985 alone.

Mr. President, there's no reason to believe—as OMB Director Stockman would have us believe—that the VA is letting up in its efforts to maintain this selling record. The VA is letting up in its efforts to maintain this selling record. The VA has taken a series of steps designed to promote sales such as placing extra emphasis on sales in field stations with the greatest inventory, bonuses and sales commissions for hard-to-sell properties, discounts for cash, the payment of reasonable loan discount points, and auctions of properties in areas with difficult inventory problems.

Moreover, as CBO points out in its memorandum, the declines in interest rates and in unemployment rates projected by both CBO and OMB would serve to bring more potential buyers into the real estate market and, thus, make VA's property holdings easier to sell in fiscal year 1986 and later years than they were in fiscal year 1984.

Thus, Mr. President, the administration's claim that the fee increase is needed to ensure the revolving fund's solvency is unfounded. It's no more true than is OMB's ridiculous claim that increasing the fee from 1 to 5 percent would prevent no veterans from using their VA loan guaranty entitlement. Both claims are false.

The truth is that it is not necessary to increase the fee to ensure the solvency of the Loan Guaranty Program. That's only an administration ploy designed to hide its real agenda—the placing of this unfair discriminatory tax on veterans, principally Vietnam-era veterans, as an illegitimate means to reduce the deficit.

Mr. President, there is another point I would also like to make.

REBUTTAL RE USE OF PRESIDENT'S FISCAL YEAR 1986 FIGURES

Mr. President, about the figures that the Reagan/Republican leadership package assumes for the increase in the VA loan guaranty fee from 1 to 2 percent in fiscal year 1986, to 2.5 percent in fiscal year 1987, and to 3 percent in fiscal year 1988. According to my best information, CBO would project those cost savings as $157 million in fiscal year 1986, $228 million in fiscal year 1987, and $223 million in fiscal year 1988—$608 million over the 3 years. However, it is my understanding that, over the 3-year period, the leadership package claims total savings of $73 million more. Moreover, it is my understanding that the leadership package assumes that a 3-percent fee in fiscal year 1988 will produce just as much in budget savings as a 3.8-percent fee?

How could that be so?

PAST APPROPRIATIONS AND TRANSFERS TO LGRF

Mr. President, in past years funds were transferred from the direct loan revolving fund to the loan guaranty fund in order to keep the program solvent. That is no well-kept secret. Our committee set forth these and other facts regarding the program in our report on S. 2391 in March of 1984. Also, I am sure that many Senators are aware of the appropriations made to the revolving fund in the past 2 years.

But that does not in any way change the facts regarding the present—and that is that CBO says, as I have pointed out, that the revolving fund will not need an appropriation or the receipts from an increased fee in order to remain solvent through fiscal year 1990.

Mr. President, before last year, there was no 1-percent fee that was deposited in the revolving fund, sales of VA foreclosed properties were often sluggish, and in too many instances, the VA acquired properties when it should have paid off the guaranty instead. All of these factors created a drain on the revolving fund.

We have now established a 1-percent fee and taken other steps to correct the situation. Based on CBO's analysis, we have been successful. I'm certain that there is more that could be done to improve the program and I want to be helpful in that regard. But, clearly the one thing we do not have to do is increase the fee.

I want to be sure that my colleagues are aware of some of those who oppose the fee increase—the National Home Builders Association, the Mortgage Bankers of America, the American

Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the AMVETS, the Paralyzed Veterans of America, the Non-Commissioned Officers Association, and the Vietnam Veterans of America.

CONCLUSION

Mr. President, I have been, for all of my 16 years in the Senate, either the chairman—for 12 years—or the ranking minority member for the last 4—of the subcommittee or full committee with jurisdiction over the VA health-care system. In 1970, we had a big veterans vote to add $125 million for VA health care. It carried overwhelmingly and was the beginning of a decade-long effort to equip the Veterans' Administration to provide first quality, modern medical care to veterans, especially those veterans returning from the Vietnam war for whom in 1970 the Veterans' Administration was woefully prepared.

Now, this amendment is all that stands between David Stockman and his determination to reverse our progress and returning staffing levels back toward where they were 15 years ago. I feel no sense of exaggeration whatsoever in saying that this is the most important veterans issue vote in the U.S. Senate in 15 years. The veterans of America know it and every Senator should know it.

I regret deeply that this effort has been given a partisan tone. Veterans issues have rarely been partisan ones. But I don't want a bipartisan approach to veterans issues if it means seeing the VA health-care system run over by the OMB steamroller and doing nothing about it.

I sought in every way I could to reach an accord with the other side on this amendment, but the only way to achieve a bipartisan approach would have been for me to stand by—in so-called bipartisan fashion—and allow America's veterans to be defeated without a fight. I chose and I choose to fight to defend them just as they fought to defend this country.

I do so proudly.

Here we are today, 1 day after V-E Day and 2 days after the anniversary of the end of American involvement in the Vietnam war. Last night, we celebrated our World War II victory in the majority leader's office. As the distinguished leader said last night in extending an invitation to all of us, we gathered then in honor of the veterans who answered when their country called.

Saying these things is often easy. But honoring our commitments is not always so easy.

I urge my colleagues to put aside partisan concerns.

I urge my colleagues to reject the lockstep of party discipline and vote the way they know is right and fair to keep faith with America's veterans.

A vote for this amendment is a vote no Senator will ever regret making.

The **PRESIDING OFFICER**. The time of the Senator from California has expired. The Senator from Alaska has 1 minute remaining.

Mr. **MURKOWSKI**. I thank the Chair. I thank my colleague, the Senator from California.

I should like to point out that during this debate I have attempted to make the point that the veterans of this country will continue to be treated fairly under this proposed budget which has been described in great detail.

I thank the majority whip for his reference and reinforcing statements with regard to the obligation of this country in meeting the needs of veterans. I think what we have to do is to recognize that the needs of veterans are changing, but the responsibility does not change.

As evidenced by the Budget Committee and my colleagues on the Veterans Committee on the Republican side, we are committed to maintaining the high quality of services that have been afforded the veterans of this country. We feel certain that the VA will work with the proper intent in increasing the efficiencies within the organization, so that the quality of service that has been provided for so long will continue.

The **PRESIDING OFFICER**. The time for debate on the amendment has expired. The yeas and nays have not been ordered.

Mr. **DOMENICI**. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The **PRESIDING OFFICER**. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. **SIMPSON**. I announce that the Senator from Maryland [Mr. MATHIAS] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. **CRANSTON**. I announce that the Senator from Nebraska [Mr. EXON] is absent due to illness.

The **PRESIDING OFFICER**. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 49, nays 47, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—49

Abdnor
Armstrong
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins
Hecht
Heinz
Helms
Humphrey
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker

NAYS—47

Andrews
Baucus
Bentsen
Biden
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Ford
Glenn
Gore
Harkin
Hart
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stennis
Zorinsky

NOT VOTING—4

East
Exon
Mathias
Wilson

So the motion to table the amendment (No. 75), as modified, was agreed to.

Mr. **DOLE**. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. **DOMENICI**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **DOLE**. Mr. President, I hope this is some indication that maybe these amendments will be less and less desirable as we get into the afternoon. It is still my hope that we can conclude action on this package at a relatively early hour. But, again, it is difficult to know precisely because I am not aware of all of the amendments.

Does the Senator from Florida have an amendment?

Mrs. **HAWKINS**. I have an amendment.

Mr. **DOLE**. Can the Senator agree to 10 minutes for each side?

Mrs. **HAWKINS**. Twelve.

Mr. **DOLE**. The Senator from Florida may have 12 minutes and I will take 8 minutes.

Mr. President, I ask unanimous consent that there be 20 minutes on the amendment, 12 to the proponents and 8 to the opponents.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

AMENDMENT NO. 77

(Purpose: To restore funding for the school lunch program for each of the fiscal years 1986, 1987, and 1988 to the level of funding provided for the program for fiscal year 1985)

Mrs. **HAWKINS**. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida (Mrs. HAWKINS), for herself, Mr. BOSCHWITZ, Mr. KENNEDY, Mr. BOREN, Mr. SARBANES, Mr. KERRY, Mr. FORD, Mr. DODD, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. HOLLINGS, Mr. BYRD, and Mr. LEVIN, proposes an amendment numbered 77.

Mrs. HAWKINS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $400,000,000.

On page 3, increase the amount on line 13 by $600,000,000.

On page 3, increase the amount on line 14 by $800,000,000.

On page 3, increase the amount on line 18 by $400,000,000.

On page 3, increase the amount on line 19 by $600,000,000.

On page 3, increase the amount on line 20 by $800,000,000.

On page 3, increase the amount on line 25 by $400,000,000.

On page 4, increase the amount on line 1 by $600,000,000.

On page 4, increase the amount on line 2 by $800,000,000.

On page 4, increase the amount on line 6 by $400,000,000.

On page 4, increase the amount on line 7 by $1,000,000,000.

On page 4, increase the amount on line 8 by $1,800,000,000.

On page 4, increase the amount on line 12 by $400,000,000.

On page 4, increase the amount on line 13 by $600,000,000.

On page 4, increase the amount on line 14 by $800,000,000.

On page 24, increase the amount on line 2 by $400,000,000.

On page 24, increase the amount on line 3 by $400,000,000.

On page 24, increase the amount on line 12 by $500,000,000.

On page 24, increase the amount on line 13 by $500,000,000.

On page 24, increase the amount on line 22 by $700,000,000.

On page 24, increase the amount on line 23 by $700,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $100,000,000.

On page 33, increase the amount on line 12 by $100,000,000.

On page 37, decrease the first amount on line 11 by $403,000,000.

On page 37, decrease the second amount on line 11 by $375,000,000.

On page 37, decrease the amount on line 12 by $529,000,000.

On page 37, decrease the amount on line 13 by $520,000,000.

On page 37, decrease the first amount on line 14 by $676,000,000.

On page 37, decrease the second amount on line 14 by $666,000,000.

On page 44, decrease the amount on line 10 by $403,000,000.

On page 44, decrease the amount on line 11 by $375,000,000.

On page 44, decrease the second amount on line 12 by $529,000,000.

On page 44, decrease the amount on line 12 by $520,000,000.

On page 44, decrease the amount on line 13 by $676,000,000.

On page 44, decrease the amount on line 14 by $666,000,000.

Mrs. HAWKINS. Mr. President, on behalf of myself, Senators BOSCHWITZ, KENNEDY, BOREN, SARBANES, KERRY, FORD, DODD, BURDICK, RIEGLE, ROCKEFELLER, HOLLINGS, and LEVIN, I am offering an amendment to eliminate the proposed cut in Federal support for child nutrition programs currently assumed in the budget resolution.

The original budget resolution as reported by the Committee on the Budget presumed a cut of $700 million in child nutrition for 1986 alone and substantially higher levels for 1987 and 1988. The Senate leadership-White House budget plan reduced this cut in child nutrition to $375 million in fiscal year 1986, $520 million in fiscal year 1987, and $666 million in fiscal year 1988. The Senate leadership-White House plan, the plan before us today, is an improvement over the original proposal, and I give them credit. However, in reviewing the extent of prior cuts to the program, and the effects of these proposed cuts, I firmly believe that our children cannot withstand further cuts in their nutritional programs.

You will remember that the Reconciliation Act of 1981 reduced Federal support for child nutrition by almost 30 percent or a full $1.5 billion. This was one of the steepest cuts contained in the entire reconciliation package. During that 1981 round of cuts—which I supported—our child nutrition programs comprised less than one-half of 1 percent of the Federal budget, yet they shouldered approximately 4 percent of the total savings enacted. In short, the child nutrition cut enacted in 1981 was about 10 times greater than an across-the-board freeze.

Now, I say that is enough. We have done enough to child nutrition programs. I know they do not vote. I know they do not have a PAC. But I must tell you that we cannot have these huge cuts from the National School Lunch Program.

Mr. President, in the pending budget resolution, most of the child nutrition cuts are assumed from the National School Lunch Program. Specifically, the cut would eliminate 100 percent of the Federal cash support paid to schools for meals served to children from families with incomes over $19,700. Nineteen thousand dollars sounds like a lot of money. But if you have four or five children and you are a single parent, I do not know how you manage breakfast and dinner, let alone lunch.

Proponents of this cut, and opponents of our amendment, would have us believe that the cut simply eliminates subsidies to "upper-income children." I have heard that for a week. This is absolutely not true. In point of fact, the aid we are discussing (No. 4 of the National School Lunch Act) is not a subsidy to "upper-income children." Indeed, it is neither a grant nor a transfer payment to individuals at all.

Under this program, schools and institutions, not individual children, are provided 12 cents in Federal support for each meal served which meets USDA nutritional guidelines. The money goes to the school or daycare center and is used to support the basic infrastructure of the school lunch program at the local level. The Federal assistance which would be eliminated under the budget proposal, goes to help defray these costs which must be met for any child, rich or poor, to receive a school lunch. This Federal assistance is the "carrot" that attracts local communities throughout the country to participate in the National School Lunch Program.

According to the American Association of School Administrators, the Chief State School Officers, the American School Food Service Association, national PTA, and other experts in the field, if this financial assistance were removed we could expect to see thousands of schools throughout the United States forced from the National School Lunch Program. In its recent survey, the National School Board Association discovered that 29 percent of the districts questioned would discontinue lunch programs if the Federal reimbursement was eliminated. An additional 9 percent maintained that continuation of the program without Federal payments for full-price lunches is questionable. A second poll by the American Association of School Administrators indicated that an incredible 41 percent of responding school districts would be forced to drop the Federal School Lunch Program. Conservatively, we could expect between 3 and 5 million children and 5,000 to 6,000 schools to drop out of the National School Lunch Program if these cuts are not restored. When this occurs, all children in the community, including poor children, lose access to the program.

The prediction made by these respected national organizations should not come as a surprise to any of us. If you eliminate 100 percent of the Federal cash incentive for doing something while simultaneously retaining the cost of meeting Federal verification guidelines, documentation requirements, Federal audits, and other regulations, common sense dictates that many schools will drop from the program.

Let me clarify that I am not predicting that all schools will be forced from the program. Schools with a high percentage of free and reduced price school lunches will be able to stay in it. But in those communities where only 10, 20, or 30 percent of the students participating in the National School Lunch Program are currently receiving a free or reduced price lunch, it is reasonable to assume that many of these schools will not longer have the financial incentive to stay in the program. These schools would be losing all of their Federal cash support attributable to the vast majority of their children participating in the program.

Advocates of these cuts may claim that the schools can simply raise their lunch prices to cover the loss of Federal assistance. On its face it appears reasonable, but on further review it has dire consequences. The problem here is even if we assume every school remained in the program—and we know they will not—USDA studies indicate that for every 1-cent increase in lunch prices, there is almost a 1-percent decrease in school lunch participation by our children. So that is a 12-percent drop out even if all the schools stayed in the program. And when these kids drop out of the program, who knows what they will eat instead, if anything at all.

Mr. President, going far beyond the debate over how many students would be forced from the program, there is a more central policy question of where the program is headed under this budget proposal.

I think we all should understand the history behind the enactment of the National School Lunch Program of 1946. This act was passed immediately after the Second World War because we discovered that too many draftees failed their physicals because of childhood diseases suffered as a result of inadequate nutrition. Since its enactment in 1946, it has always been the congressionally mandated goal of this program to serve the nutritional needs of all children. This act was never intended as a welfare program aimed exclusively at poor children. Passage of the cuts assumed in the budget resolution would not only eliminate millions of students and thousands of schools from the program, it would change the very nature of the program. We should not allow this longstanding national nutritional program designed for all American children to become just another social welfare program for the poor.

If we were to enact the proposed budget cut, we would fundamentally change the character of the program and how it is viewed by local school boards all across the country. School administrators who are currently pleased to have health, education, and nutritional programs operating within the school facility will not appreciate operating a welfare or income security program to the public.

It is interesting to note, Mr. President, that when this cut was first proposed in 1981, it was referred to as terminating subsidies to "nonpoor" students. By 1982, it had become the proposal to eliminate the "middle income" school lunch subsidy. Now, in 1985 it is being referred to as the "upper income" subsidy. I do not know about your State, but in the State of Florida, a family of four earning less than $19,700 is not considered upper income. I do not know how they pay their utility bills. But who are these children who participate in the National School Lunch Program anyway? They are the population at large—of all races, financial resources, et cetera—our children. The vast majority of the students participating in the National School Lunch Program who are not receiving a free or reduced price lunch, have family incomes between $20,000 and $40,000—just like the population as a whole.

I have heard people say, "Why shouldn't we cut a child with a $250,000 in family income? Why shouldn't we take away their 12-cent subsidy?" The short answer is that they do not, and they should not receive a subsidy. First of all, the subsidy does not go to the child. It goes to the school, day care facility, or the drug rehabilitation facility where they are going to school, or the juvenile abuse center where they are being sheltered and fed. It does not go to the child, it goes to the facility. And the truly high-income individuals whose children attend expensive, private schools were already eliminated in 1981 when we already eliminated private schools with tuitions above $1,500.

So what exactly are we talking about? We are talking about the only Federal Child Nutrition Program that provides some small benefit to middle-income children in the hope of serving all children—which the budget proposal would eliminate. We would be transforming a successful nutrition and health program into a welfare program which would ultimately not even serve poor children effectively.

In south Florida, I have seen time and time again, elderly individuals who qualify for the Food Stamp Program who opt not to participate because of the stigma of the program. Likewise, it is not surprising that many educators believe that if the National School Lunch Program became a welfare program serving only poor kids, even these children would be reluctant to participate in the program. Imagine for a moment the trauma of a child who must face the stigma of saying "Yes, my parents are poor," or is considered somehow different because he stands in line and participates in the school lunch program. The health and well-eing of our children is too high a price to pay.

Mr. President, this proposed budget cut would not only harm the nutritional health of children in public schools but it would also hurt the nutritional well-being of our young children in family day care centers as well. At present, the Child Care Food Program is the single largest source of Federal support for family day care centers. While the budget proposal which imposes a means test for children in family day care centers may appear reasonable at first glance, it would be, in truth, be devastating to our family day care centers. It would, in fact, virtually eliminate family day care from the Child Care Food Program. Day care centers are still struggling from the 1981 cuts and as a result, are offering 34 percent fewer meals, 74 percent less variety of foods, and have laid off staff. They cannot afford further cuts. If a full-scale means test were imposed, administrative costs would jump 32 percent substantially exceeding reimbursements. Sponsoring organizations estimate that 63 percent of our child care homes would drop out of the program. Eighty-four percent said they would be forced to raise rates and would thus lose some children to cheaper day care or some children would be left at home because parents could not afford the increase. As the Children's Defense Fund notes, "given the enormous public concern with protecting children in child care settings from abuse and improving the quality of child care, it is ironic that the administration proposes a policy that would force most family day care providers underground and out of sight."

This amendment will also ensure that quality school lunches remain available to children in juvenile drug abuse centers, temporary shelters, halfway houses, and other institutions caring for our children. These kids are our "forgotten children" who are among the highest nutritionally at risk of all and require a proper diet in order to have a chance. We should not hurt them further.

Mr. President, all children deserve an adequate diet and these child nutrition programs are the surest method to ensure they receive one. Only 3 years ago the Department of Agriculture released the most comprehensive study yet completed on the National School Lunch Program. The Department found the program to be nutritionally important to students in all income categories. The report states:

> The superiority of school lunch is reflected in higher daily intake of nutrients for the general school age population and for all population subgroups that were examined.

In other words, children eat more and eat better because of the school lunch and day care feeding programs. It is for this reason that I am deeply concerned about the real effects of this budget proposal. In addition Senators should be reminded that the National School Lunch Program is not only a popular program with a proven track record of success, but it also encourages the domestic consumption of nutritious agricultural commodities, products our farmers have grown. This not only helps us rid our stockpiles of surplus agricultural commodities, but helps build proper eating habits for our children. Thus, this program helps our children, our farmers and our very future.

Mr. President, let me summarize what I have stated today. In 1981, I supported the cuts in child nutrition and other programs because I felt it necessary to get this country back on its feet. This year however, I think we have gone too far. We are not talking about subsidies and programs which help corporations, interest groups, and others who can fend for themselves—we are talking about child nutrition programs—food for our children. If we impose these cuts on the school lunch and day care feeding programs, we risk preventing thousands of schools and millions of children from receiving the proper nutrition they need for their health and well-being. This program has and continues to serve its purpose well—providing nutritious and well-balanced meals to all children.

This is not a partisan issue and never has been. Many of our colleagues recently received a letter in support of this amendment from the former Republican leader of the Senate, Senator Hugh Scott. He closes his letter by saying:

> As we all know, hungry children cannot learn. Let us not return to the days when poor children could not afford a school lunch and sat by and watched as other children enjoyed their lunch.

Senator Scott's summary is a fitting one for my feelings. I urge the adoption of my amendment and ask for the yeas and nays.

The PRESIDING OFFICER (Mr. Denton). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I yield myself 2 minutes. I compliment the distinguished Senator from Florida on her remarks and have great admiration for the former U.S. Senator, Senator Scott. I would mention that I believe he is a lobbyist for the American School Food Service Association. I would expect him to support the program. Basically they are a fine outside group supporting her amendment. Let me suggest that whenever we suggest changing a program like this, some people claim it is the end of the world. They claim that there is just no question about the ends to which we are effecting nutrition in our country through these changes. Well, the truth of the matter is that in this leadership package, only change recommended is a 12-cent subsidy for the nonpoor children who now get a 12-cent subsidy for school lunch. What children are these? These children are from households, with incomes 185 percent above poverty and from families with an average income of $33,000.

I really could stop there and just ask the U.S. Senate if our Nation with a $200 billion to $250 billion deficit and undergoing a major effort to reduce it to help everyone—including these families with $33,000 incomes—so that they are all going to have jobs and so their children can have jobs—if as part of a package we cannot ask these families to pay the 12 cents which the American people are now paying as a subsidy, then I frankly do not know if we can ever cut the deficit. I do not know that we could ever justify reducing the deficit under any circumstances.

I want to answer one other question. Every time we talk about the school lunch program, those who run the programs come up here and tell us, "Well, we understand a 12-cent subsidy is not bad, but we are going to lose the whole program because so many children will stop using it that we are going to close our cafeterias all over the country because these young children, instead of paying 12 more cents are going to stop buying lunches, and we will close the program down.

Mr. President, we heard that the last time when we had a slight change. The cafeterias did not close down. We do not believe they are going to close down this year, either. We believe the parents are going to find it is a great program and they will pay the 12 cents and if the schools themselves are subsidizing the programs, they are going to keep it going.

This is a small savings, $1.6 billion in outlays out of a package we are trying to put together of $300 billion. I think we ought to do it.

I am sure there are excesses for everything and justifications for everything in the budget, but I just wonder when we are ever going to find policies that we cannot afford to pay for any longer.

I yield whatever time we have remaining to the distinguished Senator from North Carolina [Mr. Helms], the chairman of the Agriculture Committee.

Mr. HELMS. Mr. President, I have the greatest respect and admiration for the distinguished Senator from Florida [Mrs. Hawkins], but we have leaned over backward to be fair. What we are talking about, as Senator Domenici said, is the subsidy for schoolchildren from families who clearly are not poor, by any reasonable definition.

Mr. President, may I have the Senators' attention?

Mr. DOMENICI. Yes, indeed, Mr. President.

Mr. HELMS. We have not touched the poor children, have we?

Mr. DOMENICI. That is correct, Mr. President.

Mr. HELMS. Nor have we touched the so-called middle-income children receiving reduced-price lunches?

Mr. DOMENICI. That is correct, Mr. President.

Mr. HELMS. Mr. President, what we are talking about is about $400 million this year, $500 million next year, $600 million the next, of add-on to the deficit to pay the 12 cents for affluent children, if you want to use the word "affluent." I know of no credible testimony in the Agriculture Committee to indicate that any cafeterias have been closed down as a result of the modest correction we made in 1981. But for 12 cents from families at—is it 180 percent?

Mr. DOMENICI. 185 percent, Mr. President.

Mr. HELMS. 185 percent of poverty, I do not think that is too much to ask, Mr. President. The question is, Are we going to draw the line, are we going to try to save money, are we going to expect the people who are able to pay to pay for the school lunches and other nutrition programs? I think that is a fair proposition.

Child nutrition programs are an important, and large, part of the Department of Agriculture. Over $5 billion of the Department's budget is spent in this area—$3 billion for the School Lunch Program and over $2 billion for the school breakfast, child care food, summer, and WIC programs.

Significant budget restraint is proposed in this area within the President's fiscal year 1986 budget.

A reduction, rather than total elimination, of the subsidy to nonpoor families is contained within the Taxpayer Protection Plan, the Senate/administration agreement on the budget.

Mr. President, I am certainly aware that child nutrition programs are popular; indeed, they are popular with the Senator from North Carolina. But we all have some real soul searching to do this year about what we can afford—in these programs and other programs.

Perhaps it would be helpful to have a clear understanding of exactly what the income eligibility criteria and reimbursement rates are for the School Lunch Program.

The Federal Government provides reimbursements to schools for lunches served to all children under three types of categories based on family income. Children from families with incomes under 130 percent of poverty—the same eligibility level as exists

for the Food Stamp Program—are served a lunch at no cost to the student, a so-called free luch.

Students from families with incomes between 130 and 185 percent of poverty are classified as reduced-price students because they receive a lunch for only a minimal charge—currently with a maximum charge of 40 cents. Students from families with incomes over 185 percent of poverty receive a lunch for which they typically pay about 92 cents. However, a Federal reimbursement is still provided.

The following table outlines the estimated new income eligibility criteria for each of these categories beginning July 1, 1985, as compared with 100 percent of the poverty level.

INCOME ELIGIBILITY STANDARDS FOR FREE AND REDUCED-PRICE LUNCHES IN THE SCHOOL LUNCH PROGRAM

[July 1, 1985–June 30, 1986]

Family size (185 percent level)	OMB poverty income level, 1985 [1]	Free meal eligibility (130 percent of poverty level)	Reduced price eligibility of poverty
1	$5,250	$6,825	$9,713
2	7,050	9,165	13,043
3	8,850	11,505	16,373
4	10,650	13,845	19,703
5	12,450	16,185	23,033
6	14,250	18,525	26,363
7	16,050	20,865	29,693
8	17,850	23,205	33,023
Each additional person	+1,800	+2,340	+3,330

[1] Federal Register, volume 50, March 8, 1985, page 9518. Estimates for 130 and 185 percent of poverty computed by Susan Schillmoeller, Education and Public Welfare Division, Congressional Research Service, Library of Congress, April 4, 1985.

Reimbursement rates are indexed annually on July 1. Following are the reimbursement categories and the levels in effect beginning July 1, as reported by the Congressional Research Service of the Library of Congress:

Section 4 "basic assistance"—a flat per-meal reimbursement which is the same for all income categories (estimated to be 12.5 cents per meal effective July 1).

Commodity assistance; a flat per-meal reimbursement which is the same for all income categories (estimated to be 12.25 cents effective July 1).

Section 11 "special assistance"—differing amounts available only for free and reduced-price lunches (estimated to be 118.5 cents for free and 78.5 cents for reduced-price, effective July 1).

The projected basic rates for all Federal subsidies at each income category are as follows:

Projections of per-meal reimbursements [1]
July 1, 1985–June 30, 1986

[In cents per meal]

Free	143.25
Reduced-price	103.25
Paid	24.75

[1] Source: Congressional Research Service.

The fact of the matter is that the Federal Government will spend about $700 million annually to subsidize lunches to schoolchildren who are from families well above the poverty line, indeed, above 185 percent of the poverty line—which amounts to almost $20,000 for a family of four. About 75 percent of such families have incomes over 250 percent of poverty, or over $26,000 for a family of four. The average income is $33,000.

I am troubled, however, by this fact—that while the average family receiving benefits from the school lunch subsidy to paying students has an income of $33,000, the average taxpayer supporting this and other Federal programs has an income of $25,000 or so. Frankly, I find it difficult to rationalize continuing a policy which taxes citizens in expectation of spending their tax dollars on programs to support programs for those with considerably higher income—and a greater ability to pay, out of their own pockets, for the benefits from this and certain other programs.

Mr. President, I have wondered how many of the present Federal programs could be started, or enacted, now if this year were the year they were being initially proposed—knowing what we do about the size of the deficit. Frankly, I do not think many of these programs would be begun under these circumstances. We would come to the conclusion, in my judgment, that we simply cannot afford many of these programs—even though they may have done a great deal of good, even though they are popular with our constitutents, and so forth. Similarly, it seems we simply must give greater scrutiny in determining whether we can afford to continue some of these programs.

The School Lunch Program is generally a fine program. It has served the Nation well. My primary concern is whether we—as a nation with a $200 billion annual deficit—can continue to spend hundreds of millions of dollars for schoolchildren who are not poor by anyone's definition. We will still be spending well over $2 billion annually for those who are poor and additional millions for those who are somewhat above poverty.

The Senate/administration compromise is a reasonable approach to reduce overall spending, and one which I hope this Senate will accept.

I have heard many of the arguments from supporters of the School Lunch Program. They claim that the program will come to some ruinous end. They claim that hundreds of schools and thousands of students will drop out of the program. And, underneath it all, they fear for the loss of their jobs in operating the School Lunch Program.

With all due respect to my friends, I have heard these same arguments—sometimes used almost as scare tactics—before. They said similar things in 1980 and 1981. We adopted major changes anyway, and the program has not only survived, but thrived. The overall objective then, and now, was to retarget Federal benefits to the poor.

The Congress has demonstrated in 1980 and 1981 that we can make major reductions in spending for child nutrition programs without demolishing the programs. We can make careful, selective reductions this year without doing damage to the operation of these programs.

I support the overall leadership package, including what I believe to be the reasonable reductions proposed in the School Lunch Program. Neither the administration, nor the leadership, is trying to terminate, or otherwise undermine, the School Lunch Program. We are trying to find specific ways to achieve overall budget reductions.

If we fail to make these reductions now, more severe changes may be necessary in this and other programs in the future.

Opponents of the compromise should address themselves squarely not only to the specific child nutrition proposals, but also to the budget context in which they must be considered. For this is the context in which we, as Senators, must evaluate these proposals. It would be wonderful if we could consider child nutrition programs in a vacuum. I would prefer that the overall Federal fiscal picture did not require economy measures. However, we must deal in the realistic budget context that faces us.

The point also needs to be made that even with the savings included in the resolution, significant expenditures will continue for nonpoor children.

The resolution proposes to eliminate the existing 12 cents per meal for nonpoor children—those with incomes over 185 percent of poverty.

However, the 12 cents in commodity assistance will continue.

Additionally, the Department of Agriculture has supplied about 10 to 12 cents per meal for all children in bonus commodities under discretionary authority of the Secretary.

Thus the elimination of support proposed in the resolution is only one-third of that provided under the present program.

Let me comment just briefly on the ramifications of reinstating a means test for the day care home portion of the Child Care Food Program. The situation here has changed dramatically.

In 1980, at the time the means test was eliminated, approximately two-thirds of the children were from families with incomes below 185 percent of poverty. It was argued that inasmuch as most children were at the low or fairly low end of the economic spectrum, administrative simplification would warrant an elimination of the means test.

However, in two audits conducted by the Department of Agriculture and the Office of Inspector General of the Department of Agriculture, it is now clear that this distribution has shifted significantly. Now rather than two-thirds under 185 percent of poverty, about two-thirds are above 185 percent of poverty.

There has been an increase in the number of participants as well as the distribution, meaning that enormous new costs have been associated with the large influx of nonneedy children participating in this federally subsidized program.

I ask unanimous consent that the following table outlining the distribution be printed at the conclusion of these remarks.

There being no objection, the table was ordered to be printed in the Record, as follows:

FREE, REDUCED PRICE, AND PAID INCOME CATEGORIES WITHIN FAMILY GROUP DAY CARE HOMES

[In percent]

	1980	1982
Free (below 130 percent)	44	25
Reduced price (130 to 185 percent)	24	11
Paid (above 185 percent)	32	64

Mr. HELMS. Mr. President, action is clearly needed to curb these trends. The reinstatement of the means test—as assumed in the resolution—is exceedingly reasonable.

In conclusion, Mr. President, there is nothing more important that we could do for America's children—of all income levels—than to reduce overall Federal spending. For if we fail to do so, it will be these same children who will be the citizens and taxpayers of the future who will bear the enormous costs of today's exorbitant spending—even that done in their name.

As much as I respect the able Senator from Florida and agree with her 99 percent of the time, I must regretfully differ with her on this amendment and I must oppose it.

I thank the Senator from New Mexico for yielding to me.

Mrs. HAWKINS. Mr. President, in response to statements that have been made, information provided to me shows that over 2,000 public schools did close their school lunch program after the cuts in 1981, and this is a much deeper cut per meal than we made in 1981. I daresay that the figures I am talking about on the proposed closings are accurate and that we should consider again that the original intent of the law was to see that our young people got adequate nutrition during their growing years so they could then be physically fit to serve in the military. At a time when we are increasing military expenses and there are dire emergencies around the world and we are looking to our teenage children. I think it is very appropriate that we consider this cut, we restore this cut, if nothing else to stop the proliferation of these handy-dandy machines that give whatever you want of junk food that will probably take their place in the schools.

Mr. HELMS. Mr. President, how much time remains on this side of the aisle?

The PRESIDING OFFICER. Two minutes remain to the opponents.

Mr. HELMS. Mr. President, I think the Senator from Florida may have misunderstood me. I said closing the cafeterias as a result of the action in 1981.

Sure, there have been cafeterias closed, but let me tell the Senator why they have closed. It is not because of any adjustment in the cost of programs, but because of declining school enrollments, because of school consolidations, because of the elimination of high-tuition private schools—those with tuition charges over $1,500 per year—and because we tightened income eligibility verification.

Those cafeterias—sure, they have closed. But I contend that not from any credible testimony that has been given. Can we conclude that there have been any cafeterias closed just because these children in the so-called upper-income category of the three groups listed have been required to pay more toward their own lunches—which, by the way, cost about 92 cents apiece.

I say to the Senator that I admire her motives, but I do not think the facts justify her amendment. Again, I must reiterate that I cannot support it.

● Mr. KERRY. Mr. President, I stand before you to support an amendment being offered by my distinguished colleague from Florida, Senator Hawkins. Her amendment will restore funding to essential child nutrition programs; programs that are critical to our children's health, growth and development. Senator Hawkins' amendment will fund the School Lunch, School Breakfast and Child Care Food Programs at current service levels over the next 3 years.

The White House/Republican leadership compromise budget, on the other hand, will eliminate these vital nutrition subsidies for children from families of four whose earnings exceed $18,870 a year. This reduction will not only prove devastating to our children's nutritional needs, but the entire programmatic system as well.

For example, in my own State of Massachusetts, the School Lunch Program serves approximately 550,000 students every year. If cut, however, an estimated 91 school districts would be forced to abandon this successful program. It will no longer be economically feasible for schools to participate due to the fact that upper-income payments often support the cost of the total School Lunch Program. In Massachusetts alone, these cuts will translate into approximately 225,000 children being forced out of the program. A recent survey in Massachusetts concluded that 17,000 children are undernourished throughout my State. Undoubtedly, no Member of this Congress would like to witness or even shoulder the responsibility for an increase in that number.

Nationally, the statistics are even more devastating. Since 1981, when Congress enacted deep cuts in child nutrition programs, an estimated 2.5 million children were dropped from the School Lunch Program; close to 700,000 low-income children are no longer served, and an estimated 2,700 schools have had to end their programs. In addition, numerous studies have concluded that hunger among children is rampant throughout America.

Mr. President, the key to our future is through a major investment in our children. The truth is, children lose when Congress cuts these critical programs that are essential to their full development. Unable to vote or register their opinion in government, our children and their needs must be one of the most important responsibilities of this Congress. It is for these reasons, Mr. President, that I urge my colleagues to support this amendment.●

● Mr. BOSCHWITZ. Mr. President, I rise today in support of, and to cosponsor, Senator Hawkins child nutrition amendment.

The President's budget and the Senate Budget Committee recommended $700 million in savings in child nutrition next year. The bulk of the savings would come as a result of eliminating the school lunch subsidy to the "paying child." As you know, current law under section 4 requires the Federal Government to pay schools 12 cents in cash and 12 cents in commodities for each school lunch served. Additional subsidies are given under section 11 for meals served to children from needy families—below 185 percent of poverty. A family of four with an income less than $19,600 will be below 185 percent of poverty next year. The rest of the savings would come from a freeze in cost-of-living adjustments for all child nutrition programs and means testing the family day care home participants in the Child Care Food Program.

With my support, the White House Senate leadership budget package reduced those cuts to $400 million. Those savings would be achieved by eliminating the cash subsidy to the paying child—but leaving the commodity subsidy in place—and means testing the family day care home participants in the Child Care Food Program. But I think even these cuts go too far and would not allow the School Lunch Program and the Child Care Food Program to operate effectively and feed hungry children.

Why should the section 4 subsidy to middle and upper-income families not be cut? First, look at the history of the School Lunch Program. Although during the 1930's and early 1940's there was some early assistance for School Lunch Program operations in an effort to dispose of surplus commodities, the major legislation governing the School Lunch Program was the National School Lunch Act passed by Congress in 1946. The National School Lunch Program got off the ground right after World War II because there was a significant degree of nutrition health problems that resulted in people being turned down for the draft. Dr. Thomas Parran, the Surgeon General of the U.S. Public Health Service, testified before the Senate Agriculture Committee in hearings on school lunch and the draft in May 1944. He testified about a study conducted in Hagerstown, MD that showed that 70 percent of children who had fair or poor nutrition, 10–12 years later were not accepted by the Selective Service. General Hershey, the head of the Selective Service, testified that probably half of all men rejected for the draft were rejected because of poor nutrition in childhood. Based on this testimony, and the timing of the legislation establishing the School Lunch Program, it is clear that the National School Lunch Program was begun, at least in part, to ensure that we would have healthy and able-bodied citizens capable of defending out country. That need is no less compelling today.

Second, eliminating paid-lunch subsidies will result in a reduction in participation in the School Lunch Program. According to the Department of Agriculture there is a correlation of 0.8 percent participation reduction for each 1-cent reduction in the paid lunch subsidy. Eliminating next year's projected 12.5 cents in cash subsidies for paid lunches would mean a 10-percent reduction in participation. This means 1.17 million children dropping out of the School Lunch Program. These figures do not even take into account schools that may stop participating in the School Lunch Program if the paid subsidy is eliminated. Consequently, even more children would lose the School Lunch Programs benefits—low-income children—if schools decide to drop the School Lunch Program. According to the Congressional Research Service, the decline in schools participating in the School Lunch Program after paid lunch subsidies were partially reduced in 1982 suggests that total elimination of cash subsidies would almost certainly result in some schools dropping the program. What's the result if children and schools drop the School Lunch Program? For every child not participating we lose the opportunity to ensure that that child is getting at least one nutritious meal per day. We lose the economies of scale that allow School Lunch Programs to be run economically and efficiently with higher participation.

Third, means testing the family day care home participants in the Child Care Food Program would be an administrative nightmare that will cause many day care providers to go underground. The Child Care Food Program is the carrot that keeps many day care providers licensed and ensures they are properly trained and caring for children in a safe environment. This nutrition program is the key component of the Federal Government's support for day care and should be maintained.

The policy issue can be reduced to a simple question: "Does the Federal Government have a role in ensuring that children receive nutritious meals and consequently assist the nutritional health of all children?" My answer must be yes. I believe the Federal Government has an obligation to prepare today's children to be tomorrow's strong, healthy, and well-educated citizens.●

● Mr. BOREN. Mr. President, I am pleased to join my colleague, Senator Hawkins, in offering this amendment. The Senste Republican leadership-White House budget plan calls for a $400 million reduction in child nutrition funding during fiscal year 1986, and a $1.8 billion cut over 3 years. The majority of the savings are derivative from the School Lunch Program by the elimination of support provided for meals served to paying children.

There are those who believe we should eliminate support to students who are in the paid category; that is, those from families with incomes above $19,600. If it were as simple as having these students pay the full cost of a lunch at current prices, perhaps we would want to do this. The ramifications of the present proposal, however, are far from this. Decreasing the amount of support to schools leaves many schools with few options: To raise the prices dramatically to recover the lost income or to drop out of the School Lunch Program altogether. This is particularly the case in those institutions which have a high percentage of paying students. As one can imagine, the impact of increased prices will be that fewer students will be able to afford a hot lunch.

Dropping out of the School Lunch Program entirely will leave many needy children without the means to have lunch at all. When a school is forced from the National School Lunch Program, all children, including poor children, lose access to the program. The so-called high income subsidy is in reality a grant-in-aid to schools for the support of the basic infrastructure of the School Lunch Program, not a transfer payment to individuals.

The School Lunch Program is very important to all children. A 1982 Department of Agriculture study on the School Lunch Program found it to be nutritionally important to children in all income categories. It states that "the superiority of the school lunch is reflected in higher daily intake of nutrients for the general schoolage population and for all the population subgroups that were examined." The fact is simply that hungry children do not learn. To not provide all our children with a hot lunch adequate to meet minimum nutritional standards would be very shortsighted on our part.

Under the original proposal to reduce child nutrition funding by $700 million, the Congressional Research Service estimated that 7.3 million children and approximately 17,900 schools were at "risk of dropping from the program." The American School Food Service Association estimates with the elimination of the paid subsidy, 3 to 5 million children and 5,000 to 6,000 schools will be forced from the National School Lunch Program.

We have, in the past 4 years, already cut the School Lunch Program substantially. The Omnibus Reconciliation Act of 1981 reduced child nutrition funding by approximately one-third. While the child nutrition programs represented less than one-half of 1 percent of the total Federal budget, they shouldered 4 percent of the cut enacted as part of the Omnibus Reconciliation Act. We do not need to cut this program any further.

Mr. President, I urge my colleagues to support this amendment. None of us should ever apologize for supporting the School Lunch Program. There may be waste in other programs; food stamps, for example, may be diverted to other purposes and the children may never get the good meals which they need at home. At least under this program, we know that the children who need it get a balanced and nourishing meal. If cuts have to be made, they should be made in other programs which are more subject to abuse and not in this one.●

● Mr. KENNEDY. Mr. President, I rise in strong support of the amendment being offered by my distinguished colleague from Florida, Senator Hawkins. This amendment is critical to the well-being of millions of young children across our country and it deserves particular attention by every Member of the Senate.

This amendment will provide the programs under the Child Nutrition and School Lunch Act with current services funding over the next 3 years. The Republican leadership/White House compromise budget plan would cut these programs by almost $1.8 billion over the next 3 years. I would hardly call the President's budget plan before us today a fair compromise when he is compromising the health and well-being of millions of our children.

For those of my colleagues who may not remember, in 1981 the Omibus Budget Reconciliation Act reduced child nutrition funding by 33 percent. Even though child nutrition programs represent only one-half of 1 percent of the total Federal budget, these programs shouldered a 4-percent cut in 1981, one of the deepest cuts of the needs-based Federal programs that year.

There have been consequences to the cuts enacted 4 years ago. Over this period of time, 2.4 million children have dropped out of the School Lunch Program. Some of this drop can be attributed to declining school enrollment, however, a full 2 million of these children lost school lunch services because of President Reagan's cuts. Over half of these 2 million schoolchildren who no longer receive school lunch are poor. Participation in the School Breakfast Program has declined by 380,000 children since 1981. Over 60 percent of this decline represents low-income children who now must remain hungry during the school day.

Since 1981, Congress has worked hard to, at the very least, maintain funding for these important services. President Reagan is asking schoolchildren to bear an unfair burden for the next 3 years so that the budget deficit which he created can be reduced. I believe that the critical budget situation can be solved, but not at the expense of young children.

This year President Reagan and the Republican leadership in the Senate propose to eliminate the Federal support to schools for meals to children who do not live below 185 percent of the poverty line; freeze the reimbursement for free and reduced-price meals thus forcing schools to absorb the cost of food price inflation; and impose a means test for children in family day care homes who participate in the Child Care Food Program. These changes all together would guarantee that between 3 to 5 million children and 5,000 to 6,000 schools will drop out of the lunch and breakfast programs and many more very young Americans will lose their meals and snacks in family day care homes.

We have evidence that the child nutrition programs work. A recent USDA study indicates that the School Lunch Program improves the nutritional intake of children in all income categories.

I would like to remind my colleagues that the National School Lunch Program is a food and nutrition program aimed at improving the health of all children, not just poor children. The act was established in 1946 as a measure of national security to safeguard the health and well-being of all the Nation's children. As a matter of fact, Mr. President, section 4, the so-called middle-income subsidy has been in place since the law's inception. It wasn't until the early 1970's that funds for free and reduced-priced meals for poor children were added.

Finally, Mr. President, the most compelling evidence we have of the critical need for restoration of child nutrition funds is the devastating increase in the number of poor children in our country over the past few years. The most recent census statistics show us that now, one in every four children under the age of six lives in poverty. Both Census and GAO tell us that the number of low-income children in school went up over the past 4 years, and, the total number of Americans living in poverty has increased over 9 million or 35 percent since 1979, the largest increase since poverty has been recorded.

These statistics are not new, but it seems that the White House has yet to become acquainted with them. It is clear that the President has yet to become acquainted with the millions of children who are poor and who go to school hungry in this Nation. If we do not fight for these children in Congress today, we will all become acquainted, each and every one of us, with the devastating effects that these cuts will have on our next generations and the future of America.

I urge my colleagues to invest in our children and our future by adopting this amendment.●

● Mr. DOMENICI. Mr. President, the Senate-White House agreement assumes spending in the child nutrition program of $3.7 billion in fiscal year 1986, and $11.6 billion over the fiscal year 1986–88 period.

The agreement assumes that upper-income cash subsidies—but not commodities—paid to schools and institutions for children from higher-income families would be eliminated, and the COLA would be temporarily restrained.

In an era of $200 billion dollar yearly budget deficits, the Nation simply cannot afford to subsidize the nonneedy.

The proposal would not affect free meal recipients, and reduced price meal recipients would pay no more than 40 cents per lunch as under current law.

The nonpartisan Congressional Budget Office estimates that no more than 2 percent of free and reduced-price meal participants—about 240,000 children—would lose access to school lunch as a result of the changes, and that number may be as low as 36,000 children.

Similar claims of massive participation reductions in 1981 proved unfounded. More children received free meals in 1985 than in 1981. Meal reductions were due to declining enrollments, school consolidations, and elimination of high-tuition private schools.

The budget maintains Federal spending for needy children while eliminating support for upper-income children.

About 12 cents in daily subsidies for nonneedy children would be eliminated.

These children—from households above 185 percent of poverty—are from families with average incomes of $33,000 who can afford to pay an extra 12 cents a day.

The school lunch program will maintain its integrity.

Free and reduced price support represents 85 percent of Federal dollars provided in the School Lunch Program.

The average school would lose 6 percent of its funds, but predominately low-income schools would lose almost no funds.

School lunches would still be a bargain. They are cheaper and more nutritious than fast food and other lunches.

The cost of producing a school lunch increased 7 percent between 1979 and 1984. But the index used to adjust child nutrition subsidies increased by 32 percent in the same period.

In family day care homes that participate in the child care food program, a family income test would be reinstated as part of the effort to eliminate subsidies to the nonneedy.

In this program, all children receive a free meal, but about 65 percent of the participants are upper-income children—from households above 185 percent of poverty.

Since day care home providers already must pass a means test to qualify their own children for the program, this would not be a new and unfamiliar requirement.●

CHILD NUTRITION IN THE UNITED STATES

Mr. DeCONCINI. Mr. President, I am pleased to support the amendment being offered by my distinguished colleague, Senator HAWKINS, to restore funding for child nutrition programs for the next fiscal year. The restoration of funding is necessary to maintain adequate school breakfast and lunch programs, prenatal and infant nutrition programs for our Nation's children.

During the past 4 years a series of significant cuts have been made in programs for the elderly, poor, the homeless, and hungry. I have always believed that every human being has a right to the basic resources necessary to sustain a dignified and productive life, and that all of us in society have the responsibility to protect that right. A hungry man, woman, or child is not positioned to realize his or her full potential.

Hunger is widespread today in every region of this Nation, and there is compelling evidence that hunger is associated with infant mortality, low birth weights and other adverse health conditions. Throughout this country, in the cities, towns, and rural areas, you can observe human hunger and poor health in soup kitchens, school lunch rooms, homes, clinics, and feeding sites for the elderly. Hunger has returned to America and is increasing daily, but it can be decreased and its consequences moderated. The extent of hunger today has a direct correlation to the recent cuts in our Federal programs.

The most dramatic fact about hunger today is that it has managed to return so quickly and is growing at such a rapid rate. Starting in 1982 and continuing throughout 1983–84, compelling evidence has revealed that a large number of our American citizens are going without the necessary food to keep them alive and healthy. The stories and reports from television and researchers are reminiscent of the Great Depression, when soup kitchens fed family after family. The researchers soon learned that many of the hungry were the result of our society's economic and technological changes.

In 1982, the Centers for Disease Control reported in its national nutrition surveillance survey of over 400,000 children some very discouraging information. It revealed that some 8.5 percent of the children under age 6 were stunted, and about 7 percent were anemic. If these rates are applied to the national population of low-income children, it would mean that more than 500,000 American children under the age of 6 are likely to be malnourished.

From this standpoint, can we as a nation afford to cut our Federal nutrition programs and jeopardize our pedicatric population? It's very clear to this Senator that malnutrition is a serious problem in these United States. It seems that we can respond to an outbreak of a disease from an unknown etiology, which has no relationship to Government programs, economic policies or politics, but it seems that the Reagan administration cannot or will not respond to hunger, whose rise can be traced to cuts in the programs that prevent it.

Mr. President, this amendment is our commitment to nourish the children of our Nation to build a better tomorrow. As the late Dr. Martin Luther King, Jr., stated, "* * * let them say that I tried to feed the hungry". I commend the distinguished sponsors of this amendment and urge its adoption.

Mr. DOMENICI. Mr. President, is there any time remaining on the amendment?

The PRESIDING OFFICER. The Senator from Florida has 1 minute.

All time has expired on the part of the opponents.

Mrs. HAWKINS. Mr. President, I yield back my time.

Mr. DOMENICI. I move to lay the amendment on the table, Mr. President. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maryland [Mr. MATHIAS] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 36, nays 60—as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—36

Abdnor
Armstrong
Cochran
Denton
Dole
Domenici
Garn
Goldwater
Gorton
Gramm
Hatch
Hecht
Helms
Humphrey
Kassebaum
Laxalt
Lugar
Mattingly
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Specter
Stevens
Symms
Thurmond
Trible
Wallop
Warner

NAYS—60

Andrews
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
Cohen
Cranston
D'Amato
Danforth
DeConcini
Dixon
Dodd
Durenberger
Eagleton
Evans
Ford
Glenn
Gore
Grassley
Harkin
Hart
Hatfield
Hawkins
Heflin
Heinz
Hollings
Inouye
Johnston
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Stafford
Stennis
Weicker
Zorinsky

NOT VOTING—4

East
Exon
Mathias
Wilson

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question recurs on the amendment. The yeas and nays have been ordered.

Mr. DOMENICI. Mr. President, I yield myself a half a minute on the resolution.

Will the distinguished Senator from Florida agree to our accepting the amendment and vitiating the yeas and nays?

Mrs. HAWKINS. Certainly.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the yeas and nays be vitiated.

Mr. BYRD. Mr. President, reserving the right to object.

Mr. President, I remove my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 77) was agreed to.

AMENDMENT NO. 79

(Purpose: To freeze function 450 (Community and Regional Development) at fiscal year 1985 levels, and to preserve rural housing programs of the Farmers Home Administration at reduced levels)

Mr. SASSER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Tennessee [Mr. SASSER] for himself, Mr. RIEGLE, Mr. SPECTER, Mr. STENNIS, Mr. HART, Mr. GORE, Mr. ROCKEFELLER, Mr. BURDICK, and Mr. HOLLINGS proposes an amendment numbered 79.

Mr. SASSER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $5,100,000,000.

On page 3, increase the amount on line 13 by $5,300,000,000.

On page 3, increase the amount on line 14 by $6,300,000,000.

On page 3, increase the amount on line 18 by $2,200,000,000.

On page 3, increase the amount on line 19 by $4,100,000,000.

On page 3, increase the amount on line 20 by $5,400,000,000.

On page 3, increase the amount on line 25 by $2,200,000,000.

On page 4, increase the amount on line 1 by $4,100,000,000.

On page 4, increase the amount on line 2 by $5,400,000,000.

On page 4, increase the amount on line 6 by $2,200,000,000.

On page 4, increase the amount on line 7 by $6,300,000,000.

On page 4, increase the amount on line 8 by $11,700,000,000.

On page 4, increase the amount on line 12 by $2,200,000,000.

On page 4, increase the amount on line 13 by $4,100,000,000.

On page 4, increase the amount on line 14 by $5,400,000,000.

On page 5, increase the amount on line 3 by $3,100,000,000.

On page 5, increase the amount on line 10 by $3,800,000,000.

On page 5, increase the amount on line 17 by $4,000,000,000.

On page 15, increase the amount on line 8 by $2,500,000,000.

On page 15, increase the amount on line 9 by $1,500,000,000.

On page 15, increase the amount on line 11 by $2,400,000,000.

On page 15, increase the amount on line 17 by $2,600,000,000.

On page 15, increase the amount on line 18 by $2,200,000,000.

On page 15, increase the amount on line 20 by $2,500,000,000.

On page 16, increase the amount on line 1 by $3,000,000,000.

On page 16, increase the amount on line 2 by $2,600,000,000.

On page 18, increase the amount on line 4 by $2,600,000,000.

On page 18, increase the amount on line 8 by $2,600,000,000.

On page 18, increase the amount on line 9 by $700,000,000.

On page 18, increase the amount on line 11 by $700,000,000.

On page 18, increase the amount on line 17 by $2,500,000,000.

On page 18, increase the amount on line 18 by $1,700,000,000.

On page 18, increase the amount on line 20 by $1,300,000,000.

On page 19, increase the amount on line 1 by $3,000,000,000.

On page 19, increase the amount on line 2 by $2,500,000,000.

On page 19, increase the amount on line 4 by $1,400,000,000.

On page 33, increase the amount on line 2 by $200,000,000.

On page 33, increase the amount on line 3 by $200,000,000.

On page 33, increase the amount on line 11 by $300,000,000.

On page 33, increase the amount on line 12 by $300,000,000.

Mr. DOMENICI. Mr. President, will the Senator yield for a request on time?

Mr. SASSER. I yield.

Mr. DOMENICI. I wonder if the distinguished sponsor of the amendment would agree to 15 minutes on his side and up to 15 minutes in opposition?

Mr. SASSER. Yes; that will be agreeable.

Mr. DOMENICI. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Chair, and I thank the distinguished Senator.

Mr. SASSER. Mr. President, the amendment that Senator Riegle, Senator Stennis, and I are offering today is designed to reinforce the Federal Government's commitment to economic and community development of our Nation.

We are joined in this effort by cosponsorship on the part of Senators Specter, Hart, Gore, Rockefeller, Burdick, and Hollings, in addition to Senator Riegle and Senator Stennis.

The amendment that we offer effectively protects those economic development programs which are contained in budget function 450. Namely, the urban development action grant program, the community Development Block Grant Program, the Appalachian Regional Commission, the Economic Development Administration, and TVA.

The amendment also preserves the Farmers Home Administration Rural Housing Programs at a level which amounts to a 25-percent reduction in 1986.

The amendment that we offer is consistent with the notion of spending restraint embodied in the spending freeze proposals which, I submit, are gaining support from both sides of the aisle. Our amendment, however, would bring spending in both functions 370, Commerce and Housing Credit, and 450, Community and Regional Development, below the freeze level, thus realizing even greater deficit reduction.

What is rejected here are the proposals advanced in the so-called White House/Republican leadership package to abolish many of the economic and community development programs which have been essential to the growth and development of areas of this country which otherwise would not have benefited from the economic recovery.

These programs are designed to benefit communities regardless of political ideology or orientation. Poverty, squalor and hopelessness are not the sole province of any one particular party. Local officials, both Republicans and Democrats, liberals and conservatives, have made good and efficient use of these moneys furnished by these programs over many years.

Earlier this year I held budget hearings across my State on the proposed elimination of these programs and the impact this would have on the local economy. The testimony I received from local officials only served to reinforce what I had already expected: Namely, that there is overwhelming bipartisan support for these programs which cut across both political and ideological lines.

The second major component of this amendment addresses the proposed elimination of Farmers Home Administration Rural Housing Programs. These programs have served the needs of almost 2 million families and the elderly since 1949. Farmers Home has been the only source of mortgage credit in many of our rural areas with over 500 rural counties without a federally chartered savings and loan.

The National Association of Home Builders estimates that the elimination of new housing production in rural housing programs could generate the loss of close to $1 billion in Federal, State, and local taxes and the loss of over 80,000 jobs.

I must stress that the amendment which we are offering does result in significant savings from the CBO baseline. Over the next 3 years, the savings from this proposal will amount to some $8.6 billion. Although the amendment does call for additional funding above the so-called Rose Garden Two Compromise, it must be realized that the compromise calls for outright elimination of several of these programs, a prospect we find both unrealistic and undesirable.

APPALACHIAN REGIONAL COMMISSION

Early in the 1960 Presidential campaign, John F. Kennedy came face to face with the poverty and despair which characterized the region of this country known as Appalachia. This region essentially covers 13 different States stretching from New York to Mississippi.

Appalachia has been isolated both physically and culturally for generations. This isolation has particularly handicapped the young, limiting education, health care and the opportunity to find jobs. These limits helped perpetuate an outmigration of youth from the region, a sort of "brain drain", which only exacerbated the poverty, misery, and despair endemic to the eon.

I think the best description of the prevailing hopelessness which engulfed the region is contained in chapter 1 of the 1964 Report of the President's Appalachian Regional Commission: The report states that:

> Graphs and Tables can hardly relate the acutely personal story of a child in a remote valley, his horizon of opportunity limited to the enclosing hills; nor the despair of his father, who, idled by forces beyond his control and seeing no prospects of future employment, must live month in and month out with the vision of that child repeating his own history.

This report paved the way for the submission and ultimate passage of legislation establishing the Appalachian Regional Commission in 1985, just a little over 20 years to this date.

The act's stated purpose was to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis.

The ARC has been the quintessential embodiment of the public/private partnership concept. From an institutional perspective, ARC has blended local, State, and national perspectives in its policy and program decisions.

The ARC decision process involves each governmental level in a unique way. Cooperation among numerous Government agencies at all levels as well as various segments of the private sector form the basis for effective implementation of this essential economic development program.

ARC's accomplishments over the past two decades are many, and one need only travel throughout the region to see with their own eyes the benefits which communities have reaped from the program. Each time I travel through the upper east region of Tennessee, I only need to look around me: Highways built with ARC money which have provided access to previously isolated communities; the Tri-Cities Airport which opens up the Johnson City-Kingsport-Bristol communities to the outside world; educational institutions such as East Tennessee State University and vocational schools; health centers, sewer and water treatment projects, public buildings, and industrial parks. I could go on and on.

But with all that we have accomplished, there is still much work to be done. ARC has had a tremendous impact upon the region but it is unrealistic to suppose that 20 years of work could wipe out generations of neglect.

Appalachia still lags behind the rest of the country economically on the average, and certain parts of the region remain severely depressed. Small business investment companies in Appalachia still have less than 1 percent of the $818 million in private money held in the United States. The need to keep abreast of the rapidly changing job market and the shift to a service-oriented economy require that education and training needs in the region be kept up to date. Thus, continued partnerships among business, government, and education will be essential.

In sum, the Appalachian Regional Commission represents the sort of public/private partnership which ought to be the mainstay of the "new Federalism." It has enjoyed bipartisan support in the past and I sincerely hope that my colleagues will continue to support this concept in the future.

Mr. President, I ask unanimous consent to have printed in the Record an editorial from the Bristol Herald Courier/Virginia Tennessean of April 14, 1985, entitled "ARC's mandate not yet filled."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

ARC's Mandate Not Yet Fulfilled

Former Rep. W. Pat Jennings of Virginia's Ninth District has a paternal interest in the fate of the Appalachian Regional Commission. He was a member of Congress when the ARC was established and knows firsthand what it has meant to Southwest Virginia and Upper East Tennessee.

In the context of his remarks in Bristol Thursday night at the annual meeting of the Mount Rogers Planning District Commission, it would, indeed, be "absolutely absurd" to abolish the ARC. "Absurd," that is, to deny assistance to struggling Americans while "spending money on underdeveloped countries . . . that won't help themselves."

Mr. Jennings also demonstrated that it is easier to be a former congressman than an incumbent. In order to save the ARC, he said, along with other federally-funded programs, it will be necessary to raise taxes.

The former congressman's comments came at a time when the ARC is facing a phase-out as part of congressional (and Reagan administration) efforts to bring deficits down and get a handle on the mushrooming federal debt. Moreover, questions grow concerning how much, if anything, the federal government should do in the name of economic development.

Few programs have proved themselves as well as the ARC. Since its inception in the middle 60s, the number of Appalachian citizens living in poverty has declined 50 percent; the region's infant mortality rate has declined 50 percent, thanks to improved health care; the number of Appalachian residents who have completed high school has increased from 33 percent to 57 percent; nearly 400 health clinics and 2,000 miles of highway have been constructed. All this has been done with financial and planning assistance from the ARC.

For all this, the principal question is not *whether* the ARC should be abolished but *when*. The answer is "not now," and not in the near future. Much remains to be done.

The task of the moment is, or ought to be, one of determining what that "much" consists of: Roads? Health facilities? Water and sewer systems? Only when this information is available can Congress make a reasoned judgment on *when* the ARC will have fulfilled its mandate.

It should be abolished sometime—but it should be done slowly, not precipitately. To do otherwise, in Mr. Jennings' words, would be "absolutely absurd." Our government's hand-of-help should be extended first to Americans.

Mr. SASSER. Mr. President, I move to the Economic Development Administration.

ECONOMIC DEVELOPMENT ADMINISTRATION

Another program that I would like to focus on is the Economic Development Administration. EDA is similar to ARC in its orientation but its mandate was specifically more focused upon economic development. EDA was conceived as a depressed area agency with a largely rural focus and had a supply-side orientation aimed at reducing costs to potential investors as a means of attracting industry and creating jobs. It was to provide a stimulus to selfsustained growth in the private sector, not simply to effect income transfers to the long-term unemployed.

Given this mandate, it is always perplexing to me that this administration, with its stated objective of strong economic growth, is not reluctant in the least to eliminate successful programs which promulgate the very objectives the administration seems to hold so dear.

The EDA goal of promoting sound, long-range economic planning at all levels of government is a necessary corollary to the supplyside aid to infrastructure development that constitutes the bulk of EDA programs.

But just as important as the planning function, is the conceptual embodiment of the State/local/Federal partnership of public and private interests inherent in the Economic Development Administration programs. Truly, success can be measured in these programs by the involvement of local elected officials and citizens in them. By this standard, EDA is genuinely a success story.

EDA funds create permanent, private-sector jobs. In my own State of Tennessee, these programs have created more than 60,000 jobs since the inception of the Economic Development Administration in 1965. These jobs not only improve the economy of the State, but they improve the state of the economy.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The primary objective of the Community Development Block Grant Program, as outlined in section 101 of the Housing and Community Development Act Amendments of 1974, is to assist in "the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for reasons of low and moderate income."

The range of activities which have been undertaken to accomplish these goals include: the construction and improvement of roads; parking facilities and community centers; rehabilitation and repair of public buildings; planning; land acquisition and clearance; and social services. These activities form the bedrock of the basic infrastructure of many of this Nation's communities.

The social and economic stratification that led to the need to create the Community Development Block Grant Program is likely to continue and worsen with each cut in this valuable program. Thus, it is imperative that at the very least we maintain a freeze in this program at the current funding level for 1 year.

URBAN DEVELOPMENT ACTION GRANT PROGRAM

Once again, we find the administration attempting to put to rest this highly important and effective Community Development Program. The UDAG Program represents the singlemost prominent example of the concept of public and private cooperation in rebuilding and developing America's communities.

The program is designed to attract investment to distressed cities for projects that will create long-term jobs. The program leverages roughly $6 in private capital for every $1 in public investment. Over the past 4 years, the program has created some 232,000 jobs and has generated local tax revenues exceeding $270 million.

There has been a great deal of discussion over the past year involving changes in the funding formula because of weighted measures which distinctly favored certain regions of the country over others. I am pleased to say that just yesterday, after 8 months of bargaining and negotiation, Senators RIEGLE, GRASSLEY, D'AMATO, HEINZ, and myself announced agreement on a formula change which hopefully will address the inequities which have been present over the past several years. Thus, we have put the formula controversy behind us. It is now our responsibility to save the program.

FARMERS HOME ADMINISTRATION RURAL HOUSING PROGRAMS

Contained in the White House/Republican leadership compromise is a proposal to completely eliminate the Farmers Home Administration rural housing programs. These programs are targeted to low and very low-income people who would not otherwise be able to afford housing.

This proposal simply makes no sense at this time. Rural poverty is on the rise. Today, 3½ million rural households live in poverty.

Under the FmHA section 515 Multi-family Program, almost 75 percent of the tenants have incomes below $6,000. Under the section 502 single family programs, legislation mandates that 40 percent of all funds must go to borrowers with incomes of 50 percent of the area median or less.

Further, the economic recovery has simply passed many rural areas in this country by. The Deputy Under Secretary of Agriculture for Small Towns and Rural Development recently advised a delegation of rural housing officials that rural areas have not benefited from the national economic recovery at the same rate as the national average.

The reductions contained in this budget amendment are deep relative to the problems encountered in rural America. However, they are a far cry from the abandonment advocated by the Reagan administration. We should keep a keen eye on the budget deficit, but we must not close our eyes to rural America.

The Senators from Mississippi and Michigan have additional remarks on the specifics of the amendment, and I yield at this time to the distinguished senior Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, let me first say to my colleagues that the subject matter of this amendment is something about which I have personal knowledge and have been familiar with the problems that caused these segments and departments of the Government to be created for the purpose of bringing aid and assistance. I have been familiar with these facts all these years. They apply to an area where I was born and reared and have lived there all my life. So I do know the facts in connection with the problem.

Mr. President, take this Federal rural housing problem, the need, and let me discuss what we are going to do about it.

In spite of things that might not look perfect about it, I think it has been one of the great programs for America. Things have now moved to a higher price that cannot be met by these lower-income people. The banks as a whole now do not made enough money out of these loans to justify the added cost of the help and supervision that they would have to hire.

Now, the resolution proposes that there be a 2-year moratorium, that the program be suspended, and then passed over to another department of Government which means they do not now offer a solution, or a substitute therefor. It is just a matter of skipping and losing this time, and we will be right back where we started, and I think that even though the Farmers Home Administration may have some weak points, this housing program has been one of their best and it serves an absolute need.

There is no way to get along without the housing. There is no way to avoid the cost of it, which is really excessive. But the big thing is that nearly all of the principal sum of this money is paid back. The subsidy comes as a part of the interest, but by a relatively small part of that interest.

So that is the real answer. That is the real answer to the whole question.

Now, unfortunately here when we are trying to pump down figures lower and lower, it adds up a good bit, even though we are just asking that 75 percent of the program be included within this amendment.

So I think we are dealing here with an absolute—I know we are—the absolute necessity that this program serves the purpose that as a whole they are getting first-class houses built, they are getting value received for the money, and a great part of this money is going to be paid back by the owner, together with a good portion of the interest.

I just happened to run across the figures here that showed we are about proposing now to take this program for our own people, take it out, with the moratorium, and then we do not know what after 2 years, and that will be a total amount of $1.2 billion. That includes the housing which is most of the money which runs the bill up.

But we are running now the economic aid in the bills this year for South American countries, and I do not fight these aids, as long as the amounts are reasonable, runs a total to $980 million.

This same budget resolution is going to give in economic aid $980 million the first year, this year, and at the same time cut out entirely on a 2-year basis this program that does not cost much more for low-income people and where the money is going to be paid back. Those dwelling houses do bring fair prices when they are sold.

I have had contract, also, with some of the staffs of these economic development services. They are highly competent people and serve with credit.

I know some of the personnel with TVA. They have as fine a staff on technology and any other matter as you can find. Their advice and counsel is splendid. They know what a factory needs. They are just as good as you find anywhere. And I have made a point to come in contact with them, not just preparing for this statement, but have observed them for over a period of years.

So I think this package that is put together here—I do not blame anyone personally for leaving these items out, but I think largely, with all deference, the proposal to leave them out was made by someone who did not know the facts and did not know the need.

And generally I voted for the low figure here in all of this bill. I am interested in seeing a sound bill pass and willing to make some hard votes to try to get what I think is a sound bill. But I tell you now, our compass is off. We are off the job in these relatively little programs when we go to cancel them out or abolish them in order to lower the money figures in the bill.

Now someone said, "Well, if a fellow can't get a job there in that community, if he lives where he cannot get a job, he better just go somewhere else even if he has to walk."

Well, I will tell you that is not a real answer. That is not a real answer for the people down there that have lived there for generations. I personally know them. They have lived there for generations and that is not an American answer to be giving them—"Well, you just get out and go somewhere else and try to get a job somewhere else." I do not want them to tell me that, and I am not going to leave. And there are a whole lot of them that feel that way.

They are working people. They worked hard and they earned their way. We just must not go off and leave them. They do not have funds to build a dwelling house. But they are worthy and we must not desert them now. The building of the house creates jobs at the time, and serves the area well indeed as a dwelling house for a worthy industrial worker needed for small industrial plants in the area.

Mr. SASSER. Mr. President, I thank the distinguished Senator from Mississippi. His words today are very convincing, I think, to all our colleagues. Over the period of his most remarkable career in this body, he has seen how these programs can enhance the quality of life of those regions of our country which suffer from a relatively low per capita income.

Mr. President, I ask unanimous consent that Senator SARBANES and Senator BYRD be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, I yield to the distinguished Senator from Michigan and then to the Senator from West Virginia, [Mr. ROCKEFELLER].

Mr. RIEGLE. I thank the Senator from Tennessee for yielding and for his leadership on this issue.

I want to acknowledge the remarks of the Senator from Mississippi, who is as fine a man that has served in this body and loves this country and understands the long history of this country. I think he understands the needs in rural America perhaps better than anybody else in this body. When he comes in today to speak with such feeling about what he has seen and what the needs are and to make an appeal that we not tear rural America apart and just toss people to the four winds, I think he speaks from a depth of knowledge that I hope the Senate will weigh very carefully. He speaks the truth in terms of what our testimony has shown before the Banking and Housing Committee and what people from across the country have come to say to us about it.

I want to say one other thing with respect to the UDAG Program. We have worked for months on a bipartisan coalition, to revise fundamentally the UDAG formula so that it is fairer and so that it is available to finance projects in every community across this country. The other day we had a press conference with Senator GRASSLEY, Senator D'AMATO, and Senator HEINZ, and Republican and Democratic Members of the House joining us, Senator SASSER and myself, to indicate that we have reached an agreement on how to change the UDAG formula to meet the objections that have been raised in the past.

So I can say that we now have a revised way to implement that program, which I think will do a great service to the country and where all Members will find that they can feel good about in the targeting formula.

But, finally, the basic human needs and the basic infrastructure needs in this country do not go away. They are there and we have to meet them. Eventually they convert themselves to human needs. When the Senator from Mississippi, looking out over a long lifetime and many years of distinguished service in this body, comes in and says that in his view these programs, small as they are, are vital, they met vital needs, I think that is as powerful a statement as we have had by anyone on any of the amendments that have been offered thus far. I am pleased to join with him today and I appreciate his leadership.

Our amendment would avoid a drastic loss of funding for vital development of urban and rural communities. It would retain the UDAG Program that has enabled the Nation's most severely distressed cities to rebuild their economic foundations. It would retain rural housing programs that increase homeownership and rental opportunities in rural areas and provide decent shelter for farm workers. It would continue a national commitment to local communities through the CDBG Program.

UDAG

Under our amendment spending for the UDAG Program would remain at the fiscal year 1985 level. The administration proposes to eliminate the UDAG Program in fiscal year 1986; however, the UDAG Program has proven that the Federal Government can act in a timely and sensitive way to reinforce private sector initiatives that strengthen local economies.

Since it was enacted, UDAG has demonstrated solid results. Over 2,400 UDAG projects are projected to create or maintain 484,000 permanent new jobs; 55 percent of those jobs are slated for low- and moderate-income persons.

UDAG has stimulated almost $7 in private investment for every Federal dollar. That's a total of 21 billion private investment dollars that UDAG has generated in just a few years. That's a real success story in private sector-Government cooperation.

Conservative estimates place savings in the form of increased taxes and reduced transfer payments at $991 million per year, compared to an annual appropriation of $440 million.

UDAG is clearly a program that is working extremely well. It helps locate new industry in areas where there is need. It creates jobs. It makes fuller use of the Nation's enormous investment in existing roads, water and sewer systems and other infrastructure.

UDAG aids distressed communities that do not have the capacity to solve their problems entirely on their own. UDAG projects in recent years have concentrated funds on projects in the most productive sectors of the economy. They have helped shift the economic base of distressed cities from declining industries to those holding the most promise for the future.

Some Senators have stated that their support for the UDAG Program was weakening during the last year because the new project selection system put a number of their communities at a disadvantage in the competition for funding.

I am pleased to report to my colleagues that during the last 9 months, Senators D'AMATO, SASSER, GRASSLEY, and HEINZ have worked with me to come up with an effective and fair solution to this problem. We now have a bill that should end this controversy.

Our bill is a major accomplishment, and it demonstrates that UDAG continues to have strong, bipartisan support in the Senate. Our effort has involved Senators from both parties, from all regions of the country, and who represent both sides of this issue.

We have developed legislation that improves local negotiations and gives all eligible cities a fair chance to have outstanding projects approved. The bill retains key aspects of the UDAG Program, such as the national competition and targeting on the most distressed cities.

It is clearly in the national interest to maintain the UDAG Program at its current funding level to address the important needs of our Nation's distressed cities.

RURAL HOUSING

Our amendment also provides critical funding for rural housing programs administered by Farmers Home. These programs provide the badly needed assistance in rural areas and small towns to increase homeownership and to provide decent shelter for farm workers. In addition, they increase rental opportunities in rural areas for the elderly, handicapped, and low-income families.

As a nation we continue now, as in the past, to have a need to help Americans in rural areas to upgrade their housing. Our amendment recognizes the need to reduce the Federal deficit and proposes that lending authority for FmHA rural housing programs be reduced by $300 million from the fiscal year 1985 level.

Yet, the budget plan now before the Senate would cancel new construction and rehabilitation programs and replace them with a voucher program that relies on existing rental units. That simply is inappropriate for rural communities. The incidence of inadequate housing in rural areas is twice that of metropolitan areas.

This budget plan as it now stands would eliminate home ownership loans and home repair loans and grants. But 2 million rural households live in substandard housing and many rural areas have historically suffered a shortage of credit. These families need assistance if they are to achieve decent living conditions.

The administration wants to transfer Farmers Home programs to the Department of Housing and Urban Development which does not have the expertise, the resources, or the staffing structure to deal with the needs of rurals areas. Indeed, HUD programs are already slated for substantial cutbacks under administration proposals. The effect of such a shift will be the virtual elimination of rural housing programs.

COMMUNITY DEVELOPMENT

Our amendment also freezes funding for the Community Development Block Grant Program [CDBG] and rural development programs at their current funding levels. CDBG helps communities improve living conditions for low- and moderate-income families, reduce slums and urban blight, and meet the urgent needs that threaten their health and welfare. Rural development programs enable rural areas to develop water and waste disposal facilities, community fire protection forces, and other essential community facilities.

The budget plan now before us would cut these programs and reduce their effectiveness and targetting. Our amendment would only maintain these programs at their current funding level so they may continue to help local communities in every part of our country to meet the basic needs of our citizens.

Mr. President, the amendment my colleagues and I offer today provides only that which is essential if we are to maintain the integrity of community development and housing in our cities and our rual areas. It would allow us to continue meeting important national objectives. I urge my colleagues to support the amendment.

Mr. SASSER. I yield to the distinguished Senator from West Virginia and then to my distinguished colleague from Tennessee.

The PRESIDING OFFICER. Under the previous agreement, all time for the proponents of the resolution has expired.

Mr. SASSER. Mr. President, I ask unanimous consent that we have 2 minutes off the resolution.

Mr. DOMENICI. Reserving the right to object, you do not need unanimous consent to get time off of the resolution. The distinguished Senator from Florida can yield the time.

Mr. SASSER. Will the distinguished Senator from Florida yield us 2 minutes off the resolution?

Mr. CHILES. I yield 2 minutes to the Senator from Tennessee.

Mr. ROCKEFELLER. Mr. President, it is a privilege to cosponsor and actively support the amendment of the able Senator from Tennessee [Mr. SASSER] which preserves in substantial part the Federal Government's commitment to economic and community development activities and rural housing.

As Senators know, the pending proposal establishes a freeze level of funding for function 450 of the budget resolution, of which the major program areas are the Economic Development Administration, the Appalachian Regional Commission, community development block grants, urban development action grants, and Small Business Administration disaster assistance. The amendment also includes the Farmers Home Administration Rural Housing Loan Program but with a cut of 25 percent.

Mr. President, these programs have been successful in stimulating jobs, growth, and the establishment of needed public facilities and for the improvement of the quality of life for people in my State of West Virginia and throughout our Nation. They are critical elements in the efforts of our communities to design and implement effective economic development activities. They are an investment in the future of our Nation. To back away from our commitment to these economic and community development programs now—to eliminate them—would be shortsighted and irresponsible.

Federal assistance for economic and community development is still urgently needed by many, many towns and cities throughout our country, particularly in those areas which have been bypassed by economic recovery.

Mr. President, I was Governor of the State of West Virginia for 8 years up until the middle part of this January. I can say, in supporting the various programs in this amendment, that, of all the Federal programs that I and other Appalachian Governors dealt with, there was none that came close, in terms of efficiency, cost effectiveness, and productivity, to the Appalachian Regional Commission.

This amendment restores a certain amount of hope and integrity to some parts of the country that have not recovered, in terms of economic factors, as rapidly as other parts.

On the other hand, the amendment offers hope for development and jobs throughout the country, as well as in Appalachia. I strongly support this amendment. I congratulate the able Senator from Tennessee for his leadership in this matter and would urge my colleagues to support the amendment.

Mr. GORE. Mr. President, I wish to compliment my senior colleague from Tennessee for his outstanding leadership, energy, and determination in bringing this amendment to the Senate.

The PRESIDING OFFICER. The Senator from Tennessee has not been granted any time.

Mr. SASSER. Mr. President, I yield the balance of my time to the Senator from Tennessee.

The PRESIDING OFFICER. The time for the proponents of the resolution has expired.

Mr. CHILES. Mr. President, I yield 1 minute off the resolution to the Senator from Tennessee.

Mr. GORE. Mr. President, I wish to compliment my senior colleague from Tennessee for his determination and energy in bringing this amendment to the Senate. It is clearly needed.

Let me just say in the few seconds that I have that 6 months from now you may see this body falling all over itself to come up with ideas for stimulating the economy in areas that have rising unemployment. Here are programs already in place that are designed to do precisely that. They are working.

Some cuts are involved here, but the main part of the programs are continued. Let us not be so shortsighted as to miss the storm clouds on the horizon. The signs of a growth recession are clearly evident. Many parts of the country already are not participating in the recovery that has been so strong. We ought to keep these programs active and vital. We ought to keep them on the books. We ought to keep them doing the job they were designed to do.

This amendment maintains the Federal Government's commitment to economic and community development while restraining spending in these essential programs below the freeze level in order to realize even greater reductions than the freeze proposals which have gained broad bipartisan support.

In the interests of time, rather than recite the provisions of this amendment which my colleague, the senior Senator from Tennessee, has articulated, I wish to point to some specific examples of the need for a continued commitment to economic and community development in this Nation.

Just yesterday I received a stack of cards from the 70 workers at Spartex Industries in Sparta, TN, a small factory which turned a community development block grant into jobs. The cards read, "I got my job thanks to Federal programs that work * * * Please keep America working." My staff called and talked to the plant manager to let him know about this amendment. He said the workers had organized their own campaign, had the post cards printed down there and passed them out among themselves so they could let their Senators know that at least one Federal program was working.

Mr. President, I have held over 100 open meetings in every county in Tennessee since I was elected to the Senate in November, and I can say without equivocation that the workers at Spartex are the lucky ones. In virtually every country in the State, particularly in the rural counties, I am met by groups of men and women who just lost their jobs at the shoe factory or the textile mill. The economic recovery simply is not reaching many rural, traditionally less developed regions of the country, and there is very real suffering as a result. The economic and community development programs protected by this amendment are vital to helping attract new industry to replace those jobs lost when the shoe factories and textile mills close.

The rural areas of America also have unique housing problems which are addressed by the programs of the Farmers Home Administration. Farmers Home is often simply the only source of mortgage credit in rural counties, and there is, indeed, a need for new, adequate shelter in rural areas. In my home county, I understand that a Farmers Home financed multifamily unit which is being built already has a long waiting list of senior citizens seeking apartments.

The Appalachian region of America, rural and mountainous for the most part, still has particular needs resulting from centuries of isolation and neglect. An example of the unique transportation needs of the region came to light recently. On March 5 of this year, a tunnel on Interstate 40 in North Carolina between Asheville and Knoxville, TN, was blocked by a landslide. As a result, a tremendous flow of traffic was diverted to U.S. highways 23 and 25-70, extremely narrow and winding roads through some of the highest mountains east of the Rockies. While one lane of I-40 is now open, the tunnel is not expected to open fully until December, and travelers are experiencing serious delays and dangerous conditions. Currently, Highway No. 23 is part of corridor B of the Appalachian Regional Commission Highway Program, and if this program were allowed to continue, as it would under this amendment, one day there could be an alternate route across this portion of the Southern Appalachians.

Mr. President, these are but a few of the reasons I am cosponsoring and strongly urge that my colleagues support this amendment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. As I understand, we have 10 minutes in opposition to the amendment.

The PRESIDING OFFICER. Fifteen minutes.

Mr. DOMENICI. I yield 5 minutes to the Senator from New Hampshire, the chairman of the subcommittee that has jurisdiction over about half of these programs.

Mr. HUMPHREY. Mr. President, I hope that we are going to see some discipline here today. The Budget Committee has recommended terminating at long last the Economic Development Administration, the Appalachian Regional Commission, and the developmental programs of the Tennessee Valley Authority.

With respect to the EDA, that program has not been reauthorized now for several years. Its purpose is to create jobs but it does so very inefficiently and at very great expense.

When the program was first created, 12 percent of the communities in our country qualified. Today, 85 percent of the communities in our country qualify as distressed areas. Can anyone really make the case that 85 percent of our Nation's communities are distressed areas? This shows how this program has grown into nothing but a very large and wide trough in which communities feed at the expense of other communities who do not benefit by the program.

We have to have some discipline. We have to cull out some of these losers. These are among the biggest of the losers. We want to create jobs. We have to cut the deficit. If we want to bring prosperity to those areas which truly are distressed, then we have to bring down interest rates and keep the economy healthy so that jobs can be created. It simply does not work to throw money into these kinds of programs.

With respect to the Tennessee Valley Authority, may I point out to my colleagues that the residents of the States served by the TVA even under the Budget Committee's recommendations will still be receiving subsidy of sorts because the Budget Committee recommendations bear in no way upon the generation of electricity by those facilities—TVA facilities—in those States. In other words, the States in the region are still benefiting by direct and indirect subsidies in the form of rather low-cost electricity rates. That will continue as is. I do not think it is justified, frankly, but that will continue as is even under the Budget Committee recommendation as written.

What the Budget Committee, on the other hand, has proposed is to eliminate the funding not for the electrification programs but instead for the developmental programs. The programs of generating electricity will still remain.

As for the Appalachian Regional Commission, Mr. President, there have been many, many efforts to terminate that program. It was retained in my view largely as a measure of respect for Senator Randolph. But it is time that we terminated that program. Billions of dollars have been poured into the region. We simply cannot afford it. We have to have some discipline. These are programs that can be dispensed with. They are special-interest programs for communities which benefit. There are special-interest programs for States and regions which benefit. We have spent tons and truckloads of money on them. It is time that we wrapped them up. The present existing economic emergency, fiscal emergency, is just the excuse we need. If we have the discipline, finally we should stop pouring money into these troughs at which special interest groups feed.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Mr. President, if I have any time remaining I yield it back to the distinghished Budget Committee chairman.

Mr. DOMENICI. Let me say, Senator, we only have a few minutes in opposition. We cannot yield off our time. We will be finished shortly, and perhaps the floor manager on your side can yield time. I am sorry. We are under very severe time restraints.

The PRESIDING OFFICER. (Mr. CHAFEE). Who yields time?

Mr. DOMENICI. Mr. President, I thank the distinguished Senator for his remarks.

How much time does the Senator from New Mexico have?

The PRESIDING OFFICER. Ten minutes.

Mr. DOMENICI. Mr. President, I listened to the debate. I really do not believe anybody can be serious about the Appalachian Regional Commission and EDA. With all respect to everyone here, those programs are long gone. Let me tell you how far gone they are. They have not even been authorized by the U.S. Congress for 3 years. That means that the committee that takes all relevant testimony, goes out into the country, and says do we really need EDA and Appalachian Regional Commission as a broad national program, has not even passed a law saying it exists. The truth of the matter is that without an authorization, the Appropriations Committee put some money in. I could spend my whole time explaining to the Senate why they are irrelevant programs to economic development, but suffice it to say that they never end. They started out applying to a little group. Then Appalachia was a little piece of the country. Now we have out there bits and pieces of a program that really accomplish very little if anything for economic prosperity.

I also suggest to whomever discussed the issue here that we will be putting these programs back in place sometime. I guess they had in mind when we have a big economic turndown we will put them back. I guarantee you if we have a big economic turndown, this kind of program will not be put back. It does not do any good. On the other hand, the very reason we might have a big economic turndown is because this amendment adds $10.4 billion in outlays to the deficit. We have had amendments for $1 billion, we have had them for $2 billion, we have had them for $4 billion, and other than Social Security and pensions this is the big budgetbuster—$10.4 billion in outlays out of the Federal deficit for EDA, and Appalachian Regional Commission. Under this proposal we could not even get a 10-percent cut in the community development block grant—10 percent. This amendment puts it back up to full funding.

Then UDAG, this amendment would not even take the cut in UDAG. This puts it back up to full funding, because the proponents believe that since about 13 cities have received about 95 percent of UDAG, it is a major economic development tool for this country. Half of the country does not get any UDAG. They seem to be making it. I propose that we save $9 billion on rural housing because the Congress directly funds and finances rural housing as if there are no banks around, nor any development companies around. The Congress just decided way back there that Farmers Home would be the banker, the planner, and so we put tax dollars into every rural house under this program—$60,000 a house in taxpayers' money; $9 billion over 3 years, and the proponents of this amendment will not even reform it. They only want to cut it 25 percent.

So make no bones about it. For those who are worried about our country's economic future, unless they think it is totally unrelated to the black cloud of deficit that hangs over, if that is irrelevant, then of course they can vote for this. If you think that black cloud of deficit is relevant, then just ask yourself: Do you support reinstating each one of these programs in these kinds of times? Do you support a positive vote today when we have not had EDA on the books for 3 years. The Appropriations Committee funded it without an authorizing committee even approving it. Cannot we take 10 percent in savings in the Community Development Block Grant Program? It is only 4 years old. Some States are just beginning to use it. Then last but not least, cannot we save over 25 percent on a $9 billion program through Farmers Home for direct total funding at huge, huge below-market interest rates, maybe 8, 9 percent under interest rates for each and every house?

Mr. President, I yield back the balance of my time.

The PRESIDING OFFICER. The question is on the amendment.

Mr. GORE addressed the Chair.

Mr. DOMENICI. I move to table the amendment, and ask for the yeas and nays.

Mr. CHILES. I yield 1 minute to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee has 1 minute.

Mr. GORE. I want to thank the colleague from Florida.

I wanted to make four very brief points in response to some of those that were just made. No. 1, the statement was made that the electricity rates in the TVA region are subsidized by the Federal Government. I want to make it clear that they are not. This question has been studied in depth on numerous occasions. TVA and its ratepayers are paying back year after year after year all of the money that was originally put into TVA as a start-up expense back in the 1930's. There is no subsidy on electric rates in the TVA region.

Second, the statement was made that programs like the Appalachian Regional Commission, UDAG, EDA do not do any good.

I submit to my colleagues that this argument simply will not wash because there is example after example of economic growth that has resulted from these programs.

Third, the point has been made that these programs have not been authorized. Mr. President, if we took that approach, a great deal of the Federal Government would come to a grinding halt this afternoon, if we stopped everything that is not authorized. That is the way this process has been working around here for the last several years.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. Mr. President, I yield myself 30 seconds.

Mr. President, EPA has done a marvelous job over the past 4 years. It has added $8.4 billion to the Federal deficit by making loans and grants. My best estimate is that 55 percent of them are delinquent today.

I move to lay the amendment on the table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico to lay the amendment on the table.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maryland [Mr. MATHIAS], is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON], are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON], is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 52, nays 44 as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—52

Abdnor
Andrews
Armstrong
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Chafee
Chiles
D'Amato
Danforth
DeConcini
Denton
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm
Hatch
Hatfield
Hawkins
Hecht
Heinz
Helms
Humphrey
Kassebaum
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Nunn
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker

NAYS—44

Baucus
Biden
Bingaman
Burdick
Byrd
Cochran
Cohen
Cranston
Dixon
Dodd
Eagleton
Ford
Glenn
Gore
Grassley
Harkin
Hart
Heflin
Hollings
Inouye
Johnston
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Matsunaga
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stennis
Zorinsky

NOT VOTING—4

East
Exon
Mathias
Wilson

So the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I think we are demonstrating that many Members would like to get on with this and not tear apart what may be left in any package. This is a very significant vote. So I hope we could move quickly on the remaining amendments.

I understand that we are now ready to take up another package, the so-called KGB package. I wonder if we can get a short time agreement on it.

Mr. CHILES. I think we can agree to 20 minutes to a side.

Mr. DOLE. Mr. President, how much time remains?

The PRESIDING OFFICER. The majority leader has 43 minutes. The minority leader has 3 hours and 17 minutes.

Mr. DOLE. I ask unanimous consent that there be 40 minutes, equally divided, on the KGB amendment.

Mr. BYRD. Mr. President, reserving the right to object—

I remove my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 80

Mr. GRASSLEY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 80.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language, insert the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,200,000,000.
Fiscal year 1986: $792,700,000,000.
Fiscal year 1987: $864,300,000,000.
Fiscal year 1988: $952,500,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $0.
Fiscal year 1987: $0.
Fiscal year 1988: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $50,900,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,200,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,400,000,000.
Fiscal year 1987: $216,800,000,000.
Fiscal year 1988: $248,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,054,600,000,000.
Fiscal year 1986: $1,080,100,000,000.
Fiscal year 1987: $1,160,900,000,000.
Fiscal year 1988: $1,255,700,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $949,500,000,000.
Fiscal year 1986: $979,800,000,000.
Fiscal year 1987: $1,041,400,000,000.
Fiscal year 1988: $1,106,900,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $213,300,000,000.
Fiscal year 1986: $187,200,000,000.
Fiscal year 1987: $177,100,000,000.
Fiscal year 1988: $154,400,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,849,700,000,000.
Fiscal year 1986: $2,101,000,000,000.
Fiscal year 1987: $2,354,000,000,000.
Fiscal year 1988: $2,607,400,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $25,900,000,000.
Fiscal year 1986: $251,300,000,000.
Fiscal year 1987: $253,000,000,000.
Fiscal year 1988: $253,400,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:
(A) New budget authority, $292,600,000,000.
(B) Outlays, $252,000,000,000.
Fiscal year 1986:
(A) New budget authority, $292,500,000,000.
(B) Outlays, $269,700,000,000.
Fiscal year 1987:
(A) New budget authority, $320,800,000,000.
(B) Outlays, $289,200,000,000.
Fiscal year 1988:
(A) New budget authority, $351,700,000,000.
(B) Outlays, $313,300,000,000.

(2) International Affairs (150):

Fiscal year 1985:
(A) New budget authority, $24,200,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 1986:
(A) New budget authority, $23,500,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 1987:
(A) New budget authority, $23,000,000,000.
(B) Outlays, $17,900,000,000.
Fiscal year 1988:
(A) New budget authority, $23,500,000,000.
(B) Outlays, $18,000,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,700,000,000.
Fiscal year 1986:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $8,700,000,000.
Fiscal year 1987:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $8,800,000,000.
Fiscal year 1988:
(A) New budget authority, $9,300,000,000.
(B) Outlays, $9,000,000,000.

(4) Energy (270):

Fiscal year 1985:
(A) New budget authority, $1,900,000,000.
(B) Outlays, $6,900,000,000.
Fiscal year 1986:
(A) New budget authority, $7,900,000,000.
(B) Outlays, $7,300,000,000.
Fiscal year 1987:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $7,200,000,000.
Fiscal year 1988:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $6,800,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $13,000,000,000.
Fiscal year 1986:
(A) New budget authority, $13,000,000,000.
(B) Outlays, $13,000,000,000.
Fiscal year 1987:
(A) New budget authority, $13,300,000,000.
(B) Outlays, $13,000,000,000.
Fiscal year 1988:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

Fiscal year 1985:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $21,000,000,000.
Fiscal year 1986:
(A) New budget authority, $20,400,000,000.
(B) Outlays, $17,700,000,000.
Fiscal year 1987:
(A) New budget authority, $20,800,000,000.
(B) Outlays, $19,800,000,000.
Fiscal year 1988:
(A) New budget authority, $20,900,000,000.
(B) Outlays, $20,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $5,600,000,000.
Fiscal year 1986:
(A) New budget authority, $9,700,000,000.
(B) Outlays, $5,200,000,000.
Fiscal year 1987:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $5,800,000,000.
Fiscal year 1988:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $7,700,000,000.

(8) Transportation (400):

Fiscal year 1985:
(A) New budget authority, $29,300,000,000.
(B) Outlays, $26,000,000,000.
Fiscal year 1986:
(A) New budget authority, $29,900,000,000.
(B) Outlays, $28,100,000,000.
Fiscal year 1987:
(A) New budget authority, $30,800,000,000.
(B) Outlays, $29,600,000,000.
Fiscal year 1988:
(A) New budget authority, $31,800,000,000.
(B) Outlays, $30,500,000,000.

(9) Community and Regional Development (450):

Fiscal year 1985:
(A) New budget authority, $8,400,000,000.
(B) Outlays, $8,700,000,000.
Fiscal year 1986:
(A) New budget authority, $8,000,000,000.
(B) Outlays, $8,300,000,000.
Fiscal year 1987:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $8,500,000,000.
Fiscal year 1988:
(A) New budget authority, $9,200,000,000.
(B) Outlays, $8,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:
(A) New budget authority, $31,600,000,000.
(B) Outlays, $30,300,000,000.
Fiscal year 1986:
(A) New budget authority, $31,300,000,000.
(B) Outlays, $31,000,000,000.
Fiscal year 1987:
(A) New budget authority, $32,400,000,000.
(B) Outlays, $31,500,000,000.
Fiscal year 1988:
(A) New budget authority, $33,300,000,000.
(B) Outlays, $32,300,000,000.

(11) Health (550):

Fiscal year 1985:
(A) New budget authority, $33,600,000,000.
(B) Outlays, $33,500,000,000.
Fiscal year 1986:
(A) New budget authority, $35,900,000,000.
(B) Outlays, $35,700,000,000.
Fiscal year 1987:
(A) New budget authority, $38,600,000,000.
(B) Outlays, $38,200,000,000.
Fiscal year 1988:
(A) New budget authority, $41,400,000,000.
(B) Outlays, $40,900,000,000.

(12) Medical Insurance (570):

Fiscal year 1985:
(A) New budget authority, $71,800,000,000.
(B) Outlays, $65,200,000,000.
Fiscal year 1986:
(A) New budget authority, $81,700,000,000.
(B) Outlays, $69,500,000,000.
Fiscal year 1987:
(A) New budget authority, $90,800,000,000.
(B) Outlays, $76,700,000,000.
Fiscal year 1988:
(A) New budget authority, $94,700,000,000.
(B) Outlays, $86,200,000,000.

(13) Income Security (600):

Fiscal year 1985:
(A) New budget authority, $163,100,000,000.
(B) Outlays, $128,800,000,000.

Fiscal year 1986:

(A) New budget authority, $157,500,000,000.

(B) Outlays, $121,000,000,000.

Fiscal year 1987:

(A) New budget authority, $166,300,000,000.

(B) Outlays, $126,300,000,000.

Fiscal year 1988:

(A) New budget authority, $174,800,000,000.

(B) Outlays, $132,300,000,000.

(14) Social Security (650):

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

Fiscal year 1986:

(A) New budget authority, $207,400,000,000.

(B) Outlays, $194,900,000,000.

Fiscal year 1987:

(A) New budget authority, $225,500,000,000.

(B) Outlays, $206,100,000,000.

Fiscal year 1988:

(A) New budget authority, $266,100,000,000.

(B) Outlays, $220,400,000,000.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,300,000,000.

Fiscal year 1986:

(A) New budget authority, $27,000,000,000.

(B) Outlays, $26,500,000,000.

Fiscal year 1987:

(A) New budget authority, $27,300,000,000.

(B) Outlays, $27,000,000,000.

Fiscal year 1988:

(A) New budget authority, $27,800,000,000.

(B) Outlays, $27,600,000,000.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,300,000,000.

Fiscal year 1986:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,700,000,000.

Fiscal year 1987:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

Fiscal year 1988:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,000,000,000.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,700,000,000.

(B) Outlays, $5,800,000,000.

Fiscal year 1986:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $5,800,000,000.

Fiscal year 1987:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $5,800,000,000.

Fiscal year 1988:

(A) New budget authority, $6,200,000,000.

(B) Outlays, $6,100,000,000.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

Fiscal year 1986:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,500,000,000.

Fiscal year 1987:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $6,700,000,000.

Fiscal year 1988:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $7,000,000,000.

(19) Net Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,700,000,000.

(B) Outlays, $129,700,000,000.

Fiscal year 1986:

(A) New budget authority, $141,300,000,000.

(B) Outlays, $141,300,000,000.

Fiscal year 1987:

(A) New budget authority, $152,400,000,000.

(B) Outlays, $152,400,000,000.

Fiscal year 1988:

(A) New budget authority, $156,800,000,000.

(B) Outlays, $156,800,000,000.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

Fiscal year 1986:

(A) New budget authority, $0.

(B) Outlays, $0.

Fiscal year 1987:

(A) New budget authority, $1,500,000,000.

(B) Outlays, $1,600,000,000.

Fiscal year 1988:

(A) New budget authority, $3,300,000,000.

(B) Outlays, $3,500,000,000.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,400,000,000.

(B) Outlays, −$32,400,000,000.

Fiscal year 1986:

(A) New budget authority, −$34,800,000,000.

(B) Outlays, −$34,800,000,000.

Fiscal year 1987:

(A) New budget authority, −$37,600,000,000.

(B) Outlays, −$37,600,000,000.

Fiscal year 1988:

(A) New budget authority, −$40,700,000,000.

(B) Outlays, −$40,700,000,000.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the committees named in subsections (b) through (e) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jursidiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $430,000,000 in budget authority and $430,000,000 in outlays in fiscal year 1986, $446,000,000 in budget authority and $446,000,000 in outlays in fiscal year 1987, and $462,000,000 in budget authority and $462,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $742,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $773,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Finance shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $8,608,000,000 in outlays in fiscal year 1986, $0 in budget authority and $11,758,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $12,306,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve savings in budget authority and outlays as follows: $0 in budget authority and $725,000,000 in outlays in fiscal year 1986, $0 in budget authority and $971,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $992,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $449,000,000 in budget authority and $404,000,000 in outlays in fiscal year 1986, $553,000,000 in budget authority and $552,000,000 in outlays in fiscal year 1987, and $575,000,000 in budget authority and $573,000,000 in outlays in fiscal year 1988.

HOUSE COMMITTEES

(g) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $430,000,000 in budget authority and $430,000,000 in outlays in fiscal year 1986, $446,000,000 in budget authority and $446,000,000 in outlays in fiscal year 1987, and $462,000,000 in budget authority and $462,000,000 in outlays in fiscal year 1988.

(h) The House Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year

1986, $0 in budget authority and $742,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $773,000,000 in outlays in fiscal year 1988.

(i) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $2,355,000,000 in outlays in fiscal year 1986, $0 in budget authority and $3,190,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $3,620,000,000 in outlays in fiscal year 1988.

(j) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve savings in budget authority and outlays as follows: $0 in budget authority and $725,000,000 in outlays in fiscal year 1986, $0 in budget authority and $971,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $992,000,000 in outlays in fiscal year 1988.

(k) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $449,000,000 in budget authority and $404,000,000 in outlays in fiscal year 1986, $553,000,000 in budget authority and $552,000,000 in outlays in fiscal year 1987, and $575,000,000 in budget authority and $573,000,000 in outlays in fiscal year 1988.

(l) The House Committee on Ways and Means shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $8,608,000,000 in outlays in fiscal year 1986, $0 in budget authority and $11,758,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $12,306,000,000 in outlays in fiscal year 1988.

APPROPRIATIONS

SEC. 3. (a) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed $293,300,000,000 in fiscal year 1986; aggregate total budget authority to exceed $321,500,000,000 in fiscal year 1987; and aggregate total budget authority to exceed $352,500,000,000 in fiscal year 1988.

(b) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for nondefense discretionary activities to exceed $152,000,000,000 in fiscal year 1986; aggregate total budget authority to exceed $159,100,000,000 in fiscal year 1987; and aggregate budget authority to exceed $167,200,000,000 in fiscal year 1988.

(c) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

SEC. 5. It shall not be order in the House of Representatives or the Seante during fiscal years 1986 and 1987 to consider any bill, resolution, or amendment, except proposed legislation reported in response to recociliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent and in such amounts as are contained in appropriation acts.

SEC. 6. It is the sense of the Congress that the previous distinction between "unified budget" and "off-budget" spending be ended, and that budget authority and outlays for the so-called "off-budget" agencies be included in the budget totals.

SEC. 7. (a) The Senate finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalties;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Senate that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

SEC. 8. It is the sense of the Senate that because the Senate requires timely reporting of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

Mr. GRASSLEY. Mr. President, I yield myself 6 minutes; and if I come to the end of that, 1 more minute, and at the end of that I will yield the floor to my colleagues who are helping.

Mr. President, we are about to wheel the Federal budget into the operating room for surgery. It is one of the few times in recent memory when surgery would not be preceded by diagnosis.

Our would-be surgeons of the budget are armed with a handsaw and a cleaver. It reminds me of a Marx Brothers' movie: chasing a howling patient around the room, meat cleaver drawn and cocked, ready for assault.

This year's Rose Garden II was at the opposite extreme from last year's. Last year's Rose Garden budget waved a weak wrist at the deficit problem. Total spending reductions were only $16 billion.

This year's Rose Garden II was a search and destroy mission; for all, that is, but defense, and we moderated that a little with an amendment I offered which was adopted last week. The Senate has now countered that mission by voting, amendment by amendment, to raise that compromise, in most instances, to a freeze in 1986 at the 1985 level.

Constituencies became polarized because of the approach taken in this budget compromise. The imbalance of the plan was clearly visible: 7 percent growth for defense, only 2 percent growth for Social Security, and outright elimination of many domestic programs.

It is not an exaggeration to claim that fairness and equity were not salient traits of the compromise budget.

I suppose there are different ways, intellectually, to go about long-term budget control.

However, the approach taken by those who crafted the Rose Garden

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budgets, as well intentioned as that might have been, is not the way to go about doing things.

Clearly, we have discovered this these last 2 weeks. If the original package had been more equitable from the start, the opportunity for substantial savings would still be with us.

The pendulum approach to budgeting we have seen the last 2 years, which swings from lenient to austere, is counterproductive to the stated goal of budget control. Instead of producting deficit reduction, it produces confusion, polarization and inaction.

The record on deficits in recent years bears this out. The only prescription for long-term deficit control is to first build a consensus for agreement, and then reestablish and execute policy accordingly.

Consensus cannot be found without the perception of fairness as a point of departure. The compromise budget never contained that quality. That is why it has fallen apart to some extent. If we had attempted to build a plan from the original budget resolution, we would have done much better.

It is not true, as some have argued, that long-term control of the budget depends on eliminations of many programs. Long-term control depends on our ability to plan competently over time, especially in any current year; and it depends on our ability to forge a consensus, without which our efforts are doomed to fail.

If we had frozen the Federal budget 2 years ago, as I had then proposed, and again last year, as I proposed, and as we voted on the floor of the Senate, the fiscal year 1986 baseline deficit would be only $108 billion instead of $227 billion.

We could have established the moral authority for deficit reduction last year and the analytical authority for further reduction this year and in the future.

Instead, we have lost much ground. Last year, we ignored the problem, and this year, to compensate, we are taking wild swings at a now critically ill patient.

I will not take a back seat to anyone on both desire and action to reduce Federal deficits and spending. I have done them with consistency. I have proposed an across-the-board budget freeze for each of the last 3 years, and we are now doing it in this document.

But equally important as the bottom-line savings is the manner in which those savings are assumed. If $50 billion, or $60 billion or even $70 billion are shown as savings on paper, they are still only paper savings until we crack the code on how to get that much savings through Congress.

And I submit to you, Mr. President, that the only way to get any substantial budget-savings package through Congress—that the only way to crack the code—is to create an environment of shared sacrifice, not a campaign of survival of the fittest.

Mr. President, as leaders of the Senate, we of the majority party are approaching this long-term deficit problem the wrong way.

The objective may be noble, but the means, and therefore our ability to accomplish the objective must be questioned.

Fairness and self-sacrifice are the only true means by which leadership can be established and progress begun. Further progress would depend on systematic and reasoned analysis of the entire Federal budget.

I hope the Senate has learned a valuable lesson this year: that the perception of shared sacrifice is a necessary condition for change, and that is applicable to the budget as well as many other things.

I offer now, with my colleagues Senator KASSEBAUM, Senator BIDEN, and Senator BAUCUS, the fairest possible budget for fiscal year 1986. It is a 1-year, across-the-board budget freeze. It would freeze all discretionary budget authority, including defense. It would freeze all pay, all benefits, all COLA's and all reimbursements. And it would freeze farm price supports as well, just in case any of you are in doubt because I am from an agriculture State.

This plan would save over $40 billion in fiscal year 1986. It is the same plan we offered last year and which we should have passed last year. It is the plan which the Senate has agreed to so far this year, amendment by amendment.

I am truly fearful that unless an across-the-board freeze is established as a first step in the process, progress to reduce future deficits will be greatly impaired.

I hope the Senate will adopt this across-the-board freeze this year so we can move on at once to the more critical area of long-term budget control of the Federal budget.

I see my colleague from Delaware who has been so helpful on this, and I yield 5 minutes to him.

Mr. BIDEN. That will be plenty.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I urge my colleagues to support a 1-year budget freeze as an alternative to the Republican leadership budget proposal. Because the President/leadership budget proposal that is before us now—either in its original or in its presently amended form—is not the best choice. And I doubt that it can be satisfactorily amended in piecemeal fashion here on the floor.

The best choice, in my view, is a real budget freeze that stops the growth of Federal spending and stops the growth of deficits. It is my hope that the Senate can unite around the only bipartisan budget proposal that will be offered—the 1-year budget freeze sponsored by Senators GRASSLEY, KASSEBAUM, BAUCUS, and myself.

Ever since our deficit problem was created in 1981, Congress has sought to tame the deficits by reshaping Federal policies and priorities. The result has been damage to our economy, to our international trade position, and to many individuals who relied on stable Federal policies. In terms of deficit reduction, our policies over the past 4 years can only be termed a disaster.

Let us look at the results of those policies for a minute.

In each year since 1981, the Senate, and the Congress, have acted to try to reduce deficits. However, a review of the results of those actions is not encouraging. Deficits have risen steadily—or perhaps dramatically would be a more descriptive word.

In the first budget resolution for fiscal year 1982 the deficit was estimated to be $37.7 billion. As it turned out, the actual deficit that year was $110.6 billion.

For the fiscal year ending September 30, 1983 the budget estimated a deficit of $103.9 billion, yet the actual deficit at year end was $195.4 billion.

For the next fiscal year, 1984, the budget assumed a deficit of $160 billion but the final deficit was $175.4 billion, somewhat better than the previous 2 years.

The current fiscal year is not finished, of course. But the results of the fabled Rose Garden plan appear to leave much to be desired. When the fiscal year 1985 budget was prepared, the deficit was estimated to be $181.2 billion. The Senate Budget Committee has now reestimated that to $212.9 billion.

In the light of those dismaying results, this year the Senate should adopt a simple, enforceable budget program that will halt the upward climb of deficits. If we can do that it will be more than has been accomplished in deficit reduction over the last 4 years.

The right way to do that is a 1-year budget freeze such as the one I am offering with my colleagues, Senators GRASSLEY, KASSEBAUM, and BAUCUS. Why is a budget freeze the right way? There are at least five good reasons.

First, freezing fiscal year 1986 programs at fiscal year 1985 levels will also freeze deficits. In fiscal year 1986 the deficit will be $187.1 billion, a healthy reduction below the estimated fiscal year 1985 level of $212.9 billion. And with just a 1-year freeze deficits will continue to decline to $154.4 billion by fiscal year 1988.

Second, this desirable result is relatively easy to accomplish. It can be done quickly. All it takes is a simple bill. By comparison, the complexities of the reconciliation process required under the pending measure are staggering. It will require months. This freeze can be put in place in weeks. Our economy and our financial markets need the certainty of an adopted budget program rather than the mere promise of one.

Third, a budget freeze is an understandable solution to our budget dilemma, one that everyone can understand and support. There is no need to evaluate every Federal program in an effort to decide which ones go and which ones stay. They are all frozen.

Fourth, a budget freeze is fair. It treats every program alike. And it treats all beneficiaries alike. There are no cost-of-living adjustments—none for defense and none for other programs. No programs are terminated either. There are no permanent policy changes, but the reduced deficits extend far beyond the 1 year of the freeze.

And finally, the budget freeze allows time to review carefully our budget priorities. In the committees of the Senate and the House we can examine each program. We can weigh their merits and demerits. We can sunset those whose accomplishments are not worth the price. We can keep those which provide basic, necessary services. We can develop a budget plan which, though painful, will have broad acceptance.

All of these are sound reasons for adopting a budget freeze rather than the proposal that is now before us. In particular, I am concerned that it is proposed that we shape and adopt a plan, here on the Senate floor, that will determine the scope and content of Federal activities for years to come.

The plan that is before us, Mr. President, is not a carefully thought out document. It is not the result of deliberation by all of the committees of the Senate. It is not even the result of a mark up by the Budget Committee. It is a plan that was put together in secret negotiations not open to many of us. It will be tested and trimmed here on the floor in just a few days without benefit of the expertise of our colleagues working in committee.

In that connection, let me pose a few rhetorical questions to my colleagues.

Is it the recommendation of the Finance Committee that we begin a new policy of reducing cost-of-living allowances for Social Security by 2 percentage points? What will be the effects of this on the recipients? How many people will be pushed below the poverty line if we take this action? How does this policy affect the financial condition of the Social Security fund over the years? Is this to be a permanent policy? And how will this policy affect others who will be impacted by it—primarily Federal retirees and veterans?

Have the appropriate committees recommended the termination of the 20 or so programs that will disappear under this plan? Does the Small Business Committee recommend terminating SBA? And what will the effects on small business be? Does the Senate Banking Committee recommend the termination of UDAG? What will be the effect on cities' economic base if this program is eliminated? Or does the Banking Committee recommend an end to mass transit subsidies? And what will that do to the economic fabric of our cities, to say nothing of the riders who depend upon mass transit? Does the Finance Committee recommend the end of Federal revenue sharing? What will be the effects on local property tax rates and on local services of such a move?

These and many other questions apparently are to go unanswered if we adopt the President's proposal. Yet these are important questions. They will affect the direction of our Nation for decades. I know it will be said that the final legislation will be written in and reported by those committees to which I have referred. But they will be doing it on the instruction of the Senate. The legislation reported will not necessarily reflect the considered judgment of those committees. It will reflect the reality that the Senate has ordered the committees to make the cuts. I guarantee there will be little talk about the desirability of the program changes or the impacts upon the economy or on people.

Mr. President, this is the wrong way to make our budget priority decisions—and we all know it. Let's freeze Federal spending, and let's freeze the deficits, and then make considered judgments as to what should be done next.

In addition, Mr. President, my support for a freeze is based on the difficulty that will be encountered in passing the President's latest deficit reduction plan. Passing it requires invoking the arcane procedures of reconciliation after both Houses have passed a budget. That will take time, months and months of it.

Perhaps more important, the highly controversial nature of the proposals assures that much time will be needed to carry out the budget reduction plan, if, indeed, it can ever be put in place.

Because, Mr. President, each of us has reasons for not wanting the proposal to be adopted in its present form.

There is controversy about the defense budget which is virtually the only item in the budget—other than our $140 billion in interest payments, of course—that is allowed to grow. Do we really intend to give Social Security recipients a COLA minus 2 percent, but give defense a COLA plus 3 percent, as provided in the original plan?

There is controversy about the proposal to change our present policies regarding cost-of-living increases that have served millions of Americans so well. Do we really want to start a new system that would give an adjustment for inflation that is smaller than the growth in inflation? That is where this budget proposal is leading us. Does anyone really believe that the leadership has given up on that proposal just because it was defeated once here on the floor?

There is controversy about proposals to raise taxes. While the President says he will not raise taxes, his user fees are nothing but tax increases in disguise. We all remember that the term revenue enhancement was invented by this administration to disguise a tax increase. Now they are using the term user fee for the same purpose.

There is controversy in the proposal to terminate 20 Federal programs and to prune severely many others. These are decisions that have serious economic and social impacts in each State. I know that in Delaware the proposal to terminate revenue sharing and force up property tax rates is a very serious matter. I know that the idea of terminating passenger rail service, which is a mainstay of the Delaware economy, is a matter of great concern. I am sure that each of my colleagues has similar issues in his or her State that are equally controversial.

These are not matters that can be settled quickly—nor should they be. Our decisions will affect the growth and prosperity of America for the rest of this century. They will change the lives of all our citizens.

What we need is a budget that can be put in place quickly. Prompt action is what is needed to restore the confidence of the financial markets; to help interest rates to ease even more; to begin gradually to restore balance among currencies; and to begin the long task of reducing our trade deficit. These are all things that should not wait. We need to move quickly and decisively.

We can do that with a budget freeze. A freeze will provide a quick signal to the country that Congress is acting on the deficit issue. Yet we will not risk hasty program decisions.

The so-called leadership plan has been amended significantly here on the floor. While the changes may have made it marginally better, it is still a most unsatisfactory proposal.

What is more important, none of us knows what the leadership will offer next. It could literally be almost anything. And then there will be no choice. I urge all my colleagues to make their choice now and adopt the 1-year budget freeze that is before us now.

Mr. President, I will be somewhat more blunt than my colleague from

Iowa. Let us take a look at where we are now. We all have a perfect plan. I thought that the Hollings-Chiles plan, which would have brought us to a balanced budget in 1990, was the best thing we could do. I believe there are things we could do to the freeze to make it a better package. Had I a magic wand and I could wave it, I would do a number of things beyond this freeze.

But the fact of the matter is after 12 years, going on 13 years in this place, I understand gridlock when I see it, and the fact of the matter is the same rationale applies this year as applied last year when Senators KASSEBAUM, GRASSLEY, BAUCUS, PRYOR, and others offered this proposal, and that is we all had a better idea. Senator KASSEBAUM might like some programs to go up, as would I, at the rate of inflation. You might like defense to go up at the rate of inflation. I would like not to freeze COLA's.

There are a lot of ways we could fix this. But the fact of the matter is if we keep going the way we are, we are going to end up here with a partisan result that will not fly and become law. BOB DOLE, our leader, may get 50 votes for Dole II. But where does it go? Where does Dole II go? We are going to end up with a second concurrent resolution because we will not have a first concurrent resolution; we are going to end up down the line in the same spot we are now.

This is not the best answer in a pure sense. But it is the single best political answer in a nonpartisan sense. It does what we should be doing here, solving problems and not creating problems. This begins the process of solving problems. It only gets us deficit reduction of about $40 billion, which is not as high as the leadership package says it gets. It is not as high as CHILES says it gets. It is not as high, and so on. But it is the only realistic thing. Everyone can live with this and those of you who may be slightly more timid souls than some of us, and that is a self-serving comment, fear not; you can in fact vote for this and not worry about retribution from your community. The American people are fair. They are fair, and if they are all in the barrel, they will all get in. What they do not like is the selective placement in the barrel that is going on here.

How can we justify emasculating mass transit or agriculture or day care centers, whatever we do, and move through with massive tax cuts, corporations not paying taxes, and so on? How do you do that?

There are three problems we face here, and it must be obvious to all of us, as the chairman of the Budget Committee knows well.

One is we are split as a body on Social Security COLA's; two, we are split as a body on defense; and, three, we are split as a body on revenues.

Ultimately there may be able to be enough whips cracked and arms broken on the other side, as I hope any good majority would be able to do, to produce a product, and we will walk out of here for 5 minutes and say, "Well, the Senate did something."

I am willing to bet anyone in here whatever the Senate does on this will not in fact be the ultimate product that in fact comes about as national policy.

So why do we not get about the business of stopping this phenomenal erosion in our economic and financial security as a nation and take the next year to have a year-long debate about what the priorities should and should not be? And they must include something more than a single-year freeze.

But if one more of my colleagues tells me, as they told me the last 2 years, "BIDEN, yours is only 1 year and we have 3 years," when have we ever met the target that we set on anything we have passed for the second or third or fourth or fifth year out? Why do we not stop kidding one another?

And I would respectfully suggest that my time is up.

The PRESIDING OFFICER. The Senator's surmise is right.

Mr. GRASSLEY. I yield 3 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 3 minutes.

Mr. BAUCUS. Mr. President, what has concerned me the last couple of weeks as we have debated the budget is that most of the discussion on the floor of the Senate, most of the discussion in caucuses, and most of the discussion in private conversations, has not seen the forest for the trees. Almost all of the discussion has been: what are we going to trade off, what against what? Social Security against defense? Amtrak against rural housing? What is it going to be? What is the politics? Who is going to win, what political party? Everybody has a hidden, or not so hidden, separate agenda; motives are mixed.

Very little of the discussion has been about the core of the problem namely, gigantic budget deficits which essentially are borrowed time—we are living on borrowed time in this country—and which are a main cause of our equally abysmal trade deficits.

Almost everyone agrees that unless this country gets its house in order, unless we very significantly reduce the Federal budget deficit, unless we very significantly reduce the trade deficit, the price we are going to have to pay to put it all back together again—next year, or the second or third year after—will be far more costly than the price we should pay today to get the Federal budget deficit down. Our trade deficit is due in large part to the overvalued dollar which in turn is tied to the Federal budget deficit.

Today I just want to focus on one feature of the amendment before us. The amendment has many terrific features, including its across-the-board nature. Every group is treated evenly, every group is treated the same way. The freeze brings us all together.

However, the point I really want to emphasize in the short time I have now is that this is a bipartisan approach.

When Senator KASSEBAUM and Senator GRASSLEY first began to think about this, they thought, "Well, let's make it truly bipartisan, let's get an equal number of Democrats and Republicans on this proposal."

They talked to Senator BIDEN and to me: two Republicans, two Democrats. They made this proposal truly bipartisan.

Then we looked to try to add other cosponsors, again on a bipartisan basis, one from one party, one from the other.

Why did we do that? We did that because we recognized and we fervently believed—and we still feel that we have a tremendous problem on our hands. If we are going to solve that problem we have to do it, Republicans and Democrats together.

We are not going to be able to reduce the budget deficit; we are not going to be able to reduce the trade deficit; we are not going to be able to do the things America has to do to begin to compete in the world internationlly—and restore our faith in the future—unless we come together as a country. That means both parties must come together.

That is one reason why we worked to keep this bipartisan. It is also why we chose a truly across-the-board approach—no sacred cows, everybody in this together. Mr. President, no proposal is perfect, But this proposal unites us instead of dividing us. I urge its adoption.

Mr. GRASSLEY. Mr. President, I yield 1 minute to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois has 1 minute.

Mr. DIXON. Mr. President, because of the limited time, let me read quickly from a USA Today editorial entitled "Freeze Every Dime of Federal Spending." It reads as follows:

> This new budget was a good try, for it showed President Reagan is willing to horse-trade, even on defense. But this compromise should be scrapped.
>
> It should not pass because it is unfair. It would give the Pentagon, awash in reports of waste and profiteering, an increase. But it would force middle-income people, senior citizens, collegians and farmers to make sacrifices.
>
> Instead, the President and Congress must follow the hard but fair course. They must adopt an across-the-board freeze on every dime of federal spending, including defense.
>
> A freeze would break the spend-spend-spend cycle and put a $62 billion dent in the deficit.
>
> A freeze would squeeze everyone, from senior citizens to defense contractors. But, as USA Today has editorialized for months, it would be fair: It's easier to sacrifice if everyone does his part.

Mr. President, I ask unanimous consent that the editorial in support of fairness and equity be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I object. Did the Senator get agreement on that? I think the editorial is unfair, but other than that I do not object.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FREEZE EVERY DIME OF FEDERAL SPENDING

Suppose you were banking at one of those automated teller windows and a computer glitch allowed you to withdraw more money than was in your account.

Maybe you'd be cautious at first, taking only enough unearned dollars for a bag of groceries or a new coat. Still, the lure would be irresistible to withdraw more and more.

You wouldn't get away with it for long, of course. But the federal government has been getting away with it for years. As President Reagan said last week, the feds have been spending money as if they had a "magic money machine."

Now we are close to $2 trillion in debt. Interest on that debt alone is projected to be $155 billion this year. And what are we doing to pay it off? Absolutely nothing. It's been years since we lived within our means. In 1986, we plan to spend $227 billion more than we take in.

On Tuesday, the Senate is scheduled to vote on a compromise budget, supported by President Reagan, to reduce that $227 billion deficit by $52 billion.

It is not an easy budget to swallow.

While allowing defense spending to grow by 7 percent—3 percent above inflation—it would eliminate 17 federal programs, including the Job Corps, the Small Business Administration and Amtrak. It would cut Medicare, student aid and farm-price supports. And Social Security's cost-of-living hike would be cut roughly in half, to 2 percent.

Despite the president's dramatic televised plea for voters to embrace this budget, Senate Republicans couldn't muster the votes for it last week.

This new budget was a good try, for it showed President Reagan is willing to horse-trade, even on defense. But this compromise should be scrapped.

It should not pass because it is unfair. It would give the Pentagon, awash in reports of waste and profiteering, an increase. But it would force middle-income people, senior citizens, collegians and farmers to make sacrifices.

Instead, the president and Congress must follow the hard but fair course. They must adopt an across-the-board freeze on every dime of federal spending, including defense.

A freeze would break the spend-spend-spend cycle and put a $62 billion dent in the deficit.

A freeze would squeeze everyone, from senior citizens to defense contractors. But, as USA TODAY has editorialized for months, it would be fair: It's easier to sacrifice if everyone does his part.

If a family unwisely borrowed too much and was forced by law to pay its bills, it could start by freezing everyone's allowance so more income could go to the creditors.

Now the federal government must do the same. It must freeze its spending and start living within its means. This nation must finally learn what every family already knows: There is no "magic money machine."

Mr. GRASSLEY. Mr. President, I yield the balance of the time to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas has the balance of the time available.

Mrs. KASSEBAUM. Mr. President, we have now consumed almost 50 hours on this resolution. Despite the eloquence of those who have spoken about the need for deficit reduction, we are no closer to that goal now than we were 50 hours ago.

We are at an impasse. The reason for that impasse is obvious. We all want deficit reduction—that's the good news. The bad news is that we all want to do it our own way.

Every Member of this body could write a budget plan that reduces deficits. Some days it appears that every Member has. Unfortunately, no Member of this body has been able to produce a budget that can achieve consensus support

Mr. President, all of the packages represent an honest attempt to meet the challenge of deficit reduction. A challenge—I might add—that is greatly complicated by an ever-present undercurrent of partisan politics.

Two hundred billion dollar deficits are formidable enough obstacles to overcome in the best of circumstances. But, when one has to attempt to reduce them while fending off partisan rhetoric about tax increases, defense cuts, and Social Security breaches of faith, the task becomes impossible. Personally, I would just as soon not raise taxes, delay COLA's, or freeze defense. But, to get deficits under control, I am willing to do all three. Over the past 2 weeks I have voted to do all three.

I have voted for major budget proposals offered by both parties. I supported the White House-Republican leadership plan. I supported the Chiles-Hollings plan. I have voted for plans containing taxes and for plans with no taxes. I have voted for COLA freezes and 2 percent COLA guarantees. I voted for the Hollings plan in committee, and I voted for the Domenici plan that the Budget Committee sent to the floor.

Mr. President, contrary to all appearances, I am not confused. In fact, my thinking on the subject of deficits is quite clear. I know they must be reduced, and I realize the chances of that happening from a partisan plan are remote. That is why I am cosponsoring the pending amendment.

The KGB freeze, as it has come to be known, suffers from a number of problems—partisanship, however, is not one. KGB is opposed by everybody who is anybody in either party. The Republican leadership opposes it. The Democratic leadership opposes it. The President opposes it. Howard Baker didn't like it, and Vice President Bush has been ready for 2 years to vote against it. Any plan that can generate that much bipartisan agreement can't be all bad.

Mr. President, we have tried a number of approaches thus far in this debate and failed. We are not going to reach $52 billion in deficit reduction.

KGB will not save $52 billion. I will be the first to admit that. This plan will not achieve the level of savings found in the Dole-Domenici plan, the Byrd plan, or the Chiles-Hollings plan. I submit, however, that since none of those plans are going to pass, that attacking KGB for inadequate savings is a rather weak charge. Inadequate as compared to what?

The plan that the Senators from Montana, Delaware, Iowa, and I are offering does two things. It provides a basic framework for holding spending in check while we deliberate over structural spending reforms—and it saves $40 billion while so doing.

If we had adopted the KGB freeze last year, the current deficit would be lower than the one we are trying to achieve for 1986. If we do not adopt it this year, we will have again missed a golden opportunity to take the logical first step toward structural spending reform.

There is not much that we need to add to this debate that has not been made here a year ago, except we are that much further in debt. Certainly what I think is enormously important is to find the best deficit reduction package that is the most equitable and that has bipartisan support. I think it is crucial for a final resolution of the problem that we all acknowledge that we have.

We have almost used up 50 hours of debate. We have gone through a number of different packages, all of which, on the whole, I have supported. And I certainly believe that it is not just a lack of confusion, Mr. President.

I would also say that what I believe is absolutely essential is a bipartisan approach and one that is equitable. I think that is accomplished with the 1-year budget freeze, which does say that if we are not able to accomplish the structural reforms this year, which we have not been able to do, then we are putting everyone on notice that indeed that is coming. There are, as the Senator from Delaware [Mr. BIDEN] has said, a number of different approaches we could have taken but it seemed best at this point to offer the simplest and most equitable one across the board. And I would urge serious consideration of this first step which I think is an important one.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time do I have remaining in opposition?

The PRESIDING OFFICER. The Senator has 20 minutes remaining.

Mr. DOMENICI. Mr. President, I will make a few remarks, then I am going to yield to the chairman of the committee shortly.

I understand the Senator from Idaho has a question.

Mr. SYMMS. Mr. President, I just wanted to ask the chairman a brief question.

Mr. DOMENICI. This is off my time.

Mr. SYMMS. The Senator knows this budget thing inside out, but it appears to me that this so-called fairness really does not get rid of anything. We still have all of the programs left in place, is that not correct?

Mr. DOMENICI. The Senator is correct.

Mr. SYMMS. So there is nothing actually done away with? We just go on and expand the welfare rolls and reduce the defense and say that you have frozen the budget.

Mr. DOMENICI. The Senator is correct.

Mr. President, I yield myself 3 minutes. Let me first compliment those who have worked not only this year but for a couple of years in an effort to put this freeze package together. I know that many of you have even been judging your concept of what is fair against this and it has been very difficult from time to time for you to look at other proposals because obviously you assume that it is extremely fair going in.

I would just like to make a few points. After complimenting you, I hope you do not win. First of all, let me just say for those who have voted on defense issues, this is a serious, serious vote. We are in the final throes of finishing up the budget. I do not suggest that anybody votes on these kinds of things in anything other than a serious manner. But this is very serious.

Let me compare some defense things. The distinguished senior Senator from West Virginia offered a package. It got a lot of votes, over 40. So we can put a little comparison in. His amendment has defense growing at 1 percent over inflation. So everybody ought to know this is 5 percent less than that. This is no growth, meaning not even inflation. So for comparison, it is 5 percent more of a defense reduction than what the distinguished minority has.

Mr. GRASSLEY. Will the Senator let me clarify on that point?

Mr. DOMENICI. I am pleased to yield.

Mr. GRASSLEY. The Senator is correct as far as growth, but in outlays we will still be spending $13 billion more next year than this year.

Mr. DOMENICI. There is not any question that defense spends out from budget authority, but the future defense of our country is based on budget authority. I am merely talking about, comparing the distinguished minority leader's defense number, this is 5 percent lower.

Now we brought out a package with a 3-percent growth and we had a very heated debate and by a two-vote margin the Senate voted to bring it down to zero.

Now let us compare that zero in the first year with this. This is 4 percent lower than that zero in the first year.

I only say that because I do not know that we all understand the freezes the same way. Some people say we are talking about a defense freeze and we were using no growth, zero. This freeze is a literal freeze in budget authority which does not provide any growth, which is 4 percent less than what the distinguished minority leader offered.

Now let me give you another couple of comparisons. It may be fair to freeze every one Federal program. Some people might think that. But 60 percent of all the savings in this budget are out of the defense of this country.

Now that may be fair when one looks at the freeze. I am just not so sure it is the right thing to do. I cannot believe that we can look out there at the defense needs of our country, at this huge, huge litany of programs that we have everywhere else, and say it is fair to take 60 out of defense and 40 out of all the rest.

Now it does have a very, very good feature. I have complimented them many times on it. It has brought into the limelight one particular issue. It freezes cost-of-living indexes. That has been voted on a couple of times here. It does that. Now, that may be fair.

I happen to think it is fair if you have a major deficit package. I will tell you I am not so sure it is fair when you do not cut anything out of any other program in the Government. I am not saying that this does not freeze the rest of it. But, frankly, there are so many arguments about fairness, I wonder, if you are going to freeze the cost-of-living for pensioners, if you cannot find some programs in this Government that you could get rid of in exchange for asking them to sacrifice. I happen to think there are about 25 billion dollars' worth of programs that should be eliminated or reformed before you ask seniors to accept a freeze.

Having said that, I do with all sincerity compliment the sponsors. In particular, I compliment those who have focused on defense in the past few years. I think they have helped. But I really do not think we can justify at this point in our development of our national defense a negative for growth in defense. I do not think it is fair to take 60 percent out of defense. I do not think it is fair for senior citizens and all the other pensioners to freeze them and to treat all the rest of the other programs of our Government on par.

Last but not least, it will not do the job. I am not arguing that a $40 billion would not be great. But, frankly, when you only do this and do nothing else, you really leave a rather substantial deficit in place. I do not know that I would ask for a freeze unless I was prepared to do a lot more than this in terms of structural changes.

I would be pleased to yield to my good friend, the chairman of the Armed Services Committee, Senator GOLDWATER.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. I thank my friend from New Mexico.

The Senator from Iowa very correctly pointed out the other day that a few months ago when we first started working on this budget problem—I think 2 days after the election—I believed in the freeze because I considered a freeze to be an across-the-board freeze. I attended the first meeting. I continue to attend meetings, and it became very obvious to me that there was no way you could freeze this budget because everybody has their little selfish items. We watched Amtrak win today. We watched food lunches win today. I am not saying they might not be needed. But if you are going to cut the deficit, we are all going to have to make some sacrifices. I have some responsibilities.

I am chairman of the Armed Services Committee. I happen to believe that the first responsibility we have in this body and the other body is the defense of our country. You may say, oh, it is adequate. We have more than we need. I will admit we have the finest armed services at this particular moment than we have ever had in my memory. That goes back longer than I like to even think about. But is we cut this budget 4 percent and the House is now looking at zero, zero, zero, we have no bargaining position to begin with when I take this bill, if we ever get around to passing it, over to the House for our conference. We start out with no position to bargain from.

It is very easy to say freeze. It is very easy to say let us take this money out of defense. Let us finance everything else that everybody in this Chamber wants for more food stamps, more support for the farmers, more this and more that. Let us continue on soaking 50 percent of the American taxpayer so the other 50 percent do not have to worry. I believe in welfare. But I do not believe in the welfare state. I do not believe in cutting up the defense of this country just in order to finance the particular likes that each one of us might have. Many things that I would like to see contained in this budget I have already voted against, and I will continue to vote against them. But I beg of my colleagues, take a hard look at this. This freeze might have worked had we started out with it. It is not going to work now where you do not freeze everything. When you are taking 60 percent of all the anticipated cuts out of the defense budget, and we have inflation growing at a normal rate now of around 3.5 percent—maybe a little more next year because some people are talking our economy into a worse condition—I do not like to think of trying to provide the defense of this country with the needs they have to have and fail to do it.

I just remind my colleagues of an obligation we have in the Middle East. We have no treaty. But we have promised Israel to come to her defense if she needs it. Can we do it? We cannot hardly do it with the equipment we have today. We have to build a new transport called the C-17. You cut this budget, there will be no C-17. We have no way to get troops; we have no way to get equipment into that part of the world. We built our defense, I think, not wisely, but we built it on the possibility of war on the plains of Europe. I want to remind my colleagues that we have responsibilities around this world where we do not have the equipment that we need to fight around this world.

Do not cut our defenses 60 percent. I will admit we can cut defenses. I said that in the first meeting I went to. We can. And we have. The budget that the Armed Services Committee voted out was a cut in defense. But how far are we going to go? I do not want to see our boys wind up with just bows and arrows. We went through that once. We got the hell beat out of us.

Please, take a hard look at this. It sounds great. Freeze everything. But oh, do not freeze the things that I want in my home State. That is what is going to kill us if we do not make up our minds that saving this country is a lot more important than saving our own pet little projects.

Mr. BIDEN. Mr. President, will the Senator from Iowa yield 10 seconds? Can we find the Senator from Iowa? [Laughter.]

Mr. DOMENICI. Mr. President, how much time do I have?

The PRESIDING OFFICER (Mr. SYMMS). The Senator from New Mexico has 16 minutes.

Mr. DOMENICI. I yield 10 seconds.

Mr. BIDEN. Mr. President, I understand why my distinguished friend, the chairman of the Armed Services Committee, may be confused.

The PRESIDING OFFICER. The 10 seconds has expired.

Mr. BIDEN. You are a heck of a guy. [Laughter.]

Will the Senator yield 10 seconds?

Mr. DOMENICI. I am pleased to.

Mr. BIDEN. None of the amendments that we passed, Mr. Chairman, are in fact attached to this freeze. This is in fact a total freeze.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I think we are ready to vote shortly.

I think there is one other notion that I should speak a minute on. There are so many ideas of what is fair that it is pretty difficult to express the concept. I have been home recently, and I am sure all my friends here in the Senate have. People say if the budget package is fair, I will be for it. And my good friend, a member of my committee, who, I dearly respect, Senator GRASSLEY, says a freeze is fair. But I would like to make this point. A freeze of all programs when that plan ends up with 60 percent of savings out of defense, and freezing the pensions for all the people in this country, assumes one thing further. It assumes that all programs are created equal, that all the policies are the same, the same in need, the same in urgency, and the same in our Government's responsibility to do what it must. Frankly, I think when you ask that kind of question, a freeze of this type fails in fairness because I do not think all the programs are the same. I do not think they have an equal objective or approach.

I say that my friend, the distinguished Senator, who has been working hard on this forever and is on the Budget Committee along with the good junior Senator from Kansas, who also worked hard on this have a different notion. They think maybe you cannot save much more, and you ought to get on with saving this much. I just do not believe that. I do not say it is not a good idea. But I think we can save more. In that context, they have an idea that simplicity is a virtue here. It may be. It may be that we cannot do any more. Maybe this kind of freeze has with it that added characteristic. But, frankly, I think this is a year to do a lot more. I urge the Senate not to adopt the freeze amendment, which is the full substitute that is before us.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. I have how much time remaining?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. GRASSLEY. Mr. President, will the Senator give me 1 minute to respond to a point that you were not wrong about, but that I would like to comment on?

Mr. DOMENICI. I yield 1 minute to my friend, Senator GRASSLEY.

Mr. GRASSLEY. Mr. President, we would not say that all programs are created equally and that is not the issue, although I do not find fault with the point the Senator made. It is a point of starting with shared sacrifice as a necessary first step to getting the show on the road to get the budget deficit down. We have always thought in terms of bringing people together as opposed to a budget the Senator presents, which we thought actually kind of divided people. In this period of time, when we need real austere approach that is even going to have to go further down the road a few years than what the Senator suggested we do, it is better that we try to reprioritize the budget at the same time as we bring down the overall level of expenditure.

Mr. LEVIN. Mr. President, I will vote against the Grassley amendment, embodying the so-called KGB freeze, because it will not bring about significant deficit reduction over the next 3 years and because it does not ask everyone to fairly share in the burden of deficit reduction.

The KGB freeze, unlike the Chiles-Hollings package which I supported, does not put us on a realistic glidepath toward a balanced budget in the foreseeable future. This glidepath is essential if we are to ask people in this Nation to endure the sacrifices of deficit reduction. Otherwise, their efforts will have been in vain, and the future requests for sacrifice, which would be inevitable, would risk falling on less and less responsive ears. Passage of the KGB freeze would put off the day when we have to make multiyear budget plans and would result in those plans requiring more painful medicine than they would have had to if we had acted earlier.

In addition, the KGB plan does not require the degree of shared sacrifice necessary to make it acceptable or fair. Under the KGB plan, Social Security recipients are required to give up their cost-of-living adjustments, for 1 year and many of those recipients will be thrown into poverty. There is not even a provision in the plan for softening the impact of this COLA freeze. At the same time, there is no provision in the KGB plan for enacting a more effective minimum tax on profitable corporations and wealthy individuals, who are now using the tax code to avoid paying anything in taxes. A budget plan which asks for sacrifice from senior citizens and so many others, but does not take steps to tighten up the Tax Code as it applies to these profitable corporations and wealthy individuals, is unbalanced and unsupportable.

There is a budget package offered which provides a responsible and balanced way to dramatically reduce the deficit by 1990. This was the Chiles-Hollings package, which I support. I hope that we will consider something along its lines again before we conclude our deliberations on the budget.

Mr. PRYOR. Mr. President, I am pleased to be a cosponsor of the pending amendment, and I hope it will be adopted by the full Senate. This amendment, Mr. President, is the best way to solve our budget problems, and will give us time to develop long-term solutions to the budget problems we're now facing.

Mr. President, this amendment is simple. It is equitable. It tells everybody and every program in the Federal budget: "We've got serious budget problems, and in an effort to get the deficits down, we're going to freeze your program for the next year." This freeze is across the board; no one or no program is exempt. For this reason, Mr. President, it is the best way to attack the problem, and it will then allow us to spend the next year developing real, long-range solutions to get the horrible budget deficit under control.

Some people argue that this is the wrong way to go. My answer to that, Mr. President, is that under this plan everybody is included. Therefore, it's equitable. Next, we've got to do something. Every other proposal to date that's been considered on the floor has gone down to defeat. The so-called leadership package was adopted, but then was amended to the point where nobody knows what's in it now. So, as a practical matter, Mr. President, all of the other budget alternatives have been defeated.

I have supported the concept of a 1-year across-the-board budget freeze each of the last 2 years. While we haven't won, I think the time has certainly come for this idea. It just seems to me, Mr. President, that if we're ever going to get these deficits of $200 billion down to manageable levels, and levels that won't literally mortgage the future of this country, we're going to have to do it with shared sacrifice. That's what this amendment is all about. Everybody helps. Therefore, the country will be better off.

This budget amendment is only for a 1-year freeze. But, this 1-year tourniquet will provide us some breathing room to get our budget back on the right track. We're running out of time, Mr. President, and the pending amendment is the best solution offered to date.

I commend my colleagues, the Senator from Kansas [Mrs. Kassebaum], the Senator from Iowa [Mr. Grassley], and the Senator from Delaware [Mr. Biden] for their efforts. I hope we will prevail in this effort, and I urge my colleagues to join in supporting this amendment.

Mr. PELL. Mr. President, I have voted for a 1-year freeze on Federal Government spending. I have done so primarily to indicate my conviction that the Federal Government deficit must be reduced.

I have voted for this across-the-board freeze as an alternative to the administration's proposal which proposes to reduce the Federal deficit by destroying or decimating programs that are of proven worth and that contribute significantly to our strength as a nation.

Most importantly, this budget freeze amendment would bring to a screeching halt the runaway increases in defense spending. It would freeze defense spending at the current level with no adjustment for inflation. It would force the Defense Department to eliminate unneeded weapons systems, and stop the wasteful practices in Government defense contracts. Defense spending increases have added immensely to our budget deficits during the past 4 years. Freezing that spending would be good for our Nation.

Although I have voted for this budget freeze, I have very serious reservations about the effect of the freeze on Social Security benefits. I believe it is basically unfair to freeze Social Security benefits. Social Security is financed by separate payroll withholding taxes, and those taxes are paid to be used for Social Security, including cost-of-living adjustments, and not to reduce the Federal Government deficit. If I had my way, I would not freeze Social Security benefits.

In addition, this across-the-board freeze has other serious flaws. While freezing Government spending programs, it would permit the continued burgeoning growth of tax expenditures that add billions of dollars to the deficit each year and permit profitable corporations and well-off individuals to escape their fair share of taxes. In addition the freeze permits continued spending on wasteful farm subsidy programs at a very high level.

In my view, the administration budget uses deficit reduction as an excuse to attack and destroy good and effective Government programs with which the administration simply disagrees. Indeed, this administration would propose slashing of such programs as student aid, Amtrak, and Social Security even if the Government were running a surplus.

For all of its flaws, the spending freeze proposal at least focuses on deficit reduction as the primary objective, without attacking good, essential and proven Government programs. And it does have a major advantage in firmly halting the runaway growth in defense spending that has contributed so much to the escalating Federal deficits.

Mr. GRASSLEY. Mr. President, it has become apparent that Congress and the administration has lost some needed perspective with regard to our agriculture budget. Too many people are focusing on the costs, which represent a symptom of a depressed farm economy, and perhaps a symptom of an inadequate farm program. Too much focus is on the cost, and virtually no attention is being paid to the causes for the cost.

Worse yet, instead of addressing the means to correct these causes, some want to take a simplistic approach correcting the symptom. In short, their answer is to slash the agriculture budget with no care as to the economic turmoil that it will bring. They aren't concerned about the impact of these meat ax cuts on the economic fabric of an already struggling farm sector.

Just why are farm program costs high? It's simple, everyone knows that under our commodity price support programs, as farm market prices fall below a certain set level, Government expenditures increase. These expenditures amount to a safety net for farmers; they do not guarantee profits. As an example, in 1984 it cost Iowa corn growers an average of $2.99 to produce a bushel of corn if he can average 115 bushels per acre. During that same year, the average market price was $2.97, so the farmer who did not sign up for the program would have lost 2 cents per bushel. If the farmer was signed up for the program, he could have been assured $3.03 per bushel, a 4-cent profit. Of course that profit would have been offset by the losses associated with the requirement to set aside a percentage of his acreage.

So you see, at best, our farm programs provide a mere safety net. This should dismiss any ill-conceived impressions some might hold that American farmers walk away from the U.S. Treasury with billions of dollars in their pockets as they laugh their way to the bank. So, who does benefit from our farm program expenditures? It benefits those who depend upon agriculture directly or indirectly for their jobs. In Iowa, that's about 4 out of 5 jobs. Nationwide, 20 percent, or 23 million jobs depend upon agriculture. Twenty-three million workers in America are depending upon American farmers staying in business. These 23 million workers understand that if farmers stay in business, they will spend about $135 billion worth of goods and services produced by our urban work force.

That's where the billions of dollars of farm program price supports are going. This money keeps these 23 million employed. It goes to the employees of machinery manufacturers, chemical and seed companies, the landlords, the banker, the grocery

store, the local mechanic. When farmers are at best breaking even with our price support programs, it is easy to figure out who benefits from what money that does come from the U.S. Treasury.

Washington can ill-afford to think of our farm programs in terms of a small percentage of farmers scattered throughout the country. We are talking about the backbone of our Nation's economy.

Who benefits from our farm programs? Not just a few million farmers, but 20 percent of our work force.

So the question is, Who is subsidizing whom?

There is yet another side of this farm subsidy issue worth exploring. Americans enjoy the safest, most nutritious diet in the world. And they spend less than 16 percent of their disposable income on food. Compare this to the 60 or 70 percent of disposable income that consumers from other parts of the world must spend.

For every dollar spent for food consumed at home, the farmer receives a meager 33 cents. And for every dollar spent away from home on food, the farmer only gets about 15 cents. In short, of the $332.2 billion spent by U.S. consumers for American food, only 27 percent went to our farmers.

Where does the bulk of it go? That 73 percent goes to the middle-man costs of transportation, labor, packaging, energy, and a number of other areas.

So who benefits by keeping farmers in business? Consumers benefit. Consumers benefit by this safety net we call farm programs. Consumers benefit by the billions that have been spent on farm programs.

What happens if we slash our farm program budgets. Unfortunately, if we end up with a new 4-year farm bill with programs similar to what we have now, we will probably see this safety net for farmers weakened. And remember what I pointed out earlier, the average corn farmer in Iowa, according to Iowa State University figures, is only breaking even now. Many are being forced out of business.

If we have to weaken that safety net, tens of thousands of additional farmers will be forced out of business. With them will go those jobs which depend upon a viable agriculture. In the Midwest, it will mean a major disruption in our entire economic fabric.

Now let's get back to the question of the high cost of our farm programs. Remember, its when our farm markets are weakened that Government costs increase. So what has happened to our markets?

Much of the stage was set by the Soviet grain embargo. In 1980 alone, the Soviet grain embargo cost America 310,000 jobs, $3 billion in personal income, and over $11 billion in national output.

But it also encouraged our foreign competitors to increase their farm production base. Through this increased base, along with worldwide bumper crops, our farm markets have weakened.

Add to this, the unfair trade practices and subsidies of our competitors. These subsidies squeeze American farmers out of foreign markets, which further weakens our domestic farm markets and ultimately triggers higher cost to the Government through farm program supports.

And what about the strong dollar? Our strong dollar also weakens our domestic markets because it destroys our ability to sell our grain overseas. During Senate Budget Committee hearings, Secretary Block stated that he estimated that the strong dollar cost us roughly $3 to $4 billion in farm export markets. Who pays for this? This $3 to $4 billion either comes out of the pocket of the American farmer, or it comes out of the U.S. Treasury.

In short, the strong dollar is increasing the costs of our farm programs. Not only the strong dollar, but also unfair trade practices and subsidies, ill-advised U.S. policies like the Soviet grain embargo, and a number of other factors have forced market prices down and thus farm program costs up.

Now, here is the irony. Some of our officials have suggested that the strong dollar is good for the United States. They say that it has attracted foreign money which helps pay for our budget deficits and spending.

It is good for America, but it is bad for the farm program budget. The strong dollar, and a number of other factors completely out of the control of American farmers, is causing high costs for our farm program costs. And what losses our Treasury doesn't cover, comes directly out of the pockets of our farmers.

In short, farmers are sacrificing their profits so that the strong dollar can help out the rest of the country.

And what is the farmers' reward? They are asked to sacrifice even further. They are told their income must be slashed even further, that many must be forced out of business.

The powers that be in Washington are not interested in correcting the reasons for the farm problems or high costs of farm programs. They aren't focusing on getting the dollar down. They aren't forcing our trade negotiators to shed their images as paper tigers to force our competitors to play fair. They aren't interested in protecting farmers from the misguided policies of our own Government.

Instead, they're focusing on one thing—slash those farm programs. They make it sound appealing. They say that all that money fills the pockets of the rich farmers and that it only encourages farmers to produce more and more. They couch their arguments as if all the blame should be on the farmer, and they say we should take away the farmers safety net.

In fairness, I should point out that one of the best things that could be done to help American farmers would be to reduce interest rates and to reduce the strength of the dollar. We are told both will be accomplished by reducing our budget deficits. And so the argument goes that farmers therefore should be willing to pitch in to help reduce the budget deficits—it will be good for farmers.

I agree that it will be good for farmers, but who will it help if it means pulling the safety net from underneath these farmers? How many farmers will be asked to go out of business while they wait for interest rates to fall and exports to increase? How many of the 23 million farm related urban jobs have to be lost?

Again, I ask, who is subsidizing whom? When all the money farmers make goes toward production costs—to employ 23 million Americans—to keep consumer food prices down to a minimum—who is subsidizing whom?

Let me suggest, that if it isn't clear to my colleagues what the answer is to this question, I assure them that it is abundantly clear to their constitutents—urban and rural alike.

The 65 percent of Americans polled in January by the New York Times and CBS News, who stated that it was a bad idea to cut farm aid as a way to trim the Federal deficit, know who is subsidizing whom.

And they care enough to know farmers are in trouble and need help. A February, 1985, ABC News/Washington Post poll found that 61 percent realize farmers are worse off than most Americans; 82 percent believe that the Government should give special assistance to these farmers.

If Americans understand who is subsidizing whom, why can't this Congress and this administration figure it out?

I hope that my colleagues will take this information into account, and I hope it will broaden their perspective about our agriculture budget problems.

Let me just close by saying, American agriculture stands at the crossroads. What we do with this budget, and what we do with the new 4-year farm bill, will mean all the difference in the world.

Let me suggest that we need the maximum amount of flexibility possible, in terms of budget constraints, under which we can draft a farm bill. If Congress can develop a less costly farm bill that provides farmers the support they desperately need, then let Congress develop it. But we cannot afford to have cuts forced upon us at this critical time.

It is for this reason that I have supported freezing the agriculture budget as part of an across-this-board budget freeze. And when that failed, I have supported the least possible cuts in agriculture. It's a matter of equity, fairness, and for many of our farmers and AG labor force, it's a matter of survival.

Mr. DOMENICI. Mr. President, I thank the Senator. I just would say again, not by way of being disagreeable, because I have the greatest respect for the Senator from Iowa, but any notion of shared sacrifice has at least an overtone or a connotation that you start with the same kind of program or the same kind of need or the same kind of responsibility, then you ask for a sacrifice. I return to the fact that you do not have shared sacrifice when you have programs that are very, very different and yet you are treating them all alike by freezing them. I do not think that is shared sacrifice.

I yield back the rest of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson], are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. Exon], is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 27, nays 70—as follows:

[Rollcall Vote No. 57 Leg.]

YEAS—27

Andrews
Baucus
Biden
Bingaman
Boren
Boschwitz
Bumpers
Burdick
DeConcini
Dixon
Dodd
Gore
Grassley
Harkin
Hollings
Humphrey
Kassebaum
Kasten
Matsunaga
Mattingly
Melcher
Pell
Pryor
Simon
Trible
Weicker
Zorinsky

NAYS—70

Abdnor
Armstrong
Bentsen
Bradley
Byrd
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
Eagleton
Evans
Ford
Garn
Glenn
Goldwater
Gorton
Gramm
Hart
Hatch
Hatfield
Hawkins
Hecht
Heflin
Heinz
Helms
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Laxalt
Leahy
Levin
Long
Lugar
Mathias
McClure
McConnell
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pressler
Proxmire
Quayle
Riegle
Rockefeller
Roth
Rudman
Sarbanes
Sasser
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Wallop
Warner

NOT VOTING—3

East
Exon
Wilson

So the amendment (No. 80) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. Senators in the aisles will cease conversations.

Mr. DOLE. Mr. President, I inquire how much time remains on the resolution.

The PRESIDING OFFICER. The majority leader has 25 minutes remaining, and the minority leader has 3 hours.

Mr. DOLE. Mr. President, that is the point I want to make. There are 3 hours and 25 minutes. That would take us to about 7 o'clock. But we have rollcall votes that do not count against that time, plus amendments to be offered at the expiration of that time.

It is still my hope to conclude action on this measure today. So again I implore my colleagues who have amendments they do not have to offer to see if we can figure some way of covering it in a news release, without offering the amendment, and let us do it that way. [Laughter.]

I think the general thrust around here is to try to finish at a fairly early time.

I understand that the next amendment is to be offered by the distinguished manager of the bill on the minority side, Senator Chiles. Is there a time agreement on that amendment?

Mr. CHILES. Fifteen minutes on a side.

Mr. DOLE. Mr. President, I ask unanimous consent that there be 30 minutes on the Chiles amendment, evenly divided.

The PRESIDING OFFICER. Is there objection?

Mr. COHEN. Mr. President, reserving the right to object, I have been waiting all afternoon to offer an amendment. Does the majority leader have a sequence of amendments?

Mr. DOLE. The last amendment came from this side, and this amendment will be from the other side.

Mr. COHEN. The Senator started to have an alternation?

Mr. DOLE. We started that yesterday. [Laughter.]

Mr. COHEN. Is it fair to presume that we will alternate back?

Mr. DOLE. I understand that the Senator from Maine may have an amendment, and we want to take it up before the time runs out.

Mr. COHEN. Immediately after the Chiles amendment.

Mr. DOLE. That is fine with me.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? The Chair hears none, and it is so ordered.

AMENDMENT NO. 81

Mr. CHILES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida [Mr. Chiles] for himself, Mr. Levin and Mr. Kerry, proposes an amendment numbered 81.

Mr. CHILES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the preceding amendment, make the following changes:

On page 3, increase the amount on line 11 by $300,000,000.

On page 3, increase the amount on line 12 by $3,300,000,000.

On page 3, increase the amount on line 13 by $2,900,000,000.

On page 3, increase the amount on line 14 by $3,200,000,000.

On page 3, increase the amount on line 17 by $300,000,000.

On page 3, increase the amount on line 18 by $1,300,000,000.

On page 3, increase the amount on line 19 by $3,200,000,000.

On page 3, increase the amount on line 20 by $3,400,000,000.

On page 3, increase the amount on line 24 by $300,000,000.

On page 3, increase the amount on line 25 by $1,300,000,000.

On page 4, increase the amount on line 1 by $3,200,000,000.

On page 4, increase the amount on line 2 by $3,400,000,000.

On page 4, increase the amount on line 5 by $300,000,000.

On page 4, increase the amount on line 6 by $1,600,000,000.

On page 4, increase the amount on line 7 by $4,800,000,000.

On page 4, increase the amount on line 8 by $8,100,000,000.

On page 4, increase the amount on line 11 by $300,000,000.

On page 4, increase the amount on line 12 by $1,300,000,000.

On page 4, increase the amount on line 13 by $3,200,000,000.

On page 4, increase the amount on line 14 by $3,400,000,000.

On page 4, increase the amount on line 23 by $200,000,000.

On page 5, increase the amount on line 5 by $200,000,000.

On page 5, increase the amount on line 12 by $200,000,000.

On page 5, increase the amount on line 19 by $200,000,000.

On page 19, increase the amount on line 12 by $300,000,000.

On page 19, increase the amount on line 13 by $300,000,000.

On page 19, increase the amount on line 17 by $200,000,000.

On page 19, increase the amount on line 21 by $3,200,000,000.

On page 19, increase the amount on line 22 by $1,200,000,000.

On page 20, increase the amount on line 2 by $200,000,000.

On page 20, increase the amount on line 6 by $2,600,000,000.

On page 20, increase the amount on line 7 by $2,700,000,000.

On page 20, increase the amount on line 11 by $200,000,000.

On page 20, increase the amount on line 15 by $2,500,000,000.

On page 20, increase the amount on line 16 by $2,800,000,000.

On page 20, increase the amount on line 20 by $200,000,000.

On page 32, increase the amount on line 17 by $100,000,000.

On page 32, increase the amount on line 18 by $100,000,000.

On page 33, increase the amount on line 2 by $300,000,000.

On page 33, increase the amount on line 3 by $300,000,000.

On page 33, increase the amount on line 11 by $600,000,000.

On page 33, increase the amount on line 12 by $600,000,000.

On page 42, decrease the first amount on line 6 by $3,254,000,000.

On page 42, decrease the second amount on line 6 by $1,159,000,000.

On page 42, decrease the amount on line 7 by $3,621,000,000.

On page 42, decrease the amount on line 8 by $3,246,000,000.

On page 42, decrease the first amount on line 9 by $4,016,000,000.

On page 42, decrease the second amount on line 9 by $3,966,000,000.

On page 45, decrease the amount on line 21 by $3,254,000,000.

On page 45, decrease the amount on line 22 by $1,159,000,000.

On page 45, decrease the first amount on line 23 by $3,621,000,000.

On page 45, decrease the second amount on line 23 by $3,246,000,000.

On page 45, decrease the amount on line 24 by $4,016,000,000.

On page 45, decrease the amount on line 25 by $3,966,000,000.

On page 52, increase the amount on line 1 by $3,200,000,000.

On page 52, increase the amount on line 3 by $2,500,000,000.

On page 52, increase the amount on line 4 by $2,400,000,000.

The PRESIDING OFFICER. Will all staff personnel and Senators clear the aisle, so that we may hear the Senator from Florida?

Mr. CHILES. I thank the Chair.

Mr. President, I send this amendment to the desk on behalf of myself, Senator Bradley, Senator Pell, Senator Kennedy, Senator Moynihan, Senator Sarbanes, Senator Rockefeller, Senator Lautenberg, Senator Hollings, Senator Byrd, and Senator Dodd.

I yield myself 2 minutes, Mr. President.

Mr. President, the amendment represents an investment in the future.

Investments in education and training programs certainly are vital to our economic growth and the funding here would be for programs which give our children and workers the skill they need in an increasingly competitive market.

Under the leadership plan, funding for many of these programs would be frozen at the 1985 levels, and because these programs are dependent on Federal funds, a funding freeze would actually cause cutbacks in either the participation or the service levels.

As a consequence of a funding freeze, participation in Head Start could fall by as many as 20,000 children. Another 200,000 children could be dropped from compensatory education programs for the disadvantaged.

I think it is imperative that we extend the funding and expand it for our math, science, and foreign language programs.

Certainly that program, which we established with great fanfare last year, was to counter the underinvestment in those critical skills.

We know that our declining test scores have revealed weakness in many of our math and science preparations. We know what the Japanese, and the Germans, and our competitors in the free world are doing. For example, they graduate twice as many engineers in Japan as we do. About 15 percent of the American high school students study a foreign language, down from about 24 percent in 1965. And yet those are the skills we need as we try to increase our trading base.

The amendment also provides adequate funding for the Pell Grant Program.

I thank the Senator, and I now yield 3 minutes to the distinguished Senator from Rhode Island [Mr. Pell].

Mr. PELL. Mr. President, the real strength of our Nation is not the weapons of destruction——

Mr. KENNEDY. Mr. President, could we have order so we may hear the Senator from Rhode Island?

The PRESIDING OFFICER. The Senator from Massachusetts is correct. The Senator from Rhode Island will please suspend and time will not be charged.

The Senate will not move forward until we can get some order. Will those Senators conversing in the middle aisle please cease conversation and those staff people, also.

The Senator from Rhode Island.

Mr. PELL. Mr. President, I thank you, and I thank my friend from Massachusetts.

Mr. President, the real strengths of our Nation are not the weapons of destruction, or the machines of construction, or the gold in Fort Knox. The real strength of our Nation is the sum total of the education and the character of our people. Our weapons are of no use until we have people who can operate them.

If ever there was a capital investment, it is investment in the education of our people, and this is where I think we should not be niggardly.

In this regard the Chiles amendment does its best to remedy the situation we find ourselves in today.

Mr. President, I rise in support of the Chiles amendment, of which I am proud to be a cosponsor. For the education of our young people, this is a most important amendment, and I would strongly urge my colleagues to support it.

It would, first, provide a very modest inflation adjustment for the Pell Grant Program. This increase would amount to just about 5 percent. It is an increase, however, that is vitally necessary if this program, the bedrock of our Federal student aid efforts, is to continue serving the almost 3 million needy students nationwide who today receive Pell grants.

Second, for the chapter I program, we are proposing a very small inflation adjustment, also of approximately 5 percent. This program, which currently serves about 4.6 million children nationwide, has never had sufficient funding to serve more than one-third of all eligible children. Our amendment would simply enable the program to continue serving the number of children already in the program.

Third, for the Guaranteed Student Loan Program, our amendment would achieve savings of about $150 million in fiscal 1986. These are savings that can be achieved through administrative changes in the law, and, most important, are changes we believe can be made without adversely affecting the ability of deserving students to obtain loans under this important program.

Finally, for all other education programs, for the arts and humanities endowments and for the Institute of Museum Services, our amendment would freeze funding for fiscal 1986 at fiscal 1985 levels. This would protect the Impact Aid Program by preserving needed payments to B children, those children whose parents either work or live on Federal installations.

Mr. President, this is a very reasonable amendment. It produces savings, asks sacrifices, and provides only very modest increases for aid to needy children and students who need our help most. I strongly urge its passage.

Mr. CHILES. Mr. President, I yield 2 minutes to the distinguished Senator from New Jersey [Mr. Bradley].

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 2 minutes.

Mr. BRADLEY. Mr. President, I rise today to join my colleague, Senator Chiles, in offering an amendment which would restore funding for a variety of critical education, training, employment, and social service programs. I am concerned that many of the program cuts proposed in the President's budget would most harshly affect those who have already suffered from reductions in Federal program spending—our children, our unemployed youth and adults, and our elderly citizens.

We need to preserve educational opportunity for economically and educationally disadvantaged youth. This year marks the 20th anniversary of two programs which have proven particularly successful in assisting such children to reach their potential level of intellectual development—the Head Start and Chapter I Programs. Neither program has ever been funded at levels necessary to provide services to even a majority of eligible children. The present budget proposal would allow inflation to further limit the number of children being assisted by these programs. I simply cannot support further cuts to a program such as Chapter I, whose funding has already been reduced in real terms by nearly 20 percent since 1980. The result of these cuts has been a reduction in the number of children being served by between 500,000 and 700,000. Our amendment restores funding to the baseline for both Head Start and Chapter I.

Mr. President, we all know that Federal aid to higher education is as good as any investment we can make to keep our leadership position in the world. The budget proposal before us, however, would place significant barriers between hundreds of thousands of students and their chance for a higher education. These cuts fly in the face of the realities of contemporary life which demand a better educated citizenry and work force. We must oppose these cuts. Our amendment funds the Pell Grant Program at its baseline level and restores the other student financial assistance programs to the their actual fiscal year 1985 level. Furthermore, it reduces spending in the Guaranteed Student Loan Program by about $700 million over 3 years; this can be attained by administrative reforms and tighter collection methods.

This amendment also protects several programs serving our Nation's elderly citizens. Baseline funding is provided for the Community Service Employment for Older Americans Program and the Administration on Aging, the latter includes nutrition programs for the elderly.

This amendment also provides additional funding for programs which give our youth and our workers the skills they will need in an increasingly complex and competitive world market. Funds are added for the establishment of older worker training programs and a national commission on labor market conditions, as well as for math, science, and foreign language education programs. Many of my colleagues may recall that I introduced an amendment last year to supplement funding for the math/science program. That amendment was approved by the Senate but lost in conference.

Finally, these ends can be reached in a manner which still results in 3-year savings of $4.1 billion.

Mr. President, this amendment is a very clear one, and offers very clear choice. It is an amendment that says the future of our country is dependent on the quality of our education and that, indeed, the Federal Government has a role in that process.

I know that there are Senators in this body who do not believe this. I know that there are Senators in this body who believe the Federal Government has impeded educational efforts by its attempt to insist that those who are less privileged have the same opportunity to learn as those who are more privileged.

I simply disagree most profoundly with those in the body who hold this point of view.

I happen to think that the success of the chapter 1 program over the last 20 years—and we just celebrated its 20th anniversary a few weeks ago—is testament to the fact that if you devote attention to the child, no matter what that child's income level is, if you provide remedial education teachers for the child, and if you reach the child so that he or she tries to excel, the program can succeed in allowing all children in this country, no matter what their economic level, to have the opportunity to fly as high as their abilities will allow them.

This amendment says we must keep that commitment to the children of this country and to the future of our country. This Nation's most valuable capital is its human capital. I strongly support this amendment and urge that we adopt it.

Mr. CHILES. Mr. President, I yield 3 minutes to the distinguished Senator from Massachusetts [Mr. Kennedy].

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Thank you. Mr. President.

Mr. President, I welcome the opportunity to join my friend and colleague from Florida, Senator Chiles, in urging the Senate to accept this amendment.

This amendment proposes to freeze most education programs while providing some inflationary adjustment for certain means-tested programs.

The budget process is an attempt by Congress to set priorities for Federal spending. In my view, education is as important as any area of the Federal budget. Investment in education is sound economic policy, good defense policy and just plain commonsense.

Mr. President, although the education budget has been increased in recent years, when adjusted for inflation, spending for education has actually decreased by 12 percent. As a proportion of total Federal budget outlays, education decreased from 2.4 percent to 1.7 percent between 1980 and 1985, with elementary and secondary education's share falling from 1.03 percent to .68 percent. In spite of our rhetoric calling for partnerships in education, the Federal share of total expenditures for education in this country has declined from 10.8 percent in 1980 to 8.3 percent in 1985.

Mr. President, if we were to make up for all of the inflationary increases in the last 3 years, it would require $3.2 billion just to restore the elementary and secondary education to its 1980 buying power.

This amendment, as I have previously stated, is a small and prudent effort to provide inflationary adjustments for certain means-tested programs.

Inflationary increases are absolutely essential for some education programs. In the chapter 1 program, as Senator Chiles has pointed out, the number of children served dropped from 5.4 million in school year 1979–80 to 4.7 million in school year 1982–83. With the increases Congress has appropriated in recent years, the number of children served by chapter 1 is still below 5 million, less than 40 percent of those eligible.

Without this amendment, we would see significant reductions in those numbers of children who would benefit from the title I program, and I think we should deal with that particular issue in question as well as with the Guaranteed Student Loan Program. With an inflation rate of 5 percent, 295,000 fewer children will be served by this program.

Inflationary adjustments for Pell grants will only begin to address the needs for student aid. When adjusted for inflation, Pell grant assistance has declined nearly 20 percent since 1980. The Chiles amendment proposes to save $150 million in the Guaranteed Student Loan Program. These savings are achieved through administrative changes making unnecessary the need to deny student loans to needy students.

An inflationary increase is absolutely essential in the area of handicapped education. With an inflation rate of 4.3 percent, level funding represents a real loss of $1.3 million.

To address the needs for sustained labor force development, this amendment proposes a partial increase for the Job Training Partnership Act [JTPA]. It also preserves the Job Corps and WIN Programs and proposes a $100 million increase in the funding of math-science programs to insure a continued investment to meet tomorrow's demands for trained personnel.

The Senator from Rhode Island the distinguished Senator Pell, has pointed out the importance of this amendment in the areas of the arts and humanities.

This amendment would freeze funding next year at the 1985 levels and provide for a 3-percent growth in subsequent years This funding is critical if we are to maintain responsible and

responsive Federal programs for music, literature, dance, the Nation's museums and scholarly research.

All of these programs are essential to our Nation's educational and cultural advancement.

I urge my colleagues to join me in supporting this essential amendment.

Mr. CHILES. I yield 1 minute to the distinguished Senator from West Virginia.

Mr. BYRD. Mr. President, I am pleased to cosponsor this amendment.

I have often made the observation to my constituents in West Virginia, to other concerned citizens, and to my colleagues in the Senate that I believe education is the first line of our country's national defense. Just as we at the Federal level recognize the need to invest resources to ensure our Nation's defense by military means in case that should ever become necessary, so, too, I believe we must invest in education.

Mr. President, the so-called White House-Republican compromise proposal before us badly shortchanges education. It is true that it is somewhat more generous toward elementary and secondary education than was the committee resolution: rather than cutting a number of these programs below 1985 levels, the White House-Republican compromise proposal generally funds programs at 1985 appropriations levels. However, the Republican proposal provides no allowances for inflation in any education programs. This will adversely affect up to 600,000 elementary and secondary students nationwide who now benefit from these programs.

Higher education programs are dealt a severe blow by the White House-Republican compromise proposal. It proposes to reduce budget authority for student aid programs in fiscal year 1986 by $686 million, by $844 million in fiscal year 1987, and by $877 million in fiscal year 1988. These reductions are to be achieved by cuts in the Pell Grant Program and campus-based assistance programs. In addition to these cuts, the Republican proposal reduces the Guaranteed Student Loan Program by $150 million. Clearly, the magnitude of these cuts will mean that the ability of our student assistance programs to provide accessibility to a quality education for American students—the underlying philosophy of the programs—will be vastly diminished.

Needless to say, there is no room in this Republican budget for any strengthening of Federal education efforts, no matter what is needed in this time of educational crisis, and no matter how modest a proposal we may wish to make, given overall budget deficit realities.

The amendment we are offering now will remedy these significant shortcomings. It will protect all education programs from serious cuts and it will further protect critical programs from the bite of inflation.

Just as I view education to be of paramount importance to our Nation's future defense capabilities, I also view it as critical to our Nation's continued economic growth and competitiveness. With each passing year, as I watch our Nation losing ground in the world's economic marketplace and as I read of our students' and our school's performances on international comparative academic measures, I am more and more drawn to this conclusion. The President's Commission on Industrial Competitiveness, likewise, makes the following observation:

> Our Nation's universities and schools have a vital role to play in revitalizing America's competitiveness * * * . Without strong educational institutions, the United States will not be able to capitalize on our key potential strengths in technology and human resources.

It is imperative that we do all we can, at all levels of government—local, State, and Federal—to provide the inspiration, guidance, innovative ideas, tools, and funding necessary to reverse the slide toward mediocrity in our students and in our schools that has been documented in the many analyses and reports on the situation of our education system during the past 3 years.

Local and State levels already have begun massive reforms of their education systems, and they have vastly increased their education funding levels as a result. Citizens all around the country have responded by approving tax increases to pay for the reforms. Clearly, State and local government officials, working together with their constituents, realize that it is wise and judicious—in fact, it is imperative—to increase our investment in education.

We here must not turn our backs on these efforts. We must not decrease our Federal efforts just at the time other levels of government are making difficult spending decisions and asking their voters to approve tax increases in order to make up for years of inadequate attention to educational needs.

Even though the Federal share of the total spending for elementary and secondary education—local, State, and national—is small (in recent decades never more than 10 percent), it is critical. Educators from my own State of West Virginia have deluged me with documentation of what cuts in Federal efforts will mean to their ability to provide the education programs that they believe are necessary and that the parents of their students demand. Higher education officials in West Virginia—I have heard from virtually every college and university in the State—have also documented for me the efforts that cuts in student aid programs will have on their institutions and their students.

I am sure my colleagues have received similar communications from their States. The message is clear and it is strong.

The President heard that message last year, as he was beginning his campaign for reelection. He proposed, for the first time since his election in 1980, a budget that did not severely decrease, but in fact slightly increased, Federal education spending. The Congress responded by giving the President more than he requested—because his new budget still was inadequate. Then the President campaigned around the country telling the voters that spending for education had increased in his administration.

The President was able to do this because we in Congress have consistently rejected his efforts to decapitate Federal education programs.

Today, once again, we will try to remedy a clearly inadequate education proposal.

Yesterday, I offered a proposal which, in its education section, would have provided slightly more generous increases for education than does this amendment. That proposal, while receiving the overwhelming support of my colleagues on this side of the aisle, was defeated.

The pending amendment is modest, of necessity, because of the need to restrain spending. But it, too, will allow for some strengthening of our efforts, while guaranteeing sustained program funding for critical Federal education programs which, without this funding, would experience cutbacks in services and caseloads.

I believe this is the minimum investment we can afford to make. There are few more important tasks before us than again making America's educational system No. 1 in the world. Today's students hold our future in their hands. They are the workers, inventors, business executives, soldiers, and statesmen of tomorrow. Only if our educational system is second to none can we assure that they will have the skills they need to keep America strong and free, and on the cutting edge of technological change. We must not fail to meet the challenge of setting a new standard of excellence in our schools. It is a challenge we can meet if all of us who have a stake in the future—not only parents, teachers, and students, but also the Federal, State and local governments—come together in common purpose and dedication.

I commend the distinguished ranking Democratic members of the Budget Committee for offering this amendment. I am pleased to join him as a cosponsor, and I urge my colleagues to support the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. Mr. President, I yield myself 2 minutes on this proposal.

Mr. President, I rise to oppose this amendment, not because of any quarrel with the distinguished Senator from Florida on the value of each and all of the programs in which he proposes increases but simply on the ground that this will be damaging to the economy as a whole. The greatest single favor which we can provide for young people in the United States of America is a sound and growing economy. To reach that sound and growing economy we have asked for relatively equal sacrifices across the board from the beneficiaries of almost every single Federal spending program.

The proposal which is before the Senate now which this amendment seeks to modify does precisely that. It provides for a freeze level for these educational and related programs at the 1985 level. In turn, that 1985 level represented a very substantial increase, considerably more than the amount of inflation over 1984. So each of them has been treated generously during the course of the last couple of years and each of them is treated generously with respect to other programs in the budget we have before us now.

This is not an inexpensive amendment. It will add $8.3 billion in budget authority and just under $7 billion in actual outlays over the course of the next 3 years, something in excess of 2 percent of the entire reduction in the budget deficit which we seek.

The educational programs for the students of the United States and the other allied programs to this will be best served by a strong and a growing economy. That strong and growing economy, in turn, will best be served by fiscal discipline which applies to everyone and to all programs across the board.

Mr. CRANSTON. Mr. President, I rise to support the amendment of the Senator from Florida [Mr. Chiles] who has served those of us on this side of the aisle so ably as the ranking Democrat on the Budget Committee.

He is quite correct to say that this amendment is an investment in our children, in our workers, our college students, and, indeed, in our future.

The issue is one of priorities, not budgetary numbers. But in long-range terms, this investment in our future capacities will pay off in rich dividends for our society, our economy, and our Federal budget.

The issue is education, the training of the next generation, the retraining of those whom technology has passed by.

I urge my colleagues to vote "Aye."

● Mr. LAUTENBERG. Mr. President, I am pleased to join with my colleagues Senators Chiles, Bradley, Kennedy, Pell and others in cosponsoring this amendment to place funding for education and training programs for fiscal year 1986 at the same level as 1985 and to make modest cuts in administrative costs for guaranteed student loans.

This amendment rejects the cuts proposed by the Republican leadership and provides inflation protection in programs which are targeted to disadvantaged students. Compensatory education for disadvantaged children, Head Start, and Pell grants will be funded at the baseline or inflation adjusted level in order to prevent reductions in the number of students who are served. The impact aid part B program, which provides assistance for schools with students of parents who work on Federal property, will be retained. Cuts in the guaranteed student loan progam, such as family income caps and aid limitations, are rejected.

Mr. President, the strength of our Nation lies in our youth. Our ability to compete in the international economy in years to come, our ability to continue as a nation of opportunity for all, and to advance together as a nation, is dependent on the education provided our young people.

Providing more money for education is by no means the only answer to difficulties in education today. However, the clear Federal role in education, as it has evolved over the last 20 years, since the passage of the Elementary and Secondary Education Act of 1985, has been to increase the access to quality programs for all children and to improve equity in those programs. We must not turn our back on that role in the guise of deficit reduction.

The Republican budget proposal for chapter I, compensatory education for disadvantaged children, would require cutting services and participation by 200,000 children. These cuts come on top of deep cuts already imposed over the last 4 years. The success of chapter I in raising the achievement of poor children has been well documented. To deny its benefits to such a large number of children would be a tragedy which would reverberate throughout our society for many years. Similarly, the Head Start proposal would reduce participation by 20,000 children. We should not be slamming the door of opportunity in the faces of these young children.

Higher education, too, is an important stepping stone to a decent future. Federal financial aid has been essential for many students. Grants and loans, as well as earnings from jobs, have made it possible for many young people to attend college who otherwise could not have afforded to do so. The Republican leadership package would make cuts in these essential aid programs. The independent colleges and universities have estimated that the proposed limitation on the cost of attendance eligible for assistance would result in over 350,000 students losing aid. Almost one quarter of those would be students from families with incomes of $10,000 or less. This is not an equitable proposal. It does not promote any desirable public policy. Instead it hastens the day when once again higher education is the province of the very rich alone.

Mr. President, this is a good and important amendment. I urge its adoption. We owe it to our future.

Mr. SARBANES. Mr. President, I rise in support of this amendment to restore funds for education and employment and training programs.

I am deeply concerned that while we seek to reduce the Federal deficit, we do not undermine economic growth by reductions in investments in our most valued resources; our young people and our workers. I am also very concerned that those citizens least able to afford it, that is, our youth, the elderly, the handicapped, have been continually asked by this administration to make disproportionate sacrifices when considering the Federal budget. This amendment, which I have joined in sponsoring, would provide protection for those programs in which a budgetary freeze would mean a reduction in current services or participation levels. Further, it would provide additional funds for programs which enable our young people and hard-working Americans, to acquire the skills they need to successfully compete in an increasingly competitive world market.

I am especially concerned that should this amendment be defeated, educational opportunities would be denied to many citizens throughout the country. Over the past 4 years, education programs have taken more than their fair share of cuts and, in my view, it is imperative that we do not allow further cuts in these vitally important programs. This amendment would restore all education programs to fiscal year 1985 funding levels and allow means tested discretionary programs to move to the current services level.

The administration/Republican compromise would place significant barriers between hundreds of thousands of students and higher education by cutting deeply into the financial aid packages of many students currently receiving Federal assistance. The amendment I am cosponsoring would freeze most higher education programs at last year's funding levels, make administrative cost savings in the Guaranteed Student Loan Program, and allow a modest inflation increase for the Pell Grant Program which is directed at the most needy students.

Federal aid for education and employment and training programs is a sound investment in our country's future. I urge my colleagues in the Senate to join with me in adopting this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, how much time does the Senator from Florida have remaining?

The PRESIDING OFFICER. The Senator from Florida has 4 minutes remaining.

Mr. CHILES. Mr. President, I yield myself 2 minutes.

Mr. President, yesterday we heard debate characterizing the amendment we had as something marking the difference between the parties, because we had talked about some revenues in our package and the other side had not. I really think this amendment establishes the difference between the two attitudes, because here we are talking about a willingness to do something for the future.

What would have happened in the 1960's if John Kennedy had said:

> Well, the Russians are moving ahead of us but it doesn't make any difference. The only thing we better worry about is a shared sacrifice. So we are going to cut back on education. We are not going to provide any money for higher education. We are not going to provide any money for going forward.

Where would we be today? We are enjoying the standard of living we have today because we invested some money back in the 1960's. If we fail to make the same investment now, I think we will be damning our children for the future.

The argument is that a good economy is the only thing we can leave them. How do we get a good economy? We get a good economy, I think, by training sufficient engineers, training people in math and science so they will be able to keep up with the competition in the surging world. If we do not invest today, we will not make the grade tomorrow.

We also talked about the moderate cuts that we are asking of people and that, it may be a moderate reduction in education, but this function also contains job training. And we literally see in the package before us cuts of millions of dollars in job training which suggests to those in search of better skills, "There is no hope for you out there. If you need training or retraining, we will forget about you and we are not going to do anything. We are going to turn our backs on you."

Again, I think we do care. We recognize that we are revamping our technology. We are changing totally the basis upon which we go forward.

I now see that the Soviets have a plan for exploring the planets. American scientists were shocked to find out the Soviets are going to Venus and they are going to Mars. And they are going with great sophistication and great quantities of money. They are saying they know something about science. They know not just to start it and stop it every 2 weeks. That seems to be something we have not learned.

The PRESIDING OFFICER. Who yields time?

Mr. HART. Will the Senator yield for a question?

Mr. CHILES. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. CHILES. Mr. President, Senator Hart is a cosponsor of the amendment. I failed to indicate that at the beginning.

I ask unanimous consent that Senator Exon be also added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, the Senator from Florida and those sponsors of this amendment have laid out the case, I think, as well as it can be laid out.

Let me just ask what I think is a primary question. Does the Senator from Florida think it is possible for this country to offer economic opportunity for the young people of this Nation and for the unemployed people of this Nation and for those who want to enter the work force and for this country to become economically competitive in the world marketplace in the 1980's and 1990's without increased investment in education and training?

Mr. CHILES. I think not. I think certainly not without increased investment.

Without this amendment, we are cutting 20,000 children off the historic program. We are cutting 200,000 plus off of compensatory education. I think it is fine to go out there and say, "That is part of the shared sacrifice."

I think that would be a very, very sorry mistake for us to make.

Mr. HART. I thank the Senator.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GORTON. I yield back the balance of my time.

Mr. CHILES. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Florida [Mr. Chiles]. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The PRESIDING OFFICER (Mr. Grassley). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 47, nays 50, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—47

Andrews
Baucus
Bentsen
Biden
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Ford
Glenn
Gore
Harkin
Hart
Hawkins
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stennis
Zorinsky

NAYS—50

Abdnor
Armstrong
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hecht
Heinz
Helms
Humphrey
Kassebaum
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker

NOT VOTING—3

East
Exon
Wilson

So the amendment (No. 81) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The majority leader has called for order.

The Senate will be in order.

Mr. DOLE. Mr, President, let me indicate that I understand the Senator from Maine will offer an amendment and then we shall get back to that side.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senate minority leader.

Mr. BYRD. Mr. President, I yield myself time from our time on the resolution.

Mr. President, I ask the distinguished majority leader the question as to when he will be in a position to lay down his substitute. I understand there is a substitute No. 2 or whatever the number, but he does have a substitute which he will offer.

Mr. DOLE. That is correct, Mr. President.

Mr. BYRD. Mr. President, during the afternoon, the distinguished majority leader has indicated from time to time that he would like to finish action on his pending substitute and he has also indicated that when he said "Finish," "That means we win."

The substitute that is on line A, page 58 of the book, "Senate Procedure," is the substitute that was adopted a few days ago by a 50-to-49 vote. We are rapidly winding down the overall time limit of 50 hours.

I do not know how many minutes the distinguished majority leader has yet, but under 50, I think, and I think we have a little under 3 hours on this side. But the time is rapidly winding down and Senators on both sides of the aisle are offering amendments to the Dole package that was adopted some few days ago by that vote of 50 to 49.

Now the distinguished majority leader will have another package. I do not know what is in the package. I am not sure anyone on this side knows what is in the package. Unless we know what is in the package, we do not know how to offer amendments to it and if it is not before the Senate, we cannot offer amendments to it. So I ask the distinguished majority leader if he would consider calling it up so Senators will know what is in it, so we will know how to offer amendments to it if we wish to. Perhaps we might not want to offer amendments to it. Perhaps we would just vote up or down on it.

I yield to the distinguished majority leader for his response on my time.

Mr. DOLE. Mr. President, let me respond by indicating that we are working on a modification of the original package. It is my understanding that it is going to take care of some of the amendments that have been proposed and at the appropriate time, the substitute modification would be offered. It is still open to amendment. If it were adopted, as the distinguished minority leader knows, we would start all over. I had also hoped that everybody would call their amendments up and we have a vote on them up or down. That would clear the decks for at least one vote on a deficit reduction plan, perhaps without a lot of additional amendments.

We are getting down to—a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. What is the time remaining?

The PRESIDING OFFICER. Fifteen minutes on the majority side and 2 hours and 40 minutes on the minority side.

Mr. DOLE. So we are getting down to, counting rollcalls, maybe 3 or 4 hours to when we are both 0 to 0 in time remaining.

Mr. BYRD. Mr. President—did the distinguished majority leader wish to continue?

Mr. DOLE. Mr. President I cannot think of anything else to say.

Mr. BYRD. It is the first time I have found the distinguished majority leader to be speechless.

Mr. President, if Senators will look in their book titled "Senate Procedure" at page 58—and I think it is important to do this—they will find that we have been offering amendments, perfecting amendments, to the Dole package that was adopted by a vote of 50 to 49. That Dole package is on line A. We can continue to offer perfecting amendments to that package or someone might offer a substitute. The substitute would be on line B.

I ask the distinguished majority leader, will his amendment in the form of a package be a perfecting amendment or will it be a substitute? If it is a perfecting amendment, it will not be open to amendment at that point. If it is a substitute amendment, Senators may continue to offer perfecting amendments to the pending line A, the pending Dole package, which has been amended, dismantled to a very considerable extent.

I think it is about time we had the Dole No. 2 package before the Senate. I think this is a reasonable request to make. Otherwise, Senators will continue to utilize time and offer amendments to a package which has already been riddled and which may, in the final analysis, be wiped out by the second Dole package.

My distinguished friend, the majority leader, has said quite rightly that if his package No. 2 is adopted, it can still be amended. That is true.

That is true, but time is running out. And when the 15 minutes that remains on the majority side and the circa 2 hours that remain on our side are used up, we are at the end of the road and all we can do is call up amendments—not debate them—and vote on them.

I hope the Senate is not put into a position of having to vote on the Dole II package with all time having expired and without knowing what is in the package. And so I express the hope that the distinguished majority leader will indicate, No. 1, whether his amendment is going to be a perfecting amendment or whether it is going to be a substitute, and perhaps call it up, let us see what it is, rather than being forced at the end to have the Dole package II revealed after the shadows of the evening have fallen and the curtain of night has been drawn. I hope that he could have the amendment called up now and vote up or down in 30 minutes or vote in an hour but at least we would see the amendment, at least we would have some time in which to develop amendments to it, substitutes perhaps, but otherwise once the time has run out we stand here virtually without any arms at all, not knowing what is in the package, then it is offered, no more time on it and we have no opportunity to write amendments to it.

I think that is a very reasonable request, and it would assure the distinguished majority leader that we would act on his amendment this afternoon. As I say, the distinguished manager on our side, Mr. Chiles, has indicated he would be willing to vote within 30 minutes after that package is up, or make it an hour. I offer to hear the response of the distinguished majority leader on our time.

Mr. DOLE. I did not know that the other side had that concern. I will certainly consider it carefully. I was under the impression that we were going to sequence amendments. That is how I understood the conversation that occurred about 11 or 11:30 a.m. We have been trying to do that, going from one side to the other, on big amendments, important amendments, to see where the sentiment is in the Senate.

Our amendment would be technically a perfecting amendment. We would like to vote on it. But if it were adopted, of course, it is subject to amendment.

Mr. BYRD. Without any time.

Mr. DOLE. Right.

Mr. BYRD. Unless it were adopted within, say, the next hour and we on our side have an hour or an hour and a few minutes remaining. But I hope we will not be into that circumstance. Could the distinguished majority leader indicate whether or not the Dole II amendment provides any increase in defense expenditures over and above the inflation factor? Is it 0-3-3? Is it 1-3-3 such as I had in my budget?

Mr. DOLE. Zero-3-3, 1-year COLA freeze, and a number of things that I think the distinguished Senator from West Virginia will find very attractive.

Mr. BYRD. The Senator from Kansas.

Mr. DOLE. I do not think there is any secret that there are some Senators on our side who think it ought to have more for defense, some think less. It is very difficult, as we have all found out, to put together a package that will last for more than a couple hours. So we have made some accommodations. We understand the concerns of many Senators, and we hope to have a chance to describe the package. I think the package is going to have bipartisan appeal. Maybe you cannot vote against it if you have all been bound in caucus or something to defeat any Republican proposal. But beyond that, I think it has a lot of appeal. We could describe that in detail at the appropriate time, but I think it is still about a $300-billion package. What is it the first year?

Mr. DOMENICI. About 53, 56.

Mr. DOLE. $53 billion, $56 billion the first year. There are some cuts that go beyond a freeze, but I think overall it is a package that deserves support.

We have modified some areas. There could be a modification with Amtrak, could be a modification with the Job Corps, could be a modification with SBA, so it is very, very attractive. I just hope it is attractive enough.

Mr. BYRD. The distinguished majority leader has spoken of a binding caucus. May I assure the majority leader that we do not have binding caucuses on the Democratic side, and there has not been a binding caucus in decades and decades and decades.

But may I say just once more to the distinguished majority leader, I hope that he will reveal his package, call it up and let us see what is in it while we do have a little time in which to modify it, amend it, or whatever, so that the Senate does not find itself at the last minute confronted with a brandnew package and not knowing what the contents are, not having any time for debate, and having to vote on that package without such knowledge, not having any time left on amendments.

I hope the distinguished majority leader will consider doing that and, if he does, as far as I am concerned, I believe we folks on our side would be willing perhaps to vote up or down on the amendment, 30 minutes from now, if the distinguished majority leader will offer his amendment.

Mr. DOLE. Let me indicate again to the distinguished minority leader that I certainly will seriously consider his suggestion. It is still my hope that we finish today. If there are still 22 so-called serious amendments, some on each side—we have a lot of work remaining. Some of these amendments I think we can deal with without going to a rollcall. We certainly will consider the minority leader's recommendation and I will try to get back to the Senator as quickly as I can. I am not certain when that will be.

Mr. BYRD. I thank the distinguished majority leader. May I say—I do not want to belabor the point—if we have 22 amendments to offer—say we only offer 3 or 4—we are offering them to a package that already has been dismantled and riddled and full of holes and they, if adopted by the Senate to that package, would be wiped out by the distinguished majority leader's second package.

So I hope all Senators will consider this on both sides of the aisle. I think we have a right to be able to offer amendments without offering them in the dark and without offering them without debate. I think the American people are entitled to that kind of consideration as we legislate on matters that will impact in many ways very seriously on millions of people in this country one way or the other. I thank the distinguished majority leader, and I yield the floor.

AMENDMENT NO. 82

(Purpose: To increase funds for rural housing)

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. COHEN. Mr. President, I sent to the desk an amendment on behalf of myself, Mr. Andrews, Mr. Bumpers, Mr. Mitchell, Mr. Leahy, Mr. Rockefeller, Mr. Bingaman, Mr. Johnston, Mr. Gore, and Mr. Exon, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Maine [Mr. Cohen], for himself, Mr. Andrews, Mr. Bumpers, Mr. Mitchell, Mr. Leahy, Mr. Rockefeller, Mr. Bingaman, Mr. Johnston, Mr. Gore, and Mr. Exon, proposes an amendment No. 82.

Mr. COHEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $3,100,000,000.

On page 3, increase the amount on line 13 by $3,700,000,000.

On page 3, increase the amount on line 14 by $3,500,000,000.

On page 3, increase the amount on line 18 by $1,500,000,000.

On page 3, increase the amount on line 19 by $1,700,000,000.

On page 3, increase the amount on line 20 by $1,700,000,000.

On page 3, increase the amount on line 25 by $1,500,000,000.

On page 4, increase the amount on line 1 by $1,700,000,000.

On page 4, increase the amount on line 2 by $1,700,000,000.

On page 4, increase the amount on line 6 by $1,500,000,000.

On page 4, increase the amount on line 7 by $3,200,000,000.

On page 4, increase the amount on line 8 by $4,900,000,000.

On page 4, increase the amount on line 12 by $1,500,000,000.

On page 4, increase the amount on line 13 by $1,700,000,000.

On page 4, increase the amount on line 14 by $1,700,000,000.

On page 5, increase the amount on line 3 by $2,300,000,000.

On page 5, increase the amount on line 5 by $300,000,000.

On page 5, increase the amount on line 10 by $1,700,000,000.

On page 5, increase the amount on line 12 by $900,000,000.

On page 5, increase the amount on line 17 by $1,400,000,000.

On page 5, increase the amount on line 19 by $1,200,000,000.

On page 15, increase the amount on line 8 by $3,000,000,000.

On page 15, increase the amount on line 9 by $1,400,000,000.

On page 15, increase the amount on line 11 by $2,300,000,000.

On page 15, increase the amount on line 13 by $300,000,000.

On page 15, increase the amount on line 17 by $3,600,000,000.

On page 15, increase the amount on line 18 by $1,600,000,000.

On page 15, increase the amount on line 20 by $1,700,000,000.

On page 15, increase the amount on line 22 by $900,000,000.

On page 16, increase the amount on line 1 by $3,400,000,000.

On page 16, increase the amount on line 2 by $1,600,000,000.

On page 16, increase the amount on line 4 by $1,400,000,000.

On page 16, increase the amount on line 6 by $1,200,000,000.

On page 32, increase the amount on line 17 by $100,000,000.

On page 32, increase the amount on line 18 by $100,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $100,000,000.

On page 33, increase the amount on line 12 by $100,000,000.

On page 38, decrease the first amount on line 10 by $3,025,000,000.

On page 38, decrease the second amount on line 10 by $1,350,000,000.

On page 38, decrease the amount on line 11 by $3,645,000,000.

On page 38, decrease the amount on line 12 by $1,618,000,000.

On page 38, decrease the amount on line 13 by $3,427,000,000.

On page 38, decrease the amount on line 14 by $1,578,000,000.

On page 45, decrease the first amount on line 8 by $3,025,000,000.

On page 45, decrease the amount on line 8 by $1,350,000,000.

On page 45, decrease the amount on line 9 by $3,645,000,000.

On page 45, decrease the amount on line 10 by $1,618,000,000.

On page 45, decrease the first amount on line 11 by $3,427,000,000.

On page 45, decrease the amount on line 11 by $1,578,000,000.

On page 52, decrease the amount on line 1 by $3,000,000,000.

On page 52, increase the amount on line 3 by $3,600,000,000.

On page 52, increase the amount on line 4 by $3,400,000,000.

Mr. COHEN. Mr. President, the amendment I am offering is going to restore funding of the Farmers Home rural housing programs at 80 percent of the fiscal year 1985 spending level with a subsequent phase-in of a loan guarantee program.

Mr. DOMENICI. Will the Senator yield for a request with reference to the time?

Mr. COHEN. I yield to the Senator from New Mexico.

Mr. DOMENICI. I do not know how much time we have left—a very small amount.

Mr. COHEN. Mr. President, I indicated that this would probably take a half-hour equally divided.

The PRESIDING OFFICER. Fifteen minutes for the majority, 2 hours 37 minutes for the minority.

Mr. DOMENICI. I have no objection to 15 minutes, if it is all right with the Senator. Can we make that request?

Mr. COHEN. Fifteen minutes on each side.

Mr. DOMENICI. That is what I am requesting.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COHEN. Mr. President, the amendment I am offering will restore funding to the Farmer's Home Administration rural housing programs at 80 percent of fiscal year 1985 levels and with a subsequent phase-in of a loan guarantee program.

The White House/Senate leadership budget package under consideration today assumes the complete termination of all new program authority for rural housing administered by Farmers Home. It also assumes the immediate transfer of rural housing programs to the Department of Housing and Urban Development, with no corresponding increase in funds and no evidence that HUD can effectively operate a rural housing program.

This proposal is fundamentally unfair to the thousands of poor families across this Nation who live in substandard housing in rural areas, who face a unique set of obstacles in their search for shelter, and who remain isolated from stable financial markets. By terminating housing assistance to the low- and very-low income family in less-populated regions of the country, this budget proposal denies help to the most needy. My aim, and that of many of my Senate colleagues, is to ensure the continuation of this essential program at more modest funding levels, in keeping with our need for fiscal responsibilty.

Mr. President, there is a book written by Carolyn Chute entitled "The Beans of Egypt, Maine." It is about poverty. It is about poor people, how they live, and what kind of pain they have to endure. This book is being read by thousands of people across the country. We have to ask the question, why? I assume it is more than mere curiosity about the poor. I think it is because the American people basically care about what happens to the poor people of this Nation. They do not believe, as some officials, apparently, in this administration recently suggested to the handicapped, that they should be left to work out their adversity and seek some sort of spiritual reconciliation with their Maker, without any assistance from their fellow citizens.

The administration seeks to eliminate the housing program now being served by FHA and transfer it to HUD, with no new funds.

Why do we have a HUD program and a Farmers Home program? HUD is primarily concerned with problems associated with urban living. The Farmers Home program is primarily directed and devoted to programs dealing with rural people. There are different needs. We have different needs in our society.

People in rural areas who are poor and below the poverty level have less income, have less assets, have less borrowing capacity, have local banks with less lending capacity, have less existing housing stock to choose from, have fewer rental units to pick from, have fewer single family units, and they have lower vacancy rates.

The problems associated with rural housing need special attention and should not be fused into one massive program administered by an essentially urban-directed agency.

I notice what kind of premium we place on home ownership in this country. The President is talking about submitting some sort of flat tax or modified tax, some fair tax proposal, to come before this body in the near future. Every tax proposal that has been talked about and proposed, flat or modified, includes what? A deduction for interest payments on home mortgages. That is because the American people still treasure that dream of owning a home.

If we allow the administration proposal, worked out with the Republican leadership, to stand as is, what we are saying is that it is still home ownership for those who can afford it, but no more home ownership for the poor people of this country. They are not going to be entitled to move into single family dwellings. Maybe they can go into some moderate rehabilitation units or rental units with multifamily housing, but no more single-family home ownership for poor people. I do not think that is a statement the U.S. Senate wants to go on record in favor of.

Mr. President, I point out that my amendment would save $3.7 billion in current funding levels over the next 3 fiscal years. It will cost something. It will also cost some $4.5 billion over the next 3 years. If you want to save money, you can terminate any program. If you want to do equity, this is an amendment to vote for, to preserve an opportunity for the rural poor people in this country to have decent housing, be it rental or home ownership.

The demand for rural housing is demonstrated time and time again across this Nation, and the needs that this program meets are obvious to anyone familiar with rural areas. The 1980 census data shows that more than 2.1 million rural families still live in substandard housing nationwide. Almost half of those families are below the poverty level. Over 2.6 million rural households with incomes of less than $10,000 annually pay more than 35 percent of their income for shelter. Of that number, 1 million pay up to 60 percent. Clearly, the need exists for a housing program geared toward the rural poor, and Farmers Home has met that need for over 30 years, providing over 2 million rural households with decent housing, both single family and rental, since 1949.

According to the General Accounting Office, the average income of Farmers Home home loan borrowers is $11,400, and in FmHA rental housing projects, tenants' average income level is $8,000 per year. FmHA has been successful at meeting the needs of those who benefit most from such assistance. And there is no evidence to indicate that the demand for such assistance has diminished in any way.

In the State of Maine, for instance, there are 2,600 applicants for Farmers Home rental housing and a 1-percent vacancy rate in such projects. In addition, there are approximately 1,500 approved applications pending for home loans under the Section 502 Program. The vacancy rate statewide for single family homes is less than 2 percent.

In addition to these important statistics, it is essential that we keep in mind the lending practices in rural areas, where financial institutions have a third less lending capacity, measured by per capita savings, than their urban counterparts. In addition, the GAO found that 83 percent of FmHA home loan applicants had less than $5,000 in assets. These circumstances combine to create stringent borrowing difficulties for the less advantaged rural household, and Farmers Home programs are designed to fill this gap. In some rural counties, an adequate lending institution does not exist, and where none does, it is often not disposed to approve home mortgages for the lower income members of our society.

However, there may be areas of the country in which the private sector can assume a greater share of financing of home loans for lower income households. To this end, my proposal envisions a phase-in in fiscal year 1986 of a Loan Guarantee Program for single family housing. By assuming loan guarantees through private lenders for approximately 7,000 units in the first year, we will be able to determine the feasibility of increased participation of local financial markets in single family home loans made to the poor.

By targeting assistance to those households with annual incomes of 80 percent or less of the area median income, rural housing will continue to be made available to those most in need, and further targeting of home loans will ensure that the very low income benefit from the existing programs. FmHA loans will remain available only after private lending opportunities have been exhausted, maintaining the agency as a lender of the last resort.

There are those who will argue that Farmers Home should not be in the lending business whatsoever, that there is enough existing housing out there to meet current demand, that we do not need to build new homes in rural areas. Without getting deep into a discussion which more properly belongs within the purview of the Banking Committee, I will only state that these arguments are based on a vacancy rate of 10 percent that is not substantiated by the 1980 census data. That information reveals a vacancy rate of 2.1 percent in rural areas. This is a major discrepancy, and it has made a world of difference in this instance because the administration's arguments for termination are based largely on this statistic. I, for one, cannot support a Rural Housing Program that depends largely on an existing housing/voucher system when the vacancy rate in Maine for single family homes is 1.7 percent.

In many rural areas, it is not feasible to depend purely on existing rental housing. The effectiveness of a Voucher Program depends on the availability of standard housing in rural areas. Overall, the stock of housing in rural areas, particularly for rental units, is largely inadequate. A recent study by the Congressional Research Service stated that the incidence of substandard rental housing in most rural areas is two to three times higher than that of a single family dwelling. In addition, the number of physically inadequate rental housing units in rural areas is twice as high as that in urban areas.

Beyond this, there are few large rental units available in rural areas for family housing. The General Accounting Office found that 60 percent of Farmers Home home buyers consisted of households averaging more than two persons, and the majority were households of three or more persons. There is simply not the stock of standard rental housing in rural areas to meet the needs of poor families through a voucher program.

In rural areas, it is unrealistic and unfair to expect a poor family to "shop around" for rental housing with a voucher in hand and find it in every instance. In addition, it is not always feasible to rely solely on the construction of rental units in the more isolated, less populated towns in rural areas. There need to be sufficient numbers of qualified applicants to make a rental construction program feasible and economical. In smaller towns, such conditions do not exist. In addition, Farmers Home requires all rental projects to include a central water or sewage system, preferably both, which do not exist in many isolated areas of the country. Yet if a rural family is in need of adequate housing, we cannot simply tell them to move away from their hometown and job in the hope of finding rental housing. We must take a good look at conditions in rural areas and not simply depend on a phantom vacancy rate figure in the determination of program structure. My proposal therefore envisions the continuation of the section 502 home loan program with a gradual shift to loan guarantees.

I think there needs to be some reform of our rural housing programs to ensure a greater efficiency in their administration. Recent GAO testimony before the Banking Committee contained a number of findings related to program efficiency that can improve the use of limited Federal dollars. These findings include better outreach efforts by Farmers Home to the very low income households and those living in substandard housing, the reduction of housing costs, an extension of the mortgage period, and the encouragement of borrowers to refinance their loans with private credit. We need to fully explore these issues and see that they are implemented into law in some fashion. In addition, we should study the question of availability of existing housing in rural areas in order to determine the most effective rural housing program. We need to keep in mind, however, the most important finding included in the GAO testimony: That there is still significant need for housing among low-income rural households.

I cannot accept the notion that simply because there is some room for reform we should eliminate the program. I suppose from some people's point of view, this constitutes the ultimate kind of reform. But I don't consider it a reasonable approach if our goal is to provide decent housing in rural areas. On the other hand, if our aim is to deprive the rural population of the opportunity to live in decent homes, then it should be stated up front. We shouldn't hide behind a proposal to shift rural housing programs to HUD, whose record on providing housing assistance to rural areas is by no means a stellar one. In fact, HUD doesn't even keep statistics on its allocations to Farmers Home service areas.

It is important to keep in mind the distinction between rural areas served by Farmers Home and nonmetropolitan areas served by HUD, which are often erroneously substituted for one another. Nonmetro areas lie outside metropolitan statistical areas [MSA's] and may include cities of up to 50,000 residents. Farmers Home service areas include towns of up to 20,000 residents outside of MSA's and of up to 10,000 residents within MSA's if the area is rural in character. Unfortunately, we don't have HUD statistics on its service to rural areas, but we do know that its nonmetro allocations amounted to only 18 percent of its total housing assistance in 1983. These figures lead me to seriously question HUD's ability to adequately serve the rural poor, particularly when it is faced with its own budgetary restrictions.

In order to best serve the rural low-income population, we need to maintain a housing program in the Farmers Home Administration. If we act responsibly today and over the next few months, we can fashion a cost-effective rural housing program that meets the unique needs of our rural population and reduces Federal expenditures at the same time.

Should my amendment be approved, we would be saving about $3.7 billion in outlays over 3 years, a significant reduction by any standard. At the same time, my amendment will provide funds for approximately 65,000 units of housing, both rental and single family, for disadvantaged rural families. In addition to increasing the stock of housing in rural areas, this proposal creates over 80,000 construction jobs.

I do not believe the burden of deficit reduction should be borne by our essential Federal programs, and providing shelter for the poor should certainly be considered one of those programs. Of the 60 program reforms and terminations included in this budget package, the savings achieved through the termination of Farmers Home rural housing programs constitute fully 5 percent of deficit reduction projections for fiscal year 1986. The proposal also constitutes half of the projected savings in fiscal year 1986 of all domestic programs slated for elimination. This can in no way be construed as a fair way of handling our deficit reduction efforts.

I think such a proposal places a disproportionate share of the deficit reduction burden on the millions of rural people across this country who cannot afford decent housing and who look to their local Farmers Home offices for assistance. Changes in the program's effectiveness can certainly be made, but to deny such assistance to the needy in the name of savings is not fair.

I urge my colleagues to support this amendment and ensure the continuation of worthwhile rural housing programs.

Mr. GORTON. Mr. President, will the Senator yield?

Mr. COHEN. I yield.

Mr. BUMPERS. Mr. President, who yields time for the proponents?

The PRESIDING OFFICER. The Senator from Maine controls the time.

Mr. GORTON. Mr. President, I rise to support the amendment to restore funding for rural housing offered by my distinguished colleague, the Senator from Maine.

I support this amendment, knowing fully that it adds back substantial budget authority and outlays to the budget resolution. Because this amendment appears to be a substantial add-back, I want to take just a few minutes to make clear what the steps are that this amendment proposes to reduce the cost of the program, and why the remaining add-back is justified.

In the first place, the amendment proposed by the Senator from Maine begins with a 20 percent across-the-board cut in the various rural housing assistance programs, followed by a 2-year freeze on those programs. So the amendment does make very significant cuts below the level of a baseline—indeed, even below the level of a freeze, in this program.

I want to emphasize to my colleagues that the apparent deficit reduction in the leadership package which arises from termination of the rural housing assistance programs is largely illusory, and arises because of a peculiarity in the Federal budget. Under the Federal budget, the principal of direct loans made is counted as an outlay, just as if it were an expenditure for current expenses. Now obviously this is an anomaly; a reasonable budgeting system should distinguish between loans and expenditures. But ours doesn't, and the leadership proposal has exploited this anomaly to make the deficit reduction from termination of rural housing assistance look much larger than the true net improvement in the Federal fiscal situation. In other words, it is true that the measured deficit is reduced. But not all deficit reduction is created equal, and it is important that my colleagues recognize that just as the improvement in the fiscal situation represented by termination of the rural housing programs is overstated, so also is the deleterious effect of this proposed add-back overstated by the measured deficit numbers.

Nonetheless, Senator Cohen has, wisely, I believe, borrowed a page from David Stockman's book in proposing further that the direct lending rural housing programs be phased out, and replaced by private sector, federally guaranteed loans with subsidized interest rates. This results in being able to achieve a substantial portion of the administration's proposed deficit reduction. I would note that in costing out his amendment, the Senator from Maine made very specific assumptions, as of course he must, about which programs would be converted from direct lending to subsidized interest payments, and at what rate. But it will ultimately be up to the Banking Committee to make structural changes in the program. I believe there may be the possibility to achieve even further deficit reduction by a faster phase-in of the new structure, or by applying to programs to which the Senator from Maine did not assume it would be applied in his cost estimates. But as I say, this is for the Banking Committee to decide, and I am simply stating for the record that I intend to look for further savings wherever possible, regardless of the assumptions used by the Senator from Maine in costing his proposal.

But finally, Mr. President, the main point here is that our decision about rural housing assistance should not be made based on accounting debates or detailed discussion of the program's structure. The fundamental question for us to decide now is simply whether we wish to preserve a Federal program to provide assistance to rural housing. On this score, the answer certainly must be "yes." The programs of the Department of Housing and Urban Development, well-intentioned as they are, simply cannot be assumed to be adequate to cover also the needs of our rural sector, especially at a time when the HUD programs are also being cut. I have visited Farmers Home Administration housing assistance projects in Washington State, and am impressed at what the program is accomplishing. At least in my State, I know we have a well-run program that is filling a vital need.

Mr. President, I intend to vote yes on this amendment, and I urge my colleagues to do the same.

Mr. COHEN, Mr. President, I yield 5 minutes to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank Senator Cohen for offering this amendment.

A moment ago, we voted on UDAG, EDA, and some other programs. There were about six programs included in that vote.

I wanted to eliminate some of those programs, even though rural housing and EDA, both of which I strongly support, were in there. This is one of those times when we have to accept the balance of give-and-take.

I know that the Senator from Mississippi, Judge Stennis, shares my commitment to this rural housing. He was a cosponsor of the amendment because of that. But for those in this body who may not come from rural States and do not understand the plight of the rural poor and their housing, all I ask is that they listen to a few of these statistics.

First, in 1985, this year, these housing funds will create more than 100,000 jobs in rural America, so that helps the employment rate—1.4 jobs for every housing unit.

Second, for every dollar we spend in this program, we generate $5 in additional income in rural areas.

Third, more than 2 million homes in the South have been upgraded and improved under this program since 1949.

Fourth, the average income of those who qualify for this low-cost housing in rural areas is less than $8,000 a year, and the poverty level is barely under $10,000 a year. These rural houses go to people with less than $8,000 a year in income.

There are more than 500 counties in this countries which do not have a savings and loan office of any kind, but there is hardly a county in any State that does not have a Farmers Home Administration office in it. In my State of Arkansas, for example, we have seven counties that do not have a savings and loan, but every county in my State does have a Farmers Home Administration office in it.

In my State, by the end of 1984, we had constructed 32,630 units under the direct loan program of the Farmers Home Administration, and 1,524 of those loans were made in 1984 alone.

Also, by the end of 1984, 1,702 loans had been made for the development of low-income, multifamily rental units.

Mr. President, in closing, let me say that everyone in this body, I suppose, has his or her own definition of what traditional values mean, or what the traditional values are that we cherish and that we ought to promote in the U.S. Congress and in the Senate. But I want to say one thing: If trying to provide housing for the poorest of the poor in rural America, whose income is less than $8,000, is not a traditional value, there are no traditional values in this country.

The problem I had with the President's package from the very beginning—and I mean this in no partisan way or in denigration of the President—is that it appeared to me that it was terribly discriminatory against rural States and rural areas of this country. The farm program is literally an "adieu farmer" program.

I would rather not cut rural housing in the amount this amendment would cut it, but I am opting for what I think is the very best we can get under the circumstances.

I applaud the Senator from Maine for giving everybody here a chance to extract rural housing from the amendment which many people voted against a moment ago, including me. I think this is essential for the future of the economy and for the social structure of this country.

I yield back such time as I have remaining.

Mr. COHEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Does the Senator from Maine yield time?

Mr. COHEN. How much time do I have remaining?

The PRESIDING OFFICER. Five minutes.

Mr. COHEN. I yield 2 minutes to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I rise as a cosponsor of the amendment offered by my colleague from Maine, Senator Cohen, and commend him for

his initiative in this area. The amendment is intended to restore funds to the housing programs operated by Farmers Home Administration.

Farmers Home is, in many rural areas, virtually the only source of financing for affordable housing. And rural housing remains one of the Nation's most urgent priorities.

This amendment will restore funding for rural housing at a level 20 percent below the fiscal year 1985 spending level, and freeze the level of loan authority. It is a cost conscious effort to ensure a minimal amount of funding for rural housing consistent with the need for fiscal restraint in every budget area.

Housing credit was scarce in rural America until the late 1960's and the consequences were highly visible. Substandard housing was the rule, not the exception, in much of rural America. A large scale attack on rural housing blight has been mounted by FmHA since 1965. Over 1 million new or modernized family-owned homes and 250,000 new apartment units have been built in rural communities since then. About a third of these apartment units serve the need of the elderly for low cost rental housing.

The need for decent rural housing still exists. In Maine alone 639 new rental units were built in 1984. Despite this level of construction, most rental projects have only one or two vacancies per year and a waiting list of 2 years of more.

The administration and the Republican leadership package say that rural housing programs must be eliminated. This is, in my judgment, short sighted and false economy. If we allow existing units to deteriorate, the future costs of repacement will far outweigh the current cost of rehabilitation. In many rural areas FmHA is the only source of available credit for young families. Home ownership is central to the promise of America. Decent housing is essential in rural areas as in every other part of this country. A commitment to quality housing for the people of this country was made by the people and this Congress nearly a half century ago.

Great strides have been made but much remains to be done. This proposal would reduce spending for rural housing by 2.3 billion from current levels over 3 years. It provides the bare minimal amount necessary to continue the commitment to housing for people in rural areas, consistent with the fiscal restraints necessary under existing circumstances.

I urge my colleagues to support this amendment. It will help the rural elderly to find a decent place to live; it offers the opportunity for rural Americans to bring their homes up to livable standards; it will help young people achieve the American dream of home ownership.

Thank you, Mr. President, and I thank my colleague from Maine and commend him for his initiative.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from New Mexico.

Mr. DOMENICI. I yield 5 minutes to myself.

Mr. President, I hope my friend from Maine knows that it is not easy for me to get up here and argue against every amendment that puts money back into our compromise and it is not easy for me to get up and talk about programs that have been argued about here for the last 10 or 15 minutes with an awful lot of passion with reference to their objectives and goals.

I would not be here if we did not have an enormous deficit.

But let me tell you there is a lot of misunderstanding about this program.

I first commend the distinguished Senator for saving some money. He cut the program back about 20 percent.

I hope before we are finished that we can do better and clearly I hope to talk with the distinguished Senator from Maine about doing better than we have and yet supplying as much or more housing for rural America as we now supply.

First of all, the whole change in the Federal Government involvement in housing over the last 10 or 15 years as evidenced by Fannie Mae and all the other programs is to set up situations where we help finance housing.

One of the most interesting things is that because we had this program and because it was under Farmers Home Administration, and I hope any program we put back in stays under Farmers Home, but somehow or another because it was there it missed the whole change toward the Federal Government getting out of direct loans and getting into some kind of guarantee program or some kind of voucher program where you could supply people with either financing or the wherewithal to rent or to buy on long term like everyone else does. Somehow it escaped here.

So everyone should know that what we have in this program is the Federal Government totally financing in a direct way rural houses as if there were no banks around, as if there were no lending institutions around, while, as a matter of fact, only in a very small percentage of the counties of this country today are we void of banking systems, of savings and loan institutions, and the like, that could very well finance housing.

But for every one of these homes the full dollar comes right out of the taxpayers' pocket, and we finance over the long term with taxpayers' money in toto.

That is why this program costs $9 billion over the next 3 years when for $9 billion of Federal money we are financing literally many, many times more homes through VA, FHA, and all the other programs through which we finance homes.

So what we were trying to do and what we will continue to try to work with the distinguished Senator from Maine and others who are interested, we will try to move this program, not away from housing in rural America, but toward a modernization of the financing mechanisms so that the taxpayer does not pay for the homes in toto other than in those counties where we do not have a banking system. For the rest of them we will provide some assurance that there will be homes, finance them in a more orderly manner, or supply some other alternative means of assuring those homeowners.

I will put in the Record the statistics about available housing in rural America that could be rented. It is startling. There is a huge supply but for 10 or 15 percent of the counties of this country. There are houses that could be rehabilitated that people could occupy in rural America, but we do not have a program to fix them up and rent them nor a voucher system to put people in.

There is a rehabilitation program where you could go into rural America, remodel the homes and then give people 15-year-long lease arrangement where they could pay for it, live in good housing with the American taxpayer paying a very small fraction of what you are paying now.

I would just state for purposes of comparison, and I hope we have a chance to work on this before we are finished, we could keep the 180,000 units of housing that are going into rural America, and operate part of it out of HUD, part of it out of Farmers Home. We could keep that goal and we could have vouchers for rental houses of about $50,000, we could provide an additional program to rehabilitate 10,000 of those houses if we did not have enough housing stock and then provide the poor people with vouchers to live in them. Then we could provide 10,000 units of rental units and 10,000 single family dwelling for those counties that need it. My estimate is that you could do all of that for $1.78 billion.

And we are going to vote here in a while to keep it almost at $9 billion, all in the name of supplying housing to rural America, all in the name of supplying it to the poor people in rural America when, as a matter of fact, many of the poor people who will get the housing I am describing do not even qualify for Farmers Home single family ownership houses.

So I understand that this is a very emotional issue, that there will be some dispute no matter what is said, no matter how many times we meet,

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no matter how many times we discuss it.

I am firmly convinced you can save between $6 and $7½ billion in the next 3 years and provide rural America with as many or more houses as they are getting now, some single family construction, leave it all under Farmers Home as we want it to be because they are close to the people, and I hope that we have a chance to work on that with the distinguished Senator from Maine and others who are interested.

I am prepared to answer any questions anyone might have.

I do compliment the Senator for cutting the program 20 percent, but I do submit to you it will not cause any reform. It will still be the same program as we described it, totally, terribly inefficient. It takes an awful long time to help anyone and is extremely costly in comparison to what we could do in other ways.

How much time does the Senator from New Mexico have remaining?

The PRESIDING OFFICER (Mr. Durenberger). The Senator has 6 minutes remaining.

Mr. STENNIS. Mr. President, will the Senator yield me 2 minutes? I am in favor of the amendment.

Mr. COHEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER The Senator has 3 minutes remaining

Mr. COHEN. Mr. President, I yield 2 minutes to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator.

Mr. President, I take quite seriously anything that the Senator from New Mexico represents to this body, but I believe there is error somewhere here. I have spoken briefly this afternoon about rural housing. It seems to me as though he is including in his remarks a great many that I would not classify as rural housing. I am thinking primarily of the individual dwelling house, an abode for a family, that is being paid for by the owner, the one who lives in it; a dwelling house that finally yields, it may change hands, but it finally yields a good part of the original cost. It is paid back to the Federal Government.

Now, I really could not find any figures that I thought were dependable on that score. But I know it is a very appreciable part of the original investment. It is a subsidy to some degree on the interest that they have to pay.

But this matter, with all deference to the Senator, is an altogether different proposition here that we are talking about of that individual dwelling house and the ownership that is with the one who makes the original contract and he pays back the purchase price.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STENNIS. I thank the Senator again for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I do not have much time on the resolution or anywhere, but I will yield a couple of minutes to the Senator from Maine.

Mr. COHEN. Mr. President, I just have a couple of comments to make.

Mr. President, as has been indicated on the floor, there are some Members of this body who urged me to seek a freeze at the current level. We talked about a freeze all afternoon. Some said, "Why not a 10-percent reduction to show we were really committed to reducing the deficit?"

I proposed even going further over the advice of the rest of my colleagues, saying, "Let's go as deep as 20 percent."

I will even go further than that. I will even propose a phasein of what Mr. Stockman and the administration wants, and that is to move from direct financing by Farmers Home to a loan guarantee program which picks up $3.7 billion over the next 3 years.

But one of my major objections to what the Senator from New Mexico has proposed is they want to go to a direct guarantee loan program today, not phased in. We have had some experience in the past showing it does not necessarily work that way.

If you are from a very rural, very impoverished area, you may not be able to take a voucher and say, "I would like to move into that house." There may not be a home there. There may not be a bank to give you a loan guarantee.

So, let us try it on a transition basis. Let us take 10 percent and 20 percent the year after and phase it in. At least we would have an opportunity to see whether this program will work.

And we have the GAO. The GAO said there are problems with the efficiency of Farmers Home. Fine. We admit that. Why do we not take the recommendations of GAO? That is why we have that organization, to give us recommendations.

The GAO did not recommend to eliminate the program. They did not recommend to put it over to HUD. They said that we can do better with better outreach programs. We can have more targeting of this particular program. We can do a number of things.

But we totally ignored that. Let us eliminate that program because of a philosophical objective of saying no more single family homeownership for the poor.

If you talk about fairness in this particular program, 5 percent of all the deficit reduction comes out of one program right here. Five percent of all the money we are talking about comes out of here. It is 50 percent of all the cuts that we are making in the domestic program that comes out of this one program. How is that for fairness? That is really fair.

But we have the number of $8 or $9 billion in deficit reduction, and that makes it fair, according to calculations of the administration.

Mr. President, I think that the issue is pretty clear. If you want to continue the goal of providing some decent housing for the poor people of this country who live in the rural areas, then you will support the amendment. If you are opposed to that, then you will vote against it.

Mr. President, I ask unanimous consent that Senator Riegle be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I rise in support of the amendment of the Senator from Maine.

The need for rural housing is well documented. The Farmers Home Administration [FmHA] rural housing programs are often the only means by which rural low-income families and the elderly are able to afford safe, adequate, and sanitary housing.

FmHA rural housing provides the housing safety net for the rural poor. The overwhelmingly majority of tenants assisted under the section 515 program have incomes below $6,000. Under the section 502 program, more than a third of the families had incomes below $10,000, the average income is $11,400. The law requires that all those assisted under section 502 must be low income and 40 percent of section 502 funds go to families with very low incomes.

Eliminating rural housing assistance would have a devastating impact on my State of Vermont. Last year 476 low-income families were able to buy decent housing under the 502 subsidized home ownership programs. An additional $4 million was provided to Vermonters for rental assistance. Under present interest rates and market conditions, the FmHA rural housing programs are the only source of loan money for these low-income Vermonters.

Much has been made of the use of rental vouchers in rural areas. The fact is that across our Nation adequate rural rental housing is in short supply. According to the Congressional Research Service, the incidence of poor quality rental housing in rural areas is significantly higher than that of rental housing in urban areas or owner occupied housing overall. We continue to need the rural housing production program administered by FmHA.

If you do away with FmHA administered rural housing assistance, disadvantaged rural people will have nowhere else to turn. The problem of unsanitary and unsafe housing may not be as easily identifiable in rural areas as it is in urban areas, but I can assure you that it exists. Travel the back

roads of Vermont with me and you will find it.

Low income rural people deserve the opportunity to buy or rent adequate housing. This amendment would continue the efforts begun under President Franklin Roosevelt to provide adequate shelter for those who are ill-housed. I strongly support the amendment.

Mr. CRANSTON. Mr. President, I support Senator Cohen's amendment to Senate Concurrent Resolution 32, the first concurrent resolution on the budget for fiscal year 1986. This amendment would reestablish the rural housing programs that the budget resolution would eliminate.

Senate Concurrent Resolution 32 would abolish all new construction activity for the rural housing programs that the Farmers Home Administration operates. In addition, this resolution would transfer the responsibility of providing housing in rural areas to HUD. In the future, HUD would be required, under its housing voucher program, to allocate one-half of all new section 8 and section 202 units to rural areas. As a result, low-income families in both urban and rural areas would receive only one-half of the assistance they receive currently.

Senator Cohen's amendment is a pragmatic response to the twin objectives of maintaining rural housing programs and of reducing the budget deficit. His amendment would reestablish the rural housing programs that the Farmers Home Administration operates, but it would reduce the fiscal year 1985 funding levels of these programs by a total of 25 percent. As a result, my colleague's amendment would save the Federal Government $513 million in fiscal year 1986.

I support this amendment on rural housing. In 1985, California should receive almost $122 million in rural housing assistance, which will assist developers to construct about 10,000 single family and multifamily housing units for low-income families. My colleague's amendment would allow low-income families in California to continue to benefit from rural housing programs in fiscal 1986.

Over the last few years, rural housing programs have absorbed their fair shares of funding reductions to decrease the budget deficit. Between 1980 and 1985, the number of units assisted under the rural housing programs have decreased by 30 percent. If rural housing programs were eliminated, then the Federal Government would be asking low-income Americans to bear an unfair portion of budget cuts.

I believe the Federal Government has a responsibility to work with the private sector to ensure that all Americans have access to adequate, affordable housing. Since my colleague's amendment would protect this beneficial relationship by reestablishing rural housing programs, I urge the Senate to pass this amendment.

● Mr. LEVIN. Mr. President, I supported the amendment offered by the distinguished Senator from Maine and urge my colleagues to do likewise. The amendment would make a cut of 20 percent in rural housing programs administered by the Farmers Home Administration. This is not a small sacrifice—especially when one considers that these programs have already been reduced by as much as 30 percent by inflation. However, the amendment does leave these important programs in existence unlike the proposed budget. The budget would eliminate the Farmers Home Administration programs and shift responsibility for rural housing to the Department of Housing and Urban Development with no commensurate accommodation in that department's budget. This is in effect a massive cut to both the rural and urban housing programs. The Department of Housing and Urban Development has already sustained large cuts and will have to scale down its current efforts in urban areas. If rural programs are added to HUD's responsibilities it is unlikely that they will be handled as effectively as they were under FmHA.

This is an important point. When we talk of eliminating the Farmers Home Administration housing programs, we are talking about eliminating some of the most efficient, well managed, and productive of government programs. These programs are insured loans, not grants, and the section 515 Rental Housing Program, for example, has a default rate of less than 1 percent. A default rate of less than 1 percent is better than most commercial lending institutions. The FmHA offices are there in the rural communities. Their district offices know the towns and can provide the necessary oversight, continuity, and efficiency—things which HUD would not be able to duplicate. In addition, most HUD programs assume an existing stock of rental housing—something which does not exist in most rural areas.

There is certainly a need for rural housing programs. As the Congressional Research Service points out, there are over 2 million rural American households which are illhoused, many without proper plumbing or kitchen facilities. Many of those in need of rural housing assistance are senior citizens of fixed incomes.

Our Nation's rural areas are already dealing with farm failures and unemployment. Elimination of the FmHA rural housing programs would be an unfair sacrifice from already overburdened regions. The amendment is a reasonable approach to reducing the deficit without completely abandoning this program.●

Mr. COHEN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Mexico has 3 minutes remaining.

Mr. DOMENICI. Mr. President, the distinguished Senator from Maine is fully aware of my feelings. I did not approach this program with the idea that I have some philosophical or ideological bent against supporting housing in rural America in any special way like direct loans. That does not strike my conscience as being something that is wrong.

Quite to the contrary, I have proposed that we continue part of it. In fact, in my statement a while ago I mentioned 10,000 units in transition. Frankly, as I said before, I will not support anything that does not assure rural America 180,000 dwellings a year that people that now qualify for these homes can either own or occupy and for literally thousands who do not even qualify for this kind of direct home financing could qualify for.

Mr. COHEN. Will the Senator yield for a question?

Mr. DOMENICI. Yes.

Mr. COHEN. I believe the Senator indicated 180,000 units for rural housing. I believe that really includes all the housing in the HUD Program.

Mr. DOMENICI. That also includes the HUD housing that is nonmetropolitan.

Mr. COHEN. And the metropolitan.

Mr. DOMENICI. And the metropolitan units. The Senator is correct. That is including what we have there now. The Senator is correct.

But we are not trying to have less housing in rural America, less units available, in any proposal you are trying to work out with the Senator from New Mexico.

Mr. COHEN. Could I inquire, is the Senator suggesting that he favors a gradual phasein of the loan guarantee program?

Mr. DOMENICI. I do not know what "gradual" means. Sure, I favor moving into it in a way that makes sure that we are indeed supplying the housing while we get away from almost exclusively using tax dollars for direct financing without banks for the housing.

Mr. COHEN. That is exactly what the Senator from Maine and others are proposing; namely, a gradual phase-in of the guarantee loan program as opposed to direct financing to see if it works, so we can examine it on a yearly basis, plus a fairly substantial reduction from 85,000 units to 65,000 units on rentals and home ownership. That is a pretty good reduction to take.

Mr. DOMENICI. I am confident we could work out something that we would not have to spend much money on and do just as good by the rural American people who are using these or I would not be here arguing with the Senator.

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. DOMENICI. Mr. President, I yield myself 30 seconds on the resolution.

I am confident that the Senate is going to accept this amendment. I am not prepared to. I think it is a mistake because I think we can do much better.

But I hope we can continue to talk about the subject because I think we can indeed provide housing at a much lower cost than the amount contained even in the amendment and certainly more than is in the present program.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from Maine [Mr. Cohen]. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 47, nays 50, as follows:

[Rollcall Vote No. 59 Leg.]

YEAS—47

Andrews
Baucus
Biden
Bingaman
Boren
Bumpers
Burdick
Byrd
Chiles
Cohen
Cranston
D'Amato
Eagleton
Ford
Glenn
Gore
Gorton
Grassley
Harkin
Hart
Hawkins
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stafford
Stennis
Stevens
Zorinsky

NAYS—50

Abdnor
Armstrong
Bentsen
Boschwitz
Bradley
Chafee
Cochran
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gramm
Hatch
Hatfield
Hecht
Heinz
Helms
Humphrey
Kassebaum
Kasten
Lautenberg
Laxalt
Lugar
Mathias
Mattingly
McClure
McConnell
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Symms
Thurmond
Trible
Wallop
Warner
Weicker

NOT VOTING—3

East
Exon
Wilson

So the amendment (No. 82) was rejected.

Mr. DOLE. I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Senators will clear the well and return to their seats. Staff will clear the aisles. Senators will kindly clear the well.

The Democratic leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that the time required for getting order in the Senate not be charged to anybody.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I ask unanimous consent, Mr. President, that there may be a 10-minute discussion at this point between the distinguished majority leader and myself without the time being charged to the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, we are in this peculiar situation. How much time remains for this side?

The PRESIDING OFFICER. There are 2 hours and 16 minutes remaining on the Democratic side.

Mr. BYRD. May I say to my colleagues on both sides of the aisle that out of the total of 50 hours which was on the resolution at the beginning, we only have a little over 2 hours left. All of it is on this side of the aisle. If the other side calls up an amendment, then the other side is entitled under the act to half of the time on that amendment but that half will come out of the time on this side. We are also confronted with the dilemma which results from the distinguished majority leader—and I am not wanting to quarrel or cast any reflection; I could not if I wanted to, and I would not if I could, but we are in the situation here now where we do not know what the contents of the package are which Mr. Dole will later offer at some point. We do not know what the contents are except for the two or three items which the distinguished majority leader revealed to us just a little earlier in the evening. So at some point when time is exhausted on this side in a little more than 2 hours from now we will be in this situation: No debate can occur except by unanimous consent on this resolution or on any amendment that is called up. If the distinguished majority leader calls up his package amendment at that time, there is no time for debate thereon. He cannot even explain to us on this side or to his colleagues on that side what the contents of the package are, nor would we be in a position to offer amendments to that package until it is before the Senate. So here we are in a situation where we are offering amendment after amendment to the Dole package that was adopted by a vote of 50 to 49 a few days ago and which has by now become riddled and dismantled almost beyond the point of recognition.

So, Mr. President, that is the dilemma. I ask the distinguished majority leader if he would be willing to offer his package now so that we can see it, because as it is, every amendment that is being adopted is later going to be wiped off if the next substitute package is agreed to. So actually we are not only giving our time and burning up our time but we are wasting time. So, Mr. President, I wonder if the distinguished majority leader would call up his package now and let the Senate begin to debate it and amend it and with the understanding that 30 minutes from the time the amendment is laid before the Senate—or 1 hour, whatever—we vote on the distinguished majority leader's amendment.

If he would not be willing to do that, would he put the Senate in recess so that the time we have remaining will not be running? We need that little bit of time if we hope to offer any meaningful amendments to the package that we can all understand, because we soon will not be able to explain the contents of an amendment.

Would the distinguished majority leader be willing to do one of two things: One, put the amendment before the Senate and let us debate it and begin to amend it, and have a vote on adoption, up or down, of that amendment, say, at 6:30 p.m. today? Or, second, if he would not be willing to do that, would he put the Senate into recess until such time as he is willing to put his amendment before the Senate, so that we could all see it, read it, understand it, debate it, and amend it if we can?

Mr. DOLE. As to the first request, the vote on the amendment by 6:30, if it survived, there would be no additional amendments then?

Mr. BYRD. No, we are not saying that. We are entitled, in any event to offer amendments to that package. If it is agreed to, it still can be amended. There would be no time for debate of any amendment.

I assume that if the amendment is called up, we would have some time and perhaps could offer one or two amendments and be ready to vote. But we would be willing to vote at 6:30 p.m. today.

Under the Budget Reform Act, that package, even if adopted, would be open to amendment without debate.

Amendments could be called up and voted on.

Mr. DOLE. As I understand, there are amendments pending right now that Members are willing to offer, and I am not quite ready to offer the perfecting amendment. We are working on it.

I do not really believe that the original amendment has been riddled. Only one amendment has been adopted today, and that was on nutrition.

Mr. CHILES. Amtrak.

Mr. DOLE. And Amtrak. A $10 billion amendment was defeated, a $7 billion amendment was defeated, and a $4.5 billion amendment was defeated; and there were bipartisan votes on all those. So I think there is a fairly strong feeling that we are working our will.

One reason we are a little reluctant to trot out the perfecting amendment is that we are trying to reflect the views of some of the votes on the Senate floor. My view is that if you lose nutrition by 2 to 1, you should go back and take a look at the package, and we are going to do that and maybe make a modification. If you lose Amtrak by 12 votes, some would say if we were to reconsider it we might have 50 votes. You go back and take a look at Amtrak. Maybe you do not terminate it. Maybe there is another way to address it.

It is not that we are trying to gain any unfair advantage, but we have amendments on this side that I understand Members are prepared to offer. We would like to proceed with those. I know that the statute provides that the time runs against the remaining time of the distinguished minority leader. I assume that we can get consent to have additional time, but I would prefer not to do that at this time.

Mr. CHILES. What about the recess?

Mr. DOLE. As long as we have amendments on this side that Members want to offer, I do not know why we should go into recess. I should like to finish the measure this evening. There are a number of requests that we do so.

We had hoped to have a vote on the perfecting amendment by 9 p.m., and then it is open to further amendment.

I must say that we did not see the package of the distinguished minority leader until 10 minutes after it was offered, and I am willing to match that or better. In fact, we are prepared not only to give the distinguished minority leader the language, but also a summary of the proposal. I think there was some indication earlier today to some Members on both sides of the highlights of the package, and I am prepared to give that to the distinguished minority leader at this time.

Mr. BYRD. The distinguished majority leader talks about how the minority leader did not reveal the contents of his amendment until 10 minutes before it was offered. This situation is different.

Once that amendment was offered, we had equal time to debate it. Half of it came from our side, and half from the majority leader's side. But here we are confronted with the situation in which the distinguished majority leader, once the time has run on this side of the aisle, can call up his amendment, and we cannot debate it. All we can do is try to amend it, with no talk on either side, and vote. In the meantime, we are shooting at a package which has already been amended several times.

I was not just referring to one or two amendments adopted today, but amendments to that package were adopted several days ago. So it has been amended serveral times.

I hope the majority leader will move to put the Senate into recess until he is ready to call up his amendment, so that we will have some time to debate that particular amendment when it is called up.

I ask the distinguished majority leader if he will recess until, say, 6:30, call up his amendment, and we can vote on it 30 minutes thereafer.

Mr. DOLE. I might make a counterproposal: that when we call up the perfecting amendment, we obtain unanimous consent that there be debate on the perfecting amendment, notwithstanding the time situation, for a period of 40 minutes or 1 hour equally divided.

Mr. BYRD. Let us set the time now.

Mr. DOLE. The time it is going to be called up?

Mr. BYRD. The time it is going to be called up, and the time for a vote on it.

Mr. DOLE. The minority leader was concerned that the time would run out, and if time ran out before the amendment were offered, we would ask unanimous consent that there be an hour of debate.

I am not prepared to say precisely when I would offer the perfecting amendment because, very honestly, much depends on how the amendments that are pending are disposed of. We have about 11 amendments on this side. I hope they are not all offered. I do not know how many are on the other side.

Mr. BYRD. I say to the distinguished majority leader that we are ready to quit offering amendments prior to action on the distinguished Senator's package No. 2. No more amendments. Just call up the Senator's amendment, take 30 minutes on it, equally divided, or 40 minutes, or 1 hour equally divided, and vote on the amendment. No more amendments before the distinguished Senator calls up his amendment. And it is a perfecting amendment. He just said so. That means that it cannot be amended until it is adopted.

Mr. DOLE. Perhaps we could suggest the absence of a quorum for a few minutes. [Laughter.] I will check with my Parliamentarian.

Seriously, I would prefer not to have a recess, and I would prefer not to offer the amendment now. I prefer to go ahead. We have amendments pending. Let them be debated quickly and stack some votes and have 10-minute rollcall votes starting about 6:30; then, when the time has expired, offer the amendment and agree to an hour of debate, 30 minutes on each side.

The PRESIDING OFFICER. The leadership will be advised that the 10 minutes allotted for the uncounted time is expired.

Mr. BYRD. I thank the Chair.

Mr. President, I also point out that before any Senator on that side can get time for debate, we have to yield him time or withhold it. If the Senator on that side wishes to stand up and offer an amendment, he can do so, and the time will run equally both sides, chewing up our remaining time. If he does not offer an amendment, then he cannot debate unless we yield him time.

I do not want to get into that kind of a situation. I hope the majority leader would recess the Senate for, say, 1 hour, call his amendment up when we come back in after that hour, and take 30 minutes or an hour and vote up or down. There will be no amendments from this side at this point to the package that will be wiped out in all likelihood by the second Dole package.

Mr. DOLE. The only problem I see with that is if in fact, and I am not certain whether there are votes to adopt the perfecting amendment, but if it were adopted, then we could start this all over again. It would be an hour and—how much time is remaining?

The PRESIDING OFFICER. Two hours and fifteen minutes.

Mr. DOLE. We could offer 25 amendments in 2 hours and 15 minutes. In any event in this way you would be able to discuss what you were offering and someone might be persuaded by that.

But I know the minority leader. We can delay a number of ways here. But I am not prepared to offer the perfecting amendment or to announce or to indicate a precise time when we would be prepared to do that.

Mr. BYRD. Mr. President, I wish to make it clear we are not suggesting that we will not call up amendments, if we get to that point. When the distinguished majority leader calls up his package and it is acted on, then we may be constrained to offer some amendments. Right now, we are willing to delay the offering of any amendment if the majority leader will place his package before the Senate, let all on both sides take a look at it, scrutinize it, and study it, and offer amendments to it and vote on that package within 1 hour, 45 minutes, or 30 minutes.

Mr. CHILES. We are using our time right now.

Mr. BYRD. Yes.

Mr. DOLE. I do not have any time to use.

Mr. CHILES. We are using our time.

Mr. BYRD. Mr. President, I ask unanimous consent, and I apologize to the majority leader for doing this, but this is a situation that not only impacts against this side and its responsibility and duty and right to offer amendments to the vehicle that the Senate will be voting on at some point rather than to this faceless amendment that has been adopted by a vote of 50 to 49. I ask unanimous consent that the Senate stand in recess for 1 hour and that upon the reconvening of the Senate the distinguished majority leader be recognized to call up his package No. 2 amendment.

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE. Mr. President, we are not unmindful of the concerns of the distinguished minority leader and I want to indicate——

Mr. BYRD. Mr. President, all the time is coming from this side. I will yield to the distinguished majority leader. How much time does he want?

Mr. DOLE. One minute.

Mr. BYRD. Two minutes.

The PRESIDING OFFICER. The majority leader is recognized for 2 minutes.

Mr. DOLE. The majority leader would indicate to all my colleagues that, you know, we want to finish this tonight. We are prepared to make that effort. I can say in all honesty I am not certain whether we have the votes to prevail or not. On that basis and under those circumstances I think it is better that we continue offering amendments if the Members on this side could be recognized. The last amendment came from this side. I assume the next amendment, in logic, would come from the minority side. But I would hope we would be permitted to offer amendments. I will return to my office immediately, continue to work on the perfecting amendment, which is fairly near completion, but I do not think I should indicate at this time the precise time we will offer it and then have a lot of time following for other amendments to be offered.

I still believe we can debate the amendment if time has expired and maybe reach some agreement with the distinguished minority leader on an amendment process if the time had expired. I am not trying to shut out amendments. In fact, we can offer amendments right now.

Mr. KASTEN. Mr. President, will the minority leader yield 1 minute?

Mr. BYRD. No, I do not yield for that purpose. If the distinguished majority leader has a minute or so, then he can yield.

The PRESIDING OFFICER. The minority leader is correct. There are 30 seconds remaining on the time yielded to the majority leader.

Mr. DOLE. Those 30 seconds I am happy to yield.

Mr. KASTEN. Mr. President, I suggest maybe we can start working out of this. I wish to remind Senators that we have an amendment that has two Republican sponsors but has three Democratic sponsors on refugees. We have already come to a kind of tentative agreement of 10 minutes on each side, and it has a strong kind of bipartisan effort, and it would be 20 minutes from now we would have a vote. That might be one way to use the time.

The PRESIDING OFFICER. The time yielded by the minority leader to the majority leader has expired.

Mr. BYRD. Mr. President, we are faced with this situation now. Time is running. Under the 50 hours time is running against our side.

So, Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. I apologize to the distinguished majority leader for making that request. Ordinarily, the majority leader has the power and the duty to set the schedule of the Senate, and I would not have made such a request except because of the extenuating circumstances.

Mr. DOLE. Mr. President, let me say to the distinguished minority leader I understand that perfectly, I think.

The PRESIDING OFFICER. Who yields time?

Mr. SYMMS addressed the Chair.

Mr. BYRD. Mr. President, I do not yield time and I apologize to the distinguished Senator.

Mr. President, I ask unanimous consent——

Mr. SYMMS. Mr. President, I send an amendment to the desk.

Mr. BYRD. I do not yield for that purpose.

The PRESIDING OFFICER. The minority leader has the floor.

Mr. BYRD. Mr. President, I ask unanimous consent that there be a 10-minute time limitation on any amendment to be equally divided beween the two sides until——

Mr. CHILES. One hour.

Mr. BYRD. All right, for 1 hour.

Mr. JOHNSTON. Mr. President, reserving the right to object, are those votes going to be stacked?

Mr. CHILES. We can stack them during the hour.

Mr. BYRD. We can stack them all to occur during the hour.

Mr. CRANSTON. I wish to suggest a shorter time than 10 minutes on each side. There are 10 or 11 amendments on that side, 12 or 13 on this side which eventually will be offered. That will consume all the time. At the rate of 10 minutes we will not have any time remaining.

I suggest that it be not more than 5 minutes evenly divided on each side.

Anyone who has an amendment can certainly explain it with the help from others in 2½ minutes, and then we will have time to reserve for future consideration of future matters brought before the Senate.

Mr. BYRD. Mr. President, I put that in the form of a request and with the additional provision that amendments must be germane and relevant to the resolution.

Mr. SYMMS. Mr. President, I object.

Mr. BYRD. And that this amendment terminate at the end of 1 hour.

Mr. SYMMS. I object.

The PRESIDING OFFICER. Is there objection?

Mr. SYMMS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I send an amendment to the desk.

Mr. CRANSTON. May I ask a question of the Senator from Idaho?

Mr. BYRD. Mr. President, I do not yield for that purpose.

Mr. DOLE. Mr. President, would the distinguished minority leader yield to me?

Mr. BYRD. I yield to the distinguished majority leader for how long——

Mr. DOLE. One minute.

Mr. BYRD. For 1 minute for a statement only or a question.

Mr. DOLE. Mr. President, in my view the original proposal for 5 minutes on a side for the next 1 hour is satisfactory.

I do not know if we will use 5 minutes on a side. But that could dispose of at least six amendments, if there are six amendments out there, serious amendments.

I would hope the distinguished minority leader might renew that request and I hope we might accept that request.

Mr. BYRD. Mr. President, I ask unanimous consent that during the next 1 hour Senators may offer amendments that are germane and relevant, with the time limitation of no more than 10 minutes to be equally divided and that rollcall votes be stacked to occur at the end of that hour; that the first rollcall be a 15-minute rollcall and that the successive amendments be limited to 10 minutes on a rollcall; and that the Chair, when the 10 minutes are consumed and when the 15 minutes are consumed on the amendments respectively, that the Chair announce the vote and that there be no additional time for Senators who may be absent.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. The rollcalls will be 10 minutes, except for the first one.

Mr. KENNEDY. Mr. President, reserving the right to object, and I do not want to object. I would like to ask whether it is the understanding of the minority leader that at the end of that period of time the majority leader then is going to lay down the new alternative. Is that the understanding? Is that part of the unanimous-consent agreement or not?

Mr. BYRD. I would like to add that. I am just hoping that the distinguished majority leader, out of the goodness of his heart and the realization that these are very reasonable requests, will have his package ready to offer.

Mr. KENNEDY. Mr. President, I have been ready, willing, and able, as the leader knows, to offer amendments on this proposal for a number of days. I understand there are Members on both sides prepared to do likewise.

I would not want to, by not objecting, suggest that at the end of the hour that that is going to be the end of any possibility of offering amendments.

Mr. BYRD. That will not end the possibility of offering amendments.

Mr. KENNEDY. And also have an understanding that we are going to be able to get rollcall votes on those amendments, as well.

Mr. BYRD. We could get rollcall votes on them.

Mr. KENNEDY. I have no objection.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I have the floor and I yield to the distinguished majority leader.

Mr. DOLE. Mr. President, I reserve the right to object. It seems to me the one problem, on reflection of this, is we are going to have a lot of votes on a lot of amendments, and I assume they will come in any event at the end of the process. Now they will come with 5 minutes of debate on each side. We could have as many as six votes. Then there still is another hour left, and that would be 12 votes. I assume that when the time expires, there could still be 12 votes.

It seems to me we have been making pretty good progress without an agreement. Even though I suggested earlier this might provide some relief for Members who have amendments, I think I shall object.

The PRESIDING OFFICER. Objection is heard to the request of the Democratic leader.

Mr. BUMPERS addressed the Chair.

Mr. BYRD. Mr. President, I yield—how much time does the Senator need,

Mr. BUMPERS. Mr. President, I reserve the right to object.

Mr. BYRD. An objection has already been made.

Mr. President, I move that the Senate stand in recess for 30 minutes, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 7 Leg.]

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Evans
Ford
Garn
Glenn
Goldwater
Gore
Gorton
Gramm
Grassley
Harkin
Hart
Hatch
Hatfield
Hawkins
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
McClure
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Riegle
Rockefeller
Roth
Rudman
Sarbanes
Sasser
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Zorinsky

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from West Virginia. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST], and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Massachusetts [Mr. KENNEDY] is necessarily absent.

I further announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 45, nays 51, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—45

Baucus
Bentsen
Biden
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Ford
Glenn
Gore
Harkin
Hart
Heflin
Hollings
Inouye
Johnston
Kerry
Lautenberg
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Stennis
Zorinsky

NAYS—51

Abdnor
Andrews
Armstrong
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins
Hecht
Heinz
Helms
Humphrey
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker

NOT VOTING—4

East
Exon
Kennedy
Wilson

So the motion that the Senate stand in recess for 30 minutes was rejected.

AMENDMENT NO. 83

(Purpose: To add additional funds for Federal impact aid under the Act of September 30, 1950 (Public Law 874, 81st Congress))

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. ABDNOR, proposes an amendment numbered 83.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. BYRD. Mr. President, I object for the moment, most respectfully.

The PRESIDING OFFICER. An objection is heard.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $200,000,000.

On page 3, increase the amount on line 13 by $200,000,000.

On page 3, increase the amount on line 14 by $200,000,000.

On page 3, increase the amount on line 18 by $100,000,000.

On page 3, increase the amount on line 19 by $100,000,000.

On page 3, increase the amount on line 20 by $200,000,000.

On page 3, increase the amount on line 25 by $100,000,000.

On page 4, increase the amount on line 1 by $100,000,000.

On page 4, increase the amount on line 2 by $200,000,000.

On page 4, increase the amount on line 6 by $100,000,000.

On page 4, increase the amount on line 7 by $200,000,000.

On page 4, increase the amount on line 8 by $400,000,000.

On page 4, increase the amount on line 12 by $100,000,000.

On page 4, increase the amount on line 13 by $100,000,000.

On page 4, increase the amount on line 14 by $200,000,000.

On page 19, increase the amount on line 21 by $200,000,000.

On page 19, increase the amount on line 22 by $100,000,000.

On page 20, increase the amount on line 6 by $200,000,000.

On page 20, increase the amount on line 7 by $100,000,000.

On page 20, increase the amount on line 15 by $200,000,000.

On page 20, increase the amount on line 16 by $200,000,000.

On page 42, decrease the first amount on line 6 by $187,000,000.

On page 42, decrease the second amount on line 6 by $148,000,000.

On page 42, decrease the amount on line 7 by $188,000,000.

On page 42, decrease the amount on line 8 by $174,000,000.

On page 42, decrease the first amount on line 9 by $209,000,000.

On page 42, decrease the second amount on line 9 by $205,000,000.

On page 45, decrease the amount on line 21 by $187,000,000.

On page 45, decrease the amount on line 22 by $148,000,000.

On page 45, decrease the first amount on line 23 by $188,000,000.

On page 45, decrease the second amount on line 23 by $174,000,000.

On page 45, decrease the amount on line 24 by $209,000,000.

On page 45, decrease the amount on line 25 by $205,000,000.

On page 52, increase the amount on line 1 by $200,000,000.

On page 52, increase the amount on line 3 by $200,000,000.

On page 52, increase the amount on line 4 by $200,000,000.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. BYRD. I yield myself 2 minutes on the amendment.

Mr. President, I ask the distinguished majority leader if it would be possible to cut the time, say, to 10 minutes, to be equally divided, on this amendment, and then vote on the amendment.

Mr. DOLE. I am prepared to make that request.

Mr. BYRD. I will be happy to yield to the distinguished majority leader for that purpose.

May I ask one further question while I have the floor: The distinguished majority leader made a proposal earlier, and I wonder if he would make it again. It had to do with laying down his amendment tonight and having an hour of debate on it and then voting on it. Am I correct?

Mr. DOLE. That is correct.

Mr. BYRD. Would the distinguished Senator require that the 2 hours and 2 minutes which we did have on this side be utilized for the calling up of amendments during that 2 hours and prior to the hour in which he would lay his amendment before the Senate?

Mr. DOLE. That would be my hope, that then we would have an hour on the amendment, and it would be subject to amendment after that.

As I indicated to the distinguished minority leader, if someone felt strongly about an amendment, that they were being shut out and not able to debate it, I would be prepared at that time to propound a request that if there were an amendment on that side or this side, to get a little time for those amendments. Obviously, I prefer no amendments at all.

Mr. BYRD. I want to make sure I understand.

Is the distinguished majority leader saying he would propound a request that upon the expiration of the 2 hours plus that is on this side, he would lay down his amendment, that we would have 1 hour on that amendment, equally divided, and then vote on the amendment, and that it will all occur today?

Mr. DOLE. The only part I have some trouble with is about that vote.

Mr. BYRD. Well, the distinguished majority leader is honest and forthright, and we admire that.

Suppose we go ahead with the 10 minutes on this amendment and vote on it. In that time, the distinguished majority leader could talk with his colleagues and with us, if he would like, and be prepared, I hope, to offer a request that would see the Senate debate his amendment this evening for an hour, and then vote up or down today.

Mr. DOLE. Let me explore that. I assume that there will be a rollcall vote on this amendment. We will have about 25 minutes.

Mr. President, I ask unanimous consent that the time on this amendment be limited to 10 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the distinguished majority leader.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield 5 minutes to the distinguished Senator from South Dakota.

Mr. ABDNOR. Mr. President, in fiscal year 1982, pursuant to the Omnibus Reconciliation Act of 1981, funding for impact aid was reduced more than 40 percent. In contrast, other major education programs sustained a 7- to 10-percent cut. Even though we have succeeded in restoring program funds by some $200 million in the last 2 years. The fiscal year 1985 appropriations level for this program is still more than 10 percent less than that provided in fiscal year 1980.

Last year Congress reaffirmed its support for impact aid by reauthorizing the program for 4 years at a higher level of funding. The measure approved by Congress and signed into law by the President also continued support for category "B" students. Now, under the budget proposal before us, federally impacted schools are facing a further cutback of 22 percent, with the assumption that category "B" and impact aid construction will be eliminated entirely.

Is this fair? Once again, impact aid is being asked to take the lion's share of the cuts. While other elementary and secondary education programs are being frozen, federally impacted school districts are being asked to absorb a 22-percent reduction. Since impact aid is current-year funded, this reduction will be felt during the next school year. And let me remind my colleagues that 1985–86 teacher contracts have already been renewed in most, if not all, of the 50 States.

Mr. President, though the overall Federal role in education may be open to some debate, I believe the Federal Government has an undeniable responsibility to assist school districts in replacing the revenue lost due to Federal activity.

Most of my colleagues acknowledge the need to provide continued support for category "A" students—those whose parents both work and live on Federal property. But there is a great deal of confusion over category "B" students—those whose parents either work or live on Federal property, but not both.

In my own State of South Dakota, we have an SAC installation. Military dependents attend the Douglas School System which, before the base was built consisted of about a dozen students who attended classes in a 1-room schoolhouse. Now enrollment is near 2,500, and that number may grow to more than 3,000 as the B–1 bomber program is phased in over the next 2 years. At present, 65 percent of those enrolled are "A" students, about 14 percent are "B" children. Since there is not sufficient housing on base, virtually all the new students will be "B" students. The vast majority of these will live in trailers clustered around the base—the school system receives about $50 per year in property tax on each of these trailers.

Also, due to the Soldiers and Sailors Relief Act, most of the military families stationed at Ellsworth and other installations throughout the United States, are not legal residents of the States in which they are based. Thus, they do not pay State and/or local income tax, personal property tax, and so on. Further, many of these families

shop on base, thereby avoiding paying any State and/or local sales tax, not to mention the fact that they are not contributing to the local economy to the same extent as do their private sector counterparts.

Let me issue a word of caution to any of my colleagues who may believe that support for category "A" students is not threatened. The budget drafters have assumed that $152 million reduction in budget authority will result in the elimination of category "B" payments and impact aid construction. However, since this assumption is not binding, we may end up funding these components of the program at the expense of category "A" or another education program.

Mr. President, the present administration and the Congress have scaled back the impact aid program. The amount of support provided for category "B" children is—at a maximum—one-third of what it used to be. If we agree to even further reductions in impact aid, we will be pulling the rug out from under the local schools which serve the children of our service men and women—at far less cost to the Federal taxpayer than Department of Defense schools.

No more than 8 months ago, the President signed a measure which reauthorized impact aid, including category "B" payments. The distinguished ranking member of the Subcommittee on Education, Arts and Humanities, Senator Pell, and 42 of our colleagues joined me in the effort to restore funding for this vital program. I urge my colleagues to stand by this commitment to our Nation's federally impacted schools and vote to restore necessary funding for impact aid.

Mr. President, I have waited some time for the opportunity to offer this amendment. I think it is absolutely imperative that this amendment be adopted.

My colleagues have heard me make a case for impact aid numerous times over the past several years.

Last year, the distinguished ranking minority member of the Subcommittee on Education, Arts, and Humanities, Senator Pell, and 42 of our colleagues joined me in an effort to reauthorize impact aid, including category "B" payments, and we succeeded in doing so.

Less than 8 months ago, the President signed a measure which reauthorized the Impact Aid Program for 4 years at a higher level of funding.

However, now, under the Senate-White House package, federally impacted schools, which have already taken more than their fair share of cuts, are again being asked to take an additional cutback category "B" and construction assistance. I do not think this is fair. Once again, impact aid is being asked to take more than its fair share of the cuts.

The program is for the welfare and the betterment of our young people who attend school in areas where tax revenue is limited due to Federal activity. We are talking about providing a basic educational program for these students. This program puts a chair under a child and a book in his hand. If this program is cut, basic services to thousands of students will be threatened.

Under the Soldiers and Sailors Relief Act, the Federal Government has exempted military personnel. We have from many State and local taxes. The proposal before us freezes other elementary and secondary education programs at the fiscal year 1985 appropriations levels. I want to emphasize this point. But that is not the case with impact aid. And impact aid is every bit as important.

The leadership has now offered to restore about half the cut in impact aid but half is not enough. We are talking about providing a basic program for Native Americans, military dependents, and children who reside in federally subsidized housing for whom we have a responsibility. I do appreciate the fact that the leadership has attempted to address the problem by restoring half the cuts but anything less than a freeze will not be sufficient—and it will not be fair.

I remind my colleagues that as per pupil costs increase, so do impact aid entitlements. Thus, even if we freeze the program at the fiscal year 1985 level we will still create hardships in many federally impacted districts. A 10½-percent cut may cause serious disruption in many more federally impacted schools.

Mr. President, we may debate the extent to which the Federal Government should provide financial support for education. With respect to impact aid, the Federal Government has an undeniable responsibility to compensate local school districts for revenues lost due to Federal activity.

It seems ironic to me that despite the unique justification for impact aid, we find that it is always expected to absorb more than its fair share of the cuts.

I urge my colleagues to stand by our commitment of last year to our Nation's federally impacted schools and vote to restore necessary funding for impact aid.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. ABDNOR. I yield.

Mr. FORD. Does this cover category "B"?

Mr. ABDNOR. Yes, my amendment restores funding for category "B."

Mr. FORD. Will the distinguished Senator add my name as a cosponsor of his amendment?

Mr. ABDNOR. I will be happy to do so.

Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors: Mr. Ford, Mr. Pell, Mr. Boren, Mr. Baucus, Mr. Sarbanes, Mr. Melcher, Mr. DeConcini; Mr. Moynihan, Mr. Bingaman, and Mr. Exon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABDNOR. I thank the majority leader for yielding.

Mr. PRESSLER. Mr. President, I support the impact aid budget amendment and commend my distinguished colleague for proposing it. We have worked together in Congress for years to maintain this essential program.

Impact aid is vital to my home State of South Dakota. I am deeply concerned by the persistent attempts to eliminate part B payments to impacted schools. Those attempts are the first step toward the total elimination of the Impact Aid Program.

Many schools in South Dakota and many other States across the country desperately need impact aid funds. Yet, every year we go through the routine process of battling administration proposals to eliminate payments for B students.

These repeated threats of major budget cuts impose havoc on the administrators, teachers, and students at schools receiving impact aid dollars. Once again we must restore the part B funding for impact aid.

There are over 50 federally impacted school districts in my home State of South Dakota which receive Federal funding. Many of these schools are located on or near Indian reservations. Those of you who have visited any of South Dakota's Indian reservations know first hand the necessity for continued impact aid funding. The reservations are the most economically depressed areas of our Nation. I cannot comprehend slashing dollars which educate Indian children.

My colleague and I have been through many impact aid budget battles in the past, and I am sure we will face many more in the future. But I urge all of our colleagues to support the Impact Aid Program once again for the sake of all the children who attend schools in federally impacted areas. This is a clear case of Federal responsibility.

Mr. KENNEDY. I regret that I am unable to support the amendment offered by my distinguished colleague from South Dakota to restore funds for the Impact Aid "B" Program.

Mr. President, let me say that I am, and for many years have been, a strong supporter of the Impact Aid Program. The Federal Government Has a continuing obligation to provide financial assistance to schools on which it has placed a burden. Impact aid goes to school districts which serve children of parents employed of Federal or Indian property or where there is a sudden and substantial increase in school enrollments as a result of Federal activities.

Section 3(b) authorizes payments for children who reside on Federal property or whose parents work on Federal property or are in the uniformed services. In the last Congress, we reauthorized this program, after it was scheduled to be phased out by the end of fiscal year 1984, under the provisions of the Omnibus Budget Reconciliation Act of 1984.

The Impact Aid B Program goes to school districts serving children whose parents live or work on Federal property. Thus, in many cases, those school districts receive local and State tax revenues from parents not living on the Federal facility. Under fiscal year 1985 appropriations, school districts receive only 60 percent of B already making the transition away from the B program.

These are difficult times in which difficult choices must be made. I have made the difficult choice to vote against the continuation of this program.

Mr. President, I realize that many school districts will suffer some hardship as a result of the termination of the B program, including a number of disticts in my State. I am hopeful that the States will provide additional assistance to those areas. In Massachusetts, I understand that the Governor's education reform package will go a long way to address those needs. I urge the States to respond similarly to assist schools that may be affected by elimination of this program.

Mr. NICKLES. Mr. President, if each Member of the Senate had to take a quiz on what A and B students are, chances are most of us would say that that's what we want our kids to be and what we wish we had been—A and B students. In that respect, I want to commend the Senator from South Dakota and a handful of others in the Senate who have some understanding of the Impact Aid Program. It is certainly not an easy one to understand. Stated simply, however, it is a program established by Congress to reimburse school districts for tax dollars that are lost because of the presence of federal property in that district. Land on which a military base or Indian reservation sits is not producing any taxes for that district but is producing children for the school system to educate. Thus, a burden is placed on that district. Starting back in 1950, Congress understood that the Federal Government has a legitimate role in reimbursing schools for this lost revenue.

I am pleased to support the amendment by Senator ABDNOR which maintains the B students for the next 3 years. As my colleagues know, the budget resolution assumes savings which would occur if B students were no longer funded in the program. Although the assumptions are not binding—meaning Congress would not have to implement this particular proposal if they chose to achieve the savings through other programs or changes—the actual savings are mandated by the package which is before us today. The amendment by Senator ABDNOR would change the figures mandated in the budget resolution so that no savings are gained through the elimination of the B students in the Impact Aid Program. The budget package had assumed a $527 million savings with the shutdown of the B program in impact aid.

The proposal that is before us would impose a 34-percent cut on the Impact Aid Program. Elimination of the B category—which represents those students whose parents work but do not live on Federal property—would devastate many school districts. Not only would this mean the loss of $527 million in B payments to schools, but it would also mean the loss of some A payments as well. To receive any impact aid funds from the Federal Government, a school has to show that 3 percent or more of its students are impacted, that is, their parents live and/or work on Federal property. To come up with that 3 percent, B's have been included in that count. Some school districts who receive a significant amount of A payments risk losing the whole pot of A and B money if the Federal Government decides that B students should no longer exist. In Oklahoma, elimination of the B students will mean a loss of $1.3 million in A payments alone, and another $1.7 million lost in B student payments. All together, this would mean a loss of about $3 million to the State of Oklahoma if B students are terminated. The point is, this is not just of concern to B States. This will affect almost all States that receive any impact aid money, be it in the form of A or B payments.

The Impact Aid Program is one which has already undergone substantial cuts in the last several years, particularly with regard to the B payments. If we are going to talk about everyone taking their fair share of the cuts, then impact aid is certainly one program which has taken its share of the reductions in spending. In 1980, the program was funded at $792 million. The next year, the program was funded at $706 million, a 10-percent cut. Then, an additional 10-percent cut was taken in 1982. Only in the last 3 years has there been any increase in the Impact Aid Program, and even that is only a restoration of $127 million when reductions since 1980 have totaled $255 million. The amendment before us today would still leave the Impact Aid Program short of what it was in 1980 by $68 million.

I would like to close my arguments supporting this amendment by stating that it is my belief that the Impact Aid Program is one of the most proper and legitimate functions of the Federal Government. There is absolutely no way for local school districts in Oklahoma to recover the revenues which are lost from the presence of Federal property. Our military bases and Indian lands are quite substantial in value and size. Although Federal property is the main drawing card for the bulk of the population in those areas, it is the very reason why no taxes are garnished to pay for those additional children which enter the school system. Surely, the compensation of school districts for this Federal presence is a legitimate function of the Federal Government.

The PRESIDING OFFICER. Who yields time?

Mr. ABDNOR. Mr. President, we go through this every year. I think we all know the issue. I could stand here and give a long dissertation, but it is not necessary.

The Federal Government should certainly provide financial assistance to local schools in impacted areas. We will be negligent if we refuse to do so. I urge all Senators to remember that in the past this program has had tremendous support. Once again, I think it is worthy of support, and I urge my colleagues to support my amendment.

Mr. President, I ask for the yeas and nays..

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, who has control of time in opposition to the amendment?

Mr. DOMENICI. I do.

The PRESIDING OFFICER. The Senator from New Mexico, if he opposes the amendment.

Mr. DOMENICI. I oppose the amendment.

Mr. CHILES. I thought the unanimous-consent agreement was 5 minutes to that side and 5 minutes to this side. We are under a unanimous-consent agreement now.

Mr. DOMENICI. Somebody deserves 5 minutes to speak in opposition. It was 5 minutes on each side. If the Senator wants 5 minutes, I will give him 5 minutes, so long as I have 5 minutes in opposition. That means 15 minutes instead of 10. It is all right with me.

Mr. CHILES. What is the unanimous-consent agreement?

The PRESIDING OFFICER. The agreement simply specified 10 minutes, evenly divided, and that means between the mover of the amendment and the manager of the bill, if he is opposed to the amendment.

The Senator from New Mexico.

Mr. DOMENICI. I will use only 2 minutes. This has happened to me two or three times already, so I do not want to keep the Senator from Florida from speaking in favor of it.

Mr. President, this will add about $391 million in new expenditures to the proposal before the Senate.

This is impact aid part B. We have been trying to get rid of it not for a few years but since Dwight Eisenhower was President of the United States. We do not seem to be able to do that.

I would say that in 1984 we began to restrain this program in a reasonable manner and things were working quite well. I do not know what happened in 1985, but there seemed to be some more money around somewhere, so it was up beyond the 1984 level, which seemed to be satisfactory with everyone.

We have proposed to the distinguished Senator that this matter could be resolved at the 1984 level of funding, which is $246 million out of the $391 million.

That is what we think is a fair settlement of this case, and it would adequately take care of the students.

The distinguished Senator and our good friend insists on full funding at the 1984 level.

Many programs of the Federal Government are not going to be fully funded in this budget. We think this is one that we should begin to cut back.

So I repeat, we are more than willing to go to the 1984 level, which is about three-quarters of the way from taking the program and zeroing it out to the level that the distinguished Senator desires.

That can be redone by the appropriators to focus it on the most needy areas of the country.

It just seems to this Senator if we are not willing at this time to at least stay on the 1984 path, which was beginning to restrain and target the money, then obviously we are back fully funding.

The PRESIDING OFFICER. The Senator's time that he yielded to himself has expired.

Mr. DOMENICI. Mr. President, I yield the remainder of the time to the distinguished Senator from Florida.

Mr. CHILES. I yield the 3 minutes back.

Mr. CHAFEE. Mr. President, will the Senator yield?

Mr. DOMENICI. Does the Senator yield it back to the Chair or——

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I do not believe I yielded back all the time. I thought the Senator wanted to speak. I only spoke for 2 minutes and I was giving the Senator 3 minutes of my time.

Mr. CHILES. The Senator gave it to me. I was giving it back.

Mr. DOMENICI. I understand.

I was trying to be nice. The Senator wants to hurry this clock up.

Does the distinguished Senator desire to speak?

Mr. CHAFEE. I wish to ask a question of the Senator from New Mexico.

Mr. DOMENICI. I yield to the Senator.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, it is my understanding that under the B people living off the bases who, therefore, are in houses that are paying taxes or else they are paying rent and the landlord is paying taxes to the local community, that is a typical B situation, is it not?

Mr. DOMENICI. The Senator is correct.

Mr. CHAFEE. So that is not a case of children living on a base going to the local school and thus the parents of the students paying no taxes. That is not the situation.

Mr. DOMENICI. The Senator is correct. That is part A which we are not touching.

Mr. CHAFEE. We are not touching the A's; only dealing with the B's whose parents in some form, either through paying rent to the landlord or through home ownership themselves are paying taxes.

Mr. DOMENICI. The Senator is correct.

Mr. ABDNOR. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. ABDNOR. I would like to comment on that.

Yes, some parents of so-called B children pay some property tax, or rent housing from those who do. But as I stated previously, under the Soldiers and Sailors Relief Act, these same families are not subject to many other State and local taxes.

If we taxed those folks as we do their private sector counterparts, we would not have need for category B payments. But Federal Government precludes State and local governments from doing so.

Under the Soldiers and Sailors Relief Act, military personnel may be legally domiciled in a State other than that in which they are based. Thus, they do not pay State or local income tax. They do not pay personal property tax. And, since they do their shopping in the commissaries on the base, they do not pay State and/or local sales tax, nor do they contribute to the local economy.

The airbase in my State is out in the country. Before the base was built, it consisted of a one-room schoolhouse. Many of the families stationed at Ellsworth live in small trailer homes and they pay only a minimal property tax.

Let us not have the Soldiers and Sailors Relief Act. Let them pay the taxes like everyone else.

Mr. DOMENICI. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Fifteen seconds.

Mr. DOMENICI. Mr. President, I think we could solve some of the problems. We could move the base. Then there would not be so much a burden.

But in any event, I really believe we are making a very excellent proposal. I am sorry my friend cannot accept it.

We are ready to vote.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from South Dakota. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON], are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] is necessarily absent.

I further announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 47, nays 49, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—47

Abdnor
Andrews
Baucus
Biden
Bingaman
Boren
Bradley
Bumpers
Burdick
Chiles
D'Amato
DeConcini
Dodd
Ford
Glenn
Gore
Hart
Hawkins
Heflin
Heinz
Hollings
Inouye
Johnston
Kerry
Lautenberg
Levin
Long
Mathias
Matsunaga
Melcher
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Pell
Pressler
Pryor
Riegle
Sarbanes
Sasser
Specter
Stennis
Stevens
Trible
Warner
Zorinsky

NAYS—49

Armstrong
Bentsen
Boschwitz
Byrd
Chafee
Cochran
Cohen
Cranston
Danforth
Denton
Dixon
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Helms
Humphrey
Kassebaum
Kasten
Kennedy
Laxalt
Leahy
Lugar
Mattingly
McClure
McConnell
Metzenbaum
Packwood
Proxmire
Quayle
Rockefeller
Roth
Rudman
Simon
Simpson
Stafford
Symms
Thurmond
Wallop
Weicker

NOT VOTING—4

Eagleton
East
Exon
Wilson

So the amendment (No. 83) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 84

(Purpose: to restore the revenue forgone appropriation for nonprofit groups and preferred mailers to Congressional Budget Office baseline levels in fiscal years 1986, 1987, and 1988 with the exception of national publications using the second class, in-county rate)

Mr. METZENBAUM. Mr. President, on behalf of myself and Senators Burdick, Riegle, Sarbanes, Matsunaga, Byrd, Eagleton, Proxmire, Rockefeller, Inouye, Kerry, Kennedy, Zorinsky, and Ford, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. Metzenbaum], for himself and Senators Burdick, Riegle, Sarbanes, Matsunaga, Byrd, Eagleton, Proxmire, Rockefeller, Inouye, Kerry, Kennedy, Zorinsky, and Ford, proposes an amendment numbered 84.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, increase the amount on line 12 by $313,000,000.

On page 3, increase the amount on line 13 by $2,027,000,000.

On page 3, increase the amount on line 14 by $601,000,000.

On page 3, increase the amount on line 18 by $313,000,000.

On page 3, increase the amount on line 19 by $2,027,000,000.

On page 3, increase the amount on line 20 by $601,000,000.

On page 3, increase the amount on line 25 by $313,000,000.

On page 4, increase the amount on line 1 by $2,027,000,000.

On page 4, increase the amount on line 2 by $601,000,000.

On page 4, increase the amount on line 6 by $313,000,000.

On page 4, increase the amount on line 7 by $2,340,000,000.

On page 4, increase the amount on line 8 by $2,941,000,000.

On page 4, increase the amount on line 12 by $313,000,000.

On page 4, increase the amount on line 13 by $2,027,000,000.

On page 4, increase the amount on line 14 by $601,000,000.

On page 15, increase the amount on line 8 by $298,000,000.

On page 15, increase the amount on line 9 by $298,000,000.

On page 15, increase the amount on line 17 by $1,905,000,000.

On page 15, increase the amount on line 18 by $1,905,000,000.

On page 16, increase the amount on line 1 by $366,000,000.

On page 16, increase the amount on line 2 by $366,000,000.

On page 32, increase the amount on line 17 by $15,000,000.

On page 32, increase the amount on line 18 by $15,000,000.

On page 33, increase the amount on line 2 by $122,000,000.

On page 33, increase the amount on line 3 by $122,000,000.

On page 33, increase the amount on line 11 by $235,000,000.

On page 33, increase the amount on line 12 by $235,000,000.

On page 41, decrease the amount on line 19 by $1,359,000,000.

On page 41, decrease the amount on line 21 by $366,000,000.

On page 49, decrease the amount on line 5 by $1,359,000,000.

On page 49, decrease the amount on line 7 by $366,000,000.

On page 52, increase the amount on line 1 by $817,000,000.

On page 52, increase the amount on line 3 by $856,000,000.

On page 52, increase the amount on line 4 by $894,000,000.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the time on this amendment be limited to 10 minutes—5 minutes for the proponents and 5 minutes for the opponents.

Mr. ARMSTRONG. Mr. President, reserving the right to object, before we enter into that unanimous-consent agreement, can we first have order in the Chamber? Second, can we note the subject matter of the amendment?

The PRESIDING OFFICER. The Senator is correct. There will be order in the Chamber.

The Chair could not hear the unanimous-consent request. So perhaps both the amendment and the unanimous-consent request can be repeated.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the time on this amendment be limited to 5 minutes under my control, and 5 minutes under the control of the distinguished chairman of the Budget Committee.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Mr. President, reserving the right to object, I am going to ask that my time, which I might have in opposition, be under the control of the distinguished senior Senator from Alaska, Senator Stevens. I ask that there be 5 minutes on this side to Senator Stevens, and 5 minutes to the proponent.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, will the distinguished Senator add to his request that upon the expiration or yielding back of the time, that a vote will occur——

Mr. METZENBAUM. I do, indeed.

Mr. BYRD. On the amendment, without any intervening debate?

Mr. METZENBAUM. Included in the 10 minutes unanimous-consent request, immediately thereafter, I ask unanimous consent that there will be a rollcall, and the yeas and nays will be added without any intervening time or action.

Mr. DOMENICI. Reserving the right to object, and I might object——

The PRESIDING OFFICER. The Chair advises the Senator may not provide in a unanimous-consent request that there be a rollcall vote.

Mr. BYRD. I did not ask that. Did the Chair misunderstand me?

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I included that as a part.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there an objection to the unanimous-consent request?

Mr. BYRD. Mr. President, reserving the right to object, I do not want to quarrel with anyone or take time. But unless we provide for a vote immediately without any intervention whatsoever, there could be a quorum call, there could be debate on something else, and there could be a motion to go into executive session or whatever. So may we have that added?

Mr. DOMENICI. I object.

Mr. BYRD. If the Senator wishes to table that, he may so move.

Mr. DOMENICI. I just object. We have 5 minutes on each side.

The PRESIDING OFFICER. Objection is heard.

Mr. DOMENICI. We have been doing it very nicely. That is enough for us.

The PRESIDING OFFICER. The 5 minutes to each side was part of the original request, and that has been objected to as well.

Mr. DeCONCINI. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, it is my understanding that the manager of the bill attempted to get 5 minutes limitation on each side with the understanding that thereafter there would be no intervening activity, and that due to the fact that the yeas and nays have been asked for, that we will proceed to a vote. I again repeat that request, and I am not certain why my friend and colleague from New Mexico would object to that because I thought that was the way we were proceeding.

Mr. DOMENICI. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. METZENBAUM. I understand, then, there is no time limit.

The PRESIDING OFFICER. The Senator from Ohio has 30 minutes under his control on this amendment, and the Senator from New Mexico has 30 minutes.

Mr. METZENBAUM. Mr. President, this amendment will restore $817 million to the Postal Service to continue reduced rates for charities, religious organizations, small newspapers, most of which are in rural areas, libraries and free mail for the blind.

Mr. DOMENICI. Will the Senator yield so that I might indicate to the Chair that I designate the distinguished Senator from Alaska to control the time in opposition?

Mr. METZENBAUM. At the conclusion I will be glad to.

My amendment would not continue the current postal subsidy for major national for profit magazines like Newsweek, People, Time, and U.S. News.

Mr. President, the budget before us makes deep cuts in health care programs, child welfare programs, housing programs, education programs, all of the social service programs which serve the poor, the infirm, the young and the elderly living in this country.

The President has called upon the voluntary organizations to pick up the slack. He has said to them; "Will you please pitch in and do that which Government is not doing?"

Unless we restore the postal subsidy to keep reduced mail rates for nonprofit organizations, we will be saying to these very same voluntary organizations that, "You will have to help balance the budget of this country."

I say to the Members of the Senate there is no logic to this. There is no logic in trying to balance the budget on the backs of the voluntary organizations of this country. The budget before us eliminates the postal subsidy for nonprofit groups. This is the worst kind of penny-wise pound-foolish approach to budget balancing.

I ask, does it make sense to balance the budget by making the American Association for Retired Persons pay an additional $6.5 billion in additional postal rates, or the American Lung Association an additional $6 million?

Mr. DOLE. Will the Senator yield to me?

Mr. METZENBAUM. Without losing my right to the floor, I do.

Mr. DOLE. I would like to propound a unanimous-consent request on this amendment that there be 10 minutes equally divided. Will the Senator agree?

Mr. METZENBAUM. From this point on, yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I designate Senator Stevens to handle the time in opposition.

Mr. METZENBAUM. The Salvation Army will be charged $2,600,000 if they lose the subsidy; the March of Dimes, $7,800,000; the National Catholic Development Conference, $39 million; the National Easter Seal Society, $5.25 million, and all church groups of all denominations will be losing their postal subsidy.

Mr. President, striking the postal subsidy will send postal rates for nonprofit groups through the roof.

I would point out that the issue is simple. Without this amendment mail costs for nonprofit groups would increase by more than 100 percent, for small newspapers the rates would skyrocket by as much as 300 percent—and those are the rural newspapers that are so active in so many areas—and rates for libraries would increase by at least 75 percent.

Mr. President, how much time does the Senator from Ohio have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes 40 seconds remaining.

Mr. METZENBAUM. I yield 3 minutes to the distinguished Senator from North Dakota.

Mr. BURDICK. Mr. President, I rise in support of the amendment which my colleague from Ohio and I are offering concerning the issue of revenue foregone.

As many of you know, the President, in his budget package, has called for the virtual elimination of this funding. I cannot agree with such a plan and if past indications are any measure of how the Senate feels today, most of you cannot agree to it either. As I have said before, at a time when the administration is calling on nonprofit organizations to pick up where Federal funding is leaving off in terms of assisting the poor and disadvantaged of our country, it makes no sense at all to eliminate the means by which these groups are able to help these people. By this, of course, I mean the postal subsidy. I would be hard pressed to identify a group which is more representative of vital public interests than the nonprofit mailing community. Health care, medical research, aid to the truly needy, education, our libraries, the arts, veterans affairs—these are just a few of those that I could name that are dependent in large measure on nonprofit mail and, of course, the revenue foregone subsidy which allows this to be possible.

The Metzenbaum-Burdick amendment restores $817 million to the fiscal year 1986 budget. Even this amount of funding will result in increases between 20 and 40 percent to many of the mailers in question. So, to those of you who might say that everyone must sacrifice—there is sacrifice here too. However, the President's plan would have resulted in increases as high as 276 percent in some cases. Our proposal is a fair one. The President's was not.

Easter Seals would rather use their limited resources to buy a wheelchair for an elderly patient than pay doubled or tripled postage costs. The March of Dimes would rather send out 1,000 letters on preventing birth defects than just 500 letters. The Disabled American Veterans would rather provide a veterans' child with a college scholarship than pay increased postage costs with its funds. These are the kind of direct services that we are talking about here that will be sharply curtailed if the President's budget proposal in this area is allowed to stand. These services exist in each Member's State. I urge all of you to think about this very carefully and I urge you to give Senator Metzenbaum and myself your support.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I yield myself 4 minutes.

Mr. President, I recommended to the majority leader and the distinguished Senator from New Mexico, the chairman of the Budget Committee, an amendment to the package that they were working on that would restore the funding for the purpose of insuring subsidies to small rural newspapers, to the blind and handicapped, libraries, school classroom publications, and social, philanthropic, religious, and cultural organizations. That would require roughly $100 million added to the budget. But it would still mean that we would be saving $700 million in fiscal 1986 and over $2 billion in the 3-year period.

I urge that Members oppose this amendment. We need to do something about the problem that is involved.

Let me point out that in terms of the comments that have just been made, that the cost of third class, nonprofit mailing was $450 million in 1984. It is projected to be $717 million this year, and will be well over $1 billion in 1987. It is increasing at the rate of 50 to 60 to 70 percent a year.

We must do something about this. Our committee, the Governmental Affairs Committee, and the subcommittee I chair, the Post Office and Civil Service Subcommittee, are prepared to make recommendations and offer legislation to curtail the abuses of this.

Let me tell the Senate just the other day as I was thinking about this, I got a mailer from one of my own associations, an alumni association. It was a letter sent at a subsidized rate that urged me to take a cruise to the fjords of Norway. This was an expensive tour that, had I taken it, would have contributed some money to the alumni association.

This is the kind of mailing that is destroying the whole purpose of providing some subsidy to legitimate organizations. We are prepared to do that. We are prepared to establish a procedure for the Postal Rate Commission to adjudicate and approve the legitimacy of organizations to use nonprofit rates and determine whether quesionable mailings should be paid for by the ratepayers. We propose that a portion of the current subsidy be passed over to the Postal Service budget over a period of time.

That concept is not new. It has also been suggested by the former regional postmaster and member of the U.S. Postal Service Board of Governors, William Sullivan, who has supported the idea from his position. It is something that I think is required to be done. The Postal Service budget now is in excess of that of AT&T and it has no community service portion. All we propose is that the Postal Service ratepayers do in fact subsidize to a certain extent some of the mailings that are involved to the same extent that the ratepayers of AT&T have subsidized some of the users of the telephone system of our country for many years.

It is an idea whose time has come, Mr. President, and I am convinced that it can be done and be done in a way that will, in fact, contribute to the reduction of our national deficit.

I think that the Metzenaum-Burdick amendment is one that we have faced annually, the same concept of restoring money rather than trying to deal with the problem. The rapid increase in the demand for this subsidy absolutely requires that Congress do something to prevent its continued increase. If my colleagues do not believe me, they should look in their own incoming box for the mailings they are getting from universities or other alumni associations they belong to and see the way these mailings are being abused.

The PRESIDING OFFICER. The Senator has used most of his time.

Mr. STEVENS. Mr. President, do I have 1 minute left?

The PRESIDING OFFICER. The Senator is correct; fifty seconds.

Mr. NUNN. Mr. President, will the Senator from Alaska yield for a brief question?

He does not have time.

Mr. STEVENS. I am constrained to yield to my good friend.

Mr. NUNN. I am wondering if he is going to have another amendment that will add back some money to take care of this problem or is he arguing against the Metzenbaum amendment?

Mr. STEVENS. I am arguing against this amendment on the basis that I have been assured that the package that comes out here will contain the directions I have just mentioned, to restore $100 million so we can take care of this problem in fiscal year 1986. We have the commitment of the Governmental Affairs Committee that it will bring to the Senate changes in existing law that will effect the modernization I have mentioned, putting into the Postal Service budget a portion of this cost. So the cost to the taxpayers will be reduced in two ways: first, through the $700 million savings involved in the package and second through the transition that I have suggested.

Mr. METZENBAUM. Mr. President, on the $100 million suggested by the distinguished Senator from Alaska, I point out that if that amendment were adopted, it would mean that those taxpayers who use the Postal Service across the country would be called upon to pick up the subsidy of about $771 million. It is a cross-subsidy they are talking about.

As a matter of fact, I should point out that for rural newspapers, if that amendment is adopted, their rate would go up 154 percent; second-class, nonprofit groups, which means veterans magazines, church bulletins, and religious publications would go up 100 percent; classroom publications would go up 300 percent. Salvation Army, Crippled Children's Society, United Cancer Society——

Mr. STEVENS. Mr. President, maybe the Senator did not understand me. What he is saying is absolutely wrong.

Mr. METZENBAUM. Mr. President, I insist that I be given the additional time——

The PRESIDING OFFICER. The Senator from Ohio has the floor. He did not yield.

Mr. METZENBAUM. Third-class mail rates would go up 100 percent and fourth-class library mailing rates would go up by at least 75 percent.

Mr. President, if Senators do not vote for this and they take the $100 million that is in the Republican package, it means everybody across the country is going to be called upon to pay higher rates and rates for the very organizations I have mentioned, including rural newspapers, will have to go up the amounts I have indicated.

I ask unanimous consent that Senators BINGAMAN and HOLLINGS be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, is there any time remaining?

The PRESIDING OFFICER. There is no time remaining on the amendment.

Mr. STEVENS. I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. STEVENS, Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alaska to lay the amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER (Mr. ABDNOR). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 46—as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—51

Abdnor
Armstrong
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins
Hecht
Heinz
Helms
Humphrey
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
Murkowski
McConnell
Nickles
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker

NAYS—46

Andrews
Baucus
Bentsen
Biden
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Ford
Glenn
Gore
Harkin
Hart
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Stennis
Zorinsky

NOT VOTING—3

East
Exon
Wilson

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I understand that the distinguished Senator from Wisconsin is prepared to offer an amendment, and then the Senator from Massachusetts has an amendment.

AMENDMENT NO. 85

(Purpose: To fully fund Revenue Sharing in 1986, and to continue the program at a lower level in the outyears)

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] proposes an amendment numbered 85.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment will be dispensed with.

Mr. BYRD. I object.

The PRESIDING OFFICER. Objection is heard. The amendment will be stated.

The bill clerk proceeded to read the amendment.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. BYRD. Mr. President, I object only for the reason that the amendment is only two pages in length.

The PRESIDING OFFICER. Objection is heard.

The clerk will read the amendment.

The bill clerk continued with the reading of the amendment.

Mr. KASTEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment is as follows:

In amendment number 43 as amended,

On page 3, line 13, increase the number by $2,400,000,000.

On page 3, line 14, increase the number by $2,600,000,000.

On page 3, line 19, increase the number by $1,800,000,000.

On page 3, line 20, increase the number by $2,600,000,000.

On page 4, line 1, increase the number by $1,800,000,000.

On page 4, line 2, increase the number by $2,600,000,000.

On page 4, line 7, increase the number by $1,800,000,000.

On page 4, line 8, increase the number by $4,400,000,000.

On page 4, line 13, increase the number by $1,800,000,000.

On page 4, line 14, increase the number by $2,600,000,000.

On page 31, line 14, increase the number by $2,300,000,000.

On page 31, line 15, increase the number by $1,700,000,000.

On page 31, line 22, increase the number by $2,300,000,000.

On page 31, line 23, increase the number by $2,300,000,000.

On page 33, line 2, increase the number by $100,000,000.

On page 33, line 3, increase the number by $100,000,000.

On page 33, line 11, increase the number by $300,000,000.

On page 33, line 12, increase the number by $300,000,000.

On page 40, line 17, increase the number by $1,676,000,000.

On page 40, line 18, decrease the second number by $2,287,000,000.

On page 47, line 13, decrease the number by $1,676,000,000.

On page 47, line 14, decrease the second number by $2,287,000,000.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. KASTEN. I yield.

Mr. DOLE. Mr. President, I ask unanimous consent that there be 10 minutes on the amendment, equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate is not in order. The Senate will be in order.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. KASTEN. I yield.

Mr. DOMENICI. Mr. President, I designate the distinguished Senator from Oregon, the chairman of the Finance Committee, to handle time in opposition.

Mr. KASTEN. Mr. President, I ask unanimous consent that the names of the following Senators be added as original cosponsors of the amendment: the Senator from Pennsylvania [Mr. HEINZ], the Senator from Tennessee [Mr. SASSER], the Senator from Kentucky [Mr. FORD], and the Senator from Michigan [Mr. RIEGLE].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr. President, today I am offering an amendment to continue funding general revenue sharing for fiscal years 1987 and 1988. As we all know, the leadership compromise assumes that revenue sharing will be fully funded in 1986, and terminated thereafter.

I believe that this is a mistake. Since its inception in 1972, general revenue sharing has been a hallmark of good government: Providing flexibility to solve specific needs in the community, allowing local supervision, and promoting accountability. In fact, it is the first and foremost example of new federalism—essentially, the first block grant.

That is why my amendment would assume full funding for revenue sharing at the current level of $4.6 billion in fiscal year 1986. And, it would assume that revenue sharing continue in 1987 and 1988 at a level of $2.3 billion in each year.

I offer this amendment because I believe that it is essential that revenue sharing continue beyond 1986. This is especially important since the assumption that revenue sharing end after 1986 is part of the reconciliation instructions. I fear that once the reconciliation takes effect, efforts to reauthorize the program next year will be all the more difficult. It is essential that here and now, we demonstrate our support for continuing the program.

I am aware, however, about the effect an amendment calling for full funding for 3 years would have on the deficit. That is why this amendment assumes that the program be continued at half the 1986 level of $4.6 billion.

Mr. President, there are a number of arguments raised against revenue sharing. Since time is short, I ask unanimous consent to have printed in the RECORD a paper entitled "Common Misperceptions About Revenue Sharing." I believe that this paper does a good job of addressing the concerns some have about the program.

There being no objection, the paper was ordered to be printed in the RECORD as follows:

COMMON MISPERCEPTIONS ABOUT REVENUE SHARING

The federal government has no revenue to share.

The program was started by President Nixon in 1972 when the federal government had a deficit of over $23 billion. It is not intended to give away non-existent revenues, but as a means to allow fiscally distressed state and local governments to share from a broader and more equitable revenue base. In 1979, when the state share was eliminated and revenue sharing was cut by one-third, the deficit was slightly over $27 billion. Since that time, there has been no adjustment for inflation; yet the federal deficit this year is projected to be over $200 billion. The need for revenue sharing has not changed. The need to share revenues is, if anything, stronger than in 1972.

Local governments can increase taxes or cut non-essential services to make up for cuts in revenue sharing.

Most local governments have done both a number of times over the last four years to compensate for the recession and cuts in federal assistance. Most are now restricted from increasing local taxes by state legislation. Others like Benton Harbor, Newark, and Detroit already have local tax rates that are so much higher than surrounding communities that to increase taxes more would drive individual and corporate taxpayers out. For many local governments, taxes would have to be increased over 30 percent to make up for the loss of General Revenue Sharing.

How about cutting non-essential services? Benton Harbor has 5 public works employees left. Should they stop repairing broken water mains, clearing snow from the streets, responding to less than violent crimes, non-life-threatening fires? Should local governments, as one Congressman suggested, close their public libraries? The difficulty is that the local governments in the most serious fiscal condition have already been forced to reduce essential services—in many American communities there simply are no more property taxes that can be raised on non-essential services to be cut.

States and local governments have enormous surpluses, while the federal government has an enormous deficit.

States and local governments in this country are required to balance their budgets; they cannot have deficits. Because so many tightened up during the recession; those which have participated in the economic recovery are in better fiscal condition today. According to 1983 census figures, cities now provide 74 percent of their own revenue, while the federal share has declined sharply and the state share has dropped. Thus, by aggregating all state and local governments together—blending the most wealthy suburban jurisdictions with poorer central cities and rural areas—and presuming that real per capita spending by state and local governments will not change, as the U.S. Treasury assumed in an initial study—one would assume that all states and local governments are running surpluses. But using more realistic assumptions, revised Treasury numbers demonstrate that even at the aggregate level, a surplus is unlikely. On the individual level, that means that many states and localities will experience severe hardships if revenue sharing is cut in particular, poorer jurisdictions will suffer the most as statistics show they receive proportionately more in Revenue Sharing dollars.

General Revenue Sharing is costly and inefficient. In order to provide funds to Jurisdictions with less than 60 percent of the U.S. per capita income, it distributes 98 percent of its funds to Jurisdictions above this level.

To say this is to say that none of America's 50 largest cities should be eligible for the program. Sixty-two percent of the funds do go to jurisdictions with capita income less than the national average, while 93 percent goes to those with per capita income less than 125% of the national average.

While no allocation formula can be perfect, a chief attribute of General Revenue Sharing is its targeting of the funds at communities with the greatest needs. The per capita amount of Revenue Sharing funds distributed to jurisdictions increases as their per capita income declines. In revenue sharing the poor do get more. The jurisdictions with incomes only 30 percent of national average receive 78 percent more revenue sharing than the national average. The attached graph more clearly demonstrates this targeting.

General Revenue Sharing is not really important; it provided only 2.5 percent of local expenditures in 1983.

This figure ignores two factors: the diversity of jurisdictions receiving funds and second, the legal ability to raise replacement revenue. A more accurate yardstick for evaluating the effect of revenue sharing cuts is to compare it with the amount of local raised taxes.

While on an average basis General Revenue Sharing is equal to 7.4 percent of local taxes for cities, in Arkansas it is 29.8 percent and in Mississippi 21.6 percent.

Mr. KASTEN. Mr. President, the application of GRS funds has rightly been left to community leaders. Unlike the tunnel vision often exhibited by Congress, local governing officials have 20/20 vision when it comes to recognizing the needs of their own communities. The secret to general revenue sharing is that of assisting local governments, without the interference of Federal regulators or lawmakers.

I believe revenue sharing is more critical now than it has ever been. There is no free lunch in passing on to local governments more of the burden for funding public services and projects. The elimination of this vital program would immediately result in huge increases in property taxes and sharp cuts in basic public services. I do not think that is the intent of this administration or this Congress.

The closer to home you get, the louder the facts speak. General revenue sharing makes up the lion share of our cities, towns, and villages' ability to support basic, necessary services. In Wisconsin, for example, the $108 million that Wisconsin counties, cities, and the towns will receive in fiscal year 1986 in Federal revenue sharing will be invested in police protection, youth employment, health care, housing, libraries, fire protection, assistance for the elderly, nutrition aid for kids, road repairs, jail improvements, aid for the disabled, mass transit and other transportation needs. Can we really afford to turn our back on these programs?

I ask the distinguished Members of this body: Where can you get a better return on your Federal tax dollar? Where can you pinpoint the need, and provide such ready assistance? Where can you bypass the bureaucracy's share when allocating Federal funds on such a large scale? Under my amendment, general revenue sharing will continue to be a viable solution to grassroot problems.

The much touted surplus of State and local governments simply do not exist to warrant the termination of GRS. By the most generous assessment of national income and product accounts, State and local governments combined have a surplus equal to 1.9 percent of expenditures. By the standards of Wall Street bond rates, a 5-percent surplus is needed by local governments to meet cash flow and contingency requirements. Who will make up the difference?

Local governments in Wisconsin do not have funds available to replace lost GRS payments. The fiscal condition of local governments has been extremely fragile throughout the 1980's, even with some help from the economy. Little, if any, improvement can be expected next year because of rapidly growing service demands and a slowdown in revenue growth.

General revenue sharing helps to balance or reduce local property taxes and user fees. Consider what would happen if revenue sharing were terminated? Cities would have to replenish their allotment of GRS payments from local property taxes. According to the National League of Cities survey, the tax rate increases required would range from 50.7 percent in cities of under 10,000 population, to 23.1 percent in cities over 100,000.

In Wisconsin's Milwaukee County, for example, continued use of general revenue sharing has held property tax in line and has allowed Milwaukee County to maintain direct property tax support. In fiscal year 1985, this resulted in the amount of $17.7 million in medical assistance; $300,000 for youth employment; and $400,000 to match the Federal 50 percent passthrough for the Economic Assistance Administration and $9.8 million for mass transit.

Mr. President, I wish to set the record straight about general revenue sharing. Revenue sharing is as essential today as it was 10 year ago. Present general revenue sharing [GRS] funding at $4.6 billion per year has remained the same, however, since 1977. This means less buying power for the same amount of dollars.

Mr. President, my amendment speaks to the need to return tax dollars to the taxpayers back home. General revenue sharing has played a major role in reversing the power curve in Washington, DC, to the benefit of local government and local taxpayers.

From the smallest to the very largest of our Nation's cities, general revenue sharing is top priority. Because GRS is targeted toward fiscal distress for both urban and rural cities, its formula is based upon local relative tax effort and income. Thus, the poorer a community and the greater the effort that community makes to respond to its own needs, the larger the amount of the revenue sharing grant.

I urge the Senate to support my amendment to retain funding of general revenue sharing at $2.3 billion for fiscal years 1987, 1988, half that of present funding. The very recognition of this fact led the Congress in 1983, by a vote of 381 to 35 in the House and 87 to 6 in the Senate, to reauthorize the program through fiscal year 1986. At the signing ceremony for the reauthorization, President Reagan said: "The Federal Government never spent money more wisely than by devoting it to revenue sharing."

Mr. President, we should do no less now to protect revenue sharing, even at these reduced levels. I urge the Senate to weigh carefully the merits of general revenue sharing before voting, by fiat, to eliminate this crucial program.

This amendment assumes a commitment to extend revenue sharing to 1987 and 1988, but reduced by 50 percent. I think that is fair and equitable. I believe that the local governments and communities need this money. They have been depending on it, and it should not be eliminated immediately.

I yield 1 minute to the Senator from Tennessee [Mr. SASSER].

Mr. SASSER. I thank the distinguished Senator from Wisconsin.

Mr. President, I rise today to support the amendment offered by the distinguished Senator from Wisconsin.

The amendment would effectively ensure the continuation of this efficient and effective program beyond 1986.

The amendment is in keeping with the need for spending restraint and in fact accomplishes significant savings from a freeze level in the next 3 years.

This amendment would envision $4.6 billion in savings over the next 3 years.

Mr. President, my colleague from Pennsylvania [Mr. HEINZ] and I have legislation pending which would reauthorize the program for the next 5 years. The legislation currently has 20 cosponsors.

The Senate has time and again expressed its support for this important program. On September 21, 1983, the Senate voted overwhelmingly to continue the program through 1986. The vote was 87 to 6.

Thus, it is clear that this program has enjoyed substantial bipartisan support over the years at both the local and the Federal level. There is good reason for this.

The General Revenue Sharing Program is the most efficiently administered and prudently used grant program in the history of the Federal Government.

Less than two-tenths of 1 percent of general revenue sharing funds are used to administer the program. Over the past 6 years, the number of personnel working in the Office of Revenue Sharing has actually declined by one-third.

It is also an enormously successful and popular economic and community development program. Local officials of all political persuasions and ideologies attest to this fact.

Earlier this year I held field hearings throughout the State of Tennessee in an attempt to examine the impact of economic and community development budget cuts on local communities. Witnesses included city mayors, county executives, developers, and experts in the field of regional development. Both Republican and Democratic officials alike testified to the importance of and necessity for Federal aid in the maintenance of essential public services.

In the face of funding cutbacks and a no-growth mentality, revenue sharing remains as the sole, reliable source of assistance for local governments nationwide.

General revenue sharing funds are used to pay for services which range from police and fire protection, to hospitals, to highways, to education.

Now the administration has proposed eliminating this program a full year ahead of its reauthorization expiration. A recent study by the U.S. Conference of Mayors shows that if the program is eliminated, 60 percent of the cities that responded would be forced to cut capital improvements, 48 percent would cut public safety, 32 percent would cut human services, 15 percent would cut health services, and 14 percent would cut sanitation.

Other casualties would include cutting street and building maintenance, education programs, downtown development efforts, and transit.

Testimony presented at budget hearings I held in Memphis in March show conclusively that elimination of mass transit operating subsidies, as advocated by the administration, would at best raise bus fares in that city to $2 per ride, at worst, these cutbacks could conceivably close down the Memphis transit system altogether. The ripple effects of such action would reverberated throughout the downtown economy, effectively making the downtown district a veritable ghost town. The loss of general revenue sharing funds would only exacerbate and compound an already deteriorating situation.

In another instance, the loss of urban development action grant funds, as advocated by the administration, coupled with a loss of general revenue sharing, would seriously undermine investment in many of our cities, particularly those cities that have already been disadvantaged by the currently skewed UDAG funding formula. Most of these cities lie outside the so-called Rust Belt of the Northeast and Midwest. Without revenue sharing, these cities would be unable to make the types of improvements necessary to attract investment.

The loss of general revenue sharing funds would simply shift the tax burden on to the local governments. In the aforementioned Conference of Mayors study, 68 percent of the cities responding said that some type of local tax increase would be necessary to maintain an adequate level of services: 43 percent said that user fees would be increased; 40 percent would increase property taxes; 5 percent would increase sales taxes; 3 percent would increase income taxes.

Other remedies included increased franchise taxes, permits, and fines, utility taxes, license fees, business taxes, and hotel taxes.

Fully 94 percent responded that they did not anticipate State aid to pick up the slack.

In my home State of Tennessee, county and municipal governments have already increased taxes over a 10-year period by 127.9 percent. Last year, revenue sharing payments represented nearly 6 percent of total taxes collected by these governments.

There are 334 municipalities in Tennessee. Nearly 90 percent of them have populations of less than 10,000. For these small municipalities, nearly all of them, general revenue sharing is the only direct Federal grant they receive.

These figures are indicative of the importance of the General Revenue Sharing Program and this importance is reflected in the more than 39,000 local governments nationwide. We are not seeking to expand the program but merely to maintain it at the current level. No more, no less. General revenue sharing is genuinely a part of the Federal fiscal safety net for small communities. These funds should be viewed as an investment in our future. To curtail the Government's commitment to this future would be unwise and counterproductive. I urge my colleagues to support the ammendment to freeze general revenue sharing at the current level.

Mr. KASTEN. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Two minutes and a second.

Mr. KASTEN. I yield 1 minute to the Senator from Kentucky.

Mr. FORD. I thank the distinguished Senator from Wisconsin.

Mr. President, I rise in support of this amendment. General revenue sharing has proven to be one of the most effective and efficient mechanisms for targeting Federal assistance to city and county governments. These funds support vital services such as police and fire protection, aging programs, and water and sewage projects.

Local officials are well aware that revenue sharing will not be around forever. But, they are concerned that they be given time to replace these revenues. The President's original budget would have terminated revenue sharing at the end of fiscal year 1985, 1 year before the current authorization would expire. I strongly opposed that recommendation. Then the Senate Budget Committee reported their bill with the assumption that the program would be phased out over 2 years with 50 percent of the appropriation spent in each year. I did not feel that this proposal gave the cities enough time to adjust to the loss of funds. Finally, the Republican leadership plan would fully fund the program in 1986 and terminate it thereafter. This approach is equally devastating.

It has been estimated that if revenue sharing were eliminated, and local governments replaced these funds with property tax revenues, such taxes would have to be raised by an average of 25 percent. It is doubtful that most cities could do that with a 1-year notice. A 1985 survey by the National League of Cities revealed that 30 percent of the cities responding raised property taxes in 1984; 18 percent raised sales taxes; 24 percent raised business taxes; and 39 percent raised user fees. It is simply unrealistic to believe that cities and counties will be able to find the funds to replace revenue sharing dollars.

I have been preaching to the local officials in Kentucky for some time now that they should not put revenue sharing funds into reoccurring expenses. I am afraid that my words fell on deaf ears and the reality of the situation is that cities and counties in Kentucky use these funds in just that manner to provide vital services. For example, the city of Mayfield, KY, receives about $330,000 in revenue sharing. When revenue sharing first began, the city passed an ordinance providing that these funds could only be used to partially fund the salaries of police officers and firefighters. Revenue sharing dollars are used for no other purpose in Mayfield. I think the effect of the Republican leadership proposal, to terminate revenue sharing, on Mayfield is obvious—the citizens of this community will have less fire and police protection. And I would bet that most, if not all of my colleagues, have a Mayfield in their State, too.

I had intended to offer an amendment to gradually phaseout revenue sharing over a 5-year period, at reduced funding beginning in fiscal year 1986. My amendment would have cut revenue sharing funds by 10 percent in fiscal year 1986, and gradually eliminated the program at the end of 1990. I decided not to offer that amendment because I found that the thing local governments fear more than the termination of revenue sharing, is the possibility that the program will be tampered with in fiscal year 1986. There is a great deal of concern that revenue sharing not be subjected to reconciliation instructions which might give those who oppose the current program the opportunity to change the distribution formula or impose cuts even deeper than those recommended by the Senate Budget Committee. I respect these concerns, and so will not offer my amendment.

This amendment, however, avoids these problems by fully funding the program in fiscal year 1986. More importantly, it goes further to allow the Senate to go on record supporting a phase out of these funds as opposed to an abrupt termination. It will still be very difficult for cities and counties to make up a 50-percent loss of funds. But they will have 2 years to do it. We simply cannot expect our local officials to continue to bear the cuts in domestic spending for community service and economic development programs, and then pull the rug out from under them by wiping out the revenue sharing program on a 1-year notice. Our cities and counties are not naive; they accept that revenue sharing is on the way out. They simply ask that we give them time to adjust and replace these funds. I think that is very little to ask.

Mr. President, we must give our cities and counties a chance to stand on their own. I urge my colleagues to support this amendment.

Mr. President, we are looking at almost devastation in some of the counties in this country. We need to give them some time to be able to phase out revenue sharing and to phase in some local tax base. Under the circumstances, if we eliminate revenue sharing on September 30, 1986, those counties and those cities will not have an opportunity to make up that difference.

All we are doing is asking for 50 percent in the year of 1987 and 50 percent in the year 1988.

Each Senator just has to go back to his own State, to his own community, and see how important revenue sharing is to those counties and to those communities.

I encourage my colleagues. This is not much to ask. This is not much to ask to see that those counties have an opportunity to at least find a new tax base to do those things that they want to do locally, new roads, new sewer, new water, those things that these communities need and do not now have the money to do it with.

So let us not cut them off abruptly. Let us just extend it for a couple more years.

Mr. KASTEN. Mr. President, I ask unanimous consent to add the Senator from New York [Mr. Moynihan] as an original cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. Hecht). The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, this amendment adds back about $4 billion in spending budget.

I might respond directly to the argument of the Senator from Kentucky. Clearly the cities would like to continue revenue sharing, the counties would like to continue revenue sharing. Everybody wants to continue everything. That I understand.

I posed to the cities and counties when we were considering this in the Finance Committee whether they would rather have full funding of revenue sharing through September 30, 1986, which is what is in the budget provision, or rather they would as soon cut it in half now and extend it for a year or two beyond September 30, 1986.

They said very clearly the first choice, of course, was to keep it. Their second choice, if it is going to be cut, is they would rather have full funding through September 30, 1986, and then have it fully terminate because they indicated they would have enough time to get ready for the phaseout if we gave them full funding for a year and a half, and that is what we are doing.

There is no point in adding back $4 billion in the budget for money when we are giving them a year and a half to phase out.

I yield 1 minute to the Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I wish to tell my colleagues something very funny. In 1972 when revenue sharing was enacted, it was enacted on the basis of projections showing the Federal Government would be running surpluses for years to come. In that time we have not run a surplus in even one year.

During those 12 or 14 years of the existence of the program we have now spent $78 billion on revenue sharing.

Revenue sharing goes to some of the wealthiest communities in America. That is really adding insult to injury.

Let me just tick off a few.

There is Hunters Creek in Texas which I am told is the wealthy suburb, I believe, of Houston. The per capita income there is $40,000 a year. They get revenue sharing. Palm Beach, FL, per capita income $32,000, they get revenue sharing. Beverly Hills, CA, Bloomfield Hills, MI; Arlington County, VA, on and on; Grosse Pointe, MI. Everybody gets a piece.

Mr. FORD. Mr. President, if the Senator will yield for a question, what about Pikeville or Smiths Creek, or some other place?

Mr. HUMPHREY. I am sorry. I would love to yield time but do not have it.

Mr. PACKWOOD. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Three minutes.

Who yields time?

Mr. PACKWOOD. Mr. President, I yield another 30 seconds to the Senator from New Hampshire, and then a minute to the Senator from Oklahoma.

Mr. HUMPHREY. I am not ready yet.

Mr. PACKWOOD. I yield to the Senator from Oklahoma a minute now.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I rise in opposition to the amendment by my good friend from Wisconsin, and others, to add back $4.6 billion in 1987 and 1988 for revenue sharing.

Quite frankly, we do not have any revenue to share. We should call this program deficit sharing, because the Senator from New Hampshire is exactly correct. Ever since this program began we have had deficits. So not only does it cost $4.6 billion, and that is the cost of this amendment, an additional deficit increase of $4.6 billion, but also we will have to borrow the money, so we are going to be talking about 10 percent on top of that for about $460 million per year to fund this program as well.

I think the time is now for if we are ever going to say no, we cannot afford a program, this is one we cannot afford.

I hope we will defeat the amendment.

Mr. PACKWOOD. Mr. President, I yield 30 seconds to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, some of our colleagues who favor the amendment would have us believe the cities are declining in revenue. The fact of the matter is recent statistics during the last 2 years or so show that most cities are running surpluses.

Here we are being asked to send checks to the cities and municipalities of America when most of them are running surpluses.

The PRESIDING OFFICER. The time has expired.

Who yields time?

Mr. PACKWOOD. Mr. President, I say again the cities and counties were given an option as to whether they would as soon terminate revenue sharing fully on September 30, 1986, but be fully funded through that period or have it cut in half now and continued for an extra 1½ years after September 30, 1986. They opted for what the Budget Committee did, 18 months of full funding, which will give them ample time to get ready for the termination of the program.

I, therefore, urge the defeat of this amendment.

Mr. GORE. Mr. President, as the ranking minority member of the Subcommittee on Civil Service, Post Office and General Services, I believe that the issue we are addressing, the revenue forgone program, is one of the more humanitarian and worthwhile programs within the U.S. Government's postal functions.

The groups and organizations that will be affected by these cuts are not our usual conception of a special interest group. The list includes all of the well known charitable organizations in our society. I would name only a few: The Salvation Army, the National Easter Seal Society, the March of Dimes, the American Cancer Society, CARE, Save the Children. And this is only to mention a few. Countless other nonprofit entities, including hospitals, halfway houses, and others would feel the bite of elimination of the revenue forgone subsidy.

I find it ironic that a major tenet of this administration has always been that the private sector charities should shoulder more of the burden of caring for the more unfortunate members of our society. Such a notion may have some merit. But I fail to see how the administration can justify adding to the burdens of these longstanding charitable organizations by reneging on a subsidy which we have provided for many years now.

I want to just briefly describe the magnitude of the impact that eliminating this program would have on our charities. At St. Jude's Children's Hospital in Memphis, the Nation's largest children's cancer research institute, the administrative costs of their fundraising would be increased by some 20 percent with this proposal. The National Easter Seal Society alone would see its costs raised by some $5.5 million, raising their fundraising costs by 33 percent. This shortfall can only serve to reduce the flow of dollars to support their activities, or diminish the valuable services they provide.

While many parts of our society are going to have to bear the burden of budget reductions, I think this is one place we ought to leave alone. Every dollar spent by these charitable organizations is one less that need be spent by the Government to care for the unfortunate. Therefore I believe it is not sound logic to cripple their fundraising efforts by eliminating their postal subsidy. I urge my colleagues to support the amendment by the gentleman from Ohio and the gentleman from North Dakota, and restore funding for the revenue forgone program.

Mr. HEINZ. Mr. President, As my colleagues know, I was an early opponent of the administration designs to precipitously and unwisely terminate funding for the General Revenue Sharing Program. For this reason I am pleased to join Senator Kasten in cosponsoring this amendment to preserve the General Revenue Sharing Program, albeit at reduced levels, for at least the next 3 years. This amendment would add sufficient moneys to the budget to fund GRS at $4.6 billion for 1986, and $2.3 billion cash for fiscal year 1987 and fiscal year 1988.

Mr. President, the General Revenue Sharing Program provides support for an enormous range of activities, including capital expenditures for transit, economic development, community centers, and police and fire facilities. Operating programs benefiting from Federal revenue sharing funds include downtown revitalization projects, Meals on Wheels, Community Health Care for the Elderly and the Disabled, and fire and sanitation services.

The General Revenue Sharing Program is important to all cities, in all regions of the country. Revenue sharing funds represent approximately 7 percent of local revenues. If the administration is allowed to abolish this program after 1986, it would take an average 2-percent increase in local property taxes to replace the funds currently provided. In the Commonwealth of Pennsylvania, a survey of local governments found that revenue sharing funds account for 16.7 percent of the average local budget. Replacing revenue sharing funds with property tax revenues in Pennsylvania would require an average increase of 62 percent. For nearly 94 percent of Pennsylvania municipalities responding to the survey, revenue sharing is the only direct source of Federal funds.

Mr. President, GRS is clearly a significant stone in the fiscal foundation of our towns, cities, counties, and States. If adopted, the amendment proposed by Senator Kasten and I will guarantee that no one will lose GRS funds overnight and that program participants everywhere will be given a reasonable chance to reduce their dependence on this program.

No Senator, myself included, believes that GRS should be exempted from deficit-reduction efforts; these are times of grim fiscal realities. However, the administration's proposal to go from full-funding to zero-funding in the space of one fiscal year represents a cold turkey crash diet with potentially disastrous effects. The amendment put forward this evening to gradually reduce the size and scope of the Revenue Sharing Program is a much wiser and more balanced approach. I urge my colleagues to support this amendment.

FEDERAL REVENUE SHARING

Mr. BYRD. Mr. President, I support the continuation of revenue sharing—even, if necessary, at a reduced level.

While I agree that we must find a means to balance the budget and, in order to do so, we must eliminate those programs that have not fulfilled their expected function and that are not as essential as others, the General Revenue Sharing Program is not one of these. The General Revenue Sharing Program has worked and it has worked well.

The General Revenue Sharing Program began in 1972 under the Nixon administration. It is based on the concept that the Federal Government is best equipped to collect taxes and redistribute them through a form of entitlement to local governments. It is based on a fair and equitable formula and takes into account such factors as population, local tax effort, and per capita income. The program was not designed to reward local governments that are derelict in their duty, and it does not work that way. The formula assures that those local governments that try their best to provide adequate services will be assisted by the program.

Local revenue sharing funds may be used for any legal purposes under State and local laws. In West Virginia, they are typically used for public facilities such as water and sewer systems, courthouse and municipal office building construction, nursing home construction, construction of low to moderate income family housing, and public service employment. Since the program's implementation, my home State has received almost $708 million.

From the beginning, the concept of the program was to strengthen State and local governments, and to allow the approximately 39,000 recipient jurisdictions to make the decisions about the expenditure of these funds. Through the process of local citizen participation hearings, local governments learn the needs of the local communities and citizens have an opportunity to influence how those expenditures are to be made. This reflects a philosophy quite similar in some respects to that often voiced by the present administration, which has supported the idea of moving authority for many Government functions from that Federal level to the State and local levels.

In anticipation of receipt of these funds each year, local governments across the country traditionally have included these moneys in their projected budgets for such essential community services as police and fire protection. More and more this continues to be the case because local governments have had their tax bases diminished by recession, at a time when local programs for assistance were being pressured by the demand for increased services to the unemployed and disadvantaged.

Given the fiscal faced by many of our local governments, I do not believe we can simply cut the program off at the end of fiscal year 1986, as the White House Republican leadership proposal seeks to do.

We must, at the least, allow those local governments sufficient time to generate, insofar as they can, sufficient funding to take care of local needs. Given the increasing demands on our local governments which diminishing Federal funding alternatives are forcing on them, this will not be an easy task to accomplish.

Revenue sharing has enjoyed bipartisan support throughout its existence. It was proposed originally by a Republican President and enacted by a Democratic Congress. President Reagan has in the past given his unequivocal support to the program. It is the only program that provides Federal assistance to virtually every local government in the Nation. It was worked and it has worked well, and it deserves to be retained in an effective form.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. All time has expired.

Mr. KASTEN. Mr. President, I did not yield back the remainder of my time.

The PRESIDING OFFICER. The Senator used his time in making a unanimous-consent request.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, is it in order to add a cosponsor to this amendment?

The PRESIDING OFFICER. It is by unanimous consent.

Mr. FORD. Mr. President, I ask unanimous consent that the distinguished Senator from West Virginia [Mr. Byrd] be added as a cosponsor.

The PRESIDING OFFICER. Without objections, it is so ordered.

Mr. KASTEN. Mr. President, my amendment will assume full funding for general revenue sharing at the current level of $4.6 billion in fiscal year 1986. In 1987 and 1988, revenue sharing would continue at a level of $2.3 billion, or at half the current level.

General revenue sharing has been a hallmark of good government: Flexibility to address specific needs, local supervision and accountability.

Unlike the tunnel vision often exhibited by Congress, local governing officials have 20/20 vision when it comes to recognizing the needs of their own communities.

The elimination of this vital program would immediately result in huge increases in property taxes and sharp cuts in basic public services. I don't think that's the intent of this administration or this Congress.

GRS makes up the lion share of our cities, towns, and villages ability to support basic services. In Wisconsin, for example, the $108 million that Wisconsin will receive in fiscal year 1986 will be invested in police protection, health care, libraries, road repairs, jail improvements, mass transit, youth employment, housing, fire protection, assistance for elderly, nutrition aid for kids, and aid for the disabled.

Sixty-two percent of general revenue funds do go to jurisdictions with per capita income less than the national average, while 93 percent of GRS funds go to those with per capita income less than 125 percent of the national average.

I ask the Members of this distinguished body: Where can you get a better return on your Federal tax dollar? Where can you pinpoint the need, and provide such ready assistance?

The much touted surplus of State and local governments simply do not exist to warrant the termination of GRS. These entities are required to balance their budgets; they cannot have deficits. By the most generous assessments of national income and product accounts, the combined surplus of State and local governments is equal to 1.9 percent of expenditures.

Revenue sharing is as essential today as it was 10 years ago. Present GRS funding at $4.6 billion per year has remained the same since 1977. This means less buying power for the same amount of dollars.

I urge the Senate to support my amendment to retain funding of general revenue sharing at $4.6 billion in 1986, and at $2.3 billion for fiscal years 1987 and 1988.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. PACKWOOD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 43, nays 54, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—43

Andrews
Biden
Bradley
Bumpers
Burdick
Byrd
Cohen
Dixon
Eagleton
Ford
Garn
Glenn
Gore
Grassley
Harkin
Hart
Hatch
Heflin
Heinz
Hollings
Inouye
Johnston
Kasten
Kerry
Lautenberg
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stennis
Zorinsky

NAYS—54

Abdnor
Armstrong
Baucus
Bentsen
Bingaman
Boren
Boschwitz
Chafee
Chiles
Cochran
Cranston
D'Amato
Danforth
DeConcini
Denton
Dodd
Dole
Domenici
Durenberger
Evans
Goldwater
Gorton
Gramm
Hatfield
Hawkins
Hecht
Helms
Humphrey
Kassebaum
Kennedy
Laxalt
Lugar
Mattingly
McClure
McConnell
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker

NOT VOTING—3

East
Exon
Wilson

So the amendment (No. 85) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 86

(Purpose: To add funds to the Medicare program sufficient to avoid additional cost-sharing for Medicare beneficiaries and to phase out rather than immediately eliminating the double adjustment for teaching hospitals)

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself and Mr. Chiles, Mr. Byrd, Mr. Baucus, Mr. Riegle, Mr. Sarbanes, Mr. Matsunaga, Mr. Glenn, Mr. Metzenbaum, Mr. Moynihan, and Mr. Bradley, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. Kennedy], for himself, Mr. Chiles, Mr. Byrd, Mr. Baucus, Mr. Riegle, Mr. Sarbanes, Mr. Matsunaga, Mr. Glenn, Mr. Metzenbaum, Mr. Moynihan, and Mr. Bradley, proposes an amendment numbered 86.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Total New Budget Authority:

On page 3, increase the amount on line 12 by $200,000,000.

On page 3, increase the amount on line 13 by $500,000,000.

On page 3, increase the amount on line 14 by $900,000,000.

Total Budget Outlays:

On page 3, increase the amount on line 18 by $900,000,000.

On page 3, increase the amount on line 19 by $1,300,000,000.

On page 3, increase the amount on line 20 by $2,200,000,000.

Deficit:

On page 3, increase the amount on line 25 by $900,000,000.

On page 4, increase the amount on line 1 by $1,300,000,000.

On page 4, increase the amount on line 2 by $2,200,000,000.

Public Debt:

On page 4, increase the amount on line 7 by $100,000,000.

On page 4, increase the amount on line 8 by $400,000,000.

Statutory Debt Limit:

On page 4, increase the amount on line 13 by $100,000,000.

On page 4, increase the amount on line 14 by $300,000,000.

Medical Insurance (570):

On page 22, increase the amount on line 16 by $200,000,000.

On page 22, increase the amount on line 17 by $900,000,000.

On page 22, increase the amount on line 24 by $400,000,000.

On page 22, increase the amount on line 25 by $1,200,000,000.

On page 23, increase the amount on line 7 by $600,000,000.

On page 23, increase the amount on line 8 by $1,900,000,000.

Net Interest (900):

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $300,000,000.

On page 33, increase the amount on line 12 by $300,000,000.

Senate Committee on Finance:

On page 40, decrease the first amount on line 16 by $1,000,000,000.

On page 40, decrease the amount on line 17 by $1,413,000,000.

On page 40, decrease the second amount on line 18 by $2,187,000,000.

House Committee on Energy and Commerce:

On page 46, decrease the amount on line 10 by $1,000,000,000.

On page 46, decrease the second amount on line 11 by $1,413,000,000.

On page 46, decrease the amount on line 13 by $2,187,000,000.

House Committee on Ways and Means:

On page 51, decrease the first amount on line 7 by $1,000,000,000.

On page 51, decrease the amount on line 8 by $1,413,000,000.

On page 51, decrease the second amount on line 9 by $2,187,000,000.

Mr. KENNEDY. Mr. President, I am happy to request a time limitation, if the majority leader wishes.

Mr. DOLE. Will 15 minutes overall, 7½ on each side, be adequate?

Mr. KENNEDY. That is fine.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the time on the amendment of 15 minutes be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I designate the distinguished chairman of the Finance Committee as the manager of the bill in opposition.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, this is an amendment that was initially drafted by the Senator from Florida, Senator Chiles, myself, and the minority leader, Senator Byrd.

Mr. President, does the initial proponent of the amendment want to make an opening comment?

Mr. CHILES. Mr. President, I thank the Senator from Massachusetts.

I really wanted to just say to the Senator from Massachusetts that this mark which we have, and the amendment, before us now is the mark that passed the Budget Committee unanimously. Every Senator in the Budget Committee voted for this particular mark. It was a mark that I proposed in the Budget Committee, and every member on both sides of the aisle agreed. I think it was one of the few unanimous votes that we had. It is interesting to note, at that time, in effect, I was complimented by the majority side on the basis that we saved money off of the providers, but protected the beneficiaries under this.

As I say, I hope we can get a unanimous vote here tonight as we did in the Budget Committee. I compliment the Senator from Massachusetts.

The Chiles plan rejects these increases in Medicare beneficiary out-of-pocket costs. Will not penalize Medicare beneficiaries for increases in health care costs, instead directing efforts to contain costs at the source; continues efforts at health care cost reduction and strengthening the Medicare trust fund by freezing providers for 1 year.

Republicans on the Budget Committee applauded the Medicare amendment as fiscally responsible before it was passed by a vote of 20 to 0. From the markup transcript:

> Mr. Gorton. "The Chiles mark . . . may be about as much below a freeze as Senator Boschwitz's and mine were, so . . . I think I may be inclined to vote with Senator Chiles."
>
> Mr. Domenici. "I compliment Senator Chiles . . . because there will be some real savings that will have to occur under his mark, and that is not an easy one to do . . . "

ISSUE: HOSPITAL CUTS

The Republican leadership plan freezes payments to hospitals for 1 year—but then goes beyond that and cuts another $600 million in 1986; the additional cuts are $3 billion over 3 years.

These cuts are not cutting into profit margins of prosperous hospitals—they are the cuts that could force public hospitals to close their doors. Most of this additional cut would come from a 50-percent reduction in the "indirect teaching adjustment." This is now used to compensate hospitals that take care of more than their fair share of Medicare beneficiaries and poor people who have no insurance and cannot pay for care at all. Public hospitals, county hospitals, and large teaching hospitals have to absorb the costs of poor people refused by other hospitals.

The Republicans claim that the "indirect teaching adjustment," without justification, was doubled over what it previously was when the new Medicare reimbursement system was enacted 2 years ago. It pays for some of the costs of hospital interns and residents. But the change was made then specifically to adjust for large indigent caseloads until a better formula could be found. The prospective reimbursement legislation ordered the administration to find a way to make a better adjustment, but the administration has so far refused.

Using this indirect teaching adjustment is not the best proxy for indigent care and keeping public hospitals from closing their doors, but we can't cut it out completely until we find another way.

Republicans expressed great concern about this issue in the Budget Committee, but they voted to cut out the payments. There is detailed report language in the budget resolution reported out of committee on this problem put in by Senators Domenici, Gorton, and Quayle as well as Democats. Senator Domenici and other Republican Senators expressed great concern about more and more hospitals dumping poor patients on public hospitals because of cutbacks by Medicare and private insurance. Senator Domenici said we would include language to express the committee's concern—and "hopefully somebody can find a way to do that." But the report has no teeth. With this cut in the resolution there is no way that could be done. There is no room for any adjustments.

The Chiles plan assumes that there will be a 1-year freeze on hospital reimbursements—even though the congressionally appointed prospective payment assessment commission has recommended that there is an increase of 2.5 percent in hospital reimbursement rates for next year. Under the plan, hospital payments under Medi-

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care would still be reduced by $2 billion in 1986, —$9.3 billion over 3 years. That is a big enough cut.

It would have the same effect on the Medicare hospital insurance trust fund as the Republican leadership plan. Savings are still sufficient to ensure that the trust fund will be able to make payments well into the mid to late-1990's.

Because we know that the "indirect teaching adjustment" is not necessarily the best measure of taking care of the indigent care problem, the Chiles plan assumes that some additional savings will be made: —$200 million in fiscal year 1986, as opposed to —$600 million in the Republican plan. Even though this is still a cut on top of a freeze for hospitals, it allows room for the Finance Committee to make more appropriate adjustments.

The new prospective payment system for hospitals has already resulted in Medicare savings of several billion dollars. This would not have happened without the cooperation of hospitals. But the new system is not even yet fully implemented, and further adjustments will have to be made. A freeze is already tough medicine to take right in the middle of a transition to a new payment system. We could destroy the progress we have already made by going too far this year.

The Chiles plan is supported by the American Hospital Association. This is a good example of the kind of cooperation we have been getting from most hospitals on the tough issue of reducing Medicare outlays.

Medicare has already been cut by $40 billion over the last 3 years.

Mr. President, I ask unanimous consent that the following be printed in the Record at this point:

A "Dear Colleague" letter explaining in detail amendment provisions;

Letters of support for the amendment from leadership council of 18 organizations with 21 signers, the American Hospital Association, and the National Association of Counties;

A chart showing Medicare beneficiary out-of-pocket liability under current law and under White House proposed increases; and

A study of "The Financial Burden of Out-of-Pocket Spending by the Elderly, 1985," prepared by the Center for Health Policy Studies.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on the Budget,
Washington, DC, April 19, 1985.

Dear Colleague: When the budget resolution reaches the floor during the week of April 22, I will offer an amendment to restore funding for medicare cuts which would increase medicare beneficiary out-of-pocket costs. My amendment would also lessen the impact of proposed cuts to hospitals which go well beyond a freeze.

This is the same amendment I offered in the Budget Committee on March 7 during markup of the original budget resolution. My plan was discussed and endorsed by almost all of the Republican members of the Committee. The Committee unanimously agreed to my proposal by a vote of 20–0.

Later, with little discussion of changes, a very different medicare budget was voted out of Committee. Now, the White House-Republican Leadership endorsed budget for medicare would make cuts of $3.8 billion in 1986, $18.1 billion over three years. Of the $18.1 billion, almost $5 billion, or 28 percent of the total medicare cuts, would come directly from increased charges to medicare beneficiaries.

My amendment, without hurting beneficiaries, would still leave significant medicare savings: $2.6 billion in fiscal year 1986, $11.7 billion over three years.

I hope you will join with me on the floor to restore the original medicare mark agreed upon by the Budget Committee.

Sincerely,

Lawton Chiles.

Chiles Amendment: Restoration of Medicare Cuts

Medicare beneficiaries are already required to pay significant amounts for their medicare coverage. As the attached tables shows, even under current law, there are steady increases each year. The budget resolution would increase medicare premiums and deductibles and levy a new co-payment for home health services. It would also delay eligibility for new retirees. The proposed increases in out-of-pocket costs would affect virtually all 36.2 million social security and medicare beneficiaries.

Monthly medicare premiums, which are automatically deducted from social security checks, are now based on a payment equal to 25 percent of total medicare Part B program costs. Under the budget resolution proposal, the total charges for premiums would increase by two percent per year until they reached 35 percent of program costs by 1990. Today, the premium cost to beneficiaries is $186 per year. Under the budget resolution plan, the annual premium charge would reach $299 by 1988 and $416 by 1990. My amendment would keep the premium increases at the lower level scheduled under current law. By 1990 they would still be under $250 per year.

The budget resolution plan would also increase the annual medical insurance deductible paid by medicare beneficiaries from its current level, $75 per year, to $92 by 1990. My amendment would keep it at $75.

The budget resolution plan would add a new charge for visits in the home by nurses and home health aides under the medicare home health program. Today there is no copayment for these visits because we want to encourage home care instead of hospital care. The budget resolution proposes to charge a per-visit amount equal to one percent of the cost of a day in the hospital for every visit after 20 visits a year. In the first year, the new charge would be $4.80 per visit. By 1990, the new charge would be $6.25 per visit. Almost 40 percent of medicare beneficiaries who use home health services, over 450,000 people, would be affected by this proposal. Almost 230,000 beneficiaries would have new annual charges of well over $100 a year just in the first year. For those in most need of home health services (almost 60,000 medicare beneficiaries needed more than 100 visits in 1982) average annual charges would be as high as $630 in 1986, reaching $820 by 1990. My amendment would eliminate this provision from the budget plan.

The budget resolution plan would delay initial medicare eligibility by one month, cutting almost $250 million in 1986. My amendment would also eliminate this provision. It has been proposed by the Administration, and rejected by Congress, in each of the last three years.

The budget resolution plan would freeze medicare payments for one year for all hospitals, physicians, and other providers. In addition to a freeze, however, the budget proposal makes significant additional hospital cuts—$600 million in fiscal year 1986, over $3 billion over three years. My amendment would modify these additional cuts, reducing them to $200 million in fiscal year 1986 and $1.8 billion over 3 years. No matter how the higher cuts would be achieved, reductions of this magnitude in addition to a freeze would guarantee that hospitals would be immediately faced with actual reductions in medicare payments from the current year. The new prospective payment system for hospitals has already resulted in medicare savings of several billion dollars. This would not have happened without the cooperation of hospitals. But the system is not even yet fully implemented, and further adjustments will still have to be made. I have great concerns about disrupting the progress we now are making on restructuring the whole medicare hospital payment system.

Leadership Council of
Aging Organizations,
Washington, DC, May 8, 1985.

Dear Senator Chiles: We are writing to urge your support for two amendments that are extremely important to the health of older Americans and poor Americans of all ages. These are (1) an amendment by Sens. Chiles, Kennedy, Byrd and others that would restore cuts that directly harm Medicare beneficiaries and (2) one by Sens. Kennedy, Rockefeller, Riegle and Matsunaga that would restore Medicaid funding to current services levels and partially compensate for cuts in a number of categorical health programs.

Medicare beneficiaries would still suffer major losses under the resolution currently under consideration. We cannot describe that harm with precision, because the "savings" projected in the amendment adopted last week are not tied to any specific cuts. But we know that the cuts approved were the same size as those tied to an earlier package of cuts discussed approvingly by the Senate Republican Leadership. Those are (1) an increase in the Part B premium to cover 30% of program costs by 1990 (instead of 25% today); (2) indexing the Part B deductible beginning in 1987 and (3) delaying coverage until the first day of the month after the person turns 65.

The magnitude of the Part B premium increase is still staggering. Compared with current law, it would rise by 1990 to $30.40, instead of $21, an increase of 45%! That is not as precipitous as the increase included in some earlier plans, but most of the harm would remain.

As to the other cuts envisioned by the package as it now stands, the Part B deductible increase would simply shift costs from the program to the beneficiary. The delay in coverage serves no policy purpose but to save money, and leaves tens of thousands of older Americans each year exposed to potentially ruinous health care expenses.

These may not be the exact cuts that need to be made if the package remains unchanged. But whatever cuts are substituted would have to be at least as severe, or they would not generate sufficient savings.

The Chiles-Kennedy-Byrd amendment would prevent these cuts, and is virtually identical to provisions approved unanimously last month during Senate Budget Committee deliberations.

The Kennedy-Rockefeller-Riegle-Matsunaga amendment would restore $2.6 billion of cuts in Medicaid, discretionary health and health manpower programs over the next three years. Even after the floor amendment passed by the Senate last week, cuts in Medicaid in the package now before the Senate exceed those included in the Senate Budget Committee plan. Medicaid has already suffered $4.7 billion in cuts over the last four years. Older and younger poor people who are fortunate enough to be covered by Medicaid—and only half of them are covered—risk reduction in benefits or loss of eligibility. Just as would the Medicaid cuts, further reductions in discretionary health programs would almost assuredly increase the 35,000,000 Americans who are now shut out of the health care systems altogether.

The Kennedy-Rockefeller-Riegle-Matsunaga amendment would protect against these inhumane cuts.

We urge your support for these two measures which, taken together, can help preserve the already inadequate level of care available to older people and poor people of all ages in this country.

Thank you for your consideration.

Sincerely,

American Association of Homes for the Aging; American Association of Retired Persons; Asociacion Nacional Por Personas Mayores; Association for Gerontology in Higher Education; Gray Panthers; National Association of Area Agencies on Aging; National Association of Foster Grandparent Program Directors; National Association of Mature People; National Association Meal Programs; National Association of RSVP Directors, Inc.; National Association of Senior Companion Project Directors; National Association of Retired Federal Employees; National Association of State Units on Aging; National Caucus and Center on Black Aged, Inc.; National Council of Senior Citizens; National Council on the Aging, Inc.; National Interfaith Coalition on Aging; Older Women's League; Retired Members Dept./United Auto Workers; The Viller's Advocacy Associates; American Society on Aging; National Association of Nutrition and Aging Services Programs.

American Hospital Association,
Washington, DC, April 19, 1985.

Hon. Lawton Chiles,
U.S. Senate,
Washington, DC.

Dear Senator Chiles: On behalf of the American Hospital Association's 6,100 member institutions and 38,000 personal members, I am writing in support of your amendment to restore funds for Medicare to the First Concurrent Resolution on the Budget for Fiscal Year 1986. The Resolution as currently written is unacceptable because it proposes reductions in Medicare spending that go well beyond a freeze, and that would result in significant reductions in payments to certain hospitals.

The AHA recognizes the importance of reducing the federal deficit and is willing to do its share. However, reductions in Medicare proposed in S. Con. Res. 32, on top of the more than $20 billion in cuts in Medicare enacted by Congress since 1981, will once again place the burden of reducing federal spending upon the nation's 30 million elderly and the health care institutions that serve them.

Your amendment will lessen the impact on hospitals of a freeze on Medicare payments, particularly those that serve as referral centers and treat the most complex cases. Under the budget resolution as currently written, hospitals receiving education-based payments would have to spend reserves, cut services, and eliminate more than 25,000 staff, or shift costs to the private sector. Because institutions receiving these payments are an important source of referral care in their states and communities, the availability of their referral services to many beneficiaries could be jeopardized seriously by artificially imposed reductions in payments.

Hospitals have responded strongly and positively to the incentives of the new prospective pricing system and saved the Medicare system several billion dollars over the past two years. We continue to believe that a freeze on Medicare payments to hospitals threatens the successful, complete implementation of this system. However, in view of the alternatives, your amendment presents the best hope for fair and equitable treatment of hospitals in the FY 1986 budget.

Sincerely,

Jack W. Owen,
Executive Vice President.

National Association of Counties,
Washington, DC, May 3, 1985.

Hon. Lawton Chiles,
U.S. Senate, Washington, DC.

Dear Senator Chiles: The National Association of Counties shares the concerns of Congress about reducing the deficit and, therefore we support an overall freeze on fiscal year 1986 expenditures, exempting means tested entitlement programs that serve the neediest. County governments also share the same concerns about the financial stability of the Medicare Trust Fund, and as major purchasers and financiers of health care, we strongly support efforts to contain health care costs.

However, we believe that equity, fairness and the long term impacts of proposals must be carefully considered. Therefore, we are concerned about proposals to cut funding under Medicare for graduate medical education programs that provide subsidies to hospitals for indirect and direct teaching costs.

Without these teaching programs public hospitals and others who serve as a health care safety net for the poor and elderly will no longer be able to attract or retain the high quality medical staffs that enable them to meet the growing proportion of needs for both the sponsored poor (Medicaid) and particularly, the unsponsored poor. The National Association of Public Hospitals data indicate that the direct and indirect teaching adjustments now contribute an average of $1.6 million a year to their member teaching facilities, a majority of which are county owned. This loss in revenues would require immediate and substantial service reduction, jeopardizing access to quality health care for millions. Many other hospitals across the country would also be affected in their ability to continue providing free care to the needy.

Counties, nationwide, not only own many of these hospitals, but provide billions of dollars in charity care to hospitals regardless of ownership. County governments who spend over $25 billion on health care, have, increasingly seen more uninsured and indigent patients, and have needed to depend upon their own and other hospitals to share the expense of their care.

It should come as no surprise that counties, as financiers and providers of last resort for the nation's poor and elderly are deeply concerned about potential reductions in direct and indirect teaching support under Medicare given the following trends:

subsidies for care to the unsponsored poor are falling increasingly out of step with demand;

competitive forces are stimulating an increasing shift of "unprofitable" patients to county facilities;

increasingly Medicaid reimbursements are inadequate in terms of rates and coverage for both inpatient and outpatient care;

impacts of national rates under the Medicare PPS Program are uneven and inadequate and will soon be combined with a potential freeze on DRG reimbursement and loss of the capital pass-through;

HCFA continues its unwillingness to recognize the unique needs of "disproportionate share" facilities;

there is a potential loss to the nation's counties of $4.6 billion in general revenue sharing funds, which in many counties are entirely earmarked for health services;

there are negligible opportunities for cost-shifting other than to the local tax base with a minimal percent of our patients covered by private insurance.

We urge you to support any efforts to lessen cuts in the indirect teaching adjustment under Medicare and to ensure that any Medicare reduction or freeze proposals exempt facilities treating a disproportionate share of poor people.

Sincerely,

Philip B. Elfstrom,
President.

BACKGROUND ON MEDICARE BENEFICIARY OUT OF POCKET COSTS

	Past		Current		Projected			
	1975	1980	1985	1986	1987	1988	1989	1990
CURRENT LAW								
Hospital insurance deductible (per benefit period)	$92	$180	$400	$476	$524	$544	$580	$624
Hospital copay (per day after 60 days)	23	45	100	119	131	136	145	156
Hospital copay (per day after 90 days)	46	90	200	238	262	272	290	312
Nursing home copay (per day after 20 days)	12	23	50	60	66	68	73	78

BACKGROUND ON MEDICARE BENEFICIARY OUT OF POCKET COSTS—Continued

	Past		Current		Projected			
	1975	1980	1985	1986	1987	1988	1989	1990
Home health visits	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Part B deductible (per year)	60	60	75	75	75	75	75	75
Part B copay (per contact)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Premiums for purchase of part B coverage (monthly) [3]	6.70	8.70	15.50	15.80	18.20	19.00	19.70	20.50
INCREASES ASSUMED IN GOP LEADERSHIP PACKAGE								
Home health visits (per visit after 20 visits per year)				4.80	5.25	5.45	5.80	6.25
Premiums (increase per month) [3]				1.30	2.80	5.90	9.90	14.20
New monthly premium amount			15.50	17.10	21.00	24.90	29.60	34.70
Part B deductible (increase per year)				3	6	9	13	17
New annual deductible			75	78	81	84	88	92

[1] No copayment or deductible.

[2] 20 percent of approved charges. Beneficiaries are also liable for any charges in excess of the "approved" amount. In 1982, this excess amount, on average, was 24 percent of the total charge. Stated another way, the beneficiary then paid 44 percent, on average, of total charges. This differential is affected by a freeze on reimbursement amounts paid to physicians and other Part B suppliers; if the "approved charge" amount is not increased, as is the case in a freeze, it is assumed that many providers would nevertheless continue to increase charges with the total difference added to the beneficiary liability. Between 25 and 50 percent of total savings realized from provider freezes under Part B could be passed on to beneficiaries if no provisions are made in law to discourage actual charge increases.

[3] Under current law, Part B premium charges are based on an amount which would be equal to 25 percent of total Part B program costs. As total Part B program outlays go up, or are cut back, estimated premium amounts also increase or decrease. Current law premium estimates in this chart, as well as proposed premium increases, assume the same proposed cuts in total Part B outlays.

FINANCIAL BURDENS OF OUT-OF-POCKET SPENDING BY THE ELDERLY, 1985

(Judith Feder, William Scanlon, and Marilyn Moon)

At 7.4 percent of all federal outlays, Medicare has become a prime target for efforts to control the federal budget. One strategy to reduce federal spending for Medicare is to increase the amount elderly citizens contribute to its financing—primarily by raising premiums. The Reagan administration has proposed raising the Medicare Part B premium over time, so that in 1990 that premium would finance 35 percent of Part B expenses, compared to the 25 percent it now finances. Relative to other proposals to raise the elderly's contributions, the proposed premium increase has several advantages. It spreads the new financing across all beneficiaries, not just people who use care; therefore involves relatively small dollar amounts per person ($70 annually) if fully applicable in 1984, and is simple to implement.

Unfortunately, this proposal's equal treatment of all elderly raises serious questions of fairness. All elderly are *not* financially equal, and this proposal would burden the lower income elderly far more than the better off. The average expenses on medical care by the elderly, already absorb a share of income that can be considered "catastrophic." While the better-off elderly may be able to contribute more to their medical care financing, even relatively small increases in charges to lower income elderly exacerbate financial burdens that are already extreme.

Health insurance is generally considered inadequate if it leaves insured people open to the risk of catastrophic expense, typically defined as expense exceeding 10 to 15 percent of income. In 1984, elderly citizens spent an average of 13.3 percent of income on medical care. That figure clearly falls in the catastrophic range and does not even include spending on nursing home care, which all by itself is catastrophic for most people who use it.

Averages, however, disguise the variation that occurs among the elderly. The poorer elderly experience far greater burdens than the better off (Table 1). More than a quarter of the elderly with incomes less than $5,000 spent 18.3 percent of their incomes on medical bills in 1984, compared to less than four percent for the small proportion of elderly with incomes above $20,000.

Proposals to increase the elderly's contributions to Medicare-financing would exacerbate these burdens, hurting the poorest the most. Had Part B premiums equalled 35% rather than 25% of costs in 1984—as the administration proposes for 1990—the poorest elderly's out-of-pocket spending would have risen over 2 percentage points to reach over 20 percent of income. Increased premiums would raise spending for the most wealthy elderly only 0.6 percentage points, to 4.4 percent of their incomes.

Private insurance that supplements Medicare does not mitigate the greater burdens on the lower income elderly (Tables 2 and 3). Lower as well as higher income elderly purchase Medigap policies. But even with these policies people with incomes less than $10,000 face out-of-pocket burdens that are two-and-half times greater (as a percent of income) than those of people with incomes greater than $10,000.

Not surprisingly, out-of-pocket burdens are greatest among the sick. If an elderly person needs to use the hospital (and more than a fifth do, every year), burdens are enormous (Table 4). Elderly people who used the hospital spent almost 20 percent of their income out-of-pocket, compared to 11.6 percent by people who did not need a hospital stay. Again, this average disguises the discrepancy in burdens across income groups. Hospitalized people with incomes below $10,000 spent 22.7 percent of their income out-of-pocket, compared to 12.1 percent spent by people with incomes above $10,000.

TABLE 1.—OUT-OF-POCKET SPENDING AS PERCENT OF INCOME FOR MEDICARE BENEFICIARIES, BY INCOME

Income	Current benefits [1]	Expenses [2]	Proportion of elderly
Less than $5,000	18.3	20.6	27.7
5,001 to 10,000	14.0	15.9	42.2
10,001 to 15,000	9.2	10.5	16.1
15,001 to 20,000	7.6	8.7	8.0
More than 20,000	3.8	4.4	6.0
Less than 10,000	15.7	17.8	70.0
More than $10,000	7.7	8.8	30.0
All incomes	13.3	14.9	100.0

[1] Out-of-pocket spending under current benefits.

[2] Out-of-pocket spending with part B premiums incrased to 35 percent of part B expenses.

TABLE 2.—OUT-OF-POCKET SPENDING AS PERCENT OF INCOME FOR MEDICARE BENEFICIARIES, BY INSURANCE COVERAGE

Income	Spending	Proportion of elderly [1]
Medicare only	10.1	16.9
Medicare and Medicaid	9.7	15.7
Medicare and private insurance	15.1	63.1

[1] Proportions do not sum to 100 percent, due to exclusion of the elderly who are not covered by Medicare.

TABLE 3.—OUT-OF-POCKET SPENDING AS PERCENT OF INCOME FOR MEDICARE BENEFICIARIES, BY INCOME AND INSURANCE COVERAGE

Income	Spending	Proportion of Elderly [1]
Medicare only:		
Less than $10,000	11.4	13.7
More than $10,000	4.6	3.2
Medicare and Medicaid:		
Less than $10,000	10.0	14.5
More than $10,000	[2] NR	[2] NR
Medicare and private insurance:		
Less than $10,000	19.4	39.0
More than $10,000	8.2	23.7

[1] Proportions do not sum to 100.0 percent, due to exclusion of the elderly who are not covered by Medicare.

[2] Not reported due to insufficient sample size.

TABLE 4.—OUT-OF-POCKET SPENDING AS PERCENT OF INCOME FOR MEDICARE BENEFICIARIES BY HOSPITAL USE, INCOME AND INSURANCE COVERAGE

Income and insurance	With hospital stay	Without hospital stay
All elderly	19.7	11.6
Less than $10,000	22.7	13.8
More than $10,000	12.1	6.5
Medicare only:		
Less than $10,000	21.3	9.6
More than $10,000	[1] NR	[1] NR
Medicare and Medicaid:		
Less than $10,000	16.5	7.4
More than $10,000	[1] NR	[1] NR
Medicare and private insurance:		
Less than $10,000	26.1	17.5
More than $10,000	12.4	7.2

[1] Not reported due to insufficient sample size.

COMPARISON OF CHARACTERISTICS OF THE HEAVILY BURDENED ELDERLY AND HOSPITAL USERS WITH ALL ELDERLY

	All	Spending [1]	With hospital stay
Insurance:			
Medicare	16.7%	11.4%	11.7%
Medicare and Medicaid	15.7	15.3	21.6
Medicare and Private	63.2	70.3	59.5
Sex:			
Male	42.9	36.4	46.8
Female	57.0	63.6	53.2
Race: Nonwhite	8.5	6.4	7.5
Marital status:			
Married	55.1	49.6	52.5
Widowed	34.7	38.6	37.6
Average income	$9,523	$5,134	$10,311
Average age (years)	72.5	73.5	73.4

[1] Elderly spending more than 25 percent of income out-of-pocket.

Mr. KENNEDY. Mr. President, how much time remains? Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this amendment is designed to protect 30 million elderly and disabled Medicare beneficiaries against the unfair cuts in the Republican budget package. We went part way toward restoration of these cuts last week—and now we have the chance to finish the job.

This year is the 20th anniversary of the passage of Medicare. It is ironic that at the end of two decades, this budget package proposes to break the promise of one of the most successful social programs ever enacted.

We know that the original promise of Medicare has already been seriously eroded by runaway inflation and by harsh budget cuts already enacted into law.

The budget package before the Senate will take $9.6 billion out of the pockets of elderly and disabled Medicare beneficiaries over the next 5 years. These proposals are bad enough, but it is even worse that they come on top of deep cuts already enacted in the Reagan years that will take $11.5 billion from beneficiaries over the same period. As a result of the package now before us, plus budget cuts already enacted, America's senior citizens will have to pay an unacceptable $21.1 billion more for health care between now and 1990.

At the present time, Medicare covers less than half the health care costs of the elderly. America's senior citizens will be forced to pay an average of $1,800 this year out of their own pockets to purchase the health care they need. That $1,800 represents fully 15 percent of their total income—the same percentage they had to pay for health care in the dark days before Medicare was enacted.

We have heard a great deal in this debate about the administration's opposition to a tax increase. But in fact the premium increase is a tax that makes senior citizens pay more for Medicare. A tax by any other name is still a tax, even if it masquerades as a premium increase. Let there be no mistake—the Republican leadership package on the budget imposes a tax increase on Medicare that will make every elderly American pay over $100 more each year for the benefits they now receive.

Under current law, the annual part B premium is scheduled to rise from $186 today to $252 in 1990. That 1990 level is already $77 higher than it would be without the Reagan premium increases enacted in the past 4 years. Now the Republican leadership package wants to rub salt in the wound, by raising the part B premium to $364 in 1990. That is a new tax of another $112, on top of the $77 tax already enacted.

We all know that large numbers of the wealthiest corporations in America are paying no tax at all. More than half of America's 250 largest corporations paid no tax in at least 1 of the last 3 years, despite profits of $57 billion. But here, the Republican double standard comes into play. They say they oppose a tax increase—and then they offer a plan to tax 30 million elderly Americans by making them pay more for Medicare.

The Senate has already expessed its determination to preserve the Social Security COLA increase. But the true effect of the Medicare provision in the Republican package will be a back door cut in the very COLA we are trying to save. By 1990, the increased Medicare premium under the Republican proposal will eat up 40 percent of the Social Security COLA. And for the 15 million beneficiaries below the median Social Security benefit, the Medicare premium increase will absorb 60 percent of the COLA, and drive many elderly beneficiaries below the poverty line.

The leadership budget package is also objectionable because it delays Medicare eligibility by 1 month—from the first day of the month in which the beneficiary turns 65 to the first day of the month after the 65th birthday.

Over the next 5 years, this proposal will cost the elderly $1.5 billion. When the Finance Committee brought this idea to the Senate last year, their own figures indicated that 160,000 elderly beneficiaries would suddenly become vulnerable to uninsured illness during the month that their eligibility was delayed.

Two years ago, Congress recognized that it is wrong to raise the age of eligibility for Social Security. We should recognize today that it is wrong to raise the age of eligibility for Medicare.

Finally, the Republican budget contains another misguided provision that will penalize teaching hospitals under Medicare. Current law is designed to compensate these hospitals for the legitimate additional costs not recognized by the DRG system that they experience because of their commitment to provide health care. Precipitous elimination of this provision is unfair, and will only jeopardize the essential charitable care that these institutions now provide.

The issue before us on Medicare is the same one we faced on Social Security. Does Congress intend to keep the Nation's promise to care for the elderly in their retirement years? Social Security and Medicare are the twin pillars of dignity and security for 30 million senior citizens. I urge this Congress to honor the solemn commitment America has made—and to keep these pillars strong.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yield time?

Mr. MATSUNAGA. Will someone yield me time?

Mr. KENNEDY. How much time remains?

The PRESIDING OFFICER. One minute remains.

Mr. KENNEDY. I yield 30 seconds to the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, as a cosponsor, I rise in strong support of the amendment offered by the Senator from Florida [Mr. CHILES] and the Senator from Massachusetts [Mr. KENNEDY].

Mr. President, I voted in favor of the earlier Packwood amendment No. 50 to reduce some of the Medicare and Medicaid cuts included in the budget package now before the Senate. We voted 93 to 6 last Friday, May 3, 1985, to approve the amendment of the chairman of the Finance Committee. I believe this vote demonstrates the concern of the Members of this body regarding the need to reduce the increase in out-of-pocket costs to the elderly; however, it goes only part of the way.

Over the past 4 years, major reforms have been made in the Medicare Program. The prospective payment system [PPS] has been implemented for reimbursing hospitals for the treatment of Medicare patients—fundamentally overhauling the Medicare part A reimbursement system. This and other changes in Medicare should be allowed to take effect before being undermined by yet another round of major Medicare cuts. Medicare cost containment measures have been enacted, many of which have added to the health care expenses of beneficiaries.

Mr. President, we should all be seriously concerned about the proposed cuts that directly affect our Nation's elderly beneficiaries. Although the home health copayments and part B deductible increase have been eliminated and the part B premium increase has been moderated by the amendment we passed last week, the budget package before us still retains proposals which require additional beneficiary cost sharing. Some of these proposals, such as the delay in eligibility and the increase in part B premiums, have been rejected repeatedly by this body.

Mr. President, the pending amendment takes us further down the road toward protecting beneficiaries from even higher out-of-pocket costs. It should be remembered that in 1984, Medicare paid about 45 percent of the elderly's medical bills. Senior citizens now pay an average of nearly $2,000 annually for needed health care. Furthermore, there are many gaps in Medicare coverage. To cite a few examples: There is no protection against catastrophic expenses; there is no coverage for prescription medicine; there is limited coverage for long-term care; and there is a serious coverage deficiency relating to occupational therapy services, which hopefully can be ameliorated if S. 723, a bill which I introduced, is enacted into law.

While we need to control expenditures, the burden must not be unfairly borne by those who can least afford to bear it. Out-of-pocket expenses by older Americans for health care have actually increased in recent years. According to the House Select Committee on Aging, such expenses represented 15 percent of their mean income in 1984—up from 12 percent in 1977, and about the same percentage as in 1966 when Medicare was first established. High Medicare Program outlays are caused primarily by the rapid escalation of medical costs and by demographic trends. These systemwide cost inflation problems must be addressed in a comprehensive and lasting manner that is fair to beneficiaries.

Mr. President, I urge my colleagues to support the pending amendment.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, it is understandable why this amendment is offered by my good friend from Massachusetts, the leading proponent of national health insurance in this body. What he wants to do is load every conceivable cost that he can onto the Federal Government. Take a look at the package we have. It is a $16.3 billion reduction over 3 years in a program that is going to cost $268 billion; $268 billion more we are going to spend. And you tell me we cannot find savings of $16.3 billion?

He mentioned beneficiaries. Let us look at where the $16.3 billion comes from freezing prospective payments to hospitals, freezing nonparticipating physicians, freezing chemical laboratory fee schedules, and on and on and on. A relatively slight amount comes out of the beneficiaries. When the initial package came here, a fair portion more in terms of Medicare and Medicaid came out of the beneficiaries. We have taken care of the great bulk of that problem.

At the moment, the so-called part B premiums for hospitals costs $15.50 a month now. If we do not change the law at all, they will pay $19.50 in 3 years. This says you will pay $3 a month more.

Second, he talks about the part B, $75 payment of physicians. We index it. It is hardly something that is going to bankrupt anybody.

Then he talks about the delay of eligibility, something that has overwhelmingly passed the Finance Committee twice.

Most people retire at 62. You are not eligible for Medicare until you are 65. between 62 and 65 they are indeed at risk.

His amendment, this bill or the present Medicare system does not take care of them. They find private insurance some place.

For those who do work until they are 65 and retire today on the 15th of the month, they become eligible for Medicare on the 15th of the month.

But interestingly, 90 percent of the people who are employed in this country who have health insurance, and that is almost everybody, 90 percent have a clause that covers them for 30 days after retirement.

So what is happening is Medicare is picking up this cost that could be paid for by their private companies.

Those are the three beneficiary positions that we slightly touch, roughly $1.5 to $2 billion the best we can figure out of a $16.3 billion package in total expenditures of $280 billion.

If we cannot find those kinds of savings in this kind of a program, there are no kinds of savings that can be found in any kind of a program.

Mr. President, I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, when we passed Medicare some 20 years ago we passed it with the understanding that we were not going to penalize the senior citizens for the failure of this body or the national administration to deal effectively with health care cost control. If the health care costs went up or if we got into a deficit, we were not going to put those costs on the backs of the elderly people.

But, Mr. President, nothing the Senator from Oregon said has challenged that they are going to have to pay $21 billion more if this plan is enacted in combination with the Reagan cuts already enacted.

Mr. President, I ask unanimous consent that a statement by the Senator from Minnesota be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

Mr. DURENBERGER. Mr. President, if I may reply to the amendment of the distinguished Senator from Massachusetts, I will start, as I always do under these circumstances, with my compliments to the Senator for his sensitivity to the issues involved and for his long and distinguished record and commitment.

I agree with a lot of the things he said. I come to different conclusions, however, which I rise now to strongly present my opposition to his amendment.

Clearly, the first thing I agree with is the statement he made after he explained his charts to us. That is the whole issue that we are dealing with today in the middle of reconciliation looks to America like a budgetary issue of balancing the deficit on the backs of elderly Americans. In reality, it is a much larger issue that we desperately need to deal with, and we ought to make it the No. 1 issue before this Congress when we return in January.

Let me start out with one minor clarification. Before I came to the floor, I was informed that the Senator had additional remarks and made reference to the Finance Committee package as the Republican package. If I am correct in that information, I certainly want the record to show that on passage of this package of medicare amendments, the vote in the Finance Committee was 20 to 0, a unanimous bipartisan agreement.

With regard to the premium provisions which are part of the Senator's amendment, the vote was 17 in favor and 3 opposed. Among the three opposed, one was Republican and the other two Democrats.

Mr. President, let me make a couple of general remarks, again by way of clarification.

The medicare program is composed of two separate programs. Part A of medicare covers inpatient hospital services and is a statutory earned right benefit. Part B, on the other hand, is an optional supplemental insurance program that covers physician and limited outpatient services.

Senator Kennedy's amendments deal only with part II of medicare, the premium-related issues and his other amendment that deals with physician fee freezes. I want to emphasize that what we are talking about here is part B, the doctor portion of medicare. And I think most of our colleagues understand that there is some difference between these two programs besides the kinds of services they cover and their respective costs.

Part A, the hospital insurance program, is often referred to as an entitlement program. Part A is funded entirely out of the medicare trust fund, which is, as we all know, paid for by a payroll tax on all employed persons in this country.

When we talk about the problems that medicare is facing, when talk about the big red cliff we are starting to slip off of on the Senator's chart, we are talking about part A of medicare—the hospital expense portion of the program. And this is the program that is costing you and me 1.3 percent of our payroll today.

These amendments, however, do not address the financial instability of the hospital insurance trust fund. They only pertain to part B, which was designed to be an elective health insurance program for the elderly. It was originally designed to provide outpatient doctor and medical services at less expenses than could be provided in the private insurance market. In that respect, I think we ought to look at if as an insurance program.

Part B is financed entirely from general tax revenues. It is not payroll specific. We do not have an alcohol tax, a cigarette tax, or some other kind of dedicated tax going into this fund. It is the general revenue fund which pays a significant portion of is cost.

From the beginning of this program, to keep it in the context of traditional insurance, the decision was made that half of part B program costs would be borne by the Government and half of the program costs would be borne by the person buying the insurance.

But things have changed since 1965. What has changed about this particular insurance program is that we have largely done nothing about controlling the percentage that you and I, were we 65 or older, contribute to the total of these program costs.

That particular percentage has been slipping back and back to where it got back to the point, in the last few years, where it totaled something slightly less than 25 percent of those program costs. The Government's share, on the other hand, the part that comes out of our general tax dollar, is the proportion of these costs that has been getting larger and larger, So, when you look at the Senator's charts, you see inflation rising and hospital costs rising. And the Government's share of part B program costs is picking up a large share of these inflation cost increases. The beneficiary's contribution to program costs has been staying pretty level, while the general taxpayers have been bearing the burden of health care inflation.

That is a point that I shall try to deal with in more specific terms, but let me go back and make a general comment that fits into the general context of who is bearing this cost burden. The hard defense for medicare is that unless we have elderly parents, as the Senator and I and many of the people in this room have, there is a presumption that when we talk about the elderly, we are talking about an impoverished part of our population. So when the Senator says we are loading more and more of the burden of inflation on the elderly, you have the picture of the bag lady on the streets of New York sinking under the weight of medicare. But I guess that just "ain't necessarily so," Mr. President. My mother and father are not sinking under that load. Yes, it is a load, but they manage to provide the capacity to deal with it. Claude Pepper, I am sure, has the capacity to deal with it on the kind of income he takes in.

But there are a lot of people who cannot afford to carry this load, and yet we charge millionaires and the poor the same amount to purchase coverage under part B of medicare. This is not, however, the place to debate that issue. But that is why I have introduced legislation that reduces part B premiums for the poor and requires those that can afford it, to contribute a greater share of their income to the costs of the part B program. Hopefully, next year, we will be ready to debate his issue.

The Senator also indicated that all of these people are not the cause of the problem and therefore, why should we penalize them? I think it is a fair statement to say that we cannot blame my mother for the facts on those charts. But she has contributed. And so have all the rest of our moms, and so have you and I, Mr. President. We have all, in one way or another, contributed to the growth of our Nation's health care costs.

As employers, we have given people something called health insurance and it is not health insurance anymore; it is a free ride on the health care system. It is a ride that says it does not cost you anything to get sick in this country. Medicare agreed to pay Barney Clark $200,000 to experiment with an artificial heart. He had the opportunity to experiment because he smoked 2½ or 3 packages of cigarettes every day for 25 years. But there are no penalties for unhealthy lifestyles. Only rewards: If you smoke, we shall take care of you.

There was a recent Tax Court decision where a man had emphysema. It was so bad, his doctor told him he had to get exercise to help his breathing. The doctor suggested swimming so he built a swimming pool next to his house and the Tax Court let him take $25,000 off his taxes for that pool.

Now he got the emphysema because he smoked three or four packs of cigarettes a day. We all contribute to the rise in health care costs. I can tell you about my visits to the orthopedist because I had this pain in my back and if I had taken better care of myself, would I have run up that bill? We can all tell stories about how, in one way or another, we all contribute to this problem.

I think what the Senator from Massachusetts has been at for a number of years and what I have been at for a lesser number of years is recognizing that fact and trying to deal with it. Today I feel we are not in agreement as to how to deal with it.

I believe in making people face up to the financial consequences of their actions. We are contributing in part to this recognition through copayments and deductibles. Particularly when we get to the part here on the part B deductible. Although it costs you an extra 3 or 4 percent each year, to go into the hospital, it also is an incentive to find out from your doctor if maybe he could do it at the clinic rather than send to the hospital. So does it hurt to have a $75 bill that goes up to a $79 bill and then an $83 bill just to say, "Hey, Doc, do I really have to go into the hospital?"

So, in part, what the Finance Committee is proposing, even though it may look as though we are, in the words of the Senator, loading more of the burden of inflation on the elderly, is that whether you are young, old, middle-aged or whatever, it is appropriate for all of us to be part of the solution to the problem of increasing health care costs. It is incumbent upon us here not to load the whole financial burden for solving this problem on any one section of the population.

What has the Finance Committee done over the last 4 years or proposed that we do here in the Senate? The so-called medicare savings, the savings from the growth in medicare—where has that burden fallen? Without the provisions in the Finance Committee proposals, 56 percent of the so-called savings, the cuts in medicare, would be on hospitals; 22 percent would be on beneficiaries, 8 percent on physicians, and the balance on all other providers. So, in other words, 22 percent would be on beneficiaries and 76 percent would be on the providers out there—the hospitals, the doctors, the nursing homes, and so forth.

If you adopt the committee provisions, the Senator is correct that, to a degree, a part of that burden is somewhat larger for the beneficiaries. It goes from 22 percent to 28 percent. But still, Mr. President, 72 percent in the last 4 years, or over a 4-year period of time, is being pressed on the provider. So on an equity basis, if you will, I support this small increase. Regardless, three-fourths of the cuts in medicare have been loaded on what has been up until recently a basically cost insensitive provider system: the hospitals, the doctors, the nursing homes, and so forth.

To look at the per capita, from the standpoint of the individual, per capita out-of-pocket costs in 1984 for health care will equal 15 percent of an older person's average income. That is the same as in 1966 before medicare was fully implemented. So, as a percentage of my mom's income, what she has to pay out in health care out-of-pocket expenses today is the same as it was in 1966. But assuming she was a recipient in 1966, what does she have today that she did not have then? I shall just name a few things and this is not all inclusive: kidney dialysis, artificial hips, coronary by-pass surgery, CAT scans, and a variety of other things out there that prolong her life, enriching her life, providing opportunities for her that were not there for the same percentage of her income almost 20 years ago.

According to some experts who recently testified at a conference the House Ways and Means Committee held on the future of medicare, about 30 to 50 percent of hospital cost increases today can be attributed to improvements in treatment and technology.

Now, there is no doubt about the fact that elderly in this country are getting more under medicare today than they were in 1966. One sure way to contain costs is to limit available treatments to what they were in 1966, but I am not going to ask that of my mother and I do not think that is fair to ask of anybody in this country. All we are asking is that the elderly bear a share of the cost of these extraordinary medical advances, most of which benefit people 65 and older.

If we fail, Mr. President, to contain medicare costs, it hurts everybody, including the beneficiaries. The depletion of the medicare trust fund imperils the benefits that senior citizens depend on, and a deficit fueled by growing medicare costs drives interest rates higher and higher for everybody.

Without the medicare changes contained in the committee amendment, the cost of the program will increase by approximately 12.2 percent between 1985 and 1986. Even with the modest changes, we suggest the rate of growth will still be 10.8 percent.

The easiest answer for containing medicare costs is for Government to simply pay hospitals and physicians less. That was, I think, the reference of the Senator from Massachusetts to the old hospital cost containment legislation that we had on this floor back in 1979 and 1980. The theory is just to regulate away health care cost increases, but, unfortunately, Mr. President, it just is not that simple. If hospitals do not get enough money, what do they do? They ration services. It is inevitable. That has happened in Great Britain, and I could probably haul out a lot of examples of it.

The best way to contain costs is through a balanced approach such as that we believe is contained in the Finance Committee bill, an approach that encourages efficiency and discourages unnecessary utilization. Beneficiary cost sharing is a very important element of an efficient medicare program as it is a necessary element of any health insurance program.

The idea of cost-sharing, as I indicated earlier, is to deter unnecessary utilization and thereby to dampen the spiraling health care costs as we have demonstrated by studies time and time again. The most comprehensive study to date found that higher copayments do deter unnecessary utilization. While that study did not include the elderly, it demonstrates what we all know, and that is that free care leads to increased use of medical services.

Under the medicare program, for example, between 1971 and 1980, the average number of home health visits per 1,000 enrollees, which requires no cost-sharing increased by 297 percent. So it is not unreasonable to ask our senior citizens to share to a degree on the cost of medical care. Their share is manageable. The majority of people, 57 percent of the noninstitutionalized elderly in 1980, had out-of-pocket expenditures of less than $200. Ninety-four percent had out-of-pocket expenditures of less than $1,000. The median of all out-of-pocket expenditures was a mere $153.

Reform of beneficiary cost-sharing is needed but not in the form that these amendments take. What is needed is catastrophic expenses protection, protection medicare beneficiaries do not now have. A medicare patient in the hospital for 150 days could under present law incur $13,000 in out-of-pocket expenses. That, Mr. President, is unreasonable, and it is for that reason I have introduced legislation to provide beneficiaries with catastrophic expense protection.

Just a couple of comments, Mr. President, specifically about the part B premium. The President, just before we came back to this effort this year, had specifically requested that we make every effort not to place an unreasonable burden on beneficiaries. As a result the original Finance Committee proposal, which was to increase the part B premium to 35 percent of program costs, passed by a majority vote and a bipartisan vote, was thereafter modified. The final proposal now holds the premium at 25 percent of program costs.

As I indicated earlier, part B premiums were originally designed to cover 50 percent of program costs but has now slipped below 25 percent. The committee is merely proposing that we, as an insurance program, hold it to 25 percent of program costs. If permitted to revert to current law, the premium would represent only 18 percent of program costs for the elderly by the year 1989.

Over the last 10 years, beneficiary part B premiums have increased 94 percent while the Government contribution to the costs of part B, as we illustrated earlier, have increased by over 275 percent. When compared to other cost indices for the same time period, part B premium increases have fared well.

The part B premium has gone up 94 percent. The cost of transportation has gone up 142 percent, the cost of housing has gone up 135 percent, and the elderly average cash benefit from social security has been increased 155 percent. So the income from social security has gone up 155 percent, and the cost of other things that the elderly depend on like housing and transportation has gone up more than has the percentage of income the elderly contribute to the part B premium.

I would remind you again, Mr. President, that only one-third of the cost of the medicare programs is in part B. The other two-thirds, $44 billion in fiscal 1984, is in part A, the hospital part, where there are no contributions other than the deductible for the first day in the hospital and some other deductible later on in the stay.

Insurance premiums increase as the cost of care increases. Availability of more and better services has contributed to the rising cost of health care. If part B only covered the services it covered when the program was enacted, we could easily keep the premium costs to a minimum. So when we say that Government's part B expenses have increased 275 percent over 10 years, we are really saying that the taxpayer's expenses have gone up. Are we now going to tell working Americans that they not only have to shoulder the burden of their own health insurance premium increases, they not only have to share the burden of increased expenses for part A but also an increasing share of an insurance program for elderly Americans that has in it no test for means?

Mr. President, I conclude with some remarks about the Senator's proposal to index the part B deductible. I think he said. If I heard him correctly that the reason for the amendment is to overcome the Finance Committee proposal which has the effect of preventing people who are most in need of doctor care from receiving such care.

Well, let me give you some numbers for the record. First, the Finance Committee proposal is for 3 years only. Second, the 1981 Reconciliation Act increased the part B deductible by 25 percent from $60 to $75. Prior to this amendment, the deductible had remained at $60 since 1972. And you can go over and look at the Senator's chart if you want to know what happened to the cost of services under part B since 1972, but the deductible stayed at $60 until we moved it to $75.

Since 1981, benefit payments have increased by an additional 80 percent. Between 1972 and 1981, benefit payments per enrollee increased by 250 percent. Since 1981, per enrollee payments have increased by an additional 56 percent, and they are expected to continue to increase by 13 percent a year for fiscal year 1988, at which time the average benefit payment per enrollee could exceed $1,130.

The deductible was intended to reflect a portion of program costs, and it failed to do so because it has been fixed too long too low. The real value of the deductive will continue to erode if no increase is put in place. Will this prevent people from going to see a doctor?

In 1985, the deductible was increased by $3 a year, or less than 4 percent, while part B costs are expected to increase by 16 percent. In 1986, it would go up to $82; that is a $4 increase. In 1987, it would go up to $86; that is a $4 increase or a 4 percent increase.

Mr. President, I know there are others who want to speak to the issue, particularly the chairman of the Finance Committee. I will conclude, perhaps, where I started, with my compliments to the Senator from Massachusetts for these annual or semiannual visits we pay to the floor on this subject and the growing frustration on the part of each of us that, this body—and I suppose that means this country—cannot raise the burden of the cost of health care to the level where it might be the No. 1 issue when we return here in January.

The Senator from Massachusetts and I have somewhat differing views on how to solve that problem, but they seem to be getting closer and closer all the time. In 1979, when he was fighting for hospital cost containment, Dick Gephardt and I were talking about choice and competition. Now, Gephardt is talking to me and the Senator from Massachusetts, which I assume means that, somehow or other, I must be leaning from my direction toward the middle and the Senator from Massachusetts may be leaning from his direction toward the middle.

I hope that the help that he and others on both sides of the aisle have given on prospective payments on expanding that in the future, on competitive medical plans, on providing realistic State waivers such as he has in Massachusetts for peer review, for taking a look at catastrophic and the problems of long-term care, which helps to raise that issue, for dealing with the poor, dealing with the issues of high tech, issues of medical education, issues of capital, on which there is very little difference among us—I hope that we can continue that part of the process, even though we disagree here today about the impact that small additional cost-sharing for the beneficiaries of this system may have on their access to the system.

The reality is that the things I have just talked about—the move to prospective payment, changing the way we think and the way providers think about the way they deliver health care—are very significant. Moving to vouchers is very significant.

A lot of the reform we have engaged in sort of behind the scenes, without this elaborate debate, has changed the system, and it is starting to work. The estimate that the actuaries for the medicare trust fund have today as to how much that trust fund is going to pull in for the next year is actually $6.5 billion less than they had anticipated last year. That is not because we cut money out of the fund. It is because there is that kind of reform taking place in the delivery system.

I suggest, Mr. President, that in part, that is due to the fact that each of us, as purchasers of health care, is more sensitive to our role in that purchase decision. Also, we are more sensitive to the role that our health itself plays in those figures. For that reason, I will urge my colleagues to oppose the Senator's amendment.

I think each of the proposals we have made has been sensitive. It has had a purpose to it that is different from just balancing the budget on the backs of beneficiaries. I do not think it is overly burdensome toward any one group of people or any one institution who all contribute in one way or another to the problem.

The Finance Committee says it should be 25 percent to the beneficiary, 75 percent to the provider. It seems to me that that is a pretty equitable distribution of the burden of reform in this process.

Mr. President, I yield the floor.

Mr. DeConcini. Mr. President, I strongly support the amendment offered by Senator Kennedy to eliminate the provisions in the Finance Committee bill which would increase the part B premium and part B deductible for medicare beneficiaries.

Mr. President, I share all of my colleagues' concerns over the long-term solvency of the medicare system, but I do not believe the complexities of the problem can be resolved in a piecemeal fashion, nor do I believe that those least able to afford it—medicare beneficiaries—should be asked to shoulder a disproportionate share of the burden.

Under the Finance Committee bill, the part B premium will be increased to an amount necessary to cover 25 percent of program costs. This will cause the current premium rate of $175.20 annually to almost double by 1990. If Senator Kennedy's amendment is adopted, the premium will increase by no more than the increase in the social security COLA, thereby insuring that medicare beneficiaries will not have to expend an increasing proportion of their limited incomes on health care.

It is important to note that the elderly already spend an average of $1,500 per person, or $1 in every $7 of their incomes, on medical care each year. Much to the amazement of many Americans, medicare only covers approximately 40 percent of the elderly's medical care expenses. The burden on medicare beneficiaries would clearly be exacerbated if the Finance Committee bill is adopted.

Senator Kennedy's amendment would also eliminate the provision of the Finance Committee bill which would increase the medicare part B deductible from the current level of $75 a year to $82 a year by 1990.

While this increase is not large, it is symbolic in the eyes of medicare beneficiaries, many of whom fear that health care, even with medicare, may soon be beyond their reach. I cannot in good conscience support any action which would make their fear a reality.

Mr. President, the Finance Committee bill contains provisions which amount to $9 billion in medicare cuts. Of this amount, beneficiaries will be required to contribute $3.7 billion while physicians will contribute only $1.5 billion and hospitals $1.4 billion. This, in my view, is neither a balanced approach to medicare reform, nor is it an equitable solution. All components of the health care delivery system should share proportionately in solving medicare financial woes. Beneficiaries should not, once again, be asked to contribute the largest portion of the reductions incorporated in the Finance Committee package.

The bottom line, it seems to me, is whether health care in this country is a right or a privilege. If it is a right, as I believe it is, then we should not participate in any action which may put that care out of the reach of the millions of our senior citizens. We should not place our senior citizens in a situation where they are going to have to choose among adequate food, shelter or health care. I, therefore, intend to vote for the Kennedy amendment and urge my colleagues to support it.

Mr. KENNEDY. Mr. President, I ask for 1 more minute or we will have a lot of whereas clauses in the rest of my amendments to take up some time.

Mr. CHILES. I yield 1 minute off the resolution.

Mr. KENNEDY. Mr. President, I would like to read into the Record what Senator Durenberger, the chairman, said last year when this issue was before us.

> Just a couple of comments, Mr. President, specifically about the part B premium. The President, just before we came back to this effort this year, had specifically requested that we make every effort not to place an unreasonable burden on beneficiaries. As a result the original Finance Committee proposal, which was to increase the part B premium to 35 percent of program costs, passed by a majority vote and a bipartisan vote, was thereafter modified. The final proposal now holds the premium at 25 percent of program costs.

Mr. President, this proposal before us is that identical proposal modestly funded back to 30 percent. The President evidently thought it was burden to the elderly last year. I just wonder whether our senior citizens are safe only in election years.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Oregon.

Mr. PACKWOOD. Mr. President, when this program started in 1965 under the so-called part B premium, the beneficiaries were going to pay 50 percent of it.

Mr. President, they now pay about 25 percent. The initial package had them paying 35 percent; the Durenberger-Heinz-Chafee-Packwood amendment cuts that to 30 percent—not 50 percent, which is where we said they should be when we started the program.

I yield to my friend from Texas.

Mr. GRAMM. Mr. President, I thank the Senator for yielding.

When the program started in 1965 and was signed into law, the President said at that time that part A was only going to cost 25 cents per month per person. Now it is $176.50. When my mama signed on to the program, she was paying 50 percent of the premiums. We are debating whether she is going to pay 30 percent of the premiums in 1990.

To talk as if we are denying benefits to people under the reform of this program is a great misstatement of the facts. Medicare is easily one of the most generous benefits that has ever been granted. All we are trying to do here is hold the program in the black, trying to make responsible changes.

The primary thrust of this proposal is to try to institute cost control. I think it is irresponsible to try to add back money that can be saved, that should be saved, for the working people of this country.

I thank the Senator for yielding.

MEDICARE BENEFICIARIES SHOULD NOT HAVE THEIR BENEFITS CUT

Mr. RIEGLE. Mr. President, I rise to support the amendment being offered by Senator Kennedy to strike the out-of-pocket increases contained in the leadership package. This amendment will restore the cuts being proposed in the Reagan/Republican leadership budget compromise plan. I believe that the Reagan administration's attack on Medicare represents a major shift of direction which threatens to reverse two decades of progress made in improving access to health care services for the elderly and the disabled.

In every year since this administration has been in office, there has been major legislation adopted which has deeply cut into the Medicare Program. Medicare spending was reduced by $15 billion in Reagan's first term. These cutbacks would have exceeded $30 billion if Congress had not balked and refused further reductions. The House Ways and Means Committee has recently costed the Medicare cutbacks through 1988. It is estimated that without further changes in the law, close to $45 billion will be cut from the program by 1988.

Medicare is again being scrutinized for additional spending cuts to help finance the President's ballooning budget deficits. The Reagan/Republican leadership compromise budget plan calls for an additional reduction of $4 billion in fiscal year 1986, and $18.4 billion over the next 3 years. These savings will come not only from providers, but from beneficiaries once again. The compromise package calls for an increase in both the part B—supplemental medical insurance—premiums and the part B deductible. There is also a provision for the institution of a copayment for home health care services. Each change represents an increased cost to the elderly.

It is estimated that the out-of-pocket expenses for the elderly in 1984 was $1,500 for health care and is estimated to increase to $5,000 by the year 2000. The amount that seniors now pay for out-of-pocket health care expenses is equivalent to what was paid prior to the creation of the Medicare Program.

This amendment will restore those additional cuts to beneficiaries which have been included in the Reagan/Republican leadership compromise package. This amendment will prevent the increase in the part B premium which the plan would increase from 25 percent to 35 percent of program costs. It would also prevent the increase in the part B deductible. In addition, this amendment would prohibit the initiation of a home health care copayment. Finally, it would eliminate the provision which would have delayed Medicare eligibility for 1 month after one's 65th birthday.

Mr. President, I urge all of my colleagues to join us in rejecting the increases in the out-of-pocket costs for our Nation's seniors and disabled persons.

Mr. HEINZ. Mr. President, last week I joined with the distinguished chairman of the Finance Committee in offering an amendment which substantially reduces the proposed out-of-pocket costs for health care services paid by Medicare beneficiaries.

Today we are faced with another amendment which, it is claimed, is necessary to eliminate any cost increases beyond current law to elderly Medicare beneficiaries. It will also reduce deficit reduction even further. While the intent of the amendment is praiseworthy and something I unhesitatingly support, the amendment offered by the distinguished Senators from Florida, Massachusetts, and West Virginia, either overshoots the mark or is entirely unnecessary to protect senior citizens. It is therefore fiscally irresponsible.

Before discussing the relative merits of the Chiles/Kennedy/Byrd amendment, it is important to review what the Senate has already done to relieve the burden on Medicare beneficiaries when it enacted an amendment I cosponsored with Senator Packwood. That amendment, which was aimed totally at reducing cost sharing by beneficiaries, would save a total of $16.3 billion over the next 3 years out of a total anticipated Medicare expenditure of $216 billion, or about 7½ percent. Virtually all of this relatively modest savings can and should be achieved by holding down payments to providers—Mr. President I emphasize providers not beneficiaries—and eliminating waste, fraud, and abuse.

The amendment we passed last week retained the full participation of physicians and hospitals in the effort to control Medicare costs while at the same time eliminating major cost-shifting onto beneficiaries. First, the amendment eliminates the copayment on Medicare home health visits, which in effect, would have been a tax on the sickest and most frail citizens. At a time when patients are being discharged from hospitals sicker and quicker under the new payment system, this amendment assured that we would not be making it even more difficult for them to receive urgently needed medical care at home.

Second, our earlier amendment also eliminated the increase in the part B deductible, and slowed the rise in the part B premium to a reasonable level. It also reduced the cut in direct medical education funds in those hospitals that tend to provide much of the care to the poor and uninsured.

Moreover, Mr. President, our amendment provided substantial protection to the Medicaid eligible population—our poorest citizens—by eliminating the proposed "cap" and by reducing proposed cuts by nearly $1 billion. A "cap" would have changed the very nature of the Medicaid Program and would have jeopardized our fundamental commitment to low-income persons. I am speaking of older Americans in nursing homes, SSI recipients and AFDC families. We cannot turn our backs on persons who most need and deserve some protection. Our amendment acknowledged the commitment of this body to protect the truly needy.

The Chiles/Kennedy/Byrd amendment would increase the deficit by approximately $4.6 billion. The proponents of this amendment claim that their primary purpose is to relieve the burden on the Medicare beneficiary. But even if my contention that the savings required by the Packwood amendment can be obtained without any extra financial burden on beneficiaries proves to be an inaccurate prediction, this amendment does much more than that. It would, for example, add back to the budget over one-half billion dollars for payments to hospitals by allowing an additional one-quarter percent adjustment over the hospital market basket in fiscal years 1987 and 1988.

Mr. President, I am sympathetic to the concerns of those hospitals, especially the large inner-city and small rural institutions, which are being badly squeezed by the new prospective payment system. We must ensure the financial viability of these institutions so that essential care continues to be provided to the most needy of citizens of our cities and towns.

While a few hospitals may be financially strapped, I also know, however, that most hospitals are faring quite well under the new Medicare system. In fact, the American Hospital Association just released data indicating that in 1984, the hospital industry showed its healthiest bottom line in 20 years. Specifically, the data indicate that the hospital industry's margin—the revenues left after paying expenses—increased to 6.2 percent in 1984. This is 1.1 percent higher than in 1983, and the highest figure since the AHA began tracking the statistic in 1963. This means that for the proprietary hospitals, profits were up over last year; for the nonprofit hospitals, this means additional revenues were available to plough back into capital expenses or future operating costs. While this statistic should not, in itself, be the sole criterion by which to set Medicare's hospital payment rates, it does suggest that most hospitals are faring well enough to pull some additional weight in this major deficit reduction effort.

Let me say at this point, Mr. President, that I address my colleagues as someone who is proud of my record as an advocate for America's older citizens. I have great respect for my colleagues on the other side of the aisle who argue that their amendment is needed to protect the elderly. But I yield to no one when it comes to defending older Americans and fighting against unfairly burdening them in the interests of deficit reduction.

Last week, I voted to eliminate the proposed 3-year reduction in the Social Security cost-of-living adjustment. I did so because the proposal in the budget resolution was bad policy and it was unfair. I believe that many of this Nation's elderly are willing to do their part to help bring down the deficit and will support a balanced plan that includes some financial sacrifice on their part as long as it protects the needy and those with low incomes. But it is inappropriate to ask them to accept a multiyear reduction in their COLA's which would have forced more than 600,000 persons into poverty.

Our efforts to reduce budget deficits must protect older Americans from excessive increases in out-of-pocket costs. Let's be clear why. Today, the elderly are paying in excess of $1,500 each year for health care. This means that they are paying the same percentage of their income as they did before Medicare was enacted.

For a number of Americans, $1,500 may be affordable. But it's not affordable to an elderly widow trying to get by on the average Social Security benefit of $400 a month.

Some will argue that the lowest income elderly receive additional support through in-kind benefits, such as food stamps, Medicaid, and housing subsidies. It is true that these essential programs allow some of the elderly to keep their heads above water.

Unfortunately, however, many elderly poor are not eligible for participation or are not enrolled in these programs. These are the most vulnerable citizens who fall through the cracks.

There is a common misconception, for example, that the elderly poor are all protected by Medicaid and any changes in Medicare will not affect them. But today, there are over 2 million older Americans who are below the poverty line—roughly $5,000—who are not covered by Medicaid. On top of that, there are an additional 6.2 million elderly without Medicaid coverage who have incomes below $10,000 per year. Together, this represents 40 percent of all noninstitutionalized Medicare beneficiaries.

It is this group, Mr. President, that we must protect. If we had not enacted the Packwood amendment, many older Americans, including the poor and near-poor, would have been forced to pay an additional $200 out-of-pocket in health care costs each year by 1990. This surely would have forced many of them to forgo other needs in order to pay for their essential health care services. For those teetering on the edge of poverty, there is no margin for absorbing additional costs.

Some would argue that our amendment did not go far enough in reducing the burden on beneficiaries. Let me say, as a member of the Senate Finance Committee, I am confident that we can achieve additional savings to reach the Medicare savings target in order to avoid further burdening elderly beneficiaries. For example, if we were to implement a mandatory second surgical opinion program, we could save the Medicare Program $500 million or more, while reducing unnecessary surgery and saving lives. In addition, by eliminating waste and abuse in the health care industry, we could save the Federal Government millions of dollars each year. In the case of pacemakers alone, we could save $96 million a year, if we just required the pacemaker industry to make good on its warranties. There may be as much as $500 million per year costs to Medicare—and unnecessary health risk to seniors—because of unneeded pacemaker surgery and implantations.

Mr. President, given the task before us—to get the deficit under control—I do not believe that the Chiles/Kennedy/Byrd amendment is fiscally responsible. If we don't get our fiscal house in order this year, I am convinced that we are in real danger of losing control of the deficit crisis. Interest payments on the national debt are the fastest growing part of the Federal deficit—the cost of servicing the debt is growing faster than defense and it's growing faster than any entitlement program. That means that we're closing out policy options for the future, and leaving our children and grandchildren with the responsibility of paying for our extravagance.

Mr. President, we have already taken a significant step toward protecting elderly beneficiaries and the poor. If times were different, perhaps we could afford the Chiles/Kennedy/Byrd amendment, even though it is not necessary to protect beneficiaries given the other means we have to save costs. But in this current climate, this amendment is an unnecessary expenditure which we simply cannot afford. If we cannot cut unnecessary costs here how can we say "no" to equally unnecessary spending in the other 94 percent of the Federal budget. We need to cut unnecessary spending in the Pentagon and every other agency. I believe we can do this without hurting people, lowering our aspirations, or jeopardizing our national defense, but we cannot do anything if we vote for each attempt to add unjustifiable costs to the budget. I therefore urge my colleagues to vote no on the Chiles/Kennedy/Byrd amendment.

Mr. BRADLEY. Mr. President, I rise as a cosponsor of the amendment offered by my colleagues from Massachusetts [Mr. Kennedy] and Florida [Mr. Chiles] to reduce the Medicare and Medicaid cuts included in the budget now before us.

Mr. President, one of the most important parts of this amendment is to strike the increases in the Medicare premium and the deductible. The budget originally assumed that the Medicare premium paid by the elderly will be increased from 25 percent to 35 percent of total program costs. This would more than double the premium—from the current figure of $15.50 a month to about $36 a month by 1990. And this is on top of the doubling of the premium that has already occurred since 1980. It is my understanding that the amendment we adopted last week reduced the increase from 35 percent to 30 percent of costs. But even still this level represents a doubling of the premium by 1990.

Unless we amend this budget, Mr. President, the elderly will be forced to pay an additional $700 between now and 1990 for their health care. This is simply unfair.

It must be kept in mind, Mr. President, that health care now takes as much of older Americans' median income as at the inception of the Medicare program. On average, Medicare beneficiaries pay an estimated $1,500 per year in out-of-pocket medical costs—almost 30 percent of their total health bill. This trend, combined with increasing health costs, is forcing many elderly Americans on fixed incomes to make hard choices between health care and necessities like food and shelter.

Mr. President, the amendment also eliminates further cuts in Medicaid. The budget originally assumed that a cap would be placed on the Medicaid Program. The effect of this cap would be to turn this program into a block grant, thereby significantly reducing over time the health care protections in current law. In New Jersey, this proposal would result in a $64 million loss of reimbursement for care provided under the Medicaid Program. This will present a severe strain on the State's budget and on hospitals' capacity to provide health care for the poor. In addition, the Medicaid cap jeopardizes implementation of the New Jersey "Medically Needy" Program, which has the potential of serving 100,000 low income children and 100,000 low income elderly. While the amendment that we adopted last week eliminated the cap, the budget still assumes over $1 billion in 3 years savings for Medicaid. This amendment eliminates all further cuts in Medicaid.

In addition, Mr. President, this amendment provides modest increases in reimbursements for doctors who participate in Medicare and reduces the level of cuts by $0.7 billion over the next 3 years for medical education. We all know that savings can be made in reimbursements for providers. But the proposal before us simply goes too far. My biggest concern is that many teaching hospitals and medical schools have a very high indigent care caseload. We simply cannot turn our backs on these institutions. This amendment provides sufficient funding to enable medical schools and teaching hospitals to continue their current commitments especially their commitment to the poor.

The final component of this amendment deals with home care benefits. The budget before us would impose cost-sharing on Medicare home health services after the 20th day of care. This would seriously hurt the capacity of home care providers to provide quality of care, since 1½ million Medicare beneficiaries currently use home health services each year, and approximately 500,000 need more than 20 visits. If the proposal is enacted, beneficiaries exceeding the 20-day limit will have to pay an average of $130 extra for home health services in 1986, and approximately $300 extra by 1990. The sickest beneficiaries—the 61,000 people who need more than 100 days of home care in any given year—would have to pay almost $400 in home health copayments next year under the proposal and more than $500 by 1990. This amendment deletes the administration proposal to enact a home care copayment.

Mr. President, I am firmly committed to reducing this intolerable deficit. But we cannot ask the elderly and poor families to shoulder such an unfair burden of the savings to the Federal Government. This amendment modestly reduces that burden. It needs to be kept in mind that even if this amendment is adopted, the Medicare Program will still be cut by roughly $12 billion over the next 3 years. I therefore urge may colleagues to support this amendment.

Mr. PACKWOOD. Mr. President, if no one else wishes to speak, I am prepared to vote.

Is all time used on the other side, Mr. President?

The PRESIDING OFFICER. All time has expired.

Mr. PACKWOOD. I am prepared to yield back on this side.

The PRESIDING OFFICER. All time has expired.

Mr. PACKWOOD. I move to lay the amendment on the table. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The PRESIDING OFFICER [Mr. Andrews]. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 46—as follows:

[Rollcall Vote No. 64 Leg.]

YEAS—51

Abdnor
Andrews
Armstrong
Boschwitz
Chafee
Cochran
Danforth
Denton
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hecht
Heinz
Helms
Humphrey
Kassebaum
Kasten
Laxalt
Long
Lugar
Mathias
Mattingly
McClure
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker

NAYS—46

Baucus
Bentsen
Biden
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chiles
Cohen
Cranston
D'Amato
DeConcini
Dixon
Dodd
Eagleton
Ford
Glenn
Gore
Harkin
Hart
Hawkins
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Zorinsky

NOT VOTING—3

East Exon Wilson

So the motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I yield myself 1 minute.

Earlier, the distinguished majority leader, I believe, had indicated that he would like to see amendments come along and be acted upon and possibly with agreements of 10 minutes or so on each, and that in the meantime he would attempt to develop his package to the point that he could lay it before the Senate and perhaps get an hour equally divided on that package.

At least four amendments have been called up and voted on. I wonder if the distinguished majority leader could give us a progress report—if progress has been made—on the situation at the moment.

Mr. DOLE. First of all, there is progress. They are now drafting the amendment. I understand that it takes about an hour and a half total, and they have been at it for about 50 minutes. So I would think that after the next vote I would be in a position to advise the minority leader.

Mr. BYRD. We have 67 minutes remaining, as I understand it. Is it still the distinguished majority leader's intention to call up his amendment this evening, get an hour for debate on it, equally divided, and vote on the package?

The PRESIDING OFFICER. The time allotted to the minority leader has expired.

Mr. BYRD. I yield myself 1 more minute.

Mr. DOLE. That is my present intention.

Mr. BYRD. OK. We will wait. I am sure the distinguished majority leader will give us a progress report when he can.

AMENDMENT NO. 87

Mr. SYMMS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 87.

Mr. SYMMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> In the pending amendment, do the following:
>
> On page 3, decrease the amount on line 12 by $1,600,000,000.
>
> On page 3, decrease the amount on line 13 by $1,100,000,000.
>
> On page 3, decrease the amount on line 14 by $900,000,000.
>
> On page 3, decrease the amount on line 18 by $600,000,000.
>
> On page 3, decrease the amount on line 19 by $800,000,000.
>
> On page 3, decrease the amount on line 20 by $900,000,000.
>
> On page 3, decrease the amount on line 25 by $600,000,000.
>
> On page 4, decrease the amount on line 1 by $800,000,000.
>
> On page 4, decrease the amount on line 2 by $900,000,000.
>
> On page 4, decrease the amount on line 6 by $600,000,000.
>
> On page 4, decrease the amount on line 7 by $1,400,000,000.
>
> On page 4, decrease the amount on line 8 by $2,300,000,000.
>
> On page 4, decrease the amount on line 12 by $600,000,000.
>
> On page 4, decrease the amount on line 13 by $800,000,000.
>
> On page 4, decrease the amount on line 14 by $900,000,000.
>
> On page 16, decrease the amount on line 20 by $1,000,000,000.
>
> On page 16, decrease the amount on line 21 by $600,000,000.
>
> On page 17, decrease the amount on line 4 by $1,000,000,000.
>
> On page 17, decrease the amount on line 5 by $700,000,000.
>
> On page 17, decrease the amount on line 13 by $700,000,000.
>
> On page 17, decrease the amount on line 14 by $700,000,000.
>
> On page 33, decrease the amount on line 2 by $100,000,000.
>
> On page 33, decrease the amount on line 3 by $100,000,000.
>
> On page 33, decrease the amount on line 11 by $200,000,000.
>
> On page 33, decrease the amount on line 12 by $200,000,000.
>
> On page 38, increase the first amount on line 10 by $1,630,000,000.
>
> On page 38, increase the second amount on line 10 by $621,000,000.
>
> On page 38, increase the amount on line 11 by $1,096,000,000.
>
> On page 38, increase the amount on line 12 by $705,000,000.
>
> On page 38, increase the amount on line 13 by $729,000,000.
>
> On page 38, increase the amount on line 14 by $763,000,000.
>
> On page 41, decrease the amount on line 17 by $4,000,000.
>
> On page 41, decrease the amount on line 19 by $15,000,000.
>
> On page 41, decrease the amount on line 21 by $29,000,000.
>
> On page 47, decrease the first amount on line 12 by $4,000,000.
>
> On page 47, decrease the amount on line 13 by $15,000,000.
>
> On page 47, decrease the second amount on line 14 by $29,000,000.
>
> On page 49, increase the first amount on line 17 by $1,630,000,000.
>
> On page 49, increase the second amount on line 17 by $621,000,000.
>
> On page 49, increase the amount on line 18 by $1,096,000,000.
>
> On page 49, increase the amount on line 19 by $105,000,000.
>
> On page 49, increase the first amount on line 20 by $729,000,000.
>
> On page 49, increase the second amount on line 20 by $763,000,000.
>
> On page 52, decrease the amount on line 1 by $1,600,000,000.
>
> On page 52, decrease the amount on line 3 by $1,000,000,000.
>
> On page 52, decrease the amount on line 4 by $700,000,000.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. SYMMS. I yield.

Mr. DOLE. I wonder if we might agree on a time limitation of 5 minutes on a side.

Mr. SYMMS. I say to the distinguished majority leader that it is going to crowd me to explain this in 5 minutes.

Mr. DOLE. Seven and a half minutes, and two and a half minutes to the Senator from Florida.

Mr. SYMMS. I will do the best I can.

The PRESIDING OFFICER. Is there objection to a limitation of 7½ minutes to the Senator from Idaho, and 2½ minutes to the Senator from Florida? The Chair hears none, and it is so ordered.

Mr. SYMMS. Mr. President, this amendment incorporates all but one of the mass transit funding proposals included in the President's original budget package. That package proposed a 3-year saving of $9.024 billion in budget authority and $4.234 billion in outlays for urban mass transit assistance. Under the President's plan, these savings would be achieved by discontinuing discretionary grants and operating assistance, reducing the level of formula capital grant assistance and expenses for research and administration, freezing grants for Washington Metrorail construction, and funding the remaining transit projects substituted for interstate projects from the highway trust fund.

My amendment is the administration's original mass transit funding proposal with the exception of DOT's plan to fund transit substitute projects out of the highway trust fund. The Congressional Budget Office estimates that over a 3-year period—1986–88, my amendment would save $8.240 billion in budget authority and $3.848 billion in outlays, as compared with current assistance levels for urban mass transit programs. When compared with the savings projected for the same 3-year period under the compromise budget, my amendment provides additional savings of $3.269 billion in budget authority and $2.041 billion in outlays. These spending reductions represent a significant share of current Federal expenditures on mass transit programs, and I believe this amendment deserves the favorable consideration of all Senators who are truly interested in cutting Federal spending.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Florida.

Mr. SYMMS. Mr. President, if the Senator from Florida does not wish to comment, I will go on and make a couple further explanations about this.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I think it would probably be appropriate to call this the Dole amendment. Of course, I am not talking about the distinguished majority leader, but I am talking about the distinguished Secretary of Transportation, and I will give you a couple of quotes of what Mrs. Dole said about this.

Reasons to support Urban Mass Transportation Administration [UMTA] funding cuts:

In order to make the necessary budget cuts, we in Congress must reconsider the role of the Federal Government in all areas of the economy. Transportation Secretary Dole said recently that such considerations played an important role in the development of this year's transportation budget proposal. The administration's budget, she said:

> ". . . emphasizes the proper role of the federal government. At this time, more than ever before, we must focus on truly national needs, and leave local matters to state and local authorities . . . Mass transit is a clear example of a local matter best addressed by local management, local decision making, and local financing."

Capital investment and operating decisions are made at the local level, but the full weight of decisions among alternatives is not borne by local decisionmakers when they know that much of the cost will be paid by the Federal Government. Federal subsidies have the effect of artificially and inefficiently increasing supply and demand at the expense of competing nonsubsidized modes of transportation.

Federal assistance has encouraged the creation of transit agencies that are often local monopolies which exclude private competition.

My amendment would discontinue funding for discretionary grants. These grants have helped build unnecessary and costly transit systems.

So I think the Secretary of Transportation is quite right in what has happened. We are getting in a situation where we are starting many more of these projects around the country than we will have funding to finish, and I think that it is interesting to note just, for example, some of the things that have happened.

Miami's billion dollar rapid transit system now serves about 15,000 riders per day. That is just slighty more than 10 percent of the original forecast. As it has worked out, it would have been cheaper to give each rider $66,000 and called it quits. It would have saved the taxpayers a lot of money and probably had negligible impact on the traffic in the greater Miami area.

Most federally funded systems cost between $50 and $100 million per mile, while the San Diego light rail surface system—which was constructed without Federal assistance—cost only $6 million per mile.

So I think if the local people in the country can make a decision—they too are Federal taxpayers—if they can build their own railroad system, their own mass transit light rail system for $6 million a mile without the Federal imposition of Federal regulations, bureaucracy, and so forth, to comply with, as opposed to $100 million a mile, I think it makes a lot of sense to do what the Secretary of Transportation originally had asked for, and we could make certain savings for the taxpayers.

These grants, with up to a 75-percent Federal share, have artificially increased the demand for expensive new heavy rail systems.

New subway systems do not, as proponents claim, cost effectively save energy, reduce pollution, or lessen auto traffic.

Energy consumption, pollution, and traffic congestion can be much more effectively reduced through alternatives such as buses, carpooling, and company vanpools supported by dedicated high-occupancy lanes and company-sponsored vanpool parking.

I appeal to my colleagues.

How much time do I have remaining?

The PRESIDING OFFICER. Two minutes and ten seconds remaining.

Mr. SYMMS. Mr. President, I will do the best I can in 2 minutes. There is a lot of information here that I am sure my colleagues are anxiously waiting for me to share with them.

Federal subsidies for local operating assistance should be terminated.

Federal operating, subsidies have distorted service decisions and substituted for increases in local fare box revenues, allowing real user costs to decline.

From 1977 to 1983, State and local taxpayer assistance increased 195 percent, while passenger revenue increased only 50 percent. Meanwhile, inflation was about 55 percent and operating costs increased 90 percent.

Of total Federal operating assistance, about $2.0 billion has been used for wage increases beyond the cost of living, $1.5 billion has been absorbed by lower productivity, $2.0 billion has been used to keep fares artificially low, and only $1.0 billion has been used to provide extra service.

Federal operating subsidies reduce the anticipated costs to localities of operating new, expensive systems, thereby increasing demand for federally subsidized new systems.

The level of formula-based capital assistance should be reduced.

As long as the Federal Government continues to collect the penny gas tax for transit improvements, Congress will have a responsibility to manage and distribute those revenues. Equity dictates that this national tax be distributed nationally, through a formula-grant program.

Grants for Washington metrorail construction should not be extended beyond the current authorization.

Other reasons to support UMTA funding cuts include: From 1970 to 1980 the use of public transit decreased from 8.9 percent to 6.4 percent of total worktrips taken—a 28-percent decrease in the relative use of public transit. At the same time, Federal support grew 2,150 percent.

Mass transit operating subsidies are not primarily a low-income benefit.

The 1977 National Person Transportation Survey indicates that there are clearly more public transportation passengers who are not poor, defined as incomes above $10,000—about 77 percent—than who are poor—23 percent.

Transit subsidies primarily benefit the nonpoor by subsidizing costly peak-period transit service, suburban, long-haul service, expensive rail service, and flat fares—prevalent in 67 percent of transit properties—all of which overwhelmingly benefit the nonpoor commuter.

I believe this amendment makes a great deal of sense, both fiscally and politically. In an era of $200 billion plus deficits, it is difficult to rationalize one's support for a program: whose annual subsidy is $400 per passenger—or $600 per commuter—and growing—by comparison, annual food stamp assistance is about $500 per recipient; which is more expensive than many available transportation alternatives, and which has been unsuccessful in changing the intracity transportation habits of the Nation.

Opponents of the administration's original transit funding proposal have argued that cutting the operating assistance subsidies will have a devastating impact on transit projects around the country. In his recent letter to Members of Congress, UMTA Administrator, Ralph Stanley, suggests that these cries of incredulity and impending doom heard from transit groups and some public officials have no basis in fact. Mr. Stanley notes that while reductions in Federal transit assistance would have an impact on the budgets of local transit authorities and State transportation departments, the impact would be mitigated by the existence of other funding sources and a significant cushion of unobligated funds remaining in transit accounts around the Nation. "There are alternative funding strategies," Mr. Stanley says.

> When States have over $7.5 billion in budget surpluses. Also, recent studies demonstrate that private sector contracting can save 20 to 60 percent in operating costs and, in many cities, businesses are joining together to help fund needed transit improvements.

Mr. Stanley continues:

> Most importantly, I wanted to inform you that approximately $1 billion in as yet unused Federal transit funds are left over from previous years' appropriations providing a built-in funding cushion. For areas be-

tween 200,000 population and 1 million, the amount of operating assistance carryover is equivalent to 67 percent of the fiscal year 1985 operating assistance cap. In areas between 50,000 and 200,000 population, the amount of operating assistance carryover is equivalent to 163 percent of their fiscal year 1985 operating assistance cap. In other words, for these smaller areas on the average, over 1½ year's worth of operating assistance has not been utilized without considering the fiscal year 1985 funds which have since been made available.

This amendment would not "pull the rug out from under the Nation's transit systems," as some have claimed about the Administration's original proposal. As Mr. Stanley's letter indicates, a tremendous amount of operating assistance funds remain in transit accounts around the Nation, and there are other funding sources which could be tapped for transit and other programs which State and municipal officials deem to be of importance.

Moreover, this amendment would save Federal taxpayers nearly $4 billion over the next 3 years. When I returned to Washington this year, I thought budget cuts of this size and importance would be our first order of business. I believed then, as I do now, that we have a responsibility to present and future generations of Americans to do something about these horrendous deficits. We will have taken a long stride toward fulfillment of this responsibility when the management and financing for programs of local importance are returned to State and municipal officials. I believe that mass transit is such a program and the management, decisionmaking, and financing of mass transit systems should be left in the hands of local authorities. I urge my colleagues to give this amendment their serious consideration since it involves significant reductions in Federal spending and it speaks to the question which should be posited at every juncture in this budgetary debate, namely: What is the proper role of the Federal Government in the lives of American citizens and the economic and political affairs of State and local governments. My amendment provides a clear answer to this question as it pertains to mass transit programs, and I urge my colleagues to give the amendment their full support.

Mr. D'AMATO. Mr. President, I rise in opposition to an amendment offered by my distinguished colleague from Idaho, Senator SYMMS, which would cut about 70 percent of the Federal funding for mass transit. This amendment is analogous to the administration's original budget proposal for the Urban Mass Transportation Administration. Its impact on our Nation's mass transit systems would be absolutely devastating.

As we consider Senate Concurrent Resolution 32 on the Senate floor today, I would like to point out that this amendment is similar to the Department of Transportation's original budget request except for DOT's plan to fund transit substitute projects out of the highway trust fund. My distinguished colleague has seen fit to omit that portion of the administration's budget request designed to create some competition between highway trade-in and transit trade-in projects for limited discretionary and formula highway substitute funds. DOT's rational for that provision was to achieve savings by omitting $250 million in separate transit trade-in funds. The plan was to combine both highway and transit trade-in projects in the same account of the highway trust fund and add $100 million to the account to cover this addition. However, my learned colleague from the State of Idaho would rather not share any additional highway funds with States that depend on transit even though its effect would reduce the deficit.

The Transportation Department had requested $24.7 billion of budget authority for fiscal year 1986, a $3.8 billion (13 percent) reduction from its fiscal year 1986 budget level. The lion's share of that cut, $2.75 billion (72 percent), is derived from crippling reductions in funding for the Urban Mass Transportation Administration. I find this amendment, incorporating the bulk of the DOT proposal, to be both unworkable and outrageous.

Lack of Federal transit funds will make it extremely difficult for the Nation's millions of transit riders to get to work and school and to carry on their daily lives. Many people, particularly the poor, elderly and handicapped, often have no other transportation alternatives. Without a viable network of affordable transportation services, we will rob many individuals of their freedom of movement. The ability to get to work or school and to take care of one's own needs, brings with it self-reliance and personal dignity. These values are lost when we force people to become virtual prisoners in their own homes.

General tax revenue funding of transit, based on statutory formulas, would be terminated by this amendment. In fiscal year 1985 $2.5 billion was appropriated for this vital program. Operating assistance, funded during fiscal year 1985 at $875 million, would be abruptly cutoff. All transit funding would be derived from the one penny of Federal gasoline tax dedicated to transit. The $1.1 billion currently authorized for this program would be distributed on a formula basis. Gas tax funds would no longer be distributed on a discretionary basis, but would be allocated as a formula capital program which could not be spent on new construction.

The sweeping changes in the transit program included in this amendment would affect the ability of virtually all the Nation's public transit systems to offer adequate service. The American Public Transit Association [APTA] has surveyed 152 transit systems which carry 75 percent of the Nation's transit riders, as well as 63 transit-related businesses which employ over 40,000 workers, in order to determine the impact of DOT's budget proposal. Their findings directly apply to the amendment before us: APTA found that 30 systems might be forced out of business; 88 percent will have to cut service dramatically; and more than 8 in 10 will be forced to raise fares so high as to discourage ridership. In addition, the budget cuts would wipe out an estimated 203,000 jobs and $8 billion in private business revenues.

I am concerned that this amendment would force transit to bear the brunt of belt-tightening measures in a manner disproportionate to other programs that have either been frozen or increased. The Federal Government has made a tremendous investment in public transit. Without adequate funds, sorely needed maintenance and rehabilitation work will be further deferred and there will be an even more rapid decline in service and safety.

In 1982, passage of the Surface Transportation Assistance Act [STAA] provided a formula for cuts in operating assistance. Transit agreed to "bite the bullet" by agreeing to cuts of 20 percent, 10 percent, and 5 percent. In fiscal year 1984, $875 million was available for operating assistance—an overall cut of 16 percent from the 1982 level. Despite the cooperation of transit in absorbing this cut, attempts were made again last year to slash the program by 38 percent to $545.5 million with a total phaseout by 1989. Congress rejected that proposal and funded the program at $875 million for fiscal year 1985.

APTA's survey reveals that transit fares would have to rise substantially in 82 percent of the transit systems. Nearly one-quarter, mostly small systems, predicted increases of 90 percent or more. Half predicted increases of 50 percent of more. These increases would occur on top of a national average base fare of 60 cents. Although Federal operating assistance comprises a relatively small share of the New York City Metropolitan Transportation Authority's total budget, it is essential to many small transit systems which may be forced to shut down without it.

Capital assistance is so severely limited under this amendment that APTA's survey results indicate that over 70 percent of the Nation's transit systems would be forced to forego the purchase of new buses. This is made even more significant by the fact that over 30 percent of the Nation's bus fleet is past its useful economic life of 12 years. The New York MTA would

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receive a devastating cut of about $285 million in capital assistance, in addition to the loss of $108 million of operating funds. Such a reduction would mean the further deferral of vital repair and rehabilitation work on the 81-year-old system. This work is necessary not only to improve service, but for safety.

I am shocked at the thinking behind this effort which echoes the administration's belief that, "funding of local transportation is not an appropriate role for the Federal Government since benefits accrue locally." Passage of the STAA, with its creation of the mass transit account in the highway trust fund, was a clear reaffirmation of Congress' commitment to a Federal role in the Nation's transit program. Furthermore, there are many federally assisted projects of direct benefit only to one part of the country or to one particular city or area. The cornerstone of our Federal system of government is that we address and promote the varying needs and strengths of the different States for the greater good of the Nation. We must not become insensitive to the needs of sister States because eventually we will harm the Union itself.

Finally, I am concerned that this amendment would not provide any new funds for UMTA's Research, Traning and Human Resources Program. Rather, $24.6 million in unobligated balances from the fiscal year 1984 appropriation would be deferred to fund the program in fiscal year 1986. During fiscal year 1985, $51 million is available for use in this program which includes vital funding for safety grants used to fight transit crime; $15 million was earmarked for transit safety and security in last year's appropriations bill. At last year's UMTA budget hearing, I asked UMTA Administrator Ralph Stanley if he would place a greater emphasis on safety and security and he agreed to do so. How will this be possible without any new funds? During the State of the Union Address, President Reagan said:

> Of all the changes in the past 20 years, none has more threatened our sense of national well-being than the explosion of violent crime. One does not have to have been attacked to be a victim. The woman who must run to her car after shopping at night is a victim. The couple draping their door with locks and chains are victims, as is the tired, decent cleaning woman who can't ride a subway home without being afraid.

It is my belief that the Federal commitment to transit will rise above the policy behind this amendment as well as the DOT budget proposal. A 70-percent reduction in a program that is vital to so many States is not reasonable. The administration has recognized the problem of crime on our subway systems, we must now be responsive to our duty to help preserve the Federal investment made in those systems. In addition, Congress must act to ensure that the other parts of the transit program remain intact. It is by creating safer, more reliable and efficient transit systems that we are able to increase ridership and to provide needed revenues.

The Budget Committee has recently voted to slash mass transit funding by 25 percent. Although this is better than the devastating 70-percent cut envisioned by this amendment and the administration's budget proposal, it is still far too high and will damage the integrity of the program. I have introduced a bill, S. 352, that would permit an additional $900 million to be spent on transit grants over a 3-year period. These funds are now available from revenues accruing from the one penny of gas tax dedicated to mass transit. Public mass transit is not receiving the full benefit of that tax because of artificially low authorization ceilings in the program. Thus, I think it is even unfair to suggest that transit take a 25-percent cut. What really needs to be done to fulfill our promise to transit is to raise the authorization ceiling on the program to match the actual revenues collected. If, in the effort to reduce the deficit, we must control spending on transit, as well as on other domestic programs, then I believe the best approach would be simply to freeze transit funding at current levels.

I urge my colleagues to defeat this amendment.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, my understanding is this amendment is a cut of almost $2 billion a year more than the Dole amendment in all of the mass transit functions.

So if you like the Dole amendment or the President's amendment, you will love this. If you do not, then you probably should be put on notice.

I yield back the remainder of my time.

Mr. SARBANES. Mr. President, will the Senator yield a moment?

Mr. CHILES. I yield.

Mr. SARBANES. I think it should be clear that this amendment would absolutely decimate the mass transit program.

Mr. CHILES. I think it is decimated already. I guess you could say this is a mass decimation.

Mr. SARBANES. This is an annihilation of the mass transit program.

Mr. CHILES. Yes.

I yield back the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

Mr. SYMMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER (Mr. MURKOWSKI). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 25, nays 72, as follows:

[Rollcall Vote No. 65 Leg.]

YEAS—25

Abdnor
Armstrong
Denton
Dole
Domenici
Garn
Goldwater
Gramm
Hatch
Hatfield
Hecht
Helms
Humphrey
Laxalt
Long
McClure
Nickles
Pressler
Proxmire
Roth
Simpson
Stennis
Symms
Thurmond
Wallop

NAYS—72

Andrews
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Dixon
Dodd
Durenberger
Eagleton
Evans
Ford
Glenn
Gore
Gorton
Grassley
Harkin
Hart
Hawkins
Heflin
Heinz
Hollings
Inouye
Johnston
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Mathias
Matsunaga
Mattingly
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Pryor
Quayle
Riegle
Rockefeller
Rudman
Sarbanes
Sasser
Simon
Specter
Stafford
Stevens
Trible
Warner
Weicker
Zorinsky

NOT VOTING—3

East
Exon
Wilson

So the amendment (No. 87) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I understand the next amendment will come from the distinguished Senator from New Jersey, Senator BRADLEY. I wonder if we might agree at this time to reduce the time for rollcalls from 15 minutes to 10 minutes. Mr. President, I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 88

(Purpose: To maintain revenues by preserving the rate of tax currently imposed upon cigarettes, to add additional funds for function 570 (Medical Insurance), and to reduce the deficit)

Mr. BRADLEY. Mr. President, I send an amendment to the desk for myself and Mr. Bingaman, Mr. Rockefeller, and Mr. Bumpers, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Jersey [Mr. Bradley], for himself, Mr. Bingaman, Mr. Rockefeller, and Mr. Bumpers, numbered 88.

In the pending amendment, do the following:

On page 2, increase the amount on line 9 by $1,500,000,000.

On page 2, increase the amount on line 10 by $1,700,000,000.

On page 2, increase the amount on line 11 by $1,700,000,000.

On page 2, increase the amount on line 15 by $1,500,000,000.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, increase the amount on line 16 by $1,700,000,000.

On page 2, increase the amount on line 17 by $1,700,000,000.

On page 3, increase the amount on line 12 by $80,000,000.

On page 3, increase the amount on line 13 by $280,000,000.

On page 3, increase the amount on line 14 by $1,070,000,000.

On page 3, increase the amount on line 18 by $80,000,000.

On page 3, increase the amount on line 19 by $280,000,000.

On page 3, increase the amount on line 20 by $1,070,000,000.

On page 3, decrease the amount on line 25 by $1,420,000,000.

On page 4, decrease the amount on line 1 by $1,420,000,000.

On page 4, decrease the amount on line 2 by $830,000,000.

On page 4, decrease the amount on line 6 by $1,420,000,000.

On page 4, decrease the amount on line 7 by $2,840,000,000.

On page 4, decrease the amount on line 8 by $3,470,000,000.

On page 4, decrease the amount on line 12 by $1,420,000,000.

On page 4, decrease the amount on line 13 by $1,420,000,000.

On page 4, decrease the amount on line 14 by $630,000,000.

On page 22, increase the amount on line 16 by $180,000,000.

On page 22, increase the amount on line 17 by $180,000,000.

On page 22, increase the amount on line 24 by $480,000,000.

On page 22, increase the amount on line 25 by $480,000,000.

On page 23, increase the amount on line 7 by $1,270,000,000.

On page 23, increase the amount on line 8 by $1,270,000,000.

On page 32, decrease the amount on line 17 by $100,000,000.

On page 32, decrease the amount on line 18 by $100,000,000.

On page 33, decrease the amount on line 2 by $200,000,000.

On page 33, decrease the amount on line 3 by $200,000,000.

On page 33, decrease the amount on line 11 by $200,000,000.

On page 33, decrease the amount on line 12 by $200,000,000.

On page 40, decrease the first amount on line 16 by $180,000,000.

On page 40, decrease the amount on line 17 by $480,000,000.

On page 40, decrease the second amount on line 18 by $1,270,000,000.

On page 40, line 19, add the following new sentence: "The Senate Committee on Finance shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $1,500,000,000 in fiscal year 1986; $1,700,000,000 in fiscal year 1987; and $1,700,000,000 in fiscal year 1988.".

On page 46, decrease the amount on line 9 by $180,000,000.

On page 46, decrease the amount on line 10 by $180,000,000.

On page 46, decrease the first amount on line 11 by $480,000,000.

On page 46, decrease the second amount on line 11 by $480,000,000.

On page 46, decrease the amount on line 12 by $1,270,000,000.

On page 46, decrease the amount on line 13 by $1,270,000,000.

On page 51, decrease the first amount on line 7 by $180,000,000.

On page 51, decrease the amount on line 8 by $480,000,000.

On page 51, decrease the second amount on line 9 by $1,270,000,000.

On page 51, line 10, add the following new sentence: "The House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $1,500,000,000 in fiscal year 1986; $1,700,000,000 in fiscal year 1987; and $1,700,000,000 in fiscal year 1988.".

Mr. BRADLEY. Mr. President, there is a serious problem with the first budget resolution. The budget contains two revenue proposals. The first assumes that the cigarette tax will be cut in half next year.

Mr. DOLE. Will the Senator yield?

Mr. BRADLEY. Without losing my right to the floor, yes.

Mr. DOLE. I wonder if I could ask unanimous consent that there be 10 minutes equally divided on this amendment.

Mr. HELMS. I cannot agree with the request at this moment.

Mr. FORD. I would like to have more time.

Mr. DOLE. Twenty minutes equally divided?

Mr. HELMS. Mr. President, I ask for 10 minutes on each side.

Mr. CHILES. Five minutes on this side and ten minutes on that side.

Mr. FORD. I beg to differ with my leader, but this amendment deserves more time.

Mr. DOLE. Why do I not suggest, if satisfactory to Senator Bradley, 15 minutes and 5 minutes, for a total of 20 minutes.

Mr. CHILES. Can we do it for 10 minutes?

Mr. HELMS. Five and 15 would be all right.

Mr. FORD. That is all right.

Mr. DOLE. Twenty minutes divided 5 minutes for the proponents and 15 minutes for the opponents.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, I yield myself 4 minutes.

Mr. President, there is a serious problem with the first budget resolution that I believe must be remedied. The budget contains two major revenue proposals. The first assumes that the Federal cigarette tax will be cut in half next year. The second assumes that the elderly's premiums for Medicare will roughly be doubled. This strikes me as a wrong set of priorities. In an effort to reverse these priorities, I am offering this amendment to strike the increase in the Medicare part B premium and insert in its place a continuation of the current cigarette tax.

Mr. President, the first part of this amendment strikes the Medicare premium increase. The budget assumes that the Medicare premium paid by the elderly will be increased from 25 percent to 30 percent of total program costs. This would double the premium—from the current figure of $15.50 a month to about $30 a month by 1990. And this is on top of the doubling of the premium that has already occurred since 1980.

It must be kept in mind, Mr. President, that the part B premium is only one component of the elderly's health care bill. Health care now takes as much of older Americans' median income as at the inception of the Medicare Program. On average, Medicare beneficiaries pay an estimated $1,500 per year in out-of-pocket medical costs—almost 30 percent of their total health bill. This trend, combined with increasing health costs, is forcing many elderly Americans on fixed incomes to make hard choices between health care and necessities like food and shelter.

Mr. President, the second part of the amendment freezes the tobacco tax at its current level. The Tax Equity and Fiscal Responsibility Act of 1982 increased the exercise tax on cigarettes from 8 cents per pack to 16 cents for the period from January 1, 1983, to September 30, 1985. Next fiscal year, under current law, the tax will fall back to 8 cents per pack.

The cigarette tax has declined significantly in real terms over the decades. The tax stood at 6 cents per pack in 1919 and was raised to 8 cents in 1951. The 16-cent Federal tax currently represents less than 20 percent of the current average market price per pack, significantly less than the 37

percent of the price that the 8-cent tax represented when it was set in 1951. Reducing the tax to 8 cents per pack, as under current law, would mean that the tax would represent less than 10 percent of the cost per pack, nearly a 75-percent reduction compared to the 1951 level.

Virtually all of the scientific evidence indicates that the cost of smoking—in terms of dollars and lives—is large. Smoking deaths exceed 300,000 annually, and smoking contributes to 30 percent of the over 400,000 annual U.S. deaths due to cancer. About $14 billion a year is spent on medical care for smoking related diseases, and over $25 billion a year in lost earnings is attributable to morbidity and premature mortality from smoking related diseases.

Cigarette smoking increases Federal costs as well. One study indicated that about 6 percent of Federal Medicare and Medicaid expenditures go for treating victims of smoking and roughly 12 percent of Social Security Disability Insurance recipients are on the rolls due to smoking related diseases.

Mr. President, it is absurd to reduce taxes on a product that has caused major increases in recent years in health care costs while at the same time significantly increase the premiums paid by the elderly for their health care. I agree that we need to take action to reduce the deficits, but, in this process, we need to get our priorities in order. The budget now before us does not meet my list of priorities.

This amendment, Mr. President, is no budget buster. Holding the cigarette tax at 16 cents per pack will generate about $5 billion in additional revenues over the 1986–88 period. Holding the Medicare premium to 25 percent rather then 30 percent of costs will lose about $2 billion in revenues. Adoption of this amendment will still reduce the deficits more than the budget now before us by roughly $3 billion over the next 3 years.

Two final points, Mr. President.

First, some argue that the amendment continues a tax increase—it does not. It holds the tax at 16 cents, rather than cutting it in half.

Second, others argue that the amendment earmarks the extra revenue to the Medicare trust fund. The amendment does not earmark the revenues to Medicare—it remains silent or this issue.

I urge my colleagues for their support of this amendment.

I reserve the remainder of my time.

I ask unanimous consent that a statement showing organizations supporting this amendment be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

American Heart Association.
American Lung Association.
American Cancer Society.
American Medical Student Association.
Adventist Health Network.
American College of Chest Physicians.
American Public Health Association.
American Association of Dental Schools.
Center for Science in the Public Interest.
American Diabetes Association.
Children's Defense Fund.
Association for Schools of Public Health.
National Tax Equity Association.
American Association of Retired Persons.
American Association of State and Territorial Health Officials.
American Nurses Association.
Association of Junior Leagues.
American Association of Respiratory Therapists.
American Academy of Pediatrics.
American College of Osteopathic Pediatricians.
National Perinatal Association.
American Society of Internal Medicine.
American Council on Science and Health.
National Board, YWCA of the USA.
American College of Cardiology.
American Nephrology Nurses' Association.
National Alliance of Senior Citizens, Inc.
National Council on Smoking and Health.

Mr. KENNEDY. Mr. President, this amendment will maintain part B premium and cigarette taxes at current levels.

This amendment should be acceptable to everyone in this House. This amendment does not increase the deficit. Indeed, it reduces it. But more important, it protects our senior citizens from the most onerous, unfair Medicare proposal in this Republican package.

The part B premium would double by 1990 to over $360 if allowed to rise to 30 percent of program costs as proposed in this package. The premium has already doubled since 1980. If this amendment is enacted, the increase in the part B premium compared to curent law will take a full 40 percent of the average 1990 Social Security COLA and a full 60 percent out of the COLA for the 15 million beneficiaries below the median benefit. The total burden on the elderly as a result of the current proposal would be a whopping $8 billion over the next 5 years.

It is ironic that an administration that refuses to raise taxes on wealthy corporations is eager to raise taxes on 30 million senior citizens and disabled Medicare beneficiaries.

The elderly now pay as large a percent of their income for health care as they did when Medicare first began. Even if no further Medicare benefit cuts, the burden health care costs placed on our elderly will continue to rise.

I urge my colleagues to support our senior citizens and disabled Medicare beneficiaries by adopting this amendment.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, in 1982, Congress enacted the 8-cent per pack increase in cigarette taxes with a sunset date of September 30, 1985.

I remember hearing a lot of radio commercials that year how we were taxing the average American. I remember the distinguished Senator from Ohio, Senator Metzenbaum, briefly mentioned how we raised taxes on cigarettes.

The sunset date was included because we thought the tax increase was necessary, but extraordinary, and recognized that cigarette taxes were a traditional source of revenue for the States. It may be that the additional Federal excise tax on cigarettes will be extended at some point, but my colleagues should be aware of recent developments on the State level.

The point I would make is that a number of States have moved in on the theory that this would be sunset.

Alaska, Iowa, Kansas, Mississippi, and South Dakota have recently passed legislation to increase their cigarette taxes no matter what happens at the Federal level.

Arizona, Maryland, Montana, New Mexico, and Utah have passed additional cigarette taxes contingent on a drop in the Federal tax rate. Mississippi also has a contingent 8-cent-a-pack increase in addition to a noncontingent 7-cent increase.

Massachusetts, New Jersey, Ohio, Pennsylvania, and Texas have pending legislation to increase their cigarette taxes.

In addition, California, Colorado, Florida, Illinois, Minnesota, Missouri, Nebraska, Nevada, New Hampshire, Oklahoma, Oregon, and Rhode Island have legislation pending which would increase their cigarette taxes if the additional 8 cents sunsets at the Federal level.

Vermont has legislation pending which is contingent at the Federal rate in the State senate and not contingent at the State house.

The point of this description is that, in a large number of States, cigarette smokers will find that cigarette taxes will not be reduced, no matter what we do at the Federal level.

If we extend the 8-cents-a-pack tax, we will be raising the price of cigarettes for many individuals because State taxes will also be increased. In other States, extending the Federal tax will deny States revenues that they have planned to receive.

It may be that somewhere down the line the tax will be extended, but I again remind everyone this is a budget resolution so I suggest this is not the appropriate time.

I yield to the distinguished Senator from Oregon, chairman of the Finance Committee, and the remainder of the time to be equally divided between the Senator from Kentucky and the Senator from North Carolina.

Mr. PACKWOOD. Mr. President, I will oppose this amendment without judging what I will do later this year when the issue of the cigarette tax comes before us. Clearly, it will. No doubt, there will be an effort to continue it or to stop it.

My friend from New Jersey says this is not an earmarking of a tax. It is a suggestion of a tax and a suggestion of forgoing of the Medicare revenues that we have just voted to save.

I understand the two are not related. It is just an unusual coincidence that they happen to come together in this same amendment and be suggested at the same time.

So I will simply oppose this at the moment, realizing full well that the merits and the substance of the issue of the cigarette tax will be before this body again long before the cigarette tax expires in October.

Mr. HELMS. Would the Senator from Kentucky like to proceed?

Mr. FORD. Very well.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. I thank my distinguished friend from North Carolina for giving me a minute.

Let me agree with the distinguished Senator from Oregon and the distinguished Senator from Kansas. We have gotten into the overtones of the cigarette tax as a health question. That is not what we have here.

The distinguished Senator from New Jersey is attempting to fix a tax and designate that to a certain area.

We have not done that in the past. We have had a trust fund for highway building. We have had a trust fund for airport development. We have had a lot of things. But we have never designated a tax to a certain program. That will be refuted, but you just have to look at the bill and how the cigarette tax is applied to the Medicare-Medicaid, or whatever, and that the tax then is extended. So you have double problems as they relate to the piece of legislation.

I say, Mr. President, before this is over, I want the Parliamentarian to be in the posture of answering some questions for me as it relates to this legislation. I shall talk with him later on.

One item I would like to bring up is that most of the States are being devastated by this budget. They are looking forward to having additional income from this cigarette tax offset cuts in the budget. It will never go off; the question is whether you want to keep it here at the national level or you want to keep it at the local level or give your States an opportunity to replace it. That merely is a question that my colleagues will have to answer, whether they want a tax, set a precedent to designate a tax for a certain item within the budget. I do not think we want to do that.

Mr. President, we have lost 4 percent of cigarette sales, which cost $1 billion a year. Keep adding the tax on and the Senator at some point wins by eliminating the ability to keep this program. When we lose the program, then they are going to use all the tobacco they want, cigarettes are going to be cheaper, all those things they are fighting about and beating the drum and carrying the flag for here today are going to go down the drain because they try to impose a harsher and harsher tax on this product.

Mr. President, I do not know how much time I have left of the 5 minutes I had. I would like to yield to my colleague, if I may. How much time do I have left?

The PRESIDING OFFICER. The Senator from Kentucky has 3 minutes.

Mr. FORD. I yield to my distinguished colleague 2 minutes and the distinguished Senator from Tennessee [Mr. Gore] 1 minute. Then I would like to make a parliamentary inquiry.

Mr. McCONNELL. Mr. President, I thank my distinguished colleague from Kentucky and I also appreciate the remarks of the chairman of the Finance Committee with regard to the appropriateness of this particular tax at this particular time.

Mr. President, I must oppose this amendment seeking to make permanent the current 16 cents Federal excise tax on each pack of cigarettes. As all of us recall, even those who were not here, it was Senator Helm's amendment to the Tax Equity and Fiscal Responsibility Act of 1982 that calls for the tax to be lowered back to its original 8 cents per pack beginning October 1, 1985.

I am sure the proponents of this legislation have good intentions, but there are three primary reasons why I will be forced to respectfully disagree with them on this amendment.

First, this amendment proposes a tax increase. Although it may be tempting to suggest that the amendment would freeze the existing 16 cents per pack cigarette excise tax, it is critical to remember that one-half of the 16 cents is a temporary surtax enacted in 1982 and scheduled to sunset this year. The Budget Committee, in its effort to maintain existing revenue law, quite properly assumed that the sunset would take place this year as promised by Congress in 1982.

Second, I do not believe this budget resolution is the proper place to make such a change in the Federal cigarette excise tax. This is a matter that falls under the jurisdiction of the Senate Finance Committee, and they should at least be afforded the opportunity to take the spending and reduction targets established by this resolution and do whatever they see fit on the cigarette tax issue. This is my understanding of how the overall budget process is intended to operate.

Third, consumers of tobacco products already bear an inordinate share of taxes imposed by all levels of government. Smokers paid Federal, State, and local governments a record $9.3 billion in tobacco taxes for the year ending June 30, 1984. The amount, levied on 28.5 billion packs, was an increase of $1.5 billion over the previous year and was more than three times the amount received by tobacco farmers for their 1984 crop.

The Federal cigarette excise tax raised $4.7 billion in this 12-month period. The amount was a $1.3 billion increase over the previous year's collections. Tobacco has been taxed by the Federal Government since 1863. The first State cigarette tax was imposed by Iowa in 1921. Over the past 121 years, tobacco taxes have generated more than $164 billion in revenue. I do not know of any other commodity that is as overtaxed as tobacco.

It is also my strong feeling that the regressive nature of cigarette excise taxes causes them to affect most adversely those who can least afford them—the working people of this country. Excessive cigarette taxes are an undue hardship to the 55 million Americans who choose to smoke, as well as the 276,000 family farmers who depend on tobacco for their livelihoods and the 50,000 workers who earn their living in tobacco manufacturing.

In conclusion, this amendment proposes a tax increase. This is an issue that should be decided by the Finance Committee, and tobacco is already overtaxed. I urge my colleagues to oppose this legislation.

Mr. President, I yield to the distinguished chairman of the Agriculture Committee.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I yield 1 minute to the distinguished Senator from Idaho [Mr. Symms].

Mr. SYMMS. I thank the distinguished chairman for yielding.

I might say, Mr. President, that I come from a State where many of the residents in my State do not smoke, but no matter how you look at it, this is a tax increase if this amendment is put into the budget. If we want to have a budget without tax increases, we cannot accept this amendment.

On the other side of the coin, in my view, with the strength we must exercise as Members of the Senate, if we are going to have a budget package that is ever going to achieve fiscal sanity in this country, we have to make some very hard votes and reduce some Federal programs, which we have done here and will do when this budget finally passes. And I hope it does pass.

At that point, in my view, the cigarette tax should be left as a State prerogative and let the States make those decisions. I do not believe it is incumbent upon the U.S. Senate to sit here and decide we are going to tax cigarettes to determine how much people smoke.

I do not happen to be a smoker, but I think it is wrong to impose taxes for that purpose. Also, it would be an excellent place to allow States, local governments, and municipalities to pick up some badly needed revenue if they have to have it for local control; let them decide it and keep us out of it.

Mr. President, I say we should defeat this amendment.

Mr. HELMS. Mr. President, how much time is remaining, please?

The PRESIDING OFFICER. The Senator from North Carolina has 5 minutes remaining.

Mr. HELMS. Mr. President, I yield 2 minutes to the distinguished Senator from South Carolina [Mr. Thurmond].

Mr. THURMOND. Mr. President, I rise in opposition to this amendment. I was under the impression that it was understood that the current cigarette tax would return to 8 cents per pack at the end of this fiscal year, and there would not be any question about it. I am surprised it has been brought up now.

Personally, Mr. President, I do not smoke. I think it is harmful to smoke. On the other hand, however, there are people who are going to smoke, just like there are people who are going to drink.

Given this, why would we want to have tobacco shipped in here from other countries when we can produce it ourselves? If we put this tax on it, we are only going to put thousands of little farmers out of work, and are going to destroy, to a large extent, the benefit we get in the balance of trade that comes from tobacco trade.

Tobacco already is heavily taxed. For the year ending June 30, 1984, $9.3 billion in tobacco taxes were paid on the Federal, State, and local levels. This was an increase of $1.5 billion over the previous year. Of the total of $9.3 billion, $4.7 billion went to the Federal Government.

Many States have already imposed a cigarette tax in anticipation of the Federal excise tax returning to 8 cents per pack on October 1985 pursuant to the Tax Equity and Fiscal Responsibility Act of 1982.

Increasing the cigarette tax will put greater pressure on the manufacturers to import cheap, foreign-produced, subsidized tobacco, which, as I said, will put thousands of little farmers out of business. It hurts American tobacco farmers and worsens the balance of trade.

Mr. President, I hope this amendment will not pass. It is not in the best interest of the economy of this country and it would be a great mistake, I think, to pass this amendment.

Mr. HELMS. Mr. President, I believe the Senator from New Jersey is mixed up. His statement on his amendment does not fit the amendment. He talked about the designation, where the receipts from the tax will be applied. I ask the Chair, inasmuch as the Senator from New Jersey did not provide a copy of the amendment beforehand, does his amendment designate a tax?

The PRESIDING OFFICER. The amendment contains reconciliation instructions both to the Committee on Ways and Means and the Committee on Finance to raise revenue specifically, but it does not and cannot say where.

Mr. HELMS. That is correct, so the statement of the Senator from New Jersey was a non sequitur.

His amendment does not, indeed cannot, designate how revenues will be raised or where the revenue is to be applied.

Furthermore, Mr. President, the majority leader was absolutely correct: The Senate, indeed the Congress, made a good-faith commitment to the States and localities in 1982. It voted to sunset in 1985 the increase in tax voted that year. As a result of that, many States have imposed a cigarette tax contingent upon the good faith of the Congress of the United States. And here comes the Senator from New Jersey saying, "Oh, well, we are going to raise the tax."

That is going to cut the States off from their tax. The problem is that already revenue sharing has been discarded by the Senate in this budget resolution. At least we ought to leave something to the States if we meant what we said in 1982.

In any case, Mr. President, this is not a tax bill, this is a budget resolution. Other Senators have told of the tax consequences, so I shall not deal with that. But I am saying that it is bad precedent—even if the Senator from New Jersey had read the right statement with his amendment—it is bad precedent to start designating where tax revenues will go; particularly in a budget resolution.

Mr. President, how much time remains on both sides?

The PRESIDING OFFICER (Mr. Pressler). The Senator from Kentucky has 1 minute, the Senator from New Jersey has 1 minute, and the Senator from North Carolina has 1 minute.

Mr. HELMS. Mr. President, I reserve the remainder of my time.

Mr. FORD. Mr. President, I yield the remainder of my time to the Senator from Tennessee.

Mr. GORE. Mr. President, I thank my colleague for yielding.

I oppose this amendment for a slightly different reason. I think the Senator from New Jersey has what is basically a good idea. The health consequences of smoking are beyond argument, in my opinion. It is the single largest cause of disease and death in the United States. There is also, however, a severe crisis among tobacco farmers involving a program that does not have any taxpayers' funds in it. There are delicate negotiations underway right now involving the health groups, the tobacco industry, the companies and the growers, and this attacks the 8 cents, which no one really expects to stay down at this level; it will go up eventually. But it is one of the elements in the agreement which eventually will result. This should be done, but it should be done as part of a package later this year that will not only provide revenue for Medicare and health research but will also save the tobacco program.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time? If neither side yields time, it runs equally.

Mr. FORD. Mr. President, the doubling of the cigarette excise tax in 1982 was followed by a drop in cigarette sales.

According to the USDA, since 1983, when the tax was initiated, cigarette output fell 4 percent and has never recovered. For every 1 percent of the market, there are roughly $268 million of retail sales—includes excise tax. Therefore, this 4-percent drop caused a total reduction in sales of over $1 billion annually.

Some would proclaim this drop in cigarette production caused the major cigarette manufacturers to lose money. Nothing could be further from the truth; management of these companies simply began cutting costs to maintain their profit levels.

I bring to your attention this fact because an increase in the cigarette tax will not affect the companies profits because they will again turn to an area whereby they can save the most money * * * they will turn to the small tobacco family farmer for their savings, small tobacco farmers who operate the 101,000 farms in my State alone.

In 1981 and 1982, before the imposition of the excise tax squeezed operating costs of the cigarette manufacturers, the companies used 463 and 444 million pounds of burley respectively, which is grown in my State of Kentucky. By 1983, only 388 million pounds of domestic leaf was being used, almost a 17-percent drop, a direct reduction in the income to my farmers.

However, the wisdom of this congressional body reduced my farmers' income in another manner; we demanded the Tobacco Price Support Program be operated at no cost to the taxpayers. Yet, we provided no flexibility in the operations of the program to account for a sudden drop in use. The provisions of the no-net-cost program, you may remember, was to require farmers to pay into a fund to provide for any potential losses to the government that may occur—the result—farmers are going to pay 30 cents per pound, up from 1 cent per pound in 1982.

The tobacco farmer in Kentucky simply cannot withstand this drastic reduction of income: 72 percent of Kentucky's tobacco farmers depend on tobacco for a least 50 percent of their gross income, while 76 percent of Kentucky's tobacco farmers have annual net farm income of less than $10,000, with 47 percent having total family farm and off-farm income of less than $20,000.

The Kentucky tobacco farmer is strongly attached to farming and is reliant to it as a vocation; 44 percent of all farmers in Kentucky have less than a high school education. Tobacco production in my State of Kentucky was worth over $900 million providing direct and indirect benefits or almost $2.5 billion or 3 percent of the gross State product of Kentucky.

Failing to remove the excise tax will only continue to force the manufacturers to find ways of reducing domestic consumption of tobacco, hence reduce the benefits of tobacco production to the State of Kentucky. Every time we reduce tobacco production 1 percent in my State, 1,183 jobs are lost or about a $24 million decrease in the value of Kentucky's total State product.

Kentucky is the largest producer of burley tobacco and any move to extend the doubling of the excise tax will have a substantial effect on the economy of our State. Over the last 2 years, during the time the cigarette tax has been doubled to 16 cents, there has been a loss of 12,500 jobs.

Continuing the 16-cent tax on cigarettes will significantly impact State and local governments which is recent years have come to increasingly rely on excise taxes for more revenue.

We have reached the point of diminishing returns. As consumer sensitivity to higher prices increases, the revenue potential of more tobacco excise taxes rapidly diminishes. At a time when the States are being squeezed fiscally due to Federal budget cuts, it would be particularly disruptive to further erode this important State revenue base.

Because excise taxes are inherently regressive, the burden of the continued tobacco excise tax falls unevenly. This tax has a much greater impact on low- and middle-income taxpayers, the same taxpayers who are currently funding the Federal deficit. Low- and middle-income taxpayers pay a greater percentage of their total income in excise taxes.

At a time when Congress is looking to simplify the Tax Code and reduce the tax burden on lower and middle income taxpayers, continuing the 16-cent cigarette tax does the exact opposite. If we are serious about providing tax relief to these taxpayers, and if we are sincere in our desire to design a tax system that falls evenly on all, then this amendment is the wrong way to go. Not only does this proposal continue to hit low and middle income taxpayers disproportionately, it does so in the same patchwork way that we have been condemning. Perhaps the best way to address reducing the Federal deficit by taxes is to get on with tax simplification legislation. I am sure we can find a more progressive and fair tax that will produce even greater revenues than the cigarette tax. Rather than taxing the low- and middle-income taxpayer, perhaps we should look to General Dynamics and other corporations to simply pay their fair share of taxes and then there will be no need to continue this regressive tax on those in our society who can least afford it.

The tobacco industry, and those who of their free will have chosen to smoke, bear an unfairly heavy tax burden. The Federal excise tax, in combination with State and local excise and sales taxes on cigarettes, amount to 35 percent of the average national retail price of the product. By comparison, the excise taxes on gasoline averages 25 percent of the retail price.

Mr. President, I urge my colleagues to reject this amendment.

Mr. BRADLEY. Mr. President, how much time remains on the side of the Senator from New Jersey?

The PRESIDING OFFICER. One minute.

Mr. BRADLEY. I yield myself 30 seconds.

Mr. President, this amendment simply increases revenues by $5 billion by assuming that the cigarette tax stays where it is today. It also increases the expenditure level for the budget function that includes Medicare. This restoration in funding eliminates the doubling of the Medicare premium. That, Mr. President, is the tradeoff.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BRADLEY. That is, in summary, what this issue is all about.

Mr. DOLE. Mr. President, does the Senator yield back the remainder of his time?

Mr. BRADLEY. I would say to the majority leader I am prepared to simultaneously yield back the remainder of my time if the distinguished Senator from North Carolina is so prepared.

Mr. DOLE. I do not care. The clock is running.

Mr. HELMS. Mr. President, this Senator assumes he has something in the neighborhood of a minute.

I repeat that this is a matter for the Finance Committee to handle, not a Senator on the floor at 2 minutes past 10 o'clock in the evening.

Senator Packwood has stated it correctly; it is a matter for the Finance Committee to consider after hearings have been held and the equity of the proposition analyzed. But to come in with an amendment that refutes the actions of this Congress in 1982 is not only unfair, it is not consistent with the way the Senate operates.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HELMS. If I have time, I yield it back.

Mr. DOLE. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS (when his name was called). On this vote I have a pair with the distinguished Senator from North Carolina [Mr. East]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 49, nays 47, as follows:

[Rollcall Vote No. 66 Leg.]

YEAS—49

Abdnor
Andrews
Armstrong
Cochran
D'Amato
Danforth
DeConcini
Denton
Dole
Domenici
Durenberger
Evans
Ford
Goldwater
Gore
Gorton
Gramm
Grassley
Hawkins
Hecht
Heflin
Helms
Hollings
Humphrey
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
McConnell
Murkowski
Nunn
Packwood
Pressler
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stennis
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Zorinsky

NAYS—47

Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
Cohen
Cranston
Dixon
Dodd
Eagleton
Garn
Glenn
Harkin
Hart
Hatch
Hatfield
Heinz
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nickles
Pell
Proxmire
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stevens, against.

NOT VOTING—3

East
Exon
Wilson

So the motion to table the amendment (No. 88) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I yield 1 minute to the distinguished majority leader.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, how much time is remaining?

The PRESIDING OFFICER. Thirty-seven minutes.

Mr. DOLE. Mr. President, as far as I can determine on this side, there are no additional miscellaneous amendments, and I will now see if our amendment is drafted.

Are there amendments on the Democratic side?

Mr. CHILES. Yes.

Mr. DeCONCINI. Mr. President I have an amendment.

Mr. CHILES. Can the Senator cut it down to 5 minutes equally divided?

Mr. DeCONCINI. Ten minutes equally divided.

I will take 8 minutes equally divided.

Mr. CHILES. Eight minutes equally divided.

I propound that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 89

(Purpose: To express the sense of the Senate with respect to the apportionment of funds for the WIC program)

Mr. DeCONCINI. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Arizona [Mr. DeConcini], for himself, Mr. Cranston, Mr. Dodd, Mr. Kerry, Mr. Mitchell, Mr. Kennedy, Mr. Biden, and Mr. Chafee, proposes an amendment numbered 89.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the end of the pending amendment, add the following:
>
> Sec. . It is the sense of the Senate that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security (600) for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—
>
> (1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;
>
> (2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;
>
> (3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and
>
> (4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

Mr. DeCONCINI. Mr. President, I offer this amendment on behalf of the Senator from California [Mr. Cranston], the Senator from Connecticut [Mr. Dodd], the Senator from Massachusetts [Mr. Kerry], the Senator from Maine [Mr. Mitchell], the Senator from Massachusetts [Mr. Kennedy], the Senator from Delaware [Mr. Biden], and the Senator from Rhode Island [Mr. Chafee]. This amendment is very straightforward. It states that Congress appropriated $1.5 billion for the Special Supplemental Food Program [WIC] for fiscal year 1985 and expresses the sense of the Senate that the Office of Management and Budget [OMB] should immediately release and apportion to the States the full amount that should have been disbursed based on an annual appropriation level of $1.5 billion.

Mr. President, I know that the distinguished majority leader, Senator Dole, and the distinguished chairman of the Appropriations Subcommittee on Agriculture and Rural Development Senator Cochran, have repeatedly and persistently communicated with the Director of the Office of Management and Budget, David Stockman, to release the full amount of money that Congress intended to be allocated to the WIC Program for fiscal year 1985.

I commend them for their efforts, but Mr. Stockman has let their requests fall on deaf ears.

This amendment is intended to send a clear signal to Mr. Stockman that the Senate is tired of OMB's attempts to circumvent the will of Congress.

Let me briefly explain what has happened with the funding for the WIC Program.

The continuing resolution for fiscal year 1985, Public Law 98-473, which incorporates the funding for the Department of Agriculture appropriated $1.5 billion for the WIC Program.

The $1.5 billion was appropriated in two amounts: $1.254 billion for the period October 1-August 1, 1985, and $246 million for the remainder of the fiscal year, contingent upon the submission of a budget request for this second amount.

However, Congress mandated, in the statute, that the appropriated funds were to be apportioned at the full $1.5 billion annual rate. The conference report (H. Rept. 98-1071) accompanying the fiscal year 1985 Agriculture appropriations bill, which was folded into the continuing resolution, states that it is the conferees' intent that the WIC Program be carried out in such a manner as to fully obligate the $1.5 billion and that any action to allocate these funds inconsistent with a full-year appropriation level of $1.5 billion will be an improper withholding of funds for fiscal year 1985.

While OMB may have a legislative loophole to jump through, the intent of Congress with regard to the WIC Program could not be more clear. But OMB does not appear to have received the message. Let us take a look at how they have apportioned the WIC funds over the first three quarters of the fiscal year.

Instead of apportioning $375 million each quarter, which is one-fourth of the annual $1.5 billion appropriation, the following amounts have been allocated to the States: First quarter, $353,894,250; second quarter, $365,000,000; third quarter, $370,000,000 for a total of $1,088,894,250.

The total for the first three quarters is $1,088,894,250 or $36,105,750 less than the amount that should have been made available to the States for this period as the Senate and the House of Representatives directed in the public law.

As a result of the withholding of the full quarterly apportionments, a disproportionately large amount of the $1.254 10-month appropriation—$163,567,417—is being made available in July. Since the States cannot possibly use all of the July funding in 1 month, there will obviously be a large amount of money to carry over into the August-September period.

As a result, the administration has submitted a budget request for $169,295,000 for the final 2 months of the fiscal year, which is far short of the $246 million Congress intended.

Finally, Mr. President, it must be pointed out that the full amount that OMB is making available for the WIC

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Program in fiscal year 1985 is $1.424 billion or more than $76 million less than Congress appropriated.

Mr. President, because OMB has not made available to the States the full amount of funding Congress appropriated for the WIC Program, it is estimated that more than 230,000 women, infants, and children may not be served by the program.

The WIC Program serves low-income pregnant and nursing women and their children who are nutritionally at risk.

It is one of the most effective programs ever enacted by Congress, and it is cost-effective.

It has a proven track record in decreasing the long-term social, health, and economic costs associated with inadequate prenatal and infant nutrition.

This Senator finds it unconscionable that OMB would deliberately attempt to circumvent the will of Congress with regard to funding for this program and deprive thousands of low-income women and children of basic nutritional needs.

Mr. President, I urge all of my colleagues to support this amendment to underscore their commitment to the WIC Program.

Mr. CHAFEE. Mr. President, I rise today in support of the amendment offered by the Senator from Arizona [Mr. DeConcini]. The WIC Program has proven enormously effective in battling malnutrition among women, infants, and children, and it is important that Congress assure full funding for this program, at the $1.5 billion level already appropriated for the current fiscal year.

Congress was clear in its intent that the WIC Program be funded at $1.5 billion in fiscal year 1985. Now we must act to urge that these funds be made available, or face the consequences of malnutrition in expectant mothers, newborns, and children under the age of 5—consequences that last a lifetime.

If no action is taken, the WIC Program will face a shortfall of approximately $70 million, with the result that 250,000 nutritionally at-risk women and children will be removed from the rolls.

For some WIC recipients, it is already too late. At least eight States have already begun to remove mothers and their children from the rolls; three more have started cutting back on the amount of food they provide. Nearly all States are drawing up plans right now to take people off the program. The medical problems associated with malnutrition are already in the making, and are irreversible. We can act now, or pay a very high price later.

I urge my colleagues to join me in supporting this resolution.

Mr. HOLLINGS. Mr. President, I am pleased to join as a cosponsor of the amendment offered by the distinguished Senator from Arizona. As one who worked to create the Woman, Infants, and Children Special Feeding Program, and who has consistently supported the fine work this outstanding program does, I commend my colleague for bringing this amendment to the Senate's attention. What the administration has done in operating this program should not be tolerated. Moneys that Congress has appropriated for the operation of the program have been withheld and over 200,000 eligible recipients under the program have been denied its important benefits. Every study I've ever seen indicates that we save $3 or more in reduced care costs for every $1 we spend on this program. It's a winner and one this body should readily endorse. I urge my colleagues to join with me in passing this amendment.

Time being short, I will not have the opportunity to make a long statement detailing the value of the program. Let me concur with the remarks of my colleague from Arizona. And, Mr. President, I ask that a editorial appearing in the New York Times on Saturday, May 4 be inserted in the Record.

The article follows:

Women, Children and Cruel Thrift

In 1972 Congress created a food program called WIC, for Women/Infants/Children, to improve the diet of poor pregnant and nursing women and young children certified by physicians to be at nutritional risk. The worst thing that's ever been said about WIC is that it is unable to include all those who need its help. If the Administration is sincere about maintaining a social safety net, then it would have to include poor, malnourished mothers and babies.

Why then is the Administration so consistently hostile to WIC? There's little room here to find much of that oft-touted trio—waste, fraud and abuse. Eight of every ten WIC dollars go for prescription foods like infant formula and fortified cereals. Most of the rest goes for screening, blood tests and nutrition counseling. Nonetheless, the Administration has remained at continual loggerheads with Congress over paying for the program, and even now refuses to release part of the money already appropriated for this year.

The Administration is stretching 10 months' funding to cover 12 months, cutting WIC short by about $70 million. That doesn't sound like much, until one recognizes that the entire cut is concentrated into a few weeks at the end of the fiscal year. The fruit of such thrift is already clear. WIC is supposed to include children under age 5. In New Mexico, it is no longer possible to cover children over 18 months. Local agencies in Maine, after having dropped 300 people from the program in March, were told to cut 1,000 more. Arkansas says it will have to cut 3,600. In March, there were 18,300 New Yorkers on waiting lists. In coming weeks, thousands now enrolled in the program will have to be dropped. All told, as many as 250,000 of WIC's 3.1 million recipients could be affected.

It's starting to sound like the Nixon Administration's notorious efforts to impound money that Congress ordered spent for social programs. In this case a House subcommittee has already called for the missing money, in the big supplemental appropriations bill. But that will take weeks to work its way through Congress.

Can't this wait a few weeks? The answer is another question: Can't the unborn children of malnourished pregnant women wait a few weeks? For some WIC participants, it is already too late. The medical problems attendant on poor nutrition are now in the making. The Administration, so eager to celebrate the "Right to Life," has the power and the duty to release all the WIC funds immediately. If not, the House and Senate appropriations committees, will have to order it to do its duty, to Congress and to conscience.

The PRESIDING OFFICER. The Senator's 8 minutes have expired.

Mr. DeCONCINI. Mr. President, I yield back the remainder of my time.

Mr. President, I ask unanimous consent that the Senator from South Carolina [Mr. Hollings], the Senator from Texas [Mr. Bentsen], and the Senator from Oklahoma [Mr. Boren] be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, I wonder, if the Senator from New Mexico on this side would agree to accepting the amendment, whether or not the Senator from Arizona would be agreeable to vitiating the yeas and nays.

Mr. DeCONCINI. Mr. President, the Senator from Arizona would be more than happy to have a 10-minute rollcall vote, if that would be the wish of the leadership.

Mr. BOSCHWITZ. Mr. President, I believe all the rollcalls are now 10 minutes.

Mr. DeCONCINI. I did not know that. I apologize.

Mr. BOSCHWITZ. This side is willing to accept the Senator's amendment, in the interest of time, at 10:30 at night, if the Senator would be willing to vitiate the yeas and nays.

Mr. DeCONCINI. No, I am not.

Mr. BOSCHWITZ. We yield back the remainder of our time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Arizona [Mr. DeConcini]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 67 Leg.]

YEAS—97

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Evans
Ford
Garn
Glenn
Goldwater
Gore
Gorton
Gramm
Grassley
Harkin
Hart
Hatch
Hatfield
Hawkins
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
McClure
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Riegle
Rockefeller
Roth
Rudman
Sarbanes
Sasser
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Zorinsky

NAYS—0

NOT VOTING—3

East
Exon
Wilson

So the amendment (No. 89) was agreed to.

Mr. DeCONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 90

(Purpose: To restore funding for Amtrak, urban mass transit programs, and Urban Development Action Grants (UDACs) for each of the fiscal years 1986, 1987, and 1988 to the levels of funding provided for such programs in fiscal year 1985)

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. DOMENICI. Mr. President, I ask unanimous consent that on this amendment the time be held to 5 minutes, and equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, I thank the floor manager.

Mr. President, I send an amendment to the desk on behalf of myself and Senators Dodd, Moynihan, Weicker, Kennedy, Baucus, Riegle, Levin, Kerry, Sarbanes, Bradley, and Rockefeller, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. Lautenberg], for himself, Mr. Dodd, Mr. Moynihan, Mr. Weicker, Mr. Kennedy, Mr. Baucus, Mr. Riegle, Mr. Levin, Mr. Kerry, Mr. Sarbanes, Mr. Bradley, and Mr. Rockefeller, proposes an amendment numbered 90.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $2,000,000,000.

On page 3, increase the amount on line 13 by $2,500,000,000.

On page 3, increase the amount on line 14 by $2,900,000,000.

On page 3, increase the amount on line 18 by $800,000,000.

On page 3, increase the amount on line 19 by $1,400,000,000.

On page 3, increase the amount on line 20 by $2,100,000,000.

On page 3, increase the amount on line 25 by $800,000,000.

On page 4, increase the amount on line 1 by $1,400,000,000.

On page 4, increase the amount on line 2 by $2,100,000,000.

On page 4, increase the amount on line 6 by $800,000,000.

On page 4, increase the amount on line 7 by $2,200,000,000.

On page 4, increase the amount on line 8 by $4,300,000,000.

On page 4, increase the amount on line 12 by $800,000,000.

On page 4, increase the amount on line 13 by $1,400,000,000.

On page 4, increase the amount on line 14 by $2,100,000,000.

On page 16, increase the amount on line 20 by $1,600,000,000.

On page 16, increase the amount on line 21 by $800,000,000.

On page 17, increase the amount on line 4 by $2,100,000,000.

On page 17, increase the amount on line 5 by $1,200,000,000.

On page 17, increase the amount on line 13 by $2,500,000,000.

On page 17, increase the amount on line 14 by $1,600,000,000.

On page 18, increase the amount on line 8 by $400,000,000.

On page 18, increase the amount on line 17 by $400,000,000.

On page 18, increase the amount on line 18 by $100,000,000.

On page 19, increase the amount on line 1 by $400,000,000.

On page 19, increase the amount on line 2 by $200,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amounts on line 11 and line 12 by $300,000,000.

On page 38, decrease the first amount on line 10 by $1,315,000,000.

On page 38, decrease the second amount on line 10 by $201,000,000.

On page 38, decrease the amount on line 11 by $1,839,000,000.

On page 38, decrease the amount on line 12 by $622,000,000.

On page 38, decrease the amount on line 13 by $2,212,000,000.

On page 38, decrease the amount on line 14 by $1,147,000,000.

On page 38, decrease the first amount on line 24 by $684,000,000.

On page 38, decrease the second amount on line 24 by $596,000,000.

On page 38, decrease the amount on line 25 by $684,000,000.

On page 39, decrease the amount on line 1 by $641,000,000.

On page 39, decrease the first amount on line 2 by $684,000,000.

On page 39, decrease the second amount on line 2 by $684,000,000.

On page 41, decrease the amount on line 17 by $4,000,000.

On page 41, decrease the amount on line 19 by $16,000,000.

On page 41, decrease the amount on line 21 by $28,000,000.

On page 45, decrease the first amount on line 8 by $440,000,000.

On page 45, decrease the second amount on line 8 by $22,000,000.

On page 45, decrease the amount on line 9 by $440,000,000.

On page 45, decrease the amount on line 10 by $111,000,000.

On page 45, decrease the first amount on line 11 by $440,000,000.

On page 45, decrease the second amount on line 11 by $221,000,000.

On page 46, decrease the amount on line 9 by $684,000,000.

On page 46, decrease the amount on line 10 by $596,000,000.

On page 46, decrease the first amount on line 11 by $684,000,000.

On page 46, decrease the second amount on line 11 by $641,000,000.

On page 46, decrease the amount on line 12 by $684,000,000.

On page 46, decrease the amount on line 13 by $684,000,000.

On page 49, decrease the first amount on line 17 by $875,000,000.

On page 49, decrease the second amount on line 17 by $179,000,000.

On page 49, decrease the amount on line 18 by $1,399,000,000.

On page 49, decrease the amount on line 19 by $511,000,000.

On page 49, decrease the first amount on line 20 by $1,772,000,000.

On page 49, decrease the second amount on line 20 by $926,000,000.

On page 52, increase the amount on line 1 by $2,000,000,000.

On page 52, increase the amount on line 3 by $2,500,000,000.

On page 52, increase the amount on line 4 by $2,900,000,000.

Mr. LAUTENBERG. Mr. President, I yield myself 2 minutes out of the 2½ minutes allowed to me.

Mr. President, my amendment provides for a freeze at fiscal year 1985 levels of Amtrak, mass transit, and urban development action grants for fiscal years 1986, 1987, and 1988.

Mr. President, over the next 3 years, these programs would account for one-half of 1 percent of Federal spending—outlays—but under the so-called compromise budget they would bear three times their share in deficit reduction.

Mr. President, the Urban Development Action Grant Program has made the difference between urban decay and urban revival by making it possible for development that can swing a city around. By leveraging private investment with public money, the

UDAG program has spurred over 2,400 developments in close to 1,100 cities involving $26 billion in private investment. And that private investment yields $990 million a year in tax revenues and reduced transfer payments.

It is a proper role for the Government to continue the development of the urban economy throughout the country.

Our towns and cities need mass transit, as much as the rural housing and water resources and hydroelectricity that are integral to the economies and welfare of other regions of the country. Mass transit assistance is critical to move people to and from work in the densely populated cities, counties, and States of our Nation. Without mass transit aid, other transportation arteries clog, and the economic heart of the areas dependent on these mass transit services will falter.

Mr. President, that is why we need these programs funded at the freeze level for the current year. In fact, what it amounts to is a reduction, a reduction for inflation.

This body has already voted to restore 90-percent funding for Amtrak resulting in a 10-percent cut from Amtrak's current budget, which, in fact, is more like a 14-percent to 15-percent cut because of inflation. This is on top of the 26-percent cut that Amtrak has already experienced since 1981.

Mr. President, the president of Amtrak, Graham Claytor, testified before the Senate Transportation Appropriations Subcommittee this year that Amtrak is moving as fast as it can to increase its revenue-to-cost ratio. In 1978 Amtrak's revenue-to-cost ratio was 46 percent. In 1985 it increased to 58 percent. In the fiscal year 1986 budget Amtrak submitted to Congress, the ratio assumed is 60 percent. Mr. Claytor testified that he was attempting to move toward covering two-thirds of Amtrak's costs within the next 5 years.

To my colleagues I would say: do not force further cuts on Amtrak now, when it is moving in an orderly fashion, toward more self sufficiency by increasing its ridership and instituting efficiencies. Let us take Amtrak at its word and freeze this year—in a real cut of 5 percent or so—and reexamine this issue next year.

In sum, Mr. President, the amendment we offer would do three things:

It would save Amtrak.

It would save mass transit assistance.

And it would save UDAG.

I urge my colleagues to support the restoration of these important investments in our economy. I urge adoption of the amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Senator from West Virginia, Mr. BYRD, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I yield myself 30 seconds.

Earlier today we debated the question of Amtrak. Forty-one Senators voted against the Specter amendment. The issue before the Senate now is whether Amtrak is such a first priority in this country that it should play absolutely no role in reducing the size of the deficit. My answer to that question—and I trust the Senate's answer—is no.

The PRESIDING OFFICER. who yields time?

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. If neither side yields time——

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that Senator ROCKEFELLER be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Will the Senator yield?

Mr. LAUTENBERG. I yield.

Mr. RIEGLE. Mr. President, I rise in support of the amendment offered by my colleague Mr. LAUTENBERG, to include the Urban Development Action Grant [UDAG] Program in the first concurrent budget resolution.

The UDAG Program has proven that the Federal and local governments can act in cooperation with the private sector to strengthen the economies of our Nation's most distressed cities.

UDAG is clearly a program that is working extremely well. It helps locate new industry in areas where there is the greatest need. It creates jobs. It makes fuller use of the Nation's enormous investment in existing roads, water and sewer systems and other infrastructure.

Since it was enacted, UDAG has demonstrated solid results. Over 2,400 UDAG projects are projected to create or maintain 484,000 permanent new jobs; 55 percent of those jobs are slated for low- and moderate-income persons.

UDAG has stimulated almost $7 in private investment for every Federal dollar. That's a total of $21 billion private investment dollars that UDAG has generated in just a few years. That's a real success story in private sector-government cooperation.

Mr. President, some Senators have expressed concern that the UDAG project selection system, which HUD adopted just over a year ago, puts a number of communities at a disadvantage in the competition for funding. I believe we have found a way to solve that problem in a way that will reinforce broad support for the UDAG Program across the country.

The problem was created at the end of 1983 when HUD implemented a new project selection system because demand for UDAG began greatly to exceed the funds available. As a result, eligible cities that have relatively low measures of distress came to feel that they are unable to get a grant no matter how strong a project they submit.

I understand that concern. I am sympathetic to it. And a number of Senators went to work with me over the last 9 months to come up with an effective and fair solution. That effort has involved Senators from both parties, from all regions of the country, and who represent cities on both sides of this issue.

Mr. President, we have recently completed work that should finally put this controversy to rest.

We have a way to significantly strengthen the UDAG Program. We have a way to improve local negotiations and to give all eligible cities a fair chance to have outstanding projects approved.

The bill would retain important aspects of the UDAG Program that have made it so successful, such as the national competition and targetting on the most distressed cities. It would not change the type of projects that a city may submit for the competition.

I am confident that we can enact this major reform soon and remove any question the UDAG funding should continue at the level provided in this amendment.

This amendment is vitally important to the Nation's cities.

UDAG projects are expected to contribute $491 million in annual tax revenues to hard-pressed local governments. At the end of 1983, local governments were already receiving $63 million annually in additional revenues as a result of UDAG projects. Repayments of loans made with UDAG funds have provided an additional $45 million.

At the end of last year, UDAG projects would produce almost 93,000 housing units, approximately one-third of which are for low and moderate income persons.

The UDAG Program generates more fiscal benefits in the form of increased revenues and reduced transfer payments than it costs. Conservative estimates place the increased Federal, State, and local revenues and cost savings at $991 million per year, compared to an annual appropriation of $440 million. Clearly UDAG has helped to build a solid new economic foundation in a number of hard-

pressed cities across the Nation. And it has done so while maximizing the return on scarce Federal dollars. Such a successful Federal program should not be eliminated.

In my own State of Michigan, the UDAG Program has allowed communities to help themselves in partnership with the private sector and with a minimum of Federal direction, redtape, and bureaucracy. Since 1978, nearly 50 Michigan communities have received over $314 million from the Federal Government and over $2.5 billion from private investors for UDAG projects. Over 63,000 Michigan jobs have been created or saved.

I strongly support UDAG as an important and proven tool that enables private investors and local governments to carry out projects that help develop the economies of the Nation's most distressed cities. I urge my colleagues in the Senate to support the amendment.

Mr. BYRD. Mr. President, I support funding for mass transit. This program is extremely important to small, rural States, and it has become even more important since bus deregulation. With bus deregulation, bus lines such as Trailways and Greyhound have been terminating service in States such as West Virginia. Communities, with the assistance of mass transit funding, have been able to establish transit services.

As a matter of fact, the Interstate Commerce Commission, recognizing that the private sector is not coming forward to fill the gap, is advising local communities to avail themselves of the funding available from the Urban Mass Transit Administration.

In my State of West Virginia, there are 12 transit companies; of those 12, 5 communities—Charleston, Clarksburg, Huntington, Parkersburg, and Wheeling—have enacted excess property tax levies to support their transit companies.

Should operating assistance be eliminated, I am advised that many of these companies will have to close down.

I have heard from many West Virginians who use the bus to get to work, to the doctor, to the grocery store—many of the riders are poor and many are elderly.

I support this amendment and would hope that my colleagues would also.

Mr. KASTEN. Mr. President, I rise to voice my support for the Lautenberg amendment, particularly the portion dealing with the Department of Housing and Urban Development's Urban Development Action Grant Program.

Since the program's inception in 1978, Wisconsin has benefited greatly from the UDAG Program. Fifty-two projects totaling seventy-five million dollars have been approved, 8,600 new jobs have been created, and a tremendous amount of spinoff projects have resulted. In my opinion, no Federal grant program has contributed more in stimulating economic growth in Wisconsin than the UDAG Program.

UDAG's have also been successful in forging a partnership between private and the public sector. In fact, the private sector has invested nearly a half a billion dollars in Wisconsin communities. Hand in hand these two sectors of our society have been successful in redeveloping and revitalizing Wisconsin.

Mr. President, as we all know, Wisconsin is the 16th largest State and has ranked near the bottom in the receipt of Federal funds. The UDAG Program is different. Wisconsin has received its fair share. This is a result of a strong desire by Wisconsin communities to enhance their economic stability.

Mr. President, I am very much aware of the criticism that has been leveled against the Urban Development Action Grant Program. Some of it is well founded; some of it is misleading. In Wisconsin we are proud of the fact that UDAG funds are being used as the program was intended. I would like to brag a little bit about Wisconsin's success in this area. In 1979, the city of Milwaukee received a $12.5 million UDAG for the development of a mall in downtown Milwaukee, 800 new jobs were created, several spinoff projects have resulted, but more importantly downtown Milwaukee is alive and kicking and is a viable place to do business once again. The same story can be told in Wausau and in Stevens Point. Mall projects in these two cities have turned dilapidated areas into financial goldmines. The Wausau project has exceeded all financial expectations and the same is expected in Stevens Point. Office buildings in Milwaukee and La Crosse have brought new industry into these cities and created new employment opportunities. These are just a few of the success stories in Wisconsin. UDAG works, and it should be continued.

Elimination of the UDAG Program will not only have a profound affect on Wisconsin but the entire country. Let's review the facts. Since 1978, 2,434 projects have been approved, 1,070 cities have benefited, $3.7 billion obligated, $21.1 billion invested by the private sector in our communities, and 483,780 new jobs created, not to mention the hundreds of thousands of jobs retained and construction jobs added. These figures are impressive. How can we afford to eliminate a Federal program which has done so much for this country in revitalizing our communities and creating needed jobs?

I am confident that without the UDAG Program, many future development projects will no longer be feasible and our urban communities will see a decline in economic growth. I challenge my colleagues to carefully review the impact UDAG has had on their States and I believe they will come to the same conclusion that I have.

Mr. President, I am opposed to eliminate this program. I believe it has been too valuable to this country and should be continued. Economic growth is the backbone of our society. Without the UDAG Program many of our communities will lack the sufficient resources to encourage revitalization in our cities.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, we did debate Amtrak earlier today. Senator SPECTER offered an amendment which was adopted. The effect of the Specter amendment was to cut Amtrak by 10 percent a year over the next 3 years.

I think the arguments were pretty well made earlier today about the significance of Amtrak. Amtrak is not in the central part of our transportation system. It carries one-quarter of 1 percent of the intercity transportation. Even in the Northeast corridor, people arriving in Manhattan every day, one-quarter of 1 percent of them are transported by Amtrak.

As I said earlier, I think the issue before us now is whether or not we are willing to make even a 10-percent cut, but whether Amtrak is so precious to us, such a high priority, that it will not play any part whatever in the reduction of this deficit.

The business of passing a budget resolution is the business of setting priorities. I think that is the issue before us now. It is the relative priorities of either reducing the deficit or keeping this very nice accessory of the past, which is Amtrak.

I would urge the Senate to defeat the amendment of the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, these programs play a vital role in the development of economic opportunity in our cities, and in the maintenance of an efficient and effective transportation network. They should be preserved.

The PRESIDING OFFICER. The time of the Senator has expired.

The majority leader.

Mr. DOLE. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 57, nays 40, as follows:

[Rollcall vote No. 68 Leg.]

YEAS—57

Abdnor
Armstrong
Bentsen
Bingaman
Boren
Boschwitz
Bumpers
Chafee
Chiles
Cochran
Cohen
Danforth
Denton
Dole
Domenici
Durenberger
Evans
Garn
Glenn
Goldwater
Gore
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins
Hecht
Helms
Humphrey
Kassebaum
Laxalt
Long
Lugar
Mattingly
McClure
McConnell
Mitchell
Murkowski
Nickles
Nunn
Packwood
Pressler
Proxmire
Pryor
Quayle
Roth
Rudman
Sasser
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner

NAYS—40

Andrews
Baucus
Biden
Bradley
Burdick
Byrd
Cranston
D'Amato
DeConcini
Dixon
Dodd
Eagleton
Ford
Harkin
Hart
Heflin
Heinz
Hollings
Inouye
Johnston
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Mathias
Matsunaga
Melcher
Metzenbaum
Moynihan
Pell
Riegle
Rockefeller
Sarbanes
Simon
Specter
Stennis
Weicker
Zorinsky

NOT VOTING—3

East
Exon
Wilson

So the motion to lay on the table amendment No. 90 was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 73

(Purpose: To add funds for the Summer Youth Employment Program, part B of Title II of the Job Training Partnership Act)

Mr. CHILES. Mr. President, I yield to the Senator from Illinois, but I ask unanimous consent that the time on the amendment of the Senator from Illinois on summer jobs be 4 minutes equally divided.

Mr. DOMENICI. Four minutes equally divided. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, I have amendment 73 at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Illinois [Mr. Dixon] proposes an amendment numbered 73.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, increase the amount on line 12 by $160,000,000.

On page 3, increase the amount on line 13 by $160,000,000.

On page 3, decrease the amount on line 14 by $160,000,000.

On page 3, increase the amount on line 19 by $144,000,000.

On page 3, increase the amount on line 20 by $160,000,000.

On page 4, increase the amount on line 1 by $144,000,000.

On page 4, increase the amount on line 2 by $160,000,000.

On page 4, increase the amount on line 7 by $144,000,000.

On page 4, increase the amount on line 8 by $304,000,000.

On page 4, increase the amount on line 13 by $144,000,000.

On page 4, increase the amount on line 14 by $160,000,000.

On page 4, increase the amount on line 14 by $160,000,000.

On page 19, increase the amount on line 21 by $160,000,000.

On page 20, increase the amount on line 6 by $160,000,000.

On page 20, increase the amount on line 7 by $144,000,000.

On page 20, increase the amount on line 15 by $160,000,000.

On page 20, increase the amount on line 16 by $160,000,000.

On page 42, increase the amount on line 6 by $160,000,000.

On page 42, increase the amount on line 7 by $160,000,000.

On page 42, increase the amount on line 8 by $144,000,000.

On page 42, decrease the first amount on line 9 by $160,000,000.

On page 42, decrease the second amount on line 9 by $160,000,000.

On page 45, decrease the amount on line 21 by $160,000,000.

On page 45, decrease the first amount on line 23 by $160,000,000.

On page 45, decrease the second amount on line 23 by $144,000,000.

On page 45, decrease the amount on line 24 by $160,000,000.

On page 45, decrease the amount on line 25 by $160,000,000.

On page 52, decrease the amount on line 1 by $160,000,000.

On page 52, decrease the amount on line 3 by $160,000,000.

On page 52, decrease the amount on line 4 by $160,000,000.

Mr. DIXON. Mr. President, this amendment restores the fiscal year 1985 level of funding for the Summer Youth Employment Program.

The budget authority for title II B of the Job Training Partnership Act in the budget resolution we are addressing is at its lowest level in many years. This program has been funded at the $825 million level since fiscal year 1984, and should be continued at that level.

Last year, my colleagues may recall, major cities in this country would have experienced deep cuts in the program, due to a number of factors. I sponsored an amendment to add $100 million to the program, bringing funding to $825 million in order to partially restore the cuts which would have taken place last summer. That amendment was adopted by unanimous consent and accepted by the House of Representatives. Although the funds were not received by some cities when their programs began, funds were utilized, and there is no justification to cut the program so severely.

Mr. President, we are not requesting an increase, either real or inflation adjusted, for this program. We are requesting a freeze at the 1984 level. The program has provided critically needed funds to young people who need these jobs.

Unemployment among our young people continues to be a major problem across this land. Unemployment has not decreased by 19 percent. Why then should funding for this program be reduced by that amount?

Just as the major cities of this country were cut drastically last summer, such a situation will exist with a $160 million cut in funds for the summer of 1987, which is when the fiscal year 1988 funds will be used. The intention of the Congress has been to fund this program at a consistent level for the past two summers. It just does not make sense to impose a cut of such magnitude for two summers from now.

If it eventually is the decision of this body to level fund this program in the summer of 1987, there would be no budget authority to do so. In fact, there would not even be enough budget authority to fund the program at the preamendment level from last year, which was $725 million. The budget assumption at this point is $665 million.

The city of Chicago has utilized this program in exactly the way that was intended. The mayor's office of employment and training has collaborated with the Carson, Pirie, Scott organization, which is a major department store in Chicago, as well as many other private companies. Their participation is encouraging because it will provide a needed link with the private sector in creating jobs for young people.

This is a very important step in the development of the Summer Youth Employment Program, and one which should not be taken lightly. Private sector initiatives were the goal of the Job Training Partnership Act, and this is a wonderful example of the successful attainment of that goal.

The Congress has upheld the level of funding for this program as recently as April 24, when the President's rescission of the additional $100 million which was appropriated last year was not sustained.

The Department of Labor has reported that last summer's funds were not spent completely. There are very good reasons for that. First, it is good management to carry over 10 percent of the funds for the following year. This program is forward funded, but often the money is not distributed until June, and there are a great many things to be done in preparation for the summer program. Jobs don't just happen, and young people need to submit applications. Those preparations take staff and the funds are used for that purpose.

Last year's supplemental funds of $100 million were not received by the various localities until the summer program had already begun. My amendment first passed the Senate by unanimous consent on April 5, 1984. It was part of a bill which contained funds to assist the Contras in Nicaragua, and the House and Senate and White House were at odds for several months. The President finally signed the bill containing the funds on July 2, 1984—well into the summer. Over a month of the summer had passed before the funds were available.

At least 86 percent of the funds were spent, and an additional 10 percent were carried over for this year, leaving about 4 percent unexpended, due to the late start up. That isn't a bad record, given the circumstances.

The Appropriations Committees of both Houses agreed that we shouldn't have that kind of delay again this year, and included the additional funds. Without the amendment we seek today, there would not be adequate budget authority to provide this effective and proven level of funding.

This amendment has the enthusiastic support of a number of diverse groups—the National League of Cities, the U.S. Conference of Mayors, the City of Chicago, 70001, the National Alliance of Business, the AFL-CIO and the National Youth Employment Coalition.

The concerns of many interested organizations and individuals center on two factors: First, these young people need these jobs, in many instances to help support their families or pay for their schooling; second, the peacefulness of a community can be easily disrupted by a combination of factors including lots of young people with time on their hands, who also suffer feelings of despair because they have no money and little hope of finding work. This program has kept these kids off the streets and out of trouble. A 19-percent cut will mean that fewer people can be served, and more will be idle. This is a small price to pay to provide a start for needy young people. The alternative, in terms of lack of job experience for these teenagers, is a situation which could well impair their ability to find work as adults.

This program is important, not only for the future summers for which we are now planning, but for the future lives of kids who need a chance. They have faith in this system of government, and if we turn our backs on them now, it will have an effect on their future confidence in all of us.

Mr. President, last year, with the $100 million cut, it would have cut summer employment in Chicago 47 percent, in Birmingham 32 percent, in San Francisco 37 percent, in Indianapolis 39 percent, in Baltimore 32 percent, in Grand Rapids, MI, 41 percent, in Minneapolis 38 percent, in St. Louis 37 percent, in Newark, NJ, 59 percent, in Cleveland 42 percent, in Pittsburgh 45 percent, and in Dallas 40 percent, but this year it will be worse.

In the summertime, when the weather is hot, these kids will be on the streets without jobs. This is an amendment that will be remembered in every major city in America by every kid who needs a job. I earnestly solicit the support of the membership for a modest amount of money, $160 million, to keep kids working and out of mischief in the summertime in all of the major cities of America.

Mr. KENNEDY. Mr. President, I support this amendment. Unemployment among our Nation's young people continues to be a serious problem. Youth unemployment is more than twice the national unemployment rate and minority teens fare much worse in the job market.

Even more alarming are the numbers of these young people who've completely given up looking for work. While one in two white teenagers has a job, only one in three Hispanic youth and just one in five black youngsters are employed.

The administration's answer to this national disgrace is to cut back or eliminate programs that are working and replace them with a program that won't.

Lowering the minimum wage for all teenagers in the summer is unlikely to create any new jobs for the hundreds of thousands of youngsters without work.

Summer Jobs is exactly the kind of program we ought to be supporting. It benefits disadvantaged youngsters living in inner cities by giving them the choice to work when school is out.

Without the chance to participate in the Summer Jobs Program, these youngsters would have virtually no chance for employment. The jobs just aren't there. And lowering the minimum wage won't change that.

I think we should be strengthening and improving this program, not cutting back. We should require these youngsters to participate in education during the summer months so they don't lost the skills they've gained during the school year, and fall further and further behind when they return to classes in September. And I will be introducing legislation to make this a requirement.

I want to commend my colleague from Illinois for his leadership on this issue and I urge my colleagues to vote for the Dixon amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, I am ready to yield back the remaining part of the time on this side of the aisle.

The PRESIDING OFFICER. Does the Senator from Illinois yield back his time?

Mr. DIXON. Mr. President, I yield back my time.

Mr. HATFIELD. Mr. President, parliamentary inquiry. Has all time been yielded back?

The PRESIDING OFFICER. All time has been yielded back.

Mr. HATFIELD. What is the question before the body?

The PRESIDING OFFICER. The amendment of the Senator from Illinois.

Mr. HATFIELD. Mr. President, I move to table the amendment of the Senator from Illinois and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Illinois.

The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 62, nays 35, as follows:

[Rollcall Vote No. 69 Leg.]

YEAS—62

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Boren
Boschwitz
Byrd
Chafee
Chiles
Cochran
Danforth
DeConcini
Denton
Dole
Domenici
Durenberger
Evans
Garn
Glenn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins
Hecht
Heflin
Helms
Humphrey
Kassebaum
Kasten
Laxalt
Leahy
Long
Lugar
Mathias
Mattingly
McClure
McConnell
Mitchell
Murkowski
Nickles
Packwood
Pressler
Proxmire
Quayle
Rockefeller
Roth
Rudman
Simpson
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Zorinsky

NAYS—35

Biden
Bingaman
Bradley
Bumpers
Burdick
Cohen
Cranston
D'Amato
Dixon
Dodd
Eagleton
Ford
Gore
Harkin
Hart
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Levin
Matsunaga
Melcher
Metzenbaum
Moynihan
Nunn
Pell
Pryor
Riegle
Sarbanes
Sasser
Simon
Specter

NOT VOTING—3

East
Exon
Wilson

So the motion to table the amendment (No. 73) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 91

Mr. LEVIN. Mr. President, I send an amendment to the desk on behalf of Mr. Dixon, Mr. Bingaman, Mr. Simon, and myself, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Michigan [Mr. Levin], for himself and others, proposes an amendment numbered 91.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, increase the amount on line 9 by $1,500,000,000.

On page 2, increase the amount on line 10 by $1,700,000,000.

On page 2, increase the amount on line 11 by $1,700,000,000.

On page 2, increase the amount on line 15 by $1,500,000,000.

On page 2, increase the amount on line 16 by $1,700,000,000.

On page 2, increase the amount on line 17 by $1,700,000,000.

On page 3, decrease the amount on line 25 by $1,500,000,000.

On page 4, decrease the amount on line 1 by $1,700,000,000.

On page 4, decrease the amount on line 2 by $1,700,000,000.

On page 4, decrease the amount on line 6 by $1,500,000,000.

On page 4, decrease the amount on line 7 by $3,200,000,000.

On page 4, decrease the amount on line 8 by $4,900,000,000.

On page 4, decrease the amount on line 12 by $1,500,000,000.

On page 4, decrease the amount on line 13 by $1,700,000,000.

On page 4, decrease the amount on line 14 by $1,700,000,000.

Mr. CHILES. Mr. President, I ask unanimous consent that the time on this amendment be 6 minutes, equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LEVIN. I yield myself 2 minutes.

Mr. President, this amendment will continue the cigarette tax at the present level, with the resulting $4.9 billion over 3 years going to deficit reduction. Unlike the problem which some saw with the Bradley amendment, the revenues here are not earmarked for a spending program.

They are applied to deficit reduction. There is no tax increase here. We just continue a current tax and cut the deficit.

The legislative history of the current tax is that it was set in 1982 at 16 cents a pack up from 8 cents a pack, because the projected deficit in 1985, people felt, would be $60 billion and would, therefore, be manageable; it could thereby be reduced back to 8 cents. But, as a matter of fact, the deficit in 1985 is $213 billion and let me repeat that.

We assumed the deficit would be $60 billion. That was the basis of our action. It is now $213 billion.

Do we really want to add to our deficit woes by $5 billion over 3 years by cutting the cigarette tax in half? That is the issue.

All we have to do is keep the present cigarette tax where it is and we cut the deficit by $5 billion over 3 years.

If we are serious about deficit reduction, we are not going to cut the cigarette tax in half. Instead, we will keep it where it is and apply the proceeds—that is the intention here—to deficit reduction.

Mr. DIXON addressed the Chair.

Mr. LEVIN. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. One minute and five seconds.

Mr. LEVIN. I yield a minute to my friend from Illinois.

Mr. DIXON. Mr. President, I want to support the statement by my friend from Michigan. I think it is inconceivable that at a time when we are considering these serious budgetary constraints we would pass up the opportunity to make available over the next 3 years $5 billion to reduce the budgetary deficit.

Now, in my own State the general assembly is waiting right now to increase the tax by 8 cents and put it in the Illinois general revenue fund that already has a surplus.

We are dealing with a $200 billion deficit and I think it would be outrageous if we shrink from the opportunity to add $5 billion to the Treasury. I earnestly solicit the support of the membership.

Mr. President, I will not take much of the time of the Senate because I believe the issue is very simple—whether we should effectively cut cigarette taxes or not.

We all know the history of the cigarette tax. It was last increased in 1982 from 8 cents to 16 cents. That increase doubled the tax, but it should be remembered that it was at the 8 cent level for over 30 years. Inflation clearly did much, much more than double during that period.

The 1982 increase, however, is currently scheduled to expire on October 1 of this year. If the Senate does nothing, therefore, it will have effectively approved a 50-percent cut in cigarette taxes.

Think of that! The Federal budget deficit will exceed $200 billion this year. We are currently considering budget proposals that make devastating cuts in programs vital to rural America, to our cities, to our children, to the poor, the homeless, and the elderly. And yet the budget now before us somehow assumes there is room to cut the tax on tobacco.

Now I understand the need to rein in the growth of Federal spending, Mr. President, and I am not about to try to make the President's day by proposing any tax increases. The Federal deficit must be cut and we must cut spending to do it.

I think it is an absolute outrage, however, to cut the Federal excise tax on cigarettes in this situation. I simply cannot believe that the Senate believes lower cigarette taxes are more important than education for our children, than help for our farmers, than mass transit for our cities, or for a great variety of other important, reasonable, and absolutely necessary Federal programs that already been greatly cut over the last 4 years. I simply cannot believe it.

My distinguished colleague from Michigan, Senator Levin, and I are offering the Senate a chance to say "it ain't so." Our amendment does nothing more than add back into the revenue assumptions in the budget the amount that continuing the cigarette tax at 16 cents would provide—$1.5 billion in fiscal 1986 and $1.7 billion per year thereafter. Frankly, I think that is the least we should do. The evidence and sound public policy argue for doing much more.

I have not mentioned the health issues involved, but there are also important health reasons not to cut cigarette taxes. Cigarettes do cause cancer; there is no doubt of that, and there is no doubt what that means. Let me briefly point out that we are requiring new, stronger labeling requirements on cigarettes, and that these tougher labels will go into effect on October 1. The Senate has been capable of some remarkable contortions in the few years I have been a Member, but I can't believe the Senate would want to try this one: To toughen labeling requirements and cut taxes on the same day.

There is a lot more that could be said. There are numerous sound reasons for opposing a cigarette tax cut that I have not even mentioned. It would take much more time than Senator Levin and I have under the current procedural situation to do any of them justice.

Let me just say to conclude, Mr. President, that now is not the time to cut the taxes of any industry. We cannot afford it. And now is particularly not the time to cut the cigarette tax, given the deep cuts we are being forced to make on the spending side.

Make no mistake about it. A vote against this amendment is a vote to cut the cigarette tax. A vote for this amendment, on the other hand, is not a vote to increase it, rather it is merely a vote to maintain it at its current level. I will tell my colleagues quite candidly that I would not like to go back to Illinois and tell my constituents that I had to cut programs and even eliminate programs that provided needed benefits for them so I could cut cigarette taxes. But that is what this vote is about. The Senate will be telling the American public either that it believes the budget situation precludes cutting cigarette taxes, or that cigarette tax cuts are more important than the more than the 17 programs being eliminated and the over 28 programs suffering severe cuts in this budget.

I know the kind of message I want to send. I therefore urge the adoption of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I yield back the time on this side.

If all time is yielded back I am prepared to move to table.

This is the second vote on this amendment. I move we table it. Maybe they will offer it again.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. DIXON. Yeas and nays.

Mr. LEVIN. Mr. President, with my last 5 seconds let me say this is going to be applied to deficit reduction and not to the spending program. That is the difference between this amendment and the last one.

The PRESIDING OFFICER. All time has expired.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Michigan. On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. Mr. President, on this vote I have a pair with the distinguished Senator from North Carolina, [Mr. East]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The result was announced—yeas 50, nays 46, as follows:

[Rollcall Vote No. 70 Leg.]

YEAS—50

Abdnor
Andrews
Armstrong
Byrd
Cochran
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
Evans
Ford
Goldwater
Gore
Gramm
Grassley
Hart
Hawkins
Hecht
Heflin
Helms
Hollings
Humphrey
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
McConnell
Metzenbaum
Murkowski
Packwood
Quayle
Rockefeller
Roth
Rudman
Sasser
Simpson
Specter
Stafford
Stennis
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Zorinsky

NAYS—46

Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Bumpers
Burdick
Chafee
Chiles
Cohen
Cranston
DeConcini
Dixon
Dodd
Eagleton
Garn
Glenn
Gorton
Harkin
Hatch
Hatfield
Heinz
Inouye
Johnston
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Mathias
Matsunaga
Melcher
Mitchell
Moynihan
Nickles
Nunn
Pell
Pressler
Proxmire
Pryor
Riegle
Sarbanes
Simon

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stevens, against

NOT VOTING—3

East
Exon
Wilson

So the motion to lay on the table amendment No. 91 was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that I may have 5 minutes not to be charged against our side. The majority leader may charge it against that side. But I ask unanimous consent that the 5 minutes not be charged against anyone or any side, so that we might have the distinguished majority leader comment on the amendment to be introduced, and that we might have some indication of when we may vote on the amendment.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. DOLE. Mr. President, if I could have the attention of my colleagues, I do have a perfecting amendment drafted.

I say very honestly to the distinguished minority leader that this just came to me a moment ago—about 10 minutes ago. Earlier, I had given to the minority leader sort of a summary of what the perfecting amendment contains.

I can indicate in a general way, and then in more detail when we get into the debate—maybe Senator Domenici could do so. But it is $56 billion in 1986 savings; about $295 billion over 3 years; defense, 0-3-3 real growth; 1-year COLA freeze on Social Security, veterans, military civilian retirement; no tax increases; domestic reform resulting in savings similar to those in the White House leadership plan with some adjustments. There are 13 programs terminated.

We can get into those in more detail later. There are major adjustments to the original package. Medicare and Medicaid savings have been reduced. Amtrak has not been discontinued. SBA was not discontinued. Mass transit was cut 20 percent instead of a 5-year phaseout. Impact aid, part B, was frozen at 1984 levels. The modification of the underlying assumptions on Postal subsidies will be made as the Senator from Alaska, Senator Stevens, indicated earlier on the floor. In addition $3.5 billion was added back to the agricultural section.

In addition there is a new export incentive program using CCC stocks. It has been named the BICEP Program. Bonus Incentive Commodity Export Program [BICEP]. There is the new farm credit interest rate Buydown Program. There is a $1 billion a year add-on for farm credit guarantees. The reduction in water conservation funds has been reduced from 30 to 15 percent. We have worked out a compromise on REA. I had a letter from the President of the REA commending that action several days ago.

The funds for the Job Corps were reduced 30 percent instead of a program termination. We modified the student aid proposal and include simply a freeze on student assistance at the 1985 level, and a $200 million savings in the GSL Program. There is no $8,000 cap.

NIH grants are compromised at 6,000 new grants per year versus 5,500 in the so-called White House-leadership package.

That is simply a very general explanation of the program.

I would say seriously that it does address many of the concerns which have been raised here today. I might say, too, in the nutrition area, we went back and added money to the nutrition program after the vote on the Senate floor. So that was one reason we would hope, if we had amendments, if there was a strong indication in the Senate which did not agree with the previous position, adjustments could be made.

I would hope that we reflect in our compromise at least some of the concerns all Senators have and that enough of the concerns are dealt with so that we have enough Senators to get a majority.

Again I will say very candidly I am not certain we have that, but we are prepared to offer the amendment and see what happens.

[The following proceedings occurred after midnight.]

Mr. BYRD. Mr. President, this amendment is a perfecting amendment and would not be the program until its adoption if it is adopted. Does this amendment fulfill the requirement of mathematical consistency?

Mr. DOLE. It does.

Mr. BYRD. Would the distinguished majority leader indicate if we can vote on this amendment by 12:30 a.m.? Would a half-hour be satisfactory to either side?

Mr. DOLE. It might take a little more time than that because we do have some Members who we have been trying to brief in groups of 12. I think we still have some to visit with.

I wonder if we might agree on 1 hour equally divided. If we do not use it all we can yield it back.

Mr. BYRD. We have 18 minutes remaining on the resolution.

Mr. CHILES. If I might ask the majority leader, my understanding is that the hour he is talking about is a new hour, not to disturb the 18 minutes.

Mr. DOLE. That is correct.

Mr. BYRD. Could we make it 40 minutes equally divided? Thirty minutes equally divided. Then we have 18 minutes we could add.

Mr. DOLE. Mr. President, let me indicate to the minority leader that the reason I cannot agree to the 30 or 40 minutes is Senator WILSON will be here for the vote. As I have accommodated certain Senators on his side on votes, I need to be accommodated on this. I am not trying to delay. It may be that he will be here. I recall a few weeks ago we held a vote for 40 minutes. Unless we plan to have a long vote, I assume there could be amendments following the vote.

Mr. BYRD. There can be amendments following the vote. If we do not agree to a request, of course, the time limitation would be 1 hour. Am I correct? This is an amendment to an amendment.

The PRESIDING OFFICER [Mr. MATTINGLY]. There are only 18 minutes remaining for debate at this time.

Mr. BYRD. Could we agree to 30 minutes? That would be better than 18 minutes.

Mr. DOLE. I wonder if I might suggest the absence of a quorum not to be charged to the minority leader's time so I can discuss it with him.

Mr. BYRD. Mr. President, I ask for the yeas and nays on the amendment.

Mr. DOMENICI. It has not been offered yet.

The PRESIDING OFFICER. There is no amendment pending.

Mr. BYRD. I will agree to a quorum call inasmuch at it will not be charged.

Mr. DOMENICI. The amendment has not been read yet.

Mr. BYRD. No, and I do not intend that it be read. Of course, there are many other things that can be done.

Mr. KENNEDY. Reserving the right to object, I have two remaining amendments. I know everyone is tired and we have been going on for a long period of time. I would like to get votes on those matters. I can understand with a quorum call time goes on even later. But there are other amendments. I just want to indicate on the two items I have, they will not consume a great deal of time. I want to be certain that we have not lost the opportunity to vote on the amendments.

Mr. HOLLINGS. I can call up an amendment, too. Is that all right with the majority leader and the minority leader? Why not just call up amendments?

Mr. CHILES. We have a list of amendments. The only problem is we have only 18 minutes and we were hoping to save a little of that time until after the package passed in case we had amendments to offer after the package passed. In calling up these amendments, we cannot have discussions. We only put them up there and have a rollcall on them.

Mr. HOLLINGS. We can send up an amendment that will be at the $200 million level and ask for the yeas and nays.

Mr. BYRD. Mr. President, I ask unanimous consent that there be 10 minutes equally divided or 5 minutes equally divided, not to be charged against the 18 minutes. Or 1 minute. It is whatever the Senator wants. It is just so we do not charge it against the 18 minutes. Is that all right?

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Reserving the right to object, and I will not object, I would like to get the same reading on my amendment.

Mr. BYRD. The only problem we have is we are trying to keep the number of amendments down at the moment.

Mr. KENNEDY. I know that. I will only take a minute on each one of mine.

Mr. BYRD. We are trying to give the majority leader a little bit of time to get Senator WILSON in.

Mr. DOLE. I suggest to my colleagues not to object because if there will be a rollcall on each of these that will take 10 minutes and that will be a little time.

Mr. CHILES. Can we take them up in about 2 minutes each?

Mr. HOLLINGS. Yes.

Mr. CHILES. Very well, 1 minute on a side.

Mr. DOLE. We would like 2 minutes on our side.

Mr. DOMENICI. Four minutes.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Mr. President, what is the request?

Mr. DOLE. Two on a side?

Mr. CHILES. Two on a side, yes, Mr. President.

Mr. DOLE. I propound that request, that the distinguished Senator from South Carolina be recognized to offer an amendment, and be given 4 minutes, 2 minutes on a side.

Mr. BYRD. And not to be charged to the 18 minutes.

Mr. DOMENICI. Mr. President, and they are subject to the germaneness rule that applies to budget resolutions. I assume that is part of it.

Mr. CHILES. That is correct.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I hope that on that vote, since we have not had a vote for a while, there would be a 15-minute rollcall.

The PRESIDING OFFICER. The Senator from South Carolina.

AMENDMENT NO. 92

(Purpose: To maintain the Economic Development Assistance Programs at the current level of $200,000,000 in fiscal years 1986, 1987, and 1988)

Mr. HOLLINGS. Mr. President, I call up my amendment No. 92 on the Economic Development Administration Act which is at the desk.

The PRESIDING OFFICER. The amendment will be stated

The bill clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS], for himself and Mr. BUMPERS, proposes an amendment numbered 92.

Mr. HOLLINGS. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $200,000,000.

On page 3, increase the amount on line 13 by $200,000,000.

On page 3, increase the amount on line 14 by $200,000,000.

On page 3, increase the amount on line 18 by $20,000,000.

On page 3, increase the amount on line 19 by $60,000,000.

On page 3, increase the amount on line 20 by $110,000,000.

On page 3, increase the amount on line 25 by $20,000,000.

On page 4, increase the amount on line 1 by $60,000,000.

On page 4, increase the amount on line 2 by $110,000,000.

On page 4, increase the amount on line 6 by $20,000,000.

On page 4, increase the amount on line 7 by $60,000,000.

On page 4, increase the amount on line 8 by $110,000,000.

On page 4, increase the amount on line 12 by $20,000,000.

On page 4, increase the amount on line 13 by $60,000,000.

On page 4, increase the amount on line 14 by $110,000,000.

On page 18, increase the amount on line 8 by $200,000,000.

On page 18, increase the amount on line 9 by $20,000,000.

On page 18, increase the amount on line 17 by $200,000,000.

On page 18, increase the amount on line 18 by $60,000,000.

On page 19, increase the amount on line 1 by $200,000,000.

On page 19, increase the amount on line 2 by $110,000,000.

Mr. HOLLINGS. Mr. President, this is the amendment copy.

Mr. President, this amendment provides for continuation of the $200 million level for Economic Development Assistance Programs for fiscal years 1986, 1987, and 1988.

In the discussion earlier today on Senator SASSER's amendment, which also made provision for EDA, the chairman of the Budget Committee and other opponents parroted the administration's line for terminating EDA. For example, they talked of the delinquent EDA loans. That is history, and a diversion, as this amendment does not provide for loans. In fact, there have not been any EDA loans since 1981.

There was also mention of the fact that 80 percent of the country is eligible for EDA assistance. That is true, because of the moratorium on designation of EDA areas, but the Secretary of Commerce has the power to be a virtual Czar over economic development. All he needs to do is say, "We're going to deal with worst off places." Or he could concentrate on growth centers, or any other policy instead of throwing up his hands and dealing with the situation.

Let us talk about those areas. As of last December, there were 748 counties with more than 12 percent unemployment. The national economic growth has not done much for those counties. EDA is one of the few programs that rural area, such as Marlboro County, SC, which had unemployment at 17.1 percent, can look to for help. Trickle-down is not going to reach Allendale, McCormick, Marion, Marlboro, and Union counties in South Carolina, which all have unemployment rates above 12 percent. Neither is there any hope in the enterprise zones that the administration touts as a substitute for EDA.

This amendment provides the assistance to our communities in the form of vitally needed grants for public works, as well as the planning and technical assistance they need to attract industry. It also provides for the economic adjustment grants that help when a major employer leaves town. If we deny this help, we are turning our backs to rural America and saying come into the cities, and further exacerbating the problems of our cities.

This $200 million is a pitiful sum in view of the need, but by maintaining this lifeline and concentrating this small amount, we can do something for these places outside the economic mainstream, both in the rural areas and urban pockets of poverty. Those who urge us to look at the national employment figures, should instead be joining us in looking behind those national averages at the 18.8 percent unemployment among our youth, particularly the 42.1 percent unemployment among black youth.

Mr. President, I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me say first of all that I recognize the necessity for cutting some programs, but they ought to be based on a benefit-cost ratio. There is not a Government program since its inception that has a higher benefit-cost ratio, that is administered with less administrative cost, and that provides jobs at a lower cost. If that is not sufficient criteria, there is not a program in this whole United States that deserves to survive.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senator from Maine [Mr. MITCHELL] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, do we have 2 minutes on this side?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I yield those 2 minutes to the Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, I just say to my friend that I do not have any studies here to counter that argument, but I do not think I have to have any to say it just is not true. Frankly, we have $9 billion out there now since we started the EDA program in loans and loan guarantees. The best we can find out about it is that there are 55 percent of them that are in default at this point.

In case anybody on the authorizing committees of the U.S. Senate is interested, we have not authorized this program in 3 years. That means 3 years ago, we effectively killed the program. If we were to follow the normal processes of the Senate, going to an authorizing committee and having them draw a bill after hearings, we have not had that for 3 years. It just found its way into a House appropriations bill with some language creating it there. I really do not believe the most dynamic economic development program in the history of the Republic could be 3 years deauthorized and find itself in hidden areas of some big appropriations continuing resolution. I think if it were that good, we would be right up front and center, and everybody would be delighted to have it.

It has not been authorized since 1981. I guess I was 1 year wrong. The criteria do not target the funds toward areas of need. The reason that has not happened is that actually, EDA came into existence because we had an Appalachian Regional Commission, and it covered six or seven States. When Congress was about to do away with it, somebody said, "I think rather than do away with it, we ought to have another one that is like it for everybody else." So we put EDA in, and it was supposed to be for a few States.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

The Senator from South Carolina has 51 seconds.

Mr. HOLLINGS. Mr. President, I want the record to show that we are not asking for loans. The Senator is referring to the loans made before 1981. Since then, there have been no loans, and we are not asking for loans. This program, established under public law, the Public Works and Economic Development Act, is still in effect. The appropriations have been supported in both Houses. When administered, it is administered extremely well; and they should not be eliminating it, but instead be working for the jobs our communities need.

We understand the program; I believe it is understood quite clearly.

I yield back the remainder of our time, Mr. President.

The PRESIDING OFFICER. All time is yielded back. The majority leader.

Mr. DOLE. Mr. President, I move to lay the amendment on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 64, nays 33, as follows:

[Rollcall Vote No. 71 Leg.]

YEAS—64

Andrews
Armstrong
Baucus
Bentsen
Boren
Boschwitz
Bradley
Chafee
Chiles
Cochran
Cranston
D'Amato
Danforth
DeConcini
Denton
Dodd
Dole
Domenici
Durenberger
Evans
Garn
Glenn
Goldwater
Gorton
Gramm
Grassley
Hart
Hatch
Hatfield
Hawkins
Hecht
Heflin
Heinz
Helms
Humphrey
Johnston
Kassebaum
Kasten
Lautenberg
Laxalt
Lugar
Mathias
Mattingly
McClure
McConnell
Murkowski
Nickles
Nunn
Packwood
Proxmire
Quayle
Roth
Rudman
Sasser
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker

NAYS—33

Abdnor
Biden
Bingaman
Bumpers
Burdick
Byrd
Cohen
Dixon
Eagleton
Ford
Gore
Harkin
Hollings
Inouye
Kennedy
Kerry
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Pressler
Pryor
Riegle
Rockefeller
Sarbanes
Simon
Stennis
Zorinsky

NOT VOTING—3

East
Exon
Wilson

So the motion to table the amendment (No. 92) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the distinguished majority leader have 2 minutes, without it being charged.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I say to the distinguished minority leader that I am now prepared to offer the perfecting amendment, unless we want to proceed with additional amendments, if we could agree to 20 minutes on a side, 40 minutes overall.

Mr. BYRD. We could do it with less.

Mr. DOLE. I understand from the distinguished manager of the bill that he can explain it in 15 minutes. There would be 30 minutes, 15 minutes on a side.

I propound that request: Thirty minutes on the perfecting amendment, equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, do we have 18 minutes remaining?

Mr. DOLE. This would be in addition to the 18 minutes.

Mr. BYRD. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 93

Mr. DOLE. Mr. President, I send a perfecting amendment to the desk.

The PRESIDING OFFICER. The perfecting amendment will be stated.

The bill clerk proceeded to read the amendment (No. 93), proposed by the Senator from Kansas [Mr. DOLE], for himself and Mr. DOMENICI.

Mr. DOLE. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment reads as follows:

In the pending amendment, strike all after the word "That", and insert in lieu thereof the following:

the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is established, and the appropriate budgetary levels for fiscal year 1987 and 1988 are set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1988, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,200,000,000.
Fiscal year 1986: $793,600,000,000.
Fiscal year 1987: $866,300,000,000.
Fiscal year 1988: $955,900,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $900,000,000.
Fiscal year 1987: $2,000,000,000.
Fiscal year 1988: $3,400,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $51,000,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,700,000,000.
Fiscal year 1987: $216,900,000,000.
Fiscal year 1988: $248,300,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,055,600,000,000.
Fiscal year 1986: $1,069,500,000,000.
Fiscal year 1987 $1,132,800,000,000.
Fiscal year 1988: $1,212,900,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $949,100,000,000.
Fiscal year 1986: $965,000,000,000.
Fiscal year 1987: $1,011,100,000,000.
Fiscal year 1988: $1,060,200,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $212,900,000,000.
Fiscal year 1986: $171,400,000,000.
Fiscal year 1987: $144,800,000,000.
Fiscal year 1988: $104,300,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,849,300,000,000.
Fiscal year 1986: $2,086,500,000,000.
Fiscal year 1987: $2,312,700,000,000.
Fiscal year 1988: $2,525,200,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $25,500,000,000.
Fiscal year 1986: $237,200,000,000.
Fiscal year 1987: $226,200,000,000.
Fiscal year 1988: $212,600,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $52,700,000,000.

(B) New primary loan guarantee commitments, $68,950,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $30,250,000,000.

(B) New primary loan guarantee commitments, $77,000,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New direct loan obligations, $27,600,000,000.

(B) New primary loan guarantee commitments, $1,500,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $26,800,000,000.

(B) New primary loan guarantee commitments, $86,000,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $252,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $302,500,000,000.

(B) Outlays, $273,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $323,400,000,000.

(B) Outlays, $292,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $346,800,000,000.

(B) Outlays, $313,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:

(A) New budget authority, $25,300,000,000.

(B) Outlays, $18,000,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $21,200,000,000.

(B) Outlays, $17,800,000,000.

(C) New direct loan obligations, $8,200,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $20,400,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $7,800,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $20,700,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $7,900,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $8,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, $1,600,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $4,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New buget authority, $5,200,000,000.

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,200,000,000.

(C) New direct loan obligations, $1,600,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $12,700,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $12,200,000,000.

(B) Outlays, $12,500,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $12,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $21,000,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $14,500,000,000.

(C) New direct loan obligations, $11,700,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $17,700,000,000.

(B) Outlays, $15,800,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $17,000,000,000.

(B) Outlays, $12,900,000,000.

(C) New direct loan obligations, $9,100,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $5,600,000,000.

(C) New direct loan obligations, $6,500,000,000.

(D) New primary loan guarantee commitments, $27,000,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $3,400,000,000.

(C) New direct loan obligations, $4,200,000,000.

(D) New primary loan guarantee commitments, $28,400,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New budget authority, $5,600,000,000.

(B) Outlays, $2,300,000,000.

(C) New direct loan obligations, $4,200,000,000.

(D) New primary loan guarantee commitments, $30,100,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:

(A) New budget authority, $6,100,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $4,500,000,000.

(D) New primary loan guarantee commitments, $31,900,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,600,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,900,000,000.

(B) Outlays, $27,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,300,000,000.

(B) Outlays, $27,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $8,400,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $7,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $31,600,000,000.

(B) Outlays, $30,300,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $8,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $30,100,000,000.

(B) Outlays, $30,300,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $30,700,000,000.

(B) Outlays, $29,900,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $31,300,000,000.

(B) Outlays, $30,400,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,600,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $35,700,000,000.

(B) Outlays, $35,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $38,200,000,000.

(B) Outlays, $37,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $40,800,000,000.

(B) Outlays, $40,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,800,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $81,900,000,000.

(B) Outlays, $68,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $91,200,000,000.

(B) Outlays, $74,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $94,800,000,000.

(B) Outlays, $82,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $162,800,000,000.

(B) Outlays, $128,600,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $155,400,000,000.

(B) Outlays, $116,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $164,900,000,000.

(B) Outlays, $120,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $2,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $173,900,000,000.

(B) Outlays, $125,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,800,000,000.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $207,400,000,000.

(B) Outlays, $194,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $225,500,000,000.

(B) Outlays, $205,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $266,100,000,000.

(B) Outlays, $220,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,300,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $26,700,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $15,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $26,800,000,000.

(B) Outlays, $26,200,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $17,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,700,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $20,100,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $5,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,400,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $5,500,000,000.

(B) Outlays, $5,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $2,000,000,000.

(B) Outlays, $3,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $2,100,000,000.

(B) Outlays, $2,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,700,000,000.

(B) Outlays, $129,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $142,300,000,000.

(B) Outlays, $142,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $152,100,000,000.

(B) Outlays, $152,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $153,900,000,000.

(B) Outlays, $153,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$1,600,000,000.

(B) Outlays, −$1,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$1,600,000,000.

(B) Outlays, −$1,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$600,000,000.

(B) Outlays, −$500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,400,000,000.

(B) Outlays, −$32,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$35,000,000,000.

(B) Outlays, −$35,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$37,800,000,000.

(B) Outlays, −$37,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$41,100,000,000.

(B) Outlays, −$41,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

Sec. 2. (a) Not later than June 30, 1985, the committees named in subsections (b) through (bb) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,577,000,000 in budget authority and $3,860,000,000 in outlays in fiscal year 1986, $3,280,000,000 in budget authority and $5,097,000,000 in outlays in fiscal year 1987, and $3,571,000,000 in budget authority and $8,689,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $942,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,073,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $8,895,000,000 in budget authority and $3,959,000,000 in outlays in fiscal year 1986, $9,638,000,000 in budget authority and $5,937,000,000 in outlays in fiscal year 1987, and $10,905,000,000 in budget authority and $7,055,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(3)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $2,006,000,000 in budget authority and $1,679,000,000 in outlays in fiscal year 1986, $781,000,000 in budget authority and $471,000,000 in outlays in fiscal year 1987, and $987,000,000 in budget authority and $706,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,014,000,000 in budget authority and $2,265,000,000 in outlays in fiscal year 1986, $2,836,000,000 in budget authority and $2,666,000,000 in outlays in fiscal year 1987, and $2,847,000,000 in budget authority and $2,925,000,000 in outlays in fiscal year 1988.

(g) The Senate Committee on Environmental and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $723,000,000 in budget authority and $310,000,000 in outlays in fiscal year 1986, $1,221,000,000 in budget authority and $1,393,000,000 in outlays in fiscal year 1987, and $1,738,000,000 in budget authority and $2,066,000,000 in outlays in fiscal year 1988.

(h) The Senate Committee on Finance shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $10,847,000,000 in outlays in fiscal year 1986, $0 in budget authority and $18,608,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $22,429,000,000 in outlays in fiscal year 1988.

(i) The Senate Committee on Foreign Relations shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $192,000,000 in budget authority and $47,000,000 in outlays in fiscal year 1986, $275,000,000 in budget authority and $109,000,000 in outlays in fiscal year 1987, and $282,000,000 in budget authority and $140,000,000 in outlays in fiscal year 1988.

(j) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve increases in contributions and savings in budget authority and outlays as follows: $375,000,000 in contributions, $0 in budget authority and $3,654,000,000 in outlays in fiscal year 1986, $1,325,000,000 in contributions, $0 in budget authority and $7,651,000,000 in outlays in fiscal year 1987, and $1,370,000,000 in contributions, $0 in budget authority and $8,889,000,000 in outlays in fiscal year 1988.

(k) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,380,000,000 in budget authority and $668,000,000 in outlays in fiscal year 1986, $1,808,000,000 in budget authority and $1,687,000,000 in outlays in fiscal year 1987, and $2,130,000,000 in budget authority and $2,242,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $460,000,000 in budget authority and $504,000,000 in outlays in fiscal year 1986, $629,000,000 in budget authority and $1,028,000,000 in outlays in fiscal year 1987, and $1,117,000,000 in budget authority and $1,044,000,000 in outlays in fiscal year 1988.

(m) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,076,000,000 in budget authority and $986,000,000 in outlays in fiscal year 1986, $1,344,000,000 in budget authority and $1,534,000,000 in outlays in fiscal year 1987, and $1,741,000,000 in outlays in fiscal year 1988.

(n) The Senate Select Committee on Indian Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $148,000,000 in budget authority and $61,000,000 in outlays in fiscal year 1986, $153,000,000 in budget authority and $116,000,000 in outlays in fiscal year 1987, and $159,000,000 in budget authority and $137,000,000 in outlays in fiscal year 1988.

(o) The Senate Committee on Energy and Natural Resources, pursuant to section (f), and the Senate Committee on Agriculture, Nutrition, and Forestry, pursuant to subsection (b), shall review (1) changes in laws within their jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within their jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $52,000,000 in budget authority and $12,000,000 in outlays in fiscal year 1986, $113,000,000 in budget authority and $86,000,000 in outlays in fiscal year 1987; and $127,000,000 in budget authority and $111,000,000 in outlays in fiscal year 1988.

HOUSE COMMITTEES

(p) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,577,000,000 in budget authority and $3,860,000,000 in outlays in fiscal year 1986, $3,280,000,000 in budget authority and $5,097,000,000 in outlays in fiscal year 1987, and $3,591,000,000 in budget authority and $8,689,000,000 in outlays in fiscal year 1988.

(q) The House Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $942,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,073,000,000 in outlays in fiscal year 1988.

(r) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $7,932,000,000 in budget authority and $3,774,000,000 in outlays in fiscal year 1986, $8,490,000,000 in budget authority and $5,508,000,000 in outlays in fiscal year 1987, and $9,125,000,000 in budget authority and $6,303,000,000 in outlays in fiscal year 1988.

(s) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,137,000,000 in budget authority and $821,000,000 in outlays in fiscal year 1986, $1,553,000,000 in budget authority and $1,784,000,000 in outlays in fiscal year 1987, and $1,861,000,000 in budget authority and $2,298,000,000 in outlays in fiscal year 1988.

(t) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $4,205,000,000 in budget authority and $7,308,000,000 in outlays in fiscal year 1986, $2,900,000,000 in budget authority and $8,450,000,000 in outlays in fiscal year 1987, and $2,987,000,000 in budget authority and $10,994,000,000 in outlays in fiscal year 1988.

(u) The House Committee on Foreign Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $192,000,000 in budget authority and $47,000,000 in outlays in fiscal year 1986, $275,000,000 in budget authority and $109,000,000 in outlays in fiscal year 1987, and $282,000,000 in budget authority and $140,000,000 in outlays in fiscal year 1988.

(v) The House Committee on Government Operations shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $64,000,000 in outlays in fiscal year 1986, $0 in budget authority and $3,699,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $5,203,000,000 in outlays in fiscal year 1988.

(w) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $540,000,000 in budget authority and $292,000,000 in outlays in fiscal year 1986, $559,000,000 in budget authority and $402,000,000 in outlays in fiscal year 1987, and $634,000,000 in budget authority and $526,000,000 in outlays in fiscal year 1988.

(x) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $405,000,000 in budget authority and $383,000,000 in outlays in fiscal year 1986, $206,000,000 in budget authority and $194,000,000 in outlays in fiscal year 1987, and $212,000,000 in budget authority and $204,000,000 in outlays in fiscal year 1988.

(v) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve increases in contributions and savings in budget authority and outlays as follows: $375,000,000 in contributions, $0 in budget authority and $3,590,000,000 in outlays in fiscal year 1986, $1,325,000,000 in contributions, $0 in budget authority and $7,502,000,000 in outlays in fiscal year 1987, and $1,370,000,000 in contributions, $0 in budget authority and $8,642,000,000 in outlays in fiscal year 1988.

(z) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,895,000,000 in budget authority and $469,000,000 in outlays in fiscal year 1986, $2,616,000,000 in budget authority and $1,833,000,000 in outlays in fiscal year 1987, and $3,820,000,000 in budget authority and $2,897,000,000 in outlays in fiscal year 1988.

(aa) The House Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $460,000,000 in budget authority and $504,000,000 outlays in fiscal year 1986, $629,000,000 in budget authority and $1,028,000,000 in outlays in fiscal year 1987, and $1,117,000,000 in budget authority and $1,044,000,000 in outlays in fiscal year 1988.

(bb) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,076,000,000 in budget authority and $986,000,000 in outlays in fiscal year 1986, $1,344,000,000 in budget authority and $1,534,000,000 in outlays in fiscal year 1987, and $1,457,000,000 in budget authority and $1,741,000,000 in outlays in fiscal year 1988.

(ac) The House Committee on Ways and Means shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or or (3) any combination thereof, as follows: $0 in budget authority and $10,330,000,000 in outlays in fiscal year 1986, $0 in budget authority and $14,370,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $16,671,000,000 in outlays in fiscal year 1988.

APPROPRIATIONS

SEC. 3. (a) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed $303,200,000,000 in fiscal year 1986; aggregate total budget authority to exceed $324,100,000,000 in fiscal year 1987; and aggregate total budget authority to exceed $347,600,000,000 in fiscal year 1988.

(b) It shall not be in order to consider any measure making appropriations in the Senate and House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for nondefense discretionary activities to exceed $140,800,000,000 in fiscal year 1986; aggregate total budget authority to exceed $143,800,000,000 in fiscal year 1987; and aggregate budget authority to exceed $149,300,000,000 in fiscal year 1988.

(c) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

SEC. 5. It shall not be in order in the House of Representatives or the Senate during fiscal years 1986 and 1987 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent and in such amounts as are contained in appropriation acts. This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1985, that are funded through the Commodity Credit Corporation.

SEC. 6. It is the sense of the Congress that the previous distinction between "unified budget" and "off-budget" spending be ended, and that budget authority and outlays for the so-called "off-budget" agencies be included in the budget totals.

SEC. 7. (a) The Senate finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalties;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Senate that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

SEC. 8. It is the sense of the Senate that because the Senate requires timely reporting of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

SEC. 9. It is the sense of the Senate that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

SEC. 10. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of social security benefits paid to illegal and non-resident aliens. It is assumed that the Finance Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of wage-earner's contribution plus interest, unless the wage-earner is a citizen of a country with which the United States has a treaty or totalization agreement and that this provision would apply to individuals becoming eligible on or after January 1, 1986.

SEC. 11. It is the sense of the Congress that overall Federal outlays should be reduced and it is assumed that legislation should be enacted to conform the overtime requirements under the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act with the Fair Labor Standards Act and it is further assured that the resulting outlay reductions shall be utilized to achieve the previously agreed-upon program outlay savings.

SEC. 12. It is the sense of the Congress that tax legislation should be enacted to provide for payment of minimum taxes by corporations and individuals on the broadest feasible definition of income to assure that all of those with economic income will pay tax, and that the resulting revenues be used to reduce individual income tax rates and to increase the threshold amount for tax payments by individuals in connection with consideration of comprehensive tax reform legislation.

SEC. 13. It is the sense of the Senate that revenues should be increased and it is assumed that tax legislation will be enacted to limit to the national median family income the amount of farm loss which may be deducted against nonfarm income, and it is further assumed that revenues derived from enactment of such legislation be used to reduce individual income tax rates and to assure that full-time, family-size farm operators will not be disadvantaged by unfair competition from high-income taxpayers with substantial nonfarm income.

SEC. 14. It is sense of the Congress that revenues should be increased and it is assumed that the Finance Committee will develop legislation to reduce the tax enforcement gap, estimated by the IRS at $92 billion in FY 1986. It is further assumed that such legislation should provide for increased and improved enforcement and collection, through audits, examinations, and other steps designed to identify and eliminate tax cheating and increase revenue collections from individuals and corporations currently evading federal taxes, and that the legislation should include steps designed to increase voluntary compliance with tax laws and that such steps may include increased staff for taxpayer assistance, speedier processing of returns and provision of public information designed to build public trust and understanding of IRS enforcement efforts and that such legislation should also provide that the resources of the IRS shall be increased to accomplish full enforcement of U.S. tax laws, increasing voluntary compliance until such time as further marginal spending on IRS resources does not substantially increase tax yields and that such legislation is fully compatible with tax simplification, including but not limited to reductions in income tax rates or the deficit.

The additional cosponsors are Senators ABDNOR, ARMSTRONG, BOSCHWITZ, CHAFEE, DANFORTH, DURENBERGER, EVANS, GORTON, GRAMM, HATFIELD, HELMS, LAXALT, MCCONNELL, PACKWOOD, RUDMAN, SIMPSON, STAFFORD, SYMMS, THURMOND, TRIBLE, and WARNER.

Mr. DOLE. Mr. President, I am going to yield all the time to the distinguished chairman of the Budget Committee.

Mr. DOMENICI. I thank the distinguished majority leader.

Mr. BYRD. Will the distinguished Senator yield for a parliamentary inquiry?

Mr. DOMENICI. Of course.

Mr. BYRD. Mr. President, who controls time on this side?

The PRESIDING OFFICER. The minority leader or his designee.

Mr. BYRD. Mr. President, I designate Mr. CHILES to control the time.

I thank the Senator for yielding.

(Mr. KASTEN assumed the chair.)

Mr. DOMENICI. Mr. President, I yield myself 7 minutes.

Mr. President, first, I am hopeful that we are coming close to the end. I think it goes without saying, if that is the case, it has been a long and difficult job for a lot of people and many people have worked very hard to contribute to this and I thank them all.

Mr. President, it is probably an understatement, but let me at the same time thank and congratulate the Senate on completing this long, arduous debate. I also want to sincerely praise all those Senators, from both sides of the aisle, who have made it possible for us to come to this final agreement. I know, all too well, that it has not been easy. My respect for my fellow Senators always is heightened during these debates, for truly the difficult issues we debate are not simple or trivial.

I know it has been a difficult debate and feelings have sometimes been strained. But the magnitude of the deficit problem we face, and therefore the debate we have been engaged in on that issue, goes far beyond any personal feelings or petty differences.

The substitute deficit reduction agreement we have proposed tonight achieves what cynics thought impossible: we have significantly reduced the projected deficits. The substitute amendment offered here this evening would reduce the fiscal year 1986 deficit by over $55 billion next year, cumulatively nearly $300 billion over the next 3 years. And all this is accomplished with no increase in revenues.

Mr. President, this proposed substitute sets the deficits on a downward path. Our goal of reducing the deficit from its current high level of 5 percent of GNP, downward to 2 percent of GNP by fiscal year 1988 has been achieved in this substitute proposal. We have reached a long ways in 3½ to 4 months. The promised land, while a long way from being reached, has at least taken a major step toward being achieved tonight.

I do not deny that this substitute proposal may not meet everyone's particular desires. But it does, I contend, meet everyone's broader goal of significantly reducing the deficit.

Mr. President, I will be brief, but just so everyone understands, this substitute proposal amends the original Senate Republican leadership-White House agreement. As our distinguished majority leader has already indicated—this substitute retains the 0-3-3 real growth in defense that the Senate adopted a week ago.

And I am committed to go to conference and to return from conference with 0-3-3 and nothing less for defense. I have been asked that and I can say that publicly. That is where we will be or we will not be back unless the distinguished chairman is overruled.

As such, this substitute achieves nearly $17.7 billion more in defense savings than was assumed in the original Senate-White House agreement. It assumes a 1-year freeze on all COLA adjustments, except for low-income COLA adjusted programs and adds back nearly $1.3 billion for the poor elderly in the form of increased SSI benefits.

Where the proposal reduces defense spending it at the same time adds back funding for a number of domestic programs—approximately $17.0 billion over the next 3 years. It assumes increased funding add backs—for a number of specific programs over the next 3 years—to name just a few:

Rural housing, $3.5 billion; agriculture credit guarantees, $3 billion; agriculture price supports, $2.5 billion; SBA, $2.5 billion; Job Corp, $1.4 billion; impact aid, $0.2 billion; student aid, returned to the level suggest by Senator STAFFORD, $2.2 billion; health programs, $2.1 billion; child nutrition, $0.4 billion; soil and water conservation, $0.3 billion; postal subsidies, $0.3 billion; NASA, $0.3 billion; Medicare, $1.8 billion; Amtrak, $1.6 billion; and Indian health, $0.1 billion.

Mr. President, I ask unanimous consent that a series of tables summarizing the substitute proposed this evening be included in the RECORD at this point.

There being no objection, the charts were ordered to be printed in the RECORD, as follows:

DOLE-DOMENICI PERFECTING AMENDMENT

[In billions of dollars]

	Fiscal year—							
	1985		1986		1987		1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Function:								
050	292.6	252.0	302.5	273.1	323.4	292.1	346.8	313.0
150	25.3	18.0	21.2	17.8	20.4	17.1	20.7	16.7
250	9.1	8.7	9.1	9.0	9.0	8.8	9.3	9.0
270	1.6	6.5	5.2	5.1	5.2	4.6	4.9	4.2
300	12.7	13.1	12.2	12.5	12.6	12.4	12.8	12.5
350	24.8	21.0	17.2	14.5	17.7	15.8	17.0	12.9
370	12.6	5.6	6.8	3.4	5.6	2.3	6.1	5.1
400	29.6	26.1	27.2	26.1	27.9	27.7	27.3	27.4
450	8.4	8.7	6.6	7.9	6.7	7.1	7.1	6.7
500	31.6	30.3	30.1	30.3	30.7	29.9	31.3	30.4
550	33.6	33.5	35.7	35.3	38.2	37.8	40.8	40.3
570	71.8	65.2	81.9	68.3	91.2	74.8	94.8	82.7
600	162.8	128.6	155.4	116.6	164.9	120.6	173.9	125.7
650	195.5	189.3	207.4	194.9	225.5	205.9	266.1	220.0
700	27.2	26.3	26.7	26.1	26.8	26.2	27.2	26.7
750	6.6	6.4	6.8	6.7	6.9	6.9	7.6	7.0
800	5.8	5.8	5.3	5.2	5.4	5.2	5.5	5.5
850	6.4	6.4	6.5	6.5	2.0	3.2	2.1	2.1
900	129.7	129.7	142.3	142.3	152.1	152.1	153.9	153.9
920	0.3	0.3	−1.6	−1.6	−1.6	−1.6	−0.6	−0.5
950	−32.4	−32.4	−35.0	−35.0	−37.8	−37.8	−41.1	−41.1
Total	1,055.6	949.1	1,069.5	965.0	1,132.8	1,011.1	1,212.9	1,060.2
Revenues		736.2		793.6		866.3		955.9

DOLE-DOMENICI PERFECTING AMENDMENT—Continued

[In billions of dollars]

	1985 Budget authority	1985 Outlays	1986 Budget authority	1986 Outlays	1987 Budget authority	1987 Outlays	1988 Budget authority	1988 Outlays
Deficit		−212.9		−171.4		−144.8		−104.3

CHANGE FROM SBC BASELINE

[In billions of dollars]

	1985 Budget authority	1985 Outlays	1986 Budget authority	1986 Outlays	1987 Budget authority	1987 Outlays	1988 Budget authority	1988 Outlays
Function:								
050	0.0	0.0	−31.1	−21.5	−48.5	−38.3	−74.6	−55.5
150	1.1	0.2	−3.1	−0.3	−3.5	−1.4	−3.8	−2.0
250	0.0	0.0	−0.1	0.0	−0.4	−0.4	−0.3	−0.4
270	−0.3	−0.4	−2.9	−2.3	−2.8	−2.8	−2.7	−2.8
300	0.1	0.1	−1.2	−0.7	−1.1	−0.9	−1.2	−1.1
350	0.0	0.0	−3.4	−3.3	−3.3	−4.2	−4.1	−7.5
370	0.0	0.0	−3.1	−1.9	−5.0	−3.8	−4.9	−2.9
400	0.3	0.1	−3.0	−2.1	−3.2	−2.1	−4.8	−3.4
450	0.0	0.0	−1.4	−0.4	−1.7	−1.5	−2.2	−2.1
500	0.0	0.0	−2.2	−1.0	−2.8	−2.5	−3.1	−3.0
550	0.0	0.0	−0.6	−0.6	−0.8	−0.8	−1.0	−1.0
570	0.0	0.0	−0.4	−3.4	−0.4	−5.1	−0.6	−7.2
600	−0.3	−0.2	−4.0	−6.6	−3.7	−8.7	−3.1	−9.7
650	0.0	0.0	0.2	−5.9	0.7	−8.2	1.5	−8.4
700	0.0	0.0	−0.1	−1.0	−1.4	−1.6	−1.5	−1.7
750	0.1	0.1	0.0	0.0	−0.1	0.0	−0.1	−0.1
800	0.1	0.0	−0.7	−0.7	−0.7	−0.7	−0.8	−0.7
850	0.0	0.0	0.0	0.0	−4.8	−3.5	−5.0	−4.5
900	0.0	0.0	−0.9	−0.9	−7.3	−7.3	−16.0	−15.6
920	0.0	0.0	−2.8	−2.8	−4.4	−4.6	−5.2	1.1
950	0.0	0.0	0.5	0.5	0.3	0.3	0.0	0.0
Total	1.0	−0.4	−61.3	−55.1	−94.7	−97.9	−133.7	135.9
Revenues		0.0		0.9		2.0		3.4
Deficit		0.4		−56.0		−99.9		−139.3

Mr. DOMENICI. I conclude where the debate began over 10 days ago. It is my very strong feeling—and I know I have stated it many, many times—that the deficits this country faces have the potential to seriously jeopardize future economic growth not only for the near-term future but also for our future and our children's future. A vote for this substitute amendment is not only a courageous vote but also a vote for our future. It is time to lay aside our political differences, lay aside out personal feelings, and vote for sustaining economic growth and the benefits that brings to all members of our society.

Mr. President, I have a summary that I ask be made a part of the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

FINAL PACKAGE

MAJOR FEATURES

$56 billion 1986 savings. About $295 billion over 3 years.

Defense at 0/3/3 real growth.

One-year COLA freeze on Social Security, Veterans, Military/Civilian retirement.

No tax increases.

Domestic reforms and savings similar to White House/Leadership plan with adjustments noted below.

PROGRAMS TERMINATED (13)

Trade adjustment assistance to firms.

Conrail (Sale).

Appalachian Development Program.

Economic Development Administration.

UDAG.

General Revenue Sharing.

Export-Import Bank Direct Loans.

Community Services Block Grant after 1986.

WIN.

HODAG.

Section 312 Rehabilitation Loans.

U.S. Travel and Tourism Program.

Direct Treasury Payment for most of Postal Subsidy Program.

MAJOR ADJUSTMENTS TO ORIGINAL WHITE HOUSE/LEADERSHIP (WH/L) PLAN (DOLE PACKAGE)

Medicare/Medicaid: reduces 3-year savings from $20.1 billion to $17.5 billion.

No cap on state medicaid reimbursement

No Part B premium increase in 1986. Phased up to 30% over next five years vs. 35% in WH/L plan.

Amtrak: 12%/25%/40% cut instead of termination.

SBA: Weicker $2.5 billion 3 year savings compromise instead of total termination of lending programs ($5.0 billion savings).

Mass Transit Operating Subsidy: 20% cut instead of 5-year phase out.

Impact Aid Part B: Freeze at 1984 level ($78 million) instead of termination.

Postal Subsidies: Stevens-Abdnor-Roth compromise. Small newspapers and nonprofits retain subsidized rates. Substantive, legislation to limit program abuses, improve overhead allocations and spread part of subsidy cost over all regular rate users.

Agricultural Programs: $3.5 billion added back to WH/L plan plus following programs:

New export incentive program using CCC stocks to counter foreign subsidies.

New farm credit interest rate buy-down program.

$1 billion per year add on for farm credit guarantees.

No change in Federal crop insurance.

Soil and water conservation cut reduced from 30% to 15%.

Abdnor compromise on REA.

Job Corps: 30% cut instead of termination.

Student Aid: Freeze on student assistance at 1985 level and $200 million savings in GSL programs. No $8,000 cap on cost of education (Stafford compromise).

NIH Grants: Weicker compromise at 6,000 new research grants per year vs. 5500 in WH/L.

I reserve the balance of my time.

Mr. CHILES addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I yield 3 minutes to the distinguished Senator from Iowa.

The **PRESIDING OFFICER.** The Senator from Iowa is recognized for 3 minutes.

Mr. HARKIN. Mr. President, I look at this package, and once again see, in the Dole budget No. II, a fraud being perpetrated on the American farmer, and on us, who represent those farmers.

We are told that Dole II really puts money back into agriculture. Well, as Will Rogers once said: "Any way you slice it, it's still baloney."

Fact: Dollars spent on agriculture over 3 years are cut by 25 percent from base line in Dole II.

Fact: At a time when we are losing our soil at an alarming rate, conservation is cut by $356 million, or 15 percent over 3 years.

Fact: When farmers are now sinking under the weight of high interest rates, Dole II sticks it to the farmer even more. They will tell you that Dole II adds a billion dollars more in FmHA loan guarantees. Big deal.

What they do not tell you is they cut $9 billion out of direct loans. This means that farmers will have to pay interest rates up to 14 or 15 percent, when under the direct loan program they can now get those same loans for 10¼ percent. The 25,000 to 30,000 farmers who got direct loans this year will not get those loans next year. Well, if this is a good deal for farmers, please spare us your good deals.

Fact: Dole II provides $490 million for an interest buydown over 3 years. But mark my word, David Stockman will weasel out of this like he weaseled out of the $650 million restructuring program they announced before the election last fall. How is he going to weasel out of it? They will drag their feet next year, and in 1987 they will try to rescind it.

If they are not successful, then in 1988, after 20 percent of our farmers have been forced off the land, they will give the money to the big, rich farmers just before the election in 1988.

Fact: Dole II has an export PIK program. It sounds good but this really only benefits the big grain companies and the shippers. It gives a few crumbs to the farmers.

Dole II is as unfair to farmers as the first Dole plan. Agriculture is only about 2 percent of the budget, but under Dole II it absorbs 5 percent of the cuts. Under Dole I it absorbed 6 percent of the cuts, but any way you look at it, it is still unfair.

Farmers were fooled once, but not again. Here is a recent headline in the Des Moines Sunday Register: "Farmer Approval of Reagan Sinks to 24 Percent."

Mr. President, I ask unanimous consent that this article be printed in the RECORD after my comments.

I tell you this: If you adopt this budget, this approval rating will go down to 10 percent next year, because farmers know bull when they see it.

This should not be called the Dole II budget. It should be called the "Family Farm Liquidation Budget of 1985."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMER APPROVAL OF REAGAN SINKS TO 24 PERCENT

(By David Elbert)

Ronald Reagan is trapped and rapidly sinking in Iowa's quicksand farm economy, a special Iowa Poll of farmers shows.

Less than six months after Iowa farmers backed the re-election of the president by a 2-1 margin, his support in the countryside has collapsed, and now only one of four farmers (24 percent) approves of the job Reagan is doing, while 63 percent disapprove.

Even among farmers who voted for Reagan in November, fewer than half (40 percent) now support him, while 48 percent register disapproval, according to the poll, based on interviews with 304 adult members of Iowa farm households earlier this month.

The findings reflect the deepest sense of agricultural despair of any time in recent memory. They show that about 14,000 farm operators, or some 12 percent of the state's total, had trouble getting credit this spring and that about half that number have cut back normal operations as a result.

STEERED INTO RUIN

They also show that while a vocal minority of farmers have been claiming bankers steered them into ruin, the majority of farmers are a little less likely to blame local lenders than farmers themselves.

Articles Monday and Tuesday will examine the extent to which farm problems have worsened since April 1984 when a similar poll found that nine out of 10 farmers believed they were experiencing the roughest times of their lives, and take a look at what farmers think the future may hold.

Although conducted only two weeks after Reagan's "keep the grain, export the farmers" joke at a Washington, D.C., dinner, the poll shows that other millstones are weighing down the president.

Chief among them are his farm policies. At a time when farmers are undergoing their worst hardships since the Great Depression, 84 percent say the federal government's response has been inadequate.

In fact, some like O'Brien County farmer Larry Hofman, think Reagan's recent farm policy has been counterproductive.

COLD SHOULDER

Hofman, 33, is one of the farmers who voted for Reagan but now disapproves of the way he is doing his job. "I feel he has given agriculture a pretty cold shoulder," said Hofman.

For example, Hofman said, when the administration started talking late last year about phasing out price supports it "scared the heck out of people and land prices up here plummeted."

The poll shows Hofman and his O'Brien County neighbors are far from alone on the question of price supports. A wide margin, 61 percent, which is almost identical to Reagan's negative job rating, oppose Reagan's plan for phasing out price supports, while only 23 percent back the president's proposal.

Farmers, like Hofman, who bought land 3½ years ago at what turned out to be precisely the wrong time, believe Reagan has betrayed a campaign promise to Iowa farmers to help them restructure their debts. Consequently, 68 percent register disapproval of Reagan's veto of legislation designed to provide emergency credit aid, while 24 percent approve of the veto.

This and earlier polls confirm that Reagan's farm support has continued to sink, almost from the day after his re-election. Only a week before the Nov. 6 election, 58 percent of Iowa farmers approved of the way Reagan was doing his job; in February shortly before he vetoed the emergency credit measure, his farm support had slipped to 42 percent, and now it is down to 24 percent.

The **PRESIDING OFFICER.** The time yielded to the Senator from Iowa has expired.

Mr. CHILES. Mr. President, I yield 3 minutes to the distinguished Senator from West Virginia.

The **PRESIDING OFFICER.** The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. Mr. President, thank you.

This proposal like its predecessors starts from the view that the only cause of the Federal deficit is spending on domestic programs. Accordingly, the Republican proposals have sought to curb cost-of-living adjustments on Social Security, and other retirement programs, and to make deep cuts in a range of crucial domestic activities.

Mr. President, as a freshman Senator, and one who has not previously served in the Congress, I have been naturally reluctant to speak to my colleagues on the major issues that have confronted us so far, because those issues have been primarily defense and foreign policy matters—MX and Nicaragua—in which I have had little prior background. Under the circumstances, the time-honored tradition that new Senators be seen and not heard has been easy for me to observe.

The budget and the philosophical choices it presents are a different matter. As a former Governor, I am familiar with the difficulties in preparing a budget and the tough choices which the process entails. Also as a former Governor, I have seen first hand the importance of certain Federal programs and what happens to people and communities when those programs are reduced or eliminated. I have strong convictions about the direction in which the present administration has taken the country, and what these choices on the budget represent, in large part because the impact of these budget choices could be so severe for my State of West Virginia.

It is interesting to trace the evolution of the administration's economic views. We had the original argument that it was possible to simultaneously cut taxes, increase defense spending, and balance the budget—which defied common sense and economics and proved to be as impossible as it sounded. Later came the argument that the economy could simply grow its way out of the deficits—which lasted only until the 1984 election was over. Now we are told by the President and Mr. Stockman that the deficits threaten our economy in a very fundamental way. At long last, the American people

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are being treated to some straight talk about the consequences of the deficits.

But the administration has not yet reached the point of honesty about the causes.

President Reagan told us last month, as he has repeatedly, that the cause of Federal budget deficits is runaway domestic spending. And, he says, the cause of runaway domestic spending is the U.S. Congress. Therefore, he proposed a budget which eliminates 17 domestic programs, most of which are vital to my State, and makes proposals for cuts in 40 others, as well as cutting back on cost-of-living adjustments for Social Security and other retirement programs.

The facts tell another story. The facts are that in the past 4 years, the Reagan administration and OMB Director David Stockman have kept a tight rein on Federal domestic spending—and continually boast of this accomplishment. We've also gone through 2 years of economic expansion, which normally lessens the deficit by raising revenues while reducing the need for certain government transfer payments.

And yet, the deficit has exploded in the past 5 years from $61 billion in 1980, to $148 billion in 1982, and over $175 billion in each of the last 2 years. Of course, the Reagan recession deserves some of the blame for this trend, but recovery hasn't reversed it: deficits in the $200 billion to $300 billion range are projected each year for the rest of the decade, even with steady economic growth.

Actually, the big growth areas of the budget have been defense—including foreign military aid—and interest—not domestic programs. According to a report by the Joint Economic Committee, between 1980 and 1985 spending on defense and foreign aid increased from $145 billion to $268 billion. As a share of the budget, these activities have grown from 25 percent to 29 percent. Interest on the debt grew from $52 billion to $130 billion during this time, and now accounts for nearly 14 percent of the budget, instead of 9 percent as in 1980.

Spending on Social Security has risen, but so have payroll taxes which pay for it. The system is running a surplus and, under current projections, will do indefinitely. Since 1980, programs which aid the elderly and disabled have grown by $23 billion—entirely due to inflation and the increased numbers of elderly people in the population.

Spending on public welfare programs has risen by about $19 billion since 1980, because more people were in desperate enough economic straits to qualify for aid—not because the programs became more generous. In fact, because such programs were the major focus of earlier rounds of budget cutting, they grew much less than they generally would have during a severe recession and now account for a smaller portion of the budget—6 percent—than they did in 1980.

Spending on all other functions of Government—including public investment programs like education, research, transportation, and infrastructure—is more than $25 billion lower now than it was in 1980. As a share of the Federal budget, these programs have declined from 21 percent to 15 percent. The cuts in the administration-GOP package would shrink this category to about 11 percent.

What this means is that the root cause of the deficit is not, and cannot be, domestic spending. In fact, we have massive Federal deficits threatening our economic future for one overriding major reason—the 1981 Reagan tax cut. The tax cut totaled over $700 billion in revenues in just the first 5 years. And the losses keep mounting and for 1990 alone exceed $280 billion. Former Defense Secretary James Schlesinger called that tax cut the "single most fiscally irresponsible act in history"; without the revenues, he predicted, this country would be neither able to pay for national defense nor for domestic programs to which we were committed. And that is precisely our current predicament. Our tax base now supports only 80 percent of Federal expenditures, compared to 90–95 percent during the 1960's and 1970's.

Next to the ill-designed tax cut, the hallmark of the Reagan program has been its unfairness. The combination of Federal budget cuts with Federal tax cuts has represented a massive transfer of wealth from those who could least afford it, to those who least needed it. From 1980–84, only high income households actually got a tax cut. And in income brackets above $200,000 the average reduction was over $17,000. At the same time, however, because payroll taxes were rising during this period, lower- and middle-income households saw their tax bills go up. Over roughly the same period of time, cuts in Government transfer programs—Medicaid, food stamps, housing, and AFDC—cost low-income households an average of $1,300.

The erosion of the corporate tax base also proceeded with a vengeance under this administration. Corporate taxes now account for only 8 percent of Federal revenues, while over half of corporate income escapes taxation altogether.

In short, we gave a tax cut of a size that we couldn't afford, primarily to those who least needed it. The tax cut was wonderful for me and other upper-income taxpayers. It was wonderful for General Motors, General Dynamics, and General Electric. Now the Reagan administration wants the general public to pick up the bill. In my view, whatever the outcome of the tax reform debate later this year, we need to insure that the wealthiest individuals and the corporations pay their fair share.

We need to reduce the deficit, but we face a fundamental choice about how to do it. Depending on how we deal with the deficit, we can reverse the unfairness and mistaken priorities of the Reagan program, or we can compound them. We can try to restore fairness by sharing the burden more equitably, or we can again hit the people and regions that have suffered most under the Reagan program.

Reducing the deficit is not an end in itself. The true goals are the economy's continued growth and stability. This means actions to reduce our deficit must be accompanied by easier monetary policies to keep the expansion going and bring unemployment down. And it's completely counterproductive to devise deficit reduction proposals which undermine the economy's prospects for growth and full employment. We risk adopting a cure for the deficit problem that is worse than the disease.

For these reasons I am not going to support the President's effort to eliminate programs that have been vital to my State of West Virginia. Economic development programs, such as EDA and ARC, have contributed substantially to my State's economic progress in the past and are still badly needed. The Reagan administration measures those programs in terms of cost to the Federal budget; I measure those programs in terms of the economic growth they have supported—gains which would not have occurred without them. By this test, such programs have been highly cost effective.

I'm not going to pay for the Reagan tax cuts by cutting into vital expenditures for education and other human needs. How does forcing schools to drop out of the School Lunch Program or slashing research budgets or curtailing student loans make our economy stronger? With unemployment still unacceptably high, we need more emphasis on education and training—not less.

I'm not going to deal with the Reagan budget deficits by reneging on our promise to our senior citizens that Social Security benefits will be kept intact. We fixed the system in 1983; it is fiscally solvent and not contributing to the overall budget deficit. Freezing or capping Social Security COLA's amounts to a permanent cut in benefits which is both unfair and unacceptable. From the time 20 years ago, when he advocated making Social Security voluntary, the President has never understood the importance of the social contract between generations which Social Security represents.

I support limiting this year's defense increase to the rate of inflation, with 3 percent real growth annually thereafter. Since President Reagan took office, defense spending has increased by 35 percent in real terms and is currently greater than at the height of the Vietnam war. Freezing this year's budgetary authority for defense in real terms will in fact provide over $100 billion more for national security than just 5 years ago. A defense budget freeze at that level will not, in my view, jeopardize the modernization of our Armed Forces nor undercut the preparedness of those forces.

What has happened in the past 4 years is sometimes difficult to understand because it is so sweeping in scope. The administration cut taxes irresponsibly by an enormous amount to benefit the wealthiest Americans and corporations. Then they turn around and tell the public: we have a deficit, so therefore we can't spend money for economic development, for education, for clean air and water, for food stamps, for Social Security. They are following a conscious strategy of trying to grind down the domestic budget between a rapidly expanding Pentagon budget on the one hand, and a radically diminished tax base on the other hand. The President and Mr. Stockman are now using the deficit issue as a excuse to get rid of programs which they have always opposed.

Above all, the budget is a statement of our country's priorities. It depicts the kind of people we are, and the kind of society we would like to be.

In making the case for his budget compromise, the President said in his recent televised address:

> Every dollar the government spends comes out of your pockets. Every dollar the government gives to someone has to first be taken away from someone else.

That is one way to view it. The President has been able to capitalize on people's frustrations with Government—feelings that somehow they don't get their money's worth from the taxes they pay. But I don't think the people of my State, or the rest of the country, really share the administration's view that most Government spending is useless. There are important services and functions besides defense—education, environmental protection, research and development, help for the needy—that Government can provide for us collectively that we can't purchase as individuals.

From my experience as Governor, I know that States and localities lack the resources to take on the responsibilities that the President wants to shrug off. I know that private charities and generous individuals can't solve our growing poverty problems on their own. The scaling back of Federal Government expenditures envisioned by the Republican proposals will inevitably lead to a situation where the wealthy take care of themselves, but the poor and middle class will see their standard of living decline. My State has been extremely hard hit economically in recent years, but I don't believe that the Republican plan is a fair or compelling program for the Nation as a whole. I cannot support the set of priorities which the Republican proposals represent.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I want to compliment the distinguished Budget Committee chairman and the majority leader. I know an awful lot of hard work has gone into this package. I know how long this process has been. I compliment them, for they have brought the package up to this point and obviously they think they have the votes to pass it. I know it is not easy to get together a package like this, and to bring it to this point. It was not easy in the Budget Committee. It was not easy with the different forces that are working in the changes here, and I will have to say that I think this package today is better than the package that we started with in Dole I that was presented here. It looks a lot closer to the package that the distinguished Budget Committee chairman presented in the Budget Committee.

Having said that, I want to discuss a few of the numbers here because our brethren in the press never seem to get these numbers or pick them up. I guess it is easy when you have the pulpit. But we are still talking about when we start talking about how much we cut in the first year, how much we cut in the second year, and how much we cut in the third year. The plan uses the Rose Garden numbers. Remember, those numbers are numbers that were never passed into law. They were a wish list. They were a wish list of the President of the United States and his Senate Republicans. They put it together. They actually passed those numbers in defense on the floor of the Senate. But that is as far as they went. They did not go into conference. That is the only place in this budget that we use anything other than a CBO base line—is their use of the Rose Garden numbers in defense. So they use that to say that they have cut a lot more in defense, and they use that to say that they have saved a lot more. Well, it is a pretty appreciable difference because this plan is advertised as saving $56 billion or cutting $56 billion the first year. It cuts $43 billion. The only thing we can cut is from where we were last year, and what we passed into law. That is the only thinking that we cut on any other figure, and I know this probably will not ever get picked up in the papers tomorrow morning. I took my clothes off in the Budget Committee to try to get the figure in. It is still $43 billion. That is the amount it saves in the first year—$80 billion in the second year as opposed to $89 billion and $114 billion in the third year as opposed to $139 billion.

One other thing I will remind you is this: when this is advertised as getting the deficits down to $104 billion in the third year, remember that is using the OMB economics. That is the economics that says in 1990, you are going to be able to get a mortgage on your house for 7 percent. It says in 1988 the Treasury bills are going to be 5¼ percent. It says that the growth rate is going to be 4 to 4½ percent from now on every year even though we are seeing the growth rate fall out from under us. Basically CBO had not estimated this plan. They had not had time, but if you use the CBO economics, you have to add to that $104 billion in the third year. It comes out to around $150 billion in the third year.

My concern with all of the good work that has gone into this plan, the strong endeavor that has gone into this plan on the part of the people that have worked for it, is we have deficits of $150 billion.

Deficits of $150 billion or even deficits of $104 billion 3 years from now do not turn around the direction of the way the deficits go. Even if it was $104 billion, you would have $100 billion deficits from now on. If it is $150 billion, they will be growing, because the compounded interest on the debt will make that deficit grow.

I say that because we did have a plan before us that we voted on that would have brought those deficits down to zero in 1990 or 1991. They were on a glide path going down to zero, and I think it was a very balanced plan.

It did not get enough votes, but I think it would have been much better for the country.

The one other thing that I have to fault this plan is that it is not balanced. It is not shared sacrifice.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CHILES. I yield myself 2 additional minutes.

When we are talking about some drastic cuts we are making in programs, in nutrition programs, in student loan programs, in a lot of our development programs, in elderly programs, we see those cuts, but where is the balance in that of asking everybody in this country to pay their fair share?

Again, I think we had not one, but at least two plans that would have attempted to do that by saying that there should be some revenues, and those revenues could have come from minimum corporate tax, minimum individual tax, closing of some of the loopholes.

We could not even pass in here a little tax that just said we were going to continue the cigarette tax. We could not even pass in here a provision that said to keep people from paying more for their doctors' bills we are going to ask the cigarette tax to continue.

Because of that, I really think the plan is faulted, because it does not have balance. To ask our elderly to take a 1-year freeze on their COLA's when we are not asking fat cats to take a 1-year freeze on their tax expenditures, on their loopholes, or any kind of freeze, when we are not asking those corporations that are earning millions and millions of dollars—and everybody is rushing to be for a corporate minimum tax now—we are not asking them to pay anything for Government, but we have heard the arguments that we are going to take the tax and reduce the rates. What do my taxes go for? My taxes go to pay for the Government. That is what everybody's taxes in this room pay for. But corporate taxes are not to pay for the general Government, but just to reduce other taxes.

That is why this plan is flawed. That is why I think it should not pass tonight. If it does not pass, I think we could very quickly put together a plan that bears many of the features of this, but would do one additional thing: It should have shared sacrifice and it would be calling on everybody to do something.

The VICE PRESIDENT. The time of the Senator has expired. Who yields time?

Mr. DOMENICI. I yield 3 minutes to the Senator from Texas.

The VICE PRESIDENT. The Senator from Texas is recognized for 3 minutes.

Mr. GRAMM. Mr. President, we have had a long debate and have heard a lot about what you are voting against in this budget. Our distinguished colleague from Florida just told us that you are voting against nutrition and education.

We all know we are voting for a freeze on defense and for a freeze on COLA's. I would like to spend my brief time in talking about what we are voting for in this budget. We are voting to sustain a recovery that has brought jobs and hopeful opportunities to our people. We are voting to sustain a recovery that has put 7.5 million people to work.

I ask my colleague from Florida, is that not a nutrition program, 7 million families at work bringing home a paycheck, putting groceries on the table? That is a nutrition program that every American family wants. No food stamp program will ever substitute for that.

Is that not a housing program? There are 7.5 million families at work building up a nest egg to build and buy their own homes. You can have HUD. I will take that.

It is an education program; 7.5 million families are at work saving money to send their children to college.

We are voting here on 7 million new jobs in the next 4 years. We are voting here on a 2 percentage point decline in interest, a $100 a month decline in mortgage payments. In short, we are voting to strengthen and sustain the recovery.

So when you are looking at all the things you are voting against, when you are looking at all the programs you would like to have, I would like to ask my colleagues, both Democrats and Republicans, to look at what you are voting for, to look at what we have done in the last 4 years in reducing the growth rate of spending, in putting more money back in the pockets of the American people. They have responded in the greatest postwar recovery in American history.

We can vote tonight to strengthen and sustain that recovery. In casting that vote, you are not voting for all the special interest groups that we voted here for on all of these amendments. You are voting for the public interest. You are voting for those who do the work and pay the taxes and pull the wagon, who do not have all these lobbyists out here in the corridors saying they are going to remember your name in their newsletter, they are going to remember you tonight, somebody will benefit.

But they are the people who make the people work. We have cast all these votes on all these amendments for special interests. I ask my colleagues to cast this vote for America and vote for this President.

Mr. DOMENICI. Mr. President, before I yield to the leader, let me make a few brief comments about the remarks of my good friend, the ranking minority member of the Budget Committee.

Frankly, I do not think anybody that is going to vote for this needs any explanation as to whether they are voting to really cut the budget. You might argue where you started, but I am sure you are all going to suffer a little pain here, because this is indeed a historic event. This would be the largest reduction in the history of the Republic. Applied to defense and domestic programs, there is nothing even close to it in our history. You might argue where you started, but we have to find out where we ended. We ended up with a package that dramatically reduces domestic expenditures; that removes a number of programs that are not high priority; that reforms five or six programs that needed it for decades; that freezes cost of living as a part of that; that reduces defense somewhat over that which the President wanted.

When you put it together, it is the bottom line that counts. I am sure nobody here is worried about whether they have cut enough. There is some indication that maybe we are exaggerating the cut.

Well, if we are exaggerating the cut, I do not know why it is so hard. It seems to me it is because we really are, for the first time, changing the nature of the expenditure path of this Federal Government.

Frankly, we ought not do it unless we are worried about something. I am worried, as most of you are, about the black cloud of debt that hangs over this country, that is going to ruin this recovery and hurt far more people than restraining and changing some of these programs.

If I was not convinced of that, I would not be here.

If you are not convinced of it, do not vote for it.

On the other hand, if you are, you better vote for it, because there is nobody around who is going to do it for us. I will tell you that. If we do not do it, it will not be done.

If you do not vote this tonight and send it to the House, they will not do anything, either. They have been waiting around forever.

I think it should be nice to send this over there.

If they want to add the taxes that some say would be shared sacrifice, they can add to this package. It is $295 billion without it. If they would like to add a little more shared sacrifice, keeping the cost-of-living freeze and other things, we will give them that privilege. Except we think we have asked everybody to share, already.

We think it is a fair package.

In closing, I want to particularly thank the majority leader. This is my first effort with him in a majority leadership role on a significant package, and I compliment him.

He has done a marvelous job and I hope all of his efforts and the efforts of the others prove tonight to be not in vain but rather a step in the right direction for the future of this country.

Mr. CHILES. Mr. President, I yield 1 minute to the distinguished Senator from Michigan.

Mr. RIEGLE. Mr. President, President Reagan promised the country that there would be no cuts in social security, including the COLA's. This package breaks that promise. Yet the Social Security System is in surplus and it is not contributing one dime to the deficit.

Under this proposal, the average person on Social Security will lose $18 a month in buying power next year. That will drive 470,000 people below the poverty line. When we asked what

would happen to those people, the proposal we have here says they are supposed to go on welfare. In fact, they even make provision here for the fact that they will go on welfare.

They should not have to do that, Mr. President, particularly in light of the fact that a promise was made.

In the last 4 years, this administration and this party have cut Social Security $110 billion through the year 1990. The senior citizens have already contributed that much to deficit reduction and they ought to be exempt from further cuts, as the President promised and as the Senator's party promised just a few moments ago.

There is absolutely no justification for cutting Social Security and I hope that tonight, we will have the integrity and the honor to keep that promise.

Mr. WEICKER. Mr. President, I and my colleague Senator Inouye have been deeply concerned that the President's original budget and the subsequent Senate/White House compromise would have severely damaged the fabric of the Federal commitment to improved health for all Americans. Under these two proposals health research, training, and services were to be slashed—some to the point of elimination. Indeed, because of our deep concern we were prepared to offer an amendment to the budget to correct this.

The budget proposal now before us, however, addresses many of Senator Inouye's and my concerns, thanks to an agreement with our colleagues Senators Dole and Domenici. The tremendous momentum of our Nation's biomedical and behavioral research efforts is maintained through this agreement, which firmly establishes an all-time high of 6,000 NIH new and competing grants per year and comparable increases in research centers and ADAMHA grants.

Also agreed is a complete restoration of all health professions training funds, assistance to colleges and the Geriatric Training Initiative. Cuts are eliminated in the maternal and child health block grant, community health centers and mental health clinical training activities, and State planning grants.

Mr. President, through this agreement with the majority leader and the Senate Budget Committee chairman we are maintaining our investments in better health. This investment will yield record breakthroughs, vital community and clinical health services, and a properly trained health manpower pool, and other dividends so vital to our, and our children's futures.

Mr. ZORINSKY. Mr. President, the latest compromise budget proposal offered by the Senate majority leader is far from perfect. However, significant concessions have been made. Coupled with the unquestioned need to act on the budget deficit, these concessions are sufficient to allow me to vote for the so-called "Dole II" amendment.

Major concessions in the area of agriculture include several for which I personally fought for agricultural programs. Chief among the concessions is a restoration of $2.5 billion for Commodity Credit Corporation price support and farm credit programs over 3 years, bringing the total allocation for CCC operations to $32.25 billion. The administration has assured me this amount will accommodate the provisions of my farm bill as well as most of the other bills that have been introduced.

Other concessions in the area of agriculture I obtained include:

A $4 billion annual Farmers Home Administration farm loan program.

Inclusion of $490 million to "buy down" interest rates on farm loans made by commercial banks or cooperative lenders. These funds will be made available through a program tailored after a provision in my own emergency farm credit aid package that was vetoed by President Reagan earlier this year.

A $2 billion export promotion program that uses surplus farm commodities to effectively reduce the price of U.S. farm products in the international marketplace. This concept is included in S. 1051, the comprehensive, 4-year farm bill I introduced last week. The administration has agreed to implement the program immediately.

Retention of a viable Rural Electrification Administration Program.

A significant increase in soil and water conservation programs over the original Dole compromise budget.

No reductions in the existing Federal crop insurance program.

I am also pleased that some provision was made for impact aid, Amtrak, and child nutrition programs under this latest compromise.

Significant program reductions remain in the "Dole II" compromise. I would have preferred to see more of these reductions rescinded. However, I also know Congress must take action to show it is serious about reducing the budget deficit. Fairness and equity must prevail in any ultimate attempt to balance a budget. I will continue to broaden and expand the base of the sharing of this responsibility in future budget reduction proposals.

Mr. GORTON. Mr. President, I should like first to congratulate my distinguished colleagues, the majority leader and the chairman of the Budget Committee, for having guided us from Budget Committee markup to these final hours of debate of the 1986 budget proposal. I have great respect and affection for both of them, and I am pleased to say I support and cosponsor this new deficit reduction package.

I support this package because it is as fair and effective as any we can possibly achieve. By fair, I mean that the pain of curbing runaway spending will be borne more equitably across the varying sectors of our society than has been the case with any preceding plan. By effective, I mean that the spending cuts approach the budget deficit reduction goals we have set for ourselves, and we have avoided increasing the taxes of the American people.

I am especially pleased that some funds will be restored to important programs such as rural housing, the Small Business Administration, and impact aid. I also believe it important to restore some of the savings to Medicare and Medicaid, and I commend Senator Packwood for this fine contribution.

I have been confident throughout this process that this type of proposal would be assembled—one which could achieve what we are aiming at, while sparing some of the most important programs from overly drastic reductions. I am proud to have been a part of that process. That is not to say, however, that there are no elements in this package which are difficult to embrace in their entirety, and that is not to say that there is no pain.

Mr. President, I urge my colleagues on both sides to support this new package. We have come a long way since the President submitted his initial proposal in February. We have considered and compromised; we have debated and disposed. Now it is time to recognize our responsibilities and the urgency of this task, and to accept this package as one which will accomplish what we absolutely must accomplish. We have fought our battles. Let us now agree to come together in the spirit of reducing this deficit. We are pledged to act in the interest of the Nation, Democrats and Republicans alike, and it is our duty to insure that our economy will continue to grow; that our children will not be unduly burdened with debt that is not their own; and that our economy will continue to flourish as an example to all others.

Mr. DeCONCINI. Mr. President, it has been a tortuous 3 weeks since the first copy of the so-called White House-Republican Leadership budget plan arrived on our desks, heralded as the bottom line in deficit reduction for 1986 through 1988. The President of the United States went on national, prime time television to proclaim the Republican budget compromise as the "Taxpayers Protection Act." We have had 50 hours of debate on the White House compromise package; two comprehensive, detailed deficit reduction plan alternatives; an across-the-board freeze on all spending for 1 year; and dozens of amendments, addressing issues ranging from Social Security to the pay of Senators. And after all the dust has settled, the Senate is left with pretty much what it started out with: A flawed, inequitable, budget plan that forces various elements of the Federal community to make tremendous sacrifices while other pieces of the Federal budget receive merely a slap on their fiscal wrist. To add insult to injury, the budget package that we are left with has no prospect in sight for achieving a balanced budget. It is for these fundamental reasons and others that I oppose the so-called Revised White House-Leadership budget plan.

Mr. President, this has been one of the most frustrating 3 legislative weeks that the junior Senator from Arizona has spent since coming to the Senate. Here's why.

First, we have had in the White House for the past 5 years a President who rode into office on the promise of achieving a balanced budget by 1984. In fact, back in 1981, President Reagan projected that if his proposals would be implemented, the Federal budget would actually generate a surplus in 1985 and 1986. Needless to say, we have fallen about $200 billion short of achieving that honorable and laudatory goal set forth by the President nearly 5 years ago. I do not hold the President totally responsible for our failure to achieve a balanced budget. Certainly, the Congress must share in the disappointment and the failure to bring our fiscal house into balance. But after 4 years of accumulating "red ink" and falling deeper and deeper in debt, I expected much better than the budget plan that we have before us in May 1985. I expected better than a plan endorsed by the President that calls for a deficit of nearly $100 billion in 1988. I expected better than a plan endorsed by the President that would force our senior citizens and our veterans to lose their cost-of-living adjustment while at the same time our defense budget would be allowed to grow by the rate of inflation. I expected better than a plan endorsed by the President that would slash the Job Corps by 30 percent and freeze our war on drugs dead in its tracks for a year, while at the same time increase certain low-priority foreign aid information and exchange programs by 12 percent. And I expected better from the President and the Republican leadership in the Senate, than a plan to virtually eliminate postal subsidies to charities, churches, veterans groups, and small county newspapers—groups that rely on the mails to raise funds and promote their crucial social causes. But the package that has prevailed, as the President's best deficit reduction shot, does all of these things—and more.

Mr. President, I am doubly disappointed by the Revised White House-Republican Leadership plan because in the past 2 days we have had an excellent opportunity to adopt alternative deficit reduction plans that would have reduced the deficit substantially more than the White House-Leadership plan and which would have done so in a more fair and equitable way. Let me briefly recap those plans and explain why I supported them.

First, I joined the ranking member of the Senate Budget Committee, Senator Chiles in sponsoring a deficit reduction package that would have cut the deficit by $12.7 billion more than the White House-Leadership plan over 3 years and balanced the budget by 1991. The Chiles alternative plan would have cut spending by nearly $186 billion over 3 years, including deeper cuts in defense and deeper cuts in Federal civilian pay then the White House-Leadership plan. Overall, the Chiles plan would have reduced the deficit by $266.8 billion over 3 years, with $2.50 in spending cuts for every $1 of revenue enhancements. And this plan would have achieved this ratio of spending cuts to revenues without any change whatsoever in personal income tax rates for the American taxpayer. Unfortunately, the Chiles alternative package was defeated by a vote of 35 to 63.

Second, a second alternative deficit reduction package was proposed by the distinguished Democratic Leader, Senator Byrd, which, if adopted, would have cut the deficit $9.1 billion more than the White House-Leadership budget plan over 3 years, while restoring equity and fairness to the mix of spending cuts proposed in the White House plan. The Democratic leader's plan would have restored funding for critical programs such as the Job Corps, veterans health care programs, and Medicare and Medicaid, while cutting back low priority foreign aid programs by $1.9 billion more than the President and the Republican leadership recommended over the next 3 years. The Democratic leader's package provided additional funding for child nutrition programs and education programs, while mandating substantial corporate tax loophole closings and improved enforcement of our tax laws. The Democratic leader's plan even provided a 1-percent real growth increase for our national defense, yet this effective budget plan was defeated by 11 votes, 43 to 54.

Finally, an across-the-board freeze on all programs—from national defense to Federal pay to law enforcement—was offered and, unfortunately defeated by a wide margin. Although the deficit reduction impact of this plan would not have been as significant over 3 years as the other two plans mentioned above, it would have halted the growth of spending dead in its tracks for 1 year and given the Congress a full year opportunity to make permanent generic changes in the way the President and the Congress do business on the budget.

Mr. President, let me make one final comment, not on the White House-Leadership package itself, but the manner in which it was handled on the Senate floor. For the first time in my brief tenure in the Senate, the nonpartisan way the Senate normally does its business became a partisan race against the clock to monopolize the time on amendments and shut out Members of the minority in their efforts to craft a different mix of deficit reduction proposals. We saw crucial policy and budgetary issues relegated to 7 minutes of debate at 9 in the evening. We saw Members denied access to the floor to offer critical amendments that would attempt to correct inequities in elements of the White House-leadership package. And we saw the Democratic leader forced to request a rollcall vote to buy one-half hour of time to caucus his colleagues to review the final Republican budget proposal. Even that simple request was denied. My own amendment to put the Senate on record against an Office of Management and Budget ploy to short-change the Women, Infants, and Children [WIC] Nutrition Program was relegated to 5 minutes of debate on each side of this important issue. In short, not only did the Senate spend a long, long time waiting at the deficit reduction dinner table, it got a bad meal and a raw deal at the end.

Mr. President, I am deeply disappointed that I could not support the budget plan that was proposed and endorsed by the President and the Republican leadership in the Senate. As a sponsor of a constitutional amendment to balance the budget, I was hopeful that the other side of the aisle would construct a deficit reduction plan that would get us closer to a balanced budget within the next decade. Nevertheless, I hope that the House of Representatives and ultimately, our House-Senate conferees on the budget resolution will be able to salvage a respectable deficit reduction strategy that will guide the Appropriations Committee, the Finance Committee, and all Members of the Congress over the next 3 years and pave the way toward meaningful, equitable spending restraint in the future.

AMENDMENT RESTORING FUNDS FOR SBA'S CREDIT, MANAGEMENT ASSISTANCE, AND DISASTER LOAN PROGRAMS

Mr. WEICKER. Mr. President, the leadership amendment includes funding for the Small Business Administration's credit, management assistance and disaster loan programs. It reflects a just and fair compromise agreed to by the Republican leadership and the administration who deserve credit for recognizing the importance of SBA's credit programs and management assistance network to our Nation's small business sector and the economy.

Mr. President, the proposal recommends significant savings in SBA's budget, while maintaining the basic core and structure of the agency, as laid out in S. 408, which was reported out of the Senate Committee on Small Business by a vote of 16 to 3 after 3 days of extensive hearings. The amendment achieves $2.5 billion in outlay reductions over the next 3 fiscal years.

This amendment builds upon the savings achieved by S. 408. In the committee reported bill, the bulk of SBA's direct loan programs are eliminated, along with the agency's Nonphysical Disaster Program. In addition to the savings achieved by S. 408, this amendment also assumes two major policy changes. First, effective October 1, 1985, farmers would be required to go to FmHA for disaster assistance. CBO estimates that this will achieve $817 million in outlay savings over the next 3 years. Second, the Small Business Investment Company [SBIC] Program would be financed through the private capital markets rather than the Federal Financing Bank [FFB]. Under this proposal, SBIC's would be permitted to bypass the FFB and take their 100-percent Government guaranteed debentures directly to the street for financing. The SBIC industry utilized this financing mechanism from 1971 through 1974. Instead of receiving financing directly from FFB, SBIC's would get funding through the street from investors who purchased their SBA guaranteed debentures. CBO estimates $529 million outlay savings by changing the SBIC funding mechanism.

These two policy changes coupled with S. 408's recommendations achieve approximately $2.2 billion in outlay savings over the next 3 years.

Additional cost savings will be achieved through further SBA program reductions or modifications. I will want to consult closely with my ranking member and the other members of the committee before finalizing any game plan on how these additional savings are to be realized.

I would like to commend Senator Bumpers, ranking member of the committee, for his support and counsel over the past few months. He has been deeply involved in this fight to preserve SBA. His involvement in the drafting of S. 408 and in the extensive hearings on the bill proved instrumental. I know this compromise causes the Senator from Arkansas some problems, especially the farm disaster provisions. However, his support reflects the fact that our mutual priorities have been achieved. First, SBA and its field structure, will remain. Second, its lending and counseling activities will continue.

Mr. President, I would like to delineate the programs that will be maintained and discuss their importance. First, all of SBA's credit programs including the 7(a) guarantee loan, SBIC, MESBIC and 503 certified loan programs, and veterans and handicapped direct loans will be maintained, although in some cases at reduced levels.

SBA principally through its 7(a) Guaranteed Loan Program has provided financial assistance to nearly 500,000 of the 4.5 million businesses that seek credit during their lifetime, according to GAO. This is a market penetration of over 10 percent and, according to GAO again, has been of invaluable aid to small businesses who desperately need long-term financing not otherwise available.

According to GAO, up to 40 percent of banks' long-term small business financing carries an SBA guarantee, and 82 percent of lenders they surveyed said that without SBA's guarantee, their small business loans would not have been made, or would have had tougher terms. Bankers testified that eliminating SBA could cause small firms to lose their only source of long-term credit. Kenneth Guenther, representing 7,800 banks as executive director of the Independent Bankers Association of America, summed up the need to retain the Guaranteed Loan Program:

> Every leading expert in small business finance would argue that long-term credit is essential to growing small firms and that the supply is woefully inadequate. It is precisely in this area that the SBA's presence is so significant.

He and other witnesses emphasized that the assistance provided by SBA under its guarantee program is not subsidized: these rates are market rates and generally more than 2 percent above the prime rate.

Mr. President, the SBA Loan Guarantee Program is no free lunch. The Federal guarantee permits banks to provide long-term loans, 7–10 years in length, to businesses, often start-ups, who do not have the eligibility to obtain such financing. As a result, jobs are created and economic activity is generated. These loans are paid back. The actual loss rate of SBA's bank guarantee loan is 6 percent.

Mr. President, the Small Business Investment Company [SBIC] and Minority Enterprise Small Business Investment Company [MESBIC] programs, also preserved under this amendment, provide over 20 percent of venture capital financing in America, filling a critical void in the availability of equity financing for small firms. Just last year President Reagan recognized the significant accomplishments of these programs and called them a "public/private partnership—that—can do things that Government alone cannot accomplish." In addressing this group he stated:

> Your service breakthroughs, the jobs created and retained, the economic gains, and yes, the additional taxes collected over the last quarter century from your program's successes have real meaning for us all.

In its 25-year history there have been only $38 million in program write-offs to date. Cray Research, Inc., the world's leading supplier and developer of super computers, and super computing technology, in testimony before the Small Business Committee, attributed its very existence to SBIC financing and said that in 2 years it will pay more to the Government in taxes alone than total losses in the program to date. The 1958 act which authorized the SBIC Program recognized that commercial banks are not able to furnish equity financing, and established SBIC's to combat this clear market imperfection. To date, SBA's venture capital programs, which President Reagan himself has called "pioneers of private sector/Government efforts to expand the availability of venture capital for small businesses," have provided $2 billion in equity financing to 70,000 firms, creating 250,000 jobs. SBIC's and MESBIC's generate tax revenues and jobs far in excess of Government outlays, and have been responsible for great small business success stories, including Cray Research, Apple Computer, Federal Express and Essence magazine.

Mr. President, this amendment also preserves the 503 Certified Development Company Loan Program. This is one of the Federal Government's principal economic development tools, spurring economic growth and jobs at low cost to the Government. Under the 503 Program, SBA joins with State and local governments, as well as local financial institutions in making long-term bricks and mortar financing available to healthy small businesses for planned expansion and job creation. To date, 541 CDC's have been certified by SBA, funding over 2,300 projects, totaling $703 million, creating or retaining nearly 100,000 jobs. Witnesses testified before the committee that the 503 Program has, in many instances, put rural areas on the map by increasing the capital available to these communities, where rural banks cannot meet local needs and finance essential main street service businesses. Terminating the 503 Program would choke the already short supply of long-term financing for small enterprise, its lifeblood, and would half much of the economic growth in cities and rural areas now being seen across America.

In addition, this amendment maintains the SBA Physical Disaster Loan Program. Since 1953, SBA has been the principal agency in the Federal Government to provide critical and timely assistance to businesses and homeowners who are victims of physical disasters. It has provided over $12 billion in disaster assistance to nearly

1 million businesses and homeowners throughout the Nation. And, over 96 percent of these loans, not grants, are paid back in full. Under this program, SBA moves quickly to disaster locations to provide financial assistance for uninsured losses resulting from natural disasters such as floods, hurricanes, tornados, earthquakes, fires, mudslides, and other catastrophes. Again, SBA steps in to provide loans for uninsured loss. Especially in the case of floods, other insurance is too costly or in some cases simply not available.

Mr. President, I want to reiterate the point that SBA's disaster loan respond only to losses not covered by private insurance. Ninety percent of property damage by natural disasters is due to flooding. Most private insurance companies exclude flood coverage on their policies. The National Flood Insurance Program, administered by FEMA, covers only 25 percent of eligible structures. Furthermore, 2,700 communities, in flood prone areas, remain ineligible for Federal flood insurance.

I cite these statistics to demonstrate the need for SBA's Physical Disaster Program. Since 1916, it has been the policy of the Congress that "Government should aid and assist victims of flood and other catastrophes." I am pleased that this policy will not be abandoned.

Mr. President, SBA's management assistance delivery network, which operates through universities and private sector organizations to provide counseling and training to small business owners to cure the leading cause of small business failures: improper management practices, is also preserved. Over 3 million entrepreneurs have sought and obtained SBA's management help in the last 6 years alone. In addition to the Service Corps of Retired Executives [SCORE], Small Business Development Centers [SBDC's] now located in 37 States, and the Small Business Institute [SBI] Program, which operates through universities located in every State of the Union, will be maintained. These programs, along with the management assistance arm of SBA's district offices, often provide the only source of affordable onsite management counseling for small companies.

Mr. President, lastly, I want to assure my colleagues that the Surety Bond Guarantee Program will remain under this compromise.

Through its Surety Bond Gaurantee Program, the SBA assists qualified small business contractors by extending a guarantee to a surety of up to 90 percent against loss in order to make bonding more easily obtainable. Since its inception in 1971, this program has guaranteed over 166,000 surety bonds, permitting the award of over $12 billion in contracts to small businesses. With the assistance of the SBA Surety Bond Guarantee Program, small and minority business contractors are now able to obtain the surety bonding required to bid on almost all federally funded and private construction contracts.

Mr. President, the dynamic sector of our economy is small business. Small business is where the action is. It is the small business sector where the new jobs are created and the innovations developed. Many new businesses or ideas would never get off the ground without the SBA's credit programs. When you consider the jobs created and the increased revenues paid by businesses assisted, these programs pay for themselves.

In conclusion, Mr. President, this amendment achieves substantial savings while at the same time preserving the SBA and its essential credit and management assistance programs. By adopting this amendment, the Senate will be addressing the needs of our small business sector and attempting to meet our deficit reduction goals. I urge the Senate to support this fiscally responsible approach.

Mr. INOUYE. Mr. President, the agreement which Senator WEICKER has been able to achieve today would ensure that the important service delivery, research, and clinical training programs of the Department of Health and Human Services will be continued at the highest possible level. Originally, Mr. President, we proposed that for fiscal year 1986, we continue the fiscal year 1985 level of funding with a 4-percent increase for inflation. However, that which we are offering today is the best that we have been able to achieve.

Mr. President, the Senate Appropriations Subcommittee on Labor-HHS-Education, which has jurisdiction over the Department of Health and Human Services, has just now completed its hearings on the Department's fiscal year 1986 budget request. We are just beginning to receive testimony from the public witnesses who, like you and I, are the beneficiaries of the programs we are addressing here today. If this year's testimony is in any way similar to that which I heard last year, we should be very proud of the advances in medical and health sciences which our Nation's clinicians and scientists have accomplished to date. Yet, Mr. President, we still have a long way to go.

For example, Mr. President, last year native Hawaiians were reported to have the highest incidence of cancer of any segment of our Nation's population. This past year the President's Cancer Panel traveled, at my request, to Hawaii to hold hearings on their unique needs. These native American peoples are also disproportionately represented on numerous other indicators of health and social welfare which consistently indicate that there is a very real and pressing need for continuing Federal assistance. For example, over 30 percent of all premature births in the State of Hawaii are Hawaiian, with the mothers being disproportionately young. Only this past year the Maternal and Child Health Program began to focus upon their unique needs. These are but two of the important programs which our amendment addresses today. Similarly, although the need for quality mental health and alcoholism-related treatment is high among native Hawaiians, I was recently informed that there is only one native Hawaiian graduate of an American Psychological Association-approved clinical training program. Unfortunately, I am all too aware that similar statistics could be cited for every other one of our minority and native American populations.

Mr. President, this past year the prestigious Institute of Medicine reported that behavioral disorders are implicated in 50 percent of all morbidity and mortality in our Nation. It's report stressed the importance of the Congress giving increased priority to the programs of the Alcohol, Drug Abuse, and Mental Health Administration. The Institute of Medicine pointed out, for example, that for every patient being treated for cancer more than $300 is spent on research. Unfortunately, the comparable figure for schizophrenia is only $7.

I am sure that every one of us is aware of the excellent work that the wife of one of our colleagues is doing with the Mental Health Association in attempting to combat the unfortunate stigma which mental health care presently possesses. However, for her to be truly successful, we must provide sufficient clinical training and research funds, as well as providing adequate service delivery support.

Mr. President, during the past decade we have received increasing testimony stressing the fundamental importance of prevention. The Surgeon General's report "Healthy People" pointed out that 7 of the top 10 killers in our Nation could be substantially reduced if those at risk would only change their habits and modify their lifestyles. There is a crying need for more behavioral and basic research in this area in particular. Yet, public witnesses last session informed us that for every $1,400 we spend on curative care, we only spend 50 cents on preventive measures.

Last year the Appropriations Subcommittee received moving testimony describing how the very quality of the daily lives of numerous citizens has been improved by research endeavors sponsored by the National Institutes of Health and the National Institute of Mental Health. Individual witnesses

came forth and stated that either they, or their loved ones, would simply have not been alive if these basic behavioral and biomedical advances had not been made.

Mr. President, it was truly moving to learn for example, that in fact we now have a whole new generation of health, employment, and social problems to deal with because those affected are living longer than could ever have been predicted in the past. We have truly come a long way, but we have much more to do; we simply must not stop here.

Mr. President, we must ensure that we do not diminish our Federal commitment to our Nation's health care programs. These programs are truly in our national interest.

Mr. SYMMS. Mr. President, in my fourth year as a participant in the yearly budgeting process here in the Senate, I remain deeply disturbed by the fact that Americans now have considerably more, but not necessarily better Government, and no prospects for a balanced budget within the next 4 years, even according to the compromise plan agreed upon by the White House and the Senate leadership.

Considering that President Reagan campaigned in 1980 on the promise of a balanced budget, as have many of his predecessors in office, Americans are rightfully asking, "What went wrong?"

When this President assumed office in 1981, Congress was urged to enact three major legislative items. The first was across-the-board tax rate reduction, to stimulate savings and investment and to encourage economic expansion and job creation. The supply-siders had urged tax cuts and were convinced they would work, as they worked under President John F. Kennedy's administration. The second item was a plea for domestic spending restraint, and last, a defense modernization program to rebuild our Armed Forces. Defense increases were overwhelmingly mandated after a decade of wholesale neglect, based on growing public awareness of the Soviets' exploitation of America's unwillingness to support our allies, as evidenced in major setbacks in Iran, Afghanistan, and Nicaragua.

The President achieved two early successes from a Congress stunned into action by his electoral sweep. The requested tax rate reductions were enacted, as was tax indexing. Those were two major victories for the working population. Indexing was the major contribution of the Reagan Presidency toward fairness in the Tax Code; since it prohibited Congress from profiting secretively through inflation. Bracket creep pushed taxpayers into higher brackets, while increased revenues allowed Congress to finance more social spending. But the economic recession of 1981, the inevitable legacy from the Carter years of stagflation, Federal tax growth at its highest rate in history, and a too tight monetary policy inflicted by the Federal Reserve, caused the Reagan administration to deviate from its soundly based economic policy. Reaganomics, was, for the moment, abandoned out of uncertainty and political expediency.

Since 1981, the administration succumbed to a number of proposals that increased the tax burden on the American people. The Kemp-Roth tax rate reductions were changed to a 5–10–10 formula, and delayed. Then they were delayed again. The major tax hike of the President's first term, TEFRA, passed, along with a Social Security hike, in 1982. A gasoline tax was enacted in December 1982, and last, TEFRA II was adopted as yet another deficit reduction measure. Defying all Washington remedies, the deficit persisted.

Woody Hayes, the legendary football coach, once lectured to one of his classes that the United States had been in 10 wars, 8 of which we had won, 1 of which we'd tied, and 1 lost. Coach Hayes remarked that "Now 8–1–1 is not a bad record, but I don't like the trend." Similarly, there was cause for concern about the record of the administration in its willingness to accept tax increases under the guise of deficit reduction.

For the past 4 years, what the Congress has delivered is tax increases that have virtually eliminated the gains from the across-the-board rate reductions we made in 1981, spending restraint only in the very small, comparatively speaking, area of the budget in the nondefense, discretionary programs, but no restraint whatsoever in the massive budget area of the entitlements, the real budget busters, and only a modest defense program that has not redressed the serious imbalance of our forces with respect to our Soviet and Warsaw Pact adversaries.

What is the root cause of the deficit? Contrary to what some of my colleagues on the other side of the aisle might argue, it's profligate spending, which caused the deficit, not the tax cuts, which fueled the recovery, nor the military spending increase. The excesses in Federal spending and taxation have resulted from Congress' unwillingness to control domestic spending.

A common fallacy, bought by many in Congress, is that the widening deficit is crowding out private borrowers and driving up interest rates. This argument helps fuel the tax advocates. Widely ignored by those who believe Americans should never have been granted the Reagan tax cuts is the fact that the public now carries the highest tax load in history, with 20 percent of the GNP taxed away at the national level, and with State and local taxation making that burden nearly 40 percent of GNP. The real measure of crowding out is the amount of total Government spending combined with the total amount of Government borrowing, and there is far too much of both for the continued health and competitiveness of our economy.

Fortunately, the American people increasingly recognize the real culprit in the Federal spending spree, and they do not blame the President. If there was a single message to the elected last November, it was that Government is excessive and wasteful, and that spending should be controlled, not taxes increased. The central election theme of 1980—that spendthrift, vote-buying policies plagued this country with record inflation and high interest rates, and that the American people know better than their Government how to spend the money they've earned—was overwhelmingly reapproved.

Following November's elections, an early spirit in the Congress signaled that perhaps this year, 1985, would be different. There was an early optimism that perhaps the House and Senate would go beyond merely reducing the rate of growth in programs, and actually cut spending. But while many Senators and Representatives campaigned successfully on the importance of handling the deficit, without advocating tax increases as the cure, once the President's budget was announced, the momentum for spending cuts abruptly halted. Special interest groups, the taskmasters of Congress, those profiting most from programs created and perpetuated for their benefit, launched their annual campaign against deficit reduction by spending cuts. The special interests jammed switchboards with calls in opposition to spending cut proposals, bombarded Members with telegrams, and demanded appointments with the staffs. It was all too evident that Congress would capitulate again, and that deficit reduction, while embraced by all in the abstract, is shunned by many in the specific.

Mr. President, although some politicians frequently single out defense spending as the primary reason for the deficit, the Defense Department is only part of the problem. In 1965, domestic spending accounted for 10.1 percent of GNP, while in 1983, it stood at 16.9 percent of GNP. Defense decreased in those same years from 7.7 percent of GNP to 6.5 percent. Unlike defense spending, which is justified as the fundamental responsibility of the Federal Government, a myriad of programs are now funded at the national level which do not benefit specifically the poor, the disabled, or the poverty-stricken elderly in our society. Most entitlement programs today are not based on individual need or on poverty statistics, despite floor rhetoric to the contrary. Intended as income security programs, many of these entitlement programs have been transformed by vote-seeking politicians into massive income redistributors, with bonanzas for those at the receiving end, and burdensome taxation on those wage earners who seriously doubt that their future benefits will match their present input. Seventy-five percent of income security programs now finance retirement programs, while only one-sixth of all the money spent on entitlements is for "means-tested" programs, or those aimed at helping the poor. It is those programs on autopilot that present the greatest challenge to Congress.

Historically, the New Deal is often cited for implanting the anticapitalist notion that the Government is the best resolver of social and economic ills, and indeed, many new Government entities were instituted in the New Deal era. But the real marker of explosive budget growth could well be the institution of the COLA, the cost-of-living adjustment which Congress tied to many social programs. The Budget Committee counts about programs linked to an index such as the Consumer Price Index.

COLA's were devised to increase payments automatically to individuals as the cost of living rose, to keep Federal income checks in pace with inflation. COLA's were tied to the CPI, or to some other gauge measuring the cost of consumer goods, housing and wages. The COLA, however, was overgenerous, as the CPI, or Consumer Price Index is an imprecise measurement of cost of living. To worsen the situation, Congress could not refrain from putting its hands in the cookie jar, and tampering with trust funds. Congress frequently extended benefits to program participants far and above the amount of money they themselves contributed to the program. In Social Security, benefits increased from 1970 to 1983 by 239 percent, while the consumer price index increased substantially less during that period, by 177 percent, and average wages by 144 percent.

From 1961 to 1981, following the introduction of COLA's in many domestic programs, social spending skyrocketed from $37 billion to $163 billion, from 5.4 percent of the GNP to an incredible 11 percent in just 20 years. The early 1970's witnessed the sharp expansion of existing programs, like Social Security and AFDC (aid to families with dependent children), and the creation of many new ones, including Medicare, Medicaid, and food stamps. With the preponderance of new Federal programs, and the growing acceptance of Government as the great provider, the social stigma from accepting welfare payments all but vanished.

With the ratio of privately employed people to transfer payment recipients declining from 5 to 1 in 1950 to 1.3 to 1 in 1983, necessary reform of entitlement programs has become seemingly an insurmountable political task. Voters all too willingly accept prospective payments that will exceed their own contributions to income security programs, passing the burden of costs onto later generations. My colleagues, that burden has become much too high. I actually had a constituent contact my office today who said he's be willing to forgo the Social Security payments he'll be entitled to in 15 more years, because the burden of the payments today is just too high. There are a lot more Americans, especially the younger generation, who share that view.

With the spending bias that has afflicted the Congress, the disintegration of the ethos of limited government and balanced budgets, and the natural preference of many in our society for the enormous Federal trough, rather than competition for earnings in the marketplace, not to mention the intense pressure upon Members of Congress from powerful lobbying firms expending millions to continue to enhance the special dispensations their clients receive, a solution outside of the realm of Congress appears to be the only realistic alternative.

Education of the public about the dangers of escalating spending is crucial, and much credit should be given to the President for taking that message to the American people. The public increasingly questions the value and effect of many social programs. Rather than helping the needy to become self-sufficient, welfare programs have too often helped to promote the institutionalization of poverty in America. It is important to recognize that levels of poverty depend more upon the performance of the economy than upon the rate of Government social spending. Increases in poverty over the past three decades occurred during the years in which the GNP dropped—in 1954, 1958, 1970, 1974, and 1975. During all the other years, the poverty rate decreased. The solution to poverty has been shown not to be more Federal programs, but rather, a thriving economy with opportunity and employment for all citizens.

More and more Americans realize that the United States has suffered in its transformation from a free society, in which private property rights are respected, to a genuine welfare state, where the producers only have a residual claim to what remains of their earnings after the Federal, State, and local governments have subdivided it along their political constituencies. What happens when the Government redistributes income? People discover quickly that productivity, at least honest productivity, does not pay, and that political activity can be more lucrative than economic activity. Exorbitant rates of taxation promote the expansions of the underground economy, provide a disincentive for productivity, and make fair revenue collection virtually impossible.

The best demonstrated means to reduce the deficit is with strong economic growth. From November 1982 through June 1984, 6.7 million jobs were created, the best job creation rate of any 19-month period in history. Civilian unemployment declined from 10.7 percent to 7.1 percent in June 1984. CBO acknowledged last year that a 2-percentage point sustained increase in the growth of the economy could have brought down the cumulative deficit by $440 billion during 1984-87. A 1-percentage point drop in interest rates for all Government securities at that time could have cut the deficit by $35 billion, while the same percentage drop in unemployment also would have cut the deficit by $35 billion. Congress can promote economic growth and true deficit reduction only through cutting spending, not by raising taxes. The last two times Congress cut taxes, in 1978, when capital gains rates were reduced, and in 1981, then personal tax rates were rolled back, revenues went up substantially. Tax increases, as history has clearly shown, have never reduced the deficit, but have provided disincentives for growth, have served to finance new spending programs, have damaged our international competitiveness, and adversely impacted savings and investments, the capital formation necessary for business expansion.

I offered a budget this year in the committee, as I did last year. I received four votes on this proposal. The plan would have virtually eliminated the deficit by 1989, without raising revenues, and without detriment to those at or below the poverty level, or dependent on Federal benefit checks. My budget would have mandated a one-time 10-percent cut in civilian DOD personnel, and a 10-percent cut in personnel costs at all other Federal agencies. The plan would freeze all Federal pay and COLA's for 3 years, and cut all nondefense, discretionary programs by 10 percent. My plan would also have eliminated many nonessential functions and agencies that have long been targeted by the President for termination. While some of these cuts seem hard to swallow to some, I am convinced that the prospects for long-term economic expansion depend upon such strong measures of budget control, and will ultimately provide many more benefits than these programs do presently. The cuts passed by the committee, and

those proposed in the compromise, are a step in the right direction, but they are meager compared with the cuts that should be made.

One of the most important political developments at the grass roots level is the impending passage of the balanced budget amendment, which only requires two more States' approval. If 34 States adopt the amendment, Congress will be forced to either watch the reins of power shift to the electorate through a constitutional convention, or adopt its own balanced budget amendment. Although Congress infrequently examines initiatives to improve the budget process, the major obstacle to reform is overlooked—the absolute lack of political will in the Congress. The Budget Act of 1974 was deliberately devised for maximum flexibility in budgeting, and it is that largesse that Congress refuses to relinquish.

For that reason, prospects for passage of even a trial line-item veto remain remote. The line-item veto, which has been useful to 43 Governors, is under stiff opposition from Congress, which views it as an unwarranted executive intrusion on the purse string powers of the Congress. Well, I am inclined to believe we shouldn't be trusted with the purse strings, because we are incapable of saying no to any request for money. We're bankrupt, and yet, we mindlessly go on spending more and more as if there's no tomorrow.

For those Members who claim they dislike line-item veto because they say it doesn't reach enough spending, then I ask, for what reason do they oppose it? If it's truly as ineffective as they say, then why do they fear its passage?

The President made an emphatic commitment to veto any budget-busting bills that reach his desk, and I hope this pledge, remains, in his words, as "strong as 10 pounds of onions." President Reagan has not used his veto as often as he could have, but if the Senate continues to make no progress on budget restraint, he has my vote to sustain any of his vetoes.

H.L. Mencken once commented that Franklin Roosevelt thought the Federal Government was a gigantic milk cow with 100 million teats. Americans recognize today that the Federal Government has long surpassed its feeding capacity, and cannot continue to spend enormous sums of money which it does not have. Weaning from the Federal trough, no matter how distasteful to some, is imperative. It is the duty of this spendthrift Congress to face up to fact and exercise fiscal restraint. Ultimately, it is critical that the President exert his great leadership ability and make his veto promise come true.

Despite the howls of protest from privileged constituencies, and their vocal Washington representatives, I am certain a sizable majority of Americans want this budget mess resolved. And, I think the American people are prepared to make sacrifices to ensure that the economy stays on track, and to see that their futures and those of their children, are secure. I wholeheartedly support this package, and will continue to press for even deeper cuts in many areas, for greater program accountability and efficiency, and for preferred private solution to social needs.

Mr. CHAFEE. Mr. President, I support the substitute amendment which has been offered by the majority leader because it represents the best opportunity now available to us to succeed in reducing the Federal deficit.

Reducing the deficit is the most important single action which Congress can take to assure a prosperous future for our Nation. If this budget can survive through the House, it means interest rates will come down, we will be able to compete with our goods internationally, we will be able to compete with imports, and there will be more jobs for Americans and Rhode Islanders. Cutting the deficit is an extremely difficult task. It has compelled us to make some very hard choices among limited possibilities. It has compelled us to examine carefully every segment of the budget in the search for savings, and to closely evaluate our national priorities.

I want to commend my colleagues, Senator DOLE and Senator DOMENICI, for their diligence in attempting to achieve significant reduction of the deficit. Through compromise we find ourselves with a budget which addresses a variety of often conflicting interests and provides adequate funding for priority programs without raising taxes. This has not been easy. There is absolutely no way that this could be accomplished to the complete satisfaction of everyone. I am not in agreement with every provision of this amendment. But I believe it merits our support as a vehicle for achieving the critical goal of reducing the deficit and preserving our Nation's economic recovery.

From the outset of this year's budget discussions I pledged to the people of Rhode Island that I would work in favor of a deficit reduction package which is balanced, requiring restraint throughout every segment of the budget and not requiring any group or program to bear a disproportionate share of one burden of reducing the deficit.

This amendment achieves that goal and, most importantly, it enables us to attack the deficit problem without raising taxes. Spending for national defense is held to zero real growth in the next fiscal year—a significant reduction from the level of 6 percent real growth first requested by the administration. This restraint in military spending is absolutely essential in order to reduce the deficit in a manner which is both fair and responsible.

It has been observed many times during the budget debate that the fairest way to reduce the deficit is simply to freeze all Federal spending. While this may sound appealing, it is not sufficient. A simple budget freeze falls short for two reasons. First, it fails to produce the necessary savings—only $40 billion in the next fiscal year when those on both sides of the aisle have agreed that over $50 billion in savings is needed. In addition, a freeze of the defense budget at the 1985 level may jeopardize national security projects such as the Trident submarine and involve layoffs at key defense installations. Second, it fails to set priorities. A freeze treats all Federal programs equally and fails to distinguish between those serving important human needs such as health and education as opposed to programs which are nice but hardly essential, such as urban development grants and the Appalachian Regional Commission.

I have worked throughout the budget process to maintain adequate funding for high priority domestic programs, what are "people" programs, and am pleased that this package contains these provisions.

The package maintains spending for elementary and secondary education programs at the fiscal year 1985 level, as well as funding for library services and construction activities. In addition it provides funding for handicapped education activities above the freeze level.

Funding for higher education programs including student financial assistance are restored to the level approved by the Senate Budget Committee. This amendment also includes increased funding for health programs, including the National Institutes of Health. Furthermore, it maintains the funding levels included in my Medicare and Medicaid amendment which completely rejected the cap on Medicaid expenditures.

Other important domestic programs which the administration had eliminated, are maintained in this budget package. General revenue sharing, whose abrupt termination could have posed great difficulties for American cities and town, is continued through fiscal year 1986. Support for mass transit is reduced gradually rather than abolished. The Job Corps Program is reduced rather than eliminated. Vital environmental protection programs such as Superfund and the Sewer Construction Grants Program, are continued.

Programs that have assisted small businesses through the Small Business Administration are maintained in this package. The Federal Government will continue to serve as an advocate for small businesses and provide support through programs such as the Small Business Development Centers, the Service Corps of Retired Executives, minority business development, SBIC, and other activities.

This amendment restores funding for Amtrak, the termination of which was sought by the administration. Earlier today I supported the successful amendment to restore funding for Amtrack at a level 10 percent less than the fiscal year 1985 appropriation. Although I am disappointed that the amount contained in this amendment is reduced, I believe the overall package is worthy of support.

In closing, Mr. President, I am satisfied with the overall package before us. Although I may quarrel with individual components such as Amtrak, we have no choice left to us if we are going to continue prosperity and give people hope for the future. We have kept faith with those people in need of Government services the most, with restorations we have made to Women's, Infants' and Children's Programs, with school lunch subsidies, help for the handicapped, and Medicare and Medicaid.

Those receiving Social Security are asked to give up for 1 year their COLA. I'm sorry that this is necessary, but I believe that this option proposed on the floor by the minority is superior to the 3-year ceiling in the first plan. I am sure that on reflection those people receiving Social Security benefits will understand that the freeze is necessary to insure that our children are left with hope for the future and not simply debt.

Mr. President, I hope this package is adopted tonight and the other body moves quickly and responsibly to get this deficit under control. If we act now, interest rates will come down, we can export goods instead of jobs once again, and inflation—the cruelest thing of all to those on fixed incomes—will be held in check.

Mr. BYRD. Mr. President, well over a week ago, we began the journey of floor consideration of the first concurrent budget resolution for fiscal year 1986 that has brought us to this point. It has been a rather amazing episode.

First, Mr. President, the majority leader filed the amendment tree so as to freeze out any Democratic amendments until such time as the majority leader chose to allow us to offer amendments to the budget he submitted.

Then, Mr. President, the majority leader offered a budget proposal that was developed behind closed doors at the White House in meetings that involved only the Senate Republicans and the Reagan administration. This compromise budget was, in fact a compromise totally within the ranks of the Republican Party—not between Republicans and Democrats.

The Senate Republican leadership then brought that budget proposal to the floor.

Then, Mr. President, the majority leader used his right of recognition to offer on behalf of the various Members on his side of the aisle amendments to dismantle the very "Republican compromise budget" that he so painstakingly placed before the Senate in a way that prevented amendment until he permitted. These amendments from his side of the aisle were amendments the majority leader opposed.

It didn't take the Senate long, Mr. President, by agreeing to amendments offered by Republican Senators, to dismantle the compromise budget, and turn it into a hollow shell. But even after this occurred, the Republican leadership left us locked in the parliamentary straitjacket established at the beginning, so that the only amendments that could be offered were to a vehicle that the majority leader openly acknowledged was dead, and which he said he would seek to replace with a new budget.

Now, the distinguished majority leader has offered his second Republican budget.

The important fact about the revised Republican budget is not that it is an improvement—which it hardly could have escaped being. The important fact is that it still is unfair to elderly, disabled, ill, and poor Americans. It still short changes America's future by cutting back on critical responsibilities of Government such as education, child nutrition, and investment in transportation and economic development programs. It still jeopardizes this Nation's competitiveness by making big cuts in the funding of job training and retraining programs, export promotion activities, and basic science and research activities—all of which have been crucial to the progress of the last two centuries that has made America the envy of the rest of the world.

Our examination of the budget just introduced by the majority leader has, unavoidably, been hasty. We have had it available to us for only a very short time. Based on this quick examination, however, let me describe some of its specific failures:

It imposes a freeze on cost-of-living adjustments in Social Security, railroad retirement, veterans pension and disability, and military and civilian Federal retirement programs—which is calculated by the Congressional Budget Office to force hundreds of thousands of elderly persons below the poverty level.

It requires a harsh increase in premiums, deductibles, and other out-of-pocket expenses for Medicare beneficiaries—even after the severity of those increases was reduced slightly from the first compromise budget.

It will force States to make cuts in eligibility and benefits in the Medicaid Program—already cut back substantially in the past 3 years—leaving tens of thousands of elderly persons needing nursing home care and children of impoverished families without adequate medical attention.

It makes substantial cuts in chapter I education programs for the disadvantaged, and other education programs vital to producing capable, knowledgeable adults to be the leaders and workers in tomorrow's America.

It terminates the Appalachian Regional Commission, the Economic Development Administration and the Urban Development Action Grant Program.

It eliminates the Revenue Sharing Program after fiscal year 1986—a program depended upon by the Nation's cities and counties.

It cuts the community development grant.

It terminates the filling of the strategic petroleum reserve.

It makes substantial reductions in funding for energy research and conservation.

It will force establishment of substantially increased user fees for citizens visiting our national parks.

It halts funding for a variety of housing and housing rehabilitation programs.

It cuts funds for the National Flood Insurance Program.

It eliminates funding for educating and training health professionals such as nurses.

It hits the Federal Government's employees hard, with dramatic increases in payroll reductions for their pension program and a freeze in pay regardless of the effects of inflation.

It slows the purchase of equipment needed by the Federal Aviation Administration to keep the Nation's airways safe and efficient.

Mr. President, this is not the budget the United States or its people need or deserve. And this is not the way to determine and enact the budget that is needed.

Finally, Mr. President, I want to be sure that no one hears my statement as a statement of resignation or acquiescence. The fight is not over. I hope a sufficient number of Members on the other side of the aisle will recognize the inadequacy of this budget, and will vote accordingly.

Mr. President, this budget does not meet the test. It hurts those who already are suffering. It hamstrings our ability as a nation to compete in the increasingly contentious world economy. It fails to adequately invest in the future of our Nation, our children, and their children.

I urge my colleagues to vote against this budget.

Mr. CHILES. Mr. President, I yield back the remainder of our time.

The VICE PRESIDENT. The majority leader.

Mr. DOLE. Mr. President, I cannot take much time. How much time remains?

The VICE PRESIDENT. Two minutes 50 seconds.

Time on this amendment has expired.

Mr. BYRD. Mr. President, I yield myself 15 seconds.

The VICE PRESIDENT. The Senator is recognized.

Mr. DOLE. Mr. President, we have gone through a long, sometimes difficult, sometimes spirited, budget debate on the floor over the past several weeks.

Long before that, discussions among Senate Republicans and the White House began, and then the Senate Budget Committee, under the fine leadership of Pete Domenici, put together its deficit cutting plan.

Democrats, too, spent many hours sifting through all the alternatives and drafting their own budget proposals.

All of us, no matter what the particulars of our individual proposals, had one goal in common, and that was to reduce the deficit in a way that would make a difference. We strove to reduce the deficit enough to help guarantee that the robust economic growth that has moved this country into an unprecedented period of prosperity continues. And reduce the deficit enough so that the prosperity spreads and brings in more and more Americans. We wanted to reduce the deficit enough so that we could insure that our children will not have to foot the huge bill for our spending excesses.

On April 30, just last Tuesday, we set the parameters for this budget debate by agreeing, on a 50–49 vote, to slash the deficit by about $300 billion over the next 3 years. No Democrats joined us on this side of the aisle on that vote. But yesterday, in a symbolic way, my friends on the Democratic side joined the battle. The two plans, one offered by the distinguished minority leader Senator Byrd, the other by the ranking Democrat on the Budget Committee [Mr. Chiles], both envisioned deficit-reductions in the same ballpark we have aimed for: About $300 billion over the next 3 years. So, it seems to me that we are all together on what needs to be done, if not on the means to do it.

There are still, and I would guess there will always be, differences among us as to how to finally arrive at that magic deficit-cutting goal.

And that, without question, is the crucial reason why we have had to go through this long, long process in crafting the final budget plan.

Since most of the elements of this plan have been around for some time, some may ask why it required dozens of meetings and many hours on the floor to arrive at this package.

But the simple fact is, that we had to take this one step at a time. We had to give President Reagan the opportunity to have a vote on a defense figure that he wanted.

We worked very hard to get the President on board for the 2 percent Social Security formula, and we needed to give him and those who supported that concept the opportunity to vote on that issue as well.

We also felt it was important to get all the input we could from Members, some of whom were not involved in the initial discussions with the White House, the Budget Committee markups, or the talks that led to the GOP leadership plan.

And finally, I might add, I think that it was beneficial for us to vote on the Democratic alternatives, and see that in the Senate today, a majority for increasing taxes as a means to reduce the deficit does not exist.

So, the revised package I am offering to the Senate is a distillation—perhaps not a perfect one—but I think a very, very good mixture of both what is substantively right and politically realistic.

The changes we have made in the leadership package reflect that sense of concern and realism. And while the savings in some areas have been shaved—with the increased savings from a 1-year freeze in defense spending, the bottom line remains the same. And what is more important, we will still make many structural changes in programs, changes that will, over the long haul, save the taxpayers millions and millions of dollars.

Mr. President, let me point out that the final package does terminate 13 Federal programs: These include community services block grants, the Work Incentive Program, Ex-Im Bank's direct loan program; the Economic Development Administration, the Appalachian Regional Commission, the sale of Conrail, certain SBA direct loan programs, HODAG and section 312 rehabilitation loans, emergency disaster farm loans, the U.S. Travel and Tourism Administration, trade adjustment assistance to firms by the International Trade Administration, and promotion and development of fish products by NOAA, and direct Treasury payments for most of the postal subsidy program.

The deficit reduction totals, with all these final revisions, therefore meet the goal we set for ourselves back in January. In fiscal 1986, we will save $56 billion. And over the next 3 years, the deficit will be reduced by $295 billion. And we have done this without raising any new taxes.

DEFENSE

Clearly one of the biggest—if not the biggest—changes from the original leadership plan is the reduction in the military budget. The final compromise mirrors the decision made by the Senate last week to freeze defense spending in 1986 and just allow for increases for inflation. In fiscal 1987 and 1988, defense spending would increase 3 percent after inflation.

While the figure is obviously lower than the President desired, we have been assured by defense experts that this level of spending should be sufficient to maintain the national security. We are confident that the Armed Services Committee will be able to find savings in the Pentagon budget by imposing better management, procurement, and other cost-savings methods, savings that in no way will effect our defense posture.

But I must add, that this has to be the final compromise on defense; no one can question that it is contributing its fair share.

SOCIAL SECURITY

The final package we will be voting on today does contain a 1-year freeze in cost-of-living adjustments for Social Security and all Federal retirement benefits. A freeze in COLA adjustments has had broad support as evidenced by yesterday's vote on the Hollings/Chiles amendment.

Almost every Federal program will be frozen or cut in this budget package. So, the 1-year freeze in COLA adjustments, which will result in 3-year savings of about $30 billion, reflects the desire to spread the burden of sacrifice evenly, throughout the population. As all of us who have tried to put together deficit reduction packages have discovered, it will be very difficult to get a handle on the deficit if we exempt large spending programs from a spending freeze or from cuts.

There have been a lot of scary numbers thrown around on how a Social Security COLA freeze would affect the elderly. But the fact is, in the case of the average Social Security recipient, the monthly increase that would be forgone as a result of a 1-year freeze would be $17 per month.

The benefit of any across-the-board reduction, like the delay in a COLA, is that it spreads the impact or reduction across the broadest possible population so no one individual is hurt substantially more than another.

MEDICARE/MEDICAID

We have revised the reforms in the Medicare Program, for instance, adding back close to $3 billion over the next 3 years to allay concerns about adding overly burdensome costs to beneficiaries. The largest portion of the savings—65 percent—results from provider, not beneficiary, changes.

The final package does not, does not assume the cap in Medicaid growth included in the Senate Budget Committee's resolution. And the reforms still in Medicare and Medicaid combined will, over the 3 years, still account for $17.5 billion in savings.

AGRICULTURE

In agriculture, the revised White House-Senate leadership plan strikes a careful and reasonable balance between the continuing need for Federal support for rural America and the need to bring Federal deficits under control.

The provisions covering farm price supports and credit programs would reduce baseline outlays $14.5 billion over the 3 years. Even with the reduction, CCC outlays will still average over $10 billion per year for producer loans, target price deficiency payments, the dairy program, and other activities of the Commodity Credit Corporation.

In addition, the administration has committed to using a minimum of $1 billion in surplus Government-owned commodities as bonuses to facilitate the export sale of U.S. farm commodities and value-added products in order to restore American competitiveness abroad.

In credit programs, the compromise plan would maintain a level of $4 billion in operating loans by the Farmers Home Administration, raising the level of loan guarantees as the direct lending program is phased out over 5 years. And $240 million will be made available to buy down interest rates on guaranteed loans to farmers who need additional assistance, and whose bankers agree to match the buydown.

The Emergency Disaster Loan Program would be eliminated as a wasteful and costly solution to protecting farmers and ranchers against losses due to weather and other natural disasters. In its place, the Federal Crop Insurance Program would continue to receive full funding to provide farmers a 30-percent subsidy on the premium for all-risk coverage. Disaster protection would still be provided in countries where crop is not available.

Proposed reduction in spending on soil and water conservation programs have been cut back to only 15 percent of the current services level. Rural Electrification Administration (REA) infrastructure support will not be affected by gradual reductions in lending authority in fiscal year 1985–88.

Mr. President, the agriculture-related provisions of this compromise represent a fair contribution by the rural sector of our economy to the driving need to bring down deficits and interests rates. I would only mention the firm and unwavering support of the American Farm Bureau Federation, the National Grange, the American Soybean Association, and the National Corn Growers Association—all members of the agriculture-based balanced budget brigade.

STUDENT AID

In the area of student aid, we have also agreed to address some of the concerns expressed by Senator STAFFORD and others. The final package adds back $2.2 billion in funds over the next 3 years. The compromise would freeze the spending level for discretionary student aid, including Pell grants and college work study. And it maintains the savings, mostly administrative and financial reforms, in the Guaranteed Student Loan Program, that were contained in the Senate Budget Committee resolution.

SMALL BUSINESS ADMINISTRATION

The compromise calls for retaining the Small Business Administration and certain loan programs, yet we will still achieve major cost savings. The plan would reduce the SBA direct loans by 70 percent from the fiscal 1985 level, raise loan guarantee fees, and reduce the percentage of each loan guaranteed from 90 to 80 percent. The compromise would also call for reform of the SBA Disaster Loan Program by assuming the elimination of amounts for nonphysical disaster loans and farmer eligibility for physical disaster loans.

The reforms would result in a cut in outlays for SBA's business assistance programs by half. Instead of $5 billion in savings, we will achieve $2.5 billion over the next 3 years. But using the assumptions in the compromise, SBA would have negative outlays by 1987.

EXPORT-IMPORT BANK

The final package adds back approximately $101 million for Export-Import Bank programs. We agreed to increase the size of the interest rate subsidies. But the subsidy would be provided through a regular appropriation rather than out of Eximbank capital. We have also increased the size of the Subsidized Guarantee Program and eliminated the origination fee for subsidy program.

POSTAL SUBSIDIES

Although the final agreement incorporates much of the original proposal to reform postal subsidies, we have restored $100 million in appropriations for each of the next 3 years. This would provide the assurance that rural newspapers will continue to qualify for reduced rates, along with nonprofits, library and classroom publications, and mail for the blind and handicapped. Savings from other postal subsidy reforms would still amount to $1.6 billion over the next 3 years.

MOMENT OF TRUTH

That is a brief summary of the major changes in the Dole 2 package.

I am not one much given to quoting poetry. But what we are confronting here tonight reminds me of a simple, but poignant poem written by Robert Frost. The closing lines read: "Two roads diverged in a wood, and I—I took the one less traveled by, and that has made all the difference."

Politicians are not known for taking the road less traveled by—especially if it means taking a course that leads to some very difficult decisions—decisions that would cut or freeze most Federal programs and eliminate other programs that affect almost every citizen in the United States. But tonight, if we have the courage to take that road, we can make a difference.

We can make a difference for my farmers in Kansas, by assuring that interest rates will drop perhaps 1 or 2 or even 3 points—drop enough to make it easier for those who want to export their products.

We can make a difference for a young family who wants to buy a home, or a car.

We can make a difference for the small businessman who needs capital to start or expand his business.

We can make a difference for retirees, who are the hardest hit by inflation.

We can make a difference for college graduates just entering the job market—or anyone trying to go back to work.

We can make a difference—a difference not just for today, but the kind of sea-change that will extend and expand the American economy for years to come—one that will affect not only our lives, but those of our children.

The moment of truth has come. It is time to put aside the partisanship, stop the rhetoric, and act. I hope we have the courage to do so.

Mr. President, I would just like to close this debate by thanking my colleagues on both sides of the aisle. As I reflect on the process that has been going on now for 4 or 5 months, I have been told we have had in excess of 100 meetings involving different Senators on this side of the aisle in the past 5 or 6 weeks. And it is not easy. I think sometimes, we do tend to dwell on the negatives and not on the benefits of what would happen if, in fact, we should be successful. And I am not certain we will be successful. I think it is time to find out.

I think it is time the American people find out. If we want to reduce the deficit without raising taxes, that is an alternative. I do not quarrel with my colleagues on the other side, except I remind them that in 1982, when I raised taxes $100 billion, I did not get a single vote from that side. The vote was 50 to 47.

We closed a lot of loopholes, we took away a lot of preferences, we raised taxes on a lot of corporations. Not a single vote from that side. So I am not going to apologize for the Republicans when it comes to tax preferences, whatever it may be.

But I have to believe that somewhere out there, the American people are watching us. They could not care less about the fact that it is 25 after 1. They probably think we should have done this in about a day and a half.

I do not know what the result will be if we lose. We only lose the vote; the American people lose the confidence in the U.S. Senate.

I just say to those who just cannot bring themselves to reduce the deficit for one reason or another that I really believe that we put together a good package, largely due to the efforts of the distinguished chairman of the Budget Committee and a core group and other groups and the leadership, with the support of the President.

It has not been easy for the President to accept this package because of the defense numbers. But he did. I do not know if we can find fault. If you really want to find fault, there is plenty to find fault with. We can all nitpick each other's programs for a long time.

But this is the moment of truth. This is it. If we fail, I imagine somebody else can offer a package that contains some taxes and that is not going to pass, either. I have heard about some packages that may be floating around. But this President will not increase taxes. We do not need to increase taxes. We have not reached the last resort.

When we reach the last resort, I assume the Senator from Kansas will be willing to stand up front and say, "OK, we finally cut spending, we are not going to raise taxes to avoid tough decisions on spending." I will be willing to walk the path with those who are willing to take that course. But let us, for once, demonstrate that we can do it without raising taxes.

In 1982, we promised the President, "If you will let us raise taxes, we will give you $3 for every $1 in spending cuts." You know what he got; about 92 cents in spending cuts for every dollar increase in taxes. So he has been down that road.

I think everyone has made up their minds, but I do not give up on my friends and colleagues on the Democratic side. We have all tried hard, we have all put forth packages, we have all made votes, we have all worked, we have all had great ideas. But the bottom line is, Who has the votes?

I hope that, if we are successful, many on the Democratic side will join the great majority on the Republican side in sending a signal—a bipartisan signal. So far as I know, deficits affect everybody—Democrats and Republicans alike, and Independents and people all up and down the economic ladder, people of all races and all colors. This does not single out certain people. We are sort of deficit-proof in this area, with high Federal employment.

I just suggest, Mr. President—and we are pleased to have you here—more than you know. [Laughter.]

I thank all my colleagues for their assistance. I will thank you more if you can vote with us.

Mr. DOLE. Mr. President, have the yeas and nays been ordered?

The VICE PRESIDENT. The yeas and nays have not been ordered.

Mr. DOLE. I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. I would suggest that there be a 15-minute vote.

Mr. BUMPERS. If the majority leader will yield, there will have to be another vote after this; is that correct? Even if there are no amendments, there will still have to be a vote on passage.

Mr. DOLE. I think that is correct. I understand there may be some amendments. There may be some loose ends to tie up.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote.

The result was announced—yeas 49, nays 49, as follows:

[Rollcall Vote No. 72 Leg.]

YEAS—49

Abdnor
Andrews
Armstrong
Boschwitz
Chafee
Cochran
Cohen
Danforth
Denton
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hecht
Heinz
Helms
Humphrey
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Zorinsky

NAYS—49

Baucus
Bentsen
Biden
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
D'Amato
DeConcini
Dixon
Dodd
Eagleton
Ford
Glenn
Gore
Harkin
Hart
Hawkins
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stennis

NOT VOTING—2

East
Exon

The VICE PRESIDENT. On this vote the yeas are 49, the nays are 49. The Vice President votes "aye."

So the amendment (No. 93) was agreed to.

The VICE PRESIDENT. The galleries will be in order. There will be no displays of approval or disapproval.

The majority leader is recognized.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The VICE PRESIDENT. The majority leader is recognized.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, how much time remains?

The VICE PRESIDENT. The Senator has 18 minutes remaining.

Mr. BYRD. I thank the distinguished Presiding Officer, the Vice President.

Mr. President, I have discussed this with several others, the distinguished ranking manager, the distinguished minority whip, and other Senators on this side. We have two amendments, possibly three, that we would want to offer.

I think that both sides can feel well in that they have put forth their best. The vote revealed that. And I want to express pride in Members on both sides of the aisle for the high level of debate that has been conducted. I particularly want to express my gratitude to Senator JOHN STENNIS who has stayed here throughout and is still here.

[Applause.]

On behalf of all Senators on this side, I wish to express appreciation to Senator EXON in absentia. If Senator EXON could have been here his vote would have been with this side of the aisle and that would have given us 50 votes on this side of the aisle. The distinguished Vice President, theoretically, could have still had the pleasure and honor of breaking the tie. But also I extend congratulations to Mr. WILSON who came to the Chamber and cast his vote.

So all of these are profiles in courage.

So we have two amendments, possibly three. Now this does not bind any Senator on this side who may wish to offer an amendment and get a vote on it.

But I would hope that we could confine our amendments now to the two and possibly three. One deals with Social Security COLA's, one deals with Medicare payments, and there may be a third by Mr. CRANSTON, we are not sure yet. May I say we fought a good fight and we have finished the course and I congratulate the distinguished majority leader on his victory.

Mr. DOLE. Mr. President, will the Senator yield to me just for one moment?

Mr. BYRD. Yes.

Mr. DOLE. Mr. President, I appreciate the willingness of the minority leader to sort of wrap this up this morning. I can indicate to Members now that we will probably not be in session later today, and it may be that Monday will only be a pro forma session. I will announce that later. I assume that many Members were about 24 hours behind their schedule, in any event.

I would also indicate, not to get into a contest, but had JOHN EAST been able to be there, it would have been 50 to 50 and our distinguished Vice President could have exercised his rights.

I extend my best wishes to both Senator EXON and Senator EAST. I think they are out there guarding each other. At least we told EAST to keep an eye on EXON.

I hope we can dispose of this.

Mr. MOYNIHAN addressed the Chair.

Mr. CHILES. Mr. President, I yield 2 minutes to the Senator from New York.

AMENDMENT NO. 94

(Purpose: To allow funds for a full cost-of-living adjustment under title II of the Social Security Act in fiscal year 1986)

Mr. MOYNIHAN. Mr. President, on behalf of myself, the Senator from Michigan [Mr. RIEGLE]; the Senator from West Virginia [Mr. BYRD]; and the Senator from California [Mr. CRANSTON], I send an amendment to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The bill clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself, Mr. RIEGLE, Mr. BYRD, and Mr. CRANSTON, proposes an amendment numbered 94.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment reads as follows:

In the pending amendment, do the following:

On page 3, decrease the amount on line 12 by $68,000,000.

On page 3, increase the amount on line 13 by $29,000,000.

On page 3, increase the amount on line 14 by $9,000,000.

On page 3, increase the amount on line 18 by $6,068,000,000.

On page 3, increase the amount on line 19 by $8,934,000,000.

On page 3, increase the amount on line 20 by $9,708,000,000.

On page 3, increase the amount on line 25 by $6,068,000,000.

On page 4, increase the amount on line 1 by $8,934,000,000.

On page 4, increase the amount on line 2 by $9,708,000,000.

On page 4, increase the amount on line 6 by $100,000,000.

On page 4, increase the amount on line 7 by $900,000,000.

On page 4, increase the amount on line 8 by $2,400,000,000.

On page 4, increase the amount on line 12 by $100,000,000.

On page 4, increase the amount on line 13 by $800,000,000.

On page 4, increase the amount on line 14 by $1,500,000,000.

On page 24, decrease the amount on line 2 by $167,000,000.

On page 24, decrease the amount on line 3 by $55,000,000.

On page 24, decrease the amount on line 12 by $228,000,000.

On page 24, decrease the amount on line 13 by $66,000,000.

On page 24, decrease the amount on line 22 by $257,000,000.

On page 24, decrease the amount on line 23 by $76,000,000.

On page 25, decrease the amount on line 17 by $190,000,000.

On page 25, increase the amount on line 18 by $5,834,000,000.

On page 26, decrease the amount on line 2 by $740,000,000.

On page 26, increase the amount on line 3 by $8,003,000,000.

On page 26, decrease the amount on line 11 by $1,459,000,000.

On page 26, increase the amount on line 12 by $3,059,000,000.

On page 32, increase the amount on line 17 by $289,000,000.

On page 32, increase the amount on line 18 by $289,000,000.

On page 33, increase the amount on line 2 by $997,000,000.

On page 33, increase the amount on line 3 by $997,000,000.

On page 33, increase the amount on line 3 by $997,000,000.

On page 33, increase the amount on line 11 by $1,725,000,000.

On page 33, decrease the amount on line 12 by $1,725,000,000.

On page 40, decrease the first amount on line 16 by $5,943,000,000.

On page 40, decrease the amount on line 17 by $8,152,000,000.

On page 40, decrease the second amount on line 18 by $8,213,000,000.

On page 51, decrease the first amount on line 7 by $5,943,000,000.

On page 51, decrease the amount on line 3 by $8,152,000,000.

On page 51, decrease the second amount on line 9 by $8,213,000,000.

Mr. RIEGLE. May we have order in the Chamber?

THE VICE PRESIDENT. The Senate is not in order. The Senate will be in order.

The Senate from New York.

Mr. MOYNIHAN. I thank the Vice President.

Mr. President, this is a simple amendment. It restores the cost of living adjustment for fiscal year 1986 as provided under law, the Social Security Act.

Mr. President, one point and only one point. In this the 50th year of Social Security, we are proposing for the first time ever to cut Social Security benefits for the purpose of acquiring revenue for the general budget. For the first time ever we will be cutting Social Security benefits to acquire revenues for the general purpose budget. Mr. President, this is an appalling break with practice, an appalling precedent to set in our single most social insurance program.

Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. Is all time yielded back?

Mr. DOLE. Mr. President, I will not take a great deal of time. I will yield to my distinguished colleague. But I want every body to focus on what is happening here now.

Parliamentary inquiry, I am entitled to time, is that correct, on the amendment?

The VICE PRESIDENT. That is correct. The manager of the opposition is entitled to the time.

Mr. DOLE. What we are witnessing is a passage of a deficit reduction act, about $300 billion, and then an immediate effort to dismantle it, which is their right under the rules. You can offer amendments until the time runs out and then you can just offer amendments and get a vote.

According to my count, there have been 78 Senators—78—who voted for COLA freezes of one kind or another in this Chamber in the past few days. Seventy-eight percent.

I would just hope that now we have reached this point on this procedural matter. We have already settled the issue on its merits. Some have indicated in that vote they could not vote on the merits for a package that contained a COLA freeze. This vote is not on the merits, because I will move to table it at the appropriate time. It is an effort to come in the back door and take the package apart. It is a procedural vote.

So I appeal to my colleagues who have supported COLA reductions, who could not support the package for any number of reasons, to support the motion to table. The record has been made on COLA's. Those who voted against, voted against the package on its merits for that reason and I assume the same will follow on the next amendment, whatever it is, Medicare,

Medicaid. We have already had one vote on that today. And if there is a third amendment or a fourth or fifth, I do not quarrel with my colleagues for offering amendments.

But I would just hope that we keep in mind that now we are back into procedure. We have settled the issue. By a 50 to 49 vote, we have decided to reduce the deficit by $300 billion, at least the Senate sends that signal across the country and to the U.S. House of Representatives.

So we have achieved that. And I hope that my colleagues on both sides of the aisle would help us maintain that, even though they could not support us in that effort.

Mr. RIEGLE addressed the Chair.

The VICE PRESIDENT. Who yields time?

Mr. RIEGLE. Will the Senator from Florida yield a minute of time to the Senator from Michigan?

Mr. CHILES. I yield 1 minute.

I would ask the distinguished majority leader whether it would be possible to have a 10-minute rollcall.

Mr. RIEGLE. I just want to read what President Reagan said in an interview this year when he was being interviewed by Current Events. He said:

> I have to say my pledge during the campaign carried with it the clear implication that present social security beneficiaries would get their cost-of-living increases as well. I made that pledge and so, therefore, I feel bound by it.

We are not talking about procedure. We are talking about $18 a month in buying power for the average person on Social Security. With their phone bills rising, their grocery bills rising, and utility bills rising, they are being squeezed. They are being squeezed. If we do not stand up and honor this pledge tonight, we are driving literally a half-million elderly people—many of them in the worst condition in our society—below the poverty level. We ought to keep the President's pledge.

The VICE PRESIDENT. The Senator's 1 minute has expired.

Is all time yielded back on the amendment?

Mr. DOLE. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, will this be a 10-minute rollcall?

The VICE PRESIDENT. It will be a 10-minute rollcall.

The question is on agreeing to the motion of the Senator from Kansas to lay on the table the amendment of the Senator from New York. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The VICE PRESIDENT. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 51, nays 47, as follows:

[Rollcall Vote No. 73 Leg.]

YEAS—51

Abdnor
Andrews
Armstrong
Boschwitz
Chafee
Cochran
Cohen
Danforth
Denton
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins
Hecht
Heinz
Helms
Humphrey
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Quayle
Roth
Rudman
Simpson
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Zorinsky

NAYS—47

Baucus
Bentsen
Biden
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
D'Amato
DeConcini
Dixon
Dodd
Eagleton
Ford
Glenn
Gore
Harkin
Hart
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter

NOT VOTING—2

East
Exon

So the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 95 TO AMENDMENT NO. 43

(Purpose: To restore Medicare/Medicaid)

The VICE PRESIDENT. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 95 to amendment numbered 43.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment is as follows:

On page 3, increase the amount on line 11 by $0.

On page 3, increase the amount on line 12 by $500,000,000.

On page 3, increase the amount on line 13 by $800,000,000.

On page 3, increase the amount on line 14 by $1,200,000,000.

On page 3, increase/decrease the amount on line 17 by $0.

On page 3, increase the amount on line 18 by $1,200,000,000.

On page 3, increase the amount on line 19 by $1,500,000,000.

On page 3, increase the amount on line 20 by $2,500,000,000.

On page 3, increase/decrease the amount on line 24 by $0.

On page 3, increase the amount on line 25 by $1,200,000,000.

On page 4, increase the amount on line 1 by $1,500,000,000.

On page 4, increase the amount on line 2 by $2,500,000,000.

On page 4, increase/decrease the amount on line 5 by $0.

On page 4, increase the amount on line 5 by $1,200,000,000.

On page 4, increase the amount on line 7 by $2,700,000,000.

On page 4, increase the amount on line 8 by $5,200,000,000.

On page 4, increase/decrease the amount on line 11 by $0.

On page 4, increase the amount on line 12 by $1,200,000,000.

On page 4, increase the amount on line 13 by $1,500,000,000.

On page 4, increase the amount on line 14 by $2,500,000,000.

On page 21, increase the amount on line 8 by $300,000,000.

On page 21, increase the amount on line 9 by $300,000,000.

On page 21, increase/decrease the amount on line 10 by $0.

On page 21, increase/decrease the amount on line 12 by $0.

On page 21, increase/decrease the amount on line 14 by $0.

On page 21, increase the amount on line 16 by $400,000,000.

On page 21, increase the amount on line 17 by $300,000,000.

On page 21, increase/decrease the amount on line 18 by $0.

On page 21, increase/decrease the amount on line 20 by $0.

On page 21, increase/decrease the amount on line 22 by $0.

On page 21, increase the amount on line 24 by $600,000,000.

On page 21, increase the amount on line 25 by $500,000,000.

On page 22, increase/decrease the amount on line 1 by $0.

On page 22, increase/decrease the amount on line 3 by $0.

On page 22, increase/decrease the amount on line 5 by $0.

Medical Insurance (570):

On page 22, increase/decrease the amount on line 6 by $0.

On page 22, increase/decrease the amount on line 9 by $0.

On page 22, increase/decrease the amount on line 10 by $0.

On page 22, increase/decrease the amount on line 12 by $0.

On page 22, increase/decrease the amount on line 14 by $0.

On page 22, increase the amount on line 16 by $200,000,000.

On page 22, increase the amount on line 17 by $900,000,000.

On page 22, increase/decrease the amount on line 18 by $0.

On page 22, increase/decrease the amount on line 20 by $0.

On page 22, increase/decrease the amount on line 22 by $0.

On page 22, increase the amount on line 24 by $400,000,000.

On page 22, increase the amount on line 25 by $1,200,000,000.

On page 23, increase/decrease the amount on line 1 by $0.

On page 23, increase/decrease the amount on line 3 by $0.

On page 23, increase/decrease the amount on line 5 by $0.

On page 23, increase the amount on line 7 by $600,000,000.

On page 23, increase the amount on line 8 by $2,000,000,000.

On page 23, increase/decrease the amount on line 9 by $0.

On page 23, increase/decrease the amount on line 11 by $0.

On page 23, increase/decrease the amount on line 13 by $0.

Senate Committee on Finance:

On page 40, decrease the amount on line 15 by $0.

On page 40, decrease the first amount on line 16 by $1,200,000,000.

On page 40, increase/decrease the second amount on line 16 by $0.

On page 40, decrease the amount on line 17 by $1,500,000,000.

On page 40, increase/decrease the first amount on line 18 by $0.

On page 40, decrease the second amount on line 18 by $2,500,000,000.

Mr. KENNEDY. Mr. President, as I understand, the Senator from Florida has yielded 2 minutes.

Are we asking for 2 minutes a side? May I have the attention of the Senator from Florida?

Are we asking for 2 minutes a side? Is that agreeable to the majority leader.

Mr. DOLE. We would like to have 3 minutes.

Mr. KENNEDY. Two minutes a side?

Mr. CHILES. No. Two minutes on this side and 3 minutes on that side.

Mr. KENNEDY. Mr. President, this amendment has two parts. One deals with the restoration of the cuts that have been made in the Dole, et al., program for the reduction of benefits on the Medicare Program, which we debated earlier this evening.

The second part deals with Medicaid.

Mr. President, I rise to offer an amendment to protect America's aged and disabled Medicare beneficiaries and those poorest for Nation's poor who depend on Medicaid.

Medicare has done more to bring dignity and security to the lives of America's senior citizens than any social innovation since Social Security.

This year is the 20th anniversary of the passage of Medicare. It is ironic that, at the end of Medicare's second decade, this budget package proposed to break the promise of Medicare—a promise that was already been eroded by excessive health care cost inflation.

The authors of these unfair proposals either do not know or do not care that Medicare covers less than half the elderly's health care costs.

They either do not know or do not care that America's senior citizens will have to pay an average of $1,800 this year out of their own pockets to purchase the health care they need.

They either do not know or do not care that excessive health care cost inflation has meant that this $1,800 represents 15 percent of the elderly's income—the same percentage they had to pay in the dark days before Medicare; and

They either do not know or do not care that this will skyrocket to 19 percent of income by the year 2000 even without any changes in Medicare benefits.

The proposals in this budget package would take a staggering $9.6 billion away from the 30 million elderly and disabled Medicare beneficiaries over the next 5 years.

As if these proposals are not enough, they would be on top of cuts already enacted since this administration has been in office that will take $11.5 billion from Medicare beneficiaries during the same period.

The cumulative total of this budget package, plus Reagan budget cuts already enacted is $21.1 billion—about $700 per beneficiary.

This administration is unwilling to tax rich corporations, but it is only too willing to tax Medicare beneficiaries.

Mr. President, even under current law, the amount the elderly will have to pay for medical care will increase substantially. In 1977, the average elderly person had to pay $698 for the medical care they needed; by 1985, that had risen to $1,800; and by the year 2000—even if none of the benefit cuts in this package are enacted—the medical bill of the average senior citizen will be over $4,600. The elderly already pay too much for medical care.

This budget proposal would raise the Medicare part B premium to 30 percent of program costs. The sponsors of this part B premium tell you that the part B premium was originally set at 50 percent of program costs, but they don't tell you the full history of how we got where we are today.

In 1976, the Congress recognized that, because of excessive health care cost inflation, the premium was going up much faster than beneficiary income. Accordingly, the premium increase was capped by the percentage increase in the Social Security benefit.

In 1982, and again in 1984, this cap was temporarily lifted and the premium was fixed at 25 percent of program costs. In 1988, under current law, the premium will, once again, be capped by the Social Security benefit increase.

The budget proposal would permanently reverse Congress' wise policy. It would tie beneficiary premiums to an excessively high rate of inflation in program costs and would raise the share of program costs financed by the premium from the current 25 percent to 30 percent.

This proposal would permanently victimize Medicare beneficiaries for an excessive health care cost inflation Congress has failed to control. Last year, program costs went up three times as fast as the Social Security COLA. Over the next 3 years, elderly Medicare beneficiaries would have to pay a whopping $2 billion Republican tax increase and over 5 years a horrendous $8.1 billion tax increase just to maintain their part B coverage.

We have heard a lot of discussion tonight about the Social Security COLA. What the defenders of the COLA freeze do not say is that this package would attack the COLA twice.

In 1990, the difference between the current law premium and the premium under the budget proposal will eat up about 40 percent of the entire Social Security COLA.

The COLA adjustment was supposed to pay for the increases in the cost of food, shelter, fuel, and all the other essentials the elderly need. If this proposal is adopted, most of the COLA will go to pay for the part B premium increase, leaving only a fraction for the elderly's other needs.

For the 15 million beneficiaries below the median Social Security benefit, the difference between the current law premium and this budget proposal's premiums will eat up almost 60 percent of the COLA.

This proposal in this unfair package would delay Medicare eligibility 1 month—from the first day of the month in which the beneficiary turns 65 to the first day of the month after the 65th birthday.

Over the next 5 years, this proposal will cost the elderly $1.5 billion. When the Finance Committee brought this proposal to the floor last year, their own figures indicated that 160,000 elderly beneficiaries would be exposed to the costs of uninsured illness during that month.

The Congress recognized 2 years ago that it is wrong to raise the age of eligibility for Social Security. We should recognize today that it is wrong to raise the age of eligibility for Medicare.

In addition to the proposals I have just outlined that create additional costs for Medicare beneficiaries, this budget proposal would eliminate the so-called double adjustment for teaching hospitals. While this double adjustment does overpay some teaching hospitals, it also compensates for legitimate additional costs that some teaching hospitals experience that are not reflected in the DRG methodology. Precipitous elimination of this adjustment without compensating alterations in the DRG methodology would be unfair to some hospitals and could jeopardize care for the poor.

As we review the Medicare proposals affecting beneficiaries that are included in this package, one fact is clear above all others: They callously ignore the needs of America's senior citizens.

Our amendment would strike all the proposals that harm senior citizens and would phase out, rather than immediately eliminate the teaching hospital adjustment.

In total, our amendment would add back $4.6 billion over the next 3 years. It would leave more than 70 percent of the Medicare savings in this package intact.

I believe it is wrong to tax the elderly and disabled to pay for a tax reduction program from which they did not benefit. I believe it is wrong to add to the medical costs of those who already pay too much for the medical care they desperately need. And I believe it is wrong to come back here, year after year, in these budget debates and break the promise of Medicare in order to pay for this administration's failed fiscal policies.

In his televised address to the Nation on the budget, the President said, "We will never renege on our pledge to our elderly and disabled citizens." I hope that my colleagues will take him at his word and support my amendment to protect our senior citizens.

This budget proposal contains many shocking and inhumane proposals, but proposals to cut health services to the poor must rank near the top of the list of the many destructive proposals in this budget.

Mr. President, there could not be a worse time to cut health programs for the poor than today.

The number of people without any health insurance at all during a particular point in the year has increased 10 million since 1977, from 25 to 35 million. This is a 40-percent increase.

The proportion of the poor and new poor covered by Medicaid has declined from 63 percent to 50 percent since 1975.

Public hospitals all over the country are reporting dramatic increases—on the order of 300-400 percent—in so-called "economic transfers." We are seeing newspaper reports again, for the first time since the 1960's of people showing up at emergency rooms with life-threatening conditions being turned away because they have no health insurance.

More and more hospitals are adopting explicit limits on the amount of charity care they will provide, and the Medicare reimbursement proposals contained in this budget are likely to make the problem worse.

What is the impact of all these trends? A recent Robert Woods Johnson study reported that 1 million Americans annually are denied care that they request because they lack the ability to pay for it, and another 5 million do not even seek care they feel they need because they know they cannot afford to pay for it.

In the light of this tragic and worsening statistic, what does the budget package propose?

It proposes a Medicaid cut of $1.2 billion over 3 years. And who would be the victims of these cuts? Of the 22 million people who depend on Medicaid, 3 million are poor, aged Americans, 3 million are poor, blind, and disabled Americans, 5 million are poor parents, and 11 million are poor children. Are these really the people this body thinks should pay for deficit reduction?

Medicaid cuts will hurt the poor in every State in the country, but it will hurt people residing in the poorest States the worst, because their programs are so pathetic already. Even in the best States, eligibility levels for Medicaid are below poverty. But in the 10 States with the lowest Medicaid eligibility levels, eligibility is only one-third of the poverty level—that's $3,468 for a family of four. Medicaid cuts would make it even more difficult for these poor States to catch up.

This approach to balancing the budget—a so-called balanced approach—reminds me of nothing so much as the words of the French philosopher who said, "the law, in its sublime impartiality, forbids rich and poor alike from sleeping under the bridge and stealing bread." I hope this body will reject this cynical definition of fairness today.

The Members of the Senate have received a letter signed by a bipartisan group of 37 Governors from both political parties and all sections of the country stating, "reductions in Federal Medicaid funding will force us to reduce basic medical care. That is unacceptable to us, and we believe it should be unacceptable to Congress."

I know America is a far better country than this package indicates, and I hope the Senate will demonstrate the fine quality of our country by its vote on my amendment.

I believe, Mr. President, the quality of our service in this body and the quality of our country as a humane society is tested by how we care for our weakest members: the old, the sick, and the poor. The Medicare and Medicaid proposals in this budget package are a sad commentary on our society.

I would hope this amendment would be accepted.

Mr. PACKWOOD addressed the Chair.

The VICE PRESIDENT. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, there is a great portion of this amendment we have voted on before, the Medicare amendment.

The Senator from Massachusetts makes a great point that we are laying hard on the beneficiaries. Who are we laying hard on?

We freeze prospective hospital payments. We freeze exempt hospital payments. we freeze nonparticipating physican payment limits. We freeze clinical laboratory fee schedules. That is on the Medicare side.

Out of a $16.3 billion cut, approximately $1.2 billion of it falls on beneficiaries. That is the Medicaid side. The rest falls on providers.

Mr. President, I am not certain what his Medicaid is, but I can give you the portions.

On Medicaid in the next 3 years, we are scheduled to spend $72 billion. The proposal was adopted here, the Durenberger-Heinz-Chafee-Packwood amendment, which cuts $1.2 billion out.

Mr. President, if you stand here and say we cannot find $1.2 billion in Medicaid legitimately, then we cannot find anyplace to save.

I hope this amendment will be rejected.

Mr. KENNEDY. Mr. President, how much time remains?

The VICE PRESIDENT. All time of the proponent has expired.

Mr. KENNEDY. Mr. President, I ask for 30 seconds.

The VICE PRESIDENT. Is the Senator from Florida yielding 30 seconds?

Mr. CHILES. Yes, I yield.

The VICE PRESIDENT. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the savings that the Senator from Oregon mentions are the savings that will still be included if this amendment is accepted. We do not touch the savings that are achieved by the savings against the providers. None of that is touched.

The Senator from Oregon does a disservice if he is trying to suggest that we are somehow reducing those savings. We are not. This amendment is designed only to protect the aged, the disabled, and the poor.

Mr. PACKWOOD. Mr. President, I move to lay the amendment on the table.

Mr. CHILES. Mr. President, I yield 1 minute to the distinguished Senator from Arkansas.

The VICE PRESIDENT. A motion to table has been made. It is not debatable.

Mr. PACKWOOD. Mr. President, I ask for the yeas and nays.

Mr. President, I withhold my motion.

Mr. CHILES. Mr. President, I yield 1 minute.

The VICE PRESIDENT. The motion to table has been made and is not debatable.

Mr. BUMPERS. Mr. President, will the Senator withhold his motion to table for 1 minute?

Mr. PACKWOOD. Yes, Mr. President.

Mr. CHILES. I yield 1 minute to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, 2 weeks ago, I toured the Children's Hospital in Little Rock, AR. Here is what the administrators there told me: They did $50 million last year and they wrote off $12 million of it in indigent care. In my State, if you are in a family of four—bear in mind we have been cutting Medicaid every year for 5 years. What is it? Health care for the poorest of the poor. We cannot tax the big corporations; take it away from the children.

In my State, if you come from a family of four—a mother and a father and two children—and you make over $3,031 a year, you are not eligible for Medicaid. The number of children in my State who are no longer eligible for Medicaid has doubled in 4 years.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Does the Senator renew his motion to table?

Mr. PACKWOOD. I renew it, Mr. President, and ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion to lay the amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 44—as follows:

[Rollcall Vote No. 74 Leg.]

YEAS—54

Abdnor
Andrews
Armstrong
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins
Hecht
Heinz
Helms
Humphrey
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Zorinsky

NAYS—44

Baucus
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Ford
Glenn
Bentsen
Gore
Harkin
Hart
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Matsunaga
Biden
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stennis

NOT VOTING—2

East
Exon

So the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to table the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM addressed the Chair.

The VICE PRESIDENT. Who yields time?

Mr. METZENBAUM addressed the Chair.

The VICE PRESIDENT. Who yields time?

Mr. METZENBAUM. Mr. President, I believe a Member of the Senate is entitled to recognition without yielding time.

The VICE PRESIDENT. The time is under the control of the minority leader.

Mr. METZENBAUM. Will the Senator from Florida yield to the Senator from Ohio some time?

Mr. CHILES. How much time does the Senator from Florida have?

The VICE PRESIDENT. One minute and a half.

Mr. CHILES. I yield a minute and a half.

Mr. METZENBAUM. I thank the Senator from Florida.

The VICE PRESIDENT. The Senator from Ohio.

AMENDMENT NO. 96

(Purpose: To raise revenues and reduce the deficit with a minimum corporate tax.)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk on behalf of Senators HOLLINGS, LEVIN, and myself, and ask for its immediate consideration.

The VICE PRESIDENT. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM], for himself, Mr. HOLLINGS, and Mr. LEVIN, proposes an amendment numbered 96.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 2, increase the amount on line 9 by $2,100,000,000.

On page 2, increase the amount on line 10 by $4,600,000,000.

On page 2, increase the amount on line 11 by $3,800,000,000.

On page 2, increase the amount on line 15 by $2,100,000,000.

On page 2, increase the amount on line 16 by $4,600,000,000.

On page 2, increase the amount on line 17 by $3,800,000,000.

On page 3, decrease the amount on line 12 by $100,000,000.

On page 3, decrease the amount on line 13 by $400,000,000.

On page 3, decrease the amount on line 14 by $800,000,000.

On page 3, decrease the amount on line 18 by $100,000,000.

On page 3, decrease the amount on line 19 by $400,000,000.

On page 3, decrease the amount on line 20 by $800,000,000.

On page 3, decrease the amount on line 25 by $2,200,000,000.

On page 4, decrease the amount on line 1 by $5,000,000,000.

On page 4, decrease the amount on line 2 by $4,600,000,000.

On page 4, decrease the amount on line 6 by $2,200,000,000.

On page 4, decrease the amount on line 7 by $7,200,000,000.

On page 4, decrease the amount on line 8 by $11,800,000,000.

On page 4, decrease the amount on line 12 by $2,200,000,000.

On page 4, decrease the amount on line 13 by $5,000,000,000.

On page 4, decrease the amount on line 14 by $4,600,000,000.

On page 32, decrease the amount on line 17 by $100,000,000.

On page 32, decrease the amount on line 18 by $100,000,000.

On page 33, decrease the amount on line 2 by $400,000,000.

On page 33, decrease the amount on line 3 by $400,000,000.

On page 33, decrease the amount on line 11 by $800,000,000.

On page 33, decrease the amount on line 12 by $800,000,000.

On page 40, line 19, add the following new sentence: "The Senate Committee on Finance shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $2,100,000,000 in fiscal year 1986; $4,600,000,000 in fiscal year 1987; and $3,800,000,000 in fiscal year 1988.".

On page 51, line 10, add the following new sentence: "The House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $2,100,000,000 in fiscal year 1986; $4,600,000,000 in fiscal year 1987; and $3,800,000,000 in fiscal year 1988.".

Mr. METZENBAUM. Mr. President, this is a very simple amendment. The other day we talked a little bit about a minimum corporate tax. It was a resolution having to do with nothing. It did not really provide anything.

This is the President's minimum tax. It is not mine. It is the 15-percent minimum tax on corporations on earnings over $50,000. If we want to really address ourselves to the issue, this is the way to do it. All of the money would be used to reduce the deficit. As the President said on August 11, 1982, in Montana:

> Would you rather reduce deficits and interest rates by raising revenue from those who are not now paying their fair share, or would you rather accept higher budget deficits, higher interest rates, and higher unemployment?

I think you know the answer. This is to deal with the deficit. This is to do what the President wants us to do. Let us adopt the corporate minimum tax.

The VICE PRESIDENT. The 50 hours have expired.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

Mr. DOLE. Mr. President, I ask unanimous consent that I might have 1 minute on this side.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. PACKWOOD. Mr. President, we have previously passed in this body a sense-of-the-Senate minimum corporate tax resolution. The Finance Committee is going to be working on it this year. As far as I am concerned, I am going to pursue a minimum tax, both corporate and individual, and I think we can get it. It is not a substitute for tax reform. We are going to get that also. But there is no need now for the Senate to adopt this amendment. We have already adopted a sense-of-the-Senate resolution, and we will carry it out.

Mr. DOLE. Mr. President, I move to table the amendment of the Senator from Ohio.

The VICE PRESIDENT. The question is on agreeing to the motion to table the amendment of the Senator from Ohio. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. DOLE. Do I understand there will be no further amendments after this one?

Mr. BYRD. Mr. President, will the distinguished majority leader ask for 3 minutes? It will save time.

Mr. DOLE. I ask for 2 additional minutes.

The VICE PRESIDENT. Without objection, the majority leader is granted 3 minutes.

Mr. BYRD. Mr. President, I think I am in a position on this side, having talked with the distinguished manager of the resolution on this side, to suggest that this be the last rollcall vote so that all Senators, after casting this vote, can go home.

Now, there is an unwinding, if I may use that word, of the various amendments as they are set up in the charts that we have talked about on several occasions, but I see no need to have any more votes on the resolution. We have already voted once on what will be the final package. I do not see any need to keep Senators around for that purpose, Senator STENNIS and others. I suggest that the distinguished majority leader ask unanimous consent that we proceed immediately to the amendment in the A position and the horizontal bar and proceed to vote immediately then on the resolution itself, as amended. And if no Senators on this side wish to ask for the yeas and nays on final passage, I think we can assure it will just be a voice vote or votes after this vote.

Does the distinguished majority leader feel that way about it on his side?

Mr. DOLE. I must say I do feel that way about it. I understand final passage would be on a voice vote. I could vitiate the order for the yeas and nays as we go down that tree.

Mr. BYRD. If the distinguished majority asked that they be vitiated en bloc, that would take care of it.

Mr. DOLE. Could I do that at this time?

Mr. BYRD. Yes.

Mr. METZENBAUM. Not this one.

Mr. DOLE. We are going to vitiate that all right.

Mr. President, I do not want to delay, but I think maybe as a precautionary matter, I should make that request after we have disposed of this amendment.

SCHEDULE

Mr. BYRD. All right. Will the distinguished majority leader take a minute or so and inform our colleagues as to what the schedule will be—we are not going to be in tomorrow, as I understand it—on Monday and Tuesday? What is going to be coming up before the Senate?

Mr. DOLE. Mr. President, it is now Friday, so we can go over until Tuesday at 12 noon, and I indicate that that will happen.

I have discussed with the distinguished chairman of the Armed Services Committee and the distinguished chairman of the Foreign Relations Committee that on Tuesday we would turn to the Defense authorization bill or the Foreign Affairs authorization bill. I hope to be able to discuss that on Monday.

Mr. GOLDWATER. Mr. President, the distinguished majority leader and I have discussed the possibility of bringing up the Armed Services bill on Tuesday, and I think it is possible for us to do that. Because of the new figures that have been supplied us today, we have to get our slide rules out and see where we can find the money.

So I suggest that the Foreign Relations bill come up Tuesday, and then we on the Armed Services Committee can look forward to Thursday, because we have to finish this by the Memorial Day recess in order to get it finished by Christmas.

[Laughter.]

Mr. DOLE. I thank the distinguished Senator from Arizona.

Mr. President, I have just been notified by the distinguished chairman of the Foreign Relations Committee that we can proceed with the foreign affairs authorization bill on Tuesday, and then we may be able to dispose of S. 408, the Small Business Administration bill, which could be conformed to the resolution and should not take a great deal of time.

Mr. BYRD. I thank the distinguished majority leader.

Do we correctly understand that there will be no votes on Monday? The Senate will not be in session tomorrow.

Mr. DOLE. We will not be in session on Monday, either.

Mr. BYRD. We will recess or adjourn over until Tuesday?

Mr. DOLE. Until Tuesday.

Mr. BYRD. What time does the able majority leader expect to come in on Tuesday?

Mr. DOLE. At noon. We will have the policy luncheon recess, so we will start on the bill about 2 o'clock.

Mr. BYRD. Would the distinguished majority leader say that there would be no rollcall votes other than possibly a parliamentary one in connection with the establishment of a quorum, that there would be no other rollcall votes on Tuesday before 5 o'clock?

Mr. DOLE. Is that satisfactory to the distinguished chairman?

Mr. LUGAR. The bill will take 2 days. It is necessary to deal with amendments prior to that time. We will cooperate with the majority leader to work the will of the Senate. We would like to go Tuesday and Wednesday to complete the bill.

Mr. BYRD. What time can we expect a vote?

Mr. DOLE. No rollcall votes before 5 o'clock on Tuesday, unless it is a procedural vote.

Mr. DOLE. Mr. President, have the yeas and nays been ordered on the motion to table?

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. DOLE. As soon as this vote is completed, I can indicate to the membership about vitiating the order for the yeas and nays.

The VICE PRESIDENT. The question is on agreeing to the motion to table the amendment of the Senator from Ohio.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

BEST COPY AVAILABLE

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON], is absent because of illness.

The PRESIDING OFFICER (Mr. STEVENS). Are there any other Senators who wish to vote?

The result was announced—yeas 61, nays 37, as follows:

[Rollcall Vote No. 75 Leg.]

YEAS—61

Abdnor
Andrews
Armstrong
Biden
Bingaman
Boschwitz
Bradley
Chafee
Cochran
D'Amato
Danforth
DeConcini
Denton
Dixon
Dole
Domenici
Durenberger
Evans
Ford
Garn
Glenn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins
Hecht
Heflin
Helms
Humphrey
Kassebaum
Kasten
Lautenberg
Laxalt
Long
Lugar
Mathias
Mattingly
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Zorinsky

NAYS—37

Baucus
Bentsen
Boren
Bumpers
Burdick
Byrd
Chiles
Cohen
Cranston
Dodd
Eagleton
Gore
Harkin
Hart
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Weicker

NOT VOTING—2

East
Exon

So the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, in the two instances where the yeas and nays have been ordered, I ask unanimous consent that they be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, amendment No. 43 is agreed to.

Without objection, the motion to recommit is agreed to.

The chairman of the Budget Committee.

Mr. DOMENICI. Mr. President, on behalf of the Committee on the Budget, I report to the Senate Senate Concurrent Resolution 32 as modified.

Mr. STAFFORD. I wish to discuss the budget resolution as it relates to assumptions about the Superfund program. I do so because the Superfund law expires on September 30 and must be reauthorized this year. The Senate Committee on Environment and Public Works, which I chair, reported a 5-year, $7.5 billion program extension. The Senate Finance Committee has scheduled action on the Superfund reauthorization next week. In addition, the House committees plan to act on reauthorizations this year and the White House budget submitted earlier this year assumed an expanded program. Consequently, I believe it is necessary to clarify with the Senator from New Mexico, the chairman of the Budget Committee, just how the budget plan affects Superfund.

Mr. DOMENICI. I thank the Senator from Vermont. This is a complicated subject, as the Senator points out, because legislation is moving through Congress. Rather than prejudge the final outcome of congressional deliberations, we have decided to wait for Senate Finance Committee action, and final Senate action, and then accommodate that action.

Mr. STAFFORD. What accommodation does the Senator have in mind?

Mr. DOMENICI. We intend to hold the Superfund reauthorization harmless by the following process.

If the Superfund reauthorization is considered on the Senate floor prior to adoption of a budget resolution, I can assure you that as chairman of the Senate Budget Committee, I will do everything in my power to assure that the Budget Committee will waive section 303 of the Budget Act to allow its consideration.

After the Senate Finance Committee reports legislation expanding the Superfund Program and increasing revenues that finance the program, and after the Senate acts on the bill, I would propose the following: To the extent that the HUD and independent agencies appropriation bill exceeds its allocation because of the increases in the Superfund Program, we would hold the Appropriations Committee harmless consistent with Senate action. This will not increase the deficit in the budget plan we are now debating and, if revenue projections for the new program exceed estimated outlays, this process would actually lower projected deficits.

Mr. STAFFORD. I thank the Senator for his understanding. I know he wishes that the Congress be given the latitude to freely and fully debate the new Superfund bill and this accommodation seems to give us that latitude.

Mr. LAUTENBERG. Mr. President, I also thank the Senator from New Mexico and the Senator from Vermont for reaching this understanding. As the Senators know, I have had a deep interest in seeing that this understanding be reached.

Mr. CHAFEE. I commend both Senator STAFFORD and Senator DOMENICI for reaching this understanding. As one who is deeply concerned about the prevalence of hazardous waste dumps throughout the United States, with my own State of Rhode Island having its share of such sites, I am extremely anxious that the Superfund Program be extended and enlarged without hitch well prior to its expiration date on September 30, 1985.

Mr. BRADLEY. Mr. President, after listening to the exchange between the Senator from New Mexico and the Senator from Vermont, I am reassured that if the Senate Finance Committee reports a Superfund bill of $7.5 billion in 1985 it will not violate the budget resolution. The need to clean up toxic wastes should not be caught in the intricacies of the budget process. The exchange of the distinguished budget chairman indicates that the Superfund extension will be enacted this year.

Mr. BENTSEN. Mr. President, immunization of children has been one of the most spectacularly successful preventive health measures available. Through the appropriate use of vaccine, smallpox has been eradicated from the Earth. In this country, we have also essentially eliminated diptheria, tetanus, and poliomyelitis as diseases of children. We are on the verge of achieving elimination of measles as a native disease and are beginning to intensify our efforts in order to hasten the ultimate elimination of rubella.

These achievements have had a dramatic impact on the death rate that used to be considered an inevitable part of growing up. Thousands of children are now alive and well who would have died of these diseases if our modern vaccines had not been developed.

Since 1957, with the introduction of the Sabine polio vaccine, the Federal Government has assumed an increasingly important role in immunizing children against measles, mumps, rubella, polio, diphtheria, tetanus, and pertussis. Of the approximately 3.8 million vaccinated annually, our goal has been for one half to be immunized through programs supported by the Center for Disease Control.

Appropriate administration of safe and effective vaccines continues to be one of the most cost efficient ways to improve the quality of life in each and every community across this country. For example, the benefit/cost ratio of rubella immunization given in combination with measles vaccine is estimated to be 23 to 1. For polio immunization the ratio is 10 to 1. In more human terms, that means an estimated savings of about $1 billion per year for polio, and $500 million each year for measles. Since 1963, over 57 million cases of measles and 19,000 cases of mental retardation have been averted, and the lives of 5,700 children have been saved as a result of measles immunization.

But without a modification in the budget assumptions used to develop the leadership's budget resolution

package, we could well jeopardize the extraordinary track record this country has achieved. As I understand it, the budget assumptions underlying this package freeze funding for the immunization program at the fiscal year 1985 level. And in each of the succeeding 2 years, an inflation factor of approximately 3 percent is applied.

Yet, over the past year alone, the cost of purchasing MMR [measles, mumps, rubella] vaccine has increased by nearly 27 percent, polio by 10 percent and DTP by 10 percent. Simple arithmetic using conservative estimates of funding that will be required to continue to support current levels of service indicates that we will need an additional $5 million in funding to cover the cost of vaccine.

In testimony before the Congress, representatives of the Center for Disease Control have warned repeatedly that a 6-month supply of vaccine is the minimum that should be kept in reserve. This country now has only one producer of MMR and polio vaccine and two distributors of DTP. A stockpile is needed to prevent disruption of supply, something which has happened at least 9 times since 1976. Currently, CDC has a 3-month reserve of MMR and polio vaccine, and only a 2-week supply of DTP. The shortage of DTP has been so acute in recent months that, until last week, physicians were being advised to delay the fourth and fifth doses given older children so that there was vaccine available for infants 2 to 6 months old.

A new vaccine, found to be 95 percent effective in combating bacterial meningitis and other serious disabling conditions caused by hemophilis influenza B has recently been approved by the Food and Drug Administration and recommended for use for all 2-year-olds by the Public Health Service Immunization Protection Advisory Committee. If purchased in bulk by the Center for Disease Control, children could be immunized at a cost savings of up to 15 percent. Further, administration of this vaccine to children attending day care programs and preschool will dramatically reduce the number of deaths and permanently disabling conditions that affect approximately 2,000 of the 20,000 children who contract invasive hemophilis annually.

In order to accomplish each of the objectives outlined above, that is, to provide $5 million in additional funding to maintain current immunization service levels; to make a modest attempt at improving the vaccine stockpile; and to initiate an H flu immunization program will require $21 million in budget authority for fiscal year 1986. CBO has calculated the proper outlays for that figure and also the proper numbers for fiscal years 1987 and 1988 using the proper deflator. In BA, over the 3-year budget horizon that total is $66 million, and in outlays the 3-year figure is $56 million.

I would like to have the distinguished chairman of the Budget Committee's assurance that there is sufficient room in the budget resolution package for these expenditures.

Mr. DOMENICI. The Senator is correct, there is sufficient room in function 550 for the activities the Senator describes.

Mr. BENTSEN. I thank my colleague from New Mexico and yield to the Senator from Arkansas for additional clarification.

Mr. BUMPERS. Mr. President, I am proud to join Mr. BENTSEN today in the effort to provide additional funding for our childhood immunization program. This additional funding is absolutely essential if we are to continue to protect our children from childhood disease. The fiscal year 1986 budget request provides for a freeze in funding for the immunization program that is run by the Centers for Disease Control and the States, but that is simply not enough money for this vital and cost effective preventive health program.

I join my colleagues in the quest to restrain Government spending, but I feel the budget request will not provide for immunizations for our children and will cost our Government many more health dollars in the long run.

Our vaccine program has been so successful that we have virtually eliminated measles, polio, diphtheria, tetanus, and mumps, and the suffering caused by those diseases. The program has also saved our Nation millions of dollars; the benefit-cost ratio of rubella immunization given in combination with measles vaccine is estimated to be 23 to 1, and the benefit-cost ratio for polio immunization is 10.3 to 1. This translates to an estimated savings of about $1 billion per year for polio, and $500 million per year for measles. Trimming $1 million from the immunization program in fiscal year 1986 might mean future spending of $10 million for health care for those children who contract measles or mumps or polio.

The immunization program needs additional funds because the prices of vaccines have escalated astronomically in the last several years, vaccine stockpiles are dangerously low, and the resources of our public health clinics are strained as more children are going to those clinics for their immunizations.

Over the past year alone, the cost of MMR increased by 26.9 percent, polio by 10 percent, and DTP by 10 percent. DTP was up 300 percent over the past 2 years. For fiscal year 1986, CDC is estimating a 25-percent increase in MMR, a 10-percent increase in polio vaccine, and a 10-percent increase in DTP. Those estimates of price increases are conservative, but even if we accept them, it is clear that a freeze in funding for vaccine purchases won't allow us to buy enough vaccine for our children in fiscal year 1986.

In testimony before congressional committees, CDC has stated that a 6-month supply of all vaccines should be in reserve at all times. This reserve is especially necessary since we now have only one producer of MMR and polio vaccine and only two manufacturers of DTP. This winter's shortages of DTP vaccine forced physicians to delay booster shots for some children and made it clear that we have to do more to improve our stockpiles.

CDC has 3 months of MMR and polio in reserve but no DTP. At least $40 million would be required to bring all three vaccines to optimal stockpile levels, yet the budget request provides only $4 million for vaccine stockpiling. We surely won't be able to purchase and stockpile much vaccine with that amount of money.

The additional $21 million we have requested for the immunization program is modest. This request includes an additional $5 million for State grants to purchase vaccines, an additional $5 million for stockpiling, and $11.4 million for H flu vaccine. The additional $5 million for State grants should provide some cushion for the projected price increase and for the increased caseloads in our public health clinics. The additional funding for stockpiling will not allow for the entire 6 months' stockpile we need, but it will allow us to make some progress toward adequate stockpiles, especially of the DTP vaccine.

The H flu vaccine—hemophilos influenzae B—has been approved and recommended for use by 2-year-olds. This vaccine would prevent the most common cause of bacterial meningitis in children. An additional $11.4 million would allow CDC to start this program and immunize one-half our 2-year-olds.

None of us wants to lose any of the ground we have gained in our fight against childhood diseases. That fight will require adequate funding.

It is my understanding that this $21 million is additional funding over and above the amount included in the Senate leadership-White House agreement, so that other programs in function 550 need not be reduced commensurately. Is that accurate?

Mr. DOMENICI. The Senator is correct.

TREATMENT OF THE PROPOSAL FOR THE VETERANS' ADMINISTRATION TO COLLECT COSTS OF CERTAIN CARE FROM INSURANCE COMPANIES

Mr. CRANSTON. Mr. President, there is one point relating to function 700, veterans' benefits and services, under the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32) as to which the distinguished chairman of the Veterans' Affairs Committee, Mr. MURKOWSKI, and

I, as ranking minority member of the committee, would appreciate having the views of the very able chairman, Mr. Domenici, and ranking minority member, Mr. Chiles, of the Budget Committee. Both the Budget Committee reported resolution and the White House/Republican Senate leadership packages are based on the assumption that Congress will enact health insurance reimbursement legislaton under which the Veterans' Administration would seek to recover from insurance carriers the cost of care provided to non-service-connected disabled veterans.

Our concern in this regard is that, if ultimately this assumption underlies the conference agreement on the resolution, the collections estimated to result from the enactment of such legislation not be considered to be applied or accounted for in any way that would reduce the levels of appropriations for the VA's medical care account, or any other VA appropriations account, under the budget resolution. Any such prospective reduction of amounts provided for VA appropriations account could result in the VA having less resources available to it than is needed to accomplish the workload and maintain the staffing levels intended by the Congress.

The chairman of our committee, Mr. Murkowski, and I believe the administration does not intend that result.

Mr. MURKOWSKI. Mr. President, I certainly agree with the distinguished ranking minority member of our committee on this matter. With respect to the administration's position, we note that, in the VA's budget documents, the estimated collections are shown as proprietary receipts and, under the administration's legislative proposal transmitted to the Congress on May 7, any amounts collected pursuant to this legislation would be "deposited in miscellaneous receipts of the U.S. Treasury as a proprietary receipt." Thus, the collections would not be credited to the VA's medical care account and would not be deemed to reduce in any way the appropriations needs of that account.

Mr. CRANSTON. Mr. President, in light of the foregoing, it is our understanding that the estimated savings—the negative budget authority and outlay figures—should not be allocated to the Appropriations Committee under the so-called "cross-walk" pursuant to section 302(a) of the Budget Act. We would, therefore, like to ask the chairman and ranking minority member of the Budget Committee whether this understanding is correct.

Mr. DOMENICI. Mr. President, my good friends from California [Mr. Cranston] and Alaska [Mr. Murkowski] are correct in their understanding. For purposes of the first concurrent resolution on the budget for fiscal year 1986, it is assumed that the collections resulting from the enactment of such legislation would be deposited in the General Treasury in miscellaneous receipts and the estimated savings—receipts—would not be cross-walked to the Appropriations Committee.

Mr. CHILES. Mr. President, I have had the opportunity to discuss this matter with the chairman of our committee and he has correctly stated the views of both of us on this matter.

Mr. MURKOWSKI. I thank the Senators for making this important clarification.

Mr. CRANSTON. I also thank the Senators. They have been most helpful.

Mr. HATCH. Mr. President, will the Senator from New Mexico yield for a comment or two about the Job Corps?

Mr. DOMENICI. I will be happy to yield for a comment.

Mr. HATCH. I think everyone here knows just how strongly I support the Job Corps. Since I made a visit to the Clearfield Job Corps Center in Utah in 1980 and became convinced that this type of comprehensive, residential approach was needed, I have tried to defend this program and its mission to serve the truly disadvantaged youth of our Nation—those youth who have no other place to go. I am proud of my support for the Job Corps and my remarks today, or my vote for this budget proposal should not be construed in any way to detract from that support.

However, I am also well aware that we must curtail Federal spending. For that simple reason, I believe that the 70-percent restoration of funds for the Job Corps is a fair and responsible compromise. This level of funding is predicated not only on what the Job Corps has already achieved, but also on its even greater potential following some reforms which will be proposed in a reconciliation process. Senator Kennedy and I are both anxious to stabilize the program and we will get down to work as soon as the budget resolution has been agreed to by both the House and Senate. We will also be pleased to work with the House Education and Labor Committee which has always shown great interest in the Job Corps.

There are many ways cuts could be made in the Job Corps without taking the reform route. One would be to eliminate centers which have unacceptable performance records, but that would jeopardize the Job Corps program in many States where it is needed most. We could eliminate centers which will require the most extensive commitment of resources for renovation, but that too would eliminate centers in strategic locations. We could reduce it piecemeal—such as eliminating residential training academies, or reducing the time students may spend in Job Corps—but those solutions do not lend themselves to a comprehensive program. Job Corps would become disjointed and unfocused. We could eliminate civilian conservation centers, but this solution is not satisfactory to many people and States which have excellent conservation centers.

In short, Mr. President, there is really only one good way to make budget reductions in the Job Corps, and that is to take a good hard look at the manner in which the funds are administered. We cannot make necessary reductions without reforming the program. Frankly, we need to make this effort to ensure reductions are made equitably as well as to promote the long-term efficacy of the Job Corps program.

The Job Corps is a unique concept for providing skills training and job counseling to economically disadvantaged youth. Eighty-five percent of these kids are high school dropouts. As many as 25 percent have been rejected by the U.S. Armed Forces because they have been unable to meet the minimum entrance requirements.

The success of the concept is clear from the statistics: In 1979, 93 percent of Job Corps terminees were placed in either private sector jobs, admitted to school, or entered the Armed Forces. The placement rate of the Job Corps has increased steadily since it was created in 1964. As a distinguished fellow Utahn and former Secretary of Education, Ted Bell, has said, "No educational endeavor in our society has a more difficult assignment." Yet, Mr. President, Job Corps has been successful in reaching out to these young people, and inspiring them to achieve greater things.

David Parent, a graduate of Northlands Job Corps Center in Vermont, and winner of the National Job Corps Alumni Association's essay contest, is currently enrolled in the Putnam Memorial Hospital School of Nursing in Bennington, VT, working to earn his LPN. He wrote in his winning essay:

> I never thought I'd be able to qualify to be accepted to nursing school, but now that I stuck to it, and finished the work I had to do at Job Corps, I'm able to contribute greatly to the physical and psychological well-being of the many patients I come into contact with every day as a nurse . . . These people need the best I can give. Through the Job Corps I have learned to be of the greatest service to those who depend on me every day.

Mr. President, David Parent is not alone. We need not look far for Job Corps' success stories. It is simply unreasonable to think we should eliminate a program which has motivated youth like David to learn, to work, and to serve society rather than to exist on public assistance. Studies by reputable independent consultants, including Mathematica, Inc., have all concluded that the Job Corps returns $1.45 for

every dollar which is spent. I do not think, Mr. President, that we can afford not to invest in a Job Corps program. These young people are the future of our Nation.

Having said this, Mr. President, I feel I must also be honest and say that the Job Corps could benefit from reform. The restoration of funds in this budget resolution not only ensures the continuation of Job Corps, but it provides all of us with the opportunity to improve its performance. I know Senator Kennedy, the distinguished ranking member of the Labor and Human Resources Committee, has also been a staunch advocate of the Job Corps, as have our counterparts in the House, Gus Hawkins and Jim Jeffords. One thing we know is that we should not allow Job Corps to become stale, inflexible or mired in the status quo for its own sake.

In 1982, Congress enacted landmark legislation to reform the job training system in our Nation. The changes were designed to make job training more responsive to individual labor markets and to target expenditures on one purpose: training for jobs. It is time, I truly believe, that we incorporate Job Corps into this system. The concept of comprehensive, residential centers should be an integral part of the arsenal of Federal assistance for education and job training available to every State to help combat youth unemployment. It seems to me that a State trying to develop a job training program without the resources of a residential Job Corps center to reach a special population of youth would be like the Pentagon trying to plan for the defense of our Nation without rifles or tanks.

Further, Mr. President, we need to direct more funds to States where there are no Job Corps facilities or where Job Corps opportunities are not available proportionate to the need. One example is California which has an economically disadvantaged population of 601,268—over 11 percent of the total number of disadvantaged youth in the country—yet California receives less money than two other States with substantially fewer young people in need. Connecticut has nearly 48,000 economically disadvantaged young people, but no Job Corps centers. I have to believe that at least several hundred of those teenagers could benefit greatly from a program like Job Corps. Alabama has an economically disadvantaged youth population of 118,912 and only one Job Corps center. At a minimum, Mr. President, States should command their own resources, specifically designated for this purpose, to make reciprocity agreements with Job Corps centers in other States.

I think Senator Kennedy would agree that now is the time to advance this program. It is the time to address some of the issues that have constantly cast aspersions on the program's integrity and effectiveness. We need to get States and private industry councils involved in Job Corps without sacrificing the expertise of current Job Corps contractors. We will need to make reductions without zeroing out Job Corps opportunities in any State. We need to reduce expenditures on Federal contracting and procurement bureaucracy and spend what funds we have on creating slots for kids.

I am pleased that we have agreed to save the Job Corps and that the budget will allow for a viable program, not just the bare bones. I will work diligently to ensure that this is the best program it can possibly be—not just for the sake of the kids whose hope it is, but for the taxpayers whose hard-earned funds we are investing.

Mr. President, I thank the Senator from New Mexico for yielding.

Mr. DOMENICI. Mr. President, I thank the Senator from Utah, the distinguished chairman of the Labor and Human Resources Committee for his comments. I have to say that I have rarely seen a Senator so committed to any program and so willing to fight for it, even if he disagrees with his own leadership. As chairman of the Budget Committee, I am appreciative of his recognition of the need to restrict spending, even in those programs we believe are worthwhile. He has been a statesman during this budget debate and I thank him for it. I will do everything I can to assist him in achieving these beneficial reforms.

I know the Senator from Massachusetts has also been a loyal supporter of the Job Corps and I appreciate the spirit of bipartisanship which exists on this issue.

REA BUDGET

Mr. ABDNOR. Mr. President, I would like to clarify a few items concerning the REA budget. As my colleagues are aware, the Senate/administration deficit reduction plan as released in mid-April proposed cuts in the Rural Electrification Administration [REA] Program which were based on two very shocking assumptions. First, it was assumed that direct loans, guaranteed loans, and rural telephone loans would be phased out over 8 years. Second, it was assumed that direct loan interest rates would be increased at a rate equal to the Treasury's cost of borrowing plus 1⅛ percent. In essence, it was assumed that the REA Program would be phased out and eliminated—that the lights would be turned out in rural America.

I informed my colleagues, Budget Director Stockman, and Agriculture Secretary Block early on that these assumptions were totally unacceptable to me and that I would actively oppose and vote against any proposal which proposed to phase out REA.

Since that time, I have been meeting almost daily with Senator Dole, Senator Domenici, and Budget Director Stockman to try to develop an acceptable compromise. Additionally, I have met with Mr. Bob Bergland, executive vice president of the National Rural Electric Cooperative Association [NRECA] and other NRECA staff in order to develop a package which is fair to rural electrification and rural America.

The package we have before us today is fair to rural electrification. It addresses the concerns I raised, those raised by the over 80,000 rural electric cooperative members in my home State of South Dakota, and the 25 million customers of rural electric cooperatives nationwide. The REA provisions in the Dole substitute are acceptable to NRECA.

Specifically, these provisions call for a rescission of $550 million of loan authority in fiscal year 1985, a $550 million reduction in loan levels from the baseline in fiscal year 1986, a $600 million reduction in loan levels from the baseline in fiscal year 1987, and $650 million reduction in loan levels from the baseline in fiscal year 1988.

Additionally, I would like to gain the assurance of the talented Budget Committee chairman, Senator Domenici, on a few points. Am I correct to state that the budget savings reflected in the Dole amendment are arrived at by assuming a reduction in loan levels, not by proposing a phase out of direct, guaranteed, and rural telephone lending?

Mr. DOMENICI. The Senator is correct. We have modified the Senate-White House agreement so that the Dole amendment assumes a reduction in REA loan levels, not a phase out of REA loans.

Mr. ABDNOR. Am I also correct in stating that the savings are not assumed to be derived from an increase in direct loan interest rates from the current 5 percent to a rate equal to the Treasury's cost of borrowing plus 1⅛ percent?

Mr. DOMENICI. The Senator is correct. The Dole amendment assumes that direct loan interest rates remain at 5 percent, and do not increase to the Treasury's cost of borrowing plus 1⅛ percent as envisioned in the Senate-White House agreement. Let me take this opportunity to commend the able Senator from South Dakota for his successful efforts to work out this modification that effectively maintains the savings in the agreement and meet the concerns of rural electric and telephone cooperatives.

Mr. ABDNOR. I also would like to clarify an agreement which has been reached with the distinguished majority leader. I am aware that the REA Administrator is considering a draft proposal which would replace its existing general funds rule with a working capital criterion. I have been informed that this new criterion could make 70 percent of all rural electric systems ineligible for both new REA loans and advances on already approved loans. According to the information I have received, 91 percent of South Dakota's rural electric cooperatives would be made temporarily, or perhaps permanently, ineligible under the proposed criterion. Surely this appears to be yet another attempt to phase out REA.

Mr. DOMENICI. At my urging, the majority leader has requested that the administration delay making administrative changes that would restrict the ability of rural electric systems to obtain REA loan funds. Before such changes are implemented, the majority leader has requested that the NRECA and the appropriate congressional committees of jurisdiction have the opportunity to review and comment upon the changes fully. It is my understanding that the REA Administrator and Budget Director Stockman have agreed to this request.

Mr. ABDNOR. I would like to thank the distinguished chairman of the Budget Committee and the majority leader for their cooperation in putting together a package which is fair to REA and the rural families, businesses, and communities which it serves.

Mr. HELMS. Mr. President, the new compromise package for agriculture is one that I hope every Senator will be able to support. Let me outline the changes in the assumptions that are proposed. The changes provide a more attractive program for our Nation's farmers.

Significant changes have been made in farm price supports, farm credit programs, Federal crop insurance, and soil and water conservation programs. In addition, the new compromise assumes a new export incentive program, and retains the changes already made by the Abdnor amendment for REA.

Mr. President, in farm price supports, changes in programs that would result in savings of $5.5 billion over 3 years would still be made. That means that the Federal Government will still spend about $10 million for each of 3 years for commodity price supports—a total of $30 billion for Commodity Credit Corporation programs.

In addition, a strong Export Incentive Program is included. Utilizing surplus CCC stocks, the program will be targeted to meet the competition in foreign subsidized sales in a broad range of farm products. Although the CCC may show significant book losses, these will not count against the $10 billion that can be spent for commodity programs each year, nor will it affect the $5.5 billion in savings for the commodity programs that is assumed for the reconciliation.

The first part of the agreement in farm credit programs is similar to the previous compromise. The Farmers Home Administration Disaster Loan Program will be terminated in counties where Federal crop insurance is available. This will result in a 3-year savings of about $5.1 billion.

In addition, Mr. President, existing Farmers Home Administration ownership and operating programs will be consolidated into a new $4 billion annual program with a transition to a guaranteed program. This is an increase of $1 billion in the overall FmHA Lending Program. Under the new program, the level for direct loans will be $2 billion, $1.5 billion, and $1 billion in fiscal years 1986, 1987, and 1988, respectively. For the same years, the level for guaranteed loans will be $2 billion, $2.5 billion, and $3 billion, respectively. It is estimated that the phasedown of direct loans will save $3.8 billion over 3 years.

Under the new program, guaranteed loans can qualify for an up to 2-percent interest rate buydown, if the borrower can meet the cash-flow test, the bank matches the buydown, a borrower meets the no credit elsewhere test, and existing bank loans are classified. It is assumed that there would be $240 million available for this buydown program over 3 years.

The new compromise agreement eliminates any savings that were assumed from changes in the Federal Crop Insurance Program. This will ensure continued program integrity while the Disaster Loan Program is phased down.

In other agricultural programs, the assumptions for reductions in funding for soil and water conservation programs were reduced by 50 percent from the previous compromise. This translates to a 15-percent reduction from the baseline in conservation programs, as opposed to the 30 percent in the former package.

The compromise also includes the Abdnor amendment on the Rural Electrification Administration that was previously agreed to by the Senate.

Mr. ZORINSKY. Mr. President, I should like to ask the distinguished chairman of the Budget Committee a question concerning the Farm Program savings assumed in this package. As I understand the final package, it adds back $2.5 billion in funding for agriculture price support and farm credit programs.

Am I correct in assuming that the Agriculture Committee retains complete discretion for spending among various farm commodity support, farm credit programs, and other programs within its jurisdiction?

Further, am I correct in believing that the savings assumed under the resolution's reconciliation instructions can be met in part or whole from these various programs, while augmenting commodity price support activities? In short, I assume that the bulk of the funding being added back could be used for commodity price support programs with a portion being used for farm credit?

Mr. DOMENICI. The distinguished ranking member of the Senate Agriculture Committee is correct. Within the total budget authority under the jurisdiction of the Senate Agriculture Committee, it is clearly the prerogative of that committee to meet its reconciliation instructions in whatever manner achieves the assumed savings.

I would be less than candid with the Senator if I did not point out to him that, in arriving at the assumed reconciliation outlay savings, the resolution assumed reforms in farm price support programs, farm credit, and other programs under its jurisdiction. I am hopeful that in addressing the 1985 farm bill the Agriculture Committee will give serious consideration to some of the reforms assumed in this resolution.

FOREST SERVICE PROGRAMS

Mr. McCLURE. Mr. President, I note that a provision has been added to the budget resolution which requires both the Committee on Energy and Natural Resources and the Committee on Agriculture, Nutrition, and Forestry to review certain programs within their respective jurisdictions for reconciliation savings.

The programs of concern, Mr. President, are those of the U.S. Forest Service. Under the Senate Rules, jurisdiction over Forest Service programs is assigned to the Energy and Natural Resources Committee, the Agriculture Committee, or jointly to both. However, this sharing in jurisdiction is not fully preserved in the budget resolution. As reported by the Budget Committee, and in the White House agreement, assumptions regarding savings in Forest Service programs were reconciled only to the Agriculture Committee. The Forest Service programs within the jurisdiction of the Energy and Natural Resources Committee were not reflected in its reconciliation instructions set forth in section 2.

The subject provision corrects this situation, however. The provision, which is supported by the chairman of the Agriculture Committee, assigns the reconciliation assumptions regarding Forest Service programs to both committees and allows each committee to review those programs within their respective jurisdictions with respect to achievement of the stated savings.

This provision, Mr. President, assures that the budget resolution is neutral with respect to assumptions regarding committee jurisdiction over Forest Service programs.

Mr. HELMS. Mr. President, I thank my friend, the chairman of the Committee on Energy and Natural Resources for his comments on this change in the instructions for the Committee on Energy and Natural Resources. I can accept this change because it does not affect the instructions or the assumptions for the Committee on Agriculture, Nutrition, and Forestry.

The change is intended to allow the Committee on Energy and Natural Resources to review programs in the Forest Service that are within their jurisdiction, and to receive credit for savings that they might recommend for Forest Service programs within their jurisdiction.

Should the Committee on Agriculture, Nutrition, and Forestry make changes in Forest Service programs within its jurisdiction, it would receive credit for savings. Thus, each committee would receive full credit for whatever savings it achieved in the respective committees. However, neither committee will receive any credit for savings enacted by the other committee.

Also, the change in instructions for the Energy Committee is intended to reflect the shared jurisdiction over certain forestry legislation, and is not intended to provide the opportunity for either committee to affect Forest Service programs not within the jurisdiction of the respective committee.

Mr. DOMENICI. Mr. President, I agree and want to compliment the two distinguished chairmen on their willingness to address this difficult jurisdictional issue. I believe the two chairmen have clearly identified a difficult issue and have found a unique way to address it. I thank both of them for their work.

Mr. ZORINSKY. Mr. President, I would like to ask the distinguished chairman of the Senate Budget Committee a question concerning a provision included in the original budget resolution as reported out of his committee that I understand has been modified in the substitute resolution offered today.

As I understand it, as reported, section 5 of the budget resolution would have had the effect of limiting Federal loan programs authorized in fiscal years 1986 and 1987 to amounts provided in advance by appropriation acts.

Mr. DOMENICI. The distinguished Senator from Nebraska is correct, and I am grateful to the Senator for bringing this issue to our attention so that we could make the modification.

Mr. ZORINSKY. I would point out to the Senate that that provision, as originally reported and if applied to commodity price support programs, would have been an administrative nightmare that would have crippled the operations of the Commodity Credit Corporation and disrupted the commodity markets.

Currently, price support program levels are set by Congress in farm legislation, and the programs are carried out with the use of Commodity Credit Corporation funds. The borrowing authority of the Commodity Credit Corporation is replenished, as needed, by subsequent appropriations that restore net realized losses on support operations and related programs.

Commodity price support loan programs are a marketing tool for producers and serve to protect farmers against unreasonably low commodity prices. During times of severe shortages and subject to statutory resale provisions, the Commodity Credit Corporation releases commodities it has acquired, which keeps consumer prices from increasing sharply.

Under section 5 of the budget resolution as reported, it would not have been in order, during fiscal years 1986 and 1987, for either House of Congress to consider any bill, resolution, or amendment authorizing new direct loan obligations or new loan guarantee commitments unless the legislation also provided that that authority to make or guarantee loans would have been effective only to the extent, and in such amounts, as were contained in appropriation acts. This provision would, if implemented, seriously impair the essential operations of the Commodity Credit Corporation since it is impossible to anticipate the demands that will be placed on CCC.

Mr. DOMENICI. The distinguished ranking member of the Senate Agriculture Committee, an expert in this area, is without question correct in his assessment of how this provision as reported out of committee would have affected the Commodity Credit Corporation's activities. For that reason, in past years Congress has exempted Commodity Credit Corporation operations from this provision as it was contained in other budget resolutions. In 1982, in fact I offered an amendment on the initiative of Senators HELMS and HUDDLESTON to exempt CCC from this provision.

I therefore can assure my distinguished friend that the substitute resolution we are offering here today modifies section 5 as originally reported out of the committee in exactly the same fashion as Congress has done in past years. Specifically, the amendment provides that the provisions of section 5 shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1985, that are funded through the Commodity Credit Corporation.

It is clear that this special treatment is justified because of the uniqueness of the Commodity Credit Corporation programs. However, this modification does not mean that CCC can spend unlimited amounts. Any increase in the borrowing authority of CCC is already subject to the appropriation process and, under this amendment, Congress will continue to control the expenditures of CCC.

I thank the Senator for bringing this issue to our attention.

Mr. ZORINSKY. I thank the chairman for his understanding and his assurances.

FUNDING FOR THE ASBESTOS SCHOOL HAZARD ABATEMENT ACT OF 1984

Mr. ABDNOR. Mr. President, as the author of the Asbestos School Hazard Abatement Act of 1984 [ASHAA], which was enacted August 11, 1984, I am extremely pleased with the way the Environmental Protection Agency [EPA] is implementing this new program. In addition to providing no-interest loans and grants to eligible local educational agencies for asbestos abatement projects, the Agency is using a portion of its administrative moneys to develop a model contractor training and certification program. This effort will benefit not only those LEA's which receive financial assistance under ASHAA, but it will also serve to ensure that asbestos hazards in other schools and buildings are addressed in a safe and appropriate manner.

ASHAA authorized $50 million for fiscal year 1984, $50 million for fiscal year 1985, and $100 million for each of 5 subsequent years for asbestos abatement projects. During this fiscal year—the first year of the program—the Agency is spending $50 million appropriated through the fiscal year 1984 second general supplemental appropriations measure.

Mr. President, it is my understanding that the budget proposal before us is not intended to reduce funding below EPA's current program levels. I would like to ask the distinguished chairman of the Budget Committee, Senator DOMENICI, to clarify the intent of the committee with respect to EPA's budget.

Mr. DOMENICI. The Senator from South Dakota is correct. Except for those programs that are reduced below a freeze level, the Senate-White House agreement generally assumes a 1-year freeze on all domestic discretionary programs. Our assumptions embodied in this budget resolution do not include any reductions for EPA programs.

Mr. ABDNOR. I thank my good friend and colleague from New Mexico for his clarification. I know that the Senator is aware of my commitment to seek additional funding for asbestos abatement activities in our Nation's schools, and I look forward to working with he, Senator D'AMATO, Senator LAUTENBERG, and others who serve on the Appropriations Subcommittee on HUD-Independent Agencies, as well as with Senator STAFFORD, the distinguished chairman of the Committee on Environment and Public Works and coauthor of ASHAA, to secure continued funding for this vital program.

Mr. WALLOP. May I ask the chairman of the Budget Committee a question? It is my understanding that the new budget package does include features of my proposed amendment relating to the sport fish restoration fund, commonly known as the Wallop/Breaux fund. Is that correct?

Mr. DOMENICI. Yes, that is correct.

Mr. WALLOP. The central feature of that amendment cosponsored by Senators Bingaman, Boren, Burdick, DeConcini, Durenberger, Goldwater, Helms, Hollings, McClure, and Sarbanes was the retention of the permanent appropriation for the sport fish restoration fund, whereby all revenues going into the fund are automatically appropriated to appropriate conservation programs. Is the sport fish restoration fund now treated in the new leadership budget package as a permanent appropriation?

Mr. DOMENICI. Yes, the current package treats the sport fish restoration fund as a permanent appropriation that passes all revenues through to conservation programs.

Mr. WALLOP. I thank the Senator from New Mexico for clarifying these matters for me and I thank his staff for their help in this effort. Inclusion of the permanent appropriation in this package sends a clear message to the boaters and fishermen of American that the moneys collected as part of the 1984 act will be used as promised. I commend the leadership for honoring this commitment.

PETROLEUM OVERCHARGE FUNDS

Mr. McCLURE. Mr. President, I had intended to offer an amendment to change the assumption in the budget resolution regarding the use of Petroleum overcharge restitution funds. The amendment would have reflected such funds as undistributed offsetting receipts (in function 950), rather than being offset against the energy function (270) and income security (600).

The amendment was intended to clarify that appropriations for the Department of Energy's energy conservation programs, such as the low-income weatherization and the school and hospital programs, and the HHS fuel assistance program would not be dependent on the use of overcharge funds. The amendment has the support of the National Governors' Association, and I ask unanimous consent that its letter of support be included at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCLURE. Mr. President, I have now been assured by the chairman of the Budget Committee, Senator Domenici, and the chairman of the Appropriations Committee, Senator Hatfield, that my amendment is not required to achieve the objective intended by my amendment. I have been assured that when the assumptions in the budget resolution are cross walked to the Appropriations Committee the ceilings on the energy programs and income security programs of concern will not reflect any offset of petroleum overcharge funds. In other words the cross walk to the Appropriations Committee, and in turn to the Appropriations subcommittees, will assume the same funding levels for these programs. As was originally reported by the Budget Committee.

This assurance regarding the cross walk is particularly critical, Mr. President, because there is little or no support for the legislation transmitted to Congress last week by the administration. This agreement will thus assure the Committee on Energy and Natural Resources has sufficient time to consider this matter.

For example, Mr. President, there is dispute regarding the amount of petroleum overcharge funds that may be involved. The resolution assumes an offset of $1 billion annually for 3 years against certain Federal energy conservation and income security programs. However, while over $850 million are currently being held in escrow, only $50 million are potentially available for the offsets proposed by the administration. While we can expect several billion dollars to eventually become available, we cannot, at this time, predict exactly when or how much will become available.

The understanding that has been reached with the chairman of the Budget Committee and the chairman of the Appropriations Committee would avoid the potential problem that overcharge funds would not be available when needed in the normal appropriations process. This agreement assures that the Appropriations Committee has the flexibility to fund these programs from general revenues.

I ask the chairman of the Budget Committee if he agrees with this characterization of the agreement.

Mr. DOMENICI. That is correct, Mr. President, the crosswalk to the Appropriations Committee will assume funding of the subject energy conservation and income assistance programs from general revenues at the full amount.

Mr. HATFIELD. Mr. President, that is also my understanding.

Exhibit 1

National Governors' Association,
May 2, 1985.

Hon. James A. McClure,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Senate Dirksen Office Building, Washington, DC.

Dear Chairman McClure: We are writing to reaffirm the National Governors' Association's opposition to the use of oil overcharge revenues to supplant federal appropriations.

Your proposed amendment to the White House/Senate compromise budget package to raise the appropriations ceilings for energy conservation and assistance programs addresses some of our concerns about the use of overcharge revenues. The amendment would not bring the budget compromise fully in line with NGA policy on energy since it would not raise the appropriations for these programs to their full FY85 levels, nor would it eliminate overcharge revenues from the budget.

Despite these differences, however, the amendment would clarify that regular appropriations for conservation, weatherization, and low income energy assistance will not be dependent on overcharge revenues. The Governors support you in this effort.

The use of oil overcharge revenues to supplant, dollar-for-dollar, federal energy conservation and assistance programs would violate the restitutionary standard for distribution of refunds. Overcharged customers would, in effect, forfeit compensation for damages identified by the courts.

Your amendment makes clear that any attempt to divert overcharge refunds away from overcharged consumers will have to be approved by your Committee on Energy and Natural Resources, and we look forward to working with you again to defeat any such proposals.

As you know, the Governors are quite concerned about the federal deficit. The current NGA policy calls for holding 1986 nondefense discretionary appropriations to the 1985 level, the national defense appropriations to the 1985 level plus inflation, and a freeze on all cost-of-living adjustments, including social security.

Thank you again for your efforts to address these concerns about the use of oil overcharge revenues.

Sincerely,

Gov. Anthony S. Earl,
Chairman,
Committee on Energy and Environment.
Gov. John H. Sununu,
Vice Chairman,
Committee on Energy and Environment.

Mr. STAFFORD. Mr. President, I want to indicate my strong support for the figures in the Senate leadership compromise on education programs. Many colleagues shared my concern about the deep cuts contained in the first and second versions of the first budget resolution. The package before us now represents a freeze plus additional savings in two programs. All discretionary aid programs would be frozen at their fiscal year 1985 level of funding except for the Impact Aid Program. The Guaranteed Student Loan Program, the only entitlement program in the area of education, is slated for a funding reduction of $200 million in fiscal year 1986, $300 million in fiscal year 1987 and $400 million in fiscal year 1988.

This new package is very close to what I originally suggested in a letter to the Budget Committee on January 14 of this year. I share the view held by most Members of Congress that we must act now to reduce our very serious budget deficit. The funding levels contained in this amendment for education programs are responsible and reasonable. They target education as a priority for Federal funding, and yet

at the same time they do not contribute to a growing Federal deficit.

Once again, I would like to check these figures with the chairman of the Budget Committee. The leadership substitute would add $700 million in budget authority for education programs in fiscal year 1986, $800 million in BA for fiscal year 1987, and $800 million in BA for fiscal year 1988. GSL savings would be $200 million in fiscal year 1986, $300 million in fiscal year 1987 and $400 million in fiscal year 1988. Therefore all the Federal education programs, with the exceptions of guaranteed student loans and impact aid, are assumed to have a budget authority equal to their fiscal year 1985 appropriated funding level. The Education for all Handicapped Chidlren Act, which is under the jurisdiction of the Handicapped Subcommittee chaired by my friend, Lowell Weicker, has been addressed separately in negotiations between the Senate leadership and Senator Weicker.

Mr. DOMENICI. I can assure the Senator from Vermont that his assumptions are correct.

Mr. DOLE. Mr. President, I take the opportunity to pay special recognition to Senator Mattingly, who more than a year ago, developed a program to expand U.S. farm exports that was a critical element of our deficit reduction program.

This so-called bonus incentive Commodity Export Program will make Government surplus commodities available on a bid basis as bonuses to companies who complete the sale of U.S. agriculture products. We hope that this program will reduce future budget outlays.

Senator Mattingly, as I said, developed an innovative program along these lines last year. The idea, which has gained wide acceptance, will be included as part of the deficit reduction plan. And the end result will be a plus for American farmers and the American economy.

BONUS INCENTIVE COMMODITY EXPORT PROGRAM [BICEP]

Mr. MATTINGLY. Mr. President, yesterday, May 8, the U.S. Department of Commerce released further data on our merchandise trade for the first quarter of this year. These figures show an overall first quarter merchandise trade deficit of $28.3 billion. This represents a 16-percent larger deficit than during the same period last year. More importantly, these statistics include a $1.0 billion reduction in the level of agricultural export sales from the $9.5 billion mark established during the final quarter of 1984. Wheat shipments were down by 35 percent. Corn exports were off 12 percent, soybeans 5 percent and cotton dropped 2 percent. Altogether farm exports are down by an average of 11 percent during the period. On top of this drop in exports comes an equally devasting fall in the average price for cotton—down 6 percent, soybeans and corn—both down 2 percent.

The data I have just given you only defines the troubled export performance of our agricultural sector. The data does not detail the tangled problems this particular export community must deal with. U.S. agricultural products must compete in a world market held hostage to almost universally unfair, predatory export subsidies which are employed by our competitors. The high value of the dollar provides additional advantage to other nations' agricultural products as U.S. commodities become priced out of world markets. Other factors such as cargo preference burdens, conflicting domestic price support programs, and a disjointed and ineffective trade policy only serve to further complicate the agricultural export situation.

The program which we are discussing at present is one which the Senate has considered—and adopted—in various forms on previous occasions. Twice in the past 3 years I have introduced similar legislation which has received favorable consideration by the Agriculture Committee. In two or three instances I recall having worked with the distinguished Senator from Mississippi, Senator Cochran, in adopting amendments which I offered on appropriations measures which would have mandated the use of financial or in-kind assistance for U.S. exporters who were experiencing adverse effects from unfair, predatory foreign trading practices. So, the idea of an export PIK—or bonus incentive—program meshes perfectly with a trade theme frequently sounded by this Senator; namely, while working to eliminate the inconsistencies in today's global trading system, let us concentrate on the formulation and implementation of positive action that will help U.S. exporters while also gaining the full attention of those who would continue to treat the United States unfairly in the world marketplace.

The program before the Senate today embodies a basic concept of commerce: You can encourage sales by offering the buyer a premium and increase profits if that premium is obtained by the one offering it at little or no cost. The provisions which we are including as a part of this current budget package is just that—authorization for the use of surplus commodities to help stimulate exports and overcome foreign subsidies. This is the same formula which was suggested by the junior Senator from Mississippi in his recently introduced BICEP bill and which he so eloquently explained here on the Senate floor.

By the end of this year we will have a total of $6,249 million worth of surplus Government-owned agricultural commodities in storage. Just to store those commodities will cost the U.S. taxpayer $361.0 million this year alone. Under the Bonus Incentive Commodity Export Program [BICEP] a minimum of 10 percent of surplus, expensive to store commodities, would be made available to be offered as a premium to those actively exporting U.S. value-added agricultural products. We are offering a positive incentive to U.S. agricultural exporters which is entirely legal under international rules. And we are finding a profitable use for surplus commodities that have been sitting—at ever-increasing cost and waste—in warehouses all over this country. The American Farm Bureau Federation estimates that over a 2-year period this export bonus plan could offer net savings of as much as $170 million depending on the amount of commodities used in the program. At the very least, the program would net $56 million in savings from storage payments during the first 2 years and will result in greater Treasury revenues generated from the taxes on jobs which will be generated and retained as a result of this increased export activity.

Mr. President, I have argued repeatedly that the best farm policy we could possibly have for our producers would be the formulation and implementation of a comprehensive, aggressive, effective trade policy. We talk about adopting a 4- or 6-year farm bill which is supposed to help stabilize income for agricultural producers and which—some say—should be more "market oriented." Unfortunately, there just isn't much of a market to get "oriented to" any more. This bonus export incentive measure, which helps to restore lost markets by allowing our producers to combat unfair foreign subsidies, is a first vital step on a long march leading to new trade policy.

Of course, the issue of removing foreign countries' tariff and nontariff trade barriers must also be addressed. In addition we must make certain that our domestic exporters are not hindered by our own Government policies and actions such as embargoes and price support programs.

Mr. President, I do hope that when the Senate conferences with the House of Representatives on this budget measure we will hold firm on this very important provision. It is one of the most sensible provisions in the package because it will provide an efficient, effective tool to promote and increase the export of American agricultural products at a minimal cost to the Government. Actually, we should say that it will do so at no cost because the commodities which will be used as incentive bonuses have already been bought and paid for and there is no chance that we can ever reasonably hope to dispose of them at a price which would recover the acquisition costs plus the costs of storage. I want to thank the distinguished majority leader and the many others who have worked to support the inclusion of this vital program.

Mr. LEVIN. Mr. President, what this Nation's economy needs is substantial deficit reduction achieved through a fair, balanced, and rational program. The amendment before us meets none of these criteria.

At a time when we should develop a plan that substantially reduces the deficit, this program offers a deficit of $104 billion in 1988—and probably $150 billion under more realistic economic assumptions—and gives no indication when we might see a balanced budget. This is in marked contrast to the Chiles-Hollings package, which I supported earlier which got us to a zero deficit in 4 or 5 years. The package now before us asks for severe sacrifice by the people of this Nation, but deprives them of the deficit reduction goal which their sacrifices should merit.

At a time when many in the Senate have talked of the need for shared sacrifice, this program freezes cost-of-living adjustments for senior citizens for 1 year, but refuses to ask those profitable corporations and wealthy individuals who use the Tax Code to avoid paying anything in taxes, to pay at least a minimum tax. This plan prefers to reduce the deficit by putting half-a-million Social Security recipients into poverty than by putting an effective minimum tax on profitable corporations. Those priorities mark this budget plan with a stain of unfairness that cannot be washed away.

At a time when all in the Senate recognize the need to restrain spending, this plan terminates many valuable programs, such as Urban Development Action grants, the Economic Development Administration, and Community Service block grants. These drastic steps, as well as the severe cuts in Medicare, farm programs, the Soil Conservation Service, and Amtrak, are necessitated by the illogic that we are better off as a nation by having a cut in cigarette taxes than by having a viable farm program, a healthy elderly population, or an adequate rail transportation system.

Simply put, this budget plan does not get us where we have to be in order to sustain economic growth. Instead, it risks another recession, at a time when my State of Michigan, for instance, still has double digit unemployment. This budget plan is riddled with unfair and illogical program terminations and prefers these to such balanced and reasonable steps as continuing the cigarette tax at its current level or enacting an effective minimum tax on profitable corporations or wealthy individuals.

Mrs. HAWKINS. Mr. President, the vote we are casting today is a serious one, and will have a far-reaching effect on the citizens of this Nation.

I want to go on record today, as I have consistently done in the past, to state that I am very serious about deficit reduction. I agree that it is the No. 1 problem in our country and that this body has the responsibility to cure this financial illness plaguing our economy.

However, I have also repeatedly stated that freezing the Social Security COLA must not be part of that effort. If we do approve a reduction, even a 1-year freeze, the No. 1 problem in our country will become our elderly's poor standard of living! According to the American Association of Retired Persons, even a 1-year freeze will push half a million elderly people below the poverty line.

Now, I know that many Members of this body have been asked to make hard decisions, and make sacrifices—and I have participated in that effort when the program under consideration would indeed have an impact on this Nation's indebtedness. Mr. President, I have made the point before, and I will make it again, Social Security did not cause the deficit problem and cutting it will not help the deficit problem. It will only allow us to finance our out of control spending and it allows others to swallow cuts in programs that are causing the problem—programs that are funded by the general fund.

By voting against this package, I am not saying that I do not support deficit reduction. Only that I do not believe it should include reductions to the Social Security COLA. Social Security is not a "sacred cow." It is different than these other programs, because it is self-financed. Any money saved cannot be used for any other purpose.

There are other ways that this deficit can be reduced. We must look further in those areas. I am convinced that there is still some fat—let's cut the fat, not Social Security.

I believe, Mr. President, that the majority of Members in this body agree with me on this issue. The amendment I offered last week to prevent a 3-year reduction passed this body by a vote of 64 to 35. Obviously, my colleagues share my concern for the elderly, and I am pleased that we got rid of the complicated and unfair formula in the first compromise package. I have stood firm on this particular issue throughout the budget debate, so I don't believe that my vote on final passage will surprise anyone—I simply cannot support a budget resolution that contains a reduction in the Social Security COLA.

Furthermore, I would like to state for the record that following this vote, which is on the merits of this package, there will be a series of procedural votes which I intend to support.

My vote on the procedural motion is not on the merits. The record clearly shows that I have consistently voted for Social Security when it counts and voted against cuts in the program when the vote counts. A procedural vote makes no change and I do not wish to support putting this Chamber in a deadlock situation.

Mr. BUMPERS. Mr. President, I have followed the budget debate closely as it progressed from the President's original budget proposal, through the Budget Committee and now onto the so-called leadership package that has been offered by Senator DOLE for the President. I would like to take just a few minutes to put this current budget debate into both historical and economic perspective.

In 1980, then candidate Ronald Reagan promised to increase defense spending, cut taxes by 25 percent, and balance the budget by 1984, and maybe by 1983. I was one of three Senators who, in 1981, voted for spending cuts but against the tax cuts because I thought it was a prescription for fiscal disaster. Should we have a strong defense? Yes. Are there Government programs that can be trimmed back without sacrificing valuable benefits? Certainly. Did working people of this country, then and now, need a break on their taxes? Yes. But, Mr. President, I believe that our first responsibility to our constituents is responsible management of their hard-earned tax dollars. It was not responsible management of Government resources to vote for proposals that would generate $200 to $300 billion deficits and double the national debt in 4 years. But, despite the temptation to engage in blame placing, rancor, and recrimination on why we face the current dilemma, the task that confronts us today is how best to reduce the budget deficits and to restore some semblance of sanity into the Federal budget.

This year's budget began with the President's proposal which ignored revenues, and exempted defense, Social Security, and net interest from any deficit reduction efforts. Since these three areas constitute 72 percent of the budget, the President's budget proposal was focused entirely on the remaining 28 percent of the budget. In addition, according to the Congressional Budget Office, that budget would contain deficits of $145 billion as far as the eye could see. That budget got 4 of 22 votes in the Budget Committee.

Similarly, the budget subsequently adopted by the Budget Committee was never allowed to come to the Senate floor. Instead, the President and the Senate GOP leadership offered the plan that we face today. I would like to commend them on their effort to bring a budget to the floor that would reduce the budget deficits. I regret,

however, that it has taken 3 years of $200 billion deficits before the problem of these deficits began to get serious attention. After carefully considering this proposal, I decided that for several reasons, I could not support it.

First, the package is predicated on overly optimistic economic assumptions. The package presumes annual economic growth of 4 percent for 1986, 1987, and 1988. The consensus forecast for this period is 3.2–3.4 percent, and given the 1.3-percent growth in the first quarter of 1985 these numbers are probably optimistic. Also, the leadership package presumes mortgage interest rates of 7 percent by 1990 and T-bill rates of 5 percent. No economist in the country believes these projections.

Let me point out that it is not just quibbling to raise the issue of overly optimistic growth assumptions. Each year that we continue to rely on flawed economic assumptions we will inevitably be forced to come back here to make costly and intrusive mid-course corrections. This is a cruel form of government intrusion into citizens' lives when we continually change the rules of the game because we cannot set a coherent rational budget policy based on sound assumptions.

The second problem I have with the leadership package is the false set of savings that are claimed from defense. The President claims $6 billion of savings from the so-called "Rose Garden" defense baseline. The Rose Garden defense plan is not what Congress agreed to last year. To the best that I can figure the Rose Garden plan is where the President went into the Rose Garden, shook hands with himself and said, "We've got a deal." The CBO says that, instead of $96 billion of savings over the next 3 years, the savings amount to $46 billion. So there is $51 billion of savings that simply don't exist.

Third, the leadership package uses the deficit to provide cover for eliminating programs which the administration just opposes philosophically. But that does not make good business sense. Understandably, several programs, for example, Job Corps, Immunization, Soil Conservation, provide ripe targets for shortrun savings. But in each case the savings are only shortrun and are outweighed by the longrun cost associated with eliminating the programs. For example, the alternative to training disadvantaged youth of this country to provide them meaningful jobs, is in many cases, more expensive incarceration. Mathematics Policy Research—an objective research firm—has thoroughly analyzed the benefits and costs associated with Job Corps. The study estimates that for every $1 in costs associated with Job Corps, $1.46 is returned in benefits.

Another example of the imprudent savings associated with the leadership package is from the proposed abolition of SBA. In the leadership proposal SBA would be eliminated and the existing portfolio of loans would be sold. OMB first estimated that these loans could be sold for 19.3 cents on the dollar. That means that the sale of these loans would yield the Treasury $5 billion. But if SBA continues to administer and collect on these loans, the Treasury will receive $12 billion. So the cost of the savings is $7 billion. Philosophically, I don't see anything wrong with helping the smallest businessmen of this country who may have a great idea but who can't get long-term credit from banks. But putting that aside, it is simply not good business to give away $7 billion through poor cash management just to win a philosophical battle. And the list of these specious savings extends into soil conservation, immunization programs, and several others.

Also, the leadership proposal ignores the revenue side of the budget. Between 1981 and 1983, 65 major U.S. corporations made almost $50 billion in profits and paid no Federal income tax. Not one penny. Instead these corporations received a cumulative refund of $3.2 billion. This violates my sense of equity and I suspect the sense of fairness in a good many of my fellow Americans. Contrary to what some would have us believe, the leadership plan does not have a monopoly on fiscally responsible approaches to deficit reduction. Indeed, the major alternative offered by Senators CHILES and HOLLINGS, which I cosponsored, is much more stringent on budget deficits than the leadership plan. And as I have noted, the leadership plan suffers from flawed economic assumptions, specious savings on defense, misplaced priorities, and false budget savings, which simply do not constitute good business.

In contrast to the leadership package, the Chiles-Hollings budget plan is a broadly based program of restraint that freezes or cuts virtually every Government program.

It is not a perfect package—one that satisfies every one of my wishes. But if we wait to act on a perfect package we will be waiting for a long time. The price of further procrastination is simply intolerable and would, ultimately, be 100 times harsher than the medicine we face here today.

The Chiles-Hollings plan would cut $9 billion below baseline spending in 1986, and $82 billion over the next 5 years. After these spending cuts are in place, and only after they are in place, the Chiles-Hollings plan would ask the Finance Committee to raise modest revenues—$1 for every $2.5 in spending cuts. These revenues could be raised through the imposition of a minimum alternative tax to ensure that profitable corporations contribute their fair share of the tax burden. In addition the plan ensures that additional revenues not be collected through the imposition of higher individual tax rates.

Above all, the Chiles-Hollings plan would credibly reduce deficits under any reasonable set of economic assumptions. The Chiles-Hollings plan would balance the budget by 1990, with continually declining deficits between now and then. It is a monumental tragedy that the Senate defeated it.

Finally, Mr. President, the drastic cut in farm programs as proposed in the leadership budget, would guarantee the elimination of 25 to 50 percent of our farmers in this country within 10 years. It is cruel in the extreme.

But my overriding objection to the leadership package is that it simply never provides for a balanced budget. Never! And that is irresponsible in the extreme.

FEDERAL CHILD NUTRITION PROGRAMS

Mr. DURENBERGER. Mr. President, I join my colleagues in support of Senator HAWKINS' amendment to restore funding for our Federal Child Nutrition Programs.

Our school lunch and breakfast programs must be viewed as the vital nutrition programs they are, not as budget extras or costly handouts. The National School Lunch Program, for example, is designed to ensure that all children, of every income level, receive the proper nutrition which is so necessary to health, development, and learning.

At the heart of any discussion of cutting our Federal child nutrition programs must be a recognition of the proper nature of the programs, and the Federal role in feeding our Nation's children. The Federal Government got into the business of feeding children in school in 1946, following World War II, when, for the first time, America woke up to the fact that its children were malnourished.

Section 1 of the National School Lunch Act of 1946 reads, "It is the policy of Congress, as a measure of national security, to safeguard the health and well-being of our Nation's children and to encourage the domestic consumption of agricultural commodities and other food." Hearings held in the Senate Agriculture Committee during 1944 and 1945 provide an insight into the national security theme voiced in the National School Lunch Act. Doctors examining young draftees found that many had disabilities directly related to poor nutrition during their elementary and secondary school years.

Dr. Thomas Parran, then the surgeon general, in 1944 testimony cited a study conducted in Hagerstown, MD, which offered evidence that young men who were rejected in the draft had histories of nutritional deficiencies. In addition, Gen. Louis B. Hershey, former chief of the Selective Service, testified in 1945 before the House of Representatives Agriculture Committee, that "probably half of the draftees rejected during World War II were due to poor nutrition."

Mr. President, I feel we have come a long way since 1946. We have realized that child nutrition programs are not just sound national security policy, but sound preventive health policy as well. Let's look at our child nutrition programs as methods of protecting the health of all our citizens. As the chairman of the Health Subcommittee of the Finance Committee, one of my major concerns is the cost of American health care. Numerous studies of health care costs indicate the substantial savings that can be found in preventives measures. We certainly know now that proper nutrition in one's youth is a vital component of lifelong health, and lower health care costs for both the individual and society. Mr. President, our current child nutrition programs offer the nutrition so important to proper development.

My commitment to preventive health care is wide-ranging and strong. This year I offered S. 505, the Maternal and Child Health Preventive Care Amendments of 1985. This bill reinforces the necessity of wellness care beginning in the prenatal stages of life. Good, sound preventive medicine, however, shouldn't simply be offered to certain age groups, but to all, and particularly our schoolage children.

Cutting child nutrition is not good preventive medicine. Deep cuts were made in 1981, and even deeper cuts are proposed in this budget compromise package. In 1981, basically the same proposal was offered: to eliminate the subsidy for all nonpoor children. However, it was not adopted, but in it's place reforms were enacted which saved approximately $5 billion from fiscal year 1982 to fiscal year 1985. The subsidies to schools and individuals were decreased and eligibility requirements were tightened. The cost of school lunches rose substantially.

The current proposal to cut the Federal subsidy for nutrition programs for children who are above 185 percent of the poverty level signals a reversal in our commitment to the nutritional well-being and health of all of our Nation's children. This means any child from a family of four with an income in excess of $20,000 would be excluded from reduced price student lunches, and subsidized commodities in day care settings. When these programs were introduced they were not designed to simply benefit our poor children, but all children who are in nutritional need.

According to the Senate Budget Committee, 65 percent of all children participating in current child nutrition programs will be cut. Mr. President, I have grave doubts that all of those children will be served as well, or at all, by other programs, or by their families. Too many young children will fall through the cracks if the program is pared down in the proposed manner.

I feel the proposed cut in child nutrition programs is an unjustified response to the necessity of cutting our Federal budget deficit. This proposal will adversely affect our children, our schools, and family day care homes. The vastly reduced participation which would result from over half of the children being removed from the program would severely impair schools and day care homes in serving the children remaining on the program.

Certainly, Mr. President, the values of the child nutrition programs before us today are many. I believe they are a vital part of our national commitment to preventive health care, quality education, and equality in nutrition between the poor and nonpoor. Despite these obvious strong points, I do not believe these programs are without flaws. In the future we will have to face the reforms necessary to keep the costs of these programs down while continuing the services. These changes may involve the private sector, and the concept of competition as I have applied it to health care delivery.

In closing, I would like to assert that although these reforms are not appropriate at this time, I hope that they may become part of our yearly funding debate on child nutrition. As the costs to the Federal Government continue to rise, we will have to abandon our tendency to simply cut the programs or fund them, and find an innovative way to finance child nutrition.

For all of these reasons, Mr. President, I urge adoption of Senator HAWKINS' amendment to restore funding for the child nutrition programs.

IMPACT AID AMENDMENT

Mr. MOYNIHAN. Mr. President, I am pleased to join my colleague from South Dakota [Mr. ABDNOR] in offering an amendment to restore funding for Impact Aid "B" payments.

The Republican budget plan, approved by the Senate last week by a one vote margin, incorporates the Reagan administration's proposal to eliminate Impact Aid "B" payments to school districts serving children whose parents either live or work on nontaxable Federal property. The decision to terminate this section of the Impact Aid Program should now be reversed. Impact Aid compensates school districts for lost tax revenues and helps them provide quality education to children living in federally affected areas. Eliminating category "B" payments would be both improper and inequitable.

At Fort Drum, NY, the U.S. Army is establishing a new 10th Mountain Division. When the expansion at Fort Drum is complete, the school districts surrounding the base will be asked to absorb 10,000 new students. Almost all of these students will fall within the "B" category of Impact Aid. If the administration's current proposal is accepted, none of the school districts accommodating this influx of students will receive any Federal assistance.

Our amendment ensures that all school districts affected by Federal activities continue to receive fair compensation. It does so by restoring $152 million for Impact Aid "B" payments in fiscal year 1986, maintaining the same level of funding from the previous year. I urge my colleagues to give this amendment their most serious consideration, and urge its adoption.

SENATE CONCURRENT RESOLUTION 32, AS MODIFIED, AGREED TO

The PRESIDING OFFICER. Without objection, Senate Concurrent Resolution 32, as modified, is agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. Does this mean we have passed Senate Concurrent Resolution 32?

The PRESIDING OFFICER. The measure has been passed and the motion to reconsider has been laid on the table.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent the that staff be authorised to make technical and conforming corrections.

The PRESIDING OFFICER. Without objection. It is so ordered.

Mr. DOMENICI. Mr. President, I have previous to the passage of the resolution made a few comments about Senators who participated.

I wish to add just a few words, and it will not take me long.

I thank the distinguished Senator from Florida, the ranking minority member of the Budget Committee. He has been at this for months, and I appreciate his help and his efforts and all the others on the committee who worked so hard.

I reserve most of my thanks tonight for the distinguished majority leader. Frankly, when we started this about 3 months ago the distinguished majority leader knew what our goals were, but this very technical and complicated process was rather new to him, and I can say with all honesty he has been magnificent. His judgment has never

been exercised without consultation. Sometimes he changed his mind; sometimes we conferred and he would not. And he has been right whether it was his judgment or that we all shared with him.

I think this is a great victory for fiscal responsibility. I am sure that it is that. It will send a very good signal out there to the country, but I want to say it also is a great victory for his leadership here in the Senate. I never thought we were testing his leadership at any time during the year. But for those who printed it and said it, if they were worried about it, we saw living proof that it is alive, it is active, and it is going to serve the U.S. Senate and the country well. I thank him for all he did to help me as I struggled through this. It has been a privilege to work with him.

Mr. President, I wish to thank the staff of the Senate Budget Committee for its outstanding work for the past several months on the budget resolution that the Senate has been debating for the past 2 weeks. The staff for the majority has worked day and night on this product, often under the most difficult and chaotic circumstances.

I also thank the staff of the majority leader for their help, for they too have put in many hours in this cooperative venture especially Rod DeArment, Sheila Burke, George Pieler, Dale Tate, and John Gordley.

I ask unanimous consent that a list of the majority staff of the Senate Budget Committee be inserted in the RECORD at this time and that my thanks and gratitude to them be known to all for an extraordinary job under extraordinary pressure.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Stephen E. Bell, Staff Director; William Hoagland, Deputy Staff Director; Susan Yurko, Special Assistant to the Staff Director; Carla Garcia, Secretary to the Staff Director; Judee Klepec, Secretary to the Deputy Staff Director; Suzanne Watson, Correspondence; Carole McGuire, Director of Appropriations Activities; Patricia Niffinegger, Secretary and Analyst for Appropriations Activities.

Neil Payne, Counsel; Chuck Konigsberg, Staff Attorney; Gabriella Carducci, Legislative Coordinator; Mariclair Burke, Secretary for Legal Group.

Sidney Brown, Chief of Budget Review; Marcy Edwards, Senior Analyst for Budget Review; Anne Miller, Analyst for Budget Review.

Tom Foxwell, Director of Publications; Roy Smith, Assistant to Director of Publications; Buck White, Assistant to Director of Publications.

Gail Fosler, Chief Economist; Cheri Janas Reidy, Economist; John Rand, Economic Analyst; David Nummy, Senior Analyst for Tax Policy; David Malpass, International Economist; Susie Fish, Secretary for Economics.

Jan Lilja, Senior Analyst for Human Resources Group; Michael Carozza, Analyst for Income Security; Anthony McCann, Analyst for Health Programs; Margo Miller, Analyst for General Purpose Fiscal Assistance, Community and Regional Development and Employment and Training; Michelle Mrdeza, Analyst for Veterans Programs; Virginia Pounds, Legislative Tracker and Research Assistant; Martha McBroome, Research Associate; Carolyn Willis, Secretary for Human Resources.

Deborah Swartz Lipman, Senior Analyst for Natural Resources Group; Austin Smythe, Analyst for Energy & Natural Resources and Environment; Linda Crowl, Analyst for Justice and General Government; Sonja Taylor, Legislative Tracker; Tom Dodds, PMI; Karen Bunch, Analyst for Agriculture; Laura White, Secretary for Natural Resources Group.

Charles Flickner, Senior Analyst for International Security and Credits; Paul Heilig, Analyst for National Defense; Carol Hartwell, Analyst for Commerce and Housing Credit; Cary Robnett, PMI; Brenda Gompers, Secretary and Legislative Tracker for International Security and Credit.

Debbi Paul, Chief Clerk; Kathryn Hamilton Cummings, Assistant Chief Clerk; Beth Clark Strader, Staff Assistant; Lynne Hausheer, Staff Assistant; Tyrone Cole, Staff Assistant.

Mr. THURMOND. I want to take this opportunity, Mr. President, to extend congratulations to the majority leader for the outstanding leadership he has exhibited on this matter. This has been one of the most intricate matters that I have seen come before this Senate in the 31 years I have been here. Senator DOLE has shown much wisdom, he has shown much effectiveness in what he has done, and he deserves I think the thanks of the entire Senate.

I also would like to thank the able Senator from New Mexico [Mr. DOMENICI]. I have never seen a man work harder on any piece of legislation, show more patience, show more skill and knowledge than he has shown on this particular budget bill. I think he is due a vote of thanks from the entire Senate.

I would like to also praise the distinguished majority whip, Senator AL SIMPSON, who worked so diligently and effectively alongside the majority leader and the chairman at the Budget Committee to assist in bringing to fruition the adoption of this major deficit reduction package.

Finally, Mr. President, the distinguished Democratic leader, Senator BYRD and the distinguished ranking minority member of the Senate Budget Committee, Senator CHILES are to be commended for their leadership on the Democratic side of the aisle in bringing forth measure they thought appropriate to reduce the deficit. However, I believe the measure finally passed will be better for the Nation and hope the House will act favorably on it.

Mr. GORTON. Will the chairman of the committee yield?

Mr. DOMENICI. I am pleased to yield to my friend.

Mr. GORTON. Mr. President, the majority leader and the chairman of the Senate Budget Committee have already stated more eloquently than I can the importance of this success for the country as a whole. It is of course at that success that economic progress—in all of our deliberations on both sides of the aisle—is aimed. But we are of course individuals, and we develop personal relationships which are of great importance to us in this process. I just wanted to add my comments on the wit, the dedication, the patience, the wisdom, and the optimism when many of us did not think optimism was warranted shown by the majority leader.

So what we have in triumph for the country, of course, and that is the most important. It is a triumph, in my view, for the Senate, which is a vitally important institution. But my special thanks and warmth go to him as a personal triumph which it represents for the majority leader, and the first vital important test which he has had to face here. The chairman of the committee knows of my friendship and my immense respect for him. It has been an honor for me to serve with him on this committee. But at this point, it has been a particular honor to get to know the majority leader even better and to see how effective his leadership has been in leading us through very, very difficult times to something which will benefit all of us as Members, and the country as a whole.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The assistant majority leader.

Mr. SIMPSON. Mr. President, I will be very brief. It has been a distinct pleasure for me to work with this majority leader, and with Members on both sides of the aisle. I have had visited upon me the task of assistant majority leader, and there have been several times in the past few months that I thought it was about the most grisly task ever visited upon me.

Through the patience of ROBERT DOLE, the extraordinary skill of PETE DOMENICI, and the extreme patience of Senator ROBERT BYRD as I went through my chicken dance with him about 10 weeks ago, and made my sincere regret and apology to him on that, I learned to watch his skill, and dovetail in with our majority leader, the awesome figure in this body, assisting us on several occasions—and I deeply appreciate that. And working with ALAN CRANSTON on that side of the aisle, my counterpart, with LAWTON CHILES, and to watch these two who have great regard and affection for each other, Senator DOMENICI and Senator CHILES—it is very real. They get in and do their scrapping, and they come out with a great regard for each other.

So it has been my personal privilege to watch all of that, to see the melding, the generation of the powers and egos. Boy, I tell you, I have seen all of that. I have legislated for 20 years but I must have always been over in the kiddy league box because there are really some heavy hitters in here when they get into the tradeoffs. I thought the leader handled them beautifully. There is one word to characterize him in his completeness. It is patience, patience, patience. He has that. He involves the rest of us in it just like you do when you are running a platoon or a company. You have to let the troops know what is up.

Part of the delay tonight was to let the troops know what was up. I obviously was fruitful. We have lots remaining to do. The Democrats are going to help us do it. We have authorization. We have appropriations, and we are going to require mutual respect, bipartisanship, and patience, patience, patience as we go about actually practicing these things that we put forward on this resolution. It has been my great privilege to be part of it.

Mr. President, let me also add my thanks to David Stockman, the most unique and capable man I have known in my 20 years of legislating. He has never been caught short in all the time I have seen him in action. A most extraordinary individual in every way. He is very dogged and very persistent—and absolutely unflappable, even when they are "raining" it on him. He always has his facts and figures ready at his fingertips. And amid all of this, he has welcomed the arrival of his new baby daughter, Rachel.

I thank the Chair.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, this, I think, has been a very fine evening, and indeed a very fine past 2 months for the Senate. I think the proposals that have come before this body have been good ones. I think that the senior Senator from Florida has been very responsible in the measures that he has presented here. They have given us a different approach from that which the majority side chose to follow. But it seems to me that nonetheless they are extremely responsible, and the minority leader himself has said that their accent was on trying to arrive at the objective that we are all seeking, which is to reduce these deficits.

In the final analysis, we chose the approach that was sponsored by the majority side. I agreed with that. I think it is the best. But that is no way to denigrate the proposals that were presented by Senator Byrd and by Senator Chiles.

I do hope that these proposals will survive because it seems to me that the essential objective is to reduce these deficits so that the Nation can move forward. When we are all through with this, it seems to me that the great heroes of the effort, as we see it anyway, are Senator Dole and Senator Domenici. They have exhibited, as the whip said, extraordinary patience. They have consulted everyone. Everybody certainly on our side has had their chance to express their views. I personally would like to express my respect, gratitude, and indeed affection for what both of those gentlemen have done. I think they have provided us with tremendous leadership, and I just hope that this package will survive through the House, because I think it is good for our Nation.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. I want to join in the general congratulations to our leaders. Every bill that goes through here is a landmark piece of legislation to somebody or other. But I cannot recall a time when we have ever acted on a budget resolution when I thought it held so much lasting significance. I do not have the faintest idea what is going to happen when this gets to the House, although I hope they will pass it. But I believe that we have set the stage tonight over the last several weeks for a real important departure in American public policy. And I do congratulate not only the leader and the chairman, but in fact every Senator who has spoken in the last few minutes.

I especially want to echo, Mr. President, what the Senator from Rhode Island has said about the contribution made by the minority. I have said in some other forums—and I want to conclude my comments tonight by pointing out that the minority did not run away from the problem, as they might well have done. I especially congratulate the Senator from Florida because it would have been very easy for him and for others on his side of the aisle to just take a negative position and be against whatever came out of the Republican caucus.

Indeed, for the most part, the Democrats were against Republican proposals, but they went beyond that to offer some solid and thoughtful approaches, which, although not adopted, in fact greatly influenced the final outcome.

I believe that is a hopeful sign for actually writing the implementing legislation which I expect to flow out of this.

I also want to say, Mr. President, that everything which has already been said about the majority leader and the Budget chairman I echo, endorse, and double, and redouble with spades their patience, their courtesy, their good humor, their consummate legislative skill, intellectual horsepower and integrity which they have brought to this. It has been marvelous. I compliment them and congratulate the Senate.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I want to join particularly in the remarks that my friend from Colorado has just made. As much as lauding the distinguished chairman and the majority leader, I want to laud the minority for their efforts. Really, in the past month, we have made a vital and important turn in the direction that our Government is taking. I think this evening will be one of lasting significance in the next years of our national existence.

I also want to join those who lauded the distinguished Senator from Florida. He wanted the same goals that we did. He saw a different path, as did other Members of the minority. I agree with the Senator from Colorado that important and constructive alternatives were indeed offered.

There is one other person who played a key role, Mr. President—David Stockman. He is very often not lauded, but his skills are great. While I often find myself disagreeing with him, nevertheless the skills that he brings to the budget process are virtually unmatched. I think he, too, deserves much of the credit. He represents the administration with great skill.

I laud both the leader on our side and the leader on the minority side. Both wanted the same goals. A great goal has been achieved, a historic goal, in my judgment. I think that the country will be better for it.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. Mr. President, I am now in my 27th year in the Senate. I do not think I have witnessed a more interesting drama in this body than the debate and vote on this resolution.

I again congratulate the distinguished majority leader in winning a well-deserved victory. He has at all times displayed equanimity and good humor during this long debate. I believe that the friendship that exists between the two of us has been strenthened by the events of these recent days.

I like Bob Dole. I have said to a lot of people that he would do well as majority leader.

I shall go home this morning feeling that both sides in this fight have acquitted themselves in an admirable way.

I wish also to express my congratulations to the distinguished chairman of the committee [Mr. Domenici], who at all times displayed a congeniality and

amiability for which he is to be admired and commended.

I thank Mr. Cranston, the minority whip. His outstanding talent as a vote counter, and his hard work were important to our party effort. Moreover, he displayed great skill and dedication as he worked on this side of the aisle to promote what we on this side perceived as being in the people's best interests.

I thank Mr. Inouye, our distinguished Secretary of the Democratic Conference, who, in his quiet, able way, was able to contribute very considerably to the strategy and policy that guided our party during the debate.

Then, too, I thank John Melcher who, although he lost his father, today, stayed in the Senate to see the battle through, to participate, to stand by his post of duty and quietly contribute in a great way to further and protect the interests of the people of his State and country.

Earlier I had spoken about John Stennis, who is a great Senator. I have often said he looks like a Senator, talks like a Senator, acts like a Senator, and is a Senator's Senator. His unfailing sense of duty was shown here tonight.

Then there are the members of the staff. I thank the members of the Democratic Policy staff working under the supervision of Susan Manes, who have helped us all in these recent days.

I thank my own executive director, Barbara Videnieks, whose ability and unflagging dedication were a pillar of strength to me and my staff.

I thank the staff of the Budget Committee also. They worked with my staff and were most helpful to us. Mr. Chiles and all of us can be very proud of the skillful, courteous members of his staff.

Now let me close by commending the distinguished ranking manager on this side of the aisle, Lawton Chiles.

Lawton has demonstrated time and time again his ability. He does his homework. He is a seasoned, veteran legislator. He has that uncommon common sense that is so often missing. Lawton has extremely good political sense, and he is an excellent floor manager.

He has a thorough knowledge of the budget itself, and I do not think anyone else on this side of the aisle, other than perhaps these Senators who are on the Budget Committee, could equal his knowledge of the budget and its complexity.

I am proud to be able to follow Lawton Chiles as he leads us again and again in these tough budget battles.

I shall try to remember a bit of verse that I would like to recall for Lawton inasmuch as I believe it would be appropriate at this moment when we look back upon his work over the past recent days of floor work.

Then when a man does a deed that you really admire,
  Don't leave a kind word unsaid
For fear to do so might make him vain,
  And cause him to lose his head.
But reach out your hand
  And tell him, "Well done!"
And see how his gratitude swells.
  It isn't the flowers that we strew on the grave;
It's the word to the living that tells.

We are not supposed to speak to other Senators in the second person during floor debate, but I think we can be excused for doing so at 3:30 in the morning on this Friday: Lawton, you did a great job. Just as I said about our colleagues a little earlier, particularly with reference to John Stennis: You fought a good fight, you finished the course, and you kept the faith.

Mr. President, I hope all Senators will forgive me and indulge me another 30 seconds. If I were to go down the list of all who are entitled to praise on this side, I would have to call the names of 46 Senators, not counting myself, but I must not overlook the excellent work done by our distinguished chief deputy whip, Sparky Matsunaga. I guess I can be forgiven for almost overlooking him, because he nearly scared me out of my wits a little earlier tonight. I was afraid he was not going to make it here. But he arrived and cast his vote, which was the tying vote.

Sparky, you and all the other whips, did great work, and I just cannot say enough to adequately thank you.

Mr. President, I also praise the majority whip, Alan Simpson. He is a hard worker, because he likes his work. He is an effective and able Senator, and he is entitled to our respect and our thanks.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, but for the fact of losing, this has been a very, very pleasant time for me in these last few minutes. The majority has been most kind in their remarks, and they are certainly appreciated. I accept those not only for myself but also for all of the Members on this side and our staff who, I think, worked so long and so hard.

I do not want to delay this, but my good friend, Pete Domenici, I have the greatest respect and admiration for. I sort of bask in his triumph tonight because I think it is so well-earned. I know how hard he has been working on this to try to put this package together. I think it is a very, very major package.

I think that it also sets the momentum that there is going to be something come out of this Congress. I think the House will respond to this package and I think that, as a result of it, it will bode for the country as we get to the product, both of us together.

I certainly congratulate the majority leader for a most well-earned and tremendous victory that I think he has tonight, and to the whole majority side. They certainly were most cohesive. I have seen a lot of these fights and we always seem to lose by one vote. That sort of tells you that when you all go after something, you pay just enough to get it. You do not leave a lot on the table. That is probably pretty wise, too.

I want to say to my good friend, Robert Byrd, I want to just tell him how much I have enjoyed working with him through this battle. The press likes to make a lot out of nothing that they can make something out of at times. I think that at all times through this battle, I know his No. 1 interest was, first, the country; second, that we were going to have something meaningful; and, third, trying to lead the Democrats and trying to have us be cohesive and stay together and be informed. I suspect we had more caucuses in this last 2 weeks than at any time I can ever remember, and I think our troops appreciated that. I think the result showed we were very nearly perfect. I do not think you can come much closer. I enjoyed working with him so much and I appreciated his tremendous skill and ability as he shepherded us through.

We had an awful lot of help from a lot of people on our side and I enjoyed that. I cannot say enough about our staff and the work they did, because they did a lot of backing us up on this.

Mr. DOLE. Mr. President, let me indicate that we started this Senate Concurrent Resolution 32 on Monday, April 22, 1985; we considered it for 11 days. We finished it at 3:07 a.m., this morning. We spent 71 hours, 13 minutes on this measure. We had 42 rollcall votes. We considered 44 amendments, agreed to 15, rejected 12, tabled 12, and 5 fell somewhere—not in order, temporarily laid aside, or may still be pending.

It is a pretty good piece of work, and I want to join in thanking all my colleagues for their generous remarks and indicate that it has been a very interesting experience.

I must confess that I did not know, when the rollcall started, if I had the votes. I will be very honest with the distinguished minority leader and others.

I thank the distinguished Presiding Officer for getting us started on this resolution because he understands parliamentary procedure better than this Senator. He volunteered to preside for about 6½ hours in the early days when we started to build that tree. I thank the distinguished Senator from Alaska [Mr. Stevens].

I would be remiss if I did not mention very early the distinguished Senator from California [Mr. Wilson], who made a rather unusual appearance. When I visited with him this morning by telephone—he had just had surgery yesterday—he almost immediately indicated that if the doctor permitted, he wanted to be here because he felt so strongly about the issue.

I must say that, even though the leader is recognized as having accomplished something, without the efforts of the chairman of the Committee on the Budget and the Budget Committee and our little core group and the hundreds of meetings we had, with everyone involved, I doubt that we could have succeeded. So I want to pay a special tribute to my friend, Pete Domenici.

Pete, you started the whole process in the Budget Committee and went up and down the hill, up and down the ladder. You had a lot of help from the distinguished Senator from Washington and the distinguished Senators from Colorado and Minnesota. They have been very helpful.

One Member who never failed attending meetings and all the caucuses was the distinguished President pro tempore, Senator Thurmond, who was there almost every session, lending his support for deficit reduction. He made some very difficult choices in providing leadership and persuading some of our colleagues to give up a little, give a little, if we are going to get this done. The entire leadership team on the Republican side—Senator Chafee, again, made certain that, as Republicans, we did not fail in our responsibilities to education and the handicapped, two vulnerable groups. I think through his leadership, we have been able to preserve those programs without any substantial reduction.

Finally, to my right arm, Al Simpson, who really has gone the extra mile, visiting with colleagues on both sides of the aisle and, on a daily basis, visiting with me, I appreciate it very much. I will say so time and again, I am certain.

I want, too, to congratulate and thank my friend, Robert Byrd, the distinguished minority leader. I learn a lot every day I come in here—a little slow, but much of it just listening to the distinguished minority leader. We do have a good relationship. We are good friends. I recall my first visit; I indicated to Senator Byrd that there would be no surprise parties, and there have not been any surprise parties.

I have indicated—in fact, I made certain a few hours ago that I gave him a little copy of what our package would be, even before many Republicans had had a chance to look at it.

I respect the minority leader and his knowledge and his wisdom and his friendship.

I thank the ranking member of the Budget Committee. Obviously, we have been friends and I hope that friendship continues because we are going to need a lot of help. As he has indicated, this is sort of the launching and there is going to be a great deal to do.

I appreciate Senator Matsunaga being here. As I indicated when he came in late, we did not dare let him miss that vote or we would not get any more macadamia nuts. So we were prepared to hold off for a while.

And to many, many others—and I will have a more extensive statement for the Record on Tuesday particularly praising my own staff, my staff director, Rod DeArment, Sheila Burke, and many others on our staff, Steve Bell and his crew on the Budget Committee, to Bob Dove and others in the Parliamentarian's Office and all the others who worked with me on a daily basis, Howard, John, and Elizabeth, and many others, we appreciate everybody's untiring efforts. So it is over, the first is over.

I understand the President is about to call me and Pete Domenici. It is 20 to 11 in Portugal. I think that is where he is. So we will wrap this up.

I do want to thank Senator Boschwitz. He was, again, in almost every meeting. He was putting together a little package with Senator Boren in case ours went down the drain. He was ready to go. But he was also supporting our efforts, and that was very important to us. He did a lot of good work for the American farmer, and we appreciate that.

I do not want to overlook David Stockman—someone else mentioned him—who knows more about the Federal Government and its programs than anyone in my memory. If he is not right, I would not know how to prove it. You can bring up any program, and he gives you the book, page, and verse. It is amazing to watch. I think he certainly deserves our collective thanks.

ROUTINE MORNING BUSINESS

(During the day routine morning business was transacted and additional statements were submitted, as follows:)

MESSAGES FROM THE HOUSE

At 3:30 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1869) to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes.

The message also announced that the House has passed the following joint resolution, with amendments, in which it requests the concurrence of the Senate:

S.J. Res. 61. Joint resolution to designate the week of May 1, 1985, through May 7, 1985, as "National Osteoporosis Awareness Week".

The message also announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 59. Joint resolution to designate "National Science Week".

The message further announced that pursuant to the provisions of section 3(a) of Public Law 86-380, the Speaker appoints as members of the Advisory Commission on Intergovernmental Relations the following Members on the part of the House: Mr. Weiss, Mr. Levin, and Mr. Walker.

The message also announced that pursuant to the provisions of section 1 of Public Law 94-371, as amended, the Speaker appoints as members of the Franklin Delano Roosevelt Memorial Commission the following Members on the part of the House: Mr. Pepper, Mr. Scheuer, Mr. Fish, and Mr. Green.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 2268. An act to approve and implement the Free Trade Area Agreement between the United States and Israel.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, May 9, 1985, she had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 53. Joint resolution to authorize and request the President to designate the month of June 1985 as "Youth Suicide Prevention Month";

S.J. Res. 60. Joint resolution to designate the week of May 12, 1985, through May 18, 1985, as "Senior Center Week";

S.J. Res. 64. Joint resolution to designate the week beginning May 5, 1985, as "National Correctional Officers Week";

S.J. Res. 65. Joint resolution designating the month of November 1985 as "National Alzheimer's Disease Month";

S.J. Res. 83. Joint resolution designating the week beginning on May 5, 1985, as "National Asthma and Allergy Awareness Week"; and

S.J. Res. 94. Joint resolution to designate the week beginning May 12, 1985, as "National Digestive Diseases Awareness Week".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated.

EC-1100. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the quarterly report on the Community Development Block Grant Jobs Program dated May 1985; to the Committee on Banking, Housing, and Urban Affairs.

EC-1101. A communication from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend certain Federal laws relating to public housing to deregulate the program, returning it to local control, and to provide reliability for funding for capital improvements through the use of formula funding and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-1102. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Magnuson Fishery Conservation and Management act, as amended, to authorize appropriations for fiscal years 1986 and 1987, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-1103. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to integrate the Office of Federal Procurement Policy more closely with the Office of Management and Budget, to vest the duties and functions of the Administrator for Federal Procurement Policy in the Director of the Office of Management and Budget, and for other purposes; to the Committee on Governmental Affairs.

EC-1104. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend title 5, United States Code, to ensure the equitable application of a General Schedule alternative plan to certain other Federal employees, and for other purposes; to the Committee on Governmental Affairs.

EC-1105. A communication from the Governor of the Farm Credit Administration, transmitting, pursuant to law, the annual report of the Farm Credit Administration under the Freedom of Informaiton Act for calendar year 1984; to the Committee on the Judiciary.

EC-1106. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Pell Grant Program Cost of Attendance for 1985-86 and 1986-87; to the Committee on Labor and Human Resources.

EC-1107. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Pell Grant Program Family Contribution Schedule for 1986-87; to the Committee on Labor and Human Resources.

EC-1108. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report of the Mineral Institute for 1984; to the Committee on Labor and Human Resources.

EC-1109. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38 of the United States Code to provide for the right of the United States to collect the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans with no service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care and for other purposes; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-200. Joint resolution adopted by the Legislature of the State of Oregon; to the Committee on Agriculture, Nutrition, and Forestry:

"Senate Joint Memorial 2

"To the President of the United States, the Secretary of Agriculture and the Senate and House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the Sixty-third Legislative Assembly of the State of Oregon, in legislative session assembled, respectfully represent as follows:

"Whereas the United States Office of Management and Budget has proposed to eliminate funding for many conservation programs; and

"Whereas the proposal includes severe cutbacks for the United States Soil Conservation Service; and

"Whereas the United States Soil Conservation Service provides technical expertise to the conservation districts of Oregon; and

"Whereas United States Soil Conservation Service programs administered through conservation districts include erosion control, flood control, snow surveys and water supply forecasting, cost-share for conservation practices, reclamation of abandoned mines, resource conservation and development in urban areas, and conservation of our natural resources; and

"Whereas productive soil and clean water are vital to the survival of humankind; and

"Whereas the operation of the United States Soil Conservation Service is highly beneficial; now, therefore, be it

"Resolved by the Legislative Assembly of the State of Oregon:

"(1) That the President, the Secretary of Agriculture and the Congress are respectfully memorialized to assure that the United States Soil Conservation Service be continued in its existence and to assure that all measures necessary be taken to provide for the continuance of its programs and functions.

"(2) A copy of this memorial shall be sent to the President of the United States, the Secretary of Agriculture and to each member of the Oregon Congressional Delegation."

POM-201. A resolution adopted by the Senate of the State of Hawaii; to the Committee on Agriculture, Nutrition, and Forestry:

"Senate Resolution

"Whereas, for many years, the federal Soil Conservation Service has aided in the development of Hawaiian agriculture by providing invaluable services to farmers and ranchers such as soil analysis and on-site technical assistance regarding the employment of land management and cultivation techniques, materials, and equipment appropriate for a particular soil type which promote soil conservation and at the same time allows optimum use of the land; and

"Whereas, 15 soil and water conservation districts have been established in the State pursuant to Chapter 180, Hawaii Revised Statutes; and

"Whereas, each district administers and conducts soil and water conservation activities in cooperation with county, state, and federal agencies; and

"Whereas, each district works closely with the federal Soil Conservation Service which in addition to providing technical advice to farmers and ranchers, also plans and constructs water resource projects under county and state sponsorship; and

"Whereas, these projects include water shed projects in the planning or construction phase on Maui, Hawaii, and Oahu; river basin studies on Kauai, Maui, and Hawaii; and resource conservation and development measures on Molokai, Maui and Hawaii; and

"Whereas, the federal government is now proposing a massive reduction in the staffing and budget for the Hawaii Office of the Soil Conservation Service which includes a reduction of the staff from thirty-two to ten persons and a cut of the present $2 million construction fund budget for flood control and irrigation systems to approximately $400,000; and

"Whereas, the proposed budget cut would also abolish Public Law 566, which has provided more flood control protection to the State than any other program; and

"Whereas, the federal government is further proposing to eliminate most of the programs concerning soil and materials technical assistance and approximately two-thirds or $500,000 of the project planning budget; and

"Whereas, these reductions affecting the federal Soil Conservation Service will have an adverse effect on Hawaii's farmers and ranchers who depend on the Soil Conservation Service for technical advice and assistance; and

"Whereas, a cutback on Soil Conservation Service assistance may also affect the Legislature's ability to evaluate the impending test and use of the Land Evaluation Site Assessment (LESA) agricultural land classification system; now, therefore, be it

Resolved by the Senate of the Thirteeth Legislature of the State of Hawaii, Regular Session of 1985, That the Legislature recognizes the importance of the Hawaii Office of the Soil Conservation Service to Hawaiian agriculture and expresses its support for its continued services in the future without reductions; and

Be it further resolved that the President of the United States, the United States Congress, and the Hawaii Congressional Delegation are urged to prevent any reduction in the staffing and funding levels of the Hawaii Office of the Soil Conservation Service and to maintain the present level of funding; and

Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the President Pro Tempore of the United States Senate, the Speaker of the United States House of Representatives, the Hawaii Congressional Delegation, and the Hawaii Office of the Soil Conservation Service."

POM-202. A resolution adopted by the City Council of Jacksonville, Florida urging Congress to continue to fund the Job Corps Program in the 1986-1987 Federal Budget; to the Committee on Appropriations.

POM-203. Joint resolution adopted by the General Assembly of the State of Tennessee; to the Committee on Appropriations:

"Senate Joint Resolution No. 35

"Whereas, The Tennessee Valley Authority should contribute its fair share in reducing the federal deficit, but the Tennessee Valley Authority should also receive its fair share of funds to continue to fulfill its mandated economic and resource development functions in the Tennessee Valley; and

"Whereas, The Tennessee Valley region in general and the State of Tennessee in particular have suffered longer under the recessionary impact of the 1980's than have other parts of the nation; and the high levels of unemployment in the Tennessee Valley are contributing to the federal deficit problem by reducing the number of dollars that a fully recovered Tennessee Valley economy would be circulating back into the federal treasury; and

"Whereas, The Tennessee Valley Authority non-power programs funded by the federal government address regional resource and economic development programs that threaten to slow down the recovery of the states served by the TVA, including problems in water quality management, aquatic weed control, soil erosion control, agricultural development, forestry and wildlife management and recreation development; and

"Whereas, The efforts of the Tennessee Valley Authority to combat the aquatic weed infestation of its reservoirs—notably of Nickajack, Watts Bar, and Chickamauga reservoirs in the eastern part of Tennessee—are necessary if TVA lakes are to continue to be a valuable recreational and tourism resource in this state and region; and

"Whereas, The Tennessee Valley Authority's National Fertilizer Development Center in Muscle Shoals, Alabama, is the nation's only laboratory for advanced fertilizer research; three quarters of the fertilizers used in this country today are based on National Fertilizer Development Center developments; and the Center has contributed substantially toward increasing farm yields, maintaining our national balance of trade and helping fight the problem of hunger throughout the world; and

"Whereas, The Tennessee Valley Authority has worked cooperatively with state and federal agricultural agencies to fight severe soil erosion problems in West Tennessee which has some of the most erosive soils n the country; and these erosive soils threaten farm productivity and pose run-off and sedimentation dangers for free-flowing streams; and

"Whereas, The management and operation by the Tennessee Valley Authority of Land Between the Lakes, the 170,000 acre outdoor recreation and tourism laboratory in western Tennessee and Kentucky, has turned that area into a major national tourism attraction which last year was visited by people from all 50 states; and

"Whereas, The Tennessee Valley Authority's assistance in the form of energy management surveys, employee training, financial resource identification, and other types of analysis to small and medium-sized businesses that wish to expand has contributed to the creation of 2,490 new jobs during fiscal year 1984; and

"Whereas, The State of Tennessee in particular would face severe budgetary pressure if it were asked to assume responsibility for TVA initiatives in detecting water quality problems, in managing the recreational areas around TVA reservoirs, in combatting aquatic weeds, in orphan mine reclamation, or in managing Land Between the Lakes; and

"Whereas, Many of the programs of the Tennessee Valley Authority, including managing the dam, lock and reservoir system on the Tennessee River, managing Land Between the Lakes, and conducting research in agricultural and fertilizer development, are all producing national as well as regional benefits, and the federal treasury also receives a substantial return on these investments in the form of the increased tax revenues that result from increased economic activity in the Tennessee Valley states; and

"Whereas, The members of the Ninety-fourth General Assembly of the State of Tennessee recognize the need for the federal government to seek effective methods in dealing with the current deficit crisis and at the same time the need for the Tennessee Valley Authority to perform its necessary functions in the most efficient way possible; now, therefore, be it

Resolved by the Senate of the Ninety-Fourth General Assembly of the State of Tennessee, the House of Representatives concurring, That the members of the Ninety-fourth General Assembly of the State of Tennessee go on record as opposing any unwarranted reduction of funding for the Tennessee Valley Authority and urge the members of the United States Congress to take appropriate action to preserve the funding for the Tennessee Valley Authority at a level which will be sufficient to continue its present programs.

Be It Further Resolved, That a copy of this resolution be sent to each member of the Tennessee Congressional Delegation, to the Speaker of the United States Senate, to the Speaker of the United States House of Representatives, and to the President of the United States."

POM-204. A resolution adopted by the Senate of the State of Michigan; to the Committee on Banking, Housing, and Urban Affairs:

Senate Resolution No. 120

"Whereas, On June 4, 1984, Dr. Martha Seger was appointed by President Reagan to the United States Federal Reserve Board of Governors. Governor Seger appeared before the Senate Committee on Banking, Housing, and Urban Affairs from June 19 to June 22, 1984, and, on June 28th of that year, that committee voted 10-8 to report the Seger nomination favorably to the entire Senate. Following the submission of minority party views and the adjournment of Congress. Dr. Seger was given a recess appointment and took her oath of office on July 2, 1984. On January 3, 1985, this appointment was resubmitted and is currently before the Senate of the Ninety-ninth Congress of the United States of America; and

"Whereas, A graduate of the University of Michigan, Martha Seger earned her doctorate in business economics and finance in 1971. Her impressive academic credentials also include her work as an associate professor at Oakland University. Her scholarly accomplishments have been complemented by her impeccable record in the private sector as an economist and officer with several financial institutions, including the Detroit Bank and Trust Company and the Bank of the Commonwealth. Recognized in 1976 by Business Week magazine as one of the top corporate women in the country, Dr. Seger has engaged in extensive consulting work with a number of companies across the country. Her previous experience also includes her excellent service as a financial economist to the Board of Governors of the Federal Reserve System from 1964 to 1967; and

"Whereas, The State of Michigan benefited directly from her experience and dedication during her excellent tenure as Commissioner of the Financial Institutions Bureau. In this position, she was responsible for directing the Bureau's commitment to the financial integrity of 240 state-chartered banks, thirty-one state-chartered savings and loan institutions, 598 credit unions, and several hundred consumer finance companies in Michigan. In many areas, especially in her support for more streamlined policies, her efforts continue to contribute to the financial institutions of this state; and

"Whereas, In view of her tremendous academic and professional accomplishments and her proven leadership, it would be most appropriate that Dr. Seger's appointment to the United States Federal Reserve Board be approved forthwith; now, therfore, be it

"*Resolved by the Senate,* That the members of this legislative body hereby memoralize the United States Senate to favorably advise and consent to the appointment of Dr. Martha Seger to the United States Federal Reserve Board of Governors; and be it further

"*Resolved,* That copies of this resolution be transmitted to the members of the United States Senate Committee on Banking, Housing, and Urban Affairs, the President of the United States Senate, and the Senate members of the Michigan congressional delegation."

POM-205. Joint resolution adopted by the Legislative Assembly of the State of Oregon; to the Committee on Energy and Natural Resources:

"Senate Joint Memorial 13

"We, your memorialists, the Sixty-third Legislative Assembly of the State of Oregon, in legislative session assembled, respectfully represent as follows:

"Whereas the materials to be stored at a nuclear repository may stay dangerously radioactive for thousands of years; and

"Whereas the Federal Government has identified the Hanford Nuclear Reservation as a possible nuclear waste repository; and

"Whereas the site of the proposed Hanford nuclear waste repository is in close proximity to the Columbia River, the water quality of which is vital to the health and welfare of the public and the environment of Oregon; and

"Whereas measurable concentrations of radionuclides have been detected in the Columbia River downstream from the Hanford Nuclear Reservation; and

"Whereas a number of federal agencies have suggested that the Hanford site is potentially unsuitable because of possible contamination of groundwater that flows through the site; and

"Whereas the flow of groundwater from the proposed repository could affect the quality of important aquifers in Oregon; and

"Whereas these concerns affect issues which are vital to the environment and economy of the State of Oregon and the health and safety of its citizens; now, therefore,

"Be it Resolved by the Legislative Assembly of the State of Oregon:

(1) The Congress of the United States is memorialized to amend the Nuclear Waste Policy Act, 42 U.S.C.A. § 10101 (1982), to accord to states which could be substantially affected by a nuclear waste repository all rights and privileges of the Act.

"(2) If the Congress of the United States does not amend the Nuclear Waste Policy Act to allow the State of Oregon to address its concerns regarding the health and welfare of its citizens, the state will have no choice but to oppose the proposed Hanford nuclear waste repository.

"(3) Copies of this memorial shall be sent to the President of United States, to the Secretary of Energy and to each member of the Oregon Congressional Delegation."

POM-206. A resolution adopted by the Legislature of the Federated States of Micronesia: to the Committee on Environment and Public Works:

"Resolution

"Whereas, certain programs of the Farmers Home Administration have been extended to the States of Truk, Pohnpei, and Yap in the Federated States of Micronesia for a number of years; and

"Whereas, these programs have played an extremely important role in meeting the housing needs of the citizens of the Federated States of Micronesia; and

"Whereas, the State of Kosrae in the Federated States of Micronesia has not in the past received the benefits of Farmers Home Administration programs, even though the citizens of Kosrae have the same housing needs as the citizens of the other three Federated States of Micronesia States of Pohnpei, Truk and Yap; and

"Whereas, the Federated States of Micronesia housing stock is deteriorated and inadequate to meet the needs of citizens of the Federated States of Micronesia; Now, therefore,

"*Be it Resolved,* by the Seventh Chief Executives' Conference that the U.S. Congress is urged to take the authorization and appropriation actions necessary for the Farmers Home Administration to continue and expand programs in the Federated States of Micronesia now and after the effective date of the Compact of Free Association and to extend such programs to the State of Kosrae; and

"*Be it further Resolved,* that certified copies of this resolution be sent to the President of the United States of America, the Speaker of the U.S. House of Representatives, the President Pro Tempore of the United States Senate, the Chairmen and Ranking Minority Members of the appropriate committees of the U.S. Congress, the President's Personal Representative for Micronesian Status Negotiations, the Secretary of the Interior, and the Director of the U.S. Farmers House Administration."

POM-207. A resolution of the Legislature of the State of Minnesota; to the Committee on Environment and Public Works:

"A Resolution Memorializing the President and Congress of the United States To Take Immediate Steps To Reduce Acid Deposition

"Whereas, acid deposition is one of the most serious unaddressed environmental problems of the North American continent; and

"Whereas, the Minnesota Legislature in 1982 stated that acid deposition resulting from the conduct of commercial, industrial, and transportation operations both within and without the state poses a present and severe danger to the delicate balance of ecological systems within the state, and that the failure to act promptly and decisively to mitigate or eliminate this danger will result in untold and irreparable damage to the forest, agriculture, water, fish, and wildlife resources of the state; and

"Whereas, the Minnesota Legislature in 1982 passed this nation's first state program to control acid deposition; and

"Whereas, Minnesota businesses and industries have reduced emissions more than 50 percent over the last ten years; and

"Whereas, recent studies indicate that lakes in the Voyageurs National Park, Superior National Forest, and the Boundary Waters Canoe Area Wilderness are highly sensitive to acid deposition; and

"Whereas, acid deposition has a potential of destroying crops, reducing forest productivity, debilitating aquatic life cycles, and corroding metals and man-made structures; and

"Whereas, acid deposition can contribute to the increasing levels of heavy metal concentrations in surface and groundwaters which can pose a threat to human health; and

"Whereas, acid deposition that may cause acidification of lakes and loss or reduction of game fish threatens the sport-fishing industry of Minnesota; and

"Whereas, the pollutants responsible for acid deposition can be carried hundreds of miles from their source which reflects the national and international nature of the acid deposition problem; and

"Whereas, approximately 70 percent of acidic deposition in Minnesota results from sources outside the state of Minnesota; and

"Whereas, the current federal Clean Air Act and Environmental Protection Agency regulations do not specifically address the acid deposition issue or provide relief to states like Minnesota that are significantly affected by the long-range transport of air pollutants; and

"Whereas, the State of Minnesota has entered into a memorandum of understanding with the Province of Ontario for the purpose of sharing scientific data and technical expertise, collaborating on efforts to develop a better understanding of the causes and effects of acid deposition, and on the establishment of integrated national action plans to reduce and prevent emissions; and

"Whereas, Canada has announced the adoption of a comprehensive emission reduction and funding package to combat the acid deposition problem by mounting an aggressive effort to reduce sulfur dioxide emissions by 50 percent by 1994, and in so doing, recognized the threat posed by acid deposition; and

"Whereas, present and future generations of Minnesotans will be adversely affected by any delay in establishing federal controls of emissions that cause acid deposition; Now, therefore,

"*Be it resolved* by the Legislature of the State of Minnesota that the President and Congress should take immediate action to reduce the emission of pollutants that cause acid deposition by amendment to the Clean Air Act, or by separate comprehensive legislation, and by providing adequate funding to the Environmental Protection Agency for monitoring and enforcement.

"*Be it further resolved* that the Secretary of State of Minnesota is instructed to transmit enrolled copies of this memorial to the President of the United States, the President and the Secretary of the United States Senate, the Speaker and the Chief Clerk of the United States House of Representatives, to Minnesota's Senators and Representatives in Congress, and to the Canadian Ambassador to the United States."

POM-208. A resolution adopted by the Louisiana Garden Club Federation, Inc. relating to the cultivation of wildflowers on our highways; to the Committee on Environment and Public Works.

POM-209. A resolution adopted by the commission of the city of Miami, FL, opposing the freedom fighters of Nicaragua who are fighting against the Marxist-Communist regime in that country; to the Committee on Foreign Relations.

POM-210. A resolution adopted by the Senate of the State of Delaware; to the Committee on Labor and Human Resources:

"Senate Resolution No. 29

"Whereas, Section 11(d) of the Fair Labor Standards Act, 29 U.S.C. 211(d), empowers the Secretary of Labor and/or the Administrator of the Wage and Hour Division of the Department of Labor to issue orders for the regulation of commercial homework; and

"Whereas, those officials, acting pursuant to that authority, have issued orders categorically prohibiting homeworkers from engaging in broad categories of commercial activity; and

"Whereas, the effect of that prohibition has been to deprive untold numbers of individuals who prefer to work at home, such as mothers with young children, of the opportunity to be gainfully employed; and

"Whereas, those who support the prohibition of homework seek to justify that infringement of the individuals's right to work by arguing that homework presents the opportunity for abuse; and

"Whereas, that argument is without merit since there is no instrumentality known to man that cannot be misused, a fact that does not warrant the indiscriminate circumscribing of individual liberty; and

"Whereas, no rational legislative objective is served by, in effect, forcing employees out of the home and into the factory or office; and

"Whereas, the American economy has entered a new phase characterized by the widespread use of computers and the electronic processing of information; and

"Whereas, this burgeoning electronic age promises to dramatically alter the traditional work-place by enabling many to earn a livelihood in the home through the use of computer terminals; and

"Whereas, this change in the commercial landscape has introduced a new category of employee, the telecommuter, who, armed with a personal computer terminal, is gainfully employed in the comfort and convenience of the home; and

"Whereas, those who seek to prohibit homework are already endeavoring, through federal regulation, to stifle this new field of opportunity.

"*Be it resolved* by the Senate of the 133rd General Assembly of the State of Delaware that the President of the United States, the Senate of the United States, the United States House of Representatives, and the Secretary of Labor be, and those gentlemen and bodies hereby are, respectfully petitioned to take the necessary action to rescind existing orders and regulations prohibiting commercial homework, to refrain from extending such prohibition to additional categories of activity, and thus to guarantee to those individuals who choose to pursue gainful employment in the home the freedom to do so."

POM-211. A resolution adopted by the Nebraska Unicameral Legislature; to the Committee on Veterans' Affairs:

"LEGISLATIVE RESOLUTION 109

"Whereas, the recently enacted Veterans Educational Assistance Act of 1984 does not provide for practical on-the-job training, and since 1944 literally hundreds of thousands of Nebraska veterans have received some form of training under the "G.I. Bill"; and

"Whereas, historically, practical on-the-job training is accepted as the most successful method of preparing quality job recipients, and some employers require a satisfactory period of on-the-job training; and

"Whereas, many areas of skill and training are not available in educational institutions; and

"Whereas, a high percentage of high school graduates do not desire or have aptitude for college; and

"Whereas, the cost of apprenticeship training has historically cost the government less while the benefits accruing to American business and industry have been substantial; and

"Whereas, there is a present need for apprenticeship and on-the-job training programs as evidenced by the enactment of the Emergency Veterans Job Training Act of 1983; and

"Whereas, the interests of all those not desiring institutional education would best be served by practical apprenticeship and on-the-job training programs. Now, therefore, be it

Resolved by the members of the eighty-ninth legislature of Nebraska, first session:

"1. That the Legislature urges Congress to amend the Veterans Educational Assistance Act of 1984 to include apprenticeship and on-the-job training programs.

"2. That copies of this resolution be presented to the Speaker of the House, the President of the Senate, and each member of Nebraska's Congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. 1117. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1986 (Rept. No. 99–43).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S.J. Res. 81. A joint resolution to provide for the appointment of Barnabas McHenry as a citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 99–44).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 159. An original resolution to establish a select committee to study and make recommendations with respect to a two-year budget process (Rept. No. 99–45).

By Mr. PACKWOOD, from the Committee on Finance, without amendment:

S. 1114. An original bill to approve and implement the Free Trade Area Agreement between the United States and Israel.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 32. A joint resolution to authorize and request the President to designate September 15, 1985, as "Ethnic American Day."

S.J. Res. 40. A joint resolution to designate the month of October 1985 as "National Down Syndrome Month."

S.J. Res. 57. A joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

William H. Opel, of Alaska, to be U.S. Marshal for the District of Alaska for the term of four years.

By Mr. HATCH, from the Committee on Labor and Human Resources:

Hortencia Benavides, of Texas, to be a member of the Board of Directors of the Legal Services Corporation for the remainder of a term expiring July 13, 1986;

Leaanne Bernstein, of Maryland, to be a member of the Board of Directors of the Legal Services Corporation for the remainder of a term expiring July 13, 1986;

Lorain Miller, of Michigan, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1986;

Claude Galbreath Swafford, of Tennessee, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1986;

Robert A. Valois, of North Carolina, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1986;

William Clark Durant III of Michigan, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1986;

Paul B. Eaglin, of North Carolina, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1987;

Pepe J. Mendez, of Colorado, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1987;

Thomas F. Smegal, Jr., of California, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1987;

Basile Joseph Uddo, of Louisiana, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1987; and

Michael B. Wallace, of Mississippi, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1987.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SPECTER:

S. 1112. A bill to amend the Internal Revenue Code of 1954 to increase the exemption amount to $2,000; to the Committee on Finance.

By Mr. MATHIAS:

S. 1113. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Finance.

By Mr. PACKWOOD, from the Committee on Finance.

S. 1114. An original bill to approve and implement the Free Trade Area Agreement between the United States and Israel; placed on the calendar.

By Mr. WARNER:

S. 1115. A bill to amend the Internal Revenue Code of 1954 to relieve corporations of the separate mailing requirement for form 1099 statements; to the Committee on Finance.

By Mr. WARNER (for himself and Mr. HOLLINGS):

S. 1116. A bill to amend the Act of October 15, 1982, entitled "An Act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes"; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS, from the Committee on Rules and Administration:

S. 1117. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1986; placed on the calendar.

By Mr. BAUCUS:

S. 1118. A bill to amend the Internal Revenue Code of 1954 to increase the earned income credit and to disregard such credit with respect to certain eligibility; to the Committee on Finance.

By Mr. MELCHER (for himself and Mr. BURDICK):

S. 1119. A bill to revise and extend programs to provide price support and production incentives for farmers and assure an abundance of food and fiber, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LEVIN (for himself and Mr. GRASSLEY):

S. 1120. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for additions to reserves for refunds of beverage container deposits; to the Committee on Finance.

By Mr. ANDREWS:

S. 1121. A bill to amend the United States Grain Standards Act to encourage foreign agricultural trade by improving the quality of grain shipped from U.S. export elevator facilities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRASSLEY:

S. 1122. A bill to modify the project for flood protection on the Chariton River, IA and MO, to direct the Secretary of the Army to sell storage space in Rathbun Lake, IA, to the Rathbun Regional Water Association, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GRASSLEY:

S. 1123. A bill to affirm the authority of the Congress to approve the design of currency; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BIDEN:

S.J. Res. 134. Joint resolution to designate "National Safety in the Workplace Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MATHIAS from the Committee on Rules and Administration:

S. Res. 159. An original resolution to establish a select committee to study and make recommendations with respect to a 2-year budget process; placed on the calendar.

By Mr. MELCHER:

S. Res. 160. A resolution to promote agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPECTER:

S. 1112. A bill to amend the Internal Revenue Code of 1954 to increase the exemption amount to $2,000; to the Committee on Finance.

(The remarks of Mr. SPECTER and the text of the legislation appear earlier in today's RECORD.)

By Mr. MATHIAS:

S. 1113. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Finance.

REPEAL OF WORLDWIDE UNITARY TAX

● Mr. MATHIAS. Mr. President, today I introduce a longstanding legislative initiative of mine—a bill to prohibit the use of the worldwide unitary method of corporate taxation by the States.

Under this method, certain States assess the tax base of multinational corporations having a presence in their boundaries according to the revenues generated by all their business activities throughout the world. This practice discourages foreign investment and costs jobs. It also creates serious diplomatic tensions with the governments of our trading partners, especially with Japan and the countries of Western Europe, which have communicated their strong concerns to the Departments of State and Treasury and directly to the President for several years now.

My bill simply would require States to limit their tax reach to revenues generated from activities within their borders, in accordance with the practice of the Federal Government concerning foreign source corporate income. That policy, known as the arm's length method, treats overseas subsidiaries or parents as separate business entities and taxes their revenues only to the extent that they flow through to the U.S. affilliates.

Last year, the President appointed a Working Group of Federal and State government officials and business representatives, under the leadership of then Treasury Secretary Regan, to come up with some recommendations on this issue. The result was a plan for the unitary States to change their laws voluntarily in return for more stringent disclosure requirements for the multinational companies and a greater sharing of information with the States by the IRS to certify that all revenues legitimately traceable to activities within the State are in fact being taxed.

The Working Group suggested a deadline of July 1985 for voluntary reform by the States. If that deadline is not met, the Group recommends that the President endorse Federal legislation prohibiting the State worldwide unitary tax. Some States already have enacted changes in their laws since the Working Group's report was completed last summer. But it remains unclear whether the other States, including California, will forego the worldwide unitary method voluntarily.

Accordingly, I am introducing my bill this year well in advance of the July deadline, so that we can begin to develop a legislative record in the event Federal action is necessary. The last legislative hearings on this matter were held by the Finance Committee in June 1980. Last summer, I held a general oversight hearing on the issue in the Foreign Relations Subcommittee on International Economic Policy.

I hope the time has come when we can put this problem to rest.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1113

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 77 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions) be amended by adding at the end thereof the following new section:

"SEC. 7518. INCOME OF CORPORATIONS ATTRIBUTABLE TO FOREIGN CORPORATIONS.

"(a) IN GENERAL.—Where two or more corporations are members of the same affiliated group of corporations—

"(1) for purposes of imposing an income tax on any corporation which is a member of such group, no State, or political subdivision thereof, may take into account, or include in income subject to such tax, any amount of income of, or attributable to,

"(2) any other corporation which is a member of such group and which is a foreign corporation, unless such amount is includable in the gross income of the corporation described in paragraph (1) for purposes of chapter 1 (including any amount includable in gross income under subpart F of part III of subchapter N of chapter 1) for the taxable year in which or with which the taxable period (for purposes of State or local law) ends.

"(b) INCOME TAX DEFINED.—For purposes of this section, the term 'income tax' means any tax which is imposed on, according to, or measured by net income.

"(c) AFFILIATED GROUP DEFINED.—For purposes of subsection (a), the term 'affiliated group' means a common parent corporation and one or more chains of corporations connected through stock ownership with such common parent corporation.

"(d) CERTAIN CORPORATIONS TREATED AS FOREIGN CORPORATIONS.—For the purpose of this section, a domestic corporation shall be treated as a foreign corporation if under section 861(a)(2)(A) a dividend received from such corporation in the taxable year referred to in subsection (a) would not be treated as income from sources within the United States.

"(e) CERTAIN DIVIDENDS PAID OR DEEMED PAID.—

"(1) DIVIDENDS EXCLUDED FROM TAX.—If a corporation receives in any taxable year a dividend from a foreign corporation (or is by application of section 951 treated as having received such a dividend), in imposing an income tax on such corporation no State, or political subdivision thereof, may tax, or otherwise take into account—

"(A) in the case of a dividend received from a corporation with respect to which an election under section 936 is in effect for the taxable year in which such dividends are paid, the amount of deduction allowed by section 243,

"(B) in the case of a dividend received from a corporation described in subsection (d) which is not described in paragraph (A), more than the lesser of—

"(i) the amount of the dividend exclusive of any amount of dividend determined under paragraph (3), or

"(ii) the amount by which the dividend plus any amount of dividend determined under paragraph (3) exceeds the excluded portion of the dividend determined in accordance with paragraph (2).

"(C) in the case of a dividend received from any other foreign corporation more than the lesser of—

"(i) the amount of the dividend (exclusive of any amount determined under section 78), or

"(ii) the amount by which the dividend plus any amount determined under section 78 exceeds the excluded portion of the dividend determined in accordance with paragraph (2).

"(2) EXCLUDED PORTION OF A DIVIDEND.—The excluded portion of any dividend shall be determined by multiplying the amount of the dividend (including any amount of dividend determined under section 78 or paragraph (3)) by a fraction—

"(A) the numerator of the fraction shall be the sum of—

"(i) the total amount of tax withheld from all such dividends at the source.

"(ii) the total amount of tax which by application of section 902 or section 960 to all such dividends, the domestic corporation is deemed to have paid, and

"(iii) the total amount of tax deemed paid by application of paragraph (3).

"(B) The denominator of the fraction shall be 46 percent of all such dividends.

"(3) SPECIAL RULE WITH RESPECT TO DIVIDENDS RECEIVED FROM DOMESTIC CORPORATIONS TREATED AS FOREIGN UNDER SUBSECTION (d).—A corporation that receives a dividend which is described in subparagraph (B) of paragraph (1) shall—

"(A) treat as a dividend for purposes of subparagraph (B) of paragraph (1), and

"(B) treat as a tax deemed paid for purposes of subparagraph (A) of paragraph (2), foreign income taxes which such other corporation has paid or deemed paid in the same proportion on or with respect to the accumulated profits of such corporation from which such dividend was paid, which

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the amount of such dividend bears to the amount of such accumulated profits in excess of all income taxes (other than those deemed paid).

For purposes of this section, only a tax for which a credit against tax would be allowable under section 901 (determined without regard to the limitations in section 904 and 907) shall be taken into account.".

Nothing in this section shall subject any dividend, other income item or portion thereof to taxation if such taxation is otherwise prohibited by any law, or rule of law, of the United States.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable periods (for purposes of State or local law) beginning after December 31, 1986.

(d) AMENDMENT OF THE TABLE OF SECTIONS.—The table of sections for chapter 77 of such Code is amended by adding at the end thereof the following new item:

"Sec. 7518. Income of corporations attributable to foreign corporations."●

By Mr. WARNER:

S. 1115. A bill to amend the Internal Revenue Code of 1954 to relieve corporations of the separate mailing requirement for form 1099 statements; to the Committee on Finance.

FORM 1099 PAPERWORK RELIEF ACT

● Mr. WARNER. Mr. President, as a result of Public Law 98-67, enacted in 1983, the Internal Revenue Service now requires corporations, banks, and brokerage firms to mail yearly statements of dividend earnings—1099 forms—to every shareholder in a separate envelope containing no additional material.

Although the intent of this regulation was to keep shareholders from throwing their 1099 statements away along with quarterly reports or other information, the effect has been duplication of effort and unnecessary expenses for businesses of all sizes.

The additional administrative and postage costs for this separate mailing cannot be justified.

The president of a small company in the Shenandoah Valley of Virginia estimates that this regulation resulted in $856 in unnecessary expense to notify his company's 1,900 shareholders of their yearly dividend earnings last year.

A large corporation in Richmond, VA, shelled out an additional $6,785.40 in administrative and postage costs to meet the requirements of this regulation in 1984.

And, most astoundingly, this regulation cost each regional telephone company approximately $375,000 to notify its shareholders in a separate envelope what their dividend earnings were for 1984.

Surely the money spent to comply with this regulation could be used more economically and efficiently elsewhere in the market.

This IRS regulation is yet another example of how complexity and needless paperwork have infected our Tax Code, making tax reform essential.

Today, I am introducing the Form 1099 Paperwork Relief Act of 1985 to modify this regulation and add some sensibility and practicality to our Tax Code.

This bill would once again allow corporations to mail out 1099 forms in the same envelope with dividend checks, while continuing to prohibit their inclusion with other extraneous matter likely to be thrown away.

My bill would strike a blow for simplicity, fairness, and efficiency in our Tax Code, while adding a small piece of badly needed common sense and practicality. I ask unanimous consent that the bill be printed in the RECORD and I invite my colleagues to join me in cosponsoring the Form 1099 Paperwork Relief Act of 1985.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1115

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Form 1099 Paperwork Relief Act of 1985".

SEC. 2. REDUCING PAPERWORK FOR BUSINESSES.

(a) IN GENERAL.—The last sentence of section 6042(c) of the Internal Revenue Code of 1954 (relating to statement to be furnished to person with respect to whom return regarding payment of dividends is furnished) is amended to read as follows: "The written statement required under the preceding sentence shall be furnished (either in person or in a separate, first-class mailing which may only additionally include a dividend) to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made, and shall be in such form as the Secretary may prescribe by regulations.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1984.●

By Mr. WARNER (for himself and Mr. HOLLINGS):

S. 1116. A bill to amend the act of October 15, 1982, entitled "An Act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes," to the Committee on Energy and Natural Resources.

MARY MCLEOD BETHUNE COUNCIL HOUSE NATIONAL HISTORIC SITE

● Mr. WARNER. Mr. President, today, along with my distinguished colleague from South Carolina [Mr. HOLLINGS], I am introducing legislation that amends legislation I introduced in 1982 which designated the Mary McLeod Bethune Council House in Washington, DC as a national historic site.

The main purpose of the legislation is to extend the financial assistance that council house will receive from the Park Service.

There was some question last year when the Bethune house received it's appropriations whether there was an authorization for such an expenditure.

This legislation will clear up any such confusion in the future.

The Mary McLeod Bethune Memorial Museum, an institution of the National Council of Negro Women, is the only facility in the United States primarily committed to preserving and interpreting materials which define the history of black women in America.

Located at 1318 Vermont Avenue in Northwest Washington, DC, the museum occupies a second empire Victorian structure which dates from 1875-76.

The site, part of Washington's Logan Circle historic district, is listed on the National Register of Historic Places.

A key structure in America's history, it was the former national headquarters of the National Council of Negro Women and the last official Washington, DC, residence of black educator and political leader, Mary McLeod Bethune (1875-1955).

The museum was officially opened on November 11, 1979.

The first and second floors of the renovated and partially restored townhouse serve as galleries and program space.

The third floor is utilized for administrative offices.

Museum programs and activities include changing exhibitions, public lectures, performances, tours, and special educational activities.

While programming emphasizes topics related to black women and their history, a diversity of more general themes is addressed.

Recent exhibitions include: "Twenty 19th Century Black Women," "Mary McLeod Bethune, 1875-1955," and "Black Women: Selections from the Barnett-Aden Collection."

Lectures and symposia have included such topics as "Black Women in the Visual Arts," "Black Women in Politics: The View for the Eighties," and "Beyond Rhetoric."

Lecturers at the museum include scholars in the humanities of local and national reputation, heads of national organizations and prominent elected officials.

The museum draws its audience from local residents as well as visitors from all over the United States, including men and women of all races.

Particularly during Black History Month the museum serves youth from area schools.

In addition to a broad-based general audience, the museum serves members of the National Council of Negro Women and its affiliated organizations both locally and nationally.

While general operating support for the museum is provided by the National Council of Negro Women, the

museum seeks project support from Federal and State sources as well as donations from the private sector.

Currently, the museum is mounting a major campaign for development of an endowment and for operating support, in addition to special project support.

Mr. President, this is a worthwhile project that deserves support from the Federal Government.

I hope my colleagues will take a close look at this legislation and will support it.

I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1116

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BETHUNE MUSEUM AND ARCHIVES.

(a) COOPERATIVE AGREEMENT.—Section 3 of the Act of October 15, 1982, entitled "An Act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes" (96 Stat. 1615; 16 U.S.C. 461 note), is amended by striking out "National Council of Negro Women" each place it appears and inserting in lieu thereof "the Bethune Museum and Archives".

(b) ANNUAL REPORT.—Section 4 of such Act is amended by striking out "National Council of Negro Women" and inserting in lieu thereof "Bethune Museum and Archives".

(c) DEFINITION.—Such Act is further amended by adding the following new section at the end thereof:

"REFERENCE TO BETHUNE MUSEUM AND ARCHIVES

"SEC. 6. Any reference in this Act to the 'Bethune Museum and Archives' shall be treated as a reference to the Mary McLeod Bethune Museum of the National Council of Negro Women, Inc.".

SEC. 2. AUTHORIZATION.

Section 5 of the Act of October 15, 1982, entitled "An Act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes" (96 Stat. 1615; 16 U.S.C. 461 note) is amended to read as follows:

"ASSISTANCE

"SEC. 5. Beginning with fiscal year 1986 and for each fiscal year thereafter until fiscal year 1991, there is authorized to be appropriated such sums, not in excess of $200,000 for each such fiscal year, as may be necessary to assist in carrying out the purposes of this Act. There is also authorized to be appropriated for purposes of making grants to the Bethune Museum and Archives for purposes of this Act such additional sums (not in excess of $500,000) to be provided (as may be agreed to by the Secretary of the Interior and the Bethune Museum and Archives) on a fifty-fifty matching basis to the extent that funds or services are contributed by the Bethune Museum and Archives for such purposes. Sums authorized to be appropriated under this section shall remain available until expended.".●

● Mr. HOLLINGS. Mr. President, I am pleased to join the distinguished senior Senator from Virginia in introducing the necessary amendments to Public Law 97-329, which designated the Mary McLeod Bethune Council House, here in Washington as a national historic site. Last year, when we presented our amendment for the Interior appropriations bill on behalf of the Council House, and the National Council of Negro Women, the distinguished senior Senator from Idaho [Mr. MCCLURE] quite correctly identified problems in the authorization for appropriations. With his forbearance we obtained the appropriation but we promised him this bill to remedy the problems in the authorization.

The designation of the Council House as a national historic site honors one of the most extraordinary individuals our Nation has ever known. Mary McLeod Bethune was born in Mayesville, SC, to former slaves, rose to become not merely a great black educator, not merely a great women educator—but great among all American educators. She almost singlehandedly built Bethune Cookman College in Florida. She was an adviser to Presidents, the first black woman to head a Federal agency, and the founder of the National Council of Negro Women. On March 5 she became only the second black woman to be commerated on a U.S. postage stamp.

Most remarkably, this dynamic woman achieved national stature during a period in our Nation's history when, regrettably, it was next to impossible for anyone of her race and gender to do so. It is quite proper to say that she overcame incredible odds.

In 1905, when Mary Bethune was graduated from Moody Bible Institute in Chicago, she aspired to become a missionary in Africa. She never realized this ambition—but oh, how fortunate we are today that she ultimately pursued her life's goals within the borders of her own country. Mary Bethune, along with other men and women of her time who worked to increase educational opportunities for blacks, laid the groundwork for the great social struggle which occurred in the decade following her death in 1955. The succeeding generation of educated black Americans induced an entire country to confront its conscience and move to protect the most fundamental rights of a free society—the right to vote and the freedom to be. Mary McLeod Bethune was an inspiration to the movement which furthered the cause of America and brought about a more equitable society.

We in South Carolina are proud of this distinguished native of our State. We are proud of her works, her achievements, and the courage and perseverance she exhibited throughout her lifelong crusade for minority opportunities. Mary McLeod Bethune was a pioneer in the struggle for civil rights, and it is fitting and proper that we continue to honor her by assisting in the preservation, maintenance, and interpretation of the Council House, and the continuation of the Mary McLeod Bethune Memorial Museum and the National Archives for Black Women's History maintained by the National Council of Negro Women at that site.

Mr. President, I urge the Committee on Energy and Natural Resources to expedite their consideration of these amendments so that we can obtain Senate approval of this bill before we consider the Interior appropriations bill later on in the session.●

By Mr. BAUCUS:

S. 1118. A bill to amend the Internal Revenue Code of 1954 to increase the earned income credit and to disregard such credit with respect to certain eligibility; to the Committee on Finance.

INCREASE IN EARNED INCOME CREDIT

Mr. BAUCUS. Mr. President, today I am introducing legislation to modify the Earned Income Tax Credit, which targets tax relief to low-income working families. This legislation is designed to make work more attractive than welfare dependency, to reduce the regressive sting of Federal payroll taxes, and to reward those who are struggling to make ends meet by allowing them to retain more of what they earn.

A fair tax structure ought to be progressive. It should recognize that ability to pay increases with income. For families whose incomes are limited, our tax system should limit its demands.

That is the Tax Code we all want, but it is not what we have. Joseph Pechman, the Brookings Institution economist, recently concluded that "between 1966 and 1985 tax burdens increased in the lower part of the income scale [and] declined sharply at the top." Furthermore, it is now clear that the tax burden on the working poor is accelerating and the disparity between tax burdens is worsening. This is just plain wrong!

SENATOR LONG AND THE 1975 EARNED INCOME TAX CREDIT

More than 10 years ago the distinguished Senator from Louisiana [Mr. LONG], recognized that our tax code needed a "safety valve" for low-income families. He saw that there was an enormous gap between the official poverty line and the point at which a family began to pay Federal income taxes. In fact in 1974 a family with earnings almost 15 percent below the poverty line was still subject to Federal income tax.

Senator LONG recognized that a targeted tax credit was the best way to reduce the taxes for low-income working Americans and to increase their incentives to remain in the work force rather than to rely on cash assistance. The Senator from Louisiana sometimes referred to his Earned Income Tax Credit as a work bonus and he told the Senate it was needed to provide tax relief to people who are too poor to pay income taxes, but who still pay Social Security taxes and bear the burden of the Social Security tax paid by their employers.

Senator LONG predicted that the Senate is going to take great pride in putting on the lawbooks a provision saying that we know the poor pay a lot of taxes and we want to do something about it. The Senate agreed and voted 78 to 12 to include the work bonus in the historic Tax Reduction Act of 1975.

THE NEED TO AMEND THE EITC

The Earned Income Tax Credit is still the most important Federal tax provision for families in poverty. For many years the EITC was extremely effective in keeping families with earnings below the poverty line from paying Federal income taxes while reducing the regressive burden of the Social Security payroll tax.

Now the time has come to reaffirm and strengthen this unique and vital element of our tax system. Since 1981 the value of the EITC has eroded substantially. In fact, today the gap between the poverty line and the point at which a family begins to pay taxes is even greater than when the EITC was enacted a decade ago.

The Children's Defense Fund recently published a major study on "The Impact of Federal Taxes on Poor Families." Their report, which I recommend to my colleagues, points out the dramatic increase in the tax burden of low-income, working families and demonstrates clearly the need for congressional action to reform the Earned Income Tax Credit.

AMENDMENTS CONTAINED IN THE DEFICIT REDUCTION ACT OF 1984

Last year, we made a modest adjustment to the EITC when Congress passed the Deficit Reduction Act. Senator BRADLEY raised the conscience and the attention of Congress to the need to reform this provision of the Tax Code and we voted to increase the credit slightly beginning with the current tax year.

The Senator from New Jersey also offered a floor amendment to index the EITC to insulate the credit from the effects of inflation in future years, but that measure was defeated. In fact, the Senate rejected several amendments as we labored into the night on the Deficit Reduction Act, not because we disagreed on the merits of many of these proposals, but because we had a good deficit reduction package and we needed to keep it whole.

But we certainly cannot claim that we fixed the Earned Income Tax Credit last year. The tax burdens of the lowest income families continue to grow. We must recognize that the first step toward meaningful tax reform is to relieve the tax burden of those for whom every dollar of earned income is a matter of survival.

CURRENT TAX PICTURE OF LOW-INCOME FAMILIES

Today the poverty line for a family of four is about $11,100, but that family begins owing income taxes at approximately $8,900. That means families with incomes 20 percent below the poverty line are paying Federal income taxes.

But that's only part of the story. Payroll taxes for the same family are over twice as large as their income tax liability. In total, the Joint Committee on Taxation estimates that this "poverty line family" will pay 10.5 percent of their income in Federal taxes. That's a combined Federal tax burden of $1,166.

THE EFFECTS OF INFLATION ON LOW EARNERS

How did this gap between the tax threshold and the poverty line reemerge? The answer is inflation. Inflation pushes up the poverty line faster than changes in the Tax Code have increased the tax threshold.

At the same time the lowest wage earners have continued to suffer from "bracket creep" while middle and upper income earners were insulated from its effects. Inflation pushes low earners above the $11,000 income threshold where they no longer qualify for the earned income credit. And inflation diminishes the real value of the credit for those who remain eligible.

THE EITC IS A "SAFETY NET" PROGRAM FOR THE WORKING POOR

We hear a lot of talk about the importance of "safety net" programs. That term is usually reserved to refer to the essential programs that provide food, shelter, cash and medical assistance. But we cannot overlook the safety net we have built into our tax structure.

We can and we will debate about the appropriate funding levels for critical spending programs. We can and we will debate the importance of COLA's in a time which calls for austerity and deficit reduction. But we cannot ignore the fact that the burden of Federal taxes for the neediest working families is growing at an alarming rate. And we can and should, once again, do something to correct this obvious inequity.

THE BAUCUS PROPOSAL FOR AMENDING THE EITC

My bill addresses this inequity. First, I propose that we increase immediately the maximum amount of the Earned Income Tax Credit from $550 to $600. We should do this by increasing the credit from its current level of 11 percent of the first $5,000 of income to 12 percent. Next I propose that index the credit and the phase-out brackets just as we have already done for the personal exemption, the standard deduction, and tax brackets in general.

We should do this because we need to enhance the value of this credit for those who are now being taxed too much. These working families have been hit hardest by the rapid increase in the Social Security payroll tax that was necessary to help secure the solvency of the trust funds far into the future. And we need to index the credit to preserve its real value from the erosion caused by inflation.

My legislation is designed to safeguard families who have not received a tax cut during the past 3 years. Their taxes have been rising while the administration has concentrated its efforts on easing the taxes of the wealthiest. Some may wonder whether we can really afford the tax cuts that are already in place. But we surely cannot afford to see the taxes of the working poor continue to escalate while we ponder and debate even grander schemes for tax reform.

THE ADMINISTRATION'S PROPOSAL

The Treasury Department's tax reform bill also contains a provision to update the EITC. The administration's plan would index the credit in future years, which my legislation does as well. The major difference between the Baucus proposal and the Treasury proposal is that my bill would raise the maximum credit by $50 in 1986 and begin indexing thereafter. The Treasury plan makes no adjustment to the maximum credit prior to indexing.

The other difference between my proposal and the administration's is that under the Treasury plan the neediest families in America will have to wait in line while comprehensive tax reform is debated before they obtain the relief they deserve today.

I don't think that it is right to say to the lowest earning families whose tax burdens begin at 20 percent below the poverty line "you'll just have to wait for tax relief until the big corporations, the special interests in Washington, and a small army of accountants and attorneys agree on what is meant by a fair and simple tax code." We all know that while we debate what is wrong with the Tax Code that its most glaring defect will only continue to worsen for those at the botton of the economic ladder.

WHO BENEFITS BY AMENDING THE EITC?

The Congressional Budget Office estimates that 6.7 million working families claimed the EITC in 1981, or about 7 percent of all individual tax returns. Total credits amounted to $1.9 billion which was an average benefit of $285.

The number of working families who benefit from the EITC declines due to the bracket creep they experience as low-earners. Under the legislation I am proposing, the value of the Earned Income Tax Credit would remain stable for all eligible taxpayers and the lowest earners would get a maximum credit of $600.

Let's be clear about this proposal. This is not a giveaway. This is a fair and reasonable adjustment to current law for working families with earnings below the poverty line.

THE NEED FOR ACTION IS NOW

I do not believe any Member of the Senate wants to continue to see the tax burden continue to rise for families with earnings below the poverty line. As the President said in his State of the Union Address, "individuals living at or near the poverty line [should] be totally exempt from federal income tax."

The families struggling to make ends meet should not have to wait for comprehensive tax reform to obtain meaningful and sensible tax relief. We need to act now with the same pride that the Senate acted in 1975. And we must act now to restore tax fairness for those who depend on us to do what we know is right.

Mr. President, I have prepared a brief summary of my bill which I ask to be printed in the RECORD following the text of the bill. Finally, I ask unanimous consent that two recent articles on the importance of reforming the EITC be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1118

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN EARNED INCOME CREDIT.

(a) INCREASE IN RATE OF CREDIT.—Subsection (a) of section 32 of the Internal Revenue Code of 1954 (relating to earned income credit) is amended by striking out "11 percent" and inserting in lieu thereof "12 percent".

(b) ADJUSTMENT OF CREDIT PHASE-OUT.—Paragraph (2) of section 32(b) (relating to limitation of earned income credit) of such Code is amended to read as follows:

"(2) 13⅓ percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $8,500.".

(c) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 32(b) is amended by striking out "$550" and inserting in lieu thereof "$600".

(2) Subparagraphs (A) and (B) of section 32(f)(2) are amended to read as follows:

"(A) for earned income between $0 and $13,000, and

"(B) for adjusted gross income between $8,500 and $13,000.".

(3) Clauses (i) and (ii) of section 3507(c)(2)(B) are amended to read as follows:

"(i) of not more than 12 percent of the first $5,000 of earned income, which

"(ii) phases out between $8,500 and $13,000 of earned income, or".

(4) Clauses (i) and (ii) of section 3507(c)(2)(C) are amended to read as follows:

"(i) of not more than 12 percent of the first $2,500 of earned income, which

"(ii) phases out between $4,250 and $6,500 of earned income.".

(d) COST-OF-LIVING ADJUSTMENTS.—

(1) IN GENERAL.—Section 32 of such Code is amended by adding at the end thereof the following new subsection:

"(i) COST-OF-LIVING ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1986, this section shall be applied by increasing the dollar amounts in subsection (a), (b), and (f) by the cost-of-living adjustment for such calendar year.

"(2) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year (as defined in section 1(f)(4)), exceeds

"(B) the CPI for calendar year 1985 (as so defined).

"(3) ROUNDING.—Any increase determined under paragraph (1) shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10).".

(2) EARNED INCOME ADVANCE AMOUNT.—Section 3507(c) of such Code (defining earned income advance amount) is amended by adding at the end thereof the following new paragraph:

"(3) COST-OF-LIVING ADJUSTMENT.—In the case of any calendar year after 1986, paragraph (2) shall be applied by increasing each dollar amount contained therein by the cost-of-living adjustment for such calendar year as determined under section 32(i)(2). Any such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10).".

(e) EFFECTIVE DATES.—

(1) Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1985.

(2) The amendment made by subsection (d) shall take effect on January 1, 1987.

SEC. 2. DISREGARD OF EARNED INCOME CREDIT WITH RESPECT TO CERTAIN ELIGIBILITY.

(a) IN GENERAL.—Notwithstanding any other provision of law, any refund of Federal income taxes made to an individual by reason of section 32 of the Internal Revenue Code of 1954, and any payment made by an employer under section 3507 of such Code, shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any state or local program financed in whole or in part with Federal funds.

(b) REPEAL OF SECTION 402(d) OF THE SOCIAL SECURITY ACT.—Subsection (d) of section 402 of the Social Security Act is hereby repealed.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 1986.

SUMMARY OF THE 1985 BILL

CURRENT LAW

Eligible taxpayers are those with earnings below $11,000 with dependent children at home. The Earned Income Tax Credit (EITC) is computed on 11 percent of the first $5,000 of earned income for a maximum credit of $550. The credit is refundable; i.e., eligible taxpayers receive a check back from the Treasury for the amount that their qualified EITC exceeds federal income tax liability. For families with adjusted gross income (AGI) above $6,500, the EITC phases down until it equals zero at an AGI of $11,000.

BAUCUS PROPOSAL—INCREASE AND INDEX THE EITC

In FY 1986, increase the maximum credit from $550 to $600 by raising the credit to 12 percent of the first $5,000 of earned income.

In FY 1986, phase out the credit at a rate of 13.33 percent for incomes between $8,500 and $13,000.

In FY 1987 and thereafter, index the maximum credit and the phase-out thresholds.

DISREGARD THE EITC IN DETERMINING ELIGIBILTY FOR CERTAIN PROGRAMS

Disregards the amount of the EITC in the determination of eligibility for benefits or assistance under any Federal program or State or local program funded in whole or in part with Federal funds.

JOINT COMMITTEE ON TAXATION REVENUE ESTIMATES

Fiscal year:	*Billions of dollars*
1986	−0.04
1987	−1.0
1988	−1.3
1989	−1.5
1990	−1.7

[From the Washington Post, Jan. 30, 1985]

HELPING THE POOR

(By Robert J. Samuelson)

It's time to dust off an old idea and give it a new try: progressive taxation. This is the notion that the poor should pay less of their income in taxes than the rich. Startling though it seems, that's not the way it is now. The tax burden for the working poor is about as much as everyone else's. They deserve a break. It may be the only way to end the current political stalemate between liberals and conservatives over poverty.

As things now stand, poverty is slipping from the national agenda, because a problem that seemed manageable in the heyday of the "war on poverty" now seems insoluble. This entrenched pessimism is as foolish as the heady optimism of the 1960s. In our economy, income inequality is inevitable, because workers' earnings reflect their skills, and some workers always will receive low wages. But economic growth and wise government policies still can lift living standards for those at the bottom.

The main obstacle is not the cost (which is modest) but the self-serving rationalizations of both liberals and conservatives that justify doing nothing. Liberals feel virtuous by self-righteously denouncing every welfare cut of the Reagan administration. Conservatives profess their concern for the poor, but argue that overgenerous welfare programs have created self-defeating dependency. Each side enjoys the pleasures of its rhetoric too much to suggest anything new.

I'm not arguing that the current poverty debate is entirely fraudulent. In contrast to the 1960s, we now know how little we know. Consider what is called the feminization of poverty. In 1960, about a quarter of all people living below the government's poverty line were in families headed by a single woman. By 1983, this was nearly half. Why?

Some commentators blame welfare, which made it easier for single women to survive independently. Others say the increase reflects higher divorce rates and the tendency for female-headed families to be poorer.

Sociologist William Julius Wilson of the University of Chicago suggests that, for blacks at least, the reason lies in adult black men's declining job prospects. Between 1950 and 1980, the proportion of black men in the job market (either employed or looking for a job) dropped from four-fifths to two-thirds. So Wilson argues that black women face a shrinking pool of economically attractive potential husbands. But why have black men done so badly? Neither Wilson nor anyone else has a good answer.

But ignorance need not immobilize us. The simplest way to help low-income workers is to cut their taxes. The case is more compelling than ever, as a new study by economist Joseph Pechman of the Brookings Institution shows. Between 1966 and 1985, the tax bite—including all federal, state and local taxes—on the poorest tenth of Americans rose from 16.8 to 21.9 percent. By contrast, the wealthiest Americans pay an average 25.3 percent.

Regardless of the causes of persistent poverty, lower taxes will help. They ought to satisfy liberals by making the working poor a little wealthier. If conservatives are right about welfare's destructive effects, lower taxes will make work more attractive compared with welfare. This should draw people back into the labor market and strengthen family stability. More than anyone else, the poor need to enjoy the full rewards of their labor because those rewards are so meager to start with.

The federal government can't easily offset all the poor's tax burden, nearly half of which is state and local taxes. And, as Pechman shows, no single administration is to blame for the recent increase; mostly, it reflects higher Social Security payroll taxes, which fall heaviest on the poor.

But the federal government could neutralize higher Social Security taxes by liberalizing a provision of the income tax—the earned income tax credit—which effectively rebates some (or all) of the Social Security tax. Doing this wouldn't be difficult if both liberals and conservatives could discard some well-worn prejudices.

Liberals, for example, ought to examine the worthiness of tax provisions that purport to help the poor, but really don't. The simplest test of whether someone is needy in our society is income. You are not needy simply because you are old. Yet our tax system grants special breaks to all the old: a double personal exemption and an exclusion from taxes of almost all Social Security. A typical elderly couple doesn't pay income taxes until their income hits nearly $15,000; the same nonelderly couple starts paying income taxes at about $6,000.

Nor are you necessarily needy if, as a working parent, you have day-care expenses. Yet our tax system provides a special credit for such parents. This discriminates against the very poor, who often can't afford to use day care or to make other arrangements. In 1982, for example, at least half of working mothers with children under five used husbands, relatives or friends for day care. Together, the tax preferences for the elderly and day care will cost the Treasury about $17.5 billion in 1985. The funds would be better used for general cuts for low-income taxpayers.

On the other hand, conservatives ought to favor a more progressive tax system as a way for the poor to advance themselves. Reagan has subtly limited the welfare state's responsibilities to helping those who, through bad luck or low skills, can't make it. Hence, the basic "safety net" programs—Social Security, unemployment insurance, Medicare, Medicaid, food stamps—remain intact. But Reagan is abandoning the idea that the government can help people get ahead. He's gutted many employment and training programs of the 1960s on the grounds that they don't work.

What he is saying is that government can't—and shouldn't—substitute for individual motivation and effort. But if the poor are to help themselves, at least government shouldn't obstruct the way. Low-income workers ought to keep more of what they earn in the market. Yet Reagan's 1981 tax cuts actually discriminated against low-income workers. When the president says he cares about the poor, he sounds piously insincere.

How much would meaningful tax reduction for the poor cost? Probably between $12 billion and $24 billion, or 4 to 8 percent of current federal income tax revenue. Not much. People who like grand gestures won't be impressed. It won't eliminate poverty. At best, it would increase the poor's income 5 to 10 percent. But if you're making $11,000, an extra $700 helps. Skirmishing against poverty is a lot better than today's stalemate.

[From the Washington Post, Apr. 22, 1985]

TAXING THE POOR

(By William Raspberry)

Poor people—those officially defined by the government as living in poverty—should not have to pay federal income taxes. The near-poor should not be burdened with taxes that would pull them down into poverty.

The two propositions seem so obvious that most Americans probably think they are already a part of the tax code.

They aren't. Not only are the officially poor taxed, and many near-poor taxed into poverty: their tax burden has actually grown during the years of the Reagan tax cuts.

Don't feel bad. I didn't know it either until I read the Children's Defense Fund's new report, "The Impact of Federal Taxes on Poor Families." Mary Bourdette and Jim Weill, authors of the report, look at one working mother:

Jane Doe is a single mother with three children. In 1979, her income from her job was $8,000, a little above the federal poverty line. Jane, like most other low-income workers, had no unusual tax deductions or tax "breaks," so her federal income and Social Security taxes were $481, leaving her family with $7,519 to live on after federal taxes, still a tiny bit above the official poverty line in 1979 ($7,412 for a family of four).

And what has happened to the struggling Jane Doe since then? Inflation has increased the cost of living by 43.2 percent, but luckily, her income also has increased by 43.2 percent, so that her 1984 income was $11,456.

But she didn't break even. Besides losing some of her government-paid benefits to the Reagan budget cuts, she also saw her federal taxes increase by nearly 300 percent—from $481 to $1,384—so that instead of being a little bit above the poverty line after taxes, she would up below the poverty level, which by then was $10,613.

What happened to Jane Doe's and millions of other low-income families was probably more the result of oversight and neglect than of conscious design. To begin with, there was the increase in the amount of earnings on which Social Security taxes are paid, to the point where even poverty-level wages required the payment of $743 in Social Security taxes in 1984. In addition, inflation drove up the wages on which the poor are taxed without any compensating adjustments. The personal exemption, for instance, remains at $1,000 per person, and the standard deduction—crucial to taxpayers who (like nearly all poor families) do not itemize their deductions—also went unchanged.

The result is that even those poor families whose wages kept abreast of inflation lost enough spending power to more than offset the effect of a cut in tax rates, in effect shifting the tax burden away from the well-off (who did benefit from the tax cuts) to the poor. Between 1980 and 1982, the study notes, the "aggregate federal taxes paid by poor families increased by 58 percent . . . while taxes on the well-to-do and on profitable corporations declined dramatically."

The study points out what too many of us have not understood: that there is no automatic link between the poverty line and the tax tables. It is true that in the late 1970s, poor people paid little or no income tax. But this was because, between 1975 and 1980, the threshold at which a family became liable for taxes was higher than the poverty line. By 1981, the tax threshold had dropped below the poverty line, and the gap has been growing since then.

The study examines the current tax reform proposals and makes some sensible recommendations for reversing the damage the poor have suffered in recent years. But its chief value is in its clear statement of the increased tax burden on the poor in the past four years.

Even in these cynical times, when everybody is fighting to save his favorite tax break, most Americans would acknowledge that it makes no sense—politically, morally or in terms of elemental fairness—to impose an income tax on those we define officially as already in poverty.

By Mr. MELCHER (for himself and Mr. Burdick):

S. 1119. A bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURE AND FOOD ASSISTANCE ACT OF 1985

Mr. MELCHER. Mr. President, I am today introducing the Agriculture and Food Assistance Act of 1985. I ask unanimous consent that the text of the bill and a summary of the provisions be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1119

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural and Food Assistance Act of 1985".

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TITLE I—FOOD AID AND TRADE

Subtitle A—Food Aid

GENERAL POLICY

Sec. 101. Congress finds that—

(1) the United States is producing an abundance of agricultural commodities and is holding large food surpluses at substantial cost, and American farmers are facing an unprecedented need to expand their export markets;

(2) food shortages, hunger, and malnutrition continue to afflict hundreds of millions of people in the developing countries; and

(3) additional steps should be taken to use the agricultural abundance produced by American farmers to relieve hunger and promote long-term food security and economic development in the developing countries in accordance with section 102 of the Foreign Assistance Act of 1961 and to promote United States agricultural trade interests.

Sec. 102. Section 416(c) of the Agricultural Act of 1949 (7 U.S.C. 1431(c)) is amended—

(1) In the first sentence, by striking out "two-year pilot"; and

(2) By striking the last two sentences and inserting in lieu thereof a new sentence as follows: "The Secretary shall submit an annual report to Congress, beginning January 1, 1986, on the operations of the program."

EXPANDING SECTION 416 AUTHORITY

Sec. 103. (a) Section 416(b) of the Agriculture Act of 1949 (7 U.S.C. 1431(b)) is amended to read as follows:

"(b) Use of Surplus Commodities to Carry Out Title II of Public Law 480.—

"(1) General authority.—The Secretary may furnish eligible commodities for carrying out title II of the Agricultural Trade Development and Assistance Act of 1954, as approved by the Secretary and for such purposes as are approved by the Secretary.

"(2) Definition of eligible commodities.—As used in this subsection, the term 'eligible commodities' means—

"(A) dairy products, grains, and oilseeds acquired by the Commodity Credit Corporation through price support operations, which the Secretary determines meet the criteria specified in subsection (a) of this section; and

"(B) such other agricultural commodities as may be acquired by the Commodity Credit Corporation and made available for distribution under this subsection.

"(3) Limitations.—

"(A) Safeguarding availability of commodities for domestic feeding programs.—Commodities may not be made available for disposition under this subsection in amounts that will, in any way, reduce the amounts of commodities that traditionally are made available through donations to domestic feeding programs or agencies.

"(B) Availability of adequate storage facilities, noninterference with local production and marketing, and safeguarding of usual marketing.—The requirements of section 401(b) and section 103(c) of the Agricultural Trade Development and Assistance Act of 1954 shall apply with respect to commodities furnished under this subsection.

"(4) Provision of commodities in installments.—Agreements may be entered into under this subsection to provide commodities installments over an extended period of time.

"(5) Use of expedited procedures.—To the maximum extent practicable, expedited procedures shall be used in implementing the provisions of this subsection.

"(6) Processing and transportation expenses.—

"(A) Use of public law 480 authority.—The provisions of section 203 of the Agricultural Trade Development and Assistance Act of 1954 shall apply to commodities furnished under this subsection.

"(B) Requirement to use commodities to pay certain costs.—The Commodity Credit Corporation shall use eligible commodities to pay all processing and domestic handling costs incurred pursuant to subparagraph (A), except to the extent that the Secretary determines that this form of payment is not practicable.

"(7) Cost and expenses.—The cost of commodities furnished under this subsection, and expenses incurred under section 203 of the Agricultural Trade Development and Assistance Act of 1954 in connection with those commodities, shall be in addition to the level of assistance programmed under that Act and shall not be considered expenditures for international affairs and finance.

"(8) Sale or barter of commodities.—Eligible commodities furnished under this subsection may be sold or bartered solely as follows:

"(A) Sales and barter, approved by the Secretary, which are incidental to the donation of the commodities.

"(B) Sales and barter, approved by the Secretary, the proceeds of which are used to finance the distribution, handling, and processing costs of the donated commodities in the importing country or other activities in the importing country that are consistent with providing food assistance to needy people.

"(C) Sales and barter, approved by the Secretary, of commodities and products donated to intergovernmental organizations, insofar as they are consistent with normal programming procedures in the distribution of commodities by those organizations.

"(D) Sales and barter of commodities used for payments pursuant to paragraph (6)(B) of this subsection.

"(E)(i) If requested by a nonprofit voluntary agency, an agreement with that agency for commodities made available under this subsection may provide for the use by that agency of foreign currency proceeds, generated from the sale of commodities made available under the agreement, for the purposes specified in clause (iii).

"(ii) Such agreements shall provide, in the aggregate for each fiscal year, for the use of foreign currency proceeds under this subparagraph in an amount which is not less than 10 percent, and which is not more than 20 percent, of the program level under this subsection for that fiscal year.

"(iii) Foreign currency proceeds under this subparagraph shall be used by the nonprofit voluntary agency for activities carried out by the agency which will enhance the effectiveness of the food assistance program being carried out pursuant to the agreement. Such activities may include health integration projects, food for work programs, program management, and outreach projects to provide food to the most nutritionally needy, if such activities are directly related to the nonprofit voluntary agency's food assistance program.

"(iv) All foreign currency proceeds generated pursuant to an agreement under this subparagraph shall be expended within six months after the end of the period of the agreement.

"(9) Requirement for minimum annual distribution through nonprofit voluntary agencies and the world food program.—

"(A) General requirement.—In carrying out this subsection each fiscal year, the secretary shall furnish to nonprofit voluntary agencies and the World Food Program for distribution in developing countries not less than 10 percent of the amount of each eligible commodity, as defined by subparagraph (A) of paragraph (2), that is available for distribution under this subsection in that fiscal year.

"(B) Waiver.—The Secretary may waive the requirement of subparagraph (A) for a fiscal year to the extent that the Secretary determines and reports to Congress that—

"(i) there have not been sufficient requests made by nonprofit voluntary agencies and the World Food Program for commodities under this subsection for uses which would effectively carry out the purposes of title II of the Agricultural Trade Development and Assistance act of 1954, or

"(ii) the limitation in paragraph (3) of this subsection prevents the use of commodities pursuant to this paragraph.".

(b) Effective date.—Paragraph (9)(A) of section 416(b) of the Agricultural Trade and Development Assistance Act of 1954, as added by subsection (a) of this section, shall take effect on October 1, 1985.

SALES AND USES FOR FOREIGN CURRENCY

Sec. 104. Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended to read as follows:

"Sec. 101. (a) In order to carry out the policies and accomplish the objectives set forth in section 2 of this Act, the President is authorized to negotiate and carryout agreements with friendly countries to provide for the sale of agricultural commodities—

"(1) for dollars on credit terms;

"(2) in the case of developing countries with a per capita gross national product of $900 or less, for foreign currencies on credit terms; or

"(3) to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms which permit conversion of dollars at the exchange rate applicable to the sales agreement.

"(b) Commodities sold pursuant to paragraph (2) of subsection (a) shall be additional to the volume of commodities normally programmed under this title.

"(c) In fiscal year 1986 not less than 500,000 tons of commodities shall be sold pursuant to paragraph (2) of subsection (a), unless the President determines that such volume of commodities cannot be used under that authority to carry out the purposes of this title. The President shall propose to Congress not later than February 15, 1986, appropriate volume levels for fiscal years 1987 through 1989 for sales pursuant to paragraph (2) of subsection (a).".

"(b) Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704) is amended by adding the following new section:

"Sec. 104A. (a) Notwithstanding any other provision of law, foreign currencies received pursuant to paragraph (2) of section 101 shall be used only for one or more of the following purposes:

"(1) For assistance programs of nonprofit voluntary agencies and cooperatives, under such terms and conditions as the President may determine.

"(2) For the support of self-help measures agreed to by the recipient country in accordance with section 109.

"(3) For the establishment of facilities for aiding in the utilization and distribution of, or otherwise increasing the consumption of and markets for, United States agricultural commodities and products thereof.

"(4) For financing, in whole or in part under such terms and conditions as the President may determine, agricultural and other development projects in the recipient country, including development projects executed by private trade entities and projects to stimulate small-scale private enterprise and private voluntary organizations in the recipient country.

"(b) Foreign currencies received pursuant to paragraph (2) of section 101 shall be used in accordance with this section within one year after they are received by the United States.

"(c) References in any provision of law to section 104 of this Act shall be deemed to include reference to this section, except to the extent that such reference would be inconsistent with subsection (a) of this section.".

(c)(1) Section 103 of The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703) is amended—

(A) in subsection (k) by striking out "upon" and all that follows through "into dollars" and inserting in lieu thereof "that not less than 5 percent of the purchase price of any agricultural commodities sold under this title be payable upon delivery";

(B) in subsection (m) by inserting "in the case of foreign currencies received under paragraph (3) of section 101," immediately after "(m)";

(C) in subsection (p) by inserting "pursuant to paragraph (3) of section 101" immediately after "agreement"; and

(D) in subsection (q) by inserting "pursuant to paragraph (3) of section 101" immediately after "agreement".

(2) Section 106(a)(2) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1706(a)(2)) is amended by striking out "and on terms which permit conversion to dollars" and inserting in lieu thereof "pursuant to paragraph (2) or (3) of section 101".

MINIMUM AND SUBMINIMUM DISTRIBUTION REQUIREMENTS

Sec. 105. (a) Section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721(b)) is amended by striking out paragraph (1) and all that follows through "*Provided*, That" and inserting in lieu thereof the following:

"(1) for fiscal year 1986 shall be 1,900,000 metric tons, of which not less than 1,300,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program;

"(2) for fiscal year 1987 shall be 2,100,000 metric tons, of which not less than 1,470,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program;

"(3) for fiscal year 1988 shall be 2,300,000 metric tons, of which not less than 1,610,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program; and

"(4) for fiscal year 1988 and each fiscal year thereafter shall be 2,500,000 metric tons, of which not less than 1,750,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program; except that"

(b) The amendment made by subsection (a) shall take effect on October 1, 1985.

TITLE II AUTHORIZED PROGRAM LEVEL

Sec. 106. Section 204 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724) is amended in the first sentence—

(1) by striking out "$1,000,000,000" and inserting in lieu thereof "$1,200,000,000";

(2) by striking out "calendar" both places it appears and inserting in lieu thereof "fiscal"; and

(3) by inserting immediately before the period at the end of the sentence ", unless the President determines that additional funding for programs under this title is necessary to meet emergency food needs".

FOOD ASSISTANCE PROGRAMS OF VOLUNTARY AGENCIES

Sec. 107. (a) Title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721-1726) is amended by adding at the end thereof as follows:

"Sec. 207. (a)(1) If requested by a nonprofit voluntary agency, an agreement with that agency for nonemergency assistance under this title may provide for the use by that agency of foreign currency proceeds, generated from the sale of commodities made available under the agreement, for the purposes specified in subsection (c).

"(2) Such agreements shall provide, in the aggregate for each fiscal year, for the use of foreign currency proceeds under this subsection in an amount which is not less than 10 percent, and which is not more than 20 percent, of the appropriated nonemergency program level under this subtitle for that fiscal year.

"(3) All foreign currency proceeds generated pursuant to an agreement under this subsection shall be expended within six months after the end of the period of the agreement.

"(4) The provisions of section 103(c) of this Act shall apply to sales of agricultural commodities to generate foreign currencies under this subsection. The Secretary of agriculture, in consultation with the Administrator of the Agency for International Development, may waive this requirement.

"(b) If requested by the nonprofit voluntary agency, an agreement with that agency under this title may provide that up to 5 percent of the dollar amount of the agreement will be provided to the agency in monetary form (rather than in agricultural commodities) for use by the nonprofit voluntary agency for the purposes specified in subsection (c) if the nonprofit voluntary agency provides at least an equal amount of dollars for those purposes.

"(c)(1) Foreign currency proceeds under subsection (a) and dollars under subsection (b) of this section shall be used by the nonprofit voluntary agency for activities carried out by the agency which will enhance the effectiveness of the food assistance program being carried out pursuant to the agreement. Such activities may include health integration projects, food for work programs, program management, and outreach projects to provide food to the most nutritionally needy, if such activities are directly related to the nonprofit voluntary agency's food assistance program.

"(2) Foreign currency proceeds under subsection (a) and dollars under subsection (b) may be used to immunize children participating in nutrition programs against the most common immunizable disease. It shall be the target for the organizations and agencies involved to provide for the immunization by fiscal year 1987 of at least three million more children annually than received immunizations under such programs in fiscal year 1985. In each of the reports to Congress required under section 408(a) of this Act, the President shall include a report of the number of children so immunized.

"(d) The President shall invite representatives of nonprofit voluntary agencies participating in programs under this Act and other concerned nonprofit voluntary agencies, and shall designate appropriate executive branch officials, to participate in a task force on food assistance to the most nutritionally needy. The task force shall report to Congress by February 15, 1986, on further steps which could be taken to provide food under this Act to the most nutritionally needy people in recipient countries.

"Sec. 208. (a) In agreements with a nonprofit voluntary agency for nonemergency assistance under this title, the President is encouraged to approve multiyear commitments to make agricultural commodities available for distribution by the nonprofit voluntary agency, if the agency requests such a multiyear commitment. Such commitments shall be subject to the availability each fiscal year of the necessary appropriations and agricultural commodities.

"(b) Subsection (a) does not apply to an agreement which the President determines should be limited to a single year because of the past performance of the nonprofit voluntary agency or because the agreement involves a new program of assistance.

"(c) In carrying out a multiyear agreement pursuant to this section, a nonprofit voluntary agency shall not be required to obtain annual approval from the United States Government in order to continue its assistance program pursuant to this agreement, unless the President determines that exceptional and unforeseen circumstances have occurred which require such approval.

"Sec. 209. (a) Agreements with nonprofit voluntary agencies under this title may authorize those agencies to establish local food reserves.

"(b) If authorized to establish a local food reserve pursuant to subsection (a), a nonprofit voluntary agency may deposit in that reserve agricultural commodities made available under this title—

"(1) for later use in providing immediate food assistance in case of a famine or other food shortage emergency; or

"(2) if the nonprofit voluntary agency determines, in its discretion, that the immediate use of the agricultural commodities for food assistance purposes would be a disincentive to local agricultural production and that the commodities should be held for use at a later time.

"Sec. 210. Not less than 65 percent of the agricultural commodities made available each fiscal year under this title for nonemergency programs shall be fortified or processed food.

"Sec. 211. A nonprofit voluntary agency requesting a nonemergency food assistance agreement under this title shall include in that request (1) a statement of what steps will be taken to avoid disruption of cultural food consumption habits which may occur as a result of the food assistance program, and (2) a statement of the intended uses of any foreign currency proceeds which would be generated with the commodities provided under the agreement.".

(b) The sections added to the Agricultural Trade Development and Assistance Act of 1954 by this section shall apply with respect to agreements entered into after September 30, 1985, except that section 211 of that Act applies with respect to agreements entered into after December 31, 1985.

EXTENDING FOOD SECURITY WHEAT RESERVE

Sec. 108. Section 302(b) of the Food Security Wheat Reserve Act of 1980 is amended by striking out "1985" both places it appears and inserting in lieu thereof "1989".

Subtitle B—Agricultural Exports

EXPANSION OF MARKETS FOR UNITED STATES AGRICULTURAL COMMODITIES AND PRODUCTS

Sec. 109. (a) Notwithstanding any other provision of law, the Secretary of Agriculture shall formulate and carry out a program under which agricultural commodities, including but not limited to wheat, feed grains, upland cotton, rice, and soybeans, and products thereof acquired by the Commodity Credit Corporation, are provided to United States exporters and users and foreign purchasers at no cost to encourage the development, maintenance, and expansion of export markets for United States agricultural commodities and products thereof.

(b) In carrying out the program authorized by this section, the Secretary of Agriculture shall—

(1) take such action as may be necessary to ensure that the program provides equal treatment to domestic and foreign purchasers and users of United States agricultural commodities and products thereof in any case in which the importation of a manufactured product made, in whole or in part, from a commodity or product thereof made available for export under this section would place domestic users of the commodity or product thereof at a competitive disadvantage;

(2) to the extent that agricultural commodities and products thereof are to be provided to foreign purchasers during any fiscal year, consider for participation all interested foreign purchasers, giving priority to those who have traditionally purchased United States agricultural commodities and products thereof and who continue to purchase such commodities and products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period;

(3) ensure, insofar as possible, that any use of agricultural commodities or products thereof made available under this section be made in such manner as to encourage increased use and avoid displacing usual marketings of United States agricultural commodities and products thereof; and

(4) take reasonable precautions to prevent the resale or transshipment to other countries, or use for other than domestic use in the importing country, of agricultural commodities or products thereof made available under this section.

(c) If a foreign purchaser sells in the importing country agricultural commodities or products thereof received from the Secretary of Agriculture, under the authority of this section, and uses the receipts from the sale of such commodities or products thereof for the construction or rehabilitation of facilities in the importing country to improve the handling, marketing, processing, storage, or distribution of United States agricultural commodities or products thereof in such importing country, the purchaser shall be eligible to receive supplemental distributions of agricultural commodities or products thereof under this section. Supplemental distribution under this section shall be made with such commodities or products thereof, at intervals, and in amounts as the Secretary determines appropriate taking into account the extent to which facility improvements have been made, the capability of the importing country to distribute or otherwise use additional commodities or products thereof, and other factors as determined appropriate by the Secretary that are consistent with the purposes of this section.

(d) The Secretary of Agriculture shall carry out the program authorized by this section through the Commodity Credit Corporation.

(e) The Secretary of Agriculture may issue regulations as the Secretary deems necessary to carry out this section.

(f) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary of Agriculture or the Commodity Credit Corporation under any other provision of law.

INTERMEDIATE EXPORT CREDIT

Sec. 110. Section 4(b) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: "In addition, the Corporation may guarantee the repayment of loans made to finance such sales.";

(2) by inserting in paragraph (2) ", and no loan may be guaranteed," after "financed";

(3) in paragraph (3)—

(A) by inserting "or guarantees" after "financing";

(B) by striking out "and" at the end of subparagraph (C);

(C) by striking out "credit" in subparagraph (D);

(D) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(E) by adding at the end thereof a new subparagraph as follows:

"(E) to finance the importation of agricultural commodities by developing nations for use in meeting their food needs.";

(4) by striking out paragraph (4) and redesignating paragraphs (5) through (9) as paragraphs (4) through (8), respectively;

(5) in paragraph (4), as redesignated—

(A) by inserting "(A)" after the paragraph designation;

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(C) by amending clause (i), as redesignated, to read as follows:

"(i) Repayment shall be in dollars with interest at a rate determined by the Secretary."; and

(D) by adding at the end thereof the following new subparagraph:

"(B) Contracts of guarantee under this subsection shall contain such terms and conditions as the Commodity Credit Corporation shall determine.";

(6) by inserting in paragraph (5), as redesignated, "or guarantees" after "financing";

(7) in paragraph (6), as redesignated—

(A) by inserting "or guarantee" after "finance" each place it appears; and

(B) by inserting in subparagraph (B) "or guarantee" after "financing";

(8) by inserting in paragraph (7), as redesignated, "or guarantee" after "financed"; and

(9) by inserting at the end thereof a new paragraph as follows:

"(9) For purposes of financing or guaranteeing export sales under this subsection, the Commodity Credit Corporation shall make available, to the extent practicable, no less than $500,000,000 for each of the fiscal years October 1, 1986 through October 1, 1989.

AGRICULTURAL EXPORT CREDIT REVOLVING FUND

Sec. 111. Section 4(d) of the Food for Peace Act of 1966 is amended by striking out "1985" both places it appears and inserting in lieu thereof "1989".

SPECIAL QUALIFYING PROVISION FOR INTERMEDIATE EXPORT CREDIT

Sec. 112. Section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) is amended by adding at the end thereof a new subsection as follows:

"(e)(1) If a country does not meet the financial qualifications for export credit or credit guarantees provided by the Commodity Credit Corporation under this section, the Secretary of Agriculture may provide to such country commodities and products thereof acquired by the Corporation through price support operations to the extent necessary to reduce the cost to such country of purchasing United States agricultural commodities and to allow such country to meet such qualifications.

"(2) The Secretary shall review and adjust annually the amount of commodities provided to a country under paragraph (1) in order to encourage the country to place greater reliance on increased use of commercial trade to meet the qualifications referred to in paragraph (1).".

SHORT TERM EXPORT CREDIT AND CREDIT GUARANTEES

Sec. 113. Effective for each of the fiscal years October 1, 1986 through October 1, 1989, $500,000,000 of Commodity Credit Corporation funds shall be used by the Commodity Credit Corporation for direct export credit under its blended credit export sales program.

(b) Effective for each of the fiscal years October 1, 1986 through October 1, 1989, not less than $5,000,000,000 in credit guarantees shall be made available by the Commodity Credit Corporation under its export credit guarantee program for short-term credit extended to finance the export sales of United States agricultural commodities and products.

EXTENSION OF PUBLIC LAW 480

Sec. 114. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by striking out "1985" in the first sentence an inserting in lieu thereof "1989"; and

(2) by striking out "Agriculture and Food Drug Act of 1981" in the second sentence and inserting in lieu thereof "Agricultural and Food Assistance Act of 1985".

EXPANSION OF RECIPROCAL TRADE AGREEMENTS

SEC. 115. (a) The table in paragraph (c)(1) of headnote 3 of subpart A of part 10 of schedule 1 of the Tariff Schedules of the United States is amended by—

(1) inserting "18.5" in the item relating to the Philippines; and

(2) inserting "3.0" in the item relating to Costa Rica.

(b) The United States Trade Representative shall proportionately reduce the percentage of the total base quota amount allocated under headnote 3 of subpart A of part 10 of schedule 1 of the Tariff Schedules of the United States to all countries other than the Philippines and Costa Rica to reflect the increased allocation to the Philippines and Costa Rica resulting from the amendment made by subsection (a) of this section. Notice of the amount of the reductions made under the preceding sentence with respect to each country shall be published by the United States Trade Representative in the Federal Register by no later than November 1, 1985.

(c) Paragraph (c) of headnote 3 of subpart A of part 10 of schedule 1 of the Tariff Schedules of the United States is amended by adding at the end thereof a new subparagraph as follows:

"(iii)(A) If the excess of—

"(1) the aggregate value of United States exports to the Philippines during any calendar year beginning after 1985, over

"(2) the aggregate value of United States exports to the Philippines during calendar year 1985, does not equal or exceed the value of 6.5 percent of the aggregate amount of sugars sirups, and molasses described in items 155.20 and 155.30 that were products of the Philippines and were entered during such calendar year beginning after 1985, then, notwithstanding subparagraph (i), the percentage of the total base quota amount allocated to the Philippines for the second quarter of the calendar year succeeding such calendar year beginning after 1985, and for all subsequent calendar quarters, shall be 13.5 percent and the United States Trade Representative shall proportionately increase the percentage of the total base quota amount allocated to all other countries.

"(B) The United States Trade Representative shall make a determination of whether subdivision (A) applies by March 1 of 1987 and of each calendar year thereafter, unless a previous determination was affirmative. The United States Trade Representative shall publish in the Federal Register notice of such determination and of any reallocation of the total base quota amount required under subdivision (A).".

(d) The amendments made by this section and the reductions required to be made under subsection (a), shall apply to articles entered, or withdrawn from warehouse, for consumption after November 30, 1985.

AGRICULTURAL TRADE AGREEMENTS

SEC. 116. It is the sense of Congress that the President should undertake negotiations to develop long-term bilateral and multilateral agreements to promote the free trade of agricultural commodities and products between the United States and other countries.

Subtitle C—Special Assistant for Food Aid and Trade

SEC. 117. The President shall designate a Special Assistant to the President for Food Aid and Trade who shall serve in the White House Office of the Executive Office of the President and who shall perform the following duties:

(1) assisting and advising the President so as to improve and enhance food assistance programs in the United States and foreign countries;

(2) coordinating and streamlining the manner in which the food assistance programs are carried out by the U.S. Department of Agriculture and the Agency for International Development, so as to improve their overall effectiveness;

(3) making recommendations to the President on ways to increase and encourage use and consumption of U.S. agricultural commodities through food assistance;

(4) soliciting information and advice from private and governmental sources and recommend a plan to the President and Congress on steps that should be taken to promote the export of United States agricultural commodities and to provide for expansion of export markets for United States agricultural commodities and products;

(5) developing and recommending to the President national agricultural policies to foster and promote the U.S. agricultural industry and to maintain and increase the strength of this vitally important sector of our economy;

(6) appraise the various programs and activities of the Federal Government, as they affect the U.S. agricultural industry, for the purpose of determining the extent to which such programs and activities are contributing, and to the extent to which they are not contributing to the industry, and make recommendations to the President and Congress with respect to their effectiveness.

TITLE II—NATURAL RESOURCES CONSERVATION

Subtitle A—Soil Conservation Service

FINDINGS

SEC. 201. Congress finds that—

(1) the Nation's well-being is dependent on efficient and productive agriculture, which requires a fertile and well-cared-for soil resource base and a plentiful water supply;

(2) the Soil Conservation service helps individuals, groups, organizations, cities and towns, and county and State governments reduce the costly waste of land and waste resources and use these national assets;

(3) the Soil Conservation Service since its establishment in 1935 within the United States Department of Agriculture has diligently carried out its missions of soil and water conservation, natural resource surveys, and community resource protection and development;

(4) the Soil Conservation Service provides vitally needed technical and financial assistance to achieve its conservation objectives on non-Federal land, an is assisted in this work through its partnership with over three thousand conservation districts covered more than two billion acres in all fifty States, Puerto Rico, and the Virgin Islands;

(5) it is estimated that 67 per centum of all cropland acres in the United State is in need of conservation treatment, and the annual rate of erosion on the four hundred and thirteen million acres of cropland exceeds the maximum rate of loss with which indefinite and prosperous productivity can be maintained, requiring the continued efforts of the Soil Conservation Service in combating this serious national problem; and

(6) our water resources throughout the United States have moved to the forefront of national concern requiring the continued creation of watershed projects, techniques for the improvement of water quality including the reduction of sediments, organic wastes, pesticides, an salts from polluting our waterways, and the establishment of improved irrigation systems and management as planned and designed by the Soil Conservation Service.

SEC. 202. It is the sense of Congress that the vital work of the Soil Conservation Service be vigorously pursued to address the serious soil and water problems still confronting this Nation, and that full support and funding for the Soil Conservation Service and the critical programs that it administers be continued.

Subtitle B—Highly Erodible and Erosion-Prone Land

SEC. 203. This subtitle may be cited as the "Soil Conservation Act of 1985".

DEFINITIONS

SEC. 204. For the purpose of this subtitle—

(a) The term "agricultural commodity" means any agricultural product planted and produced by annual tilling of the soil, including one-trip planters.

(b) The term "highly erodible land" means land classified by the Soil Conservation Service of the Department of Agriculture as class IVe, VIe, VII, or VIII land under the land capability classification systems in effect on the date of the enactment of this Act. The land capability class for a field shall be that determined by the Secretary to be the predominant class under regulations issued by the Secretary.

(c) The term "erosion-prone cropland" means land that is classified by the Soil Conservation Service of the Department of Agriculture as class IIIe, IVe, VI, VII, or VIII land under the land capability classification system in effect on the date of enactment of this subtitle and that has been devoted to the production of an agricultural commodity in three out of the past five years, or any other land in a State that the Soil Conservation Service determines has an erosion rate, in the production of an agricultural commodity, that is equal to or greater than the average erosion rate in the same State on any of the foregoing classes of land; and

(d) The term "Secretary" means the Secretary of Agriculture.

AGRICULTURAL PRODUCTION ON HIGHLY ERODIBLE LAND

PROGRAM INELIGIBILITY FOR PRODUCTION ON HIGHLY ERODIBLE LAND

SEC. 205. Except as provided in section 206 of this subtitle and notwithstanding any other provision of law, following the date of enactment of this subtitle, any person who produces in any crop year an agricultural commodity on highly erodible land shall be ineligible, as to any of that commodity produced during that crop year by such person, for—

(1) any type of price support, income assistance, or production adjustment payments for such commodity made available under the Agricultural Act of 1949, the Commodity Credit Corporation Charter Act, or any other Act;

(2) a loan under section 4(h) of the Commodity Credit Corporation Charter Act for the construction or purchase of a facility for the storage of such commodity;

(3) crop insurance for such commodity under the Federal Crop Insurance Act;

(4) a disaster payment for such commodity under the Agricultural Act of 1949; or

(5) a new loan made, insured, or guaranteed under the consolidated Farm and Rural Development Act or any other provision of law administered by the Farmers Home Administration, if the Secretary determines that such loan will be used for a purpose that will contribute to excessive erosion of highly erodible land.

EXEMPTIONS

SEC. 206. Section 205 of this subtitle shall not apply to any of the following—

(a) any land that was cultivated by a person to produce any of the 1981 through 1985 crops of agricultural commodities;

(b) any crop of an agricultural commodity planted before the date of enactment of this subtitle;

(c) any crop of an agricultural commodity planted by a person during any crop year beginning before the date of enactment of this subtitle;

(d) any loan described in section 205 made before the date of the enactment of this subtitle.

(e) any crop of an agricultural commodity produced using a conservation system that has been approved by a soil conservation district and this is based on technical standards set forth in the Soil Conservation Service technical guide for that soil conservation district. In areas where no soil conservation district exists, the Secretary shall determine the adequacy of the conservation system to be used in the production of any agricultural commodity on highly erodible land.

COMPLETION OF SOIL SURVEYS

SEC. 207. The Secretary shall, as soon as practicable, complete soil surveys on those private lands that do not have a soil survey suitable for use in determining the land capability class for purposes of this subtitle and, insofar as possible, concentrate on those localities where significant amounts of highly erodible land are being converted to the production of agricultural commodities.

CONSERVATION RESERVE PROGRAM

SEC. 208. (a) Notwithstanding any other provision of law, the Secretary shall formulate and carry out a program on up to 30 million acres of land to assist owners and operators of erosion-prone cropland in conserving and improving the soil and water resources of their farms or ranches. In any such program, the Secretary shall include other than erosion-prone cropland upon a demonstration by the conservation district that a serious soil erosion problem exists on such land, or in an area not within a conservation district if the Secretary determines that such a serious soil erosion problem exists.

(b) In carrying out the program under subsection (a) of this section, the Secretary shall enter into contracts during the period beginning October 1, 1985, and ending September 30, 1995, of not less than seven nor more than fifteen years for the purpose of carrying out this section. In such contract, the owner or operator shall agree to—

(1) effectuate during the agreement period a plan approved by a conservation district (or in an area not within a conservation district a plan approved by the Secretary) for converting erosion-prone cropland normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use, such as pasture, permanent grass or legumes, or trees substantially in accordance with the schedule outlined therein, except to the extent that any requirements thereof are waived or modified by the Secretary;

(2) forfeit all rights to further payments under the contract and refund to the United States all payments, with interest, received thereunder upon the violation of the contract at any stage during the time the owner or operator has control of the land if the Secretary, after considering the recommendations of the soil conservation district and the Chief of the Soil Conservation Service, determines that such violation is of such a nature as to warrant termination of the contract, or make refunds or accept such payment adjustment as the Secretary may deem appropriate if the Secretary determines that the violation by the owner or operator does not warrant termination of the contract;

(3) upon transfer of the owner or operator's right and interest in the farm or ranch during the contract period, forfeit all rights to further payments under the contract and refund to the United States all payments received thereunder, or accept such payment adjustments or make such refunds as the Secretary may deem appropriate and consistent with the objectives of this section, unless the transferee of any such land agrees with the Secretary to assume all obligations under the contract;

(4) not conduct any harvesting or grazing or otherwise make commerical use of the forage or trees on land that is subject to the contract unless it is expressly permitted in the contract, nor adopt any practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract; and

(5) such additional provisions as the Secretary determines are desirable and are included in the contract to effectuate the purposes of the program or to facilitate the practical administration thereof.

(c) The plan, as described in subsection (b)(1) of this section for converting erosion-prone cropland normally devoted to the production of agricultural commodities on a farm or ranch to a less intensive use, shall set forth the conservation measures and practices to be installed by the owner or operator during the agreement period and the commercial use, if any, to be made of the land during such period and may provide for the permanent retirement of any existing cropland base and allotment history for such land.

(d) In return for an agreement by the owner and operator under subsection (b) of this section, the Secretary shall agree to (1) provide technical assistance, (2) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest, and (3) pay an annual land rental fee, for a period of years not in excess of the duration of the contract, necessary for converting erosion-prone cropland normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use and necessary for obtaining the retirement of any cropland base and allotment history that the owner or operator agrees to retire permanently.

(e) The Secretary shall base the amount of cost sharing for conservation measures and practices under subsection (d) of this section on that part of the total cost thereof that the Secretary determines is necessary and appropriate to effectuate the installation and maintenance of the conservation plantings and practices for the normally expected life of such a planting or practice.

(f) In determining the amount of land rental under subsection (d) of this section to be paid for converting erosion-prone cropland to less intensive uses, the Secretary may consider, among other things, the amount necessary to encourage owners or operators of erosion-prone cropland to participate in the program. The total amount payable to owners or operators in the form of annual payments under contracts entered into in accordance with this section may be determined through the submission of bids in such a manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary may take into consideration the extent of erosion on the land that is the subject of the contract and the productivity of the acreage diverted.

(g) Notwithstanding any other provision of law, payments under this section shall be made in cash or in commodities in such amount and on such time schedule as agreed upon and specified in the contract. Such payments may be made in advance of determination of performance.

(h) If a producer who is entitled to any payment or compensation under this section dies, becomes incompetent, or disappears before receiving such payment or compensation, or is succeeded by another who renders or completes the required performance, the Secretary shall make or provide such payment or compensation, in accordance with regulations and without regard to any other provisions of law, in such manner as the Secretary determines to be fair and reasonable in light of all the circumstances.

(i) No agreement shall be entered into under this section concerning land with respect to which the ownership has changed in the three-year period preceding the first year of the agreement period unless (1) the new ownership was acquired by will or succession as a result of the death of the previous owner, (2) the new ownership was acquired prior to January 1, 1985, or (3) the Secretary determines that the land was acquired under circumstances that give adequate assurance that such land was not acquired for the purpose of placing it in the program. This provision shall not be construed to prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this section, nor to require a person to own the land as a condition or eligibility for entering into the agreement if the person has operated the land to be covered by an agreement under this section for as long as three years preceding the date of the agreement and controls the land for the agreement period.

(j) The Secretary shall provide adequate safeguards under the program to protect the interests of tenants and sharecroppers, including provision for sharing in payments on a fair and equitable basis.

(k) The Secretary may (1) terminate any contract entered into under this section by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest and (2) agree to such modification of contracts as the Secretary may determine to be desirable to carry out the purpose of this section or facilitate its administration.

(l) Notwithstanding subsection (c) of this section, the Secretary may provide by appropriate regulations for preservation of cropland base and allotment history, applicable to acreage converted from the production of crops under this section, for the purpose of any Federal program under which such history is used as a basis for participation in such program or for an allotment or other limitation in such program, unless the owner or operator agrees under the contract to retire permanently such cropland base and allotment history.

(m) In carrying out this section, the Secretary may use the facilities, services, authorities, and funds of the Commodity Credit Corporation, except that the Secretary may not use funds of the Corporation for such purpose unless the Corporation has received funds to cover such expenditures from appropriations made to carry out this section.

(n) The Secretary may enter into contracts in any fiscal year requiring payments to producers under this section only to such extent or in such amounts as provided in appropriations Acts. There are hereby authorized to be appropriated such sums as are necessary for the administration of this section, including such amounts as may be required to make payments to the Commodity Credit Corporation for its costs to be incurred under this section.

ADMINISTRATIVE PROVISIONS

SEC. 209. (a) In carrying out this subtitle, the Secretary shall use the services of local, county, and State committees established under Section 8 of the Soil Conservation and Domestic Allotment Act.

(b) The Secretary shall establish, by regulation, an appeal procedure under which a person who is adversely affected by any determination made under this subtitle may seek review of such determination.

(c) The Secretary shall, within one hundred and eighty days after the enactment of this title, publish in the *Federal Register* such regulations as the Secretary determines desirable to implement this subtitle.

(d) The authority provided by this subtitle shall be in addition to and not in place of other authorities available to the Secretary and the Commodity Credit Corporation for carrying out soil and water conservation programs.

Subtitle C—Soil and Water Conservation Fund

SEC. 210. The Internal Revenue Code of 1954 is amended by adding at the end thereof a new Subtitle J as follows:

"Subtitle J—Financing of Soil and Water Conservation

"SHORT TITLE

"SEC. 9700. This subtitle may be cited as the "Soil and Water Conservation Fund Act".

"ESTABLISHMENT OF SOIL AND WATER CONSERVATION FUND

"SEC. 9701. There is hereby established in the Treasury of the United States a special fund to be known as the "Soil and Water Conservation Fund". The Secretary of the Treasury shall, from time to time, transfer to the fund an amount not in excess of the sum of the amounts designated to the fund by individuals under section 9702. Notwithstanding any other provision of law, such amounts so transferred to the fund shall be available to the Secretary of Agriculture for the purpose of carrying out soil or water conservation programs, including, but not limited to, programs administered through local soil and water conservation districts.

"DESIGNATIONS OF INCOME TAX PAYMENTS TO SOIL AND WATER CONSERVATION FUND

"SEC. 9702. (a) Every individual (other than a nonresident alien) whose income tax liability for the taxable year is $5 or more may designate that $5 shall be paid to the Soil and Water Conservation Fund in accordance with the provisions of section 9701. In the case of a joint return of husband and wife having an income tax liability of $10 or more, each spouse may designate that $5 shall be paid to the fund.

"(b) For purposes of subsection (a), the income tax liability of an individual for any taxable year is the amount of the tax imposed by chapter 1 on such individual for such taxable year (as shown on his return), reduced by the sum of the credits (as shown on his return) allowable under part IV of subchapter A of chapter I (other than subpart C thereof).

"(c) A designation under subsection (a) may be made with respect to any taxable year—

"(1) at the time of filing the return of the tax imposed by chapter 1 for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary.

"Such designation shall be made in such manner as the Secretary prescribes by regulations except that, if such designation is made at the time of filing the return of the tax imposed by chapter 1 for such taxable year, such designation shall be made either on the first page of the return or on the page bearing the taxpayer's signature."

TITLE III—WOOL AND MOHAIR

EXTENSION OF PRICE SUPPORT PROGRAM

SEC. 301. Section 703 of the National Wool Act of 1954, as amended, is amended by—

(1) striking out "1985" in subsection (a) and inserting in lieu thereof "1989"; and

(2) striking out "1985" in subsection (b) and inserting in lieu thereof "1989".

PROMOTION OF THE SALE OF WOOL, SHEEP, MOHAIR, AND GOATS OUTSIDE THE UNITED STATES

SEC. 302. Section 708 of the National Wool Act of 1954 is amended in the second sentence by striking out "Mohair or goat or the products thereof" and inserting in lieu thereof "wool, sheep, mohair, or goats or the products thereof".

TITLE IV—WHEAT

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, WHEAT ACREAGE REDUCTION AND SET-ASIDE PROGRAM, AND LAND DIVERSION FOR THE 1986 THROUGH 1989 CROPS OF WHEAT

SEC. 401. Effective only for the 1986 through 1989 crops of wheat, the Agricultural Act of 1949 is amended by adding after section 107C the following new section:

SEC. 107D. Notwithstanding any other provision of law—

"(a) The Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of wheat at such level, not less than $3.55 per bushel, as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat: *Provided*, That if the Secretary determines that the average price of wheat received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for wheat for such marketing year, the Secretary may reduce the level of loans and purchases for wheat for the next marketing year the amount the Secretary determines necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below $3 per bushel.

"(b)(1)(A) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of wheat in an amount computed as provided in this subsection. Payments for any crop of wheat shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

"(B) The payment rate for wheat shall be the amount by which the established price for the crop of wheat exceeds the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop.

"(C) For the 1986 crop of wheat, the established price shall be $4.38 per bushel, adjusted by the Secretary to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of the years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. For the 1987 through 1989 crops of wheat, the established price shall be the established price for the previous year's crop adjusted by the Secretary in the same manner as the adjustment set out in the preceding two sentences with respect to the established price for the 1986 crop.

"(D) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for wheat in accordance with the proviso in subsection (a) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for wheat by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made: *Provided*, That any payments under this subparagraph shall not be included in the payments subject to limitations under the provisions of section 1208 of the Agricultural Food Assistance Act of 1985.

"(E)(1) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2)(A) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to their wheat acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c)(1) The Secretary shall proclaim a national program acreage for each of the 1986 through 1989 crops of wheat. The proclamation shall be made not later than August 15 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for wheat shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of wheat be more than 100 per centum nor less that 80 per centum.

"(3) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the acreage base established for the farm under subsection (e)(2) of this section by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than the acreage base established for the farm under subsection (e)(2) of this section, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for wheat, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e) (1) Notwithstanding any other provision of this section, the Secretary may provide for any crop of wheat either a program under which the acreage planted to wheat would be limited as described in paragraph (2) of this subsection or a set-aside program as described in paragraph (3) of this subsection if the Secretary determines that the total supply of wheat, in the absence of such a program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such wheat acreage limitation program or set-aside program not later than August 15 prior to the calendar year in which the crop is harvested.

"(2) If a wheat acreage limitation program is announced under paragraph (1) of this subsection, such limitation shall be achieved by applying a uniform percentage reduction to the wheat acreage base for each wheat-producing farm. Producers who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed under this paragraph shall be the acreage planted on the farm to wheat for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to wheat for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to wheat for harvest shall include any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (A) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres actually planted to such commodity, by (B) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereinafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under paragraph (1) of this subsection for a crop of wheat, subsection (c) of this section shall not be applicable to such crop, including any prior announcement which may have been made under such subsection with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to wheat for harvest within the permitted wheat acreage for the farm as established under this paragraph.

"(3) If a set-aside program is announced under paragraph (1) of this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of wheat planted for harvest for the crop for which the set-aside is in effect. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. If a set-aside program is established, the Secretary may limit the acreage planted to wheat. Such limitation shall be applied on a uniform basis to all wheat-producing farms. The Secretary may make such adjustments in individual set-aside acreages under this paragraph as the Secretary determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary deems necessary.

"(4) The regulations issued by the Secretary under paragraphs (2) and (3) of this subsection with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely. In determining the amount of land to be devoted to conservation uses under an acreage limitation or set-aside program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation or set-aside program for wheat is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife in conformity with standards established by the Secretary in consultation with wildlife habitat agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage, set-aside acreage, or additional diverted acreage. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section if an acreage limitation program is established under subsection (e)(2) of this section, but may be required if a set-aside program is established under subsection (e)(3) of this section.".

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

Sec. 402. Sections 379d, 379e, 379f, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1986, through May 31, 1990.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

Sec. 403. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1986 through 1989 crops of wheat.

SUSPENSION OF QUOTA PROVISIONS

Sec. 404. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1986 through 1989.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949

Sec. 405. Section 107 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1986 through 1989 crops of wheat.

TITLE V—FEED GRAINS

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, FEED GRAIN ACREAGE REDUCTION AND SET-ASIDE PROGRAMS, AND LAND DIVERSION PAYMENTS FOR THE 1986 THROUGH 1989 CROPS

Sec. 501. Effective only for the 1986 through 1989 crops of feed grains, the Agricultural Act of 1949, as amended, is amended by adding after section 105B a new section as follows:

"Sec. 105C. Notwithstanding any other provision of law—

"(a) The Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of corn at such level, not less than $2.55 per bushel, as the Secretary determines will encourage the exportation of feed grains and not result in excessive stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn: *Provided*, That if the Secretary determines that the average price of corn received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for corn for such marketing year, the Secretary may reduce the level of loans and purchases for corn for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below $2 per bushel.

"(2) The Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of grain sorghums, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b) of this Act.

"(b)(1)(A) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of corn, grain sorghums, oats, and if designated by the Secretary, barley in an amount computed as provided in this subsection. Payments for any crop of feed grains shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to feed grains.

"(B) The payment rate for corn shall be the amount by which the established price for the crop of corn exceeds the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop.

"(C) For the 1986 crop of corn, the established price shall be $3.38 per bushel, adjusted by the Secretary to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of information that the Secretary finds necessary and appropriate for the purpose and shall include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. For the 1987 through 1989 crops of corn, the established price shall be the established price for the previous year's crop adjusted by the Secretary in the same manner as the adjustment set out in the preceding two sentences with respect to the established price for the 1986 crop.

"(D) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for corn in accordance with the proviso in subsection (a)(1) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for corn by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made: *Provided*, That any payments under this subparagraph shall not be included in the payments subject to limitations under the provisions of section 1208 of the Agricultural and Food Assistance Act of 1985.

"(E) The payment rate for grain sorghums, oats, and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(F) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2)(A) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other conditions beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33 per centum of the established price for the crop.

"(B) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to their feed grain acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other conditions beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c)(1) The Secretary shall proclaim a national program acreage for each of the 1986 through 1989 crops of feed grains. The proclamation shall be made not later than November 15 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for feed grains shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the acreage base established for the farm under subsection (e)(2) of this section by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than the acreage base established for the farm under subsection (e)(2) of this section, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for feed grains was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e)(1) Notwithstanding any other provision of this section, the Secretary may provide for any crop of feed grains either a program under which the acreage planted to feed grains would be limited as described in paragraph (2) of this subsection or a set-aside program as described in paragraph (3) of this subsection if the Secretary determines that the total supply of feed grains, in the absence of such a program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such feed grain acreage limitation program or set-aside program not later than November 15 prior to the calendar year in which the crop is harvested.

"(2) If a feed grain acreage limitation program is announced under paragraph (1) of this subsection, such limitation shall be achieved by applying a uniform percentage reduction to the feed grain acreage base for each feed grain-producing farm. Producers who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm. The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if such producer has previously produced a malting variety of barley for harvest, and meets such other conditions as the Secretary may prescribe. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed under this paragraph shall be the acreage planted on the farm to feed grains for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to feed grains for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to feed grains for harvest shall include any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (A) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres actually planted to such commodity, by (B) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereinafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under paragraph (1) of this subsection for a crop of feed grains, subsection (c) of this section shall not be applicable to such crop, including any prior announcement which may have been made under such subsection with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted feed grain acreage for the farm as established under this paragraph.

"(3) If a set-aside program is announced under paragraph (1) of this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of feed grains planted for harvest for the crop for which the set-aside is in effect. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. If a set-aside program is established, the Secretary may limit the acreage planted to feed grains. Such limitation shall be applied on a uniform basis to all feed grain-producing farms. The Secretary may make such adjustments in individual set-aside acreages under this paragraph as the Secretary determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary deems necessary.

"(4) The regulations issued by the Secretary under paragraphs (2) and (3) of this subsection with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(5) The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation or set-aside program for feed grains is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretry shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage, set-aside acreage, or additional diverted acreage. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive to modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section if an acreage limitation program is established under subsection (e)(2) of this section, but may be required if a set-aside program is established under subsection (e)(3) of this section.".

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949

SEC. 502. Section 105 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1986 through 1989 crops of feed grains.

TITLE VI—RICE

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, RICE ACREAGE REDUCTION, AND LAND DIVERSION FOR THE 1986 THROUGH 1989 CROPS OF RICE.

SEC. 601. Effective only for the 1986 through 1989 crops of rice, section 101 of the Agricultural Act of 1949 is amended by adding at the end thereof a new subsection as follows:

"(j) Notwithstanding any other provision of law—

"(1) The Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of rice at such level as bears the same ratio to the loan level for the preceding year's crop as the established price for each such crop bears to

the established price for the preceding year's crop. If the Secretary determines that loans and purchases at the foregoing level for any of the 1986 through 1989 crops would substantially discourage the exportation of rice and result in excessive stocks of rice in the United States, the Secretary may, notwithstanding the foregoing provisions of this paragraph, establish loans and purchases for any such crop at such level, not less than $8 per hundredweight, as the Secretary determines necessary to avoid such consequences: *Provided*, That the loan and purchase level for the succeeding crop shall be established on the basis of the loan and purchase level established for the preceding crop year before the application of this sentence. The loan and purchase level and the established price for each of the 1986 through 1989 crops of rice shall be announced not later than March 1 of each calendar year for the crop harvested in that calendar year.

"(2)(A) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of rice in an amount computed as provided in this paragraph. Payments for each such crop of rice shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the yield established for the farm. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice.

"(B) The payment rate for rice shall be the amount by which the established price for the crop of rice exceeds the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under paragraph (1) of this subsection for such crop.

"(C) For the 1986 crop of rice, the established price for rice shall be $11.90 per hundredweight, adjusted by the Secretary to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. For the 1987 through 1989 crops of rice, the established price shall be the established price of the previous year's crop adjusted by the Secretary in the same manner as the adjustment set out in the preceding two sentences with respect to the established price for the 1986 crop.

"(D) The yield established for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years. The actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, other natural disaster, or other condition beyond the control of the producers. If no rice was produced on the farm during such period, the yield shall be determined taking into consideration the yield of comparable farms in the surrounding area and such other factors as the Secretary determines will produce a fair and equitable yield.

"(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (3) of this subsection.

"(3)(A) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the yield established for the farm times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the yield established for the farm for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to their rice acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(4)(A) The Secretary shall proclaim a national program acreage for each of the 1986 through 1989 crops of rice. The proclamation shall be made not later than January 31 of each calendar year for the crop harvested in that calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under subparagraph (B) of this paragraph if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for rice shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm established yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of rice are excessive or an increase in stocks is needed to assure desireable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(B) The Secretary shall determine a program allocation factor for each crop of rice. The allocation factor for rice shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crops, except that in no event shall the allocation factor for any crop of rice be more that 100 per centum nor less than 80 per centum.

"(C) The individual farm program acreage for each crop of rice shall be determined by multiplying the allocation factor by the acreage of rice planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of rice planted for harvest on the farm from the acreage base established for the farm under paragraph (5)(A) of this subsection by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of rice planted for harvest is less than the acreage base established for the farm under paragraph (5)(A) of this subsection, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for rice, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(5)(A) Notwithstanding any other provision of this subsection, the Secretary may establish for any crop of rice a limitation on the acreage planted to rice if the Secretary determines that the total supply of rice, in the absence of such a limitation, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such rice limitations not later than January 31 of the calendar year in which the crop for which the announcement is made is harvested. Such limitation shall be achieved by applying a uniform percentage reduction to the rice acreage base for each rice-producing farm. Producers who knowingly produce rice in excess of the permitted rice acreage for the farm shall be ineligible for rice loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed under this subparagraph shall be the acreage planted on the farm to rice for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to rice for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to rice for harvest shall include any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres actually planted to rice, by (ii) the number of acres authorized to be planted to rice under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereinafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under this paragaph for a crop of rice, paragraph (4) of this subsection shall not be applicable to such crop, incluidng any prior announcement which may have been made under such paragraph with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to rice for harvest within the permitted rice acreage for the farm as established under this paragraph.

"(B) The regulations issued by the Secretary under subparagraph (A) of this paragraph with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) The Secretary may make land diversion payments to producers of rice, whether or not an acreage limitation for rice is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(D) Any reduced acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage or additional diverted acreage. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(E) An operator of a farm desiring to participate in the program conducted under this paragraph shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(6) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(7) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(8) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(9) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(10) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(11) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(12) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this subsection.".

TITLE VII—COTTON

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, COTTON ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1986 THROUGH 1989 CROPS OF UPLAND COTTON

SEC. 701. Effective only for the 1986 through 1989 crops of upland cotton, section 103 of the Agricultural Act of 1949 is amended by adding at the end thereof the following new subsection:

"(i)(1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1986 through 1989 crops of upland cotton to producers nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one-and-one-sixteenth-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (A) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during three years of the five-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, or (B) 90 per centum of the average price, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest-price growths of the growths quoted for Middling one-and-three-thirty-seconds-inch cotton C.I.F. northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9). In no event shall such loan level be less than 55 cents per pound. If for any crop the average northern European price determined under clause (B) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (A) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under clause (A) of the first sentence of this paragraph. The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such loan level shall not thereafter be changed. Nonrecourse loans provided for in this subsection shall, upon request of the producer during the tenth month of the loan period for the cotton, be made available for an additional term of eight months, except that such request to extend the loan

period shall not be approved in a month when the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six-month period.

"(2) Whenever the Secretary determines that the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six-months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(A) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three month period for which data are available.

"(B) If a special quota has been established under this paragraph during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in subparagraph (A) of this paragraph or the amount required to increase the supply to 130 per centum of the demand.

"(C) As used in subparagraph (B) of this paragraph, the term 'supply' means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four-hundred-and-eighty-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term 'demand' means the average seasonably adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established.

"(D) When a special quota is established under the provisions of this paragraph, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota.

Notwithstanding the foregoing provisions of this paragraph, a special quota period shall not be established that overlaps an existing quota period.

"(3)(A) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of upland cotton in an amount computed as provided in this paragraph. Payments for each crop of upland cotton shall be computed by multiplying (i) the payment rate, (ii) by the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to cotton.

"(B) The payment rate for upland cotton shall be the amount by which the established price for the crop of upland cotton exceeds the higher of—

"(i) the average market price received by farmers for upland cotton during the calendar year which includes the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under paragraph (1) of this subsection for such crop.

"(C) The established price for the 1986 through 1989 crops of upland cotton shall be not less than the higher of (i) the price per pound determined under subparagraph (D) of this paragraph, or (ii) 120 per centum of the loan level determined for such crop under paragraph (1) of this subsection.

"(D) The price referred to in clause (i) of the subparagraph (C) of this paragraph shall be $0.81 per pound for the 1986 crop of upland cotton, adjusted by the Secretary to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of information that the Secretary finds necessary and appropriate for the purpose and shall include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. For the 1987 through 1989 crops of upland cotton, the price referred to in clause (i) of subparagraph (C) shall be the price per pound of the previous year's crop adjusted in the same manner as the adjustment set out in the preceding two sentences with respect to the price for the 1986 crop.

"(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (4) of this subsection.

"(4)(A) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for cotton to cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of cotton which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to their cotton acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting cotton or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(5) The Secretary shall proclaim a national program acreage for each of he 1986 through 1989 crops of upland cotton. The proclamation shall be made not later than November 1 of the calendar preceding the year for which such acreage is established. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (6) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for cotton shall be the number of harvested acres the Secretary determines (on the basis of the estimated weighted national average of the farm program yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. The national program acreage shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply, so as to provide for an adequate but not excessive total supply of cotton for the marketing year for the crop for which such national program acreage is estimated. In no event shall the national program acreage be less than ten million acres.

"(6) The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor for upland cotton shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of upland cotton be more than 100 per centum.

"(7) The individual farm program acreage for each crop of upland cotton shall be determined by multiplying the allocation factor by the acreage of cotton planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of cotton planted for harvest on the farm from the acreage base established for the farm under paragraph (9)(A) of this subsection by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of cotton planted for harvest is less than the acreage base established for the farm under paragraph (9)(A) of this subsection, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for upland cotton, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(8) The farm program payment yield for each crop of upland cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding three years, except that the actual yields shall be adjusted by the Secretary for abnormal yield in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. In case farm yield data for one or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available. Notwithstanding the foregoing provisions of this paragraph, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this paragraph. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(9)(A) Notwithstanding any othe provision of this subsection, the Secretary may establish a limitation on the acreage planted to upland cotton if the Secretary determines that the total supply of upland cotton, in the absence of such a limitation, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such cotton acreage limitation not later than November 1 prior to the calendar year in which the crop is harvested.

"(B) If a cotton acreage limitation is announced under subparagraph (A) of this paragraph, such limitation shall be achieved by applying a uniform percentage reduction to the cotton acreage base for each cotton-producing farm. Producers who knowingly produce cotton in excess of the permitted cotton acreage for the farm shall be ineligible for cotton loans and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed under this subparagraph shall be the acreage planted on the farm to upland cotton for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to upland cotton for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to cotton for harvest shall include any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereinafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under subparagraph (A) of this paragraph for a crop of upland cotton, paragraphs (5), (6), and (7) of this subsection shall not be applicable to such crop, including any prior announcement which may have been made under such paragraphs with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest within the permitted upland cotton acreage for the farm as established under this paragraph.

"(C) The regulations issued by the Secretary under subparagraph (B) of this paragraph with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(D) The Secretary may make land diversion payments to producers of upland cotton, whether or not an acreage limitation for upland cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(E) The reduced acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on the reduced acreage and the additional diverted acreage. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(10) An operator of a farm desiring to participate in the program conducted under paragraph (9) of this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(11) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(12) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(13) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(14) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(15) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(16) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(17) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans or payments under this subsection.

"(18) In order to encourage and assist producers in the orderly ginning and marketing of their cotton production, the Secretary shall make recourse loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act.".

SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS

SEC. 702. Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1986 through 1989 crops of upland cotton.

MISCELLANEOUS COTTON PROVISIONS

SEC. 703. Sections 103(a) and 203 of the Agricultural Act of 1949 shall not be applicable to the 1986 through 1989 crops of upland cotton.

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 704. Effective only with respect to the period beginning August 1, 1986, and ending July 31, 1990, the tenth sentence of section 407 of the Agricultural Act of 1949 is amended by striking out all of that sentence through the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any othe provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 115 per centum of the loan rate for Strict Low Middling one-and one-sixteenth-inch upland cotton (Micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and (2)".

SKIPROW PRACTICES

SEC. 705. Section 374(a) of the Agricultural Adjustment Act of 1938 is amended by striking out "1985" and inserting lieu thereof "1989".

PRELIMINARY ALLOTMENTS FOR THE 1990 CROP OF UPLAND COTTON

SEC. 706. Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938, as amended, shall again become effective as preliminary allotments for the 1990 crop.

TITLE VIII—PEANUTS

SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS

SEC. 801. The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1986 through 1989 crops of peanuts:

(1) Subsections (a) through (j) of section 358;

(2) Subsections (a) through (h) of section 358a;

(3) Subsections (a), (b), (d), and (e) of section 359;

(4) Part I of subtitle C of title III; and

(5) Section 371.

NATIONAL POUNDAGE QUOTA AND FARM POUNDAGE QUOTA FOR THE 1986 THROUGH 1989 CROPS OF PEANUTS

SEC. 802. Effective only for the 1986 through 1989 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows:

"(q) The national poundage quota for peanuts for each of the marketing years 1986 through 1989 shall be established by the Secretary at a level that will meet domestic edible, seed, and related needs for peanuts. The level established for any marketing year shall not be less than 1,100,000 tons increased by an amount that the Secretary estimates the domestic edible, seed, and related uses of peanuts in such year will exceed 1,100,000 tons. The national poundage quota shall be announced by the Secretary not later than December 15 of the year preceding the marketing year for which such poundage quota will be effective.

"(r)(1) The national poundage quota established under section (q) of this section shall be apportioned among the States so that the poundage quota allocated to each State shall be equal to the percentage of the national poundage quota allocated to farms in the State for 1985.

"(s)(1) A farm poundage quota shall be established for each farm that had a farm poundage quota for the 1985 crop of peanuts and, to the extent provided for in paragraph (2) of this subsection, for each other farm on which peanuts were produced in at least two of the crop years 1983 through 1985 as determined by the Secretary. The farm poundage quota for any such farm for the 1986 through 1989 marketing years shall be the same as the farm poundage quota for such farm for the immediately preceding marketing year as adjusted under this subsection, but not including any increases for undermarketings from previous years of any increases resulting from the allocation of quotas voluntarily released for one year under paragraph (7) of this subsection. For the purposes of this paragraph, if the farm poundage quota, or any part thereof, is permanently transferred in accordance with section 358a of this Act, the receiving farm shall be considered as possessing the farm poundage quota (or portion thereof) of the transferring farm for all subsequent marketing years. A farm poundage quota established on a farm under the provisions of paragraph (2) or (6) of this subsection shall be considered as being established under the provisions of this paragraph for all subsequent marketing years.

"(2) Any increase in a State's poundage quota apportionment from 1985 to 1986 shall be allocated equally to all farms that are eligible for a farm poundage quota for the 1986 marketing year under paragraph (1) of this subsection. If the national poundage quota is increased for any of the marketing years 1987 through 1989, such increase in a State's poundage quota apportionment shall be allocated equally among (A) all farms on which a poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made and (B) all other farms on which peanuts were produced during at least two of three immediately preceding crop years as determined by the Secretary.

"(3) The farm poundage quota established on a farm for any marketing year 1986 through 1989 shall be reduced, insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, to the extent that the Secretary determines that the farm poundage quota established on the farm for any two of the three marketing years preceding the year for which the determination is being made was not produced, or considered produced, on the farm. For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increases for undermarketing of quota peanuts from previous years or any increases resulting from the allocation of quotas voluntarily released for one year under paragraph (7) of this subsection.

"(4) For the purpose of this subsection, the farm poundage quota shall be considered produced on a farm if (A) the poundage quota of peanuts was not produced on the farm for reason of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary, or (B) the farm poundage quota on the farm was released voluntarily under paragraph (7) of this subsection for only one of the three marketing years immediately preceding the year for which the determination is being made.

"(5) Notwithstanding any other provision of law, the farm poundage quota established on a farm under this subsection, or any part thereof, may be permanently released by the owner of the farm, or the operator with the permission of the owner, and the poundage quota on the farm shall be adjusted to the extent that the quota is so released.

"(6) The total amount of farm poundage quota reduced or voluntarily released from farms in a State during any year under paragraphs (3) or (5), respectively, of this subsection shall be allocated under regulations issued by the Secretary to other farms in the State on which peanuts were produced in at least two of the three crop years immediately preceding the year in which such allocation is being made. Not less than 25 per cent of such poundage quota shall be assigned to farms on which no quota was established for the preceding year's crop.

"(7) The farm poundage quota established on a farm for a marketing year, or any portion thereof, may be voluntarily released to the Secretary to the extent that such quota of peanuts will not be produced on the farm during the crop year. Any farm poundage quota voluntarily released on farms in a State shall be allocated to other farms in the State on such basis as the Secretary may prescribe. Any adjustment in the poundage quota for a farm under this paragraph shall be effective only for the marketing year for which it is made and shall not be taken into consideration in establishing a poundage quota on the farm for any subsequent marketing year.

"(8) The farm poundage quota on a farm for any marketing year shall be increased by the number of pounds by which the total marketings of quota peanuts for the farm

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during previous marketing years (excluding any marketing year before the marketing year for the 1984 crop) were less than the total amount of the applicable farm poundage quotas (disregarding adjustments for undermarketings from prior marketing years) for such marketing years: *Provided*, That no increase for undermarketings in previous years shall be made to the poundage quota on any farm to the extent that the quota on such farm for the marketing year was reduced under paragraph (3) of this subsection for failure to produce. Increases in farm poundage quotas made under this paragraph shall not be counted against the national poundage quota for the marketing year involved. Any farm poundage quota increase made under this paragraph may be used in the marketing year by the transfer of additional peanuts produced on the farm to the quota loan pool for pricing purposes on such basis as the Secretary shall prescribe by regulation.

"(9) Notwithstanding the foregoing provisions of this subsection, if the total of all increases in individual farm poundage quotas under paragraph (8) of this subsection exceeds 10 per centum of the national poundage quota for the marketing year in which such increases shall be applicable, the Secretary shall adjust such increases so that the total of all such increases does not exceed 10 per centum of the national poundage quota.

"(t) For each farm for which a farm poundage quota was established under subsection (s) of this section, and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977. If peanuts were not produced on the farm in at least three years during such five-year period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(u) Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of farmers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the four calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second, third, and fourth years of the period. The Secretary shall proclaim the result of the referendum within thirty days after the date on which it is held, and if more than one-third of the farmers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(v) For the purposes of this part and title I of the Agricultural Act of 1949—

"(1) 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined in subsection (s) of this section, that are eligible for domestic edible use as determined by the Secretary, that are marketed or considered marketed from a farm, and that do not exceed the farm poundage quota of such farm for such year;

"(2) 'additional peanuts' means, for any marketing year (A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from such farm for such year, and (B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (s) of this section;

"(3) 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary; and

"(4) 'domestic edible use' means use for milling to produce domestic food peanuts (other than those described in paragraph (3) of this subsection) and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available.".

SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA

SEC. 803. Effective only for the 1986 through 1989 crops of peanuts, section 358a of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows:

"(k) The owner, or the operator with permission of the owner, of any farm for which a farm poundage quota has been established under this Act may, subject to such terms, conditions, or limitations as the Secretary may prescribe, sell or lease all or any part of such poundage quota to any other owner or operator of a farm within the same county for transfer to such farm. The owner or operator of a farm may transfer all or any part of such farm's farm poundage quota to any other farm owned or controlled by such owner or operator that is in the same county or in a county contiguous to such county in the same State and that had a farm poundage quota for the preceding year's crop. Notwithstanding the foregoing provisions of this subsection, in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the preceding year's crop, all or any part of a farm poundage quota may be transfered by sale or lease or otherwise from a farm in one county to a farm in another county in the same State.

"(l) Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to the following conditions:

"(1) no transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders;

"(2) no transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota;

"(3) no transfer of the farm poundage quota shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section; and

"(4) such other terms and conditions that the Secretary may by regulation prescribe.".

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 804. Effective only for the 1986 through 1989 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows:

"(m)(1) The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which such peanuts are produced shall be subject to penalty at a rate equal to 140 per centum of the support price for quota peanuts for the marketing year (August 1 through July 31) in which such marketing occurs. The marketing of any additional peanuts from a farm shall be subject to the same penalty unless such peanuts, in accordance with regulations established by the Secretary, are either (A) placed under loan at the additional loan rate in effect for such peanuts under section 108B of the Agricultural Act of 1949 and not redeemed by the producers, (B) marketed through an area marketing association designated pursuant to section 108B(3)(A) of the Agricultural Act of 1949, or (C) marketed under contracts between handlers and producers, pursuant to the provisions of subsection (q) of this section. Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer, or if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins. If any producer falsely identifies or fails to certify planted acres or fails to account for the disposition of any peanuts produced on such planted acres, an amount of peanuts equal to the farm's average yield, as determined under section 358(t) of this Act, times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts and the penalty in respect thereof shall be paid and remitted by the producer.

"(2) The Secretary shall authorize, under such regulations as the Secretary shall prescribe, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned. Errors in weight that do not exceed one-tenth of 1 per centum in the case of any one marketing document shall not be considered marketing violations except in cases of fraud or conspiracy.

"(n) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under subsection (c) of this section, are unique strains, and are not commercially available. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (r) of this section. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(o) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced for the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 140 per centum of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(p)(1) Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108B(3)(A) of the Agricultural Act of 1949.

"(2)(A) Supervision of the handling and disposal of additional peanuts of additional peanuts contracted by a handler shall not be required under paragraph (1) of this subsection if the handling and disposal of such peanuts is conducted in the manner prescribed in regulations issued by the Secretary.

"(B) The regulations issued by the Secretary under subparagraph (A) shall permit handlers of shelled peanuts to export peanuts classified by type, without physical supervision under paragraph (1) of this subsection, in quantities as described in subparagraph (C) of this paragraph.

"(C)(i) Sound split kernel peanuts in an amount equal to twice the pounds of such peanuts purchased by the handler as additional peanuts.

"(ii) Sound mature kernel peanuts in an amount equal to the pounds of such peanuts purchased by the handler as additional peanuts less the amount of sound split kernels purchased by the handler.

"(iii) The remaining quantity of total kernel content purchased by the handler as additional peanuts and not crushed domestically.

"(D) Any additional peanuts exports without physical supervision under subparagraph (B) of this paragraph shall be evidenced by on-board bill on ladings or other appropriate documentation as may be required by the Secretary or both. Handler's obligations to export peanuts in quantities described in subparagraph (C) shall be reduced by a reasonable shrinkage allowance to be determined by the Secretary. The Secretary may require adequate financial guarantees as well as evidence of adequate facilities and assets in order to assure compliance with the obligation of the handler to export peanuts without physical supervison under subparagraph (B) of this paragraph. If a handler should suffer a loss of peanuts as a result of fire, flood, or other condition beyond the control of the handler, the portion of such loss allocated to contracted additional peanuts shall not be greater than the portion of the handler's total purchases for the year attributable to contracted additional peanuts purchased for export by the handler during such year.

"(3) Quota and additional peanuts of like type and segregration or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(4) The failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 per centum of the loan level for quota peanuts on the quantity of peanuts involved in the violation. The amount of any penalty imposed on a handler under this subsection that resulted from the failure to export contracted additional peanuts shall not be reduced by the Secretary under the provisions of subsection (s)(5) of this section. A handler shall not be subject to a penalty for failure to export additional peanuts if such peanuts were not delivered to the handler.

"(5) If any additional peanuts exported by a handler should reenter the United States in commercial quantities as determined by the Secretary, the importer thereof shall be subject to a penalty at a rate equal to 140 per centum of the loan level for quota peanuts on the quantity of peanuts involved in the reentry.

"(q) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval prior to August 1 of the year in which the crop is produced. Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of such peanuts for domestic edible or seed use.

"(r) Subject to the provisions of section 407 of the Agricultural Act of 1949, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) not less than 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by and with the written consent of the producer, (2) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer by not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts of the additional peanuts are sold later than December 31 of the marketing year. For the period from the date additional peanuts are delivered for loan to March 1 of the calender year following the year in which such additional peanuts were harvested, the area marketing association designated pursuant to section 108B(3)(A) of the Agriculture Act of 1949 shall have sole authority to accept or reject lot list bids when the sales as determined under this section equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts, except that the area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by this sentence to facilitate the orderly marketing of additional peanuts.

"(s)(1) The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date such penalty became due.

"(2) The provisions of this section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm.

"(3) Until the amount of the penalty provided by this section, other than a penalty on an importer under subsection (p)(5), is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulations may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in confromity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether such determination was made in conformity with the applicable law and regulations. All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) Notwithstanding any other provision of law and except as otherwise provided in subsection (p)(4) of this section, the Secretary may reduce the amount of any penalty assessed against handlers under this section if the Secretary finds that the violation upon which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.".

PRICE SUPPORT PROGRAM

SEC. 805. Effective only for the 1986 through 1989 crops of peanuts, the Agricultural Act of 1949 is amended by adding after section 108A a new section as follows:

"PRICE SUPPORT FOR 1986 THROUGH 1989 CROPS OF PEANUTS

"SEC. 108B. Notwithstanding any other provision of law—

"(1) The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1986 through 1989 crops. The national average quota support rate for the 1986 crop of quota peanuts shall be the same as the national average support rate established for the 1985 crop of quota peanuts adjusted by the Secretary by the percentage of any increase in the prices paid by producers for commodities and services, interest, taxes, and farm wages rates during calendar years 1981 through 1985 as determined by the Secretary. The national average quota support rate for each of the 1987 through 1989 crops of quota peanuts shall be the national average quota support rate for the preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of production, excluding any change in the cost of land, except that in no event shall the national average quota support rate for any such crop exceed by more than 6 per centum the national average quota support rate for the preceding crop. The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage: *Provided*, That the Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 403 of this Act. The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(2) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1986 through 1989 crops at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets: *Provided*, That the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts. The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(3)(A) In carrying out paragraphs (1) and (2) of this section, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.60 (1985 ed.)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 359 of the Agricultural Adjustment Act of 1938. Such are marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Act of 1938. Loans made under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

"(B) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan, for additional peanuts placed under loan, and for additional peanuts produced without a contract between a handler and a producer as described in section 359(q) of the Agricultural Adjustment Act of 1938, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts produced in the Southwest area shall be considered as different types for the purpose of establishing pools under this section. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of (i) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts and (ii) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i) of this sentence. Notwithstanding any other provision of this section, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by the producer. Notwithstanding any other provision of this section, the proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool under the provisions of section 358(s)(8) of the Agricultural Adjustment Act of 1938.

"(4) Notwithstanding the foregoing provisions of this section or any other provision of law, no price support shall be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358(u) of the Agricultural Adjustment Act of 1938.".

REPORTS AND RECORDS

Sec. 806. Effective only for the 1986 through 1989 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 is amended by inserting immediately before "all brokers and dealers in peanuts" the following: "all farmers engaged in the production of peanuts,".

SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS

Sec. 807. Section 101 of the Agricultural Act of 1949 shall not be applicable to the 1986 through 1989 crops of peanuts.

TITLE IX—SUGAR

SUGAR PRICE SUPPORT

Sec. 901. Effective only for the 1986 through 1989 crops of sugar beets and sugarcane, section 201 of the Agricultural Act of 1949 is amended by—

(1) striking out in the first sentence "honey, and milk" and inserting in lieu thereof "honey, milk, sugar beets, and sugarcane"; and

(2) adding at the end thereof a new subsection as follows:

"(j) The price of each of the 1986 through 1989 crops of sugar beets and sugarcane, respectively, shall be supported in the manner specified below:

"(1) The Secretary shall support the price of each of the 1986 through 1989 crops of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate but not less than the following levels for raw cane sugar:

"(A) for the 1986 crop, 18 cents per pound; and

"(B) for each of the 1987 through 1989 crops, the level of support of the preceding year's crop increased by one-fourth cent per pound.

"(2) The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines to be fair and reasonable in relation to the level of loans for sugarcane.

The Secretary shall announce the loan rate to be applicable during any fiscal year as far in advance of the beginning of that fiscal year as practicable consistent with the purposes of this subsection. Loans during any such fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature before the end of that fiscal year.".

TITLE X—SOYBEANS

SOYBEAN PRICE SUPPORT

Sec. 1001. Effective only for the 1986 through 1989 crops of soybeans, section 201 of the Agricultural Act of 1949 is amended by—

(1) inserting in the first sentence "soybeans," after "tung nuts,"; and

(2) adding at the end thereof a new subsection as follows:

"(i)(1) The price of soybeans shall be supported through loans and purchases during each of the four marketing years beginning with 1986 marketing year at a level equal to 75 per centum of the simple average price received by farmers for soybeans for each of the preceding five marketing years, excluding the high and low valued years, except that in no event shall the Secretary establish a support price of less than $5.02 per bushel: *Provided*, That if the Secretary determines that the average price of soybeans received by producers in any marketing year is not more that 105 per centum of the level of loans and purchases for soybeans for such marketing year, the Secretary may reduce the level of loans and purchases for soybeans for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for soybeans, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below $4.50 per bushel. For the purposes of this subsection, the soybean marketing year shall be the twelve-month period beginning on September 1 and ending August 31. The Secretary shall make a preliminary announcement of the level of price support not earlier than thirty days in advance of the beginning of the marketing year based upon the latest information and statistics available when such level of price support is announced, and shall make a final announcement of such level as soon as full information and statistics are available on prices for the five years preceding the beginning of the marketing year. In no event shall such final level of support be announced later than October 1 of the marketing year for which the announcement applies; nor shall the final level of support be less than the level of support set forth in the preliminary announcement.

"(2) Notwithstanding any other provision of law—

"(A) the Secretary shall not require participation in any production adjustment control program for soybeans or any other commodity as a condition of eligibility for price support for soybeans; and

"(B) soybeans shall not be considered an eligible commodity for any reserve program, and the Secretary shall not authorize payments to producers to cover the cost of storing soybeans.".

TITLE XI—DAIRY

MILK PRICE SUPPORT

Sec. 1101. Subsection (d) of section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446(d)) is amended to read as follows:

"(d) Notwithstanding any other provision of law—

"(1) Effective for the fiscal years beginning October 1, 1985 and October 1, 1986, the price of milk shall be supported at the same level that was in effect on July 1, 1985.

"(2)(A) Effective for the fiscal years beginning October 1, 1987 and October 1, 1988, the price of milk shall be supported at a level determined in accordance with this paragraph.

"(B) The Secretary shall compute annually an index of items for each fiscal year as provided in this paragraph that affected the cost of producing milk or the products of milk during the period from calendar year 1976 through calendar year 1978. The Secretary shall compute the index taking into account the following schedule of items and the proportional contribution of each item:

Item	Contribution to the Index
Consumer Price Index	10 per centum
Prices received by farmers for meat animals	10 per centum
Feed costs	33 per centum
Interest paid by farmers	8 per centum
Taxes	2.5 per centum
Fuel and energy expenses	4 per centum
Milk hauling costs	3 per centum
Machinery and building repair expenses	4 per centum
Hired labor expenses	7 per centum
Farm services and general overhead costs	8.5 per centum
Seed	1.5 per centum
Fertilizer	3 per centum
Ag chemicals	.5 per centum
Tractor and self-propelled machinery	3 per centum
Other farm machinery	2 per centum

The Secretary shall use the value of the index so computed to measure changes in the cost of producing milk or the products of milk during the most recent six-month period.

"(C) The index computed under this paragraph shall be further adjusted to reflect increases in productivity, taking into account such factors as changes in milk produced per cow, and other related factors the Secretary determines to be relevant.

"(D) The adjusted value of the index shall be multiplied by $8.33 to determine the support price per hundredweight for milk containing 3.67 per centum of milkfat on October 1, 1987.

"(E) The Secretary shall estimate Government price support purchases (not of sales for unrestricted use) for each such fiscal year using the amount of such purchases made during the most recent six-month period adjusted to an annual level. If the Secretary estimates that the Government price support purchases of milk or the products of milk will be less than 5 billion pounds or in excess of 5.990 billion pounds milk equivalent, the Secretary shall adjust the price support as determined in this paragraph according to the following table.

"If the estimated amount (in billions of pounds) of net Government price support purchases of milk during the relevant period is (in milk equivalent):	The percentage of price support level per hundredweight for milk shall be:
Less than 3	104
3.0–3.99	103
4.0–4.99	102
5.0–5.99	100
6.0–6.99	98
7.0–7.99	96

"(3) The price of milk shall be supported through the purchase of milk and the products of milk."

FEDERAL MILK MARKETING ORDERS

Sec. 1102. Section 101(b) of the Agriculture and Food Act of 1981 (7 U.S.C. 608c) is amended by striking out "1985" and inserting in lieu thereof "1989".

TRANSFER OF DAIRY PRODUCTS TO VETERANS HOSPITALS AND THE MILITARY

Sec. 1103. Section 202 of the Agricultural Act of 1949 (7 U.S.C. 1446a) is amended by striking out "1985" in subsections (a) and (b) and inserting in lieu thereof "1989".

DAIRY INDEMNITY PROGRAM

Sec. 1104. Section 3 of the Act of August 13, 1968 (7 U.S.C. 4501), is amended by striking out "1985" and inserting in lieu thereof "1989".

TITLE XII—MISCELLANEOUS

ADVANCE PAYMENTS

Sec. 1201. Effective only for the 1986 through 1989 crops of wheat, feed grains, upland cotton, and rice, the Agricultural Act of 1949 is amended by adding after 107D as added by section 201 of this Act the following new section:

"ADVANCE PAYMENTS

"Sec. 107E. (a) If the Secretary establishes an acreage limitation program for any of the 1986 through 1989 crops of wheat, feed grains, upland cotton, or rice under section 107D(e), 105C(e), 103(h)(9), or 101(i)(5), respectively, and determines that deficiency payments will likely be made for such commodity for such crop, the Secretary may make available advance deficiency payments to producers who agree to participate in such program.

"(b) Advance deficiency payments under subsection (a) shall be made to the producer under the following terms and conditions:

"(1) Such payments shall be made available to producers as soon as practicable after the producer files a notice of intention to participate in such program.

"(2) Such payments shall be made available to producers in such amounts as the Secretary determines appropriate to encourage adequate participation in such program, except that such amount may not exceed an amount determined by multiplying (A) the estimated farm program acreage for the crop, (B) the farm program payment yield for the crop, by (C) 50 per centum of the projected payment rate, as determined by the Secretary.

"(3) In any case in which the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under section 107D(b)(1), 105C(b)(1), 103(h)(3), or 101(j)(2), is less than the amount paid to the producer as an advance deficiency payment for the crop under this section, the producer shall refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer as a deficiency payment for the crop concerned.

"(4) If the Secretary determines under section 107D(b)(1), 105C(b)(1), 103(h)(3), or 101(j)(2) that deficiency payments will not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this section, the producers who received such advance payments shall refund such payments.

"(5) Any refund required under paragraph (3) or (4) shall be due at the end of the marketing year for the crop with respect to which such payments were made.

"(6) If a producer fails to comply with the requirements under the acreage limitation or set-aside program involved after obtaining an advance deficiency payment under this section, the producer shall repay immediately the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe by regulations.

"(c) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(d) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(e) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provisions of law.".

SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

Sec. 1202. Effective for the 1986 through 1989 crops of wheat and feed grains, section 113 of the Agricultural Act of 1949 is amended to read as follows:

"SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

"Sec. 113. Notwithstanding any other provision of law or prior announcement made by the Secretary to the contrary, the Secretary may announce and provide for a set-aside or acreage limitation program under section 105C(e) or 107D(e) of this title for one or more of the crops of wheat and feed grains if the Secretary determines that such action is in the public interest as a result of the imposition of restrictions on the export of any such commodity by the President or other member of the executive branch of Government. In order to carry out effectively a set-aside or acreage limitation program authorized under this section, the Secretary may make such modifications and adjustments in such program as the Secretary determines necessary because of any delay in instituting such programs.".

SPECIAL GRAZING AND HAY PROGRAM

Sec. 1203. Section 109 of the Agricultural Act of 1949 is amended by striking out "1985" in the first sentence of subsection (a) and inserting in lieu thereof "1989".

COMMODITY CREDIT CORPORATION SALES PRICES RESTRICTIONS FOR WHEAT AND FEED GRAINS

Sec. 1204. Effective only for the marketing years for the 1986 through 1989 crops, section 407 of the Agricultural Act of 1949 is amended by—

(1) striking out in the third sentence the language following the third colon and inserting in lieu thereof the following: "Provided, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oates, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges.";

(2) striking out in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is not current basic county support rate)" and inserting in lieu thereof the following: "current basic county loan rate (or a comparable price if there is no current basic county loan rate)"; and

(3) striking out in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities" and inserting in lieu thereof the following: "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use.".

NORMALLY PLANTED ACREAGE AND TARGET PRICES

Sec. 1205. Section 1001 of the Food and Agriculture Act of 1977 is amended by striking out "1985" in each place that it appears in subsections (a) and (b) and inserting in lieu thereof "1989".

NORMAL SUPPLY

Sec. 1206. Notwithstanding any other provision of law, if the Secretary of Agriculture determines that the supply of wheat, corn, upland cotton, or rice for the marketing year for any of the 1986 through 1989 crops of such commodity is not likely to be excessive and that program measures to reduce or control the planted acreage of the crop are not necessary, such a decision shall constitute a determination that the total supply of the commodity does not exceed the normal supply and no determination to the contrary shall be made by the Secretary with respect to such commodity for such marketing year.

APPLICATION OF TERMS IN THE AGRICULTURE ACT OF 1949

Sec. 1207. Effective only for the 1986 through 1989 crops of wheat, feed grains, upland cotton, and rice, section 408(k) of the Agricultural Act of 1949 is amended to read as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

"(k) References made in sections 402, 403, 406, 407, and 416 to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to level of loans and purchases for wheat, feed grains, upland cotton, and rice under this Act; and references made to the terms 'price support', 'price support operations', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat, feed grains, upland cotton, and rice under this Act.".

PAYMENT LIMITATIONS FOR WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

Sec. 1208. Notwithstanding any other provisions of law:

(1) The total amount of payments (excluding disaster payments) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, extra long staple cotton, and rice shall not exceed $50,000 for each of the 1986 through 1989 crops.

(2) The total amount of disaster payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice shall not exceed $100,000 for each of the 1986 through 1989 crops.

(3) The term "payments" as used in this section shall not include loans or purchases, or any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation.

(4) If the Secretary determines that the total amount of payments that will be earned by any person under the program in effect for any crop will be reduced under this section, any acreage requirement established under a set-aside or acreage limitation program for the farm or farms on which such person will be sharing in payments earned under such program shall be adjusted to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(5) The Secretary shall issue regulations defining the term "person" and prescribing such rules as the Secretary determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this section that limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970.

TITLE XIII—AGRICULTURAL CREDIT

Subtitle A—Farm Credit Assistance

SHORT TITLE

Sec. 1301. This subtitle may be cited as the "Agricultural Credit Act of 1985".

FEDERAL-STATE COOPERATIVE INTEREST BUY-DOWN PROGRAM

Sec. 1302. Effective for the period beginning on the date of enactment of this subtitle and ending September 30, 1986, the Consolidated Farm and Rural Development Act is amended by adding at the end thereof a new section 350 as follows:

"FEDERAL-STATE COOPERATIVE INTEREST BUY-DOWN PROGRAM

"Sec. 350. (a) To assist farmers and ranches whose debts are restructured by commercial or cooperative lenders, the Secretary may make grants to States for use in buying down the interest rates charged by such lenders.

"(b) The grant program established under this section shall—

"(1) be used to provide interest reduction payments on loans secured by real estate or other assets made to restructure debts;

"(2) provide for interest reduction agreements of not less than three years; and

"(3) except as provided in subsection (d), be administered by States that provide equal matching funds for interest reduction payments.

"(c) The Secretary shall provide, and the State may provide for the recapture of any assistance provided under this section from the assisted borrower or such borrower's heirs upon the disposition of, or other transfer of title or ownership to, the real estate or other assets. The amount to be recaptured shall be secured by a lien on the real estate or other assets.

"(d) The Secretary shall make grants for interest reduction payments under this section without requiring that a State provide equal matching funds whenever the Secretary determines that it would not be practicable for such State to provide matching funds.

"(e) Notwithstanding any other provision of this Act, the Agricultural Credit Insurance Fund established under section 309 of this Act may be used by the Secretary in implementing this section.

"(f) The total amount of funds used by the Secretary in making grants under this section shall not exceed $200,000,000.".

IMPROVEMENTS IN THE PROCESSING OF APPLICATIONS FOR FARMERS HOME ADMINISTRATION LOANS

Sec. 1303. (a) The Secretary of Agriculture shall immediately take steps—using authorities of law provided by the Secretary, including the Agricultural Credit Insurance Fund and the employment procedures used in connection with the emergency disaster loan program—to make personnel and other resources of the Department of Agriculture available to the Farmers Home Administration sufficient to enable the Farmers Home Administration to process applications from farmers for assistance expeditiously and in a timely manner with respect to farm operations relating to the planting and cultivation of the 1986 crops.

(b) Subsection (h) of section 309 of the Consolidated Farm and Rural Development Act is amended by—

(1) designating the existing text thereof as paragraph (1); and

(2) inserting at the end thereof a new paragraph (2) as follows:

"(2) In implementing the approved lender program established under section 339 of this Act on May 4, 1984, the Secretary shall ensure that each request of a lending institution for designation as an approved lender under the program is reviewed, and a decision made on the application, within fifteen days after the lending institution has submitted a completed application to the Farmers Home Administration.".

DISPOSITION OF FARM PROPERTY INVENTORY HELD BY THE FARMERS HOME ADMINISTRATION

Sec. 1304. Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) is amended by—

(1) amending subsection (b) to read as follows:

"(b)(1) Except as provided in paragraph (2) of this subsection, real property administered under the provisions of this title may be operated or leased by the Secretary for such period or periods as the Secretary may deem necessary to protect the Government's investment therein.

"(2) Farmland administered under the provisions of subtitle, A, B, C of this title, the sale of which is not immediately practicable under subsection (c) of this section, shall be leased by the Secretary to qualified family farmers and qualified limited resource farmers. The Secretary shall consider providing, in conjunction with the provisions of subsection (c) of this section, leases that contain purchase options for qualified

family farmers or limited resource farmers and loans at the limited resource rate to such farmers to cover any payments due under the lease or the option. If no qualified family farmer or limited resource farmer is identified, the land shall be leased to other borrowers eligible for loans under subtitle A or B of this title. If the previous owner-operator of a particular tract of land is eligible for assistance under subtitles A or B of this title, such previous owner-operator shall be given special consideration, as appropriate, in the leasing of that tract. The Secretary shall implement the provisions of this section within sixty days after enactment of the Food and Agriculture Act of 1985.".

(2) amending the first sentence of paragraph (1) of subsection (c) to read as follows: "Except as provided in paragraphs (2) and (4) of this subsection with respect to the disposition of farmland, the Secretary may determine whether real property administered under this title is suitable for disposition to persons eligible for assistance under any law administered by the Farmers Home Administration.".

(3) amending paragraphs (2), (3), and (4) of subsection (c) to read as follows:

"(2)(A) Farmland administered under this title shall be, wherever practicable, sold by the Secretary to qualified family farmers and qualified limited resource farmers. The sale of such farmland may be through the exercise of a purchase option provided in a lease under subsection (b)(2) of this section. The Secretary shall provide, to the extent possible, financing for the sale of farmland to such qualified farmers from funds available for such purposes under this title and may, without regard to the availability of funds to finance the purchase of farmland under this title, sell such farmland to qualified family farmers and qualified limited resource borrowers through the use of installment land contracts, or similar devices, that contain such terms as the Secretary deems necessary to protect the Government's investment in such farmland. The Secretary shall offer such farmland for sale to family farmers and limited resource farmers at a price that reflects the average annual income that can be reasonably anticipated to be generated from farming such land. If more than one qualified candidate to purchase, or lease with the option to purchase, the farmland is identified, the county committee shall, by majority vote, select the final candidate on such basis as the Secretary by regulation may prescribe.

"(B) For the fiscal years 1985, 1986, and 1987, not less than 20 per centum of the farm ownership funds under subtitle A of this title shall be made available for loans at the limited resource rate for the purchase of suitable farmland from the inventory of the Farmers Home Administration by qualified limited resource borrowers. The amount provided under this subparagraph shall be in addition to the minimum use of funds at such rate required by section 346 of this title.

"(C) If suitable farmland is available for disposition under this subsection, the Secretary shall publish an announcement of the availability of such farmland in at least one newspaper that is widely circulated in the county in which the farmland is located and shall post an announcement of the availability of such farmland at a prominent place in the local office of the Farmers Home Administration that serves the county in which the farmland is located. The Secretary shall also identify and notify current borrowers under subtitles A or B, giving special attention to limited resource borrowers, who might be interested in purchasing inventory farmland.

"(3) Farmland that the Secretary determines is not suitable for sale or lease to limited resource or other eligible farm borrowers under subtitle A or B of this Act because such farmland is in a tract or tracts that the Secretary determines to be larger than that necessary for family-size farms shall be subdivided into tracts suitable for limited resource or other eligible borrowers under subtitle A or B of this Act. The disposition of such subdivided farmland shall be in accordance with paragraph (2) of this subsection.

"(4) If farmland used as security for a Farmers Home Administration loan is transferred to a party other than the Farmers Home Administration, the Secretary shall not permit any of the terms of the loan that are provided for in this title to be assumed by the party to whom the land is transferred unless such party is eligible for loan assistance under subtitle A of this title. If the party to whom the farmland is to be transferred is a limited resource farmer or a farmer who is otherwise eligible for loan assistance under subtitle A of this title, the Secretary shall take appropriate steps to provide such a farmer with reasonable assistance, including refinancing of the original loan, to help ensure that the transfer will occur. Within sixty days after the enactment of the Food and Agriculture Act of 1985, the Secretary shall adopt interim regulations to implement this subsection. Such interim regulations shall be subject to public comment and final promulgation as soon as practicable.".

IMPROVEMENT OF FARMERS HOME ADMINISTRATION APPEALS PROCEDURE

Sec. 1305. (a) The Secretary of Agriculture shall conduct a study regarding the administrative appeals procedure applicable to the farm loan programs of the Farmers Home Administration. In conducting the study, the Secretary shall examine—

(1) the number and type of appeals initiated by borrowers;

(2) the extent to which initial administrative actions are reversed on appeal;

(3) the reasons that administrative actions are reversed, modified, or sustained on appeal;

(4) the number of appeals in which the borrower is represented by legal counsel, and the extent to which such representation may affect the outcome of the appeal;

(5) the amount of time required to complete action on appeals and the reasons for delays;

(6) the feasibility of the use of administrative law judges in the appeals process; and

(7) the desirability of electing Farmers Home Administration county committee members.

(b) The Secretary shall submit a report containing the results of study required by subsection (a) of this section to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry not later than September 1, 1986.

Subtitle B—Task Force on Agricultural Credit

SHORT TITLE

Sec. 1306. This subtitle may be cited as the "Agricultural Credit Task Force Act of 1985."

ESTABLISHMENT OF AGRICULTURAL CREDIT TASK FORCE

Sec. 1307. (a) There is established a National Task Force on Agricultural Credit to conduct a study of the credit problems confronting United States agricultural producers and related businesses.

(b)(1) The task force shall be composed of fifteen persons appointed or designated by the President and selected as follows:

(A) the President shall select five members; and

(B) the Speaker of the House of Representatives and the majority leader of the Senate shall each select five members.

(2) In selecting persons as members of the task force, the President, the Speaker, and the majority leader shall endeavor to ensure that the task force has a balanced membership representing all major functions in agriculture, such as farmers, suppliers, marketers, and lenders.

(c) A vacancy in the task force shall be filled in the manner in which the original appointment was made.

(d) The task force shall elect a chairman from among the members of the task force.

(c) The task force shall meet at the call of the chairman or a majority of the task force.

CONDUCT OF STUDY

Sec. 1308. The task force shall—

(1) identify and describe the components of the existing agricultural credit system;

(2) identify and describe the credit needs of agricultural producers and related businesses; and

(3) evaluate the ability of the existing agricultural credit system to meet the credit needs of agricultural producers.

Sec. 1309. (a) On the basis of its study, the task force shall make findings and develop recommendations for consideration by the President and Congress with respect to the agriculture-related credit policies, programs, and practices of the United States, and the manner in which such policies, programs, and practices can be improved to ensure that United States agricultural producers obtain adequate credit at interest rates conducive to debt servicing and profitmaking.

(b) The task force shall submit to the President and Congress—

(1) such interim reports on its work as may be requested by the chairman of the House Committee on Agriculture or the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry; and

(2) a report containing the final results of its study and recommendations therefrom by July 1, 1986.

ADMINISTRATION

Sec. 1310. (a) The heads of executive agencies, the General Accounting Office, and the Congressional Budget Office shall, to the extent permitted by law, provide the task force such information as it may require in carrying out its duties and function.

(b) Members of the task force shall serve without any additional compensation for work on the task force. However, members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service under sections 5701 through 5707 of title 5, United States Code.

(c) Upon request of the task force, the Secretary of Agriculture and the Governor of the Farm Credit Administration shall furnish the task force with such personnel and support services as are necessary to assist the task force in carrying out its duties and functions.

(d) Upon request of the task force, the heads of other Executive agencies and the General Accounting Office are each authorized to furnish the task force with such personnel and support services as the head of the agency or office and the chairman of the task force agree are necessary to assist the task force in carrying out its duties and functions.

(e) The task force shall not be required to pay or reimburse any agency or office for personnel and support services provided under this section.

TERMINATION

SEC. 1311. The task force shall terminate sixty days after the transmission of its final report to the President and Congress.

Subtitle C—Farm Credit System

PROTECTION OF STOCK OF FARM CREDIT ASSOCIATIONS

SEC. 1312. Section 4.1 of the Farm Credit Act of 1971 is amended by adding at the end thereof new subsections (d), (e), and (f) as follows:

"(d) Notwithstanding any other provision of law—

"(1) the revolving funds referred to in subsections (a) and (b) of this section shall be available to the Governor of the Farm Credit Administration for the purpose of alleviating the effects of the impairment of (A) outstanding Federal land bank association stock that was required to be purchased by Federal land bank borrowers as security for Federal land bank loans under this Act and (B) any outstanding production credit association stock, or participation certificates issued in lieu of stock, that was required to be purchased by production credit association members-borrowers as security for financial assistance from production credit associations under this Act;

"(2) the Governor of the Farm Credit shall disperse money from the funds available under paragraph (1) of this subsection in such amounts as the Governor deems necessary to alleviate of effects of the impairment of borrower-owned stock of any Federal land bank association or borrower-owned stock or participation certificates of any production credit association to the Federal land bank or the Federal intermediate credit bank, respectively, that is responsible for the supervision of the association involved; and

"(3) money dispersed by the Governor under paragraph (2) of this subsection to a Federal land bank or a Federal intermediate credit bank shall be loaned on a nonrecourse basis by the bank under regulations prescribed by the Farm Credit Administration to the holder stock or participation certificates of an association in liquidation under this Act if—

"(A) the holder of the stock or participation certificates is not subject to any bankruptcy or other legal proceeding under which the stock or participation certificates have been attached or assigned to another person;

"(B) the holder pledges of such stock or participation certificates as security of the loan under this subsection and assigns all rights that the holder may have to any subsequent distribution from the assets the association on the basis of such stock or participation certificates to the bank; and

"(C) the holder of the stock agrees that the proceeds of any loan made under this subsection be applied toward the repayment of any outstanding obligation of the holder to the association, or any other association or the bank operating under the same title of this Act as the association involved, to the extent of such obligation.

"(e) Any amounts received by a bank from the distribution of association assets under subparagraph (3)(B) of the subsection (d) shall be deposited in one of the revolving funds referred to in subsection (a) or (b) in the manner that the Governor of the Farm Credit Administration may require.

"(f) Notwithstanding any other provision of law, if the Governor of the Farm Credit Administration distributes any of the funds available under subsection (d) of this section, the Farm Credit Administration shall, at the end of the fiscal year in which such distribution was made, determine the amounts by which such funds were depleted during such fiscal year and assess the Federal land banks and the Federal intermediate credit banks such amounts as to restore the funds to the level that they were on the date of enactment of the Agricultural and Food Assistance Act of 1985, except as otherwise provided in this subsection. Any assessment of the banks shall be collected by the Farm Credit Administration during the following fiscal year unless the Governor of the Farm Credit Administration finds that collection of the assessment, or any part thereof, during such fiscal year would adversely affect the interests of the Farm Credit System, in which case the assessment, or such part thereof, may be collected during any subsequent fiscal year as the Farm Credit Administration may require. The amounts so collected by the Farm Credit Administration shall be deposited in the funds referred to in subsections (a) and (b) of this section in the same ratio as amounts were dispersed therefrom. The Farm Credit Administration shall apportion the amounts to be assessed, and collected from, the banks under this subsection on such the basis Farm Credit Administration determines to be fair and reasonable taking into consideration, among other things, the financial condition of the banks to be assessed and the extent to which distributions were made under subsection (d) of this section to banks operating under the same title of this Act.".

TITLE XIV—AGRICULTURAL RESEARCH AND EXTENSION

SHORT TITLE

SEC. 1401. This title may be cited as the "National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985".

FINDINGS

SEC. 1402. Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended by—

(1) striking out "and" at the end of clause (10);

(2) striking out the period at the end of clause (11) and inserting in lieu thereof "; and"; and

(3) adding at the end thereof a new clause as follows:

"(12) The Nation's agricultural system is increasingly dependent on science and technology to maintain and improve productivity levels, manage the resource base, provide high quality products, and protect the environment; and a constant supply of food and agricultural scientific expertise is imperative to maintain this dynamic system.".

DEFINITIONS

SEC. 1403. Section 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)) is amended by—

(1) striking out "and" at the end of clause (II);

(2) adding "and" to the end of clause (I); and

(3) adding a new clause as follows:

"(J) international food and agricultural issues such as agricultural development, institution development, germ plasm collection and preservation, information exchange and storage, and scientific exchanges;".

JOINT COUNCIL OF FOOD AND AGRICULTURAL SCIENCES

SEC. 1404. Section 1407(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(a)) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1989".

NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD

SEC. 1405. Section 1408(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(a)) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1989".

FEDERAL-STATE PARTNERSHIP AND COORDINATION

SEC. 1406. Section 1409A(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124a) is amended by—

(1) striking out "and" at the end of clause (2);

(2) striking out the period at the end of clause (3) and inserting in lieu thereof ";", and

(3) adding a new paragraph (4) as follows:

"(4) international agricultural programs under title XII of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2220a).".

SECRETARY'S REPORT

SEC. 1407. Section 1410 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125) is amended by—

(1) adding "and" immediately after the semicolon at the end of clause (2);

(2) striking out the semicolon and "and" at the end of paragraph (3) and inserting in lieu thereof a period; and

(3) striking out clause (4).

COMPETITIVE SPECIAL AND FACILITIES RESEARCH GRANTS

SEC. 1408. Section 2 of the Act of August 4, 1965 (7 U.S.C. 4501) is amended by—

(1) striking out the last sentence in subsection (b) and inserting in lieu thereof the following: "There are hereby authorized to be appropriated annually for the purpose of carrying out the provisions of this subsection, such sums as many be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year."; and

(2) adding at the end thereof a new subsection (i) to read as follows:

"(i) The Federal Advisory Committee Act and title XVIII of the Food and Agriculture Act of 1977 shall not apply to panels or boards created for the purpose of reviewing applications or proposals submitted under the provisions of this section.".

RESEARCH FACILITIES ACT

SEC. 1409. (a) Section 1 of the Act of July 22, 1963 (7 U.S.C. 390) is amended by—

(1) inserting "and equipment" after "finance physical facilities"; and

(2) striking out "an adequate research program" and inserting in lieu thereof "agricultural research and related academic programs".

(b) Section 3 of the Act of July 22, 1963 (7 U.S.C. 390b) is amended by—

(1) inserting "the District of Columbia, Guam, the Virgin Islands of the United States, American Samoa, and Micronesia" after "Puerto Rico" in clause (1); and

(2) inserting "forestry, or veterinary medicine" after "to conduct agricultural," in clause (2).

(c) Section 4 of the Act of July 22, 1963 (7 U.S.C. 390c) is amended by—

(1) striking out all after "in section 1 of this Act," in subsection (a) and inserting in lieu thereof: "such sums as may be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year.

(d) Section 7 of the Act of July 22, 1963 (7 U.S.C. 390f) is amended by inserting "equipment and" after "multiple-purpose", and inserting "and related programs, including forestry and veterinary medicine," after "food and agricultural research".

GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION

SEC. 1410. (a) Section 1417(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(a)) is amended by—

(1) striking out "Such grants shall be made without regard to matching funds, but each" in paragraph (2) and inserting in lieu thereof "Each"; and

(2) striking out the last sentence in paragraph (3) and inserting in lieu thereof "Each recipient institution shall have a significant ongoing commitment to the food and generally and to the specific subject area for which such a grant is to be used.".

(b) Section 1417(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(d)) is amended by striking out all after "provisions of this section" and inserting in lieu thereof "such sums as may be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year.".

STUDY

SEC. 1411. (a) Section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out "Sec. 1424. Study." and inserting in lieu thereof "Sec. 1424. Repealed.".

HUMAN NUTRITION RESEARCH AND INFORMATION MANAGEMENT SYSTEM

SEC. 1412. (a) Section 1427 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3177) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out "Sec. 1427. Report to Congress." and inserting in lieu thereof "Sec. 1427. Repealed.".

ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD

SEC. 1413. Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194) is amended by striking out "1985" and inserting in lieu thereof "1989".

APPROPRIATIONS FOR CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS

SEC. 1414. Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking out "1985" and inserting in lieu thereof "1989".

APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS

SEC. 1415. Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking out "1985" and inserting in lieu thereof "1989".

EXTENSION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1416. Section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended by striking out ", through the fiscal year ending September 30, 1985," in the third sentence.

AUTHORITY TO AWARD GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE EXTENSION FACILITIES

SEC. 1417. (a) It is hereby declared to be the intent of Congress to assist the institutions eligible to receive funds under the act of August 30, 1890 (7 U.S.C. 321, et seq.), including Tuskegee Institute (hereinafter referred to in this section as "eligible institutions"), in the acquisition and improvement of extension facilities and equipment so that eligible institutions may participate fully with the State Cooperative Extension Services in a balanced way in meeting the extension needs of the people of their respective States.

(b) There are authorized to be appropriated for the purpose of carrying out the provisions of this section $10,000,000 for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, such sums to remain available until expended.

(c) Four per centum of the sums appropriated under this section shall be available to the Secretary for administration of the grants program under this section. The remaining funds shall be made available for grants to the eligible institutions for the purpose of assisting them in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to provide adequate facilities to conduct extension work in their prospective States.

(d) Grants awarded under this section shall be made in such amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

(e) Federal funds provided under this section may not be used for the payment of any overhead costs of the eligible institutions.

(f) The Secretary may promulgate such rules and regulations as the Secretary may deem necessary to carry out the provisions of this section.

AGRICULTURAL RESEARCH AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE

SEC. 1418. Section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222) is amended by adding at the end of subsection (a) the following: "No more than 5 per centum of the funds received by an institution in any fiscal year, under the provisions of this section, may be carried forward to the succeeding fiscal year."

INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION

SEC. 1419. Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended by—

(1) striking out "the training" in clause (3) and inserting in lieu thereof "technical assistance and the training and advising"; and

(2) inserting "through the development of highly qualified scientists with specialization in international development" in paragraph (4) after "countries".

WEATHER AND WATER ALLOCATION STUDY

SEC. 1420. (a) Section 1460 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3302) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out "Sec. 1460. Weather and Water Allocation Study." and inserting in lieu thereof "Sec. 1460. Repealed.".

ORGANIC FARMING STUDY

SEC. 1421. (a) Section 1461 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3303) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out "Sec. 1461. Organic Farming Study." and inserting in lieu thereof "Sec. 1461. Repealed.".

AGRICULTURAL RESEARCH FACILITIES STUDY

SEC. 1422. (a) Section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3304) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out "Sec. 1462. Agriculture Research Facilities Study." and inserting in lieu thereof "Sec. 1462. Repealed.".

AUTHORIZATION FOR APPROPRIATIONS FOR EXISTING AND CERTAIN AGRICULTURAL RESEARCH PROGRAMS

SEC. 1423. (a) Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by striking out all after "of this section," and inserting in lieu thereof: "such sums as may be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year.".

(b) Section 1463(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(b)) is amended by striking out "$120,000,000" and all that follows thereafter through "September 30, 1985" and inserting in lieu thereof: "such sums as may be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year.".

AUTHORIZATION FOR APPROPRIATIONS FOR EXTENSION EDUCATION

SEC. 1424. Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended to read as follows:

"Sec. 1464. Notwithstanding any authorization for appropriations for extension and related programs administered by or funded through the Extension Service in this or any other Act, there are hereby authorized to be appropriated for such purposes such sums as may be necessary for each of the fiscal year ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year.".

GENERAL AUTHORITY TO ENTER INTO CONTRACTS, GRANTS, AND COOPERATIVE AGREEMENTS

Sec. 1425. Section 1472 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3318), is amended by—

(1) redesignating subsections (b), (c), and (d) as (c), (d), and (e) respectively; and

(2) inserting a new subsection (b) to read as follows:

"(b) Notwithstanding the provisions of chapter 63 of title 31, United States Code, the Secretary is authorized to use a cooperative agreement as the legal instrument reflecting a relationship between the Department of Agriculture and State cooperative institutions, as defined in section 1404(16) of this Act, State Departments of Agriculture, all colleges and universities, other research or education institutions and organizations, Federal and private agencies and organizations, individuals and any other party, when the Secretary determines that the objectives of the agreement will serve a mutual interest of the parties to the agreement in agricultural research, extension, and teaching activities, including statistical reporting, and that all parties will contribute resources to the accomplishment of those objectives. Notwithstanding any other provision of law, any Federal agency may participate in such cooperative agreements by contributing funds through the appropriate agency of the Department of Agriculture or otherwise when it is mutually agreed that the objectives of any such agreement will further the authorized programs of the contributing agency.".

RESTRICTION ON TREATMENT OF INDIRECT COSTS AND TUTION REMISSION

Sec. 1426. Section 1473 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3318) is amended by inserting at the end thereof the following: "The prohibition on the use of funds for the reimbursement of indirect costs shall not apply to funds transferred, advanced, or reimbursed to the Department of Agriculture under the provisions of the Foreign Assistance Act of 1961, as amended. For agreements involving the use of such funds, the amount of indirect costs to be reimbursed shall be negotiated on a case-by-case basis.".

AQUACULTURE ADVISORY BOARD

Sec. 1427. Section 1476 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking out "1985" and inserting in lieu thereof "1989".

AUTHORIZATION OF APPROPRIATIONS

Sec. 1928. Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking out "1985" and inserting in lieu thereof "1989".

RANGELAND RESEARCH ADVISORY BOARD

Sec. 1429. Section 1482 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3335) is amended by striking out "1985" and inserting in lieu thereof "1989".

APPROPRIATIONS

Sec. 1430. Section 1483 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336) is amended by striking out "1981" and inserting in lieu thereof "1986" and striking out "1985" and inserting in lieu thereof "1989".

AGRICULTURAL RESEARCH IN 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

Sec. 1431. Section 1432(b)(5) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 3222 note) is amended by striking out all after "ending" through "September 30, 1985," and inserting in lieu thereof "September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.".

AUTHORITY TO AWARD GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE RESEARCH FACILITIES

Sec. 1432. (a) Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 3223(a)) is amended by inserting ", including agricultural libraries", after "research facilities and equipment".

(b) Section 1433(b) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 3223(b)) is amended by—

(1) striking out "and" before "September 30, 1986"; and

(2) inserting "and September 30, 1987," after "1986,".

SOYBEAN RESEARCH ADVISORY INSTITUTE

Sec. 1433. Section 1446 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 2281 note) is repealed.

TITLE XV—FOOD STAMPS

SHORT TITLE

Sec. 1501. This title may be cited as the "Food Stamp Act of 1977 Amendments of 1985".

PREPARED MEALS FOR THE ELDERLY AND DISABLED

Sec. 1502. Section 3(g) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)) is amended by striking out "contract with the appropriate agency of the State to offer meals for such persons at concessional prices" in clause (3) and inserting in lieu thereof "offer meals to such persons at low or concessional prices under such terms and conditions as may be prescribed by the Secretary".

DEFINITION OF HOUSEHOLD

Sec. 1503. Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking out ", if the income (as determined under section 5(d)) of the others, excluding the spouse, does not exceed the poverty line, as described in section 5(c)(1), by more than 65 per centum" in the second sentence.

THRIFTY FOOD PLAN

Sec. 1504. The section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by inserting after the first sentence the following new sentences: "Notwithstanding the preceding sentence, the Secretary shall increase the amounts of foods in the thrifty food plan in effect on the date of enactment of the "Agricultural and Food Assistance Act of 1985" in such a manner that the nutritional value of the plan is increased by five per cent. In so increasing the amounts of foods in the plan, the Secretary shall ensure that the increase in the amounts of foods in the plan is distributed among the various food groups in a manner that does not violate the nutritional integrity of the plan, and if the Secretary should subsequently revise the plan, the amounts of foods in any such revised plan shall not be less than the amounts in the thrify food plan under the preceding sentence.".

DEFINITION OF DISABLED MEMBER OF A HOUSEHOLD

Sec. 1505. Section 3(r) of the Food Stamp Act of 1977 (7 U.S.C. 2012(r)) is amended by—

(1) inserting "or" after the semicolon at the end of clause (1); and

(2) striking out clauses (2) through (5) and inserting in lieu thereof a new clause (2) as follows:

"(2) receives benefits, assistance, or payments under any Federal or State statute based on a determination of blindness or disability under criteria that the Secretary determines are the same as, or provide for substantially the same degree of disability or blindness as, the criteria for disability or blindness in sections 216(i) and 223(d) of the Social Security Act (42 U.S.C. 416(i) and 423(d))."

CATEGORICAL ELIGIBILITY FOR CERTAIN HOUSEHOLDS

Sec. 1506. (a) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by inserting "(1)" after the subsection designation and adding at the end thereof a new paragraph (2) as follows:

"(2) Any household that has applied for assistance under this Act and in which each member is a recipient of benefits under a State plan approved under Part A of title IV of the Social Security Act, or supplmental security income benefits under title I, X, XIV, or XVI of the Social Security Act, shall be deemed to meet the requirements of this section and section 6 of this Act except for (A) the requirements set out in subsection (b), (f), and (g) of section 6 and (B) if the household contains an individual described in section 6(f)(2)(B), the income and resource requirements of subsections (a) through (l) of this section.".

(b) Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended by adding at the end thereof the following new sentence: "No household shall have its application to participate in the food stamp program denied or its benefits under the food stamp program terminated solely on the basis that its application to participate has been denied or its benefits have been terminated under any of the programs carried out under the statutes specified in section 5(a)(2) without a separate determination by the State agency that the household fails to satisfy the eligibility requirements for participation in the food stamp program under this Act.".

(c) Section 11(j) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new sentence as follows: "The Secretary of Agriculture and the Secretary of Health and Human Services shall revise the memorandum of understanding in effect on the date of enactment of the "Agricultural and Food Assistance Act of 1985", regarding services to be provided in social security offices under this subsection and subsection (i), in a manner to ensure that applicants for and recipients of social security benefits are adequately notified in social security offices of assistance that may be available to them under this Act and that applications for assistance under this Act from such applicants or recipients will be processed in such offices in an efficient and timely manner.".

(d) Section 17(d) of the Food Stamp Act of 1977 (7 US.C. 2026(d)) is repealed.

DEDUCTIONS FROM INCOME

Sec. 1507. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

(1) striking out "18 per centum" in the third sentence and inserting in lieu thereof "20 per centum";

(2) in the fourth sentence—

(A) striking out "or" at the end of clause (1) and inserting in lieu thereof "and"; and

(B) striking out ", or" at the end of clause (2) and all that follows down to the period at the end of the sentence; and

(3) striking out "exclusive of special diets, that exceed $35 a month" in clause (A) of the eighth sentence and inserting in lieu thereof "including any additional expenses resulting from physician-prescribed special dietary programs, that exceed 5 per centum of the household income".

PROSPECTIVE AND RETROSPECTIVE ACCOUNTING

Sec. 1508. (a) Section 5(f)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(2)) is amended by—

(1) amending subparagraph (B) to read as follows:

"(B) Household income for all other households shall be calculated either on a prospective basis as provided in paragraph (3)(A) or on a retrospective basis as provided in paragraph (3)(B), as elected by the State agency under regulations prescribed by the Secretary."; and

(2) striking out subparagraph (C).

(b) the first sentence of section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended by inserting "that elect to use a system of retrospective accounting in accordance with section 5(f) of this Act" after "State agencies".

ASSETS

Sec. 1509. (a) Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by—

(1) in the first sentence striking out "$1,500" and "$3,000" and inserting in lieu thereof "$2,250" and "$3,500", respectively; and

(2) in the second sentence

(A) striking out "$4,500" and inserting in lieu thereof "$5,500"; and

(B) adding before the period at the end thereof the following: "other than burial expense funds under conditions described in 42 U.S.C. 1382b(d) with respect to households with a member who is sixty years or older or a recipient of benefits under title XVI of the Social Security Act".

COUPON ISSUANCE

Sec. 1510. Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended by—

(1) redesignating paragraphs (20) and (21) as paragraphs (21) and (22), respectively; and

(2) inserting, after paragraph (19), a new paragraph (20) as follows:

"(20) at the option of the State agency, for the staggered issuance of coupons to recipients throughout the month: *Provided*, That, in the case of the initial or any subsequent change in the date of issuance to a household under this paragraph, there shall be no more than thirty-five days between issuances of coupons to the household;".

EDUCATIONAL ACTIVITIES FOR HOUSEHOLDS WITH ELDERLY, DISABLED, OR YOUNG MEMBERS

Sec. 1511. Section 11(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)) is amended by inserting after the word "activities" in subparagraph (A) the following: ", except those educational activities directed at households that include at least one member who is elderly or disabled or under six years of age,".

HOMELESS PERSONS

Sec. 1512. (a) The first sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by—

(1) striking out "home" in clause (1) and inserting in lieu thereof "his or hers"; and

(2) striking out "home" at each place it appears in clause (2) and inserting in lieu thereof "their own".

(b) Section 11(e)(5) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(5)) is amended by inserting, before the semicolon at the end thereof, the following: ", and the specific methods to be used by the State agency for certifying, and issuing coupons to, an eligible household that does not reside at a permanent dwelling or does not have a fixed mailing address".

HOURS OF OPERATIONS

Sec. 1513. Section 16(b) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)) is amended by inserting "including standards for periodic review of the hours that food stamp offices are to opened during the day, week, or month to ensure that persons who are employed are adequately served," after the comma at the end of clause (1).

REFUND OF STATE SALES TAX

Sec. 1514. Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by adding at the end thereof a new subsection (h) as follows:

"(h)(1) If a State participates in the food stamp program in any fiscal year and in such fiscal year imposes a tax on the retail sale of food purchased with coupons (other than a tax on prepared food sold by restaurants or similar establishments and purchased with coupons, as authorized by this Act), the State shall transfer to the Secretary of the Treasury as soon as practicable after the end of such fiscal year, but not later than the end of the following fiscal year unless a longer period of time is authorized for the transfer by the Secretary of the Treasury, an amount equal to the total value of coupons redeemed during the fiscal year by retail food stores in the State, as determined by the Secretary, multiplied by the rate of tax imposed by the State on the sale of food purchased with coupons. The amount required to be transferred by the preceding sentence may be adjusted by the Secretary to reflect (A) any change in the rate of the tax during the fiscal year, (B) the portion of any refund for overissuance of coupons collected by the State agency during the fiscal year that can be attributable to tax paid on food purchased in the State with such coupons, (C) the number of retail food stores in the State whose sales involving payment with coupons are not subject to the tax, and (D) the portion of the coupons redeemed in the State during the fiscal year that the Secretary determines were not redeemed for food purchases.

"(2) If a State fails to transfer to the Secretary of the Treasury the amount of funds described in paragraph (1)—

"(A) the Secretary of the Treasury shall notify the Secretary of such failure; and

"(B) the Secretary may withhold, from funds that the State would otherwise be entitled to receive under subsection (a), the amount that the State failed to pay.".

AUTHORIZATION FOR APPROPRIATIONS

Sec. 1515. The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 is amended by—

(1) striking out "and" after "September 30, 1984"; and

(2) inserting before the period at the end thereof the following: "; and such sums as may be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.".

EFFECTIVE DATES

Sec. 1518. (a) Except as provided in this section, provisions of this title shall take effect on the October 1, 1985.

(b) The provisions of section 1504 shall take effect on the date of enactment of this title, and, within sixty days thereafter, the Secretary of Agriculture shall make the revision to the thrifty food plan required by such section.

(c) The provisions of section 1506(c) shall take effect on the date of enactment of this title, and, within sixty days thereafter, the Secretary of Agriculture and the Secretary of Health and Human Services shall make the revision to the memorandum of understanding required by such section.

TITLE XVI—COMMODITY DISTRIBUTION

EXTENSION OF THE COMMODITY DISTRIBUTION PROGRAM

Sec. 1601. Effective October 1, 1985, the first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 is amended by striking out "1982, 1983, 1984, and 1985," and inserting in lieu thereof "1986, 1987, 1988, and 1989,".

EXTENSION OF THE COMMODITY SUPPLEMENTAL FOOD PROGRAM

Sec. 1602. Effective October 1, 1985, the first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 is amended by striking out "1982, 1983, 1984, and 1985," and inserting in lieu thereof "1986, 1987, 1988, and 1989,".

DISTRIBUTION OF SURPLUS COMMODITIES

Sec. 1603. Section 1114(a) of the Agriculture and Food Act of 1981 is amended after the first sentence by inserting new sentences as follows: "Commodities made available under this section shall include, but not be limited to, dairy products, wheat or wheat products, rice, honey, and cornmeal. The Secretary shall furnish quarterly reports to Congress, beginning January 1, 1986, on the stocks of commodities and amounts thereof available for distribution under this section."

EXTENSION OF THE TEMPORARY EMERGENCY FOOD ASSISTANCE ACT OF 1983

Sec. 1604. Effective October 1, 1985, the Temporary Emergency Food Assistance Act of 1983 is amended by—

(1) in section 202(a), inserting at the end thereof new sentences as follows: "Commodities made available under this Act shall include, but not be limited to, dairy products, wheat or wheat products, rice, honey, and cornmeal. The Secretary shall furnish quarterly reports to Congress, beginning on January 1, 1986, on the stocks of commodities and amounts thereof available for distribution under this Act.";

(2) in section 203(B)(b), inserting after the first sentence a new sentence as follows:

"State agencies shall encourage distribution of such commodities in rural areas.";

(3) striking out section 204(a);

(4) redesignating subsection (b) and (c) of section 204 as (a) and (b), respectively;

(5) in section 204(a), as redesignated, striking out "$50,000,000 for each of the fiscal years ending September 30, 1984 and September 30, 1985" and inserting in lieu thereof "$65,000,000 for each of the fiscal years beginning October 1, 1985 and October 1, 1986";

(6) in section 210, amending subsection (c) to read as follows:

"(c) The Secretary shall, not later than October 1, 1985 and October 1, 1986, publish in the Federal Register an estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available under this Act during the fiscal years ending September 30, 1986 and September 30, 1987, respectively: *Provided*, That the actual types and quantities of commodities made available under this Act may differ from the estimates."; and

(7) in section 212, striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1987".

NATIONAL DONATED COMMODITY PROCESSING PROGRAMS

SEC. 1605. For the period beginning July 1, 1985 and ending October 15, 1987, whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary of Agriculture, the Secretary shall encourage consumption of such commodities through agreements with private companies under which the commodity is reprocessed into end food products for use by eligible recipient agencies. The expense of such reprocessing shall be paid by such eligible recipient agencies.

(b) To be eligible to enter into any agreement with the Secretary of Agriculture under subsection (a), a private company shall annually settle all accounts with the Secretary and any appropriate State agency regarding commodities processed under such an agreement.

SUMMARY OF FARM BILL

Title I. Amends section 416 of the Agricultural Act of 1949 to require that surplus commodities be channeled through U.S. nonprofit agencies in order to enhance the effectiveness of U.S. food assistance in developing countries; provides for additional mechanisms to promote U.S. trade interests; provides for a Presidential Special Assistant for Food Aid and Trade; and also extends Public Law 480 and the Food Security Wheat Reserve.

Title II. Contains provisions relating to soil conservation. Included among the provisions are the following:

(1) Sense of Congress supporting the Soil Conservation Service.

(2) Prohibition against persons who bring highly erodible land into agricultural production from receiving Federal agricultural program benefits.

(3) Authorization for a long-term conservation reserve to assist owners and operators to establish conservation practices on erosion-prone land.

(4) Establishment of a Soil and Water Conservation Fund in which individuals can direct a portion of their Federal income tax to be used for soil and water conservation purposes.

Title III. Extends wool and mohair price support program for four years and authorize foreign promotion for wool and sheep and products thereof.

Title IV. Extends wheat program for four years. Loan rate and target prices at 1985 levels with required adjustment in target prices for inflation.

Title V. Extends the feed grain program for four years. Loan rate and target prices at 1985 levels with required adjustment in target prices for inflation.

Title VI. Extends the rice program for four years. Loan rate and target prices at 1985 levels with required adjustment in target prices for inflation.

Title VII. Extends the upland cotton program for four years. Loan rate and target prices at 1985 levels with required adjustment in target prices for inflation.

Title VIII. Extends the peanut program, with certain changes, for four years. The national poundage quota for peanuts would be set at a level to meet domestic needs but could not be less than 1.1 million tons.

Title IX. Extends sugar price support program for four years with a quarter cent per pound annual increase.

Title X. Extends soybean price support program for four years.

Title XI. Extends dairy program for two years at level set on July 1, 1985, following two years will be indexed based on certain formula.

Title XII. Contains various miscellaneous provisions relating to the 1986 through 1989 crops. Included among these provisions are as following:

(1) Authorization of advance deficiency payments for wheat, feed grains, upland cotton, and rice.

(2) Extension of current payment limitation to the 1986 through 1989 wheat, feed grain, upland cotton, and rice programs.

(3) Extension of special grazing and hay program for four years.

Title XIII. Contains various provisions relating to agricultural credit. Included among these provisions are the following:

(1) Authorization for the Farmers Home Administration to use the resources of the Agricultural Credit Insurance Fund to provide $200 million in matching funds to States that implement a program to buy down the interest rate on loans made by commercial or cooperative lenders to limited resource farmers.

(2) Authorization for the Farmers Home Administration to use special financing terms—including leases with options to buy and low-interest, long-term financing—to dispose of farm property in inventory to limited resource farmers.

(3) Authorization for the Farm Credit Administration to use resolving funds currently available to the agency for investment in Farm Credit institutions to alleviate impairment of stock of Federal land associations and production credit associations.

Title XIV. Extends for four years certain agricultural research, extension, and teaching programs administered by the Secretary of Agriculture, including animal health and disease research programs.

Title XV. Extends food stamp program for four years with certain improvements to make the program more available to the elderly and disabled and to enact some of the recommendations of the President's Task Force on Food Assistance.

Title XVI. Extends the commodity distribution program; the commodity supplemental feeding program; national donated commodity processing programs; and the temporary emergency food assistance program. State administrative funds would be increased for the temporary emergency food assistance program to $65 million for each fiscal year.

By Mr. LEVIN (for himself and Mr. GRASSLEY):

S. 1120. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for additions to reserves for refunds of beverage container deposits; to the Committee on Finance.

TAX TREATMENT OF BEVERAGE CONTAINER DEPOSITS

● Mr. LEVIN. Mr. President, today I am introducing legislation along with Senator GRASSLEY to change the current tax treatment of refundable beverage container deposits received by wholesale beverage distributors in States with mandatory beverage container deposit laws. This bill is identical to the legislation we introduced during the last Congress. The effect of this legislation would be to eliminate an unfair tax liability now imposed on wholesale distributors in those States.

At present, nine States—Michigan, Iowa, Oregon, Massachusetts, Vermont, Maine, Connecticut, Delaware, and New York—have enacted laws requiring deposits on beverage containers in order to reduce the litter resulting from the discard of those containers. Because of the experience of these States and the success of the mandatory deposit laws in reducing litter, several additional States are considering adoption of similar laws.

It is obvious that the success of these laws is derived from the financial incentive of consumers to return the beverage containers to obtain their deposits. The refundable deposits were never intended to be a source of taxable income to wholesale distributors. However, the Internal Revenue Service, in Revenue ruling 78-273, is interpreting the Tax Code in a manner that treats deposits as taxable income and thereby increases the tax liability of distributors.

Under the IRS interpretation, deposits are taxable income when received; that is, when the retail store pays the deposit and purchases beverages in returnable containers from the wholesale distributor. The deposits refunded to the retailer are a deductible expense to the distributor only in the year when those containers are actually returned by the retailer to the distributor.

During most of the year, there is a "matching" of deposits collected on beverage containers with deposits refunded on the return of those same beverage containers. Consequently, there is no tax liability associated with the deposits—until the last 6 weeks or so of the year. Beverage containers sold during this period will generally not be returned until the following year. However, deposits collected on these beverage containers become fully taxable because the IRS allows

wholesale distributors a deductible expense for the deposits to be refunded on these containers only when the containers are actually returned in the following year. This requirement places wholesale distributors in the position of having to report a substantial amount of deposits as taxable income even though the deposits are soon to be refunded.

The IRS supports its interpretation by arguing that the sale of beverages in containers with a State-mandated deposit is also a sale of the beverage container; that is, the deposit represents the price of the container and not a true deposit in the sense that it secures a property interest in the containers by the wholesale distributor.

By the same token, according to the IRS, the return of empty beverage containers by the retailer constitutes a sale of the containers to the wholesale distributor, who "repurchases" the containers. Although the State laws require the wholesale distributor to refund the deposits when the containers are returned, the retailer is under no obligation to return the containers. Because the return of the containers is only a contingent liability to the wholesale distributor, the "all events test," which establishes the criteria for deducting an expense for tax purposes, is not met. Under the all events test, an expense is deductible if all the events have occurred that: First, determine the face of the liability, and second, the amount of such liability can be determined with reasonable accuracy.

The IRS's interpretation regarding the tax treatment of State-mandated beverage container deposits was not changed by the Deficit Reduction Act. Under the act, the general rule relating to "premature accruals" provides "that, in determining whether an amount has been incurred with respect to any item during the taxable year by a taxpayer using the accrual method of accounting, all the events which establish liability for such amount generally are not to be treated as having occurred any earlier than the time economic performance occurs." In general, "economic performance" occurs where the liability arises as a result of goods and services being provided to the taxpayer, or the taxpayer provides goods and services to another person. This provision is consistent with the IRS interpretation, and the exception to the general rule did not cover wholesale beverage distributors, because the return of the containers was a contingent liability and, as a result, did not satisfy the "fact of the liability" feature of the all events test.

While there is no legal obligation of the retailers to return the empty beverage containers, there is an "economic reality" for retailers to do so and reclaim their deposits. Return of the containers is not a contingency in fact. In the normal course of its business operation, the wholesale distributor would deliver full beverage containers and pick-up the empty containers on a regular basis. A retailer has no reason to retain the empty beverage containers since their only value—other than scrap—is the deposit previously paid. It is this economic reality that is the basis for the success of the mandatory beverage container deposit laws.

The legislation we are introducing today would allow wholesale distributors a current tax deduction for the deposits which must be refunded, even though the refund occurs in the following year. This would serve to offset the fully taxable deposits in the year received. The legislation would also properly require that distributors pay taxes on that portion of the deposits collected during the year from beverage containers that will never be returned because of loss or destruction.

By enacting this legislation, the Congress would remove an unintended tax consequence that would not exist in the absence of mandatory beverage container deposit laws. In addition, the legislation would be in keeping with a number of amendments to the Tax Code that help businesses comply with environmental laws.

Last year, we asked the Joint Committee on Taxation to prepare a revenue loss estimate for this legislation. The committee estimated that the revenue loss over 5 years would amount to $46 million for tax years after 1984.

During consideration of the Deficit Reduction Act, Senator GRASSLEY and I brought the issue of the tax treatment of State-mandated beverage container deposits to the attention of Senator DOLE, the then chairman of the Senate Finance Committee, who agreed to hold a hearing on this matter. However, time constraints did not permit that hearing. We intend to renew our request to the new chairman of the Finance Committee, and hope this legislation will provide the vehicle for hearings by the committee. I also hope that Members of the Senate from States with mandatory beverage container deposit laws will join us in cosponsoring this legislation.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1120

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RESERVE FOR REFUNDS OF BEVERAGE CONTAINER DEPOSITS.

Section 162 (relating to trade or business expenses) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) RESERVE FOR REFUNDS OF BEVERAGE CONTAINER DEPOSITS.—

"(1) IN GENERAL.—If—

"(A) all deposits received by a wholesale distributor of beverages with respect to any type of beverage container are included in the gross income of such distributor for the taxable year in which such deposits are received by such distributor, and

"(B) such distributor elects the application of this subsection,

there shall be allowed as a deduction a reasonable addition to a reserve for refunds of such deposits. Such deduction shall be in lieu of any deduction allowable to such distributor under subsection (a) with respect to such refunds.

"(2) LIMITATION ON AMOUNT OF DEDUCTION ALLOWABLE FOR INITIAL TAXABLE YEAR.—The Secretary shall prescribe regulations which—

"(A) limit the amount of the deduction allowable to the taxpayer under paragraph (1) for the first taxable year for which the taxpayer elects the application of this subsection, and

"(B) allow the excess of—

"(i) the amount of the deduction which would have been allowed the taxpayer under paragraph (1) for such taxable year if the limitation described in subparagraph (A) did not apply, over

"(ii) the amount allowed the taxpayer under paragraph (1) for such taxable year,

to be carried forward to each of the 9 taxable years succeeding such taxable year and, to the extent provided in such regulations, be allowed as a deduction under paragraph (1) for each of the taxable years to which such excess is carried.

"(3) ELECTION.—

"(A) IN GENERAL.—An election under this subsection shall be made at such time and in such manner as the Secretary shall prescribe by regulations. Once a distributor elects the application of this subsection for a taxable year, such election shall apply to all subsequent taxable years unless the Secretary consents to the revocation of such election.

"(B) METHOD OF ACCOUNTING.—Notwithstanding any other provision of this title, an election may be made under this subsection by any wholesale distributor of beverages without regard to the general method of accounting under which such distributor computes his taxable income.".

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1985.●

By Mr. ANDREWS:

S. 1121. A bill to amend the United States Grain Standards Act to encourage foreign agricultural trade by improving the quality of grain shipped from U.S. export elevator facilities; to the Committee on Agriculture, Nutrition, and Forestry.

HIGH QUALITY GRAIN FOR FOREIGN TRADE

Mr. ANDREWS. Mr. President, I rise today to introduce legislation which will help ensure that our export grain is of the highest possible quality. Our farmers, as well as their customers, should be able to rely upon the fact that our grain which is high quality when produced retains its quality when shipped overseas.

In the past, we all have heard horror stories about the quality of our exported grain. Sand, oyster shells, and gravel being mixed into the grain, and mixtures, and so forth. It is no wonder that potential customers would be reluctant to purchase our grain.

All farmers are greatly irritated by these stories of poor quality deliveries overseas. I know from my personal experience, that if I deliver inferior quality grain to my load elevator in North Dakota, I would be made painfully aware of that fact in a hurry—through a discounted price for that grain. I would like to say that my profit suffers, but we all know that the profit disappeared from agriculture several years ago.

Foreign purchasers of our grain should be able to purchase the same high quality grain delivered by our farmers to their load elevator. If they order clean, high quality American grain, they should receive it. Purchasers should not receive an inferior grade, or one mixed with foreign materials. Our farmers know that their livelihoods depend on satisfying the customer. Without customer satisfaction, good customers disappear. Loss of export markets is bad for all parties; the exporter, the local elevator, the producers, and the American economy.

Mr. President, the bill I am introducing today accomplishes two things. First, it prohibits the addition of any grain related material, such as grain dust, or frost damaged kernels to the export shipment unless required to conform to the specifications of the export contract. Second, it totally prohibits the addition of any nongrain material, except for treatments used to suppress dust, or for insect and fungi control.

Mr. President, there have been several bills introduced to deal with the quality problem over the past 10 years, but the grain industry has not viewed such legislation as an adequate solution to the problem. I believe that my bill provides a solution that all parties can find acceptable. This is accomplished by simply reasserting the sanctity of contract and preventing admixtures, the buyer and seller should determine the terms of a contract they can be comfortable with, and then abide by them.

Our agricultural export market is one of the few potential bright spots we have on the trade horizon. We must take pains to nurture that market, and I feel that this legislation is a definite step in the right direction.

By Mr. GRASSLEY:

S. 1122. A bill to modify the project for flood protection on the Chariton River, Iowa and Missouri, to direct the Secretary of the Army to sell storage space in Rathbun Lake, IA, to the Rathbun Regional Water Association, and for other purposes; to the Committee on Environmental and Public Works.

MODIFICATION OF FLOOD PROTECTION PROJECT AT RATHBUN LAKE, IOWA

● Mr. GRASSLEY. Mr. President, I am introducing today a bill that would lower the price at which the U.S. Army Corps of Engineers can sell water from the Rathbun Lake in Iowa to the Rathbun Regional Water Association. This bill would direct the Corps of Engineers to set the price of water at replacement costs in 1975, which was the year in which the Rathbun Regional Water Association first asked the corps to approve a 50-year contract to purchase water from Rathbun Lake. Because of the need to conduct a storage reallocation study for the reservoir, however, the corps instead offered an interim agreement almost 10 years ago and has only recently proposed a long-term contract.

I support the corps' policy of requiring users to pay reasonable costs for water sold from Federal impoundments. But I do not feel that the Rathbun region should be penalized for the corps' inaction in completing a study in a timely fashion. The Rathbun Regional Water Association should be allowed to purchase water at the cost that it would have paid when it first asked for a long-term contract for water, rather than at current costs when the corps is finally willing to move ahead with a contract.

Over 30,000 customers in southeastern Iowa rely on the Rathbun Lake for water for human and livestock consumption, many of which have suffered hardship as a result of recent drought. These residents should not be further disadvantaged by inequitable treatment by the corps for the price of water that they are forced to pay. This bill is identical to a measure that was introduced in the last Congress by my colleague, Mr. Jepsen, and it is my hope that this body can support the passage of the bill in the 99th Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record as follows:

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for flood protection on the Chariton River, Iowa and Missouri, authorized by section 203 of the Flood Control Act of 1954 (68 Stat. 1262), is modified to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to sell to the Rathbun Regional Water Association, Incorporated, a sufficient number of acre-feet of storage space from Rathbun Lake, Iowa, to yield to such association one billion five hundred million gallons of water annually based on a 90 per centum chance of sufficient water being available from such lake. Such sale of storage space shall be subject to such terms and conditions as such Secretary and association may agree to under existing law, except that the construction costs of such project allocated to water supply required to be repaid under section 301(b) of the Water Supply Act of 1958 and the interest and amortization rate used to calculate the annual financial cost shall be the same as those used in contract number DACW41-76-C-0031 entered into by the United States and such association and approved by the Assistant Secretary of the Army for Civil Works on October 10, 1975.●

By Mr. GRASSLEY:

S. 1123. A bill to affirm the authority of the Congress to approve the design of currency; to the Committee on Banking, Housing, and Urban Affairs.

CURRENCY DESIGN ACT

● Mr. GRASSLEY. Mr. President, today I introduce the Currency Design Act of 1985. This measure would authorize Congress to approve the design of U.S. currency and coins.

The Department of the Treasury has been studying different currency design to thwart counterfeiting. As the present time, Treasury has not decided on a new currency or printed up new bills or minted new coins. Treasury is however considering background tints, holograms, and security threads as possible anticounterfeit measures. Other contemplated changes include the addition of a second color to our currency, making it more difficult to reproduce.

The technological advances in color copiers will make it possible for anyone with access to these machines to produce high-quality counterfeit currency. A recent study commissioned by the Federal Reserve System completed by the Battell Columbus Laboratories of Columbus, OH, estimates that 20 percent of those with access to such copiers would use them to supplement their income.

While I am concerned about the ease of producing counterfeit currency and the proliferation of counterfeit bills, I am also concerned about the ramifications of the Treasury Department approving a currency design without the approval of the people of the United States. The Constitution gives the Congress authority over the money of the United States. The opinions and concerns of the people should be represented by their elected legislators. In the past, currency changes have met with less than enthusiastic support of the people of this country. I am speaking of the Susan B. Anthony dollar and the $2 bill. Over half of the 497 million Susan B. Anthony coins minted are sitting idle. Millions of dollars have been spent in printing, distributing, and now storing the $2 bill. The public did not want this new currency and coin, but they did not have an opportunity to express themselves through their elected representatives.

I urge my colleagues to look carefully at the provisions of the Currency Design Act of 1985, and urge their support of this measure. I ask unanimous consent that the text of this legislation be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S.1123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Currency Design Act."

DESIGN OF CURRENCY

Sec. 2. The eighth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 418) is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, the Secretary of the Treasury shall not adopt any new form, tenor, or design of such notes after January 1, 1984, unless such new form, tenor, or design has been authorized by law.".

DESIGN OF COINS

Sec. 3. Section 5112(d)(2) of title 31, United States Code, is amended by striking out the second and third sentences and inserting in lieu thereof the following: "The Secretary shall not adopt any new design for coins unless such new design has been authorized by law. The Secretary shall not mint any such new coin unless the design has been approved by the Commission of Fine Arts.".●

By Mr. BIDEN:

S.J. Res. 134. Joint resolution to designate "National Safety in the Workplace Week"; to the Committee on the Judiciary.

NATIONAL SAFETY IN THE WORKPLACE WEEK

Mr. BIDEN. Mr. President, today I am introducing a joint resolution that would designate June 16 through June 22, 1985, as "National Safety in the Workplace Week."

Current industry figures show that there are approximately 11,300 employee deaths and nearly 1.9 million injured employees in workplace accidents that cost American business more than $33 billion annually.

This year the American Society of Safety Engineers, one of the largest safety organizations in this country representing safety professionals from virtually every major corporation, has enlisted the support of the National Council on Safety and the Occupational Safety and Health Administration in providing a broader forum in which to promote safety programs. Working with management, they hope to increase awareness of safety programs, presenting the employer and employee with the risks and hazards in their workplace thereby reducing accidents, increasing job effectiveness, and ultimately increasing their financial benefits.

I applaud the efforts of the private sector in promoting the economic health of the Nation through effective safety programs.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 134

Whereas the National Safety Council statistics indicate that workplace accidents accounted for eleven thousand three hundred employee deaths and one million nine hundred thousand employee injuries during 1983;

Whereas such accidents caused immeasurable pain and suffering to victims and their families;

Whereas the cost of occupational accidents amounted to over $33,400,000,000 in losses to American industry during 1983;

Whereas the American Society of Safety Engineers and other safety and health organizations continue to promote occupational safety in all industries; and

Whereas this endeavor is worthy of support and cooperation so that the toll of workplace injuries and deaths will be reduced: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of June 16, 1985, through June 22, 1985, is designated as "National Safety in the Workplace Week," and the President is authorized and requested to issue a proclamation commemorating the efforts of organizations which promote safety and health for the American worker and calling upon all government agencies and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. Moynihan, the name of the Senator from South Carolina [Mr. Hollings] was added as a cosponsor of S. 12, a bill to protect communications among Americans from interception by foreign governments, and for other purposes.

S. 68

At the request of Mr. Pryor, the name of the Senator from Iowa [Mr. Harkin] was added as a cosponsor of S. 68, a bill to prohibit the use of appropriated funds for the production of lethal binary chemical weapons; to express the sense of the Congress on achieving an international agreement to ban the production and stockpiling of chemical weapons; and to express the further sense of the Congress encouraging the improvement of defenses against the effects of the use of chemical weapons on the Armed Forces of the United States.

S. 415

At the request of Mr. Weicker, the name of the Senator from Ohio [Mr. Metzenbaum] was added as a cosponsor of S. 415, a bill to amend the Education of the Handicapped Act to authorize the award of reasonable attorney's fees to certain prevailing parties, and to clarify the effect of the Education of the Handicapped Act of rights, procedures, and remedies under other laws relating to the prohibition of discrimination.

S. 491

At the request of Mr. Quayle, the names of the Senator from Wisconsin [Mr. Proxmire], and the Senator from Maryland [Mr. Sarbanes] were added as cosponsors of S. 491, A bill to improve debt-collection activities and default recoveries and to reduce collection costs and program abuse under student loan programs administered by the Department of Education and for other purposes.

S. 657

At the request of Mr. Thurmond, the names of the Senator from New Mexico [Mr. Bingaman], and the Senator from New York [Mr. D'Amato] were added as cosponsors of S. 657, A bill to establish the Veterans' Administration as an executive department.

S. 825

At the request of Mr. Pressler, the name of the Senator from Illinois [Mr. Simon] was added as a cosponsor of S. 825, a bill to amend the Immigration and Nationality Act to provide for a program for the waiver of the visa requirement in the case of nonimmigrant tourists from certain countries.

S. 930

At the request of Mr. Nickles, the name of the Senator from South Carolina [Mr. Thurmond] was added as a cosponsor of S. 930, a bill to amend the Commodity Credit Corporation Charter to exempt all agricultural exports from cargo preference requirements.

S. 945

At the request of Mr. Thurmond, the name of the Senator from Montana [Mr. Baucus] was added as a cosponsor of S. 945, a bill to recognize the organization known as the National Association of State Directors of Veterans' Affairs, Incorporated.

S. 975

At the request of Mr. Domenici, the name of the Senator from Massachusetts [Mr. Kerry] Senator from Oklahoma [Mr. Nickles], and the Senator from Arkansas [Mr. Bumpers], were added as cosponsors of S. 975, a bill to amend the Securities Exchange Act of 1934 to provide a moratorium on hostile corporate takeovers financed by "junk" securities, to prohibit federally insured institutions from holding "junk" securities, and for other purposes.

S. 1016

At the request of Mr. Proxmire, the name of the Senator from Pennsylvania [Mr. Heinz], was added as a cosponsor of S. 1016, a bill to amend the Federal Deposit Insurance Act and the National Housing Act with respect to junk bonds.

S. 1039

At the request of Mr. Cranston, the name of the Senator from Arkansas [Mr. Bumpers], was added as a cosponsor of S. 1039, a bill entitled the "Ocean Incineration Research Act of 1985".

S. 1093

At the request of Mr. Mathias, the name of the Senator from Nebraska [Mr. Zorinsky], was added as a cosponsor of S. 1093, a bill to amend the patent law to restore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

SENATE JOINT RESOLUTION 13

At the request of Mr. Thurmond, the name of the Senator from Kentucky [Mr. McConnell], was added as a cosponsor of Senate Joint Resolution 13, a joint resolution proposing an amendment to the Constitution relating to a Federal balanced budget and tax limitation.

SENATE JOINT RESOLUTION 32

At the request of Mr. Pressler, the name of the Senator from Vermont [Mr. Stafford] was added as a cosponsor of Senate Joint Resolution 32, a joint resolution to authorize and request the President to designate September 15, 1985, as "Ethnic American Day."

SENATE JOINT RESOLUTION 34

At the request of Mr. Quayle, the name of the Senator from South Carolina [Mr. Hollings] was added as a cosponsor of Senate Joint Resolution 34, a joint resolution to designate the week of October 6, 1985, through October 12, 1985, as "National Children's Week."

SENATE JOINT RESOLUTION 57

At the request of Mr. Chiles, the names of the Senator from Vermont [Mr. Leahy], and the Senator from Vermont [Mr. Stafford] were added as cosponsors of Senate Joint Resolution 57, a joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week."

SENATE JOINT RESOLUTION 67

At the request of Mr. Quayle, the names of the Senator from Mississippi [Mr. Stennis], and the Senator from Montana [Mr. Baucus] were added as cosponsors of Senate Joint Resolution 67, a joint resolution to designate the week of October 6, 1985, through October 12, 1985, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 87

At the request of Mr. Murkowski, the name of the Senator from Indiana [Mr. Quayle] was added as a cosponsor of Senate Joint Resolution 87, a joint resolution to provide for the designation of July 19, 1985, as "National P.O.W./M.I.A. Recognition Day."

SENATE JOINT RESOLUTION 88

At the request of Mr. Levin, the names of the Senator from Vermont [Mr. Leahy], and the Senator from Nevada [Mr. Laxalt] were added as cosponsors of Senate Joint Resolution 88, a joint resolution to designate the week beginning September 8, 1985, as "National Osteopathic Medicine Week".

SENATE JOINT RESOLUTION 102

At the request of Mr. Zorinsky, the name of the Senator from Washington [Mr. Gorton] was added as a cosponsor of Senate Joint Resolution 102, a joint resolution to establish a National Commission on Illiteracy.

SENATE JOINT RESOLUTION 108

At the request of Mr. Warner, the names of the Senator from Indiana [Mr. Quayle], the Senator from Arkansas [Mr. Pryor], the Senator from West Virginia [Mr. Byrd], the Senator from California [Mr. Cranston], the Senator from Maine [Mr. Cohen], the Senator from New York [Mr. D'Amato], the Senator from Iowa [Mr. Grassley], the Senator from Washington, [Mr. Evans], and the Senator from New Mexico [Mr. Bingaman] were added as cosponsors of Senate Joint Resolution 108, a joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control.

SENATE JOINT RESOLUTION 130

At the request of Mr. Quayle, the name of the Senator from Minnesota [Mr. Durenberger] was added as a cosponsor of Senate Joint Resolution 130, a joint resolution designating the week beginning on November 10, 1985, as "National Blood Pressure Awareness Week".

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. Mattingly, the name of the Senator from Mississippi [Mr. Cochran] was added as a cosponsor of Senate Concurrent Resolution 24, a concurrent resolution to direct the Commissioner of Social Security and the Secretary of Health and Human Services to develop a plan outlining the steps which might be taken to correct the social security benefit disparity known as the notch problem.

SENATE CONCURRENT RESOLUTION 45

At the request of Mr. D'Amato, the name of the Senator from Oklahoma [Mr. Boren] was added as a cosponsor of Senate Concurrent Resolution 45, a concurrent resolution condemning the actions of the Nicaraguan Government that hinder freedom of religion.

SENATE RESOLUTION 112

At the request of Mr. Cohen, the name of the Senator from Oklahoma [Mr. Boren] was added as a cosponsor of Senate Resolution 112, a resolution relating to bilateral discussions between the United States and the Soviet Union to ban chemical weapons.

SENATE RESOLUTION 148

At the request of Mr. Helms, the names of the Senator from Alabama [Mr. Denton], the Senator from Arizona [Mr. Goldwater], the Senator from Louisiana [Mr. Johnston], the Senator from Alaska [Mr. Murkowski], the Senator from Oklahoma [Mr. Nickles], the Senator from Oregon [Mr. Packwood], and the Senator from Ohio [Mr. Glenn] were added as cosponsors of Senate Resolution 148, a resolution commemorating the fiftieth anniversary of the Rural Electrification Administration.

AMENDMENT NO. 59

At the request of Mr. Specter, the names of the Senator from Maryland [Mr. Sarbanes], the Senator from Pennsylvania [Mr. Heinz], the Senator from Nebraska [Mr. Exon], the Senator from Rhode Island [Mr. Pell], the Senator from Nebraska [Mr. Zorinsky], the Senator from Maryland [Mr. Mathias], the Senator from Michigan [Mr. Levin], the Senator from Minnesota [Mr. Durenberger], and the Senator from Delaware [Mr. Roth] were added as cosponsors of amendment No. 59 proposed to Senate Concurrent Resolution 32, an original concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988, and revising the congressional budget for the U.S. Government for the fiscal year 1985.

SENATE RESOLUTION 159—ORIGINAL RESOLUTION REPORTED TO ESTABLISH A SELECT COMMITTEE TO STUDY AND MAKE RECOMMENDATIONS WITH RESPECT TO A 2-YEAR BUDGET PROCESS

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. Res. 159

Resolved, That (a) there is established, for the duration of the first session of the Ninety-ninth Congress, a select committee of the Senate to be known as the Select Committee on the Two-Year Budget (hereafter in this resolution referred to as the "select committee"). The select committee shall be composed of twelve members of the Senate, six from the majority party and six from the minority party, to be appointed by the President of the Senate upon the recommendation of the majority leader and the minority leader.

(b) Of the twelve members—

(1) two members shall be from the Committee on the Budget;

(2) two members shall be from the Committee on Rules and Administration;

(3) two members shall be from the Committee on Governmental Affairs;

(4) two members shall be from the Committee on Appropriations; and

(5) four members shall be from the Senate at large.

(c) The select committee shall select a chairman from among its majority members and a cochairman from among its minority members.

Sec. 2. (a) A majority of the members of the select committee shall constitute a quorum for the transaction of business, except that the select committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(b) Vacancies in the membership of the select committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments are made.

(c) The select committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

(d) Service of a Senator as a member or as chairman of the select committee shall not be taken into account for the purposes of paragraph 4 of rule XXV of the Standing Rules of the Senate.

Sec. 3. (a) It shall be the duty of the select committee to—

(1) study and review legislative proposals to improve the operation of the congressional budget process, including proposals for the two-year budget; and

(2) recommend specific legislation to improve the operation and enforcement of the congressional budget process, including such components of two-year budgeting which the select committee finds to be desirable and feasible.

In carrying out clause (1) of this subsection, the select committee shall pay particular attention to the need to free the time of Senators from unnecessary repetitive operations, to encourage oversight of enacted legislation by committees, to provide stable funding expectations to State and local governments, and to maintain accurate budgetary estimates and assessments of national needs and priorities.

(b) The select committee shall report and make recommendations to the Senate within 180 days after the adoption of this resolution.

Sec. 4. (a) For the purposes of this resolution, the select committee is authorized (1) to employ personnel, (2) to make expenditures from the contingent fund of the Senate, (3) to hold hearings, and (4) to sit and act at any time or place.

(b) With the consent of the chairman and ranking minority member of any other committee of the Senate, the select committee may utilize the facilities and the services of the staff of such other committee of the Senate, or any subcommittee thereof, whenever the chairman and the cochairman of the select committee determines that such action is necessary and appropriate.

Sec. 5. Expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required (1) for the disbursement of salaries of employees of the select committee who are paid at an annual rate, or, (2) for the payment of long-distance telephone calls. Total expenditures for the select committee shall not exceed $300,000.

SENATE RESOLUTION 160—PROMOTING AGRICULTURE

Mr. MELCHER submitted the following resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. Res. 160

"Whereas farm income has declined precipitously, and

"Whereas all major agricultural commodity prices are lower in purchasing power now than in 1980, and

"Whereas agricultural exports declined in 1984 with indications of further declines in this calendar year, and

"Whereas agricultural banks and Production Credit Associations are classifying an increasing number of their agricultural operating loans and an increasing number of agricultural borrowers are being liquidated or foreclosed, and

"Whereas communities in rural agricultural areas are suffering from the effects of the loss of business from their hard pressed farm customers causing a rising number of local business closures, liquidations or bankruptcies, and

"Whereas these same farm and small business failures are causing financial losses in agri-business suppliers which results in additional curtailments or closures of these businesses, and

"Whereas these business curtailments or closures are resulting in loss of jobs, therefore, be it,

Resolved, That it is the sense of the Senate that the President should appoint a bi-partisan Commission composed of agricultural producers and organizations to consider during the next 120 days the urgent needs of agriculture and make recommendations to the President and the appropriate Committee of Congress to correct the crisis of declining net farm income.

AMENDMENTS SUBMITTED

FIRST CONCURRENT RESOLUTION ON THE BUDGET

GRASSLEY (AND OTHERS) AMENDMENT NO. 72

(Ordered to lie on the table.)

Mr. GRASSLEY (for himself, Mr. Hatfield, and Mr. Eagleton) submitted an amendment intended to be proposed by them to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32) setting forth the congressional budget for the U.S. Government for fiscal years 1986, 1987, and 1988 and revising the congressional budget for the U.S. Government for the fiscal year 1985; as follows:

On page 3, increase the amount on line 12 by $400,000,000.

On page 3, increase the amount on line 13 by $400,000,000.

On page 3, increase the amount on line 14 by $400,000,000.

On page 3, increase the amount on line 18 by $300,000,000.

On page 3, increase the amount on line 19 by $400,000,000.

On page 3, increase the amount on line 20 by $400,000,000.

On page 3, increase the amount on line 25 by $300,000,000.

On page 4, increase the amount on line 1 by $400,000,000.

On page 4, increase the amount on line 2 by $400,000,000.

On page 4, increase the amount on line 6 by $300,000,000.

On page 4, increase the amount on line 7 by $700,000,000.

On page 4, increase the amount on line 8 by $1,100,000,000.

On page 4, increase the amount on line 12 by $300,000,000.

On page 4, increase the amount on line 13 by $400,000,000.

On page 4, increase the amount on line 14 by $400,000,000.

On page 19, increase the amount on line 21 by $400,000,000.

On page 19, increase the amount on line 22 by $300,000,000.

On page 20, increase the amount on line 6 by $400,000,000.

On page 20, increase the amount on line 7 by $400,000,000.

On page 20, increase the amount on line 15 by $400,000,000.

On page 20, increase the amount on line 16 by $400,000,000.

On page 42, decrease the first amount on line 6 by $386,000,000.

On page 42, decrease the second amount on line 6 by $274,000,000.

On page 42, decrease the amount on line 7 by $409,000,000.

On page 42, decrease the amount on line 8 by $402,000,000.

On page 42, decrease the first amount on line 9 by $427,000,000.

On page 42, decrease the second amount on line 9 by $422,000,000.

On page 45, decrease the amount on line 21 by $386,000,000.

On page 45, decrease the amount on line 22 by $274,000,000.

On page 45, decrease the first amount on line 23 by $409,000,000.

On page 45, decrease the second amount on line 23 by $402,000,000.

On page 45, decrease the amount on line 24 by $427,000,000.

On page 45, decrease the amount on line 25 by $422,000,000.

On page 52, increase the amount on line 1 by $400,000,000.

On page 52, increase the amount on line 3 by $400,000,000.

On page 52, increase the amount on line 4 by $400,000,000.

DIXON (AND OTHERS) AMENDMENT NO. 73

Mr. DIXON (for himself, Mr. Kennedy, and Mr. Moynihan) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

On page 3, increase the amount on line 12 by $160,000,000.

On page 3, increase the amount on line 13 by $160,000,000.

On page 3, decrease the amount on line 14 by $160,000,000.

On page 3, increase the amount on line 19 by $144,000,000.

On page 3, increase the amount on line 20 by $160,000,000.

On page 4, increase the amount on line 1 by $144,000,000.

On page 4, increase the amount on line 2 by $160,000,000.

On page 4, increase the amount on line 7 by $144,000,000.

On page 4, increase the amount on line 8 by $304,000,000.

On page 4, increase the amount on line 13 by $144,000,000.

On page 4, increase the amount on line 14 by $160,000,000.

On page 19, increase the amount on line 21 by $160,000,000.

On page 20, increase the amount on line 6 by $160,000,000.

On page 20, increase the amount on line 7 by $144,000,000.

On page 20, increase the amount on line 15 by $160,000,000.

On page 20, increase the amount on line 16 by $160,000,000.

On page 42, decrease the first amount on line 6 by $160,000,000.

On page 42, decrease the amount on line 7 by $160,000,000.

On page 42, decrease the amount on line 8 by $144,000,000.

On page 42, decrease the first amount on line 9 by $160,000,000.

On page 42, decrease the second amount on line 9 by $160,000,000.

On page 45, decrease the amount on line 21 by $160,000,000.

On page 45, decrease the first amount on line 23 by $160,000,000.

On page 45, decrease the second amount on line 23 by $144,000,000.

On page 45, decrease the amount on line 24 by $160,000,000.

On page 45, decrease the amount on line 25 by $160,000,000.

On page 52, increase the amount on line 1 by $160,000,000.

On page 52, decrease the amount on line 3 by $160,000,000.

On page 52, decrease the amount on line 4 by $160,000,000.

DIXON (AND OTHERS) AMENDMENT NO. 74

(Ordered to lie on the table.)

Mr. DIXON (for himself, Mr. Heinz, Mr. Kennedy, Mr. Kerry, and Mr. Moynihan) submitted an amendment intended to be proposed by them to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

On page 3, increase the amount on line 12 by $110,000,000.

On page 3, increase the amount on line 13 by $110,000,000.

On page 3, increase the amount on line 14 by $110,000,000.

On page 3, increase the amount on line 18 by $110,000,000.

On page 3, increase the amount on line 19 by $110,000,000.

On page 3, increase/decrease the amount on line 20 by $110,000,000.

On page 3, increase the amount on line 25 by $110,000,000.

On page 4, increase the amount on line 1 by $110,000,000.

On page 4, increase the amount on line 2 by $110,000,000.

On page 4, increase the amount on line 6 by $110,000,000.

On page 4, increase the amount on line 7 by $220,000,000.

On page 4, increase the amount on line 8 by $330,000,000.

On page 4, increase the amount on line 12 by $110,000,000.

On page 4, increase the amount on line 13 by $110,000,000.

On page 4, increase the amount on line 14 by $110,000,000.

On page 24, increase the amount on line 2 by $110,000,000.

On page 24, increase the amount on line 3 by $110,000,000.

On page 24, increase the amount on line 12 by $110,000,000.

On page 24, increase the amount on line 13 by $110,000,000.

On page 24, increase the amount on line 22 by $110,000,000.

On page 24, increase the amount on line 23 by $110,000,000.

On page 52, increase the amount on line 1 by $110,000,000.

On page 52, increase the amount on line 3 by $110,000,000.

On page 52, increase the amount on line 4 by $110,000,000.

CRANSTON (AND OTHERS) AMENDMENT NO. 75

Mr. CRANSTON (for himself, Mr. Matsunaga, Mr. DeConcini, Mr. Mitchell, Mr. Rockefeller, Mr. Inouye, Mr. Sarbanes, Mr. Kennedy, Mr. Exon, Mr. Riegle, Mr. Leahy, Mr. Burdick, Mr. Bingaman, Mr. Zorinsky, Mr. Hollings, and Mr. Byrd) proposed an amendment, which was subsequently modified, to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32) supra; as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $500,000,000.

On page 3, increase the amount on line 13 by $900,000,000.

On page 3, increase the amount on line 14 by $1,200,000,000.

On page 3, increase the amount on line 13 by $600,000,000.

On page 3, increase the amount on line 19 by $1,100,000,000.

On page 3, increase the amount on line 20 by $1,400,000,000.

On page 3, increase the amount on line 25 by $600,000,000.

On page 4, increase the amount on line 1 by $1,100,000,000.

On page 4, increase the amount on line 2 by $1,400,000,000.

On page 4, increase the amount on line 6 by $600,000,000.

On page 4, increase the amount on line 7 by $1,700,000,000.

On page 4, increase the amount on line 8 by $3,100,000,000.

On page 4, increase the amount on line 12 by $600,000,000.

On page 4, increase the amount on line 13 by $1,100,000,000.

On page 4, increase the amount on line 14 by $1,400,000,000.

On page 27 strike out the amount on line 4 and insert in lieu thereof "$27,600,000,000".

On page 27 strike out the amount on line 5 and insert in lieu thereof "$27,100,000,000".

On page 27 strike out the amount on line 13 and insert in lieu thereof "$28,200,000,000".

On page 27 strike out the amount on line 14 and insert in lieu thereof "$27,600,000,000".

On page 27 strike out the amount on line 22 and insert in lieu thereof "$28,700,000,000".

On page 27 strike out the amount on line 23 and insert in lieu thereof "$28,400,000,000".

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $200,000,000.

On page 33, increase the amount on line 12 by $200,000,000.

On page 43 strike out the amount on line 7 and insert in lieu thereof "$292,000,000".

On page 43, strike out the amount on line 8 and insert in lieu thereof "$310,000,000".

On page 43, strike out the amount on line 9 and insert in lieu thereof "$199,000,000".

On page 43, strike out the second amount on line 9 and insert in lieu thereof "$199,000,000".

On page 43, strike out the amount on line 10 and insert in lieu thereof "$177,000,000".

On page 43, strike out the amount on line 11 and insert in lieu thereof "$253,000,000".

On page 50, strike out the amount on line 18 and insert in lieu thereof "$292,000,000".

On page 50, strike out the amount on line 19 and insert in lieu thereof "$130,000,000".

On page 50, strike out the amount on line 20 and insert in lieu thereof "$199,000,000".

On page 50, strike out the second amount on line 20 and insert in lieu thereof "$199,000,000".

On page 50, strike out the amount on line 21 and insert in lieu thereof "$177,000,000".

On page 50, strike out the amount on line 22 and insert in lieu thereof "$253,000,000".

On page 52, increase the amount on line 1 by "$400,000,000".

On page 52, increase the amount on line 3 by "$424,000,000".

On page 52, increase the amount on line 4 by "$461,000,000".

ABDNOR AMENDMENT NO. 76

(Ordered to lie on the table.)

Mr. ABDNOR submitted an amendment intended to be proposed by him to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by "$200,000,000".

On page 3, increase the amount on line 13 by "$200,000,000".

On page 3, increase the amount on line 14 by "$200,000,000".

On page 3, increase the amount on line 18 by "$100,000,000".

On page 3, increase the amount on line 19 by "$100,000,000".

On page 3, increase the amount on line 20 by "$200,000,000".

On page 3, increase the amount on line 25 by "$100,000,000".

On page 4, increase the amount on line 1 by "$100,000,000".

On page 4, increase the amount on line 2 by "$200,000,000".

On page 4, increase the amount on line 6 by "$100,000,000".

On page 4, increase the amount on line 7 by "$200,000,000".

On page 4, increase the amount on line 8 by $400,000,000.

On page 4, increase the amount on line 12 by $100,000,000.

On page 4, increase the amount on line 13 by $100,000,000.

On page 4, increase the amount on line 14 by $200,000,000.

On page 19, increase the amount on line 21 by $200,000,000.

On page 19, increase the amount on line 22 by $100,000,000.

On page 20, increase the amount on line 6 by $200,000,000.

On page 20, increase the amount on line 7 by $100,000,000.

On page 20, increase the amount on line 15 by $200,000,000.

On page 20, increase the amount on line 16 by $200,000,000.

On page 42, decrease the first amount on line 6 by $187,000,000.

On page 42, decrease the second amount on line 6 by $148,000,000.

On page 42, decrease the amount on line 7 by $188,000,000.

On page 42, decrease the amount on line 8 by $174,000,000.

On page 42, decrease the first amount on line 9 by $209,000,000.

On page 42, decrease the second amount on line 9 by $205,000,000.

On page 45, decrease the amount on line 21 by $187,000,000.

On page 45, decrease the amount on line 22 by $148,000,000.

On page 45, decrease the first amount on line 23 by $188,000,000.

On page 45, decrease the second amount on line 23 by $174,000,000.

On page 45, decrease the amount on line 24 by $209,000,000.

On page 45, decrease the amount on line 25 by $205,000,000.

On page 52, increase the amount on line 1 by $200,000,000.

On page 52, increase the amount on line 3 by $200,000,000.

On page 52, increase the amount on line 4 by $200,000,000.

HAWKINS (AND OTHERS) AMENDMENT NO. 77

Mrs. HAWKINS (for herself, Mr. Boschwitz, Mr. Kennedy, Mr. Boren, Mr. Sarbanes, Mr. Kerry, Mr. Ford, Mr. Dodd, Mr. Burdick, Mr. Riegle, Mr. Rockefeller, Mr. Byrd, and Mr. Hollings) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $400,000,000.

On page 3, increase the amount on line 13 by $600,000,000.

On page 3, increase the amount on line 14 by $800,000,000.

On page 3, increase the amount on line 18 by $400,000,000.

On page 3, increase the amount on line 19 by $600,000,000.

On page 3, increase the amount on line 20 by $800,000,000.

On page 3, increase the amount on line 25 by $400,000,000.

On page 4, increase the amount on line 1 by $600,000,000.

On page 4, increase the amount on line 2 by $800,000,000.

On page 4, increase the amount on line 6 by $400,000,000.

On page 4, increase the amount on line 7 by $1,000,000,000.

On page 4, increase the amount on line 8 by $1,800,000,000.

On page 4, increase the amount on line 12 by $400,000,000.

On page 4, increase the amount on line 13 by $600,000,000.

On page 4, increase the amount on line 14 by $800,000,000.

On page 24, increase the amount on line 2 by $400,000,000.

On page 24, increase the amount on line 3 by $400,000,000.

On page 24, increase the amount on line 12 by $500,000,000.

On page 24, increase the amount on line 13 by $500,000,000.

On page 24, increase the amount on line 22 by $700,000,000.

On page 24, increase the amount on line 23 by $700,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $100,000,000.

On page 33, increase the amount on line 12 by $100,000,000.

On page 37, decrease the first amount on line 11 by $403,000,000.

On page 37, decrease the second amount on line 11 by $375,000,000.

On page 37, decrease the amount on line 12 by $529,000,000.

On page 37, decrease the amount on line 13 by $520,000,000.

On page 37, decrease the first amount on line 14 by $676,000,000.

On page 37, decrease the second amount on line 14 by $666,000,000.

On page 44, decrease the amount on line 10 by $403,000,000.

On page 44, decrease the amount on line 11 by $375,000,000.

On page 44, decrease the first amount on line 12 by $529,000,000.

On page 44, decrease the second amount on line 12 by $520,000,000.

On page 44, decrease the amount on line 13 by $676,000,000.

On page 44, decrease the amount on line 14 by $666,000,000.

DeCONCINI (AND MITCHELL) AMENDMENT NO. 78

(Ordered to lie on the table.)

Mr. DeCONCINI (for himself, Mr. Mitchell, Mr. Pell, Mr. Boren, Mr. Baucus, and Mr. Sarbanes) submitted an amendment intended to be proposed by them to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con Res. 32), supra; as follows:

At the end of the pending amendment, add the following:

Sec. . It is the sense of the Senate that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security (600) for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98–473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98–473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98–473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

SASSER (AND OTHERS) AMENDMENT NO. 79

Mr. SASSER (for himself, Mr. Riegle, Mr. Specter, Mr. Stennis, Mr. Hart, Mr. Gore, Mr. Rockefeller, Mr. Burdick, Mr. Hollings, Mr. Sarbanes, and Mr. Byrd) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $5,100,000,000.

On page 3, increase the amount on line 13 by $5,300,000,000.

On page 3, increase the amount on line 14 by $6,300,000,000.

On page 3, increase the amount on line 18 by $2,200,000,000.

On page 3, increase the amount on line 19 by $4,100,000,000.

On page 3, increase the amount on line 20 by $5,400,000,000.

On page 3, increase the amount on line 25 by $2,200,000,000.

On page 4, increase the amount on line 1 by $4,100,000,000.

On page 4, increase the amount on line 2 by $5,400,000,000.

On page 4, increase the amount on line 6 by $2,200,000,000.

On page 4, increase the amount on line 7 by $6,300,000,000.

On page 4, increase the amount on line 8 by $11,700,000,000.

On page 4, increase the amount on line 12 by $2,200,000,000.

On page 4, increase the amount on line 13 by $4,100,000,000.

On page 4, increase the amount on line 14 by $5,400,000,000.

On page 5, increase the amount on line 3 by $3,100,000,000.

On page 5, increase the amount on line 10 by $3,800,000,000.

On page 5, increase the amount on line 17 by $4,000,000,000.

On page 15, increase the amount on line 8 by $2,500,000,000.

On page 15, increase the amount on line 9 by $1,500,000,000.

On page 15, increase the amount on line 11 by $2,400,000,000.

On page 15, increase the amount on line 17 by $2,600,000,000.

On page 15, increase the amount on line 18 by $2,200,000,000.

On page 15, increase the amount on line 20 by $2,500,000,000.

On page 16, increase the amount on line 1 by $3,000,000,000.

On page 16, increase the amount on line 2 by $2,600,000,000.

On page 16, increase the amount on line 4 by $2,600,000,000.

On page 18, increase the amount on line 8 by $2,600,000,000.

On page 18, increase the amount on line 9 by $700,000,000.

On page 18, increase the amount on line 11 by $700,000,000.

On page 18, increase the amount on line 17 by $2,500,000,000.

On page 18, increase the amount on line 18 by $1,700,000,000.

On page 18, increase the amount on line 20 by $1,300,000,000.

On page 19, increase the amount on line 1 by $3,000,000,000.

On page 19, increase the amount on line 2 by $2,500,000,000.

On page 19, increase the amount on line 4 by $1,400,000,000.

On page 33, increase the amount on line 2 by $200,000,000.

On page 33, increase the amount on line 3 by $200,000,000.

On page 33, increase the amount on line 11 by $300,000,000.

On page 33, increase the amount on line 12 by $300,000,000.

GRASSLEY AMENDMENT NO. 80

Mr. GRASSLEY proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In lieu of the language, insert the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal Year 1985: $736,200,000,000.

Fiscal Year 1986: $792,700,000,000.

Fiscal Year 1987: $864,300,000,000.

Fiscal Year 1988: $952,500,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal Year 1985: $0.

Fiscal Year 1986: $0.

Fiscal Year 1987: $0.

Fiscal Year 1988: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal Year 1985: $44,800,000,000.

Fiscal Year 1986: $50,900,000,000.

Fiscal Year 1987: $56,100,000,000.

Fiscal Year 1988: $61,200,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.

Fiscal year 1986: $200,400,000,000.

Fiscal year 1987: $216,800,000,000.

Fiscal year 1988: $248,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,054,600,000,000.

Fiscal year 1986: $1,080,100,000,000.

Fiscal year 1987: $1,160,900,000,000.

Fiscal year 1988: $1,255,700,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $949,600,000,000.

Fiscal year 1986: $979,800,000,000.

Fiscal year 1987: $1,041,400,000,000.

Fiscal year 1988: $1,106,900,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $213,300,000,000.

Fiscal year 1986: $187,200,000,000.

Fiscal year 1987: $177,100,000,000.

Fiscal year 1988: $154,400,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,849,700,000,000.

Fiscal year 1986: $2,101,000,000,000.

Fiscal year 1987: $2,354,000,000,000.

Fiscal year 1988: $2,607,400,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $25,900,000,000.

Fiscal year 1986: $251,300,000,000.

Fiscal year 1987: $253,000,000,000.

Fiscal year 1988: $253,400,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $252,000,000,000.

Fiscal year 1986:

(A) New budget authority, $292,500,000,000.

(B) Outlays, $269,700,000,000.

Fiscal year 1987:

(A) New budget authority, $320,800,000,000.

(B) Outlays, $289,200,000,000.

Fiscal year 1988:

(A) New budget authority, $351,700,000,000.

(B) Outlays, $313,300,000,000.

(2) International Affairs (150):

Fiscal year 1985:

(A) New budget authority, $24,200,000,000.

(B) Outlays, $17,800,000,000.

Fiscal year 1986:

(A) New budget authority, $23,500,000,000.

(B) Outlays, $17,800,000,000.

Fiscal year 1987:

(A) New budget authority, $23,000,000,000.

(B) Outlays, $17,900,000,000.

Fiscal year 1988:

(A) New budget authority, $23,500,000,000.

(B) Outlays, $18,000,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,700,000,000.

Fiscal year 1986:

(A) New budget authority, $8,800,000,000.

(B) Outlays, $8,700,000,000.

Fiscal year 1987:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $8,800,000,000.

Fiscal year 1988:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $9,000,000,000.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, $1,900,000,000.

(B) Outlays, $6,900,000,000.

Fiscal year 1986:

(A) New budget authority, $7,900,000,000.

(B) Outlays, $7,300,000,000.

Fiscal year 1987:

(A) New budget authority, $7,700,000,000.

(B) Outlays, $7,200,000,000.

Fiscal year 1988:

(A) New budget authority, $7,300,000,000.

(B) Outlays, $6,800,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $13,000,000,000.

Fiscal year 1986:

(A) New budget authority, $13,000,000,000.

(B) Outlays, $13,000,000,000.

Fiscal year 1987:

(A) New budget authority, $13,300,000,000.

(B) Outlays, $13,000,000,000.

Fiscal year 1988:

(A) New budget authority, $13,600,000,000.

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $21,000,000,000.

Fiscal year 1986:

(A) New budget authority, $20,400,000,000.

(B) Outlays, $17,700,000,000.

Fiscal year 1987:

(A) New budget authority, $20,800,000,000.

(B) Outlays, $19,800,000,000.

Fiscal year 1988:

(A) New budget authority, $20,900,000,000.

(B) Outlays, $20,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $5,600,000,000.

Fiscal year 1986:

(A) New budget authority, $9,700,000,000.

(B) Outlays, $5,200,000,000.

Fiscal year 1987:

(A) New budget authority, $10,300,000,000.

(B) Outlays, $5,800,000,000.

Fiscal year 1988:

(A) New budget authority, $10,700,000,000.

(B) Outlays, $7,700,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,300,000,000.

(B) Outlays, $26,000,000,000.

Fiscal year 1986:

(A) New budget authority, $29,900,000,000.

(B) Outlays, $28,100,000,000.

Fiscal year 1987:

(A) New budget authority, $30,800,000,000.

(B) Outlays, $29,600,000,000.

Fiscal year 1988:

(A) New budget authority, $31,800,000,000.

(B) Outlays, $30,500,000,000.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $8,400,000,000.

(B) Outlays, $8,700,000,000.

Fiscal year 1986:

(A) New budget authority, $8,000,000,000.

(B) Outlays, $8,300,000,000.

Fiscal year 1987:

(A) New budget authority, $8,300,000,000.

(B) Outlays, $8,500,000,000.

Fiscal year 1988:

(A) New budget authority, $9,200,000,000.

(B) Outlays, $8,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $31,600,000,000.

(B) Outlays, $30,300,000,000.

Fiscal year 1986:

(A) New budget authority, $31,300,000,000.

(B) Outlays, $31,000,000,000.

Fiscal year 1987:

(A) New budget authority, $32,400,000,000.

(B) Outlays, $31,500,000,000.

Fiscal year 1988:

(A) New budget authority, $33,300,000,000.

(B) Outlays, $32,300,000,000.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,600,000,000.

(B) Outlays, $33,500,000,000.

Fiscal year 1986:

(A) New budget authority, $35,900,000,000.

(B) Outlays, $35,700,000,000.

Fiscal year 1987:

(A) New budget authority, $38,600,000,000.

(B) Outlays, $38,200,000,000.

Fiscal year 1988:

(A) New budget authority, $41,400,000,000.

(B) Outlays, $40,900,000,000.

(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,800,000,000.

(B) Outlays, $65,200,000,000.

Fiscal year 1986:

(A) New budget authority, $81,700,000,000.

(B) Outlays, $69,500,000,000.

Fiscal year 1987:

(A) New budget authority, $90,800,000,000.

(B) Outlays, $76,700,000,000.

Fiscal year 1988:

(A) New budget authority, $94,700,000,000.

(B) Outlays, $86,200,000,000.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $163,100,000,000.

(B) Outlays, $128,800,000,000.

Fiscal year 1986:

(A) New budget authority, $157,500,000,000.

(B) Outlays, $121,000,000,000.

Fiscal year 1987:

(A) New budget authority, $166,300,000,000.

(B) Outlays, $126,300,000,000.

Fiscal year 1988:

(A) New budget authority, $174,800,000,000.

(B) Outlays, $132,300,000,000.

(14) Social Security (650):

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

Fiscal year 1986:

(A) New budget authority, $207,400,000,000.

(B) Outlays, $194,900,000,000.

Fiscal year 1987:

(A) New budget authority, $225,500,000,000.

(B) Outlays, $206,100,000,000.

Fiscal year 1988:

(A) New budget authority, $266,100,000,000.

(B) Outlays, $220,400,000,000.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,300,000,000.

Fiscal year 1986:

(A) New budget authority, $27,000,000,000.

(B) Outlays, $26,500,000,000.

Fiscal year 1987:

(A) New budget authority, $27,300,000,000.

(B) Outlays, $27,000,000,000.

Fiscal year 1988:

(A) New budget authority, $27,800,000,000.

(B) Outlays, $27,600,000,000.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,300,000,000.

Fiscal year 1986:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,700,000,000.

Fiscal year 1987:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

Fiscal year 1988:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,000,000,000.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,700,000,000.

(B) Outlays, $5,800,000,000.

Fiscal year 1986:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $5,800,000,000.

Fiscal year 1987:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $5,800,000,000.

Fiscal year 1988:

(A) New budget authority, $6,200,000,000.

(B) Outlays, $6,100,000,000.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

Fiscal year 1986:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,500,000,000.

Fiscal year 1987:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $6,700,000,000.

Fiscal year 1988:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $7,000,000,000.

(19) Net Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,700,000,000.

(B) Outlays, $129,700,000,000.

Fiscal year 1986:

(A) New budget authority, $141,300,000,000.

(B) Outlays, $141,300,000,000.

Fiscal year 1987:

(A) New budget authority, $152,400,000,000.

(B) Outlays, $152,400,000,000.

Fiscal year 1988:

(A) New budget authority, $156,800,000,000.

(B) Outlays, $156,800,000,000.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

Fiscal year 1986:

(A) New budget authority, $0.

(B) Outlays, $0.

Fiscal year 1987:

(A) New budget authority, $1,500,000,000.

(B) Outlays, $1,600,000,000.

Fiscal year 1988:

(A) New budget authority, $3,300,000,000.

(B) Outlays, $3,500,000,000.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,400,000,000.

(B) Outlays, −$32,400,000,000.

Fiscal year 1986:

(A) New budget authority, −$34,800,000,000.

(B) Outlays, −$34,800,000,000.

Fiscal year 1987:

(A) new budget authority, −$37,600,000,000.

(B) Outlays, −$37,600,000,000.

Fiscal year 1988:

(A) New budget authority, −$40,700,000,000.

(B) Outlays, −$40,700,000,000.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the committees named in subsections (b) through (e) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $430,000,000 in budget authority and $430,000,000 in outlays in fiscal year 1986, $446,000,000 in budget authority and $446,000,000 in outlays in fiscal year 1987, and $462,000,000 in budget authority and $462,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $742,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $773,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Finance shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combina-

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tion thereof, as follows: $0 in budget authority and $8,608,000,000 in outlays in fiscal year 1986, $0 in budget authority and $11,758,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $12,306,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve savings in budget authority and outlays as follows: $0 in budget authority and $725,000,000 in outlays in fiscal year 1986, $0 in budget authority and $971,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $992,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $449,000,000 in budget authority and $404,000,000 in outlays in fiscal year 1986, $553,000,000 in budget authority and $552,000,000 in outlays in fiscal year 1987, and $575,000,000 in budget authority and $573,000,000 in outlays in fiscal year 1988.

HOUSE COMMITTEES

(g) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $430,000,000 in budget authority and $430,000,000 in outlays in fiscal year 1986, $446,000,000 in budget authority and $446,000,000 in outlays in fiscal year 1987, and $462,000,000 in budget authority and $462,000,000 in outlays in fiscal year 1988.

(h) The House Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $742,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $773,000,000 in outlays in fiscal year 1988.

(i) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $2,355,000,000 in outlays in fiscal year 1986, $0 in budget authority and $3,190,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $3,620,000,000 in outlays in fiscal year 1988.

(j) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve savings in budget authority and outlays as follows: $0 in budget authority and $725,000,000 in outlays in fiscal year 1986, $0 in budget authority and $971,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $992,000,000 in outlays in fiscal year 1988.

(k) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $449,000,000 in budget authority and $404,000,000 in outlays in fiscal year 1986, $553,000,000 in budget authority and $552,000,000 in outlays in fiscal year 1987, and $575,000,000 in budget authority and $573,000,000 in outlays in fiscal year 1988.

(l) The House Committee on Ways and Means shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $8,608,000,000 in outlays in fiscal year 1986, $0 in budget authority and $11,758,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $12,306,000,000 in outlays in fiscal year 1988.

APPROPRIATIONS

Sec. 3. (a) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed $293,300,000,000 in fiscal year 1986; aggregate total budget authority to exceed $321,500,000,000. in fiscal year 1987; and aggregate total budget authority to exceed $352,500,000,000 in fiscal year 1988.

(b) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authroity for nondefense discretionary activities to exceed $152,000,000,000 in fiscal year 1986; aggregate total budget authority to exceed $159,100,000,000 in fiscal year 1987; and aggregate budget authority to exceed $167,200,000,000 in fiscal year 1988.

(c) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

MISCELLANEOUS PROVISIONS

Sec. 4. If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

Sec. 5. It shall not be order in the House of Representatives or the Senate during fiscal years 1986 and 1987 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconiliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent and in such amounts as are contained in appropriation acts.

Sec. 6. It is the sense of the Congress that the previous distinction between "unified budget" and "off-budget" spending be ended, and that budget authority and outlays for the so-called "off-budget" agencies be included in the budget totals.

Sec. 7. (a) The Senate finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalties;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Senate that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

Sec. 8. It is the sense of the Senate that because the Senate requires timely reporting of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

CHILES (AND OTHERS) AMENDMENT NO. 81

Mr. CHILES (for himself, Mr. Bradley, Mr. Pell, Mr. Kennedy, Mr. Moynihan, Mr. Sarbanes, Mr. Rockefeller, Mr. Lautenberg, Mr. Hollings, Mr. Byrd, Mr. Hart, Mr. Dodd, Mr. Kerry, Mr. Levin, and Mr. Exon) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the preceding amendment, make the following changes:

On page 3, increase the amount on line 11 by $300,000,000.

On page 3, increase the amount on line 12 by $3,300,000,000.

On page 3, increase the amount on line 13 by $2,900,000,000.

On page 3, increase the amount on line 14 by $3,100,000,000.

On page 3, increase the amount on line 17 by $300,000,000.

On page 3, increase the amount on line 18 by $1,300,000,000.

On page 3, increase the amount on line 19 by $3,200,000,000.

On page 3, increase the amount on line 20 by $3,400,000,000.

On page 3, increase the amount on line 24 by $300,000,000.

On page 3, increase the amount on line 25 by $1,300,000,000.

On page 4, increase the amount on line 1 by $3,200,000,000.

On page 4, increase the amount on line 2 by $3,400,000,000.

On page 4, increase the amount on line 5 by $300,000,000.

On page 4, increase the amount on line 6 by $1,600,000,000.

On page 4, increase the amount on line 7 by $4,800,000,000.

On page 4, increase the amount on line 8 by $8,100,000,000.

On page 4, increase the amount on line 11 by $300,000,000.

On page 4, increase the amount on line 12 by $1,300,000,000.

On page 4, increase the amount on line 13 by $3,200,000,000.

On page 4, increase the amount on line 14 by $3,400,000,000.

On page 4, increase the amount on line 23 by $200,000,000.

On page 5, increase the amount on line 5 by $200,000,000.

On page 5, increase the amount on line 12 by $200,000,000.

On page 5, increase the amount on line 19 by $200,000,000.

On page 19, increase the amount on line 12 by $300,000,000.

On page 19, increase the amount on line 13 by $300,000,000.

On page 19, increase the amount on line 17 by $200,000,000.

On page 19, increase the amount on line 21 by $3,200,000,000.

On page 19, increase the amount on line 22 by $1,200,000,000.

On page 20, increase the amount on line 2 by $200,000,000.

On page 20, increase the amount on line 6 by $2,600,000,000.

On page 20, increase the amount on line 7 by $2,900,000,000.

On page 20, increase the amount on line 11 by $200,000,000.

On page 20, increase the amount on line 15 by $2,500,000,000.

On page 20, increase the amount on line 16 by $2,800,000,000.

On page 20, increase the amount on line 20 by $200,000,000.

On page 32, increase the amount on line 17 by $100,000,000.

On page 32, increase the amount on line 18 by $100,000,000.

On page 33, increase the amount on line 2 by $300,000,000.

On page 33, increase the amount on line 3 by $300,000,000.

On page 33, increase the amount on line 11 by $600,000,000.

On page 33, increase the amount on line 12 by $600,000,000.

On page 42, decrease the first amount on line 6 by $3,254,000,000.

On page 42, decrease the second amount on line 6 by $1,159,000,000.

On page 42, decrease the amount on line 7 by $3,621,000,000.

On page 42, decrease the amount on line 8 by $3,246,000,000.

On page 42, decrease the first amount on line 9 by $4,016,000,000.

On page 42, decrease the second amount on line 9 by $3,966,000,000.

On page 45, decrease the amount on line 21 by $3,254,000,000.

On page 45, decrease the amount on line 22 by $1,159,000,000.

On page 45, decrease the first amount on line 23 by $3,621,000,000.

On page 45, decrease the second amount on line 23 by $3,246,000,000.

On page 45, decrease the amount on line 24 by $4,016,000,000.

On page 45, decrease the amount on line 25 by $3,966,000,000.

On page 52, increase the amount on line 1 by $3,200,000,000.

On page 52, increase the amount on line 3 by $2,500,000,000.

On page 52, increase the amount on line 4 by $2,400,000,000.

COHEN (AND OTHERS) AMENDMENT NO. 82

Mr. COHEN (for himself, Mr. Andrews, Mr. Bumpers, Mr. Mitchell, Mr. Leahy, Mr. Rockefeller, Mr. Bingaman, Mr. Johnston, Mr. Gore, Mr. Exon, and Mr. Riegle) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $3,100,000,000.

On page 3, increase the amount on line 13 by $3,700,000,000.

On page 3, increase the amount on line 14 by $3,500,000,000.

On page 3, increase the amount on line 18 by $1,500,000,000.

On page 3, increase the amount on line 19 by $1,700,000,000.

On page 3, increase the amount on line 20 by $1,700,000,000.

On page 3, increase the amount on line 25 by $1,500,000,000.

On page 4, increase the amount on line 1 by $1,700,000,000.

On page 4, increase the amount on line 2 by $1,700,000,000.

On page 4, increase the amount on line 6 by $1,500,000,000.

On page 4, increase the amount on line 7 by $3,200,000,000.

On page 4, increase the amount on line 8 by $4,900,000,000.

On page 4, increase the amount on line 12 by $1,500,000,000.

On page 4, increase the amount on line 13 by $1,700,000,000.

On page 4, increase the amount on line 14 by $1,700,000,000.

On page 5, increase the amount on line 3 by $2,300,000,000.

On page 5, increase the amount on line 5 by $200,000,000.

On page 5, increase the amount on line 10 by $1,700,000,000.

On page 5, increase the amount on line 12 by $900,000,000.

On page 5, increase the amount on line 17 by $1,400,000,000.

On page 5, increase the amount on line 19 by $1,200,000,000.

On page 15, increase the amount on line 8 by $3,000,000,000.

On page 15, increase the amount on line 9 by $1,400,000,000.

On page 15, increase the amount on line 11 by $2,300,000,000.

On page 15, increase the amount on line 13 by $300,000,000.

On page 15, increase the amount on line 17 by $3,600,000,000.

On page 15, increase the amount on line 18 by $1,600,000,000.

On page 15, increase the amount on line 20 by $1,700,000,000.

On page 15, increase the amount on line 22 by $900,000,000.

On page 16, increase the amount on line 1 by $3,400,000,000.

On page 16, increase the amount on line 2 by $1,600,000,000.

On page 16, increase the amount on line 4 by $1,400,000,000.

On page 16, increase the amount on line 6 by $1,200,000,000.

On page 32, increase the amount on line 17 by $100,000,000.

On page 32, increase the amount on line 18 by $100,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $100,000,000.

On page 33, increase the amount on line 12 by $100,000,000.

On page 38, decrease the first amount on line 10 by $3,025,000,000.

On page 38, decrease the first amount on line 10 by $1,350,000,000.

On page 38, decrease the amount on line 11 by $3,645,000,000.

On page 38, decrease the amount on line 12 by $1,618,000,000.

On page 38, decrease the amount on line 13 by $3,427,000,000.

On page 38, decrease the amount on line 14 by $1,578,000,000.

On page 45, decrease the first amount on line 8 by $3,025,000,000.

On page 45, decrease the second amount on line 8 by $1,350,000,000.

On page 45, decrease the amount on line 9 by $3,645,000,000.

On page 45, decrease the amount on line 10 by $1,618,000,000.

On page 45, decrease the first amount on line 11 by $3,427,000,000.

On page 45, decrease the second amount on line 11 by $1,578,000,000.

On page 52, increase the amount on line 1 by $3,000,000,000.

On page 52, increase the amount on line 3 by $3,600,000,000.

On page 52, increase the amount on line 4 by $3,400,000,000.

ABDNOR AMENDMENT NO. 83

Mr. DOLE (for Mr. Abdnor, for himself, Mr. Pell, Mr. Boren, Mr. Baucus, Mr. Sarbanes, Mr. Ford, Mr. Melcher, Mr. DeConcini, Mr. Moynihan, Mr. Bingaman, and Mr. Exon) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $200,000,000.

On page 3, increase the amount on line 13 by $200,000,000.

On page 3, increase the amount on line 14 by $260,000,000.

On page 3, increase the amount on line 18 by $100,000,000.

On page 3, increase the amount on line 19 by $100,000,000.

On page 3, increase the amount on line 20 by $200,000,000.

On page 3, increase the amount on line 25 by $100,000,000.

On page 4, increase the amount on line 1 by $100,000,000.

On page 4, increase the amount on line 2 by $200,000,000.

On page 4, increase the amount on line 6 by $100,000,000.

On page 4, increase the amount on line 7 by $200,000,000.

On page 4, increase the amount on line 8 by $400,000,000.

On page 4, increase the amount on line 12 by $100,000,000.

On page 4, increase the amount on line 13 by $100,000,000.

On page 4, increase the amount on line 14 by $200,000,000.

On page 19, increase the amount on line 21 by $200,000,000.

On page 19, increase the amount on line 22 by $100,000,000.

On page 20, increase the amount on line 6 by $200,000,000.

On page 20, increase the amount on line 7 by $100,000,000.

On page 20, increase the amount on line 15 by $200,000,000.

On page 20, increase the amount on line 16 by $200,000,000.

On page 42, decrease the first amount on line 6 by $187,000,000.

On page 42, decrease the second amount on line 6 by $148,000,000.

On page 42, decrease the amount on line 7 by $188,000,000.

On page 42, decrease the amount on line 8 by $174,000,000.

On page 42, decrease the amount on line 9 by $209,000,000.

On page 42, decrease the second amount on line 9 by $205,000,000.

On page 45, decrease the amount on line 21 by $187,000,000.

On page 45, decrease the amount on line 22 by $148,000,000.

On page 45, decrease the first amount on line 23 by $188,000,000.

On page 45, decrease the second amount on line 23 by $174,000,000.

On page 45, decrease the amount on line 24 by $209,000,000.

On page 45, decrease the amount on line 25 by $205,000,000.

On page 52, increase the amount on line 1 by $200,000,000.

On page 52, increase the amount on line 3 by $200,000,000.

On page 52, increase the amount on line 4 by $200,000,000.

METZENBAUM (AND OTHERS) AMENDMENT NO. 84

Mr. METZENBAUM (for himself, Mr. Riegle, Mr. Sarbanes, Mr. Matsunaga, Mr. Byrd, Mr. Eagleton, Mr. Rockefeller, Mr. Inouye, Mr. Kerry, Mr. Kennedy, Mr. Ford, Mr. Zorinsky, Mr. Bingaman, and Mr. Hollings) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

On page 3, increase the amount on line 12 by $313,000,000.

On page 3, increase the amount on line 13 by $2,027,000,000.

On page 3, increase the amount on line 14 by $601,000,000.

On page 3, increase the amount on line 18 by $313,000,000.

On page 3, increase the amount on line 19 by $2,027,000,000.

On page 3, increase the amount on line 20 by $601,000,000.

On page 3, increase the amount on line 25 by $313,000,000.

On page 4, increase the amount on line 1 by $2,027,000,000.

On page 4, increase the amount on line 2 by $601,000,000.

On page 4, increase the amount on line 6 by $313,000,000.

On page 4, increase the amount on line 7 by $2,340,000,000.

On page 4, increase the amount on line 8 by $2,941,000,000.

On page 4, increase the amount on line 12 by $313,000,000.

On page 4, increase the amount on line 13 by $2,027,000,000.

On page 4, increase the amount on line 14 by $601,000,000.

On page 15, increase the amount on line 8 by $298,000,000.

On page 15, increase the amount on line 9 by $298,000,000.

On page 15, increase the amount on line 17 by $1,905,000,000.

On page 15, increase the amount on line 18 by $1,905,000,000.

On page 16, increase the amount on line 1 by $366,000,000.

On page 16, increase the amount on line 2 by $366,000,000.

On page 32, increase the amount on line 17 by $15,000,000.

On page 32, increase the amount on line 18 by $15,000,000.

On page 33, increase the amount on line 2 by $122,000,000.

On page 33, increase the amount on line 3 by $122,000,000.

On page 33, increase the amount on line 11 by $235,000,000.

On page 33, increase the amount on line 12 by $235,000,000.

On page 41, decrease the amount on line 19 by $1,359,000,000.

On page 41, decrease the amount on line 21 by $366,000,000.

On page 49, decrease the amount on line 5 by $1,359,000,000.

On page 49, decrease the amount on line 7 by $366,000,000.

On page 52, increase the amount on line 1 by $817,000,000.

On page 52, increase the amount on line 3 by $856,000,000.

On page 52, increase the amount on line 4 by $894,000,000.

KASTEN (AND OTHERS) AMENDMENT NO. 85

Mr. KASTEN (for himself, Mr. Heinz, Mr. Ford, Mr. Sasser, Mr. Riegle, Mr. Moynihan, and Mr. Byrd) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In amendment number 43 as amended.

On page 3, line 13, increase the number by $2,400,000,000.

On page 3, line 14, increase the number by $2,600,000,000.

On page 3, line 19, increase the number by $1,800,000,000.

On page 3, line 20, increase the number by $2,600,000,000.

On page 4, line 1, increase the number by $1,800,000,000.

On page 4, line 2, increase the number by $2,600,000,000.

On page 4, line 7, increase the number by $1,800,000,000.

On page 4, line 8, increase the number by $4,400,000,000.

On page 4, line 13, increase the number by $1,800,000,000.

On page 4, line 14, increase the number by $2,600,000,000.

On page 31, line 14, increase the number by $2,300,000,000.

On page 31, line 15, increase the number by $1,700,000,000.

On page 31, line 22, increase the number by $2,300,000,000.

On page 31, line 23, increase the number by $2,300,000,000.

On page 33, line 2, increase the number by $100,000,000.

On page 33, line 3, increase the number by $100,000,000.

On page 33, line 11, increase the number by $300,000,000.

On page 33, line 12, increase the number by $300,000,000.

On page 40, line 17, decrease the number by $1,676,000,000.

On page 40, line 18, decrease the second number by $2,287,000,000.

On page 47, line 13, decrease the number by $1,676,000,000.

On page 47, line 14, decrease the second number by $2,287,000,000.

KENNEDY (AND OTHERS) AMENDMENT NO. 86

Mr. KENNEDY (for himself, Mr. Chiles, Mr. Byrd, Mr. Baucus, Mr. Riegle, Mr. Sarbanes, Mr. Matsunaga, Mr. Glenn, Mr. Metzenbaum, Mr. Moynihan, and Mr. Bradley) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, make the following changes:

Total New Budget Authority:

On page 3, increase the amount on line 12 by $200,000,000.

On page 3, increase the amount on line 13 by $500,000,000.

On page 3, increase the amount on line 14 by $900,000,000.

Total Budget Outlays:

On page 3, increase the amount on line 18 by $900,000,000.

On page 3, increase the amount on line 19 by $1,300,000,000.

On page 3, increase the amount on line 20 by $2,200,000,000.

On page 3, increase the amount on line 25 by $900,000,000.

On page 4, increase the amount on line 1 by $1,300,000,000.

On page 4, increase the amount on line 2 by $2,200,000,000.

Public Debt:

On page 4, increase the amount on line 7 by $100,000,000.

On page 4, increase the amount on line 8 by $400,000,000.

Statutory Debt Limit:

On page 4, increase the amount on line 13 by $100,000,000.

On page 4, increase the amount on line 14 by $300,000,000.

Medical Insurance (570):

On page 22, increase the amount on line 16 by $200,000,000.

On page 22, increase the amount on line 17 by $900,000,000.

On page 22, increase the amount on line 24 by $400,000,000.

On page 22, increase the amount on line 25 by $1,200,000,000.

On page 23, increase the amount on line 7 by $600,000,000.

On page 23, increase the amount on line 8 by $1,900,000,000.

Net Interest (900):

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $300,000,000.

On page 33, increase the amount on line 12 by $300,000,000.

Senate Committee on Finance:

On page 40, decrease the first amount on line 16 by $1,000,000,000.

On page 40, decrease the amount on line 17 by $1,413,000,000.

On page 40, decrease the second amount on line 18 by $2,187,000,000.

House Committee on Energy and Commerce:

On page 46, decrease the amount on line 10 by $1,000,000,000.

On page 46, decrease the second amount on line 11 by $1,413,000,000.

On page 46, decrease the amount on line 13 by $2,187,000,000.

House Committee on Ways and Means:

On page 51, decrease the first amount on line 7 by $1,000,000,000.

On page 51, decrease the amount on line 8 by $1,413,000,000.

On page 51, decrease the second amount on line 9 by $2,187,000,000.

SYMMS AMENDMENT NO. 87

Mr. SYMMS proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, decrease the amount on line 12 by $1,600,000,000.

On page 3, decrease the amount on line 13 by $1,100,000,000.

On page 3, decrease the amount on line 14 by $900,000,000.

On page 3, decrease the amount on line 18 by $600,000,000.

On page 3, decrease the amount on line 19 by $800,000,000.

On page 3, decrease the amount on line 20 by $900,000,000.

On page 3, decrease the amount on line 25 by $600,000,000.

On page 4, decrease the amount on line 1 by $800,000,000.

On page 4, decrease the amount on line 2 by $900,000,000.

On page 4, decrease the amount on line 6 by $600,000,000.

On page 4, decrease the amount on line 7 by $1,400,000,000.

On page 4, decrease the amount on line 8 by $2,300,000,000.

On page 4, decrease the amount on line 12 by $600,000,000.

On page 4, decrease the amount on line 13 by $800,000,000.

On page 4, decrease the amount on line 14 by $900,000,000.

On page 16, decrease the amount on line 20 by $1,600,000,000.

On page 16, decrease the amount on line 21 by $600,000,000.

On page 17, decrease the amount on line 4 by $1,000,000,000.

On page 17, decrease the amount on line 5 by $700,000,000.

On page 17, decrease the amount on line 13 by $700,000,000.

On page 17, decrease the amount on line 14 by $700,000,000.

On page 33, decrease the amount on line 2 by $100,000,000.

On page 33, decrease the amount on line 3 by $100,000,000.

On page 33, decrease the amount on line 11 by $200,000,000.

On page 33, decrease the amount on line 12 by $200,000,000.

On page 38, increase the first amount on line 10 by $1,630,000,000.

On page 38, increase the second amount on line 10 by $621,000,000.

On page 38, increase the amount on line 11 by $1,096,000,000.

On page 38, increase the amount on line 12 by $705,000,000.

On page 38, increase the amount on line 13 by $729,000,000.

On page 38, increase the amount on line 14 by $763,000,000.

On page 41, decrease the amount on line 17 by $4,000,000.

On page 41, decrease the amount on line 19 by $15,000,000.

On page 41, decrease the amount on line 21 by $29,000,000.

On page 47, decrease the first amount on line 12 by $4,000,000.

On page 47, decrease the amount on line 13 by $15,000,000.

On page 47, decrease the second amount on line 14 by $29,000,000.

On page 49, increase the first amount on line 17 by $1,630,000,000.

On page 49, increase the second amount on line 17 by $621,000,000.

On page 49, increase the amount on line 18 by $1,096,000,000.

On page 49, increase the amount on line 19 by $105,000,000.

On page 49, increase the first amount on line 20 by $729,000,000.

On page 49, increase the second amount on line 20 by $763,000,000.

On page 52, decrease the amount on line 1 by $1,600,000,000.

On page 52, decrease the amount on line 3 by $1,000,000,000.

On page 52, decrease the amount on line 4 by $700,000,000.

BRADLEY (AND OTHERS) AMENDMENT NO. 88

Mr. BRADLEY (for himself, Mr. Bingaman, Mr. Rockefeller, and Mr. Bumpers) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra, as follows:

In the pending amendment, do the following:

On page 2, increase the amount on line 9 by $1,500,000,000.

On page 2, increase the amount on line 10 by $1,700,000,000.

On page 2, increase the amount on line 11 by $1,700,000,000.

On page 2, increase the amount on line 15 by $1,500,000,000.

On page 2, increase the amount on line 16 by $1,700,000,000.

On page 2, increase the amount on line 17 by $1,700,000,000.

On page 3, increase the amount on line 12 by $80,000,000.

On page 3, increase the amount on line 13 by $280,000,000.

On page 3, increase the amount on line 14 by $1,070,000,000.

On page 3, increase the amount on line 18 by $80,000,000.

On page 3, increase the amount on line 19 by $280,000,000.

On page 3, increase the amount on line 20 by $1,070,000,000.

On page 3, decrease the amount on line 25 by $1,420,000,000.

On page 4, decrease the amount on line 1 by $1,420,000,000.

On page 4, decrease the amount on line 2 by $630,000,000.

On page 4, decrease the amount on line 6 by $1,420,000,000.

On page 4, decrease the amount on line 7 by $2,840,000,000.

On page 4, decrease the amount on line 8 by $3,470,000,000.

On page 4, decrease the amount on line 12 by $1,420,000,000.

On page 4, decrease the amount on line 13 by $1,420,000,000.

On page 4, decrease the amount on line 14 by $630,000,000.

On page 22, increase the amount on line 16 by $180,000,000.

On page 22, increase the amount on line 17 by $180,000,000.

On page 22, increase the amount on line 24 by $480,000,000.

On page 22, increase the amount on line 25 by $480,000,000.

On page 23, increase the amount on line 7 by $1,270,000,000.

On page 23, increase the amount on line 8 by $1,270,000,000.

On page 32, decrease the amount on line 17 by $100,000,000.

On page 32, decrease the amount on line 18 by $100,000,000.

On page 33, decrease the amount on line 2 by $200,000,000.

On page 33, decrease the amount on line 3 by $200,000,000.

On page 33, decrease the amount on line 11 by $200,000,000.

On page 33, decrease the amount on line 12 by $200,000,000.

On page 40, decrease the first amount on line 16 by $180,000,000.

On page 40, decrease the amount on line 17 by $480,000,000.

On page 40, decrease the second amount on line 18 by $1,270,000,000.

On page 40, line 19, add the following new sentence: "The Senate Committee on Finance shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $1,500,000,000 in fiscal year 1986; $1,700,000,000 in fiscal year 1987; and $1,700,000,000 in fiscal year 1988.".

On page 46, decrease the amount on line 9 by $180,000,000.

On page 46, decrease the amount on line 10 by $180,000,000.

On page 46, decrease the first amount on line 11 by $480,000,000.

On page 46, decrease the second amount on line 11 by $480,000,000.

On page 46, decrease the amount on line 12 by $1,270,000,000.

On page 46, decrease the amount on line 13 by $1,270,000,000.

On page 51, decrease the first amount on line 7 by $180,000,000.

On page 51, decrease the amount on line 8 by $480,000,000.

On page 51, decrease the second amount on line 9 by $1,270,000,000.

On page 51, line 10 add the following new sentence: "The House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $1,500,000,000 in fiscal year 1986; $1,700,000,000 in fiscal year 1987; and $1,700,000,000 in fiscal year 1988.".

DeCONCINI AMENDMENT NO. 89

Mr. DeCONCINI (for himself, Mr. Cranston, Mr. Dodd, Mr. Kerry, Mr. Mitchell, Mr. Kennedy, Mr. Biden, Mr. Chafee, Mr. Hollings and Mr. Bentsen, and Mr. Boren) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

At the end of the pending amendment, add the following:

Sec. . It is the sense of the Senate that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security (600) for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program), and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98–473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98–1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98–473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98–473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

LAUTENBERG (AND OTHERS) AMENDMENT NO. 90

Mr. LAUTENBERG (for himself, Mr. Dodd, Mr. Moynihan, Mr. Weicker, Mr. Kennedy, Mr. Riegle, Mr. Levin, Mr. Kerry, Mr. Sarbanes, Mr. Baucus, Mr. Bradley, Mr. Rockefeller, and Mr. Byrd) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $2,000,000,000.

On page 3, increase the amount on line 13 by $2,500,000,000.

On page 3, increase the amount on line 14 by $2,900,000,000.

On page 3, increase the amount on line 18 by $800,000,000.

On page 3, increase the amount on line 19 by $1,400,000,000.

On page 3, increase the amount on line 20 by $2,100,000,000.

On page 3, increase the amount on line 25 by $800,000,000.

On page 4, increase the amount on line 1 by $1,400,000,000.

On page 4, increase the amount on line 2 by $2,100,000,000.

On page 4, increase the amount on line 6 by $800,000,000.

On page 4, increase the amount on line 7 by $2,200,000,000.

On page 4, increase the amount on line 8 by $4,300,000,000.

On page 4, increase the amount on line 12 by $800,000,000.

On page 4, increase the amount on line 13 by $1,400,000,000.

On page 4, increase the amount on line 14 by $2,100,000,000.

On page 16, increase the amount on line 20 by $1,600,000,000.

On page 16, increase the amount on line 21 by $800,000,000.

On page 17, increase the amount on line 4 by $2,100,000,000.

On page 17, increase the amount on line 5 by $1,200,000,000.

On page 17, increase the amount on line 13 by $2,500,000,000.

On page 17, increase the amount on line 14 by $1,600,000,000.

On page 18, increase the amount on line 8 by $400,000,000.

On page 18, increase the amount on line 17 by $400,000,000.

On page 18, increase the amount on line 18 by $100,000,000.

On page 19, increase the amount on line 1 by $400,000,000.

On page 19, increase the amount on line 2 by $200,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 and line 12 by $300,000,000.

On page 38, decrease the amount on line 10 by $1,315,000,000.

On page 38, decrease the amount on line 10 by $201,000,000.

On page 38, decrease the amount on line 11 by $1,839,000,000.

On page 38, decrease the amount on line 12 by $622,000,000.

On page 38, decrease the amount on line 13 by $2,212,000,000.

On page 38, decrease the amount on line 14 by $1,147,000,000.

On page 38, decrease the amount on line 24 by $684,000,000.

On page 38, decrease the amount on line 24 by $596,000,000.

On page 38, decrease the amount on line 25 by $684,000,000.

On page 39, decrease the amount on line 1 by $641,000,000.

On page 39, decrease the amount on line 2 by $684,000,000.

On page 39, decrease the second amount on line 2 by $684,000,000.

On page 41, decrease the amount on line 17 by $4,000,000.

On page 41, decrease the amount on line 19 by $16,000,000.

On page 41, decrease the amount on line 21 by $28,000,000.

On page 45, decrease the amount on line 8 by $440,000,000.

On page 45, decrease the second amount on line 8 by $22,000,000.

On page 45, decrease the amount on line 9 by $440,000,000.

On page 45, decrease the amount on line 10 by $111,000,000.

On page 45, decrease the first amount on line 11 by $440,000,000.

On page 45, decrease the second amount on line 11 by $221,000,000.

On page 46, decrease the amount on line 9 by $684,000,000.

On page 46, decrease the amount on line 10 by $596,000,000.

On page 46, decrease the first amount on line 11 by $684,000,000.

On page 46, decrease the second amount on line 11 by $641,000,000.

On page 46, decrease the amount on line 12 by $684,000,000.

On page 46, decrease the amount on line 13 by $684,000,000.

On page 49, decrease the first amount on line 17 by $875,000,000.

On page 49, decrease the second amount on line 17 by $179,000,000.

On page 49, decrease the amount on line 18 by $1,399,000,000.

On page 49, decrease the amount on line 19 by $511,000,000.

On page 49, decrease the first amount on line 20 by $1,772,000,000.

On page 49, decrease the second amount on line 20 by $926,000,000.

On page 52, increase the amount on line 1 by $2,000,000,000.

On page 52, increase the amount on line 3 by $2,500,000,000.

On page 52, increase the amount on line 4 by $2,900,000,000.

LEVIN (AND OTHERS) AMENDMENT NO. 91

Mr. LEVIN (for himself, Mr. Dixon, Mr. Bingaman, and Mr. Simon) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit the concurrent resolution (S. Con. Res. 32), supra; as follows:

On page 2, increase the amount on line 9 by $1,500,000,000.

On page 2, increase the amount on line 10 by $1,700,000,000.

On page 2, increase the amount on line 11 by $1,700,000,000.

On page 2, increase the amount on line 15 by $1,500,000,000.

On page 2, increase the amount on line 16 by $1,700,000,000.

On page 2, increase the amount on line 17 by $1,700,000,000.

On page 3, decrease the amount on line 25 by $1,500,000,000.

On page 4, decrease the amount on line 1 by $1,700,000,000.

On page 4, decrease the amount on line 2 by $1,700,000,000.

On page 4, decrease the amount on line 6 by $1,500,000,000.

On page 4, decrease the amount on line 7 by $3,200,000,000.

On page 4, decrease the amount on line 8 by $4,900,000,000.

On page 4, decrease the amount on line 12 by $1,500,000,000.

On page 4, decrease the amount on line 13 by $1,700,000,000.

On page 4, decrease the amount on line 14 by $1,700,000,000.

HOLLINGS (AND BUMPERS) AMENDMENT NO. 92

Mr. HOLLINGS (for himself, Mr. Bumpers, and Mr. Mitchell) proposed an amendment to amendment No. 43 proposed by Mr. Dole (and Mr. Domenici) to the motion to recommit the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $200,000,000.

On page 3, increase the amount on line 13 by $200,000,000.

On page 3, increase the amount on line 14 by $200,000,000.

On page 3, increase the amount on line 18 by $20,000,000.

On page 3, increase the amount on line 19 by $60,000,000.

On page 3, increase the amount on line 20 by $110,000,000.

On page 3, increase the amount on line 25 by $20,000,000.

On page 4, increase the amount on line 1 by $60,000,000.

On page 4, increase the amount on line 2 by $110,000,000.

On page 4, increase the amount on line 6 by $20,000,000.

On page 4, increase the amount on line 7 by $60,000,000.

On page 4, increase the amount on line 8 by $110,000,000.

On page 4, increase the amount on line 12 by $20,000,000.

On page 4, increase the amount on line 13 by $60,000,000.

On page 4, increase the amount on line 14 by $110,000,000.

On page 18, increase the amount on line 8 by $200,000,000.

On page 18, increase the amount on line 9 by $20,000,000.

On page 18, increase the amount on line 17 by $200,000,000.

On page 18, increase the amount on line 18 by $60,000,000.

On page 19, increase the amount on line 1 by $200,000,000.

On page 19, increase the amount on line 2 by $110,000,000.

DOLE (AND DOMENICI) AMENDMENT NO. 93

Mr. DOLE (for himself, Mr. Domenici, Mr. Abdnor, Mr. Armstrong, Mr. Boschwitz, Mr. Chafee, Mr. Danforth, Mr. Durenberger, Mr. Evans, Mr. Gorton, Mr. Gramm, Mr. Hatfield, Mr. Helms, Mr. Laxalt, Mr. McConnell, Mr. Packwood, Mr. Rudman, Mr. Simpson, Mr. Stafford, Mr. Symms, Mr. Thurmond, Mr. Trible, and Mr. Warner) proposed an amendment to amendment No. 43 proposed by Mr. Dole, (and Mr. Domenici) to the motion to recommit with instructions the concurrent resolution Senate Concurrent Resolution 32, supra; as follows:

In the pending amendment, strike all after the word "That", and insert in lieu thereof the following:

the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is established, and the appropriate budgetary levels for fiscal year 1987 and 1988 are set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,200,000,000.
Fiscal year 1986: $793,600,000,000.
Fiscal year 1987: $866,300,000,000.
Fiscal year 1988: $955,900,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $900,000,000.
Fiscal year 1987: $2,000,000,000.
Fiscal year 1988: $3,400,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $51,000,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributons Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,700,000,000.
Fiscal year 1987: $216,900,000,000.
Fiscal year 1988: $248,300,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,055,600,000,000.
Fiscal year 1986: $1,069,500,000,000.
Fiscal year 1987: $1,132,800,000,000.
Fiscal year 1988: $1,212,900,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $949,100,000,000.
Fiscal year 1986: $965,000,000,000.
Fiscal year 1987: $1,011,100,000,000.
Fiscal year 1988: $1,060,200,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $212,900,000,000.
Fiscal year 1986: $171,400,000,000.
Fiscal year 1987: $144,800,000,000.
Fiscal year 1988: $104,300,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,849,300,000,000.
Fiscal year 1986: $2,086,500,000,000.
Fiscal year 1987: $2,312,700,000,000.
Fiscal year 1988: $2,525,200,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $25,500,000,000.
Fiscal year 1986: $237,200,000,000.
Fiscal year 1987: $226,200,000,000.
Fiscal year 1988: $212,600,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $52,700,000,000.

(B) New primary loan guarantee commitments, $68,950,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $30,250,000,000.

(B) New primary loan guarantee commitments, $77,000,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New direct loan obligations, $27,600,000,000.

(B) New primary loan guarantee commitments, $1,500,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $26,800,000,000.

(B) New primary loan guarantee commitments, $86,000,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $252,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $302,500,000,000.

(B) Outlays, $273,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $323,400,000,000.

(B) Outlays, $292,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $346,800,000,000.

(B) Outlays, $313,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:

(A) New budget authority, $25,300,000,000.

(B) Outlays, $18,000,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $21,200,000,000.

(B) Outlays, $17,800,000,000.

(C) New direct loan obligations, $8,200,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $20,400,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $7,800,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guaranee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $20,700,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $7,900,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $8,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, $1,600,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $4,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New buget authority, $5,200,000,000.

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,200,000,000.

(C) New direct loan obligations, $1,600,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $12,700,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $12,200,000,000.

(B) Outlays, $12,500,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee comitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $12,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $24,600,000,000.

(B) Outlays, $21,000,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $14,500,000,000.

(C) New direct loan obligations, $11,700,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $17,700,000,000.

(B) Outlays, $15,800,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $17,000,000,000.

(B) Outlays, $12,900,000,000.

(C) New direct loan obligations, $9,100,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $5,600,000,000.

(C) New direct loan obligations, $6,500,000,000.

(D) New primary loan guarantee commitments, $27,000,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $3,400,000,000.

(C) New direct loan obligations, $4,200,000,000.

(D) New primary loan guarantee commitments, $28,400,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New budget authority, $5,600,000,000.

(B) Outlays, $2,300,000,000.

(C) New direct loan obligations, $4,200,000,000.

(D) New primary loan guarantee commitments, $30,100,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:

(A) New budget authority, $6,100,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $4,500,000,000.

(D) New primary loan guarantee commitments, $31,900,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,600,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,900,000,000.

(B) Outlays, $27,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,300,000,000.

(B) Outlays, $27,400,000,000.

(C) New direct loan obligations, $100.000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $8,400,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $7,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $31,600,000,000.

(B) Outlays, $30,300,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $8,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $30,100,000,000.

(B) Outlays, $30,300,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $30,700,000,000.

(B) Outlays, $29,900,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $31,300,000,000.

(B) Outlays, $30,400,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,600,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $35,700,000,000.

(B) Outlays, $35,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $38,200,000,000.

(B) Outlays, $37,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $40,800,000,000.

(B) Outlays, $40,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,800,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $81,900,000,000.

(B) Outlays, $68,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $91,200,000,000.

(B) Outlays, $74,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $94,800,000,000.

(B) Outlays, $82,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $162,800,000,000.

(B) Outlays, $128,600,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $155,400,000,000.

(B) Outlays, $116,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $164,900,000,000.

(B) Outlays, $120,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $2,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $173,900,000,000.

(B) Outlays, $125,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,800,000,000.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $207,400,000,000.

(B) Outlays, $194,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $225,500,000,000.

(B) Outlays, $205,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $266,100,000,000.

(B) Outlays, $220,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,300,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $26,700,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $15,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $26,800,000,000.

(B) Outlays, $26,200,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $17,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,700,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $20,100,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $5,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,400,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $5,500,000,000.

(B) Outlays, $5,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $2,000,000,000.

(B) Outlays, $3,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $2,100,000,000.

(B) Outlays, $2,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,700,000,000.

(B) Outlays, $129,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $142,300,000,000.

(B) Outlays, $142,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $152,100,000,000.

(B) Outlays, $152,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $153,900,000,000.

(B) Outlays, $153,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$1,600,000,000.

(B) Outlays, −$1,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$1,600,000,000.

(B) Outlays, −$1,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$600,000,000.

(B) Outlays, −$500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,400,000,000.

(B) Outlays, −$32,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$35,000,000,000.

(B) Outlays, −$35,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$37,800,000,000.

(B) Outlays, −$37,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$41,100,000,000.

(B) Outlays, −$41,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the committees named in subsections (b) through (bb) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,577,000,000 in budget authority and $3,860,000,000 in outlays in fiscal year 1986, $3,280,000,000 in budget authority and $5,097,000,000 in outlays in fiscal year 1987, and $3,571,000,000 in budget authority and $8,689,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $942,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,073,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $8,895,000,000 in budget authority and $3,959,000,000 in outlays in fiscal year 1986, $9,638,000,000 in budget authority and $5,937,000,000 in outlays in fiscal year 1987, and $10,905,000,000 in budget authority and $7,055,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $2,006,000,000 in budget authority and $1,679,000,000 in outlays in fiscal year 1986, $781,000,000 in budget authority and $471,000,000 in outlays in fiscal year 1987, and $987,000,000 in budget authority and $706,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,014,000,000 in budget authority and $2,265,000,000 in outlays in fiscal year 1986, $2,836,000,000 in budget authority and $2,666,000,000 in outlays in fiscal year 1987, and $2,847,000,000 in budget authority and $2,925,000,000 in outlays in fiscal year 1988.

(g) The Senate Committee on Environmental and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $723,000,000 in budget authority and $310,000,000 in outlays in fiscal year 1986, $1,221,000,000 in budget authority and $1,393,000,000 in outlays in fiscal year 1987, and $1,738,000,000 in budget authority and $2,066,000,000 in outlays in fiscal year 1988.

(h) The Senate Committee on Finance shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $10,847,000,000 in outlays in fiscal year 1986, $0 in budget authority and $18,608,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $22,429,000,000 in outlays in fiscal year 1988.

(i) The Senate Committee on Foreign Relations shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $192,000,000 in budget authority and $47,000,000 in outlays in fiscal year 1986, $275,000,000 in budget authority and $109,000,000 in outlays in fiscal year 1987, and $282,000,000 in budget authority and $140,000,000 in outlays in fiscal year 1988.

(j) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve increases in contributions and savings in budget authority and outlays as follows: $375,000,000 in contributions, $0 in budget authority and $3,654,000,000 in outlays in fiscal year 1986, $1,325,000,000 in contributions, $0 in budget authority and $7,651,000,000 in outlays in fiscal year 1987, and $1,370,000,000 in contributions, $0 in budget authority and $8,889,000,000 in outlays in fiscal year 1988.

(k) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,380,000,000 in budget authority and $668,000,000 in outlays in fiscal year 1986, $1,808,000,000 in budget authority and $1,687,000,000 in outlays in fiscal year 1987, and $2,130,000,000 in budget authority and $2,242,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within it jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $460,000,000 in budget authority and $504,000,000 in outlays in fiscal year 1986, $829,000,000 in budget authority and $1,028,000,000 in outlays in fiscal year 1987, and $1,117,000,000 in budget authority and $1,044,000,000 in outlays in fiscal year 1988.

(m) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,076,000,000 in budget authority and $986,000,000 in outlays in fiscal year 1986, $1,344,000,000 in budget authority and $1,534,000,000 in outlays in fiscal year 1987, and $1,741,000,000 in outlays in fiscal year 1988.

(n) The Senate Select Committee on Indian Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $148,000,000 in budget authority and $61,000,000 in outlays in fiscal year 1986, $153,000,000 in budget authority and $116,000,000 in outlays in fiscal year 1987, and $159,000,000 in budget authority and $137,000,000 in outlays in fiscal year 1988.

(o) The Senate Committee on Energy and Natural Resources, pursuant to section (f), and the Senate Committee on Agriculture, Nutrition and Forestry, pursuant to subsection (b), shall review (1) changes in laws within their jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within their jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $52,000,000 in budget authority and $12,000,000 in outlays in fiscal year 1986, $113,000,000 in budget authority and $86,000,000 in outlays in fiscal year 1987; and $127,000,000 in budget authority and $111,000,000 in outlays in fiscal year 1988.

HOUSE COMMITTEES

(p) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,577,000,000 in budget authority and $3,860,000,000 in outlays in fiscal year 1986, $3,280,000,000 in budget authority and $5,097,000,000 in outlays in fiscal year 1987, and $3,591,000,000 in budget authority and $8,689,000,000 in outlays in fiscal year 1988.

(q) The House Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $942,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,073,000,000 in outlays in fiscal year 1988.

(r) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $7,932,000,000 in budget authority and $3,774,000,000 in outlays in fiscal year 1986, $8,490,000,000 in budget authority and $5,508,000,000 in outlays in fiscal year 1987, and $9,125,000,000 in budget authority and $6,303,000,000 in outlays in fiscal year 1988.

(s) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,137,000,000 in budget authority and $821,000,000 in outlays in fiscal year 1986, $1,553,000,000 in budget authority and $1,784,000,000 in outlays in fiscal year 1987, and $1,861,000,000 in budget authority and $2,298,000,000 in outlays in fiscal year 1988.

(t) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $4,205,000,000 in budget authority and $7,308,000,000 in outlays in fiscal year 1986, $2,900,000,000 in budget authority and $8,450,000,000 in outlays in fiscal year 1987, and $2,987,000,000 in budget authority and $10,994,000,000 in outlays in fiscal year 1988.

(u) The House Committee on Foreign Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $192,000,000 in budget authority and $47,000,000 in outlays in fiscal year 1986, $275,000,000 in budget authority and $109,000,000 in outlays in fiscal year 1987, and $282,000,000 in budget authority and $140,000,000 in outlays in fiscal year 1988.

(v) The House Committee on Government Operations shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $64,000,000 in outlays in fiscal year 1986, $0 in budget authority and $3,699,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $5,203,000,000 in outlays in fiscal year 1988.

(w) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $540,000,000 in budget authority and $292,000,000 in outlays in fiscal year 1986, $559,000,000 in budget authority and $402,000,000 in outlays in fiscal year 1987, and $634,000,000 in budget authority and $526,000,000 in outlays in fiscal year 1988.

(x) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $405,000,000 in budget authority and $383,000,000 in outlays in fiscal year 1986, $206,000,000 in budget authority and $194,000,000 in outlays in fiscal year 1987, and $212,000,000 in budget authority and $204,000,000 in outlays in fiscal year 1988.

(y) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve increases in contributions and savings in budget authority and outlays as follows: $375,000,000 in contributions, $0 in budget authority and $3,590,000,000 in outlays in fiscal year 1986, $1,325,000,000 in contributions, $0 in budget authority and $7,502,000,000 in outlays in fiscal year 1987, and $1,370,000,000 in contributions, $0 in budget authority and $8,642,000,000 in outlays in fiscal year 1988.

(z) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,895,000,000 in budget authority and $469,000,000 in outlays in fiscal year 1986, $2,616,000,000 in budget authority and $1,833,000,000 in outlays in fiscal year 1987, and $3,820,000,000 in budget authority and $2,897,000,000 in outlays in fiscal year 1988.

(aa) The House Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $460,000,000 in budget authority and $504,000,000 outlays in fiscal year 1986, $829,000,000 in budget authority and $1,028,000,000 in outlays in fiscal year 1987, and $1,117,000,000 in budget authority and $1,044,000,000 in outlays in fiscal year 1988.

(bb) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,076,000,000 in budget authority and $986,000,000 in outlays in fiscal year 1986, $1,344,000,000 in budget authority and $1,534,000,000 in outlays in fiscal year 1987, and $1,457,000,000 in budget authority and $1,741,000,000 in outlays in fiscal year 1988.

(cc) The House Committee on Ways and Means shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget au-

thority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or or (3) any combination thereof, as follows: $0 in budget authority and $10,330,000,000 in outlays in fiscal year 1986, $0 in budget authority and $14,370,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $16,671,000,000 in outlays in fiscal year 1988.

APPROPRIATIONS

SEC. 3. (a) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed $303,200,000,000 in fiscal year 1986; aggregate total budget authority to exceed $324,100,000,000 in fiscal year 1987; and aggregate total budget authority to exceed $347,600,000,000 in fiscal year 1988.

(b) It shall not be in order to consider any measure making appropriations in the Senate and House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for nondefense discretionary activities to exceed $140,800,000,000 in fiscal year 1986; aggregate total budget authority to exceed $143,800,000,000 in fiscal year 1987; and aggregate budget authority to exceed $149,300,000,000 in fiscal year 1988.

(c) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

SEC. 5. It shall not be in order in the House of Representatives or the Senate during fiscal years 1986 and 1987 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent and in such amounts as are contained in appropriation acts. This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1985, that are funded through the Commodity Credit Corporation.

SEC. 6. It is the sense of the Congress that the previous distinction between "unified budget" and "off-budget" spending be ended, and that budget authority and outlays for the so-called "off-budget" agencies be included in the budget totals.

SEC. 7. (a) The Senate finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalities;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Senate that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

SEC. 8. It is the sense of the Senate that because the Senate requires timely reporting of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

SEC. 9. It is the sense of the Senate that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

SEC. 10. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of social security benefits paid to illegal and non-resident aliens. It is assumed that the Finance Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of wage-earner's contribution plus interest, unless the wage-earner is a citizen of a country with which the United States has a treaty or totalization agreement and that this provision would apply to individuals becoming eligible on or after January 1, 1986.

SEC. 11. It is the sense of the Congress that overall Federal outlays should be reduced and it is assumed that legislation should be enacted to conform the overtime requirements under the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act with the Fair Labor Standards Act and it is further assured that the resulting outlay reductions shall be utilized to achieve the previously agreed-upon program outlay savings.

SEC. 12. It is the sense of the Congress that tax legislation should be enacted to provide for payment of minimum taxes by corporations and individuals on the broadest feasible definition of income to assure that all of those with economic income will pay tax, and that the resulting revenues be used to reduce individual income tax rates and to increase the threshold amount for tax payments by individuals in connection with consideration of comprehensive tax reform legislation.

SEC. 13. It is the sense of the Senate that revenues should be increased and it is assumed that tax legislation will be enacted to limit to the national median family income the amount of farm loss which may be deducted against nonfarm income, and it is further assumed that revenues derived from enactment of such legislation be used to reduce individual income tax rates and to assure that full-time, family-size farm operators will not be disadvantaged by unfair competition from high-income taxpayers with substantial nonfarm income.

SEC. 14. It is sense of the Congress that revenues should be increased and it is assumed that the Finance Committee will develop legislation to reduce the tax enforcement gap, estimated by the IRS at $92 billion in FY 1986. It is further assumed that such legislation should provide for increased and improved enforcement and collection, through audits, examinations, and other steps designed to identify and eliminate tax cheating and increase revenue collections from individuals and corporations currently evading federal taxes, and that the legislation should include steps designed to increase voluntary compliance with tax laws and that such steps may include increased staff for taxpayer assistance, speedier processing of returns and provision of public information designed to build public trust and understanding of IRS enforcement efforts and that such legislation should also provide that the resources of the IRS shall be increased to accomplish full enforcement of U.S. tax laws, increasing voluntary compliance until such time as further marginal spending on IRS resources does not substantially increase tax yields and that such legislation is fully compatible with tax simplification, including but not limited to reductions in income tax rates or the deficit.

MOYNIHAN (AND OTHERS) AMENDMENT NO. 94

Mr. MOYNIHAN (for himself, Mr. RIEGLE, Mr. BYRD, and Mr. CRANSTON) proposed an amendment to amendment No. 43, proposed by Mr. DOLE (and Mr. DOMENICI), and subsequently amended, to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, decrease the amount on line 12 by $68,000,000.

On page 3, increase the amount on line 13 by $29,000,000.

On page 3, increase the amount on line 14 by $9,000,000.

On page 3, increase the amount on line 18 by $6,068,000,000.

On page 3, increase the amount on line 19 by $8,934,000,000.

On page 3, increase the amount on line 20 by $9,708,,000,000.

On page 3, increase the amount on line 25 by $6,068,000,000.

On page 4, increase the amount on line 1 by $8,934,000,000.

On page 4, increase the amount on line 2 by $9,708,000,000.

On page 4, increase the amount on line 6 by $100,000,000.

On page 4, increase the amount on line 7 by $900,000,000.

On page 4, increase the amount on line 8 by $2,400,000,000.

On page 4, increase the amount on line 12 by $100,000,000.

On page 4, increase the amount on line 13 by $800,000,000.

On page 4, increase the amount on line 14 by $1,500,000,000.

On page 24, decrease the amount on line 2 by $167,000,000.

On page 24, decrease the amount on line 3 by $55,000,000.

On page 24, decrease the amount on line 12 by $228,000,000.

On page 24, decrease the amount on line 13 by $66,000,000.

On page 24, decrease the amount on line 22 by $257,000,000.

On page 24, decrease the amount on line 23 by $76,000,000.

On page 25, decrease the amount on line 17 by $190,000,000.

On page 25, increase the amount on line 18 by $5,834,000,000.

On page 26, decrease the amount on line 2 by $740,000,000.

On page 26, increase the amount on line 3 by $8,003,000,000.

On page 26, decrease the amount on line 11 by $1,459,000,000.

On page 26, increase the amount on line 12 by $8,059,000,000.

On page 32, increase the amount on line 17 by $289,000,000.

On page 32, increase the amount on line 18 by $289,000,000.

On page 33, increase the amount on line 2 by $997,000,000.

On page 33, increase the amount on line 3 by $997,000,000.

On page 33, increase the amount on line 11 by $1,725,000,000.

On page 33, increase the amount on line 12 by $1,725,000,000.

On page 40, decrease the amount on line 16 by $5,943,000,000.

On page 40, decrease the amount on line 17 by $8,152,000,000.

On page 40, decrease the amount on line 18 by $8,213,000,000.

On page 51, decrease the amount on line 7 by $5,943,000,000.

On page 51, decrease the amount on line 8 by $8,152,000,000.

On page 51, decrease the amount on line 9 by $8,213,000,000.

AMENDMENT No. 94

In the pending amendment, do the following:

On page 3, decrease the amount on line 12 by $68,000,000.

On page 3, increase the amount on line 13 by $29,000,000.

On page 3, increase the amount on line 14 by $9,000,000.

On page 3, increase the amount on line 18 by $6,068,000,000.

On page 3, increase the amount on line 19 by $8,934,000,000.

On page 3, increase the amount on line 20 by $9,708,000,000.

On page 3, increase the amount on line 25 by $6,068,000,000.

On page 4, increase the amount on line 1 by $8,934,000,000.

On page 4, increase the amount on line 2 by $9,708,000,000.

On page 4, increase the amount on line 6 by $100,000,000.

On page 4, increase the amount on line 7 by $900,000,000.

On page 4, increase the amount on line 8 by $2,400,000,000.

On page 4, increase the amount on line 12 by $100,000,000.

On page 4, increase the amount on line 13 by $800,000,000.

On page 4, increase the amount on line 14 by $1,500,000,000.

On page 24, decrease the amount on line 2 by $167,000,000.

On page 24, decrease the amount on line 3 by $55,000,000.

On page 24, decrease the amount on line 12 by $228,000,000.

On page 24, decrease the amount on line 13 by $66,000,000.

On page 24, decrease the amount on line 22 by $257,000,000.

On page 24, decrease the amount on line 23 by $76,000,000.

On page 25, decrease the amount on line 17 by $190,000,000.

On page 25, decrease the amount on line 18 by $5,834,000,000.

On page 26, decrease the amount on line 2 by $740,000,000.

On page 26, increase the amount on line 3 by $8,003,000,000.

On page 26, decrease the amount on line 11 by $1,459,000,000.

On page 26, increase the amount on line 12 by $8,059,000,000.

On page 32, increase the amount on line 17 by $289,000,000.

On page 32, increase the amount on line 18 by $289,000,000.

On page 33, increase the amount on line 2 by $997,000,000.

On page 33, increase the amount on line 3 by $997,000,000.

On page 33, increase the amount on line 11 by $1,725,000,000.

On page 33, increase the amount on line 12 by $1,725,000,000.

On page 40, decrease the first amount on line 16 by $5,943,000,000.

On page 40, decrease the amount on line 17 by $8,152,000,000.

On page 40, decrease the second amount on line 18 by $8,213,000,000.

On page 51, decrease the first amount on line 17 by $5,943,000,000.

On page 51, decrease the amount on line 3 by $8,152,000,000.

On page 51, decrease the second amount on line 9 by $8,213,000,000.

KENNEDY AMENDMENT NO. 95

Mr. KENNEDY proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI), and subsequently amended, to the motion to recommit with instructions the concurrent resolution Senate Concurrent Resolution 32, supra; as follows:

On page 3, increase the amount on line 11 by $0.

On page 3, increase the amount on line 12 by $500,000,000.

On page 3, increase the amount on line 13 by $800,000,000.

On page 3, increase the amount on line 14 by $1,200,000,000.

On page 3, increase/decrease the amount on line 17 by $0.

On page 3, increase the amount on line 18 by $1,200,000,000.

On page 3, increase the amount on line 19 by $1,500,000,000.

On page 3, increase the amount on line 20 by $2,500,000,000.

On page 3, increase/decrease the amount on line 24 by $0.

On page 3, increase the amount on line 25 by $1,200,000,000.

On page 4, increase the amount on line 1 by $1,500,000,000.

On page 4, increase the amount on line 2 by $2,500,000,000.

On page 4, increase/decrease the amount on line 5 by $0.

On page 4, increase the amount on line 6 by $1,200,000,000.

On page 4, increase the amount on line 7 by $2,700,000,000.

On page 4, increase the amount on line 8 by $5,200,000,000.

On page 4, increase the amount on line 11 by $0.

On page 4, increase the amount on line 12 by $1,200,000,000.

On page 4, increase the amount on line 13 by $1,500,00,000.

On page 4, increase the amount on line 14 by $2,500,000,000.

On page 21, increase the amount on line 8 by $300,000,000.

On page 21, increase the amount on line 9 by $300,000,000.

On page 21, increase the amount on line 10 by $0.

On page 21, increase/decrease the amount on line 12 by $0.

On page 21, increase/decrease the amount on line 14 by $0.

On page 21, increase the amount on line 16 by $400,000,000.

On page 21, increase the amount on line 17 by $300,000,000.

On page 21, increase/decrease the amount on line 18 by $0.

On page 21, increase/decrease the amount on line 20 by $0.

On page 21, increase/decrease the amount on line 22 by $0.

On page 21, increase the amount on line 24 by $600,000,000.

On page 21, increase the amount on line 25 by $500,000,000.

On page 22, increase/decrease the amount on line 1 by $0.

On page 22, increase/decrease the amount on line 3 by $0.

On page 22, increase/decrease the amount on line 5 by $0.

Medical Insurance (570):

On page 22, increase/decrease the amount on line 8 by $0.

On page 22, increase/decrease the amount on line 9 by $0.

On page 22, increase/decrease the amount on line 10 by $0.

On page 22, increase/decrease the amount on line 12 by $0.

On page 22, increase/decrease the amount on line 14 by $0.

On page 22, increase the amount on line 16 by $200,000,000.

On page 22, increase the amount on line 17 by $900,000,000.

On page 22, increase/decrease the amount on line 18 by $0.

On page 22, increase/decrease the amount on line 20 by $0.

On page 22, increase/decrease the amount on line 22 by $0.

On page 22, increase the amount on line 24 by $400,000,000.

On page 22, increase the amount on line 25 by $1,200,000,000.

On page 23, increase/decrease the amount on line 1 by $0.

On page 23, increase/decrease the amount on line 3 by $0.

On page 23, increase/decrease the amount on line 5 by $0.

On page 23, increase the amount on line 7 by $600,000,000.

On page 23, increase the amount on line 8 by $2,000,000,000.

On page 23, increase/decrease the amount on line 9 by $0.

On page 23, increase/decrease the amount on line 11 by $0.

On page 23, increase/decrease the amount on line 13 by $0.

Senate Committee on Finance:

On page 40, decrease the amount on line 15 by $0.

On page 40, decrease the first amount on line 16 by $1,200,000,000.

On page 40, increase/decrease the second amount on line 16 by $0.

On page 40, decrease the amount on line 17 by $1,500,000,000.

On page 40, increase/decrease the first amount on line 18 by $0.

On page 40, decrease the second amount on line 18 by $2,500,000,000.

METZENBAUM (AND OTHERS) AMENDMENT. NO. 96

Mr. METZENBAUM (for himself, Mr. HOLLINGS, and Mr. LEVIN) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (for himself and Mr. DOMENICI), and subsequently amended, to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 2, increase the amount on line 9 by $2,100,000,000.

On page 2, increase the amount on line 10 by $4,600,000,000.

On page 2, increase the amount on line 11 by $3,800,000,000.

On page 2, increase the amount on line 15 by $2,100,000,000.

On page 2, increase the amount on line 16 by $4,600,000,000.

On page 2, increase the amount on line 17 by $3,800,000,000.

On page 3, decrease the amount on line 12 by $100,000,000.

On page 3, decrease the amount on line 13 by $400,000,000.

On page 3, decrease the amount on line 14 by $800,000,000.

On page 3, decrease the amount on line 18 by $100,000,000.

On page 3, decrease the amount on line 19 by $400,000,000.

On page 3, decrease the amount on line 20 by $800,000,000.

On page 3, decrease the amount on line 25 by $2,200,000,000.

On page 4, decrease the amount on line 1 by $5,000,000,000.

On page 4, decrease the amount on line 2 by $4,600,000,000.

On page 4, decrease the amount on line 6 by $2,200,000,000.

On page 4, decrease the amount on line 7 by $7,200,000,000.

On page 4, decrease the amount on line 8 by $11,800,000,000.

On page 4, decrease the amount on line 12 by $2,200,000,000.

On page 4, decrease the amount on line 13 by $5,000,000,000.

On page 4, decrease the amount on line 14 by $4,600,000,000.

On page 32, decrease the amount on line 17 by $100,000,000.

On page 32, decrease the amount on line 18 by $100,000,000.

On page 33, decrease the amount on line 2 by $400,000,000.

On page 33, decrease the amount on line 3 by $400,000,000.

On page 33, decrease the amount on line 11 by $800,000,000.

On page 33, decrease the amount on line 12 by $800,000,000.

On page 40, line 19, add the following new sentence: "The Senate Committee on Finance shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $2,100,000,000 in fiscal year 1986; $4,600,000,000 in fiscal year 1987; and $3,800,000,000 in fiscal year 1988.".

On page 51, line 10, add the following new sentence: "The House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $2,100,000,000 in fiscal year 1986; $4,600,000,000 in fiscal year 1987; and $3,800,000,000 in fiscal year 1988.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON FAMILY FARMS

Mr. WEICKER. Mr. President, I would like to announce that on May 22, 1985 the Senate Small Business Committee's Family Farm Subcommittee will hold a hearing on small issue industrial development bonds as a source of capital for small business expansion. The hearing will be held in room 428A of the Russell Senate Office Building and will begin at 2 p.m. Senator LARRY PRESSLER will chair the hearing. For further information, please contact Bob Wilson, of the committee staff, at 224-5175 or Tom Hohenthaner of Senator PRESSLER's staff at 224-5842.

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Subcommittee on Labor will hold a 1-day hearing on June 13, 1985, regarding S. 1105, the Federal Contractor Employees Flextime Act. This legislation reforms the Walsh-Healey Act to allow Federal contractors in the private sector to work flextime hours.

The hearing is scheduled for 9:30 a.m. in room 628 of the Dirksen Senate Office Building. Persons wishing to testify should submit a written request to Chairman DON NICKLES, Subcommittee on Labor, 428 Dirksen Senate Office Building, Washington, DC, 20510 by May 17, 1985. If you have any questions concerning the hearing, please contact Chuck Carroll or Charlene Abshire, on the subcommittee staff, at 202-224-5546.

TRIBUTE TO THE LATE JUDITH Z. ANDERS, WIFE OF CAPITOL POLICE OFFICER ANDY ANDERS

Mr. THURMOND. Mr. President, I rise today in memory of a fine lady and devoted wife, Judith Z. Anders, who passed away recently after a long illness.

Mrs. Anders was the wife of my good friend and fellow South Carolinian, Officer Andy Anders. Andy, from his strategic post outside the Senate Chamber, has rendered courteous and helpful service, and provided necessary security for Senators, staff and visitors to our Nation's Capitol Building for some 9 years. Andy is a native of Greer, SC, and he and his wife had hoped some day to retire there.

Andy's wife was a devoted partner and dedicated spouse who encouraged and inspired all who were fortunate enough to know her.

Mr. President, Judith Anders was loved and admired by many, and will be greatly missed by a large circle of friends and associates.

This is a difficult time for our friend Andy Anders, who also recently suffered the loss of his wife's father. Mrs. Thurmond and I want to extend our heartfelt sympathy to him and all the members of his and Judith's families.

ADDITIONAL STATEMENTS

THE INTERNATIONAL FINANCIAL SYSTEM

Mr. MATHIAS. Mr. President, the International Economic Policy Subcommittee of the Senate Foreign Relations Committee held a series of hearings in 1983–84 entitled "Stresses and Strains in the International Financial System." These hearings explored a range of problems afflicting the global economy and examined a variety of proposals to resolve these problems.

I was hopeful that the subcommittee findings could be summarized in a way that would make them available to a wider audience. Further, I wanted expert judgment on how the subcommittee might best proceed to fill any gaps in its inquiry and expand its efforts of the last 4 years.

I was enormously pleased, therefore, by the willingness of the Bay Area International Forum of San Francisco to undertake a two-phased effort to meet the needs of the subcommittee.

Phase I is complete and the subcommittee has been provided a superb and comprehensive review of its 1983–84 hearings. The Bay Area International Forum now has begun the second phase of its efforts.

Mr. President, I ask that my exchange of correspondence with the forum and its "Review of 1983–84 Hearings" be made part of the RECORD.

The material follows:

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, November 1, 1984.

Mr. JOHN PLACE,
Chairman, Bay Area International Forum, c/o World Affairs Council for Northern California, San Francisco, CA.

DEAR MR. PLACE: The San Francisco Bay Area International Forum is in a position to render a unique service to the nation. Your own membership, together with your association with great universities such as Stanford and Berkeley and the other resources available in the Bay Area give you the capability to undertake a major study of international economic problems. The fact that California is now a major international trading community would lead me to hope that you might also have the help and support of public institutions.

The study to which I refer would supplement the examination of international economic issues now underway in the International Economic Policy Subcommittee of the Foreign Relations Committee of the United States Senate. Peter Jones is fully familiar with our concerns and so I will not repeat all that I have explained to him.

During the 98th Congress, our Subcommittee held extensive hearings on a number of high priority international economic issues confronting the United States. Developments in international trade, international debt and the international financial system and related recent major shifts in the U.S. position in these areas received particular attention. Because of the extremely important implications for the United States of developments in the international economic field, it has become clear that additional work on these and related issues is now needed to enable effective policy responses to be developed and successfully carried out.

Your study could make a significant contribution to this effort.

The study might usefully be divided into two parts. The first part should deal with the major questions and findings of fact and policy which our recent hearings covered. These should be analyzed, summarized and indexed. Where useful, findings of fact and forecasts that were well established should be separated from those which were not.

Building upon this base, part two of the study should first identify those important questions of fact and policy, including alternative courses of action, which you recommend be addressed by our Subcommittee during the new Congress in order to maximize major benefits and minimize significant costs to the U.S. in this area. Some of the broader questions which are of particular concern to me are set forth in the attachment to this letter. Each will require component questions to be developed, including those capable of quantification.

Most of these and related questions, including specific policy recommendations and priority concerns of major U.S. interests most directly affected by these issues, can best be pursued with the help of additional hearings. Thus part two of the study should also set forth your recommendations for the next round of such hearings. Issues and participants should be covered, including, of course, the very important ones in your part of the country; along with your recommendations as to location and format of hearings.

It should also cover your recommendations as to any other important means by which the Subcommittee should pursue these issues where further hearings alone would not suffice. And finally, it would also cover any other matters we mutually deem appropriate as the study progresses.

In order to best assist me with the planning and preparation of new hearings and other work as indicated, I would like to receive the completed part one of the study by March 31, 1985 and part two by June 30, 1985. That would greatly facilitate our staying on schedule in using the ensuing months to prepare for hearings toward the end of the first session and/or the beginning of the second.

The impact of this study and related hearings can be considerable. Parts of the executive branch, other parts of the Congress, members of the press, the private sector, universities and other non-profit organizations in the field all can benefit from the process. And they can often become more effectively and extensively engaged in it as a result. Therefore, I am confident you will be making a significant contribution to our ongoing efforts to advance the long term interests of the United States in this field.

Sincerely,

CHARLES McC. MATHIAS, Jr.,
Chairman, Subcommittee on International Economic Policy, Committee on Foreign Relations.

ATTACHMENT A—SUGGESTED BROAD PARAMETERS OF SOME QUESTIONS FOR FUTURE HEARINGS WHICH REQUIRE ELABORATION

PART I

1. Given increased U.S. dependence on international trade to promote growth at home, how vulnerable are we to increased protectionism world-wide?

2. How vulnerable are we to the decreased capacity to import and grow of third world and other countries trying to cope with heavy annual debt servicing requirements and related austerity?

3. Can America's own prosperity last—much less expand—unless others in the third world adequately share in it, providing markets for what we are able to produce?

4. Can we run fast enough even to stay in place if our would-be third world buyers do not run at our side by achieving an adequate level of sustained positive per capita growth?

PART II

1. If such sustained third world per capita growth is required to assure our own sustained growth, does it depend heavily on continuous transfers of funds from the industrial nations to the third world via export earnings, export credits, other private and public sector lending and direct investment? What are the approximate levels of such funds transfers needed to do their necessary part in achieving such third world growth? To what extent are such levels at risk over the next five to ten years?

2. If there are serious risks that adequate funds transfers to the third world will not take place, what are the best means of substantially reducing those risks?

3. Can this be done at a clearly acceptable level of cost to the U.S. whereby the reasonably expected short and long term benefits to us clearly outweigh that cost?

PART III

1. Over the next five to ten years, what are the probabilities that the needed level of funds transfers can be accomplished without substantially increasing the capacity of the International Monetary Fund, the World Bank and the regional development banks to loan and/or induce greater private sector lending and direct investment in key third world nations?

2. What are the downsides of this?

3. What role must the U.S. play in determining and implementing this?

4. What major interests in California, the West Coast and the rest of the country would be most directly damaged as a result of inadequate funds transfers or benefited by satisfactory levels of such transfers?

PART IV

1. What impact would various degrees of rising protectionism and contracting world trade have on the prospects of achieving sustained per capita growth in the third world and thus in the industrial world as well?

2. What major interests in California, the West Coast and the rest of the country would be most directly affected by such a contraction in world trade?

PART V

1. What measures can be taken to assist industries and workers in the United States facing increasing pressures from imported competition?

2. What are the relationships between U.S. budget deficits, high real interest rates, the relative strength of the dollar and the deteriorating U.S. trade position?

WORLD AFFAIRS COUNCIL
OF NORTHERN CALIFORNIA,
San Francisco, CA, December 28, 1984.

Senator CHARLES McC. MATHIAS, Jr.,
Chairman, Subcommittee on International Economic Policy, U.S. Senate, Washington, DC.

DEAR SENATOR MATHIAS: Thank you for your letter of November 1. I have circulated it to the Executive Committee of the Bay Area International Forum and I am pleased to be able to reply that we will undertake the two-part study requested in your letter. Peter Jones will chair the B.A.I.F. Steering Committee responsible for completing the project and he will be in touch with you and your staff as it progresses.

The members of the Bay Area International Forum welcome this opportunity to make a contribution to the valuable work that you and your Subcommittee are doing on key international economic issues. I hope that you might eventually decide to hold some of your Subcommittee hearings in San Francisco where top corporate executives and others from the West Coast would have a chance to testify.

Sincerely,

JOHN B.M. PLACE.

SAN FRANCISCO, CA, *April 9, 1985.*

Mr. GEORGE M. KELLER,
Chairman, Bay Area International Forum, San Francisco, CA.

DEAR GEORGE: Attached is Part I of the two part study on certain international economic issues undertaken by the Bay Area International Forum for Senator Charles McC. Mathias, Jr., Chairman of the Subcommittee on International Economic Policy of the United States Senate Committee on Foreign Relations.

This first part is a review of the 1983–84 hearings which Senator Mathias chaired, primarily on the external debt problems of various developing nations and their financial and trade implications for these nations, the United States and the global economy.

This study represents extensive and most helpful input from members of the Steering and Research Committees of the study. It also reflects the substantial and, as always, excellent work of Professor Albert Fishlow, Director of our Research Committee and the briefing and discussions he held with the Executive Committee of the Bay Area International Forum.

Special recognition and thanks are due for the excellent research and written analysis of the hearings by U.C. Berkeley graduate student Carl Schmertmann and for first class editing by Frederick D. Baron and Michael Jacobson of the Cooley, Godward law firm which also provided us with conference facilities and other most helpful support.

Peter Tarnoff, Executive Director of the World Affairs Council of Northern California, also has our deep appreciation for the vision and positive support he has given this project from its very inception.

To all concerned, we are most grateful and hope Part I is as useful to others as it has been and will continue to be to all of us.

Sincerely,

PETER T. JONES,
Chairman, Steering Committee.

April 12, 1985.

Senator CHARLES McC. MATHIAS, Jr.,
Chairman, Subcommittee on International Economic Policy, U.S. Senate, Washington, DC.

DEAR SENATOR MATHIAS: On behalf of the Bay Area International Forum and the Steering and Research Committees responsible for the work, I am pleased to send you Part I of the two-part study we undertook as requested in your letter to us of November 1, 1984. As indicated in the attached letter from Peter T. Jones, Chairman of the Steering Committee, many outstanding people contributed significantly to its successful completion. We already have started work on Part II, which should be ready for you in July.

I would like to express our appreciation to you for this opportunity to be of service. The review is proving very useful to those of us who participated in its preparation or were briefed on its findings. We trust that you will find it a helpful summary of what you have already accomplished and as a resource for future work on these most important international economic issues. In addition, we hope that the Subcommittee on International Economic Policy will consider holding hearings on these matters here in the Bay Area. Many of our business and community leaders would welcome a chance to give their views to the members of your subcommittee.

With best wishes,

Sincerely,

GEORGE M. KELLER,
Chairman, Bay Area International Forum.

REVIEW OF 1983–84 HEARINGS

(Subcommittee on International Economic Policy U.S. Senate Committee on Foreign Relations)

I. INTRODUCTION

Extensive hearings chaired by Senator Charles Mathias of Maryland were held by the Subcommittee on International Economic Policy of the Senate Foreign Relations Committee in 1983 and 1984. The hearings examined the debt crisis in the world financial system and international trade issues, with special emphasis on the economic relations between the United States and the less-developed countries ("LDCs").

Witnesses

Witnesses included prominent members of the financial and business communities, representatives of organized labor, present and former administration officials, economists, and members of Congress. Among others, the Subcommittee received testimony from George Schultz, Donald Regan, W. Michael Blumenthal, Robert McNamara, Henry Fowler, Rimmer de Vries, Felix Rohatyn, Robert Hormats, Charles Schultze, C. Fred Bergsten, and Senators Bradley, Laxalt, Domenici, Garn, and Bingaman.

Scope of review

Beyond the immediate crises on which the hearings focused, many witnesses raised broader questions that will continue to confront the United States and the world economy for years to come. This paper attempts to analyze and summarize the testimony to provide a foundation for further subcommittee analysis, hearings, and policy recommendations. The paper distills from the voluminous hearing record the areas of agreement and disagreement among witnesses, examining the assumptions underlying competing positions. The patterns in the testimony are summarized and tabulated below. A more detailed summary of the testimony of each witness is included in the Appendix.

Issues addressed

Before beginning, it is important to remember that the hearings were focused upon a discrete set of urgent, short-term policy questions that faced Congress at the time. The principal questions were whether to support an increase in the IMF quota in order to deal with the international debt crisis and at what level to fund World Bank International Development Agency loans.

By their nature, the hearings left some issues unaddressed and some points of view unrepresented. In particular, the hearings on trade problems centered on the difficulties faced by certain industries in the United States—the steel, copper and automobile industries. The financial hearings focused on pressing issues related to the IMF and World Bank. This focus limited the extent to which the hearings elicited neutral recommendations for an integrated international economic policy. The particular issues examined in the financial hearings highlighted certain viewpoints while others, such as those of regional banks and multinational corporations, were not reflected in the testimony.

II. EXECUTIVE SUMMARY OF TESTIMONY

A. Interrelationships between international finance and trade issues

Finance and trade issues were the subjects of separate hearings and will be analyzed separately in this paper. However, many witnesses emphasized that finance and trade questions are in fact closely related, and that the financial crisis of the early 1980s was in part a result of the recession in world trade. The picture that emerged from the testimony was that the debt problems of LDCs lower the potential for growth, exports, and jobs in the U.S. and other highly industrial nations. Increased trade with LDCs relieves debt problems and, thus promotes still further trade. Continued economic recovery in the U.S. is essential to any solution to LDC balance of payments and debt problems. Conversely, the economic health of LDCs is important for continued U.S. economic growth, including increased exports and jobs.

Virtually all of the witnesses in the financial hearings stressed the interrelationships between trade and finance. They noted that easing the international debt problems would bring the long-term benefits of increased U.S. exports. By contrast, testimony in the trade hearings, especially from industry witnesses, focused more on the costs of interdependence. Industry witnesses emphasized the immediate harm to their sectors of the economy caused by U.S. imports of LDC goods as borrowing countries attempt to ease debt service burdens by increasing their export revenues. These differences in perspective in the finance and trade hearings led to very different policy recommendations regarding protectionism and international lending.

Despite the difference in emphasis, both sets of hearings dealt with essentially the same question: How to find, both domestically and in the LDCs, a mix of policies that maximizes the important benefits of expanding international trade and related growth with requisite capital flows, while minimizing the associated costs.

B. Summary of finance hearings

The Subcommittee's 1983 hearings on stresses and strains in the international financial system produced substantial agreement among witnesses on the basic origins and causes of the debt crisis. In sum, the Subcommittee was told that banks had oil money to lend and, in the inflationary environment of the 1970s, debt was attractive to LDC governments, especially as a means of avoiding immediate adjustment to oil price shocks. By the late 1970s the tables had turned. As real interest rates soared, export prices dropped. Anti-inflationary tight monetary policies were applied by the U.S. and other industrial nations and the world economy went into a deep recession.

Testimony about the impact of LDC debt problems on the U.S. economy focused on three broad topics: (1) the vulnerability of the U.S. banking system to financial collapse or panic; (2) the possibility of political radicalization in the LCDs; and (3) the effects of LDC debt on U.S. economic performance. The majority of those testifying saw the long-term impact on U.S. and world trade as the most serious of these prospects.

There was nearly unanimous agreement on the short-term policy that U.S. and international institutions should fund and support IMF efforts to ease the immediate crises. There was less agreement regarding the long-term prospects for resolution of world financial problems. Witnesses expressed fundamentally different ideas both about how seriously the debt situation would affect world lending, trade and growth in the future and what remedies should be adopted. The need for greater stability of the exchange rates of major trading currencies was also expressed, although no witness called for a return to fixed rates.

All witnesses agreed that, in the long run, the foreign private credit dependency of debtor countries must be reduced, primarily through internal structural adjustment. The point of debate was whether reduced private capital flows are compatible with structural adjustment, avoidance of major political upheavals, economic growth, and trade expansion in LDCs without increases in official lending. The Reagan administration witnesses believed that increased official lending would be unnecessary. Most others, including bankers and economists, took the opposite position. They favored continued commercial credit but forecast that it would diminish below the needed level. Therefore they strongly advocated increased multilateral and bilateral credit in furtherance of the interdependent economic interests of the U.S. and the LDCs.

The consensus among virtually all the witnesses in the 1983 financial hearings was that extremely tight U.S. monetary policy, large U.S. budget deficits, and high real interest rates would prevent any signficant immediate recovery. In hindsight, this view was overly pessimistic. The vigorous U.S. recovery which began in late 1982, combined with the growing strength of the dollar, increased American demand for imports. This pulled other industrial countries toward mild recoveries as well. Nonetheless, the longer range concerns over U.S. deficits that were expressed at the hearings obviously continue to be relevant.

C. Summary of trade hearings

Many of those testifying in the trade hearings had specific industry ties and called for tariffs and import quotas. Others argued against protectionism in any form.

The central trade issue was that of "fairness." Witnesses from the steel, copper, and auto industries offered a variety of reasons in support of their claims that the international trade deck was stacked against U.S. companies. Steel and copper industry witnesses also argued that U.S. contributions to multilateral institutions such as the IMF, the World Bank, and regional development banks harm U.S. companies and workers.

Little detailed analysis was offered for many of the concerns advanced at the trade hearings about the need for protection of U.S. industry due to unfair trade practices and official development lending programs. Claims of unfairness were strongest in the case of export subsidization by foreign governments.

Some witnesses suggested expanding GATT's coverage and improving its dispute settlement mechanism.

D. Summary of witnesses' views on principal policy issue

A clear overview of the testimony before the Subcommittee on International Economic Policy may be gained from a tabulation of the witnesses views on twelve of the principal policy issues considered at the hearings—eight relating to the world debt crisis and four relating to trade issues.

In summary, most witnesses thought that the most serious consequence of the world debt crisis would be lower levels of world trade. There was strong consensus among virtually all of the witnesses that lack of LDC growth would have a significant impact on U.S. economic performance. Smaller numbers of witnesses felt that the LDCs would react politically to the debt crisis and that private lending of the sort seen in the 1970's was not likely to resume.

Most of those witnesses who testified on the subject felt that banks and LDC borrowers were not irresponsible in their lending and borrowing prior to the onset of the debt crisis. Several other witnesses, including a representative of labor, a member of congress and an investment banker, disagreed. These same witnesses also felt that major institutional change was necessary to resolve the debt crisis, again in contrast with the testimony of the other witnesses.

The proposition that governments should increase their monitoring or control of international lending to LDCs received a mixed reaction, with administration officials being firmly opposed. Some witnesses also felt that some form of exchange rate control, either through intervention or agreement, would be appropriate, although no witness called for a return to fixed exchange rates.

Administration officials felt that no increased official lending would be necessary in order to reestablish LDC growth. Virtually all of the other witnesses felt that such increased lending would be necessary.

In the area of trade, labor and business witnesses were generally in favor of some form of managed trade while most of the other witnesses advocated free trade. There was a consensus, especially among members of Congress testifying, that official international lending programs should assess the impact on the U.S. economy before approving projects. Finally, only the representatives of labor felt that official international lending programs hurt U.S. exports.

1. Testimony Tabulated By Issue:

Listed below are the twelve principal issues for which testimony was tabulated. The results of the tabulation are set forth next to each issue.

Finance issues

(1) Would lack of LDC growth have a significant impact on U.S. economic performance? (Yes 18; No 0).

(2) Will LDCs react politically to the debt crisis? (Yes 6; No 0).

(3) Which is the most serious consequence of the debt crisis: financial turmoil (F), lower levels of world trade (T), or political instability in LDCs (P)? (Financial turmoil 5; lower levels of trade 19; political instability 8).

(4) Were banks and countries irresponsible in lending and borrowing too much too fast? (Yes 3; No 0).

(5) Is 1970s-style bank lending likely to resume? (Yes 0; No 7).

(6) Should governments increase monitoring or control of international bank lending to LDCs? (Yes 4; No 3).

(7) Is a major institutional change necessary in order to resolve the debt crisis? (Yes 3; No 14).

(8) Will increased official lending be necessary in order to reestablish LDC growth? (Yes 16; No 2).

Trade issues

(9) Advocated free trade (F) or some form of managed trade (M). (Free trade 11; Managed trade 7).

(10) Should official international lending programs assess the impact on the U.S. economy before approving projects? (Yes 8; No 1).

(11) Do official international lending programs hurt U.S. exports? (Yes 2; No 6).

(12) Should exchange rates be controlled through either direct intervention or international agreements? (Yes 7; No 1).

2. Testimony Tabulated By Witness:

The tables on the following two pages characterize the testimony of individual witnesses on the twelve principle policy described in the preceding section.

TABLE.—TABULATION OF TESTIMONY ON PRINCIPAL ISSUES

Issue	1	2	3	4	5	6	7	8	9	10	11	12
Financial:												
Henry Fowler, Goldman Sachs			T									
Rimmer de Vries, Morgan Guarantee Trust	Y				N		N	Y				
John Heimann, Warburg Paribus Becker	Y											
Felix Rohatyn, Lazard Freres			F	Y		Y	Y	Y	F			Y
William Ogden, Chase Manhattan	Y	Y	T	N	N	N	N	Y	F			
Robert Hormats, Goldman Sachs	Y		F/T				N	Y	F			xlY
Jack Guenther, Citibank			T				N	Y				
Business:												
William Hoppe, American Iron & Steel Institute									M	Y		
Richard Dobs, U.S. Chamber of Commerce	Y		T								N	
Cristopher Phillips, National Council for United States-China Trade	Y		P/T								N	
John Richards, M.W. Kellogg Co	Y		T								N	
Robert Miller, Chrysler									M			Y
Kenneth Whipple, Ford									M			Y
Marina Whitman, General Motors												
Richard Osborne, ASARCO, Inc										Y		
Labor:												
Henry Schacter, AFL–CIO	Y		T	Y		Y	Y			Y	Y	
Stephen Yokich, UAW									M			
Lee Price, UAW									M			
Leon Lynch, United Steel Workers									M			
Ernest Grecco, AFL–CIO											Y	
Administration officials:												
George Schultz, Secretary of State				N		N	N	N	F			
Donald Regan, Secretary of Treasury	Y	Y	T	N		N	N	N	F	Y	N	N
Marc Leland, Assistant Secretary of Treasury							N		F			
Langhorne Motley, Assistant Secretary of State		Y	P				N					
George Hoguet, Deputy Assistant Secretary of Treasury										N	N	

TABLE.—TABULATION OF TESTIMONY ON PRINCIPAL ISSUES—Continued

TABLE 2.—TABULATION OF TESTIMONY ON PRINCIPAL ISSUES

Issue	1	2	3	4	5	6	7	8	9	10	11	12
Academics and researchers:												
Charles Schultze, Stanford University	Y		T	N	N		N	Y			N	
Lawrence Krause, Brookings Institution	Y		T			Y			F			
John Sewell, Overseas Development Council	Y	Y	P/T		N		N	Y				
John Mellor, International Food Policy Research Institute	Y		T									
Robert Solomon, Brookings Institution	Y		T	N	N		N	Y				
William Cline, Institute for International Economics	Y		F/T	N			N	Y				
C. Fred Bergston, Institute for International Economics			F/T		N		N	Y				
Riordon Roett, Johns Hopkins University		Y	P					Y				
Edward Fried, Brookings Institution			P/T									
Barry Bluestone, Boston College									M			
George Eads, University of Maryland									F			
Robert Crandall, Brookings Institution												
Gar Alperovitz, National Center for Economic Alternatives									F			
L. Daniel Maxim, Everest Consulting Associates												
Members of Congress:												
Bill Bradley, U.S. Senator from New Jersey		Y	F/P	Y	Y	Y	Y				Y	
John Danforth, U.S. Senator from Missouri	Y		T					Y				
Paul Laxalt, U.S. Senator from Nevada										Y		
Pete Domenici, U.S. Senator from New Mexico										Y		
Jack Garn, U.S. Senator from Utah										Y		
Jeff Bingaman, U.S. Senator from New Mexico										Y		
Others:												
W. Michael Blumenthal, former Secretary of Treasury				N				Y	F			Y
G. William Miller, former Chairman Federal Reserve	Y		T					Y				Y
Robert Strauss, former trade ambassador			P									
Oscar Lipscomb, Archbishop of Mobile, AL												
Robert McNamara, former president of World Bank	Y		P		N		N	Y	F			
Bruce Rich, Natural Resources Defense Council												

E. Conclusions

The Subcommittee's hearings underscored three central themes. First, international trade and financial questions are so closely interrelated that U.S. policy must deal with them in a comprehensive, integrated fashion. Second, to be effective, both U.S. and international economic policy must be grounded in an objective understanding of the factors which motivate the borrowing, lending and trading behavior of governments and the investments of private multinational firms. Third, the economic health of the United States is increasingly dependent on the economic health of less developed countries because of their importance as trading partners as well as debtors to U.S. and international and financial institutions.

Despite the subsequent alleviation of the immediate crises that prompted the 1983 finance hearings, the underlying structural problems remain and will be aggravated again by any substantial decline in worldwide economic growth. Thus the general themes of the 1983–84 hearings are worthy of further consideration by the Subcommittee.

III. REVIEW OF TESTIMONY

A. Financial issues

1. Causes of the Debt Crisis:

In the 1983 hearings on strains in the world financial system, there was substantial agreement on the causes of the debt crisis. The double oil price shocks of the 1970s raised the import bills of many LDCs, while the availability of petrodollars in world financial markets lowered the cost of international borrowing. Under such conditions many LDCs chose to borrow large amounts from foreign banks to cushion the shock of higher energy prices. Many banks found such lending to be profitable.

Between 1973 and 1982, the total external debt of non-oil developing countries rose over 500 percent in nominal terms, with much of the increase being in the from of short-term, variable interest rate obligations to commercial banks. Commercial borrowing became an important mechanism for continued economic expansion in LDCs by allowing balance of payments deficits to be handled without major internal economic contractions and related political strains or structural adjustments.

Witnesses stressed that several developments in the world economy in the late 1970s aggravated the LDC debt picture dramatically. Nominal and real interest rates rose sharply as a result of anti-inflationary tight monetary policies in the U.S. and other industrial countries. The London interbank offer rate ("LIBOR"), the standard rate on which many private loans to LDCs were based, rose from an average of 8.85 percent in 1978 to 15.30 percent in the first half of 1982. During the same period, industrial country inflation went from 7 percent to about 8 percent. Thus real interest rates (LIBOR plus spread minus inflation rate) and interest payments on outstanding LDC debt rose significantly. For example, Robert Solomon testified that the increase in LIBOR increased the interest payments of one major debtor, Brazil, by approximately $4 billion per year, without any increase in its total debt.

Debt service difficulties were compounded by two other unexpected economic developments. First, the worldwide recession of 1980–82 lowered demand for LDC products. Second, world commodity export prices were further depressed due to the appreciation of the U.S. dollar against other currencies. Taken together, decreases in export volume and in export prices (in dollar terms) seriously impaired the ability of borrowing countries to service debt through exports. IMF statistics show that export revenues of non-oil LDCs were nearly stagnant in 1982 and 1983, after growing at an average annual rate of 7.5 percent over the previous 15 years.

While almost all witnesses agreed that this general course of events led to the debt crisis, several pointed to additional factors which were within the control of banks and borrowers.

A few witnesses suggested that banks had irresponsibly loaned money to LDCs under the false assumption that "companies can fail, but countries cannot." Financial community witnesses and some economists saw the situation differently. They emphasized that the major risk to lenders was not country default but rather failure to repay promptly. They suggested that banks' errors had been primarily in loaning funds without accurately appraising the ability of countries to repay on schedule. They also argued that individual banks lacked the data necessary to make such appraisals: without sharing of loan information among banks, any given bank knows only part of the total amount and maturity structure of a borrowing country's external debt. Several witnesses from the financial area called for increased international cooperation between banks and between national banking authorities to improve the quality of loan information available to lenders and regulators.

A few witnesses argued that borrowing countries had contributed to the debt crisis by using debt as a means of continuing inappropriate domestic policies. These witnesses suggested that LDCs had used debt to postpone adjustments to the oil shocks rather than to smooth the transition to higher energy prices, and that LDCs were simply paying the price now for the disturbances of the 1970s.

Despite some variation in the details, the Subcommittee heard a consistent analysis of the reasons for the crisis. Banks had oil money to lend. In the inflationary environment of the 1970s, debt looked like a good deal to many LDC governments, especially since it was a means of avoiding immediate adjustment to oil price shocks. By the late 1970s the tables had turned as anti-inflationary monetary policies were applied, real interest rates soared, export prices dropped, and the world economy went into a deep recession.

2. Consequences of the Debt Crisis for the U.S.:

Discussion of the impact of LDC debt problems on the U.S. economy focused on three broad topics.

a. *Financial Consequences.*—First, several witnesses discussed the possible financial consequences of a default or repudiation by one or more of the large debtor countries. While the chances of outright formal default were dismissed as remote, witnesses noted the possibility that failure to service debt by any of a few large debtor countries—Brazil, Mexico, Argentina, or Poland—might ignite a serious financial crisis in the lending countries. Failure to make interest payments would force banks to write off loans as nonperforming. This, in turn, would force the banks to reduce their outstanding domestic loans to comply with banking regulations. The most arresting illustration came from William Cline of the Institute for International Economics. He estimated that a one-year moratorium on debt payments by Brazil, Mexico, and Argentina would cause losses amounting to one-third of the total capital of the nine largest U.S. banks. He estimated further that strict enforcement of banking regulations would produce a contraction of $150 billion in U.S. lending by these leading banks.

Faced with the possibility of default or debt repudiation by major debtors, many banks realized that continued lending to preserve the solvency of debtor nations was necessary to avoid disaster.

b. *Political Consequences.*—The political consequences of the debt crisis were also frequently mentioned. Several witnesses, including Langhorne Motley, the Assistant Secretary of State for Inter-American Affairs, pointed out the possibility that U.S. security interests would be compromised by political radicalization in LDCs brought on by the debt crisis. These witnesses argued that economic instability in the Third World is a fundamental source of political instability, and that resolution of world financial problems was therefore an important political and security goal as well as an economic one. Many also emphasized the role of official international lending in promoting free-market policies and American political interests in Africa and Asia.

c. *Trade Consequences.*—While recognizing the serious risks to the international financial system and the stability of foreign democracies, the majority of those testifying characterized the long-term impact on U.S. and world trade as the most serious and certain consequence of the LDC debt crisis. Administration officials, bankers and economists all stressed that trade with the LDCs, especially with the large borrowers, has become a very important factor in the growth of U.S. exports and U.S. employment. For example, John Sewell testified that LDCs represent a large and increasing share of total U.S. trade. From 1976–82 U.S. exports to middle-income developing countries rose at an average rate of 21 percent per year. LDCs as a whole accounted for 38 percent of all U.S. exports in 1982. Over half of these LDC exports go to Latin America, the region most severely affected by the debt crisis.

Many witnesses asserted that under continuing debt service difficulties, LDCs are likely to experience slow rates of real growth and to be a slowly growing or even declining market for U.S. exports. Without continued credit flows to these countries, the extreme reductions in imports necessary for them to meet debt obligations will mean significantly slower growth for the U.S. economy. For example, Lawrence Krause of the Brookings Institution calculated that the net effect of a cut-off of new international credit flows to large borrowers would be a 1.5 percent decline in the rate growth of U.S. income and a loss of approximately one million American jobs.

3. Short-term Policy Recommendations:

There was nearly unanimous agreement on the short-term policies that the U.S. and international institutions should follow. With few exceptions, witnesses argued strongly for increasing the resources available to the IMF and advocated IMF lending as the principal stabilization tool for overcoming the immediate aspects of the debt crisis. In 1981 and 1982 the IMF has played a leading role in averting financial chaos and promoting debt rescheduling. As the institution responsible for balance-of-payments lending and for international liquidity problems, the IMF seemed the logical choice for short-term debt service lending. Some witnesses expressed the belief that a defeat for the IMF $9 billion supplemental funding bill in the U.S. Congress would represent a serious isolationist move similar to the Smoot Hawley Act of the 1930s with its high tariffs.

An additional reason for strong support of the IMF was that, as a multilateral institution, the IMF was in a position to enforce conditions in its lending in cases where bilateral programs might be politically unable to do so. The IMF required adjustments in domestic economic policy in return for loans and private banking participation. IMF programs for balance of payments adjustments were seen by members of the financial community as crucial to restoring bankers' confidence in LDCs. IMF monitoring of debtor country performance was also viewed by commercial lenders as a vital source of economic data.

Many witnesses from outside the financial world stressed the IMF's importance for another reason as well. The IMF not only builds bank confidence in LDCs, it also encourages private banks to advance new credits to big debtors, by making such lending a prerequisite for IMF stabilization loans. By conditioning loans on continuation of commercial credit as well as on country compliance with stabilization programs, the IMF was able to induce heavily-exposed banks not to "bail out" of problem countries. Essentially the IMF offered banks a choice. They could loan money to a country under an official adjustment program to improve the debtor's balance of payments, or they could withdraw from the country and allow an almost certain default on existing loans. This policy was very successful at maintaining commercial credit flows to Mexico, Brazil, and other large debtor nations. Thus the IMF successfully "bailed in" the private banks rather than permitting them to "bail out."

As an additional policy for both short and long term, many witnesses emphasized the necessity of avoiding protectionist trade policies in the industrial countries. Several asserted that "beggar-thy-neighbor" protectionism would only aggravate an already bad situation, as it had in the 1930s. Others specifically recommended free trade in order to allow LDCs to find markets for their exports and thus ease debt service problems.

4. Long-term Policy Recommendations:

There was less agreement regarding the longer-term consequences of the heavy debt load of the LDCs. Witnesses expressed fundamentally different ideas about how seriously the debt situation would affect world lending and trade in the future. Nearly all witnesses testified that economic recovery in the U.S. was a prerequisite to any orderly resolution of these world financial problems. However, some, including administration officials, felt that U.S. growth, combined with LDC adjustment and private market responses to LDC capital needs, would be sufficient to ease debt problems. Others argued that without more fundamental changes the severe financial, economic and political problems of the early 1980s were likely to continue, and possibly grow, throughout the decade.

Continuation of commercial bank lending to LDCs was central to this debate. There was widespread agreement on the need for maintaining capital flows from the developed to the developing countries. However, there was also virtually unanimous agreement that private bank lending would not continue at the high growth rates of the 1970's. Witnesses had differing opinions on the desirability of continued reliance on private bank lending to transfer capital to the LDCs. Most agreed, however, that private bank lending would be curtailed thereby requiring increased official lending.

a. *Strong Interventionists.*—A small group of witnesses was extremely pessimistic about growth and bank response as a means of resolving the crisis. They pointed to the need for strong government intervention. These "strong interventionists" argued that banks were already overexposed in LDCs, that borrowing countries would not be able to repay private loans on the original terms, and that prompt government action was essential to the restoration of order in the international financial system. They regarded write-downs and restructuring of LDC debt as necessary steps for full world recovery. As part of this process, they recommended that lending country governments establish discount windows which would exchange LDC bank debt for long-term obligations at less than face value. This would simultaneously restructure debt and reduce the exposure of the commercial banking system in LDCs. For this group of witnesses, the idea that recovery in the industrial economies would permanently ease the debt

crisis and restore a 1970s-style lending atmosphere was simply wishful thinking.

b. *Non-Interventionists.*—Other witnesses, notably George Shultz and Donald Regan from the Reagan administration, were optimistic about the chances of resolving the debt situation through growth and private market response. These "non-interventionists" agreed that short-run steps such as strengthening the IMF were necessary to overcome the temporary liquidity problems of many LDCs. But they believed that, in the long run, LDC adjustment and a return to private credit worthiness at lower levels of borrowing were likely and desirable. This optimism was reflected not only in comments on IMF funding, but also in testimony on concessional lending by the World Bank. Administration witnesses expressed confidence that concessional lending through the Bank's International Development Agency (IDA) would not be necessary for countries which were already able to borrow in private capital markets.

c. *Moderate Interventionists.*—The largest group of witnesses took a position between these two extremes. They saw the need for a moderate degree of intervention by governments and international financial institutions. These "moderate interventionists" included most of the financial area witnesses and many academics. They did not see rescheduling and write-downs of debt as inevitable. However, they had little hope for a return to the extent of reliance on private lending as has existing in the 1970s. They pointed out that banks were increasing their lending to debtor countries under pressure from the IMF, but had already become extremely cautious about future LDC lending. Net private borrowing by non-oil LDCs had grown at 21 percent per year in 1978–81 but increased only 3 percent in 1983. Several financial industry witnesses projected a need for 7-10 percent annual growth in bank lending in the next few years. Although this rate of increase is far below the average of the 1970s, witnesses from the financial community stressed the transitional nature of such increases, indicating a desire to arrive eventually at even lower levels of debt growth and bank exposure.

Many of these "moderate interventionists" also questioned the desirability of continued reliance on private lending at levels similar to those seen in the 1970s. They pointed out that even if banks were willing to increase their exposure in LDCs, this increased lending would leave the U.S. financial system more vulnerable to future debt crises. There were several recommendations for increased monitoring and regulation of international lending by U.S. banks in order to reduce the possibilities of domestic financial disruptions caused by LDC debt problems.

It is important to note that most witnesses in the 1983 hearings were not optimistic about the short-term outlook for the world economy at that time. As it turned out, an unexpectedly strong U.S. recovery led to increased growth in world output and world trade, thus easing some of the stresses and strains discussed in the hearings. World output grew 2 percent in 1983 after remaining essentially stagnant in 1982. World trade volume rose 2 percent in 1983 after a decline of 2.5 percent in 1982. The recovery accelerated through 1984, with world output up 3.7 percent and world trade up 8.5 percent, according to IMF estimates.

LDC balance of payments deficits were also lower than anticipated, which eased debt service burdens for many countries. There were two principal factors behind these improvements. First, LDC adjustment programs aimed at import reductions were more immediately successful than many analysts had expected. Second, the strong U.S. recovery and the strength of the dollar on international money markets led to increased world demand for LDC exports in 1984, further improving trade balances.

5. Finance Overview: Areas of Agreement and Disagreement:

All witnesses agreed that in the long run the private foreign credit needs of debtor countries must be reduced through structural adjustment. The point of debate was whether reduced private capital flows are compatible with LDC structural adjustment, economic growth and trade expansion without increases in official lending. In the end, the central issue separating the administration's "non-interventionists" from others is not whether continued capital transfers to LDCs are necessary, but rather what is the "right amount" of such transfers and how to choose a policy which will provide it.

The administration's "non-interventionists" believe that too much international credit will reduce the incentives for LDC governments to restructure their economies along more rational, disciplined lines. They maintain that the shocks provided by the debt crisis will induce debtor countries to adopt more open, export-oriented free-market policies and that such policies, combined with economic growth in the U.S. and the industrial countries, will reduce LDC reliance on foreign commercial borrowing. The "non-interventionists" believe that these reforms will improve the credit standing of LDCs and at the same time reduce their need for foreign bank loans. This will restore balance between the supply and demand for commercial credit at a more sustainable level. They also suggest that more rational economic policies in LDCs will increase capital flows via direct foreign investment and reduce capital flight, both of which will further reduce the necessity for foreign private credit flows.

In contrast, the "moderate interventionists" in the financial community believe that without more foreign credit than is likely to flow without increased multilateral lending, LDC governments will be reluctant or even unable to pursue structural adjustment policies. They also argue that debt service difficulties will continue to restrain LDC growth if adequate credit flows are not maintained. They believe that, even with significant adjustment in LDC credit needs, private flows will not be sufficient to allow continued growth. They maintain that the long-term prospects for growth in world trade and U.S. exports depend on supplementing commercial credit with increased official capital flows to LDCs through international lending agencies such as the IMF, IDA, and the multilateral development banks.

The administration's "non-interventionists" point to the success of LDCs in reducing their balance of payments deficits, and to increases in bank lending to countries undergoing IMF stabilization programs. By contrast, the "moderate interventionists" stress that reductions in LDC trade deficits were achieved first through sharply contractionary domestic policies designed to reduce imports, and later through increased exports due to unprecedented and unsustainable U.S. trade deficits—neither of which leaves much hope for continued, adequate, long-term LDC trade or trade surpluses. These economists and investment bankers also note that while banks did increase lending to some countries under heavy IMF pressure, commercial credit flows have dried up for some LDCs and slowed down for many. IMF estimates show that bank lending has slowed dramatically, and that banks reduced their outstanding short-term loans to major debtor countries by approximately $46 billion in 1983–84.

Despite the boom in the U.S. economy, the LDCs have not yet experienced a strong recovery. Major borrowers in particular have done poorly relative to the rest of the world. LDC exports are up, but income has lagged behind. At present, debt service requirements and adjustment difficulties are in fact restraining LDC growth.

B. Trade issues

The Subcommittee's trade hearings were a source of wide differences of opinion regarding both fact and policy. Many of those testifying called for tariffs and import quotas, while others argued against protectionism in any form.

Bankers, administration officials, and academics nearly all insisted that avoiding protectionism was vital to the health of the world economic system. Business and labor representatives, in contrast, advocated various forms of protection for their own industries—autos, copper mining, and steel. Witnesses from the latter groups argued that trade restrictions were the rule rather than the exception in the world economy, and that their industries had been hurt by unfair competition from abroad.

The reasons for such a dichotomy are clear from the testimony. Liberal trade policies may be in the general interest of the nation as a whole while at the same time hurting particular industries or sectors of the economy. Those not tied to employment or production in a specific industry often see and share the true national benefits of expanding trade without bearing direct costs. For others, free trade is something that is favored by those whose jobs or products are unaffected.

1. Characteristics of Trade with LDC's:

To put the testimony of trade witnesses into a meaningful perspective, trade goods can be usefully separated into three categories, which are differentiated in terms of the level of the barriers to U.S.-LDC trade and the penetration of U.S. markets by LDC exports.

a. *Complementary Goods.*—First, some trade is "complementary," along the lines of classical comparative advantage. U.S. exports of industrial machinery to LDCs or imports of the primary products of LDCs which are domestically unavailable in the U.S. fall into this category. Trade in complementary goods benefits both sides.

b. *Competitive Goods.*—Second, LDCs also produce goods which are directly competitive with U.S. products in both domestic and foreign markets. In competitive sectors, an increase in sales by foreign producers may lower income and employment in the domestic industry. As a result, many LDCs maintain tariffs and import quotas to protect their "infant industries" in competitive sectors and the U.S. often limits market shares for LDC imports such as in the textile market.

Trade in competitive goods makes up an increasing part of U.S. Trade in LDCs, especially with the newly industrialized countries of Asia and Latin America. Approximately 20 percent of LDC exports are now manufactured goods. From 1970 to 1980 the share of OECD manufactured imports

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coming from LDCs rose from 5 percent to 11 percent. Many of the LDCs which have successfully developed their competitive export industries are the same countries which have relied most heavily on commercial borrowing and are deepest in debt.

c. *High Technology Sector.*—A third general category of increasing importance—"high technology"—includes both goods and services. In this area, U.S. producers have substantial technological advantages. LDC barriers to "high-tech" trade are high, often to the extent of completely excluding imports from their domestic markets. These barriers are intended to stimulate foreign and joint investments in LDC domestic markets.

The Subcommittee heard exclusively from U.S. representatives of industries which produce competitive goods and are thus particularly threatened by foreign imports. The other trade witnesses were not from any particular industrial sector. The Subcommittee did not hear witnesses from complementary and high-technology industries. Such witnesses could present the case for substantially more liberal two-way trade policies, especially in relation to the LDCs.

2. Arguments for Protection:

a. *Copper Industry.*—Witnesses representing the copper industry, a group which included four Senators from Western States, were concerned that increasing copper production in Latin American and African countries had driven world prices down to extremely low levels, forcing the closure of U.S. mines and the lay-offs of thousands of U.S. workers. Testimony centered on the need to protect U.S. jobs through voluntary export restraints negotiated with major copper producers such as Chile, Zambia, Zaire, and Peru, and on the possibility of using U.S. influence on IMF lending policies to enforce such agreements.

b. *Steel Industry.*—Steel industry representatives from both labor and management shared the views of their counterparts in copper. U.S. steel companies face increasing import competition from LDC producers such as Brazil, Mexico, Argentina, and South Korea. They perceive such competition as unfair because of export and production subsidies offered by LDC governments to their domestic industries. They argue that import restrictions are necessary to maintain "fair" trade, given that free trade is not practiced by other steel-producing countries.

c. *Auto Industry.*—During the hearings on trade in the auto industry, there was agreement among industry representatives on the need for protective measures, but differences of opinion arose between labor and management as to the precise form that such protection should take.

These disagreements stemmed from the multinational character of the large U.S. auto producers. For management, the production of auto parts by foreign subsidiaries, particularly in LDCs, is an essential element of flexibility in the production process. From labor's point of view such practices simply represent the export of jobs overseas. Both labor and management view trade in automobiles as competitive. However, in parts and intermediate goods, management perceives trade as complementary and desirable, since it allows multinational sourcing patterns and increased flexibility in production decisions. Labor perceives it as competitive and undesirable, since it results in a loss of U.S. jobs.

This difference in perception was reflected in differences in policy recommendations. Labor supported domestic content legislation and voluntary quotas on autos by Japanese manufacturers. This policy combination offers maximum protection for U.S. jobs. Management, on the other hand, opposed domestic content legislation. However, it joined labor in supporting continued voluntary quotas—a policy which would protect final goods while maintaining open markets for auto parts and intermediate goods imported from LDC subsidiaries.

3. Fair Trade:

For all three industries represented in the subcommittee's hearings, the central trade issue was that of "fairness." Witnesses offered a variety of reasons in support of their claims that the international trade deck was stacked against U.S. companies in these industries.

a. *Auto Industry.*—In the case of the auto industry, the foremost charge was that foreign countries impose tariffs, quotas, and non-tariff trade restrictions on American cars, so that unilateral pursuit of free trade by the U.S. puts U.S. producers at a disadvantage. Professor Barry Bluestone presented considerable evidence of widespread trade restrictions. Of the 49 countries in the world which produce automobiles, 41 restrict auto imports and 27 have local content laws. However, the evidence did not show that U.S. automakers are locked out of foreign markets. U.S. auto companies have subsidiaries in 26 of the 41 countries with import restrictions and in 18 of the 27 countries with local content requirements.

Another important reason advanced as evidence of unfairness to U.S. producers was that much of the import competition faced by U.S. producers represents "uneconomic" production on the part of subsidized foreign industry. Auto executives pointed to the Japanese tax system as an example. Under Japanese tax law, automobile manufacturers are given incentives to export, particularly to the U.S. This effectively subsidizes Japanese exports and lowers the price at which Japanese companies can profitably sell their cars in the U.S. Witnesses offered no estimate of the quantitative impact of tax incentives on the price of Japanese imports, but there is no doubt that tax laws affect production and export decisions.

b. *Steel and Copper Industries.*—The discussion of "uneconomic" production in the steel and copper industries took a different tone. Here the focus was on direct production and export subsidiaries offered by foreign governments to their national industries, rather than on tax incentives. Witnesses aimed most of their criticism at some LDC governments which utilize export promotion policies in order to generate foreign exchange. In fact, the need for foreign exchange by some LDC producers is so great that some LDCs are selling their exports in international markets for less than the cost of production. This was documented by Senator Domenici in the case of copper production, where the international price was 56 cents per pound in August 1984, and among major producers only Chile (at 50 cents per pound) had lower production costs. The average production cost for the other major copper-producing countries was 71 cents per pound. Continued LDC copper production at current prices is certainly "uneconomic," in the sense that private firms would not and could not continue to produce and sell at a loss for as long as government owned or subsidized entities can.

That increased Third World production of copper and steel depresses prices and lowers U.S. production and employment levels in those industries is beyond doubt. It is also true that LDC producers often operate differently from private U.S. firms. However, whether the increased competition which U.S. producers face from LDCs is primarily the result of irrational, uneconomic, or unfair trade policies is a more difficult question to answer.

c. *Competitive Goods Generally.*—Much of the increased production of competitive goods by LDCs is a result of their development successes. U.S. producers of competitive goods would be forced to adjust to this new reality even in a completely fair and open international trading system. The emergence of LDC competition in industries such as steel has been a gradual process, but the world recession of 1980–82, coupled with the appreciation of the dollar against other currencies, aggravated the adjustment problems of U.S. producers and generated increased lobbying for protection from foreign competition. Industry witnesses did not consider the extent to which increased LDC exports simply reflect increased LDC growth and competitiveness.

On the other hand, debt servicing problems mean that LDCs place a premium on exports. Some Third World countries are attempting to increase their export earnings through means which might be considered "uneconomic" if practiced by private firms. Such policies may of course be rational in some broader sense, but this is little consolation for U.S. firms whose LDC competitors are able to sell at a loss for a substantial period and still stay in business. Foreign export subsidies and tax incentives give foreign producers some advantage over U.S. firms. The quantitative impact of export promotion policies is difficult to assess, but the effects are clearly detrimental to U.S. producers.

In addition to discussion of trade restrictions and uneconomic production policies practiced by other countries, some witnesses claimed that wage differentials and exchange rate fluctuations were sources of unfairness in international trade. Representatives from Ford and Chrysler stated that these factors give Japanese car producers a significant and "unearned" cost advantage of hundreds of dollars per car sold in the U.S.

Lower wages abroad and the sharp rise in the value of the dollar have hurt the competitive position of U.S. industry in world markets. But according to traditional tariff theory such factors do not warrant being characterized as the kind of basic unfairness in the international trading system which should be rectified by U.S. protectionist policies.

4. *International Lending and Trade:*

Steel and copper industry witnesses argued that the U.S. contributions to multilateral institutions such as the IMF, the World Bank, and the regional development banks harm U.S. companies and workers in three ways. First, development lending encourages the buildup of "excess capacity" in the Third World. Second, the access of LDC producers to international credits at low interest rates allows them to modernize production facilities at lower cost than their U.S. competitors. Third, the emphasis which IMF-imposed adjustment programs place on contractionary macroeconomic policies, import cuts, and export increases in LDCs hurt U.S. exports to important markets and increase LDC penetration into the U.S. domestic market.

a. *Excess Capacity.*—The principal target of copper producers was the IMF's compensatory financing facility ("CFF"), which

lends to countries experiencing temporary shortfalls in export earnings. They claimed that copper-producing countries were taking advantage of CFF loans to raise their production levels and increase their exports at a time when there was already a surplus of copper on world markets. Hearings centered on S. 2524, the Copper and Extractive Industries Fair Competition Act of 1984, which proposed altering the IMF Charter to prohibit CFF lending to countries which were experiencing export shortfalls due to low commodity prices "unless the borrowing country enters into an agreement with the Fund to adjust production and not to add further excess capacity and to take other necessary action to stabilize the market for such commodity."

The Administration believed that this particular bill would be ineffective. As George Hoguet of the Treasury Department pointed out in his testimony, IMF lending is for short-term balance of payments difficulties and does not go directly to development projects. Altering a small part of IMF lending policy will not seriously affect world copper production. Mr. Hoguet estimated that lending by multilateral development banks (which do make project loans) added only about 4 percent to world copper-producing capacity in the last 7 years. He also testified that forcing the IMF to determine what constitutes appropriate production levels and prices is also contrary to its free-trade orientation, and would open up a Pandora's box by making IMF loans the battleground for future trade disputes between member countries.

b. *Interest Rates.*—Substantial arguments that international lending has benefitted LDC producers by allowing them access to credit at below-market rates were advanced by senators from copper-producing states. Indeed, benefitting LDC producers is precisely the purpose of development loans. Development lending does not directly affect U.S. industries as long as U.S.-LDC trade is mostly in complementary goods. Protectionist lobbying against such loans has increased as LDCs have begun to produce more competitive goods for export. It was especially strong during the economic downturn of 1980–82. Lending by multilateral development banks promotes economic growth in LDCs, and this growth can simultaneously be beneficial to the overall U.S. economy and U.S. exports and threatening to particular industries which will face increased competition. Witnesses urged policy-makers to balance the general interest in increased growth, in the U.S. and worldwide, with the real costs of adjustment in certain U.S. industries.

c. *Adjustment Programs.*—Another major criticism of official lending policies was that IMF stabilization programs rely too heavily on contractionary policy, import cuts, and export increases and thus hurt the borrowing country and U.S. exports and jobs. IMF policies often encourage contractionary fiscal measures in borrowing countries in order to reduce the demand for imports by reducing the demand for goods in general. Several witnesses representing organized labor suggested that IMF conditions should emphasize price stabilization through export growth rather than through contraction of the domestic economy. By forcing rapid contraction of imports, IMF programs reduce the demand of LDCs for American products and thus hurt U.S. export prospects. These witnesses did not discuss the problems associated with this suggested change in IMF policies. IMF programs are designed to promote fairly rapid adjustments. Price stabilization through growth often would be a longer process. A reorientation of IMF programs toward longer adjustment cycles would also require additional resources for the IMF.

In sum, the lending policies of the IMF and the multi-lateral development banks clearly have an impact on U.S. trade, and that impact can be negative for individual sectors of the economy. However, in the long run such policies also promote U.S. exports, U.S. growth, and U.S. jobs through increases in LDC demand for American products. Development loans can cause adjustment problems for particular U.S. industries, but little concrete evidence was presented in support of the contention that the policies of multilateral lending institutions have created an international economic climate which is systematically unfair to U.S. firms.

5. Trade Overview.—Causes of Import Competition:

Some of the complaints advanced at the trade hearings about the need for protection of U.S. industry were not accompanied by strong evidence of unfair trade practices on the part of foreign competitors. Claims of unfairness were strongest in the case of export subsidization policies by foreign governments. When export subsidies, tax incentives, production targets, and other interventionist measures are in effect in other countries, the trading system is disadvantageous to firms which must operate according to private market rules.

However, not all import competition results from interventionist policies of foreign governments. Much of this new competition is a simple consequence of the growth of competitive industry overseas, particularly in LDCs which have instituted successful industrial development programs. The strong U.S. dollar has also contributed to the competitive difficulties of U.S. companies.

In addition, some of the adjustment problems of basic U.S. industries are not trade problems at all, but are direct results of low levels of domestic demand for their products, especially in times of slow economic growth. Adjustment difficulties are more acute when domestic markets are shrinking, and protectionist lobbying gains strength at such times.

Finally, certain witnesses stressed the importance of opening up foreign markets increasingly to U.S. exports rather than closing down U.S. markets to imports.

IV. CONCLUSIONS

The scope of the hearings and the variety of issues addressed are ample evidence of the complex and important interdependence between the problems of trade, debt, and growth. The political immediacy of some issues prevented the Subcommittee from devoting a great deal of attention in the hearings to other, longer-range problems of continuing significance to the nation and the global economy.

The testimony highlighted several facts which are critical for future policy. First, the success of international economic policy depends ultimately on understanding the economy and political motivations for the trading, borrowing and lending behavior of governments and the investments of private firms. Even the most well-designed policies can be ineffective in the face of political resistance.

Second, trade and financial questions are closely interrelated. The debt crisis cannot be solved without addressing the underlying trade problems and vice-versa. To be effective, U.S. policy must deal with trade and financial questions in a comprehensive, well-integrated fashion.

Finally, witnesses recognized that U.S. economic performance is increasingly dependent on economic performance in the rest of the world, with a number of LDCs having a growing impact on our own economic health. U.S. trade with LDCs has become an important factor in generating markets for U.S. goods and jobs for U.S. workers. In the long run, it is in the enlightened self-interest of the United States to recognize and take further advantage of the increasing importance of trade with the Third World.

APPENDIX A.—EXECUTIVE COMMITTEE OF THE BAY AREA INTERNATIONAL FORUM EXECUTIVE COMMITTEE AND THE STEERING AND RESEARCH COMMITTEES FOR THIS STUDY

EXECUTIVE COMMITTEE

George Keller, Chairman, Chevron Corporation.

Donald Guinn, Chairman & CEO, Pacific Telesis Group.

Peter T. Jones, Sr. Vice President, Levi Straus & Co. (rtd.).

Samuel H. Armacost, President & CEO, Bank of America.

Russell K. Burbank, President, Thermal Power Co.

James T. Clarke, Regional Managing Partner, Coopers & Lybrand.

Peter E. Haas, Chairman, Levi Strauss & Co.

Neil Harlan, Chairman & CEO, McKesson Corporation.

Calvin S. Hatch, President & CEO, The Clorox Co.

Angus MacNaughton, CEO, Genstar Corporation.

George T. McCoy, Chairman & CEO, Guy F. Atkinson Construction Co.

John B.M. Place, Chairman, Crocker Bank (rtd.).

George Sears, Managing Partner, Pillsbury, Madison & Sutro.

Gary Shansby, Chairman of the Board & CEO, Shaklee Corporation.

Paul Slawson, President & CEO, The Getz Corporation.

Peter Tarnoff, Ex officio, Executive Director, World Affairs Council.

Max Thelen, Jr., Ex officio, President, World Affairs Council.

Wil C. Wood, Executive Vice President, Crocker National Bank.

Alden Yates, President, Bechtel.

STEERING COMMITTEE

Study Project for Senator Mathias

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Gerald Meier, Stanford Business School.

Clark Reynolds, Stanford University, Food Research Institute.

Carl Schmertmann, University of California at Berkeley, Department of Economics.

David Teece, University of California at Berkeley, Department of Economics.

Laura Tyson, University of California at Berkeley, Department of Economics.

Robert Wesson, Hoover Institution.

John Zysman, University of California at Berkeley, Department of Political Science.

Appendix B.—Subcommittee On International Economic Policy United States Senate Committee on Foreign Relations

(Summary and Index of Testimony by Individual Witnesses, 1983–84 Hearings)

[Notes on Hearing by Senate Foreign Relations Committee, Subcommittee on International Economic Policy: Stresses and Strains in the International Financial System]

10 Jan 1983

Henry Fowler, chairman of Goldman Sachs International and former Sec. of Treasury

[S. HRG. 198–61, p. 3

Western economies face an international economic situation which is the most serious to arise since the 1930's. At the same time there are opportunities to move toward a more stable world system.

Two basic problems: [1] The imbalance in the policy mix in US and elsewhere. Fiscal excesses and wage increases greater than productivity increases persist in many countries and are one source of current problems. [2] Excessive dependence of many countries on foreign private borrowing as a source of foreign exchange.

Much of 3W borrowing was in unregulated Eurocurrency markets, through syndicated bank loans involving many small banks. Around 1500 US banks have loans to LDCs.

Major problems in DCs are inflation and exchange rate instability, inadequate private investment, excessive public expenditure, rising protectionism.

Double oil price shocks of 1970s severely affected the BOP situation for non-oil producing LDCs. Some nations just took it on the chin, but many others borrowed from banks in order to ease the shocks. Even some oil-producing countries borrowed heavily in order to accelerate pace of development. Fowler characterizes this borrowing as "relatively undisciplined."

Long-term debt service grew rapidly in late 1970s and early 80s as interest rates on floating rate loans rose to very high levels. This meant that an increasing proportion of new borrowing had to go to making interest payments on old debt.

Two-thirds of all bank claims on non-oil LDCs were in 6 countries at end of 1981: Mexico, Brazil, Argentina, S. Korea, Chile, and the Philippines.

Debt service requirements of Mexico, Brazil, Argentina, Chile, and Ecuador exceeded export earning in 1982.

"Current" decline in DC interest rates looks good for debtors.

Policy recommendations:

[1] Go ahead with IMF quota increase.

[2] Expand the General Agreements to Borrow (GAB) and allow IMF to use these resources for nations not participating in GAB.

[3] Establish capability for IMF to borrow in private capital markets.

[4] Enforce conditionality (stabilization programs) in IMF lending to major debtor countries.

[5] Encourage private banks to continue and expand their lending to major debtors, and encourage rescheduling of principal payments.

[6] Develop some standard procedures for rescheduling negotiations.

[7] Study recent debt problems to avoid recurrences.

[8] DC governments should take publicly visible steps to protect the liquidity of their private banking systems.

[9] Establish right mix of monetary/fiscal policy in DCs so as to resume growth without return to severe inflation.

W. Michael Blumenthal, Chairman and CEO of Burroughs Corp and former Sec. of Treasury.

[S. HRG 98–61, p. 25]

Current situation is "somber," but not unmanageable.

Raw material and food prices fell 30% from mid 1981 to early 1983, which severely hurt LDC export earnings. At the same time, the world recession lowered demand for LDC exports.

"Less than brilliant" economic management in developed countries has exacerbated international financial problems in recent years. Fiscal irresponsibility created inflationary situation, which required severe measures when the time came to curb inflation.

Current policy mix in US is too reliant on tight money. This has hurt growth, raised interest rates, and led to trade balance problems because of appreciation of the dollar relative to other currencies.

Exchange rate fluctuations have been aggravated by improvements in telecommunications which allow a 24-hr market in which vast sums can be transferred very quickly. Also, much of this flow of dollar-denominated securities is outside US control.

Lag between depreciation of the dollar and improvement in trade balance would be about 18 months.

Overvalued dollar limits US ability to export. Chemical exports down 17% from fall 1981 to early 1983; food exports down 30%, 20% of US industrial production is exported. One in 6 US jobs is due to exports. ⅓ of US corporate profits is derived from foreign activities. 40% of US farm acreage is dedicated to production for export. Growth in world economy is essential for US growth, as well as vice versa.

Bergston figures that from 1978–80, 60% of US economic growth is attributable to improving trade balance.

US can't solve all these problems by itself: international cooperation is important, especially through multilateral institutions (IMF, WB, OECD, GATT).

IMF has been able to induce banks to increase their lending to debtor nations, rather than "bailing them out".

Current debt crisis is one of liquidity, not of insolvency of large debtor countries.

Policy recommendations:

[1] US must get control of its budget deficits, and adjust its economic policies to a mix that is more favorable to growth in world economy.

[2] Other OECD countries must also contribute. In particular, Japan, Germany, and UK should loosen up on the fiscal side.

[3] Need to sustain credit flows to LDCs, especially through increased support for international institutions, including the World Bank in particular.

[4] Resist the temptation of protectionism.

[5] Treasury should intervene in currency markets to smooth fluctuations in the value of US dollar.

Charles Schultze, Professor at Stanford and former chairman of the CEA [S. HRG 98–61, p. 35].

DCs are suffering the pain of getting rid of a stubborn inflation. US in particular is following a policy of overly tight monetary policy and overly loose fiscal policy, making the pain more severe than necessary.

In Europe and Japan, inflation of last 15 years has led to real wage increases in excess of productivity gains. Result has been a profit squeeze. This is a problem which will not go away even with a recovery.

In LDCs, need for credit is increasing at the same time that private credit worthiness is worsening. Without continued credit flows to debtor countries, their adjustment problems will also be more severe than is necessary.

US inflation is less under control than it appears. While inflation of CPI has fallen from 13.5% in 1979 to 5.5% in 2nd half of 1982, taking out food and energy prices shows a drop from a peak of 9.75% in 1980 to 6.5% in 1982:2 and 1982:3. Also, some of this decline was result of dollar appreciation in foreign currency markets. Main point: inflation is still with us and is extremely hard to get rid of.

In addition to alleviating current problems, international economic community should set up some institutional framework for coordinating public and private lenders (I guess he means for rescheduling).

Current BOP problems in LDCs are likely to persist for several years. Such intermediate-run structural adjustments fall inconveniently between the usual short-run programs of the IMF and the longer term projects sponsored by the World Bank. WB as well as IMF has an important role to play in stabilizing the current situation.

Banks were caught in a situation which was partly beyond their control—a general worldwide recession and liquidity crisis.

An overlooked consequence of LDC debt problems is the cutback in their capacity to import. This in turn hurts the DC economies. This makes continued credit flows important to the developed economies as well as to the LDCs.

Around 35% of US exports go to LDCs, 45% of Japanese exports.

Cites Krause as projecting that zero net credit flow to big debtors would lead to a 5.5% fall in Latin American economic growth, which would in turn lead to a 1.5% drop in US growth and a loss of 1 million jobs in US.

Policy recommendations:

(1) Reduce US budget deficit.

(2) Loosen monetary policy to accommodate a gradual recovery.

(3) Maintain credit flows to LDCs, through both private and public sources.

Lawrence Krause, Senior fellow at the Brookings Institution

[S. HRG. 98–61, p. 70]

World recession is the root cause of debt crisis. Its severity was not anticipated, either by banks or by debtor countries.

Triple whammy on LDCs: world recession, high real interest rates, and low commodity prices. The appreciation of US dollar has affected commodity prices.

Most important factor in escaping crisis is industrial country recovery and growth. With a sustained upswing in world economy, LDC exports could rise 20–30% per year; with stagnant world economy LDC exports could fall 10% per year.

20% of LDC exports are manufactured goods.

BOP deficits are normal and necessary for developing economies. Usually lending to cover these deficits is profitable for both borrower and lender due to high rates of return. Current situation is an anomaly.

US banks are not the only banks involved in the current problems. Many European and Japanese banks have large loans in 3W.

On 1 Dec. 1981, LDCs had $327 billion in bank debt, 49% of which was due to mature within 1 year.

IMF has noted a tendency toward "regionalization" by private banks—eg, when one country in Latin America begins having repayment difficulties, lending dries up for other countries in the region regardless of their credit standing.

IMF programs lend an aura of credit worthiness to problem debtors, which is essential to maintaining flow of private capital.

Policy recommendations:

[1] Lower US short-term interest rates by reducing out-year budget deficits.

[2] Encourage continued lending to LDCs, both through private banks and IMF.

[3] Resist protectionism.

[4] Closer scrutiny of private lending by international organizations such as IMF in order to avoid the overlending and overborrowing characteristic of the recent past. IMF should set guidelines as to what constitutes "responsible borrowing" by member countries.

[5] Cooperation among the various bank regulators in the lending countries (pooling data) in order to monitor banks' positions more accurately and avoid overexposures. Changes in US banking regulations alone would be insufficient to avoid future crisis, due to multinational nature of lending.

[6] Fiscal restraint + looser monetary policy in US.

John Sewell, President of Overseas Development Council

[S. HRG 98–61, p. 87]

Recovery in the DCs is by far the most important factor in restoration of healthy world economy, but world economic growth cannot be restored without the resumption of growth in developing countries. They have become an essential part of the world system and must be taken into account when planning recovery.

Essential character of financial flows to LDCs has changed dramatically: in 1960⅔ of all flows were in form of aid; in 1980⅔ of all flows were from private sources.

This change represented a failure of public policy. Short-term private loans were used for financial long-term development projects, which eventually led to serious liquidity problems for debtor countries.

LDCs purchase 39% of US exports. This is more than EEC, E Europe, USSR, and China combined. In the period since 1976 (until ???) exports to middle-income countries grew at 21% per year.

Sewell is pessimistic about prospects for US exports to LDCs in the next 10 years.

Policy recommendations:

[1] Maintain and expand financial flows to LDCs, especially through a strengthened IMF.

[2] Expand official aid programs and target them on the low-income LDCs.

[3] Cut US defense budget and put some of the resources into international aid—this is an alternative and more effective way of "buying security".

John Mellor, Director of International Food Policy Research Institute

[S. HRG 98–61, p. 97]

3W growth has become very important for US economy in recent years, especially for agricultural exports. Most of the growth in this trade had come from income rather than population growth in LDCs.

Maintaining and expanding financial flows to LDCs with high potential growth is very much in the interest of U.S. exporters.

19 Jan 1983

Rimmer De Vries, Senior vice president and chief international economist of Morgan Guaranty Trust

[S. HRG 98–61, p. 127]

Resolution of debt crisis requires mixture of moderate growth and some structural adjustment by LDCs. Debt problem is manageable, but it will take 3–4 years for the necessary structural changes.

Banks must increase their lending at around 7% per year in order to finance such a transition. This should be possible even if some smaller banks reduce their lending.

World Bank can play an important role in debt management. Countries may have to rely more on concessionary IDA-type financing, since private money is likely to become more scarce.

Bank for International Settlements (BIS) is a good source of debt information, not only about U.S. banks but also German, etc. Their information can be up to 6 months out of date, however. BIS can also be an important institution in debt management.

Regionalization is a fact. Poland's problems have affected lending to all of E. Europe, and Mexico and Argentina have affected Latin America.

Rapid increase in private lending in 1970s helped ease oil price shocks for many LDCs.

Much of this lending was in form of short-term loans. Although such loans appear safer to banks, in fact they increase the vulnerability of borrowers to a liquidity crisis or to a sudden unwillingness by creditors to roll over existing loans.

Dollar prices of LDC export commodities fell 11% (in what period?)

Cooperation between IMF and private banks in putting together loan packages has been good. The IMF has been able to induce banks to continue their lending to problem debtors. Banks have more confidence in repayment in presence of IMF adjustment programs and IMF monitoring of economic progress.

U.S. over-reliance on monetary policy to break inflation has had international repercussions.

Monetary policy should be relaxed in U.S., Canada, and UK. Fiscal policy should be relaxed in Japan, UK, and Germany.

Policy recommendations:

[1] Strong support for IMF, including an expansion of GAB and the possibility of GAB money for non-industrial countries.

[2] Bigger role for World Bank, as some countries may have to be "ungraduated" from private financing back to IDA loans.

[3] Bigger role for BIS, including the capacity to furnish very short term liquidity to countries which are in the process of negotiating with the IMF but have not yet settled.

[4] Increased role of BIS and IMF in establishing guidelines for sound international borrowing and lending.

Robert Solomon, Guest Scholar at Brookings Institution

[S. HRG 98–61, p. 157]

Growth of international debt has not in fact been explosive. In real terms, non-OPEC LDC debt rose at 10% per year in 1973–82. Ratio of (debt/exports of goods and services) rose from 89% to 109% for same group in 1973–82. Interest payments as a fraction of export earnings rose from 4–9%.

Moral: debt has increased, but not as much as we are often led to believe.

Qualification: these aggregate figures aren't necessarily representative of the big debtor countries. For Brazil and Mexico the interest/export ratio is much higher than for the average non-OPEC LDCs.

Interest payments are very sensitive to LIBOR. The fall in LIBOR from 1981–82 reduced Brazil's interest/export ratio from .29 to .16, and the increase in interest rates in 1978-mid 82 added $4 billion to Brazil's annual BOP deficit.

IMF seal of approval is important for keeping private lenders from pulling out of debtor countries.

Real interest rates on international loans rose quickly from 1978 on and have remained high. LIBOR average in 1978 was 8.85% while industrial country prices rose about 7%. In 1981 LIBOR was 16.78%, inflation 10%. In first half of 1982 LIBOR was 15.30, inflation 8.2%.

IMF is "bailing in" banks by inducing them to increase their lending to problem countries, rather than bailing them out by substituting public credit for private credit.

Only Argentina, Mexico, and Brazil are large enough debtors to cause a general financial crisis if they default.

Of the total $230 billion in bank loans to non-oil LDCs at the end of 1981, 39% was owed to US banks. US bank shares of loans to Argentina, Brazil, and Mexico were also in the 38–40% range.

Biggest danger to world economy is not default by major debtors, but rather a sharp reduction in lending to LDCs. This would force major contractors in LDC imports and aggravate the world recession, which would in turn worsen LDC economic prospects even further by reducing demand for their exports.

Policy recommendations:

[1] IMF and other international institutions—not commercial banks—are responsible for assuring that the world economic system stays healthy. Some banks may reduce their exposure in 3W, and the IMF has to be ready to fill the gap.

[2] IMF should be able to borrow in private markets in order to increase its resources in the event of a real crisis.

[3] Without growth and lower interest rates in DCs, IMF funding isn't going to turn the situation around.

John Heimann, Cochairman of Warburg Paribus Becker Inc. and former Comptroller of the Currency

[S. HRG 98–61, p. 172]

No real solution to debt problems without world economic growth and especially not without US economic growth.

Current problems are ones of liquidity rather than solvency. Solvency questions can only be answered once the liquidity problems are handled.

Rescheduling of private loans has become much more difficult than it was in the past, because of the increasing number of banks involved in syndicated loans and because of the greater amounts of money involved. eg, Poland was trying to reschedule debts owed to about 500 separate banks at once.

The "fair treatment" principle has guided most rescheduling negotiations: banks are expected to participate in rescheduling and in new lending in proportion to their existing exposure. This usually doesn't cover short-term trade financing, however, so some banks can reduce exposure by not renewing such loans.

Policy recommendations:

[1] Central banks in DCs need to establish more precise definition of their responsibilities to provide needed liquidity to their own banking systems. This is a problem for the BIS.

[2] IMF needs additional resources. IMF conditionality and monitoring are important for establishing the confidence necessary for private bank lending to problem debtors.

[3] Rescheduling negotiations should be carried out in a more coordinated fashion by higher-ups in big international banks, rather than on an ad hoc basis by junior bank officers.

[4] Rescheduling by calendar may be too rigid a technique. More flexible systems—such as rescheduling timed according to gains in export earnings—may be a better approach.

[5] Small banks shouldn't be allowed to shirk their responsibility for the debt problems. They helped create the problem and should be part of any solution.

[6] Banks should pool data in order to better assess the total liabilities of borrowing countries.

Felix Rohatyn, Senior partner in Lazard Freres and Co.

[S. HRG 98-61, p. 271]

More pessimistic about future of world economy than other panelists.

IMF and BIS played key roles in averting crisis in summer of 1982.

Strong IMF and private bank reschedulings are the only means of avoiding a real financial crisis.

Poland, Mexico, and Brazil have already in truth defaulted. To call it otherwise is obfuscation.

There is a real danger of unilateral repudiation of foreign debt "by a country that is politically radicalized by depression or by IMF-imposed austerity, or a combination of both."

The standard relationship between trade and currency values has been reversed: currency fluctuations now determine trade patterns rather than vice versa.

Policy recommendations:

[1] New system to control wild fluctuations in exchange rates between major currencies.

[2] Long-term low-interest rescheduling of 3W debt, in order to allow debtor countries to recover. A subsidiary of the World Bank or the IMF or a totally new institution could be set up to trade existing commercial bank loans for long-term low-interest paper. (he doesn't really talk about how to allocate the losses).

[3] Liberal trade policies in industrial countries.

William Cline, Senior fellow at the Institute for International Economics

[S. HRG 98-61, p. 279]

There are essentially 2 debt problems: (1) liquidity problems of the "super debtors" which could trigger bank failures and financial crisis, and (2) debt service problems which will mean lower rates of growth in LDCs and thus a lower rate of growth for world trade and for DCs.

Debt problems caused by higher oil prices, high real interest rates, global recession, falling commodity prices. Domestic policies of LDCs have also been part of cause—eg, unrealistic exchange rates in Argentina and Chile and failure to adjust trade in Mexico. In addition, many countries used short-term loans to finance medium-term development projects.

World economic growth is a prerequisite to any solution of debt problems.

US monetary/fiscal policy imbalance has been a prime cause of high real interest rates worldwide.

IMF coercion of new lending from private banks is a hopeful sign.

IMF is already at lending ceilings for Mexico and Brazil.

Overvalued dollar has two negative effects on LDCs: dollar prices of commodities are depressed, which reduces LDC export earnings, and dollar value of debt rises.

Expansion of bank lending to LDCs at rate of 8–10% per year is critical to health of whole system.

In all but a few cases—eg, Peru and Zaire—bank lending has not been irresponsible or reckless.

IMF quotes don't show up on fed budget.

IMF is bailing banks in rather than out.

Only a few countries are big enough debtors to provoke a crisis if they don't repay: Brazil, Mexico, Argentina, Venezuela, and Poland.

Western financial system is too vulnerable to crisis at the present time: in the long run banks must reduce their exposure as a % of total capital.

Policy recommendations:

[1] Expand World Bank lending, and alter its policies to include more lending for shorter, structural adjustment projects.

[2] IMF must ignore its own quotas for lending to super debtors and go ahead and lend more to Mexico and Brazil.

[3] IMF should be able to supplement its official resources by private borrowing if necessary.

[4] No need for new institutions to fill the gap between the onset of financial trouble and the conclusion of negotiations with IMF. Only a few countries could cause enough trouble to worry about, and they can be handled on an ad hoc basis.

[5] It's worth considering possibility of an official international agency buying bank debt at 90 cents on the dollar as a means of restructuring loans. However this could only be done only with significant new capital contributions by member countries, and it might be exceedingly difficult to sell politically.

[6] "replacing banks as the principal vehicle for capital flows to developing countries will be the principal international financial challenge of the 1980s."

1 Feb 1983

Bill Bradley, US Senator from New Jersey

[S. HRG 98-61, p. 304]

Governments are responsible in large part for the current international recession and financial crisis, and are therefore responsible for solving it.

Ever-increasing bank lending isn't a viable long-term solution. It only increases the risks of overexposure and a banking crisis in DCs.

Banks loaned irresponsibly, without considering possibility of repayment problems.

US should act pre-emptively to ease the present crisis and thus help avoid the eventual formation of a "debtor cartel".

World recovery requires coordinated macro policies by DCs: US, UK, and Canada should ease money supply to lower interest rates, while Germany and Japan should relax on the fiscal side.

Policy recommendations:

[1] Increase IMF quotas to expand international liquidity.

[2] Establish an emergency fund which could respond quickly to an international liquidity crisis, probably under auspices of IMF.

[3] Clarify "lender of last resort" policies among major lending countries. Who helps banks in trouble and to what extent? What about offshore subsidiaries or consortium banks?

[4] Convert short-term international debt to long-term obligations, through official write-downs of loans with government participation (trade sort-term loans for long-term bonds).

[5] Improve the volume and quality of information available about international banking system.

[6] Coordinate monetary and fiscal policies in DCs.

[7] Modify exchange rate system to prevent wide fluctuations in major trading currencies.

G. William Miller, President of G. William Miller and Co., former Sec of Treasury, and former Chairman of Federal Reserve Board

[S. HRG 98-61, p. 320]

US economic growth is essential for world recovery.

Major change in US fiscal/monetary policy mix is essential for US growth.

Many US jobs depend crucially on exports to LDCs.

US contribution to IMF quota is in form of letter of credit, which is used only if it is needed. Thus it doesn't tie up idle funds (is this why someone else said quota didn't appear on budget???)

The focus of discussion should not be on whether or not LDCs can "pay off" their debts. We never expect nations to be completely debt-free, least of all our own. What matters is that nations should be in a position to service their debts in a reasonable fashion. Countries should be able to repay debtors, but not necessarily repay debt. Debt service is the crux of the present problem. quote: "It is not intended that the US government will pay off its debt. It is intended that it will continue to be credit worthy with the capacity to tax and raise revenues for its good and useful purposes, including many that involve long-term capital investments. As long as that is true, the US government will pay off individual lenders but it will incur new debt in the marketplace on current terms and conditions.

Policy recommendations:

[1] Strengthen IMF and GAB. This includes not only immediate quota increases, but also steps toward making SDRs a truly international currency for trade purposes, and establishment of a mandatory convertible currency deposit requirement for member countries so that IMF could act quickly in a crisis.

[2] Set up a system to smooth out exchange rate fluctuations among major currencies.

[3] Procedural change: remove IMF and World Bank appropriations from the foreign aid bill and put them in a separate bill titled "International Investments". This would clarify the purpose of such funding (and, not incidentally, make it easier to pass).

William Ogden, Vice chairman and chief financial officer of Chase Manhattan Bank.

[S. HRG 98-61, p. 324]

Present debt problems are ones of liquidity, not of solvency.

In short run increased credits are very necessary, but funding needs of big debtors must decrease in the future.

Major focus of concern of DSs should be on the possibility of a lower level of world trade caused by debt problems, rather than on the viability of the international banking system.

Vast majority of banks have continued to lend to countries experiencing liquidity problems, under leadership of IMF. In Agrentina, Brazil, and Mexico private banks provided new lending (in 1983?) equal to twice the amount of IMF funds provided and rolled over debt amounting to 6 times the IMF disbursements.

IMF bails banks in not out.

Banks have been hurt by the debt crisis in the form of lost flexibility in their loan portfolios.

Prerequisite to world recovery is lower real interest rates. This requires US budget deficits to come down.

Policy recommendations:

[1] Fund IMF.

[2] DON'T increase regulation of banks. Resolution of debt service problems must be done on a case-by-case basis and thus demand flexibility.

[3] DON'T punish banks through punitive measures. This will only impair their ability to aid in resolving debt problems. Banks are already hurting.

[4] Resist protectionism.

[5] IMF is not a lender of last resort. IMF borrowing in private capital markets would be contrary to its "spirit".

Robert Hormats, Goldman Sachs International and former Assistant Sec of State for Business and Economic Affairs

[S. HRG 98-61, p. 333]

Steady deterioration in world economy is likely unless we make significant changes in policy and in the structure of the system.

Policy makers need to address the interrelationships among growth issues, financial issues, and trade issues—eg part of the reason for world recession and debt crisis is that several countries are applying anti-inflation remedies simultaneously.

New character of international currency markets means that exchange rates no longer necessarily move in the proper direction to restore trade balance between countries.

Policy recommendations:

[1] Stimulate US and world economic growth by lowering out-year budget deficits in US.

[2] Serious programs aimed at reducing structural unemployment in DCs.

[3] Strengthen IMF, including allowing private borrowing if necessary, and promote adjustment in problem debtor countries.

[4] Regular consultation among financial, monetary, and trade authorities in DCs.

[5] Resist protectionism.

[6] Political commitment at highest levels to sell public on necessity of foreign aid.

15 Feb 1983 (full committee hearing)

George Schultz, Sec of State

[S. HRG 98-61, p. 371]

Trade is important to US economy. 20% of US jobs depend on trade in some way, and 40% of US cropland is in production for export.

Trade with 3W is important, but shouldn't be overstated. Largest trading partners of US are EEC, Canada, Japan, Mexico.

Causes of debt crisis are: high interest rates due to restrictive monetary policies in DCs after 1979 oil shock, strong dollar, world recession and simultaneous fall in commodity prices.

The US now finds itself in a "Switzerland position" where financial flows affect trade rather than vice versa.

Exchange rate fluctuations are a problem for US. exporters.

Policy recommendations:

[1] Insure sufficient international liquidity, through short-term bridge financing, IMF adjustment programs, continued bank lending, and an increase in GAB which will be available to all IMF members regardless of their contribution to GAB.

[2] Preserve open markets.

[3] Improve the international monetary system.

[4] Insure political stability in 3W.

[5] Cut out-year budget deficits.

[6] DON'T set up any government discount window where banks can unload LDC loans. Banks are an important part in financing the international economy, and such a system would encourage them to withdraw from the international arena.

23 Feb 1983 (full committee hearing)

Donald Regan, Sec of Treasury

[S. HRG 98-61, p. 404]

LDCs must take steps to reduce external borrowing and improve debt servicing capabilities, but there are both economic and political limits to the speed of such structural adjustments.

Major problems for banks with loans to LDCs could cause a cutback in domestic credit in US and thus drive up interest rates.

IMF lending both provides some breathing room for structural adjustment in LDCs and assures that such adjustments do in fact occur.

IMF serves US political and security interests as well as economic ones: it is a stabilizing force and a promoter of open, market-oriented economic systems.

US can draw on IMF resources and has done so heavily in the past. Cumulative US drawings on IMF are 2nd highest of any member country.

IMF quota increase isn't a bank bailout. IMF is including banks to increase their lending rather than decrease it. Furthermore, recent debt and liquidity problems are not wholly the result of mismanagement by commercial banks. Governments have had more to do with shaping the international economic environment that have banks.

LDC borrowing in the 1970s was a way of delaying adjustment to oil price shocks and commodity price slump.

Four out of five new jobs in 1970s were generated by foreign trade. US economy is very vulnerable to further cutbacks in imports by non-oil LDCs.

IMF adjustment programs do not hurt US exports. Although cutting imports to LDCs is often a goal of such programs. IMF financing may still allow higher levels of imports than would have been possible without IMF intervention. Also, IMF export expansion programs raise export earnings and thus allow higher levels of imports from industrial countries. Finally, IMF programs include relaxation of import restrictions by LDCs, which can open up markets for US goods.

Oil price drop would have two effects on debtor countries: [1] The direct effect on trade balance—positive for oil importers and negative for oil exporters; and [2] An indirect effect on interest payments through lower inflation rates and lower interest rates in lending countries—positive for all debtors.

Rapid fluctuations in currency values are due in part to improvements in telecommunications which allow a 24-hr global market.

Policy recommendations:

[1] Promote adjustment by debtor countries.

[2] Continue availability of IMP funding for BOP difficulties.

[3] Bridge financing by governments and central banks for countries whose failure to repay would cause serious problems.

[4] Continue commercial bank lending.

[5] Avoid protectionism.

[6] Establish a contingency borrowing power for IMF in case of crisis situations.

[7] US government should not act to restrict private lending to given countries. Banks are in a position to lend wisely and have powerful incentives to do so.

[8] Treasury intervention in currency markets won't work.

13 Apr 1983

Henry Schechter, Director of AFL-CIO Office of Housing and Monetary Policy [S. HRG 98-61, p. 492]

Tight monetary policy in US has caused appreciation of the dollar, a loss of exports, and a loss of US jobs.

Bulk of US bank lending to LDCs occurred at a time when domestic credit was scarce.

Many US-based multinational corporations used international bank lending to finance the construction of overseas plants, costing US jobs.

US merchandise trade balance was −$48 billion in 1982.

Large part of the drop in US exports is due to LDC financial problems.

Banks earned $800 million from Mexican rescheduling, in fees and interest rate premiums.

Policy recommendations:

[1] Make sure that banks suffer part of any losses caused by LDC rescheduling or defaults.

[2] Prohibit banks from charging fees for rescheduling.

[3] Federal Reserve Board should monitor international lending by US banks and evaluate its consequences both for domestic credit availability and for the US economy as a whole.

[4] LDC loans should be rescheduled by having central banks of lending countries buy up problem loans at a discount. Original lenders should have to suffer any losses, however.

[5] IMF policies should be altered to emphasize domestic market expansion rather than decreasing imports and increasing exports. This would benefit workers in the LDCs and in the industrial countries.

[6] IMF resources should not be used to aid in rescheduling debts of totalitarian regimes or regimes which abuse human rights.

[7] Increase IMF quotas, subject to the above conditions.

[8] Reduce U.S. budget deficit, through elimination of indexing of income tax brackets, and through defense cuts.

William Hope, Manager of economic studies, Bethlehem Steel Co., on behalf of the American Iron and Steel Institute

[S. HRG. 98-61, p. 501]

U.S. recovery is vital to world recovery. U.S. recovery is difficult without restoring health to basic industries such as steel.

Since 1975, there has been no expansion of steel production capacity in DCs, while LDCs have gone ahead with expansion plans even in the face of stagnant world demand.

IMF policies encourage LDC exports and discourage LDC imports. U.S. bears the brunt of such policies. Brazil, Mexico, Argentina, Trinidad, S. Korea, and S. Africa are all unfairly trading steel in U.S.

Policy recommendations:

[1] Cessation fo below-market export credits in LDCs, especially for capacity expansions (how can U.S. policy affect this? through IMF?)

[2] Suspension of plans for economic, surplus steel-making capacity—especially in Mexico, Brazil, and Pakistan.

[3] Some sort of agreement with other industiral countries under which all would accept equivalent amounts of steel from LDCs.

[4] Market share limits for LDC steel in U.S.

[5] Increase IMF quotas, subject to the above conditions.

[Notes on Hearings by Senate Foreign Relations Committee, Subcommittee on International Economic Policy: Brazilian Debt]

28 Sept. 1983

C. Fred Bergston, Director of Institute for International Economic.

[S. HRG. 98-601, p. 2]

Brazil is clearly at the center of global debt problem. Its external debt is about $90 billion, and several US banks have loans of 50–75% of their total capital exposed there.

Under fairly conservative assumptions about world economic growth, interest rates, and exchange rates, William Cline's study for IIE shows Brazil's BOP deficit shrinking rapidly for 1982–1986.

Under these assumptions Brazil would be credit worthy by market standards beginning in 1986.

Much of Brazil's recent cutbacks in imports was accomplished as big import substitution projects began producting. This is especially true in the energy sector (increased domestic oil production, hydroelectric projects, alcohol). Big projects also in steel and chemicals.

Main point: Brazil looks credit worthy in the medium- to long-run, and its current debt service problems are ones of liquidity rather than solvency.

Indexation is the chief cause of continuing Brazilian inflation.

To regain international credit worthiness Brazil must get rid of indexation and must cut its government budget deficit.

IMF agreement with Brazil provides $4 billion in new credits over 3 years, and includes an agreement with private banks that they will supply at least $10 billion in new loans over the same period.

IMF loans allow structural adjustments to be more gradual, and thus make adjustments politically more feasible.

Without IMF assistance there is a real possibility of Brazil defaulting on its debts, because without IMF and IMF-induced lending Brazil's interest payments on its existing debt would greatly exceed its net inflow of new capital.

Beginning in 1982, interest payments out of Brazil exceeded the inflow of new capital. This happened in the LDCs as a whole, and could have serious consequences for repayment of debt. If the primary reason for LDCs to worry about debt service is the need to maintain the flow of capital into their domestic economies, then this incentive is lost as soon as interest payments exceed new loans.

Policy recommendations:

[1] Strong congressional support for IMF quota increase. Without such support the IMF loses both funds and credibility, and defaults by "super debtors" such as Brazil become more likely.

[2] Possible authorization for IMF to supplement resources through borrowing in private markets.

[3] More resources for and more short-term financing from World Bank.

Jack Guenther, Senior vice-president of Citibank

[S. Hrg. 98-601, p. 10]

US exports to Brazil rose 900% over the past 20 years.

Brazil's current problems stem from three events, only one of which was under Brazil's control. Increase in world interest rates, decline in world demand for Brazilian exports, and lack of internal economic discipline (especially in controlling inflation) all played big roles in provoking debt crisis.

Indexation of wages is a major reason for acceleration of inflation.

Brazil's letter of intent to IMF has two major goals: [1] Reduction of inflation from 10% per month to 2.5% per month by end of 1984, [2] reduction of BOP deficit from $15 billion per year in 1982 to about $7.5 billion in 1983 and 1984.

An important part of anti-inflation policy is a change in indexing system, under which wages will still be adjusted every 6 months but only for 80% of rate of inflation for those 6 months, rather than the current 100% or 110%.

Policy recommendations:

[1] Support increase in IMF quotas. IMF involvement in resolution of Brazilian crisis illustrates its importance for stability of international financial system.

Riordan Roett, Professor of Political Science, director of Latin American Studies program, and director of Center for Brazilian Studies at Johns Hopkins University School of Advanced International Studies

[S. HRG. 98–601, p. 14]

Current economic crisis in Brazil puts severe strain on the country's political system.

If Brazil shifts its foreign policy direction, the most likely alternative is a right-wing nationalist regime which would repudiate foreign debt and move against foreign economic interests.

Cost of basic food products has been rising faster than wages. Agricultural land has been shifted from production of food crops to production for export. Malnutrition is a serious problem nationwide.

Debt crisis is hurting the chances for political liberalization in Brazil.

Policy recommendations:

[1] Emergency food aid for urban and rural poor.

[2] US leadership in getting together IMF, Federal Reserve, private banks from lending countries, and Brazilian government for talks on short- and medium-term financing and on rescheduling debt.

[3] Recognition by US of its substantial political and security interests in resolving financial crisis.

Marc Leland, Assistant Sec of Treasury for International Affairs

[S. HRG. 98–601, p. 32]

Self-imposed austerity programs in late 1980 led to a sharp contraction in Brazilian economy, improved trade performance, and deceleration of inflation. Despite these programs the debt servicing problem grew worse, and eventually Brazil had to go to the IMF.

Four-part program was instituted after negotiations with Brazil, BIS, Treasury, and commercial banks. This program called for rescheduling of medium-term debt, confirmation of short-term trade credits, $4.4 billion in new medium-term loans, and restoration of interbank credits. IMF extended an additional $4.9 billion over 3 years.

In long run world economic recovery, export-oriented policies by LDCs, and avoidance of protectionism are keys to stabilization.

Current debt problems are ones of short-term liquidity.

Financial authorities in LDCs recognize that a debt moratorium or repudiation would not be in their interest, because such a move would jeopardize all-important future credit flows.

Policy recommendations:

[1] Strengthen IMF and use it as the principal instrument for resolution of debt crisis.

Langhorne Motley, Assistant Sec of State for Inter-American Affairs

[S. HRG. 98-601, p. 41]

Political situation in Brazil changed dramatically with 1982 elections.

Accepting IMF programs is seen by many Brazilians as a form of national humiliation. This is an important political fact.

Policy recommendations:

[1] Strengthen IMF. This isn't as critical in Brazil's case as it is in other countries, but it is an important sign of US interest and leadership in orderly resolution of international financial problems.

[Notes on Hearings by Senate Foreign Relations Committee, Subcommittee on International Economic Policy: IDA]

29 Feb. 1984

John Danforth, US Senator from Missouri

[S. HRG. 98–908, p. 114]

IDA VI was 1981–83. Scheduled US contribution $3 billion over those 3 years (out of total of $12 billion), but US spread the payments out over 4 years instead of 3.

US proposal for IDA VII is a reduction in its contribution from $3 bill to $2.25 bill, and reduction of total program from $12 to $9 billion.

IDA contribution is a good deal for US for 2 reasons: (1) Contributions are "leveraged," in the sense that $4 are loaned for every $1 contributed by US, and (2) Since IDA is a multilateral institution it can pressure borrowing countries to undertake adjustment programs in cases where US pressure alone would be ineffective.

Administration's proposed FY1985 budget had $16 bil in foreign aid, of which only $1.5 bil is for multilateral programs.

US self-interest is well served by contributing to maintenance of a healthy world economy.

Policy recommendations:

(1) Authorization for a supplemental IDA VII contribution of $750 mil by US, if the administration finds that world economic conditions, especially in sub-Saharan Africa, warrant such a step.

Donald Regan, Sec. of Treasury

[S. HRG. 98-908, p. 119]

IDA can continue to be effective without growth in its budget.

IDA's main contribution to development is promotion of policies which encourage individuals to work, save, and invest.

IDA is not a balance of payments lender, and thus has only a marginal role in resolution of debt problems.

Highest priority for IDA VII lending is for sub-Saharan Africa.

Inter-American Investment Corporation (IIC) set up recently to complement the lending of the Inter-American Development Bank. IIC will concentrate on lending to small and medium private sector firms in Latin America.

Entrance of China into IDA programs means that India (which formerly received 32% of IDA money) will have to settle for less.

Countries which have demonstrated ability to borrow on private markets will not be eligible for IDA loans (eg, Brazil).

IDA must be sensitive to the repercussions of its lending on industrial countries, especially in sectors such as copper and steel in which LDCs compete directly with DCs.

Policy recommendations:

[1] Adopt the proposed administration cuts in IDA.

[2] Support creation of IIC.

Robert Strauss, Akin, Gump, Strauss, Hauer, and Feld

[S. HRG. 98-908, p. 131]

Reagan administration has deemphasized multilateral aid in favor of bilateral aid.

IDA funding is a moral as well as a political and economic commitment.

Development programs are competing with Central American security aid for the same scarce funds.

US participation in multilateral institutions is important also for its indirect political benefits. Strong US leadership translates into ability to promote democracy in rest of world.

Richard Debs, President of Morgan Stanley International, on behalf of US Chamber of Commerce

[S. HRG. 98-908, p. 138]

Chamber prefers contined funding of IDA at $1 bil per year but supports Administration proposal for $750 mil per year.

US involvement in multilaterals promotes our economic, security, and humanitarian interests. It can be an important stabilizing influcence in other countries, and in long run it promotes development of overseas markets for US goods.

US contributions are truly leveraged, since US essentially controls policy while contributing only a fraction of the funds.

LDCs are an important and growing market for US products. In 1982 almost 40% of US exports went to LDCs, and from 1970–82 exports to LDCs grew from $11 to $83 billion per year.

IDA recipients account for 15-20% of US exports.

IDA promotes free-market policies (eg, opening oil sector to foreign bidding in India, liberalizing trade laws in India, Pakistan, and China) and thus helps US business.

As of 1983 US companies received 14% of IDA procurement contracts.

If other members create a supplemental fund for IDA due to US cutbacks, US contractors will probably be excluded from procurement contracts generated from lending out of that fund.

Cristopher Phillips, President of National Council for United States-China Trade

[S. HRG. 98-908, p. 155]

Supports IDA program for China for 2 reasons: [1] It offers commercial opportunities to US exporters, and [2] It promotes China's development in a manner favorable to US national interests.

WB and IDA loans should amount to around $2 bil per year under IDA VII. This represents important opportunities for US companies, especially in commercial agriculture and forestry, transportation, and energy. US companies have been very successful to date in winning contracts for these projects.

WB and IDA lending help integrate China into the world economic community, which will have long-term positive effects for US commercial and security interests.

IDA funds in China go for long-run projects with rates of return which are too low to interest commercial lenders. Therefore they don't really compete with private banks.

Main point: IDA is an important vehicle for advancing US political and commercial interests in China, and should be funded.

John Richards, Vice-president of M.W. Kellogg Co.

[S. HRG. 98-908, p. 161]

Kellogg Co. supports IDA strongly, due to successful experiences working with multilateral development banks (MDBs) in Indonesia.

WB project evaluation is thorough and its seal of approval induces other MDBs to participate in lending for good projects.

IDA and other concessionary lenders effectively promote growth of world trade and therefore of US exports of goods and services.

Oscar Lipscomb, Archbishop of Mobile, on behalf of US Catholic Conference

[S. HRG. 98-908, p. 165]

Supports IDA VII replenishment at current levels—$1 bil per year—rather than a reduction.

US share of IDA funding has fallen from original 42% to current 25%.

Multilateral institutions are important because they are more free from political considerations than are bilateral aid programs, and thus target aid more effectively on those who need it most.

Edward Fried, The Brookings Institution

[S. HRG. 98-908, p. 172]

Administration proposal for IDA VII is below what was originally negotiated by 25% in nominal terms, 35% in real terms.

Reduction in IDA is mistake in terms of US national prorities and runs contrary to US interests.

IDA has been an extremely successful program in terms of developing physical infrastructure and improving skills in the poorest LDCs.

IDA is also important for its promotion of economic efficiency and free-market policies.

Geographical breakdown of IDA loans shows their importance to US political goals: 40% to India and China, 33% to sub-Saharan Africa.

John Sewell, President of Overseas Development Council

[S. HRG. 98-908, p. 175]

Cutback in IDA came at US insistence and represents an abdication of US leadership and a mistake in terms of long term priorities of US. IDA VII funding should be significantly higher than the current $12 bil, not cut to $9 bil.

Reagan administration has made a big switch from multilateral aid to bilateral security programs. From 1983-85 total international economic and financial aid went from $4.7 to $4.9 bil while international security assistance rose from $4.6 to $10 bil.

US political as well as economic interests are hurt by a retrenchment on IDA. Development aid is a stabilizing force in 3W. Also, US reluctance to participate in international programs is an irritant in relations with Europe.

Guarded optimism about international liquidity problems obscures long-term problems which have yet to be addressed. Specifically, can we get back to situation where LDCs can simultaneously manage their debt service and still continue to expand their share of world trade?

WB started a program of structural adjustment landing for BOP problems in 1980

WB has tried to promote co-financing of its projects by commercial banks, with little success

IBRD's current charter limits its "gearing ratio" of loans/total capital to a very conservative 1:1. More lending would be possible if this were altered to 2:1. (Commercial banks may risk exposure of greater than 25:1)

Graduation of countries from concessionary to commercial borrowing is difficult in the current international climate. This makes WB and IDA more important than ever.

27 Mar. 1984

Robert McNamara, Former president of World Bank and IDA

[S. HRG. 98-908, p. 1372]

Recent shift from economic development aid toward security aid is shortsighted and regrettable.

Recovery in middle-income LDCs depends on four factors: [1] Recovery in industrial countries, [2] Resistance to protectionism in DCs, [3] Continued access to commercial credit, and [4] More efficient domestic policies.

WB and IMF capital flows will be an essential part of resolution of debt problems, both in short and medium run, since private banks are reducing their exposure and are reluctant to return to their previous pattern of constantly increasing lending.

US security interests are well served by economic development in 3W, and strengthening military institutions is a poor substitute for strengthening economic institutions.

Cutting back on multilateral programs will eventually render bilateral programs more costly and less effective.

Multilateral aid can enforce conditionality, while bilateral aid often cannot. In addition multilateral aid has the advantage of greater continuity.

At the margin a dollar spent on foreign economic development buys more security than a dollar spent on foreign military assistance.

No need for institutions for "bridge financing" and emergency BOP lending. IMF and WB can handle this quite well.

C. Fred Bergston, Director of Institute for International Economics

[S. HRG. 98-908, p. 1408]

Proposed IDA VII funding level is inadequate.

Overvaluation of dollar effectively lowered the value of the IDA VI contributions made by other members.

Addition of China to IDA rolls means that proposed cutback amounts to a reduction of 60% in per capita terms ($ per person in borrowing countries).

The world recovery has not significantly eased the economic problems of many LDCs. Commercial funding has dried up at a time when continued lending is critical, and protectionism in the industrial countries has limited their possibilities for export expansion.

High dollar means higher real debt burden and lower commodity prices for LDCs, and also reduces the real value of foreign assistance they receive in other currencies.

Global economic problem is a long term problem. IDA funding of long term projects is therefore a part of the solution.

Cutting IDA funding means that more World Bank (hard loan) money will have to go to poorest countries and less to middle income LDCs. This will further aggravate debt problems since middle income LDCs are biggest borrowers (Brazil, Mexico, Yugoslavia, Argentina).

Main point: cutting IDA funds not only hurts low income LDCs directly, but also means less hard loan money for big debtors.

Major problem in intermediate run in world economy is how to continue credit flows to big debtors at a time when commercial banks will be reluctant to increase their exposure. Multilateral public institutions are the obvious answer. World Bank in particular needs to play a much bigger role than it has.

Bruce Rich, on behalf of the International Project of the Natural Resources Defense Council

[S. HRG. 98-908, p. 1427]

Supports IDA replenishment in the belief that economic development and improved world resource management are closely related issues

IDA project evaluation pays to little attention to environmental impact of proposed projects, and thus ignores questions of long-term sustainability of such projects

[Notes on Hearings by Senate Foreign Relations Committee, Subcommittee on International Economic Policy: Free Trade in Auto Industry]

27 Jun 1984

Stephen Yokich, Vice-president of UAW International and Lee Price, International economist at UAW International

[S. HRG. 98-937, p. 2]

All auto producing countries limit imports in one manner or another. Free trade is a myth except in countries like Norway and Switzerland.

Pursuit of free trade by US alone would be disastrous for US economy and for US employment.

$25 billion trade deficit in 1983 just in autos. This was ⅓ of total trade deficit in manufactured goods.

Imports take 25% of US market compared to 1% in Japan.

Auto employment down 23% in past few years. Increasing sales and profits have not translated into more jobs.

Over 30 countries have local content laws in auto industry.

Auto industry is dynamic, research-intensive, high-tech, and has important linkages with other basic industries.

Policy recommendations:

[1] Support local content legislation

[2] Don't pursue a unilateral free trade policy as long as other countries restrict imports of US autos

[3] Don't bail out banks at the expense of US exports and jobs

Leon Lynch, Vice-president for Human Affairs, United Steel Workers International

[S. HRG. 98-937, p. 29]

Decline in auto industry has hurt steel employment severely

Policy Recommendations:

[1] Free trade is only free in US. Protect steel, copper, and auto industries from import competition.

Ernest Grecco, COPE Director for Maryland and Dist. of Columbia, AFL-CIO

[S. HRG. 98-937, p. 36]

Deterioration of US trade balance has cost 2.5 million US jobs. 75% of which are in manufacturing sector

Overvaluation of US dollar has had 2 injurious effects on US exports: [1] direct effect of lower import prices and higher export prices hurting trade balance, and [2] The indirect effect of draining capital from other countries and thus lowering their economic growth and their demand for US products (I don't know if [2] Is really a result of overvalued $. It might be the other way around.)

High US interest rates have increased LDC debt burden. This has slowed LDC growth rates and thus hurt US exports.

Policy recommendations:

[1] Increased trade adjustment assistance programs for displaced workers.

[2] Expand role of Exim Bank in promotion of US exports.

[3] US should use its influence to alter IMF policies which require borrowing countries to curb exports. IMF should instead support expansionary policies in LDCs.

NB: Sen. Biden expressed concern about the possibility that US import restrictions in the auto industry would lead to new protectionist measures by other countries against US agriculture. None of the panelists had much to say on this issue, with the exception of Mr. Price, who noted that Japanese imports of agricultural goods from Australia, France, Italy, Germany etc. had not declined after those countries enacted protectionist measures against Japanese auto imports.

Barry Bluestone, Professor of Economics and director of the Social Welfare Research Institute at Boston College

[S. HRG. 98-937, p. 51]

12 of 49 countries which produce autos have export requirements. 41 of 49 have some form of import requirements. 27 have local content laws.

Free trade doesn't really exist outside of an economic textbook.

With exception of textiles, most protectionist laws in industrial countries are aimed at products from other industrial countries.

In 1970 5% of OECD manufactured imports came from LDSs. By 1980 this was 11% and growing.

George Eads, Professor at School of Public Affairs of University of Maryland

[S. HRG. 98-937, p. 74]

Trade restrictions on autos are an attempt to delay what may be painful but inevitable adjustments.

Free trade is a myth in autos.

US auto industry is uncompetitive compared to Japanese industry, mostly because of big differences in productivity.

Despite the breathing room allowed by recent voluntary quota system for Japanese imports, US industry has not been able even to keep pace with Japanese productivity gains.

Domestic content won't protect US industry in the long run, although it may have the effect of inducing Japanese companies to transfer their production facilities to the US.

Main point: trade restrictions may smooth adjustment somewhat, but big adjustments can't be avoided in the long run.

Robert Crandall, Senior fellow at Brookings Institution

[S. HRG. 98-937, p. 79]

Job protection in autos is costing US about $100,000 per job saved. The beneficiaries of protectionism are primarily Japanese auto manufacturers who can charge higher prices in US market because of quotas, and the losers are US consumers.

Empirical evidence shows that tariffs would be better for consumers than voluntary quotas.

Gar Alperovitz, Codirector of National Center for Economic Alternatives

[S. HRG. 98-937, p. 110]

In long run it's in every country's interest if US relinquishes its share of world production in less technically sophisticated industries to 3W producers.

Trade barriers can be important transitional steps in such adjustment, but they should not be regarded as permanent or as a way of shielding industries from inevitable structural adjustment.

Robert Miller, Executive vice-president for finance and administration of Chrysler Corp.

[S. HRG. 98-937, p. 130]

"International playing field is still far from level."

Some sources of unfairness in trade with Japan are [1] Overvalued dollar and undervalued yen, and [2] Japanese tax system which gives too much incentive for firms to export autos to US.

About ½ of competitive problems are due to exchange rate imbalances.

Policy recommendations:

[1] Oppose domestic content, but "level the international playing field."

[2] Government intervention is essential, in order to enforce exchange rate agreements, alter tax differentials, and to make sure import restraints stay in place until these problems are solved.

Kenneth Whipple, Vice-president for corporate strategy and analysis of Ford Motor Co.

[S. HRG. 98-937, p. 134]

Export restraint by Japanese has played a key role in US recovery.

Same arguments as above for Japan's cost advantage in auto production

Policy recommendations:

[1] Maintain voluntary quotas.

[2] Do something to get yen/dollar exchange rate to a more realistic level.

[3] Lower budget and trade deficit.

Marina Whitman, Vice-president and chief economist, General Motors Corp.

[S. HRG. 98-937, p. 137]

GM is trying hard to alter the way it produces small cars for US market. This includes joint project with Toyota, and immediate import of small cars from Daewoo Motor Co. of S. Korea and from Isuzu and Suzuki.

Main point: voluntary restraints have not changed GM's plans to retool and restructure, they have smoothed the way.

[Notes on Hearings by Senate Foreign Relations Committee, Subcommittee on International Economic Policy: IMF Resources in Copper-Producing Countries]

2 Aug. 1984

Paul Laxalt, US Senator from Nevada

[S. HRG. 98-7, p. 9]

Copper prices are very low. Unemployment in US copper industry is over 40%.

This unemployment is caused by imports. IMF, WB, African Development Bank, Inter-American Development Bank have contributed to the problem by loaning over $4 bil to Chile, Peru, Zaire, and Zambia from 1975-83. Such funding allows modernization of facilities at subsidized rates of interest while US producers have to pay market rates.

Policy recommendations:

[1] Voluntary production restraints on part of LDCs.

Pete Domenici, US Senator from New Mexico

S. HRG. 98-7, p. 9]

Cooper imports up 240% from 1979-83.

LDCs continue to increase production in the face of falling prices in order to gain foreign exchange and to maintain employment.

IMF adjustment programs encourage overproduction by LDCs.

Policy recommendations:

[1] Alter IMF charter to discourage unprofitable exports of copper. Replace current system with something like the US payment-in-kind program—ie, authorize the IMF to pay countries for *not* producing or *not* exporting copper.

[2] Voluntary restraint agreements with Chile, Zambia, Zaire, and Peru.

Jake Garn, US Senator from Utah

[S. HRG. 98-7, p. 16]

Expansion of LDC production facilities were financed at below-market interest rates with loans from development banks.

Policy recommendations:

[1] No approval of next IMF quota increase without a change in IMF policy.

Jeff Bingaman, US Senator from New Mexico

[S. HRG. 98-7, p. 18]

Copper is a strategically important metal for US defense production.

US is aiding in financing overproduction in LDCs through multilateral banks.

Policy recommendations:

(1) Approve bill altering IMF charter and requiring periodic reports to Congress on the lending activities of MDBs.

George Hoguet, Principal Deputy Assistant Sec of Treasury for International Affairs

[S. HRG. 98-7, p. 30]

Treasury Dept opposes the bill altering IMF charter.

IMF loans are short-term in nature and do not contribute to financing particular sectors of LDC economies. Main target of bill before Senate is the Compensatory Financing Facility, which accounts for roughly 30% of total IMF lending.

IMF lending promotes fair trade competition by forcing countries to relax import restrictions and export subsidies. This helps US producers.

MDB loans have added about 4% to total world copper production capacity in last 7 years. This is really not an important factor in explaining current trade patterns.

Richard Osborne, President of ASARCO Inc.

[S. HRG. 98-7, p. 40]

Supports bill.

IMF (CFF) loans hurt copper industry in two ways: (1) IMF rules require that a country must be able to demonstrate that loss of commodity export earnings was due to factors beyond its control. This encourages overproduction by eliminating eligibility for countries which try to maximize foreign exchange earnings by limiting production. (2) IMF conditions generally include export targets and devaluations.

Loans to countries have lower interest rates than loans to companies. This gives nationalized 3W industries an unfair advantage.

L. Daniel Maxim, President of Everest Consulting Associates

[S. HRG. 98-7, p. 46]

Problem in copper indusry is that no country has a sufficiently large market share to be able to influence world price very much. This means everyone tries to export as much as possible, which drives price down.

His econometric model shows that a 15% production cutback by CIPEC countries (major producers) would lead to a 30% increase in price and a 10% increase in copper export revenues. Main point: 3W copper producers should organize to cut production and drive up prices.

IN RECOGNITION OF NATIONAL SMALL BUSINESS WEEK

● Mr. WEICKER. Mr. President, we are currently celebrating National Small Business Week, a 21-year tradition of recognizing the importance of small enterprise to the economy, and the achievements of individual small business owners who, through their dedication and accomplishments, personify the spirit of American entrepreneurship.

I would like to acknowledge, during this appropriate time, the contributions of our 14.5 million small businesses which represent the building blocks of our Nation's economic structure. Small businesses comprise 97 percent of the total number of U.S. businesses, and generate over 80 percent of all net, new jobs. The President's 1984 report on the state of small business notes that all of the 1 million net, new jobs created during the recent recession were generated by companies with fewer than 20 employees. While small firms created 2.6 million new jobs between 1980 and 1982, large businesses lost 1.6 million jobs. The small business sector helped to drive the recent economic recovery through its superb job creation capacity, excellent growth rate, and ability to change with the economic times. Small firms now employ one-half of the private sector labor force, and furnish two out of three workers with their first jobs. Many of these jobs are in the service sector, which currently accounts for two-thirds of the economy, and which provides hundreds of thousands of employment opportunities for Americans who have the most difficulty finding jobs, including minority workers, veterans, senior citizens, the handicapped, and women reentering the work force.

Mr. President, it gives me great pleasure at this time to note that Vincent A. Amato, the owner of Amato's, Inc., located in Middletown, CT, has been named Connecticut's "Small Business Person of the Year" by the Small Business Administration. Mr. Amato had been a veteran flier of home-built wooden airplanes with gasoline motors for several years before deciding to open his own hobby shop at the age of 14. He convinced his father to permit him to set up a hobby shop in the corner of his plumbing and appliance store back in 1940, and that business has been in continuous operation ever since. Mr. Amato used his profits to help pay for his engineering studies at the Massachusetts Institute of Technology, but later decided to pursue entrepreneurship rather then engineering. Amato's, Inc., with its three branch stores in New Haven, Waterbury, and New Britain, now boasts a sales volume of $800,000. In this age of super technology, Mr. Amato thinks his hobby business will continue to fare quite well. This is a reflection of his solid belief in the enjoyment generated by his balsa wood airplanes and electric trains, and his prediction that people will always find satisfaction in making things with their own hands.

I would also like to recognize at this time the firm of Delta Industries, Inc., located in East Granby, CT, which has been named a "Small Business Subcontractor of the Year" by the Small Business Administration. Delta Industries, Inc., was selected for its outstanding record as a Federal procurement subcontractor for region 1, which encompasses Massachusetts, Maine, New Hampshire, Vermont, Rhode Island, and Connecticut.

Richard Jaquith, the company's president, will be honored for the high standard of service, performance, and quality set by Delta Industries, which was nominated for the award by the manufacturing division of Pratt & Whitney, defense contractors located in East Hartford, CT.

Mr. President, the individuals I have mentioned are Connecticut's business leaders. They deserve our praise and respect, for they have reached their personal goals and are setting a fine example for others to follow. They represent small entrepreneurs throughout Connecticut and across America who are proving every day that small businesses are making major contributions to our communities and our national economy.●

CONTROL OF IDEAS

● **Mr. SIMON.** Mr. President, one of the things that is happening increasingly again in our society is the attempt to control ideas.

It is coming from the left, among students who try to keep Jean Kirkpatrick from speaking on a campus or a CIA representative from speaking on the campus, and it comes from the right in this administration when it denies people, who want to come into this country to express opinions, the opportunity to do so.

Anyone who hampers the free flow of ideas strikes at the very fundamentals of what this country stands for.

Stephen Chapman, an editorial writer for the Chicago Tribune, who also does a column for them, had a column recently titled, "Thought Police at the Border."

It "hits the nail on the head."

Clearly, people who are coming into this country to sell drugs or to cause violence should be kept out. But people who express views many of us disagree with should not be kept out.

Stephen Chapman concludes his column by writing:

> The political exclusions in the law serve only to punish people for having the wrong opinions. If we're going to do that, let's start with the people who enacted it.

I agree. I urge my colleagues to read his statement and ask that the column appear in the RECORD.

The article follows:

THOUGHT POLICE AT THE BORDER

(By Stephen Chapman)

To the ramparts, men! Mothers, lock up your daughters! Farley Mowat's on his way! This infamous Canadian writer had been denied entry to the United States by a vigilant sentinel guarding our border, but the cowardly Reagan administration, faced with complaints from the Canadian government, lamely decided on appeasement.

An avowed socialist and environmentalist who writes on wildlife issues, Mowat had planned to fly to Los Angeles late last month to promote his latest book. He was denied entry under a McCarthy-era law that says foreign communists and anarchists aren't welcome here.

After a couple of embarrassing days, Washington agreed to let Mowat in for his book tour. But now he's miffed and refuses to come.

In any case, he stoutly denies any communist connections, past or present. But the Immigration and Naturalization Service, our border thought police, apparently had another excuse for keeping him out. Back in 1968, Mowat was quoted in a Canadian newspaper as saying he had fired a 22-caliber rifle at a U.S. Air Force plane. Sound dangerous? Well, a .22 might do some damage to a rabbit, but it wouldn't be much use against a B-52.

Mowat also says that in 1956 he and some friends had publicly threatened to steal an American atomic bomb from a Strategic Air Command base in Newfoundland and detonate it in a nearby lake. Given evidence like this I will concede that Mowat may be a fool. But the INS has no business keeping people out for premeditated silliness.

Besides, Mowat isn't nearly as foolish as the law under which he was excluded. It tries to isolate Americans from anyone who is not normal is every way—the mentally retarded, the insane or formerly insane, sexual deviates, drug addicts, alcoholics, beggars, prostitutes and the ever-present polygamists.

That's just for starters. The law disinvites foreigners with unacceptable political views, which includes anarchists, communists, members of "totalitarian" parties, anyone who favors overthrowing the U.S. government and those advocating "opposition to all organized government." The latter clause would keep out some of my fellow libertarians, who don't even like the disorganized kind. In case we've missed anyone, those of you contemplating activities "prejudicial to the public interest" can also get lost.

All this would be funny if it didn't have the full power of the U.S. government behind it. Certainly we ought to keep out terrorists, KGB agents and other truly dangerous people. But the point of this law is not to prevent violence. It has been used to keep out such frightening characters as novelist Gabriel Garcia Marquez, the widow of Chilean President Salvador Allende, and a middle-aged British economist who had briefly been a member of the Communist Party in the 1930s.

The authors of this law, and the people enforcing it, obviously regard ideas as communicable diseases. Foreigners carrying microbes of anarchism or communism or other alien creeds have to be quarantined lest they infect healthy Americans.

But unlike measles germs, ideas have other ways of transmission—like books. As the law stands, the U.S. government can't ban Marquez's writings, which have sold millions of copies. Doing so would violate the 1st Amendment. It can't even prevent him from personally arguing his case for American ears, since he can do that via telephone, tape recording or broadcast transmission. All it can do is keep his body from crossing the border. What on earth does that accomplish, except making the INS a fit object of ridicule?

It would make sense to keep Mowat out if there were any evidence that he is dangerous to the U.S. government or anyone else. But there isn't. The political exclusions in the law serve only to punish people for having the wrong opinions. If we're going to do that, let's start with the people who enacted it.●

APARTHEID

● **Mr. GOLDWATER.** Mr. President, every afternoon, as I drive back from work at the Senate, providing we get out before the sun goes down, I see many people gathered near the South African Embassy protesting apartheid.

I don't like apartheid. I have been to South Africa five or six times and I have told the rulers of that Government that I do not, but I think that kind of action will accomplish far more good for South Africa than what we are going through.

If the Congress is silly enough to disallow investment by American firms in South Africa, who are they really hurting? Do they think they are hurting the well-off white man in South Africa? Do they think they are hurting the Government of South Africa? No. What they are doing is creating massive unemployment among blacks who have been hired by American firms investing in South Africa.

Now, everybody in this country has the right, under our Constitution, to do what he or she wants to do or say, as long as it does not do harm to another American. But our people are so wrapped up in human rights—and nobody can fault our people for that—that they sometimes overlook harm they might do while arguing for rights.

Just as a small example, we hear almost daily preachments on the floor about genocide and what we should do about it, but nothing is ever mentioned about the millions of people the Soviet Union has killed in their country or the millions of people the Red Chinese have killed in their country. If we are going to be consistent in these approaches, and if people are going to protest apartheid by public demonstration, why do they not protest publicly the murderous operations of the Soviet Union in Afghanistan, or the attitude of the Red Chinese Government against their own people?

Let us think this whole thing out carefully because, just as sure as the sun is coming up tomorrow, if we make American investors withdraw from South Africa, we are going to do more harm than good.

I ask that an article appearing in the Thursday, May 9, Washington Times, on this subject be inserted at this point in my remarks.

The article follows:

What comes next after disinvestment?

H.E.J. Van Rensburg is a white South African parliamentarian who has been a vocal opponent of apartheid for 33 years. He is an opposition member of the South African Parliament. He is also impassionedly against disinvestment, the newest rallying point for American activists.

"American multinational companies operating in South Africa have made remarkable and laudable contributions to the upliftment of South African black people by introducing equal employment practices, extensive training programs for blacks, equal pay for equal work, advancement opportunities, housing programs, and opportunities for education," he argued.

"This fine example has been followed by European and South African companies and has made a major contribution to the creation of a large component of well-trained and well-paid skilled black laborers in South Africa.

"Proponents of disinvestment may not appreciate the fact that their actions will result in more people becoming unemployed in a continent already racked by unemployment and mass starvation."

Mr. Van Rensburg, a member of the Progressive Federal Party, is not by any means alone.

Indeed, when one begins to put together the curious weave of "moral" statements vs. "practical" actions, it seems that the whole rhetorical scheme for disinvestment—or American companies, in effect, withdrawing

their investment from South Africa—exists mostly on the level of self-righteous activism in Washington and on American campuses.

Black businessman Mxolisi Mgojo, of Sperry Rand in Johannesburg, was asked what effect the disinvestment issue and the marching in front of the South African Embassy had on the people of South Africa. He answered, at a luncheon given by the conservative Ethics and Public Policy Center:

"Virtually none. Most in South Africa are concerned only with the day-to-day affairs, property rights, education."

And a prominent South African black labor leader, Lucy Mvubelo, wrote in a study published by the same center: "To proponents of isolation, disinvestment, and embargoes, I must say: Don't break off contact, and don't advocate disengagement and withdrawal of foreign investments. Only indigenous movements—the trade unions, the political groupings, the schools, the business associations within South Africa—can bring about significant, positive change."

Lucy Mvubelo, who is general secretary of the important national union of clothing workers, pleaded, "The vitality of South Africa's economy offers more hope to South African blacks than destructive forms of pressure from abroad."

If these were voices in the wilderness or if these were self-interested white conservatives in South Africa, they would not deserve attention. But they are not. These are the voices of the real "liberals"—black and white—who desperately want change in South Africa, but who want real and lasting change.

Why then the sudden passion of "liberal" activist groups and demonstrators on campuses in the United States over the complex issue of disinvestment? (There are now 20 different bills and resolutions before Congress calling for disinvestment.) Does it have much to do with the real issues or with real change in South Africa?

What we are seeing is something very self-righteous and very dangerous. Marching in front of the South African Embassy (and maybe even getting arrested because you know you'll be out in an hour, unlike in South Africa) is emotionally satisfying. Demonstrating is a way of joining protest of what goes on across the seas with that all-American display of "feeling good about yourself," which goes on here.

But would disinvestment, which after all is the bellwether for the new wave of American anti-South African activism, help blacks? No; it would hurt them.

It would cut the economic and international rug out from under the present government of President Pieter Botha because he can continue with the present reform system only as long as he can retain the confidence of much of the electorate. That necessitates international support.

Even more disinvestment would destroy precisely that skilled and upward-moving black population that alone makes a decent future there possible. Disinvestment would make revolution—the most violent and destructive revolution—inevitable because there would be quite simply no other way.

Maybe that is what the new generation of American activists really want in South Africa. If so, they should say so, for it is not what the South African liberals and blacks want.●

AMENDING THE IMMIGRATION AND NATIONALITY ACT—S. 1108

● **Mr. D'AMATO.** Mr. President, I rise today to cosponsor S. 1108, introduced by my distinguished colleague from Arizona, Senator DECONCINI, to amend the Immigration and Nationality Act with respect to the definition of immigrant. This bill will expand an existing category of persons considered nonimmigrant aliens because of the brief duration and limited transportation purpose of their entry into the United States.

Under current law, alien crewmembers serving in good faith on board a vessel or an aircraft who intend to land temporarily and solely in pursuit of their calling as crewmembers and to depart from the United States with the vessel or aircraft on which they arrived or some other vessel or aircraft are considered nonimmigrant aliens, rather than immigrants. The legislation which I am cosponsoring will broaden this exception to include the operators of motor carriers of passengers.

This legislation is necessary to correct a gap in existing law and to terminate an inequitable situation regarding the entry into the United States of passenger busses driven by non-U.S. citizens. As an example, I would like to discuss the present Immigration and Naturalization Service policy for classification of Canadian Greyhound bus drivers engaged in transporting passengers between Montreal and New York City. Point-to-point pickup and delivery of passenges in upstate New York is part of that service.

For the past several years, INS and the Department of Labor have been considering the proper classification of the drivers who have been permitted to hold parole visas while operating buses on this route. The bus company and the drivers argued that the route from Montreal to New York City is international travel and that the point-to-point service in the United States is merely incidental to the primary purpose of international trade. Their goal was to secure proper nonimmigrant visas and labor documentation for those Canadian drivers who needed them.

INS determined that the transportation of passengers across international borders is clearly international trade. However, INS also indicated that point-to-point pickup and delivery within the United States is not a necessary incident to the transportation. Because of this finding, INS would not grant nonimmigrant visas to the drivers who needed them or agree to indefinitely extend the parole visas currently held by some of the drivers. At the same time, U.S. employees of Greyhound, Inc., have worked in Canada without any visa requirement on a day-to-day basis.

I have been assured by both the bus company and by the drivers' union that, if Canadian citizens were able to obtain nonimmigrant visas in order to operate buses on the Montreal-to-New York City route, they would in no way deprive the resident labor force of employment opportunities since Greyhound's American-based employees would continue to enjoy the privileges of working in Canada and added coaches required to properly service the public demand.

I believe this bill, which is extremely narrow in scope, will help to correct an anomalous situation, while enabling the continuation of bus service to many upstate New York communities which depend upon it. This bill is designed simply to restore balance and fair play regarding international passenger motor carrier service. I urge my colleagues to support this measure.●

SENATE JOINT RESOLUTION 130—NATIONAL BLOOD PRESSURE AWARENESS WEEK

● **Mr. DURENBERGER.** Mr. President, I am pleased to join my colleague from Indiana, Mr. QUAYLE, in sponsoring Senate Joint Resolution 130, a joint resolution to designate the week of November 10, 1985 as "National Blood Pressure Awareness Week."

Health promotion and disease prevention is one of the most important challenges facing our society today. We know that preventive health care can save lives, improve the quality of life for millions of Americans, and reduce overall health care costs.

All of our priorities in health care systems in America have been oriented to sick care. It is time we reset our priorities. We should focus attention on preventing disease rather than waiting until people become sick to treat it.

The control of high blood pressure is a proven example of how the incidence of illness can be reduced simply by identifying the problem and encouraging people to take responsibility for their preventive medication.

It is cheap, simple and painless to test for high blood pressure. But, 15 million out of the 60 million Americans with hypertension go untreated. This resolution is important because it points to a major health and lifestyle problem which can be reduced through prevention.

High blood pressure significantly increases the risk of stroke, cardiovascular disease, and kidney failure. It is estimated that 20 percent of those needing kidney dialysis, at a cost of close to $100,000 a year, suffered from high blood pressure and that the hypertension was the primary cause of their kidney failure. It is ironic that Medicare will pay for high-cost kidney dialysis when it will not pay for the relatively inexpensive hypertension medicines which would greatly reduce the need for dialysis.

As chairman of the Senate Finance Subcommittee on Health, I am actively committed to examining and revising our priorities in the area of health promotion and disease prevention. Earlier this year I introduced a package of health bills designed to provide incentives for elderly Americans to reduce their risk of illness and to establish a framework for Medicare to reach its potential in the area of health promotion.

One of my bills, S. 358, provides Medicare beneficiaries with assistance in meeting the cost of identifying high blood pressure and other problems through health screening and controlling hypertension through medication by counting both toward their Medicare Part B deductible. This is a token subsidy at this point but opens the door to investing our Medicare dollars more wisely to obtain long term savings.

A second bill in the package, S. 359, directs the Secretary of Health and Human Services to set up demonstration projects designed to test the usefulness of providing Medicare beneficiaries with preventive health care services. Under these demonstration projects, a variety of preventive health services could be made available to Medicare beneficiaries including care for identifying and controlling hypertension. The demonstration projects could also include instruction in self-medication and other services to promote better use of preventive care.

I should add that the relationship between high blood pressure and poverty is very disconcering.

There is a clear relationship between high blood pressure and race and economic class. A Veterans' Administration study conducted in Michigan indicated that blacks with end-stage renal disease were 18 times more likely than whites to have hypertension as the cause of their kidney failure. A recent Georgia study has revealed that there is a link between high blood pressure and low income. Why? Because the poor, among them many blacks, cannot afford to consult a physician as often as most American, or buy the medicines they need even if they are found to have high blood pressure. After all, as hypertension has no visible or apparent symptoms, why should people spend limited financial resources on going to a doctor, or spend their money on hypertension medicines, when they don't even feel bad or don't even know they are ill? It is time we focus attention on this problem. Much of the cost of sick care to the indigent could be avoided if we provided the means for receiving better preventive health care.

I am, therefor, pleased to sponsor National Blood Pressure Awareness Week. National Blood Pressure Week is an important measure. It will help increase the public awareness of the potential health risks posed by hypertension. In part, prevention means better awareness and education, and National Blood Pressure Awareness Week is an excllent way to inform the public about this important health care issue.

Mr. President, I urge my colleagues to join Senator QUAYLE and me in this effort by cosponsoring this important joint resolution.●

SUPPORT FOR SURCHARGE ON JAPANESE IMPORTS

● Mr. HEINZ. Mr. President, on March 28, 1985, I introduced S. 770, providing for a 20-percent surcharge of Japanese imports for 3 years. I took this step because of my belief that only strong action by the United States can break the cycle of American complaints followed by Japanese meaningless reform packages followed by renewed complaints that have so plagued our bilateral trade relations.

There are those, of course, who would prefer to continue talking about this problem rather than acting. But their number is shrinking as more and more people are confronted with the fundamental reality of Japan's unwillingness to make any meaningful changes in its trade policy. Now, however, comes additional support for this kind of targeted surcharge as a necessary catalyst for healthier trading relations from Morgan Guaranty Trust Co. in its March/April issue of World Financial Markets. That publication comes to a conclusion similar to mine on dealing with Japan, and I ask, Mr. President, that an excerpt from this report be printed at this point in the RECORD.

The excerpt follows:

TARGETED SURCHARGES

> The objections to an import surcharge apply with persuasive force to a levy on all, or most, U.S. imports. A surcharge might instead be confined to specific products. For example, petroleum, imports are mentioned for surcharge or special duty treatment, both on grounds of high revenue potential and in support of long-term conservation. An oil import tax is sometimes represented as an almost painless tax increase, given the slide since 1981 in real oil prices to U.S. consumers. However, it could be seriously destabilizing to already troubled oil markets. And, as an approach to the budget problem, it shares the defect of all tax increases in that it fails to tackle basic spending issues.
>
> Alternatively, a surcharge might be targeted on imports from countries deemed to engage in widespread and persistently unfair trade practices. In this context, the spotlight is on Japan. Much of Japan's $37 billion trade surplus with the United States is concentrated in sensitive sectors, such as autos, electronics, and capital goods (see Table 8). Japan's propensity to pile up surpluses with almost all its major trading partners, excepting some oil and raw material suppliers (see Table 9), is a long-standing well of acrimony and frustration in international trade relations. Some complaints against Japanese trade policies are simply the predictable litany of foreign competitors vulnerable to Japan's dynamism and technological strengths. Merited or not, however, the political response of Japan's trade partners is vitally affected by perceptions of Japan's own lack of openness to imports and its restrictions on technology transfers. Even where otherwise competitive, many would-be exporters to Japan are frustrated by Japan's resistant cultural attitudes, entrenched domestic interests, traditions of administrative controls, and assorted tariff and nontariff barriers to imports. Japan's tariff structure militates against successful market penetration by nontraditional exports of its Asian trading partners, such as Indonesian plywood and boneless chicken from Thailand. Those nations have other access grievances concerning technology transfers. Nor has Europe resolved its access problems.
>
> U.S. negotiators are currently targeting Japanese import barriers in four areas: telecommunications and satellites; computers and electronics; pharmaceuticals and medical equipment; forest products, pulp, and paper. This last area, in which the United States (and Indonesia) have superior resource endowments, involves tariff walls protecting large numbers of Japanese mills. Their political power inhibits restructuring without compensation.
>
> The other areas all involve non-tariff barriers. These have been fundamental to Japan's strategy for nurturing the commercial success and technological dynamism of what it sees as industries of the future. Seen from abroad, that strategy has depended heavily on "infant industry" protection, often maintained until such time as Japanese firms have secured enough competitive edge to dominate both home and global markets; belated removal of protection has then left minimal opportunities for remaining foreign competitors in the Japanese internal market. Japan now seems to be targeting the same high-technology industries in which the United States finds most promise, industries in which the U.S. trade record is quite liberal with respect to foreign participation, at least when national security considerations are secondary. With reciprocity arguments hardly below the surface, the United States is urging a correspondingly liberal regime upon Japan, taking exception, for example, to Japan's apparent intention to debar foreign ownership interest in NTT, its telecommunications utility—on national security grounds that the British did not find compelling.
>
> Nothing less than a powerful shock—on the order of the Nixon and oil shocks of the 1970s—is likely to jolt Japan into radical reordering of its trade strategy. Its number-two rank among free-world economies now demands that Japan shed a self-image that allows imports of raw materials, but of the fewest foreign manufactures possible. That self-image is deep-rooted in Japan's bureaucracy and society at large. In this light, the just-announced last minute "concessions" on telecommunication, while welcome in themselves, are primarily of symbolic value. They mark no more than a first step toward correcting Japan's huge trade surpluses, globally and vis-a-vis the United States. Heavy and continuing pressure will be needed to change Japanese values and practices in a fundamental way in order to achieve real progress on the trade front. New instruments of pressure may have to be employed. A targeted surcharge on U.S. imports from Japan, for example, would speak volumes. Insofar as it would avoid the binding distortions and irrational incidence of costs and benefits that arise under quotas or "voluntary" restraints, it would be the least protectionist of evils. Moreover, it would not be imposed with protectionist intent. Rather, a substantial targeted surcharge, with standby authority for a still higher levy, could play a highly constructive bargaining role in opening up Japan's sheltered markets and in making a reality of the two-way trade on which a liberal world trade order must ultimately rest.●

TRIBUTE TO SISTER GIOVANNI

● Mr. DURENBERGER. Mr. President, 10 years ago, while a corporate public affairs officer and community volunteer, I first met a 5-foot bundle of energy and commitment known to nearly everyone on the West Side of St. Paul as Sister Giovanni.

Dressed in the traditional black and white habit of the School Sisters of Notre Dame, Sister Giovanni Gourhan was already into her fourth decade of service to her Lord and in her 15th year as director of the Guadalupe Area Project.

I still remember the boundless energy and enthusiasm which she brought to what is now known as one of the Nation's most successful alternative high schools for students who don't make it in the confines of a traditional high school setting.

Just this past week, hundreds of Sister Giovanni's present and former students, coworkers, and other admirers gathered to help celebrate two important anniversaries: 50 years as a School Sister of Notre Dame and 25 years since she founded the Guadalupe Area Project.

Mr. President, to recognize the outstanding contributions made by this amazing woman, I ask that the following article on Sister Giovanni, which was printed recently in the Twin Cities Catholic Bulletin, be printed at this point in the RECORD:

The article follows:

NUN'S "DEALS" WITH GOD AND MARY HAVE SAVED DROPOUTS FOR 25 YEARS

(By Mary Hannernan)

> Sister Giovanni Gourhan is teaching science on the last day before Easter vacation with new textbooks which, to her delight, just arrived six months early.
>
> Her class at the Guadalupe Area Project (GAP) looks at pictures of "the lowly little earthworm," as she calls it, a tapeworm, and other creatures of the underground.
>
> Then comic shots of sea animals, and then the starfish, for which Sister diverts from the text—as she has done several times already in the past hour—to relate an anecdote.
>
> It seems someone once had the nerve to say to her that although "there are lots of drop-outs in St. Paul, you're only helping 40 or so" at GAP, an alternative high school for students who don't survive in the mainstream education system.
>
> Sister's reply to the remarks was to tell the story of the starfish, how hundreds of them are washed up on a shore each evening when the tide goes out, and how a man once began throwing them back into the sea to save them from dying from lack of water.
>
> "He was throwing them back one by one and somebody said to him, 'What are you doing that for? There's hundreds of starfish. You can't help them all'," Sister Giovanni said to the students.
>
> But as the man picked up each starfish, "He said, 'It matters to this one. It matters to this one'," she added.
>
> #### MADE A DEAL WITH THE LORD
>
> Each student that has passed through the halls of GAP matters to the founder, Sister Giovanni, a School Sister of Notre Dame who began the school 25 years ago based on "a deal with the Lord."
>
> "The first one was that if he wants this program to succeed, I'll have to get the green stuff. And he's never let me down," the nun said, grinning. "The other deal I have is with the Blessed Lady. I told her send me the good ones."
>
> By "good ones," Sister Giovanni means skilled teachers, and this year she has eight good ones—five with master's degrees—who teach, in addition to the basic reading, writing and algebra, subjects including linguistics, computer literacy and Spanish.
>
> "They're always thinking about how they can improve their departments. You can't stop them," she said.
>
> #### 25TH ANNIVERSARY APRIL 18
>
> The founder of GAP has recruited other "good ones" for her cause—good students, good staff workers, good volunteers and good friends. In fact, the walls of her assistant Linda Vasquez's office are covered by a painted tree with nearly 500 paper leaves, each bearing the name of a person who has worked for Sister Giovanni.
>
> It is these people who planners hope will come to Sister's anniversary party on Thursday, April 18, marking her 25 years at GAP and her 50 years as a School Sister of Notre Dame.
>
> To celebrate her anniversaries, Sister's friends will be holding a reception beginning at 7 p.m. in the social hall of St. Matthew Church, 507 Hall Ave. in St. Paul.
>
> "She is always involved in everything," according to St. Paul City Councilman Jim Scheibel, who became acquainted with Sister Giovanni 14 years ago while working on the West Side Voice newspaper. "I've never not seen her at a precinct caucus."
>
> Former House Rep. Frank Rodriguez agreed. "Sister always is coming, going or gone."
>
> #### OBJECTIVES ADMIRED
>
> Rodriguez served with Sister Giovanni on the original board of a federal housing project for the west side of St. Paul which just received funding approval, and worked with her on several other political projects.
>
> "I have always admired her objectives. I don't know if I always agreed with the manner in which she presented them, but she is one of the most enthusiastic persons I have ever worked with," he said.
>
> "If you have a friend in Sister, you have a good one," he added.
>
> And the kids at GAP—her number one project—have her as a lifelong friend. Parole officers as well as parents bring these students in, as an answer to their troublesome lives at home and at their former schools.
>
> "I really love to teach troubled kids," Sister Giovanni said, adding later, "They like it here. They realize they learn here."
>
> Sister Giovanni takes them in, but doesn't coddle them or replay their past sorrows to shame them. She and her staff have few disciplinary problems with the students.
>
> "They (the students) fool around every once in a while, but that's pepper in your soup," she said.
>
> If forced to expel students from GAP, Sister assures them they are not forgotten.
>
> "We don't threaten them here. If we do, we carry it out. If we throw them out, they know I pray for them every day," Sister Giovanni said. "I also told them when I kick the bucket, get in touch with me 'cause I'll be close to him."●

SECURITIES SAFETY AND SOUNDNESS ACT OF 1985

● Mr. DOMENICI. Mr. President, yesterday the Chairman of the Federal Reserve, Mr. Paul Volcker, told the Senate Banking Committee that junk bond investments and other extremely risky or speculative investments are of concern. A few weeks ago, April 23, Federal Reserve Vice Chairman, Mr. Preston Martin, told a House Energy Subcommittee that all federally insured banks and savings institutions should be prohibited from purchasing junk bonds and that the increased use of high-yielding bonds to finance corporate mergers could pose serious risks to the economy.

Mr. Edwin Gray, Chairman of the Federal Home Loan Bank Board, strongly urges measures that would change the current irrational system in which the FSLIC shoulders the new risks of below investment grade bonds. I would like to share with my colleagues some direct quotes from Mr. Gray:

> Unfortunately, high-yielding below investment grade bonds are likely to prove most attractive to distressed institutions that need high yields but can least afford losses . . . From the perspective of the institution in question, it represents a "heads I win, tails the FSLIC loses" proposition.
>
> The basic question is whether funds acquired with the aid of FSLIC insurance should be used in a manner wholly unrelated to the home financing mission the FSLIC was expressly created to support . . . public policy questions (are) raised by the role of savings institutions—that is to say, home mortgage lending institutions that enjoy a preferential position in the marketplace deriving from special federal subsidies and other advantages which were expressly fashioned to support a commitment to housing finance—becoming players in the corporate takeover arena.
>
> Below investment grade bonds are a matter of concern because they may be an inherently high-risk investment . . . particularly vulnerable in an economic downturn.
>
> There really are no truly effective ways to hedge the risk of loss from high-yield bond purchases.
>
> While the safety and soundness questions raised by these investments are important, the trend in thrift involvement in the below investment grade bond market also presents a fundamental policy issue regarding the integrity of the entire thrift regulatory structure, and the FSLIC insurance system which undergirds it.

Mr. President, I hope that we will listen to the sage advice of the experts of our regulatory agencies. Let's take the rationale approach and protect accountholders, as well as the taxpayers' money.●

SENATORS' PAY

● **Mr. LAUTENBERG.** Mr. President, I voted against the Helms amendment to reduce congressional pay by 10 percent, although on other occasions I have supported and voted for proposals to reduce Member's pay. I am as concerned as any Senator about the need to reduce the Federal deficit. This amendment, however, was not a serious proposal for dealing with either the deficit or the pay of Members of Congress.

Last year I voted with 66 of my colleagues to rescind the 3.5-percent increase which had gone into effect on January 1, 1984. More recently, during Budget Committee deliberations on funding for the operations of the Congress and other legislative branch functions, I supported a cut in Members pay. I supported an amendment to cut the legislative branch budget, including pay, by 5 percent. These amendments were serious efforts, reflecting a desire by Senators and Congressmen to share in budget restraint and sacrifice.

In particular, I supported the 5-percent cut when it was considered in the Budget Committee. At a time when I was voting for spending freezes in programs I consider important to the economy and people in my State, I thought it appropriate that Senators also take a pay reduction. I think that the American people are willing to accept cutbacks in valuable Federal programs, if they believe that the cuts are being distributed fairly. All segments of society must share in fiscal restraint. This includes Members of Congress.

The Helms amendment called for a 10-percent cut in Member's pay, twice the reduction originally supported by the Budget Committee. Why did the Senate reject this amendment? Many Members felt it was offered more as a political gesture than as a fiscal measure. More importantly, Members were concerned that this approach might deter outstanding individuals of only moderate means from seeking to serve in this body.

A person should not have to be rich to serve here in the first place. If no one but the affluent can afford to be in the Congress, then the country is illserved. Small businessmen, teachers, lawyers, housewives, people from all walks of life should be able to come to the Congress without bankrupting themselves.

Other belt-tightening measures can be taken to improve administration and management. A General Accounting Office study undertaken at my request found that the executive branch can save $54 million a year by consolidating its payroll systems. That savings alone is 10 times greater than the congressional pay cut proposal of $5 million. Next week, another GAO report I requested will document a waste of hundreds of millions of tax dollars through fraud in HUD programs. These are the issues that should be examined for fiscal restraint. Long-term management improvements will prove more important in our fight to reduce the deficit than short-term political gestures.●

WAUSAU—COMING BACK IN STYLE

● **Mr. KASTEN.** Mr. President, over the past decade or so, demographers have been decrying the fall of the Midwest by citing its loss of business and population to the Sun Belt due to its supposed inability to adapt to changing times.

Fortunately, not everyone is waiting for the Midwest's demise. As is usually the case, the people of Wisconsin are again at the forefront in showing the rest of the Nation that there is quite a bit of life in America's heartland. Through the imagination and innovation of the people of Wisconsin, some previously "written-off" communities are enjoying a renaissance.

One community that has come back in style is Wausau. In Wausau, the public and private sectors have worked long and hard to polish and improve the community's image. It's no wonder that Wausau was designated as one of 1984's "All American Cities."

I am proud of the people of Wisconsin and Wausau, and I call the attention of my colleagues to an article from the May 1, 1985, Milwaukee Sentinel on how the people of Wausau came together. Mr. President, I ask that the article be printed in the RECORD.

The article follows:

[From the Milwaukee Sentinel, May 1, 1985]

COOPERATIVE THRUST SET IN WAUSAU'S JOB SEARCH

(By John Torinus, Jr.)

WAUSAU.—The City of Wausau and Marathon County have a reputation as a community that pulls together, witnessed by the large-scale renewal of the city's downtown and the development of the east channel of the Wisconsin River as a white water kayak course of international caliber.

The central business district is thriving. And the river channel, once a city eyesore, is the site of annual races that attract significant tourism dollars to the county.

Now, the same kind of partnership efforts that made Wausau an All-American City are being brought to bear on job creation through the Committee of 100, an umbrella organization of business, government and labor interests.

That kind of thrust demonstrates the cooperative approach being mounted in any number of communities around the State. Taken collectively, the efforts represent one of the major reasons for optimism that the Wisconsin economy can be brought back to robust health.

Lane Ware, chairman of the Committee of 100, reminded the members at their annual banquet this week that Marathon County still has an unemployment rate higher than the none-too-attractive state average of 7.6%. He urged the members to be ready to act when called on for a business development project.

The county has had some of the same kinds of plant closings that have affected other parts of Wisconsin, and it has had the same kind of shift from high-paying manufacturing jobs to lower-paying service jobs.

A survey of 15 manufacturers in the county showed their employment had dropped from a total of 9,510 jobs in 1978 to 7,014 in 1983. In the same period, the service and utility sector had an increase from 3,558 to 4,172 jobs.

The Wausau chamber spent three years developing 16 economic strategies to be implemented through Ware's committee. They include: development of ready-to-go, reasonably priced industrial land; lobbying for better transportation system in and out of the county; promotion of tourism; stimulation of greater cooperation among business, government and academia; and expansion and retention of existing businesses.

Wausau leaders are coming to grips with the reality that the American economy is changing rapidly, and that they must change with it. A recent newsletter from the Committee of 100 said:

"The process that companies follow in deciding to move or shut down is seldom scientific. Most companies conditions. It's either intuitive or incident-inspired.

"However, it's change that brings opportunities. We in Marathon County cannot let these opportunities slide by because we're uncomfortable.

"We've got just as much inventive and innovative genius here as there is anywhere. Probably more."

The reservoir of innovation was a major factor in the kayak course project. Most races sponsored by the American Canoe Association are off in the boondocks where it's hard to draw a crowd. The Wausau course has the advantage of being near an attractive community with hotels and restaurants.

Wausau community leaders recognized a market opportunity.

The east channel was unused until about 10 years ago, when a group of white water enthusiasts convinced the Wisconsin Public Service Corp. to open one of its sluice gates so they could have a little fun.

From there it became a community project. Thousands of hours of volunteer work, substantial investment and unending amounts of cooperation were required to bring the course to where it could attract an international event.

The reward was the Pan American Races last year, which drew 10,000 people through two days.

That's not the end, though. The next goal for the Wausau innovators is to bring in a world cup race.

The 10-year effort to build the kayak course is not dissimilar to the kind of effort facing the Committee of 100, or similar organizations in other Wisconsin communities, in their search for new jobs.

As with the unused east channel, Wisconsin has many assets that can be put back to

work with imagination and a collective act of will.●

PERSPECTIVES ON THE HOLOCAUST

● **Mr. RIEGLE.** Mr. President, the most important message that survivors of the Holocaust have brought us is that the lessons of that tragic chapter in the history of mankind must never be forgotten—that the memory of the horrors of the Nazi death camps, which took the lives of over 6 million Jews must never be erased. For it is only by recalling the mistakes of the past that we ensure against repeating them in the future.

Recently, Americans reflected on the lessons of the Holocaust. On April 16, as part of the statewide commemoration of the Holocaust in Michigan, Dr. Walter Adams, formerly president of Michigan State University, shared his own thoughts on the Holocaust.

I commend Dr. Adams' remarks to the attention of my colleagues, and ask unanimous consent that his speech entitled "Harvest of Hate: Some Perspectives on the Holocaust," be printed at this point in the RECORD.

The speech follows:

HARVEST OF HATE: SOME PERSPECTIVES ON THE HOLOCAUST

(By Dr. Walter Adams)

Forty years ago, almost to this day in April 1945, as the tanks of the U.S. 11th Armored Division rolled into Mauthausen, a German concentration camp about 10 miles outside the Austrian city of Linz, astride a blood-stained river that I once thought of—but never since—as the Blue Danube, we came upon an inferno that would forever leave us with an indelible vision of man's cruelty and an ineradicable smell of putrefying corpses. We found piles of unburied bodies emaciated into bony skeletons. We found animal-like creatures—caricatures of human beings once resembling the image of their divine creator—lying helplessly on filthy, lice-infested sacks of straw, on wooden bunks, amidst the stench and disease of their urine and excrement. We found the half crazed, starved remnants of one of the notorious extermination camps of Nazi Germany, designed not only for the liquidation of European Jewry but for the elimination of Russians, Poles, Yugoslavs, Gypsies—anyone whom the Nazi state considered sub-human. We found captives from practically every conquered nation of Western Europe.

Battle hardened veterans who had fought their way from the Ardennes through Southern Germany into Austria and who thought that they had experienced all the cruelty and misery of modern total war were unprepared for what they found at Mauthausen. Some averted their countenance in horror; others sobbed silently and uncontrollably; others, in sheer frustration, shook their fists to the unresponsive heavens. This was the quintessence of man's inhumanity to man. This, as some of us were to learn later, was the sort of crime that was—and only could be—perpetrated by pathologically criminal individuals with the sanction of criminally bestial laws promulgatd by a criminal state.

Often since that traumatic discovery at Mauthausen, I have pondered how this criminal state came into being. Its origins, I submit—and few analysts would dispute this—can be traced to the convergence of 3 major interest groups: the Nazi party, the army officer corps, and big business—interest groups which under the impact of the Great Depression of the 1930's coalesced into a symbiotically unholy alliance.

The Nazi party—literally the National Socialist German Workers Party—was dedicated to a revival of Imperial Germany's erstwhile glory; to rearmament; to the protection of the common man—the little shopkeepers, the petty tradesmen, the minor clerks and bureaucrats; to the welfare of the industrial workers and the reemployment of the millions of unemployed; and finally to the purification of the German race by the liquidation of Jews and the elimination of their alleged influence in German society.

The army, smarting from its defeat in 1918 and the punitive provisions of the Versailles Treaty, sought to recover its position of dominance in the German state. It wanted to rearm. It sought to reverse the outcome of the "war to end wars."

Big business, for its part, feared the social and economic instability generated by the depression. It wanted to break the power of the trade unions. It wanted to stem what it perceived as the growing tide of Bolshevism. It lusted for the lucrative profits that would come with rearmament and a war economy. It yearned for the authoritarian discipline that only a totalitarian state could assure. It hated the Weimar Republic despite the fact that its successive, nominally socialist administrations had left the wealth and power of big business substantially intact.

The turning point—if there was a single turning point—in the rise of Hitler to power was February 20, 1933. Elections were scheduled for March 5, but the Nazi treasury was near total depletion. Goering, as presiding officer of the Reichstag, invited some 20 leading Ruhr industrialists to a dinner with Hitler. Among those in attendance were the top officials of I.G. Farben, Krupp, Thyssen, and Siemens. Hjalmar Schacht, the financial wizard, acted as Goering's host.

Hitler told the gathering that in backing his dictatorship, they would be backing themselves. "Private enterprise," he said, "cannot be maintained in a democracy." Trade unionism was one of the prime evils of democracy. The Reich, if left to such institutions, would "inevitably fall." The nation needed leadership to bind the German people together under the banner of nationalism and strength. He promised not only to eliminate the communist threat but to restore the Wehrmacht to its former glory. He said he would liquidate the Weimar republic, but to do so he needed their financial support.

Goering then reminded the assembled big business moguls that "the sacrifices asked for will be so much easier to bear if industry realizes that the election of March 5 will surely be the last one for the next ten years, possibly for the next 100 years." Schacht put it more bluntly: "And now, gentleman, pony up!" (Und nun, meine Herren, an die Kasse!)

Krupp von Bohlen rose to thank the Führer and pledge the unanimous support of those present. He contributed 1 million marks. The others chipped in an additional 2 million. With this act, the leaders of big business not only financed the terror election of 1933, but became full-fledged partners of the Third Reich.

Now the beer hall bully-boys and brown shirt thugs could once more be paid. On February 27, 1933, they set fire to the Reichstag, proclaiming that this was the work of the "Reds." With Nazi storm troopers sworn in as special police, tens of thousands of anti-fascists of all stripes were beaten, arrested, tortured, or murdered. With the opposition terrorized, Hitler won the largest number of Reichstag seats (though not a majority) in the March election. Within a few months, the opposition parties were banned and the trade unions broken. Within a year, after the famous blood purge of 1934, Hitler has also eliminated the socialist elements in his own ranks—i.e. those whose who were opposed to the great cartels, to monopoly capitalism, and to the rearmament profiteering of big business. The Nazi victory was complete, and the Ruhr industrialists could join the government in planning for rearmament, territorial expansion, and ultimately WW II.

Although the ultimate cost of this big business support of the Nazi state was a Germany reduced to rubble and ashes and 20 million victims of all nations who died in WW II, the short-run benefits to the Ruhr industrialists were concrete and impressive.

First, rearmament (a top priority of the new Nazi state) meant an immediate and impressive increase in industrial production and profits, especially in the steel, chemicals, and machinery industries. At Krupp, for example, profits after taxes, gifts and reserves increased from 57 million marks in 1935, to 97 million in 1938, to 111 million in 1940. The reason was plain: once more Krupp had found that being German's leading manufacturer of war material was a lucrative business indeed.

Second, German expansionism provided an unparalleled opportunity for plunder in the annexed territories and conquered nations. The Anschluss of Austria and the occupation of Czechoslovakia in 1938, the invasion of Poland in 1939, the defeat of France, Belgium and Holland in 1940, and the subjugation of Denmark and Norway in 1941, were not only military but also economic operations. The cartelists of the Ruhr entered these countries hard on the heels of the German army—their shopping lists at the ready—coercing former cartel partners and competitors alike to sell their properties at bargain basement prices. I.G. Farben was particularly adept at playing the jackal to Hitler's lion. By 1941, through plunder, acquisition, and expropriation, it had gained control of a chemical empire extending from the Barens Sea to the Mediterranean, from the Channel Islands to Auschwitz—an industrial imperium the likes of which the world had never before seen.

Third, after the outbreak of war in 1939, big business was accorded a privileged position in the recruitment of a labor force seriously depleted by the military draft. The obvious answer was forced labor, to be supplied by deportees, prisoners of war, and concentration camp inmates. Krupp put the matter in the bluntest terms. Every party member, he told the Führer, favored liquidation of "Jews, foreign saboteurs, anti-Nazi Germans, Gypsies, and antisocial elements," and Krupp could see no reason these people shouldn't contribute a lifetime of work in the few months before they were dispatched. The Führer agreed, and Gestapo chief Himmler issued the appropriate orders.

And so, new concentration camps were built near old factories in the Ruhr, and new industrial plants were set up near established concentration camps. Krupp, Siemens, and I.G. Farben, for example, built giant industrial complexes near Auschwitz to capitalize on its apparently inexhaustible supply of slave labor.

It was a straight business deal between the industrialists and the S.S. which was in charge of the concentration camps. The S.S. computed the capital value of each inmate at roughly 1630 RM, calculated as follows:

Daily rental charge to industry: 6 RM, Minus: daily rations, 60 PF. Amortized daily clothing cost, 10 PF.

Net proceeds per inmate per day: 5.30 RM, Multiplied by 9 months of service (Thought to be the average survival prospect of the inmates): 1431 RM, Minus disposal cost of the corpse: 2 RM, Plus the personal effects of the deceased (valuables, gold teeth, etc.) 200 RM. Net embodied human capital of the inmate: 1629 RM.

The business relations between the S.S. and the industrialists was obviously of mutual advantage. The S.S. collected sizable sums for its human chattel and the industrialists procured an otherwise unobtainable labor supply. As one I.G. Farben official wrote to the home office from Auschwitz: "Our new friendship with the S.S. is proving very profitable."

Of course, there were problems. Early in the relationship—in August, 1941—an I.G. Farben official complained that the treatment of the Auschwitz prisoners was interfering with productivity: "We have drawn the attention of the officials of the concentration camp to the fact that in the last few weeks the inmates are being severely flogged on the construction site in increasing measure, and this always applied to the weakest inmates who really cannot work harder. The exceedingy unpleasant scenes that occur on the construction site because of this are beginning to have a demoralizing effect on the free workers (Poles), as well as on the Germans. We have therefore asked that they should refrain from carrying out this flogging on the construction site and transfer it to the concentration camp."

A few months later, however, the weekly report from Auschwitz exhibited greater appreciation of the difficult problems faced by the S.S. "The work, particularly of the Poles and inmates, continues to leave much room for improvement. Our experience so far has shown that only brute force has any effect on these people. As is known, the commandant always argues that as far as the treatment of inmates is concerned, it is impossible to get any work done without corporal punishment."

Aside from constant physical abuse, torture, and sadism both by the factory foremen and S.S. guards, the inmates were subjected to systematic starvation. In Auschwitz, at the end of one month, there was a marked change in the prisoner's appearance; at the end of two months, the inmates were not recognizable except as caricatures formed of skin, bones, and practically no flesh; after three months, they were either dead or so unfit for work that they were marked for release to the gas chambers. As two physicians concluded after studying the effects of I.G. Farben's diet at Auschwitz: "The prisoners were condemned to burn up their own body weight while working and—providing no infections occurred—finally died of exhaustion.

A Krupp slave laborer, who survived his ordeal, put it this way: "We were not slaves; our status was much lower. True, we were deprived of freedom and became a piece of property which our masters put to work. But here the similarity with any known form of slavery ends, for we were a completely expendable piece of property. We did not even compare favorably with Herr Krupp's machinery, which we tended. The equipment in the shop was well maintained. It was operated with care, oiled, greased and allowed to rest; its longevity was protected. We, on the other hand, were like a piece of sandpaper which, rubbed once or twice, becomes useless and is thrown away to be burned with the waste." Obviously, neither the S.S. nor Germany's leading industrialists chose to heed Cato's admonition that one's oxen and slaves should always be properly fed.

What, then, are the lessons to be drawn from this 12 year nightmare in German history—from this experiment in totalitarianism which joined the Nazi party, Big business, and the army into a morganatic alliance?

The answer, to the extent that there is an answer, I think, can be found in the wisdom of our Founding Fathers and their distrust of concentrated power. To them, the primary object was to make the state the servant of man rather than man a servant to the power and glory of the state. That is why they insisted that all forms of power be decentralized—that power be scattered into many hands—so that it could be used as an instrument to oppress the individual. They believed, as Walter Lippmann said, "in governments which were under the law, in the rights of man rather than the sovereignty of kings and majorities. They held that the improvement of the human lot was to be achieved by releasing thought, invention, enterprise, and labor from exactions and tolls, from the rule of princes, monopolists, great landlords, and established churches."

The master plan of the Founding Fathers, as embodied in the U.S. Constitution, was not to promote efficiency in government but to create a decentralized power structure, replete with comprehensive checks and balances, which would protect the people from the summum malum: concentration of power and the abuses which inevitably flow from it. This means that powerful interest groups—like the military-industrial complex against which President Eisenhower so eloquently warned—must be prevented from capturing control of the state. It also means that the state—through systematic limitations of its power—must be deprived of the weapons to oppress individual citizens. Finally, it means that the separation of church and state must be uncompromisingly preserved.

As Jefferson put it: "The time to guard against corruption and tyranny is before they shall have gotten hold of us. It is better to keep the wolf out of the fold than to trust to drawing his teeth and talons after he shall have entered."

It is a thought worthy of our prayerful consideration.●

HAROLD C. SCOTT, NEW MEXICO SMALL BUSINESS PERSON FOR 1985

● Mr. DOMENICI. Mr. President, innovation, expansion, and profitability are words that come to mind when one hears about Scott Air, Inc., of Alamogordo, NM. President Harold C. Scott explains the company's beginnings during the oil embargo of 1973. At a time when the failure of small businesses was high, this small company that manufactures air conditioners for buses had no orders, no potential customers, and no financing. Yet the firm remained undaunted. An old schoolbus was purchased and within a weekend's time was painted, refurbished and air-conditioned and took to the road. Within 2 weeks over $100,000 in orders was obtained.

And it has been growing ever since. After capitalizing on the needs of the mass transit system, Scott Air, Inc., in 1974, applied for an SBA loan, and moved to Alamogordo, in 1975. The company reached into new markets in the late 1970's by developing systems for use by small courtesy buses. From a firm of 5 employees and $160,000 in sales, the company now employs 200 and sales exceed $7.5 million. Today, Scott Air, Inc., has substantial control of the large activity bus air systems market in the United States and Canada.

The same dedication to a goal that converted an old schoolbus to $100,000 in order is leading Scott Air into new areas of growth. Taking advantage of the strong U.S. dollar, Scott started planning a Technology Export Program. After many months of negotiations, a joint venture with a Bombay, India based company is underway. Opportunities for collaborating with other third world countries are being explored.

New Mexicans are proud to have Mr. Harold C. Scott as the State's small business person of the year. Sponsored by the Las Cruces, NM, chapter of SCORE, Mr. Scott is an image of what SCORE is all about—dedicated participation with employees. His achievements also exemplify our State's enterpreneurial spirit and represent the dedication and commitment of "America At Work" during National Small Business Week.●

CAPT. JEFFREY H. TUSET

● Mr. DURENBERGER. Mr. President, it is always difficult to discuss the loss of a young and promising life, and that is particularly true in the case of Capt. Jeffrey H. Tuset.

Captain Tuset was one of 17 marines killed in a helicopter crash on Monday off the southwestern coast of Japan. His helicopter crashed while en route to its base in Futemma, Okinawa from the U.S. Marine station at Iwakuni on Honshu Island. An extensive search by United States and Japanese ships and aircraft failed to find any survivors or wreckage.

I think it's important that we know a little about the life that Jeff led and the family that raised him. His parents, John and Nina Tuset, lived for many years in Coon Rapids, just north of Minneapolis. Friends of the Tusets describe them as having been very active in the Coon Rapids community, particularly in their support of sports programs. One friend characterizes the Tusets as "the kind of regular folks that make a community like Coon Rapids work."

By all accounts, John and Nina passed on this love of life and commitment to community to their three children. The Tusets encouraged their kids to participate in sports. Jeff, born in 1959, especially enjoyed baseball and was good at it, from playing in little league to starring on Coon Rapids High School's team in the mid 1970's. He was a good student—in fact, good enough to get into the U.S. Naval Academy. At Navy, he majored in math and graduated in the top half of his class in 1980. While there, he developed a love for flying. It was this attraction to flying that led him to apply for an officer's appointment in the Marines. Following his graduation, Jeff was assigned first to officers' training school in Quantico and then to flight training school in Pensacola. During this time, he met his future wife, Etta Mae, whom he married in April of 1982. His most recent assignment came in late May of last year in Okinawa. He enjoyed Okinawa and loved the military life which he had chosen as a career.

Captain Tuset leaves behind his wife, Etta, his parents, his brother, John, his sister, Julie, and many, many friends. John Tuset described his brother as "easygoing and outgoing * * * Jeff made friends easily." A close friend described him as "a very bright, beautiful young man." Another characterized him as "a very exceptional young man." Having spoken with some of his friends and family, I know this to be true. Jeff will surely be missed. We are all poorer for his loss.

Mr. President, I ask that articles from the Minneapolis Star and Tribune on Captain Tuset's death be printed into the RECORD.

The articles follow:

ST. PAUL MAN AMONG 17 LOST IN HELICOPTER

TOKYO.—A United States military helicopter carrying 17 Marines crashed into the Pacific Ocean Monday off the southwestern coast of Japan. All those aboard, including a St. Paul man, were missing and presumed dead.

One of the victims was identified as Capt. Jeffrey H. Tuset, 26, of St. Paul.

The cause of the crash, one of the most serious in years during routine operations, was not known.

A Marine spokesman said the aircraft was one of two heavy-duty, twin-engine transport helicopters known as CH-53Ds that were flying from the Japanese mainland to Okinawa at midday. It developed mechanical problems over the ocean, officials said, and turned back toward land. The other craft soon followed.

By then, the first CH-53D was nowhere to be seen. "As I understand it," an American official said, "it just stopped working at about 500 feet above the water, and fell right in."

Those in the second helicopter were said to have spotted only an oil slick. The second craft dropped a blue dye marker and a life raft and summoned help.

American military ships and aircraft were joined by vessels and helicopters from the Japanese Maritime Safety Agency in a search for survivors and wreckage that continued far into the night. Shortly before midnight, 11 hours after the accident, Marine spokesmen said that no survivors or bodies had been found.

"We, of course, consider this a major disaster," Capt. Daniel Trout, a Marine public information officer on Okinawa, said in a telephone interview.

(Tuset entered the U.S. Marine Corps in May 1980 and was assigned to Marine Heavy Helicopter Squadron 462.

(Capt. Mark Hough of Marine Corps public affairs said he was not certain if Tuset was a passenger or member of the crew in the accident.

(A native of Coon Rapids, Tuset played baseball while attending Coon Rapids High School. After graduation, he entered the U.S. Naval Academy.

("He was easy-going and outgoing," said his brother, John Tuset of Eagan. "He made friends easily."

(John Tuset said he had not seen his brother since Christmas of 1983.

(Survivors also include his wife, Etta Tuset of San Diego; parents, John and Nina Tuset of Saudi Arabia; and a sister, Julie Foster of San Francisco.)

All those aboard the helicopter were described as Marines assigned to various units on Okinawa, which was an American territory for 27 years after World War II. It is now Japan's southernmost province, but it remains dominated by U.S. military installations, with 34,000 military personnel.

The helicopters had been flying to their base in Futemma, Okinawa, from the United States Marine station at Iwakuni, on the western end of the main Japanese island of Honshu. The crash occurred at about 1 p.m., nearly three hours after takeoff, at a point 15 miles south of Yakushima, off the large western island of Kyusou.

Because of the distance from U.S. military bases, the first rescue ships at the scene were Japanese, not American. Through the day, the maritime agency assigned at least two vessels and two helicopters to the search; joining American rescue planes flown from an air base at Kadena, Okinawa.

The CH-53, manufactured by Sikorsky Aircraft, a division of United Technologies Corp., comes in several models, including the recent CH-53E, which has three engines. In its many versions, the CH-53 has been involved in other crashes in recent years.

The helicopter that crashed in 1980 during the abortive mission to rescue the American hostages being held in Iran was a CH-53.

In September 1981 five Marines were killed when a CH-53C went down in the Mediterranean. In June 1984 another crashed off the California coast, killing four Marines. In November 1984 a CH-53 caught fire at Camp Lejeune in North Carolina, killing three soldiers.

Early this year an Air Force HH-53, yet another version, crashed near Hawaii as it was trying to aid a Panamanian ship. Six crew members were killed.

MARINE FROM COON RAPIDS DIED DOING WHAT HE LOVED—FLYING

(By Randy Furst)

Jeffrey Tuset, 26, loved to fly, his mother said Tuesday.

Tuset, a graduate of Coon Rapids High School, was the captain of a helicopter that ferried other Marines who were stationed at Okinawa. He was to finish his second six-month tour of duty at the end of May, she said.

Tuset was flying the U.S. Marine helicopter that crashed into the ocean off southern Japan Monday, killing 17 Marines, including Tuset.

"He enjoyed life very much," said Nina Tuset, his mother. "He and his wife had just finished taking diving lessons in Japan. He liked to fish and he liked to hunt. He was just an all-round-type guy."

A memorial service will be held Friday at the Marine Base in Tustin, Calif., where Tuset was based. His wife, Etta Mae, returned there only last week after spending a month in Japan with her husband. They had no children.

The Marine Corps said the crash apparently was due to mechanical failure.

Maj. Tony Rothfork, a Marine Corps spokesman in Washington, said the crew aboard another helicopter saw the rotor blade on Tuset's helicopter turn slower and slower and stop as the aircraft entered the water. No bodies were recovered and the search has been called off, he said.

"All aboard are missing and presumed dead," read a statement issued by the Marine Corps Command on Okinawa.

Tuset was born in Minneapolis and grew up in Coon Rapids.

"He was a good student and a member of the National Honor Society and on the baseball team," said James Rainbow, principal at Coon Rapids High School.

Both of Tuset's parents were in the armed services during the Korean War, his mother in the Navy and his father, John, in the Marines.

Tuset's brother, John, applied to the U.S. Naval Academy, but he broke his kneecap and was ineligible, so Jeffrey decided to apply.

"It was his decision," his mother said. "He came to us and said he was going to do it. We said go for it and he did."

Leonard Koe, Coon Rapids' city attorney, wrote a recommendation, and the application was supported by U.S. Rep. James Oberstar.

"He was one of those all-around boys," Oberstar said yesterday, "both academically superior and concerned about his community. "He had leadership qualities," Oberstar said.

"He really wanted to go to Annapolis," said Leslie McLaughlin, a friend of Tuset's who lives in Minneapolis. "He was really excited when he was appointed."

Tuset was a math major at the academy and graduated in 1980 in the top half of his class. He was commissioned in the Marines.

He chose the Marine Corps rather than the Navy because he wanted to get into the flying program and there were greater flying opportunities in the Marines at that time, his mother said. "His father was in the Marine Corps and that helped," she said.

Tuset went to officers training school in Quantico, Va., and then took his flight training in Pensacola, Fla. He was married in April 1982.

Tuset's parents have been living for the past seven years in Saudi Arabia, where his father works for an oil company. His sister, Julie Foster, lives in Fremont, Calif.

Beverly McLaughlin, Leslie McLaughlin's mother, knew Tuset and the Tuset family and said she was very upset.

"He was a very bright, beautiful young man," she said. "It's just a shame his life would be lost like that."

Jim Phillips, Coon Rapids, had been a neighbor and a close friend of the Tuset family.

"He was like a son," Phillips said of Jeffrey. "We were very, very close. We are very saddened. It was a tremendous shock. He was a very exceptional young man."●

S. 1049—THE AGRICULTURAL FAIR TRADE ACT OF 1985

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD:)

● Mr. WILSON. Mr. President, today I rise to discuss S. 1049, the "Agricultural Fair Trade Act of 1985" which I introduced on May 1. I believe that the use of the term "fair" in its title is appropriate for two reasons: First, because the intent of the legislation is to provide a variety of tools to the Secretary of Agriculture and opportunities to agricultural exporters, the collective purpose of which is to achieve fair trade for U.S. farms products; and second, because the scope of the bill goes beyond the basic commodities, which are the traditional focus of Federal farm bills, and includes, in fairness, all of the hundreds of agricultural commodities produced by our Nation's farmers.

In other words, Mr. President, I not only believe that the U.S. Government should adopt and pursue an aggressive trade policy whose objective is to increase our agricultural exports, but that the Federal assistance, contained in my bill, should be available to every farmer throughout our land—whether he grows Kansas wheat or North Carolina peaches, Nebraska rye or California avocados.

Moreover, the export assistance which is contained in my bill will not require an increase in Federal spending and can be achieved within the proposed budget framework.

Previous farm bills, which derived from actions taken in the 1930's in response to the Great Depression, have focused on the basic commodities, such as wheat, corn, and rice. The 1981 farm bill, which was no exception, has provided a degree of stability in our domestic markets; however, its costs have been very high. Loss of foreign markets, rising Federal costs, and accumulation of Government-held stocks have accompanied the 1981 bill. The huge stocks of surplus commodities which developed by 1982 were cut substantially by the "payment-in-kind" program, however, while U.S. farmers reduced their acreage, our worldwide competitors expanded production and took traditional U.S. market shares.

I believe that past farm legislation has failed because it has not adequately recognized that American agriculture must maintain and expand upon export markets. At one time, the United States was less reliant on overseas markets, and we had greater internal freedom to set price supports and production controls without secondary market effects. Today, our price supports form an umbrella for the rest of the world, and our production cuts make room for increased production by our competitors.

The failure of existing farm policy has been compounded by the growth of the Federal deficit and its related impact on the strength of the dollar. Farmers throughout the country know all too well that the value of U.S. currency has increased significantly in recent years and presently constitutes both an import subsidy on foreign-grown farm products with which they compete and an export surtax on their own commodities when they attempt to sell them abroad. I know that each of my distinguished colleagues is well aware of the adverse impact which the strength of the dollar has had upon agricultural businesses within their respective States. In California, for example, my State's agricultural exports have plummeted twice in as many years.

For that reason, I believe that the best farm bill that Congress could enact this year would mention neither farmers nor commodity programs. In fact, the best farm bill has been the focus of the Senate during the past 2 weeks and will continue to be for the foreseeable future. If we can succeed in reducing Government spending and decreasing the Federal deficit, then we will ease pressure on interest rates and the value of the dollar. In my opinion, this is the best program that we can offer to our Nation's farmers.

During the first 4 months of the 99th Congress, a variety of farm bill proposals have been introduced, and I suspect that there are more on the way. While each one differs in its detail, there are recurring themes of market orientation at home and market expansion abroad. I believe that the two elements go hand-in-hand. We cannot devise domestic commodity programs with an eye toward world markets unless the trade provisions of the farm bill can effectively assist our farmers in acquiring fair and competitive access to those international markets. Because it is essential that the 1985 farm bill provides our Government with the requisite tools to assure fair trade opportunities for the American farmer, I have introduced the "Agricultural Fair Trade Act of 1985."

I believe that this legislation is of relevance and importance to any farmer in our county who wishes to export his agricultural products. I know that it will be of assistance to the farmers in my State, which is the Nation's No. 1 agricultural-producing State and ranks in the top three in farm exports. Twenty-eight of California's more than 250 different commodities are dependent upon export markets to absorb over 50 percent of their production. Eleven of these export-dependent crops are grown only in California. One of every 3 acres in my State produces for overseas markets, and nearly 25 cents of each agricultural dollar is derived from export sales.

Yet, as important as export sales are to the farmers in my State, California exports account for less than 10 percent of America's total agricultural exports. Therefore, effective trade legislation, as embodied in my bill, is of significant importance for all of my colleagues representing farm States.

The "Agricultural Fair Trade Act of 1985" contains provisions that will benefit exporters of wheat, cotton, rice, soybeans, and feed grains, as well as growers of fresh fruits, vegetables, and nuts. The production and export of these high-value, horticultural crops are an important component of our Nation's agriculture. They are grown in every State of the Union, excepting Alaska, and amount to approximately 8 percent of U.S. agricultural exports. Until now, they have not been covered in previous farm bills.

Specifically, S. 1049 authorizes the Secretary of Agriculture to extend intermediate export credit guarantees, to target export credit assistance to commodities which have been adversely affected by unfair trading practices, to carry out an export PIK program utilizing any surplus commodities, including horticultural crops, to include processed fruit, vegetable, and nut products in the existing PL 480 Program, and to encourage private, commercial barter activities.

In addition, my bill urges the President to initiate a new round of multilateral trade negotiations which will address and clarify numerous agricultural trade issues arising under GATT. It exempts from cargo preference requirements commercial sales made by USDA under its blended credit program and assures the sanctity of contracts to supply U.S. farm products to foreign purchasers.

S. 1049 requires specific consultations within USDA and with the office of the U.S. special trade representative, as well as with newly-established industry advisory committees, prior to implementing changes in agricultural trade arrangements. Also required is an annual report prepared by our agricultural attaches for submission to the Secretary of Agriculture. The reports will identify agricultural subsidies present in the host countries and market development opportunities for U.S. farm products.

My bill instructs the General Accounting Office to evaluate the feasibility of applying U.S. chemical residue and food sanitation standards on imported food products and to evaluate the appropriateness of applying current data and documentation requirements to agricultural petitioners before the U.S. International Trade Commission. It also provides agricultural producers with standing to petition the ITC for relief when processed products are harmed by unfair trading practices.

My legislation instructs the Secretary of Agriculture to study the feasibility of requiring country of origin labels on imported agricultural commodities and to give agricultural research priority to specific areas, including compliance with foreign plant quarantine requirements and improvement of international distribution methods for perishable products, which will increase export sales of U.S. farm commodities.

Finally, Mr. President, the "Agricultural Fair Trade Act of 1985" authorizes our Government to donate basic or specialty crops to countries willing to reform their agricultural economic policies and to improve their infrastructure. One specific improvement cited in S. 1049 would be the development of storage facilities and a distribution system necessary to import perishable agricultural commodities.

In summary, I want to reiterate that I am an advocate of a "market oriented" farm policy and believe that the 1985 farm bill, which the Committee on Agriculture will begin to mark up next week, should set Government loan rates at levels that reflect world market realities. The artificially high rates of recent years have led to predictable price undercutting by our international competitors, resulting in the loss of foreign markets and the costly expansion of Government-held inventories. In my opinion, any new farm legislation needs to emphasize worldwide market expansion, not producer cutbacks, in order to improve this Nation's image as a reliable supplier of a wide variety of high quality foods and fibers.

It is for these reasons that I have introduced S. 1049, the "Agricultural Fair Trade Act of 1985," and I am gratified to learn that the same legislation will be introduced in the House of Representatives during this week. I hope that the Members of both chambers will act favorably upon it and ask unanimous consent that my full remarks, the text of the bill and a section-by-section analysis be printed in the RECORD.

The material follows:

SECTION-BY-SECTION ANALYSIS, S. 1049, THE AGRICULTURAL FAIR TRADE ACT OF 1985

Section 1. *Purpose:* States that the purpose of the Act is to assist in expanding and increasing foreign markets for U.S. agricultural commodities and the products of such commodities.

Section 2. *Intermediate Export Credit:* Revises the intermediate export credit financing authority as follows—

Authorizes the Secretary of Agriculture to guarantee loans of 3 to 10 years in length that are made to finance export sales of agricultural commodities;

Requires that export sales financed or guaranteed under this provision be made to purchasers from countries that (1) previously received assistance on title I of Public Law 480 and (2) are unable to use other Department of Agriculture short-term export credit programs;

Expands the uses for which export credit financing and guarantees may be made available to include promotion of export sales of agricultural commodities;

Requires the Commodity Credit Corporation to make available not less than $1,000,000,000 for each of the fiscal years 1986, 1987, and 1988 and not more than $1,000,000,000 for each of the fiscal years 1989, 1990, and 1991 for purposes of financing or guaranteeing export sales of agricultural commodities under the intermediate credit provision.

Section 3. *Expansion of Markets for U.S. Agricultural Commodities and Products:* Authorizes the Secretary of Agriculture to establish and carry out an export Payment-in-Kind (PIK) program using surplus commodities that are either in the stocks of the Commodity Credit Corporation, including wheat, feed grains, cotton, rice, and dairy products, or available for purchase by the Secretary with funds from Section 32, including fruits, vegetables and nuts. Also authorizes the Secretary to make available supplemental distribution of U.S. surplus commodities to countries that have utilized receipts from sales of previously received U.S. commodities under this section to improve the handling, marketing, storage and distribution facilities for importing agricultural commodities.

Section 4. *Export Transportation of Agricultural Commodities:* Provides that the cargo preference laws of the United States will not apply to future commercial sales of agricultural commodities made by the U.S. Department of Agriculture under its blended credit program.

Section 5. *Agricultural Trade Negotiations:* Expresses the sense of Congress that the President should initiate a new round of multilateral trade negotiations with U.S. trading partners to (1) strengthen the General Agreement on Tariffs and Trade (GATT), (2) improve the dispute settlement procedures of the GATT, (3) bring agricultural trade issues within the purview of strengthened and more effective GATT rules and procedures, and (4) clarify the intent of and bring uniformity to the interpretation of Article XVI of the GATT, including the subsidies code.

Section 6. *Targeted Export Assistance.* Requires the Secretary of Agriculture to use not less than $325,000,000 of Commodity Credit Corporation funds in each of the fiscal years 1986 through 1988 (or an equal value of CCC-owned commodities) to assist in the export of U.S. agricultural commodities and products that have been adversely affected by price or credit subsidies or unfair marketing arrangements or trading practices employed in connection with foreign agricultural exports. The Secretary is directed to provide export assistance under this section on a priority basis to agricultural commodities and products that have demonstrated unfair trading practices under Section 301 of the Trade Act of 1974. For fiscal year 1989 through 1991, the Secretary is required to use CCC funds or commodities as are necessary to assist in the export of affected U.S. agricultrual commodities and products.

Section 7. *Value-added, Processed and Protein-Fortified Products:* As part of the donation of commodities under the Public Law 480 program, requires the President to consider the advantages to be gained from the donation of processed and protein-fortified products, including processed milk, plant protein products, and fruit, nut and vegetable products, as well as the nutritional needs of the recipients. Also requires the President to take steps to ensure that an appropriate part of the commodities donated under Public Law 480 is in the form of processed and protein-fortified products. Expresses the sense of Congress that the Secretary fund export market development programs for value-added farm products and processed foods at higher levels than during fiscal year 1985.

Section 8. *Barter of Agricultural Commodities:* Requires the Commodity Credit Corporation, to the maximum extent practicable, in consultation with the Secretary of State, to use CCC commodities to barter for strategic and critical materials. Also instructs the Secretary to encourage bartering of agricultural products by U.S. exporters and to provide technical advice and assistance to such exporters upon request.

Section 9. *Contract Sanctity:* Declares that the policy of the U.S. is to foster and encourage agricultural exports and limits any prohibition or restriction of such exports to reasons of national security and only under extraordinary circumstances.

Section 10. *Trade Consultations:* Directs the Secretary of Agriculture to require intradepartmental consultation regarding agricultural trade matters, as well as consultation with the Office of the U.S. Special Trade Representative, prior to relaxation or removal of restrictions on importation of agricultural commodities or products into the U.S. Also requires the Secretary to establish industry advisory committees with respect to specific agricultural commodities, whose purpose is to make recommendations regarding agricultural practices and industry procedures to USDA personnel negotiating trade agreements, trade protocols or trade procedures.

Section 11. *Agricultural Attache Reports:* Directs the Secretary of Agriculture to require appropriate personnel of the Department stationed in foreign countries to prepare and submit an annual report on agricultural subsidies in the host countries and on market development opportunities for the export of U.S. agricutural commodities and products into the host countries. Also instructs the Secretary to compile the annual reports and to make them available to Congress and other interested parties.

Section 12. *Study of U.S. Sanitation Standards for Importation of Agricultural Commodities:* Directs the Comptroller General to study the effectiveness and consistency of current regulations, inspection and enforcement programs regarding the application of chemical residue and food sanitation standards to imported food products and to report to Congress on its finding and recommendations within one year after the date of enactment of this Act.

Section 13. *Import Relief Study:* Directs the Comptroller General to study the appropriateness of the data and documentation requirements of the U.S. International Trade Commission for obtaining relief

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against the unfair importation of agricultural commodities and their products and to report its findings and recommendations to Congress within one year after the date of enactment of the Act.

Section 14. *Label of Origin Study:* Instructs the Secretary of Agriculture to study the desirability and feasibility of requiring country of origin labels on imported agricultural commodities and to report his findings and recommendations to Congress within one year after the date of enactment of the Act.

Section 15. *Agricultural Research:* Directs the Secretary of Agriculture to increase and intensify research programs directed at developing technology to overcome barriers to expanded export sales of U.S. agricultural commodities and their products, such as developing procedures to meet plant quarantine requirements and improving transportation and handling of perishable agricultural commodities.

Section 16. *Food for Progress:* Authorizes the Secretary of Agriculture to donate basic or specialty crops to countries willing to reform their agricultural economic policies and improve their infrastructure, including the development of storage facilities and distribution systems necessary to import perishable agricultural commodities.

Section 17. *Processed Agricultural Products:* Amends the Tariff Act of 1930 to allow domestic producers of processed agricultural products and their principal raw agricultural commodity to seek countervailing duties and antidumping remedies before the U.S. International Trade Commission.

Section 18. *Authorization of Appropriations:* Allows appropriations of such sums as may be necessary to carry out this Act.

S. 1049

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Fair Trade Act of 1985".

INTERMEDIATE EXPORT CREDIT

SEC. 2. Section 4(b) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: "In addition, the Corporation may guarantee the repayment of loans made to finance such sales.";

(2) in paragraph (2)—

(A) by inserting ", and no loan may be guaranteed," after "financed";

(B) by striking out "or" at the end of clause (A);

(C) by striking out the period at the end of clause (B) and inserting in lieu thereof "; or"; and

(D) by inserting at the end thereof the following new clause:

"(C) otherwise promote the export of United States agricultural commodities.";

(3) by redesignating paragraphs (3) through (9) as paragraphs (4) through (10), respectively;

(4) by inserting after paragraph (2) the following new paragraph:

"(3) Export sales of agricultural commodities financed or guaranteed under the provisions of this subsection must—

"(A) to the maximum extent possible, be made to purchasers from countries that are previous recipients of credit extended under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.); and

"(B) be made to purchasers from countries unable, as determined by the Secretary, to utilize other short-term export credit programs offered by the Secretary or the Commodity Credit Corporation.";

(5) in paragraph (4) (as redesignated by paragraph (3) of this section)—

(A) by inserting "or guarantees" after "financing";

(B) by striking out "and" at the end of subparagraph (C);

(C) by striking out "credit" in subparagraph (D);

(D) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(E) by adding at the end thereof the following new subparagraph:

"(E) otherwise to promote the export sales of agricultural commodities.";

(6) in paragraph (5) (as redesignated by paragraph (3) of this section)—

(A) by inserting "or guarantees" after "financing"; and

(B) by striking out "to encourage credit competition, or";

(7) in paragraph (6) (as redesignated by paragraph (3) of this section)—

(A) by inserting "(A)" after the paragraph designation;

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(C) by adding at the end thereof the following new subparagraph:

"(B) Contracts of guarantee under this subsection shall contain such terms and conditions as the Commodity Credit Corporation shall determine.";

(8) by inserting "or guarantees" after "financing" in paragraph (7) (as redesignated by paragraph (3) of this section);

(9) in paragraph (8) (as redesignated by paragraph (3) of this section)—

(A) by inserting "or guarantee" after "finance" each place it appears; and

(B) by inserting "or guarantee" after "financing" in subparagraph (B);

(10) by inserting "or guaranteed" after "financed" in paragraph (9) (as redesignated by paragraph (3) of this section); and

(11) by inserting at the end thereof the following new paragraph:

"(11) For purposes of financing or guaranteeing export sales under this subsection, the Commodity Credit Corporation shall make available—

"(A) no less than $1,000,000,000 for each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988; and

"(B) no more than $1,000,000,000 for each of the fiscal years ending September 30, 1989, September 30, 1990, and September 30, 1991.".

EXPANSION OF MARKETS FOR UNITED STATES AGRICULTURAL COMMODITIES AND PRODUCTS

SEC. 3. (a) Notwithstanding any other provision of law, the Secretary of Agriculture may formulate and carry out a program under which agricultural commodities, including but not limited to wheat, feed grains, upland cotton, rice, and milk, and the products thereof, acquired through price support operations by the Commodity Credit Corporation, and any other agricultural commodities that are determined by the Secretary of Agriculture to be in surplus supply and that can be purchased with funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), are provided to United States exporters and users and foreign purchasers at no cost to encourage the development, maintenance, and expansion of export markets for United States agricultural commodities and the products thereof, including value-added or high-value agricultural products produced in the United States.

(b) In carrying out the program authorized by this section, the Secretary of Agriculture shall—

(1) take such action as may be necessary to ensure that the program provides equal treatment to domestic and foreign purchasers and users of United States agricultural commodities and the products thereof in any case in which the importation of a manufactured product made, in whole or in part, from a commodity or the product thereof made available for export under this section would place domestic users of the commodity or the product thereof at a competitive disadvantage;

(2) to the extent that agricultural commodities and the products thereof are to be provided to foreign purchasers during any fiscal year, consider for participation all interested foreign purchasers, giving priority to those who have traditionally purchased United States agricultural commodities and the products thereof and who continue to purchase such commodities and the products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period;

(3) ensure, insofar as possible, that any use of agricultural commodities or the products thereof made available under this section be made in such manner as to encourage increased use and avoid displacing usual marketings of United States agricultural commodities and the products thereof; and

(4) take reasonable precautions to prevent the resale or transshipment to other countries, or use for other than domestic purposes in the importing country, of agricultural commodities or the products thereof made available under this section.

(c)(1) If a foreign purchaser sells in the importing country agricultural commodities or the products thereof received from the Secretary of Agriculture, under the authority of this section, and uses the receipts from the sale of such commodities or the products thereof for the construction or rehabilitation of facilities in the importing country to improve the handling, marketing, storage, or distribution of United States agricultural commodities or the products thereof in such importing country, such purchaser shall be eligible to receive supplemental distributions of agricultural commodities or the products thereof under this section.

(2) Supplemental distributions under this section shall be made with such commodities or the products thereof, at such intervals and in such amounts as the Secretary determines appropriate, taking into account—

(A) the extent to which facility improvements have been made,

(B) the capability of the importing country to distribute or otherwise use additional commodities or the products thereof, and

(C) such other factors as are determined appropriate by the Secretary that are consistent with the purposes of this section.

(d) The Secretary of Agriculture shall carry out the program authorized by this section through the Commodity Credit Corporation.

(e) The Secretary of Agriculture may issue such regulations as the Secretary deems necessary to carry out this section.

(f) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary of Agriculture or the Commodity Credit Corporation under any other provision of law.

EXPORT TRANSPORTATION OF AGRICULTURAL COMMODITIES

SEC. 4. (a) Except as provided in subsection (b), section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) and the Joint Resolution of March 26, 1934 (48 Stat. 500, 46 U.S.C. 1241-1) (commonly referred to as the "cargo preference laws") shall not apply to export activities of the Department of Agriculture or Commodity Credit Corporation under which commercial credit guarantees are blended with direct interest-free credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities and the products thereof.

(b) This section shall not apply to any export activity undertaken to carry out any agreement entered into prior to the date of enactment of this Act.

TRADE NEGOTIATIONS

SEC. 5. (a) Congress finds that—

(1) open and fair trade is essential to economic growth and prosperity in the world today;

(2) unfair trade practices of many countries have had adverse effects on exports of United States agricultural commodities, United States producers, and the international trading environment;

(3) many of these practices have been predatory in nature and constitute gross violations of free and fair trade principles;

(4) such unfair trade practices include export price subsidies, export credit subsidies, predatory marketing arrangements, and tariff and nontariff trade barriers;

(5) such unfair trade practices distort market signals, add volatility to the trading environment, increase government expenditures, inhibit economic development abroad, and discourage or prohibit the importation of United States agricultural commodities and the products thereof;

(6) the United States trading system is the most open in the world, as is evidenced by the continuing merchandise trade deficits of this country;

(7) all other major grain producing nations have refused to join the United States in attempts to reduce surpluses of agricultural commodities, and such nations have, in fact, taken advantage of United States efforts by increasing production of major agricultural commodities;

(8) the United States holds and stores a disproportionate level of supplies of agricultural commodities in time of surplus;

(9) the United States world market-share in the case of many agricultural exports has been reduced as a result of unfair trade practices;

(10) in order to establish market oriented domestic farm policies in the United States, American producers must be assured of equity in the international trading environment;

(11) more effective rules governing international agricultural trade must be established to provide greater market access for all countries and to curb the use of export subsidies that have hindered agricultural exports of the United States and other countries; and

(12) failure to find multilateral and bilateral solutions to international trade problems, the most desirable form of trade conflict resolution, will increase the likelihood of unilateral action on the part of the United States to protect American markets and producers.

(b) It is the sense of Congress that the President should, at the earliest practicable time after the date of enactment of this Act, initiate a new round of multilateral trade negotiations with the trading partners of the United States for the purposes of—

(1) strengthening the General Agreement on Tariffs and Trade (GATT) in a manner that promotes a more open and fair world trading system;

(2) improving the dispute settlement procedures of GATT such that industries suffering from unfair trade practices will receive more expeditious relief and that affected contracting parties will abide by the decisions reached under GATT;

(3) bringing agricultural trade issues within the purview of strengthened and more effective GATT rules and procedures; and

(4) clarifying the intent of and bringing uniformity to the interpretation of Article XVI of GATT.

TARGETED EXPORT ASSISTANCE

SEC. 6. (a) For export activities authorized to be carried out by the Secretary of Agriculture or the Commodity Credit Corporation, the Secretary of Agriculture shall use—

(1) for each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, not less than $325,000,000 of funds of, or an equal value of commodities owned by, the Corporation; and

(2) for each of the fiscal years ending September 30, 1989, September 30, 1990, and September 30, 1991, such funds of the Corporation as the Secretary deems necessary or an equal value of commodities owned by the Corporation.

(b) The funds or commodities specified in this section shall be used by the Secretary for export assistance only in connection with agricultural commodities or the products thereof (1) which are determined by the Secretary of Agriculture to be in surplus supply in the United States and for which price support is made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), or (2) for which exports have been adversely affected, as determined by the Secretary, by price subsidies, credit subsidies, or unfair marketing arrangements or trading practices used by other countries in connection with their agricultural exports.

(c) The Secretary shall provide export assistance under this section on a priority basis in the case of agricultural commodities and the products thereof with respect to which there has been a favorable decision under section 301 of the General Agreement on Tariffs and Trade (GATT).

VALUE-ADDED, PROCESSED, AND PROTEIN-FORTIFIED PRODUCTS

SEC. 7. (a) Section 201 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721) is amended by adding at the end thereof the following new subsection:

"(c) In distributing agricultural commodities under this title, the President shall—

"(1) consider—

"(A) the nutritional assistance to recipients and benefits to the United States that would result from distributing such commodities in the form of processed and protein-fortified products, including processed milk, plant protein products, and fruit, nut, and vegetable products;

"(B) the nutritional needs of the proposed recipients of the commodities; and

"(C) the purposes of this title; and

"(2) take all feasible steps to ensure that an appropriate portion of such commodities distributed each fiscal year be in the form of processed and protein-fortified products.".

(b) Subclause (B) of section 1207(a)(5) of the Agriculture and Food Act of 1981 (7 U.S.C. 1736m(a)(5)(B)) is amended to read as follows: "(B) funding an export market development program for value-added farm products and processed foods at a higher funding level than that provided during the fiscal year ending September 30, 1985; and".

BARTER OF AGRICULTURAL COMMODITIES

SEC. 8. (a) Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended—

(1) in the fourth sentence—

(A) by striking out "is authorized," and inserting in lieu thereof "shall, to the maximum extent practicable, in consultation with the Secretary of State, and"; and

(B) by striking out "to";

(2) in the fifth sentence, by striking out "normal commercial trade channels shall be utilized and priority shall be given" and inserting in lieu thereof "the Secretary shall: (1) use normal commercial trade channels; (2) take action to avoid displacing usual marketings of United States agricultural commodities and the products thereof; (3) take reasonable precautions to prevent the resale or transshipment to other countries, or use for other than domestic use in the importing country, of agricultural commodities used for such exchange; and (4) give priority";

(3) in the seventh sentence, by striking out "Secretary of the Treasury" and inserting in lieu thereof "Administrator of General Services"; and

(4) by inserting after the seventh sentence the following new sentence: "If the volume of petroleum products (including crude oil) stored in the Strategic Petroleum Reserve is less than the level prescribed under section 154 of the Energy Policy and Conservation Act (42 U.S.C. 6234), the Corporation shall, to the maximum extent practicable, with the approval of the Secretary of Agriculture, and in consultation with the Secretary of Energy and the Secretary of State, accept petroleum products (including crude oil) produced abroad in exchange for agricultural commodities acquired by the Corporation and shall transfer the petroleum products, without reimbursement, to the Secretary of Energy to be placed in the Reserve.".

(b)(1) The Secretary of Agriculture shall encourage United States exporters of agricultural commodities and the products of such commodities to barter such commodities and products for foreign products needed by such exporters.

(2) The Secretary shall provide technical advice and assistance relating to the barter of agricultural commodities and the products of such commodities to any United States exporter who requests such advice or assistance.

CONTRACT SANCTITY

SEC. 9. It is hereby declared to be the policy of the United States—

(1) to foster and encourage the export of agricultural commodities and the products of such commodities;

(2) not to restrict or limit the export of such commodities and products except under the most compelling circumstances;

(3) that any prohibition or limitation on the export of agricultural commodities or the products of such commodities should be imposed only for reasons of national security and not for reasons of foreign policy; and

(4) that contracts entered into before the imposition of any prohibition or limitation

on the export of agricultural commodities or the products of such commodities should not be abrogated except under extraordinary circumstances.

TRADE CONSULTATIONS

Sec. 10. (a)(1) The Secretary of Agriculture shall require consultation between the head of the Foreign Agricultural Service and the heads of other appropriate agencies and offices of the Department of Agriculture, including the Administrator of the Animal and Plant Health Inspection Service, before relaxing or removing any restriction on the importation of any agricultural commodity or the product of any such commodity into the United States.

(a)(2) The Secretary of Agriculture shall consult with the United States Special Trade Representative before relaxing or removing any restriction on the importation of any agricultural commodity or the product of any such commodity into the United States.

(b)(1) The Secretary of Agriculture shall establish an advisory committee composed of three persons to advise, and make recommendations to, personnel of the Department of Agriculture who are to negotiate trade agreements, trade protocols, or trade procedures with the government of a foreign country with respect to a specific agricultural commodity or class of agricultural commodities or with respect to a specific product of an agricultural commodity. The Secretary shall appoint persons to any such advisory committee from the private sector who represent the interests of the agricultural industry concerned with such agricultural commodity, class of commodities, or product.

(2) The Secretary of Agriculture shall require personnel of the Department of Agriculture assigned to negotiate trade agreements, trade protocols, or trade procedures with the government of any foreign country with respect to a specific agricultural commodity or class of agricultural commodities or with respect to a specific product of an agricultural commodity to consult with the advisory committee established under paragraph (1) regarding agricultural practices and industry procedures before concluding any agreement with any foreign government on any agricultural trade matter pertaining to such agricultural commodity, class of commodities, or product.

AGRICULTURAL ATTACHÉ REPORTS

Sec. 11. (a) The Congress hereby finds—

(1) that aggressive trading practices on the part of foreign competitors are eroding the sale of United States agricultural commodities and the products of such commodities in traditional foreign markets of the United States and are inhibiting the expansion of sales of such commodities and products in other foreign markets;

(2) that export subsidies by foreign governments have severely undercut the sale of United States agricultural commodities and products in Third World country markets; and

(3) that accurate, adequate, and current data on the nature and extent of such subsidies has not been readily available to appropriate United States officials or to affected agriculture sectors in the United States.

(b) The Secretary of Agriculture shall require appropriate officers and employees of the Department of Agriculture stationed in foreign countries to prepare and submit annually, directly to the Secretary, detailed information documenting the nature and extent of programs in such countries that provide direct government support for the export of agricultural commodities and the products of such commodities. The Secretary shall also require such reports to identify opportunities for the export of United States agricultural commodities and the products of such commodities to the foreign countries in which the officers and employees are stationed.

(c) The Secretary shall compile the information contained in the reports each year and make such information available to the Congress and to other interested parties.

STUDY OF UNITED STATES SANITATION STANDARDS FOR IMPORTATION OF AGRICULTURAL COMMODITIES

Sec. 12. (a) The Comptroller General of the United States shall conduct a study of Food and Drug Administration standards that are currently in effect for imported food and agricultural products with a view to evaluating the effectiveness of such regulations and inspection procedures of the Food and Drug Administration to detect prohibited chemical residues and foreign matter in or on raw agricultural commodities and in packaged or prepared food products.

(b) The Comptroller General shall include in such study an analysis of the consistency of the Department of Health and Human Services and Department of Agriculture regulations prescribing food sanitation requirements and chemical residue standards for imported agricultural commodities and products and the adequacy of the procedures to enforce such requirements.

(c) The Comptroller General shall submit a report containing the results of the study to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives within one year after the date of the enactment of this Act together with such recommendations for administrative or legislative action as he considers necessary or appropriate.

IMPORT RELIEF STUDY

Sec. 13. (a) The Comptroller General of the United States shall conduct a study and evaluation of the data and documentation requirements of the United States International Trade Commission for obtaining relief against the importation of agricultural commodities and the products of such commodities, including relief under the so-called escape clause of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) and under the antidumping and countervailing duties provisions of section 303 and title VII of the Tariff Act of 1930 (19 U.S.C. 1303; 1671, et seq.).

(b) The Comptroller General shall submit a report containing the results of such study and evaluation to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives within one year after the date of the enactment of this Act together with such comments and recommendations as he considers appropriate. The Comptroller General shall also make the report available to all other interested parties.

LABEL OF ORIGIN STUDY

Sec. 14. The Secretary of Agriculture shall conduct a study to determine the desirability and feasibility of requiring all imported agricultural commodities and the products of such commodities to bear a label stating the country of origin of such commodities and products. The Secretary shall submit a report containing the results of such study to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives within one year after the date of the enactment of this Act together with such comments and recommendations as the Secretary may consider appropriate.

AGRICULTURAL RESEARCH

Sec. 15. The Secretary of Agriculture shall increase and intensify research programs conducted by or for the Department of Agriculture that are directed at developing technology to overcome barriers to expanded sales of United States produced agricultural commodities and the products of such commodities in foreign markets, including research programs for the development of procedures to meet plant quarantine requirements and improvement in the transportation and handling of perishable agricultural commodities.

FOOD FOR PROGRESS

Sec. 16. Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law—

"(1)(A) In order to use the food resources of the United States more effectively in support of countries that have made commitments to introduce or expand free-enterprise elements in their agricultural economies through changes in commodity pricing, marketing, input availability, distribution, and private sector involvement, commodities and the products thereof acquired by the Commodity Credit Corporation, which the Secretary determines meet the criteria specified in subsection (a), may be furnished by the Secretary to carry out agreements entered into by the President under paragraph (2) of this subsection.

"(B) Not more than 500,000 metric tons of commodities may be furnished under this subsection in each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.

"(C) The Commodity Credit Corporation may purchase agricultural commodities and the products thereof for use under this subsection if—

"(i) the Commodity Credit Corporation does not hold stocks of such commodities and the products thereof, or

"(ii) Commodity Credit Corporation stocks are insufficient to satisfy commitments made in agreements entered into under this subsection and such commodities and the products thereof are needed to fulfill such commitments.

"(D) No funds of the Commodity Credit Corporation in excess of $30,000,000 (exclusive of the cost of commodities) may be used to carry out this subsection unless authorized in advance in appropriation Acts.

"(2)(A)(i) The President may enter into agreements with developing countries to furnish commodities and the products thereof made available under paragraph (1) of this subsection to such countries to promote the implementation of private, free-enterprise agricultural policies for long-term agricultural development.

"(ii) Such commodities shall be furnished under this subsection on such terms and conditions as the President deems are in the public interest and will promote the objectives of this subsection. Agreements may provide for commodities to be furnished on a multi-year basis.

"(B) In determining whether to enter into agreements with countries for the furnishing of commodities under this subsection, the President shall consider whether a potential recipient country—

"(i) is carrying out, or is committed to carry out, policies that promote economic freedom, private, domestic production of food commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of such commodities, including policies that may provide for—

"(I) access, on the part of farmers in such country, to private, competitive markets for their products;

"(II) market pricing of commodities to foster adequate private sector incentives to individual farmers to produce food on a regular basis for the domestic needs of the country;

"(III) establishment of market-determined foreign exchange rates;

"(IV) timely availability of production inputs, such as seed, fertilizer, or pesticides, to farmers;

"(V) access to technologies appropriate to the level of agricultural development in the country; and

"(VI) construction of facilities and distribution systems necessary to handle perishable products; and

"(ii) is able to use the amount of commodities being considered for donation without disruption of the internal market of the country for domestically produced agricultural commodities and products.

"(3) An agreement entered into under this subsection shall prohibit the resale or transshipment of the donated commodities to other countries.

"(4) In entering into agreements with countries for the donation of commodities under this subsection, the President shall take reasonable precautions to avoid displacement of any sales of United States agricultural commodities that would otherwise be made to such countries.

"(5)(A) The provisions of section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) shall apply to commodities furnished under this subsection.

"(B) The cost of the commodities furnished under this subsection, and the expenses incurred in connection with furnishing such commodities, shall be in addition to the level of assistance programmed under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) and may not be considered expenditures for international affairs and finance.

"(6)(A) The President shall carry out the duties imposed on the President under this subsection through the National Security Advisor in the Executive Office of the President.

"(B) The National Security Advisor, with the approval of the Secretary, may use personnel of the Department of Agriculture in carrying out this subsection.

"(7) Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) and the Joint Resolution of March 26, 1934 (48 Stat. 500, 46 U.S.C. 1241-1) (commonly referred to as the 'cargo preference laws') shall not apply to any export activity authorized under this subsection.

"(8) Within one hundred and twenty days after the close of each fiscal year in which an agreement entered into with a country under this subsection is in effect, the President shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the status of such agreement and the progress being made to implement private, free enterprise agricultural policies for long-term agricultural development in such country.

"(9) This subsection shall be effective during the period beginning on October 1, 1985, and ending on September 30, 1989.".

PROCESSED AGRICULTURAL PRODUCTS

Sec. 17. (a) Section 771(4) of the Tariff Act of 1930 (19 U.S.C. 1677(4)) is amended by adding at the end thereof the following new subparagraph:

"(E) Special rule for processed agricultural products.—

"(i) In general.—In the case of a processed agricultural product, the term 'industry' means—

"(I) the domestic producers of such product; and

"(II) the domestic producers of the principal raw agricultural commodity which is a part of such product (as determined on the basis of the volume or value of such commodity produced), but only if producers of such raw agricultural commodity allege that they are materially injured, or threatened with material injury, by reason of the imports concerned.

"(ii) Processed agricultural product defined.—For purposes of clause (i), the term 'processed agricultural product' means any product of farm, forest, or fishery which has undergone processing beyond that customarily required to prepare such product for marketing in such product's natural form.".

(b) Notwithstanding any other provision of law, any petition for relief under section 702 or section 732 of the Tariff Act of 1930 which was filed before the date of the enactment of this Act may be refiled under such section.

AUTHORIZATION OF APPROPRIATIONS

Sec. 18. There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act.●

SOVIET HUMAN RIGHTS TREATY VIOLATIONS IN AFGHANISTAN

● Mr. **HUMPHREY**. Mr. President, our Nation and the world has just passed an historic landmark, the 40th anniversary of V-E Day in Europe. As part of our commemoration of the events and significance of that day, President Reagan visited the death camp at Bergen-Belsen, West Germany on May 5, where 64,000 people died by murder, torture, starvation, and disease.

In his speech at the wreath-laying ceremony at this camp, the President declared, "Beyond the anguish, the pain, and the suffering and for all time, we can and must pledge: Never again."

This moving and entirely appropriate response to the horror of the Holocaust will only have meaning if we keep that pledge. But unfortunately, despite our good intentions and many efforts to prevent it, the Holocaust is still with us—in Afghanistan today, where the Soviet Union is attempting to eliminate this ancient and free people from the face of the Earth and to destroy utterly their country.

Since 1945, there have been many attempts to prevent the repetition of the terrible crimes against people that occurred in the Nazi death camps, through the drafting of human rights and laws of war documents: The Geneva Conventions of 1949, the United Nations Universal Declaration of Human Rights of 1948, the Genocide Convention of 1948, the Helsinki accords of 1975, among others.

The Soviet Union, a signatory to each of these documents, is also a violator of each and every one of them in its planned extermination of the nation of Afghanistan, where it is employing the same tactics of murder, torture, starvation, and disease that were used in the Nazi death camps.

In an attempt to heighten our awareness of the continuing holocaust in Afghanistan, I intend to submit on a regular basis examples of violations of Soviet human rights treaties. We must face this new holocaust before it is too late and take concrete action to honor our pledge of "never again."

One of the foremost human rights documents is the Geneva Conventions of 1949, which was ratified by the Soviet Union in 1954. Article 3 to all four of the conventions prohibits the following acts against persons taking no active part in the hostilities: "Violence to life and person, in particular murder of all kinds, mutilation, cruel treatment and torture."

"The Report on the Situation of Human Rights in Afghanistan" prepared for the United Nations Commission on Human Rights by Mr. Felix Ermacora and submitted on February 12, 1985, states that according to eyewitnesses, there has been a planned campaign against civilians in violation of article 3 for the purpose of eliminating the population or driving them out of the country.

Mr. President, I ask that a section of the aforementioned report, entitled "Bombardment and Massacre of Civilians," appear in the Record.

The section follows:

Report on the Situation of Human Rights in Afghanistan; UN Commission on Human Rights

BOMBARDMENT AND MASSACRE OF CIVILIANS

Eye witnesses told the Special Rapporteur of alleged massacres of civilians during the bombardment of villages. According to these witnesses, such acts were part of a deliberate policy, especially over the last two years, to force the people to take flight. In this connection, one witness declared that the country's economy had been completely destroyed by the systematic bombing of rural areas housing about 85% of the population, and in fact occupied by the resistance and regarded as liberated zones.

Situations were brought to the notice of the Special Rapporteur concerning the bombing of refugees escaping from Afghanistan into Pakistan. For example, 300 families on their way to Pakistan had been bombed in the village of Ghagheharan in the province of Ghowr in October 1984.

The Special Rapporteur heard allegations concerning massacres, and he feels it necessary to draw the attention of the Commission by way of examples, to the following alleged cases:

a. On September 13, 1982, approximately 105 persons were killed in the village of Padkhwab-e-Shana in the province of Logar, including 61 victims from the village itself. In the course of an infantry operation in the village, the population, consisting of children, old people and a few combatants, took fright and hid in an underground channel used for irrigation (Karez). To dislodge them, troops poured a whitish liquid mixed with white powder into three outlets of the channel and set fire to it. Charred and decomposed bodies were brought out by the villagers. The corpses were said to include 12 children;

b. On October 12, 1983, in the villages of Kulchabat, Bala Karz and Mushkizi in the province of Kandahar, 360 persons were executed in the village square, including 20 girls and about 20 old people;

c. In March 1984, several hundred civilians were massacred in the villages of Dash-e-Bolokhan and Dash-e-Asukhan in the Kohistan region;

d. In November 1984, some 40 civilians were massacred in the village of Zirvq situated in the Urgun region after two weeks of steady bombardment. According to the witnesses, several houses were destroyed and the cattle decimated.●

NATIONAL DOWN SYNDROME MONTH

● Mr. D'AMATO. Mr. President, I rise today to join as a cosponsor of Senate Joint Resolution 40 introduced by my good friend and distinguished colleague, the senior Senator from Indiana. This resolution would designate the month of October 1985 as National Down Syndrome Month.

Down Syndrome is a genetic defect that causes mental retardation and is often associated with certain distinctive physical characteristics. Approximately one out of every 1,000 children is born with Down Syndrome. Medical researchers are aware that the defect occurs when one extra chromosome is attached during gestation of the fertilized egg. There is presently no known cure and this disease can strike anyone regardless of genetic or social background.

The Federal Government has responded to the needs of the handicapped, but much more needs to be done. We must improve upon our two pronged approach of providing assistance to those affected with Down Syndrome and the continuation of extensive research into this tragic disease.

Individuals born with the genetic disability have realized much improvement in the quality of life in the last two decades. Increased public sensitivity to the unique problems of educating and mainstreaming people has positively influenced teaching methods and facilities for people afflicted with Down Syndrome. This public awareness has also made available new and diverse special programming while personal and occupational therapy have enabled Down Syndrome victims to live longer and more productively.

It is my strong hope that the gains we have made in caring for sufferers of Down Syndrome will continue as we make inroads into the causes and possible prevention of Downs Syndrome in the future. For this momentum to continue, there must be public awareness and support. I urge my colleagues to join me as a cosponsor of Senate Joint Resolution 40.

BITBURG

● Mr. BIDEN. Mr. President, the visit to Bitburg is officially over, though in some ways it will not be over for many years. When I spoke on this floor prior to the President's departure for Germany, I joined 75 of my colleagues in passing a resolution that called for him to cut Bitburg out of his itinerary. He ignored our request,. bipartisan though it was, and he ignored the entreaties of millions of Americans, not all of them Jews.

When I spoke in this Chamber 3 weeks ago, I was concerned about the distorted message that the Bitburg visit would convey to the generations responsible for the future. I had in my mind a photograph: It is a picture of the President of the United States standing in a cemetery that contains graves of Nazi troopers, the notorious Waffen SS. The caption under the photograph explains that the President has just laid a wreath at this cemetery. And the photograph and caption appear in a history book, a history book that one of my children, perhaps a grandchild, is holding in front of me. And they will ask me a simple question: "Why?".

I have no answer to that question, Mr. President. And when I spoke on April 26, I explained why I could not answer that question. It was wrong to go to Bitburg, and I cannot and will not, now or ever, try to imagine some rational explanation for the President's decision.

But I find now that I have an additional concern. It was not enough that President Reagan even journeyed to that cemetery. I now find out, for Americans who traveled to Germany at the same time as the President, that people who had survived the Holocaust while many of their loved ones did not, were actually prevented from attending the ceremonies at the Bergen-Belsen concentration camp site, or even merely voicing their sentiments at the Bitburg gravesite.

At Bitburg, at the main crossroads of the small town, policemen with antiriot shields confronted an advancing crowd of Jews, many of them wearing the badge that accompanied their parents and their grandparents to their deaths: The six pointed yellow star bearing the word Jude. Others were kept far from the cemetery by the fences that had been erected around the town. The New York Times reported that the area declared off limits to demonstrations was enlarged by a jittery White House advance team. This was done even though permits for demonstrations were apparently not being issued anyway.

The scene at Bergen-Belsen was even more disturbing. Hundreds of West German policemen, with our own Secret Service agents at their side, sealed off the camp the night before the visit. One infuriated American rabbi, Rabbi Avraham Weiss of the Hebrew Institute in the Riverdale section of the Bronx, accused the White House of having ordered the West German police to seal the camp and bar Jews from protesting. One man, a 71-year-old survivor of Bergen-Belsen, was prevented from his weekly visit to the memorial—an act he has performed every Sunday since he was liberated in April 1945.

Mr. President, I am sensitive to the demands of security for the President of the United States. But I am concerned that in this case, the excuse of security was employed to expand the sealed off areas—and thereby to preserve the neat television imagery. And I am outraged that someone like Dimitri Pluchator, a survivor of Bergen-Belsen, was stopped from visiting the memorial, a ritual he has observed for 40 years of Sundays.

Norbert Blum, the West German Minister for Social Affairs, is reported to have approved the physical removal of some protestors with the words, "Quiet is important; dignity must prevail." If this administration does not realize that dignity can never prevail when the very people who suffered at these sites are prevented from participating in ceremonies 40 years later, then I am afraid that the moral amnesia, which is responsible for this trip in the first place, is far, far deeper than any of us imagined.

It would have been difficult for me to answer the child who asks me why the President went to Bitburg. It is impossible to explain why survivers and their children were not allowed at Bergen-Belsen. "It would have ruined the TV pictures" is the honest answer, and that is no answer at all for the 50,000 who died at Bergen-Belsen or for the millions who were a part of their suffering.●

ORDERS FOR TUESDAY, MAY 14, 1985

ORDER FOR RECESS UNTIL 2 P.M. TUESDAY, MAY 14, 1985

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 2 p.m., Tuesday, May 14.

The PRESIDING OFFICER. Without objection, it is so ordered.

NO ROLLCALL VOTES ON TUESDAY

Mr. DOLE. Mr. President, for the information of the Senators here, there will be no Monday session of the Senate next week, and there will be no rollcall votes on Tuesday unless it is a procedural matter beyond 5 p.m.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. DOLE. Further, Mr. President, I ask unanimous consent that following the two leaders under the standing order on Tuesday, there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD OF ROUTINE MORNING BUSINESS

Mr. DOLE. Following the special order just identified, Mr. President, I ask unanimous consent there be a period for the transaction of routine morning business not to extend beyond 3 p.m. with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. DOLE. Following routine morning business, Mr. President, it will be the intention of the majority leader to begin consideration of Calendar No. 84, S. 960, foreign aid authorization, and possibly turn to Calendar No. 47, S. 408, small business authorization.

RECESS UNTIL 2 P.M. ON TUESDAY, MAY 14, 1985

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 2 p.m. on Tuesday, May 14.

The motion was agreed to, and at 3:44 a.m. the Senate recessed until Tuesday, May 14, 1985, at 2 p.m.

51-059 O-86-12 (Pt. 9)

EXTENSIONS OF REMARKS

A HOLOCAUST SURVIVOR'S LETTER TO THE PRESIDENT

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. ACKERMAN. Mr. Speaker, I rise today to bring to the attention of my colleagues in the U.S. House of Representatives a letter written to President Reagan by Mr. Charles Feldman, who resides in my congressional district, in Rego Park, NY.

Mr. Feldman survived the Holocaust, although many of his family members did not. He wrote to the President several weeks ago, urging him not to visit the Bitburg military cemetery in Germany, where 49 of Hitler's elite SS stormtroopers are buried.

Mr. Speaker, this letter is unlike any I have ever read. Today is May 9, and President Reagan has been to Bitburg. But I bring Charles Feldman's letter to the attention of the Members of this body because we cannot afford to forget the atrocities of the Holocaust or who its true victims were.

The President has equated the SS guardsmen with the millions of innocent people butchered in Nazi death camps. Like many of us, Charles Feldman differs with the President. He saw Nazis shoot down entire families lined up in front of freshly dug graves. He was forced to load the dead and half-dead bodies of his friends and neighbors and their children into mass graves. He lived through the nightmare known as the Holocaust, and he does not equate the Nazi murderers with the children, adults, and elderly who were marched into gas chambers or firing squads.

In his letter, which follows, I have deleted the names of the victims he speaks of, to protect their families and friends still alive who may be unaware of the episodes Mr. Feldman recounts.

Mr. Speaker, it is not easy to read this letter, but I urge all of my colleagues to do so. It certainly was not easy to write, and Mr. Feldman is to be congratulated for his courage.

April 23, 1985.

Dear Mr. President: The furor which your forthcoming trip to Germany has evoked has finally prompted me to put down on paper a true story which I have been carrying inside for the past 42 years.

In the Fall of 1942 (end of September/beginning October) I was in the Zwolin Ghetto. The Nazis made an announcement that all Ghetto inhabitants were to assemble in the market square at a certain hour, bringing with them a small valise with personal belongings. Anyone not appearing as ordered would be hunted down and shot. As soon as this announcement was made, all the Jews in the Ghetto panicked. We were so tightly boxed in that no one could possibly escape without notice. I had Polish non-Jewish papers (forged, of course), but even so I could not escape from the Ghetto.

On the day everyone had been ordered to congregate in the market square a great panic broke out because Germans began shooting and terrorizing everyone haphazardly, just for the fun of it. When order was restored and the people were standing in the market square, the Ghetto was strewn with dead bodies and the streets were full of blood. The Germans organized the tens of thousands of Jews into lines and marched them out of the Ghetto and the town to a train station called Garbatka where they were herded and packed like cattle into train cars and sent to Treblinka. Ten members of my immediate family were among those sent away at that time.

While the people were marching, the Germans were shooting at them. How do I know this? Before the people were formed into lines to be marched away to the train station, the Germans picked out about 65 of 70 strong young men and kept them to one side. I was among them. After all the other Jews has been taken away from the Ghetto, we young men were still waiting in the market square, wondering what our fate would be and why we had been left behind.

Suddenly, from out of nowhere came a small child—a pretty, blond, girl aged about 4 or 5 years—clutching a piece of bread and an apple. She ran over to a young man in our group whom she recognized as being a neighbor from her town. She called out to him, . . . (his name) and ran to him, crying, "where is my Mama and Papa?". The man, . . . told her to go away, and he gave her a gentle push. The child went, but came back a little while later to Sumer. Again he gently pushed her away, but she continuously kept returning to him because she had nowhere else to go and no one else to go to.

Soon we found out why we had been kept back from marching with the others. The Germans ordered us to clean up the Ghetto and remove the dead bodies and take them for communal burial in a nearby cemetery. We rounded up about 150 bodies and took them to an already prepared communal grave, and threw them in. The little girl accompanied us all the time.

When I came up to the grave I saw several bodies already lying on the edge—not thrown in. These were people who had been caught outside the Ghetto, were marched back into the Ghetto and taken alive to the grave and had then been shot. One of these people was a man I knew from my home town—a neighbor by the name of . . . He was still alive but was unable to move. He recognized me and called my name. I could hardly recognize him as he had been shot and was covered with blood. He asked me if I knew anything about his parents, and said he couldn't die without knowing what had happened to his family. But I could not stand talking to him because the Germans were watching and I had to go back and pick up more bodies from the Ghetto.

Finally our task was finished and the last of the dead had been thrown into the grave. The little girl was still accompanying us. Then one of the guards picked up his rifle and aimed it at her, and fired. He missed, so he fired again, this time hitting her. She fell on the edge of the mass grave; her body motionless, ready to be thrown in with the rest.

I learned from the man she called . . . that this child was from a wealthy Jewish family who had entrusted her to a Polish non-Jewish family. They had paid with everything they had for this Polish family to keep and hide their child, but apparently after the parents had been sent out of the Ghetto the child was left to fend for herself.

Surprisingly enough we 70 young men were not killed and buried in that mass grave. The Germans kept us to clean up the Ghetto and help them remove all the Jews' belongings from the empty Ghetto houses. This took a few weeks. During that time on a particular afternoon I saw a wagon pulled by two horses and being driven by two Polish policemen whom I knew well, pass by the Ghetto. In the wagon was a young woman and a small child. The woman was . . ., a girl from my home town who I knew, and the child was her son. She spoke to me and said she and the little boy (not more than two years old) had been caught hiding, and she asked if I knew where she was being taken. I knew that she was being taken to Gestapo headquarters. However, as the wagon did not stop there was no opportunity for me to have any conversation with her. But I knew anyway what her fate would be.

Included in the 70 young men who had been kept for the clean-up work were a few Jewish policemen. One of them, the leader, was a man we had nick-named . . . As he was the lead and in close contact with the Gestapo to receive orders for us I asked him if he could help this mother and child. He told me there was nothing he could do to save them, and that in all probability they would both be shot. Then I asked him if he could arrange for me to be the one to bury them and say a quiet prayer for them, and he agreed.

The next day another prisoner and I went to dig a grave for this mother and her baby boy. We had nearly finished it and I was still in the hole when I heard movement above and a voice yelling at me in German, "hurry up, hurry up". I climbed out and saw . . . and the baby together with two civilian non-Jews and a Gestapo officer, whose name I knew was Heidt. When she saw me and the newly-dug grave, . . . became hysterical and began screaming to me that I should tell the world and her family what was happening. Then the German, Heidt, shot her dead and shot the baby in the neck. He then ordered me to bury them and I started first with . . . because her son was still alive. All the while I was silently reciting Kaddish, the memorial prayer for the dead, for her, but was loath to cover the child while he was still alive and I took my time. This did annoy Heidt and he began to kick the child and stomp him, crying out at him, "you cursed Jew, you don't deserve another bullet, I'll finish you off with my boots". And he did!

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

This is the first time I have related this story—which is just a part of what happened to me during the 66 months and 7 days I suffered during the Holocaust. I was herded from concentration camp to concentration camp, including the infamous Buchenwald, as well as several slave labor camps, and can recall many more harrowing experiences.

I have occasionally seen . . . sisters, . . . who are still alive and live in . . . New York, and I did see her brother . . . before he passed away two years ago, but I was unable to mention the story of . . . to any of them.

I have such a feeling of guilt, that is why I have been silent for over 40 years. But, hearing you speak on television last week and listening unbelievedly to you equate the SS men buried at Bitburg with my fellow Jews who were so horrendously put to death during the Holocaust, pushed me to let you know exactly how I feel. I just cannot be silent any longer, and I suppose I should thank you for your insensitivity which has made me speak up at last.

Mr. President, I regard your office with great admiration and esteem, because I feel that you represent all of the American people. As my President, as President of the thousands of Holocaust survivors and their families who are American citizens, as President of the hundreds of thousands of United States servicemen who imperiled and gave their lives to fight the maniacal Nazi regime, and as President of a freedom-loving, compassionate nation which has, through its social policies given new meaning to the very word "humanity", I sincerely implore you to now rise above political expediency. The cancellation of your plan to visit the cemetery at Bitburg will once again affirm the unique place of the United States of America among all nations in its persistent search for morality, human rights and individual dignity.

Respectfully,

Charles Feldman.●

ROSALIE CARTWRIGHT HONORED

HON. GENE CHAPPIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. CHAPPIE. Mr. Speaker, it is with great pleasure and pride that I am able to honor Mrs. Rosalie Cartwright today. Mrs. Cartwright is a first grade teacher from Durham Elementary School in California, and she will be retiring this year after 35 years of outstanding and dedicated service. Mrs. Cartwright has served as a model to her fellow colleagues, as well as to future teachers.

Mr. Speaker, Rosalie's dedication is exemplified by the long hours she puts in to help a child who may be struggling in school, or the extra time she spends to look for new ways to further challenge her students. If all teachers had the skills, dedication and love for kids that Rosalie has, our country's schools would rank higher than those of any other country. As a result of her outstanding teaching abilities, Rosalie earned the honor of the 1983 Durham Elementary School Teacher of the Year.

Mrs. Cartwright is well-respected and active in her community. In fact, it was her contributions toward the improvement of Durham, that moved her peers to name her "Woman of the Year" in 1984. Through her contributions she has instilled in her students the need for community service, participation in Government, and education.

Mr. Speaker, it is an understatement to say that Mrs. Rosalie Cartwright's presence will be missed in the halls of Durham Elementary School. I am proud to know, however, that unlike many who have passed through various work places, Rosalie will leave behind her a legacy of love, patriotism, and goodness. Rosalie, through her magical teaching touch, has enriched many lives. Her style and dedication is a challenge to us all.●

PROVIDING HUMANITARIAN AID FOR CENTRAL AMERICA

HON. FREDERICK C. BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BOUCHER. Mr. Speaker, during the debate on aid to the Contra forces in Nicaragua, I supported the Barnes-Hamilton proposal, which I believe would have provided the parameters for an effective U.S. policy toward Nicaragua.

The question of aid to the Contras apparently has not been put to rest. It appears that the failure of this body to approve an alternative plan and the untimely visit of Nicaraguan President Daniel Ortega to the Soviet Union are causing some Members who earlier opposed the Michel proposal for direct aid to the Contras to rethink their positions. While I share the dismay of many of my colleagues about Mr. Ortega's Moscow visit, I am also concerned that we may be led to respond to the visit by adopting a faulty policy of direct support for the Contras.

This Congress has an obligation to protect America's security and to enhance the security of our Latin American allies.

We can ensure that the Nicaraguan revolution is not exported beyond its borders by supporting the promising negotiations of the group of Contradora nations. This effort is our best hope of promising long-term Central American security in a way that is consistent with U.S. treaty obligations.

As we anticipate another round of debate on direct aid to the Contras, I would like to draw the attention of my colleagues to a statement signed by the executives of eight private and voluntary organizations. This statement sets forth the generally agreed-upon definition of humanitarian aid and may help to lend greater precision to our continuing discussions.

A Statement on the Nature of Humanitarian Assistance by U.S. Private and Voluntary Organizations

As a contribution to the appropriate framing of discussions of humanitarian aid, we as American private and voluntary organizations wish to state our views on the nature of humanitarian assistance and on the safeguards needed to protect its integrity in complex situations.

1. Under the Geneva Conventions, which have come to provide the established international understanding of humanitarian assistance, only civilians and not combatants have a claim on such aid. While there may be difficulty in certain circumstances in distinguishing between the two, providing humanitarian assistance to a military force is a contradiction in terms.

2. The Geneva Conventions recognize the role of third-party governments in assuring the rights of persons to humanitarian aid only in the case of such governments as are recognized as neutral by the parties to a conflict. The difficulties inherent in conflict situations have created problems for individual governments seeking to provide aid bilaterally and have resulted in greater reliance on the International Committee of the Red Cross and other impartial intergovernmental and non-governmental organizations whose activities are also recognized by the Conventions.

Such organizations are required by the Conventions to meet the following tests for humanitarian assistance: That the aid be provided strictly on the basis of need; that the aid be offered impartially to both parties; and that the organization provide guarantees of efficacy based on proven experience, independence from parties to the conflict, and recognized authority in the international community.

We believe that, particularly in complex and highly politicized situations, international organizations such as the International Committee of the Red Cross and the United Nations High Commissioner for Refugees offer the best hope of delivering assistance in non-political fashion to those in need. Their role needs protection and encouragement.

3. In international custom and convention, therefore, humanitarian aid is fundamentally aid which is provided because people are in need, not to accomplish certain political objectives. It is inconsistent with the nature of humanitarian assistance to condition its provision on achieving a ceasefire or on bringing warring parties to the negotiating table.

4. On many past occasions the U.S. government has provided humanitarian aid to those in need. We hope and expect this long and proud tradition to continue. In situations in which the U.S. government is not accepted as neutral by both parties to a conflict, U.S. bilateral assistance, even if provided exclusively through its disaster, refugee, or development offices, can hardly meet the international test of impartiality.

5. Similarly, American private and voluntary organizations such as ours have provided, and plan to continue to provide, humanitarian assistance as an expression of the concerns of private contributors. In doing so, many of us have used and will continue to use resources provided by governments, including the U.S. government.

Given the difficulties we frequently face in providing humanitarian assistance in highly conflictual situations, governments need to take special care not to compromise the impartiality of private agencies, expatriate or indigenous alike. We would also point out that just because an organization calls itself "private" and is channelling contributions from American citizens to people in other countries, its work does not thereby necessarily qualify as humanitarian.

6. Finally, we support the generous provision of humanitarian assistance by the United States through appropriate channels to refugees wherever they are in need.

Bob Ainsworth, Director, World Vision Relief Organization.

Norman E. Barth, Executive Director, Lutheran World Relief.

Asia A. Bennett, Executive Secretary, American Friends Service Committee.

J. Richard Butler, Executive Director, Interim, Church World Service.

Chris Cartter, Africa Program Coordinator, Grassroots International.

W. Eugene Grubbs, Executive Director, Interchurch Medical Assistance, Inc.

Peter Gubser, President, American Near East Refugee Aid, Inc.

John Hammock, Executive Director, Oxfam America.

Alden R. Hickman, Executive Director, Heifer Project International, Inc.

James MacCracken, Executive Director, Christian Children's Fund, Inc.

Theodore Wilde, Executive Director, Board of World Mission of the Moravian Church.●

QUOTA CLUB OF CORNING-PAINTED POST, NY, ASSISTS HEARING IMPAIRED

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. LUNDINE. Mr. Speaker, today, I have the honor of announcing a special occasion in my district. The Quota Club of Corning-Painted Post, NY, a nonprofit service organization of business and professional women, is spreading out across its own local district to raise money for the hearing impaired. The International Quota Club has proclaimed this week "Shatter Silence" week and made a concerted effort to raise our consciousness and understanding about those who suffer from deafness, hearing difficulties and speech impairments.

We in Congress can learn a valuable lesson from this group's efforts because they do not merely seek to remind us of those disadvantaged by hearing impairments, but also try to educate us about the problems that these fellow Americans must face daily. In a time when we are constantly thinking about budget numbers, it is also important to remember the implications of these numbers. I hope we all make an effort to better understand the implications of our rhetoric. I commend the local Quota Club for their diligent efforts:

QUOTA CLUB OF
CORNING-PAINTED POST,
April 17, 1985.

Representative STANLEY N. LUNDINE,
Rayburn House Office Building,
Washington, DC.

DEAR MR. LUNDINE: Again this year we would like your support in proclaiming "Shatter Silence" week, May 6–12th for the Quota Club of Corning-Painted Post.

As you are aware, Quota is a non-profit service organization of business and professional women dedicated to the service of the hearing and speech impaired. Through "Shatter Silence" week we hope to create an understanding of deafness and hearing and speech impaired through our activities.

This is a world wide appeal through International Quota Clubs to raise funds for the hearing impaired. We are making a concentrated effort on May 9th. We will be located in various areas for contributions, all to be donated to the hearing impaired through our District 17.

We would appreciate your support in proclaiming the week of May 6–12th as "Shatter Silence" week and helping us to truly Shatter Silence.

Thank you in the name of Quota.

Sincerely,

JOSEPHINE WARREN,
Shatter Silence Chairman.●

WE SHOULD ENACT H.R. 445, TO PERFORM THE PRICE-ANDERSON ACT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. SEIBERLING. Mr. Speaker, this year the Congress must address the issue of what reforms are necessary in the Price-Anderson Act. I am very pleased that the House Interior and Insular Affairs Committee has scheduled hearings on this important issue for the first week of June.

First enacted in 1957 when the nuclear industry was in its infancy, the Price-Anderson Act placed a temporary $560 million limit on total liability for an accident occurring at a nuclear powerplant or during the transportation of nuclear materials, regardless of the number of people injured or the severity of the injuries or property damage. As more nuclear plants have become operational, the limit has increased to $620 million.

However, this temporary limit is still on the books after 25 years of inflation, and despite the fact that the industry is now mature. If the Three Mile Island accident had been more serious, the Federal Insurance Administration has estimated that property loss alone could have come to $17 billion. The Price-Anderson Act probably would have prevented many people from recovering more than a few pennies on the dollar for their damages.

Uncertainties remain about the chances of a major accident occurring at a nuclear powerplant. But it is certain that in the case of a major nuclear accident, the Price-Anderson Act forces the public to bear the burden of paying for whatever damages go beyond the arbitrary $620 million liability limit. I have introduced legislation, H.R. 445, which would remove this outdated limit on liability. Removing this limit would improve safety consciousness in the nuclear industry, and it would help provide adequate compensation to victims of a nuclear accident. I think that the following letter to the editor of the New York Times expresses the concerns of the public that reform of the Price-Anderson Act is absolutely necessary this year.

NUCLEAR INDUSTRY ACCOUNTABILITY

To the Editor:

More than 25 years after the first commercial nuclear power plant began generating electricity, the Nuclear Regulatory Commission still can't determine with certainty the chances of a meltdown ("By 2005, Nuclear Unit Sees 50–50 Chance of Meltdown," news article, April 17). One commission estimate states that over 20 years, the crude probability of such an accident is 45 percent, yet one commissioner estimates the risk between 6 percent and 99 percent.

The consequences of severe accidents also remain uncertain. Many analyses predict that some accidents could result in little or no release of radiation, while others could result in hundreds of billions of dollars in personal injury and property damage. Although the nuclear industry contends that the health effects of nuclear accidents are overstated, a recent study by a panel of scientists ("Scientists Question Studies on Nuclear Accidents," Feb. 24) concluded that several more years of review are necessary before estimates can be reduced for how much radiation would be released in a nuclear accident.

In the midst of this uncertainty, one point is clear. The public, not the nuclear industry, bears the burden of these risks. If an accident releasing large amounts of radiation occurs, damages suffered by victims of the nuclear accident could go uncompensated. Under the Price-Anderson Act, the nuclear industry is responsible for only about $620 million in damages. The financial consequences of a catastrophic accident at Indian Point 3, 25 miles north of New York City, have been estimated by a Government study at more than $300 billion.

No one, not even the Federal Government, is required to provide a single penny beyond the Price-Anderson limit. The Price-Anderson Act leaves the public unprotected and subsidizes the nuclear industry by shielding it from responsibility for its actions.

This year, Congress will consider the renewal of the Price-Anderson Act—which expires in 1987. The real questions should not be when, or how often, serious nuclear accidents will occur. Rather, Congress should be asking how to prevent these accidents, and if they do occur, how to compensate victims for damage to life and property.

Removing the Price-Anderson Act liability limits would both increase safety incentives and help insure public compensation. It is time that the burden of the risks and uncertainties be shifted off the backs of individual citizens and onto the nuclear industry.

KATHLEEN WELCH,
Consumer Lobbyist,
U.S. Public Interest Research Group.●

KEN BRAUN: A FRIEND AND A LEADER

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KEMP. Mr. Speaker, one of America's greatest strengths is its allegiance to the rule of law—law that is made by and for the people.

Our respect for the law is, to a large degree, engendered by the men and women who enforce it. We know what can happen to a country where the enforcers of the law exceed reasonable limits and punish the citizenry with excesses of every kind.

Yet, where there is respect of law by those who administer it, a society becomes not only well protected but ever appreciative of the law and those who are bound to uphold it.

Erie County has been truly blessed because for the past 9 years it has had a sheriff who epitomizes the very best in law enforcement. Kenneth Braun began his career in law enforcement 35 years ago. Several months ago, he decided to retire from his current post as Erie County Sheriff at the end of this year.

I have no doubt that there will be many tributes to Ken Braun as he completes his tenure in office—and deservedly so.

His awards, citations, and honors are many and distinguished. This soft spoken gentleman will humbly deny the significance of these designations but everyone in western New York knows better. Ken Braun is and always will be a model by which excellence in law enforcement is measured. He is a Sheriff's Sheriff.

On the occasion of his 35th year in law enforcement, I extend my warmest regards to Ken Braun and his family on behalf of the grateful people of Erie County. We wish him godspeed, and I am honored to call him a friend.●

JAMES MARKHAM CELEBRATES 30 YEARS IN RADIO

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. LEWIS of California. Mr. Speaker, I would like to take this opportunity to ask my colleagues to join with me, family and friends in honoring a truly remarkable man, Mr. James R. Markham. This year marks the 30th anniversary of Jim's outstanding participation in the radio business.

For the last 4 years, Markham has been doing an exceptional job for Best Communications, Inc. As vice president/general manager for Best, Markham's responsibilities covered four broadcast properties: KWG, Stockton; KWGF, Stockton; KNTF, Ontario; and KCKC, San Bernardino. His administrative expertise and creative management skills have helped to make Best's stations some of the leading stations in the area.

Jim's broadcast career began in 1956 when he worked as chief engineer for WAPL in Appleton/Green Bay, WI. At the same time, young Markham doubled as an air personality. His fascination with radio and the media grew from there. He worked in many radio stations across the country, from Hudson, NY, to Honolulu, HI, before he settled down in the San Bernardino area. In 1964, Jim went to Hong Kong for a year to work as director of engineering for Trans World Media, Inc. There he designed and built studios and installed two 10-kilowatt transmitters in Hong Kong and Macau, Asia.

In 1966, Jim returned to the United States and became an account executive for KMEN in San Bernardino, CA. From that point, Markham's career skyrocketed into administration and management, leading him to his present position at Best and culminating a 30-year involvement in radio.

An active community leader, Jim holds memberships in the San Bernardino Sister City League, the Louisville Foundation for the Arts, the Inland Empire Cultural Foundation, he is the president of the Inland Empire Broadcasters, a board member of the Inland Empire Basketball Officials Association, and in 1977, was chosen Boss of the Year by the American Business Women Association.

As the current general manager for KCKC in San Bernardino, Jim has demonstrated respect and admiration for the station's owner, Jerry Smaltz. Smaltz' foresight in purchasing the station and constructing its new headquarters in the heart of the Inland Empire is to be congratulated.

Mr. Speaker, I have always been filled with pride by the accomplishments of the people of my district. Jim Markham is another example of the kind of dedicated, hard working and professional citizens I represent. I am sure that the people of California's 35th District would agree that James Markham is a caring man, one who deserves to be recognized for his outstanding contributions to his community, his State, and the Nation.●

CAMBODIA: HUMANITARIAN, NOT MILITARY, AID

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. LEACH of Iowa. Mr. Speaker, when the House considers H.R. 1555, the foreign aid authorization bill, I plan to offer an amendment to strike section 206 which authorizes military assistance for the non-Communist Cambodian resistance and to substitute instead an authorization for humanitarian aid to the non-Communist Cambodians.

This issue is one of profound philosophical as well as practical implications. All Americans concerned with events in Indochina are sympathetic to the cause of the non-Communist Cambodians. However, it is not enough to conclude a cause is just. An assessment must also be made that U.S. involvement advances just goals. The first premise is met in the proposal by the House Foreign Affairs Committee to provide military aid to the non-Communist Cambodians; the second remains unproven.

Accordingly, in the strongest possible terms I would urge this body to reconsider whether military aid is justified at this time. It is my view that it may prove unconscionably costly in the toll exacted on human lives and from a geostrategic perspective it may prove to be tragically counterproductive. That conclusion, Mr. Speaker, is based on a number of considerations.

First, the need for U.S. military assistance has not been demonstrated to Congress. A recent letter to the House Foreign Affairs Committee from the Department of State reads in part:

> It is our understanding that the non-communist resistance is being provided with all the military equipment it can effectively absorb at this time. We do not believe, therefore, that it is necessary or appropriate for the United States to give weapons to the resistance now.

Second, U.S. military aid, no matter how small, will inevitably alter the indigenous character of this resistance movement and elevate it another notch to the level of a superpower confrontation.

Third, it is hard to believe that $5 million in military-oriented aid will really make a difference in the ability of the resistance to counter the world's third largest army. But while such publicly committed assistance is nowhere near enough to make much of a dent in the struggle, it is clearly more than enough to invest the national reputation and military prestige of the United States in an operation over which we have virtually no control.

Fourth, even the pledge of token U.S. military assistance at this point will raise unrealistic expectations among the resistance forces that the United States is committed to provide ongoing and increasing levels of military aid.

Fifth, and perhaps most tragically, the injection of a U.S. military component into the Cambodian struggle might provoke an unprecedented backlash by the Vietnamese forces against the resistance. U.S aid could in effect become an invitation to the genocide of the very people with whom we sympathize most. It may also invite Vietnamese aggression against Thailand, through whom, it is proposed we funnel U.S. military aid.

Sixth, ASEAN has taken the lead in this regional conflict and ought to continue to do so. The United States has demonstrated its awareness that it is in our national interest to promote the strength and stability of ASEAN by providing security assistance to various ASEAN member states for their national defense. The United States has no need to prove anything in this regard, and certainly not by reinvolving itself directly in Cambodia.

Seventh, U.S. military aid might hurt—rather than help—the prospects for a negotiated settlement. The Washington Post on April 2, 1985, quoted State Department spokesman Bernard Kalb as saying:

> U.S. supply of weapons to the resistance could create difficulties in reaching a negotiated settlement and in sustaining international support for the Cambodian cause by highlighting Cambodia as a U.S.-Vietnam conflict.

We do not need to give Vietnam an even greater rationalization to fight in Cambodia, nor should we happily welcome even the remotest possibility of associating ourselves once again with a failed venture against the Vietnamese Communists.

Eighth, it is ill-advised to provide economic support funds for military use when the policy, now in law, is to bar the use of economic aid for military purposes. It is also a dangerous precedent to provide aid through a third entity—in this case, Thailand—because the United States then loses sovereign control over how such aid is used.

Ninth, it is fantasy to believe the fledgling democratic resistance to the Vietnamese occupation will not be dominated by Pol Pot's forces. Yesteryear's war criminals are alive and well in Southeast Asia and despite high-minded desires to the contrary, there is no way at this time for the democratic resistance to avoid complicity with Khmer Rouge atrocities when they are in tactical alliance.

Tenth, there has not been reflected, to my knowledge, any great understanding in the American public that Congress is giving serious consideration to a military—albeit through support of proxy forces—reinvolvement in Indochina. I have grave doubts that the public would be enthused about such a policy and if Congress cannot commit the United States to aid of a determinative magnitude for the long haul, caution would seem, the wiser course. It is better to head off an explosive entanglement early than late.

The initiative for the change in U.S. policy regarding military assistance to the Cambodian resistance, presented by the House Foreign Affairs Committee, comes from the subcommittee of jurisdiction, with the initial opposition of the administration. Subsequent to subcommittee and full committee markup, the administration gingerly welcomed the approach of the committee but the language used by the administration reflected obvious misgivings.

It would appear that the committee put the administration in a catch-22. If it failed to give a sympathetic response to this congressional initiative, it might appear that it was undercutting the non-Communist forces. If it acceded to the committee fully, it risked reinvolvement in Indochina in ways that neither it nor the public seemed prepared to accept. Hence it chose the language of welcoming the Solarz initiative, but without abandoning its stated concerns about providing military assistance at this time. It was an understandable response but one that neither side in this debate should take as vindication for its policy approach.

While supporters of military assistance would argue that we cannot forever be paralyzed by our experiences in Indochina, skeptics can rightfully suggest that neither should we attempt to assuage our national guilt over our past involvement in Vietnam by embarking on a new military venture without a clear definition of the national interest involved and an equally clear concensus among the executive branch, the legislative branch, and the American public that the proposed course of action is in that interest.

A couple of weeks ago, a conservative administration disregarded the importance of law, domestic as well as international, in pressing Congress to provide military aid to the Nicaraguan Contras. It lost. Now, a liberal Congress may be prepared to disregard history in pressing the Executive to provide military aid to the non-Communist forces in Cambodia. It, too, should lose.●

MISSISSIPPI FARMER KEEPS VOW TO EDUCATE HIS CHILDREN

HON. WEBB FRANKLIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FRANKLIN. Mr. Speaker, one of my constituents, Robert Johnson of Hinds County, MS, has set an example that all parents could follow.

Mr. Johnson did not have the opportunity to attend college, but he made it a point to see that all his 14 children went. Mr. Johnson and his late wife sacrificed a great deal to see that all their children would have the opportunity to get an education. Last year, he saw his dream come true as his youngest son, Nathaniel, received his degree from Alcorn State University.

The Johnson family is quite a success story, and their story was recently recorded in Ebony magazine. I am pleased to have this opportunity to share it with my colleagues:

MISSISSIPPI FARMER KEEPS VÔW TO EDUCATE HIS CHILDREN—FAMILY DISCIPLINE WAS THE KEY TO A BETTER LIFE

No one ever had to tell Robert Johnson Sr., anything more than once. Even as a young husband and father trying to bring up a family in dirt-poor Mississippi, he knew right from the start that he didn't want to work at the local sawmill. It was hard, bone-crunching work and the pay was poor and the hours long. Still, he did it. After all, Robert Johnson had a growing family to feed and educate and clothe. But he had an independent streak about him, too, and more than anything else he wanted to be his own man. The only way he knew to do that was to farm the land his grandfather had divided among his three sons. A piece of the land was passed on to Johnson and over the years he had added to it. By Mississippi standards, the land was nothing to snicker at—175 acres between Bolton and Edwards near the Champion Hill Civil War battlefield—yet it was nothing to stagger the imagination either. But it was Jóhnson's land—free and clear. On it he would grow cotton, his money crop; sweet potatoes and peas for canning, and corn to feed the livestock. And he would be his own man and have the wherewithal to educate his children. That was important. Still, it was a chancy proposition at best, particularly for the small, independent Black farmer trying to survive in Mississippi's hostile racial climate of the 1930s and 1940s.

Robert Johnson looked evenly at the odds and made himself a promise—that none of his children, not one, would ever have to eke out a living from Mississippi dirt. Johnson and his wife, Ella Lorean Marshall, both strong, proud people, made a pact with each other which was no less curious than the two steel wills behind it—to send each of their children to college, no matter the personal sacrifice. Mrs. Johnson saw all but three of her 14 children graduate from college. She died in 1976 at age 56. And so the task fell to her husband Robert to do the witnessing for both of them. Last year, when Johnson, stooped and up in years, his hair now completely white, saw 22-year-old

Nathaniel receive his degree from Alcorn State University (the college where all but one of the Johnson brothers and sisters received their degrees) a dream had come true and Robert Johnson had lived to see it. He was 77 years old. The old man still farms, but now he doesn't have the same desire to work the land that he once had. "Now I can grow as much cotton as I want to, but I ain't got nobody to do it with. She's gone."

Education was a powerful motivator in the Johnson household. "We wanted to send the children to college to get them out from under the foot of others," Johnson says today. "We wanted them to stand on their own two feet."

None of this is to suggest, however, that Robert Johnson did it all himself. The truth is that he will be the first to tell you he had help—a lot of help. First, the chidren helped, all 14 of them, whose ages range from 22 to 50. "After college, I remained home," says Robert Jr., 45, a math teacher and assistant principal at Utica High School in Utica, Miss. "We had the task of seeing the other family members get an education. It was a team effort."

He recalls the time his mother had to sell her favorite cow, "O'Proudy" (the mother would always say how proud she was to own the cow), which had been given to her by her father a wedding present, to raise money for Robert Jr.'s first-year tuition at Alcorn State. The cow had been in the family 24 years. "My parents told me to take the money, pay my tuition and then to make the best of it," Robert Jr. remembers.

The children, for the most part, all worked while going to college, although in recent years the family made greater use of college loan and college grant packages.

There was special help, too. "I kept a switch in the corner and used it whenever there was a need to," Robert Sr., says. "I wasn't a mean parent, just strict."

The little white frame house that sits high atop a knoll between Bolton and Edwards was always abustle with the shrieks and the excitement and the laughter of children growing up. And if the work became too hard, or the mules pulled too far, the children had only to look at their parents, who worked twice as hard and twice as long as any of them, to dash any thoughts of complaining about doing too much. It was a tough discipline, but the children learned well.

Others would see it, too, the Johnson discipline, and the way the Johnsons children went about their college studies and then on about their lives. "To me, what stands out was that they were always studious," says Dr. Walter Washington, president of Alcorn State University and a former president of Utica Junior College, where all 10 Johnson brothers and four Johnson sisters attended. Thirteen later transferred to Alcorn State, the oldest historically Black land grant college in the nation (established in 1871), and one, Henry, the oldest son, transferred to Mississippi Valley State University. "They were good college citizens," the president continues, "always polite. There was never any disciplinary problem. And I don't remember any of them ever being out of school. They attended school every day. And I would see the father every time at every event the institution had." And for many years Mrs. Johnson was president of the local school P.T.A.

Education was always important to Robert Johnson, and it is not hard to understand why. He had excellent role models—his father and two uncles attended Alcorn State and his mother was a graduate of Tougaloo. When time came for Johnson himself to go to college, the opportunities just weren't there. "There was no high school for Blacks in Hinds County then," he explains. "Man, I had a time. But, I said, if I couldn't go to college I was going to walk proud; I was going to send my kids through school."

That, he did. "I remember when it was time for the two oldest girls [Marilyn and Earlean] to go to school," says son Bernard, 34, the postmaster at Alcorn State. "The girls needed money and papa went to the bank to get the money to send the girls to school. The banker asked papa, 'Robert, why don't you send them girls up north somewhere. They ain't got no business with an education.' Papa was mad. So we did a lot of extra work, picked peanuts and chopped cotton, because papa was determined to see those girls through school."

Robert Johnson was determined to see all 14 of his children through school. First, there were the two oldest girls, Earlean, 47, and Marilyn Lynn, 48. Both graduated from Alcorn State in 1959. Henry, the oldest boy, stayed back to help with the farm. When it was his time to go, after seeing most of his brothers and sisters through, he chose Mississippi Valley State, graduating in 1980. Today, he teaches industrial arts in Inverness, Miss. Earlean went on to get her master's in English from Tennessee State University and is now teaching in the Leighton (Ala.) Public School System. Marilyn got her master's from North Carolina A&T State University in Early Childhood Education and is an elementary school teacher in Indianola, Miss.

Robert Jr., graduated from Alcorn State the year after Marilyn and Earlean finished and later received a master's from Indiana University in education administration. Today, he teaches math and is an assistant principal at Utica High School in Utica. Two years after Robert Jr., graduated came Walter, 43, who now has a master's from Mississippi State University and teaches biology in Kosciusko, Miss. Emanuel graduated from Alcorn State in 1964, received his master's and Ph.D from North Carolina State University, and works for the U.S. Dept. of Agriculture. R.C., 40, finished Alcorn State in 1965, and went on to earn both his master's and Ph.D. from the University of Minnesota. He is currently an assistant principal at a junior high school in Minneapolis. Next out of Alcorn State was W.C., 38, who graduated in 1968, and would later receive a master's from Indiana State University. He is now working toward his doctorate's at the University of Minnesota in industrial planning.

Two years after W.C. graduated from Alcorn State, H.C., 36, finished. Today, he is working toward a Ph.D. in industrial arts education at the University of Southern Mississippi. Thirty-four-year-old Bernard finished Alcorn State in 1972, got a master's in education administration, and then returned to Alcorn as the college's postmaster. Mary, 32, graduated from Alcorn State in 1974, and Evelyn, 30, came out two years later. Today, Mary, with a master's from the University of Minnesota and another from Alcorn State, is a contract specialist with the Dept. of the Navy. Evelyn, who stayed at Alcorn State to get a master's in agronomy, is now an underwriter with the Federal Crop Insurance. In 1978, Carl came out of Alcorn State and four years later he received a master's from the University of Maryland. He is currently working for General Electric in Schenectady, N.Y. Nathaniel, the baby of the family, graduated from Alcorn State in 1983 and is working on a master's in agronomy at the University of Maryland.

"Mostly we managed by just working hard," says Robert Johnson Sr. "And I've kept my faith in God. He'll bless you. God blesses His people. We raised 14 children and none was ever sick. If I ain't been blessed, ain't nobody ever been blessed."●

FIFTIETH ANNIVERSARY OF THE RURAL ELECTRIFICATION ADMINISTRATION

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. MURPHY. Mr. Speaker, it is with great pride that I rise to praise the accomplishments of the Rural Electrification Administration (REA). I am pleased to join my colleagues in celebrating the 50th anniversary of the REA, established by President Franklin Roosevelt on May 11, 1935.

When the REA was established in 1935, only 6 out of every 100 Pennsylvania farms received electric service. Today, there are 13 rural cooperatives in Pennsylvania and virtually every corner of the Nation enjoys electric service, largely because of the work of the REA. In Pennsylvania, electric service has been extended to 99 percent of the Commonwealth's farms, where rural electric co-ops serve over 600,000 consumers.

My 22d Congressional District, a predominately rural region, is located in the southwestern corner of Pennsylvania. The presence of electricity made our rural area more attractive to business and industry, and helped stem the migration of young people to the city. The absence of electricity had kept rural economies tied almost exclusively to agriculture. Factories and businesses naturally preferred to locate in cities where electric power was available. If a rural person wanted more money than farming offered, he had no choice but to move to the city to locate other employment.

Today, like yesteryear, the rural electric co-ops are involved in their communities, helping with economic development and encouraging important services from transportation to health care. I commend this group of rural electric pioneers for their past and present dedication to a better quality of life for rural people. Thank you for your 50 years of service.●

FUELING THE U.S. ECONOMY

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KOLBE. Mr. Speaker, as the debate and discussion preceding the second White House Conference on Small Business scheduled for August 1986 take place, it is important to consider the conference agenda from a number of perspectives.

One such perspective is presented by Virginia Littlejohn, executive director of the Professional Services Council, Washington, DC, and president of the National Association of Women Business Owners, in a recent article in Inc. magazine.

Ms. Littlejohn suggests that the conference should focus on "a growth agenda" that emphasizes market forces and incentives, thus leading to fueling the U.S. economy for the rest of this centry and beyond.

She outlines an approach that would link specific Federal policies to critical national strategic goals. What is needed, Ms. Littlejohn asserts, is consensus on "overarching strategic objectives," rather than a "laundry list" of tactical recommendations.

Her thoughtful, stimulating comments are worthy of consideration by planners of the conference and those Members of Congress concerned with small business and the role it plays in the American economy.

THE SECOND WHITE HOUSE CONFERENCE

(By Virginia Littlejohn)

At the second White House Conference on Small Business, which is planned for August of next year in Washington, DC, we in the entrepreneurial community can stake out a dynamic growth agenda that will fuel this country's economy for the rest of this century and into the next. Or we can complain about this or that injustice, carp about this or that regulation, and fight for more federal handouts.

It all depends on how we answer one question: Is the conference about smallness, or is it about growth?

A conference focused on smallness would worry about the future of the Small Business Administration loan program, about how to define "small," and about bigger procurement set-asides for small business.

A conference devoted to a growth agenda, on the other hand, would emphasize market forces and incentives. It would seek to link specific tax, grant, and procurement policies to such national strategic goals as technological innovation, managerial ingenuity, productivity, job creation, industrial competitiveness, increased trade, and greater economic opportunity. Conversely, it would avoid further tinkering with programs that foster a business-welfare mentality and that treat the entrepreneurial sector as just another special interest rather than as a powerful engine of growth.

To formulate such an aggressive agenda, however, we will have to change the way we think. Five years ago, delegates to the first White House Conference on Small Business, myself included, formulated a laundry list of 60 tactical recommendations, many of which arose from narrow small-business themes, such as providing special consideration to veterans in business.

At the next White House Conference, we need to do more than draw up another laundry list. We need to think strategically about the future and its opportunities.

Establishing a consensus on overarching strategic objectives—and developing both an annual and a longer-range plan to achieve them—would give the entrepreneurial sector a strong and coherent voice in national debates over, for example, tax, foreign trade, and economic policies. This is the sort of influence we have never had before—because, divided and cacophonous, small-business factions have, in the past, effectively canceled out each other's lobbying efforts.

This strategy of consensus will require courage on the part of the small business associations. Each of them—the National Federation of Independent Business, National Small Business Association, National Association of Women Business Owners, Small Business United, the U.S. Chamber of Commerce, and others—will have to sacrifice some of its own pet issues for the larger goal. The strategy will demand self-discipline on the part of the individuals who help shape the conference agenda in the state meetings scheduled to take place during the next 18 months, and on the part of the conference delegates themselves.

All the parties involved will need some criteria by which to separate the narrow from the broad, the trivial from the significant. They will need to ask themselves:

Does this policy proposal meet the needs of the entrepreneurial sector? Does it foster economic growth? Will it encourage job creation, risk-taking, innovation, competition, more international trade, and enhanced industrial competitivesness?

Does it rely on incentives rather than regulations, carrots rather than sticks?

Does it mean more federal spending? If so, is there a substantial return on that investment?

Proposals that encourage smallness for its own sake, that discourage growth or emphasize regulations, that reward inefficiency and dependency, or that are too costly would be thrown out. Those that pass muster would become our national agenda for entrepreneurship and economic growth.

Concentrating on a few items of overriding strategic value, rather than on our usual plethora of issues, will enable the entrepreneurial sector not only to shape the public-policy debate, but to be far more effective in getting its agenda enacted as well.

Likewise, Congress should be urged to think in strategic terms. Our challenge is to educate policymakers to the fact that risk, entrepreneurship, innovation, and growth are not liberal or conservative issues; rather, they represent an urgent national priority that Congress must address if we are to maintain our industrial competitiveness, create jobs, and expand economic opportunity.

The 1980 White House Conference on Small Business developed visibility for small business issues, provided a grassroots education for a large number of people who had never before been involved in shaping public policy, and stimulated a wave of reform measures in Congress. The second White House Conference should aim to do more than just repeat the accomplishments of the first. It shoud embolden Congress to elevate risk, innovation, entrepreneurship, and growth to the status of national policies that propel the American economy into the twenty-first century.●

MOST DANGEROUS BILL OF THE YEAR

HON. RICHARD ARMEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. ARMEY. Mr. Speaker, in Tuesday's Dallas Times Herald, James Kilpatrick, a respected columnist, wrote about H.R. 700. I want to share this wisdom with my colleagues.

[From Dallas Times Herald, May 7, 1985]

MOST DANGEROUS BILL OF THE YEAR

(By James Kilpatrick)

Very soon now, the House of Representatives will take up the most dangerous bill of the year. If last year's precedent is any guide to this year's action, the House will whoop its approval. The bill is the marvelously named "Civil Rights Restoration Act of 1985."

That title is truly marvelous, is it not? It was deviced by the Leadership Conference on Civil Rights, and we can imagine the knee-slapping and the cries of "Hoo, boy!" that arose with this delightful invention. The Civil Rights Restoration Act of 1985! Who could vote against it?

Well, if the principle of federalism still has meaning, if separation is to be maintained between the public and private sectors of American life, if the heavy hand of federal regulation is not to be laid upon the whole of our society, members of Congress had better vote against this devious and deceptive little sleeper.

Let me explain. In 1972 Congress passed a law prohibiting sexual discrimination in "any education program or activity receiving federal financial assistance." In 1984 the Supreme Court considered a case involving Grove City College in Pennsylvania. The college did not discriminate against anyone; it accepted no direct federal aid; but it did enroll students who had received federal grants.

The Grove City case presented two questions: (1) By accepting students who received federal aid, was the college itself a recipient of federal aid? (2) If so, would antidiscrimination provisions of the 1972 act apply throughout the entire institution?

The high court said yes to (1) and no to (2). It held that the grants received by many Grove City students did not trigger "institution-wide coverage." The grant affected only the college's program of financial aid. The court's program of financial aid. The court's opinion set off an uproar among civil rights activists who yearned for a broader reading, and it led to the introduction last year of a bill to overturn the court's decision not only as the 1972 education act but as the opinion might affect three other civil rights acts as well. The bill roared through the House 370-32 but died in the Senate.

Now the bill is back. It is cosmetically disguised with fresh lipstick and an innocent wig. It wears this darling new title. It is being sold by its sponsors—chiefly Sen. Edward Kennedy, D-Mass., and Rep. Augustus Hawkins, D-Calif.—as just a little harmless measure that no friend of civil rights could oppose. The many sponsors do not acknowledge—perhaps they do not even know—the drastic reach of the bill to which they have given their names.

The bill is a tricker. Its ostensible purpose is merely to define what is meant by "program or activity receiving federal financial assistance." It says that for the purpose of enforcing civil rights laws, the term applies to "all of the operations" of various "entities."

Thus, if "any part" of a state or local government receives federal aid, every part becomes subject to the entire panoply of enforcement procedures. The bill would embrace "all the operations of a corporation, partnership, or other private organization." It would spread its net over every classroom in the nation. Its enforcement would demand whole armies of federal inspectors and bureaucrats to review compliance reports.

The bill contains a slippery clause that slides easily past the eye. The bill's purpose is to restore the interpretation of the several civil rights acts "as previously administered." The effect of that sly little provision is to write into statutory law thousands of regulations contrived by the brueaucracy over the past 20 years. These interpretations, once validated by the pending bill, would be greatly strengthened and broadened. Utah's Sen. Orrin Hatch, who led the battle against the 1984 bill, says the 1985 version is "even worse." He is absolutely right.

The bill is not a bill "to restore" anybody's civil rights, for no civil rights were taken away by the Grove City case. It is a bill to expand federal power into every aspect of our public and private life.●

PENNSYLVANIA AMERICAN LEGION AUXILIARY HONORS NATIONAL PRESIDENT HELEN ADAMS GARDNER

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. GEKAS. Mr. Speaker, on Wednesday, May 22, the Department of Pennsylvania in the American Legion Auxiliary will honor their national president, Mrs. Helen Adams Gardner.

Mrs. Gardner was the 64th person elected to the post of national president for the auxiliary last September. At that time she emphasized her goal of bringing national attention to the issue of adult illiteracy in our country. She also stressed the importance of teaching reading and writing fundamentals to our students. Her theme in this regard is "Invest in America."

It appears that Mrs. Gardner's theme for herself has always been "Invest in America." She has invested her time and effort to many causes in her work with the auxiliary, as well as in hospital, church, and community affairs. Certainly the investments of her time have benefited many Americans, and we express our gratitude for her hard work.

It was in 1955 that Mrs. Gardner first joined the auxiliary, and she began her tenure in a leadership position as the charter president of Greenacres City Unit No. 258. She has been the chairperson of several committees, and was leadership development chairman in 1969-70. Before her election last September, she served as national vice president. As we have come to see, this woman has been in the forefront of developing the American Legion Auxiliary into what it is today.

As mentioned earlier, this energetic woman has also been deeply involved in hospital work, as she recently retired as assistant director of nursing at John F. Kennedy Memorial Hospital in Atlantis, FL. Her work now will be devoted to auxiliary work, and for that I know the Department of Pennsylvania is thankful. The national presidency is indeed in capable hands.●

REA—A PENNSYLVANIA SUCCESS STORY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KANJORSKI. Mr. Speaker, earlier this week I engaged in a colloquy with my friend and colleague from Missouri on the importance of explaining the national benefits of REA's work to Members from urban districts. All of the Nation, urban, rural, and suburban alike benefits from universal telephone and electric service.

Today, as REA enters its second half century of service to our Nation, I'd like to highlight the benefits that REA has brought to my district in northeastern Pennsylvania.

It is difficult to imagine a life without electricity. But only 50 years ago, less than 10 percent of all Americans did not enjoy the many benefits that electricity provides. The private power companies that served the cities and towns did not find it technically possible or economically feasible to run lines into the country. "The countryside is too rugged and too sparsely populated to run electric liens," they said. They added, "even if we did run lines, the farmers would not use enough electricity to make the investment pay for itself."

The people who wanted electricity—who needed electricity—knew, however, that, if they worked together, they could get electric service. They decided to form their own electric utilities and to organize them as nonprofit, consumer-owned cooperatives. They were very familiar with the cooperative form of doing business. For decades, they had purchased seed and equipment from supply cooperatives and had sold the fruits of their labors through marketing cooperatives. They knew that, by joining together in cooperatives, they could bring the weight of their collective strength to bear on the problems that faced them. They knew that cooperatives could provide them with strength beyond their numbers.

Although the Rural Electrification Administration had been established by FDR on May 11, 1935, it took a while for news about the new Federal program to spread and for local community groups to get organized. In my district, the Sullivan County Rural Electric Cooperative had its first REA loan approved on October 3, 1936, and the first line was organized more than a year later in December 1937. It is interesting to note that Sullivan County REC was 1 of only 2 of Pennsylvania's 15 rural electric cooperatives to have a college-educated manager. In most cases, a local resident or member of the construction crew that built the cooperative's first lines was chosen to be its manager.

The conditions Sullivan County Rural Electric Cooperative had to deal with when it was established and, indeed, continues to deal with, highlight the need for the Rural Electrification Administration.

The area Sullivan serves is extremely remote and rugged. The area is known as Pennsylvania's Endless Mountains, and includes World's End State Park. That gives you an idea of what the countryside is like there. Sullivan's service territory includes dairy farms nestled in the valleys and sawmills that process the stands of large native hardwoods. If it were not for the financing programs of the Rural Electrification Administration, I believe it's fair to say that there might still today be some areas of Sullivan County without electric service.

Another situation that creates problems for Sullivan County REC is the fact that about half of its members are seasonal. By and large, they are city people who own summer homes and hunting camps so that they can enjoy nature's bounty in this beautiful area. Despite the fact that seasonal members' dwellings are not their full-time residences, they expect to have electricity available when they flip the switch. It is not uncommon to see a single phase distribution line stretch for miles down an isolated mountain road serving only a few consumers. But the cooperative is dedicated to the concept of area coverage, providing electric service to everyone who wants it and at uniform rates.

Rural electric cooperatives, with the help of the Rural Electrification Administration, have done much to change the face of rural America. They have increased the standard of living of all rural people and have vastly increased the productivity of American farmers so that they today feed our Nation and help feed a hungry world. We all owe a debt of gratitude to America's rural electric cooperatives for the work they have done and for their willingness to stand ready to meet the challenges of the future.●

ONE HUNDRED YEARS OF UKRAINIAN IMMIGRATION

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. DioGUARDI. Mr. Speaker, I rise before this body today to celebrate 100 years of Ukrainian immigration to the United States.

The Ukrainian people have made great contributions to business, to the arts and culture, and to the religious heritage of our Nation.

As we honor the sons and daughters of the Ukraine, let us not forget that the homeland of their ancestors remains under the grip of Soviet tyranny.

I am honored to represent an area that has many Ukrainian-American families. In particular, the city of Yonkers is an area where Americans of Ukrainian descent have enriched our lives. From my friends there, I have learned a great deal, not only about the culture of Ukrainian-Americans, but also of the suffering they have endured in their quest for freedom.

The Ukrainian people have found America to be a land where they can fulfill their dreams, worship as they please, and participate in a representative democracy. In the old country, the Ukrainian people enjoyed these freedoms, but only for a few short years after the independence of their nation on January 22, 1918. Then came the invasion by the Soviet Red army followed by actions of the Stalin dictatorship to collectivize the agricultural regions of the Ukraine. A massive famine in the Ukrainian nation was the result of this policy. As the famine ended, the Ukrainian people were subjected to a litany of horrors; the horrors of armies marching through their homeland and the horrors of the Nazi occupation. After the conclusion of World War II, the Soviet dictators tried repeatedly to quash the national spirit of the Ukrainian people.

In the Ukraine today, the Soviet invaders have outlawed the practice of religion. They have outlawed the right of the Ukrainian people to speak their native tongue in their classrooms. They have sought to destroy the Ukrainian nation, but the Ukrainian people fight on. Their dreams of freedom, while a reality in America, cannot be destroyed by the tyranny of the Soviet dictatorship.

I join with my friends of Ukrainian ancestry to share that dream. I know one day that dream will come true. The Ukraine will live again. Thank you, Mr. Speaker.●

IT WAS NOT "MORALLY RIGHT" MR. PRESIDENT

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BORSKI. Mr. Speaker, on Sunday, we shared a sense of sadness that President Reagan went through with his decision to visit the cemetery at Bitburg. It was wrong, morally wrong.

Congress knew it was wrong. We told him so in letters and telegrams and resolutions. In fact, both the House and the Senate passed resolutions by overwhelming margins urging that this visit not be made.

The American people knew it was wrong. But the voice of American veterans and Holocaust survivors and many other good Americans were not heard by President Reagan.

That is why Sunday was a day of sadness.

The presence of the President of the United States at the gravesites of Nazi SS soldiers speaks louder than any words President Reagan might say as explanation.

That visit defamed the honor of our veterans who fought and died against Nazi tyranny to bring freedom to the world. It disgraced the memory of the millions of Holocaust victims by honoring their murderers.

That is why Sunday was a day of sadness.

President Reagan's visit to Bitburg was designed to be a symbol or reconciliation; it was a symbol, but not of reconciliation. There can be no reconciliation with the genocide of the death camps. There can never be reconciliation with the evil that was manifested by the Nazi SS. Instead of being a symbol of reconciliation, President Reagan's visit was a symbol of insensitivity, pain, and sadness.

What makes the visit to the cemetery at Bitburg even more striking is that a symbol of reconciliation could have been easily achieved without the anguish that characterized the President's chosen action. The appropriate symbolism required to show reconciliation between two democratic allies would have been a Presidential visit to a site manifesting democratic ideals. Many possibilities were available, including the gravesite of Konrad Adenauer whom many consider the father of modern democratic West Germany, but the possibilities were all ignored. Adenauer's gravesite was added as an afterthought but not as a replacement for Bitburg.

That is why Sunday was a day of sadness.

As the son of a World War II veteran, I was appalled that President Reagan would choose to bring honor to the very enemy my father fought 40 years ago. Fortunately, my father returned home from the war, but 405,399 other fathers, brothers, and husbands did not. More than 19,000 American soldiers lost their lives in the Battle of the Bulge, but the President chose to lay a wreath at the cemetery where Nazi soldiers they fought are buried. Was the President so certain that not one of the Nazi SS soldiers buried at Bitburg had taken part in the massacre of bound American POW's at Malmedy?

In planning the visit to West Germany, the President announced that he would lay a wreath at the cemetery in Bitburg, but that he would not visit the site of a concentration camp because it would "reawaken memories" of the Holocaust. Later, Bergen-Belsen was added to the itinerary. The presence of the American President at Bergen-Belsen is a very important symbol of remembrance. Its importance should not have been diminished by using Bergen-Belsen to balance the stop at Bitburg.

The President made the situation even more painful by equating, as victims of Nazi tyranny, the German soldiers buried at Bitburg with the millions who were murdered in the death camps. I was outraged by this breach of President Reagan's moral responsibility as the leader of the free world and immediately sent him a telegram to tell him so.

I have been to Yad Vashem—the Holocaust memorial in Israel—and participated a few weeks ago in the Yom Hashoa memorial service for the 6 million—which included the Inaugural American Gathering of Holocaust Survivors—in Philadelphia. These experiences reinforced my belief that the balancing of Nazis and their victims, or of Bitburg and Bergen-Belsen, is a moral impossibility. Remembrance was the only reason to go to Bergen-Belsen, and was the reason not to go to Bitburg.

That is why Sunday was a day of sadness.

Mr. Speaker, the impact of the President's decision will not pass merely because the event is over. The hurt is very deep and the sadness will not go away.●

SACRAMENTO CHAMBER VISITS HILL

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FAZIO. Mr. Speaker, this week marks a milestone in the history of the Sacramento Metropolitan Chamber of Commerce. One hundred and thirty-two volunteer lobbyists from the greater Sacramento region devoted 3 grueling days to furthering our shared goal of educating Capitol Hill and the administration about the needs and hopes of our community.

This visit marks the 15th year of this important and valuable venture. In its 15-year history, this trip has grown from five chamber members and one topic to the scores of activists and dozens of topics that comprise it today. On this trip, 15 separate teams kept 110 appointments to discuss 77 subjects. The topics ranged from military matters to the arts.

The chamber of commerce and the community leaders here this week represent the finest tradition in democratic governance. I know of no community in this great Nation that surpasses in diligence and commitment the citizenry represented by this delegation. Sacramento's wisdom in sending this group to Washington is evidenced by the positive response they receive. This annual event is one that has served our community well and I trust it will continue to do so far into the future.●

CUYAHOGA VALLEY NATIONAL RECREATION AREA

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. SEIBERLING. Mr. Speaker, I would like to draw Members attention to a recent article by David B. Cooper in the Akron Beacon Journal about the Cuyahoga Valley National Recreation Area, a beautiful park in Ohio which Congress created and which is currently celebrating the 10th anniversary of its formal dedication by the National Park Service.

In his article, Mr. Cooper eloquently describes the history of the park and some of the many natural and historic treasures of the Cuyahoga Valley itself.

Last year, according to National Park Service figures, an estimated 900,000 people visited the park, and this does not include attendance at other State or local parks or privately run recreation facilities—such as the Blossom Music Center, Hale Farm and Homestead, Brandywine or Boston Mills ski areas—which are located within the park boundaries. From my own calculations, adding in these and other sites within the park, the Cuyahoga Valley attracts between 5 and 6 million visitors each year.

As Mr. Cooper notes, the park has been planned and organized well by the National Park Service. And he gives appropriate credit to Lewis Albert, the Park Service superintendant of the Cuyahoga Valley National Recreation Area under whose able leadership the park has flourished in recent years.

Although Mr. Cooper kindly gives credit to me and our colleague, Mr. REGULA, for our efforts on behalf of the park, I would like to note that several others also deserve much credit, including our current Senators GLENN and METZENBAUM, former Senator Taft and former Represenative Charles Vanik, to name a few. The park was and still is a bipartisan effort in the Congress.

Clearly, the Cuyahoga Valley National Recreation Area serves not only present generations but future ones as well. Mr. Cooper states it thoughtfully:

> In 2075, as the Cuyahoga Valley Park is nearing its 100th anniversary, its creation will be thought of universally as one of the wisest and most enduring decisions made by this region. In the meantime, it is a place of beauty to visit often, a place in which to refresh the body and soul and to enjoy the richness of the land.

Mr. Speaker, following my remarks at this point I would like to insert the full text of Mr. Cooper's excellent article.

THE BEAUTIFUL VALLEY BECKONS

(By David B. Cooper)

We walked through the whispering wonder of the woods, enjoying a beautiful day and the marvels of spring bursting forth from every limb and bush.

We had taken the Boston Run Trail, just off route 303, across from the Happy Days Visitor Center in the Cuyahoga Valley National Recreation Area.

It is a gentle, interesting trail that makes you puff only a time or two. Boston Run takes the walker, jogger or cross-country skier on a flattened circle of a route 2.5 miles long, according to the map provided by the National Park Service.

Our walk—it could hardly be called a hike—made us thankful once again for the Cuyahoga Valley Park, which strikes me as one of the rich treasures of Northeast Ohio.

We lived almost 10 years in the Detroit metropolitan area before moving to Akron in 1977. We liked Detroit, but something we missed greatly there was the ability to get out into the country. Michigan is a beautiful state in many ways, but the land for miles around Detriot is flat. You have to go almost halfway upstate before you really get to woods and streams, valleys and hills.

In Northeast Ohio, we're about to enter the 10th year of the operation of "The Park," as it is called by almost everyone who does not want to deal with its longer name or acronym, CVNRA.

June 26, 1975, was the date on which the park was officially established and began operations under the aegis of the National Park Service.

President Gerald Ford had signed the congressional act creating the park on Dec. 27, 1974, six months earlier.

Last year, the Park Service has said, about 900,000 people visited the Cuyahoga Valley—not counting all those who came through to go to Blossom Music Center, Hale Farm and Homestead, or to golf, or to ski at Brandywine or Boston Mills.

As we headed home from our weekend visit, we saw joggers and hikers and bikers and people just out for a picnic.

It is an unusual park, as parks go, because it exists both for enjoyment and for preservation of the landscape, the valley, the Cuyahoga River, and the remnants of the Ohio and Erie Canal. It is not Yosemite or Yellowstone, with squadrons of tour buses and phalanxes of tents.

It is uniquely the Cuyahoga Valley, designed primarily as a passive day experience—an oasis of history and woods and water—in the vast metropolis of Northeast Ohio.

All things considered, it has been planned and organized well so far by the National Park Service.

There has been some controversy, to be sure, but remarkably little when one considers the size of this federal project. A new highway of this magnitude might well cause more dislocation and unrest.

Some residents did resent being bought our and moved; others accepted Park Service offers for their property without grudging. The Park Service's initial land agent, the Army Corps of Engineers, probably was too heavy-handed with some. However, a leader of Park Service opponents wound up getting more than $600,000 for his property.

Whatever one's view in the park's first 10 years, the few land controversies that arose now appear as old history. The park is a fact of life today, there are few disputes, and under the able leadership of Lewis Albert, the Cuyahoga Valley superintendent, the Park Service looks ahead to gradual development and improvements that will make the valley an even finer experience for all who live in Northeast Ohio.

There are few cities in the United States, and virtually none in the older industrial states east of the Mississippi, blessed with such vast and treasured protected breathing space just outside their boundaries.

An increasing number of activities and programs are offered in the park, all designed to give those who take part an appreciation of the majesty of nature and of the rich history of this unusual part of America.

But one need not take part in any organized program to enjoy the valley. It is there for a Sunday drive, for a twilight walk along a ridge, for a fishing trip with eager-eyed children, or just for a rest in the sunshine in a meadow. And it acts as green space—a buffer and a protector—between two metropolitan areas, Akron and Cleveland.

Many people deserve credit for the foresight that not only created the Cuyhoga Valley National Recreation Area but nurtured it along the way.

Of all those involved, however, two in my judgment stand out especially. They are congressmen John Seiberling, the Akron Democrat, and Ralph Regula, the Stark County Republican. Without them, the park would likely not exist today.

Someday, in some reasonable way, their contributions ought to be permanently memorialized in the valley by the naming of separate special features or projects there that acknowledge their efforts on behalf of all the people of Northeast Ohio.

In 2075, as the Cuyahoga Valley park is nearing its 100th birthday, its creation will be thought of universally as one of the wisest and most enduring decisions made by this region.

In the meantime, it is a place of beauty to visit often, a place in which to refresh the body and the soul and to enjoy the body and the soul and to enjoy the richness of the land.

Just a short walk through the woods in the Cuyahoga Valley on a gorgeous day can provide both exercise and enchantment.●

SENATOR SAM J. ERVIN, JR.

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1985

● Mr. ANDERSON. Mr. Speaker, I rise today and join with my colleagues in paying tribute to the late Senator from North Carolina, the Honorable Sam J. Ervin, Jr.

As we all know, Senator Ervin, who liked to describe himself simply as an "ole country lawyer," was thrust into the national spotlight a decade ago during the Watergate crisis. He, of course, was selected as chairman of the Select Committee to Investigate Campaign Practices, whose job it was to investigate and find out the truth behind Watergate.

Long before Watergate, however, "Senator Sam" had earned the respect of his colleagues in that hallowed body. His quick wit, his ability to cite Bible verses, and to quote Shakespeare, made him one of the Senate's greatest orators of all time. He relished in telling a story or tale to make his point. As he once said, "I have always found if you got a good story that sort of fits things, a good story is worth an hour of argument."

Born on September 27, 1896, in Morganton, NC, Senator Ervin graduated from the University of North Carolina, then served 1½ years in France during World War I. He was wounded twice in battle and was cited twice for gallantry, including the Distinguished Service Cross and the Silver Star.

After the war, he returned home, earned a degree from Harvard Law School and, shortly thereafter, married his hometown sweetheart, Margaret Bruce Bell.

In 1925, he served in the North Carolina General Assembly, later became a county court and superior court judge, and served in this Chamber in 1946 and 1947. The following year, he was named to the North Carolina Supreme Court and, in 1954, was selected to serve in the Senate. He held this position until he voluntarily retired from public service in 1974. Although many urged him to serve another 6-year term in the Senate, which, I'm sure, he could have easily won, he followed the advice of his wife who said, "The time to quit is when people want you to stay."

Mr. Speaker, Senator Sam Ervin was a great scholar whose integrity and personal charm made him a favorite of all those who had the pleasure of working with him. Although I didn't agree with the Senator on every issue, I always walked away knowing that he had put much thought behind a decision without any preconceived bias.

My wife, Lee, joins me in saluting Senator Sam Ervin for many years of dedicated public service. We offer our sincerest condolences to his wife, Margaret, their two daughters, Leslie and Laura, and son, Sam III.●

UNIVERSITY OF ARIZONA CELEBRATES ITS CENTENNIAL ANNIVERSARY

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KOLBE. Mr. Speaker, the expanding frontier of 19th century American presented opportunities to people who were willing to sacrifice comfort for the risk of independence and those who couldn't resist the lure of discovery. But it also presented formidable difficulties. One was the lack of a developed educational system. Thus, the land-grant college system was established by Congress and President Lincoln to fill that need for institutions of higher education in the isolated areas of the American frontier. To the credit of these 19-century pioneers, who struggled to bring industry, culture, and educational excellence west of the Mississippi River, institutions like the University of Arizona now pay tribute to these ideals.

Arizona Territory's 13 legislature established Arizona's first 4-year, university at Tucson in 1885. This year, the University of Arizona celebrates its centennial anniversary.

The early accomplishments of the University of Arizona in mining and agriculture led the way to early development of the Arizona Territory. From the early days of the Phelps-Dodge mining operation in Bisbee, AZ, became the leading producer of domestic copper. The University of Arizona Agriculture Department, long noted for its achievements in agricultural research, shares the responsibility for Arizona's position as this country's third largest cotton producer and as the leading exporter of Pima cotton, a high-quality variety developed at the University of Arizona.

Today, at its centennial celebration, the University of Arizona stands as one of the major academic and research universities in the world. Of the many fields of study prominent at the universtiy, native American studies, engineering, optical sciences, arid land studies, astronomy and archeology are among the most noted. The University of Arizona Health Sciences Center is one of the medical schools pioneering artifical organ transplants and nuclear medicine. The new cancer research center will be second to none in the Nation.

As a contributer to America's national security, the University of Arizona has played a major role in the development of laser technology and in the space program.

The vitality of the university's academic community has provided continuity during the rapid growth of southern Arizona. As political activists, artists, writers, civil leaders, and community volunteers the university faculty, staff and students have made important contributions to the intellectual life of Tucson and communities throughout Arizona.

In one hand, the University of Arizona holds our past—the Indian tribes who irrigated the desert and the Spaniards who brought with them their knowledge of trade and commerce. In the other is our link to the future—the minds of our young people. Much like a parent, the University of Arizona is responsible for guiding each new generation to maturity. This great responsibility is shared by all who are concerned that education is more than a 12-year accumulation of data. It encompasses the ability to make decisions, to respect our peers, to care for and improve our institutions, and to add reason to problem-solving.

I ask that my colleagues in the U.S. House of Representatives join me today in expressing thanks and best wishes to the University of Arizona, founded in 1885, in its celebration of the beginning of its second 100 years of service to Arizona and to the Nation.●

AMERICAN BUSINESS ACTIVITY IN NICARAGUA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mrs. SCHROEDER. Mr. Speaker, in view of the Reagan administration's imposition of a trade embargo on Nicaragua, I commend to the attention of my colleagues the following article, "American Business Interests in Nicaragua," by Jason Adkins, a research associate with the Council on Hemispheric Affairs, which appears in the April 1985 issue of the monthly Multinational Monitor.

AMERICAN BUSINESS INTERESTS IN NICARAGUA

(By Jason Adkins)

MANAGUA, NICARAGUA.—Most American tourists here would have difficulty concluding that the United States and Nicaragua are at odds with one another. On one corner rests a Sandy's hamburger franchise and near-by, a branch of the Bank of America and an Avis Rent-A-Car outlet do business. Indeed while the Reagan administration may have lost patience with the Sandinistas, many U.S.-based corporate interests have not.

Though their numbers have declined by 25 percent since the Somoza regime collasped in 1979, many American multinationals are still operating in Nicaragua, Canada Dry and Mennen Company have gone home but United Fruit, Monsanto and over 30 other U.S. businesses either still base themselves here or do business with the Nicaraguans from neighboring Central American nations (see adjacent list).

U.S. companies also hold major interests in a dozen or more Nicaraguan firms; 50 percent interest in the Gemina flour mill, 75 percent interest in B.C.I. Chemicals and a 30-percent interest in the Polycasa plastics company.

In a random survey of American companies operating here, few U.S. business representatives advocated the overthrow of the Sandinista regime. To the contrary, a majority, though not all, offered a favorable opinion of their business relationship with the Sandinistas.

Monsanto, for example, has been operating a herbicide formulation plant here since 1967, developing chemical sprays that are used to protect cotton crops against pests and disease.

"The Sandinistas have been very friendly to us," said Richard Vance, director of the Latin American division of Monsanto. "Essentially the government is our only major purchaser, Vance said in a telephone interview from St. Louis, Mo. "We couldn't have it any easier."

Representatives of IBM and Nabisco expressed similar sentiments. IBM has had a plant in Managua since 1953. Its operation consists of three facilities: a branch office, a data center and an educational center. From these facilities, the company's 50 employees sell processing systems and typewriters. According to a company spokesperson, the government and other multinational businesses are IBM's chief customers.

"We have no complaints about doing business in Nicaragua," added the spokesperson, who requested anonimity. "Unlike many companies operating in Nicaragua, we are permitted to repatriate a small percentage of our profits to the United States in order to purchase 'critical parts' for our machines."

Similarly Nabisco, which has operated a plant in Managua since 1965, has had favorable relations with the Sandinistas. The company employs more than 250 people to produce cookies and crackers. While Nabisco would like to take more of its earnings out of the country, it believes it will have that opportunity when the economy improves. After all, a shortage of foreign exchange is common in many developing nations.

Other U.S. concerns describe their relations with the Sandinistas as being "purely professional." Exxon, which has been operating a large refinery in Nicaragua since the 1930's, is the largest corporation here. It employs 200 workers and distributes all of the refined oil in the country. While Shell, Texaco and Chevron together operate some 100 service stations here, Exxon manages 60 of its own. Jeff Higgens, Exxon's Latin America chief in Coral Gables, Florida, doesn't forsee his company leaving Nicaragua.

"We're permitted to repatriate profits when there are dollars available in the national treasury." he said. "As you know, the Nicaraguan government is our principle customer."

Ironically, Exxon's most recent setback in Nicaragua, was not at the hands of the Sandinistas, but at the hands of the U.S. backed Contras. Eighteen months ago, the Contras set an Exxon storage tank at the Port of Corinto on fire, forcing the evacuation of 20,000 citizens.

Though several U.S. companies have left Nicaragua, many still do business here by operating from neighboring Guatemala or Costa Rica. Stanley Works, for example, has salespeople who travel throughout Central America selling tools. Likewise, Union Carbide sends its salespeople into Nicaragua to corner the battery market through local retailers. Manhatten Industries is another company that produces its dress and sports shirts in Costa Rica, and then distributes them in Nicaragua. According to Ed Herman, Director of Licensing for Manhatten Industries in New York, "business is more or less the same now in Nicaragua as it was for us in the 1970's. The volume is as good as it has always been. there are dollars available."

Naturally, not all U.S. concerns are pleased with events in Nicaragua. A sluggish economy has forced Evans Products of Portland, Oregon to close its hardwood mill in Matagalpa. Similarly, Standard Fruit and Steam Shipping Company of San Francisco no longer market Nicaragua's bananas. And the Bank of America has recently asked the Sandinistas to deactivate their business license so they can close the branch office that they have operated here since 1964.

The director of one of the largest multinational subsidiaries here agreed to be interviewed on the condition that neither he nor his company be identified. The Nicaraguan operation has gross annual revenues of $85 million, including duties and taxes.

The only solution to the economic crises, the official insisted, was a change of government, but even if that doesn't happen, he said his company has no intention of leaving. "We are making money now," he said. And even though it's in cordobas, it's still a 15 percent profit, he said.

Since the company is financially self-sufficient, the parent company in the U.S. is determined it is in their best interests to keep the operation here. Their hope is that sooner, not later, the company will be able to repatriate profits without limitations. But, he concluded, "We're doing alright in the mean time."

The United States remains Nicaragua's largest trading partner, purchasing 16 percent of the country's exports. Last year the U.S. consumed dozens of different Nicaraguan products: bananas, meat, shrimp, coffee, tobacco, garments, sugar and furniture. And Nicaragua imports insecticides, paper goods, animal oils, fertilizer, and agricultural machinery here.

Ironically, some of Nicaragua's best U.S. trading partners have included some unlikely candidates. Take the case of Pandol Brothers, Inc., a large agricultural conglomerate based in California's San Joaquin Valley. Sons of Yugoslavian immigrants, the Pandol's total corporate sales in 1983 exceeded $200 million. Jack Pandol, 61, a former member of the California Board of Food and Agriculture (appointed by then Governor Ronald Reagan), and his brother, Matt, 47, distribute all of Nicaragua's bananas in the United States.

Since December of 1982, a freighter from San Francisco has been picking up 2,000 tons of bananas from the Port of Corinto weekly and shipping them to Port Hueneme, California. There the Pandols distribute the produce to grocery stores in California, Oregon, Washington and Western Canada.

"We make about $10 million a year off Nicaragua's bananas," explained a Pandol Brothers spokesperson, who asked not to be identified. "The Nicaraguans come out of this deal with less than $5 million," he added, "But they're still ahead."

Indeed, the Nicaraguans speak fondly of this fruitful if not unusual partnership (the Pandol's ranch was the first to be struck by Ceasar Chavez of the United Farm Workers in 1965 because of their notorious labor practices). The Pandols, who have assisted the Sandinistas in acquiring badly needed farm equipment, agricultural chemicals and other supplies, received token assistance from the Reagan administration. Bill Deaver, administrative assistant to Rep. Charles (Chip) Pashayan Jr. (R-Cal.) and younger brother of White House aide Michael Deaver, set up a national security council briefing for Jack Pandol on Nicaragua.

In spite of occasional assistance for a few American friends and the private sector in Nicaragua (a Reagan-inspired organization, the National Endowment for Democracy, contributed $150,000 to COSEP, an opposition private sector organization and $100,000 to La Prensa, Nicaragua's privately held opposition newspaper, among other groups), the Reagan administration prefers a policy of economic disengagement from Nicaragua. For example, in 1983, the U.S. reduced Nicaragua's sugar quota by 90 percent, forcing it to sell the bulk of its product at the lower world market price.

U.S. officials here contend there won't be an upsurge in American trade until greater confidence is felt from the private sector. This is despite the fact that only two major U.S. companies have been expropriated since the Nicaraguan revolution, according to Paul Reichler, a Washington lawyer who represents Nicaragua. The Neptune Mining Corporation and Rosario Mining Company were nationalized in 1980 as part of the government's efforts to control "critical" natural resources. The Nicaraguans are currently paying a settlement fee of $15.5 million to these mining companies. No other pending litigation or outstanding judgements exist between U.S. companies and the Sandinistas.

As former President Jimmy Carter pointed out in a recent interview, a greater percentage of industry is in private hands in Nicaragua than in Britain. Indeed, Nicaragua has a greater percentage of industry in private hands than either France or the Scandinavian countries.

Ever mindful that it must increase its trading base with the United States, the Nicaraguans are preparing to unveil a new foreign investment law that has been three years in the making. Its purpose is to attract U.S. and foreign trade. This new law, which was written in part by a group of New York lawyers, may bolster the financially pressed Nicaraguan economy.●

KILDEE PAYS TRIBUTE TO THE CHARLES STEWART MOTT FOUNDATION

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KILDEE. Mr. Speaker, a new and exciting trend within the private foundation community is the formation and growth of community foundations. These community foundations can be effective in addressing a broad range of charitable concerns and unmet needs in the home area.

The momentum for this trend was sparked by the Charles Stewart Mott Foundation of Flint, MI. Mott initiated a nationwide program to encourage the formation and growth of community foundations in 1979. By 1981, it had committed $750,000 to community endowments to six areas, from the District of Columbia to North Dakota.

Mr. Speaker, the Mott Foundation has long been recognized in Flint, in Michigan, and indeed, around the world as a philanthropic organization with strong qualities of leadership and foresight. Under the capable leadership of President William S. White, the Mott Foundation, has blazed an impressive course of charitable generosity which has made the decisive difference in literally countless worthwhile projects.

I want to take this opportunity to bring to Members' attention an article which recently appeared in Foundation News. Entitled "Seed Planting, Community Foundation Style," the story highlights this new trend within the private foundation community.

[From the Foundation News, January-February 1985]

Seed Planting, Community Foundation Style

At first glance there is nothing special about this front page headline from the Evening Telegram of Superior, Wisconsin. It reports a 1983 grant by The Bush Foundation of St. Paul, to the Duluth-Superior Area Community Foundation formed earlier that year.

But in fact, that event is something special. For the Bush grant reflects a trend in which a growing number of private foundations are helping to start community foundations.

Last July, indeed, The Kresge Foundation announced a grant of $5 million to the recently formed Community Foundation of Southeastern Michigan. That was the largest grant ever by a private foundation to start a community foundation.

The Kresge Foundation and The Bush Foundation have assets of $792 million and $265 million, respectively. Why should they want to start community foundations in their states?

One answer comes from Kresge Chairman William H. Baldwin. Noting that Detroit is one of the last major metropolitan areas without a large community foundation, Baldwin says that having a strong United Way, and having "strong educational, health and cultural institutions, which we do, is not enough. There remain unmet needs which the community foundation can help to meet."

As a foundation with a national program that directs most of its grants to construction and renovation projects outside of its home area. The Kresge Foundation will, with this single grant, reach a broad range of charitable concerns in Detroit.

As for The Bush Foundation, its grant provides a way to address the needs of a greatly depressed area while relying on the board and staff of the Duluth-Superior Community Foundation, who know their territory.

Duluth-Superior's application to The Bush Foundation described the new community foundation as a way to respond to changing needs of the Mesabi Iron Range communities whose economics have been in decline, to break down long-standing rivalries between Duluth and Superior, to introduce a broadened sense of community, to bridge the gap between the public and the private sector, and to offer a neutral forum in which to respond to area-wide issues and attract outside dollars into a poor region.

Some 2,000 miles to the west, Hugh Burroughs, program officer for The William and Flora Hewlett Foundation of Menlo Park, California, explains Hewlett's grants of $500,000 to each of four community foundations in the San Francisco Bay and Monterey Peninsula areas in this way:

"We are interested in increasing private philanthropy and in having a body to deal with community problems in ways that we, as a private foundation, are not staffed to do."

TREND BEGAN WITH MOTT

The momentum for these important new community assets was sparked by the Charles Stewart Mott Foundation of Flint, Michigan. Mott initiated a nationwide program to encourage the formation and growth of community foundations in 1979. By 1981, it had committed $750,000 to community endownments in six areas, from the District of Columbia to North Dakota.

But the program really reached high gear when Mott budgeted another $1,400,000 to enable the Council on Foundations to start a five-year program of extensive technical assistance to developing community foundations. By far the largest portion is reserved for monetary grants to challenge the growth of some 18 to 20 community foundations, each of whom will receive extended technical assistance.

Since most locations now receiving Mott-sponsored assistance from the Council are themselves foundation-poor, they genuinely need both the flexible endowment and the philanthropic leadership that a community foundation provides.

CORPORATE PARTICIPATION GROWING

Corporate contributors are becoming increasingly involved as well. Over the past five years, the Levi Strauss Foundation and the Aetna Life and Casualty Foundation have instituted grant programs to start and revitalize community foundations in areas where their related business corporations have facilities and interests.

Another major catalyst from the private foundation sector is the Gannett Foundation. From early 1983 through September, 1984 Gannett made $422,000 worth of start-up or revitalization grants to 12 community foundations. Amounts ranged from $8,200 in Fremont, Nebraska to $58,000 in Santa Fe, New Mexico.

"Our purpose" says Gannett President Eugene C. Dorsey, "is to ease the administrative and publications cost burdens of these fledgling foundations so that they can concentrate on obtaining the endowment and other gifts necessary to project new philanthropic resources into their communities." Gannett committed another $300,000 in 1984, which it has repeated this year.

As early grantees in the program are phased out, Gannett will fund start-ups in other of the 170 locations served by subsidiaries of the Gannett Co., Inc., the nationwide communications firm. And as its start-up mission is accomplished, Gannett may shift focus to established community foundations.

MOTT PLUS GANNETT EQUAL MOMENTUM

The incentive to local residents to build community endowments is increased where Gannett Foundation and Mott Foundation interests coincide, as they do in Tucson, Phoenix and the state of Delaware.

The community foundations in such places can hope for up to $100,000 worth of help from these two exterior foundations to defray initial costs of operation—and even more when other corporations or foundations, such as Levi Strauss or the Aetna Life and Casualty Foundation, also take interest. The happy byproduct is more incentive for local action.

Using its Mott grant, the Council on Foundations is able to send into these communities board and staff members from successful community foundations and a technical assistance consultant. Knowing they can call upon outside expertise without cost, local leaders more readily take part in the development of community foundations for their areas.

Private-Community Challenges

Foundations with national and regional programs directed to educational or other specific concerns increasingly are giving support for establishing or revitalizing community foundations in their headquarters areas.

Within the past five years, the Bremer Foundation, Northwest Area Foundation and The Bush Foundation in the Twin Cities, Minnesota, challenged North Dakotans to initiate the community foundation that now serves that state; the Boston-based Jessie B. Cox Charitable Trust has given the new Hampshire Charitable Fund a $200,000 grant to energize community foundations for Maine and Vermont, and a $400,000 grant to stimulate a $1 million fund for depressed counties in Northern New Hampshire; and the Irvine Foundation added $100,000 to a $50,000 gift of the Sacramento Junior League to start a community foundaton for California's capitol area.

Challenge grants from private foundations and corporations provide a classic illustration of leveraging at its strongest. The new Albuquerque Community Foundation has agreed to raise $230,000 to qualify for $45,000 from the Mott Foundation.

The seven-county Coastal Bend Community Foundation of Corpus Christi, started by the Paul and Mary Hass Foundation, asked for and received from the Mott Foundation a nine for one match. It is raising $300,000 to qualify for $27,000 from Mott.

Such challenge grants by foundations and corporations outside a community exert a powerful incentive within it. Once extended, local pride and the desire to draw funds into the community take hold.

Within 12 months of receiving its $750,000 challenge from The Bush Foundation, for example, the Duluth-Superior Community Foundation had in hand gifts and firm pledges of $500,000 to meet the dollar for dollar challenge to build $500,000 in unrestricted endowment. In addition it had $100,000 in donor-advised funds.

Duluth-Superior will receive the remaining $250,000 from The Bush Foundation if it succeeds in raising an additional $1.75 million in gifts.

Even the Kresge grant to Detroit, looming large at $5 million, has an arduous challenge mixed in with so obvious an endorsement. The first $3 million is an outright

gift, but Detroit must raise $4 million to claim the remaining $2 million from Kresge.

INCENTIVE IS ONLY FIRST STEP

Incentive grants to spur a community to create a start-up endowment can yield a rich reward, but they do not by any means guarantee automatic success. The key—as in most of life's undertakings—is still plenty of plain, hard work. No group knows this better than the Greater Tacoma Community Foundation, which was formed in 1981.

The Incentives.—Technical assistance and the carrot of a possible $45,000 toward operating costs extended by the Mott Foundation drew a challenge grant of $270,000 in late 1983 from an anonymous Tacoma foundation.

To meet the local foundation's matching requirements, the board of the Greater Tacoma Community Foundation, within four weeks of the challenge, pledged $330,000 to create an operating endowment that would total $600,000 if a second condition could be met by year-end 1984.

The second condition was that the $270,000 challenge be double matched to establish also a permanent endowment for unrestricted grants.

The Rewards.—If it could meet those challenges, the Greater Tacoma Foundation would add $1,140,000 to its endowment in only 15 months.

Adding to the excitement, a local bank with fiduciary responsibilities expressed its intention to convert $2.3 million of the charitable trusts it administers into component funds of the Tacoma foundation early in 1985—if the challenges were met.

In sum, if all the pieces fell (or could be pushed) into place, the Greater Tacoma Community Foundation would hold assets of nearly $4 million within less than five years of its incorporation—virtual insurance of long term success.

The Risk.—There was, of course, a very real risk that Tacoma would not meet the challenge. Indeed, by last November just two months from the 1984 year-end deadline for raising the $870,000 required to qualify for $270,000 more only $510,000 had been raised.

More than $300,000 still had to be raised within those final 60 days. Board, staff and volunteers scrambled to close pledges already solicited and to reach new prospects.

The Result.—This story has a happy ending. Just before Christmas, Tacoma Executive Director Paul Bender reported that $887,000 had been raised, putting the foundation $17,000 beyond its goal and qualifying it for the $270,000.

Perhaps the most heartwarming moment in that hectic stretch drive come in the form of a $25,000 gift from Tacoma's nearby sister, the Seattle Community Foundation.

The Lessons.—Tacoma's strong closing demonstrate that great value of a challenge grant as a spur to productive action. It also demonstrated that a challenge is indeed hard work, requiring pursuit of immediate pledges from living donors, businesses and private foundations.

The appeal must be to the prospect's vision of the community foundation's potential for service. It requires that the board, staff and volunteers have sufficient commitment, tenacity and clout to convince community leaders that pledging one-time, lifetime gifts to build the foundation's endowment to its take-off point is "the thing to do."

PSYCHOLOGICAL THRESHHOLD

Tacoma's story also illustrates the Catch-22 difficulty of all such community endowments. Before they have $1 million in assets, they lack local credibility. Residents hesitate to make wills in favor of an agency whose permanence, stability, grant and investment capacities may not be assured.

But experience shows that the more the assets of a newly formed or revitalizing community foundation rise above $1 million, the more credibility it has as an enduring organization.

This in turn illustrates the great value of seed grants as well as challenges. "In one year," says Greater Tucson Foundation executive director Donna Grant, "we raised over $1 million when it usually takes five, and now we're close to our second million. It was Mott's investment that gave us credibility for our fundraising in the community."

The seed money from Mott was also important, adds Grant, because Arizona is "foundation poor," making credibility all the harder to establish.

NEED FOR PROMPT ACTION

Recognizing the need to reach the "credibility level" as soon as possible, corporations and private foundations that are funding start-up or revitalization of community foundations are requiring that they plan immediate fund-development campaigns and engage staff to implement them.

To meet the matching requirements that qualified it for the $270,000 challenge grant, leaders of the Greater Tacoma Community Foundation conducted a select-prospect, pyramidal campaign.

"Select prospect" means that only about 100 financially capable donors are asked to contribute. "Pyramidal" means that a few donors at the apex are asked to give in six figures, while at the very base of the pyramid some 40 donors are asked to give in the $5,000 to $10,000 range.

ACCEPTANCE BY LOCAL CHARITIES

Spurred by start-up challenge grants and technical assistance from private foundations, a number of recently formed community foundations have hit the ground running.

This contrasts with the style of earlier decades in which community foundations formed and then patiently waited for benefactors to die. In the process, many of the foundations died before any benefactors were persuaded to bequeath their estates.

Another reason for the faster growth of new community foundations is the demise of the notion that community foundations should not compete with the charitable agencies they are formed to help.

Most agencies now recognize that until a community foundation raises endowment, it cannot help at all.

A good example of this new community understanding is the story of The Heritage Fund of Bartholomew County, Indiana. Several years after its formation in 1977, Heritage began a select prospect, pyramidal campaign to bring its permanent, unrestricted endowment to $3 million.

Within 24 months it had exceeded its goal in pledges from some 85 donors of named funds, payable within three to five years—this in a community with only 65,000 residents! With community leadership clearly favorable to the new enterprise, no opposition developed from other charitable institutions.

Since three Fortune 500 companies are headquartered in Bartholomew County, it is of course not typical of areas of comparable population. As a general rule, the further an area's population is below 250,000, the greater the difficulty a community foundation is likely to have in building an endowment.

Less populous communities do better by attaching themselves as local funds of larger community foundations.

GROWTH NEED NOT WAIT

The traditional assumption that a community foundation must wait patiently for decades to reach an effective size is now being rejected by many, among them the 12-year-old Community Foundation of the Greater Baltimore Area.

Baltimore had accumulated only $3 million by 1983, and less than 2 percent of that was unrestricted. With Mott Foundation administrative support, Baltimore began a select prospect, pyramidal campaign to bring endowment to $10 million within five years. At least half of that was to be subject neither to donor designation nor advice.

The goal of $10 million was selected because the history of nearly all community foundations shows that once they reach that figure, their growth takes off markedly.

With the moral support of local charities and the financial support of businesses—some of whom have contributed unrestricted capital of $200,000 each—Baltimore's community foundation had already attracted 42 named funds totaling over $4 million by early 1985.

Better still, $3 million of this endowment is either unrestricted or committed to broad fields such as the aged or mental health.

Besides Baltimore's strong business support, six private foundations are providing three-year operating support, while another 14 have added more than $1.5 million to the endowment.

EXCEPTIONS

Once of the latter, the Morris Goldseker Foundation, always targets its grants to specific program areas, yet contributed $150,000 in unrestricted funds to the community foundation.

The exception, says Goldseker Director Timothy Ambruster, was made in light of the value of having a public foundation "to respond to needs from all segments of the community in ways which private foundations like ours typically cannot."

Other impressive evidence that a community foundation need not be dependent on the slow growth of maturing wills is provided by the Oregon Community Foundation. Formed in 1973, The Oregon Community Foundation has obtained $28 million from multiple sources in only 11 years—irrefutable evidence that the $10 million "take-off" point can be reached, and passed, in a relatively few years.

Nor is the degree of unrestricted endowment in Baltimore, including that contributed by corporations, necessary unique.

The Cummins Engine Company of Columbus, Indiana and the Mott Foundation also have made significant contributions in this category, as has the Minnesota Power Company, which donated $75,000 of unrestricted funds to the newly formed Duluth-Superior Foundation.

OTHER KEYS TO SUCCESS

In Duluth-Superior, Baltimore and other areas where community foundations are actively campaigning to reach their take-off point for growth, a select prospect, pyramidal campaign is not the exclusive funding method. It is only a means to more rapid start-up growth, or growth to the take-off point.

BEST COPY AVAILABLE

The community foundations in such places are also seeking bequests and deferred gifts, managing agency endowments and pursuing other traditional ways of building endowments over the long term.

Fulltime staffing by community foundations from their outset, immediate campaigns to bring capital to seven and eight figures, start-up gifts to $5 million by national foundations, unrestricted six-figure grants by locally headquartered businesses, active encouragement by local United Ways and other charitable institutions, purposeful capital campaigning by both new and older community foundations to reach the "take-off" point for growth and service—these are trends that are propelling the growth of the community foundation field in the 1980s.

NOT FOR CITIES ONLY

Such trends promise over the next decade to extend community foundations into most areas with populations over 250,000, including areas that are foundation-poor and hard to reach such as Northern New England, Montana, Mississippi, New Mexico, South Dakota, the Rio Grande Valley of Texas and a host of other places.

Private foundations and corporations are to be commended for enabling these bypassed areas to accumulate and attract charitable capital.

By conditioning their support on the inclusion of less served communities that surround the richer core of a city, Mott and other funders also encourage new community foundations to provide for less wealthy satellite areas.

Aided by the Mott Foundation and joined in community foundation extension by a growing number of its members, the Council on Foundations is pushing to entrench this form of philanthropy in all regions of the United States.

From Tacoma to San Diego on our West Coast and Maine to Palm Beach County on our East Coast, the Council is currently offering start-up help to community foundations and to citizen groups working in Billings, Wilmington, Peoria, and many other areas not currently served.

To minimize false starts and risks of failure, Mott has set the pace among funders that now are requiring local matching funds, and are reserving their help for communities that can demonstrate the resolve, the leadership, the staying power, the resources and the larger population bases needed for successful development.

FOUR GOALS

These are the directions in which the community foundation field is headed: a community foundation to be put in place in every significant population center, revitalization of community foundations whose growth has slowed, purposefully accelerated growth to its take-off point for every community foundation with assets under $10 million, and an increase in permanent unrestricted endowment to give each community foundation a greater capacity to respond to changing needs in its area.

These are objectives of the community foundation field and of the growing number of private foundations and corporations that see community foundations as the prime device for the formation of flexible, private, charitable capital for our nation's communities.

Their ultimate goal is the long-term strengthening of each community's capacity to respond to its own need with private resources raised from local donors.●

MARIANNE MELE HALL RESIGNS

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. WOLPE. Mr. Speaker, Marianne Mele Hall resigned from the Copyright Royalty Tribunal yesterday after a weeklong public outcry over her role in editing a book that was insulting to blacks—and offensive to all Americans.

Ms. Hall is to be commended for her decision to step down, but in the aftermath of this sad episode, there is a larger and far more important question that needs to be asked.

Mr. Speaker, what has happened to the process by which administration personnel are selected for office?

This latest episode involving Ms. Hall is far from an isolated incident. Over the course of the last 5 years, the list of individuals appointed to positions of influence and responsibility—only later to be found unfit to serve—has grown exponentially.

It all began in the first months of President Reagan's administration when his National Security Adviser, Richard Allen, was forced to resign under a cloud of scandal and controversy. And since that time, the parade of disappointment and disillusionment has continued—seemingly without end. One official after another has been discovered to be unfit or unable to serve.

EPA Administrator Anne Burford. Deputy Secretary of Commerce Guy Fiske. Acting EPA Administrator John Hernandez. Superfund Chief Rita Lavelle. CIA Deputy Director Max Hugel. Veterans Administrator Robert Nimmo. A slew of directors at the Synthetic Fuels Corp. Secretary of the Interior James Watt. Education Department officials Eileen Gardner and Lawrence Uzzell. And now Marianne Hall.

All of these people were put in place through political appointment procedures. And all of these people were later forced to resign under public charges of malfeasance, or incompetence, or gross insensitivity.

Mr. Speaker, something is wrong. Over the course of the next several months, we are all going to have to take a long, hard, sobering look at the procedures by which top administration officials are selected.

When the White House appoints individuals it has selected to "get the job done," we must be assured that those people know what "getting the job done" entails. Senate confirmation hearings must become more than perfunctory exercises, and our own responsibility for congressional oversight cannot be overlooked.●

BITBURG VISIT CAUSES GREAT SADNESS

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Ms. KAPTUR. Mr. Speaker, President Reagan's visit to the Bitburg Cemetery last Sunday has caused great sadness throughout our Nation. Citizens of Ohio's Ninth Congressional District—which I represent—from all walks of life and all religious and ethnic backgrounds have come to me to express their profound disapproval of our President's visit to the grave site of SS troopers.

In a letter to President Reagan, Rev. George M. Rinkowski, president of the Toledo Chapter of the Polish American Congress and a former military chaplain, articulates some of the reasons many Americans were viscerally opposed to the Bitburg visit. I commend Reverend Rinkowski's letter to my colleagues:

TOLEDO, OH.

PRESIDENT OF THE UNITED STATES,
White House,
Washington, DC.

DEAR MR. PRESIDENT: Please avoid paying homage or giving honor to the members of the German Armed Forces who were rational instruments of an aggression to destroy freedom all over the world. We fought a just war, a Crusade for Freedom, against a ruthless enemy who intended to impose his will over his opponent. Karl Von Clausewitz proclaimed that "Warfare therefore is an act of violence intended to compel our opponent to fulfill our will". The intention is survival of the fittest with no consideration given to the value of human life. In the theory of Clausewitz, the success in war is measured by the amount of materiel captured and the number of prisoners taken. The practice of enslaving prisoners by the World War II Germans is proven in history.

Our principle in war is one of the reasons for our existence as a nation, under God: namely, to provide for the common defense. This is the principle that guarantees that the war is a just war. In warfare it is possible for both sides to be wrong. That would be an unjust war. World judgment condemns Germany as aggressor, and acclaims the Crusade for Freedom as a just war fought by the allies.

The amnesty granted to prisoners and members of the German armed forces was an act of reconciliation which we would not have received from the aggressors. This amnesty was not given to those leaders who were judged as criminals, condemned and executed or imprisoned, some to this very day. They were condemned because they committed crimes against humanity. One of every five, over twenty percent of Polish Citizens were killed by the aggression. Half of that number in concentration camps.

War is not a game in which opponents are striving for a legitimate prize. A nation is not allowed to expose itself to annihilation. It must fight for its existence. We justly fought for our own continued existence and that of many other nations and secured that existence.

To give honor to the aggressor soldiers would validate the aggression in which they were human instruments making it possible for the inhumanities in the war and in the concentration camps to happen. We destroyed the material instruments of war. We granted amnesty to the human instruments. If we honor the aggressor warrior in the acts of aggression, we equate those acts with the heroism of those who won the crusade for freedom.

Mr. President, please do not validate the aggression of forty years' ago by exonerating them from the stigma of an unjust war and honoring them for aiding and abetting the terrible inhumanities whose evil effects will not be erased in the foreseeable future.

The wounds of wars suffered by 28.5 million veterans in our land would be opened again. Their acts of heroism would be rated as equal to acts of aggression perpetrated by war criminals. It seems that the correct evaluation of the request by Mr. Kohl might be a politically calculated act to validate a former aggression and exonerate their actions. The presence of SS troops makes any consideration of giving honor far worse. It seems that the only reason for the existence of the SS troops was to perform acts of atrocity against human beings.

You are Commander in Chief of the Armed Forces and chief of all the veterans. Consider what effect an act honoring the former aggressors would have on these men and women who now serve and those who formerly served to guarantee freedom in our world.

Sincerely and respectfully submitted,
REV. GEORGE M. RINKOWSKI,
Former Chaplain in the Army and
Air Force of the United States of America.●

PAULETTE PIDCOCK HONORED

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mrs. HOLT. Mr. Speaker, I am proud to call attention to an outstanding woman in government relations, Paulette Carnicelli Pidcock, who justifiably won recognition from the Women in Government Relations, a national organization, in the following article from its 1984 annual report. Ms. Pidcock is employed with the Baltimore Gas & Electric. Co.

1984 DISTINGUISHED MEMBER

Selection of WGR's Distinguished Member requires extensive research into the depth and diversity of the nominees' of service. Both quantitative and qualitative contributions are considered. Personal leadership, initiation of ideas and enhancement of WGR's visibility and reputation in the Washington community are all criteria toward the selection decision.

Paulette Pidcock has provided consistently outstanding service to Women In Government Relations since becoming a member in 1977. Her leadership and vision became obvious early on when, as chair of the fledgling Member Relations Committee, she recommended and produced the first member handbook, one of our most valuable tools to this day. As editor of the WGR Newsletter, Paulette professionalized its appearance, upgraded and enlarged its news content and set up a system to attract outside subscribers to promote the organization and generate new revenue.

Paulette was elected WGR Treasurer at a critical time in the organization's growth. Under her leadership, WGR's financial picture improved markedly, primarily because of her development of investment and budget planning. She instituted a Finance Committee, quarterly financial statements and committee review and audit procedures.

As chair of a specially-appointed Special Projects Committee, Paulette produced the first of several Public Policy Forums which provided visibility for the organization among colleagues, government officials and the media unparalleled in our history. Her service as an elected Board member and as member of numerous committees has been outstanding, innovative and constant.

As WGR's President in 1982–83, Paulette brought a fine sense of both organization and leadership to the group during a period of intense growth. She brought WGR to a new level of service to its members. Her dedication to detail, planning and administrative efficiency stand us in good stead today.

Paulette's service to profession and community go well outside the bounds of WGR. She is a recognized leader within her industry and at the forefront of women's activities in Washington's professional community. She is an example to all as she constantly seeks to learn new things, try new dedications and share her talents in so many areas.

Beyond her outstanding record in very visible service, Paulette has always offered those special qualities which distinguish her among her peers. Her gracious and calm manner—with a flash of Italian Pizzazz—along with her personal style of confidence, curiosity and originality have long made her a role model among us. She is always willing to share her advice and counsel with younger women looking for ways to advance. She is just as generous with her time among long-time friends and colleagues.

She has truly distinguished herself as leader, participant, student, teacher, counselor and friend. She is a very special woman.●

THE POTENTIAL HARM OF THE TREASURY DEPARTMENT'S TAX SIMPLIFICATION PROPOSAL

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. EDWARDS of Oklahoma. Mr. Speaker, President Reagan is scheduled soon to receive the Treasury Department's tax simplification proposal.

I have many reservations about the original draft of the Treasury plan because of its potential harm to the energy industry through the elimination of tax incentives for oil and gas producers.

Someone else who shares my concerns about the adverse effects of this proposal is Donald Lambro, a commentator for National Public Radio.

Because he and I are of like mind on this important issue, I am inserting in the RECORD a transcript of his commentary which was broadcast on March 25, 1985.

Treasury Secretary James Baker is now in the midst of quiet negotiations to work out a compromise tax reform plan.

Every provision in the Treasury's tax simplification plan, Baker says, is negotiable. But he warns that every loophole that stays in the tax code adversely affects how far tax rates can be lowered.

He also warns that reducing tax rates and closing loopholes will mean higher taxes for businesses.

And that is exactly what's in store for many businesses if the Treasury's misguided plan is adopted.

One of the major reasons for tax reform is to improve incentives for work, savings, investment and economic growth.

But some of the administration's proposals to broaden the business tax base would in fact impede economic growth.

For example, if proposes eliminating the 10 percent investment tax credit which has allowed businesses to cut nearly $30 billion a year in investment costs from their tax bills.

And it would replace the system of accelerated depreciation of plants and equipment with a much lower tax deduction schedule.

The effect of this says supply-side economist Paul Craig Roberts, "is to worsen [investment] incentives and to raise the cost of new capital."

True, the Treasury plan would reduce corporate tax rates by 28 percent. But that would be more than offset by a 170-percent increase in the business tax base for new investments.

This will hit America's aging industrial plants right in their smokestacks, robbing them of the new investment they must have to become competitive both here and abroad.

Eliminating current tax preferences for new investment will also hit small, unincorporated businesses.

What all of this means is that the income base on which businesses can be taxed will be raised at the expense of new capital investment. This will discourage investment and that in the long run will stunt economic growth.

Somewhere along the way to President Reagan's desk the Treasury's tax reform plan lost sight of one of its chief purposes: encouraging new investment and business expansion.

If the president's tax reform plan is to win public support, it must meet at least three tests.

It must retain and expand incentives for increased capital investment.

It must encourage new business formations and job creation.

And it must broaden incentives for savings.

Unfortunately, the administration's reform plan fails to pass these tests.

This is Donald Lambro . . . in Washington.●

ALFRED D'ALESSANDRO, MASSACHUSETTS SMALL BUSINESSPERSON OF THE YEAR

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MAVROULES. Mr. Speaker, I would like to take this opportunity to acknowledge Mr. Alfred D'Alessandro of Gloucester, MA, who is in Washington this week being honored as the small businessperson of the year from Masssachusetts.

Mr. D'Alessandro, owner and president of AID-PAC Corp., brings credit not only to our State and his profession, but also to all small business men and women in the United States.

Mr. D'Alessandro is a leader in the packaged liquids field. Using technology first developed overseas, his company has successfully marketed a process whereby raw plastic is blown into molded bottle shapes, is then filled with the liquid to be packaged, and is finally hermetically sealed, all in one continuous operation.

Most importantly, AID-PAC Corp. has developed a number of innovations such as the first plastic bottle approved by the FDA for packaging biological solutions used in reconstituting human blood.

When a large domestic food corporation refused to develop Mr. D'Alessandro's packaging techniques, he formed AID-PAC in 1971. Today, the company has grown to employ over 100 persons with projected sales of over $5 million this year.

Mr. Speaker, all Americans can take pride in the accomplishments of Mr. Albert D'Alessandro and the other small businesspersons of the year who are being honored here this week. They are continuing the tradition of innovation which has served to place the small business sector in the forefront of the Nation's economic growth.●

BONN DRUG TALKS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. RANGEL. Mr. Speaker, as chairman of the Select Committee on Narcotics Abuse and Control, I was pleased to read accounts in the press last weekend that the seven heads of government meeting at the Bonn economic summit held impromptu discussions on international drug trafficking.

These unscheduled talks apparently took place when President Reagan raised the issue as he and his summit partners were sitting down to a state dinner. Noting the First Lady's strong interest in the problem of drug abuse, the President reportedly told the other world leaders that stopping "international drug trafficking requires international cooperation." What followed was a spontaneous, hour-long discussion during which, according to the Washington Post, "It was noted that harvests of opium and coca, as well as the seizure by police of their addicitve derivatives heroin and cocaine, have reached record levels." British Prime Minister Margaret Thatcher, "echoed by other leaders," reportedly called for strengthening international cooperation against drug trafficking. Afterward, a happily surprised President Reagan was reported to have said that, "Never have I seen my summit partners so united and determined on a single subject."

Mr. Speaker, four reports issued earlier this year, by the U.N. International Narcotics Control Board, the State Department, the House Foreign Affairs Committee, and the House Select Committee on Narcotics Abuse and Control, all indicate that worldwide production of illicit narcotics crops is expanding. Our Select Committee on Narcotics estimates that in 1984, 85 tons of cocaine, 10 tons of heroin, 15,000 to 16,000 tons of marijuana, and 200 tons of hashish entered the United States. We are not the only vicitms of this trade, however. Heroin, and now ever increasing amounts of cocaine, are finding a ready market in Western Europe. Producing and transshipment countries around the world are discovering that they, too, are victims of the drug traffic as growing numbers of their citizens fall prey to drug abuse.

Clearly, nothing short of an all-out, concerted international assault on narcotics trafficking will succeed in stemming the worldwide drug trade and the misery of drug abuse it causes. I commend the President for raising this issue at the recent summit and elevating narcotics control to the top priority it requires if we are to make any progress against the scourge of drug abuse and drug trafficking. I hope the conference in Bonn was just a start. I hope the President, encouraged by the strong interest and concern of the other world leaders, will continue to use every international forum available to him and our country, including the United Nations, to press for strong international action against drug trafficking. I hope that, following the successful example of the First Lady's meetings in Washington to discuss drug abuse with the first ladies of 17 other nations, President Reagan will give serious consideration to convening a summit conference to devise effective international strategies for attacking the drug trade.

At this point, I insert in the RECORD for the information of my colleagues articles from the Washington Post and the New York Times describing the drug talks at Bonn summit.

[From the Washington Post, May 4, 1985]

UNSCHEDULED TOPIC OF DRUG TRADE FINDS RARE UNITY AMONG LEADERS

(By William Drozdiak)

BONN.—As the summit's seven heads of government sat down last night to a sumptuous dinner of salmon and veal in lavender honey sauce, they bewildered their aides by launching into a spirited discussion of international problems posed by the proliferation of drug trafficking.

In what White House spokesman Larry Speakes called an "unexpected twist" in their first group encounter, the seven leaders spoke for nearly an hour about the urgent need to tame the blight of drug addiction in all of their countries.

The catalyst happened to be Nancy Reagan's antidrug campaign, which she is pursuing in Rome while her husband participates in the seven-nation economic summit here. The first order of business among the industrialized world's leaders, even before soup was served, evolved out of Reagan's offhand comments about his wife's trip.

The first lady drew praise for her crusades, which has enlisted the help of numerous spouses of foreign leaders, including the wives of Prime Minister Brian Mulroney of Canada and Bettino Craxi of Italy. Mrs. Reagan's recent summit of first ladies in Washington publicized the common threat that industrialized as well as developing countries now face from widespread drug abuse.

British Prime Minister Margaret Thatcher, echoed by other leaders, said it was now all the more imperative to strengthen international cooperation in fighting the drug trade.

It was noted that harvests of opium and coca, as well as the seizure by police of their addictive derivatives heroin and cocaine, have reached record levels.

Reagan, happily surprised by the intense interest shown in the subject, remarked that "never have I seen all my summit partners so united and determined on a single subject."

Before tackling their normal agenda of trade and political issues, the seven leaders decided to instruct their foreign ministers to hold a special discussion today to find ways of enhancing cross-border cooperation among drug enforcement agencies.

"We have picked up another assignment, which was unexpected." Secretary of State George P. Shultz told reporters today. "It wasn't on our agenda, particularly. It emerged from the discussion by the heads of state on this subject, and it may very well be that one of the most important people to this meeting is not here—namely, Nancy Reagan."

[From the New York Times, May 4, 1985]

PROBLEMS OF DRUGS IS RAISED IN BONN—U.S. AND BRITAIN LEAD SESSION ON STRONGER BATTLE AGAINST NARCOTICS TRAFFICKING

(By John Tagliabue)

BONN.—Participants in the seven-nation economic conference here spent much of their time today discussing the worldwide battle against drug abuse.

A Reagan Administration official voiced doubts that "anything specific will come out of this meeting."

But he said the foreign ministers, attending the conference had already "made a good deal of progress in just raising the international consciousness on the subject."

West Germany's Foreign Minister, Hans-Dietrich Genscher, said experts from the seven nations would continue the discussions within the framework of international organizations, like the United Nations.

The White House spokesman, Larry Speakes, said drugs emerged as the major topic at a state dinner Thursday evening when President Reagan raised the issue, telling the world leaders that stamping out "international drug trafficking requires international cooperation."

TOPICS OF CONCERN TO MRS. REAGAN

The President was evidently following up on an issue that his wife, Nancy, has shown a major interest in as First Lady.

Last month, Mrs. Reagan was host to a White House meeting of 17 first ladies from around the world that she called to discuss ways of battling drug abuse. On Thursday, as part of the Reagans' official state visit to West Germany, the First Lady presented a check for $5,000 from the National Federation of Parents for Drug-Free Youth to the Parents' Circle, which represents West German parent groups, to be used in the fight against drugs.

Later on Thursday, Mrs. Reagan went to Rome, where she will meet Pope John Paul II on Saturday for talks that will include a discussion of the drug problem.

Referring to Mrs. Reagan's efforts, Secretary of State George P. Shultz said at a news conference that "one of the most important people in this meeting is not here—Nancy Reagan."

MINISTERS ALSO MEET ON DRUGS

Mr. Shultz said a Friday morning discussion by foreign ministers, centered on drug production and trafficking and its connection with international terrorism. That issue has occupied leaders at the conference several times in the past, and led to a declaration on fighting terrorism that was issued at the 1984 meeting in London.

Mr. Shultz said the foreign ministers' discussions produced "a general raising of the perception on this problem."

"It was not on the agenda particularly," Mr. Shultz said, "it just emerged."

Although such statements gave the impression that the talks were spontaneous, officials indicated that delegations from several countries, including the United States and Britain, arrived prepared to tackle the issue.

Mr. Speakes said the President told a staff meeting afterward, "Never have I seen my summit partners so united and determined on a single subject."

THATCHER EXPRESSES ALARM

British officials described Prime Minister Margaret Thatcher as being particularly alarmed by the rapid spread of drug trafficking. The Prime Minister, they said, pointed out that production and seizures of heroin and cocaine were at a record high and said the price of heroin was higher than the price of gold.

Officials said Mrs. Thatcher painted a decidedly gloomier picture about the world drug problem than Mr. Reagan, who seemed optimistic that some progress was being made in the fight against traffickers.

A British official said an idea was raised to have the seven-nation economic meeting next year, planned for Tokyo, formally take up the drug problem, just as the 1984 economic meeting in London dealt with terrorism.

Italian officials said Italy's Foreign Minister, Giulio Andreotti, describing drug abuse a scourge "worse than war," called on the seven nations to increase cooperation among lawmakers and police officials, to improve education efforts to teach people about the dangers of drugs and to increase aid to organizations like the United Nations that are fighting drug trafficking.●

SALUTE TO INDIANA'S RURAL ELECTRIC SYSTEM

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MYERS of Indiana. Mr. Speaker, any celebration of the 50th anniversary of the creation of the Rural Electrification Administration would not be complete without an account of Indiana's role in taking electricity to rural America.

The Indiana General Assembly first approved the Indiana Rural Electric Membership Act on May 5, 1935, 6 days before the Presidential proclamation that established a nationwide program.

Indiana's law became the model for other States passing rural electric legislation. I. Harvey Hull, general manager of Indiana Farm Bureau Cooperative at that time, spearheaded the effort to bring electricity to rural Indiana.

Hull's quest for rural power may have begun when his own farm was electrified in 1922. By 1933, he was discussing with congressional leaders the feasibility of a farm cooperative taking electricity to rural area. The following year, 1934, Hull and other Farm Bureau personnel traveled to Europe for an international cooperative conference. When he learned that 65 percent of rural Norway and Sweden could be electrified, compared to only 10 percent in America, Hull decided that Indiana could do as well and he began drafting the necessary legislation.

Immediately after Gov. Paul V. McNutt signed the Indiana REMC Act, the Farm Bureau board created the Indiana Statewide REMC [now REC] to promote local electric co-ops and provide them with various services.

Men and women from throughout the State volunteered their time and powers of persuasion to sign their neighbors up for electricity. All it took was $5 and you were a member of the rural electric cooperative.

Today, Hoosier REMC's have a total membership of more than 323,000. The largest REMC system in the State is Morgan County REMC with 19,910 members; the smallest is Newton County REMC with 1,312.

In the past 50 years Hoosier REMC's have built 48,566 miles of line, enough to circle the Earth twice. In 1935, only 11 percent of Indiana's rural areas had central station electricity. Today, 99 percent have power.

Being energized is perhaps the fondest memory of many rural folks in Indiana. "It improved our lives 100 percent," one member said. "It was just like a new world. Just like opening the door into something that you never expected to have, " another echoed strongly.

Yet they had it, thanks to Hull and the other Indiana pioneers who acted on their dreams of electrifying the countryside. And 50 years later, Indiana statewide is still out front in service to the people of Indiana.

Congratulations on your 50th birthday. May you have many, many more.●

HONORING FRANK PASQUERILLA

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MURTHA. Mr. Speaker, on May 19 the Sons of Italy will honor Mr. Frank Pasquerilla in Johnstown, PA. Frank Pasquerilla's service to his family, his community, and his Nation are in the highest American tradition, and symbolize what our great Nation stands for in the world.

Frank was born in Johnstown and raised by old Italian traditions stressing a close family and devotion to community, family, and religious strength. At age 12 he was selling newspapers, as a teenager he was working as a short-order cook, as an adult he owned the building where he sold papers as a child.

In thinking about Frank Pasquerilla, I am reminded of a quote used by Senator Robert Kennedy during his 1968 Presidential campaign. "Some men see things as they are and ask why; others dream of things as they should be, and ask why not?"

In his personal life, Frank Pasquerilla embodies the American dream. An individual who made his own way, reached success, and has used his success to help others achieve their own potential.

In his public life, I have worked with Frank Pasquerilla on project after project to benefit the community. Saving Bethlehem Steel in Johnstown. Attracting Metropolitan Life to the area. Keeping the Flight Service Station at the Johnstown-Cambria County Airport. Not a year has gone by that I have not been involved with Frank Pasquerilla in some community project; and not a year has gone by that we have not been successful.

In his private, unpublicized contributions to the community, he contributes his time to church and community activities, and uses the facilities at his disposal such as a corporate jet to transport patients and injured individuals to hospitals and to help the community leaders travel to promote Johnstown and attract jobs to the area.

There will be a long, and very deserved list of accomplishments, positions attained, and signs of success noted at this dinner. But having known Frank Pasquerilla, and having enjoyed the opportunity to work with him, I am confident in closing by saying that what we appreciate most, and what we join in honoring Frank for tonight, is because of the individual he is, his friendship, his kindness, his consideration, and his thoughtfulness.

In participating in this tribute, I hope we are saying a proper appreciation for those qualities that we have all enjoyed so much and benefited from over many years. We look forward to continuing the partnership for many more years.●

CASE STUDY OF A FAILED LOAN: IDEAL WIRE'S COSTLY COLLAPSE

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. DREIER of California. Mr. Speaker, today I am submitting for the RECORD part 3 of a five-part investigative series, published in the May 7 issue of Newsday, on improper loan practices involving Long Island small businesses which were financed by the Federal Small Business Administration. I recognize that it is impossible for the SBA to insure that all of its loans are being used for legitimate business purposes. However, I think that Congress has a particular responsibility to see that the taxpayer's hard-earned dollars are being used to benefit the nation as a whole, rather than just a select few individuals—whether it be through improper dealings, agency mismanagement, or a lack of legislative foresight.

[From Newsday, May 7, 1985]

CASE STUDY OF A FAILED LOAN: IDEAL WIRE'S COSTLY COLLAPSE

Two phone calls made by the right people show how politics and money can facilitate Small Business Administration loans on Long Island.

The first call was placed late in 1982 by former Suffolk Republican leader Robert Curcio Sr., paid consultant to a Holbrook company seeking a $500,000 SBA loan. Curcio called Peter Neglia, the Reagan administration's new SBA regional director and son of an old political contact. Curcio wanted to know why the SBA wasn't making the loan.

Neglia made the second call. He said he phoned one of his subordinates, Walter Leavitt, the SBA's top official on Long Island, and asked the same question—why wasn't the company getting the loan?

After Neglia's call, records show, Leavitt and another senior SBA official overruled an SBA loan officer and approved the loan to Curcios' client, the Ideal Wire Manufacturing and Coating Corp., whose president, Walter R. Lehmann, had a history of failed businesses and unpaid debts.

Curcios' services didn't come cheap. Newsday has traced a series of checks totaling $28,000 issued by Ideal Wire to Curcio—checks described by Lehmann as payment for Curcio's help in getting the SBA loan. These payments were not disclosed to the SBA as required by federal law. Leavitt said that the sum was excessive for SBA consulting—"out of sight," in his words—and that the SBA would have investigated if the proper disclosure had been made.

The transaction also was costly in another way—for the taxpayers and dozens of companies, large and small, that did business with Ideal Wire. Ideal made four payments on the loan after the SBA approved it in January, 1983, then defaulted with $498,512 of principal still owed. The company filed for protection from creditors under the Bankruptcy Act. Besides the SBA debt, Ideal's collapse left behind $158,104 in unpaid taxes and $527,447 in unsecured debts to creditors, the companies that sold materials or services to Ideal.

The Ideal Wire story provides a case study of a failed SBA loan that mirrors some of the arguments in the current national debate over whether Congress should go along with the administration's efforts to abolish the agency.

SBA critics charge that the agency has approved loans to companies with questionable financial backgrounds; that some loans have been influenced by politics or payoffs; and that banks and other financial institutions that fund SBA-guaranteed loans don't always screen applicants carefully because 90 percent of any loss is covered by the government.

The Ideal Wire loan came from an SBA-certified lender, the Money Store of New York, which screened the initial application and recommended it to the SBA for approval. The Money Store of New York was then headed by Steven Gurian. He also is president of the Long Island Development Corp., a quasi-governmental corporation set up by Nassau and Suffolk counties to facilitate SBA and other government loans for Long Island businesses. Newsday reported Sunday that Gurian has had consulting deals and other financial involvement with borrowers described as improper by county and SBA officials.

Court and SBA records, internal Ideal Wire records, bank memos, and interviews disclose a number of irregularities that pose ethical questions about the Ideal Wire loan:

Gurian has acknowledged that he knew, and failed to tell the SBA, that Curcio had been a consultant to Ideal on the loan. He also concedes that Curcio's role was not disclosed on the government forms as required by law. And, Newsday has learned, a year after the Ideal loan, Gurian and Curcio were trying to form an SBA-certified lending company of their own. Curcio, however, says that he abandoned that plan when he learned that Newsday was looking into Gurian.

The Money Store and SBA approved the loan despite public records that raise questions about the collapse of Lehmann's previous company, Ideal Fence Supply Co. Inc. Records show that in 1981 the company claimed an inability to pay $250,000 in debts. During the year before the company failed, records show that Lehmann and his father took $459,829 more than their salaries out of the company. They explained the extra money as loan repayments. The bankruptcy file contains no further documentation of such loans. A judge eventually dismissed the bankruptcy petition because of Lehmann's failure to provide the required financial reports and reorganization plan for the company.

When the Money Store and SBA approved the $500,000 loan to Ideal Wire, Lehmann's personal credit rating was so poor that court records show he had to make his 20-year-old daughter the company's sole stockholder. He had an unsatisfied $168,000 judgment against him, and an official of his main bank, Long Island Trust Co., said in an internal memo that Lehmann's personal guaranty on loans "had no value."

Although SBA officials say the loan is secured by solid collateral—Lehmann's house, some vacant property and Ideal's machinery and inventory—other documents raise doubts. Lehmann moved Ideal's machinery and inventory to a suburb of Buffalo without notifying the SBA, and Leavitt has conceded that the SBA probably won't recover anything from it. Leavitt said SBA efforts to foreclose on Lehmann's real estate have been snagged—court records show competing claims from another debtor and a counter-suit by Idea.

In that suit, Lehmann charges that most of the SBA money he thought he was getting to revive his business was instead illegally diverted by the Money Store to pay debts Lehmann owed to banks. SBA rules forbid granting loans for what they call a "bail out"—in other words, to "pay off creditors who are in a position to sustain a loss." Gurian denied that was done, but records show that during the loan closing, two checks were issued to satisfy old bank debts; $162,212 to Long Island Trust and $50,000 to Barclay's Bank.

Lehmann has not responded to numerous phone calls and a letter requesting an interview, but he has given his version of events in court depositions and testimony during the ongoing Ideal Wire bankruptcy proceeding. Records show Lehmann came to the loan-closing with Curcio but without an attorney. Lehmann said he expected to get most of the money "for new inventory and equipment and working capital for Ideal." However, he said, "as soon as I signed over the check from the SBA, the Money Store took its fees and then oversaw the passing out of checks to various prior secured creditors, almost totally exhausting the available funds."

Lehmann said: "As it turned out, all I received was a sort of loan consolidation, which hopelessly encumbered my property, and as no capital was transferred to Ideal, its demise was assured, thus leaving me with no income to repay these obligations."

Records of the loan-closing do not fully support that assertion, but they do show that Lehmann did not get all the money supposedly earmarked by SBA for working capital. The records show that checks totalling $110,600 were issued for machinery and equipment for Ideal and that $386,840 was deposited into an Ideal bank account for working capital. However, the checks to clear the old bank debts, totaling $212,212, were then drawn from that account. Lehmann said the Money Store's lawyer, Roslyn Goldmacher, "stated to me words to the effect, 'This won't leave much for Ideal, will it?' " Goldmacher has not returned repeated calls from Newsday.

Gurian said he first met Curcio when the former Republican leader, who is a real

estate broker, approached him about the Ideal Wire loan. "He represented himself as their business consultant," Gurian said.

Federal law allows SBA loan applicants to hire consultants to help them get loans, but their identity and the fee must be disclosed on the application, and the SBA must make a ruling that the fee is reasonable in comparison to work done by the consultant. Leavitt said the SBA would almost certainly have rejected a fee as high as Curcio's. The SBA also prohibits contingent fees in which the size of the fee depend on the success of the application.

Gurian said he told Curico about these rules: "I warned him just like I warn everybody else . . . right in front of the client. The client has to sign in three places, and if he puts you down as a business consultant, nothing wrong with it, perfectly all right, but then you must fill in a compensation agreement form which says this is what you did, this is how long it took you, this is what you normally charge to your best customer . . . Then the government approves or disapproves."

Gurian was shown copies of the $28,000 in Ideal checks to Curcio. Two of them, totaling $13,000 are marked "consultant for SBA," the others do not bear any notation as to their purpose. One check for $4,000 bounced for insufficient funds. The checks began in August, 1982, and continued into April, 1983, spanning the period in which the loan was considered and approved by the Money Store and SBA. Ideal's books for August, 1983, show an additional $500 payment to Curico.

Of the checks, Gurian said: "If the FBI picks this up, or the U.S. Attorney's office picks this up, they have a basis for going against him on a fraudulent statement in order to induce us to make the loan." Gurian added: "I knew that he [Curico] had received a large amount of money in comparison to what a business consultant would normally charge or have approved by the SBA. I had no idea it was this amount."

Why hadn't he required that the application disclose Curcio's role? Gurian replied: "I'll tell you something, you know—I don't want to know. I'm not the keeper of the keys. I'm here as an advocate of a small businessman. If I had to be the keeper of the morals of all the small businessmen and what they do and how they do it. I couldn't."

The SBA's Leavitt said Gurian's silence was improper in view of the close working relationship between the Money Store and the SBA. "I don't agree with him," Leavitt said. "Technically, he's not a policeman. But we're partners, and one partner should tell the other partner what's going on."

Newsday tried to interview high-ranking officials of the Money Store—the largest maker of SBA-guaranteed loans in the country—about the Ideal Wire loan and others issued by its New York subsidiary formerly headed by Gurian. Gurian retired as president of the Money Store of New York last year but says he remains a paid consultant to the parent company.

Alan Turtletaub, president of the Money Store, initially agreed to an interview. But then he broke two appointments and failed to return several phone calls. Then he said that no interviews would be allowed, that the company would only answer written questions, and that he would not comment further.

Lehmann's court papers allege that the Ideal Wire loan is under federal investigation, and Newsday has independently confirmed that federal prosecutors are looking into that loan and others made by the Money Store of New York.

Curcio, Ideal's consultant, is a veteran of Suffolk Republican politics but has not been publicly active in recent years. He became Babylon GOP leader in 1964 and county leader two years later. In 1967 Newsday published a series of stories on Islip land and zoning scandals that involved some of Curico's closest political allies. In that years' elections, the GOP lost three towns—Islip, Babylon and Huntington—and the party ousted Curcio as chairman.

Curcio said he has continued attending political affairs and through them became friends with Joseph Neglia, the father of Peter Neglia. The elder Neglia is a Republican district leader in Brooklyn. "I'd go to the Brooklyn dinners; they'd invite me. That's how I met Joe. . . We're old friends." He said their friendship goes back at least 15 years.

Curcio said he couldn't recall any details of his phone conversation with Peter Neglia about the Ideal Wire loan. Neglia, who has been promoted to acting SBA chief of staff, confirmed that Curcio called him about the loan and that he called Leavitt to ask him about the loan and that he called Leavitt to ask what was the problem. But Neglia said he never pressured his subordinates to approve the loan.

SBA records show that loan officer Frank Guarino had rejected the Ideal loan for "lack of reasonable assurance of ability to repay loan (and other obligations) from earnings."

Curcio said his consulting work for Ideal Wire involved more than just the SBA loan. "I did a million things for this guy over a three- or four-year period," he said, including taking Lehmann to private lending institutions and trying to find investors for the company. Curcio said that at his suggestion, he and Lehmann and their wives went to a Republican testimonial dinner for Neglia; Ideal records show the company paid $250 for tickets.

During a hearing, Jules Speciner, the lawyer handling the bankruptcy case, asked Lehmann under oath about Curcio's role. Lehmann replied: "He was an adviser for—during the period I was looking for an SBA loan."

"What kind of advice did he give you?" Speciner asked.

"Packager, a go-between, between me and the SBA or Money Store structure, as an adviser," Lehmann said.

Later in his testimony, however, Lehmann added: "I think this was an ongoing thing for other things. It was not only for the SBA."

SBA officials defended their handling of the loan and said they expected to recover all of the loss from collateral. "We felt that based on the information submitted, the projections seemed reasonable, and the fact that the previous business went under doesn't mean it will be repeated," Leavitt said. "We felt we were pretty well secured and he had a reasonable chance of making it."

The collateral is Lehmann's East Islip home, which he testified is worth about $300,000, and some vacant industrial land in Holbrook, which he valued at about $95,000. The SBA also holds a lien on the company's machinery and equipment.

But for now, the collateral situation is confused. Last year, Leavitt said, SBA officials were surprised to discover that Lehmann, without notifying the SBA or bankruptcy court, had suddenly moved all of Ideal's property to Tonawanda, a Buffalo suburb. "Over the weekend, he moved everything he owned," Leavitt said. There is an Ideal Fence Co. office in Buffalo, and a woman who answered the phone confirmed that Walter Lehmann worked there. He did not return calls.

Leavitt said he was not familiar with Lehmann's Buffalo activities. He added, though, that the SBA probably would not recover anything on the machinery because Long Island Trust holds the right to collect the first $150,000 from any liquidation sale. Lehmann has debts to the bank stemming from the collapses of Ideal Fence on Long Island and Starfish Marine, an earlier Lehmann business that also failed.

Leavitt said he was confident, however, that the SBA would make out well in the resale of Lehmann's house and real estate. But court records show that foreclosure attempts have been complicated by a lien on the property, also held by Long Island Trust. Leavitt said he did not know when the case would be resolved.

Curcio and Gurian said their efforts last year to form an SBA lending company of their own had nothing to do with the Ideal Wire loan. Gurian said they wanted to form a small business investment corporation, a form of licensed SBA lender that makes loans combining SBA and private funds.

As part of their efforts, Curcio said, he went to Suffolk County Executive Peter Cohalan and asked that Gurian be named an unsalaried financial adviser to the county. Gurian said he thought that such a title would enhance his chances of getting SBA approval for the new investment corporation. But the county appointment never came through.

Gurian said he had been seeking at least $3 million in investment capital for his joint venture with the former Suffolk GOP leader. "Curcio suggested that he would raise the funds because he had heavy hitters in his entourage," Gurian said. Both men said no money was ever raised. Curcio said: "I tried to put some people together and I put an awful lot of time in on the thing, and when I heard that Gurian was being investigated [by Newsday] I stopped pursuing it . . . I certainly didn't want people that I was approaching to make an investment to be embarrassed."●

RECOGNITION OF CARES

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Ms. KAPTUR. Mr. Speaker, this month Lucas County, my home county, is recognizing one of its finest civic organizations. Its name is Toledo-Lucas County CARES. The acronym, ever-so fitting, stands for chemical abuse reduced through education and services. CARES is a coalition of concerned citizens working within Lucas County to reduce chemical abuse among youth.

Formed in 1982, as a result of the alarming increase in the level of drug and alcohol abuse among our communities' young people, CARES facilitates the development, implementation, and evaluation of countywide efforts to reduce the drug and alcohol problem through the application of prevention, treatment and rehabilitation programs. The organization is chaired by volunteers from the Junior League of Toledo, Inc., with staff support from the Criminal Justice Coordinating Council.

CARES has been tremendously successful because parents, educators, service providers, law enforcement officials, concerned citizens, and young people themselves have come together for the common good. Our community is a better place because of CARES and the people who make it work. On behalf of all the people of Ohio's Ninth District, I offer CARES the congratulations, best wishes, and appreciation of a grateful community.●

CONGRESS WANTS THE PRESIDENT TO PRODUCE A NICARAGUA POLICY

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BARNES. Mr. Speaker, on April 28 the New York Times ran a very thoughtful editorial on our Nicaragua debate. As the Times points out, the administration does not have a Nicaragua policy, and the actions it is taking will not lead to the achievement of the objectives it professes to be pursuing.

Pressure is a tactic, not a policy. What is our policy? What do we want, and what price are we prepared to pay to get it? Does it make sense to seek the overthrow of a government, when the means that we are prepared to employ will not accomplish that objective, but will instead work against other objectives that we should be seeking, such as a political opening in Nicaragua and a diplomatic settlement in Central America? As the Times asks, "Where are the lists of American demands, distinguishing between intolerable threats to our security, justifying war, and lesser interests to be sought with lesser sanctions or rewards?"

Congress "has not rejected a President's policy," the Times says. "It asks that he produce one." Mr. Speaker, I agree with that. If the President will seek a bipartisan consensus, based on full and real consultation, behind a policy that makes sense, the Congress will support him. Meanwhile, it continues to be our obligation to reject funding for the Contras—an unwise tactic that would not achieve the objectives we would be seeking if we had a policy.

The editorial follows:

[From the New York Times, Apr. 28, 1985]

VIETNAM IN AMERICA

To the cry of "No More Vietnams," the United States has tied itself into knots over Nicaragua. The President wants a virtual declaration of war against the Sandinistas—no more piecemeal humiliations by Soviet proxies. Congress, in a stunning demurral, says no more piecemeal investments of prestige in a war we're unwilling to send American boys to finish.

Some of the Vietnam echoes are evoked by the calendar. It is 20 years to the day since American ground troops went into battle in Vietnam, and 10 years since their final ignominious withdrawal. But there's a simpler explanation for our present ambivalence: ignorance. Americans, even those in authority, are obviously unsure about the conditions and stakes in Nicaragua. Where the facts seem so perplexing, how much easier to try the case by analogy.

For Congress, the overriding lesson of Vietnam is do less: sign no blank checks for warmaking. It is not convinced that the Sandinistas pose a threat justifying war. And if they did, it sees no plausible plan for overthrowing them.

For the Administration, the lesson is do more. Here it is, as rendered by Secretary of State Shultz: "Broken promises. Communist dictatorship. Refugees. Widened Soviet influence, this time near our very borders. Here is your parallel between Vietnam and Central America." He says the failure in Vietnam not only betrayed the people of Indochina but led Congress to hobble the President's authority, thus emboldening the Russians and "destabilizing" the globe.

These readings of history are not all wrong or irrelevant. But they are woefully oversimplified. Americans did not need Vietnam to learn the nature of Communism. They did not go into Vietnam to diminish Soviet influence but what they ignorantly thought was China's. And just what was it that cast so much doubt on America's wisdom and power, restraint or excess?

Nicaragua is closer than Vietnam, and arguably a more vivid American interest. But it is in no sense a Soviet power. Precisely because it is nearby, America could quickly snuff out any real security threat. Nicaragua's Marxists may yearn to spread revolution, but their opportunities to do so depend more on American behavior than Soviet ambitions. Like Vietnam, Nicaragua may be too heavily armed for its size, but it has had much more reason to fear invasion.

The ultimate lessons of Vietnam for all Americans should be evident. This country will not effectively wage war unless it understands the reason for the pain. Even a hesitant resort to force creates uncontrollable imperatives. It soon requires exaggerating the stakes, then destroys the balance between ends and means and finally forecloses diplomacy and compromise. When America stands in peril, that price has to be paid. Where less-than-vital interests are at stake, the path away from force needs to be as clearly marked as the path in.

For an astute appreciation of America's interests and dilemmas in Nicaragua, read the report in today's New York Times Magazine by Mario Vargas Llosa, the Peruvian novelist.

"The kind of massive, and bloody, military intervention that will be needed to overthrow the Sandinistas will not result in a democracy," he says. "Only a dictatorship can impose order in a country devastated by terrorism and civil war. To maintain the existing fragile freedoms under the present regime, the only choice for the opposition is to reach some kind of an agreement with the Sandinistas. Although the regime has traveled far down the road toward totalitarianism, the challenges and difficulties it faces are an inducement to compromise."

That may be wrong. So may be the author's judgment that the Soviet Union has decided against paying the price of taking Nicaragua under its wing, like Cuba; or that Nicaragua's revolution looks a lot like Mexico's. But where are the comparably clear-eyed analyses by the United States Government? Where are the lists of American demands, distinguishing between intolerable threats to our security, justifying war, and lesser interests to be sought with lesser sanctions or rewards?

The lesson of Vietnam is simply that, when in doubt, look a dozen times before leaping. Congress, which cannot have its own diplomacy, has not rejected a President's policy. In its justified confusion, it asks that he produce one.●

JANE BOECKMANN HONORED

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding leader of our community, Mrs. Jane Boeckmann. On May 17 of this year, she concludes her term as president of the Panorama City/Sepulveda Chamber of Commerce.

During her tenure, as the result of her tremendous talent, dedication, and effort, the chamber of commerce has experienced great growth.

Mrs. Boeckmann's contributions to the community extend way beyond the chamber of commerce. Her seemingly infinite energy has bettered the quality of life for all who live and work in the San Fernando Valley.

As founder, publisher, and editor-in-chief of Valley magazine, she has given valley residents a forum for discussing issues of particular interest to them. As a philanthropist, humanitarian, religious and civic leader, wife, and mother, she has been an example for all of us.

She was cofounder of the San Fernando Valley Cultural Foundation. From 1982 through 1984, she served as honorary mayor of the San Fernando Valley. And in the past, she has been vice president of the San Fernando Valley Arts Council, director of World Opportunities, member of the board of trustees for California Lutheran College, and served on countless commissions and committees.

She has earned many well-deserved awards; among them are the Patriotic Citizen of the Year Award, State of California Mother of the Year, and Newsmaker of the Year, just to name a few.

It is my honor to ask my colleagues to join me in paying tribute to Mrs. Jane Boeckmann, a tremendous asset to the community and a truly remarkable woman.●

LEGISLATION TO IMPROVE UNDERSTANDING OF NUTRITION

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. WALGREN. Mr. Speaker, I want to join with a number of our colleagues in cosponsoring the National Nutrition Monitoring and Related Research Act of 1985. Congressman MACKAY, Congressman BROWN of California, and I introduced a similar bill last year.

These bills result from hearings held over the past 6 years by the Subcommittee on Science, Research and Technology, which I chair, and by the Subcommittee on Department Operations, Research and Foreign Agriculture, chaired by Mr. BROWN. H.R. 2436 creates no new Federal activities in nutrition monitoring and related research, but seeks to organize the numerous activities presently being conducted in a piecemeal fashion into a more effective, priority program. Thus, the program would make more effective use of current resources and improve the contribution that nutrition monitoring information and research can make.

As a result of previous hearings, the Department of Health and Human Services [DHHS] and the U.S. Department of Agriculture [USDA] finally submitted the long-overdue implementation plan for a National Nutrition Monitoring System to the Congress. That plan fails to identify a number of essential factors such as a structure to coordinate independent activities, allocation of agency responsibility, and the availability of personnel and other resources needed to accomplish the tasks involved. Because of these deficiencies, the goal of the plan, to carry out the first coordinated Nationwide Food Consumption Survey [NFCS] and National Health and Nutrition Examination Survey [NHANES], cannot now be accomplished in 1987. In addition, the report on the nutritional status of our people, which was to be submitted to the Congress in November 1984 has been delayed for at least 1 year.

The following excerpts from testimony at our committee's June 1984 hearing demonstrates the need for this legislation:

> Presently the need for a comprehensive nutrition monitoring system is not being met even though many of the elements of the system exist.
>
> There is little practically-oriented epidemiologic research to develop shorter and cheaper methods of monitoring nutritional status, food consumption, nutrition knowledge, and food scarcity suitable for use by states, localities, and others needing such methods.
>
> In addition, a coordinated effort among the various agencies would enhance standardization of data collection, analysis and reporting, thereby facilitating comparison and interpretation of the surveys and also providing a more comprehensive picture of the nutritional status of the population.
>
> Currently most information we have is 6–10 years old, and therefore is not very useful in identifying current problems, such as the increasing incidence of hunger and malnutrition resulting from the strains of the recent economic recession and cutbacks in Federal food assistance programs.
>
> Nutrition surveys must be continuous, and they must be accountable to policymakers and the public. Even the President's Task Force on Food Assistance made this point. Yet the current system does not ensure continuity or accountability.

In addition, without this legislation, the Congress has no means to evaluate the effectiveness of the executive branch in carrying out nutrition monitoring activities. Last February, Congressman GEORGE BROWN and I wrote the Secretary of Health and Human Services to request a summary of fiscal year 1985 funds expended and the fiscal year 1986 budget request for nutrition monitoring activities by each agency within the Department. The response from DHHS stated, "It is difficult to respond to your request for dollar amounts spent on nutrition monitoring activities because often costs are contained not in one but several line items within the DHHS agency's budgets." The bill we are introducing today will make it possible for the Congress and all Federal agencies to better understand expenditures for this important activity.

We can no longer afford a nutrition monitoring system that provides data 6 to 10 years after the fact. Nutrition and health indicators are as important, if not more so, than current economic indicators. What we do in the area of food, nutrition, and health requires timeliness. I urge my colleagues to join in cosponsoring this bill and working toward its early passage.●

POSTSCRIPT TO BITBURG

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Ms. MIKULSKI. Mr. Speaker, I rise today to offer a postscript to the President's visit to Bitburg Cemetery. It is too late to change his deplorable action. But I want to make clear that when President Reagan laid a wreath at Bitburg, he did not represent the American people.

Mr. Reagan claims that he went to Germany seeking reconciliation. But my question is: With whom does he want to reconcile—with modern-day Germany, or with the Nazis of World War II? By placing a wreath at Bitburg Cemetery, President Reagan in effect, honored the Nazi killers and the Germans who massacred American prisoners. The American people are anxious to mend our fences with Germany of 1985, but public outcry made clear that going to Bitburg would not accomplish this.

Last week, President Reagan claimed that it would be a sign of weakness to change his itinerary in the face of public pressure. That, to me, is an incredible statement. It is not weak to admit you are wrong; rather, it takes strength and courage to publicly correct a mistake. The controversy surrounding the Bitburg trip was an expression of the will of the American people. The President should take seriously such public pressure and respond with sensitivity.

When I visited Poland several years ago, I made sure I went to Auschwitz. I wanted to see firsthand the legacy of the Nazis. That trip made clear to me the importance of remembering the Holocaust and the unspeakable horror of the Nazi genocide. Even as we improve relations with Germany of 1985, we can never forget what happened 40 years ago.

It was an affront to the American people that the President felt it was more important to please the Germans than the thousands of American veterans, Gold Star Mothers, and Jews everywhere who asked him not to go to Bitburg. Never forgetting the Holocaust means never honoring those who tortured and killed millions. President Reagan's itinerary was not a question of strength or weakness, but a moral issue of good and evil.

I am indebted to my friend, Rabbi Manuel Poliakoff, of Baltimore, for his wise counsel regarding the Bitburg trip. It was he who pointed out to me that the President was not representing the American people when he went to Bitburg. Based on the reaction of the public and here in Congress, I agree. I, and many of my colleagues in the House of Representatives and in the Senate, wrote to President Reagan urging him to cancel his trip to Bitburg Cemetery. The response of the American people was overwhelming in their opposition to the Bitburg event. Elie Wiesel eloquently pointed out that the President's place is with the victims, not the perpetrators, of the Holocaust. I am personally outraged that all our pleas could not make President Reagan change his itinerary. Although it is too late to change his action, I want the record to show that the spirit of America was not with him on that day in Bitburg.●

STATEMENT OF CONGRESSMAN TED WEISS ON THE 50TH ANNIVERSARY OF THE APOLLO THEATRE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. WEISS. Mr. Speaker, this is the 50th anniversary year of Harlem's renowned Apollo Theatre. On this occasion I want to pay tribute to the Apollo for its contribution to 20th century American culture. I wish the Apollo continued success as its doors open once again to established and especially new artists as well as appreciative audiences.

The Apollo Theatre's greatest accomplishment was to bring music by black artists to the attention of the public and the record industry. The Apollo was a vehicle for artists who otherwise had limited access to the entertainment world. We are grateful to the Apollo for presenting people who were not allowed to appear elsewhere because of racial discrimination and for providing the necessary support for large numbers of talented black musicians, vocalists, comics, and dancers who brought us the best in popular entertainment. After the civil right laws eased segregation in the entertainment industry and black stars were welcomed in "downtown" theatres and nightclubs, the Apollo continued to provide them a special home as well as a showcase for newcomers.

The list of Apollo performers reads as a "Who's Who" in American music and as a lesson in American cultural history. The theatre was built in 1912, and by the 1930's, it became the foremost talent showcase for black entertainers. Blues greats Duke Ellington, Louis Armstrong, and Ethel Waters have graced its stage. During the 1940's, its big band talent included Count Basie, and Earl Hines. Out of this era emerged Miles Davis, Charlie Parker, Sarah Vaughan, and Billie Holiday, among others.

Be-bop and rhythm and blues dominated the Apollo's stage after World War II. It presented the sounds of Charlie Parker, Dizzy Gillespie, and Bud Powell. The 1950's brought rock and roll, and audiences were treated to the music of Bo Didley, the Drifters, and the Dominoes. The Temptations, Diana Ross, the Supremes, and Stevie Wonder were all a part of the Motown sound that was headlined by the Apollo in the 1960's.

The Apollo's famous amateur night was the stomping ground for talent agents and members of the entertainment business. In the 1970's the Jackson Five competed in Amateur Night. Ella Fitzgerald, James Brown, Dionne Warwick, and Stephanie Mills credit the Apollo with launching their careers. The Apollo offered hope to young people who dreamed of show business success. For many, those dreams were fulfilled.

In 1976, the Apollo closed its doors to live performances. This vital cultural resource went under when it was forced to compete with cultural facilities seating large audiences and sophisticated, inexpensive entertainment alternatives—television, radio, records and tapes.

Now, after a change in ownership the Apollo is reopening. The theatre building received landmark status in 1983, and has been refurbished. It is in a new and stronger financial position with support from local and Federal agencies and the private sector. On May 20th, the reopening is being publicly celebrated with a national television special.

It is heartening to see that the Apollo and its progeny are receiving such well-deserved attention and best wishes. I am confident that this theatre will continue to contribute to the cultural life of this Nation and continue to launch the careers of talented young people. All of New York City, indeed the entire nation, welcomes the rebirth of the Apollo.●

ARMS CONTROL AND NUCLEAR TESTING

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BROOMFIELD. Mr. Speaker, the House Foreign Affairs Subcommittee on Arms Control, of which I am a member, has been considering legislation which would urge the ratification of the Threshold Test Ban Treaty [TTBT] and instruct the President to immediately propose negotiations on a comprehensive test ban [CTB]. In this regard, I commend to my colleagues the following statement by Don Kerr, director of Los Alamos National Laboratory, who testified before the subcommittee on May 8.

Mr. Chairman, Members of the Committee, I am Donald M. Kerr, Director of the Los Alamos National Laboratory. It is a pleasure to have the opportunity to discuss the issues of arms control and test limitations with you; I hope that what I say will assist in understanding this difficult and important subject. Our Laboratory is run by the University of California for the Department of Energy. We have a staff of 8,000 employees. The first nuclear and thermonuclear weapons were designed at Los Alamos. Over two-thirds of the nuclear weapons currently in the US stockpile were designed by our Laboratory. We know the tremendous destructive power of these weapons, and we have long hoped that the world's leaders would find ways to reach effective arms control agreements. We were the pioneers of technical means of verification, including the ground-based Vela detectors followed by the space based Vela. I also, however, bear the responsibility of personally signing certification documents that state that the weapons we design will work and that they have appropriate safety features. That responsibility weighs heavily.

For three decades, bans or limitations on testing of nuclear weapons have been one of the most frequently suggested and widely supported forms of nuclear arms control. Yet, testing restraints constitute a highly technical approach to arms control. And they have often been advocated as an alternative to political approaches and agreements when this avenue appeared to be closed by political controversy or concern over military-strategic problems.

At this moment of considerable concern about the future of arms control, many voices from within the United States and outside are encouraging the US Government to move ahead on restraining nuclear weapons testing—by ratifying the Threshold Test Ban Treaty (TTBT) and the Peaceful Nuclear Explosives Treaty (PNET), by reopening negotiations on a Comprehensive Test Ban (CTB), and perhaps even by moving boldly in advance of nuclear arms control negotiation with a unilateral moratorium on US nuclear weapon tests. H.J. Res. 3, which urges the President to submit the TTBT and PNET to the Senate for its advice and consent to ratification, and to propose to the Soviet Union the immediate resumption of negotiations on a CTB, appears to indicate congressional support for this approach. However, nuclear test bans and testing moratoria could have an adverse effect on US national security, and it is not certain that they can significantly advance the cause of nuclear arms control or be a substitute for direct reductions of nuclear weapons.

In the 1970s, the Threshold Test Ban Treaty and the Peaceful Nuclear Explosives Treaty were negotiated. The PNET included an extensive protocol on verification methods to assure compliance, negotiated with scientific input from both sides. This protocol has not entered into force since the treaty remains unratified. However, compliance with the PNET has not been questioned. On the other hand, Soviet compliance with the 150 kiloton (kt) limit on underground nuclear weapon tests specified in the TTBT has been hotly debated within the United States for some time. The United States has depended upon seismic measurements from remote stations to monitor Soviet compliance with the 150 kt limit. These measurements are sometimes ambiguous and have led to controversy about Soviet behavior under the TTBT.

REASONS FOR NUCLEAR TESTING

As long as we rely on nuclear weapons, we must test them. Our nuclear weapon test program is essential in designing, engineering, manufacturing, maintaining, and certifying weapons.

Certification

Certification is a guarantee from the nuclear weapons design laboratories that weapons will perform to specifications throughout their stockpile life, in peacetime as well as in war. Equally important, it is a promise that they will be safe and resistant to unauthorized attempts to use them by terrorists or others.

Nuclear research and development

Nuclear tests are essential for determining the proper functioning of nuclear explosives. Calculations do not suffice, and there is no way experimentally to simulate the

total performance of a nuclear weapon. Without testing, no new designs ought to be put into stockpile. In some cases, however, existing designs can be adopted for use in other delivery systems. We are concerned that, given real life pressures and fallible human nature, we might occasionally stockpile new designs or inadequately reasoned changes in old ones. Serious unreliability could result.

Of course, preventing the development of new generations of nuclear weapons—which are generally viewed as inherently more dangerous, destructive and destabilizing—is precisely what the proponents of testing limits have as their objective. However, testing has been and continues to be necessary for reducing the dangers and destructiveness of nuclear weapons. Indeed, testing is necessary for advancing our knowledge in desirable areas, without at the same time taking unreasonable risks. Nuclear testing allows us to make nuclear weapons safer, and to improve controls to prevent or deny unauthorized use. It allows us to improve design efficiency and to reduce the cost and special nuclear material requirements of warheads, as well as to design weapons to reduce collateral damage. And nuclear effects tests, primarily carried out by the Defense Nuclear Agency, contribute significantly to our ability to study the effects of nuclear weapons on our weapons systems, as well as on our command, communications, reconnaissance and other assets. This knowledge is essential for responding to the threat posed by Soviet offensive nuclear systems by, among other means, hardening our command, control, communications and intelligence (C^3I) capabilities. We increasingly rely on such capabilities to avoid war, to manage crises, to maintain the credibility of our deterrent and, in the event of war, to assure our defense.

Maintenance of the stockpile

Nuclear testing is essential for the maintenance of the stockpile. Nuclear weapons are affected significantly by aging and obsolescence; over an extended period the materials used in warheads deteriorate physically. Expected stockpile lifetimes for warheads are typically between 15 and 25 years, but some designs have required corrective measures much sooner. In the past, new weapons usually replaced those in the stockpile before the older weapons deteriorated. But without nuclear testing, the possible effects of physical deterioration would become increasingly important.

Maintenance of nuclear design capability

Not only is nuclear testing essential to the maintenance of the nuclear stockpile, but the US nuclear weapons laboratories have maintained for years that testing programs are essential in maintaining the nuclear weapons capability of the nation. Without an experimental testing program, which challenges our nuclear weapon designers and tests their designs, we would lose our best designers. Those remaining would not be able to demonstrate the validity of their theories. This was our experience during the test moratorium. In effect, over a period of years, we would expect the technical base of knowledge and experience required for developing and maintaining weapons to dissipate and disappear.

RATIFICATION OF TTBT

The TTBT, signed in 1974, establishes a nuclear "threshold" by prohibiting tests with a yield exceeding 150 kt. The US, as I have indicated, observes the 150 kt threshold scrupulously. Within this limit, the Laboratory is able to maintain the present stockpile and our nuclear design capability. Without testing over 150 kt, we can within limits undertake risk-free modifications of nuclear weapons to enhance safety, improve efficiency (yield-to-weight ratio), reduce cost, tailor effects to reduce collateral damage, and achieve other design improvements. As well, needed nuclear effects testing can be undertaken. The Laboratory can design, produce and certify new weapons with high confidence if they are 150 kt or less, or with lessening confidence if they are not larger than the threshold by approximately a factor of two (2) and if the design has been tested in the past at higher yields. The Laboratory will not be able to design and develop high-yield weapons based on designs that depart significantly from those of the past. Unless the US established new, high-yield weapons requirements, we can live with such restrictions on our own program. However, we are concerned about what the Soviets can do under the TTBT.

Soviet compliance

Under the TTBT, there is a serious potential for Soviet violations. Without knowledge of the procedures employed by the Soviets to develop and certify their weapons, and with the intrinsic uncertainties of the methodology we use to verify Soviet compliance with the Treaty, they could test at levels that might allow them to execute proof tests of the weapons believed to comprise the bulk of their stockpile or test new designs with even higher yields. Even if they conducted one or two high-yield tests every few years, it might be possible for them to develop totally new high-yield weapons. Thus, potential Soviet noncompliance with the provisions of the Treaty could create a serious asymmetry with military significance.

Verification of a TTBT

In the Protocol to the TTBT, the US and the USSR agreed:

For the Purpose of ensuring verification of compliance with the obligations of the Parties under the Treaty by national technical means, the Parties shall, on the basis of reciprocity, exchange the following date:

a. The geographic coordinates of the boundaries of each test site and of the boundaries of the geophysically distinct testing areas therein.

b. Information on the geology of the testing areas of the sites (the rock characteristics of geological formations and the basic physical properties of the rock, i.e., density, seismic velocity, water saturation, porosity and the depth of water table).

c. The geographic coordinates of underground nuclear weapon tests, after they have been conducted.

d. Yield, date, time, depth and coordinates for two nuclear weapon tests for calibration purposes from each geophysically distinct testing area where underground nuclear weapon tests have been and are to be conducted. In this connection the yield of such explosions for calibration purposes should be as near as possible to the limit defined in Article I of the Treaty and not less than one-tenth of that limit. In the case of testing areas where data are not available on two tests for calibration purposes, the data pertaining to one such test shall be exchanged, if available, and the data pertaining to the second test shall be exchanged as soon as possible after the second test having a yield in the above-mentioned range. The provisions of this Protocol shall not require the Parties to conduct tests solely for calibration purposes.

The parties agreed that these data (a, b, d) would be exchanged simultaneously with the exchange of instruments of ratification, and the data exchange provisions of the TTBT have not yet come into effect. Consequently, we do not know how valuable this geophysical data would be. But it is by no means certain, as some would have us believe, that the exchange of geophysical data upon ratification of the TTBT will reduce ambiguities about the size and site of Soviet tests, or that it will increase confidence in Soviet compliance with the provision of the TTBT. If we were certain that exchange of these data would effectively result in effective ratification, it would indeed be ironic and, I believe, insupportable to hold up verification of the TTBT on the grounds of inadequate provisions for vertification. However, any possible reduction of uncertainty that might result from data exchanges and calibration shots specified in the Protocol to the TTBT would depend, in part, on our confidence in the accuracy of the data provided by the Soviets and the value of the technical data themselves. The Treaty does not provide for confirmation of the data supplied. We would have to trust the Soviets on this vital matter to a far greater degree than we have in other areas.

It has on occasion been suggested in public that Los Alamos believes that the Soviets have violated the 150 kt limit, while Livermore disagrees. Los Alamos has analyzed the compliance issue statistically, using models believed to be consistent with official positions and actions. We concluded that the issue of Soviet compliance is unresolved and, with the methods of vertification that are presently available, unresolvable. In essence, the problem involves uncertainties in measurement (encompassing both the nature of statistical measurement and the amount and accuarcy of data available) and the difficulties of translating these uncertainties into high-confidence conclusions about compliance. To resolve this problem, at Los Alamos and elsewhere there are explorations of improved and new verification methodologies that have the potential for increasing confidence in our ability to determine Soviet compliance with the TTBT.

Would a CTB equally constrain the Soviets?

We cannot be certain that a CTB would equally constrain the Soviets. Since we do not know the specifics of Soviet nuclear weapon design, we are simply unable to say whether they would be affected by a CTB in the same manner and to the same extent that we are. It is by no means certain that a CTB would prevent the Soviets from developing a new generation of nuclear weapons, although that would assuredly be the effect of a total testing ban on the United States. More important, it has been recognized, even by proponents of a CTB, that in the long-term some degree of testing would be necessary to assure the credibility of the deterrent. This is true, and it is quite possible that the Soviet military nuclear technology base and most of their nuclear stockpile could be preserved and maintained indefinitely with tests of a few tens of kilotons in violation of a total testing ban.

Verification

Equally important, or perhaps more important in this context, are verification uncertainties. I cannot share the view of those who agree that an effective, verifiable CTB is within our grasp. Even with monitors on Soviet soil and on-site inspections, verification of a CTB would involve considerable uncertainties. Verification concerns with a CTB involve a different range of yields than with a TTBT. In essence, the problem of verifying a CTB is detection of relatively small seismic events and the unequivocal identification of their source. As seismic magnitude decreases, the number of naturally occurring events during any period increase dramatically. Given this fundamental fact, under a CTB even greater verification difficulties would beset us than under a TTBT, especially if we were largely dependent upon remote teleseismic monitoring.

All experts agree that there is some lower limit below which nuclear tests in hard rock cannot be detected with remote seismic monitors; the usual figures cited are one, two, or at most a few kilotons. Proponents of a CTB argue that this is sufficient to assure compliance. But it is possible to disguise tests of relatively large nuclear weapons to make them appear (to remote monitors) relatively small or as something other than a nuclear test. By exploding a device inside a hollow underground cavity, for example, most of the energy from the explosion is not "coupled" into the earth and does not initiate seismic signals. Hiding explosions in earthquakes, or using shock-mitigating materials, may confuse the issue of decoupling even further. It is conceivable to conduct an extensive nuclear test program in this way, one that would go undetected by a network of remote teleseismic monitoring stations. Further, a CTB could require a much more extensive monitoring network than now exists, because we would have to protect against the possibility of a violator conducting tests clandestinely underwater, in the atmosphere, and in outer space, as well as underground.

It is also questionable whether a CTB would significantly improve the non-proliferation regime. Domestic advocates of a strong non-proliferation policy, along with non-nuclear-weapon states, frequently argue that the failure of the superpowers to end testing provides a stimulus for other states to build weapons. They call for a CTB and point out that in the preamble to the 1968 Nuclear Non-Proliferation Treaty the nuclear-weapon states recalled their determination to seek the cessation of all test explosions.

The real and known technical costs of a CTB, then, appear more compelling than anticipated political benefits. It is certain that we must continue to test if we intend as a nation to rely upon nuclear forces in our defense posture, as we expect to do for the foreseeable future. From the technical point of view as a laboratory Director, who has responsibilities for developing the nuclear weapons in which the U.S. relies for deterrence and defense and is required annually to sign a document certifying the performance of many of the nuclear weapons in our stockpile, I have difficulty foreseeing conditions coming into existence that would allow me to support a comprehensive testing ban. My judgment, the principle reasons behind which I have attempted to offer you today, reflects the accumulated experience of the weapons laboratories during and since the 1958-61 moratorium.●

SOVIET JEWRY

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1985

● Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman from New York, Mr. GILMAN, for hosting this special order on this crucial human rights issue: the plight of Soviet Jews. In addition, I would like to commend Mr. GILMAN for his leadership and sponsorship of House Resolution 127, a resolution expressing congressional support for Solidarity Sunday for Soviet Jewry. I am proud to be a cosponsor of this worthy piece of legislation.

Mr. Speaker on May 5, 1985, more than 100,000 people will gather outside the United Nations in New York City to reaffirm their unity with approximately 3 million Soviet Jews who have been striving to freely practice their religion and live in accordance with their own personal, cultural, and traditional values. Unfortunately, in the Soviet Union, Jews are finding it harder and harder to pursue any freedoms in the face of increasingly repressive behavior of the Soviet authorities. Solidarity Sunday for Soviet Jewry is an appropriate and effective way for the western world to bring this issue to the forefront, and demonstrate to the Soviet authorities that their harassment, abuse, and unconscionable persecution of Soviet Jews is unacceptable and cannot be tolerated.

Mr. Speaker, the situation in the Soviet Union has gone from bad to worse. Emigration levels are their lowest ever. We recall that 1984 was the most deplorable year since emigration began. Only 896 Jews were permitted to emigrate last year, down from over 51,000 in 1979. It is clear that anti-Semitism has become an inherent part of Soviet policy, with 22 Jewish prisoners of conscience, thousands confined to labor camps and millions forcibly threatened if practicing their faith openly. Through programs like Solidarity Sunday, we can voice our unity and our solidarity with those people who bravely endure systematic harassment because of their faith.

Mr. Speaker, I would like to take this opportunity to highlight one of the most recent and blatant examples of the anti-Semitic trend within the Soviet governing body.

In late July 1984, Soviet authorities began a major, sustained crackdown on Hebrew teachers. Since that time four well-known Hebrew teachers have been arrested and convicted on trumped-up charges. Similarly, six prominent Jewish cultural activists have been convicted on equally specious charges.

In addition to this wave of arrests, reports filtering back to the United States indicate that scores of Hebrew punishment. There are numerous reports of beatings, raids, job loss, interrogations, confiscation of religious articles and literature, and other forms of systematic harassment.

The U.S. State Department has been monitoring these disturbing developments with concern since the crackdown began in July 1984. There can be no doubt that the campaign has been consciously directed by Soviet authorities to discredit and destroy the revival of Jewish culture in the Soviet Union. The methods used—arrests, beatings, planting false evidence, and using the media to slander refuseniks—have created a renewed atmosphere of crisis in the Soviet Jewish community and heightened international concern about what may next lie in store for Soviet Jewry.

Mr. Speaker, the Soviet campaign against Hebrew teachers like all its other anti-Semitic programs, violates the commitments the U.S.S.R. has made to respect individual human rights. Their actions are not only contrary to the international laws defined in a series of Accords from the Universal Declaration of Human Rights through the Helsinki Final Act, but they also contradict Soviet internal standards as stated in articles 26 and 52 of the Soviet Constitution.

Mr. Speaker, it is fitting that on this occasion of the 14th anniversary of Solidarity Sunday, we recount the offensive human rights violations of the Soviet authorities and reaffirm our commitment to do everything possible to let them know that we, as a people, expect more from them. We demand, Mr. Speaker, that the Soviet authorities elevate themselves to a higher standard of conduct and adhere to their own vows to respect the fundamental human rights of Soviet Jews.

Through the mass participation in Solidarity Sunday, let our repressed Jewish family members and friends within the Soviet Union know that their plight and indeed their courage, is not and will not be forgotten.●

VETERANS' HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MONTGOMERY. Mr. Speaker, within the next few weeks, the House and Senate will be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans' health care. I want my colleagues

to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in Salt Lake City, UT:

VETERANS' ADMINISTRATION,
MEDICAL CENTER,
Salt Lake City, UT, December 26, 1984.

HOWARD GREEN, M.D.,
Chief of Staff (11), VA Medical Center, White River Junction, VT.

DEAR HOWARD: I am responding to our conversation last week with this letter which identifies problems that are specific to our own institution but generic to VA Medical Centers throughout the system.

1. We are facing A $1,000,000 deficit in FY 1985. What have we done to date and what is the impact of the same?

a. We maintain an employment lag of 7% of our authorized staffing (85 out of 1208 authorized FTEE). This results in slower patient care, low morale, lower patient satisfaction, and reduced patient confidence in the quality of care.

b. Reduction of accessibility to 30 high cost drugs has resulted in poorer patient care (e.g., poor control of pain in severe arthritis and use of some less effective, but cheaper antibiotics).

c. We backlog orthopedic surgery, ophthalmology and open heart surgery from 2-4 months. This is detrimental to those individuals with painful hips, knees, and to those who cannot see because of cataracts. Delay of surgery is potentially a lethal factor for those patients requiring open heart surgery.

d. We are restricting the follow-up visits of non service-connected patients to one visit with the exception of cancer, hemoddialysis and total joint patients. This has the potential of poor care since complications could develop unnoticed.

e. As of January 1, 1985, we will proceed to control elective surgery in all fields, in spite of the fact that our operating load has increased 23% during the first quarter of FY 85 and had increased 15-18% in FY 84 over FY 83.

f. The acuity of our patients on surgery, medicine, psychiatry and neurology all have markedly increased in the past 18 months which is probably due to:

1. Aging population;

2. Reduction in Medicare/Medicaid payments. This has generated a new group of patients accessing the VA system (10% at minimum);

3. Impact of DRGs on non-federal hospitals has increased the number of patients being moved from non-federal to VA hospitals.

g. The cost of pharmacy, prosthetics, etc. all continue to rise at 15-30% annually.

h. We have initiated selective restriction of home oxygen to non service-connected patients.

i. We have maintained our seven bed Alcohol Detoxification Unit on an Acute Medical Ward instead of moving it to the Alcohol Rehabilitation Unit which has saved four nurses but has placed an additional load on acute medical nursing.

j. We have replaced two technician positions with outside drug company money. These technicians render some patient care and thereby save the hospital two positions.

k. We have reduced our inhalation therapy staffing, placing part of that responsibility on the nursing staff and we are also selectively ordering respiratory therapy treatments.

The rate of inflation in non-salary areas continues to average between 14-20% annually. Some high cost items such as pharmacy have increased 30% per year during the past three years. This station's recurring, non-salary budget for FY 85 is $14,470,581. Even a minimal 14% rate of inflation justifies an increased cost allowance of $2,025,881. We received only $535,787 for FY 85 target allowance or approximately 26% of what was actually needed to maintain our previous level of services. This underfunding precipitated a large cut in the level of employment which this Medical Center cannot sustain.

2. The delay in open heart surgery can have serious implications in patients who often are unstable or are rapidly becoming unstable. The delays in other surgeries are inconvenient to the patient and cause physical suffering (for patients needing joint replacement) and anguish (for older patients requiring cataract surgery).

The increasing lack of non-professional personnel (we have given precedence to protect persons delivering direct patient care) has created serious and increasing difficulties. To enumerate a few: Delays in pharmacy to fill prescriptions (Pharmacy understaffing); Delays in discharging patients (MAS understaffing); Delays in the support work necessary to maintain the functioning of the institution (2337s, Personnel Actions, reports, manuscript typing); Delays in procurement of supplies (Supply understaffing). These all reduce the effectiveness of the professional staff. Perhaps more important is the effect that is being seen in morale. VA people—nurses, physicians, nonprofessionals—are all as dedicated a group as exists, but their willingness to devote the extra time and energy over and above their prescribed tours of duty is being over taxed. Having been in several VA's and also closely affiliated with several other hospitals (nonfederal), I can assure you of the markedly superior attitude of federal health care employees. I believe this attitude cannot be maintained in the face of the problems listed above.

3. What questions should we ask of COSs in our VA Medical Centers regarding similar problems. The following are some suggestions which I am sure can be expanded.

a. Size of hospital;

b. Affiliated (yes/no);

c. Projected dollar deficit as of January 1, 1985;

(1) Personnel Services;

(2) All Others;

d. Impact of dollar deficit;

(1) Personnel;

(2) Supplies;

(3) Equipment;

(4) Backlog of patient surgery (specific numbers, types and length of delay);

e. Solutions you have devised (please be as specific as possible).

In conclusion I say that "enough is enough." For the past five years we have been funded for increases in product cost at less than ½ the actual increase. Increased benefits to veterans have further added pressure to provide services from inadequate dollars. Additionally, new technology also has impacted our dollars. This adds up to the fact that we are no longer able to render the best of care to all eligible veterans.

Regards,

MARK W. WOLCOTT, M.D.,
Chief of Staff (11).●

MY PLEDGE TO AMERICA

HON. THOMAS R. CARPER

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. CARPER. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct the Voice of Democracy scriptwriting contest. The contest theme this year was "My Pledge to America."

The winner of the Delaware competition this year was Beth Reister of Ocean View, DE. She is an 11th grade honor student at Indian River School in Frankford, DE.

Beth's essay concludes with a quote from Richard E. Byrd, "Democracy, backed by unity, and sweat, and sacrifice is the most potent idea in the history of mankind." In her essay, Beth recognizes the truth of this idea and pledges to work for our country—our democracy. I believe we all can benefit from her thoughts and actions.

MY PLEDGE TO AMERICA

The Greek philosopher Aristotle once said, "If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be best attained when all persons alike share in the government to the utmost."

These words, though spoken by Aristotle centuries ago, are interesting to note with reference to the more modern history of the British Empire. It was a lack of democracy, a lack of equal representation and sharing in the government, that led to the tension between England and the colonies.

After years of struggling from the powerful grip of England's tyranny, the colonies declared their independence and broke free of British control. The people of this new nation, known as the United States, were forced to establish a new government; a government that was just and fair.

The founders of America worked for many days devising a suitable plan of government. The high point of their meetings was reached with the formation of the Constitution of the United States. This single, great document epitomized America's thirst for freedom and liberty. It outlined the democratic ideals of participation and equality in government.

The new government, as stated in the Constitution, would become a system in which the supreme power would be vested in the people. It would be a system in which the government derived by holding periodic elections of both the President and members of Congress.

In order to preserve the democratic ideas of our forefathers, I pledge service to the American form of government. I will continue the support of our democracy by participation in local, state, and federal government.

I will vote, and persuade others to do so, for voting by all citizens enables us to ensure the principle of equal representation in our government.

As I've done this election year, I will continue to be politically active. By endorsing candidates, distributing pamphlets, and attending political party functions, I can motivate others to become active in our government and vote. This is perhaps the most important democratic ideal; that every person can participate and that every person has an equal share in government.

As a future leader, whether as a chairperson of a community organization, as a representative in my state legislature, or as a senator in the United States Congress, I will fight to uphold the democratic ideals, freedoms, and civil liberties granted in the Constitution.

In addition to my advocation of democratic constitutional principles, I pledge to protect and preserve our beautiful country for future generations. After all, one cannot respect the government of the United States if it fails to preserve the environment.

It is of great importance that we keep America's waters and air clean and free from pollution. Toxic and hazardous waste disposal areas should be limited and free from leakage. It is the responsibility of the federal government to see that pollutants are kept to a low minimum and to make sure that the natural resources of this country are not misued.

In order to attain this country's preservation, I will join national and community efforts to stop pollution and stop the exploitation of our land and water.

I will protest illegal dumping by writing to my representative and my senator. I will demand that the Environmental Protection Agency raise its standards and create regulations concerning pollution control. I'll suggest that companies that do not comply with the new regulations be penalized heavily.

It took millions of years for the rivers, lakes, mountains, and wilderness of this country to evolve. Within the last 100 years, however, pollutants have destroyed many of these beautiful areas. This statement seems paradoxical, for a nation whose government endorses equality, freedom, and liberty should be more humane and more caring for the environment.

In conclusion, a quote from Richard E. Byrd, "Democracy, backed by unity, and sweat, and sacrifice, is the most potent idea in the history of mankind".

Because of my love and respect for America, for the country itself, and for its fair government, I am ready to unite, to sweat, and even to sacrifice for the principles of democracy, and the preservation of our resources; in essence, the betterment of the United States as a whole.●

GRADY COLUMNS ON EL SALVADOR AND HONDURAS

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. EDGAR. Mr. Speaker, during the past 2 days, I have shared with my colleagues reflections on Nicaragua written by Sandy Grady, reporter for the Philadelphia Daily News. Sandy was part of the delegation I led to El Salvador and Nicaragua during the April recess.

Sandy's fourth article, reprinted here, describes well the atmosphere of fear which pervades El Salvador. The final article in Sandy's series focuses on Honduras, which Sandy visited after he left my delegation. It also recapitulates Sandy's feelings about the entire trip. These pieces reinforce the point that the view of Central America on the ground is different from the view from the United States. I do encourage my colleagues to visit Central America to find out for themselves. But, in the meantime, I recommend a short tour of Central America through Sandy Grady's eyes. The articles follow:

[From the Philadelphia Daily News, Apr. 25, 1985]

SALVADOR: ARMED AND IN DANGER

SAN SALVADOR, EL SALVADOR.—You know you're in Paranoia Country when you're met at the airport by a van with bulletproof windows and a guy in the front right seat cradling a sawed-off shotgun.

On the 60-mph ride into San Salvador, Senor Shotgun's eyes flicker across the ditches and shrubs.

"Guerrillas hit and burned a truck here last week," he says at one crossroad.

This is a country in which three things dominate: guns, guns and guns. This is the National Rifle Association's dream society. Everybody packs heat, or hires body-guards to do it. I don't know where El Salvador is headed—but it's going there fully armed.

Put it this way: At the Camino Real hotel, on the sixth floor, where two U.S. congressmen were staying, three young men in T-shirts sat all night on the hallway floor. They had .45s and eyed everyone who got off an elevator.

"We have to protect our guests," said a hotel manager.

Another scene: A family browses through a supermarket. Mama, papa and 13-year-old son are all carrying weapons.

You're in a country the size of New Jersey that has lost 50,000 people in a civil war. I noticed that in San Salvador's only shopping mall, ironically the biggest stores sell kid's toys—and cemetery lots.

Sure, there is a veneer of prosperity here. Joggers in running shoes thump up the streets. There are McDonald's golden arches. But gunships roar overhead. And people nervously eye the four-wheel-drive Cherokee Chiefs with darkened windows, the vehicle of choice for death squads.

The U.S. Embassy line is that things are "working out" in El Salvador. There aren't as many corpses each week. The U.S.-trained army is getting slicker. And Jose Duarte, our man in the President's House, won a surprisingly big mid-April election.

But the mood I detected was of grim resignation toward the war, and a pervasive fear that hangs in the air like gray smog. Nobody trusts nobody—right, left or center. A U.S. newsman finds Salvadorans back away, a furtive look in their eyes, when asked if they can be quoted by name.

"Don't even print the name of my university,"says a professor after giving an analysis of the country. "They'll track me down."

"The best jobs here," half-jokes a bearded young San Salvadoran, "are bodyguard and informant."

I wasn't convinced El Salvador's scary Wild West shoot-'em-up was real until the lights went out in the middle of a session with President Duarte—and everyone suspected a guerrilla attack.

This was upstairs at the *Casa Presidencial*, a sort of Central American version of Tara, with flowers in the courtyard and huge paintings of El Salvador's historic moments.

Jose Napolean Duarte, a stocky 58-year-old in a blue blazer and red tie, was doing a monologue for four U.S. congressmen. Duarte is a political animal with a bullish energy. He was bouncing in his chair, talking in slow rumbling English, chopping the air with his left hand.

You notice the hand because two middle fingers are missing, a symbol of Duarte's resistance against the junta in the early 1970s.

Duarte's gabbing away about the mandate his Christian Democrats won, backed up by the military. For the first time in a 25-year career, Duarte has solid clout. He talks of judicial reform, of land reform, of making peace with the rebels—always sliding away from real promises.

"I'm ready for sincere dialogue," says Duarte imperiously, "but I will not listen to them [the guerrillas] harangue me."

Suddenly the chandeliers go dark. The air conditioner groans to a stop. Swiftly, Duarte aides throw open windows. The president keeps talking in the semi-twilight.

"Damn guerrillas," whispers a Duarte aide. "Probably shot up a transformer."

So now we're sitting in the dark *Casa Presidencial*. And Duarte is on an impassioned roll. The subject that steams him up is guns, of course. He's raving about the two C-47 gunships the United States has provided—versions of "Puff the Magic Dragon" planes used in Vietnam, with special night sights and machine guns that can rattle 1,500 rounds a minute.

When guerrillas attacked TV towers atop a volcanic peak overlooking San Salvador last month, Duarte strolled out to this tennis court to watch the C-47 do its stuff.

We would have lost 90 soldiers in the attack if not for the gunship," says Duarte. "It can fight in the middle of the night, so our troops can take over at daylight. The gunships will destroy the initiative of the rebels."

The congressman listen stonily. They know Duarte is pitching for six more of the C-47 gunships—controversial because they're dangerous to civilians. Duarte already has four rapid-fire Hughes 500 helicopters coming from the United States. He also has a fleet of 39 U.S. transport choppers, plus nine A-37 Dragonfly jets with bomb racks. A nice little air force.

Politicians like Duarte talk of democracy. But in El Salvador, it always comes down to guns.

The next day, I was in a refugee camp named Domus Mareae. This was eight miles from the President's House. But another world—corrugated tins roofs, dirt floors, 560 people packed behind wire fence, plenty of flies, chickens and children.

They talked here also of the C-47s. They were not so enthused as Duarte. Peasant women who had fled the war zone called the plan *Los Despacitoz*—The Slow One.

"Every night they drop flares, then the Slow One starts firing," said a woman, 26, with four kids hanging to her. "We were in San Vicente province. The mortars, the big

plane, the army sweeps—if we don't get away, we'll be killed. We walked here in eight days."

A dozen women sat in the stifling hut and told similar stories. A blind father killed in aerial bombardment. A daughter imprisoned as a rebel. A husband blindfolded and pushed screaming off a cliff by soldiers. The refugees seemed more terrified by the army and its planes than by the FMLN (Farabundi Marti Liberation Front).

"We're seeing a lot of trauma and civilian deaths from aerial machine-gun fire," said a U.S.-born woman psychiatrist, who wanted to be anonymous. "People working with the peasants see the C-47s as instruments of terror."

Nonsense, says Thomas Pickering, the U.S. ambassador here before his transfer to Israel. The rangy, fast-talking Pickering was in the basement of the U.S. Embassy—probably the most expensive bunker in Central America, surrounded by soldiers behind sandbags, metal windows, concertina wire and a rocket screen.

"I'm guardedly optimistic," said Pickering. "Duarte tells me the guerrillas are demoralized. The El Salvador military is much better now. It can fight at night in small, mobile units. I think we can make 80 percent of the country secure. The horrors of 1980 to '82, the disappearances and killings of civilians by both sides, are over. I think we're turning the corner."

But other diplomats, encountered at a poolside party at Pickering's home, were far less cheerful.

"The U.S. will have to prop up this country for a long time," said embassy official David Passage. "Those 10,000 boys in the hills [the guerrillas] aren't going away quickly."

El Salvador has a high level of weirdness. Duarte seems isolated, alone in his palace. The cities are full of noise, glittery junk and poverty. Tough-looking mugs with Uzi machine guns were everywhere. The tabloid El Prenza headlines, SUBVERSIVOS MASSACRAN 20 CIVILES."

Ho-hum, 20 more deaths. It was like a baseball score.

In El Salvador, it always comes down to guns.

HONDURAS: THE U.S. ARSENAL

TEGUCIGALPA, HONDURAS.—"Welcome to the USS Honduras," says a U.S. Special Forces captain drinking beer in the dark Holiday Inn cocktail lounge.

That's the standing joke about this hot, sparsely populated country—that it's the only U.S. aircraft carrier propelled by bananas.

Such Yankee humor makes sensitive Hondurans bristle.

But the U.S. jets roaring over narrow streets, the out-of-uniform Green Berets playing roulette in the local casino, the U.S. air fields and contra camps a few hours away, the M-60 tanks on maneuver—they stamp Honduras as the U.S. arsenal for any future Central American war.

If House Speaker Tip O'Neill was right when he grumbled to President Reagan, "You're not going to be satisfied until you go into Nicaragua," this will be the launching pad.

I doubt if even the Sandinista leaders who prattle constantly about a U.S. invasion think it's a likely event. They're sophisticated enough to know that Reagan would need a dramatic excuse, such as a Soviet military base. And they're careful students of U.S. opinion polls.

"An invasion with U.S. troops would be a double tragedy," said U.S. Ambassador Harry Bergold over drinks at his Managua home. "It would devastate Nicaragua. And public opinion in the U.S. would go sky-high against it."

But if tempers suddenly flared—they did in Washington last year amid rumors of Soviet MIGs in Nicaragua—the U.S. military buildup in Honduras would be a powerful right hook waiting to be thrown.

"If somebody dials 911 [a police call] that is where the phone will ring," said a Green Beret Officer.

You only have to spend a couple of days here to sense that Honduras is a nervous host to what amounts to a massive Yankee SWAT team.

Sixty miles north in a deserted valley is Palmerola air base, where U.S. pilots take off each night in OV-1 Mohawks. They run surveillance flights over El Salvador, checking guerrilla movements with infrared scopes.

Eight miles south on a dusty plain, M-60 tanks and M113 personnel carriers rumble. Off the Atlantic Coast, Marines and paratroopers have been practicing an amphibious landing. All together, there have been about 10,000 U.S. troops maneuvering in jungle warfare here in April.

That doesn't count the 1,000 U.S. Special Forces, military advisers, CIA agents and air personnel operating here. Or the eight U.S. airstrips, four base camps and two radar sites.

"We're well aware of the message Reagan is sending us," Sandinista commandante Dora Tellez said.

If Honduran politicians and generals get jittery, they're assured this hardware is for their protection. As Gen. Paul Gorman, then head of the U.S. Southern command, told them last year: "You can stick with us or go with the Cubans."

Even the stunning defeat given Reagan in the U.S. House on $14-million military aid for the contras operating out of Honduras base camps will probably have no quick effect. By all reports, the 15,000 anti-Sandinista rebels plan to keep operating on private U.S. money.

"We take the president at this word when he says he won't walk away from the contras and they'll somehow be funded," said a man in the U.S. Embassy here.

I stopped in Honduras after a weeklong tour through El Salvador and Nicaragua, talking to a spectrum of people in those war-torn countries with a group that included Rep. Bob Edgar, D-Pa., and Rep. Ted Weiss, D-N.Y.

You don't come away from such a trip singing "Yankee Doodle Dandy"—or rosily confident that a U.S. policy built on gunships and military pressure will ever work in Central America.

It looks different from here. The Washington stereotype—that this is a Soviet vs. U.S. superpower showdown, that keeping the Russkies out of the region is the only goal—breaks down when you see the region's poverty.

Gunships, troops and anti-Red rhetoric won't change that. You wonder if anyone in the Reagan administration has a feel for the history, the hungers of the *campesinos* in the tin-roofed shacks. The Kissinger Commission's suggestion of putting $8 billion over five years into Central America has been flatly ignored.

So what happens next? More of the same, more guns, more poverty?

Curiously, I came away mildly optimistic about Nicaragua. Yes, Daniel Ortega & Co. walk and talk like homemade Marxists. Yes, they're fast consolidating everything under the red-and-black Sandinista flag. Yes, there's tons of Soviet military stuff around. Yes, their economy's going to hell.

"I'm shocked how fast the country's gone downhill in six months," Dr. John Chilton, a U.S. sugar expert who's made 44 trips into Nicaragua over 20 years, told me. "Poor crops, people being killed in the war, farm trucks out of parts. They're headed for a blowup in two years."

Maybe. But there was a mood of hope in Nicaragua you didn't feel elsewhere. Whatever they are—Marxists, Christians, nationalists, who knows?—the Sandinistas are indisputably doing something for the people's health, literacy and pride.

The question is whether the Reagan honchos will be shrewd enough to use diplomacy, pressure and U.S. aid to keep Nicaragua nonaligned. Beats war. And it's not too late.

El Salvador, where the embassy line is that democracy is working, that the U.S. is "back in control," left me queasily pessimistic.

Yes, thanks to C-47 gunships, Huey choppers and U.S. trainers, the El Salvadoran army is quicker and meaner. But civilians are still dying. The guerrillas are more vicious. President Jose Duarte is still the army's figurehead. Army brutality goes unpunished. The country's population is exploding. El Salvador felt like an armed state. Many guns, much fear.

The most impressive man I met in San Salvador was a young professor who keeps records on his country, which he obviously loves. He spent an hour brilliantly analyzing El Salvador's politics and economy. Because of possible retribution, he wouldn't let me use his name, even his university's name.

The last question was: "Where's this country going to be in 10 years?"

Long silence. Then he spoke slowly.

"The war will be going on, with neither side winning. The economy will still be going down. And we will still be dependent on the United States, probably for all my life."

When he stopped, he was near tears.

In Washington, the men behind the Central America desks talk of more gunships, of free-fire zones, of winning hearts and minds, of the Red menace. Sounds familiar.

It looks different from here.●

HAWAII VFW WINNING ESSAY

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. HEFTEL of Hawaii. Mr. Speaker, the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct the Voice of Democracy scriptwriting contest each year. This year more than 300,000 secondary school students throughout the Nation participated in the contest. The contest theme was "My Pledge To America." I am pleased to submit Hawaii's winning essay written by Craig Okamura.

My Pledge to America cannot be described by one idea alone, because it is more than one thing that I contribute to my country.

Like any other citizen of a country, I am loyal to it and I shall help to defend it in time of war. I'm proud to be a citizen of the United States and show this by celebrating Independence Day (July 4), the day America became independent and free.

I also go to school to acquire knowledge of various subjects so that later on in life I can get a job to support myself and my family. Obtaining a good education may also help me apply what I've learned in school, to my career choice. I wish to pursue a career in engineering. This way, I can help design machinery which may benefit the people of the United States in some way. I could invent some kind of new transportation which won't use up the natural resources we have, or maybe invent some new type of air conditioner which could give you the climate that you want from anywhere in the world.

When I become 18 years old, I will vote for the people who I feel should be in office running our country. This way, I know my voice is being heard when I vote for the people who I think should be the leaders of my country. In the United States, my vote counts!

I support my country whenever I pay the tax on the goods and services that I purchase. I really don't mind paying these taxes because I know these taxes are used to help provide essential services for the people. At least these taxes aren't as bad as the ones the British placed upon the Americans in the 1700's.

I also place my faith in America when things are bad, like the time when Americans were held hostage in Iran. I kept on hoping that they would be released and safely returned home, and they were after their long stay in the Iranian prisons.

I'm patriotic to my country, too. I have an American Flag which I display in my room on the Fourth of July and I stand when our country's National Anthem is being played. I know what these symbols represent. When I watch the Olympics, no matter how terrific the other countries may be, I always feel a sense of pride when our athletes perform.

There is one last thing that I contribute to my country. And this is probably the greatest thing that I have to give to America. That's my love. I love this great country for all the opportunities and protection that it has to offer me. In this land, anyone's "American Dream" can be achieved if you try hard enough to get it, no matter what color, race, or sex you may happen to be. It is a land of freedom, where whatever I wish to do or become is my choice, and I may pursue it. It is a land where I receive a fair trial when accused of a crime of any nature. It is a land where my basic human rights are protected by the first ten amendments to the Constitution.

Our democratic society is preferable to all other forms of governments. It requires the participation of all its citizens. Therefore, my pledge to America is to do my part in keeping her strong, prosperous, and free!●

COMMUNITY COLLEGES: A TRAINING GROUND FOR THE NEW TECHNOLOGY

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. WALGREN. Mr. Speaker, the high technology revolution in the workplace can mean new jobs; It can also mean lost jobs. Technology can offer great promise; it can also bring great pain. We must try to make sure we have the training resources workers need to adapt to the new technologies.

On May 2, I introduced H.R. 2353, the National Advanced Technician Training Act [NATTA], to establish a program in community and technical colleges for training young people and adults in advanced technology fields. This bill can draw on the unique resources of the Nation's community college network—the largest, most flexible arm of higher education with strong ties to local employers.

THE WORKPLACE OF THE FUTURE

Employment in high technology areas is expected to increase more than 100 percent by 1990—more than four times the employment growth rate in all other kinds of occupations. Some have said that today's technological transition is comparable to the industrial revolution. Pat Choate, in "Retooling the American Work Force," has observed:

> The speed and force of * * * change will be awesome * * *. Consequently, millions of jobs and workers will become obsolete * * *. In this decade virtually all of the nation's workers will need to be retrained or have their skills sharpened.

Some projections: Data processing jobs will grow by 148 percent, programming jobs will jump by 74 percent; computer analysts will increase by 108 percent. By 1990, almost half of American workers will use technical equipment daily.

What does all this mean? In some cases, it means new jobs. In some cases, it means "old" jobs eliminated. In some cases, it means jobs take a new form. In almost all cases, it means that workers will have to learn new skills and knowledge. Most of these workers are now in the work force.

The National Advanced Technician Training Act attempts to adjust to this job revolution by creating a matching grant program in the National Science Foundation to help community colleges develop model programs to train and retrain workers of all ages; $20 million would be authorized for the first year; each grant would be matched by non-Federal funds, such as local government or private industry. In my own home area, Allegheny County government has contributed $1 million to our local community college to a program for displaced workers. Funds would be used to develop programs and courses, train faculty, organize cooperative training programs with local industry, and purchase necessary equipment.

The bill would direct NSF to consider several important criteria in awarding grants: people in need of retraining or upgrading to retain their jobs; workers dislocated by plant closings and technological change; working people and parents who need flexible scheduling; young people just out of high school; high school dropouts; and handicapped people with special needs.

WHY COMMUNITY COLLEGES?

Community colleges are the ideal places for retraining. They can offer low-cost programs with flexible scheduling. This is particularly important to adults with jobs and families—almost 50 percent of present community college students are noncollege age. Community colleges can design programs with local industry—often on-the-job training—specifically designed to meet local industry's needs. They can attract faculty from industry, people to teach part time in a field related to their work.

The community college is an especially good training ground for displaced workers, people whose jobs are eliminated because of a plant shutdown, retooling with new equipment, or changes in the economy. From 1979 to 1984, 5.1 million jobs were lost in the United States. By 1984, 25 percent of those unemployed were still looking for jobs. In areas like mine, we are still wading through the aftermath of the recession. Steel industry employment has been cut in half. Studies of automation in the workplace tell us that technological innovations in manufacturing industries will exacerbate unemployment in the Northeast, where manufacturing industries like metalworking are concentrated.

STAYING COMPETITIVE

We are awash with studies and headlines decrying the decline of our industries and products in the international marketplace and the fact that many of our products are not competitive with those from Japan or other Third World producers. We are told that Japan's steel mills produce an average of 700 to 1,000 tons per year per employee, twice the rate of American steelworkers in traditional American plants. The hope of many of our industries is modernization, technological and process innovations to put our products back in competition with those from other countries. This country's trade deficit has reached unprecedented levels, almost $130 billion this year. Without a skilled technical work force, we will never catch up. This bill could be a good start.

The Red Queen in "Alice in Wonderland," gives us guidance: "* * * it takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that." We had better get moving.

I hope my colleagues will lend their support to this bill to make a major effort in technician training through community colleges and trade schools.●

U.S. SMALL BUSINESS WEEK, 1985

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. OWENS. Mr. Speaker, today we note the contributions of small businesses to our society and to our economy. In 1983, small businesses employed one-half of the private sector work force and created two out of three new jobs. In the same year, 38 percent of the gross national product was generated by small businesses.

In addition to the economic impact, small businesses generate at least half of all major innovations. This creativity contributes much to our society. It also helps in keeping America competitive in a fast-paced technologic world.

Small businesses, which give so much to the society, need our support. The creation of the Small Business Administration in 1953 provided the means by which small businesses could begin and be supported through loans—direct, participant, and guaranteed—development aid, aid to small and minority business investment companies, management counseling, assistance in obtaining Government contracts, revolving lines of credit and surety bond guarantees. Unfortunately, the work of the Small Business Administration has been curtailed as a result of the spending cuts for domestic programs included in the Omnibus Reconciliation Act of 1981. The act reduced the direct lending and the guaranteed loan program. Direct loans which were made, were made at higher interest rates.

Small businesses will continue to need our support. That support has resulted in jobs and in the development of products which are essential in trying to keep up with other nations in the world marketplace. If the deficit continues to eat up capital, they will need our support in order to compete with large established businesses for capital. This is particularly true for newly established businesses. It would be poor public policy if we were to shut out new businesses now. We have just begun to see more significant participation by minority and women's businesses in our economy. This trend has provided opportunities and jobs in many of our communities which have been hardest hit by unemployment.

I appreciate this opportunity to commend the entrepreneurs who have risked so much and worked so hard to start their own businesses. They deserve our support.●

WE'RE RUNNING OUT OF OIL FASTER THAN PREDICTED; THIS IS NO TIME TO LOWER AUTO EFFICIENCY STANDARDS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. STARK. Mr. Speaker, everyone knows there is a finite amount of liquid petroleum. Or to put it more bluntly: We're running out of gas.

This morning's news is that we're running out of gas faster than we thought.

The Department of Interior now estimates that there is 55 percent less oil and 44 percent less gas in our offshore waters than was estimated just 4 years ago. The estimates of resources off the Alaskan coast were cut by a crushing 70-plus percent.

The Office of Technology Assessment reported yesterday that "oil imports, which have declined in recent years, are expected to gradually increase and may again reach the high levels of the 1970's" which "would make the country more vulnerable to supply interruptions and would increase the trade deficit."

I mention all of this as more evidence why the administration should reject requests by Ford and GM to lower the fuel mileage efficiency standards on new car fleets from 27.5 mpg to 26 mpg. Those two companies—despite nearly a decade of warning—have been unable to reach the 1985 standard of 27.5 mpg. Chrysler has made the standard. So, rather than pay a fine of hundreds of millions, they want the standard lowered.

Lowering the standard will be a ripoff of consumers—but it will be a future disaster for the Nation. It will increase our future oil consumption by millions of barrels per year—hastening the day when we reach another oil crisis, soaring prices and gasoline lines for everyone.

I urge Members to cosponsor my bill setting a 27.5 mpg minimum standard and removing the administration's authority to lower the standard.

Let's think about the morning energy news and say no to weakening energy efficiency standards.●

FED GOVERNOR WORRIED ABOUT THE EFFECT ON POOR OF RECENT BANK MOVES

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Ms. OAKAR. Mr. Speaker, in today's dynamic and deregulated financial marketplace, many low-income working Americans, senior citizens, and young people can lose access to basic banking services through a regressive fee structure imposed by banks and other depository institutions.

Recently, I introduced the Financial Services Access Act—H.R. 2011—to direct banks and other federally insured depository institutions to offer new accounts to meet the basic banking needs of lower income consumers.

On May 7, the American Banker publication printed an article entitled: "Fed Governor Worried About Effect on Poor of Recent Bank Moves." I commend to my colleagues' attention the thoughtful words of warning by Emmett J. Rice, Federal Reserve Board Governor, and ask that the article be printed in its entirety.

FED GOVERNOR WORRIED ABOUT EFFECT ON POOR OF RECENT BANK MOVES

(By David Ahearn)

WASHINGTON.—It is time for close scrutiny of "the possible adverse effects on low- and moderate-income individuals of some of the changes taking place in our financial system," Emmett J. Rice, a Federal Reserve Board governor, said last week.

Such individuals, including young and old Americans, have been harmed by bank branch closings, moves by banking institutions to serve "upscale" instead of low-balance customers, higher fees and reduced services at many banks, and other banking developments, Mr. Rice told a Banking Law Institute conference.

Fed studies show that bank fees rose two to four times as fast as the cost of living from 1980 to 1983, he said, and "there is some evidence that certain groups may not be using the banking system as much as they once did.

"The number of younger people with checking accounts went down significantly from 73% to 63% between 1977 and 1983—perhaps at least partially because of these increased fees," he said.

The studies also show that the lowest-income individuals surveyed dropped from 56% having checking accounts to 44%. Young families with neither a checking nor savings account doubled, from 11% to 22% of those surveyed. Those who have no account may never be able to obtain credit, he said.

While some technological advances may provide new services to replace lost traditional services—such as banking through home computers replacing the loss of bank branches—Mr. Rice questioned whether low- and moderate-income individuals will be able to take advantage of such innovations. Many might not be able to afford home computers, or might not be sufficiently literate to use them, he said.

He also criticized other recent innovations in the banking industry.

"We must continue to give careful attention to issues such as the propriety of banks and others using loopholes in our banking laws and the efforts of the agencies or the Congress to close these loopholes, as well as the wisdom of granting new powers and allowing full interstate banking," he said.●

SAM J. ERVIN, JR.—A GIANT HAS FALLEN

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1985

● Mr. BROYHILL. Mr. Speaker, in further tribute to Senator Sam J. Ervin, I would like to submit the statements of two former colleagues of mine, Mr. Basil L. Whitener and Mr. Hugh Q. Alexander.

SAM J. ERVIN, JR.—A GIANT HAS FALLEN

(By Basil L. Whitener, Former Member of Congress)

Sam J. Ervin, Jr., an unrelenting champion of the great constitutional principles on which our democracy is forged, has gone to his Eternal Home. Those of us who have been privileged to know and serve with him are particularly saddened by his passing and are mindful of the void which his death has created among us.

Throughout his very fine and distinguished service in the military during World War I (for which he received the Silver Star and numerous other honors), and as a lawyer, legislator, superior court judge, Member of Congress, justice of the North Carolina Supreme Court, and United States Senator, Ervin displayed the attributes of character, ability, integrity, and devotion to State and Nation which mark a great patriot.

As a private citizen, Ervin was a truly devoted son to his distinguished parents and a fiercely loyal husband and father to his wife and children. His characteristic modesty and humor have also contributed to the legend of the man, and that legend will assuredly continue to grow in the generations to come.

I would like to express my sentiments of highest esteem for Senator Ervin and the legacy which we, as North Carolinians and Americans, have received from him—the duty and honor of preserving the Constitution and our American way of government, to which he devoted his life.

Mrs. Whitener joins me in extending our sympathy to Mrs. Margaret Ervin and to the Senator's children and grandchildren in the very great loss which they feel so keenly and which is certainly shared by our State and Nation.

TRIBUTE TO SENATOR SAM J. ERVIN, JR.

(By Hugh Q. Alexander)

It was a great honor for me to serve in the Congress of the United States with Senator Sam J. Ervin, Jr. The opportunity to learn from a man of such great wisdom and intellect was a special privilege for which I shall always be grateful. His famous stories and humorous illustrations brought forth not only laughter but also a lesson to ponder.

Senator Ervin was a hero to millions of Americans because he exemplified those qualities which characterize the ideals of democracy. Throughout his long, distinguished career, he demonstrated the highest degree of honor, integrity, and the golden rule.

In both his public and personal life, Senator Ervin lived by a creed which placed duty and service before self. His devotion to God and country, his love of family, his sense of time and place, and his warm, caring personality all combined to set this great and good man apart as an example for all mankind.

One of life's richest experiences for my wife, Myrtle, and me has been the personal friendship of "Senator Sam" and his lovely and gracious wife, "Miss Margaret". In 1973, our son, Stephen, was critically injured in a highway accident while on his way from Alexandria, Virginia, to the University of North Carolina at Chapel Hill. Stephen was in the Fairfax Hospital for many months, and the medical bills were enormous. One day, Senator Ervin stopped by my office on Capitol Hill and said that he had come to inquire about Stephen and my wife, who was spending most of her time at the hospital. "Hugh", he continued, "I am not a wealthy man, but I want you to know this: if you have any financial difficulty because of this unfortunate tragedy, please let me know. If I don't have enough money, I'll see that you get it."

This was Senator Sam J. Ervin, Jr., a man who "walked with kings but never lost the common touch"—a truly great American hero.●

ANTI-SANDINISTA PRESS CONDEMNS U.S. EMBARGO

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MILLER of California. Mr. Speaker, after failing to win the support of Congress for its covert war against Nicaragua, the Reagan administration has moved unilaterally to punish the Sandinista regime.

In imposing trade sanctions against Nicaragua, President Reagan is once again demonstrating his lack of a policy. A policy requires thinking through the likely consequences of one's actions. President Reagan's embargo is going to hurt the private sector in Nicaragua, one of the very groups U.S. policymakers say we should be supporting.

Private sector leaders in Managua oppose the embargo, and feel caught in the middle of President Reagan's economic war on Nicaragua.

Most of Nicaragua's principal exports are agricultural products. Of the principal crops, private producers account for the bulk of production. According to private sector leaders, 70–80 percent of the cotton is produced privately, 80 percent of the coffee, 70 percent of the cattle, and 50 percent of the sugar.

According to the private sector, 60 percent of manufacturing production is still in private hands.

President Reagan's embargo against Nicaragua strikes its biggest blow against private producers, who are dumbfounded as to why our country has done this to them.

I call your attention to the following critical editorial from La Prensa, Nicaragua's opposition paper which is stridently anti-Sandinista:

[FROM LA PRENSA, MAY 2, 1985]

The breaking of the nonalignment commitment, the surrender of Nicaraguan's international policy to the interests and expediencies of the Russian-Cuban-Communist bloc, and to top it off President Ortega's trip to Russia after the Congressional blow to Reagan, have placed us, as we had foreseen editorially, in an extremely serious situation of an economic war for which there would have been no motive if we had an honorable but prudent, revolutionary but democratic government.

We denounce the position of the Sandinista government as "irresponsible and imprudent," as the vice-chairman of the Social Christian Party termed it. But we feel that President Reagan's response is an unjust response, because an economic embargo has equally harmful effects on all the people. The defense of democracy can not be carried out with indiscriminate measures that would bring discredit to the very cause that they seek/claim/to defend.

The great majority of Nicaraguans in the interior of the Republic resist the diverting of the revolution and the totalitarian inclination of the government: but that majority would be the one punished by the embargo.[1] And the risk would be run of repeating the result of the economic embargo in recent world history: the sacrifice of the sacrificed and the consolidation of the sacrificers.●

POLISH CONSTITUTION DAY

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1985

● Mr. HERTEL of Michigan. Mr. Speaker, I rise to recognize the celebration of Polish Constitution Day. On May 3, 1791, Poland declared herself a free and sovereign state. However, this declaration arrived too late, as it could not prevent the third partition of Poland in 1795 by Russia, Prussia, and Austria. Even though the May 3d Constitution never achieved its designed intentions, it is still considered one of the great events in Polish history. Poland experienced other invasions and partitions which prevented the development of her democratic ideals. These many setbacks did not destroy the spirit of the people of Poland. Poles everywhere dream of a united and free Poland which will reflect the philosophies and ideals of her citizens.

Poles have experienced the joys of democracy and the perils of Soviet rule; and by celebrating Polish Constitution Day, a clear message is sent by Polish people of their commitment and desire for basic human rights. As a nation, Poland has long been remembered for her progressive ideas relating to political freedom and religious toleration, and this celebration is an expression of a nation of people and their will to achieve freedom, justice, equality and individual liberty.

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[1] The Spanish text uses the word "bloqueo," which means "blockade." The word for "embargo" would be embargo or prohibición. "Bloqueo económico," however is translated as "embargo."

We all know Poland remains under Soviet control and its people are inflicted with a continued suppression of basic human rights. All democracies look to the vigorous spirit and dedication of the Polish people for strength as we uphold our ideals which coincide with the hopes of Poles everywhere. Even Soviet suppression does not darken the hopes of the Polish people in looking forward to the day a truly independent Polish nation can enjoy the individual liberties which have long been associated with her democratic ideals.

It is with great pleasure that I extend my best wishes to the people of Poland, to Polish-Americans and to those everywhere of Polish descent, as Polish Constitution Day is celebrated. ●

SENATOR SAM ERVIN

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1985

● Mr. DE LA GARZA. Mr. Speaker, Sam Ervin once said that when he retired from Congress, he told his colleagues, "I've been with you 20 years, and I have given you trillions and trillions of dollars' worth of good, sound advice and you've taken about 15 cents' worth of it. So I'm going home."

That was in 1974 when Senator Ervin retired from the Senate. He was going home then to Morganton, NC. Now, that great American has truly gone home, and this Congress and this country will miss him.

We miss that good, sound advice he talked about. We miss his leadership in legislation, and in efforts to keep our Government from getting too big. But perhaps more than anything else, we will miss him for two of his most distinguishing qualities.

The first of these was his uncompromising honesty and determination to stand up for the principles he believed in.

The second was his uncompromising devotion to the Constitution of the United States, and to the freedom it conferred on all of us.

Senator Ervin was a man who was not afraid to face hard jobs or assignments that carried a lot of political risk. He served on the Committee that investigated the late Senator McCarthy, and he wound up his career heading the Watergate investigation. But I find it typical of the man to read this in a UPI account of Senator Ervin's life:

> He accepted the Watergate assignment because "it was my duty." Although he fast became a folk hero when his quick wit, dancing eyebrows and fondness for telling a tale were televised during the Watergate hearings, he never sought the limelight. He preferred to research issues himself, and often attended Senate debates armed with stacks of lawbooks. Watergate focused the Nation's eye on North Carolina's Senator, but Ervin himself is perhaps proudest of his role in drafting legislation allowing Congress to write its own Federal budget.

On this issue we worked together, and I am proud.

Mr. Speaker, Senator Ervin's great devotion to our country and its Constitution was founded on a love of freedom. That is a legacy he leaves to all of us. He was a great American, and he will be remembered with fondness and gratitude by the Congress in which he served, and by history.●

U.S. SMALL BUSINESS WEEK, 1985

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. McDADE. Mr. Speaker, I applaud the President for proclaiming May 5 to 11, 1985, as Small Business Week. The theme for this week is "America at Work." We are a nation of 14 million strong small businesses at work. Small business makes up 99 percent of the total number of businesses in the United States, creates the majority of new jobs in our economy and employs over half of the American work force. Small businesses are more likely than large firms to hire women, youths, older and part-time workers, and people who are out of work. In addition to leading in job creation, small firms furnish two out of three workers with their first jobs.

Small businesses create more than new jobs, they create new opportunities, industries, and innovations. They are involved in high technology, construction, transportation, communications, wholesale and retail trade, services, and much more. All these are important to our economic growth. Small businesses have contributed to the growth of the U.S. economy. With each entrepreneur's perseverance and creativity more opportunities are available than ever before. We should continue to encourage and support our Nation's small business owners. We all benefit from their contributions.

This week, as we celebrate U.S. Small Business Week, I hope everyone will recognize the importance of small business to our economy. I ask my colleagues to join with me in saluting our Nation's small businesses. They are, indeed, America at work.●

FREE POSTAGE ELECTION PARTICIPATION ACT

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FORD of Michigan. Mr. Speaker, I rise to announce that I have added my name to the list of cosponsors of H.R. 2216, the Free Postage Election Participation Act, as introduced by my distinguished friend and colleague, the Honorable MORRIS K. UDALL.

I fully recognize and appreciate the apparent futility of sponsoring legislation to create a program which entails new costs in a year when we are trying so desperately to save money. But I feel so strongly about this subject that I believe the effort must be made, even if it only turns out to be a symbolic effort.

Voting and registering to vote are the very core of our system of government. The acts of registering and voting set in motion the wheels which make our democratic system run. Yet, participation in elections remains alarmingly low. Only 68.3 percent of the eligible U.S. population was registered to vote in the 1984 general election.

I am convinced that a central part of the problem is the role played—or not played—by the Federal Government. Federal law requires State and local governments to provide ballots and registration materials for Federal elections, but does not provide any financial assistance for carrying out this extremely expensive task. In 1984, State and local governments spent $350 million administering the Presidential election.

H.R. 2216 would ease this burden in a small but hopefully significant way. In effect, the postage for absentee ballots and registration materials mailed by State and local governments would be paid by the Federal Government. State and local officials who have endorsed H.R. 2216 agree that the easing of their financial burden, and a more active Federal role, could well result in increased participation in future elections.

Implementation of the bill's provisions would cost the Treasury about $4.6 million during a Presidential election year, and $3.5 million in an "off-year"—a worthwhile and cost-effective expenditure, in my opinion. I realize, however, that I cannot be optimistic that Congress will approve this new expenditure while faced concurrently with proposed cuts in (or total elimination of) programs which already exist, such as social security benefits, education funding, revenue sharing, community block development grants, and currently-authorized postal rate subsidies—including free postage for the blind and handicapped.

Nonetheless, I am proud to be a cosponsor of H.R. 2216. It is legislation which is much needed—and, hopefully, whose time inevitably will come.●

NEVADA LULAC HONORS HISPANIC EDUCATORS

HON. HARRY REID

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. REID. Mr. Speaker, it was George Santayana who once said, "The great difficulty in education is to get experience out of ideas." With this focus on putting education to work, the challenge for today's teachers is probably the greatest it's been in our Nation's history.

Along with many of the necessary educational transitions that have taken place during the past several years is an awareness that our Nation must adjust to the needs of our population. We recognize that the cultures, languages and uniqueness of many nations must be preserved and integrated into our own Nation's learning foundation.

In order to do this most successfully, we need to look to leaders who are an integral part of these cultures—people who can transmit this firsthand knowledge to our children.

That is why it is such a pleasure for me to take this opportunity to congratulate the distinguished members of Nevada's LULAC, our State and Nation's largest Hispanic advocacy organization, as they honor nine exceptional Nevada educators with the 1984–85 Nevada Hispanic Educator Recognition Awards.

Under the direction of Robert Rivas, Nevada LULAC selected these nine outstanding educators for their contributions to the quality of education in Nevada's public instructional system. Rating criteria in the selection process involved the following categories: Role model, leadership, community involvement, commitments to students, prior awards and recognition, and academic achievements.

In this, the first year for Nevada Hispanic Educator Recognition Awards, LULAC has made a special dedication to Alfred P. Baca, who was a tenured professor with the University of Nevada system until his untimely death in July 1984. I also want to pay tribute to this fine educator, who was more than a unique Hispanic teacher. He was a friend, a leader and role model for the children of Henderson and the entire State. I am pleased to recognize that his influence will continue to impact on the children and adults of Nevada for years to come.

Just as proud as Alfred Baca would be now, I am pleased to have this opportunity to introduce you to this year's outstanding Hispanic educators.

Edward Arciniega has been named Hispanic Educator of the Year for 1985, as well as Hispanic Male Educator With the Most Years of Service. He is a Spanish teacher with 34 years of teaching experience. The Churchill County High School educator also contributes his talents to extra-curricular coaching duties in basketball, baseball and football. Through his dedication, he has contributed significantly to the development of the Spanish language in the area, as well as stressing the cultural contributions Hispanics have made to this country and the world. Though eligible for retirement, he has declined to leave teaching because of his commitment to teaching and his love for the students.

Dr. Agustin A. Orci, associate superintendent of Administrative and Special Student Services of the Clark County School District, is the Hispanic Administrator of the Year. A professional educator for 19 years, Dr. Orci is the highest ranking Hispanic within all of Nevada's schools districts. In addition to administrative duties and classroom teaching experience, Dr. Orci has worked on such programs as: The Interlanguage Core Program; curriculum development for special education and the vocationally handicapped; instructional management systems; minimum competency testing legislation; and other diversified programs and projects for the State of Nevada.

Dr. Stella L. Romero Helvie is the 1985 Hispanic Female Administrator of the Year. As the principal of Robert E. Lake Elementary School in Las Vegas, Dr. Helvie exhibits exemplary managerial skills and possesses a very high level of knowledge in the area of instructional supervision, courage and directness. The 12-year veteran of classroom instruction works with her teachers and students to reach peak performances in the education experience. Her diverse background, which includes, but is not limited to, teaching and administration in basic education, special education, home-school education and higher education, makes her an excellent role model for both students and teachers.

Ray Espinoza, a business teacher at Pershing County High School in Lovelock, has been named the Hispanic Secondary Educator of the Year. His 17 years of instruction at the county high school level have been instrumental in preparing business foundations for thousands of students. He is responsible for providing progressive education for tomorrow's business leaders by introducing a successful computer education into the school's curricula. In addition to teaching, he has also served as president of the Classroom Teachers' Association and as a member of the Meet and Confer Committee.

The Hispanic Junior High School Educator of 1985 is Elsie Jimenez. The Humboldt County junior high school teacher has spent 7 of her 18 years in teaching as a special education teacher at Winnemucca Junior High School. Recognized by her peers as an outstanding teacher, Ms. Jimenez's primary concern is to prepare her students for high school thoroughly enough to enable them to complete 4 years and graduate. She works with her students on every aspect of their school lives and encourages them to participate in extracurricular activities and enter school contests. She considers each student to be a special and unique person and develops her programs individually to their needs. Outside the classroom, Ms. Jimenez assists families with obtaining legal help, handling medical problems and dealing with citizenship matters. She also serves as an interpreter whenever needed.

A fourth-grade teacher from Las Vegas's Pat Diskin Elementary School is the Hispanic Elementary Educator of 1985. Alma Garcia Vining has the personality, ambition and instructional ability that make her an outstanding professional. She works effectively and efficiently with students and parents and is an excellent role model for all her students, especially minority students. Her attitude demonstrates to her students that all people can be successful in this country. To help her perpetuate this sense of self-awareness, Ms. Vining brings forth her teaching experiences, especially those where she taught English to non-English speaking adults.

Henry Jojola is 1985's Hispanic Vocational Educator of the Year. The department coordinator at the Southern Nevada Vocational-Technical Center in Las Vegas has expertise that goes far beyond his 7 years of teaching. His own educational and professional experiences include graduations from nearly 1 dozen electronics programs and schools. He has translated this knowledge into an instructional format that helps him and his students maintain and expand their vocational standards and reach their vocational goals.

Rita Aragon is the 1985 Hispanic Female Educator With the Most Years of Service. She is a second-grade teacher at Rose Warren Elementary School in Clark County. The 27-year teaching veteran has spent most of her teaching career with predominantly Mexican-American students in inner-city schools in Los Angeles. However, for the last 9 years, she has taught in southern Nevada. Ms. Aragon has a great love for teaching and working with children. She takes pride in seeing them learn and grow to become good and valuable citizens. She always stresses and demonstrates the importance of self-esteem in helping a child develop fully.

The Most Promising Hispanic Educator of 1985 is Miriam Smyth, a foreign language teacher at Valley High School in Las Vegas. Recognized for her enthusiasm and innovative teaching techniques, Ms. Smyth adds energy to everything she does in foreign language instruction. During her 6 years of teaching, she has continued to use exciting and creative methods to challenge her students. She is the type of role model that LULAC encourages other Hispanic students to follow in pursuing a teaching career.

Again, I am pleased to congratulate LULAC for this recognition program and these nine Hispanic educators for their outstanding contributions.

As a Congressman from a southwestern State, I am especially aware of the positive influence Hispanics can have toward the development of this region and the Nation. Understandably, there is no place that this impact is and will continue to be felt more strongly than in our school systems. After all, it is during our formative years that we lay the foundations for our futures.

Through the influence of these outstanding educators we can find new and renewed reasons to be proud * * * to reinforce our belief in education as one of the institutions we most cherish in this great Nation.

To these outstanding Hispanic educators I say thank you for jobs well done and service abundantly rendered. Indeed, the House of Representatives salutes you.●

THE RICHNESS OF THE UKRAINIAN-AMERICAN EXPERIENCE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BROOMFIELD. Mr. Speaker, I want to take this opportunity to pay tribute to the Ukrainian community in the United States. This month the Ukrainian National Association, the oldest Ukrainian organization in the United States, is celebrating 100 years of Ukrainian immigration to the United States. The culture of America has been greatly enriched by their presence in this great country. We have been most fortunate in inheriting their drive, their skills and the rugged independence of those Ukrainians who could no longer put up with life without freedom.

As all of you know, the Ukraine is one of the most important of the captive nations. It is unfortunate that because the independence of the Ukraine lasted but a short time, between the fall of the czar and the military takeover of the Ukraine by the Bolshevik government under Lenin, some people tend to forget that the Ukraine was indeed, at one time, free. For 5 years, it had a separate political identity of its own. Since 1918, however, it has been incorporated into the territory of the U.S.S.R.

The Ukraine has had a long and distinguished history, with geographic and ethnic identities of its own. Of special importance has been the Ukraine's excellent agricultural production. For centuries, it has been the target for the aggression on the part of numerous European power. Who can forget the 7 million Ukrainians in the Ukrainian Soviet Socialist Republic who died of starvation during the period of 1932 to 1933. This was the result of the Soviet Russian Government targeting the Ukrainian people for genocide by directing special draconic decrees against Ukrainian peasants as enemy class, and against Ukrainian intelligentsia as bourgeois Ukrainian nationalists. Yet throughout all of these invasions and occupations, including the current one, the people of the Ukraine have maintained their fierce love of freedom, their bold sense of independence, and their individual integrity.

To seek their freedom, millions of Ukrainians came to America. They had firsthand knowledge of how communism can enslave men. They were poor and unschooled, but shared the dream of living in a free land. They worked hard in factories, mines, and on farms and helped to build America into an economic giant.

They have made significant contributions to enrich American life and our society. Americans of Ukrainian descent distinguished themselves in the academic world and in science as well as in the corporate sector. Americans of Ukrainian descent have entertained millions of television and movie viewers while others have had exemplary careers serving the Nation in our military.

They have transplanted their rich culture from their mother country to this new land and have enhanced the fascinating cultural mosaic of America. I admire them for their efforts to preserve their rich heritage for the future generations of Ukrainian-Americans. I salute the Ukrainian-American community and their celebration of 100 years of Ukrainian immigration to the United States.●

AMTRAK—TWO FOR THE PRICE OF ONE

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. STUDDS. Mr. Speaker, if the administration has its way, the United States will be the only developed nation in the world without a national passenger rail service. Despite increasing ridership and decreasing reliance on Federal subsidies, Amtrak is slated for extinction under the proposed budget for fiscal year 1986.

A review of Amtrak's recent record and the effect of its elimination reveal the administration's plan to be penny wise and pound foolish. Over the last 14 years, the Federal Government has spent $5.2 billion in upgrading the system's infrastructure and improving the service in the Northeast corridor between Boston and Washington. This investment is now beginning to pay off, with Amtrak transporting over 20 million passengers in 1984, an 18-percent increase over 1983 ridership, with its best ever on-time performance. This has come while the Federal Government's share of operating expenses has decreased, dropping from $896 million in fiscal year 1981 to $684 million in fiscal year 1985.

And what will it cost to dismantle the system? As The Boston Globe points out in the following editorial, 25,000 Amtrak employees, including over 700 in Massachusetts, would be laid off, costing the Federal Government an estimated $2.1 billion in labor protection benefits.

The administration is giving the country a real bargain with this proposal—imprudent fiscal policy and short-sighted transportation policy—two for the price of one.

SAVING AMTRAK

The Amtrak rail passenger system was one of the achievements of the Nixon administration. Under the leadership of former Massachusetts Gov. John Volpe, who was then Secretary of Transportation, the Federal Government took over passenger service from the railroads, which had found it a money loser.

The arrangement has worked well. After a difficult transition, Amtrak's employees and managers have cooperated admirably to hold down costs and improve service. Last year the system carried 20 million passengers.

The Reagan administration proposes to shut down Amtrak to save $684 million in annual subsidies. There would be no savings for some years, since the Government would have to pay more than $2 billion in severance to the 25,000 employees who would lose their jobs, and it would have to write off more than $3 billion in equipment and other assets.

It is misleading for the administration to assert that Amtrak competes unfairly with unsubsidized rival forms of transportation. All modes of transportation are subsidized, directly or indirectly. Buses do not pay for the full cost of the highways and streets that they travel. The Government subsi-

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dizes airlines by providing air traffic control.

Because air service is so much faster than rail service, Amtrak does not complete with the airlines for business passengers except on very short trips. The much higher price of air travel shows that business travelers would rather save time than money. The ordinary weekday fare between Boston and New York is $25 for a 5-hour trip on Amtrak compared to $65 for a 30-minute flight on the Eastern shuttle.

Amtrak, however, does compete with airlines for the business of low-income travelers of families with small children. It also competes with bus companies, which charge slightly less for a slightly faster trip. If it were to be put out of business, the bus lines would be free to raise their fares substantially, and low-income travelers would have no choice.

W. Graham Claytor, Jr., the chairman of Amtrak, points out that it is the only form of transportation that could move large numbers of people in a national emergency, and that in many small communities, it is the only transportation. If it were abolished, the United States would be the only industrial nation without a rail passenger system. Claytor has promised to wage a battle to save Amtrak. He deserves public and congressioal support.●

MS. WALMAR GRAY CELEBRATES 50 YEARS OF SERVICE WITH AMERICAN RE-INSURANCE CO. IN NEW YORK

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. ACKERMAN. Mr. Speaker, I would like to take this opportunity to publicly acknowledge the accomplishments of Ms. Walmar Gray of Forest Hills, NY, who on May 13, 1985, will celebrate her 50th year of service with American Re-Insurance Co.

Mr. Speaker, American Re-Insurance Co. is a subsidiary of the Aetna Casualty & Surety Co., a well-respected firm in New York. The company has reaped many benefits from Ms. Gray's years of service, and from the enthusiam with which she approaches her job. As the retrospective premium accountant in the underwriting accounting department, Wally Gray performs the vital task of accumulating data needed for corporate financial reports, as well as servicing clients on an individual basis. Her top-notch work has made a significant contribution to the smooth and efficient operation of the underwriting accounting department, in conjunction with the leadership and direction of Assistant vice President Kenneth Shefcik and the company's other fine officers.

Mr. Speaker, one of the many talents wally has brought to American Re-Insurance is her skill in dealing with people. All of us have had occasion, in our interactions with businesses and institutions, to be put off or experience frustration with "the system." But clients of American Re-Insurance who work with Ms. Gray have had a very different experience. Her people-oriented approach to doing business has served the company well, and has been of great benefit to many New Yorkers. Walmar Gray, who is preparing to retire after her 50 years of invaluable service, will be greatly missed by American Re-Insurance and its clients.

I would like to congratulate Ms. Gray on her 50th anniversary with the company, and extend to her my best wishes for the future. She has made an important contribution to the city of New York, and I ask all of my colleagues in the U.S. House of Representatives to join me in celebrating with her 50 years of service with American Re-Insurance.●

DR. WILLIAM J. REID

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MOAKLEY. Mr. Speaker, it is my privilege to call to the attention of the House the outstanding contributions by Dr. William J. Reid, to the Boston school system in particular South Boston High School, and the South Boston neighborhood itself.

Since 1936, Dr. Reid has taught in the Boston school system, beginning as a substitute teacher and working his way through the ranks to become headmaster of South Boston High School in 1965, where he set standards of education, and principles that further enriched the school, it's students, and it's reputation.

In addition to lecturing at various colleges around the State of Massachusetts, Dr. Reid to his credit, has also published a number of books dealing with Massachusetts history and government, and the Cape Cod Canal. Dr. Reid's highly respected reputation in the education field has been recognized with high honors, among them the Distinguished Service to Youth from the Massachusetts Secondary School Principals Association, and also the Award of Merit from the Youth Activities Commission from the city of Boston along with many others too numerous to name.

Dr. Reid's devotion to the Boston school system can only be surpassed by one element, and that is his commitment to the youth and the community of South Boston. Many residents of South Boston have seen first hand the involvement that Dr. Reid has shown with the South Boston Boys & Girls Clubs, and the South Boston Youth Hockey League.

Both of these programs on which Dr. Reid had quite a positive impact, help nurture and guide young children on the road to adulthood.

Mr. Speaker, I am proud to present Dr. Reid, my fellow South Bostonian, and I know that my colleagues will join me in congratulating a most thoughtful man, whose devotion and generosity of spirit can always be counted on in the cause of education and the assistance to his community—South Boston.●

ESPARANZA GUERRERO

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KOLBE. Mr. Speaker, this month, during National Small Business Week, a Hispanic woman from Arizona's Fifth Congressional District will be honored as National Minority Small Business Advocate of the Year by the U.S. Small Business Administration. Esparanza M. Guerrero, a senior consultant with Price Waterhouse in Tucson, AZ, was selected because of her dedication and work in helping minority small businesses gain access to financial and management assistance.

Esparanza Guerrero's achievements begin with community action. As a native Arizonian, she understands that the Hispanic community has a long history of contributions to the cultural and economic development of the Southwest. Professionals and volunteers like Ms. Guerrero remind us of our past, as well as our responsibility to the future. She is currently a member of the Hispanic Professional Action Committee and a volunteer at Casa de los Ninos, a crises nursery for children. Ms. Guerrero is a consultant with Chicanos Por La Causa, helping minority firms interested in security debt financing and has worked with local financial institutions to help firms get needed financing. She has worked for the Tucson Economic Development Corp. in relocating businesses to the area and with the Southwest Border Regional Commission as a liaison with business and government agencies on both sides of the United States-Mexico border.

The 14.2 million small businesses recognized during National Small Business Week are the foundation of our economy. This foundation crumbles unless men and women representing all ethnic and socioeconomic backgrounds are welcome participants. The goal of the Federal Government should be to work as a partner with

communities, local leaders, and small businesses to foster the independence and entrepreneurship needed in a dynamic economy. For Hispanics, community and independence are not contradictory concepts—they form the basis for relationships that give people the support to realize their full potential

I ask my colleagues in the U.S. House of Representatives to join me in congratulating Esparanza Guerrero on her outstanding contributions to American small business. The Hispanic community can be proud of her work, and all of us can learn from her as a professional and as a volunteer who represents our dreams for free enterprise and community involvement.●

BACH CHOIR OF BETHLEHEM, PA

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. RITTER. Mr. Speaker, today I would like to bring to the attention of my House colleagues the accomplishments of the Bach Choir of Bethlehem, PA, which is commemorating the 300th anniversary of the birth of Johann Sebastian Bach this weekend and next with its 78th Annual Bach Festival. Sir David Willcocks, director of music at King's College, Cambridge, England, director of the Royal College of Music in London, and also director of the Bach Choir of London, will be the guest conductor for the festival's performance of the B Minor Mass.

The Bach Choir of Bethlehem was founded in 1898 by Dr. J. Fred Wolle for the purpose of encouraging a greater interest in, appreciation of, and aesthetic and spiritual benefit from the choral and instrumental works, both sacred and secular, of Johann Sebastian Bach. The choir organization works to educate both its own members and the public in the works of Bach through the performance of his works under competent musical direction, to the end that the highest standards of performance may be achieved and the perfection of creative art may be maintained. The Bach Choir of Bethlehem is the oldest Bach Choir in the United States performing only the works of Johann Sebastian Bach. The first complete American performance of Bach's Mass in B Minor was given in Bethlehem in 1900.

The annual Bach Festival in Bethlehem is attended by music lovers from more than 30 States. The office of the choir serves as the national office for the American Chapter of the New Bach Society.

Mr. Speaker, I would like to include an article on the unique tercentenary program that the Bach Choir of Bethlehem will be offering at the festival.

TERCENTENARY PROGRAM HAS HISTORIC ROOTS

(By Alfred Mann)

It has been argued that anniversary programs pay artificial rather than genuine homage to the great composers, but history refutes this. Bach anniversaries have provided major impetus to the cultivation of Bach's work, and the first Festival of the Bach Choir of Bethlehem (on April 2, 1900), marking the sesquicentennial of Bach's death, was in itself an anniversary observance.

We have become more conscious of the Choir's own anniversary dates in recent years—the Choir's one hundredth performance of the Mass in 1972 and the seventy-fifth anniversary of the Choir's founding in 1973 were commemorated with programs of special significance—and the historic journey the Bach Choir of Bethlehem undertook in 1976 to perform at the International Bach Festival in Berlin and at Bach's church in Leipzig was in turn prompted by the country's Bicentennial.

When the time came to plan for the observance of this year's Bach Tercentenary—the three-hundredth return of Bach's birthday—the Bach Choir decided that the anniversary should be linked to Bach Choir history. It was eighty years ago that the Choir's founder, Dr. J. Fred Wolle, staged a Bethlehem Bach Festival different in format from all others because it was guided by a plan of performances that spanned the entire church year, celebrating the major feasts of the season with works Bach had written for the corresponding phases of the year.

Dipping into Choir history. Greg Funfgeld, Bach Choir director, has recreated this design, but with a different approach. The most notable departure reaches back to another gesture from the annals of Bethlehem Bach Festivals. Dr. Wolle was organist at Bethlehem's Central Moravian Church when the Choir was established, and on occasion he included in the Festivals some programs consisting entirely of organ music which he presented himself. The conclusion of this year's cycle of Bach concerts in Bethlehem will be marked by an organ recital of Marie-Claire Alain, famed French organist known in this country as "the first lady of the organ".

There is also a new point of view from which the works for the other programs were chosen. While there is some obvious overlap with Dr. Wolle's programs eighty years ago—the Magnificat will be heard at Christmas and the St. John Passion in a Lenten program—the other works to be performed were scheduled by an ingenious process of selection involving the whole Choir.

With appropriate pride in the extraordinary performance history of the Bach Choir of Bethlehem, its members were asked to cast a vote indicating their individual preferences from the eighty-five years of Bach programs. The results were integrated into the scheme of the year cycle, so that each work to be given represents a milestone in Choir history.

In the Christmas program, Cantatas 140 and 63 were included, the former being one of the works heard also in the Bethlehem Christmas program of 1904, and the latter having opened the program of 1971, which traced the outline of Bach's own first Christmas service in Leipzig.

The works of the May Festival program are a summary of high points from all Bethlehem programs: the B Minor Mass, preceded by cantatas and motets that stand out in Bach Choir memory.

There is a remarkable point of comparison between the Bethlehem Festival cycle of eighty years ago and the anniversary program of 1984–85. Dr. Wolle's project proved in the end too vast to be adjusted to the Bethlehem Festival format, and there was no further goal to attain. Dr. Wolle accepted the call from the University of California, and the Festivals came to a temporary end. With their eventual resumption in 1912, a pattern was established that in time has proved so sound and enduring that today's Bach Choir director was able to enter upon a full year's anniversary celebration with assurance of a firm tradition and many more special programs and anniversary celebrations to come.

I encourage my colleagues, especially those who represent neighboring districts, to visit Bethlehem, PA, during the 78th Annual Bach Festival to enjoy this fine muscial event. The program for the festival follows:

1985 FESTIVAL PROGRAM

Friday Afternoons, May 10 and 17

Cantata BWV 78, Jesu, der du meine Seele
Cantata BWV 147, Herz und Mund und Tat und Leben
Cantata BWV 137, Lobe den Herrn, den mächtigen König der Ehren

Friday Evenings, May 10 and 17

Cantata BWV 11 (Ascension Oratorio)
Motet BWV 229, Komm, Jesu, komm
Cantata BWV 74, Wer mich liebet, der wird mein Wort halten*
Motet BWV 225, Singet dem Herrn

Saturday Mornings, May 11 and 18

A program of chamber and orchestral works

Saturday Afternoons, May 11 and 18

The Mass in B Minor

*Festival premiére.●

RETURN RAILROAD UNEMPLOYMENT TO SOLVENCY

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FIELDS. Mr. Speaker, I am privileged to represent a district with a large number of railroad employees. In fact, my State, the State of Texas, is one of six States in the Nation with over 20,000 railroad workers. Consequently, I am keenly interested in the welfare of rail employees and retirees.

Unfortunately, one component of the rail system is currently facing financial distress. The railroad unemployment program has been chronically underfunded. In fact, the railroad unemployment fund has been forced to borrow from the railroad retirement fund for 19 of the past 24 years. Railroad unemployment now owes railroad retirement over $700 million and the figure is growing.

On September 30, 1985, the authority for railroad unemployment to borrow from railroad retirement expires. We, in Congress, have two choices: We can act to return rail unemployment to solvency or we can do nothing and deny unemployed railroad workers their just compensation. No one supports the latter choice. Clearly, we must act and we must act rapidly.

As I explored the various proposals to return railroad retirement to solvency, I kept three basic criteria in mind. One, the plan must be fair to the unemployed. Two, the plan must be fair to railroad retirees. And, finally, the plan must be fair to the general taxpayers. I was distressed to find that the so-called consensus package, which has the support of rail carriers and rail labor, failed two of those three tests. The plan is not fair to rail retirees not to the taxpayers. I found it particularly difficult to stomach the plan's lack of fairness to railroad retirees.

The consensus package would require the forgiveness of the interest on railroad retirement's loans to railroad unemployment. While forgiveness of interest may seem minor, it is not. The dollar figure of interest due railroad retirement may ultimately range from its current low of $200 to $300 million to nearly $3 billion. I cannot support a plan which would rob railroad retirees of money which is rightfuly theirs. While some may claim that railroad retirement is in good financial condition and can spare the funds, my memory is not that short.

I remember a few short years ago when railroad retirement was on the brink of financial collapse. Railroad retirees faced drastic reductions in their benefits if Congress did not act to salvage the system. We, in Congress, passed legislation which required railroad retirees to take benefit reductions to gain the retirement system's solvency. I think it is unconscionable that a few short years after requiring benefit reductions from rail retirees, we would allow up to $3 billion to be siphoned from the railroad retirement fund.

So, I am delighted to be an original cosponsor, today, of alternative legislation which meets all three of the criteria I originally set. First, the plan is fair to unemployed rail workers. Our bill would raise the daily benefit of an unemployed rail worker from its current maximum of $25 per day to a maximum of $35 per day. This figure is much more in line with the benefits of other unemployed workers in my State of Texas who receive up to $37.20 per day.

Second, the plan is fair to rail retirees. It requires that all the principal and the interest on railroad retirement's loans to railroad unemployment be repaid. And, third, it is fair to the taxpayers who are not required to bailout the system at a time when our Nation is facing record budget deficits.

Our bill makes rail carriers shoulder the burden of their own rail unemployment system, as it should be. An average Texas employer with a similar workforce employment history to the railroad industry is required to pay approximately $64 per employee, per month in unemployment taxes. In comparison, rail carriers, currently pay only $30 per employee per month in unemployment taxes. Rail carriers are paying too little tax to fund rail unemployment. While raising rail unemployment taxes is unpleasant, it is necessary if railroad unemployment is to remain independent and to become financially sound. Our bill would increase the wage base on which unemployment tax must be paid from $600 to $1,300 per month, thus bringing rail carriers more in line with other businesses.

Mr. Speaker, this plan is balanced and realistic. It protects the interests of the unemployed, the retirees and the general taxpayer. I urge my colleagues to join us in cosponsoring this legislation.●

PUBLIC HOUSING COMPREHENSIVE GRANT PROPOSAL

HON. STEVE BARTLETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BARTLETT. Mr. Speaker, today, along with my colleagues Chalmers Wylie, the ranking member of the House Banking Committee and Stewart McKinney, the ranking member of the Housing Subcommittee, I am introducing the Public Housing Comprehensive Grant Proposal. I am introducing this bill by request of the Secretary of the Department of Housing and Urban Development, Secretary Pierce. This proposal has two purposes in reforming capital improvement funding for public housing.

(1) Deregulation.—It would give local public housing authorities the authority to develop their own comprehensive modernization plan, subject only to limited HUD review and an annual statement of work. This procedure contrasts with current detailed regulatory oversight by HUD.

(2) Formula Funding.—The bill would also replace the current application method with formula funding. Operating subsidies would continue to be funded with the performance funding system but the capital improvements funds would be distributed by a formula that includes a replacement reserve. This new disbursement system would allow fungibility between operations and capital budgets.

I personally commend Secretary Pierce and Assistant Secretary Lindquist for their leadership in proposing this initiative. The concept of this proposal is one that I and many others involved in public housing policy have been interested in for some time and I applaud the Department for its efforts.

The current modernization program, commonly referred to as a CIAP, is a highly regulated and cumbersome process for local public housing authorities. A public housing authority [PHA] must now ask HUD for permission before even deciding what kind of doorknobs to install. This proposal will allow PHA's the discretion to make those decisions while maintaining limited HUD oversight through an annual review process. By removing detailed HUD oversight public housing authority will be better able to implement a modernization process suited to its own local needs.

The second important feature of this proposal is a formula funding system that will replace the present application process for modernization funds for individual public housing authorities. Through formula funding, a public housing authority will receive reliable funding each year. This process will ensure that an individual public housing authority will receive funding on a regular basis. That funding would be predictable, reliable, and simplified.

I have discussed this proposal with many of my colleagues in the House on both sides of the aisle. I have also discussed this proposal with those involved in the day-to-day running of public housing authorities, and the comments and initial reaction have been favorable. I am introducing this proposal today to seek further comments and suggestions for changes, additions, deletions, and improvements.

I invite comments from my colleagues and those in the housing industry. Over the next several weeks and months, I will be considering improvements and I look forward to working with my colleagues in Congress as well as the Department of Housing and Urban Development to prepare final legislation.

This legislation is sound in its present form, and substantially better than the current highly regulated system. I do anticipate refinement and improvements in a number of areas before final passage. For example, I believe fungibility between operating subsidy and capital improvements should be permitted, but limited; the 97 percent occupancy rate requirement should be examined; and distinction could be made between current needs and replacement reserve; and Congress should be involved in setting the criteria for the funding formula.

I will offer this proposal or a similar proposal as a part of the housing authorization bill that is being developed in the House Banking Committee. To further acquaint my colleagues with the purpose of this proposal I am inserting a summary of the provisions and the bill itself for the Record.

Summary of the Public Housing Comprehensive Grant Proposal

WHAT IS IT?

The Public Housing Comprehensive Grant Program is a major reform proposal to the existing Comprehensive Improvement Assistance Program [CIAP]. CIAP was created by the Housing and Community Development Act of 1980. Basically, CIAP was created to provide financial assistance to PHAs for the purpose of undertaking comprehensive improvements (i.e. modernization) in the physical condition, energy conservation and management of PHA-owned rental projects. This program is commonly referred to as Comprehensive Modernization—i.e. COMP MOD.

WHAT IS THE RATIONALE FOR THE PROPOSAL?

Two Major Objectives:

(1) Significant Deregulation of the Comprehensive Modernization Program by returning the program to local control—i.e. the local public housing authority.

(2) Greater reliability of funding for capital improvements through use of formula funding for future capital improvements and for current needs.

PROBLEMS WITH EXISTING PROGRAM

The current modernization program is an inefficient way to distribute resources for the capital improvement needs of the public housing inventory. It denies PHAs the flexibility and responsibility essential for setting priorities for capital improvement expenditures, weighing the needs of all projects against each other and the options of repair and major maintenance against capital replacement. Because HUD presently decides what to fund and when to fund it, PHAs cannot do rationale multi-year planning for the capital improvement needs of the existing public housing inventory now estimated to be worth in excess of $60 billion.

The present program now imposes rigorous application requirements and applies them to all PHAs, regardless of management capability or the size of the PHA. The present program requires HUD scrutiny of the application and intensive HUD monitoring of the modernization activities. This overregulation creates unnecessary paperwork and delays, which in turn can drive up the costs of the rehabilitation work.

Funds from the capital improvement program and operating subsidies will be fungible (interchangeable) within the PHA.

The entire comprehensive grant is to be spent to make physical and management improvements, according to the needs and priorities locally set by the PHA.

The concept of local management flexibility will permit efficiency in the use of funds which cannot be achieved under a system dictated in detail from Washington.

The freedom from pervasive regulation and the increased reliability of funding will provide opportunity and incentives for efficient management.

The PHA will be able to set their own priorities, to choose among probjects, to determine whether maintenance or capital improvements is most cost-effective in a particular instance and to realistically plan on a multi-year basis knowing that they will have control in carrying out the plan.●

ISSUES BRING BLACKS AND JEWS TOGETHER

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FRANK. Mr. Speaker, I am very proud of the work that the Anti-Defamation League of B'nai B'rith is doing in New England, under the leadership of Director Leonard Zakim, to highlight the many things which united the black and Jewish communities.

In the face of extremists on both sides who would prefer to see tensions between these two groups, Mr. Zakim has worked with black leaders in the Boston area and with other Jewish leaders to stress the many issues that draw black and Jewish Americans together. Recent articles in the Christian Science Monitor and the Boston Globe highlight the important work that the Anti-Defamation League is doing in this regard and I ask that they be printed here.

[From the Christian Science Monitor, Apr. 22, 1985]

Theater Serves as a Rallying Point for Blacks and Jews in Boston

(By Luix Overbea)

Boston.—The racially mixed audience stood and applauded as the cast of "Martin" took its bows.

Offstage, the two men responsible for bringing the play about Dr. Martin Luther King to Boston beamed. To Leondard Zakim, New England director of the Anti-Defamation League of B'nai B'rth, and the Rev. Charles A. Stith, the evening marked another step toward healing a rift that has grown between blacks and Jews.

Two issues, affirmative action and the Rev. Jesse L. Jackson's presidential campaign, triggered misunderstanding between the two groups during the past year. This rift was particularly disturbing to leaders of both groups, which were closely allied during the civil rights struggles of the 1960s and '70s.

Blacks want affirmative action "with specific [usually numerical] job goals," says the Rev. Mr. Stith, pastor of the Union United Methodist Church here. Jews favor affirmative action "without quotas or numbers," Mr. Zakim says.

In addition, Jewish leaders and organizations openly opposed Mr. Jackson's candidacy. Their reasons: Jackson allegedly made an anti-Jewish epithet "off the record" during his campaign; and he never refuted one of his major supporters, Minister Louis Farrakhan, leader of the Nation of Islam, whom Jews criticize as anti-Semitic.

Zakim and Stith have worked together nearly five years to close what both call "a widening gap between two allies of the civil rights struggle." They have been supported by the Greater Boston Civil Rights Coalition, which Zakim helped found in 1979 after a series of racial incidents in Boston.

Dr. Martin Luther King, Jr. is as much a "drum major for peace" today as he was when he was leading nonviolent civil rights and peace protests in the 1960s, say Zakim and Stith.

"Presenting 'Martin' is part of our ongoing efforts to enhance our relationships," Zakim said after its final performance recently. "Certainly we disagree at times, more often than we like, but we have much more in common than in conflict."

The performance of "Martin" before three integrated audiences—including one at a high school—was the third major cultural event within the past year initiated by Zakim and Stith to bring blacks and Jews together. And it marked the play's first performance outside of Atlanta, where it was written by Lamar Alford, playwright-in-residence of the Martin Luther King Jr. International Chapel at Morehouse College.

The other two cultural events were a pilgrimage of 19 Jews and blacks to Israel last September, and a Jewish Seder (commemorating the Passover, the exodus of the Children of Israel from Egypt) conducted earlier this month at Union United Methodist Church.

"Historically, blacks and Jews have had a unique relationship, but recently our friendship has been strained because of mistrust, misinformation, and lack of communication," Stith said of the two-week visit to Israel by a group from across the nation. "No one expected the tour to resolve our problems.

"We went to listen, to learn, and to appreciate each other's views," he said.

The two men say they hope to sponsor a national conference to bring blacks and Jews together, a project they hope will lead to a national movement. Both say they have received inquiries from other cities on how to start local reunification projects.

They brought "Martin" to the Hub "regardless of cost," Zakim says. "We saw the play in Atlanta and sought backing in Boston."

Local businesses responded with financing; congregations of all faiths and civil rights, community, and civic groups recruited the audiences, he says.

[From the Boston Globe, Apr. 10, 1985]

A Musical Drama Reiterates King's Message

(By Wil Haygood)

Because he lived in times that were both virulent and passionate, and because like most leaders, he was complex, scholars, biographers, and playwrights will continue to examine the life of Rev. Martin Luther King Jr., the civil rights leader who walked across the bridges, inspired thousands, and was awarded a Nobel Peace Prize.

Lamar Alford, an Atlanta playwright, brings his musical drama. "Martin," to Boston for its first showing outside that city since it opened there four years ago. The drama will be presented tonight and tomorrow at Union United Methodist Church in the South End. It is being sponsored by a coalition of Boston civil rights groups and underwritten by the Bank of New England.

The life of King, who was assassinated on April 4, 1968, is a compilation of his times, and yesterday Alford discussed his work's genesis and King's soul.

The playwright, who has a pencil-thin mustache and was dressed in a dark blue linen suit, sat in the Cafe Tremont yesterday and, over breakfast, discussed the genesis of his play and the soul of King. He laid his straw hat to the side.

"I've tried to create the chronicle of a era—to deal with a community that was not prepared to deal with history at that time," Alford said, adding that he deals with King as a historical figure, and also as a family man.

The play, which has a cast of 60, traces King's Atlanta childhood, then goes on to give life to the moments that galvanized the civil rights movement: King's 1964 March on Washington and "I Have A Dream" speech; his jailings; his pronounced opposition to the Vietnam War; and, finally his fateful trip to Memphis in 1968.

Alford, who was born in Montgomery, Ala., says of his birthplace: "Montgomery is a sleepy little southern town. And yet, in spite of itself, it answered the knock on its door when King came."

He says Montgomery's black community, particularly church leaders, backed King as he led the boycott of the city's segregated bus system. Alford's father was one of the people arrested during a protest.

"I remember my elementary school teacher pulling me and my sisters out of class. She said, 'Your father has been arrested.' I felt so proud. I'm sure I didn't truly understand what was going on in Montgomery but I felt proud that my father had been arrested for what he believed in."

Alford would enter Morehouse College in 1962. King attended Morehouse and upon his graduation in 1951, entered Boston University to do graduate work in theology.

"It is so important for people to be conformed with King's philosophy of nonviolence," Alford said. "And, in that respect", he continued, "the play is like a history lesson that comes alive."

The play, he said, has music in it from the '60s: some Supremes, some rock.

Alford was in the original 1971 cast of "Godspell" on Boardway and has also been a member of the New York City Opera. He is now dramatist-in-residence at Morehouse College.

He leaned over the breakfast table. His hands were folded in front of him, as if in prayer. "Now does not seem a popular time for groups to come together. Perhaps this play will bring about more of this needed coming together."

The 10 groups bringing "Martin" to Boston have long worked to promote racial harmony. Among them are the Anti-Defamation League of B'nai B'rith, the NAACP, the Black Ecumenical Commission, and the Lawyers Committee for Civil Rights.

It all began with a trip to Atlanta.

"In January, Rev. Charles Stith, [pastor of Union United Methodist Church], and I went down to Atlanta with some other church leaders to visit the King Center." Leonard Zakim, who was also at the breakfast, said. Zakim, executive director of the New England Chapter of the Anti-Defamation League and co-chairman of the Greater Civil Rights Commission, sat across from Timothy W. Kilduff, vice president of public affairs for the Bank of New England.

"Well," Zakim continued, "we were taking this tour through Morehouse College. We ran into Lamar (Alford) and he said, 'Hey, I have this play showing on campus, why don't you come over and check it out.' "

They went. They were "amazed and moved," Zakin said. "And," he continued, "I said to myself that this play should come to Boston." He said he saw it as a way to rekindle memories of the "very positive" relationships blacks and Jews have had through history.

"Sure, blacks and Jews have had their differences recently. But that's like any two communities. In general we are much more together than we are apart. But most of the coverage last year [during Jesse Jackson's presidential bid], was negative and only focused on what blacks and Jews did not agree on."

During his presidential run last year Jackson was strongly critized by the Jewish community for anti-Semitic comments and his refusal to denounce Louis Farrakhan, the Muslim leader who embraced the policies of the Palestinian Liberation Organization.

"King," said Zakim, "was a strong opponent of anti-Semitism.

"Relations in the South between blacks and Jews," said the playwright, "have always been strong." So they both hope the play will help heal any wounds.

Kilduff, of the Bank of New England, said his bank chose to underwrite the play because of the "collaboration" of the groups involved.

Some New York City Off-Broadway producers, Alford said with a flourish of his hands, are now interested in the play. That would, of course, put it right in the neighborhood of Broadway itself. Alford smiles and dreams of what the future may bring.

[From the Boston Globe, Mar. 29, 1985]

BREAD OF AFFLICTION

At sundown next Friday, Jews will observe the ancient rituals of the Passover seder. Throughout the ceremony there reverberates a call to remember. Those who take part recall not personal experience, but an ancestral memory of suffering and redemption. The seder enacts, in familial form, the historical consciousness of a people.

"This is the bread of affliction which our ancestors ate in the land of Egpyt," the celebrants have said for millenia, to explain the symbolic significance of the unleavened matzoh. The unleavened bread, the bitter herbs and shankbone of a lamb—these are symbols of a story that Jews refuse to forget, even when they find themselves in relative safety. It is a story about slavery and liberation.

The Passover story contains a historical memory that Jews and black Americans can share, and this may be why the seder for Black-Christian Clergy and Laity, celebrated last night at St. Mark Congregational Church in Roxbury, has become an annual occasion for fellowship and dialogue between the black and fellowship and dialogue between the black and Jewsih communities of greater Boston.

At a time when black and Jewish Americans are feeling the intense divisive pressures that most minority groups have felt in American history, it is a *mitzvah* (blessing) for them to be sitting down to the Passover meal as members of the same family.

The seder is sponsored by the Jewish Anti-Defamation League and the Black Ecumenical Commission. Five years ago, the first time it was held, only seven clergymen attended it. It has grown each year, and last night 250 people attended it. Rev. Charles Stith and Rabbi Richard Yellin led them through the rituals and the telling of the Passover story. Participants were able to speak about the common problems of two peoples who have known the meaning of enslavement and persecution.

In this setting, the captivity of South African blacks can be a Jewish concern; the oppression of Soviet Jews can be felt as an affront to black Christians. The night of seder should not be entirely different from all other nights.

HAMMERSCHMIDT ADDRESSES THE AMERICAN LEGION

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MONTGOMERY. Mr. Speaker, last night my good friend, the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the very able ranking minority member of the Committee on Veterans' Affairs, was the principal speaker at the banquet session of the National Executive Committee Meeting of the American Legion in Indianapolis, IN.

There have been many articles written and much debate has taken place pertaining to benefits and services for veterans. I call to the attention of my colleagues the remarks made by our good friend from Arkansas because I think he has stated clearly not only his position, but the position of the overwhelming majority of Members of the House, relating to our commitment to our Nation's veterans.

Mr. Speaker, it is appropriate that these remarks be placed in the CONGRESSIONAL RECORD in view of the action in the House yesterday when we paid tribute to veterans in observance of the 40th anniversary of V-E Day:

Commander Bacon, distinguished members of the National Executive Committee of the American Legion, past national commanders, distinguished guests, and ladies and gentlemen: May I first of all thank you sincerely for inviting me to come to the banquet meeting of your National Executive Committee. It is good for me to be able to pause in the midst of a congressional session and to reflect with each of you on a number of matters of mutual concern.

I am sure that your excellent legislative staff led by Phil Riggin and Paul Egan—together with your rehabilitation and economic staff—have advised you on the current status of these issues. Just yesterday, our House Committee on Veterans' Affairs acted on many of them. They involved compensation, medical care, jobs for veterans, G.I. loans, and national cemeteries. They also involved the Administration of Veterans Programs by the Veterans' Administration. In one meeting of the committee, we acted on some 40 separate and distinct proposals, most of which are subjects of American Legion official positions. Let me mention just a few of them that I consider very important and upon which your organization has mandates from your last national convention.

Firstly, our committee doesn't intend to let the 58 regional offices of the Veterans' Administration be consolidated into 3 locations. Just the opposite is true. If we prevail through the entire congressional process, at least one regional office in every State will exist as a matter of law and once and for all this consolidation proposal that comes to us every few years will have been put to rest.

Our committee has also expressed its will on two other matters of more than passing interest to the American Legion. In sense of the Congress resolutions we reported to the

full House of Representatives our opposition to any increase in fees on the origination of G.I. loans; and we made it very clear that any idea of taxing the compensation of disabled service connected veterans has absolutely no support in the Congress of the United States.

As to this latter proposal, I must state to you that it is not even officially before the Congress. It is merely someone's thought over at the Treasury Department in terms of making a recommendation to the President. It is my hope that the idea will never even go to the White House from Treasury, but if it does, I trust it will be summarily discarded. In any event, I can tell you that it will never see the light of a legislative day in the Congress. Of that you can be certain.

In a more positive vein, other legislation reported by our committee is intended to improve the VA Medical Program in several different ways. We want to pass legislation to meet medical needs of the aging veteran. We know that these needs are going to require a dynamic approach as veterahs reach their golden years and we want VA to be ready to meet the challenge.

I know that the Legion is very concerned about a crisis situation in VA medicine with respect to recruitment of certain medical and administrative employees. An otherwise good governmentwide attempt to reduce the number of high-grade employees and thereby save Federal money has failed to take into account that VA's Department of Medicine and Surgery already had a good record in this regard. By applying a total Government reduction to such employees equally in both the agencies with good records and those not so good, VA has been very adversely affected, particularly as to psychologists, social workers, and pharmacists. The legislation we reported yesterday is designed to correct this situation. The Legion can take considerable credit for this action. Your national survey about the crisis gave our committee valuable information that gave impetus to our action.

In the compensation area, we are delaying action for the moment on a cost-of-living increase. We have determined in our committee that such increases should be consistent with all other entitlement programs. For instance, if Social Security goes up by a certain percentage, it is our view that compensation, which holds an even higher priority on the national agenda, should also go up by at least that same percentage.

Let me dwell on this subject for just a moment. When the various veterans' organizations have had representatives before our committee over these past few months we have asked repeatedly, "What would be your view if all entitlements were frozen?" Almost without exception, these representatives said that their organizations understood the tremendous deficit problem of our country and that if all these other entitlements were frozen—including Social Security—they would be willing to do their part and that their organizations would forgo COLA increase requests. The American Legion was in the forefront of these kinds of statements and I want to commend you not only for your view but for your leadership in a most difficult area. It is an example of patriotism at its very best and in the finest traditions of the American Legion.

Quite frankly, I don't want to predict how this issue will finally be resolved. But no matter what is finally decided, the record will clearly show that the Legion was in the forefront of being willing to sacrifice one of its major goals in order to assist in achieving national fiscal responsibility.

I said earlier that I know that your legislative representatives keep you well informed. I know therefore that you are up to date on the G.I. loan issue, the national cemetery issue, the servicemen's group life issue, and all the rest. I know, too, that you are up to date on VA's budget.

With respect to the budget, in my opinion VA has fared rather well—thus far at least. All of us know that our Nation is faced with a huge deficit problem. We do ourselves no justice if we ignore it. But we also do ourselves and the agency of Government called the Veterans' Administration no justice either if we ignore its special needs. For my part, those special needs require special consideration by the Congress. When I say special, I do not mean that we ought not to be financially frugal in our recommendations. But I have often stated and I now repeat my philosophy of Government as it pertains to the veterans of this Nation.

This Member of Congress believes that:

Those who served our country in time of war deserve a special status among our citizenry.

Adequate benefits for those who were disabled by their military service must be the prime concern of the Congress and the people of this Nation.

Benefits for America's disabled veterans are not a drain on the American taxpayer; those benefits are a continuing cost of war.

Veterans of our Nation's wars must never become public charges.

And finally, I state to you that any position on any matter that is inconsistent with what I have just said will have my unrelenting opposition and any position that is in accord with it will have my unrelenting support.

Mr. Commander, our Nation lives in difficult and challenging times. Representative Government always does. But in terms of benefits for veterans, I believe our country has every reason to be very proud of itself. We have the best veterans program of any Nation in the world. We do more for our veterans than anyone else. History clearly shows that we do not shrink from our responsibilities nor from our challenges. We accept those responsibilities and we welcome those challenges.

In this land called the United States of America, there are those who often have divergent military, social and economic agendas. There are those who have fortunately not actually been personally involved in war and on occasion perhaps they lack full understanding of what the Nation owes to those who have fought those wars. But, we ought to note that these are not bad or evil people nor—in my view—are they anti-veteran people. They may be uninformed and they may need education, and if that be true, our task—yours and mine—is clear. We must inform, and we must educate.

You of the American Legion have been doing this for generations and you will be doing it for generations to come. And I applaud you for that.

And now, let me mention a little bit of philosophy which I am certain you share in great abundance.

America has a soul and because of this she finds nothing pleasant about war. After the Spanish-American War, Secretary of State Hayes is quoted as having said that is was a "splendid war." On still another occasion, he described it as a "jolly war." I do not know what promped those remarks and perhaps I take them out of context, but to me nothing about war is splendid and nothing about it is jolly. On the contrary, you and I are reminded daily of the horror of war for we deal with its most tragic consequences * * * all involved with horrible memories, heartache and suffering. Both personally and officially, we know war for what it really is and we have a bitter distaste for it.

But with that distaste we also have a quiet confidence that our Nation has waged war only when it had no other choice.

We also have a quiet confidence that when war is ended our Nation has a conscience that is second to none in the world. That conscience has created an unequaled program for our Nation's veterans. The American Legion has been a grand architect of that program and it has a right to an unequaled pride. You need never be ashamed to proclaim the goodness of that great effort. You have greatly assisted in creating the best medicine; the best benefits; the best ideal; and yes, too, the best dream.

And it is not bad to dream. When we have had imperfections in the past you have dreamed of their correction, and corrections have come about. When there have been doubts about VA's future, VA has survived and become stronger, and had more vitality, and the doubts have subsided. The record is clear that your efforts and the efforts of those of kindred spirits have been primarily responsible.

Commander Bacon, you and your associates meet at a time of historical memories. Today, May 8, we commemorate the 40th anniversary of the allied victory in Europe. A few months later the war far across the world from Europe also came to an end. These worldwide conflicts to overcome unspeakable tyranny saw our Nation enter a period of uneasy peace that was to be shattered later in Korea and then in Vietnam. From these three wars, and the one of a generation before, came the membership of the American Legion. That membership is a bulwark of strength for our country. Your motto speaks of God and country and expresses a deep respect and reverence for each. That respect and that reverence—and the actions to which they have given birth—are the essence of the goodness of a Nation that is truly blessed.

And now let me conclude, Mr. Commander, by mentioning a statement you recently made concerning the President's visit to Germany. During that visit he placed a wreath at a cemetery where German soldiers are buried. The advance word of this ceremony caused consternation in many areas, including the ranks of your organization. The ceremony is now over and in its wake you publicly commented that the President's statement at the wreath laying was excellent. You said that he mentioned his hopes for friendship with the German people, his hopes for freedom in the world, his hopes for reconciliation, his understanding and grief concerning the great trials and tribulations suffered by the Jewish community at the hands of the Nazis and finally his gratitude for the constributions of the veterans of this Nation. Finally, Mr. Commander, you stated your belief that the President would never purposely show insensitivity to any group. These remarks were to the point, and I associate myself with them. Strong feelings have been expressed about this entire event. Pent up emotions in such a situation are perfectly understandable. Speaking for the American Legion, you said forcefully what you had to say before the President's visit to Germany and now you have said what needed to be said in its aftermath. I congratulate you for your forthrightness in both of these instances.

These recent events and the commemoration of V-E Day remind us that the American Legion is a creature of America's wars. You have a solemn resolve which is captured by Lincoln's precious words as to the veterans of those wars. I share that resolve and I share your belief in the greatness of the American people. I also share your resolute determination to assure that our Nation's veterans will always have a benefits program that will be—and ought to be—the very definition of the American ideal. This is an ideal which says that we are all—each in our own way—the disciples of a spendid hope for those who have defended freedom here at home and around the world. It is a hope that there will be complete fulfillment of your very legitimate aspirations for a good today but a better tomorrow. Those who have honorably worn the uniform of our land in its times of national and international peril deserve no less from all of the American citizenry.

The blessings of our land are perhaps not always fully appreciated by some; but I know that they are fully appreciated by those who are in this audience. It is an honor indeed to be asked to speak to the leaders of the American Legion and I am most grateful that you would ask that I share these moments with you.

Thank you—each of you—so very much.●

THE CHILDREN OF THE WORLD

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Ms. OAKAR. Mr. Speaker, every day, we witness troubling events throughout the world. War, terrorism, famine, poverty, and countless other ills make up the bulk of daily newscasts. In such an environment, it is useful to take time to reassert certain values that provide the young people of today with guidelines for a better world and hope for a brighter future. Two distinguished Americans from my community of Cleveland, Dr. Nicholas A. Bucur and Dr. Nolen Ellison, have written a "Manifesto to the Children of the World" that I comment to my colleagues' attention and I ask that it be printed in the Record.

MANIFESTO BY AND FOR THE CHILDREN OF THE WORLD

To: Ronald Reagan, President of the United States, and the people of the United States,

And to the people of the world,

Be it known to one and all, and to whom it should concern:

That the authors of this Manifesto, having been born into this troubled and violent world, and once having been children of the world, do hereby take it upon themselves to speak in the name of all of the children of the world, whoever and wherever they be, regardless of their race, nationality, creed, origin, personal situation and political or economic circumstances, and hereby do speak in one voice:

"Having been born into this life I am an heir to all that has happened before and to all that is. This life is mine. This world is mine. The future is mine. I was born as an innocent, vulnerable and impresssionable infant, with an open mind and pure heart. My elders molded me into what I am now. But in many ways they have failed. Worse, some of them, who are fanatics and terrorists, have infected me with hatred and violence. I am appalled by the economic imbalance of my world and by the violence, prejudice, discrimination, crime and terrorism rampant in my world. I yearn to live in peace with my fellow human beings. I seek to contribute of myself to my world, if I am allowed, in an atmosphere of peace.

I believe that I have been endowed with certain natural and inalienable rights, the enjoyment of which impose upon me corresponding duties to my community, to my world and to myself. I believe that I am entitled to basic and adequate food, shelter, care, security, training and love; and that I have not only the duty to share my knowledge and experience with my peers, but I have a right to do so.

I declare that I have the right to be respected for what I am, and that my right to believe as I choose must be respected by others, just as I must respect similar rights of others. My cultural heritage and beliefs are mine and sacred to me and I recognize that each person is entitled to hold her and his origin and beliefs equally sacred.

I have the right to be trained to my highest potential and to learn basic human values and thus be able to grow intellectually and ethically. I have the right to be taught the ways of peace, even in my infancy and my earliest stages of growth, and to learn the techniques of discussion and persuasion so as to be able to use such methods in my daily life. I must learn to express compassion, with good will, for these qualities are human and naturally mine. Thus, even as a very young child I should be instructed by gentle means to talk, listen, and negotiate, rather than resort to the use of violence, so that as adults I and others like me would use peaceful means to resolve our differences.

On a larger scale, I have the right to live in a free nation and in a world where the larger nations respect the rights of the small nations. But this does not always happen, and while I long for and shall work for peace I know that I have the duty to defend my family, my nation, and myself, against unjust agression and invasion.

Although I intensely desire peace and seek universal disarmament, I recognize that no single nation can unilaterally disarm in a world full of suspicion. Nevertheless, I urge my elders and peers to stop the present irrational dash to self-destruction before it is too late. Let it be done now, so that I may live.

I respectfully and urgently call upon the leaders and the peoples of the world to take such steps as will halt terrorism and wars, and at the same time, to establish such organizations as will undertake the task of implementing the goals of this Manifesto; and to create that methodology which can be utilized to train those who can teach children everywhere the ways of peace so that I, and other children, can invent, create, and dream, and so that we can all attend to the real tasks of the world, instead of arming for war, such as the care of the ill, the disabled and elderly human beings.

As a child my world is free of malice and the world is full of wonder. Let it so remain. Teach me to choose what is good, and to love beauty, truth and justice. Endow me with character, good-will and compassion. Teach me to reject falsehood, hatred, suspicion and violence. Teach me to improve the quality of our lives. Teach me to love knowledge and the communication of it to others. Help me to create a world free of fear, illness, pollution, want, and insecurity. Teach me the great principles of peace espoused by great men of the past and the present.

Teach me to dream great dreams. I want to dream. I want to aspire to greatness. From my ranks have come the giants of humanity. If I live, many more like them will inevitably arise.

I call upon my parents, my family, my peers, my teachers, my elders, and my leaders, to join me in this cause.

Children of the world, join me so that we may live.

Elders of the world, heed me now. For I am the future.

Listen to me. Now.

Let me live, so that you may live."

The authors of this Manifesto, in the name of the children of the world, call upon the leaders and the peoples of the world to join together, to unite their efforts, and to do what is necessary, in order to seek world peace through education and the cultivation of our humanity.

The task is long and hard, but the cause is crucial. Humanity's survival is at stake. It is not impossible.

Let all individuals and groups support the goals of this Manifesto so that every child, and all children, can grow and flourish, like flowers of every hue and kind, in a future world which can truly be a garden.

DR. NICHOLAS A. BUCUR.
DR. NOLEN ELLISON.[1]

RAILROAD UNEMPLOYMENT INSURANCE SOLVENCY ACT OF 1985

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. RITTER. Mr. Speaker, today I am pleased to join with my colleagues in introducing legislation to establish a more equitable and financially viable railroad unemployment insurance system while at the same time retaining the independent nature of the present system. The future of this system is crucially important to the approximately 41,000 furloughed rail workers who currently are receiving benefits, including over 3,600 workers in my State of Pennyslvania. In addition, the financial health of the unemployment system has a direct impact on the financial security of railroad retirees since the unemployment system has often been able to pay benefits only by borrowing money from the railroad retirement pension fund.

The financial problems facing the current railroad unemployment system are nothing new. The system has had to borrow from the railroad retirement account in 19 of the last 24 years. We cannot afford, and our railroad retirees cannot afford, to delay addressing these problems any longer. The indebtedness of the unemployment system to the railroad retirement account now exceeds $700 million. Despite the strength of our current economic recovery, the unemployment system's indebtedness is expected to grow to over $760 million by the end of this fiscal year, when existing borrowing authority expires. Prospects for repayment of the loans extended by the railroad retirement account, much less the interest owed on the loans, appear dim. In my opinion, the situation truly is reaching crisis proportions.

The financial problems with the railroad unemployment system are further complicated by a serious underfunding of unemployment benefits by rail carriers. Railroad carriers pay only about $30 a month per employee to fund the railroad unemployment system. This is far below the contributions employers with employment records comparable to the rail carriers must pay under the Federal-State unemployment systems. In Pennsylvania, the cost to these employers is over $81 a month per employee.

The inequity of the current railroad unemployment insurance system extends to the amount of benefits paid to rail workers. Under the current system, unemployed rail workers receive a maximum benefit of $25 a day or $125 a week. This amount has not been increased since 1972 and actually is lower than the unemployment benefits paid under 42 of the 50 State unemployment programs. Again, in Pennsylvania, the daily benefit in comparison is $46.40, or $232 per week.

In an attempt to remedy these obvious inequities, Congress must enact legislation to establish a financially sound system to fund railroad unemployment benefits by October 1. Congress must find a real solution that is fair to rail pensioners, rail employees, the rail industry, and the American taxpayer. The final solution cannot include open-ended borrowing from either the general treasury or the railroad retirement account, add to the Federal deficit, rely on Federal subsidies or grants, suppress unemployment benefits, or fail to provide for the repayment of loans from rail pensioners, including all interest.

Rail carriers admit their support for an independent unemployment system, as opposed to the administration's proposal to merge the current system with the Federal-State unemployment system. However, if rail carriers are to maintain an independent unemployment system, they should expect to pay for its full costs, including worker unemployment benefits comparable to the States' programs, all of the interest owed to the rail pension fund, and repayment of the principal within a reasonable term. Rail carriers should not expect a free ride from the American taxpayer or the railroad retirees.

The legislation we are introducing today would establish financially viable railroad unemployment insurance system that is fair to railroad workers and pensioners, the railroad carriers, and the American taxpayer. It retains the independent nature of the current system but makes two important changes.

First, it increases the maximum daily benefit afforded unemployed rail workers to $35 from its current, unrealistically low level of $25. While still below the level of Federal-State unemployment benefits paid in my State of Pennsylvania, it is an important step toward having railroad workers receive benefits comparable to what they would have received under the Federal-State system. The benefit increase also ensures that rail carriers pay the accurate costs of an independent unemployment insurance system.

Second, this legislation increases the wage base for the unemployment tax from $600 per month to $1,300 per month, with a conforming increase in the wage base for the repayment tax that is scheduled to start in July 1986. Increasing the wage base from $600 to $1,300 should increase receipts sufficiently to pay for the increased benefit and the interest owed annually on the outstanding loan from the railroad retirement account, to repay the moneys owed the retirement account within the next 15 years, and to make the railroad unemployment insurance system solvent. This increase in receipts eliminates the need for the unemployment system to borrow from the railroad retirement account or any other fund.

The legislation we are introducing today places the full burden of supporting the railroad unemployment system on the rail carriers. At first glance this may seem harsh, but this is exactly what occurs for every other business in America. In light of the successes of railroad deregulation, there is no reason to continue to shelter rail carriers and to expect railroad workers and retirees to continue to shoulder the burden of an independent railroad unemployment insurance system. The tax increases contemplated by this legislation are large, but not excessive when compared with the taxes paid by other employers with comparable employment experience and the fact that the railroad unemployment insurance system has been chronically underfunded.

Mr. Speaker, Congress must act soon to develop a financially sound railroad unemployment system before the borrowing authority expires this fall. We need reform in this area, not an extension of the status quo. We invite our colleagues to join us in fashioning a solution that will be sensitive to all of the interests involved in this matter, particularly those of the railroad worker, the railroad pensioner, and the American taxpayer. We urge our colleagues to study this issue and become cosponsors of this important legislation.●

LAKE GASTON PIPELINE PROJECT

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. VALENTINE. Mr. Speaker, today I am reintroducing legislation to prohibit the Secretary of the Army from issuing certain permits in connection with a proposed water pipeline project until an environmental impact statement for that project has been completed.

My colleagues, Mr. JONES of North Carolina, Mr. HEFNER, Mr. NEAL, and Mr. DAN DANIEL of Virginia, join me in reintroducing this legislation.

This project is the controversial Lake Gaston pipeline project, a proposal to divert 60 million gallons of water per day from Lake Gaston, NC, a part of the Second Congressional District, to be used as a water supply for the residents of the city of Virginia Beach, VA.

My constituents and I are very concerned about the proposal to divert such a large quantity of water out of the Roanoke River basin. We are particularly concerned that the U.S. Corps of Engineers has handled the permit for this massive project with haste, partiality, and completely inadequate documentation of its environmental and economic effects.

Because the Lake Gaston pipline project will have widespread environmental impact, because it involved irretrievable commitment of more water than is presently used by any city in either North Carolina or Virginia, because it could set a major water use precedent, and because it is the subject of great public concern and controversy, it seems clear to me that an environmental impact statement should be required before a permit would be issued. I would also like to add that the State of North Carolina requested an environmental impact statement on the project at the very beginning of the permit process. For reasons that I cannot understand, the Norfolk District of the Corps of Engineers made a decision that an environmental impact statement would not be required even before the public was consulted about the project.

After making this initial decision, the Corps of Engineers has stuck to this position despite the documentation provided by many interested parties and despite the calls for an environmental impact statement by dozens of elected officials and by hundreds of citizens.

Mr. Speaker, last year, the House Appropriations Subcommittee on Energy and Water Development directed the Army Corps of Engineers not to spend funds available to it for administering the Lake Gaston pipeline project permit until the completion of a careful environmental study, that is, an environmental impact statement. I have been dismayed to learn that the corps, speaking through its acting chief counsel, said last September—1984—that it intends to complete absolutely no environmental impact statement in the absence of the full Congress and the President.

My constituents and I know that using Kerr Lake water storage for the Lake Gaston pipeline will cause additional fluctuations in the level of Kerr Lake. We are already having some severe problems during dry periods with low water levels which cause boat ramps to be unusable and create navigation hazards. There have been several different studies of the effect of the pipeline. The estimates of the additional drawdown in Kerr Lake differ widely. We badly need an environmental impact statement to determine what the effects of this project on Kerr Lake will be.

We are also greatly concerned about the effects of the project in reducing flows in the Roanoke River downstream, from Roanoke Rapids Lake. We have some rapidly growing needs for water in this area for industry, municipal use, and for agriculture irrigation. We are frustrated that the Corps of Engineers has not even attempted to make a basinwide projection of water use over the 50 year planning period. The Corps of Engineers has granted a permit that will permanently commit a large amount of water to a user approximately 100 miles away without really determining how much water is needed in the basin. We are also concerned that the reduction in flows of water during dry periods will aggravate some water-quality problems that we are already experiencing.

Further, Mr. Speaker, we are very concerned about the real economic and environmental impact that the Lake Gaston project will have on the Roanoke River basin. We are also upset about the way in which this fundamental decision is being made. Since the beginning of our efforts requesting the corps to undertake a full, impartial environmental impact statement, I think that we have shown that the Corps of Engineers has attemtped to rush this through rather than giving the public the materials that it needs to really understand what is being done.

Mr. Speaker, I am asking support for the bill we are reintroducing today which will do just one thing: it will give interested citizens in both Virginia and North Carolina a fair and objective assessment of this project.

Virginia Beach is a fine city and has a serious need for water. Yet, in this case, adequate study has not been given to the impact of the project and the alternative sources of water supply. Instead of a careful decision-making process, the Corps of Engineers has taken a hasty and careless approach with total disregard for public concern. This imprudent action by the corps forces us to come to the Congress for a remedy that should have been granted by administrative decision.

Mr. Speaker, I would like to ask unanimous consent that the text of the bill appear in the CONGRESSIONAL RECORD following my statement.

Thank you, Mr. Speaker.

H.R. 2467

A bill to prohibit the Secretary of the Army from issuing certain permits in connection with a proposed water pipeline project until an environmental impact statement for that project has been completed

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Notwithstanding any other provision of law, the Secretary of the Army may not issue a permit under section 10 of the Rivers and Harbors Appropriation Act of 1899 (30 Stat. 1121; 33 U.S.C. 403), or under section 404 of the Federal Water Pollution Control act (33 U.S.C. § 1344) for the construction of a water supply pipeline and related structures for removing water from Lake Gaston (a lake within the States of North Carolina and Virginia) and transporting water to the city of Virginia Beach, Virginia, or the surrounding area, before a full environmental impact statement as described in section 102(2)C of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C) is completed for the pipeline project.●

A VETERAN'S MEMORIES OF V-E DAY

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. YOUNG of Florida. Mr. Speaker, for many Americans, the celebration this week of the 40th anniversary of Victory in Europe Day brought back memories of elation over the allied victory in Europe and at the same time feelings of sorrow for the thousands of brave Americans who were killed and injured in this great effort.

Nash Stublen, a reporter for the Tampa Tribune, recalled in a column Wednesday, some of his personal experiences while serving in the 29th Infantry Division during the final days and hours before V-E Day. Nash reminds us that even in victory, it's impossible to forget the horror of death and destruction associated with war. His words are a powerful reminder of the great toll that was taken in World War II, and I would like to share his column with my colleagues.

The article follows:

[From the Tampa Tribune, May 8, 1985]

ON THE BANKS OF THE ELBE, V-E DAY ANTICLIMATIC FOR THESE SOLDIERS

(By Nash Stubler)

It was a relatively easy advance for the 29th Infantry Division on April 25, 1945, to its final World War II stop at Germany's Elbe River.

WWII, as Archie Bunker called it, was winding down in Europe. The jig the Fuehrer had danced when the Germans occupied Paris was almost up for Adolf Hitler and Nazi Germany would surrender to the Allies within two weeks.

The 29th had come a long way across Western Europe since its landing on the Normandy beaches on D-Day, June 6, 1944.

While I missed the invasion, the hedgerow-to-hedgerow fighting across the French countryside and the capture of the heavily fortified Port of Brest, I was assigned to the Blue and Gray division as a replacement in time for the bloody battle for Aacken in the first assault across the German border from Holland.

We were prepared to fight across the Roer River to the northeast in December 1944 when the Germans made their final thrust in what is known as the Battle of the Bulge.

We escaped the German onslaught but were left exposed on the left flank of the bulge. We dug in on a farm for a month's delay.

My heavy machine-gun squad virtually dug a small, two-room apartment underground, outfitted with a stove, adjacent to the machine-gun emplacement.

Just before midnight on Christmas Eve, we heard the Germans singing carols and joyous shouts apparently from soldiers who had had too much to drink.

This irritated one American officer who got a map of Julich, the city across the river, and designated targets for every weapon available. "We're going to break out their window panes," was the word from the top.

At midnight, everyone fired toward the other bank for 15 minutes. When my ears stopped ringing, there was silence across the river.

What had sounded like a good idea left me depressed. At least someone was getting to celebrate Christmas Eve and we had spoiled it.

We finally fought our way across the river. No one had time to see whether we had actually broken out any window panes.

The rest of the push to the Elbe was downhill compared to previous battles.

We were in the town of Klatze on the Elbe when a group of ragged Polish people seemed to come out of the woodwork.

Remembering a men's clothing store I had seen earlier, a couple other guys and I gathered up about a half-dozen of the Poles and marched them to the store.

Without hesitation I threw a brick through the window and we outfitted the Poles with new clothes.

Three days later, on April 30, I was on duty at my gun emplacement on the bluff overlooking the Elbe when I spotted a white flag on the other side. I radioed to my company headquarters what I saw.

It was an advance party of a German V-2 rocket division that had outrun the Russians to surrender to the Americans. On the same day, Hitler had married his long-time mistress, Eva Braun, and they both had committed suicide.

After the surrender was officially executed, an engineering battalion made arrangements to bring the 10,000-man division across the Elbe on May 1 and 2. Disappointed that I couldn't take part, a fellow soldier, who spoke fluent German, and I found a rowboat and crossed the river. We sneaked up the road on which the German convoy was traveling. In German, my cohort shouted "throw out your weapons."

More than 25 did from German Lugars to what looked like a six-shooter from the Wild West days. When one German threw out an unarmed hand grenade, we decided it was time to take leave.

We placed the guns in a towbag and headed back across the river in the boat, which almost sank from the new weight.

When our platoon lieutenant heard what we had done, he was so mad I thought we would surely be court-martialed. He eventually cooled down, though, after we gave him and other members of the platoon souvenir weapons.

Victory in Europe was proclaimed May 8, the day after the surrender. While there were big celebrations on the home fronts, it brought no shouts of joy in that small town on the Elbe. The announcement was anticlimatic to the men of the Blue and Gray.●

CONGRESS MUST ACT TO HELP IN THE FIGHT AGAINST DRUGS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. TRAFICANT. Mr. Speaker, on May 8, 1985, 2 tons of cocaine—worth more than $1 million—were confiscated within 2 hours Wednesday in two of this country's biggest narcotics seizures ever. On Biscayne Bay, FL, the U.S. Coast Guard chased three smugglers until they jumped overboard and abandoned their speedboat. The Coast Guard found the speedboat packed with 1,909 pounds of cocaine. One man was arrested, but two escaped. Later that day, in Miami, police stopped a camper and found 2,100 pounds of cocaine inside. Two men were charged. A routine police check of a second camper turned up 2,094 pounds of marijuana and resulted in two additional arrests.

Mr. Speaker, I am proud of our law enforcement officials involved in these record drug busts. As a former sheriff, I am well aware of the dangers and bodily risks involved in such operations. The amount of drugs involved in these cases is a vivid example that drug trafficking and drug smuggling in this country remains a serious problem. Action must be taken to isolate the big-time drug dealers.

I have introduced legislation, H.R. 994, the Controlled Substances Penalties Act of 1985, that would address this problem head on. My bill would deny bond in cases involving bulk amounts of narcotic drugs. In the case of cocaine, if one is arrested for dealing or smuggling a kilogram or more, bond would be denied and if convicted, the penalties would be increased. For other narcotic drugs the no-bond provision and the stiffer penalties would apply in those cases involving 2 or more kilograms. Under my bill, first offenders in these categories would be subject to up to 30 years in prison or up to $500,000 in fines. Second offenders would be subject to up to life imprisonment or, if the offender kills someone, he or she would be subject to the death penalty option.

My bill may seem too harsh or severe for some of my colleagues. But when one examines the scope and nature of domestic and international drug trade, one will discover how large this problem has become. Drug abuse in this Nation continues to ravage our youth and drain our society. In addition to being a sheriff, I was also a drug counselor for 10 years. I have seen the tragic consequences of drug abuse. Those ultimately responsible for the poisoning of our youth and the ravaging of our way of life are the kingpin drug dealers who are responsible for the massive influx of narcotic drugs into this country.

In too many instances these drug kingpins—if apprehended—post bond, which is usually set quite high, and then flee the country. My bill would ensure that these drug kingpins stand trial and that, if convicted, they pay dearly for their crimes. Recent events have shown that these drug kingpins have openly declared war against our law enforcement officers in the field. We need to enact tougher laws to protect our law enforcement officers and to protect our society from poisonous drugs. We are in a war—whether we like it or not. It is a war we must win. Passage of H.R. 994 would send a powerful message to the entire world that America has had enough and that we are serious about fighting drugs.

I urge all of my colleagues to take a good look at H.R. 994 and lend it their full support.●

LEGISLATION TO PROVIDE FOR THE SOLVENCY OF THE RAILROAD UNEMPLOYMENT INSURANCE SYSTEM

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. COATS. Mr. Speaker, I am pleased to join with my distinguished colleagues in introducing legislation to address the financial problems facing the railroad unemployment insurance system. The future of this system is crucially important to the approximately 41,000 furloughed rail workers who are currently receiving benefits. Further, since the unemployment system has often been able to pay benefits only by borrowing money from the railroad retirement pension fund, the financial health of the unemployment system has a direct impact on the financial security of railroad retirees.

The financial problems facing the railroad unemployment system are nothing new. The system has had to borrow from the railroad retirement account in 19 of the last 24 years. But we cannot afford to delay addressing these problems any longer. The indebtedness of the unemployment system to the railroad retirement account now exceeds $700 million. Despite the strength of our current economic recovery, the unemployment system's indebtedness is expected to grow to over $780 million by the end of this fiscal year. Prospects for repayment of the loans extended by the railroad retirement account, much less the interest owed on the loans, appear dim. The situation is truly reaching crisis proportions, which will be only further aggravated when the unemployment system's borrowing authority expires September 30, 1985.

Congress must enact legislation to establish a financially sound system to fund unemployment benefits by October 1. Congress must find a real solution which is fair to rail pensioners, rail employees, the rail industry, and the American taxpayer. By this, I mean that the solution cannot include open-ended borrowing from either the General Treasury or the railroad retirement account, add to the Federal deficit, rely on Federal subsidies or grants, suppress unemployment benefits, or fail to provide for the repayment of loans from railroad pensioners, including all interest.

The administration's proposal to remedy this situation is to merge the railroad unemployment system with the Federal-State unemployment system. While I have not reviewed this possibility in great detail, I understand that merger would yield some significant advantages over the current system. First, under the current railroad unemployment system, a beneficiary receives a maximum of $25 a day or $125 per week. This amount has not been increased since 1972 and is lower than the unemployment benefits paid under 42 States' unemployment programs. Additionally, merger would end the rail unemployment compensation discrimination against rail employees with less than 10 years' service. Railroad pensioners would also benefit by relieving the financial burden on the railroad retirement system.

However, during the hearing on the administration's proposal before the Subcommittee on Commerce, Transportation, and Tourism, it was quite evident that the rail carriers had withdrawn their support for merger, and are now supporting retention of an independent railroad unemployment

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system under a "consensus" package presented to Congress by the Railroad Unemployment Compensation Committee.

After reviewing the "consensus" package, I find it fails the litmus test of fairness and places undue burdens on railroad workers, railroad pensioners, and the American taxpayer. Under the "consensus" package, the General Treasury would grant $135 million to the railroad unemployment account. Additionally, the interest which should be paid on loans extended to the unemployment system by the railroad account would be forgiven. This would, in effect, be a grant to the railroad unemployment account at the expense of the railroad pensioners which could potentially cost the railroad retirement system almost $3 billion.

Under the circumstances, for Congress to enact the proposal put forward by the rail industry would be most unwise. Congress has already acted twice to pull the railroad retirement account back from the brink of bankruptcy. While the financial situation of the retirement account appears to be much improved, it would be foolish to jeopardize the financial future of 1 million railroad pensioners by continuing to drain the fund to keep the unemployment system afloat.

The financial problems with the railroad unemployment system are the result of a serious underfunding of unemployment benefits by rail carriers. Railroad carriers only pay about $30 a month per employee to fund the unemployment system. This is far below the contributions employers with employment records comparable to the rail carriers must pay under the Federal-State systems. The cost to employers under the State systems range from approximately $53 to almost $100 per month per employee.

If rail carriers are to retain an independent unemployment system, they should expect to pay for its full costs, including worker unemployment benefits comparable to the States' programs, all of the interest owed to the rail pension fund, and repayment of the principal within a reasonable term. Rail carriers should not expect subsidies from the American taxpayer, an acceptance of suppressed unemployment benefits by railroad workers, or the forgiveness of interest on the debt owed to the rail pensioners.

The legislation we are introducing today would establish a financially viable railroad unemployment insurance system that is fair to railroad workers and pensioners, the railroad carriers, and the American taxpayer. It retains the independent nature of the current system but makes two important changes.

First, it increases the maximum daily benefit afforded unemployed rail workers from its current, unrealistically low level of $25 to $35. The weighted average of the maximum daily benefits provided unemployed workers in the six States with over 20,000 railroad workers is over $40 or $200 per week. Increasing the maximum daily benefit level to $35 is an important step toward having railroad workers receive benefits comparable to what they would have received under the State-Federal system, and ensuring rail carriers pay the accurate costs of an independent unemployment insurance system.

Second, this bill increases the wage base for the unemployment tax from $600 per month to $1,300 per month, with a conforming increase in the wage base for the repayment tax which is scheduled to start in July 1986. Increasing the wage base from $600 to $1,300 should increase receipts sufficiently to pay for the increased benefits and the interest owed annually on the outstanding loan from the railroad retirement account, to repay the moneys owed the retirement account within the next 15 years, and to make the railroad unemployment insurance system solvent. This increase in receipts eliminates the need for the unemployment system to borrow from the railroad retirement account or any other fund.

The legislation we are introducing today places the full burden of supporting the railroad unemployment system on the rail carriers. At first glance, this may seem harsh, but this is exactly what occurs for every other business in America. In light of the successes of railroad deregulation, there is no reason to continue to shelter rail carriers and to expect railroad workers and retirees to continue to shoulder the burden of an independent rail unemployment insurance system. The tax increases contemplated by this legislation are large, but not excessive when compared with the taxes paid by other employers with comparable employment experience and the fact that the railroad unemployment insurance system has been chronically underfunded.

Mr. Speaker, Congress must act soon to develop a financially sound railroad unemployment system before the borrowing authority expires this fall. We invite our colleagues to join us in fashioning a solution that will be sensitive to all of the interests involved in this matter, particularly those of the railroad worker, railroad pensioner, and the American taxpayer. We urge our colleagues to study this issue and to become a cosponsor of this legislation.●

CABINET STATUS FOR SMALL BUSINESS

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. IRELAND. Mr. Speaker, it seems everybody thinks small business is just wonderful. We have all heard the virtues of small business extolled again and again. Yet when it comes to a crucial decision and big business, big labor, and big government all weigh in on an issue, it is the interests of small business that lie crushed in the dust after all is said and done.

To survive and to be allowed to prosper in an appropriate economic environment, small business needs a strong voice that must be heard in every crucial discussion conducted within the Federal Bureaucracy. It seems to me after some reflection that a good permanent place to start is the Cabinet.

Recently, our present Cabinet was reorganized. The new Cabinet has no slot for the Small Business Administrator. For most of our recent history, this has been the rule rather than the exception. Today, I am introducing legislation which would correct this situation both for now and for the future.

My bill calls for the recognition of the Cabinet status of the Administrator of the Small Business Administration. It will provide for the Administrator's full participation in the activities of this and all future Cabinets. It specifies that the Administrator will be the President's principal adviser on all matters relating to Small Business. Finally, it will make his pay status commensurate with Cabinet status.

This is "Small Business Week." I can think of no better time to get this permanent initiative underway. I welcome my colleagues' support on both sides of the aisle.●

CONDEMNING THE MURDER OF MAJOR NICHOLSON

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. SCHEUER. Mr. Speaker, I would like to take a moment to explain why I voted against the unproductive and unprecedented amendment to the State Department authorization bill which called on the administration to expel from the United States the Soviet Chief of Missions unless the Soviet Union apologizes for the murder of Maj. Arthur Nicholson.

I was shocked and outraged by the brutal murder of Major Nicholson by a Soviet thug in East Germany. I was

even more infuriated that the Soviet authorities refused to allow Major Nicholson's driver to administer first aid that could well have saved the life of this bright young soldier. The death of Major Nicholson was nothing less than cold-blooded murder and it deserved condemnation.

On April 22, I joined with an overwhelming majority of my House colleagues in approving 394 to 2 House Resolution 125 condemning the Soviet Union for the murder of Major Nicholson. It was an appropriate action by the Congress and I wholeheartedly supported it.

The amendment considered today by the House, however, was totally inappropriate not because it expressed outrage over the tragic death of Major Nicholson, but because it flies in the face of our great Constitution.

Today's amendment disregarded the hallowed tenet of our Constitution which establishes a clear separation of powers between the legislative and executive branches. Congress has no right to intervene in what is clearly a diplomatic decision that rests with the President and the State Department.

I will support any resolution condemning the Soviet Union for this barbaric act of wanton murder, so long as the resolution is within the purview of the Congress.

But I will not vote for ill-considered resolutions or amendments that clearly violate the constitutional prerogatives of this body, regardless of the good intentions behind such a measure. I respect my colleagues' bona fide outrage over this tragic event, but I could not support the method they chose to display their anger.

Mr. Speaker, this was not an easy vote for me to cast. I strongly condemn the Soviet Union for this brutal slaying and I firmly believe the Soviets should issue an apology and compensate Major Nicholson's family, although nothing can truly compensate for the pain his grieving wife and child must feel.

I know I am going to have to spend many hours explaining my vote on this amendment and spelling out my reasons for not joining a majority of my colleagues in approving this amendment. But we in the House also must honor the rules and in this case we were dealing with a very important rule—the separation of powers among the three branches of our Federal Government.

I will continue to criticize and condemn the Soviets for this act of brutality, but I will do so in the proper forum.●

H.R. 2257

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FORD of Tennessee. Mr. Speaker, I would like to announce today that I am sponsoring H.R. 2257, the Frequent Flyer Information Reporting Act. This legislation will require information reporting to the IRS for airline passes provided under frequent flyer or similar programs.

H.R. 2257 will require that any company which is in the business of providing transportation by air, and provides patronage passes to any customer shall file an information return, setting forth the name, address, and tax identification number of such customer and the aggregate value to such customer. The Secretary of the Treasury will prescribe the forms and regulations. Each company filing a return listing a customer shall furnish to each customer listed, a written statement forth the name of the company making the return and the aggregate value of the patronage passes provided to such customer as reported to the IRS. A patronage pass means any document which entitles the holder to a certain amount of air transportation at no charge or at a reduced charged, and which is provided to the customer on the basis of the customer's patronage.

The frequent flyer programs have been operating for the past 4 years and it is estimated that more than 7 million people are participating in at least one program. Today, virtually every major U.S. carrier has in place a marketing program based on free passes, ticket upgrades, including a variety of free goods and services from "tie-in" groups such as automobile rental companies, hotels as well as foreign airlines. These programs have millions of individuals as participants and they serve to exacerbate two serious problems facing the Nation's voluntary tax collection system.

These two problems are, first, the view of most taxpayers that businesses take advantage of loopholes and that the average taxpayer is therefore treated unfairly. Obviously the occasional air traveler cannot benefit from these programs and certainly all of the American who never fly should not be expected to subsidize those who do through the tax system. Second, taxpayers are concerned about the deficit and lost revenues. It is even a greater problem when the lost revenues are blatantly, even brazenly, bandied about and called effective marketing. Indeed, the absolute size of the lost revenue, while substantial, may not be as important as the message sent to millions of taxpayers.

We know that some travelers fly out of their way, in spite of increased cost to their companies, in order to get free passes. Some of those in the frequent flyer programs have qualified for more passes than they can use and are selling them for cash. Michael Boynton, manager of marketing programs for Delta Air Lines, reinforces the point regarding employees traveling out of their way to pick up bonus points by saying: "We've seen customers flying from New York to Los Angeles by way of Atlanta and Dallas even though our competitors offer nonstop flights at comparable rates."

It has been suggested that companies are paying a premium of 5 to 7 percent of their total travel budget as a result of these programs. Business spent $66.5 billion on travel last year and the sums involved are large enough to merit the concern of Congress. While the Internal Revenue Service is aware of the lost revenue, this legislation will give the IRS congressional direction, so that additional revenues can be raised and the deficit reduced. The general manager of the American Society of Travel Agents, Robin Gray, has recognized that the personal use of frequent flyer coupons derived from business travel is taxable. It is not too much to ask the IRS to do the same and to give the IRS the tools to do so. I look forward to hearings and I encourage comments from major carriers, regional, and small carriers as well as those concerned with tax fairness and equity.●

THE STATE OF FLORIDA AGAIN APPEALS TO CONGRESS TO DEAUTHORIZE THE CROSS-FLORIDA BARGE CANAL

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. YOUNG of Florida. Mr. Speaker, the Florida State Legislature yesterday once again appealed to Congress to finally deauthorize the long dormant cross-Florida barge canal project.

By a vote of 33-3, the Florida State Senate agreed to a statehouse bill urging Congress to take whatever steps necessary to complete the deauthorization process.

The State senate's action yesterday is particularly gratifying to this Member, because 24 years ago, as a member of that body, I first raised the issue of deauthorizing the cross-Florida barge canal when I offered an amendment to delete money for the project from the State budget. My amendment created a great furor in the legislature and was soundly defeated, but from that spark evolved a statewide movement to deauthorize the barge canal.

Following my election to the U.S. House of Representatives in 1971, one of my first items of business was to personally request that President Nixon stop funding construction of the barge canal. He agreed to my request, and as a result, work has been suspended for more than 14 years on this now obsolete project.

After many years of work in this regard, I was elated last year when the question to deauthorize the barge canal was finally placed before this body. Unfortunately, our amendment failed by just three votes. But, as I learned 24 years ago in the Florida State Senate, it is just a matter of time until we are successful in convincing a majority of our colleagues that the cross-Florida barge canal, first conceived more than 40 years ago, has outlived its usefulness.

Mr. Speaker, it's my hope that we will have the opportunity again this year to consider this issue so that we may once and for all fulfill the desire of an overwhelming majority of Florida's residents and deauthorize the cross-Florida barge canal.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. HUBBARD. Mr. Speaker, last Thursday, May 2, 1985, I received in my office a news release and information packet from E.F. Hutton & Co., Inc., regarding its pleading guilty in Federal court in Scranton, PA, to a U.S. Justice Department criminal information charge of 2,000 counts of mail and wire fraud in connection with a $4.35 billion scheme from July 1980 to February 1982.

E.F. Hutton was fined the maximum $1,000 on each charge of mail and wire fraud by the Federal judge, or a total of $2 million, and was ordered to pay $750,000 in court costs.

I ask my colleagues today what kind of justice is being doled out by our U.S. Justice Department? Certainly, Federal officials have explained that company employees have been granted immunity in order to push the investigation along. Another reason given for not prosecuting individuals who were participating in the bad check-writing incidents was that "it didn't seem fair to subsequently charge other individuals for doing identical acts."

I say it is another example of questionable justice when a deal is made to any company which has pleaded guilty to 2,000 felony counts of mail and wire fraud that has involved kiting checks worth more than a billion dollars to 400 American banks.

Recently the U.S. Justice Department indicted, convicted and sent to jail a Washington, DC, woman for "shoplifting four sweaters for a total value of not more than $200."

Many Americans realize that the most politically conscious and active agency in our Federal Government is the U.S. Justice Department.●

STERLING HEIGHTS: A SAFE PLACE TO LIVE

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. HERTEL of Michigan. Mr. Speaker, I rise today to extend a hearty congratulation to a city in my district, Sterling Heights, for their efforts in combating crime. I would like to mention in particular the crime prevention division of the Sterling heights police department which was recently named "outstanding unit" by the Crime Prevention Association of Michigan. This honor, incidentally, is an annual award given to members who have demonstrated an outstanding contribution to the citizens of Michigan in the field of crime prevention.

Prior to this recognition, Sterling Heights was named as one of the safest cities in the country. A large part of this achievement can be attributed to the work of the police department's crime prevention division which, together with the citizens of Sterling Heights, has worked on ways to prevent crime.

The community watch program which began a few years ago has been a highly successul anticrime venture between the city and the community. The low crime rate in Sterling Heights is due largely to the cooperation of the three faceted crime watch program. The first phase of the program is operation identification where residents engrave all valuable objects in the home. Second, is the neighborhood watch where residents make a concerted effort to familiarize themselves with their neighbors and learn to recognize suspicious individuals or actions. Third, city and local business employees are trained to recognize criminal activities so they can report any wrong doings they might encounter.

At this time, I would like to give special thanks to the mayor, members of the city council and the police officers who worked so hard to organize and successfully carry out this program: Chief Alan Nallepa, Sgt. Ken Ford—head of the crime prevention division—and officers Jack Sherby, Lee Hartson, Mike Rumps, and Andy Newcombe. Special praise also is in order for the block captains and neighborhood volunteers who dedicate a great deal of time and energy to make this program work.

The best way to beat crime is through prevention. Under the direction of the crime prevention division, the residents, businesses and government employees in Sterling Heights have worked together to make their community a safer place to live.●

KEYNOTE ADDRESS OF VLADKA MEED TO THE INAUGURAL ASSEMBLY OF THE AMERICAN GATHERING OF JEWISH HOLOCAUST SURVIVORS

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BORSKI. Mr. Speaker, I would like to commend to all my colleagues the remarks of Vladka Meed in her keynote address to the Inaugural Assembly of the American Gathering of Jewish Holocaust Survivors. Her speech is a forceful and timely restatement of the horrors Jews suffered at the hands of Nazi Germany, and a reminder that now we all share the responsibility to see that such crimes never again occur. I insert her speech in the RECORD:

KEYNOTE ADDRESS BY VLADKA MEED

They wanted us to remember them.

In their last moments before death, they wrote it with their own blood, on walls—or carved it into the stones of the ghetto. "Remember us. Remember our lives. Remember our deaths."

And we, who survived, carry their memory within us wherever we go. We search for ways to inscribe it into the consciousness of our people and the world around us so that twisted minds of Nazi historians should not dishonor their memory.

I can still see the Warsaw Ghetto uprising before my eyes—the flames from burning Jewish houses, leaping over the ghetto walls and through the clouds of the thick smoke. I can still hear the sounds of explosions and the firing of Jewish guns. In its glare, I see the Jews of Warsaw, of Vilno, of Riga—of all the other ghettos. I see their life, their struggle, their resistance, during all the years of the Nazi occupation. I recall the crowded ghetto streets with hungry people, corpses laying unclaimed on the sidewalks; my neighbor standing in the doorway of our house to watch out for approaching Germans, while upstairs, her daughter held secret classes for children.

I recall the political groups of our idealistic youth—the Bundists, Zionists, Communists, religious groups—their illegal publications, the secret libraries, synagogues, yeshivas.

Yet, beyond the horrible suffering and terror, there was pulsating life in the ghettos—a life filled with meaning, with hope, with dignity.

This was resistance with a will to survive as a people and a spirit that refused to be crushed.

Then the final solution. . . .

I can still remember the thousands of Jews forced to line up in the narrow streets of the ghetto—and the German officer at the head of the line—pointing with a stick. "Left, right—left, right." I can still feel the dread as we stood in that line. Left—to the trains. Right—a few more days of survival in the ghetto. I still see them—our ghetto Jews—among them my dearest ones, walking on their last march to the trains—silent. As their footsteps echo in my mind, I can hear their unuttered outcry to God, and to a world that allowed all this to happen.

Yet, even then, many still nourished the hope against hope—that they would somehow survive. Even I, who knew, from my work in the underground, the actual destination of the trains—I could not believe when my mother and my brother were taken away—that they would be killed. I found myself hoping that maybe, after all, they had been sent—as the Germans claimed—to another city for resettlement.

How could our people, who for generations believed in human values, imagine such an utter madness as that of an enemy who planned our total annihilation? How could we grasp the scope of such a huge apparatus installed by German scientists—supported by trained military and civilian death squads with the cooperation and participation of its industry—of its people?

Yet, we, the survivors, are the witnesses—not only of murder and destruction, but also of the spirit of Jewish life under Nazism.

It is worthwhile to remember how inmates in the Estonian camp Narva, conducted illegal literary evenings. In Varvara Camp, Jews secretly observed Yom Kippur and organized minyans to say "Kadish" for those who perished. And even in the pit of hell in Auschwitz, surrounded by the smell of burning flesh, members of the Sonder Komando, buried scripts next to the ovens, so if everyone perished, let the written word tell what happened to them.

While the world closed its eyes so as not to see the smoke of the cremetoria, our people struggled to remain "menschen"—to preserve their beliefs in humanity—in God.

Those who view the Holocaust from a distance—often claim that organized Jewish resistance came too late. They would do well to remember that it came earlier than that of any other oppressed people in Europe. But the Jews—the most persecuted in the most hopeless position, were the first to revolt.

They were led by our youth. They were at the forefront of the Jewish struggle everywhere. The historic role of these idealistic young ghetto people has yet to be fully told.

It was my destiny to work with them—to see their determination—their spirit—their commitment and their dedication.

When I came on a mission with a small smuggled-in parcel of dynamite to one of the ghetto fighters' units—the young would approach me—their eyes burning with excitement—with interest. They would repeatedly ask me about our relations with the outside world. "When will we receive more arms? When will the Polish underground give us help? Hiding places for our ghetto children?"

And I would stand there, forlorn, unable to give them the answer they so desperately sought. Pitiful was the response from the Polish underground.

None of the young expected to survive a Nazi attack. Nor did they expect to influence in the smallest way the outcome of the war. But they were fueled by the conviction that their cause was just. The enemy must be fought. This is what drove them on.

I recall another Sunday in April, when the German soldiers marched in full gear, into the Warsaw Ghetto, to make it Judenrein.

Suddenly they came under fire. From buildings, from windows, from rooftops of houses, the Jews were shooting. The Germans withdrew. They set up artillery around the ghetto walls and from there, they systematically bombarded our positions. The ghetto did not yield. We were so poorly equipped—only a handful of grenades and revolvers and home-made Molotov Cocktail bottles against the combined might of the Wehrmacht. A gun against a tank. A revolver against a flame-thrower. One side street after another.

How can I forget the towers of flame? The smell—the stench of burning houses and the agonizing screams for help? And, in the midst of this flaming hell, the resistance went on—until the ghetto was charred rubble.

Those final days united them all. Those who had fallen with arms in hands—those who were gassed, and those who suffocated in the smoldering ruins—they were all united in one great chain of resistance against their enemy.

During the days of the uprising, the Jewish underground sent radio messages to the world—to our representatives in the Polish Government in exile stationed in London. We pleaded for ammunition. We begged for help. But, we were alone—abandoned.

Those of us who survived, can never forget the feeling of isolation and loneliness. History will never be able to explain our abandonment during those final hours.

Only one year later, I was in the uprising of Polish Warsaw. I remember at that time, the planes flying over the city, dropping arms and medical supplies to the Polish fighters; but when we fought, the skies over the ghetto were empty. In the months afterward, we learned of organized Jewish resistance in other ghettos and camps.

Today, we know that the world knew what was happening to us. London knew. Washington knew. The Vatican knew. And even the leaders of the Jewish community in the free world knew. As Hitler unleashed his murderous machine, systematically, and step by step, he always waited for an outcry of world opinion, but such an outcry never came. The world paid attention only to the military battle—and not to the war against the Jews. Thus, Auschwitz was not bombed. The gates of America and Palestine were kept closed and few spoke out, until it was too late.

Now, as world leaders gather to celebrate the end of World War II, we the survivors of the war against the Jews, think not only of military valor and of victory—but we think of our Jewish world that was cut down—of Jewish suffering and resistance. Yes, we will remember, with gratitude and respect, the decency of the few—of some righteous people and nations. And we will remember, above all, the moral meaning of that victory and its implication for our future.

The world is now eager to forget our tragic past—to pretend it never happened.

However, we know that the world is not free of the horror, of the poison which bore Auschwitz and Teblinka. Even today, Israel stands threatened. Soviet Jewry remain oppressed, and even in many free countries—Neo-Nazis try to poison the air with their hatred and lies.

For us, the news of today constantly evokes échoes of the past:

The Austrian Defense Minister greeting a freed Nazi war criminal as if he were a returning dignitary, rather that a mass murderer.

The Toronto trial, where the question as to whether the Holocaust actually existed was to be decided by a court.

The gathering of the Allies will mark the end of World War II—and to avoid a possible offense to Germany, President Reagan did not intend to visit the death camps and pay tribute to our Jewish martyrs in Dachau. But at the same time, a visit is planned by him to a German military cemetery where Nazi murderers are buried. Shocked and bewildered, we asked in dismay: Is not Dachau liberated 40 years ago by American troops, the place of symbolic historic significance? To be remembered and honored by our President?

The leaders of the World do not wish to be reminded of the past. But the past remains a constant warning of the challenges of survival that lie ahead. And what has seen us through history and will also see us through the future, are the indestructible bonds created by the suffering, remembrance and hope by all of those who cherish freedom.

And we, who survive, shall continue to tell and retell the story of a people who refused to yield—the story of a people who would never say that they were marching on their last road.

[Vladka Meed, author of "On Both Sides of the Wall," chairwoman, Cultural Commission.]●

UNITED STATES-ISRAEL FREE TRADE AGREEMENT BENEFITS BOTH NATIONS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. LANTOS. Mr. Speaker, the economy of Israel is currently facing serious problems, but the Israeli Government is making the difficult choices that are necessary to restore its economic health. Emergency assistance, which I am certain Congress will approve later this year, will provide interim help.

In the long term, however, Israel needs two things to maintain its economic viability. First, it needs peace; second, it needs access to larger markets. While we are all hopeful that the United States will play a constructive role in bringing an end to hostilities in that troubled region, access to larger markets is an important element that the United States can provide now.

Mr. Speaker, in a historic step on April 22, representatives of the United States and Israel signed the United States-Israel Free Trade Area Agreement—the first free trade area agreement ever entered into by the United States. The Congress has just approved the legislation necessary to implement that agreement.

While this free trade agreement is an important first step, it will not provide an immediate fix for the Israeli economy, since the agreement's provisions will be phased-in gradually over the next 10 years. In the long run, however, it will be vitally important. Israeli manufacturers can now think in terms of serving a market of 237 million people—60 times the size of that of Israel. Efficiencies that result from large-scale production, that could not be considered for the Israeli market alone, are now possible. Specialization in technologies and products that are important for the American market can now be expanded by innovative Israeli entrepreneurs.

The Israeli leaders have made a tough decision by deciding to enter into this free trade agreement, but they have made the right decision. For the first time, Israeli companies will have to compete head on with American companies. The Israeli economy has been protected from American competition by high tariff barriers, and subsidy programs have shielded the Israelis from direct competition.

Important changes will take place in the Israeli economy as it adjusts to competition with American firms. Israeli firms will become more efficient as they face American competition. I am confident that they will meet the challenge that the free trade agreement will bring.

Mr. Speaker, it is important to emphasize that this is not a one-sided agreement. There are significant economic benefits for the United States. The European Economic Community, which next to Japan is our second most important trade competitor, already has a free trade arrangement with Israel that has been in effect for over a decade. Our agreement will put American exporters on an equal footing with their European competitors in the Israeli market.

Furthermore, about 90 percent of Israeli exports to the United States are already duty free, whereas our duty-free exports to Israel constitute only about 35 to 40 percent. Thus, new opportunities will become available for American exporters. While Israel will benefit from this agreement, it is also clear that the United States has as much to gain.

The free trade agreement, by removing trade barriers, will strengthen the economic relations between the United States and our strategic and stable ally in the Middle East. Strengthening our economic ties will contribute to the important political and strategic relationship we share. It will make for a stronger and more prosperous Israel and United States.●

MATT AND ROSE LAMB

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. RUSSO. Mr. Speaker, recently two outstanding citizens in the Third Congressional District were honored by being invested as Papal Knight and Lady of the Equestrain Order of the Holy Sepulchre of Jerusalem. Mr. Matt Lamb and his wife Rose, among the 100 men and women from 14 Midwestern States to be invested, were named by the Holy Father Pope John Paul II, "from among persons of a deep and practical Catholic faith and of unblemished moral conduct."

Joseph Cardinal Bernardin, himself a Papal Knight, presided at the April 28 ceremony and Archbishop Micheal McAuliffe, Grand Prior of the Knights, invested the Knights and Ladies.

The order is the oldest existing Order of Knighthood in the world. Serving 25 countries today, it stems from the first Crusade when knights were made guards of honor for the Holy Sepulchre—the partially restored basilica on the site of Jesus' tomb—by Pope Pascal II in 1113. The purpose of the order today is to "revive in a modern manner the spirit and ideal of the Crusades."

Practical work of the order has included creation, support, and maintenance of an educational system for the Chritian minority in the Holy Land. In 1981, a school for youngsters of the Christian faith was built in Beit Sahour and the University of Bethlehem for Christians was established. The order also supports medical facilities, orphanages, and homes for the aged in the Holy Land. A modern institution for the care of congenital deaf-mutism, a common disorder in the Middle East, has been developed near Bethlehem by the order.

It has been my privilege to know Matt and Rose Lamb for many years and I am not surprised at their being chosen for this high honor—a reflection of the involvement and compassion and concern they bring to people and to their community. Such people can remind us of what is good within us, and inspire us to live a life that reflects enduring values and faith. I know my colleagues join with me in commending them for their fine work and for this singular honor.●

CARGO PREFERENCE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BEREUTER. Mr. Speaker, on March 31 of this year, the National Commission on Agricultural Trade and Export Policy issued its first report to the President and Congress regarding U.S. agricultural export policy. The Commission is comprised of 32 members—a majority and minority member from each of the agriculture, foreign affairs, and tax-writing committees of both Houses of Congress and 20 members from the private sector who represent interests that are involved in either the production, processing or exportation of agricultural commodities. The purpose of the Commission is to review past and current U.S. policies that affect agricultural exports and make policy recommendations to the administration and Congress that will encourage the growth of foreign agricultural sales and markets.

As a member of the Commission, I would like to share with my colleagues the section of the March 31 report pertaining to cargo preference. It was a unanimous decision by all of the private sector members of the Commission and by most of the congressional Members that the export of agricultural commodities, including the shipments of food aid under the Public Law 480 program, should be exempt from cargo preference requirements.

As the following excerpt from the Commission's report illustrates, the bulk of the cargo preference subsidies are received by a handful of U.S. maritime shipping companies. It is worth noting that the top 16 maritime recipients of cargo preference subsidies received a total of 59,623,499 in cargo preference freight differentials for shipment of food aid under titles I and III of Public Law 480 because of cargo preference requirements.

I submit for my colleagues the complete text of that section of the Commission's report which relates to cargo preference. I would urge my colleagues that Congress act now to exempt from cargo preference requirements not only the USDA's blended credit programs, but also the shipment of Public Law 480 food aid.

CARGO PREFERENCE SECTION

(First Report (March 31, 1985) National Commission on Agricultural Trade and Export Policy)

POLICY STATEMENT

The Commission strongly opposes the concept of cargo preference as currently applied to food aid programs and, potentially, to other programs designed to expand sales of U.S. products.

The Commission recognizes that other interests may be served by cargo preference, but has seen little evidence that the objec-

tives of the program are being met. While the Commission does not take issue with the need for maintaining a strong U.S. maritime industry, it does not believe that cargo preference applied to exports of U.S. farm products is the appropriate means to achieve this objective. The Commission believes that U.S. agriculture would lend its support to the maritime industry to strengthen the industry if cargo preference requirements on agricultural products were eliminated. However, cargo preference is not supported by the U.S. agricultural community. The method of financing the program should not be by appropriation to the U.S. Department of Agriculture. Appropriations to carry out the program should be provided by Congress directly to the Maritime Administration. The Commission encourages the U.S. maritime industry to cooperate with agricultural interests toward a goal of greater viability for both industries, as a first step, through exempting agricultural exports from existing cargo preference requirements.

RECOMMENDATION

1. The Commission recommends that Congress immediately enact legislation to exempt all agricultural exports and export programs from existing cargo preference requirements.

2. Congress should direct the Director of the Office of Management and Budget (OMB) to reflect subsidy payments deemed necessary to support the maritime industry in the appropriate function of the Federal budget, other than Functions 150 or 350. Appropriations to carry out assistance to the maritime industry should be provided by Congress directly to the Maritime Administration.

COMMENTARY

Cargo preference requirements result in Federal government outlays incurred by the U.S. Department of Agriculture (USDA). The USDA budget, already facing criticism as a result of the exceptionally heavy cost of farm programs, should not have to bear the cost of ocean freight differentials required to ship agricultural commodities and products on U.S. vessels.

A major share of the cost of cargo preference results from exports under U.S food aid programs. In the thirty years since the enactment of P.L. 480, the total cost of cargo preference has been more than $1 billion. Currently, costs are running around $75 million annually and are expected to exceed $100 million in 1985.

Costs associated with cargo preference in the Title II program generally are lower than those incurred under Title I because the volume of commodities is lower and there is less use of bulk carriers. In 1984, $20.2 million was spent on ocean freight differentials under that Title II program. This included $1.3 million for processed grain products, $0.8 million for bagged grain and $18.1 million for bulk commodities.

PUBLIC LAW 480 TITLE I/III, EXPENDITURES

[In million of dollars]

	Commodities	Ocean freight differential	Total
1977	723.1	75.5	798.6
1978	67.1	62.6	733.7
1979	754.5	122.5	827.0
1980	845.8	63.0	908.8
1981	781.3	65.1	846.4
1982	712.0	120.1	832.1
1983	766.0	77.2	843.2
1984 (estimate)	781.0	69.5	850.5
1985 (estimate)	997.0	109.0	1,106.0
1986 (estimate)	921.5	108.5	1,030.0

The subsidized flour sale to Egypt in early 1983 was subject to cargo preference because the price of the flour was reduced to meet the EC level of prices of approximately $160 per metric ton. Since a subsidy was involved, cargo preference was applicable. The sale was made using Commodity Credit Corporation stocks of wheat. U.S. flour millers placed bids on wheat stocks from CCC holdings as to the volume of "free" wheat needed in order to sell the flour to Egypt at a reduced price. Since the flour mills were aware that the cost of shipping to Egypt would be increased by the requirement that half the flour go on U.S. bottoms, they increased the volume of wheat needed. ASCS estimates that an additional 6 million bushels of U.S. wheat from CCC stocks were used to offset the increased cost of U.S. bottoms. Based on prices at the time, the estimated cost to CCC was $24 million.

In late February 1985, a court ruling was handed down that cargo preference laws were applicable to the blended credit program. Blended credit is a mixture of direct Government loans and credit guarantees to banks. Under the program, the blend was generally 20 percent direct credit at zero interest rate and 80 percent of guarantees at the prevailing commercial interest rate. The direct credit portion was ruled by the courts to constitute a subsidy and, therefore, cargo preference laws were applicable. This means, of course, that 50 percent of the shipments under blended credit must be in U.S. bottoms at rates $20 to $50 per ton above non-U.S. flag carrier rates. (Only wheat sales to North Africa and a small wheat flour sale to Iraq were programmed under the blended credit program.) Cargo preference would add between 8 percent and 15 percent to the cost of a ton of wheat (approximately $150). The 20 percent interest subsidy will hardly offset the 8-15 percent increase in the landed price of the commodity. In this instance, cargo preference effectively kills a successful effort to combat unfair EC trade practices and reduces the export volume for U.S. wheat farmers.

According to USDA, companies that received payments in 1984 for ocean freight differentials under Titles I and III of P.L. 480 are:

Company:	*Payments*
Lykes Steamship Co., Inc	$9,356,765
Ultimar Shipping Co., Inc	8,934,407
Central Gulf Lines, Inc	7,561,504
Phoenix Bulkship, Inc	7,395,741
American President Lines, Inc	5,311,396
Equity Carriers III, Inc	2,863,950
Waterman Steamship Co	2,781,852
Delta Steamship Lines, Inc	2,633,032
Apex Marine Corporation	2,449,000
A.P. St. Philip, Inc	1,981,650
Asco-Falcon II Shipping, Inc	1,650,949
Ogden Missouri Transport Inc	1,587,832
Archon Marine Co	1,434,160
Universal American Barge Corp	1,298,500
Ocean Barge Corp	1,267,537
Transbulk Carriers, Inc	1,115,224

A total of 14 other companies received payments for ocean freight differential in 1984 for shipments under P.L. 480, with amounts ranging from $13,869 up to $852,066.●

TRIBUTE TO THE HONTERUS EVANGELICAL LUTHERAN CHURCH OF YOUNGSTOWN, OH

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. TRAFICANT. Mr. Speaker, on June 2 of this year, the Honterus Evangelical Church of Youngstown, OH, will be celebrating its 75th anniversary. At this time, I would like to pay tribute to this church and its congregation, and congratulate them for reaching this significant milestone.

Mr. Speaker, the congregation of Honterus Evangelical Lutheran Church consists of American citizens of German heritage who trace their family origins back to Transylvania, in the Carpathian mountains of Europe. Many of them came here at the turn of the century to flee persecution and oppression. They brought with them a thirst for freedom and they have added significantly to the rich immigrant heritage of this country.

The membership of the Honterus Evangelical Lutheran Church has made significant contributions to the Mahoning Valley area over the past 75 years and has been a vibrant part of the community in my home district. They have always reached out and joined with the community in times of need and have run many programs for youth, seniors, and the less fortunate.

The accomplishments and contributions of the congregation of Honterus are a rich example of the diverse ethnic quality of America. They symbolize the greatness of this Nation and its source of strength: Hard-working people who came to this country with a dream and desire for freedom. Through dedication, unbending faith, and laborious effort, they helped build the world's strongest democracy. The longevity and vitality of the Honterus Evangelical Lutheran Church is not only symbolic of the dedication and faith of its membership, it is also reflective of the enormous pride and spirit of this nation of immigrants.

I am proud to pay tribute to the congregation of Honterus and it gives me great pleasure to extend my sincere congratulations to them on the occasion of their 75th anniversary.●

BOB BARROS: A FRIEND FOR ALL SEASONS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KEMP. Mr. Speaker, when Bob Barros retires as headmaster of Mater Dei this year, an era will come to an end. Bob founded Mater Dei 25 years ago, and today it stands as a fine example of the excellence that can be achieved in the field of education and training for our youth. His absence will be deeply felt by all those whose lives have been touched by Mater Dei—most especially the young people who have learned so much under his tutelage and leadership.

Bob is a man of integrity and dedication. I am proud to say that he has been a real friend to our family for many years. We wish Bob, Carol Ann, and his lovely family all the best in the years to come, and I commend the following article to the attention of my colleagues as a tribute to a friend for all seasons.

On behalf of all the parents whose children's lives have been touched in one way or another by Mater Dei and Bob Barros, this article is submitted.

Bob Barros—Headmaster

MATER DEI FOUNDER RETIRES AFTER 25 YEARS; SCHOOL GREW FROM HUMBLE BEGINNINGS AND FAITH

(By Judith Scioli)

On the eve of Bob Barros' retirement as headmaster of Mater Dei, the school for boys he founded 25 years ago, memories are stirring. Some reach back to the school's humble beginnings, as a yet-to-be refurbished barn in Silver Spring.

"Picture it," Barros marvels as if glancing backward at his own daring. "I was interviewing the families of prospective students in one of the rooms where they put the mare on one side and the stallion on the other! Those parents had to be courageous!"

"I remember it well," laughs Louis Boland, one of those "courageous" parents. "Bob took us into the classrooms. They had earthen floors and the heat was questionable. But I had confidence in the man. As my wife and I left, I turned to her and commented, 'Well, I always said education wasn't just brick and mortar.' "

Eventually, the brick and mortar came too. But even with the school's move to its serene campus off Seven Locks Road, there has never been any doubt among parents that Bob Barros was offering something to their children more solid than a building. He was offering himself. And that has not made his retirement easy to accept.

For Bill McMurtrie, president of the school's board of trustees last year when Barros made his decision to leave, it was particularly difficult. A close friend, McMurtrie considers Barros' stewardship of Mater Dei unparalleled and was heartsick at the thought of his leaving. Yet, because of his position on the board, it fell to him to prepare the letter accepting Barros' resignation.

"Make it short," requested Barros. "One page."

Some days later, Barros asked for the letter. McMurtrie hedged but finally produced it. He admitted it did not exactly fit Barros' specification. Instead of the brief reply suggested, McMurtrie had written two full pages.

"Bob, I just can't condense it," said McMurtrie, handing over the letter.

"Sure you can," responded Barros and sat down to read it. Some moments later, Barros looked up from the two pages of eloquent prose full of heartfelt admiration of Barros. Suppressing a schoolboy grin, the headmaster sighed, "You know you're right, Bill. There's not a single thing you can cut out!"

The anecdote is telling. His peers—many of whom are themselves highly placed and highly regarded—find Barros worthy of the highest praise for his work in the most serious of fields—the education of their sons. Barros accepts that praise not as his due, but with the kind of humor that alone makes exceptional people accessible to the rest of us.

Barros started Mater Dei in 1960. He was a former marine captain with six years teaching experience and, rumor has it, $300 in his pocket. But he was ready to strike out on his own.

"It was a time that happened to coincide with a period of my life when I was getting a little closer to my faith," said Barros, who felt disturbed that the youngsters he was teaching were "growing up with nothing."

His own religious revival and the conviction that religion should play a role in education combined to draw him quite naturally into Catholic education, and he sought permission from the archdiocese to open a school.

His wife, Carol Ann, found the old farm in Silver Spring which became the first site of Mater Dei. Barros opened with four teachers and 37 youngsters in grades one through six. A few years later, at about the time of the move to the Seven Locks location, Barros extended the school through grade eight.

"I gave the school 10 years to see if it were going to float or not, and after 10 years, I knew we had something going," said Barros, patient, it seems, even in his lean days.

Once Mater Dei hit the decade mark, progress went swiftly. In 1970, Barros established the board of advisors, which incorporated and became the board of trustees. Their first act was to build a gymnasium, which the school paid for in a year and a half.

According to Barros, a school's success can be measured in a number of ways. From the purely practical standpoint, he notes, enrollment is a good yardstick. "You either have a full school or you don't. If you have a full school, the community is giving you a message," he said, "particularly when you don't advertise. It's all word of mouth."

From a business standpoint, adds Barros, the bills have to be paid. "You certainly have to show that you're a viable business proposition, at least if you're privately owned," he said.

"And then there is the intangible: If more people are telling you you're doing a good job than there are whispers that you're doing a bad job, then you assume you're doing something right!" he declared.

Barros attributes the success of Mater Dei to the selection process for students, the quality and calibre of teachers, and an atmosphere where teachers are free to teach.

"To the extent that we can, we are selective in the kind of youngsters who are invited to attend the school," said Barros. "In that selectivity, we are taking youngsters whose parents want for their children what we are providing. In different schools that can be different things," he said.

He added that the selection process does not mean that the school is looking for so-called "gifted" students. "I think there's a misconception that private schools cater only to the brightest. The truth is, we cater to the community at large. And there are more average kids who, if made to work, do well, than there are gifted kids. Every school, public or private, has its share of gifted kids. But no school can cater just to them," he explained.

As for selecting teachers, Barros is forthright in what he expects. "I have always been a big believer that if a youngster has to sit in front of somebody for five to six hours a day, that person ought to be attractive and vibrant," insists Barros.

Perhaps no one is more cognizant for Barros' ability to attract and keep an exceptional faculty than attorney Edward Bennett Williams. Williams sent his sons to Mater Dei and served on the board of trustees for several years. "My boys all had a great fondness for the place," he commented. "One of them, in fact, had such great affection for the school and for Bob that he is now teaching there."

Williams attributes much of Mater Dei's success to its staff and to Barros' appeal as a role model.

And indeed, impeccably dressed and handsome, Barros is a man who invites the respect of students and the confidence of mothers.

He is a man who learns the names of each first grader because he thinks that when a child says, "Hi, Mr. Barros," he deserves a hello back using that little boy's name.

He is a man who reminds his faculty each September that when a teacher is talking to a parent about his child, he is talking about the only thing in the world that really makes a difference to him.

At the same time, he is a man who is not hesitant to draw a line between what he considers parental "interest" and parental "intrusiveness." He has strong views on "letting teachers teach" and doesn't tolerate parents treading on his faculty turf.

"He's first class," said attorney Joseph Califano, who sent his two sons to Mater Dei and served on the board with Williams. "I think he has run the most superb school for young men in the area."

For all the praises heaped upon him, Barros does not consider himself indispensable to the future of Mater Dei. On the contrary, he is confident that the school will do well, and he intends to stay out of the way of the new headmaster, Christopher Abell, a man who Barros says, has served "with distinction" on the faculty for years.

Barros believes the school will stay as it is, with modifications that will be "evolutionary, not dramatic."

Nor does he anticipate a change in the students. Barros sees little difference between the youngsters of a quarter of a century ago and those of today.

"I think the most profound change that I have seen in 25 years has come over me and not the children. I think the children are pretty much today the way they always were," mused Barros. "But when I was younger, I had all the answers for all of the children and all of their problems. Twenty-five years later, I have very few of the answers, more questions, and perhaps a little more sensitivity that problems are more complicated than they seem on the surface."

Barros will continue to run Mater Dei's summer camp program and to serve on the board of trustees of both Georgetown Prep and Worcester State College in Massachusetts.

He also intends to "learn to love to play golf," to take courses at the Smithsonian, and to spend time at his summer house of Kent Island on the Eastern Shore. He and his wife, Carol Ann, have four children: Mariesa, who works in Georgetown; Carla, a sophomore at the University of Notre Dame; Stephen, a junior at Gonzaga; and Mike, a junior at Georgetown Prep.

He is retiring as headmaster of Mater Dei—what he calls, "the best job in the world"—with no regrets. In his own words, "There comes a time for even the 'best' to come to an end and June of '85 will mark 25 years—it has a nice ring to it."●

THE U.S. ACADEMIC DECATHLON ASSOCIATION

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KOLBE. Mr. Speaker, academic excellence is alive and thriving in America, thanks to the dedication of hundreds of volunteer teachers and professionals who have organized the U.S. Academic Decathlon Association. Together with financial supporters from business, community organizations, and concerned individuals, these volunteers have reached into public and private high schools to encourage students to compete in an effort to raise their level of intellectual pursuit.

The academic decathlon promotes thinking in an age of instant gratification. Technological advancement, over specialization, and abbreviated communications processes have forced policy and decisionmakers to concentrate on short-term answers to escalating problems. In assessing needs in society, educators have devised a program to motivate students intellectually and to develop their mental discipline in order to prepare our young people for the rigors of solving society's complex problems.

The academic decathlon is a competition involving 10 events in economics, language and literature, fine arts, mathematics, science, social science, and super quiz—a team event held before an audience. In addition, each student is required to write an essay, to deliver a prepared and an impromptu speech, and to undergo an oral interview. Based on the accumulated points of the individual schools, each State sends its winner to the national competition.

The 1985 Arizona Academic Decathlon is the first year the competition involved students from throughout the State. The winner of the State competition, Chaparral High School from Scottsdale, AZ, went on to place 10th overall in the national competition in Los Angeles this April and won the national super quiz. I join with the parents, teachers, and friends of these students to congratulate them on their victory. I hope the medals and plaques that serve as tangible reminders of their efforts will also remind the Chaparral Academic Decathlon Team of their responsibilities to their peers. They have opened doors for students who will follow them and who will work that much harder to represent Arizona next year.

The runners-up in the State competition—from Saguaro and university high schools in Tucson—and the students at Douglas High, Florence High, and the other schools who participated for the first time, also share the responsibility for continuing the academic excellence embodied in the decathlon. They will carry with them throughout their lives the knowledge and mental discipline to serve society as leaders and to challenge their fellow citizens.

I urge my colleagues in the U.S. House of Representatives to join me in applauding the work of all those associated with the U.S. Academic Decathlon Association. I would like to add my thanks to Anita Lohr, Pima County school superintendent and the Arizona Department of Education, for their faith in the intellectual abilities of Arizona's young people and their commitment to academic excellence.●

HOUSE ARMED SERVICES COMMITTEE ZEROS 30 DEFENSE PROGRAMS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. ASPIN. Mr. Speaker, the House Armed Services Committee has cut $18.9 billion and terminated 30 procurement programs from the administration's defense budget for fiscal year 1986. Let me present here some details of our work on the bill.

I believe this is the largest number of procurement programs ever terminated in the committee's history. The actions cut almost $2 billion.

Overall, the reduced budget provides no real growth—and a real cut of more than 2 percent in weapons procurement.

This budget is but one step down the road we must travel to tighten up the military budget. We eliminated many systems here. A lot of them are very small programs that no one has heard of, but that's the best time to stop a program. In other cases, we have killed a program for this year, but indicated we may be willing to fund it in the future.

Our intentions here are clear:

We want more defense, not more production lines.

We seek to fund military requirements, not bureaucratic wish lists.

Our goal is to increase the level of deterrence, not the number of contracts.

The President's budget request represented a real increase for defense—that is, an increase over and above inflation—of about 6 percent. The committee's actions would trim the real growth rate down to zero—that is, provide the same level of funds as in fiscal year 1985 plus an amount necessary to cover inflation in the intervening months.

In making its reduction, the committee made a conscious effort to protect the personnel and operations accounts by taking the bulk of the cuts from the investment accounts—procurement and R&D.

I would like to quote the ranking Republican member of the committee, Representative William L. Dickinson. He has said.

> With the huge Federal deficit staring us in the face, we cannot afford to buy all the systems the Pentagon wants. A weapon that may sound very reasonable when you're running a surplus does not necessarily sound so reasonable when you're running a deficit. In other words, we have tried to set some priorities. We have funded necessities, not nice-to-haves.

Targets set in the annual budget resolutions apply to appropriations bills, but not to authorization bills. It has, however, been the policy of the House Armed Services Committee in past years to be consistent with the budget resolution. No budget resolution has yet been passed or reported out by the House Budget Committee, so the House Armed Services Committee chose the zero real growth mark itself.

The committee voted to approve the reduced bill on a vote of 39 to 7. The nay votes were cast by—Democrats: Ronald V. Dellums of California, Patricia Schroeder of Colorado, and Dennis M. Hertel of Michigan; and Republicans: Bob Stump of Arizona, Jim Courter of New Jersey, Larry J. Hopkins of Kentucky, and William Carney of New York.

Table 1 provides a summary and budget track for the entire national defense function of the budget—function 050—for fiscal year 1986.

TABLE 1.—BUDGET TRACK, FUNCTION 050, FISCAL YEAR 1986—BUDGET AUTHORITY

[In billions of dollars]

	Requested	Authorized	Change	Percent
				Cut
1. Defense Authorization Act	230.5	216.2	−14.3	−6.2
2. Nonauthorized personnel	73.4	69.1	−4.3	−5.9
3. Military construction	10.3	9.6	−.7	−6.9
4. DOE—Military	8.0	7.7	−.3	−3.0
5. Selective Service and other	.1			
Total	322.2	302.6	−19.6	−6.1

Line 1 is the Defense Authorization Act, which is described in this report.

Line 2 is military personnel. Congress does not authorize dollar figures for military pay and other personnel provisions. The House Armed Services Committee implicitly controls the dollar figures, however, by authorizing the size of the services and the annual pay raise. Line 2 reflects the dollar impact of the committee's personnel actions. This report uses the dollar figures explicitly although they do not appear in the bill itself. The dollar figures are used in the appropriations bill, accounting for the huge difference between the two bills.

Line 3 covers military construction, which is a separate bill. The committee has not yet approved this bill. The reduction indicated in table 1 is the target the committee has set. The figure in the first paragraph of a reduction of $18.5 billion does not include any reductions in military construction since the bill has not been reported.

Line 4 is the national security programs contained in the Department of Energy budget—primarily nuclear warhead and atomic reactor programs. This has normally been a separate bill. This year it is appended to the Defense Authorization Act. The committee action is described at the end of this report.

Line 5 covers miscellaneous programs such as the Selective Service System that have minor budgetary impact.

The committee spent 9 hours marking up the bill Tuesday and Wednesday, considering 43 amendments to the drafts submitted by its subcommittees. The scale of the work was extensive; for example, the committee made changes to 266 lines in the procurement section and 249 requests in the R&D section of the administration request.

The major actions taken by the committee included:

MX MISSILE

On a rollcall vote of 13 to 32, the committee defeated an amendment to cap deployment of the MX at 40. On a voice vote, the committee defeated an amendment to delete all procurement money, which would have the effect of capping deployment at 33. The committee cut the administration's quantity request from 48 to 21 and its budget request from $3.2 billion to $2.1 billion for procurement.

CHEMICAL WEAPONS

The committee defeated on a voice vote an amendment to delete all funds for building binary chemical weapons. The committee approved the procurement request of $124.5 million.

STRATEGIC DEFENSE INITIATIVE

The administration requested $3.7 billion for SDI. The committee took the following four votes on the funding level:

Motion of: Representative JAMES COURTER, of New Jersey; $3.1 billion; defeated 11 to 35. Representative RONALD V. DELLUMS, of California; $0.9 billion; defeated on voice vote. Representative NICHOLAS MAVROULES, of Massachusetts, and Representative DENNIS HERTEL, of Michigan; $1.4 billion; defeated 6 to 40. R&D Subcommittee recommendation; $2.5 billion; approved on voice vote.

MILITARY RETIREMENT

The committee deleted $4 billion from the funds requested for military pay and pensions in order to force the Defense Department to draft a new retirement program. The committee grandfathered everyone currently in uniform or retired. In other words, the program of reduced retirement benefits will apply only to those persons entering the Armed Forces after the date of enactment of the changes.

AMRAAM

The principal weapon system killed by the committee was the joint Air force/Navy advanced medium-range air-to-air missile [AMRAAM], which was designed as a follow-on missile to the Sparrow. The committee felt that projected costs had risen more than excessively, warranting termination. While the Defense Department had requested authorization to buy the first 90 of the missiles in fiscal year 1986, it was estimated AMRAAM would still require another half-billion dollars to complete R&D. The committee estimated that unit costs for the AMRAAM could end up at triple the original projected cost. Additionally the program schedule has slipped by almost 2 years.

Table 2 summarizes the committee's action for both procurement and research and development on the 25 largest weapons programs in the budget request. These 25 programs represent 24 percent of everything requested for RDT&E, and 38 percent of everything requested for procurement. The programs are listed in order of the size of their total R&D and procurement request.

At $6 billion, the B-1 bomber is by far the largest program, consuming 2 percent of the entire defense budget. This year's request for 48 aircraft completes the planned buy of 100. No request was made—and no authorization was provided—to buy the long-lead parts that would be required in fiscal year 1986 in order to procure more B-1's in fiscal year 1987.

The second largest program, the MX, was discussed earlier. The third largest program is the Air Force's F-16 Falcon. The committee reduced the order from 180 to 150 to keep production steady at the same level as fiscal year 1985.

TABLE 2.—25 MAJOR WEAPONS SYSTEMS IN FY 86 BUDGET—LISTED IN ORDER OF SIZE OF REQUEST

[In millions of dollars]

	Fiscal year 1986 request			HASC			Change		
	R&D	Quantity	Procurement	R&D	Quantity	Procurement	R&D	Quantity	Procurement
B-1 bomber	367.4	48	5,624.0	200.0	48	5,624.0	−167.4	NC	NC
MX missile	784.0	48	3,180.2	684.0	21	2,117.8	−100.0	−27	−1,062.4
F-16 Falcon	94.9	180	3,693.4	84.0	150	3,050.7	−10.9	30	−642.7
SDI	3,722.2	NR	NR	2,473.0	NR	NR	−1,249.2	NR	NR
F/A-18 Hornet	58.3	84	2,849.7	30.0	84	2,743.0	−28.3	NC	−106.5
Trident II missile D5	2,156.2	NR	582.0	2,100.0	NR	572.0	−56.2	NR	−10.0
CG-47 Aegis	48.5	3	2,834.8	48.5	3	2,834.8	NC	NC	NC
SSN-688 attack sub	NR	4	2,770.3	NR	4	2,770.3	NR	NC	NC
F-15 Eagle	252.1	48	2,224.4	252.2	42	1,918.1	NC	−6	−306.3
C-5B Galaxy	NR	16	2,380.6	NR	16	2,278.6	NR	NC	−102.0
M-1 Abrams tank	24.8	840	2,204.3	39.9	840	2,126.4	+15.1	NC	−77.9
Trident submarine	56.6	1	1,546.4	56.6	1	1,546.4	NC	NC	NC
LHD-1 amphibious ship	6.0	1	1,507.2	6.0	1	1,314.2	NC	NC	−193.0
AH-64	17.5	144	1,376.3	17.5	144	1,376.3	NC	NC	NC
Patriot missile	53.1	585	1,088.4	53.1	585	1,088.4	NC	NC	NC
F-14 Tomcat	348.1	18	812.4	348.1	18	712.4	NC	NC	−100.0
AV-8B Harrier	72.1	46	1,076.6	72.1	46	1,031.6	NC	NC	−45.0
Bradley fighting vehicle	2.2	716	1,065.1	2.2	716	1,065.1	NC	NC	NC
Standard missile	47.2	1,316	874.1	60.0	1,241	802.6	+12.8	−75	−71.5
Tomahawk missile	68.8	249	780.0	43.0	249	780.0	−25.8	NC	NC
KC-135 reengining	1.0	43	727.4	1.0	43	727.4	NC	NC	NC
Midgetman	624.5	NR	NR	624.5	NR	NR	NC	NR	NR
GLCM	.7	95	555.2	.7	95	545.2	NC	NC	−10.0
JVX	608.6	NR	NR	553.7	NR	NR	−59.9	NR	NR
MLRS	NR	72,000	569.4	NR	72,000	569.4	NR	NC	NC
Total	9,414.8		40,322.2						

Note.—NC = No charge; NR = No request.

TABLE 2.—25 MAJOR WEAPONS SYSTEMS IN FY 86 BUDGET—LISTED IN ORDER OF SIZE OF REQUEST—Continued

[In millions of dollars]

Table 3 summarizes the action taken by the committee on the Defense authorization bill. It is a breakdown of the first two lines of table 1—which outlines the entire national defense function 050. Actions of the Senate Armed Services Committee [SASC] are shown for comparison.

TABLE 3.—DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986—SUMMARY TABLE

[In billions of dollars]

	Requested	Approved	Change	Percent cut	SASC
Procurement (less ships)	95.4	88.7	−6.7	−7.0	91.5
Shipbuilding	11.4	10.7	−.7	−5.9	10.8
RDT&E	39.3	34.2	−5.1	−13.1	37.5
O&M	82.5	80.7	−1.8	−2.2	81.3
Revolving funds	1.9	1.8	−.1	−5.4	1.9
Military personnel [1]	73.4	69.1	−4.3	−5.9	72.1
Civil Defense	.1	.1	([2])	+18.7	.1
Total	303.9	285.3	−18.6	−6.1	295.2

TABLE 3.—DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986—SUMMARY TABLE—Continued

[In billions of dollars]

[1] These figures reflect the dollar impact of end strength provisions, pay raises, and other personnel matters, and are added to the total to reflect budget reality.

[2] The request of $119,100,000 was increased by $22,300,000.

Note.—$530,000,000 was transferred from O&M to procurement. The transfer is explained in the O&M section of this report.

PROCUREMENT

Table 4 summarizes the committee's procurement actions by major category of weapons. As the table shows, the committee authorizes less for aircraft and ships in fiscal year 1986 than was appropriated in fiscal year 1985. Altogether, the procurement portion of the budget would grow only 2.5 percent in fiscal year 1986—the procurement authorization approved by the committee represents a real difference of about 2.1 percent compared with the procurement appropriations for fiscal year 1985. The administration had requested a real increase of 5.1 percent.

TABLE 4.—SUMMARY OF PROCUREMENT ACTIONS

[Dollar amounts in billions]

	Appropriation fiscal year 1985	Request fiscal year 1986	Percent Change over 1985	HASC fiscal year 1986	Percent Change over 1985	HASC change	Cut as percent of request
Aircraft	$41.0	$42.1	+2.7	$38.6	−6.0	−$3.5	−8.4
Missiles [1]	14.4	19.9	+37.8	17.9	+24.2	−2.0	−9.8
Ships	11.7	11.4	−2.8	10.8	−8.5	−.7	−5.9
Weapons and tracked combat vehicles	5.0	5.8	+17.8	5.5	+10.9	−.3	−5.9
All other procurement	25.0	27.6	+10.5	26.7	+6.9	−.9	−3.2
Total procurement	97.1	106.8	+9.9	99.4	+2.4	−7.4	−6.9

[1] Including Navy weapons.

Note.—Totals may not add due to rounding.

In one of its key initiatives, the committee directed a competitive procurement program for tactical fighters to begin in fiscal year 1986. The Air Force was directed to set a minimum number of F-16 and F-20 fighters that it would procure and then institute a competition for the remaining tactical fighter aircraft requirements among all suitable aircraft, to include the F-16 and F-20. In directing the competitive program, the committee specifically directed that the competition be carried out in accordance with all the procurement reforms recently enacted—such as those requiring competition in contracting, independent testing, and the development of independent cost estimates.

The executive branch has frequently criticized Congress for loading up the defense budget with "political" add-ons. On the other hand, the House Armed Services Committee has frequently criticized the Pentagon for neglecting the needs of the National Guard and Reserve. Table 5 demonstrates how those two concerns join head-on. As table 5 indicates, the House Armed Services Committee has increased the quantities requested by the Pentagon for nine different weapon systems. Seven of those systems, however, were specifically earmarked by the committee for assignment to the National Guard or Reserve—indicated by the notation NG in table 5. The explanations for the other two add-ons are contained in the footnotes to table 5.

TABLE 5.—PROCUREMENT QUANTITIES INCREASED BY HASC

[Dollar amounts in millions]

	Request		HASC	
	Quantity	Amount	Quantity	Amount
Chaparral (missiles/fire units)	300/0	$110.4	[1] 300/36	$197.4
Improved TOW vehicle mod	0	0	[1] 138	30.0
A-6E intruder	6	202.6	[1] 11	293.3
CX (C-20)	0	0	[2] 2	44.0
KC-130T	0	0	[1] 2	40.0
UH-60	0	0	[1] 4	25.0
M198 155-mm towed howitzer	35	21.0	[3] 60	32.0
C-130H Hercules	0	0	[1] 8	150.0
C-12 Huron	0	0	[1] 12	30.0
Total		334.0		841.7
Net increase from HASC action				507.7

[1] Increases assigned to the National Guard or Reserves.

[2] The Navy was planning to start from scratch to obtain a medium-sized passenger aircraft. The committee wants the services to use more equipment standardized across the services and here tells the Navy to use the Air Force C-20.

[3] The Marine Corps planned to buy 35 of these howitzers in fiscal year 1986 and 119 in fiscal year 1987. The committee added to the buy for 1986 to reduce the procurement spike in 1987.

The executive branch talks as if any additions to the budget are pure pork. I certainly won't deny that some add-ons have been prompted over the years by other than military merit. Contrary to the Pentagon's posture, however, that is not true of all add-ons. The job of Congress is to set priorities. One of our priorities has long been the Guard and Reserve. The Pentagon is run by the active forces and tends traditionally to neglect the Guard and Reserve. We are trying to counter that bias.

The committee directed the Defense Department to develop an equipment requirements document for the Guard and Reserve to pinpoint weapons shortfalls so that the Congress and Pentagon can approach this issue more rationally in the future and reduce the need for ad hoc add-ons by the committee.

Apart from the MX missile and AMRAAM missile, which were discussed earlier, probably the most controversial weapon system in this year's procurement budget was the Sergeant York Division air defense system

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[Divad]. The committee reduced the requested procurement funding of $480 million for Divad by $197 million, and the quantity of 117 requested was reduced by 45. The committee, however, included language in the bill fencing the remaining money so that it cannot be spent until and unless the Secretary of Defense certifies that testing has demonstrated conclusively that the Divad "fulfills the performance specifications of the contract," and a warranty to that effect has been signed by the contractor and submitted to Congress. This warranty is in addition to the warranties required by current law.

The committee also strengthened the selected acquisition reports [SAR's]—which are the main vehicle for alerting Congress to potential problems in weapons systems. The SAR's have been trimmed in recent years to the point where they are mere snapshots, with little historical data showing cost and engineering changes in a weapon, and virtually no information of the costs of operating, manning, and maintaining weapons. The committee language requires that the data on the past be restored and on the future be added so Congress can take life-cycle costs into consideration.

SHIPBUILDING

The committee approved the Navy's request for authorization of 23 new ships and conversions of 5 others. It reduced the shipbuilding budget request, however, by $672.4 million or 5.9 percent.

The committee was able to achieve the bulk of this reduction without any cut in the number of ships authorized as a result of three factors:

Lower than anticipated inflation;

A highly competitive shipbuilding industry, which has produced lower than anticiapted bids for shipbuilding contracts; and

Prudent Navy management.

The committee wishes to emphasize the last point. While budget cuts often are indicators of the committee's displeasure with the progress of a weapon program, in this case the reduction should be taken as a compliment for the successful management of major programs by the current Navy leadership team.

As a result of the three points listed above, the committee located $437.6 million that had been appropriated in fiscal years 1981 through 1984 for shipbuilding that are not required to carry out the programs authorized in those years. That allowed a reduction of that amount in the 1986 budget request.

The committee points out that had the Navy not saved almost a half billion dollars in these ways, the committee would undoubtedly have had to delete one or more vessels from the Navy's shipbuilding request this year.

There's an old complaint heard in all executive agencies that Congress punishes you for saving money by chopping your budget. I want it known that's not what we're doing here. Good management is being rewarded by our preserving every ship the Navy requested.

The committee also took note that ship launching ceremonies have become major events in which lavish gifts are frequently presented. The committee, therefore, voted to place a limitation of $100 on the value of any gifts that Government employees—including members of Congress—or their families may receive at such ceremonies.

The committee required that half of all the major U.S. Navy ship repair work now scheduled to be done in Japanese shipyards in the next 3 years be shifted to American shipyards—excluding ships homeported in Japan. This would have the effect of moving $95 million of work to American yards.

REDUCTIONS AND TERMINATIONS

In reviewing the procurement requests this year, the committee made a conscious effort to reduce the number of production lines.

This was done by completely eliminating some production lines, by continuing others with a view to completing procurement of those items, and by deferring until later the start of a number of new programs.

Table 6 lists the 30 different procurement programs where the committee reduced procurement quantities to zero in fiscal year 1986.

This is a dramatic change from the past. For example, last year, the House Armed Services Committee killed only two procurement programs, for a savings of $136 million. While no history of program kills exist in the committee files, the committee believes that this year's action zeroing 30 programs for a total savings of $1.9 billion is almost certainly a record.

The largest program terminated, the AMRAAM, was discussed earlier.

The second largest termination was the P-3C Orion submarine hunter. The committee was disturbed by the soaring costs of the aircraft. Those bought through fiscal year 1985 had an average unit cost of $19.4 million, while the 1986 buy would cost $55.2 million each. The committee did authorize some funds for long-lead items in case the program can be satisfactorily restructured to allow for a cheaper subhunter aircraft.

The third largest program killed was the E-6A Tacamo [take charge and move out], which is designed to replace the EC-130 that now serves as an airborne platform for communicating with missile subs in the event of emergency. The Navy program would have the Congress fund all 14 production aircraft in the next 3 years—before the Navy has even completed the test the service itself says "will provide the basis for an assessment of the E-6A's operational effectiveness and operational suitability." This schedule effectively evades the testing policy established by Congress. The committee accepts the need for such a communications platform but the task is being done satisfactorily now and, according to testimony, can be performed for years to come with the existing equipment.

TABLE 6.—PROCUREMENT PROGRAMS REDUCED TO ZERO QUANTITY

[Dollar amounts in millions]

	Fiscal year 1986 request	
	Quantity	Amount
AMRAAM	90	$539.9
P-3C Orion	9	[1] 496.5
E-6A	2	400.2
10 different cartridge programs	23,852	152.8
Laser bomb guidance kit	2,575	103.7
VH-60 helicopter	9	[1] 102.8
MC-130H combat talon	1	79.5
AGM-130 powered GBU-15 tactical missile	97	[2] 48.5
Truck, forklift, 6,000 lb	250	26.3
Laser guided bomb kits	652	22.2
Semitrailer, low bed BET, XM1000	144	11.2
FMU-130 low drag bomb fuze	10,500	8.4
65-ton Crane	11	6.2
XM252 81-mm mortar	187	6.1
Motorcycle, GED, 2W, rough terrain	1,413	5.6
120-mm mortar	63	5.0
Charger, radiac detector	2,840	3.8
Fast attack vehicle	88	3.1
5.56 carbine XM4	4,685	2.8
Tactical dosimeter	5,543	2.4
Time activator, fin fuze [TAFF]	5,000	2.0
Total		1,931.4

[1] Some funds were approved for advanced procurement of long-lead components for aircraft in fiscal year 1987.

[2] $16 million of this request was approved, but no procurement of these missiles in FY 86 was authorized.

While the committee took a total of 266 actions in procurement, most of those were small. The bulk of the money was confined to a relative handful of programs. Table 7 lists the 10 largest reductions made in procurement programs; these account for $4 billion or more than 50 percent of all the reductions made in procurement.

TABLE 7.—LARGEST REDUCTIONS MADE IN PROCUREMENT

[Dollar amounts in millions]

	Request		HASC		Change	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
MX	48	$3,180.2	21	$2,117.8	−27	−$1,062.4
F-16 Falcon	180	3,693.4	150	3,050.7	−30	−642.7
AMRAAM	90	539.9	0	0	−90	−539.9
P-3C Orion	9	496.5	0	81.6	−9	−414.9
E-6A	2	400.2	0	0	−2	−400.2
F-15 Eagle	48	2,224.4	42	1,918.1	−6	−306.3
Divad	117	480.0	72	283.0	−45	−197.0
LHD-1 amphibious ship	1	1,507.2	1	1,314.2	NC	−193.0
F-18 Hornet	84	2,849.6	84	2,743.0	NC	[1] −106.5
C-5B Galaxy	16	2,380.6	16	2,278.6	NC	−102.0

[1] Reduction achieved mainly by cutting advance procurement funds for 1987 from 102 to 84 aircraft.

Note.—These 10 reductions total $4,000,000,000 and exceed 50 percent of all the reductions made in procurement, including shipbuilding. N-No Change.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION [RDT&D]

The R&D request for fiscal year 1986 showed by far the largest percentage real increase of any title in the bill, as shown in table 8.

TABLE 8.—BUDGET AUTHORITY GROWTH IN MAJOR TITLES

[In billions of current dollars]

	Fiscal year			
			1985–86	
	1985	1986	Change	Percent real growth
Military personnel	68.9	73.4	$4.5	1.3
O&M	78.2	82.5	4.2	6.1
Procurement	96.8	106.8	10.0	5.1
RDT&E	31.5	39.3	7.8	20.1

In just 4 years, the RDT&E account has grown by 100 percent. There has been an increased emphasis on developing systems, rather than on technology. Each service shows a preference for developing unique equipment, even where the missions of two services are similar or even identical.

The committee is concerned that the R&D growth has been excessive and threatens to generate bureaucratic pressures for huge numbers of new weapon systems in the late 1980's and 1990's.

Mr. DICKINSON, the ranking minority member of the R&D Subcommittee as well as the full committee has said:

> The committee is also concerned that the overemphasis on developing systems could tend to erode the technology base. American strength is in its innovative technology and this capability must be preserved.

Finally, the committee finds far too many development programs in the Defense Department with inadequate emphasis on joint programs to cut down on duplication.

Accordingly, and following the same philosophy demonstrated in the procurement area, the committee has eliminated a number of proposed new starts and terminated several existing programs in the early stages of development.

For example, the committee deleted all funds for the Navy and Air Force joint tactical information distribution system [JTIDS]—a reduction of $276.3 million—and added $150 million for a common JTIDS system.

The committee terminated the Air Force joint surveillance and target attack radar system [JSTARS], for a reduction of $260 million. This program was intended to develop an airborne battlefield radar for use in a Boeing 707. The committee believes there are other less costly alternatives for this mission. Additionally, the Defense Department has failed to comply with congressional guidance to develop a plan for a more survivable JSTARS platform than the Boeing 707.

After all actions, the committee cut the RDT&E request of $39.3 billion by a total of $5.1 billion or 13.1 percent.

The committee recommended that one Defense Department request be raised by 700 percent. The administration requested $25 million for the University Initiative Program; the committee authorized $200 million.

The number of American students enrolled in graduate schools has declined dramatically over the past decade, and university facilities and instrumentation are in many cases obsolete. Graduate students are not being exposed to the kind of high technology projects that are important to national security programs during their graduate training. The committee also wishes to see a better exchange of ideas and technology among universities, industry, and Federal laboratories. For these reasons, the committee dramatically increased the authorization for the University Initiative Program.

The committee also fenced $450 million in funding for the high-speed antiradiation missile [Harm] until the Secretaries of the Navy and the Air Force certify that Harm will work. The Pentagon should be getting the quality of weapons the taxpayer is paying for and stop tacking on additional payments so that contractors can make systems work the way they promised at the outset.

OPERATION AND MAINTENANCE [O&M]

While the O&M budget was cut by $1.8 billion, very few of the reductions will have any impact on military operations, in keeping with the committee's emphasis on maintaining military readiness.

For example, $530 million of the total cut, was actually shifted from O&M to procurement. The Defense Department had shifted funds from other procurement to O&M in its request as part of a proposal to allow local commanders to begin buying with O&M funds any article not centrally managed. Capital goods should be procured with procurement funds and operations should be paid for with operating funds. The Pentagon proposal violates this division and was rejected. The half billion dollars was shifted back to procurement.

Another $1.3 billion was trimmed from the budget as a result of: First, the fall in the price of the dollar—which makes purchases abroad cheaper—second, lower fuel prices since the budget was drafted, and third, revised calculations that show stock fund cash flow exceeding what is deemed necessary.

The sum of $290 million was eliminated from the request based on audits and investigations by the General Accounting Office and Defense Department auditors that pinpointed dozens of examples of savings ranging from better computer management to elimination of year-end spending sprees.

Another $32 million fell out as a result of the committee action denying the full additional end strength increases requested by the services.

The committee then made $451 million in cuts from requested program growth and added $318 million for program increases. A third of the program increases were dedicated to the Guard and Reserve.

In addition, about $475 million in personnel benefit increases—described in the next section—are funded in O&M.

The committee also wrote language allowing a role for Air Force Reserve special operations aircraft in Federal drug interdiction efforts. The tasks these units practice in peacetime to maintain readiness are the very tasks required to support drug interdiction efforts. The bill language allows us to kill two birds with one stone—maintaining readiness and aiding interdiction at the same time.

MILITARY PERSONNEL

The committee approved a pay raise for all military personnel of 3 percent to take effect on January 1, 1986. This is the same raise and date approved by the Senate Armed Services Committee. The administration had requested a raise of 3 percent effective July 1, 1985.

Even with the tight budget, we felt it was important to provide a pay raise for all the ranks.

As shown in table 9, the committee approved two-thirds of the end strength increases requested by the administration.

TABLE 9.—MILITARY END STRENGTHS

	Approved 1985	Increase requested	HASC	SASC
Army	780,800	0	0	0
Navy	571,300	15,000	10,000	10,000
Marine Corps	198,300	1,200	1,200	500
Air Force	602,100	9,430	6,430	4,400
Total	2,178,100	25,630	17,630	14,900

The strength increases the committee approved are associated directly with the manning of ships in the Navy and with force structure modernization in the Air Force—for example, such programs as the B-1B bomber, air-launched cruise missile, and ground-launched cruise missile.

As cited earlier, the committee made a reduction of $4 billion from the pay and pension accounts, and directed the Defense Department to draft language altering the military retirement program to conform to the lowered amount.

Military retirement is administered through a trust fund. Each year, the services pay into the trust fund an amount sufficient to cover the pension obligations taken on for the persons joining the military in that year. The trust fund, meanwhile, is paying out funds to current retirees.

The retirement reduction adopted by the committee will have no impact on anyone currently retired or currently serving in uniform. Benefits will be changed only for those who enter the service after the date of enactment of the new retirement program. The amount in the budget request for payment into the trust fund was $18.2 billion; therefore, the $4 billion reduction will equate to a reduction in benefits of about 22 percent.

The Pentagon was directed to submit its draft of new retirement legislation as quickly as possible for enactment by Congress. It was also directed to look at reform proposals that would have the effect of encouraging longer careers by service personnel.

While reducing retirement benefits, the committee raised benefits available to active-duty personnel. The bill includes about $1.4 billion in additional benefits, mostly for what are commonly called family programs. Half of the additional money will go to better compensate service personnel for the costs incurred when they are transferred from one installation to another.

The committee also voted to change the title of one-star flag officers in the Navy. For many decades, these officers were known as rear admirals—lower half. In 1980, this was changed to commodore admiral, and soon thereafter, to commodore.

The Navy objected that the term commodore is not standard, in that few navies use the title. However, a check of the NATO equivalent rank chart shows that of the 11 NATO countries with a one-star naval rank, 6 use the term commodore, 2 use the term contre admiral, while the remaining 3 use other terms. Germany uses Flotillenadmiral, Greece uses archipliarchos, and Turkey uses tugamiral.

While some consideration was given to identifying one-star U.S. Navy officers as tug admirals, the committee decided to return to the old standard American term, rear admiral—lower half.

CIVIL DEFENSE

The budget approved for fiscal year 1985 for civil defense was $181 million. The request for 1986 is $119 million—a reduction of one-third based on a new policy to shift those programs still 100 percent federally funded to a 50-50 matching basis with the States. The calendars of many State legislatures make it impossible for them to act in time. Therefore, the committee added $22 million to the request to allow adequate time for the States to convert to the new matching system.

DEPARTMENT OF ENERGY NUCLEAR PROGRAMS

The committee reduced the request of $7,959 million by a net of $241 million. The major change was the addition of $145 million to restore R&D work on the Inertial Confinement Fusion Program and $13.3 million to restore R&D work on the plasma separation process.

A total of $175 million in new and ongoing construction projects were deferred due to budgetary constraints. A few were accelerated: An instrumentation systems laboratory at Albuquerque, NM; and an environmental cleanup facility at Livermore, CA. The basic weapons research and development activities were preserved with no real growth.

CIVILIAN PAY

The House Armed Services Committee does not act on civilian pay raises. They are handled by the Post Office and Civil Service Committee. This bill necessarily includes the administration request for a 5-percent civilian pay cut. Any later action by the Congress to change that will automatically increase the authorizations provided in this bill.●

HOUSE OF REPRESENTATIVES—*Monday, May 13, 1985*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mr. Wright].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

Washington, DC,
May 9, 1985.

I hereby designate the Honorable Jim Wright to act as Speaker pro tempore on Monday, May 13, 1985.

Thomas P. O'Neill, Jr.,
Speaker of the House of Representatives.

PRAYER

Rev. Edward Gardiner Latch, D.D., L.H.D., former Chaplain of the House of Representatives, offered the following prayer:

You shall do that which is right and good in the sight of the Lord.—Deuteronomy 6:18.

Eternal God, our Father, on this day of days when we assemble with our former companions we pause in your presence to offer unto You the gratitude of our hearts, to receive the ministry of Your grace and to listen to Your quiet voice. You are ever calling us to live with You and to work for You to keep justice and freedom and good will alive in our world. Prosper us in our planning, encourage us in our endeavors, and strengthen us as we step forward for the good of our country and the benefit of the world in which we live.

We pray for our President, our Speaker, the Members of this body, past and present, and for all who labor with them on Capitol Hill. Together may they lead our people in right paths, toward great goals, by noble means, and doing it all with clean minds and pure hearts. To this end we commit ourselves to the guidance of Your spirit for the greater good of our Nation and the brighter benefit of all mankind. Amen and amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 9, 1985, the Chair declares the House in recess, subject to the call of the Chair, to receive the former Members of Congress.

Accordingly (at 11 o'clock and 4 minutes a.m.), the House stood in recess subject to the call of the Chair.

RECEPTION OF FORMER MEMBERS OF CONGRESS

The SPEAKER pro tempore (Mr. Wright) presided.

The SPEAKER pro tempore. May I say on behalf of the House, and then I should like to recognize the gentleman from Mississippi [Mr. Lott], to make such comments as he might desire, what a wonderful pleasure it is for us on this day of days to welcome so many of you whose faces are so familiar to us back into this historic Chamber.

You renew our youth as we look out and see you looking so well; you bring back many nostalgic memories, trips taken together, committee sessions held together, conference committees endured together, and so many wonderful memories of things that have gone on.

I understand today that you are honoring a former colleague, former Senator "Bill" Fulbright in a very special way.

I should like to express my own recollections about "Bill" Fulbright.

I first became aware of him when I was in the service in 1943, perhaps it was early 1944, when I was in Australia and would get the abbreviated edition of Time magazine.

I discovered that it was his penmanship that had reduced to an acceptable bit of language a commitment for the United States following that terrible war to accept its responsibilities in the world and not to walk away as it had done following World War I and refused to participate with the other nations of the world.

There had been a Ball and a Burton and a Hill and a Hatch and others who had tried to formulate language. I remember reading that "Bill" Fulbright, then a freshman Member of the House, as I recall, had succeeded in doing that and someone asked him, I think it was about a 25-word declaration that became bipartisan in acceptance, someone asked him how long it had taken him to write it, and Mr. Fulbright said, characteristically, in his somewhat philosophical way, "I think perhaps about 25 years."

Well, he spent more than 25 years among us as did others here and many, many things have happened as a result.

I welcome you on behalf of the House and our colleagues and I will yield at this time and recognize the gentleman from Mississippi, the acting minority leader, Mr. Lott.

Mr. LOTT. I thank the gentleman for yielding.

Mr. Speaker, I would like to join on behalf of the Members on this side of the aisle in the House of Representatives, on behalf also of "Bob" Michel, our leader, who could not be here today, in extending a bipartisan welcome to our former Members who are here today.

It is good to see so many of you back.

I have done this on a couple of other occasions for our leader, and I have noticed that I am getting a little nervous, actually, because there are more and more of you here as former Members with whom I served, even though this is only my 13th year. I think about half of you here in the Chamber today I have had the pleasure of serving with. I do not know whether that is a message to you or a message to me.

But I will tell you, your ears should be burning because we have been talking a lot about you lately as we get into our various rigors of serving in the House of Representatives.

There are a number of us that somewhat look longingly at you when you come back and look rested, tanned, prosperous, and we wonder whether maybe there really is life after service in the House. That is a fleeting thought; do not mistake me at all. But some of us have been talking a little bit about this tremendous talent, some tremendous people on both sides of the aisle who have served in this House over the years and have gone on to other employment, other avocations in life. We would like maybe to call on you to help us with some of the prickly problems that we deal with in the House. Maybe as we look at trying to find ways to deal with such problems as contested elections or Rules of the House, maybe we could call back a gentleman like the gentleman from Arizona, Mr. Rhodes, or the former distinguished chairman of the Committee on Rules, Mr. Bolling; some of you gentleman could come back and help us confront these problems.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Maybe we should have some former Members, some present Members, and some prospective Members who could sit with us and help us deal with these problems on House reform and contested elections, budget reform and maybe former Members in a bipartisan effort would help to remove some of the partisanship and could give us a clearer vision of where we have been, but more importantly where we should be going.

So we may be calling on you. Maybe through the Republican Research Committee, we may ask for a task force that would include people like Jerry Ford and John Rhodes and John Rousselot and Dick Bolling and others, to give us some guidance and some counsel of your past experiences.

I am pleased to be here on this occasion, to see good friends again, and thank you for what you've done in the past and warn you that we may be calling on you for the future.

We are glad to have you here, and we will look forward to visiting with you the rest of the day and in the future, and Mr. Speaker, the gentleman from Texas, I appreciate your yielding for my opportunity to participate in this activity today.

The **SPEAKER** pro tempore. I am going to ask the Clerk to call the roll of former Members of the Congress, but first I am going to ask if John Rhodes of Arizona might like to come and sit here. I remember he said once, on a famous occasion, "I've had my eye on that chair for a long time," and I remember Speaker O'NEILL said, "John, that's all you'll ever get on it."

Now, I wonder if you would like to come and sit here, John, and preside over this occasion.

Mr. **RHODES** (presiding). Mr. Speaker, I thank you for this great honor. Speaker O'NEILL did this a year ago, as you may recall, and he gave me the same quote which he had given me before, and he was absolutely correct. I have had my eye on this chair, and before long, I am going to put something else on it, thanks to you.

The Chair recognizes the gentleman from Mississippi [Mr. LOTT].

Mr. **LOTT**. Mr. Speaker, I would like to say what a great pleasure it is to see the distinguished gentleman from Arizona in that chair. It really seems to become him. He may want to reconsider and maybe rejoin his old ranks, but also to say that I hope that the gentleman from Texas will be so generous and make the same offer to me when he returns to the chair later today.

Mr. **RHODES** (presiding). The Chair directs the Clerk to call the roll of former Members of Congress.

The Clerk called the roll of former Members of Congress, and the following former Members answered to their names:

ROLLCALL OF FORMER MEMBERS OF CONGRESS ATTENDING 15TH ANNUAL SPRING MEETING, MAY 13, 1985

Hugh Q. Alexander of North Carolina;
William H. Avery of Kansas;
William H. Ayres of Ohio;
Lamar Baker of Tennessee;
Laurie Battle of Alabama;
J. Glenn Beall, Jr. of Maryland;
John Blatnik of Minnesota;
John Buchanan of Alabama;
J. Caleb Boggs of Delaware;
David R. Bowen of Mississippi;
Daniel B. Brewster of Maryland;
Charles B. Brownson of Indiana;
William T. Cahill of New Jersey;
Elford A. Cederberg of Michigan;
Charles E. Chamberlain of Michigan;
Don Clausen of California;
James C. Cleveland of New Hampshire;
Jeffery Cohelan of California;
Albert M. Cole of Kansas;
W. Sterling Cole of New York;
David Cornwell of Indiana;
James Coyne of Pennsylvania;
William C. Cramer of Florida;
Paul W. Cronin of Massachusetts;
David Dennis of Indiana;
William Jennings Bryan Dorn of South Carolina;
Michael A. Feighan of Ohio;
L. H. Fountain of North Carolina;
J. Allen Frear, Jr. of Delaware;
J. W. Fulbright of Arkansas;
Edward A. Garmatz of Maryland;
Harlan Hagen of California;
Robert P. Hanrahan of Illinois;
James Harvey of Michigan;
Wayne L. Hays of Ohio;
Jack Hightower of Texas;
Chet Holifield of California;
A. Oakley Hunter of California;
Roman L. Hurska of Nebraska;
August E. Johansen of Michigan;
Jed Johnson, Jr. of Oklahoma;
Walter H. Judd of Minnesota;
Horace R. Kornegay of North Carolina;
Theodore R. Kupferman of New York;
John V. Lindsay of New York;
Robert McClory of Illinois;
Ray J. Madden of Indiana;
George Meader of Michigan;
D. Bailey Merrill of Indiana;
John S. Monagan of Connecticut;
William S. Moorhead of Pennsylvania;
Thomas E. Morgan of Pennsylvania;
Frank E. Moss of Utah;
F. Jay Nimtz of Indiana;
Alvin E. O'Konski of Wisconsin;
Shirley N. Pettis of California;
James M. Quigley of Pennsylvania;
Henry S. Reuss of Wisconsin;
John J. Rhodes of Arizona;
J. Kenneth Robinson of Virginia;
John M. Robsion, Jr. of Kentucky;
J. Edward Roush of Indiana;
John Rousselot of California;
Fred D. Schwengel of Iowa;
William L. Scott of Virginia;
Armistead Selden of Alabama;
Carlton R. Sickles of Maryland;
Alfred Sieminski of New Jersey;
Henry P. Smith III of New York;
William L. Springer of Illinois;
Lynn Stalbaum of Wisconsin;
Roy A. Taylor of North Carolina;
John H. Terry of New York;
Herbert Tenzer of New York;
Charles A. Vanik of Ohio;
Charles W. Whalen, Jr. of Ohio;
Larry Winn, Jr. of Kansas;
Ralph W. Yarborough of Texas.

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Mr. **RHODES** (presiding). The Chair would like to invite those former Members who did not respond when the roll was called, or whose names were not called, to go give their names to the reading clerk so that they may be included in the roll.

The Chair wishes to thank the other former Members of the House for their presence here today.

The Chair now recognizes the distinguished president of the U.S. Association of Former Members of Congress, the former Senator from Maryland, J. Glenn Beall.

Mr. **BEALL**. I thank the Speaker. I must say that the gentleman looks very natural in the chair.

Mr. Speaker, former Members of the Congress and sitting Members of the Congress, we are genuinely pleased to be back in the Capitol today, and we are highly honored that the majority leader, Mr. WRIGHT, and the minority whip, Mr. LOTT, and the Members who are on the floor this morning are sharing this occasion with us.

We are grateful to you Mr. Speaker, and to the minority leader, Congressman BOB MICHEL, for arranging this visit so that we can present, in person, the annual report to the Congress required by our Federal charter.

As you know, the U.S. Association of Former Members of Congress is a nonprofit, educational, research, and social organization. Launched 15 years ago by cofounders, Dr. Walter H. Judd, who is here with us today, and the late Brooks Hays, the membership is now more than 600. Each Member has served in either the U.S. Senate or the House of Representatives, and some have served in both.

When Congress granted a Federal charter to the association, it gave official approval to our purpose. Our main reason for being is to promote the cause of representative government by improving public understanding of the Congress, as an institution, and of democracy as a system of public life.

The association is bipartisan. We select one-half of our Board of Directors from Republican members and one-half from Democratic members. We also balance our officers in the same way and between the 500 former

House Members and the 100 former Senators who form the association.

We come from many places throughout the country. A good number of us are now active in business, professional, or other pursuits, but we continue to have one interest in common: The pursuit of ways to be of service to the institutions of a free society.

Let me assure the current Members of Congress that our association has not come back to Capitol Hill today on a recruiting mission. We wish you as long an active legislative life as you desire. But we promise, Mr. Speaker, to give a warm welcome and to provide opportunities for service on behalf of our country to any Member of Congress who chooses to join us in the future. For those who, like yourself, have announced or are contemplating retirement, we are ready to receive you with rewarding friendships and useful activities.

It is on those activities that I wish to report to you at this time. With encouragement from you and the chairmen of the two foreign policy committees, we have expanded our activities to include a liaison service in this country for members of foreign parliaments and other foreign dignitaries who visit the United States. This new service of the association, as combined protocol and surrogate host, is being funded by a 2-year grant of $135,250 from the Ford Foundation. We hope that the endeavor is the basis for lightening the burden of protocol on those who are already overburdened. At the same time this service makes it possible to extend a warmer welcome and to enhance the utility of visits from the members of legislative bodies of other nations.

I am pleased to report, and I know the Congress will be happy to learn, that our Congressional Fellows Program is growing in scope and content. This program makes available congressional alumni for brief visits to colleges and universities throughout the Nation. It provides both faculties and students with an insider's view, so to speak, of their government, and especially their Congress. Initiated over 6 years ago, the program is being warmly and widely received as an enriching educational experience. Visits have now been completed to 176 campuses in 49 States. These visits have been made possible by support from institutions such as the Charles Stewart Mott Foundation, as well as the universities and colleges themselves.

In previous years, our then presidents, Charles E. Chamberlain and Frank E. Moss, reported on the initiation of an international campus fellows program with a grant from the Ford Foundation. We began by bringing four former Parliamentarians—Alan Lee Williams of the United Kingdom, Georg Kahn-Ackermann of the Federal Republic of Germany, former Minister Alastair Gillespie of Canada and Dr. Jacques Soustelle of France—to participate in seminars at 20 of our colleges from coast to coast. During the present academic year, with support from the Rockefeller Foundation, we have programmed visits for an additional four parliamentarians from other democracies who will meet with American college students, faculty, and townspeople. Visits have been completed by Dr. Celio Borja of Brazil, Peter von der Heydt of Germany, and Karin Hafstad of Norway. A program is being set up for next fall for Harri Holkeri, a former member of the Finnish Parliament. These foreign legislators provide a resource heretofore unknown particularly on many of the smaller American campuses and they contribute to a greater understanding of other countries among students, faculty, and in local communities. On the reverse side of this coin, with financial support from the Exxon Education Foundation, the Japan-U.S. Foundation and other sources, we have also begun to send former Members to foreign campuses. Last year, for example, former Representative Catherine May Bedell and Senator Frank Moss visited a half-dozen campuses in Japan.

Mr. Speaker, I have here a list of the colleges and universities visited by our U.S. Congressional Fellows together with the names of the former members who were fellows at these campuses. I believe it would be of interest to the current Members of Congress, many of whose States and districts are reflected in the list. I am including it for the RECORD and also some of the comments we have received from the campuses as well as a list of the sponsors who have made our work possible.

COLLEGES AND UNIVERSITIES VISITED UNDER THE CONGRESSIONAL ALUMNI CAMPUS FELLOWS PROGRAM

COLLEGE/UNIVERSITY, STATE, AND FELLOW

Alaska Pacific University, Alaska, William S. Mailliard (California).

Albion College, Michigan, David S. King (Utah).

Albion College, Michigan, Ted Kupferman (New York).

Albion College, Michigan, Martha Keys (Kansas).

Alfred University, New York, Frank E. Moss (Utah).

Arizona State University, Arizona, Gale W. McGee (Wyoming).

Arizona State University, Arizona,[1] Jacques Soustelle (France).

Assumption College, Massachusetts, Gale W. McGee (Wyoming).

Atlanta University [2], Georgia, William Mailliard (California).

Atlanta University [2], Georgia, William Hungate (Missouri).

Auburn University, Alabama, William L. Hungate (Missouri).

Avila College [1], Kansas, Karin Hafstad (Norway).

Bainbridge Jr. College, Georgia, Gilbert Gude (Maryland).

Baylor University, Texas, James Roosevelt (California).

Baylor University [1], Texas, Peter von der Heydt (Germany).

Bradley University, Illinois, Charles W. Whalen, Jr. (Ohio).

Brandeis University, Massachusetts, Abner J. Mikva (Illinois).

Brandeis University, Massachusetts, L. Richardson Preyer (N. Carolina).

Brenau College, Georgia, Ralph W. Yarborough (Texas).

Brigham Young University [1], Utah, Jacques Soustelle (France).

California Poly. State, California, Frank E. Evans (Colorado).

Cameron University, Oklahoma, William L. Hungate (Missouri).

Cameron University, Oklahoma, Dick Clark (Iowa).

Carleton College, Minnesota, William S. Mailliard (California).

Carroll College, Montana, Ralph. W. Yarborough (Texas).

Chaminade College, Hawaii, Catherine M. Bedell (Washington).

Chatham College, Pennsylvania, Catherine M. Bedell (Washington).

Chatham College, Pennsylvania, Martha Keys (Kansas).

Clarke College,[2] Georgia, William Hungate (Missouri).

Colgate University, New York, William S. Mailliard (California).

College of the Sequoias, California, Gale W. McGee (Wyoming).

Colorado State University,[1] Colorado, Alastair Gillespie (Canada).

Columbia College, South Carolina, Catherine M. Bedell (Washington).

Columbia College, South Carolina, Martha Keys (Kansas).

Concordia College, Michigan, Walter H. Moeller (Ohio).

Connecticut College, Connecticut, Ralph W. Yarborough (Texas).

Converse College, South Carolina, Jed Johnson, Jr. (Oklahoma).

Dartmouth College, New Hampshire, John O. Marsh, Jr. (Virginia).

Dartmouth College, New Hampshire, William S. Mailliard (California).

Davis & Elkins College, West Virginia, Frank E. Moss (Utah).

Davis & Elkins College, West Virginia, J. Glenn Beall, Jr. (Maryland).

Denison University, Ohio, Frank E. Moss (Utah).

DePauw University, Indiana, Hugh Scott (Pennsylvania).

Dillard University,[1] Louisiana, Georg Kahn-Ackermann (Germany).

Doshisha University,[2] Japan, Catherine May Bedell (Washington).

Duke University,[1] North Carolina, Georg Kahn-Ackerman (Germany).

Eckerd College, Florida, William L. Hungate (Missouri).

Elmira College, New York, Charles W. Whalen, Jr. (Ohio).

Friends University, Kansas, Henry P. Smith, III (New York).

Furman University, South Carolina, Jed Johnson, Jr. (Oklahoma).

Georgetown University,[1] District of Columbia, Celio Borja (Brazil).

Grinnell College, Iowa, Neil Staebler (Michigan).

Guilford College, North Carolina, Gale W. McGee (Wyoming).

Gustavus Adolphus College, Minnesota, Charles W. Whalen, Jr. (Ohio).

Hamilton College, New York, William S. Mailliard (California).

Hartwick College, New York, Ralph W. Yarborough (Texas).

Hiram College, Ohio, Howard H. Callaway (Georgia).

Hiram College, Ohio, Roman L. Hruska (Nebraska).

Hope College, Michigan, Walter H. Judd (Minnesota).

Hope College, Michigan, Gale W. McGee (Wyoming).

Hope College, Michigan, Catherine M. Bedell (Washington).

Idaho State University, Idaho, John R. Schmidhauser (Iowa).

Indiana State University, Indiana, Gordon Allott (Colorado).

Indiana Univ. Northwest, Indiana, Neil Staebler (Michigan).

Indiana Univ. Northwest, Indiana, William L. Hungate (Missouri).

Jackson State University, Mississippi, Allard K. Lowenstein (New York).

Johns Hopkins University, Maryland, Hugh Scott (Pennsylvania).

Johns Hopkins University,[1] District of Columbia, Celio Borja (Brazil).

Kansai University,[3] Japan, Frank E. Moss (Utah).

Kansas-Newman College, Kansas, Henry P. Smith, III (New York).

Kansas State University, Kansas, Paul N. McCloskey, Jr. (California).

Keio University,[3] Japan, Frank E. Moss (Utah).

King College, Tennessee, Charles W. Whalen, Jr. (Ohio).

King's College, Pennsylvania, Philip Hayes (Indiana).

Kirkland College, New York, William S. Mailliard (California).

Kwansei Gakuin University,[3] Japan, Frank E. Moss (Utah).

LaGrange College, Georgia, Ralph W. Yarborough (Texas).

Lake Forest College, Illinois, Ralph W. Yarborough (Texas).

Lindenwood College, Missouri, Gaylord Nelson (Wisconsin).

Longwood College, Virginia, Paul W. Cronin (Massachusetts).

Luther College, Iowa, Gilbert Gude (Maryland).

McNeese University, Louisiana, William S. Mailliard (California).

Marshall University, West Virginia, John J. Gilligan (Ohio).

Mary Hardin Baylor, Texas, Brooks Hays (Arkansas).

Matanuska-Susitna Community College, Alaska, William L. Hungate (Missouri).

Mesa Community College, Arizona, Gale W. McGee (Wyoming).

Miami University-Middletown, Ohio, James Roosevelt (California).

Miami University-Middletown, Ohio, James W. Symington (Missouri).

Mid-America Nazarene, Kansas, John Dellenbeck (Oregon).

Millsaps College, Mississippi, Allard K. Lowenstein (New York).

Montclair State College, New Jersey, Walter H. Judd (Minnesota).

Montclair State College, New Jersey, Ralph W. Yarborough (Texas).

Moorehead State University, Kentucky, Dan Kuykendall (Tennessee).

Morehouse College,[2] Georgia, William Mailliard (California).

Morehouse College,[2] Georgia, William Hungate (Missouri).

Morris Brown College,[2] Georgia, William Mailliard (California).

Morris Brown College,[2] Georgia, William Hungate (Missouri).

Mount Vernon College, District of Columbia, Martha Keys (Kansas).

Murray State University, Kentucky, Brooks Hays (Arkansas).

Nanzan University,[3] Japan, Catherine May Bedell (Washington).

New York University, New York, George McGovern (S. Dakota).

Northern Illinois University, Illinois, William L. Hungate (Missouri).

Northern Kentucky University, Kentucky, Martha Keys (Kansas).

North Park College,[1] Illinois, Karin Hafstad (Norway).

Northwestern University, Illinois, Karin Hafstad (Norway).

Oklahoma State University, Oklahoma, Ralph W. Yarborough (Texas).

Oregon State University, Oregon, Martha Keys (Kansas).

Otterbein College, Ohio, James Roosevelt (California).

Randolph-Macon College, Virginia, Gale W. McGee (Wyoming).

Randolph-Macon College, Virginia, Hugh Scott (Pennsylvania).

Rockhurst College, Kansas, Karin Hafstad (Norway).

Rose Hulman Institute of Technology, Indiana, Gordon L. Allott (Colorado).

St. Cloud State University, Minnesota, Charles W. Whalen, Jr. (Ohio).

St. Lawrence University, New York, Roman L. Pucinski (Illinois).

St. Mary-of-the-Woods, Indiana, Gordon L. Allott (Colorado).

St. Mary's College, Indiana, Gale W. McGee (Wyoming).

St. Michael's College, Vermont, Walter H. Judd (Minnesota).

St. Norbert's College, Wisconsin, Martha Keys (Kansas).

St. Olaf College, Minnesota, William S. Mailliard (California).

Salem College, North Carolina, Martha Keys (Kansas).

Sangamon State University, Illinois, Andrew J. Biemiller (Wisconsin).

Sangamon State University, Illinois, Martha Keys (Kansas).

Sangamon State University, Illinois, Alan Lee Williams (United Kingdom).

Sangamon State University,[1] Illinois, Alastair Gillespie (Canada).

Siena College, New York, Frank E. Moss (Utah).

Southeast Community College, Kentucky, Donald E. Lukens (Ohio).

Southern Illinois University, Illinois, John R. Schmidhauser (Iowa).

Southwestern College, Kansas, Henry P. Smith III (New York).

Spelman College,[2] Georgia, William Mailliard (California).

Spelman College,[2] Georgia, William Hungate (Missouri).

SUNY-Binghamton, New York, John B. Anderson (Illinois).

SUNY-Plattsburg, New York, Richardson Preyer (North Carolina).

State University of Oswego, New York, Martha Keys (Kansas).

Syracuse University, New York, Charles W. Whalen, Jr. (Ohio).

Talladega College, Alabama, Ted Kupferman (New York).

Tougaloo Southern Christian College, Mississippi, Allard K. Lowenstein (New York).

Transylvania University, Kentucky, James M. Quigley (Pennsylvania).

U.S. Air Force Academy,[1] Colorado, Alan Lee Williams (Great Britain).

U.S. Coast Guard Academy, Connecticut, Ralph W. Yarborough (Texas).

U.S. Naval Academy, Maryland, John S. Monagan (Connecticut).

U.S. Naval Academy, Maryland, William S. Mailliard (California).

U.S. Naval Academy,[1] Maryland, Alan Lee Williams (Great Britain).

University of Alaska, Alaska, William L. Hungate (Missouri).

University of Alaska, Alaska, William S. Mailliard (California).

University of Arizona,[1] Arizona, Celio Borja (Brazil).

University of Arkansas, Arkansas, Gale W. McGee (Wyoming).

University of Arkansas, Arkansas, Frank E. Moss (Utah).

University of Arkansas, Arkansas, Charles W. Whalen, Jr. (Ohio).

University of California—Berkeley, California, Henry S. Reuss (Wisconsin).

University of California—Berkeley, California, Newton I. Steers, Jr. (Maryland).

University of Delaware, Delaware, John J. Gilligan (Ohio).

University of Delaware, Delaware, Henry S. Reuss (Wisconsin).

University of Georgia,[1] Georgia, Georg Kahn-Ackerman (Germany).

University of Georgia,[1] Georgia, Otis Pike (New York).

University of Maine-Orono, Maine, John Rhodes (Arizona).

University of Michigan-Flint, Michigan, Gale McGee (Wyoming).

University of Nevada, Nevada, Gale W. McGee (Wyoming).

University of New Mexico,[1] New Mexico, Alastair Gillespie (Canada).

University of New Mexico,[1] New Mexico, Celio Borja (Brazil).

University of New Orleans,[1] Louisiana, Georg Kahn-Ackerman (Germany).

University of New Orleans,[1] Jacques Soustelle, France (France).

University of North Dakota, North Dakota, Neil Staebler (Michigan).

University of Oklahoma, Oklahoma, Catherine M. Bedell (Washington).

University of Oregon, Oregon, Martha Keys (Kansas).

University of Redlands, California, Catherine M. Bedell (Washington).

University of South Carolina,[1] South Carolina, Alan Lee Williams (United Kingdom).

University of South Carolina, South Carolina, Gale W. McGee (Wyoming).

University of South Dakota, South Dakota, William L. Hungate (Missouri).

University of Texas,[1] Texas, Alastair Gillespie (Canada).

University of Texas,[1] Texas, Celio Borja (Brazil).

University of Utah, Utah, Robert N. Giaimo (Connecticut).

University of Utah,[1] Utah, Jacques Soustelle (France).

University of Utah,[1] Utah, Alan Lee Williams (United Kingdom).

University of Washington,[1] Washington, Alan Lee Williams (United Kingdom).

University of West Virgina,[1] West Virginia, Georg Kahn-Ackerman (Germany).

University of West Virginia,[1] West Virginia, Jacques Soustelle (France).

University of Wisconsin,[1] Wisconsin, Georg Kahn-Ackerman (Germany).

University of Wyoming, Wyoming, Frank E. Moss (Utah).

Urbana College, Ohio, David S. King (Utah).

Vanderbilt University, Tennessee, Ralph W. Yarborough (Texas).

Vanderbilt University, Tennessee, Celio Borja (Brazil).

Virginia Military Institute, Virginia, Gale W. McGee (Wyoming).

Wake Forest University, North Carolina, William L. Hungate (Missouri).

Wake Forest University,[1] North Carolina, Georg Kahn-Ackerman (Germany).

Washington & Lee University, Virginia, Gale W. McGee (Wyoming).

Wayne State College, Nebraska, Gale W. McGee (Wyoming).

Westmont College, California, Ronald A. Sarasin (Connecticut).

Wheaton College, Massachusetts, Charles A. Vanik (Ohio).

Whitman College, Washington, Frank E. Moss (Utah).

William & Mary College, Virginia, Hugh Scott (Pennsylvania).

[1] International project funded by the Ford and Rockefeller Foundations for visit of Parliamentarians from the United Kingdom, Germany, France, Canada, Brazil, Norway and Finland.

[2] These were part of a set of visits to the Atlanta University Consortium.

[3] Pilot project funded by Exxon Education Foundation.

Sample Comments on 1984 Congressional Fellows Program

"We were absolutely delighted with James Symington. We worked him hard, perhaps too hard . . . Comments I have received have all been positive. Faculty members found him well-informed, students found him to be an effective and personable lecturer . . . We look forward to participating in the program next year."—Eugene Bennett, Executive Director, Miami University-Middletown, Middletown, Ohio, March 29, 1984.

"Having Pete McCloskey on our campus was a most enriching experience for us. The faculty and students have all expressed how important and positive his visit was for everyone . . . His insights into the Middle East were also appreciated. He provided a rare opportunity for Kansas State University students to learn and interact with someone with a wide range of political experience."—Naomi B. Lynn, Professor and Head, Department of Political Science, Kansas State University, Manhattan, Kansas, April 23, 1984.

"I also want to add my personal commendation for the remarkable leadership which Catherine Bedell gave to this seminar group. The students were overwhelmed with her as a person and impressed with her knowledge of the workings of government, the global issues of trade and international relations, the role of corporations nationally and internationally, the domestic issues such as gender bias. She gave herself to the group totally, and they exploited her intellectually and personally with endless questions and discussion."—Mrs. Audrey E. Maehl, Associate Director, Scholar-Leadership Enrichment Program, The University of Oklahoma, Norman, Oklahoma, May 9, 1984.

"I should like to express the appreciation of the various academic programs of the University of Alaska, Anchorage for Judge Hungate's stimulating exchanges with students and faculty during his visit as a Congressional Fellow last month. The opportunity to listen to and talk with a legislator of his deep experience gave life to the processes of the U.S. Congress, the judicial system, and political life in general."—Dr. John A. Brownell, Vice Chancellor for Academic Affairs, University of Alaska, Anchorage, Alaska, May 17, 1984.

"Martha Keys, our first 'Politician-In-Residence' at St. Norbert College, was largely responsible for our program being so very successful in its first year. She also participated in our Model Congressional session which we sponsor for Wisconsin high school students. Her in-depth knowledge on some of the significant issues of the day, warm personality, rapport with students and faculty and general professionalism were the key ingredients for success during her visit."—Dr. David G. Wegge, Assistant Professor of Political Science, St. Norbert College, DePere, Wisconsin, May 24, 1984.

"We had an excellent visit from Mr. John Rhodes last week on this campus . . . Feedback from the visit has been very favorable from both faculty and students. Mr. Rhodes provided us with new and important insights on national politics, especially the Congress. We really had an enjoyable time, and we hope he did, too."—Kenneth T. Palmer, Interim Chair, University of Maine at Orono, Orono, Maine, October 1, 1984.

"Students, faculty and staff enjoyed and learned from Gale McGee's visit, and join in sending thanks to you and him . . . It was very useful. He captivated the class and held their interest. I heard students discussing his talks afterwards. His synopsis of 50 years of American foreign policy was very helpful to students. We should definitely invite another former Member of Congress lecturer."—Douglas Kelley, Assistant to the Provost, the University of Michigan-Flint, Flint, Michigan, October 18, 1984.

Together with the Atlantic Council, the association has sponsored a bipartisan study of the Nation's foreign policy machinery. Former Senator and Secretary of State, Edmund S. Muskie has served with Ambassador Kenneth Rush as cochairman of the study. A bipartisan group of our Members joined with former Secretaries of State and other former executive branch officials, and prominent scholars in government affairs to undertake this nonpartisan examination. The results of the study which was codirected by Frank Valeo, former Secretary of the Senate and the late Dr. Francis O. Wilcox, with Kenneth Thompson as rapporteur, have just been published in a 20,000 word report. Copies of the report and recommendations will be made available shortly to the executive branch, the Congress, and the public.

The association's participation in the study was made possible by grants from the Ford Foundation, the Lilly Endowment and other sources.

A comparative study of the German Bundestag and the U.S. Congress described in our earlier reports to this body is now nearing completion. The concluding conference will be held at Wingspread, the Johnson Foundation Conference Center near Racine, WI, in September of this year. The final work will be published in the languages of both countries, as was done with our widely distributed comparative study of the Japanese Diet and the U.S. Congress several years ago. This project has been supported by funding from many sources including the German Ministry of Research and Technology, the U.S. National Endowment for the Humanities, and the Friehrich Naumann Foundation of the Federal Republic of Germany.

Our international activity has increased very rapidly, with requests coming from both governmental and private institutions here and abroad to conduct studies or to help facilitate exchanges. Many of these relate to successor generation legislators in numerous countries and involve young government leaders. In short, Mr. Speaker, the association is now an instrument for the transmission of knowledge and democratic values, not only to young people on campuses and elsewhere in our own country and abroad, but also to younger legislators and other political leaders around the world. I might note, too, that the association has begun to establish liaison with counterparts in other countries. Our interaction with them is developing very fruitfully. The Italian and German associations, for example, are now part of a network of seven such associations in Western Europe, including Austria, Belgium, France, Switzerland, and the United Kingdom.

Following visits to Brazil during this past year by Bob Griffin of Michigan, Bill Mailliard of California, Gale McGee of Wyoming, and Frank Moss of Utah, a Brazilian former parliamentarians association was formed with several hundred members and is beginning its work from offices in their National Congress Building. And a resurgent association is now becoming active again in Argentina opening the possibility of an early formation of a Latin American network of such associations. At this moment, our colleagues Bill Mailliard and Gale McGee, both former Ambassadors to the Organization of American States, are in South America where they have been in contact with the Brazilian and Argentine associations and are meeting with current legislative leaders to help develop programs which will strengthen the restored democracies in those countries and in Uruguay.

Last month it was my pleasure to chair our third annual conference in Salzburg, Austria, between a bipartisan delegation of young Members of the U.S. Congress and a delegation of young members of the German Bundestag representing all the parties in that body. The subject was "Domestic and International Economic Policy Issues." To date, 28 current Members of the Congress have taken part in these conferences which are supported by the German Marshall Fund of the United States, among others. In commenting on the experience, one of the young Members of Congress has written:

> The entire occasion was very educational and has given me a much better understanding of many of the mutual concerns of West Germany and the United States, as well as

an understanding of the German parliamentary system.

I can assure you that the benefit for Bundestag members has been just as great.

This year, Mr. Speaker, we hosted 20 young German political activists, some of whom may become future members of the German Bundestag. In a program sponsored by the Presidential Youth Exchange Commission, we gave these young Germans a unique and extremely valuable exposure to the American political process. During the month before the election of 1984, they spent one-half their time observing the closely fought Senate race in the State of Illinois. Following this, they witnessed congressional contests in Missouri, Indiana, and Wisconsin.

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Mr. Speaker, to bring this report to a close, I should like to call your attention to a number of colleagues, most of whom were known to you, who have passed away since our last meeting in this Chamber. They served their country in their time and they will be sorely missed. And I would like to read the list of our departed colleagues at this time.

E. Ross Adair, Indiana; George D. Aiken, Vermont; Wayne N. Aspinall, Colorado; Howard M. Baldridge, Nebraska; J.H. Bottum, South Dakota; James A. Burke, Massachusetts; John W. Byrnes, Wisconsin; Louis J. Capozzoli, New York; Frank L. Chelf, Sr., Kentucky; Earle C. Clements, Kentucky; Harold D. Donohue, Massachusetts; Sam J. Ervin, Jr., North Carolina; Edwin D. Eshleman, Pennsylvania; Melvin H. Evans, Virgin Islands; Elizabeth P. Farrington, Hawaii; Homer Ferguson, Michigan; George A. Goodling, Pennsylvania; George M. Grant, Alabama; P.W. Griffiths, Ohio; Cecil M. Harden, Indiana; James C. Healey, New York; Louis B. Heller, New York; Frank E. Hook, Michigan; Craig Hosmer, California; Glen D. Johnson, Oklahoma; A. Paul Kitchin, North Carolina; Henry Cabot Lodge, Massachusetts; J. Carlton Loser, Tennnessee; Ernest W. McFarland, Arizona; Martin B. McKneally, New York; William H. Meyer, Vermont; George P. Miller, California; Charles A. Mosher, Ohio; Ralph J. Scott, North Carolina; Keith G. Sebelius, Kansas; Tom Steed, Oklahoma; Katherine St. George, New York; Glen H. Taylor, Idaho; William M. Tuck, Virginia; John Bell Williams, Mississippi; Charles H. Wilson, California; Chase Going Woodhouse, Connecticut; Milton R. Young, North Dakota; and Stephen M. Young, Ohio.

I would suggest that we now have a moment of silence in memory of these departed brethren, Mr. Speaker.

[A moment of silence was observed for departed Members.]

It is time now to make a very special presentation. Each year, the association's board of directors selects a person who exemplifies the spirit of the Congress and honors that person for a distinguished contribution to the Nation through service in the Congress. These awards are alternated between the parties and it is testimony to the vitality of our system that each of our parties provides many outstanding persons whose service can be regarded, readily, as worthy of such recognition. In today's presentation, it falls to me to honor a member of the other party. I do so with the deepest personal pleasure. We were colleagues in the Senate and I might add that our honoree came to the House in the same class with my father in 1943.

Much of his service in the Senate involved the Nation's relations with other countries. Even before the end of World War II, he sensed the great need for a durable peace and lent his energy and intellectual richness to the building of international institutions and activities which might contribute to that end. His name attaches to a great pioneering program of international exchange. Under that program, thousands of American scholars have gone abroad and have brought back, to share with the Nation, a deepened understanding of other cultures, their achievements in the arts and sciences and other human pursuits. And out of that gathered experience has come an enrichment of the life of this Nation. Similarly, foreigners have come to this country, learned about our strengths and shortcomings, our achievements and hopes. From this exchange program, in short, has come a continuing contribution to mutual enlightenment, tolerance and respect between ourselves and other nations, which, in the end, resides the hope for durable peace.

As chairman of the Senate Committee on Foreign Relations, he made that body a source of profound consideration of the great issues of foreign policy which confronted the Nation during the Kennedy, Johnson, Nixon, and Ford administrations, from the Cuban missile crisis to the war in Vietnam.

Yet for all of his concern with the Nation's survival and progress in a changing world, he never forgot his roots, his deep ties to the people. To a State which has had more than its share of deprivation and impoverishment, he brought a strong conviction of the power of education to change things for the better. By the same token, he brought his background as an educator into his long service in the Senate and helped us all to understand more clearly what confronted the Nation in an uncertain and changing world.

Mr. Speaker, and members of the Association of Former Members of Congress, and Members of Congress, it is a great honor and a great privilege to present the Association's 1985 Distinguished Service Award to Senator J. William Fulbright of Arkansas.

The SPEAKER pro tempore. The Chair recognizes the distinguished Senator from Arkansas, J. William Fulbright.

Mr. FULBRIGHT. Mr. Speaker, and former Members and Members, this is a very unexpected, I mean, unexpected 2 or 3 weeks ago, honor for me. All the time I was in the Congress I do not believe I ever heard such a nice speech made about me.

I am a little nervous, you know, when he kept calling that roll I kept wondering whether my name was going to be on it; those who had departed. Because I am getting a little old, too, as you probably may have heard. My poor wife, the one thing I regret about this day, it is a wonderful day for me, is that she is too ill to be here or to participate in it.

As I recall, the names which have been mentioned here, and as I see some of them here, naturally makes me want to reminisce, it was 42 years ago that I came to this House. I came very green: I had never served in the legislative bodies of my State. I had been a professor and an administrator at the university, et cetera, and it was a new experience, and I must say that I was overcome with curiosity and elation and excitement. It was a wonderful cultural shock to me coming from Fayetteville, AR, which was a rather small town at that time; it still is rather small. I had never been out of Arkansas until I had a scholarship abroad. So I knew very little until I came back.

It was a wonderful experience; that first year, when I was introduced to the various Members. In those days, we were told that it is better to be seen and not heard, and you were not supposed to make much noise.

I remember Clare Booth Luce, who came in the same time I did with a great reputation, and a very glamorous and attractive woman. She made a speech, a very violent speech, we thought, Democrats did, attacking Henry Wallace. I forget what it was, but she coined the word "globaloney"; it made a great impression.

I was talking to one of the senior Members, Luther Johnson from Texas, and I said, I thought that somebody ought to respond. I said, a senior Member, it was beneath his dignity to respond. Maybe as a freshman Member, because she had just come in the same day I had, it would be appropriate for me to respond. He said, "That is a good idea." So he encouraged me. I did respond; and, of course, she took me up right away on the misuse of the word "infer" as opposed to "imply." It demolished my speech because I did not use the language properly.

That made the headlines in Time magazine, which, as you know, was published by her husband. So I never did get a very good shake out of Time magazine from then on. But it was a great introduction, and mention was made of that by Jim of the short resolution. That was the first resolution I introduced.

I had been assigned to Foreign Affairs; in those days, it was that everybody recognized that was a very risky assignment. That is the last thing you want to get on if you want to stay in Congress.

Wilbur Mills was here then, and many of you served with him. He is still around. He was on Ways and Means and he had a good deal to do and, of course, I could not get on Appropriations or Ways and Means or Agriculture. He said, "You can get on Foreign Affairs; nobody wants to be on that because you do not last very long if you stay paying attention to foreign affairs."

Anyway, I took it, and out of that, those hearings were on lend-lease. I hope you will not mind if I reminisce a bit but many of you have forgotten about lend-lease. That was a big issue, and it was a lot of money, we thought, in those days.

I asked the question, and I did not get to ask a question very often because the time ran out in our hearings, Sol Bloom from New York was chairman, and he did not think freshmen ought to take up much of the time of the committee, either, but I asked him, "What are we going to get out of lend-lease?" and they could not say very well. They did not expect it to be repaid because after World War I it had not been. Those were war debts.

Anyway, that idea sort of prompted me to try that little resolution, which was adopted. Speaker Rayburn was very sympatheic. I must say, I never could be very partisan because Jim Wadsworth from New York, and Doc Eaton from New Jersey, both Republicans, they were the senior Republican Members, and Frances Bolton from Ohio. Some of you may remember Frances. She was an outstanding woman. They encouraged me. Sol Bloom, the chairman, thought it was presumptuous of a young freshman Congressman from Arkansas to offer any amendment, but Jim Wadsworth, it sort of tickled him. He was from New York, too. He had been a Senator, if you all remember, and he was defeated. He was one of the few examples like that, like CLAUDE PEPPER. By the way, CLAUDE PEPPER was my professor back in the 1920's. I will bet none of you knew that and CLAUDE is older than I am, I guess. He is the only one I can think of who is, around here. But I had a law class with CLAUDE PEPPER. Think of that. Good Lord, that is 60 years ago.

Jim Wadsworth and Doc Eaton both encouraged me. I think Jim did it because he wanted to devil old Sol Bloom, who was from New York City and was chairman, as usual. The House was Democratic then, as it still is, and Sol Bloom was not very popular with the Republican Members, as I assume they never are. But anyway, those two men helped me very much. They took sort of an interest in this young freshman and helped me. Of course, at that time there were a lot of people you may know. You have already mentioned Brooks Hays and Walter Judd, the two founders of this body. I may say that in those early days, I think at that time I took out a life membership. When I look back on it, I did not know I was going to live so long and it was a good investment. I advise all of you to take out a life membership. It is better than any other investment you can make. But it worked out very well.

Rayburn was very friendly. They all were. It was better than going to a college fraternity. It seemed to me they all wanted to be helpful in a constructive way, and I enjoyed it no end.

Mr. Speaker, I made a speech which I am not going to bore you with, but I would ask your indulgence to take excerpts from it, about Congress, one of the first public speeches I made away from this body, at the University of Chicago. I will include as part of my speech just three or four paragraphs for the RECORD, but I do not want to read it because it only tells you how good you are and important this House is, which I still think, but what I find remarkable about it is how early in my career in the Congress did I recognize how important the Congress is.

The speech excerpts follow:

> The legislator is an indispensable guardian of our freedom. It is true that great executives have played a powerful role in the development of civilization, but such leaders appear sporadically, by chance. They do not always appear when they are most needed. The great executives have given inspiration and push to the advancement of human society, but it is the legislator who has given stability and continuity to that slow and painful progress.
>
> The legislator may not often give us the inspired leadership which is necessary in the crises of human affairs, but he does institutionalize, in the form of law, those measures which mark the slow lifting of mankind up from the rule of tooth and claw. Like the stop on a jack, the legislator may not elevate our civilization, but he does prevent our slipping back into the tyranny of rule by brute force. Many Americans are impatient at the lack of vision and initiative of the Congress, but they should not forget that it is the Congress that stands between their liberties and the voracious instinct for power of the executive bureaucracy.
>
> An important responsibility of the legislature is to provide a check upon the tendency of the executive power of the state to become arbitrary and oppressive. It is not a mere coincidence that Hitler and Mussolini had the greatest contempt for legislatures and politicians. I am not sure that Stalin has a profound respect for his legislature. The legislature elected by the people is an indispensable adjunct of any system of self-government in which the freedom and integrity of the individual are of paramount concern. A state may become powerful under a dictatorship, but the people are oppressed. A properly functioning legislative body restrains the arbitrary power of the state. It permits the development of a climate in which the genius of individual human beings can flourish. For short periods in history, benevolent monarchs have fostered the arts and the humanities in small areas of the world, but invariably the power of the state falls into incompetent or tyrannical hands, and civilization disintegrates. With an effective legislature, there is a continuity of policy, which may not always be as enlightened as we might wish it to be, but it is never so oppressive as the naked executive power usually becomes.

When you read the polls today, the way they rate who is doing a good job as between the executive and the Congress, it sort of distresses me so much how ignorant our populace is, or whoever it is who answers those polls, because there is no comparison in the approval rate between the executive and the Congress, which is just exactly wrong if we wish to preserve a democratic system.

So I rather like that speech because it emphasized that. I made it within 2 or 3 years after I came into the Congress. So I think it would be appropriate if it could be included. The main thrust of it is, it really is the Congress, and the House of Representatives especially, and the Senate, that here we have them both, to provide stability and continuity to our Government. If we are really interested in preserving freedom, as we say we are, those are the most important bodies because they institutionalize in the form of laws the protections of our liberties and freedom.

Throughout history, the executives, and not just here, I mean in all countries, have tended, if there is oppression, it originates with the efforts of the executive to impose their will. So apparently the American people, at least those who respond to polls, do not recognize quite the significance that the institution of the Congress plays. They ought to be educated.

Unfortunately, television does not lend itself as well to the representation of a body of 535 Members as it does to the individual. Television seems to personalize everything and it is difficult for a House of this body or the Senate or together to use it. I introduced legislation that never got anywhere in the Senate, to provide for equal time for the Congress, the executive, the President, that whenever he takes 30 minutes of prime time, or whatever he takes, the Congress would be entitled to it. They got in a wrangle in the hearings, who is going to provide it, and so on, and I said, "Well, leave that up to the body. They work out their differences in conferences on other very controversial issues. Why could they not do it in this if you give them the opportunity and the incentive to do it? I think they could."

But anyway, all the television people, of course, opposed it. They had a lot of influence with the Members, and it did not get anywhere. I still think it is a good idea. I think some spokesman of the Congress ought to be able to use the same amount of free public prime time as the President does to keep the balance between the two. I am not trying to abolish the executive, but I just think that because of the appeal of television, it is tending to get out of balance more than it used to be.

But I think the Congress really has, out of all these Members here, you all know them, a greater diversity and I think originality, and many of the best ideas originate in the Congress. They have in the past and they will in the future, and its importance ought to be significantly increased and the people ought to be made to recognize how important it is. I know that what they tend to do is—obviously they approve of their own Congressman—but they tend to make a difference between the way they respect their own Congressmen and Representatives and the body as a whole. Why this is true I am not quite sure. It is not clear to me other than I have tried to think about it with regard to television.

But I have seen these polls that give the rating of Congress way down, which is really very distressing.

I do not wish to take too much time. I forget about the 5-minute rule, but I want to just mention and emphasize a little further one of the things that Glenn Beall, one of my old friends, mentioned, because the legislation originated in the Congress. The executive did not even know about it when it was introduced in the Senate on the exchange program, and the preservation of it has entirely been provided by the Congress.

Two or three times there have been efforts made either to reduce it, eliminate it, or to politicize it, and the Congress has come to the rescue. Even within the last 5 years there was a suggestion made from the executive to reduce the amount by about 50 percent. It was the Congress, the House and the Senate, who preserved it and who have, in fact, increased it.

I just want to emphasize that when you think of the amount of money that is being spent for our security, as they call it, the arms race, some $300 billion, and compare it with the cost of this program, which has been going now for nearly 40 years. It was introduced 40 years ago this year, the legislation was. It did not actually get into operation because there were various administrative tangles and questions that had to be resolved. So the first students who went away were assigned to China, which was the first government we made the agreement with. This was before the revolution, before we broke relations in 1949.

But during that period there was roughly, in round numbers, 150,000 to 200,000, depending on certain marginal cases there, but approximately 50,000 Americans and 100,000 foreigners. The total cost of that program since the beginning, and I do not know how you evaluate the original funds because they were all IOU's growing out of the sale of surplus war property.

□ 1150

So they were not convertible into dollars, and the experience of the First World War is that they were forgiven, the First World War debts. So I do not know how you evaluate them. If you give them a value of approximately what they were, still the total cost in the nearly 40 years would not buy one submarine, maybe about a half of a submarine.

When you are thinking of your security alone, forgetting for a moment the intellectual aspects, the professors, and so on, in these countries that are important in international security, our former allies and our former enemies, you have some of the very important and coming influential citizens. In their governments you will find them, and especially in their universities and in journalism, in any walk of life, because just now, after 30 years, they are beginning to arrive at what you call midcareer where they are influential, just as Members of this body are. There are some Members in this body, and you will find it the same in all the countries of Western Europe, and especially Japan. And the interesting thing is that the two principal enemies in the last world war of 40 years ago, the Germans and the Japanese, are the two principal supporters outside of the United States.

This has made a great impression on both of them, and I think it is more than a coincidence that it is these two countries. If you recall, the Germans in the First World War were monsters. Many of you will maybe not remember that, but in the publicity, although we did not have television, they were the Huns who devoured babies for breakfast. I mean they were real monsters, we thought. And in the Second World War, we thought the same, even more maybe, of the Japanese, these people who had no respect for life, with their kamikaze pilots and Pearl Harbor, et cetera. You know what we thought about them.

These two countries now—and I think this program has had much to do with it—are the principal supporters. Two years ago, I believe it was, the Germans gave about three times as much for the Fulbright program in Germany as we did. The Japanese Government equally matches it, plus private donations are considerably more than here. As a matter of fact, 29 of the foreign countries now contribute their own funds to supplement and support what we give. It is almost as much as we give overall, not quite. But it keeps the program multinational, and it shows their interest in it and the people that have influence. There are friendly people in positions of influence.

I submit, purely on the matter of security, if you like, it is much more helpful to the country to have a hundred thousand understanding friends than it is to continue to pile up more and more armaments. But that is a very controversial issue, and I know it. I am only mentioning it, not trying to make it an issue this morning but to consider it, because people tend to consider this type of program purely from the educational aspects. It is not that we are against education, we are all for it. But it has implications—as Miss Luce will agree, whether it is an implication or an inference, one or the other—for much greater profit and much greater benefit for the amount invested in it than anything you can mention. But we have not put really very much money in it. So I think that it goes to the root of the problem.

Lord Grace said after World War I that "the great nations are always making mistakes because they don't understand each other's psychology." And that is true. We thought the Germans were monsters; now they are friends. The President has just been there. We thought the Japanese were monsters; now they are friends. Now we are presently engaged in this same relationship with the Russians. They could be dangerous. We think they are monsters, and our television and our journalists whip it up and they get worse every day. It feeds upon itself. It is the nature of this kind of an animosity that develops.

I maintain that there is no good end to that type of approach or activity. Whatever you may think of them today, you do not want to have a nuclear exchange. We all agree on that. What do you do about it? I am only suggesting that one of the things you do is to understand them and they understand us, to learn to know their psychology and they will understand ours, and there may be a basis upon which you can have some agreement.

So it is that Congress that deserves the credit for this type of approach. As Glenn Beall has said, the former Members are doing the same thing in a little different context. The only thing is they are approaching it from the nonacademic aspect, in the nonacademic field, but they are seeking to accomplish—and I think they are—the same thing.

Well, I have taken more time than I used to get in the House. I took advantage of your allowing me to reminisce. I only want to say again how much I appreciate it. It really is an unexpected pleasure because I have been out now for quite a long time and I thought people had forgotten all about it. But I am deeply indebted to the former Members for this honor. It is the greatest honor I have had because it comes from our peers.

Thank you very much, Mr. Speaker, and thank you much, the former Members.

[Applause, the former Members rising.]

Mr. BEALL. Mr. Speaker, to show that he truly is remembered, I would like to add to Senator Fulbright's collection a collection of letters from sitting and former Members of Congress showing their respect and admiration.

[Applause.]

Mr. BEALL. Mr. Speaker, one final item will conclude this 1985 report to the Congress by the U.S. Association of Former Members of Congress. And that is to announce the transfer of the leadership of our association, as is our practice every year. Former Congressman James M. Quigley of Pennsylvania, will officially take office in July and be our leader for the next 12 months. I can assure him—as he must already know—that he will have the support of all the members of our association.

I am sure that it will be a fulfilling and enriching experience for him. I might say that he will also have the assistance of a skilled and devoted staff, including our executive director, Jed Johnson, Jr., himself a former Member of Congress, our faithful secretary-manager, Dorothy Bageant, staff assistant Leslie Weaver, and Judy Allen, as well as Deputy Director George Agree and consultants, Francis Valeo, and Gerald Livingston.

Mr. Speaker, I have one other thing, a housekeeping announcement. I should remind the members of the association that after we leave here, we will move to the ninth floor of the Hart Building, which will be a new experience, I am sure, for a lot of us because it is the latest addition to the Senate side of the Capitol. We will have lunch on the ninth floor of that building at 12:30, and we will hear from the majority leader of the Senate, Senator Robert Dole of Kansas.

I would point out also that for this afternoon's program, which is foreign policy briefings led by counselor and former Member Ed Derwinski, the room has been changed. If you do not have a new green sheet, you should make note of the fact that this meeting beginning at 2 o'clock will be held in room 106 of the Dirksen Senate Office Building. Otherwise everything remains the same.

We will also have our reception this evening from 5:30 to 7:00, again on the ninth floor of the Hart Senate Office Building. So we will meet again at 12:30 at the Hart Senate Office Building for our lunch.

Mr. Speaker, this concludes our annual report to the Congress. We thank you and every Member of both bodies. The welfare of our country and, in a large degree, of the world is in your hands. We support you in the faithful discharge of your responsibilities.

Mr. Speaker, I conclude by inserting in the Record a list of those sponsors who make our programs possible.

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Mr. RHODES (presiding). I thank the gentleman from Maryland. On behalf of the association and its members, I want to express the appreciation of all of us for the fine service given by the gentleman from Maryland in his tenure as president of the association. He has indeed done an outstanding job. He deserves and has the appreciation of all of us. [Applause.]

Jim Quigley, we welcome you and will welcome you in July to the august position now held by the gentleman from Maryland, and we promise you our undying support throughout your tenure. We are sure it will be successful.

Now, before terminating these proceedings, I do want to suggest again that if any of you did not hear your names called, you check with the clerk to make sure that your presence is recorded so that the world will know that you attended these proceedings. I want to personally wish you all good luck, and, of course, we will be seeing a lot of each other for the next several days, and I will welcome that.

On behalf of the Speaker, the Chair announces that the House will convene at 12:15, and, without objection, these proceedings will be terminated and the meeting of the U.S. Association of Former Members in the House Chamber will be adjourned.

Accordingly (at 11 o'clock and 58 minutes a.m.), the House continued in recess until 12 o'clock and 15 minutes p.m.

□ 1210

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore at 12 o'clock and 15 minutes p.m.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. LOTT. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the Record and that all Members and former Members who spoke during the recess have the privilege of revising their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EQUAL TREATMENT FOR VETERANS' COMPENSATION AND PENSIONS

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, veterans' compensation and veterans' pensions must receive the same treatment in the fiscal year 1986 budget as those receiving Social Security benefits.

You can't grant a Social Security cost-of-living increase and then deny that same COLA to the veteran who is paralyzed from the neck down from a wound received in Vietnam.

Mr. Speaker, most veterans' organizations will support whatever Congress does on COLA's, as long as the veterans are treated the same as Social Security recipients and other Government pensioners.

CENTRAL AMERICA: A DOSE OF REALITY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, after our recent vote against sending aid to the Nicaraguan Contras, Nicaragua's President Daniel Ortega flew to Russia to request economic aid for his ailing country. Some people were surprised by this move by President Ortega, and they are angered to the point of drafting new legislation to provide so-called humanitarian aid to the forces fighting Mr. Ortega's government. But that aid to the Contras was wrong in the past, and it is wrong now.

The Rio Treaty prohibits the use of aggression by one signatory country against another signatory country. The United States has signed the Rio Treaty, and so has Nicaragua, yet we have used aggressive force against Nicaragua in violation of the Rio Treaty, a government which President Reagan recognizes and with which he maintains diplomatic relations. The Nicaraguan Contras are fighting against this elected government of their country, and our administration and others in Congress continue to fight for aid to help these Contra forces overthrow the Nicaraguan Government. It defies logic that the United States would at the same time recognize the very government it seeks to overthrow.

In addition, the war that the Contras are fighting is by guerrilla warfare; in other words, terrorism. This is the same terrorism that our President repeatedly denounces when it is conducted against our country; yet he wants to justify the use of terrorism when it is against Nicaragua. The use of terrorism is not detached and clean and technical; it is dirty and gruesome and tragic. Terrorism is kidnaping, it is rape, and it is dismemberment; it is murder, plain and simple, and I for one do not want our country to be a party to illegal terrorism against a government recognized by our own government as the head of Nicaragua. It is wrong to aid the Contras in this illegal terroristic endeavor.

But I hear my colleagues coming forward now to support so-called humanitarian aid to the Contras—as if this would not promote terrorism and somehow transcends the illegality and immorality of the war against Nicaragua. If we help the Contras in any way, we ourselves are committing rape and dismemberment and murder. The blood they draw is on our hands.

There are peaceful means of settling the unrest in Central America, and the United States has pledged to other countries in the United Nations and the Organization of American States to pursue these peaceful means. But so far, the United States has reneged on its promises, and we must be held accountable. The American people will hold the President accountable when the atrocities we have committed in Central America and, I fear, will commit in Central America, come to light.

□ 1220

LET US TAKE THE SOCIAL SECURITY TRUST FUND OUT OF THE BUDGET

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, it is not surprising that President Reagan broke his promise to the elderly. He promised during the campaign not to

touch Social Security and not to touch their cost-of-living adjustment. Now we understand that he has agreed with the Senate to freeze the cost-of-living adjustment.

What is ironic is that the Social Security trust fund has a surplus; it is flourishing. So the deficit is not caused by the older Americans. The Social Security trust fund should never be part of the budget; it never was until 1969.

Let us take the trust fund out of the budget the way it was when President Roosevelt signed it into law in 1936.

Mr. Speaker, I also oppose freezing the cost-of-living adjustment for Federal employees and military retirees. Let us stop this assault on our older Americans. It is hard enough for them to live on the means that they have. They are not responsible for the Reagan deficit.

IS THERE WISDOM IN FINANCING HIT SQUADS IN THE MIDDLE EAST?

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, yesterday an article in the Washington Post revealed that President Reagan approved a CIA covert operation that directed the CIA to train and support counterterrorist units for first-strike attacks against suspected terrorists in the Middle East. Later, one of these units made up of foreign proxies, without CIA authorization, detonated a car bomb and killed more than 80 persons.

Today, I am introducing a House resolution with my colleague, Representative Don Edwards, that requires the Director of the Central Intelligence Agency to provide the House with information relating to the training and support of these covert terrorist units, so that we can determine its legality.

Essentially we are funding terrorist activities in the Middle East.

In an area as volatile as the Middle East, we don't need to set loose foreign proxies to participate in ill-conceived operations.

While we have this resolution to question the legality of these terrorist units, we don't need a resolution to question President Reagan's wisdom in setting them up.

Where is the wisdom in financing hit squads in the Middle East, which is already a hair trigger? Do we think that this would help the view of Americans that led to the bombing of our barracks in Beirut? Is this a wise use of our tax dollars?

I don't think so, Mr. President.

TRIBUTE TO WILLIAM M. O'BRIEN

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, last Wednesday night, a fire, suspected to have been arson-instigated, caused the death of William M. O'Brien and his beautiful wife, Mary Jane, in their home in Grosse Pointe, MI. Mrs. O'Brien I knew only slightly; Bill I have known since kindergarten. What provokes me into making this statement is the remarkable nature of the fellow, an example of what we would like to be: a superior student in all schools, he served in the counterintelligence of the FBI, he starred in basketball at Loyola University, and became a nationally recognized figure in industrial relations first with Ford and later with Chrysler.

It is not so significant that Bill was respected by his corporate peers; what matters is what the Nation's leading labor leaders thought of him. Douglas Fraser said it best in his terse summary: "Impeccable integrity separates Bill from so many other corporate negotiators."

Mr. Speaker, in medieval times, specialties were ignored and demeaned. What was revered and respected was the complete man or woman, a person who excelled in everything he or she attempted.

Bill O'Brien is today's version of that kind of man. He excelled in everything he tried and he made it look easy. He will be conspicuous by his absence in the years ahead.

Mr. Speaker, it reminds me of a poem—Bill's passing recalls to me an unpublished poem of Noel Coward written shortly before his death:

When I have fears as Keats had fears
Of the moment I'll cease to be
I comfort myself with vanished years
Remembered laughter, remembered tears
The peace of a tranquil sea.
And I think of my friends who are dead and
gone
How happy they are, I cannot yet know
But happy am I who loved them so.

KOREAN WAR MEMORIAL ACT

(Mr. FLORIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLORIO. Mr. Speaker, in the midst of the great commemorations marking the end of World War II and the huge ticker tape parade held in New York City last week honoring the Vietnam war veterans, I would like to take a moment to reflect upon the lot of the Korean war veteran.

The Korean war veteran is sometimes referred to as the "forgotten veteran." For him there was no warm welcome home—not even a belated one as we are now finally according the Vietnam veteran. For the Korean war veteran and for the 54,000 American service men and women killed in that tragic war, there was nothing. And there is still nothing to this day.

Mr. Speaker, I have introduced legislation, H.R. 2205, the Korean War Memorial Act, which would for the very first time call upon the Federal Government to officially recognize the exploits and sacrifices made by our people in that war. The bill calls upon the Government to erect a memorial on Government-owned land here in the District of Columbia. The memorial would remind all of us of the horrible sacrifice which freedom sometimes demands of a brave people.

Chairman Sonny Montgomery of the House Veterans' Affairs Committee and John Paul Hammerschmidt, ranking minority member of the House Veterans' Affairs Committee, have joined with me as original cosponsors of this bill. Already some 25 of my colleagues have become cosponsors. It is an idea which is long overdue and I urge that all of my colleagues examine the facts of this issue and join with us to ensure that these "forgotten veterans" are remembered by those for whom they fought and died.

Thank you.

THERE THE PRESIDENT GOES AGAIN, RENEGING ON HIS SOCIAL SECURITY PROMISES

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, last Friday the Senate took action on the budget. I greet this action with mixed feelings and concern. First of all, I am impressed that they finally came to reconcile the fact that we cannot continue a recordbreaking, budget-busting, military buildup. Second, however, and most importantly, I am very concerned about the loss and denial of cost-of-living adjustments [COLA's].

The record indicates that such a loss of COLA would mean that an additional 300,000 to 400,000 senior citizens would fall below the poverty line. I am very concerned about the President's position and attitude. He is retreating from his campaign promises not to reduce Social Security benefits generally and not to deny the COLA for Social Security specifically.

Mr. Speaker, at every turn when the question has come up for support of Social Security during the last 4 years, the President has answered by reneging on his initial support and commitment during the Presidential political campaigns in 1980 and 1984.

It has taken 4 years for the President to come around to make the promise and the commitments again not to cut Social Security. Now, less than 4 months after the election, President Reagan is leading the charge against Social Security and in favor of eliminating the Social Security COLA's for 1986.

Mr. Speaker, I object and I might say, Mr. President, there you go again. There you go again, Mr. President, reneging on your political commitments to older Americans who depend on Social Security. This proposal to cut Social Security cost-of-living adjustments is wrong, Mr. Speaker, and many in this Congress, the people's House of Representatives will strongly fight the President's efforts to take away older Americans hard-earned Social Security pensions benefits.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Robinson). Pursuant to the provisions of clauses 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, May 14, 1985.

AUTHORIZING ADDITIONAL FEDERAL EMPLOYEE HEALTH BENEFITS PLANS

Ms. OAKAR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 873) to permit employee organizations, which are not eligible to participate in the Federal Employees Health Benefits Program solely because of the requirement that applications for approval be filed before January 1, 1980, to apply for approval to offer a health benefits plan, as amended.

The Clerk read as follows:

H.R. 873

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY FOR ADDITIONAL EMPLOYEE ORGANIZATION PLANS.

(a) Definition of an Employee Organization.—Section 8901(8) of title 5, United States Code, is amended to read as follows:

"(8) 'employee organization' means—

"(A) an association or other organization of employees which is national in scope, or in which membership is open to all employees of a Government agency who are eligible to enroll in a health benefits plan under this chapter and which, after December 31, 1978, and before January 1, 1980, applied to the Office for approval of a plan provided under section 8903(3) of this title; and

"(B) an association or other organization which is national in scope, in which membership is open only to employees, annuitants, or former spouses, or any combination thereof, and which, during the 90-day period beginning on the date of enactment of section 8903a of this title, applied to the Office for approval of a plan provided under such section;".

(b) Authority for Additional Plans.—

(1) Title 5, United States Code, is amended by inserting after section 8903 the following:

"§ 8903a. Additional health benefits plans

"(a) In addition to any plan under section 8903 of this title, the Office of Personnel Management may contract for or approve one or more health benefits plans under this section.

"(b) A plan under this section may not be contracted for or approved unless it—

"(1) is sponsored or underwritten, and administered, in whole or substantial part, by an employee organization described in section 8901(8)(B) of this title;

"(2) offers benefits of the types named by paragraph (1) or (2) of section 8904 of this title or both;

"(3) provides for benefits only by paying for, or providing rembursement for, the cost of such benefits (as provided for under paragraph (1) or (2) of section 8903 of this title) or a combination thereof; and

"(4) is available only to individuals who, at the time of enrollment, are full members of the organization and to members of their families.

"(c) A contract for a plan approved under this section shall require the carrier—

"(1) to enter into an agreement approved by the Office with an underwriting subcontractor licensed to issue group health insurance in all the States and the District of Columbia; or

"(2) to demonstrate ability to meet reasonable minimum financial standards prescribed by the Office.

"(d) For the purpose of this section, an individual shall be considered a full member of an organization if such individual is eligible to exercise all rights and privileges incident to full membership in such organization (determined without regard to the right to hold elected office).".

(2) The analysis for chapter 89 of title 5, United States Code, is amended by inserting after the item relating to section 8903 the following:

"8903a. Additional health benefits plans.".

SEC. 2. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Sections 8902(a), 8902(e), 8902(i), 8905(a), 8905(c)(1), 8905(f), 8908(b), and 8913(b) of title 5, United States Code, are each amended by striking out "8903 of this title" and inserting in lieu thereof "8903 or 8903a of this title".

(b) Section 8903(3) of title 5, United States Code, is amended by striking out "employee organizations," and inserting in lieu thereof "employee organizations described in section 8901(8)(A) of this title,".

(c) Section 8905(f) of title 5, United States Code, is further amended by striking out "plan described by that section" and inserting in lieu thereof "such plan".

(d) Section 8907(a) of title 5, United States Code, is amended by striking out "section 8903" and inserting in lieu thereof "sections 8903 and 8903a".

(e) Section 8909(d) of title 5, United States Code, is amended—

(1) in inserting "or 8903a" before "of this title"; and

(2) by adding at the end thereof the following: "If the successor organization is an organization described in section 8901(8)(B) of this title, any employee, annuitant, or former spouse so transferred may not remain enrolled in the plan after the end of the contract term in which the merger occurs unless that individual is a full member of such organization (as determined under section 8903a(d) of this title).".

(f) Section 8909(e) of title 5, United States Code, is amended by inserting "or 8903a" before "of this title".

(g) Section 1840(d)(1) of the Social Security Act is amended by inserting "or 8903a" after "8903".

SEC. 3. INSURANCE COVERAGE FOR RESTORED DISABILITY ANNUITANTS.

(a) Health Insurance.—

(1) Section 8908 of title 5, United States Code, is amended by adding at the end thereof the following:

"(c) A disability annuitant whose disability annuity under section 8337 of this title was terminated and is later restored under the second or third sentence of subsection (e) of such section may, under regulations prescribed by the Office, enroll in a health benefits plan described by section 8903 or 8903a of this title if such annuitant was covered by any such plan immediately before such annuity was terminated.".

(2)(A) The section heading for section 8908 of title 5, United States Code, is amended to read as follows:

"§ 8908. Coverage of restored employees and survivor or disability annuitants".

(B) The analysis for chapter 89 of title 5, United States Code, is amended by striking out the item relating to section 8908 and inserting in lieu thereof the following:

"8908. Coverage of restored employees and survivor or disability annuitants.".

(b) Life Insurance.—Section 8706 of title 5, United States Code, is amended by adding at the end thereof the following:

"(g) If the insurance of a former employee receiving a disability annuity under section 8337 of this title stops because of the termination of such annuity, and such annuity is thereafter restored under the second or third sentence of subsection (e) of such section, such former employee may, under regulations prescribed by the Office, elect to resume the insurance coverage which was so stopped.".

(c) Applicability; Notification Requirement; Construction.—

(1) The amendments made by this section shall apply with respect to any individual whose disability annuity is or was restored under section 8337(e) of title 5, United States Code, after December 31, 1983.

(2)(A) The Office of Personnel Management shall notify each individual under subparagraph (B) of any rights which such individual may have under section 8706(g) or section 8908(c) of title 5, United States Code, as amended by this section, including any procedures or deadlines which may apply with respect to the exercise of those rights.

(B) Notification under this paragraph shall be provided to any individual who, as of the 90th day after the date of enactment of this Act, is receiving a disability annuity which was restored to such individual under section 8337(e) of title 5, United States Code, after December 31, 1983.

(3)(A) Nothing in this section shall be construed to authorize—

(i) coverage under chapter 87 of title 5, United States Code, in the case of any individual who makes an election under section 8706(g) of such title (as amended by this Act), for any period before the date of such election; or

(ii) coverage under chapter 89 of title 5, United States Code, in the case of any individual who becomes enrolled in a health benefits plan under section 8908(c) of such title (as amended by this Act), for any period before the date as of which such individual becomes so enrolled.

(B) This paragraph applies with respect to any individual receiving a disability annuity which is or was restored under section 8337(e) of title 5, United States Code, after December 31, 1983, and before the expiration of the 90-day period beginning on the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. MYERS of Indiana. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Ohio [Ms. Oakar] will be recognized for 20 minutes, and the gentleman from Indiana [Mr. Myers] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Ohio [Ms. Oakar].

Ms. OAKAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today, the House is considering H.R. 873, a bill to allow additional employee organizations to participate in the Federal Employees Health Benefits Program [FEHBP] and to restore Federal health and life insurance benefits to certain disabled annuitants.

H.R. 873 was introduced by Congressman Norman Dicks of Washington, along with Congressmen Vic Fazio of California, Sam Stratton of New York, and Frank Wolf of Virginia. The bill was ordered reported by a voice vote of the Post Office and Civil Service Committee on Wednesday, May 8, with an amendment in the nature of a substitute.

The basic purpose of this legislation is to permit the creation of new plans that can be tailored to fit the needs and resources of certain groups of FEHBP participants. In so doing, the bill will enable some participants to select health coverage that might not be offered presently by existing plans.

As chair of the Subcommittee on Compensation and Employee benefits, I conducted hearings last year on identical legislation, then H.R. 1517. At that hearing, witnesses testified that bringing new plans into the Federal Health Insurance Program, if done properly, could enhance the choices available to program participants without additional cost to the Government.

On May 7, the Subcommittee on Compensation and Employee benefits considered and approved an amendment which I introduced in the nature of a substitute to H.R. 873. My amendment responded to the concerns raised at the hearings and set forth an orderly process for enabling additional employee organization plans to be offered in the FEHBP. The revised H.R. 873 establishes a 90-day period, beginning on the date of enactment of the legislation, during which new employee organization plans may be submitted for approval to the OPM for inclusion in the FEHBP. In order to be eligible for approval, these new plans must meet all the requirements of existing law, and the following requirements as well.

The plans must provide health benefits to enrollees either on a fee-for-service or an indemnity basis;

The plans must be open only to bona fide members of the sponsoring employee organization and their families, including former spouses;

The plans must be open to retired members, as well as to actively employed members of the sponsoring organization; and

The plans must satisfy requirements for financial solvency as prescribed by OPM.

Newly accepted plans will be open for enrollment during the following regularly scheduled open season.

These changes to H.R. 873 are important to ensure the orderly inclusion in the FEHBP of additional, qualified employee organization plans, and to allow for an even greater range of choices for participants in this insurance program.

In addition, H.R. 873, as amended, corrects a long-standing inequity with regard to disability annuitants. Under current law, a disability annuitant who participated in the FEHBP and life insurance programs and whose annuity was terminated is not permitted to again participate in the FEHBP or life insurance programs upon restoration of the annuity. H.R. 873 would allow the individual to participate in these programs upon restoration of the annuity by enrolling and paying the annuitant's portion of the subscription cost.

Mr. Speaker, according to the Congressional Budget Office, the enactment of this legislation will result in additional Government outlays of less than $500,000 per year. This legislation is supported by the administration and by the minority members of the committee. At this point, I would like to thank the minority members, Mr. Myers of Indiana and Mr. Young of Alaska, for their cooperation and partnership in passing this legislation. It is certainly a pleasure to work with them.

Mr. Speaker, I also would like to thank the employee organizations and other groups who have contributed to the development of this legislation. In addition, I especially would like to thank congressmen Norm Dicks, Vic Fazio, Sam Stratton, and Frank Wolf for their support of this bill. I urge my colleagues to vote to suspend the rules and pass H.R. 873.

□ 1230

Mr. Speaker, I reserve the balance of my time.

Mr. MYERS of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentlewoman from Ohio [Ms. Oakar] for her very kind remarks.

The minority is pleased to support H.R. 873, as amended, which provides authority to add employee organization health plans to the Federal Employees Health Benefits Program.

Under existing law, employee organizations cannot sponsor new plans in the FEHB. This bill establishes a 90-day period during which employee organizations may apply to the Office of Personnel Management to sponsor FEHB plans. It also contains safeguards to ensure new plans are financially sound.

H.R. 873 was reported favorably by the Post Office and Civil Service Committee with broad bipartisan support. The bill also is supported by the administration, and, according to the Congressional Budget Office, the addition of a small number of health insurance plans to the large number already available is not expected to significantly alter Federal costs.

This legislation also corrects an oversight with respect to disability annuities. Under current law, if the outside earnings of a disabled annuitant rises above a certain amount, the annuity is terminated and Federal health and life insurance benefits are terminated. The problem is that if the individual's outside earnings fall below a certain threshold in the next year, he or she cannot recapture Federal or life insurance benefits. Only the disability annuity is restored. This legislation will correct that oversight. I urge a favorable vote on this piece of legislation.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The gentleman has consumed 2 minutes.

Ms. OAKAR. Mr. Speaker, I would like to yield to one of the major sponsors of the bill, Mr. Fazio.

I want to say at this juncture that I certainly appreciated the cooperation of this distinguished Member and chairman of one of the important subcommittees for allowing the committee, the Post Office Committee, to work its will and produce a piece of legislation that could be done without any loopholes in it; and I know it took a little time to do that, and I appreciate the patience of my friend from California, and I am sure his Federal managers, along with other groups, are deeply grateful for the work he has done on this issue.

I yield to the gentleman from California.

Mr. FAZIO. I thank the gentlewoman from Ohio for yielding to me, and I sincerely appreciate the responsible approach that the gentlewoman has taken to the enactment of this legislation.

Mr. Speaker, bringing it to the floor today is the culmination of a great deal of effort on behalf of many members of the Federal Managers Association, which is well-represented in my district.

I would like to pay particular tribute to Ms. OAKAR for the approach she took, which was to slow down the hell-bent-for-leather approach to enactment of this bill in order to consider it in the context of all other Federal health benefit programs.

I think the more deliberate approach, using the authorizing committee has certainly borne fruit in bringing to the floor a very thoroughly researched and well-documented piece of legislation.

Mr. Speaker, I would simply like to express my personal appreciation to her and to lend my strongest possible support to the enactment of this bill.

Mr. Speaker, I would like to express my personal appreciation to Congresswoman OAKAR for her cooperation in moving forward on providing an opportunity for Federal employee organizations who are not now eligible to participate in the Federal Employees Health Benefits Program [FEHBP] to do so.

As one of the original cosponsors of H.R. 873 which was introduced by my good friend and colleague Congressman NORM DICKS, I have been particularly supportive of this effort. This past fall, in hearings held by Ms. OAKAR, chair of the Subcommittee on Compensation and Employee Benefits of the House Post Office and Civil Service Committee, I testified on behalf of this legislation.

The Federal Managers Association is one of the organizations that is particularly interested in this legislation. As a Member who has two major FMA chapters in my congressional district, chapter 77 at McClellan AFB and chapter 167 at Travis AFB, I have heard from my constituents about the benefits of having a health plan particularly suited to their needs.

I believe that what Ms. OAKAR has accomplished with this bill is not only providing an opportunity for organizations like FMA, but by incorporating her substitute, she has improved the original legislation.

There will be a 90-day period, beginning the day of enactment during which organizations can submit a plan to OPM for inclusion in FEHBP. Such plans must meet all requirements of existing law as well as:

The plan must provide health benefits on a fee-for-service basis, an indemnity basis, or some combination of the two;

The plan must meet financial solvency standards as prescribed by OPM;

The plan must be open only to bona fide members of the sponsoring employee organization and their families; and

The plan must be open only to both actively employed and retired members of the sponsoring organization.

Under existing law the annuity of a disabled employee is terminated if the individual is determined to be restored to earning capacity. Upon termination of the annuity, health and life insurance benefits are terminated. An individual whose disability resumes is entitled to have the annuity restored but may not resume participation in the Government health and life insurance programs. The substitute would permit such an individual to resume health and life insurance participation.

There are still many problems with the Federal employee health plans that need to be addressed. This legislation is not part of that overall effort. That will be done in the context of a larger piece of legislation which Ms. OAKAR's subcommittee has under consideration now. I very much support her efforts in this regard and will be working with her on that legislation.

For now, however, I commend her for moving H.R. 873, and I urge my colleagues to suspend the rules and pass this bill.

Ms. OAKAR. I yield to the distinguished gentleman, another fine, major sponsor of the legislation, Congressman STRATTON who, along with other Members that I have mentioned, did some very fine work on this legislation.

I yield to the gentleman from New York as much time as he may consume.

Mr. STRATTON. Mr. Speaker, I am delighted to rise today in support of the bill H.R. 873, which will allow additional Federal employee organizations to participate in the Federal Employees Health Benefits Program. I want especially to thank my good friend, the chairlady of the subcommittee, MARY ROSE OAKAR, for her support and attention to this matter. It has been a pleasure to work with her as this legislation has moved through the legislative process.

As a cosponsor of H.R. 873, and supporter of this legislation in previous years, I am glad to see it come to the floor of the House today. I am also in total agreement with the changes made by the subcommittee with respect to the time limit for application to OPM for new health benefits plans, and with regard to the requirements that organizations must meet to apply for a new plan.

This issue of special interest to me because the president of the Federal Managers' Association, Mr. Michael Minahan, of Troy, NY, is one of my constitutents. The unique feature of this bill is that it will allow groups of employees to create new plans in the FEHBP that can be tailored to the special needs and resources of those groups of participants, thus saving money for the Federal Government as well as the employees.

I therefore urge my colleagues to support this bill, and thank again the chairlady and members of the subcommittee for their support in this matter.

□ 1240

Ms. OAKAR. Mr. Speaker, with permission of my distinguished colleague, the minority leader, I yield 1 minute to the gentleman from California [Mr. EDWARDS] to proceed out of order.

CIA ACTION IS POSSIBLE VIOLATION OF EXECUTIVE ORDERS

Mr. EDWARDS of California. Mr. Speaker, it is with a great deal of concern that we read about not only the CIA hiring mercenaries to wage battle in Nicaragua, but also apparently to train a group of antiterrorists in Lebanon, and one of the groups, apparently on its own, went out and bombed with a car bomb residences in Beirut and killed 80 people and injured 200 more.

The gentlewoman from Colorado [Mrs. SCHROEDER] and I have put into the hopper a resolution of inquiry. Certainly the House of Representatives is entitled to know all of the facts about this very, very serious possible violation of several Executive orders and indeed perhaps a violation of law.

Mr. Speaker, I yield back the balance of my time.

Mr. STRATTON. Mr. Speaker, will the gentlewomen yield to me an additional minute?

Ms. OAKAR. Mr. Speaker, we are on the health bill, but I will yield 1 minute to the gentleman from New York [Mr. STRATTON].

A TRAGIC SIMPLIFICATION

Mr. STRATTON. Mr. Speaker, with regard to the remarks of the gentleman from California [Mr. EDWARDS] it was some time ago when we had our Marines very heavily engaged in Lebanon that many Members of this body and many members of the general public as well said, "Why don't we retaliate for the attacks that were made against us? Why don't we retaliate for what happened to the Marine Corps barracks and for these other attacks on our installations and embassy?"

I am not privileged to be a member of the Committee on Intelligence so I don't know the inside facts. But I think, clearly, from what has come out in the press, what we were doing in the instance the gentleman refers to was to provide just such a form of retaliation. I feel sure most of the citizens of the United States feel that we should have retaliated. To suggest

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that this is somehow OK for the Moslems to blow up our Marines, but is immoral for us to retaliate seems to me to be a tragic simplification. Obviously if this is what happened, no Government official will advertise it in advance.

Mr. WOLF. Mr. Speaker, I rise today in support of H.R. 873 of which I am an original cosponsor. This legislation enjoys bipartisan support and fills a need for an important group of Federal employees; namely, our managers. I would like to commend my colleague from Washington, Mr. DICKS, for introducing this bill and would also like to commend Mr. STRATTON and Mr. FAZIO who joined me in cosponsoring this measure. H.R. 873 will permit Federal employee organizations not currently eligible, to participate in the Federal Employees Health Benefits Program.

Since January 1, 1980, the FEHBP has restricted entry to health maintenance organizations, and new employee organizations were barred. Passage of this important and noncontroversial measure, which is the culmination of several years of effort by one of the most highly regarded and responsible employee organizations, the Federal Managers Association, will allow new employee organizations to participate in the FEHBP. I believe it is important that we open the FEHBP to organizations, such as the Federal Managers Association, which have grown and now wish to participate.

H.R. 873 provides a 90-day window to allow Federal employee organizations, not now providing health insurance under FEHBP, to do so for their members and retired members only and will therefore have little impact on current health plans.

During the 90-day period, employee organizations may apply to the Office of Personnel Management [OPM] to sponsor a FEHBP plan. Employee organizations or associations which apply during this period must be national in scope and open only to employees, annuitants, and former spouses.

Under the provisions of H.R. 873, OPM may not approve or contract for a health benefit during this 90-day period unless the plan meets all of the requirements for existing employees organization plans under the FEHBP and the following additional requirements:

The plan must provide health benefits on a fee-for-service basis, an indemnity basis, or some combination of the two.

The plan must meet the financial solvency standard prescribed by OPM.

The plan must be open only to bona fide members of the sponsoring employee organization and their families; and

The plan must be open both to actively employed and retired members of the sponsoring organization.

Mr. Speaker, in a time when the pay and benefits of Federal employees are being challenged, I think it is important to improve the morale of Federal workers. Here is an opportunity for us to provide a benefit, that is not an added expense, for our Federal managers. I urge my colleagues to support this measure.

Mr. MYERS of Indiana. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. OAKAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I was pleased to be able to yield to my two colleagues to engage in a discussion of other business. I want to associate myself with the remarks of the gentleman from California, as long as I was able to yield him some time.

I would also like to say, getting back to the health bill that we are trying to get passed here, H.R. 873, that I do not believe this is the last that we are going to do in terms of health reform for our very fine outstanding Government employees. I personally feel that we do not offer the kinds of comprehensive coverage that we ought to. I think that they have to pay too much, 40 percent or more, of their own health benefit, which in the last few years they have gotten about 50 percent, they have paid more than 50 percent and have gotten 12 percent less benefits. This is not the last of health bills that hopefully our committee will pass. We are trying to have some hearings right now on another bill I have introduced, H.R. 156, and I am hoping that in the near future we can bring that bill to the floor which will cover some of the gaps which are not covered now.

But I would like to thank my colleagues for their support of this bill.

Mr. MYERS of Indiana. Mr. Speaker, will the gentlewoman yield?

Ms. OAKAR. I yield to my friend, the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, the minority certainly agrees with the majority on this bill, but just so that there will not be any misunderstanding, this Member does not agree with what the gentleman from California had to say. So I do want it to be implied, since we did not respond, that we agree with his comments.

Ms. OAKAR. We did yield to him, and I think it is important to state our opinion about what he said. I happen to agree with him, and the gentleman from Indiana does not, and I have the greatest respect for my colleague from Indiana.

● Mr. DICKS. Mr. Speaker, as the original sponsor of H.R. 873, I want to thank Chairwoman OAKAR for her work on this legislation. I think the amendments added by the subcommittee strengthen the legislation. They ensure that it meets its stated purpose, and were developed in light of issues raised in hearings on this legislation last year.

This bill would provide a limited 90-day period in which employee organizations could apply to the Office of Personnel Management to sponsor a health care insurance plan under the Federal Employees Health Benefits Program. It would be the first such opportunity in 6 years. It would provide an opportunity for employee organizations to provide coverage that is tailored to the needs of their membership, could encourage cost savings, and promote competition.

The bill before the House provides protections to ensure that health care plans submitted to OPM will be serious proposals with the necessary financial backing. Specifically the bill requires that such plans meet all the requirements for existing employee organization plans and also:

Provide health benefits on a fee-for-service basis, an indemnity basis, or some combination of the two;

Meet financial solvency standards as prescribed by OPM;

Be open only to bona fide members of the sponsoring employee organization and their families; and

Be open to employees, annuitants, and former spouses.

The reason that I sponsored this legislation along with 19 of my colleagues was because I believe that one of the strengths of the FEHB Program is the competition it allows among health care plans and the ability it provides to tailor coverage to individual needs. This limited 90-day period will allow organizations who have given this question careful consideration over the last 6 years an opportunity to offer such tailored coverage. The short time period and the criteria developed by the committee will guard against frivolous efforts.

This legislation was initiated primarily to provide an opportunity for the Federal Manager's Association to offer a health care plan tailored to its particular needs and requirements. FMA was founded in 1913, and now has 17,000 members in 175 chapters representing most of the agencies and departments of the Federal Government. It is clearly an accepted advocacy group for the views and concerns of management personnel. The organization is growing at a healthy rate of 1,500 members a year. FMA has worked on the development of a health care plan for their members over the last 6 years. They plan to contract with a reputable private firm with a strong record of providing health care coverage if given the opportunity by this legislation. They have indicated to me their desire to include strong cost control mechanisms in their plan.

The desire of FMA to tailor their own plan stems from the unique demographic makeup of their organization, somewhat older and in a higher income bracket than other organizations presently offering plans. It also reflects the differing aspects of managerial work, with a proportionately higher emphasis on stress and mental health coverage. These areas can serve to prevent higher costs later.

While I have not been contacted and the hearings have not revealed any other organization which plans to take advantage of this opportunity, no one is precluded from seeking OPM approval assuming the criteria laid out in this bill can be met.

Because this is a modest window and because of the strict conditions included in the bill, no major influx of applications is expected.

As with all legislation, there are concerns about cost. I would note that the Congressional Budget Office expects no significant additional cost to the Government from this legislation. My own expectation is that we will ultimately save money as a result of cost control mechanisms and emphasis on preventative care.●

Ms. OAKAR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Ohio [Ms. Oakar] that the House suspend the rules and pass the bill, H.R. 873, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend title 5, United States Code, to provide that employee organizations which are not eligible to participate in the Federal employee health benefits program solely because of the requirement that applications for approval be filed before January 1, 1980, may apply to become eligible, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill, H.R. 873.

The SPEAKER pro tempore (Mr. Gray of Illinois). Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

WASHINGTON SQUARE AT INDEPENDENCE NATIONAL HISTORICAL PARK IN PHILADELPHIA

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 105) to provide for the inclusion of the Washington Square area within Independence National Park, and for other purposes.

The Clerk read as follows:

H.R. 105

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 28, 1948 (62 Stat. 1061; 16 U.S.C. 407m et seq.), is amended by adding the following new section at the end thereof:

"Sec. 8. (a) The area known as Washington Square (bounded generally by Walnut Street on the north, Sixth Street on the east, and the intersecting streets named 'Washington Square' on the west and south) is hereby included within the Independence National Historical Park.

"(b) The Secretary of the Interior is authorized to enter into a cooperative agreement with the city of Philadelphia (acting through its designated agency, the Fairmount Park Commission) to provide technical assistance in the preservation and interpretation of the property known as Washington Square. Such agreement shall contain, but shall not be limited to, provisions that the Secretary, through the National Park Service, shall have right of access at all reasonable times to all public portions of the property for the purpose of conducting visitors through the grounds and interpreting them to the public, and that no major changes or alterations shall be made in the property, including its buildings and grounds, except by mutual agreement between the Secretary and the city.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. Vento] will be recognized for 20 minutes and the gentleman from Arizona [Mr. McCain] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. Vento].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the pending measure, H.R. 105.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation before us, H.R. 105, was introduced by our colleague Tom Foglietta, on January 3, 1985. The purpose of the bill is to provide for the inclusion of Washington Square within the boundaries of Independence National Historical Park and to authorize the Secretary of the Interior to enter into a cooperative agreement with the city of Philadelphia to provide technical assistance in the management of the square.

Washington Square, which lies adjacent to Independence Hall, has a long and distinguished history that primarily centers on the American Revolution. Originally established as Southeast Square in 1683, the park in 1706 was designated as a "publick burying ground." During the Revolutionary War, Washington Square served as a burial place for more than 2,000 unknown Revolutionary War dead. Some of those buried in Washington Square died from wounds or disease in Independence Hall itself, which had been turned into a prison during the British occupation of Philadelphia. The square, which is presently listed on the National Register of Historic Places, is the site of a memorial to the Unknown Soldiers of the American Revolution constructed in the mid-1950's.

While H.R. 105 would include Washington Square within the boundary of the Independence Hall National Historical Park, the square itself would remain under the ownership and management of the city of Philadelphia. The legislation would authorize the Secretary of the Interior to enter into a cooperative agreement with the city limited to providing technical assistance in the preservation and interpretation of the Square. This language will thus grant the national recognition that Washington Square deserves without incurring direct Federal expenditure.

During the 98th Congress, the House passed legislation identical to H.R. 105 on September 24, 1984. However, the legislation was not considered by the other body.

Mr. Speaker, I commend the gentleman from Pennsylvania [Mr. Foglietta] for his leadership on this matter and I urge the passage of this legislation.

Mr. McCAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. Coughlin].

Mr. COUGHLIN. I thank the gentleman for yielding time to me.

Mr. Speaker, Washington Square in the city of Philadelphia is deserving of national recognition and I rise in support of H.R. 105 which promotes recognition of this historic landmark.

H.R. 105 includes Washington Square within the boundary of Independence National Historical Park and authorizes the Secretary of the Interior to enter into a cooperative agreement with the city of Philadelphia to provide technical assistance to the city to aid in the preservation and interpretation of Washington Square.

Washington Square is one of five public squares in the city of Philadelphia laid out by William Penn's chief surveyor, Capt. Thomas Holmes. The city designated Washington Square as a common and public burying ground

and more than 2,000 unknown Revolutionary War dead are buried there.

The city went to great lengths to refurbish this square for the dedication to these unknown soldiers and Washington Square is now listed on the National Register of Historic Places.

H.R. 105 will further the city of Philadelphia's efforts to illuminate the history of Washington Square without increasing Federal expenditures. We approved similar legislation last year and I hope swift House adoption of H.R. 105 this year will help ensure its enactment into law in the 99th Congress.

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Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman for his support, and include him in terms of my remarks commending him for his work on this bill. It is an important addition to the park.

Mr. COUGHLIN. I thank my colleague.

Mr. McCAIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a member of the committee, I rise in support of H.R. 105. This bill would incorporate the Washington Square area into the boundaries of the Independence National Historical Park in Philadelphia. Washington Square, an approximate one block area adjacent to the Independence Hall site of the park, is historically known as the burial grounds for over 2,000 unknown Revolutionary War dead. A memorial was erected on the site in 1957 to honor the unknown solders who fought in the war.

Mr. Speaker, identical legislation to H.R. 105 was approved by the House last Congress. Once again, this legislation authorizes the National Park Service to provide technical assistance to the city of Philadelphia through a cooperative agreement for the purposes of preserving and interpreting Washington Square for park visitors. Although the Congressional Budget Office has determined that enactment of H.R. 105 would not result in any significant costs to the Federal Government, I do have some concerns that the addition of Washington Square may result in future Federal expenditures. According to the National Park Service (NPS), it would cost over $2 million to bring this area up to NPS standards, as well as approximately $160,000 per year to maintain the area. While such work is not required under this bill, there may indeed come a time when the city of Philadelphia requests Federal funds in the future to assist with the upkeep of the Washington Square area. I believe that during these difficult financial times, we must exercise fiscal responsibility with regard to the future as well.

In spite of this concern, I believe the purpose of the legislation is well-founded. It is my opinion that Washington Square would serve as a significant addition to Independence National Park, which commemorates the birth and struggle of the independence movement of our Nation.

Mr. Speaker, I think it is fitting and, indeed, an obligation to honor those brave young men who struggled and sacrificed in order that 13 tiny colonies might achieve independence and freedom. We should never forget their sacrifice, and the vital ingredient, of which they were, to securing our Nation's freedom and independence.

Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. Seiberling].

Mr. SEIBERLING. I thank the gentleman for yielding to me.

Mr. Speaker, I commend the gentleman from Minnesota for his initiative in moving this legislation again. A similar bill passed the last Congress, after the Subcommittee on Public Lands and National Parks had field hearings in Philadelphia as well as hearings in Washington.

Not only did many people interested in American history testify in support of this bill, but many veterans' organizations, as one might expect, because of the fact that 2,000 dead of the Revolutionary War are buried there. Dead American soldiers. There is a small memorial there, but otherwise, there is no particular recognition, and it is right catty-cornered across the street from Independence Hall. It does seem like an oversight that it was not included within the boundaries of the National Historic Park.

No one can go to the National Historic Park in Philadelphia without being inspired. Not only by the historic events that have taken place there, but by the tremendous job that the National Park Service has done in reconditioning many of the buildings and providing excellent interpretation.

It does seem to me that even though some of the historians of the Park Service did not feel that it qualified to be on the National Register of Historic Sites, because there was no battle there, merely 2,000 Revolutionary War heroes buried there in what was a potter's field.

That "merely" is a pretty big thing in my book. I think Tom Foglietta, who was the author of this bill, and Congressman Kostmayer, Congressman Coughlin, and others from the Philadelphia area who supported it, should be commended for doing so. This bill will cost the Federal Government virtually nothing. It will merely give recognition to a sacred site that ought to be part of the National Historic Park.

Mr. VENTO. Mr. Speaker, I want to thank the chairman of the Public Lands and National Park Subcommittee for his leadership and his work in the last Congress. It has made our job considerably less duty this year on account of that.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. Vento] that the House suspend the rules and pass the bill, H.R. 105.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EROSION CONTROL AT CUYAHOGA VALLEY NATIONAL RECREATION AREA

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 934) to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area, and for other purposes.

The Clerk read as follows:

H.R. 934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4(c) of the Act of December 27, 1974 (88 Stat. 1784; 16 U.S.C. 460ff-3(c)) is amended by inserting "(1)" after "(c)" and by adding the following at the end thereof:

"(2) The Secretary is authorized and directed, in cooperation with the Secretary of Agriculture, the State of Ohio, and affected local governments, to undertake a program of land treatment for the purpose of restoring suitable vegetative cover to substantially eliminate erosion from all lands, public and private, within the authorized boundaries of the recreation area. In the case of any private lands, within such authorized boundaries such treatment may be undertaken only with the consent of the owner thereof and shall be contingent upon assurances that such land treatment will be maintained by the owner for a period of not less than ten years. The Secretary shall, in conjunction with such program, take such actions as may be required to correct areas of ecological degradation which create hazards to health and safety.".

(b) Section 6 of such Act (16 U.S.C. 460ff 5) is amended by adding the following at the end thereof:

"(c) There are hereby authorized to be appropriated not more than $500,000 for fiscal year 1986, $1,000,000 for fiscal year 1987, $1,500,000 for fiscal year 1988, and $1,750,000 for fiscal year 1989, to carry out the provisions of section 4(c)(2) of this Act. Any amounts authorized to be appropriated for any fiscal year under this subsection which are not appropriated for that fiscal year shall remain available for appropriation in succeeding fiscal years.".

Sec. 2. No authority under this Act to enter into contracts or to make payments

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shall be effective except to the extent and in such amounts as provided in advance in appropriations Act. Any provision of this Act which authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1985.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. Vento] will be recognized for 20 minutes and the gentleman from Arizona [Mr. McCain] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. Vento].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this pending measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman form Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 934 was introduced by our colleague, John Seiberling. The purpose of the legislation is to provide authority to the National Park Service to take needed actions to reduce erosion on all lands within the boundary of the Cuyahoga Valley National Recreation Area.

The problem of erosion from lands within the Cuyahoga River drainage basin and the resultant sediment that is deposited in Cleveland Harbor has been the focus of ongoing study. With the U.S. Corps of Engineers spending about $4 million per year to dredge the sediment that collects in the harbor, considerable effort has been expended to pinpoint sources of erosion. Studies have focused on the erosion of lands within the Cuyahoga Valley National Recreation Area as a major source of the Cuyahoga River sedimentation problem.

Less than half of the 32,460 acres of land within the Cuyahoga Valley National Recreation Area is presently owned by the Federal Government. As such, the ability of the National Park Service to deal with erosion problems on much of the land within the park's boundary is extremely limited. The National Park Service has already identified 34 sites encompassing 625 acres of land, both publicly and privately owned, that need extensive reclamation work. Last month, I visited the Cuyahoga Valley National Recreation Area and saw the erosion problem firsthand. The legislation before us today is a viable and necessary tool in stemming the active and accelerated erosion that is occurring on park property.

I would also like to point out that this legislation can be a money saver. The Corps of Engineers estimates that with an active and ongoing erosion control program in place, they could cut Cleveland Harbor dredging by 30 percent at a savings of over $1 million per year in Federal dollars.

Mr. Speaker, this legislation is necessary. The geology of the area while interesting also is a problem. Over the length of the Cuyahoga Recreation Area, the water drops over 800 feet to Lake Erie. It is important that the National Government meet the problem in a special manner.

The Park Service is doing their part; they have one of the few soil scientists working in the National Park Service assigned to the Cuyahoga Recreation Area. He is doing a good job, but without adequate resources and without the ability to actually deal with the 8,000 acres of private land, I do not believe that these efforts will be successful.

This legislation and the authority that it grants, and the cooperative agreements that it anticipates from these private landowners, would put in place the ability to deal with the private holdings with some assurance, of success. Private land holders must match the Government improvement with a 10-year commitment to keep up the anti-erosion work that is actually accomplished by virtue of the agreements and by virtue of the Federal dollars that would be spent under this legislative authorization.

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I would strongly urge my colleagues to support this as a bill that will save money, that will reduce the dredging cost and will, of course, preserve the Cuyahoga Recreation Area characteristics which are so valuable in this urban setting and responsible for its initial designation as a part of our National Park System.

Mr. Speaker, I reserve the balance of my time.

Mr. McCAIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to briefly comment on H.R. 934. This legislation would authorize the National Park Service [NPS] to enter into a cooperative agreement with the U.S. Department of Agriculture, the State of Ohio and the affected local governments to initiate a land treatment program to reduce erosion in the Cuyahoga Valley National Recreation Area [NRA].

Since the establishment of the Cuyahoga Valley NRA, soil erosion within its boundaries has been a major problem. Every year, large amounts of soil from former farmland is washed into the Cuyahoga River and carried downstream to Cleveland Harbor, Clogging federally maintained ship channels. The erosion problem requires annual dredging by the Corps of Engineers at a cost of $4 million per year. Although the amount of the sediment attributable to the NRA is disputed, it is clear that an erosion problem does exist and should be addressed.

H.R. 934 would authorize Federal appropriations of $4.75 million through fiscal year 1989 for erosion control programs. Although I am concerned about the expenditure of new Federal funds in view of the Federal budget deficits our Nation is facing, H.R. 934 may be the best solution to the problem.

However, I would urge that all of the possible alternative solutions to the Cuyahoga erosion problem be thoroughly examined and considered, including the administration's proposal to enter into an interagency agreement with the Department of Agriculture to work with the private landowners to reclaim the eroding sites.

Mr. Speaker, I would like to express my appreciation to my colleague, the gentleman from Ohio [Mr. Seiberling] who has literally devoted years of dedicated efforts on behalf of the people of the Cuyahoga Valley in order to solve this terrible erosion problem that has been plaguing them for many, many years.

In any event, I hope the Cuyahoga Valley erosion problem is addressed as soon as possible.

Mr. VENTO. Mr. Speaker, I certainly want to recognize the work of my colleague, the gentleman from Ohio [Mr. Seiberling] on the Cuyahoga Recreation Area establishment, and, of course, the work that he has done in terms of bringing and working out a measure of good public policy with regards to a resolution of that issue in this measure, H.R. 934. He has done an outstanding job. It is a serious problem.

At this time, Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. Seiberling].

Mr. SEIBERLING. I thank the gentleman for yielding time to me.

Mr. Speaker, I sponsored legislation similar to H.R. 934 in the last Congress. I was grateful for the support it received when it was approved by the House, and for the support given by the Interior Committee. Unfortunately, the Senate was unable to complete work on the legislation before adjournment. Today, the need for action on the erosion problem in the Cuyahoga Valley National Recreation Area and the sedimentation problem in Cleveland Harbor continues. I am expecially grateful, today, to the distinguished chairman of the Subcommittee on National Parks and Recreation Mr. Vento, for the great interest he has taken in the erosion and sedimentation problems. Not only did he hold early hearings on H.R. 934 this year, but he also made a site visit to see firsthand the magnitude of the problems in and along the Cuyahoga River.

Mr. Speaker, it is clear that this legislation is needed: Three Federal agencies—the Army Corps of Engineers, the U.S. Geological Survey, and the U.S. Forest Service—have studied the sedimentation problem in the Cuyahoga River. They have identified the Cuyahoga River drainage basin between Indpendence and Old Portage stations—basically the northern and southern limits of the Cuyahoga Valley NRA—as the major source of sediment. Lands within the boundaries of the park are estimated to be generating well over half of the sediment in the area.

Unfortunately, little has been done, beyond initial planning, to deal with this problem. The National Park Service has yet to make the kind of continuing commitment needed to control erosion from those park lands identified as sources of sediment. And, although the Park Service testified that it has plans for financing the control of erosion on privately-held lands lying within the boundaries of the park, no action has been taken to formalize a program for private lands. It appears that if Congress does not act, the Park Service will not be able to do the complete job, for there is no incentive to the owners of private lands to do or finance the work themselves.

Mr. Chairman, this legislation could save an estimated 30 percent of the Corps of Engineers' cost of dredging the Cleveland Harbor each year once erosion controls, such as plantings, take hold. This is a potential annual savings of more than $1 million, year after year. Clearly, this legislation, after the initial $4.7 million investment, can save the Government money. And, beyond the monetary benefits accruing to the corps and the improvement we can expect in the scenic quality of the Cuyahoga Valley, the Cuyahoga Valley NRA will be able to address the nagging erosion problems which are threatening other resources within the park. The lands that are being lost cannot be replaced—truly there is no time like the present to begin this important work in the Cuyahoga Valley NRA.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. McCAIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. Vento] that the House suspend the rules and pass the bill, H.R. 934.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

COMMEMORATING THE 20TH ANNIVERSARY OF HEAD START

Mr. KILDEE. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 95) commemorating the 20th anniversary of Head Start.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 95

Whereas on May 18, 1965, President Lyndon B. Johnson announced the establishment of Project Head Start;

Whereas by the end of the summer of 1965, nearly five hundred and sixty thousand low-income preschool children had been enrolled in thirteen thousand and four hundred Head Start centers in two thousand five hundred American communities;

Whereas over the past twenty years the Head Start Program has grown from a six- to eight-week summer demonstration program to a year-round early childhood enrichment program;

Whereas over nine million low-income preschool children have been enrolled in and benefited from the Head Start Program since its inception in 1965;

Whereas the Head Start Program has provided essential health, education, nutritional, and social services to these children and their families and has had a profound impact on the physical, social, and cognitive development of these children;

Whereas the emphasis in the Head Start Program on broad-based participation of the parents of children enrolled in the program has contributed in many important ways to the self-sufficiency, self-esteem, and economic and psychological well-being of the parents as well as their children;

Whereas numerous studies have documented the lifelong beneficial effects of participation of Head Start Programs and the cost-effectiveness of the program; and

Whereas the Head Start Program is one of the most effective programs supported by the Federal Government: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That May 18, 1985, is commemorated as the twentieth anniversary of the establishment of the Head Start Program and that it is the sense of Congress that the Head Start Program has been a highly cost-effective and successful program and that the commitment of the Congress to the Head Start Program is reaffirmed.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan [Mr. Kildee] will be recognized for 20 minutes and the gentleman from Wisconsin [Mr. Petri] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. Kildee].

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 95 commemorates the 20th anniversary of Head Start and reaffirms the Congress' commitment to this exemplary child development program. The resolution was introduced by the gentleman from California [Mr. Hawkins], chairman of the Committee on Education and Labor. Nearly 100 Members of both sides of the aisle have cosponsored the bill. This demonstrates once again the bipartisan popularity of this program.

Head Start provides comprehensive community-based services to address the health, nutritional, social, and educational needs of some of the Nation's poorest children and their families. As an example of Head Start's successful service delivery, last year 90 percent of Head Start children received medical screening, and of these, 96 percent got the medical treatment they needed. Similarly, 85 percent of all Head Start children received dental examinations, and of these, 96 percent got dental treatment. These programs coupled with strong early educational programs literally give these children a head start.

Head Start is a tremendous success story. The program has helped to focus the attention of the Nation on the importance of early childhood education and development. Research has proved both the long and short term effectiveness of this quality preschool program.

The program is very cost effective. We really minimize the need to spend dollars later on for remedial educational programs. We found out from experience the children who participate in the Head Start Program are generally promoted grade by grade as time ordinarily would have their promotion take place.

Head Start has provided services to more than 9 million disadvantaged youngsters since 1965. It has proved to be one of the Federal Government's most popular, effective, and enduring programs. The upcoming 20th anniversary is an appropriate occasion for Congress to reaffirm its support, so that Head Start can continue to improve the short- and long-term prospects of needy children of this country.

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to commend my distinguished colleague, the gentleman from Michigan [Mr. Kildee] for bringing this worthwhile resolution to the floor at this time and for giving me the opportunity to join with him in this effort, and urge the Members of this House to support House Concurrent Resolution 95, which, as we know, commemorates the 20th anniversary of the establishment of the Head Start Program.

Mr. Speaker, Head Start is widely recognized as one of the most cost-effective and successful programs ever enacted by Congress. Since it began in 1965 as an 8-week summer preschool program, enrolling 561,000 children, Head Start has served more than 9.1 million children and families.

With a fiscal year 1985 budget of $1.1 billion, Head Start is currently serving 442,100 children in 9,000 centers nationwide.

The program also serves nearly 60,000 children with handicaps. In addition, 23 programs serve children of migrant workers, and 36 parent and child centers focus on families with children under the age of three.

Extensive studies have documented the effectiveness of a preschool program. Head Start children score higher on standardized tests; they perform better in school and are less likely to require special education. Studies show that every $1 spent on Head Start saves $2.36 that would otherwise be spent on special education and remedial services.

One of the more unique and most successful aspects of Head Start is its emphasis on parent involvement. The program reinforces parents' commitment to their children's well-being and education. Head Start also enjoys strong comunity support.

Please join me in commemorating the 20th anniversary of the Head Start Program and reaffirming our support for the program and its goals by supporting House Concurrent Resolution 95.

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Mr. KILDEE. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Louisiana [Mrs. Boggs].

Mrs. BOGGS. Mr. Speaker, I rise in support of House Conference Resolution 95, commemorating the 20th anniversary of Head Start.

Created on May 18, 1965, by President Lyndon B. Johnson, Head Start was a centerpiece of the war on poverty. But while many other early poverty programs have long since been extinguished, Head Start has not only survived, but has expanded and developed. It has thrived because it is accomplishing what it set out to do.

In the early sixties, research established that children who are mentally malnourished during the first few years of life are seriously disadvantaged. They face great difficulty catching up in the classroom. Most never do and face repeated failure in school and in their lives as adults.

Head Start was designed to prevent this cycle of failure. It offers a comprehensive, quality preschool experience for 3 and 4 year olds from poor families, and more recently, for children who are handicapped. It involves four components: education, health, social services, and a particularly key feature—parent involvement. Parent participation ensures continued interest in their child's educational progress throughout the school experience.

Since 1965, 9 million poor and handicapped children, and their families, have benefited from Head Start. Over 25,000 of them are from New Orleans alone—my congressional district.

This year, more than 1,100 children are participating in the New Orleans Head Start Program—some of them are third generation Head Start Children! The director of the program, Pearlie Elloie, who has been with Head Start since its inception, says significant numbers of first generation children came to Head Start with anemia, parasite infestation, and exposure to tuberculosis. Third generation children, whose mothers and grandmothers were in Head Start, are far healthier and have better diets.

Studies also show, unequivocally, that Head Start children stay in school longer, have better job prospects, are less involved in crime, and have fewer pregnancies. In testimony before the Select Committee on Children, Youth, and Families, Dr. David Weikart, director of the High/Scope Foundation, which evaluated quality, preschool education, told committee members the return on investment to society for each $1 spent on programs such as Head Start is $4.74.

Head Start is more than a cost-effective program, it is an investment in our Nation's future.

Mr. Speaker, I feel a personal exultation at the commemoration of Head Start's 20th anniversary. Twenty years ago, Lady Bird Johnson, who was the honorary chairman of the War on Poverty, invited me to the White House Conference on Head Start, and as I listened to all the experts, the educators, the pediatricians, the psychologists, and so on, I wondered why I had been invited by the First Lady to come to this conference. It was only in the question-and-answer period that followed the discussions that I discovered why I was there. People from all sorts of organizations from throughout the country complained that they had written or phoned in to express their interest and concern and their desire to help. As I was leaving the conference, I was confronted by Dr. Jules Richmond and by Diana MacArthur and asked, "What did you get out of the conference?"

I said, "I got out of it that tomorow morning I have to go down and find those letters and make certain they are answered." That is how I became the National Voluntary Chairman of the Head Start Program. We were able to have the computer of the War on Poverty give us the 300 neediest counties in the United States, and in 6 weeks' time, with volunteer help from this city and from all over the country, we were able to establish Head Start centers in 267 of those counties.

So, Mr. Speaker, it is with great love and pride and expectation that I urge my colleagues to vote in support of House Concurrent Resolution No. 95 commemorating the 20th anniversary of Head Start on May 18, 1985.

● Mr. MILLER of California. Mr. Speaker, May 18 marks the 20th anniversary of the establishment of Project Head Start.

Twenty years ago, the Head Start Program was created as part of this Nation's war on poverty. We knew then, as we do today, that low-income children who suffer from poor nutrition, inadequate health care and understimulating environments are often ill-equipped to learn when they start school. Many fall behind, and far too many never catch up. From the very beginning, these children are denied an equal chance of success in school and in life.

By fostering cognitive and emotional development, as well as sound physical health, Head Start has helped grant an equal opportunity to over nine million of this Nation's most disadvantaged children.

Head Start began in 1965 as a small, 6-to-8 week summer program intended to serve 100,000 low-income children in 300 counties. But because of the enormous need for the program, and because school superintendents and community leaders supported it so enthusiastically, it was quickly expanded to serve 560,000 children in 2,300 communities. In that first summer, 240 of the 300 poorest counties developed Head Start programs.

Today, Head Start is a comprehensive, year-round early childhood enrichment program serving 442,000 children. In California alone, nearly 33,000 children are served and in my congressional district, Contra Costa County, over 600 low-income preschool children are helped every day toward a brighter future through Head Start.

The program has been particularly instrumental in providing equal opportunities to minority children and children with special needs. Sixty-eight percent of Head Start's enrollment consists of black, Hispanic, Asian, and native American children. Over 55,000 handicapped children are enrolled in Head Start, and more than 25 percent of these children are multiply handicapped.

Much of Head Start's strength stems from the extensive involvement of parents. For every four children involved in the program, at least three parents are providing voluntary service, including work on parent-policy committees and in the classroom. Of the over 80,000 persons employed in Head Start programs, 29 percent are parents of current or former Head Start children.

Using any measure, Head Start has been a success. Head Start children score better than comparable non-Head Start children on standardized achievement tests, and are less likely to fail a grade, dropout of school or require special education. They are also

more likely to be of normal height and weight, with fewer absences from school due to illness.

The greatest gains from Head Start have come to those children most in need—those whose mothers have less than an 11th grade education and those who came to the program with the lowest intelligence test scores.

Head Start is also a very cost-effective program. Results from the longitudinal evaluation of the High/Scope Perry Preschool Program, which were presented in testimony to the Select Committee on Children, Youth, and Families, show that for every $1 invested in high quality early childhood education programs like Head Start, $4.75 is saved in lower special education costs, lower welfare and law enforcement costs, and higher worker productivity.

Yet despite Head Start's proven success, only about 20 percent of all eligible, low income preschool children are served. One thousand counties in this country have no Head Start Program. If we freeze Head Start's budget for fiscal year 1986 as the administration has proposed, 19,000 fewer children will be served than are currently served, and 19,000 fewer doors to opportunity will be opened.

Head Start's success is clear, but the job is far from over. There are over 5 million children under 6 living in poverty today, 1 million more than just 5 years ago. This fact alone testifies to the enormous need for Head Start to continue and expand. It became clear from the Select Committee's year-long bipartisan National Initiative on Child Care, culminating in our report, "Families and Child Care: Improving the Options," that Congress should annually increase the numbers of children served by Head Start.

We must remember, though, that in any future expansion of Head Start, it is vitally important that the full range of Head Start services continue to be provided. Much of Head Start's success stems from the fact that in addition to high quality early education, the program offers extensive medical, dental and mental health services, immunization services, and nutritious meals as well as training and social service assistance for parents. Low-income preschool children need the full Head Start package.

In commemorating the 20th anniversary of Head Start, we also commemorate our decision, as a nation, to invest in our own future by investing in our children. As we now see the benefits of two decades of success in helping millions of low-income children achieve their full potential, the wisdom of that decision is clear.

Head Start deserves the strong support of all of the Members of Congress. I urge my colleagues to reaffirm our commitment to this proven effective program, and work toward its expansion.●

● Mr. FOWLER. Mr. Speaker, very few of us were here 20 years ago when the Head Start Program was begun, but all of us have come to recognize its extraordinary success in providing services to meet the educational and health needs of low-income children.

The program has been in effect long enough for us to clearly see the benefits of participation in Head Start. The children from that first Head Start class in 1965 are now college graduates, members of the work force, taxpaying citizens. And those who have come behind them—9 million in all—show signs of similar success due to the exceptional preparation they received before elementary school.

But it is not only the children who have benefited. One of the hallmarks of the Head Start Program has been parental involvement—as board members, volunteer assistants and paid staff. This involvement has provided much needed boosts in self-esteem for the parents and has helped many of them become more self-sufficient.

And beyond the children and the parents, society as a whole has benefited. These children have become—or will in the future—our employees, our Nation's voters. Our Nation benefits from their improved health—in terms of increased productivity and decreased expenditures for health care—and from their education—in terms of their ability to hold down jobs and not be dependent on public assistance.

I am delighted to join with my colleagues in celebrating the 20th anniversary of this highly successful and cost-effective program. I hope we will continue to celebrate many more Head Start anniversaries in the years ahead.●

● Mr. HAWKINS. Mr. Speaker, I am most pleased to rise, along with my colleague on the Education and Labor Committee, Representative Dale Kildee, in support of House Concurrent Resolution 95, commemorating the 20th anniversary of the Head Start Program, and House Concurrent Resolution 132, commemorating the 20th anniversary of the Older Americans Act. Both of these human needs programs are targeted at the most vulnerable groups of people in our society, the very young and the very old.

Head Start is often looked upon as the "crown jewel" of the Great Society programs enacted during the Johnson administration in the 1960's. Head Start has provided much-needed health, nutrition, educational and social services to hundreds of thousands of our Nation's poorest children over the last 20 years. Unfortunately, current funding levels allow only about 20 percent of the children eligible to participate in the program, leaving some 2 million youngsters without the benefits the program provides.

Statistics show that the Head Start Program is cost effective, both for individuals as well as for society as a whole. Head Start gives disadvantaged children a boost as they enter school and prevents far more costly services later due to juvenile deliquency, illiteracy or welfare dependency. Longitudinal studies have shown that children who have participated in Head Start achieve higher grades in school and are less likely to require special or remedial education. These same students also graduate from high school at a much higher rate and are more likely to secure gainful employment later in life. Head Start participants also have lower arrest and pregnancy rates than their peers who have not had the advantages the Head Start can provide. I believe continued support for this program is vital to improve the chances that our young people will be adquately nurtured, educated, trained and ready to face the challenges of the future.

Another sound investment of tax dollars is found in the variety of social service programs authorized by the Older Americans Act. We have a moral responsibility to ensure the well-being of our older citizens. The services provided by the act are targeted to meet the special needs of the elderly in the areas of income, health, housing, employment, retirement, and community services.

For example, under the act senior citizen centers are maintained for the care and companionship of the elderly; nutrition and health assistance programs are made available; home-delivered meals and other vital services are provided to those elderly who are homebound; employment programs for low-income older persons are provided in senior nutrition centers, children's hospitals, State parks, libraries and State and local community service agencies; in addition, the act authorizes training, research, and demonstration programs in the field of aging, such as research on Alzheimer's disease, legal services for older persons, home heating assistance, and other projects designed to improve the livelihood of the elderly and give them greater independence and dignity.

I urge my colleagues to vote favorably on these two important resolutions which acknowledge and reinforce our commitment to the nurturing of our young citizens and to the continued support for our senior citizens.●

● Ms. SNOWE. Mr. Speaker, today the House of Representatives gave official recognition to one of this Nation's most successful antipoverty programs by passing a concurrent resolution commemorating the 20th anniversary of Head Start. I believe that it is most fitting for the House to pause and reflect on the success of this program and the impact it has had on disadvantaged young children over the past two decades.

When originally conceived, Head Start was to be an 8-week summer project for low-income preschool children. Since that time the program has grown to become a comprehensive year-round program addressing the health, nutrition, social and educational needs of children from some of the Nation's poorest families. Head Start has also become a national leader among preschool programs in the mainstreaming of handicapped children.

During the last 20 years over 9 million children have benefited from the Head Start Program. Studies have shown that these Head Start children are less likely to require remedial education and are more likely to graduate from high school and find employment than their counterparts who did not have the benefit of attending a preschool program. Children enrolled in Head Start also receive medical screening and care more often than disadvantaged children who are not enrolled in Head Start.

Today Head Start is serving 430,000 children nationwide. In my home State of Maine 1,669 children are currently enrolled in federally funded Head Start Programs in 13 agencies across the State. It is gratifying to know that Head Start will give these children an improved opportunity to grow up healthy, well-educated and socially well adjusted.●

● Mr. CONTE. Mr. Speaker, as an original sponsor of House Concurrent Resolution 95, I rise in strong support of the resolution. I want to thank my good friend Gus Hawkins, the Chairman of the Committee on Education and Labor, for agreeing to list me as an original sponsor of this bill.

Mr. Speaker, House Concurrent Resolution 95 commemorates the twentieth anniversary of the Head Start Program. On May 18, 1965, President Johnson announced the establishment of the tremendously successful Head Start Program, a preschool child development program conceived not so much as a Federal effort, but as a neighborhood effort. Children of poverty get a "head start" on their future under the program by receiving preschool training to prepare them for regular school in the fall. They get medical and dental attention that they badly need and parents receive counseling on improving the home environment.

Head Start is clearly one of the most successful, cost-effective and popular programs ever established by the Federal Government. Today's resolution reaffirms Congress' commitment to this outstanding program. What began in the summer of 1965 as a 6–8 week demonstration project was soon transformed into a program which has served some nine million low income preschool children since its creation. Today, more than 400,000 children are enrolled in Head Start programs throughout the Nation.

On the 15th anniversary of Head Start, one report indicated that when such factors as reduced cost of special education and remedial services were considered, Head Start's benefits outweighted its costs by 236 percent. The students score higher on mathematics and reading tests, and tend to show stronger achievment orientation than non-Head Start children.

Mr. Speaker, on this 20th anniversary of Head Start, it is prudent to recall the words of President Johnson when the program was established. "Five- and six-year-old children are inheritors of poverty's curse, and not its creators," he said. "Unless we act, these children will pass it on to the next generation, like a family birthmark." And in paying tribute to Head Start volunteers, President Johnson said that "the bread that they cast upon these waters will surely return many thousandfold."

Today, we commend these volunteers and this program for its benefits over the years. I'm proud to join my colleagues in doing so.●

● Mr. BONKER. Mr. Speaker, 20 years have passed since President Johnson launched Project Head Start as part of his war on poverty. Based on the theory that early childhood is the most critical period of a child's education and that young children growing up in poverty would learn better if their basic emotional, medical, nutritional, and educational needs were met, Head Start was designed to provide that opportunity. Originally just a summer program serving over half a million children, it has grown in funding from $96.4 million to almost $1.1 billion.

Despite rugged times in the past, Congress last year overwhelmingly granted Head Start a 2 year reauthorization. Even this administration, which has been openly critical of a number of social programs, has come to recognize the importance of Head Start—which now serves 448,250 students, 90 percent of whom are below the poverty line. Yet, there remain over one thousand counties in the United States who do not participate in Head Start, primarily for reasons of inadequate funding.

In my district of southwest Washington for example, an area with record level unemployment and obvious need, three of the most desperate counties are without Head Start programs. Start up funds for new programs are simply inadequate. The opportunity to make up for the disadvantages of background, fundamental to the idea behind the Head Start Program, is being lost for those children and for thousands of others around the country, because of poorly considered budget priorities.

Twenty years ago, Lady Byrd Johnson, honorary chair of Project Head Start, speaking about these children of poverty, said: "There is no more important task in our communities than for such children to hear a voice say, 'Come take my hand!'" I hope that over the next 20 years we can still make that hand available to needy children and in an even more generous way than we have been able to do so far.●

● Mr. COLEMAN of Missouri. Mr. Speaker, in the past 20 years, over 9 million children from low-income families have been given a chance to have an equal opportunity at life, a chance to begin at the same starting line as other children lucky to have been born into families with a little more money, stability, or time to properly care for their children.

This week marks the 20th anniversary of the Federal program responsible for giving these disadvantaged children the proper nutrition, education, medical, and emotional support they may have otherwise missed in their early years of development. That program is Project Head Start, a comprehensive developmental program that gives preschool children from low-income families the "head start" they need in order to begin elementary school at the same level of development as their peers from higher income families or a more stable homelife.

Since the program's earliest days, it has proven to be one of the most successful social programs to be administered by the Federal Government. Instead of being left at home unattended, children participating in Head Start are given the chance to go to preschool where they are taught to read and learn to better interact with other children under the supervision of trained adults. The program guarantees these children well-balanced meals as well as medical and dental treatment their families often are too poor to afford.

Studies have shown that these services, provided at such an early and important stage of development, have improved the quality of life, health and educational achievements or poverty-stricken children, over a period of many years.

According to one recent study, children who participated in Head Start preschool programs performed equal to or better than their peers when they began elementary school. There were notable improvements on the childrens' standardized tests in reading, language, and math, and it was shown that these children were more likely to go on to vocational or academic training after high school.

A particularly important finding was that children who participated in Head Start were less likely to be misclassified as mentally retarded or in need of special education, as is often the case of other economically disadvantaged children who do not receive such preschool education and social services. The study also found that the advantages gained by preschoolers continue into adulthood where they are more likely to be employed by higher paying jobs with greater job satisfaction.

The social impacts of the program extend beyond the child to the family and community. Single parents have been able to find work while their children attend school during the day. In addition, studies have reported a more positive relationship between parents and children as well as an increase in parent participation in the child's future education. The communities also benefit from the children being in school where they are less likely to get into trouble on the streets.

In its 20-year history, Head Start has proven its immeasurable worth to society. It's also cost effective—for every $1,000 invested in preschool education, at least $4,000 is saved in social service costs. Over 8,000 needy children in Missouri are currently participating in Head Start programs and, as a member of the House Education and Labor Committee, I will be working to see that they continue to receive the important services provided by this invaluable program.●

● Mr. ADDABBO. Mr. Speaker, 20 years ago, one of the cornerstones of the Great Society was laid when President Johnson signed the bill enacting the Head Start Program.

In recent years, it has become fashionable to attack many of the social programs that were enacted in those days. Some of those programs have perhaps outlived their usefulness, others may need to be modified. But for 20 years Head Start has lived up to and exceeded the expectations we had when we inaugurated it in 1965.

There is a popular notion now that the Federal Government cannot effectively administer programs that deal with the social needs of the people. The new wisdom says that only the private sector or government on the most local level should deal with matters of health, education, and social welfare.

For two decades Head Start has been proving this theory wrong. Unquestionably, some matters are better left to private groups and local government, but this should not exclude the Federal Government from playing a role in this area. Study after study has shown that children from disadvantaged backgrounds who participated in Head Start Programs, have scholastically outperformed their peers who did not.

Certainly in light of our huge Federal deficit, we need to reexamine all federally funded programs and make reductions in all parts of the budget. We must be careful however, not to dismantle the many worthwhile programs that have consistently paid dividends over the years. We should also not shy away from new programs. Government can play a role in helping its citizens improve their quality of life. Head Start is a shining example of what government can do when it applies its resources thoughtfully and imaginatively to the social needs of the society.●

● Mrs. LONG. Mr. Speaker, I stand before the House today, to show my total support of the highly successful Head Start Program, as the House commemorates its 20th anniversary and Congress reaffirms its commitment to the program.

Originally designed as an 8 week project under the Economic Opportunity Act, Head Start is now a year-round program of comprehensive services to address the health, nutrition, social, and educational needs of some of the Nation's poorest children and their families. Head Start has provided services to over 9 million disadvantaged youngsters since 1965, and has proved to be one of the most popular, cost effective, and enduring of the Federal Government's antipoverty programs.

Head Start gives disadvantaged children a better chance as they enter school and helps parents become more actively involved in their children's education and development. A follow-up of 820 Head Start children showed gains in school performance lasting as long as 13 years. With regard to key parental involvement, one-third of all Head Start staff are parents of current and former students. For every 15 children participating in Head Start, 10 parents provide volunteer services to the program.

The need for continued support for Head Start is evidenced by the fact that less than 18 percent of eligible children are being served at this time. Over 430,000 children participated in the program last year. In my own district, the Head Start Program has been a tremendous success, serving the needs of more than 40,000 deserving children. Next week I will again voice my support as I attend the first annual Combined Head Start Graduation in Ville Platte, LA, where I will witness at first hand the benefits of such an essential program as I speak to the graduates and their families.

Mr. Speaker, again I am proud to show my support for the Head Start Program as I pledge to ensure that such programs remain intact and continue to develop.●

Mr. KILDEE. Mr. Speaker, I thank the gentlewoman from Louisiana [Mrs. Boggs] for her very moving testimony.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. Kildee] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 95.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 32. Concurrent Resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988 and revising the congressional budget for the U.S. Government for the fiscal year 1985.

OBSERVING THE 20TH ANNIVERSARY OF THE OLDER AMERICANS ACT

Mr. KILDEE. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 132) observing the 20th anniversary of the enactment of the Older Americans Act of 1965.

The Clerk read as follows:

H. Con. Res. 132

Whereas 1985 marks the 20th anniversary of the enactment of the Older Americans Act of 1965;

Whereas over its 20-year history, the Older Americans Act of 1965 has provided important social and human services to tens of millions of older individuals in their communities, helping to promote greater independence for them and maintaining their dignity;

Whereas one of the key elements contributing to the successful implementation of the Older Americans Act of 1965 during this 20-year period was the establishment of the "aging network" which consists of State and area agencies on aging, as well as congregate and home delivered nutrition providers and other supportive service providers;

Whereas the Administration on Aging, created by the Act, has served as a purposeful advocate for the concerns and needs of older individuals;

Whereas the Act has provided important funds for research, training, and demonstration programs to improve, expand, and enhance services to older individuals;

Whereas the Act has provided important part-time community service employment opportunities for low-income older individuals, many of whom work in providing services to other older individuals;

Whereas the Act has sought to address the special needs of older American Indians through grants to Indian tribes;

Whereas the programs and services provided under the Act have been more successful because of the contributing role of volunteers;

Whereas the Act has periodically been amended by Congress in recognition of the changing needs of our rapidly aging society; and

Whereas the Older Americans Act of 1965 serves as a model for the development of community-based services which provided alternatives to institutionalization of older individuals: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) recognizes the 20th anniversary of the enactment of the Older Americans Act of 1965 and the successful implementation of such Act;

(2) acknowledges the many and varied contributions by all levels of the aging network and recognizes that the Act has achieved its mandate to the extent that it has because of the day to day work performed by the aging network; and

(3) reaffirms its support for the Older Americans Act of 1965 and its primary goal of providing services to maintain the dignity and promote the independence of older individuals in the United States.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan [Mr. KILDEE] will be recognized for 20 minutes and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

On behalf of the Committee on Education and Labor, I am pleased to bring before the House for consideration today, House Concurrent Resolution 132, to commemorate the 20th anniversary of the enactment of the Older Americans Act. This bill was introduced by my colleague, Congressman MARIO BIAGGI, together with 73 original cosponsors. I understand a number of additional Members have since joined in supporting the measure.

House Concurrent Resolution 132 commemorates the 20th anniversary of the enactment of the Older Americans Act of 1965, and acknowledges the many contributions of workers, both paid and volunteer, who have successfully implemented this act. The measure also reaffirms Congress' commitment to maintaining the independence and dignity of older individuals.

I have always believed that government's prime role is to promote, defend, and enhance human dignity. Meals on Wheels and other Older Americans Act programs certainly enhance, promote, and defend human dignity for they enable many people to remain in their homes rather than in convalescent or extended care facilities. In addition, these programs enable many others to be active contributors to their communities.

The Older Americans Act has more than lived up to its purpose of developing new and improved programs to help older persons. The aging network created under the act provides a full range of services and programs to meet the needs of older people in their own communities. In specific terms, in 1985:

More than 212 million meals will be served in senior centers and delivered to those homebound;

More than 9 million older individuals will receive home health visits, transportation, and other important services;

And 62,500 title V workers will be making important contributions in children's hospitals, senior nutrition centers, State parks, libraries, and other community sites.

At the time President Johnson signed the Older Americans Act into law, he stated the act "clearly affirms our Nation's high sense of responsibility toward the well-being of older citizens."

This program has long enjoyed strong, bipartisan support. I urge that we reaffirm that support on this 20th anniversary.

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Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, May has been designated "Older Americans Month," and I believe it is therefore fitting for us to commemorate the 20th anniversary of the Older Americans Act, which is the cornerstone of our national policy on aging. The act embodies the key Federal programs serving the social and nutritional needs of our Nation's elderly.

In just two decades, a network of nutrition and social services has emerged as a result of the Older Americans Act. This network of services now touches the lives of senior citizens in nearly every community in the Nation.

The Older Americans Act has been recognized as one of the most effective pieces of legislation to be developed by Congress. In the reauthorization of the act last year, I had the opportunity to review the full range of services and programs which have evolved under the act and which continue to meet the needs of older people in their own communities.

These programs serve to maintain the independence and dignity of our senior citizens. The act is designed and has been a critical element in helping to avoid unnecessary and premature institutionalization for those elderly who can receive services in their homes and communities through a network of service providers.

The Older Americans Act has enjoyed bipartisan support of administrations and Congresses since its inception. I urge my colleagues to join me in supporting House Concurrent Resolution 132, to commemorate the 20th anniversary of the Older Americans Act and to reaffirm our support for the act and for the people it serves.

● Mr. BIAGGI. Mr. Speaker, as the author of this resolution I urge its passage by the House today. I regret that the death of my dear friend and trusted adviser Anthony Petretti causes me to be absent today.

I wish to first thank the distinguished chairman of the Subcommittee on Human Resources, Mr. KILDEE, for his invaluable assistance in gaining such expeditious consideration of this resolution. In addition, I wish to thank the chairman of the full Committee on Education and Labor, Mr. HAWKINS, and the ranking minority member, Mr. JEFFORDS, for their support of this resolution and their longstanding support of the program we salute with this resolution—the Older Americans Act.

My resolution which I am proud to say has been cosponsored by 132 of my colleagues on a bipartisan basis acknowledges a very important anniversary which occurs this year. I refer to the 20th anniversary of the Older Americans Act and its various programs and services. This resolution pays a special tribute to the so-called aging network which is in fact the motor which operates the Older Americans Act at the Federal, State, and local level. I will discuss their contributions later in this statement.

The Older Americans Act born during the Great Society of the 1960's has matured effectively in that decade and into the next and continues to succeed in this time when we have effectively seen the "baby boom" replaced by the "senior boom." Today we see the number of elderly in our Nation rising at a rapid rate to the extent that we now have more people over 60 than under 10 for the first time in our Nation's history. The passage of the Older Americans Act in 1965 was the direct outgrowth of a recommendation offered by the first White House on Aging convened under President Kennedy in 1961. Its passage signified the emergence of aging as a major national policy area and served to stimulate increased public interest and attention to the needs of older Americans. It was established in response to what was identified at that time as a lack of community based social services for older persons. It was determined then and reaffirmed through amendments through the years that providing these social and human services would keep a number of these seniors out of costly nursing homes and within their community.

In fact if one were to identify the key mission of the Older Americans Act it is to provide those elderly in the greatest economic and social need with an array of human service programs which will assist them in maintaining their dignity and independence within their homes and their communities.

It has been my distinct pleasure and privilege to have been closely associated with the Older Americans Act throughout my 16 years in the House of Representatives. I have been on the Education and Labor Committee since my election to Congress and this is the committee of responsibility for the act. In that capacity I have been associated with eight of the nine series of amendments which have been offered to improve the original act. I have seen these amendments produce substantive reforms in the programs which led to the establishment of the congregate and home delivered meals programs as well as the official establishment of the aging network.

I have also been closely associated with the Older Americans Act in an oversight capacity by virtue of my service on the House Select Committee on Aging. I am an original member of this committee and since 1977 have served as the chairman of the Subcommittee on Human Resources which has among its area of jurisdiction the Older Americans Act.

To appreciate the Older Americans Act is to know people who work at its programs as well as those seniors who receive its services. I have had the good fortune to know many of both groups in my congressional career. I have worked closely with State agencies on aging, area agencies on aging, nutrition project directors, both congregate and home delivered as well as a myriad of other individuals who are vital in the aging network. Essential to the success of the Older Americans Act have been all of the aging organizations which make up the leadership and backbone of the act itself. These include the National Association of Area Agencies on Aging, the National Association of State Units on Aging, the National Association of Nutrition and Aging Services Programs and the National Association of Meal Providers as well as the title V contractors: The National Council of Senior Citizens, American Association of Retired Persons, the Gray Panthers, The Retired Senior Volunteer Program, the National Senior Citizens Law Center, The National Association of Retired Federal Employees, Meals on Wheels, the Gerontological Society of America, the Senior Companion Program, Association for Gerontology in Higher Education, The National Caucus and Center on Black Aged, the National Interfaith Coalition on Aging, NCCBA, NICA, AAHA, WGS, NAOAVPD, the Older Women's League, ASFCS, RMDUAW, National Council on Aging, ANPPM and NP/ARCA, and many more leadership organizations with whom I have been in close and constant contact.

As part of the 20th anniversary of the enactment of the Older Americans Act, the Subcommittee on Human Services is preparing a report on the Older Americans Act. It will feature observations and statements from those who have made singular and important contributions to the act during its history.

These include:

Ms. Eleanor Cain, Director of the Division on Aging, Department of Health and Social Services.

Mr. Charles Reed, Director of the Bureau of Aging and Adult Services, Department of Social and Health Services.

Mr. Daniel A. Quirk.

Mr. Donald Riley.

Ms. Katherine Morrison, Administration on Aging.

Ms. Charlotte Frank, Administration on Aging.

Mr. Gene Handlesman, Deputy Assistant Secretary for Human Development Services.

Mr. Charles Wells, Deputy Commissioner on Aging, Administration on Aging.

Mr. Arthur Flemming.

Ms. Betty Brake, ACTION.

Ms. Elizabeth B. Douglass, Executive Director, Association for Gerontology in Higher Education (AGHE).

Mr. Cyril Brickfield, Chairman, Leadership Council of Aging Organizations, c/o American Association of Retired Persons.

Mr. Wayne Moore, Director, Legal Counsel for the Elderly.

Mr. Jonathon A. Weiss, Executive Director, Legal Services for the Elderly.

Mr. C.C. Clinkscales III, National Director, National Alliance of Senior Citizens.

Mr. Samuel J. Simmons, President, National Causcus and Center on Black Aged.

Mr. Jack Ossofsky, Executive Director, National Council on the Aging.

Ms. Jacquelyne J. Jackson, Director, National Council on the Black Aging.

Mr. William R. Hutton, Executive Director, National Council of Senior Citizens.

Mr. Burton Fretz, Executive Director, National Senior Citizens Law Center.

Ms. Carmela G. Lacayo, Executive Director, Association Naconal Pro Personas Mayores.

Mr. John M. Cornman, Executive Director, Gerontological Society of America.

Mr. Thomas Bergen, Executive Director, National Geriatrics Society.

Mr. William D. Bechill, University of Maryland at Baltimore School of Social Work and Community Planning.

Mr. John B. Martin.

Mr. Robert C. Benedict, Pennsylvania Health Care Association.

Ms. Lennie-Marie Toliver.

Ms. Rose Dubroff, Executive Director, Brookdale Center on Aging of Hunter College.

Ms. Janet S. Sainer, Commissioner, New York City Department for the Aging.

Ms. Roberta R. Spohn, Deputy Commissioner, New York City Department for the Aging.

The Honorable Margaret Heckler, Department of Health and Human Services.

Mr. Nelson H. Cruikshank.

Monsignor Charles Fahey, Third Age Center, Fordham University.

Ms. Adelaide Attard, Department of Senior Citizens Affairs.

Ms. Edna (Bonny) Russell.

Mr. Robert Robinson.

Mr. Harry Walker.

Mr. Gerald Bloedow, Executive Director of the Board on Aging.

The Honorable Roman C. Pucinski.

The Honorable Lister Hill.

The Honorable Anthony J. Celebrezze, Jr., Office of the Attorney General, State Capitol, Ohio.

The Honorable John W. Gardner.

The Honorable Wilbur J. Cohen.

The Honorable Robert H. Finch, Fleming, Anderson, McClung & Finch.

The Honorable Elliot L. Richardson, Milbank, Tweed, Hadley & McCloy.

The Honorable Caspar W. Weinberger, Department of Defense.

The Honorable F. David Mathews, Charles F. Kettering Foundation.

The Honorable Joseph A. Califano, Jr., Califano, Ross & Heineman.

The Honorable John Brademas, New York University.

The Honorable Ogden R. Reid, Ophir Hill.

The Honorable Edward M. Kennedy.

The Honorable Thomas F. Eagleton.

The Honorable Jeremiah Denton.

The Honorable Orrin G. Hatch.

The Honorable Charles E. Grassley.

The Honorable Ike Andrews.

Mr. William Moyer, President, National Association for Nutrition and Aging Services Programs.

Ms. Shelley Berger, President, National Association of Meals Programs, Lutheran Social Service Society of West Pennsylvania.

Mr. Paul Sheppard, University of Maryland Center on Aging.

Ms. Fran Butler, EMJ Consultants.

The Honorable Richard S. Schweiker, American Council Life Insurance.

In conclusion, Mr. Speaker, a vote for this resolution is likely to be a vote appreciated by a constituent, since practically every congressional district in the Nation has one or more component of the aging network within it as well as part of the millions of seniors who participate in programs under the Older Americans Act. I urge favorable consideration today.●

● Ms. SNOWE. Mr. Speaker, I rise in support of House Concurrent Resolution 132 commemorating the 20th anniversary of the enactment of the Older Americans Act.

Twenty years ago, in a bold stroke, Congress recognized that the growth of the aging population would require the establishment of a national policy. As the number of older persons grew, it was recognized that the limited resources were not enough to provide for the needs of the vulnerable aged. Nor were the elderly getting a proportional amount when compared to other age groups. It was in this environment that the Older Americans Act was first conceptualized.

Over the past two decades, the Older Americans Act has become a focal point for the development of a comprehensive, coordinated system for service delivery to the elderly. It has enabled older persons to remain self-sufficient by providing services that permit them to remain in the community and to function at a level consistent with their ability.

What began as a few small service grants and research projects has grown into a system which administers social services in 57 States and territories and in 660 localities. Appropriations have increased from around $6.5 million in fiscal year 1966 to over $1 billion in 1985, all of which is designed to meet the social services needs of older persons.

As the program has developed, so has our understanding of the needs of older persons. Special emphasis has been placed on services which break down barriers of all types, such as transportation which assures adequate access to services; legal services which provides older persons with a means of advocating for their rights; and in-home services which enables the elderly to remain in their home setting rather than being institutionalized.

As is the case with all responsive programs, the Older Americans Act has changed as the needs of the elderly have changed. In November of 1983, in a bill I introduced, priority was given to education grant proposals for students who study the custodial or skilled care of victims of Alzheimer's disease. As a result of these provisions, there is a pool of trained personnel who will be available to work in settings such as home health agencies, adult day care centers, senior centers, nursing homes, and veterans' hospitals in the care of those who suffer from this debilitating illness.

There are also education and demonstration projects specifically with the victims of Alzheimer's disease and their families in mind. These provide for respite and community based care services which serve to reinforce the roles of the State area agencies in providing services to care-giving families.

In yet another change in 1984, the House Education and Labor Committee included a second bill that I introduced. This bill increased authorization levels for title III-B supportive services and senior centers. These programs include the critical transportation, in-home, and adult day care programs. The purpose of these community-based programs is to delay or prevent institutionalization by providing alternatives.

Currently, title III-B has grown as more title III-C moneys have been diverted to pay for the increased demand for social services. With the implementation of the diagnosis related groups [DRG's] reimbursement system, many persons being discharged into the community are sicker and more vulnerable than has been true in the past. As never before, the need for an adequate system of social services is becoming apparent. Home health benefits are more in demand than ever as are the need for respite and day care.

As we celebrate the 20th birthday of the Older Americans Act, it is clear that we have before us the challenge to continue to provide the same high quality of services, to continue to provide alternatives to institutionalization, and to continue to assure that our older citizens reap the value of the contributions they have made to our society.●

● Mr. ROYBAL. Mr. Speaker, as chairman of the Select Committee on Aging, I would like to take this opportunity to thank the members of this Chamber, both past and present, who have been vigilant in their support of the Older Americans Act and the elderly citizens of our great Nation; 1985 marks the 20th anniversary of the passage of the Older Americans Act. This landmark legislation continues to be the primary source of social service delivery to millions of older Americans. Over the last 20 years, the programs and services which have been established through this act have enhanced the quality of life for seniors. These programs have provided the basic supportive and nutritional services needed by many older persons to help them remain active and live independently with dignity.

Since the passage of the Older Americans Act, 672 area agencies on aging have been established throughout the country to help coordinate services to our Nation's senior citizens. It is estimated that 9.3 million elderly currently benefit from services such as in home and adult day care, and congregate and home delivered meals.

These successful programs have proven, time and time again, to be effective in preventing premature institutionalization. However, it is my firm belief that there still is much work to be done. During this time of budget restraint, I must emphasize that Older Americans Act programs have already sustained their share of budget cuts.

Three main factors are placing an increasing burden on limited Older Americans Act dollars: First, the increase in early hospital discharges associated with the Medicare prospective payment system; second, the increasing demand for supportive and long-term care services because of cutbacks in other programs, and third, the increasing number of persons who need assistance. We must also remember that as the elderly population increases, the need for these services will continue to grow as well. The U.S. Census Bureau projects that the population age 65 and older will increase by 100 percent between 1980 and the year 2020, compared to an increase of only 21 percent for the population under age 65.

It is particularly appropriate that we celebrate the 20th anniversary of the Older Americans Act during May, which has been designated as "Older Americans Month." Again, as chairman of the Aging Committee, I wish to thank those in this body who through the years have supported the Older Americans Act, its goals and objectives. I think that the Congress should be proud of their efforts and the success of this legislation on the occasion of its 20th anniversary.●

● Mr. LIGHTFOOT. Mr. Speaker, as an original cosponsor of House Concurrent Resolution 132, and as a member of the Select Committee on Aging, I rise today in strong support of this resolution to commemorate the 20th anniversary of the Older Americans Act of 1965. This resolution will reaffirm our commitment to the well-being of older Americans.

The Older Americans Act has provided important social and human services to older individuals. It has improved the lives of older Americans in the areas of income, health, housing, employment, retirement, and community services. One of the most important features of the act is the establishment of an aging network which consists of State and area agencies on aging, as well as congregate and home delivered nutrition providers and other supportive services.

This network is providing more than 9 million older Americans with a variety of supportive services. For example, 212 million meals will be served during this year. The title V Community Employment Program currently supports 62,502 employment positions in children's hospitals, senior nutrition centers, State parks, libraries, and State and local governments. And the title VI program assists 83 Indian tribal organizations to better serve their older members.

With an ever increasing older population, it will be even more important for us to analyze and acknowledge the needs of older Americans and to provide services and programs which will ensure their health and well-being. I believe that the Older Americans Act has done an exceptional job at meeting many of these needs. This can be shown by the strong bipartisan support this act has received from my colleagues over its 20-year history.●

● Mr. PEPPER. Mr. Speaker, I would like to take this opportunity to speak in favor of House Concurrent Resolution 132, to observe and formally recognize the 20th anniversary of the Older Americans Act.

This resolution, which was proposed by my distinguished colleague, the Honorable Mario Biaggi, salutes the success the Older Americans Act has enjoyed over the past two decades.

The Older Americans Act, enacted by the Congress in 1965, has proved to be one of this country's most effective pieces of legislation. The act provides for a full range of services and programs that fill the needs of older people in their own communities—senior center and nutrition programs, home-delivered means for the homebound and employment opportunities for low-income older individuals. In addition, the act finances research, training, and demonstration programs designed to develop better ways to meet the needs of the elderly.

The proposed resolution, it should be noted, also pays special tribute to the aging network established under the Older Americans Act—a component which exists in each and every congressional district in the United States and has proved so important through the years.

The mission of the Older Americans Act is to provide those elderly in the greatest social and economic need with an array of social and human services which will help them maintain their independence and dignity. It has, for two decades, faithfully met that charge. It is with great pleasure that I endorse House Concurrent Resolution 132 saluting the 20th anniversary of the Older Americans Act. I urge all my colleagues committed to America's elderly to do the same.●

● Mr. CONTE. Mr. Speaker, as a cosponsor of House Concurrent Resolution 132, I rise in strong support of this resolution. The resolution commemorates the 20th anniversary of the Older Americans Act.

Mr. Speaker, on July 14, 1965, President Johnson signed the Older Americans Act into law, saying that the act "clearly affirms our Nation's high sense of responsibility toward the well-being of older citizens." This act was designed specifically to address the needs of older people.

Mr. Speaker, the Older Americans Act is the major vehicle for organization and delivery of services solely to senior citizens, services tailored to meet their special needs. Today, it is a program supporting 662 area agencies on aging and 57 State agencies. The network provides a full range of services to senior citizens: from senior centers, nutrition programs, and home-delivered meals to other services for the homebound, and employment opportunities for the elderly.

It is estimated that this year, more than 9 million older persons will be receiving a variety of supportive services. Over 212 million meals will be served to the elderly. The Community Employment Program supports 62,502 employment positions in children's hospitals, senior nutrition centers, State parks, libraries, and State and local governments.

The Older Americans Act is perhaps most important because it recognizes the worth and benefit of our Nation's senior citizens. It sends them a message that they will not be forgotten—not those who have done so much to make our Nation what it is today.

Mr. Speaker, as a strong supporter of the Older Americans Act, I believe that it is important for Congress to both recognize its accomplishments and benefits, and to reaffirm our commitment to it. I urge my colleagues to support me in this recognition and reaffirmation.●

● Mr. KANJORSKI. Mr. Speaker, I am proud to join my colleagues in the House in passing House Concurrent Resolution 132, legislation commemorating the 20th anniversary of the Older Americans Act.

Since its passage in 1965 the Older Americans Act has helped millions of our Nation's senior citizens to live their lives with honor and dignity. It has improved the quality of their lives through a wide variety of health, housing, nutrition, employment, and community service programs. These services are provided through a network of 57 State agencies and 662 area agencies.

Perhaps the best known of the Older Americans Act programs are its nutrition programs like Meals on Wheels which will provide 212 million meals this year to senior citizens at senior centers and through home delivery. These programs are instrumental in allowing senior citizens to maintain their independent lives. In the long run they save the taxpayer millions of dollars by allowing seniors to live outside more expensive facilities like nursing homes. In Luzerne County, PA, some 350 senior citizens receive home delivered meals every day through a program funded in part by the Older Americans Act.

The title V senior employment programs will employ an estimated 62,500 senior citizens around the Nation in hospitals, nutrition centers, State parks, libraries, and other community service centers. In addition to providing income and a sense of self-worth to the seniors who are employed through these programs, they also help to provide essential social services to other senior citizens. Title V helps seniors to aid each other.

Some 9 million senior citizens also receive home health care visits through the Older Americans Act. Like the nutrition programs, the home health care program helps senior citizens maintain their independent lives. This program is particularly important in northeastern Pennsylvania. Roughly 1,000 senior citiznes in Luzerne County receive light housekeeping, bathing, and other homemaker services through programs funded in part by the Older Americans Act. An additional 1,500 senior citizens have minor, but important, home repairs and other chores performed each year through Older Americans Act programs.

For those individuals who need more care than homemaker services can provide, but who do not need to be institutionalized, the Older Americans Act also helps to fund adult day care programs. The Luzerne County Area Agency on Aging advises me that 30 to 40 senior citizens in Luzerne County are currently benefiting from these services.

Mr. Speaker, all too often we hear only about Government programs that don't work. It is both fitting and appropriate that we pay tribute to the Older Americans Act, a program that has worked, and worked well, for two decades. Everyone who has had a part in the creation of the Older Americans Act, and the delivery of its services, deserves our heartfelt thanks and congratulations.●

● Mr. MANTON. Mr. Speaker, I am pleased to rise in favor of House Concurrent Resolution 132, of which I am an original cosponsor. House Concurrent Resolution 132 recognizes the 20th anniversary of the enactment of the Older Americans Act.

Since its enactment in 1965, the Older Americans Act has benefited the lives of millions of older Americans. The act was established to maintain the dignity and promote the independence of older individuals in the United States. For the past 20 years, the Older Americans Act has successfully achieved its important mandate. This has been accomplished through the establishment of the "aging network," consisting of State and area agencies on aging, through the establishment of congregate nutrition sites across the Nation, by providing important funds for research and training, and with the involvement and hard work of dedicated volunteers.

I strongly urge my colleagues to support the resolution, which not only commends the important ideals behind the act, but also reaffirms congressional support for these programs which benefit constituents in every congressional district in the United States.

Finally, Mr. Speaker, I would like to commend my dear friend and colleague from New York [Mr. Biaggi], for authoring this important bill. I have enjoyed working with him on this legislation and I look forward to continuing our work to protect the interests of our Nation's seniors. In addition, I commend the gentleman from Michigan [Mr. Kildee], for his excellent work in managing this legislation.●

● Mrs. LONG. Mr. Speaker, it is a pleasure for me to address the House today, to voice my support for the Older Americahs Act, as the House commemorates the 20th anniversary of the act and Congress reaffirms its commitment to maintaining the independence and dignity of older individuals.

In representing a district in which approximately 15 percent of the population is over 65, I know the importance of the programs which come under the Older Americans Act. From a few small programs in the first year of implementation, the act now provides a full range of services and programs to meet the needs of older people in their own communities. Paid and volunteer workers will serve more than 212 million meals this year for senior centers and homebound individuals. More than 9 million older Americans will benefit from home health visits, transportation, and other services.

The Older Americans Act program has developed from a few small grants in 1966 to a program supporting 662 area agencies on aging and 57 State agencies. Whether it be the senior woman in Gonzales who receives lunch every day or the older man in Alexandria who is provided with home health visits, many people in Louisiana's Eighth Congressional District have benefited from such an essential piece of legislation.

Mr. Speaker, again, I am proud to show my support for the Older Americans Act and I pledge to continue to work to ensure the independence and dignity for our growing numbers of older Americans. As President Johnson stated in 1965 when he signed the Older Americans Act into law, "such an act clearly affirms our Nation's high sense of responsibility toward the well-being of older Americans."●

● Mr. GROTBERG. Mr. Speaker, I rise in strong support and as a cosponsor of House Concurrent Resolution 132, commending the 20th anniversary of the Older Americans Act. As one who has been active in senior citizen matters all of my life, I believe the Congress should recognize the anniversary of the signing of the 1965 Older Americans Act. For several years before I came to the House, I served as a consultant for the Lutheran Social Services of Illinois and managed the Hotel Baker in my hometown, St. Charles, IL. The Hotel Baker had been converted into a senior residency in 1971 and is owned and operated by the Lutheran Social Services. My experiences with the seniors there, throughout my State legislative district and now in my congressional district have been extremely rewarding. I take this opportunity to add my congratulations to those who had the foresight to pass this legislation 20 years ago and to those who have since implemented its far-reaching and important provisions.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, today we commemorate the 20th anniversary of the Older Americans Act, the benchmark legislation which has so successfully created programs which assist older persons in continuing to be full participating members of our society.

The passage of the Older Americans Act [OAA] in 1965 indicated our country's awareness of the special needs of a growing aging population, and affirmed our commitment to providing programs targeted specifically to meet their special needs. Over the years, the act has remained in step with the growing needs of the elderly; Congress has voted, on seven separate occasions, to reauthorize it. Appropriations for the programs under the OAA have increased from $6.5 million in fiscal 1966 to $1 billion during fiscal 1984. Almost 10 million persons are now participants in OAA programs, either as providers or beneficiaries. Today, over 660 locally based Area Agencies on Aging [AAA] have been established to coordinate programs funded under the OAA to help older persons get the services they need to live independently in their community. Older persons can now receive a wide range of services, including information and referral, transportation, homemaker, home health, legal counseling, meals, residential repair, and others.

In my State of Arkansas, where we have the second highest per capita number of older persons in the country, and in my district, which is predominantly rural, the decentralized structure of the AAA's has served my constitutents well. The emphasis on local control over the program's implementation creates a concerned and responsive network of AAA's dedicated to serving a growing aging population, whose needs they know and care about.

The nursing home ombudsman programs have been expanded to include consumer information, investigation, and recommendations to State legislatures. On any given occasion, I can call one of four AAA's serving my district and inquire about the quality of a nursing home, or the care of a patient there, and an ombudsman will go out that day and report back on the situation. Or, if I receive a letter about an elderly constituent who is unattended, or in need of assistance, I can call the local AAA director and they will have an AAA official go out to the home and tend to needs of that individual. I can't say enough good things about the AAA staffs in my district. So, Mr. Speaker, the AAA's have been an integral facet of the OAA, and have served as the eyes and ears from many Members, including myself.

There are some other aspects of this fine program which I would like to mention, mainly because they are unique in their usefulness and resourcefulness. First, the provision permitting the Department of Agriculture to contribute surplus commodities to the Title III Nutrition Program is both beneficial and cost effective; it allows these meal programs to serve more people by expanding their food budget. Second, the Title III Home Delivered Meals Program, which provides one meal a day to persons confined to their home, enables those persons to have a consistently nutritional diet and increased social interaction than might otherwise be available to them. In many cases, the home delivered meals allow persons to remain in the home and avoid costly institutionalization. The Congregate Meals Program is another program which has been highly successful. Meals are served in group settings, such as senior centers, schools, or churches, and qualifying older persons and their spouse may receive at least one meal per day, 5 days a week. This helps them to obtain needed nutrition while enjoying the company of other older persons. A wonderful part of this program is that those persons who can pay for either all or part of their meal are allowed to do so, and then this money is used to increase the number of meals served by the project.

I could go on and on describing the various programs which OAA funds, but the message, I trust, is clear. The OAA funds some of the most worthwhile, successful, and well-managed programs of any now supported by the Government. In this time of fiscal restraint, it is with pleasure that I look at programs such as these that are working to make life better for an invaluable sector of our society, without being a great burden to our budget. As a ranking member of the Select Committee on Aging, I am especially proud to see that legislation which helps older persons to live better quality lives is being commemorated today. I am honored to have had the opportunity to be involved, over the years, with many of the policies which have contributed to making life better for older persons, and I look forward to working with my colleagues to ensure that we continue to recognize, and address, the needs of older persons.●

Mr. PETRI. Mr. Speaker, I yield back the balance of my time.

Mr. KILDEE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. Kildee] that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 132.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ARMY AND NAVY UNION OF THE UNITED STATES OF AMERICA

Mr. SAM B. HALL, JR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 897) to recognize the Army and Navy Union of the United States of America.

The Clerk read as follows:

H.R. 897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CHARTER

Section 1. The Army and Navy Union of the United States of America, organized and incorporated under the laws of the State of Ohio, is hereby recognized as such and is granted a charter.

POWERS

Sec. 2. The Army and Navy Union of the United States of America (hereinafter referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

OBJECTS AND PURPOSES OF CORPORATION

Sec. 3. The objects and purposes of the corporation are those provided in its articles of incorporation and shall also be—

(a) to hold true allegiance to the Government of the United States of America and fidelity to its Constitution, laws, and institutions;

(b) to serve our Nation under God in peace as well as in war by fostering the ideals of faith and patriotism, loyalty, justice, and liberty; by inculcating in the hearts of young and old, through precept and practice, the spirit of true Americanism; by participating in civic activities for the good of our country and our community;

(c) to unite in fraternal fellowship those who have served honorably and those who are now serving honorably in the Armed Forces of the United States of America; to protect and advance their civic, social, and economic welfare; to aid them in sickness and distress; to assist in the burial and commemoration of their dead; and to provide help for their widows and orphans; and

(d) to perpetuate the memory of patriotic deeds performed by the defenders of our country.

SERVICE OF PROCESS

Sec. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

Sec. 5. Eligibility for membership in the corporation and the rights and privileges of members shall be as provided in the bylaws of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

Sec. 6. The board of directors of the corporation and the responsibilities thereof shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States in which it is incorporated.

OFFICERS OF CORPORATION

Sec. 7. The officers of the corporation, and the election of such officers shall be as is provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States wherein it is incorporated.

RESTRICTIONS

Sec. 8. (a) No part of the income or assets of the corporation shall insure to any member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation and any officer and director of the corporation, acting as such officer or director, shall not contribute to, support or otherwise participate in any political activity or in any manner attempt to influence legislation.

(d) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

(f) The corporation shall retain and maintain its status as a corporation organized and incorporated under the laws of the State of Ohio.

LIABILITY

Sec. 9. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

Sec. 10. The corporation shall keep correct and complete books and records of account and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of such corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

Sec. 11. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101) is amended by adding at the end thereof the following:

"(68) Army and Navy Union of the United States of America"

ANNUAL REPORT

Sec. 12. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit required by section 11 of this Act. The report shall not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

Sec. 13. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

DEFINITION OF "STATE"

Sec. 14. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

TAX-EXEMPT STATUS

Sec. 15. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954. If the corporation fails to maintain such status, the charter granted hereby shall expire.

TERMINATION

Sec. 16. If the corporation shall fail to comply with any of the restrictions or provisions of this Act the charter granted hereby shall expire.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas [Mr. Sam B. Hall, Jr.] will be recognized for 20 minutes and the gentleman from Ohio [Mr. Kindness] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. Sam B. Hall, Jr.].

Mr. SAM B. HALL, JR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Army and Navy Union of the United States of America, Inc. was founded in 1886 and incorporated under the nonprofit laws of the State of Ohio in 1888. This organization is a civic, fraternal and social organization which was established to promote patriotism. It is the oldest veterans' organization of its type in the United States.

Membership in the organization is not restricted to any specific form, date, branch, place, or nature of military service. It is comprised of approximately 8,400 veterans in 10 States.

Members of the Army and Navy Union perform volunteer service for veterans and their families, including charitable work at VA hospitals. They also serve as burial escorts and ceremonial honor guards at funerals and provide aid to families of deceased veterans in adjusting to their loss.

It is the recommendation of the Judiciary Committee that H.R. 897 be passed by the House.

Mr. Speaker, I yield such time as he may consume to the gentleman from

Ohio [Mr. SEIBERLING], the sponsor of this measure.

Mr. SEIBERLING. Mr. Speaker, I thank the distinguished chairman, the soon-to-be distinguished Federal judge, the gentleman from Texas, for his support of this legislation and for bringing it to the floor in this timely fashion.

Mr. Speaker, I rise in support of H.R. 897, legislation I introduced to grant a Federal charter to the Army and Navy Union of the United States of America. I am grateful to the chairman of the Subcommittee on Administrative Law [Mr. SAM B. HALL, JR.] and to the chairman of the full Judiciary Committee [Mr. RODINO] for their willingness to bring my bill to the floor in such an expeditious manner.

The Army and Navy Union of the United States of America is a civic, fraternal and social organization united to promote patriotism in our society. The Army and Navy Union is the oldest veterans' organization of its type in the United States. Founded in 1886, and incorporated under the laws of the State of Ohio since 1888, it is the only veterans' organization in which membership is not limited to any specific form, date, branch, place, or nature of military service performed.

The Army and Navy Union is dedicated to the preservation of a free and independent Union States, and to providing assistance to veterans and their dependents. Since its earliest days, the Army and Navy Union has worked for the enactment of equitable laws to provide pensions, medical care, and other benefits to veterans.

The Army and Navy Union currently has some 8,400 members with posts in Ohio, New York, Georgia, Indiana, Tennessee, North Carolina, South Carolina, New Jersey, Massachusetts, and the District of Columbia.

The Army and Navy Union is headed by a national commander and his staff. The National Corps is administered by officers elected at an annual convention. Any member in good standing is eligible to hold any office in the organization. Each member State has its own State Department, which administers the operation of the local posts, known as Garrisons. Each State Department holds an annual encampment. Garrisons meet formally at least once a month. Garrison members elect their own officers and their own delegates to the National Encampment and the Department Encampment.

Members of the Army and Navy Union work on a voluntary basis performing services of assistance to veterans and their families. Members serve as burial escorts and ceremonial honor guards at veterans' funerals. They perform charitable work at Veterans' Administration hospitals, and assist the families of deceased veterans in adjusting to their loss.

The Army and Navy Union of the United States of America has a long and illustrious record of service to veterans and their families. Forty-one recipients of the Congressional Medal of Honor, including Eddie Rickenbacker and Gen. Douglas MacArthur, have held membership in the organization. Other members include President William McKinley, Supreme Court Justice Harold Burton, and Senator Charles Dick of Ohio.

Mr. Speaker, I am pleased that the House has the opportunity today to approve my bill, and thus to grant the Army and Navy Union the Federal charter which it has sought for so many years. The charter will provide this worthy organization with the national status it deserves.

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support and recommend approval by the House of this measure, which grants a charter to the Army and Navy Union of the United States of America.

The purpose of this legislation really is to recognize an existing State charter organization. The safeguards that are included in the granting of Federal charters over recent years are included in this legislation as well.

One of the things that might be brought to light in particular is that the legislation provides for certain contingencies which would cause a forfeiture of the charter if they were not complied with. There is annual reporting to the Congress on the functioning and financial functioning of the organization. The legislation requires the corporation to keep records, perform an annual audit as well. There are additional safeguards that are included in Federal legislation is included in this bill.

I think it is a worthy organization that should receive a Federal charter and I would urge support of the measure.

I have no requests for time, Mr. Speaker, and I yield back the balance of my time.

Mr. SAM B. HALL, JR. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I want to thank the chairman for yielding to me.

Mr. Speaker, I want to rise in support of the bill and associate myself with the remarks of my two colleagues.

We are proud that the organization began in Ohio and I commend the chairman for having the legislation brought to the floor. I hope we can pass it unanimously.

☐ 1330

Mr. SAM B. HALL, JR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. SAM B. HALL, JR.] that the House suspend the rules and pass the bill, H.R. 897.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PEARL HARBOR SURVIVORS ASSOCIATION

Mr. SAM B. HALL, JR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1042) to grant a Federal charter to the Pearl Harbor Survivors Association, as amended.

The Clerk read as follows:

H.R. 1042

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHARTER.

The Pearl Harbor Survivors Association, a nonprofit corporation organized under the laws of the State of Missouri, is recognized as such and is granted a Federal charter.

SEC. 2. POWERS.

The Pearl Harbor Survivors Association (hereinafter in this Act referred to as the "corporation") shall have those powers granted to it through its bylaws and articles of incorporation filed in the State in which it is incorporated and subject to the laws of such State, and such powers shall include the following:

(1) To sue and be sued, complain, and defend in any court of competent jurisdiction.

(2) To adopt, alter, and use a corporate seal.

(3) To take gifts, legacies, and devices which will further the corporate purposes.

(4) To adopt, alter, and amend a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs.

(5) To change and collect membership dues and subscription fees and to receive contributions or grants of money or property to be used to carry out its purposes.

(6) To establish, regulate, and maintain offices for the conduct of the affairs of the corporation.

(7) To promote the formation of auxiliaries, the membership requirements of which

shall be determined according to the constitution and the bylaws of the corporation.

(8) To publish a magazine or other publications.

(9) To adopt emblems and badges.

(10) To do any and all lawful acts and things necessary or desirable to carry out the objects and purposes of the corporation.

SEC. 3. OBJECTS AND PURPOSES OF CORPORATION.

The objects and purposes of the corporation are those provided in its articles of incorporation and shall include the following:

(1) To uphold and defend the Constitution of the United States.

(2) To collate, preserve, and encourage the study of historical episodes, chronicles, mementos, and events pertaining to "The Day of Infamy, 7 December 1941", and in particular those memories and records of patriotic service performed by the heroic Pearl Harbor survivors and nonsurvivors.

(3) To shield from neglect the graves, past and future, of those who served at Pearl Harbor on such day.

(4) To stimulate communities and political subdivisions into taking more interest in the affairs and future of the United States in order to keep our Nation alert.

(5) To fight unceasingly for our national security in order to protect the United States from enemies within and without our borders.

(6) To preserve the American way of life and to foster the spirit and practice of Americanism.

(7) To instill love of country and flag and to promote soundness of mind and body in the youth of our Nation.

SEC. 4. SERVICE OF PROCESS.

With respect to service of process, the corporation shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

SEC. 5. ELIGIBILITY FOR MEMBERSHIP.

Eligibility for membership in the corporation and the rights and privileges of members of the corporation shall be as provided in the constitution and bylaws of the corporation, except that terms of membership and requirements for holding office within the corporation shall not be discriminatory on the basis of race, color, religion, or national origin.

SEC. 6. BOARD OF DIRECTORS.

The composition of the board of directors of the corporation and the responsibilities of such board shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State in which it is incorporated.

SEC. 7. OFFICERS OF CORPORATION.

The positions of officers of the corporation and the election of members to such positions shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State in which it is incorporated.

SEC. 8. RESTRICTIONS ON CORPORATE POWER.

(a) DISTRIBUTION OF INCOME OR ASSETS TO MEMBERS OR OFFICERS OF THE CORPORATION.—No part of the income or assets of the corporation shall insure to any member, officer, or director of the corporation or be distributed to any such person during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection shall be construed to prevent the payment of compensation to the officers of the corporation for services rendered to the corporation or to prevent their reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) LOANS OR ADVANCES.—The corporation shall have no power to make loans or advances to any member, officer, director, or employee of the corporation.

(c) ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS.—The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

(d) NONPOLITICAL NATURE OF THE CORPORATION.—The corporation and its officers, employees, and agents acting as such shall have no power to contribute to, support, or otherwise participate in any political activity or in any manner attempt to influence legislation.

(e) APPROVAL OF THE CONGRESS OR THE FEDERAL GOVERNMENT.—The corporation shall have no power to claim congressional approval or Federal Government authority for any of its activities.

SEC. 9. LIABILITY.

The corporation shall be liable for the acts of its officers and agents when they have acted within the scope of their authority.

SEC. 10. BOOKS AND RECORDS; INSPECTION.

The corporation shall keep correct and complete books and records of accounts and shall keep minutes of the any proceeding involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote in any proceeding of the corporation. All books and records of the corporation may be inspected by any member, or any agent or attorney of such member, for any proper purpose, at any reasonable time.

SEC. 11. AUDIT OF FINANCIAL TRANSACTIONS.

The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law.", approved August 30, 1964 (78 Stat. 636; 36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(69) Pearl Harbor Survivors Association.".

SEC. 12. ANNUAL REPORT.

The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as the report of the audit of the corporation required pursuant to section 2 of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law.", approved August 30, 1964 (78 Stat. 636; 36 U.S.C. 1102). The report shall not be printed as a public document.

SEC. 13. RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER.

The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

SEC. 14. DEFINITION OF "STATE".

For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

SEC. 15. TAX-EXEMPT STATUS.

The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954.

SEC. 16. EXCLUSIVE USE OF CORPORATE NAME.

The corporation and its regional districts and local branches shall have the sole and exclusive right to use in carrying out its purposes the name "Pearl Harbor Survivors Association", and such seals, emblems, and badges as the corporation may adopt.

SEC. 17. TERMINATION.

If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted by this Act shall expire.

The **SPEAKER** pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas [Mr. SAM B. HALL, JR.] will be recognized for 20 minutes and the gentleman from Ohio [Mr. KINDNESS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SAM B. HALL, JR.].

Mr. SAM B. HALL, JR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Pearl Harbor Survivors Association is a nonprofit corporation which was organized in 1958. In 1964, the association was incorporated under the laws of Missouri.

As the name of the organization suggests, this organization was formed by a group of survivors of the attack on Pearl Harbor by the Japanese on December 7, 1941. Membership is open to anyone who, on that infamous date, was a member of the Armed Forces of the United States and who was stationed on Pearl Harbor, the Island of Oahu, or offshore within 3 miles. The association currently has about 9,700 members.

The Pearl Harbor Survivors Association is dedicated to the purpose of promoting and promulgating the obligations of citizenship and patriotism. They are active in preserving gravesites of those who died in the Japanese attack on Pearl Harbor. They also erect monuments and preserve historical mementos of that attack.

It is the recommendation of the Judiciary Committee that H.R. 1042 be passed by the House.

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

I support and recommend adoption of this Federal charter as well.

One comment does appear to be in order. In the granting of Federal charters we have in recent years granted some charters to organizations which are bound to have a limited existence. This is one of those organizations. Because of its membership being basically those who were survivors of a particular event in history there is no opportunity for that membership to expand and continue on a perpetual basis.

Whether such charters should be granted is open to some question as a matter of policy for this House and the other body to decide. This is a worthy organization. Its purposes are good and sound. Its services to veterans are very appropriate, and I support the granting of the charter.

I think, however, we ought to be looking a lot more closely at whether charters should be granted to organizations that are bound to reduce in size and at some point in time be inactive or become inactive, for all practical purposes at any rate.

The question then is what do we do to clean up the record. Does the Congress then pass legislation to disestablish the Federal charter with the emotional approach that might be involved in such cases, or do we wait until the organization no longer qualifies under State law as a valid corporation, and then the Federal charter automatically ceases to exist?

Nonetheless, Mr. Speaker, we have granted charters of this nature to the submarine veterans of World War II, for example, in the last Congress. I think this group is certainly worthy of that same recognition and I would only raise the policy question for consideration further down the line with any subsequent opportunities that we have to consider it with organizations of a similar sort.

● Mr. RUDD. Mr. Speaker, as a cosponsor of H.R. 1042, I rise in strong support of granting a Federal charter to the Pearl Harbor Survivors Association to honor its 9,700 current members who survived that unprovoked and devastating attack by the Japanese nearly 44 years ago.

Membership in this distinguished veterans organization is open to anyone who was a member of the U.S. Armed Forces stationed in Pearl Harbor, on the Island of Oahu or offshore on that fateful day that launched our Nation into World War II, December 7, 1941.

Members of the Pearl Harbor Survivors Association continue to serve our Nation honorably today. They work to preserve relics of the attack as well as the gravesites of those who were not so fortunate and gave their lives on that day in defense of our Nation.

In passing this legislation we not only honor the survivors, but also their fallen comrades.

Let us pledge our commitment to ensuring the strength of the United States against foreign aggression to guarantee that such a tragic incident will never occur again.

I urge adoption of the bill.●

● Mr. DWYER of New Jersey. Mr. Speaker, as the prime sponsor of this legislation, I rise in support of H.R. 1042, which would grant a national charter to the Pearl Harbor Survivors Association.

The distinguished chairman of the subcommittee has thoroughly explained the bill's purpose and how it accomplishes this purpose. I am grateful to him and to the chairman of the full committee, Mr. Rodino, for their courtesy and for the expeditious treatment which they have given to this legislation.

Mr. Speaker, today we have the opportunity to pay tribute to those Americans who survived the most disastrous surprise attack ever undertaken against America. But, just as importantly, this legislation gives us the opportunity to pay homage to those who did not survive this event. Those who were killed—and those who were permanently disabled—were the true heroes of this episode and are the ones we honor by passing this bill today.

Again, Mr. Speaker, I would urge all of my colleagues to support this legislation. It carries with it no cost to the Treasury, but a tremendous amount of significance to those who were there, those who lost loved ones there and those who remember the horror of that Sunday morning 44 years ago.●

Mr. SAM B. HALL, JR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. Sam B. Hall, Jr.] that the House suspend the rules and pass the bill, H.R. 1042, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DAUGHTERS OF UNION VETERANS OF THE CIVIL WAR 1861-65

Mr. SAM B. HALL, JR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1806) to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861-1865.

The Clerk read as follows:

H.R. 1806

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

CHARTER

Section 1. The Daughters of Union Veterans of the Civil War 1861-1865, a nonprofit corporation organized under the laws of the State of Ohio, is recognized as such and is granted a Federal charter.

POWERS

Sec. 2. The Daughters of Union Veterans of the Civil War 1861-1865 (hereinafter in this Act referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

OBJECTS AND PURPOSES OF CORPORATION

Sec. 3. The objects and purposes of the corporation are those provided in its articles of incorporation and, for the purpose of perpetuating the memories of the fathers of the Daughters of Union Veterans of the Civil War 1861-1865, their loyalty to the Union, and their unselfish sacrifices for the preservation of the same, shall include the following:

(1) Encouraging the preservation of historic sites and the construction and preservation of monuments commemorating any aspect of the Civil War.

(2) Building and maintaining a Museum of Civil War History, admission to which shall be free and open to the public, in the city of Springfield, Illinois, as a repository of Civil War documents, artifacts, and cultural relics.

(3) Maintaining a library in connection with the Civil War museum, admission to which shall be open to the public, containing the official volumes of the War of the Rebellion Records, Civil War genealogical files, Adjutant General reports to the various States, military and biographical records and accounts of the individual service of Union soldiers, sailors, and marines, diaries, letters, relics, and other records.

(4) Promulgating and teaching American history, particularly the history of the Civil War period, through the establishment of scholarship programs at the National and State levels, the presentation of American flags to youth groups and newly naturalized citizens, and the sponsorship of contests of educational merit.

(5) Caring for veterans of all wars through volunteer programs in Veterans' Administration medical centers and in homes and other institutions maintained by the States for the welfare of American veterans.

(6) Participating, in a spirit of cooperation and reciprocity, in programs with other societies devoted to American history, veterans' affairs, or community interests.

The corporation shall function as a veterans' and patriotic organization as authorized by the laws of the State or States in which it is incorporated.

SERVICE OF PROCESS

Sec. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

Sec. 5. Eligibility for membership in the corporation and the rights and privileges of members of the corporation shall be as provided in the consitution and bylaws of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

Sec. 6. The composition of the board of directors of the corporation and the responsibilities of such board shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States in which it is incorporated.

OFFICERS OF CORPORATION

Sec. 7. The positions of officers of the corporation and the election of members to such positions shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States in which it is incorporated.

RESTRICTIONS

Sec. 8. (a) No part of the income or assets of the corporation may inure to the benefit of any member, officer, or director of the corporation or be distributed to any such individual during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual and necessary expenses in amounts approved by the board of directors.

(b) The corporation may not make any loan to any officer, director, or employee of the corporation.

(c)(1) The corporation may not contribute to, support, or otherwise participate in any political activity or attempt in any manner to influence legislation.

(2) No officer or director of the corporation, acting as such officer or director, may commit any act prohibited under paragraph (1) of this subsection.

(d) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) The corporation shall not claim congressional approval or the authorization of the Federal Government for any of its activities.

LIABILITY

Sec. 9. The corporation shall be liable for the acts of its officers and agents whenever such officers and agents have acted within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

Sec. 10. The corporation shall keep correct and complete books and records of account and minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep, at its principal office, a record of the names and addresses of all members having the right to vote in any proceeding of the corporation. All books and records of such corporation may be inspected by any member having the right to vote in any corporation proceeding, or by any agent or attorney of such member, for any proper purpose at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

Sec. 11. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(70) Daughters of Union Veterans of the Civil War 1861-1865.".

ANNUAL REPORT

Sec. 12. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as the report of the audit required by section 11 of this Act. The report shall not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

Sec. 13. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

DEFINITION OF "STATE"

Sec. 14. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

TAX-EXEMPT STATUS

Sec. 15. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954. If the corporation fails to maintain such status, the charter granted by this Act shall expire.

TERMINATION

Sec. 16. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted by this Act shall expire.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas [Mr. Sam B. Hall, Jr.] will be recognized for 20 minutes, and the gentleman from Ohio [Mr. Kindness] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. Sam B. Hall, Jr.].

Mr. SAM B. HALL, JR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Daughters of the Union Veterans of the Civil War 1861-1865 is a nonprofit organization which was organized in Massillon, OH, on May 30, 1885. It was incorporated as the National Alliance for Daughters of Veterans on December 12, 1885. In 1944, the corporation changed its name to the Daughters of the Union Veterans of the Civil War 1861-65. This organization is among the oldest veteran and patriotic societies in the country.

Membership in this organization is open to women descendants of Union soldiers, sailors, and marines who were honorably discharged, killed, or missing in action. Members must be at least 8 years of age. This organization has a membership of over 20,000.

The objects of the organization are to promote this Nation's history and to perpetuate the memories of the men who sacrificed their lives and well-being to preserve the Union. This organization has built and maintains a museum and library in Springfield, IL, which is dedicated to Civil War memorabilia. The organization has established scholarships at the State and national level to encourage educational achievement in U.S. history. It also provides scholarships, awards, and gifts for young men and women who serve in the Nation's four military academies. This organization has been active in efforts to construct and preserve monuments which commemorate the Civil War. Members also serve as volunteers to help veterans in medical centers, homes, and other institutions.

It is the recommendation of the Judiciary Committee that H.R. 1806 be passed by the House.

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman from Texas for his support of this measure which, in fact, does afford the opportunity for members of the organization to provide comfort and services to veterans, regardless of their geographic origin.

As the gentleman from Texas has pointed out, the organization now known as the Daughters of the Union Veterans of the Civil War 1861-1865, Inc., is an organization that began its life back in 1885.

We have had ample opportunity to see the kind of services they provide through their 34 departments organized State by State. Each department consists of three or more tents or local organizations at the community level. And through this network or organizational elements the members of the Daughters of the Union Veterans of the Civil War reach out to veterans all over this country.

□ 1340

Perhaps the most important service rendered by the organization is its support for the U.S. veterans administrative volunteer service.

This charter might be differentiated from the previous one, and I think it may be in order to comment to that effect since we are talking about an organization based on history that is more remote in point of time.

However, the potential for the membership of this organization to grow rather than to shrink is what differentiates the two.

The prior organization, Survivors of Pearl Harbor, of course, are a finite group. The Daughters of Union Veterans of the Civil War, of course, increase in number as the years go by, barring unforeseen circumstances.

I would strongly urge the support and passage of this measure granting a charter which, again, contains all of the safeguards that are included in Federal charter provisions in recent years under the rules that are followed by the Subcommittee on Administrative Law of the Committee on the Judiciary.

I think we can join in strongly supporting this measure.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SAM B. HALL, JR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. Sam B. Hall, Jr.] that the House suspend the rules and pass the bill, H.R. 1806, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SELECTION OF THE COURT OF APPEALS TO DECIDE MULTIPLE APPEALS

Mr. SAM B. HALL, JR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 439) to amend title 28, United States Code, to provide for the selection of the court of appeals to decide multiple appeals filed with respect to the same agency order.

The Clerk read as follows:

H.R. 439

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2112(a) of title 28, United States Code, is amended by striking out the last three sentences and inserting in lieu thereof the following: "If proceedings are instituted in two or more courts of appeals with respect to the same order, the following shall apply:

"(1) If within ten days after issuance of the order the agency, board, commission, or officer concerned receives, from the persons instituting the proceedings, the petition for review with respect to proceedings in at least two courts of appeals, the agency, board, commission, or officer shall proceed in accordance with paragraph (3) of this subsection. If within ten days after the issuance of the order the agency, board, commission, or officer concerned receives, from the persons instituting the proceedings, the petition for review with respect to proceedings in only one court of appeals, the agency, board, commission, or officer shall file the record in that court notwithstanding the institution in any other court of appeals of proceedings for review of that order. In all other cases in which proceedings have been instituted in two or more courts of appeals with respect to the same order, the agency, board, commission, or officer concerned shall file the record in the court in which proceedings with respect to the order were first instituted.

"(2) For purposes of paragraph (1) of this subsection, a copy of the petition or other pleading which institutes proceedings in a court of appeals and which is stamped by the court with the date of filing shall constitute the petition for review. Each agency, board, commission, or officer, as the case may be, shall designate by rule the office and the officer who must receive petitions for review under paragraph (1).

"(3) If an agency, board, commission, or officer receives two or more petitions for review of an order in accordance with the first sentence of paragraph (1) of this subsection, the agency, board, commission, or officer shall, promptly after the expiration of the ten-day period specified in that sentence, so notify the judicial panel on multidistrict litigation authorized by section 1407 of this title, in such form as that panel shall prescribe. The judicial panel on multidistrict litigation shall, by means of random selection, designate one court of appeals, from among the courts of appeals in which petitions for review have been filed and received within the ten-day period specified in the first sentence of paragraph (1), in which the record is to be filed, and shall issue an order consolidating the petitions for review in that court of appeals. The judicial panel on multidistrict litigation shall, after providing notice to the public and an opportunity for the submission of comments, prescribe rules with respect to the consolidation of proceedings under this paragraph. The agency, board, commission, or officer concerned shall file the record in the court of appeals designated pursuant to this paragraph.

"(4) Any court of appeals in which proceedings with respect to an order of an agency, board, commission, or officer have been instituted may, to the extent authorized by law, stay the effective date of the order. Any such stay may thereafter be modified, revoked, or extended by a court of appeals designated pursuant to paragraph (3) with respect to that order or by any other court of appeals to which the proceedings are transferred.

"(5) All courts in which proceedings are instituted with respect to the same order, other than the court in which the record is filed pursuant to this subsection, shall transfer those proceedings to the court in which the record is so filed. For the convenience of the parties in the interest of justice, the court in which the record is filed may thereafter transfer all the proceedings with respect to that order to any other court of appeals.".

SEC. 2. The amendment made by the first section of this Act shall take effect one hundred and eighty days after the date of the enactment of this Act, except that the judicial panel on multidistrict litigation may issue rules pursuant to subsection (a)(3) of section 2112 of title 28, United States Code, as added by the first section of this Act, on or after such date of enactment.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas [Mr. SAM B. HALL, JR.] will be recognized for 20 minutes, and the gentleman from Ohio [Mr. KINDNESS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SAM B. HALL, JR.].

Mr. SAM B. HALL JR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 439 is to simplify the selection of the proper court to handle the judicial appeal of an agency order in those cases where petitions for review are filed in more than one court of appeals.

When a Federal agency issues an order, two or more parties often file judicial challenges to the validity of that order. Because many statutes do not specify a particular circuit as the court to handle these challenges, venue for the judicial challenge is proper in any of the Federal circuits in which challenges are filed. If appeals are filed in more than one circuit, a single circuit must be selected to handle the appeal.

Until 1958, each agency had the option of selecting which circuit would have venue when appeals of the agency's order were filed in more than one circuit. Since this appeared to result in an unfair advantage for the agency, title 28 was amended in 1958 to provide that the circuit of venue would be the circuit where the appeal of an agency order was filed first. This first-to-file rule was intended to assure that the agency had no special advantage over the challenger.

However, the 1958 amendment had an unintended effect. Many lawyers believed that a certain circuit would be more sympathetic to their client's arguments than other circuits. Thus, races to the courthouse began to occur, with each lawyer trying to file first in the circuit he or she felt would be sympathetic.

These races to the courthouse have become highly sophisticated. Messengers are assigned to hover around agency offices waiting for the exact moment an order is issued. Other messengers, armed with forms for filing the appeal, are stationed at the offices of the clerks of various circuits. The two are often connected with by open long-distance telephone lines or walkie-talkies so that the appeal will be filed the instant the agency order is issued. The result is that filings are frequently made in various circuits within minutes, or even seconds, of each other.

Races to the courthouse have resulted in unfortunate consequences for the system of justice. Since they are based on the theory that one court will interpret the law differently from another court, these races detract from the public's perception of the Federal courts as impartial, consistent arbiters of justice. In addition, these races produce no economic benefit, yet often cost private participants tens of thousands of dollars. Finally, once the race is complete, the parties—as well as the Federal courts and agencies—must expend more resources on wasteful litigation to determine who won the race and thus which is the appropriate circuit for review.

H.R. 439 remedies this situation by removing the incentive to race to the courthouse. It does this by modifying the first-to-file rule so that when more than one appeal of an agency order is filed, all petitions will stand on the same footing in the determination of which circuit will handle the appeal, with one of the circuits selected at random to do so.

The Judicial Panel on Multidistrict Litigation will handle the random selection from among those circuits in which petitions have been filed. A party wishing to qualify for the random selection procedure will have to meet two conditions. First, the party will have to file an appeal of the agency order within 10 days after issuance of the order. Second, the party will also have to file a copy of the petition for review with the agency within the same 10-day period.

The random selection will include one entry for each circuit in which proceedings are pending, rather than one entry for each petitioner. After the selection, the judicial panel will issue an order consolidating all petitions for review in the selected circuit. The judicial panel is required to establish rules to govern these selection procedures after providing the public with notice and an opportunity to comment on such rules.

The circuit in which the proceedings are consolidated will take jurisdiction over all review proceedings dealing with the same order. This court will retain its existing power to transfer proceedings for the convenience of the parties in the interest of justice. H.R. 439 does not change current standards for transfer. Moreover, does not cover cases were venue is specified by statute to lie in one particular circuit or cases which are filed in the district courts.

During the period before the random selection, any court of appeals in which a proceeding has been filed may stay the effective date of the agency order. Any such stays may thereafter be modified, revoked, or extended by the selected court in which the proceedings are consolidated. H.R. 439 does not alter the current standards by which courts determine whether to grant a stay.

No random selection will be required if a second proceeding is commenced more than 10 days after issuance of the agency order or if all proceedings are filed later than ten days after the issuance of the order. In these cases, the first-to-file rule will continue in effect since no real race to the courthouse is involved.

In the 98th Congress, the House passed a measure identical to H.R. 439 (H.R. 5365). Also, in the 96th and 97th Congresses, the Committee on the Judiciary favorably reported a provision similar to that contained in H.R. 439 as part of the omnibus regulatory reform bill. A similar measure was also adopted by the Senate in the 97th Congress as part of the Senate regulatory reform bill. The basic approach of the bill has had strong bipartisan support.

H.R. 439 contains a significant improvement in the way venue is determined in cases of multiple filings. It is supported by the Department of Justice, the Judicial Conference of the United States, the Administrative Conference of the United States, and the American Bar Association.

The Judiciary Committee recommends its enactment.

Mr. Speaker, I urge the adoption of H.R. 439.

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, from the annals of the history of that period of our Nation's past, when the west was being settled, we can conjure up notions of the cavalry coming thundering across the hills to the rescue of the settler's family as the cabin burns to the ground.

But today we have the modern electronic equivalent to that sort of scene in the races to the courthouses described so aptly and ably by the gentleman from Texas [Mr. SAM B. HALL, JR.].

We have people, lawyers instead of cavalrymen, talking to each other by walkie-talkie and open long-distance telephone lines trying to save the Republic from this order issued by an agency seconds before.

Perhaps it was more appropriate to have the cavalry save the settlers in the old days of the West. It is certainly not appropriate to have the kind of race to the courthouse that we see occurring every now and then as agency orders are issued and the lawyers scramble to see who can be first in the court.

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Surely it is not always to save the Republic. Sometimes it is to save or attempt to save those who are going to be affected by the agency order, of course, and that is not always the public at large.

The amount of resources that are devoted to such races to the courthouse seem outlandish at times. In the overall context of things, it may not be the most important sort of thing that goes on ino our society from day to day, but it is one more thing that tends to detract from the dignity and respect accorded to our judicial system, and indeed the administrative workings of our Government as well.

H.R. 439 is designed to eliminate the unseemliness of the race to the courthouse. The gentleman from Texas [Mr. SAM B. HALL, JR.] and I have worked together on this legislation and legislation like it in the last Congress or two.

I think it is simple and relatively reasonable way to resolve a problem that exists that detracts from the dignity of the administrative process and the court system, and I would hope that the House would indeed support passage of H.R. 439.

I would, however, Mr. Speaker, be greatly remiss if I closed my remarks without commenting upon the somewhat subdued nature of my conduct today, which arises at least in part perhaps from the realization that the gentleman from Texas [Mr. SAM B. HALL, JR.], my esteemed friend, my highly respected friend, will be leaving soon this House to assume a position on the Federal bench in the U.S. District Court for the Eastern District of Texas.

I am somewhat reminded of the remark that was attributed, I believe, to Sam Houston upon the removal of Davey Crockett from Tennessee to Texas when he said that by making that move, Crockett greatly uplifted the intellectual climate of both States.

Perhaps that—we will let you think about that for a moment, Mr. Speaker—the gentleman from Texas has graced us with his presence, he has worked hard at his job, he has represented well the people of his part of east Texas, he has before him a career on the bench that I think will prove once again the great ability of this gentleman to serve the public and serve the public well.

We shall miss him very much in the Committee on the Judiciary, and in the House of Representatives, and certainly on the Administrative Law Subcommittee which he chaired in these last two Congresses.

I wish our respected colleague the very, very best as he assumes a new position in public service, and hope that the opportunity will be there to visit, whether it be in Washington, in Texas, or anyplace else on the face of the globe, from time to time. The gentleman will indeed be missed.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SAM B. HALL, JR. Mr. Speaker, I would not be at all proper if I did not thank TOM KINDNESS for the tremendous work that we have done on this committee. It has been a bipartisan effort from the inception until today.

In my opinion, TOM KINDNESS is—and I was going to say this anyway—is one of the outstanding Members of the U.S. House of Representatives. I know when I came here 9 years ago I met him at that time, when I became a member of the Judiciary Committee; we have had many hours of work together, all very good and most favorable in every sense of the word, and he is a true gentleman in every respect. He is an outstanding member, and I cannot say enough about him, and I have said this before publicly and privately.

The Congress of the United States needs more people like TOM KINDNESS, and I hope that our paths do cross, TOM, in the future; but I hope that when we do visit it is of a personal nature and not an official nature, insofar as you are concerned.

Mr. Speaker, I would also be remiss if I did not pay the highest tribute to the majority and minority staff on this subcommittee: William P. Shattuck, who has been a tremendous inspiration to me in the guidance that he has given over the last several years. Janet Potts, there is no way I can thank her for the many, many fine things she has done for me on this committee. Jennifer Ihlo, from Center, TX, who is a new member of the counsel staff, but who is doing an outstanding job in every respect.

They are truly dedicated people in every sense of the word. They are nonpartisan, and I must include in this Kevin Richardson, of the minority counsel, who has worked very closely with me as well as his mentor there, TOM KINDNESS, and all of us together have been a great team, I think. I like to believe that, anyway, and I hope that whoever in the future aspires to this chairmanship will continue to work for these people like we have in the past two Congresses, and I know that by doing that that this subcommittee of the Committee on the Judiciary will continue to be one of the bright spots of the U.S. Congress.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. SAM B. HALL, JR.] that the House suspend the rules and pass the bill, H.R. 439.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAM. B. HALL, JR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 439, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE NEED FOR H.R. 2285: FREEDOM-OF-CHOICE HEALTH MAINTENANCE ORGANIZATIONS AT RISK—ALTERNATIVE FOR MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, I am pleased to submit, for the attention of my colleagues, the following concept paper prepared by Mr. Jeffrey A. Prussin, senior vice president of Government programs and plan development of the International Medical Centers, Inc., in Miami, FL, regarding H.R. 2285, legislation I introduced several days ago providing for "freedom-of-choice health maintenance organization demonstrations."

Mr. Prussin's paper provides a clear explanation of H.R. 2285 which I hope will be useful to my colleagues as they give consideration to this most innovative and necessary legislation. I include Mr. Prussin's paper entitled "Freedom-of-Choice HMO's at Risk: A New Alternative for Medicare" in its entirety at this point in the RECORD:

FREEDOM-OF CHOICE HMO'S AT RISK: A NEW ALTERNATIVE FOR MEDICARE

INTRODUCTION

Prepaid Medicare demonstrations

The Health Care Financing Administration (HCFA) conducted a series of prepaid Medicare demonstration programs throughout the country under which health maintenance organizations (HMO) and similar organizations were paid by HCFA at the rate of 95 percent of the adjusted average per capita cost (AAPCC), or less, for providing Medicare services to enrolled Medicare beneficiaries. This was a prospective payment system that was not adjusted retroactively; all profits or surpluses were retained by the HMO, and all losses were the responsibility of the HMO.

In order to induce Medicare beneficiaries to enroll in their demonstration programs, some of the participating HMOs developed extremely comprehensive benefits packages for Medicare enrollees. In many cases, Medicare enrollees paid nothing to join the HMO and received extra benefits such as elimination of the Medicare deductibles and copayments, free prescription drugs, free eyeglasses and hearing aids, unlimited acute care hospitalization, routine eye and hearing examinations, routine foot care, routine physical examinations, and a broad range of dental services.

Tax Equity and Fiscal Responsibility Act

HCFA now has implemented the provisions of the Tax Equity and Fiscal Responsibility Act of 1982 [TEFRA] which established as a regular part of the Medicare program a risk-based contracting mechanism for HMOs and competitive medical plans [CMP] that is similar to the HMO demonstration programs. The primary difference between the demonstrations and TEFRA is addition of the adjusted community rate [ACR] under TEFRA. The ACR is the organization's community rate, adjusted for the regular Medicare program benefits and the anticipated utilization differences between the organization's Medicare and non-Medicare members. TEFRA permits payment to HMOs and CMPs based upon the organization's ACR, plus the value of enhancements to the regular Medicare program benefits offered by the organization, up to 95 percent of the AAPCC. The ACR was included under TEFRA as a mechanism for limiting the organization's profit or surplus levels generated by Medicare enrollees, proportionally, to the profit or surplus levels experienced by that organization for non-Medicare enrollees.

OPERATIONAL ISSUES

The HMO demonstration programs raised several issues that also may prove to be relevant to TEFRA as implementation of TEFRA progresses, including the following:

Cost Increases—Although HCFA pays HMOs at the rate of 95 percent of the AAPCC or less, the Medicare program actually may experience cost increases for HMO risk-basis enrollees due to favorable selection bias.

Selection Bias—Favorable selection bias occurs when individuals with lower health costs enroll in an HMO. In this event, the Medicare program could lose money, even while contracting with and paying an HMO at a discount rate, such as 95 percent of the AAPCC or less. That is, if the Medicare program pays an HMO at 95 percent of the AAPCC, and if the HMO enrolls individuals who are, on the average, in better health or lower utilizers (e.g., whose costs would be less than 95 percent of the AAPCC in the fee-for-service system), the Medicare program will lose money by paying 95 percent of the AAPCC. Of course, selection bias also may be adverse to an HMO, in which case individuals with higher health costs enroll in the HMO. HCFA's evaluation of the traditional HMO Medicare demonstrations will address the selection bias issue, and a definitive answer on this subject, beyond the findings from the early demonstrations,[1] is anticipated.

Oversight and Regulation—Since Medicare beneficiaries enrolled in risk-basis HMOs are locked into the HMO, at least for 45–60 days, HCFA, maintains a responsibility to monitor the quality, accessibility, availability, acceptability, etc., of HMOs' services. Moreover, due to HMO "lock in" provisions, HCFA and other State and Federal regulatory agencies, in many instances, are placed in a position of serving as arbitrators between an HMO and its Medicare enrollees with respect to enrollee complaints. Indeed, complaints to HCFA and other regulatory agencies by Medicare enrollees who do not understand HMO "lock in" provisions at the time of enrollment are a constant source of problems for HCFA and other regulatory agencies, HMOs, non-HMO providers, and Medicare beneficiaries.

Enrollment—Enrollment of Medicare beneficiaries by HMOs has been hindered by the facts that:

A beneficiary must take a positive action (i.e., sign enrollment form) to enroll in an HMO.

By enrolling in an HMO, the beneficiary loses freedom-of-choice of providers due to HMO "lock in" provisions.

Moreover, since the Medicare market is more like an individual than a group market, it is both expensive and difficult for HMOs to reach potential Medicare enrollees.

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[1] For example, Paul W. Eggers and Ronald Prihoda studied 1[illegible],085 Medicare beneficiaries who enrolled in three demonstration HMO plans as of April 1981. The plans were the Fallon Community Health Plan (Worcester County, Massachusetts), the Greater Marshfield Community Health Plan (Marshfield, Wisconsin) and the Kaiser-Permanente Medical Care Program, Portland, Oregon). The study found that enrollees in the Fallon and Kaiser plans had 20 percent lower Medicare reimbursements than their respective comparison groups in the four years prior to enrollment. There was not a statistically significant difference in pre-enrollment total Medicare reimbursements between the enrollee and comparison groups for the Marshfield plan. See: Paul W. Eggers and Ronald Prihoda, "Pre-Enrollment Reimbursement Patterns of Medicare Beneficiaries Enrolled in 'At-Risk' HMOs," Health Care Financing Review, September 1982, volume 4, NO. 1, pp. 55–73. Eggers also studied Medicare beneficiaries enrolled in the Group Health Cooperative of Puget Sound (Seattle, Washington) under a risk contract. The study found that beneficiaries who enrolled during an open enrollment period had a reimbursement rate for inpatient services that was 47 percent below the comparison group. Enrolled beneficiaries also appeared to have a lower utilization rate for Part B services. See: Paul Eggers, "Risk Differential Between Medicare Beneficiaries Enrolled and Not Enrolled in an HMO," Health Care Financing Review, Winter 1980, volume 1, No. 3, pp. 91–99.

PROGRAM IMPROVEMENTS

The freedom-of-choice HMO at risk demonstration program is designed to:

Save money for the Medicare program and control costs by placing large numbers of Medicare beneficiaries in specified geographic areas in an at risk, capitation payment system. In addition, to the extent that freedom-of-choice demonstration HMOs provide benefits such as prescription drugs that would otherwise be covered by Medicaid, savings also will be realized by the Medicaid program for demonstration enrollees with both Medicare and Medicaid coverage.

Eliminate selection bias in HMO enrollment of Medicare beneficiaries.

Reduce substantially the need for oversight and regulation by HCFA and other State and Federal regulatory agencies, and eliminate the need for enrollment mix requirements such as the 50/50 rule under TEFRA. This rule requires the HMO to enroll one non-Medicare or Medicaid member for every Medicare or Medicaid member.

Simplify the enrollment process for Medicare beneficiaries and HMOs.

Eliminate the restrictive HMO "lock in" provisions that have hindered the attractiveness of HMOs to potential enrollees and, hence, the growth of HMOs.

RETENTION OF ALL OPTIONS BY MEDICARE BENEFICIARIES

The key feature of the freedom-of-choice HMO at risk concept, in addition to elimination of selection bias, is preservation of all current options, as well as addition of new options, for enrolled Medicare beneficiaries. Specifically, beneficiaries enrolled in the freedom-of-choice HMO demonstrations will retain the right to receive their health services through any qualified Medicare provider, without referral or authorization by the HMO, exactly as they do at the present time. However:

HMOs, which will be paid by HCFA at the rate of 95 percent of the AAPCC, will be at risk financially to pay the same amount as Medicare would pay for Medicare covered services not provided directly through the HMO.

Beneficiaries using Medicare covered services not provided directly through the HMO will continue to be responsible for Medicare deductible and coinsurance amounts and will continue to be subject to all Medicare limits on services.

After HCFA assigns financial risk for Medicare beneficiaries to a freedom-of-choice HMO demonstration, enrolled beneficiaries will have, continuously, the option of receiving any or all of their health services directly through the HMO. Indeed, the HMO will attempt to induce beneficiaries to use services provided directly through the HMO by reducing or eliminating the Medicare deductible and coinsurance amounts and by providing more comprehensive benefits, including benefits for services that are not covered by the regular Medicare program, for enrollees receiving their services directly through the HMO. Moreover, in order to induce enrollees to use services provided directly through the HMO exclusively, to the exclusion of non-HMO services provided without referral or authorization by the HMO, the HMO could make certain extra benefits, such as prescription drugs and eyeglasses, available to Medicare beneficiaries who receive all of their health services directly through the HMO for a specified period of time.

Medicare beneficiaries enrolled in freedom-of-choice HMO demonstrations will be permitted to switch back and forth, at any time, between using services provided directly through the HMO and using non-HMO services without referral or authorization by the HMO. Again, however, the HMO will receive payment at the rate of 95 percent of the AAPCC from HCFA and will maintain full financial responsibility for paying claims for Medicare covered services that are not provided directly through the HMO. Moreover, individuals using services not provided directly through the HMO will continue to be responsible for the Medicare deductible and coinsurance amounts, will continue to be subject to all Medicare limits on services, including the limits on the number of acute care hospital and skilled nursing facility days, and will not receive any of the added benefits offered by the HMO to beneficiaries receiving their services directly through the HMO.

CLAIMS PAYMENT/ADMINISTRATION

Each freedom-of-choice HMO demonstration will have the option of fulfilling the Medicare intermediary and carrier functions itself with respect to its enrollees or of using the existing intermediaries and carriers to make payments for services rendered by non-HMO providers without referral or authorization by the HMO. In the event that the HMO uses extant intermediaries and carriers, the HMO will maintain final authority for claims review, including determination of the medical necessity of services, whether services are covered under Medicare, and whether claims should be paid. (Of course, the regular Medicare appeals process for denied claims still will be available to adversely affected beneficiaries and providers.)

Once the HMO determines that a claim should be paid, the intermediary or carrier, if the HMO uses extant intermediaries and carriers, will determine the Medicare allowable amount and make the appropriate payment. Again, however, the funds needed to pay claims for Medicare covered services not provided directly through the HMO will be the responsibility of the HMO.

RANDOM ASSIGNMENT BY HCFA

Large numbers of, if not all, Medicare beneficiaries residing in areas in which there are freedom-of-choice HMO demonstrations will be assigned randomly to the HMOs participating in the demonstrations, up to the service delivery capacities of the participating HMOs. (Beneficiaries already enrolled in HMOs in a demonstration area, if any, will remain in the HMOs in which they are enrolled.) Assignment of beneficiaries will eliminate the need for costly HMO marketing efforts designed to generate enrollment in the HMO by Medicare beneficiaries.

Since beneficiaries, in essence, will be able to ignore the HMO and continue to receive their Medicare covered services in the same manner and from the same providers as at the present time, without any added restrictions, the random assignment of financial risk for beneficiaries to participating HMOs should pose no problems. In other words, the beneficiaries assigned to participating HMOs will not lose their freedom-of-choice in providers. Rather, these beneficiaries will have the added option of using services provided directly through the HMO, in which case the beneficiaries will receive added benefits, such as elimination of the Medicare deductible and coinsurance amounts and benefits for services for covered under the regular Medicare program (e.g., prescription drugs and eyeglasses).

INTER-HMO TRANSFERS

In areas in which more than one HMO participates in a freedom-of-choice demonstration, some enrollees may have preferences regarding the specific HMOs in which they wish to be enrolled based upon factors such as the HMOs' benefits packages, reputations, and provider locations. Therefore, it will be necessary to permit Medicare beneficiaries assigned to a particular HMO to request reassignment to another HMO. However, the incidence of requests for reassignment should be very low and, therefore, should not create administrative problems or affect selection bias one way or the other.

FINANCIAL CONSIDERATIONS

The freedom-of-choice HMO at risk demonstration program will be financially attractive to HMOs primarily for two reasons:

Claims Review—Currently, the Medicare intermediaries and carriers are not at risk; they merely serve as conduits for HCFA funds. Therefore, they have little, if any, incentive to implement effective claims review processes. The freedom-of-choice HMO demonstrations, on the other hand, will be at financial risk to pay for Medicare covered services rendered to enrolled beneficiaries by non-HMO providers without referral or authorization by the HMO. Therefore, the HMOs will have a strong incentive to implement stringent claims review programs. Nonetheless, because all regular Medicare appeals processes for denied claims will be available to affected beneficiaries and providers, inappropriate claims denials by demonstration HMOs will be limited.

Utilization of HMO Services—Freedom-of-choice HMOs will be in an advantageous position to capture the utilization of enrolled beneficiaries, because:

Medicare beneficiaries generally suffer financial problems, and, therefore, are in need, often dire need, of methods for reducing their expenses. To the extent that cost savings are important to beneficiaries, they will have particularly strong incentives to use services provided directly through freedom-of-choice HMOs. Each time an enrolled beneficiary requires a health service, the beneficiary will have to decide whether to use the free services and extra benefits provided directly through the HMO or services rendered by non-HMO providers, in which case all Medicare cost sharing and limitations will apply.

While traditional HMOs offer Medicare beneficiaries an opportunity to reduce their expenses, many beneficiaries are afraid to enroll in HMOs because they fear loss of their Medicare benefits and/or because they relinquish their right to use non-HMO providers for at least 45–60 days.

Under the freedom-of-choice HMO demonstrations, beneficiaries will have an opportunity at least to try the services provided directly through the HMO with absolutely no risk or loss of freedom to use non-HMO providers.

The key to financial success of the freedom-of-choice HMO demonstrations will be the quality, acceptability, etc., of the HMOs' services. To the extent that enrolled beneficiaries find an HMO's services to be acceptable, the beneficiaries will continue to use the HMO's services; to the extent that enrolled beneficiaries find an HMO's services to be unacceptable, they will use services rendered by non-HMO providers without referral or authorization by the HMO.

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EFFECTS OF COMPETITION

The freedom-of-choice HMO at risk approach should:

Stimulate HMO expansion.

Provide incentives for non-HMO providers to affiliate or develop relationships with HMOs.

HMO expansion will be stimulated through assignment of large numbers of Medicare beneficiaries to HMO's. This assignment of beneficiaries will provide an enrollment base that will help HMOs overcome the initial operating losses that generally are associated with the opening of new facilities or expansion into new geographic areas. Nonetheless, in order to assume the financial risks associated with use of non-HMO services by enrolled beneficiaries, as well as direct provisions of services by the HMO, the HMO will have to have a strong financial position.

Non-HMO providers may be more prone to affiliate or develop relationships with freedom-of-choice HMO demonstrations than with traditional HMOs, because the freedom-of-choice demonstrations will pose a more significant "threat" to the patient bases of non-HMO providers. That is, the freedom-of-choice demonstrations are predicated upon the assumption that freedom-of-choice HMOs will be more successful than traditional HMOs in inducing Medicare beneficiaries into utilization of the HMO system. In a traditional HMO setting, the beneficiary must sign an enrollment form in order to use the HMO; and, by signing the enrollment form, the beneficiary relinguishes the freedom to use non-HMO providers for at least 45–60 days. Beneficiaries are particularly fearful of this limitation and of losing their regular Medicare coverage. As a result, they are reluctant to enroll in traditional HMOs. However, beneficiaries enrolled in freedom-of-choice HMO demonstrations have the incentives of reduced cost sharing and increased benefits to induce them to use services provided directly through the HMO, on the one hand, while losing absolutely nothing by using the HMO's services, on the other hand. If beneficiaries are dissatisfied with the HMO's services for any reason whatsoever, they have the continuous freedom-of-choice to use any Medicare providers of their choice.

APPLICABILITY OF FREEDOM-OF-CHOICE HMO CONCEPT TO COMMERCIAL MARKETS

The freedom-of-choice HMO at risk concept is just as applicable in commercial markets as it is in the Medicare market. That is, employers may be viewed in the same light as HCFA. The freedom-of-choice HMO, in exchange for receiving all of an employer's employees, would continue to provide the same level of indemnity benefits as are currently offered by the employer for 95 percent of the employer's current costs for the indemnity plan. In addition, the HMO would make available added benefits, including elimination or reduction of patient cost sharing, to enrollees using services provided directly through the HMO. Enrollees using non-HMO services would not receive the added benefits offered by the HMO and would continue to be subject to all cost sharing and limitations imposed under the indemnity plan.

ADVANTAGE OF THE FREEDOM-OF-CHOICE HMO DEMONSTRATIONS

The main advantages of the freedom-of-choice HMO demonstration approach are threefold:

Because it will be to the HMO's economic advantage for Medicare beneficiaries to receive their services directly through the HMO, as opposed to using non-HMO providers without referral or authorization by the HMO, the HMO will be placed in a position in which it constantly must compete for the utilization of its members, who, in turn, always will have the option of using non-HMO providers without referral or authorization by the HMO. The result will be a self-regulating system in which Medicare beneficiaries will "vote with their feet". That is, to the extent that a beneficiary is not satisfied with the services provided directly through the HMO, for whatever reason, the beneficiary will use non-HMO providers without referral or authorization by the HMO. There will be continuous freedom-of-choice between use of HMO services and services rendered by non-HMO providers. As a result, the need for oversight and regulation will be reduced substantially, and the need for enrollment mix requirements such as the 50/50 rule under TEFRA will be eliminated.

Because the HMO will maintain financial responsibility for payment of Medicare benefits for services rendered by non-HMO providers without referral or authorization by the HMO, the HMO will have a strong incentive to exercise stringent claims review, both with respect to coverage and with respect to medical necessity.

Because beneficiaries will be assigned randomly to participating HMOs, the problem of selection bias—both favorable and adverse—will be eliminated. Therefore, HCFA will be assured of a five percent saving in Medicare costs, based upon a payment level to the freedom-of-choice demonstration HMOs of 95 percent of the AAPCC. In addition, HCFA and the State also may realize savings in Medicaid costs.

SUMMARY

In, sum, the freedom-of-choice HMO at risk demonstrations will make more benefits available to Medicare beneficiaries, while:

Saving HCFA five percent of the AAPCC for Medicare beneficiaries enrolled through the demonstrations.

Reducing substantially the need for oversight and regulation by HCFA and other State and Federal regulatory agencies.

Providing continuous freedom-of-choice for beneficiaries to use non-HMO providers exactly as they do at the present time.●

RULES OF PROCEDURE FOR PRIVATE IMMIGRATION BILLS

(Mr. MAZZOLI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MAZZOLI. Mr. Speaker, the Subcommittee on Immigration wishes to bring to the attention of our colleagues the new subcommittee "Rules of Procedure and Statement of Policy," for private immigration bills for the 99th Congress. The rules and statement of policy were approved by the subcommittee March 19, 1985, and by the full Committee on the Judiciary April 30, 1985.

Since the subcommittee acts as a court of equity in deciding whether to grant special relief in private immigration cases, it must reserve affirmative action to those of extraordinary merit and posing heavy hardship.

This subcommittee works hard and fairly to insure that meritorious private relief measures are passed and measures which lack merit or where there are other unexhausted avenues of relief are rejected.

The subcommittee has evolved, in the past few Congresses, a set of rules and procedures which assist you—as a possible author of a private relief bill—and the subcommittee in discharging those heavy burdens.

The rules of procedure adopted by each Congress draw on past subcommittee action and require extensive documentation. We offer the advice of our staff in how to gather the types of facts required in order to comply with the rules. A fully developed file not only serves the best interests of the subcommittee but also the Member who must later personally present the case at a hearing.

The subcommittee also provides another service to Members. It offers advisory opinions on cases which you may wish to bring to its attention. These opinions—just that—offer some perspective on future prospects for passage based on actions of the subcommittee over the years.

The "Rules of Procedure and Statement of Policy" are very similar to those of the 98th Congress. However, they have been altered with respect to private relief bills seeking naturalization of resident aliens and bills seeking residency for medical doctors and other medical professionals.

Also, a new policy adopted by the subcommittee requires successful beneficiaries to seek the relief granted by Congress—usually residency—within a time certain after the bill's enactment. Too often in the past bills were passed, but no effort was made by the beneficiaries to take advantage of relief—suggesting that relief was not necessary in the first place.

The subcommittee also reiterates that the mere introduction of a private bill does not in itself stay deportation. This rule has been in effect since 1971 and should be reviewed carefully (rule 4).

If you or your staff have any further questions, please do not hesitate to call the subcommittee.

Following are the rules and the statement of policy:

RULES OF PROCEDURE

1. The introduction of a private bill does not stay the deportation of aliens illegally in the United States or who have overstayed the terms of their visa. The Committee shall not intervene in any such deportation proceedings and it will not address any communications to the Attorney General to request stays of deportation on behalf of beneficiaries of private bills, except as indicated in Rule 4.

2. No bill shall be scheduled until all administrative remedies are exhausted, including suspension of deportation, asylum, and labor certification.

3. The Subcommittee shall not take any further action on legislation which has been tabled by the full Committee.

4. The Subcommittee shall entertain consideration of a request for a departmental report upon receipt of a letter from the author of the bill. In the case of beneficiaries who are in the United States, including those in parole status or asylee status, a determination on the request shall be subject to debate at a formal meeting of the Subcommittee and only those cases designed to prevent extreme hardship to the beneficiary or a U.S. citizen will merit a request for a report. The Immigration and Naturalization Service may honor a request for a report by staying deportation until final action is taken on the legislation.

5. Each bill in the following categories which may be proposed for consideration of the Subcommittee shall be subject to a point of order unless its consideration is agreed to by a two-thirds vote of the Subcommittee.

(a) Bills not previously listed on an agenda for a meeting and those bills not in compliance with these Rules concerning the filing of documentation.

(b) Bills concerning beneficiaries who are receiving medical treatment, where documentation as to the availability of similar medical treatment in the beneficiary's home country has not been submitted.

(c) Bills concerning foreign medical graduates who have not passed the Foreign Medical Graduate Examination in the Medical Sciences (FMGENS) and satisfied (or are exempt from) the two year foreign residence requirement.

(d) Bills relating to a waiver of the naturalization laws.

6. A quorum of the Subcommittee shall consist of two Members for the purpose of holding hearings on private bills.

7. Testimony at private bill hearings shall not be received from any person other than the author of the private bill. All requests to testify shall be addressed in writing to the Chairman of the Subcommittee.

8. No private bill shall be considered where court proceedings are pending.

9. The Subcommittee shall request reports on private bills from appropriate Federal agencies and/or Departments and shall await receipt of such reports before taking final action.

10. All requests for consideration of a private bill shall commence with a letter directed to the Chairman of the Subcommittee outlining relevant facts of the case and attaching thereto all pertinent data. The following shall be submitted in triplicate:

(a) Date and place of birth of all beneficiaries. Address and telephone number in the United States.

(b) Dates of all entries (legal and illegal) and departures from the United States and type of visas for admission. Consulate where the beneficiary obtained a visa for entry to the U.S.; or where the beneficiary shall seek a visa.

(c) Status of any proceedings with the INS and whether any non-immigrant or immigrant petitions have been filed on the beneficiary's behalf.

(d) Name, address, and telephone number of interested parties in the U.S.

(e) Name, address, dates and places of birth of all close relatives in the U.S. and abroad and their immigration status.

(f) Occupations, recent employment record and salary of beneficiaries.

(g) Copies of all communications to and from INS or the State Department, including copy of an I-94, an Order to Show Cause and any other relevant information.

(h) A copy and summary of all litigation relating to the beneficiary's case.

The information above represents the minimum requirements for Subcommittee consideration. Pertinent data about the case and an explanation of the extreme hardship to the beneficiary or U.S. citizen must also accompany a request for processing of the private bill.

11. Action on legislation shall not be deferred on more than one occasion due to nonappearance of the author.

12. Documentation provided to the Subcommittee in order to comply with these Rules will only be accepted if submitted by the author of such bill.

13. Requests for consideration of a bill shall be accompanied by a statement by the beneficiary that he or she desires the relief sought by the bill and waiving the Freedom of Information Act and Privacy Act.

14. A notice of meeting date shall be sent to the authors of all legislation which is scheduled.

STATEMENT OF POLICY

On March 19, 1985, the Subcommittee adopted as an addendum to its Rules of Procedure a Statement of Policy on private immigration bills which is set forth below.

The Subcommittee on Immigration, Refugees, and International Law has jurisdiction over all aspects of immigration law. In considering private immigration bills, the Subcommittee reviews cases which are of such an extraordinary nature that an exception to the law is needed. In fairness to those immigrants who are awaiting legal immigration, it is the policy of the Subcommittee generally to act favorably on only those private bills which meet certain precedents.

This policy statement will set forth the types of legislation which fall within the general parameters of favorable action and the criteria for reviewing certain categories of bills.

A. Adoption

Existing law provides for the immigration of foreign born adopted children if the adoption takes place while the child is under the age of 16 and (1) the child is an "orphan" as defined by immigration law or (2) the child has resided with the adopted parents two years. Those cases where the Subcommittee has favorable precedents are when the child is of a young age and there has been a long-standing parent-child relationship. In support of any private bill relating to adoption, the following must accompany the request for Subcommittee action:

(1) Home-study on the home of the prospective parents.

(2) Evidence of support of child—cancelled checks, letters, clothing.

(3) Statement detailing ages and occupation of natural parents and brothers and sisters.

(4) Communications with the Immigration and Naturalization Service regarding applicable U.S. adoption laws.

B. Doctors and Nurses

The Immigration and Nationality Act provides for the admission of foreign medical graduates if the doctor or nurse has passed certain exams required prior to seeking immigration. A doctor must pass the Foreign Medical Graduate Examination in the Medical Sciences (FMGEMS)—formerly the Visa Qualifying Exam—which is given extensively throughout the world and a nurse must pass the Commission on Graduate Foreign Nurses Exam (CGFNS).

Any alien seeking immigration must also have a job offer certified by the Department of Labor indicating there will be no displacement of U.S. Labor.

In the past several years, the Subcommittee has experienced a deluge of bills introduced on behalf of foreign medical graduates. The legislative history relating to this group indicates many doctors enter the United States as non-immigrants with the clear intention of remaining permanently. Legislation enacted in 1976 and 1977 sought to tighten the law requiring the return of such doctors to their home country; and recent legislation in 1981 generously grandfathered certain doctors for admission as permanent residence because of their length of time in the U.S. It is the Subcommittee's opinion the 1981 amendments to the Immigration and Nationality Act was the final chapter in a long and arduous struggle to provide equity to certain foreign medical graduates.

The Subcommittee is also dismayed to find that doctors who are beneficiaries of private laws often swiftly seek more lucrative employment upon gaining permanent residence, thereby leaving medically underserved areas without any medical assistance. Because of these experiences, the Subcommittee intends to look with very little favor on doctor bills. Further, if a bill on behalf of a doctor or nurse is pursued, the following is required before scheduling will occur:

(1) Passage of the Foreign Medical Graduate Examination in the Medical Sciences for doctors, and the Commission on Graduate Foreign Nurses Exam for nurses.

(2) Residence by the doctor or the nurse in a health manpower shortage area, or a recommendation by a U.S. Government Agency indicating the doctor or nurse's services are needed. It is the Subcommittee's desire that the beneficiary show substantial community ties over a long period of time. Extensive periods of residence would give the Subcommittee some assurance there is every likelihood the doctor or nurse would maintain residence in the area and provide medical services.

(3) Waiver of the two-year foreign residence requirement (this applies to all exchange visitors).

(4) Documentation as to efforts the institution has made to recruit U.S. citizens for the position. Such information shall include salary levels of other doctors or nurses on staff and an explanation as to recruitment techniques on employment of the beneficiary.

(5) Copies of annual affidavits executed by participants in foreign medical graduate exchange programs.

Legislation approved by the Subcommittee on behalf of doctors shall provide for suspension of deportation during an interim period while a doctor is serving in a community and permit adjustment of status to permanent residence upon completion of the designated time period.

C. Drugs and Criminal Activity

The Subcommittee has few precedents for waiving grounds of exclusion relating to criminal activity. In the event such a bill is pursued, the following documents where available will be required:

(1) Complete transcripts of court proceedings relating to the conviction.

(2) All other records relating to offenses, including state, and local police records.

(3) Waiver of Privacy Act and Freedom of Information Act by the beneficiary.

(4) An affidavit (notarized) from the beneficiary describing his criminal record in full.

It is the intent of the Subcommittee that all available information be submitted to the Subcommittee. The Subcommittee will conduct its own investigation with appropriate government agencies.

It is also the Subcommittee's desire to review testimony and affidavits relating to the beneficiary's behavior after any criminal offense. Such information is helpful in making a determination as to whether legislation will serve the best interests of the community. In this regard, letters of reference, bank records, and employment records are particularly helpful.

D. Medical Cases

The Subcommittee shall be reluctant to schedule bills on behalf of persons who enter the United States on nonimmigrant visas or who are paroled for the purpose of seeking medical treatment. This type of visa is available to accommodate persons seeking advanced medical treatment which may be available only in the United States.

Many cases have come to the attention of the Subcommittee where the medical visa is used to enter the U.S., and shortly thereafter, the person seeks permanent immigration. This type of activity undermines the intent of the medical visa; and flagrant abuses may seriously jeopardize its availability for those whose only recourse is treatment in the United States.

The Subcommittee's reluctance to schedule such bills is based on the premise that persons may seek all available medical assistance while in the United States, but upon completion of any medical treatment the purpose of the visa expires and the alien must return home.

The Subcommittee also notes the increasing number of private bills in similar cases whereby the beneficiary seeks relief solely on the basis of the need for medical treatment for physical conditions which were present at the time of admission or developed after arrival in the U.S. It is therefore the policy of the Subcommittee in such cases that advisory opinions be sought by the author from such organizations as the World Health Organization and the Pan American Health Organization as well as from officials of the beneficiary's home country concerning the availability of medical treatment for such physical conditions.

E. Deferred Action Cases

The Subcommittee shall be reluctant to schedule any bills on behalf of aliens who are in "deferred" status. It is the Subcommittee's understanding that the Immigration and Naturalization Service reserves the conferral of such status to cases of a particularly compelling nature. In view of INS action in this regard, the Subcommittee does not see any need for legislative action.

F. Investors

Recent public legislation enacted on behalf of investors provided relief for persons who were able to establish their qualification for a nonpreference visa prior to June 1978.

The Subcommittee has studied the many cases relating to investors and has found many beneficiaries did not sufficiently acquaint themselves with the law prior to making an investment and operated under illusions with respect to qualifying for immigration.

It is the Subcommittee's opinion that most investors who entered the United States after the June 1978 date were aware that immigrant visas would not be available in the foreseeable future, and there are no precedents for enactment of a private law solely based on a person's investment in the United States.

In the event a Member wishes to pursue this type of bill, the following is required: tax records, contracts, bank statements, and other pertinent information relating to the investment.

G. Waiver of Exclusions

1. Health—All bills waiving the grounds of exclusion for mental or physical infirmities will require the posting of a bond. The Subcommittee notes there are few precedents for cases in this category. In order to obtain the best possible information, the Subcommittee will require all medical records as well as information from the state and/or federal government concerning possible public charge aspects of the case.

2. Draft Dodgers—There are few precedents for favorable action on behalf of draft dodgers, and it shall be the Subcommittee's policy to continue to view such bills unsympathetically.

3. Fraud—The Subcommittee has been extremely reluctant to act favorably on cases involving visa fraud, and it shall be the policy of the Subcommittee to adhere closely to precedents in this category.

H. Naturalization

The Subcommittee shall require any bill relating to expediting naturalization be accompanied by evidence indicating such action would be in the national interest, as opposed to personal gain. There are few precedents for favorable action on bills waiving any naturalization requirements or granting posthumous or honorary citizenship. It is the Subcommittee's intent generally to view unfavorably legislation in this area and notes more appropriate mechanisms for rewarding individuals may be in the form of honoraria, medals, awards, statues, etc. The Subcommittee also notes there are few instances of favorable action on behalf of individuals who renounce U.S. citizenship, and the policy of the Subcommittee shall be to adhere to precedents in this category.

I. Bills Tabled in a Previous Congress

Commenting on requests for reconsideration of legislation, Thomas Jefferson noted the right of reconsideration is not "a right to waste the time of the House in repeated agitations of the same question, so that it shall never know when a question is done with . . ."

The Subcommittee has been confronted with an increasing number of requests for reconsideration of private bills which have been tabled by the full Committee in previous Congresses. It has been the experience of the Subcommittee that each bill is given sufficient review during the meetings of the Subcommittee and the authors are afforded ample time to present the merits of the case. Repetitious consideration of these cases operates to the detriment of other private bills which are pending and reflects poorly on the integrity of the private bill process. For these reasons, the Subcommittee will be reluctant to reverse or reconsider its prior action absent new evidence or information that was not available or could not have been obtained by the author at the time of actual consideration by the Subcommittee.

J. Timeframe for Obtaining Relief Upon Enactment of a Private Law

The Subcommittee has monitored the situations concerning the applications for relief by beneficiaries of private immigration laws and expresses its concern that in many cases the subjects of private bills do not exercise their petition for relief after enactment in a timely manner.

Certain cases have come to the Subcommittee's attention whereby relief after enactment of a private law was not sought until 10 years thereafter, and other cases the Subcommittee is dismayed to learn that beneficiaries have not sought immediate relief.

In view of the lengthy deliberations by the Subcommittee on each bill processed under its jurisdiction, it appears incumbent upon the Subcommittee to assure that the beneficiaries of such bills apply themselves in a diligent manner and seek relief as expeditiously as possible upon enactment. Therefore, the Subcommittee shall amend each private bill processed so that the beneficiaries must apply for the benefits of the enacted law within two years of notification of the passage of the private law.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Evans of Illinois (at the request of Mr. Wright) for this week, on account of observing Illinois National Guard training and a personal fact-finding visit to several Central American countries.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Sam B. Hall, Jr.) to revise and extend their remarks and include extraneous material:)

Mr. Pepper, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Gonzalez, for 60 minutes, today.
Mr. Gaydos, for 30 minutes, May 14.
Mr. Gaydos, for 30 minutes, May 15.
Mrs. Schroeder, for 60 minutes, May 22.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Smith of New Hampshire) and to include extraneous matter:)

Mr. Vander Jagt.
Mr. Parris.
Mr. Roth.
Mr. Shumway.
Mrs. Roukema.

(The following Members (at the request of Mr. Sam B. Hall, Jr.) and to include extraneous matter:)

Mrs. Burton of California.
Mr. Montgomery in two instances.
Mr. Hall of Ohio.
Mr. Roybal.
Mr. Mazzoli.

Mr. Pepper.
Mr. Anderson in 10 instances.
Mr. Gonzalez in 10 instances.
Mr. Brown of California in 10 instances.
Mr. Annunzio in six instances.
Mr. Jones of Tennessee in 10 instances.
Mr. Boner of Tennessee in 10 instances.
Mr. Miller of California.
Mr. Hubbard.
Mr. Stark.

ADJOURNMENT

Mr. SAM B. HALL, JR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 p.m.) the House adjourned until tomorrow, Tuesday, May 14, 1985, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1267. A letter from the Secretary of Defense, transmitting a report on U.S. expenditures in support of NATO, pursuant to 22 U.S.C. 1928 nt.; to the Committee on Armed Services.

1268. A letter from the Administrator, Energy Information Administration, transmitting a copy of the administration's annual energy review 1984, pursuant to FEAA, section 57(a)(2) (90 Stat. 1139; 91 Stat. 572); to the Committee on Energy and Commerce.

1269. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Navy's proposed letter of offer to Spain for defense articles and services (Transmittal No. 85-10), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1270. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 122b(a); to the Committee on Foreign Affairs.

1271. A letter from the Governor, Farm Credit Administration, transmitting the annual report of the administration's activities under the Freedom of Information Act covering calendar year 1984, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1272. A letter from the Secretary of the Interior, transmitting the Mineral Institute annual report for 1984, pursuant to Public Law 98-409, section 4(c); to the Committee on Interior and Insular Affairs.

1273. A letter from the Chairman, Pennsylvania Avenue Development Corporation, transmitting the 1984 annual report of the Corporation, pursuant to Public Law 92-578, section 11; to the Committee on Interior and Insular Affairs.

1274. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Magnuson Fishery Conservation and Management Act, as amended, to authorize appropriations for fiscal years 1986 and 1987, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1275. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title I of the Salmon and Steelhead Conservation and Enhancement Act of 1980, as amended, to repeal the Salmon Vessel Buy-Back Program; to the Committee on Merchant Marine and Fisheries.

1276. A letter from the Deputy Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the Education Loan Program; and for other purposes; to the Committee on Veterans' Affairs.

1277. A letter from the Administrator, Environmental Protection Agency, transmitting a copy of a final rule on notification requirements and reportable quantity adjustments; a proposed rule on reportable quantity adjustments, pursuant to Public Law 96-510, section 305(a); jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

1278. A letter from the Federal Inspector, Alaska Natural Gas Transportation System, transmitting the 23d quarterly report on the status of the system, pursuant to Public Law 94-586, section 7(a)(5)(E); jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

1279. A letter from the Chairman, National Commission on Agricultural Trade and Export Policy, transmitting the interim report of findings and recommendations of the Commission, pursuant to 7 U.S.C. 1691 nt.; jointly, to the Committees on Agriculture, Foreign Affairs, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House of May 9, 1985, the following report was filed on May 10, 1985]

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 1868. A bill to amend the Social Security Act to protect beneficiaries under the health care programs of that act from unfit health care practitioners, and otherwise to improve the antifraud provisions of that act; with an amendment (Rept. No. 99-80, Pt. I). Ordered to be printed.

[Pursuant to the order of the House of May 8, 1985, the following report was filed on May 10, 1985]

Mr. ASPIN: Committee on Armed Services. H.R. 1872. A bill to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; with amendments (Rept. No. 99-81). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 13, 1985]

Mr. ACKERMAN: Committee on Post Office and Civil Service. H.R. 1534. A bill to convert the temporary authority to allow Federal employees to work on a flexible or compressed schedule under title 5, United States Code, into permanent authority (Rept. No. 99-82). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 934. A bill to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area, and for other purposes (Rept. No. 99-83). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 105. A bill to provide for the inclusion of the Washington Square area within Independence National Park, and for other purposes (Rept. No. 99-84). Referred to the Committee of the Whole House on the State of the Union.

Mr. SAM B. HALL, JR.: Committee on the Judiciary H.R. 439. A bill to amend title 28, United States Code, to provide for the selection of the court of appeals to decide multiple appeals filed with respect to the same agency order (Rept. No. 99-85). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A REPORTED BILL

Under clause 5 of Rule X the following action was taken by the Speaker:

Referral of H.R. 1931 to the Committee on Public Works and Transportation extended for a period ending not later than May 14, 1985.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1203. A bill to promote the conservation of migratory waterfowl and to offset or prevent the serious loss of wetlands by the acquisition of wetlands and other essential habitat, and for other purposes; referred to the Committee on Interior and Insular Affairs for a period ending not later than May 14, 1985, for consideration of such provisions of the bill as fall within the jurisdiction of that committee under clause 1(1), rule X (Rept. No. 99-86 Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KASTENMEIER:

H.R. 2468. A bill to amend the Legal Services Corporation to authorize appropriations for additional fiscal years, and for other purposes; to the Committee on the Judiciary.

By Mr. HEFTEL of Hawaii:

H.R. 2469. A bill to amend title 39, United States Code, to require that the U.S. Postal Service report to Congress at least 60 days before acting on any decision to close or consolidate a post office; to the Committee on Post Office and Civil Service.

By Mr. PEPPER (for himself and Mr. Regula):

H.R. 2470. A bill to amend the Housing and Community Development Act of 1974 to improve the criteria used to select projects for grants under the Urban Development Action Grant Program, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROYBAL (for himself, Mr. Frank, Mrs. Burton of California, Mrs. Collins, Mr. Conyers, Ms. Kaptur, Mr. Mitchell, Mr. Rahall, and Mr. Towns):

H.R. 2471. A bill to amend the Internal Revenue Code of 1954 and title II of the Social Security Act to ensure fair and adequate financing of the Old-Age, Survivors, and Disability Insurance Program by reducing Social Security tax rates and applying the reduced rates to all wages and self-employment income of covered workers, and for other purposes; to the Committee on Ways and Means.

By Mrs. SCHROEDER (for herself, Ms. Snowe, Mrs. Boggs, Ms. Kaptur, Mrs. Boxer, Mrs. Burton of California, Mrs. Collins, Mrs. Johnson, Mrs. Kennelly, Mrs. Long, Ms. Mikulski, Ms. Oakar, Mrs. Schneider, Mr. Conyers, Mr. Evans of Illinois, Mr. Oberstar, Mr. Fazio, Mr. Gejdenson, Mr. Edgar, Mr. Yates, Mr. Wheat, Mr. Coleman of Texas, Mr. Mineta, Mr. Lehman of Florida, Mr. Edwards of California, Mr. Dixon, Mr. Stark, Mr. Dellums, Mr. Fauntroy, Mr. Berman, Mr. Leland, Mr. Markey, Mr. Dwyer of New Jersey, Mr. Fascell, Mr. Udall, Mr. Guarini, Mr. Addabbo, Mr. Howard, Mr. Weiss, Mr. Moody, Mr. Lantos, Mr. Barnes, Mr. Mrazek, Mr. AuCoin, Mr. Frost, Mr. Vento, Mr. Wolpe, Mr. McKernan, Mr. Wyden, Mr. Smith of Florida, Mr. Frank, Mr. Levine of California, Mr. Levin of Michigan, Mr. Crockett, Mr. Morrison of Connecticut, Mr. Fish, Mr. Downey of New York, Mr. Hayes, Mr. Dymally, Mr. McHugh, Mr. Pepper, Mr. Rodino, Mr. Feighan, Mr. Miller of California, Mr. Towns, Mr. Weaver, Mr. Foglietta, Mr. Roe, Mr. Hawkins, Mr. Borski, Mr. Lundine, Mr. Scheuer, Mr. Pursell, Mr. Waxman, Mr. Bonker, Mr. Lowry of Washington, Mr. Williams, Mr. Solarz, Mr. Matsui, Mr. Florio, and Mr. Ford of Tennessee):

H.R. 2472. A bill to ensure economic equity for American women by providing retirement security for women as workers and as divorced or surviving spouses; making quality dependent care available to all working families; ending discrimination in insurance on the basis of race, color, religion, national origin, or sex, and improving health care coverage for displaced homemakers; providing equal employment opportunity and pay equity for women; and treating women and low-income families more equitably under the tax laws and tax reform proposals; jointly, to the Committees on Education and Labor; Ways and Means; Armed Services; Banking, Finance and Urban Affairs; Energy and Commerce; Post Office and Civil Service; House Administration; and Small Business.

By Mr. STARK:

H.R. 2473. A bill to amend the Internal Revenue Code of 1954 to deny a deduction for amounts paid as restitution or other damages for violations of law involving fraud; to the Committee on Ways and Means.

By Mr. COELHO:

H.J. Res. 286. Joint resolution designating May 1985 as "National Play-It-Safe Month"; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of California (for himself, Mrs. Schroeder, and Mr. Mineta):

H. Res. 168. Resolution directing the Director of Central Intelligence to provide to the House of Representatives documents and factual information in possession of the Central Intelligence Agency about covert training or other support during the past year for counterterrorist units in the Middle East; to the Permanent Select Committee on Intelligence.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

121. By the SPEAKER: Memorial of the Legislature of the State of New Hampshire, relative to terminal cancer patients; to the Committee on Energy and Commerce.

122. Also, memorial of the Legislature of the State of California, relative to oil and gas leases; to the Committee on Interior and Insular Affairs.

123. Also, memorial of the Legislature of the State of New Hampshire, relative to the issuance of a commemorative bicentennial stamp; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 52: Mr. Montgomery, Mr. Valentine, and Mr. Atkins.

H.R. 156: Mr. Gejdenson, Mr. Edgar, Mr. Pepper, and Mr. Parris.

H.R. 521: Mr. Bustamante.

H.R. 753: Mr. Martinez.

H.R. 930: Mr. Murphy, Mr. Barnard, Mr. Young of Florida, and Mr. Bennett.

H.R. 1031: Mr. Dymally, Mr. Frank, Mr. Hayes, Ms. Oakar, Mr. Garcia, Mr. Weiss, Mr. Heftel of Hawaii, Mr. Rodino, Mr. Martinez, Mrs. Collins, Mr. Richardson, and Mrs. Boxer.

H.R. 1032: Mr. Dymally, Mr. Frank, Mr. Hayes, Ms. Oakar, Mr. Garcia, Mr. Weiss, Mr. Heftel of Hawaii, Mr. Rodino, Mr. Martinez, Mrs. Collins, Mr. Richardson, and Mrs. Boxer.

H.R. 1099: Mr. Hall of Ohio.

H.R. 1267: Mr. Coble, Mr. Olin, Mr. Cooper, Mr. Duncan, Mr. McMillan, Mr. Slaughter, Mr. Rose, and Mr. Hatcher.

H.R. 1401: Mrs. Bentley, Mr. Mitchell, Mr. Berman, and Mr. Feighan.

H.R. 1402: Mrs. Bentley and Mr. Berman.

H.R. 1403: Mrs. Bentley and Mr. Berman.

H.R. 1467: Mr. Boucher.

H.R. 1509: Mr. Seiberling.

H.R. 1534: Mr. Darden, Mr. Daub, Mr. DeWine, Mr. Chandler, Mrs. Collins, Mrs. Byron, Mr. Wirth, Mr. Smith of New Jersey, Mr. Gray of Pennsylvania, Mr. Nielson of Utah, Mr. Whitehurst, Mr. Gilman, Mrs. Burton of California, Mr. Davis, and Mr. Morrison of Connecticut.

H.R. 1544: Mr. Martinez.

H.R. 1579: Mrs. Bentley and Mrs. Schneider.

H.R. 1927: Mr. Lehman of California.

H.R. 1940: Mr. Ackerman, Mr. Edwards of California, Mr. Eckart of Ohio, Mr. Oberstar, Mr. Berman, Mr. Vento, Mr. Ford of Tennessee, Mr. Torricelli, Mr. Akaka, Mr. Lehman of California, Mr. Daschle, and Ms. Mikulski.

H.R. 1942: Mr. LaFalce.

H.R. 2001: Mr. Shelby, Mr. Waxman, Mr. Coelho, Mr. Vander Jagt, Mr. Mrazek, Mr. Stallings, Mr. Lewis of California, Mr. Weaver, Mr. Hawkins, Mr. de Lugo, Mr. Dixon, Mr. Barnes, Mr. Andrews, Mr. Lantos, Mr. Rinaldo, Mr. Martinez, Mr. Regula, Mr. Bates, Mr. Latta, Mr. Roe, Mr. Evans of Illinois, Mr. Towns, Ms. Kaptur, Mr. Pashayan, Mr. Yates, Mr. Kasich, Mr. Kildee, Mr. Kolter, Mr. Weiss, Mr. Traxler, Mr. Dorgan of North Dakota, Mr. Morrison of Washington, Mr. McKinney, Mr. Saxton, Mr. Wilson, Mr. Grotberg, Mr. Bustamante, Mr. McCurdy, Mr. Moody, Mr. Beilenson, and Mr. Thomas of California.

H.R. 2221: Mr. Towns, Mr. Rangel, Mr. Foglietta, and Mr. Crockett.

H.R. 2282: Mr. Carper, Mr. Coyne, Mr. Evans of Illinois, Mr. Morrison of Connecticut, and Mr. Sabo.

H.R. 2329: Mr. Levine of California and Mr. Stokes.

H.R. 2401: Mr. Dellums, Mr. Donnelly, Mr. Leland, and Mr. Moody.

H.J. Res. 64: Mr. Badham, Mr. Barnard, Mrs. Bentley, Mr. Bilirakis, Mr. Bonior of Michigan, Mr. Bosco, Mr. Brooks, Mr. Brown of California, Mr. Brown of Colorado, Mr. Burton of Indiana, Mrs. Burton of California, Mr. Carr, Mr. Chandler, Mr. Chappell, Mr. Cobey, Mr. Coble, Mr. Coleman of Missouri, Mr. Cooper, Mr. Dellums, Mr. Dickinson, Mr. Dicks, Mr. Dixon, Mr. Dowdy of Mississippi, Mr. Downey of New York, Mr. Dwyer of New Jersey, Mr. Fazio, Mr. Florio, Mr. Foley, Mr. Frost, Mr. Gekas, Mr. Gonzalez, Mr. Green, Mr. Gregg, Mr. Gunderson, Mr. Hoyer, Mr. Hunter, Mr. Hutto, Mr. Hyde, Mr. Kostmayer, Mr. Lantos, Mr. Lott, Mr. McEwen, Mr. Matsui, Mr. Michel, Mr. Moody, Mr. Pepper, Mr. Porter, Mr. Price, Mr. Ritter, Mr. Robinson, Mr. Rodino, Mr. Roemer, Mr. Schumer, Mr. Slaughter, Mr. Smith of New Jersey, Mr. Smith of New Hampshire, Mr. Stangeland, Mr. Stenholm, Mr. Stratton, Mr. Tauke, Mr. Tauzin, Mr. Valentine, Mr. Walgren, Mr. Whittaker, Mr. Wyden, Mr. Young of Florida, and Mr. Young of Alaska.

H.J. Res. 65: Mr. Gonzalez.

H.J. Res. 68: Mr. Murphy.

H.J. Res. 135: Mr. Ford of Tennessee, Mr. Jeffords, Mr. Frenzel, Mr. Gephardt, Mr. Bereuter, Mr. MacKay, Mr. Kolbe, Mr. Coyne, Mr. Dowdy of Mississippi, Mr. Daschle, Mr. Saxton, Mr. McKinney, Mr. Kostmayer, Mr. Smith of Florida, Mr. Tauzin, Mr. Lewis of California, Mr. Wortley, Mr. Ireland, Mr. Traxler, Mr. Skelton, Mr. Levine of California, Mr. Lent, Mr. Lundine, Mr. Gonzalez, Mr. Fazio, Mr. Young of Missouri, Mr. Bosco, and Mr. Mollohan.

H.J. Res. 183: Mr. Mineta, Mr. DioGuardia, Mr. Kindness, Mr. Biaggi, Mr. Coelho, Mr. Lehman of California, Ms. Kaptur, Mr. Hartnett, Mr. Hayes, Mr. Roemer, Mr. Tallon, Mr. Heftel of Hawaii, Mr. DeWine, Mr. Young of Missouri, Mr. Rahall, Mr. Hefner, Mr. Yates, Mr. Smith of New Jersey, Mr. Rose, Mr. Fazio, Mr. Thomas of Georgia, Mr. Chandler, Mr. Daub, Mrs. Collins, and Mr. Fauntroy.

H.J. Res. 285: Mr. Tauzin, Mr. Rose, Mr. Robinson, Mr. Rinaldo, Mr. Price, Mr. Weiss, Mr. Wright, Mr. Rowland of Georgia, Mr. Roth, Mr. Shaw, Mr. Sikorski, Mr. Leland, Mr. Schulze, Mr. Kastenmeier, Mr. Mineta, Mr. Guarini, Mr. Stump, Mr. Solarz, Mr. Reid, Mr. Murphy, Mr. Bruce, Mr. Crane, Mr. Young of Alaska, Mr. Pickle, Mr. Fish, Mr. Vander Jagt, Mr. Richardson, Mr. Gray of Illinois, Mr. Hughes, Mr. Rudd, Mr. Montgomery, Mr. Staggers, Mr. Weber, Mr. Wirth, Mr. Wise, Mr. Rogers, Mr. Bateman, Mr. Borski, Mr. Brown of California, Mrs. Burton of California, Mr. Bustamante, Mr. Campbell, Mr. Carr, Mr. Chandler, Mr. Bennett, Mr. Dorgan of North Dakota, Mr. Ireland, Mrs. Meyers of Kansas, Mr. Green, Mr. Grotberg, Mr. Hutto, Mr. Kemp, Mr. Lagomarsino, Mrs. Lloyd, Mr. Dwyer of New Jersey, Mr. Dowdy of Mississippi, Mr. McCain, Mr. McHugh, Mr. Erdreich, Mr. Gephardt, Mr. Hayes, and Mr. Jones of North Carolina.

H. Con. Res. 26: Mr. Lent and Mr. McHugh.

H. Con. Res. 131: Mr. Bustamante, Mr. Cooper, Mr. DeLay, Mr. Emerson, Mr. Gilman, Mr. Lewis of Florida, Mr. McCandless, Mr. Rodino, Mr. Stallings, Mr. Swift, and Mr. Taylor.

PETITIONS, ETC.

Under clause 1 rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

104. By the SPEAKER: Petition of the board of trustees, the City University of New York, NY, relative to the Pell grant budget proposed by the administration for fiscal year 1985; to the Committee on Education and Labor.

105. Also, petition of the Vietnamese Association of Central Florida, Orlando, FL, relative to the freedom fighters in Southeast Asia; to the Committee on Foreign Affairs.

106. Also, petition of the board of aldermen, Chelsea, MA, relative to the President's proposed budget cuts fiscal year 1986; to the Committee on Government Operations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1872

By Mr. FOGLIETTA:

—At the end of title 10 add the following new section on page 200, following line 4:

SEC. 1050. SDI OVERSIGHT COMMISSION.

(a) Establishment of Commission.—There is hereby established a commission to be known as the "Congressional Commission on Strategic Defense ". The Commission shall monitor the progress of Strategic Defense Initiative programs and particularly shall—

(1) study the feasibility and technology of SDI programs;

(2) study adherence of SDI programs to the 1972 ABM Treaty and any other treaty and the effect of such programs on any treaty; and

(3) review strategic defense programs of the Soviet Union.

(b) Membership.—(1) The Commission shall be composed of twelve members appointed for six-year terms. The members of the Commission shall be appointed as follows:

(A) Three members shall be appointed by the Speaker of the House of Representatives.

(B) Three members shall be appointed by the Minority Leader of the House of Representatives.

(C) Three members shall be appointed by the Majority Leader of the Senate.

(D) Three members shall be appointed by the Minority Leader of the Senate.

(2) Members of the Commission shall be appointed based upon recognized expertise in matters relating to the Strategic Defense Initiative and shall be selected from among persons who are particularly qualified by reason of training, experience, and knowledge for service on the Commission.

(3) In the event of a vacancy in the Commission, the vacancy shall be filled in the same manner as the original appointment.

(4) Of the members first appointed to the Commission, four shall serve for two years, four shall serve for four years, and four shall serve for six years, as determined by lots at the first meeting of the Commission.

(c) Chairman.—The members of the Commission shall select the chairman of the Commission.

(d) Support Services.—The Commission shall receive necessary support services and funding from the Strategic Defense Initiative Organization of the Department of Defense. Each Commission member is entitled to appoint one staff person.

(e) Reports.—(1) The Commission shall submit an annual report to Congress on the Strategic Defense Initiative. The report shall be submitted in both a classified and unclassified form.

(2) The Commission shall submit to Congress such reports as it considers appropriate on any report to Congress by the Secretary of Defense concerning the Strategic Defense Initiative.

(3) Reports to Congress by the Commission shall be submitted without intervening review or approval within the Executive branch.

EXTENSIONS OF REMARKS

CLEVELAND, A GREAT PLACE TO VACATION

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Ms. OAKAR. Mr. Speaker, one of the best kept travel secrets in the country is my hometown of Cleveland, OH. The May 12, 1985 travel section of the Washington Post has an excellent description of Cleveland's attractions. I ask that the article on Cleveland by David Beacom be printed in the RECORD. I hope the article will inspire my colleagues and their constituents to experience Cleveland for their vacation travel.

CLEVELAND: BEHIND THAT INDUSTRIAL FACADE THERE'S A CITY OF IMAGINATION—AND EVEN FUN

(By David Beacom)

Q. What's the difference between Cleveland and the Titanic?

A. Cleveland has a better orchestra.

The only lesson you might draw from a trip to Cleveland, many folks would predict, would be never, ever to repeat the experience. Surely that was the The Moral of the Story for the Titanic's grateful survivors. "Let's not and say we didn't," might be an even more common response. But it's the desire to avoid that common response, to seek out less predictable experience, that gets the curious traveler going and can make trekking even to Cleveland a capital notion.

Contrary to outsiders' expectations, the 600,000 souls who live in Cleveland (and their occasional guests) do manage to have fun. And it might happen to you in the gritty downtown neighborhood called the Flats or even in the more rarefied atmosphere of the Cleveland Play House, which bills itself as the nation's oldest resident theater company. What's more, meandering through Shaker Heights and other leafy suburbs, you could see rich people and some not-so living on a scale only dreamed of in many cities. And, encountering at every turn the efforts of Cleveland's proud leaders (a can-do crowd if ever was) to cast their town in a flattering light, you may pick up on an unexpected lesson—a reminder, really: Power always has its limits. Despite that intense boosterism, after all, how does the idea of a vacation in Cleveland strike you?

The simple truism about the limits of power is easily forgotten. On the Titanic, the decks had to start heaving before the corporate titans aboard got the same message. In that perilous situation, wealth and accomplishment lost much of their familiar reassuring force.

Unlike the Titanic, however, Cleveland is not necessarily doomed, though this doesn't hit the visitor full in the face—not at first, anyway. For that matter, neither do any of Cleveland's considerable pleasures.

Like so many cities on the Great Lakes, downtown Cleveland has a ragtag, gap-toothed look that results partly from an abundance of flat land along the shore: Towering, broad-shouldered buildings rise beside all-but-vacant lots. Venerable classical structures like City Hall open onto formal vistas that peter out in a desultory block or two.

Downtown tucks loosely into vast acreage formed by Lake Erie to the north, the Cuyahoga River to the west and a smoky encampment of factories to the south. As if even these spaciously arranged boundaries constituted too tight a confinement for a Midwestern town, Cleveland spills over unrestrainedly to the east—in which direction the city stretches nearly 200 blocks.

Within those blocks can be found most of black Cleveland and nearly all the city's prestige institutions: the Cleveland Museum of Art; Severance Hall, home of the city's daunting orchestra; the Cleveland Clinic, currently a favorite of King Hussein and other Middle Eastern potentates in need of repair. Then, too, the richest suburbs roll on out east—including Shaker, Pepper Pike and an almost ineffably lovely patch of New England, transported to Ohio and given the name Gates Mills.

On the other side of town, across the Cuyahoga, lies white Cleveland, resolutely ethnic. Beyond West 117th Street, Lakewood, Rocky River and other eminently presentable suburbs hug the shore.

At the heart of it all is Public Square, which forms a kind of front yard for Cleveland's tallest building—the 52-story Terminal Tower. ("Who would believe," inquires a song none too popular at the local Chamber of Commerce, "a city with a tower that's terminal overlooking a lake that's eerie?")

A Midwestern answer to Grand Central Station, the Terminal Tower went up in 1930 and brought offices, shops, and rapid-transit trains together under one roof at the hub of the city. Cleveland's version, however, is cheerier. Sheltered by gently arching white vaults, the shops beneath the Tower sparkle with tiny lights and a snappy array of merchandise. The Terminal complex also houses the city's best emporium, Higbee's. With its lofty ceilings and resplendent crystal chandeliers, Higbee's looks every bit the quintessential department store.

Next door to the Terminal is Stouffer's Inn on the Square, Cleveland's solitary attempt at a grand hotel in the traditional manner. Across the square rises Standard Oil of Ohio's high-stakes gamble on the city's future. The 45-story office building, a brown marble behemoth costing a quarter of a billion dollars and due to open this year, will also have a cluster of shops at its base.

Hereabouts, designers of the shopping centers of the 1980s do not have far to look for inspiration. There's no surpassing the Arcade, the 95-year-old shopping-street-under-glass one block east of Public Square. The Arcade is busiest at lunch. Inside the five-story Victorian confection, mainly cast iron but no less dainty for that, a block-long skylight pours sunshine into even the lowest levels. That's where stores and restaurants are located. The floors above house offices and a gallery or two, though an old-fashioned ladies' tearoom hangs on in the uppermost reaches. Very little compromises the perfection of the Arcade, which for honest charm puts recent limitators to shame.

Not so delicate-looking but quite as special is the Flats, hard by the Terminal Tower on the banks of the Cuyahoga. Here, factories that once fed much of the city stand moribund. Or they've been cleared out, giving way to condominiums, upscale restaurants, marine outfitters (Cleveland has lots of sailors) and a couple of costly antique shops. Saloons in the neighborhood have a studied raffishness about them.

This part of the city is a strange, and strangely evocative, place—a Depression-era landscape of idleness and waste and pockets of money. Every view has a lonely kind of beauty: gravel heaps and weedy gullies and weightly iron bridges leading nowhere in particular, all remnants of the more heavily industrial Cleveland of yore. Nowadays it's becoming the turf of the Yuppies, a sad fate but for the fact that grimly ambitious bunch seems a less blase, more winning group here than elsewhere.

An evening in the Flats surely promises no narrower a range of diversions than do equivalent spots for the young and reckless in other burgs. It may even offer a distinct emotional bonus. Amid the derelict railroad sidings, within the rosy brick walls of the commercial buildings of the last century, Cleveland has launched one of its customary, game attempts to adapt to reduced circumstances. For all but the most hardhearted, the determination that underlies such efforts can be down-right moving.

Even in Cleveland, however, some things don't require resuscitation. They go on as they always have—maybe better. That's the case with the West Side Market, in Ohio City. Local wags have modified signs leading to the community—just across the Cuyahoga from the Flats—so that they read "CHIC city." But in pinpointing the area's appeal that misses the mark.

Sure, a number of Ohio City's frame houses have been colorfully redone a la San Francisco's "Painted Ladies." Those in search of the funkier sort of antiques will feel right at home in the neighborhood's grimy shops. And area restaurants things have happened. But with aging cities, as with athletes in their dotage, such talk eventually arouses not respect but derision—or worse, blank disregard.

And yet creaky competitors sometimes do summon the strength for another victory. Better, still more manage to shift gears and make a success of something new. That's what Clevelanders are up to.

What's their plan?

First, they've decided to hope for the best, which helps explain why they stick around and try to make a go of it. Second, they've put on a happy face: Downtown has silvery new office towers and plenty of oversize abstract art, these days the most visible totems of a city on the go. Third, they'll work hard—witness the navy-suited armies on the corporate march up and down East 9th Street. Then, too, they're willing to take their lumps.

Finally, they'll strive to keep the world guessing. A comeback in the offing? Maybe, maybe not. But it's far too early to light the candles, strike up the hymns and gather

'round the coffin. Considering the city's native assets, and allowing for the occasional comic misstep along the way, a dignified old age seems assured for Cleveland—with long-term prosperity a distinct possibility.

So the rest of us might stop crowing. Powerhouse or neon, we should all be so lucky.

AND THEY SPREAD THE FUN FROM CLEVELAND TO RESEDA, AND BACK

(By Morris D. Rosenberg)

Cleveland knows a good thing when it sees it—even though some people may have their doubts.

Consider what happened a few weeks ago when Ken Minyard and Bob Arthur—hosts of a morning "drive" show on radio station KABC in Los Angeles—told their listeners that the city of Reseda had become "the Cleveland of the San Fernando Valley." Suddenly, phone calls and letters began pouring in from Reseda citizens who felt insulted by the comparison.

Reseda, Minyard explained recently in a telephone interview is an older lower-middle-class town that once was lovely. "Who knows why certain communities get a certain kind of reputation, but Reseda has become the butt of jokes in much the same way as Cleveland."

So Minyard and Arthur responded to their irate listeners, "look, you're right, we're guilty." They decided—tongue still somewhat in cheek, however—to make amends by sponsoring a contest for a song about Reseda that would celebrate its virtues and best capture "the essence of the city." The prize? A round-trip bus ticket to Cleveland.

Enter Rocco Scotti, a Cleveland booster who sings "The Star Spangled Banner" at the Indians' home baseball games. Scotti had heard about the Reseda slur and contest from relatives in L.A., and he thought KABC had struck a sour note.

Cleveland, he felt—and city officials strongly agree—has become a much-maligned butt of columnists and one-liners. Scotti immediately contacted the station (he has sung the national anthem on earlier Ken and Bob shows to open the Dodgers' season) and thus became the link in an impromptu campaign by Cleveland to turn a negative joke into a positive boost.

The prize-winning song was submitted by Adrienne and Keith Follazay—singers, songwriters and Reseda residents—who performed it on the KABC program. Then Continental Airlines agreed to donate round-trip tickets to Cleveland to the Follazays, and the radio station provided spending money.

Cleveland civic organizations—the Convention and Visitors Bureau, the Greater Cleveland Growth Association, Cleveland magazine and city officials—joined together to plan a whirlwind week of escorted activities around town for the winning couple to make sure Resedans changed their tune about Cleveland.

Beginning April 7, the contest winners toured downtown; visited the Flats; went to the theater; watched the Indians play ball; sang their Reseda song ("In the heart of the Valley where the sun always shines/Reseda waits peacefully for me") at a downtown cafe; visited museums; took the Trolley Tour; saw the West Side Market; were driven to Shaker Heights; and flew home to Reseda on April 14, exhausted but delighted.

"We never had bad feelings about Cleveland," said Keith Follazay. "But everybody who heard we were going there asked us why," Adrienne added. Reflecting on their visit, Keith said, "I think they (Clevelanders) might be the warmest people in the United States."

KABC's irrepressible Minyard and Arthur now say "we're so impressed by what happened that we may set up the Ken and Bob Tour of Cleveland." They promptly invited Adrienne and Keith back on the show to sing their new song—about Cleveland: "We've got the best location/Cleveland is a new sensation." And radio station WJW in Cleveland agreed to rebroadcast that performance.

Reseda is also happy, claim Ken and Bob. "They've dedicated a mini-park to us—that's a bench and a couple of cement pots—in honor of what this did for them."

CLEVELAND WAYS AND MEANS

Getting there: Both United and Northwest Orient Airlines fly from Washington National to Cleveland Hopkins. The round-trip air fare ranges from $140 to $302, depending on the days of the week you travel.

Getting around: Although swift, convenient rail service links Hopkins and the Terminal Tower downtown, you will most likely need a car to make your way around Cleveland. Distances are great, and—except for the excellent trains to Shaker Heights—public transit seems too daunting for the outsider.

Taxi service, long abysmal in Cleveland, has in recent times improved—but not enough to make a big difference for the traveler on a schedule.

Where to stay: Stouffer's Inn on the Square (216-696-5600 or 800-HOTELS1), in the center of town, underwent extensive renovation several years ago and could once again profit from some fluffing up, but it still ranks as *the* big-deal old hotel. Rates are $103 to $113 double, with some weekend rates of $69 per night available.

More modern but less distinctive is the Bond Court Hotel (216-771-7600 or 800-321-1090), not far from Public Square at 777 St. Clair Ave., $100 double. Also nearby is the Hollenden House (216-621-0700 or 800-321-6728), at 610 Superior Ave., $90 double.

Where to eat: The best bet just might be Au Provence, at 2195 Lee Road in Cleveland Heights. Unprepossessing on the outside, warm and countrified in, Au Provence serves up French and Creole cooking and has been a Cleveland favorite for a decade. Earth by April, a few doors away at 2151 Lee, has during its 11-year existence made a reputation for well-prepared seafood.

More recent additions to the city's restaurants include Cuisines, set up in stylish Deco digs in the Hanna Building, near Playhouse Square. Sammy's, in the Flats, overlooks the Cuyahoga River—a more felicitous vista than you might imagine. The Ohio City Tavern is a popular spot in its neighborhood. So is Heck's, housed in a renovated movie theater in suburban Rocky River.

Information: Cleveland Magazine, published monthly, contains complete listings of cultural and sporting events. The city's daily newspaper, The Plain Dealer, has a "Friday" section designed to help readers plan the weekend.●

DR. KOSAKU UYEDA: VA SCIENTIFIC RESEARCH AT ITS BEST

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. MONTGOMERY. Mr. Speaker, I am always proud to come before this great body to talk about the exceptional quality of the Veterans' Administration's health care delivery system and its medical research team—people and services that rank among the finest in the world.

Today, it is my honor to inform you of the achievements of an outstanding research scientist, Dr. Kosaku Uyeda of the Dallas VA Medical Center.

The Veterans' Administration recently presented Dr. Uyeda with the prestigious William S. Middleton Award, its highest scientific honor, for his research in the field of carbohydrate metabolism. The award is named for the late researcher, clinician, and educator who served as the VA's Chief Medical Director from 1955 to 1963.

Dr. Uyeda's discovery of the metabolite that controls glucose metabolism in the liver and in other tissues has been hailed by the scientific community as an achievement that revolutionizes the study of diabetes and obesity.

According to Dr. Roger H. Unger, a senior medical investigator at the Dallas VA Medical Center, it would not be surprising if Dr. Uyeda's discovery makes possible "new therapeutic approaches to correcting the abnormalities of diabetes."

Dr. Uyeda, who holds a Ph.D. from the University of California at Berkeley, has been with the VA since 1967 and has served as a research career scientist since 1979.

Mr. Speaker, Dr. Uyeda's work is an excellent example of the type of scientific research that is conducted within the VA's Department of Medicine and Surgery and of its high quality. This research team continues to draw worldwide attention for its advances and breakthroughs in medicine and science which have significantly improved the quality of life for all mankind.

We owe much to Dr. Uyeda and his fellow researchers who pursue medical knowledge with remarkable ingenuity and persistence.

Mr. Speaker, I know my colleagues will want to join with me in expressing deep appreciation to Dr. Uyeda for his major contributions to VA research, to the international medical community, and to his fellow man. I would also like to offer our congratulations to Dr. Uyeda as he receives much-deserved recognition for his outstanding work.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HONORING NEW JERSEY FIREFIGHTERS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. COURTER. Mr. Speaker, I rise today to honor over 500 volunteer firefighters from 35 companies in the greater Middlesex County, NJ, area who recently valiantly pulled together to help combat one of the blazes ever in Monroe Township, NJ, This concerted effort helped to stem an impending disaster that threatened over 400 people who were forced to evacuate 200 homes in the area. Similar superb teamwork was previously displayed when the firefighers pulled together to fight a severe blaze earlier in February.

America grew to be great in large part because our people have consistently pulled together in times of adversity. The noble efforts of these firefighters in inspiring and encouraging to see. They are all heroes in the true sense of the word.

I commend to my colleagues' attention an editorial which appeared in the Home News, one of the region's finest papers, that expounds on this valiant effort:

VOLUNTEER ARMY GAVE 200 PERCENT

Monroe Fire Chief Van Applegate Jr. called it "the worst fire in the history of this township that I know."

Whipped by high, shifting winds, the fire swept through more than 700 acres of drought-parched grass and woodlands Friday, damaging a score of homes and destroying several garages, sheds, outbuildings and vehicles before an army of volunteer firefighters brought it under control.

At the height of the vast fire, more than 400 people were evacuated from about 200 homes in Inwood Estates and in the Outcalt, Old Forge and Matchaponix sections of the townships. At least 500 firefighters from about 35 companies through Middlesex and from parts of four other counties worked along with first-aid squad members, local residents and businesses to battle the blaze. The state Bureau of Forest Fire Management also joined the attack with bulldozers, trucks and a helicopter making water "bombing" runs.

"It frightened the devil out of us," says Monroe Mayor Peter Garibaldi.

But it could have been much worse.

If it hadn't been for the work of the volunteer fire companies—and all those other volunteers who were "running into the fire house, throwing on the gear and just going at it"—says Chief Applegate, "we'd have lost every house in there." Without this quick and concerted response to Monroe's call for help he says, "we would have been in trouble."

So this time it's Monore residents who have reason to be thankful for the courageous performance of volunteers who responded promptly and fought a well-coordinated battle against a big and dangerous fire. As they did in the face of the explosion and fire at a chemical plant in Middlesex Borough in February, the network of volunteer fire companies and aid squads swung into action on the fire lines and in backup roles at emptied fire houses according to prearranged emergency plans.

Spotswood Fire Chief Art Esposito, the information officer at the scene, says the volunteer fireman "gave absolutely 200 percent"—as usual. "The Southeastern and Middlesex County Fire Fighters Association did an outstanding job," he said, and New Jersey residents "should be very proud of their volunteer firefighters."

Indeed they did—and indeed we are.●

INAUGURAL BAND PARADE—ON TO WALT DISNEY WORLD, ORLANDO, FL

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. VANDER JAGT. Mr. Speaker, it is with truly great pleasure and joy to take this opportunity to highlight a most happy turn of events involving that "parade that wasn't"—the 50th Inaugural Parade, canceled last January because of dangerously cold weather. It was a sad time for those of us from Michigan's Ninth Congressional District and, especially Holland, MI, because the tremendous Holland High School Marching Band was selected to represent our State of Michigan in the parade.

As the Holland Sentinel newspaper reported back then, it was a time of "Expecting the Unexpected."

The greatest surprise, as it turned out, was the weather in Washington, DC, on January 20–21. The parade had to be canceled because of serious concerns that frost-bite would take place, especially with mouthpieces of the musical instruments frozen to mouths. There was a windchill factor of 30° below zero.

But, now a wonderful turn of events. The Holland High School Marching Dutchmen are on the way to Walt Disney World in Orlando, FL, to march with Mickey Mouse in a "restaged Inaugural Parade on May 27.

That's not a bad consolation prize. And, there are strong indications that President Reagan will be on hand for the parade. At any rate, there's high confidence that cold weather will not force a postponement this time.

During our special Inaugural Week activities last January, it was my honor to meet and visit with the Holland band and have a great picture taken together in front of the U.S. Capitol Building. I never met a finer group from our district. They were disappointed but they handled the unique situation with great class. Now, this marvelous 171-member band has another opportunity. I can assure all that they will make the most of it and will present a marvelous presentation with their great music and appearance featuring their wooden shoes.

Mickey Mouse may lead the parade but I know that the Holland High School Marching Band will steal the show.

Mr. Speaker, permit me at this time to insert a recent article from the Holland Sentinel on the announcement of the upcoming Florida trip as well as a brief story from the same paper by Kristen Lidke highlighting some of the comments of band members during their Washington visit. The two news articles follow:

HOLLAND HIGH BAND HEADING FOR FLORIDA

(By Patti Eddington)

They're going to give it one more try.

The Holland High School Marching Dutchmen have accepted an invitation to march with Mickey Mouse in a "Restaged Inaugural Parade" May 27 at Walt Disney World in Orlando, Fla.

And band members think that's just ducky.

"They're extremely excited and very much looking forward to it," band director Charles Bullard said. "After the Washington trip in January I think they felt the chance of a lifetime went down the drain."

Because so many high school and college bands went home disappointed when the Inaugural Parade for President Ronald Reagan was canceled because of a January cold spell, Walt Disney World Officials decided to stage the special Memorial Day weekend event, according to Michael Eisner, chairman of the board of the organization.

While the Holland band has been aware of the invitation for several weeks, school officials have been trying to finalize details before committing the band to the trip.

Bullard said the 171 Holland band members and chaperones will leave Holland Saturday, May 25, on either charter or school buses and travel to O'Hare airport in Chicago. An American Trans Airlines plane will take the group, as well as two other bands which will perform in the parade, to Orlando.

During the three-day trip students will have an opportunity to visit Disney World and Epcot Center. They will perform in the Walt Disney World parade on Monday, May 27, before returning to Holland.

Indications are Reagan will attend the event, Bullard said.

"It is on his calendar and he has sanctioned the event. The Disney people are optimistic he will be there," Bullard said.

While a massive fund raising drive took place before the band traveled to Washington, band students will each pay their own $125 bill for the Florida trip.

Bullard said seven students have expressed difficulty in raising the funds necessary for the weekend journey, but unsolicited contributions which have been sent the school will cover expenses for three of the students.

The parade is being sponsored by Disney World, Days Inn, Greyhound and Burger King, according to officials at Disney World.

JUST A FEW THOUGHTS ENROUTE

(By Kristen Lidke)

Although the Holland High School Marching Band experienced its share of surprises and disappointments during its trip to the Washington area, the overall mood of the group remained positive throughout. Listed below are some examples of the spirit, humor and irony which pulled band

members through the historic "Parade that Wasn't" and made the trip a memorable one.

"Be perfect, and you'll be OK."—Band Director Charles Bullard, the day before leaving for Washington, D.C.

"During the trip, we must be prepared for anything and must be extremely adaptable for any performance situation."—Bullard, the day before leaving for Washington.

"This should be the last surprise we have."—Bullard, the day before departure, commenting on the initial change in flight itinerary.

"I thought the other day I had my last surprise."—Bullard, after learning a busload of band members and chaperones were stranded in Detroit overnight.

"My little heart is just a-beatin' and my arms are going numb."—Sophomore Tammy Edwards, flying for the first time since she was 6 years old.

"Above the clouds, I saw a strip of a rainbow while my ears were popping!"—Anonymous band member somewhere in the clouds en route to Washington.

"Hey, you guys! They have 'Trigger Burgers' on the menu at Roy Rogers Restaurant . . . and 'Trigger Chips,' too!"—Sophomore Karin Essenburg.

"I don't snore! I just breathe loud!"—Sophomore Michelle Konjer.

"I like wearing my uniform. It makes me feel like a person."—Junior Karen Allen.

"We could have worn our ear muffs and go . . . it's not that bad out there."—Junior Buffy Becker after learning of the parade cancellation.

"What a bummer. I wanted to see how old Nancy Reagan really looks in person."—Senior Julie Hirt, upon hearing of the scrapped parade.

"If I was Reagan, I would have voted the same way . . . I wouldn't want them (the parade musicians) to rip their lips off." Senior Regan Higgs, who was named after President Reagan. "My mother liked him when he was an actor," Higgs said. Higgs also happens to: be the band's drum major, just like Ronald Reagan was in his high school days; live in a white house; have a best friend with the last name Bush (senior Troy Bush) and be Republican. "Older women like both Reagan and I, too," he said, "because a woman from the Michigan Delegation who said she was Reagan's fan . . . gave me a hug and . . . kissed me on the cheek."

". . . I forgot something. I was supposed to introduce my roommate, who happens to be my husband, who happens to be the president of the United States."—First Lady Nancy Reagan, after forgetting to introduce her husband to the crowd during Monday's inaugural festivities.●

LEGISLATION TO AMEND THE HIGHER EDUCATION ACT OF 1985

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. BEDELL. Mr. Speaker, today I am introducing legislation to amend the Higher Education Act of 1965. This legislation directs the Secretary of Education to issue regulations to provide fair treatment in the computation of family contributions in the Pell Grant program for students from farm families experiencing financial difficulties.

According to a recent report issued by the U.S. Department of Agriculture, some 17 percent of all farms are experiencing serious financial difficulties. Indeed, if we look only at family farms the percentage of those experiencing difficulties and facing foreclosure or bankruptcy increases dramatically. As more and more family farms are forced out of business, children from such families will be looking, in ever greater numbers, outside agriculture and to higher education for new employment opportunities.

However, the Pell Grant Program, which the Department of Education calls the foundation of financial aid, is currently denying Pell Grant eligibility for students from family farms because their parents have, as a result of a foreclosure or bankruptcy, sold property and assets that receive a capital gains tax exemption. Although this tax exemption creates a great deal of untaxed income, most farmers are unable to use it for any other purpose other than to retire debt..

According to the Department of Education, there is no regular or special procedure that currently exists through which ineligible applicants can request fair consideration of any special circumstances of this sort. Because many individuals in our rural areas are already experiencing great economic difficulties, it is my hope that during this session of Congress, we can work to ensure that the Pell Grant formula provides for the full consideration of the effects of foreclosure, bankruptcy, and taxation on the family farmer.

The text of my bill follows:

H.R. —

A bill to amend the Higher Education Act of 1965 to provide fair treatment, for purposes of computing family contributions in college student assistance, for students affected by the sale or forfeiture of family farm assets

Be it enacted by the Senate and House of Representatives of the United States of America in Congress, assembled, That section 482 of the Higher Education Act of 1965 (20 U.S.C.) is amended by adding at the end there of the following new subsection:

"(f) The Secretary shall, within 30 days after the date of enactment of this subsection, promulgate special regulations to prevent, in the computation of family contributions for any program under this title, the inclusion in family income of any proceeds of a sale of the farm assets of that family if such sale results from a voluntary or involuntary foreclosure, forfeiture, or bankruptcy."●

VETERANS' HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. MONTGOMERY. Mr. Speaker, within the next few weeks, the House and Senate will be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans' health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in Fresno, CA:

VETERANS' ADMINISTRATION
MEDICAL CENTER,
Fresno, CA, February 1, 1985.

HOWARD H. GREEN, M.D.,
Chief of Staff, VA Medical Center, White River Junction, VT.

DEAR HOWARD: I have itemized below the information that you requested in your letter of January 2, 1985. In further support of the dismal picture detailed below, I would call your attention to the printouts of the new resource allocation model based on FY 1983 data. You will note that we are the second largest "winner" in the Western region. Unfortunately we can't eat that, and this really represents so much pie in the sky at this point. I certainly will be very interested in hearing the overall results of this survey.

(a) Size of hospital: 265 beds plus 60 bed NHCU to open June 1985.

(b) Affiliated: University of California, San Francisco; Central San Joaquin Valley Clinical Campus.

(c) Projected dollar deficit FY 1985: 1. Personnel service: $445,497 (actually this is a low figure because of the use of $512,202 unused NHCU personnel dollars for FY 85); 2. All other: $498,898.

(d) Impact of dollar deficit.

1. Personnel: We have been under some form of local freeze most of the time for several years, this has specifically involved professional personnel. There has recently been imposed a reduction of 23 RN positions by attrition in spite of the fact that by VA staffing standards we are currently approximately 18 RN positions short. We have numerous vacancies in patient care professional and support services and in administrative support services for which we do not have sufficient personnel dollars. Our catchment area is one of rapid population growth

and increasing demand for care. For example, we have over 2,000 outpatient visits per physician FTEE per year.

2. Supplies: Pharmacy depleted inventory; $185,000. As of this month pharmacy has already used 60% of its budgeted funds. SPD inventory depletion; $105,000.

3. Equipment: We have been unable to fund maintenance contracts for any of our major pieces of key equipment. Many major pieces of equipment (e.g. radiology) need replacement because much of it was obtained in the mid 70's at the time the affiliation began.

4. Backlog of surgical patients: TURP: 7 (3 months) total joint replacement: 22 (over one year).

(e) Solutions we have devised:

1. We have had enrollment controls on the "AC" category of outpatient for several years but this has not stemmed the tide of increased demand.

2. Computerized utilization review of expensive outpatient drugs. This also involves a peer chart review for appropriateness and a physician distribution matrix that is forwarded to the service chief.

3. We have recently instituted a 100% surveillance of all inpatient antibiotic orders.

4. We have sharply limited pharmacy services for patients who are being evaluated for care.

(f) Comments: I think the implications of a devastating impact on quality of patient care are obvious. There is little doubt that if this continues we will be forced to exclude more and more of the veteran population from care on a priority basis. For the most part these people have nowhere else to go because of diminishing community resources. They are indeed the "New Poor".

Sincerely,

John B. Thompson, M.D.,
Chief of Staff, Fresno VAMC.●

A FAIR AND COMPLETE TAX FOR SOCIAL SECURITY

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. ROYBAL. Mr. Speaker, in January, the President reaffirmed his promise not to cut the Social Security cost-of-living adjustment and, in February, the administration projected that the Social Security trust fund would accrue $51 billion in additional surpluses over the next 3 years even if full COLA's are paid. But then, in April, despite their promises and predictions the administration and their allies in the Senate unveiled a plan to reduce the cost-of-living adjustments by 2 percent per year which CBO reports would throw 370,000 elderly and 200,000 nonelderly into poverty.

Although the full Senate saved the COLA for the moment, the debate continued and the Senate leaders' objective was clear. Finally, they reduced benefits and kept tax rates high in order to build even greater Social Security surpluses to finance the deficits they created by excessive spending on weapons and tax loopholes for corporations and wealthy individuals.

Mr. Speaker, their plan is not fair to Social Security beneficiaries whose annual inflation protection is now cut in half by 6-month delays in their COLA's. And it's not fair to Social Security taxpayers whose tax rates have increased in 3 out of the last 5 years and which will increase three more times by 1990. Therefore, I am introducing today a legislative alternative which is fair both to beneficiaries and taxpayers and which will reduce next year's deficit by billions more than any COLA cut.

My plan, the fair and complete tax for Social Security [FACTSS], give those concerned with fairness and equity a better deficit reduction plan than those who are using the deficits to undermine Social Security.

FACTSS will preserve and protect the full COLA by a plan which:

First, reduces the Social Security tax burden by cutting the tax rate to 6.73 by 1988. Under current law, the tax rate is scheduled to rise from 7.05 in 1985 to 7.51 by 1988 and 7.65 in 1990. Therefore, FACTSS reduces tax rates by 10 percent by 1988 and 12 percent in 1990.

Second, reduces fiscal year 1986–88 deficits by over $30 billion by applying the reduced tax rates equally to all wage/salary income. Under current law, 1986 earnings above $41,600 will not be subject to the Social Security tax. The exemption level increases automatically every year and is projected to be over $50,000 by 1990.

Third, removes Social Security from future budget discussions by moving the old age and survivors and disability insurance [OASDI] trust funds off-budget in fiscal year 1989. Under current law, these trust funds and Medicare would be moved off-budget in fiscal year 1993.

Under current law, there are two Social Security tax brackets: 7.05 percent of the first $40,000 and zero percent of all earnings over $40,000. Therefore, the highest income earners pay lower effective Social Security tax rates than middle- and moderate-income workers. For instance, a $140,000 a year executive pays an effective Social Security tax rate of less than 2 percent compared to a more than 7-percent effective tax rate for the 9 out of 10 individual workers earning less than $40,000 a year.

If the 1 in 12 individuals earning over $40,000 paid the same effective tax rate as the majority who earn less than $40,000, the Social Security system's reserves would grow by an additional $90–$100 billion in just the next 3 years. Since the Social Security system does not need additional surpluses to cover currently projected benefits, extending the tax equally to all workers by repealing the zero tax bracket would enable us to pay the full cost-of-living adjustments, reduce tax rates and still reduce deficits by more than a 1-year COLA freeze or a 2-percent per year COLA cut.

Mr. Speaker, although I do not believe that Social Security should be used to balance the budget, the sad fact is that despite the deep cuts already made in benefits in 1977, 1980, 1981, and 1983, and despite the projected surpluses in the system, Social Security will remain in jeopardy because there are those who will insist on using Social Security to balance the deficits in the rest of Government. Therefore, I designed my legislation to produce more budget savings over the next 3 years than a 1-year COLA freeze or a 3-year COLA reduction.

FACTSS proves that we can reduce the deficits without cutting benefits and without raising tax rates. In fact, my plan actually reduces taxes for about 94 percent of all working Americans by making the Social Security tax system more equitable.

Here then is a clear choice for those who say that changes in Social Security must be a part of any deficit reduction package:

I offer a positive plan to pay the full COLA; cut taxes for 94 percent of working Americans; and, reduce fiscal year 1986–88 deficits by about $30 billion.

The administration/Senate leadership offer a punitive plan to cut the COLA; keep tax rates higher than they need to be on over 100 million younger workers; and, reduce fiscal year 1986–88 deficits by about $20 billion.

Mr. Speaker, if those who insist on using Social Security to balance the budget are truly concerned with fairness for seniors and tax equity for younger workers, then they should reject any deficit reduction plan which reduces benefits to the old and disabled and increases taxes on young and working Americans. Instead, they should join me and the other original cosponsors in supporting a fair and complete tax for Social Security.

I am including for the record, a short outline of the FACTSS proposal and a short comparison of the Social Security tax burden on various income groups.

EFFECT OF MAXIMUM TAXABLE WAGE CAP ON TAXES, SOCIAL SECURITY, AND THE DEFICIT

Under current law over 90 percent of all working Americans pay Social Security and Medicare Taxes on all of their earnings. The highest earners do not. This is because these taxes are levied only on earnings below $40,000. Therefore, while the 9 out 10 workers pay an effective tax rate of over 7 percent, a $140,000 a year executive pays an effective tax rate of less than two percent.

If every taxpayer paid Social Security/Medicare taxes on their entire salary, 1986 revenues would increase by about $27 billion. Tax rates could be reduced by 2 percent per year and revenues would still increase by approximately $33.9 billion over the next three years. This is about $11.3 billion more than the President/Senate Republican Leadership's $22.6 billion proposal to reduce the COLA by 2 percent per year over the next three years.

A list of the Chief Executive Officers (CEOs) of the 798 largest corporations in America is attached. It gives an estimated date for their last Social Security/Medicare payroll deduction in 1985 and their estimated effective tax rate.[1] By April 15th, 788 of the 796 CEOs should have already earned more than $4,000 and stopped paying Social Security/Medicare taxes of the year.

By comparison, here is a list of more typical Amercians as contrasted with the average CEO.

	Cash pay	Date of last FICA deduction	Effective FICA tax rate
Minimum wage worker	$6,968	December 31	7.05
Average self-employed farmer [1]	8,568	do	11.80
Average self-employed individual [1]	10,153	do	11.80
Average individual wage earner	17,056	do	7.05
Median American family	27,000	do	7.05
Average of 796 CEO's	504,000	January 28	0.57

[1] Actual 1982 IRS figures for profitable business/farms. Business/farm losses are excluded.

Note.—Prepared for Chairman Roybal by Davis Smith, Committee on Aging. (202) 226–3335 (4/13/85).

WHAT WILL FACTS DO?

Repeal Social Security tax rate increases scheduled for 1988 and 1990.

Reduce the total tax rate by two percent per year in 1986, 1987 and 1988. The total reduction is applied to the Social Security tax rate while the Medicare rate of 1.45 percent remains constant. (See Summary Table 1).

By 1988, steps 1 and 2 result in a 10.4 percent reduction in the currently scheduled tax rates and a 12.0 percent reduction by 1990.

Re-establish the total self-employment tax rate at 150 percent of the employee/employer rate as reduced under 1 and 2 above. By 1988, this results in a 22.5 percent reduction in the currently scheduled effective tax rates and a 28.6 percent reduction by 1990. (See Summary Table 2).

Subject all wage/salary income and self-employment net profits above and below $40,000 to the Social Security/Medicare tax rates as reduced under 1, 2 and 3 above. (Under current law, 1985 earnings above $39,600 are exempt).

Guarantee long term fiscal stability and tax equity by establishing a floating tax rate beginning in 1990. Further decreases of 0.2 percentage points each in both the employer and employee tax rate would be automatically triggered when Trust Fund assets exceed a full one year reserve level. Increases of 0.2 percentage points would be triggered if assets fall below 90 percent of a full year's reserve level.

Exempt self employed persons, workers and their employers from Social Security taxes after age 65. This will encourage work by and employment of these older Americans. (Medicare HI taxes continue to apply). Effective in 1989.

Increase retirement earnings test for beneficiaries age 65 and over to: $10,000 in 1986; $15,000 in 1988; $20,000 in 1990; and, eliminate completely in 1992. (The current earnings test level is $7,320).

Remove Social Security from the unified budget in FY 89 instead of FY 92 as under current law.

WHO WILL FACTSS APPEAL TO?

The 94 percent of individual workers who get a tax cut because they earn less than $44,000 year.

The 90+ percent of self-employed people, family farmers, small businessman, realtors, etc., who also get their taxes cut because they have net profits of less than $50,000 a year.

Small and large businesses whose average employees have salaries of less than $44,000 since their Social Security employer taxes will be reduced by FACTSS.

The almost four million workers age 65 or over who would get a 6 to 10 percent increase in their earnings by being exempted from Social Security taxes.

Over a million workers age 65 or older whose benefits are reduced or eliminated by the earnings tests and whose benefits will be increased and ultimately completely restored by the phasing out of the retirement earnings test.

Persons concerned about Medicare financing since the Hospital Insurance Fund receives a 10 percent increase in its funding (without an increase in the Medicare tax rate).

Persons concerned with reducing near-term budget deficits since FACTSS increases total Social Security/Medicare Revenues in FY 86–88 by about $33.9 Billion. This is 50 percent more than a 2 percent per year reduction in the COLA.●

THE PACIFIC RIM, AMERICA'S GOLDEN OPPORTUNITY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. ROTH. Mr. Speaker, in view of the increasing interest in U.S. trade opportunities in the Pacific Rim, I commend to the attention of my colleagues the following article from the President's Forum, a publication of the Milwaukee School of Engineering (MSOE). MSOE is a fine example of an institution taking aggressive action to move the State of Wisconsin to the forefront of international trade.

MSOE AT THE POINT

We at MSOE believe that the single most important consequence of the arrival of the Information Age is that it is catalyzing and forcing the US to emphasize quality, cooperation between government-business-labor and education, while hastening the process of world unification. We call it, on one hand, rediscovering our American roots, and world opportunities. On the other hand, "globalization."

Just imagine this example of the globalization process:

Soon you will be able to talk with almost any person in almost any spot on earth through the liquid-crystal screen of your TV/computer hanging on the wall. You'll be able to trade stocks and bonds, currencies and commodities; get the best interest rates or obtain loans, buy and sell anything worldwide. Your TV/computer will search the globe for you, find the best deals, show them to you visually, translate you and your addressee's voices into the appropriate foreign languages, and give you printed quotes, specifications, invoices and receipts, while debiting or crediting your bank account!

Many Asian computers are already "on-line" with Europe and America.

Couple this international telecommunications revolution with the very rapid increases in reciprocal foreign business investments among nations, and you can really feel the strength of this globalization process. It is a great centripetal force, relentlessly whirling humanity together toward a true "One World." We will live to see it.

It will also be a tremendous force for peace as it links peoples and prosperity. No wonder so many Asians welcome the future, confident that it will be golden for them.

They are prepared for it. Their strong family systems are intact; their educational systems keep improving; virtually all their young people are well educated, disciplined, responsible and motivated. They are good communicators and know foreign languages, science and math. They are world oriented.

We have much to do to catch up with them. America's biggest problem may not be the threat of nuclear war. More likely, it is this matter of education and the preparation of all young Americans for full participation in the abundant opportunities and life the Information Age offers to the educated.

For, unlike most Asian countries on the Pacific Rim, and much of Europe, where 90% of youth finishes high school with solid learning equal to several years of our college, we are permitting tens of millions of our youth to go virtually uneducated and become unemployable.

Can America continue to be a world leader if 30 to 40% of our population remains so poorly educated and an obsolete, permanent drag and burden on those of us left working? This is simply not being allowed to happen in the Japans of our world.

It is now well known that we at MSOE are extremely concerned by this problem of preparing Americans for full, worldwide cooperation and participation in the Information Age, and are addressing ourselves and all we influence to the great tasks of our time.

As a college located in an urban setting in a great midwestern metropolitan area in a major manufacturing and farm state, MSOE feels doubly challenged to alert and prepare the people in our region to exploit the opportunities of Asia.

If we virtually ignore these opportunities and hang back, the California's and Texas's of America will take the lead, and our local institutions and businesses will continue to wither. There will be no one to blame but ourselves.

AN IBSC

To forestall this, MSOE is studying and researching a possible globalization program as an integral part of its five-year, Action for Excellence expansion activity.

As now envisioned, a Globalization Program could be undertaken by a special nonprofit MSOE corporation know for example, as the International Business Service Center (IBSC). Its duties will include broadening the worldview and experience of MSOE's staff, faculty, students and community by curriculum orientation and additions, foreign exchanges of faculty and students, training for foreign work assignments, and all other practical means which will help assure a great broadening of the international and entrepreneurial perspectives of MSOE clientele.

IBSC could also serve as a clearing house and consulting resource for midwest and overseas business to provide information and assistance which would promote business exchange and investments. Hopefully many of these services will be so valuable and vital as to attract fees and contributions sufficient to cover IBSC's expenses.

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[1] Assumes 1985 cash compensation identical to 1983 as reported in Forbes, June 4, 1984.

A small IBSC staff would be seasoned personnel, long experienced in Asia and other parts of the world. Two veteran U.S. State Department foreign service officers are donating their time for planning studies with MSOE personnel. These individuals are some of America's foremost Asian specialists with recent senior experience in our Asian and other area foreign assistance missions (AID), and have agreed to help assist MSOE faculty and staff to guide IBSC and provide foreign business contacts. We could also draw on the very considerable experience of some of those midwest businesses now doing well abroad.

We are confident that MSOE, one way or another, will do it's best in the least expensive way to help most of you who may wish to participate in booming Asia and other areas to prepare yourselves for success there.

We hope you will pass any insights you have learned from us on to others. We also urge you to provide us with your views and suggestions on how all of us can help Wisconsin and all of America be more relevant to our world and rejuvenate our business and trading instincts, as well as motivate and train our young people. We can also try to provide you with more information on the subjects presented here.

The Pacific Rim is America's golden opportunity and you can help our great country grasp it! ●

DENNIS RAHIM WASTON: AN ARTIST WITH A COMMITMENT TO HIS COMMUNITY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. TOWNS. Mr. Speaker, while the arts are an important part of our lives, we often take them for granted. To those Americans who cannot afford the price of theater or concert tickets, the arts can be a very closed world. That's why performers like Dennis Rahim Watson are so important in bringing arts to the community.

Dennis Rahim Watson is a young poet, comedian, and actor who was recently honored with a "Black Leadership Roundtable Youth Award" by the Avon Corp., during the 1984 Congressional Black Caucus Legislative Weekend. He just completed his 2,000th performance as an entertainer in New York City. Dennis has performed at numerous civic, religious, cultural and political events throughout New York. His uniqueness as a performer lies with his commitment to community service in the field of entertainment and education.

His work as an entertainer was recognized by the Drug Enforcement Administration in 1984 for outstanding contributions in the area of drug enforcement. Since his decision to combine academics and artistic interests in 1980, Dennis has used his talents to better the lives of others. New York State Department of Corrections rewarded his volunteer performances in several correctional facilities with their departmental award for volunteer services in 1983.

Dennis has never stopped his quest for excellence in entertainment for community organizations. As he pursues new and exciting ways to motivate minority youth toward service and high standards, he remains inspired by the creed that "each one of us can make a difference; if each one teaches one and each one reaches one." I believe that Dennis Rahim Watson is an inspiration to us all that we should share our talents in a way which will improve the lives of others. I want to congratulate Dennis on his 2,000 performances and his continuing commitment to bring the arts to the people. ●

CHRIST UNITED PRESBYTERIAN CHURCH OF SAN FRANCISCO CELEBRATES ITS 100TH ANNIVERSARY

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mrs. BURTON of California. Mr. Speaker, from April 28 through May 19 of this year, the Christ United Presbyterian Church of San Francisco will be celebrating their 100th anniversary.

The Christ United Presbyterian Church is the oldest existing Japanese American Presbyterian Church in the United States. I would like to share its unique history and experience with my colleagues.

The First Japanese Presbyterian Church had its origins in a nondenominational independent Japanese Christian organization called the Fuku-in Kai or the Gospel Society. This group, which was formed in 1877, served as a place of study and religious instruction, as well as a settlement establishment assisting newly arrived immigrants from Japan in employment, housing, English instruction and various types of charitable causes. Eight years later, on May 16, 1885, the first Japanese Presbyterian Church in the United States was formed which consisted of several members of the Fuki-in Kai. Within a few months after being organized, Jusuboro Morita and Kokichi Mitani were elected elders of the church with Rev. John Carrington as its moderator.

In the following year, Dr. Ernest Adolphus Sturge, a Presbyterian missionary, came to San Francisco to assist in the services of the newly organized church. Under Dr. Sturge's direction and inspiration, many members of the church of Japanese ancestry entered the ministry. Through these new ministers, churches were founded in the rural Japanese-American communities. By the turn of the century, Japanese Presbyterian churches were being established in Salines, Monterey, Watsonville, and Los Angeles by ministers who were associated with the San Francisco Japanese Presbyterian Church.

In 1906, the San Francisco earthquake and fire destroyed a major portion of the city, but the Japanese Presbyterian Church building, located on Haight Street survived the fire and it served as an emergency shelter for the victims of the disaster.

The 1920's marked a nadir in the history of the church for it was the period of many anti-Japanese agitations and activities. Anti-Japanese immigration acts prohibited the further immigration of Japanese to the United States and during this era, the church's role was to unify and serve as one of the spokespersons for the Japanese-American community and to combat the antagonism and prejudices of that period.

In the 1930's, under the leadership of Rev. Dr. Eiji Kawamorita who served as pastor for 20 years, the church's energy and efforts were channeled to establish more services for the Nisei or second-generation-born Japanese Americans. As the need for English speaking services increased, Donald Toriumi, then a student of the San Francisco Theological Seminary, was called on to perform the English language services. Koji Murata was the first Nisei to become an elder of the church.

When the Second World War was declared in December 1941, and Americans of Japanese descent were evacuated from the west coast because of the war, the church, under the direction of its first Nisei minister, Howard Toriumi, assisted those who were suffering from the economic and social hardships of the evacuation. Many members from the Japanese Church of Christ were incarcerated at the Tanforan Race Track, and later transferred to Topaz, UT, for the remainder of the Second World War.

While church members were in the relocation camps, the church was placed under the care of the San Francisco Presbytery. Meanwhile within the camps, the church members and pastors joined with Christians from other denominations to hold interdenominational worship services. After the war, the church building was returned to the Japanese-American congregation which then served as a hostel in the community so that the Japanese Americans could again reestablish themselves in the San Francisco area. Elders Dave Tatsuno and Kojuro Tanaka were an important part of this work in assisting the returning evacuees in settling in the bay area.

During the 1950's, the church was involved in providing for the needs of the next generation, which was the Sansei, or third generation Japanese-American members.

In 1962, the Japanese Church of Christ, under the new leadership of Rev. Nicholas Ioya, was influential and active in civil rights activities.

Since 1975, the church has been under the leadership of Rev. David Nakagawa, who in line with the tradition of the Japanese-American Presbyterian Church of San Francisco, has been in the forefront in responding to the needs of the Japanese-American community and the community at large. Rev. Nakagawa serves as the minister of the church today, as it celebrates its 100th anniversary.

The past 100 years have been a century filled with many important and historical events for the Christ United Presbyterian Church. Throughout these years, not withstanding the various hardships, the members of the church enter the next century with thoughts and deeds based on the religious principles of discipleship. The theme of this 100th anniversary is "Go Ye Therefore" and in accordance with this theme, it is an honor and privilege for me to participate in this celebration as the devoted members of the Christ United Presbyterian Church continue their efforts to build a solid foundation for the future. ●

LEGISLATION DENYING A DEDUCTION FOR AMOUNTS PAID AS RESTITUTION FOR ACTS OF FRAUD

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. STARK. Mr. Speaker, I am today introducing legislation that would deny a business expense deduction for amounts paid as restitution or other damages for violation of the law involving fraud. Mr. Speaker, we have recently seen unconscionable cases of corporate crimes and abuses, the most recent example was the fraudulent scheme by the E.F. Hutton Co., against many banks around this country. All too often the fines are not commensurate with the nature of the violation. Fines are not deductible business expenses; however, restitution payments generally are. The legislation I am introducing today would assure that the Federal Government does not through the Tax Code subsidize the restitution payments which companies, such as E.F. Hutton, make as part of a plea to fraud charges.

Mr. Speaker, I share the concerns of those 15 Senators who recently wrote to Ed Meese protesting the absence of any charges against individuals in the E.F. Hutton case. These decisions, however, are matters of prosecutorial discretion. However, we in the Congress can take this small step to assure that these types of acts are discouraged. I urge speedy enactment of my legislation. ●

TRIBUTE TO DELTA COLLEGE

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. SHUMWAY. Mr. Speaker, I ask that my colleagues join with me in paying tribute to San Joaquin Delta College, in Stockton, CA, as it celebrates its 50th anniversary.

Thirty-one years ago, I was privileged not only to be graduating from Delta College, which was then called Stockton College, but also to be the commencement speaker. No doubt I considered it appropriate at the time to entitle my address "1954: This Is the Year."

For now—Delta College, 1985 is surely a year worth marking and remembering. For half a century, the college has offered an outstanding learning experience to young men and women in a beautiful setting conducive to the absorption of knowledge. The college has every reason to be proud of its fine faculty, varied curriculum, and enthusiastic student body. Having enjoyed the opportunities provided by the college, I can certainly attest to Delta's dedication to education, and to the memorable experiences which all of its graduates have to treasure.

Congratulations to Delta College, and every best wish for many more years of success. ●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. HUBBARD. Mr. Speaker, I want to bring to my colleagues' attention another example of questionable justice by the U.S. Justice Department.

By way of background, on February 7 of this year, the First National Bank of Boston pleaded guilty to a charge of failing to report $1.2 billion in international currency transactions, as required by the Bank Secrecy Act.

The law and regulations serve as deterrents in the attempts to control money laundering and profits by the criminal element of our society.

The fine imposed upon the First National Bank of Boston for its disregard of Federal laws designed to prevent organized crime syndicates and drug traffickers from laundering large sums of cash was $500,000. During the April 3 hearing of the House Banking Subcommittee on Financial Institutions Supervision, of which I am a member, I questioned William L. Brown, chairman of the board of First National Bank of Boston, who conceded that First National Bank of Boston had made about $1 million in profits from the unreported transactions. Chairman Brown admitted that the bank was $500,000 ahead of the game after paying the fine imposed by the Justice Department.

While questioning the U.S. Treasury Department witness during the same April 3 hearing, I asked about the severity of the Bank of Boston fine. Under present law, the penalty for failure to report these cash transactions could have been as much as $500,000 per day. When asked why the fine was not more, the Treasury witness replied—and I quote from the hearing record:

> Mr. Congressman, the pre-arrangement was arranged by the U.S. Attorney's Office in Boston and, in fact, it was pretty well arranged without too much Treasury Department involvement. . . . It was a criminal case and that was the primary concern at the time.

I say to my colleagues that things are wrong with a system which allows a bank to make $1 million in profits after breaking the law and merely fines the institution $500,000.

This is another example of the just actions by the most politically conscious and active agency in our Federal Government—the U.S. Justice Department.

When will our constituents say the time has come for action with America's system of justice? ●

CIA TERRORISM SQUADS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. EDWARDS of California. Mr. Speaker, today, the gentlewoman from Colorado and I are introducing a resolution of inquiry to require the Director of Central Intelligence to provide to the House information relating to U.S. training and support for so-called antiterrorist groups operating in the Middle East. These units were allegedly set up for preemptive strikes against anti-American terrorists, presumably to protect U.S. facilities and personnel. In fact, they have turned into hit squads financed by the United States.

The use of proxies to avoid Executive order prohibitions against assassination is fraught with problems—as witnessed by today's news accounts of an unauthorized car bombing in Lebanon by a group financed at least in part with U.S. dollars. Such groups are inherently uncontrollable. With a license to kill from the U.S. Government, they serve only to escalate the problems of international terrorism and to further tarnish our reputation abroad.●

DR. HERMAN I. ABROMOWITZ, NEXT PRESIDENT OF THE OHIO STATE MEDICAL ASSOCIATION

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. HALL of Ohio. Mr. Speaker, I rise in tribute to Dr. Herman I. Abromowitz, my constituent, friend, and personal physician, who will shortly be installed as president of the Ohio State Medical Association.

Few doctors have deeper roots in the Buckeye State as Dr. Abromowitz. He was born in Xenia, and attended both college and medical school at the Ohio State University. He served as an intern in the Miami Valley Hospital, and currently practices in Dayton.

Dr. Abromowitz' services to Ohio would be too long to list. Some of the highlights include serving as president of the Montgomery County Medical Society, clinical associate professor of the Wright State University School of Medicine, and president of Montgomery County's Combined Health District Board of Health.

Since entering public life, I have frequently relied on his views concerning health and public policy. And I have long since relied on his medical advice as my own doctor.

I offer my congratulations to Dr. Herman Abromowitz, and best wishes for success in his continued service to the people of Ohio.●

NEW JERSEY REACHES OUT FOR NEW TEACHERS

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mrs. ROUKEMA. Mr. Speaker, it has been a little over 2 years since the United States was stunned by the report of the National Commission on Excellence in Education. That report, entitled "A Nation At Risk," and several which followed closely on its heels raise the consciousness of the Nation to the imperative need for reform of our public education system.

At the time, I felt considerable frustration as a legislator at the Federal level, because I believed then, as I do now, that the place where this rebuilding should begin was at the State and local level. I must admit that I had my doubts about whether there would be any substantive action.

I am delighted to say that I have been pleasantly surprised by what has taken place. Over the past 2 years, the State and local governments and school boards have undertaken numerous initiatives with a display of creativity and resourcefulness that has demonstrated that our Federal system is still working.

My own State of New Jersey has been singularly successful in its efforts in this respect. Under the leadership of Gov. Thomas Kean and commissioner of education, Saul Cooperman, New Jersey has adopted a far-reaching program of fundamental reforms that strike at the heart of the national problem.

We acted on the observation that a stable corps of competent teachers would be one of the essential elements of our rebuilding efforts. Governor Kean and Commissioner Cooperman were the first to recognize that this would require the education system to reach out to other professions to draw from experts in other fields who would be willing to pass their expertise on to our Nation's students.

I call the attention of my colleagues to an April 26, 1985, article in the Washington Post describing the new alternative system for teacher certification being implemented in New Jersey. While it is still too early to measure the success of this program, what is encouraging from the article is the fact that the program is attracting people to the teaching profession who may otherwise have been shut out. Governor Kean and Commissioner Cooperman are to be commended for this accomplishment and I wish them the best of luck in their efforts.

The article follows:

[From the Washington Post, Apr. 26, 1985]

New Teacher Certification Program Bypasses Traditional Education Degree

(By Debbie Goldberg)

TRENTON, N.J.—When Jan Christian, sales representative for a New Jersey chemical company, talked to mathematics teachers at nearby Ramsey High School about her interest in teaching, she said they looked at her as if she were crazy.

Christian, 30, hopes to become one of the first teachers certified under New Jersey's new program that allows qualified persons to earn teaching credentials largely through on-the-job training—in her case, in front of the classroom.

Even as many educators express concern that teachers are being lost to jobs that offer higher pay and more prestige, New Jersey's program has attracted lawyers, accountants, artists, journalists, a band director and a telecommunications marketing official who say they want to become public school teachers.

Since January, more than 560 persons have applied for the program, according to Celeste Rorro, director of teachers certification and academic credentials in the state education department. "The response has been tremendous," she said.

Christian, who has a chemical engineering degree and almost nine years of work experience, said her salary' "will drop in half" if she switches to teaching. Because engineering and technical marketing has not been as satisfying as she expected, Christian said she "decided being happy in my work is worth more than salary."

Steven Schaffer of Fanwood, N.J., who has been practicing law for nine years, said he found the legal trade "aggravating" and applied for teaching certification because he is interested in coaching sports. "I don't think you need an education [degree] to be a good teacher," he said.

The alternate route to certification as the program is called, is a way into classrooms for those lacking a traditional education degree. Proponents, including Republican Gov. Thomas Kean, have said they hope to attract more and better teachers.

Half of the state's 73,500 teachers are expected to retire or leave for other jobs over the next decade, said Rorro, also citing a "precipitous decline" over the last 10 years in the quality of the teaching force.

The first 500 program applicants have earned 20 doctorates and 81 masters degrees, Rorro said, adding that the initial belief that the program would attract many older, retired persons is "absolutely not so."

Paul Contardi, 43, of Metuchen, said he hopes to use his PhD in biology as a ticket to teaching mathematics or science. Because of a scarcity of full-time university-level jobs, Contardi has been offered only temporary positions since he earned his degree several years ago.

Contardi, who taught while in graduate school and has been a substitute teacher for several months in junior highs and high schools, said that, if he had to obtain an education degree in order to gain a permanent teaching job, "I don't know if I would do it."

Compensating for what the newcomers lack in formal teaching training will be their maturity, experience in a specific field and "a real desire to be a teacher," said Tenafly School District Superintendent Harry Jaroslaw, who chaired the state commission that created the program.

Applicants must have a bachelor's degree and must pass the National Teachers Examination in a subject, or in general knowledge for those interested in teaching elementary grades. Armed with provisional state certification, they can then apply for teaching jobs.

Once on the job, provisional teachers must take 200 hours of formal teaching instruction, offered through the state education department or local school districts, said Ellen Schechter, director of New Jersey's teacher education office.

The newcomers are to be closely supervised and will work with an experienced "mentor" teacher. They are expected to be fully certified to teach in New Jersey's public schools after a year on the job.

Peter Zeigler, 25, of Trenton said he sees the alternate route as an "attractive option" after spending several frustrating years in the working world. He has held several security and law enforcement jobs since earning a college degree in English and political science.

"Until now, you had to have an education curriculum, take education courses and what not" to become a teacher, Zeigler said.

"A lot of people were left out by that structure."

The alternate route is the nation's only program that grants full teaching certification to those without education degrees, Schechter said. Although many states provide emergency or temporary certification to handle teacher shortages, she called these programs "substandard."

In fact, New Jersey's emergency-certification program was eliminated when the alternate route was approved last fall. Schechter said that there were "zippo standards" for emergency certification and that some teachers had no college degrees.

Jaroslaw said many of his fellow superintendents "are favorably inclined" about the new program but noted that hiring provisional teachers will require extra work, and perhaps funding, by school districts, some of which may not want to become involved.

Jaroslaw is leading a consortium of nine school districts near Tenafly that plans to hire as many as 10 provisional teachers for next fall.

Among the program's critics is Janice Weaver, dean of the state's largest teacher education program the School of Professional Studies at Glassboro State College.

Weaver said the disregard for formal teacher training indicates that teachers do not receive "the same kind of respect for specialized knowledge" as do plumbers.

But Henry Drewry, director of a small teacher-preparation program at Princeton University, said there is room for both avenues to certification, noting that parochial and other private schools usually do not require state certification.

Janis Martinson taught last summer at a private school and is to graduate from Princeton this spring. She recalls being discouraged "by everyone I talked to" from going into teaching.

Martinson said she is not worried about teaching without a degree and plans to teach at private school if she cannot go through the state's alternate program.

"I think I'm going to bring a lot of energy, enthusiasm and knowledge of my subject to the classroom," she said. "I really think you learn more about being a teacher in the classroom than [from lessons] in a book."●

A SALUTE TO "MEMPHIS IN MAY"

HON. HAROLD E. FORD

OF TENNESSEE

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. FORD of Tennessee. Mr. Speaker, we would like to take a few moments and share with our colleagues information about an annual event in the great city that we represent, Memphis, TN. It's called "Memphis in May," a monthlong celebration that pairs the city of Memphis with another country. The purpose of "Memphis in May" is to promote friendship and commerce between the Mid-South and a different foreign country every year.

This mission is accomplished by celebrations in the areas of the arts, education, trade, and commerce, and unique special events which highlight the culture and traditions of the honored country. In the past, "Memphis in May" has honored the countries of Japan, Canada, Germany, Venezuela, Egypt, the Netherlands, Israel, and Mexico. This year, "Memphis in May" is saluting the "Land Down Under," the beautiful, majestic country of Australia.

If you ever have the opportunity to visit Memphis this month, you'll be able to experience the art, music, dance, theater, customs, food, sports, and traditions of Australia. You'll be able to browse through an Australian marketplace, taste Australian beer, and eat some of the best pork barbecue you've ever tasted.

In fact, the "Memphis in May International Barbecue Cooking Contest" this year will have more than 200 teams from the United States, Canada, and Australia. This event alone brings more than 300,000 people to the bluff of the mighty Mississippi River where they can watch the "Ms. Piggie Contest," listen to a "Hog Calling Contest," and enjoy 2 days of music and fun.

Other events in this year's "Memphis in May" Salute to Australia include an Australian film festival, the Great Wine Race, the Beale Street Music Festival, the Third Annual Memphis in May Triathlon, and the Sunset Symphony.

In addition to these activities, our city's historic past and promising future will be showcased through its many attractions such as Mud Island, the Beale Street Historic District, Libertyland, and Graceland, the home of the king of rock and roll, Elvis Presley.

This year's "Memphis in May" is a celebration that everyone should try to attend. If you have the opportunity you'll be joined by nearly 1 million other visitors who will participate in the 1985 Salute to Australia. It's an opportunity to enjoy the best of two colorful cultures, Memphis, TN, and the "Land Down Under," Australia.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 14, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 15

9:00 a.m.

Armed Services

Closed business meeting, to consider a committee amendment to S. 1029, authorizing funds for fiscal year 1986 for the Department of Defense (pending on Senate calendar), and routine military nominations.

SR-222

Banking, Housing, and Urban Affairs

To continue hearings on recent changes in the financial services industry.

SD-538

Judiciary

Constitution Subcommittee

Business meeting, to mark up S.J. Res. 13, to propose an amendment to the Constitution relating to a Federal balanced budget and tax limitation, S. 40, to set forth procedures for holding constitution conventions for proposing amendments to the Constitution, S. 37, to provide for civil rights in public schools, and S. 150, to revise certain provisions of the Freedom of Information Act with respect to request procedures; time limits, fees, and exemptions.

SD-226

9:30 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1986 for certain defense programs, focusing on Army modernization.

SD-192

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1986 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.

SR-328A

Energy and Natural Resources

Business meeting, to consider S. 979, to extend the expiration date of titles I and II of the Energy Policy and Conservation Act, and other pending calendar business.

SD-366

Foreign Relations
To continue joint hearings with the Committee on the Judiciary on international terrorism and narcotic trafficking
SD-419

Governmental Affairs
Permanent Subcommittee on Investigations
To continue oversight hearings on weight reduction products and plans, focusing on the safety and efficacy of diet products.
SD-342

Judiciary
To continue joint hearings with the Committee on Foreign Relations on international terrorism and narcotic trafficking.
SD-419

Joint Economic
Agriculture and Transportation Subcommittee
To hold hearings on rural economic development.
SD-562

10:30 a.m.
Judiciary
To hold hearings on pending nominations.
SD-226

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Energy Information Administration, and the Economic Regulatory Administration, Department of Energy.
SD-138

Foreign Relations
To hold joint closed hearings with the Committee on the Judiciary on international terrorism and narcotic trafficking.
SD-116, Capitol

Judiciary
To hold joint closed hearings with the Committee on Foreign Relations on international terrorism and narcotic trafficking.
SD-116, Captiol

2:45 p.m.
Select on Intelligence
Closed briefing on intelligence matters.

MAY 16

9:30 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on S. 635, to express opposition of the United States to the system of apartheid in South Africa by prohibiting new U.S. bank loans to the Government of South Africa, prohibiting investment of U.S. firms in South Africa, prohibiting the importation of South African gold coins into the United States, and forbidding the sale of computers to the Government of South Africa.
SD-538

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings to examine whether the United States should participate in the Berne Convention, an international union for the protection of literary and artistic works.
SR-385

Labor and Human Resources
To hold joint hearings with the Committee on Veterans' Affairs on the nomination of Donald E. Shasteen, of Maryland, to be Assistant Secretary of Labor for Veterans' Employment.
SR-418

Labor and Human Resources
Handicapped Subcommittee
To hold hearings on S. 415, the Handicapped Children's Protection Act.
SD-430

Veterans' Affairs
To hold joint hearings with the Committee on Labor and Human Resources on the nomination of Donald E. Shasteen, of Maryland, to be Assistant Secretary of Labor for Veterans' Employment.
SR-418

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for U.S. agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1986 for the Department of Defense, focusing on NATO programs.
SD-192

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for fossil energy.
SD-138

Appropriations
Legislative Branch Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1986 for the Legislative Branch of the Federal Government, focusing on the Library of Congress and the Architect of the Capitol.
S-128, Capitol

Environment and Public Works
Water Resources Subcommittee
To resume hearings on S. 366, S. 534, and S. 967, bills to authorize the U.S. Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and related proposals.
SD-406

Judiciary
Business meeting, to consider pending calendar business.
SD-226

10:30 a.m.
Select on Intelligence
Closed business meeting, to resume markup of proposed legislation authorizing funds for fiscal year 1986 for the intelligence community.
SH-219

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings to discuss the Department of Energy's prospective report to Congress on emerging clean-coal technologies.
SD-366

MAY 17

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the deregulation of surface freight forwarders.
SR-253

10:00 a.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219

MAY 20

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 56, S. 71, S. 217, S. 251, and S. 729, bills to clarify the application of imputed interest and interest accrual rules of the Internal Revenue Code.
SD-215

10:00 a.m.
Judiciary
To hold hearings to examine civil suits under the Racketeer Influenced Corrupt Organizations Act (RICO).
SD-226

MAY 21

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to consider the nomination of Martha R. Seger, of Michigan, to be a member of the Board of Governors of the Federal Reserve System.
SD-538

Environment and Public Works
Environment Pollution Subcommittee
To hold oversight hearings on the implementation of section 404 of the Clean Water Act, relating to the wetlands dredge and fill permit program.
SD-406

10:00 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Department of the Treasury.
SD-126

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Holocaust Memorial Council, Minerals Management Service, Department of the Interior.
SD-138

Appropriations
Legislative Branch Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1986 for the Legislative Branch of the Federal Government, focusing on the Congressional Budget Office, Office of Technology Assessment, General Accounting Office, and the Government Printing Office.
S-128, Capitol

MAY 22

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 797, the Youth Employment Opportunity Wage Act of 1985.
SD-430

Select on Intelligence
Closed briefing on intelligence matters.
SH-219

10:00 a.m.
Foreign Relations
To resume hearings on American policy toward South Africa.
SD-419

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold oversight hearings on a General Accounting Office report on Federal pay equity and classification system.
SD-342

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for Naval Petroleum Reserves, and fossil energy.
SD-138

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 765, to provide for coordinated management and rehabilitation of the Great Lakes.
SD-342

Small Business
Small Business: Family Farm Subcommittee
To hold hearings on small issue industrial development bonds as a source of capital for small business expansion.
SR-428A

MAY 23

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 586, to provide for the review of certain authority in awarding international airline route certificates issued under the Federal Aviation Act.
SR-253

Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings on the Civil Penalties Act, focusing on program fraud.
SD-342

10:00 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To continue oversight hearings on a General Accounting Office report on Federal pay equity and classification system.
SD-138

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on efforts to locate missing children.
SD-430

MAY 24

10:00 a.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219

JUNE 3

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on proposed legislation to modify the Medicare direct medical education pass-through.
SD-215

JUNE 4

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the impact of imported petroleum products on the domestic petroleum industry.
SD-366

10:00 a.m.
Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

JUNE 5

9:30 a.m.
Finance
To hold hearings on S. 814, to make technical corrections to certain provisions of the Tax Reform Act of 1984, and proposed technical corrections to the Retirement Equity Act (P.L. 98-397).
SD-215

Labor and Human Resources
To hold hearings on drug export reform.
SD-430

JUNE 6

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold oversight hearings on the impact of coal imports on the domestic coal industry.
SD-366

JUNE 10

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume oversight hearings on proposed budget requests for fiscal year 1986 for programs of the Department of Energy, focusing on fossil energy programs.
SD-366

JUNE 11

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on administrative activities of Gallaudet College and the National Technical Institute for the Deaf.
SR-428A

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 403, to revise requirements with respect to the issuance of licenses for existing hydroelectric facilities, and S. 426, to provide for more protection to electric consumers.
SD-366

JUNE 12

9:30 a.m.
Labor and Human Resources
To continue oversight hearings on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

JUNE 13

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1105, to reform the Walsh-Healey Act to allow Federal contractors in the private sector to work flextime hours.
SD-628

JUNE 14

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on health promotion and disease prevention strategies for Medicare beneficiaries.
SD-215

JUNE 17

9:30 a.m.
Labor and Human Resources
To hold hearings on home health care reform.
SD-430

JUNE 18

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the current status of and factors affecting the natural gas market.
SD-366

Labor and Human Resources
To continue hearings on home health care reform.
SD-430

JUNE 20

10:00 a.m.
Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings to examine the problem of drugs in the military.
SD-430

JUNE 25

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine certain barriers to adoption.
SD-430

JULY 10

9:30 a.m.
Labor and Human Resources
To resume oversight hearings to examine certain barriers to adoption.
SD-430

JULY 16

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine U.S. relations with the International Labor Organization (ILO).
SD-430

JULY 17

9:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JULY 31

9:30 a.m.
Labor and Human Resources
To hold hearings to examine certain barriers to health care.
SD-430

OCTOBER 1

11:00 a.m.
Veterans' Affairs
To hold hearings to review the legislative priorities of the American Legion.
SD-106

CANCELLATION

MAY 15

9:30 a.m.
Labor and Human Resources
Business meeting, to consider the nominations of Marshall B. Babson, of Connecticut, and Wilford W. Johansen of California, each to be a member of the National Labor Relations Board.
SD-430

HOUSE OF REPRESENTATIVES—*Tuesday, May 14, 1985*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

In a world of darkness, we pray, O God, for light. We pray for light to illumine all evil in our world that it might be corrected; we pray for light to shine upon the hearts of people everywhere that we will find the paths of peace; we pray for light in our deliberations that we will serve the common good; we pray for light for those less fortunate than we that mercy and justice will be the blessings for every person and the gifts of grace our heritage. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SLAUGHTER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SLAUGHTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 246, nays 156, answered "present" 1, not voting 31, as follows:

[Roll No. 108]

YEAS—246

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Archer
Aspin
Atkins
Barnard
Barnes
Bateman
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Callahan
Carper
Carr
Chappell
Coleman (TX)
Collins
Conyers
Cooper
Coyne
Craig
Crockett
Daniel
Darden
Daschle
de la Garza
Dellums
Dicks
Donnelly
Dorgan (ND)
Downey
Duncan
Dwyer
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Erdreich
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gibbons
Glickman
Gonzalez
Gordon
Gradison
Gray (IL)
Gray (PA)
Guarini
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hertel
Hopkins
Horton
Howard
Hoyer
Hubbard
Hughes
Hutto
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCloskey
McCurdy
McHugh
Mica
Michel
Mikulski
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Mrazek
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Obey
Olin
Ortiz
Owens
Panetta
Pease
Pepper
Perkins
Petri
Pickle
Price
Rangel
Regula
Reid
Richardson
Rinaldo
Robinson
Rodino
Roe
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Scheuer
Schumer
Sharp
Shelby
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Snowe
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Swift
Synar
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Williams
Wilson
Wirth
Wise
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (MO)

NAYS—156

Armey
Badham
Bartlett
Barton
Bereuter
Bilirakis
Billey
Boehlert
Boulter
Brown (CO)
Burton (IN)
Campbell
Carney
Chandler
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Crane
Dannemeyer
Daub
Davis
Delay
Derrick
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Durbin
Eckert (NY)
Emerson
Evans (IA)
Fawell
Fiedler
Fields
Fish
Franklin
Gallo
Gekas
Gilman
Gingrich
Goodling
Green
Gregg
Grotberg
Gunderson
Hansen
Hartnett
Hendon
Henry
Hiler
Hillis
Hunter
Hyde
Ireland
Jacobs
Jeffords
Kasich
Kemp
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McDade
McEwen
McGrath
McKernan
McKinney
McMillan
Meyers
Miller (OH)
Miller (WA)
Mitchell
Molinari
Monson
Moorhead
Morrison (WA)
Murphy
Nielson
Oxley
Packard
Parris
Penny
Porter
Pursell
Quillen
Ridge
Ritter
Roemer
Rogers
Roth
Rowland (CT)
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sikorski
Siljander
Skeen
Slaughter
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Stangeland
Stenholm
Strang
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Vucanovich
Walker
Weber
Whitehurst
Wolf
Young (AK)
Young (FL)
Zschau

ANSWERED "PRESENT"—1

Dymally

NOT VOTING—31

Addabbo
Applegate
AuCoin
Bentley
Biaggi
Coelho
Dingell
Dixon
Dowdy
Edwards (OK)
English
Evans (IL)
Ford (MI)
Frenzel
Gephardt
Hall, Sam
Holt
Huckaby
O'Brien
Oberstar
Pashayan
Rahall
Ray
Roberts
Seiberling
Snyder
Solomon
Tallon
Vander Jagt
Whittaker
Whitten

☐ 1220

So the Journal was approved.

The result of the vote was announced as above recorded.

APPOINTMENT AS ADDITIONAL MEMBER OF TECHNOLOGY ASSESSMENT BOARD

The SPEAKER. Pursuant to the provisions of section 4(a), Public Law 92-484, the Chair appoints the gentleman from Tennessee [Mr. Sundquist] as an additional member of the Technology Assessment Board.

APPOINTMENT AS MEMBERS OF COMMISSION ON THE UKRAINE FAMINE

The SPEAKER. Pursuant to section 136, Public Law 98-473, the Chair appoints as members of the Commission on the Ukraine Famine the following minority members on the part of the House:

Mr. Broomfield of Michigan, and
Mr. Gilman of New York.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

APPOINTMENT AS ADDITIONAL MEMBER OF COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The SPEAKER. Pursuant to the provisions of section 3, Public Law 94-304, as amended by section 1, Public Law 99-7, the Chair appoints the gentleman from New Jersey [Mr. Smith] as an additional member of the Commission on Security and Cooperation in Europe.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO HAVE UNTIL MIDNIGHT, WEDNESDAY, MAY 15, 1985, TO FILE REPORT ON H.R. 1409

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services have until midnight, Wednesday, May 15, 1985, to file a report on H.R. 1409, the fiscal year 1986 military construction bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO SIT TODAY DURING 5-MINUTE RULE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services be allowed to sit today during any proceedings under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PRESIDENT URGED TO APPOINT BOARD MEMBERS OF U.S. INSTITUTE OF PEACE

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, last year this Congress, with bipartisan help, authorized and appropriated funds for a new institution to promote the study of nonviolent conflict resolution, the U.S. Institute of Peace. By April 20, 1985, the President, who is to appoint the members of the Board, was to have submitted his names to the Senate for confirmation. He has not done so and is in technical violation of the law.

I would urge my colleagues to sign the "Dear Colleague" letter I am circulating through Friday which urges the President to comply with the law and submit his appointments forthwith. Over half this fiscal year is over, and this Institute, with a 2-year duration, has not even begun its activities. I urge my colleagues to sign my letter to the President so that the Institute of Peace can become a reality.

AGRICULTURAL TRADE ENHANCEMENT ACT OF 1985

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, today I am introducing the Agricultural Trade Enhancement Act of 1985.

In light of the European Economic Community's intransigence in recent discussions with President Reagan and their reluctance to conduct fair trade of agricultural commodities, it is necessary for the United States to take positive action both to initiate new multilateral trade negotiations and to develop new agricultural export programs. These measures must include export commodity bonus and intermediate export credit programs in order to both increase our farm exports and bring the Europeans to the negotiating table to discuss freer trade of agricultural products.

My bill addresses both of these key areas, calling for a new round of trade talks and authorizing these major new export promotion programs.

Also under this act, an Agricultural Trade Committee would be formed to identify unfair trade practices and recommend, within 6 months of the bill's enactment, concrete ways to eliminate or mitigate such practices.

This country cannot sit by while our export market share continues to dwindle. An estimated 1.1 million full-time jobs are related to the production, processing, and transportation of U.S. agricultural exports. Moreover, the overall U.S. trade deficit is expected to reach $140 billion this year. Farm exports, on the other hand, contributed a positive $112 billion to the balance of trade over the last 5 years.

Decisive action is needed now to challenge the forces that are steadily eroding our market share. By using our surplus commodities to move our grain overseas, we will bring the Europeans to the bargaining table to discuss freer trade for U.S. agricultural products. I urge my colleagues to join in cosponsoring this measure.

THE FEDERAL DEFICIT

(Mr. McKINNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McKINNEY. Mr. Speaker, today, 13 cents of every Federal dollar is used for debt service. That is over $360 million a day. If spending continues at this rate, just 4 years later, it will take one-fifth of every Federal tax dollar to in fact pay for the deficit.

This is no reason to use the deficit problems as a crutch or an excuse to destroy the Federal Government. I would advise all of my friends to take a very careful look at the 92d group budget which treats the entire spectrum of Federal spending fairly, which does not use the Federal deficit as an excuse to eliminate the Government itself, and I think it deserves every Member's fair attention.

THE ECONOMIC EQUITY ACT

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, I rise to speak in strong support of H.R. 2472, the 1985 Economic Equity Act. I am proud to be an original cosponsor of this most important and historic legislation that will help ensure economic equity to all women.

The act embodies the conviction that discriminating against individuals because of their sex is just as unacceptable and inequitable as discriminating on the basis of color, ethnic heritage, or religious beliefs.

In the last Congress, we were successful in enacting five provisions of the 1983 Economic Equity Act. This legislation has provided a beachhead in the fight for economic equity for women. H.R. 2472 seeks to extend this process and provide true equity for all. I look forward to working with my colleagues for passage of this important legislation, the Economic Equity Act.

AN ABUSE OF POWER

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker, this is week No. 2.

It was 2 weeks ago that the House of Representatives completed one of the greatest abuses of power in the history of this institution. In considering the disputed election in Indiana's Eighth District, we chose to throw out Indiana State law. We chose to set up our own rules for counting. And then, on a 2-to-1 partisan basis, handled those most controversial decisions of which ballots to count and not to count. Yes, one could say that only when enough ballots were counted to give Mr. McCloskey the victory did we stop counting. And as we all know, the Evansville Courier has since reported that had we counted the other absentee ballots, Mr. McIntyre would have won.

The purpose of this 1 minute and those that will follow each week is not to pick on Mr. McCloskey. No. I just don't want this House, or the American public to forget the wrong we did. Justice was denied to Mr. McIntyre and the people of Indiana's Eighth District. Let us not forget.

BEST COPY AVAILABLE

INTRODUCTION OF THE ECONOMIC EQUITY ACT OF 1985

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I am proud to announce the introduction of the Economic Equity Act of 1985. As cochairs of the congressional caucus for women's issues, I and Representative Olympia Snowe introduced the bill yesterday with 79 original cosponsors.

The economic role of women in American society is changing. Our public policy does not reflect this. It is geared toward the Norman Rockwell myth, not the 1980's reality. The Economic Equity Act tries to bring public policy in line with American women.

The Economic Equity Act of 1985 strikes a balance on many levels. It balances the needs of older women and younger women, wage earners and homemakers. It serves single heads of household as well as businesswomen. Women from all walks of life can look at the Equity Act for means to improve their economic condition.

THE BIRD OF STATE HAS RUFFLED FEATHERS

☐ 1230

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, I am amazed that the Department of State is upset with my amendment to the State Department authorization bill. As my colleagues remember, I suggested that if the Soviets leadership did not apologize for the killing of Major Nicholson, the Soviet Ambassador should be asked to leave our country.

While I fully respect the finer points of diplomacy, I also know when enough is enough. You don't have to be a diplomat to know when you are having the wool pulled over your eyes. The Soviets took the life of Major Nicholson and have never formally apologized for that tragic and senseless murder. Our Government must do something to show our displeasure with the brutality of this act of the Kremlin.

I realize that the State Department's approach is different from mine. I assume that they would prefer to show our displeasure with Soviet actions by giving Ambassador Dobrynin one less cookie at the next diplomatic reception.

I don't believe in the State Department's policy of turning the other cheek in response to a Soviet act of brutality. History has shown that in dealing with the Russian bear, those who turned their cheek often lost their heads.

PERMISSION FOR SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY AND TOMORROW DURING THE 5-MINUTE RULE

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that the Subcommittee on Investigations and Oversight of the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule in the House on Tuesday, May 14, 1985, and Wednesday, May 15, 1985.

The SPEAKER pro tempore (Mr. Kildee). Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule in the House on Wednesday, May 15, 1985.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON SURFACE TRANSPORTATION OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TOMORROW, MAY 15, 1985, AND THURSDAY, MAY 16, 1985, DURING 5-MINUTE RULE

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule in the House on Wednesday, May 15, 1985, and Thursday, May 16, 1985.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ECONOMIC EQUITY

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, the 1985 Economic Equity Act was introduced yesterday. With the strides we made in the last session toward economic equity for women, I'm sure some Members are asking themselves—why this bill? That's a fair question and it deserves a fair answer:

Because, when the tax system discriminates against famale-headed households although they have five times the poverty rate of married couples, a fair answer is tax reform.

Because, when more than half the women with preschool children are employed a fair answer is dependable, responsible day care.

Because, when the work patterns of women are different than those of men, a fair answer is a pension system that doesn't discriminate against those differences.

Because, when many women college graduates make about the same as men who have not finished high school, and when women high school graduates earn less than men who have completed the eighth grade, a fair answer is pay equity.

Mr. Speaker, the economic needs of America's women deserve a fair answer. This bill will give them just that.

LEGISLATION FOR REAPPORTIONMENT OF CONGRESSIONAL TERMS OF SERVICE

(Mr. DURBIN asked and was given permission to address the House for 1 minute.)

Mr. DURBIN. Mr. Speaker, it has been 80 years since the House of Representatives voted on a resolution addressing a change in the length of terms for Members of Congress. I will soon be introducing a resolution for a constitutional amendment, calling on Members of Congress to be elected to one 2-year term and two 4-year terms in every 10-year period following reapportionment.

In a recent survey, more than 60 percent of my colleagues who responded expressed their support for this concept. In town meetings across my district, the support for this approach has been consistent and overwhelming. I believe extending congressional terms makes sense for four reasons.

First, it will reduce the number of political campaigns, providing our voters with a welcome respite from our engaging rhetoric.

Second, it will help to stem the uncontrollable spiral in the cost of campaigning.

Third, it will at least partially liberate Members from a constant preoccupation with fund raising and campaigning, and will give Congress a greater opportunity to govern.

Fourth, the original rationale in 1789 for 2-year terms was to force Members to keep in touch with their districts. With today's modern communications and the realization that a Member who forgets his district will soon lose his seat, this rationale does not fit the modern challenges facing Congress.

I urge my colleagues to join me in cosponsoring this timely and necessary congressional reform.

THE DEINDUSTRIALIZATION OF AMERICA

(Mr. MOLLOHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLLOHAN. Mr. Speaker, on the subject of international trade, it is time for the President to replace rhetoric with action.

For the last 4 years the President has labeled as "protectionists" those of us in Congress working for a reform of our outdated trade laws. He has told us to let the administration solve our trade difficulties.

Mr. Speaker, let's look at the success of the administration's trade program. Last week he returned from an economic summit in which he failed to initiate another round of trade talks that might ease our situation, and he returned to a Congress tired of empty promises. Other recent stories in the news:

Steel imports rose to 27 percent of our domestic market in the first 3 months of this year. The President's import restraint negotiations were supposed to limit this figure to about 20 percent.

Coal imports more than doubled from 1982 to 1983 and, barring corrective action, will be more than 10 times last year's level by 1990.

And, finally, today's Washington Post reports that April was a banner month—for the Japanese, who posted a record trade surplus of $3.46 billion with the United States. April was a good month for the Japanese largely because the President declined to renegotiate limits on Japanese automobile imports.

Mr. Speaker, I don't want to pick on the Japanese. They are guilty of nothing more than being the most adept at exploiting the President's trade program, which seems to have as its goal the deindustrialization of America.

BOUNDARY EXTENSION OF THE UINTA NATIONAL FOREST

(Mr. NIELSON of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NIELSON of Utah. Mr. Speaker, I am introducing legislation that would modify the boundary of the Uinta National Forest in the State of Utah. This will provide for more efficient management of certain lands which are part of the Bonneville unit of the Central Utah project. The Central Utah project has been managed by the Bureau of Reclamation. It provides enhanced recreational opportunities which can best be managed by the U.S. Forest Service.

In these times of fiscal restraint it is imperative to find the most efficient means of utilizing our resources. Both the Bureau of Reclamation and the U.S. Forest Service agree that the Forest Service is best equipped to manage these lands for recreational purposes.

This boundary extension does not involve the purchasing of any private or State lands. It is simply a transfer of land from the Bureau of Reclamation to the U.S. Forest Service and the extension is necessary to enable the Forest Service to better manage the resources of the area and possibly facilitate future exchanges. The United States Forest Service plans to expand the fishing, boating, and camping opportunities available to the public and more fully utilize the recreational resources provided by this portion of the Bonneville unit of the Central Utah project.

The U.S. Forest Service is currently managing this land under a memorandum of understanding with the Bureau of Reclamation, contract No. 2-07-40-L3016. Under this agreement the Bureau of Reclamation has agreed to transfer funds to the U.S. Forest Service to cover the cost of management through fiscal year 1989. This legislation would permit this agreement to remain in effect and would facilitate better management of such lands under this agreement and within this act.

I wholeheartedly support this legislation and commend these two agencies for assisting in an attempt to provide expanded benefits to the taxpaying public in a more efficient, cost-saving manner.

☐ 1240

CONGRATULATIONS TO NEWLY CROWNED MISS U.S.A., LAURA ELENA MARTINEZ HERRING

(Mr. COLEMAN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Texas. Mr. Speaker, my speech this morning cuts across all partisan lines. It is a subject on which all of us can agree. It gives me great pleasure to congratulate the newly crowned Miss U.S.A., Laura Elena Martinez Herring, of El Paso, TX. Laura was selected as Miss El Paso in 1983 and went on to be chosen Miss Texas-U.S.A. in 1984.

Last night, Laura was successful once again as she captured not only the title of Miss U.S.A., but the hearts of all Americans as well.

Laura Elena Martinez Herring is the first Hispanic and naturalized citizen to wear the Miss U.S.A. crown. Originally born in Los Moches, Sinola, Mexico, before becoming an American citizen, Laura's selection last evening exemplifies the validity of the American dream come true. As she so aptly stated to the assembled news media last night, "the people of the United States have no limitation." When asked why she was proud to be an American, Laura responded, "because this is the land of freedom." Members, I suggest that says it all.

As a native El Pasoan, I see Laura's achievement as conferring a tremendous sense of pride and distinction on the city of El Paso and the State of Texas. Just as important, though, Laura's victory last night is a symbolic bridge which further strengthens the cultural bonds between the United States and Mexico. Today, the people of El Paso and Texas happily join with all Americans in being proudly represented by Laura at the Miss Universe pageant.

So that this body might express its true appreciation to Laura for the distinction she has brought to this Nation, I will be introducing legislation to express the sense of the House congratulating Laura on her selection as Miss U.S.A. I encourage my colleagues to join with me in this endeavor.

ECONOMIC EQUITY ACT

(Ms. SNOWE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SNOWE. Mr. Speaker, I am pleased to join the cochair of the congressional caucus on women's issues, the Congresswoman from Colorado [Mrs. Schroeder] and my other colleagues in the caucus as well in announcing the reintroduction of the Economic Equity Act. Since 1981, the Economic Equity Act has served as the primary vehicle for the consideration of legislation to guarantee economic fairness to women.

The package we have introduced this year represents a comprehensive, forward-looking approach to improving the economic health and well-being of American women and families. The five titles of this legislation—retirement security, dependent care, insurance, employment, and tax policy—provide a balance of short- and long-term strategies that touch the lives of virtually every woman in this country.

The Equity Act has established a proven track record over the past 4 years, which includes the enactment of legislation to reform the private pension system and strengthen child support enforcement laws. The two new titles on employment and tax policy included this year represent key areas of economic concern to women.

This Congress is again faced with a challenge of fairness to American women, and indeed, this legislation represents a step in that direction. I urge my colleagues to support this legislation.

GO AFTER THE CORPORATE CULPRITS

(Mr. ROBINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBINSON. Mr. Speaker, I rise in strong opposition today to the various proposals that are being bandied around in this House in reference to either eliminating or cutting the COLA's in our Social Security System.

Let me remind each of my colleagues that our senior citizens are not balls to be batted around at will in this House. The Social Security System is not a welfare system. Our senior citizens and our workers today have paid dearly through payroll taxes to be guaranteed a way of living once they retire.

I know my colleagues are well intended when they talk about the fact that we must do this to reduce the deficit. The truth of the matter is, if we really want to do something constructive, let us put a minimum corporate tax on our large corporations in this country. If we put a minimum 15 percent tax, the 65 largest corporations in this country would pay $10.2 billion into the Treasury.

Leave our senior citizens alone and start picking on the real culprits, the corporate people in this country.

TO CUT THE DEFICIT: LET'S FREEZE ALL SPENDING

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, these huge budget deficits are fiscal child abuse. We must cut them, sharply and quickly.

The best way to do this is a total freeze as my colleague from Minnesota, Congressman Tim Penny, and I proposed today. A freeze on every program. On your favorite program. On my favorite program. We must also cut or eliminate programs that make no economic sense—or that are simply not important enough to the American people to warrant more deficit spending.

I hear support for a freeze every day, from defenders of all kinds of spending programs. The president of the National League of Cities recently said he would oppose cuts for the cities if the revenues saved went to the Pentagon. Otherwise, he would support these cuts.

"We are prepared to contribute an honest effort," he said. "But we want to make sure that every dollar cut from the cities is used for one—and only one—purpose: To cut the deficit."

I applaud the National League of Cities for this position. This shows how an across-the-board freeze, combined with sensible and fair budget cuts, can bring these deficits down.

FREEDOM FROM FAMINE

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, I want to share with you and this House of Representatives a beautiful story about a group of young people from Wabash, IN, who cared enough to make a difference. Theirs is a story of compassion, hard work, and sacrifice. It is the story of a group of young people who knew tears were not enough. And the story ends happily with the sights and sounds of happy children as they gather eagerly around a meal given to them by the young people of Wabash High School, Wabash, IN.

In the last several weeks, four high schools in the Fifth District of Indiana participated in my "Freedom From Famine" drive for the starving millions in sub-Sahara Africa. The 580 students of Wabash High School led the way, contributing $2,362.50 of the $3,932.88 collected.

Under the direction of Miss Katherine Geible, the French Club and student council cosponsored the Wabash efforts. Students used a variety of fundraising techniques including a penny pitch at the final home basketball game, daily classroom collections and school organization donations. In addition, the students involved the Wabash community by placing collection jars in businesses all over town.

Interaction, the charitable organization which will turn the $3,932.88 into live-sustaining food, estimates the efforts of Wabash, Kokomo, Taylor, and Hebron high schools will feed 2,420 people in starving African countries for an entire month.

My congratulations and heartfelt thanks to everyone who participated and helped to save a starving people.

SOCIAL SECURITY IS SELF-SUPPORTING RETIREMENT SYSTEM

(Mr. BRYANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRYANT. Mr. Speaker, in the Democratic caucus this morning, we discussed the proposals of the Republican majority in the other body to cut Social Security by changing the cost-of-living adjustment schedule.

Those who defend Social Security, as well as those who want to change it, focus in these types of debates almost entirely on the current generation of elderly Americans who are recipients of Social Security checks. I rise, however, to make the point that Social Security is not just a program for the elderly, for the current generation of elderly Americans. It is a permanent retirement system for all Americans, for all generations, young and old. It is not welfare.

It is a retirement system that is supported by a system of payroll deductions and it is, therefore, self-supporting and it is not contributing to the budget deficit.

I think it is very important to make the point this morning that proposals to cut Social Security by amending the cost-of-living schedule so very far toward undercutting the fundamental conceptual foundation of the Social Security system, which is that Social Security is a self-supporting retirement system for all generations of Americans, no matter where they are situated on the economic spectrum, young as well as old.

□ 1250

UNDERWORLD MAY LOSE ITS FAVORITE MEDIUM OF EXCHANGE—THE $100 BILL

(Mr. SCHULZE asked and was given permission to address the House for 1 minute.)

Mr. SCHULZE. Mr. Speaker, today, billions of dollars are involved in drug trafficking. One need only scan the front page of any newspaper to realize the phenomenal cash amounts involved. The figures are staggering. The illicit trafficking of drugs is estimated to be near $110 billion and the most common medium of exchange is the $100 bill.

In view of the underworld's reliance on the $100 bill, and the difficulty law enforcement agencies are having in containing the drug business, I am today introducing legislation which directs the Secretary of the Treasury, in consultation with the Federal Reserve Board, to retire all U.S. $100 notes, and further directs the Treasury to determine when these notes would cease to be legal tender.

This legislation is intended to immediately disrupt the dealings and money laundering tactics of drug traffickers. The violence and the phenomenally large amounts of cash involved in the illicit drug trade require that immediate measures be taken.

I urge your support of this measure.

OCS FUNDS COULD BE USED TO REDUCE DEFICIT

(Mr. BREAUX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BREAUX. Mr. Speaker, for all of my colleagues who have been wrestling with the very difficult problem of trying to find nickels and dimes in order to reduce our Federal deficit by a goal of some $50 billion or so, I would like to point out that there exists right now here in Washington in an escrow account somewhere between $6 billion and $7 billion just sitting idly by. This money, which has accumulated since 1978 out of OCS oil and gas revenues, is not being used to reduce the deficit, nor is it being used to pay for new or existing programs, nor is it being used by any of our coastal States.

The simple problem is that because the Federal Government and the States have not been able to agree on what is a fair and equitable division of those funds, no one is getting them. I have offered legislation, H.R. 641, which would define "fair and equitable" to mean a 50-50 division of those sums, $6 billion or $7 billion, between the Federal Government and the coastal States.

Mr. Speaker, I think we should take this $3 billion to $3.5 billion out of Dave Stockman's shoe box and use it to reduce the deficit.

AN ALTERNATIVE BLUEPRINT FOR SPENDING REDUCTIONS

(Mr. RIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIDGE. Mr. Speaker, we have finally accepted our responsibility to bring Government spending under control and to reduce the enormous deficit which burdens present and future taxpayers. It is natural and understandable that special groups, constituencies for interests generally condemn the deficit but specifically plea for preservation of individual programs. This approach was uniquely explained by an older gentleman I recently met at a town meeting. He claimed most everyone was interested in going to heaven, but no one was particularly interested in dying to get there.

Any blueprint for a meaningful spending reduction must be fair and balanced and that's exactly the kind of budget alternative offered by the 92 group. I would like to commend this alternative to my colleagues. The budget plan, offers a $51 billion deficit reduction in fiscal year 1986, and a reduction plan of nearly $275 billion over the next 3 years. The blueprint for balance begins with a comprehensive freeze, including defense, and then distributes reductions among 75 programs. These reductions were needed without tax increases, and which preserving the cost-of-living adjustment for Social Security recipients. I encourage my colleagues to support this approach.

DOUBLING THE PERSONAL EXEMPTION—TAX FAIRNESS FOR FAMILIES

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, I would like to bring to the attention of my colleagues a very interesting development in the tax reform debate. Last Friday, a coalition of liberal and conservative organizations sent a letter to Treasury Secretary James Baker asking for an end to tax discrimination against families.

The more than 30 signers of this letter included Ralph Nader's Public Citizen, Paul Weyrich's National Pro-Family Coalition, Gov. Richard Lamm, who is chairman of the National Governor's Association Tax Policy Committee, and Phyllis Schlaffly's Eagle Forum.

Specifically, the letter requested that the revised Treasury proposal retain certain provisions of the original Treasury plan which directly affect families. The letter expressed particular concern that the revised Treasury proposal retain the doubled personal exemption.

Mr. Speaker, I am very much encouraged by this development. Until this moment, I would not have thought there was any issue on which you could get these groups to sit down to a table together. But here they are together requesting of Secretary Baker, in their words, that the family provisions of Treasury I "not be sacrificed for the sake of preserving loopholes and preferences for businesses and corporations."

Not long ago, I introduced H.R. 1551, the Tax Fairness for Families Act, the purpose of which is to show solid, bipartisan support for doubling the personal exemption as a necessary part of any acceptable tax reform. And I hope that the same spirit which inspired the liberal and conservative groups to work together for the common goal of fairness to families will also inspire Members of this body to do likewise and become cosponsors of H.R. 1551.

I believe that Senator Moynihan hit the nail on the head when he spoke recently before our Select Committee on Children, Youth, and Families, and explained why increasing the personal exemption is an issue for both Democrats and Republicans. By taxing families more equitably, he explained, "we would not so much be changing things as restoring what was once in place, remembering answers we once thought obvious."

THE ECONOMIC EQUITY ACT

(Mrs. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOGGS. Mr. Speaker, two of the bills included in the Economic Equity Act, introduced on yesterday, would assist women business owners, the fastest growing segment of the small business sector, who deserve our support.

One clarifies the application of the Equal Credit Opportunity Act to commercial credit. Although that 1974 law applied to both consumer and business transactions, certain implementing regulations by the Federal Reserve Board often prevent women and minorities from obtaining commercial credit.

The other would establish a National Commission on Women's Small Business Ownership. This nine-member bipartisan commission would review and evaluate the status of women business owners, make recommendations to Congress to improve financing and procurement opportunities, and examine the role of the Federal Government in promoting female entrepreneurs.

Mr. Speaker, I have discussed both bills with individual women business owners and associations of women's business owners, and they feel these bills will be most effective if enacted. I urge my colleagues' support of these and the other measures contained in the Economic Equity Act.

E.F. HUTTON'S CHECK-KITING SCHEME

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, former Attorney General William French Smith and Robert Fomon, chairman of the board and chief executive officer of E.F. Hutton & Co., Inc., discussed at a luncheon last fall the Federal investigation that had been going on for over 3 years into the massive check-kiting operation run by E.F. Hutton's employees.

The U.S. Justice Department, in my opinion the most politically conscious and politically active agency of the Federal Government, allowed the well-connected E.F. Hutton to cop a guilty plea to 2,000 counts and pay $2,700,000 in fines and costs. Of course, the politically motivated Justice Department is not prosecuting any of the individuals who managed the $4.35 billion check-kiting scheme at 400 American banks.

Justice Department officials were quoted yesterday in The New York Times as saying their "plea bargain helped save America's banking system." What a joke.

Recently, the Justice Department indicted, convicted, and sent to jail a Washington, DC, woman for shoplifting four sweaters worth less than $200.

Too bad this woman didn't have friends inside the Justice Department or didn't work at a big corporation as a cash management manipulator.

□ 1300

OMINOUS REPORTS ON TRADE BALANCE

(Mr. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUKEN. Mr. Speaker, in the news in the past day or two there have been some ominous reports. I think they call for action on the part of our Federal Government.

The Japanese trade deficit has increased in April to $3.46 billion. Automobile imports from Japan are now at the rate of $2 billion, up 20 percent since last year.

On the other side of the coin, Japan says that it plans to spend $100 billion in the next 5 years for it own defense, but that is only $20 billion a year, 1 percent of its GNP.

On the contrary, the United States now spends, it is estimated, $47 billion a year to defend East Asia, that is Japan and Korea. So, we are subsidizing Japan in many ways, including the trade deficit and defense outlays.

I am suggesting that it is time we do something about it. One way would be to tax Japanese imports in order to pay for the defense of Japan. In that way we would accomplish three things. We would reduce the U.S. military subsidy of Japan. We would reduce our own deficits without taxing the American people, and we would try to preserve a few of the remaining jobs in the United States.

IN COMMEMORATION OF V-J DAY

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, over the past year we have been witnessing a number of ceremonies commemorating the Second World War. Last June Chairman MONTGOMERY led a delegation of Members to France to commemorate the 40th anniversary of the D-Day landing in Normandy and earlier this month the United States participated in ceremonies in Germany and in France to commemorate V-E Day, the end of the Second World War in Europe.

Unfortunately, these ceremonies were marked with a measure of controversy, although it appears they did generate renewed feelings of comradship and reconciliation.

But, Mr. Speaker, let us not forget that millions of Americans in the course of the Second World War did not serve in the European Theater, but in the Pacific Theater and the real end of World War II did not come in Europe. It came on the 2d of September of 1945 aboard the U.S.S. *Missouri*, which incidentally is now refurbished and back in service, when General MacArthur accepted the Japanese surrender in Tokyo Bay.

I believe we should pay tribute to those brave soldiers, sailors, and marines who made that final victory possible and I urge that Congress and the executive branch get together on planning a suitable ceremony for V-J Day's 40th anniversary, September 2, 1985.

PRESIDENT REAGAN'S BROKEN PROMISES

(Mr. FRANK asked and was given permission to address the House for 1 minute.)

Mr. FRANK. Mr. Speaker, I just want to talk briefly about this pending Republican proposal to deny old people the cost of living increase they are legally entitled to.

It is one thing for President Reagan to tell the American people that he thinks it is more important to give military assistance to Marcos in the Philippines than to pay a cost-of-living increase to America's elderly; but it is even worse when this President made a solemn promise as a condition of getting votes and said, "I won't reduce the Social Security cost of living," among other things, and now blatantly breaks it.

The President when it came to taxes said, "I made a promise and if you try to break that promise, I will be Clint Eastwood."

Why with his promise to keep Social Security payments going on has he become the road runner?

When politicians made promises, and the President is one of us in that regard, and solicits votes on that basis, I think a solemn commitment has been made; so the President's preference for a bloated military budget over paying the cost of living is bad enough. It is compounded and confidence in our democratic system is eroded when the President of the United States makes a specific promise to the older people of America and then for reasons of convenience breaks it.

I hope that the House will not follow the example of the Republican leadership and help the President break that promise to America's elderly.

CANADA PASSES EQUAL RIGHTS AMENDMENT

(Mr. WHEAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHEAT. Mr. Speaker, I am distressed this morning that the United States, long the leading proponent of extending human rights throughout the world, must look northward for inspiration on the matter of equal rights for women. The nation of Canada has passed an equal rights amendment.

Mr. Speaker, when I first came to this House I had the good fortune to vote on one, but unfortunately, it did not pass. Now to extend equal rights to all people in the United States, I join with my colleagues in sorrow, and in pride, and with hope in introducing the Women's Equity Act; in sorrow, because the legislation is still needed some 200 years after the ratification of the Constitution when it was made clear that all men are given the right for life, liberty, and the pursuit of happiness, a right for all men, but unfortunately, not for women; in pride that it is clear that the American people believe in the values of extending the rights to all people, and in hope, Mr. Speaker, that finally 200 years after the ratification of the Constitution these rights will be extended, not only to all men, but to our mothers, our sisters, and our daughters.

FURTHER EVIDENCE OF SANDINISTA SUPPORT FOR SALVADORAN GUERRILLAS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, ever since the Sandinista regime took over the Government in Nicaragua, those of us critical of the Sandinistas have pointed to their support for the guerrillas in El Salvador as evidence of their intent to spread subversion and Marxist-Leninism in this hemisphere.

For 6 years, there has been evidence of arms going to the Salvadoran guerrillas from Nicaragua and Cuba and of the command and control for the Salvadoran guerrillas being directed from Managua. The House Intelligence Committee in May 1983 even made that finding, yet there are some in this House who continue to refuse to recognize the evidence that has been placed before them of Sandinista support for the Salvadoran guerrillas.

Now, we have further information supporting the charges against the Sandinistas. Former Salvadoran guerrilla leader Napoleon Romero, who turned himself in several weeks ago, said that the guerrillas in El Salvador receive more than 70 percent of their arms shipments from Nicaragua. He is reported to have said, "We need from 20,000 to 30,000 rounds of ammunition and some 5,000 sticks of TNT every month. All of that comes from Nicaragua." He also added: "In some cases, I know this ammunition comes in small boats that leave Chinandega [Nicaragua] and arrive in Usulutan [El Salvador]." He concluded: "Seventy percent of all our arms, shipments, and supplies come from Nicaragua, and the rest we buy on the black market or take from fallen government troops."

FIGHTING FIRES FROM SPACE

(Mr. NELSON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. NELSON of Florida. Mr. Speaker, today I would like to talk about one of the many ancillary benefits that have resulted from this country's space program.

Earlier this year, a fierce fire raged on one of the islands in the Galapagos chain threatening some of the worlds rarest wildlife.

Due to the dense smoke and the constant presence of strong winds, firefighters were unable to contain the fire after more than 2 weeks of constant battling.

The Government of Ecuador turned to this country for help. We responded with our Landsat remote sensing satellite which was orbiting in a path 440 miles above the fire.

Despite the heavy shroud of smoke, infrared sensors on these satellites were able to pinpoint the hidden hotspots driving the fires. This information enabled firefighters to set up strategic fire breaks which ultimately brought this potentially devastating blaze under control.

It is important to recognize that we are constantly discovering new and practical ways to put our space technology to work.

I think it is equally important to point out that this lifesaving application of the Landsat remote sensing system comes at a time when the future of Landsat is extremely tenuous. This is because the system is going to be transferred to the private sector and OMB refuses to release the startup funds necessary for the period of transition from Government to market-support operation.

□ 1310

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1552

Mr. DENNY SMITH. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of H.R. 1552.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

GEORGE MILLIGAN CONTROL TOWER

Mr. MINETA. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the Senate bill (S. 661) entitled the "George Milligan Control Tower," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, I do not plan to object, but I would like to yield to the very able chairman of the Subcommittee on Aviation of the Public Works and Transportation Committee, the gentleman from California [Mr. MINETA] for his explanation of his request.

Mr. MINETA. Mr. Speaker, I thank my distinguished colleague from Arkansas for yielding.

Mr. Speaker, the bill now before us, S. 661, would designate the air traffic control tower at Medford-Jackson County Airport in Oregon as the George Milligan control tower. This is to honor George Milligan who served the people of southern Oregon for many years with a nonprofit emergency air ambulance service. Mr. Milligan was recently killed in an airplane accident while transporting a patient for emergency medical care. Naming the control tower after Mr. Milligan is a fitting tribute to this fine man.

I urge my colleagues to join me in support of this measure.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of S. 661, which would designate the air traffic control tower at the Medford-Jackson County Airport in Oregon as the George Milligan control tower.

George Milligan began his career in the southern Oregon area as a towerman for the old Civil Aeronautics Administration. While there, he saw a need for an air ambulance service to provide help to the many people who lived in areas that were inaccessible or hours away from any medical center by car. Starting with little more than an idea, and with great persistence, George managed to purchase a used Cessna and began the volunteer air ambulance service known as Mercy Flights. For more than 30 years Mercy Flights delivered relief to flood victims, brought accident victims to the hospital, and moved those needing specialized medical attention to locations where they could receive it. This past February George Milligan died on one of these mercy flights.

Mr. Speaker, S. 661 is a tribute to this fine American who gave so much of himself, and eventually his life, for the sake of others. I believe this bill deserves our full support and am proud to join my colleagues on the Public Works and Transportation Committee in urging its passage.

Mr. ROBERT F. SMITH. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. Further reserving the right to object, I yield to my colleague, the gentleman from Oregon.

Mr. ROBERT F. SMITH. Mr. Speaker, as the House considers S. 661, legislation to rename the air traffic control tower at the Medford (Oregon)/Jackson County Airport the George Milligan control tower, I rise in support of the bill.

Since 1949, when he founded Mercy Flights, a nonprofit air ambulance and emergency air service, George Milligan risked his life transporting the sick and injured from remote locations in northern California and southern Oregon to hospitals. On February 9, 1985, George Milligan gave his life when a Mercy Flight plane suffered mechanical failure and crashed on an approach to the Medford Airport, while transporting a patient for emergency medical service. Also killed in the tragic accident were a Medford physician, a paramedic, and Marjorie Olney, the patient.

It is true the efforts of one man can make a difference. When George Milligan came to Medford in 1949 as a Civil Aeronautics Administration towerman he soon realized the need for an air ambulance to serve the needs of those living in remote, wild places inaccessible by car and lengthy distances from medical facilities. Beginning with little but enthusiasm and concern for his fellow man, George created Mercy Flights to serve this need. We will never know how many lives George Milligan saved but he is missed by those he served and by his community. I know I miss George terribly.

In our own inadequate and unsatisfying way, we rename the control tower of the Medford/Jackson County Airport in George's memory. While it is fitting for us to do this, our act pales in comparison to the selfless dedication George demonstrated to his fellow man in time of need. Let the control tower be a constant reminder that we must strive to carry on the task so nobly advanced by George Milligan and his Mercy Flights.

● Mr. SNYDER. Mr. Speaker, I rise in support of S. 661 to designate the air traffic control tower at the Medford-Jackson County, OR, Airport as the George Milligan control tower.

Although I never had the pleasure of meeting George Milligan before his untimely death in February of this year, I have read with great interest and admiration of his contributions to the people of southern Oregon.

George Milligan was the founder of and driving forces behind Mercy Flights, a nonprofit air ambulance and emergency air service which through the years flew thousands of flights, transporting sick and injured patients to medical care facilities in the Northwest. Many of these flights were conducted under extremely adverse weather conditions, which combined with the hazardous terrain in the region, often made access by air a very dangerous proposition. Nevertheless, George Milligan was determined to save lives in spite of the great personal risks, a goal he realized on countless occasions.

Tragically, George Milligan was killed when his aircraft suffered mechanical failure and crashed while on approach to the Medford-Jackson County Airport earlier this year. When he died, George Milligan was transporting a patient for emergency medical service as he had done so many times before.

Therefore, Mr. Speaker, I think it would be a fitting tribute to this great man that we designate the Medford, OR, tower as the George Milligan control tower.

For the foregoing reasons, I urge my colleagues to support S. 661.●

● Mr. HOWARD. Mr. Speaker, I rise in support of this legislation to name the air traffic control tower at Medford-Jackson County Airport after a true public servant, Mr. George Milligan. Mr. Milligan's emergency air ambulance service saved many lives and was an important facet of health care to the citizens of southern Oregon.

Mr. Speaker, this bill passed the Senate last month without objection. I urge my colleagues to adopt this measure to honor Mr. Milligan's selfless service to his fellow citizens.●

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the air traffic control tower at the Medford-Jackson County Airport is designated and shall hereafter be known as the "George Milligan Control Tower". Any reference in a law, map, regulation, document, or other paper of the United States to such control tower shall be held and considered to refer to the "George Milligan Control Tower".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MINETA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on the motion to suspend the rules if a recorded vote or the yeas and nays are ordered, or if the vote is objected to under clause 4 of rule XV.

Such rollcall vote, if postponed, will be taken after 3 p.m. today.

SOCIAL SECURITY MINOR AND TECHNICAL CHANGES ACT OF 1985

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2005) to amend title II of the Social Security Act and related provisions of law to make minor improvement and necessary technical changes, as amended.

The Clerk read as follows:

H.R. 2005

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security Minor and Technical Changes Act of 1985".

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SEC. 2. DEMONSTRATION PROJECTS INVOLVING THE DISABILITY INSURANCE PROGRAM.

(a) Extension of Waiver Authority.—Section 505(a)(3) of the Social Security Disability Amendments of 1980 is amended by inserting "which is initiated before June 10, 1990" after "demonstration project under paragraph (1)".

(b) Interim Reports.—Section 505(a)(4) of such Amendments is amended to read as follows:

"(4) On or before June 9, 1985, and on or before June 9 in each of the years 1986, 1987, 1988, and 1989, the Secretary shall submit to the Congress an interim report on the progress of the experiments and demonstration projects carried out under this subsection together with any related data and materials which the Secretary may consider appropriate.".

(c) Final Report.—Section 505(c) of such Amendments is amended by striking out "under this section no later than five years after the date of the enactment of this Act" and inserting in lieu thereof "under subsection (a) no later than June 9, 1990".

(d) Incorporation of Certain Reports Into Secretary's Annual Report to Congress.—Section 1110(b) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(3) All reports of the Secretary with respect to projects carried out under this subsection shall be incorporated into the Secretary's annual report to the Congress required by section 704.".

SECTION 3. DISABILITY ADVISORY COUNCIL.

(a) Appointment of Council.—Within ninety days after the date of the enactment of this Act, the Secretary of Health and Human Services shall appoint a special Disability Advisory Council.

(b) Membership of Council.—The Disability Advisory Council shall consist of a Chairman and not more than twelve other persons, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The appointed members shall, to the extent possible, represent organizations of employers and employees in equal numbers, medical and vocational experts from the public or private sector (or from both such sectors), organizations representing disabled people, and the public. The Council shall meet as often as may be necessary for the performance of its duties under this section, but not less often than quarterly.

(c) Duties of Council.—(1) The Advisory Council shall conduct studies and make recommendations with respect to the medical and vocational aspects of disability under both title II and title XVI of the Social Security Act, including studies and recommendations relating to—

(A) the effectiveness of vocational rehabilitation programs for recipients of disability insurance benefits or supplemental security income benefits;

(B) the question of using specialists for completing medical and vocational evaluations at the State agency level in the disability determination process, including the question of requiring, in cases involving impairments other than mental impairments, that the medical portion of each case review (as well as any applicable assessment of residual functional capacity) be completed by an appropriate medical specialist employed by the appropriate State agency before any determination can be made with respect to the impairment involved;

(C) alternative approaches to work evaluation in the case of applicants for benefits based on disability and recipients of such benefits undergoing reviews of their cases, including immediate referral of any such applicant or recipient to a vocational rehabilitation agency for services at the same time he or she is referred to the appropriate State agency for a disability determination;

(D) the feasibility and appropriateness of providing work evaluation stipends for applicants for and recipients of benefits based on disability in cases where extended work evaluation is needed prior to the final determination of their eligibility for such benefits or for further rehabilitation and related services;

(E) the standards, policies, and procedures which are applied or used by the Secretary of Health and Human Services with respect to work evaluations in order to determine whether such standards, policies, and procedures will provide appropriate screening criteria for work evaluation referrals in the case of applicants for and recipients of benefits based on disability; and

(F) possible criteria for assessing the probability that an applicant for or recipient of benefits based on disability will benefit from rehabilitation services, taking into consideration not only whether the individual will be able after rehabilitation to engage in substantial gainful activity but also whether rehabilitation services can reasonably be expected to improve the individual's functioning so that he or she will be able to live independently or work in a sheltered environment.

(2) For purposes of this subsection, "work evaluation" includes (with respect to any individual) a determination of—

(A) such individual's skills,

(B) the work activities or types of work activity for which such individual's skills are insufficient or inadequate,

(C) the work activities or types of work activity for which such individual might potentially be trained or rehabilitated,

(D) the length of time for which such individual is capable of sustaining work (including, in the case of the mentally impaired, the ability to cope with the stress of competitive work), and

(E) any modifications which may be necessary, in work activities for which such individual might be trained or rehabilitated, in order to enable him or her to perform such activities.

(d) Provision of Assistance to Council; Compensation of Members.—(1) The Disability Advisory Council is authorized to engage such technical assistance, including actuarial services, as may be required to carry out its functions, and the Secretary of Health and Human Services shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such actuarial and other pertinent data prepared by the Department of Health and Human Services as the Council may require to carry out such functions.

(2) Appointed members of the Council, while serving on business of the Council (inclusive of traveltime), shall receive compensation at rates fixed by the Secretary, but not exceeding $100 per day, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code; for persons in the Government employed intermittently.

(e) Reports.—The Disability Advisory Council shall submit a report (including any interim reports the Council may have issued) of its findings and recommendations to the Secretary of Health and Human Services not later than December 31, 1986; and such report and recommendations shall thereupon be transmitted to the Congress and to the Board of Trustees of the Federal Disability Insurance Trust Fund.

(f) Termination.—After the date of the transmittal to the Congress of the report required by subsection (e), the Disability Advisory Council shall cease to exist.

(g) Conforming Amendments.—(1) Section 706 of the Social Security Act is amended—

(A) by inserting "except as provided in subsection (e)," immediately before "the Secretary shall appoint" in subsection (a); and

(B) by adding at the end thereof the following new subsection:

"(e) No Advisory Council on Social Security shall be appointed under subsection (a) in 1985 (or in any subsequent year prior to 1989).".

(2) Section 12 of the Social Security Disability Benefits Reform Act of 1984 is repealed.

SEC. 4. TAXATION OF SOCIAL SECURITY BENEFITS RECEIVED BY CERTAIN CITIZENS OF POSSESSIONS OF THE UNITED STATES.

(a) General Rule.—Section 932 of the Internal Revenue Code of 1954 (relating to citizens of possessions of the United States) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Taxation of Social Security Benefits.—If, for purposes of an income tax imposed in the possession, any social security benefit (as defined in section 86(d) received by an individual described in subsection (a) is treated in a manner equivalent to that provided by section 86, then—

"(1) such benefit shall be exempt from the tax imposed by section 871, and

"(2) no amount shall be deducted and withheld from such benefit under section 1441."

(b) Cross Reference.—Paragraph (3) of section 871(a) of such Code is amended by adding at the end thereof (after and below subparagraph (B)) the following new sentence:

"For treatment of certain citizens of possessions of the United States, see section 932(c)."

(c) Effective Date.—The amendments made by this section shall apply to benefits received after December 31, 1983, in taxable years ending after such date.

SEC 5. APPLICATION OF DEPENDENCY TEST TO ADOPTED GREAT-GRANDCHILDREN FOR PURPOSES OF CHILD'S INSURANCE BENEFITS.

(a) Treatment of Grandchildren and Great Grandchildren Alike.—Section 202(d)(8)(D)(ii)(III) of the Social Security Act is amended by inserting "or greatgrandchild" after "grandchild".

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to benefits for which application is filed after the date of the enactment of this Act.

SEC. 6. ELIMINATION OF REQUIREMENT FOR PUBLICATION OF REVISIONS IN PRE-1979 BENEFIT TABLE.

Section 215(i)(4) of the Social Security Act is amended by striking out "the Secretary shall publish" and all that follows in the last sentence and inserting in lieu thereof the following: "the Secretary shall revise the table of benefits contained in subsection (a), as in effect in December 1978, in accordance with the requirements of paragraph (2)(D) of this subsection as then in effect, except that the requirement in such paragraph (2)(D) that the Secretary publish such revision of the table of benefits in the Federal Register shall not apply.".

SEC. 7. FAIL-SAFE FORMULA CLARIFICATION.

Section 709(b)(1) of the Social Security Act is amended to read as follows:

"(1) the balance in such Trust Fund as of the beginning of such year, including the taxes transferred under section 201(a) on the first day of such year and reduced by the outstanding amount of any loan (including interest thereon) theretofore made to such Trust Fund under section 201(l) or 1817(j), to".

SEC. 8. EXTENSION OF 15-MONTH REENTITLEMENT PERIOD TO CHILDHOOD DISABILITY BENEFICIARIES SUBSEQUENTLY ENTITLED.

(a) In General.—Section 202(d)(6)(E) of the Social Security Act is amended by striking out "the third month following the month in which he ceases to be under such disability" and inserting in lieu thereof "the termination month (as defined in paragraph (1)(G)(i)), subject to section 223(e),".

(b) Conforming Amendment.—Section 223(e) of such Act is amended by inserting "(d)(6)(A)(ii), (d)(6)(B)," after "(d)(1)(B)(ii),".

(c) Effective Date.—The amendments made by this section are effective December 1, 1980, and shall apply with respect to any individual who is under a disability (as defined in section 223(d) of the Social Security Act) on or after that date.

SEC. 9. CHARGING OF WORK DEDUCTIONS AGAINST AUXILIARY BENEFITS IN DISABILITY CASES.

(a) In General.—(1) Section 203(a)(4) of the Social Security Act is amended by striking out "preceding" in the first sentence.

(2) Section 203(a)(6) of such Act is amended—

(A) by striking out "and (5)" and inserting in lieu thereof "(4), and (5)"; and

(B) by striking out ", whether or not" and all that follows down through "further reduced" and inserting in lieu thereof "shall be reduced".

(b) Effective Date.—The amendments made by subsection (a) shall apply with respect to benefits payable for months after December 1985.

SEC. 10. PERFECTING AMENDMENTS TO DISABILITY OFFSET PROVISION.

(a) In General.—(1) Section 224(a)(2) of the Social Security Act is amended to read as follows:

"(2) such individual is entitled for such month to—

"(A) periodic benefits on account of his or her total or partial disability (whether or not permanent) under a workmen's compensation law or plan of the United States or a State, or

"(B) periodic benefits on account of his or her total or partial disability (whether or not permanent) under any other law or plan of the United States, a State, a political subdivision (as that term is used in section 218(b)(2), or an instrumentality of two or more States (as that term is used in section 218(k)), other than (i) benefits payable under title 38, United States Code, (ii) benefits payable under a program of assistance which is based on need, (iii) benefits based on service all or substantially all of which was included under an agreement entered into by a State and the Secretary under section 218, and (iv) benefits under a law or plan of the United States based on service all or part of which is employment as defined in section 210,".

(2) Section 224(a)(2) of such Act (as amended by paragraph (1) of this subsection) is further amended by striking out "all or part of which" in clause (iv) and inserting in lieu thereof "all or substantially all of which".

(b) Effective Dates.—(1) The amendment made by subsection (a)(1) shall be effective as though it had been included or reflected in the amendment made by section

2208(a)(3) of the Omnibus Budget Reconciliation Act of 1981.

(2) The amendment made by subsection (a)(2) shall apply only with respect to monthly benefits payable on the basis of the wages and self-employment income of individuals who become disabled (within the meaning of section 223(d) of the Social Security Act) after the month in which this Act is enacted.

SEC. 11. STATE COVERAGE AGREEMENTS.

(a) Maximum Period of Retroactive Coverage.—Section 218(f)(1) of the Social Security Act is amended by striking out "is agreed to by the Secretary and the State" and inserting in lieu thereof "is mailed or delivered by other means to the Secretary".

(b) Positions Compensated Solely on Fee Basis.—Section 218(u)(3) of such Act is amended by striking out "is agreed to by the Secretary and the State" and inserting in lieu thereof "is mailed or delivered by other means to the Secretary".

(c) Effective Date.—The amendments made by this section shall apply with respect to agreements and modifications of agreements which are mailed or delivered to the Secretary of Health and Human Services (under section 218 of the Social Security Act) on or after the date of the enactment of this Act.

SEC. 12. EFFECT OF EARLY DELIVERY OF BENEFIT CHECKS.

(A) For OASDI Purposes.—Section 708 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c) For purposes of computing the 'OASDI trust fund ratio' under section 201(l), the 'OASDI fund ratio' under section 215(i) and the 'balance ratio' under section 709(b), benefit checks delivered before the end of the month for which they are issued by reason of subsection (a) of this section shall be deemed to have been delivered on the regularly designated delivery date.".

(b) For Income Tax Purposes.—Section 86(d) of the Internal Revenue Code of 1954 (relating to taxation of social security and tier 1 railroad retirement benefits) is amended by adding at the end thereof the following new paragraph:

"(5) Effect of early delivery of benefit checks.—For purposes of subsection (a), in any case where section 708 of the Social Security Act causes social security benefit checks to be delivered before the end of the calendar month for which they are issued, the benefits involved shall be deemed to have been received in the succeeding calendar month.".

(c) Effective Date.—The amendments made by this section shall apply with respect to benefit checks issued for months ending after the date of the enactment of this Act.

SEC. 13. PRESERVATION OF BENEFIT STATUS FOR DISABLED WIDOWS AND WIDOWERS WHO LOST SSI BENEFITS BECAUSE OF 1983 CHANGES IN ACTUARIAL REDUCTION FORMULA

(a) In General.—Section 1634 of the Social Security Act is amended—

(1) by inserting "(a)" after "Sec. 1984.", and

(2) by adding at the end the following new subsection:

"(b)(1) An eligible disabled widow or widower (described in paragraph (2)) who is entitled to a widow's or widower's insurance benefit based on a disability for any month under section 202(e) or (f) but is not eligible for benefits under this title in that month and who applies for the protection of this subsection under paragraph (3), shall be deemed for purposes of title XIX to be an individual with respect to whom benefits under this title are paid in that month if he or she—

"(A) has been continuously entitled to such widow's or widower's insurance benefits from the first month for which the increase described in paragraph (2)(C) was reflected in such benefits through the month involved, and

"(B) would be eligible for benefits under this title in the month involved if the amount of the increase described in paragraph (2)(C) in his or her widow's or widower's insurance benefits, and any subsequent cost-of-living adjustment in such benefits under section 215(i), were disregarded.

"(2) For purposes of paragraph (1), the term 'eligible disabled widow or widower' means an individual who—

"(A) was entitled to a monthly insurance benefit under title II for December 1983,

"(B) was entitled to a widow's or widower's insurance benefit based on a disability under section 202 (e) or (f) for January 1984 and with respect to whom a benefit under this title was paid in that month, and

"(C) because of the increase in the amount of his or her widow's or widower's insurance benefits which resulted from the amendments made by section 134 of the Social Security Amendments of 1983 (Public Law 98-21) (eliminating the additional reduction factor for disabled widows and widowers under age 60), was ineligible for benefits under this title in the first month in which such increase was paid to him or her (and in which a retroactive payment of such increase for prior months was not made).

"(3) This subsection shall only apply to an individual who files a written application for protection under this subsection, in such manner and form as the Secretary may prescribe, during the 12-month period beginning with the 3d month that begins after the date of the enactment of this subsection.

"(4) for purposes of this subsection, the term 'benefits under this title' includes payments of the type described in section 1616(a) or of the type described in section 212(a) of Public Law 93-66.".

(b) Identification of Beneficiaries.—(1) As soon as possible after the date of the enactment of this Act, the Secretary of Health and Human Services shall provide each State with the names of all individuals receiving widow's or widower's insurance benefits under subsection (e) or (f) of section 202 of the Social Security Act based on a disability who might qualify for medical assistance under the plan of that State approved under title XIX of such Act by reason of the application of section 1634(b) of the Social Security Act.

(2) Each State shall—

(A) using the information so provided and any other information it may have, promptly notify all individuals who may qualify for medical assistance under its plan by reason of such section 1634(b) of their right to make application for such assistance,

(B) solicit their applications for such assistance, and

(C) make the necessary determination of such individuals' eligibility for such assistance under such section and under such title XIX.

(c) Effective Date.—The amendment made by subsection (a)(2) shall not have the effect of deeming an individual eligible for medical assistance for any month which begins less than two months after the date of the enactment of this Act.

SEC. 14. GENERAL EFFECTIVE DATE.

Except as otherwise specifically provided, this Act and the amendments made by this Act shall take effect on the first day of the month following the month in which this Act is enacted.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois [Mr. Rostenkowski] will be recognized for 20 minutes and the gentleman from Texas [Mr. Archer] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. Rostenkowski].

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2005, the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to present for the House's consideration H.R. 2005, the Social Security Minor and Technical Changes Act of 1985. This bill makes several needed technical changes in the Social Security Act, primarily to correct errors in the drafting of previous amendments. In addition, the bill contains an extension of the waiver authority necessary for the Social Security Administration to conduct demonstration projects on the vocational rehabilitation of disability beneficiaries. The bill also provides continued eligibility for disabled widows who were made ineligible for SSI and Medicaid benefits by an increase in their Social Security benefits in the 1983 Social Security Amendments. This bill contains no controversial or costly amendments, but simply makes necessary technical corrections to the act, as well as providing some additional relief for a very small group of disabled widows. I therefore urge my colleagues to support this legislation.

Mr. Speaker, I yield such time as he may consume to the chairman of the Subcommittee on Social Security, the gentleman from Oklahoma [Mr. Jones].

Mr. JONES of Oklahoma. Mr. Speaker, I rise in support of H.R. 2005, which was developed in my subcommittee to address certain very technical issues in the Social Security System which needed to be corrected. These corrections will eliminate unintended effects of earlier Social Security Amendments, as well as clarifying congressional intent with respect to other recent changes. This bill also provides much-needed relief for a limited group of about 4,000 disabled widows who were inadvertently made ineligible for SSI benefits and Medicaid by the 1983 Social Security Amendments. Finally, the bill insures, through extension of waiver authority for vocational rehabilitation experiments by the Social Security Administration, that the work begun in last year's 1984 disability amendments to straighten out the disability program, can continue with new research to find ways to encourage beneficiaries to return to work and productive activity if they are capable of it. This bill is noncontroversial, and has minimal cost. I urge its adoption by the House.

Mr. ROSTENKOWSKI. Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. President, I yield myself such time as I may consume.

Mr. Speaker, as a cosponsor of H.R. 2005, I wish to assure my colleagues that this bill, the Social Security Minor and Technical Changes Act of 1985 is a necessary yet thoroughly noncontroversial and unexciting piece of legislation. In part, the bill corrects certain anomalies introduced by the 1983 Social Security Amendments.

Let me cite an example. Ordinarily Social Security checks are delivered on the 3d of the month following the month for which payment is due. That means the December check is delivered on January 3. However, earlier delivery on the nearest preceding banking day is permitted when the 3d falls on Saturday, Sunday, or a holiday. In 1988, January 3 falls on Sunday, which means checks will be delivered on December 31. This timing—like the appearance of Halley's comet—occurs infrequently, but potentially is on a collision course with two provisions of the 1983 amendments. First, those beneficiaries subject to income tax on their benefits could be taxed on the basis of 13 checks in 1987 and 11 in 1988. Second, it would skew the January 1, computation of trust fund ratios, which in turn governs interfund borrowing et cetera. Consequently, in these two situations, H.R. 2005 would deem checks delivered on the third of the month.

To cite a second example, the 1983 amendments taxed benefits in one of two ways depending on a beneficary's status as resident of the United States, or nonresident alien. In implementing this provision, the Social Security Administration and the Internal Revenue Service determined that citizens of American Samoa—unlike citizens of Guam, Puerto Rico or the Virgin Islands—would be treated as aliens subject to a flat 15 percent withholding of benefits, regardless of total income. This bill would treat American Samoans in a manner similar to other citizens of possessions of the United States.

Not all of the bill's provisions are quite as "technical," but for the most part the combined impact will be a small one.

The most significant provision, and the one which costs three of the bill's estimated $4 million in fiscal 1986, would extend SSA's authority to conduct vocational rehabilitation demonstration projects to encourage disabled beneficiaries to return to work. The administration has been slow to implement the original authorization in the 1980 amendments. However, several projects are under way and it is important this authority be extended. I'm convinced—given the impact of the 1984 Disability Benefits Reform Act—that our committee must look more closely at vocational rehabilitation as an alternative to continuing disability benefits for the permanently handicapped.

In brief, Mr. Speaker, H.R. 2005 is a sound, necessary bill, which tidies up the loose ends of prior legislation. There should be nothing controversial, about its passage today.

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Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. Walker].

Mr. WALKER. I thank the gentleman for yielding. This does seem like a meritorious bill, but I am a little concerned about the $4 million in outlays for fiscal year 1986.

I am trying to find out whether or not those outlays would in fact violate freeze levels under the 1985 spending levels. Is that $4 million of additional outlay over and above anything that we would have spent in 1985?

Mr. ARCHER. I am sorry, I am not sure that I can specifically answer the gentleman's question relative to the entire budget.

Mr. WALKER. Could the gentleman from Oklahoma [Mr. Jones] answer the question?

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I thank the gentleman. I am not sure I caught the full thrust of his question, but I believe that it had to do with a waiver being required.

Mr. WALKER. No, it had to do with the freeze. We have had a series of votes out here where the House has proclaimed its undying allegiance to the concept of an outlay freeze in 1986. Now I see a bill before us that has $4 million in additional outlays in 1986 supposedly.

What I am asking is, is that $4 million over and above 1985 appropriated or outlay levels?

Mr. JONES of Oklahoma. Well, if the gentleman will yield, most of this would be a continuation of the demonstration project for vocational rehabilitation to allow beneficiaries to get back into the workplace sooner.

Most of that is budget authority and there is not necessarily any outlays that will happen. That will come from the Social Security trust fund as part of the administrative budget of the Secretary of HHS. So it really would not be affected in the budget freeze.

Mr. WALKER. Well, if the gentleman will yield further, I understand that the money comes from the trust fund. However, the trust fund is a part of our overall budget and you cannot separate out the fact that the unified budget includes the trust fund expenditures of Social Security. What I am trying to find out is whether or not this is additional money that is going to be spent over and above 1985 outlays and, therefore, is in violation of the freeze.

Mr. ARCHER. Mr. Speaker, will the gentleman yield to me?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. ARCHER. Well, for a response to the gentleman's question, since these are trust funds and since they come out of the program which varies throughout the year, there has never been suggested a freeze on overall Social Security spending which is impossible to determine, particularly in the disability area, a year in advance.

There is no way that there can be with certainty a figure as to what moneys will be spent in the year 1986 on disability.

Mr. WALKER. Well, am I now understanding that therefore any of this talk that we have had out here on the floor about a freeze exempts, by nature, all trust funds and all Social Security programs, is that now the understanding that we have now exempted about $350 billion of the budget from this freeze thing that is running out here on the floor?

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield to me?

Mr. WALKER. I will be glad to yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

Mr. Speaker, first of all, I think we need to put this in perspective. We are talking about $4 million out of $969 billion. But this is part of the Secretary's administrative budget. At the time the HHS appropriation comes forward, if you want to freeze the administrative budget, this would fit into that without any problem whatsoever.

Mr. WALKER. But we have not maintained that philosophy when it has come to authorizing other programs. We have had authorization bills out here on all kinds of programs NSF, NASA, a whole bunch of programs where we have voted to freeze authorization levels at 1985 appropriation levels. We have done that and we have done it with great glee out here, and we have all taken this strong advocacy position.

What I am trying to find out is, we have a new authorization here before us, from everything I can tell, and it appears to be authorizing $4 million in additional outlays for 1986. I am trying to find out whether or not this is $4 million of add-on spending or whether or not it is $4 million that would be covered under the 1985 appropriation and outlay levels.

Mr. JONES of Oklahoma. Will the gentleman yield to me?

Mr. WALKER. I will be glad to yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

I will be more than happy to join the gentleman in freezing the Secretary's administrative budget. It is not appropriate at this point. This will clearly fit into a freeze, however, if that answers the gentleman's question.

Mr. WALKER. Well, if I have the assurance of the gentleman that this money would certainly fit into a 1985 freeze context, then that alleviates my problem.

Mr. JONES of Oklahoma. This clearly can be accommodated in a freeze concept.

Mr. WALKER. I thank the gentleman.

Mr. Speaker, I thank the gentleman from Texas [Mr. Archer] for yielding.

Mr. ARCHER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Passage of this Social Security technical corrections bill marks a significant occasion for a member of the staff of the Committee on Ways and Means, Erv Hytner.

Mr. Speaker, it appears that this will be the last in a long series of legislative acts concerning the Medicare and Social Security Programs in which Erv has played a major role.

When I became chairman of the Ways and Means Subcommittee on Health, Erv Hytner was a senior member of the subcommittee staff. He played a major role in the development of the Medicare legislation enacted during my tenure as the Health Subcommittee chairman. He later transferred to the Subcommittee on Social Security where he has done an outstanding job as the subcommittee staff director. No one spent more time working on or made a larger contribution to the development and passage of the landmark Social Security Amendments of 1983 than Erv.

During his 10 years on the Ways and Means Committee staff, Erv also served as the staff director of the Oversight Subcommittee. Prior to joining the Ways and Means Committee, Erv work approximately 20 years at the Social Security Administration, beginning as claims representative, serving as a key staff member in the development and enactment of the Medicare and Medicaid Programs, and ending up as one of the key administrators of these Federal Health programs. For his service to our Social Security Programs, Erv has received two citations for outstanding service from the Social Security Commissioner, one when he left SSA and the other just recently.

We will miss Erv at Ways and Means. We have come to depend upon his experience, knowledge, and insight, and have thoroughly enjoyed his cooperative approach and optimistic outlook.

The sunny climate of Florida is very enticing, and we understand why he might want to move there. Erv certainly deserves the rest. He has worked hard and made outstanding contributions to the legislative process.

My final directive to Erv is, leave me your phone number. I want to know that I can reach you when I need assistance in Social Security, disability, or Medicare legislation.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield to me?

Mr. ROSTENKOWSKI. I yield to the gentleman from Oklahoma [Mr. Jones].

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

Mr. Speaker, I would like to add my commendation to Erv Hytner. I have only served as chairman of the Subcommittee on Social Security this year and this is the first opportunity I have gotten to know and work closely with Erv Hytner. But I think that we are not about to see the end of Erv's public policy contribution. I think he is going to join the ranks of people such as Wilbur Cohen, and Bob Ball, and others who have made so many contributions.

So his retirement is not going to be a retirement from public policy development. I have a feeling he is going to be on our backs keeping the Congress and the American people aware of those issues affecting senior citizens.

Mr. Speaker, we wish him the very best.

□ 1330

Mr. ARCHER. Will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman.

Mr. ARCHER. I would like to join with my colleagues from the majority side in expressing the views of the minority that Erv Hytner has been a true craftsman of legislative skill, in helping us to work with the very complex problems of Social Security over the years.

He has always been willing to give of his time and in a most objective way, help to bring about bipartisan treatment of these issues. I compliment him for his service. It has been a pleasure for me personally to work with him, and I wish him Godspeed in the years ahead.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield back the balance of my time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. Rostenkowski] that the House suspend the rules and pass the bill, H.R. 2005, as amended.

The question was taken.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The **SPEAKER** pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The **SPEAKER** pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

Washington, DC, May 13, 1985.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, DC.

Dear Mr. Speaker: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from the White House as follows:

(1) At 4:00 p.m. on Monday, May 13, 1985 and said to contain a message from the President whereby he transmits the fourth annual report on the state of small business; and

(2) At 4:00 p.m. on Monday, May 13, 1985 and said to contain a message from the President whereby he transmits the fiscal year 1984 annual report of the Commodity Credit Corporation.

With kind regards, I am,

Sincerely,

Benjamin J. Guthrie,
Clerk, House of Representatives.

ANNUAL REPORT ON THE STATE OF SMALL BUSINESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Small Business and the Committee on Ways and Means:

(For message, see proceedings of the Senate of today, Tuesday, May 14, 1985.)

REPORT OF THE COMMODITY CREDIT CORPORATON FOR FISCAL YEAR 1984—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Agriculture:

(For message, see proceedings of the Senate of today, Tuesday, May 14, 1985.)

PROVIDING FOR CONSIDERATION OF H.R. 1157, AUTHORIZATIONS FOR APPROPRIATIONS OF MARITIME PROGRAMS FOR FISCAL YEAR 1986

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 157, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 157

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1157) to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Transportation and the Federal Maritime Commission, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The **SPEAKER** pro tempore. The gentleman from Massachusetts is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Mississippi [Mr. Lott], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 157 is the rule providing for the consideration of H.R. 1157, the authorization of Appropriations for Maritime Programs for Fiscal Year 1986. It is an open rule that provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries. The bill shall be read for amendment under the 5 minute rule, there are no waivers of points of order and the rule provides for one motion to recommit.

Mr. Speaker, H.R. 1157 is an annual authorization that permits the appropriation for certain maritime programs administered by the Department of Transportation and the Federal Maritime Commission for fiscal year 1986. H.R. 1157 authorizes $417 million for the Maritime Administration, of this amount $335.1 million would go to the payment of operating differential subsidies. These subsidies are paid to U.S. companies to enable them to operate U.S.-flag ships competitively in the U.S foreign trade by offsetting the excess of U.S. ship operating costs over comparable foreign operating costs.

In addition, H.R. 1157 would authorize $9.9 million for research and development programs that are designed to develop information and technology to improve productivity and operating efficiency in U.S. shipbuilding and ship operating industries. Also, Mr. Speaker, H.R. 1157 would authorize $71.9 million for operating and training programs administered by the Maritime Administration. These funds would be used to pay salaries and other expenses for the operation of the U.S. Merchant Marine Academy and to the six State merchant marine academies. Also H.R. 1157 provides funding for Federal training programs and for national security support programs.

Mr. Speaker, as I stated earlier, this is an annual authorization for worthwhile programs that I have enthusiastically supported over the years. I urge adoption of House Resolution 1157 so that the House will have an opportunity to consider this legislation.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I send an amendment to the desk and ask unanimous consent for its immediate consideration.

Mr. MOAKLEY. Mr. Speaker, I object.

Mr. LOTT. Mr. Speaker, I wonder if the gentleman would suspend until the Clerk has read the amendment. He might like it.

The **SPEAKER** pro tempore. The gentleman from Massachusetts [Mr. Moakley] did not yield for that purpose.

Mr. MOAKLEY. That is right, Mr. Speaker.

Mr. LOTT. This is a unanimous-consent request.

Mr. MOAKLEY. I object to the unanimous-consent request.

The **SPEAKER** pro tempore. Objection is heard.

Mr. LOTT. Mr. Speaker, are we not going to have the amendment read?

The **SPEAKER** pro tempore. The gentleman from Massachusetts objected.

Mr. MOAKLEY. I objected, Mr. Speaker.

The **SPEAKER** pro tempore. The gentleman from Massachusetts [Mr. Moakley] yielded for purposes of debate only.

PARLIAMENTARY INQUIRY

Mr. WALKER. Parliamentary inquiry, Mr. Speaker.

The **SPEAKER** pro tempore. The gentleman will state his inquiry.

Mr. WALKER. What has the gentleman from Massachusetts objected to? The amendment has not been read at this point.

The **SPEAKER** pro tempore. He is objecting to the offering and consideration of the amendment, including the reading.

Mr. WALKER. It was my understanding that the gentleman from Mississippi [Mr. Lott] simply asked unanimous consent that he be allowed to offer an amendment. The Clerk was about to read the amendment. Could not the gentleman withhold until the amendment at least was read?

Mr. MOAKLEY. Mr. Speaker, if the gentleman yields, I offered time to the gentleman from Mississippi [Mr. Lott] for the purposes of debate only.

□ 1340

The **SPEAKER** pro tempore. The Chair has very clearly stated that the Clerk does not have to read the amendment. The gentleman from Massachusetts [Mr. Moakley] objected to the offering of the amendment. The Clerk is under no obligation to read the amendment.

Mr. LOTT. Mr. Speaker, since I have yielded myself such time as I may consume, I would like to read the amendment that I had just sent to the desk and tried to have read and considered as part of this rule:

> At the end of the resolution, add the following new paragraph:
>
> Sec. 2. For the remainder of the 99th Congress, whenever the Committee on Rules reports a resolution providing a special order of business for the consideration of any measure or matter, and such resolution proposes to waive any provision of the Congressional Budget Act of 1974 (Public Law 93-344), the report accompanying such resolution shall include an explanation of and justification for any such waiver, and a summary of any comments received from the Committee on the Budget or its chairman with respect to any such waiver.".

Mr. Speaker, I realize that my unanimous-consent request to offer an amendment to this rule was a most unusual one. By way of explanation, let me point out that the proposal to require report language on any proposed waivers of the Budget Act in a rule is one of the items on our House Republican "McIntyre agenda." That agenda is our response to the recent travesty that took place in this House in denying a duly elected and certified Member his rightful seat as a Member. It is a constructive package of House reforms designed to clean up the

House rather than close it down. A better House is the legacy we want to greet Rick McIntyre when he returns to this body in January 1987.

I think this rule is a most appropriate vehicle for the House to make a stand on Budget Act waivers, since this is probably one of the last of the clean, open rules we will see in this session, if not this Congress. This rule is most notable for the fact that it contains no waivers of House rules or of the Budget Act.

But, after this week, all that will change as committees come in with late bills, reported after the May 15 Budget Act deadline for reporting authorization bills. And the Appropriations Committee will begin coming in with spending bills before final action has been completed on a budget resolution. Indeed, the House Budget Committee is already 1 month late in reporting a budget resolution, and this is the week Congress is supposed to have completed action on that resolution. So, we will begin seeing rules containing all manner of Budget Act waivers. We might just as well waive the Budget Act goodbye for all the ignoring, circumventing, and violating we will be doing.

Now, I realize that it would not be practical to impose a total ban on future Budget Act waivers in rules. There are times when technical waivers are necessary, such as when a committee has agreed to offer an amendment to clear up any Budget Act violations in its bill. There are times when more substantive waivers must be agreed to for emergency reasons. And, I suspect as has happened in the past, we will again be asked this year for permission to proceed with the appropriations bills, notwithstanding the lack of a budget resolution.

But it's easy to discern the escalating nature and degree of Budget Act circumvention that has been taking place in recent years—from technical to emergency justifications for waivers, to an outright setting aside of the Budget Act to take major actions. Indeed, in the last Congress, we granted a record high 133 Budget Act waivers, compared to 106 in the 95th Congress. That number represents 70 percent of all rules granted in the 98th Congress, compared with 41 percent in the 95th Congress.

My proposed amendment was designed to enable the House to understand just what is involved in a proposed budget waiver and better determine whether that waiver should be supported. It would require the Rules Committee to explain and justify the waiver in its report on the rule.

I don't think it is too much to ask that a committee justify in a report just what it is proposing the House adopt. After all, we require every other committee to issue a report containing an explanation of the legislation it reports. Why should the Rules Committee be any exception, especially when it comes to such an important matter as the congressional budget process and whether it will be waived or enforced?

I realize that the argument will be offered that the Rules Committee is different; it's a leadership committee; it must be unhindered so it can act with dispatch in an emergency. And on and on go the justifications for its privileged status and immunity from reporting requirements.

But surely the Rules Committee should already have available when it votes to report a rule the explanation and justification for any budget waivers along with any comments from the Budget Committee or its chairman. To put this information in the report on the rule should entail little additional time or effort.

That's all that is being asked by this "McIntyre agenda" amendment. Let's give ourselves better information on how a bill might be violating the Budget Act at the time we consider these rules containing waivers. Maybe—just maybe—committees will be a little more careful about violating the Budget Act in the first place. And maybe—just maybe—we will do a better job of implementing and enforcing a more meaningful and effective congressional budget once again.

COMPARISON OF RULES AND BUDGET WAIVERS GRANTED BY THE RULES COMMITTEE, 95TH THROUGH 98TH CONGRESSES (1977–84)

	Congress			
	95th	96th	97th	98th
Total rules granted (TRG)	256	259	152	190
Budget waivers granted (BWG)	106	127	98	133
BWG as percent of TRG	41	49	64	70
BWG by sections of Budget Act:[1]				
Sec. 303(a)	[2] 10	0	1	21
Sec. 303(a)(1)	([2])	0	2	14
Sec. 303(a)(4)	([2])	9	9	13
Sec. 305(a)(1)	0	0	1	1
Sec. 311(a)	0	5	15	12
Sec. 401(a)	[2] 43	23	21	6
Sec. 401(b)	([2])	13	7	10
Sec. 402(a)	53	77	42	54
Other	0	0	0	2
Total	106	127	98	133

[1] See attached "Explanation of Sections of the Congressional Budget Act Waived by the Rules Committee in Special Order Resolutions."

[2] No distinction made between subsections of the same section.

Sources: Survey of Activities of the House Committee on Rules, 95th-98th Congresses (H. Repts. 95–1814, 96–1566, 97–1007 and 98–1192).

EXPLANATION OF SECTIONS OF THE CONGRESSIONAL BUDGET ACT WAIVED BY THE RULES COMMITTEE IN SPECIAL ORDER RESOLUTIONS

(1) Sec. 303(a).—Prohibits the consideration of legislation providing new budget authority, new entitlement authority, or an increase or decrease in revenues or the public debt for a fiscal year, prior to the adoption of the first budget resolution for a fiscal year.

(2) Sec. 303(a)(1).—Prohibits the consideration of legislation providing new budget authority for a fiscal year prior to the adoption of the first budget resolution for that fiscal year.

(3) Sec. 303(a)(4).—Prohibits the consideration of legislation providing new entitlement authority for a fiscal year prior to the adoption of the first budget resolution for that fiscal year.

(4) Sec. 305(a)(1).—Requires a ten-day layover of a budget resolution prior to its consideration.

(5) Sec. 311(a).—Prohibits the consideration of legislation which would cause the new budget authority or outlay ceilings set in the budget resolution to be exceeded, or which would cause the revenue floor to be breached.

(6) Sec. 401(a).—Prohibits the consideration of legislation providing new spending authority unless such authority is effective only to the extent provided for in appropriations acts.

(7) Sec. 401(b)(1).—Prohibits the consideration of legislation providing new spending authority which becomes effective prior to October 1 of the year it was reported.

(8) Sec. 402(a).—Prohibits the consideration of legislation authorizing the enactment of new budget authority not reported by May 15 preceding the start of the fiscal year in which it is to become effective.

Mr. Speaker, it's always a pleasure to be a bearer of good rules, and the rule before us today is indeed a good rule. It's clean, it is open, and it's brief. And I shall attempt to do it the justice it deserves by being brief as well.

Mr. Speaker, the rule before us makes in order the consideration of H.R. 1157, the fiscal 1986 authorization for certain maritime programs in the Department of Transportation, and the Federal Maritime Commission. The rule provides for 1 hour of general debate followed by the consideration of the bill for amendment under the 5-minute rule. Finally, the rule allows for one motion to recommit.

Mr. Speaker, H.R. 1157 authorizes $416.9 million for fiscal year 1986. That's $48.2 million less than the fiscal 1985 appropriation; but it's still $48.2 million more than the administration request. In that regard, the administration's policy statement on this bill says that it does not object to House passage of the bill, but will seek amendments in the other body to bring the funding levels into conformity with the administration's request.

Mr. Speaker, I think it should be pointed out that there are no funds in this bill for construction differential subsidies. Instead, the bulk of the money, $335.1 million, would go for operating differential subsidies. These are moneys paid to U.S. companies to enable them to operate U.S. flagships competitively in the U.S. foreign trade. This is done by offsetting certain portions of the excess of U.S. ship operating costs compared to comparable foreign vessels.

In addition, the bill authorizes $9.9 million for research and development—the same amount requested by the administration; and $71.9 million for operations and training programs—$12.6 million more than requested by the administration for those purposes. Finally, the bill authorizes $11.9 million for the Federal Maritime Commission which is responsible for administering the basic shipping statutes and settling claims which arise under those laws.

Mr. Speaker, as I mentioned earlier, this is a clean, 1-hour open rule, with no waivers or restrictions. The bill it makes in order was reported unanimously from the Committee on Merchant Marine and Fisheries Committee. I urge the adoption of this rule so that we might proceed with the consideration of the important maritime program authorization for fiscal year 1986.

Mr. Speaker, I have no further requests for time.

Mr. MOAKLEY. Mr. Speaker, yielding myself such time as I may consume, I thank the gentleman from Mississippi for speaking so favorably for our rule. I agree with him, it is a clean rule, it is a pure rule, and that is why I objected to his offering the amendment, because I know there will be other rules that he will not be happy with.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, I am sure that the distinguished member of the Rules Committee is very much concerned about the fact that we do not have a Budget Act yet this year, and we are now faced with the prospect of granting a whole number of waivers.

Would the gentleman support an effort in the future to get the Rules Committee to be very strict on these waivers and also include some explanation as to why it is being done?

Mr. MOAKLEY. I would like the gentleman from Mississippi to know that there have been certain amendments that had to be granted. I do not relish granting waivers in certain conditions. I would be glad to work with the gentleman and, in fact, the entire committee in the future, to see if we can tighten the amendment process as much as possible.

Mr. LOTT. I thank the gentleman for that.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 1784, PANAMA CANAL COMMISSION AUTHORIZATION ACT, FISCAL YEAR 1986

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 158 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 158

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1784) to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and to the amendment made in order by this resolution and which shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, each section of said substitute shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI and clause 5(a) of rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The provious question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Mississippi [Mr. LOTT], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 158 is an open rule providing for the consideration of H.R. 1784, the Panama Canal Commission authorization for fiscal year 1986. The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries.

When the bill is considered for amendment under the 5-minute rule, House Resolution 158 provides that it shall be in order to consider the amendment in the nature of a substitute now printed in the bill as original text for the purpose of amendment and that each section of the substitute shall be considered as having been read. The rule further provides waivers of points of order against the substitute for failure to comply with the provisions of clause 7, rule XVI, the germaneness rule, and clause 5, rule XXI, which prohibits appropriations in a legislative bill. Because certain provisions in the substitute reflect amendments adopted at the subcommittee and full committee level which are not germane to the bill as introduced, it is necessary to provide this waiver against the substitute. In addition, two committee amendments incorporated in the substitute also contain expanded uses of previously appropriated funds, thus necessitating the waiver of clause 5, rule XXI against the substitute.

The rule also provides that at the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and that any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute. Finally, House Resolution 158 provides that the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except for one motion to recommit with or without instructions.

Mr. Speaker, H.R. 1784 provides authorization for appropriations of $436.8 million from the Panama Canal Commission Fund for operating and capital expenses of the Panama Canal Commission in fiscal year 1986. This authorization level is $10 million less than requested by the administration, reflecting an amendment adopted by the subcommittee which provides for a direct payment of $10 million to the general U.S. Treasury from those portions of canal revenues collected to pay interest on the U.S. investment in the canal rather than allowing those funds to be deposited in the Canal Commission Fund. The provisions of this subcommittee amendment were adopted by the House last week when H.R. 664 was agreed to under suspension of the rules. In addition, the bill restores certain benefits lost to U.S. citizen employees of the canal upon enactment of the Panama Canal Act of 1979; provides compensation for the nongovernment members of the Panama Canal Commission Board; and finally, deletes a 180-day congressional notice waiting period for property transfers from the Commission to the Republic of Panama.

Mr. Speaker, H.R. 1784 was reported unanimously by the Merchant Marine and Fisheries Committee. The rule recommended by the Committee on Rules is an open rule and was noncontroversial during our committee hearing. I commend the work of the Merchant Marine Committee in bringing this authorization to the floor prior to the May 15 authorization deadline and for reporting a bill which enjoys such bipartisan support. Mr. Speaker, I urge adoption of the rule in order that the House may proceed to the consideration of H.R. 1784.

□ 1350

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 158 is an open rule designed to facilitate consideration of a 1-year authorization for the Panama Canal Commission. The rule contains only the waivers necessary in order to permit the bill from the Committee on Merchant Marine and Fisheries to go forward.

Under the provisions of this rule, the amendment reported from the Merchant Marine Committee will be the original text for the purpose of amendment under the 5-minute rule.

The rule provides a waiver of our germaneness rule, clause 7 of rule XVI, against the substitute. The rule also provides a waiver of our rule prohibiting appropriations language in a legislative bill, clause 5 of rule XXI, against the substitute.

Mr. Speaker, there was no controversy about this procedure or the substance of the legislation reported from the Merchant Marine Committee during the hearing conducted by the Rules Committee on Tuesday.

The waivers provided by this rule are necessary because the Committee on Merchant Marine adopted three amendments recommended by the Subcommittee on the Panama Canal, and one amendment at the full committee markup, that are not germane to the bill as introduced.

Mr. Speaker, it is my understanding that the amendments in question were offered by the gentleman from Texas [Mr. Fields]; the gentleman from California [Mr. Shumway]; the gentleman from Washington [Mr. Lowry]; and the gentleman from New York [Mr. Carney]; and that they all were unanimously approved during the committee markup.

Mr. Speaker, since enactment of the Panama Canal Act of 1979, the operation of the canal has been under the jurisdiction of the Panama Canal Commission. The canal itself remains of vital importance to U.S. commercial shipping, and to the flow of imports and exports for our Nation's citizens.

The bill made in order by this rule, H.R. 1784, authorizes $436 million in appropriations from the Commission's fund for its activities in 1986.

In addition, the bill provides some very meaningful changes in benefits for the U.S. citizen employees of the Panama Canal Commission, dealing with health care, educational services, travel for vacation leave, and housing property transfers.

Mr. Speaker, I support this rule in order that the House may proceed to consider the legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1872, DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 99-88) on the resolution (H. Res. 169) providing for the consideration of the bill (H.R. 1872) to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PANAMA CANAL COMMISSION AUTHORIZATION ACT, FISCAL YEAR 1986

The SPEAKER pro tempore. Pursuant to House Resolution 158 and rule XXIII, the Chair declares the house in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1784.

□ 1356

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1784) to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal, and for other purposes, with Mr. Luken in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Washington [Mr. Lowry] will be recognized for 30 minutes and the gentleman from Texas [Mr. Fields] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington [Mr. Lowry].

Mr. LOWRY of Washington. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on March 28, 1985, I introduced H.R. 1784, which authorizes appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal. This bill was cosponsored by 13 other members of the Subcommittee on Panama Canal/Outer Continental Shelf from both sides of the aisle.

The subcommittee marked up H.R. 1784 on April 3 of this year and unanimously supported the bill with three amendments. The first amendment, offered by the Honorable Jack Fields, ranking minority member of the subcommittee, reduced the administration request by $10 million. This reduction corresponded with H.R. 664, a bill introduced by Mr. Fields, and passed by the House under suspension last Monday, which provides for a direct payment to the United States of $10 million, representing the portion of canal revenues collected to pay interest on the United States' investment in the canal.

The second amendment was offered by Congressman Shumway of California. His amendment provides for certain benefits to American employees of the Panama Canal Commission who lost a number of privileges in October 1984 due to the provisions of the Panama Canal Treaty of 1977. The benefits provided for in section 5 of H.R. 1784 include health care, educational services, and vacation leave travel.

The final amendment was offered by myself and provided an exception to section 1102(b) of the Panama Canal Act of 1979 by allowing non-Government-paid members of the Board of the Panama Canal Commission to receive an allowance for each day during which they are traveling to and from and attending meetings of the board. All three amendments were unanimously approved.

On April 16, the Merchant Marine and Fisheries Committee unanimously approved H.R. 1784 with an amendment in the nature of a substitute incorporating amendments adopted by the subcommittee, along with one full committee amendment offered by Congressman Bill Carney of New York. Mr. Carney's amendment deleted a 180-day congressional notice waiting period for property transfers from the Commission. The President must still submit a report to Congress with the details of the property transfers, but without the 180-day notice period currently required. The amendment was unanimously approved.

Mr. Chairman, the Panama Canal Commission is unique in that it has its own specific fund in the Treasury. The intent of the Panama Canal Act of 1979 was to ensure that the Canal operate at no cost to the U.S. taxpayers, and it has an unblemished record of meeting that mandate. The canal must operate within a balanced budget and can only be appropriated the amount that it estimates will be collected as revenue by tolls and other fees levied on ships transiting the canal. Tolls are set to recover the costs of operating

and maintaining the canal and are paid into the Panama Canal Commission Fund established in the U.S. Treasury. The Chairman of the Panama Canal Commission Board, the Honorable Bill Gianelli, has expressed his confidence that no increases in tolls are expected through fiscal year 1986.

H.R. 1784 sets an overall funding level of $436,784,000, of which $26,500,000 is designated for capital improvements, and shall remain available until expended.

Passage of this authorization bill would permit the Panama Canal Commission to continue operating the canal efficiently and smoothly, thus benefiting the foreign commerce and national security of the United States.

I would especially like to congratulate the gentleman from Texas, Jack Fields, the ranking minority member of the subcommittee for his leadership and hard work on behalf of this authorizing legislation; and the gentleman from California, Norm Shumway, who has demonstrated his concern for the morale and welfare of the American citizens who are employed in Panama by the Panama Canal Commission.

Mr. Chairman, I join with my colleagues on both sides of the aisle in urging passage of H.R. 1784 which was unanimously passed out of the Committee on Merchant Marine and Fisheries.

□ 1400

Mr. FIELDS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 1784 and compliment our new subcommittee chairman, Mr. Lowry of Washington, for his leadership, dedication, and skill in crafting such a fine piece of legislation.

While the House of Representatives has on two separate occasions approved authorizing bills for the Panama Canal Commission, no authorizing legislation has been signed into law since the Commission was created in 1979.

Mr. Chairman, I am confident that this year we can reverse this trend because H.R. 1784 is a bill that can and should be supported by our colleagues.

As I indicated during our subcommittee hearing, I support an authorizing bill because it is important to the people of this Nation that we ensure that the Panama Canal remains an open and efficient waterway.

As a representative of our Nation's third largest port, the Port of Houston, I have a deep appreciation of the importance of the Panama Canal to the international shipping community. It has been estimated that nearly 70 percent of the ocean-going transits through the canal either originate or come from one of our U.S. ports. In many cases these are ports which are located, like Houston, along the gulf coast of the United States.

While there are many Members, including myself, who still have very negative feelings and reservations about the Panama Canal Treaties, we must recognize that the battle over those treaties is over and that the United States has a strategic interest in the Panama Canal.

With the passage of this authorizing legislation, we can ensure that the Panama Canal Commission will continue to operate the canal, at no expense to our taxpayers, smoothly and efficiently in the coming fiscal year.

The Panama Canal Commission is a unique Government agency which is prohibited by law from borrowing money or making a profit which would have to be paid to the Republic of Panama. In addition, the Panama Canal Act of 1979, Public Law 96-70, requires that canal tolls and other revenues cover all of the operating expenses of the Panama Canal Commission.

Mr. Chairman, during consideration of H.R. 1784 several amendments were offered and adopted to improve this proposal.

The first of these amendments, which I authored, reduce the operating budget of the Panama Canal Commission by $10 million. This amendment implemented the provisions of H.R. 664, a bill I have sponsored, which directs that the interest payment on our investment in the canal, which has been estimated at $10 million a year, be paid directly to the general fund of the U.S. Treasury.

Without going into great detail, let me just say that H.R. 664 corrects a serious flaw that exists in the Panama Canal Act of 1979.

Unfortunately, because of certain language contained in Public Law 96-70, our yearly interest payments have been deposited in the Panama Canal Commission Fund instead of the general fund of the U.S. Treasury.

As a result, the Federal Government has been unable to utilize these funds to reduce the deficit, and the level of our investment in the canal has been reduced by some $53.6 million.

H.R. 664 not only corrects this interest problem but it ensures that there will be no further erosion in our investment base.

Mr. Chairman, a second amendment was offered by our distinguished colleague from New York, Congressman Bill Carney. This amendment eliminated the 180-day waiting period which is now required before the Panama Canal Commission can transfer certain excess housing units to the Republic of Panama.

This amendment responds to various allegations of vandalism, looting, and unauthorized occupation of these housing facilities that has occurred during the existing statutory waiting period. It has been estimated that this amendment will save the Panama Canal Commission some $104,000 in fiscal year 1986 alone.

A third amendment was offered by our distinguished colleague from California, Congressman Norm Shumway. This excellent amendment, which I strongly supported, implements the equity compensation package for U.S. employees of the Panama Canal Commission.

The recommendations contained within the PCC compensation package are reasonable and fair. While they will not fully offset the loss of commissary, post exchange, and APO postal privileges, the incorporation of this amendment within H.R. 1784 is a very positive benefit for the hard-working and dedicated U.S. employees of the Panama Canal Commission.

Finally, the chairman of the subcommittee offered an amendment which provided long overdue compensation for non-Government members of the PCC Board of Directors for each day during which they are either traveling or attending meetings of the board. This amendment is fully consistent with the way most Federal commissions and boards operate.

Mr. Chairman, because of our committee's action and specifically my amendment, H.R. 1784 is $10 million less than the administration's budget request.

H.R. 1784 is a good piece of legislation and I again compliment our subcommittee chairman, Mr. Lowry, for his leadership, for his willingness to work with all members of our committee, and for bringing this bill to the House of Representatives in such a timely manner.

I would urge my colleagues to join with me in supporting this authorization bill.

Mr. Chairman, I reserve the balance of my time.

Mr. LOWRY of Washington. Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

Mr. FIELDS. Mr. Chairman, I yield 3 minutes to the ranking minority member of the full Committee on Merchant Marine and Fisheries, the gentleman from New York [Mr. Lent].

Mr. LENT. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of H.R. 1784, the fiscal year 1986 Panamana Canal authorization bill.

As the former ranking minority member of the Subcommittee on Panama Canal/Outer Continental Shelf, and as the ranking minority member of the House Committee on Merchant Marine and Fisheries, I am fully aware of the issues surrounding the Panama Canal legislation. For this reason, I would like to commend the chairman of the subcommittee on the

Panama Canal and Outer Continental Shelf, the gentleman from Washington [Mr. Lowry], and the ranking minority member, the gentleman from Texas [Mr. Fields], for their judicious action in marking up and reporting this bill.

While there were four amendments that were adopted in committee to the bill, there were no dissenting voices on the legislation and the bill was overwhelmingly reported by both the subcommittee and the full committee.

Mr. Chairman, H.R. 1784, as amended, is supported by the administration, and I urge my colleagues to join me in voting for its passage.

Mr. FIELDS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. Shumway].

Mr. SHUMWAY. I thank the gentleman for yielding this time to me.

Mr. Chairman, as we all know, the Panama Canal Treaty terminated the U.S. commissary, PX, and APO mailing system privileges which our 900 U.S. Canal Commission employees have historically enjoyed. This termination, which took place last September 30 and the anticipation of this loss, has caused a great deal of anxiety for our U.S. employees. In so doing, our work force's morale has declined and, in many instances, the loss of these privileges has tempted our employees to leave their service in Panama.

The strategic importance of Panama and the canal to our country's national and commercial security is without question. As a result, we must do everything we can to both ensure that our highly skilled U.S. work force remains in place to help operate the canal and to make certain that this loss of privileges does not threaten the existence of our work force. The Merchant Marine and Fisheries Committee and the Congress have recognized this need in the past. For example, last year we passed the Panama Canal authorization bill which included a section specifically authorizing such "compensation as is determined necessary to offset the loss of services."

In response to this legislation, the Panama Canal Commission has put together a package of benefits which is designed to help offset this loss of privileges. My amendment, which I offered and which was accepted by the committee, gives the Panama Canal Commission the authority to implement much of this compensation package. Specifically, my amendment:

Increases the educational travel stateside—from one trip to two—for dependents of a U.S. employee of the Panama Canal Commission;

Provides the authority for the Commission to pay the expenses of vacation leave travel for a U.S. employee and his family from the employee's post in Panama to his residence in the United States;

Allows for the payment of health care services for elderly or disabled persons if they were eligible to receive such benefits prior to the effective date of the Panama Canal Act of 1979; and, finally,

Allows for the payment for educational services provided by schools in the Republic of Panama, which are not operated by the United States, to employees of the Commission who were receiving such services prior to the effective date of the Panama Canal Act of 1979.

Mr. Chairman, the estimated cost of these specific benefits to the Panama Canal Commission is approximately $1.65 million. However, it is important to note that this money comes from canal toll receipts, not from the General Treasury. I am also pleased to say that the administration officially supports this compensation package.

Mr. Chairman, I have recently been to Panama and observed, first hand, the positive effect that the announcement of this compensation package has had on our U.S. employees and am confident in saying that it will—and to a large degree already has—helped our national interest by helping our U.S. citizen employees. As a result, I strongly urge the retention of this amendment in the bill.

□ 1410

Mr. LOWRY of Washington. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. FIELDS. Mr. Chairman, I have one further request for time. I yield 2 minutes to the gentleman from Alabama [Mr. Callahan].

Mr. CALLAHAN. Mr. Chairman, I rise in support of the bill.

I know there are lingering deep feelings that the United States was wrong in ratifying the Panama Canal Treaties and giving up this strategic waterway. I, for one, feel strongly that we made a serious mistake. However, the treaties are a reality and we should not confuse this authorization bill with any perceived support of the treaties that are now past history.

The funds authorized by H.R. 1784 will not be drawn from general revenues but from tolls paid to the Panama Canal Commission. It is in the United States' best interest to see that the canal is properly maintained and operated. Some 70 percent of the traffic through the Panama Canal is destined to or traveling from U.S. ports. The canal's strategic importance to our military vessels is unquestionable.

I urge my colleagues to support America's interests in the canal and vote for H.R. 1784.

Mrs. BENTLEY. Mr. Chairman, I rise in support of H.R. 1784, the Panama Canal fiscal year 1986 authorization bill, and urge my colleagues to vote for final passage.

I would like to point out to my colleagues that not only is the Panama Canal of great importance militarily to the United States because of the passage of our military vessels, but that over 70 percent of the traffic through the canal is either bound for, or traveling from, U.S. ports. I would also like to point out to my colleagues from coastal States in the Gulf of Mexico and the east coast that further expansion of the capacity of the canal, which is currently undergoing a three-nation study, could result in significant increased traffic for our ports. For these reasons, the continued maintenance and smooth operation of the canal is in our vested interest.

The authorized appropriation of $436.8 million contained in H.R. 1784 for fiscal year 1986 is based solely on tolls and other fees collected by the Panama Canal Commission from its customers. This figure is $10 million less than requested by the administration because of a bill introduced by my friend from Texas [Mr. Fields]. His bill ensures that the interest payment on the U.S. investment in the Panama Canal of $10 million will automatically be deposited annually into the U.S. Treasury. It is not often that Congress passes legislation that increases revenues to the U.S. Treasury without increasing taxes.

Mr. Chairman, H.R. 1784 has been thoroughly studied by the Panama Canal/OCS Subcommittee of which I am a member, as well as by the full Merchant Marine and Fisheries Committee, and there was not a dissenting voice during its consideration.

The administration does not oppose this bill, and I urge my colleagues to join with me in voting for passage of H.R. 1784.

● Mr. FRANKLIN. Mr. Chairman, I rise in support of H.R. 1784, the Panama Canal authorization bill. I have joined my colleague from Washington, the distinguished chairman of the subcommittee [Mr. Lowry] as a cosponsor of the bill, and I commend the gentleman for the expeditious manner in which the bill has been brought to the House.

In light of the ever-present deficit, I must point out to my colleagues that this authorization requires zero outlay from the Federal Treasury. According to the Panama Canal Act of 1979, the canal operates at no cost to the American taxpayer. Congress' role is to authorize the appropriation for the canal, but all of the revenues to fund that appropriation come from the tolls and fees that are collected from the ships who use the facility. Therefore, enactment of this legislation has no budgetary impact whatsoever.

Being from Mississippi, I recognize the special importance the canal has

to my State and to all of the ports along the gulf coast. In fiscal year 1984, over 50 percent of all ships that transited the canal were either departing from or destined to U.S. ports. These ships carry cargo ranging from iron and steel, crude oil, and food products to raw agricultural materials. The benefits realized from this trade are felt throughout the gulf coast region and the entire Nation.

I had the pleasure of visiting the Canal Zone for the first time late last year, and I was very impressed by the smooth and efficient operation of the canal as well as the relationship that exists between our American employees and the native Panamanians. It is imperative that these desirable conditions continue. An ongoing favorable working relationship with Panama is essential for economic as well as strategic considerations.

The canal must be kept in top working condition both for its day-to-day operation and for the important role it plays in the strategic defense of this country. The authorization in this legislation will allow the Panama Canal Commission to make many repairs and improvements that are vital to both interests.

Mr. Chairman, again I commend the chairman of the subcommittee [Mr. Lowry] and the ranking minority member of the subcommittee [Jack Fields] for their work on this legislation and urge prompt approval of H.R. 1784.●

Mr. FIELDS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Chair understands that the gentleman from Washington [Mr. Lowry] has yielded back the balance of his time.

Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill shall be considered as an original bill for the purpose of amendment, and each section shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Panama Canal Commission Authorization Act, Fiscal Year 1986".

Mr. LOWRY of Washington. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment in the nature of a substitute be printed in the Record and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The text of the remainder of the committee amendment in the nature of a substitute, beginning with section 2, is as follows:

SEC. 2. OPERATING EXPENSES.

There is authorized to be appropriated from the Panama Canal Commission Fund to the Panama Canal Commission (hereafter in this Act referred to as the "Commission") for the fiscal year beginning October 1, 1985, not more than $436,748,000, for necessary expenses of the Commission incurred under the Panama Canal Act of 1979 (Public Law 96-70; 22 U.S.C. 3601 et seq.), including expenses for—

(1) the hire of passenger motor vehicles and aircraft;

(2) the purchase of passenger motor vehicles as may be necessary for fiscal year 1986, the number and price of which may not exceed the amount provided in appropriation Acts; except that large heavy duty passenger sedans used to transport employees of the Commission across the Isthmus of Panama may be purchased for the first year 1986 without regard to price limitations set forth in applicable regulations of any department or agency of the United States;

(3) official receptions and representation expenses, except that not more than $33,000 may be made available for such expenses, of which (A) not more than $8,000 may be made available for such expenses of the Supervisory Board of the Commission, and (B) not more than $25,000 may be made available for such expenses of the Administrator of the Commission;

(4) the procurement of expert and consultant services as provided in section 3109 of title 5, United States Code;

(5) a residence for the Administrator of the Commission;

(6) uniforms, or allowances therefor, as authorized by sections 5901 and 5902 of title 5, United States Code;

(7) disbursements by the Administrator of the Commission for employee recreation and community projects; and

(8) the operation of guide services.

SEC 3. CAPITAL OUTLAY.

Of any funds appropriated pursuant to section 2 of this Act, not more than $26,500,000 (which is authorized to remain available until expended) may be made available for the acquisition, construction, replacement, and improvement of facilities, structures, and equipment required by the Commission.

SEC. 4. AUTHORIZATION OF ADDITIONAL APPROPRIATIONS.

In addition to the amount authorized to be appropriated by section 2 of this Act, there are authorized to be appropriated to the Commission for the fiscal year 1986 such amounts may be necessary for—

(1) increases in salary, pay, retirement, and other employee benefits provided by law;

(2) covering payments to Panama under paragraph 4(a) of article XIII of the Panama Canal Treaty of 1977, as provided by section 1341(a) of the Panama Canal Act of 1979 (22 U.S.C. 3751(a)); and

(3) increased costs for fuel.

SEC 5. BENEFITS FOR CERTAIN EMPLOYEES.

(a) Educational Travel Benefits.—Section 1207(b)(2) of the Panama Canal Act of 1979 (22 U.S.C. 3647(b)(2)) is amended by striking out "one round trip" and inserting in lieu thereof "two round trips".

(b) Travel and Transportation Expenses.—

(1) Expenses allowable.—Subchapter I of chapter 2 of title I of the Panama Canal Act of 1979 (22 U.S.C. 3641 et seq.) is amended by adding at the end thereof the following:

"TRAVEL AND TRANSPORTATION EXPENSES

"Sec. 1210. The Commission may pay the expenses of vacation leave travel for an employee of the Commission to whom section 1206 of this Act applies and for transportation of employee's family from the employee's post of duty in Panama to the place of the employee's actual residence at the time of appointment to the post of duty. The authorization of expenses under this section shall be in accordance with subchapter II of chapter 57 of title 5, United States Code, and the regulations issued under that subchapter, except that the Commission may prescribe required periods of service notwithstanding section 5722 of title 5, United States Code, and the regulations issued under subchapter II of chapter 57 of such title.".

(2) Clerical amendment.—The table of contents of the Panama Canal Act of 1979 is amended by inserting after the item relating to section 1209 the following:

"1210. Travel and transportation expenses.".

(c) Use of Appropriations for Health Care and Educational Services.—Section 1321(e) of the Panama Canal Act of 1979 (22 U.S.C. 3731(e)) is amended to read as follows:

"(e) The appropriations or funds of the Commission, or of any other department or agency of the United States conducting operations in the Republic of Panama, shall be available to defray the cost of—

"(1) health care services to elderly or disabled persons wo were eligible to receive such services before the effective date of this Act, less amounts payable by such persons, and

(2) educational services provided by schools in the Republic of Panama, which are not operated by the United States, to employees of the Commission who are citizens of the United States and persons who were receiving such services at the expense of the Canal Zone Government before the effective date of this Act.".

SEC. 6. COMPENSATION FOR NON-GOVERNMENT BOARD MEMBERS.

Section 1102(b) of the Panama Canal Act of 1979 (22 U.S.C. 3612(b)) is amended in the last sentence by inserting immediately before the period at the end thereof the following: ", except that, in addition to such travel or transportation expenses, members of the Board who hold no other office with either the Government of the United States or the Republic of Panama for which they receive pay are authorized to be compensated at the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day during which they are traveling to or from or attending meetings of the Board as provided in subsection (c) of this section".

SEC. 7. NOTIFICATION OF TRANSFER OF PROPERTY.

Section 1504(b) of the Panama Canal Act of 1979 (22 U.S.C. 3784(b)) is amended in the second sentence by striking out "At least 180 days before" and inserting in lieu thereof "Before".

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Walker: At the end of the bill add the following new section:

Sec. 8. It is the sense of Congress that the fiscal year 1986 expenditures of the Panama

Canal Commission be frozen at the levels approved for fiscal year 1985 ($429,846,000) and that all possible steps be taken to assure that any savings resulting from this action accrue to the general funds of the Treasury as miscellaneous receipts.

Mr. WALKER. Mr. Chairman, for want of a better title, this is a freeze amendment, but it is a complicated freeze amendment, more so than we have faced in the past.

The problem with this particular bill, as I am now to understand it, is that if we froze the appropriation at the authorization level, at last year's 1985 level, as such with a straight amendment, we would end up giving $7 million in essence to the Government of Panama. That is not this gentleman's intent. I want to shave a little bit of money off the spending that the Federal Government does and try to give the taxpayers of this country a break.

So we have drafted the amendment as a sense-of-the-Congress kind of thing which is aimed at trying to get around the problem that evidently the treaties give to us here. There were a lot of us who thought the treaties were not such a good idea back several years ago when they were passed. When I run into complications like the one I found on the floor today when I attempted to offer a mere freeze, I become convinced that we were right at that point, that these treaties never should have been passed. And here is a good reason why, because what it amounts to is if we save money, if we in the Congress save some money here, we do not get the advantage of it; we give the money to Panama. That is crazy. We ought to be doing something to make certain that if we can save some money in this Congress out of the tolls being collected, we get the benefit of those savings and the taxpayer is the one that gets helped because of it. But we cannot do that on the floor this afternoon. I cannot offer an amendment that does that because that is a part of the treaties.

So what this particular amendment says is that we are expressing our sense that that is where the authorization level should be, at last year's freeze level, at $429 million, and that all steps should be taken to see to it that if we implement that level, we are in fact going to get the money back into the general Treasury and, therefore, help American taxpayers.

I have talked to the gentleman from Washington about this and I have talked to the gentleman from Texas about it, and both of them have told me—and I think it is absolutely right—that we are probably going to have to amend the treaty in order to carry out this amendment. I understand that, and I am fully prepared to have that done, I would tell both the gentleman from Washington and the gentleman from Texas. As a matter of fact, there are a lot of conservatives who would like to reopen the question of the treaties, and I think maybe it ought to be done, and if this is one vehicle aimed at doing that, I think that is just fine. If we can do it by the freeze and we can reopen the treaties with the idea of saving the American taxpayer some money, I think that is exactly the direction we ought to go.

But I think it is important that in this bill we address ourselves to the issue of a freeze in some way. That is what this amendment is aimed at doing, because we have come out here with bill after bill after bill and we have said, "Well, we are going to freeze." Then all of a sudden along comes the Panama Canal and we say, "Oh, no, that is complicated. We can't do it on that one."

I just do not buy that. I do not buy that, and I am personally not willing to tell my constituents or tell the American people that we can freeze money for NASA, we can freeze money for NSF, and we can freeze money here and we can freeze money there, but we cannot do it when it comes to the Panama Canal because we have some other things to consider there. I think at the very least we ought to say it is the sense of the Congress that we put in a freeze level and then take those steps that are necessary, and if that involves the President and the State Department going to Panama and saying that they have got that kind of command from Congress, then I think we ought to take that step, because if we are going to commit ourselves to a freeze, we ought to commit ourselves to a freeze, period, and not a freeze that is there when we do the easy things, but when it gets tough and it gets complicated, we back off.

So, Mr. Chairman, what we are doing with this amendment is saying that we should try it and we should take the steps that are necessary in order to try to implement a freeze at 1985 spending levels.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from New York.

□ 1420

Mr. LENT. Mr. Chairman, I thank the gentleman for yielding.

I have read the gentleman's amendment. It seems to be harmless enough. I just would like to get assurances from the gentleman that if the amendment is adopted, it is not the gentleman's intention that any of the funds that might be saved as a result thereof would go to the Government of Panama, they would stay in the U.S. Treasury.

Mr. WALKER. Well, I want to assure the gentleman that that is absolutely correct. That is what this amendment is attempting to do.

It is my understanding that if we would have passed a mere freeze amendment, that the result of that could have been to give almost a bonus payment to the Government of Panama of $7 million. I do not want to do that.

I have drafted this amendment in a way to assure that if we are able to achieve this freeze, it is done in such a way that the money comes into the general fund of the U.S. Treasury and therefore benefits American taxpayers.

Mr. LOWRY of Washington. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from Washington.

Mr. LOWRY of Washington. Mr. Chairman, the gentleman may be sincere in what he is saying to the ranking minority member from New York. There is no doubt but what it would result in $7 million more going to Panama and could not possibly go to the U.S. Treasury under the treaty.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Well, I would say to the gentleman that is precisely the reason for stating the amendment the way it is. We say that is the sense of Congress that the expenditure level be frozen. It does not freeze them as such because it simply expresses that that is our sense and then it says that all possible steps be taken to ensure that any savings resulting from this action accrue to the general fund of the Treasury for miscellaneous receipts.

Those two are directly tied together in a sense-of-the-Congress type of approach.

I would say to the gentleman that we would expect that the gentleman's committee and the Department of State, the President and everybody else, would seek to implement this amendment as stated, that we are going to achieve a freeze level that in fact gives the benefits to the American taxpayers and not to Panama. That is what we are trying to achieve here.

Mr. LOWRY of Washington. Mr Chairman, will the gentleman yield further?

Mr. WALKER. I am glad to yield to the gentleman.

Mr. LOWRY of Washington. Mr. Chairman, I thank the gentleman for yielding.

Would the gentleman agree that the only way that could be done would be that the President renegotiate the Panama Canal Treaty, because under the existing Panama Canal Treaty this money would have to go to Panama, so in essence what the sense of Congress is doing is telling the President of the United States to go to Central America, renegotiate the Panama Canal

Treaty, which is something that the Panamanians would strongly oppose; so that this sense of Congress, to go along, that is what the gentleman is asking to do.

The gentleman is asking the President to go and make that negotiation; is that correct? Does the gentleman agree? First of all, can you change treaties without the President doing that?

Mr. WALKER. Well, Mr. Chairman, if the gentleman will allow me to answer, the President does not have to do anything about the whole Panama Canal Treaty. All he would have to renegotiate is that section which gives bonus payments to the Government of Panama. It seems to me that that is one of those things that we might want to take a look at.

We are faced with $200 billion worth of deficits. Why should we be a party to a treaty that is taking receipts that otherwise might come to the Federal Government and give bonus payments to the Government of Panama with them?

I think that some of that money ought to be coming back to the American taxpayers and if the President is instructed by Congress to negotiate in that manner, I think that is an extremely responsible way for Congress to proceed.

Mr. LOWRY of Washington. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, regardless of what is stated on that side of the aisle, section 13(c) of the Panama Canal Treaty specifically says that revenues from the tolls and fees—that is the only place they come from—from the tolls and fees that are in excess, go into a contingency that up to a maximum of $10 million will be paid directly to the Government of Panama.

So the effect of the amendment of the gentleman from Pennsylvania has only one effect, which is to increase the foreign aid of this country to Panama from the $500 million we are presently giving, by at least another $7 million. That is simply it.

Now, the gentleman states that the President may want to renegotiate the treaty. Well, it is pretty obvious when you look at the elements of the treaty, that the contingency payment to Panama was very important to Panama and we really would be asking the President of the United States to accomplish something that is absolutely impossible to accomplish and even more important, is wrong.

So what the effect of the amendment of the gentleman from Pennsylvania does is to take the tolls and the fees—there is not one dime of U.S. taxpayer money involvement—take the tolls and fees which are supposed to be used to maintain the efficiency of the Panama Canal; 80 percent of the traffic which originates or ends in U.S. ports—take that money and instead of using it for the maintenance of the canal, pay it to Panama.

Now, that is the only effect of the gentleman's amendment. I strongly urge the body to reject the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. WALKER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently, a quorum is not present. Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 109]

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Armey
Aspin
Atkins
AuCoin
Badham
Barnard
Barnes
Bartlett
Barton
Bateman
Bates
Bedell
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chapple
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
Delay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Emerson
Erdreich
Evans (IA)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Franklin
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Henry
Hertel
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

□ 1440

The CHAIRMAN. Four hundred eleven Members have answered to their names, a quorum is present, and the Committee will resume its business.

BEST COPY AVAILABLE

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Pennsylvania [Mr. WALKER] for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 241, noes 173, not voting 20, as follows:

[Roll No. 110]

AYES—241

Andrews
Applegate
Archer
Armey
Badham
Barnard
Bartlett
Barton
Bateman
Bates
Bennett
Bereuter
Bevill
Bilirakis
Bliley
Boehlert
Boner (TN)
Boulter
Breaux
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Burton (IN)
Byron
Callahan
Campbell
Carney
Carr
Chappie
Cheney
Clinger
Coats
Cobey
Coble
Coleman (MO)
Combest
Conte
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Courter
Craig
Crane
Daniel
Dannemeyer
Daschle
Daub
Davis
Delay
DeWine
Dickinson
DioGuardi
Dorgan (ND)
Dornan (CA)
Dowdy
Dreier
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Dyson
Eckart (OH)
Eckert (NY)
Emerson
Erdreich
Evans (IA)
Fawell
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Franklin
Gallo
Gaydos
Gekas
Gibbons
Gilman
Gingrich
Glickman
Goodling
Gordon
Gradison

Gray (IL)
Gregg
Grotberg
Hall, Ralph
Hall, Sam
Hammerschmidt
Hansen
Hartnett
Hefner
Heftel
Hendon
Henry
Hiler
Hillis
Hopkins
Horton
Hunter
Hutto
Ireland
Jenkins
Johnson
Jones (TN)
Kanjorski
Kasich
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Kolbe
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Lagomarsino
Latta
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Loeffler
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Lowery (CA)
Lujan
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Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
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McCain
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McCollum
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McKernan
McKinney
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Miller (OH)
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Mollohan
Monson
Montgomery
Moore
Moorhead
Morrison (WA)
Mrazek
Murphy
Myers
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Regula
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Rowland (CT)
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Saxton
Schaefer
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Schulze
Sensenbrenner
Shaw
Shelby
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Spence
Staggers
Stangeland
Stenholm
Strang
Stratton
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Torricelli
Traficant
Traxler
Valentine
Vander Jagt
Volkmer
Vucanovich
Walker
Weber
Whitehurst
Whitley
Whittaker
Wolf
Wortley
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Zschau

NOES—173

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Aspin
Atkins
AuCoin
Barnes
Bedell
Beilenson
Berman
Biaggi
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
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Burton (CA)
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Carper
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Coleman (TX)
Collins
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Dicks
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Dixon
Donnelly
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Early
Edgar
Edwards (CA)
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Florio
Foglietta
Foley
Ford (MI)
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Frank
Frost
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Gray (PA)
Green
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Hall (OH)
Hamilton
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Hoyer
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Hughes
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Jeffords
Jones (NC)
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Lantos
Lehman (CA)
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Lowry (WA)
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MacKay
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Mikulski
Miller (CA)
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Morrison (CT)
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Ortiz
Owens
Panetta
Pease
Pickle
Price
Reid
Robinson
Rodino
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Savage
Scheuer
Schroeder
Schumer
Sharp
Shumway
Smith (IA)
Solarz
Spratt
St Germain
Stallings
Stark
Stokes
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Towns
Vento
Visclosky
Walgren
Watkins
Weiss
Wheat
Williams
Wilson
Wirth
Wise
Wolpe
Yates
Young (MO)

NOT VOTING—20

Addabbo
Bentley
Conyers
Edwards (OK)
English
Evans (IL)
Frenzel

Holt
Huckaby
O'Brien
Pepper
Rahall
Roberts
Seiberling

Solomon
Udall
Waxman
Weaver
Whitten
Wright

□ 1450

Messrs. TRAXLER, CARNEY, and HUTTO changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. If there are no other amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. GEPHARDT] having assumed the chair, Mr. LUKEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1784) to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal, and for other purposes, pursuant to House Resolution 158, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LOWRY of Washington. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1784, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZATION FOR APPROPRIATIONS OF MARITIME PROGRAMS FOR FISCAL YEAR 1985

The SPEAKER pro tempore. Pursuant to House Resolution 157 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1157.

□ 1455

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1157) to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Transportation and the Federal Maritime Commission, with Mr. SAM B. HALL, JR., in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from North Carolina [Mr. JONES] will be recognized for 30 minutes and the gentleman from Kentucky [Mr. SNYDER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the promptness with which the leadership has scheduled consideration of the maritime authorization, H.R. 1157. I would also like to thank the Rules Committee for its expeditious and favorable treatment of our request for a rule making in order the consideration of this vital legislation.

H.R. 1157 is a bill to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Transportation and the Federal Maritime Commission.

The Maritime Administration authorization is for just less than $417 million, a decrease of about $48 million from the fiscal 1985 appropriation. The Federal Maritime Commission authorization is for some $11.9 million, $352,000 less than appropriated for fiscal 1985. At the same time these authorizations are slightly higher than those proposed by the administration. The additions include, for both agencies, the restoration of the 5-percent salary cut for civil servants. The balance of the $48 million differences between the administration's and the committee's MARAD authorization reflects: First, restoration of speculative savings which would require legislation or rulemaking yet to be seen; second, the inclusion of previously authorized sums ($8.5 million) for State school training vessel replacement the administration seeks to defer; and third, $3 million for school ship fuel oil as previously mandated.

This bill is a true authorization, and does not and should not be burdened with any legislative proposals to affect substantive law. Since this is the fifth year in a row that authorization levels are lower than amounts appropriated in each of the previous years, we ask you to note, with us, that substantial changes are taking place in the maritime field, changes of such magnitudes that they require consideration as part of a complete review of maritime policy.

The Committee on Merchant Marine and Fisheries has embarked on a thorough investigation into all aspects of the promotional program administered by the Maritime Administration. With the cooperation of the other Members of this body and of the maritime industry itself, we hope to present to the House those changes which will make our merchant marine a more competitive and efficient fleet, In the meantime, the bill before us is the bare minimum for the continued operation of the U.S.-flag merchant marine, and I ask your support in authorizing those funds provided in H.R. 1157.

□ 1500

Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. BIAGGI], chairman of the subcommittee.

Mr. BIAGGI. I thank the chairman for yielding this time to me, and I commend him for his leadership in this matter, as well as the ranking minority members, the gentleman from Kentucky [Mr. SNYDER] and the gentleman from New York [Mr. LENT].

Mr. Chairman, I rise in support of H.R. 1157. This is a routine annual authorization bill that permits the appropriation of funds for certain maritime programs administered by the Maritime Administration, an agency within the Department of Transportation. The programs are related to the development of the foreign and domestic commerce of the United States and to the national defense through an adequate and capable U.S.-flag merchant marine.

This bill also authorizes funding for the Federal Maritime Commission, an independent agency, whose major responsibilities include the regulation of ocean carriers, shippers, terminal operators, and freight forwarders operating in the ocean commerce of the United States.

I am pleased to state that we have been able to report a bill free of nonfiscal amendments. It is my sincere desire—and those of us on the Committee on Merchant Marine and Fisheries on both sides of the aisle—to keep this legislation free of nonfiscal matters and controversial issues that require in-depth review and consideration.

The bill, as reported, includes the following amounts for the Maritime Administration: $335.1 million for operating-differential subsidies; $9.9 million for research and development; and $71.9 million for operations and training.

This totals $416.9 million—about 10 percent less than what was appropriated for fiscal year 1985.

In the Operating-Differential Subsidy Program, the committee's authorization is $35.6 million higher than the administration budget request. The administration presupposed that savings would be realized through the adoption of administrative, regulatory, or legislative changes in the ODS Program. Though the committee has not received detailed information concerning the changes to be proposed, it is apparent that their implementation is uncertain. Therefore, they are not reflected in the committee bill.

There are also several differences in the funding levels for the Operations and Training Program.

H.R. 1157 authorizes $3 million for fuel oil for State training vessels. This amount is not included in the President's budget.

The administration has requested deferral authority for $8.5 million to defray O&T costs in fiscal year 1986. This money was appropriated in the last Congress for replacement of the New York State Maritime Academy training ship. The committee bill assumes that the deferral request will be denied.

The administration's request presupposes that legislation will be enacted for a 5-percent reduction in Federal employee compensation beginning on January 1, 1986—with a projected $1.16 million in savings. Since approval of this measure is speculative, the committee bill does not reflect these cost reductions.

Section 2 of the bill contains an authorization of $11.9 million for the Federal Maritime Commission. This is $334,000 more than the administration's request. The difference can be attributed to the administration's assumption that a 5-percent reduction in Federal employee compensation will be achieved.

I believe this legislation is reasonable and enjoys bipartisan support. The programs being funded will provide economic benefits far in excess of the proposed expenditures. As a component of the Federal budget, it should have a positive impact upon our economy. It deserves your support.

Mr. JONES of North Carolina. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. DONNELLY].

Mr. DONNELLY. I thank the chairman for yielding time to me.

Mr. Chairman, I rise in support of H.R. 1157, which authorizes programs of the Maritime Administration and the Federal Maritime Commission. This bill is clean, and contains no controversies of which I am aware. It does not seek to change in any way existing Federal statutes.

The Maritime Administration is responsible for promoting, developing, and maintaining the American merchant marine for domestic and foreign trade and for defense requirements. Unfortunately, those lofty goals are totally divorced from the present reality.

American flagships carry an ever-shrinking share of our trade cargoes. A growing portion of American shipyards face mounting layoffs and the very real possibility of closure. These claims are not rhetorical. Less than 5 percent of U.S. exports and imports are carried in ships flying the American flag, and staffed by U.S. citizen crews. Vice Admiral Rowden, commander of the Military Sealift Command, recently stated that:

> As the 600-ship Navy becomes a reality, the privately owned U.S. Merchant Marine has slipped to just 500 ships, and almost one-quarter of them are laid up. For the first time in U.S. history, our gray-hulled Navy outnumbers the merchant fleet.

In the last 2 years, four major U.S. shipyards considered part of the Nation's active shipbuilding base have closed their gates. That base is determined by Navy planners as vital to our Nation's ability to construct and make extensive repairs and modifications to Navy and commercial sealift ships in time of war or national emergency.

Since 1982, our country's active shipbuilding base has shrunk from 27 to 23 yards. There is little doubt that base will decline even further as yards face stagnant demand for new commercial ships, and fierce competition for the few remaining near-term Navy noncombatant ship program. At present, there are no commercial foreign-trade ships under construction in American shipyards. By the end of this year, only five ships for coastwise carriage will still be under construction in U.S. yards.

The decline of America's seagoing and commercial shipbuilding industries is a national crisis. The major shipyards that have closed in the last 2 years have not been limited to one geographical region of the country. They have closed in Texas, Maryland, and in Ohio. Yards in Florida, Washington State, Maryland, and in my home district in Massachusetts, are nearing completion of their current construction and conversion projects. It is clearly in the national interest that a large, geographically dispersed shipbuilding base be maintained. It is clearly in the national interest that a skilled shipbuilding work force be maintained. Navy shipbuilding programs alone will not maintain those national assets, nor is it desirable for American flagships to be built in Korea and Japan. In time of national crisis, we should not have to rely on the uncertain shipbuilding and repair capabilities of other countries. I do not believe the American people will be comfortable with that scenario. They want American ships to be built in the United States and crewed by American citizens.

I raise these troubling facts because something must be done, and done soon, to reverse the dangerous decline of the U.S.-flag fleet and our domestic shipbuilding base. The Soviets have not lost sight of the critical importance of maintaining a large, diverse national flag fleet and shipyard base. In fact their fleet now consists of 1,750 ships, and their shipyards have dramatically increased their output and quality levels.

I commend Chairman Jones for his untiring advocacy on behalf of the American merchant marine, and I look forward to working with him and the committee in the months ahead to devise policies that will bring a resurgence in America's seagoing flag fleet and shipyards. If the administration and Congress fail to take decisive action to reverse the decline of our merchant marine, the consequences of such inaction could well be disastrous.

Mr. JONES of North Carolina. Mr. Chairman, I reserve the balance of my time.

Mr. SNYDER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chariman, I rise in support of H.R. 1157, a bill to authorize appropriations for fiscal year 1986 for the Maritime Administration and the Federal Maritime Commission.

Mr. Chairman, H.R. 1157 is a straightforward, clean authorization bill, unencumbered by the types of legislative provisions which have led to controversy in 3 of the last 4 years. Members may recall that last year's bill was the first successfully enacted into law during that time period, and it is the committee's intent that H.R. 1157 follow suit.

H.R. 1157 contains a certain symmetry in the numbers for the Maritime Administration: $48 million above the President's fiscal year 1986 budget request; and $48 million below the fiscal year 1985 appropriation. The authorization figure for the Federal Maritime Commission is $334,000 above the President's request, but is likewise less than fiscal year 1985's appropriated amount.

The primary reason that this bill exceeds the President's budget request is that the committee has chosen not to legislate on blind faith—that is, in the belief that $35.6 million in savings in the Operating Differential Subsidy [ODS] Program which were assumed in the budget will, in fact, occur. There's little question that the committee supports, in concept, the idea of streamlining the ODS system and at the same time promoting a more competitive U.S. merchant marine in the foreign commerce. Yet, in this particular instance, the assumed savings are contingent upon variables outside the committee's control, and therefore are not incorporated into H.R. 1157.

The remainder of the dollar differences between the administration request and the committee bill have already been explained by the subcommittee chairman, the gentleman from New York, and I will not repeat them here.

I do admit to a certain sense of mystery as to why the Merchant Marine Subcommittee and the full Committee on Merchant Marine and Fisheries continue to insist upon reporting authorization bills with $3 million in fuel assistance funds for State maritime academy training vessels. Although this practice has become almost routine, I question its necessity when we in the Congress are fighting daily battles over deficit reduction measures while according to the Congressional Research Service, the five States in which the benefited academies are located show estimated end of fiscal year 1985 balances in their treasuries ranging from $22 to $985 million. Perhaps the Appropriations Committee will take notice during its deliberations.

Those reservations aside, Mr. Chairman, H.R. 1157 is responsible legislation worthy of Members' support, and I urge its adoption.

□ 1510

Mr. Chairman, I yield such time as he may consume to our ranking member of the full committee, the gentleman from New York [Mr. Lent].

Mr. LENT. I thank the gentleman for yielding time to me.

Mr. Chairman, it is a pleasure for me to rise on the floor of the House today in support of H.R. 1157, the maritime authorization bill. The chairman of our committee, the gentleman from North Carolina, Hon. Walter B. Jones, explained to my colleagues this legislation before us today, so I do not propose to go into great detail about the programs that would be funded under this bill.

I do want to indicate my support of this legislation. It was thoroughly studied by the chairman of our Merchant Marine Subcommittee, the gentleman from New York, Hon. Mario Biaggi, and our ranking member of the subcommittee, the gentleman from Kentucky, Hon. Gene Snyder. This legislation represents a bipartisan effort to address the needs of the Maritime Administration and the Federal Maritime Commission and the maritime industries that are dependent upon these two agencies.

The committee carefully considered the budget request of the administration and, with some exceptions, agreed that the President's budget was a realistic one for these maritime programs. Our committee did not accept three proposals that were suggested by the administration as a means of reducing the level of funding for the operating-differential subsidy program. I believe that the proposals which—according to the administration would save $36 million—need further study. Our reasons for not acting on these proposals is, quite simply, that the testimony received during our committee hearings and other supporting information do not confirm that, indeed, these savings would occur. The ideas appear to have some merit, but, in one case, at least, it is conceivable that reducing the funding level for operating subsidies could lead to bankruptcies for some vessel operating companies. If that occurred, it would require the Government to pay off guaranteed loans on vessels in amounts that could exceed any possible budget savings.

Even without making the program reductions proposed by the administration, this legislation is definitely financially responsible in the context of the economic problems that we have

before us. This bill authorizes almost $50 million less for the Maritime Administration than was enacted in fiscal year 1985, and approximately $685,000 less for the Federal Maritime Commission.

Mr. Chairman, I am pleased to support this legislation and urge all of my colleagues to do likewise.

Mr. SNYDER. Mr. Chairman, I have no further requests for time, and I yield back to the balance of my time.

Mr. JONES of North Carolina. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 1157

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are authorized to be appropriated for the use of the Maritime Administration for fiscal year 1986 as follows:

(a) for payment of obligations incurred for operating differential subsidy, not to exceed $335,084,000;

(b) for expenses necessary for research and development activities, not to exceed $9,900,000; and

(c) for expenses necessary for operations and training activities, not to exceed $70,812,000 including not to exceed—

(1) $34,500,000 for maritime education and training expenses, including not to exceed $19,318,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, $10,915,000 for financial assistance to State maritime academies, $3,000,000 for fuel oil assistance to State maritime academy training vessels, and $1,267,000 for expenses necessary for additional training;

(2) $9,047,000 for national security support capabilities, including not to exceed $7,748,000 for Reserve Fleet expenses and $1,299,000 for emergency planning operations; and

(3) $27,265,000 for other operations and training expenses.

Sec. 2. Funds are authorized to be appropriated for the use of the Federal Maritime Commission in the amount of $11,606,000 for fiscal year 1986.

Mr. JONES of North Carolina (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: page 2, line 6, strike "$70,812,000", and substitute "$71,967,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

Mr. JONES of North Carolina. Mr. Chairman, I ask unanimous consent that the remaining committee amendments be considered en bloc, considered as read, and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The text of the remaining committee amendments is as follows:

Committee amendments: Page 2, line 8, strike "$34,500,000", and substitute "$34,847,000";

Page 2, line 10, strike "$19,318,000", and substitute "$19,633,000";

Page 2, line 15, strike "$1,267,000", and substitute "$1,299,000";

Page 2, line 18, strike "$9,047,000", and substitute "$9,277,000";

Page 2, line 20, strike "$7,748,000", and substitute "$7,932,000";

Page 2, line 21, strike "$1,299,000", and substitute "$1,345,000";

Page 2, line 23, strike "$27,265,000", and substitute "$27,843,000";

Page 2, line 3, strike "$11,606,000", and substitute "$11,940,000";

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Walker: At the end of the bill, add the following new section:

"Sec. 3. All funds authorized by this act are hereby reduced by ten percentum."

Mr. WALKER. Mr. Chairman, I ask unanimous consent to change the word "all" in the amendment to "the."

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. JONES of North Carolina. Mr. Chairman, reserving the right to object, what was the unanimous-consent request?

Mr. WALKER. In the amendment where it says, "All funds authorized by this act," to make it, "The funds authorized by this act."

Mr. JONES of North Carolina. What would be the effect?

Mr. WALKER. In other words, it will allow more discretion in terms of the cuts that way. It is my intention to assure that the overall amount of funding in the bill is cut by 10 percent.

In talking to the gentleman from Kentucky, we felt that if I changed the word to "the," it will allow that kind of discretion and will assure that if this amendment passes, that we will not run into some of the problems that would be there that I did not intend for the committee to have.

Mr. SNYDER. If the gentleman will yield, the way the amendment is worded, it says "all funds," that it was going to introduce. It leaves it open, I think, to interpretation that if this amendment should be adopted, that the 10-percent cut would apply on each of the categories shown in the bill. Whereas, if you say "the funds," then you take the total and leave discretion to commissions as to where they would cut in the event it would be adopted.

I think that if it may be adopted, and if it is, then we are better off if they have discretion as to where they are going to take this money out of instead of each category having to take 10 percent. That is why I asked the gentleman to change the "all" to "the."

Mr. WALKER. Let me assure the gentleman from North Carolina that my intention is to give as much discretion as possible. It was worded in a way to assure that the committee priorities would be kept, and that as much discretion as possible.

The gentleman from Kentucky feels as though the language that I am suggesting in my unanimous consent would give more discretion and I am perfectly amendable to doing that if we can do it by unanimous consent.

Mr. JONES of North Carolina. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The text of the amendment, as modified, is as follows:

Amendment offered by Mr. Walker, as modified: At the end of the bill add the following new section:

"Sec. 3. The funds authorized by this act are hereby reduced by ten per centum."

Mr. WALKER. I thank the chairman.

Mr. Chairman, this amendment would amount to about a $42-million cut. Let me explain the reason why I have approached it this way.

The committee has, in fact, come to the floor with a bill that is responsible and it comes in below last year's spending levels; about $48 million below last year's spending levels. However, it is also a bill that exceeded the administration's request by about $48 million. This amendment would not recover the whole of that $48 million, but would recover a good portion of it by cutting 10 percent.

The reason for doing that, it seems to me, is simply that if we are going to do something about deficits, we have to do more than simply freeze along the way. We agreed in the last bill to a sense-of-the-Congress kind of freeze; we have had some other freezes before, but if we are really going to begin to cut into a $180- to $200-billion deficit, we have got to look at some of the places where the administration says that they can save additional money over what was being spent in the previous year.

So this particular amendment would allow us to get about $42 million additional in cuts in the spending for the

Maritime Administration, and therefore, it seems to me, would get us in line with what the administration says they need, and be something which I think is probably going to come closer to the Senate.

☐ 1520

In reading the administration's position on this bill, I understand that they were in support of the legislation; however, we are going to seek amendments in the Senate to get it closer to their appropriations level, and that is what this amendment does. It gets it closer to the appropriations level that the administration had originally suggested. So, therefore, I would urge my colleagues to accept this fairly simple but I think important amendment that would cut 10 percent out of the bill as brought forward by the committee.

Mr. GAYDOS. Mr. Chairman, I rise in opposition to the proposed amendment.

Mr. Chairman, regardless of what has been said as an explanation in the official record, there is always a question as to whether or not the proper interpretation or application of all funds or the funds will be made as suggested by the maker of the amendment.

Let us truly look at the impact of this amendment. A 10-percent cut would conceivably pertain to cargo preference, and in all truth, cargo-preference requirements affect neither the price that American farmers receive for their goods nor the price that overseas customers pay for these commodities. The cost differential between U.S. ships and foreign vessels is paid for by the American Government as part of a longstanding national policy of United States for the American maritime industry.

This is true in many, many other areas. We talk about the textile industry and talk, yes, about the coal industry, and the sugar problem we have in the country, and I can go on and on. All those directly and indirectly are involved. If you apply to one, you apply to the other.

What this amendment would do, and I suggest to you that there is a question as to what "all" and "the" funds means, is to have a severe and devastating effect on the U.S. merchant marine and would effectively penalize the U.S. fleet, what is left of the U.S. fleet.

According to recent figures from the U.S. Maritime Administration, the U.S.-flag dry bulk fleet, which virtually depends on preference cargoes for survival, now consists of only 21 vessels. Fortunately, it is a young fleet, with 11 ships of 4 years of age or less, and 19 of the 21 at 12 years or less. But even more, these new ships can carry more cargo tonnage and can operate with a smaller crew. Thus, the merchant fleet, what we have of it, with the help of the Seafarers' International Union, has been able to cut manning levels and lower wage structures to keep the fleet more competitive.

We have some fleet; better than nothing, but woefully ineffective and woefully low in numbers. Now we have this amendment which would and could possibly reduce the use of authorized funds, as I have already explained, to enforce cargo-preference requirements by at least 10 percent. This pertains to shipments of agricultural commodities and others:

The question that I think is reasonable to ask and which presents itself at this stage is: Is all the work that our maritime industry and the men and the various unions involved to go down the tube and be for naught? Are we telling another basic industry that is making an effort to compete in today's international world that we do not care?

The maritime industry is vital to this Nation. It fills an important defense need. It fills an important domestic need as well, and it is about time, I believe, that we in this body start making our actions known and our votes indicate that we do care and are concerned about our maritime fleet.

If we adopt this 10-percent amendment, we will be sending another signal to our shipbuilding industry and the other industries that service it, such as steel and areas of that nature, that we do not care what happens. Mr. Speaker, I do care, and I care as the chairman of the Steel Caucus executive committee in what we have done. I care for the merchant fleet. I care for the well-being and international competitive position of this country. We must defeat this 10-percent amendment.

Mr. BIAGGI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment. I am not sure that the gentleman who offered this amendment listened to what was said in the opening comments. I do not think he was on the floor. It is unfortunate, because the fact of the matter is, the Merchant Marine and Fisheries Committee works in a bipartisan fashion. Ours is to preserve and enhance the quality and quantity of the merchant marine industry, an industry that has seen poor days, an industry that has seen steady decline since World War II, where hundreds of thousands of jobs have been lost in the industry. If it were to be reflected across all of the ancillary industries, it would run into the millions. The gentleman from Pennsylvania [Mr. Gaydos] just made reference to his concern for the industry, as well as for the steel industry.

With the diminution of the maritime industry, with the reduction in our ability to compete, resulting in the disastrous consequence where our shipyards are not being occupied because any shipper cannot afford to build a ship in an American shipyard to compare with those built in foreign yards for the ability to transport cargo.

All we have seen, we have come upon woeful days and the administration, the President, has been very sympathetic. He passed the Shipping Act of 1985. He is mindful of the conditions of the maritime industry. He is trying to be helpful, and as a result, there is a bipartisan effort, especially in that committee. Rarely do we report out legislation that has not been ironed out, that has not been distilled and reconsidered so that when we bring it to the floor, we bring a product that both parties agree and all elements of the industry agree upon. For what purpose? To save the merchant marine, to save it. It is going down the tubes. Shipyards are going out of business. We have a 26-shipyard mobilization base that will be reduced even further. The gentleman from Massachusetts [Mr. Donnelly] just told me that two other shipyards will be closing up in Massachusetts in the very near future.

We read the articles, we hear the stories, we recognize the fact, we know what is happening, and yet we are not in a position to do anything about it. The most significant thing that has happened in a long time was the Shipping Act of 1985, and that happened over a 6-year period with the administration's support and with a bipartisan approach. This committee finally came up with a maritime authorization bill, no fiscal matters, no controversial matters, and reported a bill out that was 10 percent less than the appropriation for 1985. We have done the job. We have been prudent. We have recognized the need, even on a fiscal basis.

We should be having more money come into the maritime agency. We should have more money coming into the maritime industry, not less, but we recognize the exigencies of the day, so we do respond in a responsible fashion, and then we are victimized with the 10-percent dogma doctrine, and that is what is it. It is a 10-percent dogma doctrine. Everything that comes up must be cut by 10 percent.

I am not even going to try to give you a case for building more money, but let me tell you, certainly this amendment should be rejected out of hand—out of hand.

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Mrs. BENTLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I support all of the statement of my colleague, the gentleman from New York [Mr. Biaggi], who emphasized the need for the American merchant marine today and the need to support this industry as much as possible.

This industry has suffered a great deal already, and it can ill afford to incur any more losses or we are going to have another very important industry disappear totally from our country.

We need a presence on the high seas. It is important that the American flag is out there. It is important not only to insure our shippers that vessels will be available when they need them but also to sell the United States of America. This is important. We need these ships to be available should an emergency arise. We are spending billions for the Defense Department, and yet our defense must be backed up by merchant vessels should an emergency arise. Of course, we pray to God that we never have to prove this.

The maritime industry is an important basic industry in the United States of America. We are losing enough of our industrial base as it is, and this is one that cannot suffer any more. I am very supportive of it. I oppose this amendment, and I hope it is defeated.

Mr. GAYDOS. Mr. Chairman, will the gentlewoman yield?

Mrs. BENTLEY. Yes; I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, I wish to go on record to commend the gentlewoman and her committee, and I think it is imperative that we emphasize at this point in the Record that here we have a responsible committee taking the time and the effort, based upon its experience, to make a 10-percent cut already and do it in good conscience.

But then we have an amendment, an irresponsible amendment, presented on the floor by a Member who is not a member of the committee and by a Member who is following almost a perfunctory type of amendatory process.

Mr. Chairman, I think it behooves all of us to take a look at that amendment and give recognition to the committee for its responsible work. I want to congratulate the gentlewoman from Maryland [Mrs. Bentley] and urge that we defeat this amendment resoundingly.

Mrs. BENTLEY. Mr. Chairman, I thank the gentleman. The committee did work very carefully, going over the budget, and came up with the amount. I just again want to emphasize that I do oppose the amendment.

AMENDMENT OFFERED BY MR. JONES OF NORTH CAROLINA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. WALKER, AS MODIFIED

Mr. JONES of North Carolina. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Jones of North Carolina as a substitute for the amendment offered by Mr. Walker, as modified: At the end of the bill add the following new section:

"Sec. 3. No funds authorized by this Act may exceed the amounts appropriated for the programs and operations of the Maritime administration and the Federal Maritime Commission for fiscal year 1985; *Provided*, That this section shall not be construed to increase any authorization in other sections of this Act".

Mr. JONES of North Carolina. Mr. Chairman, this is a real freeze amendment. This language is exactly the language that has been used on four or five other authorization bills, that no funds authorized by this act may exceed the amounts appropriated for 1985, et cetera.

I only ask that this committee, which came here today in good faith with an almost 10-percent reduction, be treated in the same manner as other committees have in the authorization process. We feel that this is truly a freeze amendment. We can go a step further and insure that should, by some mathematical miracle, the freeze section would be increased, we even eliminate that.

So, Mr. Chairman, I submit to those Members on the floor, as well as to those at their TV sets, that this is indeed a true freeze amendment to the maritime authorization bill.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I am delighted to yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I wish to commend the gentleman and join in the language of the gentlewoman from Maryland [Mrs. Bentley] in support of the gentleman's amendment.

The committee has worked very hard on this bill, and as the gentleman has pointed out, the committee has already cut 10 percent from the fiscal year 1985 appropriation and this bill is over $48 million less than the fiscal year 1985 budget.

So the cutting has already been done. The freeze is already in there. To go back and cut another 10 percent on top of the 10 percent that the committee has already cut, I think would really get down into the bone and the sinew of our Nation's Ready Reserve Force and the U.S. sealift capacity. Certainly it would cut back on both the State and the Federal maritime academies, and it would be going too far.

Mr. JONES of North Carolina. Mr. Chairman, I thank the gentleman for his support.

PERFECTING AMENDMENT OFFERED BY MR. WALKER TO THE AMENDMENT OFFERED AS A SUBSTITUTE BY MR. JONES OF NORTH CAROLINA FOR THE AMENDMENT OFFERED BY MR. WALKER, AS MODIFIED

Mr. WALKER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. JONES of North Carolina. Mr. Chairman, may we have a copy of that, please?

Mr. WALKER. I just wrote it. It is the same thing over again.

Mr. JONES of North Carolina. The same what over again?

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Perfecting amendment offered by Mr. Walker to the amendment offered as a substitute by Mr. Jones of North Carolina for the amendment offered by Mr. Walker as modified.

"Sec. 3. The funds authorized by this Act are hereby reduced by 10 per centum.

Mr. SNYDER. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Kentucky [Mr. Snyder] reserves a point of order on the amendment and the gentleman from Pennsylvania [Mr. Walker] is recognized for 5 minutes in support of his amendment.

Mr. WALKER. Mr. Chairman, if we were to adopt the substitute amendment offered by the gentleman from North Carolina, what we would in effect be doing is adding about $50 million to the bill that the committee brought out here.

We just heard a discussion a few minutes ago about how responsible the committee had been on all of this, and now the committee is coming out and saying that is somebody is going to offer a 10-percent cut, then, by golly what are we going to do is we are going to go back up to the freeze level and we are going to add $50 million to what we brought out on the floor.

It does seem that is exactly what we ought to be doing in the work of a Congress that is aimed at trying to do something about deficits. I explained earlier when I came to the floor that indeed this was a cut below the committee's authorizing level that was in its bill. I said I thought the committee has been responsible, but the administration says that they can get along with about $48 million less than what the committee has come up with. They said they were going to try to get that position taken in the other body. All I am trying to do is to get this body to recognize that fact and work toward a real cut in this program beyond the cut that the committee has already had for 1985.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. If the gentleman will just wait a minute until I finish my presentation, I will be very glad to yield to the gentleman.

This gentleman feels that the most responsible course of action for this Congress is to begin the process of not only freezing at 1985 levels but getting below 1985 levels wherever we can. This committee started that process by bringing its bill to the floor. I think we can take it further based upon the administration's projections.

That is what I am attempting to do. It seems to me that is responsible and responsive to what I hear my constituents telling me every week when I go home. I have got to say that if I tell my constituents that what we are trying to do is save an extra $40 million out of the Maritime Administration, most of them will think that is a place where we can probably find $40 million in order to do it.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I will be very glad to yield in a moment when I finish my explanation.

Mr. Chairman, all my amendment that I have offered does is it gets back to the original language that I offered so we can get a vote on whether or not this House wants to reduce an additional 10 percent. That is all this amendment does. It just assures us that we get a vote on whether or not we are going to go 10 percent below what the committee brought out.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am very glad to yield to the gentleman from New York, and then I will yield to the gentleman from Pennsylvania and the gentleman from North Carolina.

Mr. LENT. Mr. Chairman, the gentleman from New York is frankly confused by this particular amendment to the amendment that the gentleman is offering.

It is my understanding that when the gentleman offers a freeze amendment, he seeks to freeze at the level of authorization at the 1985 appropriation level?

Mr. WALKER. That is right.

Mr. LENT. Is that not correct? Is that not the kind of freeze the gentleman has traditionally offered?

Mr. WALKER. Traditionally, that has been the case, but the gentleman may remember that on a number of occasions I have come to the floor and explained that I think that we ought to go for a freeze or for the administration's budget, whichever is lower.

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In this case the administration is lower, so we ought to go for that figure.

Mr. LENT. Well, in this case, the amendment offered by the gentleman from North Carolina is very similar, if not identical, to the usual garden variety amendment offered by the gentleman from Pennsylvania in that it would de facto freeze the level for the Maritime Administration at 1985 appropriation levels.

What the gentleman from Pennsylvania is seeking to do by this device is to cut even deeper by some 10 percent than the 1985 appropriation level; is that correct?

Mr. WALKER. Yes; that is exactly right.

Mr. LENT. So I understand it right then?

Mr. WALKER. Yes; that is right.

Mr. LENT. So this is not a freeze. This is a freeze less another 10 percent.

Mr. WALKER. The gentleman is absolutely correct.

As I said to the gentleman, the important thing here to recognize is that we ought to be using the freeze as a device to bring down spending levels, not raise spending levels.

You know, there is an attempt around here to write off the administration's budget and then say the administration is irresponsible for all these budget deficits they have.

I hear time and time again about the President's deficit. Well, the President has come in here and said here is an area where we can save.

I am trying to get us to go below that freeze level to come up with those savings that the President says we can achieve; so indeed, that is below the freeze, but I would tell the gentleman that in 1985 when we had the budget that we want to freeze at, we had $170 billion to $180 billion in deficits. We have to get those down some, too; so I am trying to get below that figure. And this is one place where we can attempt to achieve that.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. Walker was allowed to proceed for 2 additional minutes.)

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be happy to yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Chairman, I am not sure the gentleman read the substitute amendment clearly. The gentleman talks about we are coming in the back door with increases.

No, sir; this is a true freeze, consistent with all the action we have taken with previous authorization bills.

We even go a step further to allay the fears of the gentleman, or perhaps at least try to.

It says, "Provided, this section shall not be construed to increase any authorization in other sections of this Act."

What more does the gentleman want?

Mr. WALKER. Well, the gentleman has brought in a freeze amendment. The freeze is about $90 million over what the administration requested.

My attempt is to get us down toward the administration's request, rather than back up to the 1985 request; so my amendment is aimed at getting us down toward that administration request and the gentleman's amendment, as I understand it, moving toward a freeze, moves us further away from the administration.

Mr. JONES of North Carolina. On the contrary, is it not true that the figures, if analyzed correctly, show that the amendment of the gentleman from Pennsylvania would invoke a 20-percent decrease, a cut in the authorization?

Mr. WALKER. From the 1985 levels, that is correct; but it would still not be as much a freeze——

Mr. JONES of North Carolina. Why did the gentleman not offer such an amendment in other authorizations?

Mr. WALKER. Well, in fact, I have offered such amendments on some other bills. When we had bills coming out of my Science and Technology Committee, I would say to the gentleman, I have offered amendments to bring it down to the administration levels that were below the freeze levels; so I would say to the gentleman that I have tried on those occasions to bring the spending underneath the freeze levels where the administration had less spending.

I think that is necessary. We are not going to deal with deficits simply by wishing them away and here is one place where we can begin the process of really reducing; so a 20-percent cut here may in fact be a very worthwhile cut, particularly since that is what the administration thinks that it can operate with in this particular fiscal year.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding.

By the gentleman's own admission, he is saying that his amendment would in effect bring about a 20-percent cut.

Mr. WALKER. Yes; that is less than the administration had. The administration had about a 25-percent cut.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

(At the request of Mr. Biaggi, and by unanimous consent, Mr. Walker was allowed to proceed for an additional 2 minutes.)

Mr. BIAGGI. Mr. Chairman, will the gentleman yield further?

Mr. WALKER. I am happy to yield to the gentleman.

Mr. BIAGGI. But whether the administration requested a 25-percent cut, the fact is that the gentleman's amendment would bring about a 20-percent cut. I think it is important for all Members to understand that, a 20-percent cut, not even 10 percent.

Understand, this committee has functioned in a very prudent manner in an area that is very, very critical. Notwithstanding the need for additional moneys, we have functioned on a bipartisan basis and we crafted this legislation to come in with a moderate proposal.

We are prepared to accept a freeze resolution. The chairman of the full committee, the gentleman from North Carolina [Mr. Jones], is offering that, a freeze, the type of freeze resolution that has been applied to many, many other committees.

Now, the gentleman from Pennsylvania [Mr. Walker] has offered an amendment that would bring about not 10, but 20 percent.

Mr. WALKER. Well, let me say to the gentleman that the amendment that I have offered which is at the desk right now is a 10-percent cut on the bill that was brought to us by the committee.

Now, if the gentleman wants to characterize that as a 20-percent cut over last year, I would simply say to the gentleman that it is still at a spending level above what the administration says they need.

Now, I realize that here in Congress we like to spend money. That is one of the problems we have got around here. Then we like to blame it on the President when we do it, and that is just about what we are in the process of doing here again, is the fact that when someone proposes to cut, that is called irresponsible because we are getting far too deep in our cuts. We have got to get deep in some cuts around here. We have got to do a few things about ending the spending machine in this body or we are in big, big trouble.

The fact is the American public already knows we are in big, big trouble, with $200 billion deficits.

All this gentleman is asking is that we cut out in this bill around $80 million to $85 million. Somehow I do not think that is a tremendous sacrifice to have to make, given the magnitude of the problem we face nationally.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield further?

Mr. WALKER. I would be glad to yield to the gentleman.

Mr. BIAGGI. I would like to get something straight.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

(At the request of Mr. Biaggi, and by unanimous consent, Mr. Walker was allowed to proceed for an additional 2 minutes.)

Mr. BIAGGI. The gentleman makes reference to Members talking about the budget as the President's budget deficit. I can assure the gentleman that this gentleman has never attributed the deficit to the President, because we all know it is the sum total of many years of extravagance, if you will; so I do not know that any members of this committee have taken similar positions.

Mr. WALKER. Let me say to the gentleman, I said that is simply the case on the floor. Constantly in the 1-minute speeches we hear it referred to that way.

This gentleman does realize that most of the time that comes from his side of the aisle, but I would agree with the gentleman, I have never heard him make such a statement.

Mr. BIAGGI. Well, I think that is a significant point.

The fact is by the gentleman's own admission he has qualified it, whether it is 10 percent or 20 percent, but by the gentleman's own admission the net effect of the gentleman's amendment to this very moderate resolution, this authorization bill, is that there will be a 20-percent cut.

Mr. WALKER. I have not qualified anything, I would say to the gentleman. The amendment is at the desk and reads a 10-percent reduction in what the committee brought forward. I do not qualify that. That is exactly what I am offering. It is a 10-percent reduction in the committee bill and that results in a savings over what the committee brought to us of $41.7 million. I happen to think that is probably affordable and it is certainly in compliance with what the American public keeps saying time and time again that they want us to get our spending priorities in order. That is what I am attempting to do here.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I think this debate has been very illuminating because it demonstrates that in the case of this particular committee, the Committee on Merchant Marine and Fisheries, the committee already cut 10 percent from the 1985 appropriation level; so we did our job in the committee.

The committee put out, not a freeze, but 10 percent below the 1985 appropriation level.

Then the gentleman from Pennsylvania comes along and would cut another 10 percent on top of that 10 percent, resulting in what the gentleman from New York [Mr. Biaggi] has properly calculated to be in effect a 20-percent cut below the 1985 appropriation.

Mr. WALKER. All I said to the gentleman is that the committee's reaction to that is to come back with a freeze amendment, that in effect if we accepted a true freeze would be instead of accepting a 10-percent cut, goes for a 10-percent increase over the bill that they brought to the floor.

Now, I do not think that is exactly in line with what I hear the gentleman telling us that we ought to do.

Mr. LENT. That is not correct. That would have been the case with respect to the amendment of the gentleman from North Carolina had it not had the last paragraph——

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

(At the request of Mr. Lent, and by unanimous consent, Mr. Walker was allowed to proceed for 2 additional minutes.)

Mr. LENT. The last clause of the gentleman's amendment, which starts with the words, "Provided, that this section shall not be construed to increase any authorization in other sections of this Act."

So that preserves that language. The 10-percent cut below the 1985 appropriation level that the committee worked out after months of deliberations, hearings and hard work, and for the gentleman to come along and reward the committee which has worked so hard and come down 10 percent below the 1985 authorization level with another cut, 10 percent on top of that 10 percent, I really think erodes, and I have generally supported the gentleman's freeze amendments, but I think it erodes the integrity of the gentleman's efforts thus far.

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I would hope that the gentleman might reconsider his amendment.

Mr. WALKER. I thank the gentleman.

I would simply say to the gentleman that there are many times on this House floor where we have decided to do things differently from what the committees did. We do that all the time with science and technology bills. We have had several science and technology authorizations that we worked very hard on in the Science and Technology Committee too, and the House decided they were going to change our work. That is not unusual around here.

I think that we have an obligation to look at things in a more general sense rather than some of the interests that the committees reflect. Here we are simply deciding whether or not we are going to spend the additional money or save the additional money, and that is what my amendment is aimed at doing.

Mr. GAYDOS. Will the gentleman yield to me?

Mr. WALKER. I will be glad to yield.

Mr. GAYDOS. I appreciate my good friend yielding. I am a little confused. The gentleman talked about the 10-percent cut as affected by the committee, called the committee a responsible committee. I think it would be basically essential that we spread upon the record right here as to why the gentleman feels that a 10 percent responsible cut is not responsible enough. Is it because he is following the administration's suggested budget?

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. Walker] has again expired.

(On request of Mr. Gaydos and by unanimous consent, Mr. Walker was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. Or is there an authenticity in the gentleman's amendment? I did not do it frivolously earlier when I suggested that we just cannot in a perfunctory manner offer amendments 10 percent here and 10 percent there. It is only fair to the committee that has jurisdiction if the committee system is going to survive in this House, and I think it has justification for surviving, and if it is I think the gentleman has to back it up with facts.

Mr. WALKER. I would say to the gentleman one of the problems we have with the committee system around here, though, is that the committee system was created as a way of helping facilitate what happens on the floor, but it has now come to the point where we are using the committee system to dominate what happens on the floor by coming out and saying that, "We, the committee, decide, so you have to accept it."

I do not agree with that. I think 435 Members of Congress were elected to this body to do the general job of listening to their committees on specifics but also deciding where the committees have gone wrong.

In this case the administration indicates that they can administer the programs under this authorization for less money than the committee is indicating it wants to give. I am simply saying that if the administration can do the job for less, let us give them a change. Let us give them the opportunity to do the job for the money that they say they need to spend rather than overspending here in the House of Representatives.

The CHAIRMAN. Does the gentleman from Kentucky [Mr. Snyder] insist on his point of order?

Mr. SNYDER. No, I do not, Mr. Chairman.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the perfecting amendment.

Mr. Chairman, I do not serve on the Merchant Marine and Fisheries Committee. I have great respect for the chairman, the gentleman from North Carolina [Mr. Jones], and for the gentleman from New York [Mr. Biaggi], and I find it a very, very enlightening debate. It just happens that it falls on the authorization bill of this committee.

The gentleman who is offering the perfecting amendment, which in essence cuts 10 percent more from an already 10 percent cut below the 1985 level done by the committee, the gentleman talks about this is where we can save money, and this is what the administration wants to do.

How interesting. It it not interesting that this administration, which wants to save this money, proposed a budget which had a level of funding which the gentleman from Pennsylvania wants to get to for this particular authorization, that that very administration budgeted a deficit of $185 billion? This is where we are going to save the money.

We think we can save the money.

They are peddling heifer dust to the American public and the gentleman from Pennsylvania is one of the leading purveyors. They do not think they are going to save any money. They are going to save money from this program so they can put it somewhere else, into their priorities. It does not save the American public one single dime. And as soon as the people of this country begin to understand that fact, maybe we will be able to deal more effectively on this floor.

I do not have any problem with the gentleman from Pennsylvania offering amendments to cut. I have even supported some of those where they were rational and appropriate, where the committees may have been a little bit too zealous in their effort to fund their own jurisdiction.

But here is a committee that have never been assaulted for being overly, overly expansive in terms of the money they deal with for a program that is so extremely important to the defense, to the economic well-being of this country. And it is in such poor condition. And the gentleman from Pennsylvania would have us believe that the administration in caressing it is helping it rather than killing it.

A 20-percent cut off last year will not, in fact, bring this industry to its life. It will bring it to its knees.

Is there anybody that wants to see the maritime industry in this country destroyed? Is there anybody that wants to see all of the other programs that have these cutting amendments attached to them destroyed?

We can use some good sense. We can use some good common sense. We can use some cutbacks on programs and reduce some of the things that we have done over the years. We all agree. The problem is going to be where.

But when a committee comes out with a responsible program, and again I have no pride of authorship, I do not even sit on that committee, but I am aware of the work that the maritime industry does, that the maritime industry in this country is performing, and the condition that it is in. And even if you are not from a port State, or even if you are not from a State where the maritime industry is extremely important, you know the relevance, all of my colleagues know the relevance of a maritime industry and this authorization bill to the economic well-being of this country.

We need to set the priorities. The gentleman from Pennsylvania has a right to try to cut, but he does not have a right to lecture us that this is where the administration wants to save money, because the administration ultimately is spending more than any of us want to be spending. They are just taking the savings from the left pocket and putting it into the other pocket so that they can spend it somewhere else.

That is the reality of what is going on. I urge you not to undo the balance between cutting and fiscal responsibility and dedication to the industry that this committee has crafted on this one.

This is an important issue. It is going to be debated over and over on different authorization bills as they come up, including the committees of jurisdiction on which I serve.

But this is only a beginning. If you keep wanting to cut to the level of the administration on all of these you are going to be seeing severe cuts. But remember, ultimately you will not save a dime, folks, because that money from those cuts is programmed into other things. And that is definitely wrong and the American public ought to know that.

I urge you to reject this amendment on the grounds that it is wrong and on the grounds that it sets a terrible precedent for this House to establish.

The CHAIRMAN. The time of the gentleman from Florida [Mr. Smith] has expired.

(On request of Mr. Gaydos and by unanimous consent, Mr. Smith of Florida was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield.

Mr. GAYDOS. I hesitated to stand because I think the gentleman's argument is so crystal clear. I want to congratulate the gentleman. He has put the problem just as it exists. I think his analysis is cutting and goes right down to the core of the problem. I think he properly points out where the righteousness of the argument lies.

This is a responsible committee that has already made a 10-percent cut. When my colleague from Pennsylvania [Mr. Walker] was in the well he mentioned the fact that he was worried, and we were going to be concerned. I think we have a worry and we do have a concern, but it is for the merchant marine that is almost nonexistent in this country today.

I am not talking about how many ships we had or did not have. We have substantially less than 500 ships in this great maritime Nation of ours.

Somebody, somewhere, somehow, under some circumstances is going to have to take a look at this problem. And I think the Committee on Merchant Marine and Fisheries has and I think the gentleman explained it so clearly.

Mr. SMITH of Florida. Let me reclaim my time to say one thing in closing.

The CHAIRMAN. The time of the gentleman from Florida [Mr. Smith] has again expired.

(By unanimous consent, Mr. Smith of Florida was allowed to proceed for 1 additional minute.)

Mr. SMITH of Florida. One of the hallmarks, one of the key words of this administration has been, and I have heard it in my own committees, "We are going to do more with less." Ladies and gentlemen, you do not do more with less, not given the circumstances as we see them today.

It would be a great thing for this country to be able to reduce its spending and to keep getting better and better efficiency out of every program we have. Unfortunately, we know we cannot squeeze some of the programs like that. This is a perfect example. We are already cutting into and below last year's authorization level on this bill.

□ 1600

You go beyond that, you are not going to just be cutting money, you are going to be killing a whole industry.

Mr. Chairman, I yield back the balance of my time.

Mr. DANNEMEYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the clarification amendment offered by my colleague from Pennsylvania [Mr. Walker]. I had not intended to speak on this matter. I am not a member of the Policy Committee. I would like to congratulate the members of the committee for the work product that they have brought to the floor. They are moving in the direction that the people of this country want us to move by bringing a bill that authorizes 10 percent less than was appropriated in 1985. That, to me, is a constructive alternative to take. But in this issue we have got that classic illustration that confounds us all, indeed has got this whole institution tied up in a knot.

When we look at this program in isolation we can say with every justification it makes sense to do what the committee has suggested because they have far more knowledge of the need than the rest of us. I accept that.

But the problem we have, my friends, is something we all know: We have a deficit that just boggles the mind to even think about. How much evidence do we need to bring to our collective attention that this country is in a serious crisis over the issue of overspending? In this morning's paper the second savings and loan in Maryland is in deep trouble.

What is happening? The Federal Reserve Board, the national banker of last resort, Mr. Volcker, has said the Fed will assist them. How many savings and loans in America can the Federal Reserve Board assist? I do not think we have got enough money in Christendom to save all the savings and loans in America.

So we who are the policymakers, who set the spending levels for this country through the Congress, have got to make up our minds whether we can remove ourselves from the narrow stricture of just this program to the broad picture.

I admit that is tought to do. I would submit to my colleagues that if the people of this country had the option of voting for a 20 percent cut on all of the programs of the Federal Government that they would vote "aye" by about two to one, because that, incidentally, would come close to balancing the budget, by cutting spending and not raising taxes.

So when you ask this Member from California about cutting this program by 20 percent, roughly, from what was spent last year, I am not bothered a bit. I am encouraged that the administration has the courage to come here and recommend to Congress that we cut this program by that amount. We all know the game: "Blame it on the President. He is spending all this money."

Well, here is the opportunity for we in Congress to suggest that we have a measure of responsibility by accepting the recommendation of our President for authorizing $368 million, even though $465 million was appropriated last year.

Now I admit that is a significant cut, but I encourage my colleagues to look at the broader picture and I hope we will have the intestinal fortitude to adopt this clarification amendment.

Mr. JONES of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have been here on this amendment for, I reckon, an hour or so, on the various amendments. I am surprised to learn the strength of the maritime profession, so that they can balance the budget, that they are responsible for American savings and loans' conditions and so forth and so on. But on a more serious note we have before us this afternoon a choice: Are we going to treat each and every committee in the same manner, out of the same spoon?

All we are asking is that you let us offer the freeze language, and I repeat, the pure freeze language that has been adopted by every single other authorizing committee that has been on this House floor during this calendar year, that is all we are asking.

We go a step further to provide that even in so doing that no authorization can be increased by virtue of this action above that which the freeze provides for.

Bear in mind the freeze carries with it a built-in 10-percent reduction.

Now, the gentleman from Pennsylvania, in good faith I am sure, and he almost convinced me at one time but not quite, he comes up with an additional 10 percent.

Now, here again, and in closing on behalf of the committee of which I am very proud, it is a hard working committee; the minority and the majority get along very well together.

We come to the floor unified, not with amendments fighting one another.

So I ask you to consider where we are and what we are doing.

The first vote, if we ever get around to voting, will be on Mr. Walker's 10-percent additional cut.

If that is defeated, and I beg and plead with the Members to defeat that amendment, then the next vote will be on the committee language which is an amendment offered by the committee to the original Walker amendment and in that instance the second vote I hope and plead that it will be successful.

So with that, Mr. Chairman, I do not have much more to say. We have made a good case. We have come in with a good, clean bill, one that showed strength and showed proper care and concern about the deficit.

So with that, asking for a "no" vote on the first Walker motion, a "yes" vote on the committee substitute, with that I yield back the balance of my time.

Mr. CARNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I stand opposed to the Walker amendment.

Mr. Chairman, I have a unique position inasmuch as I serve on the Subcommittee of Merchant Marine and the Subcommittee of Naval Seapower.

So I look at this from the standpoint of two committees, two committees that are very, very important to our national defense. I think it would be somewhat imprudent to support the Walker amendment at this period of time. I would like to remind the Members of this body that it was in 1790 the President of the United States, our first President, George Washington, addressed this Congress and told this Congress they should, at all price, avoid the embarrassment of relying upon foreign shippers for our commerce and agriculture.

With that advice rendered to this Congress in 1790, is an important day as it was then. There is no reason whatsoever that of all the commerce that goes back and forth over the oceans of the world from the United States that our flagships only carry 4 percent of it. There is no reason at all that we had a merchant marine of 5,500 vessels in 1946 and we are now below 500 vessels.

Ladies and gentlemen, Mr. Chairman, the security of our Nation rests with the fact that we have a merchant marine to support our armed services. We at this point in time, I suggest, are at a crossroads. We have to go forward, we have to strengthen our capability, we have to increase and improve our flagships that we have today.

We can ill afford to let this reverse. These cuts would affect the Federal Maritime Academy, these cuts will affect the six State maritime schools. We cannot afford to do that.

In times of crisis is not the time that we go forward to try to train young men and women to command the ships at sea; you can ill afford to do that at that period of time. We have to be prepared.

☐ 1610

And if we were to cut this budget any further, we would perhaps have to close some of the State schools. We have already cut the enrollment at the Federal Maritime Academy 20 percent. We can ill-afford to do that, ladies and gentlemen.

This is a question of national security. This is a question of being able to conduct our commerce within the international community. This is not a question of budget. Ladies and gentlemen, I submit to you any further cuts would affect our ability to conduct commerce and would have an adverse effect on our economy, but more than that, any further cuts would make it necessary for us as a Nation to take this function over by our Navy. I am not in this well suggesting we should do that, but my God, we have to have the ships to support our security needs.

If we do not have them in the free enterprise system, then soon we will have to rely upon the Navy to provide them.

I suggest very strongly that we reject the Walker amendment, we go with the Jones amendment, and we pass this bill.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Pennsylvania [Mr. WALKER] to the amendment offered by the gentleman from North Carolina [Mr. JONES] as a substitute for the amendment offered by the gentleman from Pennsylvania [Mr. WALKER], as modified.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 100, noes 318, not voting 16, as follows:

[Roll No. 111]

AYES—100

Archer
Armey
Badham
Bartlett
Barton
Bereuter
Bliley
Boulter
Brown (CO)
Broyhill
Burton (IN)
Cheney
Coats
Cobey
Coble
Coleman (MO)
Combest
Courter
Crane
Dannemeyer
Delay
DeWine
Dorgan (ND)
Dornan (CA)
Dreier
Eckert (NY)
Fiedler
Gekas
Gingrich
Goodling
Gradison
Grotberg
Gunderson
Hammerschmidt
Hansen
Hendon
Hiler
Hillis
Hyde
Ireland
Jacobs
Johnson
Kasich
Kastenmeier
Kolbe
Kramer
Lagomarsino
Latta
Leach (IA)
Lewis (FL)
Lightfoot
Lungren
Mack
Madigan
Marlenee
Martin (IL)
McCain
McCandless
McCollum
McEwen
Meyers
Miller (OH)
Monson
Moorhead
Myers
Nielson
Nowak
Oxley
Packard
Pashayan
Petri
Porter
Regula
Ritter
Rogers
Roth
Rowland (CT)
Rudd
Schroeder
Sensenbrenner
Sharp
Shumway
Shuster
Slaughter
Smith (NE)
Smith (NH)
Smith, Denny
Spence
Stenholm
Stump
Swindall
Tauke
Taylor
Walker
Weber
Whittaker
Wirth
Wylie
Young (FL)
Zschau

NOES—318

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barnes
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Berman
Bevill
Biaggi
Bilirakis
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chapple
Clay
Clinger
Coelho
Coleman (TX)
Collins
Conte
Cooper
Coughlin
Coyne
Craig
Crockett
Daniel
Darden
Daschle
Daub
Davis
de la Garza
Dellums
Derrick
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Emerson
Erdreich
Evans (IA)
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Franklin
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Henry
Hertel
Hopkins
Horton
Howard
Hoyer
Hubbard
Hughes
Hunter
Hutto
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
MacKay
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McGrath
McHugh
McKernan
McKinney
McMillan
Mica
Michel
Mikulski
Miller (CA)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Parris
Pease
Penny
Perkins
Pickle
Price
Pursell
Quillen
Rangel
Ray
Reid
Richardson
Ridge
Rinaldo
Robinson
Rodino
Roe
Roemer
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schuette
Schulze
Schumer
Seiberling
Shaw
Shelby
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NJ)
Smith, Robert
Snowe
Snyder
Solarz
Spratt
St Germain
Staggers
Stallings
Stangeland
Stokes
Strang
Stratton
Studds
Sundquist
Sweeney
Swift
Synar
Tallon
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitehurst
Whitley
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Yates
Yatron
Young (AK)
Young (MO)

NOT VOTING—16

Addabbo
Conyers
Edwards (OK)
English
Evans (IL)
Fowler
Frenzel
Holt
Huckaby
O'Brien
Pepper
Rahall
Roberts
Solomon
Stark
Udall

☐ 1620

Messrs. HUNTER, FEIGHAN, and YATES changed their votes from "aye" to "no."

Mr. COATS and Mr. DELAY changed their votes from "no" to "aye."

So the perfecting amendment to the amendment offered as a substitute for the amendment, as modified, was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. JONES] as a substitute for the amendment offered by the gentleman from Pennsylvania [Mr. WALKER], as modified.

The amendment offered as a substitute for the amendment, as modified, was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER], as amended.

The amendment, as amended, was agreed to.

☐ 1630

The CHAIRMAN. Are there further amendments to be offered?

If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. BROWN of California] having assumed the chair, Mr. SAM B. HALL, Jr., Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1157) to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Transportation and the Federal Maritime Commission, pursuant to House Resolution 157, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 371, nays 46, not voting 17, as follows:

[Roll No. 112]

YEAS—371

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Badham
Barnard
Barnes
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chapple
Clay
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Cooper
Coughlin
Courter
Coyne
Crockett
Daniel
Darden
Daschle
Daub
Davis
de la Garza
Delay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Emerson
Erdreich
Evans (IA)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Franklin
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Ireland
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Mack
MacKay
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Packard
Panetta
Parris
Pashayan
Pease
Penny
Perkins
Pickle
Porter
Price
Pursell
Quillen
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schuette
Schulze
Schumer
Seiberling
Sharp
Shaw
Shelby
Shumway
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith, Robert
Snowe
Snyder
Solarz
Spence
Spratt
Staggers
Stallings
Stangeland
Stenholm
Stokes
Strang
Stratton
Studds
Sundquist
Sweeney
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitehurst
Whitley
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

NAYS—46

Archer
Armey
Bartlett
Barton
Brown (CO)
Broyhill
Cheney
Cobey
Coble
Combest
Craig
Crane
Dannemeyer
Dornan (CA)
Dreier
Edwards (OK)
Gekas
Hansen
Jacobs
Kastenmeier
Kramer
Latta
Leach (IA)
Lightfoot
Lungren
Madigan
Martin (IL)
Monson
Nielson
Oxley
Petri
Roth
Rudd
Schroeder
Sensenbrenner
Shuster
Smith (NE)
Smith (NH)
Smith, Denny
Stump
Swindall
Tauke
Walker
Weber
Whittaker
Yates

NOT VOTING—17

Addabbo
Bonker
Conyers
English
Evans (IL)
Fowler
Frenzel
Holt
Huckaby
O'Brien
Pepper
Rahall
Roberts
Solomon
St Germain
Stark
Udall

☐ 1640

Mr. ARCHER and Mr. DORNAN of California changed their votes from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1626

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that my name be deleted as a cosponsor of H.R. 1626, the Asbestos Workers Compensation Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

☐ 1650

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 778

Mr. MILLER of Ohio. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of the bill, H.R. 778.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SOCIAL SECURITY MINOR AND TECHNICAL CHANGES ACT OF 1985

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the pending business is the question of suspending the rules and passing the bill, H.R. 2005, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. Rostenkowsi] that the House suspend the rules and pass the bill, H.R. 2005, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 413, nays 0, not voting 21, as follows:

[Roll No. 113]

YEAS—413

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Barnard
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
Delay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
Erdreich
Evans (IA)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Franklin
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rangel
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

NAYS—0

NOT VOTING—21

Addabbo
Barton
Bonker
Conyers
English
Evans (IL)
Fowler
Frenzel
Holt
Huckaby
Jones (NC)
Kemp
O'Brien
Pepper
Rahall
Ray
Roberts
Seiberling
Solomon
Stark
Udall

□ 1700

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 1555, INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1985

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 140 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 140

Resolved, That at any time after the adoption of this resolution, the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1555) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and the Agricultural Trade Development and Assistance Act of 1954, to authorize development and security assistance programs for fiscal year 1986, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of section 303(a)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. After general debate, which shall be confined to the bill and to the amendment made in order by this resolution, and which shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Foreign Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered for amendment by titles instead of by sections and each title shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI and clause 5(a) of rule XXI are hereby waived. Debate under the five-minute rule on the bill and on said substitute, except for consideration of the amendment provided for in the succeeding sentence, shall be limited to a total of ten hours of debate. After the bill has been considered for amendment in its entirety and all other amendments have been disposed of, it shall be in order to consider an amendment in the nature of a substitute printed in the Congressional Record of April 24, 1985, by, and if offered by, Representative Broomfield of Michigan. Said amendment shall not be subject to amendment but shall be debatable for not to exceed two hours, to be equally divided and controlled by Representative Broomfield and the chairman of the Committee on Foreign Affairs or his designee, said substitute shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 5(a) of rule XXI are hereby waived. After the disposition of said amendment, no further amendment to the bill or to the committee amendment in the nature of a substitute shall be in order. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1710

The SPEAKER pro tempore. The gentleman from Ohio [Mr. Hall] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. Quillen] for purposes of debate, only; pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 140 is a modified open rule providing for the consideration of H.R. 1555, the International Security and Development Cooperation Act of 1985.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs. The bill shall be considered for amendment under the 5-minute rule.

It should be noted that the rule waives a point of order against the bill for failure to comply with section 303(a)(1) of the Congressional Budget Act. Section 303(a)(1) prohibits consideration of any measure which would provide new budget authority for a fiscal year before the adoption of the first concurrent resolution on the budget for such fiscal year.

Section 106 of H.R. 1555 as introduced would create new budget authority first effective in fiscal year 1986 by appropriating funds to pay claims under guarantees for which guarantee reserves are inadequate. Since the first budget resolution for fiscal year 1986 has not yet been adopted, the bill would violate section 303(a)(1) of the Budget Act. However, the Committee on Foreign Affairs, in marking up this legislation, amended section 106 to authorize rather than appropriate funds for fiscal 1986. Therefore, the committee amendment would cure this Budget Act violation.

The rule makes in order a committee amendment in the nature of a substitute now printed in the bill as original text for the purpose of amendment under the 5-minute rule. To expedite consideration, the rule provides that the substitute shall be considered by titles, instead of by sections, and each title shall be considered as read.

House Resolution 140 also waives all points of order against the committee substitute for failure to comply with the provisions of clause 7 of rule XVI. This is the prohibition against nongermane amendments. There are several provisions of the substitute which technically would be considered nongermane. For example, section 717 of the substitute concerns the expanded use of employee stock ownership plans in Central America and the Caribbean.

In addition, the rule waives clause 5(a) of rule XXI against the committee substitute. This waiver is necessary because several provisions of the substitute might technically be considered appropriations in a legislative bill. For example, section 115 permits the use of funds derived from charges for administrative services to be used each fiscal year for official reception and representation expenses.

The rule further limits debate on amendments to the bill and committee substitute to 10 hours, except for debate on the Broomfield substitute.

After all other amendments have been disposed of, an amendment in the nature of a substitute printed in the Congressional Record of April 24, 1985, by Mr. Broomfield of Michigan shall be in order. The Broomfield substitute shall be considered as read, and shall not be subject to amendment.

Like the committee substitute, the Broomfield substitute is granted a waiver of clause 5(a) of rule XXI. This is the rule prohibiting appropriations in a legislative measure.

The rule provides 2 hours of debate on the Broomfield substitute, to be equally divided and controlled by Representative Broomfield and the chairman of the Committee on Foreign Affairs or his designee.

Under the rule, no further amendments are in order after disposition of the Broomfield substitute. However, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, H.R. 1555 is a comprehensive foreign aid bill which authorizes security and economic assistance programs for fiscal 1986 and fiscal 1987. Excluding the increases in the committee measure for Israel and Egypt, which were requested by the administration, the authorizations for fiscal 1986 are below the amounts contained in the continuing appropriations resolution for fiscal 1985. The amounts in the legislation for programs in fiscal 1987 are exactly the same as those for fiscal 1986, thus freezing funding.

The Foreign Affairs Committee deserves to be commended for its responsible approach to foreign aid funding. Except for increases for Egypt and Israel, the overall funding for military foreign aid is actually $200 million below the fiscal 1985 levels. FMS financing, grant military assistance, and grant military education and training programs have been reduced from the executive branch request by over $425 million. As the principal sponsor of the Human Needs and World Security Act in the 98th Congress, I am pleased that the committee has acted to restrain the growth of the military component of foreign aid. The committee's approach in this regard also reflects some of the concerns which were expressed during the debate on the Dorgan-Hall amendment to last year's Foreign Aid Authorization bill.

I also wish to commend Chairman Fascell for section 124 of the committee bill. This provision requires the President to submit to Congress a report on conventional arms transfers. The points to be contained in the report reflect the concerns of my bill, H.R. 1415, the Conventional Arms Transfer Control Act. Through the reporting requirements of section 124, the committee is urging the administration to consider a multitrack approach to achieving conventional arms transfer limitations. The report will examine the prospects for conventional arms transfer talks with the Soviet Union, measures with the non-Communist arms suppliers to control conventional arms transfers, and discussions between global arms suppliers and arms recipients in the developing world. I am pleased that the committee shares my concern about the urgent need to address the matter of worldwide conventional arms transfers.

I particularly commend the committee for section 905 and section 906 of their legislation. Section 905 concerns multiyear commitments for agricultural commodities with private voluntary organizations. Section 906 amends three titles of Public Law 480 to give greater emphasis to child immunization among the activities authorized by that act. Both section 905 and section 906 are similar to provisions included in H.R. 1889, a bill I developed with the Select Committee on Hunger.

Section 906 would set a target for developing nations receiving U.S. food assistance to provide for the immunization of at least 3 million more children by 1987 above the number receiving immunizations against disease in 1985. For every 100 children in developing nations who are immunized against the major diseases of childhood, an average of 5 lives are saved, with an equal number of children spared from being crippled. Thus, if the target of immunizing 3 million children is met, about 300,000 children will be saved from fatal or crippling diseases. I wish to commend the gentleman from Connecticut [Mr. Gejdenson] of offering the amendment which became section 906 and the gentleman from New York [Mr. Gilman] for offering the amendment which became section 905.

In addition, I wish to thank Chairman Fascell for recommending a 4-year extention of the Food Security Wheat Reserve, which falls under the jurisdiction of both the Committee on Foreign Affairs and the Committee on Agriculture. It is my hope that this recommendation, which is supported by the Select Committee on Hunger and was one of the provisions of H.R. 1889, will be acted upon favorably as part of the farm bill.

Finally, I commend the committee for increasing funding for the Peace Corps by $7.5 million above the fiscal 1985 appropriation. This increase is to be used to the maximum extent possible to support the agency's African

Food Systems Initiative Program. As both a former Peace Corps volunteer and the Chairman of the International Task Force of the Select Committee on Hunger, I believe that this program could contribute significantly to easing the hunger and suffering in the famine-afflicted regions of Africa.

In addition, I am pleased that the committee has set a target of an increase of 10,000 Peace Corps volunteers by the end of fiscal year 1989. This goal is similar to that of legislation I was pleased to cosponsor with the gentleman from Iowa [Mr. LEACH].

It is always difficult to craft a Foreign Aid authorization bill. The committee has handled this challenge admirably this year.

While there will be controversy over some of the provisions of this legislation, I am not aware of any opposition to this bipartisan rule. The Rules Committee was advised that both the minority and the majority support this equitable rule. I urge my colleagues to adopt it.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the rule has been ably explained. It provides 1 hour of general debate, then 10 hours under the 5 minute rule and 2 additional hours for the Broomfield substitute.

Foreign aid has always been a controversial issue in the House of Representatives since I became a Member in 1963. I remember once in the early 1960's the foreign aid bill held up the House until Christmas eve and it is no different now. There has not been an authorization bill passed and signed into law for the last 3 years.

I think it is time that we got down to business and hammered out a bill that no doubt will be controversial when it is debated on the floor. But this rule gives the Members an opportunity to express their views and to vote as they see fit on the various amendments that might be offered and on final passage when it is presented.

Mr. Speaker, I urge that the House get down to business and hammer out a foreign aid bill one way or the other, either pro or con.

I have no requests for time but, Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore, announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 400, nays 2, not voting 32, as follows:

[Roll No. 114]

YEAS—400

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Barnard
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Coughlin
Courter
Coyne
Crane
Crockett
Daniel
Dannemeyer
Darden
Daschle
de la Garza
Delay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
Erdreich
Evans (IA)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Franklin
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Packard
Panetta
Parris
Pashayan
Pease
Penny
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Spence
Spratt
St Germain
Stallings
Stangeland
Stenholm
Stokes
Strang
Stratton
Studds
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Wheat
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)
Young (MO)
Zschau

NAYS—2

Daub
Stump

NOT VOTING—32

Addabbo
Barton
Bonior (MI)
Bonker
Conyers
Craig
Davis
English
Evans (IL)
Fowler
Frenzel
Holt
Huckaby
Kemp
Lott
Martin (NY)
Mavroules
Mrazek
O'Brien
Oxley
Pepper
Rahall
Roberts
Savage
Solomon
Staggers
Stark
Torricelli
Udall
Weaver
Whitehurst
Young (AK)

□ 1730

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE HONORABLE ED JONES OF TENNESSEE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Hon. ED JONES of Tennessee, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 10, 1985.

Hon. TIP O'NEILL,
The Speakers Office, H-202, Washington, DC.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L(50) of the Rules of the House, that several present and former

members of my staff, the staff of the Subcommittee on Services, and the staff of the House Restaurant System have received subpoenas issued by the United States District Court for the District of Columbia.

In consultation with the General Counsel to the Clerk of the House, I have determined that it is consistent with the privileges and precedents of the House to comply with these subpoenas, under the guidance of counsel, and within the parameters established by the privileges and precedents of the House.

Sincerely,

ED JONES,
Member of Congress.

SACCHARIN STUDY AND LABELING ACT AMENDMENTS OF 1985

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 484) to amend the Saccharin Study and Labeling Act, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. BROYHILL. Mr. Speaker, reserving the right to object, I take this time for the purpose of asking the gentleman from California to give us a short explanation of what is contained in this legislation.

Mr. WAXMAN. I thank the gentleman for asking the question and yielding to me.

Mr. Speaker, this legislation extends the moratorium on FDA action regarding saccharin for 2 additional years. As in the case of the two previous extensions of this moratorium, S. 484 prohibits FDA from taking regulatory action based upon studies available prior to November 23, 1977. The legislation in no way affects the agency's authority to take regulatory action with respect to saccharin based on health studies that become available after that date.

Mr. BROYHILL. Mr. Speaker, I yield to the gentleman from Ohio [Mr. LUKEN].

Mr. LUKEN. I thank the gentleman for yielding to me, and I commend my colleague from California for urging extension of the saccharin moratorium. The ban of saccharin has a potential adverse effect on the health of some 60 to 80 million Americans. There are literally millions of diabetics across this country who use saccharin in managing their diets. There are thousands of Americans with heart disease who suffer from obesity but have few substitutes for saccharin in their diets. Despite the increasing use of aspartame, it cannot be used in processed foods, and its advent on the market has caused a precipitous drop in the use of saccharin, impeding FDA's efforts to quantify saccharin's potential cancer risks.

Since the FDA first proposed to ban saccharin as a food additive in 1977, the American public made clear to Congress and the FDA, through millions of letters, their preference that saccharin remain freely available as an additive in beverages and food. A thorough evaluation of the health risks of saccharin have not been completed, but none of the latest studies or assessments suggest that saccharin poses a major health hazard.

□ 1740

Therefore, while this evaluation is going on, I commend the gentleman from California and the gentleman from North Carolina on proceeding with this moratorium.

Mr. BROYHILL. I thank the gentleman for his comments.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I just want to join in thanking the chairman and the ranking minority member for taking this action in calling this legislation up before the House. I agree with the comments of the gentleman from Ohio [Mr. LUKEN] as to its value and importance.

Mr. BROYHILL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. STALLINGS). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 484

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Saccharin Study and Labeling Act (21 U.S.C. 348 nt.) is amended by striking out "During the period beginning on the date of enactment of this Act and ending twenty-four months after the date of enactment of the Saccharin Study and Labeling Act Amendment of 1983" and inserting in lieu thereof "During the period ending May 1, 1987".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

KEVIN PRICE AND TIM MORRIS RECEIVE NATIONAL ALERT YOUTH AWARD

(Mr. DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANIEL. Mr. Speaker, recently, two young men from Martinsville, VA, were honored for their rescue of a neighbor who, without their intervention, would have lost her life.

Late on a Sunday afternoon in March, Kevin Price, and Tim Morris reacted swiftly to the sight of smoke coming from the home of Mrs. Mildred Jones, a neighbor of Morris'. For this act of heroism, they will receive the National Alert Youth Award.

The Martinsville Bulletin carried a report of this act of heroism, and I respectfully request that it be printed in the RECORD at this point.

Price and Morris are outstanding examples of the kind of bravery often displayed but seldom reported when the principals are in their teens, and I am proud of them, as I am sure all of you will be, too.

[From the Martinsville Bulletin, Mar. 11, 1985]

YOUNGSTERS PULL WOMAN FROM FIRE

(By Philip Tyson)

Firefighters say Mildred Jones probably would have died Sunday, if two teenagers hadn't rescued her from her burning house.

Tim Morris and Kevin Price, both seniors at Martinsville High School, broke through her front door and carried the elderly woman from her house at 1003 A St. to Morris' home across the street.

Martinsville Assistant Fire Chief F. Buren Jamison said with the fire as intense as it was when firefighters arrived, he didn't think anyone still inside could have been saved.

Morris and Price, who lives at 826 New York Ave., were walking along A Street near Mrs. Jones home late Sunday afternoon when they saw smoke coming from the front of the one-story home. When they got closer they saw flames inside.

There were other people at the front calling to see if anyone was inside. No one answered, so the two young men began to hit the locked front door until it gave way.

Inside, they could see the flames in a bedroom just to the right of the door. That was the bedroom of James Jones, the woman's son, who had left the house just a few minutes before the fire started.

Choking black smoke quickly filled the hallway leading to the back of the house, as the two searched inside, they said.

Mrs. Jones is an invalid, who gets around with a walker.

In her bedroom in the rear of the house, Morris and Price found Mrs. Jones sitting on her bed, apparently unaware of the fire.

"She didn't know what was going on," Price said, "She kept asking what we were doing there, and she kept saying 'I'm not leaving.'"

The two young men picked her up and placed her on Price's shoulder and took her back through the smoky hallway. They carried her from the house to Morris' house across the street. She was taken to the local hospital.

When they found her, the heavy smoke had not yet reached her room. Price said she was gasping for breath because of an asthma condition.

"If it had been three or four more minutes," Price said, "she would have been dead."

After taking Mrs. Jones from the burning house, Morris tried to go back in the home to check for others inside or to rescue some possessions. But by that time, he said the smoke and flames were too intense, and he could not get past the door. No one else was inside.

Jamison said firefighters could see the smoke from Fayette Street as they drove toward A Street. There were flames seen when they got there.

"We couldn't get in there" Jamison said. "I don't see how she could have gotten out" if the two men hadn't reached her.

Jamison said the fire probably was started by a fuse "blown all to pieces" by an overloaded circuit.

The flames caught near a television set mounted in the ceiling in James Jones' room.

The actual fire damage was confined to that room. But heavy smoke and heat damage to the rest of the home make it unlivable.

Firefighters set the total damage at about $10,000.

City Fire Chief J. Lloyd Gregory said Morris and Price were being nominated for an annual award from the Southwestern Virginia Firemen's Association recognizing their heroism. Martinsville volunteer fireman Danny Turner, is president of that organization.

And, about the hero treatment, "It feels real good, real nice," Morris said smiling.

Mrs. Jones was taken to the emergency room of Memorial Hospital of Martinsville and Henry County after the fire. She did not appear to suffer any serious injury, firefighters said.

INTRODUCTION OF PUBLIC BROADCASTING REAUTHORIZATION LEGISLATION

(Mr. OXLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, I am pleased to introduce legislation today which helps to preserve the long-term financial viability of our Nation's public broadcasting system by authorizing significant increases in Federal support for the system and by providing public broadcasting stations, on a voluntary basis, with the opportunity to earn supplemental income through ways that the law now prohibits.

My bill would authorize record Federal spending for the public broadcasting system. Federal funding for the Corporation for Public Broadcasting would be increased from $137.5 million last year to $240 million by fiscal year 1990, and Federal funding for the Public Telecommunications Facilities Program would be increased from $12 million last year to $20 million in fiscal year 1987. The following chart shows funding levels for each year covered by the bill:

Corporation for Public Broadcasting Program

	Millions
Fiscal year:	
1987	$200
1988	220
1989	230
1990	240

Public telecommunications facilities

Fiscal year:	
1985	$15
1986	18
1987	20

My bill also gives public broadcasting stations the opportunity, on a voluntary basis, to explore the possibility of earning supplemental revenues through the conduct of a second limited advertising test similar to the one that was carried out 3 years ago. As you know, an independent research firm concluded that the first test was highly successful, but the TCAF Commission, the group which conducted the experiment, found the positive results of the test to be inconclusive because it lasted less than a year. Thus, my bill will allow the experiment to resume for an additional 3 years under terms and conditions similar to those governing the first experiment.

My bill recognizes two fundamental principles. First, even with all of the revenue sources available to public broadcasting today, the industry is dangerously underfunded; it requires both a larger commitment of Federal dollars and a broader opportunity for stations to earn supplemental revenues from private sources.

Second, in light of two recent Presidential vetoes of public broadcasting legislation, the only way to ensure the full Federal funding provided in my bill is to include the provisions which allow stations to develop new sources of revenue. as we all remember, last year the President vetoed two public broadcasting funding bills which did not authorize new private revenue opportunities because he felt that the proposed Federal spending was too high. I know the President feels that the facilities funding provided in the bill I am introducing today is far too high. As a result, he may exercise his right to veto once again. The best way to guard against a veto is to include language in the bill giving stations significant new private sources of revenue because the President strongly supports these provisions. In fact, he has already hinted that he would sign legislation which provides increased Federal funding if the bill also opens up new supplemental private revenue opportunities. In his second veto message last year, the President stated:

> Legislation that provides for Federal support of public broadcasting at realistic and reasonable levels and that provides public broadcasters with the means and incentives to explore alternative revenue sources would be both appropriate and welcome.

Some may argue that my bill should provide for even larger Federal appropriations. However, I want to say quite candidly that I feel the public broadcasting industry will be lucky if my bill is enacted even though some may be disappointed that it does not authorize larger appropriations. There is a growing mood in Congress to freeze future Federal spending in all areas at existing levels because of soaring Federal deficits. As evidence, I would point out that the House of Representatives voted last month to freeze future spending at present levels for two popular programs—NASA and the National Science Foundation—despite the President's request for small spending increases. I feel that a freeze of public broadcasting funding at existing levels—$159 million—would jeopardize the financial viability of the entire system, and thus my bill seeks a realistic increase.

While some may be disappointed that my bill does not increase Federal spending even more rapidly, these people should take comfort in the fact that my bill would authorize Federal spending increases for public broadcasting that are greater than the increases which are likely to be enacted for any other Federal program. Spending for public broadcasting would be increased under my bill while most programs are fighting hard to avoid spending cuts!

An additional observation: It has been suggested that increased Federal funding will be jeopardized if the legislation also includes provisions allowing public broadcasting stations to seek supplemental revenues from private sources. I want to make it crystal clear that the opposite is true: President Reagan has already vetoed two public broadcasting funding bills that did not contain a provision allowing for supplemental private fund raising. I believe he may do the same thing again this year unless we include such provision.

One final point: Senator GOLDWATER and CPB Chairman Landau have been tireless champions of the public broadcasting industry. With their continued leadership, I am hopeful that we can enact a piece of legislation which provides, in the President's words, "for realistic and reasonable" Federal support, as well as "the means and incentives" for public broadcasting to "explore alternative revenue sources." If we succeed, Senator GOLDWATER and Mrs. Landau deserve much of the credit. It would be a remarkable achievement at a time when the Federal budget deficit is at an all time high!

THE PROCUREMENT INTEGRITY ACT OF 1985

(Mr. ROWLAND of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. ROWLAND of Connecticut. Mr. Speaker, I rise this morning to discuss H.R. 2441, the Procurement Integrity Act of 1985. This bill is designed to stop ripoffs without layoffs.

Very simply, this proposal would require the chief executive officer of corporations holding civilian and defense contracts with the Government to certify in writing that these claims submitted are valid. Under this legislation, the CEO would be personally responsible for false claims. Corporate fraud in America is a national disgrace.

My bill would not penalize the hardworking employees who have never played any part in this fraudulent activity. It would impose strict criminal and civil penalties of the individual responsible, the CEO.

Recent attempts by the Pentagon to crack down on fraud have gone by the wayside. In April, the Pentagon withdrew a get tough policy on procurement in just one month. It is obvious that the Pentagon buckled to severe pressure from defense contractors, but it is not the defense contractors who are responsible for our tax dollars; it is the Congress.

The American people are tired of picking up the newspaper and reading about $700 pliers and $1,700 coffee pots. It is time to stop this abuse. This legislation will act as a deterrent and offer a real solution to the problems that we face.

Following are my remarks at the State Capitol in Hartford, CT, and also H.R. 2441, "The Procurement Integrity Act of 1985":

STATEMENT OF CONGRESSMAN JOHN G. ROWLAND

I am here today to discuss new legislation I have just introduced that is called the "Procurement Integrity Act of 1985."

To put it simply, this bill is one of the toughest anticorporate fraud measures ever proposed. It's designed to stop ripoffs without layoffs.

My legislation would, for the first time, force the chief executive officers of large and medium-sized corporations to be personally responsible for submitting honest cost claims to the Government for military and civilian contracts. The CEO's of each company would have to certify in writing that all claims were valid.

No longer could the heads of these businesses hide behind the cloak of the corporate legal entity. No longer could they slough off the responsibility for fraudulent billings to some lower-level official. No longer could these chief executive officers make excuses to the taxpayers, the Congress, and the press that they had no way of knowing that their company was in effect stealing from the Government.

This bill would require CEO's to take hands-on involvement or be subject to severe criminal and civil penalties in cases where they knowingly submitted false claims or should have known they were false. The heads of these corporations would face prison terms of 5 years per violation and could wind up personally paying an unprecedented amount in fines.

I'm aware that all too often the elite avoid prison even if they are convicted of a criminal offense. Taking that into account, my bill calls for the imposition of as much as $750,000 in basic fines and added fines of an amount equal to two times the amount of the fraud. For example, if the fraud amounted to $500,000, the added fine would total $1 million.

Some may call those drastic measures and they are. Corporate fraud in America is nothing less than a national disgrace. One need only pick up the daily newspapers to read about the latest outrage that contractors, especially in the defense business, have committed.

Not only is this fraud an assault on the American taxpayer and a blow to deficit reduction, but it has the potential to seriously weaken our defense capability as long as the Pentagon is forced to pay $718 dollars for duckbill pliers and $1,700 for coffee pots.

Make no mistake about it, there is no difference between a common thief and a company that defrauds the Government.

I said before this bill was designed to stop ripoffs without layoffs. That brings me to the major reason why this bill is important. It would not penalize hard-working employees who have played no part in the fraud committed by their superiors.

I think the prosecution of the individuals directly responsible for fraud is a much better approach than suspension and debarment of the contractor. There is simply no reason to make hundreds or thousands of employees the losers because of crimes they did not commit. Of course, suspension and debarment may be the only ways to deal with some of the worst violators—but I would hope the passage of my bill would diminish the use of this penalty. Taking contracts away hurts the innocent employees, more than the CEO's.

Some people may argue, "why go after the chief executive officer? You can't possibly expect the heads of some of these large companies to personally certify all claims."

Well it's about time they did. And if not them, then who? The chief executive officers cannot be responsible for the actions of their companies in name only. They cannot be allowed to hide behind the corporate veil, particularly those who draw phenomenal salaries at the larger corporations.

CEO's whose salaries are in effect paid by the taxpayers should take direct responsibility for abuses by their companies. We've got to send a loud and clear message to these executives that if you want the title, you have to make a commitment to the taxpayers of this country.

Let me point out that my bill does not penalize a CEO where mathematical or technical errors are committed. I am not attempting to punish people who have committed honest mistakes or make a good-faith effort to weed out waste and fraud. I have no doubt that the vast majority of government contractors are decent and honest people.

The legislation also would not apply to smaller companies who do business with the Government. A company would have to do a minimum of $100,000 worth of business with the Government for the CEO to be criminally liable. That is the standard that currently exists and it appears to be reasonable. Therefore, I would keep it.

Ladies and gentlemen, I am not claiming that my approach is the only way to attack the problem of corporate fraud. But there is another very important reason why the particular piece of legislation I have introduced is necessary.

Recently, there was some very distressing news from Washington. It seems that the Pentagon for some strange reason has decided to withdraw a new get-tough policy on procurement and has resumed making overhead payments to contractors that refuse to certify their claims in advance. The modified policy says that a contractor must certify claims only after the end of a fiscal year and only after it has gotten advance payments for nearly all overhead expenses.

To me that is a policy of defeat. It is an approach that makes no sense from a department that has taken credit—with some justification—for uncovering a lot of the abuses we have heard so much about.

What my Proposal will do is reverse this defeatist approach to the problem of corporate fraud. There have been too many people talking about this problem. Enough talking! The taxpayers are demanding we do something.

Ladies and gentlemen, let me conclude by saying that the bill I am announcing today is the outgrowth of comments I made on March 6 when I introduced the Income Maintenance Integrity Act—which is my plan to weed out welfare fraud in all 50 States while helping the truly needy. I said at that time that while welfare fraud was and remains a serious problem, I was equally concerned with fraud committed by corporations doing business with the Government. My Procurement Integrity Act grew directly out of that concern. I am determined to push as hard as I can for passage of both pieces of legislation. On behalf of the taxpayers, I hope the Congress gives both bills very serious consideration.

Thank you very much. I would be happy to answer any questions.

H.R. 2441.—A bill to amend the Federal Property and Administrative Services Act of 1949 and title 10, United States Code, to provide for civil and criminal penalties for prime contractors and subcontractors who submit false cost data, and for certain officers of such prime contractors and subcontractors

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Procurement Integrity Act of 1985".

SEC. 2. PENALTIES FOR SUBMISSION OF FALSE COST OR PRICING DATA UNDER FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.

Section 304(d) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254(d)) is amended by adding at the end thereof the following new paragraphs:

"(6)(A) A civil action under section 3730 of title 31, United States Code, may be brought—

"(i) against any person who submits any false cost or pricing datum under paragraph (1) and who knew or should have known that such datum was false; and

"(ii) against the chief executive officer (or the equivalent of such officer), of any prime contractor (or subcontractor) that submits any false cost or pricing datum under paragraph (1), if such officer knew or, in the proper exercise of the authority of such of-

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ficer, should have known that such datum was false.

"(B) Any person against whom a judgment is rendered in a civil action brought under section 3730 of title 31, United States Code, by reason of the provisions of subparagraph (A) shall be liable to the Government for—

"(i) a civil penalty of not more than $500,000;

"(ii) an amount equal to 2 times the amount of the damage the Government sustains because of the act of such person in submitting any false cost or pricing datum; and

"(iii) the cost of such civil action.

"(7)(A) If any person submits any false cost or pricing datum under paragraph (1), and knew or should have known that such datum was false, such action shall be considered to be a violation of section 287 of title 18, United States Code.

"(B) The chief executive officer (or the equivalent of such officer), of any prime contractor (or subcontractor) that submits any false cost or pricing datum under paragraph (1), shall be considered to have violated section 287 of title 18, United States Code, if such officer knew or, in the proper exercise of the authority of such officer, should have known that such datum was false."

SEC. 3. PENALTIES FOR SUBMISSION OF FALSE COST OR PRICING DATA UNDER TITLE 10, UNITED STATES CODE.

Section 2306(f) of title 10, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(8)(A) A civil action under section 3730 of title 31, United States Code, may be brought—

"(i) against any person who submits any false cost or pricing datum under paragraph (1) and who knew or should have known that such datum was false; and

"(ii) against the chief executive officer (or the equivalent of such officer), or any prime contractor (or subcontractor) that submits any false cost or pricing datum under paragraph (1), if such officer knew or, in the proper exercise of the authority of such officer, should have known that such datum was false.

"(B) Any person against whom a judgment is rendered in a civil action brought under section 3730 of title 31, United States Code, by reason of the provisions of subparagraph (A) shall be liable to the Government for—

"(i) a civil penalty of not more than $500,000;

"(ii) an amount equal to 2 times the amount of the damage the Government sustains because of the act of such person in submitting any false cost or pricing datum; and

"(iii) the costs of such civil action.

"(7)(A) If any person submits any false cost or pricing datum under paragraph (1), and knew or should have known that such datum was false, such action shall be considered to be a violation of section 287 of title 18, United States Code.

"(B) The chief executive officer (or the equivalent of such officer), of any prime contractor (or subcontractor) that submits any false cost or pricing datum under paragraph (1), shall be considered to have violated section 287 of title 18, United States Code, if such officer knew or, in the proper exercise of the authority of such officer, should have known that such datum was false."

SEC. 4. APPLICABILITY.

The amendments made by this Act shall apply to submissions of cost or pricing data made on or after the date of the enactment of this Act.

JUNK BOND AND GREENMAIL TAX ACT OF 1985

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, today I am introducing the Junk Bond and Greenmail Tax Act of 1985 to discourage and limit business practices that threaten economic stability and occur mainly because of the present tax structure.

This is not an antimerger bill. It does not distinguish between hostile and friendly takeovers because Congress should not take sides in this controversy.

This is simply an attempt to bring some order to a chaotic situation by discouraging the excesses of both raiders and target companies.

Our Tax Code should not encourage corporate extortion called greenmail. Nor should we allow corporations to blatantly exploit tax provisions that give more favorable treatment to interest payments than dividend payments.

And we should not allow pension funds and federally insured financial institutions to play high risk games with junk bonds at taxpayer's risk.

We should protect our citizens against economic disasters by enacting reasonable limits on these excessive and abusive practices. I include with my remarks a summary of the bill and hope we can have your support.

SUMMARY OF THE JUNK BOND AND GREENMAIL TAX ACT OF 1985

JUNK BONDS

1. Deny the deduction for interest payments on junk bonds used for the acquisition of another corporation or the repurchase of a corporation's stock. Deduction for payments of commitment fees will also be disallowed and is applicable even if the bonds are not issued. A debt instrument is a junk bond if it meets any of these four tests and the total amount of the bond debt issued is in excess of $30 million:

(a) The instrument is subordinated to trade creditors or a substantial amount of unsecured indebtedness of the corporation.

(b) The instrument has a non-investment grade rating and that rating is at least two grades below the rating of other substantial debt of the corporation.

(c) The yield to maturity is in excess of 135 percent of the applicable Federal rate.

(d) The total amount of the debt issue exceeds four times the net value of the assets of the corporation.

2. Prohibit any federally insured financial institution from acquiring junk bonds (defined as those insured by FDIC, FSLIC, or the National Credit Union Administration). Also, the fiduciary requirements of ERISA (Section 404) would not be met if junk bonds are acquired by the pension plan.

GREENMAIL

1. Greenmail profit will be treated as ordinary income. This is designed to deny capital gain treatment for greenmail profits. Greenmail profit is gain realized by any shareholder who: (1) holds the stock for less than two years; (2) made, announced or proposed a public tender offer during the two year period preceding the sale of his stock; and (3) receives consideration which is materially different in timing, type or value from that available to other shareholders. This provision will operate to recognize gain upon any disposition of stock by such shareholder including transfers to related persons or to shell corporations.

2. No deduction will be allowed for any payments of greenmail. (Defined as any payments by a corporation in redemption of its stock.) This is a re-statement of present IRS rules.

TAX PROVISIONS OF THE ECONOMIC EQUITY ACT

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS. Mr. Speaker, I am pleased to join my colleagues in cosponsoring the Economic Equity Act to ensure economic equality for women across a broad range of policies. Among the many reforms in this bill, I wish to draw special attention to the tax reform provisions. During the last 4 years we have seen a dramatic shift in the tax burden onto the backs of low- and middle-income families who pay personal income tax. Increasingly, corporations and the wealthy have gotten away without paying their fair share. For example, in 1980 private citizens paid 55 percent of the taxes collected in this country, while in 1984 they paid 83 percent.

Within income tax there has also been an accompanying shift in the tax burden on lower income people who have ironically seen their taxes increase 10 percent at the same time as families with incomes over $80,000 have seen an 11-percent cut in their taxes. The amount of tax cut for these wealthy families alone was more than the total income of some poor families who paid taxes. In the 1960's and the 1970's the Congress and the President shared a commitment to eliminate taxation of those people who fell below the poverty line. Today families with incomes of $2,000 below poverty face taxation. Seventy percent of these poor are older women and women who are single heads of households. In 1983 more than a third of all families headed by women fell below the poverty line, while only 8 percent of married families did so. Again, ironically, this tax burden is greatest on single mothers and large families. For example, in 1984, a single-parent family of four at the poverty level paid $135 more in Federal taxes than a two-

parent family of four at the poverty level.

Not only have recent changes in the tax policy ignored and even increased the tax burden on the working poor, but current tax policies are still based on outdated notions of the economic reality for women. It has ignored the increasing number of single heads of families—often mothers with children who are one of the faster growing poverty groups; it has ignored that most women with children are working out of economic necessity—40 percent of working women have children and must purchase dependent care; and it has ignored the economic contribution of homemakers to their families by making them ineligible for spousal IRA's.

The Economic Equity Act proposes a variety of reforms to address these problems and attempts both to alleviate some of the current tax inequities and to establish priorities for women in the ongoing tax policy debate. First, the EEA would raise the zero bracket amount for single heads of households to that of married couples filing jointly. The EEA would index the earned income tax credit, the refundable tax credit that was enacted in 1975 exclusively for low-income workers with children, and would increase it from 11 to 16 percent of the first $5,000 of earned income. Finally, the EEA would expand and index the dependent care tax credit and would gradually increase the allowable IRA contribution for nonworking spouses based on the working spouse's income to implement a feasible plan for spousal IRA's.

The founding mothers and fathers of this country realized that economic justice was the most basic measure of opportunity and fairness in a society and that tax policies truly reflected a Government's commitment to economic justice. It is thus thoroughly appropriate that one of the key sections of the Economic Equity Act this year includes tax reform for women and families.

JOINT CHIEFS OF STAFF REFORM MEASURES IN THE MILITARY COMMAND REORGANIZATION ACT OF 1985

(Mr. SKELTON asked and was given permission to address the House for 1 minute.)

Mr. SKELTON. Mr. Speaker, recently we celebrated the 40th anniversary of V-E Day. Many national leaders utilized this historical juncture to reaffirm their pledge to maintain the existing peace we enjoy today. It is essential that we recognize how vital the health of our Armed Forces is in preserving this cherished peace. In the words of this Nation's Father, George Washington, given at his first inaugural address, "To be prepared for war is one of the most effectual means of preserving peace." As a result of my experience as a member of the Armed Services Committee I have identified serious problems that remain as impediments to an effective and efficiently run military, the first of which involves reform in the highest levels of our military command structure—the Joint Chiefs of Staff.

My bill to reorganize the Joint Chiefs of Staff includes the unpassed sections of last year's bill. It is my strong belief the groundwork completed in the 98th Congress will allow substantial portions of these changes to be enacted this session. We too, at this critical juncture, must reaffirm our pledge to strive on to finish the work we have begun in the area of the Joint Chiefs of Staff reform.

Let me briefly mention the fundamental flaws that still beleaguer the present Joint Chiefs of Staff structure.

The inherent conflict of interest caused by the dual hatting of the service chiefs.

The inability of the Joint Chiefs of Staff to provide clear, concise, timely, and responsive military advice.

The inability of the dual hatted service chiefs to do two jobs well—to be a member of the Joint Chiefs and to be a service chief.

Let me now address the major provisions of my bill that will eliminate those fundamental flaws:

My bill defines the National Command Authorities and establishes the military chain of command;

It abolishes the Joint Chiefs of Staff and the position of the Chairman of the Joint Chiefs of Staff;

It transfers the functions, powers, and duties of the Joint Chiefs of Staff and the Chairman, to a Chief of Staff of the National Command Authorities, and reconstitutes the present Joint Staff as the Joint Military Staff of the National Command Authorities.

It establishes the Chief of Staff as the principal military adviser to the President, the National Security Council and the Secretary of Defense on matters relating to current military policy, strategy, and major Department of Defense programs.

It establishes the National Military Council to provide the President and the Secretary of Defense with advice on matters pertaining to national security policy, national and military strategy, and independent assessments of the way in which national security policies and defense programs are carried out.

The Council will consist of five distinguished military leaders, either recalled from retirement or on their last assignment, and, at the discretion of the President, one civilian. They will hold four-star rank or equivalent while serving on the council.

This is probably the most important defense issue we will consider this year because it is one with the most enduring effect on our military posture. And I believe this Congress is performing a high service in continuing to address this topic now.

It is common knowledge that virtually every serious student and practitioner has recommended that the Joint Chiefs of Staff be strengthened. The near unanimity of their views can no longer be ignored. This has been a long, arduous trail for reform within the military and one can only look to the past and see the flaws of the past. It is up to us now to put an end to this history, as we did in commemoration of V-E Day. We must complete the reform of the Joint Chiefs of Staff. Thank you, Mr. Speaker.

VIEWS FROM BACK HOME

(Mr. WALGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALGREN. Mr. Speaker, recently I asked Pittsburgh area residents of the district I am privileged to represent to give me their views on a number of important subjects by responding to my annual questionnaire. I am pleased to report that thousands—in fact, over 10,000 residents—took the time to answer. Many also wrote personal letters outlining their views in greater detail than is ever possible in multiple choice questionnaries.

I am grateful to each of the citizens who responded, and I would like to report the results of that survey to my colleagues in the U.S. House of Representatives.

(1) FAMILY ECONOMICS

Pennsylvania has been one of the areas hardest hit by the recent economic recession. Even in my generally well-off suburban district of Pittsburgh, hard times remain and many feel the national recovery has passed them by.

Over 37 percent of the responding residents said their family's overall economic situation now is "worse off than this time last year." Another 34 percent feel "about the same as this time last year," and only 29 percent feel "better off than this time last year."

When it comes to inflation in the family budget, western Pennsylvania residents are not fully convinced that "inflation is under control"—51 percent say it is, 49 percent disagree.

Pittsburgh still gets high marks as a place to live with 59 percent agreeing with the recent Rand-McNally assessment that Pittsburgh is the most livable city in America. But there is general pessimism about Pittsburgh's economy, with 55 percent believing that the next several years "under present

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Government policies" will not be good for Pittsburgh.

A large part of the problem is the record trade deficit associated with the Reagan administration which has cost thousands of American manufacturing jobs that are concentrated in areas like Pittsburgh. By a 59- to 41-percent margin, western Pennsylvania residents think "Congress should protect American companies and workers from being harmed by foreign imports."

(2) CONGRESSIONAL PRIORITIES

Without question, cutting the Federal deficit is the No. 1 priority for Congress as far as the people from my area are concerned. Some 49 percent of the people picked that as their "most important priority for Congress."

Surprisingly, the next most frequently picked item was "improving the quality of life for senior citizens, the unemployed, and others who need the help of Government." Over 29 percent of the residents chose that as their No. 1 priority for Congress.

Only 9 percent checked "increasing our military defense," 7 percent checked "lowering the interest rates," and 6 percent picked "reducing Federal taxes" as their "most important priority."

(3) TAXES AND BALANCING THE BUDGET

While reducing that Federal deficit is the key problem western Pennsylvanians want Congress to address, opinion differs on how best to accomplish that.

Area residents recognize that the national debt has doubled during the Reagan administration with the Federal deficit rising from $28 billion in 1979 to annual deficits of over $200 billion. But only 40 percent believe "the deficit is so harmful to America's future that taxes should be raised to balance the budget."

Since the corporate tax contribution to Federal revenues has been cut from a high of 32 percent in 1952 to 6 percent in 1983, I asked what combination of taxes would be preferred "if taxes must go up to balance the budget." Some 53 percent of the residents said, if necessary, taxes should go up for both individuals and corporations. Another 40 percent would increase taxes on business alone, with 7 percent opting for individual tax increases instead.

On the specific question of how they would vote on the President's 1986 budget proposal, only 22 percent of western Pennsylvanians said they "support the President's plan to increase military spending, cut domestic spending, and not raise taxes."

The greatest number, some 45 percent, said they would cut the budget by "freezing all spending, including the military and Social Security, at current levels, but would not raise taxes." Another 33 percent said they would "support a combination of tax increases and reduced Federal spending to make a significant cut in this year's deficit."

When it comes to "protecting" specific programs from budget cuts, Social Security has the most popular support with 51 percent wanting to protect that from any cuts. Other programs frequently singled out for protection from budget cuts were Medicare—by 40 percent, veterans benefits—by 25 percent, and student loans—by 25 percent.

Surprisingly, despite the President's strong views to the contrary, only 11 percent would exempt the military from budget cuts. Other programs not picking up great support for protection from cuts include small business loans—by 16 percent, and transit aid—by 13 percent.

When it comes to tax reform, replacing the current system with a "modified flat tax, eliminating almost all deductions now available except charitable contributions, local taxes, and home mortgage interest," 18th District residents are clear—73 percent favor.

(4) HEALTH AND FAMILY ISSUES

Nearly three out of four area residents responding to our questionnaire believe that "the living standard for America's senior citizens has improved over the past decade." But there is concern about the cost of nursing home care which, unless you are a welfare recipient, is generally paid from the savings of individual families. Some 46 percent of those responding believe "the Federal Government should pay the cost of nursing home care for our parents and grandparents." With the aging of our population and increasing life expectancy, financing long-term health care will be a major future crisis for American families.

On the issue of abortion, a majority of 18th District residents—56 percent—believe "abortion is a private family matter or a matter between a woman and her doctor, and the Government should not be involved." An even stronger majority—60 percent—believe the U.S. Constitution should not be amended to restrict abortions.

However, a substantial part of the public believe in greater restrictions on abortion—22 percent identify with the view that "abortion is murder and should be prohibited by law" and another 22 percent believe "abortion should be permitted only when necessary to save the life of the woman or in cases of rape or incest."

(5) FOREIGN POLICY

I asked local residents to indicate what Reagan administration foreign policy initiatives they supported and listed four: Military aid to Nicaraguan rebels, American business investment in South Africa, the star wars project in outer space, and the deployment of MX missiles.

None of these administration objectives received majority support in the 18th District. In fact, when asked to check on the four foreign policy positions they support, 45 percent checked "none of the above."

On specifics, 85 percent oppose more MX missiles, 74 percent oppose support for American business investment in South Africa, 65 percent oppose military aid to Nicaraguan rebels, and 63 percent oppose the star wars project.

(6) CONCLUSION

Congressional surveys like this one are not scientific. Not every citizen responds. Still, along with the regular town meetings I hold and the letters I receive, these questionnaires help me to be a better representative.

Although people in the Pittsburgh suburbs do not feel their own economic situation has improved much, there is clear recognition that the Reagan administration is right to focus attention on the budget deficit. Yet, most residents do not believe the President has struck the right balance.

First, area residents want more budget cuts than the President recommended, particularly when it comes to the military budget which has doubled in 4 years. And there is strong support for a freeze in all spending, instead of the administration's piecemeal attempt to completely eliminate some programs while letting others go untouched. Ironically, the public's only real exception to budget cutting is Social Security benefits, which the President committed himself to maintaining during last year's election, but on which he has now reversed his position.

Second, a substantial number of citizens—although not yet a majority—recognize that budget cuts alone are not enough to offset annual deficits of $200 billion. Some 40 percent now say the deficit is so harmful to this country's future that we should increase tax revenue. And with many wealthy individuals and hundreds of American corporations paying absolutely no taxes at all, a tax bill requiring all Americans to pay their fair share could make an important contribution to reducing the deficit.

Mr. Speaker, I appreciate the guidance that my constitutents give me by responding to my annual questionnaire, and I will do my best to see to it that the House of Representatives takes our views into consideration.

JUNK BOND AND GREENMAIL TAX ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. PICKLE] is recognized for 5 minutes.

Mr. PICKLE. Mr. Speaker, earlier today, I introduced the Junk Bond and

Greenmail Tax Act of 1985 to address two serious and rapidly growing problems.

No area of business activity has received more attention or public debate in the past year than the subject of mergers and acquisitions. For the most part, it has been a very heated debate with very little middle ground. Some believe that takeovers are good for the economy because they foster efficiency in management and allocation of capital. Others believe that takeovers are disruptive and promote short-term gains while sacrificing long-term planning and development.

After extensive hearings on the tax aspects of mergers and acquisitions by the Ways and Means Oversight Subcommittee, I am convinced that Congress cannot and should not try to resolve the issue of whether mergers and acquisitions are good or bad. Nor can we say that all hostile takeover attempts are good or bad.

However, in the course of examining this issue, I have reached the conclusion that there are several practices that are flourishing that I find very disturbing in the areas of junk bonds and greenmail.

The Junk Bond and Greenmail Tax Act is an attempt to limit certain practices that I believe are beyond the scope of prudent and normal business activity—practices that are disruptive, nonproductive, threaten economic stability, and to a large degree only occur because of the present structure of the tax laws.

This is not an antimerger bill. It does not differentiate between hostile and friendly mergers. It does not favor management over raiders or vice versa. It is an attempt to limit or discourage tactics that have been used by both management and raiders.

There are four major provisions in this bill.

First, it would prohibit a target company from claiming a tax decision for greenmail payments that are made to buy off a raider. There is almost universal agreement that greenmail is a loathsome practice. It is almost a form of extortion payment. According to reports I've received, some corporations seem to believe there is a question of whether a corporation can deduct its greenmail payments as an ordinary and necessary business expense. My bill would make it clear that the present Tax Code rules do not provide for such deductions.

Second, the bill would tax greenmail profits that are received by anyone as ordinary income instead of as capital gains. In the course of our investigation of mergers and acquisitions, we found that in some hostile takeover attempts, maneuvers were taken involving shell corporations to evade the 6-month holding period required for capital gains treatment. As a result of this abusive practice and in an effort to discourage greenmail, the bill would deny the preferential capital gains treatment to all greenmail profits.

Third, in the area of junk bonds, the bill would deny the tax deduction for interest paid on junk bonds when the bond proceeds are used to purchase stock in a public corporation. Under the bill, junk bonds are defined as high-yield bonds that are below investment grade, unsecured or subordinated to trade creditors, or issued in amounts greatly in excess of the corporation's assets. The bill would not prohibit the use of all junk bonds because I believe there is a legitimate role for some junk bonds in our credit markets, particularly to provide venture capital and to provide financing for financially distressed corporations. My bill focuses on those junk bond issues, in excess of $30 million, that are used to purchase stock in publicly traded corporations pursuant to a plan of acquisition.

I have two concerns in this area. One is that we are seeing a number of large corporations becoming too highly leveraged by using junk bonds that carry an interest rate as high as 16 or 17 percent. In the event of an economic slowdown, many of these companies will be unable to meet their debt requirements. In addition, I am concerned from a tax policy standpoint. Many companies are using junk bonds to take advantage of the Tax Code's preferential treatment of debt versus equity financing. Since interest payments are tax deductible and dividends are not, more corporations are using junk bonds to replace equity—stock—and thus greatly reduce their tax liability.

This provision would affect the activities of both raiders and corporate management because both are currently using junk bonds to purchase stock. This provision would not affect the more conventional day-to-day borrowings to finance stock purchases. It simply denies the tax deduction for junk bonds issued in excessive amounts for what I consider to be the abusive practice of using junk bonds to finance takeovers and leveraged buyouts. It would not prevent hostile takeover or leveraged buyouts but would probably force more businesses to use conventional credit sources for these activities.

Fourth, the bill would prohibit pension funds and federally insured institutions from investing their assets in junk bonds. Because of the Federal guarantees and insurance underlying these funds, I believe Congress has a responsibility to protect the public against the disastrous effects that could result from defaults on junk bonds. The pressures of increased competition among banks and savings and loans are forcing more institutions to purchase into these high risk investments. Currently there is already a limitation on the amount of junk bonds that federally chartered institutions can hold. While some may say that junk bonds have not posed a serious investment risk thus far, I believe that is only because they have flourished during a period of economic expansion. In the event of a recession, junk bond failures are likely to occur at a very high rate and could lead to the closing of banks and thrift institutions that invest in them. In such an event, the taxpayers would be called in to pick up the pieces. We should act now to head off that potential economic disaster by preventing any federally insured institution from investing in these high risk bonds. In the area of pension funds, Congress has a responsibility to protect workers' pensions from investment practices that threaten the health of our Nation's pension system. While it is commendable that pension fund managers want to get the highest return possible on their investments, we cannot permit activities that place workers' pensions at risk.

In summary, I believe this bill is a modest and reasonable attempt to limit certain activities in the area of mergers and acquisitions. I welcome comments and discussion on my bill, recognizing that some fine tuning may be required, possibly with the effective dates.

Some will say this bill does not go far enough while others will say it is too restrictive. There are some who have called on Congress to put a halt to hostile takeovers. I do not think that such action is justified. Others have urged us to look the other way and allow business to engage in any tactics and maneuvers they devise. I do not think that would be responsible.

Mergers and acquisitions would continue under this bill but I believe it would be in a more orderly manner that would pose fewer risks to our economy and our taxpayers. This is not an attempt to settle the larger issue of whether mergers and acquisitions help or hurt our economy. With the limitations and tax disincentives in this bill, my hope is that takeovers would be structured in a more responsible manner while still allowing business the flexibility it needs.

I hope that my colleagues will join me in supporting this approach to a very difficult and troubling issue.

A brief summary of the legislation follows.

I submit the text of the bill for printing in the RECORD:

SUMMARY OF THE JUNK BOND AND GREENMAIL TAX ACT OF 1985

JUNK BONDS

1. Deny the deduction for interest payments on junk bonds used for the acquisition of another corporation or the repurchase of a corporation's stock. Deduction

for payments of commitment fees will also be disallowed and is applicable even if the bonds are not issued. A debt instrument is a junk bond if it meets any of these four tests and the total amount of the bond debt issued is in excess of $30 million:

(a) The instrument is subordinated to trade creditors or a substantial amount of unsecured indebtedness of the corporation.

(b) The instrument has a non-investment grade rating and that rating is at least two grades below the rating of other substantial debt of the corporation.

(c) The yield to maturity is in excess of 135 percent of the applicable Federal rate.

(d) The total amount of the debt issue exceeds four times the net value of the assets of the corporation.

2. Prohibit any federally insured financial institution from acquiring junk bonds (defined as those insured by FDIC, FSLIC, or the National Credit Union Administration). Also, the fiduciary requirements of ERISA (Section 404) would not be met if junk bonds are acquired by the pension plan.

GREENMAIL

1. Greenmail profit will be treated as ordinary income. This is designed to deny capital gain treatment for greenmail profits. Greenmail profit is gain realized by any shareholder who: (1) holds the stock for less than two years; (2) made, announced or proposed a public tender offer during the two year period preceding the sale of his stock; and (3) receives consideration which is materially different in timing, type or value from that available to other shareholders. This provision will operate to recognize gain upon any disposition of stock by such shareholder including transfers to related persons or to shell corporations.

2. No deduction will be allowed for any payments of greenmail. (Defined as any payments by a corporation in redemption of its stock.) This is a re-statement of present IRS rules.

H.R. 2476

A bill to amend the Internal Revenue Code of 1954 relating to the tax treatment of acquisition junk bonds and greenmail, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Junk Bond and Greenmail Tax Act of 1985".

SEC. 2. ACQUISITION JUNK BONDS.

(a) Tax Treatment.—

(1) In general.—Section 279 of the Internal Revenue Code of 1954 (relating to interest on indebtedness incurred by corporation to acquire stock or assets of another corporation) is amended to read as follows:

"SEC. 279. ACQUISITION JUNK BONDS.

"(a) Denial of Deduction for Interest.—No deduction shall be allowed under this chapter for interest paid or accrued with respect to any acquisition junk bond.

"(b) Denial of Deduction for Commitment Fees, Etc.—

"(1) In general.—No deduction shall be allowed under this chapter for any amount paid or incurred as an acquisition commitment fee in connection with a plan to issue, service, or continue any acquisition junk bond.

"(2) Acquisition commitment fee.—For purposes of paragraph (1), the term 'acquisition commitment fee' means any commitment fee, standby fee, or similar fee for holding funds available in connection with a plan referred to in paragraph (1).

"(c) Acquisition Junk Bond Defined.—For purposes of this section—

"(1) In general.—The term 'acquisition junk bond' means any obligation evidenced by a bond, debenture, note, or certificate or other evidence of indebtedness issued—

"(A) after May 14, 1985, and

"(B) pursuant to a plan of acquisition,

if the requirements of paragraphs (2) and (3) are met.

"(2) Bond characteristics.—The requirements of this paragraph are met if the requirements of 1 of the following subparagraphs are met:

"(A) Subordination.—An obligation meets the requirements of this subparagraph if such obligation is—

"(i) subordinated to the claims of trade creditors of the issuer generally, or

"(ii) expressly subordinated in right of payment to the payment of any substantial amount of unsecured indeptedness (either outstanding or subsequently issued) of the issuer.

"(B) Bond rating which is below investment grade and substantially below other indebtedness.—An obligation meets the requirements of this subparagraph if such obligation bears a rating from any nationally recognized rating agency which is—

"(i) below the rating for an investment grade obligation, and

(ii) at least 2 ratings below the rating for any other substantial indebtedness of the issuer.

"(C) High yield.—An obligation meets the requirements of this subparagraph if such obligation has a yield to maturity of more than 135 percent of the applicable Federal rate under section 1274(d) with respect to such obligation.

"(D) Bonds exceed more than 4 times net assets of issuer.—The requirements of this subparagraph are met if the aggregate issue price of all obligations issued or to be issued (whether or not by the same person) under the plan of acquisition exceeds an amount equal to 4 times the value of the net assets of the issuer (determined immediately before such issuance).

"(3) At least $30,000,000 of obligations involved.—The requirements of this paragraph are met if the aggregate issue price of all obligations issued or to be issued (whether or not by the same person) under the plan of acquisition is $30,000,000 or more.

"(4) Sepcial rules for paragraph (2).—

"(A) Related persons taken into account in determining subordination of claims, etc.—For purposes of paragraph (2)(A), trade creditors and the unsecured indebtedness of all persons related to the issuer shall be treated as trade creditors and unsecured indebtedness of the issuer. For purposes of the preceding sentence, a person is related to another person if the relationship between such persons would result in the disallowance of losses under section 267 or 707(b).

"(B) Determination of rating.—The determination of the rating of any obligation shall be made for purposes of paragraph (2)(B) as of the date of the binding contract to make funds available with respect to the plan of acquisition.

"(C) Rules relating to yield to maturity.—For purposes of paragraph (2)(c)—

"(i) Aggregation of obligations in determining yield to maturity.—All obligations issued under the plan of acquisition (whether or not by the same person) shall be treated as 1 obligation if, as a result of such treatment, such obligations are treated as acquisition junk bonds.

"(ii) Compounding.—Yield to maturity shall be determined on the basis of compounding semiannually.

"(d) Plan of Acquisition.—For purposes of this section—

"(1) In general.—The term plan of acquisition means any plan by any person (or group of persons acting in concert)—

"(A) to acquire (by purchase, redemption, or otherwise) stock in a corporation (including the corporation issuing the obligation), or

"(B) to acquire at least 50 percent of the assets (by value) of a corporation.

"(2) All plans treated as 1 plan.—All plans of acquisition by any person (or group of persons acting in concert) with respect to a corporation shall be treated as 1 plan.

"(e) Special Rules.—

"(1) Determiniation of deduction for commitment fee, etc., where bonds not issued.—For purposes of determining whether an amount is allowable as a deduction under subsection (b) in the case of an obligation the potential issuance of which is announced but which is not issued—

"(A) the requirements of paragraph (2) of subsection (c) shall be treated as met if, under the terms and conditions governing the issuance of such obligation, such obligation could have met the requirements of any of the subparagraphs of such paragraph (2) when issued, and

"(B) the requirements of paragraph (3) of subsection (c) shall be treated as met if such requirements would have been met if all obligations which could potentially be issued were issued.

"(2) Extensions, etc., of acquisition junk bonds.—For purposes of this section, any extension, renewal, or refinancing of an acquisition junk bond shall be treated as an acquisition junk bond."

(2) Clerical amendment.—The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 279 and inserting in lieu thereof the following:

"Sec. 279. Acquisition junk bonds."

(3) Effective dates.—The amendments made by this subsection shall apply to indebtedness issued after May 14, 1985, in taxable years ending after such date.

(b) Federally Insured Financial Insitutions Prohibited From Acquiring Junk Bonds.—

(1) In general.— No federally insured financial institution may acquire after May 14, 1985, any junk bond or any interest therein.

(2) Junk bond.—For purposes of this subsection, the term "junk bond" has the meaning given the term 'acquisition junk bond' by section 279(c) of the Internal Revenue Code of 1954 except that subparagraph (B) of paragraph (1) thereof, and paragraph (3) thereof, shall not apply.

(3) Federally insured financial institution.—For purposes of paragraph (1), the term "federally insured financial institution" means any financial institution the accounts or deposits in which are insured by—

(A) the Federal Deposit Insurance Corporation,

(B) the Federal Savings and Loan Insurance Corporation, or

(C) the National Credit Union Administration.

(c) Employer Retirement Plans May Not Acquire Junk Bonds.—A fiduciary of a plan to which section 404 of the Employee Retirement Income Security Act of 1974 applies shall be treated as not meeting the requirements of such section with respect to such plan if such plan acquires after May 14, 1985, any junk bond (as defined in subsection (b)(2) of this section) or any interest therein. For purposes of the preceding sentence, such section 404 shall be treated as applying to plans described in section 4(b) of such Act.

SEC. 3. GREENMAIL PROFIT TAXED AS ORDINARY INCOME.

(a) In General.—Part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1954 (relating to special rules for determining capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1257. GREENMAIL PROFIT TREATED AS ORDINARY INCOME.

"(a) Ordinary Income Treatment.—Greenmail profit shall be treated as ordinary income.

"(b) Greenmail profit.—For purposes of this section, the term 'greenmail profit' means any gain realized on the sale or exchange of any stock by any shareholder if—

"(1) such shareholder's holding period for such stock (as determined under section 1223) is less than 2 years,

"(2) at some time during the 2-year period ending on the date of the sale or exchange of the stock—

"(A) such shareholder,

"(B) any person acting in concert with such shareholder, or

"(C) any person who is related to such shareholder or person described in subparagraph (B).

announced that he is considering a public tender offer for stock in such corporation (or made a proposal to such corporation suggesting or setting forth a plan involving such a public tender offer), and

"(3) the consideration received (or to be received) by such shareholder is materially different as to timing, type, value, or otherwise from consideration generally available to any other shareholder with respect to stock in the same class as the stock sold or exchanged.

"(c) Other Definitions.—For purposes of this section—

"(1) Public tender offer.—The term 'public tender offer' means any offer to purchase (or otherwise acquire) stock or assets in a corporation if such offer was required to be filed or registered with any Federal or State agency regulating securities.

"(2) Related person.—A person is related to another person if the relationship between such persons would result in the disallowance of losses under section 267 or 707(b).

"(d) Special Rules.—For purposes of this section—

"(1) Section to apply where stock having greenmail profit held by shell corporation, etc.—Except to the extent provided in regulations, this section shall apply to any sale or exchange of an interest in any entity a substantial portion of the assets of which consists of property with respect to which there is unrealized greenmail profit.

"(2) Greenmail profit recognized notwithstanding nonrecognition treatment.—Greenmail profit shall be recognized on any sale or exchange notwithstanding any other provision of this subtitle.

"(3) Amount treated as ordinary income.—For purposes of sections 163(d), 170(e), 341(e)(12), 453(i), 453B(d)(2), and 751(c), amounts treated as ordinary income under this section shall be treated in the same manner as amounts treated as ordinary income under section 1245."

(b) Clerical Amendment.—The table of sections for part IV of subchapter P of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 1257. Greenmail profit treated as ordinary income."

(c) Effective Date.—The amendments made by this section shall apply to stock acquired after May 14, 1985, in taxable years ending after such date.

SEC. 4. CLARIFICATION OF DISALLOWANCE OF DEDUCTIONS FOR REDEMPTION EXPENSES.

(a) In General.—Part IX of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items nondeductible) is amended by adding at the end thereof the following new section:

"SEC. 280H. STOCK REDEMPTION EXPENSES.

"Except as provided in section 83(h), no deduction shall be allowed under this chapter for any amount paid or incurred by a corporation in redemption of its stock."

(b) Clerical Amendment.—The table of sections for such part IX is amended by adding at the end thereof the following new item:

"Sec. 280H. Stock redemption expenses."

(c) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after May 14, 1985, in taxable years ending after such date.

AN ACT OF IRRESPONSIBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. Weiss] is recognized for 5 minutes.

Mr. WEISS. Mr. Speaker, on Thursday of last week, at the instigation of radical Republican extremists, the House, in an abdication of responsibility, adopted a sense of the Congress resolution, as an amendment to the State Department Authorization Act, that unless the Soviet Union apologizes to the Government of the United States by June 1 of this year for the killing of Major Nicholson that we declare the senior Soviet Union diplomatic representative to the United States to be persona non grata.

In the course of the discussion, I pointed out that, not having checked at all with the State Department or the President or anyone at the White House before offering this resolution, was truly an act of irresponsibility.

☐ 1750

On Saturday of this past week, May 11, 1985, the New York Post carried a brief story datelined Washington, headlined, "Don't boot Soviet envoy." The story, in its entirety, reads as follows:

> Washington.—The Reagan administration yesterday criticized a congressional attempt to punish Soviet Ambassador Anatoly Dobrynin in retaliation for the killing of an American officer in East Germany.
>
> State Dept. spokesman Edward Djerejian labeled a House resolution urging President Reagan to declare Dobrynin persona nongrata as "unwise and inappropriate."
>
> "Conduct of diplomacy is the unique responsibility of the President," he said. "Attempting to codify a nuanced and complex policy is not an appropriate function of the legislative branch of government."
>
> Such actions would not help resolve U.S. Soviet differences, said Djerejian.

That is the end of the story. There had been radio and television news reports of this statement by the State Department spokesman on behalf of the Reagan administration, as well, I am sure, as other stories in newspapers across the country. But because they appeared on the weekend some Members may have missed them.

I am entering the statement by the State Department spokesman on behalf of the Reagan administration into the Record, because I have been advised that in spite of that statement in an act of irresponsibility, compounding irresponsibility, the Republican Congressional Campaign Committee has been sending press releases into the districts of Democratic Members who voted in opposition to the resolution, criticizing the Members for having voted the responsible way in support of the Reagan administration position.

I believe that that kind of action, that is, of cynically seeking to take political advantage in spite of the fact that those Members on either side of the aisle who voted against that amendment, in fact did so not only in fulfillment of constitutional balances of power and separation of powers, but also in consonance with the position of the Reagan administration itself, is just so irresponsible and so politically cynical that I want to be sure that Members have the text and substance of this news story and the statement by the Reagan administration, so that in they can respond to inquiries that may come to them from local media or press.

I would hope that the response of the State Department, branding the action of the House in regard to this matter, not to be acceptable behavior because it is matter uniquely within the powers and responsibilities of the administration.

I would caution Members on both sides of the aisle not to fall prey to the instigation and the worst instincts of the small handful of the most irresponsible, radical extremists on the Republican side in this body.

I am convinced that responsible conduct in discharging our responsibilities is not only in the national security interests of the United States but will be so perceived by our constituents.

ISRAEL INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gen-

outweighed the environmental effects.

struction of the inboard alternative, it

Courter] and the gentleman from

tleman from Illinois [Mr. Annunzio] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, at midnight, May 14-15, 1948, the fifth and sixth days of Iyar 5708 under the Jewish calendar, the British mandate for Palestine came to an end, and the independent State of Israel was born. I take great pleasure in saluting the people of Israel on the 37th anniversary commemoration of this historic event, when their country was proudly able to join the community of free nations in the world.

The creation of the State of Israel represented the outcome of centuries of struggle by the Jewish people to obtain political and religious freedom. Founded in difficult circumstances by a people who had suffered some of the most severe forms of persecution in the history of mankind, Israel's Government is based on the noble ideals of freedom, and Israel's people have worked hard and fought valiantly to make their nation strong and prosperous. Today, Israel is the only democracy in the Middle East.

The Jewish people who for centuries had experienced the bitterness and despair of an existence without even the most basic human rights, were finally able to declare proudly in their May 14, 1948, Declaration of the Establishment of the State of Israel that their new country:

> It will be based on freedom, justice and peace as envisaged by the prophets of Israel; it will ensure complete equality of social and political rights to all its inhabitants irrespective of religion, race or sex; it will guarantee freedom of religion, conscience, language, education and culture; it will safeguard the holy places of all religions; and it will be faithful to the principles of the charter of the United Nations.

Over the last 37 years, Israel's citizens have developed their nation with vigor and enthusiasm, and have accomplished in a few short years what most nations fail ever to achieve. This has all been done while under the constant threat of some hostile neighbors, who repeatedly have tried to destroy this tiny nation. Nevertheless, the commitment of the State of Israel to peace in the Middle East has never waivered, and the people of Israel have been willing to make great sacrifices to achieve this objective.

Mr. Speaker, it is with pride that I join the people of Israel in celebrating Israel Independence Day, and I extend to them my best wishes for peace and prosperity, and I send my greetings to Americans of Jewish descent in the 11th Congressional District of Illinois which I am honored to represent, and all over the world, as they join in celebrating this milestone in mankind's struggle for lasting peace and liberty.●

THE WEST SIDE HIGHWAY PROJECT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. Howard] is recognized for 5 minutes.

● Mr. HOWARD. Mr. Speaker, today I am introducing legislation that I hope will put an end to a growing controversy in the New Jersey-New York region and produce a transportation solution that is in the best interests of all of the residents of the area. While my legislation may appear controversial at first, it is my feeling that if it is studied thoroughly it can be accepted as a measure that will resolve the dispute.

My legislation deals with I-478, the West Side Highway project in New York, which is commonly known as Westway. The project has developed into an extremely emotional issue with strong feelings on both sides of the issue. I hope that my proposal will overcome some of those emotional objections and allow some progress in developing the transportation system of the west side of Manhattan.

This segment of the Interstate Highway System is designed to replace the antiquated West Side Highway, an elevated structure along the Hudson River that has collapsed in parts and cannot serve the traffic needs of New York City. The new segment will run from the Brooklyn Battery Tunnel in the south to 42d Street in the north where it will connect with the remaining portion of the West Side Highway.

Unfortunately, Westway has grown from more than just a replacement for the West Side Highway. It has been transformed into a project to stimulate economic growth in Manhattan by expanding the island. The design now calls for filling 234 acres of the Hudson River and constructing a highway in a tunnel in the fill. On top, will be industrial, commercial, and recreational development. The use of the highway trust fund to pay for that type of massive landfill is unprecedented in the history of the highway program.

I-478 should remain as a highway project. Its costs and benefits should be calculated on the basis of transportation benefits, not some auxiliary issues like commercial or industrial development. We do not collect the 9-cent-a-gallon gas tax for development—we collect it for transportation.

This issue has arisen at a time when the highway trust fund is under severe financial constraints. At the current rate of revenue and spending, it is possible we may trigger the so-called Byrd amendment in fiscal year 1989 unless action is taken to cut spending.

Based on that background, I believe it is important to look at alternatives that might provide the same transportation benefits without using Federal highway funds for commercial and economic development. Even though the Federal Government might invest billions for highway construction on the West Side of Manhattan, there would be no additional money for transit, a much needed service in New York. Under my legislation, New York will receive the highway construction funds as well as being given the possibility of additional mass transit funds. There will be more transportation benefits for the same transportation dollars. Those same dollars will create as many, if not more, jobs.

Before proceeding, let me emphasize the generally acknowledged need for a highway on the West Side of Manhattan. There is no question that a connector of interstate standards is necessary to keep traffic flowing freely in the densely populated area. There are groups that do not want any highway built in that area but I consider that approach to be a disaster for the transportation needs of New York and the entire region.

I am not, however, prescribing an alternative that local officials must adopt. The Federal Government cannot do that and I would not want this Congress to become involved in that type of legislation for the first time in history.

Instead, what I am proposing to do is to prohibit the use of highway trust fund money for construction of a controversial project that has raised serious environmental questions and could adversely affect a neighboring state.

Westway is such a massive project and its nature is so unprecedented that it is almost impossible to calculate its effects. But there is scientific opinion that a landfill of that size will change the course of the Hudson River and produce harmful effects on the New Jersey side. It could also send the striped bass, whose spawning grounds on the New York side delayed action on a section 404 permit for 2 years, over to the New Jersey side. New Jersey would then be forced to consider the impacts on the striped bass for any development along the Hudson River.

My bill would prohibit the construction of the highway embedded in the massive landfill. That project, if it is ever constructed, could require additional billions of dollars above the estimated cost because of inflation and other factors. In fact, it has been under study for 12 years and may never be built.

There are strong objections to the environmental effects of Westway, a project that would fill in 234 acres of the Hudson River. The Army Corps of Engineers studied the effect on the striped bass in the river for 2 years. A Clean Water Act dredge-and-fill permit was issued, not because there was no adverse environmental effect but because the development benefits

outweighed the environmental effects. There have also been questions raised about the stirring up of the highly toxic bottom sediment in the Hudson River for the landfill. Prohibition of the landfill would erase all of those environmental questions.

Finally, there is the real estate development planned for the landfill. It should be emphasized that the highway trust fund is not for real estate development. If New York State or real estate developers in New York want to expand Manhattan to have more land to build on, let them pay for it.

My bill would prohibit construction of a highway through landfill. It would allow a highway "generally on existing land" and would allow landfill "necessary to preserve the existing character and facilities of the waterfront."

Under my legislation, New York could receive additional mass transit funds. The difference between what Westway would have cost to construct, using conservative estimates, and the cost of the alternative highway, would be available to New York beginning in 1992.

New York, therefore, would be receiving special treatment. Not only could an interstate highway be built but the State could also be eligible for additional mass transit funds. That sort of treatment is unprecedented.

For that cost determination, the Secretary of Transportation would take the most recent cost estimate—1985—for Westway and, assuming annual obligations in equal amounts, set the cost in 1992 using actual changes in the cost of construction. By doing that in 1992, there would be a basis for a fair determination of the entitlement.

Westway proponents point to the 12-year time that has already taken place to claim that development of an alternative will take an additional decade. I intend to prevent that. The bill authorizes expedited approvals for administrative actions for the development of the alternative. In addition, much of the research work on alternatives has been completed as part of the study process for Westway. That research can be used for the new alternative.

The longest delay was in obtaining the section 404 permit to fill in 234 acres of the Hudson River. It is reasonable to expect that a permit to fill in a minimal part of that acreage would be approved much more quickly.

The inboard alternative, as studied in the Westway approval process, is a partly depressed, partly covered and partly aboveground highway that would require only 20 acres of fill for construction and interchanges. It would also allow access to the waterfront for almost its entire length. While this bill does not require construction of the inboard alternative, it certainly appears to be an option worthy of further consideration.

There have been questions raised about the inboard alternative's ability to obtain a clean air permit from New York State. I hope that New York officials would also expedite that process.

The inboard alternative appears to be extremely attractive, especially when compared to the effects of other Westway legislation that has been introduced. That bill would prohibit Westway as planned but would also provide no alternative in an area that unquestionably needs highway capacity. That bill is, very simply, a "drop dead New York" bill.

It also should be noted that my bill originates in the Committee on Public Works and Transportation where we deal with these programs on a daily basis and understand them.

The bill, while prohibiting the massive landfill and the road though it, would not affect New York's ability to exercise the interstate transfer option before September 30. However, New York would not be able to use the $1.7 billion that could be obtained through interstate transfer for the landfill.

I urge my colleagues to give careful consideration to this legislation which I intend to offer in the Subcommittee on Surface Transportation next month as an amendment to the overall Surface Transportation Act.

This legislation should not be viewed as part of the well-publicized feud between New York and New Jersey. Instead, I hope this bill will resolve the conflict created over the highway.

The bill provides New Jersey with what it wants—the elimination of the massive Westway landfill. But it also leaves New York free to construct an alternative interstate highway, with the prospect of additional mass transit money. Construction of the alternative highway and the mass transit facilities should more than make up for the jobs by not building Westway. Therefore, I urge my colleagues, particularly those from New York, to study this bill carefully before taking a position on it.

There may be differences between New York and New Jersey on some issues but they should not affect the programs that are vital to our common interests. I hope we can all continue to work together in support of programs that are vital to our region, such as mass transit and highway funding, sewage treatment plants, port development and economic development assistance. As chairman of the Committee on Public Works and Transportation. I intend to keep working for these programs.

Finally, I want to note that I am being joined in introducing this bill by the gentlemen from New Jersey [Mr. Roe, Mr. Florio, Mr. Gallo, and Mr. Courter] and the gentleman from New York [Mr. Molinari]. I appreciate their support on this issue.

A section-by-section analysis of the bill follows:

Section-by-Section Analysis

SECTION 1—PROHIBITION ON CONSTRUCTION OF CERTAIN INTERSTATE ROUTES IN LANDFILL

This section would prohibit the use of Federal funds for any project for the initial construction of an Interstate route of approximately 4 miles adjacent and parallel to an existing shoreline and located mainly in landfill placed in a river after May 1, 1985, to accommodate the project.

SECTION 2—LIMITATION ON LOCATION OF ALTERNATIVE PROJECTS

Subsection (a)(1) would authorize the use of Federal funds for the initial construction of an Interstate route which is an alternative for any project described in section 1 only if the alternative project is built on an alignment generally on existing land and does not include the construction of any landfill in a river, other than landfill necessary to preserve the existing character and facilities of the waterfront.

To permit the use of Interstate construction funds for an alternative project, paragraph (2) would set aside the application of an existing provision of law limiting the obligation of Interstate construction funds to the actual costs of only the design concepts, locations, geometrics, and other construction features included in the 1981 interstate cost estimate approved by Congress.

Subsection (b) would prohibit the use of Federal funds for a highway or transit transfer project (authorized by section 103(e)(4) of title 23, United States Code) which is substituted for an Interstate route described in this section or section 1 if the transfer project includes construction of any landfill in a river, other than any landfill necessary to preserve the existing character and facilities of the waterfront.

Subsection (c) would require Federal officials to expedite a State request for action or approval which may be authorized or required for the construction of the alternative Interstate project authorized by subsection (a)(1).

SECTION 3—AVAILABILITY OF CERTAIN EXCESS FUNDS FOR TRANSIT PROJECTS

Subsection (a) prescribes the method of determining the amount of excess funds available for mass transit capital projects if an alternative Interstate project authorized by section 2(a)(1) is constructed. The amount available, to be determined by the Secretary of Transportation as soon as possible after September 30, 1992, or the last date on which Federal funds are obligated for construction of an alternative Interstate project, whichever is later, would be the excess, if any, of (1) the Federal share of the cost of completing the project described in section 1, as included in the 1985 interstate cost estimate, adjusted to reflect actual changes in construction costs through September 30, 1992, and assuming equal annual obligations of funds in each fiscal year through September 30, 1992; over (2) the cost incurred by the United States in constructing the alternative project.

Subsection (b) provides that the amount determined under subsection (a) would be available as provided in appropriations Acts, to incur obligations for the Federal share of public mass transit capital projects which would serve the area in which the Interstate route is located, which are selected by responsible local officials and submitted by the Governor of the State in which the Interstate route is located. The Federal share of the pubic mass transit capital projects would be 85 percent of the cost thereof, and any sums appropriated to carry out the projcets would reamin available until expended.

Subsection (c) provides that the terms used in subsection (b) would have the same meanings the terms have as used in section 103(e)(4) of title 23, United States Code.

Subsection (d) authorizes for fiscal years beginning after September 30, 1992, such sums as may be necessary to carry out this section.●

A CONSENSUS HAS DEVELOPED THAT THE TIME IS RIPE FOR NUCLEAR LICENSING REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. BROYHILL] is recognized for 5 minutes.

● Mr. BROYHILL. Mr. Speaker, today I am pleased to introduce by request the nuclear licensing reform legislation submitted by the Department of Energy entitled the Nuclear Facility Standardization Act of 1985. This legislation illustrates the administration's firm commitment to preserving the nuclear option. The administration is not alone in recognizing the need for nuclear licensing reform. In March, my esteemed colleague from Arizona, [Mr. UDALL], introduced by request, H.R. 1447, licensing reform legislation developed by the Nuclear Regulatory Commission. Earlier this year, I was delighted to join with a bipartisan group of colleagues in introducing H.R. 1029, the Nuclear Powerplant Standardization Act. H.R. 1029 has now attracted more than 35 cosponsors. Over in the Senate, Senator SIMPSON, chairman of the Subcommittee on Nuclear Regulation, has long supported nuclear licensing reform and has assured me that such reform will be a top priority for his subcommittee this Congress.

Mr. Speaker, all of these initiatives are designed to achieve the same goal—the enactment of the legislation necessary to encourage regulatory stability and the development and use of standardized nuclear powerplant designs. There is almost unanimous agreement that the public will benefit from reforms which encouarge standardization, a more effective application of industry and NRC resources, more meaningful public participation, and a reduction in unnecessary costs.

The similarities between the various legislative proposals are striking, and document that a consensus has now developed as to the direction reform should take. I look forward to working with the administration on this crucial issue and welcome the Department of Energy's support. Attached to this statement is Secretary Herrington's transmittal letter and the section-by-section summary that accompanied the administration's bill. I urge my colleagues to review this material, and to join with us to fashion a solution to the problems plaguing the regulation and licensing of nuclear power.

THE SECRETARY OF ENERGY,
Washington, DC, May 7, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Enclosed is proposed legislation entitled the "Nuclear Facility Standardization Act of 1985," a bill intended to improve the licensing of nuclear facilities. The Office of Management and Budget advises that enactment of this proposal would be in accord with the program of the President.

Reform of the system by which the United States licenses its nuclear powerplants is critical if the nuclear power option is to be part of our Nation's energy future. Nuclear power is already a key element of the Nation's energy base; it supplies about 15% of the Nation's electricity and is the second largest source of electricity in America. The continued expansion of the United States economy depends upon reliable and affordable energy, which can be achieved only by encouraging a well-balanced mix of all domestic energy sources. As the demand for electricity grows over the next few decades, so too will the opportunity for more nuclear power, inasmuch as uranium and coal seem likely to be by far the most economic energy sources that can be used in large electrical generators.

As past experience demonstrates, we have the technology to build and operate safe, economical, and environmentally-sound nuclear powerplants. Foreign nations have benefited by using American technology to build nuclear plants overseas; since 1978, the last time an American utility placed an order for a nuclear powerplant, more than 100 nuclear powerplants have been ordered by such countries as France, Japan, and Germany. Nuclear power in the U.S., however, faces a number of obstacles in helping to meet the energy needs of future generations. One major problem confronting the nuclear industry is a complex regulatory process that delays construction and increases costs. Without a comprehensive reform of U.S. nuclear licensing practices, America will continue to fall behind the rest of the world in nuclear power generation. This could cause a severe energy shortage if the demand for electricity increases with recent population growth and economic expansion.

I am today submitting legislation to increase stability and predictability in the process of constructing and operating nuclear power facilities, while continuing to provide health and safety assurances. This proposed legislation would permit the approval of standardized plant designs; it would allow licensing authorities to grant a combined construction and operating license after appropriate hearings; it would provide for the early approval of plant sites; and it would provide a centralized documented review process for changes required by the Nuclear Regulatory Commission. A section-by-section analysis is enclosed which provides greater detail on what the proposal would do. Enactment of this proposed legislation would allow utilities once again to consider the option of nuclear power on its economic and environmental merits.

Representative James T. Broyhill, along with more than 30 co-sponsors from both sides of the aisle, has already introduced important legislation that creates the framework for achieving these objectives. Mr. Broyhill's bill, H.R. 1029, provides for badly-needed improvements in the current nuclear regulatory process. I applaud his leadership. The Nuclear Regulatory Commission has also submitted proposed legislation, introduced as H.R. 1447, which contains necessary nuclear licensing reforms. I commend each of these efforts to the Congress for their consideration. From among our proposal and these approaches, I urge the Congress to find the legislative solutions to the nuclear licensing and regulatory problems facing us today.

By working together in a bi-partisan fashion, the Congress and the Administration can assure that safe and reliable nuclear energy continues to help assure the Nation's economic growth and energy security at reasonable cost to American consumers.

Yours truly,

JOHN S. HERRINGTON.

NUCLEAR FACILITY STANDARDIZATION ACT OF 1985—SECTION-BY-SECTION ANALYSIS

SECTION 1

This section sets forth the title of the bill.

SECTION 2. FINDINGS AND PURPOSES

This section would provide congressional findings and set forth the purposes of the Act.

SECTION 101. APPROVAL OF STANDARDIZED DESIGNS

This section would require the NRC to establish procedures under which it could approve facility or major facility subsystem designs for commercial production or utilization facilities. This approval would be independent of an application for a construction permit or a construction and operating license. A pre-approved design could then be incorporated into an application for a construction permit or a construction and operating license. Inasmuch as nuclear powerplant technology has matured and operational experience increased, the industry may wish to use this authority to obtain pre-approval of major subsystems and ultimately pre-approval of full facility designs.

A pre-approved design could be changed only in a design amendment proceeding. The NRC could incorporate this design amendment proceeding in other licensing proceedings. Review of an issue that had been considered and decided in a previously completed design proceeding would be strictly limited. Reexamination of such an issue in a hearing in a design amendment proceeding would be restricted to those instances when a material issue was in dispute that could only be resolved in a hearing. In addition, the issue could not have been considered and decided in an earlier design proceeding or a showing has been made that there is a nonconformance with the design approval that could materially and adversely affect the safe operation of the facility using the design. Reexamination of these issues by the NRC staff in its application review would be limited by the restrictions on modifications under section 104 of this Act.

The NRC would define the level of detail required in an application for a design approval. A design approval would be valid and effective for ten years from the date of issuance and could be renewed for additional ten-year periods. The costs for obtaining the approval could be allocated by the NRC among those proposing to use the pre-approved design. If the design were not included in an application for a construction permit or a construction and operating license during its first ten-year term, the holder of the design approval would have to pay any applicable processing fees.

This section also would permit the holder of a permit, license, or approval to deviate from any aspect of the permit, license, or approval without NRC permission unless the deviation involved a change in technical specifications or an unreviewed safety question.

SECTION 102. EARLY SITE APPROVAL

This section would require the NRC to establish procedures under which it could approve a site or limited aspects of a site for a commercial production or utilization facility prior to filing an application to construct or operate a facility on the site. A site permit would be valid and effective for ten years and renewable for additional ten-year periods. A site permit could be modified as set forth in section 104 of this Act.

A pre-approved site could be incorporated into an application for a construction permit or a construction and operating license. Review of issues that had been considered and decided in the site permit proceeding would then be strictly limited. Reexamination of such issues in a hearing would be restricted in the same manner as set forth in section 101 of this Act. Reexamination of these issues by the NRC staff in its application review would be limited by the restrictions on modifications under section 104 of this Act.

SECTION 103. CONSTRUCTION PERMITS, OPERATING LICENSES, AND CONSTRUCTION AND OPERATING LICENSES

This section would continue to authorize the NRC to grant, individually, a construction permit and a subsequent operating license for a production or utilization facility. This section would provide the NRC new authority to grant, as a combination license, a construction and operating license (COL) for a commercial production or utilization facility. An application for a COL would be required to contain a level of detail sufficient to allow the NRC to make the determinations, concerning public health and safety and the common defense and security, required by the Atomic Energy Act and NRC rules and regulations. This section would not mandate the specific level of detail required in an application. That would be left to the NRC.

The NRC would be required to incorporate in the COL, however, a procedure for construction quality assurance that would provide for the approval of discrete phases of construction as the construction is completed. The NRC also would be required to set forth in the COL the inspections, tests, analyses, and acceptance criteria therefor that it will use in determining whether there is reasonable assurance that the plant has been constructed and will operate in accordance with its license. The COL also may provide for NRC consideration of inspections conducted by the licensee's quality assurance inspectors, NRC's inspectors, and other designated engineering and inspection representatives.

An expedited procedure for commencement of operation would be provided for facilities which have a COL. A holder of a COL would notify the NRC of its readiness to begin operations. Upon receipt, the NRC would publish a notice of intended operation in the Federal Register. A thirty day public comment period would then be provided. Anyone objecting to operation of the facility could request a hearing. If a hearing were requested, the review of issues that had been already considered and decided would be strictly limited. Reexamination of such issues in hearings would be restricted in the same manner as set forth in section 101 of this Act. The NRC would be required to determine if the hearing must be completed before facility operations may begin.

SECTION 104. MODIFICATIONS

This section would prohibit the NRC from requiring or requesting a licensee to make a change to a licensed facility unless the NRC determines, taking into consideration the remaining life of the facility, that the change would substantially improve the overall safety of facility operations. The determination of substantial improvement is to be based on a consideration of seven specific factors and such other factors as the NRC determines to be necessary.

The NRC would be required to establish a procedure for the centralized, systematic, and documented review and consideration of a proposed change to a facility. To avoid any ambiguity as to how the NRC may make a proposed change effective, the section would provide that a change may be required only by an amendment to the facility's license or by issuing a rule, regulation, order, or amendment thereof. In the event that conditions or practices necessitated immediate action to protect the public health and safety or the common defense and security, the NRC could impose a change without going through this review procedure.

TITLE II—CONFORMING AMENDMENTS

Sections 201-205 would amend several provisions and the table of contents of the Atomic Energy Act of 1954 to conform with the provisions of this Act.●

THE 92 GROUP BUDGET PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. BOEHLERT] is recognized for 60 minutes.

Mr. BOEHLERT. Mr. Speaker, As the deadline approaches for Congress to adopt a budget resolution, Members of this body are again wondering: How can we do it? It's easy to adopt a budget resolution, but we don't want and we can't afford just another budget resolution. We must come up with one that faces the reality of the deficit crisis and deals with it forthrightly. The President is correct—at a minimum we must approve a $50 billion deficit reduction. But in doing so we must use both our heads and our hearts.

The American people understand that drastic action must be taken. But they demand that the solution to the deficit crisis be fair. If there's a smile on my face, it's because I hold in my hand the proof that it is possible to come up with a budget that combines fiscal responsibility with social responsibility. I'm convinced that this document embodies an approach that will enage the hearts and the minds of the American people in a serious effort to defeat the deficit.

It is called "a Blueprint for Balance," and it was crafted by our House 92 Group Budget Task Force—a group, I might add, which represents a diverse array of districts from all across the country. In many hours of debate and discussion over the past 4 months, we sought to create a budget proposal which could be accepted by all Americans as being fair and balanced.

We believe that the "Blueprint for Balance" offers advantages over the other budget proposals that have been discussed, and my colleagues and I are here to tell you about those advantages.

First, we began with a comprehensive fiscal year 1986 budget authority freeze, including defense, as the only fair first step. Americans have been asked to sacrifice again and again in the past few years, but the sacrifice has not been spread evenly. Meanwhile, the deficit has grown even larger. We in the 92 group believe that at the very least, we should stop the growth of Government spending across the board, and then look for further budget savings which would increase Government efficiency while remaining responsive to national needs.

A comprehensive freeze at fiscal year 1985 levels results in a $32 billion cut in the projected budget deficit. We went even further. Let me say it again—we emphatically believe the deficit must come down through a sustained commitment to responsible government spending. But we are not willing—and we understand the American people are not willing—to make drastic cuts in programs which are productive, vital investments in our people and their future.

That is why, unlike the budget proposal approved by the other body, we do not cut into the amount of financial aid available to students. Likewise we trimmed, but did not eliminate, programs such as the economic development administration, Urban Development Action grants, or the Job Corps. These programs are investments, with productive results for all Americans. These programs link limited public resources with the power of private initiative, and easily produce more in tax revenues than they cost. It would be penny-wise but pound-foolish to make these kinds of programs bear the brunt of our deficit reduction efforts.

And by the way, allow me to nip in the bud any notion that this budget proposal selfishly protects the interests of particular regions of the country. Yes, it salvages some programs that keep distressed regions afloat—but at reduced levels that will require adjustments from constituents in our own districts. Furthermore, let's get this straight—just as a cancerous limb threatens a healthy body, a region in trouble holds back the entire economy from achieving the kind of prosperity it could achieve.

The "Blueprint for Balance" package would cut the deficit just as deeply as any other plan proposed without touching Social Security cost-of-living-adjustments.

Finally, I want to take a moment and stress our recommendation for a freeze in defense budget authority. We recognize the imperative need to meet our global security challenges. We would not support a budget which left America unable to defend her interests. But we do not accept the notion that one particular department of the Government cannot be asked to be as efficient in its business as the others.

Our good friend and colleague from New York [Mr. Kemp], is fond of saying, "If you subsidize something you get more of it." Well, for too long now we have been subsidizing at incredible levels the kind of waste, bureaucratic inefficiency, and fiscal mismanagement that the Republican Party was sent to Washington to clean up. If we are going to continue to demand tight standards of accountability and performance from the civilian side of our Government, should we not also expect it from the greatest military organization in the world? It is time to remember what President Eisenhower warned us some years ago: That the prudent expenditure of defense dollars is even more important than what we spend our money on.

A Defense budget authority freeze at 1985 levels is an essential component of the fairness our plan provides. Moreover, a budget authority freeze will not, I repeat, will not undermine necessary efforts to modernize our forces. In fact, Defense outlays for procurement and other purposes will continue to rise during the coming years even with such a freeze. But we must begin to include the Defense Department in the overall campaign to reform Government's wasteful ways.

Mr. Speaker, the "Blueprint for Balance" is as sound as it is ambitious. It was prepared after hundreds of hours of discussion among Members from all across the country. It is backed up with calculations made by the Congressional Budget Office, in accordance with standards more realistic and rigorous than those used by the other body.

If enacted, our plan would save American taxpayers $274 billion in deficit reductions over 3 years, more than halving the deficit to a level of $111 billion by 1988.

But most important, our plan is equitable. We believe the American people will find it the fairest proposal offered. Fairness is not only an ethical imperative, but a political one. The board support of the American people will be essential if we are ever going to get cracking on deficit reduction. And while I'm sure there are parts of our budget which will make some less happy than others, we firmly believe it is a compromise package that all can support. I am very proud to have been part of the working group that put this budget together, and I look forward to working with my colleagues on both sides of the aisle to achieve a budget "Blueprint for Balance."

Mr. Speaker, I yield to the gentleman from Iowa [Mr. Tauke].

Mr. TAUKE. I thank the gentleman for yielding.

Mr. Speaker, I commend the gentleman for taking this special order so that we might have an opportunity to acquaint our colleagues in the House of Representatives and others across the Nation with the product of our work over the past 4 months.

About 4 months ago, 30 Members of the Republican Party in the House formed the 92 Group, and we established a task force of about 16 Members of that group who have been responsible for going through the Federal budget on a program-by-program basis to try to determine what kind of budget package we can put together.

We have come up with a document which I believe is the most solid document that has been presented thus far to Members of the House on the budget question.

Our first objective in attempting to deal with this problem was to attempt to put together a budget that would reduce the deficit through spending reductions totally at least $50 billion. It was our judgment that a $50 billion deficit reduction was necessary in order to perpetuate the economic growth that we have had in the country over the last several years.

We have been fortunate to have this kind of growth. It is difficult to sustain it for a long period of time. We have not had sustained growth in our country for 5, 6, 7 years and running in our history. To sustain that kind of economic growth for the rest of this decade, as we hope to do, we have to nurture it along. One of the ways we do that is by reducing this deficit somewhat. We thought $50 billion was a minimum.

Second, we felt by reducing the deficit we would contribute to the trend toward declining interest rates, which is a part of maintaining that economic growth. We felt it would also lead to a more properly valued dollar in the world marketplace, which would contribute to the effort to solve our trade deficit problem, and make our goods more marketable in the world.

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We also recognize when we set that $50 billion deficit reduction goal that at the current time we anticipate that this year's deficit, just this year's deficit, will cost our children in their lifetime about $10,000 to $15,000 in additional taxes.

Let me repeat that: That during the lifetime of our children, they will pay interest on this deficit, just this year's deficit, of about $10,000 to $15,000. So we believed that it was essential for economic growth and for the future that we reduce deficits through spending reductions.

Our second major objective was to attempt to do this in a fair and equitable way, so we looked at all the programs that we had at the Federal level and determined that there were six programs that should be terminated, including, for example, the Synthetic Fuels Corporation and part B of impact aid to education.

We then looked at 75 other programs that we felt could have some cuts in them. During the course of this special order, we will be talking about some of those cuts.

We froze every other program at current spending levels because we did not think it was fair to cut one program in order to fund increases in another program. So by freezing, by terminating where we could, and by reducing below a freeze, we were able to come up with $50 billion in spending cuts that we believed were fair and equitable.

We took half of our reductions from the defense segment of the budget, which has been growing very rapidly, and since we have been using as our bottom or baseline here in Congress the Rose Garden agreement of a year ago and projecting that as the current policy, we are reducing that spending roughly $25 billion from that level in the coming fiscal year in this budget.

We reduced domestic programs by roughly $25 billion and we provide for no tax increase.

So I think that our budget package, which is designed to achieve the goal of $50 billion in spending reductions and doing it fairly and equitably is one that can be acceptable to a majority of the Members of the House and I believe can garner broad support across the country. If we can pass this budget, we believe that we will have dealt fairly with the American people and we will have also assisted in the effort to promote economic growth in our country in the years ahead.

Mr. BOEHLERT. I thank my distinguished colleague and co-chair of our 92 Group for the excellent statement.

When you talk about the deficit being in crisis proportions, you put it into perspective and the American people begin to realize that each day, every 24-hour period, the U.S. Government is spending $265 million just in interest on the national debt. We understand that. We are committed to deficit reduction, and I thank my distinguished colleague from Iowa for the leadership he has provided.

Mr. TAUKE. And I thank the gentleman for taking this special order. I think when we do talk about the deficit, it is important for people to realize that this year we are expecting, if we do not change policy, that we would have deficits that would total about $1,000 per person in the country. So for every man, woman, and child, we would be spending about $1,000 more than we are taking in.

You do not have to be an economist to figure out that that causes you trouble down the road, so we are taking the tough action necessary to begin to get a handle on that handle.

I thank my colleague for his courage, and I hope that there are at least 218 others in the House who will have the kind of courage that he has demonstrated.

Mr. BOEHLERT. We are working very hard on that.

Mr. Speaker, I will be glad to yield to my distinguished colleague and my neighbor from Vermont [Mr. Jeffords].

Mr. JEFFORDS. I thank the gentleman for yielding and I want to commend him and also the previous speaker for all the work that they and many others have put into this budget.

I am pleased to be able to speak in support of the budget alternative developed by the 92 Group. What we are proposing is a responsible package of recommendations that strives to reach the required savings without doing irreparable damage to vital programs. We are not in opposition to the President in his attempt to achieve budget savings. We are willing to make our fair share of budget cuts. Our interest though, is in finding a middle ground which responsibly addresses the budget deficit problem, but which also incorporate a fair approach so that individuals served by these programs are not overlooked.

I have particular interest in two areas of this package which come under the jurisdiction of the Education and Labor Committee on which I am the ranking Republican member. These areas are the Child Nutrition Programs and the Guaranteed Student Loan Program.

First, in the area of child nutrition, the 92 Group proposal would save approximately $400 million in fiscal year 1986. These savings are achieved without destroying the current structure of the School Lunch Program. Specifically, the proposal calls for a 1-cent reduction in the section 4 cash support for the so-called paid student and a 1-cent reduction in commodity assistance. Together these reductions total approximately $38 million in savings without creating the likelihood of large-scale reduction in participation in the School Lunch Program by school districts across the Nation.

Additionally, $200 million can be saved by requiring documentation of a family's primary source of income with the submission of application for free and reduced priced school lunch benefits. This provision insures that only those children from eligible families will be served free and reduced price meals.

Finally, the proposal calls for a freeze in all reimbursement rates for all child nutrition programs effectively July 1, 1985, through June 30, 1986. This provision provides approximately $160 million in savings for fiscal year 1986. In each case, we are trying to preserve the integrity of the overall program while attempting to insure that eligible participants continue to receive a reasonable level of assistance.

In the Guaranteed Student Loan Program the savings that would be effected total approximately $200 million. This proposal essentially parallels the Senate recommendations. Specifically, savings can be achieved through program reform without reducing access to higher education by students who are currently being served under the program. These reforms include a universal needs analysis, reduction in the special allowances paid to lenders, mandatory multiple disbursements by lenders, reduction in the reinsurance provisions for State guarantee agencies, and tightening of the definition of "independent student." I would like to point out that none of these reform measures involves a cap on the amount of assistance or on the cost of attendance at any particular institution. They are legitimate savings which do not adversely affect students. Further, these are a list of possible areas that will not make it necessary to make all of those changes in order to accomplish the savings that we need to make in order to help bring this budget under control.

With these recommendations, I believe that the 92 Group has met its objective. The proposals are sound and based on clear understandings of the programs and the people they affect. Our effort should be to preserve the integrity of effective programs while sharing the burden of achieving necessary budget reductions. We must continue to look for responsible alternatives that have an eye toward the future.

Mr. BOEHLERT. I am so glad my colleague mentioned these two very critical programs, the Child Nutrition Program and the Guaranteed Student Loan Program. We have demonstrated by the manner in which we are handling our budget proposal that we can come up with a plan that is fiscally responsible and also socially responsible.

Many of us in this body would not even be here today if we did not have a Student Loan Program when we were going to college to borrow to pay our way through college and then we all did the same thing. When we graduated, we paid back the Government. The Government made a wise investment, and I just thank the gentleman for calling attention to this very important aspect of our blueprint for balance.

Mr. Speaker, I see that the chairman of our Budget Task Force is on his feet, and I would be glad to yield to the gentleman from Michigan [Mr. Pursell] who has done such an outstanding job chairing the Budget Task Force of the 92 Group.

Mr. PURSELL. Mr. Speaker, I see we have the gentlewoman from Connecticut on my left who is waiting to be recognized. I would defer to her.

Mr. BOEHLERT. I would be pleased to yield to the gentlewoman from Connecticut [Mrs. Johnson].

Mrs. JOHNSON. I thank the gentlerman for yielding.

Mr. Speaker, I would just like to reiterate what my colleagues have made very clear, because I feel it is extremely important for all to recognize that we believe that the paramount function of this Congress is to reduce Federal spending by a minimum of $50 billion and thereby address the deficit problem that represents such a significant threat to our economic future.

A strong and productive economy is the cornerstone of American society and of our leadership in the world. It is, therefore, essential and the overriding responsibility of this Congress to get control of the deficit. Reducing spending is critical to assure our continued economic growth, expand job opportunities in our Nation, and equally important to reducing the trade deficit, restoring the competitive position of American industries abroad and preventing economic crisis for our trading partners in the developing countries of the world.

Large deficits affect every sector of the economy, every American, every business, every worker. The deficit crisis is a real threat and one that must be addressed and, therefore, no part of the budget, including defense, can or should escape scrutiny. Targets must be set for deficit reduction with the goal of eventual deficit elimination in mind.

There were two things that I would particularly like to point out about our package before my colleague from Michigan gives a more thorough presentation of its broad outline.

One is that those of us involved in developing this package do believe that government plays a constructive role in stimulating economic growth in America, and particularly has a responsibility to those regions of the Nation where unemployment is high, where growth has been difficult, where structural change is a real part of people's life and of their pain. So we have not eliminated very important

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programs like the economic develop- economy depend on the ability of the less I do think there is an important

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programs like the economic development grants, the UDAG grants, or the community development block grant moneys.

□ 1810

We have reduced them, but modestly. We have retained the power of this Federal Government to address the need for economic development in those areas so deeply affected by structural changes that are beyond our control.

Mr. BOEHLERT. Mr. Speaker, the gentlewoman from Connecticut makes a very good point, because when you are talking about deficit reduction, and the deficit crisis in America, we must always keep in mind the basic fact that every 1-percent increase in unemployment adds $30 billion to the deficit. So if we move in the other direction with the very programs you are talking about, the programs under the jurisdiction of the Economic Development Administration and the Urban Development Action Grants, those are programs designed to have the Federal Government in a partnership role with the private sector, but the private sector is the senior partner providing the guidance and hopefully creating new jobs.

Mrs. JOHNSON. Yes. Mr. Speaker, my colleague, the gentleman from New York, has made a very important point, that economic development is a partnership responsibility, and we recognized that in the decisions we have made in articulating this budget.

A second thing we have done that I think needs to be pointed out is that we have been sensitive to the human service needs of particularly people in urban areas, small urban communities and large urban communities throughout America, where in truth United Way agency services are not meeting the needs of low-income families. Community service block grant moneys are essential to address the needs of these families to complement a system which, as strong, viable, and important as it is, because of government's withdrawal from that sector, is ever more dependent on sliding fee-for-service scales which make it difficult for low-income families to participate fully.

So the Community Services Block Grant Program, which is eliminated by other budgeters in the Congress, is supported strongly in this budget, and I think that is important and worth noting. Human services are our concern. The stability and viability of that network is clearly a commitment that we have made in this budget.

Last, let me just say that every one of the decisions in this budget was the result of long and heated debate. These decisions represent tough compromises, but they are made with the knowledge that the Nation's future, our children's future, the free world's future, and in fact that of the global economy depend on the ability of the Members of this Congress to debate among themselves and make the kinds of decisions that we have made in order to achieve the all-important goal of addressing the deficits that threaten our economy and the well-being of the world.

Mr. BOEHLERT. Mr. Speaker, I thank the gentlewoman from Connecticut.

Mr. PURSELL. Mr. Speaker, I thank the gentlewoman from Connecticut, and I sometimes think that she is not so gentle as tough, because we did make tough decisions, and I commend her on her outstanding leadership in the budget process. That is an achievement in itself.

Mr. Speaker, we will next hear from the gentlewoman from Maine, Ms. Olympia Snowe, cochair of the 92 Group, and one of our outstanding leaders for many years.

Mr. BOEHLERT. Mr. Speaker, I yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Speaker, I want to thank the gentleman in the well for taking out this special order this evening. I commend him for his diligence, and I commend also the gentleman from Michigan [Mr. Pursell] for his outstanding work and performance in developing and heading up our budget task force that is the result of our work here this evening and the one that we hope to work with in the legislative process to address the budget proposal.

The gentleman has raised a number of comments, and other members of the 92 Group, I think, have addressed the issue very well. But first I think it is important to emphasize that, as has been the case here, this is an evenhanded approach to deficit reduction. It is never easy to reduce deficits by $50 billion in 1986 and $300 billion over the next 3 years without affecting many important programs to our constituencies and to all regions of the country.

That is the primary reason why we decided as a group at the outset to establish the minimum threshold at $50 billion but to do it in a fair and balanced way. So I think our budget-deficit proposal is rooted in fairness and equity. It is clear that a trillion dollar package is not 100 percent acceptable to any group of the House or the Senate, but nevertheless we can embrace this proposal because it does represent a sense of fairness.

We also recognized that we wanted to spread the burden of deficit reduction evenly among a number of programs that comprise the Federal budget, and that is essentially what we have done here today.

Finally, I might say that there is a difference. Although we can compare what happened in 1981 with the spirit that is taking hold in 1985 in our approach to deficit reduction, nevertheless I do think there is an important distinction. In 1981 we cut a number of domestic programs without really affecting defense expenditures. At that time defense, on the heels of the Carter administration, had been neglected in many respects. In fact, our national security was at the point of being in danger, so we had to make a significant investment in defense. But now it is a different story. We have made an investment of billions of dollars in defense, and we plan to do that in the years ahead, so now we think that defense can come in and take some of the cuts along with other domestic programs that have absorbed reductions in the past. We do not believe that any one program or any one group or any one region of the country should have to absorb and assume the burden of deficit reductions for any one program.

So we have attempted, I think, in a fair and evenhanded way to spread those reductions across the board. We recognize the importance of programs to our farmers, to crop subsidies, to trade adjustments, to those individuals who lose their jobs because of imports, and for student loans to the students who rely on them extensively in order to pursue an education.

So we think all these programs are essentially important. That is the way the Government pursues the common goal, by intervening and providing these services. So again I think that our budget represents that bottom lines of fairness and equity in every respect.

Mr. BOEHLERT. Mr. Speaker, the gentlewoman from Maine [Ms. Snowe] brings up some very good points. I think the key test we applied as we went through this long deliberate process was: Does our proposed action pass the test of fairness? Is it evenhanded?

Our colleague, the gentlewoman from Connecticut, pointed out earlier that there are a number of programs and each of us has our favorite programs. There are some programs that I would like to regard as untouchable because I have seen them work very effectively in my particular district and my particular State. But we all "gave at the office," so to speak. We all looked at these programs and said that if we all take the basic position that everybody else has to be cut and we cannot cut our pet projects, we will never get anywhere. So we all yielded somewhat, and unlike some other alternatives on the public agenda today, we did not totally eliminate some of those programs like those under EDA or UDAG; we had a slight reduction. But we emphasized the importance of those Federal activities designed to preserve existing employment and create new jobs, and so we kept them.

Ms. SNOWE. Mr. Speaker, I think the gentleman makes a very important point, and that is that Congress on so many previous occasions has stated its support for many of the programs the gentleman has referred to. They are important to our constituencies, and they are important to provide economic development in so many regions of our country.

□ 1820

We also would recognize that our budget is not ideologically or regionally based. We did not approach the process with a premise of what programs we will protect. What we did do is approach the process through the premise that we are going to reduce budget deficits by the minimum threshold of $50 billion in 1986 and several hundred billion in the years beyond.

I think that is illustrated by the budget that we have produced here today and hopefully will meet with success here in the House of Representatives; but it is a product of many intensive hours of negotiations and compromise and consensus.

I guess we can appreciate the members of a Budget Committee and the process that they undergo in attempting to come up with a budget package.

So again I thank the gentleman for yielding and again I want to congratulate the gentleman from Michigan [Mr. Pursell] for the outstanding work that he did on behalf of our group, and on behalf of the Congress, and on behalf of the Nation.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. BOEHLERT. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, I just want to say that I subscribe to what the gentlewoman from Maine [Ms. Snowe] has said.

Mr. Speaker, as a sponsor of the budget proposal put forward last week by the 92 Group, I am pleased to participate in this special order.

The 92 Group budget proposal is a reasonable and balanced plan for cutting the Federal deficit in half in 3 years while meeting our Nation's most important needs. Without raising any new taxes—which would be counterproductive to economic growth—the 92 Group budget would cut $51 billion from the deficit in fiscal year 1986 and a total of $275 billion over 3 years.

This strong commitment to deficit reduction would be achieved with fairness. Based on a spending freeze across the board including defense, the 92 Group proposal goes further to recommend spending cuts and changes in 75 programs. Sacrifices would be required of many special interests but the burden does not fall disportionately on any single group. It is not perfect—no budget ever is—but the 92 Group budget package is the fairest and most politically feasible of the budget proposals advanced.

In the transportation area, the 92 Group budget calls for belt tightening and sacrifice as it does in all areas of spending. At the same time, the 92 Group budget allows for the maintenance of a balanced system of public transportation meeting differing local needs throughout the country.

In recognition of AMTRAK's essential role as our Nation's only national rail passenger service, the 92 Group budget rejects the administration's proposal to eliminate AMTRAK operating subsidies and restores 80 percent of the present funding level.

Similarly, the 92 Group's budget rejects deep reductions in mass transit assistance while calling for some contribution to deficit reduction in this area. The 70-percent cut in mass transit funding requested by the administration would be fatal to many local mass transit systems which are critical to urban areas like Philadelphia. The 92 Group budget would restore the bulk of mass transit funds although formula grants would be reduced by 20 percent in fiscal year 1986 as part of the across-the-board deficit reduction effort.

As a longtime champion of mass transit assistance because it is good social policy and makes economic and environmental sense, I recognize that any budget reduction will create problems for local mass transit systems. I wish that mass transit programs could be fully funded at present levels but the worsening deficit situation demands that we in Congress act responsibly by making the difficult but necessary decisions to restrain spending for programs we may personally favor.

Student assistance represents another example of the 92 Group's fair and moderate approach to trimming the defict. The Office of Management and Budget's proposal for student aid would have cut funding by 25 percent and imposed a $4,000 "mega-cap" on total annual Federal assistance to individual students. In addition, the OMB proposal would have disqualified students from families with incomes above $32,500 from eligibility for guaranteed student loans.

By contrast the 92 Group budget preserves the present strong Federal commitment to higher education by restoring most of the funds the administration's budget sought to cut. Under the 92 Group plan, student aid would be reduced by less than 5 percent overall. No cap on total Federal aid per student would be imposed nor would a ceiling be placed on family income. Instead, a needs analysis would be required for all students seeking Federal assistance, not just those with family incomes over $30,000 as is presently the case. In this way, the need for student aid would be assessed on a case-by-case basis rather than according to an inflexible family income rule which would not take into account individual family circumstances.

The 92 Group budget is a carefully thought out blueprint for achieving substantial deficit reduction. I am convinced that the American people will accept the call to sacrifice as long as the burden is shared equitably. The 92 Group budget achieves this goal.

Mr. BOEHLERT. Mr. Speaker, I yield to the gentleman from Michigan.

Mr. PURSELL. I think it is important here to understand the budget process. We have a Budget Act. I think it was written around 1973–74 by Senator Muskie and others, both in the Senate and in the House, who asked us to set targets because of the overspending and the rapid clip of spending generally in the House and in the Senate over the years.

So now we have set budget targets and we are happy to report, as the gentleman from New York knows, that this is the first budget that was completed on time in both the Senate and in the House and released to the press and will be introduced this week, meeting our May 15 deadline.

I think that in itself is an accomplishment, because I think the budget process over the years has eroded. We have had authorization bills, spending bills, concurrent resolutions, supplementals, and it gets rather confusing to the taxpayer out there and Members of Congress alike to look at this budget process and say: "My God, don't we have fiscal responsibility in Washington? Can't we keep our House in order?"

So the budget process is professionally a time process in which we have introduced our budget proposal. It has taken 1,000 man-hours on behalf of many outstanding members of our 92 Group.

I would like for the Record to read those people who participated in this task force. Our outstanding cochairman is Tom Tauke, and Olympia Snowe you have heard from today.

We have had some outstanding senior members; Ham Fish from New York; Stu McKinney of Connecticut; Mattie Rinaldo of New Jersey; myself from Michigan; Doug Bereuter from Nebraska; Steve Gunderson, who will speak in a few minutes on agriculture, from the State of Wisconsin; Claudine Schneider from Rhode Island; Rod Chandler, outstanding Member from the State of Washington on defense. He has been an outstanding speaker in that area.

Then we have Nancy Johnson from Connecticut; Jack McKernan, an outstanding young man from Maine, also a former captain of the Dartmouth tennis team. We can win on the Senate and House floor here maybe with this budget proposal, but I think he is unbeatable on the courts.

We have Tom Ridge, a young man, a sophomore, I believe, a third-termer from Pennsylvania; Ed Zschau from California, an outstanding person, an entrepreneur in his own right; Paul Henry, a bright, young, talented Congressman from my State who replaced Hal Sawyer, formerly President Jerry Ford's district in Grand Rapids; and John Rowland from Connecticut, participating in the budget process.

Regardless of the outcome of the budget process and the strategies and the battles yet to be fought, to be won, and to be lost, frankly the spinoff value of the Members learning what our national priorities are, and having the courage, and the intestinal fortitude to sit down and hammer a trillion budget and come with $50 billion in deficit reductions in the first year, $91 billion in the second year, and I believe the third year, if I am not mistaken, it is approximately $132.6 billion.

Mr. BOEHLERT. If my colleague will allow me at this point, I am so glad the gentleman listed the names and States of the members of this 92 Group, particularly those who served and worked so hard on the budget task force, because it is important for the American people to understand, this is not a regional document. This is a national document. From Maine to Washington State, from New York to California, and all the territory in between, we had diverse interests, we had Members who represent primarily agricultural districts, we had Members who represent districts with major urban centers and we had other Members who had a combination; so this is truly a representative document. I am particularly pleased that the gentleman listed those who have helped us so much.

Mr. PURSELL. Well, obviously there is a lot of quality there, I am sure.

I would like for one of the pages to take the charts here and assist us, if they would.

If you look at the chart on the floor, this is where we are standing today, with a major deficit of about $220 billion, some say $210 billion, but a deficit that staggers the imagination of every taxpayer in America. It affects our interest, our inflation, our monetary system, our trade balance, and so forth; so the Group 92 presents today the historical deficit from 1947 through 1985.

I think if you look at the chart you will see about 6 years of either a balanced budget or a minimal surplus and that is in about 37 years of legislative process by this Congress to have traditionally spent more than they have coming in in income. Fiscally, we consider that somewhat irresponsible, maybe a great deal of fiscal irresponsibility here, particularly if you look at those latter years.

Now, we do not have the time to assess who is to blame for that. The question is what are we going to do for the future in the next generation for our young people of the future who are with us today?

So if you go to the second chart, you will see that Group 92 has faced up to that realistic solution by recommending that we take $51 billion out of an almost trillion-dollar budget this year, $92.2 billion the second year, and $132.6 billion the third year.

Now, that trend downward to achieve a balanced budget, hopefully soon, will it trigger recovery, not only did it trigger the stock markets, what the Senate did this last week, but as the House takes its legitimate leadership here, either a Democratic platform and a program that they might present, or bipartisan, or a Republican substitute, or the Group 92 plan, I think it is important that we realize that we are developing for the first time a change of direction in the Congress of the United States to reduce spending and to achieve a balanced budget that we can feel proud of as Americans in this young generation in which we are basically about 200 years old.

The next chart gives us an idea that we are looking at really two major pieces of the budget; the defense budget basically when President Carter left office was 21 percent of the general fund. Today it is about 28 percent.

We have spent $1 trillion, 2 billion in the last 4 years on defense.

We have met our responsibilities at Geneva. We have met our responsibilities as being a leader of the free world; but at this point in time it is important I think for all of us to pause and take a look and reassess and reevaluate the defense budget of this Nation and to say to the Members of Congress and the taxpayers that we are going to take a look at reform. We are going to look at procurement, which is approximately $120 billion a year, regardless who the President is. So we are looking at the Defense Department with tough, hard numbers, and I think we have got a lot of people's attention because of that, and that is healthy in developing public policy and public debate.

The other piece of budget that you see in red is the nondefense. That is tough for a lot of us who have big universities, like the University of Michigan, when we look at student aid, financial aid for educational programs, agricultural programs, and others; the EDA economic programs which the gentleman has led so forcefully in our budget process, to look at those programs and say that we can take some money out of those programs and protect those that have produced economic growth and development for this Nation, the dollars that have been invested for the young people of America to be creative and to be talented.

So we have balanced this program off and that is the thesis of our budget proposal, a balanced budget for the future of this Nation, which we call the blueprint for balance.

So you see, we even pick up those savings of roughly $24 billion in defense and $24 billion in nondefense.

We also accumulate sort of a freebee along the way of $2.4 billion of interest on the national debt, which is now the second most expensive program in the Federal budget.

So every taxpayer in America will pay 15 cents of every dollar—15 cents of every dollar that comes to Washington goes to pay the interest on the national debt. The national debt today is $1,800 billion, rather staggering to a small businessman like myself some years ago to think that this young Nation has a staggering debt of a $1,800 billion.

Mr. BOEHLERT. Mr. Speaker, if the gentleman will yield back to me, we cannot emphasize that enough. We are paying as a nation, $265 million every 24-hour period of interest on the national debt. For the typical American family of four, that is $5 a day just for interest on the national debt.

Mr. PURSELL. So we in essence debate each other and fight over priorities here of $51 billion out of a trillion-dollar budget and we miss the big picture of what we can do for the future generation by achieving a balanced budget.

☐ 1830

So I think $51 billion, maybe it is not enough, maybe we should be doing more, the trend and the position of Group 92 says it is constructive, it is a contructive alternative. We are complementary to the President, we are complementary to the other body, we are complementary to our Democratic opposition in the House. And I think it is constructive and positive that we provide leadership in this Nation and not sit back and react and be reactionary, defensive about what this Nation should have as a constructive budget for the future of this country.

So I yield back to the gentleman. There are other outstanding members of our group who are going to participate today and we will be doing more of this on the House floor. I congratulate the Group 92, Bob Michel, and our leadership. We have made a presentation to him and also to David Stockman and the White House which had a presentation. We met with Bob Dole back in February and March to make a constructive alternative on our first draft.

So we have been up front, honest, with credibility, and for that I say thank you to the budget task force and to Group 92.

Mr. BOEHLERT. I thank the chairman of the budget task force. I think it is important to note that our group reached out to anyone and everyone that would provide a source of input. We dealt with the Congressional Budget Office, we dealt with the Office of Management and Budget, we dealt with the Congressional Research Service.

Ours was a mission in search of answers to very difficult questions, in search of solutions to a very difficult problem.

Mr. GUNDERSON. Will the gentleman yield?

Mr. BOEHLERT. At this point I see on his feet my distinguished colleague the gentleman from Wisconsin [Mr. Gunderson] and I will be glad to yield to him.

Mr. GUNDERSON. I appreciate the gentleman yielding and want to join with those who precede me, both in congratulating the gentleman for this special order and particularly for the leadership by the gentleman from Michigan [Mr. Pursell], and the budget task force, and the gentleman from Iowa [Mr. Tauke], and the gentlewoman from Maine [Ms. Snowe], and generally the 92 Group, because I think what we have tried to do is not so much a philosophical thing as we have tried to recognize there are regional differences in this country.

We all represent diverse areas and what we want to try to do is put together a budget which is flexible, but a budget which is balanced and asks each and every American, each and every region of the country, to share equally in trying to make a contribution.

Along that line I would like to suggest from the agricultural perspective that No. 1 in our budget is that agriculture make those additional sacrifices that we are asking every other group, but at the same time I would suggest that we probably recognize the crisis in American agriculture more than any other budget documents that are before this Congress at the present time.

Let me just share with you some numbers, if I can, for fiscal year 1986. We probably have the most honest agricultural budget in the sense that we recognize that the fiscal year 1986 crop loans and deficiency payments are derived by the 1985 crop year. That crop is already in the ground and that crop will be harvested after October 1. So when all of these original budget proposals talk about making big savings in the Commodity Credit Corporation it is nothing more than smoke and mirrors because it cannot really happen because you have already constructed and construed by the 1981 farm bill and by the crop that is already in the ground.

But when you look at the different budget proposals in the agricultural area or budget function 350 area, our proposal will save $1.1 billion above and beyond a freeze in agriculture. That is compared with the budget that most recently passed the other body which will save $3.3 billion, or one of the earlier so-called compromises which would save over $4 billion in 1986.

So you can quickly get an idea of which budget, No. 1, cuts the least but which budget also is the most honest in its accounting. And, No. 2, I think most responsive to the credit and farm crisis that faces this country at the present time.

That is one of the things we are trying to emphasize I think in this entire budget proposal. There are ways in which you can meet that $50 billion target and also be responsive to the very legitimate role and responsibilities of Government, and that is really what we have done.

Actually, we make no savings in our budget in the Commodity Credit Corporation in 1986. As I said earlier, we think those are really nothing more than smoke and mirrors. We do, however, make rather significant savings in 1987 and 1988 where we go to a $9 billion cap on the Commodity Credit Corporation or Farm Support Programs, but that is telling the House and the other body's Agriculture Committees that as they write the 1985 farm bill to live within a $9 billion cap. And I think realistically agriculture can and should be exactly that.

What we do is we also go beyond that and we make various administrative savings in terms of user fees and that type of thing. We adopt about half of what the administration originally proposed because, quite honestly, again, their original proposal was unrealistic and something that just was unobtainable in the present atmosphere in which we deal.

One of the interesting differences between our budget and that budget which recently passed the other body is we actually go along with the President's proposal to actually phase out crop insurance over a period of time. Actually the budget proposal in the other body does not do that. They maintain that, but rather what they try to do is eliminate natural disaster loans.

The problem with what they have done is if you get into certain regions of the country where crop insurance is not a viable program today, or it does not exist for various crops, what do those farmers in that area do if they cannot get crop insurance because it is not made available or financially feasible, and we have eliminated the natural disaster loans?

We put these people in a real quandry.

So I think, again, we are more defensible in that particular area. We have probably come up with what I would suggest is the best proposal in farm credit that anyone has suggested around this Capitol in recent days and in recent weeks.

We do not save as much as the others do. We save only $988 million the first year, and a little over a billion in 1987, et cetera. But I think it is the most responsible.

It was not too long ago where we debated on the House floor the whole farm credit crisis. What we do is simply take 40 percent of our Farmers Home Administration direct loans and make them into guaranteed loans.

I think all of us would like to see less of a Government role in direct lending in the Farmers Home Administration, but we recognize the need for farm credit. By making that transfer we save over $850 million in this area alone.

So if you add it all up, each of these areas I have talked about, and a couple of other small ones such as research, which we do not touch, which other groups do in the agricultural area, as I said at the beginning, we save $1.1 billion in fiscal year 1986. We save up to $3.4 billion in fiscal year 1989.

And very interestingly, as you look at some of the other documents and compare our proposal with that which just passed the other body in the agricultural area, we save $8 billion in the first out year savings and they save $15 billion. So you can tell we were more on the right track, doing the right kind of thing.

I compliment the gentleman for his leadership and I yield back.

Mr. BOEHLERT. I thank the gentleman. I think that this 92 Group's budget submission evidences a sensitivity to the problems in American agriculture today, and I am so glad the gentleman enumerated just exactly what we did.

We are by far first of all the most honest budget on the table today because our figures are Congressional Budget Office figures. Second, I think we are the most sensitive budget to a very critical part of the American economy, the American farmer.

I thank my colleague for the outstanding leadership he has evidenced in this area.

Mr. McKERNAN. Will the gentleman yield?

Mr. BOEHLERT. I am glad to yield to my colleague from Maine.

Mr. McKERNAN. I, too, want to join those who have previously commended our colleague from New York [Mr. Boehlert] for taking out this special order. I can say as one Member from Maine that I certainly have enjoyed the opportunity to participate in what has not really been a pleasant task but I think has been one of the most important tasks that has taken place in the 99th session of Congress, and that is a group getting together to address, in what I believe is a realistic way, the budget problems that face this country and try to develop a centrist, realist, moderate approach.

I would like to make just two points. The first deals with the fact that I believe this is a realistic budget, and I think that perhaps the correct term for it is representative budget. It is representative in that I believe it represents the views of people throughout this Nation and, after all, we serve in the House of Representatives. We are Representatives of approximately 500,000 people each. So we ought to be representing their views.

As we all know, I think, there is a fine line between following and leading, and we have to be sure that we are in fact representing the views of our constituents. But we also have to be sure and show the leadership that is so necessary, especially at a time when we are facing the kind of domestic problems that we face in this deficit that seems to continue to grow in spite of whatever action Congress attempts to take.

I think it is important to look at this budget because if really does address the views of the American people. It is a fair and equitable spreading of the burden. And there is no question that there is a burden. There is a burden because there is no way we can solve a budget deficit problem which is going to be over $200 billion if we do not do something about it without having that burden shared by those in our society.

The key for representative democracy is to continue to have the faith of the people and the support of the people that it is designed to serve and the way to accomplish that is to adopt policies which those people believe are fair and equitable.

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I believe the 92 Group budget does that. As we all know, there is a lot of blood left on the floor of the room that we met in to try to determine the proper approach. But I think that we all gave. Many of us do not have, as the gentleman from New York said, programs that we had hoped to have full funding for. We all had to agree to some cuts. We have made an important contribution to the process of doing something finally about this budget.

I would like to digress for a minute to make my second point. It is one that I hope that the people who are watching and the people throughout this country can appreciate. I am certain that the people in Maine, the State that I represent, will definitely appreciate it, because I have been talking about it for 2½ years that I have been in Congress now.

That is, that something very important happened in Washington, DC, in 1985. That is, finally we have put some artificial parameters around the action of both the House and the Senate in dealing with the budget process.

As many of us know who came here and became frustrated by the budget process in the Congress, we do not have the type of initiative that is necessary to have parameters around our decisions, to set up an artificial framework within which we have to make difficult choices. We do not have a balanced budget amendment that requires us to balance our budget. We cannot even agree on pay-as-you-go, that says you ought to raise the money to pay for the programs that you are funding. In fact, we cannot even seem to be able to agree, at least until this year, to freeze spending. I think those types of artificial programs to force us to work within certain constraints are necessary. What has happened in 1985 is that for the first time Republicans and Democrats alike, the Reagan administration, the Senate and the House have all seemed to agree that $50 billion is the minimum that we can do. We have to find a way to cut $50 billion out of spending for 1986.

That is a monumental change in the way we have approached the budget process. I think that is what is so important about the 92 Group budget; that is, that we have taken that challenge of cutting $50 billion in 1986 and we have said: "How can we distribute the burden in the fairest possible way?"

We have done it by facing the political realities. The political reality, the most important political reality, is that the leadership on the majority side of the aisle has said that Social Security cost-of-living adjustments are off limits.

Well, it does not serve any purpose to say we will reach our $50 billion by including a freeze on cost of living for Social Security recipients. Instead, we ought to be looking at a program that could in fact get bipartisan support. That is what this budget document does. It says we can address the Social Security issue on our own, but the most important part is finding $50 billion. This budget, thanks to the leadership of the gentleman from Michigan [Mr. PURSELL] on our budget task force has found $50 billion without addressing the issue of the cost-of-living adjustment on Social Security. I think that that is an important part. We have frozen the defense authority. People who are concerned, as I am about our national security, about making sure we have sufficient defense for this country and we are spending the dollars that are necessary but spending them in the most efficient way, can rest assured that those of us who agree to freeze authority on defense realize that that still means we will spend another $17 billion more than we spent in 1985 because of funds previously authorized, funds that are in fact going to be spent in 1986.

So I just think that the 92 Group, especially the leadership of the 92 Group, ought to be praised for the work that they have initiated, and I just am pleased to be identified with this particular project because I believe it is a great step forward in solving what I view as the most important domestic problem that this country has to address.

And I thank the gentleman, Mr. BOEHLERT.

Mr. BOEHLERT. I thank the gentleman from Maine and indicate that he has made a very good point in that we are subordinating parochial interests to the national interest. The good news for all America is that Republican and Democrat alike agree that $50 billion in deficit reduction is the starting point. We are in dead earnest about this very important mission, and I think the 92 Group has come up with a very responsible document.

A large part of that document deals with the area of defense. For that we have looked to our distinguished colleague from Washington for some leadership.

Mr. Speaker, I am glad to yield to the gentleman form Washington at this time.

Mr. CHANDLER. I thank the gentleman for yielding, the gentleman from New York, and for organizing this special order today.

I cannot say enough about CARL PURSELL and his leadership, that of Mr. TAUKE and Ms. SNOWE as well.

Certainly one of the first decisions that was made, I think, in the 92 Group was that if you do not include defense as a part of the mix of reductions, you do not get enough reduction to get you to even close to the $50 billion goal that you have.

So the 92 Group did include defense.

The speaker just before me made a very important point and I want to reiterate it. When you see on that chart up there that defense has contributed 48 percent or $24.6 billion of the reduction in this deficit, that reduction is in the projected deficit, not in defense spending. It is reduced increases. We are freezing at a very high level. In the last 4 years defense spending has grown by 22 percent in real terms, in real dollars. Take out inflation and you have had 22 percent more dollars spent in defense. So it is very important that the American people who are concerned as we are about a strong national defense understand that when we freeze this budget authority for defense we are freezing it at a very high level. I think there is a considerable amount of concern around this

country about what is it we are buying with these increased defense dollars?

I think it appropriate that with the necessity for reducing the deficit that we pause for a moment and look at what are we getting for our defense dollar? Just a couple of statistics: We have had a 75-percent constant dollar increase in aircraft procurement in the last 4 years as compared to the 4 previous years. That is a 75-percent increase in constant dollars.

Yet we have purchased 11 percent fewer airplanes.

Now I understand, as you do, that those airplanes are more expensive, they are more sophisticated, and they cost more. But isn't it appropriate that at this moment we ought to take a look at the whole mix of what it is that we are buying? Are we getting that much more defense for that extra expenditure? Or are we just buying gold plating?

The same is true in shipbuilding and so forth.

I want to make a point that the Senate budget that was sent over just last week has within it a 3-percent pay raise for military personnel. It really seems to me that the $1.4 billion that it would take to fund that pay increase, while at the same time freezing the cost-of-living adjustments for Social Security recipients, would not be appropriate.

We do not take a position on Social Security. I personally favor freezing the cost-of-living adjustment for Social Security. But I certainly do not feel that we are justified in raising the pay of anybody else—Congressmen, civil service employees, or military personnel—while we are freezing the benefits of anyone else in this budget.

Mr. BOEHLERT. Mr. Speaker, I think it is very important that all understand that, on the subject of Social Security, we had extensive discussion and there was no agreement. Many of us feel very strongly that we should guarantee the cost-of-living increase for Social Security recipients on January 1, 1985. Others have a different opinion.

So what we decided in our group was to deal with that issue separately from this deficit-reduction package.

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It is a very individual, it is a very personal matter, and we have differences of opinion.

Mr. CHANDLER. I think it is worthy to mention that many of us have worked with members of the other party, the majority party here in the House, and I am encouraged by the attitude expressed by them that they are willing to take a look at all of these areas of spending and that we really may be able to achieve a bipartisan approach to all of these areas.

Let me just conclude by saying that it is very difficult to know how much is enough, in anything, whether you are a city councilman in deciding how many police officers you need, or whether you are a Member of Congress and decide how many B-1 bombers, MX missiles, or M-1 tanks.

We are not looking at this cavalierly, not in any way whatsoever. We were challenged earlier today that is we are going to make this kind of proposal that we ought to come back with a recommendation of where those cuts will come.

We are going to take that challenge very seriously, and we are going to answer that question, but we are also going to ask the Defense Department that same question; if this were the budget that you were to have to implement, what would be the highest and what would be the lowest priorities?

I have not yet seen an answer come from the Pentagon to that question; it has been asked. I demand it. I think the Congress has a right to see it, and I insist upon it. I am going to ask for it tomorrow when we meet with the Secretary of Defense, and within a short time I expect that we ought to see that answer so that we and the American people can see what will be the result of the Defense budget such as the one we propose.

Mr. BOEHLERT. I thank my colleague, and I would like to point out that all during our deliberations there was unanimous agreement among our group that the first priority of the Government is to provide for the peace and security of the American people.

So one one suggested, among our 92 Group, that we drastically slash defense spending next year over this year, and as you have so eloquently pointed out in your remarks, we are freezing defense spending at a very high level.

As a matter of fact, in our proposal, while we freeze new budget authority, obligational authority will actually increase by some $17 billion because we already have in the pipeline—that is the Washington phrase for it—in the works, various programs that have been approved by previous Congresses.

I yield to my colleague from Connecticut.

Mr. ROWLAND of Connecticut. I thank the gentleman for yielding to me, and I, too, would like to echo my strong feelings about the leadership of the 92 Group, and perhaps I can add a little bit of a different perspective; and that is as a new Member of this distinguished body, it has been a great joy and relief to me to see this group formed, and working together to solve the budget problems that we are facing.

Mr. Speaker, for the last 6 months and indeed for the last year and a half we have heard talk from our constituents, from our colleagues, from special interest groups, continuously asking us to cut the budget.

We automatically hear: "Cut the budget, but don't cut my special programs." I think one of the greatest things about this particular budget, and one of the reasons why I like it so much, is that it does not benefit any one special interest group. It is a freeze across the board, as you have articulately outlined.

One of the terms that I used earlier, almost in jest, and I am going to use it this evening, is that it is a budget of reverse pork barrel. The reason I use that term is that over the last 50 years, we have seen the 435 Members of the House and the 100 members of the Senate continuously tacking on pork barrel legislation, continuing to increase spending for their special projects, their constituencies or their special interest groups that they happen to admire.

In this program, and this budget, and this blueprint, we have done the exact opposite. We have seen compromises made by members of the 92 Group, whether they be in agriculture, whether they be in defense, whether they be in urban job programs, whether they be in education. We have all sat down, looked at each other and said, "Yes; it's time to cut the budget. I'm willing to do my part if you're willing to do your part." That is why I use the term, reverse pork barrel.

There are a couple of things we have done in sharing the pain across the board. We have reduced our own legislative funds by 10 percent. We have reduced our own executive branch by 10 percent. We have phased out revenue sharing over 3 years, rather than total elimination of the program, and requiring our municipalities to go cold turkey.

We talked about Amtrak, reducing that by 20 percent rather than total elimination. We reduced UMTA discretionary grants by approximately 15 percent rather than elimination. We have reduced UDAG and Community Development Grants by 10 percent rather than elimination. We have tightened up on student loans, something that is very dear to my heart, rather then going with the $32,500 cap per family, which would have sent thousands and thousands of people back home, taken away their opportunities to go to school; we have just tightened up on those programs and required a needs test, which is already in effect.

We have capped agricultural price support at approximately $9 billion. We have reduced SBA programs, rather than total elimination. We reduced Federal employee leave costs by following some of the Grace Commission proposals.

There are no tax increases; there is no delay in the COLA for Social Secu-

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rity recipients, and I think we realized

of this proposal, indicating its overall

I am so pleased to be a part of a

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for unsuccessful bidders who request a

rity recipients, and I think we realized in sharing that pain that we are presenting a very fair and a very equitable budget, a very moderate one.

Now, only time will tell whether our proposal will be passed in whole or in part, but I think the members of the 92 Group, especially some of the newer Members who are joining ranks, some of the newer Members who have been involved in rigorous campaign over the last year, saying they are going to reduce the deficit.

Yet when it comes time to pick certain programs, when it comes time to indicate specifics, we all tend to get a little weak-kneed. I think that the members of the 92 Group can be proud of the blueprint that we have offered to our colleagues. It is a moderate alternative; it does not raise taxes, and most importantly, we are not saying, "No; we can't reduce this deficit." We are saying, "Yes; we can; we're ready to do it, and we're ready to do it fairly."

I want to thank the leadership of the 92 committee, and I hope that our colleagues on both sides of the aisle will come to our side, and I think it is also important to note that this proposal is not in concrete; it is a blueprint. We hope to work with Members from both sides of the aisle to come to a clear conclusion on the budget.

● Mr. FISH. Mr. Speaker, I am pleased to join my colleagues from the 92 Group today to discuss our budget proposal. As a member of the budget task force, I admire the effort put into this endeavor by the chairman, Carl Pursell, and the other members who overcame regional differences to present this blueprint for balance.

Mr. Speaker, I believe the 92 Group Budget should enjoy the support of not only our Republican colleagues, but those Democrats as well who seriously wish to reduce our huge Federal deficit. We have a thoroughly fair and rational approach to deficit reduction, starting with a comprehensive freeze on all Federal spending, including defense. This, to me, is the basis for freezing all other domestic programs and cost-of-living adjustments for Federal retirement programs except Social Security. Our national security will not be threatened in the least by freezing defense, even without adjustment for inflation. There is enough money in the pipeline to continue the buildup we have approved over the last 4 years. Our proposal would simply slow down this process. In regard to Social Security, we believe this is an issue which must be resolved in a bipartisan manner.

My colleagues in the 92 Group are to be congratulated for reaching the goal of $51 billion in deficit reduction without raising taxes. Each person supporting this package strongly favors our budget, but dislikes some portion of this proposal, indicating its overall balance and fairness.

Mr. Speaker, our budget is the first genuine effort in the House of Representatives to promote deficit reduction. I urge my colleagues on both sides of the aisle to join us as cosponsors of the 92 Group budget.●

The SPEAKER pro tempore. The time of the gentleman has expired.

THE PROPOSALS OF THE 92 GROUP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. Henry] is recognized for 5 minutes.

Mr. HENRY. Mr. Speaker, I want to add my commendations to the splendid work of the 92 Group, and simply say that as a freshman Member, it is an overwhelming experience to come to this body and suddenly stare in the face of a $960 billion budget and realize that almost $220 billion of that is being paid for with funny money.

It has been my pleasure to join and work with this group, but also the work has not been without its tears. The problem of recognizing how difficult it really is, to come up with $50 billion of real budget cuts; not paper gimmicks, not arbitrary funny figures that are simply put on a piece of paper, but real cuts.

The deficit right now, Mr. Speaker, is running at the rate of $1,000 additional each year for every man, woman, and child in America. Now if we are going to take $50 billion out of that deficit, that is equivalent of reducing Government services direct and indirect by $250 for every man, woman, and child in America.

When I go back to my district, I tell people as they say "Cut the deficit, cut the deficit" to realize that this is not going to be a painless endeavor, as necessary as it may be.

In my case, I have a wife, I have three children. If we are going to take $50 billion out of that deficit, it is five times $250 in terms of loss of direct and indirect Government services and supports for my family if this thing is spread equitably across the board and we all share the pain.

As I look at my oldest daughter, who turns 17 next week, and reflect on the fact that every additional borrowed dollar will cost her $32 in interest payments alone by the time she retires, if in fact we can reduce this budget deficit by $50 billion, equivalent of a cut of $250 for every man, woman, and child in this country, it saves each of those people, each of those children, those young people, the equivalent of $8,000 of interest payments that they will have to pay on the rest of their life unless this comes out.

This is the most cost-efficient, the most conscientious thing we can do on their behalf.

I am so pleased to be a part of a group that sought to make these cuts in such a way that they are spread more broadly, and therefore fall more equitably across the entire spectrum of American society then any of the other proposals henceforth put before this body.

I would also like to point out, because this has been overlooked by many—because we have talked about broadening the burden, and broadening the pain, as it were. We have also lost sight of the fact that this proposal has more real cuts than the original administration proposal, both in terms of its first year savings and its second year and third year savings.

This is the most serious budget cut in terms of the magnitude of the cut of any of the proposals put before this body this far in the 99th Congress.

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So, Mr. Speaker, I just wanted to express my appreciation for having the opportunity, as a younger Member of Congress, to participate in what I think is the most significant issue of this year's Congress.

Mr. TAUKE. Mr. Speaker, will the gentleman yield?

Mr. HENRY. I yield to the gentleman from Iowa.

Mr. TAUKE. As one of those who has been involved in the development of this budget and in the organization of the 92 Group, I want to commend the gentleman for the outstanding work he has done and the great contribution of his staff to this effort. He and others of the Members who have participated today in these special orders have all made an extraordinary commitment to tackle this problem. I know for a new Member, having been that once myself, that it is difficult to make that kind of commitment in time and energy. So I commend the gentleman and others for it.

Mr. HENRY. I thank the gentleman for his kind comments. I think, also, we ought to really be looking at the American people and thanking them for the support they are giving this body in fueling and encouraging our determination to address the issue of the deficit. I think all too often we face this whole effort with too much timidity and fear. As I have gone across my district, I have yet to have one person, in scores of town meetings, who has said, "Don't cut that deficit." They are all supporting the cut. They are all willing to share their burden, as long as the cuts fall equitably. And I am so pleased to have the help of these colleagues who gave us a package of balanced cuts in which the burden does indeed fall equitably.

AN ATTACK ON THE CONSTITUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. Brooks] is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, yesterday's New York Times contains an interesting and thoughtful editorial regarding the administration's decision to unilaterally declare a portion of a public law unconstitutional and suspend its application. Last year, President Reagan signed into law the Competition in Contracting Act. At the same time, however, he declared provisions of the act to be unconstitutional and, relying on a memorandum from the Attorney General, ordered OMB Director David Stockman to direct all Federal officials to ignore the provisons of the act to which he objected.

In reaction to this radical and unsupported action on the part of the administration, which strikes at the very heart of our constitutional form of government, last week in the Judiciary Committee I offered an amendment to the Justice Department authorization bill that strikes all funds for the office of the Attorney General unless and until the Department of Justice instructs all executive officials to comply fully with the Competition in Contracting Act.

Mr. Speaker, I have one small quarrel with the New York Times editorial. While it suggests that denying funds for the office of the Attorney General "may be a bit theatrical," I believe that this issue raises such a major constitutional question that Congress must exercise its "Power of the purse" to direct the executive branch from its present course, if our system of free government and the rule of law is to endure.

I submit the New York Times editorial for the consideration of the Members:

Civics Lesson for Mr. Meese

> The Secretary of Education, William Bennett, complained recently that schoolchildren don't know how a bill becomes law or that a President can't declare a law unconstitutional. Now it appears that the problem extends as high as the White House. President Reagan has declared unconstitutional a key provison of a law he signed last year, and Attorney General Meese has instructed Government agencies not to obey it.
>
> As Representative Barney Frank has observed, the Administration is teaching by example, but the wrong lesson. The House Judiciary Committee has responded by denying funds for Mr. Meese's office until he gives out correct institutions. That may be a bit theatrical, but Congress has the better of this argument. Mr. Meese has a right to attack the law in court, but should meanwhile counsel compliance.
>
> The law is the 1984 Competition in Contracts Act. It aims to encourage competition among Federal contractors by strengthening the hand of the General Accounting Office, Congress's investigative arm. The law suspends contract awards up to 90 days for unsuccessful bidders who request a G.A.O. advisory opinion about their bids.
>
> Those G.A.O. opinions do not bind executive agencies but they are often persuasive. The Justice Department argues that the G.A.O.'s role is unconstitutional because it retains discretion to render advice at any time in the 90 days and thus trigger the time of contract execution. A rigid 90-day delay would be all right, says the department, but letting a Congressional agency set the timetable in each case amounts to impermissible overreaching.
>
> This finespun argument has failed its only legal test, in the Federal District Court in Newark. Obeying the law would not prejudice Mr. Meese's right to test it further, but it would show more respect for Congress and the courts. The Attorney General should not have to learn that lesson from Congress. He should be teaching it.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Rahall of West Virginia (at the request of Mr. Wright), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Henry, for 5 minutes, today.

(The following Members (at the request of Mr. Chandler) to revise and extend their remarks and include extraneous material:)

Mr. Lungren, for 60 minutes, May 15.

Mr. Broyhill, for 5 minutes, today.

(The following Members (at the request of Mr. Weiss) to revise and extend their remarks and include extraneous material:)

Mr. Pickle, for 5 minutes, today.
Mr. Weiss, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Howard, for 5 minutes, today.
Mr. Bedell, for 5 minutes, today.
Mr. Stark, for 5 minutes, today.
Mr. Lowry of Washington, for 30 minutes, today.
Mr. Gonzalez, for 60 minutes, today.
Mr. Brooks (at the request of Mr. Tauke), for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mrs. Bentley, on the Panama Canal authorization bill in the Committee of the Whole today.

(The following Members (at the request of Mr. Chandler) and to include extraneous matter:)

Mr. Broyhill.
Mr. Dannemeyer.
Mr. Barton of Texas in four instances.
Mr. Dornan of California.
Mr. Craig.
Mr. Molinari.
Mr. Nielson of Utah.
Mr. McKernan.
Mr. Schulze.
Mr. Cheney.
Mr. Gekas in two instances.
Mr. Courter in three instances.
Mr. Lujan.
Ms. Snowe.
Mr. Franklin.
Mr. Daub.
Mr. Conte.
Mr. Kemp in two instances.
Mr. Wolf.
Mr. Duncan.
Mr. Dreier of California in three instances.
Mr. Fields.

(The following Members (at the request of Mr. Weiss) and to include extraneous matter:)

Mr. Lantos.
Mr. Gray of Pennsylvania.
Mr. Coelho.
Mr. Pepper.
Mr. Miller of California in two instances.
Mr. Aspin.
Mrs. Burton of California.
Mr. Moody.
Mr. Waxman in two instances.
Mr. Downey of New York in two instances.
Mr. Rodino.
Ms. Mikulski.
Mr. Edgar in two instances.
Mr. Fowler.
Mr. Bates.
Mr. Dwyer of New Jersey.
Mr. Montgomery in two instances.
Mr. Leland in two instances.
Mr. Kanjorski.
Mr. Udall.
Mr. Nowak.
Mr. Florio.
Mr. Skelton.
Mr. Panetta.
Mr. Kostmayer.
Mr. Manton.
Mr. Frank.
Mr. Matsui.
Mr. Solarz.
Mr. Frost.
Mr. Fuster.
Mr. Stark in three instances.
Mr. Ackerman in two instances.
Mr. Hamilton.
Mr. Berman.
Mr. Hubbard.
Mr. Rangel.
Mr. Roe.
Mr. Guarini.
Mr. Jenkins.
Mr. Markey in two instances.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 59. Joint resolution to designate "National Science Week."

ADJOURNMENT

Mr. TAUKE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 15, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1280. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's proposed letter of offer to Switzerland for defense articles, pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

1281. A letter from the Chairman, District of Columbia Law Revision Commission, transmitting a copy of the 10th annual report of the Commission for the year ending December 31, 1984; to the Committee on the District of Columbia.

1282. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's proposed letter of offer to Switzerland (Transmittal No. 85-31) for defense articles and services, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1283. A letter from the Director, U.S. Information Agency, transmitting a report of an independent evaluation of Cuba service programing, pursuant to Public Law 98-111, section 9; to the Committee on Foreign Affairs.

1284. A letter from the Secretary of Transportation, transmitting a report entitled, "The Transport of Methanol by Pipeline," pursuant to Public Law 98-464, section 4(c); jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 2475. A bill to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes (Rept. No. 99-87). Referred to the Committee on the Whole House on the State of the Union.

Mr. WHEAT: Committee on Rules. House Resolution 169. Resolution providing for the consideration of H.R. 1872 to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes (Rept. No 99-88). Referred to the House Calendar.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 1787. A bill to amend the Export-Import Bank Act of 1945; with an amendment (Rept. No. 99-89). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 817. A bill to authorize appropriations under the Earthquake Hazards Reduction Act of 1977 for fiscal years 1986 and 1987, and for other purposes; with amendments (Rept. No 99-90 Pt. I). Ordered to be printed.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. House Concurrent Resolution 76. Resolution expressing the sense of the Congress that the Export-Import Bank of the United States of America should continue to provide preliminary and advanced commitment for loans which may require approval approval on or after October 1, 1985, in keeping with the Bank's mandate, unless and until the Congress of the United States changes that policy or directs the Bank to alter its programs (Rept. No. 99-91). Referred to the House Calendar.

Mr. FASCELL: Committee on Foreign Affairs. H.R. 2456. A bill to amend the Arms Control and Disarmament Act in order to increase the authorization of appropriations for the fiscal year 1985, to extend the authorization of appropriations for the fiscal years 1986 and 1987, and for other purposes (Rept. No. 99-92). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1426. A bill to authorize and amend the Indian Health Care Improvement act, and for other purposes; with an amendment (Rept. No. 99-94, Part I). Ordered to be printed.

SUBSEQUENT ACTION ON A REPORTED BILL

Under clause 5 of rule X the following action as taken by the Speaker:

The Committee on Interior and Insular Affairs discharged from further consideration of H.R. 1203; H.R. 1203 referred to the Committee of the Whole House on the State of the Union.

The Committee on Public Works and Transportation discharged from further consideration of H.R. 1931; H.R. 1931 referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1711. A bill to authorize appropriations for the Nuclear Regulatory Commission for fiscal year 1986 and fiscal year 1987; with amendments; referred to the Committee on Energy and Commerce for a period ending not later than June 28, 1985 for consideration of such provisions of the bill and amendments as fall within that committee's jurisdiction pursuant to clause 1(h), rule XI (Rept. No. 99-93, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DUNCAN:

H.R. 2474. A bill to continue until the close of September 30, 1988, the existing suspension of duties on color couplers and coupler intermediates used in the manufacture of photographic sensitized material; to the Committee on Ways and Means.

By Mr. ROSTENKOWSKI (for himself, Mr. Pickle, Mr. Rangel, Mr. Stark, Mr. Jones of Oklahoma, Mr. Jacobs, Mr. Ford of Tennessee, Mr. Jenkins, Mr. Heftel of Hawaii, Mr. Fowler, Mr. Guarini, Mr. Matsui, Mr. Anthony, Mr. Flippo, Mr. Dorgan of North Dakota, Mrs. Kennelly, Mr. Coyne, Mr. Duncan, Mr. Vander Jagt, Mr. Frenzel, Mr. Gradison, Mr. Moore, Mr. Thomas of California, Mr. Daub, Mr. Gregg, and Mr. Daschle):

H.R. 2475. A bill to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 2476. A bill to amend the Internal Revenue Code of 1954 relating to the tax treatment of acquisition junk bonds and greenmail, and for other purposes; to the Committee on Ways and Means.

By Mrs. KENNELLY:

H.R. 2477. A bill to amend the Internal Revenue Code of 1954 to provide that the zero bracket amount for heads of households shall be the same as the zero bracket amount for joint returns and surviving spouses; to the Committee on Ways and Means.

By Mr. de LUGO:

H.R. 2478. A bill to amend the Revised Organic Act of the Virgin Islands, to amend the Covenant to Establish a Commonwealth of the Northern Mariana Islands, to provide for the governance of the insular areas of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BATES (for himself, Mr. Wirth, Mr. Leland, Mr. Coats, Mr. Bryant, Mrs. Johnson, Mr. Denny Smith, Mr. Dannemeyer, Mr. Moorhead, Mr. Tauzin, Mr. Nielson of Utah, Mr. Slattery, Mr. Markey, and Mr. Waxman):

H.R. 2479. A bill to amend the Communications Act of 1934 to prohibit willful or malicious interference to radio communications, and for other purposes; to the Committee on Energy and Commerce.

By Mr. RANGEL:

H.R. 2480. A bill to amend the Internal Revenue Code of 1954 to increase the earned income credit, to provide that needs based government benefits shall be disregarded in determining dependency status, and for other purposes; to the Committee on Ways and Means.

By Mr. BEDELL:

H.R. 2481. A bill to amend the Higher Education Act of 1965 to provide fair treatment, for purposes of computing family contributions in college student assistance, for students affected by the sale or forfeiture of family farm assets: to the Committee on Education and Labor.

By Mr. BEDELL (for himself and Mr. Roberts):

H.R. 2482. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, and for other purposes; to the Committee on Agriculture.

By Mr. BENNETT:

H.R. 2483. A bill authorizing the Secretary of the Interior to preserve the ecology of the Nassau River valley marshlands in the State of Florida, to enhance the protection and interpretation of important historic and prehistoric sites in the vicinity of the Nassau, St. Mary's and St. Johns River valleys, Florida, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BERMAN (for himself and Mr. Brown of Colorado):

H.R. 2484. A bill to amend title 28, United States Code, to exempt States from the statue of limitations applicable to quiet title actions against the United States; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 2485. A bill to provide for the equitable repayment of construction-differential subsidy; to the Committee on Merchant Marine and Fisheries.

By Mr. BLILEY (for himself, Mr. Dannemeyer, Mr. Nielson of Utah, Mr. Smith of New Jersey, and Mr. Boulter):

H.R. 2486. A bill to amend the Public Health Service Act to extend title XX relating to adolescent pregnancy; to the Committee on Energy and Commerce.

By Mr. BOSCO:

H.R. 2487. A bill to provide for the restoration of the fish and wildlife in the Klamath and Trinity River basin areas, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Interior and Insular Affairs.

By Mr. BROYHILL (by request):

H.R. 2488. A bill to encourage the standardization of nuclear powerplants, to improve the nuclear licensing and regulatory process, to amend the Atomic Energy Act of 1954, and for other purposes; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. CLAY (for himself and Mr. Lowry of Washington):

H.R. 2489. A bill to amend the National Labor Relations Act to clarify the meaning of the term "guard" for the purpose of permitting certain labor organizations to be certified by the National Labor Relations Board as representatives of employees other than plant guards; to the Committee on Education and Labor.

By Mr. DAVIS:

H.R. 2490. A bill to specifically permit trapping in the Pictured Rocks National Lakeshore, subject to such reasonable rules and regulations as may be prescribed; to the Committee on Interior and Insular Affairs.

By Mr. DOWNEY of New York:

H.R. 2491. A bill to eliminate discrimination with regard to mental illness under Medicare; jointly, to the Committee on Ways and Means and Energy and Commerce.

By Mr. DUNCAN:

H.R. 2492. A bill to amend the Internal Revenue Code of 1954 to provide that an activity relating to the free distribution of low cost articles by certain nonprofit organizations and veterans' organizations in connection with the solicitation of charitable contributions does not constitute an unrelated trade or business of such organization; to the Committee on Ways and Means.

By Mr. HOWARD (for himself, Mr. Roe, Mr. Snyder, and Mr. Stangeland):

H.R. 2493. A bill to amend the Federal Water Pollution Control Act to authorize the appropriation of funds for fiscal year 1986; to the Committee on Public Works and Transportation.

H.R. 2494. A bill to authorize the appropriation of funds for fiscal year 1986 for construction, operation, and maintenance of water resources development projects under the jurisdiction of the Secretary of the Army, acting through the Chief of Engineers; to the Committee on Public Works and Transportation.

By Mr. HOWARD (for himself, Mr. Roe, Mr. Molinari, Mr. Florio, Mr. Gallo, and Mr. Courter):

H.R. 2495. A bill to prohibit the obligation of Federal highway funds for construction of certain interstate routes in landfill, to limit the location of alternatives to those projects generally to existing land, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JENKINS (for himself and Mr. Mitchell):

H.R. 2496. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage entrepreneurial activity; to the Committee on Ways and Means.

By Mr. JONES of North Carolina (for himself, Ms. Mikulski, Mr. Biaggi, Mr. Lent, Mr. Bennett, Mr. Breaux, Mr. Davis, Mr. Studds, Mr. Hughes, Mr. Lowry of Washington, Mr. Hutto, Mr. Tauzin, Mr. Carper, Mr. Bosco, Mr. Tallon, and Mr. Manton):

H.R. 2497. A bill to amend the Coastal Zone Management Act to establish a planning and management process for estuaries of national significance; to the Committee on Merchant Marine and Fisheries.

By Mr. LUJAN:

H.R. 2498. A bill to amend the Internal Revenue Code of 1954 to extend the residential energy credit with respect to solar renewable energy source expenditures and to provide a credit for the production and sale of alternate energy; to the Committee on Ways and Means.

By Mr. NIELSON of Utah:

H.R. 2499. A bill to modify the boundary of the Uinta National Forest, UT, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. OXLEY (for himself, Mr. Tauzin, Mr. Broyhill, and Mr. Nielson of Utah):

H.R. 2500. A bill to amend the Communications Act of 1934 to improve the method of funding for public broadcasting, and for other purposes; to the Committee on Energy and Commerce.

By Mr. REGULA (for himself and Mr. Tauke):

H.R. 2501. A bill to reform reimbursement under Medicare for medical education and to create a direct grant program to qualifying institutions for graduate medical education; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. SCHULZE:

H.R. 2502. A bill to provide for the retirement of all U.S. notes of the denomination of $100 and their replacement with new notes in such denomination; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. SMITH of Nebraska:

H.R. 2503. A bill to amend the Reclamation Project Authorization Act of 1972 to authorize an increase in the appropriation for the North Loup Division, Pick-Sloan Missouri Basin Program, Nebraska; to the Committee on Interior and Insular Affairs.

By Mr. FRANK:

H.R. 2504. A bill to amend title XVIII of the Social Security Act to provide for direct medicare payment for services of registered nurse anesthetists; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. BROWN of California (for himself and Mr. Kemp):

H.J. Res. 287. Joint resolution to designate October 1985 as "Learning Disabilities Awareness Month", to the Committee on Post Office and Civil Service.

By Mr. PENNY (for himself, Mr. Porter, Mr. Jones of Oklahoma, Mr. Cooper, Mr. Kolbe, Mr. Barton of Texas, Mr. Stallings, and Mr. Nielson of Utah):

H. Con. Res. 147. Concurrent resolution to provide for an across-the-board freeze of new budget authority, by major functional category, for fiscal year 1986; to the Committee on Rules.

By Mr. de la GARZA (for himself and Mr. Madigan):

H. Res. 170. Resolution to recognize the centennial anniversary of the Holstein-Friesian Association of America; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of California (for himself, Mrs. Schroeder, Mr. Mineta, and Mr. Seiberling):

H. Res. 171. Resolution requesting the President to provide to the House of Representatives documents and factual information in his possession or under his control relating to certain counterterrorist units which received covert training or other support from the United States; to the Permanent Select Committee on Intelligence.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COBEY:

H.R. 2505. A bill for the relief of Kenneth David Franklin; to the Committee on the Judiciary.

By Mr. LENT:

H.R. 2506. A bill to provide for waiver of the requirement that proof of actual use be furnished within 3 years after the date an article is entered, and for reliquidation of certain entries of tubular tin products; to the Committee on Ways and Means.

By Mr. PANETTA:

H.R. 2507. A bill for the relief of Thomas J. Scanlon; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 6: Mr. Penny.

H.R. 7: Mr. Mollohan, Mr. Penny, and Mr. Richardson.

H.R. 10: Mr. Nowak, Mr. Hammerschmidt, Mr. Howard, Mr. McDade, Mr. Whitten, Mr. Gingrich, Mr. Applegate, Mrs. Johnson, Mr. Towns, Mr. Boehlert, Mr. Visclosky, Mr. Gallo, Mr. Borski, Mrs. Bentley, Mr. Kolter, Mr. Stangeland, Mr. Perkins, Mr. McEwen, Mr. Anderson, Mr. Packard, Mr. Wise, Mr. Jeffords, Mr. Roe, Mr. Fish, Mr. Mineta, Mr. Ridge, Mr. Edgar, Mr. Walgren, Mr. Young of Missouri, Mr. Gekas, Mr. Rahall, Mr. de Lugo, Mr. Savage, Mr. Sunia, Mr. Bosco, Mr. Andrews, Mr. Rowland of Georgia, Mr. Gray of Illinois, Mr. Traficant, Mr. Flippo, Mr. Price, Mr. Addabbo, Mr. Annunzio, Mr. Barnes, Mr. Bevill, Mrs. Boggs, Mr. Boner of Tennes-

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see, Mr. Bonior of Michigan, Mr. Bonker, Mr. Boucher, Mrs. Burton of California, Mrs. Byron, Mr. Carr, Mr. Chappell, Mr. Clay, Mr. Coelho, Mrs. Collins, Mr. Conyers, Mr. Cooper, Mr. Coyne, Mr. Daschle, Mr. de la Garza, Mr. Dellums, Mr. Dixon, Mr. Donnelly, Mr. Dowdy of Mississippi, Mr. Dwyer of New Jersey, Mr. Dymally, Mr. Evans of Illinois, Mr. Fauntroy, Mr. Foglietta, Mr. Ford of Tennessee, Mr. Frank, Mr. Fuster, Mr. Fuqua, Mr. Guarini, Mr. Hefner, Mr. Hubbard, Mr. Hughes, Mr. Jenkins, Mr. Jones of North Carolina, Mr. Kanjorski, Mr. Kildee, Mr. Lantos, Mr. Leath of Texas, Mr. Lehman of Florida, Mr. Lehman of California, Mr. Lipinski, Mr. Lowry of Washington, Mrs. Lloyd, Mr. Lundine, Mr. Martinez, Mr. Matsui, Mr. Mavroules, Mr. Mollohan, Mr. Morrison of Washington, Mr. Murphy, Mr. Murtha, Mr. Natcher, Mr. Owens, Mr. Rangel, Mr. Rose, Mr. Sabo, Mr. Seiberling, Mr. Shelby, Mr. Sisisky, Mr. Staggers, Mr. Stokes, Mr. Studds, Mr. Synar, Mr. Tauke, Mr. Thomas of Georgia, Mr. Vento, Mr. Watkins, Mr. Wright, Mrs. Kennelly, Mr. Shuster, Mr. Barnard, Mr. Torres, Mr. Ford of Michigan, Mr. Whitley, Mr. Erdreich, Mr. Volkmer, Mr. Moakley, Mr. Moody, Mr. Garcia, Mr. Williams, Mr. Waxman, Mr. Florio, Mr. Horton, Ms. Oakar, Mr. Yatron, Mr. Akaka, Mr. Leland, Mr. Ortiz, Mr. Panetta, Mr. Tallon, Mr. Edwards of California, Mr. Dicks, Mr. Ritter, Mr. Rogers, Ms. Kaptur, Mr. Valentine, Mr. Markey, Mr. Darden, Mr. McCloskey, Mr. Richardson, Mr. Brooks, Mr. Gonzalez, Mr. Sikorski, Mr. Beilenson, Mr. Wolpe, Mr. Weaver, Mr. Eckart of Ohio, Mr. Mitchell, Mr. Duncan, Mr. LaFalce, Mr. Ackerman, Mr. Biaggi, Mr. Atkins, Mrs. Long, Mr. Hawkins, and Mr. Stratton.

H.R. 36: Mr. Feighan.

H.R. 281: Mr. Ackerman, Mr. Barnes, Mr. McDade, Mr. Moakley, Mr. Lehman of California, Mr. Waxman, and Mr. Downey of New York.

H.R. 370: Mr. Wilson, Mrs. Collins, Mr. Wheat, Mr. Barnes, Mr. Fauntroy, Mr. Roe, Mr. Leland, Ms. Kaptur, Mr. Mitchell, and Mr. Clinger.

H.R. 505: Mr. Montgomery, Mr. Hammerschmidt, Mr. Edwards of California, Mr. Wylie, Mr. Sam B. Hall, Jr., Mr. Hillis, Mr. Applegate, Mr. Solomon, Mr. Shelby, Mr. McEwen, Mr. Mica, Mr. Smith of New Jersey, Mr. Daschle, Mr. Burton of Indiana, Mr. Dowdy of Mississippi, Mr. Sundquist, Ms. Kaptur, Mr. Bilirakis, Mr. Mollohan, Mrs. Johnson, Mr. Penny, Mr. Molinari, Mr. Staggers, Mr. Ridge, Mr. Rowland of Georgia, Mr. Hendon, Mr. Bryant, Mr. Rowland of Connecticut, Mr. Florio, Mr. Gray of Illinois, Mr. Kanjorski, Mr. Robinson, Mr. Hefner, Mr. Boner of Tennessee, Mr. Richardson, Mr. Coelho, Mr. Nichols, and Mr. Lehman of Florida.

H.R. 555: Mr. Bartlett and Mr. Daniel.

H.R. 598: Mr. DeLay, Mr. Feighan, Mr. Fazio, and Mr. Roybal.

H.R. 604: Mr. Biaggi and Mr. Michel.

H.R. 650: Mr. Hatcher.

H.R. 695: Mr. Grotberg.

H.R. 747: Mr. de la Garza.

H.R. 822: Mr. Jacobs, Mr. Mitchell, and Mr. Manton.

H.R. 864: Mr. Feighan, Mr. Fish, Ms. Oakar, and Mr. Stokes.

H.R. 887: Mr. Jeffords.

H.R. 927: Mr. Jeffords, Mr. McHugh, Mr. Morrison of Connecticut, and Mr. Green.

H.R. 1017: Mr. Manton.

H.R. 1019: Mr. Lent.

H.R. 1123: Mr. Lujan, Mr. Shelby, Mr. Campbell, Mr. Walker, Mr. Hammerschmidt, Mr. Quillen, Mr. Lott, Mr. Gradison, Mr. Rinaldo, Mr. Coble, Mr. Parris, Mr. Gallo, Mr. Michel, and Mr. Ortiz.

H.R. 1140: Mr. Jones of Oklahoma.

H.R. 1163: Mr. Edwards of Oklahoma and Mr. Armey.

H.R. 1197: Mr. Ackerman and Mrs. Bentley.

H.R. 1207: Mr. Weaver, Mr. Wyden, Mr. Swift, Mr. Tallon, Mr. Dymally, Mr. Kostmayer, Mr. Carper, Mr. Lundine, and Mr. McHugh.

H.R. 1219: Mr. Murphy and Mr. Hillis.

H.R. 1272: Mr. Wolf, Mr. Ackerman, Mr. Myers of Indiana, Mr. Darden, Mr. Bonior of Michigan, Mr. Beilenson, and Mr. Udall.

H.R. 1287: Mr. Wolpe, Mr. Lehman of California, Mr. Morrison of Connecticut, and Mr. Weiss.

H.R. 1294: Mr. Morrison of Connecticut, Mr. Fazio, Mr. Mitchell, Mr. McEwen, and Mr. Crockett.

H.R. 1316: Mr. Clinger, Mr. Heftel of Hawaii, and Mr. Skelton.

H.R. 1379: Mr. Mollohan.

H.R. 1392: Mr. Crane.

H.R. 1405: Mr. Bryant.

H.R. 1408: Mr. Edwards of California, Mr. Hillis, Mr. Sam B. Hall, Jr., Mr. Smith of New Jersey, Mr. Applegate, Mr. Burton of Indiana, Mr. Shelby, Mr. Sundquist, Mr. Mica, Mr. Bilirakis, Mr. Dowdy of Mississippi, Mrs. Johnson, Mr. Mollohan, Mr. Ridge, Mr. Penny, Mr. Rowland of Connecticut, Mr. Rowland of Georgia, Mr. Kanjorski, and Mr. Robinson.

H.R. 1435: Mr. Fazio, Mr. Shelby, Mr. Richardson, Mr. Slaughter, Mr. Barnard, Mr. Durbin, Mr. Sisisky, Mr. Hoyer, Mr. Hamilton, Mrs. Bentley, Mrs. Lloyd, and Mr. Dowdy of Mississippi.

H.R. 1460: Mr. AuCoin, Mr. Bedell, Mr. Bryant, Mr. Dwyer of New Jersey, Mr. Early, Mr. Fuqua, Mr. Gejdenson, Mr. Glickman, Mr. Howard, Mr. Jacobs, Mrs. Lloyd, Mr. Mazzoli, Mr. Mollohan, Mr. Neal, Mr. Ray, Mr. Roe, and Mr. Scheuer.

H.R. 1482: Mr. Reid.

H.R. 1511: Mr. Hillis.

H.R. 1589: Mr. Lagomarsino, Mr. Lent, Mr. Fauntroy, and Mr. Mitchell.

H.R. 1615: Mr. Tallon, Mr. Hatcher, Mr. Wilson, Mr. Fazio, Mr. Clinger, Mr. Dyson, and Mr. Roberts.

H.R. 1650: Ms. Snowe, Mr. Shaw, Mr. Durbin, and Mr. Martinez.

H.R. 1704: Mr. Fazio and Mr. Fauntroy.

H.R. 1722: Mr. Clinger.

H.R. 1730: Mr. Leach of Iowa, Mr. Tallon, Mr. Lewis of Florida, Mr. Kemp, Ms. Crane, Mr. Chappell, and Mr. Shumway.

H.R. 1768: Mr. St Germain, Mr. Duncan, Mr. Dornan of California, Mr. Daniel, Mr. Fauntroy, Mr. Kostmayer, Mr. Hamilton, Ms. Snowe, Mr. Lantos, and Mr. Crockett.

H.R. 1769: Mr. Boehlert, Mr. Lott, Mr. Smith of New Hampshire, Mr. Gunderson, and Mr. Rowland of Georgia.

H.R. 1776: Mr. Mollohan.

H.R. 1811: Mr. Dreier of California, Mr. Schuette, Mr. Kolbe, Mr. Roberts, and Mr. Shumway.

H.R. 1819: Mr. Craig.

H.R. 1840: Mr. Lott, Mr. Tallon, Mr. Rowland of Georgia, and Mr. Weber.

H.R. 1907: Mrs. Bentley.

H.R. 1910: Mr. Richardson and Mr. Martinez.

H.R. 1946: Mr. Badham, Mrs. Lloyd, and Mr. Monson.

H.R. 1969: Mrs. Collins, Mr. Levine of California, Mr. Yates, Mr. Wilson, and Mr. Crockett.

H.R. 1970: Mr. Owens and Mr. Synar.

H.R. 1992: Mr. Foglietta and Mr. Frank.

H.R. 2015: Mr. Bevill, Mr. Kindness, Ms. Mikulski, Ms. Kaptur, and Mr. Eckart of Ohio.

H.R. 2024: Mr. Fauntroy and Mr. Donnelly.

H.R. 2034: Mr. Waxman.

H.R. 2111: Mr. Conyers, Mr. Dymally, and Mr. Owens.

H.R. 2116: Ms. Snowe.

H.R. 2137: Ms. Kaptur, Mr. Martinez, Mr. Hillis, and Mr. Watkins.

H.R. 2172: Mr. Murphy, Mr. Heftel of Hawaii, and Mr. Andrews.

H.R. 2190: Mr. Mrazek, Mr. Rose, Mr. Eckart of Ohio, Mr. Smith of Florida, Mr. Fazio, Mr. Mitchell, and Mr. Rahall.

H.R. 2211: Mr. Nichols, Mr. Martinez, Mrs. Lloyd, Mr. Eckart of Ohio, Mr. Derrick, and Mr. Slattery.

H.R. 2235: Mr. Levin of Michigan, Mr. Martinez, Mr. Rangel, and Mr. Williams.

H.R. 2262: Mr. Coughlin, Mr. Daschle, Mr. Wortley, Ms. Mikulski, Ms. Kaptur, Mr. Richardson, Mr. Lehman of California, Mr. Daub, Mr. Smith of Florida, Mr. Dymally, and Mr. Eckhart of Ohio.

H.R. 2277: Mr. Lott and Mr. Stangeland.

H.R. 2280: Mr. Bonker, Mr. Frank, Mr. Lehman of Florida, Mr. Heftel of Hawaii, Mr. Hutto, Mr. Borski, Mr. Stark, Mr. Rahall, Mr. Roe, Mrs. Bentley, Mr. Mitchell, Mr. Schumer, Ms. Kaptur, Mr. Crockett, Mr. Murphy, Mr. Frost, Mr. Florio, Mr. Towns, Mr. Fazio, Mrs. Collins, Ms. Mikulski, Mr. Horton, and Mr. Mrazek.

H.R. 2301: Mr. Slattery.

H.R. 2343: Mr. Edwards of California, Mr. Hillis, Mr. Shelby, Mr. McEwen, Mr. Daschle, Mr. Smith of New Jersey, Ms. Kaptur, Mr. Sundquist, Mr. Mollohan, Mr. Bilirakis, Mr. Penny, Mrs. Johnson, Mr. Staggers, Mr. Ridge, Mr. Rowland of Georgia, Mr. Hendon, Mr. Bryant, Mr. Rowland of Connecticut, Mr. Florio, Mr. Gray of Illinois, Mr. Kanjorski, Mr. Hefner, Mr. Boner of Tennessee, and Mr. Richardson.

H.R. 2344: Mr. Edwards of California, Mr. Wylie, Mr. Sam B. Hall, Jr., Mr. Hillis, Mr. Mica, Mr. Solomon, Mr. Daschle, Mr. McEwen, Mr. Dowdy of Mississippi, Mr. Burton of Indiana, Mr. Evans of Illinois, Mrs. Johnson, Ms. Kaptur, Mr. Molinari, Mr. Penny, Mr. Ridge, Mr. Staggers, Mr. Rowland of Georgia, Mr. Hendon, Mr. Gray of Illinois, Mr. Kanjorski, Mr. Robinson, Mr. Hefner, Mr. Boner of Tennessee, Mr. Richardson, Mr. Coelho, and Mr. Bustamante.

H.R. 2361: Mr. Weiss, Mr. Kostmayer, Mr. Ackerman, Mr. Towns, Mr. Wheat, Mr. Owens, Mr. Hall of Ohio, Mr. Lehman of Florida, Mr. Moody, Mrs. Collins, and Mr. Crockett.

H.R. 2382: Mr. Skeen, Mr. Shumway, Mr. Stangeland, and Mr. Lott.

H.R. 2397: Mr. Montgomery, Mr. Savage, Mr. Fowler, Mr. Kanjorski, Mrs. Collins, Mr. Torres, Mr. Beilenson, Mrs. Lloyd, Mr. Levin of Michigan, Mr. Hamilton, Mr. Kastenmeier, Mr. Mavroules, Mr. Gejdenson, Mrs. Schroeder, Mr. Smith of Florida, Mr. Nowak, Mr. Hughes, Mr. Edgar, Mr. Miller of California, Mr. Bevill, Mr. Coughlin, Mr. Skelton, Mr. Boucher, Mr. AuCoin, Mr. Dicks, Mr. Bereuter, and Mr. Conyers.

H.J. Res. 64: Mr. Bedell, Mr. Coelho, Mr. Conyers, Mr. Daschle, Mr. DeLay, Mr. DioGuardi, Mr. Donnelly, Mr. Erdreich, Mr. Fauntroy, Mr. Hammerschmidt, Mr. Kemp, Mr. Levin of Michigan, Mr. Mollohan, Mr. Moore, Mr. Moorhead, Mr. Nowak, Mr. Ortiz, Mr. Owens, Mr. Roberts, Mr. Schaefer, Mr. Shaw, Mr. Shelby, Mr. Sikorski, Ms. Snowe, Mr. Snyder, Mr. Solarz, Mr. Spence, Mr. Stallings, Mr. Wolpe, Mr. Blaz, Mr. Breaux, Mr. Broyhill, Mr. Campbell, Mr. Crane, Mr. Dornan of California, Mr. Frenzel, Mr. Markey, Mr. Mica, Mr. Murtha, Mr. Saxton, Mr. Rogers, Mr. Coats, Mr. Gejdenson, Mr. Crockett, Mr. Gray of Pennsylvania, Mr. McKernan, Mr. Whitley, Mr. Morrison of Connecticut, Mr. Neal, and Mr. Richardson.

H.J. Res. 79: Mrs. Boggs, Mr. Clinger, Mr. Chandler, Mr. Cheney, Mr. Hutto, Mr. MacKay, Mr. Lewis of Florida, Mr. Hoyer, Mr. Hefner, and Mr. Florio.

H.J. Res. 106: Mrs. Kennelly, Mr. Eckert of New York, Mr. Boner of Tennessee, Mr. Cheney, Mrs. Bentley, Mr. Gekas, Mr. Garcia, Mr. Wolf, Mr. Porter, Mr. Coelho, Mr. Dickinson, Mr. Dowdy of Mississippi, Mr. Erdreich, Mr. Ralph M. Hall, Mr. Hammerschmidt, Mr. Hartnett, Mr. Latta, Mr. Pepper, Mr. Scheuer, Mr. Brown of Colorado, Mr. Martin of New York, Mr. Oberstar, Mr. Carr, Mr. Gejdenson, Mr. Weiss, Mrs. Boxer, Mr. Bevill, Mr. Richardson, Mr. Gregg, Mr. Burton of Indiana, Mr. Stokes, Mr. Coats, Mr. Young of Alaska, Mr. Regula, Mr. Ackerman, Mr. Molinari, Mr. McMillan, Mr. Shumway, Mr. Ortiz, and Mr. Dyson.

H.J. Res. 182: Mr. Volkmer, Mr. Stangeland, Mr. Lundine, Mr. Frost, and Mr. Fauntroy.

H.J. Res. 197: Mr. Richardson, Mr. Green, Mrs. Holt, Mr. DeWine, Mr. Vento, Mr. Edwards of Oklahoma, Mr. Boland, Mr. Murphy, Mr. Savage, Mr. Jacobs, Mr. Horton, Mr. Coyne, Mr. Chappie, Mr. Olin, Mr. Towns, Mr. Markey, Mr. Gingrich, Mr. Kolter, Ms. Oakar, Mr. Early, Mr. Ortiz, Mr. Gray of Illinois, Mr. Rangel, Mr. Stangeland, Mr. Thomas of Georgia, Mr. Daub, Mr. Mazzoli, Mr. Howard, Mr. Martinez, Mr. Rahall, Mr. Hoyer, Mr. Wortley, Mr. Torres, Mr. Bryant, Mrs. Vucanovich, Mr. Young of Florida, Mr. Dyson, Mr. Quillen, Mr. St Germain, Mr. Cooper, Mr. Frenzel, Mr. Snyder, Mr. Franklin, Mrs. Roukema, Mr. Moore, Mr. Tauzin, Mr. Sundquist, Mr. Jeffords, Mr. Hammerschmidt, Mr. Montgomery, Mr. Lott, Mr. Bosco, Mr. Moakley, Mrs. Lloyd, Mr. Skelton, and Mr. Jones of Tennessee.

H.J. Res. 243: Mr. Bateman, Mr. Waxman, Mr. Murphy, and Mr. Young of Missouri.

H.J. Res. 245: Mr. Badham, Mr. Daub, Mr. Fauntroy, Mr. Horton, Ms. Kaptur, and Mrs. Lloyd.

H.J. Res. 267: Mr. Courter, Mr. Barton of Texas, Mr. Kindness, and Mr. Armey.

H.J. Res. 285: Mr. Kanjorski, Mr. Bliley, Mr. Kleczka, Mr. Hall of Ohio, Mr. Carper, Mr. Loeffler, Mr. Brooks, Mr. Frenzel, Mr. Durbin, Mr. Boehlert, Mr. Hiler, Mr. Cheney, Mr. Skeen, and Mr. Coats.

H. Con. Res. 37: Mr. Bereuter, Mr. Chappell, Mr. Feighan, Mr. Lott, Mr. Loeffler, and Mr. Gonzalez.

H. Con. Res. 39: Mrs. Burton of California, Mr. Markey, Mr. Kolter, Mr. Foglietta, Mr. Sunia, Mr. Fauntroy, Mr. Smith of Florida, Mr. Rose, Mr. Leland, Mr. Young of Florida, Mr. Florio, Mr. Savage, Mr. Howard, Mr. Schumer, Mrs. Bentley, Mr. Ortiz, Mr. Martinez, Mr. Lantos, Mr. Lehman of Florida, Mr. Wheat, Mr. Synar, Mr. Walgren, Mr. Shelby, Mr. Ford of Michigan, Mr. Richardson, and Mr. Clinger.

H. Con. Res. 41: Mr. Clay, Mr. Shuster, Mr. Hamilton, Mr. Rogers, Mr. Dowdy of Mississippi, Mr. Armey, Mr. Florio, Mr. Biaggi, Mr. Roth, and Mr. Edgar.

H. Con. Res. 69: Mr. Yatron, Mr. Lehman of California, Mr. Craig, Mr. Madigan, Mr. Jenkins, Mr. Tallon, Mr. Dyson, Mrs. Meyers of Kansas, Mr. Loeffler, Mr. Bevill, Mr. Donnelly, Mr. Guarini, Mr. Rogers, and Mr. Lagomarsino.

H. Con. Res. 83: Mrs. Bentley and Mr. Andrews.

H. Con. Res. 117: Mr. Thomas of Georgia, Mr. Fish, Mr. Young of Florida, and Mr. Porter.

H. Con. Res. 121: Mr. Sikorski and Mr. Wolpe.

H. Con. Res. 133: Mr. Howard and Mr. Florio.

H. Res. 60: Mr. Bliley.

H. Res. 131: Mr. Robinson, Mrs. Johnson, Mr. Bustamante, Mr. Nielson of Utah, and Mr. Oberstar.

H. Res. 166: Mr. Dixon, Mr. Zschau, Mr. Barnes, Mr. Wolpe, and Mr. Ackerman.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 778: Mr. Miller of Ohio.

H.R. 1552: Mr. Denny Smith.

H.R. 1626: Mr. St Germain.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1872

By Mr. HERTEL of Michigan:

—Insert the following at the appropriate place in the General Provisions title of the bill:

SEC. —. DEFENSE ENTERPRISE ZONE TEST PROGRAM.

(a) In General.—For the purpose of enhancing diversity within the defense industrial base and increasing the number of contractors available for defense programs, the Secretary of Defense (hereinafter in this section referred to as the "Secretary") shall conduct a program during fiscal year 1986 to evaluate the effects of exempting certain contracts of the Defense Logistics Agency of the Department of Defense from the provisions of section 2392 of title 10, United States Code. Under such program, the Secretary may exempt from the provisions of such section any contract of the Defense Logistics Agency if the contract is to be awarded to an individual or firm in an area identified under subsection (b) as a test zone.

(b) Criteria.—To carry out the purpose of this section, the Secretary may identify test zones using any or all of the following criteria:

(1) Eligibility criteria—

(A) that is used by the Secretary of Labor to identify an area as a Labor Surplus Area:

(B) that is used to identify an area as eligible for assistance under the Urban Development Action Grant Program established under section 119 of the Housing and Community Development Act of 1974;

(C) that is used to identify an area as eligible for assistance through the Economic Development Administration; or

(D) that would identify any economically disadvantaged area as an area in which there is potential to develop a new defense industrial base, as determined by the Secretary.

(2) Criteria developed by the Secretary for the purpose of identifying economically undiversified areas in which the existing industrial base can be diversified, thus fostering competition in defense procurement and eventual procurement price reductions.

(c) Price Enhancements.—The Secretary may authorize special price enhancements or incentives to be paid under a contract described in subsection (a) in a case in which there is a reasonable expectation that such enhancements or incentives will promote long term competition in defense procurement and eventual procurement price reduction.

(d) Report.—Not later than one year after implementation of the program carried out under this section, the Secretary shall transmit to Congress a report on the implementation and results of such program. The report shall include an accounting of the actions taken and an assessment of the degree to which such actions have met the goals of such program, especially—

(1) the diversification of the defense industrial base;

(2) the development of additional sources for defense procurement; and

(3) reductions in later procurements in the cost of items under contracts affected by this section.

—At the end of the bill add the following new section:

AUTHORITY OF INSPECTOR GENERAL OF DEPARTMENT OF DEFENSE WITH RESPECT TO CERTAIN CONTRACTS

Sec. —. Chapter 137 of title 10, United States Code, is amended by inserting after section 2312 the following new section;

"§ 2312a. Inspector General: authority with regard to contract payments

"(a) In the case of a contract of the Department of Defense with respect to which the Inspector General of the Department of Defense determines—

"(1) based upon audits of the Department of Defense, that there have been excessive charges to the United States by the contractor; and

"(2) that other remedies available to the United States by law and under the contract are insufficient to eliminate promptly waste, fraud, and abuse with respect to the contract;

the Inspector General may immediately suspend payments under the contract or revise the schedule for such payments in order to protect the interests of the United States.

"(b) The Secretary of Defense may, in the interest of national security, overrule any action of the Inspector General under subsection (a). Not later than 30 days after any action by the Secretary under this subsection, the Secretary shall submit a report to the Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives describing the action of the Inspector General that is being overruled, the reason for the decision of the Secretary, and the actions being undertaken by the Secretary to eliminate waste, fraud, and abuse in connection with the contract concerned.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2312 the following new item:

"2312a. Inspector General: authority with regard to contract payments.".

SENATE—*Tuesday, May 14, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. Thurmond].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Holy Father in Heaven, here in this place—"this most exclusive club"—are the leaders of America. Give us grace to ask the hard question of ourselves as to what models we are as husbands and fathers. If the family is the foundation of an ordered society, how well do we strengthen that foundation? If everyone operated as we do with our families, what kind of society would we have? Gracious, Forgiving God, help us to take seriously our fundamental responsibility to our families. Help us to be leaders it is safe to follow. Forgive us for our failure, renew us in Your grace, and grant us strength to fulfill our priorities. In the name of Him who is love incarnate. Amen.

REOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, and then followed by a special order in favor of the Senator from Wisconsin [Mr. Proxmire] for not to exceed 15 minutes, followed by routine morning business not to extend beyond the hour of 3 p.m. with statements limited therein to 5 minutes each.

Following routine morning business, it will be the intention of the majority leader to begin consideration of Calendar No. 84, S. 960, the Foreign Assistance Authorization Act for fiscal year 1986.

There will be no rollcall votes before the hour of 5 p.m. today, but votes can be expected after 5 p.m. and on into the evening.

Mr. President, for the information of my colleagues who may be listening in their offices, or members of their staff, I also indicate it is the hope of the leadership and I understand the members on each side of the Foreign Relations Committee that we complete action on the Foreign Assistance Authorization Act, S. 960, tomorrow evening. It could be late tomorrow evening.

On Thursday it is my hope that we can turn to the consideration of Calendar No. 91, S. 1029, the DOD defense authorization bill.

Again, I think we can expect votes throughout the day into 7 or 8 o'clock Thursday evening.

I have discussed with the distinguished chairman of the committee, Senator Goldwater, the realities of doing a great deal on Friday. He indicates a strong desire to work throughout the day and into the evening on Friday.

Friday is not a convenient day for many Senators because, again, it is a commencement weekend and many colleagues, I assume on both sides, are being asked to give commencement addresses in their States.

But Senator Goldwater believes that he can still make progress on Friday and then back on that bill on Monday in an effort to finish it by the close of business on the following Friday.

If in fact that is a reality or can be a reality, I assume there will be a number of late night sessions next week.

We also hope to dispose of the conference report on IRS auto recordkeeping rules, H.R. 1869, tomorrow.

As far as I know, the only request for time on that is from the distinguished Senator from Ohio, Senator Metzenbaum.

Perhaps we could call it up early one morning and dispose of that conference report. I am not certain a rollcall vote will be required.

We also hope we can dispose of some nominations.

So, I say to the distinguished minority leader and others who may be interested, that is the tentative, hoped-for schedule between now and the Memorial Day recess.

PUBLIC FINANCIAL DISCLOSURE REPORTS DUE MAY 15, 1985

Mr. DOLE. Mr. President, I would like to take this opportunity to remind all Senators that public financial disclosure reports required by Senate Rule 34 and the Ethics in Government Act of 1978, as amended, must be filed no later than close of business on May 15, 1985. These reports should be delivered between the hours of 9 a.m. and 5:30 p.m. to the Senate Office of Public Records, Suite 232, Hart Senate Office Building, Washington, DC. Written acknowledgments will be provided automatically for Senators' reports. Acknowledgments for staff reports will be provided upon request. Written requests for extensions should be directed to the Select Committee on Ethics, Suite 220, Hart Senate Office Building (telephone: 202/224-2981).

The Public Records Office will simultaneously make available for release all Senators' reports on Monday, May 20. Advance requests for copies of these reports are now being accepted by that Office. Members of the press should be directed to the Public Records Office for further information in this regard. Questions should be directed to the Select Committee on Ethics (224-2981) or the Office of Public Records (224-0322).

THANKS FOR THE BUDGET EFFORT

Mr. DOLE. Mr. President, I would like to take a moment to thank the many, many people who were responsible for our budget victory last Friday morning.

Let me start out by offering special thanks to my Senate colleagues whose perseverance and patience over the past 5 months was instrumental in arriving at the final successful deficit-reduction package.

Without the expertise of Budget Committee Chairman Pete V. Domenici, the task would have been near impossible. The Senate Republican leadership, including my assistant majority leader, Alan Simpson, John Chafee, chairman of the Republican Conference, Bill Armstrong, chairman of the Republican Policy Committee, and John Heinz, chairman of the Senatorial Committee, were supportive and helpful throughout the negotiations. I also want to note the active participation of Paul Laxalt, who was present at most of the negotiating sessions, and Jim McClure, who offered critical advice.

The knowledge of our committee chairmen, such as Bob Packwood from Finance, Mark Hatfield from Appropriations, and Jesse Helms from Agriculture, was essential in arriving at the specifics of the budget package.

Finally, I want to offer my personal gratitude to three individuals who made the final outcome possible. To Senator Pete Wilson, whose strength and courage leaving a hospital bed to cast his vote, will be recorded in the history books; to Senator Ed Zorinsky, the man who made the vote a bipartisan one; and to Vice President George Bush, who cast the fateful tie-breaking vote. Without them we could not have done it.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

SPECIAL THANKS TO STAFF

No feat of this complexity and magnitude can be achieved without prodigious effort by staff. So, Mr. President, I want to personally thank the members of my staff in the majority leader's office, the staff of the Senate Budget Committee, those who work here on the floor and in the cloakroom, as well as those from the White House and the Office of Management and Budget for their dedication and hard work during the long hours we worked developing and finally adopting the fiscal 1986 budget resolution.

From the receptionists at the front desk in the majority leader's office—Kate Rentschler and Pat Wade—who greeted dozens of Senators during countless meetings; to the Parliamentarian, Bob Dove, and his staff who provided essential guidance; to White House staffers Max Friedersdorf, Pam Turner, and M.B. Oglesby for their counsel and tireless efforts; to Steve Bell, Bill Hoagland, Nell Payne, Sid Brown, Tony McCann and all the rest of the staff on the Budget Committee for their expertise and diligence; to the excellent staff of assistant majority leader, Alan Simpson, including Boyd Hollingsworth and Joe Radliff; and finally, my own staff, Rod DeArment, Sheila Burke, Rich Belas, George Pieler, John Gordley, Dean Burridge, Joyce McCluney, Judy Green, Laurie Rubiner, Marilyn Sayler, Margi Mannix, Walt Riker, and Dale Tate; they all played a special role in the ultimate success of the budget debate.

And last but not least, a very special word of praise to David A. Stockman, Director of the Office of Management and Budget, who has spent as much time in my office during the past few months as in his own. Without Dave's encyclopedic knowledge of the Federal budget and his drive, we would never have been able to achieve our goal. His aides—Fred Upton and Larry Burton—are to be commended as well.

It took all their work combined to take what some thought was an impossible dream and turn it into a reality. They are all truly public servants.

MOTHER'S DAY

Mr. DOLE. Mr. President, last Sunday was Mother's Day, the day we paid tribute to a vocation as revered and valued in this society as any other.

Motherhood is a profession which requires the skills of an educator, doctor, mechanic, philosopher, and psychologist all rolled into one. It is a job which entails everything from nursing bruised knees and young, sensitive egos, to fixing flat bicycle tires and broken hearts. It necessitates the patience to teach the basic necessities of life, be it tying a shoe, counting to 10, or crossing the street. And it requires the wisdom to teach the basic virtues of life, be it honesty, integrity, or respect for humankind.

Setting aside a special day to honor mothers is a time-honored practice—as it should be—dating back to the ancient Greeks and Romans. In this country, Julia Ward Howe, best known as the author of the Battle Hymn of the Republic, led the effort to establish a national Mother's Day. The movement was carried forward by Anna Reeves Jarvis, and then by her daughter, Anna M. Jarvis. Miss Jarvis' efforts successfully ended in 1914, when President Woodrow Wilson issued a proclamation setting aside the second Sunday in May as a day for "public expression of our love and reverence for the mothers of the country."

Today, Mother's Day is celebrated throughout the country, with special church services, community events, and family gatherings. Perhaps the most widely known event is the selection of a mother of the year, both nationally and in the various States. The 1985 recipient of this honor in Kansas is Wanda Woodring Westmoreland of Wichita—a woman who raised six children, went back to school in midlife and started a career in teaching. During the day, she teaches reading to special education students; during the evening, she teaches college students; and in her scarce, spare time, she helps foreign students learn the language and customs of this country. She is a mother who has devoted her life to helping and teaching the young, and the many students she has taught owe her a debt of gratitude for enriching their lives.

Mr. President, as children grow into adults and establish their own careers and families, they sometimes tend to lose contact with the mothers who prepared them for life. As marriages mature and settle into routines, husbands sometimes forget to tell the mother of their children how much they care. Every day should be Mother's Day; unfortunately, we too often make that special effort only once a year. I just hope that husbands, children, and grandchildren throughout the country made the special effort May 12, and it was one of the happiest days ever for the mothers in their lives.

FLORENCE NIGHTINGALE'S BIRTHDAY

Mr. DOLE. Mr. President, this week marks the anniversary of the birth of Florence Nightingale—a woman honored in history as the founder of modern day nursing.

She was born in Florence, Italy in 1820 to a wealthy and cultured British family. But she rejected the position of comfort and privilege she inherited for a life devoted to aiding the sick and infirm. Her expert administration of a small hospital on Harley Street in London brought her to the attention of British Secretary at War Sidney Herbert. He called upon her to take charge of a government plan to introduce female nurses into British Army hospitals which were overburdened with casualties from the Crimean War.

Within months of arriving at the frontlines, she instituted orderly administration in the Army's dilapidated, rat-infested hospitals, drastically reducing mortality rates. Her accomplishments captured the imagination of an entire world and prompted Longfellow's famous poetic account of her nightly inspections of the vast wards with a lamp in her hand. Even more importantly, her commitment to quality and high standards for care established the framework around which modern nursing schools throughout the world have designed their educational programs. Nurses and their patients alike, have a great deal for which to thank Florence Nightingale.

The week we commemorate and reflect upon this remarkable individual's contributions to human welfare is also the week we recognize a number of institutions in modern-day society that seek to continue her good work.

For many years, the American Hospital Association has sponsored special programs, exhibits, and community orientation projects throughout the country designed to inform the public about the services of hospitals. The American Health Care Association sponsors similar nationwide activities about the services provided by nursing homes.

This is also the week we honor the Salvation Army, an organization renowned for its selfless efforts on behalf of those who suffer from ill health, as well as poverty and downtrodden spirit. Most recently, we enacted legislation to recognize the contributions of senior centers—places that provide the elderly with hot food, warm friends, and recreation for their young hearts and active minds.

Florence Nightingale died in 1910 at the age of 90, but clearly, her spirit lives on. Florence Nightingale still stands as a source of inspiration and a shining symbol of courage, dedication, and good will.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. Pressler). Under the previous order, the Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

EAGLETON CITES TRUMAN COMMITMENT TO CIVIL RIGHTS UPON RECEIVING THE HARRY S. TRUMAN AWARD FOR PUBLIC SERVICE

Mr. BYRD. Mr. President, on Friday evening, May 9, 1985, Senator Tom Eagleton was presented the 13th Annual Harry S. Truman Award for Public Service by the city of Independence, MO. He joins many other distinguished Americans who have received the award which is given in honor of our 33d President. Included among those distinguished recipients are such names as Henry Kissinger, Leon Jaworski, Stuart Symington, Hubert Humphrey, Clarence M. Kelley, W. Averell Harriman, Clark Clifford, Jimmy Carter, Matthew Ridgway, Coretta Scott King, and Margaret Truman Daniel.

In receiving the award, Senator Eagleton paid tribute to the Truman qualities of character—the standard of fairness and commitment to do what is right—which resulted in the first significant steps toward full civil rights for all Americans since the Civil War. I ask unanimous consent that Senator Eagleton's speech be printed in the Record as well as the citation from the city of Independence and additional citations from the city of Kansas City, Jackson County, MO, the Missouri House of Representatives and letters from Senator John C. Danforth, Gov. John Ashcroft, and Representative Ike Skelton.

There being no objection, the material was ordered to be printed in the Record, as follows:

REMARKS BY SENATOR THOMAS F. EAGLETON

To study history, is to subject the lives of the great world players to microscopic inspection and analysis. But the price a great man pays for his place in history is also great. His official conduct and his far-reaching decisions are never left unstudied, even after he is departed. This is the case with Harry S. Truman of Independence, the 33rd President of the United States.

Eleven distinguished individuals have received the Harry S. Truman Public Service Award in past years. I have attended nine of those memorable ceremonies. I listened with pleasure as many speakers addressed President Truman's undeniable and remarkable leadership in foreign affairs and policy-making for international peace. One memorable speech—Mrs. Coretta Scott King's in 1983—dealt with Harry Truman's tremendous contribution toward guaranteeing civil rights for America's black people. Today, I too wish to pursue the theme of civil rights, because I deem it the field in which that Truman conscience and personality, that Truman courage and basic sense of fair play had the most telling, penetrating and lasting historical impact.

It is impossible to appreciate the Truman contribution to civil rights without recalling the political climate of his time. No president before or since faced a more fearsome array of challenges than befell Harry Truman in the closing days of World War II. His was a Presidency dogged by controversy, embattled on all sides, and forever shadowed by comparison with the fallen and deeply revered FDR.

As his political fortunes sank deeper and deeper in the polls, the very last thing Truman needed was to stir up a storm over civil rights with the risk of dividing his own party. A more calculating politician, but a lesser man, might have shrunk from the challenge.

Think back, too, to the social climate of 1945 when Harry Truman became President. The status of civil rights in this country was, to put it mildly, deplorable. Blacks were segregated in every facet of American life: education, housing, public facilities, employment, military service. You name the area and America was distinctly separate and distinctly unequal. We were the America of Jim Crow and malign neglect.

In St. Louis, as I grew up in the 1930s and 1940s, segregation was a totally accepted and accustomed way of life. Public swimming pools were segregated. Restrictive covenants were commonplace in deeds to property. In Sportsman's Park, one area was assigned to blacks—the right field pavilion—and blacks were not permitted elsewhere in the park. When Satchel Paige pitched in St. Louis, he pitched in the Negro League before a virtually all-black crowd. When Jackie Robinson played his first game for the Brooklyn Dodgers in St. Louis (May, 1947), blacks were still segregated to the right field pavilion. Enos Slaughter, perhaps the most popular player in St. Louis, threatened not to take the field for the Cardinals with Robinson in the opposing lineup.

Only a ringing statement by National League President Ford Frick prevented a players strike from happening. Even so, Robinson was mocked, ridiculed, spiked and spat upon whenever he played the St. Louis Cardinals in that season of anguish and advancement.

Why? Missouri is a border state with a legacy of tensions arising out of the Civil War and Reconstruction. Yet out of such an apparently unpromising heritage came the man who, more than any President since Abraham Lincoln, changed America from a land of racial isolation and rank discrimination to a country of equal access and equal opportunity. 1948 was not the first time Harry Truman risked his political future for what he believed was right.

Listen to a younger Harry Truman in 1940 speaking in Sedalia, Missouri (certainly no hotbed of liberalism then or now) at a time he was fighting for his political life in the famous Truman-Stark-Killigan Senatorial primary.

"I believe in the brotherhood of man, not merely the brotherhood of white men but the brotherhood of all men before law.

"I believe in the Constitution and the Declaration of Independence. In giving Negroes the rights which are theirs, we are only acting in accord with our own ideals of a true democracy.

"If any class or race can be permanently set apart from, or pushed down below the rest in political and civil rights, so may any other class or race when it shall incur the displeasure of its more powerful associates, and we may say farewell to the principles on which we count our safety.

"In the years past, lynching and mob violence, lack of schools, and countless other unfair conditions hastened the progress of the Negro from the country to the city. In these centers the Negroes never had much chance in regard to work or anything else. By and large they went to work mainly as unskilled laborers and domestic servants.

"They have been forced to live in segregated slums, neglected by the authorities. Negroes have been prayed upon by all types of exploiters from the installment salesmen of clothing, pianos, and furniture to the vendors of vice.

"The majority of our Negro people find cold comfort in shanties and tenements. Surely, as freemen, they are entitled to something better than this. . . . It is our duty to see that Negroes in our locality have increased opportunity to exercise their privilege as freemen . . ."

What moved a man with basically a small-town orientation to hold such views? The answer is Truman's profound sense of fairness. As I read the Truman record, he had one fundamental test he applied to public decision-making: Is it fair? I think that is the test he applied to civil rights. Harry Truman was no flaming crusader. He was first, last, and always a just man who knew in his heart and mind that blacks in America were not treated fairly.

On January 15, 1947, he launched the historic President's Commission on Civil Rights with these words:

"This country could very easily be faced with a situation similar to the one with which it was faced in 1922. That date was impressed on my mind because in 1922 I was running for my first elective office—county judge of Jackson County—and there was an organization in that county that met on hills and burned crosses and worked behind sheets. There is a tendency in this country for that situation to develop again unless we do something tangible to prevent it."

Later, on June 29, 1947, he said this to a meeting of the NAACP at the Lincoln Memorial.

"We cannot be content with a civil liberties program which emphasizes only the need of protection against the possibility of tyranny by the government.

"We must keep moving forward with new concepts of civil rights . . . The extension of civil rights today means not protection of the people against the government, but protection of the people by the government.

"We must make the Federal government a friendly, vigilant defender of the rights and equalities of all Americans. And again I mean all Americans."

And when the Commission came in with its historic report—a landmark civil rights document entitled "To Secure These Rights"—President Truman gave the report his blessing knowing full well it might further split an already splintered Democratic Party.

Henry Wallace had already indicated he was going to run for President and split off the Democratic Far Left. Now, by espousing a civil rights cause, Truman knew that he was putting his candidacy in grave peril in the Deep South. Yet he did it because it was the fair thing to do, the right thing to do.

Truman later described it this way:

"When 1948 was coming along, they said that if I didn't let up with my asking for a Fair Employment Practice Commission and asking for a permanent commission on civil rights and things of that kind, why, some of the Southerners would walk out.

"I said if that happened, it would be a pity, but I had no intention of running on a watered-down platform that said one thing and meant another. And the platform I did

run on and was elected on went straight down the line on civil rights."

"People said I ought to pussyfoot around, that I shouldn't say anything that would lose the Wallace vote and nothing that would lose the Southern vote.

"But I didn't pay any attention to that. I said what I thought had to be said. You can't divide the country up into sections and have one rule for one section and one rule for another, and you can't encourage people's prejudices. You have to appeal to people's best instincts, not their worst ones. You may win an election or so by doing the other, but it does a lot of harm to the country."

Every Democratic President following President Truman and three Republican successors (Eisenhower, Nixon and Ford) have followed the civil rights precepts of Harry Truman. His beliefs, his fundamental sense of fair play, have become the inviolable bipartisan conscience of America.

This, to me, is the greatest of the innumerable Truman legacies to America. Today, when the commitment to fairness and to equal rights and opportunities for all America is again being tested, Truman's example stands as an inspiration to us all. Let us never forget his unshakeable, unswerving call to action—"To Secure These Rights!"

THE CITY OF INDEPENDENCE, PRESENTS THE HARRY S. TRUMAN AWARD FOR PUBLIC SERVICE TO

THOMAS F. EAGLETON

Senator Tom Eagleton's twenty-five years of public service exemplify the qualities of dedication, integrity, and creative leadership which marked the career of President Harry S. Truman.

Furthermore, throughout his eminent political life, during which he rose from circuit attorney to senior senator, he has maintained a concern for the dignity of mankind and a zealous quest for world peace, characteristics shared in common with Harry Truman.

Upon retirement from public office and return to his native Missouri, the demand for his objectivity, expertise, exhuberant personality and caring for the welfare of the people will not cease.

The City of Independence salutes this distinguished American and statesman.

RESOLUTION HONORING THE HONORABLE THOMAS F. EAGLETON AS RECIPIENT OF THE PRESTIGIOUS HARRY S. TRUMAN PUBLIC SERVICE AWARD

Whereas, the Independence Harry S. Truman Award Commission annually honors a public servant possessing the dedication, industry, ability, honesty and integrity that distinguished President Truman by bestowing upon such public servant the Harry S. Truman public service award; and,

Whereas, the Honorable Thomas F. Eagleton, Senior United States Senator from Missouri, has devoted practically all of his adult life to the public service as Circuit Attorney for the City of St. Louis, Attorney General of Missouri, Lieutenant Governor of Missouri, and, for the past sixteen and one-half years, distinguished, able and dedicated United States Senator from Missouri; and,

Whereas, as an officer of the State and as a United States Senator his accomplishments and achievements on behalf of and to the benefit of the people of Missouri have been most numerous and extraordinary; and

Whereas, his contributions to Kansas City in particular are most beneficial and helpful to our progress and to the welfare of our citizens; and,

Whereas, the Independence Harry S. Truman Award Commission will on May 10, 1985, bestow upon the Honorable Thomas F. Eagleton its 1985 Harry S. Truman Public Service Award in recognition of his dedication, industry, ability, honesty and integrity as a public servant, the qualities that distinguished President Truman, himself, throughout his public life; now, therefore, be it

Resolved by the Council of Kansas City: That the Mayor and Council do hereby honor the Honorable Thomas F. Eagleton as recipient of the prestigious Harry S. Truman Public Service Award; and,

Be it further resolved, That this Resolution be spread upon the Minutes of the Council and that a copy hereof be presented to the Honorable Thomas F. Eagleton in token of the high regard and esteem in which he is held in the hearts and minds of the Mayor, Council and people of Kansas City, and in token of their best wishes for his future.

PROCLAMATION

Whereas, Senator Thomas F. Eagleton has been named as recipient of the 1985 Harry S. Truman Public Service Award; and,

Whereas, this award honoring a public servant exhibiting the same dedication, industry, ability, honesty, and integrity that characterized President Truman is made annually at a public presentation at the Truman Library and Museum; and,

Whereas, Senator Eagleton began his career in public service as Circuit Attorney in St. Louis at the age of 27, and has since served the citizens of Missouri as Attorney General, Lieutenant Governor, and as a Senator since 1968; and,

Whereas, Senator Eagleton's efforts were largely responsible for obtaining federal funding for preservation of the Truman Home and having the home declared a National Historic Site; and,

Whereas, Senator Eagleton's 30 year political career has earned him a reputation as being hard working, honest, and caring about his constituents in Missouri and Jackson County; and,

Whereas, the senator is the ranking minority leader of the Senate Governmental Affairs Committee, and the Select Committee on Intelligence; and,

Whereas, whatever political activity he is involved in, Senator Eagleton, as did Harry Truman, always places his concern for the welfare of his fellow Missourians foremost in his interest. Now, therefore,

I, Bill Waris, County Executive of Jackson County, Missouri, do hereby commend and congratulate Senator Thomas F. Eagleton on the honor of receiving the Harry S. Truman Public Service Award and join with the rest of my fellow citizens of Jackson County in expressing our pride and appreciation for his outstanding career in service to the citizens of Missouri and the United States.

MISSOURI HOUSE OF REPRESENTATIVES: RESOLUTION

Whereas, it is indeed a special honor for the members of the Missouri House of Representatives to pay tribute to a truly long-standing and prominent leader in both this state and in our nation, United States Senator Thomas F. Eagleton, whose lifelong record of achievement has greatly enhanced and will continue to enhance the quality of life for all his fellow Americans; and

Whereas, on May 10, 1985, Senator Thomas Eagleton will receive the prestigious Harry S Truman Public Service Award, an award which honors a public servant possessing the dedication, industry, ability, honesty and integrity that characterized Truman; and

Whereas, sponsored by the City of Independence, Missouri, this special award will be presented at the Harry S Truman Library and Museum, marking the most recent highlight of Senator Eagleton's long and illustrious career, during which time he has amassed numerous outstanding accomplishments and has received a great number of impressive awards and honors; and

Whereas, a native Missourian, Thomas F. Eagleton began his public service at age twenty-seven as a Circuit Attorney in St. Louis, and from this beginning he rose to prominence to become Missouri's Attorney General by age thirty-one and to become Lieutenant Governor in 1964, prior to his election to the United States Senate in 1968; and

Whereas, among his many other historic accomplishments, Senator Thomas Eagleton has been noted for the major role he played in such important legislative measures as the Amendment to Halt the Bombing in Cambodia, the War Powers Resolution, the Inspectors General Legislation, the Chrysler Corporation Loan Guarantees, the Clean Water Act, the Clean Air Act, the Older Americans Act, the Promotion of Agricultural Research, the fight against waste and abuse in military spending, fighting escalating energy prices for consumers, the preservation of the Truman home and the Revitalization of Kansas City's hometown; and

Whereas, throughout his thirty years as a key force in local, state and federal government, Senator Eagleton has continued to exemplify the qualities of Harry S Truman as a hard-working, down-to-earth, intelligent, genuine and frank public servant, who has always made the welfare of his fellow Missourians his personal and primary interest: Now, therefore, be it

Resolved That we, the members of the Missouri House of Representatives, Eighty-third General Assembly, hereby voice our highest regard for Senator Thomas F. Eagleton as he becomes the proud and deserving recipient of the 1985 Harry S Truman Public Service Award and further extend to him our very best wishes for happiness, prosperity and fulfillment as he continues to provide his invaluable leadership to promote the well-being of the citizens of our state and nation; and

Be it further resolved that the Chief Clerk of the Missouri House of Representatives be instructed to prepare a properly inscribed copy of this resolution for Senator Thomas F. Eagleton, as a measure of our respect, admiration and gratitude.

U.S. SENATE,
Washington, DC, May 10, 1985.

Hon. THOMAS F. EAGLETON,
Dirksen Senate Office Building,
Washington, DC.

DEAR TOM: I cannot conceive of a more deserving recipient of this year's Harry S. Truman Public Service Award. I did not know President Truman personally, but it has been my great honor and privilege to serve as your junior colleague. Your service to the people of Missouri has been marked by the same splendid ideals, strength of conviction, and courage that were the hallmarks of President Truman.

Your contributions to the cause of human rights and to the furtherance of individual dignity and economic justice are a source of great pride to all Missourians. I know that President Truman would applaud the recognition that your many years of public service are receiving here today.

Sally and I send to you our admiration and congratulations.

Sincerely,

John C. Danforth.

Executive Office,
State of Missouri,
Jefferson City, May 10, 1985.

Hon. Thomas F. Eagleton,
Mayor Barbara J. Potts, *Post Office Box 1019, Independence, MO.*

Dear Senator Eagleton: It is a pleasure for me to extend my congratulations upon your receipt of the Harry S. Truman Award for Public Service.

Your commitment to enhancing the quality of life and preserving liberty for your fellow Americans reflects your concern for your fellow man. I know you are proud to receive this award, which reflects the appreciation and esteem felt by your fellow Missourians for your many contributions.

My best wishes to you for health and happiness in the future.

Sincerely,

John Ashcroft,
Governor.

House of Representatives,
Washington, DC, April 10, 1985.

Hon. Barbara J. Potts,
Mayor, City of Independence, Independence, MO.

Dear Mayor Potts: It is with great regret that I inform you that I will not be able to attend the Harry S. Truman Award Ceremony when my good friend of many years, Senator Tom Eagleton, will be honored. A long-standing family commitment prevents me from being with you.

Senator Eagleton is truly a most worthy recipient, living up to the highest principles of public service. Throughout the years he has not only made all Missourians proud, but he has been a tremendous leader in the United States Senate.

Please express to Senator Eagleton and those present that I send my heartiest congratulations to him on his special evening.

Best regards.

Very truly yours,

Ike Skelton,
Member of Congress.

HELEN DEWAR RECEIVES THE EVERETT McKINLEY DIRKSEN AWARD

Mr. BYRD. Mr. President, on May 14, 1985, which is today, Helen Dewar of the Washington Post will receive the Everett McKinley Dirksen Award. Her selection from among 13 nominees from national news organizations makes Helen the fifth reporter to receive this prestigious award.

I am sure that I speak for all of my colleagues in saying that we commend Helen for her outstanding congressional reporting, recognized by this award. The Senate—with its 100 Members, its divergent personalities, its seemingly endless rules and procedures—is not an easy body to cover. It is no secret that I am very interested in the Senate rules and procedures and that I love the Senate as an institution. It is also no secret that the world outside the Washington Beltway cares very little about the rules and procedures. So, I am always pleased to recognize a journalist who not only understands the intricacies of the rules, who understands this institution and its history, but who also is able to relate in layman's terms to her readers what is taking place here. Helen's outstanding coverage clearly shows the extent of her understanding.

From time to time there's been a lot of talk around here of the rights of the minority in the Senate.

Too many times the representatives of the media may think that we Senators only want a story to be written our way. What we have a right to desire is fairness and a balanced story. We in the minority have gotten that from Helen. Helen's readers are well served by her concise and readable coverage of Senate proceedings. Every day there are hundreds of thousands of words printed in the Congressional Record which she expertly reduces to a few column inches while still accurately expressing our somewhat voluminous thoughts. I congratulate Helen and, as I say, I know I speak the sentiments of my colleagues on both sides of the aisle in congratulating her on being honored with the Everett McKinley Dirksen Award and the $5,000 cash prize accompanying it.

Mr. President, I ask unanimous consent that I may reserve the balance of my time through to the end of the morning business period.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. Proxmire] is recognized for not to exceed 15 minutes.

OUR EUROPEAN ALLIES BACK AWAY FROM STAR WARS

Mr. PROXMIRE. Mr. President, with each passing day it appears increasingly more obvious that the star wars, anti-ICBM defense is a loser in Europe. The Reagan administration threw its best pitch for NATO support of star wars in the first 2 weeks of May. It got some initial hearts and flowers. Prime Minister Thatcher told the Congress she favored star wars research. So did Chancellor Kohl of Germany. Defense Secretary Weinberger offered the Europeans some juicy star wars research contract opportunities to sweeten the pot. The President made star wars support a matter of deep personal concern. So how could the European NATO allies say "no?" In a story in the May 13 New York Times, William Broad documents the fact that in spite of the administration's full court press, star wars is not making it in Europe.

The article by Broad does not take into account what may be the most damaging recent European development on star wars. That occurred May 12. Chancellor Kohl of West Germany has made himself the principle and most unqualified supporter of the administration's proposed missile defense system. How did the West German electorate react? On May 12, the Chancellor's conservative Christian Democratic Party suffered a stinging defeat, in fact, according to the New York Times their worst defeat ever in the elections in North Rhine-Westphalia. This is the home of the industrial Ruhr Valley and the most populous state in West Germany. The state's 12½ million voters make up a third of the West German electorate. The timing of the election was one of the reasons President Reagan went to Germany earlier this month on an itinerary specifically designed to assist his close political ally—Chancellor Kohl. The opposition Social Democratic Party not only defeated Kohl's party, the opposition actually won more than a majority of the total votes. And the opposition made Kohl's support for star wars a central issue in the campaign. Obviously this defeat for star wars prime European supporter will make it much more difficult for elected European officials in the future to support the star wars project.

How about the support of star wars research by Prime Minister Thatcher of the United Kingdom when she addressed a joint session of the Congress? Mrs. Thatcher was at pains to delimit her star wars support by insisting that it meet four conditions: First, the Western aim must not be to achieve superiority. Second, development of a space-based defense system would be a matter of negotiation. Third, the overall aim must be to enhance, not undercut deterrence; and fourth, East-West negotiations should aim to reduce levels of offensive arms. Three of these four conditions are simply aims which the Reagan administration can and does avow. But many of our NATO allies understandably will not believe the Reagan avowal. The Europeans have also expressed skepticism about the other condition—

that deployment of star wars be negotiated. They question that after tens of billions of dollars have been expended on star wars research the United States will not proceed to deployment, negotiations, or no negotiations. At any rate, immediately after Prime Minister Thatcher's expressed support for star wars, she approved a statement by her Foreign Secretary Sir Geoffrey Howe that strongly challenged the merit of star wars on a long series of counts.

That leaves the other principle European nuclear power, the French. The French have been strongly and consistently negative on star wars. They have expressed their refusal to take part in the star wars research. They say they intend to engage in their own space-based research program.

What would that French program be? Another star wars? No, indeed. The French say they are actively pursuing their own research on space-based systems to find ways to outwit any Russian ballistic missile defense system. An official in the French Foreign Ministry has said:

> Now we believe it will always be possible to penetrate Soviet defensive systems, although perhaps with high costs, mostly by the multiplication of warheads.

The official said that France expected to expand their force from the current level of 100 warheads to 500 by the mid-1990's. That would be a fivefold increase in nuclear strategic weapons by the French in only 10 years.

Now Mr. President, why are the Europeans opposing this star wars program so strongly pushed by the President of the United States when the United States provides such a vital shield against Soviet military attack? The answers should be obvious. First, the simple fundamental fact on which the star wars defense is based is the high trajectory and long distance any ICBM attack from the Soviet Union would have to traverse to reach the United States. The distance is thousands of miles. The time is at least 20 minutes. The apogee of the trajectory would reach a height of hundreds of miles. Maybe an immensely expensive and ingenious defensive system would be able to stop many or most of the Russian ICBM's launched on such a mission. If so, the United States would be safeguarded from much of what is now about 70 percent of the Soviet strategic missile capability.

Where does that leave Western Europe? The Soviets could hit Western Europe with nuclear tipped missiles that could strike targets in West Germany, France, and even England in 5 minutes or less from the point of firing to target. The trajectory could be tree top. Obviously, star wars would be of little help to Europeans. The administration's star wars defenders dispute this. They argue that with a "layered" capability our European NATO allies could get effective protection against intermediate range and even short range missiles. But even if this technology should effectively supplement the more traditional intercontinental star wars defense, the Europeans argue that all a perfect antinuclear missile defense at its very best would do would be to make Europe and the rest of the world safe for conventional war. Having gone through the savage destruction of conventional World War II in Europe and recognizing the vast increase in conventional military destructive capacity in the 40 years since, the Europeans see little but heartbreak and total destruction in World War III, even if it were confined to conventional weapons. But they know it would not be confined to conventional weapons, certainly not in Europe. Tactical nuclear weapons can be carried by individual soldiers. They have immense destructive capacity. The desperation and ingenuity of another European war would surely push both sides to find ways to use tactical nuclear weapons. So even if star wars worked and worked to perfection, a World War III in Europe would mean total devastation. Europe has enjoyed its longest period of general peace in the past 40 years in modern history. I should say the past 40 years has resulted in the longest peace for Europe in modern history—certainly in many centuries. Why? The answer lies in the terrible threat of total destruction from nuclear war. The deterrence of assured mutual suicide has kept the peace. Star wars could smother that deterrence. The Europeans won't buy that grim possibility.

Mr. President, I ask unanimous consent that the article to which I have referred in the May 13 New York Times by William Broad be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, May 13, 1985]

Allies in Europe Are Apprehensive About Benefits of "Star Wars" Plan

(By William J. Broad)

Bonn.—Allies in Western Europe seem increasingly worried by military and political dangers they see for their countries in President Reagan's strategic defense initiative, popularly known as "Star Wars."

In public many European leaders laud the project as a potent force that brought the Russians back to the negotiating table, and they hail its five-year, $26 billion research program—at least as a hedge against Soviet efforts in developing space-based defensive arms.

But dozens of interviews with European military experts and Government officials and a review of Government documents and official statements show deep and widespread apprehension about the "Star Wars" plan as it relates to Western Europe.

Some strategists do find value for Europe in President Reagan's concept, first set forth in a speech in March 1983, when he proposed a space shield to render all nuclear weapons "impotent and obsolete."

But the prevailing view, sometimes expressed openly, sometimes privately, is that American defensive space weapons would fail to protect Western Europe from Soviet missile attack, would probably bring on a threatening conventional-arms race, and could well split the North Atlantic Treaty Organization and increase the risk of war.

At the recent Bonn summit meeting, reservations came to the surface as France became the first major power to reject outright the Administration's offer for the allies to join in the research. So far no country in Western Europe has agreed to take part, although Prime Minister Margaret Thatcher of Britain has not ruled it out and Chancellor Helmut Kohl of West Germany has spoken favorably of the possibility of joining.

AN EYE TO POLITICAL FORTUNES

One of the attractions for Europe, apart from the merits or demerits of the defense plan itself, is the prospect of substantial nonmilitary applications of the high-technology research.

Government leaders may be apprehensive about their political fortunes if they tie themselves too closely to the American project, according to some analysts. Opposition political parties, especially in Britain and West Germany, have made a point of publicly denouncing "Star Wars" as dangerous for Europe. Election campaigns in the next two years will probably test the resolve of governing parties to publicly support the American program.

At the heart of European concern lies a key technical consideration—the short time in which Soviet warheads can reach Europe—and the military judgment that many of these weapons would slip underneath the most elaborate shield that the United States could place in space.

GAIN CALLED "ALMOST ZERO"

"The flight time for missiles traveling from the Soviet Union to Western Europe is less than half the time it takes to reach the United States," said Dr. Lawrence Freedman, head of war studies at King's College of the University of London and a leading British strategist. "For missiles launched from Eastern Europe, the flight time is even shorter. The task of intercepting the missiles is therefore correspondingly greater."

An official in the French Foreign Ministry asserted that this showed the futility of space-based defense. "The military gain for Europe is almost zero," he said. "We don't believe for a moment that it is useful."

Echoing that view, Col. Jonathan Alford, deputy director of the London-based International Institute for Strategic Studies, said, "No matter how good the system, we will be more exposed." The institute is a private organization known for its annual assessment of the global military balance.

In contrast to such skepticism, the Reagan Administration sees space-based weapons as potentially effective in defending the United States, essentially because of increases in available response time that might be provided by new technologies. Ground-based defenses in the past had only seconds in which to work and thus could easily be overwhelmed. But in space, a "layered" system of defensive arms would theoretically have many chances to destroy enemy missiles and warheads, even to attack one slipping through the first or second lines of defense.

EUROPE'S SPECIAL PROBLEMS: TIME AND DISTANCE

For the United States, space weapons would be intended particularly to counter Soviet SS-18 missiles, which have a range of about 7,000 miles. Under the 1979 treaty on strategic arms, which the United States Senate has not ratified, the missile is limited to 10 nuclear warheads; however, it is large enough to carry many more than that. According to Reagan Administration officials, space defenses might also destroy SS-20's, which have a range of aboaut 3,000 miles and present a threat to Western Europe.

But West European strategists, because of the proximity of the countries of the Warsaw Pact, are primarily worried about a different set of Soviet weapons—nuclear-armed bombers and smaller aircraft, cruise missiles, artillery shells and a variety of low-flying missiles. The missiles include SS-21's (with a range of about 70 miles), SS-22's (550 miles) and SS-23's (300 miles); as distinct from strategic missiles, which travel many thousands of miles, thesae are known as tactical missiles.

"In Europe we will always be vulnerable," said Yves Boyer, a researcher at the French Institute of International Relations in Paris. "We may get the bomber, but the airplane, the artillery and the tactical missiles will get through."

An emerging question in Europe is whether such Soviet weapons might be stopped by devising a new generation of anti-tactical missiles. Based on the ground rather than in space, these defensive weapons would fly rapidly to obliterate Soviet Warheads closing in on targets. One possible anti-tactical missile might be an advanced version of the Patriot, which is currently being deployed with American troops in Europe for defense against enemy planes.

The Pentagon has studied the possibility of designing new defenses against short-range Soviet missiles. In the months after President Reagan's "Star Wars" speech, a panel headed by the American strategist Fred S. Hoffman said such research "should reduce allied anxieties that our increased emphasis on defenses might indicate a weakening in our commitment to the defense of Europe."

European responses have tended to be skeptical. One fear is that ground-based anti-tactical missiles could easily be overwhelmed. Another is that "leaky" defenses, while theoretically beneficial for North America, would have few advantages for Europe.

"Airfields, storage facilities, and troop concentrations are always going to be more vulnerable than missile silos," said Dr. Dietrich Schroeer, a physicist at the International Institute for Strategic Studies. "There are problems even for the Pershings, which are out in the open, if a bomb goes off miles away. European targets are intrinsically soft and therefore hard to defent."

In contrast, some Administration officials have said that a "leaky" defense of the United States would be worthwhile because it would protect many missile silos—if not cities—thus discouraging Soviet planners from launching a pre-emptive raid.

To some European analysts, the technical difficulties of trying to protect Europe in no way lessen the allure of space defenses for the destruction of Soviet long-range missiles. The protection of North America alone, they say, would suffice to increase European security because the United States would be more willing to aid its allies in a war. In this view, the current American "nuclear guarantee" is a poor promise at best: No American President would order a nuclear strike to defend Bonn or Paris when to do so would mean the destruction of American cities.

"With the risks to America reduced by a system of defense, the policy would become more credible," said Gerald Frost, director of the Institute for European Defense and Strategic Studies in London. The institute is associated with the Heritage Foundation, a conservative research group in Washington.

The counterpoint to this view is that space-based defense might foster isolationism in that the United States, technically able to retreat behind a defensive shield, could abandon Europe to Soviet aggression. According to some analysts, this fear, whether real or imagined, might be enough to split the alliance.

EUROPE'S NUCLEAR ARSENAL: WOULD IT BE OBSOLETE?

Beyond the technical question of whether their land can be defended lies another contentious issue for Europeans: whether American and Soviet space shields would render "impotent and obsolete" not only American and Soviet nuclear missiles but Europe's as well. The question is of special moment for Britain and France, which have their own nuclear arsenals.

Here raw numbers are viewed as critical. The Soviet Union, with its large number of missiles and warheads, might easily overwhelm European ground defenses, while the more limited arms of the French and British might pose a weaker, but still significant, threat in return.

At stake are pride and prestige as well as military might. One fear of the French and British is that their status as world powers would be lost by a switch to expensive systems of space-based defense beyond the means of their national budgets.

"The nuclear game is the last opportunity for France to be a major power," said one French official. In his view, nuclear deterrence has worked, his country has played a role in that strategy and it, in turn, has enhanced his country's status.

"Europeans actually tend to like nuclear weapons," said Colonel Alford of the International Institute for Strategic Studies. "They don't say we want more and more of them, but they say it is nuclear weapons on the whole, their existence, the fear they induce, which has made it impossible to contemplate war."

Over the years, Europe has stockpiled nuclear weapons mainly to counter the numerical superiority of conventional forces in the nations of the Warsaw Pact, although a recent goal has also been to reply to deployment of Soviet SS-20's. Most recently, NATO countries have started to deploy cruise and Pershing 2 missiles, while the British and French have embarked on expensive programs to upgrade nuclear missiles on their submarines.

The financial and social costs of such deployments have been great. Over Easter weekend in West Germany, Britian and Italy, tens of thousands of people protested the stationing of United States missiles in Europe. Yet the price is often viewed as negligible compared to the consequences of not having nuclear weapons in Europe.

Benoit d'Aboville, an arms control official in the French Foreign Ministry, emphasized the point in a recent speech. "Making the world safe for conventional war," he said, "is not at all appealing for Europeans."

A MIXED REACTION FROM ALLIED LEADERS

Skeptical of space-based defenses, European leaders have tended to cautiously back the research while objecting to testing and deployment of defensive arms. In October 1983, the North Atlantic Assembly, which is composed of legislators from NATO countries, reluctantly endorsed President Reagan's research proposal.

"However, undesirable some feel an American ballistic missiles defense system would be," the statement said, "the presence of solely a Soviet system would be still less desirable. Thus, while Soviet missile defense research continues, there is every reason for American research to continue also."

But the next spring France publicly disparaged both the strategic goals and the research. At the Geneva disarmament conference of the United Nations, its Ambassador, Francois de La Gorce, said defensive weapons in space "could threaten the stability—and thus the peace—that has resulted so far from the invulnerability of the means of nuclear response." He added that Mr. Reagan's announcement alone of the intention to go forward with the research "constitutes in itself a spur to redouble the effort to build offensive systems" as a way to try to defeat any possible defense.

The British reaction was cool and legalistic. In a quid pro quo, Prime Minister Margaret Thatcher agreed to support the research in exchange for President Reagan's agreement to these four points: that the Western aim must not be to achieve superiority; that deployment of a space-based defense system would be a matter of negotiation; that the overall aim must be to enhance, not undercut, deterrence, and that East-West negotiations should aim to reduce levels of offensive arms.

In March, Sir Geoffrey Howe, the British Foreign Secretary, raised the level of tacit criticism by cautioning that "we must make sure we are not developing what might prove to be only a limited defense against weapons of devastating destructive force." In a major speech, he listed a host of questions and implied that answers to them might prove disappointing.

Sir Geoffrey's speech was made in the opening week of negotiations in Geneva between the United States and the Soviet Union, and it was answered by a volley of criticism from Reagan Administration officials and others. The Times of London blasted the speech as "mealy-mouthed, muddled in conception, negative, Luddite, informed and, in effect if not intention, a 'wrecking amendment' to the whole plan." Sir Geoffrey, it added, handed the Soviet Union "all the best lines" with which to oppose the missile defense plan "and drive that wedge between Europe and America."

On the other hand, a French diplomat said, "all the questions raised by Sir Geoffrey can be endorse by Europeans in general, and that betrays the intensity of concern."

In West Germany, initial reaction to the "Star Wars" plan was negative. In April, Defense Minister Manfred Wörner said the strategic goals "would lead not to stability, but just the opposite." But chancellor Helmut Kohl, in a speech to the West German Parliament, gave a warm endorsement to "Star Wars" research. He said his Government would "not let itself be rushed" into a decision but generally favored taking part in the program. "We're receptive to the American suggestion," he told Parliament.

THE AMERICAN INVITATION INTENSIFIES THE DEBATE

On March 26, Defense Secretary Caspar W. Weinberger formally invited the allies join in "Star Wars" research. He set a deadline for response of 60 days. The offer was widely characterized by West European officials an ultimatum and viewed by allied officials as a loyalty test. "Your country can do the job exactly by itself," a West German official said, "so what it is really looking for is political support."

Mr. Weinberger eventually backed down on the deadline, but debate on the cooperation issue has heated up. The main reason is that Europe feels it lags badly in high technology and sees "Star Wars" research as one way to catch up. Areas of application of the $26 billion research program are likely to include computers, optics, electronics, metallurgy, materials science and space transportation.

The head of the "Star Wars" research program, Lieut. Gen. James A. Abrahamson of the Air Force, told a group of American military contractors in April that he was "fully confident our allies will be able to participate." He added, "They will be bidding, in some cases, against you."

Indeed, some European companies have said they are interested in cooperation. "Americans are daredevils to go into new fields, and we are always interested in developing new technologies," said Wolf Wehran, a spokesman for Carl Zeiss, a large optical company in West Germany." But we do not need S.D.I. to fill our manufacturing capacity or to insure an innovative program of research into the next century. We can do quite well without it."

An official of a leading European military contractor was more enthusiastic, saying his company was ready to develop an anti-tactical missile for the defense of Europe. "It's just a matter of time and money," he said. He said his company also had a program research into high-energy lasers and was "willing and able" to cooperate with the Pentagon on advanced research in many areas.

Though intrigued, many West European companies have also voiced reservations. Fears include a scientific "brain drain" to the United States and Pentagon controls on the flow of "Star Wars" technologies. According to company officials, the Pentagon might want to limit the exchange of techniques between American and European researchers and to inhibit the export of military technologies by Europeans. In the past, the Reagan Administration has tightened such controls in an attempt to halt the flow of high technology to the Soviet bloc.

OVERCOMING THE BARRIERS: SHOULD EUROPE COMPETE?

According to Francois Heisbourg, a former international security adviser to the French Defense Minister, one way for European countries to overcome the barriers they fear is to form a consortium. "Being subcontractors is not so disagreeable," he said. "But it's not as exciting as working in the forefront of a major industrial venture."

Banded together, European companies might be able to work on such Pentagon projects as the quest for highspeed integrated circuits, he said. "These are going to be used in S.D.I. and everywhere else," Mr. Heisbourg said. "They have tremendous promise, but the program is completely closed to the allies. There's no access."

Partly in response to such concerns, the French Government in April proposed the founding of a European Research Coordination Agency, nicknamed Eureka. The agency would conduct peaceful scientific research in areas similar to those of "Star Wars." Some French officials describe it as a political and economic alternative to the American research program, while others see it as a way to better negotiate "Star Wars" contracts while avoiding a direct political endorsement of the American program.

So far the French proposal has not gained much European support. At an April meeting in Bonn of the Western European Union, the Defense and Foreign Ministers of Britain, France, West Germany, Italy, the Netherlands, Belgium and Luxembourg tried and failed to agree on a joint response to the Reagan Administration's research offer. Part of their debate centered on the merits of Eureka.

A European alternative to "Star Wars" is the last thing desired by American officials, who have criss-crossed Western Europe this year trying to muster support for space-based defenses. Originally, they hoped for a firm endorsement of the research plan at the Bonn summit meeting. Besieged by questions and hesitation, especially from the British and French, Administration officials then said they would settle for a vague supporting paragraph in the final communiqué.

But there was no such paragraph, and President Francois Mitterrand took the occasion to reject the American invitation to take part in the research. At a news conference, Mr. Mitterrand said Europeans should concentrate on a research program of their own rather than "wasting their talent" on a non-European undertaking.

According to an official in its Foreign Ministry, France is already pursuing its own research on space-based systems—but with the goal of finding ways to outwit them. "When we first heard the Reagan speech we were frightened," he said. "But now we believe it will always be possible to penetrate Soviet defensive systems, although perhaps with high costs, mostly by the multiplication of warheads."

In response to improved missile defenses around Moscow, France is already increasing the number of warheads carried by its submarines, according to a Defense Ministry official. The change is from single to multiple warheads on missiles. The force, he said, will be expanded from its current strength of about 100 warheads to 500 warheads by the mid-1990's. He added that the lightness of the new generation of warheads will allow them to carry more decoys to aid in the penetration of Soviet defenses.

THE FUTURE OF "STAR WARS": STRIKING A BALANCE

What the future holds for "Star Wars" in Europe is difficult to ascertain, according to most specialists. The issue is too volatile. Allied Governments are expected to try in equal measure to help the Americans in the Geneva arms talks with the Soviet Union, to fend off attacks from rival political parties and to evaluate the security issues for their own nations.

The immediate issue for countries other than France is whether to accept the American invitation. West Germany is widely considered likely to take part. In saying why he favored cooperation, Chancellor Kohl told the West German Parliament that joining in the research could increase Bonn's influence on questions of deployment and strategy.

But Karsten Voigt, the foreign policy spokesman for the opposition Social Democrats, dismissed the Chancellor's position as naive. "To participate in the research is to endorse the politics," he said in an interview. "We say don't take part in S.D.I. by means of public agreements or resources. We have nothing against participation on a private level, company to company. But to think you can buy influence by taking part in a research program is an illusion. And if you join the research, you are also part of possible East-West conflicts that arise."

An official in Chancellor Kohl's office disagreed, saying the stakes were too high to merely sit on the sidelines. Negotiations in Geneva promise radical reductions in the Soviet arsenal, he said, and therefore strong allied support of the American position is crucial. He added that successful negotiations might "paradoxically" eliminate altogether the need for the deployment of space-based defenses.

Beyond debates over arms talks and political expediency lies what appears to be a fundamental consensus. By all indications, European officials want nothing to do with the actual deployment of space-based defenses. Governments fear that—for Europe—space arms would be useless and costly.

In an era of "Star Wars," Europe would have to pay not only for exotic defenses but also for increased conventional arms with which to deter Soviet aggression. The alternative, nuclear deterrence, is often viewed not as an unspeakable evil but as a positive force for peace.

The difficulty is that the President keeps coming back with his vision," said Dr. Freedman of King's College in London. "There's no doubt about his sincerity. That's what makes it so difficult. But the vision he offers is one that makes Europeans uncomfortable. We don't believe in it.

"The only way your country can be hurt is with nuclear weapons. That's not true in Europe. If war came, the conventional side could dominate. And rightly or wrongly, nuclear weapons have been one of the ways that threat has been held back."

ANGELS OF MERCY

Mr. PROXMIRE. Mr. President, on September 21, 1984, the Wall Street Journal carried an article by Suzanne Garment entitled "The Real Mystery: Why Some Do a Righteous Deed." The article discussed a conference held that month called "Faith in Humankind: Rescuers of Jews During the Holocaust." The conference, which was sponsored by the U.S. Holocaust Memorial Council, featured a group of non-Jews whose courage and moral convictions impelled them to risk their lives for the sake of Jewish fugitives from the Nazis during World War II.

The heroic rescuers told their remarkable stories to the enthralled audience of conference participants. Among the individuals mentioned by Ms. Garment were the following:

Alice Schiffer, a Belgian who guarded 20 Jewish children from the Nazis and also smuggled supplies to Jews hiding in the countryside;

Peter Vlcko, a Czech army officer who provided Jews with phony documents that enabled them to avoid capture;

The Older Americans Act created a

Martha Dreissen of Germany, who operated a business for her Jewish employer and then went underground with the Jewish woman after the bombing of her building; and

Herman Graebe, a construction worker for the German railroad, who saved 300 Jewish workers by guiding them through Nazi territory to the protective troops of the U.S. Army.

As Ms. Garment noted in her article, these were ordinary men and women who performed extraordinary acts of bravery. In her words, "An analyst searching this conference for what made these rescuers act differently from their fellow Europeans would have had a hard time of it. The meetings were not full of sparkling insights or powerful theories about the riddle. The stunning moments came in the heroic tales." The earthly angels of mercy simply felt a powerful moral obligation to follow the path of righteousness, an obligation which outweighed the possible dangers.

As a result of the fact that there are not nearly enough of these saintly individuals in the world, governments must devote their attention to the problematic task of genocide prevention. Thus, organizers allotted a portion of the conference time to a discussion on the role of public leadership in disasters like the Holocaust. During the discussion, Elliot Abrams, the Assistant Secretary of State for Human Rights, argued that free nations have a moral duty to restrain totalitarian nations because the latter would be most likely to provide a moral climate conducive to genocide. The Reverend Robert Drinan, on the other hand, argued for institutional innovation; specifically, the creation of a United Nations High Commissioner for Human Rights.

Undeniably, Mr. President, there are many possible avenues of experimentation open to us as we strive to ward off the Hitlers of tomorrow, in addition to the venerable tactic of combating totalitarianism. I am greatly distressed, however, by the fact that we have not taken what seems to be the obvious first step. The Genocide Convention has been pending before this Senate since 1949—36 years—and our approval of ratification must not be delayed further, for 96 nations have already joined this pact in an effort to make genocide an international, punishable crime, and they are waiting for the self-styled leader of the free world to reinforce the credibility of that title.

We all know President Reagan has called for ratification, and yet this body has failed to act, although we passed a resolution last year calling on the Senate to act early in our deliberations in the 99th Congress. Well, it is no longer as early as it should be. We have not yet seen the Genocide Convention emerge from the Foreign Relations Committee. And, that is a shame.

THE HEROES OF CONSUMER PROTECTION

Mr. PROXMIRE. Mr. President, consumer protection began to gather steam about 15 or 20 years ago, the Congress enacted a series of laws requiring firms marketing products to disclose information that could guide consumers not only to save money and secure higher quality products but also to safeguard their health and even their life. In recent years—especially with the advent of the Reagan administration—consumers have suffered not only neglect but downright regression. A few days ago I asked two of the outstanding consumer advocates to tell me what Member of the Congress has been most helpful in working with the consumer movement in the past few dark years. They said without hesitation that MICHAEL BARNES, the Congressman from Maryland, has been a highly effective advocate and leader. This Senator knows MICHAEL BARNES only slightly. We have met occasionally in conferences between the Senate and the House. But I have known BARNES primarily by reputation. I have heard much about BARNES' leadership in foreign policy matters affecting Central America. I have heard very little about BARNES in matters that help 230 million citizens of this country. That is surprising. Here is the outstanding Member of the Congress in consumer protection, an area that intimately affects the lives of every single American. We know his views on Nicaragua and El Salvador. We know little about the good work he has done for every American. Well, we should.

And while I am at it, Mr. President, I would like to salute that remarkable Queen of consumer protection, Esther Peterson. For many years Mrs. Peterson has worked in our Government and in the United Nations for consumer protection. She has probably done more to advance the fight for uncontaminated, healthy food and medicine in this country and throughout the world than anyone from any country. And then there is Joan Claybrook. Claybrook has been a real star out in front fighting for safer automobiles and fuller disclosure so the marketplace can work its discipline based on rigorous honesty. And finally, Mr. President, thank heavens we still have the supreme consumer advocate: Ralph Nader. If ever it could be said that you can judge a man by the enemies he makes in Congress and out that can be said of Ralph Nader. As we all know Nader started out by standing up to one of the Nation's richest, biggest, most powerful corporations: General Motors on auto safety in a classic David and Goliath clash. And Goliath—that is, General Motors—bit the dust. Nader has not stopped since then. Consider what this remarkable man has done. He has carried on his crusade with virtually no resources, except his excellent mind, his extraordinary energy, and his absolute integrity. He has pitted this one man operation with the assistance of a handful of enthusiastic idealists who work with him for little or no compensation against the biggest and most powerful corporate interests in the country.

The Nader fight is especially difficult now. The Reagan administration has become the firm and uncritical ally of big business in its clashes with Nader. The President not only has the nearly trillion dollar Federal budget and all the resources that commands on his side, but has the bully pulpit. The President has instant, total access to the American people and the President is a superb persuader. Reagan versus Nader is an elephant versus a very small gnat. The odds are great, but here is a bet on the gnat.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 3 p.m. with statements therein limited to 5 minutes each.

THE OLDER AMERICANS ACT—20 YEARS OF SUCCESS

Mr. GORTON. Mr. President, I am pleased to be a cosponsor of Senate Concurrent Resolution 47, to mark the 20th anniversary of the enactment of the Older Americans Act. This commemoration is especially appropriate during the month of May, which the President has declared as Older Americans Month.

The theme of the 1985 Older Americans Month is "Help Yourself to Independence." For the past 20 years the Older Americans Act programs have been doing just that, helping seniors to live independently. The Older Americans Act, through the Federal Administration on Aging and a network of State area and local agencies has helped to foster economic and personal independence for millions of older persons. Since enactment of the programs in 1965, a complex network of 57 States and territorial units on aging and over 660 locally based area agencies on aging and thousands of senior centers have effectively provided a wide array of services to older Americans. The 1966 Older Americans Act budget was $5.7 million. This figure has jumped to more than $1 billion in 1985. This spending increase is indicative of Congress' commitment to our senior citizens.

The Older Americans Act created a coordinated system of services which touch many aspects of a senior's life. Available services include transportation and legal counseling, as well as more intensive home health and social services provided to the frail elderly. The popular nutrition programs serve millions of nutritious meals at senior centers, as well as to the homes of those who are not mobile. The senior centers also provide a gathering place for seniors from all walks of life. I have heard many stories about the warmth and friendships discovered at senior centers and nutrition sites across the Nation.

In 1984 Congress extended the Older Americans Act for an additional 3 years and added several new provisions to benefit senior citizens, their families, and their communities. Special priority in the 1984 reauthorization was given to the training of people who care for victims of Alzheimer's disease. Also, a greater emphasis was placed on general health awareness and disease prevention. Congress realized that with more information and training in their own health needs, seniors can prevent unnecessary illness. Funding for Senior Community Services Employment Program—title V—was increased so that additional low-income seniors can be employed in hospitals, senior centers, and schools.

Washington State's senior centers and nutrition sites are especially active. Washington State has 13 area agencies on aging, 160 senior centers, and annually serves 73,140 seniors through the congregate and home delivered nutrition programs, serving a total of almost 3 million meals. I am pleased to report that a number of the area agencies on aging and senior centers around Washington State are commemorating Older Americans Month and the 20th anniversary of the Older Americans Act along with Congress. As we look forward to many more years of successful services to seniors, I take this opportunity to pause and join with my colleagues in the Senate, as well as with the seniors of Washington State, to mark the 20th anniversary of the Older Americans Act.

AMERICAN WHEAT IN FOREIGN TRADE

Mr. MELCHER. Mr. President, it is discouraging to learn that the opportunities for the utilization of American wheat are thwarted by actions of our own Government. We have indeed witnessed the tragic circumstances where agriculture producers in general have received a sort of short shrift—I guess, to state it more accurately, have gotten very minimal hopes of reversing the situation where their net farm income continues to decline. With wheat producers, it may be worse or may be better than some other particular agricultural commodity producers, but it is the nature of wheat producers to grasp at every opportunity there is to improve their situation because the past several years have found them continually losing ground in their endeavors to make a living, first of all; and second, to improve their economic lot in terms of the debts they owe and the situation they have on their financial sheet that, year after year, shows declining assets and more debt.

Mr. President, I am sorry to have to discuss what I am about to proceed to discuss in light of the serious situation that wheat producers are faced with. I have asked the Department of Agriculture representatives at the markup session of the Agriculture Committee, as we had our first day of markup for the new farm bill, why applications for wheat under various programs that are available to be utilized by foreign countries have been turned down. I specifically mentioned Public Law 480 and section 416. They explained in terms of section 416 that, since that law had only been amended a little over 1 year ago, the regulations were not yet in place. In April of last year—as a matter of fact, a little more than 13 months ago—we modified section 416 so we could be eligible as an export commodity from this country upon application of friendly countries that we deal with both to alleviate any situation they found themselves in in terms of distressed economy in their own particular country and also from our side of it to build the opportunity for further trade expansion in the particular country that was applying.

There have not been any 416 Programs approved in this 13 months since the law was modified to include wheat from any country that we deal with, any country on the globe, for wheat. I find that delay intolerable.

I have been advised that, a few weeks ago, the Department of State had sent out a cable to their people in AID offices of various countries instructing them to refuse to accept any application for wheat under section 416. That is, indeed, true and I shall ask unanimous consent to have printed in the RECORD the cable signed by Secretary of State Shultz where the instruction went out. The cable is dated April 17 and it clearly is of a nature to instruct AID officials in various countries not to accept any application for wheat under section 416.

Section 416 allows the application for wheat for friendly countries, or dairy products, on the basis that the surplus commodities from this country will be sold at full price, reduced price, conditions of terms, all sorts of advantages for the applicant countries. The advantage to the United States is that we dispose of a commodity that is in surplus—wheat and dairy products are our two greatest surplus commodities—and that we have the opportunity to have some trade expansion, not just from that particular sale, but from followup sales.

It is an absolutely sound program. We have used section 416 for dairy products for a number of years, and we could be using wheat today and in the past 13 months had the Department of State and the Department of Agriculture found themselves capable of handling those types of applications.

Mr. President, I believe that this is a very serious shortcoming in the commonsense department. It obviously works to the detriment of the wheat producers of this country; I might add that it is part and parcel of the trade imbalance that we are now experiencing. It also is a very costly delay in reducing some of the surplus of wheat on which we pay storage costs.

Those storage costs for all commodities total about a half billion dollars per year. Now, that is not all wheat. It is for all the commodities. I have not tried to figure out exactly what it is for wheat, but nevertheless wheat storage costs are a part of that total. So refusing to accept applications for American wheat not only hurts wheat producers and our balance of trade, it also hurts the taxpayers of the United States.

Mr. President, I ask unanimous consent that the full copy of the cable from the State Department to the AID offices be printed in the RECORD.

There being no objection, the cablegram was ordered to be printed in the RECORD, as follows:

APRIL 1985.

AIDAC.

Subject: Section 416 food donations—Melcher amendment.

1. Section 416 of the Agricultural Act of 1949 was amended in 1984 to add subsection (b) known as the Melcher amendment.

2. The amendment provides that wheat, as well as dairy products, may be furnished by the Secretary of Agriculture for carrying out title II of Public Law 480. Availability of wheat for section 416 programs must be determined by the Secretary of Agriculture.

3. Second major feature of the amendment provides that "commodities and products furnished under this subsection may be sold or bartered, as approved by the Secretary, solely as follows: (1) Sales and barter which are merely incidental to the donation of the commodities or products, (2) sales and barter which are used to finance the distribution, handling, and processing costs of the donated commodities in the importing country of otherwise for activities that are consistent with providing food assistance to needy people, and (3) sales and barter of commodities and products donated to intergovernmental organizations, insofar as they are consistent with normal programming procedures in the distribution of commodities by those organizations. Except as provided in the foregoing sentence, no portion of the proceeds or services realized from such sale or after may be used to meet operating and overhead expenses."

4. The phrase "activities consistent with providing food assistance to needy people" is subject to a variety of interpretations. The availability of wheat and sale of commodities must be approved by the Secretary of Agriculture with the accord of the DCC working group. Several months have passed during which AID and USDA have sought approval of guidelines for both wheat and monetization. There is, however, no DCC agreement for either.

5. Action requested. Until such time, no new section 416 proposals involving wheat or sales should be submitted. Each USAID that has submitted a proposal under section 416 for either wheat or commodity sale should advise AID/W whether and how they would wish to proceed with only dairy products and no monetization.

Shultz.

CITIZENS AGAINST COCAINE

Mrs. HAWKINS. Mr. President, I would like to take an opportunity to commend the organization Citizens Against Cocaine for their drug control activities.

In a worthy effort to curb cocaine abuse in our Nation, Citizens Against Cocaine is being formed as an educational awareness program designed to counter the cocaine marketing strategy by utilizing statewide volunteer groups. This group has three primary goals: First, to diminish the current cocaine market by enlightening, extolling, and convincing as many as possible about the dangers and results of cocaine use; second, to limit the growth of the cocaine market by soliciting nonusers to pledge "Never to buy, sell, or use cocaine;" and third, to educate citizens to the need for support systems to aid those individuals addicted to cocaine and who are desirous of breaking the habit.

Membership in Citizens Against Cocaine is open to everyone—all citizens, business, political, and religious groups. Members are divided into three categories: First, sponsors are organizations initially identified in each region to spearhead the campaign in their region; second, cosponsors are those businesses and organizations who purchase the Citizens Against Cocaine promotional kit and who display the material for all to read and consider; and third, general members are all who join in the effort of the campaign and who pledge to "Never buy, sell, or use cocaine."

The long-range goal of this effort is to generate enough spirit and concern to develop a permanent anticocaine spirit.

Mr. President, as chairman of the U.S. Senate Subcommittee on Children, Family, Drugs, and Alcoholism, I am all too aware of the destructive power of this drug. In numerous hearings and investigations conducted by my subcommittee, more, and more, information reveals just how destructive cocaine really is. Cocaine can cause addiction, paranoia, permanent brain damage, and death. Cocaine ruins minds, marriages, finances, and lives.

One of the most difficult aspects of the fight against cocaine abuse is the popular misconception that it is a relatively harmless, recreational drug. Mr. President, the educational information provided by Citizens Against Cocaine is exactly what should be disseminated in order to counteract this dangerous misconception. I think this fine group is setting out to accomplish a difficult, but necessary task, and I applaud them for their commitment.

As Citizens Against Cocaine states in its strategy report:

> This proposal is designed that * * * (we) * * * march together in a nationwide "citizens against cocaine" campaign, passing out literature, putting up posters, sharing information and concerns; enlightening, encouraging and extolling one another to pledge "Never to buy, sell, or use cocaine." For cocaine is America's public enemy No. 1 because cocaine destroys human potential. It enslaves the user; and changes his personality. Cocaine destroys physical health, cocaine divides families. Cocaine reduces productivity. Cocaine results in death. Cocaine is anti-American; antifamily; and antireligion. To be successful in solving America's cocaine problem, we must march together. And if our march is successful, these same feet will be able to dance a victory dance together in the joy and knowledge that once more the American people have demonstrated that the American spirit is unconquerable and indestructive. We would have shown our enemies that we are indeed, one Nation under God.

Mr. President, I think that says it very well. In making the effort we must to eradicate cocaine abuse, we must offer our support to fine organizations like Citizens Against Cocaine. I wish to commend this group's organizers and volunteers for their aspirations and goals. I wish Citizens Against Cocaine much success in their endeavors.

RUSSELL LONG

Mr. HOLLINGS. Mr. President, I call to the attention of my colleagues an article appearing in today's Washington Times. It's entitled "Russell Long's Legacy" and it's written by former Secretary of the Treasury William Simon.

Mr. Simon's words for our esteemed colleague from Louisiana are flattering, but far from fatuous. Indeed, they are words of praise that Russell Long has earned many times over during his distinguished 37-year tenure in the Senate.

This article does not sum up the outstanding career of my friend, nor will I attempt to do so with my short remarks. There will be ample time later for that. The article I commend to everyone's attention, Mr. President, comments on the vision of Russell Long and the considerable talents he has brought to this body. Given those abilities, his accomplishments have been notable. Perhaps that was to be expected from the son of Huey Long. His continuation of the populist teaching of his father are evident, but so is a creative wisdom that bears his own imprint. Mr. Simon points this out and outlines the legacy Senator Long leaves Congress and the Nation.

Much will be said about Russell before he calls it quits sometime next year. The Senate will miss his intelligence and leadership. He may be retiring from his seat in the Senate, but it is the hope of this Senator, and certainly that of his fellow Members, that he continue to contribute his abundant wisdom and talent to the Nation.

Mr. President, I ask that the article I mention appear following my remarks.

The article follows:

[From the Washington Times, May 14, 1985]

Russell Long's Legacy

(By William A. Simon)

When the 100th Congress arrives in Washington in 1987, one man will be conspicuously absent. After 38 years in the Senate, Russell Long, the senior senator from Louisiana, will retire. Those who, like myself, have had the privilege of working with Mr. Long can only consider this something of a minor tragedy.

In the media over the years, Mr. Long's name has most often been associated with resistance to civil-rights legislation in the 1960s, the advocacy of the agricultural and shipping interests of Louisiana, and, especially, his defense of tax provisions beneficial to the petroleum industry. And it's true that in his 14 years as chairman of the Senate Finance Committee, and now as its ranking Democrat, Mr. Long has taken care of those interests well.

But Mr. Long deserves to be remembered for far more than merely looking out for the citizens and industries of his state. He was one of the first to understand that the structure of our tax laws was strangling the capital formation so indispensable to sound economic growth.

Unable to persuade Congress to restructure the tax code to spur investment generally, Mr. Long did the next best thing. He pried open enough loopholes to keep the patient alive until public opinion was ready to accept a genuine cure. For that he took a lot of flack, but it ought to be clear now that what he did was a great public service.

But perhaps the most important reason why Americans should remember this great man with gratitude is that for many years, without much publicity, Mr. Long has been a dedicated and effective champion of expanding the distribution of private property ownership among the people of the United States.

The early statesmen of this country thought deeply about how a free republic could be maintained. Considering the experience of Europe, they argued that concentrated power is ever the enemy of liberty. Power follows property; thus, the concentration of property in the hands of a few would necessarily lead to either revolution or servility. James Madison observed that in the former instance, "The rights of property and public liberty would not be secure," and in the latter, those without property

would become "the tools of opulence and ambition."

But the case for a widespread distribution of property ownership did not rest entirely on the need to protect republican liberty. It was also clear that the opportunity to acquire and enjoy private property was a strong motivating factor in economic growth. In addition, the fact of ownership has a powerful positive effect on an individual's self-image. It encouraged him or her to take part in civic affairs, engage in works of charity and improvement, and stand in the front rank of patriots in time of war.

This emphasis on the importance of helping as many citizens as possible to become owners carried on in our political tradition until the days of the New Deal. Then, except for some continuing interest in promoting home ownership, it pretty much vanished.

The New Deal's interest lay in organizing capitalism, taxing away its profits, and redistributing them among the poor and property less.

The idea of expanding the ownership so that all might participate as owners in a free economic system was not of interest to Franklin D. Roosevelt and his Brain Trust. And except for the efforts of former President Richard Nixon and his secretary of commerce, Maurice Stans, to assist minority enterprise in the first Nixon term, the idea of expanding ownership largely receded from public discussion.

Then came Mr. Long, son of Huey Long—The Kingfish, as he was called—the populist governor and then senator from Louisiana, whose slogan was: "Every man a king."

Mr. Long instinctively grasped the importance of widespread property distribution. He saw clearly the benefits it would bring. And he recognized that the continual taxing and controlling of concentrated wealth to support the propertyless would in due course destroy the American economy.

Mr. Long set out to build a backfire against this trend. His best-known handiwork is the Employee Stock Ownership Plan (ESOP). Largely through his efforts an obscure technical provision in the tax code was widened and generalized to offer real incentives for the owners of corporations to share ownership with their employees.

Today, hundreds of American companies have created ESOPs to give their employees a stake in the business. Among the best known of these are People Express, Quad Graphics, Science Applications, Lowe's Stores, and Weirton Steel.

Since ESOPs became popular, the National Center for Employee Ownership has cataloged a number of studies that illuminate the economic consequences of expanding a firm's ownership to its employees. Without exception, these studies have shown that employee-owned firms show a higher growth in productivity, better ability to weather recessions, bigger returns on investment, and the creation of more jobs than similar firms that are not employee-owned. The reasons are not always clear, but from personal experience I can testify that employee-owned companies typically have fewer problems with inventory control, absenteeism, and labor relations. A realistic opportunity for workers to become owners has a powerful positive effect on employees' productivity, enthusiasm, commitment, and pride in their company.

ESOP refinancing has also been used frequently in recent years as part of rescue efforts for companies facing shutdowns. It is not a miracle cure by any means, but in many cases the productivity gains and positive attitudes flowing from employee ownership have made a viable business out of one that was marginal at best, to the great benefit of both the workers and their communities.

In introducing major ESOP legislation in late 1983, Mr. Long observed that, "If we want this private property system of ours to succeed, we simply must ensure that as many Americans as possible have an opportunity to earn an ownership stake in that system . . . the goal is to provide incentives for financing to be structured in such a way that, in the future, more Americans will have a chance to accummulate a capital estate."

It is a tribute to the power of this concept, as well as to Mr. Long's persuasive powers, that 46 other senators of both parties cosponsored his legislation, including conservatives like Sens. Laxalt, Hatch, and Denton, and liberals like Sens. Kennedy, Tsongas, and Pell. Most of that legislation was signed into law in 1984.

The idea of expanding the nation's capital-ownership base is a powerful one. But unlike so many ideas that capture the voters' minds—ideas like industrial policy, full employment, and price controls, to name a few—expanding ownership has demonstrable advantages for the American economy.

Whatever course his career may take after he leaves the Senate, Mr. Long's voice will doubtless continue to be heard on this subject. It's a voice that presidents and Treasury secretaries ought to be listening to, and there's no reason to wait until 1987 to begin.

NATIONAL ENDOWMENT FOR DEMOCRACY

Mr. MOYNIHAN. Mr. President, when the National Endowment for Democracy was established in 1983, a number of voices were heard in Congress expressing concern that the enterprise would unavoidably begin to develop aspects of official ideology.

Mine was not one of those voices. To the contrary, I spoke at some length and on a number of occasions in support of the experiment. There might have been a time, I argued, when Americans would have had difficulty spending Government money for avowed political purposes abroad, but it seemed to me that we had done a lot of learning in three decades and more of the cold war and could handle such an enterprise with poise and even deftness.

Those who took part in the debate will recall the further argument that absent some above board approach to the challenge of supporting democratic movements in various parts of the world, and of countering antidemocratic forces, we were repeatedly driven to other arrangements which were not suitable.

Last September, the endowment entered an agreement with the International Freedom to Publish Committee of the Association of American Publishers to mount a book exhibit, "America Through American Eyes," at the 1985 Moscow International Book Fair, with an annotated catalog in English and Russian editions, to demonstrate the diversity of American society and the strengths of its democratic institutions.

The committee, on its own, had mounted just such an exhibit at the 1979 Moscow Book Fair, which was thought to have been a huge success. Some 300 titles had been chosen by the New York Public Library, the Philadelphia Free Library, and a small committee of writers and critics headed by the author Mr. Kurt Vonnegut.

To avoid Soviet censorship the 1979 exhibit included an annotated catalog describing the books, in English and Russian, which was distributed in tens of thousands of copies, creating, in their view, an instant underground sensation distributed widely from hand to hand among Soviet citizens.

The same arrangements were followed this time, and Mr. Vonnegut headed up substantially the same selection committee.

Late last week, however, we learned that Mr. Carl Gershman, president of the endowment found the new book list ideologically unsatisfactory.

On May 8, Mr. Gershman wrote Mr. John Macrae III chairman of the publisher's committee, to report that he had obtained an expert opinion that:

> The list displays a unitary political point of view that gives no recognition to some of the most interesting and influential intellectual trends of the past five years.

Mr. President, I have scanned the list of books chosen for this particular exhibit, and recognize its difficulties. May I note in passing that some 180 publishers will be exhibiting their books in Moscow in a combined effort arranged by Baker and Taylor, the book wholesalers. The place will teem with American books, not simply these 300 odd. On the other hand, nothing could easily persuade me to speak ill of any selection of books that includes the work of Paul Horgan or Theodore H. White.

I could surely envision a different list. I was disappointed by the absence of serious, quantitative social science. It is useful to remember, or so I would think, that the Soviets persist in the belief that theirs is a society founded on principles of "scientific socialism," which is to say an accurate understanding of the processes of economic and social change. Well, of course, there is no such understanding: not here, not there. On the other hand, American social scientists look at "America Through American Eyes" with an increasing richness of data, and snatches of insight. I cannot but suppose that among those Muscovites that will attend the 1985 fair more than a few would be interested to find us doing what they can only pretend to be doing. To find, for example, how abundant our census data still is in contrast to their official statistics which are fast becoming state secrets. So dismal the picture of life in the Soviet Union. Similarly, I would have liked to see a Manhattan telephone directory included on grounds that Muscovites have never seen a telephone directory.

But selections, as such, are beside the point. It is process that matters. The endowment signed a contract with the publishers to pay them $50,000 to pick a list of books and display it in Moscow. The contract says nothing about the endowment having the right to review the list. Consult, yes. Review, no.

One of the things about democracy is that we keep contracts. The notion of reciprocal and binding obligations is central to a constitutional society.

In any event, the inevitable reaction came from the publishers. In a letter yesterday to Mr. Gershman, asking that "this campaign of intimidation be halted"—I happen to believe they are right, that there has been one—they ask for an apology and say that failing an apology they will return the foundation's money, and proceed on their own. They have so far received some $12,000.

In response, Mr. Gershman is quoted in the New York Times as saying that for the publishers to take this position "without even defending the merits of the list, suggests that they must be particularly sensitive to the validity of our criticism."

Over the weekend, Mr. Macrae had to explain to the press that he did not even know the contents of the book lists when Mr. Gershman first questioned it. He himself is a publisher and wished to avoid any conflict of interest or appearance thereof.

This same sense of propriety has led the publishers to take the position they have done, or so I am disposed to believe. The "merits of the list" are precisely that it was chosen by an independent committee.

They voted.

Some of Mr. Gershman's ideological friends appear to have lost, and no doubt some of his opponents. Well, so did some of my friends. Come to think of it, so did I. Elections will do that.

How I wish this had not happened. The endowment owes the publishers the money it contracted to pay. On the other hand, the publishers probably should not accept. Let them go to Moscow under their own diverse and clashing colors.

Mr. Gershman is a young man with a fine desire for public service, and equally great promise. An apology need not be abject. Anybody can make mistakes; that too is another of the ideas that hover about a democracy.

But far, far more important a change in practice is in order. There is no more explicit and implicit provision of the National Endownment for Democracy Act that in no circumstances may the activities of the endowment to used to influence political opinion in this democracy. Indeed articles VIII and IX of the publisher's contract explicitly state:

ARTICLE VIII

LOBBYING

The Grantee agrees that none of the funds provided by this agreement shall be used by the grantee organization or its subgrantees, for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof.

ARTICLE IX

PROHIBITION OF POLITICAL ACTIVITY

The Endowment and its Grantees shall make no grants or other expenditures for the purpose of education, training, or informing U.S. audiences of any partisan policy or practice, or candidate for office.

Mr. Gershman, by stating what is ideologically balanced and not balanced, hazards the very condition he properly imposed upon the publishers. These are the conditions under which all moneys of the foundations are expended.

Mr. President, I ask unanimous consent that the booklist chosen for the "America Through American Eyes" and other related documents be reprinted in the RECORD at this place.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GRANT AGREEMENT BETWEEN THE NATIONAL ENDOWMENT FOR DEMOCRACY, INCORPORATED, AND INTERNATIONAL FREEDOM TO PUBLISH COMMITTEE, ASSOCIATION OF AMERICAN PUBLISHERS

Memorandum of Agreement, made and entered into by and between the National Endowment for Democracy, Incorporated, a nonprofit corporation located at 1156 Fifteenth Street, N.W., Suite 304, Washington, D.C. 20005 (hereinafter referred to as the "Grantor" or the "Endowment") and the International Freedom To Publish Committee, Association of American Publishers located at 1 Park Avenue, New York, NY 10016 (hereinafter referred to as the "Grantee").

Whereas, the National Endowment for Democracy Act, P.L. 98-164 (hereinafter referred to as the "Act") and U.S. Information Agency Grant No. 1A-20955-19-G provide that the Endowment (shall) grant funds to carry out the purposes of the Endowment as specified in the act.

Now, Therefore, This Agreement Witnesseth:

ARTICLE I

Purpose

The Endowment hereby awards a grant of $50,000.00 to the International Freedom To Publish Committee, Association of American Publishers to enable the Committee to carry out program objectives, which are consistent with the purposes set forth in Section 502(b) of the Act, as follows:

To mount a book exhibit, "America Through American Eyes," at the 1985 Moscow International Book Fair, with annotated catalogue, in English and Russian editions, to demonstrate the diversity of American society and the strengths of its democratic institutions.

ARTICLE II

A. The period of this agreement shall be from September 17, 1984 through September 30, 1985.

B. The unexpended but obligated balance of funds provided under this grant agreement shall continue to be available to the Grantee until expended for the specific purposes authorized under this agreement.

C. Funds not obligated by the Grantee during the period specified in A above, shall not be available to the Grantee until expended for the purposes authorized under this agreement.

D. Use of unobligated funds for purposes other than those specified under this agreement, may only be made with the prior approval of the Endowment.

ARTICLE III

Payment, Items of Expenditure, and Accounting Data

A. The funds awarded pursuant to this agreement shall be used to further the objectives described in Article I; shall be paid to the Grantee in accordance with the provisions of Section B herein below; and shall be expended in accordance with the Items of Expenditure set forth in Section C herein below.

B. The Grantor shall disburse to the Grantee funds on an as needed basis. The expenditure projections set forth in Attachment B, Cash Flow Projections should reflect actual anticipated expenditures as closely as possible, although initially these may be estimates. Because of the extensive amount of time involved in overseas transactions, the Endowment will consider cash advances or "anticipated cash requirements" as expenditures for purposes of an expenditure estimate. The Grantee must request a drawdown from the Endowment in a prescribed written format at least five days in advance of a scheduled disbursement date in order to receive funds. All changes in cash flow requirements should be submitted in writing along with a revised cash flow schedule. The Grantee agrees to ensure that surplus funds do not accumulate in Grantee accounts in excess of regular expenditure requirements.

c. *Items of Expenditure.* All items of expenditure shall be in accordance with the following amounts.

Program costs

Salaries:	
Director—5 mos. at $2,000/month	$10,000
Secretary—5 mos. at $1,200/month	6,000
Communications and postage:	
Postage	4,000
Telephone	2,500
Subtotal	6,500
Contractual services:	
Translation of the catalog	2,500
Typesetting	3,500
Copy editing	2,000
Design and photo work	1,500
Paper and printing	17,250
Subtotal	26,500
Other direct costs: Meeting of selection committee	1,000
Total	50,000

D. Any transfer of funds between administrative and program categories shall require the prior written approval of the Endowment. Transfers of funds between the above listed items that do not involve transfers between adminstrative and program categories and that exceed a fifteen percent increase or decrease in any one item may only be made after ten (10) days written notice to the Endowment of the intention to make such a transfer.

E. Allowability of costs incurred under this agreement will be determined generally in accordance with Office of Management and Budget Circular A-122 "Cost Principles for Nonprofit Organizations", Attachment C, as in effect on the date of this agreement, until the Endowment and USIA determine which, if any, are applicable to the Endowment.

F. Travel and per diem costs charged to this agreement by the Grantee and its subgrantees shall be limited to the per diem amounts provided for U.S. Government employees for staff and U.S. participants. Foreign participants may be provided per diem and allowances not in excess of the amounts provided for International Visitors under the programs of the U.S. Information Agency.

G. The grant made by the Endowment to the Grantee may include the costs of an accounting and reporting system established to meet the requirements of this grant.

H. Compensation made to consultants in amounts exceeding the federal daily maximum rate must be approved by the Endowment on the basis of salary history and standards of comparability.

ARTICLE IV

Responsibilities

In carrying out the purpose of this agreement, the Grantee shall be responsible for:

A. Planning, organizing and administering the program to carry out activities consistent with the purposes of the Endowment and the Act, Attachment D, and the program objectives in Article I, above.

B. Providing funds to other organizations only for activities which are consistent with the purposes set forth in section 502(b) of the Act.

C. Providing information to the Endowment on Grantee program activities on a timely basis in order to ensure the responsible implementation of the purposes of the Act.

D. The Grantee shall comply with the requirements of section 504 of the Act and further shall insure that the Institute and its grantees comply with the audit and reporting requirements of Section 504.

E. The Grantee shall be subject to the appropriate oversight procedures of the endowment and the Congress. These procedures include the following:

1. The Grantee agrees to keep such records as may be reasonably necessary to fully disclose the amount and the disposition by the Grantee of the funds granted under the terms of this agreement, the total cost of the project or undertaking in connection with which such funds are given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

2. The accounts of the Grantee shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Grantee are normally kept. All books, accounts, financial records, reports, files and all other papers, things or property belonging to or in use by the Grantee and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying the transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

3. The report of each such independent audit shall be included in an annual report to the Endowment. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Grantee's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Grantee's income and expenses during the year, and a statement of the application of funds, together with the independent auditor's opinion of those statements.

4. The financial transactions of the Grantee for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Grantee are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files and all other papers, things, or property belonging to or in use by the Grantee pertaining to its financial transactions and necessary to facilitate the audit; and they shall be afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents and custodians. All such books, accounts, records, reports, files, paper, and property of Grantee shall remain in the possession and custody of the Grantee.

5. The Endowment reserves the right to conduct or have conducted its own audit of the Grantee's records in the exercise of its obligations under the Act and the USIA Grant.

6. Not later than October 31 of each year, the Grantee shall submit an annual report for the Endowment for incorporation in the Endowment's annual report to the President for transmittal to the Congress. The report shall include a comprehensive and detailed report of the Grantee's operations, activities, financial condition, and accomplishments under the Act and may include such recommendations as the Grantee deems appropriate.

7. The Board member(s) and officers of the Grantee shall be available to testify (together with Board members and officers of the Endowment) before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to the subsection 504(f) of the Act or any other matter which such committee may determine.

ARTICLE V

Reports

The Grant will retain in the permanent files the following written reports, copies of which will be sent to the Endowment.

A. Program—

1. The Grantee shall provide to the Endowment, on a regular basis, reports necessary to monitor the progress of program activity and ensure compliance with legislative requirements. Reports are to be in the form specified in Attachment E. Such reports on grantee program activities are to be provided on a quarterly basis.

2. The Grantee shall prepare an annual report of its program activity (Section IV E. 6. above) for submission to the Endowment in order that this report may be included in the Endowment's annual report to the President and Congress, as required under Section 504(h) of the Act.

B. *Financial*—The Grantee shall provide financial reports on a regular basis along with the program reports referred to in Sections A.1 and A.2. above. These reports are to be provided on a quarterly and annual basis. Reports are to be provided in the form specified in Attachment E.

C. *Expenditure Estimates*—The Grantee shall provide modifications to expenditure estimates to ensure that excess funds do not accumulate in Grantee accounts as set forth in Article III. B.

ARTICLE VI

General Liaison and Consultation

The Grantee agrees to consult with the Endowment on a regular basis regarding program implementation and evaluation.

ARTICLE VII

Nonexpendable Personal Property

The provisions of Office of Management and Budget Circular A-110 "Uniform Administrative Requirements, Attachment N," appended hereto as Attachment F, shall apply to any nonexpendable personal property purchased with funds provided by this agreement, except to the extent that the endowment and USIA determine that such provisions are not applicable.

ARTICLE VIII

Lobbying

The Grantee agrees that none of the funds provided by this agreement shall be used by the grantee organization or its subgrantees, for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof. This provision shall not be construed so as to abridge the right of any grantee organization to exercise the same freedom of speech as is protected by the first article of amendment of the United States Constitution, so long as such organization does not use funds provided under this grant in exercising such right.

ARTICLE IX

Prohibition of Political Activity

The Endowment and its Grantees shall make no grants or other expenditures for the purpose of education, training, or informing U.S. audiences of any partisan policy or practice, or candidate for office. This does not exclude making grants or expenditures for the purpose of educating, training, or informing audiences in other countries on the values of democracy that may incidentally educate, train, or inform American participants.

ARTICLE X

Discrimination

The Grantee agrees to comply with:

A. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d et seq., which prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

B. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance.

C. Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et. seq., which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance.

D. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et. seq., which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance.

ARTICLE XI

Prohibited activities

A. The Grantee agrees not to engage in activities unlawful under the laws of the United States, its states, and any subdivisions thereof.

B. There shall be no expenditure by the Endowment or its grantees for the purpose of supporting physical violence by individuals, groups, or governments.

C. No person engaged in intelligence activity on behalf of the United States government or any other government shall be employed by the endowment or by any of its grantees.

D. No funds provided hereunder shall be used to finance the campaigns of candidates for public office.

ARTICLE XII

Indemnity

The Grantee agrees to indemnify the Endowment and its Officers and Directors, including costs of defense, for any claim made against them arising out of the grantee's performance of this grant agreement.

This indemnity shall be in excess of the Endowment's insurance policies, but not limited by the scope of such policies.

ARTICLE XIII

Amendments and Modifications

No amendment or modification of this agreement shall have any force or effect unless it is in writing and signed by an authorized representative of the Endowment and the authorized representative of the grantee organization.

Attachment A

Association of American Publishers, Inc.,
New York, NY, January 23, 1984.

Mr. Allen Weinstein,
National Endowment for Democracy,
Washington, DC.

Dear Allen: I am writing to you at the suggestion of Jeri Laber who has, I understand already mentioned to you the major book exhibit for which the Association of American Publishers is now seeking funds. It is our hope that the National Endowment for Democracy will be interested in funding this project, which is very much in keeping with the NED's mandate.

Our goal is to mount a 300-book exhibit, including a large number of picture books, at the 1985 Moscow Book Fair. The exhibit, entitled "America Through American Eyes," would subsequently be shown in other countries, especially in countries where freedom of expression is curtailed or suppressed. The concept is simple: to describe life and thought in the United States, its diversity and freedom, by displaying a wide variety of books written by Americans about the United States. The exhibit itself will be a testimony to the free speech and free press that exist in our democracy.

As you may know, the Association of American Publishers a good record in this matter. Its first "America Through American Eyes" exhibit, displayed at the 1979 Moscow Book Fair, was a huge success with the Soviet people. The roughly three hundred books were selected by the New York Public Library, the Philadelphia Free Library, and a small committee of writers and critics headed by Kurt Vonnegut. Most of the books had been published within the five years preceding the 1979 fair. In the words of Kurt Vonnegut, the aim was to give "Americans themselves and all those kind enough to be curious about them an opportunity . . . to discover something about how Americans see themselves as the nineteen-eighties are about to begin."

The exhibit was also a clever way to avoid Soviet censorship: it included an annotated catalogue describing the books, and the catalogue was distributed in tens of thousands of copies in English and in Russian, an instant underground sensation distributed widely from hand to hand among Soviet citizens.

A similar exhibit, supported in part by the USICA, was subsequently sent to the People's Republic of China for their May 1981 American Book Exhibit, with a catalogue in English and Chinese. It, too, was the main attraction of the event

The 1979 exhibit and the catalogues were made possible by the voluntary efforts and financial contributions of a large variety of people: writers, librarians, publishers, newspaper editors. We hoped at the time that the venture would subsequently receive regular U.S. government funding and become a traveling exhibit, updated every five years. Despite a good deal of enthusiasm in government circles and the obvious success of the exhibit in Moscow and in China, financial support from the U.S. government did not materialize and enthusiasm for the project within our Association began to wane as relations between East and West became more strained.

Now, however, there is a change in the feelings of our committee members and others who monitor the Soviet scene. We would like to try to reopen communication with the East in order to have some influence on the reactionary policies of those regimes. We are seeking contact with citizens living under repressive governments and looking for appropriate events to use as forums for protecting repressive policies.

For these reasons, our Association would like to mount a new "America Through American Eyes" exhibit. I enclose a tentative budget for the project, and I am eager to know whether the NED would be interested in providing the necessary funding. I also enclose catalogues and some photographs from the previous exhibits and, since our supply is very limited, request that you return them after you have had a chance to look them over.

Thank you for your attention and interest.

Sincerely,

John Macrae III,
Chairman, International Freedom
to Publish Committee.

Budget: America Through American Eyes Exhibit for Moscow Book Fair in September 1985

This budget envisions an exhibit of 250 to 325 books and an annotated catalogue in both English- and Russian-language versions, available in large quantities, for distribution to the public.

Costs are based on costs incurred in assembling and exhibiting "America Through American Eyes" at the 1979 Moscow Book Fair.

As in the 1979 Exhibit, the books in the exhibit will be selected by a non-paid selection committee consisting of prominent authors and librarians.

The selection of books should begin no later than September 1984. Catalogues must be shipped by May 15, 1985. Books must be shipped no later than June 30, 1985.

We anticipated that publishers will donate the books selected and thus we have not allocated funds for the purchase of books.

America Through American Eyes

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Ashton, Dore, "American Art Since 1945," Oxford University Press, 1982.

Asimov, Isaac, "Foundation's Edge," Doubleday & Co., 1982.

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JUNK BONDS AND HOSTILE TAKEOVERS

Mr. EAGLETON. Mr. President, I would like to turn the Senate's attention to the worrisome trend of junk-financed hostile takeovers. Dramatic changes in takeover practices, as documented daily in the financial press, are robbing our financial market of its two most valuable assets: capital and credibility.

Junk bonds offer tremendous leverage to a raider and permit takeover bids that leave companies drained of equity and straddled with debt. Some financiers are comfortable moving full steam ahead into greater and greater corporate debt. I fear, however, in the absence of sensitive congressional action, many corporations will fall so deeply into debt as to find themselves unable to survive the next recession.

Our distinguished colleague Senator Pete Domenici started Congress on a wise and cautious path with his bill to place a moratorium on hostile takeovers using junk bonds. I am pleased to have my name associated with such a conscientious step. Senator Domenici has carried the intellectual ball one step further with his excellent piece featured in today's Wall Street Journal. His insights and guidance are much needed in the chaotic and frantic world of hostile takeovers.

Mr. President, I ask unanimous consent that his article be included in the Record at the conclusion of my remarks in the Record in full.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. In addition, the discussion of changing corporate takeovers has been enlightened by two articles recently published.

Mr. President, I ask unanimous consent that Felix Rohatyn's piece title, "Junk Bond and Other Securities Swill" from the Wall Street Journal and Nicholas F. Brady's "Equity is Lost in Junk-Bondage" from the New York Times also be included in the Record.

I am hopeful that Congress will heed their wisdom and proceed with intelligent legislation in a timely fashion.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Apr. 18, 1985]

Junk Bonds and Other Securities Swill

(By Felix G. Rohatyn)

Raids and takeovers, in many cases financed with junk bonds and other high-leverage, high-risk investments, are at an all-time high. The financial collapse of firms such as Drysdale Securities Corp., Lombard-Wall Inc., E.S.M. Government Securities Inc. and Bevill, Bresler & Schulman Asset Management Corp. menace the apparently safe world of government bond trading. Hundreds of millions of dollars have been lost by banks, cities and state agencies under the impression that they were making perfectly safe investments backed by government securities. And in the more staid world of commercial banking equally disturbing events have taken place. A small Oklahoma bank, Penn Square, was able to persuade large, reputable institutions such as Continental Illinois and SeaFirst Corp. to acquire enough bad loans to result in the collapse of these institutions.

The common thread running through such stories is the failure to assess risk on the part of financial institutions and fiduciaries eager to perform. There'd be no junk bonds—the name Wall Street has attached to high-yielding, often unsecured, debt securities rated double-B or lower by financial ratings services—if institutions weren't often willing to ignore substandard credit ratings in exchange for higher yields. There'd be no Drysdale Securities Corp., E.S.M., or similar situations if savings bank trustees asked themselves why they were getting higher yields on some government bonds if they were really as safe as Treasury bills. And there'd be no Continental Illinois or Penn Square if more emphasis were placed on credit and less on growth.

A GLANCE AT THE PAPERS

Under the banner of deregulation and total faith in the marketplace, we're impairing our greatest of assets: the credibility of our capital markets and the faith in our financial institutions. The basic strength of our capital markets has relied, as opposed to other markets around the world, on the principal of protecting investors. This protection, the result of securities legislation of 1933 and 1934, is based on disclosure, antimanipulative and anti-insider trading regulations, and the ethical standards of securities firms. It can be argued that our capital markets were, in large part, responsible for the postwar boom in the U.S., carrying well into the 1970s. Of course, elements of speculation and merger fever (for example, in the "go-go" years of the 1960s) have always been present. But something very different is happening now.

The growing feeling today is that the capital markets have become the property of insiders and of speculators, of raiders and other professionals, to the detriment of the general public. Unfortunately, a simple glance at the daily pages of the financial press confirms this suspicion. In editions of The Wall Street Journal published in the first two weeks of April, a casual reader would have found the following transactions or proposals:

1. Lorimar, with a net worth of $105 million, proposes to acquire Multimedia Inc. for $1 billion, to be financed with junk bonds.

2. Sir James Goldsmith proposes to acquire Crown Zellerbach Corp. for $1.1 billion, to be financed by junk bonds.

3. Uniroyal Inc. asked shareholders to approve two anti-takeover measures to fend off takeover threats like Carl Icahn's proposal to acquire the company for $600 million in a package financed by junk bonds.

4. Golden Nugget Inc., with a net worth of $230 million, proposes to acquire Hilton Hotels for what appears to be $1.8 billion, to be financed by junk bonds.

5. Mesa Petroleum, et al., with a net worth of $500 million, proposes to acquire control of Unocal Corp. to be financed by junk bonds.

6. Triangle Industries, with a net worth of $65 million, proposes to acquire National Can for $428 million, to be financed by junk bonds.

7. Farley Industries, with an undisclosed net worth and earnings of $6 million, proposes to acquire Northwest Industries for $1 billion, financed by junk bonds.

These transactions all were to be financed with junk bonds carrying interest rates of 15% to 18%. They were all to be issued by acquirers with thin equity. And at the time they were made, all the proposals were subject to financing actually being completed.

The New York Times also yielded similar evidence in the same two-week period. It reported that Ivan Boesky, an arbitrager who had acquired 8.7% of CBS, might join Ted Turner (who was trying to borrow $50 million each from William Simon and MCI Inc.), to acquire all of CBS for $4 billion.

CBS stock was driven up to more than $110 a share by these speculative stories, including stores from unnamed sources indicating that GE would acquire CBS for $150 a share. Other unnamed experts opined that the breakup value of CBS might be $200 a share. On Tuesday the paper reported rumors that Mr. Turner had engaged E.F. Hutton & Co. to make a bid for CBS at $175 a share. Even if Mr. Turner makes his bid for CBS, as is expected today, the general public can be forgiven for believing that a massive touting operation was going on, fed by deliberate leaks to an all-too-willing press, in order to drive more stock into speculative hands and ultimately drive CBS into a merger.

The protective reaction to the speculative aspect of such takeover activity is, in some ways, equally unhealthy. Legislation is being proposed to outlaw hostile takeover bids completely. "Poison pill" securities that make such takeovers prohibitive have, so far, been upheld in the courts. The "one share, one vote" principle is being abandoned by the New York Stock Exchange in favor of securities carrying as much as a 10-to-1 differential in voting rights. "Shark repellents," "crown jewel options" and various other defensive tactics are being used. Extreme responses of this sort, which may disenfranchise public stockholders or entrench existing management structures regardless of their quality, are also harmful. It's hard to know which is worse: the vaccine or the disease?

Junk bonds, in amounts estimated at a total of between $50 billion and $70 billion, have now been placed as a result of takeover or other financing activities. In certain instances, the use of a reasonable amount of high-yield debt can be easily justified. If the assets and earnings are there to support it, sophisticated investors may well take greater risk for greater return. Increasingly, however the use of these instruments appears excessive. The interest rates they carry are mostly higher than the rates of return the underlying businesses are likely to earn in periods of economic downturn. These securities are therefore based on the ability of

new management to sell assets in order to service debt.

Whether such sales will be possible in a period of recession is questionable. Whether large corporations can be treated like artichokes and simply torn apart without any regard for employees, communities, or customers, solely in order to pay off speculative debt, is a further question for public policy.

The public should pay attention to these activities, because in the last analysis the public always pays. When savings institutions get into trouble with junk bonds or "repos," the public pays. When banks make careless loans, the public ultimately pays. This is particularly true when the amounts involved are huge, as they are today.

The answer to these excesses is intelligent *regulation*, as opposed to total deregulation or over-regulation. This is true of takeovers and junk bonds; it is true of "repos" and other excesses in the government securities markets; it is true of banks.

To curb excessive use of junk bonds, consider the following suggestions:

a) Federally and state-insured and regulated financial institutions should be sharply limited in their ability to invest in obligations carrying below-investment-grade credit ratings.

b) Tender offers "subject to financing" should be prohibited and declared to be a manipulation of the public markets. Anyone making a tender offer should be required to have firm financing commitments in hand.

To curb the excesses of takeover activity both on offense and defense, consider the following:

a) Any acquisition of more than 20% of a company's stock should require an offer for 100%, at one price.

b) The minimum tender-offer period should be extended to 60 days.

c) Shareholder approval should be required by the acquirer's shareholders if the target represents more than 25% of the market value of the acquirer. Shareholder approval should also be required by the target's shareholders if the target proposes to reacquire more than 5% of its shares, to issue or option securities having more than 10% of its voting rights, or to sell or option assets having a value of more than 10% of its market value.

PART OF A TOTAL PACKAGE

To maintain the integrity of stock ownership we should:

a) Eliminate any form of "poison pill."

b) Delist companies with various classes of voting securities.

c) Eliminate "shark repellents," staggered bonds, "fair-price amendments" and similar devices.

These actions would be part of a total package of legislation and/or regulation. They are all interconnected. Public confidence in the integrity of our securities markets and our financial institutions is rapidly eroding. All takeovers don't have to be friendly, but they have to be fair and soundly financed. The appearance of excessive speculation in takeovers, as well as the repeated scandals in the government securities market and the lingering problems of many banks, is very much in the public's consciousness.

The word "credit" derives from the Latin *credere*: to believe. The belief in the integrity of our securities market is a national asset that we should not dissipate carelessly.

[From the New York Times, Apr. 25, 1985]

Equity Is Lost in Junk-Bondage

(By Nicholas F. Brady)

I believe strongly in shareholder democracy—including the rights of shareholders to rid themselves of slow-moving, entrenched management. I am not opposed to takeovers, hostile or friendly. But I oppose today's takeover frenzy, financed by junk bonds, which increasingly endangers our savings institutions and our system of corporate enterprise.

What is happening is similar in some ways to speculative abuses that led to the 1929 crash, and to the "Chinese wallpaper" craze of the late 60's, when the financial scene was flooded with poorly conceived takeovers financed by convertible debentures.

Many Wall Street Colleagues—indeed, my own firm—earn significant profits from sponsoring and defending against hostile junk-bond takeovers, so perhaps our interest is served by looking the other way. But we should not—because these activities represent an abuse of the system that is among the most serious I've seen in 30 years. Speculative, highly leveraged financing techniques involving junk takeover bonds, if unchecked, will leave misery in their wake.

Junk bonds—essentially high-risk, high-yield, less than investment-grade debt—have long been around. What is new, and dangerous, is the rapidly expanding use of such securities to finance highly leveraged hostile acquisitions. Junk takeover bonds most often take the form of unregistered, unrated or low-rated debt or quasi-debt securities. Usually, they are issued by a shell corporation created as the vehicle for a hostile takeover attempt. These bonds entail substantial risks to investors—risks that often have not been, and cannot be, adequately assessed.

Why do many raiders, insurance companies, foreign bankers, pension funds, savings-and-loan holding companies and a nationwide church join a junk takeover-bond syndicate? Because of substantial commitment fees, very high interest rates and the right to share in "greenmail" profits. The purchasers can compel the target company—which, when acquired, must assume the debt—to register the bonds for sale in the secondary market; they thereby try to make sure they can remarket the bonds quickly.

Junk takeover bonds only recently appeared as a mechanism for giving raiders access to funds over and above their own cash and conventional bank credit. To initiate a leveraged, hostile acquisition—or to set the stage for greenmail—a corporate raider must assemble an exceptionally large pool of funds. In today's overheated environment, this can be done fast, using a combination of bank credit and junk bonds.

The raider uses the borrowed funds to acquire the target company's stock. The second step of the takeover usually necessitates issuance by the target or raider of debt securities, which piles on a great deal more debt. This imprudent debt binge creates a mandate to lay off people and sell assets. Even in good economic times, the most likely result of the raider's quest for "enhanced stock values" is a "bust up" of the target. When the next economic downturn comes, many overleveraged companies find themselves in dire straits.

An avalanche of hostile takeover financings using junk bonds is rolling through the markets. For example:

$5.4 billion in junk takeover securities for Turner Broadcasting to take over CBS.

$3 billion in junk takeover securities for Mesa Partners II to take over the Unocal Corporation.

$400 million in junk takeover securities for Sir James Goldsmith to take over Crown Zellerbach.

What's worrisome is that junk takeover financing—which is largely devoted to unproductive purposes—dangerously threatens to destabilize America's national savings system. As we have seen in the collapse of ESM Government Securities Inc., when major investors reach for higher yields without regard for security and safety of principal, the results can be disastrous.

The purpose of our national savings system is to finance real economic growth and thus create new jobs and serve consumers by producing goods at the lowest possible price. I cannot see how the junk bond takeover frenzy fits this definition. The opposite is true: whether it's Unocal, Uniroyal, Crown Zellerbach or Hilton hotels, the financing arrangements connected with these takeovers mandate the opposite result.

Exhibit 1

[From the Wall Street Journal, May 14, 1985]

Fools and Their Takeover Bonds

(By Pete V. Domenici)

I have been fascinated by the intensity of the debate on this page over the risks of non-investment grade, or "junk," bonds, particularly in hostile takeovers. Literary flourishes reached a high point with the designation of junk bonds as "swill." But so far the debate has overlooked the two issues that will most likely result in a federal regulatory response.

The first of these is the recent and growing role of federally insured lending institutions and government-backed pension funds in purchasing junk bonds. The 1982 deregulation of financial markets and the Depository Institutions Deregulation and Monetary Act of 1980 were designed to give federally insured thrifts more elbow room in the financial marketplace to meet their commitment to provide home mortgages. Their involvement in the highstakes game of corporate takeovers has led Chairman Edwin Gray of the Federal Home Loan Bank Board to characterize the thrifts' participation as "heads I win, tails the FSLIC loses." Since 1981, more than 1,000 federally insured thrifts have been merged or liquidated.

The second issue that will prompt eventual federal action is the use of junk bonds to circumvent the Federal Reserve's margin requirement (Regulation G). This rule provides that loans for stock purchases cannot exceed 50% of the value of the stock being bought. In the military there is a saying that safety regulations are written in blood. The margin requirement is written in the blood of 1929.

Several of the recent hostile takeovers have made a mockery of the margin requirement. Shell corporations have issued junk bonds to finance stock purchases entirely with borrowed funds. Because there is no functional difference between bonds and loans in this situation, the margin requirement is unjustifiably circumvented.

I believe that responses by Congress and the Federal Reserve are inevitable. But we need to take care to craft legislation that preserves the advantages of hostile mergers, while limiting the risks of using junk bonds in such takeovers. Accordingly, I have proposed a temporary moratorium on hostile mergers using junk bonds to give Congress and the regulatory agencies time to act.

Opponents of a moratorium, or for that matter, any federal action, have argued that hostile takovers using junk bonds are a healthy development. This conclusion is based on a three-part argument that (1) history has shown junk bonds are not inordinately risky; (2) the present round of takeover activity will lead to better management and healthier companies, and (3) buying out stockholders with junk bonds is the way the market makes more efficient use of capital. The first two arguments reflect more fancy than fact. Third has some superficial appeal but, under close scrutiny, proves irrelevant to the particular policy issues facing us.

1. THE RISKS OF JUNK BONDS

The past offers us no guide to the risks of recently issued junk bonds. In 1977, $1 billion of junk bonds was issued. In 1984, the market for junk bonds was more than $15 billion. In the past, these bonds were issued by growth companies or troubled industrial giants such as Chrysler Corp. In contrast, the junk bonds of today are being issued by shell corporations to finance highly leveraged acquisitions. In addition to these dramatic differences in volume, and the quality of the issuer, 80% of these bonds have never faced the test of an economic down-turn or a rise in interest rates. Comparing today's explosion of junk bonds with their use in the late 1970s is like comparing World War II with the Civil War simply because gunpowder was used in both.

The recent default of Sharon Steel Corp. on its two most recent payments on $426 million of these bonds and Metromedia Inc.'s decision to sell seven TV stations to service the debt on its junk bonds are timely reminders of the risks involved. Metromedia sold $1.3 billion of junk bonds in two hours only last year, even though the prospectus admitted: "Based on current levels of operations and anticipated growth, the company does not expect to be able to generate sufficient cash flow to make all of the principal payments due on the notes. . . ." It goes on to state, "Based on current levels of operations, the company's cash flow would be insufficient to make interest payments. . . ."

The importance of Metromedia lies in that it is not part of a declining industry, but rather part of the vibrant communications sector. Moreover, the Metromedia sale comes in good economic times, not bad. As for the future, we need only remember the observation of John Shad, chairman of the Securities and Exchange Commission: "The more leveraged takeovers and buyouts today, the more bankruptcies tomorrow."

2. THE MANAGEMENT SMOKE SCREEN

Talk of improving management is a smoke screen for the raiders' scorched-earth tactics in the energy industry. Phillips Petroleum Co. has more than 70% of its cash flow dedicated to debt service. Its exploration and development budget is down by 32% ($260 million). The last offer from Carl Icahn would have made the company's debt-to-equity ratio 14 to 1 (at 6 to 1 Chrysler came to the feds hat in hand).

By attacking Uniroyal Inc., whose stock has increased fivefold in the past three years, and Unocal Corp., whose cost of finding oil is the lowest of any major oil company ($6 a barrel vs. $14 for Mesa Petroleum Co. and $22 for Chevron Corp.), the raiders further belie any interest in improving management.

Documents unearthed during the Unocal takeover effort and reported in the press give a truer picture of raider intentions. They are looking for targets with two characteristics: strong cash flow and little debt. The quality of management is irrelevant. The court documents also undercut any contention that the raiders are concerned with the long-range health of the target company. In Unocal's case, the raider's plan for spending for exploration and development in the U.S. is scheduled to decline from $850 million a year in 1984 to $100 million a year in 1990. Foreign exploration would drop from $355 million a year in 1983 to zero in 1988. We are speaking not of restructuring, but of liquidation.

3. MARKETS AND PREDATORS

An argument with surface appeal contends that buying out stockholders at a premium with borrowed money (substituting debt for equity) frees up stockholders to take their money elsewhere and put it in industries that will yield a higher return. Just as nature has a role for predators, the argument continues, so the financial jungle has a use for them. The process is not for the squeamish, but ultimately benefits us all. All just because we may not like the personalities involved, whoever said sharks were friendly?

Although flawed—stockholders can sell anytime, not just during a takover, and much of the economic incentive comes from the tax advantages of using debt rather than putting capital to higher uses—this argument at least has the virtue of describing the motives of the participants.

But despite its descriptive value, this argument is devoid of policy consequences. Specifically:

It does not address whether the taxpayer should shoulder any of the risk of having federally insured institutions participate in corporate takeovers using junk bonds. Prior articles on this page have emphasized the savvy of participants such as the Belzberg family or Saul Steinberg, but not the liability of the taxpayer.

It has no impact on the need to enforce margin requirements. If it does, then proponents of junk-bond-financed takeovers are the ones asking for a major change.

It is also irrelevant to the issue of government intervention. The present takeover contests are being conducted within a long-established, elaborate framework of federal and state laws and regulations with many judges checking to see that every "i" is dotted.

A moratorium on hostile takeovers using junk bonds would give us the time needed to enact the minimal precautionary steps to preclude federally insured institutions from purchasing junk bonds and to scrutinize the present round of takeovers to ensure that the margin requirements are fully enforced. Timely action is needed to reduce the greatest risk of all, the risk to our nation's financial system. For more than five years the Federal Reserve has been navigating through a seemingly endless financial mine field. The debt volcano of the lesser-developed countries could erupt again. Savings and loan associations, as noted earlier, continue to succumb at alarming rates. And the Ohio banking crisis is not fully behind us. Into this fragile situation, junk-bond advocates are urging us to pump unprecedented amounts of high-risk corporate debt. Market theorists love to rhapsodize about the wisdom of markets. But part of this wisdom consists of dealing harshly with fools who believe that the good times are without end.

COORDINATING THE SEARCH FOR MENGELE

Mr. KENNEDY. Mr. President, last Friday the United States, Israel, and West Germany announced a coordinated new search for Joseph Mengele, the most infamous Nazi war criminal still at large. The joint action was announced after a 2-day meeting in Frankfurt, West Germany attended by Neal M. Sher of the Office of Special Investigations of the U.S. Department of Justice; Menachem Russek of the Israeli Police; M. Dennis Gouldman of the Israeli Ministry of Justice; Hans-Eberhard Klein of West Germany; and other officials. I commend this promising development because apprehension of Mengele has assumed a special importance in this 40th anniversary year of the liberation of the Nazi concentration camps and in the wake of President Reagan's trip to Bitburg.

The continued freedom of Mengele is an affront to the memory of the millions who died in the Holocaust and an outrage for all humanity. Mengele's direct responsibility for some of the most shocking atrocities of the Holocaust is indisputable. As the "Angel of Death" at Auschwitz, Mengele personified the brutality, the horror, and the inhuman cruelty of the Nazis.

Last month Congressman ROBERT MRAZEK of New York and I proposed that a reward of $1 million be authorized to be paid by the Department of Justice for information leading to the apprehension of Mengele. We believe that a substantial U.S. reward is not only appropriate as a means of enhancing the worldwide search for Mengele, but may prove to be an indispensable element for success in the effort to bring Mengele to justice for his heinous crimes.

As one of the three nations leading the search, it is especially fitting for the United States to contribute to the rewards that are already outstanding, especially in light of reports that our Government itself may have permitted Mengele to escape justice in the period immediately following World War II. Israel has recently offered a $1 million reward for the capture of Mengele, as have the Simon Wiesenthal Center in Los Angeles and the Washington Times newspaper. West Germany has offered a reward of 1 million marks, or about $300,000. A $1 million U.S. reward would bring the total amount of rewards to well over $4 million from public and private groups. With this substantial incentive, the authorities seeking Mengele are more likely to receive information essential to a breakthrough in the case.

I hope, therefore, that Congress will include a provision for a U.S. reward in the forthcoming supplemental appropriations bill for fiscal year 1985. I ask unanimous consent that an article

from the New York Times of May 12 on the coordinated search for Mengele by the United States, West Germany, and Israel may be printed in the RECORD, along with other related articles and letters to the editor of the New York Times, and the letter that Congressman MRAZEK and I sent on March 22 to the Senate and House Appropriations Committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 11, 1985]

THREE NATIONS JOINING TO HUNT MENGELE

U.S., WEST GERMANY AND ISRAEL COORDINATE EFFORT ON NAZI

(By Ralph Blumenthal)

The United States, West Germany and Israel announced yesterday a coordinated effort to track down and prosecute Josef Mengele, the elusive Nazi death-camp doctor.

After two days of meetings in Frankfurt, the Justice Department said, law enforcement officials of the three countries "resolved to open direct lines of communication at the prosecutorial and investigative levels" with the goal of bringing Dr. Mengele to trial for "crimes against humanity."

West German arrest papers charge him with selecting victims for gassing and medical experiments at the Auschwitz death camp.

RESURFACED AND DISAPPEARED

The agreement, the most ambitious international effort since World War II to hunt down a former Nazi, comes 40 years after Dr. Mengele shed his SS uniform and boldly resettled in his hometown in the American sector of Germany. Later he disappeared, to resurface in South America under his own name, selling the Mengele family's line of farm machinery, before going underground again.

The new international cooperation follows years of little official interest and only fitful moves to find Dr. Mengele, now regarded as the world's most wanted fugitive, with a price of nearly $4 million on his head.

Although Israel asked Interpol this week to join the search for Dr. Mengele, the multinational police agency has generally steered clear of Nazi cases. Officials could recall no previous case in which the three Governments pledged such close cooperation in searching for a Nazi war criminal.

Why the case, after lying dormant for so many years, should now assume such extraordinary proportions is unclear, but some officials say it has to do with the 40th anniversary of Germany's defeat and a long-delayed coming to grips with issues of the Holocaust.

Taking part in the meetings in Frankfurt this week were officials of the Marshal's Service and Office of Special Investigations of the Justice Department, the West German federal and state criminal police and the Israeli Ministry of Justice and the police.

The Justice Department said that because of the sensitivity of the investigation, no further details could be provided. But investigators and other experts interviewed in recent months said they believed that Dr. Mengele was still alive at age 74 and hiding in his longtime refuge of Paraguay, making occasional visits to neighboring countries and possibly some trips overseas.

The Paraguayan leader, Gen. Alfredo Stroessner, in a highly unusual television interview, recently denied knowing Dr. Mengele and told ABC News, "I don't know where he is, and we cannot find out where he is."

But accounts from admitted Mengele associates obtained by a New York lawyer place the former SS physician in Paraguay as recently as 1982—three years after the Paraguayan Government, under growing pressure, revoked Dr. Mengele's citizenship on the ground that he had been out of the country for at least five years.

Inquiries by The New York Times and interviews with those who conducted investigations have also brought out these disclosures:

For about four years after fleeing Auschwitz, Dr. Mengele lived, by all accounts openly, in or around his hometown of the Günzburg in Bavaria, a company town of the giant Mengele family farm-machinery factory. Günzburg was in the American occupation zone but the American authorities apparently never checked for his presence.

At some point, Dr. Mengele may have been taken into custody by American forces, according to ambiguous notations in Army records and recollections by former American soldiers.

In 1956 in Argentina, Dr. Mengele felt secure enough to abandon a longtime alias and resurface under his own name, under which he secured citizenship in Paraguay.

In Paraguay in the 1960's, officials of the Stroessner Government tipped Dr. Mengele that Israeli agents were looking for him.

While in Paraguay, Dr. Mengele traveled to German communities selling farm equipment and kept in touch with a Mengele company officer in Günzburg.

ISRAEL DID NOT PRESS

After Paraguay joined the United Nations Security Council in 1968, Israel took pains not to antagonize the Stroessner Government and did not press the Mengele case, according to Benno Weiser Varon, who was the Israeli Ambassador to Paraguay in 1968.

The worldwide interest in the Mengele case has produced a flood of misinformation and possibly deliberate disinformation that has clouded the search with bogus sightings and photographs—including, apparently, the pictures on widely circulated wanted posters.

"It's the third largest industry in Paraguay, information on Josef Mengele," said Allan A. Ryan Jr., former head of the Justice Department's special investigations unit for war-crimes cases.

The following account is based on Nazi records and postwar German documents, statements by members of the Mengele family, company officials and Auschwitz survivors, and interviews with investigators and private researchers.

FAMILY WAS WEALTHY

Josef Mengele was born in Günzburg on March 16, 1911, the year his father, Karl, bought a farm-machinery company that became the source of the family's substantial wealth. He had an older brother, Karl Jr., and a younger brother, Alois.

In 1933, the year of Hitler's rise to power, Josef Mengele joined the S.A., the extremist Nazi militia that was purged the following year. In 1937, as a young doctor, he joined the Nazi Party, and he married in 1939. After research at an institute for "racial purity" in Frankfurt, he joined military units, serving in the general SS and the Waffen SS on Russian front. After reaching the rank of major in the medical corps, he was assigned to duty at Auschwitz-Birkenau in Poland in May 1943.

He was not the chief doctor at Auschwitz, the Germans' largest death camp, where an estimated 4 million people, most of them Jews, were gassed and cremated.

But accounts of survivors—many of whom recall his hypnotic dark eyes and the distinctive triangular-shaped gap between his front teeth—place him constantly at the arrival ramp selecting those to be killed immediately and those to be put to work or to be used as guinea pigs for medical experiments. His obsession was twins and, the charges say, he killed and dissected many twin children in hopes of finding the secret to more quickly producing a "master race" of blue eyed Aryans.

One of the counts later filed by the West Germans charges: "At the end of 1944, he supposedly conducted experiments on a newborn baby of witness J., after which the eyes were not recognizable any more, but just formed a single red clump." The baby later died.

STRANGE FAREWELL RECALLED

By the time the Red Army liberated Auschwitz on Jan. 27, 1945. Dr. Mengele had disappeared. A survivor, Marc Berkowitz, recalls the doctor bidding him a strangely sentimental farewell at Christmas of 1944.

The doctor's movements over the next several months have not been traced, but Justice Department investigators are studying Army records suggesting that he may have been apprehended by American troops, a recollection shared by several former soldiers. If he was arrested, he may have escaped or been released, because the summer of 1945 found Dr. Mengele back in Günzburg.

Gerald Posner, a New York lawyer who has documented much of Dr. Mengele's life on the run for a book he is writing, said a friend of the doctor's had recounted meeting him in Günzburg during this time. The friend, Julius Diesbach, who has since died, said Dr. Mengele was using his own name and working for the Mengele company, according to Mr. Posner.

Similar accounts were given to another writer, Flora Rheta Schreiber, who visited Günzberg for investigative articles on Dr. Mengele in 1975.

LIVED WITH FAMILY AFTER WAR

The Simon Wiesenthal Center, a Los Angeles Holocaust study institute named for the Vienna-based Nazi-hunter, also recently obtained declassified Army intelligence records indicating that after the war Dr. Mengele was known to be residing with his family in Autenreid, a village near Günzburg.

By 1947 Dr. Mengele had already been publicly identified by the Auschwits camp commandant, Rudolf Höss, as being responsible for some of the medical atrocities.

In 1949, as the American occupation forces yielded sovereignty to a new West German Government, Dr. Mengele fled the Günzburg area. With a Red Cross passport bearing a picture of his brother, Alois, and issued in the name of Helmuth Gregor, he reached Buenos Aires.

Seven years later, with no indication that anyone was interested in finding him, Dr. Mengele resurfaced.

GOT ARGENTINE IDENTITY CARD

On Sept. 11, 1956, he visited the West German Embassy in Buenos Aires, announced he was really Jose Mengele and obtained a certificate that then enabled him to get a new Argentine identity card in the Mengele name. There is nothing to show

that the West Germans questioned his

head of Die Spinne was Gen. Paul Hausser

Dr. Joseph Mengele. I might add that in

that the West Germans questioned his action or checked on the reason behind it.

By 1958, however, a West German prosecutor, Hermann Langbein, persuaded reluctant officials to authorize charges against Dr. Mengele and happened to discover his presence in Argentina, clearing the way for a 1959 West German order for his arrest and extradition.

In response, Dr. Mengele crossed the border to Paraguay, where a Government intelligence official, Col. Alejandro Von Eckstein, and a Former Nazi youth leader, Werner Jung, eased his way to citizenship by attesting that he had been a resident for Paraguay for five years.

Mr. Posner, who interviewed Colonel Von Eckstein recently in Paraguay, said the official defended his action as proper because he had known Dr. Mengele for five years. Mr. Jung died in the meantime in Spain.

[From the New York Times, Apr. 25, 1985]

West Germans Believe Mengele Is Still Living

Bonn, April 24—Two West German prosecutors said today that they were convinced that Josef Mengele, the Nazi camp doctor, is alive.

The two prosecutors—Hans-Eberhard Klein of Frankfurt and Afred Streim of Stuttgart—said in telephone interviews that the best indications were that Dr. Mengele is in Paraguay. The Government of Paraguay has denied that he lives there.

However, the prosecutors warned against exaggerated hopes that Dr. Mengele would be captured.

A $2.3 million reward has been posted for the doctor, who is wanted for selecting people for the Auschwitz gas chamber and for carrying out pseudo-medical experiments.

On Monday, Neal M. Sher, director of the Office of Special Investigations in the Justice Department, said in a Senate hearing in Philadelphia that he believed Dr. Mengele would be captured.

[From the New York Times, May 13, 1985]

Secret Nazi Societies Protect Mengele

To the Editor: The statement by Hans-Eberhard Klein, procurator general of Frankfurt, that he believes the "Butcher of Auschwitz," Dr. Josef Mengele, is in Paraguay warrants further comment ("West Germans Believe Mengele Is Still Living," news item, April 25).

If Dr. Mengele is in Paraguay, there can be no doubt of protection by Gen. Alfredo Strössner's regime and members of Nazi shadow organizations. The most powerful and far reaching of these Nazi groups has been Kameradenwerk, founded in April 1946 by Hitler's most decorated airman, Col. Hans-Ulrich Rudel. Colonel Rudel obtained postwar funds by pressuring West German companies and industrialists who were on lists of Nazis. He also acted, until his death in Rosenheim, as a funds courier to South America, was a crony of Juan Perón, Alfredo Strössner, et al., and was the driving force behind his organization until Dec. 20, 1982.

Although Odessa symbolized in the public mind the Nazi rescue organizations because of the novel "The Odessa File," it started as a file, but never reached the significance of Kameradenwerk or the other key worldwide group, Die Spinne (The Spider). Die Spinne was formed by a small group of fanatical SS prisoners in the Allied war-prisoner camp at Glasenbach, Germany, in 1948. The first head of Die Spinne was Gen. Paul Hausser of the SS, and it soon spread its web around the world, becoming La Arańa in South America. Also strong in the Southern Hemisphere was Das Reich, largely centered in Chile at Valparaiso, Santiago and in the enclave of Die Kolonie or La Dignidad at Parral.

These groups operate mostly in the background and under cover. Their members do not need membership cards in the common sense, since they all know one another among the Nazis, neo- and pro-, in such countries as Paraguay. Protection of such key surviving refugees as Dr. Mengele has become one of the prime functions of these shadow groups. There is a list of Nazi hunters who have been assassinated when they got too close to Dr. Mengele. Thus, La Arańa and groups like it compound the two-part problem of finding and arresting Nazis such as Dr. Mengele.

R. H. Hodges,
Pelham, NY, April 25, 1985.

The writer, a major in the Air Force Reserve, has researched and tracked the subject for over 30 years

[From the New York Times, Mar. 13, 1984]

Fleeing Nazis' Friend in Postwar Rome

To the Editor: In reference to your Feb. 23 news articles about Nazis' post-World War II escape via Italy, I can give you some additional information.

In the 1950's, when I was working on the Eichmann case, I was in Rome and found out how this escape route operated after 1945. I never heard of Dr. Willi Nix, the focus of one of your articles, but I did hear about the German bishop in Rome, Alois Hudal. There is no evidence that Pope Pius XII ordered or knew about this escape route at the time it was run, but Bishop Hudal, in his diary published in 1969, had this to say:

". . . So the Allies' war against Germany had in its last consequence nothing to do with ideals. This was not a Crusade but the rivalry of economic complexes. . . . Slogans such as democracy, race, religious liberty and Christianity were used as bait for the masses. . . . (All this) led me after 1945 to devote my charitable efforts mainly to former National Socialists and Fascists, especially to the so-called 'war criminals,' who were being persecuted by Communists and 'Christian' Democrats."

The bishop recalled that among the Roman Curia he became known as the "Nazi, Fascist Bishop" and that eventually "Vatican politics" regarded him as no longer tolerable.

"But I thank God," he went on, "that He opened my eyes and gave me the undeserved gift to visit and comfort many victims of the postwar era in their prisons and concentration camps and to rescue not a few from their tormentors with the help of false identity papers, which allowed them to flee to happier lands." Another person who shed some light on the matter was Franz Stangl, commandant of the Treblinka concentration camp, whom I managed to find in Brazil and bring to trial in Germany. On the first day of his trial in Duesseldorf (May 13, 1970), Stangl told the court how he had escaped from an internment camp in Austria and, following a tip he had received in the camp, went to Rome to see Bishop Hudal. The bishop, he said, managed to get a Red Cross passport for him, and the Collegium Germanicum, the German theological seminary in Rome, found employment for him until his departure for Damascus six weeks later. With reference to the matter of Dr. Joseph Mengele, I might add that in 1979 I managed, with the help of then U.N. Secretary General Kurt Waldheim as well as a number of U.S. senators, to persuade the Paraguayan Government to revoke Dr. Mengele's citizenship and to issue an arrest order. On Jan. 5, 1983, people working with me in South America found out that Mengele was in Philadelphia, Paraguay, a Mennonite village. I immediately asked my colleagues to contact the Paraguayn police, in part to check whether Mengele was really on their wanted list. A police agent did indeed accompany my colleagues to Philadelphia, prepared to arrest Mengele, but unfortunately they arrived five days too late Mengele had left on Dec. 31, 1982.

Simon Wiesenthal,
Jewish Documentation Center Vienna.

U.S. Senate,
Washington, DC, March 22, 1985.

Hon. Mark Hatfield,
Chairman,
Hon. John C. Stennis,
Ranking Democratic Member, Senate Appropriations Committee, U.S. Senate.
Hon. Jamie L. Whitten,
Chairman,
Hon. Silvio O. Conte,
Ranking Republican Member, House Appropriations Committee, House of Representatives.

Dear Mr. Chairman and Mr. Ranking Member: We are writing to urge you to include in the next Appropriations bill a provision for the Department of Justice to pay a reward of one million dollars for information leading to the apprehension of Josef Mengele, the infamous Angel of Death at Auschwitz and the most wanted Nazi war criminal in the world today.

This year marks the fortieth anniversary of the liberation of Auschwitz, and an intensive new search is under way for Mengele, who personally sent more than 400,000 men, women, and children to the gas chambers and who conducted repulsive and sadistic human experiments on thousands of innocent victims at the concentration camps.

Experts at the Simon Wiesenthal Center in Los Angeles and other Nazi trackers believe that Mengele is alive and may be living in a remote area of Paraguay in South America. He is also reported to have been sighted in recent years in other countries in South America, as well as in Europe. Last month, the Reagan Administration joined the worldwide effort and opened its own investigation to locate Mengele; earlier this week, the Department of Justice, in testimony before the Senate Judiciary Committee, documented the effort it is coordinating with other federal agencies to bring Mengele to justice.

We believe that the offer of a federal reward is an appropriate and perhaps indispensable element for the success of the effort to apprehend Mengele and bring him to trial for his hideous crimes against humanity. We also feel that a reward by the United States Government is especially fitting, in light of reports that our Government itself may have permitted Mengele to escape justice in the period immediately following World War II.

At the present time, we are aware of two other large rewards for the apprehension of Mengele: one million dollars by a group affiliated with the Wiesenthal Center (one third to the persons responsible for Mengele's apprehension: one third to charity selected by cooperating law enforcement authorities in the country where he is appre-

hended: and one third to the Wiesenthal Center): and one million marks (about $300,000) by the West German Government. The one million dollar additional reward we are proposing would go to the person or persons responsible for Mengele's apprehension, nearly doubling the reward available to such persons, thereby providing a substantial new incentive for Mengele's capture.

Apart from an appropriation for the reward itself, we urge the Appropriations Committee to provide an additional amount to the Department of Justice to fund expenses of the coordinated effort by the federal agencies involved in the search for Mengele. We also urge you to include a provision specifically instructing the United States Information Agency in its overseas programming to give a high priority to publicizing the reward and other aspects of the search.

There are ample precedents in federal law for the payment of substantial rewards in appropriate circumstances. In the past Congress, for example, P.L. 98-151 appropriated $100,000 for the apprehension of the bomber of the Capitol in 1983; and P.L. 98-533 authorizes rewards up to $500,000 to be paid for information on terrorism.

The monstrous crimes committed by Josef Mengele are an affront to civilization, and we should leave no stone unturned in the effort to bring him to justice. Forty years after the closing of the infamous camps at Auschwitz, it it time to close this shameful chapter of their history.

Sincerely,

Edward M. Kennedy,
United States Senate.
Robert J. Mrazek,
House of Representatives.

JAMES L. MOODY, JR.

Mr. COHEN. Mr. President, I'd like to take this opportunity to pay tribute to one of Maine's leading entrepreneurs and a good friend, Jim Moody, on the occasion of his being elected chairman of the Food Marketing Institute [FMI].

Jim Moody began his distinguished career at Hannaford Bros. in south Portland more than 26 years ago. By 1971, he was elected president and is now the chairman of the firm, which is the largest food retailer in northern New England.

Throughout his career at Hannaford Bros., Jim Moody has held a number of the firm's key leadership offices including vice president (1966) and director of corporate development (1967), executive vice president (1969), president (1971), chief executive officer (1974), and chairman (1984). In addition to his duties at Hannaford, Jim Moody also serves on the boards of Penobscot Shoe Co. and Sobeys Stores Ltd. in Nova Scotia.

It has been a career marked by conspicious success. Under the leadership of Jim Moody, consolidated sales at Hannaford Bros. Co. stood at $142 million in 1971 and grew to $707 million in 1984. The company showed a $1.2 million profit in 1971 and by 1984 it had grown to $11.3 million.

Along with assuring profits for shareholders, Jim Moody has seen to it that Hannaford Bros. remains a step ahead of the competition. He has been able to read the future and spot the new trends. Hannaford Bros. was, for example, the first business in Maine to set up a combination supermarket and drugstore. At the same time, he has guided the company into two new areas—the retail pharmacy business and trucking.

But Jim Moody is much more than a resourceful businessman. He is a charitable, well-liked, modest individual who has given tremendous amounts of his time and energy to community service, particularly as chairman of the board of trustees at the Maine Medical Center and as a trustee at Bates College in Lewiston, his alma mater. Over the years, numerous groups have sought Jim Moody out for his fundraising expertise, organizational know-how and ability to get things done.

Jim Moody enjoys community service, but shuns the attention that so often accompanies such efforts. Just last year, for example, the Boy Scouts of America, Pine Tree Council, wanted to honor him with their Ninth Distinguished Citizens Award. But Jim refused to accept the award for himself, agreeing only to accept it on behalf of the company.

No doubt, the Food Marketing Institute, the national association of food retailers and wholesalers, will benefit from Jim's leadership. It is tribute to him and to the judgment of his professional peers that he has been elected to FMI's highest position.

DEATH OF PRESIDENT-ELECT TANCREDO NEVES OF BRAZIL

Mr. HART. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 48) relating to the death of President-elect Tancredo Neves of Brazil.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. HART. Mr. President, on behalf of myself and Senator Zorinsky, as well as the distinguished chairman of the Senate Foreign Relations Committee, the Senator from Indiana [Mr. Lugar]; the distinguished ranking Democrat on that committee, Senator Pell; and Senator Chafee, I should like the Senate to undertake consideration of this resolution under rather extraordinary circumstances.

Those circumstances have to do with a drama, the drama of what has just been taking place and is taking place in Brazil.

After 21 years of military rule, Brazil returned to democracy with the choice of a veteran, respected politician, Tancredo de Almeida Neves, elected President in January. But as Brazil struggles to return to democratic life, President-elect Neves struggled for his own life against an ultimately fatal illness.

Instead of being inaugurated to the applause of the nation, he underwent surgery on March 15. After seven operations over a period of 38 days, President-elect Neves finally lost his personal battle for survival.

Much of that life—50 of his 75 years—was devoted to the practice of democratic politics, including service in both houses of Brazil's legislature and as prime minister as well. Even Mr. Neves' last battle—the one he lost for his own survival—helped ensure the survival of Brazilian democracy.

During this time, the very crisis that might have challenged a fragile new democratic era, helped ensure its continuity. As Federal Deputy Del Bosco Amaral, a member of Neves' Brazilian Democratic Movement Party put it, "In a strange way, one of Tancredo's greatest achievements only took place after he died. His death left Brazil with only one path: democracy."

As Neves' body lay in state, it was visited by a Dominican friar jailed by the military government, a former leftist guerrilla who is now an opposition legislator, by Gen. Ernesto Geisel, who headed the junta for 5 years, and by a rightwing legislator who once helped lead the counterinsurgency campaign.

Vice-President-elect Jose Sarney is now sworn in as the new President, promising to continue Neves' policies. While the current mood of national reconciliation gives him the best possible start, he faces serious problems. There are major difficulties with debt, recession, and development. Brazil's $100 billion debt must be restructured. Inflation has surpassed 250 percent annually. Yet, while fighting inflation, the government cannot neglect high unemployment and desperate poverty.

Ironically, it has been the most developed countries of Latin America—Argentina, Brazil, and Mexico—that have been struck hardest by the problem of debt. They, and poorer countries as well, are caught in the cruel paradox: austerity is required to pay their debts and stop inflation. Yet, development and assistance to those most in need require government aid and action. Those who ignore the former problem may face a coup; those who ignore the latter danger may face a revolution.

To congratulate the Brazilian people for their efforts, to encourage President Jose Sarney in his difficult task, and to express our hope of further strengthening the historic ties between Brazil and America, I have presented this resolution with its cosponsors.

I appreciate the support of the chairman of the Foreign Relations Committee, Mr. LUGAR; the ranking minority member of the Foreign Relations Committee, Mr. PELL; the chairman of the Republican conference, Mr. CHAFEE; and the ranking member of the Western Hemisphere Subcommittee, Mr. ZORINSKY, and their assistance in drafting this measure.

To conclude, it has been said that there are two parties in Latin America—the military and the civilians. But the people, Mr. President, always vote for the civilians.

I hope the Senate will accept this resolution as a statement of Senate attitude and intent with regard to the future prospects of democracy in Brazil.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Colorado for a very thoughtful and important gesture.

It is a tragic circumstance that brings this resolution to the Chamber, namely, the death of the President-elect of Brazil, a man who many of us had an opportunity to visit with during his last stay in our country.

The distinguished ranking minority member of the Foreign Relations Committee, Senator PELL, and I were privileged to have an interview with President-elect Neves, and the charismatic personality which he brought to the leadership and common sense to Brazil's politics will be sorely missed.

We clearly wish the very best for the incoming President and for all of those in Brazil who are fostering strong democratic institutions, and we have ahead of us, it seems to me, great opportunities in the friendship between our countries.

With all of these thoughts, I appreciate the opportunity to commend the Senator from Colorado and to strongly endorse this resolution.

Mr. PELL. Mr. President, I think that this is an excellent resolution, and I hope very much indeed it will pass, and our chairman and I agree entirely on this matter.

Mr. HART. Mr. President, I thank the distinguished chairman and ranking minority member of the Foreign Relations Committee for their statements and their support.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 48) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 48

Whereas, after twenty years of military rule, Brazil returned to democracy with the election of Tancredo Neves;

Whereas tens of millions of Brazilians peacefully and freely voted for candidates of their choice for their nation's highest offices;

Whereas it should be the policy of the United States to support democratic institutions in Latin America and elsewhere and the right to peaceful opposition and basic human rights;

Whereas President-elect Neves courageously devoted his last measure of strength to uniting his country while suffering from a fatal illness;

Whereas the death of President Neves has saddened all Brazilians and well-wishers for Brazil's return to democracy;

Whereas Brazil strengthened its commitment to democratic structures by rapidly and peacefully dealing with the necessary transition of power;

Whereas Vice President Jose Sarney has succeeded President-elect Neves in office and pledges to continue his democratic policies; and

Whereas the Brazilian nation has united to support a calm and expeditious transition: Now, therefore, be it.

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States—

(1) extends its deepest and most sincere condolences to the people of Brazil and to the family of President Neves;

(2) sends its best wishes to President Jose Sarney for the success of his term in office;

(3) forwards its congratulations to the people of Brazil for their country's return to democracy and its handling of the presidential succession after the tragic death of President Neves; and

(4) expresses its hope that the long historical bonds and cooperation between Brazil and the United States be further developed and strengthened in the coming years.

Sec. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the Secretary of State for transmittal to President Jose Sarney of Brazil.

PUBLIC BUILDING ACT AMENDMENTS

Mr. STAFFORD. Mr. President, I call up Calendar No. 109, S. 709, Public Buildings Act amendments.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 709) to amend the Public Buildings Act of 1959, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Environment and Public Works, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

S. 709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That *(a)* the Public Buildings Act of 1959 (Public Law 86-249) is hereby amended by adding at the end thereof the following:

"SEC. 19. There is established in the General Services Administration the Public Buildings Service. The Public Buildings Service shall be administered by the Commissioner of Public Buildings, who shall be appointed by the President, by and with the advice and consent of the Senate.".

(b)(1) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Commissioner of Public Buildings, General Services Administration.".

(2) Section 5316 of such title is amended by striking out the item relating to the Commissioner, Public Buildings Service, General Services Administration.

SEC. 2. Section 3(b) of Public Law 98-1 is amended by striking out "within two years of enactment of this Act".

SEC. 3. The Act entitled "An Act to designate the United States Post Office and courthouse in Pendleton, Oregon, as the John F. Kilkenny United States Post Office and Courthouse" (Public Law 98-492; 98 Stat. 2271) is amended by striking out "Dorian" and inserting in lieu thereof "Dorion".

Mr. STAFFORD. Mr. President, I move the adoption of the committee amendments to the bill.

The PRESIDING OFFICER. Does the Senator move them en bloc?

Mr. STAFFORD. Yes, I do.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments en bloc.

The committee amendments were agreed to en bloc.

AMENDMENT NO. 99

(Purpose: To specify the effective date of the first section)

Mr. STAFFORD. Mr. President, I have delivered a technical amendment to the reading clerk and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont [Mr. STAFFORD] proposes an amendment numbered 99.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, between lines 12 and 13, insert the following:

(c) The amendments made by subsections (a) and (b) shall take effect on the day on which the individual holding the office of Commissioner of the Public Buildings Service of the General Services Administration on the date of enactment of this Act ceases to hold such office.

Mr. STAFFORD. Mr. President, the amendment specifies the effective date for section 1 of the bill, S. 709. Section 1 specifies that the Commissioner of the Public Buildings Service shall be appointed by the President, with the advice and consent of the Senate. The amendment will specify that this provision will take effect on the date the

individual holding the office at the time of enactment ceases to hold such office. In other words, the bill will not apply to the incumbent.

Any costs incurred in fiscal year 1985 as a result of this bill are intended to be funded from existing appropriations. This bill is not intended to require the appropriation of additional funds in the fiscal year.

Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 99) was agreed to.

Mr. STAFFORD. Mr. President, I know of no other speakers with respect to this legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass?

So the bill (S. 709), as amended, was passed, as follows:

S. 709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Public Buildings Act of 1959 (Public Law 86-249) is hereby amended by adding at the end thereof the following:

"SEC. 19. There is established in the General Services Administration the Public Buildings Service. The Public Buildings Service shall be administered by the Commissioner of Public Buildings, who shall be appointed by the President, by and with the advice and consent of the Senate.".

(b)(1) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Commissioner of Public Buildings, General Services Administration.".

(2) Section 5316 of such title is amended by striking out the item relating to the Commissioner, Public Buildings Service, General Services Administration.

(c) The amendments made by subsections (a) and (b) shall take effect on the day on which the individual holding the office of Commissioner of the Public Buildings Service of the General Services Administration on the date of enactment of this Act ceases to hold such office.

SEC. 2. Section 3(b) of Public Law 98-1 is amended by striking out "within two years of enactment of this Act".

SEC. 3. The Act entitled "An Act to designate the United States Post Office and courthouse in Pendleton, Oregon, as the John F. Kilkenny United States Post Office and Courthouse" (Public Law 98-492; 98 Stat. 2271) is amended by striking out "Dorian" and inserting in lieu thereof "Dorion".

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LUGAR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Mr. President, I thank the Chair and I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Chair announces that morning business is closed.

FOREIGN AID AUTHORIZATION FISCAL YEAR 1986

Mr. LUGAR. Mr. President, I ask unanimous consent that the Senate turn to Calendar Order No. 84, S. 960, the foreign aid authorization bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other Acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. LUGAR. Mr. President, we are considering today the International Security and Development Cooperation Act of 1985 at a time when we are taking serious steps to hold down Government spending. The Senate has just completed action on the Senate budget resolution in which we took substantial steps toward reducing the Federal budget deficit for fiscal year 1986 and beyond.

Mr. President, we are bringing this bill to the floor in that same spirit. This bill is fully within—indeed, it is well below—the level proposed for foreign assistance expenditures within the 150 account.

At the same time that we work to restrain Federal spending, we must be mindful of the fact that the security of the United States is tied to the security and well-being of our friends and allies throughout the world. This bill provides funds to assist other nations to improve their economies and to strengthen their security against opponents of freedom. If we are successful in furthering these foreign policy goals, we will enhance the economic and security needs of the United States.

Enactment of this bill is, therefore, very much in the national security interest of the United States of America. It provides security assistance for our allies to strengthen their defenses and to provide for local self-defense in areas of great strategic importance to the United States. It provides assistance for nations to address destabilizing economic problems and to allow them to get on with the task of internal economic growth. And it provides for assistance to less well-off nations to care for victims of natural and man-made disasters while planning for longer term remedies to problems.

Many Senators have been asked from time to time why it is important and necessary to provide assistance to other nations when there are so many pressing problems at home. Perhaps this question will be asked less and less for it is clear to many Americans that we simply cannot prosper as a nation if we turn in on ourselves. We cannot grow economically, we cannot remain secure as a nation with many international interests, and we cannot live up to our ideals and values as a free society if we turn our backs on problems outside our own boundaries.

If we ignore threats to friendly nations, for example, we will surely pay a steep price for doing so. The problems of today which are manageable will become deep and costly crises if they are ignored.

The amounts recommended for new authorization for fiscal year 1986 are essentially frozen at the 1985 level. Funding increases are confined to the Camp David countries, Israel and Egypt. We are recommending an authorization of $12.824 billion, which is some $416 million less than the administration's request. This recommendation amounts to between 1 and 2 percent of the total Senate budget resolution bottom line, a small amount for furthering such important foreign policy objectives of the United States. The bill includes proposals for international and security assistance, and the Peace Corps.

As I just mentioned, this bill contains funding increases for Israel and Egypt. All other military assistance has been held to the fiscal year 1985 levels or the President's request, whichever was lower. Both Israel and Egypt face severe economic problems, especially their international debt.

This bill will also help the United States to retain critical overseas military bases in NATO and the Far East, to retain important military access arrangements abroad and to assist countries on the frontlines of Soviet or Soviet-supported aggression. More than 80 percent of the security assistance proposed in this bill would go to the base rights countries, those providing U.S. military access or bordering on Soviet-supported clients and to Israel and Egypt. In most recipient nations, the economic and security assistance programs we are recommending are mutually reinforcing—the military assistance helps provide the basis for improved security that will help countries utilize their funds to spur economic development and growth. And, improved economic performance will help alleviate the causes of social and political turmoil and insecurity.

Mr. President, there is broad bipartisan support for this bill on the committee and we feel confident that it represents an appropriate mix of economic and military assistance that is tailored to both country needs and the national interests of the United States. We feel confident the bill also meets the need for fiscal restraint.

This bill will strengthen the President's ability to address the numerous and diverse security concerns around the world, the peace process in the Middle East, the struggle against oppression and the foes of democracy, the misfortunes of poverty and famine, and against instabilities that may be inspired by our adversaries. This bill is the most important vehicle of the United States for shaping the conduct of our foreign policy and for influencing events abroad, but we should not ignore the fact that this authorization includes funds that also have direct economic benefits to the U.S. economy. Virtually all the military assistance and economic assistance authorized in this bill would be spent in the United States, and a large portion of the military assistance funds will bring in revenues to the Treasury in the form of repayments on interest bearing loans. These programs are not giveaways. They derive important foreign policy and defense benefits for the United States. The foreign policy benefits far exceed the comparatively small resources we are proposing.

Let me reiterate, this bill is below the level provided for in the budget resolution.

It is the intention of the managers to proceed quickly and systematically through amendments. When no more amendments are presented, our intention will be to move to third reading.

Finally, Mr. President, I would like to reemphasize that the committee reached broad bipartisan agreement on this bill. We reached agreement without acrimony and discord and I want to take this occasion to thank the committee members on both sides of the aisle for their cooperation, time and energy in making this possible. I especially want to commend and thank my colleague, Senator Claiborne Pell, the ranking minority member, whose counsel and wisdom helped bring about the wide support the bill has enjoyed in committee.

Mr. President, I yield now to my colleague, Senator Pell, for his opening statement.

Mr. PELL. Mr. President, I thank the chairman for his kind words. I was very glad indeed to work with him to try to bring up this bill. I am very pleased that the bill has strong bipartisan support and merits that support since the thoughts and concerns of all us had a chance to be considered and worked out and to be reflected in the body and text of the bill.

Mr. President, I am pleased to join with the distinguished chairman of the Foreign Relations Committee in urging the Senate to adopt S. 960, the International Security and Development Cooperation Act of 1985. Swift passage of this legislation, which was reported favorably by the committee in a 16-to-1 vote, will reaffirm the normal legislative process for these programs which have been without a regular authorization since fiscal year 1983 and that is calendar year 1981. It has been over 3 years since the Senate had considered the authorization legislation on this floor. This absence of authorization legislation has been due largely to a desire to limit or avoid lengthy and contentious debate on foreign policy matters and to a fear that foreign aid is a perennial political orphan lacking broad popular support at home.

I hope at this time that the contentious debate will not occur and that the amendments that come foward will be as germane and pertinent to the bill as is possible. The fewer amendments, the better.

As the ranking member of the Committee on Foreign Relations these past 4 years, I have fought for this legislation because I believe in regular legislative process—that is, an appropriation bill ought to be preceded by an authorization which sets policy—and, perhaps more importantly, because I believe that the Senate ought to have its chance to debate the major foreign policy issues confronting our Nation. In the past, the foreign aid bill has been the setpiece for annual foreign policy deliberations, and I believe that it has been invaluable in that regard. By debating our aims, policies, and programs, the Congress can forge the kind of bipartisan consensus that is essential to a successful foreign policy.

Unfortunately, since 1982, the Congress has folded the entire Foreign Assistance Program into the omnibus continuing resolution. Given the fact that so many other programs were also included in that catch-all funding bill—such as defense, or housing, or transportation—the debate on the merits of programs contained in the foreign assistance legislation was necessarily limited.

Mr. President, I am therefore most pleased to join with Senator Lugar in recommending passage of this legislation, and I hope that our consideration of this bill augurs well for a return to normal legislative process in this body.

As the first item of business this afternoon, I intend to join with Senator Lugar in moving adoption of a fiscal 1985 supplemental assistance package for Israel and Egypt as requested by the President. The Middle East Supplemental Assistance Act of 1985 is intended to provide badly needed funds for the ailing economies of Israel and Egypt, each of which has recently undertaken serious reform measures to improve its economic health. In approving this supplemental legislation, the Senate will reaffirm its strong support for the Camp David peace process, and will provide further evidence of our firm commitment to the governments of Prime Minister Shimon Peres and President Hosni Mabarak.

Mr. President, I want to conclude my opening remarks this afternoon by noting the care with which the Committee on Foreign Relations reviewed the President's fiscal 1986 request. As its first measure, the committee adopted the mark proposed by Senators Lugar and Dodd which reduced the President's overall request by a net $416 million. We accomplished this significant reduction through a formula of adopting the President's request or the current level of funding—whichever was less. With a few exceptions, such as increased military assistance for Israel and Egypt, or some restorations in smaller humanitarian aid accounts, the committee adhered to this formula in order to get as close as possible to a freeze in foreign aid for fiscal year 1986.

Of the $12.825 billion provided in this authorization legislation, $5.115 billion, or 40 percent is for the Camp David countries, Israel and Egypt; $2.64 billion, or 21 percent, is for countries according U.S. base rights as Turkey and Portugal. Another $1.25 billion, or almost 10 percent, is for Central America where the President has launched an ambitious multiyear program fashioned by the Kissinger Commission last year. The remaining $3.82 billion is to finance all of our international narcotics control programs, all of our bilateral development assistance efforts, all of our voluntary contributions to international organizations such as UNICEF and the OAS, all of remaining security assistance relationships such as those with Thailand, Pakistan, and the Caribbean, and all of our peacekeeping operations.

Mr. President, the Foreign Relations Committee held the line on foreign assistance programs because it was clearly imperative to help curb the onerous Federal deficit.

Mr. President, our foreign and security assistance programs give critical economic and military strength to friends and allies who need our support. This assistance program is a prudent and carefully wrought investment in America's future. America may stand tall, but it cannot stand alone.

Mr. LUGAR. Mr. President, let me say at the outset that Senator Pell and I hope that we might move rapidly this afternoon through amendments on which there appears to be little controversy. We understand that there may be other amendments that will come after the hour of 5 o'clock that might be controversial and will perhaps require rollcall votes. But there will be no rollcall votes until after the hour of 5.

The majority leader has given us the opportunity to work into the early evening this evening so that we might make a lot of progress. Then, tomorrow, we hope to work until we complete action on the bill. We hope the momentum we generate today will carry us on to completion at what could be a fairly early hour, but may well be a late hour depending upon how many amendments are offered and how much controversy is generated.

But I would indicate before I offer the first amendment, which I shall do in a moment, that Senators who are listening to the debate might wish to come to the floor and get rapid consideration of their amendments this afternoon. We might make progress in that way.

Mr. SARBANES. Mr. President, will the Senator yield? Is the Senator preparing to offer an amendment?

Mr. LUGAR. Yes, I am preparing to offer the Middle East supplemental amendment at this stage.

Mr. SARBANES. I wonder if I could have just a few moments to comment on the bill generally before the Senator proceeds.

Mr. LUGAR. I am happy to yield to the Senator from Maryland.

Mr. SARBANES. Mr. President, for the first time in a number of years, the Senate has before it—with, I think, the prospect of passage—a comprehensive foreign aid bill.

The Committee on Foreign Relations has worked constructively and cooperatively to bring this about. There is a very strong desire within the committee to reestablish the regular authorization-appropriations sequence for foreign assistance; in other words, to return to the committee and to the full Senate membership the responsibility of making the basic decisions with respect to our foreign assistance program, rather than falling back on the device of a continuing resolution as the Congress moves toward adjournment in the closing days of a session.

I want to commend the chairman, the Senator from Indiana, and the ranking minority member, the Senator from Rhode Island, for their leadership in the effort to place us back on the traditional, appropriate and proper Senate authorization-appropriation track in this important policy area, from which we have unfortunately strayed in recent years. The recent practice has been of concern virtually every Member of this body who recognizes that it is really not the proper way to do business.

So from that point of view, this is an important measure that is now pending before the Senate. I hope Members will recognize it as such.

Second, this bill was dealt with in the context of a very tight Federal budget situation. The debate we concluded only last week throws into sharper perspective the importance of a prudent and responsible approach to the foreign assistance program. And the committee was mindful of that in its consideration of this measure. In fact, the committee significantly reduced the administration's request in order to make certain that the legislation brought to the floor would conform with the recommendation of the Senate Budget Committee, and that the 150 account would be kept at the levels of the 1985 fiscal continuing resolution. That was accomplished, as my colleague from Rhode Island has pointed out, by adopting essentially an approach of either freezing at the 1985 levels or taking the lower figure requested by the administration—when indeed the figure was lower—for various programs. As a consequence, a net reduction of over $400 million was achieved in the administration request, and at the same time the committee was able to restore some moneys in certain areas that had been cut very, very deeply by the administration proposal, particularly areas involving development assistance and humanitarian aid in which the Congress has traditionally been most supportive.

Another issue encompassed in this legislation—and it is not a new one—is one that has characterized the debate over foreign aid virtually since the inception of the program in the years following the Second World War. That is, of course, the widely differing views on the role foreign assistance can or should play in serving the national interest, on the proper role for foreign assistance in the conduct of foreign policy, on the question of the balance between security and development assistance and the role of economic assistance, which strictly speaking is neither security nor development assistance but is related to and affects both.

I do not intend to review the specific programs, but I do want to underscore the fact that the members of the committee tried to deal with the situation confronting us with great sensitivity to the budget pressures, while still recognizing some of our obligations and responsibilities.

I am frank to say that I think there has been a tendency in recent years in effect to militarize the foreign aid budget, with a pronounced shift of resources away from development programs and into military and security programs. If one compares the increases proposed by the administration—and in fact the increases that have taken place over the last few years—there have been very sharp rises in the military assistance program, particularly in the grant portion of that program which has increased fivefold in the last 3 fiscal years. Members will have to examine that aspect of the legislation before them very carefully. But it was an issue before the committee, and one to which members of the committee addressed themselves, in an effort to try to balance out these considerations. Obviously, the broad range of our foreign policy interests embraces a host of factors; the pressures with which we are confronted vary sharply in different regions of the world. We are also dealing with an historical record, and the committee has tried to take that into consideration as well; Members of the Senate will do the same. There is however no question that in the last few years there has been a falloff of in the commitment to development assistance and a sharp increase in the military component of the foreign assistance bill, and I would urge Members simply to keep that trend in mind as they consider the various aspects of the legislation that is now before us.

We will be considering shortly a supplemental proposal with respect to aid to Israel and Egypt, as I understand it. I want to point out that this aid is extremely important in terms of achieving the U.S. national interest. It has a dimension to it significantly different from the normal military or economic aid program. That dimension is, one, the longstanding nature of the United States-Israeli partnership, and, second, the critical importance of the Camp David accords and the Israeli-Egyptian peace treaty.

In moving in 1979 to end the state of war that had existed since 1948, and in moving since to maintain the peace in the face of arduous pressures, Israel and Egypt have created the only practicable basis for reaching a broader solution, a peaceful solution, in the Middle East, a solution which will clearly serve our national interest. Therefore, I think this aspect of the proposal from the committee needs to be viewed in that special perspective.

Mr. President, in closing, let me simply say that this legislation was constructed by the committee after careful consideration. It was brought to the floor of the Senate on a 16-to-1 vote within the committee. While I do not agree with all of the priorities set out in the legislation, I do believe that it is a responsible and constructive piece of work. It responds to the enormous problems which confront us around the world, and it marshals our economic, diplomatic, and security resources in the most effective manner for dealing with those problems. I am pleased to join with the distinguished chairman and the ranking minority member in bringing this legislation to the Senate for its consideration, and in particular I welcome the prospect that for the first time in a number of years we will have authorizing legislation for the Foreign Aid Program, something we have not had now for a number of years. I am very frank to say I think that the absence of a foreign aid authorization constitutes a major defect in addressing responsibly this important issue, and is inconsistent with the procedures the Senate has established for dealing with matters of this import.

Mr. President, I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I commend the chairman, ranking member, and all of the members of the Foreign Relations Committee for bringing this bill to the floor. As has been pointed out, this is the first time in recent years that we have brought a foreign relations authorization bill to the Senate floor with an authorization-appropriation approach. I believe very strongly in the committee system in the Senate of the United States. The major work, and the best thinking, and legislating is done in committees.

Mr. President, it is very important that this foreign relations authorization bill passes the Senate.

I hope that the House follows the same procedure. Mr. President, I think it has been a struggle to get a simpler bill to the House floor. As chairman of the European Subcommittee of the Foreign Relations Committee, I have a particular interest in European nations that receive U.S. aid, and our relationship with NATO.

I shall be making an indepth statement about the ratio between Greece and Turkey, which was discussed in the subcommittee, and some facts surrounding concessional loans in that part of the world.

I shall also submit for the Record a summary of the type of aid we are giving to the five nations in Europe which receive U.S. aid.

Let me also say, Mr. President, that although the Food for Peace Program is not entirely covered by this legislation, we must remember that our Food for Peace projects have developed some of our best customers in terms of agricultural export sales. There have been successes in the developmental area also. However, there have also been what I consider to be failures in many of our efforts in Africa and other locations. The failures have been caused by totalitarian governments, civil wars, and factors other than our efforts.

Due to the current budget deficits, many feel that this is a difficult bill to vote on. Why should the United States be giving foreign aid? It is easy to target. Indeed, in a survey in my State, it was the one area where people most wanted cuts in the budget. It is a bill is hard for many Members of the Senate to vote for because it is difficult back home to justify voting for concessional aid to certain countries while our farmers, small businessmen, and others are paying 13 and 14 percent interest on loans.

Indeed, we will be working on modifying some of those items in the next day or two.

I also look upon this bill as being in the strategic interest of the United States, both economically and militarily.

From the economic point of view, we have an interest in having prosperous allies for trading purposes as well as for our national security.

In terms of national security, we use much of this money for strategic purposes. Indeed, four of our European allies have U.S. bases on their soil. Those bases have been assigned by Republican and Democratic Presidents. It has been pointed out that significant economic benefits accrue to countries hosting a U.S. base.

Perhaps with the strategic defense initiative, these bases will not be as important in the future, but they certainly are important at present.

So with those points, I am pleased that the Senate has begun debate on this important bill. I offered most of my amendments in the committee. I will be presenting a statement regarding the European aid and regarding the Greek-Turkish package as has been agreed upon by the committee.

I will be inserting those later today or tomorrow.

Mr. President, I yield back the remainder of my time.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Maryland for his generous comments about the work of Senator Pell, myself, and our colleagues on the committee.

Likewise, I am equally grateful to my distinguished colleague from South Dakota [Senator Pressler] for his constructive work throughout our deliberations and for his comments about our progress to date.

AMENDMENT NO. 101

(Purpose: To provide supplemental economic support fund assistance for Israel, Egypt, and the Middle East Regional Program)

Mr. LUGAR. Mr. President, on behalf of Senator Pell, Senator Mathias, Senator Helms, Senator Boschwitz, Senator Pressler, Senator Murkowski, Senator Trible, Senator Evans, Senator Sarbanes, Senator Biden, Senator Cranston, Senator Dodd, Senator Kerry, Senator Eagleton, Senator Lautenberg, Senator Sasser, and myself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. Lugar], for himself, Mr. Pell, Mr. Mathias, Mr. Helms, Mr. Boschwitz, Mr. Pressler, Mr. Murkowski, Mr. Trible, Mr. Evans, Mr. Sarbanes, Mr. Biden, Mr. Cranston, Mr. Dodd, Mr. Kerry, Mr. Eagleton, Mr. Sasser, and Mr. Lautenberg, proposes an amendment numbered 101.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the bottom of page 28, add the following:

SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS

Sec. 202. (a) In addition to amounts otherwise authorized to be appropriated for the fiscal year 1985 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $2,008,000,000, of which $1,500,000,000 shall be available only for Israel, $500,000,000 shall be available only for Egypt, and $8,000,000 shall be available only for the Middle East Regional Program.

(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1986.

Mr. LUGAR. Mr. President, I have offered the Middle East supplemental amendment which deals with supplemental assistance for Israel, Egypt, and the West Bank and Gaza.

The amendment authorizes $1.5 billion in economic support funds [ESF] in assistance for Israel to be used in furtherance of the economic reform program of the Government of Israel. The funds would be disbursed at the discretion of the President, at such times as he finds helpful to the stability and growth of the Israeli economy. This decision is in recognition of Israel's progress on economic reform, and the Prime Minister's intention to further the economic program. These actions are a positive first step in a continuing process.

Over the past year, Egypt has begun making a serious effort to reduce consumer subsidies and to stimulate greater economic productivity. The politically sensitive bread subsidy was reduced and utility tariffs have been increased. The price of gasoline was recently raised. More needs to be done, especially now that foreign exchange income is being squeezed by falling crude oil prices. Consequently, this amendment also provides $500 million in supplemental ESF assistance for Egypt to support an expanding peace process and to further Egyptian economic reform efforts. It is intended that disbursement of this supplemental assistance be at the President's discretion so as to maximize its contribution to the achievement of these objectives.

The $8 million in supplemental ESF assistance to the Middle East Regional Program is to be used for development programs and for addressing chronic unemployment for the 1.2 million residents of the West Bank and Gaza.

Mr. President, this is an important policy initiative. It is one that we have chosen to encompass in this legislation so that the authorizing procedure might be clear. We appreciate that at some point in the near future the Appropriations Committee of the Senate will be discussing this issue and indeed may bring a supplemental appropriations bill before the Senate.

In the spirit of the proper authorizing procedure, we feel that it is important there be a clear track of consideration through our committee and through the authorizing procedure of this body.

We appreciate that the timing of this supplemental has been a sensitive issue of importance to U.S. foreign policy. The Secretary of State asked in the Foreign Relations Committee at the time of our markup to give him additional weeks to work with Prime Minister Peres and other responsible officials in Israel, and to work with Prime Minister Mubarak and his associates in Egypt. We have acceded to that request in a responsible way.

We now have indications from the Department of State that these are the levels to be requested and these are the programs they would like to have.

So in that spirit, Senator Pell and I, and our associates on the Foreign Relations Committee whom I have named as cosponsors of the amendment bring this amendment to the Senate and ask if possible for unanimous support.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I am pleased to join with Senator Lugar in offering the Middle East Supplemental Assistance Act as an amendment to this legislation.

This legislation, which has been requested by the President, provides Israel and Egypt with badly needed economic assistance with which they can continue to implement important budget reforms, and rejuvenate their flagging economies generally.

Mr. President, we are all firmly committed to this economic assistance effort because I believe that the U.S. Government must act expeditiously to provide support for the coalition government of Prime Minister Shimon Peres in Israel, and his Camp David partner President Hosni Mubarak of Egypt.

The current economic difficulties besetting these two countries could jeopardize the carefully wrought peace agreement that was fashioned at Camp David. The United States has a direct stake in the preservation, indeed the expansion, of that peace process and we cannot afford to permit temporary economic difficulties to derail this important peace train.

This supplemental therefore represents an earnest, on our part, committing the United States to help reinvigorate these two economies, and, even more importantly, committing the United States to further the peace process we helped begin 7 years ago.

Mr. EAGLETON. Mr. President, I am pleased to join as a cosponsor of the pending amendment to authorize supplemental aid to Israel and Egypt, and the residents of the West Bank and Gaza Strip.

The Camp David accords which entailed a sizable commitment of U.S. aid to both Israel and Egypt remain the cornerstone of our foreign policy in the Middle East. Our country's longstanding and important security relationships with Israel and Egypt have, for over a decade, created unique circumstances surrounding American assistance. Both countries now receive all grant foreign military sales credits to help with the growing accumulation of FMS related debts which heavily burden both economies. Israel will, for the second year, receive its economic support funds on an expedited basis. Israel continues to be permitted to use U.S. funds toward the purchase of equipment in Israel rather than the United States and to finance military research and development projects in Israel with those funds.

The amendment before this body new embarks on a new phase of aid to Israel and Egypt, an emergency package designed to help cope with economic problems of our two financially strapped Middle Eastern allies. As we embark on this new phase of aid, it is imperative that we do so with the full understanding that U.S. aid can help mitigate their economic woes, but it cannot by itself pull either country out of its long-term economic dilemma.

Israel's economic crisis by far overshadows problems in Egypt. A November 1984 Senate Foreign Relations Committee report entitled "the Economic Crisis in Israel," is peppered with dire predictions. It states that "the economic crisis gripping Israel today * * * could pose as serious a threat to the security of Israel as any hostile neighbor in the region." It summarizes the problems as follows:

> Foreign exchange reserves have *declined precipitously* in recent months and have dropped below Israel's "red line" of funds sufficient to cover 3 months of imports. *Inflation* now *roars forward* at a *450 percent* annual rate, government budget deficits exceed earlier projections by *40 percent*, Israel's foreign debt is the highest per capita in the world, economic growth has slowed to a virtual standstill, exports have declined for 2 years—the first such declines in Israel's history—and unemployment is rising to very high rates by historic Israeli standards." (Emphasis added.)

A further recent report by the Congressional Research Service of the Library of Congress sums up Israel's economic problems as follows:

> Growing debt servicing costs, mounting government social services expenditures, perennial high defense spending levels, and a stagnant domestic economy combined with worldwide inflation and declining foreign markets for Israeli goods pushed the Israeli economy into a near crisis situation.

In testimony before the Senate Foreign Relations Committee on March 15, Secretary of State Shultz declined to make a recommendation for supplemental aid to Israel, stating that the Israeli Government would and should institute tough economic reforms prior to any additional infusion of U.S. aid.

The new National Unity government in Israel, elected last year, has made a start on economic reform. Prime Minister Shimon Peres has given us cautious hope that basic structural reform in the Israeli economy is under way. On March 28, the Knesset approved cuts of about $2 billion from the 1984 Government budget of more than $24 billion. The Knesset also adopted a budget for fiscal year 1985–86 that would reduce expenditures and the deficit below the actual level of 1984–85. An act designed to prevent budget overruns unless they had the approval of the government was also adopted. A second wage-price agreement between labor unions and manufacturers has been reached. Reductions of between 18 and 55 percent in subsidies for food, energy, and other items have been achieved. A 6-month ban on the import of certain luxury goods has been implemented. Foreign exchange control regulations have been tightened. Higher taxes for Israeli travelers have been imposed. The shekel was devalued by 8 percent and further devaluations are continuing.

These steps are, as I said earlier, encouraging, but much remains to be done.

In April of this year Secretary of State Shultz and Prime Minister Peres exchanged letters regarding the nature of the economic ills of Israel and what needs to be done about it. I applaud Secretary Schultz's initiative on the Israeli economy. Without his pushing and prodding, I doubt if Israel would have, on its own, taken some of the reforms it now pledges to initiate.

Israel now pledges to do the following.

First, the Government will adopt an inflation target as a commitment for fiscal year 1985–86 with an agreement of the social partners.

Second, the budget targets will be specified in real shekel terms for each quarter—dollar totals for each quarter plus monthly targets, will be provided as supplementary information.

Third, the budget law will be passed.

Fourth, the Bank of Israel law will be passed.

Fifth, the Bank of Israel will accept the Government's inflation target as its policy goal.

Sixth, the Bank of Israel will conduct monetary policy in accord with the inflation target using M-7 as its target, and M-2 as its operating target for policy.

Seventh, the effective real exchange rate will not be appreciated.

Eighth, the Government will express its intention to make Government debt tradable.

Ninth, the Government will express its intention to reduce the control and subsidation of credit.

Tenth, the Government's intention to reform the TAM system will be understood.

More may be needed. But, at least, a beginning has been made.

Finally, Mr. President, a word about the role the tragedy in Lebanon played in Israel's economic demise. Even with Israel's deep-seeded, deep-rooted economic ills, we still wouldn't be here at this moment seeking special supplemental aid but for the fiasco in Lebanon. This near economic collapse in Israel is in part another legacy of the Begin-Sharon blunder. Beyond the bodies, beyond the maiming, beyond the wounding, lies this economic devastation which the Prime Minister Begin and General Sharon inflicted on Israel when they marched to Beirut.

Israel, at this very moment, hastily withdraws its forces from Lebanon. All know a huge and catastrophic mistake has been made.

However, Mr. President, we can't rewrite the past. What's done—however poorly, however tragically—is done. Israel needs help. It needs it badly. It needs it now. It pledges to reform its economic ways.

I urge the adoption of the amendment.

Mr. LAUTENBERG. Mr. President, I rise today in support of the Lugar-Pell amendment to include $2.8 billion in additional economic assistance for Israel, Egypt, and the West Bank/Gaza Strip.

I strongly support the approval of $1.5 billion in emergency economic assistance for Israel. This aid would permit the Israeli economy to survive its current economic difficulties and give Israel the time it needs to implement its austerity program.

Prime Minister Peres has demonstrated real courage in doing what had to be done to restore growth and stability to Israel's economy. In a letter to Secretary of State Shultz, the Israeli Prime Minister provided detailed plans of the economic reforms he will implement in the coming months. First, the Israeli Government and the Bank of Israel will adopt quarterly inflation targets, and the Minister of Finance will set quarterly targets for expenditures, revenues, and deficits in accordance with such targets. Second, the Bank of Israel will gradually restrict the amount of loans granted to the government with a 3-year objective of ending such loans completely. It will set monetary targets consistent with inflation targets. Third, the Government will increase the competitiveness of Israel goods on the world market, and will strive to make Israel's debt tradeable by selling bonds similar to our own Treasury notes.

This program of stringent economic measures is a constructive step toward resolving Israel's economic difficulties. Coming on top of a 17-percent cut in Israeli Government expenditures, including $1 billion cut in subsidies on food and other staples, and a reduction in the defense budget, no one can doubt Israel's resolve to make the reforms necessary to put its economic house in order.

The Israeli people have also proven their willingness to sacrifice for the overall good of their country. A freeze has been put into effect on all public sector employment, and 15,000 public employees will lose their jobs because of budget cuts. Israelis have endured a nearly 20-percent cut in worker compensation, and the purchasing power of the Israeli citizen has been cut by 40 percent in the last 6 months. In light of Israel's willingness to undertake painful austerity measures, the supplemental economic assistance will ensure that Israel's economy can continue to function while the austerity program takes effect.

The United States has supported Israel in its drive to maintain its military strength. The need is no less urgent in the economic sphere. I urge my colleagues to approve this amendment, and give Israel the help it so desperately needs.

The PRESIDING OFFICER. If there is no further Senator seeking recognition, the question is on agreeing to the amendment.

The amendment (No. 101) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 102

(Purpose: To make not less than $15,000,000 in each fiscal year available only for certain assistance to the Afghan people)

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. Humphrey] proposes an amendment numbered 102.

On page 62, strike out lines 11 through 18 and insert in lieu thereof the following:

Sec. 910. (a) Of the funds authorized to be appropriated to carry out the provisions of chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961, not less than $15,000,000 in each fiscal year shall be available only to the President for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

(b) This section shall take effect on the date of enactment of this Act.

Mr. HUMPHREY. Mr. President, this is an amendment that I have discussed with Senators on both sides. The effect of it is to earmark not less than $15 million from the economic support fund for assistance to the people of Afghanistan.

I think there are few issues, Mr. President, on which Members of this body and the House are more united than the issue of pressuring the Soviet Union to end its occupation and bludgeoning of the people of Afghanistan. The crimes the Soviets have committed in Afghanistan are unspeakable and the suffering of the people of Afghanistan has been massive.

One of the things we can do of a practical nature is provide funds to private voluntary organizations which will bring humanitarian aid in the form of medical care, medicines, food, and educational materials to the people of that stricken country.

I do not know of any opposition to the amendment, Mr. President. It is quite simple. It is very badly needed, in my view.

This does not represent a departure in terms of policy. During the last few years or so, the Department of State's reprogramming has made funds available for this purpose. We seek now to earmark funds and to specify the amount in terms as described.

Mr. President, I ask unanimous consent to add as cosponsors Senators Kasten and D'Amato.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I support the amendment offered by my good friend and colleague, the senior Senator from New Hampshire. I believe this amendment is long overdue and is just a beginning in our effort to help the valiant people of Afghanistan.

The tragedy of the Soviet war on the Afghans has been raging for over 5 years. Over a half million Afghans have perished, 3 million have been forced to flee their country, and the infrastructure of Afghanistan has been laid to ruin. Children have been deliberately maimed through use of "butterfly" bombs which look like toys, civilian populations have been killed, brutalized, and starved, and the country has been ravaged.

By providing $15 million in humanitarian aid to the Afghan peoples, we will send a strong signal not only to the heroic Afghan freedom fighters, but also to the Soviet Union as well.

The United States must demonstrate its iron will to resist the cancer of Communist despotism. In their effort to subjugate the Afghan peoples, the Soviet Army has destroyed crops, bombed medical centers, and leveled whole villages. Needless to say, Afghans are in desperate need for food, medical care, and humanitarian assistance.

We must never forget the heinous acts perpetrated by the Soviet Union and its satellites. The attempted assassination of the Pope in 1981, the downing of Korean Airlines Flight 007 in 1983, and the senseless murder of a U.S. major in East Germany are just some examples of the barbaric international behavior of the U.S.S.R. Its most savage act of current aggression, however, is the carnage it is now inflicting upon the people of Afghanistan. The acts of atrocities the Afghans have had to endure are overwhelming.

The Soviet Armies expected quick annexation of this Moslem nation. They did not count on the tenacity and fortitude of the Afghan freedom fighters. The Mujahidin, as they are called, deserve our support. They are not just a band of rebels who sporadically inflict casualties on the Soviet occupying forces. They are a spirited fighting force which has denied the Soviet Army 90 percent of Afghanistan and has withstood everything the Soviets could throw at them. To date, the freedom fighters have inflicted an estimated 20,000 Soviet casualties and the invasion has cost the U.S.S.R over $6 billion annually. We must provide the freedom fighters with adequate assistance to help them in their courageous struggle against tyranny.

Soviet global strategy clearly indicates expansion in this area in a quest for a warm water port. It is imperative that the nations in the region and the United States show their collective resolve to resist Soviet military domination. We have a moral imperative to assist the Afghan people in their monumental struggle for survival and their fight against Soviet incorporation. The United States would be remiss for not coming to their aid.

Mr. President, I commend the Senator from New Hampshire for his tireless efforts on this most important issue. I strongly urge my colleagues to join me in support of this amendment to aid the courageous people of Afghanistan.

Mr. LUGAR. Mr. President, I commend the distinguished senior Senator from the New Hampshire for this amendment. His leadership in drawing the attention of the Senate and, indeed, the country to the problems of Afghanistan and to the potential for our foreign policy is something that each one of us has reason to commend him for. His rising this afternoon to offer this amendment is timely and appropriate.

Mr. President, on our side of the aisle, we are prepared to accept the amendment. I am most hopeful that the amendment will receive the unanimous support of this body today.

Mr. PELL. Mr. President, I am glad to join with my chairman in complimenting the Senator from New Hampshire on this amendment. It is a good one and deserves support. Before acting on it, however, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I ask unanimous consent that I may be added as an additional cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the United States as well as other nations have been very generous in supporting the Afghans as have other countries who are presently working with the Afghan refugees in Pakistan. This amendment, if adopted, we hope will serve to stem the flow of refugees out of Afghanistan by providing some humanitarian assistance which might, by easing the burden they bear, encourage them to remain within the country. I think that is an important point to consider in this matter.

If the floor managers have nothing further to say, I am ready to vote on the amendment at this time.

The PRESIDING OFFICER. Is there further debate?

Mr. BYRD. Mr. President, I ask unanimous consent that I may be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 102) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 103

(Purpose: To promote immunization and oral rehydration in developing countries)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immeidate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Jersey [Mr. Bradley] offers an amendment numbered 103.

At the bottom of page 36, add the following:

PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION

Sec. . (a) Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b.(c)) is amended—

(1) by inserting "(1)" before "In order"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low cost means already exist to reduce incidence of communicable disease among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for carrying out the provisions of this part to set as a goal the protection of not less than 80 percent of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991.".

(b) Not later than 12 months after the date of enactment of this section, and at intervals of 12 months thereafter, the Administrator of the agency primarily responsible for carrying out part I of the Foreign Assistance Act of 1961 shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations a report describing the progress achieved during the preceding 12 months in carrying out section 104(c)(2) of such Act.

Mr. BRADLEY. Mr. President, the amendment I am introducing is to S. 960, the International Security Development Cooperation Act of 1985. It addresses the catastrophic problem of childhood diseases in developing countries in the most cost-effective manner known to health experts—by immunization.

Some sobering statistics have been published in a recent report by the Worldwatch Institute. More than 3 billion people in the world today will die at an earlier age than what we in the United States consider normal. Hundreds of millions live with the constant threat of hunger and a variety of debilitating diseases we in America are fortunate not to confront. Parasitic diseases affect 500 million people; malaria, alone, affects 300 million worldwide. A particularly sensitive group is the children of the Third World. Twenty-five percent of all deaths—13 million each year—occur among children under the age of 5. Of these, 95 percent are Third World children. What is more disturbing, a large percentage of those deaths are easily prevented. It is important to know that, of the 13 million childhood deaths previously cited, over 5 million are avoidable; these deaths are caused by immunizable diseases. Consider that within the hour, 600 children under the age of 5 will die; and this will continue every hour of every day until we act to stop it. The point is, we can.

But in a world of finite resources, the provision of comprehensive primary health care to everyone is an ambitious goal. Health experts agree that the most cost-effective component of comprehensive health care is vaccine development.

I applaud the efforts of the many domestic and international groups actively pursuing the control of communicable diseases among children. Rotary International is aiding in the worldwide fight against polio, while the Pan American Health Organization has pledged its efforts to erase this crippling disease from the Western Hemisphere. In addition, other international organizations such as UNICEF and the World Health Organization continue to push for the immunization of all the children of the world by 1990. Our own Agency for International Development has established immunization programs in parts of Africa and Indonesia protecting children from diseases such as polio, tetanus, measles, diphtheria, and whooping cough.

However, a troubling fact is that, while Congress has increased the funding level to AID to pursue primary health care, the Agency expects to reduce its staff thereby casting doubts on its ability to carry out much needed programs. Today, we must send a clear message to the Agency regarding priorities in international health—such is the nature of my amendment.

In summation, the temptation is great to increase the dollar amount to be used for the control of communicable children's diseases in the Third World; but in deference to budgetary restraint my amendment makes no reference to funding. Rather, I suggest incorporating new language in the International Security and Development Cooperation Act of 1985 which is consistent with, and in fact reemphasizes, the stated purpose of the Child Survival Fund. My amendment would set a goal for AID, to protect no less than 80 percent of all the children, within those countries where the Agency conducts development programs, from immunizable diseases by January 1, 1991. In addition, the Agency is ordered to report to the Congress, annually on the resources needed for and the progress toward achieving such a goal.

In the time it has taken me to deliver these remarks, 50 children have died. All it costs to immunize a child is less than $5. Congress has significantly raised the authorization level of the AID health account; let us use these resources in the simplest, most cost-effective manner available—by developing and delivering vaccines to the children of the Third World.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from New Jersey for an excellent amendment dealing with a policy statement which is important and which I am hopeful will be promptly acted upon by the administration. We accept the amendment on our side.

Mr. PELL. Mr. President, I join with our chairman in recommending to my colleagues the acceptance of this amendment. It is a good initiative, beneficial, particularly to children, in the inhibition and restriction of the spreading of disease.

The PRESIDING OFFICER (Mr. Danforth). The question is on agreeing to the amendment of the Senator from New Jersey.

So the amendment (No. 103) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BRADLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 104

Mr. LUGAR. Mr. President, on behalf of Senator Boschwitz, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Indiana [Mr. Lugar], for Mr. Boschwitz, proposes an amendment numbered 104: On page 27, line 8, strike out the comma after "efforts" and all that follows through "funds" on line 10.

Mr. LUGAR. Mr. President, the bill that was reported to the floor by the Senate Foreign Relations Committee and which we consider today authorizes the administration to provide to Egypt a cash transfer of between $165 and $200 million in fiscal year 1986. This amendment eliminates the requirement that these funds come solely from development projects. The amendment has been developed with the consent of the sponsor of the original provision and the administration. I know of no objection to it and I ask that Senator might comment on it. I hope the amendment will be accepted.

Mr. PELL. Mr. President, I am indeed very glad to join in approving this amendment. It has been approved by the original sponsor, the Senator from Nebraska.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

So the amendment (No. 104) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 105

(Purpose: To authorize extended repayment terms with respect to foreign military sales credits for Spain.)

Mr. LUGAR. Mr. President, on behalf of Senator Mathias, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Indiana [Mr. Lugar], for Mr. Mathias, proposes an amendment numbered 105: on page 3, line 16, insert "Spain," after "Portugal,".

Mr. LUGAR. Mr. President, on behalf of Senator Mathias, I am proposing an amendment to S. 960 to include Spain among the countries that would be receiving extended repayment terms on their FMS market rate loans in fiscal year 1986.

Of the four NATO allies on the southern tier, Spain is the only country that is not scheduled to receive extended repayment terms for its market rate loans in fiscal year 1986.

The extended repayment terms authorizes a recipient of FMS market rate loans to repay these loans over a 30-year period, including 10 years grace and payment on interest only and 20 years payment on principal and interest.

Congress provided extended repayment terms to Spain in the fiscal year 1985 continuing resolution with the condition "as long as Spain remains a member of NATO." To include them in the list of countries that would receive these terms in fiscal year 1986 would be consistent with this past action.

Spain is scheduled to hold a national referendum on continued NATO membership and excluding them from these extended repayment terms could send a wrong signal.

The Spanish Government has informed us that these terms would be helpful as they enter into a difficult period of adjustment as they enter the European Economic Community.

Mr. PELL. Mr. President, the amendment of the Senator from Maryland is an excellent amendment, particularly pertinent at this time prior to the referendum that our chairman has mentioned will shortly take place in Spain as to whether it will retain membership in NATO. If this amendment were not passed, I think it would be a negative factor in that referendum that in addition to its other merits, is good reason this amendment should be supported and approved by the Senate.

Mr. SARBANES. Mr. President, I think the chairman and ranking member of the committee have very effectively set the case for this amendment. I support it. It is important to underscore that in last year's bill Spain was accorded the treatment this

amendment would provide, and therefore the amendment maintains consistent treatment with respect to Spain on this important issue at a time, as has been pointed out by my colleagues, when Spain is approaching some very basic decisions with respect to their orientation in the future. It seems to me that this amendment is important in establishing the most favorable context for those decisions, and I support it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland.

So the amendment (No. 105) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I know Senators are working on additional amendments. I ask those who may be within the sound of my voice to come to the floor; this is an excellent opportunity to do business and to make progress on this bill.

For the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 97

(Purpose: To prohibit the furnishing of certain assistance to the Khmer Rouge in Kampuchea)

Mr. PROXMIRE. Mr. President, I call up my amendment No. 97 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. Proxmire] proposes an amendment numbered 97.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE IN KAMPUCHEA

Sec. 914. (a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Kampuchea or elsewhere in Indochina.

(b) All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated and shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Kampuchean people.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

Mr. PROXMIRE. Mr. President, I shall explain the amendment.

Mr. President, this amendment would bar all aid to the Khmer Rouge in Cambodia. The Khmer Rouge, as we all know, is the former ruthless, indeed, genocidal rulers of that unfortunate country.

The Khmer Rouge, led by Pol Pot, is currently one of three factions engaged in armed resistance to the Vietnamese occupation of Cambodia. In recent years, reports have suggested that the CIA has channeled assistance through China, Pol Pot's closest ally, to the Khmer Rouge. This Senator has no means to confirm these reports, but given the heinous record of the Khmer Rouge, it is imperative that the United States not support its activities in any way—no matter how great the temptation may be to counter Vietnamese aggression. Indeed, this temptation makes this amendment all the more necessary.

Recent Vietnamese successes have prompted observers to warn that the question of providing the rebels in Cambodia with arms may soon become critical. Recently, the Association of Southeast Asian Nations called for weapons for the Cambodian resistance. In view of this situation, the United States must do everything it can to insure that no aid goes to the Khmer Rouge and that nothing is done that can bring the Khmer Rouge back to power. Any other policy would be shortsighted.

For nearly 30 years, Prince Norodom Sihanouk ruled Cambodia, striving to chart a neutral course and to keep the Vietnam war from spilling into his country. In 1970, he was deposed in a military coup by an ardent anti-Communist, Marshall Lon Nol, who tacitly supported the U.S. incursion into Cambodia in that same year. Although the United States intended only to interdict the flow of arms from North to South Vietnam, its invasion increased support for the Communist opposition, let by Pol Pot and his Khmer Rouge. Shortly after the United States withdrew militarily from Southeast Asia in 1975, Pol Pot ousted Lon Nol and established one of the most vicious regimes that the world has ever known.

By conservative estimate, some 2 million Cambodians—out of a total population of only 8 million—perished during the 4 years of Pol Pot's reign; 1 million people succumbed to malnutrition, disease, exposure, and forced labor. Tens of thousands of these victims died in forced marches as the Khmer Rouge emptied the cities, including Pnomh Penh, with its 2 million residents.

Another 1 million people were systematically executed because they fell into undesirable categories. These included: Members of religious and ethnic minorities; former national civilian and military officials; lower ranking local government and military personnel; merchants and the educated; and teachers, students, and many workers. The details of these atrocities have been widely reported and I will not repeat them here. They are tales of incomprehensive torture, slaughter, and purposefully inflicted hardship.

The horror of these atrocities is surpassed in modern history only by Hitler's holocaust. It is fitting that on this 40th anniversary of the fall of Hitler and the liberation of the death camps, this country should reaffirm that it will never align itself with perpetrators of genocide.

Quickly after assuming power, the Khmer Rouge alienated the Soviet Union and its Vietnamese neighbors. Vietnam invaded Cambodia and overthrew Pol Pot in 1979. They replaced him with a puppet ruler, Heng Samrin, who still holds power.

Three rebel factions have formed a loose alliance to resist the Vietnamese occupation. They are the Khmer Rouge, reportedly the strongest militarily and still led by Pol Pot; a group that supports Prince Sihanouk; and the Khmer People's National Liberation Front, and anti-Communist group led by former prime minister Son Sann and supported by the Association of Southeast Asian Nations. Clearly, these groups are incompatible but have allied themselves temporarily to drive the foreign invaders from their land. How they would rule if successful is uncertain.

It is difficult not to be swayed by sympathy for the long-suffering Cambodian people to urge a more active role in the conflict. Such a role, however, would most certainly be a mistake for it would increase the chances that the dominant forces of Pol Pot would eventually suppress their temporary allies and reestablish the oppressive Khmer Rouge regime. No matter how much we may dislike the Vietnamese occupation of Cambodia, we must not do anything that threatens to subject the Cambodian people again to the brutal rule of the Khmer Rouge.

Mr. President, I am hopeful that the distinguished managers of the bill will accept the amendment.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Wisconsin on his constructive amendment. Indeed, he has ably outlined reasons why aid should not go to the Khmer Rouge and the forces of Pol Pot. On our side, we are prepared to accept his amendment.

Mr. PELL. Mr. President, the amendment of the Senator from Wisconsin seems particularly apt and useful in view of the Solarz amendment on the House side setting forth $5 million will go to the resistance in Cambodia. That, combined with the Proxmire amendment, would ensure that that $5 million did not go to the Pol Pot group, the Khmer Rouge. For that reason, this is a very useful amendment indeed and I commend it to our colleagues.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. Proxmire].

The amendment (No. 97) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I thank my good friends, the majority manager and the minority manager on this bill, very much for their cooperation.

Mr. LUGAR. I thank the Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 106

(Purpose: To preserve protections contained in present law concerning the expenditure of foreign aid funds)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

THE PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from North Carolina [Mr. Helms] proposes an amendment numbered 106.
>
> On page 47, strike line 5 through line 14, inclusive.

Mr. HELMS. Mr. President, I have discussed this amendment with the distinguished manager of the bill and chairman of the Foreign Relations Committee. I believe he is prepared to accept it.

Mr. President, since 1962 it has been illegal under section 620(g) of the Foreign Assistance Act for the United States to subsidize programs of nationalization and expropriation in foreign countries. Since 1980, section 740 of the same act has specifically prohibited the use of U.S. taxpayer funds for compensating those affected by Socialist programs of land seizures, bank nationalization, and other aspects of so-called "reform" measures.

This has proven to be good law. Not only does it protect the taxpayer from unwittingly subsidizing socialism abroad, it also sends a message to those countries receiving our aid that they should travel the road of socialism only at their own risk. The taxpayers of the United States will not be left holding the bag.

Section 403 of the bill before us contains a provision which was not discussed in committee deliberations. As chairman of the Subcommittee on Western Hemisphere Affairs, I reserved it for discussion by the full Senate. It is a provision which the Agency for International Development first proposed in 1984, without any prior consultation, as a panacea for the economic disaster which had been wrought by land seizures in El Salvador since 1980. Those seizures were a part of a so-called "land reform" program endorsed, even encouraged, by AID officials over the years.

In 1980, after 4 years of economic stagnation in the nationalized sector, AID could have faced the music and admitted that El Salvador was headed down the wrong road in choosing socialism in the agricultural sector. AID officials have acknowledged—in private—that the economic consequences of the land seizures have been disastrous. In contrast, Secretary Shultz, former Secretary Kissinger, and former Secretary Haig have all publicly endorsed before our committee the desirability of a free market, private-property based farm economy in El Salvador. Indeed, President Reagan has made the free market the foundation of his initiatives for growth and development as an alternative to the socialist practice of expropriation and redistribution which has passed for economic policy in the underdeveloped world. Often, sadly enough, these policies have been encouraged by our Government and even subsidized by the U.S. taxpayer.

Time and again, Mr. President, I have encouraged AID officials appearing before the Committee on Foreign Relations to share America's experience in the free market with our friends in El Salvador. Time and again I have asked them to advocate the same economic principles which are shared by most of the taxpayers in our own country. And time and again I have put to them the crucial question: What are you advising the Government of El Salvador to do with all this money we are giving them in aid?

Their answers, Mr. President, are disconcerting.

When I ask, "Are you advising the Government of El Salvador to denationalize its banking system and allow for competition?", I get a pained look, and muttered inconsistencies.

"Are you encouraging them to denationalize the export system, which is penalizing their own farmers?", I ask. Again, I get the same bureaucratic fog.

"Are you advising them to allow El Salvador's once-flourishing agricultural sector to produce without interference from the government?" As an answer to that question, Mr. President, we get a request for more money. Not only for more money, but for permission to spend it in a way which this country has held to be patently illegal for the past 20 years.

In 1980, the revolutionary junta in El Salvador expropriated over 250 of the largest, most productive farms in the country, and thousands of smaller tracts. The revolutionary junta promised to give these lands to the workers. They are still promising, Mr. President, because they have not delivered. What was supposed to be a simple transfer program has become a system of nationalized collectives, with staggering debts, subsidized by hundreds of millions of dollars of U.S. taxpayer funds since 1980.

But that does not seem to be enough, Mr. President. Because the Government of El Salvador nationalized land which, by conservative estimates, is worth over $1 billion—with a B—dollars. And now AID wants the U.S. taxpayer to be liable for that claim.

Mr. President, the Government of El Salvador has other options. It can begin by assessing the economic realities of agriculture in El Salvador, not in the light of some theory of class conflict and the myth of some "14 families" who never existed, but in the light of the rules of market economics.

The Agency for International Development can begin to recommend sensible economic approaches, instead of tired Socialist nostrums, to the Government of El Salvador. Mr. President, do the American people realize that the officials of our Embassy in El Salvador, and the officials of AID, have never even so much as recommended to the Government of El Salvador that they try denationalizing the banks and the export sector?

If they have, I wish they would tell me. When asked the question, they respond by describing some sort of new U.S.-sponsored program to start up a new banking system, alongside the nationalized one, funded by U.S. taxpayers, which would be "private"—or semi-private, anyway.

Mr. President, the answer to El Salvador's economic problems is not untold millions of U.S. aid funnelled into a nationalized economy. That is not going to solve anything. The answer lies in good old American know-how, applied in a free market

where property is respected by the law, and where investment is encouraged by the opportunity for making a reasonable return without being expropriated at U.S. taxpayer expense.

This is one bill that the U.S. taxpayer would not be stuck for.

Mr. LUGAR. Mr. President, the Senator from North Carolina has introduced an amendment that restates current law. It has been the will of the Senate time and time again to make the point that he has made eloquently in his statement. On this side of the aisle, we are prepared to accept the amendment.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, with the utmost respect for the senior Senator from North Carolina, I must oppose this amendment because as I understand it, it would pretty well damage—if not destroy—the land reform program in El Salvador. As I think most of us are aware, the land reform program is really the main vehicle, and the main means of bringing those campesino that support the Government into that support. And if this program is allowed to dwindle away, we will see I think the campesino support for President Duarte diminished further than it is today. Basically for this reason, I urge my colleagues not to support this amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I will speak for just a moment in support of the Helms amendment, and then I will indicate a possible procedure. The majority leader has indicated that there would not be rollcall votes until 5 p.m. That hour is approaching. It appears that we will have a rollcall vote on this amendment. So Senators who are within the sound of my voice might be alerted that at about 5 o'clock it is very likely that a vote will occur. They will want to come to the floor.

In the meanwhile, Mr. President, I support the Helms amendment because the moneys we are going to be sending to El Salvador in this bill can be used for many purposes. There is clearly a philosophical objection that has been expressed before by this body to having American taxpayer funds used for land reform.

It is a situation in which clearly, if this country's resources such as farms, or banks, or other businesses were nationalized, many citizens would have objection. In fact, our whole tradition moves in a different direction. We appreciate that there are different traditions and different situations. It is a policy of our Government, as Senator Pell has stated, to support land reform. As a matter of fact, it has been the administration that has requested there not be a prohibition in this regard. But my understanding is that in the past, when the issue has arisen, the majority of Members have agreed with the position outlined by Senator Helms in his amendment today. I think that it makes good sense, and we need not really have a controversy of this particular variety on the transfer of funds by the El Salvadorans. So I will support the Helms amendment and will suggest in a moment the absence of a quorum until the hour of 5 o'clock at which time I would ask the Chair to put the question before the body for a vote, unless we are able to find other business to transact in between now and 5 o'clock.

I request, before I yield, that any Senators who have business to transact might come to the floor between now and 5 o'clock, and we have 15 good minutes to utilize. And with the permission of the Senator from North Carolina, I will ask for a quorum call with the understanding that a vote on this amendment would occur at 5 o'clock.

Mr. HELMS. Mr. President, I do not believe the yeas and nays have been obtained yet.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily—Senators have been informed that a 5 p.m. vote might occur; that would mean that that vote would be delayed temporarily—and that the Senator from Kansas [Mrs. Kassebaum] be recognized to introduce an amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 107

(Purpose: To remove $3.6 billion multiyear authorization of military and economic aid to Central America for fiscal years 1987–89)

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I shall be sending forward to the desk in a few moments an amendment which would deal with the multiyear authorization of economic assistance to Central America. In the bill that has passed the Committee on Foreign Relations, we have authorized $1.2 billion in economic assistance for each of the fiscal years 1987, 1988, and 1989. This amounts to $3.6 billion for that 3-year period. The amendment would remove the entire authorization of funds for each of those 3 years.

My concern, Mr. President, is that we, as an authorizing committee, will have given up the opportunity in each of those years to discuss whether, indeed, that level is adequate, whether it should be less or whether it should be more. The intent is, really, certainly to keep us involved as an authorizing committee in looking at the question of economic assistance to Central America.

The purpose of it, as I state, is an important one with regard to the multiyear assistance, because in the past, we have not given a consistency of support which I think is important. Certainly, we should make clear and clearly state that we will be there in full support of economic assistance to Central America. I think that is important.

I do believe it is also a precedent which would be a mistake to follow. So the amendment which I shall be sending forward would only affect fiscal years 1987 to 1989. I think that aid should not be guaranteed to any region or country at a specific level as much as 4 years in advance.

Developments in Central America have proven very hard to predict. As I say, it may be that we would need, for the 1987 fiscal year, to provide more money than we have. Of course, we could always do that with a supplemental. But, at that point, we would have given up the opportunity for us as an authorizing committee to weigh the pros and cons.

Every Member of the Senate who advocates authorization of the committee overview of use of such funds by the administration should favor this amendment. To argue against this amendment really argues against congressional oversight. This in no way applies to military assistance. It is simply the multiyear authorization for economic assistance and I believe it has merit on that basis alone.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

Mr. PELL. Mr. President, I am very glad to support this initiative by Senator KASSEBAUM. It is cosponsored by Senator ZORINSKY. The vote in the committee was 8 to 8, a narrow defeat.

The authorization presently entails a substantial amount of money, some $3.6 billion, but without specificity as to the programs funded by this multiyear authorization. Essentially, the Committee on Foreign Relations, the committee charged with responsibility for making recommendations to this body on foreign economic matters, would be dropped out of the picture with respect to economic assistance for a singularly sensitive part of the world, Central America, for the next 3 years. Because of the sensitivity, the tenderness of the area with which we are dealing, I support this amendment. It is very important that the Committee have the opportunity and obligation to observe and assess what is going on there every year rather than every 3 years.

In normal circumstances, with most programs, traditionally, I like the idea of a longer authorization. In this case, I believe 1 year is correct and I urge my colleagues to support the Senator from Kansas.

Mr. HELMS. Mr. President, I support the adoption of the amendment proposed by the able Senators from Kansas and Nebraska, Mrs. KASSEBAUM and Mr. ZORINSKY. In fact, I congratulate them for their initiative in this matter because this amendment reflects our recognition of the role of the Committee on Foreign Relations and that of Congress is more than a symbolic one.

Yes, we are told by the advocates of the Kissinger Commission report that a multiyear authorization would be a symbol of support for democracies in Central America. But I ask, Mr. President, do we not abdicate our own oversight responsibilities embodied in the budget process and the oversight functions which accompany the annual deliberations of the authorizing process, by turning this very ambitious and cumbersome aid program loose for the rest of this decade, without recourse or oversight?

Mr. President, that is exactly what the language of the bill before us does, and it is exactly that which the Kassebaum-Zorinsky amendment seeks to redress. It should be clear to every Senator that the amount of $1.2 billion, authorized for fiscal years 1987, 1988, and 1989, is not a negligible sum, even in this age of government largesse. Does the Senate really want to say that we hereby delegate the conduct of our Central American development policy to the Agency for International Development and some quasi-international, totally unproven institution called CADO for the remainder of this decade? If that is the case, Mr. President, then those of us who maintain that the Senate is the body of responsibility and deliberation are liable for arrest under the truth-in-advertising statute.

Not only is a multiyear authorization an abdication of the Senate's responsibility, it also represents a sad misunderstanding of the nature of governmental agencies, in this case the Agency for International Development.

Mr. President, in recent months, Members of both parties have increasingly acknowledged the need for a thorough study of the Agency for International Development and its role in U.S. foreign policy. The Latin American and Caribbean Bureau of AID has demonstrated an especially profound need of such scrutiny. The directorship of that bureau has been a revolving door, and several glaring instances of poor administration have recently been revealed by inquiries from many committees in this body, including the Committee on Foreign Relations. I have in mind specific and extensive manifestations of such malfeasance in El Salvador, Costa Rica, and Grenada. Moreover, while instances of bureaucratic snafus proliferate, news accounts detail the junketeering of AID officials to points all over the globe, and the Administrator of AID tells Members of Congress that they did not know what their own legislation meant when they wrote it.

Mr. President, the Senate cannot unilaterally concede to anyone its oversight role, or its responsibility of advice and consent. I have no intention, as chairman of the Subcommittee on Western Hemisphere Affairs, to gavel out our proceedings until hearings are convened to discuss the authorizations for fiscal year 1990.

Mr. LUGAR. Mr. President, I oppose the amendment of the distinguished Senator from Kansas [Mrs. KASSEBAUM]. I appreciate the strength of her argument and likewise those arguments offered in support of her amendment by Senator PELL and Senator HELMS. I suspect that the closeness of the issue was reflected in our committee consideration of the amendment.

Senator KASSEBAUM offered this amendment during the markup in the Foreign Relations Committee, and it failed on a tie vote of 8 to 8. The vote was bipartisan in character, as Senators wrestled with the question that able Senators have already introduced in this debate this afternoon.

The basic construct for the 5-year proposition came from the Kissinger Commission idea that, nations could make the best use of the resources that would be forthcoming from the United States, if there was a period of time—5 years was suggested—that offers some certitude and stability for this general effort.

That 5-year idea runs contrary to the normal annual authorization and appropriation procedures of the Congress. These are procedures that Senators have guarded zealously. Occasionally, we have had 2-year authorization and there may be historical instances of more years than that, but the 5-year proposition, indeed, seemed audacious to many at the time and still seems that way.

But I simply say, Mr. President, the problems that Senator Henry Jackson found as he looked at Central America and that Secretary Kissinger and his Commission, which included able Senators from this body, found was a track record of fits and starts of assistance offered a very unpromising route for the future. They suggested that the type of building of infrastructure, the type of capital base building and confidence that was required could only come if there was a commitment that went beyond one administration. It clearly went beyond several Congresses, and thus the 5-year idea. That was in the original bill that we introduced for consideration in our committee and, as I have mentioned, was debated fully in the committee, and the idea of eliminating the 5 years lost on the tie vote. I hope Senators would give the process a chance. The 5-year authorization in this particular instance seems to me to be appropriate.

I understand other Senators will wish to express themselves on this amendment, specifically the distinguished Senator from New Mexico [Mr. DOMENICI] who has had a very considerable interest in this area. He was a part of the Commission's deliberations to begin with, and there may be other Senators who wish to be heard. Following that, we will proceed as expeditiously as we can to a vote so that all Senators may express themselves.

I see that the distinguished Senator from New Mexico is on the floor, and I think he knows the issue is the 5-year authorization period which Senator KASSEBAUM has offered as an amendment to eliminate that provision. I have spoken in favor of the 5-year authorization, and that is the committee's position as we get into this debate.

Mr. DOMENICI. Mr. President, might I first inquire of the distinguished floor manager what he contemplates with reference to disposition of the two amendments? Is it his intention that we dispose of them this evening?

Mr. LUGAR. It is indeed. As a matter of fact, we were awaiting word from the Democratic side as to the possibility of having a vote on the previous amendment, and during that gap in time Senator KASSEBAUM was recognized to offer her amendment, and so in some sequence we will probably move to both of those votes at the conclusion of debate on this amendment.

Mr. DOMENICI. I do not intend to take very long. I am not usually involved in matters on foreign affairs that concern the committee of the distinguished Senator from Indiana and the distinguished Senator from Rhode Island, but I wish to take a few moments to speak with reference to the multiyear authorization. I was privileged to be one of the Senate advisers to the so-called Kissinger Commission that recommended a multiyear authorization.

Thinking back over the deliberations and then the final conclusions and recommendations of the Commission, I can assure the Senate that there probably was no issue more important than multiyear authorization of foreign aid for countries like El Salvador. Of course I understand this is for more than El Salvador, but I use it as a frame of reference for this discussion.

Time and time again in the Commission discussions, it was said that the United States had made mistakes by not consistently following a plan with reference to foreign assistance for underdeveloped countries. In particular this applies to those that are striving to move toward democracy as has El Salvador and some of the surrounding countries.

We go there quickly with some very elaborate approach, and nobody can rely upon a U.S. assistance program to continue for a reasonable period of time. As a matter of fact, that was such a concern about our lack of staying power that multiyear authorization of economic cuts was one of the strongest recommendations of the Bipartisan Commission.

I think everybody remembers the kind of people who were on that Bipartisan Commission. In addition to Chairman Kissinger and former chairman of the Democratic Party, Robert Strauss, it included a retired U.S. Supreme Court Justice, the president of the AFL-CIO, five or six citizens who were informed on the issue, and some academic people who were very informed.

The strongest of all recommendations was that if we are going to do something, then make sure it has a chance of working, make sure it is for more than 1 year or there will be a lack of credibility. Obviously, on the receiving end with such a commitment the Central Americans will not be able to accomplish what was originally intended, and once again U.S. and Central American policies will fail.

As one who is involved in budget work, the question might be asked, "Why would you be for a 4-year authorization?" The Senate does not need an explanation of that. The very word that it is an authorization incidates it does not have to be appropriated each and every year.

As a matter of fact, the Bipartisan Commission on Central America, not being informed on the work dynamics of the Congress, was hopeful that there could be something like a 5-year appropriation. They were told, obviously, you cannot do that because by its very nature you appropriate every year. So the unanimous sentiment was to make a multiyear commitment, even though Congress retains the purse strings, because you do have to fund it each and every year.

So I do not seen a multiyear commitment as something that is irretractable. It is still subject to appropriations, but in another sense it offers hope that a program and set of policies which were recommended unanimously by this bipartisan committee clearly might be carried out. Leaders in El Salvador, Honduras, and Costa Rica, Belize, and Panama can look to this congressional action and say, "the United States wants us to continue striving to be democratic, to move toward the kind of economic vitality that is absolutely essential if we are going to keep democracy alive, and in a very real sense they have made a commitment that is apt to do the job."

So, along with the distinguished chairman of the Foreign Relations Committee, I urge those who are worried about the dollars—and all of us are—that at least we provide the continuity for the policy implementers and for those in Central America to plan their development programs, to plan their economic situation in a way that is credible, in a way that is apt to get the job done. The dollar amount can be changed later if it is not right.

Authorizations frequently are modified and altered. But clearly I believe the heart of the recommendations for the continuing democratization and economic development in this area is a policy commitment that is favorable and meaningful, and that is a multiyear authorization.

Mr. ZORINSKY. Mr. President, I have joined Senator KASSEBAUM in offering this amendment to delete $3.6 billion in authorizations for economic assistance for fiscal years 1987–89 for Central America, because I do not believe that Congress should provide a blank check to the President to spend as he sees fit for the next 4 years.

You will note that the bill currently pending before this body is over 60 pages long. Page after page goes into detail as to how we believe authorized funds should be spent and how specific programs should be run. Yet almost as an after thought, in a little over half a page the committee recommends that the Senate authorize $3.6 billion for Central America for fiscal year 1987–89.

Last week, the Senate completed debate on the budget resolution. Many programs were eliminated or cut back because of the serious budget deficit which faces us. This is hardly the time to begin a new practice of outyear authorizations for one of the least popular accounts in the budget.

The American farmer has been and will continue to be the backbone of this Nation, yet the President is not prepared to assist him in his plight this year, let alone provide extended assistance so that farmers can make long-term plans.

Yet, we are being asked to do just that for the region of Central America. I do not need to tell my colleagues how quickly events change on the international scene. One moment we have a government in power which is the closest of allies, the next moment that government may be replaced by one hostile to U.S. interests. I think Members of this body recognize that they have been quoted as saying that events overtake us in many areas.

I see very little to be gained by doing extended authorizations which may or may not actually be funded in the fiscal year in question by the appropriations process. For these reasons, I urge my colleagues to support the Kassebaum/Zorinsky amendment to delete $3.6 billion in authorizations from this bill. Otherwise, Mr. President, the Senate will be endorsing a foreign aid package of over $16 billion. I do not think that, timing-wise, this is the time to concur in that type of authorization.

AMENDMENT NO. 107

Mrs. KASSEBAUM. Mr. President, I send to the desk an amendment on behalf of myself and the Senator from Nebraska [Mr. ZORINSKY], and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Kansas [Mrs. KASSEBAUM], for herself and Mr. ZORINSKY, proposes an amendment numbered 107.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 44, line 21, through page 45, line 12, strike the entire section 465, and renumber the following section accordingly.

Mrs. KASSEBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

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Mr. LUGAR. Mr. President, I understand that the distinguished Senator from Maryland [Mr. MATHIAS] wishes to speak on this amendment.

Mr. MATHIAS. Mr. President, I doubt that there is very much I can add to the argument that has been made by the Senator from New Mexico. He and I shared the experience of serving on the National Bipartisan Commission on Central America, which was very educational so far as the problem of the Central American region is concerned.

One thing I came away from that service convinced of was the need to provide some sense of confidence and continuity in the people of Central America. They have had many promises over the years from many American administrations, many American Congresses, promises which I am sure were genuine and sincere when they were made, but promises that tended to recede into the past very rapidly as the crisis of the moment was dissipating. The result was that the interest and the sense of commitment that lay behind those promises seemed to dissolve, and the people of Central America became exceedingly discouraged with their experience under the various programs.

We are dealing with a case of deep, endemic poverty, poverty that has existed for generations, and that is not going to dissolve this problem and instantly develop a sense of prosperity and progress and economic uplift in Central America. It is going to be hard, grinding work. It is going to take a number of years; because, unlike the situation in Europe at the end of World War II, there is not an infrastructure, there is not a highly trained, technically educated population that merely has to have the tools placed in its hands so that it can go to work and rebuild the world. There has to be a lot of training; there has to be a lot of education. Some of it has begun at the primary levels of education.

So we are looking at a process of education alone which is going to take years. We will have to have the time in which to work.

The unfortunate aspect of the pending amendment is that I think it would delete from the bill the most important recommendation of the National Bipartisan Commission on Central America, which is that we finally believe that, without such large-scale assistance, economic recovery, social progress, and the development of democratic institutions in Central America will be set back. I am afraid that that will be the result of this amendment: It will set back these goals that are the real hope for the future.

Mr. President, I believe that we should maintain the multiyear funding proposal which has strong bipartisan support. It has the support of the President of the United States. It was supported in the Committee on Foreign Relations by the Senator from Connecticut [Mr. DODD], who not only has evidenced bipartisan support but also has strong personal knowledge of the conditions in Central America, not just as a Senator from Connecticut but as a veteran of the Peace Corps, who knows what he is talking about because he has worked on the ground, in the field, with the people.

The reason why the multiyear proposal has such bipartisan support is that it makes fundamental sense. It represents a commitment by the United States to the well-being of the people in Central America, and it gives them hope for the future.

As the Senator from New Mexico will recall, the President of El Salvador said that if we just give the people the sense that next year will be a little better for them than this year—not a lot better, but just a little—you give the people some hope and reason to struggle in the direction of democracy and stability.

I believe that the objection to multiyear funding is unfounded. In the first place, Congress does not take its hand off the wheel. Congress will have its hand on the wheel and its foot on the accelerator, all at the same time.

Mr. DOMENICI. And on the brake.

Mr. MATHIAS. As the Senator from New Mexico has just remarked, Congress can apply the brake at any time, because the funding is controlled by the language of the appropriations process. We provide the multiyear funding in a number of fields.

This is not a precedent. We do it all the time in both domestic and foreign assistance programs. This would be merely one particularly wise principle of applying multiyear authorization, but by multiyear authorization we retain full control of the program. We can slow it down. We can speed it up. We could terminate it entirely, if that were the will of Congress. By making it multiyear funding, you give the people for whose benefit it is intended the sense that we are serious, that we are going to be steadfast, that we will maintain our interest. Therefore, you encourage them to put their money into the program, to invest their money at home to expand their own economy, to put in the kind of sweat equity that will make the program ultimately a success.

So, Mr. President, I strongly urge that the Kassebaum amendment should be rejected.

Mr. DOMENICI. Mr. President, I shall ask the distinguished floor manager a question.

I ask the distinguished senior Senator from Indiana, the manager of the bill, am I correct that even though this is a multiyear authorization there is nothing in this multiyear authorization that creates an entitlement; it is subject to annual appropriation by the appropriations process and must be signed as an appropriation bill by the President each year to be funded; is this correct, Senator?

Mr. LUGAR. The Senator is correct.

As the Senator knows from his own distinguished work on the Commission in the crafting of the whole arrangement, annual appropriation is required and any fine tuning on the part of Congress obviously would occur each year.

Mr. DOMENICI. I ask the Senator one further question. This overall bill authorizes the foreign assistance programs. He and his committee have done such a wonderful job on this bill. We have not had a foreign assistance bill in a long time, leaving it exclusively to the appropriators, instead of the authorizing committee.

As I understand it, for the year 1986 if the programs within this authorization were funded, the dollar amount would be within the budget resolution adopted by the Senate last Friday morning when we voted it in. Is the Senator correct?

Mr. LUGAR. The Senator is absolutely correct. As a matter of fact, the Senator knows that the amount of money that we have asked for today in this authorization is approximately $194 million less than the budget resolution passed by the Senate last Friday morning.

Mr. DOMENICI. That means that if the appropriators fully fund this authorization and the others from this committee still on the Senate calendar, it would still be roughly $200 million in budget authority under the resolution total for international affairs if they fully funded the program.

Mr. LUGAR. The Senator is correct.

Mr. DOMENICI. Mr. President, I make the point that I have the deepest respect and admiration for the cosponsors of the amendment which seeks to make the principal tools for economic revitalization, in Central America a 1-year instead of a 5-year authorization. They know that.

I just say that any argument in the Chamber reducing it to 1 year as a fiscal matter is in the opinion of the Senator from New Mexico really untrue. That is not a matter of expenditure of funds because, as we have just established in the colloquy, in 1986 if it were fully funded, and it might not be, every program there would be within the budget; in 1987 we weill have the same situation before us.

It is the appropriation levels and budget authority and outlays that control the expenditures of this Government, not an authorization. An authorization is the policy map, the policy guidelines for the appropriators to fund or not fund.

Many Americans wonder when all of the deaths, turmoil, and commotion will end in Central America. There are those who are terribly worried, as I am, about the spread of Marxism and communism in that part of the world. Obviously there are many ways to inhibit it.

I do not think there is anyone who really believes we are going to help prevent revolution and civil strife in our neighboring Central American countries until there is some hope vested in the people for a little bit of economic prosperity. I repeat, they must have some hope for a better future.

That is why we are involved in Central America. That is why the bipartisan commission was so concerned that we put in place good policies with the continuity of commitment that had a reasonable expectation on the receiving side that the United States might consistently uphold some policy changes in our foreign assistance that might prove to be helpful.

I truly believe it is the least we can do for our Central American neighbors, and I hope we will do it.

Thank you, Mr. President.

Mr. ZORINSKY and Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. Thank you, Mr. President.

I wish to ask the floor manager of the bill, the esteemed chairman of our Foreign Relations Committee, a question. If this authorization is approved for multiyears and, as the distinguished chairman of the Budget Committee pointed out, would it still be subject to the appropriation process annually for review? That would, in effect, mean that the Foreign Relations Committee would not necessarily have to become involved in it every year and the appropriations process would then take over our review process. Is that not correct?

Mr. LUGAR. Certainly the Senator from Nebraska has made an important point, and I suppose those who feel adversely about the whole procedure might feel that that is a reason to be opposed to it. I would simply argue that the authorizing committee can get involved annually, but we are attempting through our bill, which is about to be amended, to bring some continuity to this process.

We would hope that stability of funding would from our point of view, make a point. But clearly the Appropriations Committee does have an opportunity annually to review it and we have admitted this in response to the previous question.

Mr. ZORINSKY. I thank the floor manager. In carrying this philosophy a step further, then I would assume a substitute amendment to this amendment, ensuring our credibility for NATO in a multi-year authorization, and the Philippines in a multiyear authorization, and all those other countries that may be currently losing faith and credibility in our country, would be very appropriate to show them our real faith. Last week we were cutting budgets and this year we want to lock in multiyear spending.

If that is where we are going, Mr. President, I think there is one less member of the committee following that parade.

Mr. LUGAR. In response to the question, the fact is that the construct of this 5-year funding proposal comes from the Kissinger Commission, from the Jackson proposal. I do not know of comparable studies that are available for NATO or the Philippines or other similiar situations. I trust that the Senator will agree that this is a relatively unique situation in American foreign policy.

Mr. ZORINSKY. Is it not true that this proposal was never adopted by this body and last year we went with a continuing resolution and it was not included in the continuing resolution?

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. ZORINSKY. Certainly I yield to the Senator.

Mr. MATHIAS. I shall respond. It seems to me that the Senator raised a very important point. He raised the question of NATO. We have a track record of support of NATO, as the Senator from Mississippi knows, both in his role on the Armed Services Committee and his role in the Appropriations Committee.

We have never wavered in the support of our duties under NATO. We have a track record.

The people who are our allies in the NATO countries know that we are steadfast and loyal.

But let me tell you that the track record in Central America is very different and the track record in Central America is very unhappy because we have gotten a whole series of different programs started and we have waved the flag, played the band, and sent the diplomats and the experts off, and the whole thing has fizzled out time and again.

What we need to do this time is to make sure that the track record is a little better, and that is a cardinal point that the bipartisan commission made that in this situation we are dealing with endemic poverty of a level that is worse than almost anywhere else in the world. It is an area in which poverty is the enemy and in which the location is in our backyard.

So there are unusual and unique factors here that have to be dealt with.

So I think that it is useful to do, as the Senator from Nebraska has done, to look at varying situations, and you will find that this one is really unique and requires at this moment that we provide the added level of confidence, because the only way this can work is if the people of Central America put their own money in it, if the people of Central America are willing to make their commitment, and their commitment will be much more effective if they have a sense that we are going to be there over the long pull.

Scoop Jackson and I together introduced the original bipartisan resolution, which resulted in the work of the Kissinger Commission.

So, as cosponsors, we talked about this many times.

Scoop Jackson said, "We need a 50-year commitment," That is what he was talking about, a 50-year commitment. Well, a 50-year commitment would, I have to grant, even with all due respect to Scoop Jackson's memory, would be pretty hard to get, but a 5-year commitment is very modest. A 5-year commitment is only one-tenth of what Scoop Jackson was talking about. I think it is the least that will be required to inject that sense of confidence into Central America which is necessary in this situation.

Mr. ZORINSKY. Mr. President, I wish to say in closing that I certainly agree with my esteemed colleague and friend from Maryland that in certain areas we have track records. I do not want to put our track record up in the Middle East, because it is a little spotted. I do not want to put our track record up in Asia, because it is a little spotted. And I could mention many other places.

But the place our track record is miserable is to the farmers and agriculture of the United States of America. We gave them a 4-year farm bill, like we are going to give the people in Central America a multiyear bill, and 2 years after the farm bill is in effect we change the target price on a bushel of wheat from $4.65 to $4.38—overnight we change the rules of the ball game. And that is what, essentially, we will do to the people in Central America and exacerbate the erosion of our credibility that the Senator so correctly is speaking about.

Nothing is binding on a future Congress, I am told. So after the elections next year, another Congress could come in, change that, erode that, then what happens to our credibility in Central America? All we have done is proven what many people think to begin with.

So, Mr. President, I say that, at a time when we cannot even honor our commitments on our track record to the American people, it is no time to attempt to spend money that we do not have. And when we talk about cutting the deficit and the budget—we are praying and hoping that we reduce it by $300 billion in the next 3 years, not even balancing the budget—I think this sends a great signal to Central

America and a sorry signal to the taxpayers of this country in saying, "Here we go again. We are going to buy our way out of an international problem with your money that we do not have."

Mr. DODD. Mr. President, I would like to, if I may, very briefly address the two amendments.

Mr. President, a parliamentary inquiry. What is the amendment that is pending?

The PRESIDING OFFICER. The amendments of the Senator from Kansas is the pending question.

Mr. DODD. Mr. President, a further parliamentary inquiry. Has the amendment of the distinguished Senator from North Carolina been set aside temporarily, or is that pending the disposition of the Kassebaum amendment?

The PRESIDING OFFICER. That amendments has indeed been set aside for the consideration of the pending amendment.

Mr. DODD. I thank the Chair.

Mr. President, first of all, on the Kassebaum amendment, I rise to oppose, reluctantly, this amendment. I join with the chairman of the Foreign Relations Committee, the Senator from Indiana; the distinguished chairman of the Budget Committee, the Senator from New Mexico, who I see just walked into the Chamber; and the Senator from Maryland, Senator Mathias, in expressing my opposition to the amendment to cut these funds out.

All three of the Senators I have just mentioned have somewhat differing views on the present military conflict and how it ought to be resolved in Central America. But where there is some commonality is on the issue that this is an area that, while it is gripped with political and economic difficulties far beyond the comprehension of most Americans, the matter is not going to get better, it is going to get worse as the years roll on if we do not begin to focus some more concentrated attention on how we deal with the underlying problems that have created the very situation we are now wrestling with in terms of a resolution. As I have said, we have had some disagreements on how that ought to be handled.

As my colleagues certainly will note, this is an authorization bill. Clearly, in fiscal year 1987, if, for whatever reason, we are not satisfied with what is being done with the economic program, of course we can modify the amount in fiscal year 1988 or fiscal year 1989. That is really not the question. That power is not being abrogated in any way whatsoever by the language included in the committee bill.

What we are trying to do, by inclusion of these dollars in authorization language for the next 4 or 5 years, is to say to our friends in Central America that we are determined and committed to trying to improve the underlying problems that have given birth to all of this strife that is ripping these countries apart.

I am not sure, and I do not think anyone else can tell us exactly on the floor, how these dollars are spent. That is not spelled out in here. Obviously, we all have a keen interest and concern as to specifically what will be done with this economic assistance program.

But I do think it is vitally important, despite how much we may disagree with one another over how we ought to deal with the present political and military problems, that there ought to be as much unanimity as possible on the issue of economic assistance to Central America.

It has been noted, Mr. President, by some of our colleagues that during times of staggering deficits we can hardly afford to authorize these funds. Why not make that case about every other spending proposition in the foreign aid bill? I know of no quicker way to get a standing ovation in an audience from Maine to California than to announce you are going to oppose all foreign aid. That is usually a very appealing argument, particularly during times like this.

The fact of the matter is that our own economic security, long-term economic security, in no small measure depends upon the soundness and the stability of countries as close to us as Central America. That will have an economic impact on this country.

So while this money is certainly no small amount—and all of us recognize that—it is an amount which clearly ought to receive the support of this Congress if we are truly interested in resolving the problem of this region in the long term. If we just want to see a continuation and a perpetration of problems that have persisted for decades, then we can vote for this amendment, and we can stand up and give speeches year after year about what this part of the world needs is some stability. And yet, at the very hour we are asking for some funds over the next 5 years, which we can modify, we turn our backs on them, then our rhetoric becomes hollow, indeed.

With regard, Mr. President, to the amendment being sponsored by the distinguished Senator from North Carolina with regard to the land reform provisions of the committee bill, it may have already been pointed out by other colleagues, but I say to my good friend from North Carolina, who has raised this issue now on a number of occasions over the last several years, that I think what we have done, effectively, with this legislation is not to mandate the funding in this area but merely to give the President some flexibility and discretion in the use of these dollars to improve or to promote the Land Reform Program, which is an essential ingredient, I think, in terms of El Salvador's achieving some economic stability.

This language and legislation does not contradict existing provisions of law, but merely allows greater flexibility in the use of funds in this vital and important area of economic reform within that country.

So I would ask, with all due respect, that this amendment also be rejected.

Mr. President, I yield the floor.

Mr. LUGAR. Mr. President, I believe all Senators have spoken who wish to speak on these amendments. Therefore, I ask unanimous consent that a vote now occur on the Kassebaum amendment, to be followed immediately by a vote on the Helms amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 107

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas [Mrs. Kassebaum]. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Rhode Island [Mr. Chafee] and the Senator from Florida [Mrs. Hawkins] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. Boren] and the Senator from Michigan [Mr. Riegle] are necessarily absent.

I also announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The PRESIDING OFFICER (Mr. Warner). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 41, nays 52, as follows:

[Rollcall Vote No. 76 Leg.]

YEAS—41

Abdnor
Andrews
Baucus
Bumpers
Burdick
Byrd
Cranston
DeConcini
Dixon
Ford
Harkin
Hart
Hatfield
Heinz
Helms
Hollings
Humphrey
Inouye
Kassebaum
Kennedy
Kerry
Leahy
Levin
Matsunaga
Mattingly
McClure
Melcher
Mitchell
Nickles
Pell
Proxmire
Pryor
Rockefeller
Rudman
Sarbanes
Sasser
Specter
Stennis
Symms
Weicker
Zorinsky

NAYS—52

Armstrong
Bentsen
Biden
Bingaman
Boschwitz
Bradley
Chiles
Cochran
Cohen
D'Amato
Danforth
Denton
Dodd
Dole
Domenici
Durenberger
Eagleton
Evans
Garn
Glenn
Goldwater
Gore
Gorton
Gramm
Grassley
Hatch
Hecht
Heflin
Johnston
Kasten

Lautenberg
Laxalt
Long
Lugar
Mathias
McConnell
Metzenbaum
Moynihan
Murkowski
Nunn
Packwood
Pressler
Quayle
Roth
Simon
Simpson
Stafford
Stevens
Thurmond
Trible
Wallop
Warner

NOT VOTING—7

Boren
Chafee
East
Exon
Hawkins
Riegle
Wilson

So the amendment (No. 107) was rejected.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. QUAYLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, if I may have the attention of the distinguished majority leader, could he tell us what his plans are for the rest of the day and tomorrow?

The PRESIDING OFFICER. The majority leader is recognized to respond to the minority leader.

Mr. DOLE. Mr. President, I can advise my colleagues that we would like to proceed for another hour or so. We are making good progress, and there is a possibility that we might even complete this bill this evening. The only reason I suggest we proceed is we were not in session yesterday. We accommodated Senators today and had no votes until 5 o'clock. We would like to finish this bill and move on to the DOD bill, if not tomorrow morning, at least tomorrow afternoon and, hopefully, finish that bill before the recess.

Let me indicate that as soon as we complete the DOD bill, we will start the recess.

Mr. BRADLEY. Will the majority leader yield for a question?

Mr. DOLE. The minority leader has the floor.

Mr. BYRD. Mr. President, I yield.

Mr. BRADLEY. Did the majority leader say he would like to finish the bill in the next hour?

Mr. DOLE. I would like to, Mr. President.

Mr. BRADLEY. The reason is that I do have an amendment that I think will take longer than the next hour.

Mr. DOLE. I assume we could have a window in here for about 1 hour, 1 hour and 15 or 20 minutes, to protect Members on both sides. But the manager of the bill, I think both managers—I discussed it with them earlier today. They feel they are making good progress. We would like to continue. We believe we have accommodated Senators all day today and yesterday and, if possible, maybe we can finish this bill—if not this evening, by noon tomorrow. We shall do as much as we can.

Mr. GLENN. Will the majority leader yield?

Mr. DOLE. The minority leader has the floor.

Mr. BYRD. Yes, Mr. President; I yield.

Mr. GLENN. Mr. President, I have two amendments on this bill. We were led today to believe we would not complete this tonight and we have been preparing amendments on it. If we are going to go a few hours tonight, maybe we can do that, but otherwise, if we could go over until tomorrow, we can consider those amendments.

Mr. DOLE. Obviously, I do not intend to stay late tonight. This is not like the budget resolution we had last week.

Mr. BRADLEY. It is history.

Mr. DOLE. Mr. President, the managers have been very cooperative. They have accommodated nearly everyone they could by accepting some amendments. We would be very happy if we could proceed for another hour or hour and a half.

There will be a vote right now. Then there will be an hour's window.

Mr. BRADLEY. I would simply like to assure the leader that I do not think I would be able to have my amendment ready this evening, but will be ready to go tomorrow early. I have no intention of delaying it.

Mr. DOLE. I thank the Senator.

Mr. NUNN. Mr. President, will the majority leader yield?

Mr. DOLE. Yes, Mr. President.

Mr. NUNN. While the Senator from Arizona is on the floor, since he is the chairman of the Armed Services Committee, let me say the majority leader said there is a possibility of bringing up the armed services bill tomorrow. We have a meeting tomorrow.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. NUNN. The committee will meet to mark up the zero level. I see no way to have the staff report ready in the morning. It might be possible to have a report on it by Thursday. I did not know whether the majority leader is thinking seriously about tomorrow afternoon or not. But from staff conversation, I think that would be almost impossible.

Mr. GOLDWATER. I might say to the distinguished majority leader, we have a meeting scheduled tomorrow morning at 9 o'clock to mark up this 0-3-3. That should not take too long. I would think that by 11 o'clock at the latest we could have that new bill—if they do finish the bill tonight, and we can accomplish that tomorrow morning, I would say that by possibly noon, but 1 o'clock at the latest, we could have a bill over on the floor and start to work on it.

Mr. NUNN. I would think we would have to have a committee report. Since we have $10 billion in changes, it seems to me we have to do something to accommodate. My conversation with staff on our side this morning—and I thought they were speaking for both sides—indicated it could probably not be done before Thursday just in simply writing up the amendment or whatever we have done.

Mr. GOLDWATER. I might say that we are the only committee that has completed its authorization markup, and we have done it on time.

Now, we have to change that writeup because the Senate changed the formula. I do not know if it would be necessary frankly—I would have to get a ruling from the Parliamentarian on that—but I do not know that it would be necessary to have a new report. The changes that will be made will be relatively small. I think we can point out on the floor where they are. I am going to try—I guess that is impossible now. I was going to try to have a meeting on the Republican side of all Senators interested to try to outline the new 0-3-3, and I thought maybe the Senator from Georgia could do the same, but why not see if we can, in keeping with parliamentary bounds, just go ahead with it.

Mr. DOLE. Mr. President, it seems to me it might be appropriate, if there is a meeting tomorrow, there could be a committee amendment offered to the bill that is pending. There is a report filed on the bill that is pending. You can offer a committee amendment to that and make the changes in the present legislation.

Mr. NUNN. I might say to the Senator from Kansas, I want to cooperate every way I can, and I think we have and will continue, but when you take $10 billion in changes, those are not little bookkeeping items. That, in fact, is bigger than most bills that come to the floor. So we are not talking about insignificant matters.

Mr. GOLDWATER. Will the Senator agree that we could offer the new figures in the form of amendments, make a committee amendment to the present bill?

Mr. NUNN. I think we have to see what is coming up tomorrow in the committee, whether we are simply going to go back to the zero level or make language changes. We do not really know what is coming up yet.

I wanted to serve notice that in my opinion it is extremely optimistic to believe we could get that bill to the floor tomorrow afternoon, although I will work toward that end.

Mr. GOLDWATER. It is an optimistic view on my part, but we have done some pretty peculiar things in this place in the last few weeks, and this would just be one more. Getting this bill passed before the recess, as the Senator knows, is extremely vital. Every day counts. I would much rather take it up tomorrow, if we can do it.

Would the Senator be willing to wait until tomorrow?

Mr. NUNN. Certainly. Yes. I thank the Senator.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, we will certainly work with Senators on both sides. It is a very important piece of legislation. We are not trying to rush it at all. We would like to finish this bill and the DOD bill before the Memorial Day recess, and the recess will start whenever we finish those two bills.

VOTE ON AMENDMENT NO 106

The PRESIDING OFFICER. Under the previous order, the Chair wishes to advise the Senate that a vote has been ordered on amendment No. 106 offered by the Senator from North Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Rhode Island [Mr. Chafee] and the Senator from Florida [Mrs. Hawkins] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. East] and the Senator from California [Mr. Wilson] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. East] would vote "yea."

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. Boren] and the Senator from Michigan [Mr. Riegle] are necessarily absent.

I also announce that the Senator from Nebraska [Mr. Exon] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote.

The result was announced—yeas 33, nays 60, as follows:

[Rollcall vote No. 77 Leg.]

YEAS—33

Abdnor
Andrews
Armstrong
Byrd
Cochran
D'Amato
Denton
Dole
Domenici
Garn
Goldwater
Gramm
Hatch
Hecht
Heflin
Helms
Humphrey
Kasten
Laxalt
Lugar
Mattingly
McClure
McConnell
Murkowski
Nickles
Pressler
Quayle
Roth
Rudman
Simpson
Symms
Thurmond
Wallop

NAYS—60

Baucus
Bentsen
Biden
Bingaman
Boschwitz
Bradley
Bumpers
Burdick
Chiles
Cohen
Cranston
Danforth
DeConcini
Dixon
Dodd
Durenberger
Eagleton
Evans
Ford
Glenn
Gore
Gorton
Grassley
Harkin
Hart
Hatfield
Heinz
Hollings
Inouye
Johnston
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Packwood
Pell
Proxmire
Pryor
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stafford
Stennis
Stevens
Trible
Warner
Weicker
Zorinsky

NOT VOTING—7

Boren
Chafee
East
Exon
Hawkins
Riegle
Wilson

So the amendment (No. 106) was rejected.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MATHIAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 108

(Purpose: To provide further for the control of international narcotics.)

Mr. CHILES. Mr. President, I send to the desk an amendment and ask for its immediate consideration, on behalf of myself, Senator Biden, and Senator Nunn.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Florida [Mr. Chiles], for himself and Mr. Biden and Mr. Nunn, proposes an amendment numbered 108.

Mr. CHILES. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new title:

TITLE X—INTERNATIONAL NARCOTICS CONTROL ACT OF 1985

SHORT TITLE

Sec. 1001. This title may be cited as the "International Narcotics Control Act of 1985".

LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION

Sec. 1002. (a) The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall conduct a study of the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information-sharing and a regional enforcement unit.

(b) No later than six months after the date of enactment of this title, the Chairman of the National Drug Enforcement Policy Board shall report to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations and the Committee on the Judiciary of the Senate on the advisability of encouraging the establishment of such an organization.

ANNUAL REPORTS ON INVOLVEMENT OF COMMUNIST COUNTRIES IN ILLICIT DRUG TRAFFIC

Sec. 1003. Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(6) Each report pursuant to this subsection shall describe the involvement, during the preceding fiscal year, of the governments of Communist countries (as defined for purposes of section 620(f) of this Act) in illicit drug trafficking, including—

"(A) the direct of indirect involvement of Communist governments in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, and

"(B) any other activities of Communist governments which have facilitated illicit drug tafficking.".

NARCOTICS CONTROL EFFORTS IN BRAZIL

Sec. 1004. (a) The Secretary of State shall enter into negotiations with the Government of Brazil in order to establish a bilateral narcotics control agreement. Such agreement shall have as a goal a 10 per centum reduction in illicit coca production in Brazil in calendar year 1986.

CONDITIONS ON ASSISTANCE TO BOLIVIA

Sec. 1005. United States assistance (as defined in section 481(i)(4) of the Foreign Assistance Act of 1961) may be provided to Bolivia for fiscal years 1986 and 1987 only under the following conditions:

(1) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1986—

(A) up to 25 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia has enacted legislation which prohibits more than two hectares of coca production per family; and

(B) the remaining 75 per centum may be provided at any time subsequent to a certification pursuant to subparagraph (A) if the President certifies to the Congress that the Government of Bolivia achieved the eradication targets for the calendar year 1985 contained in its August 1983 narcotics control agreements with the United States.

(2) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1987—

(A) up to 50 per centum may be provided at any time after the President certifies to the Congress that during the first six months of calendar year 1986 the Government of Bolivia achieved at least half of the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States and

(B) the remaining 61 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia fully achieved the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States.

UPPER HUALLAGA VALLEY PROJECT IN PERU

Sec. 1006. Funds authorized to be appropriated for fiscal year 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 for the project of the Agency for International Development in the Upper Huallaga Valley of Peru may be made available for that project only if the Administrator of that Agency, after consultation with the Congress, determines that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley.

REALLOCATION OF FUNDS IF CONDITIONS NOT MET

Sec. 1007. If any of the funds described in sections 1005, 1006 of this title are not used for the country for which they were allocated because the conditions specified in those sections are not met, the President shall reprogram those funds in order to provide additional assistance to countries which have taken significant steps to halt illicit drug production or trafficking.

CONDITIONS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

Sec. 1008. Section 482(a) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(3) Funds authorized to be appropriated by this section for fiscal year 1986 and for fiscal year 1987 may be used for a contribution to the United Nations Fund for Drug Abuse Control only if that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country.".

PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS

Sec. 1009. Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 483. Prohibition on Use of Foreign Assistance for Reimbursements for Drug Crop Eradications.—Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated.".

REQUIREMENT FOR COST-SHARING IN INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAMS

Sec. 1010. (a) Section 482 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(d) Assistance may be provided under this chapter to a foreign country only if the country provides assurances to the President, and the President is satisfied, that the country will provide at least 26 per centum of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. The costs borne by the country may include 'in-kind' contributions.".

(b) The amendments made by this section shall take effect on October 1, 1985.

EXTRADITION TREATIES

Sec. 1011. The Secretary of State with the assistance of the National Drug Enforcement Policy Board shall increase United States efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug-producing country, particularly those in Latin America.

Mr. CHILES. Mr. President, this is an amendment that I propose on behalf of myself, Senator Biden, and Senator Nunn. It speaks to the tremendous problem that we are seeing in Latin America in regard to drugs, and it gives some advice to the State Department on how to handle the problem.

Mr. NUNN. Mr. President, may we have order? This is a very important amendment.

The PRESIDING OFFICER. The Senator's observation is well taken. The Chair will respectfully request all conversations be conducted outside the Chamber.

Mr. CHILES. Mr. President, several years ago a Time magazine story characterized Florida as "Paradise Lost." That Time article crystallized for the Nation the terrible onslaught of crime that south Florida was suffering, mainly as a result of the flood of illegal narcotics from Latin America and the Caribbean.

Since that article's publication, Congress has taken a number of valuable steps to combat the drug traffickers and their deadly wares. The last Congress culminated with enactment of the Comprehensive Crime Control Act which is a major step toward assuring swift and certain punishment of these criminals.

This spring I picked up the Washington Post to read a page one story entitled, "Drugs Making Miami Synonymous With Crime." It brought home in very graphic terms that with all the efforts of the past few years we have barely made a dent in the drug trade. Record loads of cocaine, heroin, and marijuana continue to inundate our society spreading corruption, violence, and ruined, wasted lives. And for reasons mostly of geography, southern Florida remains a haven for the smugglers.

The State Department's "International Narcotics Control Strategy Report" for 1985 and a recent House Committee on Foreign Affairs staff report, "U.S. Narcotics Control Programs Overseas: An Assessment" provide ample evidence of our failure to contain the international drug trade. And our failure stems in large part from our problems in stopping drugs at their source. A consistent theme in every report and study, in every panel and hearing examining the narcotics problem is that the key to a successful drug law enforcement strategy is starting at the source of supply. All of the efforts to beef up drug interdiction forces, to break up organized crime drug rings, and to strengthen criminal penalties are undermined by a situation of ever increasing drug crops in foreign countries. With over 300,000 acres of coca fields now being cultivated in the major producing countries of Peru, Bolivia, Colombia, and Ecuador it is not difficult to understand why, with all our interdiction efforts, there is a glut of cocaine on the market.

Controlling the drug problem from foreign source countries is obivously a long term and difficult proposition. Success in one country often simply means development of new production in a neighboring country. Efforts by the governments of foreign source countries to destroy drug crops and narcotics production facilities range from sporadic bursts of activity, usually under U.S. pressure, to a passive acceptance of the drug trade. Efforts by the United States have involved dedication of significant financial resources, U.S. personnel, and even American lives with very limited results.

Mr. President, there are some who would conclude that we face an impossible mission in trying to eliminate narcotics production and trafficking in Latin America. I refuse to subscribe to that conclusion because the consequences are simply too deadly for our society. Rather my conclusion is it's time to get tough. It's time to rethink old approaches and caution and make it clearly understood that no issue has higher priority in our bilateral relations with each narcotics source country than the elimination of those narcotics. In fact, there can be no amicable relationship with any nation that fails to cooperate to the fullest extent in that task. That should be our message: We're serious about stopping drugs and we expect them to be equally serious.

This amendment aims to deliver the message that we are going to use every resource and lever at our disposal to shut down foreign drug production. It aims to make clear what we expect and demand of our neighbors to the south.

The major provisions of the amendment are:

LATIN AMERICAN REGIONAL NARCOTICS CONTROL

Latin America, international borders mean little to the drug traffickers. When the heat is on in one country they move next door. The recent crackdown in Colombia has resulted in Brazil's emergence as a major producer of cocaine and marijuana. What is needed is a regional approach to combat narcotics. The Secretary of State is required by the legislation to report to the Congress within 6 months on the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information sharing and a regional enforcement unit.

COMMUNIST COUNTRY INVOLVEMENT IN ILLICIT DRUG TRAFFIC

Current reporting requirements under the Foreign Assistance Act of 1961 shall be amended to require a description of the direct or indirect involvement of Communist countries in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances and any other activities of Communist governments which facilitated illicit drug trafficking.

FOREIGN ASSISTANCE PROGRAMS

BRAZIL

The Secretary of State is directed to enter into negotiations with the Government of Brazil to establish a bilateral narcotics control agreement with the goal of a 10-percent reduction in illicit coca production in calendar year 1986.

BOLIVIA

Bolivia has compiled a record of zero accomplishments in terms of eradicating coca and remains a principal source of the world's cocaine supply. Unless and until Bolivia demonstrates a serious commitment to drug eradication, including the enactment of legis-

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we undertook last year in the Compre- reallocating 10 percent of Brazil's sugar with pressure on traffickers in Colombia, lation to outlaw coca production except for traditional Bolivian medicinal uses, foreign assistance to that country will be terminated. A schedule is established for specified portions of that assistance to be restored when the President certifies that certain eradication targets are achieved by Bolivia.

PERU

Funds authorized for fiscal year 1987 shall be made available to the Agency for International Development project in the Upper Hallaga Valley in Peru only if the AID Administrator certifies to Congress that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Hallaga Valley.

UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

Funds authorized for the United States contribution to the United Nations Fund for Drug Abuse Control will be withheld until that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country.

PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR DRUG CROP ERADICATION

Use of foreign assistance funds is prohibited for the purpose of reimbursing persons whose illicit drug crops are eradicated.

COST SHARING

U.S. international narcotics control assistance will accomplish its objectives only if the recipient government is equally serious about those objectives. As a demonstration of that seriousness of purpose, U.S. assistance shall be provided only if the country in question puts up 25 percent of the costs of any narcotics control program, project, or activity for which such assistance is made available.

EXTRADITION TREATIES

Secretary of State shall increase U.S. efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug producing country.

Mr. President, this is legislation that the chairman of the Foreign Affairs Committee in the House of Representatives DANTE FASCELL is sponsoring and a number of House Members, and we think it is a step forward in trying to see that we show these Latin American countries that we are very serious about the drug problem and we intend to make it a cornerstone of our foreign policy.

Mr. President, I am delighted to yield to the Senator from Georgia [Mr. NUNN].

Mr. NUNN. Mr. President, I congratulate the Senator from Florida for taking the lead in a very important area. This sends an unmistakable message that we intend to not only talk about drugs and have domestic law enforcement aimed toward drugs, but we are also making it a centerpiece of our national foreign policy in dealing with other countries, and we expect other countries to cooperate.

We know that this is a difficult problem. We know that our friends in Central America have problems in their own countries. But we have a crisis on our hands, and it is a continuing crisis. It is not one that just comes about. It has been with us some time, and there is no solution in sight.

This is not going to solve all the problems, but I think it does make it very clear to the nations of the world that this is not just a domestic U.S. problem. This is a problem that affects the entire area of the Americas, and we intend to really make it a serious part of our overall foreign policy.

So I congratulate the Senator from Florida, and I am delighted to join with him on this. I am hoping that the committee will accept it and the Senate will approve it, and I certainly think it is important that the chairman of the House Foreign Affairs Committee is already well-versed in this area and has taken a lead on the House side on this.

So I congratulate the Senator.

Mr. CHILES. I thank our colleague from Georgia who has done so much in the drug area.

Mr. FORD. Mr. President, will the distinguished Senator from Florida yield?

Mr. CHILES. I yield.

Mr. FORD. I compliment the Senator from Florida also on this fine piece of legislation. And I compliment the Senator from Georgia and others.

Mr. President, I ask the distinguished Senator from Florida if he will add me as a cosponsor to this amendment.

Mr. CHILES. I am happy to add the Senator from Kentucky as a cosponsor and the Senator from West Virginia, Senator BYRD, as a cosponsor to the amendment. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL NARCOTICS CONTROL ACT OF 1985

Mr. BIDEN. Mr. President, I will join with Senator CHILES in offering this amendment because it is time to stop threatening to do something about countries that have been negligent in responding to narcotics production, and start demonstrating our seriousness about tying U.S. foreign aid to narcotics reduction.

As a member of the Senate Foreign Relations Committee and the ranking member of the Judiciary Committee I believe nothing is more important to the domestic security of this country than stemming the flow of drugs. Nothing bothers me more than continuing promises by the State Department that "things will get better next year."

Next year is now and countries like Bolivia, Brazil, Peru, and Jamaica are on notice that with U.S. foreign assistance funds and trade agreements, comes an expectation that there will be more than lip service paid to the cultivation, refining and trafficking of narcotics in their country.

The tragedy in Mexico this year when drug enforcement administration agent Enrique Camarena was brutally murdered should set the resolve for Congress, the President and the American people that we will not tolerate foreign countries ignoring our requests for help in stopping the flow of drugs to this country.

Four years ago I worked in the Foreign Relations Committee in developing a requirement that the State Department produce a report annually that describes the amount of narcotics being produced in foreign countries and provided for the suspension of all U.S. assistance except emergency aid, to those nations not showing positive results in reducing production of illicit narcotics. Two years ago with several of my Senate colleagues, we added additional language to the statute that required the State Department to set maximum achievable reductions for all source producing countries. These figures were intended to set a benchmark by which progress can be judged in stemming the flow of drugs in these countries and making determinations about foreign aid in the next fiscal year.

The State Department this year has made no recommendations to reduce foreign aid to any of the nations we know are doing little or nothing to reduce cultivation and production of narcotics within their borders. For example, the State Department recommends we give Bolivia, which produced an estimated 49 metric tons of coca, $57 million in foreign aid for fiscal year 1986 even though Bolivia didn't pull up one single coca plant last year. Also, the State Department has been telling us for years about the great cooperation with Mexico in destroying opium and marijuana. This year production of both are up, our DEA agent in murdered there and there has not been a major drug trafficker arrested in Mexico in 8 years.

Admittedly, we have made some progress in Mexico in the last month, but only after we had a travel advisory included in our State Department authorization bill and Mexico saw real quick what that would mean in U.S. tourist dollars.

This bill is a comprehensive approach to addressing the international aspects of narcotics. The approach is similar to the reform of the Federal Domestic Law Enforcement Program

we undertook last year in the Comprehensive Crime Control Act of 1984, the most encompassing revision of Federal criminal law to occur in decades. In that legislation we gave Federal authorities new tools to go after the assets of drug traffickers, detain them without bail pending trial and increase prison sentences for all drug trafficking crimes.

As a member of the Foreign Relations Committee I ask my colleagues to show their support for our domestic and international fight against narcotics and drugs. Vote for this amendment and show our friends abroad and drug traffickers everywhere we are committed to the difficult task of slowing the flow of drugs.

I submit for the RECORD a letter addressed to Senators by Senator CHILES, Senator NUNN, and myself, and also a memorandum relating to the International Narcotics Control Act of 1985.

U.S. SENATE,
May 14, 1985.

DEAR SENATOR: In the last several years we've made important strides in improving our illegal drug law enforcement capability. These have ranged from revision of the Posse Comitatus statute to passage of the Comprehensive Crime Control Act. We have added to the resources of the Customs Service, the Coast Guard and the Drug Enforcement Administration in an effort to fortify our drug interdiction effort and break up large-scale narcotics trafficking rings. All these steps were necessary and valuable and we should continue to press for aggressive implementation of these new statutes and full support of our law enforcement agencies.

Unfortunately, record loads of cocaine, heroin, and marijuana continue to inundate our society spreading corruption and violence and ruining thousands of lives. We have failed to significantly curtail the international drug trade and our failure stems in large measure from our inability to stop drugs at their source. With over 300,000 acres of coca fields now being cultivated in the major producing countries of Peru, Bolivia and Colombia, it is not hard to understand why, in the face of all our interdiction efforts, there is a glut of cocaine on the market.

It is time to make unmistakably clear to narcotics source countries that no issue has higher priority in our bilateral relationship than the elimination of illicit drugs. To deliver that message, we are proposing an amendment to S. 960, the foreign assistance authorization bill. Among its major provisions our amendment:

Conditions aid to Bolivia on passage of a law to prohibit illicit coca production and eradication of 4,000 hectares of coca per year.

Withholds $5 million in economic support funds to Jamaica, until Jamaica comes up with a strategy to fight narcotics production.

Prohibits funds in fiscal year 1987 for a crop substitution project in Peru unless aid can demonstrate that it's making concrete progress.

Tells the Secretary of State to negotiate an agreement with Brazil to reduce their coca production by 10 percent per year; if they don't, asks the President to consider reallocating 10 percent of Brazil's sugar quota.

Requires countries receiving U.S. narcotics control assistance to contribute 25 percent of the cost of the program.

Reallocates any aid which is cut off from non-cooperating nations to countries which have taken significant anti-narcotics steps.

Prohibits U.S. cash payments to reimburse farmers whose drug crops have been eradicated.

Ask the Secretary of State with the assistance of the National Drug Enforcement Policy Board to examine whether a regional anti-narcotics organization in Latin America can be established.

Directs the Secretary of State with the assistance of the National Drug Enforcement Policy Board to increase U.S. efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug-producing country, particularly those in Latin America.

Requires the State Department to report on Communist governments' involvement in drug trafficking.

We solicit your support for this amendment which signals that in our international relations we have no higher priority than defending American society from illicut drugs. Should you be interested in cosponsoring this amendment, please let us know or have your staff contact Rick Farrell at 45274.

Most sincerely,
SAM NUNN,
JOE BIDEN,
LAWTON CHILES.

INTERNATIONAL NARCOTICS CONTROL ACT OF 1985

Sec. 2. Latin American Regional Narcotics Control—

U.S. should encourage countries like Colombia, Brazil, Argentina, Mexico to organize a joint information sharing program to combat narcotics production. The U.S. should supply resources that help coordinate intelligence and provide equipment while the Latin Americans would supply manpower and salaries. The State Department is to report to Congress in 6 months on a plan for establishing such an organization.

Sec. 3. Travel Advisory on Mexico—

Recent murders of U.S. citizens and DEA agent constitutes a danger to the safety of U.S. citizens traveling there and a travel advisory should be put in effect until the conviction of those involved in the DEA agent murder.

Sec. 4. Greater Support from the Defense Department in Narcotics Control Efforts—

Report from the President in 60 days on why the U.S. Armed Forces cannot exert greater effort in the detection and interdiction of narcotics traffickers.

Sec. 5. Annual Report on Communist Countries Involvement in Narcotics Traffic—

The annual State Department report on narcotics will include a new section on direct or indirect involvement of communist governments in production, processing and shipment of narcotics.

Sec. 6. U.S. Personnel Involvement in Arrests Action and Interrogations Abroad—

Amends current restrictions against U.S. personnel being present at arrests if mutually agreed to by the host country, the Secretary of State and Congress.

Sec. 7. Narcotics Control Effors in Brazil—

Brazil has been slow to recognize increasing coca production in their country and with pressure on traffickers in Colombia, Brazil could surpass Colombia as a haven for cocaine transhipment.

Secretary of State will enter into a bilateral narcotics control agreement of a 10 percent reduction in coca production for calendar year 1986.

Sec. 14. Cost Sharing by Host Country—

U.S. assistance funds for narcotics control will only be provided if at least 25 percent of the cost of the program is borne by the host country.

Sec. 15. Weapons to Defend Aircraft Involved in Narcotics Control—

Would permit, upon approval of Congress, the procurement of weapons for defense purposes on aircraft used to eradicate or interdict narcotics.

Sec. 16. Creating Narcotic Specialist Positions in the State Department—

A report from the State Department on how improvement in the personnel in the Bureau of International Narcotics Matters can be made, with specific emphasis on creating a new category of Foreign Service Officers with an expertise in narcotics matters.

Sec. 17. Information Sharing between the Department of Justice and State Department—

A comprehensive information system on foreign nationals arrested for drug trafficking will be developed so that U.S. law enforcement and State Department Embassies can keep abreast of the status of foreign nationals involved in narcotics traffick.

Sec. 18. Extradition Treaties—

The U.S. should increase efforts to negotiate updated extradition treaties regarding narcotic offenses.

Mr. LUGAR. Mr. President, let me propound a question to the distinguished Senator from Florida.

Mr. CHILES. I did misspeak. We have taken out the sugar quota provision.

Mr. LUGAR. Mr. President, I appreciate the diligent work of the distinguished Senator from Florida in crafting an excellent amendment and working with the staff on both sides of the aisle to think through the implications of how we might be affected with regard to the drug traffic in these particular countries.

On our side we are prepared to accept the amendment, and we appreciate the cooperation of the distinguished Senator working with us to perfect an amendment that we believe will be significant.

Mr. CHILES. I thank the Senator from Indiana.

Mr. PELL. Mr. President, I think this amendment is an excellent one and the result of a great deal of discussion between the different parties as to its crafting. I recommend its passage to my colleagues.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 108) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 109

(Purpose: Expressing the sense of the Senate with respect to the construction or rental of a new building in Geneva, Switzerland, to serve as space for all U.S. arms control negotiating teams and staff)

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 109.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert:

Since the United States is party to vital talks on arms control in Geneva, Switzerland;

Since these talks include negotiations on strategic nuclear weapons, intermediate range nuclear weapons, space and defense systems, a bilateral U.S.-Soviet forum, called the Standing Consultative Commission, and a multilateral forum, called the Conference on Disarmament;

Since the U.S. delegations to these talks occupy buildings and spaces insufficiently secure, modernized or large enough to permit those delegations to conduct their work efficiently;

Since the U.S. delegations to the strategic, intermediate and space and defense talks in particular occupy space in the Botanic Building that is also occupied by offices of numerous other, non-U.S. organizations, and shares common walls and parking facilities with these delegations;

Since arms control negotiations require sophisticated security facilities, telecommunications equipment, simultaneous translation capabilities and other specialized services;

Since the Soviet Union, for its part, has made available for its negotiating team a modern, secure, well-equipped building dedicated for the use of its arms control negotiating teams: Now, therefore it is the sense of the Senate

That (a) in order to facilitate the effective work of the U.S. arms control negotiating teams, and to provide for them a dedicated structure capable of supporting their vital tasks on a permanent basis, it is the sense of the Senate that the Secretary of State should submit to the Congress a report on the feasibility, cost, location, and requirements of a structure to house the U.S. arms control negotiating teams in Geneva.

(b) It is further the sense of the Senate that this report should be submitted as soon as possible.

(c) It is further the sense of the Senate that, this matter be included in the consideration of the 1985 supplemental appropriation process.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senator from Georgia [Mr. NUNN] be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, this is an amendment that would express the sense of the Senate that there should be a new building in Geneva, either constructed or rented, to serve the purpose of providing space for the arms control negotiating team. We now have a series of negotiations going on there that are most important.

One of the things that struck some of us, as we visited the negotiations and discussed the problems with the delegations that are involved, is that the Botanic Building that we now use to house our delegations is a building that houses other organizations. They share parking facilities and there are common walls. The security of this arrangement is not good.

As a matter of fact, when the Russian negotiators come to meet with our negotiators in the U.S. facilities, at times it is even difficult to get the elevators to take the Russian negotiators to the designated place in the building where the negotiations will take place.

But even more important, I think, is the problem that we are dealing now in a long continuum of negotiations. I am very hopeful there will be success in these current negotiations, but success is going to have to be measured in incremental amounts.

I am one who believes we will be negotiating on arms control measures probably for the rest of the century. We just cannot go forward with the facilities that are so limited and so inadequate, really, as to meet the needs of the people that are involved.

There were, in this one negotiation that we were observing, three separate talks going on at the same time: The strategic, the INF, and the defense in space talks, all under the umbrella of the new arms control talks. And that means that there are a substantial number of people that have to be able to meet and confer each day and to have their counterparts from the Russian side involved, as the practice is, on every other occasion that they negotiate.

I have discussed this with the managers of the bill. I want to point out to the Senate that what it does is urges the Secretary of State to submit a report to Congress on the feasibility, cost, location, and requirements of a structure to house the U.S. arms control negotiating teams in Geneva, that it should be done as soon as possible and, if it is possible, that we consider this matter in connection with the 1985 supplemental appropriations process.

Mr. NUNN. Mr. President, I am pleased to coauthor this amendment with the Senator from Alaska. I congratulate him on taking the lead on this.

I have been in the building he makes reference to. It is a building that is totally inadequate for security purposes. It is totally inadequate for any kind of delegation. In visiting and waiting for the elevators, it takes a great deal of time. It also is simply not conducive to the business that has to be carried on by the arms control negotiators. I know the Senator from Virginia, the present occupant of the chair, has also been to that building and would concur in this.

It would be my hope that an existing building could be located in Geneva. But the Senator from Alaska has gone into it more than I have and he believes it will require construction of a new building. In any event, I am hopeful we can find satisfactory housing there for the important work of the arms control negotiating team.

I hope they will not be there for as long on the START talks as the Senator from Alaska indicated. I think he was indicating not just the START talks but the follow-on talks that will be coming in the future.

Mr. STEVENS. The Senator is correct. I am saying there will be ongoing talks there to the end of this century.

Mr. NUNN. I agree with the Senator on that. I think these talks will be continuing. Hopefully, we will have some agreements in the not-too-distant future on START, but certainly we are talking about a period of perhaps years before these negotiations are concluded. And then, if they are successful. It will require a continuation of negotiations into the long-distance future on follow-on agreements.

So I am pleased to support this amendment. I urge that the Senate approve it.

Mr. STEVENS. Mr. President, I am pleased the Senator from Georgia has articulated to a greater extent what we mean and at least what I meant by the comment that the United States will have negotiators in Geneva to the end of the century in arms control. I did not mean to imply this current negotiation will take that long to complete. But I do think, as the Senator from Georgia has stated, with follow-on talks to lead to a builddown and to lead a discussion on compliance and further understanding and further agreements as to the use of arms in the world, I think we ought to commit ourselves to the fact that arms limitations are that important that we should have a main structure there.

Mr. President, I ask unanimous consent that the present occupant of the chair, the Senator from Virginia [Mr. WARNER] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I further ask unanimous consent that the amendment be modified in the form that the clerks have informed me it should be in order to make it an

amendment to the bill rather than a freestanding resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I deeply appreciate the leadership that the distinguished Senator from Alaska and the distinguished Senator from Georgia have been giving to our arms control observer group. My colleague in the management endeavor today, Senator PELL, and I are honored to share the cochairmanship with them. We all, as does the distinguished occupant of the chair, have an interest in the success of those efforts and particularly the support of our negotiating teams over the years.

Ordinarily, I would have encouraged the distinguished Senator from Alaska to attempt to have either a freestanding resolution or to amend the State Department bill. But I note that the urgency of what he is proposing suggests that action be taken in the 1985 supplemental appropriation process, which could occur fairly soon and that this is a sense-of-the-Senate resolution and a message to the leadership in the administration of the urgency of this project.

For these reasons, and especially because I believe that the desirability of the amendment is evident on its face and that the timeliness is important, we would be prepared to accept the amendment as a part of the foreign assistance bill, with the understanding that action may be urgent and that it is timely that this message be sent.

Mr. PELL. Mr. President, I think it was Winston Churchill who once said, "Jaw-jaw is preferable to war-war." This is what we hope to accomplish with the Soviets. As long as we are going to jaw-jaw, we might as well do it in a place that is secure, a place where people can work comfortably and effectively.

For all these reasons, I think this amendment points in the right direction. As one who has been an observer to these arms control talks for many years and has recently observed the conditions under which our delegations must presently operate, I think this is a very appropriate amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska [Mr. STEVENS].

The amendment (No. 109) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO 110

Mr. SYMMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 110.

At the appropriate place add the following:

That section 118 of the International Security and Development Cooperation Act of 1980 (22 U.S.C. 2293 note) is repealed.

Mr. SYMMS. Mr. President, South Africa has been in the news headlines since last November's elections, and the ground has been laid by protestors and grassroots activists to push disinvestment legislation through the Congress.

The professed concern of disinvestment advocates is the rights of South African blacks. Critics of South Africa contend that the way to bring political power to South Africa's blacks is to put them out of work. It does not seem to make any difference that the South African blacks with real backing and support among their people, like Zulu Chief Buthelezi of South Africa's largest tribe, and Lucy Mvubelo, head of one of South Africa's largest labor unions, adamantly oppose disinvestment. The enlightened beltway liberals are sure that they know better than South Africa's blacks, what is good for them.

Mr. President, no one supports apartheid. But the imposition of economic sanctions and disinvestment is no way to reverse apartheid. The issue is how best to help South Africa to dismantle apartheid, and bring equality and freedom to all its citizens. Despite media distortion, much progress has been made in South Africa since "constructive engagement" began with the Reagan administration.

In 1979, the current prime labor law, the Industrial Conciliation Amendment Act, was passed. This law removed racial restrictions on labor unions and legally allowed multiracial trade unions and associations. From this legislation many other benefits, legal, economic, and social, were achieved. There has been a dramatic rise in black disposable income, which has in turn released a consumer-driven relaxation of apartheid laws in retail trade, and has lead to the racial integration of the marketplace and the workplace. Much of these economic gains have been fueled by American businesses and their higher wages and nondiscriminatory hiring policies. Mr. President, investment in South Africa morally is a proper policy, and is contributing slowly but surely to the dismantling of apartheid, without violent upheaval, and economic chaos.

South Africa needs our continued encouragement and support for progressive change, and we should reward the progress that has already been made by increasing investment, and improving the political and economic status for South African blacks.

But South Africa's racial policies are only one aspect of the dynamic situation on the African Continent. There is a great struggle for freedom ongoing in Angola and in Monzambique, two areas of which the Soviets would rather the American people remain ignorant.

While the leftists in the media harp about South Africa's apartheid policy, they ignore the far worse human rights violations in Angola, in Zimbabwe, and in Mozambique. If you question my assertion, please take a look at the State Department's 1984 Country Reports on Human Rights Practices. I will also add that South Africa gets a rating from Freedom House of being "partly free," while Angola, Ethiopia, and Mozambique are rated "not free." Why is it then that a double standard is being applied in Africa on human rights? Is discrimination against blacks in South Africa more deplorable than the Ethiopian policy of starving enemies of the state? Is apartheid more appalling than the Mozambique concentration camps, and the Mozambique Government's selling of young slave laborers to labor in East German factories?

Mr. President, this amendment is the repeal of the Clark amendment, with which I know all Senators are very familiar, was overwhelmingly repealed in 1981 in the Senate. The Clark amendment lifts the prohibition against aid to the freedom fighters in Angola.

Mr. President, the reason I bring this issue before my colleagues—and I have spoken to many of my colleagues about this—is because I had the opportunity to witness the debate that went on in the other body on this subject back in the middle seventies when President Ford was in office. We lost in Angola because of our failure, for many reasons, to support Dr. Savimbi and his UNITA forces in Angola. We lost those votes. The Clark amendment was passed, became law, and the U.S. aid did not go to our friends. I think that was a mistake. I have a very firm, strong belief that if we want to be effective as the leader of the free world, and if we want to help preserve our own liberty, we must support our friends who aspire to the same goals that we do.

All you have to do is visit free Angola as I did in January 1984. I visited in Jamba and had the opportunity to see what Dr. Savimbi is doing. I think he is one of the greatest men in the world. He is leader in Africa who is a pro-Western, Christian, black nationalist. He does receive support from many other African states, from some in the Middle East, and from some Western European countries. I think we need to repeal this Clark amendment to get the leverage needed to force the MPLA to come to terms with

UNITA. Dr. Savimbi's stated goal is a government of national unity representing all the people of Angola.

I want to talk about a couple of things that are in this bill under discussion, Mr. President. This foreign aid bill that we are considering on the floor today proposes some $15 million for aid to Zimbabwe, a country which is on a fast and sure track toward a one-party Marxist state. The bill also has economic assistance for Mozambique. Mozambique is a Soviet client state which with the support of our State Department is attempting to snuff out their democratic opposition.

Mr. ARMSTRONG. Will the Senator yield?

Mr. SYMMS. I yield.

Mr. ARMSTRONG. Is the Senator saying that this bill contains an authorization for the appropriation of U.S. funds for that purpose, to aid the Government of Mozambique?

Mr. SYMMS. That is correct.

Mr. ARMSTRONG. I wonder if the chairman or the manager of the bill could explain why in the world we would do such a thing. I know that is not the main point of the amendment.

Mr. SYMMS. If the Senator will give me a moment, I will try to make the point of why I think this amendment is so important. I thank the Senator for his question.

Mozambique received in 1984 from the United States loans and grants of about $18 million. From international agencies to which the United States contributed substantially, some $45 million more went to Mozambique. Where does this money go? Mozambique has thousands of Soviet, Cuban, East German, North Korean, and Libyan advisers and is receiving vast amounts of military equipment from the Soviet bloc. I think, Mr. President, that it is safe to assume that considering the disastrous economic situation created by the Marxist government, our taxpayers' dollars are not going to the betterment of the living standards of the people of Mozambique.

The reason I make that point which obviously aroused the interest of my colleague from Colorado is that if the United States of America wants to make a positive contribution in Africa, we should be supporting the process of expanding freedom and opportunity for the people in Africa, and putting pressure on the Soviets and their proxies who are not interested in representative government. The Soviets are only interested in the exploitation and the destabilization of the continent, in subversion and terrorism, and ultimately, in political hegemony over the region and its critical strategic resources. That is why this issue is of interest to the United States, among other reasons.

Setting aside the moral issue of course, we are all interested in the immeasurable strategic importance to the United States of the African continent. Mr. President, with the critical minerals we depend upon across the mineral belt of central Africa, we need to be supporting our friends down there. There are viable, growing, pro-freedom revolutionary forces in Africa, in Angola, in Mozambique, and in Ethiopia that are fighting Soviet colonialism. Angola's freedom fighters, UNITA [the National Union for the Total Independence of Angola], is one such group in which I have, and the country should have, a great interest. I think it is worthy to mention again that Dr. Savimbi has had 10 years of experience in the bush. He is a great statesman. He is a soldier. He is a leader. He is building hospitals, and his people are farming. They are taking good care of their people as they grow in power, and UNITA now has absolute control of one-third of Angola. UNITA has virtual control of another third, and is threatening the power center of the Marxist MPLA, the capital city of Luanda. What I am saying, Mr. President, is that UNITA has been able to do this without our help so far, but we had better get on the bandwagon, and see what we can do to help carry the day.

Foreigners visiting Angola, if they go into Luanda, the capital city under the control of the MPLA, are warned not to travel outside of Luanda because of UNITA's operations, and the military situation from the Marxists' perspective is very precarious, despite the fact that Angola pays handsomely some 37,000 to 45,000 Cuban soldiers to keep its unelected government in control.

Now, in spite of the increasingly advantageous position of UNITA, and the imminent collapse of the illegitimate, pro-Soviet government, elements within the State Department are doing their best to salvage the MPLA, and to prevent the forces for democratic government from winning in Angola.

Just this morning, I had the opportunity to be briefed on the most recent proposition that the State Department presented to the MPLA, and to South Africa, the first time that State has directly brokered a proposed agreement between the two factions. This agreement could well have been devised in Moscow or Havana, because its terms were most advantageous to the Angolan Marxists. In my opinion, it is shocking that our State Department has kept the terms of this proposal under wraps despite inquiries from my office about its content.

What did the State Department tender? The thrust of the proposal was that the Angola Communists would have an 8-month timeframe in which to send home 12,000 Cuban troops. That is about a fourth of the estimated Cuban presence in the country, while South Africa would be required to, one, withdraw from Namibia with only 1,500 troops left behind, and, two, pledge to uphold the "territorial integrity" of Angola, which would prohibit them from preventing SWAPO incursions into Namibia or from lending support to UNITA. Furthermore, the plan required the implementation of U.N. Resolution 435 from Namibia, which former Ambassador Jeane Kirkpatrick labeled a formula for a SWAPO power grab in that country. After 12 months the plan still allowed for the MPLA to keep up to 15,000 Cuban troops in Angola, and the force could remain indefinitely as long as they were not used in an "offensive" manner.

Mr. President, in my opinion, this proposal is an outright sellout of the forces who are on our side in Africa. I do not think we should in the United States abide this treatment of those brave Africans who have fought for so long to break the stranglehold that the Soviets and their proxies have on their countries. Incredibly, the MPLA turned down this generous offer because they have consistently refused for the past 4 years to make any concessions whatsoever on the Cuban troop withdrawal.

That continual refusal to ship the Cubans back to Castro is to Savimbi's and UNITA's credit, because without the Cuban muscle, the MPLA, lacking support from the Angolan people, would collapse. Fortunately for the MPLA, their unpopularity among the Angolan people is more than compensated for by their strong support from important segments here at Foggy Bottom. Heaven knows it is no wonder we have problems around the world when the United States cannot decide which side it is on.

Mr. President, the Senate lifted the Clark amendment in 1981. The Clark amendment, which I referred to earlier, foolishly prohibited aid to Angola's freedom fighters back in 1975. That amendment was a backlash from the isolationism spawned by Vietnam.

Those that argued that American withdrawal from Southeast Asia would ensure peace were proved dead wrong, and now there is bipartisan support for efforts to help the Cambodia Democratic Resistance. Let us show some consistency here, and extend American diplomatic and material support to not only the Cambodians and the Afghans, but to UNITA as well. There is no place in Angola, nor will there be, until the government respects basic human rights and reflects the will of the people.

America needs to clarify what this country stands for, and to recognize our friends, and protect them from the enemies of democracy and the enemies of freedom. Our incomprehensible foreign policy in Africa has delighted our enemies, demoralized our

friends, and jeopardized our critical security interests in Southern Africa.

Mr. President, I would like to read to my colleagues a letter handed to me this morning dated April 24, 1985, Jamba, Angola.

JAMBA, ANGOLA, *April 24, 1985.*

Dear Senator SYMMS, I very much appreciated your letter of last November. Regrettably, due to lack of couriers, I am today writing you quite belatedly.

I take this opportunity, to sincerely thank you for all you have been doing to help Americans understand the Angolan problem and the significance of our resistance to the Soviet and Cuban occupation of our country, Angola. We ask you to keep up your efforts to bring about adequate United States' policies to help to solve the conflicts.

Since you visited us here one year ago, further tremendous progress has been made by our organization. Our Armed Forces have increased both in numbers and in quality. We have now extended our military activities to the entire country, while consolidating and expanding the territory we totally control.

Our preoccupation today, however, is no longer the military side of the equation, but rather the politico-diplomatic factor. We need, at the very least, a strong political and moral backing from the United States, to enhance the attainment of a just settlement and lasting peace in Angola, entailing a total withdrawal of the Cubans and the holding of free elections, so Angola may become truly independent and democratic; our people must have a say in the shaping of their future and in the running of the country.

We retain good memories of your last visit here. But we hope you will soon reconsider honoring us with another visit so you may reassess the situation especially in the light of the ongoing U.S. State Department diplomatic efforts which have not been moving in the encouraging direction, to say the least, notwithstanding the complexity of the conflicts here and the sincerity of the diplomats.

In the meantime, Jerry Chitunda, who was here with us since last March, will convey to you a comprehensive up-to-date briefing on the situation.

Wishing you good health and all the best,

Yours sincerely,

DR. JONAS MALHEIRO SVIMBI,
President.

Mr. President, I read that entire letter only for informational purposes for my colleagues, and to say that we have, in my view, a golden opportunity on the African Continent. It is my opinion, Mr. President, that if the United States would take the bold step forward to help these brave freedom fighters in Africa, we would have a strong leader in Angola who could, in fact, put into place a government that would recognize and respect human rights; that could be an example to other nations in Africa of how they could run their affairs; that would be the best single positive factor that could happen to help solve some of the problems in southern Africa.

I would just urge my colleagues to give this amendment every consideration. If it is not going to be included in this bill that we are discussing tonight, it certainly should be included in the State Department authorization bill.

I yield to my colleague from Colorado for a question.

(Mr. MATTINGLY assumed the chair.)

Mr. ARMSTRONG. Will the Senator yield for several questions? I understand that the purpose of the Senator's amendment is to repeal the so-called Clark amendment which forbids United States aid to the forces led by Dr. Savimbi.

Mr. SYMMS. That is correct.

Mr. ARMSTRONG. It is my further understanding, both from the Senator's statement and other information, that the amount of Soviet aid is enormous; that military aid alone has been very substantial, hundreds of millions of dollars. I do not have an exact figure, but there has been an enormous military as well as political support for the Marxist regime in Rwanda from the Soviet Union. Is that correct?

Mr. SYMMS. The Senator's understanding is absolutely correct.

Mr. ARMSTRONG. At the present time, we are supplying no support of any kind to the freedom fighters who are attempting to resist the consolidation of power by the Rwanda regime, that is to say the Communist regime. Is that also correct?

Mr. SYMMS. That is absolutely correct.

I might just say to the Senator that a Cuban soldier is costing $600 per month and there are somewhere between 35,000 and 45,000 Cubans, by my information, in Angola. So you can imagine what this foreign military presence is costing. The Cubans do not have the money. The MPLA is draining the economy with military expenditures.

Mr. ARMSTRONG. The thing that I find particularly important or significant about the case which has been made by the Senator from Idaho is the realization that the Soviet Union, through its protection, is extensively funding the military power of the central government. Out in the bush, for not just a few months or for a year or two, but for a decade, Dr. Savimbi and his supporters have been battling on without any help from the United States, with some help, I gather, from other sources, and not only are not being driven out or gradually subjugated, but my information—and I have not had the opportunity to visit that region as the Senator from Idaho has—the best information available to me, indicates that on the contrary, it is the Communist regime that is on the defensive, it is the Communist regime that is embattled, that the territory under control by Dr. Savimbi and his supporters is part of the country which is pacified, well-run, and organized.

Increasingly, the so-called rebels are turning from purely military means to political aspirations, and in fact to the pacification and economic and political development of their country.

Mr. SYMMS. The Senator is correct and right on target. As a matter of fact, when I was in Angola in 1984, at that time Dr. Savimbi's assessment of the situation was that UNITA probably, at best, could hope for a political stalemate.

I will repeat what he is saying in his letter. He actually says the military dilemma is no longer the problem. He said, "Our preoccupation today, however, is no longer the military side of the equation."

Mr. Chitunda, who visited me this morning, said they feel very positive about the military situation. They are gaining support from the populace, from the people, because they do have schools and hospitals; they are farming; people have opportunities, they are making headway.

It is just tragic in my view that the United States of America, the bastion of hope and liberty in the world, cannot help and support these brave people who are really fighting our war in Africa.

In my view, what will happen if we support them, and help Savimbi gain power in the government, and I remind my colleagues that he has stated repeatedly, that Angola will have a government of all the people, then you would have a leader, a black, Christian, pro-Western leader in Africa, who stands for those values of human rights that we all in this Chamber talk about all the time. Angola would become a model for those other countries across the mineral belt of Africa. I believe Zimbabwe, Zaire, and Mozambique, and in those countries in that region, that they would then turn to the West, and our constructive engagement policy would be tremendous success. I am not condemning those people who work for the U.S. State Department for the President or for Mr. Shultz. Chester Crocker, the Assistant Secretary for African Affairs, has met with me many times, and he is sincere in his efforts to secure peace and stability in the region. What I am saying is I think constructive engagement can be greatly enhanced if the Congress will give the State Department the tools it needs for strong, successful negotiations.

This is a golden opportunity, and we are standing here failing to seize that opportunity. I would like to see the U.S. Senate, if not tonight, in the very near future, repeal the Clark amendment and stand up and support our friends, and oppose our adversaries who are in control of the Marxist government of Angola today. That is really my case.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator responding to my inquiry. If he would yield to me briefly, I have one observation, one unanimous-consent request and two additional brief questions.

My observation is that the Senator has done an extraordinarily useful service by bringing this matter to the attention of the Senate. I do not know what the disposition of this amendment will be tonight. But if it is not adopted tonight, as I hope it will be, I trust that the Senator will pursue this because I think he is raising an issue which has for too long been ignored by most of the Members of the Chamber and by most of the people at home.

It is hard to get excited about Angola. It is a long way away; it is a problem we do not want to look at. Yet what is happening in that far-off country is of significance to our country for many reasons, because the battle which goes on there is a battle which is not unlike that which our own country went through at one stage.

Mr. President, I ask unanimous consent that an article entitled "The Agony of Angola" by Mr. Edward B. Cain be printed in the Record at some point. It is a well-documented, well-footnoted explanation of the history of the Cuban-Soviet occupation of that tragic country, of the organization and political beliefs of those who are sometimes called the rebels—that is to say, Dr. Savimbi and his supporters.

That is my request, Mr. President, that following my remarks, that article be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE AGONY OF ANGOLA

(Edward P. Cain)

Angola has been torn by war since March 1961, when Bakongo Warriors—who live in tribal lands divided by the border—poured into northern Angola from the newly independent former Belgian Congo. More than 300 Portuguese and thousands of blacks died within a few weeks in that explosion of violence.

Stretching for 1600 kms. along Africa's west coast a little south of the equator, Angola was Portugal's largest and most prosperous colony, with enormous undeveloped wealth. Covering an area of 1,246,000 square kilometers, nearly twice the size of Texas, it is roughly quadrilateral with an enclave in the extreme northwest—Cabinda—cut off from the rest of the country by a tongue of Zaire. Although its climate and vegetation are quite varied, ranging from equatorial forest to harsh desert, the central plateau is healthy and fertile, so much so that the Portuguese used to boast that Angola could feed all of Africa. Though it was the world's fourth largest coffee producer, Angola's real wealth lay under the soil. Its diamond fields are the world's fifth largest; it exports high-grade iron ore from its rich deposits; its vast holdings of copper, manganese, gold, bauxite, and platinum are virtually untouched. But its real resource is oil: in 1983 it produced 135,000 barrels a day from deposits which are the envy even of the Persian Gulf.

Luanda, the capital, with its skyscrapers, wide avenues, a population of over 500,000, and its generally European appearance, was modern and dynamic. It also has one of the two finest natural harbors in West Africa (the other, Lobito, is in southern Angola). Angola's sparse population of 6.5 million is divided into many tribes speaking different languages. In 1973 the white population was 450,000.

Angola's war may be divided into three parts. From 1961 to 1974 three liberation movements fought against Portuguese colonialism. After a short period of peace following the left-wing military coup in Portugal during which the liberation movements conducted political campaigns, a civil war began which lasted from March 1975 to February 1976, when the MPLA, reinforced by enormous quantities of Soviet arms and by a Cuban expeditionary force of 13,000, overwhelmed the other movements. Finally in the third phase—continuing to the present—UNITA has challenged the Soviet-Cuban occupation of Angola with increasing success.

I. THE LIBERATION MOVEMENTS—THE MPLA

The Movemento Popular de Libertacao de Angola (People's Movement for the Liberation of Angola) was founded in Luanda on December 10, 1956. Its early leaders included Mario de Andrade and Agostinho Neto, both members of the Portuguese and French communist parties, and its initial financial support came from the Belgian, French and Portuguese communist parties. From the moment of its inception Moscow has viewed it as its instrument and has supported it in its propaganda publications. Indeed the official Soviet publication *Africa Today* claims that it was founded at the initiative of the Angolan communist party.

MPLA militants were responsible for the first acts of armed insurrection in Angola when they attacked prisons in Luanda on February 4, 1961. Agostinho Neto was in detention in Portugal at the time. He then escaped from house arrest and arrived in Kinshasha (then Leopoldville), Zaire, in the fall of 1962, to find the MPLA almost at an end. He took over the presidency from Andrade and set out to revitalize the movement. Neto, a member of the Kimbundu tribe, had compiled an excellent academic record, as a result of which he was one of the first blacks to be accepted as an *assimilado*, with the full rights and status of the whites. He had studied medicine at Coimbra University in Portugal, where he was arrested for subversive activities.

Prospects for the MPLA improved when it moved its headquarters to Brazzaville, Congo, in November 1963. Alphonse Massamba-Debat had seized power in the Congo only a few months earlier and begun transforming the country into a Marxist stronghold. In April of 1964 the first Chinese diplomats arrived in the Congo and built a training camp for the MPLA at Bouango. The MPLA began infiltrating the Cabinda enclave from the Congo in 1963-64, and when Zambia became independent in October 1964 Neto established bases there to support strikes into eastern Angola. By 1970 the MPLA was responsible for some 59% of guerrilla incidents in the country.

In March 1965 Neto visited Moscow under the auspices of Alvero Cunhal, the Portuguese communist leader who had been Neto's friend since his student days. In October the Organization of African Unity (OAU) switched its support to the MPLA from the rival FNLA. By November the MPLA was receiving support from the Soviet Union, Cuba and China. Neto received the Joliot-Curie award from the World Peace Council in 1966 and was Angola's representative to the Afro-Asia Solidarity Conference: both of these organizations were communist fronts.

By this time as well the MPLA had extensive bases in the Congo in which it stored its Soviet arms and supplies. Aside from offices, indoctrination centers and other facilities located in Brazzaville, it had three other installations in the country, and used Radio Brazzaville's powerful transmitter to beam its propaganda into Angola. Several thousand of its cadres had been trained by Russia, Czechoslovakia, and Bulgaria.

Inside Angola, however, the MPLA had only limited political support. Since it had been founded by Portuguese and *mestico* (people of mixed ancestry) Marxists with urban roots and secondary education, the MPLA had difficulty in dealing with rural issues. It constantly stressed the class struggle, using egalitarian, multiracial and anti-imperialist themes. This bias was reinforced by the views of the political and military cadres trained in the Soviet Union, Eastern Europe and Cuba. Its rural support came almost exclusively from the Kimbundus, Neto's tribe, representing about 22% of the population.

Several internal conflicts have convulsed the MPLA both before and after it seized power in Angola. For example, after an unsuccessful attempt on Neto's life in Brazzaville in May of 1973, a number of its members were executed, but one of those involved in the plot, Daniel Chipenda, fled to Zambia, where he rallied the majority of the guerillas around him. The dispute virtually paralyzed the MPLA, and by 1974 it had been all but eliminated by the Portuguese army in the eastern region of the country.

UNITA

The Uniao Nacional para a Independencia Total de Angola (National Union for the Total Independence of Angola) was founded on March 13, 1966, by Jonas Malheiro Savimbi at Mwangai, in Angola's Moxico province. The son of a station master who founded churches and opened schools all along the Benguela railroad in central Angola, Savimbi was born in 1934 and finished secondary schoool at the top of his class. He studied at Lisbon University until violence erupted in Angola in 1961, then moved to Switzerland and graduated from the University of Lausanne in political science. He served as the first foreign minister of the Angolan Revolutionary Government in Exile formed by Holden Roberto in March 1962, but resigned along with several others in July 1964 on the grounds that Roberto was a flagrant tribalist who gave his men no political training. When his call for a united front of all valid nationalists movements met with no response, he formed his own movement.

UNITA, the first group to benefit from Zambia's independence, sent militants into eastern Angola in 1966-67. However, after it sabotaged the Benguela railroad—the main export channel for Zambian copper—Svaimbi was expelled from Zambia in 1968, but later returned clandestinely, and then established his headquarters in eastern Angola. UNITA penetrated Angola on a

narrow front south of Luso and was active as far as the border with Bie. Though he initially enjoyed Chinese support, this faded after 1970, and Savimbi concentrated on building up a strong base among the people. Since UNITA operated in roughly the same area as the MPLA and had no representatives outside the country, at first MPLA was given credit for many of UNITA's actions. However, when the MPLA became inactive toward the end of 1973, guerrilla incidents in eastern Angola were correctly credited to UNITA. This at the time of the Lisbon coup, UNITA was the most active of the three movements, and the only one operating inside Angola.

FNLA

The Frente Nacional de Libertacao de Angola (National Front for the Liberation of Angola) was the successor to the UPA (Angolan People's Union), which was responsible for the bloody uprising of 1961 in the north of Angola. Led by Holden Roberto, brother-in-law of President Mobutu of Zaire, it drew its support from the Bakongo tribe, which comprises 13% of the population, and operated from bases in Zaire. Although it had been largely neutralized by the Portuguese by 1974, it still put up a strong showing in the civil war following the Lisbon coup. After he split from the MPLA in 1974 Daniel Chipenda joined the FNLA with 3,000 troops who had been fighting in eastern and central Angola, which gave the FNLA a presence in the southern half of the country. FNLA consisted mainly of a fighting force without a clear political program, and ceased to function in 1978 with the normalization of relations between Angola and Zaire. It will, therefore, receive only incidental mention in this study.

II. THE SOVIET-CUBAN OCCUPATION OF ANGOLA

A. The Civil War

The Portuguese coup of April 25, 1974, effectively ended army action against the Angolan insurgents. The new government almost immediately issued appeals to the liberation movements to lay down their arms, reconstitute themselves as political parties, and discuss the future of Portugal's colonies. On June 17, 1974, UNITA agreed to a ceasefire and Savimbi began moving through the country addressing political rallies.

The MPLA, still hopelessly divided, held a "unity conference" in Lusaka, Zambia, at which, surprisingly enough, Neto stormed out and allowed Chipenda to assume the presidency. Clearly Neto had learned from his friends in Moscow, in the Armed Forces Movement which initiated the coup, and the now legal Portuguese communist party, that he could seize power even without the MPLA guerrillas. He returned to Lunanda and began mobilizing and arming the unemployed and discontented city residents.

On November 25, 1975, the Johannesburg-based Portuguese-language weekly *O Seculo* reproduced a letter purportedly written to Neto on December 22, 1974, by his brother-in-law Rosa Coutinho, the first High Commissioner appointed to Angola by the new Portuguese government. Nicknamed the "Red Admiral," Coutinho warned "comrade" Neto against the "imperialist forces" of the FNLA and UNITA, which, he said, were seeking to frustrate attempts to "extend communism from Tangiers to the Cape and from Lisbon to Washington." He then told Neto to instruct the MPLA to "terrorize the whites by all means" in order to force them to flee the country. "We shall uproot the whites so completely," he wrote, "that with their fall the whole capitalistic structure will be demolished, making it possible to establish the new socialist society." Whether this letter was authentic or not—and Coutinho has never disputed its authenticity—it accurately foresaw the disaster which was to befall Angola.

On January 5, 1975, the MPLA, FNLA, and UNITA announced the formation of a common front to negotiate with Portugal. This was followed by the Alvor agreement of January 15, 1975, which established a quadripartite transitional government to exercise power until November 11, 1975, the date fixed for independence. The main task of the transitional government—whose ministries were divided equally among the movements and Portugal—was to organize general elections. By the terms of the agreement each nationalist movement would provide 8,000 men to be integrated with 24,000 Portuguese troops to produce a national army of 48,000 men. The Portuguese force would be a stabilizing presence and would not be withdrawn until February 29, 1976.

The Institute for the Study of Conflict has noted that the Portuguese adopted a policy of "neutrality" at a time when the influence of the Portuguese communist party was at its height in Lisbon, which meant that Lisbon gave tacit support to the MPLA as the preferred nationalist movement. During those critical spring and summer months of 1975 the Lisbon government acted as a broker between Moscow and the MPLA. The influence of the Portuguese communist party was only curbed with the information of the sixth Portuguese provisional government of September 19, 1975, but by that time the MPLA had already established military preponderance in Angola.

In the meantime Savimbi—who has always preferred political to military action—launched his nationwide election campaign. He proved a spellbinding orator, and soothed Portuguese anxieties with assurances that he considered all who had settled in Angola to be Angolans. He also promised blacks a new order under majority rule, free from domination by whites and *mesticos*. *Le Monde's* Gilbert Comte at the time described him as "intelligent, intuitive and gifted, with great personal charm, (offering) the anxious multitudes the reassuring words they (so) wanted to hear." Public opinion polls taken in March through May put UNITA clearly ahead of its rivals, with the MPLA drawing only 25% of the vote.

Soviet arms deliveries to the MPLA had accelerated steeply after October 1974, in line with the general Soviet policy of supporting national liberation struggles everywhere in the world. Neto mobilized and armed his newly acquired supporters with the assistance of East Germany, the Portuguese communist party, Yugoslavia and the Scandinavian countries: he literally had more guns than recruits for his mushrooming army and urban militia. In addition, the Soviet propaganda machine swung all its resources behind the MPLA.

Heavy fighting between the MPLA and the FNLA broke out in the Luanda region toward the end of March. The FNLA headquarters in the capital was demolished and the MPLA forces accomplished a priority objective of occupying the port region. During May the fighting spread to Caxito, 40 miles north of Luanda. Although Savimbi appealed to the Angolans to end the killing, neither the Portuguese military nor the transitional government issued a statement on the burgeoning conflict. At Savimbi's insistence the leaders of the three movements met in Kenya from June 16 to 21, 1975, and signed the Nakuru agreement by which they undertook to restore the workings of the transitional government, to end all violence, set up a single national army and disarm civilians. They also affirmed that elections would be held "sometime during October 1975." But Angola was being effectively partitioned, and fighting resumed within days of the conclusion of the Nakuru conference.

The MPLA's first priority was to establish its complete ascendancy in Luanda for military, political and psychological reasons. The FNLA forces retreated northward, while UNITA regrouped in southern Angola, but the MPLA advanced southward and by the end of August had occupied Lobito, Benguela and Mocamedes. A secondary MPLA objective was the control of the vital Benguela railroad running from Lobito through the middle of Angola to Teixeira de Sousa on the Angola-Zaire border, and on to the Zambian copper belt. By early October MPLA troops held Teixeira de Sousa and the western section of the line, but UNITA blocked it by retaining control of Nova Lisboa, Silva Porto and Luso.

By early August MPLA had achieved unchallenged ascendancy in Luanda. Its occupation of the ports not only facilitated the Soviet arms buildup, but also prevented the importation of food, fuel and supplies, which intensified the chaos on which MPLA throve. The widespread violence caused more than half the whites to flee the country, accelerating the administrative and economic breakdown. Meanwhile Soviet weapons continued to pour in. In its Angola after Independence: Struggle for Supremacy, the Institute for the Study of Conflict catalogues some of the arms shipments which reached the MPLA between March and October 1975. In addition to much increased quantities of infantry weapons, the new shipments included relatively sophisticated weapons such as light field artillery, tanks, armored vehicles, six-wheeled trucks, tracked armored anti-aircraft vehicles, armored personnel carriers, rocket launchers, and anti-tank wire-guided missiles. As none of the other nationalist movements possessed weapons of this type, the MPLA acquired both superior firepower and great mobility, which enabled it to gain an overwhelming military superiority. All this was, of course, in violation of the Alvor agreement, under whose terms all such aid should have gone to the transitional government, and not to an individual movement, a position reaffirmed in a OAU directive of June 1975 which also called for an end to foreign involvement in Angola.

The Cubans

Another new factor introduced into the conflict came in the form of Cuban combat troops. Fidel Castro had met MPLA leaders and subscribed to their ideals as far back as 1963, during his visit to Africa. Cuban military advisors and instructors began training MPLA guerrillas in the Congo under the terms of a 1966 military aid program, but this relationship was altered dramatically upon the arrival of 200 to 300 Cuban military advisers in April 1975. Preparations for greater Cuban involvement were made in July during a visit to Havana when Colonel Otelo de Carvalho, a Marxist member of the Armed Forces Movement, was asked to arrange permission for Cuban ships to dock in Luanda. The logistics for a full-scale war were being developed, and in addition Cuban war exercises that month seemed to be aimed at an Angola-type war. By June the Cubans had set up military training centers in such widely scattered places as Benguela, Cabinda, Henrique de Carvalho (Saurimo) and Salazar (Dalatando). Troops were being prepared for Angola by mid-August, and the decision to send them was taken at the end of August or the beginning of September. By September leading members of the Cuban general staff and combat troops had begun arriving in Angola.

With the MPLA in control of Luanda, the transitional government also came under its effective control. To complete its ascendancy, in September the Portuguese High Commissioner announced that the Alvor agreement was suspended, that all Portuguese troops would be withdrawn from the country on November 11, and all Portuguese military equipment handed over to Angola. Holden Roberto complained that Portuguese Air Force planes were used to reconnoiter his military positions.

Thus by the eve of independence the MPLA had established both military ascendancy and *de facto* political legitimacy in Angola. Its position was further buttressed by the strenuous support it was receiving from the Soviet Union in such international forums as the OAU. At noon on November 10, 1975, the High Commissioner lowered the Portuguese flag in Luanda and sailed from the harbor, conferring independence on "the Angolan people who should decide the forms of its execution." At midnight Neto proclaimed the founding of the People's Republic of Angola, which was not recognized by Portugal. The elections promised in both the Alvor and Nakuru agreements were never held.

Operation Zulu

A new development in the civil war was the arrival of a small South African column, code-named "Operation Zulu," which entered the southern part of the country on October 14. It initially used only civilian vehicles, and consisted of a black FNLA battalion of 1,000 men, a battalion of Bushmen trackers with Portuguese ex-army officers, and a South African colonel with 6 officers and 7 NCO's. It was later joined by 25 Panhard armored cars and a 81mm mortar platoon.

South African involvement had begun a month earlier, when two groups of about 20 instructors were sent to train UNITA and FNLA troops at Calombo and Mapupa respectively. They were instructed to assist the troops of the two movements, now allied, to regain the areas of southern and central Angola where they enjoyed traditional ethnic support, in the hope that the MPLA and the Cubans would consent to an agreement with the anti-Soviet forces if the latter were obviously in a strong military position. At the time of the South African intervention pro-Soviet forces had seized all major towns except four in the center of the country and Holden Roberto's capital in the north.

Initially the South Africans planned to withdraw at the time of Angolan independence, but Savimbi flew to Pretoria to urge the South African Prime Minister to help the anti-Soviet forces sustain their position at least until the OAU summer meeting scheduled for December 9, when he hoped to obtain a majority vote in favor of a tripartite settlement in Angola. South Africa acceded to this and similar pleas reaching it from other sources, including Zaire and Washington. The OAU meeting, however, was postponed.

The South African troops were withdrawn after the vote of the United States Senate in December against military aid to any faction in Angola, and the further postponement of the OAU meeting. Only on December 22, after the Senate vote, did the Cubans admit their involvement in Angola. By the end of January 1976 Cuban troop strength in Angola had risen to 15,000. By contrast, South Africa never sent more than 1,500 troops to the country.

The depth of African distrust at the time for the Angolan Marxists and their allies was demonstrated by the voting at the OAU summit. Despite intensive Soviet lobbying, a resolution recognizing the MPLA as the legitimate government of Angola was not accepted, receiving the same number of votes as one calling for a "government of national reconciliation" in Angola.

Soviet Involvement

By using proxy forces from another continent, the Soviets had scored a major military victory, and an even greater psychological one. They successfully gambled on an American lack of resolve to resist communist expansion in an area of the world which the United States did not regard as vital. When Secretary of State Henry Kissinger failed to persuade the Soviets to cease their activities in Angola, he sought more U.S. military aid to the FNLA and UNITA from Congress. The refusal of the Senate to grant his request prevented deeper U.S. involvement in Angola, but simultaneously gave Moscow a green light to increase its military aid and fly in large numbers of Cuban troops. By their intervention in Angola the communist powers successfully placed in power in an African country a government of their choice, without heeding the requirements of free elections and majority rule which the West customarily demands in cases of self-determination.

Soviet military aid to the MPLA, valued at $280 million, included 12 MiG-21s and the devastating 122mm "Stalin organ" rocket launcher, to which UNITA and FNLA guerrillas had no answer. The MPLA was further assisted by its access to the oil revenues from Cabinda: Gulf Oil, the largest U.S. economic interest in Angola, switched its payments of oil royalties to a secret account held by the MPLA in Europe.

B. Development in the MPLA Since 1976

Even after the South African withdrawal Cuban troops and Soviet arms continued to pour into the country. The Cuban forces included 6,000 infantrymen, an armored regiment of 1,900 men equipped with 120 T-54 and T-34 tanks, an armored car regiment with 70 Soviet-built BRDM vehicles and 1,600 men, an anti-aircraft battalion and five regiments equipped with multi-barreled rocket launchers. Cubans also provided the key element in the new Angolan airforce, piloting all the MPLA's Soviet-supplied aircraft and commanding the airbases. They assumed major positions throughout the civil service, supervised the MPLA's program of political mobilization designed to drum up support for the "mass Marxist-Leninist party" the MPLA planned to found, and trained trade union leaders in Marxist philosophy and Cuban history.

During a visit to Moscow in October 1976, Neto signed a 20-year friendship and cooperation treaty with the Soviet Union providing for regular exchanges between the MPLA and the Communist Party of the Soviet Union. He and his Prime Minister both spoke of the importance to Angola of the relationship between the MLPA and the Soviet Union. The MPLA security force, DISA, was set up and directly controlled by the Cuban intelligence service, the DGI, and modelled on the KGB. Soon after Neto's return, the MPLA announced that Angola was to be described officially as a "Marxist-Leninist Republic," to be governed by a "democratic revoluntionary dictatorship" while preparations were made for the achievement of "scientific socialism." The MPLA would reorganize itself as a mass party by indoctrinating the peasantry. Private property would be abolished, and banks and other key sectors of the economy taken over by the state.

In 1977 the government introduced a new currency: Angolan families were allowed to exchange no more than 20,000 of the old escudos (about $670) for the new kwanzas. Anything beyond that become worthless paper. As the Finance Minister boasted at the time, "when the exchange operation is complete, we will virtually be able to declare that the middle class has ceased to exist in Angola. At the MPLA's first congress in December 1977, the MPLA- Workers' Party, a vanguard party dedicated to the "scientific ideology of the proletariat—Marxism-Leninism," was formed.

By the middle of 1977 an estimated 19,000 Cuban military personnel were in Angola, in addition to some 10,000 civilians. Eastern-bloc nations had delivered arms and equipment worth almost $500 million to Angola by 1978, and the cost to the Soviets of maintaining a Soviet/Cuban presence there had risen to more than $700 million annually. By 1979 the daily cost of maintaining this presence was estimated at $1.7 million. There were also some 500 Soviet soldiers backed by 5,000 military advisors actively involved in military planning. Estimates of the number of East German troops ranged up to 5,000, with more than 14,000 personnel from other Eastern bloc countries. Angola had signed cooperation agreements in various fields with Yugoslavia, Czechoslovakia, Hungary, Bulgaria and Poland.

The MPLA in power has continued to suffer from internal disputes. On May 27, 1977, a faction killed a number of important officials in an attempt to seize power: supported by white Portuguese communists, this group wanted closer ties with the Soviet Union, as well as more extensive nationalization, and appealed to black racist sentiment by calling for the dismissal of whites and mesticos. When Neto's supporters regained control of the Luanda radio station, he labeled the rebels "leftists and ultra-revolutionaries;" a subsequent statement claimed they displayed a "feigned dedication to some friendly countries," in an obvious reference to the Soviet Union. The propaganda line was soon changed, however, to avoid antagonizing the USSR; they were labelled "rightist bandits" instead. Moscow's view of the uprising was ambiguous. Although apparently aware of the plot, the Soviets neither warned Neto nor came to his aid. The Cubans, however, were clearly pro-Neto, and Cuban troops helped quell the uprising after a delay of several hours.

On September 10, 1979, Neto died at 56 while undergoing surgery in Moscow. Rumor in Luanda and elsewhere held that he had been murdered in retaliation for his attempts to steer a course independent of Moscow. Ten days later the central committee of the MPLA-Workers Party elected Jose Eduardo dos Santos, 37, its new president, which automatically made him president of Angola and commander-in-chief of the armed forces as well. Dos Santos was reputed to be a principal member of a group opposing contact with the West and working for closer ties with the Soviet Union. He was trained in Moscow as a petroleum engineer and was married for a time to a Russian woman. He was responsible for another shake-up within the party when he removed 30 MPLA members from their posts in January of 1983.

The MPLA suffers from its narrow power base. Its top leadership is drawn overwhelmingly from the Kimbundus and the *mesticos* who make up 22% and 1% respectively of the population, although recently it has attracted more support from the Bakongo (13%), all located in the northwestern portion of the country. Moreover, the MPLA has a total membership of only 20,000, or 0.3% of the population. One reason is that its constitution forbids membership to anyone who "believes in any religious idea," and the Angolans are deeply religious.

Complaining about the difficulty of negotiating with the MPLA regime, a French government spokesman recently said: "We are not certain whom we are addressing there, as the Angolan President does not seem to have the power of decision expected of a head of state. There are obviously at least two brains masterminding his policies—in Havana and Moscow.

The Angolan economy has been in a very poor state, with coffee production dropping from 200,000 tons before the civil war to 26,000 tons in 1983 and diamond production plunging from 2.2 million carats to half a million: in 1983 a diamond smuggling operation costing the state diamond monopoly $150 million per year was uncovered, with several ranking MPLA officials implicated. The Angolan fishing industry—which in 1973 produced 470,000 tons of fish—has been ruthlessly exploited by the Russians, who took 248,000 tons in 1977 and gave Angola only 12%. Despite Angola's rich agricultural potential, it has been importing 90% of its commercial food supplies, while long lines formed outside food stores. The Soviet Union has provided Angola increasingly sophisticated weaponry, but next to nothing in economic aid. The only bright spot in the Angolan economy has been the oil produced by Gulf Oil in Cabinda, which accounted for 80% of the country's foreign exchange and enabled it to pay for Cuban troops and other foreign workers. A full 60% of Angola's income goes to military and security expenditure.

C. Angola's Army

At the conclusion of the civil war, the Forcas Armadas Populares para Libertacao de Angola (FAPLA)—the People's Armed Forces for the Liberation of Angola, the armed wing of the MPLA—became the national army, while remaining totally subservient to party control.

FAPLA is a strong, well-equipped regular army of 35,000 men consisting of two motorized infantry brigades, each with a tank battalion. Other units are largely organized into infantry brigades, although there are also a number of detached tank battalions. Its tank force consists of approximately 60 T-54/55, 30 T-34/85, 50 PT-76, 100 T-34, and an unspecified number of newly acquired T-62s. In 1983 FAPLA acquired substantial fresh supplies of arms, including T-62 tanks, additional BM-12 rocket launchers, and new air defense systems consisting of SAM-8 surface-to-air missiles. These complement the existing SAM-3 and the SAM-6 systems. As back-up FAPLA has 300,000 militiamen (30,000 armed and trained) and over 25,000 Cubans, who are mainly, though not exclusively, used for garrison duty, thus relieving the FAPLA troops for active duty.

The air force has 24 MiG-23, 10 MiG-17, 3 Fiat G91 jet fighters, 3 MiG-15 jet trainers, and 20 Alouette helicopters. It has 6 Antonov An-26 transports (one was shot down by UNITA in July 1977), 4 AN-12 and 3 C-47 as well as 2 Pilatus PC-6 Turbo-Porter utility transport and counter-insurgency aircraft. In early 1984 Angola acquired nearly 40 Dauphin helicopters from France. These versatile helicopters form a useful addition to the two helicopter squadrons which fly Soviet Mi-8 multi-role helicopters and Mi-24 assault gunships.

III. FIGHTING SOVIET-CUBAN INVOLVEMENT

On Independence Day—November 11, 1975—UNITA and its ally, the FNLA, established the "Democratic and Popular Republic of Angola" at Huambo (formerly Nova Lisboa), the country's second largest city. UNITA's annual conference—held in nearby Bie (Silva Porto) from December 28 to 31 with 300 participants—resolved to strengthen cooperation between UNITA and FNLA, demanded the "immediate and unconditional withdrawal" of all foreign forces, and blamed the Soviet Union's interference in Angolan internal affairs for the civil war. The conference called for an immediate ceasefire, a tripartite conference under OAU auspices, and a guarantee of free return for Portuguese who had fled. It warned that no party alone could impose its will on the people of Angola by sheer force.

In a booklet published the following month UNITA summarized its efforts since its inception to reconcile various nationalist movements, and called once again for a government of national unity. Appealing for an end to hostilities between "ourselves and our brothers in MPLA," it believed Angola could still extricate itself from "this externally induced war" and urged all forces to work for a political solution to the Angolan crisis. After recalling "repeated attacks" on UNITA offices and militants by the MPLA, the booklet notes that UNITA did not enter the civil war until "after the August 5 attack in Silva Porto on President Savimbi's plane." The booklet concludes:

"UNITA was not aligned to any world power, curried favor with none, received support from none, and thus owed allegiance to none. One of our basic founding principles, self-reliance, dictated that we depend primarily on the support and cooperation of the people. (Therefore) UNITA does not seek unity from a position of weakness. (Rather) the strength and determination of our people have given us the hope and courage to continue to fight for the goal of independence and self-determination for Angola. The same strength and determination inspires us to continue to seek a peaceful political settlement with our adversaries, who are also our people."

Huambo was "liberated" by a combined Cuban and MPLA force on February 8, 1976, and Savimbi withdrew once again to the bush of eastern Angola. UNITA's political base—the southern two-thirds of the country—remained largely intact, and despite strenuous efforts the MPLA has enjoyed little success in gaining support among the Ovimbundu peoples. On April 1, 1976, a Cuban-led MPLA offensive was launched against UNITA bases, but UNITA regained the initiative in early May and reoccupied the areas around Cuchi (Serpa Pinto) and Gago Coutinho, indispensable for its supply routes. By the latter half of 1976 Savimbi had established himself in the forests of the Bie plateau, where his men continued to disrupt traffic on the Benguela line between Luena (Luso) and Bie. Dominique de Roux, a French political advisor, said of him then: "He has seldom been so happy and has found his niche again; tightening the ranks of his army, invigorating his soldiers after their defeat. He is using this third war to set the political scene which tomorrow, when peace comes—not a false and hostile peace—will bring about the reconstruction of the country, with the two other parties, the FNLA and the MPLA." UNITA was on the attack: its morale was high. They mounted patrols, destroyed ambushes and harassed the Cubans. Their object was to foster a sense of insecurity in the built-up areas and blow up railroad lines. There were even occasional attacks in Huambo itself. Savimbi had no message for the world. His immediate problems were those of "people's war": food, medical supplies, adequate arms and ammunition for his fighters.

In an interview of late 1976, Savimbi said that UNITA did not have or wish bases outside Angola, since it would then be subject to political pressure from the host country. It had sufficient arms and ammunition, and was prepared to fight a protracted war which it was certain it could win. In the preceding nine months its operations had moved through a series of planned stages. First, its untried soldiers made contact with the enemy, so that they could "get used to the fire." Then it tested itself in confrontation with the MPLA-Cuban forces and directed its efforts toward "confusing the enemy." "If we pass the test of confusing the enemy, we will plan real operations," Savimbi said. Their objective was to wreck the economy so that the MPLA could not pay for the war and would lose what popular support it had. Bridges were blown up, roads made unsafe, and the vital Benguela railroad kept closed through sabotage.

Journalist Luis Rodrigues, who spent six months in 1976 with UNITA, has borne witness to their problems, their support from the people, and the ruthlessness of the Cubans which has caused thousands of refugees to flee to Namibia. Amid scenes of great jubilation, Savimbi marched into a village with his feet bleeding from a 3-day march almost non-stop. He told Rodrigues that except for two white former Portuguese officers from Angola, no outsiders were fighting with UNITA. UNITA was willing to fight its own war. It could use foreign aid, but would not depend on it, and was prepared to do without it. What UNITA needed most was Western recognition for what it was accomplishing.

During the next year the Cuban-MPLA forces launched five major mopping-up operations, but for all their savagery against the civilian population large sections of central Angola remained contested zones, and the Benguela railroad stayed closed. A journalist visiting central Angola in March 1977 confirmed that no trains were operating along the 400 kms. between Bie and Luena, and that UNITA had blown up a bridge in Luena. MPLA, however, played down the threat, dismissing UNITA as "desperate bandits" and confidently predicting that all Cubans, both military and civilian, would be out of the country within a year or two.

In May 1977 UNITA inflicted many casualties on the MPLA in heavy fighting south of the important military town of Menongue (Serpa Pinto). Many MPLA soldiers stationed there had received no pay, and were in a state of starvation and near mutiny. In central Angola UNITA was conducting military operations near Andulo and Huambo and on the coastal road between Lobito and Sumbe (Novo Redondo). In eastern Angola UNITA ambushed MPLA-Cuban convoys on the road between Luena and Gago Coutinho, inflicting heavy casualties; it also captured an MPLA base at Caiundo, killing many troops, while others fled into the bush or drowned in the Cupango river while trying to escape. In southeastern Angola UNITA had such effective control of the countryside that FAPLA was forced to rely on air transport for re-supply. In southern Angola combined Cuban, FAPLA and SWAPO forces were still engaged in a genocidal "eradication" campaign along the Namibian border. Uncooperative tribesmen were either forced into controlled villages or shot, kraals were burned down and cattle removed or killed. Even families of FAPLA soldiers were not spared, which caused still greater disaffection in their ranks.

Calai, the last border town in southeast Angola, was captured by UNITA in August 1977 against almost nonexistent MPLA resistance, after it had already occupied the other border towns of Cuanger, Mucasso and Dcirico. None of these towns was of much strategic importance, but the campaign again demonstrated the MPLA's inability to impose its authority on the entire country. In a communique of late August UNITA claimed to have killed 403 Cuban and MPLA soldiers in addition to destroying three trains and 24 armored vehicles, with casualties of only six dead and several wounded. In the first reported action in the Melanje province UNITA captured the fortified village of Fungo, near Quirima, on August 14. Before that most activity had occurred in the central and southeastern provinces of Huambo, Bie, Moxico and Cuando Cubango. By the time some 30,000 Angolan refugees had been resettled in the Kavango district of Namibia.

Jorge Sangumbe, UNITA's secretary for foreign relations, told the journal *Africa* that UNITA had held its fourth congress in March 1977 at Sambu, 80 kms south of Huambo, with 5,300 delegates in attendance. The congress had decided it would not refuse arms from South Africa, nor the offer of "its expertise in transforming the Unita guerrills into a semi-regular force," but Sangumbe denied that some UNITA troops were being trained in northern Namibia. He claimed the UNITA was operating schools, cooperatives for food distribution, hospitals and a civil organization in the areas under its control. It had 12,000 armed soldiers and 8,000 more without proper arms.

A British peer, Lord Chalfont, has described Savimbi as follows: "The first impression is one of formidable strength. In his well-pressed jungle green uniform he looks, physically, even bigger than he really is, and when he talks it is easy to understand how he has captured the imagination and the loyalty of the 15,000 guerrillas who make up Unita." Savimbi said that eventually the MPLA would have to negotiate with him, and he would agree to negotiations on the essential condition that all Cuban troops be withdrawn. He regarded the southeastern Cuando Cubango province as completely "liberated," for UNITA troops traveled freely there and the MPLA did not even attempt to enter. In October a column of 5,570 men under Cuban command was deployed in the province to deal with UNITA, but their advance was held up for several weeks by fuel and food shortages which caused the desertion of unknown numbers of men. In its communique covering the period from November 22 to December 7, 1977, UNITA claimed to have fought 28 battles, killed 515 soldiers (including 26 Cubans), and captured 11 vehicles, destroyng 14 others and one train. Two railroad bridges were also destroyed, along with 1.4 kms of line. UNITA had captured 370 weapons, including 60 and 82mm mortars and a 75mm cannon, and freed 2,649 civilians.

Gerald Buthaud spent two months with UNITA in 1978, arriving in a four-engine DC-4 on a regular run. He walked 800 kms, was driven another 480 kms, and visited 10 large, permanent UNITA camps, some with more than 2,000 people each, and 15 smaller camps. He saw only two MPLA helicopters and a truck, which was successfully ambushed. At major rallies Savimbi commanded audiences of 20,000 or more. From its heartland in Bie, Moxico and Cuando Cubango, UNITA claimed to control half of Angola's 6 million people with 12,000 guerrillas, of whom only 8,000 were properly armed. Although it had a few Unimog trucks, UNITA usually walked to war.

In late 1979 Savimbi visited the United States to seek support. Lamenting the fact that the U.S. displayed a "total absence of resistance to Russian and Cuban aggression" in Africa, he complained about a "new style of slavery" on the continent. Commenting acidly on the lack of American support for Savimbi, the editor of the *National Catholic Register* noted that Savimbi was living proof of the United States' inability to distinguish its natural friends from its natural enemies.

Although UNITA operated primarily in the rural areas, it did not neglect the cities. In November 1979 124 alleged UNITA members were arrested for operating underground cells in major Angolan cities; of these 30 were sentenced and executed almost immediately.

Having slowly built up his forces in numbers, equipment and battlefied experience, Savimbi was ready to commit them to conventional battle. He chose Mavinga, second largest town in the Cuando Cubango province, which was guarded by an MPLA brigade of 2,000 men. UNITA attacked with some 2,500 men in four battalions on September 19, 1980, and after four hours routed the MPLA, inflicting over 1,000 casualties and capturing large quantities of arms, ammunition and equipment, including 70 trucks. Significantly, the 6,000 Cuban and MPLA troops at Menongue and 4,000 at Cuito Cuanavale, 80 kms away, refused to intervene. In March and July of 1981 the MPLA made major efforts to retake the town, but failed when UNITA killed 800 of its troops in an ambush 70 kms to the west. Mavinga was UNITA's most substantial victory to date.

It was also one of 13 "significant engagements" between UNITA and MPLA forces from 1979 to 1981 which resulted in 1,609 MPLA fatalities. It is difficult to overstate the importance of these engagements, for they proved that UNITA troops and commanders could function as a conventional army, not merely as hit-and-run guerrillas. They had built up a small command structure, logistics, communications, and the tactical skills to defeat forces with superior equipment and air support. They could not only take, but also hold, and exposed position in an area with heavy MPLA troop concentrations.

On November 22, 1980, UNITA shot down an Antonov 22 transport plane in southern Angola, capturing its Russian pilot and mechanic. Another plane was shot down on May 16, 1981, in Cuando Cubango province, killing 10 high-ranking Cuban officers. UNITA also claimed to have shot down 5 helicopters, destroyed 16 locomotives and two rail bridges, and captured the MPLA garrison at Galanga, killing 112 MPLA and 7 Cuban soldiers. At that stage UNITA had 15,000 guerrillas operating in fighting groups of 30 and 150 in every province of southern Angola. It had trained and equipped 10 conventional combat battalions and expected to have 15 by the end of the year. It claimed to hold most of the provinces of Moxico and Cuando Cubango and half of Cunene, and to control territory containing a total of 2.5 million people. The weapons in its inventory included SAM-7 ground to air missiles, 81 and 82mm mortars, recoilless cannon, anti-aircraft guns and "Stalin Organ" multiple missile launchers.

At the beginning of April 1982, UNITA hit the headlines by releasing a number of Portuguese, some of whom it had held for five years. They confirmed that the guerrillas were active in the whole of southern and eastern Angola except the western province of Mocamedes, which is largely desert. One man had been captured on the coastal road between Lobito and Sumbe, an area previously considered free of UNITA activity. They had never seen any signs of South African troops or advisors at UNITA camps. At that time UNITA was active in the provinces of Bie, Huambo, Benguela, Huila, Cunene and the southern parts of Cuanza Sul and Malanje. More prisoners were released in November, including a Dutch priest captured within 5 kms of Cubango in Huila province. They had been captured as a warning to foreigners to stay out of Angola because the MPLA could not guarantee their safety. UNITA claimed to have overrun the MPLA garrison at Candono, Malanje province, 270 kms from Luanda, on October 19, killing 24 MPLA soldiers and 6 Cubans. This is the closest it had come to the capital to that date.

In January 1983 Savimbi reported that UNITA had doubled the area under its control through a series of fierce battles over the previous 6 months. The capture of the strategic town of Gago Coutinho gave UNITA control of most of the border with Zambia, enabling it to take a line of small towns further north to within 32 kms of Luena, a major MPLA/Cuban garrison on the Benguela railroad. One of its main objectives for 1983 was to open a corridor right to the center of the country to provide a secure logistics route to a regular battalion and several companies of guerrillas already operating 320 kms north of the railroad. UNITA had extended its operations to Cuanza Norte, Malanje, and southern Luanda provinces, to within 200 kms of the capital; its "area of expansion" included the northern Uige province, home of the Bakongo tribesmen, who were being recruited to open a new front there. It was also recruiting among the Kimbundu, Seles and Songo tribes, traditional supporters of the MPLA. In the south, it was seeking to control the western half of the Benguela line and the railroad between Mocamedes and Menongue. Only one train every three months—and then only under heavy military escort—was reaching Menongue, while the last train had reached Huambo in September 1982. Though the latter had been escorted by 1,200 MPLA troops, half its consignment had been destroyed en route. As a result of UNITA's growing strength, the

Cubans had been taking a more active role since July 1982. UNITA had also established 45-men "special forces" units of well-proven soldiers who had received a nine-month intensive training course in sabotage and demolition. On January 17, one group blew up the Lomaoum dam, which supplied electricity to Huambo and Lobito, Angola's second and third largest cities.

In April UNITA captured the key road junction of Alto Cuita Tempue, Moxico province, giving "open motorized access" to the Benguela railroad from the south, after already taking the rail towns of Munhango and Cangonga, which were vital to its access corridor. By July, Savimbi claimed, the corridor was operating from Namibia to southern Zaire; he said that 3,000 troops—composed of 100-man guerrilla squads and a 600-man regular battalion—were operating in the Lunda province. This development gave UNITA direct access to three countries (Namibia, Zambia and Zaire) and widened its political options (it had already instituted its own passport procedures along the Zambian border). Long involved in selling diamonds to finance its operation, UNITA could now tap the diamond fields in Lunda. In May and June the MPLA and Cubans launched a major offensive to retake Gago Coutinho, but UNITA halted their advance midway from Luena.

Cangamba—defended by 2,800 MPLA troops and 200 Cubans, the last MPLA stronghold in UNITA territory—fell in August after an 11-day siege, during which UNITA had cut all overland supply routes and surrounded it with SAM-7 missiles. UNITA killed 709 defenders and 120 Cubans, taking 165 prisoners. This great victory caused UNITA morale to soar, and freed some 6,000 guerrillas for deployment elsewhere, while putting a considerable dent in MPLA morale.

UNITA's first "general offensive," launched in August 1983, led to the capture of Calulo, 200 kms southeast of Luanda, on September 4. A dozen priests and nuns were among the 27 foreigners captured then. UNITA was still holding the town of Mussende, 300 kms southeast of Luanda, which it captured in July with its new battle unit, a brigade of 2,000 men. Meanwhile foreign diplomats in Luanda were warned not to travel more than 50 kms from the capital because of the danger of guerrilla attacks, while hundreds of Cuban, Soviet and East German technicians were evacuated from outlying areas.

A new UNITA offensive launched at the beginning of November 1983 and intended to last 5 months resulted in the capture of Cazombo, which completed UNITA's control of the border with Zambia. Supplies for the offensive moved along the 800-km "Savimbi Trail" in a fleet of trucks which also carries UNITA "exports," including ivory, rhino horn, teak, leopard and antelope hides, and diamonds. In actions from November 16 to 24 UNITA claimed to have "neutralized" the railroad running from Luanda to Malanje, killing 284 soldiers, including 20 Cubans, and destroying 49 military vehicles. Alto Chicapa fell to UNITA on November 29 after a short battle in which 25 MPLA soldiers were killed. Resistance was minimal as MPLA morale was very low: they had little food, and water and electric supplies were gone. This victory opened the way to Saurimo, capital of the Lunda province, since the tarred road between Saurimo and Luanda has been under attack from UNITA guerrillas for the whole of 1983. The victory, together with the capture of Andulo, 270 kms to the west, the Cazombo to the east greatly enhanced the security of the "Savimbi Trial." The MPLA meanwhile launched a two-month offensive involving 20,000 troops against UNITA in the central provinces of Huambo, Bie and Cuanza Sul, and claimed to have killed 1,971 guerrillas.

Brigadier Genaldo Nuda, 31, commander of UNITA's northern military front, moved his three battalions 80 kms north of Alto Chicapa and overran the major town of Caculo on the main tarred road, the only land route from Luanda to Lunda. At least 10 UNITA battalions of between 600 and 800 men were by then north of the Benguela line with regulars operating at brigade strength of almost 3,000 in two areas. Many months and hundreds of kilometers ahead of the battalions, guerrilla units 15 to 200 were planting mines, blowing up bridges, ambushing convoys and attacking small outposts. In the meantime fighting continued in the provinces of Cuanza Sul, Cuanza Norte, and Luanda, which lie between the capital and the besieged Huambo. UNITA cut one of the roads between Huambo and Lobito and also the coastal road between Lobito and Luanda.

As a result of these operations, over the last two years UNITA has pushed forward by hundreds of kilometers, carrying the focus of the war from the south to the north. It also controlled the entire Angolan border with Zambia (1,100 kms) and also 320 kms of the border with Zaire, so that the MPLA could no longer dismiss it as a handful of "bandits." However, its forces were compelled to withdraw from the Calulo-Mussende area, 175 kms from Luanda, in late September and October by major offensives of Cuban-backed MPLA forces using armor and helicopter-gunships. UNITA claimed that a Soviet general and an East German general were directing the operation. UNITA harassed the flanks, and then engaged in direct battle once the enemy supply lines became extended along poor remote country roads.

At a special press conference held at UNITA headquarters in Jamba in southeastern Angola at the end of March, Savimbi announced that his forces had struck simultaneously at four points on March 22. It has attacked Luena and held Sumbe for 12 hours. Sumbe, defended by two MPLA and one Cuban battalions, was hit by 5,000 UNITA soldiers after a three-month buildup of supplies. UNITA claimed to have killed 8,000 Cubans since 1981, and 6,000 MPLA troops in 1983. Between December 1983 and March 1984, UNITA has sustained 103 attacks against it while launching 3,373 of its own, destroying 446 enemy trucks, 9 trains and 5 tanks. UNITA had 35,000 men under arms, of which 20,000 were guerrillas, the remainder regular troops, including an armored column and special sabotage commandos. It totally controlled one-third of Angola, was active in another third, and was pushing hard in the remaining areas. Its priorities were to make greater progress in the northeastern Lunda province, to attack (but not necessarily to hold) provincial capitals as part of a strategy of "returning to the towns," and to reinforce its political and administrative control over the areas under its influence.

Meanwhile UNITA had embarked upon another new policy: the taking of hostages. In a typical incident, it attacked the diamond-mining town of Cafunfo. Lunda province, only 100 kms from the Zaire border, at first light on February 23. The attack was over in 10 minutes, and within 2½ hours the foreign technicians—44 Portuguese, 17 Filipinos, and 16 British—were well on their way into the bush. They covered the 500 kms to the Benguela railroad in 32 days, from where they were taken by truck to Jamba. The Portuguese and Filipinos were released almost immediately. The only condition UNITA set for the release of the British subjects was that Britain acknowledge its existence by talking directly with it. Sir John Leahy, a British Under-Secretary, arrived on May 12, and the British prisoners were handed over after three hours of talks. All said they had been well treated and praised the discipline of the UNITA troops. The same procedure was followed in June, when 20 Czech prisoners were handed over to their country's deputy Foreign Minister, after they and their families had been captured on March 12, 1983, at Alto Catumbela, a "safe" area. The 43 wives and children had been released unconditionally the previous July. The taking of the hostages gave UNITA world-wide press coverage and the opportunity to put its case directly to the governments concerned, in addition to underlining the inability of the MPLA to protect foreigners in Angola.

Two Soviet lieutenant-colonels and a number of Cuban officers were killed on April 19, 1984, when UNITA exploded a bomb in Huambo. Afterwards MPLA troops fought a three-hour battle with Cubans which only ended with the intervention of the provincial governor. In May UNITA repelled an attack by 22,000 MPLA and Cuban troops (13 brigades) supported by at least 20 combat aircraft near the towns of Lewa, Lumenga and Mukuseegue, near the Benguela line. It overran the town of Quibala, Cuanza Sul, in June, taking a number of foreigners captive. In its first reported action in the northern Uige province, UNITA claimed to have "annihilated" a Cuban-backed MPLA battalion near Kinzala on June 28. UNITA scored a major victory when it blew up a major oil pipeline in the heavily fortified Cabinda enclave on July 13, killing 22 people and injuring another 50. With 80% of Angola's revenue coming from Cabinda oil, any disruption of that industry would deal a serious blow to the MPLA's hard-hit economy. A UNITA communique has warned foreign countries to review their positions or exert their influence for the removal of Cuban troops from Angola, thus opening the way for an Angolan government of national unity. UNITA claimed to be operating in every province except the desert province of Mocamedes.

IV. AN ASSESSMENT OF UNITA

A. UNITA's Theory of Guerrilla Warfare

Once the decision to resist the Soviet-Cuban occupation of Angola had been made, Savimbi set about assessing UNITA's situation and formulating future strategy. Realizing that the new war would require tens of thousands of troops, Savimbi decided to establish UNITA in the densely populated central plateau instead of returning to the extremely sparsely populated Moxico province, for only in this way could UNITA reach the people needed to provide its army with food, recruits and skills. This was the basis for Savimbi's "theory of big numbers." Coupled to this was the concept of the protracted nature of the struggle: UNITA would grow only gradually, and time was needed for this.

The support base for UNITA is within the rural population. By nature the peasants are traditionalist, conservative, fatalistic, generally disorganized, and mostly illiterate.

Hard work, time, and training were required to transform them into a reliable support base. In addition UNITA needed to acquire greater professionalism in military skills and political and administrative organization, which meant that a quick coup was out of the question. The bitterness of the people over the foreign armies in the country, along with the MPLA's brutal repression, political blunders, administative incompetence and chronic internal crises have made them responsive to UNITA, which already had a guerrilla army and years of political experience. It had access to substantial weapons caches and operated over a vast area, which made it difficult to combat. It had loyal friends in the international community, and neighboring countries soon realized that the Cubans were a threat to their own security as well. Although the military forces at the disposal of the MPLA made it tactically powerful, its lack of support among the people made it strategically weak.

UNITA therefore formulated its theory of guerrilla warfare.

1. The guerrilla organization must be guided by a well defined political philosophy, and should serve as an instrument to achieve certain specific political goals. Military problems must therefore be viewed from a political perspective.

2. The guerrilla organization must be rooted among the people. It must enjoy their support, and become a truly people's army in a people's war.

3. Guerrilla warfare constantly relates theory to practice, and vice-versa.

4. The guerrilla army must strive for strength and cohesion. Ultimately it must evolve into a regular or semi-regular army, or a combination of the two, to enable it to attack larger enemy targets.

5. The guerrilla army must avoid direct confrontation with the enemy's powerful regular forces, concentrating on surprise attacks by small, flexible, mobile guerrilla units which take advantage of the terrain, the weather, and the sentiments of the people. In the first stages it must strive simply for physical survival, avoiding acts to bravado against its powerful adversary.

6. The guerrilla army must retain high mobility, avoiding fixed positions.

7. Despite the difficulties it suffers, the guerrilla organization must seek to meet the needs of the local population for such things, as medicine, salt, clothing, schools, and defense.

8. The guerrilla army must know how to deal with enemy infiltration of its ranks, and be aware of the enemy's counter-guerrilla methods.

9. Strategically the guerrilla army is a defensive force, defending the country against foreign intruders. Tactically it is an offensive force, initiating most military actions against the enemy.

10. As soon as possible the guerrilla organization must establish a Rear Support Base, a vast, liberated section of national territory in which party and the army may move freely and develop an infrastructure for continuous expansion.

11. The guerrilla army must adhere strictly to the universally recognized elementary guerrilla tactical principles. These include: retreat when the enemy advances; harass him when he camps; pursue him when he flees; encircle him when he tires.

12. The guerrilla army's relationship with the people is of paramount importance for the organization's survival and success. Therefore, in his contacts with the local population the guerrilla must be beyond reproach at all times: he must be polite, honest, fair, and helpful.

13. The command structure of the guerrilla organization and the relationship between soldiers and officers should involve a strong sense of unity, compassion and authority. The guerrilla commander must be in permanent contact with his men. He must know how they feel and care about their difficulties. He must work to build up the *esprit de corps* of his troops, knowing that it is often their state of mind that makes his men good combatants. A good commander listens to the news on his transistor radio to keep abreast of national and international events, and shares that news with his subordinates.

Guerrilla units must know how to utilize and share their arms and ammunition, which are generally in short supply. The guerrilla commander must always think in terms of the whole army, the whole country, not just his own unit. Because they are few and united in their objectives, unity among the commanders and soldiers of the FALA (Forcas de Libertacao de Angola) is theoretically and practically attainable. By contrast, unity is completely unattainable on the MPLA side because it is an unwieldy and heterogeneous mass composed of, among others, Cuban, Russian, East German, and Portuguese troops.

Rear support base

UNITA defines its rear support base as the territory within which its people and armed forces can move freely. Guerrillas cannot be permanently on the move, as this would exhaust them and make them incapable of undertaking serious actions. The guerrilla organization needs a place where its soldiers can rest, recuperate and train while the organization sets up its political power organs, schools, clinics and agricultural projects. The rear support base must above all be relatively inaccessible to enemy forces: mountainous or in dense forests, and without roads. It must, however, have a population and a water supply.

Despite setbacks suffered when the enemy bombed schools, burned hospitals, and destroyed agricultural projects, UNITA has succeeded in establishing its rear support base in central Angola. Over the years this area has been consolidated and expanded until in May 1984 it covered more than one-third of the country—truly a magnificent achievement. UNITA's watchword is vigilance, for its knows that the enemy retains his superiority in firepower and in sophistication and abundance of weapons, and will continually seek to disrupt UNITA's efforts. There is a firm interrelationship between the creation of FALA's regular units, the establishment of the rear support base, and the protracted nature of the struggle. The protracted war requires a rear support base, for it is only there, under peaceful conditions, that the regular forces can be trained. Yet one can consolidate and stabilize the rear base only with regular forces.

Phases of resistance

UNITA identifies four stages of its resistance to the Soviet-Cuban occupation of Angola.

The START was a traumatic experience after the joy of the period when UNITA tasted political power and could campaign politically, even in the cities. It was a bitter experience to withdraw into the bush again in the face of overwhelming enemy firepower. In assessing the future, the UNITA leadership had to contend on the one hand with those who failed to appreciate the movement's weakness, and therefore could not chart a realistic course of action; and on the other, with those who viewed the Soviet-Cuban-MPLA coalition as invincible, and advocated capitulation. Certainly a challenge to Soviet imperialism at a time when Moscow enjoyed great influence among Western liberal intellectuals and in the Third World was unprecedented, and could easily be labelled "reactionary."

Survival was the first goal once the decision to resist had been made. UNITA had to take four steps immediately in order to survive the initial enemy offensive. It had to win the people's support by explaining the reasons behind the continuing struggle. It had to locate its dispersed forces and weld them into guerrilla units. It had to develop its strategy and divide the country into operational zones. And it faced the major problem of acquiring suitable weapons, especially infantry arms and light artillery to enhance mobility.

Militarily, UNITA concentrated on ambushes, sabotage (especially of the Benguela railroad), mine-laying and long-range mortar bombardments, with the objectives of dispersing the already thinly-stretched enemy forces, to cut their lines of communication and to confine them to the defense of major towns and strategic installations. At all costs it had to avoid conventional confrontation with the enemy, who had superior firepower as well as air support. At the same time, UNITA concentrated on improving its military hold on rural areas in the south, center and east of the country, and winning the support of the people.

Equilibrium of forces, the third stage, is the most difficult of achievement. Although its initial victories re-established the people's confidence in UNITA and boosted its morale, they also escalated the conflict. While UNITA's troop strength has increased four-fold over the past 5 years, Cuban troop strength has risen from 12,000 in 1976 to 30,000 in 1980 and to 40,000 in 1984, according to UNITA estimates. At the same time more sophisticated weapons such as MiG–23s and Mi–24 "flying tank" helicopters have been introduced. In this phase UNITA was able to establish its secure rear support base territories, which enabled it to move on to the next phase in certain areas.

Generalized counter-offensive. As UNITA gained military experience and strength, the impact of past victories and political and economic conditions unfavorable to the MPLA regime has enabled it to move to the strategic counter-offensive, which will eventually open the way for a generalized counter-offensive. Its semi-regular units have enabled it to adopt a far more offensive posture and to attack enemy strongpoints, heavily defended positions and even large towns. An example is the capture in August 1983 of the heavily defended town of Cangamba after a full-scale battle lasting several days. Previously UNITA abandoned captured towns in the face of inevitable MPLA or Cuban/MPLA counterattacks. Its current strategy of "capture and hold" indicates a dramatic reversal of the Angolan military situation.

UNITA is now in a position to dictate the nature and the pace of the war in Angola. It is expanding its operations in the northeast, in the north, and in the coastal areas just south of Luanda. Its purpose is to increase military pressure on the MPLA regime and the Cubans in order to bring about a Cuban withdrawal. Savimbi hopes that a combination of military reverses, mounting casualties, the unpopularity of the war at home, its ever escalating cost, and diplomatic pressures will eventually force the Cubans to withdraw. Then the MPLA, faced with military defeat, will be forced, he believes, to negotiate with UNITA leading to free elections and a coalition government including UNITA, the MPLA, and the FNLA. Thus UNITA will have achieved the goals it set itself when it again took arms in 1975 after the breakdown of the Alvor accord.

The organizational structure of FALA

UNITA's armed wing FALA (Armed Forces for the Liberation of Angola) is a sophisticated force organized along conventional military lines with a rank structure resembling those of most Western armies. It has an officer corps ranging from lieutenant to general and a centralized staff structure incorporating the usual functional divisions of operations, intelligence, personnel, and logistics. Its High Command consists of the Supreme Commander with a Headquarters Staff headed by the Chief of Staff and consisting of the Chiefs of Intelligence, Personnel, Logistics, and Operations. It is responsible for the overall planning and coordination of the war.

UNITA has developed a system of dividing its forces into four levels, each one better trained and armed than the preceding level.

People's defense committees consist of local elements of the population, and are designed to safeguard the security of the villages. After they have been adequately politically mobilized to ensure their loyalty, they are trained in the handling of "rudimentary weapons" and are occasionally provided with rifles.

Dispersed guerrillas are small units whose function is to prevent the enemy from advancing into UNITA's rear support base area. They assist in gathering information, food production, and transport.

Compact guerrillas are company-size units which conduct guerrilla operations, such as ambushes, mine-laying, and sabotage, in a zone or fixed geographical area.

Regular and semi-regular forces operate in units up to battalion size, are trained to engage in frontal, conventional actions, and can be moved from one region to another. They operate as self-supporting formations, with offensive and defensive companies assisted by artillery, logistics, medical and intelligence supporting elements. At the beginning of 1984 FALA had 33 semi-regular battalions. The regular forces have anti-tank, anti-aircraft and support artillery capabilities and can conduct conventional warfare. These units give UNITA the ability to destroy relatively large enemy targets.

It is estimated that today FALA has 2,000 regular troops, 18,000 semi-regulars, 20,000 compact guerrillas, and possibly as many as 35,000 dispersed guerrillas. It is a highly motivated force which the MPLA's FAPLA is incapable of containing. UNITA has recently established a number of "special force" units trained in sabotage, demolition, tracking, intelligence, and reconnaissance. Regular force recruits are selected from the guerrilla units on the basis of combat record, age, and level of literacy. In its assaults on garrisons and towns UNITA attacks in overwhelming numbers (at least two to one) and keeps an avenue of escape open to the defenders: if trapped the defenders will make a last stand and inflict heavier casualties on UNITA. When losses are minimized, the morale of UNITA soldiers remains high.

Deployment of forces

UNITA has divided Angola into five military fronts (southern, western, eastern, central and northern), each headed by a front commander who holds the rank of Brigadier or Colonel. The fronts are divided into 24 military regions each headed by a regional Chief of Staff with the rank of Colonel or Lieutenant Colonel. In each region some 1,500 men are deployed in guerrilla or regular units. Each region consists of sectors—usually 3—headed by a Major, and they in turn are broken down into zones headed by a Captain or Lieutenant. Most daily guerrilla operations are undertaken at the zone level, with 50 or 100 troops. A number of Compact Guerrilla units may be assembled for a specific combat mission, with the men reverting to their original units upon completion of the mission. Several important enemy posts have been captured this way.

Political awareness

Political awareness is of paramount importance in FALA. In addition to their military training, troops are expected to know the political orientation of UNITA's struggle. FALA therefore has political commissars at all command levels, who are superior to the unit commanders. In addition to imparting military knowledge, the commissars can explain the political nature of UNITA's struggle.

B. UNITA's Political Structure

UNITA was founded in March 1966 in Angola as a broadbased political movement, and the constitution it adopted at that time called for a proportionally representative government, Armed struggle—first against the Portuguese, later against the MPLA—was viewed as the means of achieving this government through free elections. From its inception, therefore, UNITA has placed as least as much emphasis on the political education (or "mobilization") of the peasantry as on the armed struggle. Persuaded of the importance of the people, UNITA places a high priority on the welfare of the soldier, the cadre, the teacher, the nurse, the student, and the peasant. It sees military operations and political action as inseparable, so that in its eyes greater military successes bring greater political and social responsibilities. This has led the movement to create an extremely sophisticated political structure predating its military structure.

UNITA's most important legislative organ is its National Congress, which meets every four years and is attended by elected representatives of all the kimbo (village) committees in the areas controlled by UNITA. They elect the President, secretary-general, permanent secretary and chief of staff, as well as the 20 members of the Political Bureau and the 35 members who, together with the Political Bureau, comprise the Central Committee. The President—Savimbi since UNITA's inception—is automatically the commander-in-chief of the armed forces and the chairman of the Central Committee.

General administrative matters of national importance are dealt with at the annual conference, attended by members of the Political Bureau and the Central Committee. The President appoints the political commissars responsible for political affairs at the regional level. These regions coincide with UNITA's 24 military regions; the political commissar may also be the regional military commander. He acts as the link between the Political Bureau and the Central Committee on the national level, and the district and village committees which make up the region. Below the village is the cell, the smallest unit in the party.

The system works remarkably well. Despite the long chain of command, the party leadership maintains close contact with the interests and aspirations of its supporters at the grassroots level. UNITA has remained true to the democratic, populist principles on which it was founded, and has avoided the elitism which has plagued other African political movements.

UNITA's political ideology

UNITA's political ideology is difficult to define because it does not fit easily into one of the families Western patterns. Perhaps the closest would be the social democracy of Western Europe. It is clear the UNITA is resolutely opposed to communism, both on the grounds that is does not work and that it is a foreign ideology with no place in Africa. This does not mean, however, that UNITA is not socialist. Savimbi has often spoken of "democratic socialism," without defining precisely what this means. Recently UNITA has begun to use the even vaguer phrase "realistic socio-economic analysis." In contrast to the MPLA, which stresses the importance of intellectuals and industrial workers, UNITA believes that the peasants who make up 80% of the population should be the primary component of the new Angolan society.

Perhaps the key to an understanding of UNITA's political ideology may be found in the concept of "negritude," the central and constant theme of its political writings. This is not the same thing as the "black power" concept of an exclusive black nationalism; rather it is a generalized notion incorporating UNITA's most basic political beliefs and its political program. Savimbi has explained "negritude" as the recognition that ethnic and tribal groupings and systems must serve as the basis for any successful form of African government. The leadership must work toward compromise at all stages, and consensus must form the basis of government and all forms of political leadership. The deep-rooted African culture—subverted by various colonial powers to produce "rootless" African societies with no past—must form the basis of the present culture, though without being exclusive. Interstate relations in Africa must be based on practical cooperation between free countries, not on unrealistic ideals such as "Pan-Africanism." "Negritude," then, is not a political ideology in the proper sense, but rather a way of approaching the complex problem of governing multi-ethnic, ex-colonial societies.

UNITA's political views may be summed up as a moderate, democratic form of Afrocentric populism combining certain features of capitalism and socialism and based on the principles of compromise and consensus. UNITA sees non-alignment as a relative thing: "no one can be totally non-aligned," it holds. "UNITA's sympathy is with the West, in economy and politics. In other areas, national ideas must be followed."

Savimbi offers his followers the opportunity to decide their own future in a democratic way, free from foreign interference. UNITA's main aim is to get all "foreign troops out of Angola," as Savimbi says, "so that the Angolan people can decide their own destiny. The important point is that the people must have a say, i.e., the government must be accountable to the people."

A detailed outline of UNITA's political and economic program was published in the form of a 134-page book in Jamba in December 1983. Entitled *The Angola Road to National Recovery—Defining the Principles and the Objectives,* it deals with UNITA's economic development and its constitutional foundation.

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Leadership

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Leadership

Clearly UNITA owes its formation, survival, growth and ultimate success to the talents and efforts of Jonas Savimbi, with whose life the history of UNITA is intimately intertwined. Perhaps no other political part or movement in modern times has been so dominated by a single individual. Savimbi has coordinated the entire range of UNITA's political and military activities as well as its internal security and information.

Savimbi has an extremely sharp intellect, great personal charm, and a stable yet charismatic personality: all the qualities of a great leader and statesman. As a politican he owes his success primarily to his pragmatism (he has been called the greatest survivalist of modern politics) and to his extraordinary oratorical powers. As a military leader he has a keen sense of history, especially military history, and a thorough grasp of the theory and practice of guerrilla warfare. In addition he has an incredible capacity for absorbing and recalling dates, personalities, places, facts and statistics. A writer and poet of note, he is also a remarkable polyglot: besides his mother tongue and other tribal languages, Savimbi is fluent in Portuguese, English, French, and German. Savimbi is a professing Christian with a strong sense of honor who abhors corruption and dishonesty and deals drastically with those found guilty of such things.

The long and arduous years of fighting in Angola have produced a capable second echelon of leaders around Savimbi. They are an extremely effective leadership by African standards, and make it possible for Savimbi to leave Angola for long tours abroad. UNITA's most influential and powerful figure after Savimbi is Secretary-General Miguel N'Zau Puna, who holds the rank of brigadier. A Cabindan with Tunisian training in agronomy, Puna is responsible for the civil administration of the Party as well as for the overall coordination of UNITA's logistic and communications network. Puna is also a superb orator, able to arouse the emotions of his audience. Although not a particularly good organizer, he is very intelligent, with a keen sense of humor. He communicates well in Portuguese and speaks passable English.

As Chief of Staff, Brigadier Demosthenos Chilingutila is the effective head of FALA and specifically responsible for training, accounting, mobilization and recruitment. A former corporal in the Portuguese artillery, Chilingutila is an Ovimbundu like Savimbi, but his rise through the UNITA hierarchy is not due merely to Savimbi's favor, but also to his enthusiasm, dedication, and willingness to learn. Ernest Mulatto, Permanent Secretary of the Political Bureau and Secretary of The Commission of Control, is a Bemba from northern Angola and an influential leader of long standing. His responsibilities include the arbitration of disputes within the party and the maintenance of good order and discipline. He has a very strong personality, and commands a great deal of respect. Jeremiah (Jerry) Chitunda, another leading personality and respected figure, is UNITA's Chief Foreign Representative, based in New York. Educated in the United States, he is extremely articulate and has built up an impressive network of influential contacts over the years. Brigadier Renato Campo Mateus, Chief of Staff Operations, is a former lieutenant in the Portuguese army. He is extremely able but handicapped by ill-health. Brigadier Samuel Epalongo, Commander of the HQ base, was for many years UNITA's chief logistic organizer. Brigadier Geraldo Nunda, Commander of UNITA's forces in northeastern Angola, is a relative newcomer. Colonel Dr. Vakulakuta Kashaka, Chief of Staff of Logistics, is a Kwanyama from southern Angola. He lost an arm in combat several years ago. Jorge Sangumba, Chief Political Administrator in Angola, was educated in the United States and was formerly UNITA's Chief Foreign Representative.

C. The SWAPO/South African Factor

The situation in Angola is complicated by the effects of another conflict. As soon as it became clear that the MPLA had won the civil war, SWAPO (South West African People's Organization), the Soviet-backed liberation movement fighting to replace the South African administration in Namibia (South West Africa), moved its bases from Zambia to Angola, bringing them closer to its operational area. Angola soon became the center of SWAPO activities, and the Cubans began training its members. As SWAPO guerrillas were infiltrated into Namibia, South African forces launched a number of "hot pursuit" operations against SWAPO bases in southern Angola, bringing them into conflict with MPLA and Cuban forces. Eventually South Africa established a permanent presence in the Cunene province of southern Angola.

Years of hostility between Angola and South Africa ended on February 16, 1984, when an agreement was signed in Lusaka, Zambia, by whose terms Angola banned both SWAPO and the Cubans from the border area while South Africa began withdrawing from Angola. It was hoped that the establishment of peace on the border would lead to the withdrawal of Cuban troops from Angola and the granting of independence to Namibia.

Two questions flow from the peace agreement. First, are the Cubans in Angola to protect that country from South African attack, as Luanda and Havana have consistently maintained, or are they there to prop up the unpopular MPLA regime against UNITA's growing strength? If the former is the case, then the peace with South Africa should clear the way for their departure.

The second question involves UNITA. Is it a South African "puppet" totally sustained and manipulated by Pretoria to destabilize Angola, or is it a self-motivated nationalist force which receives assistance from a number of countries, including South Africa? If the former is the case, will South Africa withdraw its support of UNITA—and could UNITA survive should that happen?

This question ignores two points. First, it is impossible for a medium-sized country like South Africa to sustain a military operation as large as UNITA has become, and which operates deep within Angola hundreds of kilometers from the Namibian border. UNITA has access to longer frontiers with Zambia and Zaire than with Namibia. Second, it overlooks Savimbi's philosophy of self-reliance, which he has successfully put into practice both in his war against the Portuguese and in the current one. He believed UNITA should base itself exclusively inside Angola, become self-reliant in economic and military matters, and follow Mao's precept that the enemy should be the principal source of guerrilla arms. Savimbi estimates that during the latter stages of the war against the Portuguese, 80% of UNITA's weapons were either captured or stolen from the enemy. Beginning in 1978, thanks chiefly to Savimbi's diplomatic and negotiating skills, UNITA began receiving financial assistance, arms and ammunition from a number of African and Middle Eastern countries, including Egypt, Iran (before the Shah's fall), Saudi Arabia, Morocco, Senegal, Zaire, Sudan, and South Africa.

Savimbi makes no secret of the support he has received from South Africa, and does not apologize for it either. "We had no choice other than to accept South Africa's help", he has said, "unless you consider accepting domination by the Russians and Cubans as a choice. We could either accept being crushed or we could resist. To resist we had to resist with the help of somebody." Asked what the South Africans demanded in return for their support, Savimbi replied: "Well, they have never asked me to sign any document. But we are conscious of the fact that since they are giving us aid they hope for cooperation in the future." What cooperation would he give them?

"Friendship, I think that is what they want. I would invite (the South African Prime Minister) Mr. Botha to my own capital and receive him as head of state. (The Zambian President) Kaunda meets him on other people's borders, but I will challenge him on my own ground. And when he visits me, I will not, I cannot, become less black than I am already. And because I am willing to talk with South Africa does not mean I believe in apartheid. I cannot. Things must change in South Africa. There are two ways things can change there—through reform or revolution. But a revolution will spill over into the rest of southern and central Africa in unpredictable ways. So I think reforms are better in South Africa."

More recently, following the peace agreements between South Africa and Angola and Mozambique, Savimbi was asked whether he as a black revolutionary leader was not embarrassed by his links with South Africa. To that he responded: "What's wrong with talking to South Africa? Ask them in Maputo. Ask the MPLA." He added that he had advocated dialogue with the white south as early as 1974, and now everyone was doing it. Moreover, when in 1976 the emergency session of the OAU demanded that all foreigners leave Angola, "the South Africans left at once—but the Cubans increased their numbers to 35,000."

Asked about the peace initiative in southern Africa which sees South Africa and the MPLA cooperating without reference to UNITA, Savimbi said he was enormously encouraged by it because it created a mood of optimism and positive thinking which could only work to UNITA's benefit. And if supplies from South Africa should be cut off, "we have alternatives. We will survive as long as need be."

Asked how a UNITA victory might alter the political situation of southern Africa, Savimbi replied:

"Very dramatically. Take Namibia. We're now drifting into a Middle East-like situation. But with a UNITA victory, SWAPO would no longer have a sanctuary in Angola, or anywhere else. They would have to abandon guerrilla war and subject themselves to a democratic process in Namibia. Thus, a solution to Namibia means a solution to Angola first. For once the Cubans and SWAPO are gone from Angola, South Africa will have no more excuses."

D. UNITA's Achievements

It is difficult to overstate. UNITA's achievements. From a military point of view it has successfully challenged the Soviet-Cuban occupation of Angola and the puppet MPLA regime imposed on the Angolan people. When it accepted that challenge in

1976, it had virtually no outside support. The world took it for granted that Angola was irreversibly in the Soviet camp; anyone contesting that fact was contesting the irresistible forces of history and needlessly prolonging the suffering of the people.

Against overshelming odds, Savimbi regrouped his scattered, dejected followers and by a slow, deliberate process built them up into a disciplined, cohesive fighting force which has seized the initiative from the MPLA forces and their foreign commanders and is relentlessly forcing them into an ever-shrinking portion of the country, to the point where dos Santos now exercises control mostly over beleaguered large towns and cities. Now even those are threatened by UNITA, which is permanently and openly holding villages and small towns which the Marxist allies are incapable of retaking.

Even more impressive is the fact that UNITA has been able to blunt and roll back the major offensives launched against it. These, it must be remembered, are directed by Soviet and East German general, use T-54 and T-62 tanks, and have the aerial support of MiG-21s and 23s and of Mi-24 helicopter gunships, and now one of the latest western gunships, the Dauphin. Yet UNITA has stopped these offensives even without armor or air support. All this has been achieved without the overt or covert support of a superpower, or indeed of any major Western power, with very little publicity and none of the support groups to which Marxist "national liberation movements" have access in the West.

If anything, UNITA's achievements in the social and political areas are even more impressive than this. Savimbi has welded the illiterate peasants who provide most of his support and make up the overwhelming majority of Angola's population into a well-ordered community. Almost everyone visiting Jamba, Savimbi's capital, is impressed by its tidiness. All footpaths and huts are kept clean, and there is an abundance of hygienic latrines. There are no piles of garbage or foul odors so common in other African villages, or in Luanda itself. Jamba is a temporary town built of grass huts and sand paths, but it has a hospital as well as wood and metal working workshops. Other UNITA villages are just as orderly.

Savimbi has also been remarkably consistent in his views: from the time he joined Holden Roberto's Revolutionary Government in Exile in 1962, he has striven to unite Angola's different factions. Knowing the strength of Angola's tribal loyalties, he has contended that no one group can successfully govern the country: only a government of national unity which incorporates the different elements can do so. Thus even to the day UNITA is not fighting to overthrow the MPLA government but rather to drive out the foreign forces which brought strife to Angola. Once they are gone, the MPLA will have to talk to UNITA and form a coalition government to prepare for the elections promised by the almost forgotten Alvor agreement.

One final question needs to be answered. In view of the overwhelming support given the MPLA by Moscow, why has the West given Savimbi so little assistance? Savimbi has amply demonstrated that he is anticommunist and pro-Western; he has proven his leadership abilities and shown that he has widespread support within Angola. Why, therefore, are Western calls for the withdrawal of foreign troops, the formation of a coalition government, and the holding of free elections so remarkably muted? The question is not easily answered. Savimbi's response is:

"I think it must be the Third World that has to give the West the courage to oppose the Soviet Union and stand up for its ideals, not the other way around—to provide a cure for what Solzhenitsyn calls the 'western disease.' That is why, we say, 'UNITA is the key to Angola, Angola is the key to Africa, Africa is the key to the West.'"

Certainly Angola's UNITA presents the West with a unique opportunity to turn the tables on the Soviets and roll back Marxism's hitherto inexorable worldwide advance. Cuban troops have been in Angola for nearly 10 years, suffering high casualties: they are war-weary and eager to return home. Luanda could not have signed a peace agreement with Pretoria without a green light from Moscow. This would indicate that now the Soviet will to assert itself in Angola as it did in 1975 is lacking, perhaps because of its commitments to Afghanistan, or because of its uncertain leadership. Moscow therefore apparently wishes to freeze the current situation in Angola until it can be given more attention. The situation in Angola in 1984 is the reverse of what it was in 1975. The American will was weak; now Soviet will is weak. With concerted diplomatic and moral support from the United States, combined with only a fraction of the material aid which the Soviets poured in in 1975, UNITA could take a dominant role in a new Angolan government, with immediate and tangible advantages to the West in the diplomatic, political, economic, moral and strategic spheres. Such an opportunity may not present itself again in the forseeable future.

Mr. ARMSTRONG. Finally, Mr. President, my two questions are these of the Senator from Idaho: First, would he be willing to have me added as a cosponsor to his amendment?

Mr. SYMMS. Mr. President, I ask unanimous consent that the Senator from Colorado be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, I have listened to the discussion of the situation in Angola but I still am not clear on a point which the Senator made in passing about Mozambique. Do I understand correctly that this bill authorizes funding for support to that region?

Mr. SYMMS. That is correct, Mr. President.

Mr. ARMSTRONG. I still did not hear an explanation of why in the world we want to do that. As I understand it, that is not addressed in the Senator's amendment.

Mr. SYMMS: Let me read the answer of the State Department. There may be those here who are more knowledgeable on this than I am. The justification from State is they are trying to buy out their enemies, so to speak. It is the same old song we have heard before.

Mr. ARMSTRONG. Mr. President, I wonder if the managers of the bill could explain that. Surely there is a better rationale for sending money to a Marxist regime than that we are going to be able to capture them or buy them off or something. I admit this is something about which I am not particularly well informed, but I am really distressed by the notion that we would send money to a government as described by the Senator from Idaho under the conditions he has suggested.

Mr. SYMMS. Mr. President, I shall make just one comment, then I shall yield the floor for any comments the distinguished Senator may want to make.

Mr. President, I do not want to mislead my colleagues about what is in this bill because they have a difficult job to do. Before I yield the floor, Mr. President, I ask unanimous consent that, following my remarks, or at the appropriate place in the Record—perhaps with the letter from Dr. Savimbi—there be printed in the Record an article entitled "Negotiating the Cuban Withdrawal From Angola: A Strategy for Victory Versus a Diplomacy of Accommodation."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. Mr. President, I think, to go back to my good colleague from Colorado, one of the problems we have in trying to formulate a foreign policy is the lack of a definite goal of what our aims are in Africa. In my view, the African Continent is absolutely critical. There are some 12,000 ships a year, I think, that go past the Cape of Africa. We all know there has been a lot in the news recently with respect to South Africa, but not much in the news with respect to some of the terrible violations of human rights that are taking place in some of the other countries that have black minority rule which are tending toward a one-party government, drifting very rapidly, some already Marxist and others moving in that direction. In my view, we should really stand tall at this time and support our friends.

Frankly, Mr. President, I do not think there is too much the Russians could do about the Clark amendment repeal. Angola is a long way from the Soviet Union. The popular support is with Dr. Savimbi. All they need there is our moral support, maybe some slight improvement in the capability to shoot down the sophisticated Soviet helicopters and MIG 23's, which they might do if we could repeal the Clark amendment, and let those Africans resolve their own problem. I think a lot of good things could happen for the rest of the world in Africa, and that could send a signal to our allies around the globe. The policy toward Angola and Mozambique presently is a classic example of the U.S. Government helping our enemies in one country and not helping our friends in another country. That is very hard for this Senator, at least, to accept. That is why I brought this amendment to the floor tonight. I am willing to work with the Foreign Relations Committee on this issue.

At this point, Mr. President, I thank my colleagues for their indulgence and I yield the floor.

EXHIBIT 1

NEGOTIATING THE CUBAN WITHDRAWAL FROM ANGOLA: A STRATEGY FOR VICTORY VERSUS A DIPLOMACY OF ACCOMMODATION

(By Jeremias K. Chitunda)

The Soviet-Cuban occupation of Angola is nine years old now. And sophisticated weapons, tanks and aircraft continue to pour in the country to equip the Soviet Surrogate forces made up of Cubans, North Koreans and others. The Soviet main objectives: to keep in power in Luanda the unelected Soviet surrogate government of the MPLA (the Popular Movement for the liberations of Angola). UNITA (the National Union for Total Independence of Angola) has been resisting this foreign occupation in the quest for freedom, true national independence and the Angolans' right to elect freely their legitimate governing institutions: it is for these same goals that we fought the Portuguese colonial rule which ended in 1975 to be, alas, replaced with another foreign domination.

It would be good if we could achieve these national goals of freedom by peaceful democratic ways. But, viewed the refusal of the other side to reason, UNITA has no choice but to pursue the armed resistance. We are fortunate to have the leadership of Dr Jonas Malheiro Savimbi as well as immense popular support which enabled UNITA to acquire strategic superiority in Angola's theatre of operations, notwithstanding the enemy's tactical advantage from tanks and aircraft.

Still the Cubans (numbering up to 45,000 men of which at least 30,000 are combat troops) and other Moscow surrogate forces constitute the most serious obstacle to peace in Angola and the whole region. If they leave, Angolans will be able to engage in the process of national reconciliation leading to stability, lasting peace and socio-economic progress.

This is why we appreciate the United States efforts to seek the Cuban withdrawal from Angola. Were these efforts to succeed, it could be the most valuable United States help to Angolans, Namibians and Southern Africans in general.

This region of Southern Africa, especially South Africa, produces much of the free world's platinum, gold, manganese, chrome, ferrochrome, palladium, cobalt, diamonds and asbestos. The United States imports all of its manganese and cobalt, much of its platinum group metals, and more than half of its chrome, ferrochrome and palladium from Southern Africa. The Soviet Union, by establishing pro-Moscow regimes in the region, could soon succeed to control this source of vital raw materials or deny their availability to the West. The Soviets could thus cripple the industrialzed Western economy and seriously undermine vital Western security interests. Added to its own wast domestic mineral resources, Moscow's dominance of Southern Africa would thus enable it to control almost all of the world's production of gold, chrome, platinum, manganese, vanadium, cobalt and diamonds.

Southern Africa's strategic location is equally vital to the West. About three ships an hour pass around the Cape of Good Hope in the southernmost tip of Africa, making it the World's busiest sea lane. Nearly two-thirds of Western Europe's and more than one-fifth of all United States oil imports go by supertanker around the Cape of Good Hope. The Panama Canal route would be 5,000 miles longer, Persian Gulf to New York, than the Cape route. The supertankers, on the other hand, are too large for the Suez Canal. The Soviet Union, over the years, has been deploying an increasing number of warships in the Indian Ocean with important base and/or mooring facilities in Yemen, Iraq, India, Bangladesh, Mauritus, Seychelles, Madagascar and the East African coast. And now with the establishment of an off-limits naval installation at Barra do Cuanza, about 30 km South of Luanda (Angola), the Soviets possess the capability to interfere with the security of these vital sea lanes around the Cape of Good Hope, from the Indian into the Atlantic Ocean.

While Angola has its own share of the potential wealth of strategic minerals (oil, diamonds, manganese, gold, etc.) in Southern Africa, it is, however, the country's strategic importance as an ongoing Soviet base of expansionism that should be underscored. The MPLA, gunned in power in 1975 in Angola with Soviet-Cuban military intervention, is Moscow's most dogmatic and most faithful African ally. Since 1975, the Soviets have already ostensibly made use of Angola to promote their expansionism in the world: intervention in the Horn of Africa in 1977 by airlifting Cuban troops from Angola to Ethiopia while waiting for reinforcements from Havana; armed invasion of Zaire's Shaba Province in 1977 and 1978 with Angola-based Cuban support; political and diplomatic support to the Soviet invasion of Afghanistan by the MPLA regime at the United Nations in January 1980; use of bases in Angola to fly reconnaissance missions against the British Royal Navy sailing in South Atlantic during the Falklands war in the Summer of 1982; MPLA's unquestioning support to the Soviet boycott of the 1984 Olympic Games held in Los Angeles (U.S.A.); use of Angola as a vast training camp for numerous Latin American, Asian and African subversive groups at the service of Soviet imperialism; and the exploitation of the region's political and social problems to consolidate Moscow's foothold, including the use of force to influence events and dim the prospects for negotiated Namibia independence settlement.

SWAPO (Southwest Africa People's Organization) has vowed to support ANC (African National Congress) in its armed struggle against the Republic of South Africa. The scenario would be as follows: SWAPO takes over in Namibia, whether by implementation of UNSCR 435/78 or some other means, and its government establishes guerrilla bases on the Namibian soil for the ANC to operate from against South Africa; the latter retaliates by bombing the guerrilla bases; the SWAPO government then invites its internationalist Soviet, East German and Cuban friends to intervene "to help to repel the South African aggression . . ."; and there you would have a new cycle of violence in the region, much closer to South Africa than today's round of confrontations against SWAPO based in Angola. With SWAPO's "internationalist friends" already camping and practicing in neighboring Angola, this scenario becomes most likely to take place. Hence the inevitability of "linkage" whereby the removal of Moscow's surrogate forces from Angola should become a preliminary step in order to ensure dialogue among all indigenous political forces and even the co-existence or cooperation among regimes with differing ideologies in Southern Africa.

It is abundantly clear that, given the geo-politico-economic importance of Southern Africa to the West, the Soviet-Cuban occupation of Angola cannot be an end in itself, but a means for Soviet penetration in the whole subcontinent, in total detriment to the Western interests. The withdrawal of Soviet surrogate forces from Angola could therefore prove to be a most important step in the protection of vital United States and Western strategic, economic and security interests in the region. President Ronald Reagan, in fact, has been unequivocal and consistent on this: he wants "the removal of the thousands of Cuban surrogates from Angola".

Unfortunately, efforts to seek the withdrawal of these Soviet surrogate forces by diplomatic means have not been successful. True, the failure of negotiations at the present stage should not, in principle, diminish the basic role of diplomacy in the overall search for lasting peace and stability. The failure should, instead, prompt a reassessment of the diplomatic strategy in use.

To begin with, there should be a strategy for victory rather than pure accommodation. Secondly, there must be a clear definition of the goals, some of which (i.e. democracy, freedom and true national independence) are not negotiable. And thirdly, one must recognize the limits of diplomacy in dealing with an adversary committed to achieve victory by hook or by crook. Diplomacy requires reciprocity and compromise, playing by the rules that are generally eschewed by Moscow and its allies.

For these and other reasons the concept of "negotiated Cuban withdrawal", plausible as it may appear, has not worked. Joint Cuban-MPLA declarations as well as MPLA's officials' statements have been categorical: the Cubans could leave only after, among other things, all outside support to UNITA ceases and there is no more internal or external threat to the MPLA regime. MPLA's aversion to democratically sharing power with other legitimate political forces in the country is total. The MPLA leaders profoundly believe that, political power being indivisible, it must be either the MPLA or UNITA—and never both of these parties—in power in Angola. As such, they are prepared to fight or to lose, and not to compromise.

In the actual negotiations that have been going on for four years between the United States, the MPLA and the South Africans, the MPLA's ploy has been characterized by endless procrastination regarding the so-called "agreement on a timetable for the Cuban withdrawal". The MPLA does not want to make any concessions to its negotiating counterparts, but it does not want to break off the negotiations either.

The MPLA procrastinates and takes full advantage of the known "stick and carrot diplomatic approach" by the United States. In this approach, the "carrot" is the massive financial support (through dealings with Gulf Oil Corporation and loans from U.S. Export-Import Bank) and humanitarian assistance to the Marxist MPLA as well as encouragement of U.S. private businessmen to invest in MPLA's Angola, while maintaining in force the Clark Amendment to prohibit United States help to UNITA. United States

diplomats thought with this "carrot" to lure the MPLA away from the Soviet grip and into the negotiations. But in reality the "carrot approach" has only been subsidizing the Soviet-Cuban occupation of Angola.

Some Western politicians argue that the MPLA, despite its anti-capitalist ideology, should be rewarded for its "pragmatism" of allowing the Western investor to do business in Angola. But "pragmatism" has always been the standard modus operandi of Soviet surrogate regimes around the world: faced with socio-economic crises, these regimes accept and seek temporary partnership with Western capitalists. Yet no true Marxist can sacrifice ideology to economic gains. They will accept your money to finance their anti-Western, anti-U.S. campaigns. Thus we hear the MPLA emphasizing in its domestic propaganda its favorite theme "U.S. imperialism and capitalism are the enemy number one of Angola", thereby fostering anti-American feelings among the people. Western analysts who always try to dismiss MPLA's anti-Western assertiveness as empty rhetoric, arguing that no one could do without Western money, are wrong because in Angola these Western resources are being effectively used to transform the country into a solid bastion of anti-United States struggle, at no cost to Moscow.

Nevertheless the MPLA now fears that its procrastination might just force the United States to reassess its options. The "flexibility" that we hear so much about these days—José Eduardo dos Santos' "willingness to talk about the Cuban withdrawal as part of an overall regional settlement . . .", if this is flexibility at all—is indeed MPLA's way of pleading for the extension of the "carrot" policy, even though no real concessions can ever the expected from the Luanda regime. In fact, after four years of intensive shuttle diplomacy by the United States, MPLA's acknowledgment of the fact that the Cuban withdrawal is an integral part of overall settlement could hardly be called a diplomatic breakthrough: the MPLA has always stated that the Cubans would be asked to leave only after all internal and external threat to its regime ends, outside support to UNITA stops and Namibia becomes independent. This is what the MPLA would view as "Cuban withdrawal within the context of an overall settlement in the region."

We trust that no U.S. diplomat would willfully be committed to undermine UNITA's interests and to save the Marxist MPLA regime from collapse; but many of these diplomats essentially conceive a negotiated settlement in Angola as one in which the MPLA might be persuaded to kindly allow in its government some participation of UNITA, instead of viewing the latter as the real legitimate force shaping the future of a free Angola. At the very least, Western negotiators should help Angolans to acquire and exercise their right to freely elect their governing institutions.

The United States actually may or may not wish to reconsider the alternative to the costly and fruitless "carrot approach". But the State Department acknowledges what has been accomplished by UNITA's military pressure on the MPLA. In fact, the degree of MPLA's willingness to talk to its U.S. and South African counterparts has been directly proportional to UNITA's military success. The Soviet-Cuban MPLA leaders readily understand the language of force which is, indeed, their vernacular. Obviously, negotiations to bring about the Cuban withdrawal will never succeed unless undertaken from a position of strength. Hence the validity of the original "stick and carrot concept", provided the "stick" is effectively in the equation. Paradoxically, while some State Department officials acknowledge the importance of our military efforts in forcing the MPLA to engage in the ongoing U.S.—MPLA—South African talks, others are nevertheless uneasy about UNITA's pursuit of military programs, arguing that the MPLA might never agree to send the Cubans away unless it is no longer threatened by UNITA. Little is said to the effect that reciprocity is fundamental in any cease-fire efforts, especially when our adversary is uncompromisingly committed to destroying UNITA, brutally taking advantage of any unilateral gesture of cease-fire by us.

There are also Western analysts and politicians who argue that UNITA's armed resistance is to be blamed for escalated Soviet military involvement in the region, and that since UNITA may never have the material means to match up to the MPLA's Soviet-Cuban backing, then UNITA should leave it up to the Western diplomats to decide the future of the region! Had we listened to this nine years ago, there would be no UNITA today in Angola, no more hope for democracy and freedom, and there would be nothing for the diplomats to negotiate about, since the Soviets would have irreversibly established their foothold in our country and the region. The bottom line is that we are winning, notwithstanding the apparently vast, unlimited Soviet material means at the MPLA's disposal; we are winning because in the Angolan conflict there are social and political factors overwhelmingly in UNITA's favor, enabling us to make up for much of our shortages, gain real strength and render our almighty adversary vulnerable. Nevertheless, UNITA's ultimate success, whether military or political, will not be possible without the Western understanding, sympathy and support.

It would be good if Western analysts could recognize and underscore the strategic importance of a Cuban military defeat in Angola which could enhance the options to cope with Fidel Castro's adventurism in this Hemisphere, including Latin America. In fact the Cubans gained notoriety as Soviet surrogates in the aftermath of their success in the 1975 Angolan civil war. Since then, the Cubans have been intervening with impunity in many more countries in Africa and Latin America. To reverse this trend, the Cubans ought to be defeated militarily somewhere—anywhere; it so happens that in Angola the conditions are excellent for this. As a result of such Cuban military defeat, (a) Russia could de-value Castro's mercenarism and Moscow would have to curb its aggressive expansionist programs; (b) weak nations would no longer be intimidated, co-opted or subverted; (c) other peoples around the world would feel encouraged to wage their own resistance to Cuban-backed tyrannies; (d) many of Moscow's surrogate regimes would be weakened because they would no longer be so eager to invite the Cuban "internationalists" to back them; and (e) most importantly for us, a negotiated settlement to Angola's problem would finally become attainable.

In arguing for a victory against the Cubans, we do not suggest United States military intervention in Angola. But we insist on that which the United States—and only the United States—could give decisively: political, moral and diplomatic help. Many countries that have been helping UNITA materially could do more, if they were encouraged by the United States; but, on the contrary, no country has actually ever been advised or encouraged by the United States to help us. The Clark Amendment, passed by the U.S. Congress in early 1976 to bar U.S. aid to UNITA, is, of course, evoked to justify the situation. But it might also be that the State Department, eager not to antagonize the MPLA and the Front Line States, might prefer the non-repeal of this legislation. But the Clark Amendment effectively reassures the MPLA of the fact that the United States "stick and carrot approach" will remain devoid of the "stick". MPLA dreads the possibility of U.S. aid to UNITA. The repeal of the Clark Amendment could not necessarily lead to U.S. help to UNITA, but it could most certainly increase enormously the United States options and diplomatic leverage.

Finally, it must be pointed out that the Cuban withdrawal must be total and verifiable. This entails the need to ascertain the exact number of Cubans in Angola. At the present, the discrepancy on the estimates of the Cuban force goes from 25,000 to 45,000 men. It would be deceiving to differentiate between "combat" and "civilian" Cuban personnel, since all Cubans are there to support essentially a military effort. Likewise, we should beware of Cubans "naturalized" Angolans under an MPLA's February 1983 legislation; with this legislative ploy, the MPLA wanted to eventually deceive its negotiating partners and say, for example, that of the 45,000 men that came from Havana only 30,000 should be subject to any withdrawal agreement, the rest having become "Angolan citizens". There has also been much talk about the so-called "phased Cuban withdrawal". We agree that it may be physically unwieldy to get 45,000 Cubans out at one time in a single batch, as opposed to their leaving in several boatloads over a pre-established period of time. The concept of "phased withdrawal" would certainly require clarification on the actual timetable before its applicability could be ascertained. Total withdrawal over a two-month period would be one thing; but phased withdrawal to be completed over a two-year period would most certainly be objectionable.

Furthermore, the Cuban withdrawal must not be an end in itself: the Soviets, committed to the protection of their surrogate MPLA regime, may well replace the tired, controversial Cubans with a new surrogate force from other countries such as North Korea. North Korean military personnel are already arriving in increasing numbers in Angola, and they claim higher expertise in counter-guerrilla insurgency than the Cubans. At a September 1984 banquet he hosted in Luanda, the North Korean Ambassador to Angola, Kim Chung Nam, underscored strongly, in his speech, North Korea's commitment to help MPLA's Angola defend its integrity. Kim Chung Nam went on declaring that the peoples of North Korea and Angola could no longer be set apart by geographical distance, and that the two countries "would from now on march hand in hand in the fight against American imperialism, colonialism and racism . . ." Realistically, however, given the specific geographical, geopolitical and socio-historical factors about our country, it is obvious that no other surrogate force can succeed where the Cubans have failed. Still we should bear in mind that we are dealing with Moscow's surrogate forces from various nationalities rather than the restrictive (albeit dominant) Cuban expeditionary corps.

In conclusion, the United States' role in Southern Africa is vital and indispensable. But a wrong U.S. policy can make Soviet expansionism cost-free to Moscow, save the Soviet surrogate MPLA regime from otherwise inevitable collapse, and penalize those resisting Soviet-fanned Communist oppression and fighting for national independence and freedom. A correct United States policy should take into account, among other things—

The need for strong, unambiguous U.S. support to the basic questions of national reconciliation, formation of a government of national unity and the holding of free, general elections in Angola;

The need to understand that the process of national reconciliation in Angola cannot be undertaken by Angolans alone; the conflict has been heavily internationalized, requiring overt U.S. participation to advance dialogue and peaceful overtures;

The need to seriously ascertain MPLA's unwillingness to embark on a course of political settlement, and to reassess realistically the difficulties of removing the Cubans from Angola;

The need to fully take advantage, for diplomatic and political purposes, of existing conditions for a Cuban military defeat in Angola;

Realization of the profound implications of the Clark Amendment in the international community; and

The need for fairness in making humanitarian assistance available to Angola, given the fact that a large portion of Angola's needy population is in UNITA-controlled part of the country where humanitarian help is sorely and legitimately needed.

Thank you.

Mr. ARMSTRONG. Mr. President, I do not want to labor the issue, but I still would like to hear why we are authorizing the appropriation of money to Mozambique. I have no amendment to offer or any proposed solution, but what the Senator has described is a situation that does not seem to me to be justified, at least based on the facts he has mentioned.

Mr. LUGAR. Mr. President, has the Senator from Idaho completed his argument, or does he wish for me to respond?

Mr. SYMMS. I yield the floor, Mr. President.

Mr. LUGAR. Mr. President, I appreciate the analysis that has been given by the distinguished Senator from Idaho, particularly of American foreign policy in Angola, and the colloquy in which the distinguished Senator from Colorado and he have engaged about African policy in general.

Let me respond that the policies we have adopted there have been formulated carefully by the Secretary of State and Mr. Crocker, the deputy secretary for Africa. They are difficult questions of effectiveness. The query of the Senator from Idaho with regard to procedures in Angola, at least in my judgment, are worth very serious consideration.

I am hopeful that, in the event the Senator from Idaho would not press his amendment this evening, he would accept my pledge to have a hearing promptly in the Foreign Relations Committee in order that we might take up specific action—I know the Senator from Idaho has that in mind—with regard to our foreign policy and proper procedures. Then we would have an opportunity to consider the issue as an amendment to the State Department authorization bill, perhaps, flowing from our committee in a fairly prompt way.

Let me respond for a moment, prior to a response from the Senator from Idaho on this idea, to my friend from Colorado. I think the question of foreign assistance to Mozambique is a very good question. I have queried the Secretary of State personally about this, because I think it is a serious issue.

Our Secretary of State has affirmed very strongly that he believes it is in the best interest of our foreign policy for the very small amounts of aid that are involved to continue in this fiscal year. He affirms his support for that. He has tried to reason with me and with other Senators about the course of activity of the Government of Mozambique as it has moved from a solid position in the Soviet orbit to one in which there is a fair degree of openness to our diplomacy and to our involvement, at least in that part of the world. The Secretary believes that there has been progress. I am inclined to agree with him.

I do not want to state the proposition more strongly than that because I think we have been disappointed on occasions when we thought we had an opening and the door closed. But I think a case can be made, at least marginally, that this is a situation in which the Secretary is willing to take a small and limited risk in full light of the analysis that both the Senator from Idaho and the Senator from Colorado have given of the Marxist orientation of the government, and the possibility we may be sorely disappointed. We once thought we had an opportunity. As it came to pass, it just did not work out. I think it is the best that can be said for the rational and is the one that can be accepted.

Mr. ARMSTRONG. Will the Senator yield for a little further discussion?

Mr. LUGAR. Of course.

Mr. ARMSTRONG. Before I say what is on my mind, let me acknowledge that the chairman is vastly better informed on this matter than I, and I defer to his leadership and his expertise and to his understanding of these matters, and in a general sort of way I make the same observation about the Secretary of State. I think it is a good idea for the Congress to give considerable latitude to the Secretary of State. When Secretary Shultz, or whoever the Secretary is, comes in, it is a good idea for us to give them quite a bit of running room and accommodate their point of view whenever we can.

But I must say that when it comes to authorizing appropriation of money to a Communist regime, I cannot help recall a question that was recently put to me, and the question was this: "If you paid Ronald Reagan enough money, would he become a Communist?

Now, that is a ridiculous question, isn't it. It is a ludicrous question, and yet that is the underlying premise, it seems to me, which so often is the intellectual foundation for our relationships with Marxist regimes; that somehow if we slip them a little trade, or slip them a little foreign aid, or we do this or do that, they will abandon their basic principles. I think that is an unlikely development. I think it is almost as laughable as the notion that somehow you could pay Ronald Reagan or STEVE SYMMS or DICK LUGAR or any of us to be something different than what we are. I do not necessarily say that is the case in question, but I must admit that it troubles me. I hope that at the right time we will have a chance to learn more about it. I am very grateful to the chairman for indicating that he would like to have a hearing on the Angola question because that is increasingly becoming a source of concern and needed action.

I thank the Senator for yielding.

Mr. SYMMS. Mr. President, I thank the distinguished chairman of the committee for what he has said with respect to hearings. I should like to make just an inquiry to confirm what he said, and then to make a couple of comments. I think the chairman is suggesting to me that we have a hearing on the subject of Angola and the Clark amendment and our policy toward the region as a whole. Then at that point we would have an opportunity to make a rational decision in this body as to whether or not we chose to repeal the Clark amendment.

Mr. LUGAR. The Senator is correct. As the Senator knows, in our discussion prior to this debate, the Senator from Idaho expressed a desire to have a debate, in fact this evening, on repeal of the Clark amendment, and it may be the pleasure of this body—as the Senator knows, it has been before—to want to repeal the Clark amendment. In order for the committee to have an opportunity to consider this and to make available to other Senators the benefit of those deliberations, I have proposed to the Senator that we would have a hearing promptly on Angola, specifically on the advisability of repealing the Clark amendment and that the deliberations be made public so that judgment could be made by the Senator from Idaho and others.

Mr. SYMMS. I express my appreciation, Mr. President, to the distinguished chairman of this committee. I have utmost confidence that if we have a hearing, the State authorization bill then would be an appropriate vehicle to readdress this subject. Clark repeal might even be more appropriate legislatively on State authorization than on this foreign aid bill because we never know, when it goes to the other body, how it will fare.

So with that in mind, it will be my intention in just a moment, before I yield the floor, to withdraw the amendment. But I want to reiterate to my colleagues for whatever it is worth—the only way we are going to achieve peace in Angola is to help the UNITA forces achieve a clear-cut military victory. I say that because without it, if we allow the MPLA to keep the cancer of 15,000 Cuban troops or 10,000 Cuban troops, or whatever, in some kind of an agreement, ultimately we will be back facing the same problem that we have seen in so many other places in the world.

I think the chairman has made a very good offer. It makes a lot of sense. To Senators who were not here in 1981, who were not in the Congress back in the middle seventies when this was debated, when many of us had the opportunity to become familiar with the issue, it probably does make a lot of sense to discuss this at length, in the authorizing committee. In fact, to those interested Senators who have talked to me on the floor today and throughout the day since I mentioned I was considering offering this amendment, I say we would probably have a better opportunity to repeal the Clark amendment at an early date if it were part of the State authorization act than if it is part of this foreign aid authorization.

So, Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The Senator has that right.

The amendment is withdrawn.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I advise Senators that there will be no more rollcall votes this evening. The rollcall that was to have developed I think now would be on the Kerry amendment, which will be laid down following, I guess, a couple of amendments, which will be accepted.

Mr. LUGAR. Yes.

Mr. DOLE. In any event, that will be the pending business tomorrow morning. So I notify all Senators there will be no more rollcall votes tonight. We will be in at 8:30 in the morning. We hope to take up the conference report on H.R. 1869, the repeal of the auto recordkeeping requirement. I would hope to dispose of that in less than 30 minutes with a voice vote. Following that, we will be back on S. 960, and I hope that will be not later than 10 a.m., maybe even earlier.

Then, as I understand it, the pending business will be the Kerry amendment to S. 960, the foreign assistance authorization bill, and that will require a rollcall, which could come as early as 10:30 a.m. I know the longer any bill continues the more staff prepare additional amendments. I have seen a couple in operation in the last few minutes.

But I hope that we could complete action on this bill by at least 2 o'clock tomorrow afternoon. Then we could turn to a couple other bills in the event the DOD bill is not available. I repeat again, the recess can start early next week if we complete action on those two major items.

Mr. PELL. Will the majority leader yield for a question? When then will be the first rollcall vote tomorrow?

Mr. DOLE. If there is a rollcall demanded on the auto recordkeeping conference report—and I hope that is not the case—it could come as early as 10 o'clock.

Mr. PELL. If it was the case, it might be rolled over a little bit.

Mr. DOLE. We might be able to do that, but I hate to trespass upon the time of the managers of this important bill.

AMENDMENT NO. 111

(Purpose: To express the sense of the Senate that the State Department should not interfere with the Government of the Philippines purchase of American wheat)

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, a rather serious situation has come to light in the last few days concerning the sale of American wheat to the Philippines. While the Philippines need the wheat and are determined to purchase it from the United States, if possible, there have been conditions set down, or suggestions made by the State Department that interfere with the sale. The Government of the Philippines has purchased American wheat for a number of years, and they have purchased only from this country, for at least 7 years, the wheat they use. No other country has been able to sell wheat to the Philippines for that length of time or longer. They simply buy American wheat.

It also should be noted that the Philippines does not produce wheat and that, while not a large amount of wheat in terms of what we have to sell, it has been a growing market and one which we have some interest in further developing, as the Filipino people become used to wheat and want to see it in their daily diet.

The Government of the Philippines agreed to two suggestions made by the State Department during the past several months concerning wheat, and that is that the wheat would be milled and then the flour distributed under private enterprise.

Heretofore, for a number of years, the Government of the Philippines has controlled the milling of the wheat and also has controlled the distribution of the flour within the Philippines. The State Department, in their suggestion, wanted this opened up to free enterprise, and the Government of the Philippines agreed to that. But the Government of the Philippines could not acquiesce to the third suggestion of the State Department, that the Government of the Philippines not act as a purchasing entity of American wheat. That is not a strange position, since I know of no country that purchases American wheat and does not purchase it through a government entity.

So, while this is preventing wheat sales to the Philippines, we find that our wheat farmers are continually facing a declining wheat market.

We wonder sometimes, while we have all this abundance of agricultural commodities in the United States, why we cannot dispose of more of these commodities through the various programs we have; and here we have one that has been blocked by the State Department.

I find that to be a very sad situation, both from the standpoint of the United States and from the standpoint of the Philippines.

From the standpoint of the United States, our balance of trade is at a disastrous level. American wheat producers also find themselves in a disaster, due to the low price of the commodity they produce, and therefore do not have enough net income to pay all their bills. That is from our side; that is from the side of the United States in this matter.

In the Philippines, while they have agreed to two suggestions of the State Department as to how the wheat is handled after it gets to the Philippines, they find themselves in the very peculiar spot of being pressured by the State Department not to use the government as a purchasing entity. That is very peculiar. I repeat that I know of no other country that purchases American wheat and does not purchase that wheat through a government entity.

Meanwhile, flour is scant in the Philippines right now, and first-hand reports by some people who live there state that no flour is available in their area.

So, from the standpoint of the Filipino people, I think this State Department request should be modified or withdrawn or altered so that we do not prevent this sale of American wheat.

Mr. President, I hope we can express a sense of the Senate resolution that this matter be resolved, and I send to the desk an amendment for that purpose.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 111:

At the end of the bill add:

Since the Government of the Philippines has purchased American wheat for a number of years, and;

Since the Government of the Philippines has purchased wheat from no other country for at least 7 years, and;

Since the Government of the Philippines has agreed to the State Department's suggestion to both mill the wheat and distribute the flour under private enterprise, and;

Since the Government of the Philippines has stated that they cannot acquiesce to the suggestion of the State Department that the Government of the Philippines not act as the purchasing entity of American wheat, and;

Since most if not all American wheat sales are to government entities of the country purchasing the wheat;

Therefore, it is the sense of the Senate that the State Department should not prevent U.S. wheat sales to the government of the Philippines.

Mr. MELCHER. Mr. President, this amendment is a sense of the Senate resolution. I think the interference at this time, preventing this wheat sale, is an unfortunate circumstance. I believe we should present some guidance to the State Department in this matter.

Mr. LUGAR. Mr. President, will the Senator yield for a question?

Mr. MELCHER. I yield.

Mr. LUGAR. In the conclusion of the amendment, as I read the language, it states:

Therefore, it is the sense of the Senate that the State Department should not prevent U.S. wheat sales to the Government of the Philippines.

Is it the Senator's understanding that the State Department is currently attempting to prevent the sale of wheat?

Mr. MELCHER. Yes; I am sad to say that is true.

The State Department has successfully obtained agreement on the first two points and is pressuring the Government of the Philippines to agree to the third point—that is, that the sale from the United States not be to a government entity, that it be to private enterprise.

While those of us who admire private enterprise can feel that this is not too bad a deal, the fact is that I know of no government that does not purchase American wheat through a government entity. So I do not think we should reshape the Philippines into something that is not the case in all the other countries to which we sell.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, the Senator from Montana has expressed in his resolution the thought that the Government of the United States, through our State Department, has worked with the Government of the Philippines to agree to arrangements by which the milling of wheat and the distribution of flour in the Philippines should be under private enterprise as opposed to the Government of the Philippines.

The understanding that I have of the amendment of the Senator from Montana, and I ask him to correct me if my understanding is in error, is that with regard to the sales of wheat the option be left open so that sales could be made to the Government of the Philippines.

The Senator from Montana, as I listened to the debate, has now affirmed that all sales would go to the Government of the Philippines, but he has offered language that the State Department should not prevent U.S. wheat sales to the Government of the Philippines. This is left as an option for the government-to-government sales, if this should appear to be in the best interests to both countries.

Is that interpretation a reasonable interpretation—I query the Senator from Montana—of his amendment?

Mr. MELCHER. Mr. President, if the Senator will yield to me, the Senator is absolutely correct.

Mr. LUGAR. Mr. President, on our side we are prepared to accept this sense of the Senate amendment and will be prepared to go forward.

Mr. PELL. Mr. President, I concur in this thought and suggest we move ahead and vote to approve.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Montana.

The amendment (No. 111) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 112

Mr. KERRY. Mr. President, I send the following amendment to the desk and ask that it be considered according to the order of the majority leader as the first matter of business tomorrow after morning business.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself, Mr. MURKOWSKI, and Mr. DODD proposes an amendment numbered 112.

Mr. KERRY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert:

It is the Sense of the Senate that Congress should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the regime of Ferdinand Marcos to:

(1) guarantee free, fair and honest elections in 1986 and 1987, or sooner should any such elections occur;

(2) ensure the full, fair and open prosecution of the murder of Benigno Aquino, including those involved in the cover-up;

(3) ensure freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the municipal elections of 1986 and the Presidential election of 1987;

(4) establish the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

(5) release all individuals detained or imprisoned for peaceful political activities; and

(6) make substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past.

It is further the Sense of the Senate that Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States, and to encourage the restoration of internal security—both goals of which can be best served by the achievement of an open and stable democracy.

Mr. KERRY. I thank you, Mr. President, and I yield.

Mr. LUGAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUGAR. My understanding is that the amendment offered by the distinguished Senator from Massachusetts will be considered following consideration of the conference report on the automobile accounting question, is that correct?

The PRESIDING OFFICER. That will be the regular order of business, the Senator is correct.

Mr. LUGAR. My understanding is that the debate on the auto accounting procedure may or may not result in a rollcall vote. The majority leader has the word of the Senate that if a rollcall vote is required it can come as early as 10 a.m. in the morning and that following that vote or delay of that vote, as the case may be, we will proceed to the amendment laid before the Senate this evening by the distinguished Senator from Massachusetts, which we understand will call for a rollcall vote and that vote should be

anticipated some time around 10:30 a.m. or thereabouts tomorrow morning.

Mr. KERRY. Thank you, Mr. President, and I thank the distinguished chairman for clarification of that status.

SECURITY ASSISTANCE TO THE EUROPEAN REGION

Mr. LUGAR. Mr. President, a summary, entitled "Security Assistance to the European Region," has been prepared by Senator LARRY PRESSLER, chairman of the European Subcommittee, for the information of Members. I ask unanimous consent that Senator PRESSLER's summary be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SECURITY ASSISTANCE TO THE EUROPEAN REGION

OVERVIEW

In reporting out the Fiscal Year 1986 Foreign Assistance Bill, the Senate Foreign Relations Committee has proposed for the four NATO allies in the southern tier—Portugal, Spain, Greece, and Turkey—a total assistance package of some $1.75 billion, mostly in FMS credits ($1.465 billion) and $242 million in Economic Support Funds. Nearly 70% of the proposed regional funds will go to Turkey and Greece. Apart from ESF, no other economic assistance is proposed for the region.

The United States has vital bases and military facilities in each country, and security assistance plays a central role in insuring that we retain these bases. Each recipient country has requested assistance for and has embarked on military modernization programs to help redress the military imbalance in the area.

TURKEY, GREECE, AND CYPRUS

The Committee accepted an amendment by Senator Pressler limiting grant MAP assistance to Turkey in fiscal year 1986 to $215 million, with the understanding that the U.S. Government is acting with urgency and determination to oppose the permanent bifurcation of Cyprus. The Pressler amendment also limited total FMS credits for Turkey in fiscal year 1986 to $500 million.

The Committee also accepted Senator Sarbanes' modification of the original Pressler amendment by recommending a $500 million FMS earmark for Greece and adding a provision that the concessional rate FMS credits extended to Greece shall be at the same interest rate and in the same proportion of the FMS credits extended to Turkey.

In taking the above actions, the Committee accepted the Administration's request of $500 million in military assistance to Greece but rejected the Administration's request of $785 million in military assistance to Turkey, agreeing instead on the $715 million figure. The Committee noted that the resulting 7:10 ratio in military assistance to Greece and Turkey and the equal proportion of concessional rates for Turkey and Greece were reflective of the traditional intent of Congress to provide a degree of balance in military assistance to the two countries and to demonstrate concerns over expanded Turkish-U.S. military cooperation in the absence of progress toward achieving a settlement of the Cyprus conflict.

The Committee also adopted an amendment by Senator Pell to increase the Economic Support Fund for Cyprus from the $3 million requested by the Administration for fiscal year 1986 to $15 million, an amount equal to that authorized by the Committee for fiscal year 1985. These funds are intended to be used for educational scholarships and refugee resettlement on Cyprus.

PORTUGAL

The Committee approved the Administration's requests for Portugal totaling some $218 million, $70 million of which is grant MAP, $65 million in FMS credits ($35 million in concessional and $30 million in market rate credits) and another $80 million in ESF. The Committee adopted an amendment offered by Senator Pell earmarking the $80 million in ESF for Portugal. These funds will assist Portugal in its military modernization program (including completion of a second squadron of A-7Ps, procurement of P-3 aircraft, etc.), provide a signal of support for its democratic government and help meet the goals committed by the United States in the 1983 bases agreement. Portugal, along with Greece and Turkey, is on the list of countries which receive extended terms for repayment of the FMS market rate loans.

SPAIN

The Committee supported the Administration's request for Spain totaling some $415 million, of which $400 million would be in FMS market rate credits and $12 million in Economic Support Funds ($3 million in IMET). These funds will help support the purchase of 72 F-18s agreed to earlier and generally bring the Spanish Armed Forces closer to NATO standards through additional acquisitions of helicopters, frigate construction, etc. These funds will also help insure U.S. access to military facilities in Spain and promote the goal of military modernization integral to a strong NATO.

SUMMARY OF AID LEVELS TO THE EUROPEAN REGION

The aid levels recommended by the Committee for the countries of the European region are summarized below:

RECOMMENDED AID LEVELS

[In millions of dollars]

	Fiscal year—		
	1985 actual	1986 administration request	1986 SFRC recommendation
Turkey:			
ESF	175	150	150
MAP	215	230	215
FMS concessional	250	345	500
FMS market rate	235	210	
Greece:			
FMS concessional	258	0	500
FMS market rate	242	500	
Cyprus: ESF	15	3	15
Portugal:			
ESF	80	80	80
MAP	70	70	70
FMS concessional	0	35	35
FMS market rate	55	30	30
Spain:			
ESF	12	12	12
FMS market rate	400	400	400

ROUTINE MORNING BUSINESS

Mr. LUGAR. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond the hour of 8:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 13, 1985, during the recess of the Senate, received messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received on May 13, 1985, are printed in today's RECORD at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT—PM 44

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

Pursuant to the provisions of Section 13, Public Law 806, 80th Congress, I hereby transmit the report of the Commodity Credit Corporation for the fiscal year ended September 30, 1984.

RONALD REAGAN.

THE WHITE HOUSE, *May 13, 1985.*

ANNUAL REPORT ON THE STATE OF SMALL BUSINESS—MESSAGE FROM THE PRESIDENT—PM 45

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Small Business:

To the Congress of the United States:

I am pleased to submit to the Congress my fourth annual report on the state of small business.

Nineteen eighty-four was a year of continued strong economic growth for the U.S. economy, and for small business. This success was achieved through the efforts of thousands of men and women who own, operate, and work in this Nation's small businesses. New businesses, new industries, and new jobs have been produced by millions of entrepreneurs free to test new ideas in open markets. This growing and dynamic small business role must be continued if we are to maintain our national strength in the world economy.

Actions that promote a vigorous small business sector have been and will continue to be at the heart of this Administration's economic plans. Low inflation, reduced and more equitable taxes, fewer regulatory burdens, and a sound monetary policy are the underpinnings of our current growth and will continue to be my primary tools for promoting small business success.

We have concluded that the lending programs of the Small Business Administration are unnecessary for the thriving small business sector. This decision will not diminish the voice of small business within the Executive branch. We will establish a new, independent organization within the Department of Commerce—the Administration for Enterprise Development and Opportunity (AEDO). AEDO will insure that small business interests are represented in the development of government policies and programs. It will also assume many of the nonlending functions of the Small Business Administration, including advocacy, procurement assistance, various small business and minority set-aside programs, and technical assistance and aid to minority firms.

In my three prior messages to the Congress, I have outlined specific small business policies and goals for this Administration and the Congress. These reports document the success of these policies measured by the extraordinary contribution that small firms made to our economy through a difficult recession and on a very strong recovery. In 1984, we made important progress toward these goals, building on the tax and regulatory reforms of our first three years.

In 1985, the opportunity for small business growth will continue, especially if we in the government reaffirm our intentions to let small business grow without distraction or interference by the government. Our stable economy will depend on more disciplined spending by the Federal government and the rejection of any calls for new taxes.

Congressional action on tax reform, however, is very much in order. Our efforts to lower the tax burden on small businesses are not complete as long as the tax code is so cumbersome and complicated. Businesses must be allowed to develop based on opportunities in the marketplace, not on their ability to weave around the various tax technicalities that have developed over the years. Our goal is a simplified tax system with the lowest possible burden for the individual and small business. Our goal in this reform is not to balance the concerns of various special interests, but to achieve a fairer and simpler tax system for all taxpayers, including our 14 million small businesses.

Our small business agenda for 1985 is broad. In addition to spending and tax reform, many other Federal policies affect the climate for small business growth. I urge Congress to act on my proposal for urban enterprise zones, which would provide tax incentives for job creation in distressed areas. Uniform laws governing liability for product defects are important to untangling the current maze of conflicting State rules. Control of health care costs is important to us all, and especially important to small business owners who employ half the Nation's work force.

Of course, many other actions by Federal officials affect small firms. I will continue to direct efforts by all departments and agencies to insure that the spirit of entrepreneurs and small business growth will continue, unhindered by the government.

RONALD REAGAN.

THE WHITE HOUSE, *May 13, 1985.*

MESSAGES FROM THE HOUSE

At 2:21 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 105. An act to provide for the inclusion of the Washington Square area within Independence National Park, and for other purposes;

H.R. 439. An act to amend title 28, United States Code, to provide for the selection of the court of appeals to decide multiple appeals filed with respect to the same agency order;

H.R. 873. An act to amend title 5, United States Code, to provide that employee organizations which are not eligible to participate in the Federal employees health benefits program solely because of the requirement that applications for approval be filed before January 1, 1980, may apply to become so eligible, and for other purposes;

H.R. 897. An act to recognize the Army and Navy Union of the United States of America;

H.R. 934. An act to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area, and for other purposes;

H.R. 1042. An act to grant a Federal charter to the Pearl Harbor Survivors Association;

H.R. 1806. An act to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861-1865; and

H.R. 2068. An act to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 95. A concurrent resolution commemorating the twentieth anniversary of Head Start; and

H. Con. Res. 132. A concurrent resolution observing the 20th anniversary of the enactment of the Older Americans Act of 1965.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 59. Joint resolution to designate "National Science Week".

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. THURMOND].

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 105. An act to provide for the inclusion of the Washington Square area within Independence National Park, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 439. An act to amend title 28, United States Code, to provide for the selection of the court of appeals to decide multiple appeals filed with respect to the same agency order; to the Committee on the Judiciary.

H.R. 897. An act to recognize the Army and Navy Union of the United States of America; to the Committee on the Judiciary.

H.R. 934. An act to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1042. An act to grant a Federal charter to the Pearl Harbor Survivors Association; to the Committee on the Judiciary.

H.R. 1806. An act to recognize the organization know as the Daughters of Union Veterans of the Civil War 1861-1865; to the Committee on the Judiciary.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 132. Concurrent resolution observing the 20th anniversary of the enactment of the Older Americans Act of 1965; to the Committee on Labor and Human Resources.

MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent and placed on the calendar:

H.R. 2068. An act to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes.

MEASURES HELD AT THE DESK

The following measures were ordered held at the desk by unanimous consent pending further disposition:

H.R. 873. An act to amend title 5, United States Code, to provide that employee organizations which are not eligible to participate in the Federal employees health benefits program solely because of the requirement that applications for approval be filed before January 1, 1980, may apply to become so eligible, and for other purposes;

H. Con. Res. 95. Concurrent resolution commemorating the twentieth anniversary of Head Start;

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate announced that on today, May 14, 1985, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 59. Joint resoluton to designate "National Science Week."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1110. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated May 1, 1985; pursuant to the order of January 30, 1975, referred jointly to the Committee on the Budget, the Committee on Appropriations, the Committee on Environment and Public Works, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Labor and Human Resources, the Committee on Foreign Relations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Judiciary, the Committee on Finance, and the Committee on Governmental Affairs.

EC-1111. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on United States expenditures in support of NATO; to the Committee on Armed Services.

EC-1112. A communication from the Acting Secretary of the Air Force, transmitting a draft of proposed legislation to authorize the retention in an active status until age 60 of certain Reserve officers employed as military technicians; to the Committee on Armed Services.

EC-1113. A communication from the Federal Inspector, Alaska Natural Gas Transportation System, transmitting, pursuant to law, a quarterly report on the status of the Alaska Natural Gas Transportation System covering January through March 1985; to the Committee on Energy and Natural Resources.

EC-1114. A communication from the Secretary of Energy, transmitting a draft of proposed legislation to encourage the standardization of nuclear powerplants, to improve the nuclear licensing and regulatory process, to amend the Atomic Energy Act of 1954, and for other purposes; to the Committee on Energy and Natural Resources.

EC-1115. A communication from the Chairman of the Pennsylvania Avenue Development Corporation transmitting, pursuant to law, an annual report for 1984; to the Committee on Energy and Natural Resources.

EC-1116. A communication from the Administrator, Energy Information Administration, Department of Energy transmitting, pursuant to law, a copy of the Annual Energy Review 1984; to the Committee on Energy and Natural Resources.

EC-1117. A communication from the Acting Administrator of General Service, transmitting, pursuant to law, the fiscal year 1986 GSA Public Buildings Service design program (Budget Activity 90) for Repair and Alteration projects; to the Committee on Environment and Public Works.

EC-1118. A communication from the Chairwoman of the United States International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the United States International Trade Commission for fiscal year 1987; to the Committee on Finance.

EC-1119. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to May 9, 1985; to the Committee on Foreign Relations.

EC-1120. A communication from the Senior Vice-President for Planning, Administration and Human Resources, Federal Home Loan Mortgage Corporation transmitting, pursuant to law, a financial report on the Federal Home Loan Corporation Employees' Pension Trust; to the Committee on Governmental Affairs.

EC-1121. A communication from the District of Columbia Auditor transmitting, pursuant to law, a copy of the annual report of the District of Columbia Auditor; to the Committee on Governmental Affairs.

EC-1122. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the Fiscal Year 1983 Low Income Home Energy Assistance Program; to the Committee on Labor and Human resources.

EC-1123. A communication from the Deputy Administrator of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the education loan program; and for other purposes; to the Committee on Veterans' Affairs.

EC-1124. A communication from the Acting Administrator of General Services, transmitting a draft of proposed legislation to repeal section 905 of Public Law 98-525, Department of Defense Authorization Act, 1985; to the Committee on Armed Services.

EC-1125. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Urban Mass Transportation Act of 1964 to provide authorizations for appropriations and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-1126. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting a draft of proposed legislation to authorize the Federal Energy Regulatory Commission to collect fees and charges for services, benefits, privileges, and authorizations granted in administering its regulatory programs, and for other purposes; to the Committee on Energy and Natural Resources.

EC-1127. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, proposed regulations for reportable quantity adjustments under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Environment and Public Works, without amendment:

S. 1023: A bill to extend authorizations for appropriations for the Disaster Relief Act of 1974, and for other purposes (Rept. No. 99-46).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 475: A bill to amend the Motor Vehicle Information and Cost Savings Act to require certain information to be filed in registering the title of motor vehicles, and for other purposes (Rept. No. 99-47).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 863: A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1986 and 1987, and for other purposes (Rept. No. 99-48).

By Mr. GOLDWATER, from the Committee on Armed Services, without amendment and with a preamble:

S.J. Res. 108: Joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control (Rept. No. 99-49).

By Mr. DOLE (for Mr. CHAFEE), from the Committee on Environment and Public Works, without amendment:

S. 1128: An original bill to amend the Clean Water Act, and for other purposes (Rept. No. 99-50).

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment:

S. 1132: An original bill to amend the Arms Control and Disarmament Act to authorize supplemental appropriations for the fiscal year 1985 and to authorize appropriations for the fiscal years 1986 and 1987 for the Arms Control and Disarmament Agency, and for other purposes (Rept. No. 99-51).

S. Res. 161: An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1132.

By Mr. HATCH, from the Committee on Labor and Human Resources, without amendment and with a preamble:

S. Con. Res. 28: Concurrent resolution expressing the sense of the Congress that May 18, 1985, should be commemorated as the Twentieth Anniversary of the establishment of the Head Start program and reaffirming Congressional support for the Head Start program.

EXECUTIVE REPORTS OF

By Mr. ABDNOR (for himself and Mr.

with shippers to transport freight.

EXECUTIVE REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Pauline Crowe Naftzger, of California, to be a Member of the National Museum Services Board for a term expiring December 6, 1988;

George S. Rosborough, Jr., of Missouri, to be a Member of the National Museum Services Board for a term expiring December 6, 1988; and

John H. Moore, of California, to be Deputy Director of the National Science Foundation.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. PACKWOOD:

S. 1124. A bill to amend title 49, United States Code, to reduce regulation of surface freight forwarders, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. D'AMATO:

S. 1125. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for employers who provide on site dependent care assistance for dependents of their employees; to the Committee on Finance.

By Mr. GORTON (for himself, Mr. Heflin, Mr. Evans, Mr. Riegle, and Mr. Matsunaga):

S. 1126. A bill to provide that certain activities performed in space, the use of certain property in space, and certain articles produced in space shall be treated as activities performed, property used, and articles produced within the United States for purposes of any tax laws of the United States; to the Committee on Finance.

By Mr. DIXON (for himself, Mr. Simon, Mr. Levin, Mr. Riegle, and Mr. Cranston):

S. 1127. A bill to extend the Medicare prospective payment transition period; to the Committee on Finance.

By Mr. DOLE (for Mr. Chafee), from the Committee on Environment and Public Works:

S. 1128. An original bill to amend the Clean Water Act, and for other purposes; placed on the calendar.

By Mr. MATHIAS:

S. 1129. A bill to amend the Immigration and Nationality Act to permit the temporary admission to the United States of certain children, survivors, and retirees of staffs of international organizations; to the Committee on the Judiciary.

By Mr. SASSER (for himself, Mr. Grassley, and Mr. Gore):

S. 1130. A bill to amend the Internal Revenue Code of 1954 to promote small businesses; to the Committee on Finance.

By Mr. ABDNOR (for himself and Mr. Pressler):

S. 1131. A bill to authorize the Secretary of the Interior to integrate the Hilltop and Gray Goose Units into the Pick-Sloan Missouri Basin Program, South Dakota; to the Committee on Energy and Natural Resources.

By Mr. LUGAR, from the Committee on Foreign Relations:

S. 1132. An original bill to amend the Arms Control and Disarmament Act to authorize supplemental appropriations for the fiscal year 1985 and to authorize appropriations for the fiscal years 1986 and 1987 for the Arms Control and Disarmament Agency, and for other purposes; placed on the calendar.

By Mr. RIEGLE (for himself, Mr. D'Amato, Mr. Sasser, Mr. Grassley, Mr. Heinz, Mr. Dodd, Mr. Thurmond, Mr. Durenberger, Mrs. Hawkins, Mr. Specter, Mr. Stennis, Mr. Sarbanes and Mr. Levin):

S. 1133. A bill to amend section 119(d) of the Housing and Community Development Act of 1974; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KERRY:

S.J. Res. 135. Joint resolution to designate May 11, 1986, as "Mother's Peace Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LUGAR, from the Committee on Foreign Relations:

S. Res. 161. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1132; to the Committee on the Budget.

By Mr. HART (for himself, Mr. Lugar, Mr. Chafee, Mr. Pell, and Mr. Zorinsky):

S. Con. Res. 48. A conqurrent resolution relating to the death of President-elect Tancredo Neves of Brazil; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PACKWOOD:

S. 1124. A bill to amend title 49, United States Code, to reduce regulation of surface freight forwarders, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SURFACE FREIGHT FORWARDER DEREGULATION ACT

● Mr. PACKWOOD. Mr. President, today I am introducing the "Surface Freight Forwarder Deregulation Act of 1985." This legislation would remove Interstate Commerce Commission (ICC) regulations governing the operation of surface freight forwarders, thereby eliminating economic regulation of the surface freight forwarding industry in the United States.

The freight forwarding industry is an important part of our freight transportation system. A freight forwarder is a common carrier that contracts with shippers to transport freight. The forwarder then make transportation arrangements with other common carriers. Freight forwarders generally assemble small shipments for consolidation, then dispatch these shipments in full truckloads or rail carloads. By arranging for the transportation of these small shipments as part of larger loads, freight forwarders have been able historically to offer lower rates for small shipments than the rates the individual shippers could have obtained from trucking companies or railroads.

There is healthy competition in the freight forwarding industry as well as vigorous competition between and among freight forwarders and trucking companies, unregulated shipper associations, brokers, and railroads. Because of this degree of competition continued ICC regulation of freight forwarders is not necessary. In fact, many freight forwarders are eager to be deregulated because they believe they are currently at a competitive disadvantage with the trucking and rail industries. In 1980, the Motor Carrier Act and the Staggers Rail Act were enacted. These two pieces of legislation brought significant regulatory reform by providing greater pricing flexibility for carriers and encouraging increased competition in the trucking and rail industries. As a result, trucking companies and railroads now can compete much more effectively with freight forwarders for small shipments traffic than they could in the past.

Mr. President, it is time to remove the needless regulations which hamper the operations of surface freight forwarders. The bill I am introducing today eliminates ICC entry and rate regulation over freight forwarders and removes antitrust immunity for collective ratemaking activities in the freight forwarding industry. The reforms in this bill are intended to strengthen the freight forwarder industry and will lead to more effective competition between freight forwarders and the trucking and rail industries.

Mr. President, I ask unanimous consent that the text of the "Surface Freight Forwarder Deregulation Act of 1985" and a section-by-section analysis of this legislation be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surface Freight Forwarder Deregulation Act of 1985".

PURPOSE

Sec. 2. This Act is part of the continuing effort by Congress to reduce burdensome and unnecessary government regulations and to ensure the competitiveness and efficacy of transportation services of surface freight forwarders in the United States.

FINDINGS

Sec. 3. The Congress finds that—

(1) a safe, sound and competitive surface freight forwarder industry is important to the national transportation system;

(2) the statutes governing Federal regulation of the freight forwarder industry are outdated and must be revised to reflect present and future transportation needs and realities;

(3) protective regulation has resulted in anticompetitive pricing and has restricted the range of price and service options available to shippers;

(4) in order to reduce the uncertainty experienced by the Nation's transportation industries, the Interstate Commerce Commission's remaining responsibilities for the regulation of surface freight forwarders should be eliminated by Act of Congress; and

(5) legislative and resulting changes should be implemented with the least amount of disruption consistent with achieving the reforms enacted.

DEFINITIONS

Sec. 4. Section 10102 of title 49, United States Code, is amended—

(1) in paragraph (2), by inserting ", and a freight forwarder" immediately before the period;

(2) in paragraph (6), by inserting ", and a freight forwarder" immediately before the period; and

(3) in paragraph (9)—

(A) by inserting "and" at the end of subparagraph (A);

(B) in subparagraph (B), by striking "; and" and inserting in lieu thereof a period; and

(C) by striking subparagraph (C).

INTERSTATE COMMERCE COMMISSION ADMINISTRATION

Sec. 5. (a) Section 10328(b)(2) of title 49, United States Code, is amended by striking "or freight forwarded".

(b) Section 10329 of title 49, United States Code, is amended—

(1) in subsection (a)(2)—

(A) by striking ", or a freight forwarder";

(B) by inserting "or" immediately after "broker"; and

(C) by striking "II, III, or IV" and inserting in lieu thereof "II or III";

(2) in subsection (c)(3), by striking "or freight forwarder" wherever it appears; and

(3) in subsection (d), by striking "(1)", and by striking "or (2) a freight forwarder,".

JURISDICTION

Sec. 6. (a) Section 10521(a) of title 49, United States Code, is amended by inserting ", except by a freight forwarder," immediately after "transportation" the second time it appears.

(b) Section 10523 of title 49, United States Code, is amended—

(1) in subsection (a)(1)(B)(i), by inserting "or" immediately after the semicolon;

(2) in subsection (a)(1)(B)(ii), by striking "or" and inserting in lieu thereof "and";

(3) by striking subsection (a)(1)(B)(iii);

(4) in subsection (a)(1)(C), by striking "or service provided by the freight forwarder";

(5) in subsection (a)(2), by inserting "and" immediately after "rail carrier,", and by striking ", and under subchapter IV of this chapter when provided by such a freight forwarder";

(6) in subsection (b)(1)(B)(ii), by inserting "or" immediately after the semicolon;

(7) in subsection (b)(1)(B)(iii), by striking "; or" and inserting in lieu thereof a period;

(8) by striking subsection (b)(1)(B)(iv); and

(9) in subsection (b)(2)—

(A) by striking "or service provided by the freight forwarder for whom the transportation was provided";

(B) by inserting "and" immediately after "for such a motor carrier,"; and

(C) by striking ", and under subchapter IV of this chapter when provided for such a freight forwarder".

(c)(1) Section 10561 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 105 of title 49, United States Code, is amended by striking

"10561. General jurisdiction."

and inserting in lieu thereof

"10561. Repealed.".

(d)(1) Section 10562 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 105 of title 49, United States Code, is amended by striking

"10562. Exempt freight forwarder service."

and inserting in lieu thereof

"10562. Repealed.".

RATES, TARIFFS, AND VALUATIONS

Sec. 7. (a) Section 10701(d) of title 49, United States Code, is amended by striking "II, III, or IV" and inserting in lieu thereof "II or III".

(b) Section 10704 of title 49, United States Code, is amended—

(1) in subsection (b)(1)(A), by inserting "or" immediately after the semicolon;

(2) in subsection (b)(1)(B), by striking "or";

(3) by striking subsection (b)(1)(C);

(4) in subsection (b)(3), by striking "or a freight forwarder"; and

(5) in subsection (b)(4), by striking "or a freight forwarder" and "or the inherent nature of freight forwarding, respectively".

(c) Section 10706 of title 49, United States Code, is amended—

(1) in subsection (a)(2)(A), by striking "(C)(1)(B)-(E)" and inserting in lieu thereof "(d)(1)(B)-(D)"; and

(2) by striking subsection (d)(1)(E).

(d) Section 10708 of title 49, United States Code, is amended—

(1) in subsection (d)(1), by striking "or freight forwarder"; and

(2) in subsection (d)(2), by striking "or freight forwarders" wherever it appears.

(e) Section 10722(d)(2) of title 49, United States Code, is amended by striking the second sentence.

(f)(1) Section 10725 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 107 of title 49, United States Code, is amended by striking

"10725. Special freight forwarder rates."

and inserting in lieu thereof

"10725. Repealed.".

(g) Section 10730(a) of title 49, United States Code, is amended—

(1) by striking "I, II, or IV" and inserting in lieu thereof "I or II"; and

(2) by striking the last sentence.

(h) Section 10741 of title 49, United States Code, is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (f) as subsections (c) through (e), respectively.

(i) Section 10743(b)(2) of title 49, United States Code, is amended by striking "(including a motor common carrier being used by a freight forwarder)".

(j)(1)(A) The heading of section 10749 of title 49, United States Code, is amended by striking "and limitation on use of common carriers by freight forwarders".

(B) The item relating to section 10749 in the section analysis of chapter 107 of title 49, United States Code, is amended by striking "and limitation on use of common carriers by freight forwarders".

(2) Section 10749 of title 49, United States Code, is amended—

(A) by striking "(a)"; and

(B) by striking subsection (b).

(k) Section 10762 of title 49, United States Code, is amended—

(1) in subsection (a) (2)—

(A) by striking "II, III, or IV" wherever it appears and inserting in lieu thereof "II or III" in each such place; and

(B) by striking "or by a freight forwarder";

(2) in subsection (b)(1), by striking "I, III, or IV" and inserting in lieu thereof "I or III"; and

(3) in subsection (b)(1)(C), by striking "or IV".

(l) Section 10766 of title 49, United States Code, is amended—

(1) by striking subsection (a);

(2) in subsection (b)—

(A) by striking "(b)";

(B) by striking "providing service subject to the jurisdiction of the Commission under that subchapter";

(C) by striking the second sentence; and

(D) by striking the last two sentences; and

(3) by striking subsection (c).

LICENSING

Sec. 8. (a)(1)(A) The heading of section 10923 of title 49, United States Code, is amended by striking "and freight forwarders".

(B) The item relating to section 10923 in the section analysis of chapter 109 of title 49, United States Code, is amended by striking "and freight forwarders".

(b) Section 10923 of title 49, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "or to provide service subject to that jurisdiction under subchapter IV of chapter 105 as a freight forwarder,"; and

(B) in paragraph (2), by striking "or service";

(2) in subsection (b)(1), by striking "or to provide service as a freight forwarder";

(3) by striking subsection (b)(7);

(4) in subsection (c)—

(A) in paragraph (1), by inserting "and" immediately after the semicolon;

(B) in paragraph (2), by striking "; and" and inserting in lieu thereof a period; and

(C) by striking paragraph (3);

(6) in subsection (d)(1), by striking "or freight forwarder"; and

(7) in subsection (d)(2)(B), by striking "or freight forwarder".

(b) Section 10925 of title 49, United States Code, is amended—

(1) in subsection (b)(1), by striking "broker, or freight forwarder," and inserting in lieu thereof "or broker,";

(2) in subsection (c)(1), by striking "or freight forwarder";

(3) in subsection (d)(1), by striking ", a permit of a freight forwarder,";

(4) in subsection (d)(1)(A)—

(A) by striking "; and" and inserting in lieu thereof a period; and

(B) by striking "(A)"; and

(5) by striking subsection (d)(1)(B).

(c) Section 10926 of title 49, United States Code, is amended—

(1) in paragraph (1), by inserting "and" immediately after the semicolon;

(2) in paragraph (2), by striking "; and" and inserting in lieu thereof a period; and

(3) by striking paragraph (3).

(d) Section 10927(c) of title 49, United States Code, is amended—

(1) by striking paragraph (1); and

(2) in paragraph (2)—

(A) by striking "(2)"; and

(B) by striking "providing service under a permit" and "under this subtitle".

(e) Section 10930 of title 49, United States Code, is amended—

(1) by striking "(a)"; and

(2) by striking subsection (b).

(f)(1) Section 10933 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 109 of title 49, United States Code, is amended by striking

"10933. Authorizing abandonment of freight forwarder service."

and inserting in lieu thereof

"10933. Repealed.".

OPERATIONS OF CARRIERS

SEC. 9. (a) Section 11101(b) of title 49, United States Code, is amended—

(1) by striking "and freight forwarders";

(2) by striking "subchapters II and IV" and inserting in lieu thereof "subchapter II"; and

(3) by striking "and for" and inserting in lieu thereof "including".

(b)(1) Section 11127 of title 49, United States Code, is repealed.

(2) The section analysis of chapter III of title 49, United States Code, is amended by striking

"11127. Service of freight forwarders."

and inserting in lieu thereof

"11127. Repealed.".

(c) Section 11141(1) of title 49, United States Code, is amended by striking "(except a freight forwarder)".

(d) Section 11142 of title 49, United States Code, is amended by striking "II, III, and IV" and inserting in lieu thereof "subchapters II and III".

FINANCE

SEC. 10. (a) Section 11323 of title 49, United States Code, is repealed.

(b) The section analysis of chapter 113 of title 49, United States Code, is amended by striking

"11323. Limitation on ownership of other carriers by freight forwarders."

and inserting in lieu thereof

"11323. Repealed.".

FEDERAL-STATE RELATIONS

SEC. 11. (a) Section 11501 of title 49, United States Code, is amended—

(1) by striking subsection (a);

(2) by redesignating subsections (b) through (f) as subsection (a) through (e), respectively; and

(3) by adding at the end thereof the following new subsection:

"(f) No State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to interstate rates, interstate routes, or interstate services of any freight forwarder.".

(b) Section 11502 of title 49, United States Code, is amended—

(1) in subsection (a)(1), by striking "I, III, or IV" and inserting in lieu thereof "I or III"; and

(2) in subsection (b), by striking "or IV".

(c) Section 11505 of title 49, United States Code, is amended—

(1) in subsection (a), by striking "(a)"; and

(2) by striking subsection (b).

ENFORCEMENT: INVESTIGATIONS, RIGHTS, AND REMEDIES

SEC. 12. (a) Section 11702(a) of title 49, United States Code, is amended—

(1) in paragraph (1), by striking "or 10933";

(2) in paragraph (5), by striking "; and" and inserting in lieu thereof a period; and

(3) by striking paragraph (6).

(b)(1) Section 11704 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 117 of title 49, United States Code, is amended by striking

"11704. Action by a private person to enjoin abandonment of service."

and inserting in lieu thereof

"11704. Repealed.".

(c) Section 11705(b)(3) of title 49, United States Code, is amended by striking "or IV".

(d) Section 11707(a) of title 49, United States Code, is amended—

(1) in paragraph (1) by striking "I, II, or IV" wherever it appears and inserting in lieu thereof"I or II" in each such place; and

(2) in paragraph (2), by striking "subject to this subtitle".

(e)(1)(A) The heading of section 11708 of title 49, United States Code, is amended by striking "and freight forwarder".

(B) The item relating to section 11708 of title 49, United States Code, is amended by striking "and freight forwarder".

(2) Section 11708(a) of title 49 United States Code, is amended by striking "or service of a freight forwarder".

CIVIL AND CRIMINAL PENALTIES

SEC. 13. (a) Section 11904 of title 49, United States Code, is amended by striking subsection (d).

(b)(1) Section 11908 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 119 of title 49, United States Code, is amended by striking

"11908. Abandonment of service by freight forwarder."

and inserting in lieu thereof

"11908. Repealed.".

(c) Section 11908 of title 49, United States Code, is amended by striking subsection (d).

(d) Section 11910(a) of title 49, United States Code, is amended by striking paragraph (4).

(e) Section 11914 of title 49, United States Code, is amended by striking subsection (d).

EFFECTIVE DATE

SEC. 14. This Act shall become effective 60 days after the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS: THE "SURFACE FREIGHT FORWARDER DEREGULATION ACT OF 1985"

SECTION 2.—PURPOSE OF THE ACT

This section states that the purpose of this Act is to reduce unnecessary and burdensome government regulations and to ensure competitiveness and efficacy of the freight forwarder industry in the United States.

SECTION 3.—CONGRESSIONAL FINDINGS

This section states the following Congressional findings:

1. that a safe, sound, and competitive surface freight forwarder industry is important to the national transportation system;
2. that the statutes governing federal regulation of freight forwarders are outdated;
3. that protective regulation has resulted in anticompetitive pricing and has restricted price and service options available to shippers;
4. that the Interstate Commerce Commission's (ICC) remaining responsibilities for the regulation of surface freight forwarders should be legislatively eliminated; and
5. that legislative and resulting changes should be implemented with the least amount of disruption, consistent with achieving the reforms enacted.

SECTION 4.—DEFINITIONS

This section amends the definitions of "common carrier" and "contract carrier" in section 10102 of title 49, U.S. Code, to include freight forwarders.

SECTION 5.—INTERSTATE COMMERCE COMMISSION ADMINISTRATION

Subsection (a) of this section amends section 10328 of title 49, U.S.C., which allows the ICC to provide special notice procedures for operating authority applications. This subsection eliminates reference to freight forwarders since freight forwarders would be removed from ICC jurisdiction under this Act.

Subsection (b) of this section amends section 10329 of title 49, U.S.C., by deleting the requirement for designation of agents by freight forwarders, which will no longer be subject to ICC jurisdiction, as well as requirements for service of notice to those parties regarding Commission proceedings.

SECTION 6.—JURISDICTION

Subsection (a) of this section amends section 10521 of title 49, U.S.C. by removing Interstate Commerce Commission jurisdiction over the procurement of motor carrier transportation by freight forwarders.

Subsection (b) of this section amends section 10523 of title 49, U.S.C., by removing freight forwarders from the exemption from Interstate Commerce Commission jurisdiction over motor vehicle transportation in terminal areas.

Subsections (c) and (d) repeal section 10561, "General Jurisdiction," and section 10562, "Exempt freight forwarder service," respectively, of title 49, U.S.C. This removes all transportation by freight forwarders from ICC jurisdiction.

SECTION 7.—RATES, TARIFFS AND VALUATIONS

Subsection (a) of this section amends section 10701 of title 49, U.S.C., by eliminating freight forwarders from the provisions concerning standards for rates, classifications, through routes, rules and practices.

Subsection (b) of this section amends section 10704 of title 49, U.S.C., by removing Interstate Commerce Commission authority to prescribe rates, classifications, rules, or practices to be followed by freight forwarders.

Subsection (c) amends section 10706 of title 49, U.S.C., by removing freight forwarders from the class of carriers who are entitled to receive antitrust immunity from the Interstate Commerce Commission.

Subsection (d) amends section 10708 of title 49, U.S.C., by removing Interstate Commerce Commission jurisdiction to investigate, suspend, revise or revoke any rate of a freight forwarder on the grounds that such rate is unreasonably high or low. The zone of rate freedom established by the Motor

Carrier Act of 1980 will remain applicable only to motor carriers of property.

Subsection (e) amends section 10722 of title 49, U.S.C., "Special Passenger Rates," by removing freight forwarders from the special property rate provisions of this section.

Subsection (f) repeals section 10725 of title 49, U.S.C., "Special freight forwarder rates."

Subsection (g) amends section 10730 of title 49, U.S.C., by removing the Interstate Commerce Commission's jurisdiction to require or authorize freight forwarders to establish rates for transportation of property under which the liability of the freight forwarder for that property is limited to a value established by written declaration of the shipper or by written agreement. Freight forwarders will be subject to the common law, and the Uniform Commercial Code (Section 7-309(2) and state variants), which allows a freight forwarder to declare a limit to its liability as long as the consignor is afforded an opportunity to declare a higher value.

Subsection (h) amends section 10741 of title 49, U.S.C., by removing the general prohibition of rail, motor carrier, and motor discrimination against freight forwarder services. The effect of this amendment is to allow the general anti-discrimination provisions of the antitrust laws to apply to freight forwarders.

Subsection (i) amends section 10743 of title 49, U.S.C., "Payment of rates," by deleting the reference to freight forwarders.

Subsection (j) amends section 10749 of title 49, U.S.C., by deleting limitations on the exchange of services and use of common carriers by freight forwarders.

Subsection (k) amends section 10762 of title 49, U.S.C., by removing the requirement that freight forwarders publish, file, and keep tariffs open for public inspection.

Subsection (l) amends section 10766 of title 49, U.S.C., "Freight forwarder traffic agreements." This subsection removes the requirement to file contracts between freight forwarders and motor carriers with the Commission, removes requirements that such contracts establish reasonable conditions and compensation, and also removes Commission authority to prescribe such conditions and compensation when it finds them unreasonable.

SECTION 8.—LICENSING

Subsection (a) of this section amends section 10923 of title 49, U.S.C., by striking the language concerning entry requirements for freight forwarders.

Subsection (b) amends section 10925 of title 49, U.S.C., by removing language dealing with the effective periods and the conditions governing the operating authorities of freight forwarders.

Subsection (c) amends section 10928 of title 49, U.S.C., by deleting requirements concerning transfers of certificates for freight forwarders.

Subsection (d) amends section 10927 of title 49, U.S.C., to provide that the ICC may require freight forwarders to file with the ICC a bond, insurance policy, or other type of security to cover loss of or damage to property.

Subsection (e) amends section 10930 of title 49, U.S.C., by deleting the specified limits on who may simultaneously hold certificates and permits to provide freight forwarder transportation and rail, motor carrier, or water transportation.

Subsection (f) repeals section 10933 of title 49, U.S.C., "Authorizing abandonment of freight forwarder service."

SECTION 9.—OPERATIONS OF CARRIERS

Subsection (a) of this section amends section 11101 of title 49, U.S.C., by removing the authority of the ICC to prescribe requirements for continuous and adequate transportation service by freight forwarders.

Subsection (b) repeals section 11127 of title 49, U.S.C., "Service of freight forwarders." This deals with authority of the Interstate Commerce Commission to suspend service requirements for freight forwarders during emergencies, and to establish terms of compensation for freight forwarder service during such periods.

Subsection (c) amends section 11141 of title 49, U.S.C., by making a conforming change to the definition of "carrier."

Subsection (d) amends section 11142 of title 49, U.S.C., by removing Interstate Commerce Commission power to prescribe uniform accounting systems for freight forwarders.

SECTION 10.—FINANCE

This section repeals section 11323 of title 49, U.S.C., "Limitation on ownership of other carriers by freight forwarders", thereby removing the prohibition against freight forwarders owning or controlling motor carriers or rail carriers and/or vice versa.

SECTION 11.—FEDERAL-STATE RELATIONS

Subsection (a) of this section amends section 11501 of title 49, U.S.C., by removing the power of the ICC to prescribe rates, rules, classifications and practices of freight forwarders involved in both intrastate and interstate commerce, when it finds that state regulation is causing either unreasonable discrimination or is imposing an unreasonable burden on interstate commerce. This subsection also adds a new subsection (f) which prevents state and other political agencies from enacting or enforcing any regulations concerning interstate rates, routes or services that were subject to ICC jurisdiction prior to enactment of this Act. This subsection is intended to prevent states and other local governments from exercising regulatory authority over areas of interstate commerce that are being vacated by the Interstate Commerce Commission under this legislation.

Subsection (b) of this section amends section 11502 of title 49, U.S.C., by removing Interstate Commerce Commission power to confer and hold joint hearings with state authorities concerning freight forwarder matters.

Subsection (c) amends section 11505 of title 49, U.S.C., by removing the power of a state regulatory authority to bring civil action to enjoin the abandonment of service by a freight forwarder.

SECTION 12.—ENFORCEMENT: INVESTIGATIONS, RIGHTS, AND REMEDIES

Subsection (a) amends section 11702 of title 49, U.S.C., by eliminating ICC's power to enforce regulations against freight forwarders.

Subsection (b) repeals section 11704 of title 49, U.S.C., "Action by a private person to enjoin abandonment of service." This pertains to freight forwarders, controlled by or under common control with common carriers by rail, motor or water.

Subsection (c) amends section 11705 of title 49, U.S.C., by rescinding the rights of private parties to relief and damages sustained by them as a result of an act or omission of freight forwarders in violation of the Interstate Commerce Act. This will not reduce rights of private parties to sue carriers under state contract or tort law.

Subsection (d) amends section 11707 of title 49, U.S.C., which provides the legal standards of liability of common carriers under receipts and bills of lading.

Subsection (e) amends section 11708 of title 49, U.S.C., by deleting the reference to freight forwarders in private enforcement actions.

SECTION 13.—CIVIL AND CRIMINAL PENALTIES

Subsection (a) of this section amends section 11904 of title 49, U.S.C., by removing provisions for penalties against freight forwarders for rate and discrimination violations of the Interstate Commerce Act.

Subsection (b) repeals section 11908 of title 49, U.S.C., "Abandonment of Service by Freight Forwarder." This section provides penalties against freight forwarders controlled by or under common control with common carriers who abandon service in violation of Interstate Commerce Commission public interest findings.

Subsection (c) amends section 11909 of title 49, U.S.C., by removing freight forwarders from the provisions of this section which provide penalties for failure to make reports required by the Interstate Commerce Commission.

Subsection (d) amends section 11910 of title 49, U.S.C., by removing freight forwarders from the provisions of this section which provide penalties for unlawful disclosure of information.

Subsection (e) amends section 11914 of title 49, U.S.C., by removing freight forwarders from the general criminal penalties section of the Interstate Commerce Act.

SECTION 14.—EFFECTIVE DATE

This section provides that this Act shall take effect 60 days after enactment.●

By Mr. D'AMATO:

S. 1125. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for employers who provide on-site dependent care assistance for dependents of their employees; to the Committee on Finance.

ON-SITE DAY CARE PRIVATIZATION ACT

● Mr. D'AMATO. Mr. President, I rise today to introduce the On-Site Child Care Privatization Act to remedy a problem confronted by millions of young families who must both raise a family and earn sufficient income to support their life styles. The question these couples face is how can both spouses in a family have fulfilling careers and be responsible parents? This problem is becoming even more severe as increasing numbers of women with children join the work force.

The number of women entering the work force has grown by mammoth proportions. The percentage of women in this country who work grew from 24 percent in 1970 to 44 percent in 1984. The percentage of women in the labor force with children under the age of six has risen from 37 percent in 1970 to 57 percent in 1984. This is no longer an indication of the sometimes employed mother, or partial employment of mothers, but the stark reality that 71 percent of all working mothers work 35 hours a week or more.

The benefits of full employment are known to many of us, and espoused generally by all, but the responsibilities of providing private sector assistance for the needs of such an economy are all too often neglected. The advent of both parents being employed, or the single parent being employed, has meant that we have become a society with a burgeoning need for child day care..

Despite this need, the Treasury Department estimates that there are only 400 employer on-site day care centers in the United States. However, approximately 300 of these are hospitals, which are generally publicly owned institutions, and nonprofit organizations—leaving only about 120 day care centers provided by private industry. Private industry has only in rare circumstances become involved in establishing on-site day care facilities.

We have seen only scant attention given to the issue of private employer on-site day care. There is only one federally appropriated program that fully supports on-site day care services—Social Services Block Grants. After years of growth in social services and welfare expenditures, there was a slowing of the growth rate in 1981. Social Services Block Grants was not exempt from budget cuts. The Women's Bureau of the U.S. Department of Labor stated:

> Subsidies for full-day care for children from low income families is provided through Title XX of the Social Security Act, which was implemented in 1975. Partial and full subsidies were provided for 799,000 children under 13 years of age in 1977 with subsidies totaling $800 million (8). The total spent for child care in 1980 was $650 million, and budget cuts since then have eliminated child care services for approximately 150,000 children (9).

This may be further compounded by changes in the Dependent Child Care Tax Credit, the largest Federal program assisting with day care expenses. The Treasury Department's tax reform proposals would alter this tax provision by changing it from a tax credit to a tax deduction, thus making it less useful to the working poor and members of the middle class. The Treasury Department has estimated that this credit would save Americans $2.150 billion in 1986. If this credit is made a deduction, it may cost taxpayers up to $750 million in Federal support of child day care services.

Furthermore, the Treasury plan would eliminate the tax-exempt status of employer provided child day care fringe benefits to employees. Treasury has estimated that this employer benefit would assist parents raising children to the tune of $110 million in 1986. If the Treasury plan were enacted, this $110 million Federal support benefit would be lost.

In addition, the Treasury proposal would eliminate flexible spending plans more commonly called cafeteria plans or ZEBRA's. These plans allow employees to make tax deductable contributions to a plan to pay for, among other things, child care. Payments from the plan are tax free and do not count as income to the employee. These plans would provide child care benefits to individuals of $240 million in 1986, according to the Treasury Department. This benefit would disappear under the Treasury tax reform plan.

The Treasury tax plan coupled with the administration's fiscal year 1986 budget proposal would cut child day care benefits by $1.210 billion. Where will young families be able to get help in raising a child and working? The middle class currently cannot afford day care services. Where will they turn?

In an effort to confront this insidious dilemma for working parents trying to provide a decent life for their children, I am introducing the On-Site Child Care Privatization Act. This legislation would extend a 15-percent tax credit to businesses for all startup and on-going costs associated with employer operated on-site day care facilities during the facility's first year of operation. In the second year of operation, the employer would receive a 10-percent tax credit for all costs associated with salary expenses of workers at the day care facility. This act would take effect on January 1, 1987, and sunset December 31, 1989. My bill would encourage employers to build day care facilities on-site. In this way, a parent can be near their child and yet still be able to work.

I feel strongly that the private sector can effectively provide day care services that will pay for themsel es over time as studies indicate. Preliminary studies have shown that on-site day care centers have had a positive effect on employee attitudes, absenteeism, and productivity. The National Employer Supported Child Care Project found that, when on-site facilities were provided, there was a positive impact on several employee issues. There were reductions in turnover of 65 percent and absenteeism was reduced by 53 percent with increased results in recruitment of 85 percent and morale of 90 percent. There have been some even more astonishing preliminary results. Dr. Deanne Tate of the University of Texas estimated that, for every $1 spent on an on-site facility, there was a potential profit increase of $3 to $6 due to increased productivity resulting from lower rates of turnover and absenteeism. These findings indicate that all stand to benefit from the on-site facilities: Happier employees, closer family ties, fewer employment interruptions, and a generally healthier economy. It is time that we approach the working family with practical solutions.

Private employers have hesitated to build on-site facilities despite these impressive findings. Start-up costs scare many companies. Also, employers suffer from a lack of understanding or sympathy confronting the problems of young parents, and a lack of information on the subject of on-site day care facilities.

My bill is intended to give companies a reason to explore on-site day care facilities. My legislation would partially offset the startup costs of an on-site day care facility. Once the facility has been established, the next largest expense is the salaries of the day care workers. This bill will partially offset this expense for the first 2 years.

I am convinced that, if done properly, employer on-site day care facilities can pay for themselves. Once the private sector realizes that on-site day care makes sense and promotes worker satisfaction and productivity, these facilities will become commonplace, but the process must start. My bill will give private industry a reason to investigate day care facilities. I have decided to sunset the legislation after 3 years because I believe the private sector can provide on-site day care on a cost-effective basis. My bill is intended to heighten awareness of the problem.

I do not feel a multimillion or even billion dollar program to build day care facilities is the answer to the needs of millions of parents with young children. Rather, the private sector can take the initiative. However, a purely laissez-faire attitude to the problem would be tantamount to just turning our backs on this issue. My bill will encourage private sector development of employer provided on-site day care facilities.

Mr. President, I ask unanimous consent that this legislation be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1125

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "On-Site Day Care Privatization Act".

SEC. 2. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CERTAIN ON-SITE DEPENDENT CARE EXPENSES.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to business related credits) is amended by adding at the end thereof the following new section:

"SEC. 42. CERTAIN EMPLOYER ON-SITE DEPENDENT CARE EXPENSES.

"(a) General Rule.—The amount of the credit determined under this section for any taxable year shall be equal to the sum of—

"(1) 15 percent of the taxpayer's qualified first-year dependent care expenses for such taxable year, and

"(2) 10 percent of the taxpayer's qualified second-year dependent care expenses for such taxable year.

"(b) Qualified First and Second Year Dependent Care Expenses Defined.—For purposes of this section—

"(1) Qualified First-Year Dependent Care Expenses.—The term 'qualified first-year dependent care expenses' means, with respect to any dependent care facility, the qualified dependent care expenses paid or incurred by an employer during the 1-year period beginning with the date on which such facility is first placed in service.

"(2) Qualified second-year dependent care expenses.—The term 'qualified second-year dependent care expenses' means, with respect to any dependent care facility, the amount paid or incurred by an employer—

"(A) for wages for individuals performing dependent care services at such facility, and

"(B) during the 1-year period following the period referred to in paragraph (1).

"(c) Qualified Dependent Care.—For purposes of this section—

"(1) In general.—The term 'qualified dependent care expenses' means any amount paid or incurred by an employer to provide dependent care assistance to dependents of employees of the employer—

"(A) at a facility located on, or adjacent to, the premises where such employees are employed, and

"(B) under a program which meets the requirements of—

"(i) any Federal, State or local law relating to such a facility, and

"(ii) paragraphs (2) and (3) of section 129(d) (relating to discrimination and eligibility requirements for dependent care assistance programs).

"(2) Dependent care assistance.—The term 'dependent care assistance' has the meaning given such term by section 129(c)(1).

"(3) Payments to related individuals.—No amount paid or incurred during the taxable year of the employer shall be treated as a qualified dependent care expense if such amount is paid or incurred to an individual—

"(A) with respect to whom a deduction is allowable under section 151(e) (relating to personal exemptions for dependents) to any employee of such employer for the taxable year of such employee ending with such taxable year, or

"(B) who is a child (within the meaning of section 151(e)(3)) of any employee and who is under the age of 19 at the close of the taxable year of the employee ending within such taxabale year of the employer.

"(d) Wages.—For purposes of this section—

"(1) In general.—The term 'wages' has the meaning given such term by subsection (b) of section 3326 (determined without regard to any dollar limitation contained in such section).

"(2) Special rule for contractual arrangements.—If an employer contracts with another person to provide dependent care assistance at any dependent care facility, the term 'wages' shall include that portion of any amount paid or incurred by the employer with respect to such contract which is properly allocable to wages paid or incurred by such person to provide such assistance.

"(e) Termination.—This section shall apply to taxable years beginning after December 31, 1986, and before January 1, 1990.".

(b) Conforming Amendments.—

(1) Section 38(b) of the Internal Revenue Code of 1954 (defining current year business year credit) is amended—

(B) by striking out "plus" at the end of paragraph (3),

(3) by striking out the period at the end of paragraph (4) and inserting in lieu thereof, "plus", and

(C) by adding at the end thereof the following new paragraph:

"(5) the dependent care assistance credit determined under section 42(a).".

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end thereof the following item:

"SEC. 42. CERTAIN EMPLOYER ON-SITE DEPENDENT CARE EXPENSES.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.●

By Mr. GORTON (for himself, Mr. Heflin, Mr. Evans, Mr. Riegle, Mr. Matsunaga, and Mr. Denton):

S. 1126. A bill to provide that certain activities performed in space, the use of certain property in space and certain articles produced in space shall be treated as activities performed, property used and articles produced within the United States for purposes of any tax laws of the United States; to the Committee on Finance.

SPACE TAX INVESTMENT EQUITY ACT

Mr. GORTON. Mr. President, today, I join Senator Heflin, the former ranking member of the Subcommittee on Science, Technology, and Space, and our colleagues, Senators Evans, Riegle, Matsunaga, and Denton, in introducing the Space Tax Investment Equity Act of 1985, a bill which would give to commercial space activities and investments the same tax treatment as that enjoyed by similar terrestrial activities and investments.

It is becoming increasingly clear that the commercial development of space is on the doorstep of a wealth of opportunities, the magnitude of which we cannot begin to imagine. Not only will space commercialization help maintain our leadership in space, but it will also provide economic rewards and improve the quality of life for people the world over. The unique environment of space is a laboratory unlike any on Earth and offers, among other opportunities, the potential of developing new drugs to cure diseases, stronger and lighter alloys, and improved electronic technologies which could strengthen our industrial base.

The realization of these expectations will not occur overnight, however, and many companies are wary of the exotic nature of space-based manufacturing and R&D. Nevertheless, interest in commercial space activity is growing, and there are immediate issues that should be addressed if we are to take advantage of the opportunities before us.

Space activities are inherently expensive and filled with risks that are distinctly different from any on Earth. If companies are willing to assume these inherent disadvantages in their quest to explore and exploit this last frontier, the Government should ensure that the "playing field is level" and that these companies do not have to overcome unnecessary obstacles of inequity. Certain tax laws written years before commercial space activities were envisioned now represent unintentional and unforeseen discriminations against companies that are contemplating the high-risk, long-term stakes of commercial space activity. These barriers have discouraged and, unless removed, will continue to discourage companies from space-based manufacturing or R&D. For many companies, the decision not to invest in space activities is an easy one. These companies simply invest in activities with the higher internal rate of return. And as long as Tax Code discriminates against space-based activities and investments, the path to this exciting and promising arena will be an unnecessarily slow one.

Mr. President, the purpose of this legislation is to create an investment climate for space-based activities that is equal to that of land-based activities. Equitable tax treatment is critical to the realization of these new opportunities that await us in space. This bill that I am introducing today would eliminate several of these discriminatory barriers and provide commercial space entrepreneurs with tax treatment that is equal, not preferential, to that treatment enjoyed by those who do business on Earth. Also, the provisions in this bill are initiatives that are part of the President's National Policy on the Commercial Use of Space, a policy which evolved through the interagency review of the Cabinet Council on Commerce and Trade.

This legislation would:

First, permit the use of investment tax credits [ITC] and accelerated depreciation [ACRS] for U.S. investments in space as if on Earth;

Second, provide R&D tax credits for space-based ventures just as we currently do for land-based R&D; and

Third, allow income deried from U.S. space ventures to be treated as domestic income.

Mr. President, I am aware that consideration is being given to simplifying the Tax Code and that some of the provisions in this bill might be affected by such a rewrite of the Tax Code. My position is that as long as these provisions are included in the Tax Code for land-based activities and investments, they should, as matter of equity, be included as well for space-based activities and investments. And, any repeal or amendment of these provisions as they relate to land-based activities or investments should apply to space-based activities and investments. The issue is simply one of equity.

Mr. President, I look forward to working with the members of the Finance Committee on this legislation, which would provide a real shot in the arm to commercial space activity. I am hopeful that our efforts will lead to the creation of an investment climate that is conducive to the growth of this enterprising era of commercial space development.

Mr. HEFLIN. Mr. President, I am pleased to join with my good friend and colleague Senator SLADE GORTON in introducing the Space Tax Investment Equity Act of 1985. This legislation will go far toward maintaining our country's leadership in space commercialization for many years to come.

Mr. President, we are poised on the threshold of a new and exciting age in which valuable new products will be manufactured in the weightless environment of space. Materials processing in space, which includes the production of materials such as alloys, drugs, and crystals, holds great commercial potential as well as limitless benefits to the well being of mankind.

The advantage of materials processing in space as opposed to Earth bound experiments is that Earth's gravity influences every physical process. Materials processing in space could wield powerful drugs for treatment of diabetes, cancer, and other life threatening diseases. In space, metals of varying densities can be blended together to yield new and superior alloys. Materials processing in space could also produce greatly improved industrial crystals, glasses, electroplating, and countless other products.

Many American firms have expressed interest in pursuing the potential benefits of space-based manufacturing research and development. However, to ensure industry involvement in this area, the Federal Government must support a strong commercial space policy. Commercial space ventures of this type are high risk, long term in nature, and very costly. The bill Senator GORTON and I are introducing will take an important step toward encouraging companies to invest in materials processing in space.

Currently, U.S. tax laws do not allow U.S. firms the same tax advantages for space based activities as they get for similar activities on Earth. Thus, space activities by U.S. firms do not get investment tax credits, accelerated depreciation or research and development tax credits. Further, income from space ventures could be treated as foreign income. Clearly, this is an inequity in our Tax Code which must be corrected if the United States is to continue to go forward in this area. Our bill simply corrects this inequity by allowing U.S. companies involved in space ventures the same tax treatment enjoyed by those companies involved in such ventures on Earth. Preferential tax treatment would not be given to space-based activities.

The economic, medical, and other rewards the United States will reap from materials processing in space is immeasurable. Our investment in these ventures will be repaid many times over. We must move quickly to clarify our tax laws so that they do not discriminate against U.S. commercial space activities and therefore allow research and development in space to go forward. I urge my colleagues to support this important legislation.

By Mr. DIXON (for himself, Mr. SIMON, Mr. LEVIN, Mr. RIEGLE, and Mr. CRANSTON):

S. 1127. A bill to extend the Medicare prospective payment transition period; to the Committee on Finance.

EXTENSION OF MEDICARE PROSPECTIVE PAYMENT TRANSITION PERIOD

Mr. DIXON. Mr. President, today I am introducing—along with Senators SIMON, LEVIN, RIEGLE, and CRANSTON—legislation to freeze the transition to national Medicare prospective payment rates for at least 1 year, or for as long as the Medicare in-patient rates are frozen.

My colleagues may remember that on March 12 and April 12, 1984, I stood before this body calling attention to the wrinkles in the Medicare prospective payment system [PPS]. I pointed out the economic hardship posed for hospitals in my home State of Illinois and many other States due to the shift from the hospital-specific rates to national rates for Medicare reimbursements under PPS.

Today, I am again appealing to my colleagues to take a close look at this system which is arbitrarily creating groups of winner and loser hospitals, to the detriment of my State of Illinois and many other States.

The statute enacted by the Social Security Amendments of 1983 calls for a 3-year phase-in of PPS. Under the system, hospitals throughout the country are paid a fixed amount for in-patient services to Medicare patients according to a fixed schedule of rates assigned to each of 468 illnesses—diagnosis-related group or DRG.

PPS provides hospitals incentives for efficiency and cost containment since the hospital is paid the same amount for a particular diagnosis regardless of the resources consumed during the patient's treatment. Simply put, if a hospital's costs are less than the payment, it can retain the surplus; if its costs are higher, it loses. However, at the end of the transitional period, hospital payments will be based on national average urban or rural rates per DRG, adjusted only for local wage variance.

As you know, we are now into the second phase of PPS and it continues to have some wrinkles in it. As regional rates are phased toward national payment rates, hospitals in higher cost areas of the country, including Illinois and many other Northeast, Midwest, and Pacific States, will be adversely affected.

Additionally, the administration's budget proposal and the "Dole II" proposal would freeze the annual increase in hospital rates for fiscal year 1986. These budget proposals, coupled with the scheduled move to national rates, would create more of a financial burden than many of our hospitals could absorb.

According to the Illinois Hospital Association [IHA], Illinois hospitals will have already lost an estimated $78 million by the end of the current fiscal year as a result of the phasing in of national payment rates. In fiscal year 1985, according to IHA,

> Another $100 million will be drained from our health care system and diverted to become windfalls for institutions in States which experience costs below the national norm.

As an example of the inequity not accounted for in PPS, IHA points out that neither Illinois nor the hospital industry in Illinois is average. Therefore, hospital costs in Illinois are not average.

According to IHA, some characteristics that distinguish Illinois from the rest of the Nation which should be considered in PPS are as follows:

First, 82 percent of the population lives in urban areas—this is 30 percent more than the national average; second, there is 27 percent more unemployment in Illinois than the national average; third, Illinois has 6 percent higher energy expenses; and fourth, Illinois has above average construction costs.

I call this issue to the attention of my colleagues to highlight the fact that once again, Illinois is not getting a fair deal from the Federal Government, an all too familiar refrain.

It is laudable to contain hospital costs, but we must do so in a manner which does not create such a glaring dichotomy between the haves and the have-nots.

The legislation that I am introducing today would temporarily freeze the phase-in to national payment rates at the current formula, where hospital rates are comprised of 50 percent hospital specific—historical costs—and 50 percent combined national and regional DRG rates—25 percent national and 75 percent regional.

According to the Secretary of Health and Human Services [HHS] in her letter to me of March 20, 1985, it would take at least a year to produce a "reasonably responsive, research-based report" to the Congress on the results of studies concerning certain aspects of PPS.

I want to give HHS the time that is needed so that the Congress and HHS can make reasonable improvements in the system.

It is important to note that a freeze in the transitional period will not increase the Federal deficit. I understand that the Medicare distribution formula is budget neutral since the national rate issue is one of resouce distribution.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1127

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(a) EXTENSION OF TRANSITION PERIOD.—Section 1886(d)(1) of the Social Security Act is amended—

(1) by striking out "October 1, 1986" in clauses (ii) and (iii) of subparagraph (A) and in subparagraph (C)(iii) and inserting in lieu thereof "the first day of the fiscal year of full implementation (as defined in subparagraph (F))",

(2) by striking out "October 1, 1985" in clauses (i) and (ii) of subparagraph (C) and inserting in lieu thereof "the first day of the transitional fiscal year (as defined in subparagraph (E))", and

(3) by adding at the end thereof the following new subparagraphs:

"(E) As used in this subsection, the term 'transitional fiscal year' means—

"(i) fiscal year 1987, or

"(ii) if the percentage change determined under subsection (e)(4) for fiscal year 1987 is zero, the first fiscal year (after fiscal year 1987) for which the percentage change determined under that subsection is greater than zero.

"(F) As used in this subsection, the term 'fiscal year of full implementation' means the first fiscal year after the transitional fiscal year.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to cost reporting periods beginning, or discharges occurring, after September 30, 1984.

By Mr. MATHIAS:

S. 1129. A bill to amend the Immigration and Nationality Act to permit the temporary admission to the United States of certain children, survivors, and retirees of staffs of international organizations; to the Committee on the Judiciary.

INTERNATIONAL ORGANIZATION STAFFS' CHILDREN, SURVIVORS, AND RETIREES ACT

● Mr. MATHIAS. Mr. President, I am delighted to send to the desk a bill that would correct an injustice in the current immigration law that works a tremendous hardship on the employees of international organizations and their families. Present immigration law requires that if such an employee dies or retires, the family must leave the United States and return to its native land, often on very short notice. This is not only cruel and unfair, but it also runs counter to the interests of the international organizations concerned and to the interests of the United States.

In a world increasingly fragmented by conflict, these international organizations work toward the resolution of the common problems that divide us: hunger, disease, political, and social strife. Such international organizations include the World Bank, the International Monetary Fund, the Organization of American States, the United Nations and the Inter-American Development Bank. The United States plays a prominent role in the work of these organizations, and has always encouraged them to locate in our country.

Although small in number, the employees of these international organizations render a major service. While they are devoting their professional skills to the world community, they and their families are developing close social and cultural ties to this country. After working and living here, many come to regard America as their home.

Unfortunately, changes in the immigration laws during the past several years have inadvertently made it much more difficult for staff members and their families to stay here once their careers come to an end. Children, widows, widowers, and retired employees are forced to leave this country—no matter how long they have lived here. Many of them have been in this country more than two decades.

This situation is especially harsh for the children. After spending most of their lives growing up and going to school here, many of these children think of themselves as Americans and think of America as their home. The homeland of their parents is just another foreign country, and they often do not speak its language. But, as the law stands now, these children must leave this country when their parents die or retire.

Or they must leave when they reach maturity—leaving their families here in America—and return to a strange land where they are "citizens." This separation of families runs contrary to own own longstanding policy of family reunification.

The bill I introduce today would make it possible for some employees of international organizations and their immediate families—I expect no more than a few hundred a year—to remain in the United States after many years of service and residence in the United States. Such a law seems in the best interest of the United States, the international organizations, and the men, women, and children who would qualify for residence under its terms.

Former U.N. Secretary-General Kurt Waldheim has told me that a decision by the U.S. Government to extend such a privilege would represent "yet another expression of the humanitarian traditions of this great country."

The bill I introduce today has the same intent as the bills I introduced in the 96th and 97th Congresses. Last Congress both the Senate and House versions of the Simpson-Mazzoli immigration bill contained provisions correcting this problem. Although we negotiated a successful compromise in conference, the whole effort was lost when we failed to reach agreement on the larger bill in the final hours of the 98th Congress.

In this Congress, we will try again. My bill would lighten an emotional burden that now weighs heavily on both the parents and children who have become "Americanized." I urge its speedy adoption, and I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Organization Staffs' Children, Survivors, and Retirees Act of 1985."

SEC. 2. (a) Subsection (a)(15) of section 101 of the Immigration and Nationality Act (8 U.S.C. 1101) is amended—

(1) by striking out "or" at the end of subparagraph (L);

(2) by striking out the period at the end of subparagraph (M) and inserting in lieu thereof a semicolon and "or"; and

(3) by inserting after subparagraph (M) the following new paragraph:

"(N)(i) the parent of an alien accorded the status of a special immigrant under paragraph (27)(I)(i), but only if and while the alien is a child, or

"(ii) a child of such parent or of an alien accorded the status of a special immigrant under paragraph (27)(I)(ii), (iii), or (iv).".

(b) Subsection (a)(27) of section 101 of the Immigration and Nationality Act (8 U.S.C. 1101) is amended—

(1) by striking out "or" at the end of subparagraph (G);

(2) by striking out the period at the end of subparagraph (H) and inserting in lieu thereof a semicolon and "or"; and

(3) by inserting after subparagraph (H) the following new subparagraph:

"(I)(i) an immigrant who is the unmarried son or daughter of an officer or employee (or of a former officer or employee) of an international organization described in paragraph (15)(G)(i), and who—

"(I) while maintaining the status of a nonimmigrant under paragraph (15)(G)(iv) or paragraph (15)(N), has resided in the United States within seven years of the date of application for a visa or for adjustment of status to a status under this subparagraph and for a period or periods aggregating at least seven years between the ages of five and twenty-one years, and

"(II) applies for admission under this subparagraph no later than his twenty-fifth birthday or six months after the date this subparagraph is enacted, whichever is later;

"(ii) an immigrant who is the surviving spouse of a deceased officer or employee of such an international organization, and who—

"(I) while maintaining the status of a nonimmigrant under paragraph (15)(G)(iv) or paragraph (15)(N), has resided in the United

States within seven years of the date of application for a visa or for adjustment of status to a status under this subparagraph and for a period or periods aggregating at least fifteen years prior to the death of such officer or employee, and

"(II) applies for admission under this subparagraph no later than six months after the date of such death or six months after the date this subparagraph is enacted, whichever is later;

"(iii) an immigrant who is a retired officer or employee of such an international organization, and who—

"(I) while maintaining the status of a nonimmigrant under paragraph (15)(G)(iv), has resided in the United States within seen years of the date of application for a visa or for adjustment of status under this subparagraph and for a period or periods aggregating at least fifteen years prior to the officer or employee's retirement from any such international organization, and

"(II) applies for admission under this subparagraph before January 1, 1993 and no later than six months after the date of such retirement or six months after the date this subparagraph is enacted, whichever is later; or

"(iv) an immigrant who is the spouse of a retired officer or employee accorded the status of special immigrant under clause (iii), accompanying or following to join such retired officer or employee as a member of his immediate family.".●

By Mr. SASSER (for himself, Mr. GRASSLEY, and Mr. GORE):

S. 1130. A bill to amend the Internal Revenue Code of 1954 to promote small businesses; to the Committee on Finance.

SMALL BUSINESS TAX REFORM ACT

● Mr. SASSER. Mr. President, today, along with Senators GRASSLEY and GORE, I am introducing legislation designed to broaden the debate on comprehensive tax reform to include a very important segment of economic community, the small business owner. To date, little attention has been focused on how small business will fare under any of the major tax reform packages under consideration. Indeed, little thought has been given to just what tax equity means to small business.

This is a shocking omission when we consider the significant impact small business has on our economy. Small firms employ approximately 48 percent of the total nongovernment, nonfarm labor force in this country. These small firms account for 40 percent of the gross national product. And in 1983, they contributed 42 percent of the sales in America.

The tremendous impact of small business is even more vivid in my home State of Tennessee, Mr. President. Of the 89,000 business establishments in our State, 79,000 employ fewer than 100 persons and make up our small business community. In 1982, these small businesses produced half of Tennessee's $50 billion in goods and services and contributed nearly 45 percent of the State's payroll.

Small business at both the State and national level continues to be the most prolific job generator in this country. Last year's report on the state of small business noted that between 1980 and 1982, all net new jobs created in this country were generated by small business. That was some 984,000 nationwide.

To the men and women who make up our small business community, the Federal tax system can often determine whether or not a small firm will stay in business. This point has been underscored in the past three forums on small business capital formation sponsored by the Securities and Exchange Commission. Indeed, tax concerns have consistently been ranked among the top priority issues for most small business organizations.

Yet, when the Treasury Department unveiled its initial tax reform proposal late last year, it was clear that the tax concerns of small business had been overlooked once again. Nowhere was this more evident than in the recommendation to abolish the graduated system of corporate tax rates in favor of a flat 33 percent tax rate for all corporate taxpayers. This proposal would have a devastating effect on many small firms.

Arthur Anderson & Co., recently studied the impact of the proposed change in corporate tax rates on small business. This study reports that a small business with $25,000 taxable income would face a 120-percent increase in its tax rates under the original Treasury proposal. A company with $100,000 taxable income would shoulder a 28-percent increase. It is no exaggeration, Mr. President, to state that many firms simply could not bear such an increase and would be forced to close their business.

Other sections in the original Treasury proposal are also disconcerting to small business owners. Yet, thus far we have seen little discussion of such issues as direct expensing and capital gains as they relate to small business. And while some may be content to wait for the unveiling of the revised Treasury Department proposal to address small business issues, such a course leaves much to chance. This is particularly true in light of the President's recent remarks that tax reform will mean a less progressive tax system. This comment suggests that once again the tax concerns of small business may fall between the cracks, for it is the small business owners who will suffer under a more regressive tax system.

That is why I believe it is imperative that we raise several tax issues important to small business early in the tax reform debate. Such legislation will insure that small business is not overlooked in our haste to reform the Tax Code. Specifically, the legislation we introduced today will maintain a progressive rate schedule for small businesses filing as corporations. This is far and away the No. 1 tax reform concern of most small business owners. In addition, this bill extends the contemplated changes to our capital gains laws to incorporate small business interests. The bill also maintains direct expensing as a valuable tax tool for small firms.

This legislation would provide some security for small business owners when they retire by granting them a one-time exclusion of a percentage of the profits realized from selling the small business. Our bill would also apply the provisions of the Regulatory Flexibility Act to the Internal Revenue Service. Finally, we allow certain small businesses to make use of cash accounting without regard to inventory requirements.

Many of my colleagues who have followed small business issues for several years will recognize many of these proposals. Most have been the object of interest in the small business community for several years. These provisions, in a sense, reflect the collected wisdom of Members of this body on small business tax matters over the past decade. What our bill does is pull these various proposals together in one package at a critical time in the formation of tax legislation.

And while these issues have been explored in prior sessions, Mr. President, they remain timely topics. I chaired hearings of the Small Business Committee in my home State earlier this year on the issue of tax reform. At those hearings, witness after witness touched on these subjects. The importance attached to these matters has not diminished over the years. Rather, judging by the reaction of my Tennessee witnesses, the level of interest in these matters is growing as small business owners sense an opportunity to have some input in formulating a comprehensive tax reform package.

I wish to address one last concern I know will be on the minds of many who are interested in this measure, that is the revenue impact of this bill. Our legislative language is being reviewed by the Joint Committee on Taxation and I anticipate these provisions will be a net revenue loser. Yet, I hasten to point out that the elements of this bill are intended to be incorporated in a comprehensive tax reform bill, which will be revenue neutral.

It is not our intention to promote these small business concerns as a free-standing bill. Rather, we are raising points which we intend to discuss and debate in both the Small Business Committee and the Finance Committee as we formulate comprehensive tax reform legislation.

We will work diligently to ensure that these elements are included in such a revenue neutral bill, Mr. President, as we believe such steps are essential to promote the most dynamic sector of our economy. I urge my colleagues to join with us in our efforts to ensure that tax equity extends to small business by cosponsoring this measure. Mr. President, I ask unanimous consent that a copy of our small business tax reform legislation appear in the RECORD at this point.

There being no objection, this bill was ordered to be printed in the RECORD, as follows:

S. 1130

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Tax Reform Act of 1985".

SEC. 2. REDUCTION IN TAX RATES FOR CORPORATIONS WITH TAXABLE INCOME BELOW $125,000.

(a) IN GENERAL.—The first sentence of section 11(b) of the Internal Revenue Code of 1954 (relating to amount of tax on corporations) is amended by striking out paragraphs (1) through (5) and inserting in lieu thereof the following new paragraphs:

"(1) 12 percent of so much of the taxable income as does not exceed $25,000;

"(2) 15 percent of so much of the taxable income as exceeds $25,000 but does not exceed $50,000;

"(3) 25 percent of so much of the taxable income as exceeds $50,000 but does not exceed $75,000;

"(4) 30 percent of so much of the taxable income as exceeds $75,000 but does not exceed $100,000;

"(5) 33 percent of so much of the taxable income as exceeds $100,000 but does not exceed $125,000.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 3. INCREASE IN DIRECT EXPENSING OF CERTAIN DEPRECIABLE BUSINESS ASSETS.

The table in paragraph (1) of section 179(b) of the Internal Revenue Code of 1954 (relating to dollar limitation with regard to election to expense certain depreciable business assets) is amended to read as follows:

"If the taxable year begins in:	The applicable amount is:
1983, 1984, 1985, or 1986	$5,000
1987 or 1988	7,500
1989 or 1990	10,000
1991 or thereafter	12,500

SEC. 4. NONRECOGNITION OF GAIN ON ANY PROPERTY SOLD WHERE QUALIFIED SMALL BUSINESS INVESTMENT ACQUIRED.

(a) IN GENERAL.—Part III of subchapter O of chapter I of the Internal Revenue Code of 1954 (relating to nontaxable exchanges) is amended by adding at the end thereof the following new section:

"SEC. 1043. SALES OF PROPERTY WHERE QUALIFIED SMALL BUSINESS INVESTMENT ACQUIRED.

"(a) NONRECOGNITION OF GAIN.—

"(1) IN GENERAL.—If any property is sold by the taxpayer and, within the 1-year period beginning on the date of such sale, any qualified small business investment is purchased by the taxpayer, gain (if any) from such sale shall, at the election of the taxpayer, be recognized only to the extent that the amount realized on such sale exceeds the cost to the taxpayer of such investment.

"(2) ELECTION.—The election under paragraph (1) shall be made by filing, not later than the last day prescribed by law (including extensions thereof) for filing the return of tax imposed by this chapter for the taxable year in which the sale occurs, with the Secretary a statement (in such manner as the Secretary may by regulations prescribe) of such election.

"(b) QUALIFIED SMALL BUSINESS INVESTMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified small business investment' means any equity stock in a domestic corporation if, at the time such stock is issued, such corporation was a qualified small business corporation.

"(2) EQUITY STOCK.—The term 'equity stock' means any common or preferred stock—

"(A) with respect to which the payment of money or other property is not required solely by reason of the passage of time,

"(B) the repurchase of which may not be required of the issuer any sooner than 3 years after the date of its purchase by the taxpayer, and

"(C) which was issued by the corporation to the taxpayer for money or other property (other than stock or securities).

"(3) QUALIFIED SMALL BUSINESS CORPORATION.—The term 'qualified small business corporation' means—

"(A) any small business investment company operating under the Small Business Investment Act of 1958,

"(B) any business development company (as defined by section 2(a)(48) of the Investment Company Act of 1940), and

"(C) any small business corporation (as defined in section 1244(c)(3)).

"(c) SPECIAL RULES.—For purposes of this section—

"(1) EXCHANGE TREATED AS SALE.—An exchange by the taxpayer of property for other property shall be treated as a sale of the first property, and the acquisition of any qualified small business investment on the exchange of property shall be treated as a purchase of such investment.

"(2) LIMITATION ON STOCK SALES.—In the case of any qualified small business investment (other than stock in an S corporation as defined in section 1361(a)), subsection (a) shall apply to the sale of such stock only if such sale would, if such stock had been purchased by the issuing corporation in such sale, be treated as a redemption within the meaning of paragraph (1), (2), or (3) of section 302(b), including the application of section 302(c).

"(d) REDUCTION OF BASIS.—Where the purchase of any qualified small business investment results under subsection (a) in the nonrecognition of gain on the sale of any property, the basis of such investment shall be reduced by an amount equal to the amount of gain not so recognized on the sale of such property. Where the purchase of more than one qualified small business investment is taken into account in the nonrecognition under subsection (a) of gain on the sale of a property, the preceding sentence shall be applied to each such investment in the order in which each such investment is purchased.

"(e) STATUTE OF LIMITATIONS.—If the taxpayer during any taxable year sells any property at a gain, then—

"(1) the statutory period for the assessment of any deficiency attributable to any part of such gain shall not expire before the expiration of the 3-year period beginning on the date the Secretary is notified by the taxpayer (in such manner as the Secretary may be regulations prescribe) of—

"(A) the taxpayer's cost of purchasing any qualified small business investment which the taxpayer claims results in nonrecognition of any part of such gain,

"(B) the taxpayer's intention not to purchase any such investment within the 1-year period described in subsection (a), or

"(C) the failure by the taxpayer to purchase any such investment within such period; and

"(2) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.".

(b) TECHNICAL AMENDMENT.—Subsection (a) of section 1016 of such Code (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (26), by striking out the period at the end of paragraph (27) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(28) in the case of any qualified small business investment the acquisition of which resulted under section 1043 in the nonrecognition of gain on the sale or exchange of property, to the extent provided by section 1043(d).".

(c) CONFORMING AMENDMENT.—The table of sections of part III of subchapter O of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 1043. Sales of property where qualified small business investment acquired.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply only to sales and exchanges of property (the nonrecognition of gain on which is to be claimed under section 1043 of the Internal Revenue Code of 1954) in taxable years beginning after December 31, 1985.

SEC. 5. 80 PERCENT CAPITAL GAINS DEDUCTION ATTRIBUTABLE TO SMALL BUSINESS EQUITY INVESTMENTS HELD AT LEAST 4 YEARS.

(a) IN GENERAL.—Section 1202 of the Internal Revenue Code of 1954 (relating to deduction for capital gains) is amended—

(1) by amending subsection (a) to read as follows:

"(a) DEDUCTION ALLOWED.—

"(1) IN GENERAL.—If for any taxable year a taxpayer other than a corporation has a net capital gain, there shall be allowed as a deduction from gross income an amount equal to the sum of—

"(A) 80 percent of the lesser of—

"(i) the net capital gain, or

"(ii) the qualified net capital gain, plus

"(B) 60 percent of the excess (if any) of—

"(i) the net capital gain, over

"(ii) the amount of the qualified net capital gain taken into account under subparagraph (A)", and

(2) by inserting after subsection (c) the following new subsection:

"(d) QUALIFIED NET CAPITAL GAIN.—

"(1) IN GENERAL.—For purposes of subsection (a), the term 'qualified net capital gain' means the amount of net capital gain which would be computed for any taxable year if, in determining net long-term capital gain for such taxable year, only small business equity investments held by the taxpayer for at least 4 years at the time of the sale or exchange were taken into account.

"(2) SMALL BUSINESS EQUITY INVESTMENTS.—For purposes of this subsection—

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"(A) IN GENERAL.—The term 'small busi-

"(c) LIMITATIONS.—

"(c) EFFECTIVE DATE.—The amendments

such time and in such manner as the Secre-

drastically for the irrigation projects

grant [UDAG] selection system, and

"(A) In general.—The term 'small business equity investment' means any common or preferred stock of a small business.

"(B) Stock in the nature of debt excluded.—Stock shall not be treated as a small business equity investment if—

"(i) the payment of money or other property is required with respect to such stock solely by reason of the passage of time, or

"(ii) the repurchase of such stock may be required of the issuer solely by reason of the passage of time.

"(C) Small business.—For purposes of this paragraph—

"(i) In general.—The term 'small business' means any small business corporation (within the meaning of section 1244(c)(3)).

"(ii) Time for determining status.—The determination of whether an equity investment is in a small business concern shall be made at the time when such investment is made.

"(3) Requirement of 4-year holding period determined without regard to section 1223.—The determination of whether a small business equity investment has been held for 4 years for purposes of this subsection shall be determined without regard to section 1223.

"(b) Effective Date.—The amendments made by this section shall apply to sales or exchanges after December 31, 1984.

SEC 6. ONE-TIME EXCLUSION OF GAIN FROM SALE OF SUBSTANTIAL EQUITY INTEREST IN SMALL BUSINESS BY INDIVIDUAL WHO HAS ATTAINED AGE 65.

(a) In General.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 134 as section 135 and inserting after section 133 the following new section.

"SEC. 134. ONE-TIME EXCLUSION OF GAIN FROM SALE OF SUBSTANTIAL EQUITY INTEREST IN SMALL BUSINESS BY INDIVIDUAL WHO HAS ATTAINED AGE 65.

"(a) General Rule.—At the election of the taxpayer, gross income does not include 75 percent of the long-term capital gain from the sale or exchange of property if—

"(1) the taxpayer has attained the age of 65 before the date of such sale or exchange, and

"(2) for the 10-year period ending on the date of the sale or exchange, such property has been a qualified small business investment held by the taxpayer

"(b) Qualified Small Business Investment.—For purposes of this section—

"(1) In general.—The term 'qualified small business investment' means any equity stock in a domestic corporation if, at the time such stock is issued, such corporation was a qualified small business corporation.

"(2) Equity stock.—The term 'equity stock' means any common or preferred stock—

"(A) with respect to which the payment of money or other property is not required solely by reason of the passage of time, and

"(B) which was issued by the corporation to the taxpayer for money or other property (other than stock or securities).

"(3) Qualified small business corporation.—The term 'qualified small business corporation' means—

"(A) any small business investment company operating under the Small Business Investment Act of 1958,

"(B) any business development company (as defined by section 2(a)(48) of the Investment Company Act of 1940), and

"(C) any small business corporation (as defined in section 1244(c)(3)).

"(c) Limitations.—

"(1) Dollar limitation. The amount of the gain excluded from gross income under subsection (a) shall not exceed $175,000 ($87,500 in the case of a separate return by a married individual).

"(2) Application to only one sale or exchange.—Subsection (a) shall not apply to any sale or exchange by the taxpayer if an election by the taxpayer or his spouse under subsection (a) with respect to any other sale or exchange is in effect.

"(3) Sale or exchange of complete interest.—Subsection (a) shall not apply to any sale or exchange by the taxpayer unless immediately after such sale or exchange the taxpayer no longer has any interest in the qualified small business corporation.

"(d) Election.—An election under subsection (a) may be made or revoked at any time before the expiration of the period for making a claim for credit or refund of the tax imposed by this chapter for the taxable year in which the sale or exchange occurred, and shall be made or revoked in such manner as the Secretary shall be regulations prescribe. In the case of a taxpayer who is married, an election under subsection (a) or a revocation thereof may be made only if his spouse joins in such election or revocation.

"(e) Special Rules.—

"(1) Property held jointly by husband and wife.—For purposes of this section, if—

"(A) property is held by a husband and wife as joint tenants, tenants by the entirely, or community property,

"(B) such husband and wife make a joint return under section 6013 for the taxable year of the sale or exchange, and

"(C) one spouse satisfies the age and holding requirements of subsection (a) with respect to such property,

then both husband and wife shall be treated as satisfying the age and holding requirements of subsection (a) with respect to such property.

"(2) Property of deceased spouse.—For purposes of this section, in the case of an unmarried individual whose spouse is deceased on the date of the sale or exchange of property, if—

"(A) the deceased spouse (during the 10-year period ending on the date of the sale or exchange) satisfied the holding requirement of subsection (a)(2) with respect to such property, and

"(B) no election by the deceased spouse under subsection (a) is in effect with respect to a prior sale or exchange,

then such individual shall be treated as satisfying the holding requirement of subsection (a)(2) with respect to such property.

"(3) Determination of marital status.—In the case of any sale or exchange, for purposes of this section—

"(A) the determination of whether an individual is married shall be made as of the date of the sale or exchange; and

"(B) an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.".

"(b) Conforming Amendment.—The table of sections of part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 134 and inserting in lieu thereof the following new tems:

"Sec. 134. One-time exclusion of gain from sale of substantial equity interest in small business by individual who has attained age 65.

"Sec. 135. Cross references to other Acts.".

"(c) Effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 7. CERTAIN SMALL BUSINESSES PERMITTED USE OF CASH RECEIPTS AND DISBURSEMENTS METHOD OF ACCOUNTING WITHOUT REGARD TO INVENTORIES.

(a) In General.—Section 446 of the Internal Revenue Code of 1954 (relating to general rule for methods of accounting) is amended by adding at the end thereof the following new subsection:

"(g) Election by certain Small Businesses To Use Cash Receipts and Disbursements Method of Accounting.—

(1) In General.—A taxpayer may elect for the taxable year the cash receipts and disbursements method of accounting for a trade or business of the taxpayer without regard to any requirement to use inventories under section 471 if—

"(A) the annual gross receipts of the taxpayer do not exceed $2,000,000 for each of the 3 taxable years ending with the taxable year, and

"(B) such taxpayer is a qualified small business for each of such 3 taxable years.

"(2) Qualified small business defined.—For purposes of this subsection, the term 'qualified small business' means a person engaged in a trade or business if, at all times during the taxable year, active participants in such trade or business own—

"(A) in the case of trade or business other than a corporation, at least 50 percent of the capital and profits interests in such trade or business, and

"(B) in the case of a corporation—

"(i) stock possessing at least 50 percent of the total combined voting power of all classes of stock of the corporation entitled to vote, and

"(ii) at least 50 percent of the total value of shares of all other classes of stock of the corporation.

"(3) Active participant.—For purposes of this subsection, the term 'active participant' means an individual—

"(A) who is actively involved in the management of the trade or business, and

"(B) whose principal business activity is such trade or business.

"(4) Special rules.—For purposes of this subsection—

"(A) Controlled groups.—

"(i) In general.—In the case of a taxpayer which is a member of a controlled group, all persons which are component members of such group at any time during the calendar year shall be treated as 1 taxpayer for such year for purposes of determining the gross receipts of the taxpayer.

"(ii) Controlled group defined.—Persons shall be treated as being members of a controlled group if such persons would be treated as a single employer under the regulations prescribed under section 52.

"(B) Coordination with section 481.—In the case of a taxpayer who changes its method of accounting by reason of an election under this subsection, under regulations prescribed by the Secretary, the net amount of adjustments required by section 481(a)(2) to be taken into account by the taxpayer in computing taxable income shall be so taken into account in each of the 10 taxable years beginning with the year of change.

"(C) Election.—

"(i) In general.—The election under this subsection may be made without the consent of the Secretary and shall be made at such time and in such manner as the Secretary may by regulations prescribe.

"(ii) Period to which election applies.—The election under this subsection shall apply—

"(I) to the taxable year for which it is made, and

"(II) for all subsequent taxable years for which the taxpayer is a qualified small business and meets the requirements of subparagraphs (A) and (B) of paragraph (1), unless the taxpayer secures the consent of the Secretary to the revocation of such election.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 8. APPLICATION OF THE REGULATORY FLEXIBILITY ACT TO THE INTERNAL REVENUE SERVICE.

(a) In general.—

(1) Section 601(2) of title 5, United States Code, is amended by striking out "pursuant to section 553(b) of the this title, or any other law".

(2) Section 603(a) of such title is amended by striking out "is required by section 553 of this title, or any other law, to publish" and inserting in lieu thereof "publishes".

(3) Section 604(a) of such title is amended by striking out "under section 553 of this title, after being required by that section or any other law to publish" and inserting in lieu thereof a comma and "after publishing".

(b) Effective Date.—The amendments made by this section shall be effective on the date of enactment of this Act.●

By Mr. ABDNOR (for himself and Mr. Pressler):

S. 1131. A bill to authorize the Secretary of the Interior to integrate the Hilltop and Gray Goose Units into the Pick-Sloan Missouri Basin Program, South Dakota; to the Committee on Energy and Natural Resources.

HILLTOP AND GRAY GOOSE IRRIGATION PROJECTS

● Mr. ABDNOR. Mr. President, I am, along with Senator Pressler introducing legislation integrating the Hilltop and Gray Goose Irrigation Districts into the Pick-Sloan Missouri Basin Program. Representative Daschle is introducing identical legislation in the House of Representatives.

According to former Deputy Assistant Secretary of the Interior Dan Beard, over 170 megawatts of power and over 310 million kilowatt hours of energy are allocated to irrigation development for South Dakotans; however, as of this year, not 1 kilowatt hour has been delivered as promised.

It is getting irritating having constantly to remind the Federal Government of its commitment to our State. When is the commitment going to be honored? When will the people of South Dakota be able once again to trust the Federal Government's commitments?

This legislation represents an opportunity to answer these questions and begin to deliver on the promises. The Hilltop and Gray Goose irrigation projects are currently operational, but they are in need of the Pick-Sloan power. Power rates have increased drastically for the irrigation projects. The Hilltop Unit's power costs increased 300 percent since 1977, and the Gray Goose Unit's power costs increased over 112 percent. This legislation would allow these irrigation units to receive the promised low-cost power.

Mr. President, I urge my colleagues to support prompt enactment of this measure. This legislation will allow the Federal Government to begin to honor its Pick-Sloan promises and assist the Hilltop and Gray Goose Irrigation Districts to achieve financial stability.

I ask unanimous consent that the brief text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1131

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the existing irrigation projects known as the Hilltop Irrigation District, Brule County, South Dakota and the Gray Goose Irrigation District, Hughes County, South Dakota, are authorized as units of the Pick-Sloan Missouri Basin Program. As so authorized, the Hilltop Unit and the Gray Goose Unit shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by Section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented, and subject to Federal reclamation law (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto).

Sec. 2. Pick-Sloan Missouri Basin Program power shall be made available as soon as practicable for the Hilltop Unit and the Gray Goose Unit on the same basis as for other units of the Pick-Sloan Missouri Basin Program. The suballocated costs of the Pick-Sloan Missouri Basin Program assigned to the Hilltop Unit and the Gray Goose Unit shall be reimbursed by the water users as determined by the Secretary of the Interior in accordance with Federal reclamation law (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto.)

By Mr. RIEGLE (for himself, Mr. D'Amato, Mr. Sasser, Mr. Grassley, Mr. Heinz, Mr. Dodd, Mr. Thurmond, Mr. Durenberger, Mrs. Hawkins, Mr. Specter, Mr. Stennis, Mr. Sarbanes, and Mr. Levin):

S. 1133. A bill to amend section 119(d) of the Housing and Community Development Act of 1974; to the Committee on Banking, Housing, and Urban Affairs.

HOUSING AND COMMUNITY DEVELOPMENT ACT AMENDMENTS

● Mr. RIEGLE. Mr. President, the legislation I introduce today for myself and Senators D'Amato, Sasser, Grassley, Heinz, Dodd, Thurmond, Durenberger, Hawkins, Specter, Stennis, Sarbanes, and Levin will greatly improve the urban development action grant [UDAG] selection system, and we believe it will renew the broad base of support the UDAG Program has long enjoyed in the Senate.

During the past year, some Senators have expressed concern that the UDAG project selection system puts a number of communities at a disadvantage in the competition for funding.

The problem was created at the end of 1983 when HUD implemented a new project selection system because demand for UDAG began greatly to exceed the funds available. As a result, eligible cities that have relatively low measures of distress came to feel that they are unable to get a grant no matter how strong a project they submit.

I understand that concern, and I am sympathetic to it. A number of Senators have worked with me over the last 9 months to come up with an effective and fair solution. That effort has involved Senators from both parties, from all regions of the country, and who represent cities on both sides of this issue.

Our bill would improve local negotiations and give all eligible cities a fair chance to have outstanding projects approved. The bill would retain important aspects of the UDAG Program, such as the national competition and targeting on the most distressed cities, that have made it so successful. It would not change the type of projects that a city may submit for the competition.

First, our bill would improve the measures of project quality giving more recognition to the degree to which projects would help relieve economic distress in distressed cities. In addition to measures considered under existing law, the bill would recognize a project's ability to export goods or services from the local economy, retain jobs, help the city's more distressed neighborhoods, and relieve the city's most pressing residential or employment needs. Cities that had received no UDAG grant for the past 12 or 24 months would get extra consideration.

Second, the bill would give these improved project measures more weight. Funds in each round would be separated into two pots—two-thirds would first be awarded according to impaction (weighted 35), distress (weighted 35), and project specific measures (weighted 35). One-third would be awarded among the remaining projects according to project measures alone. This change would take effect as soon as the bill is enacted.

Our legislation has already been endorsed by the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, the National Association of Housing and Redevelopment Officials, the National Housing Conference, the Na-

to target eligibility on the Nation's economi-

funds would first be awarded according to a

criteria for the competitive urban detional Council for Urban Economic Development, the American Business Coalition, and the Coalition for UDAG.

I am confident that we can enact this major reform soon and remove any concerns regarding the UDAG selection system.

The UDAG Program has proven that the Federal and local governments can act in cooperation with the private sector to strengthen the economies of our Nation's most distressed cities.

UDAG is clearly a program that is working extremely well. It helps locate new industry in areas where there is the greatest need. It creates jobs. It makes fuller use of the Nation's enormous investment in existing roads, water, and sewer systems and other infrastructure.

Since it was enacted, UDAG has demonstrated solid results. Over 2,400 UDAG projects are projected to create or maintain 484,000 permanent new jobs. The 55 percent of those jobs are slated for low- and moderate-income persons.

UDAG has stimulated almost $7 in private investment for every Federal dollar. That's a total of $21 billion private investment dollars that UDAG has generated in just a few years. That's a real success story in private sector-Government cooperation.

UDAG projects are expected to contribute $491 million in annual tax revenues to hard-pressed local governments. At the end of 1983, local governments were already receiving $63 million annually in additional revenues as a result of UDAG projects. Repayments of loans made with UDAG funds have provided an additional $45 million.

At the end of last year, UDAG projects would produce almost 93,000 housing units, approximately one-third of which are for low- and moderate-income persons.

The UDAG Program generates more fiscal benefits in the form of increased revenues and reduced transfer payments than it costs. Conservative estimates place the increased Federal, State, and local revenues and cost savings at $991 million per year, compared to an annual appropriation of $440 million. Clearly UDAG has helped to build a solid new economic foundation in a number of hard pressed cities across the Nation. And it has done so while maximizing the return on scarce Federal dollars. Such a successful federal program should be continued.

In my own State of Michigan, the UDAG Program has allowed communities to help themselves in partnership with the private sector and with a minimum of Federal direction, redtape, and bureaucracy. Since 1978, nearly 50 Michigan communities have received over $314 million from the Federal Government and over $2.5 billion from private investors for UDAG projects. Over 63,000 Michigan jobs have been created or saved.

I strongly support UDAG as an important and proven tool that enables private investors and local governments to carry out projects that help develop the economies of the Nation's most distressed cities. I urge my colleagues in the Senate to support this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

Mr. President, I ask unanimous consent that a short summary and a table of the bill be printed in the Record directly following the bill.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1133

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 119(d) of the Housing and Community Development Act of 1974 is amended—

(1) by indenting clauses (A) and (B) of paragraph (1);

(2) by striking out clause (C) of paragraph (1) and inserting in lieu thereof the following:

"(C) at least the following other criteria:

"(i) the extent to which the grant will stimulate economic recovery by leveraging private investment;

"(ii) the number of permanent jobs to be created and their relation to the amount of grant funds requested;

"(iii) the proportion of permanent jobs accessible to lower income persons and minorities, including persons who are unemployed;

"(iv) the extent to which State or local government funding or special economic incentives have been committed;

"(v) the extent to which the project is located in, and will improve the residential quality or employment base of, a census tract as defined by the United States Bureau of the Census (or a block group or enumeration district where census tracts are not defined) which the Secretary determines is predominantly residential in character and has a percentage of low- and moderate-income residents above the median percentage of such tracts in the applicant city or urban country; and

"(vi) the extent to which the project will produce goods or services the majority of which can be expected to be exported from the applicant's local economy;

"(D) additional consideration for projects with the following characteristics:

"(i) projects that the Secretary finds would retain jobs which would be lost without the provision of a grant under this section; and

"(ii) projects which address the applicant's most pressing employment needs, particularly where the project—

"(I) would reemploy workers in a skill that have recently suffered a sharp increase in unemployment locally,

"(II) would provide retraining in new skills for recently unemployed residents,

"(III) would provide training to increase the local pool of skilled labor; or

"(IV) would provide decent housing for low- and moderate-income persons in cases where such housing is in severe shortage in the applicant's area and where Federal assistance would not otherwise be available; and

"(E) additional consideration for projects with the following characteristics:

"(i) projects to be located within a city or urban county to which no grant under this section was made during the preceding year; and

"(ii) twice the amount of the additional consideration provided under clause (i) in the case of a grant for projects to be located in cities or urban counties to which no grant under this section was made during the preceding two years."; and

(3) by adding at the end thereof the following:

"(3) The Secretary may not award a grant under paragraph (1) unless he determines that the project would have a substantial impact on physical development and on the fiscal base of the city or urban county and its relation to the amount of the grant funds requested, that the proposed activites are likely to be accomplished in a timely fashion within the grant amount available, and that the city or urban county has demonstrated performance in housing and community development programs.

"(4) The Secretary shall award points to each application as follows:

"(A) not more than 35 points on the basis of the factors referred to in subparagraph (A) of paragraph (1);

"(B) not more than 35 points on the basis of the factors referred to in subparagraph (B) of paragraph (1);

"(C) not more than 30 points on the basis of the factors referred to in subparagraph (C) of paragraph (1), of which not more than 3 points shall be awarded for the factors referred to in clauses (v) and (vi) of subparagraph (C);

"(D) not more than 3 additional points as the Secretary deems appropriate for projects described in subparagraph (D) of paragraph (1); and

"(E) not more than 2 additional points as the Secretary deems appropriate for projects described in subparagraph (E) of paragraph (1).

"(5) The Secretary shall distribute grant funds under this section so that—

"(A) two-thirds of the funds are first made available utilizing all of the criteria set forth in paragraph (1); and

"(B) one-third of the funds is then made available solely on the basis of the factors referred to in subparagraphs (C), (D), and (E) of paragraph (1).".

Sec. 2. Section 119(f) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: "In any case where the project proposes the repayment to the applicant of the grant funds, such funds shall be made available by the applicant for other activities which are consistent with the purposes of this title. The applicant shall annually provide the Secretary with a statement of the projected receipt and use of repaid grant funds during the next year together with an audited report of the use of such funds during the most recent preceding full fiscal year of the applicant.".

Sec. 3. Not later than March 15, 1986, the Secretary shall prepare and submit to the Congress a report evaluating the Urban Development Action Grant standards for eligibility and project selection under section 119 of the Housing and Community Development Act of 1974. Such report shall include an evaluation of the effect of those standards taken individually and as a whole, to target eligibility on the Nation's economically most distressed cities, as well as any legislative recommendations of the Secretary for improvement and the reasons for such recommendations.

Sec. 4. The provisions of paragraphs (1)(E), (4)(E), and (5) of section 119(d) of the Housing and Community Development Act of 1974, as amended by the first section of this Act, shall be effective on the date of enactment of this Act. The remainder of the amendments made by the first section of this Act shall be effective upon the issuance of implementing regulations, which the Secretary shall issue not later than October 1, 1985.

PROPOSED AMENDMENT TO CORRECT PROBLEMS WITH THE UDAG PROJECT SELECTION SYSTEM

Prior to December 1983, developers and local governments in all eligible cities were under relatively equal pressure to find the strongest possible deal for the city so that projects would be competitive. Since then, some less distressed cities feel they are unable to get a grant no matter how strong their project. The negotiating leverage of the most severely distressed cities should also be strengthened. The amendment would help reset the game at the local level, giving developers in all cities added incentive to put together the strongest possible deal.

A. Improve the project specific measures.

The amendment would give more recognition to the degree to which projects help relieve economic distress in distressed cities. The project ranking point system would be slightly refined—the amendment would leave most current categories untouched, but would allot up to 3 points for the following important considerations:

Creation of net jobs in enterprises that export goods or services from the applicant's local economy.

Location in and improvement of the residential quality and employment base of the applicant's more severely distressed neighborhoods.

A maximum of 5 bonus points would be added for the following factors, increasing a perfect score from 100 to 105 points.

Give more weight to a retained job where HUD is satisfied there is conclusive evidence that, without UDAG, the job would be lost.

Targeting on the city's most pressing residential or employment needs. Points would be awarded to projects that (1) reemploy workers in skill categories that have recently suffered a sharp increase in unemployment locally, (2) provide retraining in new skills for recently unemployed residents, (3) provide training to increase the local pool of skilled labor, or (4) provide decent housing for low- and moderate-income persons where it is in severe shortage and other Federal assistance is not available.

Location in a city that has not recently received a UDAG grant. 1 point would be awarded to cities that received no UDAG in the past 12 months, and 2 points would be awarded to those having received no UDAG in the past 24 months.

B. Give more weight to project measures as improved.

The amendment would give all eligible cities a chance to put together projects that have a reasonable chance to receive a UDAG. It would retain such important characteristics of UDAG as its national competition and targeting on distressed cities.

Funds available for each round would be divided into two pots. Two-thirds of the funds would first be awarded according to a ranking of all fundable projects based on impaction (35 points), distress (35 points), and the improved project specific measures (35 points, including 5 bonus points). One-third of the funds would be awarded according to a ranking of the fundable projects based solely on the improved project specific measures. The 2-pot method would be implemented immediately upon enactment.

C. Drop automatic points.

Under the current project ranking procedure, virtually every project automatically gets 3 points under several categories specified in the law: impact on physical development, impact on economic conditions, timeliness, and demonstrated performance.

Under the amendment, these items would become threshold conditions rather than bases for awarding-ranking points. The Secretary would have to find that they have been met before a project would be eligible for funding.

D. Require local plan for reuse of any UDAG payback.

A city could reuse any UDAG funds that are repaid but they would have to have a plan for reinvesting those funds in job-creating activities that are consistent with the purposes of UDAG. The city would have to submit an audited report on those reinvestment activities.

E. Require study of eligibility criteria.

The HUD Secretary would study the eligibility criteria and make recommendations for improving the targeting of UDAG on distressed cities across the nation.

COMPARISON OF UDAG SELECTION POINTS

	Current	Proposed	Difference
Impaction	40	35	−5
Distress	30	35	+5
Subtotal	70	70	0
Project measures:			
A. No change in 27 points:			
Leverage	10	10	0
Jobs	6	6	0
New permanent jobs	2	2	0
Tax benefits per UDAG	1	1	0
Minority participation	1	1	0
State and local funds	1	1	0
Percent low/mod; minority; and CETA jobs	3	3	0
Other	3	3	0
B. Drop 3 automatic points:			
Demonstrated performance	1	0	−1
Timeliness	1	0	−1
Physical development	0.5	0	−0.5
Financial impact	0.5	0	−0.5
C. Add 3 points:			
Export from region	0		
Distressed neighborhoods	0	3	+3
Subtotal	30	30	0
Bonus points:			
Retained jobs; most pressing housing and employment needs	0	3	+3
Not a recent recipient	0	2	+2
Total	100	105	+5

● Mr. D'AMATO. Mr. President, I am pleased to join my distinguished colleagues as a cosponsor of this legislation that changes the selection criteria for the Urban Development Action Grant Program [UDAG], administered by the U.S. Department of Housing and Urban Development.

I am pleased to have worked with Senators Heinz, Grassley, Riegle, and Sasser to improve the project selection system for the UDAG Program. This legislation broadens the criteria for the competitive urban development action grants. I firmly believe that this bill resolves concerns raised about the current selection system and that it significantly strengthens the UDAG Program.

This program has brought economic revitalization to New York State, as well as other States. UDAG funds have been used to create and expand commercial, industrial, and neighborhood projects. These projects have brought new jobs and economic gains to many communities in our great State.

The following statistics illustrate the benefits of this program to New York.

NEW YORK STATE UDAG STATISTICS

[Dollars in millions]

	Number of UDAGS	UDAG amount	Private investment	Local taxes	New jobs
1982	43	$43	$181	$3	5,631
1983	68	84	305	5	7,702
1984	65	108	490	12	10,584

Although New York and a host of cities have produced exceptional proposals which have been funded, our cities and urban counties have not completed their revitalization efforts. Our State, and other States, must continue to have the opportunity to promote private investment and to create new jobs and taxes for the benefit of our communities. This bill will provide that opportunity for New York, as well as other States throughout the country.

The bill no longer provides points for items such as timeliness and demonstrated performance, which every project now receives. These would become a requirement for approval, making points available for other measures. This bill also improves measures of project quality, giving more recognition to the degree to which projects help relieve economic distress in distressed cities; it recognizes a project's ability to export goods or services from the local economy, a city's distressed neighborhoods, the retention of jobs, and a city's most pressing residential or employment needs are also recognized. Cities that have not received a UDAG for the past 12 or 24 months would get extra consideration.

Funds in each round would be separated into two pots: Two-thirds would first be awarded according to impaction, distress and project specific measures; one-third would be awarded among the remaining projects according to project measures alone. The Secretary of the U.S. Department of Housing and Urban Development would be required to evaluate the current standards that determine eligibility of cities to apply for UDAG's and to submit a report by March 15, 1985, with any recommendations for improvement.

The UDAG Program is intended to help revitalize cities and urban counties that have a combination of characteristics. These characteristics include aged housing, low per capita income change, high percentage of poverty, loss of population and jobs, unemployment, and designation as a labor surplus area. UDAG's encourage local goverments to work with the private sector to revitalize communities. The end result reflects the creative collaboration of both sectors.

The Urban Development Action Grant [UDAG] Program, administered by the Department of Housing and Urban Development, is a perfect example of a Federal program that helps our communities. It demonstrates that jobs can be created and that revenues can be generated to enhance the development of our communities. It is a perfect example of a great public private partnership.

I firmly believe that our communities are deserving of the Urban Development Action Grant [UDAG) Program. This bill has been endorsed by the National League of Cities, National Association of Counties, U.S. Conference of Mayors, National Association of Housing and Redevelopment Officials, National Housing Conference, National Conference for Urban Economic Development, the American Business Coalition, as well as others.

Mr. President, the Urban Development Action Grant Program, has helped create more than 479,170 new permanent jobs, 467,000 construction jobs, and has helped retain over 120,000 jobs. UDAG's have created at least $20 billion in private investments. As a result of this program, an additional $521 million has been raised in property taxes and other local taxes. UDAG's have assisted in more than 2,400 development projects in over 1,084 cities.

Mr. President, our communities must be encouraged to continue to carry out economic development activities vital for U.S. growth and prosperity. The UDAG success stories of our communities should not end. This bill gives all of our communities an opportunity to have UDAG success stories. Therefore, I urge my colleagues to join me in the speedy passage of this important legislation that will benefit our great Nation.●

By Mr. KERRY:

S.J. Res. 135. A joint resolution to designate May 11, 1986, as "Mother's Peace Day"; to the Committee on the Judiciary.

MOTHER'S PEACE DAY

Mr. KERRY. Mr. President, as every Member of this body knows, on the second Sunday of May each year, this Nation celebrates Mother's Day, in honor of the women who have given so much of their lives to their children, indeed, to all of us here.

What perhaps few of us were aware is that Mother's Day was originally called "Mother's Peace Day," by the woman who came up with the idea for a day honoring mothers—Julia Ward Howe, who wrote "The Battle Hymn of the Republic."

Mother's Day was Julia Ward Howe's original idea. By 1878, she was writing a "Mother's Day letter to friends . . . who help me celebrate this day."

But Mrs. Howe's idea was not the sending of flowers, gifts, and telegrams to mothers. Mother's Day, as she conceived it, was the day when everyone should be dedicated anew to the task of bringing about world peace.

She called the day, "Mother's Peace Day," honoring all who had lost sons in the Civil War and in other wars everywhere. She urged newspapers to publish articles stressing the means by which lasting peace could be brought about, and she wrote many such articles herself. She sent Mother's Day peace programs to women's clubs in answer to requests from all around the country.

In the early years, she held annual Mother's Day meetings in Boston. Then Mary Towles Sasseen, a Kentucky schoolteacher, took up the idea, and began conducting Mother's Day celebrations in Kentucky in 1887. Frank Hering of South Bend, IN, launched a campaign for the observance of Mother's Day in 1904.

Americans in many States continued to celebrate Mother's Peace Day early in this century. As late as 1912, the Pennsylvania Peace Society, in conjunction with the Universal Peace Union, held a celebration of Mother's Peace Day. The printed invitation to this festival read:

> Thirty-nine years ago, Julia Ward Howe instituted this festival for peace—a time for the women and children to come together; to meet in the country; invite the public, and recite, speak, sing and pray for "those things that make for peace."

Mother's Day received national recognition on May 9, 1914. On that day, President Woodrow Wilson signed a joint resolution of Congress recommending that Congress and the executive departments of the Government observe Mother's Day. The following year, the President was authorized to proclaim Mother's Day as an annual national observance.

Since that time, Mother's Day has become an important American institution, a symbol of the love, affection, and respect we each have for our mothers. But the origins of Mother's Day as a day dedicated to peace have been somewhat obscured.

Today, more than ever, we need to think about the relationship of peace to our fundamental values—to the values of nurturing and of family, to preserving our Nation and all of its possibilities for our children and their children.

In this nuclear age, it is especially important to recall the connections between mothers and their families and the universal desire for peace.

For this reason, as Mother's Day 1985 is celebrated, I am submitting to this body a resolution to make Mother's Day in 1986 a day designated as "Mother's Peace Day," as in the original idea of Julia Ward Howe.

As organizations like Women's Action for Nuclear Disarmament and others are demonstrating, the connection between mothers and peace is stronger than ever. As the article from the Boston Globe on last year's Mother's Day demonstrates, "nobody hates war more than mothers."

I ask unanimous consent that the articles on the Mother's Day peace rally printed in the May 14, 1984, and April 29, 1984, Boston Globe be published in the RECORD, as well as a copy of this joint resolution.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, May 14, 1985]

PEACE RALLY WITH MOTHERS DAY TWIST

(By Terri Minsky)

"Nobody hates war more than mothers."

So said Mary Crittendon of North Reading, who celebrated Mothers Day by bringing her 10-year-old son to a rally for nuclear disarmament at Faneuil Hall yesterday.

"You want so much for your children to have a future, and I don't want my son to grow up thinking he might not," she said. "I couldn't think of a better way to spend Mothers Day than to work at changing that."

The rally, sponsored by Women's Action for Nuclear Disarmament (WAND), was attended by 500 mothers and some mothers-to-be, their husbands and their children. Some of the women carried their children in corduroy pouches against their chests, some in knapsacks on their backs, a few made leashes for their children from balloons which read: "My Mom Votes."

The rally's speakers, among them actress Margot Kidder and Dr. Helen Caldicott, founder of WAND and the author of the newly published book, "Missile Envy," exhorted those attending to lessen the threat of nuclear war by voting President Ronald Reagan out of office. "He's a nice man," said Caldicott, "I've met him, but unfortunately he doesn't understand what he's doing."

Mothers are the ones who historically had to send their children and husbands off to war, and had to suffer the loss but be proud and brave if they died," said Jan Williams, spokeswoman for WAND. "But instead of being brave, we think mothers could work to put an end to that." This year, the nationwide group held similar rallies in 30 US cities.

Ariela Gross, the Harvard University student who thanked Reagan for a presidential scholarship by handing him a nuclear freeze petition, told the assembled group. "What young people feel about nuclear war today

is powerlessness, like it was just handed to us and we can't do anything about it."

Indeed, that sentiment was echoed by 12-year-old Sarah Richardson from Brookline, who said, "I don't really think there's anything I could do to change it or stop it. I just think about it a lot." Rollin Crittendon, Mary Crittendon's 10-year-old son, said he has plans to be a theoretical scientist, "but I will refuse to do any work on nuclear bombs. The whole thought of that kind of explosion makes me angry."

"My 8-year-old daughter asks me questions like: 'Mom, if there is a nuclear war, will we be together?' " said Margot Kidder. Other parents at the rally said their children also raised similar fears. "Hers is the first generation which is growing up with this benign acceptance that something like this could happen, and they're so scared that it just makes my heart break," said Kidder said.

[From the Boston Globe, Apr. 29, 1984]

PEACE: A MOTHER'S DAY MISSION

(By Kay Longcope)

Jan Meriwether, 37, of Everett used to spend Mother's Day with her kids—Angela, 18, Erin, 11, and Ethan, 9. "They'd cook breakfast and given me special cards they made in school and other little mementos, depending upon what they could afford."

This year, with her oldest child in college in California and the other two, through a shared custody arrangement, with their father in Canada, Meriwether has other plans. Besides, she says, "I never really liked the sort of Hallmark appeal to commercialism on Mother's Day. I don't think I'm atypical."

On Sunday, May 13, she will join other mothers who have taken steps to "reclaim the day." Meriwether, who recently joined the Arlington-based staff of Women's Action for Nuclear Disarmament (WAND), will participate in a variety of activities scheduled from 2 to 4 p.m. at Boston's Faneuil Hall and attend a Mother's Day Ball at the Park Plaza Hotel that evening.

"Using Mother's Day as an educational forum and public way to discuss environmental and political issues is far more relevant for me now than a card or box of candy," she says. "I want to help ensure that my children have a future."

This year WAND, in concert with the Women's Vote Project in Washington, D.C., and the bipartisan Massachusetts Women in Politics, is urging mothers to throw Mother's Day traditions to the winds. All women, regardless of marital or motherhood status, are being asked to join a demonstration of support for nuclear disarmament. They also are being urged to register and vote in the 1984 presidential election to influence domestic and foreign policy.

Estimates from the 1980 US census place unregistered female voters at 31 million. "In 1980, 14 million women who were registered did not vote," Meriwether said. The clout of women is important, she says, "given the fact that Reagan Administration cuts in domestic programs have been felt most strongly by women, who now head one of every three families below the poverty line."

Meriwether says that fiscal 1985 budgetary projections place military spending at "nearly 30 percent of the total budget, or $279.8 billion, while the planned expenditures on human services will be cut to $166.7 billion, or 17.7 percent of the total."

So various women's organizations have linked arms and devised such slogans as "Women Vote for Survival '84," and "Children Ask the World of Us" and "It's a Man's World *Unless Women Vote.*"

WAND is a national organization founded in 1980 by Dr. Helen Caldicott of Newton, a pediatrician and prominent nuclear disarmament activist. Since it's inception, it has orchestrated a symphony of Mother's Day activities aimed at nuclear disarmament.

VOTER REGISTRATION DRIVE

The Women's Vote Project is a coalition of 65 national organizations representing millions of American women who belong to religious, professional, civic, political and educational groups. Its major thrust is to demonstrate "womanpower" at the polls next November.

Women in Politics is a bipartisan group that, on Mother's Day, will launch a statewide voter registration campaign. according to the 1983 US census, Massachusetts, with a total of 1.3 unregistered voters, is among 17 states that have at least 500,000 unregistered women. The Commonwealth has 538,000 unregistered women, of whom 63,107 live in Boston.

Voter registration efforts of such groups as WAND are part of a national effort.

"We want to reach millions of women, especially mothers, all over the country who are concerned about life and the threat to children brought on by the continued nuclear arms race," said Meriwether, WAND's director of special projects.

"Since 1984 may be the first year that women vote in numbers that reflect their true political position in society, we are encouraging women to use their vote to 'go public' with their feelings against proliferation of the nuclear mentality. With more than 31 million unregistered women voters, WAND has decided to make voter registration a 1984 priority through the 'Women Vote for Survival '84' campaign. That is part of our life-sustaining work."

FANEUIL HALL ACTIVITIES

The activities at Faneuil Hall on Mother's Day will celebrate the lives of women who contributed to important human-rights movements over the last two centuries. Guest speakers will include Caldicott, Elsie Frank (Rep. Barney Frank's mother) and Harvard student Ariela Gross, who last year received the first Helen Caldicott Leadership Award. Gross, upon presentation of a White House scholarship by President Reagan, presented him with a petition for nuclear disarmament.

Clowns will do mime and face-painting. Women in Politics will sell "My Mom Votes" balloons while registering voters. The children's chorus from the Black Ghetto Theater/Paige Academy will sing, and Kathryn J. Woods will read some of her poetry. Woods is a member of the Underground Railroad theater group in Cambridge. Members of community theater groups in Winchester and Arlington will dramatize the lives of Jeannette Rankin, Jane Addams and Emily Greene Balch of Jamaica Plain, who received the Nobel Peace Prize in 1946. Balch was an economic professor at Wellesley College whose avocation was the pursuit of peace.

At 7 p.m. several hundred people paying $100 a head will dance to the music of Peter Duchin and his orchestra at the Mother's Day Ball at the Park Plaza Hotel. The fund-raising event is being sponsored by and will benefit Women's Action for Nuclear Disarmament and its voter registration program.

Actresses Meryl Streep and Jane Alexander, who will share this year's Helen Caldicott Leadership Award, will attend the ball. Also planning to attend is Margot Kilder, who played Lois Lane in the movie, "Superman."

Other types of events also are scheduled for May 13.

At the Newton Center for the Arts, an unusual art show will begin Friday, May 11, and run through Sunday, May 27. Called "Full Circle," the show features 46 artists (most of them from Massachusetts) who have created images of pregnancy and birth. Artists have used various media—oil, sculpture, drawing, tapestry, and collage—to portray the birth cycle.

Deborah Lisansky Beck, who is coordinating the Newton art exhibit, said that some of the artists "used pregnancy as a metaphor to illustrate creativity of adult growth and development, so it is not just birth of a particular baby but birth of the creative spirit within all of us."

Of the 46 artists selected for the exhibit, 38 are women. Art work reflects archiac fertility figures, as well as contemporary imaginative images of life on other planets and in outer space.

Beck, who is a psychiatric social worker specializing in counseling expectant couples and parents of young children, is curator of the Full Circle show. She says the theme reflects "the circle of the pregnancy process, history, the calendar year and the fertility cycle."

On Mother's Day throughout in the nation, offshoots of WAND and the Women's Vote Project will sponsor a number of other activities, all revolving around nuclear disarmament and voter registration. A "family picnic" in Cherry Hill, N.J., will feature a "race for peace," with participants designated "Americans" and "Russians." A Mother's March will be held in Sacramento, Calif., ending at Mather Air Force Base "to bring the healing energy of the home to nuclear mentality."

In Madison, Wis., a group called "Another Woman for Peace" will hold its second annual rally for peace with a silent walk to the state capitol. And again this year, Dr. Jack Meyer of Enosburg Falls, Vt., is encouraging bell ringing from noon to 1 p.m. "In each time zone around the world to declare peace."

In Denver on May 10, a Mother's Day march has been scheduled to coincide with a national "Women's Congressional Lobby Day." Voters especially mothers, are urged to visit state legislators and congressional representatives to emphasize their concern about nuclear disarmament.

In Ft. Collins, Colo., a picnic on May 13 will feature a 60-foot submarine sandwich and circulation of petitions calling for a nuclear freeze. Ft. Collins is located 40 miles from Cheyenne, home of the MX missile.

ALABAMA AND TEXAS

Mothers in Birmingham, Ala., will stage a baby buggy parade to emphasize pursuit of life. In Amarillo, Tex., site of the Pentax Co., a large contractor in the nuclear weapons industry, women will release helium-filled balloons suggesting the flow of radiation from the plant to wherever the balloons land. Other events will include letter writing parties urging congressmen to vote against increased allocation of funds for nuclear weapons.

Through Women's Action for Nuclear Disarmament, the major thrust of Mother's Day for the last three years has been to reinforce Julia Ward Howe's instigation of "a mother's day for peace." It was in 1872 that the author of the "The Battle Hymn of the

Republic" urged mothers to organize. She

Republic" urged mothers to organize. She had traveled Europe and was horrified by the Franco-Prussian War.

Howe said then that "the ultimate mothering issue is the prevention of war . . . to prevent the waste of human life of which (we) alone bear and know the cost."

S.J. Res. 135

Whereas Mother's Day was Julia Ward Howe's original idea as a day when everyone should be dedicated to the task of securing world peace;

Whereas Julia Ward Howe called Mother's Day "Mother's Peace Day", in honor of all who had lost sons in the Civil War and in other wars everywhere;

Whereas Mother's Day received national recognition on May 9, 1914, when President Woodrow Wilson signed a joint resolution of Congress recommending that Congress and the executive departments of the Government observe Mother's Day;

Whereas Mother's Day has been an annual national observance since 1914;

Whereas world peace is an urgent goal of the United States and the American people; and

Whereas a day in honor of world peace and of the special role mothers have had in seeking peace throughout human history will help bring about renewed public thinking about the important issues of peace, motherhood, and the family: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 11, 1986, is hereby designated as "Mother's Peace Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 8

At the request of Mr. Cranston, the name of the Senator from Michigan [Mr. Riegle] was added as a cosponsor of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc.

S. 49

At the request of Mr. McClure, the name of the Senator from Colorado [Mr. Armstrong] was added as a cosponsor of S. 49, a bill to protect firearm owners' constitutional rights, civil liberties, and rights to privacy.

S. 58

At the request of Mr. Danforth, the names of the Senator from South Dakota [Mr. Abdnor], and the Senator from South Carolina [Mr. Thurmond] were added as cosponsors of S. 58, a bill to amend the Internal Revenue Code of 1954 to increase research activities, to foster university research and scientific training, and to encourage the contribution of scientific equipment to institutions of higher education.

S. 206

At the request of Mr. Trible, the name of the Senator from Florida [Mrs. Hawkins] was added as a cosponsor of S. 206, a bill to amend section 5155 of the Revised Statutes.

S. 300

At the request of Mr. Grassley, the name of the Senator from Utah [Mr. Garn] was added as a cosponsor of S. 300, a bill to amend section 1951 of title 18 of the United States Code, and for other purposes.

S. 361

At the request of Mr. Moynihan, the names of the Senator from North Dakota [Mr. Andrews], the Senator from Arizona [Mr. DeConcini], the Senator from South Carolina [Mr. Thurmond], and the Senator from Oklahoma [Mr. Nickles] were added as cosponsors of S. 361, a bill to amend the Internal Revenue Code of 1954 to make permanent the deduction for charitable contributions by nonitemizers.

S. 410

At the request of Mr. Johnston, the name of the Senator from Oklahoma [Mr. Nickles] was added as a cosponsor of S. 410, a bill to repeal the Commercial and Apartment Conservation Service, and for other purposes.

S. 419

At the request of Mr. Grassley, the names of the Senator from Iowa [Mr. Harkin], and the Senator from Pennsylvania [Mr. Specter] were added as cosponsors of S. 419, a bill to amend the Internal Revenue Code of 1954 to allow a deduction for one-half of the expenses paid by a self-employed taxpayer for individual health insurance premiums.

S. 426

At the request of Mr. Wallop, the name of the Senator from Minnesota [Mr. Durenberger] was added as cosponsor of S. 426, a bill to amend the Federal Power Act to provide for more protection to electric consumers.

S. 454

At the request of Mr. Grassley, the name of the Senator from Nebraska [Mr. Zorinsky] was added as a cosponsor of S. 454, a bill to amend the Internal Revenue Code of 1954 to provide a 20-percent investment tax credit for certain soil or water conservation expenditures.

S. 502

At the request of Mr. Trible, the names of the Senator from Virginia [Mr. Warner], and the Senator from Nebraska [Mr. Zorinsky] were added as cosponsors of S. 502, a bill to amend the Federal Financing Bank Act of 1973 to assure the proper budgetary treatment of credit transactions of Federal agencies.

S. 625

At the request of Mrs. Hawkins, the name of the Senator from Utah [Mr. Garn], was added as cosponsor of S. 625, a bill to include the offenses relating to sexual exploitation of children under the provisions of RICO and authorize civil suits on behalf of victims of child pornography and prostitution.

S. 744

At the request of Mr. Cochran, the name of the Senator from California [Mr. Wilson], was added as a cosponsor of S. 744, a bill to amend the Agriculture and Food Act of 1981 to provide protection for agricultural purchasers of farm products.

S. 787

At the request of Mr. Nunn, the name of the Senator from Georgia [Mr. Mattingly], was added as cosponsor of S. 787, a bill to authorize the Secretary of the Army to accept and to operate a National Science Center for Communications and Electronics in order to enhance military training and to share technology development in the communications, electronics, and computer industries, and for other purposes.

S. 881

At the request of Mr. Kennedy, the names of the Senator from Washington [Mr. Evans], the Senator from Wisconsin [Mr. Proxmire], and the Senator from Maine [Mr. Mitchell] were added as cosponsors of S. 881, a bill to extend title X of the Public Health Service Act for 3 years.

S. 885

At the request of Mr. Kerry, the names of the Senator from Massachusetts [Mr. Kennedy], and the Senator from Michigan [Mr. Riegle] were added as cosponsors of S. 885, a bill to establish a moratorium during the fiscal years 1985 and 1986 on the testing of antisatellite weapons against objects in space.

S. 925

At the request of Mr. Humphrey, the names of the Senator from South Carolina [Mr. Hollings], and the Senator from Utah [Mr. Garn] were added as cosponsors of S. 925, a bill to deny most-favored-nation trading status to Afghanistan.

S. 944

At the request of Mr. Helms, the name of the Senator from Nebraska [Mr. Zorinsky] was added as a cosponsor of S. 944, a bill to amend title II of the Social Security Act to restrict the payment of benefits to certain aliens.

S. 980

At the request of Mr. Trible, the name of the Senator from New Jersey [Mr. Lautenberg] was added as a cosponsor of S. 980, a bill to amend title I of the Housing and Community Development Act of 1974.

S. 994

At the request of Mr. Johnston, the name of the Senator from New Jersey [Mr. Bradley] was added as a cosponsor of S. 994, a bill to facilitate the national distribution and utilization of coal.

S. 1018

At the request of Mr. Gorton, the names of the Senator from Oregon [Mr. Hatfield], and the Senator from Pennsylvania [Mr. Heinz] were added as cosponsors of S. 1018, a bill to amend the National Labor Relations Act to clarify the meaning of the term "guard" for the purpose of permitting certain labor organizations to be certified by the National Labor Relations Board as representatives of employees other than plant guards.

S. 1022

At the request of Mr. Levin, the name of the Senator from Florida [Mr. Chiles] was added as a cosponsor of S. 1022, a bill to establish intergenerational education volunteer network programs which will provide opportunities for senior citizens to work in elementary and secondary schools and in the home with educationally disadvantaged children and their families.

S. 1054

At the request of Mr. Heinz, the name of the Senator from Iowa [Mr. Grassley] was added as a cosponsor of S. 1054, a bill to amend the Age Discrimination in Employment Act of 1967 to remove the maximum age limitation applicable to employees who are protected under such Act, and for other purposes.

SENATE JOINT RESOLUTION 47

At the request of Mr. Cranston, the name of the Senator from Massachusetts [Mr. Kerry] was added as a cosponsor of Senate Joint Resolution 47, joint resolution designating the week beginning November 10, 1985, as "National Women Veterans Recognition Week."

SENATE JOINT RESOLUTION 87

At the request of Mr. Murkowski, the name of the Senator from Ohio [Mr. Glenn] was added as a cosponsor of Senate Joint Resolution 87, joint resolution to provide for the designation of July 19, 1985, as "National POW/MIA Recognition Day."

SENATE JOINT RESOLUTION 88

At the request of Mr. Levin, the name of the Senator from Nebraska [Mr. Zorinsky] was added as a cosponsor of Senate Joint Resolution 88, joint resolution to designate the week beginning September 8, 1985, as "National Osteopathic Medicine Week."

SENATE JOINT RESOLUTION 91

At the request of Mr. Humphrey, the names of the Senator from West Virginia [Mr. Byrd], the Senator from Mississippi [Mr. Cochran], the Senator from North Carolina [Mr. East], the Senator from Alabama [Mr. Heflin], and the Senator from Oklahoma [Mr. Nickles] were added as cosponsors of Senate Joint Resolution 91, joint resolution to designate March 21, 1985, as "Afghanistan Day."

SENATE JOINT RESOLUTION 107

At the request of Mrs. Hawkins, the name of the Senator from Indiana [Mr. Lugar] was added as a cosponsor of Senate Joint Resolution 107, joint resolution to designate the month of May 1985 as "Older Americans Month."

SENATE JOINT RESOLUTION 111

At the request of Mr. Dixon, the names of the Senator from Connecticut [Mr. Weicker], the Senator from Massachusetts [Mr. Kerry], and the Senator from South Carolina [Mr. Thurmond] were added as cosponsors of Senate Joint Resolution 111, joint resolution to designate the month of October 1985 as "National Spina Bifida Month."

SENATE JOINT RESOLUTION 115

At the request of Mr. Leahy, the names of the Senator from Rhode Island [Mr. Pell], the Senator from Oklahoma [Mr. Nickles], the Senator from Maine [Mr. Cohen], and the Senator from Vermont [Mr. Stafford] were added as cosponsors of Senate Joint Resolution 115, joint resolution to designate 1985 as the "Oil Heat Centennial Year."

SENATE JOINT RESOLUTION 117

At the request of Mr. Levin, the names of the Senator from South Carolina [Mr. Thurmond], and the Senator from South Carolina [Mr. Hollings] were added as cosponsors of Senate Joint Resolution 117, joint resolution designating the week beginning September 22, 1985, as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 118

At the request of Mrs. Hawkins, the name of the Senator from Nebraska [Mr. Zorinsky] was added as a cosponsor of Senate Joint Resolution 118, joint resolution to designate May 25, 1985 as "Missing Children Day."

SENATE JOINT RESOLUTION 126

At the request of Mr. Pressler, the names of the Senator from Nebraska [Mr. Exon], and the Senator from South Carolina [Mr. Thurmond] were added as cosponsors of Senate Joint Resolution 126, joint resolution to condemn Bulgarian brutality toward their Turkish minority.

SENATE CONCURRENT RESOLUTION 6

At the request of Mr. Glenn, the name of the Senator from West Virginia [Mr. Rockefeller] was added as a cosponsor of Senate Concurrent Resolution 6, a concurrent resolution expressing the sense of the Congress that the policy of separate development and the forced relocation of South African blacks to designated "homelands" is inconsistent with fundamental American values and internationally recognized principles of human rights and should be discontinued.

SENATE CONCURRENT RESOLUTION 20

At the request of Mr. Cranston, the names of the Senator from Texas [Mr. Gramm], and the Senator from Ohio [Mr. Glenn] were added as cosponsors of Senate Concurrent Resolution 20, a concurrent resolution expressing the sense of the Congress that payments by the Veterans' Administration to veterans as compensation for service-connected disabilities should remain exempt from Federal income taxation.

SENATE CONCURRENT RESOLUTION 23

At the request of Mr. Baucus, the names of the Senator from Tennessee [Mr. Gore], and the Senator from Pennsylvania [Mr. Heinz] were added as cosponsors of Senate Concurrent Resolution 23, a concurrent resolution expressing the sense of the Congress concerning the reduction of trade barriers by Japan.

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. Mattingly, the name of the Senator from Arkansas [Mr. Bumpers] was added as a cosponsor of Senate Concurrent Resolution 24, a concurrent resolution to direct the Commissioner of Social Security and the Secretary of Health and Human Services to develop a plan outlining the steps which might be taken to correct the social security benefit disparity known as the notch problem.

SENATE CONCURRENT RESOLUTION 36

At the request of Mr. Proxmire, the name of the Senator from Michigan [Mr. Levin] was added as a cosponsor of Senate Concurrent Resolution 36, a concurrent resolution expressing the sense of the Congress regarding the establishment of a joint commission between the United States and the Soviet Union to study the concept of nuclear winter and its impact for the national security of both nations.

SENATE CONCURRENT RESOLUTION 41

At the request of Mr. Baucus, the names of the Senator from Iowa [Mr. Grassley], the Senator from South Carolina [Mr. Hollings], and the Senator from Maine [Mr. Mitchell] were added as cosponsors of Senate Concurrent Resolution 41, a concurrent resolution expressing the sense of the Congress that corporate income tax rates should remain graduated.

SENATE CONCURRENT RESOLUTION 45

At the request of Mr. D'Amato, the names of the Senator from Utah [Mr. Garn], and the Senator from South Dakota [Mr. Pressler] were added as cosponsors of Senate Concurrent Resolution 45, a concurrent resolution condemning the actions of the Nicaraguan Government that hinder freedom of religion.

SENATE RESOLUTION 148

At the request of Mr. Helms, the names of the Senator from South Dakota [Mr. Abdnor], the Senator from Missouri [Mr. Danforth], the Senator from Nevada [Mr. Hecht], the Senator from Kansas [Mrs. Kassebaum], the Senator from Nevada [Mr. Laxalt], the Senator from Indiana [Mr. Lugar], the Senator from Alaska [Mr. Stevens], and the Senator from

Wyoming [Mr. WALLOP] were added as cosponsors of Senate Resolution 148, a resolution commemorating the 50th anniversary of the Rural Electrification Administration.

SENATE CONCURRENT RESOLUTION 48—RELATING TO THE DEATH OF PRESIDENT-ELECT TANCREDO NEVES OF BRAZIL

Mr. HART (for himself and Mr. ZORINSKY) submitted the following concurrent resolution; which was considered and agreed to:

S. CON RES. 48

Whereas, after twenty years of military rule, Brazil returned to democracy with the election of Tancredo Neves;

Whereas tens of millions of Brazilians peacefully and freely voted for candidates of their choice for their nation's highest offices;

Whereas it should be the policy of the United States to support democratic institutions in Latin America and elsewhere and the right to peaceful opposition and basic human rights;

Whereas President-elect Neves courageously devoted his last measure of strength to uniting his country while suffering from a fatal illness;

Whereas the death of President Neves has saddened all Brazilians and well-wishers for Brazil's return to democracy;

Whereas Brazil strengthened its commitment to democratic structures by rapidly and peacefully dealing with the necessary transition of power;

Whereas Vice President Jose Sarney has succeeded President-elect Neves in office and pledges to continue his democratic policies; and

Whereas the Brazilian nation has united to support a calm and expeditious transition: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States—

(1) extends its deepest and most sincere condolences to the people of Brazil and to the family of President Neves;

(2) sends its best wishes to President Jose Sarney for the success of his term in office;

(3) forwards its congratulations to the people of Brazil for their country's return to democracy and its handling of the presidential succession after the tragic death of President Neves; and

(4) expresses its hope that the long historical bonds and cooperation between Brazil and the United States be further developed and strengthened in the coming years.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the Secretary of State for transmittal to President Jose Sarney of Brazil.

SENATE RESOLUTION 161—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. LUGAR, from the Committee on Foreign Relations, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 161

Resolved, That, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1132, a bill authorizing supplemental appropriations for the Arms Control and Disarmament Agency for fiscal year 1985 and authorizing appropriations for fiscal years 1986 and 1987. Such waiver is necessary to provide authority to spend $4,321,000 by the Agency in fiscal year 1985 to support the arms control negotiations between the United States and the Soviet Union now taking place in Geneva, Switzerland. At the time the Committee reported the legislation authorizing appropriations for the Agency for fiscal year 1985 the negotiations in Geneva had not been agreed to.

AMENDMENTS SUBMITTED

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT

PROXMIRE AMENDMENT NOS. 97 AND 98

(Ordered to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes; as follows:

AMENDMENT NO. 97

On page 64, between lines 16 and 17, insert the following:

PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE IN KAMPUCHEA

SEC. 914. (a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Kampuchea or elsewhere in Indochina.

(b) All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated and shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Kampuchean people.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

AMENDMENT NO. 98

On page 64, between lines 16 and 17, insert the following new section:

POLICY OF CONGRESS REGARDING THE ESTABLISHMENT OF A JOINT COMMISSION OF THE UNITED STATES AND THE SOVIET UNION TO STUDY THE CONSEQUENCES OF NUCLEAR WINTER

SEC. 914. It is the sense of the Congress that the President should propose to the Government of the Soviet Union during any arms control talks held with such Government—

(1) that the United States and the Soviet Union establish a joint commission to study the atmospheric, climatic, environmental, and biological consequences of nuclear explosions, sometimes known as "nuclear winter", and the impact that nuclear winter would have on the national security of both nations;

(2) that the work of such joint commission include the sharing and exchange of information and findings on the nuclear winter phenomena and the conduct of joint research projects that would benefit both nations; and

(3) that at some time after the establishment of the joint commission the other nuclear weapon nations—the United Kingdom, France, and the People's Republic of China—be involved in the work of the joint commission.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

PUBLIC BUILDINGS ACT AMENDMENTS

STAFFORD AMENDMENT NO. 99

Mr. STAFFORD proposed an amendment to the bill (S. 709) to amend the Public Buildings Act of 1959 and for other purposes; as follows:

On page 2, between lines 12 and 13, insert the following:

(c) The amendments made by subsections (a) and (b) shall take effect on the day on which the individual holding the office of Commissioner of the Public Buildings Service of the General Services Administration on the date of enactment of this Act ceases to hold such office.

UNIFORM PRODUCT LIABILITY ACT

GORTON AMENDMENT NO. 100

(Ordered to be referred to the Committee on Commerce, Science, and Transportation.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill (S. 100) to regulate interstate commerce by providing for a uniform product liability law, and for other purposes; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

TITLE I

SHORT TITLE

SEC. 101. This Act may be cited as the "Product Liability and Compensation Act".

DEFINITIONS

SEC. 102. As used in this Act—

(1) "allowable expense" means reasonable expenses incurred for products, services, and accommodations reasonably needed for medical care, and other remedial treatment and care of a person harmed by a product, including reasonable expenses for rehabilitation treatment and occupational training;

(2) "claimant" means any person who brings a product liability action under title II of this Act or who makes a claim under title III of this Act, and if such an action or claim is brought through or on behalf of an estate, the term includes the claimant's decedent, or if such an action or claim is brought through or on behalf of a minor, the term includes the minor's parent or guardian;

(3) "collateral benefits" means all benefits and advantages received or entitled to be received (regardless of any right any other person has or is entitled to assert for recoupment through subrogation, trust agreement, lien, or otherwise) by any person harmed or by any other person as reimbursement of loss because of harm to person or property payable or required to be paid, under—

(A) any Federal law or the laws of any State (other than through a claim for breach of an obligation or duty); or

(B) any life, health or accident insurance or plan, wage or salary continuation plan, or disability income or replacement service insurance or any benefit received or to be received as a result of participation in any pre-paid medical plan or Health Maintenance Organization;

except that "collateral benefits" payable with respect to harm for which a claim is brought under title II of this Act shall have the meaning given to such term under applicable State law;

(4) "commerce" means trade, traffic, commerce, or transportation (A) among the several States, between any foreign country or any territory or possession and any State or between points in the same State but through any other State or a foreign country; of (B) which affects trade, traffic, commerce or transportation described in clause (A);

(5) "compensation benefits" means the claimant's damages, less collateral benefits, which have been received by the claimant, together with reasonable attorney's fees, at such attorney's usual hourly rate or at the prevailing hourly rate for attorneys in the community in which such attorney has the attorney's principal practice, whichever is lower, for the actual hours spent by such attorney in the preparation of the claimant's claim;

(6) "damages" means (A) for the purposes of title II of this Act, damages as allowed by the law of the State in which an action is maintained; and (B) for the purposes of title III of this Act, damages for economic loss consisting only of—

(i) allowable expenses;

(ii) work loss;

(iii) replacement services loss;

(iv) property damage; and

(v) medical monitoring and preventative care;

(7) "harm" means (A) physical damage to property other than the product itself; (B) personal physical illness, injury, or death of the claimant or an increase in the likelihood of illness, injury, or death for the claimant; (C) mental or emotional harm of the claimant; or (D) any harm recognized under the law of the State in which the action is maintained, other than loss or damage caused to a product itself or commercial loss with respect to which recovery is available under the commercial or contract law of the State;

(8) "manufacturer" means (A) any person who is engaged in a business to design or formulate or to produce, create, make, assemble or construct any product (or component part of a product); (B) a product seller with respect to all aspects of a product (or component part thereof) which are created or affected when, before placing the product in the stream of commerce, the product seller designs or formulates, or produces, creates, makes, assembles or constructs an aspect of a product (or component part thereof) made by another; and (C) any product seller not described in clause (B) which holds itself out as a manufacturer to the user or consumer of the product;

(9) "medical monitoring and preventative care" means any reasonable medical monitoring, including an increase in the number of routine medical examinations, and any reasonably needed preventative care which is generally accepted as appropriate to decrease the risk of illness, injury or death to a person as a result of the use of, or exposure to, a product, or which is generally accepted as appropriate for early detection of an illness or injury which is more likely to occur because of the use of, or exposure to, a product;

(10) "product" means any object, substance, mixture or raw material in a gaseous, liquid or solid state which is capable of delivery itself, or as an assembled whole in a mixed or combined state or as a component part or ingredient, which is produced for introduction into trade or commerce, which has intrinsic economic value, and which is intended for sale or lease to persons for commercial or personal use; "product" does not include (A) for the purposes of title II of this Act, human tissue, blood, or organs unless specifically recognized as a product pursuant to State law; (B) a product used in the course of any trade or business which has been discarded, abandoned, or disposed of by such trade or business, unless such product is one which is customarily produced or distributed for sale, consumption or use, or is customarily stored by individuals, in or about an office or the household;

(11) "product seller" means a person who, in the course of a business conducted for that purpose, sells, distributes, leases, labels, or markets, or repairs or maintains (to the extent such repair or maintenance is alleged to have caused or contributed to any harm), or otherwise is directly involved in placing a product in the stream of commerce; "product seller" does not include—

(A) a seller of real property other than a builder or contractor;

(B) a provider of professional services in any case in which the sale or use of a product is incidental to the transaction and the essence of the transaction is the furnishing of judgment or skill; or

(C) any person who acts in only a financial capacity with respect to the sale or lease of a product;

(12) "product user" means any person who owns, leases, operates, uses, or has control of a product;

(13) "property damage" means damage to any person's property which was proximately caused by the product, without regard to whether the person was harmed;

(14) "replacement services loss" means reasonable expenses incurred in obtaining ordinary and necessary services in lieu of those the harmed person would have performed, not for income but for the benefit of the person or the person's family or dependents, if the person had not been harmed;

(15) "sale" means any change in ownership of a product, any intentional relinquishment of control of a product, and any lease of a product; "sale" includes any temporary transfer of control of a product in contemplation of the sale or lease of the product;

(16) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States, or any political subdivision of any State; and

(17) "work loss" means all lost income from work the harmed individual would have performed if the individual had not been harmed, reduced by any income from substitute work actually performed by the individual or by income the individual would have earned in available appropriate substitute work the individual was capable of performing but unreasonably failed to undertake; "work loss" does not include that portion of such income which would otherwise have been paid to the Federal Government or to a State or local government as a tax on such income; damages for anticipated work loss shall be determined in accordance with generally recognized actuarial principles and projections, including any appropriate adjustment for inflation.

PREEMPTION OF OTHER LAWS

SEC. 103. (a) This Act governs any civil action brought against a manufacturer or seller for harm caused by a product, including any action which before the effective date of this Act would have been based on: (1) strict or absolute liability in tort; (2) negligence or gross negligence; (3) breach of express or implied warranty; (4) failure to discharge a duty to warn or instruct; or (5) any other theory that is the basis for an award for damages for harm caused by a product.

(b) A civil action for loss or damage caused to a product itself or for commercial loss with respect to which recovery is available under the commercial or contract law of the State is not a product liability action, and shall be governed by applicable commercial or contract law.

(c)(1) This Act supersedes any State law regarding recovery for any harm caused by a product to the extent that this Act establishes a rule of law applicable to any action for such recovery. Any issue arising under title II of this Act that is not governed by any such rule of law shall be governed by applicable State law. This Act shall not be construed to waive or affect any defense of sovereign immunity asserted by any State under any provision of law.

(2) Nothing in this Act shall be construed to supersede any Federal law, except the Federal Employees Compensation Act.

(3) Nothing in this Act shall be construed to waive or affect any defense of sovereign immunity asserted by the United States.

(4) Nothing in this Act shall be construed to affect the applicability of any provision of the Foreign Sovereign Immunities Act of 1976 (28 U.S.C. 1602 et seq.).

DUTY TO INFORM

SEC. 104. (a) When a potential claimant enters into an attorney-client relationship with any attorney or contacts any manufacturer or product seller with respect to harm caused by a product, such attorney, manufacturer or product seller must inform such claimant, in writing and in a clear and comprehensible manner, of his or her rights under titles II and III of this Act.

(b) The Attorney General shall, within 90 days of the effective date of this Act, promulgate model forms which, if provided by any attorney, manufacturer or product seller to a claimant, will discharge the duty imposed by subsection (a) of this section.

(c) Any person who intentionally or negli-

or claim within 1 year after the effective

(B) The panel shall give notice to the par-

(c) Any person who intentionally or negligently fails to discharge the duty imposed by subsection (a) to this section shall be liable to the claimant for a total amount consisting of any compensation benefits to which such claimant would have been entitled pursuant to title III of this Act, together with any reasonable attorney's fees and costs incurred as a result of the failure to discharge such duty, and an additional amount not to exceed the amount of any damages or compensation benefits actually awarded to the claimant pursuant to this section or titles II or III of this Act.

(d) No award shall be made to any person pursuant to subsection (c) of this section if such person was aware of his or her rights under the Act and acted in bad faith in failing to pursue an action or claim under this Act.

(e) Any action brought pursuant to this section may be brought in any State court or district court of the United States which would otherwise have jurisdiction over any action under title II of this Act or claim under title III of this Act. An action brought pursuant to this section must be served and filed within one year from the time the claimant discovered, or in the exercise of reasonable diligence, should have discovered that the claimant's rights to recover under this Act had been impaired by the failure of an attorney, manufacturer or product seller to comply with subsection (a) of this section.

(f) In any action commenced under title II or III of this Act, a copy of any notice required by subsection (a) of this section and supplied by the attorney shall be attached to the plaintiff's complaint, together with an affidavit of service of such notice. A copy of any such notice supplied to the claimant by the defendant shall be attached to the defendant's answer, together with an affidavit of service of such notice.

ADMISSIBILITY OF CERTAIN EVIDENCE

SEC. 105. Evidence that a manufacturer or product seller has admitted liability, expressly or impliedly, to a claimant for harm caused by a product in the course of—

(1) making a payment under section 304 of this Act,

(2) rejecting a claim for compensation benefits under section 304 of this Act, or

(3) making a final offer of settlement under section 309 of this Act,

shall not be admissible in any other action brought under title II or III of this Act.

SEPARABILITY CLAUSE

SEC. 106. If any provision of this Act or the application of it to any person or circumstance is held invalid, the remainder of this Act and the application of the provision to any other person or circumstance shall not be affected by that invalidation.

EFFECTIVE DATE

SEC. 107. (a) This Act shall be effective 90 days after the date of its enactment. In accordance with sections 207 and 303 of this Act, this Act shall apply to all product liability actions or claims commenced or brought on or after that date, regardless of whether the conduct which caused the harm, or the exposure to the product which caused the harm, occurred before the effective date.

(b) If any provision of this Act would shorten the period during which a manufacturer or seller is exposed to liability under this Act, the claimant may, notwithstanding the otherwise applicable time period in section 207 or 303 of this Act, bring such action or claim within 1 year after the effective date of this Act.

TITLE II

PRODUCT LIABILITY ACTION

SEC. 201. Any claimant may bring a product liability action for damages against a product manufacturer or seller for harm caused by such product pursuant to applicable State law, except to the extent such law is superseded by this title.

JURISDICTION

SEC. 202. The district courts of the United States shall not have jurisdiction over any civil action subject to the provisions of this title, based on sections 1331, 1332 or 1337 of title 28, United States Code. The district courts of the United States shall have jurisdiction over any civil action with respect to which a motion and removal petition are filed in accordance with section 203 of this Act.

REMOVAL OF ACTIONS

SEC. 203. (a) A civil action brought in any State court which is subject to the provisions of this title may not be removed to any district court of the United States, except by motion and petition of a party in accordance with subsection (b) of this section.

(b)(1) When product liability actions involving one or more common questions of fact are pending in different States, such actions may be transferred to any district court of the United States for coordinated or consolidated pretrial or trial (or both) proceedings. Such transfers shall be made by the judicial panel on multidistrict litigation authorized by section 1407 of title 28, United States Code, upon its determination that transfers for such proceedings will be for the convenience of parties and witnesses and will promote the just and efficient conduct of such actions. Each such transferred action shall be remanded by the panel at or before the conclusion of such pretrial or trial proceedings to the State from which it was transferred, unless it shall have been previously terminated, except that the panel may separate any claim, cross-claim, counter-claim, or third-party claim and remand any of such claims before the remainder of the action is remanded.

(2)(A) Such coordinated or consolidated pretrial or trial proceedings shall be conducted by a judge or judges to whom such actions are assigned by the judicial panel on multidistrict litigation. For this purpose, upon request of the panel, a circuit judge or a district judge may be designated and assigned temporarily for service in the transferee district by the Chief Justice of the United States or the chief judge of the circuit, as may be required, in accordance with the provisions of chapter 13 of title 28, United States Code.

(B) In any case coordinated or consolidated for trial under this subsection, the State law to be applied to the action (except as otherwise specifically provided in this title) is the law of the State in which is located the district court of the United States to which such action was transferred.

(3)(A) Proceedings for the transfer of an action under this section may be initiated by motion filed with the panel by a party in any action in which transfer for coordinated or consolidated pretrial or trial proceedings under this section may be appropriate. A copy of such motion, together with a petition for removal, shall be filed in the district court of the United States for the district in which the moving party's State action is pending.

(B) The panel shall give notice to the parties in all actions in which transfers for coordinated or consolidated pretrial or trial proceedings are contemplated, and such notice shall specify the time and place of any hearing to determine whether such transfer shall be made. Orders of the panel to set a hearing and other orders of the panel issued prior to the order either directing or denying transfer shall be filed in the office of the clerk of the district court in which a transfer hearing is to be held or has been held. The panel's order of transfer shall be based upon a record of such hearing at which material evidence may be offered by any party to an action pending in any district or State court that would be affected by the proceedings under this subsection, and shall be supported by findings of fact and conclusions of law based upon such record.

(C) Orders of transfer and such other orders as the panel may make thereafter shall be filed in the office of the clerk of the district court of the transferee district and shall be effective when so filed. The clerk of the transferee district court shall immediately transmit a certified copy of the panel's order to transfer to the clerk of the State court in which the action was originally maintained and the district court from which the action is being transferred. An order denying transfer shall be filed in the State court from which the case was removed and the district court to which the case was removed.

(c) As used in this section, "State court" does not include a court in which questions of fact are subject to review de novo.

JURISDICTION AND VENUE

SEC. 204. (a) Under this title, a civil action may be brought in a State court in the State in which the defendant resides or has its principal place of business, in which the harm which is the subject of the action occurred, in which the product was sold to the plaintiff, or in which the plaintiff resides if the defendent is doing business in that State. For the purposes of this section, harm which is incurred due to prolonged or repeated exposure to a product or which remains latent for a period following exposure to the product is presumed to occur in any State in which any such exposure occurred or in which the claimant resided during such latent period.

(b) The summons and complaint in such an action shall be served as provided by the law of the State in which the action is brought, except that the delivery of the summons and complaint to the defendant or the defendant's agent as required by the law of such State may be made by certified mail beyond the territorial limits of the State in which the action is brought.

FORUM NON CONVENIENS

SEC. 205. Any court in which an action is commenced under this title may decline to exercise jurisdiction over ther claim if the court determines that the convenience of the parties and the interests of justice dictate that the action should proceed in another State or foreign jurisdiction.

CHOICE OF LAW

SEC. 206. In any civil action subject to the provisions of this title, the law to be applied to the action, except as otherwise specifically provided in this title, is the law of the State in which the action is maintained, except that no State law regarding the choice-of-law shall apply.

LIMITATION OF ACTIONS

SEC. 207. Notwithstanding the law of any State, a civil action subject to the provisions of this title shall be barred unless the complaint is served and filed within 3 years of the time in which the claimant discovered or, in the exercise of reasonable diligence, should have discovered the harm and its cause, except that any such action of a person under legal disability may be commenced within 3 years after the disability ceases. If the commencement of such an action is stayed or enjoined, the running of the statute of limitations under this section shall be suspended for the period of the stay or injunction.

LIMITATION ON DAMAGES

SEC. 208. In any action subject to the provision of this title, and notwithstanding the law of any State, no punitive damages and no damages to compensate for non-economic loss may be awarded in an action with respect to which liability for a defect in design or a failure to warn or instruct is established on a theory of strict or absolute liability, breach of implied warranty, failure to meet consumer expectations (unless such failure constitutes negligence) or any other theory which is based on the condition of the product without regard to the fault of the defendant.

JOINT AND SEVERAL LIABILITY

SEC. 209. (a) If more than one person is liable to a claimant on an indivisible claim for the same harm, the liability of such persons shall be joint and several.

(b) A right of contribution exists between or among two or more persons who are jointly and severally liable upon the same indivisable claim for the same harm, without regard to whether judgment has been recovered against all or any of such persons. Such right of contribution may be enforced either in the original action or by a separate action brought for that purpose. The basis for contribution among such liable persons is the comparative fault of each such person, except that the court may determine that two or more persons are to be treated as a single person for purposes of contribution.

(c) If the comparative responsibility of the parties jointly responsible for the same harm to the claimant has been established by the court in the original action, and one or more of the parties is not liable in contribution as a matter of law, any party liable to the claimant for a sum in addition to its percentage of responsibility pursuant to subsection (a) of this section may have such additional sum reduced by an amount equal to any collateral benefits which have been received by the claimant.

SUBSEQUENT REMEDIAL MEASURES

SEC. 210. Evidence of measures taken after an event, which if taken previously would have made the event less likely to occur, is not admissible to prove liability in any action subject to this title, in connection with the event. This section does not require the exclusion of evidence of subsequent measures when offered for another purpose, such as proving ownership, control, or feasibility of precautionary measures, if controverted, or impeachment.

ACTIONS AGAINST PRODUCT SELLERS

SEC. 211. (a) Except as provided in subsection (b) of this section, a product seller, other than a manufacturer, is not liable to the claimant where—

(1) the product is expected to and does reach the user or consumer without material change in the condition in which it left the control of the manufacturer; and

(2) any warnings or instructions about the product or its use made by the manufacturer were supplied by the product seller to the user or consumer.

(b) A product seller, other than a manufacturer, shall have the liability of a manufacturer to the claimant if—

(1) no solvent manufacturer who would be liable to the claimant is subject to service of process under the laws of any State in which such action may be maintained;

(2) the court determines that it is highly probable that the claimant would be unable to enforce a judgment against any manufacturer;

(3) the product seller is a controlled subsidiary of the manufacturer;

(4) the product seller provided the plans or specifications for the manufacture or preparation of the product and such plans or specifications were a proximate cause of the defect in the product; or

(5) the product was marketed under a trade name or brand name of the product seller.

(c) In any action in which a product seller is a defendant and asserts as a defense to the action that none of the factors set forth in subsections (a) and (b) of this section is applicable, the court may, based on the likelihood of the defendant prevailing on that defense, bifurcate and seriate any pretrial proceedings, including discovery, or the trial, or both, on the issues of liability or damages between the product seller and any other defendant.

TIME LIMITATION ON LIABILITY

SEC. 212. (a) Except as provided in subsection (b) of this section, a manufacturer or seller shall not be subject to liability to a claimant for harm caused by a product in any action subject to the provisions of this title if the manufacturer proves, by a preponderance of the evidence, that the harm was caused after the product's useful safe life.

(b) A manufacturer or product seller may be subject to liability for harm caused by a product after its useful safe life if—

(1) the manufacturer has warranted that the product can be utilized safely for a time longer than the useful safe life;

(2) the manufacturer intentionally misrepresents facts about the product or intentionally conceals information about the product and that concealment was the proximate cause of claimant's harm; or

(3) the harm was caused by exposure to a product, which exposure first occurred within the useful safe life of the product, even though the harm did not manifest itself until after the useful safe life.

(c)(1) In any action brought under this title, there is a presumption that the harm was caused after the useful safe life of the product—

(A) if, in the case of a capital good, the harm was caused more than 25 years after the time of delivery of the product; and

(B) if, in the case of a product which is not a capital good, the harm was caused more than 12 years after the time of delivery of the product.

Such presumption may be rebutted by a preponderance of the evidence.

(2) As used in this subsection, "capital good" means any product, other than a motor vehicle, or a vessel, aircraft, or railroad used primarily to transport passengers, or any component of any such product, if it is also of a character subject to allowance for depreciation under the Internal Revenue Code of 1954, and was—

(A) used in a trade or business;

(B) held for the production of income; or

(C) sold or donated to a governmental or private entity for the production of goods, for training, for demonstration, or other similar purposes.

(d) As used in this section—

(1) "time of delivery" means the time when a product is delivered to its first purchaser or lessee who was not involved in the business of manufacturing or selling such product or using it as a component part of another product to be sold; and

(2) a product's "useful safe life" begins at the time of the first use of the product following delivery and extends for the time during which the product would normally be likely to perform or be stored, or both, in a safe manner.

RECOVERY OF COMPENSATION BENEFITS IN STATE COURT

SEC. 213. (a) In any action brought subject to the provisions of this title in which the claimant alleges a defect in the design of a product or a failure to warn or instruct about a product or its use and in which the trier of fact finds that the claimant is not entitled to damages under applicable State law but would have been entitled to compensation benefits from the defendant had the claimant brought a claim pursuant to title III of this Act, the court shall enter judgment in favor of the claimant for the amount of compensation benefits (as determined by the trier of fact), except that such benefits shall not include any amount allocable to the attorney's fees and costs incurred in preparation for or during, trial.

(b) In any action brought under this title in which the claimant alleges a defect in the design of a product or a failure to warn or instruct about a product or its use and in which (before taking evidence from the defendant) the court, with respect to each cause of action not subject to the limitations in section 208 of this title, grants to the defendant a judgment on the pleadings, summary judgment, or a directed verdict, the claimant shall pay the reasonable attorney's fees and costs of the defendant in an amount not to exceed one-half of any recovery by the claimant under State law or under subsection (a) of this section. If no recovery by the claimant is permitted pursuant to State law or pursuant to subsection (a) of this section, the claimant shall pay all of the defendant's reasonable attorney's fees and costs.

(c) The court shall decline to assess attorney's fees and costs and shall reduce the amount of attorney's fees and costs for which a claimant is liable pursuant to subsection (b) of this section if the court determines that the presentation of the claimant's case was in good faith and presented an unsettled or novel but credible question of law.

TITLE III

PRODUCT LIABILITY COMPENSATION CLAIM

SEC. 301. (a) Any claimant who does not bring a product liability action under title II of this Act may file a claim in accordance with this title. The election to bring a civil action under title II of this Act, to accept compensation benefits tendered in accordance with this title, or to bring a civil action under this title shall be binding on the claimant. The remedy afforded by such binding election by the claimant shall constitute the claimant's exclusive remedy under this Act for harm which is the subject of such claim and which is caused by the product.

(b)(1) A claimant may bring a claim against a manufacturer or seller pursuant to this title prior to the receipt by the claimant of any collateral benefits or the determination of the amount of any collateral benefits to which the claimant is entitled.

(2) An election to proceed under this title prior to such receipt or determination operates as an assignment to the manufacturer or seller of any cause of action relating to such benefits. The claimant shall cooperate with any such manufacturer or seller in the collection of payment of such benefits.

(3) A manufacturer or product seller to whom such a cause of action has been assigned shall be entitled to retain from amounts received as a result of such assignment the compensation benefits paid to or on behalf of the claimant, together with any expenses incurred in recovering such payment. After such payment to the manufacturer or product seller, any remaining balance of compensation benefits shall be paid to the claimant.

DUTY OF MANUFACTURER AND PRODUCT SELLER

SEC. 302. (a) For the purposes of this title, a manufacturer who manufactures or a product seller who sells any product in a condition unreasonably dangerous to a user or consumer of the product or to a bystander, to the property of a user, consumer or bystander, is liable for compensation benefits for harm caused by the product to such user or consumer, property, or bystander if the product is expected to and does reach such user or consumer without material change in the condition in which it left the control of the manufacturer or product seller, or in which it was sold. This subsection applies even if—

(1) the manufacturer or product seller has exercised all possible care in the preparation or sale of the product;

(2) such user or consumer has not brought the product from or entered into any contractual relation with the manufacturer or product seller; or

(3) the product is one which is unavoidably unsafe.

(b) For the purpose of this title, a manufacturer who manufactures or a product seller who sells any product who has not provided adquate warnings or instructions about the product or its use and thereby renders the product unreasonably dangerous to a user or consumer of the product or to a bystander, or to the property of a user, consumer or bystander, is liable for compensaton benefits for harm caused by the product to such user or consumer, property, or bystander if the product is expected to and does reach such user or consumer without material change in the condition in which it left the control of the manufacturer or product seller or in which it was sold. This subsection applies even if—

(1) the manufacturer or product seller has exercised all possible care in providing warnings or instructions with respect to the product or its use;

(2) such user or consumer has not brought the product from or entered into any contractual relation with the manufacturer or product seller;

(3) the product is one which is unavoidably unsafe; or

(4) prior to the occurrence of such harm, the manufacturer or product seller could not have known about the potential of the product to cause the harm.

(c)(1) As used in this section, "unavoidably unsafe" has the meaning given to such term in Comment K to s402A of the Restatement of the Law of Torts Second, American Law Institute (1966), except that a product may be unreasonably dangerous to a user, consumer or bystander, notwithstanding the fact that such product is not unreasonably dangerous to the general public.

(2) For the purposes of this section, a product is not unreasonably dangerous to a user of the product if such user or consumer—

(A) was aware of the danger and the magnitude of the harm which could result from such danger; and

(B) despite such awareness, voluntarily and unreasonably proceeded to encounter such danger.

LIMITATION OF CLAIM

SEC. 303. A claim brought against a product manufacturer or seller pursuant to this title shall be barred unless notice in accordance with section 304 of this title is served on the manufacturer or product seller within three years of the time in which the claimant discovered or, in the exercise of reasonable diligence, should have discovered the harm and its cause. This section shall not bar a claim against a product seller in accordance with section 311 of this title if the notice required by section 304 of this title is served on such subject seller within four years of the time in which the claimant discovered or, in the exercise of reasonable diligence, should have discovered, the harm and its cause, if a claim against the manufacturer had been brought within the three year limitation specified in this section.

OBLIGATION TO PAY COMPENSATION BENEFITS

SEC. 304. (a)(1) A manufacturer or product seller who is liable to any claimant pursuant to section 302 of this title shall pay to that claimant compensation benefits in accordance with subsection (b) of this section within 60 days of submission by the claimant, or the claimant's authorized representative, of a claim consisting of notice that the claimant is (A) bringing a claim pursuant to this section, or (B) seeking only recovery for otherwise uncompensated economic loss, and reasonable proof of the fact of harm, a description of the circumstances under which the harm occurred, and amount of compensation benefits sought by the claimant.

(2) If compensation benefits are not paid on a timely basis under paragraph (1) of this subsection, a claimant entitled to such benefits shall be entitled to receive interest on the unpaid amount of such benefits at a rate equal to the coupon issue yield equivalent (as determined by the Secretary of the Treasury) of the average accepted auction price for the last auction of 52-week United States Treasury bills settled immediately prior to the expiration of the 60-day period established by this subsection.

(3) Payment of compensation benefits by a manufacturer or product seller pursuant to this section and acceptance of such benefits by the claimant shall discharge the manufacturer or product seller from any further liability to the claimant with respect to such harm, except to the extent that such a payment includes an obligation to pay benefits at a future time.

(b) An obligation to pay compensation benefits may be satisfied by—

(1) the payment of benefits previously accrued and an enforceable promise to pay future benefits as they accrue;

(2) an agreement to pay benefits by means of an annuity; or

(3) payment of a lump sum.

No such compromise and release shall be made if the claimant is not represented by counsel and the claim has a current value of damages, in excess of $5,000 unless, upon petition, a court which would otherwise have jurisdiction over the matter determines that the settlement is fair to the claimant.

(c) A manufacturer or product seller who disputes only that portion of the compensation benefits sought by the claimant which reflect the claimant's attorney's fees may, for the purposes of avoiding any penalty imposed by this title for failure to pay compensation benefits on a timely basis, pay such undisputed benefits directly to the claimant or to such claimant's attorney, in trust. Payment of such benefits to the claimant or attorney shall discharge the manufacturer or product seller for liability to the claimant for the claimant's damages and the provisions of this title shall apply to the remainder of the claim which reflect the claimant's attorney's fees.

(d) A manufacturer or product seller who rejects a claim for compensation benefits shall give to the claimant, within 60 days of submission of notice of such claim, written notice of the rejection and the reasons for such rejection.

(e) As used in this section, "harm" is that harm of which a claimant is aware or, in the exercise of reasonable diligence, should have been aware at the time a claim is made under this subsection.

PAYMENT OF COMPENSATION BENEFITS

SEC. 305. (a) Compensation benefits may be paid under section 304 of this title either to the claimant or, upon agreement by the claimant and the manufacturer or seller, to the person supplying the products, services, or accommodations to the claimant.

(b)(1) Except as otherwise provided in this subsection, compensation benefits shall be paid without deduction or setoff.

(2) Except as provided in section 301(b) of this title, an assignment or an agreement to assign any right to compensation benefits under this title for damages accruing in the future is unenforceable, except as to benefits for—

(A) work loss to secure payment of alimony, maintenance, or child support; or

(B) allowable expenses to the extent the benefits are for the cost of products, services, or accommodations provided or to be provided to the claimant.

(3)(A) Compensation benefits for allowable expenses are exempt from garnishment, attachment, execution, and any other process or claim, except upon a claim of a creditor who has provided products, services, or accommodations to the extend benefits are for allowable expense for those products, services, or accommodations.

(B) Compensation benefits other than those for allowable expense are exempt from garnishment, attachment, execution, and any other process or claim to the extent that wages or earnings are exempt under any applicable law exempting wages or earnings from process or claims.

(c)(1) A manufacturer or product seller who has paid compensation benefits under section 304 of this title may bring an action against a person to recover compensation benefits paid because of an intentional misrepresentation of a material fact by that person upon which the manufacturer or product seller relied. Such an action may not be brought against the claimant unless the claimant made or knew of the making of the misrepresentation. Any such action may only be brought in the district court of the

United States for the district in which the defendant resides or in which the claimant's harm occurred, and must be served and filed within one year of the date that the manufacturer or seller discovered or, in the exercise of reasonable diligence, should have discovered such misrepresentation.

(2) If a manufacturer or product seller prevails in an action under paragraph (1) of this subsection, the manufacturer or product seller may offset amounts it is entitled to recover as a result of such action against any compensation benefits otherwise due to such person. A manufacturer or product seller who prevails in an action under paragraph (1) of this subsection may receive interest on the amount the manufacturer or product seller is entitled to recover as a result of such action at the rate specified in section 304(a)(2) of this title, calculated from the date of payment of such compensation benefits, together with reasonable attorney's fees and costs.

DUTY TO DISCLOSE INFORMATION

SEC. 306. (a) To the extent permitted by any Federal or State law, and upon request of a claimant or a manufacturer or product seller, information relevant to payment of compensation benefits shall be disclosed as follows:

(1) The claimant shall furnish evidence of the claimant's earnings, if the claimant is self-employed.

(2) Any employer of the claimant shall furnish a statement of the relevant work record and earnings of the claimant who is or was an employee of the employer, for the period specified by the person making the request, which may include a reasonable period before, and the entire period after, the harm was incurred.

(3) The claimant shall, upon request, deliver to the manufacturer or product seller a copy of every written report made before or after the date of request which is available to the claimant and is not otherwise available to the person making the request, concerning any medical treatment or examination of the claimant. The claimant shall, upon request, deliver to the manufacturer and product seller the names and addresses of all physicians, hospitals and other persons and entities examining, diagnosing, treating, or providing accommodations to the claimant in regard to the harm or to a relevant past harm. The claimant shall authorize the person making such request to inspect and copy all relevant records made by such persons and entities.

(b) Any person (other than the claimant or a manufacturer or product seller) providing information under this subsection may charge the person making the request for information a reasonable charge for providing such information.

(c) If any person required to deliver information pursuant to subsection (a) of this section fails to deliver such information, the person who made the request for such information may petition any district court of the United States which would have jurisdiction over any action brought pursuant to section 308 of this title for an order requiring such delivery. The court shall impose such sanctions on the person failing to deliver the information as are appropriate and may lengthen any time period for action by any person under this title, as appropriate in the interests of justice.

ARBITRATION

SEC. 307. (a) If a manufacturer or product seller rejects a claim for compensation benefits and gives written notice of such rejection in accordance with section 304(d) of this title, the claimant and the manufacturer or product seller may submit the matter to arbitration on the items at issue as set forth in the notice, including the appropriate level of compensation benefits. The decision of the arbiter under this section shall be final and binding on the parties.

(b) If the arbiter determines that the manufacturer or product seller's rejection of the claim or refusal to agree to the level of compensation benefits was unreasonable or not in good faith, the arbiter may, in addition to interest due on the unpaid amount of such benefits (at the rate specified in section 304(a)(2) of this title), award the claimant an additional amount up to 25 percent of the amount of compensation benefits awarded.

ACTION TO RECOVER COMPENSATION BENEFITS

SEC. 308. (a)(1) If a manufacturer or product seller does not pay compensation benefits in a timely fashion as required by section 304 of this title, and the parties do not agree to submit the matter to arbitration as permitted under section 307 of this title, a claimant may commence, by service and filing, an action to recover such compensation benefits within one year of the expiration of the 60-day period for payment under section 304 of this title. Such an action must be brought in the district court of the United States for the district in which the defendant resides or has its principal place of business, in which the harm which is the subject of the claim occurred, in which the product was sold to the plaintiff, or in which the plaintiff resides if the defendant is doing business in that district.

(2) The summons and complaint in such an action shall be served as provided by the Federal Rules of Civil Procedure, except that the delivery of the summons and complaint to the defendant or the defendant's agent as required by the Rules may be made by certified mail beyond the territorial limits of the district in which the action is brought.

(b) If the manufacturer or seller fails to give the claimant the notice of rejection required by section 304(d) of this title or the notice required by section 309 of this title, the court shall, unless it determines otherwise in the interests of justice, direct a verdict in favor of the claimant. The court shall enter judgment in the amount set forth in the claimant's notice of claim previously submitted to the manufacturer or product seller pursuant to section 304 of this title, together with interest on such amount (at the rate specified in section 304(a)(2) of this title), and reasonable attorney's fees and costs associated with such civil action. The court shall also impose a civil penalty against the defendant for the benefit of the claimant in such amount (not to exceed twice the amount of compensation benefits) as the court may determine to be appropriate. In imposing such civil penalty, the court shall consider the nature of the defendant's conduct and the length of delay in the payment of compensation benefits to the claimant.

(c) If notice of rejection has been provided to the claimant in accordance with section 304(d) of this title, the issues at trial shall be limited to those set forth in such notice unless the issues are further limited by the notice provided pursuant to section 309 of this title. If the issues are limited by the notice provided pursuant to section 309 of this title, the issues at trial shall be limited to those set forth in such notice.

FINAL OFFER OF SETTLEMENT AND SETTLEMENT CONFERENCE

SEC. 309. (a) Not later than 30 days before a trial is scheduled to commence, the defendant shall serve on the claimant and the court a written notice of either an admission of liability for the harm caused by a product to the claimant and a final offer of settlement or a denial of liability for such harm. Such offer of settlement may take any form permitted by section 304(b) of this title.

(b) Where the defendant denies liability for such harm pursuant to subsection (a) of this section, and the trier of fact finds that liability exists, the court shall enter judgment for the claimant in an amount equal to the total of all compensation benefits, together with interest on such amount (at the rate specified in section 304(a)(2) of this title), and reasonable attorney's fees and costs associated with such civil action. If the court determines that the denial of liability was not in good faith, the court shall impose a civil penalty against the defendant for the benefit of the claimant in such amount (not to exceed twice the amount of compensation benefits) as the court may determine to be appropriate. In imposing such civil penalty, the court shall consider the nature of the defendant's conduct and the length of delay in the payment of compensation benefits to the claimant.

(c)(1) Where the defendant does not deny liability and the court determines that the defendant's failure to pay compensation benefits to the claimant in a timely manner in accordance with section 304 of this title was unreasonable or not in good faith, or that the defendant's final offer of settlement was not made in good faith, the court shall enter judgment for the claimant in an amount equal to the total of all compensation benefits, together with interest on such amount (at the rate specified in section 304(a)(2) of this title), and reasonable attorney's fees and costs associated with such civil action. The court shall also impose a civil penalty against the defendant for the benefit of the claimant in such amount (not to exceed twice the amount of compensation benefits) as the court may determine to be appropriate. In imposing such civil penalty, the court shall consider the nature of the defendant's conduct and the length of delay in the payment of compensation benefits to the claimant.

(2) For the purposes of paragraph (1) of this subsection, where the claimant's prayer for relief seeks a liquidated sum and the defendant has made a final offer of a liquidated sum, a determination by the trier of fact that a claimant is entitled to benefits of—

(A) 20 percent or more above the level of benefits in the defendant's final offer of settlement creates a presumption that the defendant's final offer of settlement was not made in good faith; and

(B) more than 20 percent below the level of benefits in the defendant's final offer of settlement creates a presumption that the claimant's rejection of such offer of settlement was not made in good faith.

Either such presumption may be rebutted by a preponderance of the evidence.

(d) If the court determines that maintenance of the action by the claimant or the refusal of the claimant to accept the defendant's final offer of settlement was not in good faith, the claimant shall pay the defendant's reasonable attorney's fees and costs incurred from the commencement of the action or the time of refusal of the final offer of settlement, as appropriate.

(e)(1) Not earlier than 30 days before a trial under this section commences, the Chief Judge of the district in which the case is to be heard shall appoint a judge of the district to conduct a settlement conference before trial. The clerk of the court shall notify all parties of the date, time, and place of the conference, and the name of the judge or judge pro tempore who will conduct the conference.

(2) The attorney for each party, and the party if the notice requires it, must attend the settlement conference on the date, time, and place specified in the clerk's notice.

(3) If the parties agree to a settlement, to limit further the issues in such trial, or to other matters to promote the prompt and fair disposition of the action, the judge conducting such conference may enter an order consistent with such agreement. If the settlement conference order fully settles the action, judgment shall immediately be entered as indicated in the order. In all other cases, the order is binding on the parties at trial, except to the extent the court otherwise directs on its own initiative or motion of a party for good cause shown.

(4) If a party or counsel for a party fails to comply with this subsection or fails to comply with a settlement conference order, the court may impose such sanctions as it deems appropriate.

(5) The judge conducting such conference may preside over the trial of the action unless (A) the judge decides it is in the interest of justice that the judge refrain from presiding over the trial; or (B) a party disqualifies the judge by request to the clerk of the court. A party may disqualify a judge without cause. Each clerk of the court shall adopt and implement a procedure to preserve the confidentiality of the identity of a party who disqualifies a judge.

LIMITATION ON FEES

Sec. 310. Notwithstanding any State law, no claimant proceeding under this title shall be liable to any person rendering legal assistance or representation to the claimant in pursuing a claim under this title for any amount which would exceed 50 percent of that portion of compensation benefits actually paid to, or accepted or claimed by, the claimant and which is allocable to attorney's fees, whichever is less.

CLAIM WHEN MANUFACTURER OR PRODUCT SELLER UNKNOWN

Sec. 311. (a)(1) Where a claimant is unable to identify the manufacturer or product seller of the product which caused the claimant's harm, a claimant under this title is entitled to recover from a manufacturer or product seller who had any share of the national market for the product which caused the claimant's harm at the time the harm occurred or at the time of the exposure to the product. Any such manufacturer or product seller is liable for the full measure of any compensation benefits to which the claimant may be entitled under this title, notwithstanding the fact that the claimant is unable to prove that the manufacturer or product seller against whom the claim is made was the manufacturer or product seller of the particular product which caused the claimant's harm.

(2) Any manufacturer or product seller who is able to establish, by a preponderance of the evidence, (A) the identity of the manufacturer or product seller of the particular product which caused the claimant's harm, or (B) that the manufacturer, as a matter of fact, could not have made the product which caused the claimant's harm, is not liable for such harm. Evidence that the manufacturer did not distribute its product in the claimant's local market shall not be admissible under this paragraph.

(b) Any manufacturer or product seller who makes payment to a claimant pursuant to this section shall be entitled to recover from any other manufacturer or product seller who had any share of the national market for the product which caused the claimant's harm at the time the harm occurred or at the time of the exposure to the product. Such recovery shall be in an amount equal to that percentage of the compensation benefits paid to the claimant which represents such other manufacturer's or product seller's share of the national market at the time the harm occurred or at the time of the exposure to the product. Any manufacturer or product seller who pays compensation benefits to a claimant pursuant to this section may proceed directly against any other manufacturer or product seller pursuant to this title as if such manufacturer or product seller is a claimant.

(c) A payment of compensation benefits to a claimant by any manufacturer or product seller pursuant to this section shall be final and binding on all other manufacturers or sellers on the issue of liability to the claimant and on the issue of the amount of benefits to which the claimant is entitled.

LIABILITY OF PRODUCT SELLER

Sec. 312. (a) No claimant may bring an action against a product seller under the provisions of this title unless such claimant has exhausted the claimant's remedies against the product manufacturer under this title where—

(1) the product is expected to and does reach the user or consumer without material change in the condition in which it left the control of the manufacturer; and

(2) any warnings or instructions about the product or its use made by the manufacturer were supplied by the product seller to the user or consumer.

(b) Notwithstanding the provisions of subsection (a) of this section, a claimant need not, prior to making a claim against a product seller, bring an action against the manufacturer pursuant to section 308 of this title if—

(1) no solvent manufacturer who would be liable to the claimant is subject to service of process in any district in which the action may be maintained;

(2) it is highly probable that the claimant would not be able to enforce a judgment against any manufacturer;

(3) the product seller is a controlled subsidiary of the manufacturer; or

(4) the product was marketed under a trade name or brand name of the product seller.

PENALTY

Sec. 313. Any person who knowingly makes a fraudulent claim under this title, or any person who knowingly makes an intentional misrepresentation of a material fact upon which a claimant, manufacturer or product seller relies or is entitled to rely with respect to any claim brought pursuant to this title, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

JURISDICTION

Sec. 314. The district courts of the United States shall have exclusive jurisdiction over actions arising under this title without regard to the amount in controversy.

TREATMENT OF COMPENSATION BENEFITS FOR TAX PURPOSES

Sec. 315. Nothing in this Act shall be construed to render compensation benefits (other than that portion of compensation benefits which constitute attorney's fees and which are paid to an attorney) includable as gross income for the purposes of section 61 of the Internal Revenue Code of 1954.

RELATIONSHIP TO COLLATERAL BENEFITS

Sec. 316. The recovery permitted pursuant to this title is supplementary to any benefit or advantage to which the claimant is entitled pursuant to any collateral benefit. The recovery from the manufacturer or seller permitted by this title shall not be made primary by agreement, or by waiver by the claimant. Words or actions by any party in any form or context which seek to make recovery under this title primary shall have no force or effect.

TITLE IV

PRODUCT LIABILITY STUDY GROUP

Sec. 401. (a) In order to carry out the purposes of this title, there shall be established a Product Liability Study Group (hereinafter referred to as the "Study Group").

(b) The Chief Justice of the United States, and the President, Chairman, or Secretary of the American Bar Association, the Office of the Administrator of the Courts, the Department of Commerce, and the Consumer Product Safety Commission shall select three members from each organization or from the general public to be members of the Study Group. The Study Group shall select a Chairman from among its members.

(c) A member of the Study Group who is not an officer or employee of the Federal Government shall be entitled to receive compensation at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule pursuant to section 5332 of title 5, United States Code, for each day (including traveltime) during which the member is engaged in the actual performance of the duties of the Study Group. While away from the member's home or regular place of business, a member of the Study Group may be allowed travel or transportation expenses, including per diem in lieu of subsistence, as provided in section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

RESPONSIBILITIES OF THE STUDY GROUP

Sec. 402. (a) The Study Group shall conduct a study to determine the adequacy of—

(1) existing common law and statutory remedies in providing legal relief for harm caused to large numbers of individuals due to exposure to or use of a product; and

(2) judicial resources and procedures to resolve mass tort cases, including cases arising out of such exposure or use.

(b) In determining the adequacy of existing common law and statutory remedies to provide legal relief for harm caused to large numbers of individuals due to exposure to or use of a product, the Study Group shall evaluate—

(1) the nature, adequacy, and availability of remedies provided under current law (including this Act), in compensating for harm to individuals from exposure to or use of a product;

(2) the nature, adequacy, and availability of recovery for harm caused in the workplace due to the use of a product or for diseases which are caused by individuals' occupations;

(3) the nature of barriers to recovery (particularly with respect to burdens of proof of going forward, proof of relevancy, and difficulties in proving causation) and the role of such barriers in the legal system; and

(4) whether there is a need to address the consequences of the cumulative effects of punitive damage awards in multiple tort cases brought against the same alleged tortfeasor.

(c) In determining the adequacy of judicial resources and procedures to resolve mass tort cases arising out of exposure or use of products, the Study Group shall evaluate—

(1) the adequacy of the multi-district litigation panel process to resolve the difficulties of mass tort litigation, including the convenience of the parties, judicial efficiency, and any other difficulties associated with cases involving multiple parties, multiple venues and a conflict of laws;

(2) the fairness to defendants and plaintiffs of applying different substantive standards of liability based on the location where the harm occurred or the choice of forum by plaintiffs whose claims arise out of the same transaction or alleged product defect;

(3) the adequacy of judicial systems and resources at the Federal and State levels to resolve mass tort actions;

(4) the advisability of establishing a new court or department within an existing court system to resolve such mass tort cases in a more efficient, less costly, and more expeditious fashion, as well as the feasibility and advisability of consolidating punitive damages actions in such a court or department; and

(5) whether the Congress should further study or take other action with respect to the adjudication of claims rising out of aviation accidents and the standards of liability relating to such accidents.

(d) In conducting such study, the Study Group may—

(1) to the extent provided in advance in appropriation Acts, contract with (A) nongovernmental entities that are competent to perform research or investigations in areas within the Study Group's responsibilities under this section; and (B) nonprofit technical and other organizations for the purpose of developing necessary information for the study required by this section; and

(2) hold public hearings, forums, and workshops, and take testimony to enable full public participation in such study.

(e) The results of the study required by this title shall be submitted to the Congress within 24 months after the date of enactment of this Act.

(f) To assist it in carrying out the study required by this title, the Study Group may, in accordance with the provisions of title 5, United States Code, appoint and fix the compensation of such staff as it considers necessary.

AUTHORIZATION OF APPROPRIATIONS

Sec. 403. For purposes of this title, there are authorized to be appropriated for fiscal years 1988 and 1987 such sums as may be necessary.

Amend the title so as to read: A bill to regulate interstate commerce by providing for a uniform product liability law that affords persons harmed by products equitable and expeditious payment of their damages, and for other purposes.

Mr. GORTON. Mr. President, today I am submitting an amendment in the nature of a substitute to S. 100, the product liability bill. The current state of the law of product liability does not serve either manufacturers, sellers, or consumers well. A protracted and uncertain process of litigation results in the courts awarding too many dollars to a few injured people and too few or no dollars to many other injured people. Moreover, many people who suffer catastrophic injury and are therefore most in need of immediate economic assistance are often those who, under our present system, must wait the longest to recover.

Manufacturers, wholesalers, and retailers spend enormous sums in litigation trying to determine the legal standard by which their conduct will be judged. In many States, unreasonably large verdicts are rendered against defendants who have exercised all possible care in the design of their products. These factors combine to make the process of insuring against product liability claims unnecessarily uncertain.

We can do better. I believe that we can design a system which will provide the proper incentive to reduce the number of avoidable accidents, better distribute limited resources to people injured by products, and accomplish these first two goals in a more efficient and predictable manner than does the current tort law. The result for manufacturers will be added certainty in the law, more predictability in insuring against claims, and lower legal fees.

The fatal flaw of S. 100 is that it will accomplish none of these goals. Strict liability concepts have developed, in part, because of the sense of judges of a need to compensate people injured by products and the view of the superior ability of manufacturers to provide compensation. That need will continue to be seen by judges who will merely interpret the text of S. 100 in a way to achieve the same results as the current system allows. Moreover, the haggling over choice of law and liability standards that takes place in litigation today will continue. Instead of arguing over which State's law should apply, however, the debate will simply refocus on the meaning of the language of S. 100. In sum, we will have only substituted one flawed system for another.

Mr. President, I supported the predecessors of S. 100. But I have become convinced that the bill ought not to become law for several reasons in addition to those mentioned above. First, I do not believe that it will better serve the goals of reducing accidents and compensating deserving injured parties than does the status quo. Second, it would mark a radical departure from a relationship between the States and the Federal Government which has existed since our nation was founded. I know of no other example of a Federal substantive rule of law with respect to which the Federal Government has declined to give the Federal courts any significant degree of jurisdiction. And, finally, in my view we can achieve most of the result that the proponents of S. 100 seek in a manner that will not result in the vociferous and unnecessary opposition of groups which ought to support a reform of the product liability system, such as consumers, organized labor, and representatives of State government.

For 4 years the Senate Commerce Committee has considered legislation on this issue. The debate has been a divisive one. It need not be. In my view, it should be possible for manufacturers, wholesalers, retailers, insurers, consumers, labor, and State representatives to find some common ground and join together to pursue passage of a bill which will benefit both industry and people injured by products.

The manufacturing community is right to want to bring more certainty to the tort system, to reduce transaction costs, and to place reasonable limits on liability in design and warning cases where no fault is involved. I believe, however, that those goals can be accomplished in large measure without imposing a Federal standard of liability on the States. Procedural mechanisms such as choice of law rules and limitations on damages could bring about substantially the same result but do not tread so heavily on legitimate and traditional State prerogatives.

The amendment which I am introducing today is one which I hope will address the legitimate concerns of the proponents of S. 100 and opponents as well. Reform of the law of product liability is essential. But I believe that giving due deference to the significant interests and governmental functions of the States is equally essential.

The amendment has been circulated in draft form to many interested parties, and I have received a number of thoughtful and helpful suggestions. I appreciate the input from people who are concerned about this subject. There are a number of issues and suggestions which I will continue to study and which will almost certainly result in changes in this proposal, such as the issues of punitive damages and foreign claims. I must submit the amendment as it stands today, however, in order to ensure that it is pending before the Commerce Committee prior to the committee taking action on S. 100, the bill it is intended to amend.

Mr. President, I believe we have an opportunity in this Congress to make a substantial improvement in product liability law in this country. I also believe that we can make those changes with the support of consumers, labor, and State officials. To change the law of the 50 States and territories so fundamentally in an area of traditional State concern without the support of those groups is a questionable policy and an unlikely result in the mind of this Senator. I hope, therefore, that the proponents of S. 100 will start a dialog with these groups to see the extent of which their interests coincide. I think they may be surprised at the results of such an inquiry.

Mr. President, I ask unanimous consent that a summary of the amendment be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary of the Gorton Substitute Amendment to S. 100

During the Senate Commerce Committee's consideration of product liability reform during the 97th and 98th Congresses, it became clear that the existing legal system is not only unsatisfactory for the manufacturers, wholesalers, sellers and insurers who have supported the efforts of Senator Kasten, but also for consumers.

Under current law, recovery for harm caused by a product is neither swift nor sure. To a disturbingly great extent, a relatively few injured people get very large awards, while others get little or nothing. In most cases, the delay of litigation only adds to the injured party's costs and sense of injury. Many claimants must bear the financial burden of their injury for extended periods before they are reimbursed, and during that time they must live with the prospect that they may receive no reimbursement whatsoever. And many, for financial reasons, must retain attorneys on a contingency fee basis which can result in a significant reduction in any amount they may recover.

This amendment is an attempt to address the legitimate concerns of manufacturers, sellers, insurers and consumers. The two tiered system of recovery proposed in the amendment has four goals:

(1) to ensure fair compensation for people who are injured by unreasonably dangerous products;

(2) to encourage prudent behavior by manufacturers, wholesalers and sellers;

(3) to reduce the costs associated with product liability litigation and thus, hopefully, reduce the cost of consumer goods; and

(4) to accomplish the first three goals with a minimum impact on substantive state law.

The "Product Liability and Compensation Act" provides two methods by which an injured person may recover for harm caused by a product.

The amendment consists of three titles. The first contains definitions and other miscellaneous provisions. Title II provides that a person may proceed against a manufacturer or seller pursuant to applicable state law. The title includes several provisions designed to make procedures in such trials more uniform without trampling on substantive state law;

(1) a uniform venue provision,

(2) a uniform choice of law rule,

(3) a uniform statute of limitation,

(4) a uniform rule on joint and several liability,

(5) a uniform rule on evidence of subsequent remedial measures,

(6) a uniform rule on the liability of product sellers,

(7) a uniform statute of response, and

(8) a limitation on damages that may be awarded for non-economic loss in design defect and failure to warn cases premised on a theory of strict liability.

One of the legitimate concerns expressed by manufacturers and sellers has been that there ought to be a distinction made between the liability of a prudent manufacturer of what is nonetheless an unreasonably dangerous product, and a manufacturer whose product is unreasonably dangerous because of his or her negligence. As indicated by (8), above, Title II addresses this issue by limiting damages to economic loss in design defect and failure to warn cases which are not premised on the fault of the manufacturer.

This prohibition of Title II does not apply to cases alleging a construction defect (the product does not comply with the manufacturer's own specifications) or for a breach of an express warranty. There would be no limitation on damages under this bill if, for example, a case alleged that a tire was defective because it had a weak spot and in fact did not meet the manufacturer's own quality control standards. Nor would the amendment limit liability where the manufacturer expressly warranted that the product would perform in a way in which it did not perform and where that failure was the proximate cause of the claimant's injury.

One of the purposes of Title II is to encourage claimants in design defect and failure to warn or instruct cases who do not have a negligence claim against the manufacturer or seller to proceed pursuant to Title III, thereby avoiding extended litigation and receiving payment for their loss in a more expeditious fashion. Those claimants having colorable negligence claims or claims alleging a construction defect or breach of an express warranty may maintain their action in accordance with applicable state law with no limitation on the award of damages imposed by this amendment. The cumulative effect of the provisions of Title II should be a strong incentive for safety in the design and construction of products and a reduction in the uncertainty currently faced by all litigants in a product liability action, and thus transaction costs associated with such litigation.

Title III of the amendment deals with the issue of compensating injured people in a more expeditious way than the current system generally does. It creates a new federal right to receive payment for out-of-pocket economic loss from the manufacturer of an unreasonably dangerous product for harm caused by the product. Such payment is to be made within 60 days of the presentation of a documented claim to the manufacturer unless the manufacturer denies liability or disputes the amount of damages claimed by the injured party. If the claimant cannot identify with particularity the manufacturer of the product, he or she may make a claim against any manufacturer who had a share of the market for the product at the time of injury or exposure which caused the injury. The manufacturer against whom the claim is made may then proceed against any other manufacturer who had a share of the market at the relevant time in accordance with the procedure set forth in the amendment.

Title III also allows the award of damages for the otherwise uncompensated costs of medical monitoring and preventative care. Thus, even though there has not yet been an injury in fact, where exposure to the product has resulted in an out-of-pocket loss, which is considered to be a reasonable expense, the claimant would be compensated. In such a case, the claimant would present a claim to the manufacturer in the same manner as a claimant who has been injured in fact. Of course, if the claimant is later harmed by the exposure to the product, such as a DES son or daughter who develops cancer, a new and independent claim for that injury can be made against the manufacturer.

The remainder of the provisions of Title III are designed to encourage the prompt settlement of valid claims. Penalties are assessed against either party if the party is acting in bad faith. If a federal court action under Title III is commenced, there must be a mandatory pretrial settlement conference. Finally, a limit is placed on the total of attorney's fees which are recoverable from either the manufacturer or claimant.

By providing prompt compensation for out-of-pocket economic loss for persons injured by unreasonably dangerous products, Title III should benefit both consumers and manufacturers. Consumers would be made economically whole without the necessity for protracted litigation. Manufacturers would have many claims for seemingly unlimited recovery diverted to a system which provides for a more modest recovery which can be more easily estimated by insurance companies in their underwriting.

This amendment constitutes an attempt to recognize those aspects of the current system of adjudicating product liability claims that do not serve either the defendant, plaintiff, or other injured consumers and to offer alternatives. Different groups of interested parties may disagree with the choices which have been made in this draft. The question of whether the current system allocates judicial and monetary resources in the most equitable and efficient way, however, is one which will continue to be raised by manufacturers and consumers alike. It deserves our continued review and analysis. I am most willing to work with any person or group to advance the goals of this amendment, and I welcome any input that any interested party cares to offer.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT

LUGAR (AND OTHERS) AMENDMENT NO. 101

Mr. LUGAR (for himself, Mr. Pell, Mr. Mathias, Mr. Helms, Mr. Boschwitz, Mr. Murkowski, Mr. Trible, Mr. Evans, Mr. Sarbanes, Mr. Biden, Mr. Cranston, Mr. Dodd, Mr. Kerry, Mr. Pressler, Mr. Eagleton, Mr. Sasser, and Mr. Lautenberg) proposed an amendment to the bill S. 960, supra; as follows:

At the bottom of page 28, add the following:

SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS

Sec. 202. (a) In addition to amounts otherwise authorized to be appropriated for the fiscal year 1985 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $2,008,000,000 of which

$1,500,000,000 shall be available only for Israel, $500,000,000 shall be available only for Egypt, and $8,000,000 shall be available only for the Middle East Regional Program.

(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1986.

HUMPHREY (AND OTHERS) AMENDMENT NO. 102

Mr. HUMPHREY (for himself, Mr. Kasten, Mr. D'Amato, Mr. Byrd, and Mr. Humphrey) proposed an amendment to the bill S. 960, supra; as follows:

On page 62, strike out lines 11 through 18 and insert in lieu thereof the following:

Sec. 910. (a) Of the funds authorized to be appropriated to carry out the provisions of chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961, not less than $15,000,000 in each fiscal year shall be available only to the President for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

(b) This section shall take effect on the date of enactment of this Act.

BRADLEY AMENDMENT NO. 103

Mr. BRADLEY proposed an amendment to the bill S. 960, supra; as follows:

At the bottom of page 36, add the following:

PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION

Sec. . (a) Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b.(c)) is amended—

(1) by inserting "(1)" before "In order"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low cost means already exist to reduce incidence of communicable diseases among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for carrying out the provisions of this part to set as a goal the protection of not less than 80 percent of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991.".

(b) Not later than 12 months after the date of enactment of this section, and at intervals of 12 months thereafter, the Administrator of the agency primarily responsible for carrying out part I of the Foreign Assistance Act of 1951 shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations a report describing the progress achieved during the preceding 12 months in carrying out section 104(c)(2) of such Act.

BOSCHWITZ AMENDMENT NO. 104

Mr. LUGAR (for Mr. Boschwitz) proposed an amendment to the bill S. 960, supra; as follows:

On page 27, line 8, strike out the comma after "efforts" and all that follows through "funds" on line 10.

MATHIAS AMENDMENT NO. 105

Mr. LUGAR (for Mr. Mathias) proposed an amendment to the bill S. 960, supra; as follows:

On page 3, line 16, insert "Spain," after "Portugal,".

HELMS AMENDMENT NO. 106

Mr. HELMS proposed an amendment to the bill S. 960, supra; as follows:

On page 47, strike line 5 through line 14, inclusive.

KASSEBAUM (AND ZORINSKY) AMENDMENT NO. 107

Mrs. KASSEBAUM (for herself and Mr. Zorinsky) proposed an amendment to the bill S. 960, supra; as follows:

On page 44, line 21, through page 45, line 12, strike the entire section 465, and renumber the following section accordingly.

CHILES (AND OTHERS) AMENDMENT NO. 108

Mr. CHILES (for himself, Mr. Biden, Mr. Nunn, Mr. Ford, and Mr. Byrd) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill, add the following new title:

TITLE X—INTERNATIONAL NARCOTICS CONTROL ACT OF 1985

SHORT TITLE

Sec. 1001. This title may be cited as the "International Narcotics Control Act of 1985".

LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION

Sec. 1002. (a) The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall conduct a study of the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information-sharing and a regional enforcement unit.

(b) No later than six months after the date of enactment of this title, the Chairman of the National Drug Enforcement Policy Board shall report to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations and the Committee on the Judiciary of the Senate on the advisability of encouraging the establishment of such an organization.

ANNUAL REPORTS ON INVOLVEMENT OF COMMUNIST COUNTRIES IN ILLICIT DRUG TRAFFIC

Sec. 1003. Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(6) Each report pursuant to this subsection shall describe the involvement, during the preceding fiscal year, of the governments of Communist countries (as defined for purposes of section 620(f) of this Act) in illicit drug trafficking, including—

"(A) the direct or indirect involvement of Communist governments in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, and

"(B) any other activities of Communist governments which have facilitated illicit drug trafficking.".

NARCOTICS CONTROL EFFORTS IN BRAZIL

Sec. 1004. The Secretary of State shall enter into negotiations with the Government of Brazil in order to establish a bilateral narcotics control agreement. Such agreement shall have as a goal a 10 per centum reduction in illicit coca production in Brazil in calendar year 1986.

CONDITIONS ON ASSISTANCE TO BOLIVIA

Sec. 1005. United States assistance (as defined in section 482(1)(4) of the Foreign Assistance Act of 1961) may be provided to Bolivia for fiscal years 1986 and 1987 only under the following conditions:

(1) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1986—

(A) up to 25 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia has enacted legislation which prohibits more than two hectares of coca production per family; and

(B) the remaining 75 per centum may be provided at any time subsequent to a certification pursuant to subparagraph (A) if the President certifies to the Congress that the Government of Bolivia achieved the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States.

(2) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1987—

(A) up to 50 per centum may be provided at any time after the President certifies to the Congress that during the first six months of calendar year 1986 the Government of Bolivia achieved at least half of the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States; and

(B) the remaining 61 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia fully achieved the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States.

UPPER HUALLAGA VALLEY PROJECT IN PERU

Sec. 1006. Funds authorized to be appropriated for fiscal year 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 for the project of the Agency for International Development in the Upper Huallaga Valley of Peru may be made available for that project only if the Administrator of that Agency, after consultation with the Congress, determines that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley.

REALLOCATION OF FUNDS IF CONDITIONS NOT MET

Sec. 1007. If any of the funds described in sections 1005, 1006, of this title are not used for the country for which they were allocated because the conditions specified in those sections are not met, the President shall reprogram those funds in order to provide additional assistance to countries which have taken significant steps to halt illicit drug production or trafficking.

CONDITIONS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

Sec. 1008. Section 482(a) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(3) Funds authorized to be appropriated by this section for fiscal year 1986 and for fiscal year 1987 may be used for a contribution to the United Nations Fund for Drug Abuse Control only if that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country.".

PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS

Sec. 1009. Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 488. Prohibition on Use of Foreign Assistance for Reimbursements for Drug Crop Eradications.—Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated.".

REQUIREMENT FOR COST-SHARING IN INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAMS

Sec. 1010. (a) Section 482 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(c) Assistance may be provided under this chapter to a foreign country only if the country provides assurances to the President, and the President is satisfied, that the country will provide at least 25 per centum of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. The costs borne by the country may include 'in-kind' contributions.".

(b) The amendment made by this section shall take effect on October 1, 1985.

EXTRADITION TREATIES

Sec. 1011. The Secretary of State with the assistance of the National Drug Enforcement Policy Board shall increase United States efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug-producing country, particularly those in Latin America.

STEVENS (AND OTHERS) AMENDMENT NO. 109

Mr. STEVENS (for himself, Mr. Nunn, and Mr. Warner) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill insert:

Since the United States is party to vital talks on arms control in Geneva, Switzerland;

Since these talks include negotiations on strategic nuclear weapons, intermediate range nuclear weapons, space and defense systems, a bilateral U.S.-Soviet forum, called the Standing Consultative Commission, and a multilateral forum, called the Conference on Disarmament;

Since the U.S. delegations to these talks occupy buildings and spaces insufficiently secure, modernized or large enough to permit those delegations to conduct their work efficiently;

Since the U.S. delegations to the strategic, intermediate and space and defense talks in particular occupy space in the Botanic Building that is also occupied by offices of numerous other, non-U.S. organizations, and shares common walls and parking facilities with these delegations;

Since arms control negotiations require sophisticated security facilities, telecommunications equipment, simultaneous translation capabilities and other specialized services;

Since the Soviet Union, for its part, has made available for its negotiating team a modern, secure, well-equipped building dedicated for the use of its arms control negotiating teams: Now, therefore it is the sense of the Senate

That (a) in order to facilitate the effective work of the U.S. arms control negotiating teams, and to provide for them a dedicated structure capable of supporting their vital tasks on a permanent basis, it is the sense of the Senate that the Secretary of State should submit to the Congress a report on the feasibility, cost, location, and requirements of a structure to house the U.S. arms control negotiating teams in Geneva.

(b) It is further the sense of the Senate that this report should be submitted as soon as possible.

(c) It is further the sense of the Senate that, this matter be included in the consideration of the 1985 supplemental appropriation process.

SYMMS AMENDMENT NO. 110

Mr. SYMMS proposed an amendment to the bill S. 960, supra; as follows:

At the appropriate place add the following:

That section 118 of the International Security and Development Cooperation Act of 1980 (22 U.S.C. 2293 note) is repealed.

MELCHER AMENDMENT NO. 111

Mr. MELCHER proposed an amendment to the bill S. 960, supra, as follows:

At the end of the bill add:

Since the Government of the Philippines has purchased American wheat for a number of years, and;

Since the Government of the Philippines has purchased wheat from no other country for at least 7 years, and;

Since the Government of the Philippines has agreed to the State Department's suggestions to both mill the wheat and distribute the flour under private enterprise and;

Since the Government of the Philippines has stated that they cannot acquiesce to the suggestion of the State Department that the Government of the Philippines not act as the purchasing entity of American wheat, and;

Since most if not all American wheat sales are to government entities of the country purchasing the wheat;

Therefore, it is the sense of the Senate that the State Department should not present U.S. wheat sales to the Government of the Philippines.

KERRY (AND OTHERS) AMENDMENT NO. 112

Mr. KERRY (for himself, Mr. Murkowski, and Mr. Dodd) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill, insert:

It is the Sense of the Senate that Congress should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the regime of Ferdinand Marcos to:

(1) guarantee free, fair and honest elections in 1986 and 1987, or sooner should any such elections occur;

(2) ensure the full, fair and open prosecution of the murder of Benigno Aquino, including those involved in the cover-up;

(3) ensure freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the municipal elections of 1986 and the Presidential election of 1987;

(4) establish the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

(5) release all individuals detained or imprisoned for peaceful political activities; and

(6) make substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past.

It is further the sense of the Senate that Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States, and to encourage the restoration of internal security—both goals of which can be best served by the achievement of an open and stable democracy.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON INVESTIGATIONS

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, May 14, to hold a hearing on weight reduction products and plans.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate on Tuesday, May 14, to mark up the 1985 farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, May 14, to

hold an oversight hearing on the President's proposed budget for fiscal year 1986 for the Department of Energy's Conservation and Renewable Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, May 14, to hold an oversight hearing on automobile fuel economy standards.

The PRESIDING OFFICER. Without objection, it so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Tuesday, May 14, 1985, to conduct a hearing on S. 483, the Intergovernmental Regulatory Relief Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

NATIONAL SCIENCE WEEK

● Mr. GORTON. Mr. President, this week we are celebrating the first National Science Week. This week, events around the country are designed to increase the public's awareness and understanding of science and technology and their importance to our lives. All across the country, schools, libraries, businesses, government and community groups, and many others are holding contests, putting on exhibits, holding open houses, and doing other things to encourage young people to study science and to teach all of us more about science. We are entering an age in which our careers, as well as our day-to-day lives, will involve working with, understanding, and living comfortably with science, mathematics, and technology. What better way is there to give our young people a start in this exciting era than by celebrating science for a week?

In my State, Science Week brings with it a number of exciting events. For example, the Bellevue Public Schools are holding science fairs in the elementary schools, the Pacific Science Center in Seattle is sponsoring Pacific Science Days, and the Shelton Public Library is displaying books and posters. And four eighth grade students from my State, Joel Singer of Spokane, Jey-Shin Chen of Seattle, and Richard Buck, and Julie Kerr of Bellevue, will compete in the mathcounts national competition, sponsored by the National Society of Professional Engineers, this Saturday. I wish these fine, young mathematicians the best of luck, and commend them on their success in being the student team from Washington.

But of all the events of Science Week, the most exciting is the Second Great International Paper Airplane Contest, held in the State of Washington, and sponsored by the Museum of Flight in Seattle, the Smithsonian Institution's National Air and Space Museum, and Science 85 magazine.

The first International Paper Airplane Contest was held in 1967. Since then, the technology of aviation and aerodynamics have advanced dramatically, and we expect these advances to be reflected in the paper airplanes flown in the second contest.

To compete in this contest, paper airplane builders the world over have constructed and sent their paper airplanes to Seattle, where judges skilled in paper airplane flying will test the designs in the Kingdome. The Museum of Flight has received approximately 4,500 paper airplanes from 23 countries, from Sweden to Bangladesh. These airplanes are of every shape and size, ranging from simple folded pieces of paper, much like the model Jake Garn flew in the space shuttle, to elaborate models built from laminated paper glued together. One plane, nicknamed the "Flying Lizard," has a wing span of 3 feet. The judges will fly them next week and pick winners in three categories: professional, nonprofessional, and junior; and four events: time aloft, distance, aerobatics, and esthetic design. The first place winners in each event and category will be flown to Seattle to fly their airplanes in the Kingdome at a special ceremony on June 9. And the winning airplanes will be displayed in the National Air and Space Museum, along with Senator Garn's paper airplane, which he presented to the museum yesterday.

I want to commend the sponsors, the participants, and all those involved in the Great International Paper Airplane Contest, as well as in the thousands of events in Washington and nationwide, celebrating National Science Week. We all experience the promise, the excitement, and the fun of science through your efforts.●

DOD AUTHORIZATIONS

● Mr. GOLDWATER. Mr. President, within a few days, we hope to see brought to the floor, the military authorization bill, prepared by the Armed Services Committee and placed on the calendar some time ago. I realize, not just as chairman of the Armed Services Committee, but as one who has had almost a lifetime concern about the defense of our country, that this piece of legislation is going to be attacked from every side on the floor.

Probably the real driving force behind the understandable desire on the part of all Senators and Congressmen to reduce defense expenditures is the tragic, uncalled for, unexplainable activity of some of our great corporations engaged in defense work and unscrupulously cheating the American public. I use that word advisedly. I probably would not have used it a few days ago, but when one of the biggest corporations in America, General Electric, is found guilty of this kind of malpractice, then I think I have to join forces, not to reduce further defense spending, but to try to impress upon the industries supporting defense, which defense in turn supports, that they had better clean up their act, or there are a lot of them that are not going to be doing business with the Federal Government.

How American businesses could bring themselves to the point of cheating the American people and the purpose of American defense, is beyond me. But it has been going on. And I just want my colleagues to know that those of us who serve you on the Armed Services Committee are just as violently opposed to these actions as you are. The committee has been trying, with every power it has to stop these things. The Defense Department has made an effort, although I have to say, not a great effort, to hold it down and penalize those who cheat. Written into our bill is an amendment offered by Senator Gramm of Texas, which is a complete list of abuses that will not be tolerated any more. I hope everybody will support it.

So, as we go to work on this bill, I would ask my colleagues not to be overly influenced by what has been going on in the case of high priced toilet seats, pliers, stools, and so forth, but to join hands with all of us in our efforts to get this matter stopped, and stopped the way it should be stopped.

I ask that an editorial appearing in Aviation Week & Space Technology, written by William Gregory on this subject, be printed in the Record.

The editorial follows:

A $2,000 Misunderstanding

Still another horror story has emerged from military support equipment procurement. This one involves a couple of pairs of pliers bought through Boeing as prime contractor for the KC-135R program with a price originally proposed at $2,548 and later reduced to $80. Both prices were denounced as ripoffs even though the Air Force tried hard to explain how and why the reduction was done. After the explanation brought even more beating about the head and shoulders, the Air Force has almost given up trying.

Where explanations of these horror stories run into flak is that to understand them often takes the background of a lawyer or an accountant familiar with defense procurement. They thus reach a jaundiced

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public, suspicious that lawyers, accountants and bureaucrats are complicating regulations to such an extent that the ordinary citizen has lost the ability to cope with them. Boeing put together a 1-hr. briefing to recite the facts to the pliers case. It gave the presentation to congressional committee staffs and to the Pentagon. It refused adamantly to do the same in any more public forum. This kind of giveupmanship only reinforces the suspicion of those outside the favored circle that the military and the industry do have something to hide.

MORE DIFFICULT SITUATION

To delve thoroughly into the price of the pliers requires a thick sheaf of papers and a guide. Part of the reason for the uproar is that, in trying to avoid the cause of earlier horror stories, the Air Force skated into a situation that may well have been even more difficult to explain to anyone not familiar with government cost accounting methods and standards. In past support equipment pricing, engineering costs had been distributed on an equal basis for all items in a kit, no matter what value. These costs are direct engineering support, not overhead. Equal allocation of overhead has been the subject of heckling by self-appointed whistle blowers. The same allegation was made in this case, but simply confused the issue further since overhead costs were not involved at all in the price of the pliers. A year ago, USAF put out policy guidance calling for value-based price distribution, not equal allocation, and rejection if the final price looked unreasonable even on that basis.

In an earlier case of an Allen wrench for the General Dynamics F-16, an even higher price resulted when overhead was allocated as well as direct engineering hours. Direct engineering man-hours in the F-16 case came to 62 per item for those covered in the Allen wrench buy, or translated into dollars, $1,034.64. On top of the $1,034.64 came $503 in engineering overhead, $507 in fringe benefits, $149 in general and administrative costs and $388.79 in profit, plus some others like travel. Total price: $2,917.45.

Even without overhead, the price for the pliers in the Boeing case was $2,548 after equal allocation of direct management support costs on 66 items included in the contract. In line with the policy to avoid ridiculous prices, the Air Force separated out management support costs, proposed at $398,000, and negotiated them as a group. That figure was shaved down to $143,000 and the total contract price of $884,579 was trimmed to $557,500. Without any of the direct costs allocated, the unit price of the pliers came to the aforementioned $80.

To the layman, $80 is still a stiff price to pay for an ordinary pair of pliers. They were not quite as ordinary as the horror stories suggested, however. A small notch had to be cut in the nose since they were intended for use in picking up and inserting a small alignment pin. The pin was first bathed in a cryogenic liquid, and the pliers required a special coating to protect them for this kind of environment. Although neither modification was difficult, it meant an hour or two of direct labor to do the special work. A larger run would have meant little more direct labor, but a much lower unit cost, and is still one more example of the unfavorable economics of small production buys. By the time packing and handing costs had been added by the vendor or the industry buyer, plus markup, an $80 price for the pliers is not surprising.

A more important big-picture question involved is whether support costs for aerospace hardware have ballooned out of control. This is not a new issue. Controversies over the use of engineering manpower by aerospace contractors deal with the same question. Time is money and the performance of trivial tasks by graduate engineers rather than engineering aids or secretaries has been criticized before as wasteful. As long as contract awards depend, in part, on engineering staff strengths, the system generates incentives for pyramiding of this kind of expensive manpower.

PAPERWORK VICTORY

Related to manpower question is that of excess regulation and specification. One important reason for the management support costs for the horror-story pliers is the necessity to keep track of the paperwork, the status of the pliers and whether they met specification. In a little-noticed breakthrough in the pliers case, the Air Force cut out acceptance testing in the pliers contract, accounting for most of the saving, but got little credit for a victory in the battle of the paperwork.

As a result of cases like the pliers, the Air Force is cutting out the middleman and buying direct from the vendor. Eventually this may cut support costs, but there were advantages to having the prime contractor do the buying. The prime had the purchasing organization in place to deal with a variety of small vendors and had a book on who could perform and who could not. This service was paid for in management support and direct engineering costs in contracts like that for the pliers. It meant equipment was on hand to make an aircraft operational in the field. Direct buying has already resulted in disruptions in supply, but the impact on readiness rates will not likely be connected in the public mind to changes in buying practices brought about by horror stories.—William H. Gregory●

SOVIET HUMAN RIGHTS TREATY VIOLATIONS IN AFGHANISTAN

● **Mr. HUMPHREY.** Mr. President, a report in the Washington Post of May 9 states that the Reagan administration will provide $6 million openly in nonlethal aid to refugees and Afghan people remaining in Afghanistan.

This is a welcome and significant gesture on the part of the Reagan administration as well as a tacit acknowledgement of the legitimacy of the freedom fighters' struggle against an enemy who has violated every principle of customary international law in its planned and systematic destruction of a nation and its people, in many ways reminiscent of the Nazi Holocaust.

Because Afghanistan is the only place on Earth where the Soviet Army is engaged in direct military confrontation, it provides a showcase of Soviet military ethics and tactics from the use of poison gas, to the destruction of hospitals and farms, to the torture and murder of civilians and prisoners of war.

The Third Geneva Convention of 1949, dealing with the treatment of prisoners of war, was ratified by the U.S.S.R. in 1954. Article 13 of this convention specifically prohibits any unlawful act or omission causing death or seriously endangering the health of a prisoner of war. It further prohibits physical mutilation, acts of violence, insults and reprisals. In addition, the 1977 first protocol to the Geneva conventions guarantees due process to all political prisoners.

In flagrant violation of these human rights treaties to which the Soviet Union is a signatory, the Red Army and its puppet government in Kabul is engaged in obscene and brutal acts of torture to prisoners, including women prisoners, and summary executions, according to multiple reports from eyewitnesses.

Mr. President, I ask that a section of two very recent accounts of the torture and murder of political and war prisoners in Afghanistan, which appeared in editions of the Daily Report, a publication of the foreign Broadcast Information Service, appear in the Record following my statement.

The accounts follow:

AFGHAN GOVERNMENT REPORTEDLY EXECUTING MUJAHIDEEN

FBIS South Asia Daily Report, 4/14/85:

The Afghan Government, which 50,000 political prisoners without trial, is summarily executing captured mujahidin. Their torture is so commonplace that it has "almost assumed the character of administrative practice." A former Afghan security officer admits using eight techniques including electric shock and forcing prisoners to drink urine. He also disclosed how a husband was forced to witness the rape of his eight-month pregnant wife. (Quoted in KAYHAN, Tehran, Iran).

DEFECTOR AFGHAN JUDGE ON COUNTRY'S LEGAL SERVICE

FBIS South Asia Daily Report, 4/26/85:

A judge of the Supreme Court in Afghanistan who has fled to India said in New Delhi today that his country's legal system had been reduced to what he called organized terror by the Soviet-backed authorities.

Announcing his defection, Mr. Muhammad Yusuf Azim told newsmen that he slipped out of Afghanistan on a diplomatic passport because he felt he was in danger from Kabul regime's security and intelligence body known as the Khad. Mr. Azim said he will ask the United Nations for refuge.

He said special revolutionary courts have been set up to try political prisoners. There was no appeal. Trials are usually held in camera and the system cannot be challenged in the conventional legal system. This is an organization of terror, he added. He knew of at least 100 cases in which it had been announced that people had been sentenced to death by the special court.

Many others were executed and their sentences were recorded by the court after the execution. Many of these victims never appeared in courts and, in these instances, the special court did not even know them. (Reprinted from Karachi Domestic Service).●

HELSINKI ACCORDS

● **Mr. WALLOP.** Mr. President, today I take my turn in the Congressional Call to Conscience, organized by my friend from Minnesota, Senator Boschwitz. My purpose, and that of all who speak in this series, every day, is to remind the world of the plight of those who suffer in the Soviet Union for their insistence on worshiping God openly, for their identification with their religious community, whether Jewish, Catholic, or evangelical, or for their expressed desire to emigrate. These are prisoners of conscience. We forget them at the risk of losing our own.

It is our peculiar responsibility as part of the U.S. Government to remember those who suffer in the Soviet Union because of what we have done. I am referring to the people jailed for trying to monitor the Soviet Union's compliance with the Helsinki Accords, especially Anatoly Shcharansky. If we had not signed the Helsinki documents, if we had not given them the impression that their human rights are protected by an international agreement fully backed by the United States and 33 other countries, these sincere people might not have stood up for their religious and civil rights. They might not be in jail today had our Government not given them encouragement to speak out. But we did, and they are in trouble. We have a responsibility to them.

Ever since 1975, representatives of the U.S. Government have met with the Soviet dictators to ask that they live up to the Helsinki Accords they signed. But they have not. At a certain point, we must face up to this situation.

Mr. President, on Tuesday of this week, congressional members of the Helsinki Commission stood with Mrs. Avital Shcharansky to ask the Soviet Government, once again, to live up to its commitments. What I said then is worth repeating here.

The statement follows:

STATEMENT BY SENATOR MALCOLM WALLOP

Some 2 months ago, a majority of the Members of the U.S. Senate wrote to President Reagan to ask for his efforts on behalf of all those in the Soviet Union who wish to exercise the basic human right of emigration.

Until I called the White House last week, it had no intention of even sending a pro-forma reply. Last night, it sent the most pro-forma reply imaginable, signed by the legislative liaison man. The reply took note of the fact that the Soviet Union disregards its commitment under the Helsinki Final Act to allow people to live where they wish, and to allow the reunification of families. Then it said quite correctly that the Soviets summarily reject our requests to act differently. All of this is true.

But then we resist exercising what influence we have over the Soviets. I am aware of our Government having denied to the Soviet Union anything it really wanted from us, especially in the fields of trade and finance. In the context of this, the letter's statement that the level of emigration the Soviets allow is "unacceptable" rings hollow. Of course it is acceptable because we are accepting it. The letter also says that "substantial and sustained improvement in Soviet performance on human rights issues is integral to any improvement in overall United States-Soviet relations." Whom are we kidding? Does anyone know of any major move afoot to squeeze the Soviets militarily or to treat them internationally as South Africa is treated?

Finally, the letter quotes George Shultz saying that "the need for steady improvement of Soviet performance in the most important human rights categories is as central to the Soviet-American dialogue as any other theme." I would be interested to hear an explanation from the administration of why anyone would expect the Soviet Union to abide by the next arms control agreement, since it has not abided by the Helsinki Accords on human rights—or by the other arms control agreements it has signed, for that matter.

So, here we are, in the presence of his wife, asking the Soviet Union to treat Anatoly Shcharansky—and other Soviet citizens who took the Helsinki Accords at their word, according to Soviet law—which they are not doing. To encourage the Soviets to do this, some would have us speak of "continuing improvement in our relations, and reaffirmation of the Soviet Union's commitment." I think this is wrong.

We are responsible to the American people. The American people take agreements at their word, especially when they deal with basic human rights, especially emigration, which is so precious to this Nation of immigrants. Therefore I believe it is our responsibility to say that agreements are either to be observed in good faith or denounced as frauds.

It is politically pleasant to stand before the cameras time and again and to associate one's self with human rights. But I am concerned that at a certain point, this sort of thing becomes a convenient cover for the Soviet Union's unwavering commitment to totalitarianism.

AMBASSADOR FIELDS COMMENTS ON CHEMICAL WEAPONS ARMS CONTROL

● **Mr. LUGAR.** Mr. President, I would like to share with my colleagues a letter which I recently received from Ambassador Louis G. Fields, Jr., our former representative to the Geneva Conference on Disarmament. For 3 years his most important task was negotiation of an effective worldwide chemical weapons ban. Now Ambassador Fields writes to offer his experienced observations on the situation we face in chemical weapons arms control. Fields calls our military position hollow. Therefore, he suggests, the Soviet negotiating position at Geneva has been little more than an attempt to thwart American efforts at chemical modernization. Most importantly, he concludes that the binary modernization "would provide a meaningful incentive for the Soviet Union to pursue vigorously an effective ban."

Ambassador Fields' letter is well reasoned and insightful. I commend it to all my colleagues, and submit it to be printed in the Record.

The letter follows:

VANCE JOYCE CARBAUGH,
HUANG, FIELDS & CROMMELIN,
Washington, DC, May 2, 1985.

Hon. Richard G. Lugar,
Room 306, Hart Senate Office Building
Washington, DC.

DEAR MR. CHAIRMAN: As the former United States Ambassador to the Conference on Disarmament (CD) in Geneva, I have been closely following what has become the annual debate over funding for the chemical deterrent program. The CD is the forum in which negotiations are being conducted to achieve a complete and verifiable ban on chemical weapons and these negotiations are viewed by many in both the Senate and the House of Representatives as pivotal in their decision to fund or not to fund this program. I certainly share a belief that these negotiations are important to our national security and that they should influence our decision about modernizing our chemical deterrent, which has seriously degraded from our 1969 readiness posture.

I was in the forefront of the United States negotiating effort to ban these weapons from 1982 until 1985 and believe that I have as clear a feel for the status of these critical negotiations as almost anyone associated with this endeavor. We have rigorously pursued these negotiations during my tenure as the United States Ambassador to the CD and that posture continues undiminished today. There is a strong interest among the Western members and most of the Neutral and Non-aligned members of the CD to achieve an effective and verifiable ban on chemical weapons. The United States significantly advanced this effort last year when Vice President Bush tabled our draft treaty and this initiative has received the enthusiastic support of a majority of CD delegations.

Clearly, we have what had been regarded by many as "the high ground" in the negotiating sense. Unfortunately, we do not enjoy a similar position in the military sense, inasmuch as the Soviet Union has the only significant, modernized chemical arsenal in the world today. It is, therefore, the Soviet Union which holds the military "high ground" today.

While many Americans might prefer the "high ground" on which we stand in this matter, I cannot help but consider, even as a former negotiator, that ours is a somewhat hollow position when you take into account the thousands of American service personnel stationed in Europe and the millions of our allies whom our forces are helping to defend. Naturally, I fervently desire a negotiated ban on these repulsive weapons if one can be achieved with adequate assurances against violation or militarially significant circumvention. I must, however, recognize that my experience in Geneva leaves me with little optimism that such an agreement is at hand. The Soviet conduct at the Geneva negotiations has been hortative at best and dilatory in the main. Their effort can best be seen as a clever propagandistic ploy to keep our modernization program at bay while they relentlessly continue to improve their already dominant position in this critical weapons field. The thin veneer of the Soviet chemical negotiating position is becoming apparent to most of the CD membership, aided by their adamant refusal to consider any realistic approach to international on-site inspection—a sine qua non to all who are seriously interested in a meaningful ban.

Well, Mr. Chairman, where does this leave us? On the high negotiating ground, to be sure; but is this any insurance against the possibility that our troops and our allies might become victims of these dreaded weapons? Some have suggested to me that there is little likelihood that these weapons will be used in the European theatre; but I have not heard one of our NATO military commanders—and I have discussed this with most of them—share this opinion. Indeed, all to whom I have spoken have the view that a military attack by the Warsaw Pace will likely include the initial or early use of tactical chemical weapons against NATO airfields, nuclear installations and general troop concentrations. For a supporting view see General Frederick J. Kroesen's Summary Report on his Chemical Warfare Study prepared by the Institute for Defense Analyses (February 1985). Would not a prudent nation seek a better insurance policy? I would have to answer in the affirmative. A modernized deterrent capability is the best interim insurance I can envision to bridge the gap until we achieve our ultimate goal of a complete and verifiable ban on chemical weapons, if, indeed, the Soviet negotiators are inclined to agree to such an effective ban.

Lastly, may I offer my view as to the effect of our modernization program, if enacted by the Congress, upon these negotiations. Many have suggested to me that the binary component of the modernization program would preclude future negotiations on a ban. I would emphatically demur from such a view. It would be my opinion that our development and deployment of a truly responsive and credible retaliatory capability in kind in the weapons area would provide a meaningful incentive for the Soviet Union to pursue rigorously an effective ban. In fact, I cannot conceive that the Soviet Politburo, influenced as it is by the military leadership, would agree to permit a negotiation which would result effectively in a Soviet abandonment of a significant weapons monopoly. The Soviets have never been known to allow pragmatism to give way to altruism and, I submit, that they are certainly not going to do so on this issue.

Mr. Chairman, I do apologize for the length of these comments; however, I view this issue with much commitment and concern. Moreover, I feel constrained to share with you and your colleagues my personal insights as the former United States Negotiator in the Conference on Disarmament. I shall be delighted to discuss further my views and opinions with you, your colleagues and members of your staff. If you wish, please feel free to distribute this letter to your colleagues.

With warmest regards, I am

Respectfully yours,

LOUIS G. FIELDS, Jr.●

WESTWAY PRECEDENT

● Mr. **HUMPHREY**. Mr. President, in his March 17, 1985, article "Westway Precedent Perils Waterfronts Across the U.S.," Gordon Bishop of the Newark NJ, Sunday Star-Ledger raises some interesting points regarding the precedent set by the Westway real estate development and highway project.

In the column Mr. Bishop argues that:

By granting New York a permit to go ahead with Westway—a multibillion dollar private real estate project to be built over a federally financed highway in the Hudson River—the U.S. Army Corps of Engineers has established a national precedent for any city to fill in public waterways to create private residential, commercial, and industrial development.

The Westway project involves filling 4 miles of the Hudson River in order to create land for private development interests and a new highway. While the project is estimated to cost $4 to $6 billion, the final bill could be closer to $10 billion.

The Federal Government, by beginning to fund the project, will give other cities incentive for similar projects ignoring the fact that Westway violates the 1972 Clean Water Act and the 1899 Rivers and Harbors Act. These acts state that it is illegal to eliminate a portion of a public waterway and to destroy irreplaceable marine habitat. In addition, Westway violates the Federal Aid Highway Act of 1981 which contains language demonstrating that highway funds should be used for highways and not for additional amenities.

If allowed to proceed, the Westway project will give other cities incentive for similar projects. Government funds will be used for private real estate ventures, as in the case of Westway, throughout the country. We must stop Westway before the cities of America start following its misguided example. Federally funded projects must not become a medium for private gain.●

APPOINTMENT OF SPECIAL ENVOY—SENATE CONCURRENT RESOLUTION

● Mr. **D'AMATO**. Mr. President, I rise today to cosponsor the resolution introduced by my distinguished colleague from my home State of New York that recommends to the President that he appoint a special envoy to assist the people of the Republic of Ireland, Great Britain, and the communities of Northern Ireland achieve a lasting, peaceful, and fair solution to the problems of that area.

While the focus of the world centers upon the Middle East and Central America, the strife in Northern Ireland continues to be a major world problem. Up until the late 1960's, violence was only sporadic since the division of Ireland in 1921. In 1969, the year that British Armed Forces were again stationed in Northern Ireland, the level of violence escalated dramatically. Over 2,300 men, women, and children have been senselessly killed and another 20,000 have been seriously injured.

The United States has a unique bond with the nations and the communities involved in the conflict. The United States has also had a history of offering its diplomatic services in troubled areas of the world. The turmoil in Northern Ireland justifies close attention by our Nation. The problems of this area between allies must be solved by the nations involved. We can, however, offer our assistance in reaching accord.

The political stalemate in Ireland is becoming an enduring tragedy. The seeds of hostility are deeply rooted in Ulster. The United States can play a vital role in fostering negotiations for this troubled region. Senate Concurrent Resolution 4 would recommend to the President that he appoint a highly qualified and appropriately experienced special diplomatic envoy to investigate and report how best the United States could actively assist the governments involved in solving the conflict in Northern Ireland. This resolution is timely and I urge my colleagues to join me as cosponsors.●

THE CHEMICAL WARFARE REVIEW COMMISSION

● Mr. **GOLDWATER**. Mr. President, the modernization of the U.S. chemical deterrent with binary munitions is one of our highest national security priorities. The current lack of a credible chemical retaliatory capability may be the United States single most serious military deficiency. In acting on the fiscal year 1986 defense authorization bill, a strong bipartisan majority of the Committee on Armed Services approved initial production of binary weapons by a vote of 15 to 3.

In the conference report on the fiscal year 1985 defense authorization bill, the Congress directed the President to create an independent Chemical Warfare Review Commission. This Commission was to review the overall adequacy of the U.S. chemical deterrent posture, and to report its findings and recommendations to the Congress. The Commission's findings were briefed to President Reagan on April 26, and they were presented to the Committee on Armed Services on May 1.

The Chemical Warfare Review Commission performed an important service to this Nation. In view of the high caliber of the Commission's members, I expect its findings to play an important role in informing Congress' action on this important issue. I submit a copy of the Chairman of the Commission's testimony to the committee, as well as a summary of the Commission's findings and recommendations, and urge my colleagues to review this material carefully.

The material follows:

TESTIMONY BEFORE THE SENATE ARMED SERVICES COMMITTEE OF AMBASSADOR WALTER J. STOESSEL, JR., CHAIRMAN, CHEMICAL WARFARE REVIEW COMMISSION

Mr. Chairman, it is my privilege to present to the Committee the preliminary

findings of the bipartisan Chemical Warfare Review Commission, established by the President in Executive Order 12502 of January 28, 1985, in accordance with the provisions of Section 1511 of the Department of Defense Authorization Act of 1985.

Those appointed to serve on this Commission were, in addition to myself, Mr. Phillip John Bakes, President of Continental Airlines; Dr. Zbigniew Brzezinski, former Assistant to the President for National Security Affairs; General Richard E. Cavazos, whose last active-duty position was Commander, U.S. Army Forces Command; the Honorable Barber B. Conable, Jr., formerly a member of the House of Representatives from New York; the Honorable John N. Erlenborn, formerly a member of the House of Representatives from Illinois; General Alexander M. Haig, Jr., former U.S. Secretary of State and also former Supreme Allied Commander, Europe; and Mr. John G. Kester, a partner in the Washington law firm of Williams and Connolly and former Special Assistant to the Secretary of Defense.

The Congress directed this Commission to "review the overall adequacy of the chemical warfare posture of the United States with particular emphasis on the question of whether the United States should produce binary chemical munitions."

The Commission was further directed to consider the relationship of this matter to United States efforts for a multilateral, verifiable ban on chemical weapons; the adquacy of the current United States stockpile of chemical weapons in providing a credible deterrent to Soviet use of chemical weapons against United States and allied forces; whether the proposed binary program will provide a credible deterrent to chemical warfare; and, finally, whether defensive measures alone are adequate to meet the Soviet chemical warfare threat and whether current and projected funding of defensive measure programs is adequate.

The Commission has been meeting for two months, and has carefully studied all these matters. It began by considering United States policy with respect to chemical weapons. That policy has three elements:

Arms control. The United States will actively pursue the achievement of a multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons.

Deterrence. Until such a ban is achieved and in effect, the United States will retain the capability to deter chemical attack by other powers.

No first use. The United States will never use chemical weapons except in retaliation for the use of chemical weapons against the United States or its allies.

The Commission has concluded the policy as stated continues to be appropriate. The members of the Commission wish to stress their conviction that achieving a multilateral, verifiable ban on chemical weapons should remain a priority aim of the United States.

In carrying out its work, the Commission reviewed the history of chemical weapons use, the scientific characteristics of modern chemical warfare agents, the technology of chemical of chemical defenses and chemical munitions, and the technology for demilitarizing obsolete and deteriorating munitions. The Commission has heard briefings by intelligence specialists on the Soviet Union's capability in both offense weaponry and defense, and also on the spread of chemical weapons possession and the authenticated use of these weapons in warfare in recent years.

Members of the Commission traveled to Europe, where we spoke with U.S. commanders and service men and women, and representatives of our NATO allies. We also viewed a portion of the current stockpile at several locations in the United States.

The Commission has reached a general consensus on the matters we were asked to consider, and I should now like to convey to you our findings to date, which I expect will appear in substantially this form in the final report.

On the matter of the relationship of stockpile modernization to the U.S. goal of achieving a multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons, the Commission believes that modernization would be likely to increase the chances of achieving such a ban. The Commission has noted that in the 16 years since the unilateral renunciation by the U.S. of production of chemical munitions the Soviet Union has not progressed substantively toward acceptance of such a ban; on the contrary, it has continued its intensive program of production and research and development for chemical munitions.

On the matter of the adequacy of the existing stockpile to deter, this is what the Commission found:

The existing U.S. store of chemical weapons dates from the 1940's through 1960's and is in deteriorating condition. The bulk of it is militarily useless; a small fraction of the stockpile has deterrent value. All of it is potentially hazardous to handle.

Soviet chemical warfare capability is sizable and is increasing.

A more credible U.S. chemical retaliatory capability is needed in order to prevent either quick defeat or early escalation to a nuclear exchange in the event chemical weapons are used by the adversary.

Failure to acquire an effective chemical retaliatory capability could leave the United States with only nuclear retaliation to deter chemical attack.

The current stockpile should be destroyed at an accelerated rate.

The Commission carefully considered the proposed binary program, and came to the following conclusions:

The binary program will provide an adequate deterrent capability to meet our present needs and is necessary because of the deteriorating condition of the current stockpile.

The great advantage of the proposed binary munitions is safety.

The projected binary munitions program will not produce a more lethal generation of weapons. It provides, rather, a safer, separate packaging of nonlethal chemicals that combine to form lethal agents only when launched. The agents which would be formed after launching are identical to the lethal agents already produced and stored in the U.S. stockpile.

Substitution of these safer binary weapons to replace existing U.S. munitions filled with lethal nerve agent will provide much greater safety for U.S. personnel, and will simplify transport and handling. In addition, effective elimination of potential environmental hazards will be far easier and less expensive.

On the question of whether defensive measures alone are adequate to meet the Soviet threat, the Commission found:

The expectation that protective measures alone can offset the advantages to the Soviets from a chemical attack is not realistic.

Even if defensive equipment works, it severely handicaps personnel who must wear it. Without a retaliatory capability, this leads to an overwhelming military advantage for the attacker armed with chemical weapons.

In addition to its conclusions on the four matters it was specifically asked to address, the Commission reached several additional conclusions on the basis of its extensive review of this country's chemical warfare posture. Here are those additional conclusions:

On the matter of deployment of binary munitions, the Commission concluded that peacetime deployment of binary munitions in foreign countries is not essential, because of the safety and speed with which these munitions can be transported.

The Commission concluded that research and development efforts on both defensive items and detection equipment, as well as on retaliatory chemical agents and munitions, should be accelerated, both in order to deter the Soviet Union from using new agents and in order to develop countermeasures.

Finally, the Commission concluded that U.S. intelligence gathering and analysis regarding chemical warfare activities of the Soviet Union and other countries should be greatly improved.

A full report on the Commission's review of U.S. chemical warfare posture, which will amplify our views and may contain additional conclusions and recommendations, is now being prepared and will be ready for delivery to the President for transmission to Congress within a few weeks.

If, in the meantime, members of this committee have questions about the thinking or data that underlie the conclusions I have presented, I shall be happy to discuss these with you.

SUMMARY OF FINDINGS AND CONCLUSIONS

This Commission was directed by the Congress to review the overall adequacy of the chemical warfare posture of the United States. The Commission began by considering United States policy with respect to chemical weapons. That policy has three elements:

Arms control. The United States will actively pursue the achievement of a multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons.

Deterrence. Until such a ban is achieved and in effect, the United States will retain the capability to deter chemical attack by other powers.

No first use. The United States will never use chemical weapons except in retaliation for the use of chemical weapons against the United States or its allies.

The Commission found that the policy as stated continues to be appropriate.

The Commission was directed by the Congress to consider four specific questions:[1]

1. The relationship of chemical stockpile modernization by the United States with the ultimate goal of the United States of achieving a multilateral, comprehensive, and verifiable ban on chemical weapons;

2. The adequacy of the existing United States stockpile of unitary chemical weapons in providing a credible deterrent to use by the Soviet Union of chemical weapons against the United States and allied forces;

3. Whether the binary chemical modernization program proposed by the Depart-

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[1] These four questions were incorporated into the three tasks of Executive Order 12502, dated January 28, 1985.

ment of Defense is adequate to support United States national security policy by posing a credible deterrent to chemical warfare; and

4. The ability of defensive measures alone to meet the Soviet chemical warfare threat and adequacy of funding for current and projected defensive measure programs.

The following are the Commission's findings on each of the four points it was directed to address:

THE EFFECT OF MODERNIZATION OF ACHIEVING A CHEMICAL WEAPONS BAN

The Commission believes that modernization would likely increase the chances of achieving a multilateral, verifiable ban on chemical weapons. The Commission notes that in the 16 years since the unilateral renunciation by the U.S. of production of chemical munitions, the Soviet Union has not progressed toward acceptance of such a ban; on the contrary, it has continued its intensive program of production and research and development for chemical munitions.

ADEQUACY OF THE EXISTING STOCKPILE TO DETER

The Commission has found that:

The existing U.S. store of chemical weapons dates from the 1940's through 1960's and is in deteriorating condition. The bulk of it is militarily useless; a small fraction of the stockpile has deterrent value. All of it is potentially hazardous to handle.

Soviet chemical warfare capability is sizeable and increasing.

A more credible U.S. chemical retaliatory capability is needed in order to prevent either quick defeat or early escalation to a nuclear exchange in the event chemical weapons are used by the adversary.

Failure to acquire an effective chemical retaliatory capability could leave the United States with only nuclear retaliation to deter chemical attack.

The current stockpile should be destroyed at an accelerated rate.

THE BINARY CHEMICAL PROGRAM

The Commission has found that:

The proposed binary program will provide an adequate deterrent capability to meet our present needs and is necessary because of the deteriorating condition of the current stockpile.

The great advantage of the proposed binary munitions is safety.

The projected binary munitions program will not produce a more lethal generation of weapons. It provides, rather, a safer, separate packaging of nonlethal chemicals that combine to form lethal agents only when launched. The agents which would be formed after launching are identical to the lethal agents already produced and stored in the U.S. stockpile.

Substitution of these safer binary weapons for existing U.S. munitions filled with lethal nerve agent will provide much greater safety for U.S. personnel and will simplify transport and handling. In addition, effective elimination of potential environmental hazards will be far easier and less expensive.

DEFENSIVE MEASURES

The Commission has found that:

The expectation that protective measures alone can offset the advantages to the Soviets from a chemical attack is not realistic.

Even if defensive equipment works, it severely handicaps personnel who must wear it. Without a retaliatory capability, this leads to an overwhelming military advantage for the attacker armed with chemical weapons.

ADDITIONAL CONCLUSIONS

The Commission in the course of its deliberations has also arrived at these additional conclusions:

Deployment. The Commission does not consider peacetime deployment of binary munitions in foreign countries to be essential, because of the safety and speed with which these munitions can be transported.

Research and Development. The Commission believes that research and development efforts on both defensive items and detection equipment, as well as on retaliatory chemical agents and munitions, should be accelerated, both in order to deter the Soviet Union from using new agents and in order to develop countermeasures.

Intelligence. The Commission believes that U.S. intelligence gathering and analysis regarding chemical warfare activities of the Soviet Union and other countries should be greatly improved.●

ABORTION

● Mr. **HUMPHREY**. Mr. President, many women have reported experiencing post-abortion psychological trauma. Some have experienced painful remorse which, once again, points to the humanity of the child in the womb and to the bond it has to the family of man. In fact, an organization by the name of Women Exploited by Abortion continues to experience a tremendous growth in membership and currently has 44 State chapters with dozens of local chapters.

Many people assert that abortion helps women. We need to examine the warnings and experience of other women who say it does not. For this reason, Mr. President, I request that the January 1985 article appearing in the New England Correspondent (volume II, No. 1) entitled, "How It Feels To Have An Abortion," be printed at this point in the RECORD.

The article follows:

[From the New England Correspondent, January 1985]

HOW IT FEELS TO HAVE AN ABORTION

(Sandy Hahn)

If you had asked me a dozen years ago what my opinion was on abortion I probably would have told you something pat like, "Well, perhaps not for me, but anyone who wants one should be allowed to have one. It should be safe, convenient, cheap, easily obtainable, not just for the rich but for the poor also."

I hadn't given it much thought until I was confronted by a situation in my own life that was very hard to deal with. I had three children by a previous marriage and I was facing the very uncomfortable prospect of being a thirty-year-old unwed mother. I found I was pregnant after a session with a friend that had been very upsetting to me.

He had been acting very strangely and I didn't realize what the problem was. I found out later he had been experimenting with drugs. On this occasion, when I became pregnant, he was on drugs.

It was late in 1972. There had been a series of articles in local papers and women's magazines stating that a baby conceived by a parent who had been on certain drugs could have chromosomal breakdowns and defects such as retardation. I had read these articles and I was really frightened.

My oldest daughter was in special training because she was a cerebral palsy child with certain minimal handicaps, affecting leg motion, hand-eye coordination, and she was slightly retarded. I really had my hands full and now I had the prospect of giving birth to another child that would perhaps have graver problems than the child I already had.

I was very frightened. I went to a local hospital in Pittsburgh, West Penn Hospital, because I understood they had a genetic clinic that could give me some firm answers on what to expect. When I went to the genetic clinic I explained my situation to the counselor and the reason I was upset. She told me that they just did not know what drugs do to an unborn child, but she suggested that in my situation the best thing I could do was to have an abortion.

This was late 1972 remember, before the Supreme Court decision that a woman with her right to privacy could have an abortion on demand. I didn't think an abortion was all that easily obtainable, but the counselor assured me it was and moreover, it was really the modern thing to do, that any woman who didn't take control of her life just wasn't with it. That was the gist of the counseling session.

She told me I would have to see a doctor whose primary job was to approve women for abortion. I didn't find out until many months later that he was a psychiatrist.

The way I found out he was a psychiatrist was that he testified at an abortionist trial in Pittsburgh of a doctor in that same hospital. This man had participated in a hysterotomy abortion of a twenty-four week pregnancy. In this kind of abortion the baby is taken by a kind of miniature Caesarean section and left to die. But this baby did not cooperate. It breathed and cried and started fussing.

The nurse attempted to take the baby to the newborn nursery to try to save its life. The doctor was extremely upset and ordered a shot of morphine to put the child away.

On the stand he testified that he had contracted for a dead fetus and that is what he intended to deliver. This was part of his defense.

The nurse was not successful in her efforts to save the baby. The baby died and the doctor was on trial for manslaughter.

The doctor who had given me the approval to have an abortion testified at this man's trial. He testified that every time he approved a woman for abortion in that hospital he received a $40 fee for his name on that piece of paper. That's how I knew I had seen a psychiatrist.

I did think at the time that his questions were rather odd. He asked how many children I had. I said three. He asked me how I got along with my father and I told him very well, except that my father was deceased. That was my psychiatric examination. He signed the paper and told me I could have my abortion.

I went back out to see the counselor. I had my three children with me. They were all quite small at the time and they were sitting on the floor rummaging in my purse which I had given them to keep them occupied. At one point the counselor gestured to the children and said, "You know, it would be more fair to them not to go through with this pregnancy."

I was really upset. I didn't really care to do this. There was something in me that just didn't want to do this. I told her I was reconsidering and perhaps I wouldn't. Perhaps. I could have the baby and give it a try.

She threw her hands up in the air. "Baby! My dear, we're not talking about a baby, we're talking about a fetus! It's no bigger than the tip of my thumb. It's just a little blob of cells. This is not to be considered a baby."

I guess she was telling me what I wanted to hear. I really wanted to feel that there was a way for me to survive what I was going through. I think every woman who is pregnant and doesn't want to be basically wants to survive. She merely wants to come out of this situation as good as she was when she went into it and hopefully with noboby knowing about it.

Unplanned pregnancies are in the same ball of wax as promiscuity and of course neighbors have a way of talking, families have a way of hashing over things like that and everyone is a little bit concerned that this is going to come out.

After an abortion sometimes a woman is very upset, but she doesn't care to discuss her experience with anyone because she is afraid someone is going to say that she was not very discreet, that she was promiscuous. So you have a double whammy going against you. You can't discuss it with anyone because they would not understand. So I didn't discuss it with anyone.

"Well, all right, I think I will have the abortion," I said, "But I want to go home and talk with the baby's father."

The baby's father really did not want any children, period. He had asked me to marry him before that and I had refused. Now he said once again that he would marry me but he didn't want any kids. So I made preparations to go to the hospital the next day.

The next day was the Friday before Christmas, December 22. As I was leaving for the hospital he called me on the phone and said, "Before you have anything done, call me again and find out how I feel when you get there."

When I arrived at the hospital I called him on the phone. "What shall I do?"

"Do it," he said, just those two words and hung up.

I remember sitting there in the office and hearing the Christmas carols being played over the loudspeaker about the newborn baby and everybody joyous about this birth. It was very depressing.

Eventually they rounded up a doctor. The counselor apologized for the delay and explained that most of the doctors had taken a long holiday weekend and this was why there was no doctor available.

I was ushered into a little back processing room. A nurse was busily involved in her work and noticed me.

"You look so apprehensive," she said cheerily.

I said, "I really am. I don't know if I'm doing the right thing."

"Oh, you're making to much of this," she said. "We do this to twelve year old girls all the time and they don't carry on as much as you look like you're getting ready to."

I was prepared for the abortion and I had a million questions I would have liked to ask, but there was no one to ask. I asked the nurse a few questions but she seemed preoccupied with her work. I really wanted to talk to the doctor. But I never met the doctor until I was prepared and on the table.

When he came in he said. "Oh, it looks like you have a little problem here, but we'll fix you up and you can go out dancing tonight."

I was still very upset, unsure whether I had made the right decision, but I went through with the abortion.

The abortion I had was the commonest kind performed in the United States today which is the suction abortion. I guess the longest day I live I'll always remember the sight of the container filling up with what I knew was the remains of my baby.

I was told by the counselor that abortion is not painful. Well, it is. It was for me. There may be women who tell you it's no big deal, that they've gone through it several times and it wasn't painful for them. Perhaps not; for me it was.

I guess the mental pain I was going through was far worse than the physical pain. I just knew what I was doing was basically wrong. I knew it in my heart and yet I didn't have the strength or volition to get up and leave.

Abortion is quick. I was in and out in twelve minutes. They wanted me to sit there and rest a while, but I was so horribly upset I just couldn't wait to get out of there. I left very quickly.

~~I gathered my children back from my girl~~ friend who was babysitting for me, went home, made a few last minute holiday preparations and then had to greet relatives and family that came in from different states for the holidays. I had to pretend that nothing had happened because none of my family had known that I had gone through this.

It was a tough Christmas. Somehow Christmas has never been the same to me since. Always Christmas had been something to look forward to many months in advance. Now when I see the first Christmas ornaments I have a feeling of dread like the dread I had the first Christmas after the abortion. It got worse and worse. I started getting very depressed. I started feeling sorry for myself.

Somehow I got through Christmas. I started feeling that I wasn't very much in control of my life. I would cry a lot. I would try to sleep. When I would get to sleep I would wake up with a start, thinking I had heard a baby cry.

Shortly after Christmas I got two phone calls from two very close friends. One told me very joyfully she was going to have a baby in the middle of July, and another friend told me she was going to have her baby in the middle of August. My baby would have been born right between them, around the first of August. It was tough to deal with that.

I thought, how can I still be friends with these women and associates with them and perhaps even visit them in the hospital when they give birth and looked at their babies when I know what happened to my baby?

I guess I always knew from the beginning that it was a baby. I thought in my heart it was a baby, but I wanted to push that out of my mind. I wanted to do what I thought was the best thing, the most expedient thing and the thing that would get me out of the situation I was in. But how do you deal with it?

After about four weeks of the self-pity, the distress, the nightmares, I went to a mental health clinic and discussed it with the counselor there who had helped me with my retarded daughter.

I told her how horrible I was feeling about the abortion, how depressed I was, how I thought I'd done the wrong thing. She quickly told me that there was no such thing as an abortion trauma. She had no idea what I was talking about. If I was feeling depressed or upset, it had to be something in my life I wasn't dealing with, not the abortion. Abortion would not do this to you.

I think the reasoning behind that was that abortion was so new that no one really wanted to deal with the outcome of a woman's abortion, no one was ready to handle that part of it.

One month after my abortion the Supreme Court made abortion on demand legal. Once we got that, everybody was enthralled with the idea of abortion. Everybody was going to control their own body and I think they just didn't want to hear too many outcries against it.

Well, I wasn't really making an outcry; I was making a cry for help, but I wasn't finding any help.

By the time I went back to hospital for my physical checkup I was so terribly depressed I was considering suicide. I just didn't think I could handle my life any more. Whether it was the abortion or something else I didn't know, but I just couldn't ~~handle my~~ life.

When I went in to see the doctor I was crying. I told him what I was feeling, that I had just done the worst thing I could possibly do. His reply was, "We've taken care of your problem. I don't really understand what you're talking about." Without any relief from the horrible feelings I was experiencing, I went home and tried to pull my life together.

A month or so later I got word that a close friend of the family who had once lived in our home had just committed suicide. I quickly called my sister in Chicago.

"Is it true?" I asked. "Did Dolly really kill herself?"

"Yes, she did."

My sister started crying. Choking back the sobs, she explained. "A while ago Dolly called me and told me that she was pregnant."

(Dolly was a very successful business woman who had just bought a new home. She had been going with a man for many years. She was in her early forties. She had a seventeen-year-old daughter. She had her life pretty much the way she wanted it, until she turned up pregnant.)

"She was absolutely petrified," my sister continued. "She didn't know how this was going to affect her business, her love life, her daughter or anything else." Every friend she went to, every person she turned to asked her, "Why not an abortion?"

"Dolly concurred and was going to have the abortion but first she called me and discussed it with me," my sister said. "I was extremely upset and told her, 'Please, whatever you do, don't have the abortion. I'll help you in any way I can, but please . . . don't have the abortion."

"But," Dolly said, "I have no choice." She hung up and had the abortion.

A while after this she called me and told me she was depressed, having nightmares and couldn't get her life together and asked me what she should do. I was so distraught I said, "Dolly, I can't deal with this," and hung up on her.

"Well, the month her baby would have been born she locked her garage, locked herself in the car and started the engine and sat there until she died."

Her death certificate, I'm sure, doesn't include the word abortion, and I'm quite sure a lot of people would say that the abortion had nothing to do with it. But you'll never convince me of that. I knew Dolly had to be a stable person. The only thing that was out of kilter in her whole life was the abortion.

Since her death I have read that this is fairly common. The girls, if they're going to kill themselves, very often do it the month their baby would have been born.

I found in my own experience I began keeping strange anniversaries. I would keep the anniversary of the day of my abortion, and the day my baby would have been born. Even years later I find myself keeping anniversaries like the first day of school. I sometimes catch myself doing the same thing even now.

Mother's Day is especially tough to handle. I have a fifteen year old daughter and an eight year old daughter. Two years ago they got their nickles and dimes together and bought me a dear little heart pin that said "Mother of the Year." They asked me why I don't wear this pin. You can imagine why I don't wear the pin. I really don't feel like Mother of the Year.

It wasn't that I didn't love my baby. I was just scared, plain scared. I didn't know where to go. I didn't have anyone to turn to. If one person had handed me a pamphlet on the way into that clinic, if one person had said, "Come on, sit down and have a cup of coffee and let's talk about this or think about it for a few days before you make the decision," I think my life would have been completely different. Of course, Monday morning quarterbacking is always better than Sunday afternoon. I think my life could have been different. But perhaps not. Perhaps this is the way my life was meant to go.

The turning point came when I became convinced that what was happening in our country was wrong. I got started in the Pro-Life movement and I made up my mind that the only way to survive this experience was to have a baby.

In my mind I assumed that I would have the same baby. Of course, we all know that is impossible. Every baby is a unique genetic pattern. Every baby has its own personal makeup; it can never be duplicated. But I wasn't thinking too straight. When I set out to have this baby I married the baby's father. On our first anniversary I found out I was indeed pregnant.

By this time we had so many hard times and so much fighting between the two of us that we decided it was better to split. The abortion was always coming up and he felt I was being nasty and nagging him and I felt he was being unreasonable and he had deserted me and there were a lot of hard feelings. So there I was once again in just about the same situation: three children, very little money, back on Medicaid and soon to be divorced, single.

When I went in for my first prenatal examination the doctor looked at my chart and saw my situation and immediately asked me if I was going to have a termination.

I was determined to have this baby no matter what. I told him, "No, I'm going to have this baby."

He treated me like a naughty little girl, but I was very much determined. I figures once I said no they would write it on my chart and that would be the end of it. But the way the clinic worked, every time you went in you got whatever doctor happened to be on duty. You never had a regular doctor. Every month a different doctor would read my chart about my financial and marital condition and assume that of course I wanted an abortion. The last time I was asked if I wanted an abortion I was seven and a half months pregnant and it was very obvious.

I said, "But I'm seven and a half months pregnant! I can't have an abortion."

He shrugged his shoulders. "It can be arranged," he said.

The more obvious it became that I was pregnant, the more upset I became when the doctor suggested an abortion. Then came the news that in certain circumstances delivery room infanticide was occurring when a baby was less than perfect or a doctor felt the baby should just be left to die.

I began to wonder, what if this is their philosophy also? What if someone in the delivery room once again reads my chart and decides that they're going to let my baby die—for my own good?! What if my baby doesn't breathe quickly enough? (One of my babies was slow to start breathing.) What happens then? Is anyone going to speak up for my baby?

The day I had my baby—I had to be induced because I was twenty-one days late—I was lying there in labor, attached to all those machines which monitor the baby's heartbeat and my heartbeat and other things, and I kept telling the nurse how anxious I was to have my baby. I was hoping if something went wrong and I were unconscious I would have an advocate in that room standing up for me and my baby. I prayed in my heart that it would be that way.

While I was lying there having the baby it occurred to me, what if God decides to lower the boom on me because of what I had done? Maybe my baby would be born dead or retarded of affected in some way and I would be made to pay for my terrible act of abortion.

But I guess God in His wisdom is a little smarter than all of us. My little girl came so quickly that I didn't have time for the anesthesia. She was as healthy as anyone could be and squalling and twice as beautiful as I had ever hoped she would be.

She was born on January 22, 1975, the third anniversary of the Supreme Court decision to legalize abortion on demand.

Very quickly thereafter, as soon as they would let me go, I left the hospital, baby in tow, and away I went. After a few weeks at home with the baby, trying to get adjusted to feeding schedules and whatever, I started mulling over everything I had gone through. At that point I started to realize that there must be other women who were feeling what I was feeling.

I can't speak for every other woman, but I have talked to a lot of them since I had my baby who have told me that their experience was very similar to mine: the portraying of abortion as something it isn't, the assurance that this is an easy way out, the feeling later on of having made a terrible mistake and having nowhere to turn and no one to talk to.

It was late in 1975 when I investigated the group I belong to today, "Women Exploited." The four women who founded the organization met at a Pro-Life convention in Chicago. They had gone to the convention to try to find out why they were feeling so bad after their abortions. They got together accidentally and started to compare notes: why they were there, what they were doing. They decided to form the group which they called Women Exploited.

At first I didn't like the name. It sounded so harsh. And yet, when I read what they had written about how women were exploited in abortion, I started feeling that maybe they had a good idea and maybe Women Exploited was a good term. Abortion very often exploits women.

Let's face it. As much as women may try to be equal with men, if a pregnancy occurs, very often it's the woman's choice as to what she's going to do. Many times a man panics as much as a woman does, and will say to a woman, "I'll give you X number of dollars if you want to have an abortion." It's an easy way out for him, too. It's less scary than looking forward to eighteen years of child support payments. Many times he is just as frightened for her health. Sometimes he has all the right reasons for doing what he does but it comes out all wrong in the end.

Very seldom have I ever talked to a woman who has had a relationship with a man, had a pregnancy, had an abortion, that the relationship remains the same. Often the relationship goes straight down the chute at that point. There is a breakdown in communication, a lot of fighting and bickering over the abortion.

Often that's compounded by the fact that it's very hard to carry a subsequent pregnancy after an abortion. I was one of the lucky ones. I was not that badly damaged by the abortion. I began to hemorrhage when I was six weeks into the pregnancy with my little daughter. I thought I might lose her. I was very lucky. I did not lose her. Many girls never conceive again after an abortion.

Sometimes there is damage to the tubes. Sometimes there is infection. Sometimes there is a tearing of the muscle tissue at the cervix and this makes subsequent pregnancies uncertain. If there is a multiple abortion (one, two or three abortions), your chances are all the less of coming out with a successful pregnancy.

A lot of women have an abortion for frivolous reasons (at least, I think they are frivolous), such as sex selection. It has always been amazing to me that women's movements come out so strongly behind abortion-on-demand in the case of sex selection. Most babies are aborted because they are female when sex selection is the reason for abortion. In effect, what it's doing is allowing for discrimination against very little women!

The part that hit me the most with my abortion occurred when I started reading material on prenatal development. I learned that the baby's nervous system is intact and functioning very early, often before the woman suspects she is pregnant.

So what I did to my baby, my baby felt! My baby felt everything that happened to it. I think that is the most horrible aspect of the whole thing. Not only did I put myself through that but I put another human being through that. It has affected my life in strange ways.

I remember after my little girl was a year old, my four children and I were going to the playground. We were walking up the street and there was a little crack in the sidewalk. Down in the crack was a little pansy. It was growing right in the sidewalk.

My girls were laughing with delight. "Mommy, look! The pansy is growing and nobody's even stepping on it!" They were laughing and I was overcome by a deep melancholy. Tears came to my eyes as I realized that another person would never enjoy a pansy growing in a crack in the sidewalk—because of me. You are overcome by a beautiful sunset and you know that a person you destroyed will never see a sunset.

Maybe some will accept abortion as something they have to do. I've never fully accepted it. I've never fully forgotten it. Here I am all these years later and it's still just as fresh in my mind as it ever was.

I try not to dwell on it because there's nothing I can do about it. But there is something I can do about people's attitudes. I try my best to talk to women before they have an abortion done. After all, when you hear people touting free choice, what does that infer? It infers that you have more than one way to go. If you don't hear both sides of the case, where's the choice?

When they get to an abortion clinic I really do not feel they get the other side of the coin, that there are agencies to help, there are ways to have the child, to give it up for adoption or keep it yourself or whatever. At least the child has a chance and the woman has a chance.

Many women are irreparably scarred by abortion. Many women harbor the guilt quietly. A woman in our group talked to a lady who had had an abortion sixty years ago. She was still carrying around the guilt. She felt at the time that either they would all starve or she would have an abortion. She still hadn't dealt with it. She had never talked about it until she found someone who has had an abortion and could not point the finger at her and say, "What you did was horrible!"

The girl she was talking to had had an abortion also. So she couldn't very well be judgmental. This was why she talked to her about it.

I don't know if I have the answers to many of these problems. I don't know if they even have an answer. But what we have to realize is that abortion is not ending a problem; it's just a whole new set of problems. If we don't admit that there are at least some women—in my estimation, many women—who are having a reaction after an abortion, then we are very shortsighted, because it is indeed happening.

I think we have to consider the idea of mental illness after an abortion. We have to consider that some women go off the deep end. I have an acquaintance who ended up in shock therapy. She couldn't deal with her life. She became sterile, never did have another child.

When she had the abortion she was in college. She had another year to go until she got her degree and she just didn't want to hassle herself with a baby. So she and her husband decided this was the best thing to do. But through the abortion she became sterile and when it was time to have their planned baby, there was no baby to be had.

We have a lot of victims along with the baby. I don't know if everyone will agree with me that it's a baby, but I think we're only fooling ourselves when we think people can deal more easily with a 'fetus' than with an 'unborn child'. Fetus is merely the Latin term for young one in the womb.

We have all kinds of strange terms. When I was in the hospital both times they rarely used the word abortion. They used neat little terms like 'termination of the pregnancy', or the 'removal of the conceptus'. They rarely used the word abortion and they never used the word baby.

I don't know if I don't go away from the whole experience with more questions than answers. I don't know where all these answers are going to come from. But we surely have to acknowledge that there are questions that need answering.

That's our obligation, because if we're going to experience a million and a half abortions a year, we had better fully realize that we're going to see a number of women who can't really handle the experience.

There are a lot of women who will tell you that they went through an abortion, they felt nothing, they had no regrets, they would do it again in a minute and it was no big deal. But that was not my experience.

I think you should investigate what you feel deep down inside about abortion. And if you are against this going on, perhaps you could be the person who hands out a leaflet or offers a cup of coffee or a shoulder to cry on to somebody who really, really needs that. Maybe you can save some woman and some baby from going through what I and my baby went through.●

TRIBUTE TO CHIEF IRV TALLEY

● Mr. DeCONCINI. Mr. President, I rise today to recognize a great American and fellow Arizonan, Irv Talley. Chief Irv Talley, fire chief for the volunteer fire department in Safford, AZ, has been named Fire Chief of the Year by the National Volunteer Fire Council. Last night he was honored by the citizens of the community he has served so diligently over the past 38 years.

There is no greater reward than being singled out by your peers for a job well done. Chief Talley's selection as Fire Chief of the Year brings national attention to what the residents of Safford have known for many years; Chief Talley is committed to protection of the lives and property of his fellow citizens. Under his direction, the Safford Fire Department is the only volunteer department in the Nation to have achieved a class 4 insurance rating.

Voluntary service is the cornerstone of our heritage as a Nation. Our independence was achieved with a volunteer militia. Chief Talley follows in this great tradition. I truly regret that I was unable to be with the citizens of Safford to personally express my gratitude of Chief Talley for his service to his community.

I am proud to have him as one of my constituents.●

DR. DUANE R. LUND, A MAN OF MANY TALENTS

● Mr. DURENBERGER. Mr. President, two weekends ago, I had the honor and pleasure of participating in the dedication of a major new addition to the Staples Area Vocational School and, also, a retirement reception in honor of Dr. Duane R. Lund, superintendent of the Staples Public Schools since 1960.

I first met Duane Lund almost 20 years ago, when I was working in the Governor's office in Minnesota and Duane was busy promoting his—then—relatively new area vocational technical school and hustling every State and Federal grant program in sight.

Duane was among those most active in attracting an AVTI to Staples in 1960, an institution which has contributed much to the economic viability of the community with 75 jobs and about 800 students.

In the early 1960's Duane's leadership in the Staples school system was evidenced in construction of a new North Elementary building. He was also deeply involved in the establishment of the Lincoln Model School with assistance from a variety of governmental agencies and grants.

In 1967, Duane's contacts from his days as executive secretary to U.S. Senator Edward Thye helped result in the location of a 3M Co. plant in Staples. During this same time, he received his doctorate from the University of Minnesota and helped strengthen the area's agricultural economy with the establishment of a Staples Demonstration-Research Irrigation Farm.

The early 1970's marked a host of special grants and new programming inspired by Duane in the Staples High School, including "New Roles in Education" which dealt with curriculum development and inservice training; a Community Concern for Youth Program, and Project Touch. In the elementary schools, Duane was instrumental in launching and obtaining outside funding for TransSCEPP, Project Smart, Tri-County Dental Health Program. Three other programs, inspired by Duane which served all the district's students, include the Staples Teacher Center, and the Right to Read and Rural Needs Assessment Programs.

Duane's influence as a State and national leader in education was felt through his membership on the National Vocational Advisory Council. He was appointed to two consecutive 3-year terms on the Council by President Nixon and served as the Council's Chairman in 1976.

During Duane's tenure, there have been five additions to the Staples Technical Institute. Educators numbering in the thousands have come from many States to observe programs in the Staples Lincoln Model School and unique vocational courses such as heavy equipment and, more recently, robotics and microcomputer repair.

Duane's ability to provide a cohesive leadership style was important in maintaining a sense of school "family" among students, faculty, and the school board. Staples' sports accomplishments are a legend in Minnesota and the school is also known for its arts and music programs and special education programming to meet individualized student needs.

Locally, Duane cochaired the Staples 75th anniversary celebration, served as president of the Staples Arts Council, and was a leader in the Staples United Fund and local Scouting program.

Duane's love for painting and sharing his gifts with others resulted in

Staples' first adult painting classes. In later years, his gift of communicating involved speeches on a variety of topics given through the United States and his authorship of 12 books.

My own respect for Duane—and for the larger Staples community—stems partly from the leadership which Duane and others have provided in making Staples the live and thriving community which it is today.

Not too many years ago, many people thought Staples was a dying town—destined to become just one more casualty of changing times in the railroad industry which had been the mainstay of the local economy for nearly a century.

Largely because of the influence of the Staples Area Vocational School—and the leadership of individuals like Duane Lund—Staples has met the challenge of change. Today, Staples stands as a model for communities throughout America which are struggling to adapt to changes on economic forces over which they have very little control.

A major reason for the success of the Staples AVTI comes from the kind of role which Duane Lund and others carved out for this outstanding educational institution.

From the very beginning the Staples AVTI has had a strong sense of mission not only to its students, but to the entire area which it serves. The school has had a strong commitment, for example, to training and retraining older workers for jobs with a future—when skills learned in the past may no longer be as marketable.

Particularly impressive has been the Staples AVTI's commitment to training workers of all ages in new skills for jobs which have not yet even reached their full potential in an ever changing world—programs like the new 22-month Robotics Program, for example, and the 11-month program to train workers in microcomputer and microprocessor repair.

But, even beyond the course offered to what might be regarded as a traditional clientele—the Staples AVTI has sensed the need to reach out to a large community and offer the kind of resources which will help determine whether the American institution known as the family farmer and his or her small town will survive into the next generation.

It's no secret that rural areas across America are not facing the best of times these days. As hard as it is to accept, farming will never again employ as many people as it has in times past.

No sensible politican is going to argue that we as a rural society should abandon agriculture. Farming must again be made an occupation and a way of life in which a family can earn a decent living.

But, just as Staples was forced to change due to declining employment in the railroad industry—farming communities that survive into the 21st century are going to have to diversify in ways which will guarantee that future graduates of schools like the Staples AVTI and others like it will find jobs in nearby communities and not have to all settle in the metropolitan areas of this country.

Duane Lund has done much over the past 25 years to make that kind of challenge achievable in Staples. Through his leadership, he has done much to ensure that Staples will continue to be a vital and attractive place to live and work and raise a family in the years and decades ahead.●

DOWN'S SYNDROME

● **Mr. LUGAR.** Mr. President, I would like to take a brief moment today to share with my colleagues a column published March 24 by my friend George Will in the Washington Post. George writes of something very personal for him, and something for which I also share a deep personal commitment. The issue of our concern is the lives of those Americans among us who have what is called Down's syndrome, a genetic defect that causes varying degrees of mental retardation and physical handicaps. George Will has a fine young son who has Down's syndrome. For the past several years, I have been the author of a resolution supported by a vast majority of Congress to designate a week in the year to focus on those who have Down's syndrome. Last year, I was happy to join George Will at the White House with President Reagan for the official signing of Down's Syndrome Week. A constituent of mine, Thomas O'Neill, of Fort Wayne, IN, who is president of the National Down's Syndrome Congress, was also in attendance.

I have visited a special school in Fort Wayne, where Tom O'Neill's young son is receiving the kind of personal education that can help him live in our society as a productive person. And that is the issue, I think George Will is addressing. For many years now, my wife Charlene and I have been involved in supporting the March of Dimes in Indiana to fight birth defects. Char has even started a special fund in her name to direct more attention to the fight against birth defects in our State. Yet while we continue our efforts to end birth defects, many children are born in our country with them. These children and adults as they grow older are full members of our Nation and deserving of all the rights and privileges of all Americans. In the past it was too easy to push those Americans with handicaps aside. That is not what this Nation is about now, but as George Will's article argues it is something we have to constantly affirm. I ask to include the article in the Record.

[From the Washington Post, Apr. 24, 1985]

My Son and "Life's Lottery"

(By George F. Will)

In 1972 Jonathan Will, with a nice sense of family tradition, was born on May 4, his father's birthday. So in a few days he will attain the status of teen-ager, with all the prerogatives pertaining thereto. A wit has written that adolescence was first considered a phase, then a profession and now is a nationality. Jon's acquisition of citizenship in that nation comes on the heels of a recent ruckus here about people like him.

He has Down's syndrome, a genetic defect involving varying degrees of mental retardation and, sometimes, serious physical defects. When he was born we were bombarded with advice and information, much of it mistaken. Even 13 years ago there was more certitude than certainty in the prognoses, most of which were too pessimistic.

It is said we are all born brave, trusting and greedy, and remain greedy. I am pleased that Jon has been like that—like the rest of us, because it was depressing to be told, repeatedly, that children with Down's syndrome "are such happy children." That implied sub-human simplicity, a mindless cheerfulness of the sort racists once ascribed to blacks. Jon, like the rest of us, is not always nice or happy. Indeed, he has the special unhappiness of having more complicated feelings than he has the capacity to express. He certainly has enough problems without being badgered by bureaucrats telling him to quit avoiding the central issues of his life.

Recently two officials of the U.S. Department of Education resigned after stirring a storm with interesting metaphysical and political thoughts. One offical was a woman whom readers of this column met in 1983 when she was saying that a "key reason" for declining academic achievements is that the government has been catering to groups such as the handicapped "at the expense of those who have the highest potential to contribute positively to society." This struck me as a frivolous analysis of a complex phenomenon and a dangerous subordination of individual rights to calculations of social utility.

She wrote a response, just now circulating, in which she said (as the sympathetic Wall Street Journal phrased it) that, "We are on Earth not mainly to promote our secular equality but to use our varying Earthly circumstances to perfect ourselves morally."

Nice try, Journal. But what she really said was:

"They [the handicapped] falsely assume that the lottery of life has penalized them at random. This is not so. Nothing comes to an individual that he has not, at some point in his development, summoned. Each of us is responsible for his life situation." And, "There is no injustice in the universe. As unfair as it may seem, a person's external circumstances do fit his level of inner spiritual development. . . . Those of the handicapped constituency who seek to have others bear their burdens and eliminate their challenges are seeking to avoid the central issues of their lives."

Jon avoids making his bed, but is hot to confront central issues of his life, such as why the Baltimore Orioles start slowly. His father is trying to fathom how Jon "summoned" chromosomal problems.

Sen. Lowell Weicker, chairman of the Appropriations committee that deals with education, got very exercised about what the woman wrote, but Weicker probably gets exercised about oatmeal, "Gilligan's Island" reruns and rainy Tuesdays. Everything gets Weicker wrought up, and this issue would have done so even if he did not have a son with Down's syndrome.

The woman resigned as did another education department official, who favors repeal of, among other things, PL 94-142. That law guarantees handicapped children a free, appropriate public education. To millions of handicapped persons and their parents, it is as important, substantively and symbolically, as the Voting Rights Act is to black Americans. The official who advocated repeal was betraying a president who supports it.

The two resignations detonated The Wall Street Journal's editorialists. They issued another denunciation of us sinners who live within the Washington Beltway. The Journal said the two officials were victims of "the usual crazed antibodies," meaning "the Beltway white cells" in a "feeding frenzy" to destroy Ronald Reagan and redblooded conservatism.

The strain of manning the ramparts of right-wing purity may be getting to the Journal. We inside the Beltway no doubt have shortcomings unknown in south Manhattan, which the Journal considers the perfect place to take America's pulse. But we know some things including these:

Reagan opposes weakening PL 94-142. He has enough problems without being saddled with supporters who define conservatism in terms of dismantling such protections and who associate conservatism with crackpot metaphysics about (hey, cheer up, Ethiopians) the perfect justice of the universe.

If the Journal can believe that America does or should want such conservatism, then the Journal can believe anything—for example, that budget cuts and economic growth are going to balance the budget. The Journal believes that too.●

JAMES L. MOODY, JR., CHAIRMAN, FMI BOARD

● **Mr. MITCHELL.** Mr. President, it gives me great pleasure to announce that the newly elected chairman of the Food Marketing Institute Board is James L. Moody, Jr., an old friend and one of the foremost businessmen in the State of Maine.

Jim's career in Maine began with the Hannaford Brothers supermarkets in 1959. Hannaford's is one of Maine's leading corporations. Under Jim Moody's guidance since 1974, the company has grown and today reflects a level of service and quality that Maine has come to rely upon.

The Food Marketing Institute has been in the forefront of improving and modernizing the food distribution system in this country. On issues ranging from the anti-tampering packages that now routinely protect consumers against contaminated products to the universal price code, which has helped speed service and kept foods costs down, FMI has served the larger community as it has served its own constituency.

I am sure the experience of the new chairman will build on and strengthen that fine tradition at FMI. I am pleased to be able to extend my congratulations to Jim Moody and to FMI for an excellent choice.●

THE WISE USE OF CONSUMER CREDIT

● **Mr. DANFORTH.** Mr. President, in these times, when American consumers are spending more on goods and services than ever before, it is sometimes easy to forget the importance of using credit wisely. Since 1975, the Missouri Consumer Credit Association-Education Foundation has been actively involved in providing high school seniors throughout the State with a better understanding of consumer credit. As part of this education program, the foundation sponsors an annual essay contest.

This year, an essay by Mona M. Morgan, a student at Clopton High School in Clarksville, MO, has been awarded first place in the contest. Miss Morgan, her family and her friends can be proud of her efforts and to her I offer my most sincere congratulations.

Mr. President, the essay by Miss Morgan reflects a great deal of thought and effort. Her insights into the use of consumer credit are most certainly deserving of our attention. I ask that her essay be included in the Record.

The essay follows:

The Wise Use of Consumer Credit

A consumer is a user. Consumers use services as well as goods. Credit is trust allowing a consumer to pay later or gradually when he can. Consumer credit is a very important thing for every American. It is used in thousands of ways every day in the U.S.

Credit bureaus compile records as people establish their credit through loans, installment payments, credit cards and various other methods. These records are consulted whenever credit is needed and the creditor needs assurance of the person's trustworthiness and ability to pay. If someone is buying a new car, for example. If the dealer selling the car hasn't done any prior business with this person, the dealer as the creditor will need some assurance that allowing this person to buy on credit is a wise decision. The dealer can run a credit check and receive past credit information on this person. In many instances this is standard practice.

Good credit records are an essential in today's world. If your credit record is blemished it is very hard to recieve credit to reestablish a good record. Most people today live beyond their means. It's a way of life. They buy their T.V., car, furniture, appliances and other items with credit in the form of credit cards, installment plans and bank loans. Then, when they have paid all the payments on time, the record of this is put on their parmanent credit record.

When students are in high school there are generally classes where they can learn about the intricacies of credit and its uses. This way students can learn to deal sensibly with credit before they've established a poor credit rating that will be nearly impossible to erase. Children are exposed to the uses of credit early in life. Sometimes they will get the misconception that credit is getting something without having to pay for it. This has to be disproven quickly before the concept sticks. Many people do actually grow up with this idea and get into serious trouble with collection agencies and, yes, with the law. This is just a lack of the proper education on credit.

Credit has been around for a long time. People aren't the only patrons to take advantage of it, though. Many government and countries get into trouble by using credit and spending beyond their means. Just look at our nation's deficit!

When you acquire credit cards you have a set limit on the amount that you can charge. It's a very good idea to make sure you spend a very small percentage of your income with credit. It's all too easy to think you'll be able to pay for anything, but it's different story when collection time comes. Over-spending can give you an affluent look but it will catch up. Most people don't realize this is illegal. They can't realize it is the same as attempting to steal something and that they could lose nearly everything they own to pay for their mistake. This doesn't occur to them until the reposession people arrive. Perhaps it doesn't even occur to them at that time.

Keeping accurate records of transactions and finances is one way of staying out of credit trouble. Realizing that there are limits on credit, and that these limits are your actual income is important also. Some people will take out a small bank loan and quickly pay the sum back in order to establish the beginning of a good credit record. This is a good idea. It establishes that a person can pay their debts promptly and their credit can be honored.

If people are rational and educated about consumer credit they are less likely to get burned with it. Some cities offer classes to educate people on the wise uses of credit, checks and savings plans, and bank employees are a useful source of information on this matter. People don't have to be overspenders. They can be careful consumers and handle their credit wisely with a little thought.●

MISSING CHILDREN HELP CENTER

● **Mrs. HAWKINS.** Mr. President, I would like to honor the Missing Children Help Center who has been working with law enforcement agencies as a nationwide clearinghouse for information leading to the recovery of children at risk. The center educates the public through service clubs and civic organizations throughout the State of Florida while compiling and distributing pictures nationwide of all missing children. The center has developed a free publication which they distribute to all schools, law enforcement agencies, and hospitals nationwide. And, not only do they work with the individual parents but a major portion of their time is spent on programs aimed at educating the general public through providing speakers to groups and organizations.

Mr. President, I ask that the goals of the Missing Children Help Center and an outline of their Parents Taking Action Program be printed in the RECORD.

The material follows:

MISSING CHILDREN HELP CENTER

GOAL

In November, 1983, the Missing Children Help Center actively began an awareness campaign to over 500 Service Clubs, Civic Organizations, Chambers of Commerce, Schools, Churches, etc. In this memo we stress the following:

We believe that all Missing Children are important and must be found. We also believe that the physical protection of all of our children must be insured mandatorily and uniformally Nationwide.

There is no greater heartache than the loss of one's child. The families we work with have lost their children to rapists, murderers and people who profit from pornography and child prostitution. No one can cure this problem but us.

The Missing Children Help Center feels that the elimination of the word "Runaway" would certainly benefit those children who have been tricked, forced or lured . . . and are at risk; and those who leave because they are being physically, mentally or sexually abused at home. Every Missing Child must be our concern. All Missing Children are at risk and subject to violence and exploitation and must be given a voice in today's Society.

It is very important for us to recognize the needs of all our children—that they must be given physical protection—and that through the laws the protection of children must become the number one priority throughout America.

On May 16, 1983, Governor Bob Graham of Florida, signed into law the Missing Children's Act in the State of Florida, which mandates that all Law Enforcement Agencies in the state enter missing children into the FCIC, (Florida Crime Information Computer), however, we in the State of Florida lack Children's Bureaus and manpower that deals explicitly with the problem of missing and exploited children.

The Missing Children Help Center feels that it is extremely important at this time to educate the public that it is urgent for the sake of all children to provide a Crime Against Children's Bureau in every Law Enforcement Agency in our state as soon as possible. In this way the Law Enforcement Agency will be coordinating their resources through the FDLE, (Florida Department of Law Enforcement), to help all Florida Children mandatorily and uniformally.

Working with the Florida Department of Law Enforcement and other Law Enforcement Agencies has been our pleasure. We find that there is concern and dedication in all the agencies, and above all there is a desire on their part to establish such units. They fully realize the need—now it is up to the people to make certain that funds are appropriated and that adequate manpower is established.

Our work is just beginning. The "Parents Taking Action" Program must be started now and these children's units must also be established. Your group can make all the difference.

We have just scratched the surface of this problem involving our most precious possession—children!

PARENTS TAKING ACTION

VOLUNTARY FINGERPRINTING PROGRAM

The Missing Children Help Center strongly encourages parents to participate in the voluntary fingerprinting of their children. Parents should retain the fingerprints of their children to be used only in the case of an emergency.

BLOCK PARENT/CRIME WATCH PROGRAM

1. Hold a meeting to inform parents about neighborhood safeguards for children. Speakers from the Missing Children Help Center and local Law Enforcement Agencies should be asked to speak. They will alert your community of the problems that exist and how the Crime Watch Block Parent Program will help.

2. Select a Chairman and form a committee to decide the hours and the scope of your program. Invite input from everyone. (Many communities continue their programs throughout the summer months.)

3. Keep in touch with all Block Parents by phone or notices. Names and numbers should be provided for quick reference.

4. Provide signs for windows. Set up a publicity program among parents and children in your area about the Block Parent Program.

ABSENTEE REPORTING PROGRAM

1. Coordinate with school officials so that absentee lists may be obtained each and every school day.

2. Request school officials to send home (with each student) a letter requesting parental permission to be called if the child is not in school by a certain time. Make a central file with names and numbers for quick reference. This letter should also ask for volunteers to do the calling.

3. Set up volunteers to come in and call parents whose children are not in school. You will need back-up callers from time to time.

4. In most schools your group may need to supply a phone list to be used for this purpose. By placing this special line in the sick room, volunteers may serve in two jobs at once.

SCHOOL PSYCHOLOGIST/GUIDANCE COUNSELOR

1. Most elementary schools have Parent Support Organizations. The Missing Children Help Center encourages close cooperation with these organizations in recognizing that young children may find difficulty in expressing their needs. School psychologists are there as a friend, but they are there for a more specific purpose—help. They can spot children who may be abused or distressed. They are able to provide help for both the children and the family. If you know a child who needs help, alert the School Psychologist.

2. If your school does not provide a psychologist, work with your Parent/Teacher Organization to find ways of getting one.

3. If there is no Parent/Teacher Organization in your school study ways in which you can assist faculty members in their efforts.●

SECURITIES SAFETY AND SOUNDNESS ACT OF 1985

● Mr. DOMENICI. Mr. President, everyday we hear more and more about corporate raiders, poison pills, greenmail, shark repellant, fallen angels, crown jewels, and the scorched earth. It makes great headlines. In fact, it is worthy of a good screenwriter. Were it a soap opera, it could be called "The Roaring Eighties."

In "The Roaring Eighties" everyone gets rich quick. In "The Roaring Eighties" credit is there for the asking because the era's magic word—"leverage"—is always a good thing. In "The Roaring Eighties" there are no nervous Nellies at the SEC worrying about fraudulent or incomplete filings or insider tipping because, again, everyone is getting rich. In "The Roaring Eighties" 30- and 40-year-old money managers who think in time horizons of 2 hours to 2 weeks, control industrial America. In the Roaring Eighties" "independent" lawyers and investment bankers call people like Icahn extortionists and racketeers in one brief, then call him a hero in the next writing after he's hired them. But nobody cares much because, again, everyone is having a terrific time and getting filthy rich.

Yet even with all the fun and games, this soap opera is dead serious stuff, and it may not have a happy ending. Because what's really going on here—what went on in the Phillips brouhaha—is that the forces and people that shape American and world business are undergoing a fundamental shift and steering us into an uncertain future. Thus, among the characters in "The Roaring Eighties" are an insistent bunch of players who complain with what some think is annoying persuasiveness that "The Roaring Eighties" will end like the "Roaring Twenties"—specifically 1929.

I ask that today's episode, "Opening Bid From the Seductive Texan," and "The Rescue Squad" be printed in the RECORD.

I should tell you that the idea for the script isn't mine. The article appeared in the May issue of the American Lawyer.

The article follows:

OPENING BID FROM THE SEDUCTIVE TEXAN

On December 4, 1984, an affiliate of Mesa Petroleum, a small, Amarillo, Texas-based oil company run by a folksy character named T. Boone Pickens, announces that it has acquired 5.8 percent of the shares of Phillips Petroleum, and that it will soon begin a tender offer to buy another 14.9 percent of the shares for $60 each. The Phillips stock is selling today for $44. Although Mesa is about one-thirty-seventh the size of Phillips, its takeover threat seems to be real. Why? Leverage!

Pickens sits at Mesa behind a barbed-wire net of anti-takeover protection devices, plus a fabulous golden parachute at the ready should the protection fail. In other words, in a rational world he'd be cast as a selfish, entrenched manager. Yet he has instead become the media's favorite liberator of oil companies plagued by entrenched managers; and his bid is generally played in the press as a $60-per-share offer that will give Phillips shareholders the value that its management has withheld. This, we shall see, is a man who has managed to turn a Texas drawl, a gift for great quote, and near-total press accessibility into near-total press credibility.

Pickens declares that once he buys the additional 14.9 percent he will try to gain control of Phillips, and that if he succeeds he will then propose a merger or some other combination, in which the remaining 79.3 percent of the shareholders will receive some unspecified combination of cash and securities having a value of "approximately equal" to $60 per share as determined by "independent bankers selected by [Mesa]." He goes on to say that Mesa has "not formulated any specific proposal" and that "there is no assurance that any such transaction will be proposed."

If that reads like a $60 offer for a $37 stock, read it again. Pickens is promising no transaction at all beyond his tender offer for 14.9 percent of the shares, and he's saying that if there is a transaction it will be one full of debentures that his "independent" bankers will value at approximately $60.

Nonetheless, based on Wall Street's belief in the Texan's magic touch the stock shoots up to $48 by the end of the day, and to $53.50 the next day.

Pickens also promises the press and the Street that he'll never take greenmail—a special buyout of his stock to get him to go away—because he's in this fight on behalf of all the shareholders.

THE RESCUE SQUAD

Phillips CEO William Douce, 65, is a gruff no-nonsense (and some say dictatorial) plodder who has worked his way up through the ranks. As Pickens is quick to point out. Douce presides over a company whose stock has been trading at an aggregate value of about $5 billion. Yet its book value—the value of its assets including its oil reserves—is something over $10 billion.

The stock has been trading low we will hear Pickens (and later Icahn) argue, because Phillips is a sleepy poorly run company that is deploying its assets badly.

The stock is down, we will hear Douce's team argue because oil exploration and other long-term ventures have their ups and downs and don't always show up in stock prices over the short term.

They're both probably right.

After hearing of Pickens' bid, Douce leaves the soon-to-be-celebrated Phillips headquarters town of Bartlesville, Oklahoma, and repairs to New York, where he assembles a fight team of bankers from Morgan Stanley and First Boston. Morgan Stanley is to get up to $20 million if Pickens is fended off, but only $2 million if he wins; First Boston is to get up to $15 million if Pickens is defeated and only $4 million if he isn't.

Counsel also need to be hired. But Douce finds he can't turn to Joseph Flom of Skadden, Arps, Slate, Meagher & Flom, whom he has long had on retainer, because Flom has also worked for Pickens. Citing the conflict, Flom bows out of the fight. (Investment bankers are obviously more in the swing of things in The Roaring Eighties than lawyers; Morgan Stanley gladly takes on the Phillips business and begins the attack on Pickens, who is a former client.)

Instead of Flom and Skadden, Arps, Douce hires Martin Lipton and his troops from Wachtell, Lipton, Rosen & Katz. This, we will see, is fortuitous to our plot development. In the past Lipton's and Flom's firms were seemingly interchangeable in takeover fights; neither seemed to care much which side it took. But now, with this fight, Lipton crowns his firm as a raider defense specialty house, the unquestioned market leader in such exotic wares as the "poison pill." Flom, on the other hand, hates the pill and say's he won't use it.

Lipton is like a quarterback calling audibles from scrimmage. State and federal suits are filed in Delaware, Oklahoma, and Louisiana. Complaints are filed with the Federal Trade Commission, the Securities and Exchange Commission, and the Department of Justice. None of it is likely to work, Lipton tells his numbed client, but it may buy some time. The claims include the charge that Pickens' "$60 offer" is fraudulently illusory—which it may be, but which no one from the Phillips side ever tests by agreeing to Pickens' repeated requests to sit down and discuss the details of his "back-end" offer to the remaining 79 percent of the shareholders. "We told them we could take the whole company out at $60" says Pickens. "But they were afraid to talk to us. They knew we could do it."

When a board meeting is held to reject the Pickens offer and adopt a slew of anti-takeover bylaws, the minutes read quite a bit like the paper record that Lipton's how-to-do-it articles and memos recommend to boards fighting a takeover.

In fact, as we watch the team of bankers and lawyers going to work, it seems that Phillips has already been taken over—by them. As one Phillips executive will later recall. "From the minute Boone struck, Marty Lipton with help from Joe Fogg [of Morgan Stanley], and Arthur Reichstetter [of First Boston], were running this company. They were leading Bill [Douce] around by the nose. Writing his press releases. Telling him what kinds of stock and notes to issue. Telling him what to say and to whom. Telling him what to divest."

Lipton's people also claim in one suit that in the past Pickens has tipped off his friends at the Amarillo Country Club about some of his raids so that they could buy the stock beforehand. This claim, like the others, isn't likely to win an injunction, though it should be noted that when the Wachtell, Lipton lawyers, who had brought the suit only on rumor, begin taking depositions from Pickens' friends, they find two men who admit buying stock or options before Pickens announced raids. But the two maintain that the purchases weren't based on tips from Pickens, and Pickens vehemently denies that he tipped off any friends. "In Amarillo, Texas, there are as many amateur arbitrageurs as anyplace in the world," Pickens says. "I can't tell you that some people didn't buy any of those stocks. But why would I tip them off?"●

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. DURENBERGER. Mr. President, I am pleased once again to join in the congressional call to conscience. As I have previously stated, I think that it's absolutely vital that we in the West not forget those who are being abused by the Soviet system. Today, I wish to present three humanitarian cases—one involves the cruel treatment of a Soviet refusenik while the other two are family reunification matters.

Yosif Berenshtein became a refusenik in 1980 when he applied to emigrate. His home in Kiev was searched on numerous occasions due to his active religious involvement. His daughter, moreover, teaches Hebrew. During the most recent search of his home, 80 Hebrew books were seized by Soviet authorities. Soviet police warned Mr. Berenshtein several times that they would "get him."

On November 12 of last year, Mr. Berenshtein traveled from his home to visit an aunt in Novograd Volynsk on business. That same night, he was arrested at the train station in Novograd Volynsk. Three days later, Soviet officials informed Berenshtein's aunt that he was being held on charges under article 182 of the Ukrainian Criminal Code: "Resisting the police in the execution of their duty," a charge which carries a maximum sentence of 5 years. At the trial on December 10, his uncle testified that, at no time did Mr. Berenshtein show any resistance. Two busdrivers, who were present and witnessed the whole incident, sent a written statement denying that they saw anything or that they were even at the station during the arrest. Mr. Berenshtein was sentenced to 4 years imprisonment at Zhitomir.

Two days after the completion of the trial, Mr. Berenshtein was placed in a punishment cell in Zhitomir with two hardened criminals, who beat him up and cut him with broken glass. According to the director of the prison's medical department, his right eye will never see again as the result of an injury to the optic nerve and due to fractured facial bones. The fate of his left eye is not yet clear. Soviet authorities insist that his mutilation was caused by a "self-inflicted attack." I would therefore strongly urge Soviet authorities to transfer Mr. Berenshtein to an ophthalmic hospital for proper treatment and that he be released at the soonest opportunity.

Mr. President, I also wish to bring two family reunification cases to the Senate's attention. The first of these concerns Carolyn Justice of Mountain View, CA. Carolyn wrote me recently to ask for my help in getting her husband out of the Soviet Union. I think that her words describe her predicament quite effectively:

> While participating in a language and culture study program in the USSR in 1981, I met and fell in love with a Soviet citizen. We were married, with the blessings of Soviet authorities and in full accordance with Soviet laws, on June 29, 1981 in Leningrad. Since that day, my husband, Andrei Planson, has received six refusals for an exit visa to join me in the United States. I lived with my husband, at great professional sacrifice and expense, for a year, returning to the U.S. in the spring of 1983 to give birth to our son Nicholas. Father and son have never seen each other.

The Soviet position is simply that "It is not in the interests of the USSR" that Andrei join his wife and son. This violates international agreements (the Helsinki Accords) as well as the Soviet Constitution and law (the Fundamental Legislation on Marriage and the Family). It has brought great suffering to us, damaged Andrei's health severely, and causes me constant financial difficulties. There is no legal justification for detaining Andrei: he has never had access to state security matters, has not served in and is exempt from the military, has never committed a crime, and is not a dissident or a public figure of any description. He is purely a victim of the poor relations that have dominated US-USSR affairs in the past several years.

Carolyn has indicated to me that she has been assisted in her reunification efforts by a wide range of organizations and individuals, including the Department of State, the Helsinki Commission to Congress, and the United Nations Commission on Human Rights.

A similar case concerns Keith Braun of Troy, MI. Keith traveled to the Soviet Union in 1984 where he met Svetlana Ilyinichna of Moscow. They fell in love and were married in a Soviet ceremony on August 9 of last year. She applied for the right to emigrate on November 23 but was refused by Soviet authorities. She intends to reapply this week. As in the Planson case, Mrs. Braun has violated no Soviet law and has no access to Soviet state secrets. I would therefore urge Soviet authorities to act in a humanitarian manner in these cases and allow these families to be reunited.●

EDUCATION AND BUDGET

● Mr. MOYNIHAN. Mr. President, last Thursday. I was pleased to join my distinguished colleague, Senator CHILES, in offering an amendment to the budget resolution for fiscal year 1986 to restore vital funds for education programs. This amendment was to signal, as clearly as we knew how, that the Senate was not yet ready to ignore its longstanding commitment to help millions of low- and middle-income students gain quality educations. Unfortunately, the Senate rejected our amendment by the narrow margin of 47 to 50. This was a most regrettable outcome.

The massive Federal budget deficit does pose a clear and present danger to the economy. A budget so far out of balance is unstable, and will weaken future economic growth. Prudent, equitable efforts must be made to cut the deficit; but it must not be used as a tool to achieve, under a veil of a national crisis, what could not be won directly. This is what the administration sought to do by reducing Federal support for education programs. The real issue has not been ink, black or red, but ideology.

Since 1980, the Federal share of total expenditures on education declined from 10.8 percent to 8.3 percent. In its budget for fiscal year 1986, the administration proposed to cut support for the Department of Education by 15 percent and elementary and secondary education programs by 9 percent. It sought to cut student financial aid by 25 percent and proposed restrictive and unrealistic eligibility requirements and aid caps on these programs, which would have placed heavy burdens on colleges and universities, and more importantly, on millions of students.

These proposals proved unacceptable even to the Senate Republican leadership, and so a compromise was agreed upon, which this body subsequently approved on April 30, by a single vote. This package claimed to ameliorate the harshest aspects of the administration's original budget request, but it still made deep cuts in education spending over the next 3 years. It still cut financial aid. It still reduced remedial education services for disadvantaged students. It still was unacceptable.

Our amendment would have restored $3.4 billion in fiscal year 1983 and $9.1 billion over the next 3 years for a number of essential education and employment training programs. We accepted a freeze in most programs, and for others restored funds only to the level necessary to provide current levels of service next year. But we rejected the administration's tacit assertion that those students most in need of Federal assistance should bear the brunt of the budget deficit.

The amendment would have funded the chapter 1 education program for the disadvantaged at a current services level. Since 1980, over 500,000 children have been dropped from the program because of reduction in funding. Today, chapter 1 remedial reading and math programs serve just over 40 percent of the children eligible to participate. Under the administration's proposal, as many as 200,000 additional children could have lost chapter 1 services.

The Republican compromise budget plan also incorporated the administration's proposal to eliminate impact aid "B" payments, which provide crucial assistance to school districts serving large numbers of children whose parents either live or work on nontaxable Federal property. Impact aid compensates these districts for their lost tax revenues.

At Fort Drum, NY, the U.S. Army is establishing a new 10th Mountain Division. When the expansion at Fort Drum is complete, school districts surrounding the base will be asked to absorb 10,000 new students. Almost all of these students will fall within the "B" category of impact aid. Under the compromise budget proposal, none of the school districts accommodating this influx of students would have received any Federal assistance. Our amendment ensured that all school districts affected by Federal activities would continue to receive fair compensation for lost tax revenues, and would have frozen impact aid if "B" payments at their fiscal year 1985 level.

In addition, our amendment provided a current services level of funding for Head Start—a program of indubitable value. Head Start's success can be attributed to the program's recognition that a child's education is a product of his or her total environment. Head Start children score better on standardized tests; they achieve more in school and are less likely to fail a grade, drop out, or require special education classes. They are more likely to receive adequate medical care and grow to normal heights and weights, with fewer absences due to illness and better performances on physical tests. Yet, the Republican budget plan threatended to eliminate preschool education and medical services for 20,000 of the 442,000 children currently served under the program.

The Republican budget package also would have unfairly restricted student financial aid programs. Last February, the newly confirmed Secretary of Education, William J. Bennett, observed that the proposed cuts would force students to make, "(a) stereo divestiture, automobile divestiture, 3 weeks at the beach divestiture." The Secretary made light of a serious situation. This budget would most seriously have affected students from moderate and low-income families, many with more than one child in college. These students don't take 3-week vacations at the beach; they work every summer to pay part of their tuition. These cuts would have forced them to make an education divestiture.

According to the Congressional Budget Office, the proposed changes in student financial aid included in the compromise budget plan would have eliminated over 400,000 loan and grant awards for undergraduate students. In New York, the State Higher Education Services Corp. reported that undergraduate and graduate students would have lost 160 million dollars' worth of loans. Colleges and universities, which have, in recent years, increased substantially institutional resources devoted to student assistance, cannot make up for these losses. Hundreds of thousands of students, many holding down jobs to help pay their education expenses, would have nowhere else to turn.

The authorizing committees can and should realize some administrative savings in the student financial aid programs. Our amendment accepted a $150 million reduction in the GSL program in fiscal year 1986, which could have been achieved by streamlining the payment procedures and implementing other modest changes. However, we unequivocally rejected cuts in direct aid provided to eligible and deserving students.

Might I add how pleased I was to see Federal support restored for public and research libraries in the Senate after having been eliminated in the original Republican budget plan. Of all the Federal funds spent on education and cultural activities, surely none has as far reaching an impact as those spent on libraries. Congress has encouraged their growth since the enactment of the Library Services and Construction Act of 1956. The Senate in my view, showed much good sense in continuing that support. But other vital education programs have no less claim on our support.

Mr. President, for two decades, Federal support for education has rested on the principle that the Federal Government has a proper responsibility to help each citizen develop his or her unique talents. Our amendment last week sought to reaffirm that principle, yet we could not summon a majority of this body to join us. The budget adopted last week by a one-vote margin restore some funds for education the compromise package would have cut, but it falls woefully short of our needs over the next 3 years. We must continue to seek responsible ways to reduce the deficit, but we must not allow the budget debate to obscure our obligation to provide educational opportunities to all Americans.●

SCHOOL INTEGRATION IN BUFFALO

● Mr. MOYNIHAN. Mr. President, the issue of court-ordered school desegregation arouses strong emotions from proponents and opponents alike. These emotions often prevent us from recognizing that, in some instances, school systems, and indeed, whole communities, benefit enormously from court-ordered desegregation.

One such community is Buffalo, NY, where the public schools, once beleaguered by problems of racial isolation and declining test scores, are now a source of civic pride. Writing in yeterday's edition of the New York Times, reporter Mike Winerip chronicles the successful integration of the Buffalo public schools, from the initial desegregation court-order 9 years ago to the current high levels of academic achievement.

Much of the credit for Buffalo's model desegregation program must go to two individuals: Federal District Court Judge, John T. Curtin, and Superintendent of Schools, Dr. Eugene Reville. It was Judge Curtin's commitment to upholding the constitutional rights of Buffalo's minority students that originally forced the school district to implement a desegregation plan. For his part, Dr. Reville provided the leadership necessary to make the plan work.

Another important factor was the Federal funding made available to the district to design and operate so-called magnet schools, each with a special curriculum, which became the focus of Buffalo's desegregation efforts. As noted by Mr. Winerip, Federal support for the Buffalo schoool district's magnet school program was drastically reduced in 1981. The loss of this support threatens to undermine the program's success.

In the last Congress, both the House and Senate overwhelmingly approved legislation to restore Federal support for magnet school programs used in voluntary and court-ordered desegregation plans. This legislation, the Magnet Schools Assistance Program, was incorporated as title VII of the Education for Economic Security Act (Public Law 98-377), and was signed by President Reagan on August 13. Subsequently, Congress appropriated the program's full authorization of $75 million for the current fiscal year.

Unfortunately, President Reagan's fiscal year 1986 budget proposal sought to rescind this year's appropriation and recommended that no funds be allocated next year. Although Congress has refused to act on the President's rescission request, the Department of Education has delayed the implementation of the program. Nine months have passed since title VII's enactment, yet no final regulations have been issued. And applications for funding were sent out only last week, after a bipartisan group of 43 Senators wrote Secretary Bennett to express concern about the Department's administration of the program.

The Buffalo desegregation experience can be repeated elsewhere. But this will not happen unless the Federal Government assists local school districts to implement similar programs. I would like to share Mr. Winerip's article on the Buffalo public schools with my colleagues in the Senate, and urge them to join me in seeking to ensure the prompt expenditure of Magnet Schools Assistance funding for the coming school year.

Mr. President, I ask to have the full text of Mr. Winerip's article printed in the RECORD.

The article follows:

[From the New York Times, May 13, 1985]

SCHOOL INTEGRATION IN BUFFALO IS HAILED AS A MODEL FOR U.S.

(By Michael Winerip)

BUFFALO.—Four years after a Federal judge ordered forced busing, the Buffalo public schools have come to be considered a national model of integration.

Moreover, educators say, the schools here are the better for integration.

"The best thing that's happened to Buffalo is court-ordered desegregation," said the Superintendent of Schools, Eugene Reville. "We've restored confidence in Buffalo public schools."

Of the 531 school desegregation programs that James Barnes has been involved with as director of the Hartford-based National Education Strategy Center, Buffalo, he said, "is right at the top, right at the very top."

Integration has worked, national educators said, because parents and teachers received a major role in designing the city's 22 magnet schools; because millions of dollars in extra Federal funds were available to make the magnet schools special, and because a Federal judge brandished a court order that kept things moving.

School officials sold integration in Buffalo, which is about 40 percent black, by promising a better school waiting for children at the end of the bus ride.

They spent tens of millions of dollars creating 43 full-day prekindergarten programs that hooked many parents on public schools early. And they set up magnet schools reflecting virtually every philosophy in education, from the progressive to the traditional.

The "velvet steamroller" is how it is described here, where school officials have crafted a system of magnet schools so appealing that of the 30,000 students who were bused four years ago, only 15 percent had to be ordered onto buses by the Federal judge. Nearly one of every three Buffalo schools is a magnet school.

The magnet-school idea was first tried in this country in the late 1960's to ease desegregation in Detroit. The goal was to create schools so special that students would be pulled—as if by magnets—from all parts of the city, even if it meant riding a bus.

Magnet schools have always worked best where there is the threat of court-ordered busing, said Gordon Foster, director of the Miami Desegregation Center, a nonprofit federally financed institute. "Buffalo's a prime example," he said.

Judge John T. Curtin of Federal District Court, who has presided over the integration case, said: "I'm distressed by people who make statements nationally that integration doesn't work. It does work. It's plain wrong to say it won't. It's worked in Buffalo."

Integration was a long time coming here. Twenty years ago the New York Commissioner of Education made the first of many unsuccessful attempts by the state to persuade the schools to desegregate.

Nine years ago, after black leaders filed a Federal suit, Judge Curtin stepped in and issued his first desegregation order; eventually there would be four. In the first phase, magnet schools were opened; in the last, the judge ordered busing to complete the integration.

And there are still some problems: Federal and local cuts in funds threaten magnet programs; teachers at nonmagnet schools complain that their programs are neglected, and a few of the city's 75 schools remain segregated.

IMPROVEMENTS IN SYSTEM SERVE AS MODEL FOR OTHERS

Today everyone, from the black leaders who filed the Federal suit to white parents who swore their children would never ride a bus, agrees the results are impressive.

Test scores are up. While in 1976 the average Buffalo third grader scored at the 45th percentile in mathematics on the state pupil evaluation test, the average score five years later was at the 69th percentile.

And this year Buffalo has the only educational system in New York with two schools on the State Education Commissioner's list of 20 top secondary schools. One of those Buffalo schools is the science magnet, or the Zoo School, which, no matter how it

FINANCING SUPERFUND

In sharp contrast to its rapid growth

sounds, is unique—a school at the Buffalo zoo with a curriculum built around zoo animals.

Several months ago two dozen Japanese educators flew to Buffalo to see how such magnet schools work, and they were followed last month by a dozen superintendents from southern school districts.

A few weeks ago, when a United States Justice Department lawyer involved in the prolonged school desegregation suit in Yonkers was looking for programs that might work there, he visited Buffalo.

Each year for the last five years, 300 to 400 white children have left private and parochial schools here to attend integrated public schools.

Those children have helped balance a slight growth in the city's black population. When Judge Curtin intervened nine years ago, the schools were 43 percent black; now they are 47 percent black. Integration has not caused the dramatic white flight experienced in other cities.

These days Buffalo school officials say their biggest worry is not protests about busing or racial conflict, but fighting the fund cuts that threaten magnet-school programs.

In 1981 Buffalo received $7.4 million in Federal desegregation funds, the most for each student of any system in the country. But that dropped to $950,000 the next year, with Reagan Administration budget cuts, and while the state has increased desegregation aid to Buffalo, it is still well below the 1981 level.

APPEAL OF MAGNET SCHOOLS STARTS WITH THEIR VARIETY

Variety has made the magnet schools work. Buffalo now has the largest public Montessori school in the country, and it has Traditional High, where there is mandatory nightly homework and a dress code (shirts with collars for boys, no earrings for boys, and no jogging suits for boys or girls).

Nor did Buffalo limit its magnet schools to the academic elite. Admission to the Zoo School is by lottery; 70 percent of the zoo students are considered poor and get federally subsidized lunches.

Officials took East High School, an all-black inner-city school once considered among Buffalo's most troubled and spent $4 million turning it into the Buffalo Vocational-Technical Center, which today is an integrated school with a long waiting list.

When Denise O'Mara, a white high school junior from the Irish section of town, heard she would be riding a bus to Voc-Tech, she was delighted—it meant she had been accepted to the word-processing computer course she wanted so badly. She does not remember the time in the late 1970's when there were no whites in the school.

But the principal, Bill Bennett, remembers. "This will only continue if we can keep our equipment up to date," he said. "You can't update unless you have bread. Money is everything, everything is money."

Judge Curtin remembers, too, and is openly critical of the Reagan Administration's recent attempts to block Federal funding for magnet programs. Last year Congress appropriated $225 million for magnet schools, but the money has not been allocated by the Federal Department of Education.

Last week Senators Daniel Patrick Moynihan, a Democrat from New York, and Orrin G. Hatch, a Republican from Utah, led a bipartisan protest that helped to get the application process for those funds going. But when the money will be available remains unclear, according to a spokesman for Senator Moynihan.

"Of course it's discouraging," Judge Curtin said in an interview in his chambers. "It could be a terribly disastrous thing."

The schools have been a bright spot for a city—New York State's second largest—that has had more than its share of troubles. Since the closing of the Bethlehem and Republic steel plants in the late 1970's, unemployment has been high, and many of those who could afford to left the area.

The population is 325,000 today, half what it was in the 1950's. And of the five largest cities in New York State, Buffalo has the highest percentage of people below the poverty level—$10,610 in yearly income for a family of four. Even with the extra desegregation aid, the spending for each pupil here is about 15 percent below the state average.

"In a community like ours, we've had a number of setbacks," Judge Curtin said. "The one thing I'm convinced, the school system is much better than 10 years ago or 20 years ago."

SMALL VICTORIES WON IN SCHOOLS AND AT HOME

It was the power of the magnet schools that converted Carol Holz from a leader of the South Buffalo Antibusers 10 years ago to an enthusiastic supporter of integration today.

For the longest time, Mrs. Holz said, she had prayed to St. Jude—the Roman Catholic patron saint of impossible causes—asking that her children never be bused out of their Irish working-class neighborhood. She and her husband, Dick, went to hundreds of meetings and promised trouble if their children were bused into black innercity and East Side neighborhoods.

And then one day several years ago, she said, one of her sons came home and told her about a new magnet school he wanted to attend. "It was devastating," Mrs. Holz said. "Here I was opposing busing, because I was trying to do what's best for my kids, and they were telling me something different."

In time, she said, she was willing to give the magnet schools a try, but she still had a problem: "My problem was, 'How will I tell Dick?' "

The day she broke the news to her husband, a steelworker, sitting right in the room with them, giving moral support, was the associate superintendent of schools, Joseph Murray.

"Dick said, 'We'll try it, but if one thing happensm kids to read,". said the principal, William Fairlie, "but as a result of them being here in the new pre-K program, we saw they were ready."

Parents here can now go shopping for a school to suit their child's temperament. Nicole Skorka, a fifth grader, started at the Montessori school, where children are encouraged to develop at their own pace and to rove the halls freely and play on the floors.

This was the wrong place for Nicole, and she was miserable. She has since transferred to Campus East, another magnet school, where discipline and basics are the law. "Oh, this school is good," Nicole said. "All you do is sit in your seat and work."

Teachers, too, welcomed the magnet-school program. Suddenly they were being asked to create new courses to attract students.

Joe Carden had first tried to set up an advanced computer-accounting program 22 years ago, but not until the Buffalo Voc-Tech magnet school opened five years ago did he get the go-ahead. "If it wasn't for integration," Mr. Carden said, "I wouldn't have supplies, I wouldn't have equipment, I wouldn't have the motivated students."

In the first year of his business course, he now teaches what used to take two years.

Like the students, teachers apply to schools that suit their philosophies. A mathematics teacher, Mark J. Walter, who likes a structured setting, switched from a regular city high school to Buffalo Traditional five years ago. "I'm on safer ground here," he said, "just like the kids—they know what's expected and so do I."

At Buffalo Traditional he advises the math team and engineering club. At his previous school he was not involved in after-school clubs.

None of this is to say there are no problems. Though Buffalo has a higher proportion of magnet schools than most places, many students and teachers still find that the magnet schools they want are filled. This year 10,000 students applied for 2,200 openings.

Teachers at nonmagnet schools complain that their schools suffer to make the magnet schools shine. "The magnet programs are the finest anywhere," said the president of the Buffalo teachers union, Philip Rumore,

Many students wind up at city schools like Kensington High because they were not accepted into a magnet program. The school, which is two-thirds minority, has had difficulty attracting whites. "Sometimes students come here feeling they're the rejects," said Mary Grace Demarse, a guidance director.

Also, since the Federal cuts, school leaders and the Mayor, James Griffin, have fought over appropriating extra money for integration. Two years ago Judge Curtin ordered the city to give the schools an extra $7 million, and a request from school officials for $30 million more is before him.

School officials and the judge find that keeping the system racially balanced takes constant tinkering. The judge's order says the schools must be between 30 and 65 percent minority, and every year school officials add what they call "mini-magnet" programs to adjust the racial balance.

"Pleased?" said Judge Curtin. "Yes, but the school system is like most things in life; it calls for attention all the time. People want instant results. For heaven's sakes, it takes a while."

Though he still has jurisdiction in the case, the judge has not been yelled at by parents in a long time. They used to go to his home, write him notes and phone him in the middle of the night.

In the South Buffalo section, where the judge grew up, they called him the "little fool" for some time—he is not very tall. "But you don't hear that much any more, Mrs. Holz said. "I'd say people respect him now."

Occasionally someone even thanks the judge. Once in a while school children invite him for a visit or send him a gift. The Futures Academy magnet school, a career-oriented program, gave him the key to the school. The children at Early Childhood Center 90 made a bright yellow piggy bank for him. Both schools, once all black, are now integrated.

The judge said he found these school visits "a very moving experience."●

FINANCING SUPERFUND

● Mr. BENTSEN. Mr. President, the fear and misery posed by abandoned hazardous waste must be put to an end. There is widespread agreement in Congress and among the people of this Nation that we must respond to this issue aggressively and promptly.

We all know that the Superfund must be expanded to do the job. Congress must determine how to raise the needed revenues, and in doing this we must make our best effort to be fair.

When the Superfund was first enacted, Congress chose to utilize the current feedstock tax approach. It was, frankly, the easy way out because of administrative convenience.

The hope that most of the tax burden would be passed along the chain of production to the customer utilizing products made with these chemical feedstocks was a hope that failed. Estimates are that 12 companies pay 70 percent of the tax, and a substantial body of evidence exists that the feedstock tax has not been passed along.

It is time we face the reality that hazardous waste disposal is a societal problem, not just an industry problem. We all benefit from products like plastics and nylon, airplanes and autos, microchips and minicomputers, but each of these contributes to the waste problem.

I recently thumbed through the list of 291 potentially responsible parties at the Stringfellow hazardous waste site in California. Sure, I found petrochemical and oil companies like Atlantic Richfield on the list, but I also found Carrier, General Foods, Hughes Aircraft, Teledyne and others. I found plating companies and metal finishers and vacuum truck services.

In short, the disposers at Stringfellow were a wide cross section of the national economy—dramatically different from the narrow base of the current Superfund tax.

We must find an equitable tax base, but we are presented with difficult choices. We could turn to general revenues. This is the easiest, most frequently used revenue source when faced with societal problems. In the past, I have considered general revenues as a fair option. But faced with $200 billion deficits, I cannot endorse such an approach today.

We could increase the feedstock taxes, but even the current tax is not being passed on to consumers. Moreover, the American petrochemical industry which pays most of the feedstock tax is on the ropes. Sales and profits are weak despite the economic recovery because the basic structure of the industry is being altered by subsidized OPEC petrochemical production.

A recent Congressional Research Service analysis gave this description of the industry:

> In sharp contrast to its rapid growth during the 1960s and 1970s, the U.S. petrochemical industry—especially producers of primary petrochemicals—has been in decline during most of the period since 1979. Production, employment and operating rates were all notably lower in 1983 than in 1979. Profits appear to be down substantially as well. At the same time, the share of the U.S. market accounted for by imports has grown markedly.

To say that imports have grown markedly is an understatement. They have skyrocketed, cutting the petrochemical industry's net trade balance by nearly a quarter since 1980. Weak prices and profits are the predictable result. In product line after line, demand is up, but domestic prices and production are down.

In ammonia, for example, demand is projected to rise 2 percent this year. Yet production will fall 5 percent as imports surge to 20 percent of demand. Since 1982, imports have nearly doubled, causing 40 percent of all U.S. ammonia plants to shut down.

In urea, production this year is projected to fall more than 4 percent, with imports rising to 30 percent of the market. Since 1981, urea imports have increased 170 percent.

In methanol, domestic production will decline an estimated 8 percent this year, resulting in our entire industry operating at depression era 50 percent capacity. Despite this, imports have increased seven fold since 1981 to command 15 percent of the market.

Unemployment is rising across the entire industry. In the Golden Triangle area of Texas, which includes Beaumont and Port Arthur, one in six petrochemical industry jobs have been lost since 1981. Nationally, 43,000 jobs in petrochemicals have been lost since 1980.

The high dollar is hurting domestic manufacturing in general. But manufacturing employment is down only 1 percent since 1980—not 17 percent as in petrochemicals. The reason for this is simple: subsidized OPEC competition. OPEC nations are seeking to bypass the cartel's voluntary crude oil producing limits by moving from crude oil to petrochemicals.

Eight years ago, OPEC began to seriously limit each member's crude production to prop up prices. The only way OPEC nations could sell more oil was to sell oil products—like ammonia and ethanol. The results have been breathtaking.

The giant Saudi Arabia consortium Sabic is building 16 major new petrochemical plants in the Arabian Gulf and Red Sea. In 1984 and 1985, Sabic will have added over 5 percent to world ethylene capacity, even though excess capacity of 25 percent already exists.

Under normal conditions, this new output would have nowhere to go. But these new plats are government controlled. In Saudi Arabia, Libya, Nigeria, and Indonesia, the governments are ready, willing, and able to undercut existing producers and gain footholds in foreign markets by supplying dirt cheap oil and gas feedstocks to their own plants.

Texaco has found that OPEC is providing crude to government-owned refiners at $2.50 per barrel or more below world prices. We hear talk of the terribly effective Japanese targeting practices against U.S. semiconductors, TV's, and autos. OPEC wrote the book on government targeting—and they've taken aim at the U.S. market. No matter how efficient their management or new their plant, U.S. firms paying $2.50 per mcf or more for petrochemical natural gas feedstocks cannot compete with brand new OPEC plants paying only 50 cents per mcf.

The U.S. petrochemical industry and the jobs it produces are too important to this Nation to consider the possibility of an increased feedstock tax. The Congressional Research Service has evaluated the impact of such an increase, and I ask that the CRS report, "Proposed Superfund Tax Increases and the U.S. Petrochemical Industry: An Economic Analysis," be printed in the RECORD at the conclusion of these remarks.

As this report shows, an increased feedstock tax would result in the following:

Higher petrochemical costs and reduced sales.

Reduced profits and possibly even losses for U.S. petrochemical producers.

Further decline in domestic output and employment.

As the U.S. industry shrinks in size, imports will rise and foreign producers will be able to exploit the weak U.S. industry, and raise prices.

Production costs for the six major primary petrochemicals studied would increase 3 to 5 percent.

These products represent about 60 percent of all industry shipments in 1984, and had a 1.24 percent pre-tax profit on sales.

The CRS study also examined who would pay the higher tax. The CRS study is unequivocal in stating that the entire tax would be borne by primary producers and intermediate petrochemical producers, with chemical product consumers paying none of the increase:

> The domestic intermediate petrochemical industry will bear the burden of the proposed tax increases to the extent that primary producers shift the tax forward. They would not be able to shift the higher costs forward to their buyers, who have the option of buying imported intermediate products.

Since this report was published, most of the largest chemical producers have reported their first quarter earnings, and it appears they average 26 percent below last year. Among the firms with the highest sales totals, earnings declined across the board. This includes a decrease of 17 percent in net income at Dow Chemical, 34 percent at Union Carbide, and 50 percent at Monsanto.

There are similar reports from diversified manufacturers with large chemical sales components. Du Pont, which has the highest volume of chemical sales of any U.S. company, dropped 41 percent in net earnings from the first quarter of 1984.

Mr. President, an unfair burden on one segment of our society—one already suffering from foreign-subsidized competition—is not the answer to financing the needed expansion in Superfund.

A Superfund tax should have a rational relationship to the problem and to chemical product customers. It should be fair. It should not encourage companies to move their operations abroad, or hurt the ability of U.S. companies to compete abroad nor cause domestic unemployment to rise. Above all, it should be workable.

I am drawn to the conclusion that a broad-based tax is the only workable answer. Several of my colleagues on the Finance Committee have proposed various ways to expand the tax base in an effort to reflect reality. Senator **Wallop** and I have proposed what is essentially a tax on sales of manufactured goods and raw materials from the point of production.

Our Superfund excise tax would be passed through to customers, and this is fair. The simple fact is, chemicals find their way into almost all manufacturing processes and our proposal acknowledges that reality.

Another goal is to avoid aggravating the disadvantages now facing domestic petrochemicals in competition with foreign government plants. A higher feedstock tax doesn't do this. Indeed, it will do OPEC's dirty work. A third goal is to avoid placing U.S. firms which use petrochemicals to produce other products at a competitive disadvantage. Under the present tax, foreign firms evade this tax by exporting synthetic fabric, for example, to the United States rather than the taxed chemicals themselves. The fabric enters this country at a price that does not reflect the tax paid by competing U.S. intermediate producers when they buy the chemicals.

The proposal that Senator **Wallop** and I have put together would solve the problem by applying the broad-based Superfund tax to imports of all manufactured and produced products. Foreign firms would no longer have a price advantage over U.S. competitors. We would also exempt our exports from the tax, so they can compete abroad.

One of the most serious problems with a tax of this type is to prevent cascading of tax liability when a product moves through a chain of production. We have inserted what we feel is a simple credit mechanism to solve this problem. Essentially, manufacturers will pay tax on their sales, and receive a credit for the tax paid on their material imputs. They will not have to keep invoices or other records to show the tax paid. It will be enough to show the purchases of the inputs, which is already a requirement for income tax purposes.

Another aspect of simplification in our proposal is that there are relatively few exceptions to what constitutes manufacturing. We did build in some exceptions—including farmers, who typically have only scant inventory records—but in general we do not think it will be necessary to grant numerous exemptions.

The rate will be very low, perhaps less than 10 cents per $100 of sales, so that we can necessarily avoid making some of the fine distinctions that we perhaps would make if the tax were designed to raise large amounts of general revenues.

I think this proposal is fair, simple, and advantageous to U.S. companies competing is world markets. On balance, our choices are harsh and limited. A major role for general revenues is impractical. Increases in the feedstock tax are inequitable and unwise. Waste taxes could only play a minor role.

The only real choice is development of a broad-based revenue source.

At this point, a number of members of the Finance Committee are working to meld the best features from the broad-based tax bills that have been introduced. I anticipate that I will be fully supportive of the result, and I look forward to marking up the proposal in the committee very soon.

The report follows:

[Report No. 85-81 E]

PROPOSED SUPERFUND TAX INCREASES AND THE U.S. PETROCHEMICAL INDUSTRY: AN ECONOMIC ANALYSIS

ABSTRACT

This report analyzes the expected economic impact of hypothesized large increases in Superfund taxes on the U.S. petrochemical industry. In general, it finds that the hypothesized tax increases would raise average production costs of six major primary petrochemicals by 3 to 5 percent, and that the resulting decline in industry profitability in the long-run would lead to a reduction in output and employment and to an increase in prices.

I. Introduction and summary

A. Background

On December 11, 1980, the Federal Government enacted the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA)[1] to authorize the expenditure of money for cleaning existing hazardous waste sites and to avert the threat of releasing new hazardous waste substances. This program, also known as Superfund, is largely financed by a system of excise taxes on 42 chemicals and on petroleum. In addition, a small proportion of the Superfund's revenues is appropriated from general tax revenues, and still smaller shares are obtained from other revenue sources.

Unless the Act is extended, the tax-collecting authority will expire at the end of fiscal year 1985. Various committees in the House and Senate are considering bills to extend and modify it. At this writing, two bills in the 99th Congress call for a large increase in the size of the Superfund, to be financed mainly by much higher taxes on the chemicals and petroleum covered by the present law. S. 51 (Stafford) would expand the Superfund program from $1.6 billion (over the five-year period) to $7.5 billion (over the five-year period). H.R. 2022 (Sikorski) would expand to $11.7 billion over a similar period. The latter is similar in dollar magnitude to H.R. 5640 passed by the House, but not the Senate, in the 98th Congress.[2]

B. Purpose and scope of report

The purpose of this report is to analyze the economic impact of large increases in Superfund taxes on the U.S. petrochemical industry. Section I.A. reviews the present structure of Superfund taxation and I.B. describes in greater detail than above, the proposed expansion of such taxation under H.R. 5640 as approved by the House in the 98th Congress. H.R. 5640 was selected because it provides for large tax increases and because a comparable bill had not been introduced in the 99th Congress until the analysis was nearly complete.

Section II describes the role of petrochemicals in the economy and recent industry trends. Section III addresses some of the economic issues, such as where the burden of the proposed tax increases is likely to fall, the potential effects on the industry's profitability and size, and the potential effects on the ability of the U.S. petrochemical industry to compete against foreign producers. The analysis focuses mainly on producers of six major primary petrochemicals. To the extent that other proposals are similar to H.R. 5640, the analysis probably will apply to those proposals as well.

The report concerns itself only with the tax provisions of the existing Superfund program reauthorization as passed by the House in the 98th Congress. There is no discussion of the expenditure side of the Superfund program, of the goals or objectives of the program, or of environmental policy in general.

C. Summary of findings

A previous CRS study on the effects of present Superfund taxation on petrochemicals found that the tax rates are too low to explain the recent poor industry performance relative to the long-term trend before the 1980s.[3] Tax increases of the size proposed in H.R. 5640 (98th Congress), however, would probably have a noticeable effect on the industry.

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[1] Public Law 96-510.

[2] It should be noted that a variety of funding options are being considered in the present debate: The Reagan Administration proposed a 5-year reauthorization which would raise $5.3 billion in part from a new waste-end tax; S. 51, introduced by Senator Stafford, is a $7.5 billion reauthorization which proposes a new waste-end tax, increased petroleum and feedstock taxes, and a surtax on corporate income; some industry proposals call for a value-added tax on manufacturing; Senator Bradley's S. 596 which provides for a continuation of present taxes would continue present taxes and impose taxes on hazardous wastes and on net receipts of corporations.

In general, we find that the proposed tax rates would raise the production costs of six major primary petrochemicals by 3 to 5 percent, and that the resulting decline in industry profitability in the long run would lead to a reduction in output and employment and to an increase in prices of primary petrochemicals.

It is difficult to estimate the magnitude of these impacts and the distribution of the effects upon different parts of the industry; and it is uncertain as to what would be the path of adjustment to the ultimate long-term outcome. The general long term results would depend mainly upon assumptions concerning the price elasticities of supply and demand for the primary chemicals. The short and medium term results would depend upon consumptions concerning industry structure, and the responses to the tax by the various buyers and sellers in the petrochemical market.

In the short run, domestic primary petrochemical producers and foreign suppliers probably would raise prices at least to some extent to cover the increase in costs represented by the proposed tax boosts. (a) Profit margins of domestic producers may not be large enough to absorb the proposed tax increase. (b) Imported products would also be faced with potential large decreases in profits. (c) The domestic intermediate petrochemical industry (users of the primary products) is composed of more firms and, therefore, may be more competitive than the primary petrochemical industry. Demand for and production of primary petrochemicals would decrease.

It is alternatively possible in the short run, but not likely, that (a) domestic producers individually will not raise prices in fear that other domestic producers and foreign suppliers will not follow suit, and (b), if foreign producers have wider profit margins than their domestic counterparts, the former would absorb much or all of the tax increase and raise prices very little or not at all. Depending upon domestic producers' profit margins, this could result in large operating losses in the short run.

In either short-run scenario, the long-run effect would be that the drop in profits (or incurrence or losses) would reduce (or eliminate) the rate of return to capital, and resources would leave the U.S. primary petrochemical industry. Domestic industry output and employment would decrease. And, aside from the direct effects of the tax increase, a smaller U.S. industry and greater demand for foreign products would tend to result in higher prices and more imports.

The domestic intermediate petrochemical industry will bear the burden of the proposed tax increases to the extent that primary producers shift the tax forward. They would not be able to shift the higher costs forward to their buyers, who have the option of buying imported intermediate products (which would be subject to Superfund taxes under H.R. 5640).

Because H.R. 5640 would increase Superfund taxes on crude oil, the U.S. petroleum refining industry, too, would experience increases in production costs. Moreover, the several intergrated oil companies (with petroleum refining divisions) that also produce taxable primary petrochemicals would be subject to higher Superfund taxation on the costs of both their inputs (crude oil) and on some of their outputs of primary petrochemicals. Given the present low profitability of the refinery industry in the United States, and the competitive nature of the world oil market, this may produce additional hardships. Some of these problems may spill over to oil producers.

In general, the findings of our analysis imply that part of the cost of cleaning up the environment consists of the economic costs of reduced industry profits, output, and employment. These costs should be part of the debate over environmental policy.

II. Present law and proposed changes

A. The 1980 act

The present Superfund program is funded largely by a system of excise taxes on 42 chemical substances and crude oil. In fiscal year 1983, the revenues generated by these taxes—$230 million—accounted for about 70 percent of total receipts of the Superfund program. In addition, Superfund monies came from general revenues (about 12 percent in Fiscal Year 1982), interest income (about 18 percent in FY 1982), and a tax on hazardous wastes received by a qualified disposal facility (about two percent in 1982). Authority to collect the taxes expires on September 30, 1985.

1. The Chemical Taxes:

The 1980 Act imposes a system of excise taxes on designated chemical substances, produced or used domestically, that are considered to be hazardous or (even if the taxable chemical is not inherently hazardous) that may be used in any production process that results in hazardous waste products. These taxes—often referred to as the feedstock taxes—are imposed on the use or on the sale of the designated chemicals. Thus, a substance need not be sold to be taxed. Where a taxable substance is used as an input into the production of another taxable substance, the amount of tax on the input substance is credited against the tax on the output substance. Imports are also subject to the tax, and there is, under present law, no rebate of the tax on exports.

Twelve primary petrochemicals and 30 inorganic chemicals constitute the designated chemical substances.[4] The rate of taxation is relatively low, ranging from 22 cents per ton for potassium hydroxide (an inorganic chemical) to $4.87 per ton on ten of the petrochemicals.

Under certain conditions, the designated substances may be exempt from the Superfund tax. The five following categories of chemicals are exempted because of their particular origin and/or purpose. (Some of the exemptions were added by the Deficit Reduction Act of 1984.)[5]

Chemical substances derived from coal;

Certain chemicals used as fuels or used in the manufacture of motor fuel, diesel fuel, aviation fuel, or jet fuel (this applies to all of the petrochemicals except ammonia);

Chemicals used to produce fertilizer (includes ammonia, methane used to produce ammonia, nitric acid and sulfuric acid);

Sulfuric acid that is a byproduct of air pollution control equipment;

Certain substances that may be produced as temporary byproducts of a metal refining process and may be incidental to that process, as long as they are not removed (this applies to lead oxide, zinc sulfate, zinc chloride, cupric oxide, cuprous oxide, and cupric sulfate).

2. The Petroleum Tax:

The second Superfund excise tax is a relatively minor tax of 0.79 cents ($.0079) on each barrel of crude oil received by a domestic refiner and on each barrel of petroleum products imported into the United States. In the case of domestic crude oil, the tax is imposed on the operation of the refinery that is receiving the oil. In the case of imported petroleum products, the tax is imposed on the person bringing the product(s) into the country. In situations where the crude oil is used or exported before the tax is imposed, the tax is levied on the user or exporter of the oil.

Taxable crude oil includes crude oil condensates and natural gasoline, nearly all of which is extracted from natural gas. Taxable imported petroleum products are defined as any hydrocarbon product derived from crude oil or natural gasoline that is imported in liquid form into the United States (this includes crude oil, oil condensate, natural and refined gasoline, and other products refined from crude oil).

There are several categories of hydrocarbon liquids that are explicitly exempted from the petroleum tax or, through omission in the statute, not subject to the tax:

Crude oil used to extract oil or natural gas, such as an injectant in a tertiary recovery process, on the premises where the crude oil was produced;

Natural gas liquids other than natural gasoline;

Synthetically produced oil such as oil from shale rock, tar sands, biomass, and coal;

Refined petroleum products that were produced in U.S. refineries.

3. Tax at Waste Disposal Facilities:

CERCLA also imposes a tax (effective October 1, 1983) of $2.13 per ton on hazardous wastes delivered to a permitted waste disposal facility. The revenues from this tax finance the Post-Closure Liability Trust Fund. The Fund assumes the liability of hazardous waste disposal facilities when they have been closed (in accordance with regulations) and have been monitored for up to five years to show there is no substantial likelihood of release of hazardous substances.

B. The House-passed bill (H.R. 5640, 98th Congress)

H.R. 5640 was a comprehensive Superfund reauthorization and reform bill. It would have increased tax rates and widened the scope of Superfund excise taxes, strengthened Federal enforcement and encouragement of pollution control activities in a variety of ways, and enhanced Federal ability to respond to hazardous waste occurrences and to assist victims of such occurrences.

1. The Chemical Tax:

The House-passed bill would have changed the taxes on chemicals in several ways. First, the number of substances subject to a Superfund tax would have been expanded from 42 to 56, with most of the additions coming from the inclusion of some coal-derived chemicals and of several elemental metals and metal compounds not previously taxable. One inorganic chemical—lead oxide—would have been deleted from the list of chemicals that are presently subject to tax.

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[3] U.S. Library of Congress. Congressional Research Service. U.S. Primary Petrochemicals: The Superfund Taxes and Other Factors Shaping Recent Trends in Supply and Demand. Report No. 84-704E, by Bernard A. Gelb and Gary L. Guenther. Washington, 1984.

[4] The indicated 13 petrochemicals includes ammonia, virtually all of which is produced from natural gas. The 1980 Act follows usual practice and lists ammonia among the inorganics, because it contains no carbon.

[5] P.L. 98-369.

Second, the bill would have increased the chemical taxes several fold: in some cases, all at once in 1985, in other cases, by varying increments to be phased in over a five-year period. The tax rates would increase further if a waste-end tax is not enacted. For example, the highest present tax rate is $4.87 per ton (which applies to 10 of the 12 petrochemicals.) Under H.R. 5640, the highest rate would have increased to $30 per ton with a waste-end tax and to $35 per ton without a waste-end tax.

Third, the amounts of tax imposed would have been subject to an inflation adjustment in each year. The tax payable on each chemical in a given calendar year would have been adjusted by any percent increase in the producer price index for basic organic chemical or basic inorganic chemicals (as appropriate) between 1984 and the average for the 12 months ending on September 30 of the previous calendar year. No provision was made for adjusting the tax for price decreases.

Fourth, the bill would make several other changes regarding exemptions from the chemical taxes. Perhaps most important, exports of otherwise taxable substances would be exempt, and the blanket exemption of coal-derived chemicals would be removed.

In nearly all cases, the changes would have become effective January 1, 1985; the bill did not specify a termination date for the chemical taxes.

2. The Petroleum Tax:

H.R. 5640 would have increased the tax on petroleum from 0.79 cents per barrel to 7.86 cents per barrel, effective January 1, 1985. If a waste-end tax were not enacted before July 1, 1986, the tax on petroleum would have been increased to 9.65 cents per barrel on January 1, 1987. This tax (at either level) would remain in effect through September 30, 1990. No change would have been made in the categories of petroleum subject to the tax.

3. Proposed Waste-End Tax:

In effect, H.R. 5640 envisioned but did not mandate a waste-end tax. The bill would require the Secretary of the Treasury, in consultation with the Environmental Protection Agency and the International Trade Commission, to study various proposals for such a tax and their probable trade and other economic effects in order to develop a proposal for an excise tax on the disposal of hazardous substances. That proposal was to be designed to discourage, with maximum administrative feasibility, the disposal of hazardous wastes in environmentally unsound ways.

A report on the study and a legislative proposal for a Federal waste-end tax would have been submitted to Congress no later than April 1, 1985.

H.R. 5640 also would have repealed the present tax on disposal of hazardous waste through licensed facilities and the Post-Closure Liability Trust Fund, into which the waste-disposal taxes were deposited.

IV. Background on petrochemicals and the effects of present superfund taxes

As their name implies, petrochemicals are derived from petroleum and natural gas, in the form of petroleum liquids, natural gas liquids, and gases. Four chemicals that are identical in structure to four primary petrochemicals (benzene, naphthalene, toluene, and xylene) are also derived from coal tar and tar crudes, but in relatively small quantities. They constitute the materials from which plastics, synthetic fibers, synthetic rubber, most fertilizers and pesticides, numerous drugs, and many other products are made.

Primary petrochemicals are the initial direct chemical derivatives of those hydrocarbons. They are further processed into intermediate petrochemicals; these, in turn, are processed into petrochemical products, which are sold to a wide range of industries for further processing and incorporation into products for industrial, commercial, or household use. Industry, agriculture, and commerce use petroleum-derived items such as surfactants, pesticides, and detergents. Ultimately, petrochemicals are used, directly and indirectly, in the production of a large number of durable and nondurable consumer goods ranging from food, beverage containers, and cosmetics, to automobiles, home appliances, and furniture.

In 1984, U.S. production of primary petrochemicals totalled about 120 billion pounds; and, "true" petrochemicals accounted for 99 percent of U.S. output of primary petrochemicals plus their coal-derived counterparts.

During the two decades before 1979, production of petrochemicals by U.S. producers rose rapidly, as the ultimate products derived from petrochemicals replaced natural materials such as cotton, wood, rubber, metals, soap, manure, and natural solvents. The economic competitiveness of petrochemicals was enhanced by rapid technological advances in production processes and by stable prices of feedstocks and fuel. Production by the Industrial Organic Chemicals Industry—the industry that produces all primary and most intermediate petrochemicals—increased at an average annual rate of 10 percent between 1954 and 1967, and 7 percent between 1967 and 1979.

In sharp contrast to its rapid growth during the 1960s and 1970s, the U.S. petrochemical industry—especially producers of primary petrochemicals—has been in decline during most of the period since 1979. Production, employment, and operating rates were all notably lower in 1983 than in 1979. Profits appear to be down substantially as well. At the same time, the share of the U.S. market accounted for by imports has grown markedly.

Several major factors underlie this decline, according to a recent CRS analysis.[5] While the imposition of Superfund excise taxes on chemicals and petroleum about the time when the industry began to have difficulties did not help the industry, the tax levels are low enough so that their affects probably were very small compared with the other negative factors. Moreover, the Economic Recovery Tax Act of 1981 (P.L 97-34) substantially reduced the burden of corporate income taxes on U.S. corporations, including the petrochemical industry.

A recent study by the Environmental Protection Agency makes similar findings concerning the trade effect of present Superfund taxes: "Global recession, decontrol of U.S. crude oil prices, changes in exchange rates, and increase in foreign chemical production capacity overwhelm any potential effects of the excise taxes imposed by CERCLA on the U.S. balance of trade."[6] The study concluded that the effect of the law's excise tax on the trade deficit was probably not significant because both imported and domestically produced feedstock are taxed.

IV. Economic Analysis

A. Focus of the Analysis

This analysis focuses on six of the twelve primary petrochemicals that are subject to Superfund taxes, and on the producers of those substances. The six petrochemicals—benzene, butadiene, ethylene, propylene, toluene, and xylene—accounted for about 60 percent of U.S. production of primary petrochemicals in 1984. Between June 1981 and September 1982, 89 percent of Superfund tax receipts from primary petrochemicals and about 60 percent of all Superfund tax receipts were accounted for by the six chemicals.

Existing law imposes exactly the same absolute tax on each of the six substance: $4.87 per ton.[7] We have assumed that the tax for each of the chemicals rises from the present level to those specified by H.R. 5640 for 1987 and 1990, under a scenario of no waste-end tax (table 1). H.R. 5640 contained two sets of tax schedules that would raise the taxes, in step fashion, over five years, to as high as $26.11 per ton. (One set assumed eventual imposition of a waste-end tax; the other did not.) The rates of change and amounts were completely different for each of the six substances. With only one exception (among the six), taxes per ton would be higher in every year in the scenario with no waste-end tax. It should be noted that, also with one exception, the tax amounts for 1990 under the no waste-end tax case are one/third higher than those for 1987.

Economic analysis of the impact of the hypothesized Superfund tax increase requires knowledge of the prices of the commodities. We have estimated average current prices for each of the six substances, largely on the basis of price data made available to CRS by Chemical Marketing Associates, Inc. (Houston, Texas). These, also, are shown in table 1.

B. Questions of market structure and behavior

The economic effects of increases in Superfund taxes on the U.S. petrochemical industry would depend upon the structure of the primary petrochemical industry, the role of foreign suppliers (also sellers), and the structure of the intermediate chemical industry (the buyers). Additionally, the economic effects would depend on the type of competitive behavior of the sellers and buyers, and on the relative reaction of each to tax increases. Analysis is complicated, particularly in the short run, by uncertainty as to what analytical framework (in terms of market structure and seller and buyer behavior) would be appropriate.

The structure of the U.S. primary petrochemical industry seems to be characterized by relatively few producers of a homogeneous product. Producers tend to be large chemical companies or major integrated oil companies. In the cases of benzene and ethylene, for example, the largest ten producers account for 63 percent and 77 percent, respectively, of total U.S. production capacity for the two substances. The top four producers account for 30 percent and 42 per-

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[5] See U.S. Library of Congress. Congressional Research Service. U.S. Primary Petrochemicals; The Superfund Taxes and Other Factors Shaping Recent Trends In Supply and Demand. Report No. 84-704E by Bernard A. Gelb and Gary L. Guenther, August 30, 1984. Washington, 1984.

[6] U.S. Environmental Protection Agency. Impact of the CERCLA Tax on the Nation's Balance of Trade. CERCLA Sec. 301(A)(1)(F). December 1984. Washington, 1984.

[7] Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (P.L. 96-510)

cent of the respective capacity totals. (See table 2.)

An industry with such a structure often is characterized by interdependence among firms, where each firm's pricing and other decisions tend to depend upon how the firm anticipates its competitors will react. Accordingly, the economic effects of expanded Superfund taxation would depend upon how the various producers would react to the higher taxes and what they believe would be the reaction of their competitors including foreign competitors.

If there is such interdependence, prices tend to be more stable than they would be otherwise under pressure of cost increases.[8] Sellers fear that a price increase on their part will not be adopted by competitors, which would result in the price-booster losing market share. Thus, competitors view market share as an important goal in itself, and are willing to reduce profit margins to maintain or increase their share. Other things being equal, this kind of competitive behavior makes it unlikely that the companies will attempt to raise their prices (in order to shift some or all of a tax increase to the buyers. This "model" is appropriate if production costs do not vary widely among the various sellers.

It is not clear from movements in the prices of the six petrochemicals over the last five years that there has recently been or is now interdependence among sellers in the U.S. primary petrochemical market. Prices of the six substances have fluctuated considerably since early 1979. For example, the price of benzene increased about 25 percent between the third quarter of 1980 and the second quarter of 1981; and the price of ethylene fell 30 percent between June 1984 and March 1985. These observations are based on (a) monthly and quarterly average transaction prices of U.S. producers for 1980 through early 1985, made available to CRS by Chemical Marketing Associates, Inc. (Houston, Texas), and (b) monthly producer price indexes completed by the U.S. Bureau of Labor Statistics.[9]

These fluctuations may not necessarily rule out a condition of interdependence, however. First, it is common for the prices of homogeneous, commodity-type products such as primary petrochemicals to vary widely over phases of the business cycle; and the chemical industry experienced two recessions and recoveries during this period. Second, prices of crude oil and natural gas—the raw materials of these products—increased very steeply and, in the case of oil, then declined significantly.

Third, because some of these products are co-products or by-products in the process of producing others, swings in demand for the primarily intended product and in its production can result in shortfalls or excess supplies of co-products for which there are no similar swings in demand. Other things being equal, the shortfalls, or surpluses, will tend to raise, or reduce, prices of the co-products. Fourth, there may be an interdependence among domestic producers only, with foreign suppliers tending to set prices below what domestic producers would charge.

The circumstances described in the fourth item may well describe the situation now, although not uniformly for all six products. There is an indication that import prices are lower than domestic producers' prices for 4 of the 6 primary petrochemical substances.[10] Where foreign suppliers are charging prices lower than what domestic producers would charge, the latter—assuming they still pursue the same corporate goals—must keep prices as low as possible to avoid losing still more market share. There is nothing inherent in this situation, however, that predicts the reaction of foreign suppliers when a large tax increase is imposed.

Returning to the industry structure described initially, one can very reasonably also infer a mode of behavior different from that developed above. Other things being equal, a relatively small number of producers under cost pressure may well be able to raise prices. For example, producers of benzene were able to boost prices about 30 percent between 1979 and 1980 to cover (at least partly) the increase in the cost of crude oil even though production (and presumably demand) dropped about 25 percent. Over the same period, prices of propylene rose even faster (55 percent) in the face of a smaller drop in output (4 percent).

Domestic producers' ability to raise prices would be eased by the nature of demand for their products. Buyers, intermediate petrochemical producers, far outnumber the sellers, and thus constitute a more competitive industry than the primary petrochemical industry. In addition, substitution possibilities for primary petrochemicals are technologically limited in some cases, at least in the short run; demand for these substances is therefore likely to be price inelastic.

Finally, because imported primary petrochemicals would also be subject to tax increases under H.R. 5640, foreign producers selling in the U.S. market would have an incentive to increase prices, and would do so roughly to the extent that U.S. producers raise their prices.[11] Those foreign producers who, because of lower production costs or pressure of low capacity utilization undersell U.S. producers, presumably would not increase prices so far as to close the gap. It is possible that foreign producers would absorb the hypothesized increase in tax rates; this action would imply a decision to expand market share instead of maximizing profits (or minimizing losses) in at least the short run, if not longer.

In general, any reaction of U.S. primary producers to hypothesized Superfund tax increases would take into account the absence of Superfund taxes abroad, and the option of domestic as well as foreign purchasers of primary and of derived products to buy, at almost any point in the chain of production, such products made abroad from non-taxed feedstocks. Assuming that U.S. exports of the six primary substances would not be subject to the tax increase, the tax increase would not disadvantage U.S. products in export markets.[12]

In summary, there are at least a few responses to the hypothetical Superfund tax increases in the short run that one can reasonably expect; and there appears to be no preponderance of evidence that one is more likely than another. In addition, it is important to note that foreign suppliers, although free from Superfund taxation on production sold abroad (but not in the U.S.), and in some cases beneficiaries of lower raw material costs, are nevertheless subject to basically the same economic forces and constraints as domestic producers.

Because it is uncertain as to how U.S. producers and foreign suppliers would react in the short run, we present and analyze below two alternative behavioral "Scenarios" that more or less bracket the range of most likely behavioral combinations. They should not be regarded as the two most likely outcomes.

C. Impact on primary petrochemical producers

1. Scenario 1—Tax Absorbed by Producers in Short Run:

In this scenario of the industry and market, domestic producers are assumed to be "interdependent", as described in the previous section. Foreign suppliers are tending to charge lower prices than domestic producers, further deterring domestic producers from attempting to raise prices in order to pass forward all or part of the tax increase. It is assumed that foreign suppliers also do not attempt to increase prices.

To estimate the impact of the hypothesized increases in Superfund taxes on industry production, profits, and other operational aspects, we have followed a standard economic model that incorporates the relationship among costs, production levels, and profits. As seen in table 3, the hypothesized tax increases would, in the short run, raise estimated variable production costs (excludes depreciation, amortization, and overhead) of the six substances in 1987 by as little as 2.1 percent and as much as 6.6 percent. The corresponding increases for 1990 would be 3.4 percent and 7.0 percent.[13] (These percent increases in costs would be higher if prices decline. H.R. 5640 provides for adjusting the tax amounts in case of price increases, but not for price decreases.)

With prices unchanged under this Scenario, the quantities demanded for the six products would not change (other things being equal), but industry profits would decline by the full amount of the increase. Assuming production at the 1984 level is the amount used or sold domestically, annual industry profits on the six products would decrease by about $490 million, or 4.4 percent of sales, if the hypothesized 1987 tax level is fully absorbed. The corresponding decrease for the 1990 tax level would be about $630 million, or 5.6 percent of sales. In 1981 through 1983, before-tax profits on the six products averaged about 1.24 percent of sales for 26 companies that are large producers of those products according to a survey by Price Waterhouse.[14] Since that

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[8] An excise tax on a producer is essentially equivalent to an increase in production costs.

[9] Chemical Marketing Associates provided contract prices for all six chemicals, except toluene, where spot prices were provided. The Bureau of Labor Statistics does not compile a price index for xylene.

[10] Average prices of imports were derived by dividing the total value by total quantity of imports for each of the products. Average domestic prices were calculated from the data provided by Chemical Marketing Associates, Inc.

[11] This does not imply that U.S. producers would be the first to increase prices.

[12] Under H.R. 5640 as passed by the House, exports are exempted and rebates would be given for Superfund taxes paid on products eventually exported.

[13] As discussed earlier, a per-unit excise tax is considered as an increase in the cost of production. The cost concept measured here is average variable cost. Analytically, the correct procedure is to determine the percentage of change in marginal costs. Data on marginal costs for each substance is not, to our knowledge, publicly available.

[14] Price Waterhouse, A Comparison of Sales to Earnings Ratios for Chemical Companies for Their Overall Sales and Sales of Products Subject to CERCLA Taxes (March 15, 1985). The survey was commissioned by the Chemical Manufacturers Association.

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period, volume produced and sold has increased[15] and raw material costs have fallen,[16] but product prices have fallen as well.

Profit margins probably have widened somewhat since 1981-1983. But it is clear that the hypothesized Superfund tax increases could still generate industry losses.

Such substantial declines in profits are not likely to affect production levels in the short-run. But in the long-run, assuming production costs cannot be reduced elsewhere, capital resources would leave the domestic industry, since the rate of return after taxes would be lower than in other industries. The result would be reduced industry output and employment.

These long run effects would spill over onto other sectors; the decline in demand for oil and natural gas would affect oil and gas production. As the primary petrochemical industry contracts, prices to secondary users would increase as demand fell. Hence, even if producers absorbed the tax in the short run, in the long run, prices would still rise until equilibrium was restored.

Effects on Imports and Exports.—With everyone's prices unchanged, the share of the domestic market for the six primary petrochemicals accounted for by imported products would be maintained in the short run.

In the long run, shrinkage in the U.S. industry as a result of low profitability would lead to lower domestic output and a smaller share of the U.S. market. Foreign suppliers presumably would be absorbing the tax increase on only part of their production, and would not experience as sharp a drop in overall profitability as U.S. producers. Assuming no change in the total quantity sold in the market, the quantity of imports would increase.

Assuming exports of the six substances would be exempt from the hypothesized tax increases (as under H.R. 5640), U.S.-produced primary petrochemicals would not be at a competitive disadvantage in foreign markets. Sharply-reduced profitability on domestic sales, however, may well affect the ability of U.S. producers to compete worldwide. Also exports would decline to the extent that U.S. producers would relocate to foreign countries and focus on foreign markets.

2. Scenario 2—Tax Passed on by Producers:

Partly because of the severity of the potential impact on domestic primary producers under scenario 1, there are reasons to believe that domestic primary petrochemical producers will strive very hard, and probably would be able to shift forward part of the tax increase. (a) Profit levels of domestic producers may not be large enough to absorb the proposed tax increase. (b) Imported products would also be subject to the tax increases, and foreign suppliers would be faced with potential large decreases in profits. (c) The domestic intermediate petrochemical industry (users of the primary products) is composed of more firms and, therefore, probably is more competitive than the primary petrochemical industry. (d) As recently as the second oil price shock, domestic primary petrochemical producers were able to pass forward at least part of the large increase in costs through sharply increased prices.

Here, the price elasticity of demand as well as supply is a crucial element. Since there is little evidence as to what those elasticities are, we have used two assumptions for each: −0.3 and −2.0 for demand; and +1.0 and +8.5 for supply.

The results derived from the extreme alternative world where all the tax is passed forward—will differ from that in which all the tax is absorbed by at most 50 percent, according to established economic theory.[17]

While intended to be illustrative, these figures are based on both empirical and theoretical evidence. Regarding demand price elasticity, one recent study postulates a price elasticity of demand for four primary petrochemicals of from −0.14 to −0.53.[18]

Regarding, supply price elasticity, the same study referred to above includes a supply price elasticity for propylene of +8.5.[19] Because we were unable to find other supply price elasticities, it is difficult to know how well +8.5 approximates the actual elasticity. Estimated supply price elasticities for other industries, however, are generally much lower. Because of the greater uncertainty, we have set a wider range for supply price elasticity than for demand price elasticity.

Table 4 shows the effects under scenario 2. If the supply price elasticity is +1.0 and the demand price elasticity is −2.0, prices of the six primary petrochemicals would rise, on average, 1.1 percent under 1987 proposed tax levels; the total quantity demanded would decrease by 2.1 percent. If the supply price elasticity is +8.5 and the demand price elasticity −0.3, prices would rise 3.1 percent on average. The alternative elasticity assumptions would give results that lie between the above figures. These results reflect the fact that when supply is less elastic and demand more elastic, it is more difficult to shift the tax forward and producers bear relatively more of the tax.

Under the 1990 tax levels, prices would increase by larger percentages compared with 1987 and output would decrease more because the proposed tax rates in 1990 would be higher than in 1987.

Thus, under scenario 2, prices would rise and the quantity demanded would fall, leading to reduced domestic production and employment. The extent of these effects would depend upon the behavioral postulates concerning the price elasticities of supply and demand.

Effect on Imports and Exports.—Under scenario 2, foreign producers would probably increase their prices in the United States commensurate with the increase by domestic producers. This would preserve the market share. The level of imports would decline as prices increase but the relative proportion of domestic output and foreign imports should be maintained.

U.S. producers would not be at a competitive disadvantage in foreign markets except to the extent that the domestic tax would adversely affect the profitability of the industry in the United States.

D. Impact on intermediate petrochemical producers

As the previous discussions suggest, the effect of the proposed tax increases on producers of intermediate (secondary) petrochemicals depends upon the response of the primary petrochemcial industry to the tax increases.

If the primary petrochemical industry does not shift the taxes because interdependence among firms would not permit it or because of competition from foreign producers there would be little short-term impact on the intermediate petrochemical industy. Firms in the industry would continue to demand the same quantities of primary substances because the prices charged * * *.

In the long-run, however, a smaller U.S. primary petrochemical industry and greater demand for foreign products would tend to result in higher prices charged to intermediate producers, as well as greater imports of primary substances. This will affect the level of output and profitability of the secondary industry since they would be unable to pass on these higher costs to tertiary producers, or producers of final products (because imports of secondary substances are not and would not be subject to Superfund taxation).

If domestic primary petrochemical produces, along with foreign suppliers are able to increase prices (and reduce output), at least part of the short-run burden of the hypothesized tax increases would fall on intermediate producers. The extent of the short-run incidence depends on how much primary producers are able to raise prices, and on the elasticities of supply and demand for intermediate products. Because U.S. buyers of intermediate products can purchase materials made abroad from non-taxed feedstocks, it is likely that domestic intermediate producers will not be able to increase prices sufficiently to cover the increase in their costs.

In the long-run, if intermediate producers would not be able to increase prices sufficiently to cover the increase in costs, lower profitability would cause resources to leave the industry—and domestic production and employment would decrease.

E. Effect on the U.S. oil industry

Because H.R. 5640 would increase Superfund taxes on crude oil, the U.S. petroleum refining industry, too, would experience increases in production costs. Moreover, the several integrated oil companies will be subject to higher Superfund taxation on the costs of both their inputs (crude oil) and some of their outputs (primary petrochemicals). H.R. 5640 would raise the tax on crude oil from 0.79¢ ($.0079) per barrel to 9.65¢ ($.0965) per barrel, assuming no waste-end tax. This would increase oil tax liabilities from about $40 million per year to about $480 million per year.

As suggested by the data in table 1, most of the largest U.S. primary petrochemical producers are vertically integrated oil companies (with petroleum refining divisions or subsidiaries). Although these constitute a minority of the total number of producers, they apparently account for most the Superfund tax liability. Ten of the 12 companies that are believed to pay 70 percent of Superfund taxes are major integrated oil companies,[21] and taxes on petrochemicals

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[15] Relatively small changes in production affect profitability by much larger relative amounts.

[16] Acquisition costs of crude oil currently average about 15 percent the average level for 1981-1983.

[17] More precisely the changes in price and in quantity under pure monopolistic conditions will be half those under competitive market conditions. See, for example, Richard A. Musgrave and Peggy B. Musgrave. Public Finance in Theory and Practice. New York: McGraw-Hill Book Company. 1973. p. 436-438.

[18] Management Analysis Center, Inc. Superfund Financing: An Analysis of CERCLA Taxes and Alternative Revenue Approaches. Los Angeles, CA. March 6, 1984. The report does not explain how the elasiticities were arrived at.

[19] Superfund Financing: An Analysis of CERCLA Taxes and Alternative Revenue Approaches.

[21] Includes Conoco, a subsidiary of DuPont.

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and petroleum combined account for 80-85 percent of total Superfund tax liability.

Therfore, the question of who would pay the expanded levels of Superfund taxation is also a question of the extent to which the major oil companies would pay the tax. The fact that they are vertically integrated from it complicates the analysis beyond the scope of this report. But it should be noted the hypothesized increase in the petroleum tax equals only 0.3 percent of U.S. refiners average crude oil acquisition cost in early 1985.

It is possible that the major oil companies would attempt to shift both the increase in the crude oil tax and in the taxes on primary substances backward onto factors of production. More specifically, they could lower the price they pay for crude oil. In this case, part of the burden of the hypothesized tax increases would be on independent oil products who sell to land owners (royalty owners) other than the companies themselves. To the extent that the companies shift the tax increase forward to downstream chemical producers or users other than themselves, those producers or users could end up paying part of the increase in the crude oil tax.

TABLE 1.—ESTIMATED PRICES AND HYPOTHESIZED SUPERFUND TAX RATES FOR 6 PRIMARY PETROCHEMICALS

[In dollars per ton]

Petrochemical	Estimated price [1]	Tax: Existing	Tax: 1987	Tax: 1990
Benzene	$320	$4.87	$13.20	$17.60
Butadiene [2]	590	4.87	19.58	26.11
Ethylene	310	4.87	13.78	18.37
Propylene [3]	315	4.87	11.74	15.65
Toluene	290	4.87	10.38	13.84
Xylene	275	4.78	21.30	22.35

[1] Average price as of early 1985.

[2] 1,3-Butadiene.

[3] Chemical grade.

Sources: CRS estimates, based on data provided by Chemical Marketing Associates, Inc.; Public Law 96-510; H.R. 5640, as passed by the House of Representatives, 98th Cong.

TABLE 2.—ANNUAL PRODUCTION CAPACITY AMONG TOP 10 PRODUCERS OF ETHYLENE AND BENZENE

Producer	Thousand metric tons	Percent of total
Ethylene:		
Shell	2,336	13.7
Dow	1,818	10.7
Union Carbide	1,764	10.3
Arco	1,271	7.5
Exxon	1,180	6.9
Gulf	1,162	6.8
Du Pont	1,057	6.2
Amoco	975	5.7
Phillips	972	5.7
Texaco	620	3.6
Subtotal	13,155	77.1
Total, United States	17,073	100.0
Benzene:		
Gulf	205	8.8
Shell	174	7.5
Exxon	168	7.3
Phillips [1]	142	6.1
Sun	133	5.8
Dow	130	5.6
Sabine	115	5.0
Arco	111	4.8
Du Pont	100	4.3
Amoco	95	4.1
Ashland	75	3.2
Subtotal	1,448	63.0
Total, United States	2,312	100.0

[1] Includes plants in Puerto Rico.

Sources: Chemical Week, Aug. 29, 1984, pp. 46-47; Oil & Gas Journal, Sept. 3, 1984, pp. 55-56.

TABLE 3.—ESTIMATED AVERAGE PRODUCTION COSTS AND HYPOTHESIZED SUPERFUND TAXES FOR 6 PRIMARY PETROCHEMICALS

Product	Estimated average per-unit variable cost	Tax per ton: Existing	Tax per ton: Proposed 1987	Tax per ton: Proposed 1990	Tax as a percent of average variable cost: Existing	Proposed 1987	Proposed 1990	Change 1987	Change 1990
Benzene	$288	$4.87	$13.20	$17.60	1.7	4.6	6.1	2.9	4.4
1,3-Butadiene	531	4.87	19.58	26.11	.9	3.7	4.9	2.8	4.0
Ethylene	279	4.87	13.78	18.37	1.7	4.9	6.6	3.2	4.8
Propylene (chem.)	284	4.87	11.74	15.65	1.7	4.2	5.5	2.4	3.8
Toluene	261	4.87	10.38	13.84	1.9	4.0	5.3	2.1	3.4
Xylene	248	4.87	21.30	22.35	2.0	8.6	9.0	6.6	7.0

Note.—Average variable cost is estimated at 0.9 percent of price.

Sources: Table 2; Public Law 96-510; Congressional Record, Aug. 10, 1984; CRS estimates.

TABLE 4.—ESTIMATED CHANGES IN PRODUCTION AND PRICES UNDER SCENARIO 2

	Tax level (percent): 1987				1990			
Percent increase in costs	3.2	3.2	3.2	3.2	4.6	4.6	4.6	4.6
Assumed supply price elasticity	+1.0	+1.0	+8.5	+8.5	+1.0	+1.0	+8.5	+8.5
Assumed demand price elasticity	−.3	−2.0	−.3	−2.0	−.3	+2.0	−.3	−2.0
Percent change in quantity	−.7	−2.1	−.9	−5.2	−1.2	−3.1	−1.3	−7.5
Percent change in prices	+2.5	+1.1	+3.1	+2.6	+4.0	+1.5	+4.4	+3.7

Note.—Data are weighted averages for the six primary petrochemicals focused on in this report.

Source: Text; tables 1 and 3; U.S. International Trade Commission.

TRI-INDUSTRIES, INC.

● Mr. QUAYLE. Mr. President, President Reagan proclaimed last week National Small Business Week, to honor our country's 14.3 million small business owners. In keeping with this theme, I am especially proud today to recognize Tri-Industries, Inc. of Terre Haute, IN, as the regional small business prime contractor of the year for region V, which includes the Midwestern States of Indiana, Illinois, Michigan, Minnesota, Ohio, and Wisconsin.

Tri-Industries was selected by the Small Business Administration [SBA] for its outstanding record as a Federal procurement prime contractor in the area of gas turbine parts, manufacturing, and supply.

In nominating Tri-Industries for the award, Fort Benjamin Harrison in Indianapolis described this company as "a leader in the field of high technology manufacturing." As its "honeycomb" process has been accepted by other companies producing for the aerospace industry as the industry standard, Tri-Industries has grown from a single manufacturing concern employing 6 people in 1955, with first sales of $40,000 to a three divisional corporation employing over 100 people with several million dollars in sales. Tri-Industries is leading the way in the aerospace industry.

Tri-Industries is but one particularly notable small business that has proven itself highly capable of meeting the needs of our Nation. Small business is the backbone of our Nation, accounting for 60 percent of all private-sector employment and 90 percent of all newly created jobs. Small business is also a leader in implementing the main principles of the Job Training Partnership Act, which I authorized in 1982 to replace the ineffective Comprehensive Employment Training Act [CETA], to provide our youth and unskilled workers with the training and experience necessary to secure permanent, more fulfilling careers.

Small business also accounts for nearly half of all major U.S. innovations including the air conditioner, gasoline engine, and the electric light; and approximately half of the private sector's total production of goods and services.

Each of us is doing everything we can to advance the interests of small business. As chairman of the Senate Armed Services Subcommittee on Defense Acquisition Policy, I am fully aware of the urgent need for a more efficient acquisition system. In response, I have sponsored the Defense Procurement Improvement Act of 1985, S. 742, which is included in the 1986 defense authorization bill approved by the Armed Services Committee on April 4, 1985.

Provided in my bill are moneys to establish nationwide procurement outreach centers to assist businesses, especially smaller companies, in becoming defense contractors. These centers are designed to introduce new and qualified businesses to the defense market, increase competition for defense contractors and subcontracts, broaden the industrial base of suppliers, and promote State and local economic development which in turn means new employment opportunities.

The livelihood of nearly 100 million Americans rely directly or indirectly on our Nation's small businesses, and we as consumers reap the benefits of the products and services they provide. It is essential that we recognize and protect the needs and interests of our small businesses, like Tri-Industries, Inc., so they can continue to contribute to the future well-being of our great country.●

OAKLAND CITY COLLEGE CELEBRATES ITS CENTENNIAL

● Mr. **QUAYLE**. Mr. President, I am pleased today to congratulate Oakland City College, a fine institution of higher education in Oakland City, IN, on their centennial celebration. Oakland City College was founded in 1885, and has, for a hundred years, provided thousands of students from Indiana and elsewhere in the Nation an education of excellence and of value.

Oakland City College, a Baptist-affiliated institution, has offered a 4-year liberal arts education from its inception, and has also expanded its educational offerings to keep pace with the demands of the day. Oakland City College has been responsive to the needs of the State, the needs of the community, and the needs of the students who attend.

The president and the trustees have recognized the value of a traditional, private, liberal arts education, and they have excelled at offering such an education. Along with the liberal arts, the college has offered degrees in business and in teaching, areas which are in great demand today.

Additionally, 10 years ago, Oakland City College established a vocational-technical school associated with the college to offer 1- and 2-year degrees in fields such as auto and diesel mechanics, welding, and heating, and air conditioning servicing. The college started these programs in response to the needs of southwest Indiana, where vocational-type training was limited. Oakland City College was one of the first church-related, liberal arts colleges in the United States to offer such vocational and technical training.

In the class of 1985, in addition to the 80 seniors who are graduating with a 4-year degree, almost 60 students from the vocational-technical school will be graduating.

Such a combination of liberal arts degrees and vocational degrees does not mean a lessening of purpose or loss of mission. Instead, it means that Oakland City College cares about the community it shares and wants to help maintain the economic and intellectual health of that community. Oakland City College is a dynamic college, one that looks forward to and one that is responsive to the future.

The past 100 years at Oakland City College have been good years, and the graduates have been well-prepared to take their place in society. The next 100 years at Oakland City College will, I am certain, be as exciting and rewarding for all involved. Oakland City College is not afraid to meet the future, and I wish them well in all they do.

My congratulations to Oakland City College as they celebrate their 100th birthday.●

● Mr. **WEICKER**. Mr. President, during the long days of deliberation on the budget, the process at times seemed reduced to a mathematical problem to be solved. In trying to deal with a complex issue, our focus often narrows to the point where we lose sight of the whole picture. Today I want to share with my colleagues an eloquent reminder of what our job here is all about. David Berke, a young man from Connecticut, wrote some poems expressing his concern for the future. He described very accurately the kind of decisions we are making here in Congress—decisions on the quality of life for our children and their children. David was killed in an automobile accident not long ago. We are fortunate to have his thoughts with us as we go about our job.

The poems follow:

Poems of David Berke

It is said this country was made great,
long ago by farsighted men,
who invested in their hope in the future,
for the benefit of their children's children.

Do you go with the short term investment,
that will make you very happy right now?
Or do you invest in and plan for the future,
which might not show up some how?

Your short term may even go sour,
it might not get into the black,
yet you might spark a new innovation,
which will turn the others all back.

To start the long term investment,
a very high price you will pay.
To give up the short run will cost you,
something you might even regret someday.

The question that will face us tomorrow,
is do we see the profits right now—
or forget the pleasure and sorrow
and think of the future somehow.

Now if these men had all lived today,
would they see the way that I see?
Is love just a short term benefit
or a long term investment for me?

I can't trust those around me
I don't like my race
We're crummy, we're cruel, we're dirty
and just plain two-faced.

I keep hearing of peace—
How the world should be run
Why can't we all be happy as one?

Yet we're building more planes
and building more guns,
hoping someday it won't have to come.

Missiles and bombers,
tanks and planes
Sometimes I think we're all just insane.

Someday we'll do it
the Die will be cast,
No one around to tell of our past.

It may be too late
someday you'll see
We'll all be just shadows
Including you, your neighbor and me.

It's finally happened
It's finally done,
There will be Peace on Earth
for all time to come.●

MATHOPESTAD

● Mr. **KENNEDY**. Mr. President, a recent article in the New York Times by Alan Cowell describes the continuing efforts of the South African Government to move the citizens of the town of Mathopestad from their land. They have owned this land since 1910. I visited Mathopestad in January and I met with the people of that town. It is called a black spot by the South African authorities because it is totally surrounded by white-owned farmland. As part of its program to separate the races, the South African Government has sought to eliminate these black spots by forcibly removing blacks from their traditional home and moving them to resettlement camps. This process is brutal, frequently violent, always wrenching.

In 1980 the people of Mathopestad learned that the South African Government planned to move them to Onderstepoort, to land which they consider infinitely inferior to Mathopestad. The Mathopestad landowners have steadfastly resisted the Government's efforts to remove them, but they fear that the Government will nevertheless force them to leave.

I raised the issue of Mathopestad with the Minister of Cooperation, Development and Education, Gerrit Viljoen, during my visit with him in January. Shortly after I left, Viljoen announced a suspension of forced removals to allow the Government to review its policy on this matter. Shortly thereafter Dr. Viljoen reported that the Government would not remove people without their consent, but, he added, the Government would continue to resettle black communities if "their leaders agreed," or if "health considerations" warranted such removals. This statement caused concern because the Government had long tried to install puppet "leaders" in place of these communities' real leaders.

Most recently, in reply to a question in Parliament on April 9, Mr. Viljoen said that the Government planned to go ahead with its plan to resettle the 1,500 residents of Mathopestad "in consultation with the residents." During the past 2 years the Government has never discussed the subject

with legitimate leaders of the community, but it has instead met secretly with a small group of residents, most of whom are tenants rather than landowners. A recent report on the state-owned television [SABC] stated that 100 of the 330 families living at Mathopestad have agreed to move. Now the fear is that, if a sufficient number of tenant families agree to move in the hope of obtaining their own land, the Government will use their consent to justify a wholesale removal of the community.

The legitimate leaders of Mathopestad—along with an overwhelming majority of the citizens—oppose any move, and 750 people have signed a petition opposing removal. But they have good reason to fear that the Government will forcibly remove them, as it did in nearby Magopa last year, if they refuse to leave voluntarily.

Mr. President, I request that the entire text of the May 7 New York Times article be inserted at this point in the Record, as well as the certain additional background material on Mathopestad: An April 22 Open Letter from Sub-Chief John Mathope to Secretary of State Shultz, an October 5, 1984 Newsletter published by the white South African civil rights organization Black Sash about Mathopestad, and a Black Sash Update on Forced Removals dated April 23, 1985.

The material follows:

[From the New York Times, May 7, 1985]

Black Landowners Resist Apartheid's Hard Sell

(By Alan Cowell)

Mathopestad, South Africa, May 1.—The wind. It is the wind, rustling the blue gum trees and building across wide plains, that seems to distinguish this place, where people have lived for decades, from another place 60 miles away, where the Government wants them to move.

Here, said John Mathope, subchief of the Bakubung tribe, there is wind all year, and the freshness of the highlands.

There, in Onderstepoort, a resettlement area marked out for 1,000 families, the sky was leaden today, holding warmth to land contested by thorns. The land is dotted with outhouses, arrayed in the empty bush, that symbolize the authorities' desire to build new locations for black people from elsewhere. Always, it seems, the outhouses are built first, baleful harbingers of enforced removal.

Mathopestad, 90 miles northwest of Johannesburg, is one of South Africa's best-known "black spots," a place where black families surrounded by white farmland hold freehold title that was granted before legislation made it impossible for most blacks to own land.

LETTER IS SENT TO SHULTZ

In January, Senator Edward M. Kennedy, Democrat of Massachusetts, came here during his tour of South Africa. Last week, Mr. Mathope wrote to Secretary of State George P. Shultz, asking him to intercede with the white authorities to prevent removal. But such courtship of prominent foreigners has not eroded the gnawing sense that the authorities wish to shift this community to Onderstepoort. And neither has the defiance diminished.

"We do not consent to move," said Mr. Mathope, a man in blue overalls and a stained trilby hat, who seems truculent with outsiders. "We do not trust the Government's intention."

In the last two decades, church groups say 3.5 million people have been resettled in pursuit of the policies of racial compartmentalization called apartheid. But, in January, Gerrit Viljoen, the white Cabinet minister responsible for the destinies of millions of blacks, announced a moratorium on forced removals while the policy was reviewed.

The announcement was greeted with skepticism by threatened communities, a skepticism that seemed reinforced when, on April 9, Mr. Viljoen was asked in Parliament whether the Government planned to resettle the 1,500 residents of Mathopestad.

The reply was, "Yes, in consultation with the residents." And there, the uncertainties and anomalies were illuminated.

"WE WILL NOT BE MOVED"

Mathopestad is not marked on roadmaps, and it is reached by dirt road, across the way from the village of Boons, where giant silos bear testimony to the agricultural richness of these lands. The residents are building a new high school here, hard by a sign that proclaims, "We will not be moved from Mathopestad."

The houses, many of them, are solid and built by stone, and the people say they are used to contentment. "This is the happiest place on earth," Mr. Mathope said.

In the authorities perspective, it is different. "Black spots" collide head-on with notions of separation. When people are moved, officials like to say, that they are moved for their own good, to more hygienic, more fertile places. Mr. Viljoen, for instance, said on April 9 that a move to Onderstepoort was "in the interest of all parties concerned."

That is disputed. "Here, we have a river that flows all year," Mr. Mathope said. "There, the river is dry, and the water comes from a dam. We have boreholes here. If we move there, we are moving straight to our graveyard."

The concern among civil rights groups over a move on Onderstepoort has grown with coverage of the community's affairs on the state-owned radio and television. The South African Broadcasting Corporation, for instance, used television coverage last Saturday to portray Onderstepoort as a luscious garden, focusing on an irrigation project there, and it called Mathopestad unhygienic. It noted, too, that Onderstepoort was close to Sun City, a luxury complex of hotels and casinos and sports facilities whose lushness offers a stark, sad constrast to the thorn and scrub of the resettlement site.

FAMILIAR TACTIC SEEN

The television report said more than 100 of the 330 families living at Mathopestad has agreed to move. For civil rights groups like Black Sash, which monitors removals, that statement smacked of familiar tactics.

Repeatedly, according to a Black Sash report dated April 23, the authorities have sought to make their own definition of a community's leadership and seek the agreement of puppet figures for removals.

Thus, the report says, the authorities have negotiated only with "the small group that the Government has met with clandestinely and which consists mostly of tenants."

"The leaders of Mathopestad and the majority of the landowners are clearly against the move," the report says.

The fear is that, if sufficient numbers of tenant families, lured by a hope of land that is unlikely to be redeemed, agree to the move—as many tenants seem to have done—their assent will be deemed by the authorities to be justification for a wholesale removal of the community.

Similar tactics were used last year, when the nearby community of Magopa was forcibly removed, despite the fact that the people living there had rejected the leader with whom the authorities negotiated the move.

LANDOWNERS DON'T WANT TO GO

Some Mathopestad residents say they expect to start moving within the next two weeks, but landowners—and members of the tribe who live in cities but regard Mathopestad as home—say they do not wish to go with them.

A further concern is that Onderstepoort lies close to the invisible frontier between South Africa and the nominally independent homeland of Bophuthatswana. If the relocation site is "incoporated" into Bophuthatswana, the people of Mathopestad will lose all claim to South African citizenship, and their tribal identity will be swamped in a community much larger than their existing settlement.

So far, according to Black Sash figures, 750 people have signed a petition opposing removal, which the authorities insist will not take place, in their language, before the Government "has discussed the settlement with them.

"We own our land," Mr. Mathope said in a statement on April 10. "We were born here and our parents were born here. We will not move."

[Open Letter, April 22, 1985]

Bakubung Tribe, Mathopestad.

Mr. G. Shultz,
Secretary of State,
United States of America.

Dear Mr. Shultz: I was very much surprised to hear that you said that there will be no more forced removals in South Africa. I think that you are mistaken because the Minister in our government, Mr. Viljoen, is still saying that we are going to be removed. It seems to us that they say one thing to you but they say altogether different things to us.

We have always said we are not prepared to move. Our forefathers bought this land in 1910 for their children and grandchildren until the last generation of man on earth. It is our land and we farm it well. It is our only home. We explained all these things to Senator Kennedy when he came to visit us in January.

But the government is still doing everything it can to persuade us to give up our land and go far away. They even say that many of our people are willing to go. But these people who say that they will go are not the landowners. They are our tenants, or people who have sought shelter here. They are welcome amongst us, but are also quite free to go if they want to. We the landowners will never go. We want to keep our land and are not interested in any other place they offer us.

On the 20th of April we held a tribal meeting to test the people's feelings about the removal. The Chief, the headmen of all the clans, the landowners, and all the people present signed a petition to say they do not want to move. Even if the government still says the tenants are willing to go, everyone should know that we, the tribe who own this land, are determined to remain here.

What will the government do if we still refuse? We are very much afraid that the police will come in the night with guns and force us out. That is what happened last year in Magopa when the people refused to go from their place. Dr. Viljoen says the Magopa people agreed to go and this makes us even more afraid because we know about the police with guns.

I am writing to explain these things to you because we think a big man like you can try to speak to our government and stop them from taking away our land and forcing us to go. That is why we are asking you, Mr. Shultz, to help us. I would also like to put this letter in your newspapers so that all your people can also know what is happening in our village.

Yours faithfully,

John Mathope,
Sub-Chief of Bakubung Tribe,
Acting for Chief Solomon Mathope●

HISTORIC PRESERVATION WEEK

● Mr. **ABDNOR**. Mr. President, thousands of communities, both large and small are celebrating National Preservation Week in countless ways during the week of May 12-18.

I am pleased that the National Trust for Historic Preservation has designated this year's celebration as "The Action's Back on Main Street." No theme could better summarize the broad public support which historic preservation efforts have gained over the past decade.

One need only look around this lovely city to see the progress that has been made in renovating and restoring our architectural past. These efforts are paying big dividends in bringing people back into our cities and prompting greater public awareness of the benefits of historic preservation.

Preservation efforts go beyond our large towns and cities. While "Main Street" preservation efforts are most visible in our large urban areas, I want you to know that they are underway in our small communities as well. Indeed, historic preservation probably plays a more important role on the main streets of rural America.

I need only travel around my own State of South Dakota to see the renewal of interest in protecting the heritage of my State. "Main Street" America has always been synonymous with small-town America.

Nearly 1,500 South Dakotans take an active role in promoting and protecting our historic sites, museums, parks, and historical attractions. A majority of these individuals are active in rural South Dakota. They make a difference in their communities and South Dakota benefits from their spirited dedication to our historical past.

It is fitting that we also salute the untiring efforts of the National Trust for Historic Preservation. No organization, in my opinion, has had the impact on preservation efforts as the Trust. Time after time, under often trying circumstances, the Trust has waged a constant battle to protect our historical past for the benefit of our future. I salute their continued efforts to heighten America's awareness in historical preservation and for improving "Main Streets" all across America.●

ELIMINATE LAMEDUCK SESSIONS AND PRESIDENCIES

● Mr. **MATHIAS**. Mr. President, on March 28, 1985, I joined my distinguished colleague, Senator Pell, to reintroduce a proposed consitutional amendment—Senate Joint Resolution 99—that would shorten the time between the election and the inauguration of the President and the Vice President and the convening of the Congress.

Under our amendment, the President and the Vice President would be inaugurated on November 20. Senators and Representatives would begin their terms of office on November 15.

I would like to call to your attention some of the major reasons for this constitutional amendment.

There is nothing sacred about the constitutional provisions fixing the terms of office, and we ought not hesitate to change them when change is warranted. Half a century ago, our predecessors recognized that technological changes made it not only possible but necessary to reduce the length of congressional lameduck sessions and to accelerate the transfer of Presidential power. They approved the 20th amendment, which moved the transfer of office from March 4 to January 20 for the executive branch and provided for the new Congress to convene on January 3 instead of on the first Monday in December.

The approaching bicentennial of our Constitution is certainly a good time to rid the fundamental charter of useless anachronisms. No doubt the lameduck sessions as well as the lameduck Presidency are curious antiquities. Also, we must realize that these transitional periods may be dangerous for our country, since they create policy vacuums and administrative interregnums.

Thanks to advancing technology, the will of the American electorate is known throughout the world within a few hours after the polls are closed, sometimes before they close. The people's decision should be implemented as soon as possible. Under the present system, politicians who have been denied a vote of confidence by their constituents are allowed to continue in the legislative process while newly elected legislators are excluded for several months. This anomaly has become more and more difficult to justify.

The adoption of our amendment also might have other political benefits. Shortening the lameduck periods would shrink the size and terms of transition staffs, which tend to be larger and serve longer than necessary and which cost a lot of taxpayers' money. It would allow the new Congress to make a faster start on its formidable agenda. With the reduced transition period, the choices of the Presidential candidates for the composition of the Cabinet and the major White House posts undoubtedly would be known sooner.

We ought not wait until we face a major crisis that proves we should have eliminated lameduck sessions and Presidencies earlier. On the contrary, we should act now to get in step with the times. Senate Joint Resolution 99 would limit as much as possible the delay between the elections and the transition of the leaders of the executive and legislative branches. The lameduck Congress and the lameduck President should go the way of the State legislators' election of the U.S. Senate.

Shortly after last January's inauguration, Michael Barone of the Washington Post wrote an interesting editorial entitled "Our Mixed-Up Political Calendar." Mr. Barone also advocates reducing the transition period between election and assumption of office—though not as drastically as Senate Joint Resolution 99 would do it—and suggests other changes in the scheduling of Presidential elections that are worth careful consideration as we think about bringing our Constitution up-to-date.

Mr. President, I ask that Mr. Barone's article appear in the Record at the conclusion of my remarks.

Mr. President, I commend the senior Senator from Rhode Island for his persistence in promoting the sensible ideas reflected in Senate Joint Resolution 99. I hope that it will attract support from many of our colleagues.

The article follows:

Our Mixed-Up Political Calendar

(By Michael Barone)

The cancellation of the inaugural parade is evidence of a bigger problem: our whole political calendar is wacky. Everything is scheduled for the wrong seasons.

Item: The inauguration. Could there be a worse date for an outdoor ceremony and parade than Jan. 20? Maybe Feb. 3. Even the pre-1936 inaugural date, March 4, was too cold, to the point that it cost us one president. But March 4 was too long after Election Day, people decided after watching President Hoover and President-elect Roosevelt fail to cooperate for four long months in 1932 and 1933. You don't need more than two months for transition.

Item: Transition. What's the hardest time of year to get people on the phone? The time when they're trying to wrap up year-end business? The time when secretaries

and staff put in maybe two days a week? During the season from Thanksgiving to Christmas, which is when most of the real work has to be done by transition teams.

Item: The general election. In most of the country, the first Tuesday after the first Monday is often bitterly cold, which is all the more frustrating because the weather is usually pleasant only a couple of weeks before. Moreover, it gets dark awfully early on Election Day: the days are shorter since the nation has just gone off Daylight Saving Time.

Why do we have elections at such an unpropitious time? The answer is that elections were scheduled in most states in the 19th century to come after the harvest was over. Maine, a state with a short growing season, voted in September (hence the saying, "As Maine goes, so goes the nation"); elections in other states were scheduled for various times in October or November. So a nation in which 3 percent of the people live on farms is stuck with a dreadful election date to accommodate the harvest.

Item: The national conventions. They're held in the summer out of hoary tradition, because once upon a time it was easier to travel and interrupt your ordinary business for the week or two required during the summer. Nowadays that only means that conventions are conducted during dreadfully hot weather (it was 106° in Dallas last summer) and at a time when the potential audience is vastly reduced because people are on vacation, engaged in outdoor sports or just not in the mood.

Item: The primary campaign. A key part of the campaign—determining who is, in Fred Harris' words, winnowed in and winnowed out, takes place in frigid New Hampshire and Iowa almost a year before the winning candidates are inaugurated. This and the following primaries stretch the campaign to ridiculous lengths. Voters don't always focus on the same issues then that they consider in November, and increasingly they seem to be picking candidates who articulate their gripes, from Gary Hart to Jerry Brown to George Wallace, rather than those they're willing to vote for in November, when it really counts.

So, as the disappointed band members and float decorators have reason to know, the political calendar is out of whack. Here are a couple of modest proposals for getting it back in.

First, leave the early contests where they are. Iowa and New Hampshire will schedule early caucuses and primaries if their secretaries of state have to go to jail to do so. And even if they don't count toward the nomination, journalists will cover them as if they do. A prudent reformer knows what he can't change.

Second, schedule the national conventions for June. Late primaries can be rescheduled if necessary. June is a pleasant month when people are still at home in front of their televisions. Third, schedule the general election for late September. This will give voters a few weeks after Labor Day to focus on the candidates and the issues, and those who are at all interested will do so in the summer as well. Everyone always says the real campaign doesn't start until the World Series anyway, so this won't reduce the time that voters concentrate on the issues.

Fourth, schedule the inauguration for the first Tuesday after the first Monday in November. Congress could come into session then too: why have it convene 17 days before the inauguration, as it does now? The chances of decent weather are far greater in November than on Jan. 20, and there's at least as much daylight; anyway, it's fine if it gets dark early, since all you're having in the evening are inaugural balls.

The one drawback of this scheme is that a constitutional amendment putting it into effect would shorten the term of the incumbent president, presumably Ronald Reagan, and the terms of the members of the 100th Congress. But Franklin Roosevelt's first term was similar shortened by amendment, with no great loss for him or history. Reagan, who obviously admires Roosevelt and voted for him four times, undoubtedly remembers the precedent and, since he'll be nearing 78 on Jan. 20, 1989, may be more willing than some presidents to make the sacrifice. How about it?

MARIJA CERNECKYTE SIMS

● Mr. **LEVIN**. Mr. President, the Lithuanian community of this Nation recently lost a beloved friend.

Marija Cerneckyte Sims, a native of Lithuania, was a woman of enormous courage who quietly helped dozens of Lithuanians resettle in the United States after World War II.

Mrs. Sims died on April 9, 1985, in Grosse Pointe Farms, MI.

Marija Cerneckyte was born in Lithuania and remained in her native country until she graduated from the Kaunas College of Education. She moved to the United States in 1928. She settled in Detroit and married Dr. Jonas Sims.

In 1943, Marija Cerneckyte Sims became the first president of the Detroit Lithuanian Organizations Center. She and Dr. Sims helped more than 40 families move to the United States between 1946 and 1956. Working through the Red Cross and various international charitable organizations, the Sims would provide the families' passage to the United States and then provide lodging in their own home.

Mrs. Sims remained a vital, active member of the community for the remainder of her life. In additional to her community work, she published three books of poetry, and many of her poems were set to music by various composers.

I am pleased to take this occasion to remark Marija Cerneckyte Sims for the many contributions she made to so enrich the lives of others.●

ORDER TO HOLD HOUSE CONCURRENT RESOLUTION 95 AT THE DESK

Mr. **LUGAR**. Mr. President, I ask unanimous consent that once the Senate receives from the House, House Concurrent Resolution 95, commemorating the 20th anniversary of Head Start, it be held at the desk pending further disposition.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ORDER TO HOLD H.R. 873 AT THE DESK

Mr. **LUGAR**. Mr. President, I ask unanimous consent that once the Senate receives from the House H.R. 873, dealing with Federal employees health benefit programs, it be held at the desk pending further consideration.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ORDER FOR SEQUENTIAL REFERRAL OF S. 259

Mr. **LUGAR**. Mr. President, I ask unanimous consent that once the Committee on Commerce, Science and Transportation reports S. 259, the Professional Sports Community Protection Act of 1985, it be referred to the Committee on the Judiciary for the purpose of considering the antitrust issues in S. 259 only, for a period of not to exceed 45 calendar days; and that if at such time the Committee on the Judiciary has not reported S. 259, it be immediately discharged from further consideration thereof and the bill be placed on the calendar.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

NATIONAL OSTEOPOROSIS AWARENESS WEEK

Mr. **LUGAR**. Mr. President, I ask that the chair lay before the Senate a message from the House on Senate Joint Resolution 61, to designate the week of May 1, 1985 through May 7, 1985, as "National Osteoporosis awareness Week."

The **PRESIDING OFFICER** laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 61) entitled "Joint resolution to designate the week of May 1, 1985, through May 7, 1985, as 'National Osteoporosis Awareness Week'", do pass with the following Amendments:

Page 2, line 3, strike out [May 1, 1985, through May 7, 1985,] and insert: *May 20, 1985, through May 26, 1985,*

Amend the title so as to read: "Joint resolution to designate the week of May 20, 1985, through May 26, 1985, as 'National Osteoporosis Awareness Week'.".

Mr. **LUGAR**. Mr. President, I move that the Senate concur in the House amendments.

The **PRESIDING OFFICER**. Without objection, the motion is agreed to.

EXTENSION OF DEADLINE FOR REPORTING AUTHORIZATION LEGISLATION

Mr. **LUGAR**. I ask unanimous consent that the deadline for the reporting of authorization legislation contained in section 402(a) of the Congressional Budget Act be extended to June 14.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY, MAY 15, 1985

ORDER FOR RECESS UNTIL 8:30 A.M.

Mr. LUGAR. Mr. President, I ask unanimous consent that once the Senate completes its business today it stand in recess until 8:30 a.m. on Wednesday, May 15, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. LUGAR. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order there be a special order in favor of the Senator from Wisconsin [Mr. Proxmire] for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. LUGAR. Mr. President, following the Proxmire special order, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 9 a.m., with statements limited therein to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. LUGAR. Mr. President, following routine morning business it will be the intention of the majority leader to turn to the conference report to accompany H.R. 1869, repeal of auto recordkeeping. An hour or so of debate is expected, and a rollcall vote could occur.

Following conclusion of the conference report, the Senate will resume consideration of S. 960, the foreign assistance authorization bill. Rollcall votes can be expected throughout the day and into the evening. It is the intention of the majority leader to finish S. 960 by the close of business tomorrow.

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. LUGAR. Mr. President, I move in accordance with the previous order that the Senate stand in recess until 8:30 a.m., Wednesday, May 15, 1985.

Thereupon, at 8:03 p.m., the Senate recessed until tomorrow, Wednesday, May 15, 1985, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate May 13, 1985, under authority of the order of the Senate of January 3, 1985:

The Judiciary

John Montague Steadman, of the District of Columbia, to be an associate judge of the District of Columbia Court of Appeals for the term of 15 years, vice John W. Kern III, retired.

In the Air Force

The following-named officer under the provisions of title 10, United States Code, secton 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. John L. Piotrowski, 378-28-6898FR U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility:

To be general

Gen. Larry D. Welch, 514-32-7932FR, U.S. Air Force.

The following-named officer for appointment to the grade of general on the retired list pursuant to the provisions of Title 10, United States Code, section 1370:

Gen. Bennie L. Davis, 444-20-0242FR, U.S. Air Force.

In the Army

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. Roscoe Robinson, Jr., 495-28-6662, age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Jack N. Merritt, 446-22-2608, U.S. Army.

Executive nominations received by the Senate May 14, 1985:

Department of State

J. William Middendorf II, of Virginia, to be the Representative of the United States of America to the European Communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Edward Joseph Perkins, of Oregon, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Liberia.

U.S. Synthetic Fuels Corporation

Russell F. Miller, of Maryland, to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years, vice Robert W. Gambino, resigned.

EXTENSIONS OF REMARKS

A REMARKABLE TALE ABOUT GRANBURY, TX

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BARTON of Texas. Mr. Speaker, Texas is well known for its tall tales, legends and folklore and recently ABC Television's "20/20" program spotlighted one of them.

The old folks in Hood and Somervell Counties will tell you their parents and grandparents told them that at one time one of the residents of that area was one of history's most despicable characters.

Some residents of Granbury, in the Sixth Congressional District, are convinced that John Wilkes Booth, the assassin of one of our greatest Presidents fled to that town shortly after taking President Lincoln's life.

Historians generally discount this theory, but the ABC program presented some very interesting information on whether it might have occurred.

I'd like to share with my colleagues the transcript of the ABC report as it was aired nationwide April 20:

John Wilkes Booth

You can spot the town of Granbury, Texas by the Seth Thomas clock on the courthouse tower and the statue of General H.B. Granbury, a Civil War hero, one of the silent keepers of this 19th Century Atmosphere. Families who have lived around here for generations still talk about a man who kept a saloon in this town square more than a hundred years ago. One merchant named an antique store for him: St. Helen . . . John St. Helen . . . and he left behind a strange legend.

Jeanne Mack. It's a good tale. It's as good a tale as Washington throwing a dollar across the Potomac.

Buddy Peveler. I really believe it. I mean, I'd heard it all my life and I think it's the truth.

Margaret Phillips. It's come down to us as truth, even though it is from oral history, but I see no reason not to believe it.

Bob Brown. What they believe is that John St. Helen, whose faded photograph you see here, not only bears a resemblance to . . . but was in reality this man: John Wilkes Booth, the assassin of President Lincoln. And even if you still don't believe them when this story is over, you'll see how when you drill through a layer of American history you hit a gusher of folklore that continues to provide the fuel for our legends. Let's look first at what history tells us about Lincoln's assassination here at Ford's theater the night of April 14th, 1865.

Tom Peyton. So the play started, and a little while later the Presidential party did arrive. . .

Bob Brown. Guides who take tours around a restored Ford's theater today, tell how Booth, an actor with access to the theater, easily slipped through the Presidential box because Lincoln's guard had wandered off. Booth was familiar with the comedy that was playing, "Our American Cousin," and he waited for a burst of laughter.

Tom Peyton. And when that funny line was delivered, he had a 44-caliber single shot derringer in his hand. Everybody started to laugh. Booth quietly opened the inner door to the Presidential box. The pistol was about eight inches from Lincoln's head when Booth pulled the trigger and Lincoln slumped forward, and he never regained consciousness again.

Bob Brown. As this film version of the history shows, Booth leaped from the box to the stage, breaking his leg. But he managed to escape to a farm in Northern Virginia, where he and another conspirator were cornered in a barn by federal troops twelve days after the assassination. When they failed to smoke him out of the barn, they shot him dead. Afterwards, the first rumors arose from the government accounts of what happened to the body. Historian Terry Alford.

Terry Alford. They informed some journalists that the body had been dropped into the Potomac River after being weighted, when in fact they had buried it. And that created mistrust.

Brown. What eventually did happen to the body?

Alford. The body was buried in Washington for about four years and then it was turned over to Booth's family for reinterment, and it's buried in Greenmont Cemetary in Baltimore, Maryland.

Bob Brown. And here at Georgetown University in Washington, D.C., those rumors have been substantially expanded by old newspaper clippings and affidavits the library has just finished cataloging. The papers were left to the library by the late Texas lawyer, E.H. Swaim . . . and they contain the stories of people who believe Booth wasn't killed by federal troops . . . but escaped to Granbury, Texas, and became that saloon keeper known as John St. Helen. Although the papers are valuable as legend, the library can't vouch for their content.

Nicholas Sheetz: These are things that we make available to trained historians and it's for them to judge.

Bob Brown. James Hall is an authority on the Lincoln assassination. What does he think of the papers?

James Hall. Well of course, I'll say it gently. The whole thing is really nonsense. But I think there's some direct inverse arrangement there, that it . . . you have very little evidence. You have great beliefs that grow out of it.

Bob Brown. Let's see, then, how those beliefs came about. We'll start with Jeanne Mack, who runs a small museum in Glen Rose, Texas, not far from Granbury. Glen Rose was the first place a man named John St. Helen showed up around 1870.

Mrs. Mack. Well, it makes sense is all I can tell you because . . . well, now, I'll tell you what. Long time ago all these here desperadoes and killers and such as that all came down here and went to Indian Territory.

Bob Brown. There's no doubt Texas *was* a place outlaws found convenient . . . where witnesses were few and far between, and most of them didn't talk. Mrs. Mack drove us to a farm near Glen Rose where she says John St. Helen lived alone for two or three years in this small log cabin . . . then left in a hurry when he heard a local woman had become engaged. He didn't even bother to pack . . .

Mrs. Mack. He didn't pack. He left because she was marryin' a United States Marshal. And there was other United States Marshals comin'.

Bob Brown. To the wedding . . .

Mrs. Mack. To the wedding. And he didn't want to be recognized, so he went to Granbury.

Bob Brown. When John St. Helen showed up in Granbury in the early 1870's, he got a reputation for being more cultured than your average saloon keeper. Buddy Peveler, Margaret Phillips, and Lola Sears, are all descendents of people who knew St. Helen . . . who passed along their memories as oral history.

Buddy Peveler. Kept to himself a lot, but he was nice and that's the way I always understood it . . .

Margaret Phillips. . . . and that he was a well educated man . . .

Lola Sears. We've always heard it that way.

Margaret Phillips. . . . and, uh, walked with a limp, I remember them saying that.

Bob Brown. That would have been because . . .

Margaret Phillips. Of the wound he received when he . . .

Bob Brown. Jumped onto the stage . . .

Lola Sears. I started to say, when he, he jumped or somethin' like that, he, he got this, yes, injury.

Margaret Phillips. It was a broken leg, I think.

Bob Brown. Phillip Carter is the last living person who signed one of those affidavits given to the Georgetown Library by E.H. Swaim. In it, Mr. Carter gave his father's account of John St. Helen's secret.

Phillip Carter. Yeah, yeah and dad told me. Well, of course, he had run off when he shot the President . . . and said he's still running. Get down . . .

Bob Brown. According to Mary Kate Durham, who works at the Granbury Courthouse, St. Helen eventually made an ill-timed confession in front of a lot of witnesses.

Mary Kate Durham. He became very ill, and during his . . . what he thought were his last rites, he confessed that he actually was John Wilkes Booth and to support the story he told the priest and the people in the room that if they would look in a secret hiding place, they would find a small gun of the same caliber, supposedly, of the gun that killed Lincoln.

Bob Brown. The problem was that after the death-bed confession, John St. Helen didn't die. He recovered, and then he disappeared from here forever. Where did he go? Well, in 1903, a man named David George died by suicide in Enid, Oklahoma . . . claiming to have been Lincoln's assassin.

Because of similarities in age and appearance, many people believed that the body of David George . . . seen in its funeral parlor

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

pose . . . was actually the body of John St. Helen. What happened next? Well, the body was mummified and taken on national carnival tour, billed as the assassin of Abraham Lincoln. And that's what led us to a Virginia mummy and curio collector, Lawrence Mooney, who has what he says are X-rays of the mummy showing it had such characteristics as a broken ankle . . .

Lawrence Mooney. One X-ray alone would prob'ly have been enough to demonstrate that it was prob'ly Booth, 'cause these characteristics displayed in the X-rays were well known of him.

Bob Brown. Now, is this mummy the same fellow who was known as John St. Helen in Texas?

Lawrence Mooney. Yes, I believe it was prob'ly the same person.

Bob Brown. We don't know where the mummy is now because its owner took off from the carnival sometime around 1937 and it was never seen publicly again. But we do know that before that unfortunate incident, the mummy did make it back to the source of the legend. Right here in the town square of Glen Rose, Texas, Jeanne Mack remembers seeing when she was a child.

Jeanne Mack. And then it had kind of a little ramp that was built up. And had the hand railin' on each side. And of course, somebody collects your money as you went through. And you could linger as long as you want to.

Bob Brown. You walked up that ramp . . .

Mrs. Mack. Yes, sir . . .

Bob Brown. And what did you see?

Mrs. Mack. Well, I saw this mummy layin' in this . . . whatever. This wooden box, like. He, it was in kinda like a wooden box. It wasn't nothin' fancy like, you know, a . . . what you call a store-bought casket. In my estimation, it wasn't.

Bob Brown. What'd he look like?

Mrs. Mack. Well, he was just all dried up is all I can tell you. Kind of a . . . oh, kinda about the color of that earth there. Kind of a rusty brown.

Bob Brown. If you could describe the John St. Helen legend in the best possible light, what would you call it?

James O. Hall. A myth. But it's a wonderful myth.

Bob Brown. And if you were to describe it in the worst possible light, how would you describe it?

James O. Hall. Well, the . . . someone said that, "I don't mind a damn lie, but I hate inaccuracies." Does that answer your question?

Bob Brown. Well, it does assign a place to it from a historian's point of view. But if you every take a tour down to Glen Rose or Granbury and stay around past sundown, it's best just to nod your head and smile politely if you don't believe in John St. Helen.●

DON LAMBRO WARNS OF AN ECONOMIC SLOWDOWN

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. COURTER. Mr. Speaker, columnist Don Lambro has written an excellent essay warning that, unless Congress and the administration take swift action, we are heading into a serious economic slowdown.

I have urged the President to make his second term goal the lowering of unemployment to below 5 percent, which can only be done by reigniting the recovery of 1983–84. A combination of tax reform, enterprise zones, and a price-oriented Federal Reserve policy would be the proper fiscal and monetary mix to achieve this end.

I commend Mr. Lambro's column to my colleagues, and urge them to support the goal of full employment, as embodied in the Humphrey-Hawkins Act.

The column follows:

[From the Washington Times, May 9, 1985]

COPING WITH THE ECONOMIC SLOWDOWN

(By Donald Lambro)

Congress has always been notoriously slow to respond to economic downturns, and it's doubtful that lawmakers will act quickly enough to pull the economy out of the doldrums.

With the nation's unemployment rate stuck at 7.3 percent (it stood at 7.5 percent when President Reagan took office in 1981) and the Commerce Department reporting a drop in the index of leading economic indicators, now is the time for bold new initiatives to make economic growth Washington's No. 1 priority again.

The White House will turn its attention to the economy fully when Mr. Reagan submits his tax-rate reduction and simplification proposals to Congress later this month.

That proposal and the continuing push to enact a major deficit-reduction bill are the centerpieces of the administration's effort to kick the economy into a higher orbit of growth. But the question is: Will that be enough, and will it come in time to avert a prolonged, revenue-draining economic slowdown?

The Commerce Department's latest announcement of an 0.2 percent drop in the index of economic indicators, along with a nearly 1 percent decline in new orders for factory goods, provides further evidence—if any is needed—that the recovery is losing steam.

Commerce Secretary Malcolm Baldrige's view is that in the long run the economy's temporary lag will be alleviated by a reduced budget deficit, lower trade barriers, and a pickup in economic growth abroad.

However, the Institute of Business Forecasting, which regularly surveys chief U.S. economists for banks, insurance companies, and brokerage houses, bearishly forecasts a weakening of the economy in the last half of the year and the first half of 1986.

Their consensus forecast calls for an annual growth rate of 3.2 percent in the real (inflation-adjusted) gross national product in the last six months of this year, dropping to a 2.1 percent GNP growth in the first half of 1986. This is in sharp contrast to last year's 4.9 percent annual rate in the fourth quarter and a robust 6.9 percent growth rate for the year—the best since the start of the Korean War.

Clearly, Congress can no longer afford to sit idly by and allow the economy to drift further into a "growth recession." It can take a number of steps now to spur the economic recovery forward. Among them:

Establish an Economic Growth Committee in each house of Congress to begin studying and proposing immediately new tax, regulatory, and monetary initiatives to expand the economy further and to spark new job creation.

Create a blue-ribbon commission to identify government obstacles and regulatory impediments to business expansion at home and increased trade abroad, reporting to the White House and relevant committees of Congress within six months.

Reactivate, by executive order, the 1981 Cabinet council headed by Vice President George Bush to reexamine the government's myriad regulations. The council would have instructions to eliminate all remaining regulations that unnecessarily add to the costs of doing business and prevent new businesses from being formed.

Move tax reform to the front burner of the Ways and Means and Finance Committees to ensure enactment of a rate-reducing growth-oriented package of reforms this year.

And, finally, declare a five-day-a-week, no vacation schedule in Congress until a $50 billion, fiscal 1986 deficit reduction package is passed and signed into law.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MONTGOMERY. Mr. Speaker, within the next few weeks, the House and Senate will be making decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chief of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain nonservice-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in Durham, NC:

Veterans' Administration,
Durham, NC, January 29, 1985.

In reply refer to: 558/11.

Howard H. Green, M.D.,
Chief of Staff, VA Medical Center, White River Junction, VT.

Dear Dr. Green: This is in response to your questionnaire which I received recently.

We have 484 beds and are affiliated with Duke University. At the moment our deficit for personal services is approximately $400,000. All Other has a number of variables but a real need figure is $200,000.

The impact of a fixed budget is felt in all of the areas you mentioned. In Personnel, the greatest deficiency is apparent in the number of nurses we can keep on board. After a great deal of manipulation over the past two years, we have finally been able to

staff adequately our Intensive Care Units. The wards, however, are barely adequately staffed and deficiencies are particularly noted during the evening and night shifts. In addition, we had hoped to keep our Recovery Room open 24 hours for five days a week, but have been unable to obtain the nurses to do so. We believe that this would cut down the admissions to the Surgical Intensive Care Unit some place in the range of 40 or 50% as so many of our patients only require overnight monitoring. In addition, we have discussed the possibility of a step-down unit, particularly for the cardiac surgery patients, but this is clearly impossible for a nursing standpoint at the present time. Many of the other services in the hospital have had requests for personnel with varying degree of urgency. For example, the number of ward clerks we have been able to provide has been less than ideal, especially for evening and weekend coverage.

I am unable to anticipate what will be needed from a standpoint of additional physicians. The increasing requirements regarding resident supervision, operating room and clinic work, and quality assurance activities cannot be met by our limited staff. I have no disagreement with any of these measures but they are certainly going to take increased physician input on the bed services.

All of the Supply control points had to have their requests decreased this past year, essentially across the board. This has meant that some services, particularly Medicine and Surgery, have had to request supplemental money during the year. The requirements are many and even if the number of patients remain the same, the cost increases. Examples of expensive supplies which increased markedly in cost each year are obvious and includes such things as pacemakers, heart valves, and joint replacements. These items are, of course, just the tip of the iceberg although I have the general impression that their costs increase faster than many of the other items. Drugs, of course, as mentioned by Mark Walcott, are a tremendous problem both from the increased cost and from the amount of drugs which must be provided to outpatients.

Equipment is possibly the most serious problem which we currently have. This is partly a reflection of the age of the hospital in that items like the sterilizers in the operating rooms are now over thirty years old and are becoming unsafe for use. We also have the problem of having had more favorable years for purchase of equipment and now quite suddenly it is becoming beyond the state of repair. This applies to much of our monitoring equipment, for example.

One of the most disturbing factors with regard to both equipment and supplies concerns anticipated needs. If one reads a few medical journals and goes to occasional conferences at the affiliated hospital, some of the eventual needs are readily identified. Even given a reasonable lead time of even a year or so, it is frequently impossible to obtain the needed items within an acceptable time period.

With the exception of open heart I am unable to give exact numbers for the backlog on surgery. Currently, there are 17 patients on the waiting list for heart surgery. We regard 10 to 15 to be an acceptable number. The ophthalmologists have done an exceptional job in scheduling admissions and operations so that I do not believe they are behind. The orthopods are being very selective for joint replacement. The number and cost of coronary angioplasties continue to increase. All of these areas are underfunded.

A number of months ago we found ourselves with about 55 patients on the waiting list for open heart surgery. To resolve this problem, a number of the service-connected were sent to our affiliated hospital for operation and a few of the nonservice-connected were sent to another VA Medical Center. One of the interesting things which came out of this was the finding that a considerable number of patients had adequate resources to have their operation at private hospitals.

The only other problem area in which we have made even a start is the Ambulatory Care. The General Medical Clinic and a couple of the medical specialty clinics have worked very hard to decrease the number of patients on their rolls and the number of visits. This has not as yet occurred in any of the surgical clinics and we hope to work on this during the coming year.

Your statement "Any other comments germane to the issue of resources" appears to be a wide open invitation to all sorts of comments. Rather than attempt to cite specifics, I would only say that in the face of the federal deficit we should try to do a better job with what we have or even with less. I would be very much surprised if VA Medical Center personnel (administrators, chiefs of service, etc.) could not come up with a miniature Grace Report which would provide substantial savings with no compromise in the quality of patient care.

Sincerely yours,
R. W. Postlethwait, M.D.
Chief of Staff.●

DESIGNATING OCTOBER 1985 AS LEARNING DISABILITY AWARENESS MONTH

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BROWN of California. Mr. Speaker, learning disabilities are among the least understood handicaps, and yet, millions of Americans—10 million children alone—suffer from them. For this reason, my colleague from New York, Representative Jack Kemp, and I are today introducing legislation to officially designate October 1985 as "Learning Disabilities Awareness Month." October has been recognized as the unofficial Learning Disability Awareness Month for many years. This legislation will give the learning disabled the national attention they deserve. Although Representative Kemp and I have differing opinions on many issues, on this issue we are in total agreement. I encourage my colleagues to join us in bringing about the speedy passage of this measure.

It is important for all of us to be more aware of the nature of learning disabilities. Some estimates suggest that as many as 5 percent of school-aged children are learning disabled. The learning disabled are as handicapped as a person in a wheelchair—but their's is an invisible handicap. It is a condition which is not immediately apparent and whose causes are not clearly defined—but to the person who must cope with the frustration of overcoming it, this handicap is very real. If parents, educators, professionals, and the learning disabled themselves are to become better able to deal with learning disabilities, increased awareness of the problem is essential.

The dark ages of learning disabilities were only a decade ago. It was the rare parent or educator who knew what a learning disability was or could recognize a learning disabled child. If a parent or teacher believed that a child was learning disabled, it was a struggle to find the proper diagnostic testing and then to set up a program to deal with the problem on a daily basis. Children with learning disabilities were often not identified as such, as were mislabled as "minimally brain damaged," "slow," "emotionally disturbed," or even "retarded."

Actually, the learning disabled are of normal or above average intelligence, but are not able to learn many things in the conventional manner. Learning disabilities encompass a broad range of neurological problems which are distinct from retardation or emotional disturbances. This includes such conditions as perceptual handicaps, dyslexia, and developmental aphasia. The learning disabled are likely to have difficulty with reading, writing, spelling, distinguishing letters of the alphabet, and performing other simple tasks involving language. They may also have difficulties with mathematics, concentration, memory, coordination, understanding time and planning, and distinguishing right from left. With early diagnosis and proper remediation, the learning disabled can overcome their disabilities. Few people realize that Albert Einstein, Thomas Edison, Nelson Rockefeller, Gen. George Patton, and Auguste Rodin, to name a just a few, all had some kind of learning disability.

It is hard for us to imagine the frustration of the learning disabled and of those who come in regular contact with them. Typically, the learning disabled excel in one area, yet are incapable of functioning on a level commensurate with their age and intelligence in another. An apparently bright and talkative child might not be able to memorize the alphabet or the months of the year. An otherwise intelligent person might find it difficult to distinguish between written words like "girl" and "grill," to spell correctly and consistently, to work with columns of numbers, to remember names easily, to write neatly, and/or to speak clearly.

The learning disabled need differing degrees of individual attention and a school program that offsets their difficulties. It may be just a matter of allowing them extra time on a test or having them attend a special education program once a day. Or they may need some time at a school specially geared to them and special training from an optometrist, speech therapist, or other specialist. Whether they are adults or children, they need patience and understanding. If the learning disabled are not given the proper support, they often find themselves confronted with questions like "What is wrong with me? Why can't I function as well as my peers in class or at work? Am I stupid?" The frustration due to misunderstanding the cause of their problems can often lead them down a path of social isolation, behavioral problems, delinquency, and to feelings of inadequacy and self doubt.

With the passage of the Education For All Handicapped Children Act of 1975 (Public Law 94-142) and similar legislation, and with the formation of hundreds of national and local support groups, awareness of learning disabilities has increased. Now parents and teachers who need to know about learning disabilities can turn to many organizations for help. They can contact the National Information Center for Handicapped Children and Youth [NICHCY] set up by Congress (Public Law 98-199) to provide them with free information. They can also contact private organizations which provide a variety of services and publish hundreds of books and pamphlets, such as the "Foundation For Children With Learning Disabilities Guide for the Parents of Children With Learning Disabilities." Public schools are now required to provide special education for the learning disabled. Also, many colleges and private schools offer programs tailored for the learning disabled. Talking book records and tapes are among the national and local programs which currently insure that the learning disabled will have access to books.

We are fortunate to be out of the dark ages of learning disabilities, but we have much further to go to bring about a real renaissance. There are millions of children and adults who are not receiving special education or are not even aware that the cause of their troubles is a learning disability. There are parents who are confused about what to do with their children who have learning disabilities. There are children who are still being mislabeled and are not receiving the proper attention. The only way to solve these problems is to increase awareness. We applaud the courageous efforts of parents and children to lead productive and happy lives despite their handicaps. We must continue to stress the need to detect learning disabilities in children as early as possible and to give them the proper treatment. This is why I am proposing to make October 1985 Learning Disabilities Awareness Month. I strongly urge my colleagues to pass the bill. Below is the text of this commemorative bill:

H.J. Res. 287

Joint resolution to designate October 1985 as "Learning Disabilities Awareness Month"

Whereas millions of Americans suffer from 1 or more learning disabilities;

Whereas it is estimated that 10,000,000 American children have been diagnosed as suffering from learning disabilities;

Whereas most learning-disabled persons are of normal or above normal intelligence but cannot learn to read and write in the conventional manner;

Whereas it is important for parents, educators, physicians, and learning-disabled persons to be aware of the nature of learning disabilities and the resources available to help learning-disabled persons;

Whereas early diagnosis and treatment of learning-disabled children gives such children a better chance for a happy and productive adult life;

Whereas the courage necessary for learning-disabled persons to meet their special challenges should be recognized;

Whereas hundreds of national and local support groups for learning-disabled persons, parents of learning-disabled children, and professionals who work with learning-disabled persons have made important contributions to the treatment of learning disabilities;

Whereas research and study have contributed to public knowledge about learning disabilities, but much remains to be learned; and

Whereas public awareness of and concern about learning disabilities may encourage the establishment of the programs necessary to promote early diagnosis and treatment of learning disabilities and to help learning-disabled persons and their families cope with their learning disabilities: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1985 hereby is designated "Learning Disabilities Awareness Month," and the President of the United States is authorized and requested to issue a proclamation calling upon all public officials and the people of the United States to observe such month with appropriate programs, ceremonies, and activities.●

A NATURAL GAS INDUSTRY

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BROYHILL. Mr. Speaker, the natural gas industry is undergoing profound change. With the partial deregulation of natural gas at the wellhead that occurred January 1, 1985, prices have fallen, not risen. Ample supplies and competition from alternative fuels have placed a new emphasis on efficiency and marketing. Mergers and acquisitions in the pipeline industry reflect this new emphasis.

Georgiana H. Sheldon, a member of the Federal Energy Regulatory Commission, discussed the new natural gas market in remarks made May 7, 1985, to the Natural Gas Roundtable. Her remarks provide valuable insight not only as to what is happening now, but how we came to this situation and what may lie ahead.

I insert Commissioner Sheldon's remarks in the Record at this point:

Remarks by Georgiana H. Sheldon, Commissioner, Federal Energy Regulatory Commission, Before the Natural Gas Roundtable Luncheon

I look at this august group and am reminded of the frightening, but thought provoking advice often given to college freshmen as they begin their academic journey.

They are told: "Look at the fellow freshmen seated to your left and to your right. One of them will not be around for graduation."

As your industry enters the age of competition and is caught-up in the mania of acquisition and merger, I ask each of you to look to your left and to your right.

I stood here in August 1983 and issued a challenge to the gas industry to take charge of its own destiny.

At that time, all but the most enlightened and astute industry participants were standing on the sidelines blindly arguing for the status quo while legislators, attuned to different voices, were busy attempting to impose a nonvoluntary restructuring on your industry.

I saw that situation, particularly with regard to access legislation, as reminiscent of the colorful scrimmage over oil between John D. Rockefeller, monopolist and Teddy Roosevelt, trust buster.

Much has happened since then. Some expected, some unexpected.

The 98th Congress, after all the hoopla, produced no new legislation.

The 99th Congress is relatively quiet. For the time being, legislators are content to watch and assess the action being provided by you, the industry, and the FERC.

Will each of us, on our own and together, take the kind of action that will defuse the need for legislative solutions?

That's anybody guess right now. In fact, who here would wager a bet on the outcome of almost any legislative debate?

Without a doubt, there has been plenty of action for our legislators to watch and assess. Also without a doubt—there is plenty of action still to come.

Changing market realities can no longer be ignored and have prompted various industry initiatives:

A host of special marketing and discount sales programs have been implemented.

Gas marketing firms have grown in number and gained the spotlight in the important spot sales market. (Producer initiated SMP's and marketing firms are particularly important in any analysis of a changing industry structure.)

Voluntary transportation is on the rise. Who here continues to view transportation as the ugly step-child of sales?

Hard fought and far reaching settlements have been agreed to and offered to the Commission for approval.

Tough contract renegotiations have been going on.

New contracting practices have surfaced.

Some of you would argue these initiatives are short-term responses to what are only temporary market dislocations.

I do not agree with this view.

The natural gas market and the industry which serves it, have been permanently al-

tered by: Conservation, rapidly developing fuel efficient technology, the shift away from smoke stack industries, the migration of companies to the Sun Belt, the advent of competitive Canadian imports, the NGPA playout, and the break in OPEC's pricing power.

These market realities have come together and given birth to competition. And, if allowed to flourish, competition has the potential to bring into being a gas industry none of us ever dreamed possible.

The advent of competition has caused intense debate among all sectors of the industry and gas consumers.

Those who oppose competition, even in its infancy, often look to the Commission for protection under its umbrella or traditional regulation.

Those who welcome the competition, also look to the Commission. But they look with an accusing eye. In their view, traditional regulation is the greatest impediment to flourishing competition. If true, should competition be allowed to flourish at the expense of traditional regulation?

If competition can equally or better serve the public interest, given the nature of today's gas industry, why not?

The premise is a simple one. Finding the optimal balance between a free-wheeling industry and a regulated one, is not.

This difficult balancing task was faced by the Commission in its minimum bill rulemaking. Also, throughout the evolution and application of its self-implementing procedures. And, more recently, in its adjustment to new Canadian pricing schemes.

The Commission faces its greatest challenge in its notice of inquiry proceeding.

At the heart of that proceeding is this fundamental question—how far can the Commission go legally with a hands-off policy and rely on a competitive gas industry to serve the public interest?

The answer to that question will come another day.

If competition is allowed to flourish in the gas industry, certain regulatory barriers to competition will have to be lowered or altogether removed.

I recently spoke elsewhere and identified: Fully allocated rates, minimum bills, take-or-pay provisions, PGA's, certain rate design methodologies, and restrictive transportation policies, as barriers to a competitive market.

Today, I will sidestep further statement on those issues and concentrate on the difficult job faced by the industry and the Commission in convincing the courts that any new regulatory approaches resulting form the NOI proceeding are economically and legally justified. Those opposing new policy ventures by the Commission will deluge the courts with case law in which the Commission and certain participants have successfully argued the equity and legality of current regulatory approaches.

What is important to remember, and to make clear in any FERC decision and before any reviewing court is the source of precedents under which the Commission is now working. Those precedents were established on the basis of an industry and marketplace very different from that which exists today.

The FPC was almost a promotional agency in the early days of the gas industry. Its principal task was to reduce the financial risk of building capital intensive projects to deliver a by-product of oil production from areas where its market price was trivial, to areas where its market price was much higher.

In fulfilling this function the FPC was satisfying the preferences of all actively interested parties.

The problems of appropriately pricing the services of pipelines were secondary.

After the *Phillips* decision of 1954, the FPC was given two major new responsibilities which conflicted with its earlier ones.

The Commission was expected to restrain the prices of gas at the wellhead for the benefit of end-users and to shoulder the responsibility for insuring an adequate supply of gas for the interstate market.

The *Phillips* decision effectively suppressed competitive markets for gas at the wellhead and went a long way in being responsible for the deep curtailments of the 1970's.

The nature of today's gas industry is in stark contrast to those earlier periods.

Today, a very large proportion of gas discovered is nonassociated gas. Therefore incentives must be an important part of any regulatory scheme for producing and delivering gas to consumers;

Today, the price of gas at the wellhead is a much larger proportion of the burner tip price than it ever has been. The principal risks of the industry, therefore, are no longer the risks associated with capital intensive pipelines.

Today, the pipeline industry is a mature one. Enormous assets are in place, markets are well established, and it is relatively easy to predict the size of gas markets and to make reasonable forecasts of who will use gas at alternative prices.

Today, competition among producers is vitally important. Changing supply and demand conditions must be quickly recognized and adjusted to by all parties in the industry.

Today, with the present promising outlook for supplies, it is not now a significant responsibility of the FERC to worry about long-term supplies.

Today, a great deal of competition between intrastate and interstate pipelines is inevitable. In many cases the two pipelines will compete for the same customer.

Today, there is not a well developed consensus on the purpose of regulation. Would the NOI proceeding be necessary, if there were a consensus?

It is this contrast between yesterday's industry and today's which allows one to argue that certain regulatory policies suitable for past periods are not suitable for current periods—and, most likely, not suitable for the future.

It appears inevitable that past models for regulating the interstate pipeline industry must be replaced by a model that emphasizes the presence of competition. As I stated earlier, the difficult, but required, task will be finding the optimal balance between competitive forces and regulation.

I believe two premises should be the basis of Commission action on the NOI's. Simplicity and flexibility. Keeping that in mind, one responsibility of a regulatory agency in time of changing circumstances is to act as quickly, and as responsibly as possible under the law.

It is my sincere hope that we will have something out by late summer or early fall. I am not ready to predict what it will be, but I suspect the decision on what we do will control the procedure used. It would be preferable to issue our decision in one package. However, the decisions may better lend themselves to be issued in stages—after the Commission evaluates its overall policy on competition.

The next few months will be difficult for us all. Each segment of the industry is needed to pull its own weight in a cooperative effort.

The Chairman and all members of the Commission are making a serious effort to find workable solutions to our present situation.

The precedents of the past will be of little or no use for the framework of the future. As Arlon Tussing said the other day "that which has not been expressly forbidden can be allowed."●

A TRIBUTE TO ALFONSE W. SCERBO

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. COURTER. Mr. Speaker, I would like to take a moment to recognize an outstanding citizen of New Jersey, the Honorable Alfonse W. Scerbo.

Mr. Scerbo has served Morris County, NJ, with dignity and pride as a member of the Board of Chosen Freeholders from 1971 to 1985, which included the position of deputy director and also director. His allegiance to his own boro was demonstrated by his terms as alderman and mayor.

All of the citizens of Morris County know "Al" for his sincerity and dedication and an example of empathy and honesty in the position that he was elected to by his peers. I know the family and friends of this outstanding American are most proud of his many fine achievements. Mr. Scerbo has earned the admiration of his colleagues.

I congratulate Freeholder Scerbo on an outstanding career and sincerely thank him for the many important things he has accomplished on behalf of the people of New Jersey.●

ELIE WIESEL INTERPRETS THE IMPORTANCE OF OUR VICTORY OVER NAZI GERMANY

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BERMAN. Mr. Speaker, this year freedom-loving people around the world are celebrating the anniversary of the victory of America and our allies over Nazi barbarism.

No one has so eloquently captured the eternal moral significance of that triumph as well as the poet and writer, Elie Wiesel.

Mr. Wiesel, a survivor of a Nazi death camp, made the following remarks in an impassioned appeal to President Reagan that the President cancel his visit to the military cemetery in Bitburg. Mr. Wiesel's statement came at the White House after President Reagan presented him with the Congressional Gold Medal of Achievement.

Mr. Wiesel's statement, though unsuccessful in convincing Mr. Reagan to avoid Bitburg, is enormously moving in its assessment of the importance of allied victory in World War II. He measures well the debt we all owe to the 300,000 American soldiers who laid down their lives in the defense of civilization against the depravity of the Nazis. In that, Mr. Wiesel was as successful as any speaker I have ever heard. I wanted to share his statement with every Member of Congress and the American people.

Mr. Wiesel's remarks on that day follow:

ELIE WIESEL INTERPRETS WORLD WAR II ERA

Mr. President, speaking of the conciliation, I was very pleased that we met before, so a stage of the conciliation has been set in motion between us. But then, we were never on two sides. We were on the same side. We were always on the side of justice, always on the side of memory, against the SS and against what they represent.

It was good talking to you, and I am grateful to you for the medal. But this medal is not mine alone. It belongs to all those who remember what the SS killers have done to their victims.

It was given to me by the American people for my writings, teaching and for my testimony. When I write, I feel my invisible teachers standing over my shoulders, reading my words and judging their veracity. And while I feel responsible for the living, I feel equally responsible to the dead. Their memory dwells in my memory.

Forty years ago, a young man awoke and he found himself an orphan in an orphaned world. What have I learned in the last 40 years? Small things. I learned the perils of language and those of silence. I learned that in extreme situations when human lives and dignity are at stake, neutrality is a sin. It helps the killers, not the victims. I learned the meaning of solitude, Mr. President. We were alone, desperately alone.

IMPOSSIBLE TO COUNT ALL THE NAMES

Today is April 19 and April 19, 1943, the Warsaw Ghetto rose in arms against the onslaught of the Nazis. They were so few and so young and so helpless. And nobody came to their help. And they had to fight what was then the mightiest legion in Europe. Every undergound received help except the Jewish underground. And yet they managed to fight and resist and push back those Nazis and their accomplices for six weeks. And yet the leaders of the free world, Mr. President, knew everything and did so little, or nothing, or at least nothing specifically to save Jewish children from death. You spoke of Jewish children, Mr. President. One million Jewish children perished. If I spent my entire life reciting their names, I would die before finishing the task.

Mr. President, I have seen children, I have seen them being thrown in the flames alive. Words, they died on my lips. So I have learned, I have learned, I have learned the fragility of the human condition.

And I am reminded of a great moral essayist. The gentle and forceful Abe Rosenthal, having visited Auschwitz, once wrote an extraordinary reportage about the persecution of Jews, and he called it, "Forgive them not Father, for they knew what they did."

OPPOSITE OF LOVE IS INDIFFERENCE

I have learned that the Holocaust was a unique and uniquely Jewish event, albeit with universal implications. Not all victims were Jews. But all Jews were victims. I have learned the danger of indifference, the crime of indifference. For the opposite of love, I have learned, is not hate, but indifference. Jews were killed by the enemy but betrayed by their so-called allies, who found political reasons to justify their indifference or passivity.

But I have also learned that suffering confers no privileges. It all depends what one does with it. And this is why survivors, of whom you spoke, Mr. President, have tried to each their contemporaries how to build on ruins, how to invent hope in a world that offers none, how to proclaim faith to a generation that has seen it shamed and mutilated. And I believe, we believe, that memory is the answer, perhaps the only answer.

TRIED TO CARRY THEM IN TRIUMPH

A few days ago, on the anniversary of the liberation of Buchenwald, all of us, Americans, watched with dismay and anger as the Soviet Union and East Germany distorted both past and present history.

Mr. President, I was there. I was there when American liberators arrived. And they gave us back our lives. And what I felt for them then nourishes me to the end of my days and will do so. If you only knew what we tried to do with them then. We who were so weak that we couldn't carry our own lives, we tried to carry them to triumph.

Mr. President, we are grateful to the American Army for liberating us. We have grateful to this country, the greatest democracy in the world, the freest nation in the world, the moral nation, the authority in the world. And we are grateful, especially, to this country for having offered haven and refuge, and grateful to its leadership for being so friendly to Israel.

And, Mr. President, do you know that the Ambassador of Israel, who sits next to you, who is my friend, and has been for so many years, is himself a survivor? And if you knew all the causes we fought together for the last 30 years, you should be prouder of him. And we are proud of him.

And we are grateful, of course, to Israel. We are eternally grateful to Israel for existing. We needed Israel in 1948 as we need it now. And we are grateful to Congress for its continuous philosophy of humanism and compassion for the underprivileged.

And as for yourself, Mr. President, we are so grateful to you for being a friend of the Jewish people, for trying to help the oppressed Jews in the Soviet Union. And to do whatever we can to save Shcharansky and Abe Stolar and Iosif Begun and Sakharov and all the dissidents who need freedom. And of course, we thank you for your support of the Jewish state of Israel.

But, Mr. President, I wouldn't be the person I am, and you wouldn't respect me for what I am, if I were not to tell you also of the sadness that is in my heart for what happened during the last week. And I am sure that you, too, are sad for the same reasons.

SPEAK TRUTH TO POWER

What can I do? I belong to a traumatized generation. And to us, as to you, symbols are important. And furthermore, following our ancient tradition, and we are speaking about Jewish heritage, our tradition commands us "to speak truth to power."

So may I speak to you, Mr. President, with respect and admiration, of the events that happened?

We have met four or five times. And each time I came away enriched, for I know of your commitment to humanity.

And therefore I am convinced, as you have told us earlier when we spoke, that you were not aware of the presence of SS graves in the Bitburg cemetery. Of course you didn't know. But now we all are aware.

May I, Mr. President, if it's possible at all, implore you to do something else, to find a way, to do something else, to find a way, to find another way, another site? That place, Mr. President, is not your place. Your place is with the victims of the SS.

Oh, we know there are political and strategic reasons, but this issue, as all issues related to that awesome event, transcends politics and diplomacy.

The issue here is not politics, but good and evil. And we must never confuse them.

For I have seen the SS at work. And I have seen their victims. They were my friends. They were my parents.

Mr. President, there was a degree of suffering and loneliness in the concentration camps that defies imagination. Cut off from the world with no refuge anywhere, sons watched helplessly their fathers being beaten to death. Mothers watched their children die of hunger. And then there was Mengele and his selections. Terror, fear, isolation, torture, gas chambers, flames, flames rising to the heavens.

ONLY THE KILLERS ARE GUILTY

But, Mr. President, I know and I understand, we all do, that you seek reconciliation, and so do I, so do we. And I too wish to attain true reconciliation with the German people. I do not believe in collective guilt, nor in collective responsibility. Only the killers were guilty. Their sons and daughters are not.

And I believe, Mr. President, that we can and we must work together with them and with all people. And we must work to bring peace and understanding to a tormented world that, as you know, is still awaiting redemption.

I thank you, Mr. President.●

CLEARING THE NAME OF A YUGOSLAV PATRIOT

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BARTON of Texas. Mr. Speaker, at this period when the international community is reflecting on World War II, new information is surfacing changing how some key figures in that conflict will be remembered in history.

During the past 40 years, a group of American fliers have been attempting to clear the name of a Yugoslav general who saved their lives. We now know there was an organized effort to discredit Gen. Draza Mihailovic as a Nazi collaborator.

The following article from the National Security Record details this new

information and sets the record straight on General Mihailovic's heroic accomplishments.

SOVIET DISINFORMATION FORTY YEARS LATER

After four decades, the release of previously classified documents casts light on what may have been one of the most successful Soviet campaigns of disinformation ever conducted. The target was General Draza Mihailovic, leader of Yugoslavia's Chetnik guerrillas who rescued some 512 American airmen during World War II. For years many of those airmen have been trying to clear the name of the anti-Communist guerrilla leader who rescued them.

Initially hailed as a hero by the Anglo-American allies for his guerrilla campaign against the Nazis, Mihailovic was abandoned at Russian insistence at the Yalta Conference in favor of Tito, who was leading the communist Partisans in Yugoslavia. After the war, Tito executed Mihailovic on charges of collaborating with the Germans. But the American flyers, who lived with the Chetniks until they were evacuated, have been saying that Mihailovic was a Serbian patriot who fought hard against the Nazis in the hope of establishing a democratic government in Yugoslavia.

Now the release of formerly top secret intelligence reports from a team of OSS agents that spent ten weeks in Yugoslavia during World War II, together with the release of formerly classified British documents, confirms that the charges of collaboration were fabricated by Soviet agents. The central figure in this conspiracy was James Klugman, a member of the executive committee of the British Communist Party, considered the most brilliant of the "Cambridge Group" of Soviet agents organized by British master spy Kim Philby.

Early in 1942 Klugman gained assignment to the British Special Operations station in Cairo, where he was responsible for allied intelligence collection in Yugoslavia. In this key position, Klugman controlled intelligence reports from Yugoslavia, systematically suppressing those that were favorable to Mihailovic and the Chetniks. Klugman revised or misdirected airdrops of supplies to Chetnik forces, and with the help of Philby in London was instrumental in convincing the British Government that Mihailovic was a collaborator.

Klugman also suppressed reports of the rescue of American flyers by the Chetniks, but eventually word of their existence was picked up by a chance radio reception and an OSS mission was sent to evacuate them. In addition to the favorable testimony of the flyers, the official OSS report prepared in 1944 by team leader Lt. Col. Robert H. McDowell, a former university professor of Balkan studies, denies that there was any evidence of Chetnik collaboration and states "On the contrary, there was ample evidence that the General (Mihailovic), the field commanders and the Nationalist political leaders were filled with a burning hatred for the Germans much beyond that held by British and Americans."

Recent revelations by Milovan Djilas, once Tito's deputy, indicate that the principal aim of Tito's Partisans during World War II, as with communist resistance movements elsewhere, was to win the civil war against the nationalist Chetniks. The communist's victory was sealed when they executed Mihailovic, their rival for national leadership. Yet the disinformation campaign conducted by Klugman and Philby, and perpetuated by the Yugoslav communist government, was so successful that the belief persists forty years after the war that Gen. Mihailovic was a Nazi collaborator. The surviving American flyers now believe that the declassified documents finally have cleared the name of the Yugoslav patriot who saved them.●

MEDICARE MENTAL ILLNESS NONDISCRIMINATION ACT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DOWNEY of New York. Mr. Speaker, It has been estimated that 15 to 20 percent of our Nation's more than 22 million older citizens have significant mental health problems. Restrictions in the Medicare Program effectively prevent many of these individuals from receiving adequate mental health care.

The Medicare Mental Illness Nondiscrimination Act, which I am reintroducing today, is designed to provide access to mental health services through three basic changes in the Medicare Program.

First, the bill eliminates the discriminatory 50/50 copayment formula for mental health care in favor of the 80/20 copayment formula now used for physical health care. Second, the bill eliminates the discriminatory annual $250 maximum payment for outpatient care of nervous mental or emotional disorders. By eliminating the ceiling entirely, greater utilization of outpatient mental health services will occur. The third provision of the bill changes part A of Medicare by eliminating the discriminatory 190 day lifetime limit for inpatient psychiatric care and substitutes the "spell-of-illness" definition employed for physical health care.

By increasing mental health care coverage this bill will actually lower the cost of other health care services. Several studies attest to this phenomenon. In a study of a single Texas county—which spanned the years 1973-77—it was demonstrated that increased access to outpatient psychiatric care reduced the average hospital stay of patients 65 and older from 111 days to 53 days. This halving of hospital time resulted in savings of $1.1 million. When multiplied out over the entire population of seniors in need of mental health care services, it is quite possible that this effect will result in a significant reduction of overall Medicare costs.

Dr. Robert Butler, Director of the National Institute on Aging, helps to explain the reason for these savings in "Aging and Mental Health."

Medicare exclusions may actually increase the Government's bill by discouraging preventive and early rehabilitative care. Some old people get themselves checked into a hospital just to get a physical examination—basing it on some physical complaint—because this will not be paid for on an outpatient basis.

The same pattern holds true for mental health coverage. Physical complaints and symptoms often mask a psychiatric illness. In many of these cases, patients are inappropriately placed in skilled nursing homes or intermediate care facilities, because reimbursement is more easily available for care in these facilities. Generally, these places lack the resources to treat the emotionally disturbed, thereby prolonging the illness. This misuse of resources raises the cost of Medicare.

It has been noted that as many as 30 percent of those described as senile actually have reversible psychiatric conditions which, if treated, would allow these individuals to become more productive members of society and would save a substantial amount of Medicare dollars.

In 1979, in its report to the Budget Committee, the Ways and Means Committee stated that it is seeking "improvements in Medicare to close certain gaps in coverage—some of which create incentives for the use of more costly services—and to eliminate certain defects in the benefit structure that result in hardships for aged beneficiaries when they become sick."

The Medicare Mental Illness Nondiscrimination Act will achieve these goals.

It is time to make major strides to benefit the large and special population of elderly citizens in need of mental health care services. It is time that these suggestions be considered. At this time I insert the full text of the Medicare Mental Illness Nondiscrimination Act:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Medicare Mental Illness Non-Discrimination Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that—

(1) mental illness is more prevalent in elderly persons than in younger adults;

(2) in spite of potential benefits of treatment, elderly persons are not represented proportionately in the mental health care delivery system;

(3) medicare benefits must be equalized to better assure care in appropriate institutional settings for those elderly persons in need of such services;

(4) full outpatient care must be available for those elderly persons with mental, emotional, or nervous disorders which do not require institutional care;

(5) elderly persons comprise 10 per centum of the general population of the United States but account for 25 per centum of the suicides;

(6) 80 per centum of the elderly persons who need assistance for emotional disturbances by 1980 will not be able to receive assistance under the present system; and

(7) since its enactment seventeen years ago, those sections of title XVIII of the Social Security Act restricting coverage for mental illness have not been revised and inflation has, in effect, further reduced the limited coverage originally envisioned by Congress.

(b) It is the purpose of this Act to provide for coverage of mental illness on an equal basis with coverage of other illness.

MEDICARE PROVISIONS

SEC. 3. (a) Section 1812(b) of the Social Security Act is amended—

(1) by striking out "(subject to subsection (c))" in the matter preceding paragraph (1);

(2) by inserting "or" at the end of paragraph (1);

(3) by striking out "; or" at the end of paragraph (2) and inserting in lieu thereof a period; and

(4) by striking out paragraph (3).

(b)(1) Section 1812 of such Act is amended by striking out subsection (c) and redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(2) Section 1812(d) (as redesignated by paragraph (1)) is amended by striking out "(c) and (d)" and inserting in lieu thereof "and (c)".

(c)(1) Section 1833 of such Act is amended by striking out subsection (c) and redesignating subsections (d) through (h) as subsections (c) through (g), respectively..

(2) Section 1866(a)(2)(A) is amended by striking out the last sentence thereof.●

IN COMMEMORATION OF THE HEAD START PROGRAM

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. LELAND. Mr. Speaker, earlier this week the House approved House Concurrent Resolution 95, legislation commemorating the 20th anniversary of the Head Start Program. I support this resolution and commend the sponsors of this bill for providing us the opportunity to honor this program.

In 1964, at the request of the Federal Government, a panel of child development experts devised plans for a program which would address the needs of disadvantaged preschool children. A member of that panel, Dr. Robert Cooke, pediatrician-in-chief of Johns Hopkins Hospital, reported:

> There is considerable evidence that the early years of childhood are a most critical point in the poverty cycle. During these years, the creation of learning patterns, emotional development, and the formation of individual expectations and aspirations take place at a very rapid pace. For the child of poverty, there are clearly observable deficiencies in these processes, which lay the foundation for a pattern of failure, and thus a pattern of poverty, throughout the child's entire life.

The report submitted by this panel facilitated the 1965 creation of Project Head Start—an 8-week summer program. Since that time, Head Start has evolved into a primarily year-round program which is located in rural areas, cities, and even U.S. territories. It is now a multi-faceted program which has provided a means for involving low-income parents in the education of their children; for offering nutrition education services to its preschool participants and their parents; for providing participating children with a comprehensive health care program; and creating a ladder for these children to climb upward toward excellence.

While the Head Start Program does not focus primarily on nutrition, as chairman of the Select Committee on Hunger, I am particularly interested in the impact of the program's nutritional component. A 1984 evaluation of the program prepared for the Department of Health and Human Services revealed that many children entering the program were poorly nourished. After a brief period of enrollment, these children were found to be more likely to eat adequate amounts of food than nonparticipating children. In addition, the nutritional quality of their diets improved significantly and were found to be far superior to those of non-Head Start low-income children. This study also examined the effect of Head Start on the nutritional status of the families of participating children. It was found that the nutrition education component of the program played a vital role in improving the diets available in their homes and in increasing their families' participating in food assistance programs as needed. Further, a comprehensive review of evaluations of the program by George Washington University reported that children in Head Start suffered fewer cases of anemia than a control group of poor children who were not enrolled in the program.

In June 1984, the Select Committee on Hunger held a hearing and field investigation in Greenwood, MI, on the effectiveness and availability of Federal food assistance programs in that region. One of our field visits afforded us the opportunity to meet with a group of Head Start participants, their parents, and teachers. It was heartwarming to witness the positive attitudes these children exuded. We learned firsthand the important role Head Start plays in their lives. Had I been able, I would have gladly spent the entire day with this group.

According to estimates I received from the administration for children, youth and families, a branch of the Department of Health and Human Services, fiscal year 1985 Head Start caseload will be 448,250—approximately 22 percent of the 2,505,000 preschoolers who are income-eligible to participate in the program. On April 1, I introduced H.R. 1856, the Comprehensive Nutrition Assistance Act, which includes language to further expand the program in fiscal year 1986 to reach one-quarter of those who are income-eligible.

We must not forget that today's children in poverty—those who are afforded the benefits of participating in Head Start and those who are denied this privilege—are tomorrow's adults. Investing in their future is the most valuable investment we can make.

Mr. Speaker, I support this legislation which commemorates the 20th anniversary of the Head Start and I hope that other proponents of the program will join me in working to assure that it remains in effect for as long as there are poor children who can reap its benefits.●

CORPORATE RAIDERS IGNORE LONG-TERM ENERGY NEEDS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DANNEMEYER. Mr. Speaker, as the ranking minority member of the Energy and Commerce Subcommittee on Fossil and Synthetic Fuels, and as a member of the House Judiciary Subcommittee on Monopolies and Commercial Law, I have been monitoring the ongoing machinations in the oil industry with particular interest.

My primary concern continues to be how attempted takeovers, actual mergers, recapitalization plans, and other corporate restructuring activities will affect industry's overall ability to continue the search for domestic oil and natural gas. A common component of the various changes at specific companies has been an enormous increase in corporate debt. This reduces funds available for exploration and development, both by using up available credit and by diverting internally generated funds to the payment of interest on the new outstanding debt. While we are currently enjoying the price and supply benefits of a glut in the world market, the corporate activity today will adversely affect price and supply conditions in the not too distant future.

An excellent analysis of the situation by G. Henry M. Schuler of the Georgetown Center for Strategic and International Studies recently appeared in the trade publication, the Oil Daily, and I ask permission to insert it in the RECORD at this point:

CORPORATE RAIDERS IGNORE LONG-TERM ENERGY NEEDS

(By G. Henry M. Schuler)

The pattern which has emerged from raids against established American energy producers—Phillips Petroleum Co., Unocal Corp. and American Natural Resources Co.—raises disturbing questions about the nation's future energy security.

Although generalizations are never entirely accurate, Mesa Petroleum Co. Chairman T. Boone Pickens Jr. is directionally correct in asserting that failure by many companies

to replace their ongoing domestic production has left them vulnerable to unfriendly initiatives.

Regrettably, the nation as a whole is experiencing the same failure to find as much conventional oil and gas as it produces—and risks the same vulnerability.

From the end of 1970, when Alaskan reserves were added, through 1983, proved U.S. crude oil reserves declined from 39 billion barrels to 28 billion barrels, while natural gas reserves declined from 391 trillion cubic feet to 200 tcf. The overall 30 percent decline has been unbroken for oil and interrupted by positive natural gas blips only in 1978 and 1981.

There is every expectation that our companies will find additional deposits to extend U.S. oil and gas production beyond the nine to 13 years which current reserves will cover, but it will be an extremely challenging task when declining oil prices and threatened tax changes have shut down half the drillings rigs.

The remaining onshore prospects are smaller and more elusive while the larger prospects in Alaska and deep offshore areas are extremely uncertain and costly (1983's Mukluk dry hole cost $1 billion).

ABLE EXECUTIVES

Although much maligned by today's raiders, American managers have led the world in overcoming those geologic, operational and financial challenges. It was, in fact, Phillips which found the first North Sea oil field, Norway's Ekofisk in 1969, after dozens of companies had drilled scores of dry holes.

That discovery not only spurred activity which made the North Sea the most important new contributor to Free World energy security but also made Phillips the darling of Wall Street.

Similarly, Unocal was so successful in finding low cost reserves, that a $10,000 investment in its stock in 1960 is now worth $127,000.

There is no reason to doubt that such companies will continue to enhance the nation's energy security and their stockholders' equity investment if they can continue to pursue long-term strategies free of intimidation by short-term speculators.

Nonetheless, because any systematic search will start by drilling the largest structures, it is axiomatic that the prospects for finding giant oil fields outside the Middle East are not as great as they once were.

In that sense, Mr. Pickens is correct in describing the search for oil and gas as a "sunset industry," but the appropriate response to that geologic fact of life remains at issue.

NEW DIRECTIONS

Some can look no further than the "sunset", while others can see the "sunrise" which is sure to follow for those who position themselves to look in another direction.

Thus, those companies which led the search for the glamorous gushers of an era past have accepted the need to pursue more prosaic sources of energy in the era to come.

That pursuit is costly and time-consuming, but it has the potential for producing more oil and gas than have been produced to date.

Some companies, such as Phillips, have made massive investments to increase recovery from their existing fields, including Ekofisk, where a $2 billion water injection project will eventually yield 150 million to 200 million barrels of otherwise unrecoverable oil.

Such investments in the United States and other politically secure areas are extremely important because the average field will yield only 12 percent of the original oil in place through natural producing mechanisms.

Costly facilities to inject gas and water, called secondary recovery projects, can produce an additional 22 percent average.

So-called tertiary recovery calls for additional investments to inject heat, chemicals or carbon dioxide which currently appear capable of easing the flow of an additional 3 percent.

Even then, some 60 percent of the original oil will remain locked in the reservoirs—320 billion barrels in known U.S. fields—awaiting the development of new enhanced recovery technology.

BIG OPPORTUNITIES

Those companies which persevere in such long-term, unglamorous efforts have great opportunities, because every 1 percent increase in the average national recovery factor equals our entire 1984 production.

Large investments in gas processing plants have also enabled Phillips to become the country's leading producer of another promising but generally unnoticed form of petroleum: natural gas liquids (NGLs).

The products removed from associated gas include liquefied petroleum gas used for fuel and petrochemical feedstock and natural gasoline used as an octane enhancer to replace lead.

Because NGLs fall through a crack between crude oil and natural gas, few people recognize that the United States produced 1 barrel of NGLs for every five barrels of crude oil last year or that proved reserves of NGLs increased in 1983 while those of crude oil and dry gas continued their decline.

Other companies have concentrated on different technolgies to move into the next century. Unocal, Mr. Peckens' current target, has long believed that Western shale deposits hold great promise as future sources of synthetic oil.

Although that view has been shared by military strategists and energy researchers since the 1920's, only Unocal has perservered in attempting to develop actual production.

RISKY VENTURE

Undeterred by the fickleness of Wall Street and Capitol Hill, by the retreat of far larger energy companies or by the inevitable engineering and logistics problems of a pioneer plant, Unocal has spent over $600 million to bring the Parachute Creek, Colorado plant to the verge of regular production.

Anixious to prove the value of the Navy's own massive shale reserves, the departments of Defense and Energy have minimized the risk of an oil price collapse by agreeing to purchase Unocal's initial output at a guaranteed price; however, the company has had to bear the entire technological and financial risk of converting a laboratory process to a commercial scale operation.

The stakes are enormous for the nation, which has an estimated 600 billion barrels of shale oil, and for Unocal's long-term investors who could benefit from 1.5 billion barrels on company-owned leases.

Unocal is also the world's leading producer of geothermal energy, generating some 984,000 kilowatts of electricity in Northern California. While tapping a geyser may not be as glamorous as tapping a gusher, the company's geothermal reserves are the equivalent of 321 million barrels of secure and environmentally acceptable oil.

ANR'S VENTURE

American Natural Resources, the recent target of an unsolicited takeover by Coastal Corp. Chairman Oscar Wyatt, offers another example of a company which refused to limit its horizon to the search for conventional petroleum.

Fearing shortages of natural gas to supply its pipeline, ANR initiated the Great Plains Coal Gasification Project, the country's first large-scale coal gasification plant to process 14,000 tons per day at Beulah, N.D.

Although the Department of Energy guaranteed $1.5 billion of debt, ANR and a consortium of four other forward-looking companies risked an additional $525 million to demonstrate a process which may at last provide an environmentally acceptable way to utilize this country's estimated 245 billion tons of coal.

Since each ton of coal produces almost 10,000 cubic feet of gas, the participants in Great Plains will receive more than 1 trillion cubic feet over 25 years, and the nation could reap truely gigantic energy security benefits from its potential coal resources.

In summary then, Phillips, Unocal and ANR have each responded to the changing energy situation in an innovative but realistic manner, staking out leadership positions in unconventional areas which are calculated to enhance investors' equity well after nature's stock of presently undiscovered fields has been exhausted.

THE LIQUIDATORS

Moreover, they have done so while maintaining strong current earnings. In short, stockholders have every reason to retain confidence in their investments. And so they did until those with a different reaction to the increased difficulty of finding conventional petroleum appeared on the scene.

Instead of adapting to change in order to enhance the long-term equity position of investors, some suggest that companies might just as well liquidate—or at least take on massive debt burdens—in order to meet the immediate profit expectations of speculators and arbitrageurs.

With enough backing from peddlers of "junk bonds" and security analysts mesmerized by presently declining oil prices, the newcomers can buy out the investors who may be confused, exasperated or bedazzled by the hyped-up battle of press releases.

Even beyond the target companies, other energy producers will heed the warning, forsaking long-term investments in order to maximize their quarterly profits and stock values. Mr. Picken's prophecy of a "sunset industry" will have become self-fulfilling.

While that course of action will probably generate quick profits for the stock market players, it will more assuredly increase the future burden on American energy users and taxpayers who must bear the cost of allowing the nation to slip back into the degree of oil import vulnerability which prevailed a few years ago.

DISBURBING TRENDS

That trend has already begun. The government's indepedent Energy Information Administration currently forecasts that oil imports this year will represent as great a percentage of consumption as they did at the time of the embargo, that they will equal the worst year of the 1970s by 1990 and that they will exceed 50 percent by 1995.

That is the "good news": if oil prices fall or the Reagan administration's economic targets are met, the EIA forecasts even higher imports.

We noted at the outset that the frequent failure of companies to replace their oil and gas resources left them vulnerable to unfriendly initiatives.

The same is true of the nation, for additional imports must come increasingly from the Middle East and North Africa which control 80 percent of presently unutilized production capacity and 75 perpent of potentially available reserves.

That is a future which calls for consideration as oil company investors comtemplate not only the fate of the nation but also the prospect for enhanced value in their longer term investments in American energy resources.●

GREG FOSSEDAL ON THE STRATEGIC DEFENSE INITIATIVE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. COURTER. Mr. Speaker, Greg Fossedal, an editorial page writer for the Wall Street Journal, recently outlined a persuasive case for pursuing President Reagan's strategic defense initiative.

Mr. Fossedal is also the coauthor of the book "A Defense That Defends" with Gen. Daniel Graham. I urge my colleagues to consider the thoughtful case he makes for moving away from the doctrine of mutual assured destruction and toward mutual assured defense—the promise of ending the nuclear balance of terror that the strategic defense initiative holds.

The essay by Mr. Fossedal follows:

BUILD A DOWN-TO-EARTH STAR WARS SYSTEM

(By Gregory A. Fossedal)

Soon a parade of experts will march through Capitol Hill hearing rooms to testify on President Reagan's "Star Wars" defense proposal. One band will say it can't work. Another will say it can. And they will both be right.

Star Wars opponents are correct that there is no perfect defense against nuclear weapons. There never will be. Supporters are correct that an effective defense can be built using available technologies—good enough, when recent breakthroughs are understood, to render nuclear weapons obsolete. Experts disagree about the ideal system but say a current-technology defense would look roughly as follows.

Layer one would be a fleet of 100 to 500 satellites armed with "smart rocks," or air-to-air missiles. Rather than zapping exotic laser beams, the satellites would, in effect, use smart rocks to home in and knock out Soviet missiles in their boost and immediate post-boost phase, while each missile still carried all its warheads. A second, similar fleet might then shoot at the missiles in the post-boost phase.

A third layer of defense would fire more smart rocks from the ground or from popup platforms into the upper atmosphere and beyond. One version was already tested last June, when the U.S. intercepted a mock Soviet missile 100 miles above the earth. Final layers would include anti-ballistic missiles on the ground, or ABMs.

COST-EFFECTIVENESS IS THE KEY

The above defense would not be leak-proof. But it would be cost-effective. That is, every time the Soviets add to or alter their offense, we can respond with a cheaper addition to our defense. This, and not the straw-man debate over "leak-proof" defense, is the key to Star Wars. For even a leaky shield, if cost-effective, would render nuclear weapons impotent and obsolute. Ashton Carter writes for the Brookings Institution. Few generals want a weapon an opponent can more cheaply knock down.

Even crude, early estimates from Star Wars opponents suggest such favorable cost trade-offs are obtainable. In 1982, Sen. Larry Pressler said a (near-perfect, laser-style) defense could cost $200 billion to $300 billion. The Soviets, though, have invested roughly $500 billion in intercontinental missiles. Even by Sen. Pressler's figuring, Star Wars seems a good investment. And really, a smart-rock defense would cost roughly $50 billion, the Pentagon says.

More important, of course, are marginal costs: the next incremental bit of Soviet offense, against the next little bit of defense to knock it down. Here again, considering Moscow's options, technology seems to favor defense.

Overwhelm the defense. The Soviets might simply expand their missile force. But according to a Carter-era study led by Georgetown's R.H. Kupperman, for every two dollars Moscow spends on offense, the U.S. need only spend one dollar on defense in response. And the paper assumed the U.S. would deploy only a ground-based defense. An updated Pentagon analysis, soon to be declassified, taking account of early and available systems for defense in space, finds an advantage of between 3 to 1 and 5 to 1 in favor of the defense.

After all, the "rocks" to be used in early Star Wars systems, such as the Air Force anti-satellite weapon or various air-to-air missiles, will cost between $100,000 and $2 million apiece. A new Soviet nuclear warhead, by contrast, costs $5 million by a 1978 estimate, and probably $20 million to $40 million today.

Evade the defense. Moscow might therefore rebuild its missiles with radically different features.

One is the fast-burn booster, which, in effect, shoots right past a defense. But shifting an existing 6,000 to 12,000 Soviet warheads to fast-burn boosters would be a costly, 20-year project, according to the Los Alamos defense laboratory. If the Soviets make the investment, they will lose sufficient payload and accuracy to wipe out 40% to 80% of their hard-target capability. And when advances in Star Wars technology are accounted for, even a Soviet boost time of 60 seconds (the fast MX missile takes 180) could not shoot past a well-designed defense.

For what truly are becoming faster are not Soviet missiles, but the U.S. "kinetic kill vehicles" to knock them out. A few years ago, scientists at Heritage Foundation's High Frontier designed a workable defense using a kill vehicle weighing 100 to 200 pounds, moving at roughly a half-mile a second. Last month, Edwards Air Force Base requested bids on a "current technology" vehicle of five to 10 pounds, traveling at five miles a second. These advances derive from an inherent advantage of defense. For an ICBM must thrust up against gravity, through the thickest part of the atmosphere. A kill vehicle to knock it out has gravity as a friend. And it spends much of its journey in the vacuum of space and the thin upper atmosphere.

Critics say such advances in speed and miniaturisation don't matter, since such vehicles will heat up once they enter the atmosphere—confusing their own heat-seeking targeting devices. New techniques, though, enable the vehicles to follow a low-energy laser to a target. End of heating problem. We use similar beams to guide smart bombs and antitank weapons. The method was tested for use in Star Wars in the 1984 Talon Gold research project.

Talon Gold advances also counter another countermeasure—the use of decoys to confuse a defense, or at least its later layers. Emerging technology would enable the U.S. to fire a beam at thousands of warheads and decoys. If decoys are lighter than real warheads (else there is no point in them) they will be pushed farther. Fast computers—perhaps the most important Star Wars advance of all—then "sort out" the decoys and dispatch kill vehicles to knock out the real warheads.

And that's not all. Faster kill vehicles and computers give defensive systems, from satellites in space to ground-based ABMs, a chance to see how their attacks on a given missile are doing. Each defensive layer might have two or more opportunities to knock down a given warhead: what the Pentagon calls shoot-look-shoot. With shoot-look-shoot, and some day, shoot-look-shoot-look-shoot, each layer becomes, in effect, several layers thick.

This layering concept itself is critical. For the countermeasures suggested by Star Wars critics are each effective only against certain kinds of technologies. Coating or spinning an ICBM evades one kind of laser but offers no protection against others, or against smart-rock defense, or ground-based ABMs. Fast-burn boosters can erode the effectiveness of boost-phase defenses, but not the later layers of a defense. Yet a countermeasure is only useful if it enables Soviet missiles to evade all layers of a defense that employs vastly different technologies.

So, finally, the Soviets might shift to bombers, cruise and submarine-launched missiles. Yet sub-launched missiles would not be able to fly under a well-designed multilayer defense. And the slow-moving cruises and bombers are arguably easier to shoot down than an ICBM.

Attack the defense. If satellites were immobile, incapable of self-defense, all in one spot, and clearly visible to an attacker, it would be easy to knock a U.S. Star Wars system out of the sky. But Star Wars satellites would be none of these things. In particular, since they can fire at missiles aimed at the U.S., they can fire at mines or missiles aimed at themselves.

They can also hide. Space systems can be camouflaged using some of the very electronic and shielding methods that Star Wars critics say could disguise a missile. One difference: A missile must shoot up through the atmosphere, leaving thermal, chemical and other tracks. burning up some disguises or coatings and zooming by others. Satellites are in no hurry to get anywhere. They leave no "signature." They can be armored (unlike an ICBM) without penalizing their effectiveness.

Oddly, the chief threat to the program described above may be not the Soviets, but the Reagan Star Wars program—a 10-year research effort to design a perfect, high-tech dome. The search for the Holy Grail of a leak-proof shield robs $30 billion that could already be building an effective defense. Why not, instead, start deploying effective, low-tech systems now?

That question was pressed on Lt. Gen. James Abramson, head of the Strategic Defense Initiative Organization, in a recent Senate hearing. Interestingly, the presser was Sam Nunn, a military reformer. In Sen. Nunn's hand was a copy of the 1982 High Frontier Report calling for a low-tech, high-priority approach to Star Wars. Mr. Abramson, usually grilled by those who want Star Wars killed, not speeded up, fidgeted—but finally conceded that the general idea is sound.

Reformers Nunn, Gary Hart, and Les Aspin have always criticized systems that are researched to death. What if, instead of opposing strategic defense, they pushed for their own low-tech, high-priority version, built outside the Pentagon? This is the very model Mr. Hart admires for producing the Polaris submarine.

A close reading of Mr. Reagan's Star Wars comments suggests the reformers might find a receptive audience. And they would establish themselves as something more than nigglers, able only to kill bad weapons, not create good ones. The reformers, above all, ought to realize that Star Wars needn't be Star Wars. And they may now be the key to the Star Wars debate.●

STRAIGHT TALK ON THE BUDGET FROM ROGER J. BACCIGALUPPI

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MATSUI. Mr. Speaker, now that the Senate has passed a budget resolution the eyes of the Nation have turned to those of us who sit in this Chamber. We are being looked to for solutions to the problem of gigantic deficits which threaten our economic health.

I recently received a copy of a speech delivered by my constituent, Roger J. Baccigaluppi. Roger is one person who is not content to sit on the sidelines as a spectator while we in Congress grapple with the deficit. Roger, the president of the California Almond Growers Exchange, has been out on the stump delivering straight talk on the budget issue. His works reflect an enlightened, and I believe accurate, approach to our Federal budget deficit. I am pleased to share his thoughts with my colleagues.

AGRICULTURAL EXPORT: PROBLEMS AND A SOLUTION

A few weeks ago in Sacramento, I had the privilege of addressing the National Agri-Marketing Association on the occasion of National Agriculture Day—the first day of spring—March 20. I indicated to that group that it was a nice thought, National Ag Day, but that there was little to celebrate. Let me tell you why.

We have on our hands today the greatest agricultural depression of this century. All of those who still remain in agriculture should be congratulated. They have survived despite a government policy to encourage cheap food for the consumer. That means low prices to the farmer.

More recently, our federal fiscal and monetary policies have been devastating to agriculture, whether it be in California, Kansas, or Illinois. We continue to hear how robust our economy is—the leader in the world. But how long will it last?

You probably expect me to talk about the 1985 Farm Bill tonight. If you do, you are going to be disappointed. All I will say on that subject is that no matter what is enacted—the Administration's program, a much less costly program from the standpoint of the taxpayers, or a program that costs many times the Administration's proposal—no 1985 Farm Bill is going to solve the underlying problems in agriculture that have developed in this country in recent years. Whatever Farm Bill finally evolves is going to be little more than superficial first-aid by untrained paramedics who do not seem to understand that our injuries are not superficial, but potentially fatal to agriculture as we know it today. Our injuries need to be diagnosed carefully. Only then can we take the necessary surgical action to help agriculture truly recuperate. A box of band-aids patched all over a mortally wounded industry will not make agriculture any better or more able to survive.

We have a crisis in this country that must be addressed promptly if we are to save the economic future of this nation and the rest of the world. Very strong words, but I believe them and so do many others, Republicans and Democrats alike.

The problem begins with the public perception that the economy is doing well. Perhaps a few farmers and export industries are being hurt, but the economy in general is doing very well. Given this public perception, why should Congress take action?

They must take that action, ladies and gentlemen, because our economy—the greatest economy in the world—is in its decline. The decline began slowly, but has now accelerated. Just four years ago, in 1981, our merchandise trade deficit amounted to only $28 billion. That means we imported $28 billion more products than we exported. Three years later, in 1984, we were importing $130 billion more than we exported, and this year it is expected to reach about $150 billion.

Why does it matter that we are importing more than five times as many Toyotas, Sonys, agricultural products, and Airbuses, to name just a few products, than we did four years ago? It matters primarily because of the trend it represents. If five times as many products have been imported in the last four years, will there be ten times as many in the next four years, and 20 times as many in the next eight or ten years?

Let me take a moment to discuss some specifics.

First, the United States has fewer trade barriers, tariff and non-tariff, than anywhere in the world. Our trading partners, on the other hand, have any number of barriers to U.S. products. We in agriculture must continue working with our government to improve this problem.

Second, the economies of most of the countries of the world have suffered badly during recent years, tending to hurt our export sales. This situation has begun to improve, but remains a problem.

The two problems I have just mentioned, however, pale by comparison to those created by the grossly overvalued dollar. It is the dollar, more than any other factor, that is choking off our exports and stimulating imports.

Some have suggested that exporters in the United States are using the overvalued dollar as a crutch to explain why they are unable to export. I would urge them to consider the facts.

In August 1980, it took 2.37 dollars to purchase one British pound. By the end of February, it took 1.06 U.S. dollars to buy one British pound.

Apply this to the case of almonds. Assume for the moment that we were selling almonds for $1 per pound in 1980 and that our prices have not changd since then. If you disregard what inflation has done to our purchasing power, the dollars we are receiving from the British are the same as we received in 1980. The British consumer, though, because of the increase in the value of the dollar and the decrease in the value of the pound, is paying the equivalent in his currency of $2.23 per pound for those $1 per pound almonds. His price, in this case, has more than doubled. What we receive stays the same.

Similarly, the French buyer is paying the equivalent of $2.57 per pound, more than 2½ times as much as he paid in 1980. The German buyer is paying the equivalent of $1.95 per pound, or nearly twice as much for those $1 per pound almonds.

What has actually happened in almonds is that we have reduced our price by one-third from $1.88 per pound in 1980 to $1.30 per pound this year. That means our growers are getting one-third less money for their product, a disaster from their standpoint. But the British buyer, because of the grossly overvalued dollar/undervalued pound, is paying 56 percent more for our $1.30 product than he did for our $1.88 product in 1980. The French buyer is paying 78 percent more, and the German buyer is paying 35 percent more. Think about that. Our growers are getting one-third less, but our buyers are paying about 50 percent more. All of this is a result of the dollar relationship with other currencies, and nothing more.

Almond growers have adjusted to the grossly overvalued dollar by taking one-third less for their product. Many others in agriculture have done the same thing. But neither almond growers nor the growers of other crops, whether it be grapes, cotton, wheat, or soybeans can continue to operate year after year receiving less than the cost of production. The dollar must be brought down to a reasonable level, or agriculture, as we know it today, will not survive.

This prospect should not be taken lightly. Approximately one-third of all the agricultural land in this country is planted for export. This is true on a national basis, as well as here in California. For many crops, such as wheat, soybeans, almonds, rice and cotton, more than half of the crop must be exported. A recent USDA study shows that more than one out of every five jobs in the United States has its roots on the farm. More than 22.7 million Americans—22 percent of the work force—earn their living in agriculture.

I have told you how agriculture is trying to adjust to the grossly overvalued dollar. Perhaps we should take a moment and talk about how others are adjusting.

By mid-year 1984, two million of the best jobs in this country had been lost. Some industries, and this includes farmers, have made adjustments by simply closing down—going out of business. They are bankrupt.

Others are adjusting by moving their production out of this country and into areas where there is a weak currency. The great Caterpillar Tractor Company and John

willing to propose a tax increase, since they

number of years after that. I fear it may be

Deere are two examples. The distortions created by the grossly overvalued dollar have forced them to produce their products overseas, rather than in the heartland of America. Caterpillar has cut its work force from 90,000 in 1979 to 60,000 today. This year, Caterpillar is consolidating its production of truck-type loaders—which have been made in both Davenport, Iowa and Glasgow, Scotland—in Glasgow, not in Davenport. Next year, Caterpillar is going to start production of its D-6 tractor in Genoble, France, laying off still more workers in Davenport, Iowa.

Chrysler and General Motors are not only importing finished cars at cheap prices, but are also importing more and more of the components they put in their so-called American car. Chrysler has cancelled their plan to build a new U.S. plant, which would have been worth billions and tens of thousands of jobs. They will do it overseas instead. Boeing is having difficulty competing with the Airbus. Recently, our largest international carrier, Pan Am, purchased the Airbus rather than a domestic product. Boeing is trying to adjust by buying more and more of the components they put in each finished Boeing aircraft from overseas suppliers.

At our own Blue Diamond facility in Sacramento, we have learned that a piece of packaging equipment that we formerly purchased from the manufacturer in Sheboygan, Wisconsin, for about $100,000 can be purchased from the Wisconsin manufacturer's Italian subsidiary for about $50,000. With the plight our farmers are in, where do you think we are purchasing that equipment?

We have also found that we can buy packaging material, like cellophane and foil, at about half the U.S. price from manufacturers in the United Kingdom or Brazil. We, too, are beginning to do some packing overseas.

Sun-Diamond, a major California cooperative, is moving a great deal of their processing from Stockton, California, to Tijuana, Mexico. Tri-Valley, California's largest canner, is considering doing some of its fruit processing in Japan.

And the list goes on and on. Two million jobs have already been lost in this country and the number is climbing rapidly.

This country has been known around the world as the most efficient world grain producer. Yet a few months ago, Cargill, this country's number one grain trader, found that they could land grain from Argentina in the United States cheaper than they could get it here in this country. A spokesman for USDA, commenting on this situation said, "When the river starts to flow backwards, there is something wrong with the plumbing." The "plumbing" problem, if you will, is the grossly overvalued dollar.

The same is true in my favorite food—almonds. California is the world's most efficient producer, we are highly mechanized, we have harnessed the water in the mountains to our advantage and we use all the most modern cultural practices. We outproduce our next largest competitor, Spain, at the rate of 10 times as many almonds per acre, producing 1,500 shelled pounds per acre versus an average of about 150 pounds per acre in Spain. But, because of the horrible distortions in the dollar/peseta relationship, growers are removing almonds from production in California, while growers are planting in Spain.

If these alarming trends continue, and I see every indication that they will, the day will soon come when this country will be unable to export anything. Our prices will simply be too high.

Some might argue that our industries can still depend on the domestic market. That would be a good idea except that our prices will be too higher here as well. As a result of the dollar relationship with other currencies, imported products can come in much more cheaply than we can produce them at home. That is why there has been a fivefold increase in imports in just the last four years.

What sort of an economy will we have if we can neither export what we produce, nor sell it here at home? I submit, we will not have any economy. We will be bankrupt as a nation.

Some people say we will be a service economy. If we do not have an agricultural industry, a tourism industry (foreigners cannot afford to come here, and Americans are finding it cheaper to vacation abroad), an automobile industry, a steel industry, a machine tool industry, an aircraft industry, an appliance industry, a TV industry, and a photographic industry, who are we going to be servicing? Our computer hardware and software cannot be expected to service the rest of the world. Some people say we will become a McDonald's economy. But, I ask, where are people going to get the income to buy those Big Mac's?

It should now be clear that something must be done to correct the grossly overvalued dollar. What, then, should be done?

Before answering that question, I would like to take a moment to explain why the dollar today has such an extremely high value in the world. There are two basic reasons. Number one, the United States is considered a "safe-harbor" for overseas investors—the safest harbor in the world. No other country in the world, in the view of the world, is less likely to suffer from a civil war, insurrection, overthrow by a foreign power, or any other major destabilizing event. The United States is the very best place you can invest your funds and not have any fear of losing them due to some unpredictable event. We are fortunate to live in such a great country. The world perception of this country as a safe harbor is not something any one of us would suggest should be changed.

The second reason for the strength of the dollar is the very high real interest rates currently being paid in this country. While nominal interest rates, the amount a big borrower pays for money, have come down from about 21 percent to the 11 percent range, the real interest rates, the difference between the rate of inflation and the nominal interest rates, or prime rates, are at an all-time high. This means that a foreign investor not only receives security and safety, he also enjoys the highest real interest rates in the world.

If we were in fact in the business of packaging investment opportunities for foreigners, we would either offer them high rates with little safety or low rates with a great deal of safety. We offer both. This has produced the influx into this country of foreign money, bolstering the dollar to new records relative to other major currencies.

It is our government that is responsible for the dollar's high value. In this environment, where too many people are trying to borrow too few dollars, the United States has been the biggest borrower of all. Real interest rates—in accordance with basic principles of supply and demand—are thus held at an all-time high.

In just three years, the United States has changed from the world's largest creditor nation to the world's largest debtor nation. A few years ago, Americans owned about $150 billion more abroad than foreigners owned in the United States. Now, we borrow $100 billion and more abroad to finance our national debt. During this year, the U.S. foreign debt will exceed that of Brazil and Mexico, places we formerly complained about as the world's largest debtors.

In 1974, just 11 years ago, people were alarmed that our annual federal budget had a deficit of just over $6 billion. Today, that number has grown by a factor of 33 times to more than $200 billion annually.

In 1974, again just 11 years ago, people were also alarmed by the debt that our federal government had accumulated in the first 198 years of our history—$486 billion. In the six years that followed, we managed to double that debt again to $914 billion. And by the end of this year, five years later, we will have doubled the $914 billion debt to $1 trillion, 807 million. This projection is probably understated, since it assumes a deficit this year of $190 billion when it is likely to be closer to $222 billion.

One of the problems we have with all these numbers is that none of us can visualize what a $222 billion deficit really is. Perhaps I can put it in perspective by asking you to think of this year's $222 billion federal deficit in some other terms. For example, the total number of seconds from the time Christ walked the earth until today is only 63 billion. The entire area of the earth's surface is a miniscule 197 million square miles—1/11 of a billion, compared to 222 billion

This year, $131 billion, or 14 percent, of the total outlays by our federal government, will be interest on the national debt. Put another way, 69 percent of our deficit will be interest on that national debt. Last year it was 59 percent, and the year before that it was 45 percent. Again, a very alarming trend.

Our problem, ladies and gentlemen, is that the budget proposed by the President for fiscal 1986 reduces the budget deficit by only about $40 billion—chicken feed when one talks about federal budgets.

The Senate talks in terms of a $60 billion reduction in the annual deficit. At the rate they are going in approving the continuation of various programs, there will be no reduction at all.

The President says we cannot touch defense and social security. Add those two together and then add in the interest on the national debt, something we cannot avoid until we have massive reductions on that debt, and it adds up to about $580 billion out of a $977 billion annual budget.

Given that these untouchable programs plus the interest on the national debt amount to 60 percent of our total federal outlays, can we realistically expect to get the necessary cuts from the 40 percent that is left? The cuts could be made from the farm programs, but that would only run about $10 billion to $12 billion a year. Similarly, they could come from Medicare or the Federal Highway Program, but when you get through cuts in all these programs, they are not enough to reduce the deficit by $50 to $60 billion this year, and more in the next few years.

The answer, then, is more revenue. The President, however, has rejected this approach and was able to use this view successfully as part of his platform for reelection last year. The Democrats, too, are unwilling to propose a tax increase, since they lost the election in part because of Mr. Mondale's tax increase proposal.

All this adds up to a grim and perhaps hopeless situation, unless the American people speak out and demand action. A call should be made for across-the-board cuts in every single category of federal spending. Farm programs, social security, Medicare, defense, student loans, Small Business Administration programs, and every other program must be affected. The only way to bring about massive reductions in federal spending is to spread the cuts in a fair and equitable way over each person, interest group, and sector of the economy. No one should be spared except the absolutely destitute and those absolutely unable to help themselves.

Unfortunately, even if these cuts are made, we will still find ourselves short of our goal of a $50 to $60 billion reduction in the deficit in the next fiscal year, with greater reductions in the years following. We need, as a realistic goal, a balanced federal budget in four to six years. That simply cannot be attained with cuts in expenditures alone. More revenue is needed. This means a broadening of the tax base, a change in income tax rates, or perhaps a new form of tax for this country, such as a consumption tax or a value added tax. Time is running out. Next year is an election year. I know we just finished an election, but next year is another one. If action is not taken to obtain massive reductions in the deficit by mid-year, I am afraid our Congressmen are going to be too busy with their reelection to deal with the very tough decisions that massive deficit reductions will entail.

Drastic action by our federal government is needed now. The huge federal deficit has forced our dollar to an all-time high, making it impossible for us to sell our goods both abroad and at home. Two million American jobs have been lost since 1980. In steel, we have gone from 13.6 percent imported product in 1970 to 25 percent last year. In autos, we have gone from 15.2 percent imported product in 1970 to 23 percent in 1984, and that was with a voluntary auto import quota in place. In machine tools, we have gone from 9½ percent imported product in 1970 to a staggering 41½ percent in 1984. In wine, we imported 11 percent in 1970 (principally premium wines), doubled that in 1980, and by 1984 had increased our imports (now primarily bulk wine) to a whopping 26 percent. California wine producers can hardly buy the bottles and labels, let alone buy the grapes, produce the wine, and ship it for the price that many foreign producers are delivering their wine for in this country. As a result, consumption of U.S. produced wines has increased only 8 percent in the last four years, while consumption of foreign wines has increased 39 percent, nearly five times the growth of our own product.

What I have been talking about today is not a problem specific to agriculture, but rather a problem for this entire nation, for its industry and for its agriculture. It is a problem that must be solved if this nation is to remain economically viable. America, agriculture, the other industries I have mentioned, and many others I have not mentioned are in grave danger of extinction unless the dollar is brought down to more reasonable values. This is the major problem facing our nation.

If we do not bring about massive reductions in the federal deficit beginning with fiscal year 1986 and continuing for a number of years after that, I fear it may be too late. Four more years will have passed, a new Presidential election will have taken place, there will be many new faces in Congress, and industry and agriculture, as we have known it in the United States, will be a memory for all but a very, very few.●

THE ADMINISTRATION HAS NOT YET BEGUN TO FIGHT ON TAX REFORM—AND IT IS ALREADY RETREATING

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. STARK. Mr. Speaker, reports oozing around town indicate that the Treasury Department's monumental tax reform proposals—known as Treasury I—are being nibbled to death.

Treasury I, taken as a whole, was perhaps the finest, bravest attempt at massive tax reform since the 16th amendment started our whole system of taxation. It provided a balanced package of massive rate reductions in exchange for the elimination of numerous credits and deductions—special provisions which all too often are manipulated to result in an unfair and inefficient tax system.

The package was immediately attacked—as piranhas would a cow crossing a river—by every group which stood to lose a credit or a deduction. None of these groups has paused to see if the Nation or their membership would be ahead if rates were lowered and the calculation of taxes was truly simplified. Only a handful of truly responsible, top-quality firms and organizations stood up for reform.

So under this lopsided lobbying frenzy, the administration is starting to throw parts of the reform away—depreciation reform, oil and gas reform, fringe benefit reform. Like hunks of meat they are being thrown to the piranhas in a vain effort to satisfy them.

But this just increases every other groups feeding frenzy for equal treatment. This is known as the double pickpocket theory of taxation: If one group has a loophole, all other groups want the same loophole or want to pick Treasury's pocket also.

Mr. Speaker, at this rate within a few weeks there will be no tax reform left. It will just be a torn carcass that will have the sad, sour reek of good intentions made rotten by special interest greed.

I am reminded of John Paul Jones' famous line: "I have not yet begun to fight." He went on to win in the face of terrible odds. When it comes to making a battle for true tax reform, the administration is saying: "I will not begin to fight."●

THE ALTERNATE ENERGY PRODUCTION TAX ACT OF 1985

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. LUJAN. Mr. Speaker, today I am introducing legislation to help our Nation tap the vast potential of our renewable energy resources. This legislation, the Alternate Energy Production Tax Act of 1985, would extend residential and business energy tax incentives for solar, wind, biomass, geothermal, and ocean thermal energy systems until December 31, 1990. Existing energy tax incentives, originally enacted as part of the Energy Tax Act of 1978 and the Crude Oil Windfall Profit Tax Act of 1980, are currently scheduled to expire at the end of this year.

Our present energy situation is certainly much brighter than it was when these incentives were originally passed into law. We are all aware of the present oil surplus and falling prices for various energy products in many parts of the United States.

But I hope that we will not be lulled into a false sense of complacency by our currency situation. Economic conditions have been very instrumental in influencing oil supply and demand in the past, and future economic conditions are always extremely difficult to predict. We still import a significant quantity of foreign oil, with imports recently averaging about 3.9 million barrels of oil per day. This level has begun to increase again since a low point earlier this year. Moreover, the constant remainder of the past unstable history of the Middle East serves notice that it is still in our Nation's best interests to reduce our dependence on uncertain foreign oil supplies.

Our overall national energy security requirements compel us to press forward with a well-balanced domestic energy program, emphasizing the development of promising reserves such as our vast renewable energy resources. I believe that the need for solar and other forms of alternative energy is just as real today as it was in 1974, when the Federal Government embarked on the development of those promising resources. Many well-known studies have indicated that these energy resources can play a significant role in meeting our future energy needs. According to several of these studies, alternate energy alone could, in fact, contribute between 5 to 25 percent of our energy needs by the year 2000, a substantial factor by any standard.

The Science and Technology Committee has spent a great deal of time investigating the means to help our Nation maintain its leadership in the

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over 100 cosponsors including 12 Mem-energy area, and in particular, in the development of promising renewable energy technologies. It has been most disturbing to hear on several occasions that many of our major foreign trading partners were increasing their support for these technologies at a time when the United States was curtailing its support in this area. The message from our hearings was very clear—it is certainly in our Nation's best interests to maintain a Balanced Energy Program. We cannot afford to forget the lessons learned from the past and put "all of our eggs in one basket," whether it be oil, gas, coal, or even nuclear energy. Rather, a diversified energy supply mix is critical to our economic future. This means that we must continue to push forward with the development of all of our promising energy technologies.

Over the past months the Science Committee has heard from many witnesses on the future of our domestic renewable energy industry. Many of these witnesses have stressed the importance of extending the current energy tax incentives beyond the end of this year. During hearings before our committee, several witnesses indicated that a post-1985 incentive was necessary in order to insure a stable near-term renewable energy industry and provide for an orderly transition to the full rigors of the marketplace. It was also stressed that these incentives would bring many other benefits in the form of a more competitive overall energy market and additional revenues to the U.S. Treasury.

The legislation I am introducing today would help us take advantage of these benefits. It would specifically provide residential and commercial renewable energy tax incentives through the end of the year 1990, effectively encouraging the development of these resources in the important residential and commercial sectors. In effect, the residential tax incentive would encourage an orderly transition to the private market by requiring an annual 5-percent reduction in existing credit levels beginning in the year 1986. In light of current market realities, a $6,000 total credit limitation would also be imposed on any investment in residential solar heating and cooling systems. Only residential solar hot water and active space heating systems that were certified in accordance with the specifications of this legislation would be eligible for this tax credit.

In order to encourage the commercial use of alternative energy, my legislation would also provide a tax incentive for the commercial production and sale of alternate energy. This tax credit would be in addition to the 10-percent investment tax credit now available in many instances. It will help the still infant alternate energy industry in the development of promising new commercial energy technologies and in raising the venture capital or third-party financing necessary for initial commercial projects. The credit will also provide industry manufacturers with more predictable markets and insure that these technologies would enter the marketplace at their appropriate time of commercialization.

Specifically, this proposal would provide tax credit for the domestic production and sale of alternative energy from qualified property to unrelated persons—unless such person was a member of an affiliated group of corporation. Under my proposal, this energy would have to be produced and sold after December 31, 1985, and before January 1, 1990. The credit would equal the following:

(i) Solar thermal and other solar equipment—$0.034 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from a solar project;

(ii) Solar photovoltaics equipment—$0.089 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from a solar photovoltaics project;

(iii) Wind equipment—$0.016 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from a wind project;

(iv) Geothermal equipment—$0.080 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from a geothermal project;

(v) Ocean thermal energy and tidal power equipment—$0.045 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from an ocean thermal energy or tidal power project; and

(vi) Biomass equipment—$0.074 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from a biomass project.

Since energy derived from alternative sources would compete with conventional energy supplies, my proposal recommends that production incentives should be linked to the market price of decontrolled oil. As a result, this proposal requires these production incentives to phase out as that price rises to the level where efficiently produced alternate energy would be able to compete effectively with oil. Recent evidence suggests that the appropriate phaseout range is when the uncontrolled price of domestic oil is between $29 and $35 in 1984 prices, and this range is set for the phaseout of the production credit. The production credit would thus essentially act as protection for producers of alternate energy against further oil price reductions.

While existing law currently provides business investment tax incentives to encourage the development of alternate energy, my proposal recognizes that a production, or performance-based, incentive might be the more appropriate tax tool for the future. This approach is recommended for several reasons. First, a production credit would only provide support to those projects that successfully produced energy. Thus, this approach would directly address the criticisms that have been raised in connection with various types of nonproductive tax shelter arrangements by requiring potential investors to base their investment decisions on the technical viability of a proposed project rather than on purely tax considerations. In addition, this approach would also be much less intrusive in the marketplace than other types of front-end support mechanisms.

In light of the critical importance attached to the development of our domestic alternate source of energy resources, I am introducing this legislation today to further stimulate discussion with regard to the most effective tax mechanism that will help our Nation achieve this goal. Even though Congress has previously passed a tax incentive in 1980, many alternate energy technologies are still in their infancy stage, and must overcome significant barriers before they will become commercialized. Without this extension, I am afraid that several new and exciting technologies, such as wind, solar photovoltaics, and ocean thermal energy systems will be unable to receive the market support that is needed to tap their potential.

Mr. Speaker, our Nation must prepare now for the day when petroleum will be a scarce resource. This legislation is a significant step in this direction. It is compatible with the well-recognized policy that the development of near-term technologies should be the responsibility of the private sector. Furthermore, I believe that it will encourage the private sector to move forward aggressively in the development of promising new energy technologies with minimal Federal involvement.●

PRIVATE LEGISLATION FOR THE RELIEF OF MR. THOMAS J. SCANLON

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. PANETTA. Mr. Speaker, I rise today to introduce legislation for the relief of Mr. Thomas J. Scanlon for the loss of personal property while in the service of the U.S. Government.

Mr. Scanlon, who presently resides in my congressional district, served as an economic/commercial officer attached to the U.S. Embassy in Reykjavik, Iceland, in the fall of 1979. On September 10, 1979, Mr. Scanlon was directed by U.S. Ambassador Richard A. Ericson to meet two Federal Aviation Agency [FAA] consultants arriving at Keflavik Airport the following morning and transport them to the Embassy. The sole purpose of the trip was to pick up the FAA officials.

Unable to secure a Government car for the trip, Mr. Scanlon was forced to rely on his own car, A 1977 Mercedes-Benz sedan. On the morning of September 11, while on the way to Keflavik Airport, Mr. Scanlon's car struck a patch of ice, causing it to travel out of control and over an embankment. Damage to the car was beyond repair. The car, estimated to have been worth $9,400, was not insured against an accident of that kind.

Accordingly, Mr. Scanlon filed a claim with the claims section of the State Department's Office of Operations for the loss of his car. Investigations conducted by both local police and the State Department held that the accident was not the result of any negligence on the part of Mr. Scanlon. The claims section, however, denied Mr. Scanlon's claim on the basis of a provision (paragraph 315F of volume 6) of the Foreign Affairs Manual which states that employee claims are not payable for any damages or loss of a privately owned motor vehicle incident to its operation. The Department's employee grievance board dismissed an appeal filed by Mr. Scanlon, ruling that the board lacked jurisdiction.

Mr. Scanlon's request for compensation is miniscule against the backdrop of Federal budgets approaching a trillion dollars annually. Yet I hasten to add that the loss of a car represents a formidable setback for most American families. That Mr. Scanlon's car was lost while being used for the benefit of the U.S. Government and not as the results of negligence, makes his claim all the more compelling.

Mr. Speaker, this body has traditionally offered citizens, after all avenues of administrative recourse have been exhausted, a final means of resolving claims with the U.S. Government. We ought not to allow an arbitary regulation prevent a dedicated public servant from recovering the loss of personal property destroyed while in the service of the U.S. Government.

Accordingly, I am introducing private legislation authorizing the payment of $9,400 for the uncompensated loss of Mr. Scanlon's car.

Following is the text of my bill:

H.R. —

A bill for the relief of Thomas J. Scanlon

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to Thomas J. Scanlon of Monterey, California, the sum of $9,400, which sum represents the uncompensated loss of personal property sustained by Mr. Scanlon on September 11, 1979, while assigned to the United States Embassy in Reykjavik, Iceland.

(b) The payment made pursuant to subsection (a) shall be in full satisfaction of all claims which Mr. Scanlon has against the United States for compensation for the loss described in subsection (a).

SEC. 2. No part of the amount provided for in the first section of this Act in excess of 10 percent thereof shall be paid to or received by any agent or attorney on account of services rendered in connection with the claim described in the first section, and the payment or receipt in excess of 10 percent of the amount provided for in the first section shall be unlawful, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.●

H.R. 1272

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FOWLER. Mr. Speaker, on February 27, 1985, I introduced H.R. 1272, legislation to extend the business and residential tax credits for solar energy installations because I believe our increasing reliance on imported oil over the past 2 years has made the encouragement of alternative energy sources crucial to our national energy independence.

Reprinted below are two news commentaries regarding our Nation's energy situation.

The April 15, 1985, Washington Post editorial refers to the findings in a recent U.S. Geological Survey study which indicates that the world has roughly a 60-year supply of oil remaining, with the United States now accounting for one-fourth of the world's oil consumption but having less than one-tenth of its reserves. The study concludes that Americans would be imprudent to assume that OPEC has lost its influence over the oil market, and the Post concludes how dangerous it is to leave our energy transition wholly to the market with its falling prices—temporarily—sending misleading signals.

In the April 23, 1985, Wall Street Journal, a feature article reports that imports of oil rose last year for the first time since 1979. Many economists believe this trend will continue and the Energy Information Administration predicts that imports will climb to 40 percent of U.S. oil consumption by 1990. Meanwhile our Nation's capacity to refine oil is shrinking, down 16.1 percent from our peak in 1981.

The U.S. solar energy industries annual sales were $17 million in 1975 and now have grown to over $1 billion in 1984 for the solar heating, thermal power and photovoltaic industries. This growth was a direct result of Federal and State incentives in research and development and market incentives such as tax credits. These Federal tax credits are due to expire on December 31, 1985.

H.R. 1272 would phase out these credits over a 5-year period, coupled with certification requirements and lower expenditure limits. This bill has over 100 cosponsors including 12 Members of the House Ways and Means Committee.

[From the Wall Street Journal, Apr. 23, 1985]

U.S. DEPENDENCE ON OIL, GAS IMPORTS MAY GROW—DOMESTIC PRODUCTION ISN'T KEEPING PACE WITH DEMAND

(By Richard B. Schmitt)

During the 1977 mobilization for President Jimmy Carter's "moral equivalent of war," the Federal Energy Administration warned that U.S. oil imports would nearly double by 1985. The Organization of Petroleum Exporting Countries, the officials said, would have the country at its mercy.

But 1985 is here, and OPEC's hold on world oil prices has slipped. American motorists find low prices instead of long lines at gasoline stations. Has the U.S finally kicked the foreign energy habit?

Don't bet on it. After years of progress in cutting energy dependence, the U.S. is once again losing ground on several fronts:

Imports of oil rose last year for the first time since 1979, augmented by a new flood of imported refined products.

U.S. oil companies are cutting back sharply on exploration needed to assure future domestic supplies.

Efforts to switch from foreign oil to coal and nuclear power are bogged down in regulatory snarls and cost overruns.

Natural-gas demand is reviving, but imports are filling the need.

The Strategic Petroleum Reserve, the huge U.S government stockpile of crude oil stored for an emergency, stands far short of its planned goal.

Congress, once a champion of energy independence, has turned indifferent, if not downright hostile.

When it comes to energy policy, "this country vacillates between panic and complacency," says James Schlesinger, former secretary of energy in the Carter administration. "We're in a complacency period right now, and that is going to induce another panic."

NO PANIC SIGNS

To be sure, a notion of impending energy shortages stretches the imagination. Imports, which accounted for 47% of U.S. oil consumption in 1977, have shrunk to about 30%, and Saudi Arabia, once the country's leading source of foreign oil, has slipped to a poor sixth place, behind Mexico, Canada, Venezuela, Britain and Indonesia. Indeed, OPEC oil accounted for only 12.9%—and non-OPEC foreign oil only 21.4%—of U.S. oil supplies in 1984, according to the Energy Information Administration.

Since the 1979 Iranian revolution, which triggered a doubling of prices, U.S. oil demand has fallen about 15%.

"A lot of progress has been made," says Daniel Yergin, president of Cambridge Energy Research Associates. "But after what we've been through, it would be foolish (to ignore) recurrent questions about energy security."

Those questions recur around several recent developments. Weak prices and some major drilling disappointments are crimping U.S. oil production. A strong dollar favors development of foreign, rather than U.S., energy sources. And conservation appears to have just about run its course. "People are forgetting how much it costs to turn up the thermostat," says C.B. Wheeler, senior vice president of Exxon Corp.'s U.S. operating unit.

Last year's total 6.5% rise in oil imports il-

new high-debt restructuring plan will make

argue that the high oil prices that go along

Last year's total 6.5% rise in oil imports illustrates another concern: the chronic inability of U.S. production to keep pace with demand. When demand was falling, the problem was masked. But last year, with oil demand up for the first time since 1978, imports rose and increased as a percentage of total consumption. Many economists believe that trend will continue.

The Energy Information Administration—the government's chief energy forecaster—predicts imports will climb to 40% of U.S. oil consumption in 1990. The agency says that percentage could approach 44%—or the highest since the 1977 peak—if world crude-oil prices fall to $25 a barrel. It projects even greater vulnerability by 1995.

SHRINKING REFINERY CAPACITY

Meanwhile, the nation's capacity to refine oil is shrinking. Total capacity now stands at 15.6 million barrels a day, down 16.1% from its peak in 1981, reflecting the one-third fewer refineries now in operation.

One result is that gasoline imports, rising even faster than imports of crude oil, jumped 30% last year. While that helped push prices at U.S. gasoline stations to five-year lows, it added to the woes of refiners already troubled by excess capacity.

Texaco Inc., which last year mothballed half its biggest refinery and had a $309 million loss from refining and marketing, ascribes its troubles largely to imports. Foreign refiners are setting prices at "whatever level it takes to gain entry," Texaco asserts.

Independent refiners, who are hurt without profitable crude-oil operations to cover their losses, are pressing hard in Congress for trade protection. They claim that a series of refineries now under construction by OPEC countries will encourage more imports by the U.S., and lead to more U.S. refinery closings.

OUTLOOK FOR INDEPENDENTS

Imported gasoline "will soon bury financially hard-pressed U.S. independents," says Matthew J. Talbot, chief executive officer of Tosco Corp. which, with combined losses of $588.8 million in 1983 and 1984, concedes it can't survive for long under such conditions.

The trend toward higher crude-oil imports could be checked with a surge in domestic production. But that prospect looks doubtful. Since peaking in 1970, U.S. production has dropped about 9.1% and reserves have fallen 28.9%. The 1980-81 drilling boom temporarily halted the downward trend. Now, it appears that U.S. oil production will hold steady "for another couple of years, and then we have every reason to expect continuing decline," says George M. Keller, Chevron Corp.'s chairman.

The decline could be severe. Weak oil prices are curtailing the search for U.S. oil. About one-third fewer U.S. drilling rigs are working now compared with mid-December. Drilling even has stalled in the Gulf of Mexico, once considered immune from occasional swings in oil prices.

Oil company mergers and the lure of bigger profit overseas also are hurting U.S. drilling. Texaco's capital and exploration spending this year won't exceed last year's level, which was more than $1 billion less than the original 1984 budgets of it and its Getty Oil Co. unit, according to George Friesen, an analyst for Dean Witter Reynolds Inc. Chevron says it is spending less, too, though it claims the cuts aren't any greater than if it hadn't bought Gulf Corp. Phillips Petroleum Co. says its spending will be flat, though analysts say the company's new high-debt restructuring plan will make it a more timid oil explorer.

Several oil companies, flinching at the high costs and risks of trying to make big oil strikes in the U.S. are spending more money on foreign ventures. In a recent survey of the industry's 1985 drilling plans, the Oil and Gas Journal found foreign budgets had increased 19.8% and U.S. budgets had fallen 12.3%.

Accommodating more of the nation's energy demands with alternatives to oil hasn't met early expectations, either.

After the 1973–74 Arab oil embargo, the government began championing coal as a means to future energy self-sufficiency. But coal production, after rising about a third during the 1970s, has been all but static in the past 4 years. One reason is that lower oil prices and reduced federal support have wiped out the once-promising market for coal-based synthetic fuels.

Nuclear power's share of the U.S. energy supply isn't expected to exceed its current 5 percent level in the next five years, according to the Atomic Industrial Forum, a trade group. Since 1975, more U.S. nuclear plant projects have been scrapped than the total number of plants currently operating commercially, reflecting the industry's struggle with cost overruns and rifts with regulators and environmentalists.

Demand for natural gas inched up in 1984, recovering some markets lost during the gas shortages of the late 1970s. But further increases are expected to be met by imports from Canada, which is greatly liberalizing its national energy export policy. The American Gas Association, a utility trade group, estimates that Canadian gas supplies to the U.S. will at least double by 1990, helping to hold down domestic prices.

While that may sound like good news for consumers, some aren't encouraged by the prospect. "Everyone wants to take advantage of the market here, but unless you have some tool for retaining supplies in tough times, you could well find yourself cut off," says New Hampshire Gov. John Sununu. Canada restricted oil and gas exports during the shortages of the 1970s.

The Reagan administration's proposal to cap, at least temporarily, the federal Strategic Petroleum Reserve also is undermining energy policy, some have charged. The reserve was conceived as a way of cushioning the blow of any oil import cutoff. Next Sept. 30, when the Reagan administration wants to halt additions to the reserve, it will hold about 500 million barrels of oil, equal to about 90 days of imports and about half the level envisioned during the oil-crisis years.

Furthermore, "there are all kinds of nuts and bolts problems that could really raise hell in an emergency," M.A. Adelman, professor of economics at Massachusetts Institute of Technology, says of the reserve.

Congress, meanwhile, is seriously considering eliminating tax breaks for oil producers, a move that the industry says would slash domestic production 10% in five years. But legislation that would tax imported oil to discourage demand is given little chance. "The urgency of this isn't exactly hitting people over the head," says its sponsor, Rep. James Weaver. "Up here, we only seem to act in crisis."

Still, balanced against concern about the bleak outlook hinted at by rising imports and falling domestic production, some people are questioning whether a national policy of energy self-sufficiency was misplaced from the start. Some, for example, argue that the high oil prices that go along with self-sufficiency can be harmful in the long run. "Do high prices and low imports make us secure even if they cause an economic recession?" asks Edwin Rothschild, assistant director of the Citizen/Labor Energy Coalition, a Washington consumer lobby.

Even the oil industry concedes "we can't cure" the U.S. dependence on foreign oil, says Charles DiBona, president of the American Petroleum Institute. Mr. DiBona says "evidence of trouble" could emerge by 1990. The present supply situation may be comfortable, he says, "but don't expect it to last."

[From the Washington Post, Apr. 15, 1985]

OIL TROUBLE AHEAD

The World is now burning up its oil at a rate of 900 billion gallons a year. The reserves still underground are vast, but at this rate they aren't going to last long. You have heard a lot about the current glut in the oil market and the possibility that prices will fall further. Neither the glut nor the falling prices are likely to continue forever.

The U.S. Geological Survey has been taking an inventory of worldwide oil resources, including estimates of the oil that remains to be discovered in the future. Using these estimates, scientists at the USGS arrive at two conclusions. First, the world has already burned about one-fourth of the recoverable oil that existed when the first well was drilled just over a century ago. Second, exploration has already found about two-thirds of the oil that it will ever discover. There will still be large and valuable discoveries in the years ahead, but it's not likely that any will be large enough to change this analysis significantly.

It means that, at the present rate of consumption, the world has roughly a 60-year supply of oil remaining. By the middle of the next century, for most uses, it must shift to other fuels.

But there's another implication here that will affect Americans long before the middle of the next century. It's spelled out in a recent paper by Charles D. Masters of USGS who, with his colleagues there, has been compiling these estimates. Most of the world's known oil reserves, he points out, are in the countries that touch the Persian Gulf, and the research at USGS indicates that future discoveries aren't likely to change that reality.

Most of the countries with oil—such as the United States and the Soviet Union—are producing it as fast as they can. The exceptions are OPEC countries, most of them in the Persian Gulf region. Iran and Iraq are constrained by their endless war. The others are holding down production deliberately, as a matter of national policy, to keep prices up and conserve supply. As the other countries rapidly consume their reserves, Mr. Masters of USGS point out, what's left of the world's oil will increasingly be concentrated in the Persian Gulf countries.

Americans would be imprudent to assume that the Saudis and OPEC have lost forever their influence over the oil market. The United States now accounts for one-fourth of the world's oil consumption, but has less than one-tenth of its oil reserves. It needs to move faster toward the alternatives to oil. Leaving this transition wholly to the market in the Reaganite manner is too perilous; the market, with its falling prices, is currently—temporarily—sending out misleading signals. For any period beyond the next several

years, geology provides a more realistic guide to the ultimate limits of the resources.●

HAYWARD POLICE DEPARTMENT RECEIVES NATIONAL ACCREDITATION

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. STARK. Mr. Speaker, I am proud to inform my colleagues of the national accreditation of the Hayward, CA, Police Department. The Hayward Police Department is an outstanding example of effective law enforcement and community service.

The Hayward Police Department is the first law enforcement agency west of the Mississippi and the first in California to be accredited by the Commission on Accreditation for Law Enforcement Agencies. The Hayward police meet the over 800 required standards for accreditation in the areas of policy, management, operations, and support services.

The Hayward force is a well-trained and highly motivated group of professionals. The city of Hayward has been and continues to be well served by the Hayward police. The over 140 sworn officers and approximately 70 civilians are dedicated to providing a safe community for the citizens of Hayward.

The Hayward Police Department has been especially effective in dealing with the young people of the city. Their youth and family services bureau has a variety of programs from early detection of child abuse, crisis intervention in the schools, to trying to help delinquent juveniles adjust back into society. The programs the youth and family services bureau has implemented are working and proven programs.

Mr. Speaker, the Hayward Police Department under the leadership of Chief Charles Plummer is an efficient and effective law enforcement agency and provides important community outreach services. I commend the Hayward Police Department on this fine accomplishment.●

EL SALVADOR: COMMUNIST BLUEPRINT FOR INSURGENCY IN CENTRAL AMERICA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DORNAN of California. Mr. Speaker, in our current concern with contemporary events in Nicaragua and the emphasis on the military side of the Sandinista versus Contra issue, it would be easy to ignore the long range, highly sophisticated, and professionally implemented strategic planning employed by the Communists to first initiate and then sustain revolutionary warfare.

An article has recently appeared in the professional journal Conflict, which examines and clearly describes the origins and concepts of Communist-initiated revolutionary warfare, using El Salvador as the example.

The standard Communist blueprint for insurgency—for that best describes it—is shown as falling into three recognizable stages, each accompanied by intensive political organization, propaganda, and eventually violent acts of terror and subversion.

The author of this article, Earl Young, is an Army Reserve colonel with personal participation in six conflicts that range from Vietnam and Laos to El Salvador. His professional competence has been noted in a number of well-known books including "The Best and the Brightest" and Stanley Karnow's "Vietnam History."

I would like to submit this article for inclusion in the CONGRESSIONAL RECORD because I believe it provides a clear warning and accurate description of the well-laid plans for Communist-directed revolution in Central America.

EL SALVADOR: COMMUNIST BLUEPRINT FOR INSURGENCY IN CENTRAL AMERICA

(By Earl J. Young)

An American reaction to Viet Cong guerrilla warfare in 1961-1965: We assumed the solution was simply some combination of military force and welfare work. . . . We assumed there was high correlation between helping villagers in economic aid programs and their hostility towards the guerrillas. . . . We assumed that methods used in other counterinsurgencies could be put to work in Vietnam. . . . All these assumptions, we discovered, were partially or wholly wrong.—Douglas Pike, Preface to Vietcong (Cambridge: MIT Press, 1966).

THE COMMUNIST INSURGENCY

Stripped of the emotional arguments and propagandist trappings, the insurgency in El Salvador stands revealed as a fundamental struggle for political power. On one side stands a freely elected civilian government; on the other, a small minority of Communist-led insurgents. In the middle are the uncommitted majority of the five million people of El Salvador.

The insurgents in El Salvador are following a revolutionary course of action laid out in Communist revolutionary doctrine. This doctrine by Marx and Lenin was transformed into an operationally-phased blueprint in China and Vietnam by Mao and Ho Chi Minh. It was later used to guide the successful insurgencies in Laos, Cambodia, Cuba, Angola, and Nicaragua.

Insurgency warfare as the United States experienced it in Vietnam has been significantly altered by the Communists based upon their victory in Southeast Asia. The subsequent introduction and employment of international terrorism by radical fringe groups has been incorporated into Communist revolutionary tactics while they at the same time have produced highly effective and sophisticated programs of propaganda and disinformation. These various tactics have served to move the location and increase the scope of Communist-backed insurgency warfare from a limited national conflict to the worldwide arena.

Western democracies supporting governments under attack from Communist insurgents must now be prepared to defend their own internal flanks against unexpected thrusts from the shadows.

Over a dozen guerrilla wars are currently underway around the world, ranging in location and political orientation from Northern Ireland to El Salvador. While new institutions and forces are being created to combat terrorism, little, if any, consideration is being given to combatting the most effective weapons in the Communist arsenal; propaganda and disinformation.

Psychological warfare and propaganda was first employed by the Communists in conjunction with an insurgency during the French Indochina War. The French Communist Party attempted to mobilize public opinion against French efforts to hold on to its colonies in Indochina. This effort had some success, but was overtaken by the French military defeat at Dien Bien Phu in 1954.

The next and more successful application was during the Vietnam War in the 1960s. When the indigenous South Vietnamese Viet Cong guerrillas were effectively neutralized by the massive introduction of American ground forces between 1965 and 1968, Hanoi sought to salvage the situation by sending its own regular forces to the South.

But unlike their earlier victory over the French, the North Vietnamese Army made little headway against the American troops. Stalled on the battlefield, the Communists turned from what had been transformed into a limited conventional war to major propaganda and disinformation activities.

Finding a receptive audience among Americans already caught up in the unique civil rights and anti-establishment causes that marked the 1960s, the Communists were able to promote and encourage anti-Vietnam programs through indirect channels. Using their "front" groups in Europe, and misguided and often naive public figures in the United States, the Communists happily provided their share of support to any group or faction which opposed the government's Vietnam programs.

As Vietnam became the major issue dominating American life and politics from 1965 until 1973, the electronic media projected into the American living room its own version of the first televised war in history. Using high-impact, simplistic, and emotion-filled scenes, television presented an often unrecognizable picture of the Vietnam War to those who had been there.

As the United States seemed unable to clearly define its goals and the casualties mounted, President Nixon, bowing to public opinion and *realpolitik*, ordered the withdrawal of American combat forces by 1973. Without ever having lost a battle, U.S. troops were withdrawn in what was quickly dubbed a "defeat," contrary to the facts.

This lesson of victory with no risk of a decisive military engagement was not lost upon the Kremlin. Unable to win on the battlefield, they struck into the American heartland with propaganda and disinformation duly transmitted by American media.

The aftermath of the Vietnam War found the United States military reviewing its tactics, weapons, and logistics. Lessons learned in Vietnam were duly recorded under the

heading of Counterinsurgency Warfare. In heading of Counterinsurgency Warfare. In fact, for the five years of major American participation, from 1968 until 1973, there was little connection with counterinsurgency. American forces had first neutralized the Viet Cong through sheer mass, rather than through any fundamental application of anti-guerrilla warfare. Then they had forced the North into a limited conventional war, which it had no chance of winning. Thus, the lessons of Vietnam have little application to El Salvador in 1984. Only by going back to the late 1950s and early 1960s Vietnam would the real similarity between Vietnam and El Salvador become apparent.

The Communists, on the other hand, profited greatly by their experience with propaganda, disinformation, and political organization gained in the two Vietnams and on the international scene. Their blueprint for revolutionary warfare in a developing nation now incorporates appropriate psychological and political strategies carefully designed to neutralize an expected American assistance effort to support the target nation.

This paper intends to illustrate the employment of the Communist three-part insurgency blueprint in El Salvador: political organization, guerrilla warfare, and propaganda.

It is interesting that most objections by Americans to the Administration's efforts to aid the government of El Salvador seem based upon the moral qualities—or lack of them—displayed by previous governments in that nation for the past one hundred years. As the following pages explain, there have been, and are, great social inequities and injustices in El Salvador.

Emotionally-charged issues such as the "Death Squads, "killing of the Catholic nuns, corruption, and incompetence in the Salvadoran Armed Forces are hurled across the airwaves as justification for not aiding the people of El Salvador. These charges are quickly accepted as valid by those who oppose aid to El Salvador; repeated without verification and then often accepted by the public and the media who have no private means of validation or contradiction.

But to focus on these issues as if they should be, in fact, the measure by which we determine to aid or not to aid El Salvador ignores the most important question of all: is the defense of El Salvador against a Communist-led takeover in the national interests of the United States?

If Communist-sponsored propaganda is successful in supporting the thesis that an unjust society does not deserve American support, we must then concede the entire third world to the Communists; for conditions in almost every Latin American, Asian, and African nation still ridden by poverty, endemic corruption, and incompetence would preclude it from American assistance. This, of course, is precisely what the Communist propaganda effort is designed to accomplish.

If, on the other hand, we determine that El Salvador must not become another Cuba or Nicaragua, then the first task is to halt the insurgents' efforts to seize power by force. The second is to support and encourage the newly elected government to produce those changes which will cause El Salvador to accept the twentieth-century concept of social justice and equality. Demanding reforms from the new government before we continue our aid or implementing an economic assistance program without first halting guerrilla attacks will only provide the Communists with an even richer prize.

At the same time, those charged with training, advising, or supporting the armed forces of El Salvador in their battle against the insurgents must display an equal sophistican about the nature of unconventional warfare in the 1980s.

The basis for the present insurgency in El Salvador is a small but well-training and highly motivated Communist cadre. The leaders may operate from Managua, but the covert infrastructure that provides day-to-day command and control is in El Salvador. In an understandable concern for finding and fighting the armed guerrilla units, counterinsurgents too often ignore this political/military organization which recruits, indoctrinates, trains, and commands the insurgent movement. Destroying an enemy guerrilla unit is like cutting off one arm of an octopus; it may render it less dangerous, but doesn't kill it. Only effective police and counterintelligence work can get to the root of the problem.

If this infrastructure could be neutralized in its early organizational stage by effective counterintelligence and police work, it could never survive to create the mass of interlocking "front" groups, political organizations, and operational units that provide the recruits, supplies, intelligence, safe houses, propaganda apparatus, and financial operations that incite, direct, and support an insurgency.

Revoluntionary guerrilla war, to use the Communists's own term, is indeed very unconventional. Attempting to fight an insurgent with Vietnam-era tactics is as useless as employing the cavalry against tanks.

THE CREATION OF A BLUEPRINT FOR COMMUNIST-DIRECTED INSURGENCY

Current Communist techniques in El Salvador did not originate in 1984. There is a direct connection between El Salvador's insurgency and an earlier revolution that took place in the Soviet Union sixty-seven years ago.

In October 1917, V.I. Lenin led a small group of dedicated followers (Bolsheviks) in the overthrow of the caretaker Kerensky government in the Soviet Union. This was five months after the Czar had been overthrown and the entire nation was still in chaos and in the midst of a war with Germany.

Lenin and his followers formed the first Communist Party. The political and economic doctrine of Karl Marx guided the Party and was turned into operational strategy by Lenin in his quest for absolute power. This doctrine and its implementing strategy contained a prime directive which stated that neither the Communist movement nor the Soviet Union would be safe until capitalism had been totally destroyed. This belief has been paramount in all subsequent Soviet thinking and planning.

When capitalism failed to collapse and the world's workers failed to revolt against their governments as Marx had predicted in *Das Kapital*, and the Western powers led by the United States became even stronger economically and politically, the Soviet Communists were faced with a problem of considerable magnitude.

Their driving urge to export Communism to the world's working classes and through them to seize control of the capitalist governments was not only a product of Marxist doctrine, but also of the very real Russian feeling of insecurity. Repeated invasions by other European powers through the years included a joint U.S.-Allied Expeditionary Force to Siberia to aid the White Russian opponents of Lenin from 1918 to 1920. Two U.S. Infantry Regiments were in action and suffered thirty-six casualties.

Then the growing nuclear stalemate between 1950 and 1980 and the inability of the Soviets to project their considerable conventional military power outside the European landmass gave birth to a new Soviet strategy to expand Communism without direct military confrontation with the United States and other Western powers.

This new strategy employs indigenous Communist Parties to organize and orchestrate internal revolts. It utilizes a small but sufficient number each local population to conduct guerrilla warfare under external Communist guidance and with their support. This strategy was understood and applied by Mao Tse-tung in China and Ho Chi Minh and Giap in Vietnam; and later served the Communists well in Cuba, Laos, and Nicaragua.

The essence of the Communist success is their ability to produce a highly disciplined, well-trained, and well-motivated group of cadres who in turn increase their effectiveness ten-fold by further political organization, recruiting, and propaganda. While a host of local front groups may be formed over the years, and a larger but non-Communist organization may appear to be conducting the insurgency, the Communist cadres retain all real leadership positions and thus control the course of events and step into key roles in the new government when the insurgency has succeeded.

A certain sequence of steps and events are predicated by Communist revolutionary doctrine. These begin with the assumption that the target nations has an unstable society. The population will be disaffected from their government by the great inequalities in wealth, social status, land ownership, and privilege predicted by Marx and prevalent in almost all the developing nations.

While this instability does not exist in the industrialized and more democratic West, the Communists are reluctant to abandon Marx's original concept even here and continue to attempt to create dissent, unrest, and distrust by setting race against race, ethnic groups against the dominant majority and labor against management and government. Divide and conquer never had greater significance than in the Communist revolutionary strategy.

In the developing world, the popular disaffection anticipated by Marx will be exacerbated by repressive and indifferent governments, many still following the centuries-old traditions of their former colonial masters. A rising middle class, with more security and leisure, now becomes frustrated by the limits on their new-found status as they perceive their inability to rise into the impenetrable social and power elite structure still in place above them and based on extensive land ownership and its attendant political power. This frustrated middle class, especially its youth and intellectuals, usually are the first converts to Communism and revolution, not the poor and landless.

Stage one of a Communist-directed insurgency blueprint

A disciplined, militant Communist Party is created, usually from middle-class urban sources. Next "front" groups are organized to serve as the overt action agencies for the Communist plan while hiding Communist participation. At the same time, existing organizations of every type and description are infiltrated by Communist cadres: labor unions, student organizations, farmers' groups, political parties, any group whose

activities and efforts can be eventually employed to further the Communist strategy of either winning through political activity or by eventual revolutionary warfare.

It would be difficult to overestimate the effort, importance, and attention which the Communists give to this political organizing. Its results will be clearly demonstrated later in this discussion.

With a political base established, the Communists make their routine effort to win through the ballot box. If this fails, as it usually does, then they turn to the "armed struggle." The chief weapons in the armed struggle are propaganda, disinformation, subversion, extortion, infiltration, and terror or assassination when feasible. The armed struggle does not necessarily include actual guerrilla war.

Stage two

In this stage Party members and supporters move to the rural areas to organize the farmers and peasants. This is the clear distinction between Marx and Mao; Marx believed the urban workers would provide the force for revolution, but in non-industrial China of the 1950s, Mao turned instead to the rural farmers. This scenario has subsequently been employed in every revolution in the developing world.

The Communist village organizers will create the initial rural covert apparatus that will recruit, hide, supply, and support the armed guerrilla units to follow. The insurgents will listen sympathetically and carefully to village problems, desires, and complaints. They will "politically educate the masses" to the fact that all their problems are caused by an evil and corrupt government which must be overthrown. Communist doctrine and even participation may be hidden from the rural people while the insurgents rally support for "freedom, justice, land, and peace."

The farmers will be moved to demonstrate publicly against local government officials in order to force the issue. The government will be provoked, if possible, by clever insurgent activity to overreact and impose harsh retaliatory action. This gives the insurgents even greater opportunity to gain recruits and win popular support in response to the government's use of force.

As the rural organization grows, usually in those remote areas far from normal government activity, special areas are selected which will become the hiding places, training grounds, depots, and base camps for the armed guerrilla units. Usually in these remote regions, such as those selected in the mountains of El Salvador, the people have so little contact with government services in any case that they already harbor feelings of resentment and can be readily converted to pro-guerrilla support.

Armed guerrilla squads are formed and trained. They are combined into platoons and companies as men and equipment become available. This equipment may be supplied by external sources, captured or purchased locally. Small hit-and-run attacks are made on local militia or police to give the guerrillas experience and clear the area of government forces. Early successes result in more recruits.

International Communist propaganda efforts are greatly increased as the guerrillas can now cite victories over the government. The main objective of this propaganda is to picture the established government as evil and corrupt, and the guerrillas as the forerunners of a massive popular rebellion. Guerrilla spokesmen are often exfiltrated to other nonaligned nations to "prove their case" and to win support. A major effort is made to win international support for the insurgents' cause while demonstrating that the government deserves to be overthrown. Communist participation is hidden as much as possible, and denied whenever necessary. Selected media representatives are brought into guerrilla camps and given the most favorable view of insurgent objectives and government ineffectiveness.

Stage three

The preceding stages may last for months or even years. But now the guerrillas feel ready to confront the government militarily. The squads and platoons become companies and even battalions; heavier weapons have been obtained and key cadres are sent abroad to other Communist nations for special training.

The previous hit-and-run attacks on government forces are now expanded to become coordinated assaults on fixed installations. Major sabotage efforts are aimed at crippling the national economy and raising the level of disaffection of the general population. Guerrilla base areas are now renamed "liberated zones" and the guerrillas install their own administrative system to include tax collection and courts.

Intensive propaganda within the target nation attempts to convince the population that a guerrilla victory is inevitable. Efforts are made to obtain a mass uprising, or a general strike to demonstrate guerrilla power and authority. During this, or other stages, if the guerrillas are countered effectively or suffer severe losses, they simply fall back to an earlier stage and begin the entire process over again.

Hard hit by the ferocity and strength of the guerrilla attacks, the government forces now retreat to their safe urban compounds and only venture forth to fight set-piece battles, leaving the entire countryside to the insurgents. As transportation, communication, and food supplies are cut off from the cities, civilian and military morale crumbles from lack of belief in eventual victory by the government. Major Army units now begin to defect to the guerrillas. Soon only a few major urban areas remain in government hands. The existing government and the population now view the situation as hopeless.

At this point, Marxist doctrine offers the insurgents two alternatives; they can agree to negotiate with the government and gain control of key cabinet positions from which they can eventually control the entire government; or they can elect to continue the war and win absolutely. The government often surrenders at this point or simply abdicates and flees the country.

These three stages may extend over a considerable period of time, as they did in Vietnam and Laos, especially if an outside power should come to the aid of the government. But the Communists may also be able to cleverly "piggy-back" an ongoing, genuinely popular revolt against a corrupt government as they did in Nicaragua. With their vastly superior organizational techniques, existing covert infrastructure, and external support, the Communist Party simply takes over control of the revolution from its original, enthusiastic but unorganized and undisciplined members. This latter method saves a great deal of time and has the added advantage of disguising the Communist control from both the population and the world community until it is too late.●

VOTING RECORD

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. UDALL. Mr. Speaker, it has become my practice from time to time to list my votes in the CONGRESSIONAL RECORD. I strongly believe that the people of the Second Congressional District of Arizona have a right to know where I stand on the issues decided by this body, and I have found that printing my record here is the best way to provide that information.

This is not an all-inclusive list. I have omitted noncontroversial votes such as quorum calls, motions to resolve into the Committee of the Whole House, and motions to approve the Journal of the previous day.

The descriptions are necessarily somewhat short, and I am sure that some of my constituents will have additional questions about the issues described here. So I invite them to write me for more specifics.

The votes are described as follows:

KEY

1. Rollcall Number;
2. Number of the bill or resolution;
3. Title of the bill or resolution;
4. A description of the vote;
5. The outcome of the vote;
6. The vote total;
7. My vote, in the form Y=yes, N=no, and NV=not voting;
8. The vote totals of the Arizona delegation (yes-no-not voting);
9. The date.

201. H.R. 5600. Preventive Health Services/Family Planning Block Grant Authorization. Waxman, D-Calif., motion to suspend the rules and pass the bill to authorize a total of $906.5 million for fiscal 1985–87 for preventive health services block grants, family planning and the adolescent family life programs. Motion agreed to 290–102: Y(3-3-0), June 11, 1984.

202. H.R. 5603. Alcohol, Drug Abuse and Mental Health Services Authorizations. Waxman, D-Calif., motion to suspend the rules and pass the bill to authorize $2.3 billion for fiscal 1985–87 for grants for alcohol, drug abuse and mental health programs, and for fiscal 1985–88 for developmental disabilities aid. Motion agreed to 360–33: Y(3-2-0), June 11, 1984.

203. H.R. 5496. Medical Technology Assessment. Waxman, D-Calif., motion to suspend the rules and pass the bill to authorize $240 million for the National Center for Health Services and the National Center for Health Services Research and Medical Technology Assessment to provide data on health programs. Motion agreed to 376–16: Y(4-1-0), June 11, 1984.

204. H.R. 1510. Immigration Reform and Control Act. Adoption of the rule (H. Res. 519) providing for House floor consideration of the bill to revise immigration laws to impose sanctions on employers who hire illegal aliens, provide legal status for many illegal aliens already in the United States, expand an existing temporary foreign worker program, and overhaul procedures for handling asylum, deportation and exclu-

sion cases. Adopted 291-111: Y(3-2-0), June 11, 1984.

205. H.R. 1510. Immigration Reform and Control Act. Education and Labor Committee amendment (offered by Hawkins, D-Calif.) to restructure provisions penalizing employers who knowingly hire illegal aliens, deleting the criminal sanctions and increasing the fines. The amendment also included a new procedure for handling cases of alleged employment discrimination. Rejected 166-253: Y(2-3-0), June 12, 1984.

206. H.R. 1510. Immigration Reform and Control Act. Lungren, R-Calif., amendment to delete from the bill language that required employers of four or more workers to check documents and keep records on their workers only after federal immigration officials find an illegal alien on the payroll. Adopted 321-97: Y(1-4-0), June 12, 1984.

207. H.R. 1510. Immigration Reform and Control Act. Frank, D-Mass., amendment to establish a new procedure for handling cases of alleged employment discrimination because of national origin or alienage, and to provide remedies for such discrimination. The amendment would create a "special counsel" within a newly created U.S. Immigration Board to handle discrimination cases. Adopted 404-9: Y(4-1-0), June 12, 1984.

208. H.R. 1510. Immigration Reform and Control Act. Sam B. Hall Jr., D-Texas, amendment to require the federal government to establish a system for employers to validate a prospective employee's Social Security identification number by telephone as a check on the applicant's eligibility to work in the United States. Adopted 242-155: N(3-2-0), June 12, 1984.

209. H.R. 1510. Immigration Reform and Control Act. Schroeder, D-Colo., amendment to set a three-year expiration date for provisions that penalize employers who knowingly hire illegal aliens. Rejected 137-274: Y(4-1-0), June 13, 1984.

210. H.R. 1510. Immigration Reform and Control Act. Roybal, D-Calif., amendment to delete the bill's employer sanctions provisions and substitute new funding and requirements for enforcement of existing labor laws on wages, hours and working conditions. Rejected 120-304: N(2-3-0), June 13, 1984.

211. H.R. 1510. Immigration Reform and Control Act. Fish, R-N.Y., amendment to delete from the bill language requiring federal officials to obtain a warrant before searching "open fields" for illegal aliens. Rejected 133-285: Y(3-2-0), June 13, 1984.

212. H.R. 1510. Immigration Reform and Control Act. McCollum, R-Fla., amendment to streamline procedures for handling asylum deportation or exclusion cases by barring most "class action" lawsuits and by deleting a requirement that aliens be notified of certain procedural rights. Adopted 208-192: N(3-2-0), June 13, 1984.

213. H.R. 1510. Immigration Reform and Control Act. Moorhead, R-Calif., amendment to set a yearly cap of 450,000 on legal immigration into the United States. The cap would not include refugees, defined as those persons fleeing their homeland because of persecution. Rejected 168-231: NV(2-2-1), June 13, 1984.

214. H.R. 1510. Immigration Reform and Control Act. Roybal, D-Calif., amendment to clarify the meaning of "continuous physical presence" in the United States when the issue arises in connection with deportation proceedings. The purpose was to ensure that no alien would be deported because of a brief, emergency absence from the country. Adopted 411-4: Y(5-0-0), June 14, 1984.

215. H.R. 1510. Immigration Reform and Control Act. Education and Labor Committee amendment (offered by Miller, D-Calif.) to restore most provisions of current law regarding regulation of an existing temporary foreign worker program that would be expanded under the bill, to provide a three-year transition period to that expanded program, and to create a commission to study the subject of a temporary foreign worker program. Rejected 164-256: Y(1-4-0), June 14, 1984.

216. H.R. 1510. Immigration Reform and Control Act. Agriculture Committee amendment (offered by Panetta, D-Calif.) to create a new, flexible temporary foreign worker program for the agriculture industry permitting growers to apply to the attorney general for workers within 72 hours of need and allowing workers to move from employer to employer within a defined "agricultural region," remaining in the United States for up to 11 months. Adopted 228-172: N(3-2-0), June 14, 1984.

218. H.R. 3678. Water Resources Authorization. Adoption of the rule (H Res 515) providing for House floor consideration of the bill to authorize appropriations for water resource development and conservation. Adopted 286-7: Y(3-0-2), June 15, 1984.

219. H. Con. Res. 294. Non-delivery of International Mail in the Soviet Union. Clay, D-Mo., motion to suspend the rules and adopt the concurrent resolution stating disapproval of the Soviet Union's systematic non-delivery of mail originating in the United States and calling on the U.S. Postal Service to raise the issue at the Congress of the Universal Postal Union. Motion agreed to 403-0: Y(5-0-0), June 19, 1984.

220. H.R. 1510. Immigration Reform and Control Act. Lungren, R-Calif., amendment to authorize the attorney general to grant temporary resident status to aliens who could show they arrived in the United States prior to Jan. 1, 1980, and permanent resident status to aliens who could show they arrived in the United States prior to Jan. 1, 1980. Rejected 181-245: N(1-4-0), June 19, 1984.

221. H.R. 1510. Immigration Reform and Control Act. Shaw, R-Fla., amendment to authorize the attorney general to grant permanent resident status to aliens who could show they had arrived in the United States before Jan. 1, 1980. Rejected 177-246: N(1-4-0), June 19, 1984.

222. H.R. 1510. Immigration Reform and Control Act. Wright, D-Texas, amendment to authorize the attorney general to grant temporary resident status to aliens who could show they had arrived in the United States prior to Jan. 1, 1982. Such aliens could seek permanent resident status after two years, providing they could demonstrate an understanding of English and of U.S. history and government, or were enrolled in a course of study to learn these subjects. Adopted 247-170: N(1-3-1), June 19, 1984.

223. H.R. 1510. Immigration Reform and Control Act. Lungren, R-Calif., motion to limit debate on amendment to strike provisions from the bill providing legal status for illegal aliens already in the United States. Motion agreed to 245-169: Y(2-3-0), June 20, 1984.

224. H.R. 1510. Immigration Reform and Control Act. McCollum, R-Fla., amendment to strike provisions from the bill providing legal status for illegal aliens already in the country. Rejected 195-233: N(2-3-0), June 20, 1984.

225. H.R. 1510. Immigration Reform and Control Act. McCollum, R-Fla., amendment to streamline procedures for handling asylum, deportation and exclusion cases by barring most "class action" lawsuits and by deleting a requirement that aliens seeking to enter the country be notified of certain procedural rights. Adopted 219-208: N(3-2-0), June 20, 1984.

226. H.R. 1510. Immigration Reform and Control Act. Passage of the bill to revise immigration laws to impose sanctions on employers who knowingly hire illegal aliens, provide legal status for many illegal aliens already in the United States, expand an existing temporary foreign worker program, create a new guest-worker program and overhaul procedures for handling asylum, deportation and exclusion cases. Passed 216-211: N(0-5-0), June 20, 1984.

227. H.R. 5580. Organ Transplant Act. Dannemeyer, R-Calif., substitute to reduce the total authorization to $21 million over three years, dropping funding proposed for certain drugs used by transplant patients. Rejected 25-379: N(2-3-0), June 21, 1984.

228. H.R. 5580. Organ Transplant Act. Passage of the bill to facilitate organ transplant surgery by authorizing $76 million over four years for grants to local organ procurement agencies, funding for certain drugs used by transplant patients and a national computerized system for linking organ donors and patients. Passed 396-6: Y(4-1-0), June 21, 1984.

229. H.R. 5798. Treasury, Postal Service and General Government Appropriations, Fiscal 1985. Levitas, D-Ga., amendment to reduce fiscal 1985 spending for the Office of Administration in the Executive Office of the President by $1.5 million. Adopted 326-74: Y(2-3-0), June 21, 1984.

230. H.R. 5798. Treasury Postal Service and General Government Appropriations, Fiscal 1985. Lungren, R-Calif., amendment to eliminate $20 million designated for the construction of a federal building in Long Beach, Calif. Rejected 166-226: N(3-2-0), June 21, 1984.

231. H. Res. 531. Election of Speaker Pro Tempore. Adoption of the resolution to elect Rep. Jim Wright, D-Texas, Speaker pro tempore during the absence of the Speaker. Adopted 230-148 Y(2-3-0), June 21, 1984. (The resolution was necessary to allow Wright to name extra conferees on the defense authorization bill (HR 5167), in the absence of Speaker Thomas P. O'Neill, Jr., D-Mass. The extra conferees were appointed to deal with the MX and anti-satellite missiles.)

232. H.R. 5167. Defense Authorization. Price, D-Ill., motion to allow the conference committee on the bill to hold closed meetings. Motion agreed to 337-28: NV(3-1-1), June 21, 1984.

233. H.R. 5490. Civil Rights Act of 1984. Adoption of the rule (H Res 526) providing for House floor consideration of the bill to overturn a Feb. 28 Supreme Court ruling that narrowed the reach of a 1972 law banning sex discrimination by federally aided colleges and universities. The bill seeks to ensure broad application of four major civil rights laws, including the 1972 education law. Adopted 224-136: Y(2-2-1), June 21, 1984.

235. H.R. 5604. Military Construction Authorization. Passage of the bill to authorize $9.2 billion for military construction projects of the Department of Defense in fiscal 1985. Passed 312-49: NV(2-0-3), June 22, 1984.

236. H.R. 5680. Federal Pay Equity. Adoption of the rule (H. Res. 526) providing for House floor consideration of the bill to reform the federal merit pay system and require a study of sex-based wage differentials within the federal work force. Adopted 276-58: NV(2-0-3), June 22, 1984.

238. H.R. 5885. Head Start/Human Services Amendments. Andrews, D-N.C., amendment to suspend the rules and pass the bill to reauthorize Head Start and other social services programs through fiscal 1986. Motion agreed to 409-10: Y(4-1-0), June 26, 1984.

239. H. Con. Res. 321. Early Projections of Election Results. Swift, D-Wash., motion to suspend the rules and adopt the concurrent resolution to ask the news media, particularly broadcasters, to refrain voluntarily from projecting election results until all polls are closed. Motion agreed to 352-65: Y(4-1-0), June 26, 1984.

240. H.R. 3282. Water Quality Renewal. Passage of the bill to reauthorize and revise programs under the Clean Water Act for fiscal 1985-88. Passed 405-11: Y(4-1-0), June 26 1984.

241. H.R. 5490. Civil Rights Act of 1984. Dannemeyer, R-Calif., appeal of the chair's ruling that the Bartlett, R-Texas, amendment declaring members of Congress to be recipients of federal assistance for coverage under the bill was out of order. Ruling of the chair upheld 277-125: Y(2-3-0), June 26, 1984.

242. H.R. 5490. Civil Rights Act of 1984. Siljander, R-Mich., amendment to define the word "person" under the Age Discrimination Act of 1975 to include unborn children from the moment of conception. Rejected 186-219: N(3-2-0), June 26, 1984.

243. H.R. 5490. Civil Rights Act of 1984. Passage of the bill to make clear that the bar to discrimination in Title IX of the 1972 Education Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975 covers an entire institution if any program of activity within the institution receives federal assistance. Passed 375-32: Y(3-2-0), June 26, 1984.

245. H.R. 4170. Deficit Reduction Act. Adoption of the conference report on the bill to raise $50 billion in new taxes and to cut Medicare and other spending by about $13 billion through fiscal year 1987. Adopted 268-155: Y(2-3-0), June 27, 1984.

246. H.R. 5653. Energy and Water Development Appropriations, Fiscal 1985. Adopted of the conference report on the bill to appropriate $15,371,359,000 in fiscal 1985 for energy and water development. Adopted 400-23: Y(5-0-0), June 27, 1984.

247. H.R. 5798. Treasury, Postal Service and General Government Appropriations, Fiscal 1985. Boxer, D-Calif., amendment to strike language from the bill that would prohibit the use of federal employee health insurance to pay for an abortion except when the life of the mother is endangered. Rejected 156-261: Y(2-3-0), June 27, 1984.

248. H.R. 5798. Treasury, Postal Service and General Government Appropriations, Fiscal 1985. Ratchford, D-Conn., amendment to reduce appropriations in the bill by 1 percent across-the-board except for salaries and expenses for the White House, the Office of Administration and the Office of Management and Budget, all in the Executive Office of the President. Adopted 345-66: NV(4-0-1), June 27, 1984.

249. H.R. 5798. Treasury, Postal Service and General Government Appropriations, Fiscal 1985. Obey, D-Wis., amendment to reduce by 63 percent all appropriations in the bill not required by previously enacted law. Rejected 10-398: NV(0-4-1), June 27, 1984.

250. H.R. 5798. Treasury, Postal Service and General Government Appropriations, Fiscal 1985. Jacobs, D-Ind., amendment to reduce by $890,000 the $1.17 million appropriation in the bill for pension, salary and staff of former presidents. Rejected 180-232: N(2-3-0), June 27, 1984.●

ECONOMIC EQUITY ACT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. STARK. Mr. Speaker, it is with great pleasure that I join with other Members of the House in introducing the Economic Equity Act.

I am particularly pleased that my bill H.R. 21, to allow continued access to health insurance for certain women and their children, is a part of this important omnibus legislation.

Today, being without health insurance can mean having no medical care at all. Some 6 million widowed and divorced women and their children are faced with this situation when they are dropped from their spouses' health plans.

H.R. 21 means that these women will not have to seek individual policies which are far more expensive, offer less coverage and usually do not pay for preexisting conditions.

The beauty of this bill is that it doesn't increase the deficit or overburden employers or the insurance industry. The spouse pays both the employer and employee part of the premium.

It's nice to know that we can make for a healthier population without further burdening the American taxpayer.●

PORTER-PENNY FREEZE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. PORTER. Mr. Speaker, I am pleased today to join with my Democratic colleague, Congressman TIM PENNY of Minnesota, in offering a bipartisan resolution calling for a freeze on all budget categories for fiscal year 1986.

This Porter-Penny resolution will freeze all spending. It will freeze defense at this year's level, with no adjustment for inflation. That will cut the budget by $10 billion more than the Senate recently did. It will freeze all cost-of-living adjustments, including Social Security. If we allow a full COLA for all those programs, we would lose $10 billion in budget savings.

Bipartisan momentum is building around this position. We are starting to see Republican support for a hard freeze in defense, and Democratic support for holding the line on COLA's. Congressman PENNY and I see a real opportunity to build a working coalition of fiscally responsible Members of both parties willing to take both these steps.

And what is the alternative? If the House fails to accept an across-the-board freeze, the tendency will be strong to allow increases in both defense and COLA's—and to restore funds for a number of program budgets recently cut by the Senate. This kind of big-spending compromise—the kind we have seen so often in the past—could easily push next year's deficit back above $200 billion.

This would perpetuate fiscal child abuse—the wholly irresponsible bucking of huge debts from one generation to the next. Every year we run another $200 billion deficit means another $10,000 in extra taxes that the average American child will have to pay, over his or her lifetime, just to pay the interest on what we borrow.

This is unconscionable. More and more Americans of all ages are coming to understand this. Earlier this year, I met with a group of high school students, visiting Washington as part of the Presidential Classroom Program. They were so upset about these deficits that they held a press conference and issued a statement which said, in part:

> Our parents won't let us run up a bill on their credit cards. So why should we sit quietly while our government runs up a huge bill on ours?

For the sake of our children and the future of America, it is time that we in the Congress set aside opportunities for partisan advantage, set aside special interest politics as usual, and take tough action to bring these deficits down.

Our proposal is tough, but it is fair to everyone. It calls for an equitable sharing of sacrifices. Both Congressman PENNY and I realize that more cuts will be necessary. I would like to see the House of Representatives cut spending by even more than the Senate did last week. The American people will support this, and share in the sacrifice so long as it is fair.

It is often more popular to boost spending than to freeze or cut it. But now is the time to do what must be done. Let me quote a former Democratic Senator, Gaylord Nelson—with whom I do not always agree, but this time I could not agree more:

> The ultimate test of man's conscience may be his willingness to sacrifice something today for future generations whose words of thanks will not be heard.●

EFFECTIVE USE OF RURAL CLEAN WATER ACT BRINGS AWARD TO RESIDENT OF WESTPORT, MA

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FRANK. Mr. Speaker, each year the Bristol County, MA, Conservation District awards one of its members who has made an unusually outstanding contribution to environmentally sound soil conservation. This year, Mr. Howard Tripp of Westport, MA deserves special recognition as recipient of the "Cooperator of the Year" award for his use of a program made possible by the Rural Clean Water Act.

Mr. Speaker, Howard Tripp has installed a 1.1-million-gallon storage tank for manure and waste water on his dairy farm so that manure from his cows can be spread efficiently as fertilizer over his crops, rather than threatening nearby water sources with polluting amounts of manure.

Mr. Tripp's efforts are part of the Westport Clean Water Program in conjunction with the Rural Clean Water Act and will, in time, allow parts of the Westport River currently closed to shellfishing to be reopened again.

This program—and Mr. Tripp's use of it—is an excellent example of the productive partnership between government and agriculture, and I am pleased to bring two newspaper articles describing the project to the attention of my colleagues.

[From the Herald News, Apr. 20, 1985]

Conservation District Cites Westport Farmer

A Westport dairy farmer was recently named "Cooperator of the Year" by the Bristol Conservation District for controlling a potential non-point pollution source by installing a 1.1 million-gallon storage tank for manure and waste water on his 125-cow dairy farm.

Howard Tripp and his son Jay, a cooperator since 1953, was chosen for his accomplishments in soil and water resource management particularly for controlling a potential pollution source in conjunction with the Rural Clean Water Act. The manure can now be spread on crop fields at the right time of the year and plowed in as a fertilizer, instead of creating a potential pollution problem.

The Westport Clean Water Program is designed to help reopen parts of the Westport River presently closed to shellfishing. Farmers are provided with technical assistance from the United States Department of Agriculture Soil Conservation Service, and up to $50,000 cost-share funds from the Agricultural Stabilization and Conservation Service, to install sound waste management system. Westport farmers have until July 1, 1986 to sign a contract to be eligible for the program and until 1992 to install their systems.

The Bristol Conservation District coordinates resource management assistance for residents of the county who agree to abide by a conservation plan indicating best land management strategies for their properties. The District also provides assistance to cities and towns in Bristol County on conservation and watershed land management, flood control sediment and erosion control, subdivision reviews and periodically runs workshops and other educational programs on natural resource issues. For more information about the district and its programs contact the office at 153 Broadway, Raynham, Mass. 02767.

[From the Chronicle, Apr. 24, 1985]

Howard Tripp Receives Conservation Award

Howard Tripp, who operates a 125 cow dairy farm in Westport with his son Jay, was recently named "Cooperator of the Year" by the Bristol Conservation District.

Each year the District honors one of its cooperators who has taken the initiative to implement sound, cost-effective conservation techniques.

A cooperator since 1953, Mr. Tripp was chosen for his accomplishments in soil and water resource management, particularly for controlling a potential non-point pollution source in conjunction with the Rural Clean Water Program.

As part of this program, the Tripps installed a 1.1 million gallon tank to store manure and waste water from their dairy operation. The manure can now be spread on crop fields at the right time of the year and plowed in as a fertilizer, instead of creating a potential pollution problem.

The Westport Rural Clean Water Program is designed to help re-open parts of the Westport River presently closed to shellfishing and is one of 21 similar U.S. Department of Agriculture projects nationwide. Farmers are provided with technical assistance from the U.S.D.A. Soil Conservation Service, and up to $50,000 of cost-share funds from the Agricultural Stabilization and Conservation Service, to install sound waste management systems. Westport farmers have until July 1, 1986 to sign a contract to be eligible for the program and until 1992 to install their systems.

The Bristol Conservation District coordinates resource management assistance for residents of the county who agree to abide by a conservation plan indicating best land management strategies for their properties. The District also provides assistance to cities and towns in Bristol County on conservation and watershed land management, flood control, sediment and erosion control and subdivision reviews and periodically runs workshops and other educational programs on natural resource issues. For more information about the District and its programs contact the office at 153 Broadway, Raynham, MA 02767.●

STAN EVANS REVIEWS NEW RABUSHKA STUDY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. KEMP. Mr. Speaker, one of the more foolish cliches trumpeted by the liberal left defenders of statism is that "supply-side economic policies don't work." This cliche was disproven in the very first full year President Reagan's tax rate reductions became effective, when tax revenues from upper income earners increased by 12 percent as a result of a 20-percent reduction in the top tax bracket. Results since then have strongly confirmed and deepened the demonstration of work and investment incentive increases from tax rate reduction.

Alvin Rabushka, an economist at the Hoover Institution, has now published an important case study of the effects of supply-side economic policies around the world. Stan Evans reviewed this book in the column reprinted below.

How much more evidence needs to be brought forth before the statists concede the truth? To the extent that they are open to the evidence of experience, Rabushka's book should be persuasive.

[From the Washington Times, May 8, 1985]

Understanding How "Supply Side" Works

(By M. Stanton Evans)

A supposed failing of Reaganomics is its reliance on the "supply-side" theory of taxation: The untested notion that lower tax rates spur economic growth, and thus, as a side effect, increase the public revenue.

In point of fact, the supply-side approach to taxes has been extensively tested on several occasions, and the data clearly indicate that it works. The trouble, given the statist mind-set of the modern world, is that it hasn't been tested often enough, so that most of those who pontificate about the subject are woefully ignorant of the facts.

The evidence has been assembled in a remarkable new study by economist Alvin Rabushka of the Hoover Institution. His survey, *From Adam Smith to the Wealth of America* (Transaction Books), is a series of case studies of the supply-side thesis, and the free-market, limited-government approach of which it is a part.

Here are some highlights:

Nineteenth-century England, under the influence of Adam Smith's ideas, moved steadily toward deregulation, reduction in tariff barriers, a shrinkage of the per-capita tax load, and strict economy in government. The result was to convert Great Britain from an overtaxed, debt-ridden agricultural economy into the leading industrial nation of the world, with rising productivity, falling prices, and a doubling of real per-capita income in half a century.

Because the volume of British trade increased so much, and because the economy grew so rapidly, the lower duties and tax rates adopted in the Victorian era were applied against a constantly expanding base. The result was to bring in more receipts instead of fewer, creating surpluses that a frugal government used from time to time to bestow still further tax cuts.

This stunning achievement was chiefly the work of Robert Peel and William Gladstone, and corresponded exactly to supply-side theory. As Mr. Gladstone's chancellor of the exchequer put it: "The seeming paradox, that a larger revenue might be obtained from smaller duties, had turned out to be the expression of an economic law, which appeared capable of more extensive application than it had yet received."

An anachronism in this respect and others, the British Crown Colony of Hong Kong has been run since World War II on explicit supply-side principles held over from the Gladstone era. Since it has no natural resources to speak of and has had to absorb a massive refuge population, Hong Kong is forced to subsist on capital investment, high productivity, and energetic pursuit of exports.

To achieve these things, Hong Kong keeps taxes low, has an absolute minimum of labor and other regulations, and holds public outlay carefully in check. Result: An incredible expansion of investment, productivity, and jobs, a seven-fold increase in real per-capita income (from $180 U.S. in 1948 to $5,000 in 1981), and an exchequer that routinely runs up tidy surpluses.

The financial secretary of the colony put the matter this way in 1964: "That revenue has increased in this way is in no small measure, I am convinced, due to our low tax policy which has helped to generate an economic explosion. . . . I am convinced that low taxation can in general produce a greater growth in revenue than can tax increases."

Faced with circumstances much like those of Hong Kong, the island nation of Taiwan was compelled, after trying other policies, to pursue a similar course, geared to investment, productivity, and export. Again, low taxes as an incentive to capital formation, work, and consequent expansion of the economy were key ingredients in the successful change of strategy.

The result is that Taiwan has vaulted from the ranks of underdeveloped, overpopulated nations to the status of a modern economic power. Between 1952 and 1982, real GNP increased 11-fold, and real per-capita income rose from $70 at the end of World War II to $2,280 in 1980. Much the same has happened, with differences in detail, in Singapore and South Korea—as Mr. Rabushka also demonstrates.

None of this is all that great a mystery, except to minds befuddled by the theories of the welfare state. People respond to incentives, and when these are in favor of work, investment, and productivity, economies grow—and that means greater output, jobs, and an expanding tax base.

Henceforth, no one should be allowed to lecture us on this topic who hasn't read Mr. Rabushka's fascinating study.●

SOVIET ATROCITIES IN AFGHANISTAN

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DREIER of California. Mr. Speaker, this week I will join with Representative COURTER in introducing legislation which would deny Afghanistan most-favored-nation status.

I want to take this opportunity to decry the daily atrocities that take place in that foresaken nation, and express my sad disappointment with the world's apparent indifference to the brutal violation of Afghan sovereignty and freedom. The silence from the media and elected leaders of the West is deafening, and with each day, the Soviets escalate their systematic assault on the Afghan people and the mujahedeen, who are fighting a desperate battle for survival. They need our support. Most important, the Soviets must be confronted with world condemnation for their brutal occupation of Afghanistan. I implore all, particularly our leaders and popular advocacy groups who have raised our consciousness about violations of human rights in South Africa and Latin America, to add their voices to the Afghan struggle.

I submit for the RECORD an essay by Ernest Conine which appeared in the Los Angeles Times on May 6. Mr. Conine's article concisely documents the outrage that is taking place in Afghanistan:

Soviet Atrocities in Afghanistan

(By Ernest Conine)

The uproar over President Reagan's visit to the Bitburg cemetery in West Germany makes one thing clear: The world has neither forgotten nor forgiven the terrible atrocities committed by the Nazis in World War II, when millions of men, women and children were slaughtered in concentration camps and whole villages were exterminated by firing squads.

The long memories are appropriate. But it would be nice if the continuing horror over what happened four decades ago would prevent the same sort of thing from happening again in other places. Unfortunately, that isn't the case.

One terrible case in point (though by no means the only one) is the situation in Afghanistan, which was invaded and occupied by the Soviet Union in late 1979. Five years later, a guerrilla war against the Soviet occupation forces is still going on.

Counterinsurgency operations are cruel by nature. Pilots of bombers and helicopter gunships can't always tell the difference between a harmless village and a nest of guerrillas—and the villagers don't get the benefit of the doubt. Isolated cases of savagery are committed by freightened soldiers avenging comrades whose throats were cut by guerrilla infiltrators.

Nobody claims that the mujahedeen in Afghanistan are angels, and the anti-Soviet guerrillas must expect rough treatment when they fall into Soviet hands.

However, there is never an excuse for the calculated, deliberate massacre of civilian non-combatants as a matter of policy. That's why the Nazis were universally condemned for obliterating the Czechoslovak town of Lidice and executing every male inhabitant. Yet the world seems hardly to notice (or care) that Soviets and their supporters are committing the same kind of deliberate atrocities in Afghanistan.

To quote a December report by the U.S. Helsinki Watch Committee: "Just about every conceivable human-rights violation is occurring in Afghanistan, and on an enormous scale. The crimes of indiscriminate warfare are combined with the worst excesses of state-sanctioned violence against civilians."

The committee said that, while the Soviet-run Afghan forces are heavily involved in the atrocities, "Soviet personnel have been taking an increasingly active role."

A study commissioned by the United Nations Human Rights Commission came to similar conclusions. Among the specifics was an operation in which three Afghan villages were destroyed and 505 civilians executed. Torture, it said, has become an "administrative practice." (It should be noted that Felix Ermacora, author of the U.N. report, is an Austrian who previously investigated human-rights abuses by the racist South African government and the military regime in Chile.)

Neither the U.N. study nor the Helsinki Watch report attracted much attention in the world press. Unlike Vietnam, Afghanistan is not a television war because the Russians and the Soviet-imposed government of Afghanistan take great care to keep cameras away from the action.

The door is virtually closed to major elements of the non-Communist media, as well as to humanitarian organizations. Firsthand reports of the war come mostly from a few intrepid scholars and journalists who go in from Pakistan with resistance groups, and from doctors managing to maintain a precarious permanent presence.

Both Helsinki Watch and the U.N. group were forced to rely mostly on extensive interviews with Afghan refugees, more than 4 million of whom have fled the country. But those interviewed included doctors, lawyers, professors and former government officials, as well as farmers and shepherds. The investigators are convinced that their informants are credible.

Helsinki Watch heard numerous accounts of incidents in which the Soviets bombed a village, then sent soldiers who killed women and children, burned crops and slaughtered livestock.

Lest the refugee accounts be too easily dismissed, supporting testimony comes from a group of Westerners with direct knowledge of the atrocities: The Paris-based Medecins sans Frontiers, which operates six hospitals inside Afghanistan. Its executive director, Dr. Claude Malhuret, charges that the Soviets have deliberately bombed and destroyed hospitals run by the European group, and routinely drop antipersonnel mines designed to maim rather than kill—because "an injured person is much more trouble (to the guerrillas) than a dead person."

The French doctor confirms that Soviet helicopters drop booby-trapped toys, in most cases plastic pens or small red trucks. In his words, "Their main targets are children whose hands and arms are blown off."

Malhuret and Helsinki Watch both conclude that the Soviets are following a counterguerrilla strategy aimed not at securing territory as such, but as using terror to empty the countryside of all but guerrilla fighters, who in theory can then be isolated and destroyed. The killing of innocent people isn't a byproduct of the strategy, but its very heart.

Virtually nobody in the outside world would seriously suggest that the United States and other Western powers should intervene militarily to throw the Soviets out of Afghanistan. But why isn't there at least a deafening worldwide demand for an end to the Soviet atrocities? Why are those who are so sensitive to the massive injustice of South African apartheid so silent in the face of the Soviet behavior in Afghanistan?

There are a number of explanations: Out of sight, out of mind. A reluctance to believe that the atrocities are really occurring because, once the reality was accepted, there would be an implicit responsibility among civilized people to do something about it. Concern that too much political pressure on the Soviets would interfere with the larger goal of nuclear-arms reduction.

"Never again" obviously doesn't apply to Afghanistan. It turns out to be more convenient to hurl thunderbolts at the perpetrators of atrocities that occurred more than 40 years ago than to be beastly to those who are committing such crimes in the here and now.●

AUTHORITATIVE VOICES RAISED IN DEFENSE OF SECTION 936 OF THE IRS CODE

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FUSTER. Mr. Speaker, President Reagan will soon send to Congress a tax reform bill which is likely to contain a proposal to repeal the current tax incentives for U.S. corporations doing business in Puerto Rico. I believe our colleagues who in the coming months will be considering that bill, should be aware of the growing sentiment in support of the retention of section 936 of the IRS Code.

During the past few weeks, my colleagues have received from me and others various communications pointing out that the repeal of section 936 of the IRS Code will cause severe economic and social hardships to Puerto Rico while producing no appreciable revenue gains and a significant net revenue loss for the U.S. Treasury. This point of view is increasingly gaining support from informed observers on the mainland who believe that the repeal of section 936 runs counter to the self-interest of the United States.

Two very authoritative voices have joined the growing number of such informed observers. One comes from the New York Times Editorial Board. The other is from the Center for Strategic and International Studies of Georgetown University.

The entire editorial published by the New York Times on May 13, 1985, and the executive summary of the report written by Georges Fauriol, a senior fellow the Center for Strategic and International Studies, both explaining why the repeal of section 936 would be contrary to the best interests of the United States and Puerto Rico, follow:

[The New York Times, May 13, 1985]

A BAD IDEA WORRIES PUERTO RICO

In the name of tax reform, the Treasury wants to eliminate a longstanding benefit to Puerto Rico that has generated more than half the manufacturing jobs on the island. Since the effect would make Puerto Rico poorer and more dependent on Federal aid, this seems only penny-wise.

Just as perversely, eliminating the benefit would doom an innovative Puerto Rican project for Caribbean development—establishing "twin plants" whose manufacturing would be shared between Puerto Rico and less-developed countries in the region.

At issue is Section 936 of the Internal Revenue Code, adopted in 1976 but building on earlier provisions. It frees U.S. corporations from Federal taxes on Puerto Rican earnings, and permits their return to the mainland, tax-free. This has been a boon to a labor-rich, resource-poor island. Studies show that Section 936 has generated 150,000 jobs, with an annual payroll of $1.8 billion. And they show that eliminating the benefit would virtually dry up new investment.

Puerto Rico's unemployment is now 20 percent, three times the mainland level. Average per capita income is less than half that in any of the states. But the investment incentives have put Puerto Rico on the takeoff tarmac; however low by mainland standards, its per capita income has more than tripled in 30 years. A skilled labor force had made the island a competitive workshop for specialized industries like pharmaceuticals.

Gov. Rafael Hernandez Colón imaginatively proposes pooling the benefit with neighbors covered by President Reagan's Caribbean Basin Initiative. Grenada is the likely first partner for a "twin plant" arrangement, splitting up skilled and unskilled work within one firm. Three pharmaceutical corporations want to try out the idea—but only if Section 936 remains on the books.

Preserving the provision means less tax income for the Treasury. But a reform that impoverishes Puerto Rico—and diverts offshore capital to Asia—hardly enriches the mainland. The island's commonwealth status rests on a bargain: Puerto Rico enjoys home rule and freedom from key Federal taxes, but has no vote in Presidential or Congressional elections. Whatever the anomalies of its status, Puerto Rico is stable, democratic and better off than any Caribbean neighbor.

Rooting out hidden subsidies and unfair tax breaks is a good idea. But removing this section is not. In one stroke, it would injure voteless American citizens and undermine Mr. Reagan's Caribbean initiative.

PUERTO RICO AND THE UNITED STATES: UNDERSTANDING THE FOUNDATIONS OF A STRATEGIC RELATIONSHIP

FINAL REPORT AND EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The health of the U.S.-Puerto Rican relationship may ultimately be the cornerstone of stability and progress in the Caribbean Basin region. Why? Geography has something to do with this. Situated more than half way down the arc of Caribbean island nations that stretches over 2,500 miles from the tip of Florida to the South America mainland, Puerto Rico is very much a pivot of the region. Waters adjacent to it have historically served as invasion routes and entry ports for mercantile warfare. Today, the island's democratic institutions and free market system reinforce the regional sense of commitment against radicalism and authoritarianism.

Together, Puerto Rico and the United States undoubtedly provide encouraging models for the weak parlimentary regimes of the Caribbean and the fledgling democracies of Central America. In the present cauldreon of global instability and regional Caribbean adventurism, this is a significant asset.

The island is not under any immediate threat. Yet, revolutionary upheaval in the Caribbean Basin only serves to highlight the geopolitical significance of Puerto Rico. From this flows the need to appreciate the means necessary to ensure the island's long term social and political stability and economic prosperity. Obviously, it would be a gross oversimplification to suggest that economic determinants are the sole causes of revolutions; but, continued prosperity does provide a strong and necessary foundation for open societies. Conversely, the absence of economic growth, be it in Puerto Rico or elsewhere in the Caribbean Basin, will increase the vulnerability to social and political instability. Cuba or other hostile powers would most likely exploit such an enviroment.

In the interim, political debate within Puerto Rico will, in all likelihood, continue to focus almost exclusively on the issues of U.S.-Puerto Rican relations, that is, the status issue. Presently, no clear consensus exists; clearly, any change would entail tough choices for the American people. On the economic front, much progress has yet to be accomplished, and at times a greater sensitivity demonstrates by state-side decision makers. The enactment of the Caribbean Basin Initiative (CBI) without consultation from San Juan, or attempts to tinker with varying corporate tax provisions (e.g. Section 936) in full view of local government opposition, are indicators of how fragile the U.S.-Puerto Rican relationship really can be.

Ultimately, Puerto Rico does remain a part of the United States because an overwhelming majority of Puerto Ricans choose it to be so. And the United States has likewise stated its commitment to a special relationship with Puerto Rico. Puerto Rican will and U.S. commitment can form a unique bond, serving mutual interests: the future viability of the island as a free society and a proud culture coupled with strategic considerations and immediate geopolitical interests of the United States. Roosevelt Roads, Ramey Air Force Base, and other resources are strategically located in the northeastern quadrant and entrance to the Caribbean Sea, and represent major capabilities. These might become even more salient if one takes into account Guantanamo Bay's uncertain future status, and the changing nature of U.S. sovereignty over the Panama Canal.

I hope my colleagues will have the time to read these very important documents.●

ECONOMIC EQUITY ACT OF 1985

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, I am proud to join with my colleagues in cosponsoring the Economic Equity Act of 1985.

In the last two decades, women have made great progress in advancing their economic and social rights. The Federal Government has played an important role in the effort to eliminate the legal and structural barriers to self-fulfillment, independence, and equality for women. Despite this progress, however, women are still being shortchanged by employment, insurance, and pension policies, among others.

Women who work full time earn on the average only 59 cents for each dollar earned by men. Women with 4 or more years of college education had a median income—$20,251—slightly above that of men who had only 1 to 3 years of high school—$17,685. Women high school graduates—with no college—had a median income—$13,787—that was lower than that of men who had completed less than 8 years of elementary school—$14,093.

The principle of pay equity is the only way to correct the wage gap that exists between men and women. Pay equity will eliminate sex and race discrimination from the wage-setting process and pay women and men according to their jobs' worth. It requires that wages be based on the skill, effort, responsibility, working conditions, and other factors related to job content, rather than based on historical patterns of discrimination.

Insurance companies use sex-distinct actuarial tables and statistics to determine pricing and payment schemes in auto, life, health, disability, pension, and annuity coverage. Common insurance policies discriminate against women in availability of options. Redlining—the practice of denying insurance or varying the terms of insurance for inner-city residents and business owners—has been reported to be an ongoing practice of property and casualty insurers in certain areas of the country. This has a disproportionate impact on racial and ethnic minorities as well as women and can preclude its victims from purchasing property. H.R. 1793 would prohibit discrimination in insurance on the basis of race, color, religion, national origin, or sex.

Pension plans have traditionally rewarded long and continuous service. As a result, the greater mobility of women has meant low benefits for the few women who do receive private pensions. In 1983, older women had a median income of $5,559, as compared with the median income of older men of $9,766; 44 percent of these women had incomes of less than $5,000 in 1983. Less than 1 in 5 men had an income of less than $5,000. In 1983, more than 2.6 million older women had incomes below the poverty level.

The VIP—vesting, integration, and portability—requirements of this bill will address some of these problems. Some of these include reducing from 10 to 5 the number of years a person must work to be vested; requiring plans to provide a minimum pension benefit above the Social Security benefit; and allowing small vested pension benefits accumulated over short 5-year periods to be rolled over into portable pension accounts.

I am proud to support an act that will demonstrate the Federal Government's commitment to eliminating widespread economic discrimination against women. This legislation is long overdue.●

IN DEBATE ON SBA'S SURVIVAL, SOME SAY IT DESERVES TO DIE

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DREIER of California. Mr. Speaker, today I am submitting for the RECORD the last part of a five-part series on publicly financed small business loans, printed in the May 9 issue of Newsday. This last part provides a good overview of the issues being raised today regarding the Small Business Administration and its impact on the small business community. My reasons for printing this series in the RECORD are not to highlight the individuals who committed wrongdoings against the SBA, but to raise questions about the agency's effectiveness in promoting and expanding the interests of small business. At no other time in history has the SBA and its credit program come under such intense fire from its critics and the constituency it is designed to serve—small business. With Federal deficits threatening economic growth for small business, SBA lending programs are clearly a luxury we can no longer afford.

[From Newsday, May 9, 1985]

IN DEBATE ON SBA'S SURVIVAL, SOME SAY IT DESERVES TO DIE

(This is the last in a series on publicly financed small-business loans, the result of a 13-month investigation by reporters Brian Donovan and Bob Porterfield of the Newsday investigative team. More than 5,000 documents were examined and 120 persons interviewed. The series was written by Donovan.)

During the coming weeks in Washington, the Small Business Administration will be virtually fighting for its life and some powerful enemies say it deserves to lose.

The Reagan administration and Republican Senate leaders have proposed drastic cuts in the SBA's budget—and an end to its long-time role as a maker and guarantor of federal loans to private companies.

The agency has been attacked before, sometimes as a congressional pork barrel, sometimes for default rates as high as 29 percent, sometimes for alleged incompetence and corruption.

But this year marks the most serious challenge ever posed for the SBA—a direct assault on its main function, lending money—and the president's proposal is certain to provoke a major debate in Congress in coming weeks.

Much of that debate will center on whether the agency's lending programs are fair and whether the program's impact on the nation's economy is worth the money.

The programs' supporters, who include the chairmen of the House and Senate small business committees, say that the SBA is still fulfilling its original purpose as a lender of last resort to entrepreneurs unable to convince cautious bankers that their business plans deserve support. To cut the program as drastically as the president proposes, they say, would cost thousands of jobs and stifle individual initiative in a segment of the business economy they say produces much innovation and creativity.

The administration, however, says that the SBA helps only a small fraction of America's small businesses, that it unfairly subsidizes that small group against competitors who are also small businesses, and that many of its loans go to businesses that create few jobs, such as car lots and liquor stores, and contribute nothing to the basic competitiveness of the United States in the world economy.

The agency's critics challenge SBA loans to wealthy professionals such as doctors, lawyers and architects who can clearly finance their own needs, and they say the SBA is poorly run, makes repeated loans to prop up some shaky businesses and too often finds itself stuck with no collateral or inadequate collateral when loans go bad.

Newsday's investigation found that SBA loan programs on Long Island offer examples of some of the same problems that have troubled SBA programs across the country: loans to companies connected to underworld figures, loans to companies that made questionable payments to influential consultants, loans that were not backed by adequate collateral.

The investigation has also raised questions about the ethical sensitivity of some officials involved in the SBA program of loans granted through local development corporations—quasi-governmental boards of local citizens and officials who screen loan applicants. The SBA's counterpart in state government, the Job Development Authority, also delegates considerable authority to development corporations. In both cases, the idea is to move decision-making into the communities and away from a centralized bureaucracy, and to take advantage of the expertise of local officials and businessmen who serve on the corporations' boards. The SBA development corporation program, which would end under the administration's proposed bill, has some powerful support on Capitol Hill, and will not go gently into oblivion. One of its strongest boosters has been Sen. Alfonso D'Amato (R-NY), chairman of a Senate small business subcommittee.

D'Amato has worked closely with officials of the Long Island Development Corp., one of the country's most active, in efforts to expand the program and cut red tape. LIDC executive director Steven Gurian and board member Donald Gallagher testified at a 1982 hearing organized by D'Amato, and he praised both the overall program and the LIDC. "Projects like yours go a long way toward alleviating much of the economic distress that we have today by creating new jobs and retaining them," D'Amato said.

The SBA's lending programs also have influential allies in Sen. Lowell Weicker (R-Conn.), chairman of the Senate Small Business Committee, and Rep. Parren Mitchell (D-Maryland), chairman of the House Small Business Committee. One federal official who is closely watching the legislative tussle says, "This legislation could have 200 amendments tacked onto it before this is over. This could go on for weeks."

Among other things, the Newsday investigation found that Gurian has been involved in consulting deals and other business arrangements with borrowers that senior SBA officials said were improper, that Gallagher has had similar deals termed improper by the JDA's president, and that Suffolk Economic Development Commissioner Joseph Giacalone voted as a development corporation member for a JDA loan without disclosing that he was a partner in the real estate company selling the borrower its land.

Gurian and Giacalone have denied any conflict; Gallagher has refused to comment.

Some critics say that delegating loan authority to development corporations invites conflicts of interest, and that the corporations are inadequately policed. "A lot of federal money is put into private hands and there aren't enough checks and balances,' says Mark Smolonsky, a former Senate investigator who has uncovered numerous scandals involving SBA credit. "They are not really monitored."

But officials of other major development corporations and their professional organization say that the rules are clear and that the situations found by Newsday on Long Island are not typical of the whole system. There are 540 SBA-certified development corporations in the program under which the LIDC operates, the so-called 503 program, created in 1980.

The National Association of Development Corporation's ethics code says no certified development corporation "may be used or permit itself to be used to promote the welfare of or assist its officers . . . except insofar as they may benefit from the success" of the development corporation. Any personal deals with borrowers, the code says, must be cleared in writing by the board of directors and the SBA.

"None of our employees are permitted to have any outside jobs that are even remotely connected with real estate or financing," said Arthur Goodman, executive director of the San Diego County Local Development Crop., the nation's largest SBA affiliated loan operation.

David King, vice president of the Bay Colony Development Corp. in Newton Centre, Mass., says his agency takes great care to distance itself from borrowers. "I would never have a side contract with a company," King said. "I would consider that a direct conflict of interest. I would certainly frown upon it in anybody. Our reputation is extremely important to us. One hint of scandal and forget it, we're out of business."

The most likely casualty in the congressional fight over SBA, officials agree, is the agency's direct-loan program, which is responsible for the bulk of the loans to such businesses as car washes, restaurants and others characterized by the administration as economically unproductive. In contrast, the SBA development corporation program, like the state JDA program, at least has the advantage of having an overall philosophy behind its lending. Both programs target their loans to manufacturers who want to expand their businesses and create new jobs, and targets are set for how many new jobs will be created.

Even some liberal economists agree with Reagan budget director David Stockman that the SBA concept of handing out loans to private companies is simply bad economic policy. As a claim on the public treasury that siphons funds from worthier programs, they say, it is as discriminatory against the poor as the administration's cuts in welfare programs.

One of them is Charles Schultze. As budget director in the Johnson administration, he was one of the architects of the free-spending Great Society. Among economists he is, on most issues, a leading liberal critic of Reagan administration economic policy. "I don't see any justification for making routine loans to routine small businesses," says Schultze. "They [the SBA] are making bankable loans at less than bankable rates . . . I can't conceive that they affect more than a small fraction of small business. The process of who gets the loans becomes arbitrary."

If the administration gets its way, the SBA will lose about 2,000 of its 4,000 employees. It would be left with its functions of small business advocacy, procurement assistance, minority set-aside programs and technical assistance to small companies through a program that uses retired executives.

"As a matter of pure economics, SBA does not enlarge the national pool of business credit resources," says Stockman. "It just reallocates funds away from more credit worthy to less credit worthy firms. By definition, therefore, it reduces marketplace efficiency and national investment, job creation and economic growth by substituting political and bureaucratic judgments of profitability and risk for market judgments."

Moreover, says Stockman, SBA loans too often tend to go to the very sectors of the economy where they're needed least. Claiming that the vast majority of small businesses are formed by people who can obtain private financing, Stockman argues that SBA loans unfairly subsidize some small businesses at the expense of others.

"The overwhelming bulk of SBA credit resources, 60 percent, flow to a tiny fraction of non-credit worthy firms in mainstream service, retail and wholesale sectors," says Stockman. "These markets are abundantly populated with efficient, profitable, credit worthy small businesses which satisfy a plethora of consumer needs at competitive prices while paying the going bank rate for loans."

The business demographics of Nassau and Suffolk counties, where Newsday concentrated its investigation, would appear to support Stockman's argument. Close to 90 percent of the businesses on Long Island are classified as small businesses—a figure that has led enthusiasts to call it "the small-business capitol of the world." And Robert Cox, small business director of the Long Island Association, reports that approximately 95 percent of these businesses were started with privately generated money.

Stockman makes a classic free-market argument: Get government out of the marketplace, let companies compete, and devil take the hindmost. But to supporters of the SBA like Sen. Weicker, that position lacks compassion and is shortsighted economics. He recently told a gathering of small-business owners in Washington, "What it shows is that they are willing to trade off in a political way these ideals of entrepreneurship and competition and employment that bring you together and are responsible for the success of our economy."

A recent report by Weicker's committee concluded: "The SBA has an impressive record of providing critical assistance to large numbers of small business owners." At a hearing, he sympathetically questioned a string of successful small-business people who testified that only the SBA had been willing to help them when they were starting out, that banks had been unwilling to take the risk.

While the SBA has been the focus of the national debate, the state JDA also has some critics. Recently Newsday surveyed more than 200 companies that got JDA loans and found that two-thirds of them added fewer jobs than they projected when they got their loans. And although most JDA loans have gone to manufacturing companies that fit the authority's lending philosophy, there have been some exceptions.

Records show that the JDA helped finance a law firm and an interior decorator that bought space in an office condominium at 200 Motor Parkway, Hauppauge, that was built by Racanelli Associates, a company that has paid Gallagher as a consultant. JDA officials say those loans were approved because of support from the local development corporations that brought them to JDA: the LIDC and the Bi-County Development Corp. Gallagher is a director of both. But the JDA's president, Robert Dormer, said the authority is now discouraging such applications because he believes that such businesses don't create enough new jobs. "We've been very careful to eliminate them from consideration," he said, "not initially but now."

The JDA's critics in the state Legislature echo a theme often expressed by those who criticize federal lending programs: that there is too little attention paid to what public benefit is produced by the loans. Assemb. Arthur Kremer (D-Long Beach), chairman of the Assembly Ways and Means Committee, says there hasn't been enough analysis of these programs' economic benefits. "I think no state agency has looked at how these programs are succeeding or not succeeding in generating jobs. It is time now to look back and decide whether we are moving in the right direction."

Richard Pomp, head of the state legislature's Tax Study Commission, calls the state's job creation programs "abysmal failures," saying they "don't do what they're supposed to do and no one goes back and looks them over." Pomp added: "We should never institute a spending program without periodically, certainly annually, going back and asking is it worth continuing, did the taxpayers get what they paid for, what were the results and did the right companies get the benefits?"●

THE 70TH ANNIVERSARY OF MIDDLESEX COUNTY VOCATIONAL-TECHNICAL SCHOOLS

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DWYER of New Jersey. Mr. Speaker, it is an honor for me to bring to the attention of the House the 70th anniversary of the first county vocational school in the United States: the Middlesex County, NJ, Vocational-Technical Schools.

The programs of the Middlesex County Vocational-Technical Schools are recognized both nationally and internationally as model programs, and have helped to motivate and prepare thousands of youth and adults for careers. The school system's placement rate is truly outstanding; for the class graduating in June 1983, 83 percent were placed in jobs in the trade or occupations for which they were trained.

As the 70th anniversary of these exemplary educational programs is observed, I would like to share with my colleagues a resolution by the New Jersey Department of Education and

the Middlesex County Superintendent of Schools, paying tribute to this fine vocational education system:

RESOLUTION

A National Model Vocational-Technical Education Program for preparing youth and adults for careers.

The 70th anniversary of Middlesex County Vocational-Technical Schools 1914-15—1984-85.

Whereas, in 1914, the first county vocational school in the United States was established in Middlesex County, New Jersey; and

Whereas, the Middlesex County Vocational-Technical Schools have motivated, encouraged and prepared thousands of youths and adults for careers; and

Whereas, Middlesex County Vocational-Technical Schools have developed industrial and labor leaders; and

Whereas, labor organizations and industrial firms have contributed significantly to the growth and development of Middlesex County, the State of New Jersey, and the United States of America; and

Whereas, New Jersey and the United States are high technology oriented and recognize the need for trained employees; and

Whereas, the continued cooperation between labor, the industial/business community, and education is imperative for the continued growth of America; and

Whereas the Middlesex County Vocational-Technical Schools are highly successful in preparing young people and adults for careers and leadership roles in labor and industry;

Now, therefore, be it resolved that the United States House of Representatives recognizes the 70th Anniversary of Middlesex County Vocational-Technical Schools as the first County Vocational Schools in the United States and it is a model program for preparing young people and adults for careers as well as a model partnership program of cooperation between business, industry, labor and education that has immediate and residual benefits for students, the State New Jersey and the Nation.●

THE MEN I NEVER KNEW

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. PARRIS. Mr. Speaker, I would like to respectfully submit the following poem entitled "The Men I Never Knew," into the CONGRESSIONAL RECORD. The poem was written by a 13-year-old constituent from northern Virginia, Tom Kelly. The poem is beautifully written and I appreciate the opportunity to share it with my colleagues.

THE MEN I NEVER KNEW

As I walk down the small stone path, beyond the names
I see my reflection on the marble wall
I contemplate 58,000 names of men I never knew
Men who the enemy slew
To some, friends
To some, sons
To some, fathers
To some, husbands
To me, names
In my mind a silent moan
For men I've never known
Like a game with a very high score
The result of this terrible war
Near the memorial lies a wreath, on the ground
For a friend slained
For nothing gained
Among the names, my own, a man I've never known
Across the ocean in a country which is not free
Lives, with his gun, a boy like me
Let's hope our names will never be on stone
Or listed as unknown
A letter, near the bottom; of the wall
From a boy to his family, I love you all.

Through—my sorrow came a thought
That these men for freedom fought
Now their names are carved in stone
Names of the men I've never known.

With a sigh and a groan a man walks alone
To a name of a friend once known
In his mind a small voice, cries out
It could have been you
He is one of the men I've never known
Inside my mind a thought
Regarding those who fought
They were the men I've never known.

During my walk along the naming wall,
A veteran reading the name of a friend, with a sigh
He asks why did he die?
At the end of the wall a small group of veterans in green
Thinking of the friends never more to be seen.

The listing on the wall a tribute to courage shown
By these men I've never known.●

PROVIDE FUNDS FOR THE AGENCY FOR TOXIC SUBSTANCE AND DISEASE REGISTRY

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MOLINARI. Mr. Speaker, I have introduced a bill which would provide adequate funds for the purposes of carrying out the health effects studies mandated by section 104(i) of the Comprehensive Environmental Response and Liability Act [CERCLA]. Specifically, the bill requires that an amount equal to the lesser of 5 percent expended from the Superfund Trust Fund or $50 million, be earmarked annually to the Agency for Toxic Substances and Disease Registry [ATSDR], the Federal agency which was established, but has since been severely underfunded, to study the health effects of hazardous waste dumps. Senators HUMPHREY and CRANSTON have sponsored similar legislation as an amendment to CERCLA, both during the 98th Congress and currently as section 110 of the Senate CERCLA reauthorization bill, S. 51.

The intrinsic goal of the Superfund Program is to protect public health and the environment from exposure to toxic wastes. In our cleanup and prevention efforts, it is obviously critical that we have at least a working knowledge of the health effects which result from such exposure. We can prevent future illness and death with better scientific understanding of the dangers posed by hazardous substances. The original CERCLA legislation recognized this and established the Agency for Toxic Substance and Disease Registry, commonly referred to as ATSDR. However, this Agency has not come close to fulfilling its mandate or its potential. The bill I have introduced will reverse this trend and provide the Agency the resources necessary to carry out its objectives.

When CERCLA was enacted in 1980, section 104(i) of the act established the ATSDR to execute the act's health-related activities. The required activities were clear: health effect assessments; medical advice at toxic sites; research on the toxicological effects of human exposure to chemicals; guidelines for dump site workers; registries of exposed individuals for followup purposes; and inventories of toxic research literature. The Agency's mandate was, therefore, twofold: To provide immediate health-effect assessments and advice and, to develop a comprehensive body of data analysis on the extent of the health threat posed by NPL sites.

To date, the ATSDR has been unable to fulfill these directives. Indeed, the agency was not even established until an out-of-court settlement forced the Department of Health and Human Services to create a separate agency in April 1983.

The ATSDR has repeatedly been obstructed from achieving its goals. Virtually every fiscal year since its inception the Agency has been denied by OMB the funds necessary to do its job. For example, for fiscal year 1983, the Agency requested from HHS a budget of $21 million dollars. By the time the request reached the Congress, OMB had cut that request by 84 percent, down to $3.2 million. In fiscal year 1984, ATSDR requested $6.4 million, only to have that request reduced to by 71.4 percent, to $1.9 million; in fiscal year 1985 the Agency's funding request was cut by 56.8 percent—from $22 million to $9.5 million.

Consequently, ATSDR has fallen far short of its goals:

The Agency has not yet established registries of persons exposed to toxic substances. Exposure registries are essential for detecting changes in health, particularly over the long term.

Only eight site-specific epidemiological studies have been completed since the inception of ATSDR and three of these studies had already begun long before the Superfund was enacted.

ATSDR has yet to list areas closed to the public or otherwise restricted due to toxic contamination.

No new research on the toxicological effects of human exposure to chemicals has been undertaken.

Such performance was certainly not the intent of Congress in establishing a separate agency to carry out the vital role of studying the health effects of toxic exposure.

While ATSDR's past funding requests were merely for startup costs and to keep the Agency going, the Agency now projects that its costs will substantially increase as it attempts to carry out health assessments and epidemiological studies at the ever-growing number of Superfund sites. ATSDR estimates that for 1986 it will need about $25 million for its daily inhouse activities such as the basic operations associated with responding to day-to-day requests and emergency situations, testing, inventories, registries and other programs outlined under 104(i). Additionally, ATSDR must conduct more extensive, separate long-term health effects studies. The agency estimates the cost of these studies to be about $15 million. Currently, for these separate studies, ATSDR must submit separate requests to EPA for funding. Consequently, reimbursement for such ongoing research has consistently been withheld or only partial. This has precluded the Agency from pursuing further and more extensive research so crucial toward understanding the relationship between exposures to toxic substances and illness. On top of these responsibilities, the Agency must also conduct many new health assessment studies under the recently enacted RCRA statute. Let me also point out that the EPA predicts that by the end of 1990, emergency cleanup actions at over 1,700 sites will have been undertaken. Health effects studies will be needed around these sites. In light of these accelerated activities and the fact that a full epidemiological study costs approximately $0.5 million, the funds earmarked by this bill seem modest.

The ATSDR is operated by responsible individuals with a strong commitment to protecting public health. It is time that we provide them with the resources to fulfill that commitment. This bill would ensure the Agency adequate resources to do its job and I urge my colleagues to work with me to obtain its passage.●

DISMANTLE THE SMALL BUSINESS ADMINISTRATION

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DREIER of California. Mr. Speaker, in recent weeks I've made mention of the enormous groundswell of support in my California district for my efforts to dismantle the Small Business Administration. This support has come from community business leaders, as well as a considerable number of small business owners who see the Federal deficit as the overwhelming issue which threatens economic growth and stability for small business.

Because there are still many of my colleagues here in Congress who continue to argue that the small business community depends on SBA or is better off because of it, I would like to submit for the RECORD the following three letters I recently received from local business leaders in and around my district. The first one is from Beverly Hall, legislative chairperson for the Walnut Valley Area Chamber of Commerce. The second is from Steve Miller, president of the Covina Chamber of Commerce. These two chambers are among the many that have contacted me to add their support to my bill, H.R. 1461, to eliminate SBA credit programs and transfer the agency's noncredit programs to the Department of Commerce. The third letter is from Rich Jett, president of Empire Bank, an independent bank in Rancho Cucamonga, located outside my district.

These are just three more examples of the community support I have received for discontinuing the SBA and its inefficient loan programs. We should heed their words because they are the true representatives of small business, not the local bureaucrats who insist that they know what's best for small business.

WALNUT VALLEY AREA
CHAMBER OF COMMERCE,
Walnut, CA, April 25, 1985.

Congressman DAVID DREIER,
112 North Second Avenue,
Covina, CA.

DEAR CONGRESSMAN DREIER: On behalf of the membership of the Walnut Valley Area Chamber of Commerce, I would like to add our support to your bill H.R. 1461, the Small Business Advancement Act of 1985.

We agree with your position that eliminating the credit programs of the Small Business Administration will not impact the majority of our nation's small business sector. In fact, we believe that the direct and guaranteed loan programs of the SBA benefit a very, very nominal sector of the business community while bringing a significant cost to our federal budget.

As members of the business community, we endorse your introduction of H.R. 1461 and will encourage our membership to lend their collective and individual support.

Sincerely,

BEVERLY HALL,
Legislative Chairperson.

COVINA CHAMBER OF COMMERCE,
Covina, CA, April 18, 1985.

U.S. Congressman DAVID DREIER,
Covina, CA.

DEAR CONGRESSMAN DREIER: The Covina Chamber of Commerce has studied the proposal contained in your Bill HR 1461 concerning the transfer of the S.B.A. functions to the Treasury and Commerce Departments. We feel it is very important to reduce the growth in federal spending and reduce the federal deficit without additional tax increases.

We support the elimination of the Direct Loan Program and the Loan Guarantee Program. We feel that the S.B.A.'s non-lending programs can still be effective in the Dept. of Commerce, as a result we feel HR 1461 will make progress in that direction.

Sincerely,

STEVE MILLER,
President.

EMPIRE BANK,
April 30, 1985.

Hon. DAVID DREIER,
U.S. House of Representatives, Cannon Building, Washington, DC.

DEAR DAVID: Personally, as a banker and a consumer, I believe our nation must get its financial house in order during the 80's, or the 90's will see greater economic disarray than can be imagined. And the S.B.A. is most definitely an unnecessary and wasteful example of bureaucracy that should be abolished. Although I am sure the original intent was noble and worthwhile, it has subsequently developed into a "source of government guarantees for loans which should never have been nor should be made." And I speak from experience, for I must ashamedly admit that I possibly might have unintentionally used the system for just such reasons.

Thanks again for all that you are doing to reduce the Federal Budget deficit.

Sincerely,

RICH JETT,
President.●

WITHOUT CONSERVATION, WASHINGTON AND OREGON WILL END UP WITH IDAHO'S BEST SOIL

HON. LARRY E. CRAIG

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. CRAIG. Mr. Speaker, Senator STEVE SYMMS of Idaho wrote an article concerning the importance of soil conservation programs to the nation and to the farmer. The article appeared in the Idahonian Daily News on April 3, 1985, which appears below:

[From the Idahonian Daily News, Apr. 3, 1985]

WITHOUT CONSERVATION, WASHINGTON AND OREGON WILL END UP WITH IDAHO'S BEST SOIL

(By Steve Symms)

Our agricultural lands and soils are being lost to erosion at an alarming rate.

According to the Soil Conservation Service, erosion in Idaho since 1960 is directly responsible for a $60-million loss in production in 1984 alone. The present value of that lost production over the next 25 years is $198 million, if erosion doesn't worsen in the next two or three decades.

In part, this soil loss has resulted from intensive cultivation practices encouraged by our government farm policies and current market conditions. These policies must be addressed by Congress.

If you have ever seen our rich northern Idaho top siols being washed by rain down a highway, you will understand why I am concerned. For some 45 years, Washington has cooperated with farmers to solve this problem and although the Soil Conservation Service and other agencies are to be commended, we must do more.

Today, much of our needed soil conservation work involves maintenance. The problem is not solved once conservation practices and programs are instituted—maintenance is an ongoing chore. In fact, much of the cost of soil conservation merely helps keep existing programs in place.

As an Idaho farmer, I realize that the current economic squeeze makes it difficult to carry out long-term conservation programs. The federal government must bear much of the blame for the sad state of our farm economy. Closed foreign markets, unrealistic interest rates, and poor credit policies have resulted in widespread farm depression.

If this situation continues, the bankers may own Idaho's farms, but Oregon and Washington will own our soils.

Among the important issues Congress will debate this year will be a new Farm Bill and lowering interest rates by reducing the deficit. Without a doubt, the importance of soil conservation will be reflected in the debates over both these issues.

Much of the work in Washington this year will be to keep our Idaho soil conservation efforts from losing ground.●

REPAYMENT OF CONSTRUCTION-DIFFERENTIAL SUBSIDY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BIAGGI. Mr. Speaker, I rise to introduce legislation dealing with the repayment of construction-differential subsidy.

From 1936 to 1981, this program subsidized the cost of constructing vessels for the foreign trade so that U.S. operators could obtain their vessels at approximately the same cost as their foreign competitors. Since there is no foreign competition for the carriage of goods between U.S. ports, these subsidized vessels were excluded from the domestic trade, except in very narrow circumstances for short periods of time.

In the 1970's, the Maritime Administration approved a proposal by a subsidized company that permitted the company to repay its construction-differential subsidy and permanently operate in the domestic trade. That decision gave rise to numerous lawsuits, including a trip to the U.S. Supreme Court. However, the authority of the Government to accept repayment and permit an operator to permanently enter the trade was eventually upheld.

Last week, the Department of Transportation issued regulations that will permit all subsidized tankers to repay their construction-differential subsidy and permanently enter the coastwise trade. These subsidized tankers are suffering because of the worldwide oversupply of oil tankers. They need additional income from the domestic trade if they are to survive, however, if these vessels are permitted to enter the trade en masse the domestic operators presently in the trade allege there will be substantial overcapacity, which will drive them out of business.

In light of these very serious claims, I have scheduled a hearing of the Merchant Marine Subcommittee on May 23 to examine this matter. As a possible compromise, I am today introducing legislation that would grant the subsidized operators authority to engage in the trade for 1 year out of every 2. My hope is that by admitting the ships for limited periods of time we will minimize the damage to the domestic operators. This legislation will also benefit subsidized operators by reducing the amount they must pay by one-half and by eliminating the costly and complex ad hoc adjudicatory hearings that precede a temporary entry into the trade.

There are numerous benefits to the Federal Government and general public. The primary benefit is the payment of $200 million, which will reduce the need for additional appropriations for maritime programs. Additionally, this will reduce the Government's regulatory responsibility and ODS [operating differential subsidy] payments. Hopefully, it will result in lower transportation cost of Alaskan oil.

The Department of Transportation has expended a great deal of time and funds to develop this rule. They view it as a reasonable compromise, which takes into account the needs of both the subsidized and domestic operators. Despite their efforts to balance the competing interests, domestic operators are still objecting to the regulation, the scheduled hearing will offer an opportunity to develop an approach acceptable to all affected parties. The time to act is limited since the rulemaking will take effect in early June. As the committee deals with contruction-differential subsidy repayment our goal is to develop a fair system meeting the needs of CDS and domestic operators.●

ALCOHOL CONSUMPTION; KNOWING THE FACTS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. SOLARZ. Mr. Speaker, the need for comprehensive public awareness about the effects of alcohol use is clear. In recent years, numerous organizations and public interest groups have promoted vigorously the importance of responsible alcohol consumption. As a result, increasing numbers of people have benefited from a wealth of information detailing the potential devastation that can be wrought by the excessive use of alcohol. Deaths have been prevented, and disrupted families have been reunited as a direct result of an increase in alcohol awareness. I believe it is vital to the health and well-being of all those who use alcohol products that a balanced and complete message be conveyed to the general public so that people will be able to make informed choices with regard to alcohol use.

I recently learned that an effort by Joseph Seagram, Inc., to contribute to this public service campaign was thwarted by the three major television networks. Each refused to air a message about the relative intoxicating effects of beer, wine, and distilled spirits. Claiming that such an airing would violate laws prohibiting the advertisement of spirits, the networks declined to sell Seagram's airtime despite the company's willingness to remove their name entirely from the commercials. Seagram's made it perfectly clear that the purpose of the advertisements was not to promote their products but to participate in the public spirited effort to provide as much information as possible about alcohol products.

The advertisement brings to light the fact that one standard serving of beer (12 oz.), wine (4 oz.) and distilled spirits (1¼ oz.) contains the same amount of alcohol and, therefore, have exactly the same intoxicating effect. The common misconception among the majority of the American people is that one drink of gin or whisky is far more harmful than a similar serving of beer or wine. In order to drink responsibly, everyone must know that no matter what type of alcohol they consume the consequences are the same.

Given the dangers of excessive use, it is essential that the American public receive all the facts about alcohol. By clarifying misconceptions and increasing awareness, we can be assured that alcohol users will be able to make more responsible decisions about what and how much they drink. The networks are doing a tremendous disservice by preventing the dissemination of information pertinent to the current public awareness effort. It is in the best interest of us all to be in possession of the most complete information as possible.

It is my hope that the networks reconsider their decision not to broadcast these commercials. Similar advertisements have appeared in numerous responsible publications including Time, Newsweek and U.S. News and World Report. Since Seagram's does not seek to promote its products through this message, the result of airing the commercials can only be a positive one and well within the restrictions of broadcasting requirements. The failure to elucidate any misconceptions about alcohol can only contribute to the public misunderstanding that hampers the goal of responsible drinking by all.●

A CALL FOR CHANGE IN TEACHER EDUCATION

HON. HOWARD C. NIELSON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. NIELSON of Utah. Mr. Speaker, last February the National Commission for Excellence in Teacher Education released a report entitled "A Call for Change in Teacher Education." The commission, which was administered by the American Association of Colleges for Teacher Education [AACTE] was funded in part by the U.S. Department of Education. It was formed to asses the status of teacher education and to make recommendations for changes in teacher education programs, the overall system for teacher preparation and certification, and in the teaching profession itself. I was the only Member of Congress to serve as a member of the Commission which included Governor Graham of Florida, Mary Futiell of the National Education Association, Ablert Shanker of the American Federation of Teachers, Joan Parent of the School Boards Association and many professional educators. Although the backgrounds and positions of the members of the commission were diverse, there was a consensus among the members that it is time to reassess and improve our Nation's teacher education programs. Because of the expense of entering the entire report in the CONGRESSIONAL RECORD I am submitting the 16 recommendations. I urge the members to read the entire report. The recommendation follow:

First, admission to and graduation from teacher education programs should be based upon rigorous academic and performance standards.

Second, the State, in concert with the Federal Government, should launch a nationwide campaign to recruit qualified candidates into the teaching profession.

Third, special programs should be developed to attract capable minority teacher candidates.

Fourth, each teacher education program should be an exacting, intellectually challenging integration of liberal studies, subject specialization from which school curricula are drawn, and content and skills of progressional education.

Fifth, following their completion of a teacher education program and the awarding of a provisional certificate, new teachers should complete an induction period or internship of at least 1 year's duration for which compensation is provided.

Sixth, States should encourage and assist the development and evaluation of experimental teacher education programs.

Seventh, certification and program approval standards and decisions should continue to be State responsibilities in consultation with the profession.

Eighth, States should maintain and strictly enforce rigorous standards for program review. Voluntary national accreditation should be strengthened and made to serve as a means for improving teacher education.

Ninth, teacher education programs should continue to be located in colleges and universities.

Tenth, sufficient resources must be assigned to teacher education to provide thorough, rigorous programs.

Eleventh, Federal and State governments should provide support and encouragement for the further development, dissemination, and use of research information in education and teacher education.

Twelfth, a National Academy for Teacher Education should be established, to which promising teacher educators could be nominated for postgraduate traineeships.

Thirteenth, teachers' salaries should be increased at the beginning of and throughout their careers to levels commensurate with other professionals requiring comparable training and expertise.

Fourteenth, teachers' responsibilities and working conditions should be commensurate with the requirements of the job.

Fifteenth, teachers should be provided professional development opportunities and incentives so that they can consistently improve their practice.

Sixteenth, administrator preparation should be extended, focusing on instructional leadership and on the creation of conditions for professional practice for teachers.●

ANNUAL BANQUET OF THE YESHIVA OHR ELCHANON-CHABAD

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. WAXMAN. Mr. Speaker, on June 3, 1985, the Yeshiva Ohr Elchanon-Chabad will hold its annual banquet. This year the guests of honor will be two outstanding philanthropists, Bernard and Eva Raab. I want to bring to the attention of my colleagues and the American public some highlights of the tragedies and triumphs through which Mr. and Mrs. Raab have passed in their long journey from prewar Poland to Los Angeles.

As we prepare to honor Bernie and Eva Raab, we should reflect for a moment on who they are and how they became such dedicated members of the Chabad family and the Los Angeles Jewish community.

Bernie was born in Szczahowa, a part of Poland historically considered German by German leaders. He was the youngest of three sons born to Emil and Bertha Raab. He studied in the Radomsker Yeshiva until the start of World War II. He tried to escape the Nazi onslaught by running to the eastern front, but was captured and sent to a labor camp along with hundreds of other able-bodied young men whom the Germans considered to be ethnic Germans.

The Raab family was nearly destroyed during the Holocaust. Bernie's parents perished in Auschwitz; his oldest brother was murdered by the Germans in eastern Poland. His younger brother survived the war with Bernie's help but did not live to reach the promised land.

After the war, Bernie returned to his home region in Poland in search of close relatives. He found no one. He did, however, meet Eva Nussenfeld, his future bride.

Eva was born in Jaroslaw, Poland, the youngest of three brothers and two sisters. When the war overtook her family, all were sent to Novosibirsk, Siberia, where they remained until 1945. After the war, they briefly resettled in Breslau, Poland, then Ebensei, Austria, and finally in Munich, under U.S. control. She enrolled in a trade school run by the Organization for Rehabilitation and Training [ORT], which is where she met Bernie. They married, and 3 months later came to the United States, settling in Los Angeles.

Postwar life in America was difficult. Once reestablished, however, they began what has become nearly four decades of helping people less fortunate than themselves. In the face of the Holocaust, they determined to rebuild the Jewish community by advancing the education of children and improving community relations and standards. Both Bernie's and Eva's parents were pious and generous, imbuing their children with the concept of Tzedekah, of helping their fellow human beings. Both Bernie and Eva strive to foster the same feelings and attitudes in the children of generations to come.

The Raabs have been married for 36 years and have two children. Dr. Mel Raab is an engineer; he and his wife Jan have a 1-month-old daughter. Dr. Giselle Raab is a dentist.

Among Bernie's many organizational affiliations, he is vice president of Beth Jacob Congregation where he is a former vice president, board member, and chair of the House Committee. He is a member of the Prime Minister's Club of the Israel Bonds Organization. Both Bernie and Eva are among the founders of the Simon Wiesenthal Center. Bernie has also served on the boards of the Hillel Hebrew Academy, Rambam Torah Institute, and Judea Congregation.

Through their family owned business, they have constructed food service facilities for the Westwood Chabad House, Yeshiva Ohr Elchanon-Chabad, B'nai Akiva—Camp Moshava, Yeshiva University of Los Angeles, and Kfar Pines—Israel. The Raabs also financially support the National Conference of Synagogue Youth, Yeshiva University of Los Angeles, Bais Yaakov, Yeshiva Rav Isaacson, the Religious Zionist Association, and the Jewish Federation-Council of Greater Los Angeles.

By building Chabad House kitchens, the Raab's helped students and visitors study their heritage in a modern and comfortable atmosphere.

All of these projects were undertaken by the Raabs in order to perpetuate the names and memory of Mr. Raab's parents—Melech and Bluma Raab—and his brothers—Chaim Moshe and Avrohom Yaakov—who perished in the Holocaust.

Through their acts of tzedakah, they honor, preserve and protect the past; they create the present; and they ensure the future.●

THE ECONOMIC EQUITY ACT OF 1985

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FLORIO. Mr. Speaker, I am pleased to join my colleagues, PATRICIA SCHROEDER and OLYMPIA SNOWE, as an original cosponsor of H.R. 2472, the Economic Equity Act of 1985. This comprehensive legislative package seeks to address several of the most basic forms of discrimination against women on the basis of their gender.

Increasingly, financial security is becoming a dream of the past for more and more women. The instability of the marketplace and the cuts in social services over the past 4 years have certainly contributed their share to decreased opportunities for women in the labor force and in the home. Discrimination on the basis of sex is rampant in the insurance industry, in the tax structure, in retirement security, in dependent care, and in employment. Currently, a woman earns 59 cents for every dollar a man will earn in the labor force.

The Economic Equity Act of 1985 includes legislation that will ensure economic equity for women by providing retirement security for women as workers and as divorced or surviving spouses. It would make quality dependent care available to all working families. It would improve health care coverage for displaced homemakers and provide for equal opportunity employment and pay equity for women. This package also proposes changes in our tax structure to treat women and low-income families more equitably.

I would like to call the attention of my colleagues to one particular component of the Economic Equity Act of 1985 which addresses the unfair discrimination of women in the insurance industry. As chairman of the House Energy and Commerce Subcommittee on Commerce, Transportation, and Tourism, I have had numerous opportunities to review the inequities present in common insurance policies because of gender-based rates.

Because insurance companies use sex-distinct actuarial tables and statistics to determine pricing and payment schemes in insurance coverage, the average American woman will end up paying $16,000 more in her lifetime than the average male for the typical forms of auto, medical, disability, life, and pension insurance coverage. Most frustrating of all, sex discrimination in insurance policies persists despite court cases indicating that it constitutes unfair discrimination. In September 1984, the Pennsylvania Supreme Court ruled that gender-based insurance rates rely on and perpetuate stereotypes and violate the State Equal Rights Amendment. Despite this ruling, the Pennsylvania insurance commissioner has declined to implement the decision and has opted instead to hold public hearings on the issue. The four States of North Carolina, Massachusetts, Hawaii, and Michigan have already implemented unisex auto rates with no disastrous consequences for consumers and no major marketplace disruptions. They are to be commended.

These are the facts: men over 25 years old drive, on the average, 30 percent more miles per year than women over 25. Men over 25 have 38 percent more accidents per year than women over 25. Despite this, women over 25 pay the same rates that men over 25 do. The women are, in effect, subsidizing the unsafe driving habits of the men that have this larger number of accidents.

Men over 25 years of age drive 87 percent more miles than women between the ages of 16 and 24. Men over 25 have 10 percent more accidents than women in the 16 to 24 age bracket. And yet, women in this age bracket pay more than men over 25.

Logic would indicate that insurance rates in the auto industry should be based on the driving record of the individual and the mileage performed. However, logic is replaced by discriminatory actuarial tables and statistics.

This Congress, I joined Energy and Commerce Committee Chairman JOHN DINGELL and Representative BARBARA MIKULSKI in introducing H.R. 1793, the Nondiscrimination in Insurance Act. This legislation prohibits discrimination in insurance on the basis of race, color, religion, national orgin, and sex. I am pleased to note that this legislation has been included in the 1985 Economic Equity Act.

Only when we begin to address the fundamental inequalities built into our economic system can we eradicate the practice of discrimination on the basis of gender. I am proud to be a cosponsor of this far-reaching legislation and urge the support of my colleagues in this effort.●

FISHERY RESOURCE CRISIS ON THE KLAMATH RIVER

HON. DOUGLAS H. BOSCO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BOSCO. Mr. Speaker, today I am introducing legislation aimed at addressing the fishery resource crisis on the Klamath River in California. This measure is designed to take a comprehensive approach to the problem by authorizing both a $73 million river restoration program and the creation of a new harvest regulatory and enforcement authority on the Klamath River.

Last year Congress approved and President Reagan signed a $57 million fish and wildlife restoration program for the Trinity River, the major tributary to the Klamath River. Designed to help mitigate the serious effects of water diversions, inadequate erosion control, and other practices, the Trinity Fish and Wildlife Restoration Program when fully implemented should help restore much of the environmental and economic health of the Trinity River Basin. However, much work remains to be done in the entire Klamath River Basin—which includes the Trinity Basin—if the salmon and steelhead populations are to be restored to a level which can sustain a healthy in-river and ocean fishery.

The Klamath and Trinity Rivers provide fishery resources necessary for Indian subsistence and ceremonial purposes, as well as for ocean commercial harvest and recreational fishing. The health of many local economies is inextricably tied to the health of the basin's salmon and steelhead resources. Unfortunately, the Klamath-Trinity salmon and steelhead populations have declined by nearly 80 percent from optimum historic levels. In fact, the total number of chinook salmon spawning in the Klamath system in 1984 dropped to an estimated 22,500 fish—less than 20 percent of the goal established by the Pacific Fishery Management Council.

The reasons behind this major decline are many. First, the construction and operation of dams, diversions, and hydroelectric projects as well as past mining, timber harvest practices, and roadbuilding have all contributed to a significant reduction in fishery habitat. In addition, ineffective management of the in-river Indian gill net fishery, inadequate enforcement of fishery harvest regulations, and overlapping Federal, State, and local jurisdictions have severely hampered efforts to conserve and enhance the rivers' fishery resources. Last year Indian gill net fishermen caught nearly one-half of the salmon attempting to make their way up river to spawn. In several important respects, the legislation that I am introducing today will, I believe, go a long way toward ameliorating many of these problems by recognizing that habitat restoration, and more effective harvest management and enforcement go hand in hand.

First, this legislation would establish a 20-year fisheries restoration program based on a recent plan prepared for the Bureau of Indian Affairs. Priority in hiring for the restoration work would be given to unemployed area Indians and ocean commercial fisherman.

Second, a new Klamath River Basin Fisheries Task Force would be established to oversee the restoration program and to develop a comprehensive management plan for in-river fisheries. The task force would have exclusive regulation of the Indian in-river net fishery while recommending in-river sport fishing regulations to the California Fish and Game Commission. The task force is also required to coordinate its actions with the Pacific Fishery Management Council to prevent overfishing.

Last, in order to strengthen and facilitate the enforcement of Klamath fishery harvest regulations, the Secretary of the Interior would be directed to enter into an agreement with the State of California establishing a more effective and responsive means for joint enforcement. The Bureau of Indian Affairs current enforcement role on the river would be eliminated.

Mr. Speaker, dwindling fishery habitat and ineffective management and enforcement of harvest regulations have created crisis resource conditions on the Klamath. This in turn has exacerbated tensions between the user groups and made agreement on possible solutions that much more difficult. I am convinced that only an immediate, comprehensive approach can reverse this trend and lead to a restoration of the Klamath's fishery resources. I believe that this legislation does this, and I urge my colleagues to pass it without delay.●

CLEAR COMMUNICATION

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BATES. Mr. Speaker, today I am introducing legislation to statutorily prohibit willful or malicious interference to radio communications or signals. This bill prohibits such interference by any person to any station or signal authorized under or by the act and authorizes the FCC to prevent continued interference. The bill clarifies and strengthens existing law.

Recently the Federal Communications Commission [FCC] has noted a significant increase in the number of complaints concerning willful or malicious interference to radio signals. Constituents in my district have experienced severe problems with willful and malicious interference. Just one individual can prevent effective communication by many other persons wishing to use a channel.

This willful interference to authorized communications is not only annoying to radio operators, it can be very dangerous: a call to an ambulance may not be received because of interference on the line, or the pilot of a plane may not receive necessary instructions for landing at a crowded airport.

Existing communications law must be clarified and strengthened so that such interference can be stopped in a timely fashion and properly penalized. For that reason, I have introduced legislation to prohibit such willful and malicious interference to radio communications or signals. This bill is supported by the Federal Communications Commission and the American Radio Relay League. Senator BARRY GOLDWATER has introduced similar legislation in the Senate, S. 66.

This bill is desirable because the present law is not comprehensive or clear. Although section 303(m)(1)(E) of the Communications Act appears to prohibit willful or malicious interference, it may only apply to FCC licensees and only authorize suspension of an operator's license. Therefore, my introduction of this bill is not to be interpreted as evidence that such activities are not now prohibited under domestic law. The purpose of this bill simply is to clarify and strengthen existing law because even a little uncertainty inhibits the desirable protective effect of a clear prohibition.

Mr. Speaker, I think the enactment of this bill also would substantially assist the Commission in curtailing willful and malicious interference by elevating such activity to a criminal offense.

Section 1 of this bill assigns this criminal penalty to any person willfully and maliciously interfering with any radio communication or any station licensed or authorized by or under this act or operated by the U.S. Government. In the event that a licensed or authorized station were interfering with a pirate station or a signal from a foreign country, the licensed or authorized domestic station would not be subject to prosecution under this section.

Section 2 of this bill is merely a technical amendment to correct a section number of the Communications Act. It would renumber one of two identically numbered sections passed 2 years ago.

Mr. Speaker, let me say that I hope that word of this legislation and its passage will be sufficient to convince those that engage in these objectionable activities to cease doing so. Otherwise, I expect the FCC to use these provisions aggressively to eliminate the increasing number of willful and malicious interference problems which are seriously impairing effective communications.●

SCHOOL INTEGRATION IN BUFFALO IS HAILED AS A MODEL FOR THE UNITED STATES

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. NOWAK. Mr. Speaker, last year Congress enacted and the President signed legislation providing for a modified Emergency School Aid Act continuation. This program had proven invaluable in aiding local schools districts struggling to conform to court-ordered integration with limited local resources.

Although $75 million was appropriated last fall for the Magnet Schools Program under this act, the Department of Education has been dragging its heels on providing these much-needed funds to qualifying school districts. After considerable congressional pressure, DOE just this month began mailing forms to applicants, and still has not issued final regulations.

Magnet schools have been demonstrated to be one of the most effective tools available in achieving the twin goals of school desegregation and excellence in education. Schools like those in Buffalo, NY, are cited as models for the magnet school concept, yet they are suffering from the lack of Federal support to implement Federal policies.

The Department of Education should end this delay promptly, and

distribute the funds that have commanded bipartisan support. The following article from the New York Times of May 13, 1985, describes the merits of the program in Buffalo.

SCHOOL INTEGRATION IN BUFFALO IS HAILED AS A MODEL FOR UNITED STATES

(By Michael Winerip)

BUFFALO.—Four years after a Federal judge ordered forced busing, the Buffalo public schools have come to be considered a national model of integration.

Moreover, educators say, the schools here are the better for integration.

"The best thing that's happened to Buffalo is court-ordered desegregation," said the Superintendent of Schools, Eugene Reville. "We've restored confidence in Buffalo public schools."

Of the 531 school desegregation programs that James Barnes has been involved with as director of the Hartford-based National Education Strategy Center, Buffalo, he said, "is right at the top, right at the very top."

Integration has worked, national educators said, because parents and teachers received a major role in designing the city's 22 magnet schools; because millions of dollars in extra Federal funds were available to make the magnet schools special, and because a Federal judge brandished a court order that kept things moving.

School officials sold integration in Buffalo, which is about 40 percent black, by promising a better school waiting for children at the end of the bus ride.

They spent tens of millions of dollars creating 43 full-day prekindergarten programs that hooked many parents on public schools early. And they set up magnet schools reflecting virtually every philosophy in education, from the progressive to the traditional.

The "velvet steamroller" is how it is described here, where school officials have crafted a system of magnet schools so appealing that of the 30,000 students who were bused four years ago, only 15 percent had to be ordered onto buses by the Federal judge. Nearly one of every three Buffalo schools is a magnet school.

The magnet-school idea was first tried in this country in the late 1960's to ease desegregation in Detroit. The goal was to create schools so special that students would be pulled—as if by magnets—from all parts of the city, even if it meant riding a bus.

Magnet schools have always worked best where there is the threat of court-ordered busing, said Gordon Foster, director of the Miami Desegregation Center, a nonprofit federally financed institute. "Buffalo's a prime example," he said.

Judge John T. Curtin of Federal District Court, who has presided over the integration case, said: "I'm distressed by people who make statements nationally that integration doesn't work. It does work. It's plain wrong to say it won't. It's worked in Buffalo."

Integration was a long time coming here. Twenty years ago the New York Commissioner of Education made the first of many unsuccessful attempts by the state to persuade the schools to desegregate.

Nine years ago, after black leaders filed a Federal suit, Judge Curtin stepped in and issued his first desegregation order; eventually there would be four. In the first phase, magnet schools were opened; in the last, the judge ordered busing to complete the integration.

And there are still some problems: Federal and local cuts in funds threaten magnet programs; teachers at nonmagnet schools complain that their programs are neglected, and a few of the city's 75 schools remain segregated.

IMPROVEMENTS IN SYSTEM SERVE AS MODEL FOR OTHERS

Today everyone, from the black leaders who filed the Federal suit to white parents who swore their children would never ride a bus, agrees the results are impressive.

Test scores are up. While in 1976 the average Buffalo third grader scored at the 45th percentile in mathematics on the state pupil evaluation test, the average score five years later was at the 69th percentile.

And this year Buffalo has the only educational system in New York with two schools on the State Education Commissioner's list of 20 top secondary schools. One of those Buffalo schools, is the science magnet, or the Zoo School, which, no matter how it sounds, is unique—a school at the Buffalo zoo with a curriculum built around zoo animals.

Several months ago two dozen Japanese educators flew to Buffalo to see how such magnet schools work, and they were followed last month by a dozen superintendents from southern school districts.

A few weeks ago, when a United States Justice Department lawyer involved in the prolonged school desegregation suit in Yonkers was looking for programs that might work there, he visited Buffalo.

Each year for the last five years, 300 to 400 white children have left private and parochial schools here to attend integrated public schools.

Those children have helped balance a slight growth in the city's black population. When Judge Curtin intervened nine years ago, the schools were 43 percent black; now they are 47 percent black. Integration has not caused the dramatic white flight experienced in other cities.

These days Buffalo school officials say their biggest worry is not protests about busing or racial conflict, but fighting the fund cuts that threaten magnet-school programs.

In 1981 Buffalo received $7.4 million in Federal desegregation funds, the most of each student of any system in the country. But that dropped to $950,000 the next year, with Reagan Administration budget cuts, and while the state has increased desegregation aid to Buffalo, it is still well below the 1981 level.

APPEAL OF MAGNET SCHOOLS STARTS WITH THEIR VARIETY

Variety has made the magnet schools work. Buffalo now has the largest public Montessori school in the country, and it has Traditional High, where there is mandatory nightly homework and a dress code (shirts with collars for boys, no earrings for boys, and no jogging suits for boys or girls).

Nor did Buffalo limit its magnet schools to the academic elite. Admission to the Zoo School is by lottery; 70 percent of the zoo students are considered poor and get federally subsidized lunches.

Officials took East High School, an all-black inner-city school once considered among Buffalo's most troubled and spent $4 million turning it into the Buffalo Vocational-Technical Center, which today is an integrated school with a long waiting list.

When Denise O'Mara, a white high-school junior from the Irish section of town, heard she would be riding a bus to Voc-Tech, she was delighted—it meant she had been accepted to the word-processing computer course she wanted so badly. She does not remember the time in the late 1970's when there were no whites in the school.

But the principal, Bill Bennett, remembers. "This will only continue if we can keep our equipment up to date," he said, "You can't update unless you have bread. Money is everything, everything is money."

Judge Curtin remembers, too, and is openly critical of the Reagan Administration's recent attempts to block Federal funding for magnet programs. Last year Congress appropriated $225 million for magnet schools, but the money has not been allocated by the Federal Department of Education.

Last week Senators Daniel Patrick Moynihan, a Democrat from New York, and Orrin G. Hatch, a Republican from Utah, led a bipartisan protest that helped to get the application process for those funds going. But when the money will be available remains unclear, according to a spokesman for Senator Moynihan.

"Of course it's discouraging," Judge Curtin said in an interview in his chambers. "It could be a terribly disastrous thing."

The schools have been a bright spot for a city—New York State's second largest—that has had more than its share of troubles. Since the closing of the Bethlehem and Republic steel plants in the late 1970's, unemployment has been high, and many of those who could afford to left the area.

The population is 325,000 today, half what it was in the 1950's. And of the five largest cities in New York State, Buffalo has the highest percentage of people below the poverty level—$10,610 in yearly income for a family of four. Even with the extra desegregation aid, the spending for each pupil here is about 15 percent below the state average.

"In a community like ours, we've had a number of setbacks," Judge Curtin said. "The one thing I'm convinced, the school system is much better than 10 years ago or 20 years ago."

SMALL VICTORIES WON IN SCHOOLS AND AT HOME

It was the power of the magnet schools that converted Carol Holz from a leader of the South Buffalo Antibusers 10 years ago to an enthusiastic supporter of integration today.

For the longest time, Mrs. Holz said, she had prayed to St. Jude—the Roman Catholic patron saint of impossible causes—asking that her children never be bused out of their Irish working-class neighborhood. She and her husband, Dick, went to hundreds of meetings and promised trouble if their children were bused into black innercity and East Side neighborhoods.

And then one day several years ago, she said, one of her sons came home and told her about a new magnet school he wanted to attend. "It was devastating," Mrs. Holz said. "Here I was opposing busing, because I was trying to do what's best for my kids, and they were telling me something different."

In time, she said, she was willing to give the magnet schools a try, but she still had a problem: "My problem was 'How will I tell Dick?' "

The day she broke the news to her husband, a steelworker, sitting right in the room with them, giving moral support, was the associate superintendent of schools, Joseph Murray.

"Dick said, 'We'll try it, but if one thing happens to my kids. . . .' " Mrs. Holz recalled.

BEST COPY AVAILABLE

Mr. Murray knew how important this little husband-wife talk was for Buffalo. "Carol Holz was a big win," he said.

Mrs. Holz's son went from an all white neighborhood school in South Buffalo with 30 in a class to an integrated inner-city magnet school with 18 in a class.

"He was getting hot lunches," she said. "We never had that in South Buffalo. There were brand-new books and materials—and a library you wouldn't believe."

School officials acknowledge that the court order gave them extra money and a built-in political excuse to modernize an aging, deteriorating system.

The general school-age population was shrinking in Buffalo—as it has been nationally—and two dozen old neighborhood schools needed to be closed. That would have caused political turmoil even without integration.

"This way," Judge Curtin said, "they pointed to the judge and said, 'He's a tyrant; he's making us do it.' "

In remaking their schools, leaders picked and chose among innovative methods that had proved successful elsewhere.

In 1980 the Early Childhood Centers opened, for children too young for kindergarten through second grade. These schools used new screening, reading and math programs suggested by the Federal Education Department—programs tried in Peotone, Ill.; Mobile, Ala., and Boulder, Colo. For each teacher at the centers, an aide was provided.

There have been successes never anticipated. Of the 186 kindergarten pupils this year at Early Childhood Center 54, for example, all but 21 are reading. "It wasn't our intention to teach kindergarten kids to read," said the principal, William Fairlie, "but as a result of them being here in the new pre-K program, we saw they were ready."

Parents here can now go shopping for a school to suit their child's temperament. Nicole Skorka, a fifth grader, started at the Montessori school, where children are encouraged to develop at their own pace and to rove the halls freely and play on the floors.

This was the wrong place for Nicole, and she was miserable. She has since transferred to Campus East, another magnet school, where discipline and basics are the law. "Oh, this school is good," Nicole said. "All you do is sit in your seat and work."

Teachers, too, welcomed the magnet-school program. sudenly they were being asked to create new courses to attract students.

Joe Carden had first tried to set up an advanced computer-accounting program 22 years ago, but not until the Buffalo Voc-Tech magnet school opened five years ago did he get the go-ahead. "If it wasn't for integration," Mr. Carden said, "I wouldn't have supplies, I wouldn't have equipment, I wouldn't have the motivated students."

In the first year of his business course, he now teaches what used to take two years.

Like the students, teachers apply to schools that suit their philosophies. A mathematics teach, Mark J. Walter, who likes a structured setting, switched from a regular city high school to Buffalo Traditional five years ago. "I'm on safer ground here," he said, "just like the kids—they know what's expected and so do I."

At Buffalo Traditional he advises the math team and engineering club. At his previous school he was not involved in after-school clubs.

None of this is to say there are no problems. Though Buffalo has a higher proportion of magnet schools than most places, many students and teachers still find that the magnet schools they want are filled. This year 10,000 students applied for 2,200 openings.

Teachers at nonmagnet schools complain that their schools suffer to make the magnet schools shine. "The magnet programs are the finest anywhere," said the president of the Buffalo teachers union, Philip Rumore, "but it's time to stop creating new magnets and start building up neighborhood schools."

Many students wind up at city schools like Kensington High because they were not accepted into a magnet program. The school, which is two-thirds minority, has had difficulty attracting whites. "Sometimes students come here feeling they're the rejects," said Mary Grace Demarse, a guidance director.

Also, since the Federal cuts, school leaders and the Mayor, James Griffin, have fought over appropriating extra money for integration. Two years ago Judge Curtin ordered the city to give the schools an extra $7 million, and a request from school officials for $30 million more is before him.

School officials and the judge find that keeping the system racially balanced takes constant tinkering. The judge's order says the schools must be between 30 and 65 percent minority, and every year school officials add what they call "mini-magnet" programs to adjust the racial balance.

"Pleased?" said Judge Curtin. "Yes, but the school system is like most things in life; it calls for attention all the time. People want instant results. For heaven's sakes, it takes a while."

Though he still has jurisdiction in the case, the judge has not been yelled at by parents in a long time. They used to go to his home, write him notes and phone him in the middle of the night.

In the South Buffalo section, where the judge grew up, they called him the "little fool" for some time—he is not very tall. "But you don't hear that much any more," Mrs. Holz said. "I'd say people respect him now."

Occasionally someone even thanks the judge. Once in a while school children invite him for a visit or send him a gift. The Futures Academy magnet school, a career-oriented program, gave him the key to the school. The children at Early Childhood Center 90 made a bright yellow piggy bank for him. Both schools, once all black, are now integrated.

The judge said he found these school visits "a very moving experience."●

SENATOR J. WILLIAM FULBRIGHT

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ALEXANDER. Mr. Speaker, Senator J. William Fulbright's distinguished career in Congress spanned an era of 32 years in which the Arkansas statesman won a reputation as one of the great foreign policy analysts in the history of the American Republic. His congressional career began in 1942 with an election to the House of Representatives and after serving one term in the House he was elected in 1944 to the Senate where he served for 30 years. Fulbright acquired fame while still a freshman Congressman in 1943 when he sponsored the Fulbright resolution which stated that the House supported the creation of and American participation in a future U.N. organization. The administration of Franklin Delano Roosevelt supported the Fulbright resolution in 1943 and when the United States adopted the U.N. Charter in 1945, President Harry S. Truman observed that the House had played an important role in the charter's creation through its passage of the Fulbright resolution. That resolution earned for Fulbright recognition as one of the founders of the United Nations.

In 1946, Fulbright fashioned another historic achievement by sponsoring legislation that established the Fulbright scholarship exchange program. Over the decades, the Fulbright scholarship program has led to the movement of tens of thousands of scholars across the Earth and contributed to mutual understanding between the United States and the more than 100 countries that took part in the program and promoted scholarly pursuits throughout most of the world. The program was based upon the premise in Fulbright's words. "That America has much to teach in the world but it also has much to learn and that the greater our intellectual involvement in the world beyond our frontiers the greater the gain for both America and the world." That premise blossomed into a program that has been praised by the State Department as "the most fabulously profitable investment ever authorized by Congress." President John F. Kennedy delivered the most memorable accolade to the program which he lauded as "the classic modern example of beating swords into plow shares."

Throughout the fifties, sixties, and seventies, Fulbright appealed for moderation and realism in U.S. foreign policy and opposed the most rigid and extreme forms of anticommunism in the United States. The Arkansan was one of the few American leaders who opposed the demogogical witch hunts of Joe McCarthy from the beginning of McCarthy's tirades in the early 1950's. In February 1954, Fulbright cast a lone dissenting vote against the appropriations for McCarthy's Permanent Investigations Subcommittee while 85 Senators supported McCarthy. The Arkansas Senator maintained throughout the early 1950's that McCarthy was vilifying many State Department officials and other eminent Americans by his unfounded accusations that they were Communists or Communist sympathizers. In Fulbright's view, McCarthyism was poisoning the Nation's intellectual atmosphere and stifling the spirit of free and critical inquiry. Fulbright played an indispensible role in eventually persuading his colleagues to censure McCarthy in December 1954. In retrospect, scholars, journalists and Members of Congress alike have commended Fulbright's resistance to McCarthyism as one of the great acts of political courage in American history.

From 1959 to 1974, Fulbright was chairman of the Senate Foreign Relations Committee—the longest chairmanship over that prestigious committee in the annals of the U.S. Senate.

Fulbright's plea for moderation and his opposition to extreme anticommunism culminated in his dissent against the U.S. intervention in the Vietnamese civil war. Although Fulbright did not oppose American involvement in Vietnam in its early stages; he was flexible enough to admit error and change his position, and he eventually became one of the most celebrated critics of the war. As chairman of the Foreign Relations Committee, he conducted a series of widely publicized hearings on the southeast Asian conflict beginning with the Vietnam hearings in 1966. Throughout the late sixties and early seventies, Fulbright exerted a crucial influence in marshaling the forces of public opinion against the war. During the war, as well as afterward, Fulbright urged Americans to realize that there were several principal lessons that the Nation should have learned from its tragic involvement in Vietnam. One of those lessons was that the United States should never intervene in regions such as Southeast Asia where no vital American interests are threatened. Another lesson was that America should avoid going to war in support of corrupt, unpopular and authoritarian regimes such as that in South Vietnam. The Senator further contended that the war was inflicting grave damage upon America's domestic life, fueling a skyrocketing inflation rate and devouring funds that could have been channeled into social programs at home. A final lesson was Fulbright's repudiation of the cold warriors notion that China, North Vietnam and all Communist states were part of a monolithic conspiracy to conquer not only South Vietnam but the world. The Senator argued that in reality China was not a malevolent aggressor nation and the improvement in Sino-American relations since that time has confirmed the accuracy of Fulbright's view. Fulbright was one of the driving forces in the passage of the 1972 War Powers Act which was intended to prevent future Vietnams by prohibiting unauthorized Presidential use of the Armed Forces for 60-day periods except in certain emergency conditions. During the Johnson and Nixon administrations many Americans came to see the wisdom in Fulbright's ideas, and in 1973 Fulbright and his allies in Congress succeeded in cutting off the funds for the Nixon administration's bombing of Cambodia thus ending the last phase of the U.S. military intervention and finally extracating America from the quagmire of southeast Asia.

Throughout the sixties and seventies Fulbright supported détente with the great Communist powers and opposed military adventurism in the Third World. In 1963 he guided the nuclear test ban treaty through the Senate and in the early 1970's he was one of the champions of the SALT I treaty with the U.S.S.R. and of the normalization of American relations with China. In his role as elder statesman in more recent years he has warned the country against the dangers in military expeditions in Lebanon and Central America and in continuing escalation of the Soviet-American arms race. He has consistently advocated amelioration of relations with the Soviet Union maintaining that the arms race leads to massive defense expenditures that are devastating the economy's of both super powers and that Soviet American animosities will lead only to the proliferation of nuclear weapons that cannot be defended against and that possess the power to destroy civilization on this planet. In his fundamental contributions to American foreign policy Fulbright has been recognized by Walter Lippman, John Kenneth Galbraith, John F. Kennedy, Martin Luther King and many other statesmen as one of the world's premier advocates for international understanding and peace.

The great statemanship of Senator Fulbright is recalled in a recent book entitled J. William Fulbright and America's Lost Crusade: Fulbright's Opposition to the Vietnam War, written by Lee Powell and published by Rose Publishing Co., Little Rock, AR.●

THE 50TH ANNIVERSARY OF REA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. HAMILTON. Mr. Speaker, I rise to commend the efforts over the past 50 years of the Rural Electrification Administration, an agency which has been at the forefront of rural economic development since it was created by President Roosevelt on May 11, 1935.

No group has contributed more to rural development, improving the lives of rural members and making their communities more attractive to business and industry, than the REA and the State and local cooperatives.

Fifty years ago the Indiana Rural Electric Membership Act was signed into law by Gov. Paul V. McNutt. Since then, Hoosier REMC's have covered 99 percent of the State's rural areas with central station power, 323,000 Hoosiers are REMC members.

The officers and members of rural electric cooperatives in Indiana rarely limit their public service to supplying electricity. They are community leaders, working in their spare time for the advancement of the community. It has been a singular privilege for me to join with members of the Indiana REMC's in working to make Indiana a better place to live. The history of rural electrification is a story of both individual achievement and collective effort. It is a peculiarly American story, people working together with their co-believers in a common enterprise for the common good.

Happy anniversary and future success to REA and rural electrification.●

LET ACTRESSES BE ACTRESSES; LET REAGAN BE REAGAN

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FIELDS. Mr. Speaker, many Democrats in this Chamber have transformed criticizing President Reagan's "Hollywood extravaganza" White House style into a cottage industry. But some of those same Democrats found it necessary recently to consult Jane Fonda, Sissy Spacek, and Jessica Lange on their views on national agricultural policy.

Mr. Speaker, while Ms. Fonda may fancy herself as an expert in the fields of foreign policy, nuclear disarmament, economic collectivism and, now, agriculture, I find it difficult to take her seriously on any subject other than aerobics and the effective use of North Vietnamese antiaircraft guns. And I question whether or not Ms. Spacek and Ms. Lange have much more knowledge than Ms. Fonda on the direction our Nation's agricultural policy should take.

That's why I want to include an editorial from the May 8 Houston Chronicle here in the CONGRESSIONAL RECORD. The editorial concludes:

> But surely somewhere out there in farmland there must be three women who operate farms, or three wives of farmers, who could testify first hand on farm policies. Their words would have to be taken seriously. We would know they weren't playacting.

Democrats in this Chamber interested in attacking President Reagan's farm policies solely for partisan, political purposes have, as the Houston

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Chronicle correctly observes, taken "a

judges, entertainers, educators, physicans,

The group has come a long way since the

building, and inquired about it with the in-

weren't interested. It was just that they

Congress, the President, and the Fed:

Chronicle correctly observes, taken "a step back from reality."

Thank you, Mr. Speaker.

A Step Back From Reality

A hearing in the House this week took one step back from reality.

The topic was the plight faced by America's farmers. The target was President Reagan's farm policy.

To testify on the subject, the congressmen heard from three women. Not three farmers' wives who are beset by adversity. But three actresses who have played the role of farm wives beset by adversity.

Jessica Lange, Jane Fonda and Sissy Spacek appeared, attracting a throng of photographers and reporters. Ms. Lange shed tears. Ms. Fonda said Reagan was subsiding defense contractors instead of farmers. Ms. Spacek, who at least lives on a farm, said the solid core of our agriculture is threatened.

All fine and dandy. But surely somewhere out there in farmland there must be three women who operate farms, or three wives of farmers, who could testify first hand on farm policies. Their words would have to be taken seriously. We would know they weren't playacting.●

THE LEAGUERS OF NEWARK

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. RODINO. Mr. Speaker, I would like to call my colleagues' attention to an article which appeared in Sunday's Newark Star-Ledger about an organization in Newark called "The Leaguers."

Under the inspirational leadership of Dr. Reynold and Mary Burch, The Leaguers have given hope and guidance to young people in Newark for the past 40 years. They have provided educational and cultural opportunities, and set goals for young people, encouraging them to be the best they can possibly be.

I have had the privilege of knowing the Burches for many years, and have the deepest admiration for this truly remakable couple. In addition, The Leaguers have been fortunate in attracting many outstanding people to offer their time and energy to the organization, such as Executive Director Sheila Oliver and President Everett Jennings.

Mr. Speaker, this article sums up the way many of us in the Newark area feel about The Leaguers. I am very proud to share it with my colleagues.

The article follows:

[From the Sunday's Newark Star-Ledger, May 12, 1985]

The Leaguers Bring Hope, Guidance to Newark Youths for 4 Decades

(By Edna M. Bailey)

There are many ways to tell the tale of The Leaguers.

Established in 1946, the group has often been called the best kept secret in Newark although its alumni includes lawyers, judges, entertainers, educators, physicans, elected officials and professionals from every field.

The group has always had an educational thrust. According to its founder, Mary Burch, education quickly became a priority because "at the time, we were very concerned because not too many (blacks) students were graduating from high school.

"And even though the opportunities weren't there for them in 1946, we preached 'Go to college, and get prepared so that when the opportunity comes you will be ready to step into it,'" she recalled.

She quickly explained that she believes "The Leaguers cannot be responsible for all the good, or bad, that has happened to them. But we are responsible for them learning to be responsible for themselves."

At the Leaguers' headquarters on Clinton Avenue, an alcove above the second floor stairwell is adorned with plaques and certificates of appreciation, inscribed with such words as selfless, dedication, sacrifice, teacher, leader and "in pursuit of." These citations are dedicated to Mary and Dr. Reynold Burch.

Next year this organization, which has committed itself to the cultural and social enrichment of youths in the greater Newark area, will have been around for 40 years.

Four decades affords much time to shape the thinking and lifestyles of young people. In Newark and New Jersey, it appears as though former Leaguers are everywhere, and they all have a tale to tell.

"Other than the church, there were very few role models for young black people," explained Newark South Ward Councilman Donald Payne, a former Leaguers' officer. "There weren't even any black professional athletes. They were just beginning to break the color barrier.

"But The Leaguers brought us to a higher level. It told us we were somebody, just like Jesse Jackson is trying to do today.

"Mrs. Burch was really ahead of her time. She took us to the Statehouse in 1949, and we attended the swearing-in of the mayor (of Newark) in 1953," he added. "These things simply weren't 'normal' for black teenagers in the city of Newark."

There are many people who cannot tell you anything about the educational and cultural objectives of The Leaguers, but it would be difficult, if not impossible, to find someone who cannot tell you about its cotillions.

Initiated in 1951, The Leaguers Debutante Cotillion Ball for high school seniors was as much a part of Newark as Broad Street. It has also been misunderstood throughout the years.

As the organization enters its 40th year, it has managed to retain its philosophy, aimed at addressing the educational and social development of youth.

The 1985 version of The Leaguers, headed by Executive Director Sheila Oliver, is slightly different from the one that took root in the late '40s and early '50s.

Many of the earlier activities were privately funded and staffed by volunteers, and although the organization still receives private donations, today many of its programs are made possible through philanthropic foundations such as the Victoria and Turrell funds.

The Leaguers operates nine social service programs, some of which are funded by the State Division of Youth and Family Services, Essex County, United Way and the U.S. Department of Health and Human Services.

The group has come a long way since the time when Mrs. Burch would meet with youngsters in her living room.

According to the executive director, the annual operating budget of The Leaguers is $950,000. Within the next few months, several of the programs housed in the two-story building at 750 Clinton Ave. will be moved across the street to an annex.

The converted former supermarket will house an auditorium for community meetings and the performing arts, as well as classrooms for The Leaguers' After School Program, which is basically a tutorial service.

It also offers a Social Adjustment Program, which, according to Oliver, is a prototype of the original Leaguers' group.

"The Social Adjustment Program recruits high school age students to engage them in career guidance and employment planning activities. We also involve them in civic awareness and field trips to broaden their horizons and make them aware of communities outside of their own."

"The Leaguers were sort of a finishing school for us." said James Moore, principal of Newark's University High School.

"We were introduced to cultural activities that in many instances were closed to us because of economics, or exposure."

Many former Leaguers speak fondly of an exchange program that was set up with a similiar youth enrichment group in Philadelphia, Burch's hometown.

"Going to Philadelphia to stay with other people like us was really the first time I had an opportunity to stay in another town," said Payne. "It was a highlight that I remember well."

James Spellman, who joined The Leaguers in 1958, recalls that "at the time, you just didn't realize the importance of education. But Mrs. Burch instilled in us to never give up, and to shoot for your highest goals, and that if you persevere you can be nothing but successful."

"When I listened to lectures as a Leaguer, I never thought I would travel around the world several times," said the vice president of a security firm and president of Newark's Penn Station Committee. "I always remembered the things she instilled in me, and it helped."

The Leaguers have attempted to build solid human foundations for 40 years.

"The reason for success?" asked Everett Jennings, who heads the group's 25-member board of trustees.

"Mary and Buster Burch. Make no mistake about it. They are the anchor to the stability of The Leaguers. They have dispelled any doubt in the minds of the business community. They (donors) know the money will be spent well."

The Burchs know a lot about spending money, especially when it comes to The Leaguers.

"The only reason Dr. Burch is not a millionaire is because he put his money into this organization," said Jennings, "He could have just as easily invested in stocks and bonds."

Stocks and bonds, however, do not make you feel like "the grandfather of half the city of Newark," as Dr. Burch does. "So many youngsters knew me. I felt like a grandfather when I was much younger."

In the early '50s, Dr. Burch purchased the current site of The Leaguers to establish a comprehensive professional building for black physicians and dentists.

One day, at 3 in morning, after having just delivered a baby, Dr. Burch spotted the building, and inquired about it with the intention of purchasing it for professional use. But "Mary stole it.," he joked.

"At that time, they were always getting kicked out of places because of the sheer numbers," he explained.

In a short time, The Leaguers grew from a small group of youngsters eating ice cream in the Burchs' home to a bonafide organization meeting in schools and eventually its own headquarters.

Although it has been perceived by some as an elitist group, those who participated argue against that concept.

Sesser Peoples, a trainer for special education instructors in the Newark public school system, prides himself on being "an original Leaguer."

"The question of elitism is an interesting phenomenon," he said. "At the time when some of us were living in the projects in Newark, we didn't even know we were poor. I think the element of elitism came about when people saw some of the projects we were involved in.

"Who ever heard of kids from the projects getting dressed up in gowns and tuxedoes and going to a cotillion at the Robert Treat?" he asked. "It was a big thing, especially at a time when many people didn't even know what a cotillion was."

Payne recalls the event as "very interesting because at the time going downtown in the city of Newark was like going to the East Side of Manhattan. Just having an occasion to wear a tuxedo to was kind of impressive."

The cotillion still remains the organization's main fund-raising event, and an opportunity to honor deserving students with scholarships.

"As students, we were never encouraged to attend college," said Peoples. "But at The Leaguers we were able to see the possibilities."

Moore, who "wasn't one of the originals, but I was real close," remembers the "constant interaction with college people, and Dr. and 'Ma' Burch's colleagues and friends."

"Under normal circumstances, you wouldn't have been interacting with these people. I imagine there was a certain bourgoise attitude that existed," he said, "but I was part of it, and I don't see it as negative, but as a positive boot strap situation. It was a goal. Something to strive for. It was important to many of us to become Leaguers.

"In my case, it meant finding a new set of friends," he recalled. "My running partners became Leaguers. And today, we are constantly interacting with each other, socially and professionally."

Mrs. Burch said she always wanted to change the concept that the group was and is "just a cotillion."

In addressing the social and economic schisms within the black community in the '40s and '50s, Mrs. Burch prefers to remember the group as one that crossed lines.

"Differences," she said, "were never mentioned.

"Together they built up an organization. They understood each other better, and had more tolerance for each other," she said. "They married."

According to Dr. Burch, The Leaguers began because "we wanted to create an appreciation for the arts, education and a spirit of camaraderie."

"It was fascinating to us to watch what was happening to these youngsters who had some guidance," he said.

"The Leaguers was like a finishing school to us," said Moore. "Not that my parents weren't interested. It was just that they were limited in their own education. As youngsters, we came back week, after week, after week."

Peoples, a member of The Leaguers' alumni group, explained that former members have "reached a point where we are saying, 'Let's give something back.' The Leaguers was an opportunity at the time to broaden our perspective and our horizons about what the possibilities were for the future."

Payne added: "The Newark school system was good, and we were in the system, so we were privileged to have a good education, but guidance counselors would place black students in general and vocational courses."

"In a paternalistic way, the guidance counselors actually thought they were doing us a favor leading us to vocations because we couldn't afford to go to college," he said. "They believed there was no sense in preparing. But Mrs. Burch would counsel us and say, 'Take the CP courses, and when the time comes we'll find a way.'"●

A RECESSION WARNING

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. KEMP. Mr. Speaker, is the Fed engineering another recession? Economics columnist Warren Brookes warns in a recent Washington Times article that the Federal Reserve Board's stringent monetary policy, if continued, threatens to cripple the economic expansion and raise unemployment.

Many justify the tight monetary policy to keep inflation under wraps. But, as Brookes points out, it is actually causing inflation to sharply rise—by 5.2 percent in the first quarter—because stringent monetary policy is choking down production and productivity. The major problem is that the Fed considers growth to be inflationary, so it tightens up every time the economy shows vibrant growth.

The really distressing implication of Brookes' article is that Congress currently shows little understanding of this clear and present threat to our economy. Congress is fixated on the budget, almost oblivious to the fact that the Fed is endangering the economy, jobs, and price stability.

Ironically, this single-minded focus on the budget deficit may actually thwart our best hopes of getting the deficit down to its lowest level. The near stagnant economy of the last three quarters will sharply increase our budget deficit projections by lowering production, profits, and wages. Indeed, a balanced budget is just impossible, no matter how much Congress cuts the defense budget, except with a strong and sustained expansion accompanied by lower interest rates.

I commend this article to my colleagues. Warren Brookes is clearly sounding an important warning to Congress, the President, and the Fed: Relax monetary policy to stabilize prices, stop the deflation, and permit the economy to grow. Mr. Volcker, are you listening?

Is Stagflation Taking Shape?

(By Warren T. Brookes)

More than a year ago, this column began warning, repeatedly, that the Federal Reserve's excessive tight-money policy would not only stop the strong recovery, but actually make inflation worse by reducing productivity and raising unit labor costs.

The economic news of the last few weeks has completely vindicated that warning. As a direct result of zero monetary (M-1) growth from May to November 1984, the first quarter of 1985 came very close to zero GHP growth: 1.3 percent.

What stunned everyone—including those in the Federal Reserve bureaucracy—is that GNP inflation in the first quarter soared to 5.2 percent, even as commodity prices were falling.

The April 25 release on the productivity and unit labor costs for the first quarter revealed the reason for this. The reason? Because the Fed has choked down production, total productivity dropped 1.2 percent, the sharpest decline since '82.

That, in turn, drove unit labor costs up a whopping 7.3 percent, the worst figure since early 1982. This was a clear threat to both future inflation and to the heretofore booming job market, as the spread between labor costs and final sales suddenly turned 5 points negative (costs exceeding sales), compared with 6 points positive over the previous eight quarters.

This brought a front-page outcry from Vice Chairman Preston Martin, President Reagan's only confirmed appointee to the Carter administration-dominated Federal Reserve Board, that the central bank's own policies were threatening a "growth recession."

Mr. Martin is the only board member who correctly and consistently warned the nation in 1984 of what the Fed was doing to stop economic recovery, with its mindless pursuit of tighter money, even as commodity prices were falling.

The only thing that staved off the current GNP drop-off was the 1983-'84 average 3 percent growth in productivity, and low labor costs which fueled the huge 9 million-job boom from December 1982 to April 1985, and which was created nearly 2 million new jobs just since October.

That strong job growth led several economists to believe the weak first-quarter GNP report was wrong, particularly since the GNP inflation figure was a full point above the actual Consumer Price Index figure for the quarter and 5 points above the Producer Price Index.

If that GNP inflation figure is revised downward by 1 or 2 points, as some say is likely, the real GNP for the quarter would be revised upward to 3 percent. Such corrections are frequent.

For example, in January 1982, it was reported that the third quarter of 1981 registered only 1.4 percent growth rate. A year later this had been revised to 2.2, and by January 1984 to 3.6—a 157 percent upward revision.

In January 1984, it was reported that in the fourth quarter of 1983 it rose only 3.5 percent, "a sharp slowing from the previous two quarters." But, by January 1985 that 1983 fourth quarter was "revised" to 5.9 percent, a 69 percent upward revision, while the first quarter 1983 figure was jumped from 0.6 to 3.3 percent.

Ironically, the (possibly misleadingly) sluggish GNP report may have been just what the administration needed to keep the Fed from slamming on the credit brakes again, as they have done so often.

Instead, the Fed suddenly allowed short-term rates to fall 100 basis points, to the 7.5 percent level last month—causing one of the best forecasters, H.C. Wainwright Co., to predict a very strong 5 percent growth for '86.

That view is essentially supported by a "model" issued by economists Vedder and Gallaway of the Joint Economic Committee of Congress in 1984, which argued that whenever final unit sales (productivity plus inflation) are rising a lot faster than unit labor costs employers have a strong incentive to expand hiring and production. The higher the "positive" spread, the stronger the job growth.

All through 1984 this "spread" continued to be profoundly favorable by almost 5 points, as it was throughout 1983. This explains why, although the Federal Reserve's 1984 tight-money policies dragged the GNP down sharply from 10 percent to less than 2 percent, the employment picture has remained strong. Since December, the economy has created nearly 1.2 million civilian jobs. A near-record 1.1 million joined the labor force in those four months.

More important, the employment ratio (the percentage of all adults over age 16 with jobs) reached what the Wall Street Journal called, "the highest level in U.S. history," 60.3 percent.

The danger is that because of the Fed's excessive 1984 tightening, the "spread" between labor costs and sales has suddenly turned very unfavorable. If this continues, it could abort both economic and job growth for the balance of 1985—and, ironically, make both inflation and the federal deficit much worse.

Thanks, Mr. Volcker.●

HERNDON CITIZEN OF THE YEAR—THOMAS D. RUST

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. WOLF. Mr. Speaker, the Rotary Club in the town of Herndon in the 10th District of Virginia will present its "Citizen of the Year" award on May 15 and it is my pleasure to cite Thomas D. Rust as this year's Herndon "Citizen of the Year."

Tom Rust, who served as mayor of Herndon from 1976 to 1984, was selected for this honor because of his outstanding community service and his guiding influence on orderly growth and planning policy during a period of rapid expansion in Herndon, which serves as the gateway to Washington Dulles International Airport, and the surrounding Dulles corridor area.

Before his term as mayor, Tom Rust served on the Herndon Town Council between 1971 and 1976 and was a member of the Herndon Planning Commission from 1971 to 1973. He returned to private life this year and is a partner and engineer in the firm of Patton, Harris & Rust Associates.

His activities and honors extend beyond his local community as well. He is a director of the NOVA Community Foundation and also serves as a rector and chairman of the Longwood College Board of Visitors. His past achievements include a listing in the "Personalities of the South" in 1972; "Who's Who in Virginia" in 1974; "Who's Who in Engineering" in 1981, and the "Virginia Tech Committee of 100" in 1982.

In addition, he was cited in 1983 as "One of the Most Influential People of the Year" in Reston, VA, and in 1984, Reston named Tom Rust as "One of the Most Influential People of the Century."

Tom Rust has served the Herndon community with distinction, guiding and shaping the town during its growth years when it needed a person of vision. He has earned the honor of "Citizen of the Year" in Herndon and on behalf of the people of Herndon, I salute his accomplishment and express sincere appreciation for his outstanding public service.●

TROOP 88 CELEBRATES 50TH ANNIVERSARY

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DUNCAN. Mr. Speaker, as the Boy Scouts of America celebrates its 75th anniversary, troop 88 of Maryville TN, will be marking a half century of service in Blount County. This Saturday, May 18, members of troop 88, both past and present will gather to recall their heritage and look forward to the future.

In keeping with the theme of this diamond anniversary of the Boy Scouts of America, troop 88 will honor past Scoutmasters and seven new Eagle Scouts. I can think of no better way of upholding the theme of this year which is "Pride in the Past—Footsteps in the Future."

The celebration will include a luncheon followed by an open house at William Blount High School, and a buffet dinner. The open house will consist of eight exhibit centers showing photograhs, uniforms, equipment, Scouts, and Scoutmasters from eras of the past 50 years.

The highlight of the evening will be the rollcall of the past 22 Scoutmasters, from Belt Keathley of 1935 to Chuck Conner of 1985. Six former Scoutmasters will be specially honored. These are Elisha Moore, Joe Studley, Jack Murphy, David Eagleton, and Henry Callaway. These gentleman have contributed between 15 and 22 years apiece to scouting, and will be honored for their dedication to our Nation's youth.

In addition, a plaque listing the names of all of the Eagle Scouts who have served in troop 88 will be presented to New Providence Presbyterian Church. The church has been the sponsor for the troop as these 118 young men have taken the Eagle rank.

Finally, seven new Eagle Scouts will be presented their awards. As a former Eagle Scout I am sure this will be a very special occasion for Chris White, Ross Eriksson, Chris Conner, Tripp Buckley, Charles Finney, Mark McCloud, and Steve Cox. These young men represent the first footsteps into the future for troop 88, and they will carry with them pride of the past 50 years.●

CONGRESSMAN GEORGE MILLER ENDORSES ECONOMIC EQUITY ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MILLER of California. Mr. Speaker, the 1985 Economic Equity Act says to millions of American women, mothers, and future mothers, that Congress wants to assist their struggle for true equality in this society.

Over the past 2 years, the Select Committee on Children, Youth, and Families, which I chair, has taken a close look at American children and their mothers and fathers.

What we have seen convinces me that this legislation is needed because it will do much to strengthen the American family.

We are living during a period when nearly 50 percent of women with children under the age of 1 are in the labor force.

Married women with children under age 6 who live with their husbands are also entering the work force at a rapid rate. The Congressional Budget Office estimates that by 1990, over 55 percent of these women will be in the labor force.

There has also been a steady growth in the number of single parents, most of whom are women. Nearly 1 in 4 children will live in a single-parent household by 1990, double the 1970 rate.

Times have changed, and with this change women face new, and greater challenges to support their children.

Parents must work in order to support their children. They need salaries sufficient to pay for the cost of raising a family.

This bill will insure that low-income women have the opportunity either to work, or get the education they need

in order to find employment, by providing them with child care assistance.

Even when they do work, however, women still earn only 64 cents for every dollar earned by men. The Economic Equity Act addresses this gross inequity by charging the Equal Employment Opportunity Commission with enforcing current laws, and with developing an educational program on eliminating sex-based discrimination.

This bill makes changes in our retirement system to provide better protection and to improve coverage for working women. It also reforms the tax code to eliminate imbalances in the treatment of husbands and wives, and single, and married persons.

This Equity Act recognizes the profound changes that are occurring in the American work force and the American family. It includes reforms that will have a long term, significant impact on the women in this country, and the families they live in.

The Caucus for Women's Issues, of which I am a member, has done a fine job in developing a thoughtful bill which enjoys wide bipartisan support.

Mr. Chairman, I am pleased to be an original cosponsor of this bill, and I look forward to its speedy consideration. I urge my colleagues to join me in this effort to improve the economic well-being of American women and their children.●

MILT KERZNER, EDITOR, JERSEY JOURNAL, RETIRING AFTER 43 YEARS' SERVICE

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. GUARINI. Mr. Speaker, a skilled newspaperman, Milt Kerzner, of Jersey City, has announced his retirement on May 17, 1985, after 43 years of service at the Jersey Journal.

Truly a man for all seasons, Milt is a symbol of true professionalism who worked his way from copy boy to editor with Hudson County's largest newspaper.

Recently he was honored by the Hudson County Newspaper Guild at its Page One Ball held Saturday, April 20, 1985, at the Villa Nova in Bayonne.

Writing about a newspaperman is extremely difficult, so with this view in mind, I am going to present the statement made in the Page One Ball publication from those who worked with Milt for many years.

The first is by Conrad Wolfson, now an editor for the Jersey Journal:

MILT KERZNER: A PERSONAL REMINISCENCE

With due respect . . .

Listen to Milt Kerzner over a period of time—and I have for a long time—and you will note that recurring prelude to many a kindly guiding thought.

It is characteristic of a barrel-chested, diminutive, balding fellow with a sunny smile, few harsh words, and a firmness mellowed by sensitivity and understanding.

Those of us who have had the pleasure, the honor, or working with him in the Sports Department and Editorial Department of The Jersey Journal can remember some upper-decibel harangues, but never a sign of grudge-holding.

Those of us who have ended any disagreements with him know that they have always been gentlemanly disagreements.

As for those of us in The Guild who have dealt with him: his counsel as a former president and a long term treasurer is remembered as wise and practical with just the right amount of militance in behalf of labor's cause.

Milt is always the one for fair compromise without being a pushover.

As for those who have come to our craft unskilled and ended up journeymen journalists under Milton's benign hand—their number is legion.

This Page One Ball is dedicated to a fond farewell to Milt, who has decided to quit the game and divide his time between Belmar and Florida.

We who have come to know him and like—make it "love" him—wish him endless years enjoying the retirement he has earned by hard work and being nice.

But, Milton, with due respect, we hate to see you leave.

And by Jack Powers, sportswriter:

UNCLE MILTIE: FATHERLY TEACHER TO MANY—PAL TO ALL

Our gracious doyenne of the city room, Jackie Farrell, informs us that Milt Kerzner, the Hudson County Newspaper Guild's "Man of the Year" is retiring after more than 43 years of service to The Jersey Journal on May 17.

A man of inspiration with an infectious facility for teaching young reporters, Kerzner leaves in his wake a corps of skilled newspapermen who learned their trade under his direction.

They include Ed Grant, editor of the Catholic Advocate; Pete Wevurski, deputy sports editor of the Los Angeles Herald-Examiner; Fred Cranwell, day editor of the New York News sports department; Al Maurer, a national editor of The New York Times; Neil Melibert, racing editor of the Chicago Tribune; Cas Rakowski, public relations director for Hudson County; and Fred Korber, versatile Daily News reporter.

They are but a handful of the men who received the stentorian wrath of Kerzner when vexed. However, his temper had a short fuse and all hands appreciated this great skill as a copy reader. He had a unique power for turning out just the apt phrases that toned up the pressured writers.

I joined the Journal as sports editor in February of 1952 and upon the advice of our perspicacious editor-in-chief, Eugene Farrell, named Milt assistant sports editor. It was a good decision inasmuch as Milt ran the paper at night while I fended off the periodic wrath of Mr. Farrell who, at one time, was a sports editor himself.

A lifelong resident of Jersey City, Kerzner had a unique distinction. He never mixed in politics so everyone regarded him as their friend. John Kenny, Bernie Berry, Charley Witkowski, Paul Jordan, Tommie Smith and Gerry McCann always talked freely with him even though the subject was not at the arcane political jabber.

Milt even was a friend of Frank Sinatra when the singer was a "star" at Hoboken High . . . his army of friends included such Hudson Giants as Joe Coviello, Bill Cochrane, Gerry Mally and hundreds of others.

Kerzner started his rewarding career at The Jersey Journal in March of 1942 as a copy boy in the advertising department. He switched to the editorial department in April and entered sports in June.

He joined the Army in March, 1943, and returned to The Journal in April 1946. He was appointed night editor in 1951. In 1977, Milt was appointed managing editor.

He has won numerous awards for excellence during his years as sports writer. For more than five years, he worked part-time at Jersey City State College as director of public relations. He is past president of The Guild, the North Jersey Press Club and former vice president of New Jersey Boxing Writers.

His beautiful wife Ruth is a graduate of Jersey City State, while Milt earned his diploma from New York University in 1948. He also took graduate courses at Seton Hall.

Milt and Ruth have two married children, Stuart and Nina. Stuart is a hydrogeolist with the Federal government and Nina, a writer with Buck Lab Volt in Farmingdale, L.I.

Steve Newhouse, editor of The Jersey Journal, said Milt's leadership in the newsroom would be deeply missed.

Milt's news judgment and knowledge of the community are unsurpassed. I will miss him because of his excellence as a newsman and because he's such a terrific person, too." said Newhouse.

And of course, that goes double for The Guild members who treasured his advice through the years.

And from those in the composing room the following salute to Milt and Ray Kierce, a veteran guildsman of Hudson County Newspaper Guild #42 for many years:

At a recent printers' meeting the composing room boys were trying to figure out when retirees Ray Kierce and Milt Kerzner came to work for the Journal. None of the printers claimed to be old enough to remember. So we posed the question to some gray-haired retired members who were in attendance. All of them declared it was before their time. Washy Mead chimed in that Ray and Milt were there before he started his apprenticeship.

Then came the rumors. One printer said he'd heard that Ray was a boyhood chum of Horace Greeley and that he began working for this paper just prior to the Linotype revolution. One of Milt's comp room buddies offered that the ex-sportswriter's first Journal assignment was an interview with rookie Babe Ruth.

Suspicious that all this might merely be some friendly printers' banter, the next day we presented this heresay about Ray and Milt to some of their cronies in editorial. Well, of course, they gleefully corroborated the stories.

We're still skeptical. Our good friends Ray and Milt are much too youthful to have stepped out of history books. In fact, we think both are hanging up their pencils much too soon.

What we printers know for certain about these two honored retirees is that they are first-class gentleman. In our years of working with them we've found them always to be friendly, competent and conscientious. Ray, despite the pressures of nightside makeup, never failed to show his gratitude

> to the printer alongside him. "Thanks for expediting the page," was his familiar comment to the printer who assisted him.
>
> On the occasion of their retirement, we of the composing room wish to add our salute to Ray and Milt. We wish them the best.

Milt Kerzner will be sorely missed. He is one of the disappearing group of local boys who made good at the Jersey Journal. He tells all of us that he is going to retire to his homes in Florida and Belmar, NJ, "taking it easy, doing absolutely nothing." This is extremely difficult for those who know and love Milt Kerzner to believe.

As Milt Kerzner writes his last "30" on May 17, we are reminded of Oscar Wilde's observation:

> CONTENTMENT
>
> Contentment lies not in the enjoyment of ease—a life of luxury—but comes only to him that labors and overcomes—to him that performs the task in hand and reaps the satisfaction of work well done.

I am certain that my colleagues here in the House of Representatives of the Congress of the United States join me in this salute to Milt Kerzner, who has shown deep love for his profession, his God, his country, and his family.

May he live as long as he wants, and never want as long as he lives.●

ECONOMIC EQUITY ACT

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. WOLPE. Mr. Speaker, I am delighted to have the opportunity to join my colleagues in the introduction of the Economic Equity Act and to applaud the excellent leadership provided on this issue by Congresswoman SCHROEDER and others who have introduced the individual components that make up this comprehensive equity package.

I am encouraged by the passage of several elements of prior Economic Equity Acts in the 97th and 98th Congresses and by this current legislative package that addresses the spectrum of economic problems faced by all women.

But today, equality for most women remains illusive. We cannot sit back and be content with a few small victories; we must continue to fight to reverse all discriminatory practices that deny women equal access to economic opportunities. Until Congress passes the equal rights amendment, our only recourse is to address these injustices statute by statute.

The EEA presents to Congress a comprehensive legislative package that addresses both the short-term and long-range needs of women in all walks of life—homemakers and working women, single heads of households and elderly women, widows, and divorcees. Comprised of 22 individual bills, the EEA targets 5 legislative areas in need of reform: retirement security, dependent care, insurance, employment, and tax reform.

As the longevity of America's population continues to increase and the median age of our citizens rises, it becomes increasingly important to focus on the financial security of older Americans. A close look reveals that seniors as a group are not very well off and older women in particular are in dire straits. In 1983 more than 2.6 million older women had incomes below the poverty level. Forty-four percent of these women had incomes of less than $5,000. Only 14 percent of all women retirees—both homemakers and workers—receive any pension benefits other than Social Security.

The Economic Equity Act seeks to reverse these bleak statistics through a number of initiatives that address all three components of the three-legged stool of retirement security: private pensions, social security, and private savings. Only through equitable treatment in all three areas can we create a stable support system for our elderly, particularly older single women.

As we move toward the remaining decade of the 20th century, another area in dire need of reform is that of dependent care. The economic injustices that are perpetuated in our laws not only affect women but extend to their children and families. Women contribute significantly to the economic security of their families. The majority of women working outside the home do so out of necessity. Projections indicate that by 1995, 60 percent of the labor force will be comprised of women. An ever increasing number of these women are mothers, most of whom are often solely or largely responsible for the care of their children or other dependent family members. It is crucial that affordable and accessible day care services be made available if they are to compete in the job market on an even footing with men. In addition, the lack of reasonably priced child care perpetuates poverty for many women with families who cannot economically afford to work. Here, again, the EEA provides a well thought out, long-term approach to providing adequate dependent care for working women.

Other provisions of the Economic Equity Act concerned with nondiscrimination in insurance, tax reform for single head of households, and equal credit for business loans also represent important steps in helping women gain economic equality.

The time has come for Congress to take a serious look at all the problem areas outlined in this package. It is in the best interest of all Americans that we revise these antiquated and discriminatory practices now. I strongly urge my colleagues to support the Economic Equity Act and help speed its passage.●

VICTOR ZABBO—HERO

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MILLER of California. Mr. Speaker, I want to direct the attention of the entire Congress to a constituent of mine, Victor Zabbo of Concord, CA, who is a hero in the fullest meaning of that word.

On January 31, 1984, Mr. Zabbo was in Folsom, CA, and saw Mrs. Cheryl C. Cook and her son, Shawn, 5, being swept down the middle of the 85-foot deep American River.

Without regard for his own safety, Mr. Zabbo dived into the river, which was flowing extremely swiftly, and swam about 150 feet to Shawn and Mrs. Cook. Grabbing them both, he turned on his back and swam toward the opposite bank.

After swimming about 120 feet, Mr. Zabbo became tired. He swam with Shawn the remaining 30 feet to the shore, handed him to other rescuers, then returned for Mrs. Cook and brought her to the bank, too.

Both Mrs. Cook and Shawn were treated at a local hospital for hypothermia, and have fully recovered.

For this act of uncommon bravery, Mr. Zabbo has been awarded a medal and a $2,500 check from the Carnegie Hero Fund Commission. He is one of only 15 people throughout the Nation who were recognized by Carnegie for their heroism.

I know that all Members of the House will join me in applauding Victor Zabbo for his courage and bravery, and I am proud that he is one of my own constituents in Contra Costa County.●

TRIBUTE TO IVY LEAF SCHOOL'S 20TH ANNIVERSARY

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. GRAY of Pennsylvania. Mr. Speaker, on Saturday, May 25, 1985, at 2 p.m., Ivy Leaf School will celebrate its 20th anniversary. The festivities will be held at the Philadelphia Civic Center.

The Ivy Leaf School is committed to academic excellence, and for the past two decades has provided a challenging and intensive educational experience for thousands of students. Ivy Leaf students, in national tests, pass or exceed national norms and are recruited by the city's most prestigious public and private schools.

The commitment to excellence was initiated in 1965 when 17 students

were enrolled in their nursery-kindergarten class. Ivy Leaf School is the oldest and largest black private academic school in Philadelphia.

Mr. Speaker, I am very pleased with the Ivy Leaf School, and call their accomplishments to the attention of my colleagues in the House of Representatives, so that they, too, can be aware of such an outstanding educational institution.●

DENNIS RAHIIM WATSON

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. OWENS. Mr. Speaker, we are often forced by the nature of our profession to consider the disparate needs of the hungry, the poor, and the elderly. Our lives as political leaders remain on a roller coaster of concerns and issues from the war in Central America to the advent of star wars. Yet amidst the plethora of concerns which command our attention, special situations emerge and we learn of rare people who restore joy to the heart, who lift the spirit and who enable us to understand and touch again the meaning and purpose of life.

I rise today to pay homage to a young man of talent and a generous spirit. I speak of Dennis Rahiim Watson, an actor, poet, and comedian. In the last decade, he has unselfishly cared and shared with his community, State, and Nation the gifts of his mind, the dynamism of his talent, the laughter of the heart, and compassion of his soul.

Not long ago he was awarded the prestigious National Black Leadership Roundtable Avon Youth Award in recognition of exemplary achievements and outstanding community services. Soon this rising star will begin his one-man production, the Positive State of Black America. Dennis has performed for more than 2,000 community, religious, and cultural groups throughout New York and the Nation. He has used his life and talents to motivate and inspire the young, the elderly, the imprisoned, and the addicted. Dennis has sought to enhance the lives of others and to serve as a positive role model to young people.

On May 15, friends and associates will salute this young community activist and talented entertainer in a gala tribute in the Art Gallery of the Adam Clayton Powell, Jr. State Office Building. They will acknowledge his many efforts to touch and enhance the lives and spirits of others.

Already, Dennis has been honored by the Department of Justice Drug Enforcement Administration for his significant contributions. Additionally, the New York State Department of Corrections has saluted him for his volunteer services. He was also named and received the Outstanding Young Man of America in 1982. I share in the applause of this gifted young man who has lived by the credo, "Each one of us can make a difference if each one teaches one and each one reaches one."●

NATIONAL NURSING HOME WEEK

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. PEPPER. Mr. Speaker, National Nursing Home Week is being observed this week, May 12–18, 1985, with the theme, "Celebrate Lifetime Achievements," to mark the significant accomplishments of our 1.5 million nursing home residents.

It is fitting during the week-long observance that we also recognize the unstinting dedication of the 800,000 employees in nursing homes without whom there would be no care for those in need. Few realize the critical role these caregivers serve in providing not only for the basic needs of patients, but many times in serving as their substitute family and as their friend.

Anna Kempe, a patient at Fort Atkinson Health Care Center in Fort Atkinson, WI, expressed in a poem her gratitude for nurses and nurse aids:

Like butterflies,
They flit around,
From bed to bed,
Without a sound!

Imagine when,
Their nimble wings,
Contagious smiles,
To patients bring.

I like sunshine rays,
For souls uplift,
Wrapped in love's charm.
Heaven's noblest gift.

Thanks be to God,
For handmaids such,
Who can and do,
Love's heartstrings touch!

It is very fitting that in marking the observance of National Nursing Home Week, we also salute the invaluable contributions of the thousands of employees in our Nation's nursing homes.●

THE AIDS EPIDEMIC

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. WAXMAN. Mr. Speaker, last week I brought word to the House that the Nation had reached the tragic record of 10,000 cases of AIDS. Today I would like my colleagues to note that more than 5,000 Americans have died of this disease. Eighty-five percent of the cases and almost 90 percent of these deaths occurred in the last 2 years.

Yet it was 2 years ago that the Secretary of the Department of Health and Human Services declared that AIDS was the "Public Health Service's No. 1 priority."

The numbers make clear that this was a hollow promise and a cynical abuse of the trust that Americans have come to place in the Public Health Service. Those who work on what is ostensibly the No. 1 priority have been forced to beg, borrow, and steal from other budget line items and personnel ceilings. In the 2 years since her declaration, as thousands of Americans became terminally ill and died, the Secretary has turned down the budget requests of the Reagan-appointed Assistant Secretary for Health, the Reagan-appointed Director of the Centers for Disease Control, the Reagan-appointed Director of the National Institutes of Health, the Reagan-appointed Commissioner of Food and Drugs, and the Reagan-appointed Director of the Alcohol, Drug Abuse, and Mental Health Administration.

These budget requests for urgent needs did not originate with spendthrifts; they came from research and public health experts, conservative men who were team players of the Reagan administration, but team players who knew epidemiology and science. These scientists and medical doctors had made a careful evaluation of their resources to combat an epidemic and found them underfunded by half.

But the Secretary, after months of silence on these urgent needs for the No. 1 priority, turned down these requests of public health officers, without explanation.

We cannot afford such misplaced frugality. This Congress looks to the NIH, the CDC, the FDA, and the ADAMHA for recommendations regarding the resource needs of the Public Health Service. Even in such difficult budgetary times, I cannot believe that my most fiscally minded colleagues would refuse the funding that the CDC or the NIH might say is necessary to control the epidemic.

But, I must add, trusted scientists and Reagan officials will have to speak out to persuade both Houses to increase funding. With the administration arguing officially that all domestic budgets should be frozen or cut, it unfortunately seems that not even the eloquent testimony of the diagnoses and deaths of American citizens will be sufficient to produce new resources.

Mr. Speaker, I submit the following statistics for the week ending May 12:

ACQUIRED IMMUNE DEFICIENCY SYNDROME [AIDS] WEEKLY SURVEILLANCE REPORT, MAY 13, 1985, U.S. CASES

	Reported cases	Reported deaths
Adult/adolescent	10,105	4,921
Pediatric (under 13 at diagnosis)	121	87
Total	10,226	5,008
Age of AIDS patients:		
Under 13	121	
13 to 19	55	
20 to 29	2,167	
30 to 39	4,835	
40 to 49	2,128	
Over 49	920	
Total	10,226	
Residence:		
New York	3,779	
California	2,349	
Florida	706	
New Jersey	625	
Texas	512	
Pennsylvania	211	
Illinois	203	
Massachusetts	180	
District of Columbia	152	
Georgia	146	
Puerto Rico	123	
Maryland	122	
Connecticut	110	
Louisiana	107	
Washington	106	
Virginia	89	
Colorado	75	
Ohio	67	
Michigan	66	
Missouri	51	
Arizona	44	
North Carolina	43	
Hawaii	35	
Indiana	33	
Oregon	33	
Minnesota	25	
Wisconsin	25	
Kentucky	23	
South Carolina	23	
Alabama	20	
Oklahoma	17	
Nevada	15	
Delaware	14	
Rhode Island	14	
Tennessee	12	
Utah	11	
Other States (12)	60	
Total	10,226	●

H.R. 2480

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. RANGEL. Mr. Speaker, today I am proud to introduce H.R. 2480, a bill to lower Federal tax burdens on the working poor. The bill expands the earned income tax credit [EITC] and is identical to the EITC provision which I introduced last year as part of the Omnibus Anti-Poverty Act of 1984. I am also pleased that this provision has been included as part of the 1985 Economic Equity Act, introduced yesterday.

We may judge the fairness of our Tax Code by many criteria, but one of the most compelling considerations is how the tax laws treat the working poor. Most would agree with the contention that it is not fair to tax people who are in poverty. Yet our tax laws do just that, and in recent years the tax burden on the working poor has increased dramatically. Consider the case of a mother with two dependent children who earns poverty level wages. In 1978 she would have paid a total of $35 in taxes to the Federal Government. In 1984 her tax burden has increased to $675 and by 1986 she will pay $758 out of her poverty level income.

The administration's tax cut program has contributed to the problem. Through the 1960's and 1970's in several tax reduction bills, attempts were made to eliminate the tax burden on families whose incomes were below the poverty line. Provisions of tax law which kept the level of income at which a family begins to pay income tax—the tax entry point—above the poverty level where changed. No such provisions were contained in the administration's 1981 Economic Recovery Tax Act.

The administration has recognized this fact and in the Treasury tax reform proposal, they increased the tax entry point substantially by increasing the zero bracket and personal exemption amounts. In addition, they indexed the EITC parameters. I trust that the administration's new tax reform proposal will keep faith with the working poor of this country and will lower tax burdens by an equal or greater amount.

Contrary to popular perception, most female-headed families have earnings. In 1983, approximately 72 percent of the 7 million female-headed families had earnings. Unfortunately, nearly 48 percent of these families were below poverty. Nevertheless, even for those families near poverty—with incomes between 75 and 100 percent of poverty—70 percent had earnings. These earnings represented 46 percent of the total income of these families. In contrast, public assistance represented only 29 percent of their total income.

Yet these families are literally being taxed into poverty. A mother with three children who earned poverty level wages in 1984 owed Federal taxes of $1,209 or 11.4 percent of income. This family owed $134 more than a husband, wife, family with two children even though their earning capacity was presumably less and their child care needs greater.

Last year, at an oversight hearing of the Committee on Ways and Means, which I chaired, the Census Bureau provided information on how many families we taxed into poverty. They estimated that in 1982, some 3.2 million individuals would be counted as poor if net income (after-tax cash income) was used to define poverty. In contrast, in 1979, 1.9 million additional individuals would be counted as poor if tax policy was taken into account in defining poverty. Thus, changes in tax policy made an additional 1.3 million individuals poor in the 3 years between 1979 and 1982.

The Economic Equity Act redresses the unfair tax increases on low-income workers by expanding the earned income tax credit. This proposal allows a 16 percent refundable, credit on the first $5,000 of earnings, to be phased out at a 16 percent rate between $11,000 and $16,000 of earnings. The eligibility levels would be indexed for inflation in the future. The 1985 Economic Equity Act would also raise the zero bracket amount for heads of households to the same level as for married couples—$3,540 in 1985. This provision has been introduced separately by Congresswoman KENNELLY.

Both of these proposals will create a Tax Code which is more equitable for the millions of poor working women. These provisions would mean that a woman with two children with poverty line earnings and no day care expenses would now pay a total of $81 in Federal taxes—$677 less than under current law.

HEAD OF HOUSEHOLD AND TWO CHILDREN—POVERTY LINE EARNINGS

	Current law		Economic Equity Act
	1978	1986	1986
Wages	$5,201	$8,973	$8,973
Payroll tax	315	642	642
Federal income tax	0	365	239
EITC (— indicates refund)	−280	−249	−800
Total taxes paid	35	758	81
Taxes as a percent of income	0.7	8.5	0.9

This is only one step in the direction of a fair Tax Code. These proposals ought to be enacted in conjunction with a comprehensive tax simplification package. Equity demands that we tax people on the basis of their ability to pay. In my judgment, the tax reform proposals do not go far enough in reducing tax burdens on the working poor. Expansion of the EITC should be coupled with comprehensive tax reform. In this sense, the 1985 economic equity bill and the movement for comprehensive tax reform both embrace the same ideal of tax fairness.

Summary of H.R. 2480

CURRENT LAW

Eligible taxpayers are those with earnings below $11,000 with dependent children at home. The Earned Income Tax Credit (EITC) is computed on 11 percent of the first $5,000 of earned income for a maximum credit of $550. The credit is refundable; i.e., eligible taxpayers receive a check back from the Treasury for the amount that their qualified EITC exceeds federal income tax liability. For families with adjusted gross income (AGI) above $6,500, the EITC phases down until it equals zero at the AGI of $11,000.

RANGEL PROPOSAL—INCREASE AND INDEX THE EITC

In FY 1985, increase the maximum credit from $550 to $800 by raising the credit to 16% of the first $5,000 of earned income.

In FY 1986, phase out the credit at a rate of 16% for incomes between $11,000 and $16,000.

In FY 1987 and thereafter, index the maximum credit and the phase-out thresholds. Under the proposal, for purposes of determining support or the maintenance of household test. Federally funded, means-tested programs will not be taken into account. In addition, the credit would not be counted in determining AFDC or SSI eligibility or benefits.

Joint Committee on Taxation revenue estimates

[In billions of dollars]

Fiscal year:	
1986	−.11
1987	−3.22
1988	−3.44

Mr. Speaker, two recent editorials in the Washignton Post by Judy Mann and William Raspberry eloquently state the reason why tax burdens on the poor have increased and why those tax burdens should be lowered.

[From the Washington Post, Apr. 22, 1985]

Taxing the Poor

(By William Raspberry)

Poor people—those officially defined by the government as living in poverty—should not have to pay federal income taxes. The near-poor should not be burdened with taxes that would pull them down into poverty.

The two propositions seem so obvious that most Americans probably think they are already a part of the tax code.

They aren't. Not only are the officially poor taxed, and many near-poor taxed into poverty: their tax burden has actually grown during the years of the Reagan tax cuts.

Don't feel bad. I didn't know it either until I read the Children's Defense Fund's new report, "The Impact of Federal Taxes on Poor Families," Mary Bourdette and Jim Weill, authors of the report, look at one working mother:

Jane Doe is a single mother with three children. In 1979, her income from her job was $8,000, a little above the federal poverty line. Jane, like most other low-income workers, had no unusual tax deductions or tax "breaks," so her federal income and Social Security taxes were $481, leaving her family with $7,519 to live on after federal taxes, still a tiny bit above the official poverty line in 1979 ($7,412 for a family of four).

And what has happened to the struggling Jane Doe since then? Inflation has increased the cost of living by 43.2 percent, but, luckily, her income also has increased by 43.2 percent, so that her 1984 income was $11,456.

But she didn't break even. Besides losing some of her government-paid benefits to the Reagan budget cuts, she also saw her federal taxes increase by nearly 300 percent—from $481 to $1,384—so that instead of being a little bit above the poverty line after taxes, she wound up below the poverty level, which by then was $10,813.

What happened to Jane Doe's and millions of other low-income families was probably more the result of oversight and neglect than of conscious design. To begin with, there was the increase in the amount of earning on which Social Security taxes are paid, to the point where even poverty-level wages required the payment of $743 in Social Security taxes in 1984. In addition, inflation drove up the wages on which the poor are taxed without any compensating adjustments. The personal exemption, for instance, remains at $1,000 per person, and the standard deduction—crucial to taxpayers who (like nearly all poor families) do not itemize their deductions—also went unchanged.

The result is that even those poor families whose wages kept abreast of inflation lost enough spending power to more than offset the effect of a cut in tax rates, in effect shifting the tax burden away from the well-off (who did benefit from the tax cuts) to the poor. Between 1980 and 1982, the study notes, the "aggregate federal taxes paid by poor families increased by 58 percent . . . while taxes on the well-to-do and on profitable corporations declined dramatically."

The study points out what too many of us have not understood: that there is no automatic link between the poverty line and the tax tables. It is true that in the late 1970s, poor people paid little or no income tax. But this was because, between 1975 and 1980, the threshold at which a family became liable for taxes was higher than the poverty line. By 1981, the tax threshold had dropped below the poverty line, and the gap has been growing since then.

The study examines the current tax reform proposals and makes some sensible recommendations for reversing the damage the poor have suffered in recent years. But its chief value is in its clear statement of the increased tax burden on the poor in the past four years.

Even in these cynical times, when everybody is fighting to save his favorite tax break, most Americans would acknowledge that it makes no sense—politically, morally or in terms of elemental fairness—to impose an income tax on those we define officially as already in poverty.

[From the Washington Post, Apr. 24, 1985]

Crushing Tax Burden of the Poor

(By Judy Mann)

The Children's Defense Fund, an organization that lobbies for poor, minority and handicapped children, has issued a report that demonstrates yet another way in which the poor or near poor are being badly hurt by current federal policies.

It is a report that deserves the attention of everyone moved by the goals and sense of compassion that marked the Great Society. It is a document that deserves attention, not only because it talks about the kind of tax policies we have developed as a nation but because it talks about what kind of people we have become—or are becoming. It portrays in graphic statistical detail the human economic deprivation that it would be most comfortable to forget—just as we forgot or ignored the kind of human economic deprivation and suffering that preceded the Great Society.

The paper, written by Mary Bourdette and Jim Weill, opens with a description of Jane Doe, a single mother of three children. "In 1979 her income from her job was $8,000, a little above the federal poverty line. Jane, like most other low-income workers, had no unusual tax deductions or tax 'breaks,' so her federal income and Social Security taxes were $481, leaving her family with $7,519 to live on after federal taxes, still a tiny bit above the official poverty line in 1979 ($7,412 for a single family of four.)

"From 1979 to 1984 inflation increased the cost of living by 43.2 percent. The poverty line also, of course, rose at that rate, from $7,412 in 1979 to $10,613 in 1984 for a family of four. Despite the recession, Jane kept her job and received salary increases equal to the cost-of-living change. Her 1984 salary was $11,456.

"Jane would be in the same financial situation as she was in during 1979, except for two things. First, many of the small governmental benefits that used to go to some working poor parents and their children have been reduced or eliminated since then. Second, her taxes have skyrocketed. In 1984, her federal taxes were $1,384 on her $11,456 income. While Jane's salary went up 43.2 percent, her taxes nearly tripled from 1979 levels. Instead of being slightly above the poverty line, her 1984 after federal tax spendable income was cut by taxes to only 95 percent of the poverty level. Increases in her federal taxes have literally impoverished her and her children. After taxes, her spendable income had dropped to $10,072—or $541 below the official poverty line."

In contrast, the CDF report notes, "Jane Doe paid more federal taxes than Boeing, General Electric, Dupont, Texaco, Mobil and AT&T altogether paid in federal taxes in 1983, although these huge corporations earned $13.7 billion in profits."

There are an estimated 35 million people living in poverty now, 6 million more than in 1980, and nearly half of the families headed by women were poor in 1982. The number of poor people paying taxes more than doubled between 1980 and 1982, at the same time that budget cuts reduced programs designed to help them.

Also hard hit were the two income-earning adults and two children with a poverty line income of $10,613. "This family's combined federal tax burden as a percentage of income more than quintupled during this period. Needless to say, no income group other than the poor has suffered such an increasing tax burden during this period of time."

"Needless to say" is absolutely correct. Had the middle class, the wealthy and the corporations found their income tax quintupling or even tripling in a five-year period, the howls of protest would have been enough to empty the halls of Congress, literally, and the members know it. For proof of that, one needs only to look at the swift remedial action Congress took after taxpayers (read voters) deluged it with protests over tightened Internal Revenue Service rules on business use of cars—rules that required onerous record keeping, but which did not involve huge tax increases.

But the poor are quite another matter. They don't have fancy law firms to analyze the impact of proposed legislation for them or to lobby their cause on the Hill. A single mother of three trying to raise her children on $10,000 a year is facing a task of such crushing proportions that she probably has no idea what's hit her—just that she's got less money to feed, clothe and shelter her children. How these mothers manage is a testament to their fortitude; that they have to is testament to a system that has gone awry. And it is testament to the fact that the Great Society isn't even trying to be good, anymore.

And we are all the poorer for that.●

LEWISBURG RESTAURANT WINS AWARD AT NATIONAL COMPETITION

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. GEKAS. Mr. Speaker, when we visit our favorite restaurants and sit down to order a meal, many times we see the menu only as a list of dishes that may be ordered. What many of us fail to notice is the menu's graphic design and copy which many times tells us a great deal about a community's heritage.

I am happy to report to my colleagues that someone did notice the menu when Country Cupboard Restaurant and Shops of Lewisburg, PA, was among the winners of the 1985 Great Menu Award competition sponsored by the National Restaurant Association held recently in Washington, DC.

Country Cupboard Restaurant and Shops' menu took second place in the category of 5-to-10-dollar average check in which the judges noted that the menu's copy and graphics skillfully interpreted the rich agricultural heritage of Country Cupboard's locale; the heartlands of Pennsylvania.

The menu's copy was prepared by David Phillips, Country Cupboard marketing manager. Constance Timm, Lewisburg, created the graphic design and Paulhamus Litho, Montoursville printed the menu.

Country Cupboard's winning menu will be exhibited at the 66th Annual National Restaurant Association Hotel-Motel Show in Chicago's McCormick Place, May 18–22. Not only will Country Cupboard receive a commenorative plaque, but the menu will also be featured in a special volume to be published by the NRA later this year.

I wish to extend my congratulations to Country Cupboard Restaurant and Shops with the backing of the entire Congress concerning its recent menu winning accomplishment.●

JAMES MOODY ELECTED FMI CHAIRMAN

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. McKERNAN. Mr. Speaker, I am proud to call the attention of my colleagues to a respected businessman and civic leader, James L. Moody, Jr., of South Portland, ME, who has been elected chairman of the board of the Food Marketing Institute, an international association with 1,500 member companies.

In the past quarter century, Jim Moody has risen through the ranks of a large, Maine-based food retailer, Hannaford Bros. Co., to become chairman of the board and chief executive officer.

During this time, he has developed a reputation as an outstanding community leader. He has not only contributed his own time to many civic boards and projects, but also has been instrumental in making in making his company a good corporate citizen.

Under his direction, Hannaford Bros. has supported many cultural and community projects which have enriched the lives of Maine citizens. I hope you will join me in congratulating Jim Moody on his past successes, and wishing him well in his newest endeavor.●

MRS. JENNIE TATE ANDERSON, CIVIC LEADER

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DARDEN. Mr. Speaker, I wish to inform this body of the outstanding lifetime achievements of a Georgian, an historian, a theater enthusiast, an arts patron, an entrepreneur, and an innovator who lived in the Seventh District of Georgia. Mrs. Jennie Tate Anderson, known to all as "Miss Jennie," exuded life and created her self-portrait for us to view. This self-portrait is not sketched or painted. It cannot be framed. It is a profile which illustrates the abundance of opportunity in life.

Her presence and energy were the catalysts in creating and establishing the Cobb County Parks and Recreation Department, the Botanical Gardens at the University of Georgia, a fine arts program for Marietta City Schools, and a local fine arts lecture series.

She was a valuable public servant. Gov. Jimmy Carter appointed her to the Georgia Historic Trust and Gov. George Busbee named her as chairman of the trust. In 1983, she was awarded the Georgia Volunteer Services Leadership Award. In 1975, she received the Cobb Bar Association's Liberty Bell Award for promoting a better understanding of law and democracy. The first Lillian Sullivan Award was given to her by the Cobb Arts Council.

Her seemingly endless vitality allowed her to contribute to and participate in many organizations. The many groups she influenced included the Georgia Trust for Historic Preservation; the Historic Preservation Committee of the Marietta Downtown Development Authority; the Cobb Landmarks Historical Society, which she cofounded; the Cobb County Bicentennial Celebration Committee, which she chaired; State and local garden clubs; Theatre in the Square of Marietta; Atlanta Historical Society; the Cobb Community Symphony; Cobb-Marietta Ballet; Colonial Dames; International YMCA World Service; Junior League of Cobb-Marietta; National Society of the Daughters of the American Revolution; and the Northwest Georgia Girl Scouts.

Mrs. Jennie Tate Anderson died on January 20, 1985. It is my intention to view the unframed portrait of her life often. As she would want, we must encourage others to participate in their communities creating brighter illustrations from the abundance life offers us all.●

A BILL TO ESTABLISH A NATIONAL ESTUARINE PROGRAM

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. JONES of North Carolina. Mr. Speaker, today the distinguished Oceanography Subcommittee chairwoman, Congresswoman Barbara Mikulski, and I, along with 14 of our colleagues, introduced a bill to establish a National Estuarine Program. The legislation is an amendment to the Coastal Zone Management Act [CZMA] of 1972 and is based on the comprehensive land and water use management concept inherent in the CZMA.

Mr. Speaker, by any measure, whether it be the value of the goods and services produced by them or the productivity of their environment, estuaries are of enormous importance to society. Their borders support ever-growing coastal populations; their waters provide increased recreational and economic opportunities; and their environments play a critical role in the coastal and marine ecosystem.

The most biologically productive of our coastal areas, these estuaries are extraordinarily important for commercial and recreational fisheries. Some species of fish are caught within the estuaries themselves while others, although captured outside an estuary, utilize the estuarine system for spawning, survival and growth. The National Marine Fisheries Service estimates that, in 1983, estuarine-dependent fish that were caught in the United States totaled more than 2 million metric tons, with a dockside value of over $1.8 billion and a capitalized annual value of over $35 million. Of the total U.S. commercial landings in the 1983, estuarine dependent species accounted for 68 percent of the total catch and 58 percent of the dollar value.

Mr. Speaker, there are approximately 850 estuaries in the United States, many of which are being directly threatened by increasing coastal population, pollution, and unwise development. The time has come for thoughtful planning and management efforts, on the part of both the Federal Government and individual State governments, to enhance and protect the productivity of these sensitive estuarine areas.

The Jones-Mikulski National Estuarine Program bill would utilize the orderly intergovernmental planning and management processes in the CZMA to restore degraded or threatened estuaries. It would do this by encouraging a Federal-State effort to develop special area management plans for estuaries of national significance.

Candidate estuaries would be nominated by the Governor of the State in which they are located. The Secretary of Commerce, in consultation with the Administrator of EPA, would review the nominations and designate those determined to be estuaries of national significance, for which special area management plans would be developed under the CZMA. The designation would be based upon the ecological significance of the estuary, its biological productivity, the degree to which development activities have impaired its health and ecological integrity, and the degree to which comprehensive planning would contribute to its wise use.

The Secretary, with the concurrence of the Governor, would be authorized to convene a management conference for each estuary so designated. The members of the conference for each estuary so designated. The members of the conference would include the Secretary, the Administrator of EPA, and other Federal, regional, State, and local officials, as appropriate. At the successful conclusion of a management conference, the Secretary and each participating Governor shall review the plan and approve it by consensus. To implement the plan developed by the conference, participating States would be required to incorporate the plan into their federally approved Coastal Zone Management Program.

Based upon existing authorizations of the Coastal Zone Management Act, the Secretary may make grants to States for an amount not to exceed 50 percent of the cost of participating in the management conference.

We believe that the CZMA represents the most appropriate Federal authority under which to conduct these important efforts. First, the comprehensive planning and management approach of the CZMA involves the full range of land use and pollution issues that affect these areas. Further, the planning processes of the CZMA have been founded upon the concept of the Federal-State partnership in coastal management, which is the heart of the effort to rejuvinate our important estuarine areas. Moreover, the administrative mechanisms and the regulatory framework for developing these estuarine plans now exists at both the Federal and State levels and should be utilized in the interest of efficiency. For these reasons, the special area management planning authority within the CZMA is the proper mechanism for this joint Federal-State effort to protect our important estuaries.

At the same time, we want to make it clear to our colleagues on the Committee on Public Works and Transportation that we applaud their efforts along similar lines, and we support wholeheartedly their objectives. In particular, Chairman Howard and Chairman Roe deserve our praise for their diligent efforts and leadership in bringing these matters to national attention. In introducing this legislation today, Ms. Mikulski and I intend to commit ourselves to working with our colleagues on the Committee on Public Works and Transportation and to our other colleagues in the House and Senate on developing a sensible and cost-effective approach for the balanced management and conservation of our Nation's estuaries.

The Committee on Merchant Marine and Fisheries intends to conduct hearings on the National Estuarine Program bill this summer. We ask our colleagues to review our legislation and similar proposals now being considered in both Chambers, and work with us on developing a modest, reasonable program for the protection of this Nation's threatened estuarine areas.●

THE 50TH ANNIVERSARY OF THE CITY OF DOS PALOS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. COELHO. Mr. Speaker, this month, the City of Dos Palos, CA, will celebrate the 50th anniversary of its founding in 1935.

Dos Palos was incorporated at a special election of its residents on May 14, 1935, which was certified by the Merced County Board of Supervisors on May 20, and accepted by the duly elected city council on May 24, 1935.

Since that time, the city's population has grown from 700 citizens to now over 3,500. Located in the Nation's agricultural heartland, the San Joaquin Valley, it is natural that most of the city's residents are involved in the agriculture industry. Dos Palos is a special town filled with hard-working and dedicated people—they are warm and caring individuals. I feel privileged to have attended elementary and high school in Dos Palos.

I would like to congratulate the citizens of Dos Palos on this important anniversary of their city, and I wish them continued growth and prosperity in the years to come.●

ECONOMIC EQUITY ACT

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MOODY. Mr. Speaker, today I am pleased to join my colleagues in the Congressional Caucus for Women's Issues as an original cosponsor of the Economic Equity Act, H.R. 2472.

The legislation covers a wide range of issues important to women, including comparable worth, child care, pay equity, and pension rights. This year, the act also includes a plank to address the employment and business problems faced by women. H.R. 887, a bill I introduced with Representative Lindy Boggs and Representative Parren Mitchell, is a provision of the employment section.

H.R. 887 is a bill to create a 2-year National Commission on Women's Business Ownership. The Commission would conduct a comprehensive review of the status of women business owners. It would also make recommendations to the President and Congress regarding improving Federal procurement practices and access to credit for women entrepreneurs.

The creation of the Commission is a necessary and long-overdue step toward a coordinated national effort to improve opportunities for women business owners. By including H.R. 887 in the Economic Equity Act, the caucus has helped to bring the problems faced by women business owners into sharper focus and identified them as additional obstacles to social and economic equality.●

THE NEED FOR CONGRESSIONAL ACCOUNTABILITY

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DAUB. Mr. Speaker, as a member of the House Rules Committee Task Force on the Budget Process, I had the opportunity to develop a real appreciation for the budget process in detail. During the course of my work on that task force, however, I became very concerned about several problems in that process, not the least being the rising number of rules which are granted containing budget act waivers. During the 98th Congress, 70 percent of the rules granted contained a budget act waiver. In this environment, it is very difficult to assign any degree of congressional accountability to the process.

Without question, the dominant issue before Congress today is that of the Federal deficit calamity. A full 72 percent of the constituents in my district share this sentiment. Because of this situation, I have frequently voted against such rules which would provide for spending in excess of authorized budget levels. Without some change in existing procedures, I see that I have little opportunity to do much else in light of the scope of our deficit calamity. By 1986, the Federal deficit will likely reach $2 trillion and the interest on that debt will approach 20 percent of the Federal budget. How can any of us fail to act on this issue?

A change to the House Rules has been proposed by colleague, Mr. LOTT, which would go a long ways in solving the accountability question. The proposed rule change would not preclude budget waivers, it would only require this body to provide an explanation and justification for any waiver. It seems to me that this is the least that the American taxpayer can expect.

I would like to commend my colleague, the gentleman from Mississippi, for his leadership on this important issue and would urge that the appropriate change to the House Rules be made soon, given the nature of the problem and the fact that we are about to take up the fiscal year 1986 budget.●

THE 50TH ANNIVERSARY OF REA

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. KOSTMAYER. Mr. Speaker, during this commemoration of the 50th anniversary of the establishment of the Rural Electrification Administration, much will be said about the contributions REA and rural electric cooperatives have made to our Nation. Probably no other Government agency or program has done so much for so many people in such a short period of time. Rural electrification is not just a program, however, it is a spirit; a spirit of people working with other people, of people working with their Government, to do the impossible.

Fifty years ago, less than 10 percent of the farms and rural residences in our Nation enjoyed the benefits of central station electric service. Today, thanks in large measure to cooperative rural electrification, virtually everyone in our Nation who wants electric service has it. This is not the case in many parts of the world, however. In vast parts of the world, electric service ends at city and town boundaries, just as was the case in the United States a half century ago.

Countless millions of people in developing countries are still living in the 18th century. They live like their ancestors did, without the most modest of modern conveniences. Because they lack electric lights, the length of their days is governed by the Sun. Because they lack electricity for pumps, they draw water from shallow wells or streams that are often polluted. Muscle power, both human and animal, does the work that could be done with electric motors and equipment. Without electricity, they have no television, or radio, or telephone, the vital communications links that are necessary to bind a nation together.

During the early 1960's, when the job of rural electrification was not yet completed in this Nation, leaders of the Rural Electrification Program in the United States recognized the plight of their brothers in other lands and decided to extend the spirit of rural electrification beyond the shores of our land. On November 1, 1962, leaders of the National Rural Electric Cooperative Association and President Kennedy signed a historic agreement designed to export rural electrification.

Since then, rural electrification programs, based on the American model, have been established in almost two dozen nations around the world. Hundreds of American cooperative employees and directors have volunteered to serve overseas and thousands of people associated with the rural electrification programs of Asia, Africa, and Latin America have traveled to this country to work and learn side-by-side with their American counterparts.

It's a long way from Bangladesh to Adams County, PA, or from the Philippines to Huntingdon County in the south-central part of the Commonwealth. But rural electric cooperative workers in all of these areas share the same mission: to help improve the standard of living of the people they serve. Rural electrification is playing a crucial role in improving the lives of the people of developing nations just as it did here. Rural electrification in the Third World means clean water and sanitary facilities. It means communications with the outside world. It means improved agricultural production and, as a result, a more nutritious diet for millions of people. And it means an end to the backbreaking drudgery of human labor that has marked work for centuries in countries around the world.

Beginning in the 1930's and extending through the early 1960's, millions of Americans celebrated, both privately and in groups, the day the lights went on for the first time. Today, those celebrations are being repeated thousands of times a day throughout the world as a result of the work of rural electric cooperatives. The spirit that caused neighbor to help neighbor in the American Rural Electrification Program, is now encouraging neighbor to help neighbor in our world community. What F.D.R. started 50 years ago to improve the lives of America's rural residents is now serving the cause of world understanding and peace. American's rural electric cooperatives are to be commended for what they have done for our Nation and for what they are doing today throughout the world. Their dedication and service is a model for all of us.●

ALBERT SEENO, BUILDER, CIVIC LEADER

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MILLER of California. Mr. Speaker, I know that all Members of the U.S. House of Representatives will want to join me in honoring Albert D. Seeno, Sr., on the occasion of his 70th birthday this May 26.

I have known Al nearly my whole life, and there are thousands of others throughout Contra Costa County who can make an identical claim. We also all know of his enormous contributions to our community—as a builder of homes, a supporter of church, fraternal, and civic activities, and as a civic leader.

Albert Seeno, Sr., is certainly one of the leading citizens of Pittsburg and of the State of California, and I am proud to call him a friend of mine.

Albert D. Seeno, Sr., born May 26, 1915, in Pittsburg, CA, one of four children of the former Rosa DiMaggio, who was also born in Pittsburg and Gaetano Seeno who immigrated from Italy. His sisters, Edith Davi, Helen Evola, and Alvera Carey are now deceased.

On April 17, 1938, Al married the former Rose Ann Russo in Monterey, CA. They have five children, Thomas A. Seeno, Patricia Brookshire, Albert D. Seeno, Jr., Richard B. Seeno and Karen Kafetas, and nine grandchildren.

Al attended school in Pittsburg and after graduation from high school joined his father in the construction business. In 1936 he was awarded his contractor's license from the State of California and since that date has actively been engaged in the construction business, specializing in, but not limited to, construction of single family homes in many areas, including Pittsburg, Antioch, Brentwood, Oakley, Concord, Walnut Creek, Fairfield, Monterey, Marina, and Reno, NV. He has been involved in boat building, commercial construction,

shopping centers, warehouses, and highrise structures. He serves as chairman of the board of several companies, including Albert D. Seeno Construction Co., Inc. and Diablo Construction Co., Inc.

Under his guidance the various companies he has formed have built more than 20,000 single family homes, which have had a positive impact upon the growth and prosperity of these communities and have directly and indirectly created employment for thousands.

He has made invaluable contributions of his time, money, and efforts to the betterment of his city, church, civic and social groups. Perhaps more than any resident, past or present, he has helped perpetuate the positive future of Pittsburg.

Mr. Speaker, Members of the Congress, please join me in congratulating Al Seeno, not just on his 70th birthday, but on being a dedicated and patriotic citizen whose good works and contributions are readily seen throughout the county he has helped to build, and which I am privileged to represent in the U.S. Congress.●

JOHN J. LEITCH, RETIRING SUPERINTENDENT OF CENTRAL ISLIP SCHOOL DISTRICT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DOWNEY of New York. Mr. Speaker, today I am privileged to pay tribute to Mr. John J. Leitch, who will retire this June after 33 years as an educator on Long Island. Mr. Leitch has served as the superintendent of the Central Islip School District since 1970.

Mr. Leitch began his career as a teacher in the Elmont School District and progressed to the position of superintendent of the Central Islip School District. John has also held the positions of president of both the Islip Town Chief School Administrator's Association and the Suffolk County School Superintendents' Association. His dedication and enthusiasm in the field of education are outstanding and deserve special recognition. He has earned the respect and admiration of his colleagues and the members of the Central Islip community for his many years of service.

I am honored today to express my personal thanks to John Leitch for his very special contribution to our educational system and our community.●

THE $100 DRUG BILL

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. SCHULZE. Mr. Speaker, today, billions of dollars are tied up in drug trafficking. One need only to scan the front page of any newspaper to realize the phenomenal cash amounts involved. The figures are staggering. The IRS, DEA, and the Treasury estimate that the dollar amounts involved in the illicit trafficking of drugs is near $110 billion, and those figures keep climbing. Most of these million dollar transactions are made in cash, and the most common medium of exchange is the $100 note.

The $100 note is the note most often used in the illicit sale and purchase of drugs and money laundering. The average American seldom carries such amounts on his person and seldom makes cash purchases in amounts of $100 notes or more.

In view of the underworld's reliance on the $100 notes and the difficulty law enforcement agencies are having containing the drug business, I am introducing legislation which directs the Secretary of the Treasury, in consultation with the Federal Reserve Board, to retire all U.S. $100 notes. It also directs the Treasury to determine when such notes would cease to be legal tender, and prescribes a grace period in which old $100 notes be returned and new dollar instruments then be issued by the Treasury.

This legislation is intended to immediately disrupt the dealings and money laundering tactics of drug traffickers. The crime and the phenomenally large amounts of cash involved in the illicit drug trade require that immediate measures be taken. My bill would provide such action.●

SUPPORT FOR H.R. 281, A BILL TO PROTECT THE RIGHTS OF WORKERS IN THE BUILDING TRADES TO BENEFIT FROM COLLECTIVE BARGAINING

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Ms. MIKULSKI. Mr. Speaker, I am proud to be a cosponsor of H.R. 281, the Construction Industry Labor Law Amendments of 1985.

Recent decisions of the National Labor Relations Board and the courts have drawn a blueprint for the avoidance of lawful union agreements. The decision allows a construction contractor to establish a second nonunion operation with no practical difference from the original except it is not covered by a union contract. The employer is then free to transfer work from it's union shop to it's nonunion shop. That is called "double breasting." It has flourished because this new loophole allows employers to escape contractual obligations to their work force.

Furthermore, these NLRB decisions undermine collectively bargained prehire agreements entered into by the employers and unions prior to the hiring of a full compliment of employees. These prehire agreements had served to assist the employers by providing a pool of skilled employees and to assist the unions by having the employer agree to perform in accordance with a union contract.

Under the new interpretation of the law, an employer who has signed a collectively bargained prehire agreement can act as if no contract exists unless the union can prove the employer has a stable work force with majority union support or the union can demonstrate majority support on every separate job site. Because of the nature of the work force, it is extremely impractical, if not impossible, for the union to meet either of these tests. This is precisely what led Congress 25 years ago to enact a prehire provision of the National Labor Relations Act.

H.R. 281 proposes to do the following:

Eliminate the use of "double breasting" as a means to avoiding the requirements of collective-bargaining agreements by making such agreements applicable to all business operated by a single employer within the geographical area covered by the agreement.

It provides that the prehire agreements are binding unless the union is decertified.

This legislation is critical to reverse the erosion of construction worker's rights and restore stability to labor relations in the construction industry. I urge my colleagues here in the House of Representatives to join me in cosponsoring this vital legislation.●

THE DEATH OF GERALD D. STURGES

HON. DICK CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. CHENEY. Mr. Speaker, I rise today in sorrow.

On Thursday, May 2, Gerald D. Sturges passed away after a brave fight against a severely debilitating illness.

Gerry and I first met in 1968, when we both first came to Washington as congressional fellows sponsored by the American Political Science Association. I was an aspiring academic. He was a newsman from Oakland already on his way up in California journalism. The aim of the Fellowship Program is to give such people a year's real life experience working staff jobs in Congress.

As is often the case neither of us went home again.

From our first meeting it was obvious that Gerry was a Democrat, while I was a Republican. Yet we respected each other and, I like to think, learned much from each other.

Gerry spent his fellowship working with Mr. OBEY, then just entering the House after a special election. Gerry stayed on to join his permanent staff, later working for Senators Nelson and Moss. At the time of his death he was working a top job for an international consulting firm.

Despite his wide-ranging congressional duties, Gerry was proof that those in the congressional process can and should have outside interests as well.

Due to such an interest, he became one of this country's leading lay experts on sharks, an animal which remains wrapped in scientific mystery and is surrounded by a multitude of fears among the public. Gerry helped dispel those mysteries and fears by continuing to write on a free-lance basis for scientific and popular journals.

He will be missed by many in this city and across the country.

Mr. Speaker, our sympathies go out to his wife, Claudia, his three children, his parents, and his sisters.●

THE ECONOMIC EQUITY ACT OF 1985

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. EDGAR. Mr. Speaker, I rise today to encourage my colleagues to join me and many others in cosponsorship of the Economic Equity Act of 1985 [EEA]. As an original cosponsor, I am very pleased that we are introducing a comprehensive package which will help improve the economic equality of women and men alike. This bill represents an attempt to address both short-term and long-range inequities faced by women in every walk of life, from single mothers trying to stay off public assistance to widows facing inadequate retirement income. It is imperative that we move this package through the House as quickly as possible. When we finally pass each and every component of this bill, our laws will be in tandem with a basic truth: Women are an integral and vital part of our economy and should be treated as such.

The first section of EEA deals with retirement security. Inequities in our retirement systems are often a direct cause of the poverty level among our elderly female population. I find it telling that in 1983, older women had a median income $4,167 less than that of older men.

Many workers, especially women, do not remain in the same job long enough to build up the necessary years to be eligible for a pension. Our plan would allow workers employed at a specific workplace to count each year starting with the first year toward his or her pension. In other words, the preestablished amount of years for pension eligibility would be abolished. EEA would allow married couples to have the records of their earnings added together and divided equally. In the event that one spouse retires, each would receive equal Social Security benefits, regardless of how many years each spouse had spent in the workforce. The Social Security reforms also provide for disabled widows or widowers to receive full benefits regardless of age.

EEA addresses care of dependent children in its second section. Roughly 47 percent of women with children under age 1 are working. Moreover, of mothers currently not working, and whose family income is less than $15,000, 36 percent report that they would work if adequate day care were available. If we can enable more women to hold down jobs by improving the day care network, then they could better provide themselves and their children with the roots of a life of dignity.

EEA would increase funding for social services block grants, including $300 million specifically earmarked for child care. It includes establishment of grant programs to make child care available to low income, first generation college students and to set up child care programs in public housing projects. The latter would encourage the direct involvement of public housing residents, especially elderly individuals, by employing them in the day care programs.

Section 3 of EEA focuses on insurance. Premiums often vary according to the age, sex, race, and religion of the person insured. I concur with the Supreme Court's ruling in both the Manhart and Norris decisions that people should be treated as individuals and not as members of a racial, ethnic, religious, or sexual class. As such, we have proposed reforms to stop such discrimination. A second problem is that many women obtain their health care coverage through their spouse's employer. If they become widowed or divorced, it is often quite costly to convert such coverage to a private plan; 6 million widows and divorced women are unable to obtain any health coverage at all. Our bill would require insurers to extend health coverage to the divorced or widowed woman and her dependent for 5 years.

Employment is another key area of EEA. Women currently earn only $0.63 for every dollar earned by men. Our legislation begins to address this inequity by mandating studies of pay practices in both the Federal branch and the Library of Congress. EEA also sets up education programs for single AFDC mothers in order to help them obtain high school diplomas and formulate career plans. Day care would be provided for the mothers while they attend class. The final provision in the employment section amends the Equal Credit Opportunity Act to protect women from credit discrimination.

The last section of the EEA addresses tax reform. The Tax Code is now based on conception of the family structure which often does not hold true: A male head of the household with a dependent woman and dependent children. Our legislation increases the zero bracket amount, or minimum amount of allowed tax free deduction, for single head of households until it equals the ZBA of married couples. EEA expands the dependent care tax credit and indexes and increases the earned income tax credit, which helps to keep poor families above the poverty line. Our bill will also raise the level of allowable contributions to "spousal IRA's." Current IRA requirements discriminate against married couples with one nonworking spouse.

All the reforms in the 1985 Economic Act have been carefully designed to improve the present and future economic equality of women. It is imperative that we enact these pieces of legislation quickly so that women can receive the economic benefits and opportunities they deserve.●

ECONOMIC EQUITY ACT OF 1985

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mrs. BURTON of California. Mr. Speaker, I rise today in enthusiastic support of the Economic Equity Act of 1985.

Mr. Speaker, the timing of the introduction of this package is very important. The House has begun consideration of the budget proposal which has recently been passed by the other body. This budget has been hailed as a compromise and indeed, that is exactly what it does. It compromises a huge segment of our population—our women and children.

Let me speak plainly; this budget proposal is terribly unbalanced. I strongly believe that the various proposals within the Economic Equity Act will restore a sense of fairness, and of true equity.

This proposal contains a measure which reflects one of my primary concerns—the lack of child care for those who most need a ticket to economic self-sufficiency. My legislation, which amends the Higher Education Act, addresses the child care needs of low-income, first generation college students; students who are the first generation within their family to attend college. It is an inexpensive and innovative grant program which makes child care available to these students and provides some training, in the form of part-time employment, in child care programs.

This is a progressive and balanced proposal. It increases access to higher education by eliminating yet another barrier—lack of appropriate child care. It will also increase the pool of trained professionals in the child care field for the future.

I urge all my colleagues to contact my office to cosponsor this constructive proposal and to look carefully at all the other proposals contained in the Economic Equity Act, which are urgently needed by a great majority of the people we have been elected to govern.●

MIKLOS DURAY FREED

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. LANTOS. Mr. Speaker, I wish to comment once again on Miklos Duray, the ethnic Hungarian arrested by the government of Czechoslovakia last year on charges of sedition and slander. I have made several remarks on his case in this House, the most recent being a special order I called on March 5 of this year. I am pleased to announce that I have recently learned that Mr. Duray was released this weekend as part of a general amnesty.

I would like to call attention to his release to point out the significance of his imprisonment to all ethnic Hungarians in Czechoslovakia. Mr. Duray—a leader in the ethnic Hungarian community and a member of Charter 77—organized a successful petition campaign to protest the proposed abolition of Hungarian-language courses in many schools attended largely by ethnic Hungarian students. Largely due to this campaign, he was arrested on May 10, 1984, and has been imprisoned awaiting trial until his recent release.

Repression of the individual cannot be left to occur unnoticed. This is not interference in the internal affairs of other countries, as some nations claim when their human rights record is held up to public scrutiny. This type of examination is, in fact, required by the Universal Declaration of Human Rights, adopted by the United Nations 37 years ago, which states, "Member States have pledged themselves to achieve, in co-operation with the United Nations, the promotion of universal respect for and observance of human rights and fundamental freedoms." In addition, the Helsinki Final Act clearly mandated the signatory nations to respect the rights of national minorities, along with a wide range of other human rights, including freedom of expression, religion, and association.

No, Mr. Speaker, we are not interfering in the internal affairs of Czechoslovakia when we attempt to hold them accountable to the treaties they have signed. And we are not interfering when we take note and rejoice that this courageous man is now free. I salute Miklos Duray for his integrity and his strong sense of justice, and I trust that his resumption of normal life will not be hindered by obstacles to his contact with others or to his career and livelihood.●

MS. WALMAR GRAY CELEBRATES 50 YEARS OF SERVICE WITH AMERICAN RE-INSURANCE COMPANY IN NEW YORK

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ACKERMAN. Mr. Speaker, I would like to take this opportunity to recognize the accomplishments of Ms. Walmar Gray of New York, who on May 13, 1985, will celebrate her 50th year of service with American Re-Insurance Co.

Mr. Speaker, American Re-Insurance Co. is a subsidiary of the Aetna Casualty & Surety Co. and is a well-respected firm in New York. The company has reaped many benefits from Ms. Gray's years of service and the enthusiasm with which she approaches her job. As the retrospective premium accountant in the underwriting accounting department, "Wally" performs the vital task of accumulating data needed for corporate financial reports, as well as servicing clients on an individual basis. Her topnotch work has made a significant contribution to the smooth and efficient operation of the underwriting accounting department, in conjunction with the leadership and direction of Assistant Vice President Kenneth Shefcik and the company's other fine officers.

Mr. Speaker, one of the many talents Ms. Gray has brought to American Re-Insurance is her skill in dealing with people. All of us have had occasion, in our interactions with businesses and institutions, to be put off or experience frustration with the system. But clients of American Re-Insurance who work with Ms. Gray have had a very different experience. Her people-oriented approach to doing business has served the company well, and has been of great benefit to many New Yorkers. Walmar Gray, who is preparing to retire after 50 years of invaluable service, will be greatly missed by American Re-Insurance and its clients.

I would like to congratulate Ms. Gray on her 50th anniversary with the company, and extend to her my best wishes for the future. She has made an important contribution to the city of New York, and I ask all of my colleagues in the U.S. House of Representatives to join me in celebrating with her 50 years of service with American Re-Insurance Co.●

THE GENTLEMAN FROM MASSACHUSETTS: A TRUE FRIEND OF THE VETERAN

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MONTGOMERY. Mr. Speaker, today, the Speaker of the House hosted, as he does each year, the fourth annual conference on the concerns of Vietnam veterans.

This important conference, held here in the Capitol, provides a forum for discussion of the issues particular to the Vietnam war and to the readjustment of its veterans.

This year's conference focused primarily on six areas: Agent orange, education, minority concerns, the Postal Service, programs and appropriations, and small business.

If we look back at the record of this great body in carrying out the Nation's commitment to caring for its veterans, we can plainly see that, through his strong leadership and initiative, our Speaker has played a major role in the development of veterans' benefits and services.

The conference that the Speaker hosts each year to address issues of concern to Vietnam veterans, as well as his record of achievement in the area of veterans' affairs, show a deep concern for and commitment to all veterans.

I just thought my colleagues should know of this event. It is an excellent example of why American veterans of all wars owe a great deal to the distinguished gentleman from Massachusetts.●

MUHAMMAD ALI COMMENDATION

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. LELAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

Whereas, he was born Cassius Marcellus Clay, Jr., but has come to be known the world over as Muhammad Ali;

Whereas, he has striven to be a model for excellence, as both an amateur and a professional achieving the world's highest honors for athletic competition; and

Whereas, this giant of a man has taken the time to touch the lives of even the most weak and vulnerable among us—bringing hope where there has been only hopelessness and building dreams out of desperation: Now, therefore, be it

Resolved, that we, the members of the Congressional Black Caucus, do express to the Congress of the United States of America our collective resolve to advance efforts for prevention of injury in sports and take note of the tribute by the World Boxing Council's Sports Medicine Foundation to take place on May 22, 1985, in Los Angeles, CA to a man who will live forever in the sports annals of the world as "The Greatest."●

SECTION 226 OF THE 1984 MOTOR CARRIER SAFETY ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ANDERSON. Mr. Speaker, an important and badly needed provision was contained in section 226 of the Motor Carrier Safety Act of 1984 which was signed into law on October 30. This provision requires some motor carriers domiciled in certain foreign countries contiguous to the United States to apply for a new type of operating certificate from the Interstate Commerce Commission before they can enter this country.

Some question has arisen as to the effect of this law on transportation by motor carriers domiciled in Mexico into the commercial zones of cities in the United States which are located along our Nation's southern border.

It is the clear intent of this law that effective July 1, 1985, Mexican owned and domiciled private carriers and carriers of specified exempt commodities will have to hold a certificate of registration before they can enter a U.S. commercial zone. Their operation will be restricted to the commercial zone. A Mexican domiciled private carrier or carrier of specified exempt commodities which is owned or controlled by a U.S. citizen will be able to operate throughout the United States.

For hire carriers of regulated goods that are domiciled in Mexico will continue to be able to enter the United States and serve our commercial zones without applying for a certificate of registration. Such carriers will be unable to legally operate outside of the commercial zone unless they had previously obtained operating authority from the Interstate Commerce Commission.

The net result is that all motor carriers domiciled in Mexico either now can operate or will be able to acquire the necessary authority to operate in the commercial zones of cities located in the United States which border on Mexico.

This provision was crafted with the full cooperation and concurrence of the U.S. Special Trade Representative, the Departments of Commerce, State, and Transportation, and the Interstate Commerce Commission. It is the intent of this law that at such time as U.S. carriers are able to operate throughout Mexico on the same basis as Mexican carriers, that the requirement for certain Mexican carriers to obtain the new operating certificates will be waived.●

MOST PRECIOUS NATIONAL RESOURCE

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. EDGAR. Mr. Speaker, I would like to take this opportunity to applaud those 540 outstanding college students who have been selected to receive fellowships for graduate study in the natural and social sciences, as well as in mathematics and engineering. What represents a great source of pride to me, is the fact that the State of Pennsylvania alone, received 35 of these highly prestigious awards. Hence, out of all the States in the Union, Pennsylvania has enjoyed the third highest success rate in application acceptance for this nationwide competition of graduate fellowships sponsored by the National Science Foundation.

These bright, ambitious students are a credit to themselves and their community, and represent a source of inspiration and pride for the State as a whole. These scholars make us realize the tremendous academic potential of our youth in Pennsylvania. If knowledge is power, then these students clearly demonstrate the potential for action that will benefit our State and Nation for years to come. And the main source of fuel that successfully feeds that "driving forward" force is our greatest resource of all—the minds of our young. Below are listed the names of the Pennsylvania high schools and the students who have instilled in us this glowing enthusiasm for what the future promises to bring:

Abel, Edwin George—Springfield, Delaware County.

Barth, Ginger A.—Souderton.

Beaumariage, Terrence G.—Canon McMillan.

Bollag, Brigitte B. (Foreign).

Brady, Kathryn Rose—Lock Haven.

Caldwell, Barrett S.—Friend's Central.

Crawford, Eric Thayer—Mount Lebanon.

Crescimanno, Michael J.—Bethel Park.

Freyd, Gwendolyn—Friends Select.

Glascow, Michele Ann—Bald Eagle-Nittany.

Harper, Rebecca Ann—Penncrest.

Harrar, David L. II—Abington.

Ignizio, Laura Suzanne—State College Area.

Iyengar, Arun Kwangil—Harriton.

Jaffe, Ondria Gay—Lower Moreland.

Jones, David Thomas—Upper St. Clair.

Jones, Lucille Ann S.—Upper Dublin Sr.

Karapin, Roger S.—York Suburban.

Kniss, Fred LaMar—Lancaster Mennonite.

Kochanek, Christopher S.—State College Area.

Lee, Kyu-Ho—State College Area.

Long, Jeffrey Keith—Wilmington Area.

O'Donnel, James R., Jr.—North Hills.

Olds, Emily Jean—Manheim Township.

Powell, Edward T.—Penncrest.

Ryan, Wendy Lou H.—St. Benedict Academy.

Scharpf, Eric William—Pennsbury.

Skwarecki, Edward John—Mount Lebanon.

Swanson, Daniel Scott—Bethel Park.

Viavant, Steven—Westtown.

Wagner, Norman Joseph—Upper St. Clair.

Warner, Frederick James—Manheim Township.

Wilkinson, Lynn Odette—Friends' Central.

Yedidia, Jonathan Samuel—Gateway.

Yost, Gregg Richard—Chartiers-Houston.●

THE 1985 ECONOMIC EQUITY ACT

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Ms. MIKULSKI. Mr. Speaker, today I am proud to join 80 of my colleagues in introducing the 1985 Economic Equity Act. This act is an omnibus vehicle for women's rights legislation. It will improve women's economic status in the areas of retirement security, taxes, dependent care, employment, and insurance.

The Economic Equity Act has been introduced in the last two Congresses. The 1985 act continues our commitment to remove the obstacles to economic security for American women. The 22 separate bills in the act make clear that every issue truly is a women's issue. Not only are women affected by every law, but there is a "women's component" to every policy analysis. Unfortunately, that perspective is too often absent. The Economic Equity Act puts forth a "women's analysis" to some of the major issues of the 99th Congress: Tax reform, retirement security, employment policy, dependent care, and insurance.

I am particularly excited by the provisions which address the needs of older women. The gendered wage gap continues into old age. Seventy-four percent of the elderly poor in America are women, and more than 2.6 million older women subsist on incomes below the poverty line. Reforms of the Social Security and pension systems will make a dent in the inequities older women face.

The employment and dependent care titles of the Economic Equity Act will work to eliminate the discrimination women workers face. The issue of dependent care is especially important. Without the availability of quality, affordable child care, all families suffer. Women struggling to become self-sufficient are unable to take advantage of opportunities for education and training unless they can find acceptable day care. Women are also the primary caregivers of the disabled and the elderly. We need to make dependent care available and affordable, both for the dependents and for the women who have traditionally been responsible for their care.

The 1985 Economic Equity Act is a balanced approach to achieving change. The policies in the act reflect the fact that women today are denied economic equity. This is true of younger women starting in the work force, working mothers who are struggling to be superwomen, displaced homemakers who need the same kinds of assistance as displaced steelworkers, and older women relying on insufficient retirement income. The Equity Act speaks to all women.

Last Sunday we celebrated Mothers Day. I hope that next year at this time I will be able to give my mother the gift of a new law that will allow her to live with dignity and security. As the Older Women's League reminds us all, "Your mother didn't bring you up so you could let other mothers down." And I would add to that, that all women need our help to enable them to attain economic equity. I urge all of my colleagues to respond to the needs of millions of American women and become cosponsors of the 1985 Economic Equity Act.●

THE ECONOMIC EQUITY ACT

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FROST. Mr. Speaker, I am pleased to join today with more than 80 of my colleagues in becoming an original cosponsor of the Economic Equity Act. As was the case in the 98th Congress, this much needed legislation is aimed at improving the economic status of women in several key areas. It is not, however, an identical bill to the one that was put before us last year for two reasons. First, because we had such great success in passing some of the provisions in last year's bill, including some landmark legislation dealing with child support enforcement and pension equity. And, second, because the bill has had to take on new provisions and adopt a new form to remain responsive to the constantly changing roles and needs of women. The basic principal, though, remains unchanged—a commitment to removing the barriers to economic security for American women.

By now, we are all very familiar with the popular advertising slogan, "You've come a long way, baby." Indeed, American women have come a long way in the past two decades. We must not, however, let past success cloud our vision. We must not lose sight of the great distance that remains to be traveled. Financial security is simply not even a realistic goal for far too many women in the world's richest nation.

In 1984, there were 9.9 million families headed by single women in the United States and 36 percent of them lived in poverty. In fact, two out of every three poor adults in the United States are women. Women continue to flood into the job market, the vast majority because of economic need, but remain segregated in traditionally female jobs. The wage gap between men and women refuses to narrow—in 1983 the median income for a woman working full time was only 64 percent of that for a man.

Clearly, there is a great deal of work to be done and passage of this bill would represent a good, solid step toward our ultimate goal—true economic equity. While we may not totally agree with every provision of the act, we can all unite behind its basic premise. This legislation represents a reasonable and comprehensive agenda for attaining women's equity through both short and long term initiatives. It addresses the day-to-day concerns and needs of all women—young and old, homemaker and wage earner.

It has become painfully apparent that women will not assume the place in our society that is rightfully theirs until we have corrected the great economic disparity that exists between men and women. I urge all of you to join with me in cosponsoring this extremely important piece of legislation. I look forward to working with you all in a bipartisan, bicameral effort on behalf of American women and their families.●

CONGRESSIONAL SALUTE TO HON. GUSTAVE F. PERNA OF NEW JERSEY, ESTEEMED EDUCATOR, COMMUNITY LEADER AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ROE. Mr. Speaker, on Friday, May 17, the residents of my Congressional District and State of New Jersey will join together at a testimonial dinner honoring a distinguished citizen, esteemed educator, and good friend, the Honorable Gustave F. Perna, who is retiring from his high office of public trust as superintendent of schools in the county of Passaic, NJ. I know that you and our colleagues here in the Congress will want to join with me in extending our deepest of appreciation to Mr. Perna and share the pride of his family in the success of his many achievements, nationally and internationally, in the field of education.

Mr. Speaker, the cultural, historical, and economic achievements—even the basic health, well-being, and longevity of a State and nation—depend in a large measure upon how well we educate each generation charged with the trust of carrying out its responsibilities and traditions. Gustave Perna has indeed earned the greatest respect and esteem of all of us for his leadership and personal commitment in seeking to improve the quality of education for our young people. His exemplary record of performance as an educator over the past three decades plus is applauded by all of us.

Gustave F. Perna was born in West New York, NJ. He attained his bachelor of science degree in education from State Teachers College, Plattsburgh, NY; business certificate, Champlain College, Plattsburgh, NY; master of education degree in school administration from Rutgers, the State University of New Jersey. He also studied at the University of London, England and George Washington University, Washington, DC. He pursued other graduate work at Seton Hall University, Yeshiva University, William Paterson College, and Fairleigh Dickinson University.

His first teaching assignment commenced in 1952 at Meadow Lawn School, East Meadow, Long Island, NY. In 1954 he left New York to become a member of the faculty of Hahn American School, Hahn, Germany for 1 year. During the period 1955 to 1959 he was employed at the Forrest Sherman School, Naples, Italy serving 1 year as teacher and 3 years as assistant principal. In August 1958 as a consultant, he established a new school on the Island of Malta, grades 1 through 11. Between 1959 and 1961 he was superintendent of schools on behalf of the Department of Defense, U.S. Navy, Stephen Decatur School, grades 1 through 12, in Catania, Sicily.

In 1961 Mr. Perna returned to the United States and until 1963 was a teacher at Sommerville School, Ridgewood, NJ. Between 1963 and 1967 he was principal of Roosevelt School, Ridgefield Park, NJ. In 1967 he was appointed superintendent of schools in Rockaway, NJ until his appointment to his current position as superintendent of schools for the county of Passaic, NJ. It is important to note that as county superintendent his area of responsibility encompassed 20 school districts, 118 schools with a total enrollment of 75,000 students and 4,358 professional staff and a budget for 1983-84 school year of close to $234 million. He has served as adjunct professor of the following New Jersey institutions of higher learning: William Paterson College, 1966–68, Fairleigh Dickinson University, 1968–71; and Kean College, 1979–80.

Mr. Speaker, in civic and charitable endeavors, Gustave Perna has extended the richness of his wisdom and versatile talents—always giving willingly and unselfishly of his time—in helping others. In college he was elected campus citizen, outstanding athlete, and senior class president. He received a 1-year institute award of the National Science Foundation at Yeshiva University, NY. Mr. Perna was invited by Secretary of State Dean Rusk to attend the U.S. Department of National Foreign Policy Conference for Educators in Washington, DC, and was one of the members of the discussion group that met with President Lyndon Baines Johnson. He was 1 of 30 superintendents of schools selected by the American Association of School Administrators from 21 States to participate in an educational tour of the USSR in 1970. He built a school to accommodate students in grades 1 through 12 on the Island of Sicily for the dependents of U.S. servicemen stationed at the U.S. Naval Air Station, Sigonella, Sicily. It is little wonder that he was invited to have his interesting lifetime of achievements inscribed in the most prestigious publication, "Who's Who in the East."

In 1969 Gustave Perna was a member of the Chief of Naval Air Reserve training orientation cruise at the Naval Air Training Command, Pensacola, FL. As a member of the American Association of School Administrators, he participated in the following seminars of the National Academy for School Executives: May 1967, Pittsburgh, PA, Evaluating Teacher Effectiveness: The Administrator on the Spot; August 1971, Santa Barbara, CA, Communication Strategies: Building Top Management Effectiveness; August 1972, Toronto, Canada, Alternative Schooling: New Patterns in Education; July 1973, San Francisco, CA, P.P.B.S.: Getting Priorities and Allocations Resources; and April 1974, New Brunswick, NJ, Evaluating the Instructional Staff.

He also participated in the I/D/E/A Academy of Fellows Program, Charles F. Kettering Foundation—1978, 1981, 1982, 1983, and 1984. He initiated the organization of the Presidents' Council—superintendents, high school principals, elementary principals and school business administrators—in 1976 and has been president since its inception. He was instrumental in providing the impetus for the construction of two special needs buildings for handicapped high school students. He was appointed by Gov. Brendan Byrne, confirmed by the New Jersey senate, to serve on the New Jersey Battleship Commission. He is member, board of trustees, Passaic County Community College since 1976; board of education, Passaic County Technical-Vocational High School since 1976; secretary and member, executive board, Passaic County Audio Visual Aids Commission since 1976; past president and member for 9 years, Community Library Board, Rockaway Borough; past president, Rotary Club of the Rockaways; chairman, advisory committee, Paterson Education Foundation, Inc.; life member, National P.T.A.; life member, N.E.A.

Mr. Speaker, Mr. Perna has served our people and our country with honor and distinction. He is an outstanding administrator, educator, and good friend whose standards of excellence in his daily pursuits have touched the lives of many, many people in my congressional district. I appreciate the opportunity to publicly acclaim all of his good works in dedicated public service which have truly enriched our community, State, and Nation. We do indeed salute an esteemed educator, community leader, and great American—the Honorable Gustave F. Perna of New Jersey.●

BANK OF LOLETA

HON. DOUGLAS H. BOSCO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BOSCO. Mr. Speaker, it gives me a great deal of pleasure to take this opportunity to commemorate the 75 years the Bank of Loleta has served the people and businesses of Humboldt County, CA.

It is truly a measure of the bank's success, and its strong commitment to the well-being of the community, that what started out as a small, community-oriented service in the back of Dickson's General Store in 1910 remains in 1985 the only community-owned and operated bank headquartered in Humboldt County. Only 12 other banks in California have had longer, continuously operating charters. While much larger today, the Bank of Loleta still retains its strong commitment to the growth and vitality of the Humboldt community.

It is an honor for me to have this opportunity to note the Bank of Loleta's 75th year of outstanding service and commitment to the residents of Humboldt County. We truly appreciate the role the Bank of Loleta has had in helping Humboldt County prosper in the past, and I am grateful for the role the Bank of Loleta will have in the prosperity of the future.●

THE 25TH WEDDING ANNIVERSARY OF MR. AND MRS. RAYMOND DUDA OF EASTHAMPTON, MA

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. CONTE. Mr. Speaker, I rise to give recognition to Mr. and Mrs. Raymond Duda of Easthampton, MA, as they prepare to celebrate their 25th wedding anniversary. Ray and Jo Duda are dear friends of my wife, Corinne, and mine, and therefore, it is with great joy that I make this presentation.

Ray and Jo are special people and their silver anniversary is a special occasion for their family and all their friends. To me, Ray and Jo represent all that is good about American life. The Duda's own and operate the Lazy D Farms, one of the most productive dairy enterprises in the Commonwealth of Massachusetts.

For many years now, Ray has used his expertise to provide direction and inspiration to the farming community. He has done so through such roles as director of the Hampshire County Farm Bureau, chairman of the Massachusetts Dairy Committee, and executive director of the Massachusetts Agricultural Stabilization and Conservation Service—a position appointed by the U.S. Secretary of Agriculture.

My association with Ray and Jo goes back many years, so I know first hand when I speak of the joy and happiness they have generated for so many. They are the proud parents of two exceptional children, Mary and Ray, Jr. I had the pleasure of observing the

product of Ray's and Jo's love and guidance when Mary worked as an intern in my Washington office. She did a wonderful job.

I want to extend all of my best wishes and my warmest regards to Ray and Jo on this wonderful occasion, and to wish them the same for another 25 years.●

QUEENS SPEECH AND HEARING SERVICE CENTER, INC. CELEBRATES ITS 25TH ANNIVERSARY, HONORS ITS PAST PRESIDENTS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to the many clinicians, staff, and board members of the Queens Speech and Hearing Service Center, on the momentous occasion of the center's 25th anniversary, which will be celebrated on May 18, 1985.

Mr. Speaker, the miracles wrought at the Speech and Hearing Center have had a profound effect on many individuals and families in Queens County and in the Greater New York City area.

The center, which will mark its silver anniversary by honoring its past presidents at a gala ball at the North Hills Country Club, has given many people reason to celebrate its outstanding work. Over the past 25 years, the Speech and Hearing Service Center's dedicated staff members have enabled many people with speech and language problems to break out of the isolation imposed by their disabilities.

One of the center's unique programs does this for the severely physically handicapped. Children with cerebral palsy, and adults suffering from deteriorating motor control often are unable to communicate their thoughts and feelings to their families, loved ones, and others. Their minds are trapped inside bodies that can't obey their pressing need to interact with other people, to be understood and to communicate their own understanding. But a program at the center that is specially designed for disabled citizens trains them to use technological and other tools to communicate. Staff members make it possible for people with hearing and language problems, and other physical handicaps, to begin a new way of life. No longer must they stand alone in silence. During the past quarter of a century, the research, training, and therapy conducted at the center have led countless individuals out of their isolation, and into a new fellowship with society.

Mr. Speaker, we in Queens are privileged to have one of the finest speech and hearing centers in the country. In addition to all the many benefits the center provides to its clients, it also serves as a valuable training ground for future speech pathologists and audiologists. Graduate students at Queens College, where the center is headquartered, gain vital experience by working and learning at the center.

The dedication and skill of the center's staff members, students, clinicians and members of the board of trustees have had a tremendous impact on the residents of New York. I would like to publicly acknowledge Bess Fleisher, who has been the center's executive secretary for 25 years; Director Joel Stark, Associate Director Robert Rosenbaum, Board President Paul Belloff, and the former board presidents, whose generosity and humanity have benefited so many. They are: the late Charles Colden, Chester Schwimmer, Richard Geist, Stewart Gilbert, the late Anthony Savarese, Nat Hentel, Joseph Albanese, Norman Gould, the late Samuel Gertz, Vincent Albanese, the late Morton Roberts, and Irving Klein.

I would like to ask all of my colleagues in the U.S. House of Representatives to join with me now in congratulating all of the people who have made possible the Queens Speech and Hearing Service Center's fine work, upon the momentous occasion of its 25th anniversary.●

TRIBUTE TO JUDGE HARRY F. GLADISH, SR.

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. SKELTON. Mr. Speaker, Last Wednesday, May 8, 1985, a dear friend of mine, Judge Harry F. Gladish, Sr., of Higginsville, MO passed away at the age of 85.

I first met Judge Gladish early in my life, but it was in my days as the prosecuting attorney for Lafayette County, while he served as Lafayette County Magistrate, that our friendship blossomed. Harry Gladish was a fine judge, one who could always be counted on to render a fair and impartial decision. He was a man of great intergrity, and a dedicated servant to the cherished principles upon which our Nation was founded.

His distinguished career serving both his country and the community in which he lived all of his 85 years will not soon be forgotten. Judge Gladish was a veteran of the First World War, in which he braved gas attacks while serving with distinction in the 35th Division. He was a member of the American Legion and a former post commander. He served in the Missouri House of Representatives from 1936-42, and was a former mayor of Higginsville, MO. As I previously mentioned, he also served for a time as a Lafayette County Magistrate. Judge Gladish was a member of the Higginsville Lions Club, the Lafayette County Bar Association, and the First Baptist Church of Higginsville.

Over the years, Judge Gladish exhibited a great capacity for friendship. As my career took me to the Missouri Senate, and later to this House, Judge Gladish always remained close. My frequent returns to the Higginsville area were always brightened by his presence. He was as good a friend as a man could have, and I know that I am not alone in saying that he will truly be missed.

I know that all my colleagues join me in offering heartfelt condolences to his family and to his many friends and colleagues throughout the State of Missouri.●

A TRIBUTE TO LT. COL. RUTH L. NANCARROW

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. GEKAS. Mr. Speaker, recently a constituent of mine from Harrisburg, PA, captured one of the four most prestigious awards presented annually at the U.S. Air Force School of Aerospace Medicine.

Lt. Col. Ruth L. Nancarrow, deputy chief of the environmental health branch, Education Division, was awarded the Docere Award for her contribution in furthering the School of Aerospace Medicine [SAM] teaching mission.

In an article written by Discovery editor Bill Graham, Colonel Nancarrow was cited as a recognized authority on environmental health and preventive medicine and was specifically selected for assignment to SAM to develop training programs for the newly created Environmental Health career field. She teaches 425 hours in seven officer and enlisted courses and she wrote the course training standard and plan of instruction for the Environmental Health Interim Training [DVM] Course and personally presents 30 lectures (56) hours in this 3-week course.

In addition, Colonel Nancarrow serves as course supervisor for the Current Environmental Health Services Programs and Policies Symposium for senior environmental health service officers and has written a major portion of the new Environmental Medicine Career Development Course that will be used in a base-level education of 908X0 specialists.

I would like the RECORD to reflect my own personal pride in the accom-

BEST COPY AVAILABLE

plishment of Colonel Nancarrow, our constituent from Harrisburg, PA.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. HUBBARD. Mr. Speaker, former Attorney General William French Smith and Robert Fomon, chairman of the board and chief executive officer of E.F. Hutton & Co., Inc., discussed at a luncheon last fall the Federal investigation that had been going on for over 3 years into the massive check-kiting operation run by E.F. Hutton's employees.

The U.S. Justice Department, in my opinion, the most politically conscious and politically active agency of the Federal Government, allowed the well-connected E.F. Hutton to cop a guilty plea to 2,000 counts and pay $2,750,000 in fines and costs. Of course, the politically motivated Justice Department is not prosecuting any of the individuals who managed the $4.35 billion check-kiting scheme at 400 American banks.

Justice Department officals were quoted yesterday in the New York Times as saying their "plea bargain helped save America's banking system." What a joke.

Recently, the Justice Department indicted, convicted and sent to jail a Washington, DC, woman for shoplifting four sweaters worth less than $200.

Too bad this woman didn't have friends inside the Justice Department or didn't work at a big corporation as a cash management manipulator.●

OUTLAYS OUT OF SORTS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ASPIN. Mr. Speaker, the defense budget is not just a collection of defense issues—weapons, end strengths, operating tempos. The defense budget is also packed with economic issues—economic assumptions, economic policies, economic consequences.

As chairman of the House Armed Services Committee, I look forward in the coming months to exploring those questions. I do so, Mr. Speaker, for two reasons. First, as Red Buttons used to say, strange things are happening. Some of the ways we've done business for many years no longer work. The old assumptions can no longer be relied on. Second the volume of money that is involved is simply staggering. The single issue I want to focus on today—an issue hardly anyone has ever heard of—involves figures that surpass the sums we have been haggling over in this year's budget since January.

Mr. Speaker, I wish to report to the House today that the Defense Department's outlays are out of sorts.

The computer calculations we have been relying on for many years to project the level of Defense Department outlays are not working. Defense outlays are running well below those projected by the administration's computers.

I am not charging the administration with any wrong doing, and I am not the bearer of bad news of a bigger deficit. On the contrary, what I am about to explain to you is how the deficit for fiscal year 1986 will probably be billions of dollars less than anyone is currently estimating.

First, for new initiates to the wonderful world of Federal budgeting, a little explanation is in order—namely, the difference between budget authority and outlays. Congress votes on budget authority; that is, this year, we are voting to give the administration in fiscal year 1986 the authority to spend *x* number of dollars. But Federal agencies won't spend it all in 1986. They will exercise some of that authority in 1986, some in 1987, and some in later years. When they actually spend the money—that is, issue checks—you have outlays.

Congress does not really determine outlays through its votes. The outlays for next year, 1986, are estimated from amounts Congress votes in budget authority for 1986, 1985, 1984, and so forth.

For example, shipbuilding money spends very slowly. For every hundred dollars in budget authority we vote for shipbuilding, $6 will be spent in the first year, $20 will be spent in the second year, $25 in the third year, and the remainder spread out over the next few years. Thus, to calculate the shipbuilding outlays for fiscal year 1986, we add 6 percent of the 1986 shipbuilding appropriations, 20 percent of the 1985 shipbuilding appropriations, 25 percent of the 1984 shipbuilding appropriations, and so forth.

To estimate outlays, we apply simple formulas such as these to the budget authority voted by Congress.

But no one really knows for certain what outlays are until the fiscal year is over and the auditors tabulate all the checks that were issued. Yet, outlays are very important, for it is outlays that determine the size of the deficit. The deficit in any year is based on what the Government spends, not on the level of budget authority Congress votes to give the administration that year.

These outlays projections have never been perfect. Until recently, they came reasonably close. Now, however, something has gone haywire.

Defense Department outlays for 1984 were $10.2 billion below the estimate made in January 1984, 3 months into the fiscal year.

For the current fiscal year, 1985, defense outlays are already running $16.3 billion below what the computer calculations estimated only 5 months ago in January. This is $16.3 billion that will not turn up in the 1985 deficit.

Table 1 shows the experience with outlay projections since 1977.

TABLE 1.—COMPARISON OF FORMULA ESTIMATES WITH ACTUAL DEFENSE OUTLAYS

[Dollars in billions]

	Fiscal years—								
	1977	1978	1979	1980	1981	1982	1983	1984	1985
January estimate	$98.1	$105.3	$111.9	$127.4	$158.6	$180.7	$208.3	$231.0	$256.3
Actual outlays	$95.7	$103.0	$115.0	$132.8	$156.1	$180.7	$204.4	$220.8	[1] $240.0
Percent change relative to estimate	−2.5	−2.2	+2.7	+4.1	−1.6		−1.9	−4.6	6 [illegible]
Dollar error	−$2.4	−$2.3	+$3.1	+$5.4	−$2.5	0	−$3.9	−$10.2	$16.3

[1] Congressional Budget Office staff projections as of Apr. 30, 1985.

As the bottom line of table 1 shows, the total error for last year and so far this year—$26.5 billion—exceeds the total error of the preceeding 7 years—$19.6 billion—by more than a third.

The error is even more dramatic when one nets out the pluses and minuses. Then the 1984-85 error of minus $26.5 billion is 10 times greater than the minus $2.6 billion of the preceeding 7 years.

Officials in the administration understand that something has gone haywire with these outlay projections,

and they have tried to correct for it. Since actual outlays were $10 billion lower than the formulas forecast for 1984, for 1985 the Pentagon and the White House Office of Management and Budget [OMB] arbitrarily lopped $10 billion off the formula projection before publishing their estimates. But that is not enough. Outlay rates so far are running even lower, by more than $6 billion, than the officials anticipated even with the $10 billion chop. Thus, as table 1 shows, the outlay rate for fiscal year 1985, which is only barely half over, is running $16.3 billion below what the formulas say should be spent.

What is causing this? I cannot give you a precise answer, but there are several possibilities.

One possible explanation is that Pentagon budget authority has been based on inflation estimates that were much too high. In other words, we provided more budget authority than was needed, and some authority went unspent.

Another possible explanation stems from a change in government cash management practices. Where previously the policy was to pay bills upon receipt, the policy is now to pay in 30 days.

Other explanations are possible, but require more research. The key question before us, however, is this: What is the implication of this outlay slowdown for the fiscal year 1986 budget that we are now trying to put together? The Pentagon and OMB have again lopped $10 billion off the estimated outlays for 1986—just as they lopped an identical amount off their January estimate of 1985 outlays.

But experience shows that $10 billion is not enough. What's more, there is yet a new factor to slow defense outlays even further. In April, the Pentagon lowered the progress payments it makes to contractors. Previously, it was paying 90 percent of the costs contractors incurred as they went about manufacturing equipment, with the remaining amount paid upon delivery. Now the Pentagon pays 80 percent. It is estimated that this payment stretchout will cut spending by $2 billion to $3 billion over a full year.

Table 2 tracks the estimating errors through fiscal year 1986. The table shows that outlays will be $18.5 billion—$18 billion to $19 billion—lower than projected by the standard formula, whether we end up with a no-growth budget or an inflation-growth-only budget.

TABLE 2.—BUDGET OUTLAY ESTIMATING ERRORS

[Fiscal years in billions of dollars]

	1984	1985	1986	
			Inflation growth	No growth
Budget authority	$258.2	$284.7	$296.1	$284.7
Formula-projected outlays	231.0	256.3	278.2	271.8
Actual or current best outlay estimate	220.8	240.0	259.7	253.3
Dollar error	10.2	16.3	18.5	18.5

The administration has already cut $10 billion off the projected outlays for 1986. It is reasonable for us to reduce the estimates by a further $8 billion to $9 billion—by $2 billion to $3 billion for the progress payment stretchout, and $6 billion to reflect the experience of this year that I explained earlier.

When you look at the budget issues that have been dominating page 1 the last few months, that $8 billion to $9 billion looms very large.

It exceeds the $7.7 billion the President says we could save by terminating 18 Federal programs, including Amtrak support, the Job Corps, the Small Business Administration, postal subsidies, rural electrification, urban development action grants, and others.

It matches the $8.2 billion we would save by eliminating all Federal COLA's.

It dwarfs the $5.6 billion we could save by eliminating Social Security COLA's.

To paraphrase the late Senator Everett Dirksen, this is real money we're talking about.●

NATO IN GERMANY

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. McCANDLESS. Mr. Speaker, this past weekend, I accepted the invitation of the Secretary of the Army to join the U.S. Army's Germany "Quick-Look" Program. We left Andrews AFB Thursday night on a regularly scheduled Air Force C5 cargo plane, and flew home Sunday night on another regularly scheduled C5 flight, after 3 intensive days in Germany.

The schedule began with a visit to the commanding general of the U.S. Army in Europe, and a briefing from him and his staff. From there, we went on to observe the training of the 1st Armored Division, the 2d Armored Calvary Regiment, the 10th Special Forces, the 21st Support Command, and the 59th Ordnance Brigade. I had an opportunity to inspect the 7th Army Training Center, and to become familiar with the organization and maintenance of thousands of U.S. troops abroad.

Consistently, the massive storage capacity necessary to feed, clothe, house, transport, and maintain in combat readiness all these personnel was well organized. The trip was an exceptional opportunity to observe the border activity one hears about between East and West Germany, and to speak with officers, noncommissioned and enlisted personnel. The level of readiness appeared to be very good.

As a member of the body that authorizes and appropriates the funds that go to our Armed Forces in Germany, it is illuminating to see how they are used once they get there, and I would urge my colleagues to take a "quick look" at one important use of our defense budget.●

JAMES L. MOODY OF MAINE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Ms. SNOWE. Mr. Speaker, our State of Maine has long brought forth into the Nation leaders in both public and private life. We are very proud of that tradition, and are very conscious of the debt we owe to those individuals who have worked hard for the benefit of Maine.

I am very proud today of Jim Moody, chairman of the board and chief executive officer of Hannaford Bros. Co. of South Portland, ME. He has been elected to serve as chairman of the board of the Food Marketing Institute, a 2-year position atop the international association that represents over 1,500 food retailers, wholesalers, and their customers.

The same talent and sense of purpose which have marked Jim's career at Hannaford will be the base for a creative stewardship at FMI. His new chairmanship is a reflection of the esteem and admiration of his colleagues in the food retailing industry, an esteem and admiration shared by many of us throughout the State of Maine. Hannaford sets a high standard of service and attentiveness to its customers and patrons, which I believe bears the strong mark of Jim Moody.

Mr. Speaker, I would just like to add my voice of congratulations to Jim Moody, and to commend him for carrying on in the tradition of leadership and service by the State of Maine.●

NOTICE OF RULE REQUEST ON BUDGET RESOLUTION

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. GRAY of Pennsylvania. Mr. Speaker, pursuant to Democratic Caucus rule 35, I would like to advise the Members that I may request, on the behalf of the Committee on the Budget, a modified closed rule for the consideration of the first concurrent resolution on the budget for fiscal year 1986.●

HOUSE OF REPRESENTATIVES—*Wednesday, May 15, 1985*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 14, 1985.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Wednesday, May 15, 1985.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We remember, O gracious God, those who fill their lives with good works, reaching out to people whose names we do not know, but whose needs are great. Each of us knows people who devote themselves to helping others along life's way, whose acts of generosity and kindness are never reported and who look for no reward. We thank You, O God, for those who do their acts of mercy in a quiet and faithful way. In silent prayer we mention their names before You in appreciation for their loving concern. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. LOTT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will inform absent Members.

The vote was taken by electronic device, and there were—yeas 213, nays 158, answered "present" 1, not voting 62, as follows:

[Roll No. 115]

YEAS—213

Ackerman
Anderson
Andrews
Annunzio
Anthony
Archer
Atkins
Barnard
Barnes
Bateman
Bates
Bedell
Bennett
Berman
Bevill
Boggs
Boland
Boner (TN)
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Brown (CA)
Broyhill
Bruce
Burton (CA)
Bustamante
Byron
Callahan
Carper
Coleman (TX)
Collins
Cooper
Coyne
Crockett
Daniel
Darden
Daschle
Davis
de la Garza
Dellums
Dicks
Dingell
Donnelly
Dorgan (ND)
Dowdy
Dwyer
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
English
Erdreich
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Glickman
Gonzalez
Goodling
Gordon
Gray (IL)
Gray (PA)
Guarini
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hertel
Howard
Hoyer
Hubbard
Hughes
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lowry (WA)
Luken
Lundine
MacKay
Markey
Matsui
Mavroules
Mazzoli
McCloskey
McHugh
McKinney
Meyers
Mica
Mikulski
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Natcher
Nichols
Nowak
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pease
Perkins
Price
Ray
Reid
Richardson
Rinaldo
Robinson
Rodino
Roe
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Savage
Schumer
Seiberling
Sharp
Shelby
Sisisky
Skelton
Slattery
Smith (IA)
Snyder
Solarz
Spratt
Staggers
Stallings
Stark
Stratton
Studds
Swift
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whitten
Wise
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (MO)

NAYS—158

Armey
Badham
Bartlett
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Burton (IN)
Campbell
Carney
Chandler
Chapple
Cheney
Clinger
Coats
Cobey
Coble
Coleman (MO)
Combest
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
DeLay
Derrick
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Evans (IA)
Fawell
Fiedler
Franklin
Frenzel
Gallo
Gekas
Gilman
Gingrich
Gradison
Green
Gregg
Grotberg
Gunderson
Hansen
Hartnett
Hendon
Henry
Hiler
Hillis
Hopkins
Horton
Huckaby
Hunter
Hyde
Ireland
Jacobs
Jeffords
Kasich
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Mack
Marlenee
Martin (IL)
Martin (NY)
McCain
McCandless
McCollum
McDade
McEwen
McGrath
McMillan
Michel
Miller (OH)
Miller (WA)
Molinari
Monson
Moorhead
Nielson
Oxley
Packard
Parris
Pashayan
Penny
Petri
Porter
Pursell
Quillen
Ridge
Ritter
Roberts
Roemer
Rogers
Roth
Rowland (CT)
Rudd
Saxton
Schaefer
Schneider
Schroeder
Schulze
Sensenbrenner
Shumway
Shuster
Sikorski
Siljander
Skeen
Slaughter
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Solomon
Spence
Stangeland
Stenholm
Strang
Stump
Sundquist
Sweeney
Swindall
Tauke
Thomas (CA)
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wolf
Wortley
Young (AK)
Young (FL)
Zschau

ANSWERED "PRESENT"—1

Dymally

NOT VOTING—62

Addabbo
Akaka
Alexander
Applegate
Aspin
AuCoin
Barton
Beilenson
Biaggi
Bonior (MI)
Bonker
Bryant
Carr
Chappell
Clay
Coelho
Conte
Conyers
Dixon
Downey
Durbin
Eckert (NY)
Evans (IL)
Fields
Fish
Ford (MI)
Fowler
Fuqua
Gibbons
Holt
Hutto
Kemp
LaFalce
Leland
Madigan
Manton
Martinez
McCurdy
McKernan
Mitchell
Morrison (WA)
Neal
Nelson
O'Brien
Oakar
Pepper
Pickle
Rahall
Rangel
Regula
Scheuer
Schuette
Shaw
Smith (FL)
St Germain
Stokes
Synar
Taylor
Vander Jagt
Williams
Wilson
Wirth

□ 1020

The Clerk announced the following pair:

On this vote:

Mr. Nelson for, with Mr. Shaw against.

Mr. WORTLEY changed his vote from "yea" to "nay."

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. LOWRY of Washington changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

EQUIPMENT INITIATIVE

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, the sixth in a series of National Guard and Reserve initiatives I am pursuing deals with the problem of equipment shortages. I have recommended legislation to the Committee on Armed Services which will expand upon and reinforce an amendment to the fiscal year 1982 defense authorization bill authored by the distinguished senior Senator from Mississippi, John C. Stennis. That earlier legislation required the Secretary of Defense to make an annual report providing the Congress with important information on the existing and future equipment needs of the Guard and Reserve.

Mr. Speaker, the equipment posture of the Guard and Reserve continues to be not good and not at all consistent with the total force missions assigned to them. The Assistant Secretary of Defense for Reserve Affairs has noted that the Army Guard and Army Reserve have only 52 percent of the equipment needed for their roles in a major war. I believe my legislation will help find that solution.

COMMUNIST EXPANSION IN CENTRAL AMERICA CAN BE STOPPED

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, a couple of weeks ago, after we voted to deny any aid to the Contras in their efforts against the Communist Sandinistas in Nicaragua, Ortega responded by saying he would send home 100 Cubans of the 8,000 advisers there, and immediately went to Moscow to reaffirm his relationship with the Soviet Union.

Since then, seven Communist Sandinista operatives have been arrested or apprehended in supplying arms across the border to Honduras.

On May 2, we had an incursion of combat-size units into Honduras by Communist Sandinistas. On May 10, we had an engagement with elements of the Honduran Army and shelling that went across the border and killed one and injured several more and caused the evacuation of several towns and villages. Just this past Saturday we had more combat-size units of Communist Sandinistas entering Honduras.

I have changed my mind about how we should deal with the Communist Sandinistas down there. I do not think any amount of pressure we bring is going to cause them to change, and in my judgment the United States should immediately break diplomatic relations with the Nicaraguan Government. We should recognize the Contras as a government in exile, and we should immediately proceed to supply $50 million, $100 million, or whatever amount is necessary to assure the overthrow of the Communist Sandinista regime in Nicaragua. If we do anything less, we will not succeed. If we do this, we can stop Communist expansion in Central America.

VUCANOVICH OBJECTS TO COMPARABLE WORTH CONCEPT

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, I rise today to speak on the issue of comparable worth. I do not believe that "comparable worth"—the notion that different jobs can be rated equal, and therefore paid equally is a workable concept.

While I am very much against the "comparable worth" proposal, I hasten to add that I do support "equal pay for equal work." I feel strongly that when an individual completes a job, he or she should be paid the market rate, without regard to the gender of the worker. Unfortunately, I fear that the "equal pay" concept has been distorted by the "comparable worth" advocates.

The concept of "comparable worth" is completely unworkable, and in my opinion detracts from the worthwhile issue of equal pay for equal work. Additionally, it is unneeded. While no one can disagree that sex discrimination still exists in some employment situations, "comparable worth" is not the answer to alleviating the problems that exist. It would only serve to create more.

Employers should be held accountable for any discriminatory acts or policies, and laws for this purpose already exist. Sex discrimination can best be remedied through legislation already enacted—the Equal Pay Act and title VII of the Civil Rights Act of 1964, which prohibits job discrimination based on sex or race. We do not need any extraneous, costly legislation.

JOINT REFERRAL OF H.R. 1893 TO COMMITTEE ON EDUCATION AND LABOR AND COMMITTEE ON THE JUDICIARY

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that the bill, H.R. 1893, heretofore referred only to the Committee on Education and Labor be jointly referred to the Committee on the Judiciary on a joint referral basis.

This bill, which amends the Walsh-Healey Act, has always been referred to both committees. The Parliamentarian's office has advised the Committee on the Judiciary that the referral of the bill solely to the Committee on Education and Labor was a mistake and that it should have been jointly referred to both committees. My unanimous-consent request is that that joint referral be made.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

☐ 1030

HOUSE RULES SHOULD BE CHANGED TO PROHIBIT SELF-APPOINTED CONGRESSIONAL AMBASSADORS FROM CONDUCTING CONFERENCES WITHOUT DIPLOMATIC PERSONNEL

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, the Evans-Novak column today in the Washington Post charges that two Members of the House recently traveled to Nicaragua to consult with leaders of the Communist government there, out of the presence of U.S. diplomatic personnel. Their message presumably charged that the Nicaraguan Government had embarrassed the Democratic Party by the Ortega trip to Moscow, and it charged if changes did not occur, some more members of the Democratic Party would be forced to vote for support for the freedom fighters.

Mr. Speaker, as an outspoken advocate for military support for the freedom fighters, I personally hope their feared alternative comes to pass. But I question the wisdom of the Members engaging in closed negotiations with an openly hostile power, and I call upon both gentlemen to make totally public the full substance of their confidential discussions.

Further, Mr. Speaker, I propose the House consider changes in the House rules to prohibit self-appointed congressional ambassadors from conducting conferences out of earshot of authorized diplomatic personnel.

CONGRESS MUST BE READY TO MEET THE TRADE CHALLENGE

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, there are a lot of records being broken these days in the area of U.S. trade with Japan. The problem is that the United States is constantly on the short end of the stick. In March, our trade deficit with Japan hit a record level but Japan posted a record trade surplus with the United States which hit record highs. Japan's auto exports to the United States are up more than 20 percent over a year ago, thanks to President Reagan's misguided decision to lift the ceiling on auto import restraints that expired last April 1. He said when he did that, he wanted to leave it up to the Japanese to decide how many cars they wanted to ship into U.S. markets. How about that.

Mr. Speaker, this is not a game. Decisions based on a fantasy land belief that free trade with Japan still exists has cost America 130,000 manufacturing jobs since January of this year; 45,000 jobs were lost this past March alone. The people in my district are paying the price for this administration's inaction on trade. Imports are flooding our markets and eroding our manufacturing base. We get nothing from the White House but hollow cliches. We need leadership to protect American jobs and American business. If the President isn't ready to meet the trade challenge, then the Congress must.

THANK YOU, MR. PRESIDENT

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to extend his remarks.)

Mr. SOLOMON. Thank you, Mr. Speaker, and thank you, President Reagan, for being a great President. Thank you, President Reagan, for giving us strong leadership, and thank you, Mr. President for giving us a budget with your ideas of how to cut that budget.

You know, my colleagues, I came back to Washington Monday morning, and laying on my desk was a summary of all of the "Dear Colleague" letters and all the resolutions that individual Members are offering for us to cosponsor that would restore this cut and that cut. Maybe it is for local tax exemptions to be restored. Maybe it is for restoring revenue sharing and those are all pretty good ideas, and I know the Members are well intentioned in offering them.

But no place in that "Dear Colleague" letter, no place in that resolution did I read any recommendation that would replace the lost revenue in maintaining the needed deficit reduction of $50 billion. As a matter of fact if all of those recommendations to restore cuts were adopted, we would end up with no reduction in the deficit at all, and if that happens, you will see interest rates going back up to Jimmy Carter levels of 22.5 percent and inflation going back up to Jimmy Carter levels of 14 percent, which literally broke the backs of all Americans in this country. Therefore, I've desisted to oppose all restoration of cuts, no matter how good or necessary they may be, unless there is a specific recommendation to cut elsewhere.

My recommendation for some of those good ideas that my colleagues have for restoring some of those cuts is to take it out of foreign aid; take it out of the U.N. budget and some other places.

I say to you, gentlemen and ladies: Let me hear your recommendations for restoring those cuts with like savings in the budget, and I will be glad to consider and maybe even support some of your suggestions, but don't stand up here on this floor of Congress and say "don't cut this" without also saying "cut this." Be responsible!

IRRESPONSIBLE BUDGETS

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, it seems to me that if President Reagan is truly a leader for this country, he will begin developing fiscal policies that provide some balance. When people say, "Thanks, Mr. President, for your leadership," let us review the leadership.

This is the President who says, "I want to spend $980 billion, but I only want revenues collected from the American people of $180 billion less than that." He wants to give us a dollar's worth of government but only tax for 80 cents. He has added $600 billion to the Federal debt in his short time as President.

No, I do not think that is leadership; I think we all ought to have the courage to require the taxpayers to ante up money for that which we want to spend money for in this House of Representatives. Leadership would be a budget from the White House that is more in line with what the American people want: More closely matching revenues and expenditures.

It is not leadership to lead toward the biggest deficits in the history of civilization. Both sides of this political aisle ought to have the courage to say no to this President. Budgets that call for these kinds of deficits are irresponsible budgets.

THE 92 GROUP DESERVES SERIOUS ATTENTION FROM THE MEMBERS OF THE HOUSE

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, yesterday, our colleague, Congressman Boehlert, held a special order on the subject of the "92 Group Budget: A Blueprint for Balance." It was an informative and useful discussion which focused on how we can reduce the deficit by $50 billion and achieve those reductions equitably and rationally.

Central to this deficit reduction plan is a freeze on defense spending; the only rational way, in my opinion, for us to begin to make structural changes in the deficit in fiscal 1986 and beyond. This is a timely subject since the defense authorization bill is to be debated today.

For those who fear that we are holding defense to dangerously low levels, I would direct your attention to some interesting analyses of defense spendout; one from the Washington Post of May 12 and the series in the New York Times beginning May 14. Both of these articles point out that DOD has record backlogs—$280 billion by reputable estimates. Even the Senate's so-called 3-percent-inflation freeze will boost spending $61 billion—or 24 percent—between now and 1988.

Is this equity? Is it rational? When we are extracting reductions in most domestic spending areas?

That is why the 92 Group Budget with its defense freeze deserves the serious attention of the Members of this body.

CARGO PREFERENCE AND A STRONG MERCHANT MARINE?

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, the issue of cargo preference has received increasing attention over the past several months. The debate reached its highest pitch in recent years after maritime interests successfully petitioned a U.S. district court to expand cargo preference requirements to the Department of Agriculture's blended credit program. In fact, today I am adding the names of 12 additional colleagues to H.R. 1517, which would overturn the court decision, thus bringing the total of sponsors of this legislation to 53.

Mr. Speaker, advocates of cargo preference have accused its opponents of endangering the future vitality of our merchant marine. Let me take just one moment to summarize the fruits of 31 years of cargo preference requirements:

Shrinkage of our merchant marine fleet from 3,000 to about 650, including 150 of the World War II vintage;

A merchant fleet with an average age nearing that of the normal useful lifespan of merchant vessels; and, last but not least,

A merchant fleet two to four times as expensive as its foreign counterparts.

Mr. Speaker, is this the best we can expect for the hundreds of millions of

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985
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dollars we expend on our merchant marine each year? It's high time that we adopt a policy to promote a strong merchant marine, not to keep a rust-bucket fleet above water.

LET US REINSTATE THE BADLY NEEDED R&D DOLLARS TO THE STRATEGIC DEFENSE INITIATIVE

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, the Department of Defense authorization bill is going to be debated this afternoon; general debate about 3 hours. The strategic defense initiative is a $26 billion research and development program that is supposed to extend over a 5-year period of time, about 2 percent of the Department of Defense authorization over the 5-year period of time.

The request that the administration had for the important strategic defense initiative was $3.7 billion for 1986.

☐ 1040

The purpose of this program, the research and development into SDI, is to see if we can move away from the destabilizing doctrine of mutually assured destruction where we threaten to annihilate civilian populations, to a defense that is based on defenses, the ability to defend ourselves and to defend human life.

It was, therefore, very discouraging to find that the Armed Services Committee cut the SDI budget by one-third for 1986, and I hope my colleagues recognize the fact that that was a mistake and as we go under the 5-minute rule, we reinstate some of the badly needed R&D dollars in that worthwhile initiative.

VIOLENCE CAUSED BY ABSENCE OF EFFECTIVE DIPLOMACY

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, last week this body passed an amendment to the State Department authorization bill expressing the sense of the Congress that the Soviet Ambassador should be declared persona non grata, unless his Government apologized for the brutal and unwarranted murder of Major Nicholson in East Germany.

In passing this amendment, offered by my distinguished colleague from Michigan [Mr. Broomfield], we were sharing the sense of outrage felt by the American people and suggesting that our Government must do something to show our displeasure with this brutal act.

And what has been the reaction of our Department of State? The State Department has issued a press statement labeling last week's House action unwise and inappropriate.

Every student of foreign relations knows that violence is caused by the absence of effective diplomacy. But we also know the tragedy of Neville Chamberlain's diplomatic course of appeasement caused World War II.

The Soviet's action in East Germany demands both an apology on their part and a solid diplomatic response from our Government. I hope the Neville Chamberlains at the State Department realize very soon that a policy of appeasement toward the Soviets only invites more aggression and less diplomacy.

BEWARE OF WOLVES IN SHEEP'S CLOTHING

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, last night on Dan Rather's early evening news, Mr. Rather interviewed Daniel Ortega and I noticed for the first time that Mr. Ortega was wearing a conservative business suit and not his military garb. Mr. Ortega just came back from a trip to the Soviet Union and to Eastern bloc countries asking for military and economic aid, and now he is dressing like one of us.

It leads me to believe that we must be very concerned. His tones have moderated, his dress has changed, and now he is talking in a conciliatory tone toward the United States of America. It brings to memory what Castro said in the 1950's when he said:.

> No, I am not a Communist. I want to work with the United States of America.

Two years later he said:

> I am a Marxist-Leninist and have been all my life and will be to the day I die.

That is a Communist, folks. Today Mr. Ortega is sounding more like a reasonable man. We know that is not the case. He wants revolution like Mr. Castro and Mr. Gorbachev throughout Central America.

We must be wary of wolves in sheeps' clothing. That is exactly what Mr. Ortega has become.

SOMETHING ROTTEN GROWING IN THE CONGRESS

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, Daniel Ortega is now making his pro-Communist case throughout Scandinavia, but there is not something rotten in the state of Denmark, there is something rotten that is starting to stink right here in the Congress of the United States. That rottenness is the spectacle of Members from the other body and Members of this great legislative body who travel to give counsel in the capital cities of Communist states like Managua, where repressive governments are holding political prisoners in underground cells, still torturing people, persecuting religion and crushing labor unions and a free press * * * governments that export revolution and terror around this world.

To have two of our Members, Mr. George Miller of California and Mr. David Bonior of Michigan travel down to Managua within days of this Congress turning down assistance to the democratic resistance forces is, in this Member's opinion, a disgusting turn of events.

When U.S. Senators refuse to let the diplomatic staff of our overseas foreign embassies sit in and take notes on meetings with hostile governments, it is a sad day in the history of this Nation, and in the case of the two Members of the other body, not even reporting to our diplomatic staff in Managua before they left the country. We have now reached a new low point in Members of Congress trying to negotiate according to their own foreign policy schemes.

Mr. Speaker, there were some sanctimonious speeches before this House this week, one just yesterday by the gentleman from New York [Mr. Weiss] that said foreign policy is the purview of the executive branch of Government. The majority can't be hypocritical and have it both ways. What a disgusting display, to have Members of Congress groveling in foreign capitals to repressive regimes that bootlick Havana and the Kremlin.

I keep on my desk the May 9 Washington Post Associated Press photograph of Ortega with Gen. Wojciech Jaruzelski. Some Democrats are embarrassed, others know no shame.

I submit for our record of history today's Evans and Novak column as published in the Washington Post.

[From the Washington Post, May 15, 1985]

Dash to Managua

(By Rowland Evans and Robert Novak)

No sooner had President Daniel Ortega flown off to Moscow than two Democratic congressmen arrived in Managua for the weekend to plead according to U.S. diplomatic cables, for help from the Marxist-Leninist regime in calming the congressional uproar over the Nicaraguan's telltale trip.

Reps. George Miller of California and David Bonior of Michigan say "no comment" on their "private conversations" with Sandinista leaders, from which U.S. Embassy officials were excluded. But cables reporting on their talks have surfaced on Capitol Hill, where we obtained them. They describe the congressmen as making the trip to "see what the [Nicaraguan] government could do to help them out of a difficult political situation in the House."

An unnamed member of the congressional delegation is quoted as advising Foreign Ministry officials that the regime should try and hold out for three more years because things back in Washington might radically change by then, meaning a new administration in power. Departing from his "no comment" rule, Miller told us that no such statements were made.

A House Democratic leader, who did not want his name used, said he was "uncomfortable" that their weekend in Managua brought Miller-Bonior "dangerously close to negotiations." But beyond the impropriety of congressmen playing diplomat is a grosser spectacle: a symbiotic relationship between American politicians and the Nicaraguan dictatorship.

Miller and Bonior dashed off to Managua as many Democratic colleagues fretted over Ortega's mission to Moscow immediately after the House vetoed any aid to anti-Sandinista guerrillas. Miller is one of the Nicaraguan regime's most energetic supporters in Congress. He was accompanied by a staffer, Cynthia Arnson, a prominent champion of the Sandinistas, formerly employed by the left-wing Institute for Policy Studies.

The two congressmen were accorded less than red-carpet treatment. They were not satisified by a session with Deputy Foreign Minister Victor Hugo Tinoco and failed to get an appointment with Interior Minister Tomas Borge. But they did meet Vice President Sergio Ramirez; *Comandante* Bayardo Arce, the regime's chief ideologist as coordinator of the Sandinista Political Committee, and Carlos Tunnermann, ambassador to the United States.

In a departure from tradition but true to the latest fashion of pro-Sandinista congressmen, U.S. Embassy officials were barred from the meetings. Miller informed the embassy he had told Ramirez the regime would have to ease censorship and allow what were termed democratic activities to keep the support of Democrats in Washington.

But reports from Nicaraguan sources, as reflected in cables being read on Capitol Hill, suggested the congressman were less interested in liberalization for its own sake than in getting themselves off the political hook back home.

One well-placed source had the congressmen warning that unless the Nicaraguan government took steps toward pluralism, congressional Democrats would switch and vote aid for the contras. It was a second such source that quoted the congressmen asking the Sandinistas to "help them out of a difficult political situation."

The one meeting embassy officials attended was with Jaime Chamorro, editor of the anti-Sandinista *La Prensa*. Miller told the embattled newspaperman that he had urged on government officials the necessity of freedom of the press. Chamorro was not impressed. *La Prensa* would not accept a separate agreement with the government, he said, insisting that freedom of the press must be part of a national "dialogue."

The Miller-Bonior weekend in Managua follows a pattern. When Democratic Sens. John Kerry of Massachusetts and Tom Harkin of Iowa conferred with Ortega in Managua before the House vote, they not only barred U.S. diplomats but did not even report to them after the fact, as Miller and Bonior did. The Sandinista regime's offer to sent 100 (out of 2,000) Cubans back home followed secret negotiations not with U.S. diplomats but with congressional staffers.

The pattern may be breaking, partly because free-lance congressional diplomacy is stirring bipartisan distaste. Bernard Aronson, a Democratic insider and campaign adviser to Geraldine Ferraro last fall, writes in the current New Republic that his party should promise military support for the armed democratic resistance if all other efforts fail. That advice is the antithesis of Democrats, pursuing cosmetic Sandinista "pluralism" while urging the *comandantes* to hang tough until the next American presidential election.

THE NATIONAL ESTUARY PROGRAM

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker, I rise in strong support of a bill which would establish a national program to address severe threats to one of our Nation's most valuable national assets—our estuaries, those areas where rivers meet the sea.

Like many of my colleagues, I represent a State that is intimately tied to its marine environment. Indeed, there is no part of Delaware which is more than 35 miles from its coastal waters. Our Nation's estuaries are the prime nursery grounds for commercial and recreational fisheries; they provide unmeasurable recreational benefits; and, if properly managed, represent tremendous economic opportunities.

Yet, the pressures on estuaries around the country are staggering—many of us want to live near the water, industry wants access to cheaper marine transportation, utilities need large volumes of water to cool their reactors, and many folks, unfortunately, dump their waste into our water, hoping that nature will flush the mess out of sight and out of mind.

This bill would coordinate Federal, State, and local efforts to identify and properly manage estuaries of prime importance.

I urge my colleagues to study and hopefully support this worthy environmental initiative.

STATE DEPARTMENT SHOULD GET MAD AT SOVIET UNION

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, the State Department has finally gotten tough. They have finally gotten mad enough at somebody to use some tough language against them, and who did they get mad at? They got mad at the over 300 Representatives in the House who voted the other week to have a resolution, an amendment, that would force the Soviets to apologize for shooting Major Nicholson or have Ambassador Dobrynin thrown out of the country.

That made the State Department mad. I find this hard to understand, that they would endorse in the same press release where they got mad the toothless resolution we had on the floor before. Yet we had a resolution out here that condemned the murder of Major Nicholson. It was absolutely toothless, but you end up with a resolution that does something and says we ought to do something about it and then the State Department gets mad.

It seems to me that what we need is a State Department that gets mad at the Soviet Union and not at the House of Representatives.

PROVIDING FOR CONSIDERATION OF H.R. 1872, DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 169 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 169

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1872) to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. After general debate, which shall be confined to the bill and to the amendment made in order by this resolution and which shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered for amendment by titles instead of by sections, and each title shall be considered as having been read. All points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI, clause 5(a) of rule XXI, and section 401(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. No amendment to the bill or said substitute shall be in order except amendments printed in the Congressional Record. After the bill has been considered for amendment in its entirety, it shall be in order to consider the amendment in the nature of a substitute printed in the Congressional Record of May 16, 1985, by, and if offered by, Representative Dellums of California, said amendment in the nature of a substitute, if offered, shall be debatable before consideration of amendments thereto for not to exceed one hour, to be equally divided and controlled by Representative Dellums and a Member opposed thereto, said substitute shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 5(a) of rule XXI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. Wheat] is recognized for 1 hour.

Mr. WHEAT. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. Quillen], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 169 is an open rule providing for the consideration of H.R. 1872, the Department of Defense Authorization Act for fiscal year 1986. The resolution provides for 3 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services.

The resolution makes in order consideration of the Armed Services Committee amendment in the nature of a substitute now printed in the bill as original text for the purposes of amendment. The substitute is to be considered by title rather than by section and each title shall be considered as read. Germane amendments to the bill are in order as long as they have been printed in the Record prior to being offered and do not otherwise violate the rules of the House or of the Budget Act.

Section 402(a) of the Congressional Budget Act of 1974, which prohibits consideration of legislation which authorizes appropriations for a fiscal year unless the bill has been reported by May 15 preceding the beginning of such fiscal year, has been waived.

The waiver was necessary because section 902 of H.R. 1872, as introduced, authorized the appropriation of an additional $100 million from the special defense acquisition fund, effective in fiscal year 1985. Since H.R. 1872 was not reported by May 15, 1984, section 902 of the bill causes the bill to be in violation of section 402(a) of the Budget Act.

The substitute reported by the Armed Services Committee deletes the provisions of section 902; however, the waiver is still necessary in order that the bill and the proposed committee amendment be considered.

The rule also waives clause 7 of rule XVI against consideration of the committee substitute. Clause 7 of rule XVI prohibits consideration of nongermane amendments. The committee amendment in the nature of a substitute expanded the scope of the bill as originally introduced. The bill as originally introduced was a 1-year Department of Defense authorization for fiscal year 1986. The committee substitute, however, proposes numerous amendments to permanent law and contains authorizations for the Department of Energy's national security programs which were not included in the introduced bill. Therefore, the Committee on Rules recommends waiving the germaneness rule to allow for the consideration of the Armed Services Committee substitute.

Section 401(a) of the Budget Act is also waived by the rule. Section 401(a) of the Budget Act prohibits consideration of any legislation which provides new contract authority unless such authority is limited to amounts stipulated in appropriation acts. Section 107 of the committee substitute provides the Secretary of Defense with authority to enter into a contract for the procurement of 5-ton trucks. Since this new contract authority is not limited by advance appropriations, a waiver of section 401(a) of the Budget Act is necessary.

However, Mr. Speaker, this waiver is merely technical in nature. The Armed Services Committee intends to offer an amendment to the substitute which would limit the Secretary's contract authority to amounts provided for in appropriation acts.

House Resolution 169 also waives any points of order which may be raised against the bill for failure to comply with clause 5(a) of rule XXI. Clause 5(a) of rule XXI prohibits consideration of measures containing appropriations which are reported by authorizing committees. Several provisions of the bill provide for new uses of previously appropriated funds, waive limitations on outstanding funds, or might otherwise be construed to be an appropriation.

Mr. Speaker, following the consideration of all other amendments to the bill, the rule specifically provides for consideration of an amendment in the nature of a substitute printed in the Congressional Record of May 16, 1985, by Mr. Dellums of California, with the substitute to be considered as read. To permit an adequate opportunity for debate on this alternative national defense policy, the rule provides 1 hour of debate to be equally divided between Mr. Dellums and a Member opposed to his substitute. All points of order against the amendment for failure to comply with clause 5(a) of rule XXI, that is, the rule prohibiting appropriations in a legislative bill, have been waived. The committee had been informed that this waiver was necessary. Subsequent to reporting this rule, however, we have been informed that the Dellums substitute does not violate clause 5(a) of rule XXI.

Finally, Mr. Speaker, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, H.R. 1872 authorizes appropriations for fiscal year 1986 for the Armed Forces for weapons systems procurement; ammunition and other procurement; research and development; testing and evaluation; and operation and maintenance. It also authorizes appropriations for working capital funds; civil defense; the Department of Energy's national security programs; personnel and military training. A 3-percent basic pay increase effective January 1, 1986, is included in the bill, as is a requirement for the Secretary of Defense to submit a proposal to change the nondisability retirement system for new entrants.

Mr. Speaker, while H.R. 1872 may be somewhat controversial, House Resolution 169 provides for a fair debate of issues raised by the bill. I urge that Members adopt the rule so that we may proceed to consideration of this important measure.

□ 1100

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this is a very important measure. The Defense Department authorization needs to be passed. But since I have been on the Rules Committee, I have never seen a rule granted in this fashion. The Rules Committee granted this rule knowing full well that after the general debate and after consideration of the budget resolution that they would have to come back and get a waiver, which will be a second rule on the same bill. If that sounds confusing, it certainly is.

I know, in the past, the Rules Committee has reported out rules that have passed on the floor and then come back to the Rules Committee to make a correction in what they did, but never knowing in advance that a second rule would be required.

As I said, this is an important measure. I think our defense posture should be second to none in this world of ours.

I understand that the Budget Committee is going to make further cuts than the Senate made in the defense area.

In the debate under the 5-minute rule, I think there will be ample time to resolve the differences.

Mr. Speaker, I have one request for time, but before yielding 5 minutes to the gentleman from Oregon [Mr. Denny Smith], I would like to urge the adoption of this rule.

Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. Denny Smith].

THE BUDGET DOCUMENT

Mr. DENNY SMITH. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am a brandnew member on the Budget Committee this term. I am just here to express my real disgust and unhappiness with what is happening today. It is just shortly after 11 o'clock this morning and we have no document from the majority side on the budget. We understand that we are supposed to go into markup at 1 o'clock, having been given a caucus-directed position, apparently, the Democrat leadership.

I just would like to read a letter that I was sent by the chairman of the Budget Committee, our colleague, the gentleman from Pennsylvania [Mr. Gray], and he said:

> It remains my hope that we will be able to complete our work by the April 15 deadline, but the current week and early Easter are working against us. As we sit down and actually begin to polish the budget resolution, I truly hope that you and some of your colleagues on your side of the dias will join me and some of those on my side in a bipartisan resolution that will truly make a beginning at getting this deficit down over a period of three years or so.

Now, I do not really think that this is going to work together, not having a document, being called into the Budget Committee at 1 o'clock to start a markup. This is more business as usual. I just think it is important that the American people understand that here we are with this kind of a situation, facing 2 hours with no documentation. That is not exactly working together.

Mr. MACK. Mr. Speaker, will the gentleman yield?

Mr. DENNY SMITH. I would be happy to yield to the gentleman from Florida.

Mr. MACK. Mr. Speaker, the gentleman mentioned that this is his first year on the committee. He has done a tremendous amount of work in preparation for the debate that hopefully will take place at some point in the committee.

This is now my third year on the committee and what we are getting ready to do, or at least what we have been told, is an instant replay of the last 2 years. It seems like Chairman Gray is going to really begin the same process that Chairman Jones did a couple years ago.

I think maybe it would be helpful, I keep getting mixed signals that we are going to meet at 1 o'clock and then someone said we are going to meet at 2 o'clock; someone indicated that we would have the markup document 45 minutes ago.

I would suggest that before we get involved in a markup of the budget of the United States, that is probably the question that is most concerning people today, that we ought to at least have a little time to look and see what is in that before we even go into the process of debating it; which leads me to my final point.

Maybe there is not any intent that there be any debate to take place on that document. Really what is going to happen is that it is going to be put down in front of us about an hour before markup. It is going to be passed by the majority party and swept out of the way and on we go with business and we are going to bring the Defense Department authorization bill up before the Budget Committee even has a chance to act.

It seems to me that there is total disregard, not only for what the minority rights are, but for the entire process around here.

I thank the gentleman for yielding.

Mr. DENNY SMITH. I certainly agree. Certainly this is not working together to try to accomplish the best thing for this country and this budget.

Ms. FIEDLER. Mr. Speaker, will the gentleman yield?

Mr. DENNY SMITH. I would be happy to yield to my colleague, the gentlewoman from California.

Ms. FIEDLER. Mr. Speaker, I think the thing that disturbs me so much as a member of the Budget Committee is that we are dealing with nearly a trillion-dollar budget. There are a tremendous number of components to it. There are thousands and thousands of provisions that are involved in it and yet we are going to be asked to vote without even having had a chance to read the various components of this budget.

It is no wonder that we find ourselves in the situation of deficits to the level that we have, because nobody knows what is going on. Here we are waiting for a budget which could have been produced days ago; instead, just a few minutes before we are actually going to have to vote on this. If we are lucky, it is going to be put into our hands.

Well, that is part of the irresponsibility that is tradition around this House, controlled by the majority. They do not want anybody to know what they are going to do until the last minute. In fact, I am not certain that they know what they are going to do until their budget is actually put into print.

They ask the rest of the Members of Congress who have to make these decisions to be involved in the decision-making process without giving us any information.

Well, I would call on the chairman of the Budget Committee, Chairman Gray, to come to the floor to tell us what is included in his document, to give it to the members of the committee and to give us until perhaps next week to actually have a chance to sit down and go through it.

I mean, it is no wonder that we have the disarray that we do.

Mr. DENNY SMITH. I thank my colleague.

I would be happy to yield to the gentleman from Ohio [Mr. Latta] for an update on this situation.

When is the last time we had a meeting, I would ask the gentleman from Ohio [Mr. Latta], of the Budget Committee?

Mr. LATTA. Well, it has been some time.

Mr. Speaker, let me just say that the American people who ought to know what is going to happen to them in this body, the House of Representatives, here for months now the Democratic majority has been lying in the bushes, shooting at every reduction proposal that the administration or the Republican-controlled Senate has proposed in the budget. They have had a field day. They have not had to show their hand.

The SPEAKER pro tempore. The time of the gentleman from Oregon has expired.

Mr. QUILLEN. Mr. Speaker, I yield an additional 5 minutes to the gentleman from Oregon [Mr. Denny Smith].

Mr. DENNY SMITH. Mr. Speaker, I yield to the gentleman from Ohio [Mr. Latta].

Mr. LATTA. Mr. Speaker, we have had all this time for our Democratic friends to examine every proposal that has been made by the administration on budget reduction; the same with the Senate, but now they hand us a document that was conceived in the nighttime on the Democratic side and say that at 1 o'clock today we are going to start markup on a $970-plus billion document.

Mr. Speaker, let me repeat that, $970 billion in this one document, and they say we start markup at 2 o'clock—or 1 o'clock. Whether the time might be 1 or 2, what makes the difference? We have not had an opportunity to examine it. The American people have not had a chance to know what is in it, but they are calling on us, and we only have 13 members, we are outnumbered 20 to 13 on that committee, to examine the document and say: "We want you to vote on it function by function this afternoon."

Now, I think the American people deserve better treatment in this, their House, their House of Representatives. I do not care whether the Democrats control it or whether the Republicans control it. Better treatment is deserved in this, the people's House, and what we are getting in a $970 billion document.

Oh they are saying: "Yes, we are coming up with $56 billion in reductions."

Out of what? Two hundred thirty billion dollars of planned deficits for fiscal year 1986, to be heaped on top of a $1 trillion, 800 billion worth of debt?

This budget presented to us is taking 15 cents out of every dollar of taxpayers' money just to fund the deficit. Yes, they want us to start marking up this document, the budget document of $970 billion this afternoon, when we get it 2 hours in advance.

□ 1110

Now, I don't think that is treating the American people in the right and proper way. I would call on our friend, and I do not know who is controlling the time other than the chairman, but for the Democratic majority to do this to the American people—but this is their House. They are going to pay the price. Our grandchildren are going to pay the price for what they have been doing: Lying in the bushes, as I mentioned earlier, for months, shooting at every proposal that has been put forward to reduce this deficit. And now they come forth with their plan and say we are going to vote on it this afternoon, item by item.

I just do not think that is proper, and I think it is high time we shine the spotlight of public attention on what is happening.

Mr. DENNY SMITH. I thank the gentleman from Ohio [Mr. Latta], the ranking member on the Budget Committee.

Mr. WEBER. Will the gentleman yield?

Mr. DENNY SMITH. I yield to the gentleman from Minnesota.

Mr. WEBER. I thank the gentleman for yielding. I think the ranking member from Ohio [Mr. Latta] has made an important point.

But it is even worse than that because not only have the Democrats decided that they are going to bring the budget to us without virtually any prior consideration at all but, as we understand it, it is all going to be passed through the committee this afternoon. There is not going to be several days of deliberations. We are not going to have a great deal of debate on any of the different functions. It is slam, bam, thank you, ma'am, and we are going to be all done with it, and the Congress is going to go home over the weekend and we will never discuss the budget. We do not know what the assumptions are. We do not know how you get the $56 billion. We do not know what the impact is of making a further reduction in the national defense, and we are never going to find out because it is all going to be pushed through this afternoon.

Is that the understanding of the gentleman from Oregon?

Mr. DENNY SMITH. That is what we have been told so far. I think that we are due an explanation from the majority side.

In that regard, Mr. Speaker, I wonder if I could move for a call of the House.

Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The gentleman was not recognized for that purpose. As I understand it, the gentleman from Tennessee [Mr. Quillen] still has the time.

Mr. WEBER. No; he yielded to the gentleman from Oregon [Mr. Denny Smith].

Mr. DENNY SMITH. Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The Chair does not recognize the gentleman for that purpose. There is no requirement that the Chair recognize a Member for a call of the House during general debate.

Mr. DENNY SMITH. Mr. Speaker, I was proceeding out of order under unanimous consent.

Ms. FIEDLER. Mr. Speaker, this is not general debate. Mr. Speaker, the gentleman is speaking out of order under a unanimous-consent request, and the Speaker did recognize him before. So, therefore, it is not a part of general debate.

The SPEAKER pro tempore. The time of the gentleman has expired.

MOTION TO ADJOURN

Mr. DENNY SMITH. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. Denny Smith) there were—yeas 12, nays 14.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 65, nays 331, not voting, 38 as follows:

[Roll No. 116]

YEAS—65

Archer
Badham
Broomfield
Campbell
Chappie
Cheney
Cobey
Coble
Coleman (MO)
Conte
Coughlin
Courter
Craig
Crane
Daub
DeWine
Dickinson
Dornan (CA)
Dreier
Eckert (NY)
Emerson
Fields
Goodling
Gradison
Green
Gregg
Grotberg
Hiler
Hunter
Jeffords
Lagomarsino
Latta
Lewis (CA)
Livingston
Loeffler
Lowery (CA)
Lujan
Lungren
Madigan
Marlenee
Martin (IL)
McCain
McCandless
McGrath
Michel
Murphy
Myers
Pashayan
Quillen
Rinaldo
Rogers
Schneider
Sensenbrenner
Shumway
Shuster
Siljander
Skeen
Smith (NE)
Solomon
Sweeney
Thomas (CA)
Walker
Whitehurst
Young (AK)
Young (FL)

NAYS—331

Ackerman
Anderson
Andrews
Annunzio
Anthony
Armey
Aspin
Atkins
AuCoin
Barnes
Bartlett
Bateman
Bates
Bedell
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Carney
Carper
Carr
Chandler
Clay
Clinger
Coats
Coelho
Coleman (TX)
Collins
Combest
Conyers
Cooper
Coyne
Crockett
Daniel
Dannemeyer
Darden
Daschle
Davis
de la Garza
DeLay
Dellums
Derrick
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Edwards (OK)
English
Erdreich
Evans (IA)
Fascell
Fawell
Fazio
Feighan
Fiedler
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Franklin
Frenzel
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jacobs
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Long
Lott
Lowry (WA)
Luken
Lundine
Mack
MacKay
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McDade
McEwen
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Natcher
Neal
Nichols
Nielson
Nowak
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pease
Penny
Perkins
Petri
Porter
Price
Pursell
Rahall
Rangel
Ray
Reid
Richardson
Ridge
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sharp
Shelby
Sikorski
Sisisky
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Strang
Stratton
Studds
Stump
Sundquist
Swift
Swindall
Tallon
Tauke
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky

Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitley
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (MO)
Zschau

NOT VOTING—38

Addabbo
Akaka
Alexander
Applegate
Barnard
Barton
Beilenson
Bonior (MI)
Bonker
Chappell
Dicks
Downey
Duncan
Durbin
Evans (IL)
Fish
Fowler
Fuqua
Hawkins
Hutto
LaFalce
Manton
McCurdy
Mineta
Nelson
O'Brien
Oakar
Pepper
Pickle
Regula
Scheuer
Shaw
Smith (FL)
Stokes
Synar
Taylor
Vander Jagt
Wirth

□ 1130

Messrs. SCHAEFER, PARRIS, McKINNEY, LIPINSKI, DAVIS, ROSE, PEASE, GONZALEZ, and KASICH changed their votes from "yea" to "nay."

Messrs. ECKERT of New York, SOLOMON, EMERSON, LOWERY of California, and CRAIG changed their votes from "nay" to "yea."

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Chair will announce that the gentleman from Tennessee [Mr. Quillen] has 18 minutes left. The gentleman from Missouri [Mr. Wheat] has 24 minutes left.

The Chair recognizes the gentleman from Missouri [Mr. Wheat].

Mr. WHEAT. Mr. Speaker, though there appears to be contention on a number of things in the House of Representatives, one of them does not appear to be this rule.

Mr. Speaker, I have no further requests for time. I would ask the gentleman from Tennessee if he has further requests for time.

Mr. QUILLEN. Mr. Speaker, I do have one request for time.

Before yielding to the gentleman from Illinois, I would like to emphasize a statement I made earlier. This is an open rule, with 3 hours of general debate, and there is no time limit under the 5-minute rule.

At this time, I yield 5 minutes to the gentleman from Illinois [Mr. Michel].

(By unanimous consent, Mr. Michel was allowed to speak out of order.)

PROCEEDINGS OF THE BUDGET COMMITTEE

Mr. MICHEL. Mr. Speaker, I have asked for this time because the Chairman of the Budget Committee is on the floor to express my own personal outrage at what I have perceived to be happening here: An attempt to prevent an adequate debate and airing of the whole budget process.

It is my understanding that there was to be a markup of the Budget Committee this week, and that was perfectly in order, although that had been somewhat expedited because the other body had moved along a little bit more expeditiously than some people might have thought. Then when I find out while there is very little to be discussed here on the floor of the House, or really to take up the time of the House, that we are having our Members called to a Budget Committee markup meeting for I think 1 o'clock with no document available; not even gone through the process of CBO. To think that they are supposed to begin the markup of this thing at 1 o'clock with the expectation of concluding by tonight on a $900 billion document. I just think that is outrageous.

Now, we are going to have an opportunity, surely to debate that measure here on the floor of the House I would hope extensively, and there are groups that would like to offer their amendments, but we must subvert or completely do away with the committee process here. I would like to hear from our Budget Committee members—I would like some kind of explanation of what is going on here.

□ 1140

Mr. GRAY of Pennsylvania. If the gentleman will yield, I will be glad to try to answer some of the questions he has raised.

First of all, let me just say that, as chairman of the Budget Committee, we certainly are not trying to subvert the process. I think most of the Members from the gentleman's side of the aisle would clearly say that, over the last 4 months, we have had a very good, open relationship. We may not agree on certain aspects of the budget priority or process. But my office has been available, my door has been open, and particularly to the ranking minority leader from the gentleman's side of the aisle. In fact, last night, when the Chair finally came to the point of knowing what his mark would be, which was approximately 9:30, he went over and met with the gentleman from Ohio [Mr. Latta] to talk about a markup procedure, a time. One of the things that I was not able to provide, which the gentleman from Ohio [Mr. Latta] asked for, was a chairman's marked document. I informed the gentleman from Ohio [Mr. Latta] that it was being printed, that the staff had just left my office, and we would put it together and it was my hope that by 10:15 this morning it would be finished and the gentleman would have have copies of it. It was not finished until about 10:45, and I asked the staff to bring it over to a meeting where the gentleman from Ohio [Mr. Latta] was meeting.

The second thing, the gentleman from Ohio [Mr. Latta] and I discussed the markup time, going to markup. And he advised me that this morning there was a meeting of the Republican leadership and that there was no possibility of doing a markup, starting that process this morning, and that we would have to go in the afternoon. It was my understanding, when I left Mr. Latta's office at about 10 or 10:15, after being there over 30 minutes, that we had agreed on 1 o'clock as the beginning of the markup procedure. As the distinguished leader knows, that procedure begins with an overview of the mark by staff, questions being raised, the economic assumptions, and that usually goes on for a minimum of an hour before we even turn to the actual markup of function by function.

Now, if the minority side is making a request to me as chairman of the Committee on the Budget to delay that markup so that they can have more time, I would simply say to the distinguished leader that there is no need for that request to be made on the floor of the House; I would have welcomed a telephone call or a visit from the distinguished ranking minority Member and would have considered that request.

So if the minority side is saying to the Chair, "We would like a little more time," as I understand it, the gentleman from Ohio has just said to me that he believed that he had agreed to 2 o'clock, then, fine, let us begin at 2 o'clock.

Let me describe to the gentleman the markup procedure so that we will all be clear: Usually, the Chair gives a 1-minute introductory comment. We ask the professional staff to sit at the witness table, to go through the Chairman's mark, and Members of both sides of the aisle are allowed to ask questions of the staff about that mark and then, after about an hour or so of doing that, we than move to the markup, starting with function 050, defense, moving through function 150, all the way to function 950.

I would simply say that I cannot, for the life of me, in light of the very cordial relationship that I have had with the minority members of the Budget Committee, and particularly the close relationship that I have had with the gentleman from Ohio [Mr. Latta], where we have taken the committee out across the country on 12 hearings, why there would be such a public commotion, when all that was needed was a private telephone call for us to agree to the needs of the minority.

So if you want to start at 2 o'clock, I will be glad to start at 2 o'clock.

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. Michel] has expired.

Mr. QUILLEN. Mr. Speaker, I yield the gentleman from Illinois an additional 5 minutes.

Mr. MICHEL. I thank the gentleman.

Mr. Speaker, let me say to the gentleman from Pennsylvania, for whom I have the highest regard, and he and I have talked about this long ago in private, frankly, I was given to understand, within just a day or so, from my ranking Member, that it was going to be rather a deliberate markup, one that would give Members an opportunity to air their differences of opinion. I guess this gentleman, along with some others who have some responsibility for attempting to orchestrate the procedure by which we consider this on the floor, that we would know what kind of amendments or substitutes ought to be considered or in order, and that normally does not get aired well enough unless you have got a decent period of markup during the committee.

Mr. GRAY of Pennsylvania. If the gentleman will yield further, I would just simply say that there would be ample opportunity for Members on the minority side to offer their amendments in the markup process, going function by function, and at the end of the markup to even do omnibus amendments.

This chairman has, I believe, consistently set forth a standard of fairness, which I think the majority of the Members on the minority side can attest to.

Mr. MICHEL. I will take the gentleman at his word.

Mr. GRAY of Pennsylvania. I pledge myself to continue fairness and openness in the markup process. However, I would like to just say that the Senate has acted. I commend Mr. Dole and Mr. Domenici for their action. They have come foward with a significant reduction package. I believe that what we ought to be doing, rather than debating publicly, let us work together, let us move quickly, expeditiously, to a markup, and bring to the floor a budget which I hope will be bipartisan in nature, and what we will do if we rapidly do that, rather than the kind of unfortunate circumstance today, we will show America that we in the House, like the Senate, are prepared to move forward and reduce these tremendous deficits that have increased the national debt from $914 billion in 1980 to $1.8 trillion today. That is the Chair's goal. I am sure the gentleman shares that, and I will be glad to delay until 2 o'clock and work to provide the opportunity for the minority side to offer whatever amendments they would like to offer.

Mr. MICHEL. I thank the gentleman.

Let me reclaim my time to yield to the gentleman from Ohio [Mr. Latta] for whatever observations he wishes to make.

Mr. LATTA. I thank the gentleman for yielding.

Mr. Speaker, I want to concur in the relationship that the Chair has expressed, as far as the minority is concerned, and especially with this Member and the meetings we have had. As far as the vote we just had here, I had nothing to do with that.

Let me just say that, in view of the fact that there is $970 billion in the document that is being put forward that came out last night, I just kind of think that we ought to have a little bit more time.

The gentleman has stated that he did promise, that last night he did indicate we were going to get it at 10:15. We got it approximately at 11 o'clock. I had to make I do not know how many calls, and I ended up talking with the chairman himself, to finally get the document at 11 o'clock. In the call before I called the chairman, I was talking to the chief staff person and he said it was going to be an hour, it was going to be 12 o'clock, and they were saying we were going into session at 1 o'clock to mark up the document.

Mr. GRAY of Pennsylvania. If the gentleman will yield, how much additional time would the gentleman need before going to markup? Is the gentleman talking about 15 minutes, 30 minutes, 1 hour, 2 hours? The gentleman made a request to me just a moment ago that he wanted 2 o'clock. I have now bowed to that request that the gentleman wanted 2 o'clock. Now I hear another request. Could I ask, what is the request that is being made and what is the reason why accomplished, skilled legislators whom you have elected to serve on the leadership committee of the budget, who know this process well, are not able with their professional staff, their associate staff, to be able to grasp the budget questions and work off the chairman's mark?

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. Michel] has again expired.

Mr. QUILLEN. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois [Mr. Michel].

☐ 1150

Mr. LATTA. Mr. Speaker, let me just say, sure, we can mark this budget up; we are familiar with the process. We could go in at 12 o'clock and start marking it up. But there are the American people out there who are interested in this budget, and as far as I know, this has not been submitted to CBO. Has it, Mr. Chairman? Has this budget been submitted to CBO, and we have required every budget that is presented to be submitted to CBO?

How I ask the gentleman to answer the question: Has the product that you came out with last night been submitted to CBO?

I yield to the gentleman for his response.

Mr. GRAY of Pennsylvania. I would respond to the gentleman from Ohio by saying, no, it has not. But neither was the budget on the Senate side, before they went to markup. I did not know that the budget rule now requires that we submit a chairman's mark to CBO before we go to markup.

In fact, I never knew that applied to Mr. Domenici on the other side. The question that I would wonder about, in light of the fact that the No. 2 leader on your side of the aisle, I think just this week or last week, was on the floor publicly saying that we were moving too slow on the budget last week.

Now, I will be glad to get his remarks out of the Record, but Mr. Lott, the distinguished gentleman from Mississippi, last week was urging the majority to move forward on the budget. We are trying to comply with Mr. Lott's request. We are trying to send a message to America that we want to reduce the deficit. I do not understand what the problem is.

Mr. MICHEL. Mr. Speaker, I continue to yield to the gentleman from Ohio [Mr. Latta].

Mr. LATTA. Mr. Speaker, since the chairman has taken most of my time, I would like to say that even though we can mark this up in committee; we know the process; we know what is involved, but do the people know?

You are not going to release it until 1 o'clock to the press. You know, they shot at every proposal that has been made by the administration, every proposal that has been made over in the Senate.

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. Michel] has expired.

Mr. QUILLEN. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois [Mr. Michel].

Mr. MICHEL. Mr. Speaker, I yield to the gentleman from Ohio [Mr. Latta].

Mr. LATTA. I think in all fairness we ought to have an opportunity. We still have that free press; maybe they just might print something that is in there. Even in the morning Post they indicated that they did not know what was in it. I think in all fairness we ought to go a little slower.

Sure, we could turn the product out tonight.

Mr. GRAY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. LATTA. No, I am not going to yield further. You have used a lot of my time, Mr. Chairman, and we only have 2 minutes.

But certainly tomorrow, you know, we will have another day tomorrow, hopefully. What is wrong with coming in tomorrow and not rushing this thing through tonight into markup stage?

Mr. GRAY of Pennsylvania. If the gentleman will yield, I would just say to the gentleman that if we could stop this rather unnecessary discussion, maybe he could go and study the document and be prepared to talk about it, rather than for us to go through this unnecessary discussion.

It seems to me that the minority side has selected 13 people of outstanding ability; people like Mr. Latta, the author of Gramm-Latta, which came to the floor overnight with telephone numbers in it.

Mr. MICHEL. Mr. Speaker, I am on my own time now, and I only have a couple of minutes.

You have got a 20-to-13 ratio in that committee. If any motion is made, and it falls on party lines, we know what the outcome is going to be, and that means a limit of time, shutting off of debate, and jamming that thing through within a very constricted period of time. I am aware of that.

I see the smile on the majority leader's face; I am reminded of him taking the floor down here with a big document called "Reconciliation;" you do not know what is in it.

Well, I will tell you, that cuts both ways. Do you really know what is in that document over there, the 20 of you who have got to mark up this afternoon, if that is what you are going to do?

I am just saying I think it deserves the public light of attention on just what your mark is going to be.

Mr. Speaker, I yield to the gentleman from Texas [Mr. Loeffler].

Mr. LOEFFLER. I thank the gentleman for yielding to me.

Mr. Speaker, I would like to respond for just a moment to say to the majority that today is May 15.

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. Michel] has expired.

The Chair wants to advise the Members that the gentleman from Tennessee [Mr. Quillen] has 3½ minutes left and the gentleman from Missouri [Mr. Wheat] has 23½ minutes left.

The Chair recognizes the gentleman from Missouri [Mr. Wheat].

Mr. WHEAT. Mr. Speaker, though I hesitate to cut off this very interesting debate on the rule for the Department of Defense authorization, I now yield 2 minutes to the gentleman from New York [Mr. Biaggi].

NATIONAL PEACE OFFICERS MEMORIAL DAY

Mr. BIAGGI. Mr. Speaker, today is National Peace Officers Memorial Day, a time to pay a special tribute to those courageous members of our law enforcement community who have died in the line of duty. The day will be marked by a ceremony in Senate Park at noon today that will bring together the survivors of the 137 police officers who died in 1984. I am hopeful that many of my colleagues will join me today in attending that event, especially since one of those officers killed last year was U.S. Capitol Police Sgt. Christopher Eney, who for 12 years served us in an admirable fashion.

Mr. Speaker, over the last 10 years, some 1,600 brave police men and women, like Sergeant Eney, have died in the line of duty. That is nearly one police death every 2 days. Just yesterday, in fact, a 23-year veteran North Carolina State trooper, Raymond Earl Worley, was shot to death by the occupants of a van he had stopped along an interstate highway. Tragically, it seems that the frequency of these senseless killings has turned us into a society that has come to expect police deaths, and all too often, expectance breeds acceptance. But, that is wrong!

Last year, this Congress enacted a law I was proud to author, that allowed a national law enforcement heroes memorial to be built in Washington, DC. Efforts are now underway to erect that memorial. The memorial will pay a richly deserved and long overdue tribute to all Federal, State, and local law enforcement officers killed in the line of duty. It will also serve as a constant reminder of the critical need to better protect those who continue to protect us.

☐ 1200

Mr. WHEAT. Mr. Speaker, while there appears to be ample controversy this morning, there has been none on this rule for the Department of Defense authorization. I would, therefore, move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 366, nays 25, not voting 43, as follows:

[Roll No. 117]

YEAS—366

Ackerman
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
Badham
Barnard
Barnes
Bartlett
Bateman
Bates
Bedell
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boland
Boner (TN)
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappie
Cheney
Clay
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Coughlin
Courter
Coyne
Craig
Crockett
Daniel
Dannemeyer
Darden
Daschle
Davis
de la Garza
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Fascell
Fawell
Fazio
Feighan
Fiedler
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Franklin
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
Lagomarsino
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lightfoot
Lipinski
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
MacKay
Madigan
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCloskey
McCollum
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Murphy
Murtha
Myers
Natcher
Neal
Nichols
Nowak
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Perkins
Petri
Porter
Price
Pursell
Quillen
Rangel
Ray
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Sikorski
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wilson

Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)

NAYS—25

Brown (CO)
Burton (IN)
Cobey
Crane
Daub
Dornan (CA)
Dreier
Eckert (NY)
Fields
Frenzel
Gekas
Hunter
Latta
Mack
Martin (IL)
McCandless
McMillan
Nielson
Saxton
Siljander
Smith (NH)
Swindall
Walker
Weber
Zschau

NOT VOTING—43

Addabbo
Akaka
Alexander
AuCoin
Barton
Beilenson
Boggs
Bonior (MI)
Bonker
Chappell
Conyers
Downey
Duncan
Durbin
Evans (IL)
Fish
Fowler
Fuqua
Gibbons
Hawkins
Hutto
LaFalce
Lewis (CA)
Lewis (FL)
Livingston
McCurdy
Mineta
Mrazek
Nelson
O'Brien
Oakar
Pepper
Pickle
Rahall
Regula
Scheuer
Shaw
Smith (FL)
Stokes
Synar
Taylor
Vander Jagt
Wirth

☐ 1210

Mr. COBEY, Mr. NIELSON of Utah, and Mrs. MARTIN of Illinois changed their votes from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1220

HANDICAPPED AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 285) designating the week of May 11, 1985, through May 17, 1985, as "Handicapped Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Reserving the right to object, Mr. Speaker, I do not object, but simply would like to inform the House that the minority has no objection to the legislation being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 285

Whereas the 1980's has been proclaimed by the Congress as the "Decade of Disabled Persons";

Whereas there are approximately 36,000,000 handicapped individuals in the United States;

Whereas the handicapped have proved that they can become useful members of society; and

Whereas the handicapped are patriotic citizens and deserve greater opportunities to become productive members of society: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 11, 1985, through May 17, 1985, is designated as "Handicapped Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FAMILY REUNION MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 64) designating Mother's Day, May 12, 1985, to Father's Day, June 16, 1985 as "Family Reunion Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I would like to yield to the gentleman from Georgia [Mr. RAY] who is the chief sponsor of House Joint Resolution 64.

Mr. RAY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased to bring to the floor of the House of Representatives today a resolution which I sponsored and strongly support.

Generally, I am very hesitant to lend my name to commemorative legislation. However, I felt that Family Reunion Month deserved special attention by myself and the entire Congress. I want to thank the 225 cosponsors who joined me in bringing this legislation to the floor and those who will support it now.

The purpose of this legislaiton is to encourage the unity of our Nation's families. Too often we have the tendency to drift apart and the period between Mother's Day and Father's Day is a perfect time to urge people to be reunited.

However, this legislation has come to have a broader scope. In this time of national focus on the problems of missing children and the plight of their families, we must work toward ending their uncertainty and suffering. Concrete steps were taken last year when this legislation first passed the House and Senate, and I am told many of these actions will be taken again this year.

Trailways Bus Lines offered free passes home to those who were runaways or estranged from their families and who wanted to return.

The TV movie, "Adam" was shown, graphically portraying to the American people the suffering and uncertainty faced by families with a missing member.

Private sector and charitable donations were made to facilitate the transfer of information from State, local, and private agencies to the then-proposed National Clearinghouse for Missing Children.

President Reagan had a bill signing ceremony for this legislation, which is rare for this type of resolution, because he knew that it would point to the concerns of families with missing loved ones.

Since Family Reunion Month 1984, we have seen a dramatic increase in the recognition by everyone that we must all work together to end the suffering of families with missing children.

Milk cartons and shopping bags bear the pictures and "last known facts" about those that are missing.

Several independent stations, such as WTBS-Turner Broadcasting, and cable networks have produced and broadcast programs detailing case histories and what families have done to search for their loved ones.

In my own district, Louise and John Clinckscales of LaGrange, GA, whose son, Kyle, has been missing for 9 years, have turned their sorrow into positive action which helps countless others. They wrote a book several years ago, "Kyle's Story; Friday Never Came," which details their search for their son who was leaving for college when he disappeared. This book is still considered to be one of the best discussions of the problems one will encounter while searching for missing loved ones.

The National Clearinghouse for Missing Children provides information access for searches which reach beyond a locale or State lines. This is particularly critical when foul play is suspected and every minute counts toward finding the loved one.

In conclusion, I would like to urge all my colleagues to support this measure on the floor and out in their districts because only through recognition of the problem can we work to correct it.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 64

Whereas the family is and has traditionally been recognized as the foundation of our society;

Whereas thousands of families in our Nation experience sorrow each year because of runaway, missing, or estranged members;

Whereas organizations exist which can assist families and missing members in establishing contact with one another;

Whereas estranged and missing individuals should be encouraged to use the services furnished by these organizations or to contact their families directly;

Whereas the strength of our Nation can be increased through the reunion of families and the reaffirmation of family ties; and

Whereas Mother's Day and Father's Day are times when our citizens celebrate the importance of families: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating Mother's Day, May 12, 1985, to Father's Day, June 16, 1985, as "Family Reunion Month", and calling upon the people of the United States to observe the day with appropriate programs and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL HIGH-TECH MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 128) designating the month of October 1985 as "National High-Tech Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 128

Whereas the economy of this Nation is closely tied to technological advances;

Whereas the United States has long been a leader in high technology development;

Whereas it is of the highest national interest to focus our collective abilities to maintain this leadership;

Whereas the national commitment to high technology development has been called into doubt;

Whereas the youth of the Nation need to have educational opportunities to grow and develop in a high technology environment; and

Whereas our youth should have a national focus on their high technology future: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of October 1985 is designated as "National High-Tech Month". The President is requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activites, including programs aimed at educating the Nation's youth about high technology.

AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARCIA: Page 2, line 6, strike out "week" and insert in lieu thereof "month."

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. GARCIA].

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VERY SPECIAL ARTS U.S.A. MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 103) to designate the month of May 1985, as "Very Special Arts U.S.A. Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempre. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I yield to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, I would like to take one quick second on this last resolution and just state that Very Special Arts U.S.A. Month is really designated for those who are handicapped.

I have always maintained, Mr. Speaker, that the body may be handicapped, but the spirit is never handicapped.

I think this particular resolution is one that is very appropriate, because we must help and support those people who are not as fortunate as others.

Mr. HANSEN. Mr. Speaker, I concur with the gentleman's remarks and withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 103

Whereas programs involving the arts enhance the learning and enrich the lives of disabled individuals;

Whereas arts with the handicapped is a means of integrating disabled individuals into the mainstream of education and cultural society;

Whereas programs bringing arts to the handicapped inform the general public, parents, volunteers, and the business community of the value of arts to the disabled;

Whereas the emphasis is needed to expand support for arts programs with the handicapped and to increase participation and commitment of the community and educators to these activities;

Whereas the National Committee, Arts with the Handicapped, an educational affiliate of the John F. Kennedy Center for the Performing Arts has successfully entered into its eleventh year as the coordinating agency for arts programs for disabled children, youth, and adults; and

Whereas the National Committee conducts education programs in all fifty States, the District of Columbia, and the Commonwealth of Puerto Rico to assure that all disabled individuals have access to programs which bring the arts into their lives: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of May 1985, is designated as "Very Special Arts U.S.A. Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate programs, ceremonies, and activities.

● Mr. JEFFORDS. Mr. Speaker, I am very pleased to see the House consider House Joint Resolution 204 to designate May 1985 as Very Special Arts U.S.A. Month. This official designation recognizes the fine job of the National Committee, Arts with the Handicapped [NCAH] in providing opportunities for disabled children and adults to participate in art education programs.

NCAH, an educational affiliate of the John F. Kennedy Center for the Performing Arts, is our Nation's coordinating agency for arts programs for disabled people. With vibrant leadership, NCAH has pioneered the arts with the handicapped movement. The committee continues to develop innovative projects and through the events of their Very Special Arts Festival conducts a nationwide educational program unlike any other in the country.

The arts festival programs serve as a catalyst for the development of quality, ongoing programs integrating the arts into the education of disabled children in all 50 States, Puerto Rico, and the District of Columbia. The impact of the arts in education is demonstrated in year-round programming and training for disabled and nondisabled children, educators, parents, and friends. These programs are instrumental in helping disabled students enter the mainstream of society.

Entering its 11th year, NCAH will change its name to Very Special Arts U.S.A. By proclaiming this May as Very Special Arts U.S.A. Month, we will herald in this important organization's second decade of service to more than 36 million Americans. I want to thank and commend all my colleagues who have joined me in supporting this resolution.●

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the joint resolutions just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

A FOND FAREWELL

(Mr. SAM B. HALL, JR. asked and was given permission to address the House for 1 minute.)

Mr. SAM B. HALL, JR. Mr. Speaker, this is a day I have always regretted that would come. I am going to miss all of you people very much.

I am glad that my friend, Joe Waggonner, is here today, a distinguished ex-Member of this House and a dear friend of mine.

I hope that the future for all of you people is as bright as it can be. I want to thank all of those who have been so kind to me over the past 9 years, those dear people who I am looking at now who have been so helpful, both Members and non-Members, and I hope that if you are ever in the east Texas area, that you will come visit with me.

God bless all of you.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986

The SPEAKER pro tempore. Pursuant to House Resolution 169 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1872.

The Chair designates the gentleman from Illinois [Mr. Rostenkowski] as chairman of the Committee of the Whole, and requests the gentleman from Ohio [Mr. Eckart] to assume the chair temporarily.

□ 1227

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1782) to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, with Mr. Eckart of Ohio (chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Wisconsin [Mr. Aspin] will be recognized for 1½ hours and the gentleman from Virginia [Mr. Whitehurst] will be recognized of 1½ hours.

The Chair recognizes the gentleman from Wisconsin [Mr. Aspin].

Mr. ASPIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on behalf of the Committee on Armed Services, I present the bill, H.R. 1872, the Department of Defense Authorization Act, for fiscal year 1986.

The bill authorizes $216.1 billion for all procurement, research, development, test and evaluation (RDT&E), operation and maintenance (O&M) for the Department of Defense and for civil defense for the fiscal year beginning next October 1. In addition, the bill authorizes the strength levels for both Active and Reserve military personnel and the civilian employees of the Department of Defense for fiscal year 1986. H.R. 1872 reflects cuts of $14.3 billion from the President's request—an $18.9 billion cut if the dollar implications of the committee's personnel actions are included.

The committee this year also included authorization of $7.718 billion for the Department of Energy national security programs for a total authorization of $223.8 billion.

DOLLAR AUTHORIZATIONS

By major categories, the authorization totals (exclusive of Department of Energy national security programs) recommended are as follows:

Procurement—$99.4 billion;

Research, Development, Test and Evaluation—$34.2 billion;

Operation and Maintenance—$82.4 billion; and

Civil Defense—$141 million.

Although the bill sets the numerical ceilings on personnel, it does not actually provide dollar authorizations in the personnel accounts as it does for procurement, RDT&E, and O&M.

For the national defense function as a whole, $302.6 billion would be provided for defense in fiscal year 1986 when all elements, including the military construction bill reported by the committee, are totaled.

REDUCTIONS

As reported by the committee, the $18.9 billion cut in the President's budget request includes net reductions of $7.3 billion in procurement; $5.1 billion in RDT&E; $1.9 billion in O&M; $241 million in Department of Energy national security programs; and $4.3 billion in the personnel area.

As you recall, the President's request would have provided nearly 6-percent real growth for fiscal year 1986. The committee felt that no real growth was a much more realistic level than the 6-percent real growth requested by the President. The bill the committee has reported, therefore, provides no real growth.

Overall, Mr. Chairman, the committee took a somewhat new approach to its review of the budget this year. In approaching the necessary reductions, the Members decided the prudent course would be to take the bulk of the reductions in the investment accounts—procurement and R&D—rather than in the operating accounts—O&M and personnel.

In fact, over 65 percent of the committee's reductions are in the investment accounts. Thirty procurement programs were terminated. That is the largest number of procurement programs ever killed in the committee's history. These actions alone resulted in a cut of almost $2 billion, and a real cut of more than 2 percent in weapons procurement.

In the areas that have received the most attention, the committee contains the following:

MX missile: An authorization of 21 missiles instead of the 48 requested by the administration—a reduction of $1.1 billion. The committee defeated an amendment to cap deployment of the MX at 40 missiles by a rollcall vote of 13 to 32 and an amendment to delete all MX procurement money by a voice vote.

Chemical weapons: The committee approved the procurement request of $124.5 million after defeating an amendment by voice vote to delete all funds for building binary weapons.

Strategic Defense Initiative: The committee approved funding of $2.5 billion for SDI—a reduction of $1.2 billion from the Administration request. Amendments were defeated that would have increased funding to $3.1 billion and reduced funding to $0.9 and $1.4 billion.

Military retirement: The committee deleted $4 billion from the funds requested for military pay and pensions and directed the Defense Department to draft and submit a change to the retirement system that would apply only to those joining the military after the effective date of the change.

AMRAAM: The principal weapon system killed by the committee was the Joint Air Force/Navy Advanced Medium Range Air-to-Air Missile (AMRAAM), which was designed as a follow-on missile to the Sparrow. The committee believes that projected costs have risen excessively, warranting termination. Although the Defense Department had requested authorization to buy the first 90 of the missiles in fiscal year 1986, AMRAAM would still require another half-billion dollars to complete R&D. The committee estimated that unit costs for the AMRAAM could end up at triple the original projected cost. Additionally, the program schedule has slipped by almost 2 years.

In all, the committee made changes to 266 programs in the procurement area and to 249 programs in R&D.

As chairman of the Subcommittee on Military Personnel and Compensation, I would like to address the personnel-related areas of H.R. 1872. We propose a substantial reallocation of benefits in H.R. 1872 made possible by inclusion of the direction to the Secretary of Defense to submit a proposal to change the military retirement system. The savings from this change permitted us to approve substantial benefit improvements for Active, Reserve, and retired members and their families.

Generally, the committee's major actions with respect to personnel fall into three categories.

First, we recommend placing a ceiling on the amount of money the Department of Defense has available to make required payments for the retirement program. We also direct the Secretary of Defense to develop—and to submit for congressional approval—a proposal for saving $4 billion by changing the military nondisability retirement system for individuals who enter active duty after the date of the change. This can be accomplished because the Department of Defense currently sets aside each year, in a fund, enough money to pay for all future retirement benefits for the individuals who enter active duty in that year. Therefore, if a change to retirement benefits for individuals who enter active duty next year is enacted, less money needs to be set aside in the fund next year to pay for their future benefits. Consequently, the saving to the Defense budget is immediate.

Second, we propose modest changes to the President's requested increases in the number of personnel and pay. For active duty end strength, the committee reduced by 5,000 the requested increase of 15,000 for the Navy and reduced by 3,000 the requested increase of 9,400 for the Air Force. For full-time support in the Selected Reserve, the committee cut 2,400 from the requested increase of 14,000 for the Army National Guard and the Army Reserve. In spite of the tight budget constraints facing us, the committee recommended that military personnel receive a 3-percent military pay raise next year that would be effective in January 1986.

Third, we propose a very substantial package of benefit improvements.

In the area of military families, the committee proposes approval of nearly every item requested (including improved travel and transportation benefits, improved medical benefits, and authorization of a cost-shared dental program for active duty dependents). We also recommend that the current dislocation allowance be increased.

In the area of retiree benefits, we propose improving the Survivor Benefit Plan and placing a $3,000 cap on out-of-pocket expenses under CHAMPUS.

In the area of Active and Reserve incentives, the committee recommends approval of nearly all items in the President's request, as well as a number of enhancements that will assist in recruiting and retaining high quality personnel.

I should also point out that H.R. 1872 contains a number of provisions related to the Coast Guard which we included at the request of the Merchant Marine and Fisheries Committee. I received a letter from Mr. Jones, the committee chairman, noting the Merchant Marine and Fisheries Committee's jurisdiction over these matters and waiving sequential referral. I ask unanimous consent that this letter be included in the Record.

In closing, Mr. Chairman, H.R. 1872 represents one step down the road we must travel to tighten up the military budget.

It demonstrates that we want more defense, not more production lines.

It demonstrates that we seek to fund military requirements, not bureaucratic wish lists.

It demonstrates that our hope for today and for the future is to provide fair compensation for all military personnel and their families through a reasonable pay and benefits program while they are in uniform rather than through an inefficient, costly retirement system that benefits only the 13 percent of the force that reaches retirement eligibility.

In short, H.R. 1872 represents prudent defense choices for fiscal year 1986. I urge my colleagues to approve this bill.

Mr. Chairman. I include the following letter:

Committee on
Merchant Marine and Fisheries,
Washington, DC, May 6, 1985.

Hon. Les Aspin, *Chairman,*
Committee on Armed Services, 2120 Rayburn House Office Building, Washington, DC.

Dear Mr. Chairman: I understand your Committee proposes to include in the fiscal 1986 Defense Authorization Act language affecting the jurisdiction of the House Committee on Merchant Marine and Fisheries. The items involve operations of the United States Coast Guard and the National Oceanic and Atmospheric Administration and can be summarized as:

1. Change the name of the 0-7 flag grade in the naval services, which includes the Coast Guard and NOAA, from Commodore to Rear Admiral (lower half)—this includes changes to Title 14 (Coast Guard) and the Coast and Geodetic Survey Commissioned Officers Act of 1948, as well as conforming amendments in Title 10 and 37 which are under the jurisdiction of the Armed Services Committee.

2. Amend the debt collection authority to apply to all of the uniformed services, which would therefore include NOAA, instead of just the Armed Services, as is now the case. In addition, a new authority to collect for dishonored checks has also been included.

3. Amend Section 660 of Title 14 to provide for a driver for the Commandant of the Coast Guard.

4. Amend Section 1588 of Title 10 to authorize the coast guard to accept voluntary services in support of museums or Family Support Programs.

These changes are noncontroversial. Our Committee agrees that including them in the Defense Authorization bill is the most expeditious way to accomplish them. Therefore, I do not intend to exercise our Committee's jurisdictional prerogative to request a sequential referral of the legislation. I do request a letter from you acknowledging our jurisdiction over these items and ask that copies of our correspondence be included in the Congressional Record as part of general debate on the bill.

With kind regards, I remain,
Sincerely,

Walter B. Jones,
Chairman.

Mr. WHITEHURST. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to make a few comments in general about this year's Defense bill, as well as some particular comments concerning the operation and maintenance area contained in title III.

Let me begin by reemphasizing a point several of our colleagues have already alluded to concerning this year's Defense authorization bill. To characterize something as bare bones is becoming sort of shopworn these days. However, in my view that descriptive term really does apply to H.R. 1872. The bill before us is more than $18 billion below the amount requested by the administration. It is almost $30 billion below the level we in the Congress included in last year's budget resolution as an estimate of the fiscal year 1986 Defense requirement. This bill contains essentially no real growth

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over last year's Defense levels. It is indeed a bare-bones Defense budget.

Less anyone misunderstand, let me hasten to say that I support the bill that our committee has reported. Like the majority of the members of our-committee—both Republicans and Democrats—I feel very strongly about the need to maintain a vigorous National Defense Program. Individually we may disagree on particular issues, but we agree on that bottom line position of a strong defense.

I also recognize—again like the majority of our committee members—that there are many nondefense issues to be considered when deciding a level to recommend for the Pentagon's budget. I want to assure my fellow Members of this House that our committee most definitely kept nondefense factors in mind as we went through the long process of hearings and deliberations before crafting the bill under consideration today. I feel it is my responsibility to insure that you understand what we did and why I can say that our bill represents a bare-bones budget.

If you think my remarks tend to sound like those of an alarmist, you're right. I am alarmed. I'm alarmed about a number of things. For instance:

The continually increasing Soviet military threat.

The increasing requirements on our Defense Department to deal with that threat.

The growing cost of that Defense Program.

The decreasing share of national resources being devoted to that Defense Program.

The size of the Federal budget deficit to sustain that Defense Program, as well as all our vital and necessary domestic programs.

OK, so WHITEHURST is alarmed, you may say to yourself, so what, I am, too. My colleagues, I think all of us should be alarmed. We have some enormously important financial and budgetary decisions to make, decisions that are going to have a profound effect on every aspect of our society and our great Nation. We must make these decisions now before fiscal circumstances get any further beyond our control. As our committee chairman, Mr. ASPIN, the gentleman from Wisconsin, recently stated:

> This budget is but one step down the road we must travel to tighten up the military budget.

I agree with our chairman and the majority of the members of our committee who voted to report the pending bill to your consideration. I believe it's a good bill and one that will not only help to maintain a strong national defense, but that will also allow a substantial defense contribution to reducing the deficit problem underlying the whole Federal budget.

I'd like to turn now to an area of the Defense budget that I consider to be very important—if not the most important. Title III of the bill contains the authorization details for operation and maintenance, as well as for the working capital funds. Another somewhat more descriptive and succinct name for this area is "readiness."

Perhaps some of my colleagues have heard references to a deliberate effort on the part of our committee to protect the O&M or readiness account. Let me put to rest any questions you may have in that regard. Yes, we are trying to protect readiness. I am very pleased to report to you that the decision to protect readiness was a clear and conscious one on the part of the committee. Without going into great detail concerning the myriad aspects of the readiness account, let me just say that it is up to all of us to be the guardians of readiness. The $80.7 billion that the committee is recommending for operation and maintenance is a significant reduction from the administration's request of $82.5 billion. It represents approximately 1 percent growth above inflation. And as pointed out in the detailed information in the report accompanying the committee's bill, this level of funding is the very minimum necessary to maintain military readiness.

The operation and maintenance readiness accounts are not very glamorous or sexy. There aren't the same kinds of pressures that we all know and understand in connection with the high visibility procurement and investment type accounts. Navy and Air Force flying hours, ship steaming days, Army and Marine battalion training days, maintenance of real property, and a whole host of other vital readiness items don't even begin to get the same kind of attention that one new class of ship, a flashy fighter plane, or a powerful new tank receives. But let me tell you, my colleagues, readiness items are the very heart of what makes our National Defense Program work.

I am not going to repeat all the various details of the information included in the explanatory language of the O&M portion of our report. Rather, let me urge you to read that information if you haven't already done so. Study it carefully. The overview and major policy issues sections in particular have information that is extremely important for every one of us to understand.

Our country has the best trained, best equipped, best supported, and brightest young men and women in the military services that we have ever had. The wide range of activities funded in the operation and maintenance account is fundamental to keeping readiness as good as it is and to improving it whenever possible. As I'm sure each of you knows, readiness is the key to winning should we ever become involved in a conflict. But more importantly, readiness is also the key to effective deterrence.

In closing, I want to share two quotations with you. The first is by Winston Churchill, and I quote:

> Politically ability is the ability to foretell what is going to happen tomorrow, next week, next month, and next year. And to have the ability afterwards to explain why it didn't happen.

The second quote is from Boris Marshalov who said:

> Congress is so strange. A man gets up to speak and says nothing. Nobody listens—and then everybody disagrees.

Mr. Chairman, I hope we can prove both Churchill and Marshalov wrong. I hope that we can plan and provide accurately and adequately for the future defense of our country. And, I hope that we don't find ourselves trying to explain why something different happened. So far as Marshalov is concerned, I hope each of us does listen and participate in the debate and discussion on this bill. And if we disagree on some points, so be it. But let's also make sure that the final outcome is a Defense authorization bill that will strengthen our National Defense Program and keep us the great nation we are.

My colleagues, I urge your support for H.R. 1872.

☐ 1230

The CHAIRMAN pro tempore. The gentleman from Virginia [Mr. WHITEHURST] has consumed 8½ minutes.

Mr. STRATTON. Mr. Chairman, I take such time as I may require.

Members may be somewhat surprised that the chairman of the committee and the ranking minority member are not controlling the time. Let me just point out that under the new leadership of our dynamic young chairman we have developed the kind of well-trained, experienced, and professional legislators that the chairman of the Budget Committee, Mr. GRAY of Pennsylvania, was referring to a few minutes ago on the floor; so we junior members are taking over the load during this debate.

Mr. Chairman, as chairman of the Armed Services Subcommittee on Procurement and Military Nuclear Systems, I wish to highlight some of the committee's major actions and recommendations concerning procurement that are included in title I and the general provisions in title X. Also, I will discuss the Department of Energy programs covered in title IX.

At the outset, I want to compliment the gentlelady from Maryland [Mrs. HOLT], the ranking Republican on the subcommittee, for her leadership and cooperation. Also, I want to thank the other members of the subcommittee for their work and contribution.

Our task was not an easy one this year. Based on the guidance of the committee leadership, the committee marked to zero percent real growth. This level translated into an overall $7.1 billion reduction in programs under the purview of the Procurement Subcommittee. This reduction meant that all of the real growth in procurement over fiscal year 1985, or $5.2 billion, plus an additional $1.2 billion would be cut in fiscal year 1986. As a result, procurement will have 2 percent negative real growth in fiscal year 1986.

To meet our objectives, we adopted a number of guidelines in order to make the necessary reductions.

First, reductions in programs would be made where fact of life changes occurred with production schedules, inventory adjustment, availability of prior year funds and contract savings;

Second, we would avoid decrementing logistics support, the spares base, and munitions programs to the extent possible and thereby protect readiness and sustainability;

Third, new procurements, particularly marginal programs, would be deferred where possible and increases in major programs would be constrained; as a consequence, 30 procurement programs are zeroed in H.R. 1872.

Fourth, at the same time, we would try to maintain steady production rates and move closer to buying out procurements, if possible; thus reducing the number of production lines;

Fifth, we would continue to support Guard and Reserve modernization efforts through either selected add-ons or earmarking of requested procurements;

Sixth, we would maintain committee initiatives, such as the Cooperative Airbase Defense Program for NATO; and

Seventh, finally, the respective service reductions would be based on their percent of real growth and budget share. As a result, the Air Force has absorbed the largest share of the reduction, or $4.5 billion.

In the interest of time, I will simply highlight some of the major actions taken in each of the respective military departments.

ARMY

For the Army, the committee reduced the requested amount in aircraft procurement by $216.4 million, primarily through contract savings and availability of prior year funds.

Following review of Army missiles, the committee agreed to:

Delete $45 million for 530 Stinger air defense missiles;

Delete $35 million for 5,100 TOW antitank missiles.

Under Army weapons and tracked combat vehicles, the committee recommends:

Deletion of $196.5 million to reduce the Sergeant York air defense gun to 72 fire units.

The Committee recommends two major changes in Army other procurement as follows:

Deletion of $50 million for 500 5-ton trucks; and

Deletion of $68.9 million in the Aquila Remotely Piloted Vehicle Program.

For programs established solely for the motorized division, the committee recommends:

Deletion of $10.5 million to terminate the Fast Attack Vehicle Program, and

Deletion of $15 million in the Stinger Missile Program to defer the initiation of the Pedestal-Mounted Stinger Program.

NAVY

In the Navy, the committee took the following major actions:

Reduced the requested FA-18 advance procurement from 102 to 84 aircraft for savings of $63.0 million;

Denied the request for 9–3C Orion ASW patrol aircraft for savings of $493.4 million;

Denied the E-6A TACAMO request for a savings of $400.2 million;

Deferred the VH-60 helicopter request by 1 year thus saving $101.0 million; and

Reduced the aircraft modification line request by $105.2 million.

AIR FORCE

In the Air Force, the committee took the following major actions:

Approved 21 of the 48 MX missiles requested for savings of $1 billion;

Disapproved the requested $438.8 million for the AMRAAM Missile Program;

Instituted an annual, ongoing competitive procurement program for the tactical fighter aircraft beginning in fiscal year 1986;

Maintained the production rate of F-15's at 42 aircraft instead of the requested 48 for savings of $306.3 million;

Reduced the F-16 request from 180 aircraft to 150 for savings of $642.7 million;

Deferred approval of the MC-130 Combat Talon aircraft because of cost growth, thus saving $79.5 million; and

Approved the Air Force plan to terminate the Low Level Laser Bomb Program, for a reduction of $103.7 million.

DEFENSE AGENCIES

Additionally, following up on the committee's concern about the national problem of poor communications security, the subcommittee added $15 million for the National Security Agency to procure secure voice equipment.

DOD/NATO COOPERATIVE PROGRAMS

For DOD cooperative NATO programs, the subcommittee is recommending authorization of $125.0 million to continue the airbase defense initiatives in the Federal Republic of Germany and Turkey, and to initiate similar cooperative programs in Italy and Belgium.

RESERVE COMPONENTS

In terms of National Guard/Reserve initiatives, in addition to approving most of the requested items the committee is recommending the following items that total some $730.4 million in authorization.

For the Army National Guard and Reserve forces: $12.0 million for six C-12D aircraft; $158.6 million for 18 of the requested 144 Apache attack helicopters; $87 million for 36 Chaparral air defense fire units; $30 million for 138 improved TOW vehicles; $64.8 million for 12 of the recommended 72 Sergeant York air defense systems; and $50 million for nonsystem training devices.

For the Navy and Marine Corps Reserve, the committee recommends the following: $90.7 million for 5 A-6E aircraft for the first Naval Reserve medium attack capability and advance procurement for 11 aircraft in fiscal year 1987 to complete the reserve carrier air wing squadrons; $23.0 million for four UH-60 sea rescue helicopters; $40.0 million for two KC-130 tankers; and $4.3 million for the Mobile Van Helicopter Kit Support Program.

For the Air Force Reserve and Air National Guard: $18 million for six C-12J aircraft; and $150 million for eight C-130H airlift aircraft for the Air Force Reserves.

In addition, the committee is recommending the adoption of a legislative provision (section 1012) that is designed to implement a systematic approach for meeting the equipment shortfalls and requirements of the Guard and Reserve forces, particularly those units with early deployments or with critical missions.

LEGISLATIVE PROVISIONS

Other language initiatives, including the following items:

Authorization of six multiyear contract requests, provided at least 10 percent savings are realized; strengthening selected acquisition reports [SARS] on procurement by requiring life cycle cost estimates on new acquisition programs;

Requiring compliance with testing standards and performance guarantees of the Sergeant York [Divad] system before obligation of any funds is permitted;

Directing 20,000 miles of testing of competitive truck/engine combinations prior to award of a new contract for the 5-ton truck; and authorization of a 5/year multiyear contract, provided at least 10 percent savings are realized;

Establishing a no cost warranty for the wing of the A-6E aircraft that

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guarantees at least 4,000 flying hours; and

Directing that F-14 aircraft procured in fiscal year 1986 be configured so as to incorporate the F-110 engine.

Mr. Chairman, I will turn now to the Department of Energy defense authorization programs.

☐ 1250

The CHAIRMAN pro tempore. The gentleman from New York [Mr. STRATTON] has consumed 14 minutes.

Mr. BADHAM. Mr. Chairman, I yield myself 9 minutes.

Mr. Chairman, I have served on the Committee on Armed Services now for the past 9 years, and I enjoy the service on that committee, because I think it is a committee that is not only well represented throughout this country, but we have a staff that is superb, and the committee works hard, and I find the work at the same time interesting and yet frustrating.

It is a pleasure to serve on that committee, recognizing the responsibility that this committee has, not only to the House, but to the people of this country.

There I find some frustrations and some fears that I would express to you and the membership today. I fear that we are in an era where the perception of the need for national defense of this country is somehow waning among some Members of this body, and the people we represent, while we carry out our responsibility as sworn to uphold the Constitution and provide for the common defense.

I fear for that because we are in an era where we are suffering from what I refer to as overclassification, and the fallout from that. By overclassification, I mean that the members of the House Armed Services Committee and members of other committees; Intelligence being one, Foreign Affairs being another, are constantly made aware by our intelligence community of the status of forces in the world, and what we understand and what we are given to see, we do not appreciate, and we of necessity therefore must try to convey to the people and to the others Members of this body and the other body, the necessity of preserving a strong defense.

We are in some regards losing that battle because the perception of the true threat as it does exist simply is not getting across to the American people, and this is because, and I lament this, that the people of the United States, by our system of overclassification, are denied the proper information that they should have on what is really going on in this world military, particularly with our potential adversary, the Soviet Union.

This I think is unfortunate, and it is extemely important because it lulls not only Members of Congress who do not avail themselves of the classified briefings that are available, but the people of this country themselves, into thinking there really is not that big a threat, so why do we need to spend all this money for defense.

That brings us to the bill at hand. It is a good bill; I intend to support it; it is as good a bill as the efforts of our staff and our membership on the committee have been able to put together in the time allotted and with the political exigencies of the day as they exist.

We nevertheless do have before us a bill, and I have some fears about this bill and the future that it will project. Since the late 1970's and 1980, we have increased the pay and the well-being of our people in the uniformed service of our country; we have increased the amount of training each and every individual receives; we have increased flying hours; we have increased steaming days; we have increased the procurements, and yet we have spent strangely, surprisingly little additional money compared to the outlays of the previous administration.

For an example, in fiscal year 1985, the outlays for our defense, even though we have the increases in morale and benefits and procurement and readiness and steaming and flying, we spent $24 billion less than was projected by the previous administration back in 1981.

How were we able to do this? Partially we were able to do this by better controls, better purchasing habits, better business-like operation despite the criticism that the Pentagon has received, from ferreting out some of the waste, fraud, and abuse; we have actually gotten more bang for less than the projected buck of the previous administration.

Why does this, therefore, cause me fear? The fear that I have is that we are falling now by necessity, political necessity, into the same pattern that we had during the late 1970's. If we cannot afford to buy something in an efficient manner today, we do not buy it; we do not field it; this and that, but what actually happens, we stretch it out.

From the late 1970's, we know that when you start stretching out programs, you are not buying efficiently. When we stretch out these buys, we buy less efficiently, and the price goes up and the program is strung out, and all the pertinent efficiencies are taken away.

We are going to be strong in fiscal year 1986. We are strong in fiscal year 1985, but the future is ganging up on us again, and we are going into another dip necessitated by the political exigencies of the day.

We have had to discontinue some, and we have had to not fund other multiyear procurements, as the chairman of our Subcommittee on Procurement has said, because we cannot afford the 1986 fiscal year dollar. This is dangerous, and this bodes ill for us and for our relationship with our allies.

That is the bad news that I see in the future, but as far as this bill is concerned, it is a good bill, and it is the best we have been able to do.

I would like to say that with what we have been able to do for our personnel, which is one of our largest military costs, and larger per capita than probably any other country in the world, our instances of unauthorized absence and desertion are way, way down; our reenlistment rates are up; our training is up; our quality of personnel is up. We will have to keep this up, and this will only be done by future expenditures in a meaningful way.

We are in a place now where our personnel costs are pretty much set; our procurements are pretty much established by contracts made during previous years; our creature comforts for the well-being of our personnel are pretty much dictated and in the budget, and so the only place we can cut is by stretching our programs; making each item for our defense cost more and by taking out of readiness, taking it out of training and the intangibles.

I caution this body against this; I will support this, and I hope we will have a return to a more popular and supported defense in the years to come.

Mr. Chairman, I yield back the balance of my time.

Mr. STRATTON. Mr. Chairman, I yield 13 minutes to the gentleman from California [Mr. DELLUMS].

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Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Chairman, in rising to speak in general debate on the Department of Defense authorization bill for fiscal year 1986, I choose to make three points.

First, I would like to inform the body that at the appropriate time I will be offering a substitute to the defense authorization bill for fiscal year 1986 on behalf of myself, members of the Congressional Black Caucus and other Members of this body who view the world in different terms than this administration and the majority of the Members of the Armed Services Committee and have a very different version of the nature of the problems in the world and the nature of our role in this world.

Second, Mr. Chairman, I would like to also indicate that at the appropriate point during the markup of the Department of Defense authorization bill for fiscal year 1986 I will be offering an amendment to limit the funding for the so-called strategic defense initiative, or more euphemistically

referred to as the star wars program. What we would do in this proposal, Mr. Chairman, is to limit the funding to basic research. We have communicated with members of the organization known as the Union of Concerned Scientists and the Federation of American Scientists, who tell us that there is need for some basic research in order to not allow a breakout on the part of the Soviet Union or at least that we understand what is going on in the area. But what we would not allow to go forward in the category of basic research is any basic research that would move us toward the development of a nuclear weapon to be stationed in space. We oppose that and we would prohibit it by zeroing out that category.

Second, Mr. Chairman, we would also exclude from the category of basic research that research designed to develop an energy conversion mechanism in space. Simply stated, we opposed nuclear powerplants on Earth. We do not want to see nuclear powerplants in space. But we would allow, with those two major and, in my estimation, significantly important exceptions, basic research to go forward.

We would, under our proposal, prohibit any demonstration projects, any major experiments that we believe would move us toward violation of our ABM Treaty and would result in a major escalation of our antisatellite arms race which I perceive to be extremely dangerous.

Mr. Chairman, the third point that I would like to make is a few comments on the bill before us, the authorization bill approved by the Committee on Armed Services.

This year, Mr. Chairman, the committee has brought forward an authorization bill which freezes new authority at last year's level in real terms adjusted for inflation.

Now, while this is an important improvement over previous years, let me remind my colleagues that this zero percent real growth continues massive defense spending buildup. It does not reduce it at all. I repeat, for the purposes of emphasis: It does not reduce it at all. The only reductions are for hoped for increases. They asked for major increases. All we did was reduce the hoped for increases. We have not reduced real spending.

This bill, indeed, increases authorization by some 4 to 5 percent over last year's level.

Now, what most Members do not seem to understand, Mr. Chairman, is that the defense spending that contributes to the deficit in not only this new authorization but the authorization from prior years—and this is terribly important—that is being spent this year. In the language of the budget, we call these outlays.

For example, the committee is authorizing a figure of $99.4 billion for all procurement for fiscal year 1986. Actual spending for procurement in fiscal year 1986 will be approximately $82 billion. However, all but $10 billion of that $82 billion will be for prior year authorization, Mr. Chairman.

Now, stated a different way, even if we zeroed out this category, even if we brought a bill to the floor of Congress and said in procurement 1986 we would zero out all authorization, you would still have to place $72 billion in that procurement category; $72 billion, even if you zeroed it out. And I do not think many Members clearly understand that what has been done here is to front load this military budget with an incredible escalation that will have impact over a variety of years. It is almost bizarre, when one considers that we could zero out this category and only $10 billion of the $82 billion we will actually spend for fiscal year 1986 will be for new authorization; the other $72 billion, because what was done in fiscal year 1985, 1984, 1983, 1982, 1981, et cetera.

The point is that spending figures will continue rapidly upward for the rest of this decade even if we have real growth freezes during that time. It still escalates even if you have a freeze. So this notion of a freeze is no magic. It does not engage in saving us tremendous amounts of money because even if you freeze it, this military budget will escalate.

Mr. Chairman, even if we freeze without any real growth—and hear me out—without any real growth, as recommended by our Budget Committee—we heard the gentleman from Pennsylvania [Mr. GRAY] point that out in the last couple of days—the spending will continue to increase rapidly. Actual spending for the present fiscal year 1985 will be about $250 billion. Even if we freeze for this next year, the year after that and the year after that, Mr. Chairman, actual spending outlays will still be over $300 billion in fiscal year 1988. This is an increase of over $50 billion in 3 years, even with the freeze.

Under the President's budget, this figure would be about $350 billion, $350 billion by 1988, an increase of $100 billion.

Now, all this data that I am laying out to you is data that we derived from the House Budget Committee in February of this year.

Mr. Chairman, we must begin to seriously begin to reduce what we are now authorizing before our economy is completely consumed by the military budget.

Mr. Chairman, now that I have laid that out, the reason why we choose to offer a substitute at the appropriate time is that we believe that it is important to not make reductions arbitrarily. Rather, we must rethink our policies so that they are coherent and rational and reflect the best interests of our Nation.

Mr. Chairman, the real growth issue before us is not whether it is zero percent growth or any other figure. The real issue is what is the proper national security policy and what are the requirements for the defense of our country. This should be the main focus of the debate. But, Mr. Chairman, as you and I very well know, unfortunately in the past, little debate of this kind has taken place on the floor of this House on policy matters. The administration's view and the moneys being authorized in this bill, which basically support the administration's view, are not correct assessments of our national security requirements as this gentleman assesses them. The national security role of the United States should be to assert international leadership necessary to bring the world closer to peace, Mr. Chairman. Military tensions must be eased, détente must be revived, and the threat of nuclear war must be removed from our lives. The only real use of nuclear weaponry is to prevent war and to prevent the use of such heinous and devastating weapons. Our focus should be deterring war and spending billions of dollars to arm ourselves to fight tactical nuclear wars around the globe or to build vast strategic weaponry whose only function would be to make nuclear devastation even more devastating, nor need we spend additional tens of billions of dollars to prepare for a protracted, so-called, conventional land war in Europe with the Soviet Union.

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Mr. Chairman, we need to fundamentally reassess our defense policies, and determine whether alternatives may make more sense than those proposed by the administration or my respected and distinguished members of the Armed Services Committee.

The alternative vision we would offer in our substitute in pursuit of such a fundamental discussion of basic Armed Services Committee policy, is based on our assessment of what would be a proper defense strategy for this Nation. I will discuss these issues at length at the appropriate time. So for the moment, let me simply outline the major themes of the proposal.

First, to lessen the threat of nuclear war through support of a nuclear freeze, and for arms control initiatives which would lead to prompt reductions in major weapons systems.

Second, a noninterventionist, national security policy.

Third, a reduced U.S. role in Europe and in Asia.

Fourth, a redirection of procurement policies to reduce waste, fraud, abuse, and massive cost overruns.

And fifth, a stronger national security through a policy of conversion to an economy less dependent upon military spending.

Mr. Chairman, while substantial reductions are made from the administration's proposal, it should be noted that even with these large cuts that this gentleman would propose, spending under this proposal will still continue at recent levels.

For example, in fiscal 1986, spending will still be more, unfortunately, more than $9 billion above the spending levels of fiscal year 1985 Defense appropriations, and will constitute a real growth of 39 percent; over 8.5 percent per year since fiscal 1980.

In large measure, Mr. Chairman, this is due to the lengthy spendout period of the major procurement increases approved over the past years that I alluded to earlier in my presentation.

Finally, Mr. Chairman, in addition to making our defense more secure, implementation of these themes that I have alluded to earlier would result in authorization savings of some $286 billion over the next 3 years. These savings are sufficient both to reduce significantly the unprecedented budget deficits that we are confronted with, and make resources available for selected increases in desperately needed social programs to address the human misery of our people in this Nation.

I thank the Chair and I thank the distinguished chairman of the Armed Services Committee for his generosity.

Mr. HILLIS. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. Spence].

Mr. SPENCE. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 1872, the fiscal year 1986 Department of Defense authorization bill, and will address primarily those aspects of the bill that deal with seapower and naval shipbuilding.

Mr. Chairman, I have often heard it said that the primary reason for the existence of a Federal Government or a central government is to do those things for its people that they cannot do for themselves, either as individuals or as States or units of government.

The main thing that people cannot do themselves and that the States cannot do for their people, is to protect them from foreign aggression. In recent years, we have seen this country's military decline to a point that was a fearsome thing for many people who are concerned about our defense.

Mr. Chairman, 4 years ago, President Reagan set a course for a naval recovery program for this Nation, a program designed to restore this country's waning maritime superiority. Our naval recovery program is working, in spite of some ups and downs in the annual budgetary battles. We have seen a dramatic increase in the quality, training, and morale of our naval personnel; a substantial improvement in the readiness of our forces, and in their ability to sustain themselves in combat; and a growing number of high-quality ships entering the fleet as we move towards our goal of the "600-ship Navy."

The cornerstone of our efforts to rebuild the Navy is a clear statement of a realistic, effective maritime strategy for the employment of naval forces both in peacetime and, if need be, in time of conflict. Simple in concept, but more complex in its execution, this maritime strategy is made up of two main tasks. Described before our committee earlier this year by Navy Secretary John Lehman, those tasks are: First, to prevent the seas from becoming a hostile medium of attack against the United States and its allies; and second, to ensure that we have unimpeded use of the ocean lifelines to our allies, our forward deployed forces in peace and war, our energy and mineral resources, and our trading partners; to be able to project force from the seas in support of our national security objectives short of war; and to be able to bring force to bear directly in support of combat ashore should deterrence fail.

Translating this maritime strategy into the day-to-day workings of the Navy is a somewhat more difficult job. Our Navy is deployed around the world every day of the year in support of our national goals and commitments.

Adm. James Watkins, the Chief of Naval Operations, aptly describes the world in which we live as being in a state of "violent peace." The United States is at peace with its neighbors, but armed actions and mounting tensions are a fact of daily life.

Our naval forces would likely be caught up in the early stages of any conflict involving the United States and which could possibly erupt from the 30 conflicts currently underway in various parts of the globe. Admiral Watkins summarized this situation very well when he said, "Naval forces must be prepared to encounter high technology, combined arms threats in virtually every ocean of the world."

Mr. Chairman, I believe that the Navy program contained in the bill before us today will go a long way toward the effective implementation of our maritime strategy. It has the numbers and quality of ships needed to maintain the forward deployment and flexibility that are characteristic of the Navy's contribution to deterrence. The 23 new construction ships and 5 conversions recommended by the committee are a balanced, prudent request in light of the fiscal restraints we face in this year's defense budget. Let me briefly touch upon a few of the major types of ships in this year's bill.

AEGIS CRUISER

The Aegis guided missile cruisers of the Ticonderoga class recommended in the committee bill are truly the state of the art in antiair warfare protection for our carrier battle groups. Less expensive by over $200 million than the three ships authorized last year, these three ships—with their sophisticated but highly reliable radars—will be capable of effectively countering the numbers and sophistication of the Soviet AAW threat well into the future. In fact, 1984 was a banner year for the Aegis system and the first ship of the class, the U.S.S. *Ticonderoga*. She was at sea over 80 percent of the time during her initial 6-month deployment to the North Atlantic and the Mediterranean, a deployment that began on much shorter notice than usually given a new ship. During this cruise, she operated with two carrier battle groups, conducting over 2,500 intercepts with their aircraft and maintaining an overview of the air activity over the entire eastern Mediterranean of unprecedented quality, for any type of ship, ever. Following this highly successful cruise, she returned to the Caribbean weapons test range where she downed 10 of 11 target drones simulating multiple missile attacks in a highly stressing operational test. As Admiral Watkins summarized the ship's performance after her cruise and test firings, "Aegis * * * is the best antiair warfare system the Navy has ever had."

LOS ANGELES CLASS ATTACK SUBMARINES

The four Los Angeles class SSN-688 attack submarines in the committee bill are a vital step in reaching the Navy's force goal of 100 nuclear attack submarines by 1990. The Soviet Union continues to outbuild us in nuclear submarines at the rate of 3 to 1; they are also getting better at incorporating the technologies that have traditionally given the United States an edge in submarine warfare. The ships in this year's bill will do three things to redress this situation: First, they will help to make up for the dangerously low attack submarine building rate of the late 1970's; second, they will incorporate a series of modifications to the earlier 688 class design that will make them the world's quietest nuclear submarines, capable of performing multiple missions in a superb manner; and third, they will provide an orderly transition in both numbers and technology to the next generation of attack submarine, the SSN-21.

LHD-1 MULTIPURPOSE AMPHIBIOUS ASSAULT SHIP

The committee bill would also authorize funds for the second of the WASP class multipurpose amphibious assault ships so essential in providing adequate mobility for our Marine Corps forces. The LHD-1 is impressive in its capabilities to move men and equipment: nearly 2,000 troops, 23,000 square feet of vehicles, 109,000 cubic feet of cargo, 400,000 gallons of fuel,

three air cushion landing craft, and 42 CH-46 helicopters, can be delivered by this ship on short notice anywhere in the world. The LHD is also capable of acting as a minicarrier in a sea-control mission, handling up to 6 LAMPS Mark III antisubmarine warfare helicopters and 20 AV-8B short/vertical-takeoff jet aircraft. The committee bill would authorize the Navy to buy the next three of these vitally needed ships on a multiyear basis, thus saving money and adding these ships to the fleet sooner.

Multiyear procurement of ships is but one of the ways the Navy is saving money in the shipbuilding program. Increased competition among multiple sources in the shipbuilding budget—used in just 16 percent of ship procurements in 1980, but used in over 84 percent this year—has done much to lower the cost of our ships. This year, the committee was able to take advantage of nearly one-half billion dollars in such savings achieved in the 1981-1984 shipbuilding budgets; with continued prudent management by the Navy, and increased competition, we hope to achieve more savings in the future. I would also point out that Navy shipbuilding and repair work accounts for over 80 percent of all employement in that industry in the United States today.

Let me add one final word about the threat posed by the Soviet Navy. As President Reagan has pointed out, we, in this country don't have the luxury of formulating our defense budget in a vacuum; we must constantly be aware of Soviet activities and programs that seek to undermine our ability to meet our national objectives in the use of the world's oceans. The Soviets work hard at denying us those objectives. During the past year, for example, they continued to maintain about 2,400 ships and craft in their inventory, including nearly 300 major surface combatants and 380 submarines. They were building, or fitting out, six classes of major surface combatants and seven classes of submarines in 1984. The Soviet Navy now operates on a worldwide scale, increasing the number of ship-days spent out of home waters every year. In short, we face a formidable foe, one apparently willing to spend heavily on its Navy in an attempt to gain leverage over the United States.

Mr. Chairman, we must regain the maritime superiority this Nation needs for its survival. Although modest in size, the recommendation before us today will do much to help reach that goal. I strongly urge my colleagues to join me in supporting this bill.

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Mr. PURSELL. Mr. Chairman, would the gentleman yield for a brief colloquy?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. PURSELL. I thank the gentleman for yielding.

Mr. Chairman, I served in the military as an infantry commander, so I am not briefed totally on the development of our naval program of 600 ships, but I did read Secretary Lehman's full report when he testified before the Senate outlining the long-term goals of the Navy.

I happen to personally support that. I have, in the appropriations process and debate here with amendments over the years. I just wanted to ask the gentleman if he is confident that within our existing appropriation authorized levels this year and past years that we are getting not only the ships themselves, but the training on those ships and the additional equipment necessary so that our mission around the world is met adequately in terms of meeting the goals of national security?

Does the gentleman feel that the Navy is sort of recovering and coming back to a proper level of funding under our existing budget?

Mr. SPENCE. Yes, I do. As a matter of fact, I said earlier we had slipped dangerously low, I think, in our commitments throughout the world because of our lack of ships and training and personnel and all the rest, up until about 1980.

Under the new programs we have instituted since that time, we have begun construction on many ships. We have taken possession of others. Our training is in a better state right now, and I think we are better able to meet our commitments throughout the world and the objectives therein.

Mr. PURSELL. Secretary Lehman also indicated in his testimony—and I recommend its reading to every Member of the House—that the morale of the troops is up, that the training and recruitment is up in respect to higher high school graduates, and the percentage has increased dramatically in which there are better trained seamen than before.

I am confident that maybe we have moved to that higher standard of vigilance and training on behalf of our national security and have met that level of responsibility that I think we have committed ourselves to the last few years.

Financially and budgetwise, I do not know if we are at the right level, maintaining the existing appropriation and authorization. I think that should be fully debated within the context of this committee and the Committee on Appropriations in respect to the naval budget. I think that has not been fully debated in public in terms of the strategy and mission but I am confident we have made some big gains over the last few years. I agree with the gentleman in the well.

Mr. SPENCE. I thank the gentleman and I appreciate his contribution.

Mr. SKELTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have before us the fiscal year 1986 defense budget. This has come about as a result of many, many days and hours of hearings in the subcommittee and committee in the Committee on Armed Services, and I wish to take this opportunity to commend the chairman for his leadership, to the members for the tireless work they have put in, and the staff, the finest staff, I think, in this area in the world. I compliment them for the work that they have done.

This is a very responsible piece of work that has been brought, and it is as a result of compromises, as a result of amendments both defeated and passed, but it is one that we can all be proud of as a final product. It is one where $18.9 billion has been cut from the President's request and some 30 procurement programs have been terminated. On the other hand, it is a very strong national defense proposal, one that is responsible to our Nation as a proper defense for the days and years ahead, and also responsible to the people of our country for doing the best that we can to maintain a fiscally respectable position.

I would like to comment first on an item that was mentioned by the gentleman from California a few moments ago, and that was regarding the policy decisions in the Committee on Armed Services.

I think that we are seeing for the first time long-range policy decisions and determination being made, rather than counting beans or tanks or airplanes or bullets. In addition to that very difficult and arduous task, we are looking down the road as to what our defense needs must be, what our commitments are, and where we are going as a nation. I think that for the first time we have recognized the long-range necessity and we are doing that, as a result, not just in our subcommittee and committee work, but in the policy panel that our chairman has established and I think that this is a step in the right direction and you will see better decisions in the long run as a result of this work.

This defense bill has, as many know, cuts that are too much for some and not enough for others. We have a problem with the $200-plus billion deficits in our Nation, but everyone has to pay his or her fair share, and also there is a perception on the part of the American public that fairness is what we need, and that is why I say this is a responsible work, one where we did take the cuts but in a manner which does not lessen our deterrent capability, but one that keeps us strong.

In reshaping this budget, I think one of the most important things that we did was to continue to strengthen the Reserve Forces of our Nation. The Reserves of all of our forces, plus the National Guard have benefited from substantial add-ons; to name a few, the Chaparral air defense missile system, the UH-60 utility helicopters, the C-130 transport aircraft, and many others.

Unfortunately, through the years, as a result of the nature of the animal, there has been a bias in the Pentagon that seems to neglect the Reserve Forces in favor of the Active Forces, but today, in today's military situation, we see that many of our units that could be deployed in combat come from our Reserve Forces, the Reserves and the National Guard. As a result, we in our committee have added some emphasis on those Reserve Forces, which has been needed for quite some time.

Mr. Chairman, this is not just a leaner defense; it is a better defense. It is one that has been a collective effort on our committee and it is one that deserves the support of the Members of this body.

In every bill there is an issue or two of controversy, and there is one that is of controversial nature that I wish to mention that is so clear to me that were we to omit it from this bill that it would be, in the terms of one of our distinguished retired military leaders, criminal negligence, and that is the inclusive within this bill of the need to have a proper deterrent capability in the area of chemical warfare. It is controversial, it is not pleasant to talk about, it is one that would be easier to shove behind us; but it is one that we must face and this is the year that we must face it directly.

We know what the Soviet capability is regarding chemicals. We know the research and development that they have been involved with.

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We also know that they have the ability in their Warsaw Pact forces and among their army in Eastern Europe to use these measures to the detriment of the Western World.

One of the most controversial measures is the inclusion of this in our bill, but it is terribly important. We had a special hearing on this issue, and I am convinced and driven irresistibly to the conclusion that we must have a proper deterrent of offensive chemical weaponry, for not to do so would be to invite disaster. It would also be to lower the nuclear threshold and make the use of nuclear weapons much more likely should there be a conflict.

First, let me say that the report of the Presidential Commission, which included the very fine gentleman who just retired recently, Barber Conable, favors the production of this type of system.

Second, we have a new way of producing this type of weaponry in a safe manner, which is in what we call a binary type of weaponry where the two ingredients are not mixed together. They are not used together until they are fully deployed.

We all know, third, that defensive measures are not enough, that we would be at a disadvantage if we only take defensive measures, and we need a deterrent measure in the area of chemical warfare.

For this reason I very strongly urge that what we have in the bill remain there, and I hope we can convince others of this wisdom because not to do so would be certainly wrong and a disservice to those who wear the uniform.

Mr. Chairman, the most important part of our national defense is the men and women who wear the uniform, the people of our armed services. In passing this bill, we will have taken care of them, and in so doing we hope to encourage them to continue the fine careers that so many of them have started. We have included a 3-percent pay raise. We need to take care of those people who do the tough, the dirty, and the difficult jobs of defending our interests in this world.

We have also allowed an increase in the permanent change-of-stations allowance. Some of these people are taking money out of their own pockets when they are transferred from place to place.

Mr. Chairman, I commend this bill to the Members of this body and urge its passage. It is a lean bill. It is a responsible bill. It is a bill that will keep us with a high deterrence in this very dangerous world in which we live.

Mrs. HOLT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as ranking member of the Subcommittee on Procurement and Military Nuclear Systems, I would like to say a few words about the subcommittee's action on H.R. 1872.

As the chairman stated, the subcommittee reduced the procurement request by $6.7 billion, a 7-percent cut in the request.

The chairman, the gentleman from New York, did a superb job in making these tough decisions, and I would like to second the remarks of the gentleman from Missouri. We do have an outstanding staff on this committee, and they did a wonderful job in supporting us in our efforts to try to make these reductions.

Mr. Chairman, this leaves the procurement account—less shipbuilding—with a real decrease of about 2 percent over the appropriation of fiscal year 1985.

This severe cut was made necessary in part by the full committee's decision to support a reasonable rate of growth in the operations and maintenance account. This is the second year the committee has agreed to protect the O&M account which has been subject to severe cuts in the past.

We made some tough decisions in the procurement subcommittee which were upheld in full committee. We deleted the total procurement request of $438.8 million for the advanced medium-range air-to-air missile [AMRAAM]. We did this after the committee had learned that the projected unit cost of this system had tripled, and the schedule for the program had slipped by almost 2 years.

We eliminated all funding for the E-6A Navy aircraft. This committee believes that in this tough budget climate it would be inappropriate to start a program of this magnitude. Additionally, we directed DOD to restructure the development schedule to comply with the law. The program as proposed was much too concurrent with little or no development preceding production.

Recognizing the contribution of the National Guard on Reserve forces, the committee added more than $700 million for new equipment for those components.

With respect to the current deficit problem, I recognize the need for defense to contribute a fair share toward reducing the deficit, but I have great concern about cutting the rate of improvement of our national defense force structure. This administration has made great strides in repairing the damage to our defense capability caused by years of fiscal neglect.

We have come a long way. Recruitment and retention are up. First quarter 1985 reenlistments rates are up 11 percent since 1980.

In the areas of readiness our pilots are getting 30 percent more flying time than they were in 1980 and aircraft ready rates have improved 7 percent in that time. Munitions inventories have increased by an average of 39 percent across all four services. We are fielding more and better items of equipment to our combat ready forces.

I am greatly concerned that the cuts over and above what we have in this bill could turn this remarkable improvement around and could send us back to the bleak days of the 1970's and early 1980's.

The President's defense request would have required about 6.4 percent of the gross national product. I don't think this is an unreasonable level for the leader of the free world to devote to its national defense.

Let me quote what Alice Rivlin, the former Director of the Congressional Budget Office, told this committee 2 years ago on February 16, 1983:

> Clearly the U.S. economy can support the defense buildup proposed by the administration. Under that buildup defense in 1988 would take about 7.7 percent of GNP, similar to the level in the early 1970's.

While the cuts we are describing today were painful to most of us and resulted in the loss of real capabilities, further cuts of the magnitude suggested by some Members would be absolutely devastating to readiness, sustainability, and modernization. We would most certainly have to cut deeply into O&M—which this committee has protected over the last 2 years. These cuts would abort the improvements in defense that Members of Congress have fought so hard to obtain.

I urge Members to oppose any further cuts in the defense account beyond those that are in our bill.

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman, title II of H.R. 1872, as reported by the Committee on Armed Services, provides authorization of $34.1 billion for the fiscal year 1986 Research, Development, Test and Evaluation [RDT&E] Program.

The Department of Defense requested $39.2 billion for fiscal year 1986. The committee's action results in a reduction of $5.1 billion.

Mr. Chairman, the research, development, test and evaluation account has grown by 100 percent in less than 4 years. While some of this growth was absolutely essential, the committee believed that the Pentagon placed too much emphasis on developing new systems rather than on advancing the state of technology. There can be no question that if the committee were to approve every weapon system on the Pentagon agenda, we would have serious affordability problems in the post-1990 period. We simply cannot do it all and accordingly, the committee terminated many programs—52—in all.

I would emphasize, Mr. Chairman, that the committee paid strict attention to fulfilling military requirements to the maximum practical extent. We did it by providing fewer systems. For example, we are asking the Pentagon to choose between a Navy version of a data system called the Joint Tactical Information Distribution System—JTIDS—and the Air Force version. There is no good reason, during this period of austerity, for the services to have both systems. One will do the job very well.

We terminated the Joint Surveillance Targeting and Attack Radar System—JSTARS—but we provided a less costly alternative to do the job.

Mr. Chairman, we are all concerned about the size of the Federal deficit. Defense must contribute its fair share toward the reduction of this deficit. The contribution must not, however, jeopardize our national security. The budget for the RDT&E function as recommended by the committee is a responsive and a responsible authorization, fulfills the greatest majority of all military requirements, does not jeopardize in any way our national security objectives, provides for the revitalization of our science and technology program in American universities, and streamlines the Pentagon's weapons development process.

Mr. Chairman, title II of H.R. 1872 contains a very significant addition—$175 million for university research. I would like to explain to the members why this is vital given the fact that we had to make sizable reductions in other defense accounts.

The purpose of this university research initiative is to maintain an adequate science and technology base essential to our national security objectives. The maintenance of an adequate technology base within the universities throughout the country is the responsibility of all Federal agencies including the Department of Defense and the National Science Foundation.

The committee is concerned that the enrollment of U.S. university graduate schools in critical areas consists principally of foreign nationals. U.S. industrial salaries offered to scientists, engineers, and others in critical skills are so attractive that little incentive exists for those with bachelor degrees to continue in graduate education. The U.S. university base has been on the decline; university facilities and instrumentation are in many instances antiquated; graduate students are not exposed to many high technology areas until they begin their industrial careers; and the exchange of innovative ideas between the universities and the Federal laboratories has declined.

The committee believes that the Department of Defense must contribute its fair share toward preserving our industrial base and ensuring a future talent pool from which to draw. Accordingly, the committee recommended an addition of $175 million to the Department's request for $25 million to begin the university research initiative. This recommendation has been strongly supported by the President's Science Adviser, the American Association of Universities, and representatives from the Department of Defense. The committee intends that the authorization be used as follows:

To extend the research fellowship program for U.S. students to encourage graduate study;

To modernize university laboratories and instrumentation;

To infuse as early as possible high technology programs such as tunable free electronic lasers for medical application, very high speed integrated circuit technology and other areas that a graduate student would not normally encounter until he or she entered industry; and

To establish a greater exchange of ideas and to enhance the working relationship between Federal research centers and laboratories and the universities.

The committee was advised by the President's Science Adviser that the recommended level of authorization is essential and that it was to be included in the Department of Defense fiscal year 1986 budget request but was inadvertently deleted during the budget process. The committee expects that the Department of Defense will request the appropriate level of authorization for fiscal year 1987.

I ask your support and that of my colleagues for title II of H.R. 1872 as reported by the Committee on Armed Services.

☐ 1340

Mr. HILLIS. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, today we consider the authorization of funds for the Defense Foundation, it is unfortunate that we are operating under artificial budgetary constraints, rather than proposing the authorization of levels of manpower, equipment and research, which are truly equal to the threat posed by our adversaries in the world, which should be the proper measure of our Nation's security needs. What we have authorized under these fiscal constraints are bare-bone measures which do not fully meet the range of likely threats and are at best marginally capable of defending our Nation, honoring our commitments to our allies and, most importantly, deterring aggression.

In my view, the fiscal year 1986 Department of Defense authorization bill which has frozen defense spending at fiscal year 1985 plus inflation levels is the minimum that prudence will support. To do less places us at an unacceptable risk in a very uncertain world. We have seen no evidence of diminishing Soviet buildup of strategic nuclear or conventional weapons. They continue notwithstanding their lead to develop new weapons at an undiminishing pace. They have devoted immense resources to developing strategic defense systems; yet they insist that the United States should not. They would have themselves defended and have us leave ourselves undefended from their massive strategic nuclear first-strike capability.

This Department of Defense authorization bill has reduced our efforts in this strategic defense response, and I regard that as certainly undesirable.

As we weigh our defensive needs against the necessities of reducing spending levels and shrinking the level of deficits, we should be aware that for every $1 billion spent for defense, there are 35,000 jobs created.

Now, I certainly would not advocate that we spend money for defense unnecessarily as a jobs program, but it is not without significance that money spent for the defensive needs of the country do, in fact, have positive economic benefits. They reduce the negatives on the public purse by diminished unemployment compensation and other social benefits that are necessary through unemployment. They increase the revenues to the Treasury, making it possible for the Nation to try to meet its minimal needs.

So certainly dollars spent for legitimate defense needs are in a different category from dollars spent for programs and activities that have no positive economic implications for the total economy.

Before concluding, let me as some of my colleagues have done address the critical necessity for this Nation to develop a viable chemical warfare deterrent. This Nation has produced no chemical weapon now for over 16 years. During that unilateral moratorium on our part, the Soviet Union has developed massive chemical weapons stocks and we invite in the event of war virtually their using it without any meaningful deterrent to their doing so, save the possibility of our being forced to resort to a nuclear response. That as a strategy for the United States and our NATO allies is I think the height of folly.

We will never use them first. It is our declared policy in this Nation. We will stand behind that declared non-first use policy, but for emotional or for lack of knowledge of the facts, it would be in my judgment a disgrace for us to leave our forces in the field unprotected against an invited use of chemical weapons by our adversaries.

□ 1350

I hope that my colleagues will, before making any judgment on this issue in this session of Congress, take the time to read the recommendations and findings of the Crossen Report and of the Stoessel Commission. I do not think you can scrutinize these reports, the facts set out therein, and the conclusions that flow from them without being convinced of the necessity of a viable chemical weaponry deterrent.

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. DANIEL].

Mr. DANIEL. Mr. Chairman, the four pillars upon which military capability stands are force structure, modernization, readiness, and sustainability.

In 1981, some Members of the Congress concluded that this segment of our preparedness needed a constituency, so a Military Readiness Subcommittee was formed.

Today I wish, however, to emphasize relative spending for our national security, and touch briefly on two other matters.

It is the judgment of many Members of Congress that we are not applying our resources to the contingencies with which we may be faced for the balance of this century; in short, preparedness to address the lower end of the threat spectrum. It is the judgment of this Member that our primary concerns will be with what has become known as brushfire wars, insurgencies, and state-supported terrorism. I therefore wish to call to the attention of the Members the work which we are doing, along with the Intelligence Committee, on special operations.

After 16 years in Congress—all of which have been spent on the House Committee on Armed Services—and 4 years as chairman of the Readiness Subcommittee, I feel reasonably well qualified to comment on defense issues. The Pentagon's expanding budget, while certainly a factor, is not financially responsible for our outrageous budget deficits.

To put this issue into perspective, let's look at some trends in public spending over the last 30 years:

[In billions of current dollars]

Category	1955	1960	1965	1970	1975	1980	1985
Defense Department	35.1	41.5	45.9	77.1	84.9	132.8	246.3
Debt interest	4.8	6.9	8.5	14.4	23.2	52.5	130.4
Social and economic	17.0	32.5	47.6	88.8	203.3	374.1	554.1

This table reflects actual dollars spent in those years, unadjusted for inflation. But it doesn't take an expert or a mathematician to see at a glance where the lion's share of the growth is occurring in the Federal budget. Spending on social and economic programs is 32 times greater than it was 30 years ago. Interest on the debt is 27 times greater; and defense spending is 7 times the level of 1955.

Another helpful way of putting defense spending into perspective is to look at it as a percentage of net public spending at the Federal, State, and local levels:

Defense Department as percent of net public spending

1955	35.5
1960	30.3
1965	25.2
1970	25.4
1975	16.5
1980	15.3
1985	17.8

As taxpayers, we have only so much to spend to support Government services. As the foregoing indicates, defense is taking a far smaller proportion of our tax dollars than it did in the Eisenhower, Kennedy, and Johnson years. When John Kennedy came into office, one of every three public employees was in the Armed Forces. Today, it is only one in six. And we should place the 1980 figure into perspective by recalling that President Reagan was elected with a mandate to reverse the deterioration in our military capabilities because it was generally recognized that defense spending was too low.

The fact that we have rebuilt our defenses in just 5 short years and that the readiness and morale of our men in uniform is at an all-time high is cause for comfort, not alarm. But we must not look in isolation at statistics cited to the effect that defense spending has increased from 23 percent to 29 percent of Federal spending in the last 6 years. Let us at least put those figures into perspective by recalling that it was 47.7 percent of Federal spending in John Kennedy's first year in office and 43.2 percent when Lyndon Johnson left office. And in 1985, Defense represents 25.7 percent of the Federal budget, not 29 percent.

The basis of our current budget crisis is simple: We are spending $200 billion a year more than we take in taxes. And the simplest solution is to raise taxes. But as was demonstrated last November, the American people do not see themselves as undertaxed. Part of the reason for that, as I pointed out earlier, is that they are now spending more than $550 billion a year to support Government services at the State and local levels. If we are not to raise taxes, then the Federal budget has to be cut. The House Armed Services Committee has voted to reduce defense spending by almost $21 billion in fiscal year 1986. This means there will be no real growth in defense in 1986. After adjusting for inflation, the defense budget will be frozen at the 1985 level. If we go below that, we will begin to undo all our efforts of the past 5 years.

But now we come to the hard part. Cutting $21 billion out of defense this year and restraining growth over the next 5 years will still leave us with three-fourths of the deficit problem unsolved.

It seems fashionable these days to attack defense spending and to generalize about waste from a few isolated but sensational examples of abuse as hammers and toilet seats—and they are outrageous and unacceptable. But from my vantage point, I think the military procurement agencies are populated largely by dedicated people trying conscientiously to manage our funds responsibly. It is vitally important that we get our facts straight before commenting about defense spending, because careless comments impugn the integrity of the dedicated men and women who serve within that system. For this reason, I counsel my colleagues, not to rely too much on consultants and legislative aides as they develop expertise on defense matters. For example, a recent newspaper article stated that "adjusted for inflation, defense spending has increased from about $120 billion in 1980 to a proposed level of $300 billion in 1986."

The actual figures in constant 1986 dollars—that is, after adjustment for inflation—are $188.7 billion for 1980 and $256.2 billion for 1985 with the same $256.2 billion expected for fiscal year 1986 after congressional action. Thus, the 6-year real growth is about $68 billion, not $180 billion.

I understand how easy it is to fall into the trap of quoting figures inaccurately. And, occasionally I get caught doing it even though I sit through about a thousand hours a year of briefings, hearings, and personal meetings on defense programs. Perhaps the following table will help place historic defense budgets into focus and dispel the myth that they are out of control.

Defense budget authority (constant 1986 dollars in billions)

1951	248.8
1956	174.7
1961	185.6
1966	236.4
1971	203.8
1976	185.8
1981	221.9
1986	296.1

I submit that, in terms of historical trends over the past 35 years, defense is neither uncontrolled nor a budget buster. Obviously, there are things we can do to improve procurement practices and abuses, but if the Congress and the American people are serious about eliminating $200 billion from the deficit without raising taxes, defense spending is only a small part of the answer. Unless, of course, we decide to adopt article 9 of the Japanese Constitution.

Three years of subcommittee and panel hearings on our special operations forces have begun to have a perceptible impact.

We have cooperated with our sister subcommittees in revamping the special operations R&D effort, and having it elevated to the Under Secretary of Research and Engineering level at DOD.

We have addressed the No. 1 procurement priority for SOF—the provision of adequate long-range infiltration and exfiltration aircraft through a reemphasis and restructuring of the MC-130 Combat Talon Program, and the authorization recommendation of 12 PAVE low helicopter modifications in this bill.

We have continued the momentum of the past year in seeing the successful activation of an additional active duty Special Forces group in the Army, and a third naval special warfare group, thanks to the cooperation of our colleagues in the Personnel Subcommittee, with additional personnel programmed.

We have initiated a close working relationship between the committee and the Intelligence Committee to assure adequate, sustained, and detailed oversight over our SOF units and activities.

In all, Mr. Chairman, permanent oversight and the enhancement effort for our Special Operations Forces has been extremely successful.

The panel on special operations headed by the distinguished Member from Florida will reconvene in June in order to complete its work for the first major report on SOF readiness and oversight.

Our next major initiative will be to consider readiness improvements which will stem from more effective command, control, and coordination of our joint SOS effort.

This year has been a productive one in SOF oversight and authorization, Mr. Chairman, and the matters dealing with fiscal year 1987 provise even more improvement.

Mr. HILLIS. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, in the face of $200 billion deficits stretching out as far as the eye can see, the committee, in their infinite wisdom, has had the temerity to include in the authorization a new spending program that will ultimately cost the American people at least $2.3 billion, more likely $6 billion, before it would be punished. Mr. Chairman, I am not on the committee, and I have the highest regard and respect for those who serve on it. I have been a consistent supporter of our defense authorization, a supporter of the MX missile, and I think I know an unnecessary expenditure when I see one.

This is the same program that has been defeated each time it has been offered since 1981. Last year it was defeated by 68 votes in the House and that includes, I might add, 53 votes from my side of the aisle. And this year there is a slightly new twist. There was appointed a Presidential commission headed by Ambassador Walter Stoessel, another gentleman for whom I have the highest regard and respect. That commission met first in mid-March and, I might say Mr. Chairman, that it had no one appointed to it that had previously taken a position opposed to binary nerve gas production. However, it was composed of a larger number of people who had taken a public position, in support of nerve gas production.

□ 1400

Although the chairman of the House Committee on Foreign Affairs, the gentleman from Florida, and myself had joined in a letter to the President urging the appointment of our former colleague from the State of Arkansas, former Congressman Ed Bethune, that appointment was not made. Rather, this commission was staffed by officers on leave from the Pentagon; indeed the executive secretary of the commission was the gentleman whose responsibility it is to convince the House that we ought to produce new nerve gas weapons, Dr. Thomas Welsh. I found it amazing that this commission met for about 40 days and came out with a unanimous conclusion that we ought to do exactly what the Pentagon says we ought to do, and that is produce a new generation of nerve gas weapons after 16 years of forbearing to do exactly that.

I called the report a 40-day wonder; it is a wonder that in 40 days the commission could come to a conclusion on an issue that divided this House for many years. There was no dissent, not one word of dissent in that report.

Mr. Chairman, we do need a credible chemical deterrent. Many of the remarks made on the floor of this House by those who preceded me are correct, we do need a chemical deterrent, but the fact is that we have one, and we have had it for a long time. It is not perfect. This is not a perfect world. We have huge deficits, and if we are going to create any new spending program in this Department, it seems to me there is a tremendous burden upon those who advocate it to tell us why we should pass on to our children a tremendous additional cost that we cannot afford.

If our stockpile seriously deteriorates, and we get our fiscal house in order, we may need new chemical, even binary, weapons. I think they may be safer and better than unitary. It seems to me also that we might want to have a different mix. We might want to have more persistent agent for long-range ordnance, and more nonpersistent agent for short-range ordnance, and the mix may not be quite right in the deterrent that we have but, again, this is not a perfect world. The question is: Is this stockpile an adequate deterrent? The answer to that is yes, it is adequate, and yes, we don't need to produce new binarys this year.

Even if we were today to embark upon a new program of producing binary weapons even if we were to produce new binary weapons today our allies would not take them.

I sat down with the West Germans in my office and talked with people from their Department of Defense, and they did not even want to discuss it. It would create a split in the NATO alliance if we were to try to force these weapons upon them. The political crisis would be far greater, it seems to me, than the one we already have had with the Pershing II and the cruise missile. We could not forward deploy them. Why, then should we produce them?

Finally, let me say that I have spent a good deal of time since last year visiting various chemcial warfare facilities across the country. I went to China Lake in the Mojave Desert, in California to look at the Naval Weapons Testing Center there where they test the Bigeye bomb. I went to Van Nuys where the Marquards Corp. produces it. I went to the Tooele Army Depot in Utah and looked at our stockpile physically. I might say the safety that is used to make certain that we do not have terrorist attacks or problems with our stockpile is extraordinary. I went out to the Dugway Proving Ground. And I will tell my colleagues that I now have a plaque on my wall that says I am the only Member of Congress ever to stay overnight at this remote base out in the middle of Utah.

I was treated very well and I commend Dr. Welsh and his staff and the people from the Department of Defense. They certainly gave me a very good look at all this. My conclusion, is that we have an adequate stockpile, not perfect, but adequate. And that the bottom line is that there is no way that we can afford a new $2 billion to $6 billion program this year in a budget that is already $200 billion out of balance.

Mr. HILLIS. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. Hunter].

Mr. HUNTER. I thank the chairman.

Mr. Chairman, I thank the gentleman for yielding me this time and allowing me to follow my colleague from Illinois who spoke out against the production of binary systems.

I think this is a very important debate that takes place every year in Congress, but I think it is one debate in which most Members of Congress have not realized the full implications of the program that the Committee on Armed Services wants to go forward with.

Let me say that I think the most compelling argument is one of safety. Now we have nerve gas right now and the gentleman from Illinois conceded that we have nerve gas deposited at locations throughout this Nation, and that it would be used perhaps in retaliation to an aggressive movement and similar use by Warsaw Pact nations, and that nerve gas is separated from the communities where it is housed by thin containers and by barriers.

So you have deadly nerve gas which is kept from the community, from contact with human beings only by certain safety systems and precautionary systems that we put in place.

Now I would ask every Member of this House if you had the opportunity of taking that deadly nerve gas, for example in Arkansas, and destroying it, and putting in its place regular sulfur like a lot of Members have on the ends of their matches, and taking another element that was no more harmful than regular pesticide which many farmers use daily throughout the United States and putting that element in Utah, for example, where you did not even have the two elements in the same State or at least had them many miles from each other, would that be preferable to having deadly nerve gas in each of those locations?

Of course the answer would have to come back from those communities and from the Members of this House a resounding yes.

We would replace deadly nerve gas with a harmless element like epoxy glue, where the two elements do not have the desired effect until they are combined. In fact the best safety measure would be to have these elements not even in the same aircraft until they go to a forward area, should we, God forbid, have to employ this binary system.

But the compelling argument for binaries is one of safety for people. By the same token if you have a forward airbase in a combat area and you have armed services personnel who have to guard those particular bunkers and ammunition dumps and you have an incoming round that destroys one of those bunkers and ruptures the canisters or the containers that that nerve gas is in, it would be much better to have a binary element in there like a pesticide or like sulfur or like common alochol that in itself is not dangerous, that would not kill those personnel who were in that forward area than to have nerve gas.

So the compelling argument is one of safety and it is one that every Member of the House should undertake to understand this year before this debate is finished. I think if you do you are going to vote with the committee to replace deadly nerve gas throughout the United States and in forward areas with a harmless binary system that is much safer not only for our communities but for the personnel who wear the uniform of this country.

Mr. DICKS. Mr. Chairman, will the gentleman yield to me?

Mr. HUNTER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to take this opportunity to compliment the new committee chairman, Mr. Aspin, for his work in bringing this bill to the floor today. I believe that he has taken very positive steps in providing opportunities to the committee to examine in more detail the important policy questions relating to the programs under its jurisdiction. I hope that he will continue this trend to insure that the Congress can exercise proper oversight over defense policy.

I would also like to compliment the committee for its aggressive investigation of the defense procurement process and abuses in that process, and hope that we will be able to address this issue through separate legislation in the near future.

We will be debating again the question of what the proper overall spending level for defense should be in the coming fiscal year next week during consideration of the budget resolution. But I do think one thing is clear. The Congress is not going to support major real increases in defense for fiscal year 1986. We are going to enact some version of a spending freeze. Doing so is going to require some difficult decisions. The Armed Services Committee has recommended cuts from the President's budget totaling $18.9 billion. I do not agree with all of these cuts. And there are areas where I think further reductions could be made without jeopardizing national security. But overall I believe that the committee has allocated their reductions in a reasonable manner and have not put undue focus on readiness accounts while trying to preserve all the procurement and R&D programs.

In my judgment there are three reasons why the Congress and American public see the need to level off on defense spending growth. And let there be no mistake that the American public has cooled to defense spending increases. When the Reagan administration first entered office 61 percent of those responding to a New York Times/CBS News poll said they thought defense spending should be increased. By last February that figure had shrunk to 16 percent.

The first reason I think this has occurred is a realization that we the defense budget has more than doubled in the last 5 years, and has increased 51 percent in real terms. Those people, including myself, who in 1981 felt that defense spending increases were required have seen that desire fulfilled. The concerns expressed 5 years ago were not a license for an unrestrained arms race.

The second factor is, of course, the massive Federal deficits that we face now and for the forseeable future. If we do not bring them under control, our long term economic and fiscal health are in serious jeopardy. In my area, budget deficits are already producing real and serious consequences. The strong dollar they have produced has made imports more attractive and exports more difficult. The timber, aerospace, and wheat industries in Washington State are only three examples of the pinch we are feeling today, and the problem will only get worse if it is not addressed. Defense spending, which represents nearly one-third of the overall budget has to play a role in those efforts, no matter what Mr. Weinberger says.

The third factor is a perception that the problem is not so much lack of money, it is that we are not spending that money wisely. This perception is fueled by press reports on $600 toilet seats, and overcharges by Government contractors. The American taxpayer

cannot and will not tolerate such waste of his tax dollars.

There are many facets to the question of "Are we getting what we have paid for?" As one of the founding members of the military reform caucus I know that there are many areas from the type of systems we design to interservice rivalry that lead to questions about waste and inefficiency.

There have been some steps taken to address the issue which have had a positive impact. We have established the selected acquisition report system with the Nunn-McCurdy amendment to highlight areas of major cost growth. I note with approval that the committee would extend the SAR's to include life cycle costs of the systems we are buying.

We have adopted warranty legislation and spare parts reforms that can help alleviate some of the problems in the systems. I am disappointed that some of these efforts, particularly in the area of warranties, have been watered down subsequent to House action and I hope we can restore the original direction we provided in this area.

The House has passed on two occassions reforms in the Joint Chiefs of Staff. I am proud to be a cosponsor once again of Mr. Skelton's legislation and anticipate positive congressional action on these efforts to overcome interservice rivalries and to provide more timely military advice to the President.

Perhaps most important was the establishment at congressional insistence of an independent inspector general for the Department. It is through these IG reports that many of the problems in the procurement process have been uncovered.

But I think there is more that needs to be done. We need to do more than to try to point fingers at contractors, the Pentagon, or the Congress for that matter. There is plenty of blame to go around. Many of the problems are systematic. They require a thorough review of the Federal acquisition regulations and the DOD supplements to them with the objective of cutting down on excessive paperwork and overspecification.

Legislatively, there is more we can do as well. I am cosponsoring the legislation developed by Mr. Bennett and Mr. Nichols, H.R. 2397, the Allowable Cost Reform Act. This legislation will help define what is in fact allowable, provide increased penalties for abuses, and help address areas of potential cozy relationships between contractor and Government contracting officer.

I have also joined in endorsing a series of amendments that the military reform caucus is presenting. The most significant of these is a requirement for dual sourcing of defense programs unless there is clear and compelling justification for not maintaining this important continuing competition. We have achieved major successes in the limited instances where this has been applied. We have saved nearly $2 billion in aircraft engines through the competition on the F-100 and F-101. Just the threat of competition paid major dividends on the M-1 tank engine. The Navy Shipbuilding Program has achieved major savings when they have had more than one shipyard involved in construction of a class of ships.

A second amendment deals with the issue of quality and builds on the warranty amendment adopted last year. Under this amendment we would increase training for DOD and contractor quality control inspectors and require contractors to bear the costs of equipment that is defective because of poor quality control.

A third amendment is the so called revolving door amendment that is designed to strengthen protections against DOD personnel going from supervising a contractor to working for him.

A fourth amendment will shift the burden of proof on reasonableness of contract costs from the Government to the contractor, based on what would be considered reasonable in the private sector.

Finally, I note that the committee has recommended going to a 2-year authorization and budgeting cycle for defense. This is a step that I think will allow us the needed opportunity to take time to consider overall policy direction and provide needed continuity to the defense program. It is one that will not be easy to accomplish but it is essential in my view to having Congress play its own part in needed defense procurement reforms.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding me this time.

☐ 1410

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. Bennett].

Mr. BENNETT. On H.R. 1872, the 1986 Department of Defense authorization bill, as recommended by the Committee on Armed Services reflects the careful application of judgment as to what is necessary for the defense of our country, and what the Nation is willing and able to support at a time when Federal deficits are projected to reach $200 billion.

As a part of the overall committee consideration the Seapower Subcommittee recommended reductions of more than $800 million. These reductions were recommended because it was clear that the House would not support a defense budget of the size requested by the President. As chairman of the Seapower Subcommittee, I will focus my remarks today on the committees's actions and recommendations for that portion of the budget.

The seapower reductions will result in a slower rate of modernization for existing ships, and a slower construction pace for one major ship acquisition program, the amphibious assault ship. Additional reductions were possible because ship prices have actually declined in some instances, and have generally risen slower that anticipated, so that money authorized and appropriated for ships in previous years could be used to pay for a portion of the fiscal year 1986 ship building request.

The recommendations of the committee would provide for the construction of 23 ships and the conversion of 5 ships, a total of 28. In addition the bill would authorize the construction of 12 air cushion landing craft and other small craft. Included in the bill are authorization for the 13th Trident ballistic missile submarine and long lead authorization for continued construction of one Trident submarine per year. The bill would authorize construction of four SSN-688 class nuclear attack submarines and the acquisition of long leadtime components to allow construction of four attack submarines per year in subsequent years. That is a pace we should keep up. A total of eight mine warfare ships would be authorized by the bill, four coastal minesweepers that are to be constructed of glass reinforced plastic and utilize the surface effect ship [SES] technology, and four larger mine countermeasure ships that utilize traditional displacement hulls and are constructed of wood.

Three types of vessels would be authorized for the amphibious mission, an LHD amphibious assault ship, 2 LSD-41 class landing ship docks, and 12 air cushioned landing craft. Sealift forces would be strengthened by the three auxiliary crane ships and the aviation logistics ship authorized. In addition the bill would authorize $203 million for the acquisition of cargo vessels for the sealift ready reserve force. The bill would also authorize two fleet oilers, two ocean surveillance ships, and an acoustic research vessel.

The budget level authorized for shipbuilding, $10.8 billion, is below the level authorized last year. In fact, it is lower than the level authorized each year since 1980 when previous authorizations are adjusted for inflation. The low dollar level of the recommended authorization this year is a result of the previously mentioned favorable prices for ships, and the fact that the 1986 shipbuilding program contains a large number of relatively small and inexpensive ships.

The 28 new construction and conversion ships authorized by the bill would support the maintenance of a naval fleet of about 600 ships. While there is nothing magical about a fleet of 600 ships, as compared to a fleet of 590 ships or a fleet of 610 ships, testimony before the committee has shown that a fleet of about 600 ships is the minimum necessary to carry out those military tasks that could be reasonably anticipated in a major war.

Much of the news about the procurement of ships has been very favorable. Through prudent management and an aggressive program to introduce competition in nearly all ship building programs the Navy has been able to stabilize and frequently reduce the prices of the ships being built. Only the Trident submarine and aircraft carriers are presently excluded. Deliveries of ships are generally ontime and the problems with claims in the shipbuilding industry that were so prevelant in the 1970's are behind us. However, evidence of a number of problems has come to light. These problems, which affect not ony shipbuilding but defense procurement more generally, must be dealt with promptly if the American people are to retain their faith in the ability of Government to spend their tax dollars wisely.

For example, there has been wide publicity concerning the giving and receiving of gifts at ship launchings. While there is a long history and tradition associated with gifts at ship launchings, it is clearly in the public interest that such gifts be strictly limited. The bill includes a provision prohibiting a Government employee from accepting a gift valued in excess of $100 at any event marking a ship construction milestone.

The so-called revolving door between Government employment and private industry is another area that present legislation does not adequately address. There have been cases, recently publicized, where former Government officials have accepted post-Government employment with firms with which they have had business dealings while employed by the Government. Legislation has been introduced and passed in subcommittee to deal with this abuse. It will be offered as an amendment to the defense authorization bill when the bill is considered for amendment.

A third area where additional legislation is clearly required is in the area of costs that are properly chargeable to the Government under a Government contract. Congressman Nichols and I have conducted investigations about this problem, and have drafted legislation to correct the problems we have found. This will probably also be introduced as an amendment to this bill, in addition to being a freestanding bill.

Mr. Chairman, solutions to the problems of defense procurement are being found and acted on. The shipbuilding authorization recommended for 1986 is a prudent level that will support the maintenance of a strong Navy and deserves the support of the House.

Mr. HILLIS. Mr. Chairman I yield 5 minutes to the gentleman from New Jersey [Mr. Courter].

Mr. COURTER. I thank the gentleman for yielding to me.

Mr. Chairman, the Department of Defense authorization budget is one that I am not enamored with; one that we will probably have to live with, there is no doubt about that. I have real problems with the level of spending, but nevertheless one of the areas that I have the greatest problem with is the stratetic defense initiative.

I think probably one of the biggest, if not clearly the biggest technical and strategic and moral issues of the day is, what are we going to do with offensive weapons? What are we going to do with our strategic relations with the Soviet Union?

So far, during the last 15 or 20 years, ever since we moved from the time of clear strategic superiority by the United States over the Soviet Union, we have existed with a shared doctrine with the Soviet Union called mutually assured destruction. That doctrine is based on a paradox, and the paradox is the fact that there is safety in vulnerability; that provided that the Soviet Union and the United States both keep their civilian populations vulnerable to a retaliatory offensive strike, both sides would then be deterred from venturing down that road.

Some people will argue that the doctrine of mutually assured destruction works and has worked so far, and therefore we should not tamper with it. For those people that advocate that particular doctrine, for those people that believe it is the moral doctrine to have, for those people that believe that from now and into the future, states will always act rationally, I commend them. They can vote zero money for defensive research and development.

The doctrine of mutually assured destruction is based on some assumptions. Some of those assumptions, when you analyze them, frigthen you.

First, it is based on the assumption that states and nations, both now and forever in the future, will act rationally, there will be no irrational acts by the Soviet Union, no irrational acts by any country in the future that will have nuclear weapons and the means to deliver them; through the air, ICBM's, or sea-launched ballistic missiles.

But I ask the question: Do you really believe that from now for the next 1,000 years always, nations will act rationally? I suggest they will not. I suggest there will be a day when some nation, for whatever reason, will act irrationally. And if they do, how can the doctrine of assured destruction prevent anything? Indeed, it cannot. Deterrence is over, and the assured destruction of civilization as we know it in the world will happen.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from Wisconsin.

Mr. ROTH. Mr. Chairman, I want to commend the gentleman in the well for his remarks, as they are most appropriate. This is the key issue. I want to compliment him also for the tremendous speech he gave downtown and the recent booklet that I had a chance to see, a blue pamphlet. I wish every Member and every American could read that, because it is the best work on this subject. I would like to suggest that the gentleman share this with all the Members of the House and the Members of the other body and also the people who are making decisions around the country on this very important topic, because I think all the key issues are addressed and the gentleman goes into great detail and in very logical order and comes to, I think, the proper conclusions.

I want to thank the gentleman in the well for all of his work on this very important topic.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from Washington.

Mr. DICKS. I certainly understand the gentleman's willingness to consider the strategic defense initiative, and we are underway with an R&D program that will be funded over the next 5, 10, maybe 15 years. But even the most optimistic individual I think recognizes that it is going to be a while before we can make a judgment about how to implement an SDI should we decide that that is the correct way to go.

So I am troubled by the gentleman's statement that deterrence is over. Deterrence is not over. We are going to have to rely on deterrence for 15, 20, or 30 additional years. I would caution my good friend, the gentleman from New Jersey, that we maybe do not want to say that deterrence is over, because we are going to have to rely on deterrence for the foreseeable future.

I would like to ask the gentleman what he thinks about that.

Mr. COURTER. I would be happy to respond to the gentleman's comments. Deterrence is not over today. Deterrence would not be over even if both sides or everybody had deployed defensive systems. You could have deterrence based on offensive threats and also deterrence based on being able to defend yourself. So deterrence is not going to be over.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. Courter] has expired.

Mr. HILER. Mr. Chairman, I yield 2 additional minutes to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman for yielding this additional time.

Mr. Chairman, to suggest that it will take 25 or 30 years to move toward defensive systems I think is wrong. We could move toward defensive systems much more quickly than that.

I am not suggesting that what we should do today is to eliminate the doctrine of mutually assured destruction. That is the only thing we can at the present time have. What I am suggesting, if I were to have my full 5 or 10 minutes to myself, is that we should fully and robustly research and develop the ideas of defensive systems so that we could make that very important and crucial decision in 4 or 5 years as to whether we want to start deploying defensive systems. I would argue that we should fully fund it. I would argue that research and development is going to show that we can have effective defenses and we should sooner rather than later start the gradual shift from deterrence based on the threat of retaliation, the threat of murder, the threat of killing civilians, toward a doctrine where you are actually defending yourself and civilian populations.

Mr. DICKS. If the gentleman will just yield briefly, I want to say I am glad that the gentleman agrees that we still must rely on the policy of deterrence, which has worked up to this point, because I think it is essential.

Mr. COURTER. If the gentleman will permit me to take back my time, my point is that there is probably something better, that I would ask anybody in this body, they will have a hard time defending the doctrine of mutually assured destruction as the doctrine that we should adopt as a nation for the next 100 years or 500 years, because it is based on some assumptions, and when you analyze those assumptions, they give you a great deal of concern. One of the assumptions is that states will always be deterred, states will always act rationally, and that is basically one of my first points.

I thank the gentleman for his contribution.

My time is rapidly going, and I wanted to mention a number of things.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. Courter] has again expired.

Mr. DICKINSON. Mr. Chairman, I yield 2 additional minutes to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman.

The concept of deterrence with the concept of retaliatory offensive forces assumes also that no mistakes will ever occur, that they are not going to be launched by an irate or irrational admiral in a submarine someplace in the world that would launch ICBM's. Deterrence based on offensive threats, we are certainly not going to stop that. It is based on the assumption that it will never fail, because if you have deterrence based on mutually assured destruction and if you do fail, if it does break down, you have nothing, but if you have deterrence based on deployed defensive systems and it breaks down, at least you can defend yourself.

The fate of the world, therefore, today relies on the theory that assumes that there will be no irrational act, assumes that no mistakes will ever occur, and assumes that the theory will never fail. And I think we can do better. And what we are going to do and what we should do is fully fund the research and development effort in strategic defenses.

And that leads me, basically, to my main point, and I will be able, I am sure, to discuss it more fully under the 5-minute rule.

The Research and Development Subcommittee of the Armed Services Committee and the full Armed Services Committee cut one-third the amount of money that we need in order to do proper types of research and development in strategic defense. That one-third cut will shove off the day that this body can make the rational decision as to whether you want to deploy for an additional 2 years. That one-third cut of better than $1.2 billion is on top of a cut of about $300 million last year and, as sure as I am standing here, probably is going to be cut by a similar cut in the future, 1986 or 1987.

The point I am trying to make is that most people agree that we should do the research and development, and if we are going to do that, we are going to have to pay for it. And it is not a great deal of money. It is a great deal of money in static terms, it is a great deal of money when you are looking at the individual state. But we are talking in terms of about 2 percent of the entire DOD budget for the next 5 years. I do not think that is much. I think that is essential. I would urge my colleagues, when we go under the 5-minute rule, to think carefully about whether this is the proper level of spending in this area. I think it is not.

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. Montgomery].

Mr. MONTGOMERY. I would like to thank the acting chairman of the Committee today for yielding me this time.

Mr. Chairman, I would like to associate myself with the comments of my distinguished colleagues and state that we on the Armed Services Committee labored long and hard to make what we believe are the least damaging reductions to the fiscal year 1986 defense budget.

This was not an easy task, Mr. Chairman. Many of us regularly attend defense briefings on Soviet activities around the world—thus, we know that the threat to the United States is real and that this Nation's defense is our first and foremost duty as elected representatives. Nevertheless, we did find areas in the President's budget where significant savings could be made.

Although I am not altogether satisfied with some of the bill's provisions, I wish to commend my colleagues for working diligently to resolve the difficult issues we faced and for setting priorities for next year's defense spending.

I am particularly leased with the efforts of the Military Personnel and Compensation Subcommittee. Not only were we able to reduce the administration's overall personnel request of $73.4 billion by $4.3 billion, we were able to recommend a number of benefit enhancements for active duty, retired, and Reserve members and their families. In addition, we included several measures designed to improve the effectiveness of the reserves.

For example, the current legislative authority for the package of incentives for enlistment and reenlistment in the reserves expires on September 30, 1985. The committee approved an extension and enhancement of these programs while also making clear that the new GI bill approved last year is to be the primary recruiting tool for the guard and reserve. And the committee would like to commend the Army and the other services for moving ahead to implement the GI education bill for the Active Force on July 1.

H.R. 1872 proposes several improvements that will impact on the Nation's mobilization resource: the individual Ready Reserve. I have for many years been deeply troubled about the status of the individual Ready Reserve. Many questions remain unanswered. How up to date are the addresses? How many individuals would respond? What is their physical condition and the recency of their skill training? Some type of muster test or annual training requirement would go a long way toward providing answers to these questions, and H.R. 1872 contains several initiatives to start the ball rolling.

Another initiative of major importance is the new program to increase the number of health professionals in critical combat medical skills in the Guard and Reserve. Seventy percent of the health professionals required to provide combat casualty care under a full mobilization situation would come from the Reserve components. Yet, there are critical shortages of surgeons and operating room nurses. Defense health officials have estimated that three-quarters of those wounded during the first few days of a major conflict would not receive life-saving surgical care. H.R. 1872 proposes a loan repayment program and limited utilization of the Armed Forces Health Professions Scholarship Program to attract health professionals in criteria combat medical skills to the reserves.

As a long-time advocate of increased utilization for the reserve components, I urge my colleages to support the initiatives contained in H.R. 1872 designed to increase the effectiveness of the Reserves. My colleagues will remember that the Armed Services Committee has emphasized its belief for a number of years that Reserve personnel should be considered as a means of manning future force structure increases.

Today, there is no doubt that a well-equipped, well-trained and adequately manned Reserve or Guard unit can get the job done. Reserve forces currently perform critical mobilization missions as well as some day-to-day operational missions—for example, Air Force strategic refueling and strategic airlift.

I recently had the pleasure of traveling to Central America with Lieutenant General Walker, Chief National Guard Bureau, to observe firsthand National Guard participation in joint exercises with Panamanian and Honduran forces. I was uniformly impressed with the capabilities, dedication, and enthusiasm of the National Guardsmen with whom I met. The Reserves have certainly come a long way since the days of strength shortfalls, thanks to the Reserve recruiting and retention incentives approved by Congress.

I urge my colleagues to continue to work to improve the readiness and effectiveness of the Reserves in the future—and this bill is a step in the right direction.

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Mr. STRATTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. Price].

Mr. PRICE. I thank the gentleman for yielding time to me.

Mr. Chairman, it is my privilege to present title IX of H.R. 1827. This title contains the fiscal year 1986 authorization for seven Department of Energy defense programs that are under the jurisdiction of the Armed Services Committee. The vote to approve title IX by the subcommittee was 14 yeas to 3 nays. The subcommittee held hearings on H.R. 1987, which is now title IX, on February 20, 21, 22, 25, and 27. The full committee reported this title by voice vote.

The Department of Energy budget request for defense programs—approximately $8 billion—amounted to about 2½ percent of the total fiscal year budget request for national defense. We have reduced that to approximately $7.7 billion. In marking up the bill, the subcommittee was aware that substantial reductions would have to be made in order to meet the committee's authorization target of no growth beyond inflation. The committee has done this by reducing the authorization request by about $241 million.

In recommending reductions from the request, the committee has followed several principles:

First, we made allowances in some areas, but not all, for inflation.

Second, we allowed for the full authorization of almost all increases requested that are necessary for safeguards and security of facilities, weapons and weapons components, nuclear materials, and nuclear weapons information. The Department had budgeted an increase of $55 million above fiscal year 1984 for this purpose.

Third, it was necessary to authorize projects and activities that are necessary to comply with over 50 Federal laws such as the Clean Water Act, Clean Air Act, and Occupational Health and Safety [OSHA] regulations imposed by the EPA and other Federal and State agencies. The fiscal year 1986 DOE request contained $360 million for environmental, safety, and health programs. It was also necessary to provide for payment of recently imposed State sales and use taxes. These items require estimated increases of $75 million to $100 million over last year.

Fourth, there are some 44 ongoing construction projects requiring additional incremental funding in fiscal year 1985. Many of these projects are necessary to restore and replace facilities and equipment that have been operated for periods of 30 to 40 years.

We have also recognized the need for program growth in some areas that will be necessary to handle in increased workload. An example of this is the increase in demand for naval nuclear reactor fuels.

And finally, we found it necessary to recomment that certain research and development programs such as the Inertial Confinement Fusion [ICF] Program and the Plasma Separation Process Program be restored since they can make important economic and military contributions to national security in the future.

After the above mandatory items and the committee's recommendations have been added and subtracted, there is no real program growth in the Department of Energy area.

In summary, the budget request was for $7,958.7 million. The subcommittee is recommending authorizations that total to $7,718.1 million—a net reduction of $240.6 million. This allows an increase of $384 million, of which: $134 million—10 percent—of the increase is for waste management: $168 million—44 percent—is for materials production, and there are relatively small increases in weapons research and development, testing and production, averaging 4.9 percent.

I would point out that this bill supports seven programs that are vital to national security, such as: the Navy's nuclear propulsion capability; the technical basis for U.S. deterrent capabilities; and the only U.S. scientific and technical capability for verification and monitoring several arms control agreements, including nuclear testing and nuclear nonproliferation treaties. These programs also provide nuclear materials for defense and civilian uses, and the recycle of naval nuclear fuels for reuse. In addition, these DOE programs also provide for the continuing management and permanent disposal of radioactive wastes that have been generated for defense purposes since the 1940's. This same waste management technology is being applied to future solutions to civilian waste management and disposal.

The committee has recommended very few additions to the request. As I mentioned previously, we are recommending the restoration of $75 million for additional operating expenses and $10 million for additional equipment in order to fully utilize the capabilities of recently completed inertial confinement fusion research facilities during the next fiscal year. These facilities have been expensive to build and offer great promise only if the required experimental activites can be continued. This would not be possible at the budget level requested by the administration. Even with the additional amounts recommended, there will be a reduction of 10 percent or more in the Inertial Confinement Fusion Program during the next fiscal year. This increase has been more than offset by reductions in other areas.

In another area, the subcommittee is recommending the addition of $13.3 million in operating expenses to continue the development of a plasma separation process to purify, at a much lower cost, uranium and other special metal assets now in the inventory. This uranium cannot be utilized in its present form. Closely connected with this effort, the committee has added $8 million to begin design of a plant project for the refinement of plutonium through the special isotope separation process. These two processes will more than pay for themselves through the recovery of uranium and plutonium that cannot otherwise be used, or which could be made usable only at much greater expense.

Title IX, as reported, contains 14 general provisions. The first nine general provisions—sections 921 through 929—deal with housekeeping items such as reprogrammings, limitations

on the use of funds, transfer authority, and other matters that have been contained in similar authorization bills since 1977.

The five new general provisions—sections 931 through 935—adopted by the committee would:

First, section 931 imposes general reductions totaling $32.3 million on the total amounts that would be authorized;

Second, section 932 authorizes the Secretary of Energy to carry out a contract that would provide a final financial settlement with the city of Oak Ridge, and Roane and Anderson Counties, TN, under the Atomic Energy Assistance Act of 1955;

Third, section 933 authorizes the Secretary of Energy to obligate not more than $5 million of funds otherwise available to the Department to renovate a Department of Energy-owned building at the Oak Ridge Reservation, but only if this renovation is necessary to the requirements that Department of Energy may have in connection with the Strategic Defense Initiatives Program;

Fourth, section 934 prohibits the use of funds authorized for appropriation for propaganda, certain advertising, lobbying, and for other purposes that are not necessary for a Department of Energy contractor's operation in support of Department of Energy defense programs. Although most of these prohibitions have been included in annual Department of Defense appropriations language, those appropriations acts have not applied to Department of Energy contractors; and

Fifth, section 935 technically amends the fiscal year 1985 authorization act.

As the committee reports shows, the committee has recommended numerous monetary changes in order to arrive at the required overall reductions, while keeping DOE's defense programs in balance with those authorized for the Department of Defense. The sole purpose of DOE's defense programs are to support DOD's requirements. For example, DOE helps support some 144 operating Navy combatant ships and submarines, with 24 additional ships authorized and funded. DOE also supports the Trident submarine, Trident I and Trident II missile programs, the Pershing II and ground-launched cruise missile programs, and other programs long supported by the Congress. DOE's research and development laboratories also do important work on advanced conventional weapons and support the infrastructure for advanced energy research.

Title IX represents a balanced, no real growth budget for fiscal year 1986 and should be supported in connection with the remainder of H.R. 1872.

Mr. DICKINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. Chandler].

Mr. CHANDLER. I thank the gentleman for yielding me this time.

Mr. Chairman, I do not recall the year, but sometime in the 1950's, when President Eisenhower and the Nation were facing unprecedented deficits of something like $5 or $10 billion a year, and inflation rates somewhere in the range of 1.5 or 2 percent, he made the statement that we are more likely to succumb to an internal fiscal foe than we are to a foreign aggressor.

Well, if that was true in the 1950's, and a former general like President Eisenhower could make a statement like that, I certainly believe that that is the case today.

I will be offering an amendment to the Defense authorization bill along with my colleague, Bruce Morrison of Connecticut, that will freeze fiscal year 1986 defense funding at the fiscal year 1985 appropriations level. I believe this freeze is a necessary step if Congress is to responsibly address the deficit in a fair manner.

I have in the past supported the President's defense modernization program, and I commend the President for his efforts to build up our national security. My commitment to a strong national security system has not been diminished with my support of a freeze. I know that the President recognizes the importance of addressing our rising deficits. If Congress fails to bring the deficits under control, our economic stability will be threatened. But a strong defense is not possible without a strong economy.

Reducing the Federal budget is not an easy undertaking. Those of us in the 92 Group agonized over many of the specific cuts and freezes that had to be made to arrive at what we feel is an equitable budget. We concluded that any budget, if it is to win the support of the American people, needs to spread its savings across-the-board. Defense can be no exception, particularly when the public perception is one of a Pentagon spending out of control.

In freezing the Pentagon budget, national security would not be jeopardized. A substantial defense buildup has already taken place in the 1980's with more than $1 trillion spent on defense over the past 5 years. Defense spending has grown at an annual real rate of 8.3 percent over those 5 years, pushing military spending to higher levels, in constant dollars, than prevailed during the Vietnam war. If a freeze were implemented, the defense budget would be frozen at a very high level.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman.

Mr. STRATTON. I thank the gentleman for yielding.

Did I understand the gentleman to say that his desire and his motion was to freeze at the 1985 level; is that correct?

Mr. CHANDLER. That is correct, sir.

Mr. STRATTON. That is precisely what the committee has done. It is a little strange, it seems to me, that a committee that ordinarily has been gung-ho for increasing the budget should come in with a freeze at the 1985 level and then we get attacked for it. We do not even get any credit for it.

Does the gentleman want to freeze the programs that are carried out in Connecticut or in his own State?

Mr. CHANDLER. The difference between the 92 budget that is proposed and this one is that yours recognizes inflation and ours does not; that is the difference between the two budgets.

Mr. STRATTON. Four little percent of inflation for the entire year. That is hardly considered inflation at all.

It seems to me that we somehow lose sight of exactly what the committee has done, and when we come in with the kind of a bill that we think the House wants, then we are criticized.

Mr. CHANDLER. Well, I think what we can do is put this amendment up and we will find out if this amendment or the committee's budget is what the House wants. This is a constructive alternative; it is not, my remarks were not meant nor are they an attack on the committee's work. I have been respectful to the gentleman and to all of the others. I am simply stating my opinion, which I have a perfect right to do.

Mr. HERTEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman.

Mr. HERTEL of Michigan. I thank the gentleman.

I think what we are talking about is the gentleman's proposal talks about an absolute freeze; the acting chairman was talking about 4 percent inflation.

We are talking about 12 billion real dollars here; difference at the very least.

Mr. CHANDLER. That is correct.

Mrs. BYRON. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I yield to the gentlewoman.

Mrs. BYRON. I thank the gentleman for yielding.

Basically what you are really doing is cutting. Because I think in this day and age, when we look at our proposals, if you do not take the inflation factor in, then basically, from last year, you are offering a cut.

Mr. CHANDLER. What you would in effect end up with, I would say, is about a minus 4 in fiscal 1986, and then our proposal would be a zero, zero on into the outyears.

The CHAIRMAN pro tempore. The time of the gentleman from Washington [Mr. Chandler] has expired.

Mr. STRATTON. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. Chandler].

Mr. CHANDLER. I thank the gentleman for the additional time.

Mr. Chairman, I would just like to say that over a period of time, as I have been a member of the Military Reform Caucus, a group that tries to thoughtfully look at this, and made up of Members of both sides of the aisle, conservatives as well as liberals, one of the questions that has often been asked of the Pentagon is, "Would you prioritize for us what you want, and in light of facing budget reductions, what would be your lowest priority?" We have never really received an answer to that question. It is one that I think deserves to be answered. It is one that we are going to continue to ask.

In light of the lack of confidence that I sense among the American people for what is going on in the Defense Establishment, it is an answer that I think not only they deserve, but certainly the Members of Congress who have to make these decisions.

Mr. Chairman, our armed services can actually be made more effective by freezing the Pentagon budget at its already very high level and closely examining the way the military does business. Congress needs to look at reforms that will give us greater security for the tax dollars that are invested in defense.

We have learned over the past few years that money alone cannot provide us with the security we need. Increased defense budgets have brought high costs and overhead, contracting abuses and improprieties, and stories of $400 hammers and $600 toilet seats. I have found in my discussions with constituents that the strong consensus of a couple of years ago for increased defense budgets has been undermined by the highly publicized accounts of waste, mismanagement, and abuse. My constituents don't feel they are getting their money's worth, and they want to see a more accountable Department of Defense.

In many cases, we find that we are getting less bang for the buck out of Pentagon spending. One example I find especially incredible comes in the area of aircraft procurement. Taken together, the Air Force and Navy procurement budgets amount to about 36 percent of the total procurement budget between fiscal year 1982 and 1985. Even though the aircraft budget increased 75 percent in constant dollars from the fiscal year 1978–81 level, 11 fewer airplanes were purchased.

The Air Force is not alone. The Navy budget for new shipbuilding went up 47 percent during the same timeframe, but we got 17 percent fewer major combatants. Even in cases when procurement quantities increase, they increase at a much slower rate than procurement budgets. Clearly, quantity increases have not kept pace with budget increases.

Even with a freeze, congressional analysis shows that outlays would still go up by about $15 billion. With proper reforms, the defense budget would still be more than enough for deterrence and arms control leverage.

The Armed Services Committee would be charged with finding the ways to freeze the defense budget if the Morrison-Chandler amendment is passed. We need to implement concrete management improvements designed to reduce today's excessive costs, increase readiness and procure large quantities of effective, reasonably priced weapons.

Support for this freeze is not limited to Democrats and liberal Republicans. I consider myself a conservative on defense issues, and I would not support such a freeze if it undermined our national security. I am convinced, however, that this proposal is supported by the American people and that our national interests would best be served through a defense freeze that is part of a comprehensive effort to deal with rising deficits.

Mr. DICKINSON. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. Roth].

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Mr. ROTH. I thank the gentleman for yielding this time to me.

Mr. Chairman, I have had a chance to take a look at this legislation and I want to congratulate the committee in at least one instance for a really terrific job. The committee made the right decisions on the MCM, so I want to compliment the gentleman from Florida [Mr. Bennett], and the best military mind in the House, the gentleman from New York [Mr. Stratton], for their work in this area. I also commend my very good friend and the gentleman we all admire, the gentleman from Alabama [Mr. Dickinson], for his work. Without the mine countermeasure ships we could not move our Navy.

No matter how many ships we build, if they are bottled up in the harbors they are not going to be of much avail to our country. So I compliment this committee for going along and authorizing all four MCM's, requested by the Navy.

I have had a chance to take a look at the construction of these ships. The job, in my opinion and that of others who are familiar with these ships, is being very well done. These 224-ft long, ships are meeting their scheduled delivery date, which is something that cannot be said for every project the Government is involved in.

These ships are being built on the Great Lakes, on Lake Michigan, by Peterson Builders and Marinette Marine, both respected shipbuilders which consistently deliver a quality product to the Navy. In addition some 25 other States are vendors and contributing to the MCM's. As I have said before, without the MCM's, we could not move our Navy. This is a very good investment for the American people, and that is why I commend this committee for the work that they have done in this area.

The production of the four ships in 1986 will have several distinct advantages for the taxpayer, for the Navy, and for the local economy. It will maintain the planned delivery schedule, thus holding down costs. There are no Government projects that I am aware of that are holding down the costs like the MCM Program, and it is going to be, I think, a real advantage for our Navy. It will maintain a steady shipyard workload. It will maintain a steady vendor production line. And it will provide good competition between the contractors.

So I commend the committee for their insight and for their intelligence in this matter, and it gives me a renewed sense of confidence, and I think the American people, too, when they see a subcommittee like this looking at how every dollar is spent; that we get a return for every dollar that is spent. I think that is what the American taxpayers are asking for and I think that is what this subcommittee is delivering, especially in this instance.

Mr. STRATTON. Mr. Chairman, I yield 7½ minutes to the gentlewoman from Maryland [Mrs. Byron].

Mrs. BYRON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today as a member of the Committee on Armed Services, and I wish to highlight some of the action that this committee has taken on this bill.

As has been already mentioned by several of my colleagues, the Armed Services Committee is recommending a bill that authorizes no real growth in the defense budget. Essentially, this means returning to the levels appropriated by the Congress for the fiscal year 1985 defense budget and allowing for inflation. As such, the committee recommends reducing by $19.6 billion the total defense budget request of $322 billion. Because the committee determined that it was necessary to ensure adequate growth in the readiness accounts, the largest reductions unfortunately were made in the investment accounts, and in particular, the procurement accounts of the military services.

H.R. 1872 provides a 2-percent negative real growth for fiscal year 1986 for the procurement programs under the purview of the Subcommittee on

Procurement and Military Nuclear Systems. This level of spending translates into a reduction of $7.1 billion, and means that we are recommending reductions in the amount of inflation provided for the procurement accounts. Our task was not easy—setting defense priorities while bringing the defense budget into line with our other national priorities. I believe that the committee has done a very responsible job in establishing a balanced, affordable set of national defense priorities.

To meet these fiscal constraints while providing for a credible U.S. defense posture, the committee established several policy guidelines. First, the committee decided to continue ongoing programs, at steady production rates before ambitious new programs were initiated. For example, the committee maintained the production rate of 840 M–1 tanks for fiscal year 1986. Because of contract savings and transfer of funds from foreign military sales of M–48–A5 tanks, the committee authorized the procurement of 840 M–1 tanks and reduced the budget request by almost $80 million. Reducing the procurement quantities of M–1 tanks would have been an easy way to provide savings in the overall defense budget but that approach would only delay the time required to complete the Army's modernization program for M–1 tanks.

Second, the committee decided to defer or terminate 30 costly procurement programs. This historic action resulted in savings of almost $2 billion in this budget and will provide additional savings in future years. In some cases, such as the E–6A Tacamo strategic communications aircraft, the committee decided that costly new starts were not affordable this year and recommended deferral. In other cases, such as the P-3C Orion submarine hunting aircraft, the committee deleted procurement funds because of concern regarding escalating unit costs.

The committee also examined closely the major acquisition programs in the defense budget, and undertook several management initiatives to reduce potential risks to the Government and the taxpayer. The Army's Sergeant York air defense Divad system is a good example where the committee exercised leadership and provided stringent limitations on the obligation of procurement funds.

The committee reduced the budget request for this system by almost $200 million. The committee also recommends language in the bill that fences the obligation of funds until and unless the Secretary of Defense certifies that testing has demonstrated conclusively that the system fulfills the performance specifications of the contract. The contractor must also provide a warranty to that effect. With these provisions, and this cutback the committee guarantees that the Army will purchase a weapon system that performs according to the original specifications—with no additional cost to the taxpayer.

One of the major priorities preserved by the committee was its continued commitment to the modernization of our Guard and Reserve Forces. The committee believes very strongly that providing modern equipment to the Guard and Reserve Forces is essential. Many of these units will be among the first to deploy in the event of a conflict. To continue these initiatives, the committee recommends authorization of almost $700 million to purchase equipment specifically for the Guard and Reserve. Some of the key initiatives include: Increased emphasis on air defense capabilities for the Army National Guard, additional airlift assets for the Air National Guard, and additional medium attack aircraft for the Naval Reserve.

Finally, I would like to highlight one of the major initiatives undertaken in H.R. 1872 that will strengthen the management of procurement programs. The committee recommends strengthening the selected acquisition reports [SAR]—the main vehicle for alerting Congress to potential problems in weapons systems. The SAR have been trimmed in recent years to the point where they have become useless documents for congressional oversight. H.R. 1872 also directs the Department to provide full life-cycle costs for each aquisition program included in the SAR after the first quarter of fiscal year 1985. This initiative will allow the Congress to judge new acquisition programs not only on the basis of investment, but also on the basis of ownership costs.

Mr. Chairman, I think some of these recommendations are long overdue. I also believe very strongly that we cannot cut our defense any further. I think this committee has acted rationally, with a great deal of thought and consideration, with a package that meets our national security requirements and also meets our fiscal restraints.

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Mr. DICKINSON. Mr. Chairman, I yield 6 minutes to the very distinguished gentleman from Indiana [Mr. Hillis].

Mr. HILLIS. Mr. Chairman, I thank the gentleman for yielding me this time.

I would like to begin by commending my colleague who just spoke on the remarks she has made about the bill. I think she was very, very accurate in stressing the fact that this is a very austere measure. It has had very close scrutiny by the committee and all the subcommittees, and every action that could be taken to save money and to get more defense for the dollar has been taken by the committee, there are cuts there of well over $18 billion from the proposals originally submitted, and, as the gentlewoman mentioned, 30-some procurement programs have been terminated.

This is a complicated bill. There are some 200 pages in the legislation, H.R. 1872, and in the committee report that accompanies it there are almost 500 pages. So there is a good day's reading for anybody who wants to sit down and go through this.

I again stress that this is a well-drafted bill. Each of the subcommittees of the full committee, I think, has done a good job. For many years I have been a member of the Personnel Subcommittee, and I would like to talk a few minutes about the action taken by that subcommittee as a part of the full bill.

Our chairman of the subcommittee is also the chairman of the full committee, the gentleman from Wisconsin [Mr. Aspin], and as a rule, I find myself in substantial agreement with the distinguished chairman of the Subcommittee on Military Personnel and Compensation. On this occasion, however, I have very mixed emotions.

I am very troubled by the decision of the committee to reduce the authorization level for military personnel by $4 billion in order to force the Department of Defense to submit a proposal to restructure the military retirement system.

Although I am not opposed to consideration of alternatives to change the system and support a mandate to the Department of Defense to submit a proposal for prospective and cost-effective changes, I do not agree that a $4 billion reduction in the retirement accrual account should be made before the committee has received a proposal to consider.

There is simply too much uncertainty attached to this course of action. We are putting the cart before the horse.

I am pleased that the committee approved a number of long overdue personnel enhancements such as improvements in the level of reimbursement for out-of-pocket expenses incurred by military members when moving on Government orders.

It is ridiculous that military families must often go into debt in order to complete such moves. The improvements proposed by the committee still do not go nearly as far as the benefits currently provided to Federal civil service workers, but they are an important step in the right direction.

In addition to restructuring the mileage and per diem allowances payable on a Government-ordered move to parallel the reimbursements provided to Federal civilian employees, the committee also strongly recommended three permanent change of station initiatives included in the President's budget: Increasing the household goods weight allowances, funding a temporary lodging expense of up to 4 days, and reimbursing travel expenses for dependents of junior enlisted personnel within the continental United States.

One of the recurring themes that emerged from subcommittee hearings was the serious strain on the family budget—particularly for lower ranking enlisted personnel—of having to set up a household in very high cost areas like Fort Ord, for example. In such cases, young families may be forced to turn to charity for food and other necessities in order to have sufficient upfront cash to pay security deposits for housing.

H.R. 1872 contains two provisions to address this problem. First, it authorizes the payment in advance of both the basic allowance for quarters and variable housing allowance. Second, it doubles the current dislocation allowance, which may also be paid in advance. These two improvements should go a long way toward easing the cash flow problem many families face when they arrive at the new duty station.

All military families making a Government-ordered move will be better off as a result of the comprehensive package of improvements included in H.R. 1872. I am particularly pleased to note that those who will benefit most are those in the greatest need: junior enlisted personnel.

We must not overlook another vital element of military compensation: pay. The committee decided to defer the 3-percent pay raise—until January 1, 1986—in anticipation of similar action for Federal civilian workers.

We must be very careful about the pay issue in the future, however, to ensure that we do not have a reoccurrence of the recruitment and retention problems of the late 1970's.

The disparity between military pay and private sector wages is already precariously close to the pay disparity of those days. As the economy improves, pay levels will become an increasingly important factor in the career decisions for our Nation's men and women in uniform.

With the exception of the retirement proposal, H.R. 1872 takes a giant step forward in terms of personnel benefits and I urge my colleagues to consider the bill favorably.

Mr. STRATTON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. Hertel].

Mr. HERTEL of Michigan. Mr. Chairman, I want to discuss the issue in this defense bill that I think is the No. 1 problem facing us in this House, and that is to make some firm decisions to stop the waste, fraud, and abuse that is going on in our Pentagon. Contractors are stealing taxpayers' money and ripping off this Nation to the detriment of the fighting men and women of this Nation.

In 1981, when I first came on the Armed Services Committee, my first speech was in regard to a massive supplemental that we were passing that day. I pointed out that we were increasing the defense budget much too quickly, and that, while we at that time had the American people behind us to have a stronger and a better defense and to spend more on defense, it was clear that if we accelerated the spending too fast, we could not keep control of it and the money would not be spent properly. Unfortunately, it was not all spent properly.

We have seen public opinion shift from 1981, when the vast majority of the people wanted an increase in defense spending, to today, 1985, when the vast majority of the people want a decrease in defense spending.

Why is that? Well, it is our responsibility to make sure that the money is spent right, and I have to commend my colleagues on the Committee on Armed Services, particularly the gentleman from Alabama [Mr. Nichols], the gentleman from Florida [Mr. Bennett], who spoke earlier today, and also my colleague and brother, the gentleman from Michigan [Mr. Dingell], because they have uncovered much of this waste, abuse, and fraud. In fact, the subcommittees of the Committee on Armed Services under the direction of Chairmen Nichols and Bennett have turned up $1.07 billion in questionable expenses by seven defense contractors. In the audit they performed they found $1 in every $33 was illegal. Let us discuss what some of this money was wasted upon and stolen from, referring to the taxpayers' money in this defense spending, money that was improperly spent. They found that $10,710 in charges from one firm was put in to recover losses from an executive barber shop. They found that $12,333 was spent for two season tickets for the Los Angeles Forum for hockey and basketball games. They found $160 in taxes paid to a foreign government in connection with overseas sales of commercial products. They found $959 for golf fees for 1 single day. They found $1,099,000 in charges to recover the losses of an employee cafeteria. They found $62,000 for public relations costs after one firm's aircraft had crashed.

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This is the tip of the iceberg. This is money that was spent wrongly. This is taxpayer money that did not go to defense, but went to these other projects that have nothing to do with defense.

The GAO has found that 11 top contractors routinely charged the Pentagon for public relations, personal travel, and promotional giveaways.

To make matters worse, Pentagon auditors generally questioned these costs, but less than one-half of the charges were disallowed by its negotiators; so even when they questioned them and found them, they still let half go on to be charged to the taxpayers, when they had nothing to do with our defense.

The Inspector General of the Department of Defense, is responsible for recommending penalties for defense procurement officials, but he has no authority to stop these payments. Inspector General Sherick has said in testimony before the Energy and Commerce Committee that if he had the power, he would suspend or debar the individuals who had committed these acts and stolen this money from the American people. He testified that his office is investigating dozens of major defense contractors, but that the Justice Department has been reluctant to prosecute many of these cases where he has discovered the evidence.

To stop these abuses, I have introduced H.R. 2262, which I will put in the form of an amendment to this bill, this authorization. That bill authorizes the inspector general to stop payments in the case of waste, fraud or abuse or excessive charges when the routine Pentagon audit procedures have failed to protect the interest or the security of the United States.

I brought this bill up last year on the floor. Unfortunately, there was not a great deal of interest. Now we have a lot of cosponsors, because the American people are sick of it and they are not going to take it anymore. That money should go to the defense of this Nation. If it is not needed there, it should go back in the taxpayers' pockets, because we are talking about billions of dollars. We are talking about eroding the confidence of the American people in how their money is being spent.

I cannot say enough as I conclude about the fact that I know the other members of this House Armed Services Committee share my concern about this. We have decided as a committee to bring these questions to the floor and decide those questions here before the full House because of their great importance.

Mr. DICKINSON. Mr. Chairman, I yield 4 minutes to the very distinguished gentleman from New York [Mr. Carney].

Mr. CARNEY. Mr. Chairman, as we discuss this budget, I would like to first start off by commending my colleagues who are indeed here on the floor. When we consider that this budget authorization will make up one-third of the entire Federal budget and look around and see how few people are here to listen to it, it makes you wonder.

What I am somewhat concerned about and I think it was very eloquently described by our colleague, the gentleman from Virginia [Mr. Bateman], is the fact that we were almost compelled as a committee to target a budget to what will be anticipated as the budget coming out of the Budget Committee. That made it rather difficult for us to present to our colleagues a budget that should be designed by examining the threat, examining the requirement to meet the threat, examining the requirement to meet the over 40 treaty obligations we have with our friends around the globe. That is to me somewhat disconcerting.

Back during the season between September and November of last year, the candidate for the Presidency, Mr. Mondale, called for a 3-percent real growth in the defense budget. Obviously, the President submitted a budget that has a 5.9-percent real growth factor in it and we, the committee, were compelled to come out with a budget that has zero percent real growth.

I would hope that the Members of the whole House recognize that the committee worked extremely hard to bring in a budget that would be acceptable to everyone.

I would hope that the attitude will not be that the Armed Services Committee historically bloats a budget with the knowledge that it will be pared back on the floor of the House, because that is not the case at all.

In fact, speaking for many of my colleagues, they are as frustrated as I am that we were constrained to come in with the budget at the level that it comes in at.

One of the issues in the budget that I would like to caution all my colleagues on is the issue of the retirement aspect. We removed $4 billion from the request for the retirement program and in doing so we did not present to our colleagues a change in the retirement system. Indeed, we asked the Defense Department to make proposals that we could scrutinize and accept that would meet that $4 billion reduction, but we do not have that in hand today.

I only point out to my colleagues that back in April 1983 we made changes to the Federal retirement system. We said, yes, we can cut back, change the Federal retirement system and at a later date we will rewrite the bill and we will be able to present a retirement system.

To date, Mr. Chairman, we do not have a Federal retirement system. We cannot offer a new employee coming into the Federal Government a retirement system. I am fearful that this will happen to those who will join the military after October 1 of this year, the beginning of the fiscal year 1986.

The CHAIRMAN pro tempore. The time of the gentleman from New York has expired.

Mr. DICKINSON. Mr. Chairman, I yield 1 additional minute to the gentleman from New York [Mr. Carney].

Mr. CARNEY. Mr. Chairman, I appreciate that.

I am fearful that this might have an adverse effect on new recruits coming in. They will not know what their retirement system will look like. Why would they join the military?

One of the incentives traditionally to bring people into the military was the retirement system.

Now, understand, I believe we have to correct the retirement system, but I believe very strongly we should make the correction before we make the financial deduction, because as I said, we have an established track record in this area and it is one that does not show well for this body.

So I would hope that the members of the full committee will look at that particular area of the budget and be careful when they cast their votes pertaining to it.

Mr. STRATTON. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Georgia [Mr Ray].

Mr. RAY. Mr. Chairman, I rise today in strong support of the DOD authorization bill reported out by the Armed Services Committee.

I particularly want to commend our colleague, the gentleman from New York [Mr. Carney] for his fine remarks that he just made and I concur with those.

I want to commend our committee chairman, the gentleman from Wisconsin, Mr. Les Aspin, the subcommittee chairman and the members who worked so hard, the members of the committee and especially the committee staff for their diligent and effective work which went on into the night and on weekends at some point in time.

Although, Mr. Chairman, we waited patiently for a recommendation from our colleagues on the House Budget Committee, we did not receive one in time for our markup, which in effect to me indicates a serious need to rework, update and streamline the budgetary process; so we chose our own target of no real growth for defense, and we met it.

Our bill cuts $18.5 billion from the administration request, and actually terminates 30 procurement programs.

Mr. Chairman, overall, in addition to allowing no real growth, we have actually cut weapons system procurement by 2 percent.

Although I don't agree with every line of the committee bill, I think that we have not only cut to about the right level—I think we have cut the right things.

We resisted the temptation to place our cuts in the personnel and operations accounts—which have been the target of too many cuts in the past, because cutting those accounts results in instant savings in outlays—and that is good politics.

Instead, we protected those accounts and concentrated most of our cuts in the investment accounts—procurement and R&D.

I might add that seven of the nine weapons systems to which we added funds were earmarked for the National Guard and Reserve. Anyone who follows defense knows that the Pentagon always underfunds the Guard and Reserve because they know the Congress will bail them out.

There is a lot of talk on the floor, Mr. Chairman about the budget that will be recommended to us by our colleagues on the House Budget Committee, and much of it troubles me.

I hear, for example that they may recommend a nominal freeze for defense—which allows no growth for inflation—and that they will then ask for $8 billion in cuts below that.

They want to do this at the same time they are leaving social security COLA's, revenue sharing, UDAG grants, and many other domestic programs untouched.

Mr. Chairman I think the key to responsible cuts in spending is balance. We have to be fair. We cannot load all the cuts on those forces which are responsible for defending our freedom any more than we can ask the domestic programs to accept them all.

I have said on past occasions that I might be willing to accept a nominal freeze in defense. But I would only do this if that same nominal freeze was applied to every other spending program, and some program eliminations were added on top of that.

I recently had the high honor of being invited to speak before a group of internal defense auditors. These are knowledgeable people who serve on the front line in our war against the deficit.

In those remarks, I indicated that Americans are willing to pay for a strong defense if they believe there is a credible reason for doing so. I still believe that.

In order to maintain that credibility, Mr. Chairman, I think we are going to have to take a hard look at the way we are doing business in defense today. Recent headlines cry out for reforms in some of our procurement practices—and those reforms are needed. We are taking a look at this issue on the Armed Services Committee at the present time.

I think we are going to have to work hard to make sure that we are completely costing out all the programs that are being created. Whenever we start up a new weapons system, we are going to have to make sure that we realize how many troops will be needed to support it, what the spare parts requirement will be and what we will need in the way of military construction.

If we don't we will be building a hidden overhead into these systems that may cause them not to be supported as they should be in the years to come.

Our budget problems are not going away, Mr. Chairman. The "good old days" are gone forever—in defense, as well as in every other area of Federal spending.

Those of us in this body are going to have to have the political courage to make sure that we pay for every bit of government that we are giving the people. If we can't afford it, we are going to have to be brave enough to say so. If we aren't our children will pay a high, high price for our failure to do our duty.

The House Armed Services Committee has reported out a good budget to you, ladies and gentlemen. I hope you will resist the temptation to play politics with it.

Mr. Chairman, I insert into the RECORD the complete text of the speech that I made before the internal auditors:

DEFENSE BALANCE SHEET—BLACK INK WANTED

(By Congressman Richard Ray)

I feel extremely fortunate to have this opportunity to speak to you.

Just about any time we converse or gather in these times, it doesn't take very long for us to begin discussing the problems of America.

I'm going to touch on one of my major concerns today, which is the cost of our Defense Program, but first, I want to comment on "what's right about America". Too often, we get so wrapped up in obstacles and problems and fears about the prospects for the future that we lose sight of what we really have.

I'm proud to be an American and we can be grateful for the heritage which our forefathers left us. The philosophy and achievements of those great leaders built our country, and thousands of Americans have died to guarantee that we can continue to live under those principles.

As Americans, we have the freedom to say what we think, to condemn the Government without fear of being hauled away in the middle of the night to prison as happens in many countries, to worship as we please, to enter into the free enterprise system and to succeed or to fail.

We can vote into or out of office representatives of Government without fear of reprisal, and we only have to watch the evening news to realize its not that way in many areas of the world.

My friends, there are many countries in this world who have lost these rights, and we have to remember that ours did not come to our forefathers without risk and must never be taken for granted.

One of the first things that I learned after being sworn into office was that the Congress is a deliberative body with highly diffused power. It's very difficult to get the 435 Members of the House of Representatives together on major issues, some which are critical to the well being of America.

Congress often times focuses too much on flash points or headlines and it gets overly preoccupied with reelection, particularly during election years. Sometimes, this preoccupation reaches the point that being reelected overshadows the reason for being elected.

We are enamored with our importance and I am reminded of former Congressman Charlie Crisp, from my district in Georgia. [Joke.]

I always try to keep in mind that we were elected to serve the constituency and to legislatively serve the best interests of the country.

Despite the problems that we all complain about, the checks and balances system which our Founding Fathers developed does work to our best interest.

As Winston Churchill said in 1947: ". . . democracy is the worst form of government except all those other forms that have been tried from time to time."

However, as great as our form of government is, I agree with the French writer, De Tocqueville who said:

"I sought for the greatness and genius of America in her commodious harbors and her ample rivers—and it was not there . . . in her fertile fields and boundless forests—and it was not there . . . in her rich mines and her vast world commerce—and it was not there . . . in her democratic Congress and her matchless Constitution—and it was not there. Not until I went into the churches of America and heard her pulpits flame with righteousness did I understand the secret of her genius and power. America is great because she is good, and if America ever ceases to be good, America will cease to be great."

As I mentioned earlier, we worry in America about a number of things, such as health care, the aged population, our agriculture, the unemployed, the deterioration of the moral fiber of America, the national debt and other quality of life issues.

These things are important to us all, but I would imagine that if you asked the people of Afghanistan, or Poland, or Hungary which was more important, these items or their independence and freedom, they would tell you that nothing is more precious than the freedom to govern themselves.

I will tell you today that we do have many concerns, but they are secondary to the threat that America—sometime in the future—might not have the ability to deter aggression. Without a strong defense, we might be intimidated or forced into a neutral posture where we would not be in a position to help the free world remain free, or to remain free ourselves.

Therefore it goes without question that America must have a strong, reasonable and affordable defense.

I want to discuss with you my views on the cost of such a defense.

At the outset, I want to make it clear that I am strongly pro defense, and am even considered to be hawkish to some degree.

Maintaining a strong defense does not mean matching the Russians gun for gun, bullet for bullet, or soldier for soldier. It does mean that we have to stay on the cutting edge of technology and we have to be better.

It also means that we must update, rework and reorganize our procurement and accounting procedures—as well as weeding out those programs which have outgrown their usefulness.

In my opinion, we are going to have to take a close look at the procedures and practices we use to purchase our weapons and equipment, and the investments that we are making in military construction. I am afraid that we may be confronting some serious problems in the capital accounts area of the Defense budget as well as the operating and maintenance account.

While I am no expert in this area, I do sit on the Procurement Subcommittee, and I recognize that the $292 billion Defense budget we had in fiscal year 1985 represented the largest single part of our overall budget for that year (26 percent). These expenditures mean that Defense carries an enormous inventory of goods and services.

All this means that even a small error in calculation or projection can turn into a billion dollar problem in the years ahead.

Later on in my remarks, I am going to deal with our huge national debt and what it means for all of us. But, for the moment, just let me say that all areas of government are going to have to learn to live within their means, and this includes Defense.

This means that we are going to have to start making affordable and common sense purchases, control our overhead, and utilize dependable accounting systems and procedures.

But I am afraid that as we begin to realize the overhead and costs that we are building into the next ten years and thereafter—a time when we are going to be trying to pay down our huge national debt—it is going to become clear that we are creating a dangerous situation for ourselves with overhead which is resembling more and more entitlement programs.

As accountants, you are all aware of the cost of debt servicing, and I know that you share my concern over the fact that interest on the national debt, alone, amounted to 104 billion dollars last year.

I believe that the principles of our monetary system which has worked well through the years, and which must fund the defense budget, is in jeopardy.

Presently we owe an enormous national debt:

A debt which from George Washington to Jimmy Carter accumulated to the staggering sum of $906 billion,

A debt which has almost doubled in the last four years.

A debt which carries an interest bill of 13 cents on each tax dollar for 1984 (104 billion dollars) and will go to 15 cents by 1986.

Our philosophy of spending more than our income, year after year, having paid our operating expenses no more than ten times since 1924, threatens to drown us in a sea of red ink.

This practice threatens our entire system and especially our Defense Program.

Our defense cost is 28 percent of our overall budget in fiscal year 1986, and 6.8 percent of our GNP. This represents a request by the administration for 322.2 billion dollars, but is not likely to be funded in that amount by the Congress.

Americans are willing to pay for defense when they believe that we have a credible reason for doing so. For example, at the peak of defense spending during World War II, we spent as much as 89.5 percent of our budget dollars on defense.

There are many people in this country who believe that to spend 28 percent of our overall budget on defense, while borrowing 23 percent, in order to fund the deficit, doesn't make sense, particularly when cuts may be made in programs that determine our quality of life such as health care, education and social security.

The storm of criticism which has surrounded our defense industry because of overpricing of spare parts and military equipment, purchasing practices and overhead padding, has not done much to generate support from the American people. They tend to think that where there is this much smoke, there is bound to be a little fire.

Another concern is defense planning. As we look at our world wide strategy for the future, the cost of future overhead simply boggles the mind.

Let me give you an example of just one of those commitments. For the past 40 years, we have made a substantial commitment to NATO, and that commitment has resulted in the freedom of Europe for that period of time.

But that commitment has not been a cheap one. At the present time, we have more than 320,000 troops stationed in Europe, and our NATO commitment costs us around $90 billion per year.

In addition to commitments like this, we are building in an overhead in the form of long term leases and military construction projects which will last well into the next century.

Defense "experts" are beginning to question our overall defense strategy, particularly in the areas of readiness, affordability, and the ability to make it work.

This strategy dictates that we procure the manpower, weapons and support capability necessary to wage simultaneous war along three fronts . . . NATO, Southeast Asia and Southwest Asia.

It is enormously expensive to create that capability. But when you think about the costs involved in sustaining it for years into the future, you are talking about some really frightening numbers.

For the past four years, we have been building toward that capability. In fact our procurement account has grown by 61 percent during that time frame.

Many observers of the defense scene are now questioning whether we have spent these dollars in a prudent way and gotten the maximum benefit out of them.

There are some who say that we purchased too many highly sophisticated systems too quickly. Then when it became apparent that we were not going to be able to generate the budget dollars that it would take to keep all these programs moving ahead at full throttle, DOD responded by stretching many of them out.

As all of you know, when DOD enters into a contract, they project the number of years that it will take to move through research and development to the end of the production cycle. Overhead and production costs are then estimated on the basis of those projections, and this leads us to a number which represents a unit cost for each of the weapons which will be produced.

The explosion of new programs which I mentioned earlier has forced DOD to stretch out 47 of their programs.

This practice has a serious effect on unit costs.

When a defense contractor builds fewer units than he had planned during a year, his unit costs have to go up, because his overhead costs are going to remain the same.

So it is safe to say that the closer a plant comes to operating at 100 percent capacity, the lower the unit costs are going to be.

I mentioned earlier that 47 programs have been stretched out. In those programs which belong to the Navy, the plants affected are currently operating at 38 percent of capacity; the plants which are producing the Air Force programs are at 58 percent, and the Army plants are at 72 percent.

This means that unit costs in all of these programs are going to be higher, and the total cost of each of these programs will therefore exceed those that were planned. In short, stretching out is false economy.

So we have to operate within sound business principles so as to avoid this type of situation.

This probably means that we are going to be faced with the unpleasant alternative of cancelling some programs.

Over the past few years, Congress has reacted to the criticism that has erupted over some of the DOD procurement practices by passing complicated laws which have resulted in huge stacks of regulations. This effort was well-intentioned, but I am convinced that in some cases it has made things worse rather than better. In fact, I am told that some of our procurement regulations are thicker and more complicated than those which are put out by IRS.

Complying with these regulations, of course, requires more manpower and hamstrings rapid and orderly procurement. It also takes the actual operation of these processes out of the hands of those who are supposed to be the experts.

Whether we like it or not, the harsh realities of America's deficit are going to have a permanent effect on defense spending. Those of us who support a strong defense are going to need to take the lead in arriving at responsible measures which are so desperately needed.

I don't pretend to have all the answers. But I do have some suggestions that I would like to share with you today.

First, I think we are going to have to do something which will be taken as a clear signal that we are resolved to do something about the situation . . . not only next year, but for the years to come.

I think we should give serious consideration to a spending blueprint which would cut out all real growth in defense for the next three fiscal years. Increases during that period would be limited to inflation, alone.

All of us know that defense spending has a long pipeline. This size of this year's outlays was determined by decisions which were made several years ago. So we have to undertake a steady and predictable policy which will have a meaningful effect on that pipeline.

Secondly, I think we are going to have to undertake a serious program that will take some meaningful looks at our procurement practices.

The House Armed Services Committee is already considering several such proposals. I think you will see some changes made in the expenses which have been allowed, in the past, to be charged off as costs, which is receiving so much criticism in the press and particularly in the Energy and Commerce hearings which Congressman Dingell is conducting.

The committee may take a look at the so-called, "revolving door" and enact some restrictions which make it harder for people who have played a meaningful part in the procurement process to move right out of Government service and get jobs with the private firms they were dealing with as Government employees.

The House Armed Services Committee is conducting random audits presently of the costs submitted by seven firms, and I expect that this will occur more frequently in the future.

I am not necessarily suggesting that these are the exact reforms we need. But I don't think the public has a lot of confidence in the way we procure our defense systems, and I think we are going to have to take the steps that are necessary to restore that confidence.

One of the things which encourages me is the practice which has recently developed in the Armed Services of paying incentive bonuses to employees who come up with innovative ideas to increase efficiency and save the taxpayers money. We should encourage and recognize that this is a helpful program and accelerate it.

At the same time, we must consider penalties to confront practices which lead to waste and mismanagement.

Finally, ladies and gentlemen, we need to realize that there is a substantial gap between our mission and our ability to meet that mission. In the past, we have drawn up missions which we knew would be difficult to accomplish, perhaps hoping that defining the mission will help generate the necessary funds.

Please don't misunderstand me. I believe the threat has to be the single force which determines the size of our commitment to defense. But once we have defined the threat, we should not lay out missions unless we have and are prepared to commit the resources to accomplish them.

In closing, let me say that it is always easier to indentify a problem than it is to suggest the solutions.

But in this case, it is crucial that all those who play an important part in the military, the Congress and the defense industry realize, that the country simply cannot afford business as usual.

Many of you in this room are already playing a key role in this whole process. It is you who help to assure that programs in defense and other Government activities are effectively and efficiently executed. I commend you for your efforts.

I understand that the defense internal audit and review groups have submitted recommendations identifying $2.7 billion in savings during fiscal year 1984.

Notwithstanding these good efforts, many opportunities remain for auditors to help their parent organizations make more efficient use of the resources they have been provided.

There are no easy ways to go, but there is no doubt in my mind that we can do it. I am not in a senior leadership position on the committee, but I promise you that I am going to exert my total efforts toward devising and implementing a defense program that will keep us free without crushing us under a rapidly growing overhead that we cannot afford.

I will do this not because I am anti-defense, but because I am strongly pro-defense. If the friends of defense don't take the lead in this effort, it will only be a question of time before the effort will be undertaken and completed by others. And that would be a sad day for this country.

I want to thank you for the privilege of speaking before you. Those of you in this room have the expertise that we are going to have to rely on heavily during the coming years. But working together we can and must accomplish our goal.

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Mr. STRATTON. Mr. Chairman, our next speaker is the distinguished gentleman from Arkansas [Mr. ROBINSON] who was the anchorman on the committee and is a very capable freshman Member. I yield the gentleman 6 minutes.

Mr. ROBINSON. I thank the acting chairman of our committee and the ranking minority member.

Before I start into my brief presentation with reference to the chemical warfare deterrent today, I would like to commend the gentleman from Illinois [Mr. PRICE] and all of my fine colleagues that serve on the Armed Services Committee. As the gentleman from New York [Mr. STRATTON] observed, I am only a freshman but I can stand here with pride today that we have provided the leadership that this House has long needed to start the process of reducing the enormous Federal deficit that we have in this Government.

It really does bother me that some are talking about they are going to amend our bill. I would like to remind them that we started out with the possibilities of a 5.6-percent real growth increase. We whittled that down to 3 percent and now we are down to a freeze. I think that we have done our part and now it is time for others to do their part.

I rise briefly today to address our authorization of $1.275 million for the Chemical Retaliatory Stockpile Modernization Program, better known to some of the liberals and some of the liberal editorial writers as the great nerve gas controversy, including what they call the Bigeye bomb which opens up their eyes very widely each time we present this.

But I am going to avoid demagoguing on this issue because I think we should address the basic facts. The facts are that out of his money 74 percent of these funds or $936 million will be used for protective measures. Yes, my colleagues, for protective measures. For the modernization of our chemical retaliatory capabilities we will use 16 percent or $207 million. And for the demilitarization of the stockpile of unitary weapons we will use 10 percent or $132 million.

The modernization program includes funding for binary munitions to complete facilities for the Bigeye bomb, to start procurement of both the M687GB2, 155 millimeter artillery projectile, and the Bigeye and continued research, development, test and evaluation of the XM135BC with multiple launch rocket system projectile.

I say all of that because most that argue against chemical warfare do not know what they are talking about. They read some of the more liberal editorials in this country, and if the editorial writers, who put out far more dangerous gas then what we are putting out, say that they ought to come down here and demagogue and vote against chemical warfare deterrent, then they should go down and do it, and I say that that is absolutely wrong. In fact, this administration maintains that the present chemical munitions stockpile is inadequate, and I happen to agree with that, and that binary munitions must be produced.

Testimony provided to the committee overwhelmingly supports this position.

Let me close by reminding my colleagues that history has demonstrated that nations whose military forces possessed the ability to function while under chemical attack and retaliate in kind are less likely to experience such an attack.

I would like to say, unlike my predecessor who was one of the leading opponents of chemical warfare, I intend to be one of the leading proponents and I have a stack of facts, not rhetoric. I am not demagoguing, but I stand here to let my colleagues know, and all you liberal editorial writers, including probably some in my own home town of Little Rock, AR, that you had better have your facts together when you come down here under the 5-minute rule.

I yield back the balance of my time.

Mr. STRATTON. Mr. Chairman, I yield my remaining 5 minutes to the gentlewoman from Maryland [Mrs. BYRON].

Mrs. BYRON. Mr. Chairman, I rise in closing for our side with a few areas that I think we have missed covering in the dialog we have had today. We have talked about reductions, we have talked about increases, we have talked about freeze, we have talked about real growth, and I think we also have to look at a commitment we have made to those in our military. And one of the accounts that has not been discussed too much is the $4 billion that has been cut out of the retirement account.

I think this is an area that the Personnel and Compensation Subcommittee debated long and hard and felt very strongly that there should be some cuts in that area because we were cutting in all other areas.

I also feel very strongly that the commitment that we made to our military several years ago when addressing the retention problem, and addressing the military pay problem, addressing the equipment problem and the spare parts problem, has turned around a situation that we found to be very, very difficult at that time in the security and our national defense.

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Mrs. LLOYD. Mr. Chairman, will the gentlewoman yield to me?

Mrs. BYRON. I yield to the gentlewoman from Tennessee.

Mrs. LLOYD. Mr. Chairman, I rise in strong support of this legislation and compliment our chairman Mr. ASPIN on his leadership. However, we must recognize that the overall budget climate has constrained the level of funding for the DOD and DOE defense programs severely and the recent Senate budget action has further precluded the possibility for any real growth in defense spending for fiscal year 1986. The committee has done the best job it can to provide a bill that has good prospects of getting through the House. We must recognize that we are challenged by the required allocation of resources. The significant cut from the Reagan request should not be misinterpreted by friend or foe alike. We still intend to meet strategic and conventional threats to our national security, but the DOE planners must recognize that that period of significant real growth is over.

This budget cycle has provided the House Armed Services Committee a real opportunity to begin to rationally shape defense policy. I am particularly pleased at the committee report language on deterrence policy, including discussion of strategic modernization and the strategic defense initiative [SDI]. We have a pressing responsibility to catalyze the DOD to improve procurement practices drastically to avoid unwarranted contract charges and to improve quality assurance.

The RDT&E budget is clearly a key to ultimate control of the procurement process. While I do not support the extensive cuts in the RDT&E programs or the specific nature of certain cuts such as in SDI, I do support this principle. We must avoid premature introduction of weapons systems into the procurement cycle, when they have not undergone sufficient test and evaluation. I also believe that it is important to recognize the committee's concern about the Navy procurement getting out of phase with Navy requirements so that the projected naval aircraft mix simply does not make sense. I am sympathetic to the Air Force's critical needs to modernize its tactical aircraft wings as rapidly as possible, but the cost of the F-15 and F-16 appear to be too great to allow the type of real growth the Air Force needs to meet their rather ambitious timetable.

In the area of procurement, I could go so far as to say that I hope that the committee will consider a 3-year authorization of all programs, since DOD requires many multiyear procurements. This approach would free up the committee members and staff for extensive oversight activity rather than tying them down to an open-ended budget process, year in and year out.

I have been a strong supporter of the SDI Program since its inception and I still believe that it has the potential of serving to reduce the number of offensive weapons. I find some of the scientific community's technological pessimism to be rather surprising, but in many instances the underlying concern seems to be that the program itself raises questions about the merits of the United States staying wed to the MAD doctrine. I am very familiar with the space power requirements for SDI systems and I am very concerned about what a 30-percent cut would do to DOD efforts on multimegawatt systems. I hope that the SDI cuts can be adjusted in conference so that the authorization bill does not preclude the possibility of achievement of solid milestones in the next several years. I do not believe that we should get into splitting hairs of definitions such as the term "development" with respect to SDI. I am pleased that the committee has sustained the procurement of F-15E's and hope that the supporting funds for Lantirn testing are restored to a level that allows this promising system to stay on course. I have a particular concern about the Navy RDT&E program and believe that if the SSN-21 activity is in any way representative these programs require additional scrutiny. The absence of competitive procurement for the SSN-21 may be just the "tip of the iceberg" in terms of the policy thrust of Navy RDT&E.

The DOE National Security Program companion measure, H.R. 1873, has been incorporated in this defense programs bill as title IV. All seven programs under the DOE defense function will receive measureable growth, even though the overall request was reduced by $240 million. I have a keen Member interest in the community assistance provisions under weapons activities and was pleased that the subcommittee accepted my amendment to restore the funding for Oak Ridge assistance payments, which had been included in the DOE request as a one time, final liquidation of the Department's program. I have been most supportive of the unique DOE national laboratory role in SDI because they bring unparalleled R&D skills to this important strategic program. However, I do partly share my colleague's, Mr. FOGLIETTA, concern in that I do believe x ray laser systems should be a last resort tool for SDI. The "pop-up" aspects of these systems make their timely use a technological challenge and regardless of semantic arguments, these systems will be viewed as nuclear weapons drive, not simply nuclear powered. The SDI Program cannot afford the negative perception that will result from a thrust on developing nuclear weapons for space-based purposes, albeit defensive in nature.

I am pleased the committee has recognized the potential role which the Oak Ridge National Laboratory might play in the SDI Program through DOE because of its strong strength in basic science and energy storage systems, which in turn complements the DOE role in space nuclear power.

I am pleased that the DOE request for continued enhancement of environmental programs and safeguards activities at weapons facilities are being supported. I share the committee's concern which prompted the restoration of significant funding for the Inertial Confinement Fusion Program which still offers a unique route to weapons simulation data, as well as potential prospects for civilian power applications. The Special Isotope Separation Program, which is a companion to the civilian AVLIS Program authorized by my ERP Subcommittee, is also deserving of the recommended funding.

Under the pressing budget circumstances, the committee has done a very good job of reallocating resources. I will strongly support the committee to hold the line on the budget levels in this bill. The bill suggests some policy directions with which I am not in complete agreement. However, these are minor compared to the need to set priorities within a rational spending cap, something the administration has simply refused to do.

Mrs. BYRON. Mr. Chairman, it is never easy, when we are looking at a defense authorization bill and we are trying to put it into a proper prespective, to put it into proper guidelines that we get from the Committee on the Budget. This year we did not have the guidelines from the Committee on the Budget to work with. Yet we had a responsibility to make our cuts; 19.6 billion dollars' worth of cuts from the initial $322 billion request.

So what we have done in the retirement account by cutting that $4 billion, we have put the emphasis right back into the Department of Defense. It is going to be their responsibility to find out where those cuts are going to be made. It concerns me because I am worried about the retention issue which we have turned around; it concerns me because I am worried about the quality of our military which we have seen grow by leaps and bounds over the last few years.

I just want to say that I certainly hope in this day and age because of the constraints, financial constraints that we are not going to lose that edge that we have in moving forward for our national defense.

So as we close with a discussion and a dialog on the defense authorization bill today, we have had some hard choices to make. It has not always been our choice.

In the case of the Retirement Program we have put it back in the Department of Defense. Time and time again when the Pentagon comes over and testifies and you ask any of the individuals services: "If we have to cut a program, what program should we cut," I have never yet heard them say there is one program that needed to be cut.

Yet we found in cases this year 19.6 billion dollars' worth of cuts that we feel as a committee can be made without jeopardizing our national defense.

So I urge my colleagues when we come to the floor next week and on final passage of this bill to take into consideration the enormous amount of work that has gone into this bill, the enormous amount of work and consideration that the Committee on Armed Services has done in marking up this bill.

Mr. Chairman, I urge support of this bill.

Mr. DICKINSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to appear today with our chairman before the House in support of H.R. 1872, the Department of Defense authorization bill for fiscal year 1986.

As many of my colleagues know, the administration submitted a request that would have supported almost 6 percent real growth in defense. However, they said on economic factors and the situation as it exists politically in this body, it was felt by the members of the committee that we were going to have to reduce this amount, which we did.

As has been pointed out by previous speakers, instead of a 6-percent real growth we felt that 3 percent real growth might be doable, at least the Senate did, and we went along with that concept. Then, in talking to our colleagues, particularly those on the Committee on the Budget, we realized that in today's political atmosphere and with the constraints we were faced with, probably zero percent plus inflation was a doable figure insofar as the House is concerned. Then we would have the opportunity of going into conference with the Senate with them at a higher figure and working some compromise between our low figure and their higher figure.

Then I was surprised, after we finished marking up our bill, the Senate announced they were going to undo their agreement and that the Committee on the Budget in the other body were going to mark to the same figure that the House had marked to, which is zero percent growth plus inflation. That hardly gives us any wiggle room in our conference with the Senate.

So these are some of the facts of life.

Now I understand that our Budget Committee is probably going to recommend zero percent growth and zero percent inflation. So we are really between a rock and a hard place insofar as our recommendations of the committee to this House, and what we will be able to get from the Senate.

Mr. KASICH. Mr. Chairman, will the gentleman yield to me?

Mr. DICKINSON. I yield to the gentleman from Ohio.

Mr. KASICH. I appreciate the gentleman from Alabama yielding me some time, and I will be very brief and would look forward to further discussion as the bill moves through the Congress.

I want to say initially, Mr. Chairman, that I was one who went to Mr. Dickinson and even Chairman Aspin early on and said that I thought that we needed to reduce the defense budget. I've served for 2 years on the Armed Services Committee where we have, to the largest degree, met the requests and demands of the Pentagon. So I am excited, and I think the committee and the Congress ought to be excited because on the committee cut $18 billion from that Pentagon request with some true military reform. That included the elimination of TACAMO, which will save us probably several billion dollars, Mr. Stratton's amendment; the PC-3, the AMRAAM Program, we fenced in money on the controversial DIVAD Program, we fenced in money on the Aquila, we changed the Lantirn Program, we made changes in the research development and testing, which would otherwise have received a 100-percent increase. We reduced that dramatically. We addressed the retirement program.

There is a new era in the Committee on Armed Services. We addressed this budget as true military reformers, from that person who has been in Congress for 30 years all the way down to the new freshman.

We have brought in a budget that is lean, tight, and well-thought through. I have to give credit to the chairman, Mr. Aspin, because he provided the direction, with Mr. Dickinson, the ranking minority member. We did not take any guff from anybody. We did not accept all the numbers or all the figures from any of the so-called experts. We looked at them all and we made some hard, tough decisions that brought us $18 billion in deficit reductions. That's 3 percent less than what Walter Mondale said we needed and 6 percent less than what this President said we needed.

We have made a contribution. Remember, John Kennedy spent 50 percent of our national budget on defense, and this President is spending 26 percent. In GNP terms we are at about 6.6 percent of GNP as compared to nondefense areas of 15 percent.

For those people who want to go less than a zero percent increase, I tell them: "You come in and tell us where. Don't come in and give us some bland budget figure. You tell us where you are going to take the money." From 1977 to 1983 the Soviets built 15,000 tanks, we built 5,000; they built 5,000 fighter aircraft, we built 3,000. In the same period of 1977 to 1983 they built 1,500 ICBM's to our several hundred.

In bombers, they built 250 strategic bombers, we had none.

If you want to save money, tell us where you are going to save it, tell us the programs where we are going to go. We have addressed personnel, we have addressed the conventional systems, we have reformed them like military reformers want us to do. We have report language that makes procurement more competitive. We saved $18 billion, a responsible contribution to the budget deficit reduction program.

So I think we should be proud of what the Committee on Armed Services did because it is revolutionary, considering where we have been. We ought to feel good about it. I am excited about it, and I think my constituents are, Mr. Dickinson. I thank the gentleman for yielding me the time.

Mr. DICKINSON. I thank the gentleman for his observations, Mr. Chairman. I think he makes a very good and telling point.

In conclusion, Mr. Chairman, let me say that I, too, am pleased with what our committee was willing to do, what we did. I do not think there was anybody on the committee that was satisfied that we had done as much as we should. I think in bowing to reality we recognized what we could do and within the parameters of the framework of what we could get funded on the floor we did a very prudent and responsible job.

The question is, Do we really need this much defense? What is our adversary doing, our potential adversary? Is there really a threat out there? Or are we just rattling sabers, hearing a drumbeat that really does not exist? Are we really just priming the pump for something for which there is no real genuine need?

Mr. Chairman, last year at this time during floor debate I stated that the Soviets had deployed 378 SS-20 missiles.

Now, an SS-20 is an intermediate range ballistic missile with three warheads with a range of 5,000 kilometers approximately.

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At that time, I said they had deployed 378, keeping in mind that each one has one backup; they come in pairs.

Well, today instead of a freeze by the Soviet Union, today they have deloyed 414. It is amusing that a year or so ago I met with the other members of our Committee on Armed Services with our counterparts from the European community, the North Atlantic Assembly. We meet over there once a year; they come over and meet with us once a year, and they are parliamentarians from Great Britain; some from France, occasionally from the Netherlands, from Belgium, from Germany.

So we were sitting around the table talking and one of our colleagues said: "Well, why don't you negotiate with the Russians? Why don't we just have a freeze and negotiate?"

Peter Peterson, who is in the Bundestag of the Federal Republic of Germany said, "Congressman, we do negotiate. In 1978 we negotiated and debated with the Soviets, and they deployed. In 1979 we debated, and they deployed. In 1980 we debated, and they deployed. And we have not deployed one single nuclear system until this year"—talking about the Pershing and the GLCM—"and all the time we were debating they were deploying at the rate of one per week since 1977, to the point where today they have over 400 of them in place, and we are still debating."

The same is true with the MX. We have the Minuteman III; this is our last ICBM. Since then the Soviets have built and deployed two new systems, and we're still debating the MX. We start off asking for 200 MX, now we've cut it to 100, now in this budget cycle instead of the 48 requested, we have recommended 21. I think we will be doing well in the final analysis if we get half of the 100 that was already agreed to.

So whether we are talking about the B1—we started out to build 200 of those and now we say we will build 100; we say we were going to build 200 MX, now we are going to build perhaps 50. We are going to build—all the weapons systems that have started out to build, we keep building less and less and funding it less and less, and I think it is time that the American people recognize that we are not crying wolf; there is a potential adversary there that is very technically efficient, that is very well armed, and who means us no good will at all.

If he, the potential adversary, was sincere, he would be building defensive weapons, not offensive. If we look at the buildup he has of the intercontinental ballistic missiles, of the intermediate range ballistic missiles he is deploying on a regular basis; he is building newer and modern and more intercontinental bombers.

So the nuclear subs he is building, they outbuild us in numbers and in size and in capability and performance quite often. So I think we are deluding ourselves to think that we have some great big, benign, charitable, potential adversary out there that really means us no harm, and all we need to do is sit down and talk with him, because if we are friendly he will be friendly in

return, and we do not have to worry about him doing us any harm in the future.

I think that is shortsighted, I think it is foolish. I think it is what we have offered here in terms of this year's House defense authorization bill is the minimum we should do, and I would certainly urge my colleagues to support it, and I would hope that the next time we get back to the floor to finish the debate on this, we would have more than seven Members present, all of whom belong on this committee, and no other Members in the Chamber, when we are discussing a bill that is close to $300 billion, that has to do with the life and death of this country in the long run.

Mr. Chairman, I am pleased to appear today with our chairman of the committee to bring before the House H.R. 1872, the Department of Defense Authorization Act for fiscal year 1986.

As many of my colleagues know, the administration submitted a defense request that would have supported almost 6 percent real growth in the defense accounts.

However, based on the economic situation, the committee felt that such a growth rate was unsupportable. In a more normal economic environment, that is about the correct rate of growth given the unrelenting Soviet military buildup.

But we felt that the defense sector should contribute its fair share to deficit reduction. Consequently, we have marked up and reported a bill that represents no real dollar growth over last year.

To meet this level, the defense authorization request was cut by $14.3 billion. Further cuts in personnel, military construction, and defense programs in the Department of Energy resulted in total cuts of about $19.6 billion.

This bill is a milestone of sorts for the country and the Congress. For the first time in 6 years we are recommending no growth in the rate of improvement for our Nation's defense forces.

I think it's worth noting some representative improvements that we have seen over the past few years in our defense force structure.

Since 1980 we have made remarkable progress in modernizing our forces and improving their readiness. Recruitment and retention are up. First quarter 1985 reenlistments rates are up 11 percent since 1980.

In the areas of readiness, our pilots are getting 30 percent more flying time than they were in 1980 and aircraft ready rates have improved 7 percent in that time. Munitions inventories have increased by an average of 39 percent across all four services. We are fielding more and better items equipment to our forces.

However, we recognized the probability of a budget resolution that would also recommend reduction of the President's request. Subsequently, most committee members agreed that zero percent real growth would preserve most of the defense improvements the Congress has approved to date.

The committee set some ground rules to guide us in our surgery: The initiation of new weapons systems was slowed by large cutbacks in research and development because every dollar spent on R&D generates $3 to $5 later in procurement; and operations and maintenance accounts were protected to the extent possible within the overall zero percent real growth level.

I want to hasten to add that I don't believe the threat to our security has lessened one iota. On the contrary, the Soviet Union continues to field massive amounts of military hardware. Let me cite a few examples:

Last year at this time during floor debate I stated the Soviets had deployed 378 SS-20 intermediate range ballistic missiles. This year now—today—they have 414 deployed—an increase of 108 warheads as each missile carries 3 warheads capable of a 3,000-mile range.

Many of us are aware of the recent test firing of the new SS-X-24 and SS-X-25 fifth generation Soviet intercontinental ballistic missiles. Both systems are nearing deployment, with the SS-X-25 closest to operational capability.

Two ships of a new Delta IV class of ballistic missile submarines were launched.

Another Typhoon class ballistic missile submarine completed sea trials—making three of these subs now operational.

Blackjack strategic bombers were produced at a rate of 30 per year.

I could go on and on about Soviet deployments of large numbers of new weapons, but the point is I don't believe the threat has eased one bit.

To that end, we did fund many of the President's strategic programs at the levels he requested. Over $5.8 billion is recommended for R&D and procurement of the last 48 B-1 aircraft. This has been an exceptionally well run Air Force program. It is coming in on cost and on schedule.

We are funding the Trident II missile system [D-5] for the Trident sub at $2.6 billion.

The ground launched cruise missile [GLCM]—the system designed to deter the Soviets' massive force of SS-20's was funded at $545 million for 95 missiles.

The committee believes strongly that we must develop a chemical weapon deterrent force. If we don't, we may open our forces to chemical strikes in future conflicts.

We have not produced chemical weapons for over 15 years while we have listened to the Soviets' propaganda and stalling tactics at the talks in Geneva. We have proposed a chemical warfare treaty with the Soviets, and they have not responded in a meaningful way.

History has demonstrated that only those nations with a strong chemical deterrent are least likely to experience a chemical attack.

We must provide our men in uniform a chemical weapon deterrent. To that end, this bill contains funding for the Big Eye chemical bomb and the 155-millimeter chemical artillery shell.

Let me now turn to the research and development portion of the bill. I serve as ranking member of that subcommittee.

The reduction of $5 billion in research and development is the largest cut that our committee has ever recommended. I was not in total agreement with all of the specific reductions, but I do agree with the level that we have reduced. The committee recommendation of $34 billion represents a $3-billion increase over last year's level or a 4½-percent real growth in the account.

Congress has provided for major real increases in research and development every year since fiscal year 1980, primarily to make up for a 10-year period of no growth in this account. I believe we have reached the point where we cannot continue to make major increases in this area. We need to carefully examine the impact of the programs now in R&D on the future force structure. We clearly cannot afford to field them all. In the strategic area alone we have MX, Midgetman, Trident II [D-5], B-1, ATB, SRAM II, E-6A, advanced cruise missile, SDI and ASAT, all in R&D and all with a large price tag—over $10 billion in fiscal year 1986. In tactical air we are doing major R&D on the ATF, ATA, F-15E, F-16F, F-14D, A-6E, C-17, JVX, LHX, T-46, AV-8B and F/A-18—$2.8 billion in fiscal year 1986.

I'd like to say we have put a significant dent in this problem, but the reality is that most of these programs have a very firm political life. The committee has eliminated a number of programs in research and development and made efficiency reductions in others.

The major research and development reduction made by the committee was in the strategic defense initiatives program. The committee, although it strongly supports the SDI Program, was not prepared to recommend the full authorization of $3.7 billion requested by the Department of Defense for fiscal year 1986. Extensive debate occurred in the committee on the appropriate level of authorization for SDI.

The committee believes that major efficiency reductions can be made in the various program elements without seriously jeopardizing the overall SDI goals. The committee was not convinced that the 100- to 200-percent increases in many program elements could be efficiently accommodated. We believe that through better program definition and elimination of lower priority efforts, the $1.24 billion overall reduction would not severely affect the SDI Program.

The committee did make some tough decisions and terminated over 30 programs.

One program that was recommended for termination was the advanced medium range air-to-air missile [AMRAAM]. The committee has closely followed the development cycle of this missile through special staff reviews and increased oversight. This year we concluded that the projected unit cost of the missile had increased by a factor of 3, and the schedule has slipped by almost 2 years. We felt that the system had become unaffordable.

In summary then, the committee was faced with a very difficult task of reducing the administration's request of almost 6 percent real growth down to zero percent.

We structured these reductions—to the extent possible—to protect the areas of readiness and force sustainability that the Congress has approved in the past.

I urge my colleagues to resist further cuts and to support this bill. To cut further would reverse the improvements the Congress has made in force modernization and readiness.

Mr. STRATTON. Mr. Chairman, I believe we have remaining a minute and a half and yield myself the remaining time.

I would just like to join in seconding what Mr. Dickinson has said. I think the committee has done an outstanding job in bringing this bill to the floor in this particular form.

At the beginning of the year, it was said that Defense would not contribute anything toward trying to eliminate the budget deficit. We have in fact in our committee initiated the effort, and we were the ones that brought down to the 1985 figures, and then the Senate, as Mr. Dickinson has pointed out, came down to our figure.

As the gentleman from Alabama has pointed out, let us not forget that there is a threat, a serious threat; certainly the new leader of the Soviet Union has not indicated any particularly benign character, and I think we have got to keep our powder dry and we have got to continue to maintain a strong defense.

This is what we hope that the House, when we go back under the 5-minute rule, will support us on.

● Mr. SHUMWAY. Mr. Chairman, I rise today to support the general intent of H.R. 1872, The Department of Defense Authorization Act for fiscal year 1986. I continue to be firmly committed to the strengthening and modernization of our national defense capability—maintaining the security of our Nation is a primary responsibility that we, as Federal legislators, must fulfill. Over the past 4 years, I believe we have begun to make substantial progress toward overcoming deficiencies in our defense posture and redressing the strategic imbalance resulting from the long, and continuing, Soviet military buildup. This progress must not be jeopardized now; we must continue to provide the necessary resources for sustaining a strong and effective national defense.

Nevertheless, I recognize that one element of national security is a strong and stable economy—until we bring the Federal deficit firmly under control, we leave the Nation vulnerable to external pressures and weakened in its ability to respond to external threats. I therefore support many of the efforts made by the House Armed Services Committee to impose the same fiscal discipline on the defense budget as we must impose on all programs contained in the Federal budget. In my view, reduced defense expenditures as recommended in H.R. 1872 can serve as an important contribution to an overall deficit-reduction package encompassing all areas of Federal spending.

Still, as we attempt to trim waste, eliminate inefficiencies, and improve the cost effectiveness of the defense programs we pursue, it is vital, Mr. Chairman, that we not lose sight of the nature of the threat to which our Armed Forces must answer. The Soviet Union, in spite of a significant slowdown in economic growth in recent years, has consistently increased its spending for defense and now is reported to spend 15 to 17 percent of its GNP on the military sector. It has continued to modernize and expand its strategic forces, deploying new generations of nuclear missiles; it has developed an alarming chemical warfare capability and demonstrated it in Afghanistan; it is developing antisatellite weaponry and ballistic missile defense systems. These are the developments to which our defense budget must respond; if we are to preserve peace, we must maintain a credible deterrent.

In this respect, Mr. Chairman, I support provisions in H.R. 1872 to continue development of a small, mobile ICBM, to complete the procurement of 100 B-1 bombers, to acquire 23 new ships, including a Trident submarine, and to convert 5 others, and to provide funding for the procurement of binary chemical weapons which will replace the more dangerous and outdated stockpile we currently maintain. Furthermore, despite substantial reductions in the funding for space defense research, the legislation before us still provides for a 75 percent increase over last year in funding for the SDI. In my view, this represents an increase which is consistent with both our determination and our ability to explore further the feasibility of developing defensive systems.

Mr. Chairman, while I remain concerned about certain economies made in this bill, particularly the authorization of only 21 MX missiles instead of the 48 requested by the President, I commend the Committee on Armed Services for its inclusion of provisions to address waste and inefficiency in defense procurement. By recommending that the Air Force initiate a competitive procurement program for tactical fighter aircraft and by placing performance conditions on the release of funds for the troubled DIVAD Program, I believe that H.R. 1872 builds on the positive procurement reforms begun during the 98th Congress and moves us closer to a competitive, cost-effective approach to defense procurement.

Overall, the Defense Authorization Act for fiscal year 1986 provides a reasonable balance of concern for fiscal restraint and recognition of security requirements. Even though the staggering Federal deficit demands our attention and influences every one of our budgetary decisions, we cannot forget that without a strong national defense we leave our freedom and security at risk. Our first priority must be to ensure a sound, solid and complete defense of our Nation.●

● Mr. BROWN of California. Mr. Chairman, when the fiscal year 1986 Department of Defense authorization is considered on the House floor, Congressman Coughlin and I will offer an amendment to continue the limitation on antisatellite [ASAT] testing adopted by the House last year. The Brown-Coughlin amendment would again prohibit testing of the U.S. F-15-launched ASAT against an object in space as long as the Soviet Union does not conduct such a test. The amendment would not cut ASAT funding or prevent any tests other than tests against actual targets in space.

The arguments which persuaded the House to adopt the ASAT test ban last year by a substantial margin are as compelling today as they were then. The Soviet ASAT is crude and unreliable, and based on technology the United States abandoned many years ago. The Soviets have not tested their ASAT since 1982. The U.S. F-15 system, a generation beyond the Soviet ASAT, has been tested against points in space.

Testing of the U.S. ASAT against targets in space is now planned. The Soviets are likely to respond to such tests by attempting to match our superior technology. Now is the time to negotiate an agreement to limit ASAT's before it is too late to avert a costly and destabilizing arms race in space.

Our most important military satellites are presently beyond Soviet ASAT range. Testing of this sophisticated weapon against space targets will lead to an unrestrained ASAT competition. Because the United States depends more heavily on satellites than the Soviet Union, our own national security interests would thus be best served by limiting the Soviet capability to destroy our satellites.

I urge the support of my colleagues for the Brown-Coughlin ASAT amendment.

Thank you Mr. Chairman.

The text of the amendment appears below:

Amendment to H.R. 1872, as Reported Offered by Mr. Brown of California

At the end of title II (page 29, after line 14) add the following new sentence:

SEC. 207. LIMITATION ON TESTING OF ANTISATELLITE WEAPONS.

The Secretary of Defense may not carry out a test of the Space Defense System (antisatellite weapon) against an object in space until the President certifies to Congress that the Soviet Union has conducted, after the date of the enactment of this Act, a test against an object in space of a dedicated antisatellite weapon. The prohibition in this section expires on October 1, 1986.●

● Mr. GREEN. Mr. Chairman, there may not be a more important authorization bill that we will be asked to consider in this Congress or indeed in any Congress. Not only must we authorize programs to build our national security, but we must also act immediately to halt wreckless defense spending or share the blame for the state of this country's economy.

Mr. Chairman, I am beginning to feel like a broken record. In January 1983 I wrote in the New York Times that "large increases in defense spending are dangerous to the economy. They make it impossible to reduce the Federal Government's excessive deficits predicted for fiscal 1984 and 1985."

In May 1984 I stood on the floor of this House and stressed that "we have a grave duty in this year of a potential $200 billion deficit to see that every dollar in the defense spending portion of the budget is spent wisely * * *. It is foolish to plunge ahead with unsustainable procurement programs, when we know that they are inevitably going to have to be stretched out, with higher per unit costs, so that ultimately we shall get fewer and fewer weapons at higher and higher costs."

But I am more optimistic this year; not optimistic that the Pentagon has seen the light but that my colleagues in this House have. I have heard many of you say, "Yes, this or that weapons system would be nice but we have to begin making choices." And I have heard many of you using the words "defense freeze."

The alternatives are really not acceptable. If we don't start cutting the big ticket items—saying no to 48 or even 21 more MX missiles and no to any increase in star wars funding—we will continue to pay both in terms of defense readiness and the national economy. What that will mean is a continual black eye for the U.S. defense capabilities—such as we earned in Iran, in Lebanon, even in Grenada—and a possible return to the 1979 high inflation, high interest rate economy that we all remember.

We don't owe the Pentagon a blank check, we owe our constituencies a prudent defense program. We have a chance to deliver it by cutting responsibly on this DOD authorization.●

Mr. STRATTON. Mr. Chairman, I yield back the balance of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker pro tempore (Mr. Gonzalez) having assumed the chair, Mr. Olin, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1872) to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1872, the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

GOOD ADVICE TO CONGRESS FROM ALABAMIANS

(Mr. ERDREICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ERDREICH. Mr. Speaker, during the early part of the first session of this 99th Congress, I asked the people of the Sixth District of Alabama, as I did during both sessions of the 98th Congress, to respond to my annual congressional questionnaire and share their opinions on two major priorities facing our Nation: deficit reduction and tax reform.

Almost 14,000 people took the time to answer the questionnaire, and I would like to thank them for their valuable input and share their views with my colleagues in Congress.

If there was one overriding message in the questionnaire responses I received, it was a demand for action in Congress to bring Federal spending under control and reduce the budget deficit that threatens to reverse the economic gains we have made. A strong majority made it clear that they were willing to accept a budget freeze in order to reduce the deficit.

Two-thirds of those who responded favored an across-the-board freeze on all Federal spending. As well, two-thirds supported a combination of restraint on all Federal spending and new tax increases to reduce the deficits. In addition, an overwhelming 89 percent supported a "pay-as-you-go" budget proposal that would require the Federal Government to pay—not borrow—for any spending above last year's level.

Those responding to my 1985 Congressional Questionnaire also felt strongly that the Tax Code should be restructured to make it less complex and fairer. While only 19 percent of respondents favored eliminating all tax deductions, an overwhelming 91 percent believed that the Tax Code should be reformed. Seventy-four percent believed that deductions for charitable contributions should be retained, and 85 percent supported retaining the deduction for home mortgage interest.

When asked their views on overall spending policies, over 60 percent of those responding believed that the current level of domestic spending was too much, while 84 percent felt that the current level of defense spending was either about right or too much.

Again, I would like to thank the almost 14,000 Jefferson County residents who answered my third annual congressional questionnaire. The opinions of the people of the Sixth District of Alabama are a valuable guide to me and the entire Congress as we face the tough choices that lie ahead. These opinions will help me do a better job of representing Jefferson County thinking in Washington.

The total "yes" and "no" response percentages on some questions do not equal 100 percent because a small number of respondents did not answer all the questions.

The questions included in the questionnaire and response percentages follow:

Congressman Ben Erdreich's Congressional Questionnaire

Federal deficit spending has grown dramatically since 1980. The budget chart below outlines the policies which have been in place since 1980 and is converted into 1984 dollars to give a picture of where the growth in spending has occurred. While some $50 billion has been cut from non-defense domestic programs, other areas grew. Further, the impact of the 1981 tax cut reduces federal revenues by $117 billion in 1985 alone.

The President has submitted a budget to Congress that has a $180 billion deficit. It reduces domestic spending by $40 billion over last year, excluding Social Security, and increases defense spending by $32 billion.

	Percentage	
	Yes	No
1. Do you agree with the Administration's proposal to reduce federal spending in all other areas except Social Security and Defense?	60	40
In order to further reduce the deficit, would you favor:		
2. A reduction in defense spending?	54	46
3. A freeze on Social Security?	49	51
4. Increasing costs to Medicare beneficiaries?	38	61
5. A combination of restraint on all Federal spending and new tax increases?	67	33
6. An across-the-board freeze on all Federal spending?	67	33
7. Would you favor an amendment to the U.S. Constitution requiring the Federal budget to be balanced except in times of national emergency?	84	16
8. Would you support a "pay-as-you-go" budget proposal that would require the Federal government to pay (not borrow) for any spending above last year's level?	89	11
The Department of the Treasury and a variety of national leaders have proposed a change in the way we pay our Federal income taxes. The Treasury plan, would end many special tax preferences in order to reduce overall tax rates. An individual may lost a particular tax benefit under the plan, such as the deduction for state and local taxes, but that would be offset by a lower tax rate in most cases. Further, business taxes would be increased.		
9. Do you believe that the tax code should be reformed?	91	9
10. Do you believe that a new plan similar to the one proposed by the Treasury Department should be adopted?	64	33
11. If a new tax law were adopted, would you favor retaining the medical and dental tax deduction?	66	34
12. Do you believe that deductions for charitable contributions should be retained?	74	26
13. Would you favor retaining the deduction for home mortgage interest?	85	15
14. Should employer-provided benefits, such as health and life insurance and education benefits, be included as taxable income?	36	64
15. Should credit card and other interest deductions be retained?	51	49
16. Would you favor eliminating all tax deductions?	19	81
Take a moment to think about the Federal budget again and give me your thoughts on overall spending policies.		
17. Do you think the current level of domestic spending is: a. about right? 22%; b. too much? 62%; c. too little? 8%.		
18. Do you think the current level of defense spending is: a. about right? 42%; b. too much? 42%; c. too little? 8%.		

INJUSTICE TO INDIANA'S EIGHTH DISTRICT WILL NOT BE FORGOTTEN

(Mr. COBEY asked and was given permission to address the House for 1 minute and to include extraneous material.)

Mr. COBEY. Mr. Speaker, lest anybody in this body think that the American people are going to quickly forget the injustice that has been done to the people of the Eighth District of Indiana, I bring to the House two recent editorials from local papers in North Carolina. I am going to read the opening and the closing paragraph of each and include the rest of the editorials in the Record.

The first is from the Durham Morning Herald, entitled "Congress Crushes Good Will."

The U.S. House of Representatives committed the unpardonable sin last week. It blasphemed Indiana's right to representative government of, for, and by the people.

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In this case, rather than seating the certified loser, the House should have called for another election.

From the Courier-Tribune in Asheboro, "What Good Did It Do?" is the title.

The Democrats have forced an illegal Representative down the throats of the people of Indiana's Eighth District.

• • • • •

The course for Republicans now is in the courts. They must demand a special election—it is the only proper thing to do.

Mr. Speaker, we are not going to forget about this injustice.

The full editorials follow:

[From the Durham (NC) Morning Herald, May 5, 1985]

Congress Crushes Good Will

The U.S. House of Representatives committed the unpardonable sin last week. It blasphemed Indiana's right to representative government of, for and by the people.

In denying Indiana's certified election winner, Republican Richard D. McIntyre, his rightful seat in the House from the 8th District of Indiana, the Democratic majority crushed the good will and bipartisanship that Congress desperately needs.

The action made little sense. The recommendation of a task force that investigated the Indiana election results was blatantly biased. To assure that the Democratic candidate would win in the task force's recount, the Democrats simply refused to count all the ballots.

The Indiana election results are, indeed, confusing. The Democrat, Frank McCloskey, held a slim lead election night. Mr. McIntyre got the lead in a recount—first by a 34-vote margin, later by 418 votes. But the House refused to seat him.

Then the House appointed a three-member committee to recount the ballots. The committee's 2-1 Democratic majority decided that Mr. McCloskey won by four votes—the margin by which Mr. McCloskey was ahead when the count stopped.

In defense of the Democrats, there were questions about the absentee ballots that were not counted. Although postmarked before the election, they had arrived a week later. But there were other absentee ballots that had been counted that might have been questioned for the same reason.

Furthermore, there were precincts with more ballots than voters who signed the rolls. So the Indiana election, the closest House race this century, is suspect from either side.

The Constitution gives the House the right to refuse to seat a member—even if properly elected. But it has never before turned back the certified winner because a race was close.

In this case, rather than seating the certified loser, the House should have called for another election.

[From the Courier-Tribune (Asheboro, NC), May 3, 1985]

What Good Did It Do?

What good did it do?

The Democrats have forced an illegal representative down the throats of the people of Indiana's 8th District.

The end of the long battle climaxed with a brief walkout by Republican members of the U.S. House.

The Democrats have deprived people of the Hoosier State of their rightful lawmaker and have driven a wedge between themselves and the Republican minority that may not be removed for a long time. All for one lawmaker.

The infamous vote was 236-190, with 10 brave Democrats voting justly with the GOP.

One sad Republican noted "The Democrat majority was willing to exercise ruthlessly whatever power it has in sheer numbers."

What has happened to bipartisanship? What has happended to sound reasoning?

There was a time when lawmakers served their people before their party; they were citizens of their state before members of their party.

Is there no more room for compromise in the halls of Congress? What happened to just and honorable men?

The facts of this sad case have been stated over and over. Everyone knows of votes, recounts and thefts of votes.

What good has it done?

We do not blame Democrat Frank McCloskey for following the course of his party.

We feel for Republican Richard McIntyre who deserved and did not get an honest shake from the Democrat Party.

The course for Republicans now is in the courts. They must demand a special election—it is the only proper thing to do.—J.G.S.

DASH TO MANAGUA

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, in today's Washington Post, there is an article by Evans and Novak entitled "Dash To Managua."

We have heard a great deal about the Democratic Party seeking to move back into the mainstream of American politics, seeking to recapture that center that wins Presidential elections, seeking to reestablish its links with the moderate Democratic South, Southwest, and West.

"Dash to Managua" has our colleagues, Mr. Miller of California and Mr. Bonior of Michigan, essentially conducting foreign policy with the Marxist government of Nicaragua. It has two U.S. Congressmen, following on the heels of Ortega's trip to Moscow, going off to Managua to plead with the Sandinista government, essentially seeking a way out of their difficult political situation deriving from the vote in this House to give no assistance whatsoever to democratic forces in Nicaragua and the immediate departure of Mr. Ortega to Moscow to discuss a $200 million Soviet aid package.

□ 1050

It says, the Evans and Novak article had "the Congressmen warning that unless the Nicaraguan Government took steps toward pluralism, congressional Democrats would switch and vote aid for the Contras. It was a second such source that quoted the Congressmen asking the Sandinistas to 'help them out of a difficult political situation.'"

Mr. Speaker, what in the world are U.S. Congressmen conducting personal foreign affairs with the Soviet-Cuban backed Marxist government of Nicaragua?

Mr. Speaker, I say, let us leave foreign policy to the Secretary of State.

The Evans and Novak editorial in today's Washington Post follows:

Dash to Managua

No sooner had President Daniel Ortega flown off to Moscow than two Democratic congressmen arrived in Managua for the weekend to plead, according to U.S. diplomatic cables, for help from the Marxist-Leninist regime in calming the congressional uproar over the Nicaraguan's telltale trip.

Reps. George Miller of California and David Bonior of Michigan say "no comment" on their "private conversations" with Sandinista leaders, from which U.S. Embassy officials were excluded. But cables reporting on their talks have surfaced on Capitol Hill, where we obtained them. They describe the congressmen as making the trip to "see what the [Nicaraguan] government could do to help them out of a difficult political situation in the House."

An unnamed member of the congressional delegation is quoted as advising Foreign Ministry officials that the regime should try and hold out for three more years because things back in Washington might radically change by then, meaning a new administration in power. Departing from his "no comment" rule, Miller told us that no such statements were made.

A House Democratic leader, who did not want his name used, said he was "uncomfortable" that their weekend in Managua brought Miller-Bonior "dangerously close to negotiations." But beyond the impropriety of congressmen playing diplomat is a grosser spectacle: a symbiotic relationship between American politicians and the Nicaraguan dictatorship.

Miller and Bonior dashed off to Managua as many Democratic colleagues fretted over Ortega's mission to Moscow immediately after the House vetoed any aid to anti-Sandinista guerrillas. Miller is one of the Nicaraguan regime's most energetic supporters in Congress. He was accompanied by a staffer, Cynthia Arnson, a prominent champion of the Sandinistas, formerly employed by the left-wing Institute for Policy Studies.

The two congressmen were accorded less than red-carpet treatment. They were not satisified by a session with Deputy Foreign Minister Victor Hugo Tinoco and failed to get an appointment with Interior Minister Tomas Borge. But they did meet Vice President Sergio Ramirez; Comandante Bayardo Arce, the regime's chief ideologist as coordinator of the Sandinista Political Committee, and Carlos Tunnermann, ambassador to the United States.

In a departure from tradition but true to the latest fashion of pro-Sandinista congressmen, U.S. Embassy officials were barred from the meetings. Miller informed the embassy he had told Ramirez the regime would have to ease censorship and allow what were termed democratic activities to keep the support of Democrats in Washington.

But reports from Nicaraguan sources, as reflected in cables being read on Capitol Hill, suggested the congressmen were less interested in liberalization for its own sake than in getting themselves off the political hook back home.

One well-placed source had the congressmen warning that unless the Nicaraguan government took steps toward pluralism, congressional Democrats would switch and vote aid for the contras. It was a second such source that quoted the congressmen asking the Sandinistas to "help them out of a difficult political situation."

The one meeting embassy officials attended was with Jaime Chamorro, editor of the anti-Sandinista La Prensa. Miller told the embattled newspaperman that he had urged on government officials the necessity of freedom of the press. Chamorro was not impressed. La Prensa would not accept a separate agreement with the government, he said, insisting that freedom of the press must be part of a national "dialogue."

The Miller-Bonior weekend in Managua follows a pattern. When Demorcatic Sens. John Kerry of Massachusetts and Tom Harkin of Iowa conferred with Ortega in Managua before the House vote, they not only barred U.S. diplomats but did not even report to them after the fact, as Miller and Bonior did. The Sandinista regime's offer to send 100 (out of 2,000) Cubans back home followed secret negotiations not with U.S. diplomats but with congressional staffers.

The pattern may be breaking, partly because free-lance congressional diplomacy is stirring bipartisan distaste. Bernard Aronson, a Democratic insider and campaign adviser to Geraldine Ferraro last fall, writes in the current New Republic that his party should promise military support for the armed democratic resistance if all other efforts fail. That advice is the antithesis of Democrats, pursuing cosmetic Sandinista "pluralism" while urging the comandantes to hang tough until the next American presidential election.

□ 1540

THE RURAL ELECTRIFICATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. Darden] is recognized for 5 minutes.

● Mr. DARDEN. Mr. Speaker, because the Armed Services Committee, on which I serve, was involved in a very important mark last week, I was unable to participate in the special orders held by the gentlemen from Texas [Mr. de la Garza and Mr. Pickle] to commemorate the 50th anniversary of the Rural Electrification Administration. Consequently, I would like to take this opportunity today to say a few words about this important program.

Last Saturday, May 11, marked the 50th anniversary of President Franklin Roosevelt's signing of the Excutive order creating the Rural Electrification Administration. That signing was celebrated at the Little White House in Warm Springs, GA, last Saturday. One year and ten days after the original order was signed, on May 21, 1936, the The Rural Electrification Act was signed into law, giving the REA full status as a Federal agency.

To many, this may have seemed like the creation of just another Federal agency, but it was actually much, much more. As a boy growing up on a dairy farm in rural Hancock County, GA, I saw first hand the benefits which electricity brought to rural America. My family was a member of the Washington Electric Membership Corp. and the electric power we received ran not only lights but water pumps, electric milkers, radios, and television. Quite literally, it afforded us the opportunity to be part of the 20th century.

Today, those who live in rural areas are able to enjoy the same benefits as those who live in cities because of the REA and electric membership corporations [EMC's], a primary user of REA financing. The Georgia EMC has more customers than any other State, and the two largest EMC's in Georgia—Cobb EMC with more than 65,000 customers and North Georgia EMC with almost 60,000 customers—are located in my district.

Mr. Speaker, I want to commend the two EMC's, their general managers—Paul Weatherby of Cobb EMC and Elvin Farrar of the North Georgia EMC—and all of their employees for the service which they perform for the people of the Seventh District. I also want to point out, especially at this time when Congress is reevaluating so many programs that are not working, that the REA is one program which has helped people help themselves as Atlanta Journal editorial page editor, Durwood McAlister, wrote in a column entitled "REA Was Different; A Partner, Not a Handout."

Mr. Speaker, I submit Mr. McAlister's column for insertion into the Record.

[From the Atlanta Journal, May 9, 1985]

REA Was Different; a Partnership, Not a Handout

(By Durwood McAlister)

Electricity, like everything else but hard times, came late to the McAlip's Chapel community of McNairy County, Tenn. The house in which I grew up sat almost in the shadow of high-power TVA transmission lines less than 30 miles from one of TVA's power-generating dams; but when I left to join the Navy in World War II our home was still being lighted by kerosene lamps.

By the time I returned, a remarkable transformation had taken place. I had missed the magic moment when the power came on, the dramatic leap from one age to another, but the evidences of a new way of life were everywhere.

McAlip's Chapel had left its primitive past behind.

Farm women who had spent their lives over wood stoves and washboards delighted in new electric ranges and automatic washing machines. Along unpaved country roads, on the strengthened front porches of un-painted houses, gleaming new refrigerators and washing machines were proudly displayed for passers-by to appreciate.

Electric pumps had taken over the laborious task of drawing water from deep wells, bringing the comfort and convenience of indoor plumbing and doing away with the health hazard of open outdoor privies.

And rural breadwinners found themselves, for the first time, contemplating the possibility of jobs in light industry made possible by the availability of power.

The same thing was happening all across the country. And most of it came about as a result of an executive order signed by President Franklin D. Roosevelt creating the Rural Electrification Administration.

The story of how that came about, being recalled this week as the REA celebrates its 50th anniversary, is worth remembering.

During the mid-1920s, Roosevelt divided his time between his huge mansion at Hyde Park, N.Y., and a small cottage in rural Warm Springs, Ga. He later said that he became increasingly resentful of the fact that his electricity bill at the Warm Springs cottage "was about four times what I paid at Hyde Park."

His pique over that electric bill, he said, eventually led to the executive order, signed on May 11, 1935. The order provided for loan funds to be used on an areawide basis to build power lines into rural areas.

It took more than presidential pique and an executive order, however, to bring power to the boondocks.

Existing power companies showed little interest in the REA plan and it got off to a shaky start. In the end, it was the farmers themselves who formed the non-profit cooperatives which applied for, and got, the loans which enabled them to get the power they wanted.

A lot of government programs, including many of those initiated by Roosevelt, have been properly condemned by succeeding generations saddled with the debts they created.

But the REA program was different. It became not a handout, but a true partnership which electrified rural America and it still stands as a remarkable achievement in cooperative economic democracy.

For those of us old enough to remember the dark days, electricity is, indeed, a miracle. So too was the program which brought it to the backwoods of America.●

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 709. An act to amend the Public Buildings Act of 1959 and for other purposes; and

S. Con. Res. 48. Concurrent resolution relating to the death of President-elect Tancredo Neves of Brazil.

The message also announced that the Senate agrees to the amendments of the House to a joint resolution (S.J. Res. 61) of the Senate of the following title: "Joint resolution to designate the week of May 1, 1985, through May 7, 1985, as 'National Osteoporosis Awareness Week.'"

TRIBUTE TO SENATOR FRANK H. BASSETT, JR.

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. HUBBARD] is recognized for 5 minutes.

Mr. HUBBARD. Mr. Speaker, I speak today in tribute to and in memory of a longtime friend and constituent of mine, Senator Frank H. Bassett, Jr., of Hopkinsville, KY, who died on April 19, 1985, at the age of 78 at Jennie Stuart Medical Center in Hopkinsville, KY.

A native of Pembroke, KY, Senator Bassett was the son of the late Mamie Thompson Bassett and Dr. Frank H. Bassett, former Christian County court clerk.

From 1944 to 1946, Frank H. Bassett, Jr., served in the Kentucky House of Representatives. While in the house, Representative Bassett served on the legislative research commission. From 1958 to 1960, Frank H. Bassett, Jr., served in the Kentucky State Senate.

Senator Bassett was an inspiration to me, even during the years prior to my entering politics on the State level as a State senator in 1967. Indeed, Senator Bassett was a supporter of mine when I decided to run for the U.S. House of Representatives in 1974. Senator Frank Bassett was a dear friend of mine, and he was active in affairs of the Democratic Party on both the local and State levels for a number of years.

Frank Bassett was actively involved in his community. He retired as co-owner of Area Supply Co. in Hopkinsville and was also co-owner of the Blue Flame Coal Co. at White Plains, KY, in Hopkins County.

His interests were many in Hopkinsville. He was on the committee for the restoration and preservation of Riverside Chapel, a charter member of the Hopkinsville Community Concert Association, a former Kiwanian, and a member of the Chamber of Commerce and Elks Lodge.

Senator Bassett was a member of the First Baptist Church of Hopkinsville, where he was a deacon and a Sunday school teacher. A devoted son, he worked for his father as a deputy court clerk, and later served as a clerk in the State auditor's office during the administration of Kentucky Gov. Ruby Laffoon.

His career was also distinguished when he served for 5 years with the U.S. Department of Justice as a deputy U.S. marshal in the Panama Canal Zone. A loving husband and devoted father, Frank H. Bassett, Jr., is survived by his lovely wife Sara Belle McPherson Bassett; a son, Dr. Frank H. Bassett III of Durham, NC; a daughter, Betty June Bassett Clark of Hopkinsville; five grandchildren, and one great grandchild.

My wife Carol joins me in extending our sympathy to the survivors and friends of this outstanding Kentuckian who was truly an inspiration to those of us who knew and loved him.

PERSONAL EXPLANATION

The **SPEAKER** pro tempore. Under a previous order of the House the gentleman from West Virginia [Mr. RAHALL] is recognized for 5 minutes.

● Mr. **RAHALL**. Mr. Speaker, due to official business, on May 14, 1985, I was unable to be present to cast my votes on rollcall Nos. 108, 109, 110, 111, 112, 113, and 114. In my capacity as chairman of the Mining and Natural Resources Subcommitee, I was touring the Bureau of Mines in Pittsburgh, PA, whose jurisdiction falls under my subcommittee.

Had I been present, I would have voted in the following manner: "yea" on roll No. 108, "present" on roll No. 109, "yea" on roll No. 110, "nay" on roll No. 111, "yea" on roll No. 112, "yea" on roll No. 113, and "yea" on roll No. 114.●

LEGISLATION INTRODUCED TO REGULATE TRANSFER OF FUNDS FOR HUMANITARIAN PURPOSES TO INDIVIDUALS LIVING IN SOCIALIST REPUBLIC OF VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LUNGREN] is recognized for 60 minutes.

Mr. LUNGREN. Mr. Speaker, there is no doubt that the tradition of America to assist relatives, friends, and others in distress in other countries regardless of the state of relations between this country and that foreign country is longstanding. Senator BILL ARMSTRONG and I have introduced legislation to regulate the transfer of funds for humanitarian purposes to individuals residing in the Socialist Repulic of Vietnam.

The Office of Foreign Assets Control, through section 505,565 of the foreign assets control regulations, allows the transfer of not more than $300 in any consecutive 3 month period to any one payee in Vietnam or $12,000 per year. An additional one-time transfer of $750 is permitted for the purpose of enabling the payee to emigrate from Vietnam. Our Government gave this permission because we believed that most recipients had direct or indirect connections with the U.S. Government or the deposed Government of South Vietnam.

We are all well aware by now of the limitations placed on people with pro-American backgrounds by the present Vietnamese regime. They are making it extremely difficult for them to maintain even minimal standards under the current economic conditions in Vietnam.

Thus our intention has been to permit people to send money to their families in the Socialist Republic of Vietnam on humanitarian grounds. But even the greatest of intentions, as we all know, pave a well-traveled road often leading in directions we might otherwise take. There is currently strong evidence that suggests that Vietnamese refugees in this country are the victims of a systematic program of economic exploitation directed against them by that Socialist Republic of Vietnam. According to testimony delivered last year before the Senate Banking Committee's Subcommittee on Financial Institutions, coerced appeals for money from Vietnamese refugees living in the United States are not uncommon. Witnesses and experts revealed this little known but alarming story at the 1984 hearing:

In 1981, Socialist Republic of Vietnam [SRVN] Government authorities created an organized and efficient exploitation system "to exhaust the foreign exchange capabilities of overseas Vietnamese."

This exploitation system targets a list of all individuals in Vietnam who have relatives in the United States. Vietnamese cadremen periodically contact people living in Vietnam and encourage them to write to their relatives to request money.

To transfer the money, a network of underground currency collection centers have been established in the United States. In response to these orchestrated appeals, Vietnamese refugees have taken U.S. currency to the centers. The U.S. currency is consolidated at periodic intervals and then smuggled out of the United States to the State Bank of Vietnam. The intended recipients are given a very small amount of Vietnamese currency which is immediately subject to regressive taxation or outright confiscation.

In many American cities, there are sizeable Vietnamese communities which are vulnerable to these appeals. Some 13 collection centers from Los Angeles to New Orleans to Arlington, VA, reportedly are funneling an estimated $18 million per month to the hands of the SRVN.

When one considers the weakness of Vietnam's economy, the reasons for exploitation of overseas Vietnamese becomes increasingly clear. A terribly poor country with a per capita income lower than India's nonetheless, it has the fourth largest army in the world. With a population that has exploded from some 38 million in the early 1970's to more than 60 million today, Vietnam is often afflicted by severe shortages of food, raw materials, and spare parts. Its foreign currency reserves, according to an International Monetary Fund team that visited Vietnam in April 1983 are approximately $16 million.

We cannot permit millions of dollars to leave this country on an annual basis to uncertain destinations somewhere in Southeast Asia; money which is likely to be used to finance the military adventurism of this bellicose regime. Despite continuing international condemnation and a failing economy, Hanoi consistently refuses to negotiate a Cambodian settlement that might alter its own hegemony. Since the late 1970's, Hanoi has sought to impose on Cambodia a totalitarian regime in its own mold, and to serve Vietnamese needs. Moscow's estimated $1 billion a year in economic and military assistance to Vietnam subsidizes its occupation of Cambodia.

Mr. Speaker, I believe we need to guard against the building of a clandestine currency transfer network influenced by that government of which I speak which is unregulated, invites exploitation by criminal elements, and which presents our law enforcement agencies with a complicated web of deception and intrigue. A 1984 Department of Treasury study of Vietnamese involvement in clandestine international currency transfer invested approximately 2,000 man hours of active involvement in travel, informant handling, and street-level collection work, operating in Vietnamese communities in Los Angeles, San Francisco, San Jose, Houston, and in my own district the city of Westminister. The study, formally known as Project VICTOR, concluded that approximately $18,000,000 leaves the United States monthly for Vietnam. Of this $18,000,000, approximately $9,000,000 per month is tranferred by clandestine methods and the remainder by banks.

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Project VICTOR has exposed that day after day, in cities all across this country where there are significant concentrations of Vietnamese refugees, they are given no alternative than to take their money to storefronts and backrooms. They must entrust their family's welfare to unregulated currency transfer operators who not only skim off a substantial percentage of the funds, at least that is the testimony. But may also may be acting in the interests of a hostile foreign power. Evidence suggests that just one minor operation can account for as much as a quarter million dollars per year. In U.S. cities with significantly larger Southeast Asian populations there are cases under investigation that may involve of as much as a quarter million dollars per month from Vietnamese refugees.

Mr. Speaker, I believe that Vietnamese people in the United States need to have some means of transferring a reasonable level of funds for humanitarian purposes to family members in Vietnam, without enriching a regime they dislike, and in fact despise. We need to protect them against insidiously involved shadowy underground practices designed soley to bolster the SRVN's insatiable need for hard, a substantially hard currency reserve.

Vietnamese refugees, like other immigrants who have come to the United States, feel a great responsiblity to those relatives still in their homeland. They send money home because of their deepest commitment to their families. This is a natural outgrowth of a 3,000-year-old veneration of the family as a divine principle. It is easy to see why it would be difficult to enjoy the comforts of their new country while the families they had to leave behind are often subject to repressive economic and political conditions.

It is tragic to hear a refugee lament that when he sends $100 to his wife, she will actually get very little of it. Yet he keeps sending the money because, even if she gets just $10, that is of some assistance. Or to hear a refugee's sad story that his 9-year-old daughter, gravely ill with rheumatic fever, receives a cable from his wife for money, but the little girl died 4 days later before the money arrived.

The 1984 Treasury study concluded that:

> The problems under examination are not simple problems and there are no simple answers to the many questions we have raised. Indeed, the only simplicity we can find is our simple, moral duty to protect the Vietnamese people in the United States from exploitation originating both from within their community and abroad.

Mr. Speaker, we in the United States should not allow cold, cynical manipulation of those Vietnamese refugees who have sought the protection that our democracy affords. Nor should we permit the continued operation of underground centers which exist for the sole purpose of abusing our new neighbors. Moreover, in light of the high welfare dependency rate among these newly arrived refugees, the Federal Government has additional interest in stopping this intolerable problem.

The legislation that Senator ARMSTRONG and I have introduced proposes that there be established in the Treasury of the United States the Vietnam Humanitarian Remittance Fund, consisting soley of money paid in by Vietnamese refugees who wish to send such sums to their relatives abroad.

Upon implementation the Secretary of the Treasury shall issue notes drawn on amounts held in the fund which are payable to designated individual recipients in Vietnam. No note thus issued may be redeemed out of the Treasury unless it is accompanied by a declaration signed by both the recipient and a responsible official of the State Bank of the Socialist Republic of Vietnam which attests to the amount of funds actually received by the designated recipient; that the re-

cipient has actual use of all the funds

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immense mistakes with terrible consecipient has actual use of all the funds which were sent; that no duress was employed in soliciting the funds or in obtaining the recipient's signature, and the lack of any special taxation or denial of human rights imposed on the recipient in connection with the redemption of this note.

Our legislation proposes that clandestine money be unlawful and suggests that it be the sense of Congress that the President of the United States seek to negotiate with the Socialist Republic of Vietnam for random monitoring of our humanitarian remittance program by a U.S. or multilateral team of inspectors in Vietnam.

Our bill proposes that in the event inspection teams report a pattern or practice of abuse of the procedures thus established for the sending of humanitarian remittances to Vietnam, all such remittances will be curtailed.

Our proposal does not intend to usurp or upset our current foreign policy direction with respect to Vietnam. It merely suggests that we demonstrate a commitment to restoring the integrity of humanitarian assistance for people in this country who desire to send currency to their relatives in Vietnam. It would seem that principles of equity require nothing less. I urge all my colleagues to study the suggestions embodied in the bill, and hopefully to cosponsor this bill.

Mr. Speaker, some have suggested that maybe this would not work because it would require the active participation of the Government of the Socialist Republic of Vietnam, and I understand that. But the point is that we need to make a gesture; set up some sort of system, which, if we do get their cooperation, will work.

Right now, unfortunately, many of our Vietnamese members of the community throughout this country, those who are citizen and noncitizen alike who have fled tyranny in their home country, are being beset by requests for money. Money they know which can help their people and their relatives in their homeland, but they have to bring that money through a system which allows for fraud and abuse and is skimming both on this side of the ocean as well as the other.

Certainly we ought to take some steps in this country to establish that system. I would suggest that if the Vietnamese Government does need hard currency, and the currency that is sent over for the benefit of individuals who live in their country can only be redeemed in this manner, that there would be a tremendous incentive for them to cooperate with us.

I hold out no hopes for the humanitarian gesture, or the humanitarian nature of the response that we would get from the Socialist Republic of Vietnam's Government, but I would hold out hope that this would create an environment, an environment of incentives for them to work with us.

In any event, Mr. Speaker, it must be better than the present situation which besets so many of our Vietnamese friends and neighbors in communities across this Nation.

Mr. Speaker, I yield back the balance of my time.

DETERRENCE, MODERNIZATION, AND THE NUCLEAR FREEZE II—SOVIET ICBM'S VERSUS U.S. SILOS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. AuCoin] is recognized for 60 minutes.

Mr. AuCoin. Mr. Speaker, The Defense authorization bill has been reported from the Armed Services Committee and will shortly be before the House for amendments. In this period of calm before the storm, we should pause to consider more than the expense of that bill, massive and mammoth as it may be.

We also need to consider the strategy, the fundamental rationale, behind our Nation's military program.

That's why I am today taking the second in what will be a series of special orders to examine the military danger into which the Republican administration's national security policy is taking our Nation.

I will contrast this perilous program with the emerging democratic concept for America's military security—a concept that is as superior to its Republican counterpart as the Trident submarine is superior to the Maginot Line.

Today I will discuss one specific threat: The growing ability of Soviet ICBM's to destroy U.S. ICBM silos in a first-strike surprise attack, a nuclear, Pearl Harbor. I will show how the weak Republican program will allow this Soviet threat to escalate without limit, while providing this country with no military countermeasures of any value. And I will show how the strong democratic plan—to freeze Soviet accuracy and to harden our silos—is the superior military solution the American people are looking for at this time.

Mr. Speaker, the controversy over the Bitburg Cemetery has shown us how this Republican administration can make an abominable, miserably wrong decision—and persist in the blunder, no matter what.

Is it possible that the administration could be as wrong on strategic policy as it has been wrong on SS graves? Is it possible that the Government of a great power can make such a monumental error in a matter affecting its very national survival?

Of course it's possible. Just because someone has reached high office doesn't mean he can't make mistakes—immense mistakes with terrible consequences.

The French made a mistake with the Maginot Line. Our own Government made one in the 1940's at Pearl Harbor. Every nation concerned made a grave mistake at the beginning of the First World War.

Today, the Republican administration is making a similar mistake.

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The mistake we are on the verge of making and in the course of making today with this administration does not involve, as in the case of World War I, tanks and Gatling guns, it involves doomsday weapons, weapons which put at risk the whole human race. As I will demonstrate this afternoon, the administration's strategic nuclear programs—both weapons and arms control—are irrelevant to the threat that America faces today.

In a recent news conference, Ronald Reagan said it was "the most ridiculous thing he'd ever heard" to say we have military parity with the Soviet Union. As evidence, he said the Soviets have more conventional weapons and more nuclear megatonnage than we do.

Mr. Speaker, with all due respect to the gentleman in the Oval Office, he missed the point by a country mile. The danger isn't from Soviet megatons, which are actually declining as they follow in the course we have chosen—namely, moving toward smaller and higher quality warheads. And the greatest danger isn't in their numbers of conventional weapons. We have chosen quality above quantity, and the outcome of the various Mideast conflicts suggest we've chosen the right course.

The more serious danger we face is from Soviet strategic nuclear weapons that are becoming ever quicker and more accurate. The Republican policymakers seem completely blind to this fact. We should all be disturbed that Mr. Reagan, and the entire Republican Party, are sailing along blissfully unaware of the most serious military threat our Nation has ever faced.

Today I am going to look very closely at the oncoming increase in the speed and accuracy of Soviet strategic nuclear weapons, and their significance for America's national survival.

Two months ago the House voted to continue production of the MX Glassjaw missile. Members made this decision by the narrowest of margins—if only three of my colleagues had voted otherwise, the decision would have gone the other way and the MX Glassjaw would have been canceled.

Ironically, the House took this action largely for reasons of arms control. If it were not for the belief that the Glassjaw MX will somehow bring us closer to arms control at some time in the distant future, this missile would have been soundly defeated—probably in the other body as well as on this floor.

I do not doubt the sincerity of those who oppose the MX Glassjaw on its merits, but who reluctantly supported it in sincere hope that it would lead to arms control.

But at the same time, there are questions I must put to my colleagues who took that position: My questions are these:

Do you know what the arms control proposals now being put forth by our negotiators in Geneva actually say? Do you?

Do you know the specific details of the plan in whose name you have voted to spend billions of dollars for a missile you know to be useless from a military standpoint?

Do you know if the Republican administration has any plan whatever to keep Soviet missiles from becoming more accurate? Are we working for that in Geneva? Do you know that?

Do you know if the Republican administration has any plan to keep Soviet missiles from becoming quicker and more dangerous in that respect, and more capable of surprise?

Do you know if the Republican administration has any plan to lower the number of quick accurate warheads the Soviets will have ready to attack each and every one of our silos?

And do you know the nature of the war plans under which the Glassjaw MX and our other nuclear weapons would be used? Do you know these things? Have you been briefed on the SIOP, the Single Integrated Operational Plan that governs the way this country would employ its strategic nuclear weapons?

In almost all conversations I have had with my colleagues, I have found the answer to be no. Almost without exception, the administration's support comes from those who say, and may even believe, they support arms control—but who would be unable to tell us exactly what it is they are supporting.

Recently I received a briefing, at my request, from the Arms Control and Disarmament Agency on the Reagan administration's position at Geneva. Since the details of that briefing are classified I will, of course, not discuss them on the floor of the House. Instead, I'll base the remainder of my remarks on those aspects of the administration's START position, which have been previously released.

But I recommend to each Member of this House, each Member who may be watching on the video monitors, and those who will read the Congressional Record tomorrow, that you receive this briefing yourselves. It is crucial that you do.

You need not worry about taking much time out of your busy schedules to do it. I say this because the Reagan administration's entire negotiating position can be laid out for you in approximately 30 seconds, or perhaps 40 seconds if the briefer talks slowly. And short as it is on detail, you will find it even shorter on substance.

Most of all, no one will find an arms control reason after seeing or hearing this briefing to support a vote for the MX Glassjaw. And no one will find a reason to give credence to our negotiators when they return to Washington as they always do, to once again peddle new nuclear weapons, as surely they will when the next Glassjaw vote approaches here in the Congress.

Before we go any further down this road, this Orwellian path on which arms race means arms control, I say we should take a very good look at where it will take us.

To take such a look: this is the purpose of this series of special orders which I began on March 20, and which I continue today.

When I began on March 20, I told the House that the Republican administration's national security policies—arms control and weapons combined—are, in strictly military terms, leading our Nation to disaster.

I pointed out how the Republican administration is worshipping at the altar of the false god of weapons "modernization." I pointed out how the Republican administration has failed to consider the other side of the coin; it has turned its eyes away from the unpleasant fact that there is no way we can modernize our nuclear and space weapons without allowing the Soviet Union to do precisely the same thing.

I pointed out how the end result of the next decade of bilateral weapons modernization on both sides will be a radical increase in the Soviet Union's ability to conduct a disarming first strike against us, and a corresponding decrease in our ability to deter such a strike. All this will happen because this administration refuses to give up, under any circumstances, the weapons it desires—even though these weapons will, in light of Soviet countermoves, leave us militarily weaker than we were at the outset.

I pointed out how there is a far better alternative: We can stop Soviet weapons from getting quicker and from getting more accurate. We can do this by shutting off their ballistic missile flight testing as part of a mutual, verifiable negotiated nuclear freeze.

And while I subjected the administration's national security policies to the condemnation they so richly deserve, at the same time I emphasized that none of my criticism was pointed at the hardy band of courageous Republicans who have voted for national security again and again, by casting their votes for the nuclear freeze and against the MX Glassjaw missile. I say it once more: These men and women have voted their consciences in the face of the most intense political pressure, and they have earned the Nation's thanks.

But Ronald Reagan and those who now make national security policy have not earned the Nation's thanks. On the contrary, they have set us on a road leading to ever weaker and weaker deterrence, and ever higher and higher risk of nuclear war.

I know these are serious charges. This afternoon, and in the days to follow, I will document them.

Today I'll begin with the problem of Soviet ICBM attack on our own ICBM silos. We need to understand this in order to judge not only the MX Glassjaw, but the general question of nuclear deterrence.

FREEZING ICBM'S

Our Nation has just over 1,000 ICBM silos scattered across the North Central States. Traditionally, these silos have achieved survivability by the combination of three assets: numbers, dispersion, and hardness.

When we originally built our ICBM silos in the 1960's, we made them so numerous and widely dispersed that the Soviet single-warhead missiles of that time would have had to exhaust themselves had they attempted to attack us. That is, the Soviets would have had to use up at least one of their ICBM's to destroy one of ours. This was clearly an unattractive proposition for the attacker, and contributed to deterrence by discouraging attack.

But we lost the protection of numbers in the mid-1970's, when the Soviets began to put several warheads on each missile. This is the multiple-warhead technology called MIRV. It allows them to threaten to take out several of our missiles while using up only one of theirs.

Under the Nixon administration, in SALT I, we had the chance to keep the Soviets from getting MIRV missiles. We could have prohibited MIRV flight tests, which the Soviets had not yet conducted successfully. But we blew the opportunity.

Acting on precisely the same shortsighted and foolish principles which motivate the Reagan administration today, the Nixon administration was then so determined to build its own MIRV's that it was willing to let the Soviets get theirs as well. As a result, our ICBM silos lost one of their key protections, and our ability to deter attack decreased accordingly.

Years later, Henry Kissinger would say to a congressional committee: "I wish I'd never heard of MIRV."

Mr. Kissinger's hindsight is nice, but foresight would have been better—and safer for America.

Of course, multiple warheads themselves aren't enough to destroy our silos. These silos are hardened to perhaps 2,000 pounds per square inch, which means they can survive the shock of a nuclear blast unless the explosion is very close—that is, unless the attacking weapon is very accurate.

So America and the Soviet Union are now engaged in a race, pitting the hardness of our silos against the accuracy of their ICBM's.

We're losing this race.

As General Scowcroft, the father of the MX Glassjaw himself, said recently: "In a race between hardness and accuracy, accuracy will always win."

But America doesn't have to run this losing race.

The nuclear freeze the Democrats want can redefine the rules. The freeze produces real military security by locking Soviet first-strike accuracy in place and permitting American silo hardness to move ahead.

In short, the nuclear freeze can preserve and actually increase the survivability of our ICBM silos. And survivability is the very essence of deterrence.

This is how we can halt and even reverse the insecurity through modernization the Reagan administration is imposing on America.

What can we do? Here's our opportunity:

It is a fact that further improvement in Soviet ICBM accuracy will require either new missiles or major improvements to existing models. A Soviet program to develop a new ICBM would require between 20 and 30 flight tests before a war planner would have enough confidence in it to use it in a surprise attack first strike.

But it's also a fact that new missiles cannot be developed without flight testing.

We Democrats seek to prevent that flight testing. We want to do it through a bilateral, verifiable, negotiated nuclear freeze.

And unlike the fantastic trillion-dollar concoction called star wars, the nuclear freeze is free.

Verifying Soviet compliance with a flight-test ban under a freeze would be easy. ICBM flight tests need large, visible preparations; they are easily detected by various types of satellite, aircraft, shipboard, and land-based monitors.

Under the freeze, there would be no way new Soviet ICBM's could be developed to the point at which they could be deployed.

Of course, it is unlikely that no flight tests will mean no change in missile performance forever. A completely static freeze isn't realistic. But neither is it necessary.

Small improvements in the accuracy of existing ICBM's are possible without flight testing. For example, the uncertainty regarding the position of both target and launch point can be decreased by more accurate satellite measurements. And irregularities in the Earth's gravitational field can be further measured and compensated for.

But militarily significant accuracy improvements will require major upgrades in such things as guidance hardware and software, in multiple warhead separation techniques, and in reentry vehicle design. These cannot be deployed untested without the risk of catastrophic failure. Thus, radical Soviet guidance changes that would lead to very high accuracy will be out of the question under the freeze.

Missiles are complex devices, pushing the state of technology to the limit—and sometimes beyond. Without full-system flight testing it's impossible to know with confidence how one component will interact with another. Computer analysis and captive testing are marvelous techniques, but they cannot fully simulate the acceleration, the vibration, the temperature changes, and the component interaction of real flight.

This has been demonstrated by the five new large ballistic missiles which have seen their first test in this decade: the Soviet SS-X-24, SS-X-25, and SS-N-20, and the U.S. MX Pershing 2. Four of these five missiles failed their first flight test.

It's true that some missile components could be secretly tested in military or civilian space vehicles.

But this wouldn't be of much use, since there are differences between such things as the trajectories, the reentry phenomena, and so forth of a space flight on the one hand and a ballistic missile on the other hand.

Moreover, there is the key problem of what weapons designers call the interfaces. That is, experience shows that two component parts of a missile may work fine by themselves, but when you put them together you may find they interact in a way that creates a problem nobody could have predicted. This is why it is impossible to have confidence in the reliability of components which have never been tested together. A guidance system might work fine in a space probe, but fail completely when put into a ballistic missile. This is why both we and the Soviets do so many tests—and why so many early tests fail.

Soviet war planners fully understand that installing a new guidance upgrade and having it fail in the midst of an actual strategic nuclear first strike surprise attack would spoil their whole day. It would leave them vulnerable to devastating U.S. retaliation.

Under the freeze, a Soviet missile designer would have to choose either proven reliability or theoretical accuracy; he could not have both. He could stick with his present force, which is adequate for deterrence and retaliation but not accurate enough for a comprehensive first strike. Alternatively, he could install new, theoretically better but untested components—and risk catastrophic failure.

Neither course leads to a high-confidence first strike. This is precisely the predicament in which Democrats seek to place the Soviets. The freeze will do it.

I repeat: The freeze will make a Soviet surprise attack first strike against our silos far more difficult than any other course we can choose. This is the essence of the national security case for the freeze.

By preventing new Soviet ICBM's and drastically limiting accuracy improvements on present Soviet ICBM's, the freeze will soon stop the decline in the survivability of American ICBM warheads. Even better, the freeze can enable us to harden our targets against frozen Soviet accuracy. In this way, we can dramatically increase the number of American ICBM warheads that would survive a Soviet surprise attack.

That, and only that, is deterrence.

That, and only that, will reduce the danger of nuclear war.

The better our weapons are able to survive attack, the less the chance that they will ever need to do so. The better Mr. Gorbachev knows our weapons can survive, the less the chance that he will be tempted to attack.

At this point, I'm going to insert in the Record a table. Using standard calculation methods, this table contrasts U.S. silo-based ICBM warhead survivability under the Republican modernization with that under the freeze that we Democrats support. The table illustrates two modernization cases: with and without satellite guidance. It also shows two freeze cases: with and without the small accuracy improvement that might be possible under a flight-test ban.

The table doesn't deal with cratering effects, because if the missile can crater the silo, as Soviet missiles will be able to do under the Republican modernization but not under the Democratic freeze, survivability will be so low it will be unmeasurable.

The table follows:

TABLE I.—U.S. RELIABLE ICBM WARHEADS SURVIVING WITH MODERNIZATION

[Mid-1990's]

U.S. silo hardness	MX-quality attack	Satellite-guided attack
2,000 psi (present U.S.)	10	<10
6,000 psi (present Soviet)	40	<10
10,000 psi	100	<10
20,000	260	<10

U.S. RELIABLE ICBM WARHEADS SURVIVING WITH A FREEZE

[Mid-1990's]

U.S. silo hardness	Worst case (10 pct Soviet accuracy gain)	Static freeze (no change from 1984)	Rusting missiles (1 pct annual accuracy and reliability loss for 20 years)
2,000 psi (present U.S.)	330	440	660
6,000 psi (present Soviet)	780	910	1,020
10,000 psi	940	1,130	1,160
20,000 psi	1,210	1,370	1,310

Mr. AuCOIN. The table shows that even the theoretical worst case under the freeze will leave us better off than the best we could expect under this thing the Republicans call modernization. And at any given level of silo hardness, the freeze will give us many times more surviving silo-based warheads than we could get from modernization.

Moreover, while this is difficult to quantify, it appears certain that the accuracy and reliability of both sides will decline without flight testing.

Because testing existing ballistic missiles as well as new types will be prohibited, problems in component aging and design will inevitably arise. Some component aging problems can be detected and the components replaced. But high-confidence fixes, especially of design problems, will be impossible without flight testing. And because of the ever-present possibility of defects which will be undetectable and unknown if there is no testing, confidence in accuracy and reliability will decline even more than real capability. General Vessey, the Chairman of the Joint Chiefs of Staff and a Reagan appointee, made this point in testimony before the Defense Appropriations Subcommittee earlier this year.

While loss of confidence in untested weapons will affect both us and the Soviets, it won't affect us equally. For both technical and psychological reasons, loss of confidence in existing weapons will help deterrence and further discourage a Soviet surprise first strike.

Let's look at the technical reasons first.

The fine edge of state-of-the-art accuracy and reliability is essential for a first strike against hard ICBM silos. but this is not what America needs, because we are not a first-strike nation. What we need is a deterrent that can survive, retaliate, and devastate any aggressor, no matter what the aggressor does to stop us. This mission needs weapons that can survive anything the other side can throw at them. It does not need superhigh reliability and accuracy.

The best way to shift the nuclear balance away from first-strike and toward deterrence is to force both sides to let their weapons sit untested.

Whenever I suggest this, I am always asked how we can keep our missiles reliable if we don't test them. This is a good question, but it's only half the question we need to ask.

The other half is this: How can the Soviets keep their missiles reliable if they don't test them?

The answer is, of course, that they can't. If neither side can flight test its missiles, over the years the reliability of these missiles will go down.

At first glance, this might seem to be a bad thing. After all, if we are going to reduce our numbers of nuclear weapons, isn't it essential that those which remain be highly reliable devices in which we have the highest confidence?

Again, this is only half of the essential question. The other half is this: Do we want the Soviet missiles to be highly reliable devices in which they have the highest confidence? Or do we want Soviet missiles to sit and rust?

Putting the two halves of the question together, we must ask ourselves this: Do we want to have reliable weapons so badly that we are willing to let the other side have them too? Or can we gain so much from Soviet weapons unreliability that it's worth letting our own missiles lose reliability as well?

The more you look at these questions, the more clear it becomes that missile unreliability is stabilizing, provided it occurs on both sides.

Here's why:

A first-strike surprise attack is an extremely difficult mission. Everything has to work just right for the aggressor. His targets are difficult to hit, and there are a lot of them. If only a small proportion of the aggressor's weapons fail, he will receive devastating retaliation from the other side's surviving weapons.

In contrast, deterrence by threat of retaliation is an easy mission. The major targets are relatively few, and they're not well protected. We can easily send many warheads against every major economic target in the Soviet Union. If one warhead fails, the target will be destroyed by the second, or the third.

So if we drive reliability down on both sides, if we force both sides to make do with rusty missiles, surprise attack first strike will become more difficult, and deterrence will become easier. This is precisely what we need to do.

Now let's look at the psychological implications of unreliable missiles.

Psychologists tell us that uncertainty has its greatest effect when a choice is available.

Suppose I am in a third-story room in a burning building. There are some bushes underneath my window but I'm not sure how thick they are and I'm not sure I can survive the jump. If the fire is two rooms away, rather than risk the uncertainly of the leap, I'll probably stay where I am. But if the fire is lapping at my feet, I'll have no choice and I'll take my chances with the jump.

The nuclear standoff is just like that.

It is the first striker who has the free choice of whether to use nuclear weapons or not to use them. So he will be deterred by lack of confidence in his untested weapons—and by the prospect of enemy weapons surviving to retaliate. But the victim finds himself with very little choice; he must retaliate, and will do it with whatever weapons he has, whether they have first-strike reliability or not.

General Vessey confirmed this when I asked him about it last year. He agreed that we couldn't have high confidence in our weapons if they hadn't been tested for years. But if the enemy attacks, this won't be a factor. As he put it, we'll just "go with what we have."

So the freeze will let us do what we need to do: we'll be able to deter by threat of retaliation. But it will stop the Russians from doing what we're afraid they might do, which is a Pearl Harbor type surprise attack first strike.

In order to do this, it is essential that the freeze prohibit testing and deployment of all ballistic missiles, not merely of new types. This is necessary both to lower confidence in existing weapons, and to prevent their upgrading.

I don't have much enthusiasm for a freeze that applies only to new types of weapons.

If, for example, testing of the present Soviet SS-18 and SS-19 ICBM's were permitted to continue, there would be little to be gained by shutting off tests of the new SS-24 and SS-25. Although the SS-18 and SS-19 are less reliable because of their liquid fuel, if we let them be tested without restriction, their guidance systems can be upgraded without limit. They can become nearly as effective first-strike devices as any new-type missile. The same applies to submarine-launched ballistic missiles.

This brings me to the next threat we need to look at: the threat of Soviet submarine-launched ballistic missiles attacking our silos. I will examine these in my next special order.

For now, the summary of the two positions on the threat of Soviet ICBM's is clear:

We Democrats have a workable plan to protect our ICBM's from Soviet ICBM's: By shutting off Soviet flight testing through a mutual, verifiable, negotiated freeze we will prevent Soviet ICBM's from becoming more accurate, and we will make them less reliable. Soviet first-strike capability will go down, and U.S. deterrence will go up as we increase the hardness of our silos and our number of survivable ICBM warheads rises from the present 400 up to well above 1,000.

In contrast, the Republican plan is no plan at all. If the Republican National Security Program is carried out exactly as proposed by Mr. Reagan, America's survivable silo-based ICBM warheads, regardless of hardening, will drop to near zero.

And this is only the beginning. When we consider the threat from Soviet submarine-launched ballistic missiles, which can strike with less warning than can their ICBM's, the military inadequacy of the Republican defense posture is even more dramatic. It stands in stark contrast to the obnoxious chest pounding and nonsensical talk we hear from Republican slogan-writers about America standing tall.

I will examine this in detail during my next special order, which will be 2 weeks from today.

□ 1630

ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. Gonzalez] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, once again I rise in pursuit of what I started several months ago here in this forum in my advice to the privileged orders, in this case of America.

I again for the record indicate a little bit of explanation, the historical initial beginning of this phrase, "the advice to privileged orders." As I have said before, it is based upon the exact track or essay that was written by the great revolutionary American, Revolutionary War hero at the time. He was also a chaplain for George Washington's Revolutionary Army. He was also an intellect, and literary figure, internationally established and a poet. He wrote very significant verse and prose which is as apt to us today as it was when it was written in the context of the world as it then existed.

□ 1640

His different appeal was based on his visit to the privileged orders of Europe for the need of revolutionary changes.

Being that at that point the French Revolution was in its beginning phases, because we must never forget that the French Revolution almost quite coincidental with the American Revolution, it was the American Revolution that gave birth to the most radical concept of all in terms of that world and the governments existing, and the form of governments that prevailed in the world at that time.

I think, as I have said before, that is very well reflected in the first five or seven words in the preamble of our U.S. Constitution. It had never been thought that a power, or what is called sovereignty in formal words, would ever be from anybody but a king or a potentate who, in turn, attributed his source of power to God, a divine right. And when the Americans evolved the concept which is still supposedly prevailing with us because our Constitution is supposed to be still in force, and that was that all power emanated from the people, the people of the United States who were forming the Constitution. And in the preamble it sets out the basic reasons for its enactment.

But that was a very revolutionary thought in that world.

Incidentally it was today. As a matter of fact, when the words are used, "We the people" today, we usually read them in the context of what we defined as socialistic or communistic endeavors or movements. But they in turn, even though they are doing so and appealing in the name of the people, usually are appealing so in the name of authoritarian terms, such as the working class, the dictatorship of the proletariat. Then the obverse of that medal, being the fascist corporate type of state which I have always felt would be the greatest source of danger to us in the United States than a communistic or socialistic type of endeavor. On that obverse side we see the actual source of power. And we must remember, and I say by way of parenthesis, Adolph Hitler was the ruling head or standard-bearer of the National Socialistic Party, and Benito Mussolini—now, of course, those names here I think the overwhelming majority, I would say at least 65 percent of the membership of my colleagues in the House, these words have only historical and intellectual significance—but to those of us still around who lived and breathed in the atmosphere and context of that world, very different images are conveyed to us. Whether it was Benito Mussolini, whom today seldom is referred to, and the beginning of what he called the Fascist state or the corporate state, the power, even though he arose on the backs of the laboring class. When Benito Mussolini got started, he got started as a labor union leader. He developed his power on the basis of the working-class element in Italy that catapulted him into power. What happened both in his case as well as in Hitler's, and, of course, in 1917 and 1918 with the advent of the Bolshevik sector of the Russian political parties in power and the evolvement of the Soviet Socialist representatives, in turn predicated on what the jargon or the dialecticians which have always been difficult for me to understand, have predicated on the rule of the working people, the dictatorship of the proletariat; all involved the very antithesis of the concept that the people themselves in the long run are the best judges as to what is best for them. To the extent that we have strayed from that in the United States, we have gotten into very difficult straits.

In my advice to the privileged orders, and as I have said before this includes primarily now my colleagues, because those of us calling ourselves Representatives are now, as a collective body in the Congress of the United States, a rather select, a privileged, if you please, group. Economically the rate of pay places us in that upper apex of the 7 to 10 percent in the United States. And I think this is very, very indicative of why certain things have been happening, why other things have been permitted to happen unquestioned, and why some things are happening now that the Congress should be considering, in my opinion, as matters of first priority, and are not.

I think it is significant to reflect on the fact that with the state of being, where better than one-third of the Members in the other body are calculated to be in the millionaire class, and now a very substantial number of those in the House are in the upper 5 percent stratum of our society as far as income is concerned, and with the corollary advent of the so-called political action PAC's which have invested in the last congressional races more than $130 million, that we now have, in my opinion, the impact of all of these three various current forces now impinging on our political and democratic processes reflected in the legislation and in the quality of legislation, but more importantly in the frustration to obtain action on what is unquestionably vital areas of consideration.

In my appeal to the privileged orders of America, I have said that the greatest and foremost need is for us to remember our revolutionary heritage. Instead we are frigntened at the word "revolution."

And this terrible misconception, as to what the real world is, in our immediate vicinity, to the south of us, particularly and forgetting about the far distances in the other sections of the globe, that it is such a fatal error that as I see the irreversible course of President Ronald Reagan in the judgment decisions made thus far that seem to indicate an irreversible course of action that I see leads us to catastrophe and in what will be a terrible loss, in my opinion an unnecessary loss, of treasury and blood flower of our youth.

□ 1650

More importantly, and I think the most ominous aspect as I see it, is that it will be pitting our children and grandchildren and great-grandchildren into eras of eternal enmity and hostility in this what we call new world.

We will have learned nothing from the experience of the older world, where we have these ancient and preterit hatreds and rivalries, carrying over even to this day and time in which we have, on several occasions, so blithely immersed ourselves, ignoring the history and ignoring the facts involved in that real world.

So that when I hear some of my colleagues express concern about the question of the basic predicate upon which we are now constructing not only our domestic budgetary edifice but our international and above all, our defense.

I have pointed out before to the same privileged orders, because now what Eisenhower called, President Eisenhower called the military-industrial complex is in total sway of these great corporate panjandrums that are interlocked now with all of our vast and powerful international, multinational now, banking and financial corporate structures that the power there now is so vast that as I have said before, and this is not idle talk, and I have always been very conscious in my selection of words, as to their meaning and the gravity of the significance of their use, and have never, never used a word unless very carefully preselected and with a very well-honed idea and thought as to the impact of the significance and the meaning of these words or phrases.

So that when I say that these forces now are in total control of the powers of decision that are basic to a nation's economic, that is, fiscal and monetary well-being, that we really should, here in the Congress, finally, somehow, even if it is perhaps later than we realize, rise and at least try to interpose some of the interests of the greatest number of our citizens in this country; the true and the greatest interests of the greatest number.

I have pointed out that, given this type of control by forces and individuals and collections of individuals who are not accountable to the people; they are not elected; they do not have to be: They control the processes, why should they bother?

As I have pointed out repeatedly, these factors, particularly the financial and banking, have now acquired the power that such men as Thomas Jeffereson and subsequent great Presidents; the one immediately after Thomas Jefferson expressing his great concern that these vested interests not be given the power of what they called the allocation of the nation's credit resources, have indeed now reached the point where for at least two decades, maybe a little bit more but at least two decades, they have been.

In every one of these steps leading to this total acquisition of power, the Congress has either wittingly or unwittingly aided and abetted.

I have pointed out that the biggest fear of such great leaders as Thomas Jefferson and Andrew Jackson and the next, Abraham Lincoln who, on the very week that he died, had this uppermost in his mind of the utmost concern, and said so explicitly in words that those classes of powerful entities surely do not want to recall and kind of shudder at anybody recalling much less uttering them.

Then next, after the 1907–08 depression and financial catastrophe, and the 1913 resulting enactment by the Congress of the Federal Reserve Act of 1913, President Woodrow Wilson, even before the entry of the United States into World War I, was quick to express his apprehension about how the intent had been even in the beginning distorted.

Now when we read the history of the enactment of the Federal Reserve Board Act of 1913, we have to read the history of the activities of what was known as the Pujo Committee, named after a Member of the House of Representatives, Chairman Pujo, who began the initial investigatory and oversight hearings after the fiscal-financial depression in 1908 in this country, the Panic of 1907 and the continuing crisis.

Precisely for the same reason of the panic of the 1860's, the panic of 1837, for example, basically the same reasons, but the difference being that during that period of growth the country had what one thinker called a safety valve, the frontier. We do not have that any longer.

This is why I always thought that President John Kennedy's adoption of his slogan of the day, "the new frontier" was so apt, because this is exactly the terms that we should be using in constructing our concepts of what has to be done in order to bring economic justice to the American people, which certainly nobody can say we really have.

Now at this moment we are being beset by some of the headlines in some cases, and some of the back page stories, with respect to the peculiar class of savings and loan institutions that have a rather disappointing and alarming remembrance of what some of us lived through during the depression era, as we were growing up but still recall vividly.

We are puzzled. Even members of the Committee on Banking—of which I have been a member for 24 years, since I first came up—and actually, I do not know whether to laugh or cry, because it reflects the very things that some of us have been talking out on since 1965. It was obvious then to anybody that studied carefully and just did not let his mind be influenced by special pleading of the special interests, that America was headed for serious trouble.

Also, it would require, not only a reading of but a remembrance of history. History is a seamless web. It is not a neatly compartmentalized series of events. The events today are only the results of things that have anteceded this present day and time.

So that it was obvious in the beginning of the decades of the sixties that the world had changed, that the Europe of the forties and the fifties was a vastly different world.

My first year in this body I had the privilege of sitting in on the first so-called debates on what turned out to be the Kennedy rounds and the adoption of the General Agreement on Tariffs and Trade.

As strong a supporter of President Kennedy, I did not vote for that one gem of legislative program that he presented to the Congress.

□ 1700

And the reason I did not was because of clauses that were incorporated into that agreement that reflected that American interests were going to be very vulnerable and that there would be no way that those manufacturing industrial complexes of our Nation would find themselves competitive, no way. No matter how much they modernized, no matter what innovations were inaugurated for production, and the like, it would be an impossible competitive world. But at that time there were no symptoms overtly, and when I asked the question as to why a certain clause was included in that bill, I received no answer.

My practice and principle ever since I have held a representative elective office—and I might remind my colleagues that that began 33 years ago in the City Council of the city of San Antonio, and then later 5 years in the State senate of the State of Texas, and now about 24 years here on this level—that my principle of behavior has been that if questions of a serious nature cannot be answered satisfactorily, that action that is sought of my vote will not be forthcoming, and either I will vote "no" or I will vote "present."

I might point out for the benefit of the Members here that have not been here this long that I was considered the originator of this concept of voting "present." That vote was unheard of when I came here to the House. But when I saw that bills were brought up from the Ways and Means Committee, tax bills, with a closed rule, that is, nobody could offer amendments, you could not do anything much other than either vote up or vote down, I did not feel that I could support a closed rule, and I voted no. And then when the bill—at that time we had very few recorded votes—was brought up anyway and passed out on a voice vote, I could not find a way to register my voice as "no" and when they did have a recorded vote, not being able to answer a constituent who might have subsequently asked me, "Well, why did you vote yes?" or "Why did you vote no?" and I not being able to explain, I just voted "present." And for the first year and a half I was here they called me "Mr. Present."

Now, today that is taken for granted, and there are several votes on which we will see that orange light lit up during the yea and nay vote, just a Member recording his vote as "present." I vote that way when I cannot answer exactly why I would vote another way. And that has been a practice of mine, right or wrong.

In this case, I also reflected on the fact that in all of the 9 of 10 volumes of the collected speeches and addresses and writings of President Dwight Eisenhower there is not, and there was not then, one line reflecting the fact that Europe was emerging into what was known as the Common Market or the European Economic Community. And yet my interpretation of the GATT or the Kennedy round or the U.S. Congress' approval of the general agreement of trade and tariff was that it was there because of the realization that Europe was developing this competitive status.

So then, in the 1960's and certainly by the 1970's, the statistics showed me—on my request I obtained these statistics—that whereas the United States had been supplying for the world over 35 percent of food and fiber, Europe soon displaced the United States and the proportion of the European Community was approaching the reduced level of the world share of the United States. So that when I see the continued neglect of these most vital though sometimes they seem to be complex and esoteric, the reality is, my collegues, that they really are not. These are not things that only a selected handful of geniuses can understand. Yes, if you want to follow all of the gobbley-gook or what Shakespeare called hyperbole, 3-plied hyperbole, silken terms—imprecise, I would say, rather than precise—yes, if we want that, then, of course, you will be obfuscated because you will be reading obfuscation. But if you look at the plain meaning of simple words, you will find that these matters are not that complex and that each and every one of us should be responsible for a minimal functional ability to discern and therefore evaluate the issues as they are hitting us.

Now, one other thing is that if the Congress is not informed, then the people cannot be either, and the truth of the matter is that the American people are not informed, and of course we are the delegated agents of the people. Ignorance is no excuse for us and it should not be. But the fact is that if we want to make this a complex area it can become. Anything can.

I remember when I first went to school I did not know a word of English, so I had to stay a whole year in what they used to call the low first. But it was not long before I felt the challenge, mostly inspired by a great public school teacher in the third grade by the name of Miss Mason, and I decided to compete and do the best I could, and I ended up being the spelling champion and later the arithmetic champion. But I remember one teacher, later in high school, when I asked to be given the privilege of taking more than three math courses, and I wanted to take what they called then—I do not know what they call it now—solid geometry, the teacher said, "Well, you have to have a special mind. The trouble with all of these kids going into that class is that the only reasons they are taking it is because they have got to have something, and then after they are in there the teacher has to pass them mostly because of kindness but not because they have learned anything." And that phrase struck me, "You have to have a special kind of mind.'

Well, I developed into a pretty good mathematician. I ended up studying engineering and went through college. I first studied engineering and then studied law and went to law school. But in engineering, the reason I kind of got sucked into that was because of my facination with mathematics. And so I had the equivalent of 4 years of college mathematics at that time. Of course, since then we have had such an explosion in knowledge in mathematics and engineering that I would say every one of us would have to go back to school for at least another 4 years.

Nevertheless, the point I am trying to make is that it is not true anymore than in government we have to have a select chosen few to lead us because they know better. The eternal truth is that always mankind has had two general thoughts with respect to that. One holds that there is a saving remnant, in the words of the English writer Matthew Arnold, and then the other is predicated on what I feel is the basic American concept, and that is that the people themselves in the mass and generally are the best judges as to what is best for them. Yes, maybe a leader will emerge who temporarily may seem to be having the answers, but in the long run it has not worked that way. We in the 20th century should be the greatest witnesses to that, and especially now, but certainly after vast world conflagrations, which some of these so-called misbegotten leaders indulge their nations in, to their catastrophic end, as we are still witnessing, so that when I see that some of these events are not reported to the American people either fully or understandably, such as the recent visit and the address of the British Prime Minister, Mrs. Thatcher, to this joint body, but particularly her visit with our Chief Executive, President Ronald Reagan, to read our press we would have concluded that the only purpose of Mrs. Thatcher's visit was to pronounce her approval of what has been known as President Ronald Reagan's star wars proposition or the strategic defense instrumentality.

□ 1710

The truth is that that was not even a matter of serious discussion. The headlines were not accurate. Mrs. Thatcher had just prior to that made a visit to Moscow, in which she denounced the concept of the eventual use or deployment of such a thing as whatever it is, is meant by star wars.

What she did tell the President and the American public and us here was that she had nothing against studying the proposition. Research, not development. Research and study. But the most important, impelling reason for her visit was economics; international, and the fact that the United States had reached a point where its leaders in Government, whether the Secretary of the Treasury or the President under this current administration, it appears to be the President. But who in turn appears to be making his decision on the basis of a coterie of very close and intimate advisers, who, in turn, through the years have reflected a very definite philosophy of government that is not exactly democratic.

So that all of that was lost. Then came the trip to the so-called economic summit meeting in Bonn. This year, it was the turn for the West German Government to be the host, as it was in 1979, when President Jimmy Carter made the trip to Bonn for the same purpose. It was one of the first so-called economic summit meetings.

But what is the real purpose? National leaders from these other countries do not make those trips in order to exchange pleasantries; they do not make those trips in order to have the President have the opportunity to put on his boots and ride horseback in Buckingham Palace. They have very definite purposes. Because all the time these nations and their leaders have first and foremost the national interests of their constituencies first and foremost.

In our case, we do not even report to the American people any more than the secret meetings between the Chairman of the Federal Reserve Board and the President of the United States are communicated to the people. Certainly not to the Congress; much less to the people. Yet, these are of vital significance.

For example, in 1979, as I have been saying here, and, incidentally, and I might say for the record, that the only voice that has even mentioned such things as the ECU, the European currency unit; or the EMS, the European monetary system, has been this voice, in the entire American Congress.

Now, I do not take pride in that; it disturbs me. I am concerned, as I have been very worried; and I have been very worried since 1965, and particularly 1966 and the credit crunch of that year in the summer of 1966. It was self-evident to me that unless our leaders, whether it was in the White House or in the Congress, took cognizance of what was plainly the handwriting on the wall that we were headed for very turbulent and very disastrous involvements.

Money, trade, exchange rates, most of us have a good idea or a fair idea of what money, trade, international trade, exchange rates, international exchange rates, may be a little bit more, what the professors call esoteric. That is, mysterious or not generally understood.

Interest rates. Most of us think we know what we are talking about when we say interest rates. But unless we have occasion to have real need for a line of credit in business, even a $1,000 or a $3,000 line of credit for say, a small, small businessman's inventory. Unless you do and realize that you are going to have to work awfully hard and you are going to have to be almost working for the bank that lends you that money, if you have to pay back back at a 16-percent, 17-percent, 15-percent, even an 11.5-percent rate. Always through history these were considered usurious, extortionate, illegal.

I am sure that many of my colleagues, and I know many of the citizens that I come into contact with over the years, whether in my own district or in the State or outside of the State, seem to think that there are laws on the books that protect them against usury. When I explain to them that there is no such thing, they cannot quite understand. They say, "When did this happen?"

Well, I have gone into that so many times I will not go into it now. I just want to make the point that money, interest rates, trade, exchange rates all are inseparable. They are like history: A seamless web of economic activity. Interest rates, I have defined. I have not seen an economist define it that way. So I will take full responsibility, as I say I always do, for my words. I believe that any man that is in an activity in which words are the indispensable tool, should be very responsible for every word uttered, and that, I have tried to be. In, as I have said, 33 years of elective office experience.

So that when I point out that these things are a seamless web, and I have pointed out some of the impact of what we call the external, that is, those things that are happening outside our shores, those forces, whether in Europe or in Japan or in Asia, or in the New World; North and South America. It makes no difference. We now are impacted to such a point that no matter what we do domestically, we can talk all we want to about balancing the budget. We can talk all we want to and we can, through jiggery-pokery say, well, here is a balanced budget or here is a budget resolution that will reduce the deficit. Nobody is even talking any more about a balanced budget. They are talking about reducing a domestic budget forgetting that the really big issue is that international trade and what they call current payments and interest deficit that is costing American jobs every day in the thousands.

We ended up, December 1984 with the most monstrous international trade deficit in the history of any country or combination of countries; $140 billion. I estimate that for every $10 billion of that $140 billion American have lost one-quarter of a million jobs permanently.

When the President was going over to the summit and arrived in Bonn, our newspapers had, some had it front page; some had it in inside pages, the announcement that unemployment had not gone down; that, as a matter of fact, they said it in a reverse sort of a way. It had gone up, but the most significant thing that I never thought under this new, jiggery-pokery way of figuring out the statistics would be admitted to, was that we had a total number of jobs less than before.

□ 1720

I am sure this had an impact in Europe because the President was going over to say how Reaganomics had brought prosperity, but at the same time, the week before, the Vice Chairman, or the equivalent of the Vice Chairman of the Federal Reserve Board, Preston Martin, in weasel words was saying we have now a depression in recovery, we have a depressed recovery. I have never heard a more contradictory use of words than that one. I marveled at the Vice Chairman's use of words.

What he was saying was that now you cannot hide the fact. The so-called Reagan recovery, which I have said all along was a delusion, the so-called control of inflation. Where has inflation been deflated? In the basic cost of living? Have rents gone down? Are they deflated? What I read is that they go up constantly, and I am chairman of the Subcommittee on Housing and Community Development, so I think I ought to know these statistics.

Has the price of groceries gone down? Are we paying less for groceries? Well, I will tell you that I would have a hard time, as I did when the colleagues from the other side were boasting about a recovery and inflation having been controlled, I defy them to go home and explain to my wife where the groceries have gone down; in fact, prove that they had not gone up.

The truth is that when it comes to the basic cost of living, we are in a constant and an inflationary situation. Wages, and the median average wages received by American workers, have gone down, not stabilized. It is less than it was in 1981, certainly less than it was in 1975, and this was when we were coming out of the then so-called dip or recession.

The significant thing is that at the bottom of this is this question of interest rates. I define interest as that mechanism by virtue of which wealth is transferred within a society. This fact was known as far back as 7,000 years before Christ, in the Code of Hammurabi. We read absolute, strict prohibitions on what we define as usury. At the time of Jesus Christ himself, usury was punishable, in certain areas by death.

So all through history that particular force which we call interest rates is something that has had to be controlled, and the reason is simple. The reason we have government is that those forces in our human existence that would destroy others needed the control of the collective defense of the people. This is why we have government. If government ceases to protect the people in their personal safety, and we have areas in our country today, I have some in my district that I have gone to the grand jury since 1970 because of the fear in which entire neigborhoods have lived and with no adequate police protection, that is, no State protection, no governmental assurance that they are safe in life and limb in their own homes.

These things do not occur happenstance. There are causes, and the basic cause, for most if not every one of the maladjustments we read about are predicated on the extortionate, sinful, I say criminal interest rates that have flagellated America now for quite a few years unbelievably. In 1966, when I first addressed a letter to the then President of the United States, I did not get much attention because interest rates were not much over 6 percent and nobody seemed to think that there was any reason to be concerned. It was to no avail that I reminded my colleagues then, and the President, that there was no force that would be around to prevent an inordinate increase. I remember the chairman of the full Committee on Banking then saying, "Henry, you are overexercised. I cannot see interest rates ever going even as high as 7 percent." Well, I am sure he has turned over in his grave 50 times since 1980 when the prime interest rate went to 21 percent.

Now, what happened in the interval? The statistics are a sorry, sorry story. We have had as great or a greater number of businessess go broke, disappear, than ever since the depression. Our international trade balance, which means jobs to America, permanent jobs have been lost. For the first time, as of 1984, since Teddy Roosevelt's days, the United States is a debtor nation. We were not and had not been since about 1914. As a matter of fact, when Teddy Roosevelt did bring about the construction of the Panama Canal after the French failure, we had to go to Paris, France, to get the capital, about $40 million, in order to be able to construct the canal.

We are now a debtor nation for the first time since 1914, but more importantly, we are back in what I say is the equivalent of what was happening during the time of the American Revolution, and one of the basic reasons for the American Revolution was the mercantile system, where the colonies were supposed to be the dumping ground, the consumer, and any kind of manufactured article or goods would have to come from the mother country at a price that was so high that it finally led to revolution. American merchants and beginning manufacturers could not see why, with the use of the materials that we were sending to the mother country, that we, ourselves, could not manufacture, although in the beginning they may have been of a little bit more inferior quality, at about one-tenth of the price of what was having to be paid for this imported goods from the mother country.

We are in that situation now with respect to Europe. As I have pointed out, in 1979, the communique that came out of the economic summit meeting of 1979, the last sentence of that communique, I doubt that anybody in the general public or in the Congress paid attention to it, but it had one significant sentence. It said the signatories agreed to the development of the ECU, the European currency unit, and the EMS, the European monetary system.

Even though everything we read about President Reagan's trip to the Bonn economic summit meeting earlier this month had to do with the controversy about the visit to Bitburg, and then the big headline on the Sunday at the conclusion of the conference that France single handedly had not agreed to go along with what—with some vaguely reported trade agreements as to free trade and the like, and that kind of stuff.

But the real thing, as I reported to my colleagues in the Record before the summit meeting, late last month and the first week of this month, was that the finance ministers of the Group of 6 or Group of 10, depending on what you want to call the real powers of the European Community had had a meeting.

☐ 1730

I am the only one that I know that reported this meeting, either in the American press or, much less, to the Congress, and that was that on April 13 and April 14, in Palermo, Sicily, the finance ministers of these six countries met and agreed to carry out the agreement they had reached sometime before April 13 and April 14 in Basel, Switzerland. And that was to put real significance and meaning into the European currency unit and to, therefore, put life into the European monetary system in order to decouple Western Europe from the U.S. economy.

Now, at the Palermo meeting the six ministers definitely decided to convert the ECU [European currency unit] into an international reserve instrument to compete with the dollar. The ECU, in short, is the accounting unit for the Eurpoean currencies. Their collateral action taken with respect to the EMS [European monetary system] was to provide for the first expansion of EMS, which would allow non-European central banks to hold ECU's [European currency units] which means then that the dollar is done in as the international currency unit.

What does that mean to us? Well, I think we have to go back and see what the catastrophic and monstrous international trade deficit has already done to us. The report that we saw the same day the President left for Bonn was that unemployment in effect, they were saying, has increased. It has not gone down any, and the President's story about how many jobs had been produced was fallacious; it was in error. We have lost jobs, most of them permanently, because of the fact that we have become a consumer, not a producing nation.

Who would have thought, for instance, that the American machine tool industry was in such a state of defunction as was presented to us in the Small Business Committee early last year by one of the spokesmen for the American machine tool industry? Well, let us see why. Designs for machine tools come from abroad, the parts are made in several countries, they are assembled in several others, and then the United States markets them with brand name firms. What that means is that all those jobs which we used to have in our machine tool industry, which used to be the leader, the pride of the world—this was what Franklin Roosevelt called the "arsenal of democracy" during World War II—are gone.

Another item is research and development. Pratt & Whitney joined Rolls Royce. For what? For new engine technology.

The almost totally nationalized nation of France signed agreements with 17 universities in our country to research robotics and the so-called artificial intelligence, and, therefore, France now has outcompeted us in such things as satellite communication, in which we were first, in which we had initial leadership until this year. France's and West Germany's imports into the United States just in 6 months of last year, the last 6 months, increased incrementally 20 percent. AT&T, ITT, and IBM compete for hookup with foreign firms, with Japan's Nippon Telephone and Telegraphic and Italy's Olivetti on their terms.

The reason? Again we go back to that old devil, interest rates.

Why are the S&L's in Ohio and, after that, in Maryland, in trouble? And there is one other State that has this kind of unique, S&L, State-initiated, State-supported, ostensibly State-regulated system. What is the condition of what we call our regular S&L's? Well, I would say at this point that over 70 percent of them are in serious trouble.

Why is that? Why does it appear to have happened all of a sudden? We have been trying to address this issue since 1966, and very specifically since the 1970's, and more specifically just 3 years ago, in 1982, when the Congress approved what now is called the Garn-St Germain bill, which was supposed to be almost exclusively for the purpose of saving the S&L's then.

I had the very distasteful lot to appear before the Rules Committee in opposition to my chairman, whom I respect highly and of whom I am glad to be a loyal supporter, as the ranking member of the Banking Committee. But why did I do so? Because in that bill Congress was enabled to really seal their fate. We no longer have a savings and loan system in our country.

Savings and loans were especially created along about 1940 for the purpose of housing Americans, constructing homes, and enabling Americans to purchase those homes at affordable prices through the use of a special credit allocation mechanism known as a savings and loan. They had certain privileges and subsidies that set them apart. But then came the advent of the money manias of the 1970's and the 1980's, the so-called real estate investment trusts, which today are one prime cause of this instability of the S&L's but which are now a demon because, instead of the old REIT's, the real estate investment trusts that were the scandals 10 years ago that were in

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the private area, now they have mixed in the Government through the Government securities speculative markets, and we are really facing real, real serious problems and dilemmas, with nobody that I know specifically addressing the issue except as a post mortem—like after the Penn Square failure in Oklahoma and the Continental Illinois.

I do not know what any responsible Member of this Congress or any American leader is waiting for, but we have now more than the handwriting. We had the handwriting on the wall, as I saw it, in 1966. What we have now is the fulfillment of a rather direful and sorrowful prediction that we so unhappily felt compelled to make in the 1960's, the 1970's, and later in the 1980's. And what we have is this: We have the taxpayer investing $6 billion in order to save the Continental Illinois but in effect nationalizing the bank. We like to think that does not happen in the United States, that happens in other countries, that we do not nationalize. But we in effect did.

But look at the sorrowful tale. Even the post mortem here I deplore. I feel that we do not need post mortems unless they can lead to actions. Rather than post mortem actions, I like anticipatory actions. This is what I have been advocating, because not only have I been pointing out dangers and problems and deplored situations, I have offered specific suggestions by way of legislative proposals and other suggestions. I am on the record on that, and this is the reason I am on the record today, because, as I see it, we are on the verge of a teetering situation that we should anticipate.

The **SPEAKER** pro tempore. The time of the distinguished gentleman from Texas [Mr. Gonzalez] has expired.

☐ 1740

INTRODUCTION OF NUCLEAR WASTE LIABILITY LEGISLATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. Morrison] is recognized for 30 minutes.

● Mr. **MORRISON** of Washington. Mr. Speaker, today, I am introducing important legislation which establishes liability and indemnification for nuclear incidents arising out of Federal storage, disposal, and transportation of high-level radioactive waste and spent nuclear fuel. This bill amends the Price-Anderson Act to ensure that the Federal Government, through its Federal contractors, assumes responsibility to provide total indemnification for public liability claims resulting from nuclear waste disposal activities.

The original cosponsors of this legislation are: Norman Dicks, Rod Chandler, Barbara Vucanovich, Harry Reid, Beau Boulter, and Larry Combest.

This bill, "The Federal Nuclear Waste Disposal Liability Act of 1985," addresses a troubling concern voiced by the States now involved in the site selection process for disposal of high-level nuclear waste and spent nuclear fuel. That concern simply expressed is: "Who has liability in the event of an accident and for how much?" While most authorities acknowledge only the remote risk of a nuclear waste incident resulting in substantial damages, that risk is ever present and is a driving force in any negotiations on nuclear waste. This is why we need to resolve the nuclear waste liability issue now as the affected States and the Federal Government work together to make the critical decisions on site selection.

However, the current laws governing nuclear waste and nuclear liability matters—the Nuclear Waste Policy Act of 1982 and the Price-Anderson Act of 1957 as amended—do not clearly settle who is responsible for such nuclear waste incidents and to what extent. The bill I am introducing today is intended to clarify this ambiguity by putting the brunt of the responsibility where it belongs—squarely on the Federal Government.

My bill accomplishes this objective by making two fundamental statutory changes.

First, the Price-Anderson Act is amended to eliminate the current $500 million liability ceiling for those Federal contractors engaged in nuclear waste disposal activities. With the existing liability cap, those parties injured from incidents related to the disposal of nuclear waste could not recover directly more than $500 million under the Price-Anderson mechanism. This limited notion of liability is an anathema to the States and other affected parties. The liability cap has become one of the major roadblocks threatening to sidetrack cooperation between the affected States and the Federal Government in the site selection process. In my mind, it is irresponsible for the Federal Government not to accept unlimited liability when they are taking title to spent nuclear fuel, managing its storage and disposal, and selecting and siting permanent repository sites.

Second, the bill sets up a two-tier system for payment of liability claims. The initial source for payment of liability claims—up to $5 billion—will be the nuclear waste trust fund established in the Nuclear Waste Policy Act of 1982. This fund, which can be adjusted accordingly, represents a ready pool of cash for paying claims. The fund is the appropriate source for payment of initial liability claims since it is essentially a user fee made up of revenues received from the generators of high-level nuclear waste. The second compensation tier for those liability claims in excess of $5 billion will be general Federal revenues.

I hope this legislation and other good-faith efforts to resolve the liability question will be a symbol of the continuing willingness of the Federal Government and the affected States to work out in a cooperative fashion potential areas of conflict and disagreement. For if the cooperation between the various entities—a hallmark of the act—is lost, the complete unravelling of the nuclear waste site selection process is not far behind.

A section-by-section summary of the bill as well as a copy of the legislation follow:

SECTION-BY-SECTION SUMMARY OF NUCLEAR WASTE LIABILITY BILL

SECTION 1.—SHORT TITLE

The bill is called "The Federal Nuclear Waste Disposal Liability Act of 1985".

SECTION 2.—FINDINGS AND PURPOSE

The Congress finds that the Federal Government currently does not, but should, assume the responsibility to provide total indemnification for public liability claims arising out nuclear waste disposal activities, including interim storage, transportation, and ultimate repository disposal. The Congress also finds that such indemnification should in part be paid out the Nuclear Waste Fund which consists of revenues obtained on a ratable basis from the generators of hgh-level nuclear waste and spent nuclear fuel.

The purpose of this Act is to amend the Price-Anderson Act to ensure that the federal government assumes the responsibility to provide, in part through the use of the Nuclear Waste Fund, total indemnification for public liability claims resulting from nuclear waste disposal activities.

SECTION 3.—FEDERAL NUCLEAR WASTE LIABILITY AND INDEMNIFICATION

A new paragraph (2) is added to Section 170d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)) which mandates that:

(a) the Secretary of energy shall enter into indemnification agreements with all federal contractors carrying out nuclear waste disposal activities outlined in the Nuclear Waste Policy Act of 1982;

(b) in these nuclear waste federal contractor indemnification agreements, there shall be no cap on the amount of liability for which the federal government is responsible; and

(c) such payments required under the indemnification agreements shall be paid from amounts available in the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act, except that the amount available from the fund shall not exceed $5 billion per incident. Liability amounts in excess of $5 billion will be provided directly from general federal revenues.

Finally, the bill amends section 170n(1)(c) of the Atomic Energy Act so that the waiver of defenses available for extraordinary nuclear occurrences are also applicable to those activities related to the disposal of nuclear byproduct material.

BEST COPY AVAILABLE

H.R. 2524

A bill to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to establish liability and indemnification for nuclear incidents arising out of Federal storage, disposal, or related transportation of high-level radioactive waste and spent nuclear fuel

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as "The Federal Nuclear Waste Disposal Liability Act of 1985".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Federal Government currently does not, but should, assume the responsibility to provide total indemnification for public liability claims arising out of nuclear incidents relating to Federal storage, disposal, and related transportation of high-level radioactive waste and spent nuclear fuel; and

(2) such indemnification should be made in part from amounts available through the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222).

(b) PURPOSE.—The purpose of this Act is to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) to ensure that the Federal Government assumes the resonsibility to provide, in part through the use of the Nuclear Waste Fund, total indemnification for public liability claims arising out of nuclear incidents relating to Federal storage, disposal, and related transportation of high-level radioactive waste and spent nuclear fuel.

SEC. 3. FEDERAL NUCLEAR WASTE LIABILITY AND INDEMNIFICATION.

(a) LIABILITY AND INDEMNIFICATION FOR ACTIVITIES UNDER NUCLEAR WASTE POLICY ACT OF 1982.—Section 170 d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2 (A) The Secretary of Energy shall enter into agreements of indemnification with each contractor of the Secretary carrying out contractual activities pursuant to the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et seq.).

"(B) In such agreements of indemnification, the Secretary of Energy shall, notwithstanding the provisions of subsection e., indemnify the persons indemnified against claims for public liability for nuclear incidents arising out of or in connection with contractual activities pursuant to the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et seq.), including the storage, disposal, and related transportation of high-level radioactive waste and spent nuclear fuel.

"(C) The Secretary of Energy shall make any payments required under an agreement of indemnification entered into under this paragraph from amounts available through the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222), except that the aggregate amount of payments made from amounts available through the Nuclear Waste Fund shall not exceed $5,000,000,000 in connection with each nuclear incident.".

(b) APPLICABILITY OF WAIVER OF DEFENSES REQUIREMENT TO LIABILITY FOR FEDERAL NUCLEAR WASTE ACTIVITIES.—Section 170n.(1)(c) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)(1)(c)) is amended by striking out "a device utilizing".●

SOCIAL SECURITY COLA'S SHOULD NOT BE ELIMINATED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Mrs. BURTON] is recognized for 10 minutes.

● Mrs. BURTON of California. Mr. Speaker, like many of my colleagues, I was deeply disturbed that the President decided to retreat from his promise not to reduce Social Security benefits. The budget resolution passed by the other body, and supported by President Reagan, eliminates Social Security COLA's for 1 year. According to the Congressional Budget Office, over 600,000 senior citizens would fall below the poverty line as a result of such an action. We cannot let that happen.

In our efforts to reduce the deficit, there are those who have spoken forcefully against any cuts in defense spending. Yesterday, our colleague LES ASPIN informed us that defense spending has been overestimated by $9 billion. I think it is clear that we could hold down defense spending without weakening our national defense. The same is not true for Social Security cuts. Hundreds of thousands of people will suffer from such an action. Our elderly and disabled populations are least able to bear the financial burden of the President's deficit reduction plans.

LEGISLATION TO ACCELERATE PUBLIC RELEASE OF PROCEEDINGS OF INVESTIGATION OF ASSASSINATIONS OF PRESIDENT KENNEDY AND MARTIN LUTHER KING, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. MCKINNEY] is recognized for 15 minutes.

● Mr. MCKINNEY. Mr. Speaker, today I am joining my colleagues from the former House Select Committee on Assassinations [SCOA] and many other Members to introduce a bill to accelerate the public release of the proceedings of the committee's investigation into the assassinations of President John F. Kennedy and Dr. Martin Luther King, Jr. The release of these carefully screened documents will complete the job the committee originally set out to do—shed light on all aspects of the assassinations and put to rest public speculation on these tragic events.

Because of time and funding constraints, the select committee did not meet to oversee the release of its records after submitting the final report on its findings, and the records became embargoed for 50 years in accordance with House tradition. Our resolution simply would direct the Clerk of the House to permit the Archivist of the United States to release, for public use, the committee proceedings, in accordance with the intent of the committee.

The proceedings of the Select Committee on Assassinations currently are the only collection of investigatory records on the Kennedy and King cases which have not been reviewed and released for public access. Over 90 percent of the proceeding of the President's Commission on the Assassination of President Kennedy, better known as the Warren Commission, have been available for years to scholars, historians, journalists, and the interested public. These records were made available by a special direction of President Johnson which waived the 75-year National Archives holding rule. My colleagues and I believe that the House of Representatives should show the same respect for open government and freedom of information and begin the release of appropriate Select Committee on Assassinations' records.

I can assure my colleagues that sensitive material would not be made public under this resolution, as it explicitly adopts guidelines used by the National Archives for processing the Warren Commission's records. These guidelines prevent the release of information that:

Would be detrimental to enforcement of U.S. law; might reveal the identity of confidential sources or jeopardize future investigations; or might embarrass innocent individuals.

This resolution also prohibits the release of records from any proceedings that the committee voted to keep secret or where confidentiality was guaranteed to a witness in executive session. The committee had strict and explicit rules regarding the designation and segregation of classified material, and these rules would be honored, without exception.

Last session, a similar resolution (H. Res. 160) was reviewed by the full Committee on House Administration. The suggestions made by the committee at that time have been incorporated into the resolution I am now introducing. In response to concerns raised, authority to disapprove the release of any record will remain with the Clerk of the House, who is directed to apply the standards established by the Warren Commission. This session's resolution also exempts records inconsistent with the privileges of the House from release, so as not to prejudice the House as an institution.

The opening up of these important documents would serve two purposes: It would assist those with a scholarly or personal interest in the lives of these two men; and it would allow the public to assess the performance and conclusions of the Select Committee on Assassinations. I believe that the unique nature of this committee lends itself to a special consideration of the benefits of making these proceedings public, without jeopardizing those who testified under guarantee of confidentiality.

Finally, I hardly need to remind my colleagues that President John F. Kennedy and Dr. Martin Luther King, Jr., both were eloquent advocates of honest government and the value of an educated citizenry. Passing this resolution and releasing the records of the Select Committee on Assassinations would be a most worthy testament to the ideals for which these two men stood.●

DASH TO MANAGUA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 60 minutes.

Mr. RITTER. Mr. Speaker, my colleagues and those who are watching this program, I would like to introduce an item that was published in today's Washington Post. It is an editorial by Rowland Evans and Robert Novak. It is entitled "Dash to Managua."

This editorial is disturbing. It is disturbing for reasons that are both constitutional and political. It is disturbing for reasons that are also related to the safety of the United States of America.

The constitutional question involves the Logan Act, the idea that the President and the executive branch makes foreign policy.

The political question involves the idea that Members of Congress are conducting foreign policy with a government hostile to the United States of America. Let me just read a little bit from this editorial today:

> No sooner had President Daniel Ortega flown off to Moscow than two Democratic congressmen arrived in Managua for the weekend to plead, according to U.S. diplomatic cables, for help from the Marxist-Leninist regime in calming the congressional uproar over the Nicaraguan's telltale trip.

I ask you, what in the world are two Members of the United States House of Representatives doing in Managua, Nicaragua, pleading for help on a sensitive political issue from government leaders with expressed hostility to the Government of the United States?

Representatives GEORGE MILLER of California and DAVID BONIOR of Michigan, I might add, two individuals for whom I have respect and whose patriotism I do not question, going on with the quote:

> Reps. George Miller of California and David Bonior of Michigan say "no comment" on their "private conversations" with Sandinista leaders, from which U.S. Embassy officials were excluded. But cables reporting on their talks have surfaced on Capitol Hill, where we obtained them. They describe the congressmen as making the trip to "see what the [Nicaraguan] government could do to help them out of a difficult political situation in the House."

Again, one has to ask the question, what in the world are two Democratic—or any Members of this House of Representatives—doing asking a Marxist-Leninist dictatorship for assistance in helping them to solve a difficult political situation in the House?

> An unnamed member of the congressional delegation is quoted as advising Foreign Ministry officials that the regime should try and hold out for three more years because things back in Washington might radically change by then, meaning a new administration in power. Departing from his "no comment" rule, Miller told us that no such statements were made.

I think we have to question those kinds of comments. For two U.S. Congressmen to essentially hold out hope that in another political time, at another political day this Marxist-Leninist Soviet-backed regime would receive a much more favorable review from the administration, supposedly I guess a Democratic administration at that point in the future, I think is ludicrous.

As a matter of fact, I am outraged. I think the American people are outraged.

Going back to the article:

> A House Democratic leader, who did not want his name used, said he was "uncomfortable" that their weekend in Managua brought Miller-Bonior "dangerously close to negotiations."

The Logan Act expressly prohibits the carrying on of foreign policy by citizens outside of the executive branch. It states as follows:

> Any citizen of the United States, wherever he may be, who, without authority of the United States—

And I would suspect that the authority of the United States is referring to either the President or perhaps a Presidential congressional mandate—

> directly or indirectly commences or carries on any correspondence or intercourse with any foreign government or any officer or agent thereof, with intent to influence the measures or conduct of any foreign government or any officer or agent thereof, in relation to any disputes or controversies with the United States, or defeat the measures of the United States, shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

Now, I think these gentlemen, whom I respect, are perilously close to violating the Logan Act, if not having already violated it.

Going back to the Evans and Novak article, it states:

> But beyond the impropriety of congressmen playing diplomat is a grosser spectacle: a symbiotic relationship between American politicians and the Nicaraguan dictatorship.
>
> Miller and Bonior dashed off to Managua as many Democratic colleagues fretted over Ortega's mission to Moscow immediately after the House vetoed any aid to anti-Sandinista guerrillas.

Now, I am not sure whether they fretted over Ortega's visit to Moscow and his intimate relations with the Soviet Union or whether they fretted over Ortega's timing.

Frankly, I would hope and I would suspect that most Members of this House fretted over the fact that we had just turned down $14 million in nonlethal assistance to the democratic—with a small "d"—forces fighting the Marxist-Leninists in Nicaragua and Ortega the next day is off to collect $200 million from his Soviet allies, including not only economic aid but heavy equipment and hardware and the kind of things that most certainly can be characterized as military aid. In any event, we do not know the details of the $200 million agreement and Mr. Ortega or Mr. Ortega's if not supporters in this Congress, those who voted against his opponents, have certainly not stated what is in that $200 million aid package.

□ 1750

Miller was accompanied by a staffer, Cynthia Arnson, "a prominent champion of the Sandinistas." I am quoting the Evans and Novak column. "* * * formerly employed by the" according to Evans and Novak, "left-wing Institute for Policy Studies."

I am going on to another paragraph in the article. It says, "In a departure from tradition but true to the latest fashion of pro-Sandinista Congressmen, U.S. Embassy officials were barred from the meetings."

For the life of me I cannot understand how in discussions with a hostile foreign power our own Members of this House are barring our own public service diplomats who are on the scene in this area.

"Miller informed the Embassy he had told Ramirez," Sergio Ramirez is the Vice President, "that he had told Ramirez the regime would have to ease censorship and allow what were termed democratic activities to keep the support of Democrats in Washington."

You know, I think we have to be careful here. I am all for substantive changes that conform to the promises that the Sandinistas made to the Organization of American States. I am all for those kinds of democratic, small "d," promises that the Sandinistas made to their own people in coming to power in 1979.

But I have to seriously question cosmetic changes that somehow are designed to gain 3 years of breathing space until a new administration is in Washington.

> But reports from Nicaraguan sources, as reflected in tables being read on Capitol Hill, suggested the Congressmen were less interested in liberalization for its own sake than in getting themselves off the political hook back home.

One well placed source had the Congress- that his party should promise military The SPEAKER pro tempore. Is

One well placed source had the Congressmen warning that unless the Nicaraguan Government took steps toward pluralism, Congressional Democrats would switch and vote aid for the Contras. It was a second such source that quoted the Congressmen asking the Sandinistas to "help them out of a difficult political situation."

We, the Representatives of the American people, are interested in a pluralistic democratic Nicaragua that is not a threat to its neighbors, that will not destabilize the region, that is not flying off after a favorable vote in the United States Congress to gain $200 million in assistance from our Soviet adversaries. That is what we are interested in.

We are not interested in cosmetic changes to "help us out of a difficult political situation."

"The one meeting Embassy officials attended was with Jaime Chamorro, editor of the anti-Sandinista La Prensa. Miller told the embattled newspaperman that he had urged on government officials the necessity of freedom of the press. Chamorro was not impressed. La Prensa would not accept a separate agreement with the government, he said, insisting that freedom of the press must be part of a national 'dialog.'"

Again, the conflict between cosmetic changes to help U.S. Congressmen out of a political jam, and substantive changes designed to promote a free, open, and democratic and pluralistic Nicaragua.

"The Miller-Bonior weekend in Managua follows a pattern."

I will not mention Members of the other body, but two Democratic Members of the other body conferred with Ortega in Managua before the House vote. "* * * they not only barred U.S. diplomats but did not even report to them after the fact, as Miller and Bonior did." And I commend my colleagues for at least reporting back to their own Government officials.

"The Sandinista regime's offer to send 100—out of 2,000—Cubans back home followed secret negotiations not with U.S. diplomats but with congressional staffers."

I am sorry, but the way I look at it, congressional staffers should not be negotiating with hostile foreign powers. I frankly do not believe, and I do not think the American people believe either that U.S. Congressman separately should be negotiating with hostile foreign powers. Congressional staffers are to give information and provide research, and to do leg work for Congressmen. They are not to act as diplomats.

"The pattern may be breaking," it goes on to say in the Evans and Novak article, "partly because freelance congressional diplomacy is stirring bipartisan distate, Bernard Aronson, a Democratic insider and campaign adviser to Geraldine Ferraro last fall, writes in the current New Republic that his party should promise military support for the armed democratic resistance if all other efforts fail. That advice is the antithesis of Democrats, pursuing cosmetic Sandinista 'pluralism' while urging the comandantes to hang tough until the next American Presidential election."

I think what is at stake here is something much broader than this one incident. Aside from the conduct of American foreign policy in some reasonably unified fashion, what is at stake is the future of the Democratic Party.

Since the defeat of Mr. Mondale in the fall elections, a variety of Democrats have been holding meetings, conducting seminars, speaking publicly and amongst themselves on how to move their party back into the mainstream of American politics, how to move their party back into the broad center of American politics that wins national elections, that wins Presidential elections. These discussions have focused in many cases on the economy and the management of the economy and how Democrats must cease to be perceived, and really must cease to be simply the voice of fractionated special interest groups seeking their own advantage in Washington, DC.

These discussions have ranged to defense policy and to foreign policy. I can think of no greater symbol of the continuing dominance of a fringe element in democratic foreign policy than this recent vote in the House on the denial of assistance to the freedom fighters in Nicaragua and the subsequent reaction of those who stimulated the defeat in the wake of the Ortega visit to Moscow.

I urge my democratic colleagues, who I believe are similarly outraged by this disintegration of the foreign policy process in this country, to atone for the transgression, to see the handwriting on the wall, and when the next opportunity arises to speak on behalf of the forces of democracy in Central America.

□ 1800

Also to do something about promoting those forces in the form of assistance, that they would vote to provide that assistance, and not only help the forces of freedom in this hemisphere, the security of the United States, but their own party as well. Franklin Delano Roosevelt, Harry Truman, John F. Kennedy, Hubert Humphrey, and Henry Jackson are watching.

Mr. Speaker. I yield back the balance of my time.

ORDER OF BUSINESS

The SPEAKER pro tempore. For what purpose does the gentleman from Texas rise?

Mr. de la GARZA. Mr. Speaker, I ask unanimous consent that I may be allowed to proceed under special orders for 1 hour.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

UNITED STATES-MEXICO INTERPARLIAMENTARY EXCHANGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. de la Garza] is recognized for 60 minutes.

Mr. de la GARZA. Mr. Speaker, and my colleagues, I take this time to inform the Members of the House that under the law we have established an interparliamentary exchange between the United States and Mexico wherein Parliamentarians from our country, both House and Senate, meet with our counterparts in the Mexican Congress. That occurs one year in the United States and the next year in Mexico.

This exchange was initiated 25 years ago and the initial exchange or meeting was held in Guadalajara, Talisco, Mexico, 25 years ago. We have just returned from Mexico City where we arrived for this meeting. Now, although the meeting was held in the city of Queretaro, State of Queretaro, Mexico, I must say, and not because I was the leader for the House delegation—and, by the way, my colleague from Texas, Senator Phil Gramm, led the Senate delegation—I must say that I think it has been one of the most successful meetings that we have had. Although it is of short duration, only 2½ days, we held three sessions of 3 to 4 hours, and one went about 5 hours, of sessions.

We discussed all of the issues that impact upon our relations as two neighboring countries, as two friendly countries. I must say that I think for the first time the discussions were spontaneous, a general back and forth discussion, rather than just reading position papers on one side or the other.

We were received in the inaugural session, and this is very interesting and prior to that let me go back into a bit of history of the area: The State of Queretaro and the city of Queretaro are almost the equivalent in the Mexican independence movements as what Philadelphia and Boston were to our independence movement.

It was there in the city of Queretaro that the plot, if you can call it that, of the independence movement was discovered by the Spanish forces who then occupied Mexico, and a lady, Josefa Ortiz de Dominquez, was the one that gave the signal or sounded the alarm to the mexican independence forces that the plot had been discovered, and that initiated the fighting part of the independence movement, not too distant, in a village called Dolores Hidalgo. This is in

effect what Paul Revere had done on our side when he came through the countryside announcing that the British were coming and the ensuing battles that were to follow, and he gave the signal.

Also there in Queretaro was the culmination of the French occupation of Mexico.

Not too many days ago I spoke about the battle of Puebla which is where the Mexican troops defeated the French troops and began the final process of eliminating the French rule over Mexico. But it was at Queretaro that they finally captured Archduke Maximilian who had been declared Emperor of Mexico. He was executed at a small hill near Queretaro. This was of interest, I think, to us here because of all of the Americas we were the first to declare independence from a foreign sovereign, which was Great Britain. But at Queretaro, with the execution of Maximilian, that ended the reign of the European designs for any of the Americas. This was the last of the European sovereigns to reign in the Americas. Maximilian, along with two Mexicans who had supported his endeavor, were executed there. So with that background we met not too far from the city of Queretaro and we discussed narcotics traffic, its use, its abuse, its control, in depth. We reached agreement on a resolution committing ourselves and our countries to a more forceful fight of narcotics traffic, use, abuse, and control, for its control. We discussed the Law of the Sea which to many of our areas is important, areas in the West with tuna fishing concerns, in the gulf with its shrimping off Mexican waters, where we have had problems not only because of the Law of the Sea but territorial expansion, both ours and theirs.

We discussed, of course, border problems. We have 2,000 miles of border between the United States and Mexico. We discussed those in depth. There is always the Rio Grande which is part of the boundary; Texas, the rest of the boundary, New Mexico, Arizona, into California.

We discussed environmental impact on the border. There are mines, smelting mines on either side of the border, there are problems in Mexico, more in Mexico than on our side, with respect to discharges of waters into the area of Tijuana, or down in Texas, that impact upon the quality of the water. We discussed border crossings, that traffic that we on our side would like to have more crossings to facilitate commerce and tourism.

□ 1810

I might add that Mexico's reply was that—and I can sympathize with that, that they have monetary problems, not only opening up a border crossing, but the staffing for customs, immigration, public health, agriculture, entails a lot of finances, and not all of that is recouped from charges that you might make for those who cross back and forth.

So we discussed that in depth, and particular crossings that we would like to have in my congressional district, and in adjoining districts. My home town of Mission, the city of Pharr, the city of Donna, Harlingen, San Benito.

We discussed all of those in depth, and what could we do together? How could one complement the other? We had extensive discussions related to our involvement in the Americas, both Mexico and us, in Central America, Salvador, Nicaragua in particular. We have some mutual concerns which are equal. We have some concerns that are not alike. We have some basic philosophy which is not similar in some areas to Mexico, but in the end, we resolved that we are all aiming for the same final conclusion; which would be peace, freedom, justice, equality, prosperity for the people of the individual nations of Central America and South America.

It was a very interesting, very forceful and frank conversation because there are some valid, indepth disagreements as to our concept as to what entails internal security and what entails protection of a basic territorial security.

The leader of the Mexican delegation for the House was Lic. Humberto Lugo Gil and for the Mexican Senate was former Ambassador to Washington Hugo B. Margin, who is now a member of the senate in Mexico.

In the beginning of the inaugural session, as I stated, we were received by the President of Mexico, Miguel de la Madrid, who came to our initial opening ceremony to open the session, which to us was very important and, of course, an honor and distinction that the President of the great Republic of Mexico would come out of Mexico City to begin the sessions that we were to continue for several days after.

He welcomed us, and pronounced some of the desires and intentions of Mexico, for their people, their relations to us, and to the rest of the hemisphere. It was a very impressive ceremony because with him were his Secretary of State, Bernardo Sepulveda, and they have a different Cabinet post that we do not have; it translates as Ministry of Interior. They call it "Gobernacion."

That Cabinet post is basically what we know as the upper echelon of the White House. The White House Chief of Staff, and the Executive Office of the Presidency, that is what "Governacion" or Interior Ministry would be in Mexico. He is of Cabinet rank.

Also we were received by the Governor of the state of Coahuila and the mayor of the city of Queretaro—the Governor of the state of Queretaro; not Coahuila, and the mayor of the city of Queretaro, and several of the mayors of the surrounding villages and small towns in that area.

We also were able to visit the surrounding countryside. Let me tell you that some people say that these visits are junkets; that you go off and have a good time.

Well, we managed to do both, because we would work all morning and then have a nice luncheon at a beautiful hacienda. In the evening after a late session they would honor us with a beautiful dinner. We had one of the most beautiful experiences that I have ever had in that Saturday evening, prior to the conclusion of the session, we were invited to the city of Queretaro where we were received by the populace of Queretaro in their main plaza. The whole town came out to greet us and to those of you that may not be acquainted, the Mexican towns are laid out in the old Spanish tradition, where there is a center plaza, or square with the cathedral or the church on one side, the municipal authorities on another side, the military compound on another side—this is a traditional Spanish Colonial or Mexican center plaza, or downtown square.

Well, this evening we walked right into the entire population of Queretaro almost, greeting us and wanting to touch and say hello and greet us, and then the cathedral—or church, I really do not know if it is a cathedral—but the Catholic church was all lit up in one of the most beautiful sights that you would want to see or experience.

Then they had a fireworks display from the ceiling of the church that looked fire was just raining down in front of that beautiful edifice. It was one of the most thrilling experiences, I assure you, any one of us have ever experienced or witnesses.

Then off to one side they had this beautiful fireworks that they do in Mexico—they rig a bamboo into a beautiful structure, that you cannot see it when it is in the dark, but then it lights up with wheels that turn and fireworks that shoot out, and then—in the colors; red, white, and blue and green, white and red, then both flags light up and then it says "Welcome, Parliamentarians, U.S. and Mexico."

If you can visualize that against a dark sky, lit up in all the beautiful colors with fireworks with the twisting; making a whistling sound, wheels at all of the extremes—and we were there in the plaza with the people of Queretaro, looking and observing that.

It sort of adds substance to your work, that you are able to visualize something like that. It was indeed a beautiful experience. While the bells of the church were ringing, at the same time.

Then the—this is an area of basic Indian population, and the leaders of the Indian tribes of that area came to do their dances and perform for us, and to each member of the delegation, of the leaders of the delegation, they presented us with one of their shields, that are made of feathers, of canary feathers and ostrich feathers—I guess any kind of feathered animal or bird that they gave this beautiful shield and welcome us on behalf of the Indian population of that area.

□ 1820

It was, to me, very exciting. And the connection that we have with our basic native Americans and to Mexico, which has probably more history before than ours, all pre-Colombian, and there were the different tribes there that evening to do the dances with us or for us. led by the Governor of the state and the different mayors of the area.

We continued with our meetings. We discussed anxieties, migrant workers, undocumented or illegals, whichever way you would want to call them. Mexicans presented their viewpoint as to the integrity of the individual. Basically, they have a different concept than we do as to the integrity, territorial integrity, because their position is that a human creature of God has a basic inherent right to travel.

We know that in a civilized world, where you have territorial integrity, you do not just have people coming and going. The people themselves call themselves Mexican or Argentinan or French or Italian, the people themselves designate what their basic territorial group is. So we have a difference there, but we do not have a difference that the individual is deserving of the protection of the law and should be treated as a creature of God, which we observe in this country nonetheless. Regardless of whether they are here legally or illegally, they come under the cloak of the Constitution and receive all of the protections afforded by law. But this is, to them, a very important factor.

We also discussed the monetary problems, world monetary problems, how they impact upon us here in the United States, how they impact upon Mexico, how trade and commerce between us and third countries impact on one or the other and the areas of concern, the areas of agreement, the areas of possible cooperation, and I assure you that this was a very fruitful, constructive discussion.

For many of us who live on the border and who know the situation, we live with it. But for some of our colleagues not from the border, it is very helpful to know that what we could do here, even without thinking, could have a very negative impact on Mexico economically or monetarywise. So it is for us to be concerned, which we are, as to the stability of the economy of Mexico, and they are, after Japan, our next best customer and we of them. We buy a tremendous amount of Mexican oil and gas, and a lot of the other things that Mexico has to sell in foreign commerce with us, and this is a very critical area both for our side and their side because we have a tremendous deficit, we have a horrendous debt. Just paying interest on the debt takes a large share of our budget and impacts on our deficit every year. They have an external debt, which is very critical, of some $80 billion, and it is very critical because they need foreign earnings, they need dollars to come into Mexico to pay out in dollars to the banks, to Europe and here, and to our Government or the Monetary Fund, whomever they owe the money, both the public debt and the private debt. They need the foreign earnings, otherwise to pay in pesos would be devastating. They have had a very difficult time.

In my inaugural talk in the inaugural session I commended the President of Mexico and my Mexican colleagues and the people because they have, to the best of their ability, grasped the situation and they are making headway by an austerity program where they are reducing expenditures and then increasing income by increasing revenues either through higher prices for items or taxes and a combination, and this would be very interesting to us and those who deal in that area that they said, "You can't balance your budget or reduce your inflation or reduce your debts solely by decreases, but you have to combine some with decreasing and some with increasing revenue, if necessary taxes." And I would commend that to those who work with the budget on our side of the border. But they have basically been successful in slowly reducing inflation and reducing their deficit. They have been more successful in reducing their deficit than we have been. And for this we commend them, and we are trying to do on our side, of course, our share. But this was a very interesting and, for me, a very productive area of discussion.

We went into areas of cultural exchange, of how we can better work, universities, groups, scientists, and it is very interesting to know that some of the things we are doing now we can verify. For example, not too long ago we started a dairy goat research center at Prairie View A&M in the State of Texas, and some of the Mexican colleagues knew about that and some universities from Mexico have now worked with Prairie View A&M in doing research and promoting dairy goat expansion and upgrading the dairy goat breeds, for the dairy goat is very important because you not only get milk and cheese, it can also be used for meat, you can use the hide, and you can raise maybe 20 or 30 dairy goats where you could have only one cow. So it is very important for developing countries. And those are the things we discussed.

On the border from Brownsville to Tijuana either the Mexican holiday or the American U.S. holiday is celebrated jointly, so on the border we have no problem, but it is going out that we were discussing exchanges, and so on, because on the border I guess we celebrate every chance we get, but it is jointly. Washington's birthday celebration in Laredo and Nuevo Laredo is a joint celebration. In Brownsville-Matamoros, we celebrate Washington, Lincoln, something called Charro Days, and they have a Mr. Amigo celebration during which the American side of the river honors a distinguished Mexican for his contribution to better relations as Mr. Amigo. And of course we know "amigo" means friend, Mr. Friend. And we have honored people from former Presidents of Mexico to movie actors to singers, distinguished ladies.

In our area, in McAllen where we live, Mission and McAllen, we have joint celebrations. The Mexican Independence Day, September 15, is celebrated on both sides of the border in many of our communities along the border.

So we discussed that, nuclear disarmament, and what it means to both sides. Mexico does not have the capability for atomic power or hydrogen power or nuclear power, but yet they were the leaders in the treaty of Thatelolco where the Americans initiated the concept of nuclear free area and began there in Mexico. This is a very important step.

We agreed that this was not only a major concern for both our two countries but for the world, and they sometimes feel that we do not go fast enough, that we do not put a sufficient emphasis on disarmament and nuclear nonproliferation. But we are. It is just that the other side has not been as cooperative. And we explained that.

□ 1830

I told them that as one American, and I thought that I spoke for every American, that I did not want our country or any other country to disappear from this planet in a ball of flame, and our ashes in the cloud that would fertilize a planet with no humans. That is the interest, I am satisfied, of every American. I would prefer that we take every cannon and every ship and every tank and melt them into plows and hammers and picks and shovels to build up our two countries, and to help build up the world.

Later I will have another special order and invite members of the delegation who accompanied me so that we might have a broader discussion. I give this as a preliminary discussion so that they might be apprised of my report, and then, with the other members, we will have a much broader report.

With that, Mr. Speaker, I thank the Members for their attention and yield back the balance of my time.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Gonzalez, for 60 minutes, May 16.

Mr. Gonzalez, for 60 minutes, May 20.

Mr. Gonzalez, for 60 minutes, May 23.

Mr. de la Garza, for 60 minutes, today.

(The following Members (at the request of Mr. Slaughter) to revise and extend their remarks and include extraneous material:)

Mr. Gingrich, for 60 minutes, today.

Mr. Gingrich, for 60 minutes, May 16.

Mr. Gingrich, for 60 minutes, May 20.

Mr. Gingrich, for 60 minutes, May 21.

Mr. Brown of Colorado, for 60 minutes, today.

Mr. Morrison of Washington, for 30 minutes, today.

Mr. McKinney, for 15 minutes, today.

Mr. Ritter, for 60 minutes, May 15.

Mr. Walker, for 60 minutes, May 16.

(The following Members (at the request of Mr. Darden) to revise and extend their remarks and include extraneous material:)

Mr. Darden, for 5 minutes, today.

Mr. Ford of Michigan, for 5 minutes, today.

Mr. Hubbard, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Rahall, for 5 minutes, today.

Mrs. Burton of California, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Slaughter) and to include extraneous matter:)

Mr. Courter.

Mr. Broomfield.

Mr. Dornan of California.

Mr. Green.

Mr. Coleman of Missouri in two instances.

Mrs. Roukema.

Mr. Coats.

Ms. Snowe.

Mr. Shumway.

Mr. McDade.

Mr. Spence.

Mr. O'Brien in two instances.

(The following Members (at the request of Mr. Darden) and to include extraneous matter:)

Mr. Kostmayer.

Mr. Coelho.

Mr. Ford of Michigan.

Mr. Lipinski.

Mr. Penny.

Mrs. Burton of California in three instances.

Mr. Stark in two instances.

Mr. Vento in two instances.

Mr. Barnes.

Mr. Montgomery in two instances.

Mr. Lehman of Florida in two instances.

Mr. Ortiz.

Mr. Murtha in two instances.

Mr. Smith of Florida in two instances.

Mr. Roe in two instances.

Mr. Ray.

Mr. Hubbard.

Mr. Rodino in two instances.

Mr. Edwards of California.

Mrs. Boxer.

Mr. Oberstar.

Mr. Fascell in two instances.

Mr. Howard.

Mr. Clay.

Mrs. Long.

Mr. Solarz.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 48. Concurrent resolution relating to the death of President-elect Tancredo Neves of Brazil; referred to the Committee on Foreign Affairs.

ADJOURNMENT

Mr. de la GARZA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Thursday, May 16, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1285. A communication from the President of the United States, transmitting a request for supplemental appropriations for fiscal year 1985 and an amendment to the request for appropriations for fiscal year 1986, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-67); to the Committee on Appropriations and ordered to be printed.

1286. A letter from the General Counsel, General Accounting Office, transmitting a report on the status of budget authority proposed for rescission in the President's fifth special message, but for which Congress failed to pass a rescission bill, pursuant to 2 U.S.C. 885; to the Committee on Appropriations.

1287. A letter from the Deputy Secretary of Defense, transmitting a report on defense contractors and consultants who during the past 3 years held positions of GS-13 or above within the Department covering fiscal year 1984, pursuant to 10 U.S.C. 2397(e) (96 Stat. 1293) to the Committee on Armed Services.

1288. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 10, United states Code, to authorize the United States to collect health plan benefits for medical and dental care provided to dependents of active duty members, former members, and their dependents in facilities of the uniformed services; to the Committee on Armed Services.

1289. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to eliminate general or flag officer grade requirements from certain statutory positions, and for other purposes; to the Committee on Armed Services.

1290. A letter from the Auditor, District of Columbia, transmitting a copy of the Auditor's "Annual Report for Fiscal Year 1984", pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

1291. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of the addition of three further countries to the 63 named previously: India, Israel, and Pakistan to the Antiterrorism Assistance Program, pursuant to FAA, section 574(a)(1) (97 Stat. 972); to the Committee on Foreign Affairs.

1292. A letter from the President, Overseas Private Investment Corporation, transmitting the Corporation's development and audit report for fiscal year 1984, pursuant to FAA, section 240A (92 Stat. 216; 95 Stat. 1024); to the Committee on Foreign Affairs.

1293. A letter from the Secretary of the Interior, transmitting a report of the Department's activities under the Freedom of Information Act during calendar year 1984, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1294. A letter from the Department of Commerce and the Department of the Interior, transmitting the fourth report on activities with respect to the emergency striped bass research study, for the year 1984, pursuant to Public Law 89-304, section 7(b) (93 Stat. 859); to the Committee on Merchant Marine and Fisheries.

1295. A letter from the Acting Assistant Secretary (Civil Works), Department of the Army, transmitting a report from the Chief of Engineers, Department of the Army, on Cape Fear River from Acme to FAyetteville, NC, together with other pertinent reports; to the Committee on Public Works and Transportation.

1296. A letter from the Acting United States Trade Representative, transmitting a copy of the March 22, 1984, "Decision of the Committee on Trade in Civil Aircraft," including the Consolidated Annex to the 1979 Agreement on Trade in Civil Aircraft attached to the decision; to the Committee on Ways and Means.

1297. A letter from the Secretary of Energy, transmitting a report on the study by the Advisory Panel on Alternative Means of Financing and Managing Radioactive Waste Facilities entitled, "Managing Nuclear Waste—A Better Idea", pursuant to Public Law 97-425, section 303; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. OBEY: Joint Economic Committee. Report on February 1985 Economic Report of the President (Rept. No. 99-95). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 7. A bill to extend and improve the National School Lunch Act and the Child Nutrition Act of 1966; with an amendment (Rept. No. 99-96). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 2245. A bill to authorize appropriations for fiscal year 1986 for the National Endowment for the Arts and the National Endowment for the Humanities, and for other purposes; with an amendment (Rept. No. 99-97). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Educaton and Labor. H.R. 1997. A bill to make certain technical and conforming amendments to the Library Services and Construction Act, and for other purposes; with an amendment (Rept. No. 99-98). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 2319. A bill to authorize appropriations for environmental research, development, and demonstration for the fiscal year 1986, and for other purposes (Rept. No. 99-99). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1789. A bill relating to the authorization of appropriations for certain components of the National Wildlife Refuge System; with an amendment (Rept. 99-100). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1958. A bill to authorize appropriations for the National Ocean Pollution Planning Act of 1978 and title II of the Marine Protection, Research, and Sanctuaries Act of 1972 for the fiscal years 1986 and 1987, and for other purposes; with amendments (Rept. 99-101, Pt. I). Ordered to be printed.

Mr. SAM B. HALL, JR: Committee on the Judiciary. H.R. 1890. A bill to provide for an equitable waiver in the compromise and collection of Federal claims (Rept. No. 99-102). Referred to the Committee on the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 2121. A bill to provide for the reauthorization of the Coastal Zone Management Act of 1972, and for other purposes; with an amendment (Rept. No. 99-103). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 2434. A bill to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes; with an amendment (Rept. No. 99-104). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 1408. A bill to amend the Emergency Veterans' Job Training Act of 1983 and title 38, United States Code, with respect to certain veterans' employment programs; with an amendment (Rept. No. 99-108). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 2344. A bill to amend title 38, United States Code, to make improvements in the National Cemetery System and in the Veterans' Administration program that provides assistance to certain disabled veterans in acquiring specially adapted residences, and to express the sense of Congress with respect to the Veterans' Administration home loan origination fee (Rept. No. 99-109). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 2343. A bill to amend title 38, United States Code, to make certain improvements in veteran's compensation programs, and for other purposes; with amendments (Rept. No. 99-110). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2494. A bill to authorize the appropriation of funds for fiscal year 1986 for construction, operation, and maintenance of water resources development projects under the jurisdiction of the Secretary of the Army, acting through the Chief of Engineers (Rept. No. 99-111). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2493. A bill to amend the Federal Water Pollution Control Act to authorize the appropriation of funds for fiscal year 1986 (Rept. No. 99-112). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on Judiciary. H.R. 2348. A bill to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1986, and for other purposes; with an amendment (Rept. No. 99-113). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 505. A bill to amend title 38, United States Code, to improve the delivery of health care services by the Veterans' Administration; with an amendment (Rept. No. 99-114). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportaton. H.R. 10. A bill to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965. (Rept. No. 99-115, Pt. I). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2478. A bill to amend the Revised Organic Act of the Virgin Islands, to amend the Covenant to Establish a Commonwealth of the Northern Mariana Islands, to provide for the governance of the insular areas of the United States, and for other purposes; with an amendment (Rept. No. 99-116). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1905. A bill to offset the competitive advantage which foreign coal producers have as a result of not having to meet environmental, health, welfare and safety requirements of the kinds imposed on U.S. coal producers, and for other purposes; with an amendment (Rept. No. 99-117, Pt. I). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2041. A bill to authorize appropriations to the Department of Energy for civilian energy programs for fiscal year 1986 and fiscal year 1987, and for other purposes; with amendments (Rept. No. 99-118, Pt. I). Ordered to be printed.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2416. A bill to direct the Architect of the Capitol to construct a building on the U.S. Capitol Grounds to provide office space for the judicial branch of the Federal Government, and for other purposes; with an amendment (Rept. No. 99-119). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 2378. A bill to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes; with an amendment (Rept. No. 99-120). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2092. A bill to amend the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1986 and 1987, and for other purposes; with an amendment (Rept. No. 99-121, Pt. I). Ordered to be printed.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 2253. A bill to provide for increased participation by the United States in the Special Facility for Sub-Saharan Africa, the International Bank for Reconstruction and Development, the International Finance Corporation, and the African Development Fund; with an amendment (Rept. No. 99-122). Referred to the Committee of the Whole House on the State of the Union.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 441. A bill to provide for the recovery by the United States of the costs of hospital and medical care and treatment furnished by the United States in certain circumstances, and for other purposes; with an amendment (Rept. No. 99-123). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1027. A bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1986, 1987, and 1988; with amendments (Rept. No. 99-124). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 1349. A bill to reduce the costs of operating Presidential libraries, and for other purposes; with amendments (Rept. No. 99-125). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 1383. A bill to direct the Secretary of Agriculture to take certain actions to improve the productivity of American farmers, and for other purposes; with an amendment (Rept. No. 99-126). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 2355. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1 year; with amendments (Rept. No. 99-127). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1544. A bill to authorize appropriations to carry out the National Aquaculture Act of 1980 during fiscal years 1986, 1987, and 1988; with amendments; referred to the Committee on Agriculture for a period ending not later than May 31, 1985, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(a), rule XI (Rept. No. 99-105, Pt. I). Ordered to be printed.

Mr. HAMILTON: Permanent Select Committee on Intelligence. H.R. 2419. A bill to authorize appropriations for fiscal year 1986 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; with amendments; referred to the Committee on Armed Services for a period ending not later than May 24, 1985, for consideration of such provisions of the bill and amendments as fall within the jurisdiction of that committee pursuant to clause 1(c), rule XI (Rept. No. 99-106, Pt. I). Ordered to be printed.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1957. A bill to amend title I of the Marine Protection, Research, and Sanctuaries Act of 1972; with an amendment; referred to the Committee on Public Works and Transportation for a period ending not later than July 19, 1985, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(p), rule XI (Rept. No. 99-107, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. OBERSTAR (for himself, Mr. Russo, Mr. Owens, Mr. Staggers and Mr. Frank):

H.R. 2508. A bill to amend the Railroad Retirement Act of 1974 to provide survivor's annuities to certain employees' survivors not currently eligible for such annuities, and to provide for reductions in annuities otherwise due to persons likely to become such survivors and employees; to the Committee on Energy and Commerce.

By Mr. OBERSTAR (for himself and Mr. Frank):

H.R. 2509. A bill to amend the Railroad Retirement Act of 1974 to eliminate the "last employer" rule, and certain related rules, as they affect the portion of certain annuities commonly referred to as "tier I" and to provide that certain deductions for work be made from such portion; to the Committee on Energy and Commerce.

H.R. 2510. A bill to amend the Railroad Retirement Act of 1974 to provide eligibility for annuities to divorced wives, not currently eligible, who would be eligible for a benefit under section 202(b) of the Social Security Act if their former husbands railroad service were included in employment for the purpose of the Social Security Act; to the Committee on Energy and Commerce.

By Mr. OBERSTAR (for himself, Mr. Staggers, and Mr. Frank):

H.R. 2511. A bill to amend the Railroad Retirement Act of 1974 to provide that any worker with 25 years of service or more shall have a current connection for certain purposes; to the Committee on Energy and Commerce.

By Mr. OBERSTAR (for himself and Mr. Frank):

H.R. 2512. A bill to amend the Railroad Retirement Act of 1974 to increase the earnings limit for recipients of certain disability annuities; to the Committee on Energy and Commerce.

H.R. 2513. A bill to amend the Railroad Retirement Act of 1974 to provide for a trial work period in disability situations similar to that provided under the Social Security system; to the Committee on Energy and Commerce.

By Mr. OBERSTAR (for himself, Mr. Staggers, Mr. Frank, and Mr. Hertel of Michigan):

H.R. 2514. A bill to amend the Railroad Retirement Act of 1974 to provide benefits for certain disabled spouses of railroad employees and for certain spouses of disabled railroad employees; to the Committee on Energy and Commerce.

H.R. 2515. A bill to amend the Railroad Retirement Act of 1974 to modify the "years of service" credit for military service; to the Committee on Energy and Commerce.

H.R. 2516. A bill to amend the Railroad Unemployment Insurance Act to provide that unemployment benefits of railroad employees will not be reduced by reason of the receipt of certain unrelated social insurance benefits; to the Committee on Energy and Commerce.

By Mr. CONYERS:

H.R. 2517. A bill to amend chapter 96 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. BROOKS (by request):

H.R. 2518. A bill to discontinue or amend certain requirements for agency reports to Congress; to the Committee on Government Operations.

H.R. 2519. A bill to discontinue or amend certain requirements for agency reports to Congress; to the Committee on Government Operations.

By Mr. COURTER (for himself, Mr. Dreier of California, Mr. Lagomarsino, Mr. Kasich, Mr. Rudd, Mr. Denny Smith, Mr. Hiler, Mr. Bliley, Mr. Whitehurst, Mr. Stangeland, Mr. DeLay, Mrs. Bentley, Mr. Smith of New Hampshire, Ms. Fiedler, Mr. Stratton, Mr. Gingrich, Mr. Dornan of California, Mr. Bedell, Mr. Weber, Mr. Coats, Mr. Fish, Mr. Lowery of California, Mr. Conte, Mr. Kindness, Mr. Smith of New Jersey, Mr. Studds, Mr. DioGuardi, Mr. Armey, Mr. Wortley, Mr. Smith of Florida, Mr. Levin of Michigan, Mr. Ritter, Mr. Burton of Indiana, Mr. Monson, Mr. Badham, Mr. Barton of Texas, and Mr. Moorhead):

H.R. 2520. A bill to deny most-favored-nation trading status to Afghanistan; to the Committee on Ways and Means.

By Mr. FAUNTROY:

H.R. 2521. A bill to authorize the Board of Governors of the Federal Reserve System to regulate the market for Government securities; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LIPINSKI:

H.R. 2522. A bill to amend the Urban Mass Transportation Act of 1964 to allow certain grants to be used for the overhaul of rolling stock and for reconstruction of equipment and materials on rolling stock, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. McDADE:

H.R. 2523. A bill to amend title XIX of the Social Security Act to assist severely disabled individuals to attain or maintain their maximum potential for independence and capacity to participate in community and family life; to the Committee on Energy and Commerce.

By Mr. MORRISON of Washington (for himself, Mr. Dicks, Mr. Chandler, Mrs. Vucanovich, Mr. Reid, Mr. Boulter, and Mr. Combest):

H.R. 2524. A bill to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to establish liability and indemnification for nuclear incidents arising out of Federal storage, disposal, or related transportation of high-level radioactive waste and spent nuclear fuel; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. SCHUMER (for himself and Mr. Owens):

H.R. 2525. A bill to amend the Fair Credit Reporting Act to establish certain requirements and restrictions respecting the retention and furnishing of information by consumer reporting agencies on individuals renting residential property; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SEIBERLING:

H.R. 2526. A bill to amend the Communications Act of 1934 to require that, when any alcoholic beverage is advertised on television, radio, or cable, equivalent time shall be provided for public service announcements and programming regarding alcohol consumption and misuse; to the Committee on Energy and Commerce.

By Ms. SNOWE (for herself and Mr. Conte):

H.R. 2527. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for dependent care expenses, to make such credit refundable, and to provide that certain respite care expenses are eligible for such credit; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 2528. A bill to amend the Internal Revenue Code of 1954 to provide that research and experimental expenditures of corporations, including personal holding companies, shall not be treated as items of tax preference for purposes of the minimum tax; to the Committee on Ways and Means.

H.R. 2529. A bill to amend the Internal Revenue Code of 1954 to deny a deduction for amounts paid as restitution for other damages for violations of law involving fraud; to the Committee on Ways and Means.

By Mr. GRADISON (for himself, Mr. Panetta, Mr. Lehman of Florida, Mr. Hefner, Mr. Boland, Mrs. Kennelly, Mr. Barnes, Mr. Rodino, Mr. Hammerschmidt, Mr. Weiss, Mrs. Boxer, Ms. Kaptur, Mr. Fuqua, Mr. Daschle, Mr. Regula, Mr. Stark, Mr. Wortley, Mr. Bustamante, Mr. Borski, Mr. Beilenson, Mr. Solarz, Mr. McCain, Mr. Crockett, Mr. Guarini, Mr. Boehlert, Mr. Grotberg, Mr. Vander Jagt, Mr. Quillen, Mr. Berman, Mr. Horton, Mr. Bonior of Michigan, Mr. Scheuer, Mr. Jones of Tennessee, Mr. Darden, Mr. Torricelli, Mr. Bilirakis, Mr. Bedell, Mr. Kleczka, Mr. Chappie, Mrs. Roukema, Mr. Lewis of California, Ms. Mikulski, Mr. Wolf, Mr. Hughes, Mr. Shaw, Mr. Roe, Mr. Waxman, Mr. DeWine, Mr. Dicks, Mr. Daub, Mr. Savage, Mr. Thomas of Georgia, Mr. Owens, Mr. Frost, Mr. Heftel of Hawaii, Mr. Edgar, Mr. Richardson, Mr. Fazio, Mr. Martinez, Mr. Pashayan, Mr. Sabo, Mr. Biaggi, and Mr. Smith of Florida):

H.J. Res. 288. Joint resolution to designate the month of November 1985 as "National Hospice Month"; to the Committee on Post Office and Civil Service.

By Mr. CONYERS:

H. Con. Res. 148. Concurrent resolution expressing the sense of the Congress with respect to the enfranchisement of pretrial detainees, convicted misdemeanants, and persons appealing their convictions of crime; jointly, to the Committees on the Judiciary and House Administration.

By Mr. de la GARZA (for himself and Mr. Madigan):

H. Res. 172. Resolution to recognize the Centennial Anniversary of the Holstein-Friesian Association of America, A Premier Dairy Cattle Breed Organization; jointly, to the Committees on Agriculture and Post Office and Civil Service.

By Mr. McKINNEY (for himself, Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Edgar, Mr. Hughes, Mr. Dymally, Mr. Lagomarsino, Mr. Green, Mr. Horton, Mr. Smith of Florida, Mr. LaFalce, Mr. Bereuter, Mr. Dellums, Mr. Bates, Mr. Ackerman, Mr. Morrison of Connecticut, Mr. Frank, Ms. Kaptur, Mrs. Boxer, and Mr. Boehlert):

H. Res. 173. Resolution providing for accelerated release for public use of certain records of the former Select Committee on Assassinations; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

124. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to the services of the U.S. Soil Conservation Service; to the Committee on Agriculture.

125. By Mr. RUDD: Memorial of the Legislature of the State of Arizona, relative to the prohibitions on commercial homework; to the Committee on Education and Labor.

126. By the SPEAKER: Memorial of the House of Representatives of the State of Hawaii, relative to a moratorium on nuclear weapons; to the Committee on Foreign Affairs.

127. Also, memorial of the House of Representatives of the State of Hawaii, relative to a policy of no-first-use of nuclear weapons; to the Committee on Foreign Affairs.

128. Also, memorial of the House of Representatives of the State of Hawaii, relative to the end to apartheid in South Africa; to the Committee on Foreign Affairs.

129. Also, memorial of the House of Representatives of the State of Hawaii, relative to peaceful uses of space; to the Committee on Foreign Affairs.

130. By Mr. RUDD: Memorial of the Legislature of the State of Arizona, relative to the Juan Bautista De Anza Trail; to the Committee on Interior and Insular Affairs.

131. By the SPEAKER: Memorial of the Senate of the Commonweath of the State of Pennsylvania, relative to the issuance of a commemorative stamp; to the Committee on Post Office and Civil Service.

132. Also, memorial of the Legislature of the State of Hawaii, relative to actions to assist schizophrenics; jointly, to the Committees on Energy and Commerce; Education and Labor; Banking, Finance and Urban Affairs; and Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 10: Mr. Fazio.

H.R. 44: Mr. Regula.

H.R. 512: Mr. Carper.

H.R. 526: Mr. Rodino, Mr. Florio, Ms. Mikulski, Mr. Bustamante, Mr. Young of Florida, Mrs. Bentley, Mr. Gejdenson, Mr. Edgar, and Mr. Durbin.

H.R. 556: Mr. Bedell.

H.R. 587: Mr. Breaux, Mr. Guarini, Mr. Gray of Illinois, Mr. Marlenee, Mr. Molinari, Mr. Markey, Mr. Hillis, Mr. Kemp, Mr. Biaggi, Mr. Mollohan, Mr. Gekas, Mr. Kramer, and Mr. Brown of California.

H.R. 622: Mr. Lantos.

H.R. 696: Mr. Lujan, Mr. Rudd, Mr. Hughes, Mr. Olin, Mr. Dicks, Mr. Thomas of California, Mr. Skelton, Mr. Marlenee, Ms. Kaptur, Mr. Miller of Washington, Mr. Ritter, Mr. Kolter, Mrs. Smith of Nebraska, Mr. Packard, Mr. Nielson of Utah, Mr. Emerson, Mr. Dreier of California, Mr. Lowery of California, and Mr. Eckart of Ohio.

H.R. 930: Mr. Skelton, Mr. Williams, and Mr. Clinger.

H.R. 1017: Mrs. Boxer.

H.R. 1027: Mr. Hughes.

H.R. 1123: Mr. Siljander, Mr. Packard, Mr. Hutto, Mr. Gunderson, Mr. Lightfoot, and Mr. Schuette.

H.R. 1142: Mr. Courter.

H.R. 1202: Mr. Hutto and Mr. Young of Alaska.

H.R. 1208: Mr. Glickman.

H.R. 1294: Mr. Florio and Mr. Saxton.

H.R. 1436: Mr. Gray of Illinois.

H.R. 1517: Mr. Kindness, Mr. Sensenbrenner, Mr. Hopkins, Mr. Miller of Ohio, Mr. Madigan, Mr. O'Brien, Mr. Campbell, Mr. Edwards of Oklahoma, Mr. Hyde, Mr. Durbin, Mr. Schuette, and Mr. Bevill.

H.R. 1550: Mr. Yatron, Mr. Hammerschmidt, Mr. Evans of Iowa, and Mr. Lundine.

H.R. 1591: Mr. Lewis of Florida, Mr. Montgomery, Mr. McDade, Mr. Ireland, Mr. Chappie, Mr. Luken, Mr. Lott, Mr. Evans of Iowa, Mr. Lundine, and Mr. Bustamante.

H.R. 1666: Mr. DioGuardi and Mr. Boehlert.

H.R. 1760: Mr. Armey, Mr. Gingrich, Mr. Hopkins, and Mrs. Martin of Illinois.

H.R. 1893: Mr. Shaw, Mr. Boehlert, Mr. Franklin, Mr. Kostmayer, Mr. Mica, Mr. Rudd, Mr. Bereuter, Mr. Brown of Colorado, and Mr. Daub.

H.R. 1957: Mr. Jones of North Carolina, Mr. Lent, Mr. Carney, Mr. Hughes, Mr. Saxton, Mr. Smith of New Jersey, Mr. Carper, and Mr. Breaux.

H.R. 1958: Mr. Jones of North Carolina, Mr. Saxton, Mr. Lowry of Washington, and Mr. Hertel of Michigan.

H.R. 1997: Mr. de la Garza, Mrs. Collins, Mr. Gunderson, Mr. Smith of Florida, Mr. Rangel, Mr. McGrath, Mr. Kolter, Mr. Matsui, Mr. Vento, Mrs. Boxer, and Mr. Crockett.

H.R. 2106: Mr. Conyers, Mrs. Collins, Mr. Dellums, Mr. Towns, Mr. Hayes, Mr. Leland, Mr. Weiss, Mr. Roybal, Mr. Stokes, Mr. Lundine, Mr. Crockett, Mr. Savage, Mr. Frank, and Mr. Rangel.

H.R. 2121. Mr. Jones of North Carolina, Mr. Moody, Mr. Rangel, Mr. Matsui, Mr. Torres, Mr. Carper, Mr. Dymally, Mr. Weiss, Mr. Studds, Mr. Smith of Florida, Mr. Fuqua, Mr. Saxton, Mr. McKinney, Mr. Moakley, Mr. Lent, Mr. Bonker, Mr. Hertel of Michigan, Mrs. Bentley, Mr. Ortiz, Mr. Miller of Washington, Mr. McKernan, Mr. Biaggi, Mr. Manton, and Mr. Rose.

H.R. 2124: Mr. Edwards of California, Mr. Vento, Mr. Sabo, Mr. Durbin, Mrs. Burton of California, and Mr. Bedell.

H.R. 2161: Mr. Roybal, Mr. Matsui, Mr. Robinson, Mr. Rangel, Mr. Wheat, Mr. Hayes, Ms. Kaptur, Mr. Moody, Ms. Mikulski, Mr. Barnes, Mr. Jones of North Carolina, Mr. Frank, Mr. Bedell, Mr. Crockett, Mr. Savage, and Mr. Bustamante.

H.R. 2226: Mr. Applegate, Mr. Bevill, Mr. Duncan, Mr. Hayes, Mr. Kindness, and Mr. Roe.

H.R. 2502: Mr. Beilenson.

H.J. Res. 41: Mr. Packard.

H.J. Res. 64: Mr. Panetta and Mr. Whitten.

H.J. Res. 76: Mr. Luken, Mr. Burton of Indiana, Mr. Gray of Illinois, Mr. Evans of Illinois, Mr. Gekas, Mr. Andrews, Mr. Atkins, Mr. Hoyer, Mr. Levin of Michigan, Mr. Martinez, Mr. Moody, Mr. Richardson, Mr. Wise, and Mr. Stangeland.

H.J. Res. 133: Mr. Rinaldo, Mr. Gallo, and Mr. Guarini.

H.J. Res. 151: Mr. Clinger.

H.J. Res. 204: Mr. Perkins, Ms. Kaptur, and Mr. Florio.

H.J. Res. 222: Mr. Hayes and Mr. Jeffords.

H.J. Res. 281: Mr. Lewis of Florida, Mr. Lowery of California, Mr. Feighan, Mr. Young of Missouri, Mrs. Collins, Mr. Hayes, Mr. Daub, Mr. Darden, Mr. Lewis of California, Mr. Lantos, Mr. Bilirakis, Mr. Schaefer, Mr. Addabbo, Mr. Dixon, Mr. Burton of California, Mr. Campbell, Mr. Hutto, Mr. Borski, Mrs. Holt, Mr. Hall of Ohio, Mr. Kostmayer, Mr. Jenkins, Mr. Jones of North Carolina, Mr. Reid, Mr. Kasich, Mr. Hammerschmidt, Mr. Moakley, Mr. Moody, Mr. Mack, Mr. Rinaldo, Mr. Rostenkowski, Mr. Savage, Mr. Tallon, Mr. Watkins, Mr. Shaw, Mr. DeWine, Mr. Frenzel, Mr. Rowland of Connecticut, Mr. Wirth, Mr. Smith of Florida, Mr. Yates, Mr. Lightfoot, Mr. Siljander, Mr. Ford of Tennessee, Mr. Murphy, Mr. Hiler, Mr. Tauke, Mr. Lehman of Florida, Mr. Durbin, Mr. Panetta, Mr. Frost, Mr. Wyden, Mr. Walgren, Mr. Rose, Mrs. Schroeder, Mr. Volkmer, Mr. Bennett, Mr. Neal, Mr. Gregg, and Mr. Foley.

H. Con. Res. 90: Mr. Ford of Tennessee and Mr. Tallon.

H. Con. Res. 131: Mr. Boehlert and Mr. Boner of Tennessee.

PETITIONS, ETC.

Under clause 1 of rule XXII:

107. The SPEAKER presented a petition of Pastor Martin Hoover, Kempner, TX, relative to a redress of grievances; which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1555

By Mr. WALKER:

—On page 146, after line 4, add the following section:

SEC. 1112. PROHIBITION ON ASSISTANCE TO COUNTRIES OPPOSING UNITED STATES FOREIGN POLICY.

(a) Report.—Not later than January 31 of each year, or at the time of the transmittal by the President to the Congress of the annual presentation of materials on foreign assistance, whichever is earlier, the President shall submit to the Speaker of the House of Representatives and the President of the Senate a full and complete report which assesses, with respect to each foreign country, the degree of support by the government of each such country during the preceding twelve-month period for the foreign policy of the United States. Such report shall include, with respect to each such country which is a member of the United Nations, information to be compiled and supplied by the Permanent Representative of the United States to the United Nations, consisting of a comparison of the overall voting practices in the principal bodies of the United Nations during the preceding twelve-month period of such country and the United States, with special note of the voting and speaking records of such country on issues of major importance to the United States in the General Assembly and the Security Council, and shall also include a report on actions with regard to the United States in important related documents such as the Non-Aligned Communique. A full compilation of the information supplied by the Permanent Representative of the United States to the United Nations for inclusion in such report shall be provided as an addendum to such report.

(b) Prohibition.—The United States shall not provide any foreign assistance to any country which the President finds, based on the contents of the report required to be transmitted under subsection (a), is engaged in a consistent pattern of opposition to the foreign policy of the United States.

(c) Certification.—The United States shall not provide any foreign assistance to any country whose votes in the most recent session of the United Nations General Assembly differed from the United States position by more than 85 percent, based on the contents of the report required to be transmitted under subsection (a), unless the President certifies to the Congress that national security or humanitarian reasons justify a waiver of the application of this section to a country. The President shall submit each waiver certification to the Congress.

(d) Definition of Foreign Assistance.—As used in this section, the term "foreign assistance" means any assistance provided under—

(1) the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.),

(2) the Arms Export Control Act (22 U.S.C. 2751 et seq.).

H.R. 1872

By Mr. BROWN of California:

—At the end of title II (page 29, after line 14) add the following new section:

SEC. 207. LIMITATION ON TESTING OF ANTI-SATELLITE WEAPONS.

The Secretary of Defense may not carry out a test of the Space Defense System (anti-satellite weapon) against an object in space until the President certifies to Congress that the Soviet Union has conducted, after the date of the enactment of this Act, a test against an object in space of a dedicated anti-satellite weapon. The prohibition in this section expires on October 1, 1986.

SENATE—*Wednesday, May 15, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

* * * *when they knew God, they glorified Him not as God, neither were thankful* * * *.—Romans 1:21.

God of love and mercy, forgive us for ingratitude—for taking for granted daily, common blessings. We slept last night in clean, comfortable beds. Many slept in the streets or without shelter. We awakened this morning—many did not. We had reasons to get out of bed—many had no incentive to arise. We wasted water in showers and tubs—many had no water, not even to drink. We sat down to sumptuous breakfasts—many had nothing to eat this morning—nor yesterday—nor tomorrow. Dear God, we always have more than enough of everything—many never have enough of anything. Forgive us for ingratitude and the sin of presumption—receive our thanks for all of Your blessings—and make us mindful, compassionate, and responsive to those who never have the luxury of shelter, clean beds, full stomachs, and incentive to live. Thank You, gracious Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, followed by a special order in favor of the distinguished Senator from Wisconsin, Senator PROXMIRE.

Then we will have routine morning business, not to extend beyond the hour of 9 a.m., with statements limited therein to 5 minutes each.

Following that, I do intend to call up the conference report on H.R. 1869, repeal of the auto recordkeeping. I do not think that will take any great deal of time, but I wish to alert Members who may want to include statements or make statements on that rather important matter.

Then we will resume consideration of S. 960, the foreign aid authorization bill. I am advised by the managers on each side that unless something unforeseen happens, they feel certain they can finish it fairly early today, hopefully even earlier than they anticipate, perhaps by 2 o'clock.

Mr. President, we could then turn to the DOD authorization, if it is available. I will instruct the staff to see if there might be other possibilities such as clean air, clean water. There are a couple of other bills we might be able to take up.

I know the distinguished Senator from Connecticut is prepared to take up S. 407. We will see if we can clear that for action this afternoon.

Mr. President, I have been reminded that there is an amendment pending by the Senator from Massachusetts [Mr. KERRY], dealing with the Philippines. I am not familiar with all the details. It is anticipated that there will be a rollcall vote. That vote could come as early as 10:30 a.m.

It is also possible there could be a rollcall vote on the auto recordkeeping conference report. If that should occur, I would plan to postpone that vote until immediately preceding the vote on the Kerry amendment.

PEACE OFFICERS' MEMORIAL DAY/NATIONAL POLICE WEEK

Mr. DOLE. Mr. President, just last week this Nation and its allies and foes of World War II paused to remember the close of hostilities in Europe 40 years ago. In another 2 weeks we will again honor those who made the supreme sacrifice in defense of their country in our annual Memorial Day observances.

Yet today is also a day of remembrance, Mr. President, I refer to those who have made the supreme sacrifice in defense of their country to preserve domestic tranquillity. I refer to our peace officers who have fallen in the line of duty. Today is set aside by appropriate commemorative resolution as National Peace Officers' Memorial Day. It is the capstone of National Police Week. Now in its fourth year with congressional endorsement, this observance brings to a high level of public awareness the commitment and sacrifices of the more than half million men and women of more than 15,000 police organizations who lay their lives on the line of duty every day to protect us from the ravages of criminal activity.

More than a decade ago, a national study of our police was conducted by the Police Task Force of the National Advisory Commission on Criminal Justice Standards and Goals. This document, developed and written by police officials for use by police officials in their planning and operational activities, describes, with simple yet eloquent terms, what policing is about. I quote selectively from its first chapter:

> The police in the United States are not separate from the people. They draw their authority from the will and consent of the people, and they recruit their officers from them. The police are the instrument of the people to achieve and maintain order; their efforts are founded on principles of public service and ultimate responsibility to the public. . . .
>
> To a police officer, public service is more than a vague concept. When people need help, it is to a police officer that they are most likely to turn. He responds—immediately—without first ascertaining the status of the person in need. It does not matter if that person is rich or poor; he need not meet complicated criteria to qualify as a recipient of aid or as a potential client.
>
> Police officers are decisionmakers. A decision—whether to arrest, to make a referral, to seek prosecution, or to use force—has a profound effect on those a police officer serves. Most of these decisions must be made within the span of a few moments and within the physical context of the most aggravated social problems. Yet, the police officer is just as accountable for these decisions as the judge or corrections official is for decisions deliberated for months.
>
> The role the police officer plays in society is a difficult one; he must clearly understand complex social relationships to be effective. He is not only a part of the community he serves, and a part of the government that provides his formal base of authority, he is also a part of the criminal justice system that determines what course society will pursue to deter lawbreakers or rehabilitate offenders in the interest of public order. . . .
>
> Although local government provides many services the police are its most visible representatives. Because they are the agents of government who are most frequently in contact with the public, and because they are accessible around-the-clock, police are often contacted regarding services provided by other municipal, county, State, and Federal agencies. . . .
>
> The police are the criminal justice element in closest contact with the public; as a result, they are often blamed for failures in other parts of the system. In like manner, public confidence in the criminal justice system depends to a large extent on the trust that the people have in their police.

We, who ply the political sciences often think that we are the consumate public servants, that we are the true guardians of the public trust. However, Mr. President, I must stand aside in more than a little humility to contemplate the implications of the role of the police officer in the terms described above. What an opportunity for service—what a setting for sacrifice.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

This week more than a 100 survivors are gathered here in Washington at a survivors seminar aimed at focusing attention upon some often overlooked victims of crime—the families of the slain officers. This gathering was sponsored jointly by the National Institute of Justice and Concerns for Police Survivors [COPS]. The aim of the seminar is to develop a clearer sense of the problems faced by the survivors and to find ways of helping and supporting the families in dealing with those problems.

In addressing this group, Lois Herrington, Assistant Attorney General for Justice Assistance, rightly observed:

> The loss of a loved one is always terrible. For the survivor of slain officers, the pain is compounded by society's callous assumption that death is simply an occupational hazard of law enforcement.

Mr. President, hundreds of people gathered today in the Senate park to pay tribute to the law enforcement officers who died in the line of duty over the past year. The memorial service was sponsored by the Grand Lodge Ladies Auxiliary of the Fraternal Order of Police, which has sponsored a similar service every year since 1982. I ask unanimous consent that the names of those officers honored at today's ceremony be placed in the RECORD at this point.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

Rollcall of Heroes

ALABAMA

David W. Campbell, Simmie L. Jeffries, Marcus L. Reid, Sharon K. Robinson, William O. Wilson.

ALASKA

Troy L. Duncan.

ARIZONA

Kenneth E. Campbell, Kevin W. Forsythe, Errol C. Hawkins, Robert L. Polmanteer, John A. Robertson.

ARKANSAS

Charles E. Barnes, Sr., Roy M. Brewer, Louis P. Bryant, Leonard E. Cross, William R. Gilham, Joseph Hutchins, Herman E. Jones, Sr., Robert W. Klein, Roy L. Leon, Jr., William T. Mills, Boyce Norwood.

CALIFORNIA

Edward J. Burch, Beauford L. Brooks, Ronald H. Fuller, David Holquin, Howard S. W. Huang, Duane C. Johnson, Arthur W. Koch, Michael W. McClung, Morley L. Miller, Errol J. Rogers, Timothy J. Ruopp, Chesley A. Stephens, Kimberly S. Tonahill, William C. Whitty.

COLORADO

Edgar B. Rains, Jr., Clifton Browning, Jr.

FLORIDA

Joel V. Broome, Mark C. Caperton, Jose R. DeLeon, Robert D. Edwards, Frederick J. Groves, Jr., Donald B. Kramer, Margaret E. Park, Eric B. Streeter, William A. Wilkerson, Anthony Yanniello.

GEORGIA

Thomas M. Bowen, Lee A. Crews, Stacy M. Fuller, James C. Haupfear, Ronald E. O'Neal.

ILLINOIS

Curtis Baker, Dorelle C. Brandon, Martin P. Clarke, John J. Collins, Fred Eckles, Jr., Bryan A. Keeney, Martin S. Murrin, Robert C. Reimann, Jr.

INDIANA

Ernest J. Malatinka, Harold L. Rogers.

IOWA

Bret N. Sunner.

KANSAS

James L. Reynolds.

KENTUCKY

Carnie F. Hopkins, Anthony E. Jansen, Donald R. Williams.

LOUISIANA

Harland M. Bonner, Carl R. D'Abadie, Warren Narcisse, Jr., Noel A. Smith, Edward Toefield, Jr., Sherman R. Walker.

MAINE

Donald E. Davey.

MARYLAND

Robert J. King, Marcellus Ward.

MASSACHUSETTS

Robert P. Dana, John J. Gilbert.

MICHIGAN

President Hinton, Jr., James S. Johnson, Robert J. Mihalik.

MISSISSIPPI

Jerry Bryant, Steven K. Gardner, William E. Lott, Jr., Jacquelyn K. Sherrill, James S. Wood.

MISSOURI

William H. Givens, Kenneth Koch.

MONTANA

Allen L. Kimery.

NEBRASKA

Robert J. Chab.

NEVADA

George T. Rice.

NEW JERSEY

William L. Carroll, Jr., Edward R. Errickson, Anthony J. Garaffa, Robert S. Heacock, Carlos M. Negron, Daniel J. Smith.

NEW MEXICO

Lowell D. Howard, Bruce A. Richard, David M. Smith.

NEW YORK

Juan E. Andino, Angelo E. Brown, James W. Carozza, Jr., John C. Hawley, Irma Lozada, Thomas P. Ruotolo, Ronald J. Siver, Richard B. Snyder.

NORTH CAROLINA

William K. Horne, Dennis L. Sheffield.

OHIO

Thomas E. Bryant, Ralph J. DeSalle, Jr., Jerry E. Dragosin, Stephen M. Kovach, Phillip J. Pence, Larry J. Safreed.

OKLAHOMA

Mark O. Harris, Guy D. Nalley, Kenneth W. Stump.

OREGON

David Foster, Robert L. Talburt.

PENNSYLVANIA

George R. Banfield, Delbert R. Flowers, Ernest J. Gray, Jr., Carl H. Whippo.

RHODE ISLAND

Doreen A. Tomlinson.

TENNESSEE

James K. Kennedy.

TEXAS

Ruben T. Almanza, Alfred F. Burden, Robert L. Cormier, Randy L. Davis, John E. Hollingsworth, Richard M. Latham, Victor P. Serna, James C. Taylor, James R. Wulf.

UTAH

Charles H. Dickey, Jr., Rodney W. Schreurs.

VIRGINIA

James L. Biggs, George M. Brown, Sr., Douglas E. Drye, Lonnie L. Freeman, Robert T. Hicks, Donald A. Stillman, John C. Thomas III.

WASHINGTON

Nicholas N. Davis, Winfield S. Edie, Terry L. Hoffer, Michael L. Raburn.

WEST VIRGINIA

Harry G. Lucas, Jr.

WISCONSIN

Stuart J. Searles.

DISTRICT OF COLUMBIA

Christopher S. Eney.

PUERTO RICO

Carlos J. Andaluz Mendez, Dario Figueroa Rodriguez, Hilarino Silva Rosario.

Mr. DOLE. Mr. President, as we honor the memories of these men and women who sacrificed their lives, let us be mindful of their survivors as well. We pay our highest honor to these heroes, extend our deepest sympathies to their survivors, and give our lasting gratitude to them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WEICKER). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER. The acting minority leader is recognized.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time of the minority leader be reserved for his use later in the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

CONGRESS SHOULD ACT NOW TO PRESERVE ASAT TEST MORATORIUM

Mr. PROXMIRE. Mr. President, there is one issue that more clearly and clearly divides those who believe in arms control as the principal salvation of a peaceful world from those who believe that the deterrence of sheer military power provides the realistic way to peace. That issue is the testing of antisatellite weapons. This is an urgent issue. The Senate must act on it in the next few weeks or even days. The President with all of the immense power and prestige of his status as Commander in Chief of the Armed Forces and as the Nation's No. 1 legislator seems firmly on the side of proceeding with antisatellite testing. Some of us in the Congress strongly disagree. Unless the Congress adopts legislation to continue the moratorium on ASAT testing, the fragile, tacit restraint both superpowers have pursued since August 1983 in refraining from ASAT testing against targets in space will probably end next month. Our Air Force has engaged in testing against a point in space. That testing has not provoked the Soviets to resume ASAT testing and development. Testing against targets, however, is very likely to provoke advanced Soviet testing ASAT and the arms race would be on.

Why does the administration want to shatter this moratorium? The Air Force has developed a new American ASAT—a two stage missile to be launched from an F-15 jet fighter. It uses a special infrared homing device. It is tipped with a small nonexplosive warhead. The warhead is not nuclear. Once it has been sufficiently tested and has become operational, it would be far in advance of the relatively primitive ASAT system now used by the Soviets. Such a U.S. development would very likely trigger a vigorous Soviet response to match or surpass the ASAT technology. This would make it very hard to stop an ASAT arms race. ASAT arms control would be dead.

Now Mr. President, if ever there were an arms race that no one could win, this would be it. Both superpowers would lose. Which, if either, superpower would be the bigger loser? Answer: Ultimately, the United States would be the biggest and surest loser. Why? First we have an open society. American newspapers and technical journals are full of our latest and newest military developments. Movement in and around this country by anyone is virtually unrestricted. Hundreds of thousands of people swarm around this country every day with cameras taking pictures of everything from children at play, young women in bathing suits to our missiles, our bomber bases, our submarine pens and much of our military establishment. So the Soviet Union is clearly less dependent on satellite photographic capability than the United States. Satellites are helpful to Soviet intelligence. But they are absolutely critical to the United States. If both countries should lose their satellites to antisatellite attack, can there be any doubt which country would suffer the greater loss?

How can the United States monitor military developments in the Soviet Union without satellite intelligence? A few weeks ago a young American officer was murdered by a Soviet soldier. Why? Because the American officer was taking a picture that the Soviets feared might provide this country with military information about Soviet military power.

Mr. President, that murdered American officer was not even taking pictures in the Soviet Union. He was taking pictures in East Germany. When an American plane wandered off course into Soviet territory a couple of years ago, the Soviets feared it might be on an intelligence mission. They shot it down. Travel in the Soviet Union, even by native Russians, is rigorously restricted. As we know, there is no free, inquiring, investigative press in the Soviet Union that lets all the world in on Soviet military activities. The central Communist Government controls every word printed in every newspaper, book, pamphlet, or technical report. Nothing, but nothing, useful about the Soviet military is revealed except with the approval and knowledge of the Kremlin. Radio, television, virtually any kind of speech to more than a tiny handful of people is carefully controlled and limited in that police state. So how does the United States derive its knowledge of the Soviet Union? The answer, Mr. President, is by satellite. William Colby, the former head of our Central Intelligence Agency, has told the Defense Appropriations Subcommittee of this body of the marvels of information about the Soviet Union that we can determine in astonishing detail by our satellites. Colby has called the satellite reconnaissance far more reliable, accurate, timely and useful than the information we can get from personal observers.

So, who loses if we violate the tacit restraint both superpowers have pursued for nearly 2 years in antisatellite testing? Can there be any question that the United States is bound to be the ultimate loser? Both nations lose. Both lose because we destroy the prime technological necessity of an effective arms control agreement—technological verification—a verification that can only come from satellites.

Mr. President, what is the answer to this? Those who favor moving ahead with our ASAT program contend that the Soviets have a deployed ASAT system right now that we must counter. The fact is that the Soviets do indeed have an ASAT system deployed. It is similar to the system we had deployed about 15 years ago. It is a ground-launched weapon that can only reach low-orbit satellites. It could not touch most of our command, control, and communications satellites. They are in high orbit far out of reach of the Soviet ASAT. The new, untested F-15 American ASAT is low-orbit, but so are the Soviets' command, control, communications and their intelligence satellites, too.

The testing and operational deployment of our new ASAT's would give this country military superiority in space. So why not seize and exploit that superiority? The answer, Mr. President, is that we should not push ahead with this arms race even though we win the first lap, going away. Unless we expect to be at war with the Soviet Union in the next 5 or 6 years or so, this ASAT race would be a big loser for our country. The race would move swiftly to the development of high-orbit satellite killers by both superpowers. And there goes the present invulnerability of our vital command, control, and communications satellites and what was left of our intelligence satellites.

With our satellites dead, our eyes in the skies would be blinded. We would be shut out from knowledge of military developments in our adversary, the super-closed society of the Soviet Union. They would lose their satellite intelligence, too. But the Soviets would still have the ability to learn a great deal about the military activities of our wide-open country. So if we cut loose with ASAT testing against targets in space next month, as the Air Force plans, we lose and we lose big.

Mr. President, I ask unanimous consent that an excellent statement set forth by the Council for a Livable World in support of preserving the ASAT test moratorium be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Council for a Livable World Report—Preserve the ASAT Test Moratorium

Last year, Congress mandated a moratorium on U.S. anti-satellite (ASAT) weapon testing against objects in space at least until March 1, 1985. The moratorium remains in effect today. Congress enacted this measure last October in the hope that mutual U.S.-Soviet restraint would enhance the prospects for a negotiated treaty banning or strictly limiting these space-directed systems. The Soviets had earlier adopted a policy of restraint in August 1983 when Yuri Andropov announced that the Soviet Union would not conduct ASAT tests for as long as the United States reciprocated.

THE U.S. ASAT PROGRAM

The U.S. Air Force has developed and begun initial testing of a highly sophisticated anti-satellite weapon, the third American ASAT system. The two previous U.S. ASATs were developed and deployed in the 1960s and early 1970s; these earlier versions consisted of ground-launched, nuclear-tipped missiles that would explode within close range of an orbiting target satellite.

The new American ASAT, however, is not a ground-launched weapon and it is non-nuclear. It is an 18-foot two-stage missile carried beneath and launched from an F-15 jet fighter. This new ASAT, often called the F-15 ASAT, is tipped with a small non-explosive warhead that separates from the missile to destroy a satellite target by impact. The warhead uses a special infrared homing device and is commonly referred to as the Miniature Homing Vehicle (MHV). In January 1984, the Air Force conducted a flight test of the F-15 ASAT that successfully demonstrated separation of the two stages of the ASAT missile. In a later flight test, conducted in November 1984, the ASAT was fired successfully at a point in space. The F-15 ASAT has not been tested since then, and has never been tested against a target in space.

According to Administration officials, the Air Force plans to conduct its first test against a target in space this June. Despite the initial flight tests of the U.S. F-15 ASAT last year, the Soviets still have not conducted any ASAT tests since Andropov's declaration in August 1983. In fact, the last Soviet ASAT test occurred in June 1982. However, the Soviets have indicated that they may resume ASAT testing if the United States proceeds with further testing.

Two important factors should be underscored—first, the United States has not begun testing the new F-15 ASAT against targets in space, and second, the Air Force is preparing to begin such tests later this year. The F-15 ASAT, like any newly-developed weapon system, must undergo a series of tests in simulation of its intended military role before it can be declared operational. This is a critical consideration in the current ASAT debate because once a sufficient number of such tests has been completed the Soviets must assume and act as if the ASAT system is fully operational.

If the F-15 ASAT reaches an operational state, given the missile's small size and hidden deployment position beneath the F-15, the Soviets would find it difficult—if not impossible—to locate and monitor deployed U.S. ASATs by satellite reconnaisance. An ASAT ban or even strict limitations would be extremely difficult to achieve without such verification capability. Moreover, this new weapon system, unlike the ASATs deployed by the United States in the past, would pose a very credible threat to the Soviets' strategic satellites because of its range, speed and accuracy. In sum, a successful ASAT test program by the United States will trigger a determined and intensive Soviet effort to match this advanced ASAT technology, and diminish the potential for ASTA arms control.

IMPLICATIONS OF A U.S.-SOVIET ASAT COMPETITION

The most frequently used argument in favor of testing and deployment of the new U.S. ASAT is that the Soviets have a deployed ASAT system which we must counter. The Soviets, ASAT is similar to the second U.S. ASAT which was deployed during the late 60s and early 70s. It is a ground-launched weapon, launched from a massive booster. The Soviet ASAT succeeds by entering orbit, circling the earth until within striking distance of its target, and then exploding a non-nuclear warhead which sprays the target satellite with shrapnel. This Soviet ASAT can only strike low orbit satellites; it is recognized to be a primitive system which poses virtually no threat to our vital, high orbit military satellites. With our reconnaissance satellites, we can readily determine when and where Soviet ASATs are deployed.

The vast majority of our military command, control, communications and intelligence (C^3I) satellites are in high orbit, out of reach for the low orbit Soviet ASAT. The U.S. F-15 ASAT is also a low orbit system. However, it would be highly effective against the Soviets, C^3I system because most of their vital strategic satellites are in low orbit. In the near term, therefore, the F-15 ASAT would give the United States a significant ASAT edge—a tempting proposition if immediate, military superiority in space is our goal.

In the long term, however, an escalating U.S.-Soviet ASAT competition would be extremely detrimental to our military security. Under the conditions of competing and unrestrained ASAT advances, U.S. and Soviet research and development are likely to produce high orbit ASATs. This means that in the future, our most vital strategic satellites would be threatened by Soviet ASATs. The security of our strategic military forces would then be jeopardized. Moreover, the United States relies far more on satellites for communications and intelligence operations than does the Soviet Union. For example, the United States must use satellites to gather the type of Soviet information that is frequently unclassified in the United States and available to Congress, the public, and therefore the Soviets. It would be extreme folly for the United States to be seduced by the short-term prospect of an edge in ASAT technology when, in the long run, the United States will have far more to lose in an unrestrained ASAT race. The time is now to avoid the trap of inevitable U.S. and Soviet ASAT developments that would put both low and high orbit satellites at risk.

U.S. ASAT POLICY: RECOMMENDATION FOR IMMEDIATE ACTION

Recognizing the gravity of the long-term ramifications of a U.S.-Soviet ASAT competition, the United States in 1978 adopted a "dual-track" policy for this type of weaponry. That year, the United States launched a two-pronged effort—to develop a new weapon (to become the F-15 ASAT), and to negotiate an agreement with the Soviet Union to ban these weapons. The threat posed by the advancing weapon program, it was argued, would give the United States valuable bargaining leverage. Pressure on the Soviets to head off testing and deployment of the forthcoming U.S. ASAT was expected to motivate them to agree to dismantle their ASAT system and, more importantly, not to deploy new ASATs. U.S.-Soviet ASAT negotiations began in June 1978 and continued until July of 1979. After the Soviet invasion of Afghanistan later that year the talks were called off.

The U.S. ASAT program as it stands—on the verge of testing against targets in space—offers a valuable bargaining tool for the U.S. negotiators who have begun space weaponry discussions in Geneva. The Soviets have made it very clear that they are willing and anxious to bargain seriously on ASATs; it is now vitally in their national security interests, as it is in ours. The United States can take full advantage of this leverage by proposing an ASAT treaty to halt the burgeoning ASAT race. A U.S. decision to proceed with tests against targets in space will seriously undermine the chances for success at Geneva.

The ASAT amendment legislated by Congress last fall stipulated that the United States could not conduct ASAT tests against targets in space before March 1, 1985. To begin such tests, the President must report to Congress on U.S. ASAT policy and wait 15 days; the United States may then conduct up to three tests during this fiscal year, which ends on October 1.

Without further legislative action, the decision to proceed or not to proceed with these crucial tests against targets in space is left entirely in the hands of the President. The report requirement poses no obstacle—Reagan will more than likely submit the report to Congress about 15 days before the first test is scheduled, giving proponents of the moratorium the least possible time to react. If Reagan remains committed to the current plans to begin the tests in this fiscal year, it is up to Congress to adopt legislation that would bar the tests.

On April 3, 1985, Senators John Kerry (D-Mass.), John Chafee (R-R.I.) and Charles McC. Mathias (R-Md.) introduced S. 885, a bill which mandates a continuation of the ASAT test moratorium at least until the end of fiscal 1986. This resolution is binding legislation. If enacted, it would prohibit U.S. ASAT tests against objects in space unless the Soviets (1) refuse to continue negotiating on anti-satellite weaponry or (2) conduct an ASAT test against an object in space.

Adoption of the Kerry-Chafee-Mathias bill would demonstrate sound judgement and strategic foresight. The success of the Geneva discussion on defensive weapons may depend on the willingness of both sides to refrain from technological advances in space weaponry that will provoke a breakdown of the negotiations and launch a spiraling space arms race. If the Reagan Administration genuinely wants to enhance our national security and negotiate a treaty to ban or strictly limit ASATs, the ASAT test moratorium currently being observed by both nations must be preserved. A U.S. decision to conduct ASAT tests would increase U.S.-Soviet tensions, complicate the negotiations, and significantly reduce the prospects for an ASAT treaty. At the very best, a U.S. policy of pushing ahead with testing of the F-15 ASAT, before reaching any bilateral ASAT agreement, would create extremely inauspicious circumstances for the recently renewed negotiations on space weapons—if not across the arms control board.

THE GENOCIDE CONVENTION WILL NOT OVERRIDE THE CONSTITUTION

Mr. PROXMIRE. Mr. President, recently, opponents of the Genocide Convention have once again started claiming that the treaty would override the U.S. Constitution.

The answer to these allegations is a resounding "no way!" The Genocide Convention is completely constitutional. Not just in my view. That is a position shared by the American Bar Association, the Reagan administration, and experts ranging from the American Civil Liberties Union, on the left of our political spectrum, to William Rehnquist, one of the most conservative Supreme Court Justices.

In fact, William Rehnquist testified before the Senate Foreign Relations Committee on behalf of the Nixon administration in 1970. He was then serving as an assistant attorney general, Office of Legal Counsel, and his testimony resoundingly repudiates these allegations.

First, he made it clear that "the treaty is entirely constitutional."

Second, he noted that "the Constitution is superior to any treaty no matter how interpreted." He noted that the controlling Supreme Court case was Reid versus Covert (1957) whose language is straightforward on this point. He testified:

> There is nothing in this language (the supremacy clause) which intimates that treaties and laws enacted pursuant to them do not have to comply with the provisions of the Constitution. Nor is there anything in the debates which accompanied the drafting and ratification of the Constitution which even suggest such a result. It would be manifestly contrary to the objectives of those who created the Constitution, as well as those who were responsible for the Bill of Rights—let alone alien to our entire constitutional history and tradition—to construe Article VI as permitting the United States to exercise power under an international agreement without observing constitutional prohibitions.
>
> The prohibitions of the Constitution were designed to apply to all branches of the National Government and they cannot be nullified by the Executive or by the Executive and the Senate combined.

Third, when asked whether treaties became the supreme law of the land, implying that they would be superior to domestic Federal law, Mr. Rehnquist responded:

> Senator, I do not think that is a full statement.
>
> The Constitution says all laws made in pursuance thereof, and all treaties made under the authority of the United States shall be the supreme law of the land. I am paraphrasing, but it puts laws and treaties of equal dignity.

Fourth, Mr. Rehnquist reaffirmed that Americans' right of free speech could not be affected by a treaty and would not be affected by this treaty in any way. Racial slurs or ethnic jokes do not constitute genocide under the plain language of the treaty. Moreover, only actions taken with intent to physically destroy the group constitute genocide.

Finally, Mr. Rehnquist killed two birds with one stone by describing the impact that any opinion of the world court might have on American citizens and the role of treaties vis-a-vis the Constitution when he notes that:

> * * * nothing the ICJ [International Court of Justice] said on the subject would have any bearing on the rights of Americans because the Constitution is superior to any Treaty no matter how interpreted.

Without question, no treaty or domestic Federal law is valid unless it is consonant with the provisions of the Constitution and both must bow before any constitutional prohibitions. That is the way it should be.

Mr. President, this body regularly approves treaties which protect the lives of migratory birds and whales. How can we refuse to ratify a treaty which protects the all-important right of groups of people to live without the fear of extinction? How can we fail to speak out against genocide, the most horrible crime attributed to man?

Since every constitutional argument raised against the Genocide Convention has been refuted, what is this body waiting for? Mr. President, I once again urge my colleagues to ratify the treaty.

DON LAMBRO'S 10 WORST BOONDOGGLES

Mr. PROXMIRE. Mr. President, the first issue of a new publication, "The Taxpayer's Lobbyist"—that is volume 1, No. 1 carries a lead article by Donald Lambro. He has written an article titled: "Washington's 10 Worst Boondoggles." Lambro has made himself the supreme expert on waste in Government. No widely read columnist in America has so consistently and effectively exposed, highlighted, documented and raised such unshirted hades about wasting the taxpayer's money as Donald Lambro. The article in the Taxpayer's Lobbyist is terse and simple. Most, but not all of these boondoggles survived the recently passed Senate budget resolution. Some were eliminated. Some were trimmed. Some were frozen. But all of them may be revived later, possibly later this year in the House of Representatives.

Mr. President, I ask unanimous consent that the article to which I have referred by Donald Lambro be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Taxpayer's Lobbyist, April 1985]

WASHINGTON'S 10 WORST BOONDOGGLES

(By Donald Lambro)

"You haven't any suggestions, have you, of more places that we can find to cut the budget?" President Reagan once asked me during an Oval Office interview.

Indeed I had. Finding ways to shrink the bloated federal budget is one of my principal jobs as an investigative reporter. My twice-weekly, nationally syndicated column regularly roots out and exposes wasteful federal spending. And I'm especially pleased that many of the budget-cutting recommendations I've made in my column, and in my new book *Washington—City of Scandals,* have been adopted by President Reagan in his latest budget proposals to Congress.

Now the ball is in Congress's court as lawmakers battle over how to trim between $40 and $50 billion from next year's estimated deficit of $200 billion. But enacting a meaningful deficit-cutting bill isn't going to be easy. It's going to take an aroused, highly-motivated and well-informed army of concerned tax-payers to put the pressure on Congress to *stop runaway spending now.*

That's why I eagerly agreed to a request from *The Taxpayer's Lobbyist* to name what I consider the most wasteful federal spending programs in existence. It's a tough assignment, because out of the hundreds of programs and expenditures I have investigated, dozens immediately come to mind as among the worst.

But after considerable thought, I've picked the following federal boondoggles as the 10 *most* indefensible. Here is spending that cries out to be abolished:

1. *Revenue Sharing.* How does Congress justify giving $4.6 billion a year in no-strings-attached revenue-sharing checks to over 39,000 localities, thousands of which regularly run up budget surpluses?

Bear in mind that the deficit-ridden U.S. Treasury must borrow the money for revenue-sharing programs, in order to give it away to every community in America. Who gets this money? A lot of communities that by no stretch of the imagination deserve it. Wealthy Palm Springs, California gets $660,000 each year. Ritzy Beverly Hills pockets $220,000. And Grosse Point, Michigan, where the median family income is nearly $70,000 a year, also gets an annual subsidy from Uncle Sam. Thousands of similarly upper-crust communities receive yearly checks from the federal government.

2. *Urban Development Action Grants.* This heavily politicized, $444 million discretionary slush fund in the Department of Housing and Urban Development gives most of its money to a handful of cities. Twenty big municipalities scoop up 44 percent of all UDAG dollars—and use the money to assist downtown corporate development. UDAGs have helped to build 262 luxury hotels; to subsidize upper and middle class housing projects; and, to enrich giant businesses like the Hyatt Corporation, Sherwin-Williams, and General Motors.

UDAG supporters claim that the grants create new jobs. But the Office of Management and Budget disagrees, saying UDAGs "do not add to national investment or job creation. Federal economic development subsidies politically reshuffle the national economic pie—not expand it."

3. *National Institute of Education.* For years this $48 million research arm of the Department of Education has been handing out esoteric and wasteful research grants that have done nothing to improve the education of our children.

Among NIE's useless research projects: A catalogue on early American textbooks, costing $34,000; a legal history of American colleges, with a price tag of $80,000; and a study on "Sex Role Attitudes in Young Women and Men", which cost $102,000.

4. *Small Business Administration.* This scandal-plagued program assists very few of America's 14.3 million small businesses. Indeed, a full *98 percent* of the nearly 600,000 new businesses born each year are created without any SBA help. The recipients of SBA's loans and 8 (a) assistance programs are often determined by political and congressional pressure on the agency, not by sound business decisions.

OMB explains that most of SBA's loan subsidies "go to economic strap hangers—weak businesses who get repeated SBA loans." Indeed, 77 percent of all SBA borrowers in the first half of 1983 were repeat customers. Eliminating the agency would save $576 million next year. President Reagan has asked Congress to do so, but faces great opposition from legislators who put the demands of inefficient businesses ahead of the national interest.

5. *Export-Import Bank.* A handful of big corporations reap most of the benefits of subsidized Ex-Im loans. Out of more than $3.1 billion issued in such loans in 1982, 44 percent benefited just 10 corporations,

seven of which are Fortune 500 companies! The list includes Boeing, General Electric and Westinghouse—corporations that need no federal handouts to compete in world markets. Terminating Ex-Im's direct-loan program would save $400 million next year, and more than $1.4 *billion* in 1987.

6. *Coast Guard User Fees.* Almost all of the Coast Guard's services are provided free of charge to private and commercial boat owners—including over 9 million recreational boats—at great cost to taxpayers. Levying a reasonable system of user fees, as proposed by the Administration, would raise more than $1 billion over a three-year period.

7. *Community Development Block Grants.* Thousands of well-to-do upper and middle class communities are now cashing in on this $3.5 billion grant program, which was originally set up to help low-income people. My investigation shows CDBGs going to middle-class localities like Newport Beach, California, and Stamford, Connecticut. The program has also provided $88 million to oil-rich Dallas, and $2.3 million to Arlington County, VA., one of the nation's wealthiest counties.

If it keeps this program at all, Congress should restrict CDBGs to America's poorest communities. Minimum savings: $1 billion.

8. *Military Commissaries.* America's 238 military commissaries are selling subsidized cut-rate groceries to active-duty personnel, as well as to military retirees in second-career jobs. By modestly raising their prices, these stores could still pass a hefty 10-15 percent savings on to their customers. Eliminating the subsidies would save $758 million a year.

9. *Rural Electrification Administration.* Can *you* get a loan at 5 percent, with 35 years to pay it off? These are REA's taxpayer-subsidized terms for direct loans to electric cooperatives and telephone utilities, which are owned by big, tax-exempt cooperatives or indepentent corporations.

REA subsidies will total $2.6 billion next year. Many of the agency's once-rural customers have become big businesses and suburban residential users who profit from substantially reduced electric rates, courtesy of the federal taxpayer. Savings from an REA phase-out: $5.1 billion over the next five years.

10. *Airline Subsidies.* Since 1978, taxpayers have shelled out nearly a half-billion dollars in subsidies to air carriers, in order to preserve allegedly "essential service" to smaller communities during the transition into airline deregulation. Today, with deregulation giving birth to many new, smaller airlines, these subsidies are no longer needed.

Nearly half of the subsidized markets are within 100 miles of a major airport. Thus, the federal handouts fund inefficient and unfair competition with cheaper transportation alternatives, such as buses and passenger vans. For example, the Office of Management and Budget found that the per person, roundtrip subsidy to fly from Los Angeles to Blythe, Calif. was $1,096. "At 80 cents per mile," OMB says, "the same passenger could have used the subsidy to take a taxi to Las Vegas, lose $500 at blackjack, and take a taxi home, with cash to spare."

(Donald Lambro is a nationally syndicated Washington columnist, author and radio commentator. His twice-weekly investigative column, which appears in newspapers from coast to coast, is distributed by United Feature Syndicate. Mr. Lambro has achieved a national reputation for his aggressive investigations into federal spending programs. The author of four books on the government, Mr. Lambro's most recent book is Washington—City of Scandals, published by Little, Brown and Company.)

Mr. PROXMIRE. Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 9 a.m., with statements therein limited to 5 minutes each.

THE PROBLEMS OF THE AMERICAN FARMER

Mr. MELCHER. Mr. President, American farmers are not receiving enough for the products that they produce in order to show a profit. For many of the agricultural producers in America, that means this may be their last year as farmers and ranchers. The prices that they receive for their commodities are lower now than they were in 1980, and 1980 was no particularly good year.

I do believe that this tragedy of continuing foreclosure or liquidation of farms and ranches throughout the country is one that must be reversed. Part of the reason that the agricultural producers are having so much problem in net farm income is that the American dollar is very strong and there is a great disparity between our money and the value of money in other countries, which makes our exports very high, based on the strong dollar, and imports relatively cheap.

A particular case in point is Canada where the disparity between their dollar and ours is about 32 to 34 percent. Cattle and hogs from Canada yield much more for Canadian producers if they are sold in the United States than if they are sold in Canada. Because of that, American buyers for packing companies are, of course, going to Canada and buying as much supply as they can, bringing them into the United States and having them slaughtered.

The devastation which that causes for the cattle and hog feeders cannot be overly exaggerated. They are simply going broke very quickly. Agricultural producers in short are getting the very dirty end of the stick.

During the consideration of S. 960 I think we should discuss the disparity of our dollar versus the Canadian dollar and seek some restraint by the Canadian Government, that is, to restrict the movement of Canadian cattle and hogs to U.S. markets and thereby exacerbating the very serious situation in which our pork and beef producers find themselves today.

There is another bill that is being considered in the Senate Agriculture Committee. It is in the initial stages of markup. That is a new farm bill. The first section of that bill is trade expansion, and I think that bodes well for agriculture producers in this country, providing we act quickly and with some meaning and purpose to expand exports of U.S. agriculture products.

We cannot forget about those who are hungry in the United States and I do not believe we will. At least this is the first indication we have had that the committee is sensitive to this point and that we will be careful in looking at food stamps, school lunches, and women and children nutrition programs that come under the jurisdiction of our committee.

But beyond that, if we are going to give any hope to the hard-pressed agricultural producers of this country, we must look at the export-import side, try to expand our exports and limit imports when they are extremely damaging to domestic producers.

That is our first task, and I am encouraged that the committee has decided the trade section of the bill will be that part first marked up.

TRIBUTE TO DAVID BERKE

Mr. WEICKER. Mr. President, during the long days of deliberation on the budget, the process of times seemed reduced to a mathematical problem to be solved. In trying to deal with a complex issue, our focus often narrows to the point where we lose sight of the whole picture. Today I want to share with my colleagues an eloquent reminder of what our job here is all about. David Berke, a young man from Connecticut, wrote some poems expressing his concern for the future. He described very accurately the kind of decisions we are making here in Congress—decisions on the quality of life for our children and their children. David was killed in an automobile accident not long ago. We are fortunate to have his thoughts with us as we go about our job.

The poems follow:

POEMS OF DAVID BERKE

It is said this country was made great,
long ago by farsighted men,
who invested in their hope in the future,
for the benefit of their children's children.

Do you go with the short term investment,
that will make you very happy right now?
Or do you invest in and plan for the future,
which might not show up some how?

Your short term may even go sour,
it might not get into the black,
yet you might spark a new innovation,
which will turn the others all back.

To start the long term investment,
a very high price you will pay.
To give up the short run will cost you,
something you might even regret someday.

The question that will face us tomorrow,
is do we see the profits right now—
or forget the pleasure and sorrow
and think of the future somehow.

Now if these men had all lived today,
would they see the way that I see?
Is love just a short term benefit
or a long term investment for me?

I can't trust those around me
I don't like my race
We're crummy, we're cruel, we're dirty
and just plain two-faced.

I keep hearing a peace—
How the world should be run
Why can't we all be happy as one?

Yet we're building more planes
and building more guns,
hoping someday it won't have to come.

Missiles and bombers,
tanks and planes
Sometimes I think we're all just insane.

Someday we'll do it
the Die will be cast,
No one around to tell of our past.

It may be too late
someday you'll see
We'll all be just shadows
Including you, your neighbor and me.

It's finally happened
It's finally done,
There will be Peace on Earth
for all time to come.●

CHILDREN'S HOME SOCIETY OF FLORIDA

Mrs. HAWKINS. Mr. President, the Children's Home Society of Florida employs a very simple statement which embodies the focus of their work and their single objective over the years: "For every child the kind of care he needs."

This worthy organization is 82 years old but their programs are even more needed today. I would like to take this opportunity to draw attention to just a few of the programs supported by the Children's Home Society.

Plans are presently underway for the society's newest and largest facility for previously hospitalized, abused children, the McLamore Center in Miami, FL. The center will care for children who are able to leave the hospital but may otherwise have no safe place to go.

They have also joined with the Kugelman Foundation to establish the Kugelman Family Counseling Center in Pensacola, FL. The center attempts to solve problems that can destroy family unity.

The center also provides foster parents for children awaiting adoption. Other CHS homes provide therapeutic services and training for retarded children. In addition, the Children's Home Society operates a number of outstanding residential care facilities for children.

Other CHS foster homes provide therapeutic services and training for retarded children. Professional counselors work with the families of retarded youngsters with the goal of keeping them at home and out of an institution. CHS also operates a number of outstanding residential care facilities for children. The Thad and Loca Lee Buckner Division offers a home, counseling and educational opportunities for pregnant young women while they await childbirth. Additionally, Buckner Manor serves as a shelter for abused young women who need protection and care.

Keeping families together has been a primary goal of the society. Through counseling and direct assistance in home life, their staff of professional family counselors help parents solve problems that can, if solved, disrupt the family and lead to the removal of the children from their homes.

The society also offers counseling and training programs designed to keep pregnant teens and young parents from dropping out of school. CHS programs have been acclaimed by school and community leaders for success in breaking the pattern of welfare dependency and child abuse for thousands of young people.

VETERANS JOB BANK

Mr. PRESSLER. Mr. President, I speak today on an important program for increasing the employment prospects of our Nation's veterans. Over the past several years, much work has been done in developing a computerized job bank that will allow veterans to locate jobs for which they are qualified from coast to coast. Currently, most employment notices are sent to job service offices across the country by mail and the lag time can be up to 2 weeks. Often, by the time a person responds to the notice, the job has long since been filled.

Recently, I joined Senator KERRY in introducing legislation which would extend and reorganize the Emergency Veterans Job Training Act of 1983. An important part of this bill would provide funding for a veterans national job bank. Earlier this year, Partnerships Data Net received an ACTION grant to develop such a system. The concept for the job bank was formed by the Vietnam Veterans Leadership Program [VVLP], an ACTION project.

The veterans national job bank will have the capability to operate effectively on the local, State, and national levels, with the basis for communication being CompuServe mainframe computers. The computer network will provide millions of employers with access to a bank of qualified veterans applicants for employment and training, as well as provide veteran small businesses with procurement opportunities. The system will reduce the time necessary to process paperwork, exchange information, market programs, develop jobs, post listings, and match veterans with job and training openings from days and weeks, down to a few minutes.

The veterans job bank will have the following capabilities:

Assess a veteran by education, past work experience, military training and experience, and/or aptitude tests and match that veteran with an appropriate occupation out of the 12,375 occupations defined in the Dictionary of Occupational Titles [DOT];

Match civilian and military occupations, training and work experience to industries and specific employers that would employ those occupations. The system will have information supplied by Dun & Bradstreet on 6 million employers;

Assist veterans affirmative action programs required by section 2012 of title 38 United States Code, by listing all suitable openings by Federal contractors and subcontractors;

Develop good career and training opportunities in the large segments of the private sector traditionally not accessed by Federal employment and training programs;

Enable private sector employers to post job and training openings directly to the computer;

Match employers and employees to special programs such as the Emergency Veterans Job Training Act [EVJTA]; and

Match recently separated servicemen and military reservists and guardsmen to civilian occupations that will utilize their military skills, enhancing not only recruiting job promises, but also military readiness.

The computerized veterans job bank would be invaluable to the Department of Labor's Job Service Local Veterans Employment representatives and Disabled Veterans Outreach Program personnel, as well as the Veterans' Administration's rehabilitation counseling offices, vet center facilities, and VA regional offices.

Also, any public or private sector employer with a computer and modem could utilize this system, making it far easier and faster for employers to post jobs and receive qualified applicant referrals than do current job service practices. The Veterans Service Organization and service officers, military recruiting and separation points, and educational institutions would also be positively affected.

The following is a list of those organizations which are currently participating in the development of the veterans job bank:

1. Partnerships Data Net (PDN). PDN is a 501(c)(3) not-for-profit organization whose mission is to facilitate and to implement partnerships between the public and private sectors. Organized in part by the White House Office of Private Sector Initiatives, PDN is intended to be a network of networks. Its membership includes the National Association of Manufacturers, and the Young Presidents Organization, as well as federal, state, and local governments and civil and community organizations. The Job Bank will fall under the overall umbrella of PDN and will involve the active participation and interaction of much of its membership through computer linkages.

2. The Vietnam Veterans Leadership Program (VVLP). VVLP will use its network of successful Vietnam veteran volunteers to market the computer network to the private sector and to develop employment and training opportunities using the system. VVLP, in certain instances, will also counsel, prescreen, and provide supportive services to veterans participating in the Job Bank. Some chapters of the Vietnam Veterans of America will participate in the system in a similar capacity.

3. CompuServe. Partnerships Data Net has a contract with CompuServe, Inc. CompuServe has the nationwide telecommunications network, computing services, software and other resources to implement the system within four months. Using CompuServe's network services, all parties participating in the program can do assessments, exchange information, post jobs and match veterans with employers by using a wide variety of computer hardware and software.

4. PESCO Data Base. The system will use the PESCO (Progressive Evaluation Systems Company) data base which contains all 12,375 occupations defined in the federal government Dictionary of Occupational Titles. Each occupation has a narrative description of the occupation broken down into specific tasks which can be used as a training outline. Each occupation contains 112 separate categories of information on the educational level, physical demands, temperaments, and aptitudes necessary, as well as the length and type of training required to become proficient in a specific occupation.

5. Dun and Bradstreet. This firm is the largest compiler of business information in the world. The Dun and Bradstreet data base contains information on five million American employers. The Job Service accesses only about ten percent of the employers in the country. The Dun and Bradstreet data base will identify almost every employer in the country, along with the major occupations they employ, thus facilitating highly targeted job development. The Dun and Bradstreet data base can readily identify high tech and growth industries. The data base will also provide information on federal procurement requests and federal contractors. The Job Bank will be able to identify federal contractors subject to affirmative action requirements for veterans. The system will also serve as the basis for veteran small businesses to obtain subcontracts and bid on a timely basis on procurement notices.

6. Booz Allen and Hamilton, Inc. This firm is one of the nation's largest management consulting firms. Its data base correlates 8,000 Military Occupational Specialties (MOS) to over 1000 civilian occupations, as well as civilian training and apprenticeship programs. This data base will enable recently separated servicepersons to make maximum use of their military training and experience in starting a civilian career. It will also enhance National Guard and Reserve recruiting and readiness by providing civilian careers which are compatible with the military mission and training.

The veterans job bank is initially for veterans, but can be readily adapted to serve the entire labor market. By fulfilling statutory responsibilities exclusively for veterans and ensuring critical quality control, employers will be more likely to post good career opportunities for veterans than they would if the system were initially wide open to all clients. The appropriate careers for the majority of unemployed and underemployed veterans are often very different than the low paying, entry level jobs traditionally available through Federal employment, training, and placement systems.

All the resources to develop the comprehensive national job bank and assessment system exist in the private sector, as stated earlier. The system will be programmed and on-line for demonstration purposes in 4 or 5 months.

Operational cost for the first year of use of the system will be approximately $4 million. The Department of Labor has requested $800,000 for computer hardware in its offices. Most other end users already have the necessary computer hardware. Local employment service offices can purchase terminals and printers—under $3,000—out of the $9 million authorized under title IV C veterans national programs grants to the States.

Mr. President, I would urge my colleagues to take a careful look at the merits of the veterans national job bank system. We still are faced with a large group of veterans in the 30 to 34 age bracket who are struggling to fit into the job market. The cost for this program is minimal compared to the increased taxes that a higher veterans employment rate would bring. This small investment should be seen as an investment in a more productive veteran population, and potentially, a more productive American citizenry.

TOGO INTERPARLIAMENTARY UNION CONFERENCE

Mr. STAFFORD. Mr. President, I take this opportunity to report on the recent meeting of the Interparliamentary Union held in Lome, Togo, March 25-30 of this year. Unfortunately because of the schedule in the U.S. Congress during that week—particularly because of the MX vote in the House—very few of our colleagues were able to attend this important session at which parliamentarians from 84 countries participated. Senator QUENTIN BURDICK and I were required therefore to devote extra time and energy to the tasks of representing the U.S. Congress at the session.

The conference considered three main issues: First, disarmament and the promotion of peace and security in various parts of the world, particularly the Mideast, second, the burden of international debt, and finally the famine, desertification and drought in Africa. This last issue was particularly timely given the tragic human suffering occurring on the African continent at the time of our conference and at the present time.

During the plenary debate, I was able to explain to delegates about U.S. action to help alleviate the tragic famine in Africa. This provided an opportunity to show the record of service and support of independent American citizens as well as the generosity of the U.S. Government. Senator BURDICK, in his plenary statement, drew particular attention to ways our parliaments can help alleviate the problem of debt burden. He pointed to the need for realism and stressed that countries with the financial means and countries facing serious debt need to adopt measures to overcome this problem. I ask that these two plenary statements be included at the end of my remarks.

Senator BURDICK also took upon himself the particularly difficult job of working in the political drafting committee assigned to negotiate on the very controversial matters of disarmament and the Mideast. Despite his efforts and the good faith efforts of others, the IPU adopted a final resolution considerably opposed to U.S. policy and the policies we have supported in the Senate. Therefore, our delegation, together with many other delegations, did not support the final resolution. At the meeting, we indicated some of our objections, and I ask that the statement I made on behalf of our group be included in the RECORD at the end of my remarks.

Despite the arduous negotiations and sometimes heated discussions on disarmament and Mideast issues, I do believe that increased understanding was promoted in the IPU Conference in Togo. Particularly valuable were the frequent caucuses with our European friends and allies and the many bilateral discussions with parliamentarians from other regions in the world. This coming fall, the IPU will hold its next session in Ottawa. There Members of the U.S. Congress can build upon the understandings already achieved.

I ask unanimous consent that the statements of myself and Senator BURDICK be made a part of the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE ROBERT T. STAFFORD—MARCH 26, 1985

Fellow delegates: My American colleagues and I wish to express our heartfelt gratitude to President Eyadema, President of the Togolese National Assembly, Apeido-Amah, and to the Government and citizens of Togo.

Meeting here in Africa, I feel impelled to comment on the dimensions of famine in vast areas of this continent. Tens of thousands have died in Ethiopia alone, and the continent-wide death toll now may be approaching the one million mark. In human terms television has brought us countless dramatic and heart-rending scenes of helplessness as mothers anxiously search for food for their children.

The United Nations Food and Agricultural Organization (FAO) estimates that 1984 grain production in 21 drought affected countries of Africa will drop another 12 percent below the already drought-reduced output of 1983. The U.S. Department of Agriculture estimates that per capita food production in sub-Saharan Africa has fallen 20 percent since 1960. What makes the famine situation especially serious this year is the cumulative effect of three years of sparse rainfall throughout vast areas of the continent. Poor economic conservation and agricultural policies have also contributed substantially to the problem.

What is to be done?

We, as parliamentarians, should persuade our governments to cooperate in a worldwide outpouring of generosity directed to Africa and other areas of the world which are in desperate need. Let us no longer compete in megatons of nuclear destruction but rather turn our energies to food for the hungry, and medicine for the sick.

The United States has made a beginning. Independent American citizens, on a strictly private voluntary basis, have contributed $81 million for famine relief in Ethiopia alone. We in the Congress have just authorized over $800 million in special aid for Africa. It is clear that our famine-relief for Africa this year will exceed one billion U.S. dollars.

At a special U.N. conference on Africa famine in Geneva this month, Vice President Bush pledged that the United States would meet 50 percent of Africa's food needs. President Reagan has released 300,000 tons of wheat from the U.S. Food Security Reserve—the first time that has been done for overseas famine—and the U.S. Agency for International Development (AID) is providing $50 million to process and transport it.

Moreover, U.S. emergency food aid to Africa has totalled 793,000 metric tons of grain to the nations of Ethiopia, Sudan, Kenya, Niger, Mozambique, Chad, and Mali.

We are proud of our record of service and support in behalf of the desperate needs of the countless millions of African men, women and children suffering from the ravages of hunger and pestilence. The challenge to assuage the hardships of much of the African continent is a challenge which all parliamentarians must assume—with the expectation that we will respond appropriately in timely fashion.

In future years let it be said that the end of hunger in Africa began at the 73rd Conference of the Interparliamentary Union meeting in Lome, Togo.

Turning next to the subjects of arms control and disarmament, I must emphasize that the United States places the highest priority on the control of nuclear weapons and the eventual reduction of all armaments—even their elimination. The United States deeply regretted the suspension of arms control negotiations with the Soviet Union in 1983 and we are happy that talks have now resumed in Geneva. I feel confident that our U.S. representatives will demonstrate flexibility and good will. If our Soviet counterparts do likewise we believe that an agreement can be reached.

We should caution our fellow parliamentarians and ask you to understand that these negotiations will be long and complicated. Some of the issues involved are very technical, and many different considerations must be taken into account to assure the security of both the Soviet Union and the United States and our respective allies.

The current negotiations in Geneva have one element which is relatively new to arms control negotiations. That issue is the inclusion of space weapons, a Strategic Defense Initiative. In March 1983, President Reagan proposed that the United States begin a research program to examine the feasibility of building such a defense capability against ballistic missile attack. While there is considerable debate within the United States and elsewhere about the technical and strategic merits of such a defensive system, there is substantial support for some level of research if only to determine the feasibility of a purely defensive system which would render offensive nuclear weapons useless.

The United States believes that the use of chemical weapons must cease. A draft treaty has been proposed by the United States, and we invite the Soviet Union and other nations of the world to endorse it.

Parliamentarians must make it clear that international terrorism is a major inhibiting factor to the promotion of peace and security in the world. No one is safe. Within a week, a Soviet diplomat was shot dead in front of his horrified wife. Whether it be officially supported state terrorism such as the machine gun murder of a British policewoman by criminal elements of the Libyan Government or random attacks on Turkish diplomats, the destabilizing result is the same. It is incumbent upon all governments to deny terrorists sanctuary and to assist in legitimate investigations.

The United States condemns the mining of the Red Sea and appeals to States which manufacture marine mines not to sell them to those who would use them there.

The recent military disaster suffered by Iran shows that only stalemate is likely to result from either sides' effort to defeat the other. With this prospect before them, the parties have but one reasonable course—to initiate and pursue dialogue to end the war.

The U.S. delegation joins with the U.N. Secretary General and the President of the Interparliamentary Council in condemning the inhuman practice of apartheid. South Africa must change its policies, eliminate apartheid and begin to respect the rights of all its citizens.

The United States also urges that all foreign forces withdraw from Lebanon and all efforts to undermine the sovereignty of the Lebanon Government cease. We continue to support U.N. Security Council Resolution 242 and encourage all parties in the region to do likewise.

Finally, as Chairman of the U.S. Senate Committee on the Environment and Public Works, I would like to commend the work of the Interparliamentary Conference on Environment held in Nairobi in November 1984. The conclusions and recommendations for legislation and incentives for environmental protection make eminent sense. Pollution does not respect national boundaries and more and more is seen as an international problem.

We are conscious of our critical role in world affairs. Members of our U.S. House of Representatives and Senate involve ourselves in every appropriate way to promote arms control and disarmament and to encourage those actions in international affairs that can contribute best to the peace and welfare of the citizens of the world.

STATEMENT OF THE HONORABLE QUENTIN N. BURDICK—MARCH 28, 1985

Mr. Chairman, fellow delegates: On behalf of my colleagues in the United States delegation, let me express how we welcome this debate opportunity. Our own Congress has directed attention to the problem of international debt and we are seriously—at this very moment—grappling with the problems of our economic and financial situation. IPU consideration of this issue at this time may give positive impetus to concrete actions by our respective parliaments.

Parliaments and governments must take action, but they alone cannot solve the problem. Many actors are involved, ranging from the international banks and corporations to small entrepreneurs and peasant farmers in the debtor countries. To overcome the negative impact of debt on development, governments need the active cooperation of all involved parties. This cooperation cannot and should not be coerced. Indeed, policies in the developing and developed countries which distort marketplace incentives are a contributing cause to the current crisis. Parliaments need to enact legislation which provides the proper incentives and guidance to secure fruitful cooperation by all the actors involved. We should also encourage our governments to seek solutions, in the meetings next month of the World Bank Interim and Development Committees, which endorse the case-by-case approach to the debt problem, with solutions appropriate to the interests and conditions of each country.

There is great danger that the issue of debt and poverty will be politicized. To the extent that governments begin using each other as scapegoats, playing on the passions of their constituents rather than coping seriously with the issues, the problem will be compounded. In the present situation, Parliaments should seek to help educate their constituencies to the difficult choices which lie ahead. This will not be easy, for in many cases it goes against the grain to ask sacrifices of one's constituents and the immediate self-interest of powerful local groups.

The debtor countries have diverse interests, and no single formula can possibly fit all their needs. The problems we are now seeing are the result of the major changes in the world economy which occurred during the 1970s, particularly after 1979. Some middle income countries adjusted their economies early and were reasonably prepared to cope with the strains which occurred after 1979. Other middle income countries postponed the adjustment process by borrowing heavily abroad. They now find themselves in very difficult economic straits, with a very large portion of their export earnings mortgaged to service their commercial debts. A third group of countries, mainly the poorest nations, have limited commercial debts but their capacity to service their existing debt is limited by the basic weakness of their economies and by changes in the economic environment. In many cases, these countries have compounded their problems by misguided economic policies. The appropriate prescriptions for the three groups of countries differ considerably.

Countries with the financial means need to be prepared to provide foreign aid and other forms of official financing to the neediest countries for humanitarian reasons, and also to help them acquire the capacity to make the necessary changes in their domestic policies. The middle-income developing countries require continued access to world capital markets, as well as opportunities for increased exports. This may place pressure on the political leaders of the developed countries—already under pressure because of high interest rates, unemployment, and budget deficits—to limit

access to their capital markets or to erect trade barriers against increased imports from developing nations.

The debtor countries need to be prepared to make major changes in their national economic policies. Subsidies need to be reduced, production incentives need to be improved, domestic budget deficits and monetary expansion need to be limited, and many other potentially unpopular steps need to be taken if the debtor countries are to adjust their economies and lay the foundation for future growth.

Indeed, the long-term interests of the debtor countries would not be served by adopting a policy of debt repudiation or blanket cancellation. This would cut off the middle income countries from new international credit, thus crippling their capacity to finance their trade and frustrating their future growth. Meanwhile, for the poorer countries, a widespread cancellation of their outstanding official credits would probably have such a negative impact on public opinion as to make it a very dubious proposition as far as future aid is concerned.

It is the policy of the United States that it is neither wise nor feasible for the governments of the industrial countries to cancel the developing countries' foreign debts. Neither is it realistic to expect these debts to be paid off with the funds of taxpayers in the developed countries. In the long run, the debts must be serviced and paid off by the borrowers themselves.

This having been said, let me make it clear that the U.S. Government strongly supports actions which will alleviate the debt burden and facilitate needed structural economic changes. The United States provides most of its aid to the poorer countries on grant terms, for example, and it is willing to refinance the official debt of countries which are taking realistic steps to adjust their economic policies.

Along with the World Bank and the IMF, the United States holds that economic adjustment by the debtor nations must be the foundation for any successful effort to manage the debt crisis. The United States also believes that the existing international financial institutions—the IMF and World Bank—must be the centerpiece of any program to deal with the international debt crisis. The United States also believes that a program of sustainable noninflationary growth and more open markets is needed, in all countries, in order to provide the basis for the ultimate resolution of the crisis.

Although countries with heavy burdens of debt service may have prolonged periods of adjustment ahead, the worst of the world debt problem may be behind us. We have proven that the major industrialized nations, working in cooperation with the IMF and major international banks, are able to coordinate their policies to assist those nations unable to service their debts.

Let me underscore the fact that there is no short-term, quick-fix solution on the debt problem. The real solution depends on the ability of debtors and creditors to adopt and stay with policies which best assure sustainable, noninflationary growth, continued adjustment in debtor countries to increase their capacity to export, and action by all to enhance the openness of markets for trade and direct investment.

Nevertheless, delegates to this conference should know that the United States has approved substantial flows of U.S. economic aid. Last year's figure was a 35 percent increase over the appropriation for two years before. This has been done at a time when the principal focus of political debate in our legislature was on ways to trim federal expenditures in order to lessen the U.S. Government's budget deficit. In 1983, during the midst of the worst part of the debt crisis, Congress enacted legislation to approve U.S. participation in the recent expansion of IMF resources. It also approved several rules which sought to lessen some of the cost of rescheduling commercial bank debt.

The prospects of the developing countries depend very much on whether a U.S. economic recovery can be sustained. It is perhaps a sign of the increased interconnectedness of the world economy that our country's ability to cope with its own economic and budgetary situation is the single most important thing we can do to promote the development of the Third World and the consequent alleviation of poverty in the developing nations.

STATEMENT OF THE HONORABLE ROBERT T. STAFFORD—MARCH 29, 1985

The draft resolution presented by the drafting committee has unfortunately very many deficiencies:

1. It calls for a world disarmament conference despite the fact that there are already very many arms control and disarmament discussions going on. Following the Helsinki Final Act, parties have been meeting in Stockholm to improve confidence building measures in Europe. In Vienna, both sides have presented proposals on conventional weapons that could lead to a positive conclusion. As members here will recall, in Geneva the Committee on Disarmament under the United Nations is a forum for comprehensive arms discussions. The United States is in fact pushing chemical weapons negotiations there.

The IPU should be encouraging these discussions rather than calling for another meeting that just will delay the real confrontation of the issues.

2. The resolution distorts the objectives of U.S.-Soviet talks. Both the United States and the Soviet Union are undertaking complex and difficult negotiations on strategic nuclear weapons, intermediate range nuclear weapons and space. These negotiations do not merely point to the problems of space. Yet, this resolution gives way too much emphasis on the space aspect. Perhaps this is understandable because of the newness of the issue. However, delegates should consider that the Soviet Union itself is very much experimenting with space weapons, some even believe they are ahead of the United States in certain space weapons. But the main point is that the United States and the Soviet Union need to proceed on all fronts, not just with space.

3. The resolution discusses aspects of strategic doctrine which, if we took the resolution seriously, would undermine the deterrence that has helped maintain peace in Europe since the last world war. I find it hard to believe that the IPU seriously wants to undermine NATO or Warsaw Pact doctrines which, although they contemplate the possibility of war, have served so well in preserving the peace.

4. Let me mention the Mideast. Unfortunately the resolution restates much that has been said on this issue before. Here the IPU is showing just how out of touch it is with world realities. Just at this moment, there are several developments in Mideast diplomacy, involving Jordan, Egypt, Palestinians and many other actors. Everyone knows that the only way to true peace is full implementation of UN Security Council Resolutions 242 and 338, yet the drafting committee has refused to plainly state this fact. The draft resolution endorses the PLO, as other IPU documents have, and thereby ignores the discussions currently underway in the Mideast that might really give the Palestinians a substantive role in the negotiations. The draft resolution indicates little progress has been made, thereby ignoring the fact that Israel and Egypt are at peace.

Finally, the draft calls for a Mideast peace conference which in my view will only set back prospects for peace. Imagine, with due respect, the 103 members of the IPU sitting to negotiate about the very vital interests of the states in the Mideast. Do you really believe that the whole world will move with any more determination than an effective negotiation group of the parties most directly involved. The IPU should endorse respect of the rights of the states and peoples in the Mideast region. It should not endorse a world Mideast peace conference.

"NEW" SS WREATHS, OLD ANTI-SEMITISM

Mr. KENNEDY. Mr. President, 10 days ago, over the strong objections of many of us in Congress and large numbers of Americans across the country, President Reagan went through with his controversial visit to the Nazi SS cemetery in Bitburg, a visit that reopened old wounds from World War II and dishonored the 6 million innocent victims of the Holocaust.

Bitburg was no ordinary military cemetery, because World War II was unlike any other war. The sheer depravity of the Nazi attempt to exterminate the Jews has set that war apart from any other conflict in recorded history.

We are all aware today of the fanatical hatreds that threaten the security of Israel and that are poisoning the hopes for peace in the Middle East. And we are also aware of the long and unhappy history of intolerance which still flourishes at the extremist fringe of American politics. In recent years, I have spoken on many occasions about the importance of tolerance and the fragile relationship between faith and freedom in our society and in every other nation on Earth. When discrimination is permitted to flourish anywhere, liberty is diminished everywhere.

Sadly, one of the consequences of the Bitburg visit has been a new stirring of the ancient evil of anti-Semitism. I read with deep concern the extraordinary article by Marvin Kalb in yesterday's New York Times about his personal encounters with anti-Semitism in Germany in the days immediately following the President's trip to Bitburg.

Thomas Jefferson taught us that eternal vigilance is the price of liberty. And in this troubled time of controversy over the meaning of reconciliation and remembrance, it is clear that eternal vigilance against anti-Semitism is

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one of the most important guarantees of liberty in our own day and generation.

Mr. President, I ask unanimous consent that the article by Marvin Kalb may be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, May 14, 1985]

New SS Wreaths, Old Anti-Semitism

(By Marvin Kalb)

Washington.—The controversy over the Reagan visit to Bitburg is receding, no longer a front-page embarrassment. But do you hear an echo from the past?

I visited the cemetery the morning after President Reagan and Chancellor Helmut Kohl placed wreaths of reconciliation in front of its chapel. For years, the cemetery had been largely ignored; now, it was an instant shrine, a focus of political debate. Small flower pots marked many flat graves, 49 of them honoring Waffen SS troops. By the end of my visit, many hundreds of Germans and occasional Americans from the nearby Air Force base paused before the wreaths. Some took pictures. Mothers hushed children. A religious air seemed to saturate the scene.

But look and listen: all around there were the sights and sounds of the new Germany—and old. Six feet to the left of the President's wreath stood an equally impressive one. Across its banner: "To the Waffen SS who fell at Leningrad." No more than a foot to the right of the Chancellor's was another wreath: "For the fallen comrades of the Waffen SS."

These two wreaths had been placed in the chapel, out of sight, hours before the President arrived. They were restored to their original places of honor only hours after he left. In the ensuing tranquility, the Waffen SS could again be honored in the springtime sun.

A middle-aged visitor from Nuremberg said the Waffen SS were simply soldiers—young conscripts doing their duty. "Let them rest in peace. For us, a dead soldier is a dead soldier, not a hero."

A native of Bitburg, who looked to be in his 20's, expressed a view I was to hear with disturbing regularity. "We Germans and Americans had been cooperating very well"—he lowered his voice—"until the Jews began to make trouble."

Another Bitburger zeroed in on Elie Wiesel. "Imagine the nerve of a Jew lecturing President Reagan. I saw him on television, making trouble the way they all do."

An old woman complained that Mr. Reagan had spent only eight minutes at the cemetery. "You know why the visit has to be cut back? Because of the Jews." She stalked away to join a group of friends nodding in agreement.

A man with a cane stopped and said: "If they don't like it here, the Jews, let them go away. We were better off without them in Germany." There are only 28,000 left, he was reminded. "Too many," he replied.

The people of Bitburg are pleased that Mr. Reagan came to visit, that he didn't yield to pressure. But it's clear they resent their new notoriety—and equally clear whom they consider responsible for the unwelcome change: the Jews and the media. The Jews are seen as a group separate from Germans and Americans—an indigestible lump, a foreign body. The media are seen as intrusive and irresponsible and, somehow, controlled by the Jews.

So it went. A few days later, a Munich newspaper editor explained that anti-Semitism is an "anthropological phenomenon" in Germany. The controversy seems only to have uncorked the venom once again. There is a sad irony. Bitburgers consider themselves remarkably enlightened. In 1933, when Hitler won a critical election, this conservative Catholic town voted overwhelmingly against him.

Is Bitburg an aberration? It is impossible to judge and dangerous to generalize. But a number of leading West German politician and professors—several close to Mr. Kohl—think anti-Semitism was on the rise even before Bitburg. "The Jews were getting too impertinent," one politician said, citing, among other things, their opposition to West German tank sales to Saudi Arabia. "We've listened to them much too long. It's enough."

The pursuit of reconciliation by way of Bitburg has been a failure. What should have been obvious from the beginning is that reconciliation is a long process—not a single photo opportunity, an event, a moment frozen in time. Bitburg, exposing clumsiness and poor political judgment in Bonn and Washington, in the process lifted the scab on dark coners of recent German history. There is a time to know when to leave well enough alone.

As I entered the cemetery, I noticed a sign: "Please do not disturb the peace and rest of the dead." Too late.

[Marvin Kalb is an NBC News correspondent.]

COOL PAPA BELL

Mr. EAGLETON. Mr. President, in St. Louis, MO, there is a street named after a great baseball player—James "Cool Papa" Bell Avenue. On that street, there lives a great man—that same James "Cool Papa" Bell. If I may, I would like to take just a few minutes today to pay tribute to this outstanding man.

It was once said that Cool Papa Bell was the only man who could turn out the lights and be in bed before the room got dark. Fast he was, indeed. At the age of 45 he scored from first base on a bunt. Bell may reign forever as the king of base bandits. How many did he steal? Surprisingly, nobody knows, not even Bell, but he remembers stealing 175 bases in a 200-game season one year. He was once timed circling the bases in 12 seconds.

Cool Papa Bell was more than just a speedburner, though. He could do it all. He was a knuckleball pitcher who moved to centerfield where he played outstandingly. At the plate, he was a consistently excellent batter, never hitting below .308 in any of his 29 seasons. He hit an astonishing .480 in one season.

In 1974, Bell was voted into the Baseball Hall of Fame. At that time, he was asked if getting into Cooperstown was his biggest thrill. "No," Cool Papa responded, "it's my biggest honor, but not my biggest thrill." In disbelief, his questioner asked what could have been a bigger thrill than the Hall of Fame? "When they opened the door in the majors for the black players," Cool Papa Bell replied, "that was my biggest thrill."

You see, Cool Papa Bell is black, and during his career the only way for a talented black ballplayer to play baseball was through the Negro leagues—leagues totally segregated from the all-white major leagues. Not until 1947 did Jackie Robinson break that color barrier.

As foreign as it may seem to us today, it was just that recently when skin color was judged so important that it was the determinant of much of a man's life. Skin color determined his educational opportunities, what jobs were open, even what baseball field the man could play on. Not ability, not talent, but skin color.

In the St. Louis of my youth, segregation was a totally accepted and accustomed way of life. In Sportsman's Park, one area was assigned to blacks—the right field pavilion—and blacks were not permitted elsewhere in the park. When the Negro League teams played in St. Louis, they competed before a virtually all-black crowd, received pennies for their performance, and found it rare if their heroics were mentioned in the papers or even acknowledged by contemporary white society.

The history of the Negro Leagues is rich with heroes enough for any dozen epic tales, but much of the lore has been lost to time. The all-white leagues attracted the lion's share of the attention of the press and the fans, and thus while we have millions of feet of film of the Yankees and the other major league teams, and billions of words written about the Dodgers, the Browns, and others, we have so little to review for the legacy of the Stars, the Monarchs, and the Homestead Grays. Statistics, the grist of every baseball fan's conversation and the yardstick of comparison, were haphazardly kept, if at all, in the Negro Leagues. All of this contributed to a tendency to overlook the accomplishments of these remarkable men who surely must have played the game for the love of it.

Under these circumstances, it is easy to see how you would be frustrated, and then embittered, by this discrimination by omission. It is easy to understand how you would want to lash out at society, to return some of the hurt inflicted on yourself. Cool Papa Bell has never allowed himself to give into those emotions. In their place he has enormous dignity and grace. He has humiliated those who kept him from major league ball parks by rising above their indignities and injustices. With his stamina and strength, he has triumphed in life as he did on the ballfield.

I invite my colleagues to join with me in saluting Cool Papa Bell, the ballplayer and the man. I am proud to represent him in this body.

ANDREI SAKHAROV DAY

Mr. SYMMS. Mr. President, today I would like to join my colleagues in honoring the Nobel Peace Laureate Andrei Sakharov.

In 1970, Dr. Sakharov and other Soviet physicists founded the Committee for Human Rights, an organization dedicated to promoting in the Soviet Union the principles expressed in the Universal Declaration of Human Rights. These principles guarantee to all the rights of freedom of thought, religion, and expression. Because of Dr. Sakharov's active role on the committee and his courageous stand for freedom, he was arrested and banished to internal exile by the Soviets.

In this country we believe in human rights and human dignity. When the Soviets became members of the Helsinki accords, the situation in the Soviet Union appeared to be undergoing positive change. There can be no doubt, however, that the Soviet Union has engaged in deliberate violation of those accords and has persecuted the man who stands as a symbol of man's struggle for freedom.

We must not lose sight of the fact that human rights and peace are inseparable. Sakharov often warned that the Soviet failure to observe basic human freedoms is a grave threat to peace because it silences voices of dissent within the Soviet Union. Human rights is not, and cannot be an entirely internal matter. The denial of fundamental human rights to any group of people—anywhere in the world—is a threat to the liberties of all. Sakharov understands this, and I think it appropriate that we remember and rededicate ourselves to this principle on this day.

Mr. Sakharov's example gives hope to the millions around the world who are fighting for their human rights. Dr. Andrei Sakharov has achieved the highest of honors within the world scientific community. He has earned a place of respect among the people of the world as a man of peace. We in the United States honor Dr. Sakharov with receptions, concerts, and even a Sakharov Day, while the Soviet Union honors him with silence and exile. Let us join together to remember and honor this great and nobel man and the principles he stands for.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, in accordance with title 22, United States Code 1928(a)–1928(d), as amended, appoints the Senator from Tennessee [Mr. Gore] as a member of the Senate delegation to the North Atlantic Assembly spring meeting to be held in Stuttgart, Germany, May 17 to 20, 1985; and, in accordance with title 22, United States Code 276(d)–276(g), as amended, appoints the Senator from Montana [Mr. Baucus] and the Senator from Alabama [Mr. Heflin] as members of the Senate delegation to the Canada-United States Interparliamentary Group during the first session of the 99th Congress, to be held in Niagara-on-the-Lake, ON, Canada, on May 17 to 20, 1985.

AMBASSADOR FUNDERBURK'S COURAGEOUS ANALYSIS OF POLICY FAILURE

Mr. HELMS. Mr. President, this morning's Washington Post carries a full accounting of the untenable position in which our Ambassador to Romania, David Funderburk, has been forced to endure over the past 3½ years.

Despite Ambassador Funderburk's repeated pleas to toughen U.S. policy toward Romania because of Romania's continued and flagrant human rights violations, senior policy makers were not concerned with the seriousness of the abuses in Romania. Even the evidence Ambassador Funderburk sent to the State Department, in support of his repeated request for policy change, was repressed and ignored.

Ambassador Funderburk was diplomatic in citing names of senior policy advisers who refused even to examine the facts of the abuses in Romania. But I feel no such reticence. Our Romanian policy has been in the hands of Richard Burt, Assistant Secretary of State for European Affairs. It is Mr. Burt who is ultimately responsible for this fiasco. As Assistant Secretary of State for European Affairs, Mr. Burt has consistently favored Most Favored Nation trade status not only for Romania, but for all Eastern European countries, no matter what the price to freedom. Assistant Secretary of State Burt appears to have an ambition to excuse the failures of Communist countries, and build a closer relationship at any cost. For example, Mr. Burt is well known inside the administration for:

Opposition to raising the issue of all Soviet arms control treaty violations at the Standing Consultative Commission in Geneva, finally agreeing to raising these issues only because of strong pressure from other administration officials;

Down-playing the issue of Vietnamese and soviet slave labor in the building of the Soviet pipeline;

Opposing implementation of the provisions of the Taiwan Relations Act, including writing memoranda on how to evade the intent of Congress with respect to this act, as well as opposing all arms sales to our ally, the Republic of China;

Collaborating with the Soviets on covering up aspects of the Major Nicolson murder, reportedly including his advising the Soviets on press relations.

Mr. President, there has been a great deal of careful scrutiny going on with regard to Mr. Burt's record. I know that many other points will be brought out in the future.

Ambassador Funderburk's critique of our policy in Eastern Europe shows that it is time for the United States to have an Assistant Secretary of State for European Affairs who will work toward the best interests of the United States and our allies, and who will represent the views of the President in dealings with Communist countries, including Romania.

Mr. President, I commend Ambassador Funderburk for his candid—and courageous—critique of the failures of our policymaking apparatus. His temperate and factual analysis will assist all those involved in foreign policy to understand the failures of our Government.

Mr. President, I ask unanimous consent that the article appearing in today's Washington Post concerning the situation in Romania be inserted in the Record at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

Envoy Quits, Faults Policy—Funderburk Sees Romania Coddled

(By Bradley Graham)

Munich.—After 3½ years of trying to persuade officials in Washington to toughen their approach to Romania, David Funderburk has resigned as the U.S. ambassador to Bucharest and decided to publicize the policy dispute he has waged with senior administration officials. Funderburk argues that U.S. policy toward Romania at present is largely misconceived and ineffective.

Funderburk, in an interview here Monday, called for a revision of U.S. policy and a possible end to the most-favored-nation trading status and other concessions Washington grants the Bucharest government.

Romania has received preferential U.S. treatment since the late 1960s on the basis of a foreign policy that often diverges from Moscow's. But Funderburk contends that Romania's independence is exaggerated and its ties to the Soviet Union are more extensive than Washington policy makers are willing to recognize. Moreover, he says, Romania's abysmal record on human rights and its lack of internal reforms are a mockery of declared U.S. policy goals.

For example, he said, on the surface, it looked recently as if the Romanians were complying with U.S. wishes to relax emigration constraints. Hundreds were being granted permission to leave Romania and were flooding the U.S. Embassy requesting visas.

But on closer examination, U.S. officials found they had been outwitted by Romanian President Nicolae Ceausescu, he said. Many Romanians being let go turned out to be unqualified for admission to the United States.

"We were outfoxed by Ceausescu," Fun-

known to Washington, there are special

Additionally, Ceausescu's ties with China

"We were outfoxed by Ceausescu," Funderburk said. "He in effect dumped people on us like a mini-Mariel," a reference to the massive boatlift of Cubans to the United States in 1980. "Hundreds of those approved for emigration were undesirables. Meantime, many of those we wanted out are still waiting for official permission.

"This situation has created a dilemma for us," Funderburk said. "We have this long list of people asking to come to the States. About 30 or 40 of them protested outside the embassy several weeks ago. They were put up to it by Romanian authorities at the passport office.

"Ceausescu is trying to turn the tables on us. At human rights conferences, to defuse the emigration issues, the Romanians now say to us, look, you can't criticize us for not letting enough people out because many of those we've already approved to go have yet to be let into the United States."

Funderburk tells the story as an example of what he says is the need to be wary of the Romanian regime. He thinks the Reagan administration has not been wary enough.

There is a street term the Romanians use, *smecher*, meaning someone who is sneaky, crafty, a wheeler-dealer," he said. "That applies to the government in Bucharest."

Funderburk, 41, a former university professor of history with links to conservative Sen. Jesse Helms (R-N. Car.), was appointed ambassador in 1981. He speaks Romanian and studied in Romania for two years in the 1970s on a Fulbright and other foundation grants.

In a letter accepting his resignation "with deep regret," President Reagan expressed appreciation for Funderburk's "efforts to improve the human rights situation in Romania" and commended him for "steadfast support of our national security interests in Europe."

Funderburk's 1981 Senate confirmation hearing was marked by controversy over ill-tempered statements he had authored in a 1978 pamphlet alleging the "misteaching of communism" in U.S. universities and accusing the State Department of whitewashing human rights reports on eastern Europe.

Such remarks strained his relations with some foreign service professionals from the start. But he said he is not alone among U.S. diplomats in advocating a harder line on Romania.

He said his views are supported by a majority of the principal officers at the Bucharest embassy, and he spoke of efforts by senior State Department officials to curb such nonconformist thinking.

Accusing the State Department of disapproving of dissent in its own ranks, Funderburk said a handful of embassy officers due for reassignment are being transferred to lesser posts than they deserve in apparent retribution for having challenged current policy on Romania.

"Two at the embassy, for instance, were recently moved to out-of-the-way positions back in Washington where they will be out of the limelight," he said. "They have been put in places where they can't step out publicly and where they can be monitored. It looks like a dead end for their careers."

[State Department spokesman Ed Djerejian, responding to Funderburk's charges, said that under a "longstanding policy" in effect since the 1970s, "constructive and creative dissent is something encouraged by the State Department." Djerejian said that in addition to regular channels for diplomats abroad to make dissenting views known to Washington, there are special channels "if they feel stymied," and the "dissent-channel messages go to the top." Djerejian said the State Department had no further comment on Funderburk's allegations.]

Funderburk referred to a "network" of administration officials, primarily at the departments of State and Commerce and including some at the Central Intelligence Agency, who, he said, have dismissed or belittled evidence the embassy in Bucharest has collected documenting Romania's growing economic ties with the Soviet Union, the presence of large numbers of nonmilitary Soviet personnel in the country, the transfer to the Soviet Union of technology Romania has obtained from the West, and Bucharest's position as a major exporter of arms.

"Much evidence we sent in was overlooked and ignored," he said. "They scrambled to denigrate a lot of the material we put forward."

He complained of a tendency among some administration officials to soften criticism of human rights abuses in Romania and to lavish praise on the Bucharest government for foreign policy positions which, in Funderburk's view, often have more form than substance.

Funderburk said he raised some of his concerns directly with President Reagan in an August 1983 meeting at the White House that was attended also by Vice President Bush, then-national security adviser William P. Clark and then-presidential aide Edwin Meese III. "All seemed interested in and sympathetic with what I had to say," Funderburk said.

The problem, he alleged, rests mainly with others in the administration. "There's a difference between Reagan's stated goals and our policy as implemented," he said. "What I would like to see is the State Department implementing policy more consistently with Reagan's declared ideals."

He said he decided to speak out now after becoming free of the constraints of serving as an ambassador and after leaving a country as keenly sensitive to criticism as Romania is.

"When I went to Romania, I wasn't aware how much our policy needed change," he said. "When I realized it did, I thought that by working through the U.S. government system, we could have a major impact on policy.

"But I found that the people who we had to report to directly were unsympathetic to change or to new information. It's difficult to get anyone's attention at State if you have a view that's different because their minds are made up. That's what I found disappointing."

U.S. policy toward Romania has been based on the premise that the public displays of independence from Moscow by Ceausescu, who has ruled Romania since 1965, are a genuine irritant to the Soviet Union and a positive example to other East Bloc states, and therefore should be encouraged.

Ceausescu has criticized the Soviet invasions of Czechoslovakia and Afghanistan. His country is the only Warsaw Pact member that refuses to let Soviet troops on its territory for maneuvers and that does not send troops to joint pact training exercises. He defied the Soviet-led boycott of the Olympic Games in Los Angeles last year, and he has scolded the Soviet Union as well as the United States for raising tensions in Europe over nuclear weapons.

Additionally, Ceausescu's ties with China and his relations with all parties in the Middle East have proved useful back channels for U.S. policy makers. Romania is the only East European nation to have maintained diplomatic contacts with Israel since 1967.

The U.S. position was spelled out by Bush in a 1983 speech explaining the basis on which Washington differentiates among East European regimes.

"We look to what degree countries pursue autonomous foreign policies, independent of Moscow's direction, and to what degree they foster domestic liberalization—politically, economically and in their respect for human rights," he said. "The United States will engage in closer political, economic and cultural relations with those countries such as Hungary and Romania which assert greater openness or independence. We will strengthen our dialog and cooperation with such countries."

Referring to the Bush speech, Funderburk said: "If you take the two goals he mentioned and measure what success we've had in Romania, we've gone backward. We've been unable to effect any reform in terms of the economy, the standard of living or human rights with the exception of a few individual cases."

He said he would "like to see a policy that brings about greater Romanian independence for the Soviet, internal reforms and improved human rights," or, failing that, a reduction of U.S. support, "including the possible withdrawal of MFN status, fewer high-level official visits and reduced economic assistance."

But standing in the way of a policy revision, according to Funderburk, are some senior U.S. officials with a vested interest in sustaining the image of Romania as a Soviet Bloc maverick deserving of U.S. concessions.

"There are people back in Washington will go the limit to make excuses for and to defend Ceausescu, because their jobs, promotion, careers depend on proving they were right about Romania," he said.

"So every three or four weeks we give something —a high-level visit, a trade concessions, whatever. We ought to get more from these people for the confessions we make."

Funderburk said other western countries are ahead of the United States in reassessing formerly positive approaches to Romania. He said he had seen diplomiatic reports describing increasingly negative views of Romania among several Western European states and a report by an official of a neutral European country who, after visiting most East Bloc countries recently, concluded Romania ranked worst in observance of human rights and general conditions.

To support his charges against Washington officials, Funderburk cited several instances in which he said administration members sought to refute material contrary to Romania's independent image or to temper public criticism of Romania.

On Soviet presence: "Our guys observed a large Soviet presence in Romania that was not welcome news to some officials in Washington. On our own initiative, we looked in registries, checked schools, traced license plates and came up with an ungodly number of resident Soviets, including Soviet agents in factories monitoring Romanian exports to the Soviet Union. This should have been an indication that Soviet-Romanian cooperation is closer than had been reported previously and a sign that Romania is a more reliable Warsaw Pact partner than is

commonly thought. Instead, the information was ignored."

On Soviet-Romanian trade: "I've reported that Soviet-Romanian trade relations are getting closer. But this was downplayed by some in Washington who found ways of juggling figures to suggest the increase doesn't have much meaning. Part of my argument was that the Soviet percentage in overall Romanian trade has risen. They answered me with the argument that this was only a statistical aberration resulting from a drastic cutback of Romania's imports from the West."

On technology transfers: There is evidence reported by various sources that Romania has transferred to the Soviet Union technology it obtained from the West, although it denies this. Those at State concerned about maintaining or improving good relations with Romania have tended to make light of such information. In virtually every case when the sale to Romania of a particular U.S. product has been disputed among American agencies, State has argued for the sale.

"To facilitate one deal, I was asked to reconsider a negative opinion I had sent in. We were considering selling the Romanians a ground station to receive geological and agricultural data from a Landsat satellite. I didn't change my mind, and the sale hasn't yet been approved.

On arms exports: Figures prepared by the U.S. Arms Control and Disarmament Agency on the world's leading arms exporters were published last October in Business Week. They listed Romania as the fifth largest exporter in 1982. Funderburk said Deputy Defense Minister Ilie Ceausescu, Nicolae's brother, denied that Romania exported weaponry.

"When we reported the fact of Romania's ranking to Washington, they went bananas," Funderburk said. "Agencies scrambled and said it couldn't be true. But we hadn't fabricated a thing. We were just reading from ACDA figures. The first response from Washington came back to us saying, you nasty guys, Romania couldn't have been fifth. Weeks later, we got an acknowledgment, a short and quiet one, conceding that perhaps Romania ranked within a notch or two of the published figure."

On human rights: Funderburk said the European Bureau at the State Department has shown a willingness to water down or delete criticism of Romania's human rights abuses, although State's own Human Rights Bureau has forcefully condemned Romanian oppression.

Funderburk said he resigned not for political reasons but out of personal and family considerations and to reture to Campbell University in North Carolina to teach government studies. He agreed to meet here with this reporter, whom Romania denied entry last week because of past articles.

Funderburk said his conflicts with some senior policy makers in Washington had been compounded by the cloud under which he began as a diplomat.

"From the beginning I was branded an unseasoned, naive political appointee, a Helmsite and a radical," he said. "Efforts were made to try to isolate me and this embassy from the policy-making process.

"Word filtered back to me that Eagleburger [Lawrence Eagleburger, undersecretary of state, who retire last year] thought I was carrying on a parallel policy. At one point, he sent me an eyes-only cable which I interpreted as saying, why are you calling so much attention to human rights and let's not allow it to get in the way of a good thing."

He said he sees "Eagleburger proteges; in the State Department's European Bureau as most responsible for the policy he faults.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. Murkowski). Morning business is closed.

REPEAL OF CONTEMPORANEOUS RECORDKEEPING REQUIREMENTS—CONFERENCE REPORT

Mr. PACKWOOD. Mr. President, I submit a report of the Committee of Conference on H.R. 1869 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1869) to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

Mr. METZENBAUM. Mr. President, I demand the report be read.

The PRESIDING OFFICER. The clerk will read the report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1869) to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. REPEAL OF CONTEMPORANEOUS RECORDKEEPING REQUIREMENTS, ETC.

(a) Contemporaneous Recordkeeping Requirements.—Subsection (d) of section 274 of the Internal Revenue Code of 1954 (relating to substantiation requirements for certain deductions and credits) is amended by striking out "adequate contemporaneous records" and inserting in lieu thereof "adequate records or by sufficient evidence corroborating the taxpayer's own statement ", and the Internal Revenue Code of 1954 shall be applied and administered as if the word "contemporaneous" had not been added to such subsection (d).

(b) Provisions Relating to Return Preparers and Negligence Penalty.—Paragraphs (2) and (3) of section 179(b) of the Tax Reform Act of 1984 are hereby repealed, and the Internal Revenue Code of 1954 shall be applied and administered as if such paragraphs (and the amendments made by such paragraphs) had not been enacted.

(c) Repeal of Regulations.—Regulations issued before the date of the enactment of this Act to carry out the amendments made by paragraphs (1)(C), (2), and (3) of section 179(b) of the Tax Reform Act of 1984 shall have no force and effect.

SEC. 2. SUBSTANTIATION REQUIREMENTS NOT TO APPLY TO CERTAIN VEHICLES WITH LITTLE PERSONAL USE.

(a) In General.—Subsection (d) of section 274 of the Internal Revenue Code of 1954 (relating to substantiation required) is amended by adding at the end thereof the following new sentence: "This subsection shall not apply to any qualified nonpersonal use vehicle (as defined in subsection (i))."

(b) Qualified Nonpersonal Use Vehicle Defined.—Section 274 of such Code is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) Qualified Nonpersonal Use Vehicle.—For purposes of subsection (d), the term 'qualified nonpersonal use vehicle means any vehicle which, by reason of its nature, is not likely to be used more than a de minimus amount for personal purposes."

SEC. 3. EXEMPTION FROM REQUIRED INCOME TAX WITHHOLDING FOR CERTAIN FRINGE BENEFITS.

Section 3402 of the Internal Revenue Code of 1954 (relating to income tax collected at source) is amended by adding at the end thereof the following new subsection:

"(s) Exemption From Withholding for Any Vehicle Fringe Benefit.—

"(1) Employer election not to withhold.—The employer may elect not to deduct and withhold any tax under this chapter with respect to any vehicle fringe benefit provided to any employee if such employee is notified by the employer of such election (at such time and in such manner as the Secretary shall by regulations prescribe). The preceding sentence shall not apply to any vehicle fringe benefit unless the amount of such benefit is included by the employer on a statement timely furnished under section 6051.

"(2) Employer must furnish W-2.—Any vehicle fringe benefit shall be treated as wages from which amounts are required to be deducted and withheld under this chapter for purposes of section 6051.

"(3) Vehicle fringe benefit.—For purposes of this subsection, the term 'vehicle fringe benefit' means any fringe benefit—

"(A) which constitutes wages (as defined in section 3401), and

"(B) which consists of providing a highway motor vehicle for the use of the employee."

SEC. 4. REDUCTION IN LIMITATIONS ON INVESTMENT TAX CREDIT AND DEPRECIATION FOR LUXURY AUTOMOBILES.

(a) General Rule.—

(1) Investment tax credit.—Paragraph (1) of section 280F(a) of the Internal Revenue Code of 1954 (relating to investment tax credit) is amended by striking out "$1,000" and inserting in lieu thereof "$675".

(2) Depreciation.—Paragraph (2) of section 280F(a) of such Code (relating to depreciation) is amended—

(A) by striking out "$4,000" in subparagraph (A)(i) and inserting in lieu thereof "$3,200", and

(B) by striking out "$6,000" each place it appears in subparagraphs (A)(ii) and (B)(ii) and inserting in lieu thereof "$4,800".

(b) 4-Year Deferral of Inflation Adjustment.—

(1) Adjustment after 1988.—Subparagraph (A) of section 280F(d)(7) of such Code (relating to automobile price inflation adjustment) is amended by striking out "pas-

senger automobile" and inserting in lieu thereof "passenger automobile placed in service after 1988".

(2) 1987 BASE PERIOD.—Subclause (II) of section 280F(d)(7)(B)(i) of such Code is amended by striking out "1983" and inserting in lieu thereof "1987".

(3) TECHNICAL AMENDMENT.—Clause (i) of section 280F(d)(7)(B) of such Code is amended by striking out the last sentence.

SEC. 5. NEW REGULATIONS.

Not later than October 1, 1985, the Secretary of the Treasury or his delegate shall prescribe regulations to carry out the provisions of this Act which shall fully reflect such provisions

SEC. 6. EFFECTIVE DATES.

(a) REPEALS.—The amendment and repeals made by subsections (a) and (b) of section 1 shall take effect as if included in the amendments made by section 179(b) of the Tax Reform Act of 1984.

(b) RESTORATION OF PRIOR LAW FOR 1985.—For taxable years beginning in 1985, section 274(d) of the Internal Revenue Code of 1954 shall apply as it read before the amendments made by section 179(b)(1) of the Tax Reform Act of 1984.

(c) EXCEPTION FROM SUBSTANTIATION REQUIREMENTS FOR QUALIFIED NONPERSONAL USE VEHICLES.—The amendments made by section 2 shall apply to taxable years beginning after December 31, 1985.

(d) WITHHOLDING AMENDMENT.—The amendment made by section 3 shall take effect on January 1, 1985.

(e) REDUCTION IN LIMITATIONS ON INVESTMENT TAX CREDIT AND DEPRECIATION.—

(1) Except as provided in paragraph (2), the amendments made by section 4 shall apply to—

(A) property placed in service after April 2, 1985, in taxable years ending after such date, and

(B) property leased after April 2, 1985, in taxable years ending after such date.

(2) The amendments made by section 4 shall not apply to any property—

(A) acquired by the taxpayer pursuant to a binding contract in effect on April 1, 1985, and at all times thereafter, but only if the property is placed in service before August 1, 1985, or

(B) of which the taxpayer is the lessee, but only if the lease is pursuant to a binding contract in effect on April 1, 1985, and at all times thereafter, and only if the taxpayer first uses such property under the lease before August 1, 1985.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

Signed by the managers on the part of the Senate: Senators Packwood, Dole, Roth, Danforth, Long, Bentsen, and Matsunaga; and managers on the part of the House: Mr. Rostenkowski, Mr. Gibbons, Mr. Pickle, Mr. Rangel, Mr. Stark, Mr. Duncan, Mr. Archer, and Mr. Vander Jagt.

The PRESIDING OFFICER. The question is on proceeding to the conference report.

Mr. METZENBAUM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state his parliamentary inquiry.

Mr. METZENBAUM. Has the entire conference report been read, including all of the additions and addendums to it, including the statutory language which, it is my understanding, is a part of the conference report?

The PRESIDING OFFICER. The entire conference report has been read.

The question on proceeding to it is not debatable.

All in favor, say "aye."

Mr. METZENBAUM. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state his parliamentary inquiry.

Mr. METZENBAUM. Mr. President, I understand the ruling of the Chair is that the question of proceeding to the conference report is not debatable but the conference report itself is debatable.

The PRESIDING OFFICER. The Senator is correct.

All in favor of proceeding to the conference report——

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. PACKWOOD. Mr. President, I am ready to proceed unless the Senator from Ohio is raising a point of order.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, are we now on the conference report?

The PRESIDING OFFICER. We are not on the conference report at this time.

Mr. PACKWOOD. Mr. President, I move to proceed to the consideration of the conference report.

The PRESIDING OFFICER. The question is on the motion.

There being no objection, the Senate proceeded to the consideration of the conference report.

Mr. PACKWOOD. Mr. President, the Senate and House conferees met on Wednesday, May 1 and resolved the differences between the Senate-passed and House-passed versions of H.R. 1869, which repeals the contemporaneous recordkeeping requirements of the Tax Reform Act of 1984.

As businesses and individuals sought to understand and comply with the contemporaneous recordkeeping requirements, it became clear that the requirement swept too broadly and generally imposed excessive recordkeeping burdens on many taxpayers. The conference agreement adopts the Senate-passed version of H.R. 1869 with respect to the substantiation requirements and reinstates the prior-law substantiation rules of Code section 274(d). In addition, the conference report requires the Internal Revenue Service to issue regulations not later than October 1, 1985, and the regulations must fully reflect all the amendments made by this conference agreement.

EXPLANATION OF PROVISIONS

REPEAL OF CONTEMPORANEOUS REQUIREMENTS

Under the conference agreement, the requirement of "contemporaneous" records to substantiate certain deductions or credits is repealed.

The conference agreement adopts the Senate provision on substantiation, which permits taxpayers to substantiate deductions and credits for expenses by sufficient evidence corroborating their own statements as well as adequate records. Thus, there will be no statutory requirement that such evidence be in writing. In addition, the conference agreement directs the Internal Revenue Service to request specific information on tax returns concerning mileage and business use of vehicles and other listed property, effective for 1985 tax returns.

REPEAL OF REGULATIONS, RETURN PREPARERS' PENALTY AND SPECIAL NEGLIGENCE PENALTY; NEW REGULATIONS

Under the conference agreement, the contemporaneous recordkeeping regulations issued to carry out the amendments made by the Tax Reform Act of 1984 are repealed. In addition, the conference agreement repeals the return preparers' penalty and special negligence penalty added by the Tax Reform Act.

EXCEPTIONS FROM SUBSTANTIATION RULES AND EXCLUSION FROM INCOME FOR CERTAIN VEHICLES

The conference agreement exempts from the substantiation rules vehicles which, by reason of their nature, are not likely to be used more than a very minimal amount for personal purposes and excludes such minimal personal use from the employee's income. The exemption from these substantiation requirements is effective January 1, 1986.

In addition, the conference agreement authorizes the Treasury Department to issue regulations exempting from the substantiation and income exclusion requirements certain officially authorized uses of unmarked vehicles by certain law enforcement officers.

WITHHOLDING ELECTION

The conference agreement permits employers an election not to withhold income taxes with respect to noncash fringe benefits attributable to commuting or other personal uses of a highway motor vehicle.

In addition, the conference agreement allows employers to elect to withhold income taxes and employment taxes on all noncash fringe benefits on the following basis:

First, by pay period; second, quarterly; third, semiannually; or fourth, annually.

REDUCTION IN LIMITS ON INVESTMENT TAX CREDIT AND DEPRECIATION FOR LUXURY AUTOMOBILES

The conference agreement reduces the limits on the investment tax credit and depreciation for automobiles. The maximum investment tax credit is $675. Maximum depreciation (cost recovery) deductions are reduced to $3,200 in the first year, and $4,800 per year thereafter. In addition, indexing of the limits for automobile price inflation is delayed until 1989.

Mr. President, the conference agreement achieves the purposes of the Senate-passed version of H.R. 1869 and fully incorporates all of the provisions which the Senate unanimously supported.

I would like to thank Senator ABDNOR, Senator HEINZ, and Senator WALLOP for the leadership roles they have played in repealing the contemporaneous recordkeeping rules. I hope all of my colleagues will join me in supporting the conference agreement.

Basically—and this is a generalization but it is 99 percent true—what we have done, as far as automobile recordkeeping, is return to the law prior to the passage of the Tax Reform Act last year. There are some very minor changes, but I think we can say to everyone in this country, "If you were able to live with the law prior to the passage of the act last year, you will be able to live equally well with the law as it is corrected by this conference report."

I would therefore encourage the adoption of the conference report to rectify this mistake that we made a year ago.

Mr. LONG. Mr. President, the conference action represents a workable balance between the necessity that deductions be proved and the desire that taxpayers not be unduly burdened. It recognizes the common sense fact that there is more than one acceptable way to prove business use.

I hope that the Treasury Department recognizes the balance the conferees have struck, and will not repeat its previous mistake of forgetting that reasonableness is an important part of our tax system.

I am pleased that we have acted both promptly and responsively. I urge my colleagues to support the conference action.

Mr. METZENBAUM. Mr. President, I rise to speak on this issue under unusual circumstances. I want to start off by saying that I have been in the U.S. Senate, 1 year in 1974 and then since 1977 I have served here continuously. To the best of my knowledge and recollection, this is the first time that I—and I think it applies to others as well—have been called to the floor in connection with an issue where I had a hold, a hold only indicating that I wanted to be on the floor when the matter came to the floor.

As soon as the conference report was completed, my staff indicated to the staff of the majority leader, as well as the staff of the Finance Committee chairman, that I wished to be on the floor to discuss this conference committee report as well as a sideline issue having to do with a Treasury action. That Treasury action was prompted by the action of the majority leader and the action of the report language that came out of the Senate committee but actually never was technically before the Senate, on a subject really unrelated or only somewhat related to this issue having to do with the manner in which executives report the value of their airline passage on corporate jets or corporate planes.

I said that I wanted to point out to the Senate what this issue was all about, that I had no intention to filibustering or trying to delay the matter, that I was prepared to come to the Senate floor at a time agreeable to the chairman of the Finance Committee, and that I was willing to agree to a limited time for debate. I proceeded on the assumption that we would have no difficulty in working out that arrangement.

Last evening, when I arrived home, having picked up my wife at the airport and came home at approximately 11 o'clock, I received a call from my office saying that they have scheduled the conference report for 9 o'clock this morning. I asked if they were not made aware of the fact that that was not convenient for me and how would that come about since that never is normally done in this body and we certainly are not in the closing hours of a session where one might have to use emergency procedures by reason of the exigencies of the moment. That did not seem to matter and apparently the majority leader knew the situation but was determined to go forward. I am not angry. I am disappointed, and I am concerned as to whether or not this new leadership in the Senate—with whom I feel I have had a good working relationship even prior to the time the new leadership took over the leadership of the Senate—is going to change the procedures that have been operable and have worked so well in the past.

All the Senator from Ohio had indicated was that he wished to work out a time mutually convenient with the chairman of the Finance Committee, and there was not any doubt in my mind—and I do not think there was any doubt in the mind of the chairman of the Finance Committee—that we could work out such a time. My staff had further advised the staff of the chairman of the Finance Committee that we were not talking about sometime 1 month or 2 months from now, but that we were talking about some day this week.

I do not believe that the chairman of the Finance Committee was aware of this issue, this side issue of scheduling of this matter, and I think it was a leadership decision; a leadership decision that I do not believe was the kind that should be made. I do not think that when this side of the aisle was in control of the Senate such occurrence became a fact, and I do not have any recollection of it being a fact any time since I have been here.

I think that all we are really doing is taking up far more time than otherwise would have been necessary in order to dispose of this issue.

The Senator from Ohio has great concerns about the issue itself. The issue is a simple one. While everybody is jumping up and down about balancing the budget and everybody is talking about closing tax loopholes, in effect this is opening another tax loophole or reopening one that had heretofore been closed. We are doing it without a piece of legislation, and we are doing it with the full cooperation of the Treasury Department which advised me within the last 24 to 48 hours that it was not able to respond to a letter that I wrote to it on the issue more fully than it did because it was so busy with the President's tax program.

I do not have any problem about that. I understand their first priority. And I understand that issue is far more important than this. But I also understand that this issue, simple as it may be, makes it possible for a great many corporate executives to get off scot-free when they take the corporate plane on a vacation or to a baseball game, or they take their family with them. It just means that they will pay a very, very small amount taxwise as compared to what the law presently is. There has been a lot of push for this, so much push that the schedule is for 9 o'clock in the morning without a whole lot of concern for Members of this body, particularly for this Member.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I would like to commend this morning the chairman of the Finance Committee, Senator PACKWOOD, and also the ranking member of the committee, Senator Long, and the conferees for their efforts in repealing a very onerous contemporaneous recordkeeping requirement, and I hope that the conference report that we are going to adopt will solve these problems once and for all, will allow businessmen and farmers to continue in their business endeavors without having to fill out a massive amount of paperwork.

Before we adopt the conference report, however, I would like to ask the chairman of the committee a couple of questions. As the chairman is aware, I was very interested in the issue of whether or not policemen and other public safety employees would be taxable on the use of certain specially equipped vehicles. When we considered the bill in the Finance Committee, the chairman of the committee will recall that we included report language stating that certain vehicles, like police cars, ambulances, school buses, and others, would not give rise to any income imputed when driven by certain employees. The chairman was very helpful in this effort, and I appreciate his help.

Then, when the bill was on the floor of the Senate, I raised an issue about unmarked police cars. At that time, it is my recollection that the chairman stated that the IRS would be instructed to exempt these vehicles as well, so that our law enforcement officers would not have any income when they drove these vehicles for legitimate law enforcement reasons.

It is my understanding, Mr. President, that when the conferees met on this bill, there was quite a bit of discussion on the issue of the tax treatment of unmarked cars. From what I have heard, the chairman did indeed argue for similar treatment, and to a large extent, prevailed. I thank him for this.

Mr. President, I have two questions I would like to respectfully pose to the distinguished chairman of the Finance Committee. The first of those questions is that I would like to make certain that unmarked police cars will not be treated any worse than marked police cars. If, for example, all of the tests for unmarked cars are met, then is it the chairman's intent that commuting use and other de minimis use should be considered a working condition fringe?

Mr. PACKWOOD. The Senator from Arkansas is correct.

Mr. PRYOR. The second question, Mr. President, I have for the distinguished chairman is this: When the tests are listed for exclusion of the use of an unmarked car, the statement of the managers refers to activities such as undercover work, stakeout activity or responding to emergencies. Is it the chairman's intent, and do you consider it to be the intent of the Congress, that this list is not all-inclusive and that if other legitimate law enforcement reasons exist for the use of an unmarked car, this use would also qualify?

Mr. PACKWOOD. The Senator is again correct, and I want to thank him for calling this issue to our attention. As he recalls when this bill went through the Finance Committee, we simply overlooked the issue of the unmarked police cars. The Treasury has indicated they will be able to accommodate the concerns of the Senator from Arkansas but I think had he not raised them they might not have been raised.

Mr. PRYOR. I do appreciate the distinguished chairman's comments on that and also his dedication to see to it that these unmarked police cars and other public service vehicles are not going to be subject to the imputed income to the drivers.

Mr. PACKWOOD. Absolutely.

Mr. PRYOR. I did thank the chairman of the committee. As I have stated earlier, I appreciate all of his help and concern in this area. I thank the chairman and the ranking member, Senator Long, and those conferees who have sent this conference report to the floor this morning. I thank the Chair.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll

The bill clerk proceeded to call the roll.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, I rise in strong support of the conference report on the bill, H.R. 1869, which repeals the contemporaneous recordkeeping requirements, earlier adopted as part of the Deficit Reduction Act of 1984, and which also sets a substantiation standard for the business use of property.

As a member of the Senate conference committee, I had the opportunity to work with other conferees in an effort to establish reasonable recordkeeping rules for the business use of vehicles and other business property. The objectives of the conferees in addressing this issue were twofold: First, to ensure compliance with our tax laws; and second, to ensure that the rules set forth to accomplish this goal are not overly burdensome to the taxpayer.

The repeal of the contemporaneous recordkeeping requirement, as approved by both the House and the Senate bills and as set forth in the conference agreement, should remove the unintended onerous recordkeeping burden foisted on the taxpayer by the Deficit Reduction Act of 1984. As a replacement for the contemporaneous recordkeeping standard, the conferees agreed to a substantiation standard, which in large measure had been in effect prior to the 1984 act. Under the conference agreement, taxpayers would be allowed to substantiate tax deductions for the business use of property by "adequate records or by sufficient evidence corroborating the taxpayer's own statement." I am confident that this substantiation standard, which has been interpreted by the Internal Revenue Service through regulations since 1962, will provide a reasonable compliance standard for the taxpaying public without inhibiting the Government's ability to enforce compliance with our Federal income tax rules pertaining to the business use of property. I, therefore, urge my colleagues to approve the conference report.

Mr. ZORINSKY. Mr. President, thank you for giving me the opportunity to speak on behalf of thousands of Nebraskans who urge swift passage and enactment of the legislation before us today. I strongly support this much needed measure, which will relieve millions of taxpayers across the Nation from the excessive burden of maintaining detailed records for every trip taken in a business vehicle.

Like all of my colleagues here in the Senate, I have heard from hundreds of outraged constituents. Their message is as clear as it is consistent: Repeal this burdensome, ridiculous recordkeeping requirement immediately. They rightly blame Congress as the originator of their problem, and now look to Congress to act and to act quickly to provide a solution.

I strongly opposed the adequate contemporaneous records rules when they were under consideration last year. I wrote the members of the House-Senate conference and urged that these regulations be deleted. I came to Congress to get Government off the backs of the private sector, not to increase the paperwork requirements, and these rules run completely counter to those goals. Unfortunately, my advice was not heeded.

Particularly hard hit by these autolog rules is the farm and the small business sector. Over 2 million farmers filed individual tax returns during 1983. Because of the nature of their business, most, if not all, of these individuals are affected by the recordkeeping requirements. Adding to the difficulties already facing the farm communities, as well as the small businesses around my State, is entirely inappropriate.

Quickly action is now warranted to remove this burden. I am pleased to have cosponsored S. 245 and S. 260,

measures aimed at repealing these excessive tax provisions. The thrust of these bills is embodied in the proposal before us today. They would eradicate the requirement which one of my constituents from Broken Bow called, "* * * the greatest waste of productive time that has ever been put upon us * * *."

This bill gets us back on track. It provides a uniform standard for deductibility of business expenses, and, more importantly, will get people out of the business of filling out forms and back into the business that gives them jobs and income. The broadbased, bipartisan support for the repeal of vehicle recordkeeping requirements serves as testimony to the strength of the American people when they are moved to take action. I hope that my Senate colleagues will join me today in voting with the overwhelming wishes of this country to pass H.R. 1869 and to repeal once and for all these recordkeeping requirements.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I ask unanimous consent to set this business aside and have it become the pending business when we dispose of the foreign aid bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. PACKWOOD. Mr. President, I ask further unanimous consent that there be a time limit not to exceed 40 minutes, with 30 minutes under the control of the Senator from Ohio [Mr. Metzenbaum] and 10 minutes under my control.

The PRESIDING OFFICER. Without objection, the time limitation is agreed to.

Mr. PACKWOOD. I thank the Chair.

FOREIGN AID AUTHORIZATION, FISCAL YEAR 1986

The PRESIDING OFFICER. The clerk will state the pending business.

The bill clerk read as follows:

A bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other Acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kerry Amendment No. 112, to express the sense of the Senate that Congress should encourage the revitalization of democracy in the Philippines.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, at this time I yield to Senator Kerry for a discussion of his amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 112, AS MODIFIED

Mr. KERRY. Mr. President, I have not yet asked for the yeas and nays on my amendment, and at this time I send to the desk a modification of the amendment which was submitted last night.

The PRESIDING OFFICER. The amendment is so modified.

The modified amendment is as follows:

At the appropriate place in the bill, add the following:

It is the sense of the Senate that Congress should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the government of the Philippines in:

(1) guaranteeing free, fair and honest elections in 1986 and 1987, or sooner should any such elections occur;

(2) ensuring the full, fair and open prosecution of the murder of Benigno Aguino, including those involved in the cover-up;

(3) ensuring freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the municipal elections of 1986 and the Presidential election of 1987;

(4) establishing the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

(5) releasing all individuals detained or imprisoned for peaceful political activities; and

(6) making substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past.

It is further the sense of the Senate that Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States, and to encourage the restoration of internal security—both of which goals can be best served by the achievement of an open and stable democracy.

Mr. KERRY. Mr. President, I ask for the yeas and nays on the amendment as submitted.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KERRY. Mr. President, the pending amendment is jointly sponsored by me, the distinguished Senator from Alaska [Mr. Murkowski], the distinguished Senator from Connecticut [Mr. Dodd], and the Presiding Officer [Mr. Boschwitz].

I want to express my appreciation to Senator Murkowski, who, as chairman of the East Asian and Pacific Affairs Subcommittee of the Foreign Relations Committee, was more than cooperative with and helpful to me by joining in an effort to try to reach a compromise which would be acceptable to both sides of the aisle, and which, at the same time, would make the kind of strong statement we believe the U.S. Senate should be making with respect to this issue.

I also express my gratitude to the distinguished chairman of the Foreign Relations Committee, Senator Lugar, for his assistance in this matter as well and for his willingness to accept this compromise.

Mr. President, while I would have preferred a stronger version of the amendment currently before this body, I do believe that what Senator Murkowski and I have worked out sends a strong signal from the U.S. Senate that the revitalization of democracy in the Philippines is of paramount concern to us as a nation and of paramount concern to our foreign policy.

It is the belief of those of us who sponsor this amendment that the security interests of the United States will be enhanced in the Philippines only by a return to democracy at the earliest possible moment.

I know the distinguished chairman of the Foreign Relations Committee and the other sponsors of this amendment share with me a belief that the United States has important security interests in that region which include access to the vital sealanes in the South China Sea. We do have bases there which attract a significant amount of attention and which are vital to our ability to service our fleet in the Indian Ocean, and vital to protecting our interests in the Persian Gulf and elsewhere in that part of the world.

But we also have very, very important interests which stem from years of a unique relationship with the Filipino people. It is a relationship that goes back to 1898 and progressed through difficult periods of a war, a difficult period of the development of democratic institutions, through World War II, and subsequent to World War II the emergence, with the help of the United States, of democracy, of a constitution modeled on our own Constitution, and of democratic institutions in which, though there might have been some imperfections, the United States can take great pride.

Mr. President, today as we hear much rhetoric in the U.S. Senate about the spread of communism throughout the world and the need of the United States to make efforts to try to respond to that so-called threat. I believe we have a unique opportunity to, in fact, respond to that threat. And I think if the Senate is not willing to go on record and if we are not willing down the road to hold accountable those whom we help with our aid to certain standards of behavior, then we may in fact be helping inadvertently the opportunity for communism to spread and to succeed.

I share with all Members of this body an abhorrence for the way in which people would have to live if they lose the rights that they could lose in the Philippines. But we must take note of the fact that there is a growing insurgency and that insurgency is able to grow and able to flourish to a large degree because it can draw on the frustration that people feel, and for which there is not any political outlet, as a consequence of the policies of the current government in the Philippines.

From April 6 through April 11 of this year I was in the Philippines where I held lengthy discussions with President Ferdinand Marcos, other Philippine Government officials, members of the opposition from all walks of life—business, professional, political, the church, academia—and the U.S. Embassy and military personnel.

During nearly 3 hours of private discussions with President Marcos, I raised a host of issues which I believe concern the Congress of the United States, including the absence of free and open and honest elections, the arbitrary and capricious use of Presidential detainment actions used to imprison people without charge or trial, human rights abuses on the part of the Filipino Army and security forces and, in particular, a practice which is known as salvaging, whereby those people who are in opposition to the government simply disappear from the face of this Earth.

I raised the issue of an independent and impartial Committee on Elections which is an essential ingredient for monitoring and setting up a process to guarantee free and honest elections. On many issues, the President promised that some reform would be undertaken. On others he was either noncommittal or he explained why he could not, or did not feel compelled to, take action.

For the record at this point, I wish to express my appreciation to President Marcos for the directness and candor with which he spoke and for according me, and I think through me the Senate Foreign Relations Committee, the courtesy of listening to our concerns and of responding to them.

I came away from this trip with a deep concern that unless there is a rapid restoration of democracy in the Philippines the chances for success of the Communist insurgency will be greatly strengthened.

In briefings by our military officials at the Subic Bay Naval Base, I was told that out of a population of 54 million people only 12 million or so, by their estimates, staunchly oppose the New Peoples Army, with 12 million people susceptible to NPA influence; the balance of the population some 30 million people remain indifferent; if the NPA does not bother them they do not seem to care.

Mr. President, I was alarmed by this estimate, alarmed that 22 percent of the population in the Philippines could easily be fully supportive of the efforts now of the NPA. But more than that statistic, the fact that 55 percent of the population of the Philippines is indifferent to the struggle going on between the government and the NPA is cause for concern not only to that government but to the United States.

The fact that the present regime can count on support from only 12 million Filipinos, or only 22 percent of the population, in order to deal with this effective growing insurgency is, I think, a point that ought to underscore our concern. And if nearly 78 percent of the population of the Philippines is supportive of or susceptible to NPA influence or controls or are neutral in this struggle, then that seems to me to be a stark statement about the loss of legitimacy of the current government.

Yet I also found, Mr. President, that while the Marcos regime continues to lose support among the population and the NPA continues to gain increasing control over the countryside, and even our own Defense Department has pointed to the fact that at the current rate of growth of the NPA there is the possibility of a military stalemate within the short period of perhaps 4 or 5 years, even though that is the situation, I believe there is room for hope. That hope stems from what I saw and I think others who have visited the region have seen, which is a ground swell of popular pressure to bring about political change in the Philippines through elections. Local elections scheduled for May 1986 are the key to the possibility of genuinely contested Presidential elections in 1987. If these elections are not free, then the chances for an electoral route for political and economic change in the Philippines may be lost, or at a minimum they will be seriously jeopardized.

That is why I believe it is imperative for Congress to go on record and to warn the present regime in the Philippines that it is our intention to grant future aid only if sufficient progress is made on the following:

First, a guarantee of fair and free and honest elections in 1986 or 1987, or sooner, should for any reason elections occur sooner;

Second, the full, fair and open prosecution of the murderer of Benigno Aquino, including those indicated and involved in the cover up;

Third, a restoration of the full freedom of speech and freedom of the press and unrestrained access to the media on the part of all candidates for public office in the local elections of 1986 and the Presidential election of 1987;

Fourth, the establishment of the writ of habeas corpus and the termination of the Presidential detention action and all other forms of detention without trial or charge;

Fifth, the release of all individuals detained or imprisoned for peaceful political activities and;

Sixth, that substantial progress is being made in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past.

I also believe it is imperative for Congress to go on record declaring that it is the primary purpose of our assistance to the Philippines to maintain and foster friendly relations between the people of the Philippines and the people of the United States, and to encourage the restoration of internal security—both of which goals can best be served by the achievement of an open and stable democracy.

I believe, Mr. President, these are important signals for the Congress of the United States to send.

In my discussions with the wide spectrum of groups in the Philippines, it was evident that a prevailing view among an increasing number of people in the Philippines is that the United States is not acting as strongly as it might to encourage democratic revitalization. In other words, Mr. President, the United States is—viewed as being only—interested in is the bases, not the Filipino people, not the record of democracy in that region, not the boarder interest of the U.S. foreign policy, but only the bases.

Now I would in no way diminish the importance of those bases. Yes; they are important to the United States. But, if we value them and if we want access to them in the future and if there is another government 5 years from now in the Philippines and that government remembers adversely what the United States has done during this difficult period, then I would respectfully suggest to this

great institution that our ability to be able then to negotiate our access to those bases may be diminished.

So if we are truly interested and truly want to protect the security interests of the United States, I believe we do so by moving to strongly advocate, and pressure, and leverage the the government of Ferdinand Marcos to change now. And we have to prove to the people of the Philippines that there is something beyond the bases that is important to us. We have to demonstrated our primary concern is for the people of the Philippines themselves.

As one opposition member of Parliament put it to me, "The United States has two military bases in search of a policy in the Philippines, and that is why you are caught in a bind supporting a dictator like Marcos."

This trip brought home to me the fact that our strategic interests in the Philippines must be more solidly based on our support of a democratic government and social and economic progress in that country. It is not simply because the United States had colonial responsibility in the Philippines for nearly half a century, or that Filipinos and Americans fought side by side during World War II; or that our country has an obligation to support the popular aspirations of the Filipino people for democracy. What is even more important is that there remains, even after 13 years of martial law and authoritarian rule, or perhaps because of that experience, there remains a tremendous popular desire in the Philippines for the kind of freedom and pluralism for which the United States should fight and should support and nurture as the primary element of our foreign policy.

At great risks to themselves, and at great odds, millions of Filipinos have shown by their actions this past year-and-a-half that they want a democratic system with free elections, checks and balances, a return to free enterprise, and a government that is accountable to them. There are very few third world countries where the opportunity to support a genuine democratic alternative is as clear and as compelling as that in the Philippines. We strive to find nations that would give us the opportunity to win the kind of victory we could win for democracy in the Philippines. We have that opportunity now.

So I believe, Mr. President, we can choose to make a bona fide effort to affect the course of events there or not. But in choosing not to, we would be turning our backs not only on millions of Filipinos who look to us for leadership and for a sustained effort to foster democracy, we would be turning our backs ourselves on our own best interests.

Mr. President, I met very many remarkable and committed people in the Philippines during my brief visit. I was impressed with their commitment to democracy in the face of 13 years of martial law that has done great injury to the very institutions which we should be supporting. I made a commitment to those people that I and others would return here to do all we could to support them and their efforts to bring freedom and democracy back to their homeland.

It is time for us to act now to begin support of those aspirations before it is too late. I believe we owe it to the people of the Philippines to support with our actions as well as with our words the restoration of democratic institutions.

That is the message we will be sending with this amendment. I do not believe that this amendment does all it might in terms of setting up that leverage. But I believe that if the Senate, for the first time—and this will be the first time—if the Senate will go on record stating its intention to watch what happens there and stating its willingness to be able to exert that kind of leverage at a future moment in the event that appropriate actions are not taken, then we will have begun a process which I think is important for the millions of people who look to us for that leadership; important to protecting the security interests of the United States of America; and important to giving our foreign policy the force that I think every Member of the U.S. Senate wants it to have.

So I am honored to join with the distinguished chairman of the subcommittee, the distinguished Senator from Alaska, Senator Dodd and others in the effort to try to see that the Senate will begin that process and that we will at least hold ourselves accountable for our own actions.

Mr. President, I yield back my time.

Mr. MURKOWSKI. Mr. President, I rise on behalf of the sense-of-the Senate resolution introduced by my colleague from Massachusetts, Senator Kerry. I wish to compliment him on the eloquence of his statement. I feel that the proposed amendment reflects an obligation of the United States to the nation of the Philippines. That obligation goes to the nation and to the people.

The particular expression given in the amendment relates fairly to the concerns of the United States with regard to the very difficult situation occurring in the Philippines at this time. I think it is a responsible amendment in expressing the concern of the Senate with regard to some of the very basic issues, as indicated by the statement of my colleague from Massachusetts. And I think it represents certainly an effort, in expressing this concern, to recognize the full independence of the nation of the Philippines.

We are not engaging ourselves, by the intent of this resolution, in their internal affairs. We are not involving ourselves in their election process. What we are doing is sending a clear signal from the Senate of the United States of our interest in seeing that the Philippine Government or any successor government conduct free, fair and honest elections in the future, either in 1986 or 1987, to ensure the full prosecution of all those implicated in the Aquino affair, and other points covered in the six specific statements in the sense-of-the-Senate resolution.

As the chairman of the Subcommittee on Pacific and East Asian Affairs, I want to assure my many friends in the Philippines that the U.S. Senate, in expressing its views in this sense-of-the-Senate resolution, does not intend to involve itself in Philippine internal affairs. It simply represents an attitude and a feeling of commitment to the recognition of human rights and free elections and to encouraging a climate where democracy can continue to grow and flourish. And with the tenor and tone of the amendment, I think it fairly represents the concern in the United States and certainly in this body to ensure that the basic constitutional foundation of the Philippines is strengthened and encouraged by the amendment itself.

I have no further comments with regard to the sense-of-the-Senate resolution. I yield my time to Senator Pell.

Mr. PELL. Mr. President, in my mind this is an excellent amendment. It indicates to the Philippines and to the world as a whole the fact that the United States is looking at what goes on there more closely than it has in the past, that we are concerned about certain drifts in certain directions that the Government seems to be leading its people, and it gives us the foundations from which to examine our policy in the Philippines in the future.

The great pressure will not only be what the amendment does itself but also it serves as an earmark or a point of reference to what progress they make in the future.

If we look ahead a year or 2, we are sitting in this body, and we see that little progress is being made along these lines, it will then give us a basis at that time to have a more radical look at the situation and then perhaps a more harsh change of policy.

I commend the Senator from Massachusetts on the amendment and look forward very much indeed to supporting him.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I join Senator Pell in commending Senator Kerry for his diligence in crafting the amendment, and his personal involvement through visits with responsible authorities in the Philippines for a first-hand view prior to crafting the amendment. I appreciate the work of the subcommittee chairman, Senator MURKOWSKI, and the comments which he has made about the amendment.

Mr. INOUYE. Mr. President, I intend to vote for the amendment offered by Senator KERRY, but I shall do so with strong reservations.

We are, all of us, concerned with the future of democracy in the Philippines. We are, all of us, supportive of efforts to support and encourage the revitalization of democracy in the Philippines. I do not believe that anyone in this Chamber would object to the statement that the primary purpose of U.S. assistance to the Philippines should be—as the text of the amendment itself states—"to maintain and foster friendly relations between the people of the Philippines and the people of the United States * * *."

I do, however, believe there is reason to be concerned that this amendment, if read literally, could undermine rather than revitalize democracy in that very troubled Republic. We are agreed that free and fair elections must not only be guaranteed, but also that such guarantees must be enforced. We are agreed that there must be a "full, fair, and open prosecution of the murder of Benigno Aquino."

But it must be asked, Mr. President, who is going to enforce those electoral guarantees? Who is going to prosecute the murderers of Aquino? I would submit that in both instances it will be the Government and the military of the Republic of the Philippines which will assume and carry out these responsibilities. Because of that, I would submit that it is not only presumptuous but counter to our purposes to issue, in this sense of the Senate provision, a blanket accusation of the Government of the Philippines and the military of murder, euphemistically referred to as "extrajudicial killings."

Mr. President, why does this amendment make no reference to the dedicated and courageous men and women who are working from within the Government and the military to preserve the integrity of their institutions, to protect the rights of their fellow citizens, to ensure the rule of law. It is not necessary to be blind to abuse, to be ignorant of the ultra vires exercise of power, to wish to be supportive of those who are presently conducting themselves with honor in the Government and military establishments in the Philippines. There have been abuses, that is beyond question. There have been unlawful acts perpetrated by some in the Government and the military—and not just at the lower ranks.

It is also true—and I would assert that the future of democracy rests on this fact and not on sense-of-the-Senate provisions, however well intentioned that there are people who each day put their lives and their futures at risk to preserve democracy in the Philippines. Some of those people serve in the Government, some serve in the military, some serve in private life—but they are numerous and they should be recognized. Many fought with us in the Second World War, alongside our troops in combat. Can we presume to instruct them on how they should defend democracy in their homeland? Can we assume that they have given up the struggle? Should we not recognize their continuing contribution to freedom and democracy?

Mr. President, I shall vote in favor of this amendment to support those in the Government and the military—in all walks of life—in the Philippines who are dedicated to democratic government and individual freedoms. I will not turn my back on those who have been my friends and comrades in arms. I reject any suggestion that all who serve in the military or Government are guilty of wrongdoing. On the contrary, I assert that many are the champions of Democracy.

Mr. KENNEDY. Mr. President, I support the amendment offered by Senator KERRY. An increase of 150 percent in military aid to the Philippines may be seen by the Filipino people as support for the Marcos regime and might therefore endanger U.S. strategic interests in the long term, unless we make clear that our aid is intended to strengthen democracy and human rights rather than to prop up an unpopular regime.

The continuing crisis in the Philippines is one of the most serious foreign policy problems currently faced by the United States in the Asian and Pacific region. The impatience of the Filipino people for a return to democracy, the unpopularity and isolation of the Marcos regime, the deteriorating economy and living standards, official corruption and human rights abuses by the armed forces are undermining the stability of this key friend and ally in the Pacific. This situation also fuels a growing Communist insurgency, which could threaten important U.S. strategic interests unless the Philippines Government and armed forces significantly improve their ability and will to deal with its causes.

I believe that American economic and military assistance to the Philippines is one necessary element for an effective effort against the NPA insurgency. But I also believe that our assistance will be ineffective and wasted unless it encourages political, economic and military reforms that address the root causes of the insurgency and promote a democratic alternative to the Communist NPA. Moreover, I am concerned that U.S. assistance to the Philippines not be seen by the Filipino people as support for the Marcos regime, lest our own interests in the Philippines become captive to Marcos' fate.

This amendment would not affect the level of economic or military aid for the Philippines for fiscal year 1986, but it would spell out clearly the reasons for U.S. assistance to the Philippines. It would also send a message to the Philippines Government and people that future U.S. aid will depend on progress toward democracy and human rights. Without progress toward these objectives, our assistance to the Philippines will at the very least be ineffective against the insurgency, and it could very well be detrimental to the preservation of a close U.S. relationship with the Philippines in the future. This amendment deserves our support.

TO SUPPORT DEMOCRACY IN THE PHILIPPNES

Mr. CRANSTON. Mr. President, the Senate has an important opportunity to send a strong message to Manila today.

This message should be clear. And this message should be unequivocal.

We will not continue however funding of the corrupt Marcos regime unless meaningful reform in forthcoming. We will not provide exorbitant amounts of military aid if that regime continues to thwart democratic development.

Mr. President, prior to the repressive reign of Ferdinand Marcos, the people of the Philippines had a proud tradition of free elections and peaceful government transition. And their principal opposition forces have been loyal, patriotic, and democratic. But unless change is forthcoming, the future for democracy in the Philippines is bleak.

Someday in the not-to-distant future, Marcos will be gone and the U.S. Government will then have to answer to opposition forces for its past policies.

Will we be part of the problem in the Philippines? Or will we be part of the solution, a solution which thwarts repression on the right and Communist insurgency on the left?

The amendment before us today, though not as strong as I would like, would make clear that U.S. interests require a rapid release of the stifling grip with which the Marcos regime throttles democracy. He would also make clear the importance with which the Senate views the obligation of the Philippines judicial system to prosecute those involved in the assassination of Benigno Aquino, and its subsequent cover up.

I support this amendment and urge its adoption by a strong vote.

Mr. LUGAR. My judgment is that the amendment probably will receive overwhelming support. A rollcall vote has been called. I know of no other Senators who wish to speak, and suggest that we proceed to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Massachusetts. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska, [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. (Mrs. KASSEBAUM) are there any other Senators in the Chamber desiring to vote.

The result was announced—yeas 89, nays 8, as follows:

[Rollcall Vote No. 78 Leg.]

YEAS—89

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Evans
Ford
Garn
Glenn
Goldwater
Gore
Gorton
Gramm
Grassley
Harkin
Hart
Hatch
Hatfield
Hawkins
Heinz
Hollings
Humphrey
Inouye
Johnston
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Riegle
Rockefeller
Roth
Rudman
Sarbanes
Sasser
Simon
Specter
Stafford
Stennis
Stevens
Thurmond
Trible
Warner
Weicker
Zorinsky

NAYS—8

Hecht
Heflin
Helms
Laxalt
McClure
Simpson
Symms
Wallop

NOT VOTING—3

East
Exon
Wilson

So the amendment (No. 112), as modified, was agreed to.

Mr. LUGAR. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 114

(Purpose: To terminate the prohibition relating to participation by U.S. officers or employees in foreign police arrest actions or interrogations)

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. Madam President, I send to the desk and amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona [Mr. DECONCINI], for himself, Mr. CHILES, Mrs. HAWKINS, and Mr. DENTON, proposes an amendment numbered 114:

On page 54, between lines 14 and 15, insert the following:

PARTICIPATION IN FOREIGN POLICE ARREST ACTION AND INTERROGATION

SEC. 509. Section 481(c)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. (c)(1)) is amended to read as follows:

"(c) The head of any department or agency of the United States employing individuals who are authorized to engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts, or any interrogation in connection with such efforts, shall prescribe regulations for the conduct of, and the procedures used by, such individuals.".

Mr. DECONCINI. Madam President, the amendment that I am offering today for myself, Senator HAWKINS and Senator CHILES would effectively repeal section 481(c)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(c)) commonly known in law enforcement circles as the Mansfield amendment. As the war on narcotics traffickers, both overseas and in the United States, escalates this amendment will remove one more impediment to effective law enforcement overseas. If approved, this amendment will allow our law enforcement officers in foreign countries to better assist foreign agencies with their own domestic drug trafficking problems as well as help eradicate the drug smuggling threat that plagues our Nation.

Madam President, unless you are a hermit or live in a cave in the Grand Canyon, it is common knowledge that this country is under seige by the drug trafficker. The tragic, brutal murder of one of our finest Drug Enforcement Administration [DEA] agents in Mexico and the threat against our Customs and Immigration officers along the Mexican borders by members of the drug community have focused renewed attention on the need to attack the drug menace at the source. The Mansfield amendment is viewed by most law enforcement agencies as an impediment to allowing our drug enforcement agents in source and transit countries to assist host government law enforcement efforts to go after the narcotics trafficker in those countries that are plagued with a serious drug threat. What was born nearly 10 years ago in response to a preceived overzealousness by our drug enforcement agents in Thailand has remained on the books since 1975, weakening enforcement efforts overseas and frustrating our civilian law enforcement agents here at home. The amendment we are introducing today would take the shackles off our drug enforcement agents in foreign countries, while at the same time directing our civilian law enforcement agencies to promulgate appropriate regulations to assure proper conduct of our individual agents overseas.

Madam President, I ask unanimous consent to have printed in the RECORD at this point an outline of some of the history surrounding the adoption of the so-called Mansfield amendment nearly a decade ago.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A BRIEF LEGISLATIVE HISTORY OF THE MANSFIELD AMENDMENT

In a report by Senator Mike Mansfield dated October 1975, entitled "Winds of Change: Evolving Relations and Interests in Southeast Asia," the Senator stated that the day before his arrival in Thailand, U.S. Drug Enforcement Administration agents and Thai police had carried out a joint raid on an opium refinery. His opinion of that activity was as follows:

This sort of U.S. anti-drug activities in Thailand seems to be highly dubious. Quite apart from the expenditure of U.S. funds, the direct participation by U.S. agents in police activities within Thailand amounts to involvement in internal Thai affairs. While it undoubtedly is meritorious in objective, it is a foot-in-the-door, a joint of entry which could lead to extensions and in the end, renewed entrapment in the internal affairs of that nation at renewed cost to the people of the United States. The sorry history of military and economic aid and other activity in Indochina and Thailand over the past two decades should serve as a precaution in this respect. Police actions, including local drug enforcement, are functions of indigenous governments. If there is a U.S. role, it should be limited to the exchange of information and intelligence with appropriate Thai or other officials. Beyond that point U.S. financial assistance for anti-drug operations at whatever level may be set by the Congress, in my judgment, is best channeled through international or regional organizations.

Regrettably, the briefing Senator Mansfield received in Thailand may have been unclear as to DEA's involvement in the seizure of a large heroin laboratory by Thai police on August 10, 1975, at Songkhla, Thailand. The fact is that DEA agents were only supportive, they furnished reliable information, they did not accompany the Thai police during the arrests and seizure of the laboratory, and arrived on the scene about 1½ hours after the Thai police had the situation under control.

Similarly regrettable, was that after Senator Mansfield made his report, DEA did not arrange for a full briefing of the Senator to explain not only the pertinent facts regarding the case in Songkhla, Thailand, but also to fully inform the Senator of DEA's oper-

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ations and guidelines in foreign countries.

use of force or the arrest of foreign nation-

On June 4, 1976, DEA Administrator Ben-

---

ations and guidelines in foreign countries. This erroneous, uncorrected impression on the part of Senator Mansfield let to his submission of an amendment aimed at limiting DEA's activities in foreign countries.

The committee print of S. 2662, dated December 18, 1975, a bill to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes, contained the following provision in section 303(c)(1):

> Notwithstanding any other provision of law, no officer or employee of the United States may engage in any police actions in any foreign country with respect to narcotics control efforts.

DEA envisioned the provision as virtually obviating its operations in foreign countries and made its views known to various levels of the Government.

On February 6, 1976, President Ford sent a letter to Senator Mansfield indicating concern with the amendment, and that he believed any excesses can be avoided by careful and continuous scrutiny by the Executive branch and by promulgation of appropriate operating guidelines.

During Senate debate on February 5, 1976, Senators Percy and Mansfield engaged in a dialog attempting to explain the meaning of the provision. Senator Percy said that—

> This amendment does not preclude American narcotics agents from engaging in other activities which are permissible under the law of the host nation and which would be of great help in the enforcement of Federal drug laws here in the United States. These include principally:
>
> Undercover operations or other information-gathering methods, not involving the use of force, for acquiring tactical and strategic intelligence;
>
> The handling and development of informants;
>
> Evaluating intelligence, information-gathering, and drug law enforcement operations of foreign police officials;
>
> Training foreign police officials to undertake special surveillance assignments, or contracting with private parties and informants to undertake such activities.

The Senate also had before it the report of the Senate Committee on Foreign Relations, which stated in part as follows:

> In adopting this restriction, the Committee seeks to reconcile two important U.S. interests; motivating foreign governments to cooperate to the fullest degree in stopping drugs from reaching the U.S. and avoiding excessive U.S. intervention in the internal affairs of other nations. The range of actions carried out by U.S. narcotic agents overseas covers a wide spectrum—from the innocuous (exchanging information and intelligence) to the clearly objectionable (actions involving the use of force and actions involving arrest of foreign nationals).
>
> It is the Committee's intent that "police action," as used in this provision, is meant to prohibit U.S. narcotics agents abroad from engaging in actions involving the use of force and actions involving the arrest of foreign nationals—whether unilaterally (acting on their own) or as members of teams involving agents or officials of other foreign governments. And more broadly, it is the Committee's intent that the Drug Enforcement Administration and Chiefs of U.S. narcotics agents overseas not engage in any types of actions in which there is a reasonable risk of embroiling the U.S. in the internal affairs of other countries by tending to lead them into situations involving the use of force or the arrest of foreign nationals.

On February 18, 1976, the Senate passed S. 2662 by a vote of 60 yeas and 30 nays.

The House of Repesentatives had not included a similar provision in the House bill. Consequently, the committee of conference proceeded to rewrite the Senate provision in S. 2662. The conference committee adopted a substitute provision which would prohibit U.S. personnel from engaging or participating in direct police arrest actions in any foreign country in connection with narcotics control efforts. Essentially, the conference committee added the words "direct" and "arrest" to the Senate provision. The conference committee explained the intent of the provision as follows:

> In adopting the provision the committee of conference seeks to insure that U.S. narcotics control efforts abroad are conducted in such a manner as to avoid involvement by U.S. personnel in foreign police operations where violence or the use of force could reasonably be anticipated. By "arrest actions" the committee of conference means any police action which, under normal circumstances, would involve the arrest of individuals whether or not arrests, in fact, are actually made. The committee of conference intends that the U.S. Ambassador in any country where U.S. narcotics control activities are being carried out shall exercise close supervision over such activities to insure that U.S. personnel do not become involved in sensitive, internal law enforcement operations which could adversely affect U.S. relationships with that country.
>
> The committee of conference emphasizes that this provision is not intended to prohibit U.S. government agencies from assisting laws on narcotics trafficking by providing such assistance as training, technical equipment, and intelligence.

On March 24, 1976, DEA Administrator Peter B. Bensinger directed that specific DEA foreign guidelines be prepared in anticipation that eventually the Mansfield amendment would become law. Mr. Bensinger assigned DEA's Chief Counsel Donald E. Miller to draft the guidelines in coordination with other concerned DEA offices and the Department of State. Mr. Bensinger directed that the final paper would include DEA's general foreign mission and guidelines as to what DEA's representatives can and cannot do in foreign countries.

The provision as finally enacted by the Senate and House of Representatives in S. 2662 was as follows:

> Sec. 504 * * *
>
> * * * * *
>
> (c)(1) Notwithstanding any other provision of law, no officer or employee of the United States may engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts.

On May 7, 1976, President Ford sent a message returning S. 2662 without his approval. He gave as his reason that "the bill would seriously obstruct the exercise of the President's constitutional responsibilities for the conduct of foreign affairs." The veto message did not make any reference to the restrictions imposed on DEA's activities.

Subsequently, S. 3439 was introduced in the Senate and H.R. 13680 was introduced in the House with compromises in attempt to respond to the President's veto. H.R. 13680 was passed by the House on June 2, 1976, and includes the same language effecting DEA's foreign operations as did S. 2662. Senate bill S. 3439 was passed on June 25, and it too, contains the same provision affecting DEA.

On June 4, 1976, DEA Administrator Bensinger issued "DEA Functions and Guidelines Relating to Operation in Foreign Countries" to all affected DEA personnel, with instructions to insure that all employees are in full compliance as of June 21, 1976.

Mr. DeCONCINI. Madam President, one only needs to look 50 to 60 miles off the Florida coast to see that the Mansfield amendment is hurting our drug interdiction efforts. I am referring to both Bimini and the Bahamas. For example, if a Customs aircraft is pursuing a drug smuggler who has been profiled as suspect, or who has actually been seen offloading contraband, or air-dropping drugs to marine vessels, the smuggler can fly into the friendly confines of Bimini or the Bahamas leaving the Customs air officer with no alternative but to return to port. If the Mansfield amendment were repealed, arrangements could be worked out with the Bahamian Government to allow Customs to continue its pursuit and interdiction into the Bahamas, to assist Bahamian police make an arrest and seizure of the pilot, the plane and, hopefully, the contraband itself. Right now the Bahamian Government is unable to mount sophisticated air or marine drug interdiction operations. By working closely with Bahamian enforcement officials, our DEA, Customs, and Coast Guard personnel could assist in interdicting large drug shipments before they are broken down and scattered among hundreds of small speedboats.

Madam President, let me cite one very recent, clear example of the frustration U.S. law enforcement officers face in tracking drug smugglers coming out of foreign countries and returning with impunity. On May 3, the Customs Air Branch in Albuquerque picked up a twin engine aircraft flying from Mexico through New Mexico and into the vicinity of Morenci, AZ. There the suspect aircraft airdropped marijuana to waiting vehicles and then retreated toward Mexico with the Customs Citation II in pursuit. The aircraft retreated into Mexican airspace and ultimately landed in Mexico—again, with impunity. If the Mansfield amendment were repealed, arrangements could be worked out with the Mexican Government to allow Customs to follow the suspect aircraft into Mexico and, with the help of Mexican law enforcement agents, arrest the suspect.

Finally, Madam President, I am convinced that if the Mansfield amendment had not been on the books during the tragic, painful weeks of speculation about the fate of Mr. Camarena, our kidnaped DEA agent in Mexico, our drug enforcement agents would have been less constrained to aggressively pursue the arrest and interrogation of suspects in the case. We

need to take the gloves off of our drug enforcement agents overseas so that they can protect their associates and better pursue the drug trafficker who threatens their lives and ours.

Madam President, the Mansfield amendment has outlived its usefulness. It is no longer needed. I understand that former Senator Mansfield even told Senator HAWKINS on a trip to China that the amendment was no longer needed. I am confident that our law enforcement agents will conduct themselves appropriately overseas. I know of no abuses of power or discretion by these men and women overseas. And the time has come to unite their hands in helping slam the door on the drug trafficker who works overseas and sells his deadly poison here in the United States.

Madam President, there has been some discussion with staff—and I appreciate the majority staff of the Foreign Relations Committee bringing it to our attention—about constitutional rights and protections. I call to the attention of the Senate the fact that the amendment provides that the appropriate law enforcement agencies would prescribe regulations for the conduct and the procedures of such American agents overseas, which certainly would include being sure that the constitutional rights are preserved.

I thank the ranking minority member and the chairman of the committee for their consideration of this amendment, and I urge its adoption by the Senate.

Mr. LUGAR. Madam President, I congratulate the distinguished Senator from Arizona for his thoughtful amendment. It is indeed one on which the staff of the majority and the minority have worked with the distinguished Senator, and we are prepared to accept the amendment.

Mr. DeCONCINI. I thank the distinguished chairman and the ranking minority member.

The PRESIDING OFFICER. Is there further debate? If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 114) was agreed to.

Mr. DeCONCINI. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 115

(Purpose: To provide for a study of ways to increase use of private and voluntary organizations and cooperatives)

Mr. LUGAR. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

> The Senator from Indiana [Mr. LUGAR], on behalf of Mr. DANFORTH, propose an amendment numbered 115:
>
> At an appropriate point in the bill, insert the following new section:
>
> Sec. . Use of private and voluntary organizations, cooperatives, and the private sector.
>
> "(a) The Administrator of the Agency for International Development is directed to undertake a comprehensive study of additional ways to provide development assistance through non-governmental organizations (including United States and indigenous private and voluntary organizations, cooperatives, and other private entities). Such study shall include:
>
> "(1) an analysis of the percentage of development assistance allocated to governmental and non-governmental programs;
>
> "(2) an analysis of structural impediments, within both the United States and foreign governments, to additional use of non-governmental programs; and
>
> "(3) an analysis of the comparative economic benefits of governmental and non-governmental programs.
>
> "(b) the Administrator is directed to conduct the study using available funds and to prepare a final report to the Congress no later than September 30, 1986.".

Mr. DANFORTH. Madam President, during a recent trip to Africa I visited a dry land research project in Somalia where local Somali farmers had been taught to grow healthy stands of sorghum without irrigation, without complicated equipment and without expensive fertilizers simply by changing the time of planting and adjusting the spacing between the planted seeds. The American agriculture experts who had developed these techniques emphasized two points. First, the African farmer, properly schooled through extension techniques common in our own country, has excellent skills and is highly motivated. Second, the most successful way to transfer the knowledge necessary to increase Africa's food production will come through people-to-people programs. "A major obstacle to more people-to-people programming is our overreliance on bilateral, government-to-government assistance. The Agency for International Development does have authority through the use of its existing 106 account to provide matching grants to private and voluntary organizations [PVO's] and direct funding to other private sector programs which can bypass government. The question is whether Congress should require greater utilization of this authority.

The purpose of my amendment is to direct AID to undertake a comprehensive study on how it could shift development programs away from governments and more toward PVO's and the private sector.

In Africa, far too often, farm cooperatives are created and operated by the African governments themselves. The centralized planning and marketing of African Parastatals is a well-known failure. It is possible that American farm co-ops and PVO's can be more effective in encouraging the spread of truly private sector cooperatives.

Mr. LUGAR. Madam President, I know of no opposition to the amendment, and I support it.

Mr. PELL. Madam President, I understand that this amendment does not in any way cut into the money that is available for the private organization.

Mr. LUGAR. That is correct.

Mr. PELL. There is no objection to the amendment. I think it is a good amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 115) was agreed to.

Mr. LUGAR. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 116

(Purpose: To terminate United States assistance for Bolivia unless Bolivia eradicates 10 percent of its coca production, and for other purposes)

Mrs. HAWKINS. Madam President, I wish to offer an amendment to the Foreign Assistance Act to call for the termination of U.S. assistance to Bolivia unless that nation eradicates 10 percent of its coca production.

I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Florida [Mrs. HAWKINS] proposes an amendment numbered 116.

Mrs. HAWKINS. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 64, between lines 16 and 17, insert the following:
>
> RESTRICTIONS ON ASSISTANCE FOR BOLIVIA
>
> Sec. 914. (a) The Congress finds that—
>
> (1) cocaine has had a severe negative impact on productivity, public health, education, and the quality of life in the United States and on the national security of the United States;
>
> (2) Bolivia is the source of more than 50 percent of the world's cocaine, and Bolivian production of cocaine continues to rise;
>
> (3) 50 percent of the population of Bolivia is under 19 years of age, and cocaine production has had a severe, negative impact on the youth of Bolivia;
>
> (4) the production of, and trafficking in, cocaine by Bolivia has contributed significantly to Bolivia's 1,000 percent rate of inflation.
>
> (5) the failure of the Government of Bolivia to take steps to curb the production of

coca in Bolivia during 1984 was cited in the report of the Department of State entitled "International Narcotics Control Strategy Report" as a major disappointment in its review of drug producing countries; and

(6) Bolivia received more than $37,000,000 in United States assistance during the fiscal year 1984 and during such fiscal year did not eradicate a single coca bush.

(b)(1) Beginning with the fiscal year 1986 and for each fiscal year thereafter, no United States assistance may be provided Bolivia unless the President certifies to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 percent less than the amount produced in Bolivia during the fiscal year which preceded such preceding fiscal year.

(2) Whenever the President certifies under paragraph (1) that the amount of coca that is produced in Bolivia is reduced by more than 10 percent from one fiscal year to the next, the amount of any such additional reduction shall be carried over and counted as if it has occurred in the fiscal year following the year in which it actually occurred.

(3) The Secretary of the Treasury shall instruct each United States Executive Director of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and the Inter-American Development Bank to oppose actively the extension of any loan or the furnishing of any financial assistance or technical assistance during the fiscal year 1986 or any fiscal year thereafter by the respective international financial institution to Bolivia, unless the President certifies under paragraph (1) that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 percent less than the amount produced in Bolivia during the fiscal year which preceded such fiscal year.

(4) In carrying out this section, coca produced solely for pharmaceutical purposes shall not be counted in determining amounts of production.

(5) As used in this section—

(A) the term "coca" means cocaine hydorchloride; and

(B) the term "United States assistance" includes any assistance of any kind (other than assistance involving only the provision of food or medicine) which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to or for the benefit of any foreign country, including—

(i) assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation, but excluding programs under chapter 8 of part I, relating to international narcotic control assistance);

(ii) sales, credits, and guaranties under the Arms Export Control Act;

(iii) sales under title I (including title III) of the Agricultural Trade Development and Assistance Act of 1954 and donations under title II of such Act of nonfood commodities;

(iv) financing programs of the Commodity Credit Corporation for export sales of nonfood commodities;

(v) financing under the Export-Import Bank Act of 1945;

(vi) assistance under the Migration and Refugee Assistance Act of 1962;

(vii) programs under the Peace Corps Act;

(viii) assistance under the Inter-American Foundation Act;

(ix) assistance under the African Development Foundation Act;

(x) financial assistance for foreign persons or groups under the Mutual Educational and Cultural Exchange Act of 1961; and

(xi) assistance of any kind under any other Act.

CONDITIONS OF ESF ASSISTANCE TO JAMAICA

SEC. 915. Of the funds allocated for Jamaica for fiscal year 1987 under chapter 4 of part II of the Foreign Assistance Act of 1961, $5,000,000 shall be withheld from obligation until the President certifies to the Congress that the Government of Jamaica has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit cultivation, production, processing, transportation, and distribution of marijuana within a specifically stated period of time.

On page 64, line 18 strike out "Sec. 914." and insert in lieu thereof "Sec. 916.".

Mrs. HAWKINS. Madam President, we have given the Bolivians time, we have given them support, we have given them notice, and we have given them money, lots of money—$57 million in U.S. aid in 1984, $4 million earmarked for eradication alone. And what did we receive for the investment? We received a 10- to 15-percent increase in the production of cocaine.

This year the Foreign Assistance Act allocates almost $50 million in U.S. aid for Bolivia for the next fiscal year. It is time that this Government stopped funding our own destruction.

Last year, with 16 of my colleagues, I introduced a bill to cut off all U.S. foreign aid to Bolivia until that nation reduces its illegal crop by 10 percent. I have 16 cosponsors.

I have made numerous efforts, personally, to try to convince the Government of Bolivia to take steps to curb its drug production. I went to Bolivia and met with authorities there to make sure that they knew how destructive is their major crop of export; I sponsored a Western Hemisphere Conference on Narcotics Control in Washington and included Bolivian representatives for them to witness the drug control efforts of their fellow Western Hemisphere nations; I introduced the diplomancy against drugs amendment to give notice to drug producing nations that their involvement in the narcotics trade was intolerable; and I conducted a hearing into the State Department's international narcotics control strategy report on the compliance of drug-producing nations to the diplomacy against drug laws. The results of this report were for me the last straw.

As most of my colleagues know, I am chairman of the Subcommittee on Children, Family, Drugs and Alcoholism. In a recent hearing we discovered that Bolivia is doing nothing. Before this State Department report was released, it was acknowledged that Bolivia now providing fully half of the world's cocaine, but its production has actually increased dramatically. This report contained the following fact: Bolivia has not eradicated a single coca bush in the last year.

The diplomacy-against-drugs law passed in the Senate by a vote of 96 to nothting. Every one of my colleagues thereby acknowledged that use of this economic and diplomatic leverage could be effective in stopping drugs at the source. Then why not use it? Isn't 2 years for a nation with a strong army, alternate agricultural possibilities, and massive direct and indirect aid from the United States, enough time to pull up one coca bush?

I think it is time, Madam President. As a matter of fact, I am sure it is time. American parents have waited long enough. While waiting for Bolivia to take the action that it must, I have seen too many children go through the hell of narcotics addiction; too many young adults ruin their careers and their marriages before they have even started; too many people suffer financial calamity; too much drug-related criminal activity; and too much death and destruction—all because of cocaine.

Madam President, this morning's Washington Post has an article headlined "Recent Cocaine Use Seen in 30 percent of D.C. Arrestees," in the month of July. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECENT COCAINE USE SEEN IN 30 PERCENT OF D.C. ARRESTEES

(By Sandra Evans)

About 30 percent of all persons arrested in the District of Columbia have used cocaine recently, more than double the level of cocaine use among criminal defendants recorded just last July, according to the most recent tests in D.C. Superior Court.

The use of PCP among defendants now just barely outstrips cocaine use, at between 30 and 32 percent, said John A. Carver, director of D.C. Pretrial Services Agency, which does the testing.

"We are seeing some significant changes in the drug use patterns in the District," with cocaine use rising sharply among defendants, Carver said at hearings yesterday before the House Appropriations D.C. subcommittee on the city's proposed 1986 budget.

Last July, 14 percent of those arrested in the city tested positive for cocaine. That figure jumped to 22 percent by December and now has jumped another 8 percentage points in five months, according to the Pretrial Services Agency.

Carver said he did not know the reason for the sharp rise, though he said police have reported that the price of cocaine has dropped.

Two-thirds of all arrestees now either admit drug use or test positive for one or more of the five drugs the agency looks for, Carver said.

Defendants held in the court's cell block before arraignment are required to give a

urine sample that is tested for traces of heroin, PCP, cocaine, methadone and barbiturates as part of a program begun in March 1984 to examine how drug use affects criminal behavior.

The agency does not bother to test for marijuana use among those arrested. Carver said after the hearing, because "nobody cares about it."

Later during yesterday's hearing, Rep. Julian C. Dixon (D-Calif.), the subcommittee chairman, criticized D.C. Department of Corrections Director James Palmer for a "cavalier" attitude toward testing for drug use at Lorton Reformatory.

After Palmer and officials accompanying him were unable to provide recent figures on drug use at the city's prison, Dixon responded incredulously: "This is a major issue, and nobody here knows how many in any given month are tested and what the results of the test are?" Palmer promised to provide figures for the record.

In early 1984, after press reports about drug use at Lorton, officials tested the entire prison population and found evidence that about 10 percent had recently used drugs. The mayor announced a crackdown on drug smuggling into the prison, which was to include random drug tests.

In other testimony, officials of the D.C. Public Defender Service said that District judges now are issuing longer sentences, with 80 percent of persons convicted of serious crimes being incarcerated for some period.

Charles Ogletree, PDS deputy director, said that judges have given out harsher sentences in part because of sentencing guidelines being developed by a judicial commission, which Ogletree said has resulted in "peer pressure." Some convicted persons who in the past would have received probation are now getting jail terms, he said.

One knowledgeable law enforcement official, who asked not to be named, said that view had to be "pure speculation," however.

One issue that continues to receive intense interest on Capitol Hill is the construction of a new prison in the District, currently under study, which Mayor Marion Barry agreed to under pressure earlier this year.

William D. Golightly, D.C. assistant director for administrative services in the corrections department, said the city is considering a 500-bed prison facility. This is a significantly lower figure than advocates of a new prison have discussed informally.

Five hundred beds would not take care of current prison and jail overcrowding in the District, said one law enforcement source.

Mrs. HAWKINS. Madam President, Bolivia must be forced to accept its responsibility in this situation, and I am convinced the only way to make them understand is in economic terms and they must be strong economic terms.

Very simply, we in the United States must not accept this situation from Bolivia. With the enactment of this legislation, we would be saying to the Bolivians: You continue to produce and market your coca crop, you will lose U.S. aid, all of it.

Even with this proposed amendment, we are giving the Bolivians even more time, time that I do not personally feel they deserve. All they have to do to show that they are making an effort is to eliminate 10 percent of their coca crop. And this action would even benefit this troubled nation directly. They are currently operating at an astounding 2,200 inflation rate—caused in large part by the false economic atmosphere created by their illegal narcotics industry.

Madam President, I ask my colleagues to join me in this necessary amending of the Foreign Assistance Act to stop the flow of drugs into our country and to help parents in this country, the citizens of our Nation, by taking whatever steps are necessary to enact this legislation with all possible speed.

Madam President, I ask unanimous consent that Senators MATTINGLY, CHAFEE, FORD, HOLLINGS, DECONCINI, GARN, and MOYNIHAN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Madam President, I commend the distinguished Senator from Florida for her leadership in the whole area of worldwide flight against drug abuse. She has been an eloquent and effective spokesperson for a point of view which is shared I believe by a large majority of the people of this country. We are grateful to her for her leadership.

Therefore, I think we all listen carefully when she speaks to these issues.

The specific point of this amendment has been the very regrettable activity of the Government of Bolivia in particular, and I support the amendment on our side.

We are prepared to accept the amendment.

Mr. PELL. Madam President, this is an excellent objective, one with which we can all agree.

I only have one question for the junior Senator from Florida. In what way does this differentiate or differ from the amendment we passed last night of Senator CHILES also dealing with Bolivia?

Mrs. HAWKINS. As soon as the bill is signed, all aid will be cut off until they eradicate 10 percent of the present crop. I do not believe there are any direct numbers in the language passed last night. It was just no standard, just discretionary—you can eradicate whatever you want, is what I read in.

Mr. PELL. Does the amendment of the junior Senator from Florida go farther?

Mrs. HAWKINS. Yes. It is tougher. It gives a standard of 10 percent eradication. It says immediately eradicate 10 percent and we will start giving them their allowance again.

Mr. PELL. The junior Senator from Florida sees no conflict between her amendment and the one passed last night?

Mrs. HAWKINS. Mine is much tougher.

Mr. PELL. I thank the Senator.

There is no objection.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 116) was agreed to.

Mr. LUGAR. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 117

(Purpose: To express the sense of the Congress regarding foreign exchange intervention)

Mr. BRADLEY. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY] on behalf of himself, Mr. BENTSEN, Mr. MELCHER, Mr. MOYNIHAN, Mr. KERRY, Mr. BUMPERS, Mr. BINGAMAN, and Mr. HARKIN, proposes an amendment numbered 117.

Mr. BRADLEY. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

POLICY REGARDING FOREIGN EXCHANGE INTERVENTION

SEC. 914. (a) The Congress finds and declares that—

(1) the trade deficit looms larger than any other threat to the ability of the United States to generate jobs and create economic well-being;

(2) the trade deficit continues to deteriorate even from the 1984 level of $123 billion;

(3) the trade deficit will continue to deteriorate until the value of the dollar declines on foreign exchange markets;

(4) the dollar's rise may slow down but is unlikely to fall sufficiently as a result of Congress' contemplated budget deficit reduction measures;

(5) the dollar would probably fall under a number of tax reform proposals but industries losing market share due to the exchange rate may not be able to wait for a complete tax package;

(6) the only remaining timely option for lowering the dollar is intervention in foreign exchange markets by the Treasury or the Federal Reserve;

(7) any such intervention must be strong enough to achieve the Congress' intent of lowering the dollar's value but sufficiently moderate to prevent a sudden drop in its value;

(8) any such intervention in order to assure a gradual decline and protect against too large a drop in the value of the dollar; will require coordinated action by the central banks of Europe and Japan as well as the United States; and

(9) such coordination is especially important to strengthen economic and political ties with the allies of the United States and

to promote consistent macroeconomic policies to the mutual benefit of all.

(b) Therefore, it is the sense of the Congress that—

(1) the Secretary of the Treasury and the Chairman of the Federal Reserve Board, in concert with our allies and coordinated with the central banks of the Group of Five or other major central banks, should take steps as are necessary to lower gradually the value of the dollar;

(2) such steps should not exclude intervention in the foreign exchange markets;

(3) the Secretary of the Treasury and the Chairman of the Federal Reserve Board should work to ensure that the domestic macroeconomic policies of the United States and its allies are forged to reinforce rather than oppose one another.

Mr. BRADLEY. Madam President, my amendment calls on the Chairman of the Federal Reserve Board and Secretary of the Treasury, in concert with our allies, to take such steps as are necessary to lower the value of the dollar.

Such steps should not exclude moderate intervention in the foreign exchange markets.

Madam President, the purpose of the intervention would be to bring the dollar down gradually from its current astronomical rate of exchange with foreign currencies.

Any action taken by the Chairman of the Federal Reserve and the Secretary of the Treasury should be coordinated with the central banks of our major trading partners.

In addition, it is important that the dollar not be allowed to drop without limit.

The purpose of the intervention is to contribute to the stability, not the volatility, of international trade and finance.

The trade deficit has become our most immediate economic problem. Last year's $100 billion deficit in goods and services reflected a terrible loss of market share in every sector open to foreign competition. That was just the culmination of a process that had been going on for 3 years. For example, in early 1983, we crossed an important threshold. For the first time we imported more machinery and transport equipment than we exported.

Now I am not talking about portable radios here; I am talking about machine tools, tractors, and construction equipment.

It is a threshold that frankly I hope we will cross in the other direction at some time in the near future.

Mr. President, some people question the importance of the trade deficit. They point out that although our imports increased 26 percent in 1984, our exports increased 9 percent, reflecting substantial growth for American producers. There are two answers why we should take little comfort from that fact.

First of all, the increase of both imports and exports arises from the opportunities created by world economic growth and our trading system. But that does not mean that we are in good shape so long as our exports do not actually fall.

Our import-sensitive industries are taking a beating. More generally, all of our trade-sensitive sectors are losing their share in the world market. Their proportion of the pie is shrinking even though the size of their slice, like the size of the whole pie, may be growing. The importance of market share comes from the fact that in many manufacturing industries and information-based services, the future success of an enterprise depends on its size relative to its competitors, rather than its absolute size. Our loss of market share is just one more factor contributing to the competitive disadvantage of U.S. companies competing in world markets.

The second reason we should be concerned about the explosion of the trade deficit even if our exports continue to grow is that the net increase of imports over exports has been financed by foreign credit. In fact, the average U.S. citizen purchased over $400 more in foreign goods than he or she produced for foreign consumption in 1984. That difference was financed by foreign credit, mostly to the Government, which allowed us to keep our taxes down. So the end result of this is the same as a $400 consumer loan made by foreign banks to every man, woman, and child in the United States that they do not even know they received. This foreign credit would be a boon to the economy if it were all financing economic development. But since a large portion is going to finance the Federal budget deficit, thereby releasing taxpayer dollars for consumption of foreign goods, it is no surprise we have not experienced the shot in the arm to the economy that foreign credit usually delivers to the private sector.

The reason to worry is that we will have to pay off those loans without having had the full developmental benefit of the credit. The trade deficit is a serious problem whether or not our overall exports are up.

Madam President, the key to reducing the trade deficit is the value of the dollar. The value of the dollar rose 30 percent against foreign currencies between 1981 and 1983 and rose the same amount again in 1984. Compare that with the dollar's stability, within a 10-percent range, during the 6 years from 1975 to 1981.

The level of the dollar is killing jobs, business plans, and future economic opportunity. Unless we immediately address the problem posed by the value of the dollar, we will be putting U.S. industry into an economic hole out of which it will be incredibly hard to grow.

Perhaps the only long-term solution to the pressure raising the dollar is budget deficit reduction. Only by eliminating the demand for capital created by the budget deficit will we be able to stop the capital inflows from abroad in the long run. And only by stopping those capital inflows will we create natural downward pressure on the dollar.

Tax reform is another positive long-term solution. A broader based tax would make the economy more efficient and better able to grow out of its deficits. But neither budget deficit reduction nor tax reform promises any relief for the American worker in the short run. Both are slowed down by the political process, which is necessary to guarantee the integrity of Government and generate consensus.

The only immediate option for bringing down the value of the dollar and relieving the competitive disadvantage under which U.S. industry is now operating is moderate intervention in foreign exchange markets. Through moderate intervention the Federal Reserve and the Treasury can send a signal to the market that at least our central bank believes the value of the dollar is too high to sustain.

The crucial advantage of foreign exchange intervention is the speed of its effects. A reduction in capital inflows will immediately reduce the value of the dollar. But for that very reason it is important that the Federal Reserve and the Treasury proceed with caution and do not permit the dollar to fall without limit. Sustained, moderate intervention is most likely to produce the gradual decline in the dollar that we need.

It is important for the Federal Reserve to have considerable freedom in its response to foreign exchange intervention.

For example, the Federal Reserve should be free to choose not to cover the whole value of any sale of dollars abroad by raising cash in the Government bond market. Such a choice would reflect the importance of coordinating our monetary and foreign exchange policies so that they do not work against each other. If the Federal Reserve believes it is constrained to finance every sale of dollars by selling Treasury bills, it will be constrained to counteract any intervention that the Treasury might undertake. We should increase rather than limit our options.

Madam President, equally important, we must coordinate any foreign exchange intervention we undertake with the actions of the central banks of our major trading partners. If the central banks of Germany and Japan were to sell dollars the same day the Treasury did, we would weaken the Treasury's portfolio without having any impact on the value of the dollar. Conversely, if the dollar began to fall and the foreign banks refused to buy

dollars, it could indeed fall precipitously.

The world trade system cries out for greater coordination of economic policies of its major players. This is a first and necessary step in the direction of greater coordination. Our willingness to consider coordinated foreign exchange intervention should have a positive effect on our relations with our most important allies, as well as bringing them to the table for trade negotiations.

Madam President, in summary, our economy suffers from horrendously high trade deficits. One of the central causes of those deficits is the value of the dollar. To reject intervention as a means of getting the value of the dollar down is to embrace the kind of yo-yo exchange rates that we have experienced in the last 4 to 5 years.

Madam President, I hope that if the Senate were to adopt this amendment, it would send a clear message to the chairman of the Federal Reserve and to the Treasury that we are concerned about what the dollar's value is doing to our export sector and to the import-sensitive sectors of the economy; and that, given a range of options, the Federal Reserve and the Treasury should consider an active policy of intervention to get the dollar down and prevent speculators from keeping it high as opposed to a policy that is passive and says we have no control over the price of our exports or the price of imports that flood this country and take away American jobs.

This is a sense-of-the-Senate resolution. It indicates a feeling on the part of the Senate. I think it is an important message for us to send.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Thank you, Madam President.

I frankly am not sure whether I want to support this amendment or not. If the Senator will yield, I am not among those who are critics of the Federal Reserve Board for not printing more money in general. Our basic problem is a fiscal problem rather than a monetary problem.

At the same time, I think some limited intervention in the currency market may very well be justified. How do you resolve this dilemma for those who are in my situation? I may be describing your own situation. I am not sure.

Mr. BRADLEY. I say to the distinguished Senator from Illinois that certainly in the long run there is no doubt that both deficit reduction and tax reform are central to keeping a currency near where its true value should be. In the short run, some sense of currency intervention has the possibility of weighing against speculative pressures that put the value of the dollar up. As the Senator points out, one way you do this is by printing money, and another way of doing it is by simply selling Treasury bills. You can do that without increasing the money supply, and therefore, help control inflationary pressures that I am sure you are concerned about. So my short answer to you is to say that right now the policy of this Government is to say absent deficit reduction there is nothing that can be done about the value of the dollar. As a matter of principle, we refuse to do anything actively to get the value of the dollar down.

From my perspective, that is a choice that locks you in not only to the excessively high exchange rates of the last several years, but into a real possibility that the yo-yo exchange rates of today will continue ad infinitum, make the trading system almost untenable, and unleash strong pressures for protection that I think would not be in our long-term interest.

Mr. SIMON. I thank the Senator.

I am concerned about that very principle, that yo-yo situation. How can a person in business in Illinois or New Jersey possibly make long-term commitments when you do not know what the pound, the franc, the yen, the deutsche mark, or anything else is going to be?

It also strikes me as at least a possibility that if the Federal Reserve Board as a result of the adoption of this amendment were simply to announce we are going to consider intervention almost overnight, you would see the dollar take some drop and you would diminish speculation. Am I making a correct assumption here?

Mr. BRADLEY. The Senator is exactly correct, and there has been a recent case in point. That is the case of Great Britain. As a conservative Government it has been on record now for the last 6 or 7 years as being absolutely opposed to any kind of intervention whatsoever in the foreign exchange market as a matter of conservative principle. That conservative principle was given up when the pound got down to about $1.05 at which point, as it is commonly reported in the financial press, Margaret Thatcher called President Reagan and said "Help. Intervene. Help us out." The very statement the following day that the Government might intervene was responsible for a dramatic increase in the next week in the value of the pound.

So the Senator is exactly correct. One might not even have to intervene, but the prospect that one might intervene or at least had not excluded the possibility of intervening could have a very salutary effect on the value of the dollar in the sense of getting it lower so that our goods would be more competitive abroad and foreign goods would be more expensive here at home.

As the Senator knows, as a Senator who represents Illinois, 1983 was the first year in the country's history that we imported more tractors and machine tools than we exported. I do not believe that was related to the quality of our workers, nor to the quality of our management. It was related instead to the relative price differential that stemmed primarily from the value of the dollar.

So the Senator is exactly correct. This is a moderate first step in the direction of saying we have to control our financial circumstances. To abdicate that is irresponsible.

Mr. SIMON. I thank the Senator from New Jersey. It seems to me this is an amendment that ought to be weighed carefully by the Members of the Senate. If, frankly, we had a Federal Reserve Board that was capricious and whose judgment I did not think was fundamentally good and sound, I would probably vote against this amendment. Again, I do not consider my vote for this amendment as a criticism of the Federal Reserve Board. I think the Federal Reserve Board's policies have been basically sound. The problem has been here in Congress. But the Senator from New Jersey offers an amendment that gives us the possibility of bringing the value of the dollar down almost overnight. And I think it could be a real help in this massive trade deficit problem that we face.

So unless I hear some argument to the contrary that is persuasive to me, my strong inclination is to believe that the gentleman from New Jersey has a small tool here that without jeopardizing the monetary policy of this country can move us in a short term toward some better answers while we get our fiscal house in order.

I thank the Senator from New Jersey.

I yield back my time.

Mr. BAUCUS. Madam President, I rise in support of the resolution offered by the Senator from New Jersey. This amendment follows on a resolution I offered just before the Bonn Summit regarding the problems caused by the high value of the U.S. dollar.

I have spoken frequently about the damage to our industries, to our farmers, to our workers by the appreciation of the dollar. In the Finance Committee we heard 2 days of testimony about the problems caused by the appreciation of the dollar.

There appears to be nearly universal agreement that the dollar's appreciation—and its volatility—is a major contributor to our trade imbalance. I say nearly universal agreement because the President of the United States does not agree. The President sees no problem. He says the high dollar should be a source of pride!

Well, Madam President, Eastman Kodak increased its productivity 13 percent last year but saw that improvement swamped by an appreciation in the dollar. Ask them if they are proud of the high dollar.

Ask the American wheat farmer, whose productivity is the miracle of the modern world, if he is proud of an escalating dollar.

Ask the people in my friend from Illinois' State who work for Caterpillar Tractor if they think the overvalued dollar is a source of pride.

All of these people, Madam President, will say no.

Madam President, the Finance Committee held hearings on the question of currency values and the volatility of exchange rates. We found unanimous agreement that there was a problem. We did not find unanimous agreement on how to solve this problem. But we did find agreement on two steps: reducing the Federal deficit and some form of coordinated intervention in currency markets.

Madam President—the President of the United States must recognize the problem and allow the Federal Reserve to act.

INTERNATIONAL MONETARY STABILIZATION

Mr. BENTSEN. Madam President, I support Senator BRADLEY's amendment. Its purpose is straightforward and certainly reflects the sentiment of many close observers of international economics and trade that the dollar is overvalued.

I chair the Senate Democratic Working Group on Trade. Several weeks ago, the group issued its initial report in which we made two specific points about our present trading system: First, that currency rather than trade flows determine exchange rates; and second, that a much closer coordination of economic policies between nations is needed to rein in currency fluctuations.

Let me explain.

The report noted that foreign exchange rates are set today by speculative currency flows, not trade flows. This revolutionary situation has its roots in the March 11, 1973, breakup of the Bretton Woods system of regulated exchange rates. In place of Bretton Woods, a new flexible exchange rate market was born, a world market in currencies enormously different from what preceded it. Today, world currency flows are about 25 times the size of world trade, $50 trillion a year versus $2 trillion a year in trade.

Thus, the tail now wags the dog: Instead of competitive prowess or relative resource attributes driving exchange rates, exchange rates determine whether the world's most efficient farmers or manufacturers can find a buyer. This is all the difference in the world. Now the price of goods is influenced by whatever currency speculators and investors look to; one day it may be the safety and security of the United States or Germany, the next, America's deepening budget deficit or Japan's burgeoning trade surplus; the third day, record U.S. real interest rates or sagging French exports.

GLOBAL INTERDEPENDENCE

A second change has been the growing interdependence of world trade. The explosion in world trade since the sixties has meant a larger share of jobs and income than ever before in most nations inextricably linked to foreign trade. Domestic economic health is determined by a host of variables originating abroad, many beyond the reach of domestic economic discussions and decisions.

In combination with flexible exchange rates, this interdependence has added a striking degree of volatility to domestic economies. Foreign economic policies are no longer muted by inflexible exchange rates. Quite the opposite, in fact. They have become magnified by flexible rates. And domestic macroeconomic policies have become less potent in the near term.

This volatility can be reduced or even eliminated in a variety of ways. For one, the world could return to a regime of fixed exchange rates. Another unappealing option is to simply reduce the volume of trade itself. The preferable course is to minimize exchange rate volatility by closer coordination of fiscal and monetary policies between the major trading countries. As Paul Volcker said in Houston on March 30:

> The exchange rate today is too important an economic variable to ignore in our policymaking.

Such coordination might have prevented the unbalanced combination of tight monetary and flat-out fiscal policies adopted by the administration in 1981, which gave such a lopsided cast to the recovery. In doubling and redoubling the budget deficit, the administration sent real interest rates to record levels, luring tens of billions from abroad, sending the dollar up 40 percent and more on foreign exchange markets. Since that time, the bloated dollar has eviscerated American farmers and manufacturers, imperiling rural Americans and American industry, and cast serious doubt on this Nation's ability to compete internationally.

International consultations could have prevented this needless economic trauma.

Moreover, with exchange rates driving trade flows, it is dawning on businessmen, farmers, and workers that they may never be able to become competitive. American firms report cutting costs by 50 percent in 1 year, only to find they must locate abroad. Workers settle for pay freezes, and learn new technologies, only to find the exchange rate has made their product more expensive than productivity growth cheapened it.

MODERATING EXCHANGE RATE SWINGS

The amendment before us makes the same point made by the Working Group: the dollar is bloated for reasons that have nothing to do with relative American economic prowess. It is bloated due to budget deficits. And the bloated dollar alone is responsible for about 45 percent of our trade deficit—a deficit that threatens to humble the economic recovery by diverting badly needed consumer spending abroad.

The dollar is still hobbling our economy despite its decline in recent weeks. And it will continue to do so until the budget deficit is reduced. In the meanwhile, the price being paid by American industry for the bloated dollar continues rising. Data Resources found that the dollar alone has lopped about 1 percentage point off economic growth in recent years, and cost us 2 million jobs.

As the trade deficit has widened, the impact of the bloated dollar has spread. The household data survey in April found that 174,000 jobs were lost that month, about half in manufacturing. Since January, 132,000 manufacturing jobs have been lost and sectoral unemployment there has jumped to 8 percent in April from 7.2 percent in December. More broadly, the number of jobs in the goods-producing sector has stagnated for about a year now with employment still far below the prerecession employment peak. And the foreign trade imbalance has destroyed nearly 700,000 highly paid manufacturing jobs since 1981 despite the recovery. The imbalanced nature of that recovery is vividly portrayed by the contrasting creation of nearly 5.8 million jobs in the lower paid service sector over the same period.

The trade deficit has inhibited growth sufficiently to leave unemployment stalled higher than any recovery in history. It is hovering far above the low point of 5.7 percent attained in the previous extended recovery from the 1974 recession. And it has even stalled above the trough of 7 percent attained by the mini-1981 recovery. Indeed, while growth has been good in 3 of the preceding 4 years, unemployment from 1981 through 1984 has averaged 8.8 percent—nearly 40 percent above the 6.2 percent average unemployment rate during the seventies. Virtually all of that shortfall rests squarely with the more than 2 million jobs lost in recent years by our eroding foreign trade sector. The failure of the recovery to return the economy to a lower unemployment path can be laid at the feet of the high-flying dollar.

The high-flying dollar needs to be reined in. Congress is moving to cut the deficit, a good first step. The administration and Federal Reserve should ensure that they, in turn, leave no stone unturned in taking actions to bring the dollar down, as well.

For the longer term, the major trading nations—the United States, Japan, and the Economic Community countries—need to collaborate more closely to prevent a recurrence of the soaring dollar. They must conduct much more extensive discussions designed to ensure that our fiscal and monetary policies are not out of kilter. Such discussions can help avoid situations like the administration's decision to clamp down on monetary policy while turning the deficit-spending faucet wide open. That cockeyed policy pitted the two major government economic policy tools against one another. They were in conflict rather than working as a team. International consultations may have inhibited this unbalanced policy approach and the bloated dollar it created.

So it is my hope that this amendment will send a strong signal to the administration and the Federal Reserve. I want them to hear that it's time to get off their hands and join Congress with actions to move the dollar to more resonable levels. And, it is time to listen to what other nations are saying.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Madam President, the Senator from New Jersey presented a very important analysis of the problems. I appreciate the colloquy that the Senator was conducting with the distinguished Senator from Illinois. The manager of this bill would state frankly that the problem I have as I listened to the colloquy, and as I read the resolution offered as an amendment to the Foreign Assistance Act, is that the parliamentary situation under which we are considering this bill does not have a germaneness element. As a result, it is not going to be useful for this Senator or any other to lodge a point of order because the Chair would find that we do not have a germaneness situation at all.

I mention that because this legislation is fair game for almost any consideration that comes before the attention of any Senator today. It could be a general discussion of life, times, and the problems that beset our country and almost any condition.

We have had a good spirited discussion. I suspect Senators might be stimulated to come to the floor and discuss the trade problem and the currency exchange problem at some length. It is not in any sense of detriment to the merits of the amendment because I really do not want to get into the that, although some important comments have been made on the face of the amendment. First of all, the Congress finds and declares that the trade deficit looms larger than any other threat to the ability of the United States to generate jobs and create economic well-being.

Perhaps that statement could be proven. One can think of other factors that are very important likewise. I doubt whether the Congress will come to that finding as a free-standing economic assumption without considerable debate and study.

I would suggest to the Senator from New Jersey very respectfully that I am prepared to move to table this amendment simply because of the economy of time. It would be without prejudice to the amendment. I wanted to signal that intent and rationale for doing so before bringing debate to an end.

I hope the Senator understands and will be prepared either to accept that judgment or to withdraw the amendment. I yield to him for his response.

Mr. BRADLEY. Let me say to the distinguished chairman of the Foreign Relations Committee that it is perfectly within is right to move to table the amendment, with which he disagrees. I suspect that is what he will do, and we will take a vote on this resolution.

I do not believe that this resolution will be the last time we will visit this issue. The fact of the matter is that if we are serious about bringing our economy away from the abyss out there, it will require not only deficit reduction and tax reform, but also a willingness actually to pursue a policy to lower the value of the dollar.

Frankly, although it is not in this amendment, if you want to know my personal view, it will also require us to be a little more aggressive in getting more of the Third World debt rescheduled.

I would say to the Senator from Indiana that this issue will be revisited as long as we continue to have these enormous trade deficits. The point will be made again and again until there is at least an awareness on the part of the authorities that active intervention is preferable to excessively high values of the dollar and it is preferable to yo-yo exchange rates.

To say you do nothing, which is the present policy, is to lock yourself into a position that I think endangers not only the economic health of our country today and in the next several years, but the very structure of the world trading and financial system.

So I say to the distinguished chairman of the Foreign Relations Committee that he will do what he will do and we will proceed and move ahead.

Mr. LUGAR. I thank the Senator from New Jersey for his gracious statement and for his constructive analysis.

For the reasons I have suggested earlier, since we are making a strong attempt today to complete a very complex piece of legislation, and I know of many amendments that deal directly with the foreign assistance situation, Madam President, I move to table the amendment.

Mr. BRADLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana to lay on the table the amendment of the Senator from New Jersey. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Nevada [Mr. LAXALT] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

I also announce the the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER (Mr. NICKLES). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 39, nays 56, as follows:

[Rollcall Vote No. 79 Leg.]

YEAS—39

Abdnor
Andrews
Armstrong
Chafee
Cochran
Denton
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hawkins
Hecht
Helms
Humphrey
Kassebaum
Lugar
Mattingly
McClure
McConnell
Murkowski
Pressler
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker

NAYS—56

Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chiles
Cohen
Cranston
D'Amato
Danforth
DeConcini
Dixon
Dodd
Eagleton
Ford
Glenn
Gore
Harkin
Hart
Hatfield
Heflin
Heinz
Hollings
Inouye
Johnston
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nickles
Nunn
Packwood
Pell
Proxmire
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Zorinsky

NOT VOTING—5

East
Exon
Laxalt
Stennis
Wilson

So the motion to lay on the table amendment (No. 117) was rejected.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, the Senate has spoken clearly on this issue, and for my part I propose that the amendment be accepted; that we

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move to a favorable vote and, if it is the pleasure of the distinguished Senator from New Jersey, the proposer of the amendment, we do so by a voice vote.

Mr. BRADLEY. Mr. President, I think this body has spoken very clearly. I think the message will be loud and clear that we should not exclude intervention, and I hope that this encourages the new Secretary of the Treasury and Chairman Volcker at least to hold it out as a possiblity to lower the value of the dollar and to make our exports more competitive and prevent the import flooding we have experienced.

I have no objection to a voice vote on the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 117) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BRADLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I ask unanimous consent that section 915 of the Hawkins amendment, which was just adopted, be stricken. This has been agreed to by all parties, including Senator HAWKINS.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 118

(Purpose: To establish the International Narcotics Control Commission)

Mr. LUGAR. Mr. President, on behalf of Senator HAWKINS and Senator PELL, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mrs. HAWKINS and Mr. PELL, proposes an amendment numbered 118.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

INTERNATIONAL NARCOTICS CONTROL COMMISSION

SEC. 914. (a) There is established the International Narcotics Control Commission (hereafter in this section referred to as the "Commission").

(b) The Commission is authorized and directed—

(1) to monitor and promote international compliance with narcotics control treaties, including eradication, money laundering, and narco-terrorism; and

(2) to monitor and encourage United States Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

(c)(1) The Commission shall be composed of twenty-three members as follows:

(A) Seven Members of the House of Representatives appointed by the Speaker of the House of Representatives. Four Members shall be selected from the majority party and three shall be selected, after consultation with the minority leader of the House, from the minority party.

(B) Seven Members of the Senate appointed by the President of the Senate. Four members shall be selected from the majority party of the Senate, after consultation with the majority leader, and three shall be selected, after consultation with the minority leader of the Senate, from the minority party.

(C) One member of the Department of State appointed by the President.

(D) One member of the Department of Justice appointed by the President.

(E) One member of the Department of the Treasury appointed by the President.

(F) Five members of the public to be appointed by the President after consultation with the members of the appropriate congressional committees.

(2) There shall be a Chairman and a Cochairman of the Commission.

(3) On the date of enactment of this section and at the beginning of each odd-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Chairman of the Commission. At the beginning of each even-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Chairman of the Commission.

(4) At the beginning of each odd-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Cochairman of the Commission. At the beginning of each even-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Cochairman of the Commission.

(d) In carrying out this section, the Commission may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

(e) In order to assist the Commission in carrying out its duties, the President shall submit to the Commission a semiannual report regarding the status of compliance with narcotics control treaties, the first one to be submitted six months after the date of enactment of this section.

(f) The Commission is authorized and directed to report to the House of Representatives and the Senate with respect to the matters covered by this section on a periodic basis and to provide information to Members of the House of Representatives and the Senate as requested. For each fiscal year for which an appropriation is made the Commission shall submit to the Congress a report on its expenditures under such appropriation.

(g)(1) There are authorized to be appropriated to the Commission for each fiscal year and to remain available until expended $550,000 to assist in meeting the expenses of the Commission for the purpose of carrying out the provisions of this section, such appropriation to be disbursed on a voucher to be approved by the Chairman of the Commission.

(2) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to the use of funds in accordance with such sections.

(3) Not to exceed $6,000 of the funds appropriated to the Commission for each fiscal year may be used for official reception and representational expenses.

(h) The Commission may appoint and fix the pay of such staff personnel as it deems desirable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 916.".

Mr. LUGAR. Mr. President, the amendment calls for a commission on narcotics. For the reasons stated in the amendment, we on this side are in favor of the amendment and support its adoption.

Mr. PELL. Mr. President, this is an excellent amendment. The structure of the commission is modeled somewhat along the lines of the Helsinki Commission, which has proved to be so successful over the years. I think this will focus attention on this matter and will bring greater cooperation between the various elements involved. I hope the amendment is adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 118) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATTINGLY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 119

(Purpose: To provide restrictions on the furnishing of assistance for Peru)

Mr. MATTINGLY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. MATTINGLY] proposes an amendment numbered 119.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 54, between lines 14 and 15, insert the following:

RESTRICTION ON ASSISTANCE TO PERU

SEC. 509. United States assistance, as defined by section 481(1)(4), may be provided to Peru for the fiscal year 1986 only if the President certifies to Congress that the Government of Peru has demonstrated substantive progress in developing a plan, in accordance with the Single Convention on Narcotic Drugs of 1961, that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed coca production.

Mr. MATTINGLY. Mr. President, I have long been concerned about the international drug trafficking problem and have sought and supported measures designed to deal with it. An international problem requires an international solution. The governments of a number of nations, such as Columbia and more recently the Bahamas, have made deliberate and specifc efforts to cooperate with United States. Others, like the Peruvian Government, have not. In the past two decades, coca production in Peru has increased dramatically, and today coca leaves grown in Peru provide the raw materials for approximately 45 percent of the cocaine which enters the United States. This production is in clear violation of the single Convention on Narcotic Drugs of 1961 to which Peru agreed and which came into force in Peru in 1964. That treaty requires Peru to license its coca cultivation. It also obligates the Peruvian Government to establish its legal coca requirement, necessary to meet the demands of its coca leaf chewing population, while it phases out this leaf chewing practice by 1989. The production of coca leaves is to be abolished simultaneously with the reduction in leaf chewing. Despite the treaty, the Peruvian Government has not implemented and enforced an effective licensing program. It has not forced decreased production, even though it is obligated under the treaty to uproot wild coca bushes and destroy illegally cultivated coca. In fact, as I mentioned a moment ago, coca production has increased radically. In 1966, annual production was less than 10,000 metric tons. By 1981, production had grown to 50,000 metric tons and it continues to increase today.

The amendment I offer today says to the Government of Peru that the United States is serious about seeing the influx of illegal drugs into this Nation curbed. It makes clear that the United States will no longer tolerate Peru's indifference to this Nation's efforts and the provisions of a treaty to which it has agreed. Specifically, my amendment states that U.S. assistance to Peru may be provided for fiscal year 1986 when the President certifies to Congress that the Government of Peru has demonstrated substantive progress in developing a plan, in accordance with the single Convention on Narcotic Drugs of 1961, that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed production. As my colleagues are aware, current law allows for the suspension of assistance to any nation which the President reports to Congress is failing to progressively eliminate the illicit production of narcotic crops. This amendment is similar. But instead of relying on the administration to report failure to cooperate, it requires the President to act, to certify that Peru is making a real effort, and progress, before the assistance is released. It specifically requires that this progress should be measured in reference to three specific provisions of the 1961 convention.

It is my belief that the amendment will result in positive action, in serious negotiations between the two nations if that is necessary, to determine a plan to eliminate illicit coca production. I urge the adoption of the amendment. I believe it has been cleared on both sides.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Georgia for a very constructive amendment. He is correct that the amendment has been cleared on this side, and we are prepared to proceed to a vote on the amendment.

Mr. PELL. Mr. President, the Senator is correct. The amendment has been cleared on this side of the aisle. We urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 119) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATTINGLY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 120

(Purpose: To reduce the military assistance program and increase funds for the donation of agricultural commodity sales abroad)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 120.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 12, strike out "5,464,500,000" and insert in lieu thereof "5,364,500,000".

On page 54, between lines 14 and 15, insert the following:

PL-480 FUNDS

SEC. 509. In addition to funds otherwise available for such purpose, there are authorized to be appropriated $100,000,000 to be used to carry out title II of the Agricultural Trade and Development Act of 1954.

Mr. BINGAMAN. Mr. President, this is a very simple amendment, but I believe it responds to several pressing needs now facing us.

The amendment calls for a reduction of $100 million in military assistance, excluding aid to Israel, Egypt, Greece, and Turkey, and it transfers that $100 million to funds authorized by Public Law 480, the Food for Peace Program. It does not add money to the foreign aid authorization. It simply allocates the funding.

Mr. President, this amendment is necessary, in my view, for several reasons. It is needed to address the serious famine problems which exist in Africa, the surplus grain situations we have in this country and the effect that surplus is having on our farmers, and the need to bring the Military Assistance Program into reasonable austerity budgetary alignment.

The amendment is also needed to restore funding for the successful Food for Peace Program. For these reasons, the amendment should be adopted.

Despite the international recognition of the drought problems and the resulting famine in Africa, little progress has been made toward a humane solution in this troubled part of the world. Unfortunately, this problem does not exist only in Africa. It is a serious worldwide problem.

According to recent statistics, yesterday 40,000 children around the world below the age of 5 died of undernourishment and associated causes; 40,000 more will be dead before today ends, and another 40,000 will die tomorrow. According to UNICEF, a total of 13 million to 17 million children die each year before reaching their fifth birthday. What can be done to help these children and solve the world hunger problem?

I think a lot can be done. The problems of world hunger exist not because the world has a food shortage. While the last decade has seen the greatest world population growth in history, world food production has grown even faster, but unfortunately, as we debate our foreign policies in this country, we have not recognized this fact. Instead of efficient, productive, and even lifesaving use of U.S. farm products, we find inefficiency, forced underproduction, and even waste and spoilage.

These bad policies have led to serious problems for the American farmer, threatening the future of many family-run small farms in my home State of New Mexico and throughout this country.

These countries unfortunately are at

We now have a situation where farmers are fighting off foreclosure by overproducing. As a result, the price of 22 of 28 major farm commodities is below what it cost to produce those commodities. This has put 1,600 farmers out of business every week.

Also as a result of our inefficiencies we have created a situation where over 85 million metric tons of grain and powdered milk are left in storage elevators and warehouses of America at a time when the world adds 79 million more people to feed every year.

In my State of New Mexico, I have had farmers come up to me who want to give food away. They are seriously interested in donating food and grain to African drought victims, but unable to do so without great expense to themselves. I am working with these farmers to make low-cost transfers possible; however, we must also act to increase U.S. food aid to higher levels.

One of the best ways to increase food aid is through the Food for Peace Program which was created in 1954. Since then it has proven its success by providing food assistance to famine victims in every corner of the world.

Food for peace provided a record 18.3 million metric tons of grain in 1965 when America donated nearly 20 percent of its total wheat production for 2 consecutive years to help drought-stricken India. The expanded Food for Peace Program should now again be used to help drought-stricken Africa. it should be used to reduce the U.S. 4-year average stored food grain reserves from a 20-year high of 53 percent of annual use to a much more acceptable and traditional 35 percent.

This action would not cause any increase in consumer food prices because we would still have 35 percent reserves at home.

My amendment targets the $100 million in increased aid to title II of the program which is used for food donation to foreign nations to combat malnutrition and to meet emergency food requests.

Government-owned commodities are donated under government-to-government agreements and through the U.N. World Food Program and nonprofit voluntary relief agencies.

From 1954 through 1984, approximately 8.9 billion dollars' worth of commodities have been donated under title II. It is time we use this authority again to help famine victims in Africa. Adding $100 million to the Food for Peace Program should simply add to the $640 million requested by the administration and bring the level up to the fiscal year 1984 level of some $750 million, which was agreed to as a result of the 1984 supplemental.

This amendment would also bring our military assistance to a more reasonable level. Foreign military sales have increased dramatically from $1.096 billion to a recommended $2.364 billion under the current foreign aid authorization.

The emphasis on security buildup at the cost of development and technical assistance program is shortsighted. In 1985, some $650 million was authorized for title II of Public Law 480. The supplemental appropriation approved by Congress earlier this year to assist famine-stricken Africa makes clear that the 1985 authorization was woefully inadequate to meet the emergency that we faced.

We cannot continue to increase security assistance while droughts in Africa continue and 40,000 children die each day.

Since 1981 military assistance has increased 109 percent in current dollars while economic support has increased 91 percent and bilateral development and food assistance, 11.8 percent.

During this same time Public Law 480 funds increased a mere 6.5 percent and multilateral assistance increased 27.2 percent.

The $100 million reduction of foreign military assistance would not do harm to our commitments to our allies. The reduction is a small fraction of the $5.4 billion foreign military assistance figure, and it excepts Israel, Egypt, Greece, and Turkey.

Finally, this amendment gives the President flexibility to allocate funds among those countries which receive our military assistance.

The amendment is clearly reasonable. It is badly needed. It helps our farmers, it helps famine victims in Africa, and it does not break any commitments to our world partners.

I urge the adoption of the amendment.

Mr. President, I also ask unanimous consent that Senators HATFIELD, ROCKEFELLER, BUMPERS, PRYOR, and DECONCINI be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I urge the adoption of the amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR. Mr. President, the amendment offered by the distinguished Senator from New Mexico is unfortunate in these respects, and I say this most respectfully.

First of all, Public Law 480, the Food for Peace Program, does not appear in this bill. In due course, the Committee on Agriculture, Nutrition, and Forestry will be discussing the levels of that assistance this year, and I have no doubt that they will be generous levels.

The Senate has already acted, in fact acted on several occasions, to try to provide famine relief to Africa this year.

The poignant situation the Senator has brought to our attention has been raised already in several committees and on several instances.

I know of no dispute over the need for our country to take a stronger humanitarian role, and indeed, Public Law 480 is a means of moving substantial amounts of our agricultural surpluses.

I think we are mindful of that aspect of the program. The Senator from Indiana is mindful of it every time I visit with colleagues on the Agriculture Committee. They are in process of marking up legislation even today to address the issue of reducing surpluses.

The Senator from New Mexico has mentioned the extremely desperate problem of farmers in New Mexico who have lost employment, and who probably are in jeopardy of losing farms. The same situational exists in Indiana and across the country.

So I understand the desirability of having a tradeoff that would be helpful to our general agricultural surpluses as well as providing a way to manifest our humanitarian desires.

But I must say that in a technical sense there are real problems in doing this type of transfer within the foreign assistance bill.

Mr. President, the more substantial objection that I have to this amendment is based on the fact that $100 million is to be taken from foreign military sales, foreign military assistance.

This issue already been raised in debate on the Foreign Assistance Act. There can indeed be substantial differences of opinion as to the emphasis we should have on economic as opposed to security assistance.

But I must say to my colleagues that the administration has pointed out through a letter to Senator PELL and to me and perhaps to other Members of this body a very strong desire that we increase the military assistance aspect of the bill by $194 million.

The facts are that the budget that we passed last week in the Senate has a cap which would allow addition of this $194 million, which represents reductions already made by the Foreign Relations Committee.

There is a strong desire on the part of the administration that the Senate move to restore these funds for military assistance. This position is not based on any fear that the administration is somehow misguided or has mismanaged the allocation of resources, as the distinguished Senator from New Mexico has recognized, in exempting certain situations: Israel, Egypt, Greece, and Turkey.

There are other countries that also have very considerable ties to the United States of America and which are important to our foreign policy.

These countries unfortunately are at the end of the allocation line. As the military funding is taken out of the bill or not restored, they may be out of luck altogether. The problems of reallocation become much more intense.

Throughout the management of this bill in committee and in the Chamber, we have tried to maintain support from several constituencies.

It is obviously very important that we have strong bipartisan support on this floor for foreign assistance. It often has been a very difficult area for Senators to support and I am heartened that a majority appear to be in support of this legislation as we are moving along. We had a 16-to-1 vote in the committee.

But I think we also have to be mindful that we need to attempt to make certain that strong administration support remains for this legislation. It is a fact that in the past one reason the authorization bill did not pass in the Senate was that the administration, whether it was Democratic or Republican, decided that they really did not need to go to bat for this particular authorization. Ultimately, all that we are now in the process of trying to work out in an aboveboard, meticulous way happened in the dead of the night at the end of a session, in the continuing resolution or in some obscure appropriations process.

So I am mindful of the need for keeping onboard strong administration support, in addition to the bipartisan support we have fashioned thus far for the legislation.

I would simply plead with Senators that the administration request already exceeds by a long shot what we have provided in this bill. We, as managers of the bill, do not plan to ask for the additional $194 million that the administration has requested. But to accede to a request that we cut the already low level by another $100 million seems to me to be inadvisable and precarious if we hope to retain the administration's support. I believe we need that support if the bill is going to ultimately move through both Houses and finally to reestablish the authorization procedure that most of us want.

I would point out, once more, that we will have a Public Law 480 authorization that will undoubtedly be very generous. Money has been allocated in the budget process to the agricultural function that will allow both famine relief and Food for Peace as well as various other developmental efforts. That legislation will be proceeding through the Agriculture Committee and there is plenty of latitude in the bill and a lot of support for a generous authorization.

There is not any latitude left in this bill. And even if technically it were possible to make this sort of transfer, I would advise the Senate that it would not be a good idea in terms of our relationship and the trust that other countries have in us, countries such as Israel, Egypt, Turkey, and Greece.

I will in due course entertain debate from other Senators. There may be some who are on the floor who want to speak. My understanding is that we have at least another speaker on our side.

If Senator PRYOR wishes to speak on this bill, I will yield the floor.

Mr. PRYOR. I thank my friend from Indiana very much for yielding the floor at this time. I do not have prepared remarks.

First, I commend the Senator from New Mexico, Senator BINGAMAN, for offering this amendment at this time.

Second, I wish to commend the chairman of the Foreign Relations Committee, Senator LUGAR. I think in his approach this year in the matters of relationships with countries around the world, I think the Senator from Indiana, the distinguished chairman of the Foreign Relations Committee, has been prudent. I think he has exercised restraint and I think that the distinguished chairman has exercised an awful lot of common sense.

Third, it is my understanding that the chairman of the Foreign Relations Committee and the committee members have recommended a freeze on military arms sales, or the MAP program, for fiscal year 1986. And I commend the chairman and his colleagues for that.

However, I wish to state that it is my understanding that the military arms sale program, perhaps during the last 4 years, has been the fastest growing program of our Government. I know that last year I offered an amendment to cut back the funding level, if I am not mistaken, to either the 1983 or 1982 fiscal year levels. This amendment was accepted, I might say, with modified rapture. In other words, I did not get many votes, Mr. President, for that amendment. But I think it is time we take a look at this program.

I am proud to be a cosponsor of the amendment of the Senator from New Mexico. I think he is going to the real soul of what this debate is all about, and that is whether we are going to try to arm the world or whether we are going to try to use the bountiful products of our farmers and help feed the world. This Senator would say that I want to help feed the world rather than try to harm it.

I strongly believe that in this particular program, it is not sales, these are grant funds and they have increased by over 500 percent from the 1981–82 levels. Once again, the fastest growing program in our Federal function. I think the amendment of the Senator from New Mexico is right on target. I think this is the least we could do in removing at least a minimum amount of $500 million and transferring that to the Food for Peace Program to help feed the hungry and the starving throughout our world.

Finally, Mr. President, I would just like to say that a later time during the course of this afternoon, if the chairman of the Foreign Relations Committee would yield to me for some questions about the MAP program, I will deem it a good opportunity to discuss a few items I would like to pose to the Senator from Indiana, the chairman of the Foreign Relations Committee.

I thank the Senator for yielding.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the distinguished Senator from Montana, Mr. BAUCUS, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I appreciate the comments of the distinguished chairman of the committee and the manager of the bill. I think this is a question simply of priorities. I do not doubt that the administration perhaps has a different set of priorities than I do as to where they think this money should be spent. I do not doubt that they would like to see an increase over what is presently represented in this bill for military assistance.

My view is that in the last several years we have seen a dramatic increase in military assistance. With the hunger problems we have worldwide and the problems we have in our own farm sector, it is time for us as a nation to reassess those priorities. I think this amendment is a small step in doing that.

One hundred million dollars is not a major item when you compare it to the size of the military assistance budget. I think that this would certainly be an improvement in the bill pending before the Senate and I do not believe it in any way destroys or prejudices the bipartisan support for the foreign aid bill.

Mr. President, I will conclude my remarks at this point. I believe the yeas and nays have been requested and I would urge everyone to support this amendment.

Mr. LUGAR. Mr. President, Senator HELMS wishes to speak on this amendment. Pending his arrival, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMON. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMON. Mr. President, I would like to ask unanimous consent first of all to be added as a cosponsor to the amendment.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

Mr. SIMON. I want to commend my colleague from New Mexico. Let me say to the chairman of the Foreign Relations Committee that there has been restraint in this budget relative to where we were 2 years ago on the foreign military sales. But as I look at the overall picture—for example, in fiscal year 1970, 17.7 percent of foreign aid authorizations were for military aid—we are now up in this authorization to 49.6 percent.

It is true that as of 2 years ago—fiscal year 1984—we were at 56.5 percent. So there has been a slight drop. But it does seem to me that what the Senator from New Mexico is suggesting is something that just makes an awful lot of sense. My own instinct and belief from some years of travel abroad and observance of these issues is that we have put much too much emphasis on the military side of things. The security of the world, and the future for my children and your children is not only going to be with bombers, submarines, and other things, but it is going to be with people who have food in their stomach, and who have an opportunity.

I think the Senator from New Mexico addresses that. The appeal of Marxism—that is really what we are talking about to a great extent when we talk about the political impact of all of this—is not what it stands for but what it is against. If we give people an opportunity, and this is an amendment that will given them a little more opportunity, I think we will do a lot more good than that extra $100 million on foreign military sales.

I commend my colleagues. I appreciate what he is doing here.

I yield back the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I appreciate the good debate we have raising the merits and objections to this amendment. Earlier in the debate I indicated that I felt it unfortunate that Public Law 480 was being brought into this consideration of the foreign assistance bill at this point. During the Budget Act we suggested transfers of funds between various accounts. I do not think that such transfers will work in this particular situation.

It is for this reason, I believe, that a point of order lies against this amendment in that it strikes the bill in more than one place. I raise the point of order with regard to the amendment of the distinguished Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I make a motion to divide my amendment, and ask for the yeas and nays on each of the provisions of the amendment.

The PRESIDING OFFICER. The Senator is permitted to divide his amendment.

Mr. BINGAMAN. Mr. President, I hereby divide my amendment, and ask for the yeas and nays on each of the portions.

The PRESIDING OFFICER. Is there further debate on the first portion? The request is made for the yeas and nays. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

Mr. LUGAR. Mr. President, a point of inquiry with regard to the division of the amendment into two sections. I appreciate that the first portion of the amendment strikes $100 million out of the military assistance part of the Foreign Assistance Act. But as a matter of inquiry, how does the second portion stand at this point as a freestanding motion? How can it stand?

The PRESIDING OFFICER. The second portion of the amendment stands without the necessity of being connected with the first portion of the amendment. It is grammatically correct.

Mr. LUGAR. Mr. President, a further question: Is it possible to authorize appropriations for Public Law 480 within the confines of this bill?

The PRESIDING OFFICER. It is possible to do so with a floor amendment.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, as the distinguished occupant of the Chair knows, we are deeply immersed at this moment in the Agriculture Committee in the consideration of the farm bill. That explains my absence from the floor.

This amendment troubles me in several aspects.

Let me ask the distinguished manager of the bill, the able chairman of the Senate Foreign Relations Committee, what was the military assistance figure requested by the administration?

Mr. LUGAR. The administration requested figure approximately $400 million more for military assistance than the committee provided.

Mr. HELMS. And this was with the full understanding and, indeed, the approval of the Foreign Relations Committee?

Mr. LUGAR. That is correct.

The administration, I must tell the able Senator from North Carolina, initiated the economy of the Foreign Relations Committee in the overall emphasis upon deficit reduction. They are delighted we were budget-minded this year, but they pleaded with the Budget Committee that the committee provide for a cap that would allow restoration of the $194 million. In the administration's judgment the Foreign Relations Committee had simply gone too far in cutting the request.

We understand the emphasis upon deficit reduction, but in providing for the security interests of our country—and that is what these foreign military sales represent—some of us agree that we are going to need $190 million more. But there has been no motion to restore that money. The amendment that comes to me from the distinguished Senator from New Mexico, in fact, goes the other way. It cuts another $100 million.

Mr. HELMS. Let me tell the Senator the problem I have with the amendment. I dislike holding up the amendment of the distinguished Senator from New Mexico. We are, right now, working on a farm bill in our committee, which has the relevant jurisdiction for Public Law 480. I wish the amendment had not been offered, but I certainly do not fault the Senator for offering any amendment that he wishes. However, Public Law 480 is under the purview of the Committee on Agriculture and we in committee are all aware of the same concern he has.

Further than that, Mr. President, there is the question of the compromise on military spending we came to in the Foreign Relations Committee. If this agreement is broken, I ask the able chairman, does that leave it open to me or to other Senators to raise or lower amounts that may seem right to us?

Mr. LUGAR. I would not encourage the Senator to begin that process. Up to this moment, we have had a tenuous truce. I speak quite frankly, there are Senators in favor of taking apart this bill limb by limb.

Mr. HELMS. Like developmental aid.

Mr. LUGAR. Yes, a lot of Senators are not keen on developmental funds. Some do not like other funds. We have come to a reasonable compromise thus far. The administration, as I have indicated, has not signed off on the compromises. They are very unhappy; the military side of the bill is low. But at least on this side of the aisle, we have tried to maintain this tenuous truce and I have the feeling that cuts on the military side will lead to cuts on the development side.

That is a good reason, it seems to me, to try to keep things roughly as they are if we possibly can do so.

Mr. HELMS. I think we may experience an unraveling if an amendment of this sort is approved.

I thank the Senator from Indiana.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from North Carolina for coming to the floor.

I know of no one else who wishes to debate this issue. I have spoken, I think, as strenuously as I can and still keep some peace within our family in the committee on this tenuous truce. I hope the amendment will be defeated.

I move to lay the amendment of the distinguished Senator from New Mexico on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table division 1 of the Bingaman amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Utah [Mr. GARN] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

I also announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote.

The result was announced—yeas 56, nays 39, as follows:

[Rollcall Vote No. 80 Leg.]

YEAS—56

Abdnor
Andrews
Armstrong
Biden
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dodd
Dole
Domenici
Durenberger
Evans
Glenn
Goldwater
Gorton
Gramm
Hatch
Hawkins
Hecht
Heflin
Heinz
Helms
Humphrey
Kassebaum
Kasten
Lautenberg
Laxalt
Lugar
Mathias
Mattingly
McClure
McConnell
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Quayle
Roth
Rudman
Sarbanes
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker

NAYS—39

Baucus
Bentsen
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
DeConcini
Dixon
Eagleton
Ford
Gore
Grassley
Harkin
Hart
Hatfield
Hollings
Inouye
Johnston
Kennedy
Kerry
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Proxmire
Pryor
Riegle
Rockefeller
Sasser
Simon
Zorinsky

NOT VOTING—5

East
Exon
Garn
Stennis
Wilson

So the motion to lay on the table division 1 of the amendment (No. 120) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BINGAMAN. Mr. President, in light of the vote, I ask unanimous consent that the order for the yeas and nays on the second division of the amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. I also ask unanimous consent that I be allowed to withdraw the second division of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, before I yield the floor, let me say that the second part of this amendment would have added $100 million to the Food for Peace Program.

We did have the assurance of the manager of the bill and the distinguished Senator from North Carolina, the chairman of the Agriculture Committee, that the Public Law 480 Food for Peace Program would be funded at a very substantial level, an adequate level, in the farm bill which will come to the floor of the Senate later this year. So I will be eager to see what level that is funded at.

If there is need for additional funding, I hope to get the support of the Senate at that time in adding additional funds. I do not think it is appropriate to go forward with the second division of the amendment, in light of the disposition of the first division.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from New Mexico for his discussion of this issue.

I offer assurances that indeed this Senator and many others will be active in the discussion of Public Law 480 in the Agriculture Committee and in the Chamber and many of the aims that he had today will still be fulfilled, in my judgment, as we proceed through the legislation this year.

I appreciate likewise his expediting our consideration of the bill through the vitiation of the additional rollcall vote.

Mr. PELL. Mr. President, I commend the Senator from New Mexico for his amendment and for his objectives, with which I wholeheartedly agree.

However as ranking minority member of the Foreign Relations Committee and comanager of this bill I regret that I will have to support the chairman in this matter on procedural grounds. I do hope, however, that the Senator from New Mexico will keep pursuing the goals and direction of this amendment, and I look forward to giving support to him on another occasion.

AMENDMENT NO. 121

(Purpose: To establish a Peace Corps National Advisory Council and to provide for nonpartisan appointments)

Mr. CRANSTON. Mr. President, on behalf of the Senator from Kansas [Mrs. KASSEBAUM] and myself, I send to the desk an uncontroversial amendment dealing with the Peace Corps and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California [Mr. CRANSTON], for himself and Mrs. KASSEBAUM, proposes an amendment numbered 121.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 54, below line 21, insert the following new sections:

SEC. 602. (a) The Peace Corps Act (22 U.S.C. 2501 et seq.) is amended by inserting after section 11 the following new section:

"PEACE CORPS NATIONAL ADVISORY COUNCIL

"SEC. 12. (a) A Peace Corps National Advisory Council (hereinafter in this section referred to as the 'Council') shall be established in accordance with the provisions of this section.

"(b)(1) The Council shall advise and consult with the President and the Director of the Peace Corps with regard to policies and programs designed to further the purposes of this Act and shall periodically report to the Congress.

"(2) Members of the Council shall visit, examine, and inspect the Peace Corps' activities in the United States and in other countries in order to, among other things—

"(A) evaluate the accomplishments of the Peace Corps;

"(B) assess the potential capabilities and the future role of the Peace Corps; and

"(C) make recommendations to the President, the Director of the Peace Corps, and the Congress to guide the future direction of the Peace Corps and to help ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, efficient, responsive to changing needs in developing countries and to changing relationships among peoples, and in accordance with law.

"(3) The Council may provide for public participation in its activities.

"(c)(1) Persons appointed as members of the Council shall be broadly representative, including representation of educational institutions, private volunteer agencies, private industry, farm organizations, labor unions, different regions of the United States, different educational, economic, racial, and national backgrounds and age groupings, and both sexes.

"(2)(A) Subject to the succeeding sentence, fifteen members of the Council shall be appointed by the President by and with the advice and consent of the Senate. At least seven of such members shall be former

Peace Corps volunteers, and no more than eight of such members shall be members of the same political party.

"(B) The first appointments of members of the Council under this paragraph shall be made not more than sixty days after the date of the enactment of this section and, solely for purposes of determining the expiration of their terms, shall be deemed to take effect on the sixtieth day after such enactment date.

"(C) No member appointed under this paragraph shall be an officer or employee of the United States Government.

"(D) Of the members initially appointed under this paragraph, eight shall be appointed to one-year terms and seven to two-year terms. Thereafter, all appointed members shall be appointed to two-year terms.

"(E) A member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.

"(F) No member of the Council may serve for more than two consecutive two-year terms.

"(G) Members of the Council shall serve at the pleasure of the President.

"(H) An appointed member of the Council may be removed by a vote of nine members for malfeasance in office, for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(I) Any vacancy in the Office of an appointed member of the Council shall be filled by the President within thirty days after such vacancy occurs.

"(3) The Secretary of State shall be a voting member, ex officio, of the Council. The Secretary may designate any officer in the Department of State compensated at level II or III of the Executive Schedule under section 5313 or 5314 of title 5, United States Code, to act for the Secretary under this section.

"(4) The Director and Deputy Director of the Peace Corps shall be non-voting members, ex officio, of the Council.

"(d)(1) Except as provided in paragraph (2), a member of the Council who is not an officer or employee of the United States Government shall be (A) paid compensation out of funds made available for the purposes of this Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including travel-time) during which the member is engaged in the actual performance of duties as a Council member, and (B) while away from his or her home or regular place of business on necessary travel, as determined by the Director of the Peace Corps, for actual performance of such duties, paid per diem, travel, and transportation expenses in the same manner as provided for under subchapter I of chapter 57 of title 5, United States Code.

"(2) A member of the Council may not be paid compensation under paragraph (1)(A) for more than twenty days in any calendar year.

"(c) A majority of the voting members of the Council shall constitute a quorum for the purposes of transacting any business.

"(f) A member of the Council shall disclose to the Council the existence of any direct or indirect financial interest of that member in any particular matter before the Council and shall not vote or otherwise participate as a Council member with respect to that particular matter.

"(g) At its first meeting and at its first regular meeting in each calendar year thereafter, the Council shall elect a Chair and Vice Chair from among its appointed members who are citizens of the United States. The Chair and Vice Chair shall not both be members of the same political party.

"(h)(1) The Council shall hold a regular meeting during each calendar quarter and shall meet at the call of the President, the Director of the Peace Corps, the Council's Chair, or one-fourth of its members.

"(2) The Council shall prescribe such bylaws and regulations as it considers necessary to carry out its functions. Such bylaws and regulations shall include procedures for fixing the time and place of meetings, giving or waiving of notice of meetings, and keeping of minutes of meetings.

"(i) No later than January 1, 1988, and not later than January 1 of each second year thereafter, the Council shall submit to the President and the Director of the Peace Corps a report of its views on the programs and activities of the Peace Corps. Each report shall contain a summary of the advice and recommendations provided by the Council to the President and the Director the period covered by the report and such recommendations (including recommendations for administrative or legislative action) as the Council considers appropriate to make to the Congress. Within 90 days after receiving each such report, the President shall submit to the Congress a copy of the report, together with any comments concerning the report that the President or the Director considers appropriate.

"(j) The Director of the Peace Corps shall make available to the Council such personnel, administrative support services, and technical assistance as are necessary to carry out effectively its functions.".

(b) Sixty days after the date of the enactment of this Act, any advisory body carrying out functions similar to those assigned to the Peace Corps National Advisory Council provided for by subsection (a) shall cease to operate and shall become defunct.

NONPARTISAN APPOINTMENTS

SEC. 603. The Peace Corps Act is amended—

(1) by redesignating sections 25, 26, and 27 as sections 26, 27, and 28, respectively; and

(2) by inserting after section 24 the following new section:

"NONPARTISAN APPOINTMENTS

"SEC. 25. In carrying out this Act, there shall be no political test or political qualification used in (1) selecting any person for enrollment as a volunteer or for appointment to a position at, or for assignment to (or for employment for assignment to), a duty station located abroad, or (2) promoting or taking any other action with respect to any volunteer or any person assigned to such a station."; and

(3) in subsection (a) of section 5, by amending the final sentence to read as follows: "In carrying out this subsection, there shall be no discrimination against any person on account of race, sex, creed, or color.".

Mr. CRANSTON. Mr. President, briefly, let me state that this amendment is derived from legislation, S. 882, that I introduced on April 3, cosponsored by Senators MATHIAS, PELL, KASSEBAUM, and DODD.

Mr. President, this amendment is intended to help continue the revitalization of the Peace Corps as it celebrates next year, its 25th anniversary.

For almost a quarter of a century, Americans of all ages have volunteered for the Peace Corps. In all, over 100,000 Americans have served as Peace Corps volunteers. They have established throughout the world a record of service of which every one of us can and should be proud.

Former Peace Corps volunteers are continuing to contribute in a multitude of ways, from activities in small communities to national leadership. Two former Peace Corps volunteers, the Senator from Connecticut [Mr. DODD] and former Senator Tsongas from Massachusetts have been elected to this body. Four former volunteers currently serve in the House of Representatives.

Mr, President, the 25th anniversary of this unique program presents us with a special opportunity to reflect upon the Peace Corps and on where it should be going in the next 25 years.

Despite the renewed sense of interest in and a much greater public awareness of the Peace Corps since Congress granted it independence in 1981, the Peace Corps today is one-third the size it was in 1966 when more than 15,000 Peace Corps volunteers were serving throughout the world. Today, we have barely 5,000 volunteers. Concerns over the utilization of overseas Peace Corps staff posts as political patronage plums continue to plague the program. The resources, talents, and ideas of the thousands and thousands of former Peace Corps volunteers bearing on the future direction of the Peace Corps Program are not used as a part of the formal structure within which Peace Corps planning and programming decisions are made.

The amendment I am offering is derived from legislation, S. 882, I introduced on April 3, cosponsored by Senators MATHIAS, PELL, KASSEBAUM, and DODD. The amendment would do two things: First, it would mandate the establishment of a Peace Corps National Advisory Council which would be directed to evaluate the accomplishments of the Peace Corps, assess the potential capabilities and future role of the Peace Corps, and make recommendations to the Director of the Peace Corps, the President, and the Congress. The Council's recommendations would serve to help guide the future direction of the Peace Corps and ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, efficient, responsive to changing needs in host and potential host countries, and to changing relationships among peoples, and in accordance with law. The Council would consist of 16 voting members.

Mr. President, after discussions with the distinguished chairman of the Foreign Relations Committee, the Senator from Indiana [Mr. LUGAR], this provision has been modified somewhat from the proposal contained in S. 882. The membership of the Advisory Council as provided for under S. 882 would have been comprised of eight members appointed by congressional leaders and seven by the President. Under the amendment I have offered today, all appointments would be made by the President, but with the advice and consent of the Senate. At least seven of these appointed members would at all times be required to be former Peace Corps volunteers and not more than eight could ever be members of the same political party. The other requirements in S. 882 regarding qualifications of those appointed are also included in this amendment. The Secretary of State would serve as an ex officio, voting member.

This Council would serve as a real, working group, not a perfunctory rubberstamp.

Mr. President, our amendment provides specifically that the Council may provide for public participation in its activities. This provision thus makes clear that members of the public may be permitted actually to participate in the meetings and other activities of the Council. Of course, pursuant to section 10(a) of the Federal Advisory Committee Act [FACA] the Council's meetings would be open to the public. In this connection, I would also like to note that provisions of our amendment require regular meetings each calendar quarter, establish procedures for the election of the Chair, and give to the President, the Director of the Peace Corps, the Council's Chair, and one-fourth of the Council members each the authority to call meetings. These provisions are intended to override the provisions of section 10 (e) and (f) of FACA which require the administrative designation of an officer or employee of the Federal Government to chair or attend meetings, prohibit meetings to be conducted in that officer's or employee's absence, authorize that individual to adjourn meetings, and require his or her approval for the holding of a meeting. In addition, I would note that, since this new Council would advise the President, it would not be subject to the provision in FACA section 10(f) requiring a designated officer's or employee's approval of its agenda.

Mr. President, there is a nonstatutory Advisory Council to the Peace Corps. However, as far as we can tell from the scant information available about it, it contains no former Peace Corps volunteers and does not have the type of mission, responsibilities, scope, or experience and representative membership as the Advisory Council which would be established under this legislation.

I am convinced that this is the right point in the history of the Peace Corps to create this kind of specialized, representative, bipartisan body, to bring together individuals with relevant experience and insights about the role that the Peace Corps should play in the world during its next quarter of a century.

Second, Mr. President, this legislation would amend the Peace Corps Act to provide that overseas staff appointments must be nonpartisan. This provision deals with a problem that has plagued the Peace Corps through both Republican and Democratic administrations. Unfortunately, Peace Corps country directorships have sometimes been viewed as political patronage prizes. These posts are too important to be handed out to unqualified persons. A Peace Corps country director is a vital link both to the Government of the host country and to scores of volunteers in the field who must depend on the country director's good judgment and sensitivity on numerous occasions.

Peace Corps volunteers often serve in precarious positions, hundreds of miles from any governmental—ours or the host country's—support mechanism or protection. They don't live, as do most Foreign Service Officers, in American compounds or foreigners' enclaves with special commissary and diplomatic privileges. Peace Corps volunteers live generally at the level and in the communities of the people they come to serve and help.

They deserve to know that their country director and support staff were chosen specifically because of the capacity to be of help to Peace Corps volunteers and not as a regard for political contributions or campaign work.

Unlike overseas diplomatic missions of the U.S. Government which are supported by a cadre of career, professional Foreign Service staff, the Peace Corps overseas programs are staffed by very small numbers of American employees serving in the Peace Corps for statutorily limited periods, generally no more than 5 years. Under these circumstances, missteps or miscalculations by an unqualified Peace Corps country director or other staff person could have dire consequences. Each overseas Peace Corps staff member must be competent and dedicated to the goals of the Peace Corps and to the well-being and success of the volunteers and should be expressly selected because of and only because of those attributes.

This provision is not intended to interfere with the proper exercise of the President's authority to appoint or employ personnel for overseas assignments. The selection of individuals for such assignments appropriately entails substantial discretion. This legislation is designed to ensure that political considerations are not among those taken into account in making these important personnel decisions.

Mr. President, I wish to clarify that, with respect to individuals appointed or seeking appointment pursuant to Foreign Service Act authorities, the protection afforded by this provision is intended to be in addition to any protections afforded by provisions of the Foreign Service Act of 1980, such as the section 105 prohibition against discrimination based on political affiliation. Of course, the protections afforded by current law to persons applying for or employed in stateside positions would be unaffected by our amendment.

I would also note that the prohibition in our amendment against the use of any political test or qualification is much broader than the Foreign Service Act prohibition, which applies only to discrimination based on political affiliation. Thus, in addition to any qualification or test based on party membership, our amendment would preclude consideration of such matters as how an individual has voted or intends to vote; whether the individual has contributed or plans to contribute to a political organization or to a campaign fund; and whether the individual has worked for or plans to work for a particular candidate or candidates for public office. Likewise, our amendment would preclude the use of a screening test gauging the individual's political philosophy.

Mr. President, the amendment does not contain a third provision which was included in S. 882. That provision would have established a goal of having, to the extent appropriate, a Peace Corps volunteer strength of 10,000 individuals. In 1984, there were about 5,200 Peace Corps volunteers serving in 60 countries around the world. For the past 18 years, however, the number of Peace Corps volunteers has steadily declined, from its height of more than 15,000 in 1966, to 9,000 in 1970, and 6,000 in 1980.

Obviously, an increase in the size of the Peace Corps must be carefully planned and executed. Expansion must be tailored to, first, the needs of and requests for assistance from host countries, second, the pool of qualified volunteers, and, third, the capacity of the Peace Corps to provide adequate training and support to and placement of volunteers. But I believe there is little doubt that a goal of a total volunteer strength of at least 10,000 is attainable and worthwhile.

I would certainly have preferred that this provision be retained in the bill, but the chairman was not receptive to it and we thus agreed to delete it. A similar but more specific 10,000-volunteer corps goal is contained in H.R. 1555, the foreign assistance bill reported by the House Foreign Affairs Committee. Thus, it will be an issue in conference and the chairman has agreed to take another, very close look at our formulation of this provison in connection with the House provision.

CONCLUSION

Mr. President, the peace corps has always been a very special program for me. In the midsixties, I had the honor of serving as a Peace Corps program evaluator, visiting volunteers on the job in Ghana. Seeing first hand the tremendous work being done by these dedicated Americans left me with an enduring commitment to this truly outstanding endeavor.

Peace Corps volunteers have contributed in countless ways to the goal of world peace and understanding. Both America and the world have much to gain from an expanded, rededicated, and nonpartisan Peace Corps. I believe that enactment of this legislation will provide an opportunity to reinforce and strengthen the bipartisan support for this program and help make the next 25 years the best they can be for this unique people-to-people effort.

Mr. LUGAR. Mr. President, I congratulate the distinguished senior Senator from the State of California for a very constructive amendment. Clearly, he has been a student of Peace Corps activities for many years, a very strong booster. This amendment, in my judgment, will strengthen the Peace Corps and strengthen this legislation.

We are prepared to accept the amendment on our side.

Mr. CRANSTON. I thank the chairman.

Mr. PELL. Mr. President, I am delighted to join in commending the Senator from California on this legislation and all that it does to strengthen and enhance the Peace Corps. I urge my colleagues to support it.

Mr. CRANSTON. I thank the Senator from Rhode Island.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from California.

The amendment (No. 121) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the bill by which the amendment was agreed to.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 122

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 122.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following:

"Sec. . The Senate finds that:

A free and democratic El Salvador is in the security interests of the United States; and

Jose Napoleon Duarte was elected President of El Salvador last year in the most democratic election held in El Salvador in many years; and

Political violence in El Salvador has declined dramatically under President Duarte's leadership; and

President Duarte's policies of respect for human rights, political pluralism, dialogue and reconciliation with the Salvadoran guerrilla forces, legal and social reform, and effective defense against the violent overthrow of the Salvadoran government are deserving of praise from all who believe in a democratic form of government; and

The March 31 legislative and municipal elections were successfully carried out, with 64 percent of the electorate defying guerrilla attacks to vote; and

The victory of President Duarte's Christian Democratic Party reaffirms the support for these policies by his fellow citizens, the essential test of any government or movement; and

In spite of the state of seige technically in effect due to the insurgent threat, observance of free speech, free press, and free assembly are widely enjoyed in El Salvador and permit public airing of opposing political views; and

President Duarte is firmly committed to judicial reform and prosecution of cases involving "death squads";

His leadership and popular support has notably weakened the popular support given the guerrillas, as evidenced by the high levels of voter participation in the free elections held in El Salvador since 1982, the reduction in territory in which the guerrillas can freely operate, their inability to mount frontal military attacks, and their resort to economic sabotage, ambushes, political assassination, and urban terrorism with blatant disregard for basic human rights; and

He has succeeded in reversing the decline in his country's economy which, though still weak, has better prospects than in recent years;

Based upon the above findings, it is the sense of the Senate that:

President Duarte is to be congratulated for his outstanding leadership under difficult circumstances and for his efforts to foster democratic government and institutions in his country, and he is encouraged to continue his efforts to promote political pluralism, democratic institutions, and respect for human rights in his country; and

The armed services of El Salvador are to be congratulated for their improved performance and professionalism in defending Salvadoran citizens and their democratically elected government from attack by armed insurgents, and especially for their role in helping to protect and uphold the electoral process; and

The Senate reaffirms the importance of continued support for democratic principles and institutions and respect for human rights by the various sectors of Salvadoran society, which is a major factor in U.S. support for El Salvador.

Mr. BUMPERS. Mr. President, I have submitted copies of this amendment to both the distinguished floor managers, and it is a very simple amendment.

Today, President Duarte of El Salvador is coming to the United States. He is going to be here and visit with Members of this body both this week and next.

This amendment is a finding by the Senate that President Duarte has done a really outstanding job of trying to provide for judicial reform, bringing human rights to El Salvador, raising the morale of the people of El Salvador, that he has moved that country toward free speech, freedom of the press, and open assembly, and has apparently convinced the military that they should be subservient to civilian command. Furthermore, he has done everything in his power to bring the death squads to an end so that, while the civilian violence still exists there, it is at a much reduced rate.

All of us who have had the opportunity to visit with President Duarte find him to be a very engaging person, but more than anything else he is also a very courageous man who is totally dedicated to his country.

In this particular case, it is most fortuitous that we have had strong bipartisan support for the Salvadoran Government, and that the people of El Salvador have found a man of outstanding leadership capacities in Napoleon Jose Duarte.

I think it is only proper in light of all of that—I do not want to open wounds or anything—but this is quite different from the situation in Nicaragua. We have strong differences of opinion in this body about what our position on Nicaragua should be, whether or not to aid the Contras, and how to deal with Ortega. I must say that we have received bipartisan support in this body for El Salvador in no small part because of the atrocities of the Marxist guerrillas there against civilians, against the farmers, by burning their crops, by the slaughter of innocent men, women, and children. We have deplored that. That is one of the reasons we have been so supportive of the Salvadoran Government.

On the other hand, we continue to receive reports that the Contras are engaging in the very same kinds of activities in Nicaragua that we deplore in El Salvador. But that is another subject, a subject of another debate, and right now I think it is altogether fitting and proper that the Senate go on record while President Duarte is in this country, commending him for his courage and his outstanding work in El Salvador.

Mr. President, this amendment was drafted in my office in consultation with the State Department, who has expressed their support for it, and I have submitted a copy of it to each of the floor managers.

I hope the amendment will be accepted.

Mr. LUGAR. Mr. President, I deeply appreciate the amendment of the Senator from Arkansas. It is timely. The distinguished President of El Salvador will be with many of us in the next few days. He will have an opportunity to address students at the University of Notre Dame in my State on Saturday, and there will be many people in my State and throughout the country who will wish him well.

This amendment clearly puts us on record and I think we all share the feeling of joy in his success and our success with him in El Salvador.

On our side, we are pleased to accept the amendment.

Mr. PELL. Mr. President, I think all of us in this Chamber have high regard for the ability, objectives, and character of Mr. Duarte, and it is particularly fortuitous that this amendment is coming up at this time when he is soon to visit the United States.

I recommend we support this amendment.

Mr. BUMPERS. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Arkansas.

The amendment (No. 122) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 123

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] proposes an amendment numbered 123.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

Of the funds authorized to be appropriated in this Act to carry out Chapter 2 or Chapter 4 of Part II of the Foreign Assistance Act of 1961, up to $5 million for FY 1986 may be made available to noncommunist resistance forces in Cambodia, provided that the Secretary of State finds that the Association of Southeast Asian Nations has acknowledged that material assistance to the noncommunist resistance is also being supplied by members of that Association.

(Mr. MATTINGLY assumed the chair.)

Mr. MURKOWSKI. Mr. President, the purpose of this amendment is to address specifically the role of the U.S. Senate with regard to the issue that was brought up in the House of Representatives and referred to more commonly as the Solarz amendment. Basically, Mr. President, the bill as proposed in the House would provide $5 million in aid to the non-Communist resistance in Cambodia. This matter came up for consideration before the Foreign Relations Committee but was not formally acted upon.

At one of the hearings which I held as chairman of the Subcommittee on East Asian and Pacific Affairs, there was discussion with various witnesses of the administration, including Paul Wolfowitz, Assistant Secretary for Pacific and East Asian Affairs at the State Department.

I think it is fair to reflect on the policy implications of aid to the non-Communist Cambodian resistance groups. First of all, U.S. aid would be an important signal to Hanoi regarding congressional and public attitudes toward Vietnam's illegal occupation of Cambodia and the consequent military threat to the region.

The aid would allow our country to provide either economic or military assistance to the non-Communist resistance and would supplement our political and humanitarian assistance. It would also confirm our support for our friends in the Association of Southeast Asian Nations, the ASEAN group, who have been playing and will continue to play a leading role in the strategy to obtain a political solution in Cambodia.

The United States would continue to play a supportive secondary role. I understand that the non-Communist resistance does not need arms now. But U.S. economic aid could be helpful to this valiant group of Cambodian nationalists struggling to make their country free and independent. I would like to emphasize, Mr. President, that no U.S. aid—I repeat, no U.S. aid—would go to the Communist Khmer Rouge.

I think that it is important to examine at some length the implications of just what U.S. aid would mean. First of all, I would like to emphasize that I do support the idea of funding aid to the non-Communist Cambodian resistance.

However, I think that the United States should not be the only country which openly pledges aid to the non-Communist resistance. The ASEAN countries have taken a political lead at the United Nations and elsewhere, but ASEAN, I feel, must also come out openly and confirm that it basically approves material aid as well.

The question, Mr. President, is why should the United States be alone on this crucial point? I think we must avoid being placed in a vulnerable position. I think ASEAN is willing to share responsibility for overt assistance. Unless ASEAN—which, after all, is a major portion of Southeast Asia, and the area most directly affected by the Cambodian situation—unless ASEAN is willing to identify itself, then the appropriate question comes up: Why should the United States shoulder the public reaction and the political risks associated with aid?

I would point out to my colleagues the reality of just what the American presence in Southeast Asia means. It adds tremendously to the stability in Southeast Asia and obviously the benefactors, in addition to the United States, are the ASEAN countries. I would urge that any aid to the non-Communist resistance be in effect conditioned, in a general form, so that ASEAN clearly plays a visible role materially and in all ways.

Mr. President, one only has to reflect on a few years back when in this body there was a good deal of debate on just what our role should be in Southeast Asia and Indochina. And I go back to the 1960's. We got far out in front in Indochina in the sixties. We picked up the ball, literally, and we carried the burdens—and carried them and carried them. Should not ASEAN now in the eighties, when ASEAN has prospered—they are confident; their standard of living has increased—should not ASEAN also step up and take an open responsibility for the Cambodian strategy that is now underway?

I know there are differences of views within ASEAN in how best to deal with the Vietnam situation, and I respect these differences. I have had an opportunity to meet with various leaders in ASEAN, including the Prime Minister of Singapore and others. But the question is, should the United States be asked to do what ASEAN itself is reluctant to do openly, and that is to come out in front on the matter of overt assistance?

Make no mistake about it, Mr. President, the appropriation of $5 million is not a significant amount. However, the principle of what that aid stands for, in the sense of the United States indicating its willingness to assume a responsible effort to aid the non-Communist Cambodian resistance, is a very meaningful one.

Mr. President, I think that we should reflect on the memory of what occurred in the sixties, our role in Indochina at that time, a reflection on the attitude of the liberal press in the United States toward our role, and the significance of just what this amendment means in the sense of stability to the ASEAN region. We should not go it alone. We should not be asked to go it alone.

I am personally convinced that there is a willingness of support from ASEAN to the resistance. We are all aware that ASEAN has made substantial contributions. But there is a sig-

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ARTICLE I

the procurement of commodities or services nificance as to whether or not these contributions are openly acknowledged in an overt manner.

Mr. President, the amendment that I offer today, make no mistake about it, represents an overt intention. The $5 million in assistance for fiscal 1986 may be made available to the non-Communist resistance forces in Cambodia provided specifically that the Secretary of State finds that the Association of Southeast Asian Nations has acknowledged that material assistance to the non-Communist resistance is also being supplied by members of that association.

Mr. President, that is the crux of my amendment. I think it represents a responsible commitment by the United States to stand by our intention to assist in the security and stability of that part of the world through an appropriate role, and that is by indicating a significant policy change as represented in the Solarz amendment which is in the House foreign aid bill.

Again I would like to reemphasize, Mr. President, the significance of what this policy statement means and the realities associated with having an acknowledgement by the ASEAN countries of their willingness to assist in this regard.

I am not going to belabor the amendment any further. I will be happy to respond to any questions that my colleagues may have, or enter into a colloquy. I know the concern that the administration has expressed over the appropriateness of there being any acknowledgement on behalf of the ASEAN countries. But I think this is significant enough from the standpoint of a policy change that indeed it should be connected with some recognition and willingness from the ASEAN countries to indicate their willingness openly to involve themselves in a formal acknowledgement.

I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, there is considerable sentiment in this body in the judgment of this Senator for adoption of $5 million of assistance to the resistance forces in Cambodia. Clearly, as the Senator from Alaska has pointed out, there has been discussion, at least on this side of the aisle, about the result of the amendment he has proposed: namely, that the Secretary of State needs to find that the Association of the Southeast Asian Nations has acknowledged assistance to the non-Communist resistance also being supplied by members of that association. There are, I suspect, Senators who are prepared to proceed without that assurance. The Senator from Alaska, however, has made an excellent point. For our part on this side of the aisle we are prepared to accept the amendment, and hope it will be adopted.

Mr. MURKOWSKI. Mr. President, I therefore thank my colleague, Senator LUGAR, and ask that the amendment be adopted.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. We have no objection to its adoption. It is a good amendment, and we recommend support.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Alaska [Mr. MURKOWSKI].

The amendment (No. 123) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DODD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 124

(Purpose: To provide further for the availability of funds for Israel)

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 124.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

AVAILABILITY OF FUNDS FOR ISRAEL

SEC. 914. (a) Funds authorized to be appropriated by this Act which are made available for the purpose of improving living and employment conditions of the residents in the territories of Gaza, Judea, and Samaria under the control of the Ministry of Defense of Israel shall be allocated for projects which benefit all residents of such territories; provided that those projects which benefit Israeli citizens residing in such territories shall receive funds allocated in the proportion which the number of such Israeli citizens bears to the total number of the residents of such territories.

(b) Funds authorized to be appropriated by this Act which are made available for Israel shall be available for use within any of the territory administered by Israel on the date of enactment of this Act.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

Mr. HELMS. Mr. President, this amendment would ensure that humanitarian assistance funds provided for the so-called West Bank and Gaza Strip territories would be available to all residents of those areas, regardless of ethnic or religious origin.

The administration has asked for $17 million—$8 million for the fiscal year 1985 supplemental and $9 million for fiscal year 1986—for the purpose of improving living and employment conditions of the residents of Judea, Samaria, and Gaza. Yet even though 50,000 of these residents are Israeli citizens, the administration has chosen to limit its request to benefit only residents of Palestinian background.

At the same time, the Department of State has a second policy which requires Israel to agree that none of the aid provided to Israel may be spent in the territories added to Israeli administration after 1967. There is no statutory basis for this second policy, yet State Department officials routinely include such a restrictive clause in every aid agreement signed with Israel. When I asked the State Department the basis for such action, the Department made the following written reply:

> It is the policy of the U.S. Government to require that foreign assistance funds provided Israel shall only be used in the geographic areas which were subject to the Government of Israel's administration prior to June 5, 1967, and Congress has traditionally made this clear in its consideration of legislation. This requirement is normally written into agreements between the U.S. and Israel which disburse the funds.

Mr. President, such a requirement was news to me, as I find it is with most of my colleagues with whom I have talked. Nor do I ever recall it being discussed on this floor during consideration of this legislation. It may have been discussed in 1 year or other for 30 seconds, but it certainly escaped my attention. There is definitely no statutory basis for this requirement whatsoever. If there were, the State Department would have been quick to give the citation.

Mr. President, I think it would be useful for all my colleagues to see a copy of the most recent aid agreement with Israel, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the agreement was ordered to be printed in the RECORD, as follows:

AGREEMENT BETWEEN THE GOVERNMENT OF ISRAEL AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Agreement, dated October 31, 1984 between the Government of Israel ("Israel") and the Government of the United States of America, acting through the Agency for International Development ("A.I.D."), together referred to as the "Parties."

ARTICLE I

The Grant

To support the economic and political stability of Israel, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant to Israel under the terms of this Agreement not to exceed One Billion Two Hundred Million United States Dollars ($1,200,000,000) (the "Grant").

ARTICLE II

Conditions Precedent to Disbursement

SECTION 2.1. Conditions Precedent to Disbursement

Prior to the disbursement of the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, Israel will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., a statement of the name of the person holding or acting in the office specified in Section 6.2, and of any additional representatives, together with a specimen signature of each person specified in such section.

SECTION 2.2. Notification

When A.I.D. has determined that the conditions precedent specified in Section 2.1 have been met, it will promptly notify Israel.

SECTION 2.3. Terminal Dates for Conditions Precedent

If all of the conditions specified in Section 2.1 have not been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by written notice to Israel.

ARTICLE III

Disbursement

SECTION 3.1. Disbursement of the Grant

After satisfaction of the conditions precedent, A.I.D. will deposit in a bank designated by Israel the sum of One Billion Two Hundred Million United States Dollars ($1,200,000,000).

SECTION 3.2. Date of Disbursement

Disbursement by A.I.D. will be deemed to occur on the date A.I.D. makes deposit to the bank designated by Israel in accordance with Section 3.1.

ARTICLE IV

Covenant

SECTION 4.1. Binational Foundations

Israel agrees to contribute not less than sixty-five million United States Dollars ($65,000,000) of this Grant to four existing United States-Israeli binational foundations, organized for industrial research and development, science, agricultural research and education, for the purpose of capitalizing endowments in such foundations. The endowments shall be established on terms and conditions, including interest rates and Israeli matching funds, mutually acceptable to Israel and A.I.D. Israel shall provide A.I.D. a written report providing evidence of the capitalization of the endowments, including the terms and conditions thereof, within 6 months of this agreement. Should Israel fail to comply with this covenant, A.I.D., at its option, may require Israel to refund to A.I.D. all or part of the amount provided hereunder for the binational foundations in U.S. dollars within sixty (60) days after receipt of a request therefor.

ARTICLE V

Special Covenants

SECTION 5.1. No Use for Military Purpose

It is the understanding of the Parties that the Grant will not be used for financing military requirements of any kind, including the procurement of commodities or services for military purposes.

SECTION 5.2. Use Only Within Pre-1967 Boundaries.

Program uses of the Grant shall be restricted to the geographic areas which were subject to the Government of Israel's administration prior to June 5, 1967.

ARTICLE VI

Miscellaneous

SECTION 6.1. Communications

Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To Israel: Economic Minister, Embassy of Israel, 3514 International Drive, NW., Washington, D.C. 20008.

To A.I.D.: Director, Office of Project Development, Bureau for Near East, Agency for International Development, Washington, D.C. 20523.

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of written notice.

SECTION 6.2. Representatives

For all purposes relevant to this Ageement, Israel will be represented by the individual holding or acting in the office of Economic Minister, Embassy of Israel and A.I.D. will be represented by the individual holding or acting in the office of Director, Office of Project Development, Bureau for Near East, each of whom, by written notice, may designate additional representatives for all purposes.

The names of the representatives of Israel, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 6.3. Amendment

This Agreement may be amended by the execution of written amendments by the authorized representatives of both the Parties.

In witness whereof, Israel and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

Mr. HELMS. Mr. President, I further call attention to section 5.2 of this agreement, which reads as follows: "Use Only Within Pre-1967 Boundaries: Program uses of the Grant shall be restricted to the geographic areas which were subject to the Government of Israel's administration prior to June 5, 1967."

Mr. President, despite the State Department's grasping at the straw of alleged congressional coconspiracy in this policy, I think it is important that the Senate be given an opportunity to speak on the issue. For when you put the two policies together—the structuring of humanitarian aid on the West Bank and Gaza so it only benefits Palestinians, while at the same time blocking aid to Israeli citizens on the West Bank—you have a concerted effort to discriminate against Israeli citizens living in Judea, Samaria, and Gaza.

But it is even worse. Much of the U.S. aid to Palestinian Arabs resident in Judea, Samaria, and Gaza is provided through private voluntary organizations that channel funds to a number of groups that support the goal of the Palestinian Liberation Organization in destroying Israel. Although the work of these groups is ostensibly humanitarian—providing child care, health, and education, for example—the structure of the aid sets up a network of PLO loyalists working to subvert Israel.

For example, one of the recipients of this aid in the past has been the Arab Palestinian Women's Union, which operates PLO institutions in the 1967 territories and in Lebanon. One such is an institution known as the School for Children's Happiness. Now who could be against children's happiness? Well, it all depends upon how children's happiness is defined.

According to a brochure published for this school, this is the way the school day begins:

> When morning breaks, the first lesson our children grasp is always Palestine, they respectfully salute the rising Palestinian Flag. While the Palestinian National Anthem fills the new day with its words and lyrics, you can then see on our children's faces, smiles of hope, awaiting impatiently a future of groves of roses that will be Palestine.

Now I can understand why people involved in a revolutionary struggle would attempt to instill their ideals in the children. But these children are being prepared for an actual revolution. The pamphlet states: "The Arab Palestinian Women's Union is an industrious institute which hopes to be an important effective tool in the hands of the revolution." Indeed, one goal of the school has been to care for the children of PLO fighters who died in the 1967 attack on Israel. Obviously, it is a work of charity to care for and educate orphans; but do they have to be inculcated with hate propaganda through the assistance of U.S. aid funds? The School for Children's Happiness states quite plainly that "the one way to achieve our aims is the return to the whole of our Palestinian land."

There are many examples of U.S. aid assisting similar projects. Another prime example is Bir Zeit University, which is supposed to be for the education of Palestinian young men and women. But Bir Zeit also happens to be a hot bed of PLO agitation and terrorism. The school has had to be closed numerous times because of the disruptive and subversive activity which takes place at Bir Zeit. It is almost impossible to be a student or professor at Bir Zeit without being part of the PLO network. Yet scholarships to Bir Zeit are funded through U.S. aid.

What has happened is that, many times in the past, the humanitarian intent of the grants has been subverted by giving the grant to institutions which use the funds to support and reward a PLO-oriented infrastructure working for a Palestinian state on the West Bank and Gaza. It is hard to conceive that the State Department is not aware of this. It is also true that, to a certain extent, it would be hard to assist any Palestinians without touching people who are sympathizers with the PLO cause. But the problem specifically is in putting the money in the hands of a leadership elite that uses the funds to reward PLO followers and deny assistance to those who are not. This is not just a case of humanitarian aid; it is building the PLO infrastructure.

I know that the Israeli Government has raised questions about some of the grants; and recently there has been more cooperation by AID, particularly when the projects involve construction and other actions which require permits and approval. But the net effect of the State Department policy is to say that the United States has taken sides in the dispute over the future of the West Bank. We are saying on the one hand that we are in favor of negotiations over the future, but on the other we expect that the negotiations will have a specific outcome that will result in Arab control of Judea, Samaria, and Gaza.

If we lived in a simple world, I would move to strike all of the funds intended for this purpose. But we don't live in a simple world. We live in a world where people have needs and problems, as well as political goals. I think that the grants could be restructured, with good will on both sides, so that they resulted only in humanitarian projects and benefits.

But we must eliminate the perception that the United States—with the explicit consent of Congress—has cast its lot with one side in the West Bank dispute. We must eliminate the perception that it is all right to give humanitarian assistance to Palestinians living on the West Bank, but not to Jews. The proportion of Jewish citizens living in Judea, Samaria, and Gaza is small—from 5 to 8 percent. But it is the symbolism that counts, not the dollars involved.

I believe that U.S. assistance, no matter where it is given, should be available to all the needy inhabitants of the territory that is being served, without discrimination as to race, creed, or color. I think that it is unconscionable that our policy affirmatively permits Palestinians to receive benefits, but effectively prevents Israeli citizens in the same area from being eligible, just because of ethnic and religious differences.

If we do not eliminate this discrepancy, we are saying, in effect, that Israeli citizens have no right to live in Judea, Samaria, and Gaza. We are prejudging the outcome of the negotiations as to the future.

Yet it is not the policy of the United States that the Israeli settlements in Judea, Samaria, and Gaza are illegal. The territories involved were never Jordanian. They were part of the Palestine mandate administered by Great Britain. Jordan invaded and seized the territories illegally in 1948. The present so-called green line was a line marking the farthest extent of Jordan's invasion. No countries in the world recognized this illegal seizure, except Great Britain and Pakistan. In 1967, Jordan invaded Israel proper, and in self-defense, Israel drove the invader back beyond the Jordan. Israel's position in the territory is at least as good as Jordan's was, if not better, under international law. At the present time, the legal regime in Judea, Samaria, and Gaza remains the same as it was after June 1967, administered by the Israeli Ministry of Defense.

The only difference in that intervening period is that the GNP of Judea and Samaria increased threefold in that period, and the GNP of Samaria 3.4-fold. Private per capita income has more than doubled in that time, in real terms. A welfare economy—in Gaza up to 70 percent were on welfare—has been exchanged for an economy in which unemployment has dwindled to rates less than in many advanced industrial economies. New housing starts have increased six times; the number of automobiles has increased from 1,900 to 27,000 in Judea-Samaria and from 1,200 to 14,800 in Gaza.

That is why this administration believes that it is not illegal for Israeli citizens to settle in the areas outside the 1967 borders. President Reagan reiterated that over and over again as a candidate in 1980. He pointed out:

> Israel has never tried to annex the West Bank and the (Carter) Administration is dead wrong when it says Israel's West Bank settlements are "illegal." Jewish and Arab Palestinians have a right to settle there until Jordan and Israel between them decide on secure and recognized borders.

In October 1980, he said:

> The charge by the (Carter) Administration at the time those settlements first started that they were illegal is false * * * all people—Moslem, Jews and Christian—are entitled to live on the West Bank.

As President, President Reagan has never retreated from that position on the legality of the settlements. And Secretary of State Shultz has reaffirmed their legality.

So why not treat all residents of the 1967 territories on the same basis? Why not reject discrimination in our treatment of Israeli citizens in those areas?

Mr. President, the stock answer, reiterated over and over again, is that the settlements are an "obstacle to peace." Of course, that depends on what you think "peace" may be. If you think that the outcome of negotiations will only bring peace if the settlers withdraw, then you are saying that the Israeli citizens have to give up their rights to live on those lands. If their presence there is not illegal, then they give up their rights if they are forced to withdraw. If they remain under a new administration, obtained as a result of negotiations, they must expect to be able to live under the new administration. And we can assume that Israel will not negotiate away their rights or accept an arrangement that is not viable.

I think it follows, Mr. President, that those who say the settlements are an obstacle to negotiations are saying that there can only be one outcome—an outcome totally acceptable to the Palestinians and the PLO leaders. The United States is therefore not neutral in the outcome, but committed to a specific outcome.

That is what this amendment is all about. It is not about money as such; it is an attempt to move U.S. policy from a policy committed to the Palestinian side—to a policy that treats both sides the same. In other words, it moves the United States from partisanship for the Palestinians to neutrality. It suggests that the United States will accept more than one outcome from the negotiations.

What this amendment does, Mr. President, is to recognize that all the peoples in the area have historic and religious rights in Judea, Samaria, and Gaza. It also recognizes that the territories in question have important consequences for the strategic defense of Israel. It suggests that Israel is not forestalled by U.S. pressure from adopting a negotiated solution that allows proper military and security measures to be adopted for the protection of Israel proper.

What it does not do, Mr. President, is to predetermine the future of these territories. It is my personal view that Israel would make a grave error if it gave up military and security control of these areas. The internal arrangements are open to negotiations, but not security considerations. I do not retreat from that position. But this amendment does not go that far. It does not say that Israel has the right to annex the territories in question, or to ignore the legitimate aspirations of the Palestinians. It does not mean that the historic land rights and cultural life of the Palestinians can be suppressed. Nor is it contrary to the Camp David agreements.

I repeat, Mr. President, that my amendment returns the United States to a position of neutrality in the outcome, allowing the future to be decided by Jordan, the Palestinians, and the Israelis themselves. It is noteworthy, Mr. President, that Israel has already given up 90 percent of the territory occupied in the 1967 war—territories that were seized for security reasons when Israel was invaded. The good faith of Israel has been demonstrated; but Jordan and the Palestinians have not even agreed to negotiate.

Finally, Mr. President, this amendment would restore equity to our program of humanitarian aid to residents of the West Bank and Gaza by requiring proportionality of benefits to everyone. It would not cut the amount of aid intended for those territories, but would see that it is distributed equitably to all groups, regardless of ethnic or religious origin. In conclusion, it would make it clear that there is no congressional authority for blocking the use of humanitarian U.S. aid funds in any of the territories currently being administered by the Israeli Government.

Mr. LUGAR. Mr. President, the Senator from North Carolina has raised in this amendment a very interesting and important point of equity and justice. Indeed, there are funds available to residents of the area, and I will not try to demarcate the precise division of those funds, but such funds do exist in the bill.

At the same time, I hope the Senator from North Carolina appreciates that this amendment raises a very complex subject in our foreign policy. It is a subject that has not been considered to the best of my knowledge by the Subcommittee on the Middle East, nor the full Foreign Relations Committee for that matter. It is something that I hope the Senator from North Carolina will appreciate ought to have at least the benefit of a hearing and some response by the administration as to how our general foreign policy will be affected in the event we try to address the issue.

So I would appreciate it if the Senator would not persist in pressing a vote on the amendment today but would accept the assurances of the chairman that a hearing will be held. I will work in particular with Senator Boschwitz. I know he has a deep interest in this issue as subcommittee chairman. The Senator from North Carolina himself would probably want to be a part of that hearing process. There will be other opportunities, I suspect, to rectify an injustice if there is one, but I would appreciate it if the Senator would accept these assurances of a hearing and a study at this point.

Mr. HELMS. Mr. President, I thank the Senator. As he obviously knows, I merely wanted to raise the question today and lay out my thoughts on the subject so that they can be considered in the coming days and weeks, not only by members of the Foreign Relations Committee, but by the entire Senate and by the administration. I think the subject is one whose time has come. I thank the Senator very much for assuring us that hearings will be held.

In addition, I will say to my friend, I am frankly disturbed by the position and attitude of the State Department on this matter. I understand that some Members of this body and others interested in the subject have been told by the administration that if this amendment were to pass, it would be necessary to ask that the bill be brought down and removed from the calendar. I certainly would not want to do that to my good friend from Indiana, nor to the ranking minority member of the Foreign Relations Committee, Mr. Pell. But it is clear that the State Department by that message was threatening to jeopardize the entire foreign aid bill, and in particular the aid to the Middle East, just so that they could avoid the principle of nondiscrimination in the distribution of aid benefits on the West Bank.

Mr. President, is it such a great change of policy to establish the principle of nondiscrimination? Is the administration really saying that only Palestinians have the right to live on the West Bank? Does the administration really think that it would jeopardize the peace process to take a neutral position in the dispute over the future of the territory?

Mr. President, I would like to know why the Israeli settlements are an obstacle to peace. If Israeli citizens have the legal right to be there, how can it be an obstacle to accommodate their right? Is the administration saying that the only way to peace is for those Israeli citizens rightfully residents in the territories to surrender their rights? Is the administration saying that the security of Israel can only be safeguarded by the concession of territories that are strategic to the defense of Israel? I do not see how Israeli military and strategic control can be given up. It seems to me that there is plenty of room for negotiation between the concept of a total Palestinian State on the West Bank associated with Jordan on the one hand, and the concept of total incorporation of the territory into the State of Israel.

I can see a lot of solutions that fall in between those two extremes, but I would leave it to the Palestinians, the Jordanians, and the Israelis to make the decisions. I do not see why the U.S. State Department should adopt a policy which excludes all solutions except the one which totally adopts Palestinian-Jordanian control over the territories.

If, in the popular slogan, Israel were to be so foolish as to exchange "territories for peace," I think what we would have is an exchange of territories for a piece of paper. There were no settlements in 1948 to constitute an obstacle to peace; yet the Jordanians invaded. There were no settlements in 1967 to constitute an obstacle to peace; yet the Jordanians invaded again. Does anyone really believe that the settlements are preventing good faith negotiations? I rather think that the settlements are a principle reason that Jordan has not invaded Israel for the past 18 years. The settlements are an obstacle to war.

Mr. President, it is my personal view that the Israeli settlements on the West Bank are not an obstacle to peace; rather they provide the basis for a meaningful negotiation protecting the interests of both parties to the dispute. There is no reason, therefore that we should not adopt a nondiscrimination policy as to the beneficiaries of our aid projects in those areas.

However, Mr. President, we should not allow the State Department to jeopardize the aid program to Israel and Egypt just so that they can avoid the principle of nondiscrimination.

I thank the Chair. I thank the Senator from Indiana and I thank the Senator from Rhode Island.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I thank my colleague from North Carolina.

AMENDMENT NO. 125

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment of the Senator from North Carolina, Mr. Helms, is still pending.

Mr. MURKOWSKI. Mr. President, I withdraw the request.

Mr. President, may I make an inquiry as to the pending business before the Chair?

Mr. HELMS. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

> The Senator from Alaska [Mr. Murkowski] proposes an amendment numbered 125.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, beginning on line 9 with (d) strike all through the end of line 19.

Mr. MURKOWSKI. Mr. President, the purpose of this amendment is to terminate the Extended Repayment Loan Program under FMS, foreign military sales.

The current Extended Repayment Loan Program is a rather unique, rather innovative, and fairly recent extension of our Federal military sales policy. It provides for a 10-year grace period and a 20-year amortization period basically for a 30-year loan term. I think you will agree, Mr. President, that is a rather generous term for repayment.

In my comments, I will be more specific about why this unfortunate program is really adding dramatically to the debt which our friends and neighbors are assuming.

This program has been in existence since the mid 1970's. Prior to that, the term for FMS loans was 5 and 7, 5-year grace—when I say grace I mean interest only—and amortization beginning in the 7th, for a 12-year period. Mr. President, that was much more realistic and acceptable.

Before I go on, I would note that in my dear colleague letters on the issue, there were references to Greece. I would like to offer clarification to my colleagues. Greece was recently switched from the extended payment program to a different category, concessional. So in my discussion here, Greece will be excluded.

However, I want to make it clear that this does not change my position because my amendment is not country specific but program specific. That is the reason for which I rise on this occasion to elaborate a little more fully on the implications of just what this extended repayment loan program does and why it must be abolished.

I would note, to begin, that the debate on the foreign assistance bill is timely in the sense that it comes on the heels of successful deliberations on a budget package which I believe can finally start us on the road to fiscal solvency and declining Federal budget deficits. I think, however, we can all realize that as usual, one inevitable result of debate concerning foreign assistance will be that some in this Chamber will call for reductions or freezes in foreign assistance. We have seen that already. However, the chairman of the Foreign Relations Committee, Senator LUGAR, has, I think, done an extraordinary job in moving this legislation and recognizing that indeed it is not in our best interest to reduce foreign assistance program levels as agreed in our committee.

However, we are at a time when it is crucial to recognize what our priorities are, whether it be to our senior citizens, to our veterans, or others. The upshot is that I, for one, do not plan, at least in the traditional way to object to the agreed levels of foreign assistance. I want to make that very clear to my colleagues. This proposed amendment does not affect the assistance levels which the administration has recommended and the Foreign Relations Committee has passed. Rather, it specifically reflects the payback procedure.

For that reason, what I propose to do with this amendment is to refine the bill, without assistance level directly. However the refinement would at the same time achieve goals—and savings—which I think we can support. For that reason, I would like to emphasize again that this bill is responsible. It bears out the willingness of the Foreign Relations Committee as well as the administration to live by our commitments.

The goals of my amendment are to, first, cut the budget deficit as much as we can in the Foreign Relations Committee; second, to simplify our military assistance program; third, and I emphasize this, to save ourselves and our friends and allies a considerable amount of money; and, finally, to institute fiscal responsibility and honest oversight.

One of the unique features of this particular type of amendment is that few of my colleagues understand it in all its complexities. This was evidenced in the committee markup and in the various discussions that went on at that time.

What this amendment does is to strike that part of the Arms Control Export Act which allows the President to negotiate foreign military sales loans on the favorable extended repayment terms of 30 years, with the first 10 years involving interest-only repayment.

As I stated earlier, this is in contrast with the normal FMS loan, which is for a 12-year term with a 5-year grace period, a loan term which makes considerable economic and political sense.

I emphasize economic and political sense.

As I will point out further in my remarks, the Extended Payment Program which we have adopted really establishes a horrendous and a very burdensome potential debt which all of these countries will have incurred as a consequence of our willingness to extend the repayment period. This is as opposed to realistic fiscal responsibility which would dictate that a country, by its own determination, would ascertain what it can afford to borrow and pay back. And it always has the option of refusing to accept a loan if it feels it cannot meet a debt obligation.

The administration has proposed a total of $1.03 billion for six countries under this program. As I have indicated, Greece has been removed from the Extended Loan Program to concessional. So I am not discussing Greece. But I am discussing the countries of Turkey, Portugal, Korea, Thailand, and the Philippines, as well as Spain.

These are the countries that will be affected specifically if the Extended Repayment Program is terminated.

On the surface, it would appear that allowing the 30-year repayment with a 10-year grace period may be advantageous and may be a creative mechanism to help our allies and friends who are in some temporary economic difficulty to spread out their repayments. The truth is far different, and I think the citizens of our country can appreciate the staggering debt implications of what occurs as a consequence of simply extending repayments under such a program.

A country may be able to live with and to meet an individual payment. But when you consider the conglomeration of payments, they still have the realities associated with whether or not they can pay their total debt.

The fact is that because 30-year loans are by definition far more costly than 12-year loans in the long term, extended repayment loans will inevitably force our friends and allies into a never-ending debt spiral from which they may never emerge. I can illustrate that point, but I think it has been made clear through the general awareness of the financial difficulties of various countries throughout the world.

I want to make it very clear for the record, Mr. President that I do not criticize at all aid to these countries—Turkey, Portugal, Korea, Thailand, the Philippines, and Spain. These are our allies. Korea probably is the most significant single example of the workability of our foreign policy, a country that established a democracy, a country that has established the recognition of human rights, truly one of the outstanding examples of an effective American foreign policy.

What I object to is the formula. I want to reemphasize that to my friends in these various countries and to my colleagues.

Let me make my point specifically of just what a 30-year loan means and why it adds to the never-ending debt spiral.

If a nation bought a $50,000 military truck with a 10-year life in year 1, it probably would have to buy two or three over the 30-year term of the loan to meet the same capability. Let us say because of the inflation the second and third truck sold for $60,000 and $70,000 respectively. If these three trucks were financed by a 30-year extended repayment FMS loan which would then have a 10-year grace period, the country would have paid us some $440,000 by year 30.

It will then still owe us some $280,000. And in year 31, it will once again have to finance a new truck since the other three are no longer usable. So much for financing a 10-year item, a typical usable life of such items, for 30 years.

Contrast this with doing the same transaction by furnishing the same three trucks using a series of normal FMS 12-year market loans with a generous 5-year grace period over the same 30-year period. Using that method, the payback by the country would be some $287,000, $157,000 less than under extended repayment. And it would owe us only $105,000—that is, $175,000 less than under extended repayment. The fact that at the same time we are denying ourselves a return on the principal of the loan for 5 additional years under extended repayments loans, which have a 10-year grace period as opposed to the normal 5-year grace, is another aspect which, in these tight budgetary times, is totally unacceptable.

Mr. Président, my example was of a $50,000 truck. If you multiply that figure for much more costly things—tanks and various airplanes—and extrapolate the numbers for the over $1 billion proposed for this program this year, you can see that the inevitable result is less return for us and a far greater long-term debt burden for our allies, all in the name of giving our allies and friends a "break."

I contend that the only breaks involved in this program are broken economies. These are the broken economies of our allies as a consequence of too much debt. We will continue to contribute to this if we continue this program.

Let us look at some of the examples of the current debt problems of countries with whom we have Extended Repayment Programs.

The administration proposes a total military assistance program for Turkey of $785 million for fiscal year 1986 when that country is going to have to repay us over the amount we are providing them, $406 million in fiscal year 1986, from previous FMS loans. That is the inconsistency of the program, Mr. President.

Another clear example of this can be expressed in the case of Korea. The administration proposed a program of $228 million in fiscal 1986 FMS extended repayment loans, when we will be receiving a larger amount—a larger amount, Mr. President—$231 million in FMS loan repayments during the same time. You might use the argument that you are not taking it out of the same pocket. But the fact remains that at the same time we give Korea $228 million in fiscal year 1986, they will be paying us back $231 million on outstanding FMS loan balances that have been made previously.

I ask you, Mr. President, what have we accomplished for Korea? We have accomplished absolutely nothing. We have simply added to their long-term debt.

The practicability of having a program that does not do what it is designed to do, but simply extends the repayment term to an unrealistic length, is really questionable, especially as to whether it provides any significant benefits for the recipient countries—if doesn't.

Yesterday the Senate included Spain's FMS Program under extended repayment. We should know that, whereas we would be lending Spain some $400 million under FMS extended repayment fiscal year 1986, they will be paying us back $291 million for FMS loans during the same period of time. So, actually, out of the $400 million provided Spain, they are paying us about $300 million. So there is a net of $100 million for the FMS Program for Spain as a consequence of this heavy indebtedness.

Mr. President, I can project and I am sure my colleague, the chairman of the Committee on Foreign Relations, would agree, that if we keep extending this program, within a few years each country will inevitably be paying us back each year more dollars than we provide them with as a consequence of interest on accumulated debt. The sense of that, very frankly, escapes me.

I have discussed it with the administration. They indicate that it appears to be in each country's best interest. But, Mr. President, I respectfully suggest that we have an obligation in providing assistance that we not add to the tremendous financial burden of our friends and neighbors, including the six countries in question who are the only recipients of FMS under the extended repayment programs that I am seeking to curtail.

I think it is interesting to reflect on another matter that concerns me. That is fairness. How do we determine whether or not a country should have an extended repayment, a 30-year repayment, as compared to a country that has a 12-year repayment? Obviously, the administration and the Department of State must have some formula that is applicable, but it is pretty hard to justify that formula.

Further, if you look at the facts and the history of the program, we see that there are more and more countries that are asking for extended repayment loans simply because they ease their financial burdens until tomorrow.

But, as we all know, this is not a program that results in anything of lasting value. Recognize, Mr. President, if you buy an automobile, the financial institution will not extend your payment program beyond the reasonable life of that automobile. As a consequence, you have to pay a car off in 5 to 7 years, perhaps on the more expensive models 8 or 9. But what we are doing under this FMS program is to stimulate sales of various military hardware and equipment and to provide 30-year repayment schedules on equipment that has a life of about 10 years. There are some exceptions to that, but that is certainly the average.

I have before me a list of the various items proposed for purchase under the 30-year extended repayment program. I think if we look at Portugal, it wishes P-3 aircraft as well as spares and repair parts, and support for existing weapons systems; Turkey—ships, M48–A5 tanks, F–16 aircraft; Thailand—Bell 206 helicopters, A–36 aircraft, F–16 aircraft; Philippines—communications equipment, vehicle, aircraft, ship spares, and 2½-ton cargo trucks.

I ask you, Mr. President, are those trucks going to be around in 30 years? We know they are not. These things generally have a life of less than 10 years, but I am certainly willing to recognize 10 to 15.

We have in existence an entirely appropriate FMS Program with terms including a 5-year grace, and a 7-year payback on principal, that is a 12-year term, for these items. The justification for going 30 years instead of 12 is one, again, that simply does not recognize the reality that this equipment will be worn out before one-third of the loan is paid back. I defy the administration to indicate otherwise. Even if the equipment does not wear out, in general terms it is going to be obsolete in terms of technology.

The point is, and I have perhaps emphasized this too extensive—but I think it is very basic—we are doing a disservice here. If we feel these countries should be recipients of a grant, we should sit down with the administration and recognize that we should change these loans into grants if it is in our own national and best interest. But to simply add to the debt and hope that somehow this will work out does not, I think, represent fiscally responsible action by this body.

Remember, Mr. President, the situation exists now when the extended repayment program is comparatively young. But this program is growing. I have already indicated the long-term implication of the debt burden on our friends and allies. It can only grow and grow. As I have indicated, inevitably some day several of the countries may not be able to pay us back. Then they will come to us for debt forgiveness.

What does this mean for us, Mr. President? Simply that, whereas the extended repayments we are now engaging in via a small-scale diplomatic sleight-of-hand—as I have indicated, taking money from our left hand and giving it to our right—we will be doing it more frequently and in more ridiculous proportions in years to come. This is especially true if we keep adding more countries. And they have every right to ask to be added to the extended repayment list. In fact, if all the countries designated for are given it this year, only $450 million of a total $2.5 billion of FMS loans, excluding Israel and Egypt, which I would have treated separately and not touched by the amendment at all, would be granted normal FMS market rate loans.

In short, what used to be normal will become the exception. It already has. This will be because as country after country continues to carry a growing debt load, they will seek relief. It will thus inevitably mean, and I predict comparatively soon, these nations, simply because of the realities of the staggering growth of their debt, will be requesting forgiveness of repayment. They simply will not be able to pay their debts. And they will be right. And it will be our fault, Mr. President, for not correcting the problem now and avoiding having to do so in the future when the problem will be much worse.

For all these reasons, I believe it important that the Senate start right now to bring some truth in lending into our FMS loan program while at the same time benefiting ourselves and our friends at no additional cost to either in our assistance levels by abolishing the extended FMS loan program.

Mr. President, again I would like to reiterate that I support FMS loans to these countries. I feel we are doing a disservice to them not in the loans themselves, but in the manner in which we have proposed repayment simply because of the tremendous resultant debt burden, and I have so indicated in the case of both Spain and Korea, and others. I would like to repeat again that in the case of Korea, the administration proposes $228 million in FMS for fiscal 1986, yet they will be paying back $231 million. In other words, they will be paying $3 million more than we are providing.

As a consequence of this, Mr. President, I think my proposed amendment gives this body an opportunity to look realistically at a program which needs changing. I think by doing so we will be correcting a disservice to the affected countries here, Spain, Philippines, Turkey, Portugal, Thailand, and Korea.

Mr. President, I suggest that those countries have the option of not accepting these loan terms, and they also, I think should recognize, that we should accept the responsibility, if we deem it in our national interest, to openly come forth with other kinds of programs which are viable and as a consequence should be addressed.

If we look at the extended repayment proposal further, we can see more visibly the inconsistencies that exist. Let me give you an example, Mr. President, of some of these inconsistencies as we compare our friends, the Pakistanis and the Koreans. We provide to Korea extended repayment, but we do not provide it for Pakistan. We are providing Korea, as I have indicated, $228 million worth of FMS loans, but we are providing Pakistan $325 million worth of FMS loans. The FMS payment for fiscal year 1986 for Korea, as I have indicated, is $231 million; Pakistan is $8.7 million. We have a trade imbalance with Korea. We have a positive trade balance with Pakistan. My point is not to be critical of Korea and its trade imbalance. Korea is actively trying to resolve its trade imbalance by having procurement missions come to the United States. But the point is there is an inconsistency. We provide Korea 30 years payback, and we do not provide Pakistan with 30 years. We give them 12.

Let's look at Jordan and Portugal. We do not provide extended repayment for Jordan. We do for Portugal. The FMS loan levels, $30 million, are the same for each country. Again, here we have two countries with similar size programs, yet only Portugal, which has probably a stronger economy than Jordan, is getting the extended repayment loans.

If we look at Thailand and Oman, again there is an inconsistency. The amount provided under the FMS loan program is $58 million for each country. The FMS repayments are 5.6 for Thailand and 3.3 for Oman. The point is, we provide extended repayment, 30 years, for Thailand; Oman, 12. The inconsistency is, Mr. President, that the two countries with similar debt situations and exactly the same amount of FMS loans proposed are treated differently. Presumably the difference, as I have indicated, is in a stronger economy in Oman. But as shown above, the weaker the economy, the more it should not be given the extended repayment.

I emphasize this because it is a basic fallacy within the administration's policy and, I think, something that many of my colleagues on the Foreign Relations Committee have missed. The weaker the economy, the more it should not be given the extended repayment, since it will simply weaken the economy, reduce the country's credit rating, and only hurt that state more in the long term.

I think you would agree, Mr. President, that no country should have or obtain more debt than it can service. Those countries have to make judgments about their economies. As a consequence, to provide an extended loan program of 30 years is too much of a "short-term temptation" for them, and more often than not they would think that there will be two or three changes of administration in the country over the 30 years, and the problem of repayment, Mr. President, will be somebody else's as opposed to those who are borrowing at that time.

Another interesting point is the reality that we might as well realize that a 30-year loan contains some element of a grant. If you figure the inflation factor at 4 or 5 percent over 30 years, obviously they are paying that back with very, very cheap dollars, and as a consequence maybe we should examine the program in its true light as proposed by the administration and recognize that it contains a small grant element.

I cannot understand, Mr. President, why we continue to kid ourselves and kid the American public about another aspect of this problem. We have cases where we can buy commitments in the sense of funding to various countries in return for consideration on use of military bases. This is no secret. It is well known in the Foreign Relations Committee and throughout the administration. But, for reasons unknown, it is not acknowledged.

In the case of the Philippines, we have bases; in Spain, we have bases. The realities of why we should not enter into an open, forthright consideration on lease terms for those bases instead of hiding it within a foreign assistance program, whether it be at the FMS level or otherwise, is something, Mr. President, that totally escapes me.

Mr. President, I intend to continue to make every effort to educate my colleagues within the committee on the significance of having a realistic foreign assistance program that calls a spade a spade, that directly reflects what is in the best interests of the United States and our friends and allies, and that recognizes the realities of just what is a loan and what is not. A loan is obviously a commitment and an agreement for terms of repayment. But when it is for a specific purpose such as military sales and when those items bought in military sales have a realistic lifespan of 10 years, yet we go on and extend the repayment program to 30 years, why, we are doing a grave disservice to ourselves—and we are being less than honest with our friends and allies.

As a consequence, Mr. President, I should like to make sure that my colleagues understand what this amendment would do. It would simply strike the 30-year repayment schedule for those countries that we are proposing to receive it. It would not be retroactive to those countries that already receive it. That would be grossly unfair. This would just address an inconsistency from this date forward.

I look forward to any questions on my amendment with regard to the realistic fact that we are creating for more long-term debt for these countries through this program than we would with the conventional term repayment, which is 12 years, as well as my contention that it is an obligation of our committee and our Government and our administration to make appropriate grants when it is in our best interests.

I should also like to point out, so that there is no misunderstanding, that this amendment will not reduce the dollar levels to these countries at all. I do not address that. I think the recommendations of the administration in that regard are appropriate, and I support as well the action taken by the Foreign Relations Committee in its markup. It is simply an effort to rectify a program that has gotten way out of hand.

I hope my colleagues will support me in this amendment.

Mr. LUGAR. Mr. President, the distinguished Senator from Alaska has attempted to bring the attention of all Senators to the very difficult problems that are faced by countries that have extended foreign military sales repayment terms.

He is correct that the burden of interest over the long-term may exceed the capacity of the country to meet those obligations. As a result, there are pleas from these countries for extenuating circumstances.

However, the problem I see with the amendment of the distinguished Senator is that no one forces a country to take the 30-year repayment terms on their market rate loans.

It is fair to say that it is comparable to situations we all know, of individuals who have financial problems. Many countries we are attempting to work with, our friends and allies, need our support and have financial problems. Frequently, people in this condition will ask for longer repayment terms on their individual loans. I suppose a good portion of the Members in this Chamber have often thought in terms other than 25- or 30-year home mortgages. We are not obligated to do this. Indeed, we would borrow less in principal and interest if we just went for a 10-year mortgage to begin with, and called it quits at that.

Maybe the Senator is saying that this degree of indulgence nationally on our part, in letting countries have 30-year repayment terms, is bad for them and bad for us, and he may be right. But I think the dilemma is a fairly simple one.

Essentially, we are trying to help countries which are attempting to help us. We listen to them carefully, and they want extended repayment terms. We are prepared to offer them. A 10-year grace period, as the Senator from Alaska has pointed out, with 20 years after that, are very extended terms.

We anticipate, in all realism, that the value of the dollar in 30 years will depreciate, and in some periods of our history it has depreciated very rapidly. So, even if payments are made, they will be made in depreciated currency. We go into that with our eyes wide open.

This bill is not about charity; it is about the security of our country. It is about relationships we have with other nation-states that we think will be valuable to us as well as to them. It is about arms in their Armed Forces because we would prefer not to send American men and women in uniform there. We prefer that they defend themselves and thus help defend us. That is the hardheaded reality of this situation. If we were to make the changes the Senator has suggested, we would not know the implications in each of those relationships. I think we will need to know that before we take such far-reaching action.

The Senator pointed out that his amendment is not retroactive, that it is prospective, and so presumably it could be argued that a country that enters into one of these FMS loans knows it is 12 years for repayment, not a 10-year grace period and 20 years after that.

Perhaps all the countries we are dealing with can make that kind of adjustment. Perhaps they can go back into their councils and say, "We thought we were going to go for 30 years, but it turns out that we are going to be in for 12 years." Maybe they can make those adjustments without difficulty, but we do not know that.

It seems to me prudent in this instance to study a great deal more carefully, country by country, what the effects of this amendment would be, what the effects of abruptly changing the expectations a country might anticipate, and the effects it could have upon our relationship with that country and on our military security, if we have guessed wrong.

There is no latitude for error in terms of our national security, quite apart from the security of the countries with which we deal.

I simply rest the case with that thought: that we need to know a great deal more before acting on such a far-reaching amendment. It is an interesting proposition, but its time has not yet come in my judgment.

I hope the Senator will accept assurances from the chairman that we will be prepared to work with him in terms of studies that are required to come to better judgments. But in the event he wishes to press on to a vote on the amendment today, I would have to oppose it and ask my colleagues to oppose it. Having done so, in the event that my position should prevail, I would still say that it is an idea that must be studied.

The difficulties the Senator has pointed out are real—I do not claim they are illusory—but this is not the appropriate moment to make major changes, prior to knowing where we are headed.

Mr. MURKOWSKI. Mr. President, will the Senator yield for a question?

Mr. LUGAR. I yield.

Mr. MURKOWSKI. I thank the chairman of the Foreign Relations Committee, my friend from Indiana.

I am wondering how he would reflect on the military grant program, which the administration prepares in recommendations before our committee. Subjective decisions have to be made on the issue of what we will loan and what we will provide in the form of grant assistance.

I agree that we help those nations that help us with military assistance and that we have our own national security interests as our primary guiding consideration. But my question is this: Why do we not recognize the grant process on its merits, and debate the recommendations of the administration on the issues of grant?

I do not think the Senator would agree, but perhaps he would not disagree totally, that in this 30-year repayment program there is more than just an indication of a grant feature.

Mr. LUGAR. As I said, the depreciation of currency in 30 years, in practical effect, may make it closer to a grant.

I guess the difference is simply a common sense one—that with some countries, we anticipate their ability to make payments on the loans we offer to them. We are not prepared to make a gift right off the bat. We believe that we are making something a bit less than a gift and that they may contribute to paying some interest on the money. We may be in error in our judgment as to the benefits from that income, and maybe it is not worth it. But, as a practical matter, I think that is why we lend some people money, as opposed to granting them money straight off.

Mr. MURKOWSKI. The Senator indicates that sometimes it is justificable to make an extended-term loan simply because of the financial needs of a country, just as we all have financial needs. I think the Senator used the analogy of a 30-year mortgage.

I totally agree with the chairman, if indeed that was an analogy that was applicable in the sense of him and me buying a home. We have a 30-year mortgage, and at the end of 30 years we have a home, and 9 chances out of 10 that home would have appreciated and would have something positive.

But I asked whether or not the chairman agrees that this program is designed for purchases that have life spans of 7 to 10 to 12 years? In making a 30-year loan, does not that directly involve the reality that the equipment is going to be worn out and replaced two or three times before the loan is paid off and that as a consequence the countries are going to have to make other purchases, and does not that just add to the debt spiral at an alarming rate?

Mr. LUGAR. The point with regard to collateral is well taken, and much of the material that is purchased in a military sense will not last 30 years; whereas, we hope most residences will.

I really have no argument on that point. I still suggest that the financial need problems might be comparable regardless of what the collateral is, and that is one reason we get in the 30-year repayment period. Another reason, as the Senator knows, is that some countries plead that they have short-term financial difficulties and that a period of grace of 10 years, might get them over difficulties so that they are in a better position to repay.

I admit the answer to my own argument is simply very rapidly we begin to get close to a grant in terms of the real value of dollars in the present sense, is that in some cases countries prefer not to have grants, or we prefer not to give the money away. We prefer at least to have a chance at earning some return in terms of interest on it.

Mr. MURKOWSKI. I wonder if I could pose one additional question to my friend from Indiana, and recognize I am not at all being critical of our relationship or our many friends in Korea. I have the utmost regard for the Koreans and what they stand for.

Again my point is to give an example of the inconsistency of the program. What possible contributions are we making to Korea when we are making them a loan of $228 million for the 1986 fiscal FMS and they are required to pay us back $231 million in repayments on the outstanding accrued principal?

Mr. LUGAR. We may be making life very difficult for Korea in the instance that the Senator suggested. But I suppose the common sense answer is also that we could forgive the $231 million if we wished to do so. For various reasons, primarily our own revenue needs, we have not chosen to do that.

I think the Senator's whole point is an interesting one concerning what is our best national interest as well as the interests of our allies we are attempting to help.

Mr. MURKOWSKI. I thank the chairman, and I agree with him.

I would be pleased to debate the merits of perhaps forgiving the accrued balance that Korea owes if that were the question. I am not necessarily suggesting that.

But the reality that they are paying us $3 million more than they are getting points out my concern on this issue.

I do believe this is my last question. When we consider the question of changing abruptly the program, I am sensitive to that and can understand the Senator's reluctance and perhaps the concern of the administration to dramatic change. I point out that there are only six countries that are receiving loans under this program at this time. But we have already seen within the last few days a change of two countries. Greece has switched, quite appropriately so—and I am not being critical at all—from an extended payment loan to a concessionary loan. And Spain has been added as a recipient of an extended repayment loan.

This was done just with some communication. But it points out that there is the capability for abrupt changes.

So I ask the chairman, does this seem too great a change when one recognizes that a third of the countries considered have already been changed from one category to the other? Why is it so unsuitable for us to consider changes when there are only four remaining countries that have not had a very recent change? If we are ever going to correct a program, we should correct it as we go along and recognize the inconsistencies of it. We do have inconsistency in this FMS program because of the extended term.

Mr. LUGAR. Let me just respond to the distinguished Senator by saying that indeed the news of these changes did come swiftly. My best information is that considerable discussion preceded that news and that the decisions were not reached abruptly. The point I have tried to make is that through study and discussion with the four remaining countries—and there may be others that we do not know about where arrangements are being contemplated—we should have time for the policymakers in those governments and in our own to think through what is going to happen.

It may very well be that the Senator has information of discussions with the remainder of the countries. Maybe we will be surprised by unusual announcements.

But I think that is unlikely, and I think the need for consultation and for some timely study of this issue is important.

Mr. MURKOWSKI. I thank my colleague, the chairman of the Foreign Relations Committee, and I do agree.

I wish to close by making one reference to a sensitivity that I think is very apparent.

As we have debated the merits of the recent reduction in the budget, the commitment to try and reduce the greater growth of our deficit, all our citizens have been called upon to make sacrifices. I suppose we could generalize by saying sacrifices have been made in the sense that the foreign assistance budget is lower than the level the administration has proposed. But we are not talking about dollars here. What we are talking about is a principle. We must recognize when a program has gone askew. We see our elderly asked to make sacrifices on Social Security COLA's, our veterans asked to make sacrifices on veterans COLA's, our farmers, on and on and on. Obviously, we must be sensitive to these concerns when we review the foreign assistance budget.

Again, while I recognize we are not disagreeing about assistance levels, we are talking about a sensitivity to a program, there indeed is a relationship in the sense of what it is for, specifically, that is the acquisition of equipment from our private sector through loans made by the Government. that equipment has a life span of 10 to 12 years. By a country borrowing for 30-year repayment, we are forcing them to get into a debt cycle that I think if we had an opportunity to sit down and talk to their treasurer, he would openly acknowledge that this is not in the long-term best interests of that country. We know it is not in the long-term best interests of our own country to make this available. I agree with the chairman that these countries are going to ask for it because it puts off their problem into the future.

But our resonsibility I think is a real one in the sense that the United States does not buy friendships with money. The United States depends on relationships built on a foundation of other than just monetary considerations.

I want to think that in the spirit of offering this amendment those particular countries that are the proposed recipients of the extended repayment will consider the intention of the Senator from Alaska. That intention is simply to recognize that virtually every country in the world has a staggering debt problem because the governments are not facing up to the realities associated with that accumulated debt. The private sector, whether it be the private banks of this country or others, have not faced up to the realities of how much debt a country can have, and here we are today debating the very same principle.

And that principle, Mr. President, is one of fiscal responsibility. And to make available extended debt that countries cannot possibly repay is a fiscal irresponsibility that I would much prefer to debate with the chairman of the Foreign Relations Committee on the merits, including whether we should give them a simple grant based on our understanding of what that grant should mean to our Nation and our own national security. But since we do not have that opportunity and we are forced to relate to what is before us, Mr. President, I can only ask for your support and that of my colleagues in the sense of recognizing the purpose of my amendment.

Again, I appreciate and want to thank my colleague, the senior Senator from Indiana, who has obliged me in giving me an opportunity to present fully the merits of my amendment. For that I am most thankful.

Again, I trust that those nations that will have an opportunity to reflect on this debate will recognize the intention for which the amendment was offered.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER [Mr. Quayle]. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PELL. Mr. President, I, too, must join the chairman of the Foreign Relations Committee in opposing this amendment. If it were passed at this time it would cause a good deal of confusion and difficulty. For that reason, I am compelled to oppose its adoption.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment of the Senator from Alaska [Mr. Murkowski]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] the Senator from California [Mr. Wilson] are absent due to illness.

Mr. CRANSTON. I announce that the senator from Nebraska [Mr. Exon] is absent because of illness.

The PRESIDING OFFICER [Mr. Helms] Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 27, nays 70, as follows:

[Rollcall Vote No. 81 Leg.]

YEAS—27

Abdnor
Andrews
Bingaman
Burdick
DeConcini
Garn
Goldwater
Gramm
Grassley
Harkin
Hatfield
Hollings
Kassebaum
Mattingly
McClure
Melcher
Murkowski
Nickles
Pressler
Proxmire
Roth
Specter
Stevens
Symms
Thurmond
Wallop
Zorinsky

NAYS—70

Armstrong
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Byrd
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Evans
Ford
Glenn
Gore
Gorton
Hart
Hatch
Hawkins
Hecht
Heflin
Heinz
Helms
Humphrey
Inouye
Johnston
Kasten
Kennedy
Kerry
Lautenberg
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
McConnell
Metzenbaum
Mitchell
Moynihan
Nunn
Packwood
Pell
Pryor
Quayle
Riegle
Rockefeller
Rudman
Sarbanes
Sasser
Simon
Simpson
Stafford
Stennis
Trible
Warner
Weicker

NOT VOTING—3

East
Exon
Wilson

So the amendment (No. 125) was rejected.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPECTER, Mr. TRIBLE, and Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania sought recognition first, and I believe he wishes to yield to the Senator from Virginia. Is that correct?

Mr. SPECTER. I ask unanimous consent that I might yield to the Senator from Virginia without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TRIBLE. Mr. President, I rise in support of this year's bill to authorize foreign assistance for fiscal year 1986.

This legislation will enable the United States to meet its international commitments in a manner consistent with the need to restrain Federal spending. In fact, the amounts authorized in this bill represents a virtual freeze in budget authority. I want to commend the distinguished chairman of the committee [Mr. Lugar], for his exceptional effort at balancing the demand for funds with the need to reduce the Federal deficit.

The chairman and the distinguished Senator from Rhode Island [Mr. Pell] at forging legislation that commanded broad support in the committee. Largely as a result of his efforts, it is likely that the Senate will approve foreign assistance legislation for the first time in several years.

There is much to recommend this bill to the Senate. It sustains our commitment to peace in the Middle East, it lends support to those nations that protect NATO's Southeastern flank; it continues our efforts to foster peace and prosperity in Central America, and it aids those countries that enhance American security either by granting us basing rights or by furthering American foreign policy objectives.

As in the past, the largest amounts are provided to the signatories of the Camp David accords, Egypt and Israel. The Camp David accords remain the foundation on which a wider Mideast peace must be built. By assisting the two nations who have made peace, we demonstrate our assurance of aid to other nations willing to pursue the path of peace.

For Israel, the committee approved economic assistance of $1.2 billion and military assistance of $1.8. The amounts for Egypt are $815 million and $1.3 billion. These sums are for fiscal 1986.

Both Israel and Egypt are experiencing severe economic difficulties and both have taken steps to reinvigorate their economies.

Israel has curbed its policy of indexation, agreed to restraints on wage increases, and slowed the growth of government spending. This reform and austerity program is showing signs of success.

Egypt, too, has taken a number of steps to eliminate subsidies, and is reportedly planning to take additional steps in the future.

In light of the current economic distress and the efforts of Egypt and Israel, I am pleased that the authorization of supplemental economic assistance for 1985 has been included in this bill. The additional $1.5 billion for Israel and $500 million for Egypt will enable these two countries to cope with their current difficulties.

The committee's bill provides concessional military assistance to Greece and Turkey, maintaining the 7:10 ratio which has characterized previous American aid, and which provides the necessary balance in military support for our two NATO allies.

Like many of my colleagues I remain concerned about the apparent lack of progress in achieving a peaceful reunification of the Island of Cyprus. It would be my hope that discussions could take place at the highest level to being stability and self-rule to Cyprus at the earliest possible date.

In addition, the committee affirmed its support for the recommendations of the Bipartisan Commission on Central America. Fostering democracy improving living conditions and restoring peace are essential not only to U.S. security but to the entire hemisphere. We can achieve these goals only through a long range and forward looking policy, one that maintains an adequate level of economic and military support. In this way we can confront successfully the complex humanitarian, economic, political, social and security issues of the region.

Finally, the legislation provides for a significant effort to meet basic human issues. The plight of sub-Saharan Africa—particularly of Ethiopia and the Sudan—must stand in the forefront of our concern. The needs remain immense, the threat to life still hangs over millions.

The short-term aid provided by this Congress must be supplemented by a long-term strategy intended to ameliorate the problem of hunger. In its report the committee urges AID to devise such a strategy. This cannot come soon enough.

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Mr. President, this bill makes a substantial contribution to the security of our Nation, to the cause of peace and freedom, and to the well-being of millions around the world. I urge my colleagues to support it.

I yield to the distinguished Senator from Pennsylvania and thank him for this time he yielded to me.

AMENDMENT NO. 126

(Purpose: To prohibit trade with Libya and other countries engaged in terrorism)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. Specter] proposes an amendment numbered 126.

Mr. SPECTER. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On p. 64 at the end of the bill, add the following new section:

Sec. (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya or any other country determined by the President to be engaged in terrorism from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya or any other country determined by the President to be engaged in terrorism.

(c) For purposes of this Act, the term "United States" includes territories and possessions of the United States.

(d) Any action taken pursuant to this section shall conform to the requirements of section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. §17).

Mr. SPECTER. Mr. President, this amendment seeks to provide to the President of the United States the authority to stop all trade with Libya and, further, to terminate trade with any other country which is engaging in acts of terrorism.

The amendment provides that any action taken pursuant to this section shall conform to requirements of section 204, the International Emergency Economic Powers Act, which requires consultation and generally congressional interaction between the executive branch and Congress.

Mr. President, I submit that legislation of this sort is vitally necessary as a minimal approach to deal with the problems of international terrorism. The situation with Libya sank to an incredible low last year when the British policewoman was brutally murdered outside the Libyan Embassy in Great Britain. Under the guise of diplomatic immunity, the murderers were permitted to leave Great Britain.

Libya has carried on a course of international terrorism in a very flagrant and outrageous way. It is apparent, listening to the words of Muammar Qadhafi, the dictator of Libya. In a speech marking the seventh anniversary of his revolution, he spoke about the Beirut bombings that claimed the lives of over 260 U.S. Marines and bragged that:

> The defeat the Americans suffered in Lebanon is not less than its defeat in Vietnam * * * the Marines, who can land and occupy any place in the world—they were dealt a powerful blow by the blowing up of the U.S. and French headquarters and were forced to leave.

Qadhafi went on:

> If we are able—we the revolutionary forces, the Libyans, the steadfast Syrians, and Palestinian resistance—to overthrow the May 17 Agreement (the Lebanese-Israeli disengagement agreement) it would mean we have the power to overthrow the Camp David Agreement by the Liberation of Egypt.

Qadhafi is clearly bent on the destruction of Egyptian President Mubarak and President Nimeiri of Sudan. "They are the agents of America," he said in his speech.

> The ones who enter Camp David and those who welcome Mubarak, who is head-to-toe sinking in treason. They entered the list of Sadat, the Camp of Shame, which must be liquidated either individually or in the form of a revolution against their regime.

It may come as a surprise to many Americans that between 1981 and 1984, the United States exported over 1½ billion dollars' worth of goods to Libya and imported more than 6 billion dollars' worth of goods from Libya. Trade with Libya actually increased in 1984 over 1983 levels. Exports for 1984 were up to $200 million from $190.9 million in 1983, and imports rose from less than $1 million—$.9 million—in 1983 to $10 million in 1984. So far, in 1985, U.S. exports to Libya total $41.9 million and U.S. imports from Libya are $1.5 million.

This subject came up when Secretary of State George Shultz appeared before the Foreign Operations Subcommittee on March 7, 1985.

This is a portion of his testimony:

> Senator Specter. Mr. Secretary, on the subject of terrorism, this is a vast subject, and I am going only to touch one phase of it. You and I had a number of discussions about it in the past, but I would like to pursue one line.
>
> Qadhafi has this week been reported or stated that he is prepared to carry out Lybia's policy of assassination worldwide. There is a real issue here about his conduct requiring some very, very forceful response in line with the conduct of so many of the terrorists calling for some forceful response, but that is a question really for another day.
>
> You and I had occasion to discuss informally the issue of our trade with Lybia, and I have gotton the updated figures and confirmed them again this morning from the Department of Commerce about our trade with Lybia, and in 1983, we had $190.9 million in exports and $900,000 imports. In 1984, $200 million in exports; $10 million in imports. And in the context of the murder of an English policewoman last year and Lybia's continuing course, why do we continue to trade with them?
>
> Secretary Shultz. From the government standpoint, we do everything we can to discourage and stop trade and discourage Americans from being there. We are not in a position to prohibit people from going there nor can we literally stop all trade.
>
> Senator Specter. You do not have the authority under existing law to stop all trade?
>
> Secretary Shultz. No.
>
> Secretary Specter. Would you support legislation? I am prepared to introduce it promptly, giving you congressional authorization. It will have to be approved by the President——
>
> Secretary Shultz [interposing]. As far as I am concerned, we are better off if we don't have any trade with Libya under the circumstances, as you described them, and I don't quarrel with them at all. I agree with you. I don't say that thinking that by cutting off our trade that puts some special crimp on their capacities because other countries do trade with them, and it is replaceable.
>
> So the business of the sanctions will work in the sense of putting an economic squeeze on Libya, but I think that from our standpoint, we just shouldn't want to deal with them.
>
> Senator Specter. I am glad to hear your view on that and your support for such legislation. As I say, I will introduce it promptly.
>
> Secretary Shultz. I don't want to give a blanket endorsement to some legislation that my lawyers haven't read, but subject to that qualification, I will be delighted to look at it.
>
> Senator Specter. I have heard an endorsement of a bill to stop U.S. trade with Lybia; do I hear correctly?
>
> Secretary Shultz. Yes, sir.
>
> Senator Specter. Wonderful. The second part of that subject, I can't understand why Great Britain deals with Lybia, and I don't expect you to answer that question, but I would hope that we would take leadership with other nations to boycott Lybia economically. I think we could make a real change in Qadhafi's policies if we at least went that far.
>
> Would you be willing to undertake an initiative to encourage Great Britain and other Western democracies not to trade with Lybia?
>
> Secretary Shultz. Well, we have tried, but we haven't succeeded because their economic stakes and numbers of people, and so forth, persuade them that they shouldn't do it.
>
> Senator Specter. Like you say, on so many of the other lines, it is something we ought to keep trying.

Mr. President, when Secretary of State Shultz raises the point that action by the United States will not necessarily cut off Libya's access to materials which are exported there, it is undoubtedly true, but I believe that our Government should take the leadership and say to the world that an outlaw nation like Libya ought not to be traded with. If we take this position, then it would be a motivation for the British to do the same thing. Actually, in my judgment, the British should have taken the lead on this kind of sanction, since it was their policewoman who was the victim and the coldblooded murder occurred in British territory. If we do not take the lead, then it will be business as usual with Libya and we will continue to do business with an international criminal.

In terms of purchases from Libya, there is absolutely no justification for our buying anything from Libya. When we talk about having action by the United States of America in authorizing retaliatory action; as came to light during the course of the past week, it may be necessary to undertake some action in the future which will have to be very carefully thought through. But an economic sanction is much less forceful in its terms, much easier to carry out successfully, much easier to formulate, and can be effectuated without the great risk of having any retaliatory forceful action.

Mr. President, it is my view that the United States and the world authorities ought to be doing a great deal more on the subject of terrorism than we are.

Pursuant to that, this Senator has submitted a sense-of-the-Senate resolution calling for a revision of the Vienna Convention with respect to diplomatic immunity. This Senator has also introduced legislation which would make it a violation of the laws of the United States for any diplomat to use a firearm. There is no justification for diplomatic immunity to extend to acts of violence, to murder, and assault with intent to kill, and to assaultive conduct with a firearm.

I believe further, Mr. President, as encompassed in my sense-of-the-Senate resolution, that the United States should take the leadership on the world scene to have terrorism classified as an international crime, so that terrorists could be prosecuted wherever they are found.

Under the normal principles of criminal procedure, someone accused can only be tried in the jurisdiction where the offense was committed, as a basic requirement of venue.

There was an exception to international law under the doctrine of piracy, where a pirate could be prosecuted wherever he was found. Some authority exists in terms of the offense of torture, for making and classifying torture an international offense. It is my sense that terrorism should be an international crime, so that terrorists could be prosecuted wherever they could be found.

Mr. President, I further believe, supported by legislation which this Senator has introduced, that the United States should enact legislation which would make it a crime for anyone to assault an officer, an agent, or an employee of the United States in the performance of official duties anywhere in the world.

We have authority to have that kind of extraterritorial jurisdiction.

There is the case of *Kerr* versus *Illinois*, which set a very important principle under a doctrine articulated by the Supreme Court of the United States, going back to 1886.

In the *Kerr* case, the State of Illinois routed out Kerr in Peru and brought him back to Illinois for trial. Kerr defended the case all the way up to the Supreme Court of the United States on the ground that he was abducted and brought back to Illinois for trial, without appropriate extradition. The Supreme Court of the United States said that the Kerr conviction was proper and that the court could have acquired jurisdiction even if it amounted to abduction.

The principles of *Kerr* have been repeatedly upheld in courts of the United States, including a learned opinion by Justice Hugo Black in a Supreme Court decision in 1950. Few Justices in the history of our Supreme Court have been more noted for their concern about civil liberties than Justice Black.

The principles of *Kerr* have been affirmed by courts of appeals within the past few years. So that there is precedence for taking terrorists into custody through the process of arrest worldwide, should we choose to take that action.

Mr. President, I have discussed some of those aspects of what we might do to deal with international terrorism which would be much more drastic than simply a provision to cut off trade with Libya or with other countries that are engaged in terroristic activities. In formulating this legislation, I had considered enumerating a number of countries, such as Iran, or Syria, or other countries which support terrorism, and I decided not to do so because it might interfere with negotiations which are currently under way in the Mideast. But I did think it appropriate, while directing this legislation principally against Libya, to include a provision that the President of the United States might prohibit imports or exports from other countries where there is a determination made by the President that those countries are engaged in terrorism, as it is obvious that Libya is so engaged in acts of terrorism.

Mr. MATHIAS. Mr. President, will the Senator yield for a question on that point?

Mr. SPECTER. I yield.

Mr. MATHIAS. Mr. President, I want to salute the Senator for his vigorous opposition to terrorism. As he has told the Senate, he has been consistent, and persistent, and totally dedicated in his opposition. I agree with the thrust of what the Senator proposes to do in the amendment before the Senate.

One of the problems, however, with terrorism—in fact, one of the most pernicious evils of terrorism—is that it forces innocent people to live in an armed camp, to surround ourselves with all kinds of weapons that we would not normally choose to employ, and that includes legal weapons.

My question to the Senator is this: Would it not be desirable, on line 5 of his amendment, to substitute the words "the President" for the words "the joint resolution"?

In other words, it would make that determination of the addition of other countries a matter in which Congress participates in the decision. This would make Congress and the President coordinate partners, as I believe the Constitution intended them to be, in important decisions of foreign policy. It would give an extra thrust to any determination that another country was to be added to the list. It would give Congress an opportunity to speak, and to speak for the American people, and I believe it would add something to the Senator's original proposal.

Mr. SPECTER. I thank the distinguished Senator from Maryland for his question.

I am not committed to the precise language or every comma in what I have sent to the desk, but I have concerns with what the Senator from Maryland has suggested, in terms of the practicality of getting that kind of congressional input. It would require a joint resolution by Congress identifying some nation as a nation which is engaged in acts of terrorism.

It seems to me that the requirements of section 204, the Emergency Economic Powers Act, to which I referred earlier, do contain some significant limitation on the President.

I call the Senator's attention to the specific language, which provides that "the President, in every possible instance, shall consult with the Congress before exercising any authorities granted by this chapter, and shall consult regularly with the Congress so long as such authorities are exercised."

Section (b) provides:

> Whenever the President exercises any of the authorities granted by this chapter, he shall immediately transmit to the congress a report specifying—
>
> (1) the circumstances which necessitate such exercise of authority;
>
> (2) why the President believes those circumstances constitute and unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States;
>
> (3) the authorities to be exercised and the actions to be taken in the exercise of those authorities to deal with those circumstances;

(4) why the President believes such actions are necessary to deal with those circumstances; and

(5) any foreign countries with respect to which such actions are to be taken and why such actions are to be taken with respect to those countries.

Then there is section (c), which I shall not read, relating to periodic followup reports, and (d), supplemental requirements.

So Congress has powers analogous to those of the executive branch, and we do have these requirements of executive responsibility.

I am just concerned that if we have to come back to Congress for this type of determination, we will not act. It is very surprising to me that the President does not have the authority today. When I first discussed this matter informally with the Secretary of State, he was surprised that we trade with Libya. When I talked with my colleagues there was surprise.

Mr. MATHIAS. Mr. President, will the Senator yield for a question?

Mr. SPECTER. I yield.

Mr. MATHIAS. The Senator has made his purpose in citing the provisions of section 204 very clear, and I have a copy of that statute before me.

The Senator is a distinguished Philadelphia lawyer, and I hesitate to even pose a legal question to a Philadelphia lawyer. But would it not take more than a mere reference to section 204 of the International Emergency Economic Powers Act to accomplish what the Senator wants to do? Would it not be necessary to provide that in exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in section 204 of the International Emergency Economic Powers Act?

It seems to me that it is necessary to do a little more than simply reference that provision of law.

However, I still revert to my earlier suggestion that the Senator reconsider, to provide that you could add a new country—I am not talking about Libya now. Once we have acted on this, the President's power would be whole and complete to deal with Libya.

But to say that a President could simply look at a map, pick out a new country without any reference to any other provision of law is, it seems to me, aggrandizing power of the Presidency in a fashion that is unnecessary for the problem.

What you might do is to include it within the emergency powers concept so that the President declares an emergency as he did in the case of Nicaragua and then exercise emergency powers or you can set it up in that framework in which there is some ultimate review by Congress.

But if you simply grant this power to the President without my review by Congress, without any kind of guideline under which he may exercise this authority, we are in fact doing exactly what terrorists would like us to do, disrupting our own system of government and our own sense of values in order to cope with the kind of problems that they are presenting.

So I urge those two suggestions upon the Senator and hope that he might accept them as amendments to his amendment.

Mr. SPECTER. As to the first suggestion, the language currently reads that "any action taken pursuant to this section shall confrom to the requirements of section 204 of the International Emergency Economic Powers Act."

But I would be willing to adopt the language suggested by the Senator from Maryland. Would he repeat the language?

Mr. MATHIAS. "In exercising the authority granted by this section, the President shall adhere to the consultation and reporting requirements contained in section 204 of the International Emergency Economic Powers Act."

Mr. SPECTER. I would be willing to accept that modification.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPECTER. How may that be accomplished most directly?

Mr. MATHIAS. By sending it to the desk.

The PRESIDING OFFICER. The Senator may, of course, modify the amendment and I assume the Senator from Maryland will send the modification to the desk.

Mr. SPECTER. Mr. President, I ask that my amendment be modified in accordance with the language submitted by the Senator from Maryland.

The PRESIDING OFFICER. The Chair so authorizes the modification.

Mr. SPECTER. It is so modified, Mr. President?

The PRESIDING OFFICER. Yes.

Mr. SPECTER. I thank the Presiding Officer.

The modified amendment is as follows:

On p. 64 at the end of the bill, add the following new section:

SEC. (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya or any other country determined by the President to be engaged in terrorism from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya or any other country determined by the President to be engaged in terrorism.

(c) For purposes of this Act, the term "United States" includes territories and possessions of the United States.

(d) Any action taken pursuant to this section shall conform to the requirements of Section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. § 1703).

(e) In exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in Section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. 17).

Mr. SPECTER. Mr. President, with respect to the second suggestion, the President could make a determination with respect to Libya or other countries under existing law by declaring a national emergency as the President did recently with respect to Nicaragua.

Mr. MATHIAS. And the importance there would be having declared a national emergency it becomes subject to the review of the Emergency Powers Act and Congress in the fullness of time has an opportunity to look at it, to debate it, and perhaps to support it or to modify it or if Congress is in violent disagreement, to change it. I cannot imagine that would be the case in reference to a terrorist activity. But, nonetheless, there is at least a kind of review that will be important in the larger scheme of things in keeping the Government of the United States in some sort of equilibrium in which we do not allow any one branch to gain disproportionate power over the other.

Mr. SPECTER. While the discussion is continuing, I will take a look at this language and will consider the point which Senator MATHIAS has made.

Mr. MATHIAS. I thank the Senator.

Mr. SPECTER. I indeed will consider it.

Mr. President, at this stage, I yield the floor. Perhaps there is other debate.

But I do ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PELL. Mr. President, I wish to ask the Senator from Pennsylvania one question, which is whether his definition of "terrorism" is the definition found currently in law in the Foreign Intelligence Surveillance Act of 1978.

(c) "International terrorism" means activities that—

(1) involve violent acts or acts dangerous to human life that are a violation of the criminal laws of the United States or of any State, or that would be a criminal violation if committed within the jurisdiction of the United States or any State;

(2) appear to be intended—

(A) to intimidate or coerce a civilian population;

(B) to influence the policy of a government by intimidation or coercion; or

(C) to affect the conduct of a government by assassination or kidnapping; and

(3) occur totally outside the United States, or transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended

to coerce or intimidate, or the locale in which their perpetrators operate or seek asylum.

My understanding is that this is the standard definition of "terrorism." Does that accord with the views of the Senator from Pennsylvania?

Mr. SPECTER. I believe that the distinguished Senator from Rhode Island has read the language under existing law as to the definition of "terrorism."

Mr. PELL. The Senator is correct.

Mr. SPECTER. Will the Senator cite the source for me?

Mr. PELL. The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. section 1801(c)).

Mr. SPECTER. The answer to the Senator's question is yes.

Mr. PELL. I thank the Senator very much.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, after conferring with the distinguished chairman of the Foreign Relations Committee, Senator LUGAR, and the distinguished ranking member of the committee, Senator PELL, I am prepared to accept a modification to the amendment which will strike the words "the President" and insert in place thereof "joint resolution", so that the provision would now have the effect of prohibiting trade absolutely, giving the President the authority to prohibit trade absolutely as to Libya and any other country so designated by joint resolution.

The PRESIDING OFFICER. The Chair would advise the Senator of two things. One is it would require unanimous consent and the second would be to send the proposed modification to the desk.

Mr. SPECTER. Mr. President, I do at this time send the proposed modification to the desk and ask unanimous consent that the proposed modification be permitted.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment (No. 126) as further modified is as follows:

On p. 64 at the end of the bill, add the following new section:

SEC. (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya or any other country determined by joint resolution to be engaged in terrorism from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya or any other country determined by joint resolution to be engaged in terrorism.

(c) For purposes of this Act, the term "United States" includes territories and possessions of the United States.

(d) Any action taken pursuant to this section shall conform to the requirements of section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. 1703).

(e) In exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in Section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. 17).

Mr. SPECTER. Mr. President, in providing for this modification, there will be a significant advance in the present law in that this amendment does achieve the principal objective of this Senator, and that is that the President shall have the authority to stop all trade with Libya. So that is what was in mind at this time.

As stated earlier in the discussion, this Senator had decided not to enumerate other countries at this time for reasons which I mentioned. We will have an opportunity at a later time to revisit this issue in terms of perhaps at a later date proceeding with the amendment in its original text and some of the after-the-fact consideration in considering the provisions of the use of powers under the declaration of a national emergency. There is a problem of the Chadha decision as to how we would handle that. That is a complicated factor which seems to me to warrant proceeding with this matter by a joint resolution. We will be achieving the desired objective as to Libya. Other nations can be added by joint resolution, and we can consider perhaps another modification in the law at a later date.

So with that modification, it is my understanding that the amendment, as modified, is agreeable. If that is so, then I ask unanimous consent that the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LUGAR. Mr. President, I would like to ask the distinguished Senator from Pennsylvania whether the term "joint resolution" replacing "the President" occurs in both line 5 and line 11 of the amendment?

Mr. SPECTER. It does.

Mr. LUGAR. I thank the Senator.

Mr. SPECTER. The document just sent to the desk has that modification in both places.

Mr. LUGAR. Mr. President, I appreciate very much the constructive work of the Senator from Pennsylvania and other Senators on this amendment. It is an important amendment. It will strengthen our legislation. We are prepared to accept it. I personally support it.

Mr. PELL. Mr. President, I join the chairman in supporting this legislation. It serves a useful purpose. I commend the Senator from Pennsylvania on it.

Mr. SPECTER. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania [Mr. SPECTER].

The amendment (No. 126), as modified, was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. LUGAR. Mr. President, earlier this afternoon, the distinguished Senator from Pennsylvania [Mr. SPECTER] offered an amendment (No. 126) on terrorism, which was subsequently modified. I have the corrected text of that amendment before me, and I ask unanimous consent that this corrected text be submitted for the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

On p. 64 at the end of the bill, add the following new section:

SEC. (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya, or in any other country determined by joint resolution of Congress to be engaged in terrorism, from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from the being exported to Libya, or to any other country determined by a joint resolution of Congress to be engaged in terrorism.

(c) For purposes of this Act, the term "United States" includes territories and possessions of the United States.

(d) In exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. § 1703).

(Conclusion of later proceedings.)

Mr. DOLE. Mr. President, I want to indicate for many of my colleagues who have asked me about this evening that I understand the manager is making excellent progress on the bill, and we do hope to finish it. But again I do not know how quickly that will come. Hopefully those who have amendments will notify the managers on each side that they have amendments, and that those who will offer amendments will do so rather quickly.

There are a number of Members who have commitments that begin as early as 6:30. It is my hope that we can complete action by 6:30. If we complete action on this bill tonight, that will be all we will do this evening. We will not bring up the DOD authorization bill. In fact, they are still in markup I understand. We do have the recordkeeping conference report. But I understand there will not be a rollcall on that.

Mr. HART. Mr. President, will the distinguished majority leader yield for a question?

Mr. DOLE. I am happy to yield for a question.

Mr. HART. What would be the leader's intention if we do not finish by 6:30 this evening?

Mr. DOLE. To have a little, 1-hour intermission and come back after that. It is up to the managers. I assume the managers would like to complete this. I am getting a firm response from both sides.

Mr. HART. I thank the distinguished majority leader.

Mr. DOLE. I thank the distinguished Senator.

I thank the Chair.

AMENDMENT NO 127

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] proposes an amendment numbered 127.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, beginning on line 5 with "Notwithstanding" strike out all through the end of line 7.

On page 2, line 12, strike out "$5,464,500,000" and insert in lieu thereof $5,269,300,000".

On page 14, line 18, strike out "$805,100,000" and insert in lieu thereof $1,000,300,000".

Mr. MURKOWSKI. Mr. President, I wish to place before the Senate an amendment on the FMS Program which further refines the excellent bill that Senator LUGAR has placed before the Senate. This proposed amendment eliminates the legal fiction known as the Foreign Military Sales Concessionary Loan Program and proposes to replace it with a combination of market rate loans and MAP grants.

While there would be no gain or loss in the amount of military assistance, through this amendment, presuming the Senate increases the MAP level accordingly, we would, by adopting this amendment, simplify and rationalize our military assistance program and be honest with ourselves and our allies and our friends.

Mr. President, I would ask that we consider for just a moment the reality of what this concessionary loan currently provides to the recipients. It provides a preferential loan rate of 5 percent. I ask you, Mr. President, where in this country can Americans get a loan of any kind for a rate of 5 percent?

The proposal is that this program be abolished and that only the standard loan rate be available to FMS recipient countries.

I would like to add for my colleagues' consideration that the normal FMS rate structure offered is roughly 12 percent, or the rate at which the Federal Government is able to borrow. Mr. President, that is the most preferred rate available.

Let me again reiterate very briefly the significance of concessionary rate loans to certain of our friends and allies at a rate of 5 percent—when the regular program is made available to another group of countries at the very best rate which our Nation is able to borrow, approximately 12 percent. I think my colleagues will agree that the latter in itself certainly is a favorable rate structure and much lower than any at which American citizens or the American business community can borrow.

That is not the point, Mr. President. The point is simply that we are not recognizing the grant feature in the concessional loan program. Obviously, there is a consideration of grant between the general program which is at 12 percent, and the preferred concessionary program which is at 5 percent. What we do not recognize is that the difference in rates is a grant and it should be recognized as a grant.

The administration originally proposed a total of $650 million in concessionary loans, that is, a 5-percent rate on the borrowings over 12 years for 15 countries in the fiscal year 1986 fiscal year proposal. This represents approximately 25 percent of all FMS loans for countries other than Egypt and Israel which are quite correctly treated differently and left out of my concessionary loan discussion.

Because of the reduced interest rates, the U.S. Treasury, that is, our tax dollars, Mr. President, must pay the difference in the receipt of interest of 5 percent and the market rate currently at 12 percent. This represents the grant, or the subsidy, or whatever you want to call it, element of this program. To suggest that is anything but a grant is inappropriate in the view of the Senator from Alaska. What this simply means is that we are increasing our budget deficit through yet another diplomatic device that over the course of the loan will mean that the nation, involved will pay back 30 percent less than if it were paying at the rate of 12 percent. That is, over the 12-year term that countries would, for the $650 million proposed, pay us back a total of $874 million at a rate of 5-percent interest and some $1.24 billion if the rate was 12 percent. The difference in payback is approximately 30 percent.

I would like to make this very clear to my colleagues, and emphasize to the chairman, and to the distinguished ranking member of the Foreign Relations Committee, that, as I noted at the beginning of the debate, I do not propose to decrease aid levels for any country or for the overall program. The aid levels as recommended by the administration and modified by the Foreign Relations Committee should remain. However, what I do propose is that since the concessionary loan program contains a grant element of 30 percent—this is the amount of money the Treasury has to make up in any case—then let us call it a grant and be done with it. That is, let us take the amount of money involved in a typical program of concessionary loans and give the country 70 percent of the money at the current market rate, 12 percent, which is the best rate the Federal Government can borrow at, with a 5-year grace period and 7-year repayment as usual. But the remaining 30 percent I am suggesting not be retained as a loan but rather should be given on a country-by-country basis under the MAP Program as a grant under the discretion of the State Department. This is a true grant program and it is appropriate since that is what it is. But now we do not call it a grant. We call it something else. We call it preferred interest of concessionary rate.

I suggest that by granting this differentiation between 5 and 12 percent we are honestly recognizing our responsibility in the legislative process.

Mr. President, I note again that the net effect in terms of payback under my proprosal and the current program would be the same. But we would again institute the truth in lending into our FMS Program, have a more streamlined, honest, and rational military assistance loan program, and be able to recognize and utilize grants when appropriate.

Mr. President, in a time of budgetary austerity it is essential that we in the Congress be honest and frank with the American people as well as our friends and allies. This proposal achieves that objective while also opening the way for the future use of this means when necessary to achieve our foreign policy objectives of furthering the security of our friends and allies.

I trust my colleagues will see it in that light also and vote into law the abolition of this misguided program as well as the appropriate increase in the amount of MAP.

Mr. President, as regards the countries that are affected here—it is not the intent of the Senator from Alaska

to eliminate anything that is recommended to these countries. I would simply recognize the differentiation between 5 and 12 percent and make that a grant at the discretion of the State Department.

Mr. President, we must recognize that Americans are sacrificing to meet the obligation to try and reduce the rate of growth of our deficit, a deficit which in this fiscal year is going to approach $180 to $220 billion. And we must realize, Mr. President, that probably next year the interest on our total debt of $1.8 trillion will be in excess of next year's anticipated deficit.

Most Americans are aware that 18 cents out of every dollar spent by the Federal Government goes for interest on the accumulated debt of $1.8 trillion. My point simply is, Mr. President, to recognize that it is time to examine all our subsidized loan programs and to suggest that we should not be granting loans at 5 percent under our FMS programs. I think this is an unintentionally deceptive effort in not being totally honest with the taxpayers of this country. The taxpayers of this country are not able to borrow at 5 percent. Yet I totally agree that we should be making grants to countries that are deserving of those grants and if it is in our own national interest. My amendment will allow us to achieve those objectives.

Mr. President, this proposed amendment also gives us the opportunity to be open and forthright, and to make grants to appropriate countries that are acting reciprocally to further our mutual best interests. It also puts the responsibility on determining which countries should get grants where it should be, with the Secretary of State.

Mr. President, there are 16 countries involved in this program, including Greece. The total amount is now some $1.150 billion. But the essential facts are that at a 5-percent rate over 12 years the recipient country pays back 30 percent less than under a 12-year market rate, the repayment over the first 5 years would be slightly higher under the 12-year loan for 70 percent of the assistance figure, which would be to an short-term benefit. But the reality is that we would be offering these countries the same amount of aid and each country would be receiving the same recommended amount. The only difference would be that the 30-percent portion would be recognized as a grant. I think that is a responsible judgment as to just what our responsibility is, as opposed to a concessionary loan program which is unjustified, as well as pretty hard for the American taxpayer to support let alone understand. There is an old cliche, Mr. President, that charity begins at home. I do not think it is necessarily applicable in all instances. But when we consider the realities of being anything less than forthright in the manner in which we make military assistance grants and when we attempt to hide the grants under a concessionary loan differential, the difference between 5 and 12 percent, these actions I think, Mr. President, bear the scrutiny of this body. This was the purpose of the amendment. I urge my colleagues to examine it closely and judge its merits. I would be happy to respond to any questions.

Mr. LUGAR. Mr. President, the Senator from Alaska has brought to our attention another problem of loans and grants at concessionary rates, and these subjects are complex. I congratulate the Senator on attempting to frame the issue in ways that we might understand. I shall try to refine the process a little further to indicate what I believe is the basic dilemma we face in the financing of foreign military sales. I know the sincerity of the Senator from Alaska and his desire to pursue this amendment. I would hope that he would not press this amendment to a vote again, but if he does, I would have to oppose it because, once again, we are faced with a very substantial change in the way we conduct our financing of foreign military sales.

As the Senator has pointed out, there are more countries involved than there are in the last amendment the Senator proposed. And there are substantial problems in terms of our relationships with all of these countries and their expectations about funding levels in the future.

Leaving aside what I believe to be the abruptness of change that approval of this amendment would create, I appreciate there could be an honest contention that it is better to go with 70 percent of the concessional rate loans at 12 percent and 30 percent for zero, that is, at grant levels, as opposed to having a 5-percent loan rate. There clearly is a differential between 5-percent and 12-percent interest rates. The Senator has made the point that currently this may be hidden in the concessional rate loans. The same point could be made with regard to rural electrification loans offered for many years at 5 percent. Many persons would point out that this has been a grant to a very substantial number of people in the country, one that Congress decided to do and apparently the Congress will persist in doing. That is the judgment that we are trying to make presently: Is it in the best interests of the United States to make loans at 5 percent; at 12 percent or at zero percent or at some combination of these amounts or at some point in between.

The system is hardly perfect, but each of the countries recommended for concessional rate loans has come about because there was a desire on our part in the United States to make certain that our ally or friend, was well equipped and prepared to help us.

This is not simply a business transaction. This is a situation of improving our alliances, and our national security. It is also a question of what these countries feel they can afford, what we feel we can afford, and some evaluation of the costs involved.

To the extent we need to be more candid about the low interest rates, I would ask Senators to allow the Foreign Relations Committee and the administration some more time and latitude in thinking through the ability of various countries to bear more of the cost and, likewise, the advisability of sorting out the effects of various interest rates. The Senator from Alaska may be correct that we would be better off to lend the money at market terms, perhaps better off as he suggested in the last amendment to do it in a shorter period of time, but none of these propositions are obvious, to say the least. Each has considerable risk in terms of the country relationships involved. I respect the Senator's diligence in pursuing this. He has brought a very valid point to our attention, but I must oppose the amendment and ask Senators to assist me in that opposition.

Mr. MURKOWSKI. I wonder if my friend, the senior Senator from Indiana, will yield for a question?

Mr. LUGAR. Of course.

Mr. MURKOWSKI. One of the points that was made, of course, was that a domestic subsidy program such as REA was designed for the rural electrification of America. There was a good deal of debate in the Budget Committee and on the floor about the eventual disposition of REA in America. Those of us out West are still in the process of transition, not necessarily from the whale oil lamp in Alaska, but many areas are very dependent on REA. And yet there was a great deal of scrutiny given the program and whether or not it should be phased out. I think there is a proposal pending in the House with regard to an 8-year phaseout.

We recognize, Mr. Chairman, when we consider an REA loan or any other domestic loan program, that we have an obligation from the point of return to our citizens. Now, there is a return here in the FMS programs to our national security and our national interests. I do not dispute that. I think it has been very eloquently stated in the Senator's rebuttal. But in reality, how can we possibly curb the movement of countries toward these more generous programs?

I am told that there are 16 countries now that have met the requirements, whatever they might be, of concessional interest rates, which means 5 percent—that is 7 percent less than the best rate at which our country can borrow. Yet there are some 12 countries that are not on concession rates. Each year, I think it fair to generalize, there is more and more pressure by countries to switch over to the subsidized rate.

How can we stop this effort and still be responsible without addressing the question? Because I think the Senator as well as I has asked the administration, "How do you come to this conclusion?" It is kind of fuzzy. So I would ask the Senator, how can we get a curb on this?

Mr. LUGAR. I am not certain, Mr. President, in response to the distinguished Senator's question, that we want to get a curb on interest rate loans. I think the Secretary of State ought to have the widest degree of latitude in making determinations on interest-bearing loans. Not to express the rural electrification analogy again, because it is an imperfect one, the return to our citizens of that lighting is substantial; that is why we have persisted in a subsidized loan. I should add that the return to the American people of foreign loan assistance in terms of foreign policy and national security is a very substantial one, also.

As I have pointed out previously, this is not a charitable exercise we are engaged in. We are attempting to make certain that our allies are prepared to help us at the frontlines of conflict, so we want to make sure the programs work. The Secretary of State ought to have the latitude to try to make sure that they do work.

I grant the point is valid that if the interest rate is less than 12 percent at the market rate, or just higher than zero, people may be misled as to what is being offered and how much it is costing. But I am not certain that that misleading aspect is substantial in terms of anyone appreciating the actual cost. It seems to me that one could calculate, as the Senator has, that 70 percent of all concessional rate loans at 12 percent or 30 percent of these loans at zero percent as opposed to all of it at 5 percent come to something that appears to be truth in lending, as the Senator has said.

I hope that the Senator would not press the issue beyond this point simply because I am not sure the 70-30 formula is any more perfect, although it is an attempt, as the Senator has said, to simplify the process.

I think it is a complex process. I think flexibility is desirable in the furtherance of our needs; therefore, I am not certain that the formula the Senator sees as necessary I see at all.

Mr. MURKOWSKI. Mr. President, the Senator indicated when we were discussing the extended payment, his acknowledgement that some type of study should be undertaken. This has come up previously at various discussions in the committee. The Senator indicated, I think, a general concern over the wide discrepancy, whether it be 70-0, 70-30, or whatever. Does the Senator not feel we should adopt some realistic guidelines somewhere along the way so we can all understand just how accounting generally fits into one category or another? Or should we not perhaps put a little more emphasis on sitting down and deciding who gets a grant vis-a-vis who can best be supported for concessionary or a subsidized rate?

Mr. LUGAR. The Senator's question is a good one. I would feel more comfortable, as would the Senator from Alaska, if we did have better criteria and if we had an opportunity to discuss with the administration to see if such criteria could be found.

I must confess that this is difficult to work out on the floor this afternoon. I would be hopeful that the Senator would be willing to take some leadership and would be willing to participate in dialog with the administration—in hearings, if necessary—to explore if it is possible to have guidelines that are simpler and more equitable.

Mr. MURKOWSKI. Mr. President, this was the next question for my colleague, the distinguished chairman of the Committee on Foreign Relations, the senior Senator from Indiana: Would he entertain, during a reasonable timeframe based on his other priorities, the idea of holding hearings specifically on the formulas applicable to our Foreign Assistance Program?

Also, there is another program which I have not addressed here. It is the guaranteed reserve fund. Though it is inappropriate that I go into it now, I think my colleague would agree that that also is a program that has had a history of defaults. There is no reserve account adequately set up based on past performance.

As a consequence, of our deliberations on the GRF, we, in the committee, had the opportunity for the first time to hear from Office of Management and Budget Director David Stockman that we do not even bother with reserve account funds. What we do is just go to the Treasury for our shortfall.

The fiscally responsible attitude toward that issue is that it has no rationale, because that is just like going to the bank and saying, "Give me what I need" at any given time. We have seen fit within the committee to request an appropriation for GRF for whatever that shortfall may be. But I think if the Senator and I were to examine it, we would find that it would be totally inadequate based on the experience of defaults within the loan program.

Mr. President, to get back to the other issue, FMS financing, I would accept the offer of my colleague to hold some hearings on the formula process so that not only can Members better understand it, but became I think it is time for the administration to have an opportunity to have some legitimate input on how this determination is made.

I think it would also ease the pain of those who are responsible for representing their governments in this country to be able to understand the system. I am told, and I think both Senator Lugar and Senator Pell would agree to a certain extent, that often these representatives see one country getting favorable attention and they feel it is their job and obligation to see that their country should get the same favorable treatment. So maybe as a consequence of trying to avoid this problem, we can establish some general policies that will enable us all to better understand the FMS programs.

I think the concessional loan system we use now is really only a device. While I believe my amendment would eliminate this device and achieve the same end with a more honest approach, I do not disagree with my chairman that it is difficult to expect our colleagues to follow the complexities of this now. As a consequence, I am not going to ask for the yeas and nays on my amendment.

I do appreciate the opportunity to have had the time allotted to me to enlighten our colleagues as well as the Record on the inconsistencies in this program.

I thank the chairman and the chair for this time.

I yield back to the chairman.

Mr. LUGAR. Mr. President, let me ask the Senator if he is prepared to withdraw the amendment. I pledge to the Senator that the Foreign Relations Committee will have a hearing or hearings on the subjects, and I shall ask the guidance of the Senator from Alaska on the topics that ought to be covered so that the hearings help produce a better policy.

Mr. MURKOWSKI. I thank the chairman, the distinguished senior Senator from Indiana. I do withdraw my amendment and look forward to participating with the other Members in the discussion and the examination of these matters. Again, I thank him for allowing me the opportunity to bring them to light.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment.

The amendment (No. 127) was withdrawn.

THAI-CAMBODIAN BORDER PROBLEMS

Mr. GLENN. Mr. President, I have two amendments. I believe the language of these amendments has been resolved so that we will not have to have a rollcall vote on them. Before we address them, however, I would like to briefly discuss another issue for a couple of minutes.

I apologize to the distinguished chairman of the Committee on Foreign Relations for not bringing this particular item up in advance, but I want to make a statement on a matter of great interest. I am concerned with what is going on along the Thai-Cambodian border. While this problem comes under the immigration function of the Committee on the Judiciary, I think it can also be mentioned here and now because we have foreign relations matters on the floor.

A while ago, Secretary of State Cyrus Vance made a commitment to the Thai Government, as I understand it, that difficulties with refugees along the Thai-Cambodian border would be addressed jointly by Thailand and the United States. To date, we have done that. We have had resettlement of these unfortunate people. I believe we have resettled a total of between 300,000 and 400,000 refugees from Southeast Asia in this country.

We have lived up to that commitment with the Thais and have worked to resettle these people and tried to get families that were split up reunified. We have done very well on this issue.

We thought this whole issue would be settled by now, but something unforseen has happened. With the Vietnamese incursions into Cambodia, there recently have been some 250,000 to 300,000 Khmer people forced out of their homes across the border into Thailand.

The reason I bring this up now is this: Our plan now, as I understand it, is to close our screening process in Thailand by the end of May. The original plan was to end by late June. We did not foresee the complexities of this new wave of people, and I am not suggesting that we wait until all of the new refugees are taken care of. But, there is still a nucleus of original refugees that we have been working with who have family reunification problems. And, because of this recent wave of people across the border, the original group is not able to get satisfactory screening and rescreening which has been necessary for many of them.

I have a number of Khmer people as constituents in Ohio who have relatives in Thailand that are waiting for resettlement. Because of this interest, my daughter, Lyn Freedman, recently spent a month in Thailand and the Far East. She talked to many of those relatives, and she went to the border camps to visit with the new refugees. I know secondhand from her about the refugee situation there.

The reason I bring this matter up, is that while we are taking up foreign policy matters, I hope the administration can be convinced that we should keep our State Department and INS screening teams in Thailand long enough to get the original refugee groups screened and rescreened, so every effort is made to be certain that families are reunified where it is justified. Let me make it very clear, I do not want any Khmer Rouge to be processed, but I am concerned that many Khmer have been wrongly branded as Khmer Rouge.

The original commitment Cy Vance made was a commitment by the United States of America. I think we have carried it out fairly well through the years. It has not gone perfectly, but I would hate to see us end this screening process at a time when we have an opportunity to bring it to a more satisfactory conclusion.

I know that we cannot keep our State Department and INS people out there forever, and I know that we have resource demands in other parts of the world. But I say to the chairman of the Foreign Relations Committee, Senator Lugar, who is the floor manager of this bill, that I hope that whatever representations need to be made to the Immigration and Naturalization Service are made, so that our people will be kept in Thailand until the processing is brought to a satisfactory conclusion.

Senator Simpson has worked on this issue in the Judiciary Committee, as has Senator Kennedy. They have worked very hard on it, and I appreciate their efforts.

I would be remiss, however, knowing the situation out there perhaps a little better than most Senators, in not bringing this matter up when we are considering foreign relations issues.

I think we have a commitment to that part of the world, and we have fulfilled it up to now. But let us not end it prematurely. I urge the Immigration and Naturalization Service and the State Department to keep those teams there longer, so we can get the screening completed.

I thank the distinguished floor manager for bearing with me, and for allowing me to bring this matter to his attention and to the attention of all those who read the Record, as well as the Immigration and Naturalization Service, to whom I will talk tomorrow.

I hope this screening service is not terminated preemptorily at the end of May, no matter what the situation is, just because we said a year ago that it was going to end. The situation has changed, and I think the termination date deserves to be extended.

AMENDMENT NO. 128

(Purpose: To express the sense of the Congress that the policy of separate development and the forced relocation of South African blacks to designated "homelands" is inconsistent with fundamental American values and internationally recognized principles of human rights and should be discontinued)

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Ohio [Mr. Glenn], for himself and Mrs. Kassebaum, proposes an amendment numbered 128.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 64, between lines 16 and 17, insert the following:
>
> POLICY TOWARD SOUTH AFRICAN "HOMELANDS"
>
> Sec. 914. (a) The Congress finds that—
>
> (1) the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race, are principles which are fully supported by the American people;
>
> (2) the forced relocation of blacks by the Government of the Republic of South Africa to designated "homelands" divides families, as families are required to remain in the "homelands" while fathers seek work in the so-called "white areas";
>
> (3) the forced removal of persons living in so-called "black spots" in "white" rural areas in South Africa denies them the fundamental right to live and to farm on land they have legally occupied for years, and subjects them to arbitrary arrest and detention when they seek these rights;
>
> (4) compared to "white" South Africa, the designated "homelands," which are meant to accommodate the largest South African population group on a fraction of South African territory and were established without the consent of the vast majority of the governed, are characterized by high rates of infant mortality, unemployment, and malnutrition and by a severe shortage of medical services;
>
> (5) the policy of the Government of the Republic of South Africa denies blacks their rightful claim to full South African citizenship; and
>
> (6) the recent violence in South Africa must be seen as an inevitable result of the denial of the full rights of citizenship.
>
> (b) It is the sense of the Congress that—
>
> (1) the policy of separate development and the forced relocation of the people of the Government of the Republic of South Africa are inconsistent with fundamental American values and internationally recognized principles of human rights;
>
> (2) the Government of the United States should continue to regard as citizens of South Africa all persons born within the internationally recognized boundaries of the Republic of South Africa, and not differentiate among these citizens on the basis of the South African Government's claim to have granted independence to various "homelands";
>
> (3) at such times that any "homeland" official applies for a visa for travel to the United States, no such visa should be granted to such official unless such official holds a passport which is recognized as valid by the Government of the United States; and
>
> (4) the Government of the United States should urge that the forced relocation of South African citizens be discontinued and that policies be adopted for all South Africa's citizens which protect the sanctity of the family, individual liberty, maximum

freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

Mr. GLENN. Mr. President, this amendment is submitted on behalf of myself and Senator Kassebaum. It tracks the language of Senate Concurrent Resolution 6 which has been cosponsored by Senators Matsunaga, Bradley, Chafee, Hart, Kennedy, Mathias, Sarbanes, Durenberer, Kerry, and Rockefeller. It is the same language that the Senate approved on October 3 of last year but which did not receive final House approval in the waning days of the last Congress.

I believe it is vitally important that we in the Congress speak out strongly and with a united voice against South African apartheid. U.S. policy toward South Africa is deservedly receiving increased scrutiny today. During this session we will undoubtedly be debating at length the merits of "constructive engagement" and the several proposed alternatives which would serve to demonstrate concretely our distaste for apartheid and allow us to distance ourselves from the regime which enforces it. Today, however, I am offering a simple proposal on which I trust we can all agree: that the policy of separate development and the forced relocation of South African blacks to designated "homelands" is inconsistent with fundamental American values and internationally recognized principles of human rights and should cease. Homelands they have never seen. Homelands they are forced to. Homelands where there is no water. Homelands where no one else wants to live. Homelands, indeed:

Relatively, the South African Government announced a "suspension" of forced removals. I say that a suspension is not good enough, it must be permanently discontinued and revoked. We have a responsibility to raise our voices in united protest over this blatant abuse of human rights and I hope my colleagues will join me in cause and conscience to reject and condemn South Africa's homelands policy. The purpose of this resolution is simple. It expresses the great concern of the Congress over South Africa's policy of forcibly removing black South Africans to desolate "homelands." I believe that all Americans are appalled by the South African policy of denying any voice in government to the majority of South Africans. That policy is completely alien to values we Americans cherish, and it is completely contrary to the principles upon which our Nation was founded.

The homelands policy is an integral part of the noxious scheme known as apartheid. And let there be no mistake over what the purpose of apartheid really is. It is to deny citizenship and basic political rights to the entire black population of that nation. In the words of a recent report of the South African Council of Churches and the Southern African Catholic Bishop's Conference, the goal of apartheid is:

> A South Africa in which there are no black South African citizens or nationals but only black "aliens" working in South Africa who bear the nationality of one of the "independent" Bantustans. For in this way, the Nationalist Government seeks to escape its moral obligation to extend political rights to all South African citizens or nationals.

And how is this to be brought about in a country whose population is over 70 percent black and only 16 percent white? The answer lies in the homelands policy. Under that policy, black South Africans are denied citizenship within South Africa, and instead are assigned citizenship in 1 of 10 homelands based very loosely on old tribal reserves. In 1913, the South African Parliament passed the Native Lands Act assigning 10 percent of South Africa's total area for African occupation and prohibiting Africans from purchasing land outside the reserves. The Native Trust and Land Act of 1936 increased the total land area of the reserves to about 14 percent of the territory of South Africa. But since these acquisitions have yet to be fully realized the homelands now comprise just 13 percent of the total land area of South Africa.

What is life like in these homelands to which over 70 percent of South Africa's people are to be assigned citizenship? Again, according to the Council of Churches report:

> Today, the Bantustans are characterized by mass unemployment; by proverty so desperate that the position of the residents is worse than that of the inhabitants of any other part of Africa except perhaps the "Sahel" countries. They are characterized by outbreaks of diseases such as cholera, bubonic plague and typhoid, and malnutrition so far advanced that about a fifth or more of the children die before the age of 5.

One especially repugnant aspect of the homelands policy concerns what the South African Government refers to as "blackspots." My original resolution was focused on "blackspots"—and I think it deserves a moment of our time. Blackspots are areas occupied by Africans but surrounded by whites. Most of them are either African freehold land purchased before passage of the Native Land Act of 1913 or church owned land occupied and used by Africans. Since blackspots are inconveniently located in white areas, the South African Government has determined that they have to go. And since blackspots are, by definition, outside the reserves, the Government says blackspot inhabitants must be removed to the homelands in order to make way for white development. To date, a total of some 3.5 million black South Africans have been removed from white-designated areas. The relocated people come from farming and urban areas as well as the so-called blackspots. It is estimated that some 2 million more still face removal, over 1 million from the blackspots alone.

What does this removal policy mean in human terms? According to an excellent 1981 study sponsored by the Rockefeller Foundation, the "forced resettlement of Africans from white South Africa to the homelands has caused as much human suffering, hardship, and despair as any other apartheid measure." To prove it, we need only look at one recent example.

One hundred and twenty miles west of Johannesburg was the village of Mogope. Here 300 peasant families lived in relative stability and prosperity on farmland which the Bakwena tribe owned and worked for 72 years. This village of 300 families contained homes, churches, and schools built by the community. Declared a blackspot by the Government of South Africa, the community was informed that its town would be leveled and its people relocated to the homeland known as Bophuthatswana. Since most of them had never set foot in Bophuthatswana, they quite naturally objected to this decree. Led by a member of the community, a farmer named Saul Mkhize, the people of Mogope peacefully attempted to voice their objections. During the course of a demonstration the unarmed Saul Mkhize was shot dead by the South African police. The families of his village were forcibly removed, and their homes, schools, and churches were bulldozed. Tragically the tale of Mogope is not unique. Thousands of black South Africans are threatened by the same fate that befell the people of Mogope.

Mr. President, I think every single Member of this body would agree that the scheme of grand apartheid is appalling, unhumane, and unjust. But simply agreeing with that assessment is not enough. I believe we also have a responsibility to raise our voices in protest over this blatant abuse of human rights. If we oppose only those human rights violations committed by our enemies—and ignore those perpetrated by real or imagined friends, then all the world will soon know our human rights policy for the hypocrisy it is. So let us no longer stand silent in the face of this outrage. Let us resolve never to use "quiet diplomacy" as an excuse for closing our ears to the cries of those who suffer. And let us join together in cause and conscience to reject and condemn South Africa's homelands policy. I urge my colleagues to adopt this amendment unanimously.

Mr. LUGAR. Mr. President, I commend the Senator from Ohio on a very constructive amendment, and we are prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 128) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 129

(Purpose: To require a report on enhancements in technology of defense articles and defense services made after sale but before delivery to a foreign country)

Mr. GLENN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Ohio [Mr. Glenn] proposes an amendment numbered 129.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 24, between lines 9 and 10, insert the following:
>
> SENSITIVE TECHNOLOGY
>
> Sec. 128. Section 36(b) of the Arms Export Control Act (22 U.S.C. 2776(b)) is amended—
>
> (1) by inserting before the period at the end of the second sentence of paragraph (1) the following: "and a detailed justification of the reasons necessitating the sale of such articles or services in view of the sensitivity of such technology"; and
>
> (2) by adding at the end thereof the following new paragraph:
>
> "(5) (A) If, before the delivery of any major defense article or major defense equipment, or the furnishing of any defense service or design and construction service, sold pursuant to a letter of offer described in paragraph (1), the sensitivity of technology or the capability of the article, equipment, or service is enhanced or upgraded from the level of sensitivity or capability described in the numbered certification with respect to an offer to sell such article, equipment, or service, then, at least forty-five days before the delivery of such article or equipment or the furnishing of such service, the President shall prepare and transmit to the chairman of the Committee on Foreign Affairs of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report—
>
> "(i) describing the manner in which the technology or capability has been enhanced or upgraded and describing the significance of such enhancement or upgrade; and
>
> "(ii) setting forth a detailed justification for such enhancement or upgrade.
>
> "(B) The provisions of subparagraph (A) apply to an article or equipment delivered, or a service furnished, within ten years of the transmittal to the Congress of a numbered certification with respect to the sale of such article, equipment, or service.
>
> "(C) If the enhancement or upgrade in the sensitivity of technology or the capability of major defense equipment, defense articles, defense services, or design and construction services described in a numbered certification submitted under this subsection costs $14,000,000 or more in the case of any major defense equipment, $50,000,000 or more in the case of defense articles or defense services, or $200,000,000 or more in the case of design or construction services, then the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which relates to such enhancement or upgrade and which shall be considered for purposes of this subsection as if it were a separate letter of offer to sell defense equipment, articles, or services, subject to all of the requirements, restrictions, and conditions set forth in this subsection. For purposes of this subparagraph, references in this subsection to sales shall be deemed to be references to enhancements or upgrades in the sensitivity of technology or the capability of major defense equipment, articles, or services, as the case may be.".
>
> "(D) For the purposes of subsection b(5)(A), major defense article shall be construed to include electronic devices, which if upgraded, will enhance the mission capability of a weapons system"

Mr. GLENN. Mr. President, this amendment, I am sure, will shock many of my colleagues to find out that it is even necessary.

As we approve sales of military equipment and technology to be sent to different countries around the world, we also approve the level of technology and level of complexity for that equipment, so that we make certain that the more sensitive technolgy does not fall into the hands of those who might compromise our national security. We set those levels very carefully in committee and on the floor of the Congress.

From then on, whatever the administration, either Democratic or Republican, wants to do in upgrading that equipment can be done with no further reports being made to Congress.

An example of this is the AWACS airplane. We approve it for a certain level of complexity and technology. We do not wish to exceed that level. But any administration that wanted to can upgrade the boxes, add new equipment, triple the range of the radar, if possible—and none of this would have to be reported back to Congress.

That loophole is a major fault of section 36(b) of the Arms Export Control Act.

My amendment is very simple. It will require that Congress be notified in the event that capability or substantive technology of a previously approved arms sale is upgraded, without regard to the dollar amount of the upgrade.

A similar but more stringent amendment was passed unanimously by the Senate Foreign Relations Committee during the last two sessions of Congress.

Under current law Congress need not be notified of any equipment changes, increases in capability, or upgrade of technology unless these upgrades exceed the $14/$50/$200 million thresholds contained in the Arms Export Control Act. This is an unlikely event for any upgrade.

This loophole, in my view, is a very significant circumvention of the intent of the Arms Export Control Act for several reasons. First, it allows the executive branch to change the technology of most arms sales without notifying Congress. Second, this loophole denies Congress its legitimate role in the review of arms sales and therefore bypasses our system of checks and balances. Finally, it denies the Congress its role in shaping U.S. foreign policy.

The effect of the amendment that I am proposing today is very clear and simple. When enhancements are made to defense items or services after Congress has approved the sale, Congress should always be notified. When I say enhancement made to defense items or services, we do not want to see every nut and bolt change that does not change combat capability. What we do want to know is where enhancements are made that change combat capability. As long as the executive branch provides only what Congress has approved, there will be few notifications. Alternatively, if the executive branch makes a large number of upgrades, then the reporting requirement and the resulting paperwork will be extensive, and rightly so.

For example, several years ago the sale of F-16's to Pakistan was approved in the Foreign Relations Committee by one vote. I was on the Foreign Relations Committee at that time. That vote to send the F-16's was approved by one vote. I voted to approve that sale since I was convinced that the aircraft had a downgraded avionics package which, if lost or transferred to a third country, would not be a serious loss of technology. However, as you are aware, subsequent to the approval of that sale, a more advanced avionics package was put into that aircraft without the notification to Congress.

I submit, Mr. President, that had I known of the plans for that upgrade, my vote might very well have been different and the approval of that sale would not have been voted by the committee. It might even have been turned down by Congress.

Mr. President, another sale of continuing concern is that of the Saudi AWACS—a very controversial sale. Congress approved that sale in 1981, yet today, 4 years later these aircraft have yet to be delivered. I opposed the sale of AWACS planes to Saudi Arabia because of my deep and longstanding concern that the United States should not transfer such highly sensitive technology to other countries without direct American control, especially to countries in such an unstable region of the world as the Middle East. How certain can we be that when the AWACS are delivered in 1986, these aircraft will indeed be limited to the same technology and the same capability that Congress narrowly approved 4 years ago? As the law is currently written, there is simply no assurance that we will even know about it, because the administration has no requirement to notify us of any upgrades they may be making.

Is this idle speculation? No, it is not because there apparently has been an upgrade in the Saudi AWACS system. This past January, I wrote Secretary of Defense Weinberger asking him if the technology in the Saudi AWACS was being upgraded. The response I received from Lt. Gen. Philip Gast of the Defense Security Assistance Agency indicates that there have five configuration changes made to the Saudi AWACS since the program was first approved in 1981.

At this point, I ask unanimous consent that my letter to Secretary of Defense Weinberger and the response from General Gast be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, DC, January 17, 1985.
Hon. Caspar Weinberger,
Secretary of Defense,
The Pentagon, Washington, DC.

Dear Mr. Secretary: It has come to my attention that there is reason to believe that the E-3A Airborne Warning and Control System (AWACS) units that the United States is selling to Saudi Arabia may be upgraded to a level that enhances their capability. I am writing to inquire as to whether or not any upgrade of the technology or capability of the AWACS units scheduled for delivery to Saudi Arabia is planned or currently underway. If so, specifically what type of modifications are planned or underway for the Saudi AWACS?

As you may know, I oppose the sale of AWACS planes to Saudi Arabia because of my deep and long-standing concern that the United States should not transfer such highly sensitive technology to other countries outside of direct American control, especially to countries in such an unstable region of the world as the Middle East. I fear that the introduction of AWACS planes into the volatile Middle East, upgraded above the level of their capability at the time of their approved sale on October 28, 1981, could have a potentially detrimental effect on American national security interest.

I strongly feel that upgrading can significantly alter the character of an arms sale and should therefore be subject to congresssional review procedures pursuant to the spirit, if not the letter of Section 36(b) of the Arms Export Control Act. I hope you share my view on the importance of consultation between the Executive and Legislative branches on this issue.

I look forward to your response to my inquiry at your earliest convenience. Thank you for your attention to this important matter.

Best regards.
Sincerely,
John Glenn,
U.S. Senator.

Defense Security Assistance Agency,
Washington, DC, February 15, 1985.
In reply refer to: I-006934/85.
Hon. John Glenn,
U.S. Senate,
Washington, DC.

Dear Senator Glenn: In your letter of January 17, 1985, to Secretary Weinberger, you asked if any upgrade of the technology or capability of the AWACS units scheduled for delivery to Saudi Arabia is planned or currently underway.

There have been five noteworthy configuration changes made to the Saudi AWACS since the program was initially approved in 1981:

The TF33-PW-100A engine has been replaced by the commercial CFM-56 engine. This replacement provides better fuel efficiency and increased engine thrust for the AWACS aircraft and results in improved takeoff performance, increased time-on-station without refueling and slightly higher optimal cruising altitude. The developmental costs for the replacement were fully funded by the Saudi Arabian Government. As a result of this development, the U.S. Navy will save an estimated $50-$60 million in nonrecurring costs on its E-6 program. Authorization for this change was provided in October 1983.

A secure teletype capability was approval in May 1983. This is a system similar to that used on the NATO E-3A which allows for the transmission and receipt of radio teletype messages. Commercial security equipment and lack of NATO unique software preclude operation on the NATO teletype data link.

A UHF radio relay capability was also approved in May 1983. These radios can function only in the relay mode and are not accessible to the mission crew. The original Saudi E-3A baseline configuration included a relay capability using existing mission radios.

Color monitors were approved in September 1984. This enhances displays on the mission consoles and is common with USAF change to color systems. Mission avionics performance is not affected.

Infrared countermeasure (IRCM) sets were approved for installation on the E-3A aircraft in August 1984. Similar IRCM sets have been installed on other Saudi aircraft, and the Saudi E-3A IRCM sets are based on sets which have previously been approved for release to other foreign countries. The sets will provide enhanced survivability of AWACS by protecting it from attack during critical phases of flight.

Some other minor changes have been made to the baseline configuration to keep USAF and Royal Saudi Air Force systems common when feasible and to substitute for equipment that is no longer manufactured.

While there have been some other technology upgrades and capability enhancements requested by the Saudis, we have not approved those which went beyond that configuration notified to Congress and have remained faithful to the specific exclusions that were proposed for the Saudi AWACS.

From the foregoing, I believe you will agree that the changes made to the original configuration notified to the Congress are improvements which do not represent significant technological upgrades related to mission avionics or other sensitive systems. In most cases, these hardware changes are related to improved safety, reliability, or communications capabilities of the basic airframe. These changes do not significantly alter the character or scope of the arms sale as submitted to Congress under Section 36(b) AECA. Accordingly, no amended notification was made in this case.

Sincerely,
Philip C. Gast, *Director.*

Mr. GLENN. Mr. President, General Gast stated in his letter that "the changes made to the original configuration notified to the Congress are improvements which do not represent significant technological upgrades related to mission avionics or other sensitive systems." This is clearly a subjective judgment that is not in keeping with the spirit of effective consultation between the executive and legislative branches. We only received that, Mr. President, because I took the initiative in inquiring. This notification was not sent over to us automatically. I do not believe Congress should rely on the judgment call of an administration official to say if an upgrade is significant or not.

Congress should be able to review all upgrades and decide for itself, under out Government system of balance of powers, whether or not the upgrades are significant.

Mr. President, colleagues from both sides of the aisle who share my concern about the transfer of sensitive technology and about the legitimate right of Congress to participate fully in the arms sale review process have expressed strong interest in the passage of this legislation. I ask that the Senate approve this important amendment to section 36(b) of the Arms Export Control Act which will reaffirm the legitimate role of Congress in the foreign policymaking process.

The PRESIDING OFFICER. (Mr. Gorton). The Senator from Indiana.

Mr. LUGAR. Mr. President, first of all, I commend Senator Glenn on the earlier comments he made on the Thailand border situation and the special notice he gave to the administration and to all who might see his remark in the Record. The remarks were well taken.

For our side, we approve and support and commend the amendment the Senator has just spoken to, and we will be pleased to proceed with it expeditiously.

Mr. PELL. Mr. President, this is an excellent amendment. It has been approved unanimously twice in the past by the Foreign Relations Committee in 1983 and 1984.

I hope that we in the Senate will now do exactly the same.

I know how much we in the committee miss the voice of the Senator from Ohio, especially for his expertise on questions of sensitive technology and nuclear matters.

Mr. GLENN. Mr. President, I thank both the chairman and ranking minority member for their remarks. I appreciate them.

Mr. President, it is my understanding that with the additions of the word "major" before "defense article" on line (1), and a change from 60 days to 45 days on line (9), we have an agreement on the language of this amendment.

There is one further point that I wish to make, Mr. President. I wish to ensure that electronic devices, which commonly we call "black boxes" for lack of better wording, if not specifically included on the list of major defense equipment as defined by the Department of Defense, are to be included as major defense articles for purposes of this amendment and, therefore, any upgrades of "black boxes" must be reported.

Thus, at the end of the amendment I have added a new subsection (d) which states:

> For the purposes of subsection b(5)(A) "major defense article" shall be construed to include electronic devices which, if upgraded, will enhance the mission capability of the weapons system.

It is my understanding, Mr. President, that the distinguished floor manager of the bill is prepared to accept that language, and I move the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. GLENN. Mr. President, I am prepared to yield the floor if the distinguished floor managers are prepared to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. Glenn].

The amendment (No. 129) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 130

(Purpose: To strengthen United States programs to protect endangered species)

Mr. PELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Rhode Island [Mr. Pell], for himself and Mr. Cranston, proposes an amendment numbered 130.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 36, add the following at the end:
>
> Section 314A: The Foreign Assistance Act of 1961, as amended, is amended by adding at the end of section 119 the following new subsections:
>
> "(e) Each Country Development Strategy Statement (country plan) shall include a detailed and specific plan to assist the recipient country in the conservation of biological diversity. Each such plan shall include, as appropriate, assistance to countries in the identification, acquisition, and protection of wildlife habitats, of representative ecosystems, and of significant or unique natural areas. Each Country Development Strategy Statement shall take account of the information derived from the activity undertaken pursuant to subsection (h).
>
> (f) The Administrator of the Agency for International Development, and the Directors of other appropriate United States agencies, are authorized and directed to enter into long-term agreements with recipient countries to protect wildlife habitats, representative ecoysystems, and significant or unique natural areas in the recipient country.
>
> (g) Of the amount by which funds appropriated to the Agency for International Development for agriculture and forestry exceeds the amounts appropriated for agriculture and forestry in fiscal year 1986, at least fifty percent shall be available only for countries which enter into long-term agreements pursuant to subsection (f). Funds made available by this subsection may be used in support of the long-term agreements.
>
> (h) The Administrator of the Agency for International Development is authorized and directed to support the creation of biological inventory programs in recipient countries, to support programs to identify critical ecosystems in developing countries, and to make surveys of national parks and proposed protected areas where such surveys will enhance the protection of endangered species or the protection of critical ecosystems."
>
> (B) In subsection (d) of Section 119 of the Foreign Assistance Act of 1961, as amended, strike "subsection" and insert in lieu thereof "section"

Mr. PELL. Mr. President, I offer this amendment to strengthen the existing provisions of law to protect endangered species.

In 1983 Congress enacted the International Environmental Protection Act of which I am proud to have been the principal sponsor. Among other issues, that law authorized U.S. assistance to developing countries "in protecting and maintaining wildlife habitats and in developing sound wildlife management and plant conservation programs."

In response to this provision, AID has, in conjunction with other Federal agencies, devised a strategy to conserve biological diversity. The amendment I am proposing follows up on that strategy.

The amendment has four principal components:

First, it requires that each AID country plan include assistance to protect wildlife habitats, representative ecosystems, and unique natural areas;

Second, it directs AID to enter into long-term agreements to protect wildlife habitats and representative ecosystems;

Third, it rewards countries that enter into long-term agreements to preserve endangered species by channeling one-half of the increase in AID funding over fiscal year 1986 levels for agriculture and forestry to these countries;

Fourth, it directs AID to assist countries in making inventories of critical ecosystems and in making surveys of protected areas.

The costs of this amendment are minimal. The issues however are very basic.

It is estimated that more than 1,000 plant and animal species will become extinct each year and that if present rates of tropical deforestation and ecosystem disruption continue into the next century, 20 percent of all species on Earth may become extinct within the next human generation.

The extinctions projected in the coming decades will be largely due to human activities. They will occur on a scale that render natural biological extinction trivial by comparison. This loss of species and ecosystems due to human activities is resulting in the progressive impoverishment of the Earth's biological systems. This, in turn, reduces the ability of natural systems to support human populations.

For example, the center of origin of many food plants are in the tropics. As tropical areas are converted, ancestral stocks of these plants are jeopardized or lost. Only three species—corn, wheat, and rice—produce two-thirds of the total world grain crop. The food supply of the entire world now depends on maintaining a balance between the genetic systems of these and a few additional crops, and their pests and diseases. In the future, new sources of food may need to be developed from as yet undiscovered germplasm.

The U.S. Government is in a unique position of world leadership to help conserve biological diversity. Most of the areas that need to be protected are in developing countries. There is a clear and close relationship between the poverty of the people of those countries and biological impoverishment—and this will intensify if current trends are not altered. Through its own aid programs and through the multilateral assistance programs it can influence, the U.S. Government can play a major role in reversing these negative trends which affect our economic and security interests as surely as they affect the well-being of people in the developing world.

Mr. President, I ask unanimous consent that a letter from Brent Blackwelder of the Environmental Policy Institute, on behalf of a coalition of environmental groups, be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Environmental Policy Institute,
Washington, DC, May 15, 1985.
Senator Claiborne Pell,
Senator Alan Cranston,
U.S. Capitol, Washington, DC.

Dear Senator Pell and Senator Cranston: We commend you for your efforts to address a serious global resource issue, the loss of biological diversity, as the Foreign Assistance Act is debated this week. The rapid disappearance of species this century is depriving civilization of a vast genetic pool. A significant percentage of prescription medicine now comes from species found in tropical moist forests which are rapidly vanishing.

Your amendment to Section 119 is a welcome and much needed step toward solving this problem. Your amendment would provide each country's development strategy plan to include measures to conserve biological diversity and would provide for A.I.D. to enter into long-term agreements with recipient countries to protect wildlife habitats and unique natural areas. By offering financial incentives for protection of critical habitats out of amounts appropriated for forestry and agriculture, your amendment offers the hope of succeeding in its objective.

The Natural Resources Defense Council, the Environmental Policy Institute, the National Audubon Society, and the National Wildlife Federation support these legislative initiatives in your amendment.

Sincerely,
Brent Blackwelder, *Director,*
International Resources Project.

Mr. LUGAR. Mr. President, the Senator from Rhode Island, my distinguished colleague, has presented a number of important and interesting ideas in this amendment. It is an amendment which I know from personal experience is important and in fact is being pressed by a number of important environmental organizations in our country that have an interest in international aspects of the environment.

Unhappily, and I say this respectfully to my colleague, this amendment arises late in the game; namely, during the course of this debate. The full implications of this amendment cannot clearly be foreseen, and they are important.

I have expressed these views privately to my colleague. I would hope to explore much more fully those implications and hold a committee hearing.

I would like to suggest, respectfully, to my colleague that the Foreign Relations Committee conduct a hearing, or hearings, on the Pell amendment, and I would pledge to work with him on having a markup so that we would have definitive action on the amendment. In that way, the public policy interests might be better served in refinement of those ideas, but I must confess I am not able to comprehend them on first impression.

Mr. PELL. Mr. President, I appreciate very much indeed the words of the Senator from Indiana. I concur in his generous offer and ask that my amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 131

(Purpose: To require reports to the Congress on the foreign debt crisis in Latin America)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. Kennedy] proposes an amendment numbered 131.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

REPORTS ON FOREIGN DEBT IN LATIN AMERICA

Sec. 914. (a) The Congress finds that—

(1) the foreign debt of Latin American countries has soared from $27 billion in 1970 to over $350 billion in 1983;

(2) the foreign debt of Latin American countries is a serious obstacle to their economic progress, threatens their stability, and endangers the democratic processes in those nations;

(3) the economic and political futures of many of the Latin American countries hang in the balance and depend upon a successful resolution of the foreign debt crisis; and

(4) the confidence of the American people in the United States system of banking is also involved in a successful resolution of the foreign debt crisis.

(b)(1) Not later than October 1, 1985, the Secretary of State shall prepare and transmit to the Congress a report on—

(A) the magnitude of the foreign debt crisis in this hemisphere;

(B) the impact of the foreign debt crisis on the economies of the nations of Latin America;

(C) the degree to which the national security interests of the United States are implicated in this crisis; and

(D) the steps being taken and the policy being pursued by the United States aimed at dealing with this crisis.

(2) Not later than October 1, 1985, the Secretary of the Treasury shall prepare and transmit to the Congress a report on—

(A) the degree to which the foreign debt crisis affects the system of banking in the United States; and

(B) the steps being taken and the policy being pursued by the Department of the Treasury aimed at dealing with this crisis.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915."

Mr. KENNEDY. Mr. President, this amendment requests the Secretary of State and the Secretary of the Treasury to report to the Congress on the magnitude of the foreign debt crisis and on the implications of the crisis for U.S. national security interests and on what steps the United States is taking to deal with the crisis.

Mr. President, perhaps the most perplexing and troubling aspect of Congress never-ending debate about Nicaragua is that, in our fixation with the Sandinistas, we have lost sight of what is, without doubt, one of the most serious threats to democracy in this hemisphere in the past 25 years, the foreign debt crisis. According to the report of the Inter-American Dialogue published a year ago:

> No single year in the last 50 was more disastrous for the economies of Latin America and the Caribbean than 1983 * * * The very economic and political futures of many of the Latin American countries are in the balance.

In the face of such a serious threat to the stability of our hemisphere and to the future of democracy in Latin America, there seems to be little if any sense of urgency, either in Congress or in the administration. One searches in vain, for example, for any mention of the foreign debt crisis in the foreign aid bill.

It is time that we acknowledged the following facts:

This crisis is unique in our history. The foreign debt crisis has no analog in the history of our hemisphere. It is not simply a problem of working out a series of repayment schedules or of rolling over the debt ad infinitum. The magnitude and the complexity of this crisis are simply too great to treat it with a business as usual attitude. Developments inside the United States have, in fact, made the problem much worse, not better. As the report of the Inter-American Dialogue put it:

> The present combination of large public sector deficits (in the United States), high interest rates, and an overvalued dollar overwhelms the efforts of Latin American countries to emerge from the debt crisis and to restore sustainable growth * * * Unless the United States puts it financial accounts in order, its own economic prosperity and that of the whole hemisphere will be at risk.

Which brings me to the next point.

The stakes are high. Vital interests of the United States—at home and abroad—are seriously implicated in the foreign debt crisis. If the new democracies of Argentina, Brazil, Uruguay, and Peru are not permitted to succeed, Nicaragua may be just a taste of what the future holds for countries that are of far greater importance to the United States than Nicaragua could ever be. And it is of no less importance to hundreds of U.S. banks whose very survival may be in the balance if these loans go bad. Our banking institutions are precarious enough as it is. It would be no exaggeration to suggest that a default on over $350 billion in loans could have a catastrophic effect on our entire system of banking.

People are suffering today. Last week, I met with the Governor of the State of Rio de Janeiro, Lionel Brizola, who told me that millions of people are going hungry today because of the

pressure on the central Government of Brazil to make regular payments on its debt. This kind of hardship can only lead to the kind of political instability that will undermine the fledgling democracy in Brazil.

Both Congress and the administration must recognize that the crisis of the foreign debt in Latin America is not just a technical banking problem; it is quintessentially a problem of foreign policy. Our Nation's vital interests are at stake,

This amendment is a modest effort to focus our attention and to focus the attention of the administration on this crisis. This amendment simply requests the Secretary of State to report to the Congress, before the end of this fiscal year, on the following matters:

The magnitude of the foreign debt crisis in this hemisphere; the impact of the foreign debt crisis on the economics of the nations of Latin America; the degree to which the national security interests of the United States are implicated in this crisis; and the step being taken and the policy being pursued at the present time by the United States to deal with this crisis.

This amendment also requests the Secretary of the Treasury to submit a comparable report to Congress on the degree to which the foreign debt crisis affects the system of banking in the United States; and the steps being taken and the policy being pursued by the Department of the Treasury aimed at dealing with this crisis.

Mr. President, this is an extremely important matter, one of enormous significance to the countries in Central and South America, many of which have moved now toward democratic institutions and democracies: Argentina with Alfonsin, Brazil, and other countries in the hemisphere. The problems are very deep and they do affect American banking institutions.

It seems to me that it would be wise for us, as a matter of public policy, to have information of this nature available to the Members of the Senate, the Congress, and the American people.

I have had the opportunity to talk this over briefly with the floor manager and the ranking minority member. I hope they would be willing to accept this amendment.

Mr. CHILES. Mr. President, I rise to echo the concerns expressed by my colleague from Massachusetts on the present debt crisis in Latin America. The debt problems of the Latin American region have not been solved and, indeed, demand the attention of this country.

Equally, Congress must begin to examine whether proposed U.S. assistance programs to the region represent appropriate measures for dealing with the region's deteriorating economic situation; a deterioration reflected in the growing security concerns we have in the region and the accelerated political changes we are seeing all over Latin America. To date, I do not believe that the State Department has adequately addressed this problem.

For example, Bolivia, which is $3.7 billion in debt and faces a debt service ratio in excess of 100 percent, has an economy which has been described as imploding. Bolivia has an annual inflation rate in excess of 1,000 percent; a fiscal deficit in excess of 28 percent of its gross domestic product, and unemployment reportedly as high as 40 percent. Bolivia is over $1 billion in arrears on its debt service. The government has all but repudiated its external debts and an IMF stabilization program is out of the question. Nonetheless, the State Department response is to offer $10 million in cash transfer. I cannot understand how $10 million can substantially help a country over $1 billion in arrears on its debt service.

Bolivia is not the only country in trouble. Peru is also in arrears on its debt service. Argentina recently fell out of compliance with its agreement with the International Monetary Fund.

This crisis is real. It affects all of us, and it is getting worse.

Last November we sent a staff group from the Budget and Appropriations Committees to the Dominican Republic, Panama, Colombia, Peru, Bolivia, and Argentina to look into the debt crisis. Their report is very illuminating and I commend it to the attention of all my colleagues. I ask unanimous consent it be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Field Survey: United States Assistance Programs—Latin America

ASSISTANCE OBJECTIVES

Congress has appropriated for fiscal year 1985 $909 million in economic and developmental aid and $280 million in security assistance to Latin American nations. The President's 1986 budget request is expected to include increased assistance to the region, and possibly a request for supplemental funding for FY 1985. These figures may be compared with fiscal year 1980 assistance levels of $272 million for economic and developmental aid and $22 million for security assistance. Such dramatic increases reflect broad acceptance of the underlying premise of U.S. foreign assistance programs. Specifically, foreign economic aid is justified as contributing to a stable world order both by blunting short-term political unrest arising from economic and financial instability and by promoting long-term social and economic development. Military aid is justified as improving America's defense capabilities and improving relationships with regional friends and allies. Foreign assistance, both security and developmental, are said to be major factors in our ability to help friends and allies meet economic, political and social challenges. These are the stated objectives of the Reagan Administration's foreign assistance programs as articulated to the Congress.

Consequently, it is highly appropriate to review current U.S. foreign assistance programs in Latin America, as well as the Administration's proposals for continuing and expanding that assistance, both in terms of the actual conditions which exist in the region and the contribution these programs make to the larger goals which such assistance programs are intended to serve. To do otherwise, to consider these proposals without reference to the political, economic and military realities of Latin America, would make it impossible to evaluate the ability of U.S. foreign assistance programs to effect these stated objectives. Today, in Latin America, this means that one must examine whether proposed U.S. foreign assistance programs represent appropriate measures for dealing with the region's deteriorating economic situation; a deterioration which is reflected in the heightened security concerns and accelerated political changes which characterize the region.

COMMON FACTORS AFFECTING STABILITY

U.S. economic and security assistance program for Latin America are seen as contributing to political stability and economic development by responding to the following disruptive influences:

International debt as a contributing factor in economic and political destabilization;

Internal economic conditions and insurgent political movements as threats to nascent democracies; and

Illicit narcotics production and trafficking as a corrosive influence on the economy and polity of certain countries in Latin America.

To examine the accuracy of this view, in November 1984, we travelled to Latin America, visiting a total of seven countries. The countries visited were carefully chosen because they all have certain commonalities which commend them to a comparative review, although it is also true that they have many other characteristics which distinguish one from another. The countries visited were the Dominican Republic, Panama, Colombia, Peru, Bolivia, and Argentina. These countries are all nascent democracies burdened by heavy external debts. Each is considered important to U.S. foreign and security interests. Moreover, each of these countries represent a different stage of political and economic development along a continuum. Without drawing too fine a distinction, it can be said that they represent different points along a continuum measuring political and economic stability. As will be seen, we found that U.S. foreign assistance programs are often blind to these differences and give too great an emphasis to the promotion of short-term stability. Furthermore, we believe this misplaced emphasis frequently occurs at the expense of the larger goal of helping countries move along the continuum towards the greater stability and development which is the mark of mature democracies.

DIVERGENT POLICIES

In our visits to these seven nations, we were struck by the increasing divergence between rational long-term economic policies and short-term political demands. Bolivia represents the most extreme example, where short-term political dynamics have completely captured the decision-making process, thereby rendering the government incapable of halting a marked economic decline. This has left Bolivia with an annual inflation rate in excess of 1,000 percent, debt payments which exceed export earnings, a fiscal deficit in excess of 28% of gross domestic product (GDP) and virtually unchecked growth in the money supply. As will be discussed more fully in the section of this report which deals with Bolivia, we found that current and proposed assistance to Bolivia is recognized by knowledgeable U.S. officials to be wholly inadequate with respect to the magnitude of the amounts required to restore economic order. Furthermore, continued U.S. assistance does not respond to the inability of the Bolivian government as presently constituted to make any meaningful use of such assistance. Increased U.S. assistance, specifically, recent and projected cash transfers, will provide little ecomonic benefit, but may well serve to extend ineffective government in Boliva. Nevertheless, we learned that the U.S. Agency for International Development and the State Department propose to provide Bolivia $20 million in economic support funds in 1986.

Colombia, on the other hand, presented a more favorable picture. It is likely to be successful in controlling this political-economic divergence, providing the government does not succumb to increasing domestic political pressures. The government of President Belisario Betancur Cuartas has been attempting to pursue economic policies aimed at encouraging long-term development. Rapidly increasing debt service requirements, however, have hampered the government's ability to finance development projects. Because he has been unable to respond to political pressure from groups demanding continued high government spending for development, President Betancur's popularity has declined sharply. In time, perhaps in short order, this may force the Colombian government to take politically popular, but economically undesirable, decisions. While at present the United States provides no economic assistance to Colombia; the United States, may want to consider, working through multilateral institutions, such as the Inter-American Development Bank or the IMF, assisting the Colombian government in its efforts to achieve economic reform.

CURRENT ECONOMIC AND POLITICAL PRESSURES

The situation facing the Betancur government is not unique. Political stability and economic development in the countries we visited is being hindered by the burden of heavy external debt and the insatiable demands of historically deprived and violatile electorates. These debt burdens were incurred during the late 1970s and early 1980s by governments attempting to ease economic and political pressures and maintain standards of living in the face of global recession. Repayment difficulties were further exacerbated by the increasing prices of imported energy and the falling prices for exported commodities in this same period. While South American economies continued to grow in this period, this growth was largely financed with borrowed capital from Western banks.

At present, each of the countries we visited is simultaneously confronted by:

Global economic conditions which impose varying degrees of hardship on their respective national economies;

The harmful after-effects of economic mistakes and burdens incurred by previous governments; and,

The demands of electorates which assume that their present governments, though newly established and imperfect democracies, should be able to satisfy immediately both political and economic needs.

These conditions and expectations undercut the ability of the governments in the region to pursue rational economic policies. In consequence, sound political responses, which take into account economic realities and lay the groundwork for stable government, are often swept away by the flood of competing demands.

PARADOX OF CAPITAL EXPORTS

While these influences are strongly felt in the United States and other developed nations, in Latin America their effect is compounded by such factors as a marked decline in capital inflow and a marked increase in capital outflow from Latin America to the United States and Western Europe. In Latin America, we find the paradox that developing countries, which in accordance with classical economic theory, should be importing capital to offset a chronic lack of sufficient investment to spur economic growth, are currently net exporters of capital. This outflow has occurred as investors take advantage of the high returns on investment opportunities and interest rates in the industrialized nations. In 1981, capital inflow to Latin America (largely borrowings) was at a record $38 billion; in 1984, Latin America became a net exporter of capital—at a time when payments for interest and principal on a large volume of previously contracted foreign debts were accelerating. Additionally, the monetary and budget policies of the United States and other industrialized countries made access to additional external credit too costly. Simply put, Latin American countries were no longer able to borrow sufficient funds to finance development and debt service.

EXPECTATIONS OF U.S. ASSISTANCE

It is ironic that countries which undertook political reform with the encouragement of the United States and Western Europe, and with the expectation that the adoption of democratic institutions would be rewarded by increasing flows of financial assistance, now find that the economic policies of the industrialized nations work to their disadvantage. This has led many of these countries to conclude that their economic futures are at the mercy of international financial institutions and private banks which appear quite willing to sacrifice new and fragile political institutions on the alter of economic austerity. The expectation on the part of these countries that the Western democracies, particularly the United States, would soften the impact of austerity and support an extended period of adjustment has not been realized. In point of fact, it is questionable whether U.S. economic assistance programs, which also include U.S.-supported multilateral programs, could approach what is required to finance such a transition. It is evident that the strength of private banking would have to carry the largest share of any such financing program.

"MUDDLING THROUGH"

While it is commonly recognized that austerity measures are required to reverse economic decline, in the absence of a comprehensive program to finance what may be termed graduated austerity, the unfortunate political tendency in these countries is to try to "muddle through." Obviously this is not a workable solution and only exacerbates fundamental economic problems. The ability of many of these nations to strike a balance between political and economic imperatives is being tested as never before. The answer, however, must be found; and soon, for the longer these issues are put off, the more acute the economic situation will become and, consequently, the more difficult the political choices.

EXERTING U.S. INFLUENCE

Equally, delaying decisions needed to deal with deteriorating economic conditions makes it more difficult and more costly for the United States to effectively contribute to the development of stable and economically viable democracies. If at present, it is costly and difficult to make this contribution—and it is—in time it will be even more so. We must recognise the means available to exert U.S. influence are limited. The U.S. can:

Undertake domestic economic policies which reduce the export of capital to the United States and which create a favorable trade environment;

Take a more active role within multilateral institutions, such as the IMF, to ensure that adjustment programs are appropriate;

Adopt regulatory changes which would more directly involve private banking in the adjustment process; and,

Structure and implement bilateral aid programs which are supportive of, and not a substitute for, an integrated structural adjustment program.

Clearly, U.S. domestic economic policies could be structured to have an enormously beneficial impact on the situation. However, we learned that U.S. domestic economic policies are having an extremely detrimental impact on Latin American economies. It must be noted, that two-thirds of the total debt of the Latin American region has been contracted at floating interest rates. Knowledgeable officials in several of the capitals we visited told us that current U.S. policies, associated with high interest rates, are responsible for unanticipated and increasingly burdensome debt service costs. This problem, they told us, is compounded by the acceleration of outward capital flows encouraged by the same economic policies. The willingness of the United States to accept large trade imbalances, and thus increase the export incomes of foreign countries has but a marginal effect in these countries which, apart from Argentina, have relatively little of value to export. In the views of these officials, U.S. trade imbalances do not adequately compensate for the high interest rates and capital flight being experienced in the region.

ROLE OF PRIVATE BANKING

Since the largest portion of Latin America's debt, is held by the IMF and private banks, the U.S. role in multilateral institutions and in exercising influence over the private banks offers great potential to bring positive change. However, U.S. participation in multinational banking is often in conflict with the goal of achieving stable and economically viable democracies. In its relationships with the IMF, the multilateral development banks and commercial banking, the U.S. too often succumbs to the overriding objective of these institutions, namely the preservation of the Bretton Woods system. The banks and the IMF seek, with active U.S. participation, to enforce the repayment norms which are part of that system. The private banks and the IMF are by their charters indifferent to the nature or form of the governments which participate in sovereign borrowing. Their sole objective is to maintain the existing international financial system. In consequence, nascent democracies, such as Argentina, which have succeeded "borrow-and-spend" authoritarian governments, are held to repayment schedules which bear little relationship to the new government's stability or its capacity to meet such repayment schedules. As the IMF and the banks adhere to the code of austerity and rigidly insist upon prompt repayment, they effect a gradual but certain impoverishment of these countries. Under conditions of rigid austerity, there is no opportunity for growth, for an increase in capacities to service debt and to satisfy consumer demands; there is only the requirement that governments somewhow achieve a revenue surplus which can be used to repay existing debt—a requirement that wealth be transferred from poor in the developing countries to the rich in the developed.

Earlier in this paper, we noted that there is common recognition of the need for austerity measures to halt economic decline in Latin America. There is equally broad agreement that austerity measures will fail if taken without regard to differences in the capacities of the respective countries to withstand the rigors of austerity. Furthermore, such measures will fail if they are not constructed so as to visibly enhance prospects for positive economic growth. This is what we mean by the term graduated austerity.

The rigid application of IMF inspired austerity measures has two predictable results: (1) it leads to failures to achieve the provisions of the structural adjustment programs and, thus, their subsequent collapse; and, (2) as a corollary, if all countries were to pursue austerity, the global economy would collapse inward and, rather than preserving the Bretton Woods system, austerity would lead to its demise.

Thus, powerful arguments exist for easier repayment terms. Not only did the present democratic governments not contract the debt, to a large extent they also never received much long-term benefit from it since much of borrowing was squandered on unwarranted military purchases and ill-conceived development programs. Furthermore, authoritarian governments which faced no serious monitoring by legal oppositions allowed, and in some cases encouraged, the flight of capital abroad. Equally, lending institutions did not place responsible constraints on the amounts and terms of the loans made to these governments. In an effort to recycle "petrodollars" in the late 1970s and early 1980s, banks, through unconstrained lending, allowed these authoritarian regimes to mortgage their countries' economic futures.

CONSTRAINTS OF THE BRETTON WOODS SYSTEM

Not withstanding these arguments, the banks appear anxious to maintain the existing arrangements for dealing with countries facing debt crises (specifically, using the IMF as the primary agent for establishing economic conditionality by using the Fund agreements with individual governments as precursors to the renegotiation of privately held loans). Neither the Administration, the IMF nor the private banks appear to the undertaking positive action adequate to deal with the potential unraveling of that system. There are, however, increasing signs that the countries of the region are no longer willing to blindly adhere to a system which is increasingly at odds with their political and economic aspirations. While we would not want to place too great an emphasis upon this point, nonetheless it is significant that officials of various governments in the region talk of establishing a "debtor's cartel" (the Cartegena Group) as a means of protecting the interests of debtors.

Moreover, this newfound resolve on the part of debtors to question the existing system is echoed in expressions of concern by IMF and bank representatives that certain governments are apparently unwilling or unable to negotiate in good faith. Questions as to the continued viability of IMF agreements as a means of guaranteeing economic adjustment are being raised. Indeed, it is broadly accepted that the value of IMF adjustment programs is being debased as debtor countries attempt to cope with the difference between what they are required to say they will do to secure further financing and what they know will be beyond their capacity after thay have obtained such financing. This is demonstrated by the increasing incidence of renegotiation of IMF adjustment programs before they have run their course. These unrealistic requirements for policy change have prompted officials in the Dominican Republic, Colombia, Peru and Bolivia to express desires to circumvent IMF agreements as prerequisites to further U.S. economic aid or the renegotiation of debts held by private banks. The Dominican Republic, for example, recently secured the disbursement of $50 million in U.S. economic support fund financing prior to final agreement on an IMF approved economic plan.

A POLICY OF INSUFFICIENCY

The Dominican Republic secured this extraordinary infusion of U.S. bilateral aid by successfully arguing that these funds were needed to avoid a recurrence of the riots and political unrest which followed last April's efforts to implement an IMF approved program for economic stabilization. It remains to be seen whether this extraordinary assistance will enable the Dominican Republic to undertake a revived and more realistic IMF adjustment program, or whether the $50 million, because it is insufficient or inappropriate, will have no beneficial impact. What must be proven is that the disbursement of this $50 million, if it is to be considered sufficient and appropriate, is linked to a sustainable program of adjustment which corresponds to the concept of graduated austerity.

Current U.S. economic assistance funding often functions as a placebo. Because these programs are driven by the foreign policy objectives of demonstrating support to nascent democracies and short-term considerations relating to the maintenance of political relationships with various governments, more often than not they simply subsidize failing economies. However, the level of subsidy is insufficient to gain any real economic policy advantage or to substantially alleviate the human suffering associated with deteriorating economic conditions. For example, internal State Department proposals to give Bolivia a $20 million cash transfer in the context of a country which, at the end of 1984, was well over $1 billion in arrears on its public and private sector debt, are, in our judgment, so politically and economically irrelevant as to be absurd.

The United States must develop a systematic and cohesive approach for dealing with the region's economic crisis. Such an approach would have to recognize the weaknesses of the current system of debt management. The present system remains heedless to internal political dynamics; provides insufficient assurance that these countries actually implement the economic reforms agreed to as part of debt management proposals; does not afford positive opportunities for these countries to improve their own economic conditions while meeting past debt obligations; and, finally, does not shield these countries from the unintentional negative impacts of the economic policies of the industrialized world, particularly the United States. Since there is not a concerted approach, the benefits from one set of activities are frequently nullified by the damage caused by other actions.

It is critically important that proposals for future U.S. aid programs to the region be evaluated as to their potential to actually contribute to economic recovery and give full consideration to the recipient nation's economic woes. Palliatives, such as the proposed cash transfer to Bolivia or further balance of payments support to Peru while foreign military purchases continue unabated, only contribute to the continued deferral of necessary economic and political choices.

The United States is appropriately favoring democratic governments in the region over authoritarian alternatives, even though some of these alternatives offer the illusion of being more able to survive the political repercussions of harsh but necessary economic reforms. While this democratic preference is a worthy consideration, the United States cannot base continued economic support to countries in the region simply because they maintain a facade of "democracy." Governments which seek to lay claim to that title must demonstrate that they are prepared to manage government finances through civilian institutions which are accountable to the people through their elected representatives. Democracies which are unable to build solid economic foundations will not be able to develop long-term political stability. In this sense, the United States can best promote democracy by nurturing "good government" and by supporting those governments that are willing to consistently undertake rational economic policies within realistic political frameworks. To finance failure not only wastes U.S. tax dollars, but also raises questions in the region as to the desirability of democratic governments and the ability of the United States to act as an intelligent and capable ally.

NARCOTICS

As an adjunct to our review of U.S. economic and security assistance programs, we also examined the effectiveness of U.S. supported activities to counter the corrosive influence of illicit narcotics production and trafficking on political and economic stability in certain of the countries we visited.

Clearly the control and suppression of narcotics is of significance not only to Latin American countries, who wish to free themselves from the corruption and violence associated with the drug trade, but also to the United States, which in addition to corruption and violence, suffers enormously from the destructive influence of narcotics on our youth. It should not be forgotten, that while Latin American countries are the producers of illicit narcotics, it is we who are the consumers.

U.S. narcotics control assistance has registered dramatic successes in the control and eradication of narcotics substances in many regions of Latin-America, especially in Mexico and Colombia. At great personal risk, anti-narcotics officers of the United States and local governments have tirelessly pursued those who profit from this trade. Unhappily, the narcotics traffickers continue to flourish and interdiction and eradication efforts in the region appear to have passed the point of diminishing returns. Although recent efforts directed against concaine processing laboratories in the region have resulted in several spectacular and well-publicized cocaine seizures, the Miami police department's vice and narcotics squad reports that wholesale prices of cocaine dropped from $60,000 a kilo to just over $20,000 a kilo in 1984. A major increase in street prices should have occurred if cocaine imports were significantly constrained or disrupted by a the Colombian seizures. Yet, as noted, the price continued to drop following the large seizures of Colombian cocaine.

In meetings with knowledgeable U.S. and local officials, we learned that the amount of money derived from illicit narcotics trafficking, which flows into the national economies of Latin America is vastly overstated. This is not to say that substantial money flows are not associated with the narcotics trade. Rather, the money which comes from the production and sale of narcotics remains largely outside the producting nation. For example, Colombia, which produces 75 percent of the cocaine and 66 percent of the marijuana entering the United States, is estimated to see only $400 million returned to the national economy. U.S. officials in Colombia estimate that if the drug trade were to be completely eradicated, the economic impact would be less than one-and-a-half of Colombia's GDP. The impact of narcotics money on the economies of Latin America is further diluted because narcotics traffickers seldom use their repatriated profits for capital investment, but rather for conspicuous consumption.

Furthermore, while we note that on a national level the economic impact of the narcotics trade is negligible, many Latin American economies are so unevenly distributed that in impoverished regions, the money derived from illicit trafficking can have a disproportionate if not controlling influence. Invariably, it is in these regions that narcotics trafficking is most deeply entrenched. Crop substitution or eradication programs are stymied by the undeniable evidence that production of narcotics is the most profitable cash crop and that narcotics producing plants are among the heartiest found in nature and grow virtually everywhere. This makes it prohibitively costly to "buy off" the small producer or to completely destroy the crop.

New approaches need to be developed which would directly attack the incentive structure for dealing in narcotics. Specifically, new approaches are needed to:

Lower the demand for illicit drugs;

Disrupt the enormous money flow associated with these activities (much of which flows through reputable banking institutions); and,

Arrest, extradite and imprison major narcotics traffickers.

In the absence of such measures, sizeable new investments in narcotics interdiction and eradication should be limited since their overall impact on the problem is likely to be negligible.

DOMINICAN REPUBLIC

Economic Situation

With prudent management, and some outside assistance, the Dominican Republic should be able to arrest the decline in its economic situation. This Caribbean country has managed to substain modest real growth (+3.9 percent in 1983) despite continued depressed prices in the international markets for its primary exports (sugar and ferronickel) and an overvalued currency. U.S. Embassy and Dominican officials, as well as private bank representatives, all agree that if the government takes appropriate measures to establish a hospitable environment, significant potential exists for outside investment in non-traditional areas, such as specialty fruits for export to the United States.

The depth of the economic crisis facing the Dominican Republic should not be underestimated. The Gross Domestic Product (GDP) is not expected to grow significantly in 1984 and per capita GDP is forecast to decline. Unemployment now exceeds 24 percent of the workforce and is projected to grow in 1985. Per capita income stands at around $525 per year, nearly one-half 1980 levels. Inflation in 1984 was approximately 30 percent and is forecast to be even higher in 1985.

As of December 1984, the Dominican Republic's external liabilities, including accumulated debt arrearages, exceeded $3 billion. That this debt places an extraordinary burden on the economy is shown by the fact that debt service requirements for 1984 will total $729 million, almost one-third of the total 1983 GDP. This problem has been growing at least since 1978 when balance-of-payments difficulties began to worsen. For 1984, cash flow analysis forecast Central Bank reserve losses of some $400 million. Accelerating losses are demonstrated by the fact that while 1984 losses alone will total some $400 million, the cumulative deficit accured during the 1978–1982 period was $768 million. The balance-of-payments situation had become so acute that by December 1984, the Dominican Republic effectively suspended external debt service payments pending an IMF stand-by agreement and a hoped for rescheduling of debts held by private banks.

To recover control of its economy, it is estimated that the Dominican Republic must reschedule in 1985 about $570 million in debts on commercial bank and government loans. A substantial portion of this $570 million is in arrears from 1983 and 1984 and consequently renegotiation will be costly because, in accordance with customary practice, past due interest must be paid.

Negotiations on a new IMF agreement have been protracted. The Dominican government has claimed that IMF conditionality is politically unacceptable. This assessment has been based in part on the government's fear of a recurrence of the April 1984 riots which followed an earlier IMF agreement. These riots, which left 60 people dead, were triggered by the government's decision to raise cooking oil prices to market levels, pursuant to conditionality provisions which required a reduction in government subsidies. In August 1984, the Dominican government produced an Economic Policy Statement outlining a comprehensive adjustment program. This document has served as the basis for current negotiations toward a 1985 agreement with the IMF, leading to additional IMF adjustment financing.

Larely in anticipation that an agreement with the IMF would be reached, the United States, in December 1984, disbursed $50 million in economic support fund grants. These funds were part of the $95 million programmed for the Dominican Republic in accordance with Congressional directives. It must be underscored that this disbursement was made prior to the conclusion of an IMF agreement. It was made with the expectation that the Dominican Republic would institute economic reforms, to include unification of the exchange rate, reduction of fiscal imbalances and a rescheduling of debt payments. Since the United States disbursed these funds to support a government prior to conclusion of an IMF agreement, this action marks somewhat of a departure. In contrast to established practice, the United States advanced these funds with the understanding that doing so would encourage the Dominican Republic to follow through on its announced intentions for economic reform. The unintended effect of this infusion of cash, however, may be to make it easier for the Dominican government to defer action on the more difficult policy reforms required by the IMF and the private banks. Therefore, unless the United States acts to ensure that this funding facilitates a comprehensive effort by all parties involved to assist the Dominican Republic in extricating itself from its economic predicament, it may actually be counterproductive.

Political Situation

The government of President Salvador Jorge Blanco appears to be committed to economic reform. However, since 1983, splits within the ruling Revolutionary Democratic Party (PRD) appear to be limiting Jorge's ability to move ahead with economic adjustment measures, especially those designed to increase tax revenues. This situation is exacerbated further by elections scheduled for this year and the search for a successor to Jorge Blanco.

The willingness of the Dominican legislature to act positively and promptly on an austerity package will be a crucial factor in the Dominican Republic's ability to meet any new conditions imposed by an IMF agreement. While the executive has demonstrated the political will to carry out an adjustment program, the willingness of the Dominican congress to support budget cuts and tax increases in an election year is unclear.

Not to be forgotten is the fact that there is a violatile electorate in the Dominican Republic. Some 40 percent of the population lives below the poverty line. As a result of economic reforms, prices of basic staples have steadily risen at a time when real wages were declining. Of necessity, conditionality is likely to force further increases in prices, which hit hard on the poorest sectors of society. Consequently, if the United States expects to see the Dominican Republic successfully implement appropriate economic policies, it must make every effort to ease the political costs of implementing those policies.

PANAMA

Economic Situation

The overall Panamanian situation appears to be one of slow but continued deterioration. The Panamanian economy has been at a virtual standstill since 1983. This be attributed largely to a slackening of world trade brought on by the global recession and a sharp decline in the demand for traditional exports of goods and services. The economic outlook will worsen in 1985 and 1986 because projected government revenues will fail to keep pace with scheduled increases in debt service costs. This will limit the government's ability to maintain current services and could arouse resistance to necessary austerity measures.

Panama is facing a public debt of some $3.4 billion, of which $700 million was due at the end of 1984. With IMF financing, it is expected that Panama will experience only a shortfall of $35 million in financing 1984 expenditures. In 1985, the gap between government obligations and revenues is projected to grow to $75 million.

The Administration is considering a $40 million cash transfer to help fill this gap; although, obviously, this amount is insufficient to meet Panama's projected need. We do not know of any decision to condition future economic support fund disbursements on the maintenance of an economic reform program by the new Panamanian President and legislature which was convened in November 1984. In December 1984, in response to widespread public protest, President Nicholas Barletta announced he would withdraw his government's economic reform program. Unless a meaningful economic reform program in instituted, and soon, U.S. assistance funds will be among those lost to the perpetuation of inefficient and ineffective economic policies.

Panama's ability to adjust monetary policy to meet short-term political needs is constrained because the Panamanian currency is the U.S. dollar. Since Panama cannot print money to finance the government's budget deficit, certain political choices are more painful. For example, Panama's ability to create jobs through currency inflation is limited; yet, job creation is very important to maintaining social and political stability. The key benefit to maintaining the dollar as the unit of currency, is that a weak government is prevented from moving the country into an inflationary spiral.

Political Situation

This year's Panamanian election is generally acknowledged to have been "flawed." There is universal recognition in Panama that the Presidential elections were not fair, and that President Barletta was installed in office by the National Guard. Nonetheless, many people (including Barletta opponents) believe that Barletta did receive nearly 50% of the vote and this represents some kind of mandate. Equally, many believe that if his opponent, Arnulfo Arias, had been elected, he would not have been allowed to take office.

Barletta is seen by some to be freer from National Guard influence than previously thought. Questions relating to the conduct of the election may weaken his ability to carry-out broad-scale and unpopular economic reforms. In this context, it does not seem appropriate for the United States to initiate cash transfers until policy reforms are fully articulated and actually underway. Then, it would be appropriate for the United States to step in and provide visible support to President Barletta through assistance which moderates the impact of austerity on the most vulnerable elements of Panamanian society.

COLOMBIA

Economic Situation

Although the current state of the Colombia's economy appears healthy, many observers believe that external debt service requirements may precipitate an economic crisis in the next two to three years. Colombia is facing very heavy capital payments in this period. In 1982 debt service payments were $250 million. In 1985, these payments will climb steeply to $730 million. Consequently, in 1985, a balance-of-payments shortfall exceeding $1 billion is expected to wipe out Colombia's remaining hard currency reserves. This balance-of-payments situation is expected to improve over time, but projections of current trends suggest an additional $500 million draw on hard currency reserves will come in 1986 and Colombia will be forced to seek external financing.

The next two years will be critical. Colombia must integrate a long-term development strategy (based on opening new coal and oil deposits which will be exploitable in the late 1980s) and, short-term policies designed to halt the erosion of hard currency reserves. This will be extremely difficult, because it appears that Colombia is mortgaging future income potential to meet the costs of short-term stabilization. For example, our conversations led us to believe that Colombia is considering selling coal futures in order to finance current budget shortfalls. If so, it is probable that they will be selling their future development potential at rock-bottom prices because current market prices for coal are depressed. Since much of the future income of these projects is already obligated to pay back development and production costs, the benefits of such a scheme are likely to marginal.

Over the years, Colombia has been conservative in its handling fiscal matters. Hence, Colombia has a relatively small external debt. In recent years, however, Colombia has been hurt by high interest rates which the Colombian Ministry of Finance has linked to the record U.S. budget deficit which it asserts have cost Colombia some $1.5 billion in increased interest payments. Additionally, Colombian government finances have been weakened by slow economic growth and reduced revenues from tax evasion.

Colombia does not presently have an IMF program. It does not receive economic assistance from the United States. Currently, Colombia is seeking to reschedule its commercial debts in the absence of an IMF agreement. Colombia intends to convince the commercial banks of its credit-worthiness by unilaterally undertaking an IMF-like economic austerity program. However, the banks have resisted and already indicated that they will not reschedule Colombia's debt in the absence of the legitimacy ascribed to an IMF sanctioned adjustment program. It is not clear whether the banks will continue to maintain this hardline position.

Political Situation

Colombia's political stability seems predicated on Betancur's ability to balance competing political interests—which range from a conservative establishment opposed to social change to leftist insurgencies demanding a fundamental re-ordering of society. Betancur's continuing ability to maintain this equilibrium will be challenged by new outside forces, particularly in the form of pressure exerted by the banks and the IMF as they seek to instill economic reforms in return for continued credit and eased debt service requirements.

Colombia's efforts to rationalize its economy could be disrupted by internal security considerations. Growing pressures for budget austerity have reduced the 1984 Colombian military budget to a level 30 percent less than the 1983 budget and the 1985 budget is expected to be 40 percent less than the 1984 budget. The total impact of these reductions is not clear, since the 1983 budget totals were unusually high and the potential remains for 1985 supplemental funding. However, this could be disastrous if the current truce with the insurgents breaks down and the level of fighting increases (requiring higher defense expenditures). In that case, increases in military expenditures would be driven by urgent requirements which would override budgetary considerations for austerity. Thus, in the Colombian situation, where spending on military items has been relatively modest, U.S. security assistance could meaningfully contribute to shielding economic reforms from the legitimate demands for increased military spending. Of course, Colombian military requirements would need to be carefully reviewed.

PERU

Economic Situation

Peru's economy is in a state of imminent collapse. This is largely due to the sharp contraction in international markets for Peru's main export commodities, a series of devastating natural disasters, and continued government mismanagement of the economy through interventions and subsidies, as well as excessive spending on capital investment projects of dubious value.

GDP, which had averaged approximately 4 percent growth in 1980–1981, fell by 12 percent in 1983 alone and continued to decline in 1984. As a result, by 1984, massive unemployment and the collapse of entire sectors of the economy had driven real per capita income to below 1963 levels. The public sector deficit, which was 1 percent of GDP in 1979 had grown to 11 percent of GDP in 1983. Under Peru's short-lived 1982 stand-by agreement with the IMF, the public sector deficit was not to exceed 4.1 percent of GDP in 1984. Nonetheless, the deficit was larger and is forecast to grow to 15 percent in 1985. By the end of 1984, Peru, having suspended payments on principal in March 1983, was some $400 million in arrears on interest payments to its $13.3 billion foreign debt. Including unpaid interest, Peru is scheduled to pay $1.6 billion to foreign creditors in 1985.

No one knows how this will be done. At present, because the government has financed on-going activities through the sale of dollar-denominated certificates, which are liquid claims, Peru actually has net negative reserves. Being a resource poor country, which has mortgaged the major portion of its foreign exchange-earning fishing industry to the Soviet Union to pay for arms purchases, it is highly unlikely that Peru can expand its remaining exports sufficiently to obtain the hard currency required to meet its overdue interest payments, let alone retire any principal. Beleaguered officials in the Peruvian government, told us that because of Peru's unfavorable reserve position, and the demands for foreign exchange to meet existing overdue obligations of interest and principal, a "mere rescheduling" would not ease the financial crisis. Peru needs "fresh" money, and in substantial amounts.

It is in this context that U.S. proposals to provide additional economic support funding must be evaluated.

It is questionable that additional U.S. assistance could have any utility. The government of President Fernando Belaunde Terry shows little sign of fiscal responsibility, and appears unable to set and enforce priorities. For example, in a declining economy with some 75 percent of government revenues already being spent on interest payments and military spending, the government has signed newly negotiated contracts with France for the purchase of 26 Mirage 2000 interceptor aircraft for the Peruvian air force. This $600 million deal is said to represent a victory for the armed forces over civilians who would have preferred to dedicate this hard currency to managing the present debt. It is indicative of the weakness of democratic institutions in Peru that, some four years after civilian rule was said to have replaced military control, the armed forces are able to unilaterally commit government resources.

The ability of the IMF to secure Peruvian commitment to economic reform is questionable. Peru's former Prime Minister, Manuel Ulloa, resigned in late 1982, at least partially over disputes with President Belaunde over the government's commitment to maintaining the economic reforms which were conditions of their 1982 stand-by agreement with the IMF. Negotiations with the IMF have broken down completely, effectively precluding refinancing and rescheduling agreements with the private banks which will be necessary to stabilize Peru's economy. Such economic decisions have been put off until after a new president is installed in June.

Political Situation

The first round of Peruvian national elections are scheduled for April 1984. The political parties of the ruling center-right coalition have failed to build a coalition and, as a result, have splintered into three factions. This favors the prospects of the center-left APRA party, led by Alan Garcia, in the run-off election scheduled for May. Peru's electoral system, providing for run-off elections, virtually guarantees that the party of whomever is elected President will not have a majority in the legislature. Obviously, this could have negative implication for the new president's ability to implement economic reforms.

BOLIVIA

Economic Situation

Bolivia's economy has been described as "imploding". Inflation has surpassed an annual rate of 1,000 percent. Per capita income is the lowest in Latin America and declining. The country is $3.7 billion in debt and faces a debt service ratio over 100 percent. Bolivia is in its fourth year of real economic decline (real GDP fell 1.5 percent in 1981; 8.7 percent in 1982; 7.7 percent in 1983; and is expected to continue its decline in 1984 and 1985). The fiscal deficit is in excess of 28 percent of GDP; the Bolivian peso is overvalued by some 200 percent (in spite of a 75 percent devaluation in April 1984). Official unemployment is 12 percent, but real unemployment is reportedly as high as 40 percent in the cities. The money supply is growing at 100 billion pesos per month.

Even if the country had not been the victim of declining world commodity prices and the Andean drought, the economy would still be deteriorating because of ineffective economic policies that, for example, subsidize fuel prices to a level of $0.06 per gallon. In reference to this policy, a Bolivian cabinet minister noted that liter of gasoline costs less than the price of a cigarette. Tax rates are based on a 1970 census and peso rate. The government of President Hernan Siles Zuazo appears incapable of implementing economic reform. The real economy has shifted almost completely to the unofficial side.

The government has all but repudiated its external debts and has stopped payments since May 1984. An IMF stabilization program is out of the question at this point. Moreover, negotiations with the private banks have been suspended. Banks have disbanded groups formed for the purpose of negotiating with the government. The few U.S. banks which remain in La Paz are reduced to skelatal staffs and remain only to monitor the situation.

In this context, the State Department is considering granting a $20 million cash transfer to Bolivia, a country well over $1 billion in arrears on its debt service.

Political Situation

The Bolivian political scene is dominated by continuing conflict between the original leaders of Bolivia's 1952 revolution. These men include: Victor Paz Estenssoro, leader of Bolivia's largest opposition party; Siles Zuazo, the President; Juan Lechin, the leading trade unionist; and, Guillermo Lora, the Trotskyite theoretician of the powerful Bolivian worker's union. Their continued fractious approach to government has effectively frozen the decision-making process in Bolivia.

Perhaps the most surprising thing about the government of President Hernan Siles Zuazo is that it survived for two years. Siles Zuazo's National Revolutionary Movement of the Left and its allies won three successive elections in 1978, 1979 and 1980, but were prevented from taking office each time by military action or electoral fraud. Bolivia had ten different governments between 1977 and 1982. Since Siles Zuazo came to power in October 1982 there have been seven known coup attempts.

This instability and continued strangulation of the government, while preventing the effective day-to-day functioning of the government, has at least created pressures for change. A positive sign may be found in the decision, by consensus, to advance presidential elections to June 1985. It is, of course, questionable whether these elections will lead to the creation of a government capable of undertaking the painful steps of restructuring Bolvia's economy. In any case, the United States should husband scarce foreign assistance resources until it becomes clear that the new government is willing to undertake substantive reforms.

ARGENTINA

Economic Situation

The Argentine economy began a modest recovery in 1983, with GDP growing by 2.5 percent after a cumulative decline in 1981–1982 of 11 percent. This has been taken by some as a sign that the recession in Argentina has bottomed out. Nonetheless, while Argentina's economy is more robust than that of other Latin American countries, it still faces a $43 billion external debt; annual inflation of over 300 percent; declining government revenues (down by 1.5 percent of GDP in 1983) and a growing government budget deficit.

Moreover, the legacy of the previous military government, which had presided over an increase in external debt from $8 billion in 1975 to nearly $45 billion in late 1983, without a significant addition to the nation's capital base and infrastructure, has severely constrained the present democratic government's ability to deal with contemporary economic difficulties. Furthermore, the military, through incompetent management of the economy, brought disorganization and disruption to the entire system for producing goods and services. This legacy has made it extraordinary difficult for the present government to effectively use Argentina's economic strengths to produce and export in sufficient quantities to meet debt service requirements, and promote vigorous economic growth.

Argentina's economic problems appear resolvable. It has a broadly-based economy and is well-endowed with human and natural resources. If the country is not subjected to economic disasters (such as a collapse in commodity prices) and the government remains committed to maintaining its economic reform program sustained recovery and growth is possible. This will be tested by its adherence to the austerity plan associated with the latest IMF stand-by agreement which will require squeezing government wages.

Political Situation

Alfonsin's most powerful adversaries are the labor unions, particularly the Peronist-dominated labor federation. The unions have already expressed their reluctance to accept economic austerity measures. The unions claim that almost any alternative would be preferable to an IMF agreement and, as a consequence, they will not cooperate in wage reductions.

Furthermore, the unions will probably move to protect the jobs of rank and file members threatened by budget reductions. For example, Alfonsin is planning substantial cuts in Argentina's military budget. While in the wake of the Falklands/Malvinas debacle, the country might be willing to accept these reductions, Argentina has over 26,000 people employed in domestic arms industries. These workers are unionized and likely to have great influence on whether the government is able to follow through with the proposed cuts.

Alfonsin's government appears stable for now. Labor groups are expected to grow more resistive over the summer months, particularly if the government maintains its austerity program. Although the political role of the military has been limited since the elections, observers of the Argentine military question whether Alfonsin's impact has been more than superficial.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Massachusetts for a very useful amendment. It strengthens our bill. We are prepared to accept it on this side.

Mr. PELL. Mr. President, I think it is an excellent amendment. I am very glad to accept it for the Democrats.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate on the amendment of the Senator from Massachusetts? If not, the question is on agreeing to the amendment.

The amendment (No. 131) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 132

(Purpose: To authorize appropriations to pay charges on shipments by certain private and voluntary organizations.)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. Kennedy] proposes an amendment numbered 132.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, after line 26, add the following:

OCEAN FREIGHT REIMBURSEMENT

Sec. 314. Section 123(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(b)) is amended—

(1) by inserting "(1)" immediately after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the President $20,000,000 to pay charges on shipments described in paragraph (1).".

Mr. KENNEDY. Mr. President, this amendment would add some $13 million to the $6.5 million requested by the administration in support of the ocean freight reimbursement, and earmarks it.

This is necessary because the administration has cut back by a half-million dollars on this account, precisely at the time when the voluntary agencies need it most. Also, the administration is refusing to use any of the supplemental appropriations we just passed for Africa to support ocean freight costs of the voluntary agencies, despite the strong legislative history that they should.

The tragedy in Africa has produced an extraordinary outpouring of generosity from the American people, much of it in terms of donated goods, food, and medicine and other essential items for the relief operation. Without some help in meeting the shipping costs, these goods will be lost.

Just a few miles from where we are this afternoon, in a warehouse in Maryland, there is $1.5 million in dated medicines that have been given to the Church World Service and they are sitting there because of the lack of ocean freight support.

This is one of AID's most cost-effective programs. For every $10 in essential good donated by the private sector, the Government only spends $1 to provide ocean shipping. These essential goods related to the relief efforts, not canned goods and luxury items.

I would like to inquire of the chairman and ranking minority member of the committee about their attitude on this issue.

Mr. LUGAR. Mr. President, as the distinguished Senator from Massachusetts knows, we are sympathetic to the needs of the voluntary agencies he has outlined, but we must oppose any additional funding in this bill. I agree that additional resources ought to be given to the ocean freight account to handle donations by Americans for the famine relief effort in Africa. And I also agree that AID should use some of the funds we have authorized recently in the emergency supplemental for Africa to cover ocean freight reimbursement as well as the inland transportation costs of voluntary agency programs.

On behalf of the Foreign Relations Committee, I would be pleased to write to the Administrator of AID to express my concern that AID should utilize the resources it has in a supplemental to respond to the ocean freight needs of the voluntary agencies. Would that be an acceptable course of action for the Senator?

Mr. KENNEDY. I want to thank the chairman of the Foreign Relations Committee for his response. It seems to me with the urging of the chairman of the Foreign Relations Committee and the ranking minority member that we could get some positive response for this fiscal year, and to have an opportunity if there was not a positive response to address this issue later at the time of the supplemental down the line. So I thank the chairman of the committee and the ranking minority member. With those assurances, Mr. President, I withdraw the amendment.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I would like to assure the Senator from Massachusetts that I would most gladly associate myself with the chairman in doing whatever we can to be of help in pressing along with this idea. It is a good idea, and one that I hope is achieved before too long.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

AMENDMENT NO. 133

(Purpose: To encourage the preservation and protection of the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens)

Mr. KENNEDY. Mr. President, I send an amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. Kennedy] for himself and Mr. Mathias, proposes an amendment numbered 133.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

That because the fabric of a society is strengthened by visible reminders of the historical roots of the society, it is in the national interest of the United States to preserve and protect the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens.

Sec. 2. There is established a commission to be known as the Commission for the Preservation of America's Heritage Abroad (hereafter in this Act referred to as the "Commission").

Sec. 3. The Commission shall—

(1) identify and publish a list of those cemeteries, monuments, and historic buildings located abroad which are associated with the foreign heritage of United States citizens, particularly those cemeteries, monuments, and buildings which are in danger of deterioration or destruction;

(2) encourage the preservation and protection of such cemeteries, monuments, and historic buildings by obtaining, where appropriate and in concurrence with the Department of State, assurances from foreign governments that the cemeteries, monuments, and buildings will be preserved and protected;

(3) sponsor or otherwise support demonstration projects to help preserve and protect such cemeteries, monuments, and historic buildings;

(4) prepare and disseminate reports on the condition of and the progress toward preserving and protecting such cemeteries, monuments, and historic buildings; and

(5) coordinate its efforts with the United States International Council on Monuments and Sites.

Sec. 4. (a) The Commission shall consist of five members appointed by the President.

(b) Members shall be appointed for terms of three years except—

(1) of such members first appointed—

(A) two shall be appointed for two years; and

(B) three shall be appointed for three years;

(2) a member appointed to fill a vacancy on the Commission shall serve for the remainder of the term for which the member's predecessor was appointed; and

(3) a member may retain membership on the Commission until the member's successor has been appointed.

(c) The President shall designate the chairman of the Commission from among its members.

(d) The Commission shall meet at least once every three months.

Sec. 5. (a) Members of the Commission shall receive no pay on account of their service on the Commission.

(b) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

Sec. 6. (a) The Commission may appoint such personnel (subject to the provisions of title 5 of the United States Code which govern appointments in the competitive service) and may fix the pay of such personnel (subject to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates) as the Commission deems desirable.

(b) The Commission may procure temporary and intermittent services to the same

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extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay then in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332(a)).

(c) Upon request of the Commission, the head of any Federal department or agency, including the Secretary of State, is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this Act.

SEC. 7. (a) The Commission may secure directly from any department or agency of the United States, including the Department of State, any information necessary to enable it to carry out this Act. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(b) The Commission may accept, use, and dispose of gifts or donations of money or property.

(c) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(d) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administration support services as the Commission may request.

SEC. 8. The Commission shall transmit an annual report to the President and to each House of Congress as soon as practicable after the end of each fiscal year. Each report shall include a detailed statement of the activities and accomplishments of the Commission during the preceding fiscal year and any recommendations by the Commission for legislation and administrative actions.

SEC. 9. This Act shall take effect on October 1, 1985.

On page 64, line 18 strike "SEC. 914." in lieu therefore "SEC. 915."

Mr. KENNEDY. Mr. President, I offer this amendment, with the Senator from Maryland, Senator MATHIAS.

Today, with Senator MATHIAS, I am introducing this legislation that will establish a commission for the preservation of America's heritage abroad.

We are a nation of immigrants. Almost all Americans can find roots abroad. And those roots are important to remember and respect. In many cases, cemeteries, monuments, and historic buildings are all that is left of the communities from which our ancestors emigrated.

Since the 1970's I have worked with Americans interested in preserving their heritage abroad. I discovered a distressing fact—many of these reminders of our ancestors are in danger of deterioration or destruction. Simple neglect over the years has taken its toll in some cases. Deliberate Government actions have been responsible in others.

Many cemeteries throughout Eastern Europe and the Soviet Union, representing communities of diverse religious faiths, have not been well cared for. In Poland, for example, only some 400 Jewish cemeteries remain out of 800 before World War II. Only a small portion of those are in decent condition.

The U.S. Government is in a position to assist Americans to preserve their heritage abroad. However, there is no one point in the Government to which Americans can turn. This problem deserves ongoing and sustained attention.

The Commission on the Holocaust recognized this problem and proposed a solution in its report to the President. The Commission recommended:

That in recommendation of the sanctity of the physical remains of the Jewish communities of Eastern Europe and the right of the dead to a final resting place, the State Department should continue to express its concern over the destruction of cemeteries, urging that they be maintained in a suitably respectable manner.

Hence the concept of a commission. The Commission proposed in this legislation would identify foreign cemeteries—to which Americans have ancestral ties—that are in jeopardy and to propose policies for encouraging foreign governments in whose countries such monuments are located to take steps to protect them.

Specifically, the Commission would:

Identify and publish a list of cemeteries, monuments, and historic buildings located abroad and associated with the foreign heritage of U.S. citizens which are in danger of deterioration:

Encourage their preservation by working in concurrence with the Department of State to obtain assurances from foreign governments that the landmarks will be protected;

Sponsor or support demonstration projects to help preserve and protect such cemeteries, monuments, and historic buildings;

Prepare and disseminate reports on the conditions of and progress toward preserving and protecting these landmarks;

Coordinate with the U.S. International Council on Monuments and Sites.

The Commission will consist of five members appointed by the President. Commissioners shall receive no pay for their service to the Commission.

I have had the opportunity to review this again with the chairman of the committee, and the ranking member of the subcommittee. It involves no additional funding.

It is a simple amendment but it is I think important. I hope that the Senate will be willing to give it favorable consideration.

Mr. MATHIAS. Mr. President, President Reagan has recently returned from Europe where among other things he participated in ceremonies commemorating the 40th anniversary of V-E Day. Throughout the world there are many cemeteries and monuments which also commemorate the sacrifices of Americans. Many of these cemeteries and monuments are in danger of deterioration or destruction. If these landmarks are allowed to perish, the memory of our ancestors, their triumphs, and the lessons to be learned from their failures will also perish.

Today I am introducing an amendment with Senator KENNEDY to establish a Presidential Commission to preserve these landmarks, as part of America's heritage abroad. The Commission will identify cemeteries, monuments, and historical buildings located abroad that are associated with the foreign heritage of U.S. citizens, particularly those sites which are in danger of deterioration or destruction. It will recommend policies to the State Department to encourage the governments, in countries where the cemeteries and buildings are located, to preserve them. In addition, the Commission will sponsor and support projects to help this effort.

The Commission would consist of five members appointed by the President. They will receive no compensation for their services, although travel expenses incurred will be covered, and a support staff will be provided. The Commission will meet at least once every 3 months and will submit to the President and to both Houses of Congress an annual report.

These historic landmarks can have a very powerful emotional impact. On this, I can speak from personal experience. A few years ago, I traveled to the Soviet Union to open America's "Agriculture USA" exhibit in the city of Kishinev in Modavia. In the course of my travels, I stopped briefly in Kiev to lay a wreath at Babi-Yar, in memory of the hundreds of thousands of Jews who were massacred there by the Nazis when they occupied the Ukraine.

It was a humbling and moving experience to stand at the edge of that fatal ravine, under a bleak winter sky, and pay my respects to the dead. The ravine's harsh, tragic outlines are softened now by landscaping and the scene, after years of official neglect, is dominated by a powerful monument.

But not a single word in the inscription on the monument tells you that it was Jews who were massacred there—that it is Jews who lie in the mass grave at Babi-Yar. The omission is significant. It is not accidental. It underscores the need for this Commission.

Elsewhere in the world the memory of the Holocaust is kept alive so that successive generations may learn its lesson: That man's fate is in his own hands—that by remembering the past, we may shape a better future.

It is in this spirit of remembrance that I am proposing the Commission for the Preservation of America's Heritage Abroad.

Mr. LUGAR. Mr. President, the amendment is an excellent one. We are prepared to accept it on this side.

Mr. PELL. Mr. President, I think this amendment fills a very real need. This Commission will fill actually a vacuum. I think it is an excellent one and we are glad to support it.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Massachusetts [Mr. KENNEDY].

The amendment (No. 133) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 134

(Purpose: Calling upon the President to initiate discussions with the Soviet Union and France to foster negotiations to limit and control arms control transfers to developing nations)

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] for himself and Mr. PELL, proposes an amendment numbered 134.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

"The Control of Conventional Arms Transfers

"SEC. —— (a) The Congress recognizes that conventional arms transfer agreements with the Third World by all suppliers from 1981-1984 totaled $153.2 billion (in constant 1984 dollars); in which non-communist suppliers accounted for $94.1 billion and communist suppliers accounted for $59.1 billion. The United States, the Soviet Union and France have been the three predominant arms suppliers to the Third World from 1977-1984 and collectively accounted for 83% of all conventional arms transfer agreements with the Third World in 1984.

"There is grave concern for the effect conventional arms transfers may have on regional stability, arms races and the economic needs of Third World nations, including their development, and ability to meet basic human needs. There is further concern about the effect of conventional arms transfers on regional stability, and ultimately on United States and Soviet security. Conventional arms transfer agreements made by the U.S., the Soviet Union and France are at levels closer to rough equivalence than at any time in history. This could be a significant factor in facilitating progress to limit and control arms transfers. Since new arms transfers are unpredictable, and since new cycles of arms purchases by the less developed nations could occur at any time, the U.S. should re-evaluate its conventional arms transfer policies and practices and seek to achieve negotiated conventional arms control agreements which enhance the national interest at the earliest possible date.

"(b) Therefore,

"(1) The President should, at the earliest possible date, in consultation with our allies, initiate discussions with the Soviet Union and France aimed at beginning multilateral negotiations to limit and control the transfer of conventional arms to the less developed world.

"(2) Within one year of the date of enactment of this section, the President shall submit to Congress a report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations which examines and analyzes United States policies concerning the transfer of conventional arms, especially sophisticated weapons, and including a review of measures being taken to fulfill the objectives stated above. This report shall also examine and analyze—

"(A) the lessons of earlier efforts to negotiate restraints on the export of conventional arms;

"(B) the evolution of supplier practices and policies;

"(C) the evolution of recipient country attitudes regarding conventional arms transfers;

"(D) the effect upon regional stability and security of conventional arms transfers by the United States and its allies and the Soviet Union and its allies in recent years;

"(E) the relationship between arms exports by major suppliers and the needs of those countries to support their domestic military procurement programs;

"(F) the relationship between arms imports and the external debt of recipient countries allocation of internal resources, and their economic well-being.

"(G) the relationship between arms transfers and regional military stability.

"(3) The report provided for in subsection (2) shall be submitted in unclassified form, with an unclassified summary and with classified appendices, as appropriate and necessary.

Mr. HATFIELD. Mr. President, there has been rather extended negotiation today between the majority and minority staff of the Foreign Relations Committee, and my staff to work out an agreement on this amendment. I believe we have reached a consensus upon which we can adopt the amendment.

Let me explain it. The Congressional Research Service has recently produced a document that I requested sometime back indicating trends in the transfer of arms by the three major world suppliers—the United States, the Soviet Union, and France—to Third World countries. I think one of the very significant factors to emerge is that between 1981 and 1984, there has been a total of $153 billion of arms that have been peddled throughout the world. I need not indicate the significant economic impact this has on the recipient countries, and on those countries which are the producers. But be that as it may, it seems to me that because of the erratic trend line that has been established through the year-by-year analyses it is indeed significant that this year the three major suppliers are roughly at parity in the value of their respective arms transfer agreements. This is a prime time, it seems to me, to urge and direct the administration, which this amendment does, to undertake discussions with France and the Soviet Union regarding some kind of control over this constant peddling of arms.

We then require a report back to the Congress in the resolve section of the amendment so that we will have better knowledge of the relationship between arms and economics in the recipient countries, we also require a report on steps which are being taken to fulfill the central purpose of the amendment. Other types of data are also requested.

Earlier today we had some discussion on the kind of indebtedness that these countries are experiencing. It is going to create some very serious, very cataclysmic economic problems for them down the road. I am not going to take the time of the Senate right now to get into a lot of detail on that except to say that this is a resolution that would indicate the sense of the Senate that the President shall do this.

President Carter made some attempt in the late 1970's, but only on a bilateral basis. It failed. Even if a bilateral miracle had been worked out between the United States and the Soviet Union, France would have remained a major supplier. So this is a different path in that it requires a trilateral approach which I think ultimately has to be obtained in order to get an effective agreement or an effective program. I think this is a very significant and historic document that has been produced, and this is a very significant and historic action of the Senate to take at this time. It gives meaning to the data and the information in the CRS document.

I urge its adoption.

Mr. President, I ask unanimous consent that the Senator from Rhode Island, Mr. PELL, be made a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Oregon for his thoughtfulness in this area. He has been a long-time champion of reason and commonsense in an area which needs a great deal more of that. We believe that his amendment is well drafted. It would be a most constructive addition to our bill. We support it on this side.

Mr. PELL. Mr. President, I am very glad to be a cosponsor of this bill. I think it is an excellent proposal and hope very much that it will be passed.

Mr. HATFIELD. Mr. President, I thank the chairman of the Senate Foreign Relations Committee and the ranking minority member, Mr. PELL, for their cooperation.

I want to pay a special tribute to staff. Under conditions of this kind where bills are being amended on the floor, there is a tremendous amount of energy and stress put upon the staff. The staff of the Foreign Relations Committee has been most courteous and most cooperative in working with my staff on this, amongst many of the other chores that they have on a day of this kind.

In addition to Rick Rolf and Pat Reiten of my staff I want to pay a special tribute to Bill Ashworth, Dave Smith, on the staff of the Foreign Relations Committee. Andy Semmel and Graeme Bannerman deserve special praise. Finally, Dick Grimmet of the Congressional Research Service for his excellent and scholarly work in the area of arms statistics. He has made an invaluable and objective contribution.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Oregon [Mr. HATFIELD].

The amendment (No. 134) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 136

(Purpose: Expressing the sense of the Senate that Republic of China (Taiwan) should retain full membership in the Asian Development Bank and that its status and designation should not be a precondition for membership in that body by the People's Republic of China)

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] proposes an amendment numbered 135.

At the appropriate place in the bill add the following:

Since the People's Republic of China is seeking to apply for admission to the Asian Development Bank, conditioning its application upon administrative changes affecting the status and designation of the Republic of China (Taiwan) within that body;

Since the Republic of China (Taiwan) is a founding member of the Asian Development Bank, actively participating in the Bank's activities and faithfully fulfilling its obligations since the Bank's establishment in December 1966;

Since the Republic of China's (Taiwan's) subscription to the initial capital stock of the Bank was determined on the basis of the area, population, and economic condition of the island of Taiwan;

Since neither the relationship between the Republic of China (Taiwan) and the Bank, nor the circumstances under which these relations were established, have changed since 1966;

Since the Asian Development Bank agreement specifically prohibits the Bank from being influenced in its decision by politics;

Since it was the strong conviction of the founders of the Asian Development Bank that the introduction of political considerations would undermine the ability of the Bank to carry out its mission, namely to further economic growth and cooperation in the region; and

Since the Republic of China (Taiwan) has assisted in carrying out the mission of the Asian Development Bank over the years, moving from borrower to donor: Now, therefore,

It is the sense of the Senate that—

(1) Republic of China (Taiwan) should remain a full member of the Asian Development Bank, and that its status and designation within that body should remain unaltered no matter how the issue of the People's Republic of China's application for membership is disposed of; and

(2) the President and the Secretary of State should express support of the Republic of China (Taiwan), making it clear that the United States will not countenance attempts to make administrative changes affecting the status and designation of another member without that member's full knowledge and consent.

Mr. KASTEN. Mr. President, the amendment I am introducing expresses the sense of the Senate that the Republic of China [ROC]—Taiwan—should retain full membership in the Asian Development Bank, and administrative changes affecting its status and designation should not be a precondition for membership in that body by the People's Republic of China [PRC].

Over a decade ago, the United States and the PRC began the process of normalizing political and economic ties. This process culminated in the U.S. recognition of the PRC in 1979. There are excellent strategic and political reasons for this normalization process to continue. But in our effort to establish new friends, we should not abandon old ones. We should never allow those old friends to be sacrificed for political reasons, no matter what the short-term advantage may be.

This is precisely the issue that faces us now as the PRC seeks to join the Asian Development Bank. On the one hand, the administration has expressed its support for the PRC's membership in the Asian Development Bank. This support can be seen as a part of the process of normalization, leading to better relations. On the other hand, the PRC has demanded that, as a precondition for its membership in the Asian Development Bank, ROC—Taiwan—must change its status and designation. Regardless of whether or not one believes the PRC ought to be allowed to join this body, there is no justification at all for ROC—Taiwan—to change its status and designation as a member of the Asian Development Bank.

The argument put forward by the PRC in the past, to the effect that there cannot be two governments claiming to represent the Chinese people, does not apply in this case. This argument has allowed the PRC to replace ROC—Tawian—in the United Nations, the International Monetary Fund, and the World Bank.

But when ROC—Taiwan—helped to found the Asian Development Bank in 1966, it was not in control of the Chinese mainland and did not claim to represent all the people of China in the Asian Development Bank. ROC's—Taiwan's—subscription to the initial capital stock of the Bank was determined on the basis of the area, population and economic conditions of the island of ROC—Taiwan. Neither the relationship between ROC—Taiwan—and the Bank, nor the circumstances under which these relations were established have changed since 1966. Therefore, the question of who is the sole, legal government of China and the representative of the Chinese people in international organizations cannot provide any basis for action here. And even if there were merit to the PRC's claim, there is no provision within the Asian Development Bank charter for downgrading the status and designation of a country which is already a member in good standing.

The Asian Development Bank is a nonpolitical regional financial organization. Its sole purpose is to provide the developing member countries with financial and technical assistance for their economic development. Article 36 of the Asian Development Bank Agreement specifically prohibits the influence of political considerations on the decisions of the Bank: "Only economic considerations shall be relevant to their decisions—in order to achieve and carry out the purpose and functions of the Bank." Political influences, of the sort being brought to bear by the PRC, undermine the ability of the Asian Development Bank to carry out its mission; namely to foster economic growth and cooperation in the region.

In conclusion, let me reemphasize that improved relations with the PRC should not be sought at the price of abandoning our oldest Asian ally. No matter how strongly we desire to normalize our relations with the PRC, the United Stated is morally obligated, at a minimum, to ensure that ROC—Taiwan—is not sacrificed. This is certainly the case with respect to ROC's—Taiwan's—status and designation in the Asian Development Bank. I ask that all my colleagues join me in

this effort to protect the status and designation of ROC—Taiwan—in the Asian Development Bank.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, on our side, we believe the amendment presented by the distinguished Senator from Wisconsin has been well drafted. It certainly offers the sense of the Senate as we understand it, and he ought to be commended. Therefore, we support it and ask for its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quroum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment (No. 135) was agreed to.

Mr. LUGAR. I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, while there is a moment as the Senators are regrouping, let me indicate to all who may be listening to this debate in offices that we are very close to completing the bill. There is a sense of urgency on the part of most Senators, and the managers are only too well aware of that. There is a hope that this bill can be completed by 6:30 p.m. I think that is fully within the range of possibility, if Senators would come to the floor and make certain that the last few amendments are presented and, hopefully, make short arguments. I know of no amendments at the moment that might call for rollcall votes, but I am prepared to be surprised if somebody should walk through the door with such amendments. We would like the attention of all Senators within the hour to complete this bill.

AMENDMENT NO. 136

Purpose: To establish Presidential certification on aid to the People's Republic of Mozambique

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 136.

At the appropriate place in the bill, insert the following new section:

SEC. ( ). (a) None of the funds authorized to be appropriated for fiscal year 1986 under chapter 2 and 5 of Part II of the Foreign Assistance Act of 1961 shall be made available to the People's Republic of Mozambique unless the President makes a certification in accordance with subsection (a) within thirty days of the enactment of this section and every one hundred and eighty days thereafter.

(b) The certification required by subsection (a) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations that the Government of the People's Republic of Mozambique—

(1) is making a concerted and significant effort to comply with internationally recognized human rights;

(2) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy;

(3) has implemented a plan to reduce the number of foreign military personnel to no more than 55 by September 30, 1986.

(4) is committed to holding free elections at a date no later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(A) the electoral process with internationally recognized observers; and

(B) the elimination of all restrictions on the formation and activities of opposition political parties.

Mr. HELMS. Mr. President, this amendment is quite simple. I believe the leadership and the managers on both sides are willing to accept it. It requires Presidential certification as a condition for aid to the Communist regime of the People's Republic of Mozambique. This certification is a minimum requirement should we decide to embark on a program of largesse to communism in Mozambique.

Mr. President, my amendment requires the President to certify the following in order for Mozambique to receive U.S. aid which this year is at a level of $18,150,000. First, the President must certify that Mozambique is making a concerted and significant effort to comply with internationally recognized human rights.

Second, the President must certify that Mozambique is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy.

Third, the President must certify that Mozambique has reduced the number of foreign military advisers to 55 by September 30, 1986.

Fourth, the President must certify that Mozambique is committed to holding free elections at a date no later than September 30, 1986, and to that end has demonstrated its good-faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to, first, the electoral process with internationally recognized observers and, second, the elimination of all restrictions on the formation and activities of opposition political parties.

Mr. President, here is the point: It is inconceivable, at least to this Senator, that the United States is allocating $18,150,000 for the Communist regime of Mozambique in this year's foreign aid bill, $3 million to be allocated for a military assistance program and an additional $150,000 are for a military education and training program.

The ruling Communist Party of Mozambique, Frelimo, was founded in 1962. The leftist coup in Portugal in 1974 facilitated the rise to power of Communist National Liberation Movements in the Portuguese territories in Africa. Mozambique became independent in 1974 and under the Communist Frelimo regime proceeded to place a Soviet AK-47 assault rifle as part of the national flag.

At the Third Party Congress of Frelimo in February 1977, Frelimo was officially designated a Marxist-Leninist "vanguard party." The transformation of this National Liberation Movement into an orthodox Marxist-Leninist Party was effected through cooperation with the Communist Party of the Soviet Union. The process of this Moscow-guided transformation is paralleled to the Angolan case and the case in Nicaragua.

The Chairman of the Frelimo Party and President of the People's Republic of Mozambique, Samora Machel paid an official state visit to Moscow in November 1980. Following this official state visit, a "Joint Soviet-Mozambican Statement" was released. A review of its contents reveals the true nature of the Machel regime.

The Soviet-Mozambican statement declares:

> During the exchange of opinions of cooperation between the CPSU (Communist Party of the Soviet Union) and the Frelimo, it was reaffirmed that the development of the fraternal ties between the two parties, based on the principles of Marxist-Leninism and proletarian internationalism, is of important significance for the whole complex of the revolutionary movement.

Mozambique's attitude toward the Soviet Union and its rule in the world was clarified as follows in the joint statement:

> The Mozambican side welcomed the big successes scored by the Soviet people under

> the leadership of the Communist Party of the Soviet Union in building a developed Socialist society and creating the material and technical basis of communism. It stressed the big role which the country of Lenin is playing in the preservation of peace in the entire world. In the struggle for an end to the arms race, for détente and disarmament, for the victory of the revolutionary forces of today.

Mr. President, it is no secret that the Mozambican economy is in a complete shambles after 10 years of Communist rule. Hunger and starvation haunt the land. The Mozambican GNP had risen from a 4.2-percent growth rate in 1967 to a 9.5-percent growth rate in 1971. Prior to independence in 1974, the country was poised to attain an annual growth rate of 10 percent and its prospects were bright. Communism has plunged the country into chaos.

Shortly after the Communist Frelimo regime rose to power in 1975, the country was set on a course of internal Sovietization. The Communist regime nationalized land, nationalized rented property, nationalized schools, nationalized banking institutions, nationalized insurance institutions, and provided no compensation for nationalized private property. Over 250,000 whites fled the country as did thousands of blacks. Tribesmen were forcibly shifted from ancient ancestral areas to collectivized settlements. Political indoctrination was combined with other schemes of mass mobilization. A network of concentration camps has honeycombed the country. The economy went into a collapse. By 1978, agricultural and industrial production had dropped by 70 percent.

Mr. President, this is the Communist economy that we are being asked to bale out to the tune of some $15 million. It has been estimated that Machel's Communist regime spent over $175 million per year in assisting Robert Mugabe's Communist movement come into power in Rhodesia. Some 30 percent of the Mozambican national budget was diverted to assist Mugabe install communism in Rhodesia. Now, the American taxpayer is being asked to bail out the Communist regime in Mozambique.

Mr. President, Samora Machel's Communist Frelimo regime in the face of complete economic disintegration, massive social disintegration and unrest, and armed internal opposition, has consistently tightened its relations with the Soviet bloc. Some argue that the barbaric Machel regime can be moderated through economic inducements. To the contrary, Mr. President, such largesse makes it easier for Machel to maintain his dictatorship and continue to have close relations with the Communist world. To vote for aid to prop up this Communist regime, aid which includes military supplies and training, at a time when a major freedom fighter movement is trying to liberate Mozambique from communism, is not only immoral but simply wrong.

Mr. President, the Mozambican National Resistance Movement is struggling for freedom in Mozambique. It is exactly the same type of movement as Jonas Savimbi's UNITA in Angola: the FDN and ARDE freedom fighters in Nicaragua; and the Afghan freedom fighters.

Mr. President, we have given over $120 million in aid to the Communist regime in Nicaragua. This money was supposed to have moderated the Communists in Managua and made them friendly to the United States. We do that all the time. As all the world has seen, the Communist regime in Nicaragua has increased its own internal system of terror and repression and has spread the flames of war and destruction throughout Central America. It makes no sense to embark on the same policy with regard to Communist Mozambique in order to build communism.

Mr. President, I hope that my colleagues will reflect on our failed policy toward the Communists of Nicaragua and support this amendment against aid to the Communist dictators of Mozambique.

Mr. President, I yield the floor.

The **PRESIDING OFFICER.** The Senator from Indiana.

Mr. **LUGAR.** Mr. President, if the Senator from North Carolina is willing to indulge in a short colloquy, I will appreciate his responses to these thoughts.

In the amendment he has suggested, the number of military advisers is to be reduced to no more than 55 by September 30, 1986. It occurs at least to this Senator that if there are maybe as many as 1,600 persons involved—and I am advised there might be that number—that type of withdrawal and those numbers by that date may be very difficult for the administration to determine.

I am sympathetic to the amendment but trying to think through it is practical terms. I appreciate the parallel situation with El Salvador, and 55 is sort of an historic goal. But will the Senator entertain any modification that would give a feeling of substantial reduction without getting to the number of 55 and the specific date of September 30, 1986?

Mr. **HELMS.** Mr. President, if the Senator will yield, my feeling is that we ought to tighten the screws on all situations involving U.S. aid to Communist regimes, and particularly this one that involves a Communist regime where the Soviet Union is doing exactly what it is in Syria and elsewhere. What number does the Senator have in mind?

Mr. **LUGAR.** I would prefer not to state a number but to speak in terms of a substantial reduction. I appreciate this approach has a necessary vagueness to it, but without being able to consult with the administration, I am not certain what kind of tactical problems they have in fulfilling this reduction in the event that it should become the law of the land.

Mr. **HELMS.** The Senator knows that I will cooperate, because I understand the difficulty of moving bills of this magnitude through the Chamber. But at the same time, I am loath to accept language that the State Department and others might use to their advantage in terms of not achieving what I hope to achieve by this amendment.

Now, if we could have some idea, for legislative history, what is meant by "reducing substantially," then I would be willing to consider that.

Mr. President, in this connection, while Senators are conferring, I will ask unanimous consent to insert in the Record an article from Human Events entitled "Will U.S. Bail Out Communist Mozambique?"

The Soviet bloc military presence in Mozambique this day, as we stand on the Senate floor, is at an alltime high. A noted authority, Dr. Jack Wheeler, stated recently that:

> Mozambique's government is formally Marxist-Leninist with an official Memorandum of Friendship with the Soviet Union. It is kept in power by Marxist mercenaries: some 1,000 to 2,000 Cuban troops and advisors, 500 East Germans, 1,000 Russians, 3,000 to 5,000 Zimbabwean and 3,000 Tanzanian soldiers, plus 80 North Korean military specialists.

This adds up, Mr. President, according to my arithmetic, to between 8,000 and 10,000 military personnel.

I ask unanimous consent that the article by Mr. Wheeler from Human Events dated April 27, 1985, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Will U.S. Bail Out Communist Mozambique?

Conservative Caucus Chairman Howard Phillips has been waging a bitter campaign against Assistant Secretary of State for African Affairs, Chester Crocker, particularly zeroing in on Crocker's policy toward Mozambique. One of Phillips' key charges—carried in newspaper ads around the country—boils down to this: Why is the Administration bailing out Samora Machel's communist regime?

Phillips has drawn some blood. No less an Administration official than Vice President George Bush felt impelled to dispatch a letter to Phillips on March 27 arguing that the President himself approved the policy.

"President Reagan," Bush told Phillips, "believes that a military assistance program with Mozambique is in our national interest and essential to the pursuit of policies that have thus far been highly successful in asserting U.S. influence in the region."

Bush pointed out that Machel—with U.S. assistance—signed the 1984 Nkomati non-aggression pact with South Africa (thus closing down anti-South African guerrilla bases operating in Mozambique), has joined the IMF and the World Bank and has made a major new effort to attract Western investors.

Bush went on: "The Soviet Union has publicly attacked these moves. Our provision of a modest military assistance program ($1.15 million proposed in FY 85) will help demonstrate that the Mozambicans need not rely on the East Bloc for their total security. Bringing some military officers to the United States for training will broaden our contact with this key element of Mozambican society and improve how we are viewed within the military."

Phillips replied on April 8, stressing that conservative opposition to military assistance "is premised on the grounds that it [Mozambique] continues to be an unfriendly government." Phillips then cited former United Nations Ambassador Jeane Kirkpatrick as a source.

Before the Committee for the Free World in London on March 19, Kirkpatrick chastised the United States for approving food aid and $10 million in supplementary military assistance to anti-Western Mozambique in the same week that 17 Soviet MiG fighters arrived in Mozambique's capital.

Phillips pointed to other evidence suggesting that Crocker had not yet been able to bribe Machel into the capitalist world. For instance:

The Foreign Broadcast Information Service (FBIS), which monitors foreign broadcasts, reported on December 3, 1984, that "The Frelimo [Machel's party] and the Communist party of Cuba (PCC) signed in Havana yesterday an accord of cooperation in the field of propaganda."

FBIS disclosed on February 20 of this year that the governments of Communist Mozambique and Communist North Korea renewed their pledge of mutual assistance in a ceremony in Maputo. Said Machel: " * * * As socialist nations and members of the Nonaligned Movement, our countries have engaged themselves in the struggle against imperialism, for peace and liberation of humankind. It is in this context that our country gives its political, moral and diplomatic support to the ANC [African National Congress] of South Africa, SWAPO, the Polisario Front, the Revolutionary Front for an Independent East-Timor, and all people who in the various parts of the world, particularly in Latin America, the Caribbean, and Asia, struggle for independence."

On February 27, FBIS reported that "The Bulgarian ambassador to Mozambique said at a press conference in Maputo yesterday that there has been a new upsurge in Mozambican-Bulgarian cooperation since the fifth session of the two countries' joint commission was held last year."

FBIS also reported on March 5, 1985, the arrival in Mozambique of "over 15,000 tons of diesel from the Soviet Union * * * being unloaded at the Mozambican port of Matola from the Soviet tanker Kerch." A second Soviet tanker. "the Friendship Among Peoples, was currently taking * * * 18,000 tons of diesel to the ports of Beira, in the center of Mozambique, and Nacala, in the north of the country."

What, Phillips would like to know, are we getting for our money? In a splendid new book called Combat on Communist Territory, edited by Prof. Charles Moser, chairman of the Department of Slavic Languages at George Washington University, there is a lengthy chapter on Mozambique which suggests an answer: that U.S. assistance is preventing this strategically placed African nation from falling directly into the Western camp.

Machel, according to the book, is currently cooperating with the West, making deals with South Africa, etc., because his country suffers serious economic difficulties and he fears he will be overthrown by a powerful anti-Communist insurgency, the Mozambique National Resistance, also known as RENAMO.

Machel signed the Nkomati Accord or nonaggression pact with South Africa not because he wanted to close down African National Congress guerrilla bases, but because South Africa agreed to stop helping the increasingly successful insurgency.

The most immediate impact of the accord was the shutting down of RENAMO's Voice of Free Africa. The day following the signing, Machel called on Mozambicans to "finish off the rebels." Speaking to a rally of 70,000 in Maputo, he said the pact meant that South Africa had accepted responsibility for ending training of the RENAMO bandits."

Machel confirmed to the Wall Street Journal after he signed the accord, moreover, that Marxism-Leninism "can't be stopped, because science does not stop. It keeps developing, unlike the Bible or Koran, which can't produce anything new."

Journalist Jack Wheeler, an expert on anti-Communist insurgencies who has talked extensively with the RENAMO forces, has been insensed by Crocker's actions. In a lively speech before the Conservative Political Action Conference in Washington, D.C., on March 2, he said:

"Mozambique's government is formally Marxist-Leninist with an official Memorandum of Friendship with the Soviet Union. It is kept in power by Marxist mercenaries; some 1,000 to 2,000 Cuban troops and advisers, 500 East Germans, 1,000 Russians, 3,000 to 5,000 Zimbabwean and 3,000 Tanzanian soldiers, plus 80 North Korean military specialists."

Given this and Machel's oppressive regime, he added, it is no surprise that RENAMO, led by Alfonso Dhlakama, now "has over 20,000 trained and equipped guerrillas operating in all 10 provinces of Mozambique, and is getting nearer to the capital of Maputo every day. . . .

"When I interviewed Afonso Dhlakama in Africa last fall, I asked him what he and RENAMO were fighting for. He replied: 'First is to free ourselves from Soviet colonialism * * *. Second is to free ourselves from the tyranny of Marxism. There are no freedoms of any kind in Mozambique—of religion, of speech, of the press, of assembly, none * * *.

" 'Our demands, then, are (1) withdrawal of all foreign troops and advisers from our country, especially the Cubans, East Germans, and Soviets; and (2) the dismantling of the current Marxist-Leninist system, with a democratic, multi-party system and free election in its place.' "

Dhlakama, adds Wheeler, "wants RENAMO to be the first democratic liberation movement in history to overthrow a Soviet-backed Marxist-Leninist regime."

So, asked Wheeler, "who tries to come to Machel's rescue just in the nick of time? Of course: the reactionary, elitist invertebrates of the State Department who pathetically whimper about how they can 'win Machel over,' who equate cynicism with sophistication in foreign policy, and 'peace and stability' with the consolidation of Marxist tyranny.

"What these spiritually eviscerated souls must realize is that, the morally repugnant spectacle of America militarily protecting a murderous Communist dictator from pro-Western liberation forces aside, in terms of hard-headed Realpolitik, they are backing a loser. Instead of seizing the situation as an opportunity to advance democracy and freedom by insisting Machel accede to RENAMO's two basic demands, they frantically try and prop him up when he is on his last legs.

"So I want to ask Ronald Reagan, and I'd like all of you to ask him with me, 'When, Mr. President, are you going to lose your temper with the breathtaking naivete responsible for such a contemptible farce, and demand its eviction from Foggy Bottom?' "

What Phillips and Wheeler and plenty of other conservatives seem to be shouting at the Administration, in short, is an old Goldwater slogan: Why not victory?

Mr. **LUGAR.** Mr. President, some consultation is going to be required. For the moment, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. **HELMS.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **HELMS.** Mr. President, we had a slight syntax problem here which we worked out with the distinguished manager of the bill, Mr. Lugar.

I am going to send this modification to the desk, but let me read it so there will be no mistake about it.

At the bottom of the page, lines 21 and 22, make it read:

> (3) has implemented a plan by September 30, 1986, to reduce the number of foreign military personnel to no more than 55.

I send the modification to the desk.

The **PRESIDING OFFICER.** The amendment is so modified.

The modified amendment reads as follows:

> At the appropriate place in the bill, insert the following new section:
>
> Sec.   . (a) None of the funds authorized to be appropriated for fiscal year 1986 under chapter 2 and 5 of Part II of the Foreign Assistance Act of 1961 shall be made available to the People's Republic of Mozambique unless the President makes a certification in accordance with subsection (a) within thirty days of the enactment of this section and every one hundred and eighty days thereafter.
>
> (b) The certification required by subsection (a) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations that the Government of the People's Republic of Mozambique—
>
> (1) is making a concerted and significant effort to comply with internationally recognized human rights;
>
> (2) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage

in free enterprise in all sectors of the economy;

(3) has implemented a plan by September 30, 1986 to reduce the number of foreign military personnel to no more than 55.

(4) is committed to holding free elections at a date not later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(A) the electoral process with internationally recognized observers; and

(B) the elimination of all restrictions on the formation and activities of opposition political parties.

Mr. LUGAR. Mr. President, on our side we are prepared to accept the amendment with the modification made by the distinguished Senator from North Carolina, which we believe strengthens the language.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 136) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 137

(Purpose: To provide funding for Africa famine recovery and development)

Mr. KASTEN. Mr. President, I send an amendment to the desk, on behalf of myself and Senator KENNEDY, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for himself and Mr. KENNEDY, proposes an amendment numbered 137.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 34, between lines 8 and 9, insert the following new section:

AFRICA FAMINE RECOVERY AND DEVELOPMENT FUND

SECTION 308. Chapter 1 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 129. Africa Famine Recovery and Development Fund.—(a) The Congress reaffirms the commitment of the American people to assist the countries of Sub-Saharan Africa in dealing with drought and famine conditions which threaten the lives of millions of its people. The Congress reaffirms the commitment of the United States Government to continue its support, in concert with other nations and in cooperation with the affected nations in Africa, of the international relief, rehabilitation, and recovery program to assist these nations in dealing more effectively with drought and achieving self-sufficiency in agricultural production, eliminating forever the threat of famine.

"(b) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the long-term agricultural recovery and development of the Sub-Saharan Africa region, particularly for support of policy reform and agricultural support and research for small farmers. Assistance furnished under this section shall be in accordance with a long-term, multidonor development plan which calls for equitable burdensharing with other donors and shall be furnished, whenever appropriate, in cooperation with in international coordinating mechanism or international agency.

"(c)(1) There are authorized to be appropriated to the President up to $100 million, which sums shall be derived from any funds authorized by this Act to carry out the purposes of this section

"(2) Amounts appropriated under this section are authorized to remain available until expended.".

Mr. KASTEN. Mr. President, it is a pleasure to join once again with the senior Senator from Massachusetts on an initiative which seeks to alleviate the pain and suffering in sub-Saharan Africa, a situation which in the short term has been met with an overwhelming response of generosity from the American people and the American Government.

The initiative now before the Senate is an effort to address long-term relief, rehabilitation and recovery programs in that part of the world. I would especially like to emphasize, and I know that the senior Senator from Massachusetts is also going to emphasize, the importance of agricultural and other policy reforms, which this legislation encourages in order to minimize the affects of drought in the future. Ideally, of course, such policy reforms will also help to ensure that that part of the world can in the future feed itself.

Mr. President, Senator KENNEDY and I are sensitive to the position taken by the leadership of the Senate Foreign Relations Committee that we not add more funds to this legislation, and, therefore, we have fashioned our initiative so that those funds which are authorized for this purpose are available from other funds already authorized by this legislation. The important thing is to get the fund authorized and in place, and in the future if more resources and new resources are necessary, we would expect that the administration would request such funds under this authority.

Mr. President, a lot of debate on this subject is not necessary. We are all aware of the need, and I hope my colleagues will respond to that need by supporting this amendment.

Mr. KENNEDY. Mr. President, I am pleased to join Senator KASTEN in offering today an amendment that will establish within the Foreign Assistance Act a long-term authority for African famine recovery and development. It is patterned along the lines of legislation I offered in 1974, with the late Senator Hubert Humphrey, in establishing the original Sahel drought fund—which has, and which continues to do so much to assist the countries in that region to cope with drought and famine, and to develop their agricultural resources.

Regrettably, Mr. President, we now need to do this for the other countries of sub-Sahara Africa who are facing today one of the greatest human tragedies of this century. Drought and famine have spread across the African Continent, affecting more than a dozen countries and threatening the lives of millions.

All Americans can be proud of what our country has done so far to help the starving peoples of Ethiopia, Sudan, and other parts of Africa. In this terrible time of crisis, it is literally true that "We are the world; we are the children."

United States aid—contributions from the church agencies, and private donations—have already saved millions of lives. But we cannot afford to relax now. We must keep the pipeline filled with food, and keep the pressure on, so that help gets where it is needed most.

Equally important, we must begin to prepare now for the longer term. The central challenge today is whether the nations now suffering recurrent drought and famine in Africa can ever feed themselves again. Two decades ago, the same question was posed—and answered affirmatively—in Asia. In the 1960's the United States acted to avert repeated famine in India, but today India feeds itself, thanks to international assistance and agricultural reforms.

Mr. President, that is the purpose of the amendment we are offering today. As in the Sahel a decade ago, this amendment will help us move from an emergency relief effort to programs for rehabilitation and recovery to longer-term agricultural development. As in the Sahel, we need a longer term authority in our foreign assistance program to launch this longer-term effort to help the African nations recover from drought and famine, to achieve agricultural development and, hopefully, to become self-sufficient in food production.

Our amendment simply establishes an "African Famine Recovery and Development Fund" to allow the President to seek appropriations for long-term agricultural recovery and development programs, particularly for support of policy reforms and for agricultural support and research for small farmers. These goals of the Fund are specified because all agree today that they are central to Africa's effort to achieve self-sufficiency in food.

The key to avoiding future famines, and to minimizing the effect of droughts when they do occur, is to pursue broad agricultural reforms. Ultimately, the African nations themselves must make a commitment to reform. However, they can do so only if they obtain help from other countries. The United States should make clear that it is ready to respond generously to nations that pursue policy reforms, and to reward them with additional assistance when they do.

Unfortunately, many governments in Africa still maintain economic and agricultural policies that favor urban consumers to the detriment of rural farmers. Prices paid to farmers are kept artifically low. Currencies are inflated, and with loans from abroad, urban citizens are able to purchase inexpensive foods and goods from overseas at the expense of their own farmers. Sometimes cash crops have been promoted to support food imports at the expense of domestic crops. It will take political courage for any of these nations to reverse their policies, but we should be prepared to help those that begin the effort.

Second, the Fund's authorizing language also emphasizes agricultural research and support for small farmers. There is widespread agreement that the best method to increase food production in Africa is to strengthen rural farmers, who are frequently neglected or ignored in current government programs and agricultural extension services. Recently, for example, the Office of Technology Assessment released a study concluding that "farmers and herders with little access to economic and natural resources hold the key to increasing food production in Africa." As the OTA report notes, we must help promote technologies in Africa that are "low risk, resource-conserving, small-scale and adapted to local labor conditions, and which are consistent with traditional agricultural methods."

Mr. President, it is impossible today for us to establish an exact dollar level for these programs, even for the coming fiscal year, much less for the years ahead. We are still involved in an emergency operation, with emergency needs still growing in several countries.

But we must begin now to plan for the future, and to authorize longer-term recovery and development programs, even through the exact funding levels cannot be clearly established at this time.

Mr. President, the lesson of past experience is that a self-sustaining future for nations dealing with drought and famine is possible only through agricultural reform. In recent years, per capita food production has been rising steadily in Asia and Latin America, but it is sharply down in Africa. Unless this basic trend is reversed, there will be no long-term progress. There is hope for Ethiopia and Sudan and other hard-hit nations if the United States and the West are willing to help—not just today, but tomorrow, too. That is the goal of the special fund we are establishing by this amendment, and I urge the Senate to support it.

Mr. KASTEN. Mr. President, this amendment has been cleared by both sides, and I hope it will be adopted.

Mr. LUGAR. Mr. President, we do support the amendment, and I urge its adoption.

Mr. PELL. Mr. President, this amendment has been cleared on this side as well, and we urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 173) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 138

Mr. KASTEN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for himself and Mr. INOUYE, proposes an amendment numbered 138:

On Page 50, line 19, after the word funds insert: "authorized to be".

Mr. KASTEN. Mr. President, the amendment seeks to correct what may well be a drafting error wherein the text earmarking authorized funding under the international organizations and programs account actually earmarks funds appropriated, rather than funds authorized to be appropriated.

The amendment Senator INOUYE and I have introduced simply corrects this error and places it in the usual form.

Mr. President, some day we are going to all have to face the issue of earmarkings in both authorizing and appropriations legislation. That is, earmarkings can be disruptive, especially in the case where the authorizing committee has earmarked more than might be appropriated—this action simply requires us—I repeat, requires us—to earmark funds in the appropriations legislation. It is not, however, my intention to get into this issue at this time, but merely to correct a technical drafting error.

Mr. President, I believe this has been cleared on both sides, and I hope it will be accepted.

Mr. LUGAR. Mr. President, we support the amendment and urge its adoption.

Mr. PELL. Mr. President, I concur and support the amendment, and I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 138) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 139

(Purpose; Expressing the sense of the Congress that Josef Mengele be brought to justice and with reference to the need for the cooperation of the Government of Paraguay)

Mr. SPECTER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 139.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new sections:

SEC. . (a) The Congress finds that—

(1) Josef Mengele was the selecting physician at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally sent more than four hundred thousand Jews, including close to two hundred thousand children, to the gas chambers and conducted unspeakable pseudo-scientific experiments on many of the inmates of Auschwitz;

(2) Josef Mengele has lived in freedom since the end of the Second World War, initially, it is thought, in Germany and, thereafter, for the past thirty-five years, in South America;

(3) Josef Mengele became a naturalized citizen of Paraguay in 1959, and is believed still to be living in the region; and

(4) the Minister of the Interior of Paraguay has promised that the Paraguayan Government would undertake a nationwide investigation to locate Josef Mengele and allow foreign observers to participate in such investigation.

(b) It is therefore the sense of Congress that—

(1) the United States Government should undertake all possible efforts to ensure that Josef Mengele is brought to justice;

(2) the Government of Paraguay should, consistent with its previous commitments, carry out an immediate investigation to locate Josef Mengele and, if he is to be found in that country, arrest him and extradite him to a country where a warrant is outstanding for the arrest of Josef Mengele for crimes against humanity.

(3) the United States Government should seek to enlist similar efforts on the part of other regional governments; and

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(4) in pursuance of these ends, the United

The President shall submit a report

our relations with them and a week on

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(4) in pursuance of these ends, the United States Government should send representatives to Paraguay and such other regional states as appropriate to participate in these investigations;

(c) Report to Congress on efforts of the Government of Paraguay to apprehend Josef Mengele.

SEC. The President shall submit a report to the Speaker of the House of Representatives and the President Pro Tempore of the Senate on the efforts made by the Government of Paraguay to apprehend Josef Mengele. Such report shall be submitted no later than October 1, 1985 and shall include—

(1) a detailing of the efforts made by the Government of Paraguay to locate Josef Mengele;

(2) the degree to which other countries have cooperated with the investigation; and

(3) the results of the Government of Paraguay's efforts to locate and apprehend Josef Mengele.

Mr. SPECTER. Mr. President, I have sent this amendment to the desk on behalf of myself and Senators Moynihan, D'Amato, Kennedy, and Pell. This is a sense-of-Congress resolution which calls for action with respect to the Josef Mengele case.

Josef Mengele was the selecting physician at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally sent more than 400,000 Jews, including close to 200,000 children, to the gas chambers and conducted unspeakable pseudo-scientific experiments on many of the inmates of Auschwitz.

Josef Mengele has lived in freedom since the end of the Second World War, initially, it is thought, in Germany and, thereafter, for the past 35 years, in South America.

Josef Mengele became a naturalized citizen of Paraguay in 1959, and is believed still to be living in the region.

The Minister of the Interior of Paraguay has promised that the Paraguayan Government would undertake a nationwide investigation to locate Josef Mengele and allow foreign observers to participate in such investigation.

The sense of the Senate resolution calls for action by the U.S. Government to undertake all possible efforts to ensure that Josef Mengele is apprehended and prosecuted.

The Government of Paraguay should, consistent with its previous commitments, carry out an immediate investigation to locate Josef Mengele and, if he is to be found in that country, arrest him and extradite him to a country where a warrant is outstanding for the arrest of Josef Mengele for crimes against humanity.

The U.S. Government should seek to enlist similar efforts on the part of other regional governments; and

In pursuance of these ends, the U.S. Government should send representatives to Paraguay and such other regional states as appropriate to participate in these investigations, and report to Congress on efforts of the Government of Paraguay to apprehend Josef Mengele.

The President shall submit a report to the Speaker of the House of Representatives and the President pro tempore of the Senate on the efforts made by the Government of Paraguay to apprehend Josef Mengele. Such report shall be submitted no later than October 1, 1985, and shall specify the efforts made by the Government of Paraguay to locate Josef Mengele, the degree to which other countries have cooperated with the investigation, and the results of the Government of Paraguay's efforts to locate and apprehend Josef Mengele.

Mr. KASTEN. Mr. President, will the Senator yield?

Mr. SPECTER. I yield.

Mr. KASTEN. I commend the Senator for his resolution. I rise in strong support of the resolution, and I ask to be named as cosponsor.

Mr. SPECTER. I thank the distinguished Senator from Wisconsin.

Mr. President, I ask unanimous consent that the name of Senator Kasten be added as an original cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, a series of hearings have been held in the Committee on the Judiciary, the Subcommittee on Juvenile Justice, in light of the fact that so many of the victims were children.

Very intensive efforts are being undertaken now by the Department of Justice and the Department of the Army. Secretary Shultz, appearing before the Foreign Operations Subcommittee, responded to questions from Senator D'Amato and myself that every effort will be made by the Department of State to cooperate in the investigation. This sense-of-the-Senate resolution is an effort to achieve that objective and to provide for certain reporting on the efforts to be made worldwide.

Mr. President, it is my understanding that this amendment has been cleared on both sides.

Mr. D'AMATO. Mr. President, I rise to support this amendment which expresses the sense of the Congress that the Government of Paraguay should immediately carry out its investigation into the whereabouts of Dr. Josef Mengele, do all in its power to locate and arrest Josef Mengele, and extradite him to the Federal Republic of Germany. This amendment calls on the United States to send representatives to Paraguay to observe and participate in this investigation to the extent possible and reasonable. Finally, this amendment requires a report to Congress by the President on Paraguay's efforts to apprehend Mengele.

It is important that the United States send this strong signal to the Government of Paraguay that we consider their harboring of the world's most heinous criminal an affront to our relations with them and a mark on their standing in the international community. Currently, Paraguay receives military aid from the United States. We must use this assistance as a weapon to make Paraguay more responsive to the world's efforts to bring Dr. Mengele, the butcher of Auschwitz, to justice.

Dr. Josef Mengele served as the selecting physician at Auschwitz, the Nazi extermination camp in Poland. While there, he became one of history's worst mass murderers. He is responsible for the murders of more than 400,000 innocent men, women, and children. He was the officer who stood on the train platform where the arriving cattle cars delivered their cargoes of freezing and starving captives. He determined with a gesture of his hand who was to live and who was to go to the gas chambers.

At Auschwitz, Mengele also turned his medical skills into tools of evil. He personally conducted barbaric and often fatal "experiments" on innocent captives. His particular favorites were twins. Mengele would administer a drug, or attempt a surgical procedure, on one twin and, when that twin died, he would kill the other so he could perform autopsies and compare the results.

I have joined my colleagues in making the capture of Mengele a personal priority. We are actively pursuing every lead. At our request, the Army, the CIA, and other U.S. agencies are searching their records for documents that pertain to Mengele and that may lead to his capture and punishment. In the past few weeks dozens of such documents have been released as the result of those efforts.

In January, I called upon the President's National Security Adviser, the Director of Central Intelligence, and the Secretary of the Army to form a special task force to seek any and all information concerning Mengele that may exist in our files. I asked for swift release of any information they may locate, so that this war criminal can be apprehended.

These efforts are starting to pay off. We are making progress; a worldwide search is now underway. But we can, and must, do more.

We must continue to press our agencies for a rapid and thorough search of all U.S. records. Walter Kempthorne, a retired engineer, and Richard A. Schwartz, a retired attorney, both of whom served as guards at a U.S. civilian internment camp at Idar-Oberstein in Germany immediately after World War II, came forward to help us with our investigation. Mr. Kempthorne reported seeing Mengele in that camp. Mr. Schwartz recalled a "sterilization doctor" as one of the prisoners in the war criminal section there. I have asked the army to swiftly search their

records for any information which would confirm or deny this story.

If we had Mengele in our custody, then we would have a special moral obligation to bring him to justice. He has now enjoyed 40 years of liberty when he should have remained in custody to face the Nuremburg tribunal with the rest of his associates. Now, we must act before it is too late.

To make certain no one could ever believe he could safely commit genocide again, we must never rest in our pursuit of the bloody-handed directors of Hitler's holocaust. Mengele must be found, and he must be found now.

I urge my colleagues to support this amendment and send a message to Paraguay and to the world that perpetrators of genocide will not be allowed to live free forever.

Thank you, Mr. President.

Mr. KENNEDY. Mr. President, today I am pleased to join Senators Specter, Moynihan, and others in introducing this amendment urging the Government of Paraguay to bring Josef Mengele to justice.

As my colleagues are aware, this year marks the 40th anniversary of the end of World War II. An intensive search is underway for Josef Mengele who personally sent more than 400,000 men, women, and children to the gas chambers and who conducted repulsive and sadistic human experiments on thousands of innocent victims at the concentration camps.

Last February, the Reagan administration joined the worldwide effort and opened its own investigation to locate Mengele. Last March, I proposed that a reward of $1 million be authorized to be paid by the Department of Justice for information leading to the apprehension of Mengele. To date, the Governments of Israel and West Germany, the Washington Times, as well as the Simon Wiesenthal Center in Los Angeles have set aside a total of about $3.3 million as a reward to persons responsible for Mengele's capture—bringing the total amount of rewards to well over $4 million from public and private groups. Such a substantial amount will most likely induce those with information concerning Mengele to come forward.

Experts at the Simon Wiesenthal Center in Los Angeles and other Nazi tracks believe that Mengele is alive and may be living in a remote area of Paraguay. He is also reported to have been sighted in recent years in other countries in South America, as well as in Europe.

The amendment we introduce today urges Paraguay, the United States, and other governments in the region to join these efforts to locate Mengele. It places the Senate on record as asking Paraguay to carry out an immediate investigation to locate Mengele and extradite him to a country where a warrant for his arrest is outstanding for his crimes against humanity.

This amendment also asks the U.S. Government to undertake all possible efforts to ensure that Josef Mengele is brought to justice and requests that the President submit to Congress a report on the efforts made by Paraguay and other countries to locate Mengele.

The sadistic and barbarous crimes committed by Josef Mengele are an affront to civilization and we must urge all those who have the capacity to locate him to join in our efforts to locate Mengele. His abominable crime must not go unpunished.

I urge my colleagues to support our amendment.

Mr. LUGAR. Mr. President, we find this amendment to be one that has great merit. It is timely, obviously. The eyes of the world are on this situation. We appreciate the diligence of the Senator from Pennsylvania in crafting this amendment, and we are prepared to accept it.

Mr. PELL. Mr. President, I, too, think it is an excellent amendment and urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 139) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I thank my colleagues for agreeing to this amendment respecting the search for Josef Mengele.

With adoption of this amendment, the Senate has agreed that both the Paraguayan and the United States Governments should undertake greater efforts to find the notorious Dr. Josef Mengele and see that he is brought to the justice he has for 40 years evaded.

Despite a promise made to an American delegation last November that the Paraguayan authorities would cooperate with Americans in this search, no progress on this front has yet been realized. It is time to reiterate, and emphasize, the deep concern that exists in this country that Paraguay fulfill its obligations, both under customary international law and bilaterally.

This amendment requires that the President provide to Congress a report next October on the progress that hopefully will have been made by that time. That report surely will be instrumental in this body's deliberations about whether and how much foreign aid to provide to Paraguay next year.

On February 18, 1985, I introduced Senate Concurrent Resolution 14, expressing the sense of Congress that Josef Mengele should be brought to justice. Since then, 21 Senators have joined as cosponsors, and have similarly expressed their outrage that, after 6 months, the Paraguayan Government has not yet begun its investigation into the whereabouts of Josef Mengele.

Josef Mengele was the chief doctor at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally ordered more than 400,000 Jews—including close to 200,000 children—to the gas chambers after, in many cases, conducting barbarous, unspeakable pseudoscientific experiments on many of them. Despite this vast criminality, Mengele has lived in freedom since the end of the Second World War and, for the past 35 years, in South America.

Mengele apparently became a naturalized citizen of Paraguay in 1959, and is generally believed to be living there still. The Paraguayan Minister of Interior promised a private American group on November 22, 1984, that the Paraguayan Government would undertake a nationwide investigation to ascertain the whereabouts of Josef Mengele and that it would allow foreign observers to participate in the investigation. But still, now 6 months later there has been no investigation.

The civilized peoples of the world ought no longer allow Josef Mengele's crimes to go unpunished, and to allow him to live, untried, in freedom. The world community and the United States must ensure that justice is done.

I would like to thank the distinguished chairman of the Senate Committee on Foreign Relations, Mr. Lugar, and the distinguished ranking minority member of the committee, Mr. Pell, for their assistance in the passage of this amendment. Mr. President, again the U.S. Senate has shown that it stands on the side of moral right and justice. Let us hope that there is no further delay in bringing Josef Mengele to trial.

Mr. President, I ask unanimous consent to have printed in the Record the text of Senate Concurrent Resolution 14, a list of the cosponsors of the concurrent resolution; and an article from the New York Times of November 27, 1984.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. Con. Res. 14

Whereas Josef Mengele was the chief doctor at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally sent more than four hundred thousand Jews, including close to two hundred thousand children to the gas chambers and conducted unspeakable pseudo-scientific experiments on many of the inmates of Auschwitz;

Whereas Josef Mengele has lived in freedom since the end of the Second World

War, initially in his hometown of Gunzburg, in the American zone of Germany, and thereafter, for the past thirty-five, years, in South America;

Whereas Josef Mengele became a naturalized citizen of Paraguay in 1959, and is believed still to be living there; and

Whereas the Minister of the Interior of Paraguay has promised the members of a delegation sponsored by the International Network of Children of Jewish Holocaust Survivors that the Paraguayan Government would undertake a nationwide investigation to locate Josef Mengele and allow foreign observers to participate in such investigation: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) the Government of Paraguay should immediately carry out an investigation to locate and arrest Josef Mengele and extradite him to the Federal Republic of Germany;

(2) the United States should send representatives to Paraguay to observe and participate in such an investigation; and

(3) the United States should take all possible actions to ensure that Josef Mengele is brought to justice.

LIST OF COSPONSORS OF SENATE CONCURRENT RESOLUTION 14

Senators Sarbanes, Proxmire, Exon, Kennedy, Chafee, Quayle, Stennis, Lautenberg, Hollings, Simon, Boren, Cranston, Mattingly, Levin, Durenberger, DeConcini, Kerry, Dodd, Bradley, Biden, and Dixon.

[From the New York Times, Nov. 27, 1984]

PARAGUAY PLEDGES TO HUNT FOR NAZI—PRIVATE AMERICAN GROUP SAYS AUTHORITIES DENY KNOWING MENGELE WHEREABOUTS

(By Ralph Blumenthal)

A delegation that traveled to Paraguay seeking information and publicity in a hunt for the Nazi fugitive Josef Mengele reported yesterday that officals still denied knowing the whereabouts of the notorious Auschwitz doctor but had pledged to search for him.

The four-member private group, which returned to New York on Sunday, said the Paraguayan Government had agreed for the first time to allow foreign observers to monitor its investigation and to answer written questions about it. It also agreed to consider allowing a Paraguayan newspaper to run an advertisement offering a $25,000 reward for information leading to the capture of Dr. Mengele, 74 years old.

District Attorney Elizabeth Holtzman of Brooklyn, one of the team, called the agreements an important breakthrough, but she and others also admitted to doubts over the Government's sincerity. Miss Holtzman said she went as a former member of Congress who had pursued cases of former Nazi war criminals living in the United States.

Another member of the delegation, Menachem Z. Rosensaft, a lawyer whose mother was a prisoner at Auschwitz, said he was convinced that the Paraguayan authorities, if they wanted to, would be able "rather easily to put their hands on him."

Mr. Rosensaft, founding chairman of the International Network of Children of Holocaust Survivors, said the visit was intended in part to focus public attention on the search for the Nazi doctor, who he said had selected up to 400,000 Jews, including 200,000 children, for the gas chambers at the Auschwitz-Birkenau death camp and conducted pseudoscientific medical experiments on prisoners.

OTHER MEMBERS OF DELEGATION

The other members of the delegation were Beate Klarsfeld, a West German woman who was pursued Nazi war criminals around the world, and Bishop Rene Valero of the Brooklyn Archdiocese.

They said that from last Thursday to Saturday in Asuncion, the Paraguayan capital, they had met with Eugenio Jacquet, Minister of Justice and Labor; Luis Maria Argana, president of the Supreme Court, and Sabino Augusto Montanaro, Minister of the Interior.

They said they had been unable to arrange a meeting with President Alfredo Stroessner, who was said to have been out of the city.

Efforts to find and arrest Dr. Mengele in Paraguay go back more than 20 years, shortly after his flight there from Argentina, where he had escaped after World War II. He was granted Paraguayan citizenship in 1959 but the Government revoked it in 1979, maintaining he had been absent from the country for more than two years. Witnesses, however, told of seeing him in a remote region of Paraguay in 1978.

Since 1962, the West German Government has been seeking to extradite him to stand trial for Nazi killings.

Miss Holtzman said the United States Government could also put pressure on Paraguay.

AMENDMENT NO. 140

(Purpose: To fund International organization and programs at the level requested by the President)

Mr. HELMS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated. The bill clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 140:

On page 50, strike line 15 through line 26, inclusive, and insert in lieu thereof the following: "There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $196,211,000 for the fiscal year 1986."

Mr. HELMS. Mr. President, this is an amendment that will save the American taxpayers $71,475,000, according to my calculation, and will make the vast majority of the American people happy.

Here is the point, Mr. President: This amendment reduces spending for international development programs of the United Nations to the amount requested by the President. In other words, the $196,211,000 specified in the amendment is what the President asked for. The committee in its wisdom added $71,475,000 to that.

Last week, Mr. President, the Senate voted to carry out a number of adjustments in our domestic spending programs and voted to freeze defense spending, and the question arises, can we exempt the United Nations from this process of scrutiny and judicious management?

Let me give a few facts which are never reported, to my knowledge, by any of the major news media. They are silent in seven languages about it. I wonder how many Americans know that voluntary contributions by American taxpayers to the United Nations supply from 22 percent to over 40 percent of the total funding of the various United Nations agencies?

The Soviet Union voluntary contributions, on the other hand, supply less than 1 percent of the funding of these agencies.

The United States pays assessed contributions to the United Nations at a fixed rate of 25 percent of the total received by the United Nations, while the Soviet Union with two of its puppet members, Byelorussia and the Ukraine, contribute 12 percent of the total.

Moreover, the Soviets are not even paying that. They are $200 million in arrears. So Uncle Sam has been translated into Uncle Sucker.

In 1983 the State Department reports that the United States paid a total of $961.5 million to the United Nations, a conservative figure which does not include several other contributions. Let me repeat that figure for emphasis: $961.5 million. The Soviet Union, on the other hand paid approximately $60 million the same year.

The figures are fuzzy because there is a certain tendency in this town to protect the U.N. account from excessive scrutiny by Members of Congress and the American people. Article XIX of the U.N. Charter requires that a member more than 2 years in arrears of assessed contributions should lose its vote in the General Assembly. Yet the United States, acting on a precedent established by Ambassador Goldberg in 1965, has never demanded that this rule be applied to the Soviet Union, which is now, of course, liable under the rule.

Let us move along and see what is being done to the American taxpayer by the United Nations.

I wonder how many Americans, who have to cough up all this money, after all, are aware that the heads of these various U.N. agencies have a net after-tax income of $110,000 a year. This is far in excess of the salaries paid to any U.S. Government employee. In real terms it is pretty close to what the President of the United States gets. Bear in mind that, of the $110,000 which these yo-yos at the United Nations draw, 25 percent comes from the American taxpayer. These U.N. bureaucrats have an after-tax income of $110,000 a year.

Midlevel personnel of the agencies addressed by my amendment get between $40,000 and $60,000 a year tax free. This is more than the heads of U.S. executive agencies take home from their job.

To describe the retirement packages for these organizations, generous is too modest a term. After 30 years with the U.N. development agencies, for instance, the higher ranks receive a lump sum tax free of $300,000 plus an annuity of $50,000 a year.

By bringing their U.N. salaries in line with the U.S. civil service salary levels, the agencies will be able to maintain their programs without a reduction in humanitarian service.

I am going to shorten this, Mr. President, and briefly address the question of espionage. From time to time I have been in correspondence with the distinguished Director of the Federal Bureau of Investigation. I believe he will tell any Senator who inquires that the United Nations is a hotbed of spies. If you want to consult the distinguished former Ambassador from the United States to the United Nations, Jeane Kirkpatrick, ask her for her assessment.

All in all, Mr. President, I would feel that I had failed my responsibility if I did not try at least to reduce the amount of funding of the United Nations to what the President of the United States requested. That means a cut of $71,475,000 from what the committee recommended, but it meets precisely the $196,211,000 that the President of the United States requested.

I think I need to say no more, Mr. President. This is a matter of great concern to citizens all across this land. For years and years they have seen what has happened to U.S. interests in the United Nations.

Now, when the United Nations was established there were all sorts of great hopes for what it would render to mankind and I submit that it has been a total failure.

I yield the floor.

The PRESIDING OFFICER (Mr. DURENBERGER). The Senator from Indiana.

Mr. LUGAR. Mr. President, the distinguished Senator from North Carolina has made a number of insightful comments in regard to the problems of the international organizations. Indeed, this body has addressed many of the difficulties that we have with the United Nations particularly and the Senator has revisited those.

I really do not propose at this hour to debate with the Senator on the quality of service of the salary levels, or what have you.

There are a number of thoughts that come to mind that distress many Americans about the international organizations.

But let me just say that earlier in the day we had a very important vote and it went to a rollcall vote. We have not had many issues that went that far during consideration of the bill, but this one did, an important amendment by the distinguished Senator from New Mexico [Mr. BINGAMAN] who felt that the foreign military assistance sales ought to be decreased by $100 million.

At that time this Senator mentioned that we had within the committee tried to come to some agreement, and it was not easy to do so, between the Senators who felt very strongly that more foreign military assistance was required and others who felt that more development funds should be required. But all members of the committee were constrained by the fact that we were attempting to freeze the levels of activity and that gave us a low ceiling under which to operate.

We succeeded in our general budgetary purpose and we succeeded, I think, in fashioning a compromise between those who favored essentially the military development and those the economic development.

Part of that compromise was the figure for international organizations, the figure that comes into play in the Senator's present amendment. The Senator proposes to reduce the budget for international organizations and programs by a substantial amount, by an amount that would take it down to the amount that was requested by the administration. We started at that amount and deliberately increased the amount as a part of the general compromise worked out with all members of the committee. I support that compromise. I support that budget.

I think that looking at these items line by line would be a project in which all of us could indulge, and indeed, the Senate might wish to do that. I hope not, because I believe that we have struck a balance. We have tested that balance once before today by defeating an amendment from the other side.

The Senator from North Carolina is aware of that process. He feels deeply, I know, about the difficulties in the international organizations and wants to express that feeling in the form of an amendment and at the same time move substantively to reduce the total expenditures. I appreciate those points of view.

But I would ask the Senate to affirm once again the general outline reached by a very large bipartisan consensus within the Foreign Relations Committee, within the purview of the committee that had time to explore each of these items and test them out for size, at least in their relationship to each other. So for that reason, I respectfully must oppose the amendment by the distinguished Senator from North Carolina and ask that the general committee compromise be affirmed once again.

Mr. KENNEDY. Mr. President, I would like to speak very briefly. I do not know what the desire is of the chairman of the committee.

I might just mention some brief statistics, Mr. President. Today over 40,000 children die a day in the world, and most of them die from preventable diseases. Over 15,700,000 die a year under the age of 5.

Yesterday, I had the opportunity to attend with five Nobel laureates, Dr. Salk and Dr. Sabin, and others at the Pan American Health Organization to help launch a program for the immunization of children in Central America and South America against polio. Rotary International has pledged over $100 million to help purchase those vaccines over the next 6 years. We have the private sector involved.

And two of the United Nations organizations which the Senator from North Carolina has identified for program cuts were instrumental in providing the infrastructure and support for that program which can hopefully have some impact in lessening the possibility of polio and other childhood diseases in Central America and South America. He would cut the outstanding work of those U.N. agencies.

In El Salvador this past year, thanks in part to WHO support, there was a total ceasefire by both government troops and by the guerrillas to allow for a countrywide immunization program for the first time in years. For what program? For immunizing children against polio—for children's health programs, originated by the religious groups in that country with the support of U.N. agencies. And the organizations which were dealing with this are the two organizations which the Senator from North Carolina has identified for reduction in funding. The first time there has been a silence in gunfire in El Salvador dealt with children and with the support for children's immunization programs.

None of us hold a brief for overstaffed organizations filled with bureaucrats. But I think that the chairman of the Foreign Relations Committee has already given this body ample assurances that he is going to review that particular issue. He has demonstrated in the past his desire to do so and to ensure that the American taxpayers' dollars that go to those organizations are, to the maximum extent possible, going to have some impact on children's well-being.

I commend the position that has been taken by the chairman of the Foreign Relations Committee. I know how strongly the Senator from Indiana believes in this program. UNICEF at this time supports the Children's Immunization Program which I have outlined. The Oral Rehydration Program, which was established in Dhaka, Bangladesh, which I have had the opportunity to visit, is probably the most effective program for dealing with the principal killer of children in Third World countries and it is supported by the United Nations. That program costs only a few million dollars, but it has had an extraordinary impact in saving the lives of children throughout the Third World.

The other programs which would be affected by his amendment are the water program—and we understand the importance of that, particularly when water is used in terms of infant formula—and also the support for children's programs as a result of the famine in Africa.

So, the case, I think, as been well made by the chairman of the Foreign Relations Committee. I think with his assurance that we are going to maximize every tax dollar that goes through those organizations, I cannot think of an amendment that deserves to be defeated as much as this one. It is a gratuitous slap at U.N. agencies who are doing outstanding work.

Mr. PELL. Mr. President, I think the arguments against this amendment have been presented very rationally and very eloquently, both by the chairman of the committee and by the senior Senator from Massachusetts. I think what some of us do not realize is that the programs that would be affected are those very same programs that have the highest public approval in the United States. Here I am thinking of the UNICEF, the U.N. Children Fund; U.N. Development Program; World Heritage Trust; U.N. Torture Fund; the Trust Fund to Combat Poverty and Hunger in Africa; World Food Program; U.S. Trust Fund for South Africa; and the Institute for Training and Research.

These are all good and successful programs, and they are voluntary programs depending on voluntary contributions. They do not derive their funds from the regular assessment.

I join in hoping that these programs will not be disturbed.

Mr. HELMS. Mr. President, we have just heard a recitation of the argument that occurs every time a proposal is made to cut Federal spending. It is the argument that could be boiled down to one line: "Throw money at problems; that is the way to solve them."

I thought I made clear in my opening remarks that the United Nations is rampant with mismanagement, but nobody around this place wants to pay any attention to that. It is going on throughout the Federal Government and that is why the American people are upset with this Congress, because they think we are not listening.

Time and time again, we hear the same old argument, "If you don't spend more money for this, you are in favor of cholera or smallpox." Bosh. It just is not so, and those who say it know it is not so.

I am addressing the mismanagement and the waste, which is so obvious in the United Nations. And I dare say that no Senator wants to take me on in debating that subject with respect to this amendment or others that I could offer.

Now, I want to talk with the distinguished manager of this bill for a moment and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I would like to suggest, respectfully, to the distinguished Senator from North Carolina this formula for resolution of this difficulty, because it appears to me that we have two different procedures, two different tracks. We are in the authorization process now, but, as the Senator knows, we will be proceeding in due course to the appropriations process. Another group will examine that and ultimately all of us will have to examine it again.

It would occur to the Senator from Indiana that between this time and that time there might be an examination by our committee, by the Apppropriations Committee, and by all Senators who are interested, of the actual facts of operations in these international organizations.

The Senator has made a number of points, and I suspect many Senators will be intrigued to find out more in trying to make those judgments. With that in mind, I would ask the Senator's cooperation, at least on this occasion, to retain the formula of cooperation and bipartisan support that we have in the committee for figures that we have in the authorization but with the full understanding that the facts will be out, that the Senators may reach other judgments at a different point, and that we will have another revisiting of this project during the appropriation process.

Mr. HELMS. Mr. President, I am grateful to my friend from Indiana and I respect him. Let me say at this point that the distinguished Senator does a remarkable job as chairman of the Foreign Relations Committee, and it is not easy to be chairman of any committee, let alone the Foreign Relations Committee.

Having said that, the Senator has made me an offer I cannot refuse. As a matter of fact, it is one that I hoped the Senator might offer when I submitted the amendment. The Senator is exactly right, Mr. President. This is an authorization bill. The real spending of the money occurred on the appropriation bill.

What I am trying to do with this amendment—and what I intended to do—was to buy a little time to have this matter explored, examined and studied by Senators. We may or may not come up with a majority who agree with me. If I lose, I lose. But I think I am right about it. On the other hand, I have no desire whatsoever to frustrate the distinguished chairman in his efforts to reach a conclusion of the consideration of this bill.

So with that in mind, Mr. President, and with the understanding that everybody will be on notice that when the appropriations bill comes, this matter will be reviewed; and with the further understanding that the distinguished chairman of the Foreign Relations Committee and the Senator from North Carolina will work together to achieve a study that is fair, equitable, and objective on the whole matter, I am inclined to withdraw the amendment. But before I do so, I want to thank the distinguished chairman for his customary courtesy, and to express again my admiration for the great job he is doing as chairman of the Foreign Relations Committee.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. LUGAR. Mr. President, I thank the Senator for his thoughtful remarks on this occasion, and for his great cooperation in handling this bill.

AMENDMENT NO. 141

(Purpose: To urge discussions with the Canadian Government to aggressively pursue immediate reduction in the Canadian export of cattle and hogs to the United States.)

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I send an amendment to the desk for myself and Mr. PRESSLER, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Montana [Mr. MELCHER], for himself and Mr. PRESSLER, proposes an amendment numbered 141.

At the end of the bill, add the following new section:

SEC. . Since, livestock prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of live cattle and hogs from Canada, which has increased by 1,000 percent in the last decade in the case of hogs alone; and

Since, American livestock producers are suffering from the same general economic crisis affecting all of agriculture, and many will face liquidation or foreclosure in the near future; and

Since, the disparity between the U.S. and the Canadian dollar amounts to 32%–34% and results in even further increases in Canadian hogs and cattle being imported into the United States;

Therefore, it is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of cattle and hogs to the United States.

Mr. MELCHER. Mr. President, I am offering this amendment on behalf of myself and the Senator from South Dakota, Senator PRESSLER. I am offering it as an effort to get some agreement between ourselves and the Canadians on the situation that we are finding ourselves in right now—principally because of the disparity of the Canadian dollar as compared to the American dollar.

The packer buyers from the United States are offering the Canadian hog and cattle producers more than what Canadian markets can offer, and, therefore, there is a heavy importation at this time of both Canadian cattle and hogs.

The disparity—the differential, as I understand it—between the value of the Canadian dollar as compared to the U.S. dollar is approximately somewhere between 30 to 34 percent. Obviously, this makes our markets down here much more attractive to those Canadian livestock producers. Again, I do not blame them for the situation. I only ask in the sense-of-the-Congress resolution that the mechanism that we employ when there is some economic catastrophe affecting either our good neighbor, Canada, or ourselves be ironed out as quickly as possible.

This suggests to me that restraint on the part of the Canadian shipments into the United States of both cattle and hogs should be reduced, and it should be reduced immediately.

That is the only purpose on an economic basis. But there is one other matter that I should draw to the attention of my colleagues. That is this: About a year ago the use of choloranphenicol, which is an antibiotic, was banned in this country for food producing livestock because it can develop into or cause development of aplastic anemia when it is consumed by humans. The Canadians, however, have not banned the use of the drug in their country. Three States have banned the importation of animals treated with this drug. Those States are Nebraska, South Dakota and Iowa. The Governor of South Dakota, Governor Janklow, has required that all Canadian hog shipments into South Dakota must provide a stringent certification that the animals were never treated with choloranphenicol. The certifications are very strict, and the Canadian hog importation into South Dakota has been stopped.

The Canadian Government has announced that a 60-day exemption period has begun to reevaluate the further use of this particular drug. The main problem with it is that it is hard to identify in residue samples, and hence there is the rather stringent action taken by the Governor of South Dakota requiring the certification on the part of the shipper that this drug was not used in the production of those hogs that entered South Dakota from Canada.

I mention this, Mr. President, in relation with the sense-of-the-Congress resolution that I am offering in behalf of myself and Senator PRESSLER. I mention it because it, too, has a bearing on our concern about hogs coming in from Canada. I repeat, our relationship with our Canadian neighbors has been ideal, one where we have generally been able to work out problems that exist between the two countries in terms of imports or exports. I hope that this particular problem can be worked out quickly. I offer the amendment on that basis to urge on the President and appropriate members of the administration that they engage immediately in discussion with Canadian officials.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. MELCHER. I shall be delighted to yield.

Mr. SYMMS. I thank the distinguished Senator for yielding.

Mr. President, I cannot help recalling that in my first term in the other body, the distinguished Senator from Montana was then chairman of the forestry subcommittee, on which we worked very closely for 4 years in formulating some very important legislation which affected the National Forest System and the timber supply in the Pacific Northwest and the intermountain region in Montana, Wyoming, and other States. I was wondering if the Senator had given any thought, in this sense-of-the-Senate resolution, which is asking the administration to make immediate aggressive pursuit of the discussions, to including timber in the sense-of-the-Senate resolution, or did he feel it would confuse the issue too much?

If the Senator would want to modify his amendment, I think that, since timber producers are in a similar situation, it could be added right at the end of the beginning clause, where it says "Since, the disparity." He could add "Since timber producers are in a similar situation." At the end he could, if he wanted to modify it, make it read "cattle, hogs, and timber."

I wonder if that would not be an appropriate place to put it or what the Senator would feel on that.

Mr. MELCHER. Mr. President, I thank my friend from Idaho for bringing this point up. I believe it would be inappropriate on this particular amendment, but I must confess that, although we have gone through the process with the Canadians regarding the logs and the lumber products that come into the United States from Canada, principally from the point of view of the disparity in the value of their money compared to ours, I would only say this: It would be inappropriate in this particular sense-of-the-Senate resolution, but I would be glad to cooperate with my friend from Idaho on a certain one because a parallel situation does exist.

We have had a longer time to look at the log and lumber situation where approximately 30 to 35 percent of the lumber products that we use in this country that are made from soft wood are from Canada, which is very damaging for our mills here in the United States. So we have not put a stop to it, but perhaps it would be time to have another look at it.

Mr. SYMMS. I just make the suggestion; I do not wish to interfere in any way with the Senator's amendment because it does speak to a problem that is of great interest to all agricultural States.

I see the other distinguished Senator from Montana on the floor. He has led a great deal of the discussion on this subject in the Finance Committee on the problem of Canadian timber products in this country. It might just be that we can let the record show, which it will show, to the administration in this sense-of-the-Senate resolution that the same problem exists with respect to timber and an aggressive immediate response is needed with respect to timber, also.

I think the distinguished Senator, as I know him—none of us is asking for a trade war with our friends from the north in Canada, but we do have an immediate problem on which we wish we could get some redress, to somehow soften the pressures which we feel in the wood processing industry.

I thank the Senator very much for his comment. I appreciate his answer.

Mr. MELCHER. I thank my friend from Idaho for his question. I think he is correct that the colloquy which has transpired perhaps will push our administration officials even further in discussions with Canada on this situation.

Mr. PRESSLER. Will my colleague from Montana yield?

Mr. MELCHER. I am glad to yield.

Mr. PRESSLER. Mr. President, the Senator from Montana and I have worked for the last 2 years on this subject in terms of trying to get the Canadians to limit their export of hogs and to change their rules on the use of the antibiotic, chloramphemical. I understand that on May 7 the Canadian Government issued an informational letter to their bureaucracy, with a 60 day comment period. Without question, the governments of the three States are attempting to protect the health of the people involved by banning Canadian livestock imports.

There are a number of other international trade issues that have arisen on the importation of hogs. A preliminary International Trade Commission investigation has found that Canada provided their hog producers an 18-percent subsidy. As a result of this finding, bonds must now be posted when Canadian hogs come into the United States.

I was told by the Canadian Ambassador just a couple of days ago that the health concern would be solved shortly by Canada bringing its regulations into line with U.S. regulations.

I think this is a very important amendment, because it raises the question of importation of food products that do not meet the same health requirements as food raised in the United States. It is something we must be very vigilant on. We must protect our consumers. I think it is a very important subject.

Mr. President, I join this effort and have worked on it for several years. I have testified before various committees, written letters, and participated at meetings during the last 2 years. It is of great importance, and I do hope we will see it resolved in the near future. If it is not resolved, our U.S. Government should declare a moratorium on the importation of Canadian livestock until the same drug standard is met.

I thank my colleague very much.

Mr. LUGAR. Mr. President, we are prepared to accept the Melcher amendment and we recommend its passage.

Mr. PELL. Mr. President, I am glad, too, from the minority side to accept the amendment.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment.

The amendment (No. 141) was agreed to.

Mr. LUGAR. I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 142

(Purpose: To condition security assistance to Guatemala on the inauguration of a civilian government and significant improvements in human rights abuses; and to prohibit the use of U.S. funds for the Guatemala rural resettlement program)

Mr. KENNEDY. Mr. President, I send an amendment for myself and Mr. Dodd to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. Kennedy] for himself and Mr. Dodd proposes an amendment numbered 142.

(a) Conditions on Military Assistance and Sales.—For fiscal year 1986, assistance may be provided for Guatemala under chapter 2 (relating to grant military assistance) or chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961 and sales may be made and financing may be provided for Guatemala under the Arms Export Control Act (relating to foreign military sales) only if the President makes the following certifications to the Congress:

(1) For fiscal year 1986, an elected civilian government is in power in Guatemala and has submitted a formal written request to the United States for the assistance, sales, or financing to be provided.

(2) For fiscal year 1986, the Government of Guatemala made demonstrated progress during the preceding year (A) in achieving control over its military and security forces, and (B) toward eliminating kidnapings and disappearances, forced recruitment into the civil defense patrols, and other abuses by such forces of internationally recognized human rights.

(b) Continuation of IMET Programs Upon Election.—Notwithstanding subsection (a), up to 30 percent of the amount allocated for Guatemala for fiscal year 1986 for assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 may be provided, upon the election of a civilian government in Guatemala, for the continuation of existing programs under that chapter.

(c) Construction Equipment and Mobile Medical Facilities and Related Training.—If the conditions specified in subsection (a) are met, Guatemala may be provided with the following for fiscal year 1986 (in addition to such other assistance, sales, or financing as may be provided for Guatemala):

(1) Sales of construction equipment and mobile medical facilities to assist in development programs that will directly assist the poor in Guatemala.

(2) Sales of training, to be provided outside of Guatemala, which is related to the sales described in paragraph (1).

(3) A total for fiscal year 1986 of no more than $10,000,000 in credits under the Arms Export Control Act for sales described in paragraphs (1) and (2). Such sales and credits shall be provided only to enable the military forces of Guatemala to obtain equipment and training for civilian engineering and construction projects and mobile medical teams, which would not be used in the rural resettlement program.

(d) Prohibition on Furnishing Weapons.—Funds authorized to be appropriated by title I of this Act may not be used for the procurement by Guatemala of any weapons or ammunition.

(e) Suspension of Assistance If a Military Coup Occurs.—All assistance authorized by this Act which is allocated for Guatemala shall be suspended if the elected civilian government of that country is deposed by military coup or decree.

(f) Rural Resettlement Program.—Assistance provided for Guatemala for the fiscal year 1986 under chapter 1 of part I (relating to development assistance) or under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961—

(1) may not be provided to the Government of Guatemala for use in its rural resettlement programs; and

(2) shall be provided through private and voluntary organizations to the maximum extent possible.

(g) Invitation for ICRC To Visit Guatemala.—The Congress calls upon the President to urge the Government of Guatemala to allow the International Committee of the Red Cross—

(1) to conduct an unimpeded visit to Guatemala in order to investigate humanitarian needs in that country, and

(2) to investigate the possibilities of its providing humanitarian services in that country.

(h) Relations Between Belize and Guatemala.—It is the sense of the Congress that the United States should use its good offices and influence to encourage the Government of Guatemala to recognize the independence of Belize and to enter into a mutual nonaggression treaty with Belize.

Mr. KENNEDY. Mr. President, the issue of Guatemala is a matter that has been before the Foreign Relations Committee, raised by my friend and colleague from Connecticut [Mr. Dodd], and I think it is appropriate to address this issue even in the final moments of consideration of this foreign aid bill.

The bill, for the first time since 1977, offers $10 million in military assistance to Guatemala. This amendment would postpone or delay that assistance until the President certifies that there has been a transition from military to civilian rule and that the human rights abuses of the security forces have been significantly reduced if not totally eliminated.

The human rights record of the Government of Guatemala has been appalling and there continue to be gross abuses of human rights—kidnapings continue, murders continue, disappearances continue. Over 50 people a month are disappearing today. Over 38,000 Guatemalans have disappeared in the last 38 years.

Just this last spring, two leaders of a human rights group were murdered in cold blood.

In 1983, three U.S. citizens, employees of AID, were kidnaped and murdered, and there have been no prosecutions. In 1984, the Guatemalan Human Rights Commission reported 713 killings and 506 disappearances had occurred—just last year.

Mr. President, this amendment has three major parts.

First, it prohibits military assistance and FMS credits to Guatemala until an elected civilian government is in power and until the Government of Guatemala has made demonstrable progress in controlling its military and security forces, and in elimination certain human rights abuses.

Second, no more than $10 million may be provided for the military forces of Guatemala to obtain equipment and training for civilian engineering and construction projects and mobile medical teams. No funds may be used for the procurement of weapons or ammunition, and all assistance will be suspended in the event of a military coup.

Third, all additional assistance shall be provided through private and voluntary organizations to the maximum extent possible.

The Reagan administration has asked for an increase in military assistance to Guatemala from $300,000 to $10.3 million. Until last year's $300,000, we had given no military assistance to Guatemala since 1977, when the military government withdrew their request for assistance rather than comply with President Carter's requirements for human rights certification.

The administration justifies military aid on the basis of the Guatemalan Government's plan to hold presidential elections this fall and to inaugurate a constitutional government early next year.

But there is no democractic government today.

A presidential election has not yet been held.

The ballots have not yet been counted.

The military has not yet allowed the future constitutional government to be inaugurated.

Military aid now to a de facto military government is putting the cart before the horse. Let us wait for a democratic government to be inaugurated before we approve military aid.

That degree of caution is not merely desirable; it is essential if we want to truly support democracy in Guatemala.

We have also been told that the human rights situation has improved dramatically. They conclude that the relaxation is real, that unconditional assistance is needed by the government to protect the electoral process against guerrilla attacks, and that the prohibition on providing weapons and ammunition is "highly undesirable" in view of the "democractic" role of the armed forces.

But the human rights situation in Guatemala is still bad, and the number of victims of violence in Guatemala is staggering. America's Watch, a widely recognized human rights organization, reported in February 1985:

> Torture, killings, and disappearances continue at an extraordinary rate, and millions of persons remain under the strict scrutiny and control of the government through the use of civil patrols and "model villages". Guatemala remains, in short, a nation of prisoners.

The UNHCR has put the number of Guatemalan refugees in Mexico at 40,000, and the number in Honduras at 1,500. We cannot even begin to guess at the number in this country. In late 1984, an official census supervised by the supreme court stunned the nation when it found that there were over 51,000 orphans in three provinces of the highlands—and that estimates indicated the figure would rise to 100,000 if the other highland provinces and the refugees in Mexico were included.

Over 50 people a month are disappearing, a rate higher than that of the bloodiest years of 1981–82. The Guatemalan bishops stated in September of 1984 that over 38,000 Guatemalans have disappeared in the last 30 years since the CIA aided coup that deposed the last civilian government. Time has shown that the pace and degree of human rights violations have been severest when the democratic challenge to those in power is the greatest, and in 1982 especially the army showed its willingness to kill large numbers of noncombatants, including whole villages, in order to eliminate the guerrillas' popular support.

This spring saw the murders of two leaders of the Mutual Support Group. Their crime—an effort to discover the fate of their loved ones who had disappeared. The Kissinger Commission captured the situation clearly when it wrote of "the brutal behavior" of the Guatemalan security forces: "In the cities they have murdered those even suspected of dissent. In the countryside, they have at times killed indiscriminately to repress any sign of support for the guerrillas." This is what the Kissinger Commission said about these people, and we should know that these are the people still in power today in Guatemala; these are the people who will receive these millions of dollars of U.S. assistance.

The history of the military in Guatemala demands that we wait. They have ruled with force, violence, and total disregard for human rights. In the first years of this decade they killed not hundreds but thousands of rural peasants in a scorched earth policy aimed at defeating the small guerrilla opposition. It was a policy which had no respect for human life. It was a policy that produced an estimated 100,000 refugees and 500,000 displaced persons.

In 1983, three Guatemalan linguists employed by USAID were kidnaped and murdered. No one has ever been prosecuted and no one has ever been punished for those crimes. Last year the Guatemalan Human Rights Commission reported 713 killings and 506 disappearances during the first 9 months of the year. The British Parliamentary Human Rights Group reported on disappearances and killings of university students. The Inter-American Commission on Human Rights, the official agency of the Organization of American States, reported in November 1984 that "death squads" had been reactivated under the government of General Mejia and reported an average of almost 80 disappearances per month.

At one point last year America's Watch reported that the "entire Executive Council of the Student Association at San Carlos University disappeared. Subsequently, some of the students reappeared, tortured; others remain 'disappeared'."

These are not the signs of a government that has seen the error of its ways and is intent on reform. There is no reason yet to reverse the position Congress has held since 1977. Mr. President, this brief history is a strong argument against providing military aid to the Government of Guatemala at this time. It is a strong argument against providing military aid to the armed forces of that country while they continue to engage in brutal human rights abuses of the kind I have cited. It is a strong argument that the United States should await the inauguration of a democratic government before it considers approving any military aid to the Government of Guatemala. And it is a strong argument that this administration has failed to give adequate consideration either to human rights in Guatemala or to democracy in Guatemala.

Mr. President, I have talked to the chairman of the committee as well as the ranking minority member about his issue, as well as the Senator from Connecticut. I yield to the Senator from Connecticut at this time.

Mr. DODD. Mr. President, I commend my colleague from Massachusetts. As he rightfully pointed out, I raised this amendment in the committee. We did not prevail, but the Senator has accurately pointed out the serious conditions which exist in Guatemala. I said at the time of the debate in the committee, and I repeat again, there have been some indications that the Guatemalans are pursuing a policy to improve the human rights conditions in that country and are talking seriously today about civilian elections. But it is only in the talking stage at this particular point. Nothing concrete has happened. I for one, and I think others, would be willing to provide Guatemala with assistance in the future provided they demonstrate a concrete determination to have a civilian government determined through a democratic process in that country. I think to provide this kind of assistance at this juncture, short of that clear demonstration, would be a mistake, so I am pleased to join with my colleague from Massachusetts in this amendment and urge its adoption.

Mr. INOUYE. Mr. President, I strongly urge the adoption of the amendment proposed by the Senator from Massachusetts.

While I certainly do not dismiss Guatemala's vaunted move toward democracy, I remain skeptical. The results of the July 1, 1984 Constituent Assembly election gave a greater percentage of seats to the rightist party—the MLN—than it received in voter support. This was due in part to a proportional representation scheme which skewed the election results to the right. It is this rightist party which has been accused of the bloody repression of Indian demands for political freedom and democratic expression.

Furthermore, it should be noted that power has not passed from the military. The July election, which is so often cited as evidence of the movement toward democracy, did not elect those who would rule Guatemala; it elected who would draft a new constitution. I might note, Mr. President, that Guatemala is not noted for abiding by a constitution, having had six different versions in its history. Some of the worst excesses of violence and repression have taken place under the existing constitution, drafted in 1965.

In any case, the question has not been one of an improperly or imprecisely drafted constitution; it has been the failure of successive governments to abide by and have a respect for basic human rights. The present chief of state cannot be said to have an unbroken record of service to constitutional authority—Gen. Oscar Mejia Victores came to power in a coup against another general (Rios Montt) who had himself come to power through a coup.

Since seizing power, Mejia's "campaign against subversion" has, if anything, been more brutal and repressive. Mejia himself has been implicated in the coverup of the murder of three AID contract employees working on a linguistics program with indigenous Mam indians. It is Mejia's regime which would receive military assistance from the United States under the proposed bill.

I remind my colleagues that it was the Mejia regime and its security forces which was characterized by the Kissinger Commission as having exhibited brutal behavior. The Commission report has been cited in the debate on this bill; it has been quoted as an authoritative statement of what American policy ought to be. Its descriptive commentary on the Guatemalan security forces is illuminating:

> In the cities they have murdered those even suspected of dissent. In the countryside, they have at times killed indiscriminately to repress any sign of support for the guerrillas. Such actions are morally unacceptable.

Mr. President, these are the security forces which would receive U.S. military assistance under the committee bill. They remain under the same leadership which they had at the time the Kissinger Commission issued its report.

The provision of military assistance to this regime is morally unacceptable. I urge my colleagues to support this amendment.

Mr. LUGAR. Mr. President, I appreciate the amendment and the spirit in which it is offered, and the comments of my colleague from Connecticut. Both Senators have been strong advocates of constructive thinking about the human rights situation in Central America and have directed specific attention from time to time to Guatemala.

Let me make these points, Mr. President, and I do so respectfully. We have successfully to this point moved on consideration at least for this day away from the Central American region. There are any number of ways we could have visited that region today. Senators have been off the floor consulting with one another. They are thinking carefully about responses, maybe ultimately fairly strong bipartisan responses.

In truth, Guatemala is not Nicaragua and is not El Salvador, but it is a very important question. I make this proposal to the distinguished Senator from Massachusetts.

I suggest that I write a letter to the Secretary of State indicating the very strong concern I have about the human rights situation in Guatemala, and specifically whether the elections which are now scheduled for this fall—in October, as I recall—will help achieve civilian government in Guatemala. I would include in this letter, in addition to my own personal concern, my thought that if the human rights situation in Guatemala does not improve, that I would have to recommend to the Secretary that the aid we are now giving not be favorably considered again. In short, that we would have to reconsider in the strongest terms the good will that is expressed in this respect.

If we are able to use this approach, we will not have to get into conditionality, into a set of fences. I visited with the distinguished Senator from Massachusetts. I know of his concern, and I have discussed with him a number of the violations which he has mentioned.

But I hope this letter might be helpful and lead the Senator to withdraw his amendment at this time given these assurances.

Mr. KENNEDY. I thank the Senator from Indiana, the chairman of the committee, for a very positive response. The strong commitment of the Senator on this issue, and indicating such to the Secretary of State, I think, is a very constructive and positive step. I am hopeful it will elicit the kind of response we would have had if this amendment had been accepted.

I ask the Senator from Rhode Island, the ranking minority member, whether he, too, could join in such an expression. I believe that it is important to get an expression of concern about these violations.

I also ask my colleague from Connecticut, who has been working in this area, whether he agrees with me that this would be a very substantial step forward.

Mr. DODD. If my colleague from Massachusetts will yield, I, too, commend the chairman of the committee for a number of reasons, not the least of which is how he has generally handled this bill. I think he has done a masterful job. His consideration on this particular issue is very worthwhile.

I presume the distinguished Senator from Indiana would have no objection if such a letter as suggested would be cosigned by the ranking minority member. I think it would serve us all very well.

I thank the Senator from Massachusetts for that suggestion. I certainly agree that, with that kind of alternative, I would have no objection to the amendment being withdrawn. I think it is an excellent step.

Mr. PELL. Mr. President, it seems to me this is an excellent resolution to the original proposal of the Senator from Massachusetts. I will be delighted to work with the chairman and cosign the letter. I recognize very much, indeed, that the human rights situation in Guatemala is still one with serious problems, and it may be that this action will do something to reverse it.

Mr. LUGAR. I welcome the Senator in signing the letter with me, and we will be prepared to draft it shortly.

Mr. MELCHER. Mr. President, I commend the Senator from Massachusetts and the Senator from Connecticut for raising these points. The Guatemalan refugees, in Mexico have come to escape brutalization, most of them to save their lives and the lives of their families. The fact that we have not been more positive in searching out the reasons for Guatemalan terrorism of its own people, indeed, is a blot on our efforts to help stabilize and bring progress to the Western Hemisphere. I viewed the Guatemalan refugee camps in Mexico from the air. At that time they were not allowing Americans to enter the camp. The situation is one that demands more attention and cooperation from us and our Mexican counterparts, who are doing an outstanding job in providing a haven for Guatemalan people who are persecuted in their own country.

Mr. KENNEDY. I thank the chairman and ranking member of the committee. I look forward to working with both of them on this issue. I know they are very deeply committed to the cause of human rights in Guatemala. With that understanding, I withdraw my amendment.

The **PRESIDING OFFICER.** The amendment is withdrawn.

The Senator from Indiana.

AMENDMENT NO. 143

Mr. LUGAR. Mr. President, on behalf of Senator Dole and Senator Kassebaum, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Indiana [Mr. Lugar], for Mr. Dole, Mr. Denton, and Mr. Kasten, proposes an amendment numbered 143.

Mr. LUGAR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

> On page 64, between lines 16 and 17, insert the following:
>
> ASSISTANCE FOR THE CAMBODIAN PEOPLE
>
> Sec. 914. The President may make available to the noncommunist resistance forces in Cambodia up to $5,000,000 for fiscal year 1986 of the funds authorized to be appropriated to carry out chapter 2 or chapter 4 of part II of the Foreign Assistance Act of 1961, notwithstanding any other provision of law.
>
> On page 64, line 16, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

Mr. DOLE. Mr. President, I am pleased to join Senators Kasten and Denton in offering an amendment to provide up to $5 million in 1986 in support of the non-Communist resistance forces in Cambodia.

In the years since the Vietnamese invasion of Cambodia, the brave people of that country have continued to risk their lives in a desperate struggle for national sovereignty and national identity. They have confronted the full force of the Vietnamese war machine, vastly superior in manpower and equipment. They have indirectly faced the might of the Soviet Union, which has lavishly bankrolled and equipped the Vietnamese aggression, to the tune of about $4 to $5 million per day—about $1.5 billion per year.

Fortunately, the people of Cambodia have not had to struggle entirely alone. They have had the strong backing of their immediate neighbors in Southeast Asia, particularly the free States of ASEAN, who have provided vital support. They have had the strong political backing of free nations everywhere, who have refused to recognize—either bilaterally or in the UN—the illegal regime that Hanoi has installed in Phnom Penh. And they have had the sympathy and prayers of free people everywhere.

We, too, have backed those resistance forces which aim to reinstitute a democratic, nonaligned government in Cambodia. We have provided them unqualified political support, following the lead of the ASEAN States.

Now, I believe, we must do a bit more.

The Vietnamese this year launched an unusually massive, brutal dry season offensive. This offensive, like all Communist military operations, was as much political as military in intent. It was aimed primarily at the democratic elements of the resistance coalition, seeking to destroy them as an effective barrier to Vietnam's occupation and, equally important, to destroy them as a strong element of the resistance forces. The Vietnamese recognize clearly that a resistance totally dominated by the Khmer Rouge will have far less credibility and appeal both within and without Cambodia than one in which the democratic resistance forces play a central role.

So this amendment aims to do two things. First, to aid the resistance to Vietnam's aggression, to help ensure that it will not succeed. And, second, to aid the democratic elements of the resistance, so that they remain a viable and effective alternative for the people of Cambodia. And I might add, the Proxmire amendment we passed yesterday further ensures none of these funds can reach the Khmer Rouge.

Ours is a flexible amendment, befitting the fluid nature of the situation in Cambodia. By authorizing use of either MAP or ESF funds, and by giving the administration some latitude in administering the funds, it will permit the creation of a support package which can best meet the needs of the democratic resistance.

But this amendment does not represent the nose of any camel. It is offered, and will be used, above board, with the clearly stated intent of providing support to the non-Communist resistance. This is not the first installment of anything, or an open-ended commitment to do anything. It is an ad hoc provision of support to people who need it and who deserve it. Any decision to continue or extend this aid—and no such need is now envisioned—would have to be fully considered and approved by the Congress, under all normal procedures and safeguards.

I might also add, as the Senate knows, that the House is now considering similar amendments on its version of the foreign aid authorization bill.

Mr. President, no nation's struggle against aggression has ever been easy or painless, either physically or emotionally. But no nation, perhaps, has ever suffered pain on any greater scale than the nation of Cambodia. We cannot directly ease that pain—only the aggressors, the Vietnamese and the Soviets, can accomplish that, by ending their aggression—but we can lend our support to those whose nation, whose culture, whose lives are in jeopardy.

Mr. President, I strongly urge all of my colleagues to join Senators Kasten, Denton, and me in adopting this amendment.

Mr. DENTON. Mr. President, the amendment that I have jointly sponsored with Senators Dole and Kasten authorizes $5 million in aid in fiscal year 1986 to the non-Communist resistance forces in Cambodia. The aid would be provided through the regular grant Military Assistance Program [MAP] and the Economic Support Fund [ESF].

The provision of direct aid is not intended to chart a new course or role for the United States in Southeast Asia, but continues our policy of following the lead of the ASEAN nations. On February 7, in response to the latest dry season offensive against the Cambodian resistance, the ASEAN nations issued a public call for the international community to increase "support and assistance to the Kampuchean people in their political and military struggle to liberate their homeland from foreign occupation."

I believe that the amendment is a measured and timely response to the current situation in Cambodia, reflecting not only a concern for the security of our ASEAN allies but also an awareness of where the real hope for a free, prosperous, and peaceful future for the Cambodian people lies.

The Khmer people of Cambodia have endured 10 years of brutal Communist tyranny. Under the Chinese-backed Khmer Rouge regime, a regime that came to power with the active support of the North Vietnamese and the Viet Cong, at least a million and a half people died from disease, starvation, or execution. The actual number may have been as high as 3 million. I must point out that the brutal policies that produced those deaths were either dismissed or defended before the United Nations by both the Soviet Union and Vietnam.

The Communist Khmer Rouge resisted political domination by the Vietnamese, and the Vietnamese Army invaded on Christmas Day 1976 to assert its hegemony. Two weeks later, Pol Pot and his ruthless cohorts were in the mountains, and Heng Samrin, a former division commander in the Khmer Rouge, was in power as a wholly owned subsidiary of the Vietnamese. Then 200,000 Vietnamese troops occupied the country, and current estimates place the occupation troop strength at 170,000.

Although the Heng Samrin regime cannot and has not been accused of the wanton brutality that characterized the Pol Pot years, its own human rights record is appalling. Nearly a quarter of a million people have fled to the Thai-Kampuchean border to live under the protection of the Thai government or one of the armed resistance groups. Reports suggest that thousands of political prisoners are held for indeterminate periods, and many are tortured. Civilians are often conscripted to labor on military-related projects near the border, where their lives are at risk.

What survived of Khmer culture following the Khmer Rouge effort to communize the country is now being threatened by Vietnamese aggrandizement and colonization. In July 1983, the Kampuchean Foreign Minister signed an agreement with Hanoi legalizing the Vietnamese annexation of Cambodian territory and islands. Thousands of Vietnamese settlers are in Cambodia, receiving more favorable treatment from the Heng Samrin regime than it accords to its own people. Cambodian natural resources are routinely exploited by the Soviet Union and Vietnam. Scarce food resources go first to the occupying army.

There are now three armed groups resisting Vietnamese occupation. The first and largest of them is the Communist Khmer Rouge, which numbers 35,000 to 40,000. Pol Pot is now commander-in-chief of the army, and it is well-supplied by Communist China. Although the Khmer Rouge claims to have changed its policies since being thrown out in 1979, refugee reports indicate that it still has an appalling human rights record.

The other two groups are non-Communist: the Khmer People's National Liberation Front (KPNLF) led by Son Sann, a former prime minister, and the Sihanouk National Army (ANS) under Prince Sihanouk. The growing troop strength of the KPNLF is 15,000 to 20,000, and Prince Sihanouk's men number 8,000. Their numbers continue to grow.

In 1982, under pressure from China, the ASEAN nations, and the United States, the non-Communist forces formed a coalition with the Khmer Rouge. The principal backer for the Coalition Government of Democratic Kampuchea (CGDK) is China; but much of the PRC's aid does directly to the Communist Khmer Rouge.

Recognizing the greater inherent danger posed by the non-Communist resistance forces, the Vietnamese army successfully directed its latest dry season offensive against them first. That offensive included substantial incursions into Thailand, with some of the Vietnamese forces even electing to remain inside the Thai border.

The Vietnamese troops were ultimately repelled by Thai troops, but the nature of the incursions represented a clear escalation in Vietnam's aggressive posture and caused grave concern to Thailand and its ASEAN neighbors. That concern, in conjunction with Vietnam's continuing failure to enter serious negotiations about its occupation of Cambodia, compelled the ASEAN nations to issue their public plea for international material support for the armed resistance.

I believe that there are at least four good reasons for supporting the non-Communist resistance forces in Cambodia:

First, the aid will represent an important counterweight to Chinese aid for the Khmer Rouge. Under no circumstance can we permit the Khmer Rouge and Pol Pot to return to exclusive power. To date, much of the strength of the Khmer Rouge stems from the fact that it receives consistent and abundant support from the PRC. Should a Vietnamese withdrawal be negotiated and a political settlement reached, it is critical that the non-Communist forces be able to field sufficient forces to ensure their continued participation in the internal political affairs of their country.

Second, the provision of aid to the non-Communist resistance would further isolate both Vietnam and the Heng Samrin regime, which has yet to receive international recognition. By raising the cost of Vietnam's occupation, the aid would apply further pressure on Vietnam to settle the conflict in Cambodia peaceably.

Already Vietnam has paid a stiff economic price for its adventurism in terms of lost aid and trade opportunities, and it is heavily dependent upon the Soviet Union for support. The Heng Samrin government remains in power only by force. Recent reports indicate that mid-level defections from the regime are increasing and that Vietnamese efforts to assert its control over the country will become more difficult. The ability of the non-Communist forces to present themselves as legitimate alternatives to Heng Samrin and the Khmer Rouge will further undermine the legitimacy of Heng Samrin and his Vietnamese advisers.

Third, aid to the non-Communist resistance will lend additional support to our ASEAN friends who must live next door to a regime that shares with its principal backer a totalitarian ideology that is inherently expansionist. The Vietnamese presence in Cambodia is viewed by the ASEAN nations as a significant threat. They believe that the Soviet Union's willingness consistently to back Vietnam's imperialist designs in the region provides the Soviets with greater leverage over Vietnam and increases Soviet influence in the region.

Moscow provides an estimated $1 billion a year in economic and military aid to Vietnam. Some of it is used in Cambodia for the development of infrastructure: roads, airports, port facilities, and communications. In return, the Soviet Union receives base rights in Vietnam—20 to 25 Soviet Navy ships, 16 nuclear capable TU-16 Badger medium bombers, and a squadron of Mig-23 fighter bombers are currently located in Cam Ranh Bay.

Those forces threaten key sealanes and United States bases in the Philippines. Should the Soviets complete the port facility at Kompon Som in Cambodia, they will be able for the first time to establish a presence on the Gulf of Siam.

The resistance forces are a buffer for the ASEAN nations, particularly Thailand, against Soviet expansion and Vietnamese adventurism. The ASEAN nations—the Philippines, Thailand, Malaysia, Indonesia, Singapore, and Brunei—are one of our bulwarks to preserve the free world.

Finally, many refugees live in camps inside Cambodia and under the protecton of the various resistance groups. The Vietnamese Army has attacked the camps in the past, and I am certain that it will do so again in the future. Aid to the non-Communist resistance affords greater protection to people who have fled the policies of the Heng Samrin regime.

I have heard some people argue that we should not do anything to alter the current situation in Cambodia if it could lead to a return of the Khmer Rouge to power. I suggest to my colleagues that there is another alternative in Cambodia to continued foreign occupation or the return of the Khmer Rouge. That alternative is a non-Communist political movement.

I urge my colleagues to support the amendment. It will enable the United States to support the ASEAN nations and the non-Communist resistance in Cambodia, and to help free the people of Cambodia from the tyranny of the last 10 years.

Mr. **KASTEN**. Mr. President, this amendment, cosponsored by myself, the majority leader, and Senator DENTON, is a variation of the Solarz amendment authorizing assistance to the non-Communist resistance movements which are engaged in battling the occupying forces of Vietnam in Cambodia. We have made some changes to that amendment in order to overcome some objections which have been made against the Solarz amendment that a bad precedent would be set by allowing economic support funds to be used for military assistance. My amendment authorizes either economic or military assistance, but requires that military assistance be provided under the Military Assistance Program.

Mr. President, on May 8 the Foreign Operations Subcommittee of the Committee on Appropriations, which I chair, held a hearing on the general topic of providing assistance to the non-Communist insurgents. It is my belief that we as Americans are compelled by our own traditions and history to support such movements, and that we must, therefore, send a signal to all freedom fighters that we support the ideals they fight for.

The hearing, I think, represented a good beginning in developing a bipartisan policy on the overall question of assistance to non-Communist insurgencies. While I have started to develop legislation along these lines, much work remains to be done, and I doubt that such legislation will be ready for inclusion in the legislation currently before the Senate. Nonetheless, with the amendment previously offered and accepted by the senior Senator from New Hampshire, with this amendment and the amendment in the House version by Congressman SOLARZ, the debate on this question has already begun. I am hopeful that this is just a beginning, and that in the very near future we can, in fact, produce bipartisan legislation which will be helpful to all those who are fighting for democratic principles against Communist governments around the world.

In the meantime, I would urge that my colleagues support this amendment for the Cambodian non-Communist insurgencies. It is my understanding that the amendment is acceptable to both managers of the bill.

Mr. **LUGAR**. Mr. President, this is an amendment calling for $5 million of aid to Cambodia under certain conditions. It has been accepted on both sides, to the best of my knowledge. It has been anticipated for some time. We support the amendment.

Mr. **PELL**. Mr. President, this is an excellent amendment which fits in with an amendment we adopted yesterday. I recommend its adoption.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment.

The amendment (No. 143) was agreed to.

Mr. **DOLE**. Mr. President, it is my understanding that we could provide a window between 7 and 8 o'clock. It appears that we cannot finish the bill prior to that time. It is my understanding that we are near the end, and we hope we can dispose of additional amendments.

AMENDMENT NO 144

Mr. **DOLE**. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 144.

Mr. **DOLE**. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 51, lines 8 and 9, strike out "Cuba, or Syria" and insert in lieu thereof "or Cuba".

Mr. **DOLE**. Mr. President, this amendment would delete the addition of Syria to the list of countries and organizations excluded from receiving any U.S. aid under section 302 of the Foreign Assistance Act.

Until now, that list has included, such countries and organizations as Libya, Iran, and the PLO. Syria was added to the list through an amendment narrowly adopted during Foreign Relations Committee markup.

Let me make clear what my amendment does. It does not change anything in our law or policies. In fact, it preserves the status quo. By contrast, the action taken in markup by the Foreign Relations Committee would have the effect of altering our policy toward one of the key countries of the Middle East, at a particularly delicate time.

Let me also stress that, by offering this amendment, I am not expressing any particular sympathy for the Government or the Policies of Syria. In fact, I oppose many of the policies of that Government, which have complicated our search for a Middle East peace.

However, the fact is that Syria is just not in the same geopolitical league with Libya, Iran, and the PLO. Libya and Iran are the only two nations I know of which practice terrorism as a central tenet of state policy. The PLO, of course, has refused to denounce the use of terror as a political weapon and vows the destruction of our ally and friend, Israel. It is not necessary to be an admirer of Syria to recognize that it has undertaken a different course.

In recognition of that, we have maintained full diplomatic relations with Syria, and engage its leaders regularly in important diplomatic exchanges.

And that policy is in our own self-interest. Whether we approve of its policies or not, we have to acknowledge and act on the fact that Syria has a key role to play in the Middle East, especially in Lebanon and in the search for a secure peace for Israel.

It does not appear, unfortunately, that any real progress has been made toward a Middle East breakthrough. But we intend and should continue our efforts, and we must include Syria in those efforts. Now is not the time to complicate our task by lumping Syria with Libya and Iran.

Mr. President, I believe we should adopt this amendment, not because we like Syria but because it is the wrong action at the wrong time. We may not like Syria, but Syria is not Libya or Iran, and it is a country with which we shall have to deal as we continue our search for peace in the Middle East.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment.

The amendment (No. 144) was agreed to.

AMENDMENT NO. 145

(Purpose: To urge discussions with the Canadian Government to aggressively pursue immediate reduction in the Canadian softwood timber to the United States)

Mr. **SYMMS**. Mr. President, I send an amendment to the desk.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 145.

Mr. **SYMMS**. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . Since, softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 percent of U.S. market in the last 2 years to 35 to 40 percent today.

Since, American timber producers are suffering from this economic crisis and the difficulty in requiring timber from the National Forest system.

Since, the disparity between the United States and the Canadian dollar amounts to 32 percent to 34 percent and results in even further increases in processed softwood timber being imported into the United States.

Therefore, it is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States.

Mr. **SYMMS**. Mr. President, this amendment has been cleared by the chairman of the Finance Committee and the ranking minority member.

It involves a problem that exists in the softwood timber industry in the Pacific Northwest, and is similar to the argument made by the distinguished Senator from Montana with respect to hogs and livestock.

I ask that the amendment be adopted.

Mr. **LUGAR**. Mr. President, we accept the amendment.

Mr. **PELL**. Mr. President, the amendment is accepted on this side.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment.

The amendment (No. 145) was agreed to.

Mr. **DANFORTH**. Mr. President, as we consider the fiscal year 1986 foreign aid authorization bill, I would like to compliment the Foreign Relations Committee on its inclusion of provision for U.S. participation in the second replenishment of the International Fund for Agriculture Development [IFAD].

I am also pleased with a sympathetic reference in the committee's report to "a strong U.S. role in establishing a possible special fund for Africa within IFAD." I know from my own experience that long-term solutions to the current famine affecting so many people in Africa lie in increasing food production in those very countries.

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From all accounts, IFAD has already made a contribution to that process and deserves the resources necessary to continue its efforts with small farmers and landless laborers.

As some of my colleagues are aware, on Thursday and Friday of this week negotiations will resume in Rome on the replenishment of IFAD resources to cover its activities for the years 1985–87. It is my hope and expectation that the meetings will be successful and that IFAD will receive a new lease on life for another 3 years.

Because of the importance of the meetings, I would like to insert into the RECORD an editorial in yesterday's Los Angeles Times entitled "Quibbling in the Face of Crisis." The editorial states that "a quibble over burden-sharing now jeopardizes [IFAD's] future."

The editorial concludes that:

> The real risk is that the United States will remain rigid on burden-sharing, and in this way kill the organization at the very moment that it could play an increasingly important role in development—particularly in crisis-ridden Africa.

Mr. President, I ask that the Times editorial be printed in today's RECORD.

The editorial follows.

[From the Los Angeles Times, May 14, 1985]

QUIBBLING IN THE FACE OF CRISIS

A quibble over burden-sharing now jeopardizes the future of the International Fund for Agricultural Development. But an appropriate compromise is in sight if the government of the United States will accept the payment formula that the other major donors have already approved, and if the oil-producing nations make an adequate pledge.

Survival of this innovative fund is important for two reasons. With its establishment in 1977, IFAD provided an international foreign-aid organization that attracted for the first time substantial support from the Organization of Petroleum Exporting Countries. And the fund has filled an important aid gap by targeting its assistance on the poorest farmers of the Third World, helping directly those most in need of help.

The controversy now centers on OPEC's declining support—a decline due in part to reduced earnings as oil production has been cut back, and in part to the Iran-Iraq war and the revolution in Iran, which have led Tehran to renege on all commitments and Baghdad to reduce support for the fund. In this circumstance the OPEC share, originally 43 percent of the total, then 42 percent, is now proposed at 40 percent. This has been accepted by all the contributing nations except the United States.

American resistance has been all the more damaging because it has been matched by declining U.S. contributions, down from 20 percent of the original funding to 17 percent.

Another effort to resolve the controversy will be made at the end of this week at IFAD headquarters in Rome. The project may collapse because of a failure of OPEC to promise an adequate level of funds. The OPEC commitment is still a secret, but it is expected to be adequate to assure continuation of the program. The real risk is that the United States will remain rigid on burden-sharing, and in this way kill the organization at the very moment that it could play an increasingly important role in development—particularly in crisis-ridden Africa.

Mr. MATHIAS. Mr. President, I was pleased that the Foreign Relations Committee included a provision in S. 960 which supports continued U.S. participation in the International Fund for Agricultural Development [IFAD] and encourages a strong leadership role for the United States in establishing a special fund for Africa within IFAD.

IFAD is highly regarded within the international development community. It has succeeded in mobilizing substantial amounts of resources from the OPEC nations which makes it a remarkable institution within the family of international organizations.

IFAD focuses its activities on increasing the food production of small farmers in the poorest countries by involving farmers directly in the planning and carrying out of development projects. The largest share of its resources is committed to Africa, which as we all know needs all the help it can get on the reconstruction and development front.

I am aware that certain difficulties remain to be resolved before IFAD's basic replenishment for 1985–87 is finalized. I am pleased that negotiations are taking place in Rome this week and hope and expect that they will prove successful.

Discussions are also proceeding about establishing a special fund within IFAD for Africa. This would be a mechanism for IFAD to provide additional resources to deal with the long-term famine problem in Africa. Without such a long-term program to solve this problem, we will be faced with a continuing food crisis in Africa, and a continuing need to provide emergency food assistance.

I urge the President to pay particular attention to this section of S. 960 and to take a leadership role in the creation of the special fund for Africa.

THE 7-TO-10 RATIO AND SECURITY ASSISTANCE TO TURKEY AND GREECE

Mr. PRESSLER. Mr. President, in reporting out the fiscal year 1986 foreign assistance bill, the Senate Foreign Relations Committee has chosen not to resort to the type of restrictions on United States aid to Turkey that were imposed last year through my amendment and which aimed at a peaceful resolution of the Cyprus conflict. My amendment this year, approved with modifications by the committee by a 9-to-4 vote, limits grant assistance for Turkey in fiscal year 1986 to $215 million, with the understanding that the availability of this grant military assistance total for Turkey be accompanied by urgent and determined U.S. actions to prevent the permanent bifurcation of Cyprus. It further limits the total credits to be extended to Turkey in fiscal year 1986 to $500 million and limits the total credits to be extended to Greece in fiscal year 1986 to $500 million. Thus, the resulting committee recommendations on assistance levels to Greece and Turkey were fully consistent with the so-called 7-to-10 ratio.

Greece and Turkey, both NATO members yet neighbors with longstanding bilateral problems, have received U.S. military and economic assistance since 1947. For the past several years, Congress has developed informally the practice of granting military aid to these two nations on a 7-to-10—Greece-Turkey—basis. This approach reflects a compromise forged from competing domestic and foreign policy concerns and recognizes a longstanding difference in congressional and executive perspectives on the two nations, their bilateral disputes, the Cyprus conflict, and on the intended link between U.S. aid and U.S. policy in general toward the eastern Mediterranean.

The context in which Congress has considered military aid to Greece and Turkey has been colored since 1974 by the Turkish intervention in Cyprus. An estimated 20,000 Turkish troops remain on that divided island, and efforts to obtain a withdrawal as part of an overall solution of the crisis have failed to date. A major part of the American approach to the Cyprus conflict was the congressional vote in February 1975 to place an embargo on military aid to Turkey.

Although the embargo was lifted completely in 1978—with the Senate voting 57 to 42 in favor of its repeal, there never emerged in the Congress or between the Congress and the Executive a clear consensus regarding the effectiveness of the embargo as leverage on Turkey to remove its troops from Cyprus. Many Members felt that the lifting of the embargo deprived the United States of any leverage on Turkey, thus relieving any pressure on Turkey to alter its policy toward Cyprus. Thus, the seeds of the 7-to-10 ratio were planted in the legislative language lifting the arms embargo against Turkey in 1978, wherein security assistance to Greece and Turkey was henceforth to be designed in part to ensure that:

> ". . . the present balance of military strength among the countries in the region, including Greece and Turkey, is preserved. Nothing in this paragraph shall be construed to prohibit the transfer of defense articles to Greece and Turkey for legitimate self-defense or to enable Greece and Turkey to fulfill their NATO obligations." (Sec. 620 C of the Foreign Assistance Act of 1961).

While this language remains in force, subsequent debates in the Congress have not clarified with precision the meaning of present balance.

Two defense and cooperation agreements discussed but never implemented between the United States and

Turkey and Greece in 1976 may provide the key to the origin of the 7-to-10 ratio. In March 1976, the United States and Turkey signed an agreement which called for "defense support consisting of grants, credits, and loan guarantees at $1 billion during the first 4 years this agreement shall remain in effect." The very next month, April 1976, the Department of State released "Principles to Guide Future United States-Greek Defense Cooperation," which referenced "a 4-year commitment to Greece of military assistance totaling $700,000,000, a part of which will be grant aid."

Despite the inherent difficulties of relating such a ratio to a fair balance in military strength between the two countries, the ratio has since 1979 been used by its congressional supporters as a formula for aid levels to Greece and Turkey. Initially little more than a guideline used informally by Members, the ratio has never been incorporated into law and, until the aid debate in 1983, was not explicitly mentioned in the authorization committees' reports on the aid bills.

In the past few years, the debate between the legislative and executive branches has broadened to include other factors: First, the quality of the respective aid programs has come under scrutiny since Greece has sought a portion of its military aid also on a grant basis and FMS credits at concessionary rates; second, new issues have come to the fore including Turkey's transition from military to civilian rule, the stormy course of U.S. talks with Greece on the terms and duration of base access and agreements, and anti-American statements and actions on the part of the current Greek Government; and third, the Unilateral Declaration of Independence by the Turkish Cypriots in 1983 and the convocation of proximity talks between Turkish and Greek Cypriots under the auspices of the U.N. Secretary General.

The Reagan administration and its immediate predecessor have presented arguments against the congressional practice of utilizing the 7-to-10 ratio in apportioning military assistance to Greece and Turkey. It has been argued that the ratio idea is unnecessary to fulfill the present balance mandate; in particular, the notion that a balance could result directly from a financial ratio has been attacked. Nonetheless, while expressing that they recognize no legally binding ratio, executive branch officials have not wanted to oppose strenuously congressional action to maintain the 7-to-10 ratio, lest such opposition jeopardize the entire aid program for the eastern Mediterranean.

This year the committee continued the informal practice of utilizing the 7-to-10 ratio as a guideline in recommending levels of military assistance to Greece and Turkey. The committee accepted the administration's request of $500 million in military assistance for Greece but rejected the administration's request of $785 million in military assistance to Turkey, agreeing instead on $715 million. The committee also added a provision that the concessional rate FMS credits extended to Greece shall be at the same interest and in the same proportion of the FMS credits extended to Turkey. Thus, some 60 percent of FMS credits to both Turkey and Greece would be at congressional rates—that is, loans at a concessional rate of approximately 5 percent.

The committee discussed the economic criteria by which the administration determines whether a country is eligible for concessionary terms. GNP per capita is the major criteria, and $2,190 is the highest level GNP per capita that currently qualifies a country for concessionary rates. At the present time, GNP per capita for Turkey is estimated to be $1,230, while that for Greece is $4,290—that is, three times that of Turkey. Thus, the administration did not request concessionary terms for military assistance to Greece. The committee, however, decided otherwise, believing that the 7-to-10 ratio in military assistance to Greece and Turkey and the equal proportion of concessional rates for Greece and Turkey were reflective of the traditional intent of Congress to provide a degree of balance in military assistance to the two countries.

Countries which provide the United States with the right to utilize territory to maintain bases are critical to the forward projection of the American global defense posture. Security assistance for those countries is essential to sustain confidence in the best effort pledges which underpin all U.S. base agreements.

Although a larger amount of security assistance to Turkey might be justifiable on programmatic grounds, the amount recommended by the committee is sufficient to assist Turkey to meet its NATO commitments through force modernization, including purchase of F-16 aircraft. Furthermore, a large portion of the Turkey program is on a concessional basis to avoid undercutting that country's stringent economic stabilization program which has helped to turn the economy around. Nonetheless, some improvements in Turkey's economic performance have permitted a reduction in the amount of economic support funds.

The committee recommendation for Greece is identical to last year's. U.S. security assistance to Greece assists in the modernization of the armed forces to meet both Greek and NATO defense needs and has helped to ensure continued use of four U.S. military facilities and a number of smaller installations.

In short, security assistance supports key NATO allies and has the dual result of providing the United States with continued access to important military bases and helping these countries modernize their own military capabilities. By so doing, U.S. security assistance sustains confidence in U.S. best efforts commitments which are the foundation of base agreements.

Succeeding administrations have generally presented strategic arguments for increased military aid to Turkey. The Congress, for its part, has made clear the need for U.S. policy to focus on a settlement of the Cyprus problem. The 7-to-10 ratio has served us well as a vehicle for demonstrating the limits to which United States-Turkish military cooperation can expand in the absence of progress on Cyprus.

The committee actions this year stand in contrast to last year's actions when the committee voted to condition the grant MAP portion of military assistance to Turkey on the return by the Turkish Cypriots of Famagusta/Varosha to the Greek Cypriots for the purposes of refugee resettlement under U.N. auspices. However, my amendment this year should not be interpreted as a lack of resolve to take any and all steps necessary to promote a peaceful settlement of the Cyprus dispute. It was instead a sign of support for the recent good-faith efforts of the Turkish Cypriots and Greek Cypriots to bring about the U.S.-sponsored proximity talks between President Kyprianou and Rauf Denktash. Although these talks have ended inconclusively for the moment, they were an important step toward resolution of the Cyprus conflict and their resumption should be encouraged. The Foreign Relations Committee will be monitoring the situation closely with the hope that all parties will continue to engage in good-faith discussions and return to the summit table in the near future. If such good-faith efforts by all parties do not continue, I will be prepared to consider appropriate restrictive actions to signal congressional disappointment.

But, ultimately, the true test of the utility of the 7-to-10 ratio in apportioning military assistance to Greece and Turkey is whether it serves American security interests. The actions and behavior of Greece and Turkey, both in their relationships with one another and toward the United States, must be judged in terms of their impact on American interests. If such actions and behavior come to be perceived as contrary to American interests, then the 7-to-10 ratio loses whatever utility it has and pressures may build for major reductions in military assistance to both countries.

Mr. DeCONCINI. Mr. President, I will cast my vote against the S. 960, the foreign aid authorization bill for fiscal year 1986. I recall very clearly that when Ronald Reagan was running for the Presidency against President Carter he spoke out loud and long against foreign assistance programs. Yet during the recent campaign, President Reagan was silent on the issue of spending U.S. tax dollars on foreign aid during a time of financial hardship for most Americans. Let us take a look at the Reagan record on foreign aid. Since President Reagan took office:

Military assistance grants have grown by 632 percent.

The Economic Support Fund increased by 78 percent.

Foreign military sales credits and grants grew by 153 percent.

State Department salaries, expenses and building acquisition funds have increased by 99 percent.

The administration's budget request for fiscal year 1986 also included substantial growth in major foreign aid accounts such as:

An 18-percent increase in the Military Assistance Program.

A 14-percent increase in foreign military sales credits.

At least a 7-percent increase in the Economic Support Fund.

A 13-percent increase in State Department salaries, expenses, and building acquisition funds.

To its credit, the Foreign Relations Committee has trimmed the President's foreign aid budget request by $416.9 million. Without doubt, there are some portions of this bill that I strongly support, such as assistance for Israel and Egypt, funding for antiterrorist programs, and support for international narcotics control. In fact, I appreciate the decision of the distinguished managers of the bill to accept my amendment which will permit U.S. law enforcement personnel to participate in narcotics arrest actions in foreign nations. However, I believe it is long past time for our foreign aid programs to be subjected to the same budgetary stringency that our domestic programs have endured year after year after year. Until President Reagan returns to that campaign promise that he made not so many years ago to pare back our foreign aid programs, I cannot justify supporting foreign aid levels such as that which is contained in the bill before us today.

Mr. PELL. Mr. President, I would like to commend Geryld Christianson, Gerald Connolly, William Ashworth, and the various members of the minority staff for their tremendous help in weaving the warp and woof of this bill.

Mr. SYMMS. Mr. President, I cannot in good conscience support passage of this foreign aid authorization bill. There are many items in this bill which I wholeheartedly support, particularly the vital military assistance which we are providing to our allies around the world. But, there are also many items which I believe to be extraneous, unnecessarily expensive, and some of which I think are downright immoral. I remain deeply concerned about the obvious, longstanding failures of American foreign policy, of massive amounts of taxpayer dollars being poured into socialized economies, which show no positive results in response to American largesse.

Last night I spoke on the floor about my concerns for our strategic interests in Africa, about our failure to support democratic resistance movements, and our unwarranted support for unelected, illegitimate, Marxist governments on that continent.

Africa reflects the ravages of state planning, the lack of the incentives of capitalism, and the turmoil of malevolent foreign intervention. The massive aid that America has poured into Africa has been largely ineffective, and America and other Western powers should promote policies that could make Africans self-reliant and able to defend themselves from outside aggression. A Time magazine article of January 1984 pointed out the fact that foreign aid to Africa had fostered the proliferation of "technological white elephants." One Nigerian noted that "We build palaces but can't run them, we import cars we can't repair, we are attracted by everything that glitters." U.S. citizens will always be asked to reach deep into their pockets, until we help other nations to adopt policies that promote, rather than inhibit growth, and until we provide adequate military assistance so that Africans can free themselves from the shackles of Soviet, Cuban, and Eastern bloc imperialism and exploitation. We should export the ideas of freedom and capitalism—that would reduce poverty.

The failures of our foreign policy are not apparent solely in Africa; they are evident in Central America, with costly and ineffectual land reform in El Salvador, and in Bolivia, where millions in economic assistance have been expended with no improvements in public living standards. Mr. President, the list goes on—we are expending billions of dollars in "economic" aid that has become gratuitous, that is feeding greedy and bloated bureaucracies and not its intended beneficiaries, and which remains a drain on our own economy.

Another concern is U.N. funding. Americans insist on accountability, but the United Nations has flagrantly abused American funding, and spurned our complaints about improper use of funds. One blatant example of the U.N.'s disregard for human needs was the appropriation earlier this year, for a $73 million conference center in Addis Ababa, Ethiopia's capital city, at the height of public outcry in the United States over the Marxist-induced famine in Ethiopia. While the American people were contributing generously to alleviate the famine, U.N. bureaucrats were voting for a plush new office complex in the midst of Ethiopia's deprivation.

Despite the well-documented abuse of U.N. funding, this bill adds an additional $71.5 million above the administration's request for international organizations and programs.

Mr. President, we have important foreign policy and defense commitments abroad which deserve support and funding, but there are too many items in this legislation which do not merit our support. Charity, it is often said, begins at home. When the Congress is cutting back on domestic spending, similar restraint must be shown in foreign aid programs, particularly when they do not serve pressing national security or humanitarian objectives.

I ask unanimous consent to include the following article—by our distinguished colleague, Senator Armstrong.

There being no objection, the article was ordered to be printed in the Record, as follows:

Needed: Foreign Aid Program Americans Will Support

(By Senator William L. Armstrong)

Foreign aid is about as popular as a classical string quartet at a Michael Jackson concert. For most Americans, it's at the top of the list for cutting federal spending. Whenever I get together with constituents to discuss issues, I can count on someone—Republican or Democrat, young or old—to ask me why with our own staggering deficit, we are giving many billions of dollars in foreign economic and financial assistance.

They've got a point. It seems that the United States gives to a particular country this year simply because we gave last year, and that's the rationale for doing it next year, too.

And yet, those Americans who gripe about overseas giveaways have a remarkable record, unique in the world really, of selfless sharing to aid the needy everywhere. Let there be famine in Africa, earthquake in the Andes, explosion in Mexico, a disaster anywhere our charity can reach, and the American people are first to send help. Their private organizations, particularly church groups, routinely send thousands of volunteers and millions of dollars to heal, teach and build around the globe. Hardly a corner of the earth has not been touched by their dedication and by the private giving that backs them up.

Those two seemingly divergent responses are not at all schizophrenic. There is no contradiction between the altruism of our people and their skepticism about foreign aid. What brings the two into focus is the fact that their personal contributions for foreign assistance are made through organizations they know and trust. They feel a sense of identification with those charities which bear the brunt of international relief work. Even allowing for necessary overhead,

they feel their dollars go a long way in the private sector, and go to the right people.

Can I tell them the same is true of their tax dollars in governmental foreign aid? The taxpayers are too wise, and I hope I'm too candid for that. We know too much about the way many, perhaps most, governments function in the developing world. We understand how things are controlled by, and often for, small elites concentrated in the subsidized capitals of those needy nations. We don't know what we're getting for our money, apart from official assurances that it's for a worthy cause.

What's worse, it seems the more foreign aid we give, the more we are told will be needed. The main justification for foreign aid is that it helps recipient nations, over time, to become economically self-sustaining. But where has that been the case?

In Western Europe after World War II, when our Marshall Plan expedited the rebirth of a devastated continent; in Korea and the Republic of China, where a powerful work ethic and national will have wrought economic miracles; and in some OPEC countries, where spurting oil revenues have brought artifical prosperity to otherwise backward lands.

But where else? Certainly not in the score of Third World countries where Western aid has become a permanent line item in their budgets. The mixture of U.S. money with Socialist economic planning has been as bad a combination as drinking and driving. It has enabled governments bankrupt both financially and intellectually to persist in economic follies without suffering their ruinous consequences. With his customary candor, President Reagan explained, in his policy paper for the United Nations Conference on World Population in 1984, the conditions our assistance has been subsidizing:

"The post-war experience consistently demonstrated that, as economic decision-making was concentrated in the hands of planners and public officials, the ability of average men and women to work towards a better future was impaired, and sometime crippled. In many cases, agriculture was devastated by government price-fixing that wiped out rewards for labor. Job creation in infant industries was hampered by confiscatory taxes. Personal industry and thrift were penalized, while dependency on the state was encouraged. Political considerations made it difficult for an economy to adjust to changes in supply and demand or to disruptions in world trade and finance.

That declaration was a quarter of a century overdue, but it was worth waiting for.

If the foreign aid program is ever to regain public support, our government will have to set some things straight with recipient nations. In the first place, they will have to junk the offensive notion, fashionable in some quarters in this country as well as in tropical capitals, that we owe them this assistance. Americans have never demanded craven appreciation, but they will not tolerate rude demands for more as a substitute for thanks.

Another idea that needs to be discarded is that the Third World's backwardness is due to America's prosperity. Some say we use too much of the earth's resources. (We pay for them and thereby help others prosper.) Some say we exploit overseas labor. (Foreigners beg us to invest in their communities.) And some cling to Lenin's antique theory that capitalism necessarily involves economic imperialism.

That simple brew sometimes comes in fancy bottles. For example, there is a superficially elaborate argument now popular to the effect that poor nations are being ruined by the strength of the American dollar. Therefore, the U.S. has a moral obligation to inflate its currency, adjust its interest rates, and abort the Republican recovery of the last three years. Incredibly, that line is repeated by people who can read and write, including French President Mitterand and other European sages, who use it to explain the disastrous effects of their own statist economic policies.

Another theory for the reject file is the contention that the U.S. doesn't do its fair share in international assistance, compared to France or Sweden or Germany, in proportion to our Gross National Product. But if anyone doubts whether the American people do their share, let them add to our official, foreign aid budget the enormous contributions in cash, in kind, and in manpower made through the private sector.

Another myth is that our dollars work better when channeled through multilateral aid arrangements, rather than as direct donations. That dodge wouldn't fool a kid on a skateboard. Our money doesn't become more efficacious when laundered through the U.N., the World Bank, or the bureaucracies of regional development agencies. But multilateral funding does reduce the credit we receive for providing it and the leverage we can exert over its expenditure.

There's nothing wrong with a developing nation's people's knowing that the money for their new factory, irrigation projet, fertilizer plant, or health clinic came from the people of Baltimore, Boston and Beaumont. We owe it to ourselves to tell them.

If this assessment of foreign aid appears a trifle negative, I hasten to add that there is a very positive side. Or there could be, if the program were restructured. Imagine a new American effort to aid those developing countries—only those—which commit to economic freedom for their people by rejecting state planning and controls.

Right off the bat, our dollars would be concentrated in fewer nations, where they would make a much larger impact. Imagine that all foreign aid went directly to recipient countries, not through multilateral institutions, so that the American people received full credit for their benevolence.

Now, to go a step farther, imagine that the aid would be given, not to foreign governments, but to self-help groups, indigenous charities, and private institutions, thereby strengthening the private sector and keeping economic decisions out of the hand of politicians.

Finally, to take this a giant step ahead, imagine that our government channeled a major portion of foreign aid through those private American groups which already do so much on their own to share our way of life with others.

The resulting program, leaner and more targeted, largely in private hands here and overseas, would be an instrument of both our country's ideals and our country's interests. Most important, it would spark enthusiasm among the American people. Their good hearts and willing hands have not weakened from the task of helping the rest of the world. Challenge them to do more, and they will. But first, we must replace a time-worn foreign aid program with one that merits generosity.

ECONOMIC AND MILITARY ASSISTANCE FOR ISRAEL

Mr. WARNER. Mr. President, I rise today to indicate my strong support for the foreign assistance funds we are now considering for the State of Israel.

Israel has been a consistent and staunch ally and consistently supports the United States in the United Nations and other international forums.

At a time when all of us are searching for ways to reduce the Federal deficit, it is tempting at times to look to foreign aid programs for some of these needed cuts—and perhaps funds for some of these countries should be reduced.

But, I strongly recommend that this body fully fund the foreign aid request for Israel.

I have an editorial which appeared in the Richmond News Leader on February 26, 1985.

This article expresses very clearly the case for supporting the foreign aid package for Israel, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Every Cent

Every year the United States spends billions—on foreign aid. Much of the money goes to countries that do not deserve it, much of it goes to countries that waste it, and much of it goes to countries that seldom support the U.S. in international forums. A healthy chunk, however, does go to deserving countries. And no country deserves U.S. military and financial assistance more than Israel.

The money the U.S. spends on Israel is money spent well. Israel cooperates with the U.S. It votes with the U.S.—and against the Communist bloc and its Third-World waterbearers in the UN. When American officials visit Jerusalem and Tel Aviv, crowds do not mass in front of their hotels chanting, "Yankee go home!" or "U.S. out of [fill in the blank]."

Foreign aid ought to go to countries reflecting America's commitment to liberty. Israel represents democratic ideals. It is the Middle East's only legitimate democracy. Palestinian Arabs living in Israel enjoy far more rights than Palestinian Arabs living in Saudi Arabia, Syria, or under any other Arab regime.

Israel also needs U.S. support. It is a small country confronting clear and present dangers. It has fought five major wars and countless skirmishes since its rebirth in 1948. With the exception of Egypt, none of its neighbors concedes its right to exist. Although the Middle Eastern situation is relatively quiet now, Israel's defense forces never can sleep soundly.

Despite its own severe economic problems, Israel has not abandoned Jews facing persecution or enduring distress in other countries. Israel helps people who need help. It also needs help from others. High inflation and assorted problems are sapping its economic strength President Reagan rightly has proposed a $1.5 billion boost in economic aid to help carry Israel through its tough times.

Socialism causes many of Israel's economic problems. High taxation and a confusing array of subsidies spur inflation. A fragile coalition government is enjoying some success in bringing inflation down, but it has not come down enough. Eventually Israel will have to dismantle huge portions of its welfare state. It will have to cut spending and taxes. Although the U.S. should not interfere with Israel's economy, it can use its aid to encourage Israel to rely more fully on the free market.

The citizenry's list of favorite programs probably puts subsidies for "artists" who drop confetti from airplanes ahead of foreign aid. And much of the foreign aid package could be cut. But the money marked for Israel ought to be off-limits to the budget shears. Israel's foreign aid allotment comes to about $4.5 billion. It deserves every cent.

Mr. HELMS. Mr. President, as the author of section 303(c) of S. 960, adopted in the Foreign Relations Committee on a strong bipartisan vote of 13 to 3, I want to make sure that it is clearly understood.

Mr. President, section 303(c) of the bill before us adds a new restriction to section 104(f) of the Foreign Assistance Act. This new restriction will prohibit the use of U.S. population assistance, directly or indirectly, either: First, in any country which permits, officially or in practice, infanticide or coerced abortion; or second, by any organization which provides funds, directly or indirectly, with respect to such a country.

This new restriction should be an effective barrier to any U.S. support for the crimes of infanticide or coerced abortion around the world. It stops U.S. population funds from being used in any country permitting such crimes—either by the government or by any other entity—and by any organization assisting such a country—wherever the organization may operate. With this restriction, the United States will send a signal to the world that we have no tolerance for infanticide and coerced abortion.

Mr. President, my amendment is intended to be very broad in order to deal with what is a fundamental violation of human rights now existing in Communist China but which could occur in other countries as well. It employes the principle of the Reagan administration policy on population, announced in July 1984 in connection with the Mexico City Conference, in that it conditions receipt of U.S. funds on an organization not engaging in certain activity, even with its own resources. In this case, the proscribed activity is providing funds, directly or indirectly, with respect to a country permitting, officially or in practice, infanticide or coerced abortion. Thus, an organization renders itself ineligible for U.S. population funds if is provides assistance to or in a country allowing the proscribed activity.

By "infanticide" is meant the killing of an infant, and by "coerced abortion" is meant undergoing an abortion under pressure—physical, emotional, economic, penal, or otherwise—from the Government or any other source.

Mr. President, I ask unanimous consent that an article from the May 13, 1985, Wall Street Journal by Stephen W. Mosher, entitled "How China Uses U.S. Aid for Forced Abortion," be printed in the Record at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

How China Uses U.N. Aid for Forced Abortions

(By Stephen W. Mosher)

By Peking's own calculation, a staggering 53 million abortions have been performed in China over the past five years as part of a rigorous campaign to limit population growth. Through money provided to the United Nations Fund for Population Activities (UNFPA), the U.S. government has supported this campaign.

The Chinese government claims that the guiding principle of this abortion program is "voluntarism," but there was nothing voluntary about the process I observed when living in a Chinese village in 1980. It involved subjecting pregnant women, many very close to term, to exhausting morning-to-night "study sessions," levying heavy penalties on them and their families, and the actual incarceration of those who still proved recalcitrant. Nor does the description "voluntary" adequately encompass the reports that have come out of China in the years since then of pregnant women being handcuffed, thrown into hog cages and taken to the operating tables of rural clinics.

I estimate that 90 percent of the abortions performed in China are forced upon women who, if they were truly free to choose, would bear the children. Under the "one child per family" law, abortion in China is for all practical purposes mandatory for women who become pregnant outside the state-assigned quota. Not only are the pregnancies of married women who already have one child terminated under this law, so are the pregnancies of many who do not yet have a child.

Many of these abortions are done late in term and in a way that can only be described as brutal. Induced stillbirth and murders of newborns are common. I observed full-term unborn children being injected with a Western drug the Chinese called Rivalor, which causes the unborn child's death within 24 to 48 hours and in most cases its post-mortem ejection from the womb.

In other cases the child is killed at the time of parturition, sometimes by using forceps to crush the child's skull when it is still in the birth canal, other times by injecting formaldehyde into the soft spot of the head or by strangling as the child emerges. Since the baby is still partly in the womb at this time, this is not considered to be infanticide but merely abortion. Moreover, late or full-term abortions are carried out despite a regulation forbidding the termination of pregnancy after the 6th month. Officials anxious to meet the strict birth quotas set by higher-ups order doctors to ignore this proscription.

The Chinese government has loudly and repeatedly protested that these "excesses" are not government policy and that those who take part in them will be punished according to law. In fact, however, aside from a handful of halfhearted prosecutions of peasant parents for killing their infant daughters, no official in China to date has been publicly punished for mandating late abortions, for using coercion or for ordering doctors to kill infants at birth.

The only conclusion that can be drawn from these appalling facts is that Peking's assurances are merely a smoke screen. It is the birth quotas that officials enforce, not the written guideline advising no abortion after 6 months. And it is this quota the officials are held accountable for, not paper exhortations for "voluntarism." The Chinese officials who say the opposite are, at best, naive. At worst, they are consciously duplicitous.

To date, UNFPA seems to have taken at face value these Chinese assurances. A recent UNFPA report on its aid quotes official Chinese denials of government coercion and infanticide. Because of the unsatisfactory UNFPA response, the U.S. Agency for International Development recently asked Congress to rescind $10 million of the $46 million earmarked for that organization this year. The remaining $36 million would be put in a separate account for projects in other countries.

An investigation is under way in Congress to determine what further action, if any, should be taken. In this review, particular care should be given to examining UNFPA's admission that "the bulk of our program is provided for inputs requiring foreign currency" and "the provision of modern technology." Clearly, among the "inputs requiring foreign currency" would be drugs such as Rivalor and the latest in abortion technology.

It is, of course, highly unlikely that any investigation would be able to uncover evidence that U.S. funds were or are being used for infanticide and forced abortions in China. Nor should this be made a precondition of further cutting back of aid. Not only has UNFPA admitted that it has been "instrumental in setting up the infrastructure of the Chinese program," it has unconditionally committed $50 million in aid over the next four years to the program's continuance. The fact that U.S. aid continues to go to an organization that supports a program so tainted with abuses makes Americans silent accomplices to that program. The United States ought to distance itself from forced abortion and infanticide completely, morally and monetarily.

A total cutoff of indirect U.S. aid would not end the Chinese population-control program. But there is a good chance such a move would goad Peking into correcting the worst abuses of its program.

NEW MULTILATERAL BANK AID

Mr. DOMENICI. Mr. President, it seems like only yesterday that we, as a body were wrestling with the question of how to achieve 53 billion dollars' worth of budget restraint in order to reduce the Federal deficit.

We all know that going through the budget process is a very difficult undertaking, and I think that last week proved two things. First, that the United States as a country has reached the point where it can no longer afford many programs that have merit and serve the people of this great Nation. Second, that the United States as a country can no longer sign up for every new program and can no longer make commitments for every foreign aid proposal that comes along.

Last week I emphasized that while the choices we were making were very difficult, the most prudent course that the Senate could chart was to keep our economy healthy and vibrant by reducing the deficit. I detailed the benefits that we all enjoy when our economy performs well—low-interest rates, high employment, growth, and prosperity.

The benefits I outlined last week, also should be kept in mind today as we discuss foreign aid. Some members of the Foreign Relations Committee wanted to bring up as an amendment the authorization for an additional $1.5 billion for the World Bank. Increasing the U.S. participation in the World Bank by an additional $1.5 billion, and increasing our commitment to the International Finance Corporation over the next 5 years by $685 million does not seem consistent with the shared sacrifice of the budget resolution. The United States already contributes substantial assistance to the MDBS.

Almost all of the members of the copper caucus, which I cochair objected to considering the multilateral bank aid increase in conjunction with the foreign aid bill. We will continue to object until we see some postive action to remedy the worldwide copper problem—a problem that the multilateral banks have exacerbated.

When the Congress approved the $8.5 billion IMF quota increase, I voted against it. I know that many of my colleagues voted for the IMF increase believing that this would be sufficient for future multilateral lending.

That was merely 18 months ago. The MDBS are back today asking us to approve what they refer to as "parallelism," that is, an increase in the World Bank and IFC to mirror the IMF increase. I thought the IMF increase was a bad idea, and I think this parallelism is a bad idea, as well.

The report for this bill claims that the World Bank is the world's preeminent multilateral financial intermediary operating in developing countries. It had an estimated $11 billion lending program in fiscal year 1985.

Let me ask, what kind of economic development has this preeminent multilateral financial intermediary helped create? At a hearing before the International Monetary Policy Subcommittee of the Foreign Relations Committee, Dr. Anibal Pinto, an economist with the Economic Commission for Latin America was quoted. He characterized Chile as experiencing severe declining terms of trade, that is, declining prices for Chile's copper exports—65 cents instead of $1.15 per pound; increasing prices of Chile's imports—between the third quarter 1981 and the third quarter of 1984, the Chilean peso depreciated 145 percent against the dollar. This means that although Chile sells more copper each year, it can buy less of everything else. Chile's predicament, according to Dr. Pinto's analysis reminded him of Alice in Wonderland.

> "Here you see," the Red Queen told Alice, "You have to run as fast as you can simply to stay in the same place. If you want to get somewhere else, you must run at least twice as fast as that."

What Dr. Pinto meant was that when copper was $1.15—the historical price in constant terms of copper this century—the copper producing countries were barely making their international debt commitments. In 1984 copper prices have ranged from as low as 55 cents a pound to an annual average of 65 cents.

Dr. Pinto's observations were made in 1978. The Bureau of Mines has been making predictions about the low growth prospects for world copper consumption for years. The International Trade Commission has twice found that there is excess copper production in the world and yet the World Bank continues to make loans for copper projects, and foreign producers continue to expand production.

The major copper producing countries' economies are less diversified than they were a decade ago and the assistance they have received from the World Bank has helped very little to develop beyond the monoproduct stage of copper, more copper and still more copper. I ask unanimous consent that the list of copper and other mining projects financed through the World Bank and the International Finance Corporation be printed in the Record at this point.

There being no objection, the list was ordered to be printed in the Record, as follows:

WORLD BANK GROUP ASSISTANCE TO NON-FUEL MINERAL PROJECTS 1979 TO MID-1984

[In millions of dollars]

Country	Source [1]	Purpose	Amount of loan	Total project cost
1984:				
Zambia	IBRD	Copper	75.0	300.0
Peru	IFC	Zinc	4.0	16.1
1983:				
Chile	IFC	Copper	44.5	71.3
Peru	IFC	Silver	4.0	22.1
Senegal	IDA	Phosphate	7.7	9.6
Thailand	IFC	Tantalum	57.4	90.0
Tunisia	IBRD	Iron and steel.	16.8	54.1
Tunisia	IBRD	Phosphate, potash.	13.4	24.6
Zaire	IDA	Copper, cobalt and zinc technology assistance.	7.0	9.3
1982:				
Brazil	IBRD	Iron ore	304.5	4,926.6
Chile	IFC	Lithium	10.0	61.0
Liberia	IBRD	Iron ore	11.7	67.1
Nepal	IFC	Magnesite	6.2	24.9
Uganda	IDA	Phosphate technology assistance.	4.0	4.5
Zambia	IFC	Copper	30.0	250.0
1981:				
Burundi	IDA	Nickel exploration.	4.0	7.3
Morocco	IBRD	Lead and zinc.	9.5	15.2
Philippines	IFC	Copper smelting.	5.0	435.0
Thailand	IFC	Tin exploration.	0.6	3.8
Thailand	IBRD	Potash	8.9	10.4
Togo	IDA	Phosphate	5.7	8.9
1980:				
Ecuador	IFC	Copper, zinc, silver, and gold.	1.3	5.2
Greece	IFC	Asbestos	10.9	85.0
Mexico	IFC	Silver, lead, and zinc.	30.0	146.9
Morocco	IFC	Copper	15.3	65.0
Peru	IFC	Zinc	3.2	12.9
Peru	IBRD	Phosphate	7.5	9.5
Zambia	IFC	Cobalt	30.0	202.0
1979:				
Bolivia	IDA	Minerals	7.5	16.5
Colombia	IBRD	Ferronickel	80.0	340.0
Egypt	IBRD	Phosphate	11.0	13.0
Mauritania	IBRD	Iron ore	60.0	500.7
Peru	IFC	Silver	2.5	10.0

[1] IBRD—International Bank for Reconstruction and Development. IDA—International Development Association. IFC—International Finance Corp.

Mr. DOMENICI. I also ask unanimous consent that the list of 15 additional copper projects that the developing countries would like to finance at the World Bank be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

MAJOR MINE DEVELOPMENTS/EXPANSIONS BEING CONTEMPLATED

Deposit/mine	Country	Prospective output/year (thousand tons)	Start date
Carro Colorado	Panama	175	1990?
Roxby Downs	Australia	150	1990?
El Pachon	Argentina	100	1986
Carajas	Brazil	160	?
Pelambres	Chile	125	1986?
Andacollo	Chile	75	1984?
El Teniente (x)	Chile	80	1980's
Disputada (x)	Chile	200	1986?
Quebrada Blanca	Chile	100	1986?
Toromocho	Peru	83	?
Quellaveco	Peru	56	?
Tintaya	Peru	68	1984
Toquepala (x)	Peru	40	1980's
Ok Tedi	Papua, New Guinea	100	1980's
Sar Cheshmeh	Iran	130	1980's

Mr. DOMENICI. Mr. President, we have seen a lot of money spent on World Bank copper development loans. Additionally, the IMF has provided $4.4 billion to the major copper producers. In spite of this assistance Chile is now negotiating with the IMF to reschedule its debt. The emergency financing package was reported in the Wall Street Journal on May 9, 1985. The article describes a package for Chile which includes plans for a $250 million guarantee by the World Bank. This proposal is significant for a number of reasons. First, it is the ultimate shocking example of the multilateral lending institutions' flagrant disregard for economic discipline as applied to the copper exporting countries. Chile is forced to renegotiate a new IMF standby agreement that includes $800 million in new financing in order to make the next year's interest payments—largely because the Chilean Government has virtually used up its available funds under the compensatory financing facility and because Chile has caused the prolonged crisis in the international copper market by overproduction in 1981, 1982, 1983, and 1984. In the face of all this, we now have the World Bank offering an unprecedented guarantee of $250 million in order to make the whole package possible.

Officials from Chile are firmly on record as opposing any production restraint. They will adamantly tell you that they are the world's low cost producer. However, they don't mention that the IMF has set a target price for their copper of 75 cents per pound, and that for every cent the price of copper sells for below that price, it costs the Chilean Government $26 million in lost revenue. That means in 1984 with an average price of 65 cents, the copper glut cost Chile $260 million which they now have to borrow.

Let me take it one step further. That same depressed price of copper meant losses for the U.S. producers of more than $2.5 billion over the last 4 years. Employment in the copper mining industry has dropped from 28,000 in 1979 to an estimated 13,000 in 1984. Those figures do not include the recent closure of the Kennecott Mine in Utah.

As far as I am concerned, the United States has already paid the price for the foreign producer's excessive copper production policies. Nonetheless, there is a bill on the calendar which was going to be brought up as an amendment today to the foreign aid bill. If enacted that legislation would authorize more money for the World Bank and the International Finance Corporation.

Thus far, I have kept my remarks specific to copper, however, the same type of development is going on in the entire mining sector. This same type of development is threatening the entire world mining sector.

In 1981, U.S. metals mining was a $8.9 billion enterprise. By 1983 it had shrunk to just $5.9 billion. The jobs provided exceeded 109,000 in 1981. At the beginning of this year what remains of a workforce of about 44,800. The prognosis is a further reduction of another 30 percent.

Given the overall state of the mining industry in the United States, is it really in our best interest to double the resources of the World Bank and the International Finance Corporation when we know that the World Bank according to John Strongman, senior mineral economist, mining and nonferrous metal division of the World Bank, states that World Bank lending for mining accounts for about 10.3 percent of the banks loans? I believe that copper was just the beginning. Unless the Congress takes some definitive action we will see excess capability and surpluses for all kinds of metals.

New Mexico is a preeminent extractive industry state and it really suffers from all of the World Bank and International Finance Corporation "development."

The experience of the copper market is instructive. First, new production is financed by the World Bank or other multilateral lending institutions. Projects are funded regardless of the world demand for such minerals. Once the production is online, the law of supply and demand is disregarded by foreign producers. These develeopment projects continue to produce at full capacity regardless of market conditions. This causes a commodity glut that further depresses the price. Market conditions cannot correct themselves even though U.S. producers cut back to reflect the decreased demand. When the price stays below cost of production for prolonged periods the U.S. producers go broke. When government owned foreign producers derive a substantial amount of their export income from the commodity in surplus the IMF insulates these producers from the impact of their production policies. The governments can go to another multilateral institution, the compensatory financing facility at the IMF and borrow the difference between what they actually earned and what they would have earned if the price had not been depressed. It does not matter that the "export income shortfall" was attributable to a producer contributing to the market glut. Actually, the IMF requires that the shortfall not be the countries' fault and cutting production could be construed as being the countries' fault. The practical effect is that the IMF's policies encourage these countries to disregard the supply and demand by pursuing full capacity production regardless of price. Such disregard for the market leads to low prices. Ironically the developing countries are also exploiting their resources when the price falls.

The copper caucus has introduced a resolution to do away with the compensatory financing facility. I hope that sometime soon this body will pass that resolution.

I have several amendments that I may offer at the appropriate time.

I respect my colleague, Senator MATHIAS, and I appreciate his willingness to work with me and other members of the copper caucus regarding amendments. I sincerely hope that at the appropriate time we can all come to an understanding about the problem and the appropriate response through the amendment process. I also look forward to working with the new U.S. Trade Representative to urge that a production restraint agreement for copper be negotiated.

Mr. HELMS. Mr. President, although the able manager of this bill has worked long and hard, and has done an excellent job, I cannot support final passage of this bill because it contains onerous provisions relating to Central America—provisions which I am confident will rise to haunt this Nation in the future.

As chairman of the Western Hemisphere Subcommittee, I have spent as much time—and possibly more time—than any other Member of this body studying Central American issues.

In this bill the Senate is approving multiyear funding for Central America—a unique approach to foreign affairs which removes our policy from congressional scrutiny. This is a sword which cuts both ways—Senators of opposite philosophical persuasions should have united to defeat this end-run around the Constitution. I know that our constituents will be wondering why we have abdicated our Senatorial responsibility. This Senator declines to abdicate that responsibility.

In the same way, the provisions for prohibiting the use of U.S. funds for compensation for land expropriation in El Salvador will put the U.S. Treasury behind a program of socialism which has nearly destroyed El Salvador and make further assistance impossible. The irony is that the compensation will probably end up in the bank accounts of fat cats in Miami, rather than strengthening El Salvador.

Finally, Mr. President, this bill contains highly restrictive language which penalizes Nicaraguan freedom fighters. What has happened to this Nation, when we refuse to help those oppressed by Marxist totalitarianism? Does this body not have the will to protect freedom? Mark my words: If this language survives in the conference, this Nation will rue the day that we turned our backs on freedom. That is why I cannot vote for this bill.

Mr. LUGAR. Mr. President, I have two comments to make before asking for final passage.

First, I have been in communication with the Secretary of State, and he has indicated to me that the administration will support this bill as amended to this point. But, at the same time, the administration hopes, and I have given assurances to them, that there will be other opportunities to take a look at the funding levels.

The administration is specifically concerned about the foreign military assistance part of our bill today, and that has been the subject of discussion.

The distinguished Senator from New Mexico offered an amendment which led to substantial discussion about it, and the distinguished Senator from North Carolina had another amendment on it.

In essence, Senator PELL and I indicated the bipartisan spirit that had permeated our committee discussions, and Senators respected that and maintained that spirit of bipartisanship. The arguments that have been made will be given further hearing by Senators as we proceed through the appropriations procedure.

Second, I say to my colleagues, very frankly, that I had considered today an attempt to repeal an amendment that had been offered by Senator PELL successfully in the committee. It was a close vote in the committee, and it was a question of some importance—namely, that we would have no understandings on aid to the Contras in Nicaragua with other nations with which we had military assistance or sales dealings under foreign assistance.

I have chosen not to offer that amendment in the same spirit that other Senators have agreed, and I appreciate very much not getting into a substantial revisiting of Nicaragua or Central American questions in this bill.

I am aware that many Senators have been interested in those questions. I think it is appropriate that both our committee and the Senate discuss Nicaragua and other Central American questions in due course, and I will want to participate in that debate. I simply want to express appreciation and indicate my reticence to offer an amendment I had planned to offer and on which I had some feeling.

Mr. President, I know of no other amendments, and I say that tentatively and hopefully.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Maryland [Mr. MATHIAS], and the Senator from Virginia [Mr. TRIBLE] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER (Mr. ANDREWS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 75, nays 19, as follows:

[Rollcall Vote No. 82 Leg.]

YEAS—75

Andrews
Armstrong
Bentsen
Biden
Bingaman
Boschwitz
Bradley
Bumpers
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Evans
Garn
Glenn
Gore
Gorton
Gramm
Grassley
Harkin
Hart
Hatch
Hatfield
Hawkins
Hecht
Heflin
Heinz
Humphrey
Inouye
Johnston
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Lugar
Matsunaga
Mattingly
McConnell
Metzenbaum
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Pressler
Quayle
Riegle
Rockefeller
Rudman
Sarbanes
Sasser
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Thurmond
Warner
Weicker

NAYS—19

Abdnor
Baucus
Boren
Burdick
Byrd
DeConcini
Ford
Helms
Hollings
Laxalt
McClure
Melcher
Nickles
Proxmire
Pryor
Roth
Symms
Wallop
Zorinsky

NOT VOTING—6

East
Exon
Goldwater
Mathias
Trible
Wilson

So the bill (S. 960), as amended, was passed, as follows:

S. 960

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1985".

TITLE I—MILITARY SALES AND RELATED PROGRAMS

FOREIGN MILITARY SALES CREDIT AUTHORIZATION AND AGGREGATE CEILINGS

SEC. 101. (a) The first sentence of section 31(a) of the Arms Export Control Act (22 U.S.C. 2771(a)) is amended to read as follows: "There are authorized to be appropriated to the President to carry out section 23 of this Act $5,464,500,000 for the fiscal year 1986.".

(b) Section 31(b)(1) of such Act (22 U.S.C. 2771(b)(1)) is amended to read as follows:

"(b)(1) The total amount of credits extended under section 23 of this Act shall not exceed $5,464,500,000 for the fiscal year 1986."

(c) Section 31(b)(3) of such Act (22 U.S.C. 2771(b)(3)) is amended to read as follows:

"(3)(A) Of the total amount of credits extended under section 23 of this Act, not less than $1,800,000,000 for the fiscal year 1986 shall be available only for Israel, and Israel shall be released from its contractual liability to repay the United States Government with respect to such credits.

"(B) If the Government of Israel requests that funds be used for such purposes, up to $150,000,000 of the amount of credits available only for Israel under subparagraph (A) shall be available for research and development activities in the United States for the Lavi program and not less than $250,000,000 of such credits shall be available for the procurement in Israel of defense articles and defense services, including research and development.".

(d) Section 31(b)(5) of such Act (22 U.S.C. 2771(b)(5)) is amended to read as follows:

"(5) The principal amount of credits provided under section 23 at interest rates equivalent to the current average interest rate for United States Government obligations of comparable maturity, or under section 24(a) if provided by the Federal Financing Bank, with respect to Greece, Korea, the Philippines, Portugal, Spain, Thailand, and Turkey, shall (if and to the extent each country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal.".

(e) Section 31(b)(6) of such Act (22 U.S.C. 2771(b)(6)) is amended to read as follows:

"(6) Of the total amount of credits extended under section 23 of this Act, not less than $1,300,000,000 for the fiscal year 1986 shall be available only for Egypt, and Egypt shall be released from its contractual liability to repay the United States Government with respect to such credits.".

(f) Sections 31(b)(7) and 31(c) of such Act (22 U.S.C. 2771 (b)(7) and (c)) are repealed.

VALUATION OF CERTAIN DEFENSE ARTICLES

SEC. 102. (a) Section 21(a) of the Arms Export Control Act (22 U.S.C. 2761(a)) is amended—

(1) by redesignating paragraphs (1), (2) and (3) as clauses (A), (B), and (C), respectively;

(2) by inserting "(1)" immediately after "(a); and

(3) by adding at the end thereof the following new paragraph:

"(2) For purposes of clause (A) of paragraph (1), the actual value of a naval vessel of 3,000 tons or less and 20 years or more of age shall be considered to be not less than the greater of the scrap value or fair value (including conversion costs) of such vessel, as determined by the Secretary of Defense.".

(b) Section 47 of such Act (22 U.S.C. 2794) is amended in paragraph (2) by inserting "except as otherwise provided in section 21(a)" after "excess defense articles".

ADMINISTRATIVE SURCHARGE

SEC. 103. Clause (A) of section 21(e)(1) of the Arms Export Control Act (22 U.S.C. 2761(e)(1)) is amended by inserting "(excluding a pro rata share of fixed base operation costs)" immediately after "full estimated costs".

CATALOG DATA AND SERVICES

SEC. 104. Section 21(h) of the Arms Export Control Act (22 U.S.C. 2761(h)) is amended—

(1) by inserting "(1)" immediately after "(h)";

(2) by redesignating clauses (1) and (2) as

(b) Section 25(a) of such Act (22 U.S.C.

of facilities for use by that Agency to per-

immediately after "administrative ex-

INTERNATIONAL MILITARY EDUCATION AND

gregate value not to exceed $25,000,000 in

(2) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively; and

(3) by adding at the end thereof the following:

"(2) In carrying out the objectives of this section, the President is authorized to provide cataloging data and cataloging services, without charge, to the North Atlantic Treaty Organization or to any member government thereof, if such Organization or member government provides such data and services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government.".

CONTRACT ADMINISTRATION SERVICES

SEC. 105. Section 21(h)(1) of the Arms Export Control Act (22 U.S.C. 2761(h)(1)) is amended by inserting "contract administration services," immediately after "inspection," in the text above clause (A).

SALES CREDITS

SEC. 106. Section 23 of the Arms Export Control Act (22 U.S.C. 2763) is amended to read as follows:

"SEC. 23. SALES CREDITS.—The President is authorized to finance procurement of defense articles, defense services, and design and construction services by friendly foreign countries and international organizations, on such terms and conditions as he may determine. The President shall charge interest at a rate determined by the Secretary of the Treasury taking into consideration the current market yields on outstanding marketable obligations of the United States of comparable maturities. Notwithstanding the preceding sentence, the President may charge a lesser rate of interest if he determines that the national interest requires a lesser rate. Loan agreements under this section shall require repayment in United States dollars within a period of not to exceed twelve years after the loan agreement is signed on behalf of the United States Government, unless a longer period is specifically authorized by law for such country or international organization.".

REPORT ON REPLENISHMENT OF THE GUARANTY RESERVE FUND

SEC. 107. (a) For the purpose of providing recommendations for improving the security interests of the United States and the friends and allies of the United States, the President shall prepare and transmit to the Congress within ninety days of the date of enactment of this Act a report which sets forth the history of United States financing under the Foreign Assistance Act and the Arms Export Control Act. Such report shall include recommendations on replenishing the Guaranty Reserve Fund under section 24 of the Arms Export Control Act and recommendations on other matters agreed to in consultation with the chairman and ranking minority member of the Committee on Foreign Relations of the Senate.

(b) Section 24(c) of the Arms Export Control Act (22 U.S.C. 2764(c)) is amended by adding at the end thereof the following: "The single reserve described in this subsection may, on and after the date of enactment of the International Security and Development Cooperation Act of 1985, be referred to as the 'Guaranty Reserve Fund'.".

REPORTING REQUIREMENT

SEC. 108. (a) Section 25(a) of the Arms Export Control Act (22 U.S.C. 2765(a)) is amended in the text preceding paragraph (1) by inserting "or, in the case of paragraph (4), no later than April 1 of each year" immediately after "each year".

(b) Section 25(a) of such Act (22 U.S.C. 2765(a)) is amended by amending paragraph (4) to read as follows:

"(4) an estimate of the amount of sales and deliveries of weapons and weapons-related defense equipment by all major arms suppliers to all major recipient countries in the developing world during the preceding calendar year;".

REPORT ON CASH FLOW FINANCING

SEC. 109. Section 25(a) of the Arms Export Control Act (22 U.S.C. 2765(a)), as amended by section 108, is further amended by—

(1) inserting "(A)" immediately after "(5)";

(2) adding "and" after the semicolon in paragraph (5); and

(3) adding at the end of paragraph (5) the following new subparagraphs:

"(B) for each country that is proposed to be furnished credits or guaranties under this Act in the next fiscal year and that has been approved for cash flow financing, as defined in subparagraph (C) of this paragraph, in excess of $100,000,000 as of October 1 of the current fiscal year—

"(i) the amount of such approved cash flow financing;

"(ii) a description of administrative ceilings and controls applied; and

"(iii) a description of the financial resources otherwise available to such country to pay such approved cash flow financing; and

"(C) the term 'cash flow financing' means, for the purposes of subparagraph (B) of this paragraph, the dollar amount of the difference between the total estimated price of a Letter of Offer and Acceptance or other purchase agreement that has been approved for financing under this Act or under section 503(a)(3) of the Foreign Assistance Act of 1961 and the amount of the financing that has been approved therefor;".

COOPERATIVE AGREEMENTS ON AIR DEFENSE IN CENTRAL EUROPE

SEC. 110. (a) The Secretary of Defense is authorized to carry out the European air defense agreements. In carrying out those agreements, the Secretary—

(1) may provide, without monetary charge, to the Federal Republic of Germany articles and services as specified in the agreements; and

(2) may accept from the Federal Republic of Germany (in return for the articles and services provided under paragraph (1)) articles and services as specified in the agreements.

(b) In connection with the administration of the European air defense agreements, the Secretary of Defense may—

(1) waive any surcharge for administrative services otherwise chargeable under section 21(e)(1)(A) of the Arms Export Control Act (22 U.S.C. 2761(e)(1)(A));

(2) waive any charge not otherwise waived for services associated with contract administration for the sale under the Arms Export Control Act of Patriot air defense missile fire units to the Federal Republic of Germany contemplated in the agreements;

(3) use, to the extent comtemplated in the agreements, the NATO Maintenance and Supply Agency—

(A) for the supply of logistical support in Europe for the Patriot missile system; and

(B) for the acquisition of such logistical support, to the extent that the Secretary determines that the procedures of that Agency governing such supply and acquisition are appropriate;

(4) share, to the extent contemplated in the agreements, the costs of set-up charges of facilities for use by that Agency to perform depot-level support of Patriot missile fire units in Europe; and

(5) deliver to the Federal Republic of Germany one Patriot missile fire unit configured for training, to be purchased by the Federal Republic of Germany under the Arms Export Control Act as contemplated in the agreements, without regard to the requirement in section 22 of that Act for payment in advance of delivery for any purchase under this Act.

(c) Notwithstanding the rate required to be charged under section 21 of the Arms Export Control Act (22 U.S.C. 2761) for services furnished by the United States, in the case of 14 Patriot missile fire units which the Federal Republic of Germany purchases from the United States under the Arms Export Control Act as contemplated in the European air defense agreements, the rate charged by the Secretary of Defense for packing, crating, handling, and transportation services associated with that purchase may not exceed the established Department of Defense rate for such services.

(d) For the purposes of this section, the term "European air defense agreements" means—

(1) the agreement entitled "Agreement between the Secretary of Defense of the United States of America and the Minister of Defense of the Federal Republic of Germany on Cooperative Measures for Enhancing Air Defense for Central Europe", signed on December 6, 1983; and

(2) the agreement entitled "Agreement between the Secretary of Defense of the United States of America and the Minister of Defense of the Federal Republic of Germany in implementation of the 6 December 1983 Agreement on Cooperative Measures for Enhancing Air Defense for Central Europe", signed on July 12, 1984.

(e) The authority of the Secretary of Defense to enter into contracts under the European air defense agreements is available only to the extent that appropriated funds, other than those made available under section 31 of the Arms Export Control Act (22 U.S.C. 2771), are available for that purpose.

INCREASE IN CRIMINAL PENALTIES FOR CERTAIN VIOLATIONS OF THE ARMS EXPORT CONTROL ACT

SEC. 111. (a) Section 38(c) of the Arms Export Control Act (22 U.S.C. 2778(c)) is amended by striking out "not more than $100,000 or imprisoned not more than two years, or both" and inserting in lieu thereof "for each violation not more than $1,000,000 or imprisoned not more than ten years, or both".

(b) Section 38(e) of such Act (22 U.S.C. 2778(e)) is amended by adding at the end thereof the following: "Notwithstanding section 11(c) of the Export Administration Act of 1979, the civil penalty for each violation involving controls imposed on the export of defense articles and defense services under this section may not exceed $500,000.".

(c) This section shall take effect upon the date of enactment of this Act or October 1, 1985, whichever is later. The amendments made by this section shall apply to violations occurring after the effective date of this section.

OFFICIAL RECEPTION AND REPRESENTATION EXPENSES

SEC. 112. Section 43 of the Arms Export Control Act (22 U.S.C. 2792) is amended—

(1) in subsection (b) by inserting "and official reception and representation expenses" immediately after "administrative expenses"; and

(2) by adding at the end thereof the following new subsection:

"(c) Not more than $72,500 of the funds derived from charges for administrative services pursuant to section 21(e)(1)(A) of this Act may be used each fiscal year for official reception and representation expenses.".

SPECIAL DEFENSE ACQUISITION FUND

SEC. 113. Section 51(a) of the Arms Export Control Act (22 U.S.C. 2795(a)) is amended by adding at the end thereof the following new paragraphs:

"(3) In order to maintain the readiness of the Armed Forces of the United States while facilitating the transfer of less advanced weapons systems in the inventory of the Department of Defense to foreign countries and international organizations in accordance with the provisions of this Act, the Foreign Assistance Act of 1961, or as otherwise authorized by law, instead of the transfer of more advanced weapons systems from procurement, the Fund may be used to acquire defense articles and defense services in anticipation of their transfer, on a reimbursable basis, to the Department of Defense to replace items transferred from the inventory of that Department to foreign countries and international organizations if such items are no longer in production for use by the Armed Forces of the United States.

"(4) The Fund may be used to keep on continuous order such defense articles and defense services as are assigned by the Department of Defense for integrated management by a single agency thereof for the common use of all military departments in anticipation of the transfer of similar defense articles and defense services to foreign countries and international organizations authorized by this Act, the Foreign Assistance Act of 1961, or other law.".

MILITARY ASSISTANCE COSTS

SEC. 114. Section 503(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2311(a)) is amended by adding the following sentence at the end of paragraph (3) thereof: "Sales which are wholly paid from funds so transferred shall be priced to exclude the costs of salaries of members of the Armed Forces of the United States.".

MILITARY ASSISTANCE

SEC. 115. Section 504(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2312(a)(1)) is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter $805,100,000 for the fiscal year 1986, of which amount not less than $15,000,000 shall be available only for Tunisia.".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 116. Section 514(b)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)) is amended to read as follows:

"(2) The value of such additions to stockpiles in foreign countries shall not exceed $360,000,000 for the fiscal year 1986.".

SECURITY ASSISTANCE ORGANIZATIONS

SEC. 117. Section 515(c)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i(c)(1) is amended by striking out "For the fiscal year 1982 and the fiscal year 1983" and inserting in lieu thereof "For the fiscal year 1986, Pakistan, Tunisia, Sudan, El Salvador, Honduras".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 118. Section 542 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347a) is amended to read as follows:

"SEC. 542. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter $56,221,000 for the fiscal year 1986.".

EXCHANGE TRAINING

SEC. 119. Chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 544. EXCHANGE TRAINING.—In carrying out this chapter, the President is authorized to provide for attendance of foreign military personnel at professional military education institutions in the United States (other than Service academies) without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one, reciprocal basis each fiscal year between those United States professional military education institutions and comparable institutions of foreign countries and international organizations.".

TRAINING IN MARITIME SKILLS

SEC. 120. (a) Chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.), as amended by section 119, is further amended by adding at the end thereof the following new section:

"SEC. 545. TRAINING IN MARITIME SKILLS.—The President is encouraged to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and maintenance in maritime search and rescue, operation and maintenance of aids to navigation, port security, at-sea law enforcement, international maritime law, and general maritime skills."; and

(b) Section 660(b) of such Act (22 U.S.C. 2420(b)) is amended—

(1) by striking out "or" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; or"; and

(3) by adding the following new clause after clause (2);

"(3) with respect to assistance, including training, in maritime law enforcement.".

AUTHORIZATION FOR PEACEKEEPING OPERATIONS

SEC. 121. Section 552(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2348a) is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, $37,000,000 for the fiscal year 1986.".

PEACEKEEPING OPERATIONS EMERGENCIES

SEC. 122. (a) Section 552 of the Foreign Assistance Act of 1961 (22 U.S.C. 2348), as amended by section 121, is further amended—

(1) by inserting in subsection (c) "(1)" immediately after "the President may";

(2) by inserting in subsection (c) immediately before the period at the end of the subsection "; and (2) in the event the President also determines that such unforeseen emergency requires the immediate provision of assistance under this chapter, direct the drawdown of commodities and services from the inventory and resources of any agency of the United States Government of an aggregate value not to exceed $25,000,000 in any fiscal year"; and

(3) by inserting at the end thereof the following new subsection:

"(d) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for commodities and services provided under subsection (c)(2).".

(b) Section 652 of such Act (22 U.S.C. 2411) is amended by inserting ", 552(c)(2)," immediately after "under section 506(a)".

SECURITY ASSISTANCE FOR TURKEY AND GREECE

SEC. 123. (a) Of the amounts provided to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.) for the fiscal year 1986, up to $215,000,000 may be made available for Turkey with the understanding that the United States Government is acting with urgency and determination to oppose any actions aimed at effecting a permanent bifurcation of Cyprus.

(b) Of the amounts provided for credits under section 23 of the Arms Export Control Act (22 U.S.C. 2763) for the fiscal year 1986, up to $500,000,000 may be extended to Turkey, and $500,000,000 shall be available only for Greece.

(c)(1) The amount of credits under the Arms Export Control Act for Greece for the fiscal year 1986 which shall be extended at a rate described in paragraph (2) is the amount which bears the same proportion to the aggregate amount of credits extended under such Act for Greece for such fiscal year as the amount of credits extended under such Act at such a rate for Turkey for such fiscal year bears to the aggregate amount of credits extended under such Act for Turkey for such fiscal year.

(2) The rate described in paragraph (1) is any rate less than the current average interest rate (as of the last day of the month preceding the financing of the procurement) that the United States pays on outstanding marketable obligations of comparable maturity.

PROHIBITION ON THE PROVISION OF FOREIGN MILITARY SALES CREDITS FOR LEBANON

SEC. 124. For the fiscal year 1986, no credits may be extended under section 23 of the Arms Export Control Act (22 U.S.C. 2763) with respect to Lebanon.

EXEMPTION OF CERTAIN SAFETY-RELATED EQUIPMENT FROM PROHIBITION ON MILITARY SALES TO CHILE

SEC. 125. Section 726 of the International Security and Development Cooperation Act of 1981 is amended by adding at the end thereof the following new subsection:

"(c) The prohibition contained in subsection (b) does not prohibit the sale, or the licensing for export, of cartridge-actuated devices, propellant-actuated devices, or technical manuals for aircraft of the F-5E/F or A/T-37 type which were sold to the Chilean Air Force by the United States before January 1, 1976, so long as the devices or manuals are provided only for purposes of enhancing the safety of the aircraft crew.".

LEASING AUTHORITY

SEC. 126. Section 7307(b)(1) of title 10, United States Code, is amended by inserting before the period at the end thereof a comma and the following: "except that any lease or loan of such a vessel under such a law shall be made only in accordance with the provisions of chapter 6 of the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961".

CERTIFICATION CONCERNING AWACS SOLD TO SAUDI ARABIA

SEC. 127. (a)(1) The Congress finds that in his October 28, 1981, communication to the Senate concerning the proposed sale of AWACS aircraft and F-15 enhancement items to Saudi Arabia which was then being reviewed by the Congress (hereafter in this section referred to as the "1981 AWACS communication"), the President stated the following:

"Transfer of the AWACS will take place . . . only after the Congress has received in writing a Presidential certification, containing agreements with Saudi Arabia, that the following conditions have been met:

"1. SECURITY OF TECHNOLOGY

"A. That a detailed plan for the security of equipment, technology, information, and supporting documentation has been agreed to by the United States and Saudi Arabia and is in place; and

"B. The security provisions are no less stringent than measures employed by the United States for protection and control of its equipment of like kind outside the continental United States; and

"C. The United States has the right of continual on-site inspection and surveillance by United States personnel of security arrangements for all operations during the useful life of the AWACS. It is further provided that security arrangements will be supplemented by additional United States personnel if it is deemed necessary by the two parties; and

"D. Saudi Arabia will not permit citizens of third nations either to perform maintenance on the AWACS or to modify any such equipment without prior, explicit mutual consent of the two governments; and

"E. Computer software, as designated by the United States Government, will remain the property of the United States Government.

"2. ACCESS TO INFORMATION

"That Saudi Arabia has agreed to share with the United States continuously and completely the information that it acquires from use of the AWACS.

"3. CONTROL OVER THIRD-COUNTRY PARTICIPATION

"A. That Saudi Arabia has agreed not to share access to AWACS equipment, technology, documentation, or any information developed from such equipment or technology with any nation other than the United States without the prior, explicit mutual consent of both governments; and

"B. There are in place adequate and effective procedures requiring the screening and security clearance of citizens of Saudi Arabia and that only cleared Saudi citizens and cleared United States nationals will have access to AWACS equipment, technology, or documentation, or information derived therefrom, without the prior, explicit mutual consent of the two governments.

"4. AWACS FLIGHT OPERATIONS

"That the Saudi AWACS will be operated solely within the boundaries of Saudi Arabia, except with the prior, explicit mutual consent of the two governments, and solely for defensive purposes as defined by the United States, in order to maintain security and regional stability.

"5. COMMAND STRUCTURE

"That agreements as they concern organizational command and control structure for the operation of AWACS are of such a nature to guarantee that the commitments above will be honored.

"6. REGIONAL PEACE AND SECURITY

"That the sale contributes directly to the stability and security of the area, enhances the atmosphere and prospects for progress toward peace, and that initiates toward the peaceful resolution of disputes in the region have either been successfully completed or that significant progress toward that goal has been accomplished with the substantial assistance of Saudi Arabia.".

(2) The Congress finds that the President also stated in the 1981 AWACS communication that should circumstances arise that might require changes in the arrangements described in that communication "they would be made only with Congressional participation".

(b) As provided in the 1981 AWACS communication, before the E-3A airborne warning and control system (AWACS) aircraft which were the subject of that communication are transferred to Saudi Arabia, the President shall submit to the Congress a written Presidential certification, containtion agreements with Saudi Arabia, that the conditions set forth in that communication have been met.

(c) In order to facilitate the congressional participation provided for in the 1981 AWACS communication, the President shall notify the Congress promptly of any changes being considered by the United States in the arrangements described in that communication.

SENSITIVE TECHNOLOGY

SEC. 128. Section 36(b) of the Arms Export Control Act (22 U.S.C. 2776(b)) is amended—

(1) by inserting before the period at the end of the second sentence of paragraph (1) the following: "and a detailed justification of the reasons necessitating the sale of such articles or services in view of the sensitivity of such technology"; and

(2) by adding at the end thereof the following new paragraphs:

(5)(A) If, before the delivery of any major defense article or major defense equipment, or the furnishing of any defense service or design and construction service, sold pursuant to a letter of offer described in paragraph (1), the sensitivity of technology or the capability of the article, equipment, or service is enhanced or upgraded from the level of sensitivity or capability described in the numbered certification with respect to an offer to sell such article, equipment, or service, then, at least forty-five days before the delivery of such article or equipment or the furnishing of such service, the President shall prepare and transmit to the chairman of the Committee on Foreign Affairs of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report—

"(i) describing the manner in which the technology or capability has been enhanced or upgraded and describing the significance of such enhancement or upgrade; and

"(ii) setting forth a detailed justification for such enhancement or upgrade.

"(B) The provisions of subparagraph (A) apply to an article or equipment delivered, or a service furnished, within ten years of the transmittal to the Congress of a numbered certification with respect to the sale of such article, equipment, or service.

"(C) If the enhancement or upgrade in the sensitivity of technology or the capability of major defense equipment, defense articles, defense services, or design and construction services described in a numbered certification submitted under this subsection costs $14,000,000 or more in the case of any major defense equipment, $50,000,000 or more in the case of defense articles or defense services, or $200,000,000 or more in the case of design or construction services, then the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which relates to such enhancement or upgrade and which shall be considered for purposes of this subsection as if it were a separate letter of offer to sell defense equipment, articles, or services, subject to all of the requirements, restrictions, and conditions set forth in this subsection. For purposes of this subparagraph, references in this subsection to sales shall be deemed to be references to enhancements or upgrades in the sensitivity of technology or the capability of major defense equipment, articles, or services, as the case may be.

"(D) For the purposes of subsection (b)(5)(A), major defense article shall be construed to include electronic devices, which if upgraded, will enhance the mission capability of a weapons system."

TITLE II—ECONOMIC SUPPORT FUND

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Section 531 of the Foreign Assistance Act of 1961 (22 U.S.C. 2346) is amended to read as follows:

"SEC. 531. AUTHORITY.—(a)(1) the Congress recognises that under special economic, political, or security conditions the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. To the maximum extent feasible, the President shall provide assistance under this chapter consistent with the policy directions, purposes, and programs of part I of this Act.

"(2) To the maximum extent feasible, funds made available pursuant to this chapter for commodity import programs or other program assistance shall be used to generate local currencies, not less than 50 per centum of which shall be available to support activities consistent with the objectives of section is 103 through 106 of this Act, and administered by the agency primarily responsible for administering part I of this Act.

"(3) The Secretary of State shall be responsible for policy decisions and justifications for economic support programs under this chapter, including determinations of whether there will be an economic support program for a country and the amount of the program for each country. The Secretary shall exercise this responsibility in cooperation with the Administrator of the agency primarily responsible for administering part I.

"(4) As part of the annual presentation materials for foreign assistance submitted to the Congress, the agency primarily responsible for administering this chapter shall provide a detailed justification for the uses and the purposes of the funds provided under this chapter. Such material shall include, but not be limited to, information concerning the amounts and kinds of cash grant transfers, the amounts and kinds of budgetary and balance-of-payments support provided, and the amounts and kinds of projectized assistance provided with funds made available under this chapter.

"(b)(1) there are authorized to be appropriated to the President to carry out the purposes of this chapter—

"(A) $2,015,000,000 for the fiscal year 1986 for the following countries signing the Camp David agreement: Israel and Egypt, of which amount $1,200,000,000 shall be available only for Israel and $815,000,000 shall be available only for Egypt; and

"(B) $1,626,000,000 for the fiscal year 1986 for countries other than the countries referred to in clause (A), of which amount—

"(i) $15,000,000 shall be available only for Cyprus;

"(ii) not less than $20,000,000 shall be available only for Tunisia; and

"(iii) $80,000,000 shall be available only for Portugal.".

"(2) Amounts appropriated to carry out this chapter are authorized to remain available until expended.

"(c)(1) All of the funds made available to Israel and to Egypt under this chapter for the fiscal year 1986 shall be provided on a grant basis.

"(2) The total amount of funds allocated for Israel under this chapter for the fiscal year 1986 shall be made available as a cash transfer on an expedited basis within the first thirty days of the fiscal year.

"(3) Of the total amount of funds made available for Egypt under this chapter, up to $200,000,000 of such funds may be obligated, but not less than $165,000,000 shall be obligated, in the form of a cash transfer to help and encourage economic reforms and Egypt's own developmental efforts.

"(d) Amounts appropriated to carry out this chapter shall be available for economic programs only and may not be used for military or paramilitary purposes.

"(e) The President shall use an amount equal to not less than 20 percent of the funds which are appropriated to carry out this chapter and which are made available for commodity import programs for the purchase of agricultural commodities which are of United States origin.".

(b) Section 535(a) of such Act (22 U.S.C. 2346d(a)) is amended—

(1) by striking out "1982" and inserting in lieu thereof "1986"; and

(2) by striking out "and up to $75,000,000 for the fiscal year 1983".

(c) Chapter 4 of part II of such Act (22 U.S.C. 2346 et seq.) is amended—

(1) by striking out sections 532, 533, 534, 536, 537, 538, 539, and 540; and

(2) by redesignating section 535, as amended by subsection (b), as section 532.

(d) Chapter 4 of part II of such Act (22 U.S.C. 2346 et seq.), as amended by this section, is further amended by adding at the end thereof the following new sections:

"SEC. 533. PROHIBITION ON USE OF FUNDS FOR NUCLEAR FACILITIES.—Funds available to carry out this chapter for the fiscal year 1986 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that the country in question is a party to the Non-Proliferation Treaty, cooperates fully with the International Atomic Energy Agency, and pursues nuclear non-proliferation policies consistent with those of the United States.

"SEC. 534. PROHIBITION ON USE OF FUNDS FOR LEBANON.—None of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1986 may be available for Lebanon.".

SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS

SEC. 202. (a) In addition to amounts otherwise authorized to be appropriated for the fiscal year 1985 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $2,008,000,000, of which $1,500,000,000 shall be available only for Israel, $500,000,000 shall be available only for Egypt and $8,000,000 shall be available only for the Middle East Regional Program.

(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1986.

TITLE III—DEVELOPMENT ASSISTANCE

DEVELOPMENT ASSISTANCE POLICY

SEC. 301. Section 102(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151-1(b)) is amended by adding at the end thereof the following new paragraphs:

"(13) United States encouragement of policy reforms is necessary if developing countries are to achieve economic growth and equity.

"(14) Development assistance should, as a fundamental objective, promote private sector activity in open and competitive markets in developing countries, recognizing such activity to be a productive and efficient means of achieving equitable and long-term economic growth.

"(15) United States cooperation in development should recognize as essential the need of developing countries to have access to appropriate technology in order to improve food and water, health and housing, education and employment, and agriculture and industry.

"(16) United States assistance should focus on establishing and upgrading the insitutional capacities of developing countries in order to promote long-term development. An important component of institution building involves training to expand the human resource potential of people in developing countries.".

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 302. (a) The first sentence of section 103(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a(a)(2)) is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $755,551,000 for the fiscal year 1986, of which the President may use such amounts as he deems appropriate to carry out the provisions of section 316 of the International Security and Development Cooperation Act of 1980.".

(b) Section 103(g) of such Act (22 U.S.C. 2151a(g)) is amended to read as follows:

"(g) It is the sense of the Congress that—

"(1) the President should continue United States participation in the International Fund for Agricultural Development, and that funds for the Second Replenishment for that organization will be authorized to be appropriated upon receipt of a recommendation from the President;

"(2) the United States should provide a special contribution to the International Fund for Agricultural Development for a special fund for Sub-Saharan African Countries affected by drought and decertification, and the United States should take a leadership role in the creation of such a special fund and should make a substantial contribution to this fund; and

"(3) such objectives should be accomplished through a reprogramming of existing appropriations or through some other such procedure designed to guarantee that overall funding levels for programs within the international affairs function of the budget are consistent with targets set by the applicable congressional budget resolution.".

POPULATION AND HEALTH

SEC. 303. (a)(1) Section 104(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(g)) is amended to read as follows:

"(g) AUTHORIZATION OF APPROPRIATIONS—There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $270,017,000 for fiscal year 1986 to carry out subsection (b) of this section; and

"(2) $186,427,000 for fiscal year 1986 to carry out subsection (c) of this section.

Funds appropriated under this subsection are authorized to remain available until expended.".

(2) Section 104(c)(2)(B) of such Act (22 U.S.C. 2151b(c)(2)(B) is amended in the first sentence by inserting "for the fiscal year 1986" after "$25,000,000".

(b) Section 104(b) of such Act (22 U.S.C. 2151b(b)) is amended by adding at the end thereof the following: "In determining eligibility for assistance under this subsection, the Administrator of the agency primarily responsible for administering this part shall not subject any nongovernmental or multilateral organization to any requirement more restrictive than any requirement applicable to a foreign government for such assistance.".

(c) Section 104(f) of such Act (22 U.S.C. 2151b(f) is amended by adding at the end thereof the following:

"(4) None of the funds made available to carry out subsection (b) may be used, directly or indirectly—

"(A) in any country which permits, officially or in practice, infanticide or coerced abortion; or

"(B) by any organization which provides funds, directly or indirectly, with respect to such a country.".

(d) None of the funds made available to carry out part I of the Foreign Assistance Act of 1961 may be available to carry out any program for population planning in the People's Republic of China, including any of those funds provided for such a program through any private and voluntary organization or any international organization.

(e) The President shall instruct each United States representative to an international organization to which the United States makes a financial contribution to oppose the extension of assistance by such organization for any program for population planning in the People's Republic of China.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 304. (a) The second sentence of section 105(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151c(a)) is amended to read as follows: "There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $177,100,000 for the fiscal year 1986, which are authorized to remain available until expended.".

(b) The third sentence of such section is repealed.

ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES

Sec. 305. Section 106(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151d(e)(1)) is amended to read as follows:

"(e)(1) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $200,000,000 for the fiscal year 1986.".

PRIVATE SECTOR REVOLVING FUND

Sec. 306. The first sentence of section 108(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151f(b)) is amended by striking out "1984, up to $20,000,000" and inserting in lieu thereof "1986, up to $16,000,000".

SAHEL DEVELOPMENT PROGRAM

Sec. 307. The third sentence of section 121(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151s(c)) is amended to read as follows: "In addition to the amounts authorized to be appropriated by the preceding sentences and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $80,500,000 for the fiscal year 1986.".

AFRICA FAMINE RECOVERY AND DEVELOPMENT FUND

Sec. 308. Chapter 1 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 129. Africa Famine Recovery and Development Fund.—(a) The Congress reaffirms the commitment of the American people to assist the countries of Sub-Saharan Africa in dealing with drought and famine conditions which threaten the lives of millions of its people. The Congress reaffirms the commitment of the United States Government to continue its support, in concert with other nations and in cooperation with the affected nations in Africa, of the international relief, rehabilitation, and recovery program to assist these nations in dealing more effectively with drought and achieving self-sufficiency in agricultural production, eliminating forever the threat of famine.

"(b) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the long-term agricultural recovery and development of the Sub-Saharan Africa region, particularly for support of policy reform and agricultural support and research for small farmers. Assistance furnished under this section shall be in accordance with a long-term, multidonor development plan which calls for equitable burdensharing with other donors and shall be furnished, whenever appropriate, in cooperation with an international coordinating mechanism or international agency.

"(c)(1) There are authorized to be appropriated to the President up to $100,000,000 which sums shall be derived from any funds authorized by this Act, to carry out the purposes of this section.

"(2) Amounts appropriated under this section are authorized to remain available until expended.".

PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES IN OVERSEAS DEVELOPMENT

Sec. 309. (a) Section 123(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(e)) is amended—

(1) in the first sentence by inserting "on which it is determined" immediately after "prior to the date"; and

(2) in the third sentence by striking out "such date" wherever it occurs and inserting in lieu thereof "the date on which a decision is made to continue such support".

(b) Section 123 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u) is amended by amending subsection (f) to read as follows:

"(f) In addition to funds otherwise available for such purposes, not less than 15 percent of the aggregate amount appropriated for any fiscal year to carry out sections 103(a), 104(b), 104(c), 105, 106, 121, and 491 of this Act shall be made available for the activities of private and voluntary organizations. Funds made available under section 531 of this Act for the activities of private and voluntary organizations may be considered in determining compliance with the requirements of the previous sentence.".

PROMOTION OF DEMOCRATIC COOPERATIVES

Sec. 310. Section 123 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u), as amended by section 308, is further amended by adding at the end thereof the following new subsection:

"(h) The Congress recognizes that, in addition to their role in social and economic development, cooperatives provide an opportunity for people to participate directly in democratic decision-making. Therefore, assistance under this chapter may be provided to rural and urban cooperatives which offer large numbers of low and middle income people in developing countries an opportunity to participate directly in democratic decision-making. Such assistance shall be designed to encourage the adoption of self-help, private sector cooperative techniques and practices which have been successful in the United States.".

DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION

Sec. 311. Section 126(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151x(b)) is amended—

(1) by inserting "and under chapter 4 of part II" immediately after "this chapter"; and

(2) by adding at the end thereof the following:

"The agency primarily responsible for administering this part may utilize resources for activities aimed at increasing awareness of the effects of production and trafficking illicit narcotics on source and transit countries.".

HOUSING GUARANTY PROGRAM

Sec. 312. (a) Section 222(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2182(a)) is amended—

(1) in the second sentence, by striking out "$1,958,000,000" and inserting in lieu thereof "$2,003,000,000"; and

(2) in the third sentence, by striking out "1986" and inserting in lieu thereof "1987".

(b) Section 223(j) of such Act (22 U.S.C. 2183(j)) is amended in the third sentence by striking out ", and the average face value of guaranties issued in any fiscal year shall not exceed $15,000,000".

TRADE CREDIT INSURANCE PROGRAM

Sec. 313. Section 224(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2184(e)) is amended by striking out "fiscal year 1985" and inserting in lieu thereof "fiscal years 1985 and 1986".

DISADVANTAGED CHILDREN IN ASIA

Sec. 314. Section 241(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2201(b)) is amended by striking out "$2,000,000" and inserting in lieu thereof "$3,000,000".

PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION

Sec. 315. (a) Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)) is amended—

(1) by inserting "(1)" before "In order"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low cost means already exist to reduce incidence of communicable diseases among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for carrying out the provisions of this part to set as a goal the protection of not less than 80 per centum of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991.".

(b) Not later than twelve months after the date of enactment of this section, and at intervals of twelve months thereafter, the Administrator of the agency primarily responsible for carrying out part I of the Foreign Assistance Act of 1961 shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations a report describing the progress achieved during the preceding twelve months in carrying out section 104(c)(2) of such Act.

TITLE IV—CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE

Sec. 401. Part I of the Foreign Assistance Act of 1961 is amended by adding after chapter 5 the following new chapter:

CHAPTER 6—CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE

"Sec. 461. Statement of Policy.—(a) The Congress finds that the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States. The Congress further finds that the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America.

"(b)(1) The achievement of democracy, human rights, peace, and equitable economic growth depends primarily on the cooperation and the human and economic resources of the people and governments of Central America. The Congress recognizes that the United States can make a significant contribution to such peaceful and democratic development through a consistent and coherent policy which includes a long-term commitment of assistance. This policy should be designed to support actively—

"(A) democracy and political reform, including opening the political process to all members of society;

"(B) human rights, including free elections, freedom of the press, freedom of association, and the elimination of the violent abuse of human rights;

"(C) leadership development, including training and educational programs to improve public administration and the administration of justice;

"(D) land reform;

"(E) the establishment of the rule of law and an effective judicial system; and

"(F) the termination of extremist violence by both the left and the right as well as vigorous action to prosecute those guilty of crimes and the prosecution to the extent possible of past offenders.

"(2) The policy referred to in paragraph (1) should also promote equitable economic growth and development, including controlling the flight of capital and the effective use of foreign assistance and adherence to approved programs for economic stabilization and fiscal responsibility. Finally, this policy should foster dialog and negotiations to achieve peace based upon the objectives of democratization, reduction of armament, an end to subversion, and the withdrawal of foreign military forces and advisers; and to provide a security shield against violence and intimidation. It is the purpose of this chapter to establish the statutory framework and to authorize the appropriations and financing necessary to carry out the policy described in this section.

"(c) The Congress finds therefore that the people of the United States are willing to sustain and expand a program of economic and military assistance in Central America if the recipient countries can demonstrate progress toward and a commitment to these goals.

"Sec. 462. Conditions on Furnishing Assistance.—(a) The President shall ensure that assistance authorized by this Act and the Arms Export Control Act to Central American countries is furnished in a manner which fosters demonstrated progress toward and commitment to the objectives set forth in section 461. Where necessary to achieve this purpose, the President shall impose conditions on the furnishing of such assistance. In carrying out this section, the President shall consult with the Congress in regard to progress toward the objectives set forth in section 461, and any conditions imposed on the furnishing of assistance in furtherance of those objectives.

"(b) The reporting requirements with respect to El Salvador contained in—

"(1) the last proviso of the paragraph under the heading 'MILITARY ASSISTANCE' contained in the joint resolution entitled "joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1984, for the Department of Agriculture", approved July 2, 1984 (Public Law 98-332); and

"(2) section 533 of the Foreign Assistance and Related Programs Appropriations Act, 1985, as enacted by the joint resolution entitled "Joint resolution making continuing appropriations for the fiscal year 1985, and for other purposes", approved October 12, 1984 (Public Law 98–473; 98 Stat. 1837),

shall not apply after the date of enactment of this section.

"Sec. 463. Peace Process in Central America.—The Congress—

"(1) strongly supports the initiatives taken by the Contadora group and the resulting Document of Objectives which has been agreed to by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua and which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region; and

"(2) finds that the United States should provide such assistance and support as may be appropriate in helping to reach comprehensive and verifiable final agreements, based on the Document of Objectives, which will ensure peaceful and enduring solutions to the Central American conflicts.

"Sec. 464. Economic Assistance Coordination.—(A) The Congress finds that participation by Central American countries in an effective forum for dialog on, and the continuous review and advancement of, Central America's political, economic, and social development would foster cooperation between the United States and Central American countries.

"(b) It is the sense of the Congress that—

"(1) the President should enter into negotiations with the countries of Central America to establish a Central American Development Organization (hereafter in this section referred to as the 'Organization') to help provide a continuous and coherent approach to the development of the Central American region; and

"(2) the establishment of the Central American Development Organization should be based upon the following principles:

"(A) that participation in the Organization be open to the United States, other donors, and those Central American countries that commit themselves to, among other things, progress on human rights, building democracy, and encouraging equitable economic growth through policy reforms;

"(B) that the Organization be structured to include representatives from both the public and private sectors, including representatives from the labor, agriculture, and business communities;

"(C) that the Organization meet periodically to carry out the functions described in subparagraphs (D) and (E) of this paragraph and should be supported by a limited professional secretariat;

"(D) that the Organization make recommendations affecting Central American countries on such matters as—

"(i) political, economic, and social development objectives, including the strengthening of democratic pluralism and the safeguarding of human rights;

"(ii) mobilization of resources and external assistance needs; and

"(iii) reform of economic policies and structures;

"(E) that the Organization have the capacity for monitoring country performance on recommendations issued in accordance with subparagraph (D) of this paragraph and for evaluating progress toward meeting such country objectives;

"(F) that to the maximum extent practicable, the United States follow the recommendations of the Organization in disbursing bilateral economic assistance for any Central American country. No more than 75 per centum of such United States assistance in any fiscal year should be disbursed until the recommendations of the Organization for that fiscal year have been made final and communicated to the donor countries. The limitation on disbursements contained in the preceding sentence should apply only to recommendations made final and communicated to donor countries prior to the fourth quarter of such fiscal year. The United States representative to the Organization should urge other donor countries to similarly implement the recommendations of the Organization; and

"(G) that the administrator of the agency primarily responsible for administering part I of this Act, or his designee, represent the United States Government in the Organization and should carry out his functions in that capacity under the continuous supervision and general direction of the Secretary of State.

"(c) Subject to subsection (d)(2), the President is authorized to participate in the Organization.

"(d)(1) The administrator of the agency primarily responsible for administering part I of this Act, under the supervision and direction of the Secretary of State, shall prepare a detailed proposal to carry out this section and shall keep the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate fully and currently informed concerning the development of this proposal.

"(2) The President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a copy of the text of any agreement which he proposes to sign providing for the establishment of and United States participation in the Organization no less than sixty days prior to his signature. During that sixty-day period there shall be full and formal consultations with and review by those committees in accordance with procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

"Sec. 465. Authorizations for Fiscal Years 1987 Through 1989.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President, for the purpose of furnishing nonmilitary assistance for Central American countries, $1,200,000,000 for each of the fiscal years 1987 through 1989, to remain available until expended. For the purpose of providing the assistance described in the preceding sentence, funds appropriated under this section are authorized to be transferred by the President for obligation in accordance with the authorities of part I of this Act (including chapter 4 of part II of such Act), the Peace Corps Act, the Migration and Refugee Assistance Act of 1962, the United States Information and Education Exchange Act of 1984, the Mutual Educational and Cultural Exchange Act of 1961, the National Endowment for Democracy Act, and the State Department Basic Authorities Act of 1956.

"Sec. 466. Definitions.—For the purposes of this chapter, the term 'Central American countries' shall be deemed to include Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and regional programs which benefit such countries.".

ADMINISTRATION OF JUSTICE

Sec. 402. Chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.), as amended by section 201 of this Act, is further amended by adding at the end thereof the following new section:

"Sec. 535. Administration of Justice.—(a) The President may furnish assistance to countries and organizations, including national and regional institutions, in order to strengthen the administration of justice in Latin America and the Caribbean. Assistance under this section may include—

"(1) support for specialized professional training, scholarships, and exchanges for continuing legal education;

"(2) programs to enhance judicial, prosecutorial, investigative and enforcement capabilities, and to provide protection for participants in judicial cases;

"(3) strengthening professional organizations to promote services to members and the role of the bar in judicial selection, enforcement of ethical standards, and legal reform;

"(4) increasing the availability of legal materials and publications;

"(5) seminars, conferences, training and educational programs to improve the administration of justice and to strengthen respect for the rule of law and human rights; and

"(6) revision and modernization of legal codes and procedures.

"(b) The assistance specified in this section may be provided notwithstanding section 660 of this Act. The President shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate not less than fifteen days in advance of obligating funds pursuant to this section for programs or activities under this section which would otherwise be subject to section 660 of this Act.".

LAND REFORM

Sec. 403. Section 620(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(g)) is amended by adding at the end thereof the following sentence: "The prohibition contained in this subsection shall not apply to monetary assistance made available for use by a government or political subdivision or agency of such government to compensate nationals of that country in accordance with a land reform program, if the President determines that monetary assistance for such land reform program will further the national interests of the United States.".

USE OF EMPLOYEE STOCK OWNERSHIP PLANS IN DEVELOPMENT EFFORTS

Sec. 404. (a) The Congress declares that—

(1) employee stock ownership plans in industrial, farming, banking, and other enterprises in Central America and the Caribbean can be an important component in achieving United States goals in Central America and the Caribbean; and

(2) employee stock ownership plans should be used as an instrument in financing growth and transfers of equity in the region, in reorganizing State-owned enterprises into viable employee-owned businesses, in expanding political and economic pluralism, and in strengthening democratic institutions in the region.

(b) The President is urged to develop a plan for the expanded use of employee stock ownership plans in development efforts of the United States in Central America and the Caribbean, with an emphasis on policy and infrastructural changes needed to encourage voluntary employee stock ownership initiatives by multinational corporations and other private sector enterprises which have investments, are considering making new investments, or are interested in management contracts and joint ventures in the region.

(c)(1) To assist in this effort, there is established a Presidential Task Force on Project Economic Justice (hereafter in this subsection referred to as the "Task Force"), which shall consist of individuals appointed by the President who are distinguished leaders of the private sector of the United States, including significant representation of union representatives of workers in successful companies with employee stock ownership and of nationally recognized experts in all phases of design, implementation, and operation of employee stock ownership plans. The President shall designate one of the members of the Task Force to serve as Chairman. The Chairman of the Task Force shall appoint a volunteer fundraising committee, and all the expenses of the Task Force shall be paid without the use of public funds.

(2) Not later than December 31, 1965, the Task Force shall prepare and transmit to the President and the Congress a report on the expanded use of employee stock ownership plans in the development efforts of the United States in Central America and the Caribbean, including specific recommendations on strategies for using employee stock ownership plans as a means of accelerating the rate of private sector capital formation in Central America and the Caribbean that is systematically likened to expanding ownership and profit-sharing opportunities for all employees.

PROHIBITIONS RELATING TO MILITARY OR PARAMILITARY OPERATIONS IN NICARAGUA

Sec. 405. Notwithstanding any other provision of law, no funds authorized to be appropriated or otherwise made available by this Act, by the Foreign Assistance Act of 1961, as amended, or by the Arms Export Control Act, as amended, shall be used to provide assistance of any kind, either directly or indirectly, to any person or group engaging in an insurgency or other act of rebellion against the government of Nicaragua. The United States shall make no agreement and shall enter into no understanding, either formal or informal, under which a recipient of United States economic or military assistance or a purchaser of United States military equipment shall provide assistance of any kind to persons to groups engaging in an insurgency or other act of rebellion against the government of Nicaragua.

TITLE V—OTHER ASSISTANCE PROGRAMS

AMERICAN SCHOOLS AND HOSPITALS ABROAD

Sec. 501. Section 214(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2174(c)) is amended to read as follows:

"(c) To carry out the purposes of this section, there are authorized to be appropriated to the President $30,000,000 for the fiscal year 1986 which are authorized to remain available until expended.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Sec. 502. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2222(a)(1)) is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $267,675,500 for the fiscal year 1986. Of the funds authorized to be appropriated under this paragraph for the fiscal year 1986—

"(A) $165,000,000 shall be available only for the United Nations Development Program;

"(B) $53,500,000 shall be available only for the United Nation's Children's Fund (UNICEF); and

"(C) $10,000,000 shall be available only for the United Nations Environment Program."

(b) Section 302 of such Act (22 U.S.C. 2222), as amended by subsection (a), is further amended by inserting after subsection (c) the following new subsection:

"(d) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this section shall be available for the United States proportionate share for any programs for the Palestine Liberation Organization, the Southwest Africa Peoples Organization, Libya, Iran, or Cuba.".

(c)(1) Notwithstanding section 614 of the Foreign Assistance Act of 1961 (22 U.S.C. 2364) or any other provision of law, of the funds appropriated to carry out chapter 3 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2221 et seq.) for the fiscal year 1985, $10,000,000 shall be available only for the United Nations Environmental Program.

(2) The provisions of paragraph (1) shall take effect on the date of enactment of this Act.

NARCOTICS REPORTING REQUIREMENT

Sec. 503. Section 481(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(b)) is amended to read as follows:

"(b)(1) Not later than forty-five days after the end of each calendar quarter, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the programming and obligation, on a calendar basis, of funds under this chapter prior to the end of that quarter. The last such report for each fiscal year shall include the aggregate obligations and expenditures made, and the types and quantity of equipment provided, on a calendar quarter basis, prior to the end of that fiscal year—

"(A) to carry out the purposes of this chapter with respect to each country and each international organization receiving assistance under this chapter, including the cost of the United States personnel engaged in carrying out such purposes in each such country and with each such international organization;

"(B) to carry out each program conducted under this chapter in each country and by each international organization, including the cost of United States personnel engaged in carrying out each such program; and

"(C) for administrative support services within the United States to carry out the purposes of this chapter, including the cost of United States personnel engaged in carrying out such purposes in the United States.

"(2) Not later than August 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed midyear report on the activities and operations carried out under this chapter prior to such date. Such midyear report shall include, but not be limited to, the status of each agreement concluded prior to such date with other countries to carry out the purposes of this chapter.".

INTERNATIONAL NARCOTICS CONTROL

Sec. 504. Section 482(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291a(a)(1)) is amended to read as follows:

"(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $50,217,000 for the fiscal year 1986."

INTERNATIONAL DISASTER ASSISTANCE

Sec. 505. The first sentence of section 492(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2292a(a)) is amended to read as follows: "There are authorized to be appropriated to the President to carry out section 491, $25,000,000 for the fiscal year 1986.".

ANTI-TERRORISM ASSISTANCE PROGRAM

Sec. 506. (a) The first sentence of section 575 of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa-4) is amended to read as follows: "There are authorized to be appropriated to the President to carry out this chapter $5,000,000 for the fiscal year 1986.".

(b) Section 577 of such Act (22 U.S.C. 2349aa-6) is amended by striking out "1985" and inserting in lieu thereof "1987".

TRADE AND DEVELOPMENT PROGRAM

Sec. 507. The first sentence of section 661(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2421(b)) is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $20,000,000 for the fiscal year 1986.".

OPERATING EXPENSES

Sec. 508. Section 667(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2427(a)(1)) is amended to read as follows:

"(1) $387,000,000 for the fiscal year 1986 for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and".

PARTICIPATION IN FOREIGN POLICE ARREST ACTION AND INTERROGATION

Sec. 509. Section 481(c)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. (c)(1)) is amended to read as follows:

"(c) The head of any department or agency of the United States employing individuals who are authorized to engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts, or any interrogation in connection with such efforts, shall prescribe regulations for the conduct of, and the procedures used by, such individuals.".

RESTRICTION ON ASSISTANCE TO PERU

Sec. 510. United States assistance, as defined by section 481(1)(4), may be provided to Peru for the fiscal year 1985 only if the President certifies to Congress that the Government of Peru has demonstrated substantive progress in developing a plan, in accordance with the Single Convention on Narcotic Drugs of 1961, that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirements, and eliminate illicit and unlicensed coca production.

TITLE VI—PEACE CORPS

AUTHORIZATION OF APPROPRIATIONS

Sec. 601. Section 3(b) of the Peace Corps Act (22 U.S.C. 1502(b)) is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to carry out the purposes of this Act not to exceed $128,600,000 for the fiscal year 1986.".

PEACE CORPS NATIONAL ADVISORY COUNCIL

Sec. 602. (a) The Peace Corps Act (22 U.S.C. 2501 et seq.) is amended by inserting after section 11 the following new section:

"PEACE CORPS NATIONAL ADVISORY COUNCIL

"Sec. 12. (a) A Peace Corps National Advisory Council (hereinafter in this section referred to as the 'Council') shall be established in accordance with the provisions of this section.

"(b)(1) The Council shall advise and consult with the President and the Director of the Peace Corps with regard to policies and programs designed to further the purposes of this Act and shall periodically report to the Congress.

"(2) Members of the Council shall visit, examine, and inspect the Peace Corps' activities in the United States and in other countries in order to, among other things—

"(A) evaluate the accomplishments of the Peace Corps;

"(B) assess the potential capabilities and the future role of the Peace Corps; and

"(C) make recommendations to the President, the Director of the Peace Corps, and the Congress to guide the future direction of the Peace Corps and to help ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, efficient, responsive to changing needs in developing countries and to changing relationships among peoples, and in accordance with law.

"(3) The Council may provide for public participation in its activities.

"(c)(1) Persons appointed as members of the Council shall be broadly representative, including representation of educational institutions, private volunteer agencies, private industry, farm organizations, labor unions, different regions of the United States, different educational, economic, racial, and national backgrounds and age groupings, and both sexes.

"(2)(A) Subject to the succeeding sentence, fifteen members of the Council shall be appointed by the President by and with the advice and consent of the Senate. At least seven of such members shall be former Peace Corps volunteers, and no more than eight of such members shall be members of the same political party.

"(B) The first appointments of members of the Council under this paragraph shall be made not more than sixty days after the date of the enactment of this section and, solely for purposes of determining the expiration of their terms, shall be deemed to take effect on the sixtieth day after such enactment date.

"(C) No member appointed under this paragraph shall be an officer or employee of the United States Government.

"(D) Of the members initially appointed under this paragraph, eight shall be appointed to one-year terms and seven to two-year terms. Thereafter, all appointed members shall be appointed to two-year terms.

"(E) A member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.

"(F) No member of the Council may serve for more than two consecutive two-year terms.

"(G) Members of the Council shall serve at the pleasure of the President.

"(H) An appointed member of the Council may be removed by a vote of nine members for malfeasance in office, for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(I) Any vacancy in the office of an appointed member of the Council shall be filled by the President within thirty days after such vacancy occurs.

"(3) The Secretary of State shall be a voting member, ex officio, of the Council. The Secretary may designate any officer in the Department of State compensated at level II or III of the Executive Schedule under section 5313 or 5314 of title 5, United States Code, to act for the Secretary under this section.

"(4) The Director and Deputy Director of the Peace Corps shall be non-voting members, ex officio, of the Council.

"(d)(1) Except as provided in paragraph (2), a member of the Council who is not an officer or employee of the United States Government shall be (A) paid compensation out of funds made available for the purposes of this Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including traveltime) during which the member is engaged in the actual performance of duties as a Council member, and (B) while away from his or her home or regular place of business on necessary travel, as determined by the Director of the Peace Corps, for actual performance of such duties, paid per diem, travel, and transportation expenses in the same manner as provided for under subchapter I of chapter 57 of title 5, United States Code.

"(2) A member of the Council may not be paid compensation under paragraph (1)(A) for more than twenty days in any calendar year.

"(e) A majority of the voting members of the Council shall constitute a quorum for the purposes of transacting any business.

"(f) A member of the Council shall disclose to the Council the existence of any direct or indirect financial interest of that member in any particular matter before the Council and shall not vote or otherwise participate as a Council member with respect to that particular matter.

"(g) At its first meeting and at its first regular meeting in each calendar year thereafter, the Council shall elect a Chair and Vice Chair from among its appointed members who are citizens of the United States. The Chair and Vice Chair shall not both be members of the same political party.

"(h)(1) The Council shall hold a regular meeting during each calendar quarter and shall meet at the call of the President, the Director of the Peace Corps, the Council's Chair, or one-fourth of its members.

"(2) The Council shall prescribe such bylaws and regulations as it considers necessary to carry out its functions. Such bylaws and regulations shall include procedures for fixing the time and place of meetings, giving or waiving of notice of meetings, and keeping of minutes of meetings.

"(i) Not later than January 1, 1988, and not later than January 1 of each second year thereafter, the Council shall submit to the President and the Director of the Peace Corps a report of its views on the programs and activities of the Peace Corps. Each report shall contain a summary of the advice and recommendations provided by the Council to the President and the Director during the period covered by the report and such recommendations (including recommendations for administrative or legislative action) as the Council considers appropriate to make to the Congress. Within 90 days after receiving each such report, the President shall submit to the Congress a copy of the report, together with any comments concerning the report that the President or the Director considers appropriate.

"(j) The Director of the Peace Corps shall make available to the Council such personnel, administrative support services, and technical assistance as are necessary to carry out effectively its functions.".

(b) Sixty days after the date of the enactment of this Act, any advisory body carrying out functions similar to those assigned to the Peace Corps National Advisory Council provided for by subsection (a) shall cease to operate and shall become defunct.

"NONPARTISAN APPOINTMENTS

Sec. 603. The Peace Corps Act is amended—

(1) by redesignating sections 25, 26, and 27 as sections 26, 27, and 28, respectively; and

(2) by inserting after section 24 the following new section:

NONPARTISAN APPOINTMENTS

"Sec. 25. In carrying out this Act, there shall be no political test or political qualification used in (1) selecting any person for enrollment as a volunteer or for appointment to a position at, or for assignment to (or for employment for assignment to), a duty station located abroad, or (2) promoting or taking any other action with respect to any volunteer or any person assigned to such a station."; and

(3) in subsection (a) of section 5, by amending the final sentence to read as follows: "In carrying out this subsection, there shall be no discrimination against any person on account of race, sex, creed, or color."

TITLE VII—AFRICAN DEVELOPMENT FOUNDATION

AUTHORIZATION OF APPROPRIATIONS

Sec. 701. Section 510 of the African Development Foundation Act (22 U.S.C. 290h-8) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 510. There are authorized to be apropriated to the President to carry out this title, in addition to funds otherwise available for such purpose, $1,000,000 for the fiscal year 1986. Amounts appropriated under this section are authorized to remain available until expended.".

EXTENSION OF AUTHORITIES

Sec. 702. Section 511 of the African Development Foundation Act (22 U.S.C. 290h-9) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1990".

TITLE VIII—INTER-AMERICAN FOUNDATION

AUTHORIZATION OF APPROPRIATIONS

Sec. 801. Section 401(s)(2) of the Foreign Assistance Act of 1969 (22 U.S.C. 290f(s)) is amended by striking out "$16,000,000 for the fiscal year 1984 and $16,000,000 for the fiscal year 1985" and inserting in lieu thereof "$11,969,000 for the fiscal year 1986".

TITLE IX—GENERAL PROVISIONS

PROCUREMENT OF CONSTRUCTION AND ENGINEERING SERVICES

Sec. 901. Section 604(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2354(g)) is amended by inserting immediately before the period at the end thereof "and which are not receiving any direct assistance under chapter 1 of part I or chapter 4 of part II of this Act".

COMPLETION OF PLANS AND COST ESTIMATES

Sec. 902. (a) Section 611(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2361(a)) is amended—

(1) by striking out "$100,000" and inserting in lieu thereof "$500,000"; and

(2) by striking out "section 1311 of the Supplemental Appropriation Act, 1955 as amended (31 U.S.C. 200)" and inserting in lieu thereof "section 1501 of title 31, United States Code".

(b) Section 611(b) of such Act (22 U.S.C. 2361(b)) is amended by striking out "the procedures set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973, with respect to such computations" and inserting in lieu thereof "the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962 et seq.) or Acts amendatory or supplementary thereto".

PROHIBITIONS AGAINST ASSISTANCE

Sec. 903. Section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) is amended—

(1) by inserting "(1)" immediately after "(f)";

(2) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively; and

(3) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the President may remove a country, for such period as the President determines, from the application of this subsection, and other provisions which reference this subsection, if the President determines and reports to the Congress that such action is important to the national interest of the United States.".

NUCLEAR NON-PROLIFERATION CONDITIONS ON ASSISTANCE FOR PAKISTAN

Sec. 904. Section 620E of the Foreign Assistance Act of 1961 (22 U.S.C. 2375) is amended by adding at the end thereof the following new subsection:

"(e) No assistance shall be furnished to Pakistan and no military equipment or technology shall be sold or transferred to Pakistan pursuant to the authorities contained in this Act or any other Act unless the President shall have certified in writing to the chairman of the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives, during the fiscal year in which assistance is to be furnished or military equipment or technology is to be sold or transferred, that Pakistan does not possess a nuclear explosive device and that the proposed United States assistance program will reduce significantly the risk that Pakistan will possess a nuclear explosive device.".

STREAMLINING OF REPROGRAMMING REQUIREMENTS

Sec. 905. (a) Section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394-1) is amended—

(1) by inserting "(a)" immediately before "None";

(2) by inserting "or the Arms Export Control Act" after "disaster relief and rehabilitation)" and after "this Act" the second place it appears;

(3) by inserting before the period at the end of the first sentence a comma and the following: "except that such notification shall not be required for funds appropriated to carry out the purposes of chapter 1 of part I if the obligations for an activity, program, or project would be in excess of the amount justified for such activity, program, or project for a fiscal year by not more than 10 per centum"; and

(4) by adding at the end thereof the following new subsection:

"(b) The notification requirement of this section does not apply to the reprogramming of less than $25,000 for use under chapter 8 of part I or for use under chapter 5 of part II, for a country for which a program under that chapter for that fiscal year was justified to the Congress.".

(b) Section 653 of the Foreign Assistance Act of 1961 (22 U.S.C. 2413) is amended—

(1) by inserting in subsection (a) "or the Arms Export Control Act" immediately after "section 451 or 6370";

(2) by striking out subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

(c) Section 36(a) of the Arms Export Control Act (22 U.S.C. 2776(a)) is amended—

(1) in paragraph (5) by striking out "cash sales expected to be made under sections 21 and 22, credits to be extended under section 23, and guaranty agreements to be made under section 24" and inserting in lieu thereof "sales expected to be made under sections 21 and 22"; and

(2) in paragraph (6) by striking out "cash sales expected to be made and credits expected to be extended" and inserting in lieu thereof "sales expected to be made".

TRAINING ASSISTANCE

Sec. 906. Section 638 of the Foreign Assistance Act of 1961 (22 U.S.C. 2398) is amended—

(1) by inserting "(a)" before "No"; and

(2) by adding at the end thereof the following:

"(b) No provision of this Act or any other provision of law shall be construed to prohibit assistance for any training activity which is funded under this Act for Brazil or Argentina as long as such country continues to have a democratically elected government and which is consistent with sections 116, 502B, and 660 of this Act.".

SUSPENSION OF ASSISTANCE TO COUNTRIES VIOLATING UNITED STATES EXPORT LAWS IN ORDER TO MANUFACTURE A NUCLEAR EXPLOSIVE DEVICE

Sec. 907. (a) Subsection (a)(1) of section 670 of the Foreign Assistance Act of 1961 (22 U.S.C. 2429a(a)(1)) is amended—

(1) by inserting "(A)" after "country which";

(2) by inserting immediately before the period at the end thereof ", or (B) is a non-nuclear-weapon state which, on or after the date of enactment of the International Security and Development Cooperation Act of 1985, exports illegally (or attempts to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of a nuclear explosive device"; and

(3) by adding at the end thereof the following: "For purposes of clause (B), an export (or attempted export) by a person who is an agent of, or is otherwise acting on behalf of or in the interests of, a country shall be considered to be an export (or attempted export) by that country.".

(b) Such section 670 (22 U.S.C. 2429a) is amended—

(1) in the section caption, by inserting ", ILLEGAL EXPORTS FOR NUCLEAR EXPLOSIVE DEVICES," after "TRANSFERS,";

(2) by redesignating paragraph (5) of subsection (b) as subsection (c); and

(3) by striking out in subsection (c), as redesignated by paragraph (2), "As used in this subsection" and inserting in lieu thereof "For purposes of this section".

ILLEGAL EMIGRATION FROM HAITI

Sec. 908. Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961 (22 U.S.C. 2420), funds made available under such Act may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

PARTICIPANT TRAINEE GRANTS

Sec. 909. Section 1441(c) of the Internal Revenue Code of 1954 (26 U.S.C. 1441(c)(6)) is amended by amending paragraph (6) to read as follows:

"(6) SCHOLARSHIPS, PER DIEM, ETC, OF CERTAIN ALIENS.—No education or withholding under subsection (a) shall be required in the case of amounts of scholarships or fellowship grants, or per diem for subsistence paid by the United States Government (directly or by contract) to any nonresident alien individual who is engaged in any program of training in the United States under the Foreign Assistance Act of 1961.".

ASSISTANCE FOR AFGHANISTAN

Sec. 910. (a) Of the funds authorized to be appropriated to carry out the provisions of chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961, not less than $15,000,000 in each fiscal year shall be available only to the President for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

(b) This section shall take effect on the date of enactment of this Act.

REPEAL OF PROVISIONS; TECHNICAL AMENDMENTS

Sec. 911. (a)(1) The Foreign Assistance Act of 1961 is amended—

(A) in section 106(b)(1), by striking out "(A)" and by striking out subparagraph (B);

(B) in section 110, by striking out "(a)" and by striking out subsection (b); and

(C) in section 306, by striking out "(a)" and by striking out subsection (b).

(2) Chapter 10 of part I of such Act (22 U.S.C. 2293 et seq.) is repealed.

(b) Section 636(a)(14) of the Foreign Assistance Act of 1961 (22 U.S.C. 2396(a)(14)) is amended by striking out "the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.)" and inserting in lieu thereof" the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.)".

(c) Section 47(6) of the Arms Export Control Act (22 U.S.C. 2794(6)) is amended by striking out "combat" and inserting in lieu thereof "military".

CODIFICATION OF POLICY PROHIBITING NEGOTIATIONS WITH THE PALESTINE LIBERATION ORGANIZATION

Sec. 912. (a) The Congress finds that the United States in 1975 declared in a memorandum of agreement with Israel, and has reaffirmed since, that "The United States will continue to adhere to its present policy with respect to the Palestine Liberation Organization, whereby it will not recognize or negotiate with the Palestine Liberation Organization so long as the Palestine Liberation Organization does not recognize Israel's right to exist and does not accept Security Council Resolutions 242 and 338.".

(b) The United States hereby reaffirms that policy. In accordance with that policy, no officer or employee of the United States Government and no agent or other individual acting on behalf of the United States Government shall negotiate with the Palestine Liberation Organization, except in emergency or humanitarian situations, unless and until the Palestine Liberation Organization recognizes Israel's right to exist, accepts Security Council Resolutions 242 and 338, and renounces the use of terrorism.

LONG-TERM AGRICULTURAL COMMODITY AGREEMENTS WITH FOOD DEFICIT COUNTRIES

Sec. 913. As part of the United States foreign assistance program, the President should explore the possibility of concluding long-term agricultural commodity agreements to help stabilize and increase the flow of concessional and commercial food stuffs with food deficit countries. The President shall prepare and transmit to the Congress a report on his efforts to achieve such long-term agreements by June 1, 1986.

PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE IN KAMPUCHEA

Sec. 914. (a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Kampuchea or elsewhere in Indochina.

(b) All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated and shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Kampuchean people.

NEW BUILDING IN GENEVA FOR THE USE OF THE UNITED STATES ARMS CONTROL NEGOTIATING TEAMS

Sec. 915. Since the United States is party to vital talks on arms control in Geneva, Switzerland;

Since these talks include negotiations on strategic nuclear weapons, intermediate range nuclear weapons, space and defense systems, a bilateral United States-Soviet forum, called the Standing Consultative Commission, and a multilateral forum, called the Conference on Disarmament;

Since the United States delegations to these talks occupy buildings and spaces insufficiently secure, modernized or large enough to permit those delegations to conduct their work efficiently;

Since the United States delegations to the strategic, intermediate and space and defense talks in particular occupy space in the Botanic Building that is also occupied by offices of numerous other, non-United States organizations, and shares common walls and parking facilities with these delegations;

Since arms control negotiations require sophisticated security facilities, telecommunications equipment, simultaneous translation capabilities and other specialized services;

Since the Soviet Union, for its part, has made available for its negotiating team a modern, secure, well-equipped building dedicated for the use of its arms control negotiating teams: Now, therefore it is the sense of the Senate that—

(a) In order to facilitate the effective work of the United States arms control negotiating teams, and to provide for them a dedicated structure capable of supporting their vital tasks on a permanent basis, it is the sense of the Senate that the Secretary of State should submit to the Congress a report on the feasibility, cost, location, and requirements of a structure to house the United States arms control negotiating teams in Geneva.

(b) It is further the sense of the Senate that this report should be submitted as soon as possible.

(c) It is further the sense of the Senate that, this matter be included in the consideration of the 1985 supplemental appropriation process.

PURCHASE OF AMERICAN WHEAT BY THE GOVERNMENT OF THE PHILIPPINES

Sec. 916. Since the Government of the Philippines has purchased American wheat for a number of years; and

Since the Government of the Philippines has purchased wheat from no other country for at least seven years; and

Since the Government of the Philippines has agreed to the State Department's suggestion to both mill the wheat and distribute the flour under private enterprise; and

Since the Government of the Philippines has stated that they cannot acquiesce to the suggestion of the State Department that the Government of the Philippines not act as the purchasing entity of American wheat; and

Since most if not all American wheat sales are to government entities of the country purchasing the wheat: therefore

It is the sense of the Senate that the State Department should not prevent United States wheat sales to the Government of the Philippines

DEMOCRACY IN THE PHILIPPINES

Sec. 917. (a) It is the sense of the Senate that Congress should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the Government of the Philippines in—

(1) guaranteeing free, fair and honest elections in 1986 and 1987, or sooner should any such elections occur;

(2) ensuring the full, fair and open prosecution of the murder of Benigno Aquino, including those involved in the coverup;

(3) ensuring freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the municipal elections of 1986 and the Presidential election of 1987;

(4) establishing the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

(5) releasing all individuals detained or imprisoned for peaceful political activities; and

(6) making substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past.

It is further the Sense of the Senate that Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States, and to encourage the restoration of internal security—both of which goals can be best served by the achievement of an open and stable democracy.

USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS, COOPERATIVES, AND THE PRIVATE SECTOR

Sec. 918. (a) The Administrator of the Agency for International Development is directed to undertake a comprehensive study of additional ways to provide development assistance through non-governmental organizations (including United States and indigenous private and voluntary organizations, cooperatives, and other private entities). Such study shall include—

(1) an analysis of the percentage of development assistance allocated to governmental and nongovernmental programs;

(2) an analysis of structural impediments, within both the United States and foreign governments, to additional use of nongovernmental programs; and

(3) an analysis of the comparative economic benefits of governmental and nongovernmental programs.

(b) The Administrator is directed to conduct the study using available funds and to prepare a final report to the Congress no later than September 30, 1986.

RESTRICTIONS ON ASSISTANCE FOR BOLIVIA

SEC. 919. (a) The Congress finds that—

(1) cocaine has had a severe negative impact on productivity, public health, education, and the quality of life in the United States and on the national security of the United States;

(2) Bolivia is the source of more than 50 per centum of the world's cocaine, and Bolivian production of cocaine continues to rise;

(3) 50 per centum of the population of Bolivia is under 19 years of age, and cocaine production has had a severe, negative impact on the youth of Bolivia;

(4) the production of, and trafficking in, cocaine by Bolivia has contributed significantly to Bolivia's 1,000 per centum rate of inflation;

(5) the failure of the Government of Bolivia to take steps to curb the production of coca in Bolivia during 1984 was cited in the report of the Department of State entitled "International Narcotics Control Strategy Report" as a major disappointment in its review of drug producing countries; and

(6) Bolivia received more than $37,000,000 in United States assistance during the fiscal year 1984 and during such fiscal year did not eradicate a single coca bush.

(b)(1) beginning with the fiscal year 1986 and for each fiscal year thereafter, no United States assistance may be provided Bolivia unless the President certifies to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 per centum less than the amount produced in Bolivia during the fiscal year which preceded such preceding fiscal year.

(2) Whenever the President certifies under paragraph (1) that the amount of coca that is produced in Bolivia is reduced by more than 10 per centum from one fiscal year to the next, the amount of any such additional reduction shall be carried over and counted as if it had occurred in the fiscal year following the year in which it actually occurred.

(3) The Secretary of the Treasury shall instruct each United States Executive Director of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and the Inter-American Development Bank to oppose actively the extension of any loan or the furnishing of any financial assistance or technical assistance during the fiscal year 1986 or any fiscal year thereafter by the respective international financial institution to Bolivia, unless the President certifies under paragraph (1) that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 percent less than the amount produced in Bolivia during the fiscal year which preceded such fiscal year.

(4) In carrying out this section, coca produced solely for pharmaceutical purposes shall not be counted in determining amounts of production.

(5) As used in this section—

(A) the term "coca" means hydrochloride; and

(a) the term "United States assistance" includes any assistance of any kind (other than assistance involving only the provision of food or medicine) which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to or for the benefit of any foreign country, including—

(i) assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation, but excluding programs under chapter 8 of part I, relating to international narcotic control assistance);

(ii) sales, credits, and guaranties under the Arms Export Control Act;

(iii) sales under title I (including title III) of the Agricultural Trade Development and Assistance Act of 1954 and donations under title II of such Act of nonfood commodities;

(iv) financing programs of the Commodity Credit Corporation for export sales of nonfood commodities;

(v) financing under the Export-Import Bank Act of 1945;

(vi) assistance under the Migration and Refugee Assistance Act of 1962:

(vii) programs under the Peace Corps Act;

(viii) assistance under the Inter-American Foundation Act;

(ix) assistance under the African Development Foundation Act;

(x) financial assistance for foreign persons or groups under the Mutual Educational and Cultural Exchange Act of 1961; and

(xi) assistance of any kind under any other Act.

CONDITIONS ON ESF ASSISTANCE TO JAMAICA

SEC. 920. Of the funds allocated for Jamaica for fiscal year 1987 under chapter 4 of part II of the Foreign Assistance Act of 1961, $5,000,000 shall be withheld from obligation until the President certifies to the Congress that the Government of Jamaica has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit cultivation, production, processing, transportation, and distribution of marijuana within a specifically stated period of time.

POLICY REGARDING FOREIGN EXCHANGE INTERVENTION

SEC. 921. (a) The Congress finds and declares that—

(1) the trade deficit looms larger than any other threat to the ability of the United States to generate jobs and create economic well-being;

(2) the trade deficit continues to deteriorate even from the 1984 level of $123,000,000,000;

(3) the trade deficit will continue to deteriorate until the value of the dollar declines on foreign exchange markets;

(4) the dollar's rise may slow down but is unlikely to fall sufficiently as a result of Congress' contemplated budget deficit reduction measures;

(5) the dollar would probably fall under a number of tax reform proposals but industries losing market share due to the exchange rate may not be able to wait for a complete tax package;

(6) the only remaining timely option for lowering the dollar is intervention in foreign exchange markets by the Treasury or the Federal Reserve;

(7) any such intervention must be strong enough to achieve the Congress' intent of lowering the dollar's value but sufficiently moderate to prevent a sudden drop in its value;

(8) any such intervention in order to assure a gradual decline and protect against too large a drop in the value of the dollar, will require coordinated action by the central banks of Europe and Japan as well as the United States; and

(9) such coordination is especially important to strengthen economic and political ties with the allies of the United States and to promote consistent macroeconomic policies to the mutual benefit of all.

(b) Therefore, it is the sense of the Congress that—

(1) the Secretary of the Treasury and the Chairman of the Federal Reserve Board, in concert with our allies and coordinated with the central banks of the Group of Five or other major central banks, should take steps as are necessary to lower gradually the value of the dollar;

(2) such steps should not exclude intervention in the foreign exchange markets;

(3) the Secretary of the Treasury and the Chairman of the Federal Reserve Board should work to ensure that the domestic macroeconomic policies of the United States and its allies are forged to reinforce rather than oppose one another.

INTERNATIONAL NARCOTICS CONTROL COMMISSION

SEC. 922. (a) There is established the International Narcotics Control Commission (hereafter in this section referred to as the "Commission").

(b) The Commission is authorized and directed—

(1) to monitor and promote international compliance with narcotics control treaties, including eradication, money laundering, and narco-terrorism; and

(2) to monitor and encourage United States Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

(c)(1) The Commission shall be composed of twenty-three members as follows:

(A) Seven Members of the House of Representatives appointed by the Speaker of the House of Representatives. Four members shall be selected from the majority party and three shall be selected, after consultation with the minority leader of the House, from the minority party.

(B) Seven Members of the Senate appointed by the President of the Senate. Four members shall be selected from the majority party of the Senate, after consultation with the majority leader, and three shall be selected, after consultation with the minority leader of the Senate, from the minority party.

(C) One member of the Department of State appointed by the President.

(D) One member of the Department of Justice appointed by the President.

(E) One member of the Department of the Treasury appointed by the President.

(F) Five members of the public to be appointed by the President after consultation with the members of the appropriate congressional committees.

(2) There shall be a Chairman and a Cochairman of the Commission.

(3) On the date of enactment of this section and at the beginning of each odd-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Chairman of the Commission. At the beginning of each even-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Chairman of the Commission.

(4) At the beginning of each odd-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Cochairman of the Commission. At the beginning of each even-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Cochairman of the Commission.

(d) In carrying out this section, the Commission may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

(e) In order to assist the Commission in carrying out its duties, the President shall submit to the Commission a semiannual report regarding the status of compliance with narcotics control treaties, the first one to be submitted six months after the date of enactment of this section.

(f) The Commission is authorized and directed to report to the House of Representatives and the Senate with respect to the matters covered by this section on a periodic basis and to provide information to Members of the House of Representatives and the Senate as requested. For each fiscal year for which an appropriation is made the Commission shall submit to the Congress a report on its expenditures under such appropriation.

(g)(1) There are authorized to be appropriated to the Commission for each fiscal year and to remain available until expended $550,000 to assist in meeting the expenses of the Commission for the purpose of carrying out the provisions of this section, such appropriation to be disbursed on a voucher to be approved by the Chairman of the Commission.

(2) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to the use of funds in accordance with such sections.

(3) Not to exceed $6,000 of the funds appropriated to the Commission for each fiscal year may be used for official reception and representational expenses.

(h) The Commission may appoint and fix the pay of such staff personnel as it deems desirable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

SUPPORT FOR EL SALVADOR

SEC. 923. The Senate finds that:

A free and democratic El Salvador is in the security interest of the United States; and

Jose Napoleon Duarte was elected President of El Salvador last year in the most democratic election held in El Salvador in many years; and

Political violence in El Salvador has declined dramatically under President Duarte's leadership; and

President Duarte's policies of respect for human rights, political pluralism, dialogue and reconciliation with the Salvadoran guerrilla forces, legal and social reform, and effective defense against the violent overthrow of the Salvadoran government are deserving of praise from all who believe in a democratic form of government; and

The March 31 legislative and municipal elections were successfully carried out, with 64 per centum of the electorate defying guerrilla attacks to vote; and

The victory of President Duarte's Christian Democratic Party reaffirms the support for these policies by his fellow citizens, the essential test of any government or movement; and

In spite of the state of seige technically in effect due to the insurgent threat, observance of free speech, free press, and free assembly are widely enjoyed in El Salvador and permit public airing of opposing political views; and

President Duarte is firmly committed to judicial reform and prosecution of cases involving "death squads";

His leadership and popular support has notably weakened the popular support given the guerrillas, as evidenced by the high levels of voter participation in the free elections held in El Salvador since 1982, the reduction in territory in which the guerrillas can freely operate, their inability to mount frontal military attacks, and their resort to economic sabotage, ambushes, political assassination, and urban terrorism with blatant disregard for basic human rights; and

He has succeeded in reversing the decline in his country's economy which, though still weak, has better prospects than in recent years;

Based upon the above findings, it is the sense of the Senate that:

President Duarte is to be congratulated for his outstanding leadership under difficult circumstances and for his efforts to foster democratic government and institutions in his country, and he is encouraged to continue his efforts to promote political pluralism, democratic institutions, and respect for human rights in his country; and

The armed services of El Salvador are to be congratulated for their improved performance and professionalism in defending Salvadoran citizens and their democratically elected government from attack by armed insurgents, and especially for their role in helping to protect and uphold the electoral process; and

The Senate reaffirms the importance of continued support for democratic principles and institutions and respect for human rights by the various sectors of Salvadoran society, which is a major factor in United States support for El Salvador.

FUNDS TO NONCOMMUNIST RESISTANCE FORCES IN CAMBODIA

SEC. 924. Of the funds authorized to be appropriated in this Act to carry out chapter 2 or chapter 4 of part II of the Foreign Assistance Act of 1961, up to $5,000,000 for Fiscal Year 1986 may be made available to noncommunist resistance forces in Cambodia, provided that the Secretary of State finds that the Association of Southeast Asian Nations has acknowledged that material assistance to the noncommunist resistance is also being supplied by members of that Association.

TRADE PROHIBITION WITH LIBYA AND COUNTRIES ENGAGED IN TERRORISM

SEC. 925. (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya or in any other country determined by joint resolution of Congress to be engaged in terrorism, from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya, or to any other country determined by a joint resolution of Congress to be engaged in terrorism.

(c) For purposes of this section, the term "United States" includes territories and possessions of the United States.

(d) In exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in section 204 of the International Emergency Economic Powers Act (50 U.S.C. 1703).

POLICY TOWARD SOUTH AFRICAN "HOMELANDS"

SEC. 926. (a) The Congress finds that—

(1) the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race, are principles which are fully supported by the American people;

(2) the forced relocation of blacks by the Government of the Republic of South Africa to be designated "homelands" divides families, as families are required to remain in the "homelands" while fathers seek work in the so-called "white areas";

(3) the forced removal of persons living in so-called "black spots" in "white" rural areas in South Africa denies them the fundamental right to live and to farm on land they have legally occupied for years, and subjects them to arbitrary arrest and detention when they seek these rights;

(4) compared to "white" South Africa, the designated "homelands," which are meant to accommodate the largest South African population group on a fraction of South African territory and were established without the consent of the vast majority of the governed, are characterized by high rates of infant mortality, unemployment, and malnutrition and by a severe shortage of medical services;

(5) the policy of the Government of the Republic of South Africa denies blacks their rightful claim to full South African citizenship; and

(6) the recent violence in South Africa must be seen as an inevitable result of the denial of the full rights of citizenship.

(b) It is the sense of the Congress that—

(1) the policy of separate development and the forced relocation of the people of the Government of the Republic of South Africa are inconsistent with fundamental American values and internationally recognized principles of human rights;

(2) the Government of the United States should continue to regard as citizens of South Africa all persons born within the internationally recognized boundaries of the Republic of South Africa, and not differentiate among these citizens on the basis of the South African Government's claim to have granted independence to various "homelands";

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(B) the evolution of supplier practices and

(3) at such times that any "homeland" official applies for a visa for travel to the United States, no such visa should be granted to such official unless such official holds a passport which is recognized as valid by the Government of the United States; and

(4) the Government of the United States should urge that the forced relocation of South African citizens be discontinued and that policies be adopted for all South Africa's citizens which protect the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race.

REPORTS ON FOREIGN DEBT IN LATIN AMERICA

SEC. 927. (a) The Congress finds that—

(1) the foreign debt of Latin American countries has soared from $27,000,000,000 in 1970 to over $350,000,000,000 in 1983;

(2) the foreign debt of Latin American countries is a serious obstacle to their economic progress, threatens their stability, and endangers the democratic processes in those nations;

(3) the economic and political futures of many of the Latin American countries hang in the balance and depend upon a successful resolution of the foreign debt crisis; and

(4) the confidence of the American people in the United States system of banking is also involved in a successful resolution of the foreign debt crisis.

(b)(1) Not later than October 1, 1985, the Secretary of State shall prepare and transmit to the Congress a report on—

(A) the magnitude of the foreign debt crisis in this hemisphere;

(B) the impact of the foreign debt crisis on the economies of the nations of Latin America;

(C) the degree to which the national security interests of the United States are implicated in this crisis; and

(D) the steps being taken and the policy being pursued by the United States aimed at dealing with this crisis.

(2) Not later than October 1, 1985, the Secretary of the Treasury shall prepare and transmit to the Congress a report on—

(A) the degree to which the foreign debt crisis affects the system of banking in the United States; and

(B) the steps being taken and the policy being pursued by the Department of the Treasury aimed at dealing with this crisis.

COMMISSION FOR THE PRESERVATION OF AMERICA'S HERITAGE ABROAD

SEC. 928. (a) Because the fabric of a society is strengthened by visible reminders of the historical roots of the society, it is in the national interest of the United States to preserve and protect the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens.

(b) There is established a commission to be known as the Commission for the Preservation of America's Heritage Abroad (hereafter in this section referred to as the "Commission").

(c) The Commission shall—

(1) identify and publish a list of those cemeteries, monuments, and historic buildings located abroad which are associated with the foreign heritage of United States citizens, particularly those cemeteries, monuments, and buildings which are in danger of deterioration or destruction;

(2) encourage the preservation and protection of such cemeteries, monuments, and historic buildings by obtaining, where appropriate and in concurrence with the Department of State, assurances from foreign governments that the cemeteries, monuments, and buildings will be preserved and protected;

(3) sponsor or otherwise support demonstration projects to help preserve and protect such cemeteries, monuments, and historic buildings;

(4) prepare and disseminate reports on the condition of and the progress toward preserving and protecting such cemeteries, monuments, and historic buildings; and

(5) coordinate its efforts with the United States International Council on Monuments and Sites.

(d)(1) The Commission shall consist of five members appointed by the President.

(2) Members shall be appointed for terms of three years except—

(A) of such members first appointed—

(i) two shall be appointed for two years; and

(ii) three shall be appointed for three years;

(B) a member appointed to fill a vacancy on the Commission shall serve for the remainder of the term for which the member's predecessor was appointed; and

(C) a member may retain membership on the Commission until the member's successor has been appointed.

(3) The President shall designate the Chairman of the Commission from among its members.

(4) The Commission shall meet at least once every three months.

(e)(1) Members of the Commission shall receive no pay on account of their service on the Commission.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(f)(1) The Commission may appoint such personnel (subject to the provisions of title 5 of the United States Code which governs appointments in the competitive service) and may fix the pay of such personnel (subject to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates) as the Commission deems desirable.

(2) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay then in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332(a)).

(3) Upon request of the Commission, may head of any Federal department or agency, including the Secretary of State, is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this section.

(g)(1) The Commission may secure directly from any department or agency of the United States, including the Department of State, any information necessary to enable it to carry out this section. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(2) The Commission may accept, use, and dispose of gifts or donations of money or property.

(3) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(4) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(h) The Commission shall transmit an annual report to the President and to each House of Congress as soon as practicable after the end of each fiscal year. Each report shall include a detailed statement of the activities and accomplishments of the Commission during the preceding fiscal year and any recommendations by the Commission for legislation and administrative actions.

(i) This section shall take effect on October 1, 1985.

THE CONTROL OF CONVENTIONAL ARMS TRANSFERS

SEC. 929. (a) The Congress recognizes the conventional arms transfer agreements with the Third World by all suppliers from 1981-1984 totaled $153,200,000,000 (in constant 1984 dollars); in which noncommunist suppliers accounted for $94,100,000,000 and communist suppliers accounted for $59,100,000,000. The United States, the Soviet Union and France have been the three predominant arms suppliers to the third World from 1977-1984 and collectively accounted for 83 per centum of all conventional arms transfer agreements with the Third World in 1984. There is grave concern for the effect conventional arms transfers may have on regional stability, arms races and the economic needs of Third World nations, including their development, and ability to meet basic human needs. There is further concern about the effect of conventional arms transfers on regional stability, and ultimately on United States and Soviet security. Conventional arms transfer agreements made by the United States, the Soviet Union and France are at levels closer to rought equivalence than at any time in history. This could be a significant factor in facilitating progress to limit and control arms transfers. Since new arms transfers are unpredictable and since new cycles of arms purchases by the less developed nations could occur at any time, the United States should reevaluate its conventional arms transfer policies and practices and seek to achieve negotiated conventional arms control agreements which enhance the National interest at the earliest possible date.

(b) Therefore—

(1) The President should, at the earliest possible date, in consultation with our allies, initiate discussions with the Soviet Union and France aimed at beginning multilateral negotiation to limit and control the transfer of conventional arms to the less developed world.

(2) Within one year of the date of enactment of this section, the President shall submit to Congress a report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations which examines and analyzes United States policies concerning the transfer of conventional arms, especially sophisticated weapons, and including a review of measures being take to fulfill the objectives stated above. This report shall also examine and analyze—

(A) the lessons of earlier efforts to negotiate restraints on the export of conventional arms;

(B) the evolution of supplier practices and policies;

(C) the evolution of recipient country attitudes regarding conventional arms transfers;

(D) the effect upon regional stability and security of conventional arms transfers by the United States and its allies and the Soviet Union and its allies in recent years;

(E) the relationship between arms exports by major suppliers and the needs of those countries to support their domestic military procurement programs;

(F) the relationship between arms imports and the external debt of recipient countries, allocation of internal resources, and their economic will-being.

(G) the relationship between arms transfers and regional military stability.

(3) The report provided for in subsection (2) shall be submitted in inclassified form, with an unclassified summary and with classified appendices, as appropriate and necessary.

REPUBLIC OF CHINA (TAIWAN) RETAINING FULL MEMBERSHIP IN THE ASIAN DEVELOPMENT BANK

SEC. 930. Since the People's Republic of China is seeking to apply for admission to the Asian Development Bank, conditioning its application upon administrative changes affecting the status and designation of the Republic of China (Taiwan) within that body;

Since the Republic of China (Taiwan) is a founding member of the Asian Development Bank, actively participating in the Bank's activities and faithfully fulfilling its obligations since the Bank's establishment in December 1966;

Since the Republic of China's (Taiwan's) subscription to the initial capital stock of the Bank was determined on the basis of the area, population, and economic condition of the island of Taiwan;

Since neither the relationship between the Republic of China (Taiwan) and the Bank, nor the circumstances under which these relations were established, have changed since 1966;

Since the Asian Development Bank agreement specifically prohibits the Bank from being influenced in its decision by politics;

Since it was the strong conviction of the founders of the Asian Development Bank that the introduction of political considerations would undermine the ability of the Bank to carry out its mission, namely to further economic growth and cooperation in the region; and

Since the Republic of China (Taiwan) has assisted in carrying out the mission of the Asian Development Bank over the years, moving from borrower to donor: Now, therefore,

It is the sense of the Senate that—

(1) Republic of China (Taiwan) should remain a full member of the Asian Development Bank, and that its status and designation within that body should remain unaltered no matter how the issue of the People's Republic of China's application for membership is disposed of; and

(2) the President and the Secretary of State should express support of the Republic of China (Taiwan), making it clear that the United States will not countenance attempts to make administrative changes affecting the status and designation of another member without that member's full knowledge and consent.

AID TO THE PEOPLE'S REPUBLIC OF MOZAMBIQUE

SEC. 931. (a) None of the funds authorized to be appropriated for fiscal year 1986 under chapter 2 and 5 of part II of the Foreign Assistance Act of 1961 shall be made available to the People's Republic of Mozambique unless the President makes a certification in accordance with subsection (a) within thirty days of the enactment of this section and every one hundred and eighty days thereafter.

(b) The certification required by subsection (a) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations that the Government of the People's Republic of Mozambique—

(1) is making a concerted and significant effort to comply with internationally recognized human rights;

(2) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy;

(3) has implemented a plan by September 30, 1986, to reduce the number of foreign military personnel to no more than 55.

(4) is committed to holding free elections at a date no later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(A) the electoral process with internationally recognized observers; and

(B) the elimination of all restrictions on the formation and activities of opposition political parties.

CANADIAN CATTLE AND HOGS EXPORTS

SEC. 932. Since, livestock prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of live cattle and hogs from Canada, which has increased by 1,000 per centum in the last decade in the case of hogs alone; and

Since, American livestock producers are suffering from the same general economic crisis affecting all of agriculture, and many will face liquidation or foreclosure in the near future; and

Since, the disparity between the United States and the Canadian dollar amounts to 32 per centum to 34 per centum and results in even further increases in Canadian hogs and cattle being imported into the United States: Therefore,

It is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of cattle and hogs to the United States.

ASSISTANCE FOR THE CAMBODIAN PEOPLE

SEC. 933. The President may make available to the non-communist resistance forces in Cambodia up to $5,000,000 for fiscal year 1986 of the funds authorized to be appropriated to carry out chapter 2 or chapter 4 of part II of the Foreign Assistance Act of 1961, notwithstanding any other provision of law.

JOSEF MENGELE

SEC. 934. (a)(1) The Congress finds that—

(A) Josef Mengele was the selecting physician at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally sent more than four hundred thousand Jews, including close to two hundred thousand children, to the gas chambers and conducted unspeakable pseudo-scientific experiments on many of the inmates of Auschwitz;

(B) Josef Mengele has lived in freedom since the end of the Second World War, initially, it is thought, in Germany and, thereafter, for the past thirty-five years, in South America;

(C) Josef Mengele became a naturalized citizen of Paraguay in 1959, and is believed still to be living in the region; and

(D) the Minister of the Interior of Paraguay has promised that the Paraguayan Government would undertake a nationwide investigation to locate Josef Mengele and allow foreign observers to participate in such investigation.

(2) It is therefore the sense of Congress that—

(A) the United States Government should undertake all possible efforts to ensure that Josef Mengele is brought to justice;

(B) the Government of Paraguay should, consistent with its previous commitments, carry out an immediate investigation to locate Josef Mengele and, if he is to be found in that country, arrest him and extradite him to a country where a warrant is outstanding for the arrest of Josef Mengele for crimes against humanity;

(C) the United States Government should seek to enlist similar efforts on the part of other regional governments; and

(D) in pursuance of these ends, the United States Government should send representatives to Paraguay and such other regional states as appropriate to participate in these investigations;

(3) Report to Congress on efforts of the Government of Paraguay to apprehend Josef Mengele.

(b) The President shall submit a report to the Speaker of the House of Representatives and the President Pro Tempore of the Senate on the efforts made by the Government of Paraguay to apprehend Josef Mengele. Such report shall be submitted no later than October 1, 1985 and shall include—

(1) a detailing of the efforts made by the Government of Paraguay to locate Josef Mengele;

(2) the degree to which other countries have cooperated with the investigation; and

(3) the results of the Government of Paraguay's efforts to locate and apprehend Josef Mengele.

SOFTWOOD TIMBER

SEC. 935. Since, softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 per centum of the United States market in the last two years to 35 to 40 per centum today;

Since, American timber producers are suffering from this economic crisis, and the difficulty in acquiring timber from the National Forest System;

Since, the disparity between the United States and the Canadian dollar amounts to 32 to 34 per centum and results in even further increases in processed softwood timber being imported into the United States: Therefore,

It is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the

Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States.

TITLE X—INTERNATIONAL NARCOTICS CONTROL ACT OF 1985

SHORT TITLE

Sec. 1001. This title may be cited as the "International Narcotics Control Act of 1985".

LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION

Sec. 1002. (a) The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall conduct a study of the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information-sharing and a regional enforcement unit.

(b) No later than six months after the date of enactment of this title, the Chairman of the National Drug Enforcement Policy Board shall report to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations and the Committee on the Judiciary of the Senate on the advisability of encouraging the establishment of such an organization.

ANNUAL REPORTS ON INVOLVEMENT OF COMMUNIST COUNTRIES IN ILLICIT DRUG TRAFFIC

Sec. 1003. Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(6) Each report pursuant to this subsection shall describe the involvement, during the preceding fiscal year, of the governments of Communist countries (as defined for purposes of section 620(f) of this Act) in illicit drug trafficking, including—

"(A) the direct or indirect involvement of Communist governments in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, and

"(B) any other activities of Communist governments which have facilitated illicit drug trafficking.".

NARCOTICS CONTROL EFFORTS IN BRAZIL

Sec. 1004. The Secretary of State shall enter into negotiations with the Government of Brazil in order to establish a bilateral narcotics control agreement. Such agreement shall have as a goal of 10 per centum reduction in illicit coca production in Brazil in calendar year 1986.

CONDITIONS ON ASSISTANCE TO BOLIVIA

Sec. 1005. United States assistance (as defined in section 481(i)(4) of the Foreign Assistance Act of 1961) may be provided to Bolivia for fiscal years 1986 and 1987 only under the following conditions.

(1) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1986—

(A) up to 25 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia has enacted legislation which prohibits more than two hectares of coca production per family; and

(B) the remaining 75 per centum may be provided at any time subsequent to a certification pursuant to subparagraph (A) if the President certifies to the Congress that the Government of Bolivia achieved the eradication targets for the calendar year 1985 contained in its August 1983 narcotics control agreements with the United States.

(2) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1987—

(A) up to 50 per centum may be provided at any time after the President certifies to the Congress that during the first six months of calendar year 1986 the Government of Bolivia achieved at least half of the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States; and

(B) the remaining 50 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia fully achieved the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States.

UPPER HUALLAGA VALLEY PROJECT IN PERU

Sec. 1006. Funds authorized to be appropriated for fiscal year 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 for the project of the Agency for International Development in the Upper Huallaga Valley of Peru may be made available for that project only if the Administrator of that Agency, after consultation with the Congress, determines that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley.

REALLOCATION OF FUNDS IF CONDITIONS NOT MET

Sec. 1007. If any of the funds described in sections 1005, and 1006, of this title are not used for the country for which they were allocated because the conditions specified in those sections are not met, the President shall reprogram those funds in order to provide additional assistance to countries which have taken significant steps to halt illicit drug production or trafficking.

CONDITIONS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

Sec. 1008. Section 482(a) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(3) Funds authorized to be appropriated by this section for fiscal year 1986 and for fiscal year 1987 may be used for a contribution to the United Nations Fund for Drug Abuse Control only if that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country.".

PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS

Sec. 1009. Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 483. Prohibition on Use of Foreign Assistance for Reimbursements for Drug Crop Eradications.—Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated.".

REQUIREMENT FOR COST-SHARING IN INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAMS

Sec. 1010. (a) Section 482 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(d) Assistance may be provided under this chapter to a foreign country only if the country provides assurances to the President, and the President is satisfied, that the country will provide at least 25 per centum of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. The costs borne by the country may include 'in-kind' contributions.".

(b) The amendment made by this section shall take effect on October 1, 1985.

EXTRADITION TREATIES

Sec. 1011. The Secretary of State with the assistance of the National Drug Enforcement Policy Board shall increase United States efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug-producing country, particularly those in Latin America.

EFFECTIVE DATE

Sec. 1012. Except where otherwise stated in this Act or in the amendments made by this Act, this Act and the amendments made by this Act, shall take effect on October 1, 1985.

Mr. LUGAR. I move to reconsider the vote by which the bill was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized, in the engrossment of the amendments to S. 960, to make any necessary technical and clerical changes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I thank my colleague Mr. Pell the distinguished comanager of this bill, the staffs on the majority and minority side, and all Senators for their extraordinary cooperation in making this event possible.

Mr. PELL. Mr. President, I would like to really compliment the chairman of the committee for doing what many of us thought was impossible—getting this bill through, much less getting it through in 2 days. I think the spirit in which we all worked together and the staffs worked together is most commendable and I hope it will continue not only throughout this Congress but for many more.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I thank both managers of the bill.

As we complete work on this important bill, I want to offer just a few brief comments.

When I became majority leader, one of my highest priorities was to get the Senate back into a pattern of orderly consideration of major legislation. The history of this bill in the Senate shows the three requirements for that kind of orderly legislative process.

First, it takes hard work. All of those who have been involved in this bill—Members and staff alike—have labored long hours to bring to the floor the legislation we have just passed.

Second, it demands a certain spirit of reasonableness. This does not mean that we abandon our principles or forget all of our policy differences, either as individuals or as Members of our two parties. But it does mean that we always keep in mind that ours is a system of give-and-take and compromise. On both sides of the aisle, both in committee and here on the floor, we have had to give in at times as we moved this bill forward, but out of it we have a compromise that I think all of us can live with.

Finally, it takes leadership. The distinguished chairman of the Foreign Relations Committee, Mr. Lugar, the principal architect of this bill, has provided just that quality of leadership. He has been tough when necessary, accommodating when possible, and fair always. That is why we have gotten this bill to the floor and passed it, for the first time in several years.

His committee colleague, the distinguished senior Senator from Rhode Island and ranking minority member [Mr. Pell], deserves equal praise for his important contributions to this bill and his willingness to work constructively to develop a product that could be passed.

I do appreciate their leadership. They worked out a very difficult bill. I am advised that we have only been on the bill really about a day and a half. There have been about 14 hours in total, with 7 rollcall votes. We considered 46 amendments; 34 were agreed to, 3 rejected, 1 tabled, and 8 were withdrawn. That takes care of the 46, if someone's arithmetic is correct.

I do believe that the distinguished chairman (Mr. Lugar), the principal architect of this bill, has obviously provided leadership, along with his distinguished colleague, the senior Senator from Rhode Island [Mr. Pell]. I extend my thanks and appreciation.

I am hopeful now that we can conclude the defense authorization bill between now and next Thursday night, then commence the Memorial Day recess.

Mr. SIMPSON. Mr. President, I commend Senator Lugar for his superb handling of this measure and extend my commendation to Senator Pell for his cooperation. They make an ideal pair. They have taken one of the most difficult hot potatoes we deal with in this place and, with an exhibition of fairness, they have given us an excellent example of comity and partnership, for which I commend them.

To Senator Lugar, whom I know so well, I commend him for his outstanding effort. That is certainly the essence of his ability. We have not considered a foreign aid authorization bill since 1981 as the result of the difficulties we have had in balancing these divergent issues. Senator Lugar indeed and Senator Pell should be recognized for their accomplishment in this area. It is most impressive.

Mr. MURKOWSKI. Mr. President, if the Senator will yield, I also wish to express my enthusiastic support for the manner in which this foreign assistance authorization bill was guided to passage so successfully by Senator Lugar and Senator Pell. As one who took up a good deal of time on the issue of extended repayment rates, I am delighted that the Foreign Relations Committee will be holding hearings on that problem. I think that is something meaningful. I again compliment those Senators responsible for this legislation.

ORDER FOR CONSIDERATION OF H.R. 1869 AT 11:30 A.M. TOMORROW

Mr. DOLE. Mr. President, I ask unanimous consent that notwithstanding the previous unanimous-consent agreement, the Senate resume the conference report on H.R. 1869, repeal of auto recordkeeping, at 11:30 a.m. tomorrow under the same terms and conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That at 11:30 a.m. on Thursday, May 16, 1985, the Senate turn to the consideration of the conference report on H.R. 1869, repealing contemporaneous recordkeeping requirements, with the time to be limited to 40 minutes, with 30 minutes under the control of the Senator from Ohio [Mr. Metzenbaum] and 10 minutes under the control of the Senator from Oregon [Mr. Packwood], or his designee.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a number of calendar items.

Mr. BYRD. There is no objection, Mr. President.

Mr. DOLE. Mr. President, I ask unanimous consent that we consider the following items: Calendar Orders No. 100, 129, 145, 146, 147, 148, 149, 150, and 151, through 159, 160, 161, 162, 163, and 165.

Mr. BYRD. Mr. President, I want to see if I accurately heard the distinguished majority leader. On this side, Calendar Orders numbered 100, 120, 121, 129, 145, 146, 147, 148, 149, 150, 151, through 159, 160, 161, 162, 163, 165, and Nominations Placed on the Secretary's Desk on page 10 are cleared.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. DOLE. Mr. President, I ask unanimous consent that those items, including Calendar 120 and 121 just referred to, be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER (Mr. Murkowski). Without objection, the nominations are considered and confirmed en bloc.

The nominations confirmed en bloc are as follows:

DEPARTMENT OF AGRICULTURE

John R. Norton III, of Arizona, to be Deputy Secretary of Agriculture.

DEPARTMENT OF ENERGY

J. Michael Farrell, of the District of Columbia, to be General Counsel of the Department of Energy.

Joseph F. Salgado, of California, to be Under Secretary of Energy.

DEPARTMENT OF JUSTICE

Herbert M. Rutherford III, of Virginia, to be U.S. Marshal for the District of Columbia.

DEPARTMENT OF COMMERCE

Douglas A. Riggs, of Alaska, to be General Counsel of the Department of Commerce.

DEPARTMENT OF AGRICULTURE

Peter C. Myers, of Missouri, to be an Assistant Secretary of Agriculture.

Robert L. Thompson, of Indiana, to be an Assistant Secretary of Agriculture.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. John B. Blount, 038-12-7463 (age 56), U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Thomas F. Healy, 019-24-4071, U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Howard F. Stone, 447-32-5655 (age 53), U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Howard G. Crowell, Jr., 029-26-2816, U.S. Army.

The following-named officer for appointment as a Reserve commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, section 593(a) and 3392:

To be brigadier general

Col. Frank C. Torres, Jr., 577-50-4676.

IN THE MARINE CORPS

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Charles G. Cooper, 426-40-0100 U.S. Marine Corps.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. William R. Maloney, 187-20-9074 U.S. Marine Corps.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Bernard E. Trainor, 120-16-6811 U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. George B. Crist, 263-60-4607, U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Ernest C. Cheatham, Jr., 555-30-9278, U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Thomas R. Morgan, 199-22-0605, U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Joseph J. Went, 042-32-1604, U.S. Marine Corps.

The following named brigadier general of the Marine Corps Reserve for promotion to the permanent grade of major general, under provisions of title 10, United States Code, sections 5902 and 5912:

Constantine Sangalis.

The following-named colonel of the Marine Corps Reserve for promotion to the permanent grade of brigadier general, under provisions of title 10, United States Code, sections 5902 and and 5912:

George R. Omrod.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. John M. Poindexter, 305-32-0503/1110, U.S. Navy.

DEPARTMENT OF THE TREASURY

John F.W. Rogers, of New York, to be an Assistant Secretary of the Treasury. (New position—Public Law 98-594 of October 30, 1984.)

Margaret DeBardeleben Tutwiler, of Alabama, to be an Assistant Secretary of the Treasury. (New position—Public Law 98-594 of October 30, 1984.)

THE JUDICIARY

Samuel B. Sterrett, of Maryland, to be a judge of the U.S. Tax Court.

DEPARTMENT OF JUSTICE

William H. Opel, of Alaska, to be U.S. Marshal for the District of Alaska.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE

Air Force nominations beginning Maj. James H. Applegate, Jr., and ending Maj. Michael R. Conners, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 29, 1985.

Air Force nominations beginning John H. Barnhart, and ending Jerry W. Brackett, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 29, 1985.

NOMINATIONS OF ROBERT L. THOMPSON AND PETER C. MYERS

Mr. HELMS. Mr. President, I am pleased to bring before the Senate the nominations of Mr. Robert L. Thompson and Mr. Peter C. Myers to be Assistant Secretary of Agriculture for Economics and Assistant Secretary of Agriculture for Natural Resources and Environment, respectively.

Both gentlemen are highly qualified for their respective posts. The Committee on Agriculture, Nutrition, and Forestry held hearings on April 22, 1985, and voted unanimously, to favorably report these nominations.

The committee has carefully reviewed all details of their professional qualifications and experience, as well as the appropriate information relating to their personal finances and obligations.

Both gentlemen are of the highest character and integrity. They have the respect of their peers, their colleagues, and their associates. I know each will do an outstanding job, and I commend each to the Senate. I urge the Senate to consent to their nominations and confirm them in their posts.

NOMINATION OF MARGARET TUTWILER

Mr. DENTON. Mr. President, I rise to support the confirmation of Miss Margaret Tutwiler for the position of Assistant Secretary for Public Affairs and Public Liaison in the Department of the Treasury.

Miss Tutwiler's credentials speak for themselves. Recently she has served as Deputy Assistant to the President for Political Affairs in the White House. She was also Special Assistant to the President and Executive Assistant to the Chief of Staff. There is no question as to her professional qualification for the job. During the past years, she has proved herself to be an effective and articulate spokeswoman.

Equally important, she happens to be from the great State of Alabama. Miss Tutwiler hails from the magic city, Birmingham, and graduated from the University of Alabama. As you know, Alabama has nurtured many fine Americans. This in itself should prove her worthiness.

Our Government is in urgent need of qualified men and women whose capabilities are matched by their depth of commitment. Miss Tutwiler is an ideal representative of this type of individual. I urge that her appointment as Assistant Secretary-designate for Public Affairs and Public Liaison be made permanent.

NOMINATION OF JOHN R. NORTON

Mr. HELMS. Mr. President, I am pleased to bring before the Senate the nomination of Mr. John R. Norton of Paradise Valley, AZ for the position of Deputy Secretary of Agriculture.

The Committee on Agriculture, Nutrition, and Forestry held a detailed hearing on Mr. Norton's nomination for this post on March 27, 1985. On April 4, the committee ordered reported, without objection, with one abstention, this nomination.

During this confirmation process I have come to know John Norton, and to respect him immensely. I am impressed with his sound character, his integrity, and his good humor and disposition. He will be a credit to the President, to the Senate, and to the American people whom he will serve.

Mr. President, John Norton is a farmer. He knows the difficulties farmers face from a sometimes hostile environment and from Government policies—and actions that are often capricious. And, he knows the rewards, both material and spiritual, which can accrue to those who are successful in their endeavors. Mr. Norton is one of the outstanding citizens of his State. No nominee has ever come before the Senate as well recommended by his fellow citizens as has John Norton. It gives me genuine pleasure to commend him to the Senate and to the American people. I urge the Senate to consent to his nomination.

NOMINATION OF MARGARET TUTWILER

Mr. HEFLIN. Mr. President, it is a great pleasure for me to rise in support of the nomination of a fellow Alabamian, Margaret DeBardeleben Tutwiler of Birmingham, to serve as Assistant Secretary of the Treasury for Public Affairs and Public Liaison.

I am certain that most of my colleagues have come to know Margaret Tutwiler during the first term of the Reagan administration, when she served first as Special Assistant to the President and Executive Assistant to the Chief of Staff, and most recently as Deputy Assistant to the President for Political Affairs. Since February, she has moved across the street from the White House to serve as Assistant Secretary-designate in the position we are now confirming her. In addition, she recently served as Director of Public Liaison of the Committee for the 50th American Presidential Inaugural.

Mr. President, for someone so young, Margaret Tutwiler already has an unbelievably long record of service. Her involvement with politics began a little

more than 10 years ago, when, after graduating from the University of Alabama, she worked as office manager of the Alabama Republican Party. After moving to Washington in 1975, she worked with the committee working to reelect President Gerald Ford for a year, and was then named executive director of the President Ford Committee for Alabama.

From 1978 until May of 1980, Ms. Tutwiler was director of scheduling for the primary campaign of Ambassador George Bush. After the Republican National Convention, she continued her activity, as director of scheduling for the then Vice-Presidential candidate.

While her party politics are different from mine, nevertheless, I am not blind. She is an individual possessing the highest qualities of intellect, integrity, and industry. Besides, she is a great lady.

Mr. President, Margaret Tutwiler has built an outstanding record of accomplishments, and I am certain that she will do a fine job in her new capacity at the Treasury Department. I commend the President on the quality of this nomination.

Margaret comes from a fine Alabama family, Mr. President. I knew her late parents, Temple and Margaret DeBardeleben Tutwiler, and know that they would be tremendously proud of her accomplishments and this recognition of her abilities by the President. I am also certain that her brother and sister, Temple and Ann, are very proud of Margaret.

Mr. President, I appreciate the opportunity to make these comments relative to this nomination, and urge my colleagues to vote in confirmation.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORPHAN DRUG ACT AMENDMENTS

MEASURE PLACED ON CALENDAR

Mr. DOLE. Mr. President, I send the enclosed bill to the desk on behalf of Senators HATCH, KENNEDY, and others, and ask unanimous consent it be placed on the Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I ask also unanimous consent that the statements by Senators HATCH, HAWKINS, WEICKER, and KASSEBAUM be made a part of the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I make the same request with reference to a statement by Mr. KENNEDY.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORPHAN DRUG ACT AMENDMENTS

Mr. HATCH. Mr. President, I am today introducing the Orphan Drug Act Amendments of 1985, which will extend funding authority for research and development of drugs for rare diseases, improve the current situation with respect to research costs and marketing of such drugs, and establish a National Commission on Orphan Diseases.

Largely as a result of the incentive provided by enactment of the Orphan Drug Act in the 97th Congress, there has been very encouraging progress in bringing to market existing drugs and in developing new drugs to alleviate suffering from a number of so-called orphan diseases. The name "orphan" was coined to reflect a perceived lack of concern about diseases which affect relatively small numbers of people; a perception that is being altered in part as a result of the positive impact of the Orphan Drug Act. Continued cooperation between the Government and the private sector, spurred by clear congressional interest, provides hope for individuals who suffer from such rare but devastating conditions as tourette syndrome, Huntington's disease, Friedrich's ataxia, neurofibromatosis, and amyotrophic lateral sclerosis. While the number of individuals suffering from any one of these orphan diseases is small, in the aggregate orphan conditions affect several million Americans. All of us in the Senate are well aware of the efforts of our former colleague, Senator Jacob Javits of New York, on behalf of research in amyotrophic lateral sclerosis, a condition with which he himself is heroically struggling.

The bill I am introducing will extend for 3 years authority for the grant and contract program for research and development of orphan drugs, maintaining the funding authority at the level in current law—$4 million per year. In addition, the bill makes two technical changes in the Federal Food, Drug, and Cosmetic Act, to: First, allow Federal funding of both preclinical and human clinical testing of orphan drugs; and second, remove the current stipulation that exclusive marketing rights may only be granted to an orphan drug if the drug is not patentable. Finally, the bill will establish a National Commission on Orphan Diseases to assess needs and opportunities for rare disease research and to recommend necessary changes. A comparable commission was approved by the Senate last year as part of S. 540, the Biomedical Research Extension Act.

There is broad consensus among the Government, the pharmaceutical industry, and the public that enactment of the Orphan Drug Act was a major reason for the progress that has been made in research and development of orphan drugs. This progress was enhanced by congressional action last year to clarify the definition of "orphan drug," to make clear that a drug could qualify for this designation if it was intended for a patient population of fewer than 200,000 or, if for a larger population, that it was a drug from which a firm could not reasonably expect to profit. This clarification was part of the health promotion and disease prevention amendments passed by the Congress and signed into law in October 1984. The Food and Drug Administration has reported that, as a result of this simple provision defining orphan drugs, there have been 31 requests for designation of a drug as an orphan product in just 4½ months, compared with 22 such requests in the previous year.

Many drugs designated as orphan drugs have a much smaller potential market than even the 200,000 patients referred to in the definition—often they are for conditions that affect fewer than 50,000 persons in the United States. This means that there is simply no possibility that a firm willing to develop and market such a product stands to profit from that decision. The tax credit and exclusive marketing provisions of the Orphan Drug Act have therefore been important incentives for private sector participation in this endeavor. In this regard, I am pleased that the Treasury Department has recently issued its proposed regulations, under which developers or sponsors of orphan drugs may apply for the tax credit for expenses of clinical studies prerequisite to FDA approval of an orphan drug.

It is critical when faced with success that we not succumb to our instinct to rest on our laurels. It is essential that we continue to encourage the development and marketing of drugs on which the basic research is essentially complete, and, perhaps even more critical at this juncture, make a strong effort to urge and support the basic research needed to get new drugs ready for testing and marketing. It is for this reason that I am proposing not only to reauthorize the program of grants and contracts for orphan drug development but also to make two small changes in the Orphan Drug Act that will improve the current situation for researchers and for developers bringing drugs to market.

The first change will authorize Federal funding for the preclinical testing of these drugs, as well as for the human clinical testing. Current law permits the awarding of grants and contracts only for human clinical testing. This change will serve as incentive for earlier, and costly, research on drugs that have not yet reached the stage of readiness for clinical tests.

In addition, the bill will provide that the current 7-year exclusive marketing rights for an orphan drug be available whether the drug is patentable or not. Current law allows an exclusive license to be issued only in cases where a letter of patent cannot be issued.

Finally, the bill will establish a National Commission on Orphan Diseases in the Department of Health and Human Services. This Commission, composed of nongovernment members, will assess the needs and opportunities for research in the cause, prevention, and treatment of orphan diseases, and make recommendations for either legislative or administrative actions that would enhance this research effort. The fine research already underway at the National Institutes of Health will serve as a springboard for this Commission's efforts. The Commission is time-limited, with a termination date shortly after their final report is submitted to the Congress.

Some interest has been expressed in extending the provisions of this act to medical devices. We have decided not to make such a change at this time because we believe that more information is needed to determine the necessity for a change and the best way to approach the orphan device issue. We anticipate receiving information shortly from the Food and Drug Administration, pursuant to an informal study they are conducting. Accordingly, we plan to deal with device matters at some later date.

Mr. President, I want to take this moment to congratulate the Food and Drug Administration, especially the Orphan Products Board and the Office of Orphan Products; the pharmaceutical industry; participating clinical investigators; and voluntary and professional disease organizations for their excellent efforts to help alleviate the suffering of our citizens who just a few years ago despaired of finding an understanding ear and a helping hand.

In particular, I am proud of the studies being conducted in my home State of Utah with regard to autism. The coordinated efforts of the University of California at Los Angeles, the University of Utah, the Utah Society for Autistic Children, and the A.H. Robins Co. hold great promise.

I think the progress that has been made in finding sponsors for orphan drugs, and in getting these products to market, illustrates well what private sector-government cooperation can produce. This progress also illustrates the strength of Americans who join together for a cause that has merit; there surely is strength in numbers in America, and the National Organization for Rare Diseases has shown us that there is also tremendous strength in dedication and commitment.

Another aspect of this bill is a section which would correct a drafting error in the fiscal year 1985 Department of Education Appropriations Act. This act provides $61 million for personnel training through part D of the Education of the Handicapped Act but, inadvertently, does not allow the expenditure of these moneys prior to July 1, 1985. The administration has informed us that over $50 million of this total amount was supposed to be awarded to institutions across the country on June 1 and that they support this technical amendment. Unless this error is corrected immediately, 750 applications will be delayed affecting 10,000 students directly and 5,000 to 10,000 indirectly. The institutions involved expected to receive their money on June 1 and otherwise would have allocated other resources to temporarily bridge the funding gap. I appreciate the efforts of my distinguished colleague, Senator WEICKER, chairman of the Labor-HHS-Education Subcommittee of the Appropriations Committee, in bringing this matter to my attention.

I urge my colleagues in the Senate to join me in sponsoring this legislation, which will further the positive results that have been generated by the Orphan Drug Act.

Mrs. HAWKINS. Mr. President, I would like to join Senator HATCH, the distinguished chairman of the Senate Labor and Human Resources Committee, in cosponsoring this legislation to reauthorize the Orphan Drug Act.

The passage of the original Orphan Drug Act in the 97th Congress has resulted in very encouraging progress in developing new drugs to those suffering from so-called orphan diseases. Individuals who suffer from relatively rare diseases and conditions find themselves fighting another battle within the pharmaceutical industry because the drugs that they need to alleviate their suffering are not profitable and thus are not being pursued by pharmaceutical manufacturers.

The Orphan Drug Act, with its tax credit and exclusive marketing provisions, provides important incentive for research and development of drugs for patient populations under 200,000. The legislation that we are offering today will enhance this progress by extending the authority for the grant and contract program for research and development of orphan drugs, allow Federal funding of both preclinical and human clinical testing of orphan drugs and remove the current stipulation that exclusive marketing rights may only be granted to an orphan drug if the drug is not patentable. The legislation will also establish a Commission on Orphan Diseases to assess the needs and opportunities for rare disease research and recommend necessary changes.

Mr. President, often those of us who are blessed with good health in their families don't realize the desperation of families whose members suffer from a rare illness or condition. I ask unanimous consent that an article from the Playground News Press regarding one Florida family's struggle with their rare "orphan" illness be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEUROFIBROMATOSIS: OBSCURE DISORDER AFFECTS YOUNG MOTHER, DAUGHTERS

(By Evie Fox)

The disorder happens to one in 3,000 people. Yet few have ever heard of it and even fewer can pronounce it.

Neurofibromatosis. The name itself sounds ominous.

Devra Williams was one of the many who had never heard of the disorder—until last November, when a doctor in Pensacola finally put a name to the lumps and spots appearing on her 18 month old daughter's body. It was the culmination to a long frustrating search for a diagnosis.

Neurofibromatosis is characterized by the presence of many small tumors which appear just under the skin, or larger tumors often along the course of peripheral nerves. It can affect all body systems and can cause disfigurement. No cure is known and the only effective treatment is surgery on the tumors. Often, after surgery, the tumors grow back. Death can occur when the tumors cannot be contained and involve vital organs.

The cause is known. NF is caused by a mutant gene, either inherited from a parent who has the disorder or the result of a new or spontaneous mutation in the developing fetus. Each child of an affected parent has a 50 percent chance of inheriting the gene and developing NF. The disorder was first fully documented in medical literature by Dr. Frederic Von Recklinghausen in 1832 and was known by his name for many years.

Approximately 100,000 people of both sexes and all national origins and races are afflicted with NF in the United States alone, placing neurofibromatosis among the most common hereditary disorders.

Devra was shocked to discover that she herself had the disorder, confirmed by the presense on her body of six or more "cafe-au-lait" spots, and had transmitted it not only to Nicole but to her younger daughter Natasha as well.

The nightmare for Devra and her husband, Billy, started when they first discovered a "little lump" on Nicole, an inquisitive child with bright blue eyes and fine light brown hair that frames her face in soft curls.

Concerned, Devra took her to a doctor, then another and another. "First they said it was a bug bite," Devra explains. When the "bite" didn't go away, it was declared a Vitamin C deficiency. One doctor even told her that all her daughter needed was a good bath—the little girl was simply dirty.

After the diagnosis, surgery was performed on the painful tumors. One doctor told the Williamses that all the abdominal tumors had been removed. Later they found that only some had and others were still growing.

Even after the diagnosis, most doctors were familiar with the disorder in older people but ruled it out in Nicole's case because it usually is not so advanced in such a young child. Nicole's case is rare in its severity—she is not expected to have a long life.

It was at the time of Nicole's surgery that Fort Walton Beach resident Betty Travers entered the picture. Travers' nephew was in the hospital at the same time as Nicole and his mother (Travers' sister-in-law) became acquainted with the Williamses. She learned that they were in desperate need of a babysitter to watch little Tasha while Devra stayed at the hospital with Nicole, and Billy worked as a construction supervisor. She suggested Betty, who started babysitting for the young couple.

But babysitting wasn't enough for Betty. "My problem is that I'm too soft hearted," Betty says. A better description would be "caring." She saw the tremendous strain the family was under and offered her help, and now is like a grandmother to the children and a mother to Devra, whose own mother lives in Arkansas.

"I don't have any grandchildren," Betty explains. "Neither of my sons is married. I didn't intend to get so involved with the Williamses and would never interfere in someone else's life. But when someone is in trouble, I just have to see if I can help."

Since neither she nor Devra knew much about NF, Betty decided to do a little research. The library had only a paragraph in a medical encyclopedia, and there seemed to be little information available elsewhere.

Finally they tried the American Cancer Society. While NF is not a form of cancer, it was listed in the Cancer Society's reference material.

Finding comfort and strength in their new found knowledge, they contacted the National Neurofibromatosis Foundation, which supplied more information.

"I was just amazed at what we were learning about NF," Betty explains. "It really isn't all that rare and yet no one knows about it." From the beginning, Betty says, Devra's greatest hope was that no one else would have to go through what they were going through just to find out about NF and get a proper diagnosis.

Learning about the disorder does not diminish the anguish of living with the knowledge. Even though Devra knows it is irrational, she feels responsible for her children's plight. "Yes, I feel guilty, that I gave my children something like this," she says, carefully controlling the deep well of emotion that would flood forth if given the chance. "I just go from day to day and pray a lot."

Billy is holding his own too. "He tries to be strong for me," Devra says. "Mainly," she says, "he's angry."

The one ray of hope for the Williams family came as a result of Devra's and Betty's call to the American Cancer Society. They were told that the National Institutes of Health in Bethesda, Md. is researching NF.

When they received this information, Betty insisted that Devra call immediately. She did and Devra, Nicole and Natasha were accepted by the institute and the three of them left last Wednesday for Bethesda.

Although they were cautioned not to be hopeful of a treatment, this was good news. Like other young couples they live on a tight budget, and although their own doctor has been very understanding, expensive hospital care is not within their means.

Because the three of them are contributing to the research, there is no charge for the services in Bethesda, and the American Cancer Society has provided transportation.

The hope for the future of the Williams family, and others with NF, lies in research. A bill appropriating federal funds for research was introduced in Congress during the last session, but failed to pass and is currently being reintroduced.

Not much for a young family, but right now, it's all they have.

Mr. WEICKER. Mr. President, I am pleased to cosponsor the Orphan Drug Amendments of 1985, which will extend authority for the research and development of drugs for so-called orphan diseases.

The incentive provided by the Orphan Drug Act first passed by the 97th Congress has already increased the efforts being made in research for, and the bringing to market of, new drugs which will alleviate the suffering of people who are afflicted by relatively rare diseases.

This reauthorization will extend the cooperation between Government and the private sector for 3 years, providing authority for the grant and contract program for the research and development of these drugs. The bill also establishes a National Commission on Orphan Diseases that will assess the needs and opportunities for research on rare diseases.

I also want to voice my particular support for my amendment to this bill which will correct a seemingly minor, but very important, drafting error in the fiscal year 1985 Department of Education Appropriations Act. This correction will require no new money, but will allow money already appropriated to be spent on June 1, 1985, instead of July 1, 1985. Unless this correction is made, 705 applications to train personnel involved in providing services to handicapped children will be unnecessarily delayed.

This delay would disrupt training programs, require additional resources, and ultimately impair the quality of services offered to special education children. I commend my colleague from Utah [Mr. HATCH], chairman of the Labor and Human Resources Committee, for assisting in correcting this error.

Mrs. KASSEBAUM. Mr. President, I am extremely pleased to join the chairman of the Senate Labor and Human Resources Committee, Mr. HATCH, in sponsoring the Orphan Drug Amendments of 1985. This legislation will extend a program which has proven to be of enormous benefit to those Americans who suffer from rare diseases and conditions.

As the Senate sponsor of the original Orphan Drug Act, signed into law during the 97th Congress, I am acutely aware of the many problems experienced by victims of rare diseases. The purpose of the Orphan Drug Act is to encourage the development of drugs for the treatment of rare diseases and conditions. These drugs are commonly known as orphan drugs due to the fact that high development and drug approval costs coupled with a small market for their use give these drugs limited commercial value. In the past, even when a promising treatment had been discovered, it was not always made generally available because of the substantial financial loss which would be incurred by its manufacturer.

Fortunately, the situation has now changed. It is gratifying to be associated with a program that works, and I don't think there is any doubt about the success of this act. Since it was signed into law in January 1983, 50 drugs have been designated as drugs for rare diseases. The law itself, while an important component of the progress that has been made, is only a part of the story. The gains we have made thus far could not have been achieved without the aggressive and dedicated support of individuals in both the private and public sectors. There has been so much activity in this area that it becomes difficult to do justice in describing it all. However, I do want to mention some of the contributions which have been made.

The Office for Orphan Products Development of the Food and Drug Administration has sought sponsors for orphan drugs and has provided grant support for clinical trials of orphan products. The National Institutes of Health have also encouraged the submission of research proposals. In addition, the Orphan Products Board within the Department of Health and Human Services has been working diligently in an effort to coordinate activity in this area and to define future policy directions. A National Information Center for Orphan Drugs and Rare Diseases was recently established as a component of the National Health Information Clearinghouse. Last month, the Internal Revenue Service issued proposed regulations to implement the tax credit provisions of the act.

The pharmaceutical industry has also maintained efforts in this area through the Commission on Rare Diseases of the Pharmaceutical Manufacturers Association and the Foundation of the Generic Pharmaceutical Industry Association. A National Orphan Drugs and Devices Foundation has been established to raise private funds for the support of orphan drug research. In addition, rare disease groups and researchers have combined forces under the aegis of the National Organization for Rare Diseases.

The Orphan Drug Amendments of 1985 will both continue and improve the exciting work which is underway. It will extend for an additional 3 years the authorization of funds for rare disease research. Moreover, this authorization will be expanded to include research at the preclinical stage. It will also amend the act to permit 7-year exclusive marketing rights for all designated orphan drugs. Currently, such exclusive rights are granted only in cases where a drug is not patentable.

Finally, it will establish a National Commission on Orphan Diseases. Composed of research scientists, consumers, and health professionals familiar with rare diseases, the Commission would review activities of the National Institutes of Health, the Food and Drug Administration, and the Alcohol, Mental Health, and Drug Abuse Administration in this area. The purpose of the Commission is to evaluate current research activities in the area of orphan diseases and the use, application, and dissemination of the information gained from the research. In addition, the Commission will examine current processes for offering research support in the area of rare diseases. Due to small research populations and a general lack of familiarity with many rare conditions, researchers face unique problems in conducting and obtaining support for rare disease work.

Thus far, most activity has focused on the further development of drugs which demonstrate promise as a treatment for specific rare diseases. This is an area which deserves priority attention. At the same time, it must be recognized that it does not reflect the full depth of the problem. For a substantial number of rare diseases and conditions, the incentives offered by the Orphan Drug Act are of no immediate value simply because there are no drugs at all known to hold promise for their treatment. There is a great need for research which will enhance scientific understanding of these conditions, thereby establishing a basis upon which appropriate treatments might be developed.

So, our work is cut out for us, but the momentum on behalf of greater strides is clearly present. I urge the support of my colleagues for this effort and hope that the Senate will act quickly in approving it.

Mr. KENNEDY. Mr. President, today, we are introducing amendments to the orphan drug provisions of the Food, Drug, and Cosmetic Act. Since 1982, when these provisions were added, they have been effective in increasing the number of orphan drugs available for the public. With the availability of these drugs has come new hope to those people who suffer from rare diseases. Though none of these rare diseases affect large numbers of people, some are well-known, disabling illnesses. They include cystic fibrosis, amyotropic lateral sclerosis—Lou Gehrig's disease, Huntington's disease, and neurofibromatosis.

The amendments we are now introducing will broaden the existing orphan drug sections of the Food, Drug, and Cosmetic Act, and will create a new commission to study the status of national research efforts into rare disorders. Broadening these sections will complete the task begun in 1982. Under these provisions, the FDA designates orphan drugs and offers technical assistance to companies who wish to research, develop, and market them.

Before 1982, the availability of these medicines was deficient. Because the market for these therapeutic medications was limited, few companies could make the investment necessary to bring such products to market. These orphan products needed to be adopted by companies which would complete research and development and make them commercially available. Since 1982, the mechanisms established by the Orphan Drug Act to stimulate the availability of such drugs have functioned effectively. More products are available to people who need them. Under current law, however, this assistance is limited to unpatented drugs. Our amendments will broaden this provision so it also extends to patented drugs. Under current law, technical assistance from the FDA is available to companies for clinical testing of these products. This legislation will extend that assistance to the preclinical phase of testing.

The amendments we now introduce will also establish a 20-member National Commission on Orphan Diseases to be selected by the Secretary of the Department of Health and Human Services. This Commission will review and assess the research effort on rare diseases made by public and private agencies including the Food and Drug Administration, the National Institutes of Health, and the Alcohol, Drug Abuse, and Mental Health Agency. The Commission will also review the coordination between these agencies, the appropriateness of research priorities, and the effectiveness of grants and contracts used to fund research relating to rare diseases.

Commissioners will include researchers and health care providers, as well as victims of rare disorders or their representatives. One million dollars will be appropriated from the Department of Health and Human Services budget based on an authorization of $4 million in 1986 for this Commission. The Commission will report in 1987 and will terminate 90 days after the submission of its report.

This legislation should extend the work begun in 1982. It says to those victims of rare diseases and to their families that this country will not abandon its commitment to those who suffer from illness because they are burdened with an uncommon affliction. With these amendments, the coordination which was started between the Food and Drug Administration and American industry to provide treatment for the sufferers, will continue and expand. The National Commission will examine the efforts of our researchers, health providers and educators, and will lead the way to future success in solving the mysteries of these disorders and disseminating that information to our citizens.

REMOVAL OF INJUNCTION OF SECRECY

Mr. DOLE. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the International Telecommunication Convention (Nairobi, 1982) (Treaty Document No. 99-6), which was transmitted to the Senate today by the President of the United States.

I also ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

Mr. BYRD. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, I remove my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message from the President reads as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the International Telecommunication Convention, with annexes, and a Final Protocol, signed at Nairobi on November 6, 1982.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Convention.

The International Telecommunication Convention (Nairobi, 1982) abrogates and replaces, in relations between Contracting Governments, the International Telecommunication Convention (Malaga-Torremolinos, 1973) to which the United States is a party.

The International Telecommunication Convention is the basic instrument of the International Telecommunication Union, which provides the framework for the orderly conduct of international telecommunications. It is in the public and commercial interest of the United States to continue to play an active role within this framework.

The International Telecommunication Convention entered into force on

January 1, 1984, for governments that have deposited their instrument of ratification or accession, by diplomatic channel through the intermediary of the Government of Switzerland, with the Secretary General of the International Telecommunication Union.

I believe that the United States should become a party to the International Telecommunication Convention (Nairobi, 1982), and it is my hope that the Senate will take timely action on this matter and give its advice and consent to ratification.

RONALD REAGAN.

THE WHITE HOUSE, *May 15, 1985.*

REPRESENTATION BY SENATE LEGAL COUNSEL IN CRIMINAL ACTION

Mr. DOLE. Mr. President, I send a resolution to the desk, on behalf of myself and the distinguished minority leader, Mr. BYRD, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

> A resolution (S. Res. 164) to authorize the representation by the Senate Legal Counsel of former Senate employees in the case of *United States* v. *Joseph Matranga, et al.*, Criminal Action No. 84-0569-E.

Mr. DOLE. Mr. President, this is a resolution relating to subpoenas to two former Senate staff members and representation by the Senate Legal Counsel.

Philip R. Manuel, a former member of the staff of the Permanent Subcommittee on Investigations, has received a subpoena to testify and to provide documents at a motion for a new trial in the case of *United States* v. *Matranga, et al.*, Criminal Action No. 84-0569-E, in the U.S. District Court for the Southern District of California. The Senate Legal Counsel has been advised that a second former staff member of the Permanent Subcommittee on Investigations, William B. Gallinaro, is expected to be served with a subpoena for testimony and documents in the same matter.

The defendant is seeking the testimony of Mr. Manuel and Mr. Gallinaro concerning investigations they conducted for the Permanent Subcommittee on Investigations. Senate Resolution 147 of the 99th Congress, 131 Cong. Rec. S4924 (daily ed. April 26, 1985), authorized the Senate Legal Counsel to represent Mr. Manuel and Mr. Gallinaro in a related proceeding. The resolution authorizes the Senate Legal Counsel to represent Mr. Manuel and Mr. Gallinaro in this additional proceeding.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 164) was agreed to, as follows:

S. RES. 164

Whereas, the case of *United States* v. *Joseph Matranga, et al.*, Criminal Action No. 84-0569-E, is pending in the United States District Court for the Southern District of California;

Whereas, the defendant Joseph Matranga has moved for a new trial in that case and has subpoenaed Philip R. Manuel, a former member of the staff of the Permanent Subcommittee in Investigations, to testify and to produce documents;

Whereas, William B. Gallinaro, another former employee of the Permanent Subcommittee on Investigations, is also expected to be served with a subpoena to testify and to produce documents;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1982), the Senate may direct the Senate Legal Counsel to defend former employees of the Senate in any proceeding with respect to any subpoena or order directed to them in their former official capacity: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to defend Philip R. Manuel and William B. Gallinaro with respect to the subpoenas to them in the case of *United States* v. *Joseph Matranga, et al.*, Criminal Action No. 84-0569-E, in the Southern District of California.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TWENTIETH ANNIVERSARY OF HEAD START

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Concurrent Resolution 95, commemorating the 20th anniversary of Head Start, which is now being held at the desk.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

> A concurrent resolution (H. Con. Res. 95) commemorating the 20th anniversary of Head Start.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. CRANSTON. Mr. President, on March 7, 1985, I introduced Senate Concurrent Resolution 28, commemorating May 18 as the 20th anniversary of the establishment of the Head Start Program and reaffirming congressional support for this highly cost-effective and successful program. That resolution has been cosponsored by 28 Members of the Senate: Senators STAFFORD, DODD, HATFIELD, KENNEDY, SPECTER, EAGLETON, DURENBERGER, BENTSEN, HOLLINGS, RIEGLE, WEICKER, INOUYE, ANDREWS, CHILES, SARBANES, DOLE, BRADLEY, KERRY, LUGAR, SASSER, NUNN, COCHRAN, METZENBAUM, GORE, DOMENICI, LEVIN, CHAFEE, and STEVENS.

I am pleased to note that Senate Concurrent Resolution 28 was favorably reported yesterday by the Senate Labor and Human Resources Committee.

A companion measure, House Concurrent Resolution 95, was introduced on March 21 by my good friend and colleague from California, the chairman of the House Education and Labor Committee, Representative AUGUSTUS HAWKINS and passed on Monday of this week by the House of Representatives.

I am delighted that the Senate will now be proceeding to consideration of this resolution.

Mr. President, Head Start is clearly one of the most successful, cost-effective, and popular programs ever established by the Federal Government. I am proud to have been closely associated with this program since I first came to the Senate and have sponsored a number of measures to protect and improve this fine program.

HEAD START, ITS BEGINNINGS IN 1965

Mr. President, the history behind the creation of the Head Start Program is as remarkable as the program itself. The original steering committee began its work in January 1965. In a world where committees take months and even years to formulate plans, the Head Start steering committee produced a report and plan of action in 6 weeks. On May 18, 1965, President Johnson held a press conference in the Rose Garden of the White House to announce the new program. President Johnson said on that day:

> I believe that this is one of the most constructive, and one of the most sensible, and also one of the most exciting programs that this Nation has ever undertaken.
>
> We have taken up the age-old challenge of poverty and we don't intend to lose generations of our children to this enemy of the human race.

Mr. President, by the end of the summer of 1965, nearly 560,000 low-income preschoolers had been enrolled at some 13,400 Head Start centers in 2,500 communities throughout the country. The launching of a nationwide program in this span of time took the creative contributions of numerous individuals. A group of congressional wives spent hours on the telephone locating organizations in the 300 poorest counties in the United States to sponsor the initial Head Start Programs. Substitute teachers from the District of Columbia school system were brought in to process the more than 3,000 grant applications which were submitted and to help select the initial sites. Thousands of volunteers throughout the country worked to make the program a success.

KEY ELEMENTS

Mr. President, what began in the summer of 1965 as a 6- to 8-week Summer Demonstration Program soon was transformed into the Head Start Program that we know today—a comprehensive preschool child development program which has served some 9 million low-income preschool children since its creation. Today, more than 400,000 children are enrolled in Head Start programs throughout the Nation. Head Start has been a resounding success. The program's profound impact on the physical, social, and cognitive development of its participating children has been documented by numerous independent evaluations. Head Start's impact has been demonstrated to continue long after the preschool experience. A report prepared as part of the 15th anniversary of the Head Start Program indicated that when such factors as reduced cost of special education and remedial services were considered, Head Start's benefits outweighed its costs by 236 percent. Head Start students have been found to be less likely to need special education and to be less likely to fail a grade, they score significantly higher on mathematics achievement tests and tend to score higher on reading tests, and they show stronger achievement orientation and have higher levels of self-esteem than non-Head Start children.

Although Head Start has made impressive contributions to educational achievement, it has been equally important as a resource of health care and nutritional services. Head Start has always recognized the interrelationship between the health and physical development of a young child and the child's overall development. Head Start's tremendous success has been based, in large part, upon the comprehensiveness of its approach.

Critical to that success has also been the emphasis in Head Start on parental participation. Head Start programs seek to reinforce the ability and responsibility of parents to foster their children's development and have consistently made parental participation a key element in program operation. This has resulted in program operation. This has resulted in an extraordinarily strong involvement of Head Start parents. For every 15 children enrolled in Head Start, 10 parents provide volunteer services to the program. This parental participation has had both an immediate and long-term impact on parents' behavior and attitudes toward their children.

Studies have found that Head Start parents allow their children to help more with household tasks, read to their preschool children more, and show more interest in the development of their children's reading and writing skills. Head Start participation increases the parents' confidence in their own child-rearing abilities, their verbal communication and praise of their children, and their interest in their children's educational future.

Participation in Head Start also provides important benefits for the parents themselves. More than 12,000 Head Start parents have received college training for credit through the Head Start Program. Over the years that I have worked with Head Start programs in California. I have seen parents grow tremendously as a result of their experience with this program and, in turn, make tremendous contributions to society.

CONGRESSIONAL CELEBRATION ON THURSDAY

Mr. President, I want to note that tomorrow evening there will be a congressional reception honoring the Head Start Program and its 20 years of service. The Honorary Chairperson of this event is Mrs. Lyndon B. Johnson, who played such an important role in getting Head Start established. One of the honored guests will be Ms. Luci Baines Johnson who will be there not only as a representative of the Johnson family, but also as a Head Start volunteer for some 20 years. Luci Johnson began her volunteer work in the Head Start Program in Washington, DC, in 1965, working on vision screening of Head Start children. She continued to work with Head Start programs after she returned to Texas.

Sargent Shriver, the first Director of the Office of Economic Opportunity, and one of the catalysts behind the Head Start Program, is the chairman of the reception. He will be introducing many of the people who helped get the Head Start Program started and those who have worked over the years to strengthen and preserve Head Start. We will also be having six honored guests representing former Head Start students and parents. Each of these individuals exemplifies how Head Start has made a real and lasting difference in the lives it has touched.

I am particularly proud to have one of my own constituents, Clara Godbouldt of south central Los Angeles among these honored guests. Clara is a true Head Start success story. When she became a Head Start volunteer 20 years ago, she was an 8th grade dropout with 10 children. Today, through Head Start's college credit and work assistance program, she has a college diploma, a teaching credential, 2 years work toward a law degree and a career in adult education. She speaks from firsthand experience when she has said, "Head Start helps the family by renewing the parents' sense of responsibility to the children and by showing the parents how much they can achieve." Today she teaches the victims of Alzheimer's disease and stroke how to cope with the cruel changes taking place in their minds and bodies. When asked why she went into such difficult and often depressing work, Clara has said, "I wanted to give back to the community what it had given to me through Head Start. All people need is a little help to make it on their own."

Mr. President, that is what Head Start is all about—providing a little help so that people can make it on their own.

CONCLUSION

Mr. President, Head Start is a program which we all can be proud of. It is a program which has fulfilled its promise. It deserves the continued strong support of the Congress.

Mr. KENNEDY. Mr. President, I am pleased that the Senate is acting swiftly and favorably on this resolution to commemorate the 20th anniversary of the Head Start Program. With adoption of this resolution, Congress reaffirms its commitment and support for Head Start and recognizes its success.

Head Start is a comprehensive child development program for disadvantaged children 3 and 4 years old that involves parents, teachers, and volunteers. It provides these children with the necessary health and supportive services they need to get an even start with other children in school. And, it provides parents the resources they need to insure that their children are healthy, physically and developmentally.

Head Start has a proven track record and is cost effective. A recently released 20-year followup of students who attended a preschool program like Head Start showed the positive results of preschool programs. This study told us that compared to their peers who did not have a similar experience, preschool graduates were much more likely to do better on standardized achievement tests, graduate from high school, and go on to college. These preschool graduates were more likely to be working, to spend more time employed after graduation, and to have better paying jobs.

We know that programs such as Head Start work. We know that investment in our children is an investment in our society, a much less costly investment than the one needed when children grow up with health, social, and educational problems. So as we commemorate the anniversary of this successful program for disadvantaged children and celebrate with the program's graduates their success in life, I would hope at the same time that we think about the almost 2 million more children in this country who need the Head Start Program and who are eligible for its services but cannot benefit from it because funding is limited.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The preamble was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL DOWN SYNDROME MONTH

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 40.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 40) to designate the month of October 1985 as "National Down Syndrome Month."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. Res. 40

Whereas the past decade has brought a greater and more enlightened attitude in the care and training of the developmentally disabled;

Whereas one such condition which has undergone considerable reevaluation is that of Down syndrome—a problem which, just a short time ago, was often stigmatized as a mentally retarded condition which relegated its victims to lives of passivity in institutions and back rooms;

Whereas, through the efforts of concerned physicians, teachers and parent groups such as the National Down Syndrome Congress, programs are being put in place to educate new parents of babies with Down syndrome; to develop special education classes within mainstreamed programs in schools; the provision for vocational training in preparation for competitive employment in the work force and to prepare young adults with Down syndrome for independent living in the community;

Whereas the cost of such services designed to help individuals with Down syndrome move into their rightful place in our society is but a tiny fraction of the cost of institutionalization;

Whereas along with this improvement in educational opportunities for those with Down syndrome is the advancement in medical science which is adding to a more brightened outlook for individuals born with this chromosomal configuration; and

Whereas public awareness and acceptance of the capabilities of children with Down syndrome can greatly facilitate their being mainstreamed in our society: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1985 is designated "National Down Syndrome Month" and that the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the designated month with appropriate programs, ceremonies and activities.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LUPUS AWARENESS WEEK

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 57.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 57) to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. Res. 57

Whereas Lupus Erythematosus is a disease of unknown cause that affects over five-hundred thousand people in the United States, 90 percent of whom are women in their childbearing years;

Whereas Lupus Erythematosus, though not a rare disease, is unfamiliar even to some physicians which may result in the disease being misdiagnosed or diagnosed too late;

Whereas Lupus Erythematosus in the most severe form can be fatal;

Whereas The Lupus Foundation of America, Inc., its constituent chapters, and other voluntary health organizations are established throughout the United States to serve and support victims of lupus and their families, encourage funding for research, and increase public awareness; and

Whereas the public and the Federal Government are not sufficiently aware of the incidence of Lupus Erythematosus: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 20, 1985, through October 26, 1985, is designated as "Lupus Awareness Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 125 INDEFINITELY POSTPONED

Mr. DOLE. Mr. President, I ask unanimous consent that Calendar No. 70, Senate Resolution 125, a resolution authorizing expenditures by the Committee on Rules and Administration, be indefinitely postponed.

Mr. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE CONCURRENT RESOLUTION 130 INDEFINITELY POSTPONED

Mr. DOLE. Mr. President, I ask unanimous consent that Calendar No. 107, House Concurrent Resolution 130, a concurrent resolution expressing the sense of the Congress with respect to the President's visit to the Federal Republic of Germany in May 1985, be indefinitely postponed.

Mr. BYRD. There is no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 28 INDEFINITELY POSTPONED

Mr. DOLE. Mr. President, I ask unanimous consent that Calendar No. 126, Senate Concurrent Resolution 28, a concurrent resolution expressing the sense of Congress that May 18, 1985, should be commemorated as the 20th anniversary of the establishment of the Head Start Program and reaffirming congressional support for the Head Start Program, be indefinitely postponed.

Mr. BYRD. Mr. President, there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

(During the day routine morning business was transacted and statements were submitted, as follows:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and a treaty which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 1:21 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 484. An act to amend the Saccharin Study and Labeling Act; and

S. 661. An act entitled the "George Milligan Control Tower".

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1157. An Act to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Commerce and the Federal Maritime Commission;

H.R. 1784. An Act to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal, and for other purposes; and

H.R. 2005. An Act to amend title II of the Social Security Act and related provisions of law to make minor improvements and necessary technical changes.

The message further announced that pursuant to section 136, Public Law 98-473, the Speaker appoints the following minority Members as members of the Commission on the Ukraine Famine on the part of the House: Mr. Broomfield and Mr. Gilman.

The message also announced that pursuant to the provisions of section 3 of Public Law 94-304, as amended by section 1 of Public Law 99-7, the Speaker appoints Mr. Smith of New Jersey as an additional member of the Commission on Security and Cooperation in Europe on the part of the House.

The message further announced that pursuant to the provisions of section 4(a) of Public Law 92-484, the Speaker appoints Mr. Sundquist as an additional member of the Technology Assessment Board on the part of the House.

At 3:54 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following Joint resolution, without amendment:

S.J. Res. 103. Joint resolution to designate the month of May 1985, as "Very Special Arts U.S.A. Month".

The message further announced that the House has passed the following joint resolutions, in which it requests the concurrence of the Senate:

H.J. Res. 64. Joint resolution designating Mother's Day, May 12, 1985, to Father's Day, June 16, 1985, as "Family Reunion Month"; and

H.J. Res. 285. Joint resolution designating the week of May 11, 1985, through May 17, 1985, as "Handicapped Awareness Week".

MEASURES REFERRED

The following bills and joint resolutions were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1157. An act to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Commerce and the Federal Maritime Commission; to the Committee on Commerce, Science, and Transportation.

H.R. 1784. An act to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal, and for other purposes; to the Committee on Armed Services.

H.R. 2005. An act to amend title II of the Social Security Act and related provisions of law to make minor improvements and necessary technical changes; to the Committee on Finance.

H.J. Res. 64. Joint resolution designating Mother's Day, May 12, 1985, to Father's Day, June 16, 1985, as "Family Reunion Month"; to the Committee on the Judiciary.

H.J. Res. 285. Joint resolution designating the week of May 11, 1985, through May 17, 1985, as "Handicapped Awareness Week"; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1128. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military assistance sale to Switzerland; to the Committee on Armed Services.

EC-1129. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to eliminate general or flag grade requirements from certain statutory positions; to the Committee on Armed Services.

EC-1130. A communication from the Secretary of Commerce transmitting, pursuant to law, a report on activities respecting the Emergency Striped Bass Research Study; to the Committee on Environment and Public Works.9

EC-1131. A communication from the president of the Overseas Private Investment Corp. transmitting, pursuant to law, the Development and Audit Report of OPIC for fiscal year 1984; to the Committee on Foreign Relations.

EC-1132. A communication from the Director of the U.S. Information Agency transmitting, pursuant to law, an independent evaluation of Cuba service programming; to the Committee on Foreign Relations.

EC-1133. A communication from the Secretary of the Interior transmitting, pursuant to law, the Department's 1984 Freedom of Information Act report; to the Committee on the Judiciary.

EC-1134. A communication from the Director of ACTION transmitting, pursuant to law, ACTION's 1984 annual report; to the Committee on Labor and Human Resources.

EC-1135. A communication from the General Counsel of the General Accounting Office transmitting, pursuant to law, a report on the status of budget authority proposed for rescission but for which a rescission bill has not been passed; jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, Budget, Agriculture, Nutrition, and Forestry, Foreign Relations, Commerce, Science, and Transportation, Armed Services, Labor and Human Resources, Energy and Natural Resources, Small Business, Banking, Housing, and Urban Affairs, the Judiciary, Governmental Affairs, Finance, Environment and Public Works, and Veterans' Affairs.

EC-1136. A communication from the Secretary of Commerce transmitting a draft of proposed legislation to repeal the Salmon Vessel Buy-Back Program; to the Committee on Commerce, Science, and Transportation.

EC-1137. A communication from the Acting U.S. Trade Representative transmitting, pursuant to law, a copy of the Decision of the Committee on Trade in Civil Aircraft; to the Committee on Finance.

EC-1138. A communication from the Secretary of the Navy transmitting, pursuant to law, a report on two of the Navy's programs that exceed their baseline unit cost by more than 15 percent; to the Committee on Armed Services.

EC-1139. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to authorize the United States to collect health plan benefits for medical and dental care provided to dependents, former members, and their dependents in facilities of the uniformed services; to the Committee on Armed Services.

EC-1140. A communication from the Chairman of the Federal Energy Regulatory Commission transmitting, pursuant to law, the Commission's annual report for 1984 on the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-1141. A communication from the Chairman of the District of Columbia Law Revision Commission transmitting, pursuant to law, the Commission's 10th annual report; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. 1141. An original bill relating to certain telephone services for Senators (Rept. No. 99-52).

By Mr. STAFFORD, from the Committee on Environment and Public Works, without amendment:

S. 710. A bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts (Rept. No. 99-53).

By Mr. SIMPSON, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 895. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes (Rept. No. 99-54).

By Mr. PACKWOOD, from the Committee on Finance.

Report to accompany the bill (S. 1114) to approve a trade agreement with Israel negotiated pursuant to the trade agreements program of the United States, and for other purposes (Rept. No. 99-55).

By Mr. GOLDWATER, from the Committee on Armed Services, without amendment:

S. Res. 162. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1029; referred to the Committee on the Budget.

By Mr. DURENBERGER, from the Committee on Environment and Public Works, with amendments:

S. 124. A bill entitled the "Safe Drinking Water Amendments of 1985" (Rept. No. 99-56).

By Mr. DURENBERGER, from the Committee on Environment and Public Works, without amendment:

S. 1143. An original bill to amend the Toxic Substances Control Act to authorize appropriations for fiscal year 1986 (Rept. 99-57); and

S. 1144. An original bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1986 (Rept. No. 99-58).

By Mr. PACKWOOD, from the Committee on Finance, without amendment:

S. 1146. An original bill to authorize appropriations for the United States International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1986 (Rept. No. 99-59).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

The following-named persons to be members of the National Council on the Handicapped for the terms indicated:

For a term expiring September 17, 1986:

Jeremiah Milbank, of Connecticut, vice Carmine R. Lavieri, deceased.

For a term expiring September 17, 1987:

Justin W. Dart, Jr., of Texas. (Reappointment.)

Roxanne S. Vierra, of Colorado, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations and ask that they be placed on the Executive Calendar.

ROUTINE MILITARY NOMINATIONS WHICH HAVE BEEN PENDING WITH THE SENATE ARMED SERVICES COMMITTEE THE REQUIRED LENGTH OF TIME AND TO WHICH NO OBJECTIONS HAVE BEEN RAISED

1. Lt. Gen. Alexander M. Weyand, U.S. Army (age 56), to be retired; and
2. Maj. Gen. Charles W. Dyke, U.S. Army, to be lieutenant general. (Ref. #257.)
3. Vice Adm. James A. Sagerholm, U.S. Navy (age 57), to be retired. (Ref. #256.)
4. Rear Adm. Kendall E. Moranville, U.S. Navy, to be vice admiral. (Ref. #259.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COHEN (for himself, Mr. Roth, Mr. Nunn, Mr. Levin, and Mr. Chiles):

S. 1134. A bill to amend title 5, United States Code, to provide administrative civil penalties for false claims and statements made to the United States by certain recipients of property, services, or money from the United States, by parties to contracts with the United States, or by Federal employees, and for other purposes; to the Committee on Governmental Affairs.

By Mr. COHEN:

S. 1135. A bill to amend section 3729 of title 31, United States Code, to increase the amount of the civil penalty authorized for false claims; to the Committee on the Judiciary.

By Mr. STAFFORD (for himself and Mr. Leahy):

S. 1136. A bill to authorize the U.S. Army Corps of Engineers to undertake certain activities at dams operated by the Corps of Engineers in the State of Vermont; to the Committee on Environment and Public Works.

By Mr. SPECTER:

S. 1137. A bill entitled the "Conrail Public Offering Act of 1985"; to the Committee on Commerce, Science, and Transportation.

By Mr. GRASSLEY (for himself, Mr. Domenici, Mr. Metzenbaum, Mr. Heflin, and Mr. DeConcini):

S. 1138. A bill to reenact and amend former section 504 of title 5, United States Code, and former section 2412(d) of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes: to the Committee on the Judiciary.

By Mr. BURDICK (for himself and Mr. Andrews):

S. 1139. A bill to authorize construction of a combined Sheyenne and Maple River Flood Control Project; to the Committee on Environment and Public Works.

By Mr. METZENBAUM (for himself, Mr. Thurmond, and Mr. DeConcini):

S. 1140. A bill to amend the antitrust laws in order to preserve and promote wholesale and retail competition in the retail gasoline market and to protect the motoring safety of the American public; to the Committee on the Judiciary.

By Mr. MATHIAS, from the Committee on Rules and Administration:

S. 1141. An original bill relating to certain telephone services for Senators; placed on the calendar.

By Mr. DOLE (for himself, Mr. Boschwitz, Mr. Leahy, Mr. Danforth, and Mr. Andrews):

S. 1142. A bill to improve and extend certain domestic food assistance programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DURENBERGER, from the Committee on Environment and Public Works:

S. 1143. An original bill to amend the Toxic Substances Control Act to authorize appropriations for fiscal year 1986; placed on the calendar.

S. 1144. An original bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1986; placed on the calendar.

By Mr. LEVIN (for himself, Mr. Grassley, Mr. Dole, Mr. Boren, Mr. Thurmond, Mr. Laxalt, Mr. Hatch, Mr. Simpson, Mr. Denton, and Mr. DeConcini):

S. 1145. A bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies; to the Committee on the Judiciary.

By Mr. PACKWOOD, from the Committee on Finance:

S. 1146. An original bill to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the United States Trade Representative for fiscal year 1986; placed on the calendar.

By Mr. DOLE (for Mr. Hatch (for himself, Mr. Kennedy, Mrs. Kassebaum, Mr. Quayle, Mr. Weicker, Mr. Stafford, Mr. Denton, Mr. Sarbanes, Mr. Wallop, Mr. Metzenbaum, Mr. Heinz, Mr. Leahy, Mr. Inouye, Mr. Simon, Mr. Cohen, Mr. Thurmond, Mr. Cranston, Mr. Kerry, Mrs. Hawkins, Mr. Roth, Mr. Riegle, Mr. Nickles, Mr. Pell, and Mr. Matsunaga)):

S. 1147. A bill to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws; placed on the calendar.

By Mr. HATFIELD (for himself, Mr. Ford, Mr. Dole, Mr. Johnston, Mr. McClure, Mr. Hollings, Mr. Abdnor, Mr. Metzenbaum, Mr. Bumpers, Mr. Moynihan, Mr. Packwood, Mr. Cochran, Mr. Thurmond, Mr. Burdick, Mr. Cranston, Mr. Wallop, Mr. Lautenberg, and Mr. Zorinsky):

S.J. Res. 136. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with Sunday, April 13, 1986, as "National Garden Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GOLDWATER, from the Committee on Armed Services:

S. Res. 162. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1029; to the Committee on the Budget.

By Mr. HUMPHREY:

S. Res. 163. A resolution expressing the sense of the Senate with respect to the protection of the human fetus from organic pain experienced during abortion procedures which do not utilize anesthetics or analgesics; to the Committee on the Judiciary.

By Mr. DOLE (for himself and Mr. Byrd):

S. Res. 164. A resolution to authorize the representation by the Senate Legal Counsel of former Senate employees in the case of *"United States* v. *Joseph Matranga, et al."* Criminal Action No. 84-0569-E; considered and agreed to.

By Mr. HEINZ (for himself, Mr. Pryor, Mr. Symms, and Mr. Matsunaga):

S. Res. 165. A resolution to urge the President of the United States and the Secretary of the Treasury to reject any tax reform proposal which would impose a tax on the annual increase in the value of permanent life insurance; to the Committee on Finance.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COHEN (for himself, Mr. ROTH, Mr. NUNN, Mr. LEVIN, and Mr. CHILES):

S. 1134. A bill to amend title 5, United States Code, to provide administrative civil penalties for false claims and statements made to the United States by certain recipients of property services, or money from the United States, by parties to contracts with the United States, or by Federal employees, and for other purposes; to the Committee on Governmental Affairs.

PROGRAM FRAUD CIVIL PENALTIES ACT

● Mr. COHEN. Mr. President, today Senator ROTH, who is a leader in the Senate in the fight against waste and fraud in government, and I are introducing the Program Fraud Civil Penalties Act of 1985. This legislation provides agencies with an administrative remedy for false, fictitious, or fraudulent claims and statements under $100,000 that the Justice Department has declined to prosecute. We are pleased to the have Senators LEVIN, NUNN, AND CHILES as cosponsors.

Present law provides criminal and civil penalties for false claims and criminal penalties for false statements. The imposition of these sanctions, however, requires the Justice Department to initiate and conclude a criminal or civil suit in Federal court. Because the Justice Department focuses its prosecutorial efforts on those false claim and statement cases in which the Government has suffered a substantial and identifiable monetary loss, the Government is often left without an adequate remedy for small-dollar false claims and statements.

In fact, the General Accounting Office found that many such cases fall through the cracks of our judicial system. According to a 1981 GAO report, entitled "Fraud in Government Programs: How Extensive Is It? How Can It Be Controlled?," over 77,000 fraud cases allegedly were committed against the Government during a 3-year period. Of those cases referred to the Justice Department, however, less than 40 percent were prosecuted. GAO further noted that the Justice Department, when it did take action, failed to consider appropriate civil remedies to make the Government whole for the loss suffered.

By failing to prosecute nearly 60 percent of its false claim and statement cases, the Government not only loses money but also public confidence in its programs. Even when no money is actually lost as the result of a false claim or statement, such as when food stamps are used to purchase-prohibited items or a nonveteran obtains a VA guaranteed home loan, the integrity of the program is seriously undermined.

Worse yet, GAO found that fraud is not limited to any one program or agency, but is pervasive Government-wide—ranging from fraud in benefit and assistance programs, such as food stamps, welfare, and student loans, to mortgage insurance programs, corp subsidy programs, disaster relief programs, and the like.

Fraud is also endemic to Government contracting, according to Joseph Sherrick, the Defense Department Inspector General, who recently testified that 45 of the Nation's 100 largest defense contractors are under investigation by the Defense Department. Mr. Sherrick has characterized the industry's attitude as "we stole it fair and square." Last year, Mr. Sherrick estimated that his Department alone loses more than $1 billion a year through fraudulent billing practices, the most common being improper overhead expenses charged against Government contracts.

While the indictment of General Electric and the continuing saga of General Dynamics are visible examples of the problems in Government contracting, the more typical fraud case involves fewer dollars, draws little public attention, and is therefore less likely to be prosecuted.

This failure to prosecute, some believe, is the result of a prosecutorial resource problem; that is, the Justice Department needs more resources to investigate and prosecute these false claim and statement cases under existing laws. But providing more resources to DOJ would not, alone, solve the problem. From a cost-benefit perspective, the cost of litigating a small-dollar fraud case will almost always exceed the benefits of recovery, thus making it economically impractical for the Justice Department to go to court.

An example is the case of the DOD contracting officer who falsified the need to award a sole-source contract and, in collusion with the contractor, wrote the Department's sole-source justification for the award. The Justice Department declined prosecution, primarily because the Defense Department discovered the scheme before the contract was actually awarded, even though a conspiracy to defraud the Government was clearly evident.

In another case, the Naval Investigative Service identified over $600,000 in fraudulent overpayments on a base maintenance contract. The contractor was found to have deliberately overbilled the Navy on numerous items, but because of evidentiary problems, a decision was made to seek criminal prosecution on only $25,000 in false claims. The Justice Department subsequently determined that $25,000 was too small an amount to justify prosecution, and the case was declined for both criminal and civil action.

These are examples of cases that typically fall through the judicial cracks and would be subject to the administrative remedy authorized by the Program Fraud Civil Penalties Act. The purposes of the act are to recompense agencies for losses resulting from false claims and statements that would not otherwise be prosecuted, to penalize those who submit false claims and statements, and to deter such fraudulent behavior in the future.

In my judgment, and in the judgment of the Justice Department, Inspectors General, and the General Accounting Office, such an administrative remedy for small-dollar fraud cases is long overdue.

Under the Program Fraud Civil Penalties Act, a typical case would begin with an investigation conducted by the agency's investigating official (the Inspector General, where statutorily authorized). Any findings would be transmitted to the agency's reviewing official, who would be designated by the agency head to determine whether there is probable cause to conclude that a false, fictitious, or fraudulent claim or statement has been submitted.

If so, the matter would be referred to the Justice Department for consideration. The allegations of liability would then be referred to the agency's hearing examiner (usually an administrative law judge) for a hearing only if the Attorney General or a designated Assistant Attorney General either approves the referral or takes no action to disapprove it. Once the Justice Department in effect declines prosecution, the reviewing official would notify the person alleged to be liable that a hearing will be held. Short of going through with a hearing, however, the reviewing official would be authorized under the bill to compromise or settle any allegations of liability against a person up to the time that the hearing examiner issues a decision.

After the matter has gone through these requisite steps, a hearing would be conducted to determine whether or not the person is liable and the amount of penalty and assessment to be imposed, if any. A person is found liable under the bill if he or she "knows or has reason to know" that the claim or statement submitted is false, fictitious, or fraudulent. The hearing examiner's determination is based on a "preponderance of the evidence," the standard applied in most civil litigation and administrative proceedings. The penalty, if the person is found liable, would be up to $10,000 for each false claim or statement plus double the amount claimed.

The hearing itself will be conducted "on the record," which brings into

play the due process safeguards of the Administrative Procedure Act (APA). A person alleged to be liable under the bill is entitled to written notice of the allegations, as well as an opportunity to be heard. At the hearing, the person has the right to be present, to be represented by counsel, and to present evidence in his or her own behalf. The separation of investigatory and review functions provided for in the bill ensures impartiality.

In addition to the APA protections, persons alleged to be liable under the bill would also be afforded limited discovery rights to the extent that the hearing examiner determines that such discovery is necessary for the expeditious, fair, and reasonable consideration of the issues. Finally, the person would have the right of judicial review by the U.S. Court of Appeals.

The beauty of this administrative mechanism is that we already know it can work—both expeditiously and fairly. Under the Civil Monetary Penalties Law [CMPL], enacted as part of the 1981 Omnibus Budget Reconciliation Act, the Department of Health and Human Services is authorized to impose penalties and assessments against health-care providers who knowingly or with reason to know submit claims for services not provided as claimed.

The HHS inspector general, Richard Kusserow, has testified that, prior to the enactment of the CMPL, there was simply no effective sanction in many Medicare and Medicaid fraud cases, particularly when it appeared that the cost of pursuing these cases through the courts exceeded the amount of damages or the probable recovery by the Government. Since implementation of the CMPL, HHS has been able to recoup over $11 million resulting from 117 settlements. Last month, in the first decided case under CMPL, an administrative law judge imposed a civil penalty and assessment of $156,136 against a person found liable for filing false Medicaid claims.

In past years, major defense contractors and the Public Contract Law Section of the American Bar Association have successfully resisted efforts to establish a governmentwide administrative proceeding for handling small-dollar false claims and statements. In drafting the Program Fraud Civil Penalties Act, we endeavored to accommodate those of their concerns which we felt were legitimate. The most significant revisions include: First, rewriting the liability section to link the knowledge requirement with the falsity of the claims and statements and to exclude legitimate contract disputes; Second, strengthening the due process protections afforded to persons subject to the administrative proceedings by spelling out the specific protections provided by the Administrative Procedure Act and by providing limited discovery rights to the affected party; and Third, including a section to clarify that a determination of probable cause or liability resulting from the administrative proceeding may be grounds for commencing a subsequent administrative action, that is; debarment, suspension, or other disciplinary action, but will not serve as an automatic trigger for taking such an action.

On this last point, major Government contractors and the contract section of the ABA have been particularly concerned with the connection between the Program Fraud Civil Penalties Act proceeding and suspension or debarment proceedings. Since this issue will no doubt be subject to much debate over the coming months, I thought that I would explain how our legislation attempts to deal with this issue.

The first policy question we addressed is whether an agency should be able to commence debarment or suspension proceedings based on a determination of probable cause or liability pursuant to the Program Fraud Civil Penalties Act. I believe so. The second, and more pertinent, question is whether a determination of probable cause or liability should trigger—in effect, be the sole determinant of—a suspension or debarment. Definitely not. As the Federal Acquisition Regulations on debarment state, the existence of a cause for debarment does not necessarily require that the contractor be debarred.

A suspension or debarment proceeding, while also administrative, is separate and distinct from the Program Fraud Civil Penalties Act proceeding. Agencies impose debarments or suspensions to protect the Government's interests, not for the purpose of punishment. In a suspension or debarment proceeding, the contractor's present responsibility, mitigating factors, and the seriousness of the offense are all considered by the debarring official. In other words, the determination of probable cause or liability pursuant to the Program Fraud Civil Penalties Act may be considered in a suspension or debarment proceeding, but by no means would be the only factor considered.

On May 23, the Governmental Affairs Subcommittee on Oversight of Government Management has scheduled a hearing to consider the Program Fraud Civil Penalties Act. We plan to receive testimony from the Justice Department, the Inspectors General of the Department of Defense and the Department of Health and Human Services, the Public Contract Law Section of the American Bar Association, and a defense contracting association. I am hopeful that, given this balanced presentation, we will be able to resolve the issues that have hampered past efforts to establish a much-needed administrative mechanism for handling small-dollar false claims and statements.

On a final note, I believe that it is critical to emphasize that the Program Fraud Civil Penalties Act would not penalize conduct which currently is regarded as proper—only fraudulent conduct which should be penalized but is not. As long as the Government continues to tolerate these "nickel and dime" frauds, the problem will only worsen. And, as we all know, nickels and dimes add up to big dollars, as well as subtract from the integrity of our programs. The Program Fraud Civil Penalties Act represents our effort to halt these small-dollar frauds, and I urge my colleagues to lend their support.

Mr. President, I ask unanimous consent that the bill and a fact sheet on the Program Fraud Civil Penalties Act be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1134

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Program Fraud Civil Penalties Act of 1985".

SEC. 2. (a) The Congress finds that—

(1) false, fictitious, and fraudulent claims and statements in Government programs are a serious problem;

(2) false, fictitious, and fraudulent claims and statements in Government programs result in the loss of millions of dollars annually by allowing ineligible persons to receive Federal funds to which they are not entitled;

(3) false, fictitious, and fraudulent claims and statements in Government programs undermine the integrity of such programs by allowing ineligible persons to participate in such programs; and

(4) present civil and criminal remedies for such claims and statements are not sufficiently responsive.

(b) The purposes of this Act are—

(1) to provide Federal agencies which are the victims of false, fictitious, and fraudulent claims and statements with an administrative remedy to recompense such agencies for losses resulting from such claims and statements, to penalize persons who make, present, or submit such claims and statements, and to deter the making, presenting, and submitting of such claims and statements in the future; and

(2) to provide due process protections to all persons who are subject to the adjudication of administrative penalties for false, fictitious, or fraudulent claims or statements.

SEC. 3. (a) Title 5, United States Code, is amended by inserting after chapter 7 the following new chapter:

"CHAPTER 8—ADMINISTRATIVE PENALTIES AND ASSESSMENTS FOR FALSE CLAIMS AND STATEMENTS

"Sec.
"801. Definitions.
"802. False claims and statements; liability.
"803. Hearing and determinations.
"804. Subpoena authority.
"805. Judicial review.

"806. Collection of civil penalties and assessments.
"807. Limitations.
"808. Regulations.
"809. Reports.

"§ 801. Definitions

"(a) For purposes of this chapter—

"(1) 'authority' means—

"(A) an executive department;

"(B) an establishment (as such term is defined in section 11(2) of the Inspector General Act of 1978) which is not an executive department; and

"(C) the United States Postal Service;

"(2) 'authority head' means—

"(A) the head of an authority; or

"(B) an official or employee of the authority designated, in regulations promulgated by the head of the authority, to act on behalf of the head of the authority;

"(3) 'claim' means any request or demand—

"(A) made to an authority for property, services, or money (including money representing grants, loans, insurance, or benefits); or

"(B) made to a recipient of property, services, or money from an authority or to a party to a contract with an authority—

"(i) for property or services if the United States—

"(I) provided such property or services;

"(II) provided any portion of the funds for the purchase of such property or services; or

"(III) will reimburse such recipient or party for the purchase of such property or services; or

"(ii) for the payment of money (including money representing grants, loans, insurance, or benefits) if the United States—

"(I) provided any portion of the money requested or demanded; or

"(II) will reimburse such recipient for any portion of the money paid on such request or demand;

"(4) 'statement' includes any written representation, certification, document, record, or accounting or bookkeeping entry—

"(A) with respect to a claim; or

"(B) with respect to—

"(i) a contract with, or a bid or proposal for a contract with;

"(ii) a grant, loan, or benefit from;

"(iii) an application for insurance from; or

"(iv) an application for employment with, an authority, or any State, political subdivision of a State, or other party acting on behalf of, or based upon the credit or guarantee of, an authority;

"(5) 'person' means any individual, partnership, corporation, association, or private organization;

"(6) 'investigating official' means—

"(A) in the case of an authority in which an Office of Inspector General is established by the Inspector General Act of 1978 or by any other Federal law, the Inspector General of that authority; or

"(B) in the case of an authority in which an Office of Inspector General is not established by the Inspector General Act of 1978 or by any other Federal law, any officer or employee of the authority designated by the authority head to conduct investigations under section 803(a)(1) of this title;

"(7) 'reviewing official' means any officer or employee of an authority—

"(A) who is designated by the authority head to make the determination required under section 803(a)(2) of this title; and

"(B) who, if a member of the armed forces on active duty, is serving in grade O-7 or above or, if a civilian, is serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for grade GS-16 or above under the General Schedule; and

"(8) 'hearing examiner' means any officer or employee of an authority—

"(A) who is appointed by the authority head in the same manner as administrative law judges are appointed pursuant to section 3105 of this title; and

"(B) who, if a member of the armed forces on active duty, is serving in grade O-7 or above or, if a civilian, is serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for grade GS-16 or above under the General Schedule.

"(b) For purposes of paragraph (3) of subsection (a)—

"(1) each voucher, invoice, claim form, or other individual request or demand for property, services, or money constitutes a separate claim whether made, presented, or submitted separately or together with other claims;

"(2) each request or demand for property, services, or money constitutes a claim regardless of whether such property, services, or money is actually delivered or paid; and

"(3) a claim shall be considered made, presented, or submitted to an authority, recipient, or party when such claim is made to an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of such authority, recipient, or party.

"(c) For purposes of paragraph (4) of subsection (a)—

"(1) each written representation or certification constitutes a separate statement whether made, presented, or submitted separately or together with other statements; and

"(2) a statement shall be considered made, presented, or submitted to an authority although such statement is actually made to an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of such authority.

"§ 802. False claims and statements; liability

"(a)(1) Any person who, on or after the effective date of this chapter, makes, presents, or submits, or causes to be made, presented, or submitted, a claim that the person knows or has reason to know—

"(A) is false, fictitious, or fraudulent;

"(B) includes or is supported by any statement which violates paragraph (2) of this subsection; or

"(C) is for payment for the provision of property or services which the person has not provided as claimed,

shall be subject to, in addition to any other penalty that may be prescribed by law, a civil penalty of not more than $10,000 for each such claim. Such person shall also be subject to an assessment, in lieu of damages sustained by the United States because of such claim, of not more than twice the amount of such claim.

"(2) Any person who, on or after the effective date of this chapter, makes, presents, or submits, or causes to be made, presented, or submitted, a statement that the person knows or has reason to know—

"(A) asserts a material fact which is false, fictitious, or fraudulent; or

"(B)(i) omits a material fact,

"(ii) as a result of such omission, such statement is false, fictitious, or fraudulent, and

"(iii) the person making, presenting, or submitting such statement has a duty to include such material fact in the statement,

shall be subject to, in addition to any other penalty that may be prescribed by law, a civil penalty of not more than $10,000 for each such statement. In the case of a statement relating to a claim for money, such person shall also be subject to an assessment, in lieu of damages sustained by the United States because of such statement, of not more than twice the amount of such claim.

"(b)(1) Except as provided in paragraph (2) of this subsection, a determination of—

"(A) probable cause that a person is liable under section 803(a)(2) of this title, or

"(B) liability under section 803 of this title, may provide the authority with grounds for commencing any administrative or contractual action against such person which is authorized by law and which is in addition to any action against such person under this chapter.

"(2) A determination referred to in paragraph (1) of this subsection may be used by the authority, but shall not require such authority, to commence any administrative or contractual action which is authorized by law.

"§ 803. Hearing and determinations

"(a)(1) The investigating official of an authority may investigate allegations that a person is liable under section 802 of this title and shall report the findings and conclusions of such investigation to the reviewing official of the authority.

"(2) If the reviewing official of an authority determines, based upon the report of the investigating official under paragraph (1) of this subsection, that there is probable cause to believe that a person is liable under section 802 of this title, the reviewing official may, in accordance with the provisions of subsections (b) and (c) of this section, refer the allegations of such liability to a hearing examiner of such authority for a hearing.

"(b)(1) Prior to referring allegations of liability to a hearing examiner under paragraph (1) of subsection (a), the reviewing official of an authority shall transmit to the Attorney General a written notice of the intention of such official to refer such allegations and a statement of the reasons for such intention.

"(2) A reviewing official may refer allegations of liability to a hearing examiner under paragraph (1) of subsection (a) if—

"(A) the Attorney General or an Assistant Attorney General designated by the Attorney General approves the referral of such allegations; or

"(B) the Attorney General or an Assistant Attorney General designated by the Attorney General takes no action to disapprove the referral of such allegations within—

"(i) ninety days after the date on which the Attorney General receives the notice required by paragraph (1) of this subsection; or

"(ii) such period as may be provided in a memorandum of understanding entered into by the authority head and the Attorney General with respect to such allegations.

"(3) A reviewing official shall not refer allegations to a hearing examiner under paragraph (1) of subsection (a) if the Attorney General or an Assistant Attorney General designated by the Attorney General transmits a written statement to the reviewing official which specifies that the Attorney General or such Assistant Attorney General disapproves the referral of such allegations and states the reasons for such disapproval.

"(4) If the Attorney General or an Assistant Attorney General designated by the Attorney General transmits to an authority head a written finding that the continuation of any hearing under section 803 of this title may adversely affect any pending or potential criminal or civil action related to an alleged false, fictitious, or fraudulent claim or statement under consideration in such hearing, such hearing shall be immediately stayed and may be resumed only upon written authorization of the Attorney General.

"(c) No allegations of liability under section 802 of this title with respect to any claim or statement, made, presented, or submitted by any person shall be referred to a hearing examiner under paragraph (1) of subsection (a) if the reviewing official determines that the amount of money or the value of property or services falsely, fictitiously, or fraudulently requested or demanded in such claim or statement exceeds $100,000.

"(d) A reviewing official shall commence a hearing under subsection (e) of this section by mailing by registered or certified mail, or by delivery, of a notice which complies with the provisions of paragraph (2)(A) of subsection (f) to the person alleged to be liable under section 802 of this title.

"(e) The hearing examiner shall conduct a hearing on the record regarding any allegation referred to the hearing examiner by the reviewing official pursuant to subsection (a) of this section to determine—

"(1) the liability of a person under section 802 of this title; and

"(2) the amount of any penalty and assessment to be imposed on such person.

Any such determination shall be based on the preponderance of the evidence.

"(f)(1) Each hearing under subsection (e) of this section shall be conducted in accordance with—

"(A) the provisions of subchapter II of chapter 5 of this title (to the extent that such provisions are not inconsistent with the provisions of this chapter); or

"(B) procedures promulgated by the authority head under paragraph (2) of this subsection.

"(2) An authority head shall by regulation promulgate procedures for the conduct of hearings under this chapter. Such procedures shall include:

"(A) The provision of written notice of the hearing to any person alleged to be liable under section 802 of this title, including written notice of—

"(i) the time, place, and nature of the hearing;

"(ii) the legal authority and jurisdiction under which the hearing is to be held;

"(iii) the matters of facts and law to be asserted; and

"(iv) a description of the procedures for the conduct of hearing established under this paragraph or established under subchapter II of chapter 5 of this title, as the case may be.

"(B) The provision to any person alleged to be liable under section 802 of this title of opportunities for the submission of facts, arguments, offers of settlement, or proposals of adjustment when time, the nature of the hearing, and the public interest permit.

"(C) Procedures to ensure that the hearing examiner shall not, except to the extent required for the disposition of ex parte matters as authorized by law—

"(i) consult a person or party on a fact in issue, unless on notice and opportunity for all parties to the hearing to participate; or

"(ii) be responsible to or subject to the supervision or direction of the investigating official or the reviewing official.

"(D) Procedures to ensure that the investigating official and the reviewing official do not participate or advise in the decision required under subsection (g) of this section or the review of the decision by the authority head under subsection (h) of this section, except as provided in subsection (i) of this section.

"(E) The provision to any person alleged to be liable under section 802 of this title of opportunities to present such person's case through oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts.

"(F) Procedures to permit discovery by any person alleged to be liable under section 802 of this title only to the extent that the hearing examiner determines that such discovery is necessary for the expeditious, fair, and reasonable consideration of the issues.

"(G) Procedures to permit any person alleged to be liable under section 802 of this title to be accompanied, represented, and advised by counsel or such other qualified representative as the authority head may specify in such regulations.

"(H) Procedures to ensure that the hearing is conducted in an impartial manner, including procedures to—

"(i) permit the hearing examiner to at any time disqualify himself;

"(ii) permit the filing, in good faith, of a timely and sufficient affidavit of personal bias or other disqualification of a hearing examiner or reviewing official; and

"(iii) provide for the determination by the authority head of a matter filed pursuant to clause (ii) of this subparagraph as a part of the record and decision in the hearing.

"(g) The hearing examiner shall issue a written decision, including findings and determinations, after the conclusion of the hearing. The hearing examiner shall promptly send to each party to the hearing a copy of such decision and a statement describing the right of any person determined to be liable under section 802 of this title to appeal the decision of the hearing examiner to the authority head under paragraph (2) of subsection (h).

"(h)(1) Except as provided in paragraph (2) of this subsection and section 805 of this title, the decision, including the findings and determinations, of the hearing examiner issued under subsection (g) of this section are final.

"(2) Within thirty days after the hearing examiner issues a decision under subsection (g) of this section, any person determined in such decision to be liable under section 802 of this title may appeal such decision to the authority head. The authority head may affirm, reduce, compromise, remand, or settle any penalty and assessment determined by the hearing examiner pursuant to this section. The authority head shall promptly send to each party to the appeal a copy of the decision of the authority head and a statement describing the right of any person determined to be liable under section 802 of this title to judicial review under section 805 of this title.

"(i) The reviewing official has the exclusive authority to compromise or settle any allegations of liability under section 802 of this title against a person without the consent of the hearing examiner at any time prior to the date in which the hearing examiner issues a decision under subsection (g) of this section. Any such compromise or settlement shall be in writing.

"§ 804. Subpoena authority

"(a) For the purposes of an investigation under section 803(a) of this title, an investigating official is authorized—

"(1) to administer oaths or affirmations;

"(2) to require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and data not otherwise reasonably available to the authority; or

"(3) after notifying the Attorney General, to require by subpena the attendance and testimony of witnesses necessary to the conduct of such investigation.

"(b) For the purposes of conducting a hearing under section 803(e) of this title, a hearing examiner is authorized—

"(1) to administer oaths or affirmations; and

"(2) to require by subpena the attendance and testimony of witnesses and the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence which the hearing examiner considers relevant and material to the hearing.

"(c) In the case of contumacy or refusal to obey a subpena issued pursuant to subsection (a) or (b) of this section, an investigating official or a hearing examiner, as the case may be, may invoke the aid of any district court of the United States in the district in which such investigation or hearing is being conducted, or where the person receiving the subpena resides or conducts business. The district courts of the United States shall have jurisdiction to issue an appropriate order for the enforcement of any such subpena. Any failure to obey such order of the court is punishable by such court as contempt.

"§ 805. Judicial review

"(a) Unless a petition is filed under this section, a determination of liability under section 803 of this title shall be final and shall not be subject to judicial review.

"(b)(1) Any person for whom a determination of liability under section 802 of this title has been made pursuant to section 803 of this title may obtain review of such determination in the United States Court of Appeals for the circuit in which such person resides or in which the claim or statement upon which the determination of liability is based was made, presented, or submitted, or in the United States Court of Appeals for the District of Columbia Circuit. Such review may be obtained by filing in any such court a written petition that such determination be modified or set aside. Such petition shall be filed—

"(A) only after such person has exhausted all administrative remedies under this chapter; and

"(B) within sixty days after the date on which the authority head sends such person a copy of the decision of such authority head under section 803(h)(2) of this title.

"(2) The clerk of the court shall transmit a copy of a petition filed under paragraph (1) of this subsection to the authority head and to the Attorney General. Upon receipt of the copy of such petition, the authority head shall transmit to the Attorney General the record in the proceeding resulting in the determination of liability under section 802 of this title. Except as otherwise provided in this section, the courts of appeals of the United States shall have jurisdiction to review the decision, findings, and determinations in issue and to affirm, modify, remand for further consideration, or set aside, in whole or in part, the decision, findings, and determinations of the hearing examiner, and to enforce such decision, findings, and determinations to the extent that such decision, findings, and determinations are affirmed or modified.

"(c) The findings of the hearing examiner with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

"(d) Any court of appeals reviewing under this section the decision, findings, and determinations of a hearing examiner shall not consider any objection that was not raised in the hearing conducted pursuant to section 803(e) of this title unless a demonstration is made of extraordinary circumstances causing the failure to raise the objection. If any party demonstrates to the satisfaction of the court that additional evidence not presented at such hearing is material and that there were reasonable grounds for the failure to present such evidence at such hearing, the court shall remand the matter to the hearing examiner for consideration of such additional evidence.

"(e) Upon a final determination by the court of appeals that a person is liable under section 802 of this title, the court shall enter a final judgment for the appropriate amount in favor of the United States, and such judgment may be recorded and enforced by the Attorney General to the same extent and in the same manner as a judgment entered by any United States district court.

"§ 806. Collection of civil penalties and assessments

"(a) The Attorney General shall be responsible for judicial enforcement of any civil penalty or assessment imposed pursuant to the provisions of this chapter.

"(b) Any penalty or assessment imposed in a determination which has become final pursuant to section 803 of this title may be recovered in a civil action brought by the Attorney General. In any such action, no matter that was raised or that could have been raised in a hearing conducted under section 803(e) of this title or pursuant to judicial review under section 805 of this title may be raised as a defense, and the determination of liability and the determination of amounts of penalties and assessments shall not be subject to review.

"(c) The district courts of the United States and of any territory or possession of the United States shall have jurisdiction of any action commenced by the United States under subsection (b) of this section.

"(d) Any action under subsection (b) of this section may, without regard to venue requirements, be joined and consolidated with or asserted as a counterclaim, cross-claim, or setoff by the United States in any other civil action which includes as parties the United States and the person against whom such action may be brought.

"(e)(1) The United States Claims Court shall have jurisdiction of any action under subsection (b) of this section to recover any penalty and assessment if the cause of action is asserted by the United States as a counterclaim in a matter pending in such court. The United States may join as additional parties in such counterclaim all persons who may be jointly and severally liable with the person against whom such counterclaim is asserted.

"(2) No cross-claims or third-party claims not otherwise within the jurisdiction of the United States Claims Court shall be asserted among additional parties joined under paragraph (1) of this subsection.

"(f) The Attorney General shall have exclusive authority to compromise or settle any penalty and assessment the determination of which is the subject of a pending petition pursuant to section 805 of this title or a pending action to recover such penalty or assessment pursuant to this section.

"(g) Any amount of penalty and assessment collected under this chapter shall be deposited as miscellaneous receipts in the Treasury of the United States.

"§ 807. Limitations

"(a) No claim or statement alleged to be a false, fictitious, or fraudulent claim or statement shall be subject to liability under section 802 of this title at any time after six years after the date on which such claim or statement is made, presented, or submitted.

"(b) A civil action to recover a penalty and assessment under section 806 of this title shall be commenced within three years after the date on which the determination of liability for such penalty and assessment becomes final.

"(c) If at any time during the course of proceedings brought pursuant to this chapter the authority head receives or discovers any specific information regarding bribery, gratuities, conflict of interest, or other corruption or similar activity in relation to a false claim or statement, the authority head shall immediately report such information to the Attorney General, and in the case of an authority in which an Office of Inspector General is established by the Inspector General Act of 1978 or by any other Federal law, to the Inspector General of that authority.

"§ 808. Regulations

"(a) Each authority head shall promulgate rules and regulations necessary to implement the provisions of this chapter. Such rules and regulations shall insure that investigating officials are not responsible for conducting the hearing required in section 803(e) of this title, making the determinations required by subsections (e) and (g) of section 803 of this title, or making the collections under section 806 of this title.

"(b) The Attorney General may enter into a memorandum of understanding with the head of any authority to provide expeditious procedures for approving or disapproving the referral of allegations under section 803(b) of this title and for referral of matters for action under sections 805, 806, and 807(d) of this title. Such memorandum of understanding may provide advanced authorization to refer allegations under section 803(b) of this title with respect to any particular type or class of alleged false claims or statements if not otherwise barred by section 807 of this title.

"§ 809. Reports

"(a) Not later than October 31 of each year, each investigating official shall prepare and transmit to the authority head an annual report summarizing actions taken under this chapter during the most recent twelve-month period ending the previous September 30. Such report shall include—

"(1) a summary of matters referred to the reviewing official under section 803(a)(2) of this title during such period;

"(2) a summary of matters transmitted to the Attorney General under section 803(b)(1) of this title during such period;

"(3) a summary of all hearings conducted by hearing examiners under section 803(e) of this title, and the results of such hearings, during such period; and

"(4) a summary of the actions taken during such period to collect any civil penalty or assessment imposed under this chapter.

"(b) The authority head shall transmit each report received under subsection (a) of this section to the appropriate committees and subcommittees of Congress in the same manner as the reports of Inspectors General are transmitted under section 5(b) of the Inspector General Act of 1978 on October 31 of each year.".

(b) The table of chapters for part I of title 5, United States Code, is amended by inserting after the item relating to chapter 7 the following new item:

"8. Administrative Penalties and Assessments for False Claims and Statements .... 801.".

Sec. 4. (a) Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect 180 days after the date of enactment of this Act.

(b) Section 808(a) of title 5, United States Code (as added by section 3(a) of this Act) shall take effect on the date of enactment of this Act. Regulations required to be promulgated under such section 808(a) shall take effect 180 days after the date of enactment of this Act.

PROGRAM FRAUD CIVIL PENALTIES ACT FACTSHEET

The Program Fraud Civil Penalties Act provides agencies with an administrative remedy for handling false, fictitious, or fraudulent claims and statements under $100,000 that the Justice Department has declined to prosecute.

PROBLEM

While present law provides criminal and civil penalties for false claims and statements, the imposition of these penalties requires the Justice Department to file suit in federal court. Of the cases referred to DoJ, however, a 1981 GAO study found that less than 40 percent were prosecuted.

By failing to prosecute these cases, the government not only loses money but also public confidence in its programs. Even when no money is actually lost as the result of a false claim or statement, the integrity of the program is seriously undermined.

The GAO found that fraud is pervasive government-wide—ranging from fraud in benefit and assistance programs, such as food stamps, welfare, and student loans, to mortgage insurance programs, crop subsidy programs, and disaster relief programs.

Fraud is also endemic to government contracting, according to Joseph Sherrick, DoD IG, who recently testified that 45 of the nation's largest 100 defense contractors are under investigation by the Defense Department. Mr. Sherrick has estimated that his Department loses more than $1 billion a year through fraudulent billing practices.

DoJ's failure to prosecute is not a resource problem as much as it's a cost-benefit problem: the cost of litigating a small-dollar fraud case will almost always exceed the benefits of recovery, thus making it economically impractical for DoJ to go to court.

SOLUTION

The Justice Department, Inspectors General and the General Accounting Office all agree that an administrative remedy for handling false claim and statement cases under $100,000, as provided by the Program Fraud Civil Penalties Act, is long overdue.

The purposes of the Act are to recompense agencies for losses resulting from false claims and statements that would not

otherwise be prosecuted, to penalize those who submit false claims and statements, and to deter such fraudulent behavior in the future.

Under the Act, a typical case would begin with an investigation by the agency's investigatory official (the Inspector General, where statutorily authorized). Any findings would be transmitted to the agency's reviewing official, who is designated by the agency head to determine whether there is probable' cause to conclude that a false claim or statement has been submitted.

If so, the matter would be referred to the Justice Department for consideration. The allegations of liability would only then be referred to the agency's hearing examiner (usually an administrative law judge) for a hearing if the Attorney General (or his designee) declines prosecution.

After the matter has gone through these requisite steps, a hearing would be conducted to determine whether or not the person is liable and the amount of the penalty and assessment to be imposed, if any.

A person is found liable under the bill if he or she "knows or has reason to know" that the claim or statement submitted is false. The hearing examiner's determination is based on a "preponderance of the evidence," the standard applied in most civil litigation and administrative proceedings. The penalty, if the person is found liable, would be up to $10,000 for each false claim or statement plus double the amount claimed.

A similar administrative mechanism has already been proven effective. Under the 1981 Civil Monetary Penalties Law, the Department of Health and Human Services is authorized to impose penalties and assessments against health-care providers who knowingly or with reason to know submit claims for services not provided as claimed. Since 1981, HHS has been able to recoup over $11 million resulting from 117 settlements.●

● **Mr. ROTH.** Mr. President, today Senator Cohen and I are introducing the Program Fraud Civil Penalties Act, a bill I introduced in the 98th Congress, which will provide the tools needed by Federal agencies to crack down on those who attempt to defraud the taxpayers by submitting false claims and false statements to the Government.

As chairman of the Committee on Governmental Affairs and the Permanent Subcommittee on Investigations, I have observed over and over again the extent to which unscrupulous individuals and companies have bilked the U.S. Treasury out of many thousands of dollars at a time through the use of fraudulent claims and statements. But when I have asked what was being done to punish the responsible persons and to deter others from similar actions, I have been told that often the answer is "nothing." I have gotten this response not only from the agencies themselves, but also from the various inspectors general, the General Accounting Office, and even from the Department of Justice.

The problem, Mr. President, is that current Federal efforts to control fraud against the Government are primarily directed toward those cases involving the filing of criminal and civil actions by the Justice Department. Unfortunately, the costs involved in prosecuting such cases are high, and the resources available are limited, so that only those cases which have the greatest potential for recovery are given attention. Most of the false claim and false statement cases involving program benefit and contract fraud, even though collectively adding up to many thousands of dollars, are simply allowed to fall through the cracks because of limited funds and time to pursue them.

Let me cite just two examples of cases investigated by agency inspectors general which would be covered by this legislation:

Recently an employee of the Federal Aviation Administration was accused of submitting false information in connection with a worker's compensation claim which resulted in his receiving some $48,000 more than he was entitled to. He was investigated and charged with violating the Criminal False Claims and False Statements Acts. The responsible U.S. attorney's office, however, declined to prosecute the case because of a lack of case law in the area.

In another case, a Government contractor responsible for providing painting services on a Defense Department installation charged the Government thousands of dollars for work which was not performed. Because the fraud was discovered before the contractor received payment, the Justice Department chose not to prosecute the contractor for submission of false claims to the Government.

The Program Fraud Civil Penalties Act is designed to create an administrative mechanism which provides full due process for the accused but which also enables Federal agencies to impose monetary penalties against those who submit false claims and false statements.

Mr. President, the American public is, quite frankly, fed up with a system which allows Federal beneficiaries and contractors to knowingly cheat and deceive the Government and yet, if caught, escape with no more punishment than having to pay back what they stole from the taxpayers. The people deserve a system that works effectively to deter such fraud and to penalize it when it does occur.

This legislation will create such a system. It will enable agencies to swiftly and justly deal with cases of false claims and false statements. Under this bill, those found guilty of submitting false, fictitious, or fraudulent claims or statements in amounts of less than $100,000 can be fined not more than $10,000 for each claim or statement and, in addition, can be assessed an amount equal to double the amount fraudulently claimed.

Mr. President, this legislation is long overdue. When enacted, it will save the taxpayers countless thousands of dollars, and it will substantially increase the integrity of virtually every program administered by the Federal Government. I urge my colleagues to join with Senator Cohen and myself in supporting the Program Fraud Civil Penalties Act.●

● **Mr. LEVIN.** Mr. President, I am pleased today to join with Senator Cohen and Senator Roth as a cosponsor of the Program Fraud Civil Penalties Act.

This legislation is very much needed. As was mentioned by Senators Cohen and Roth, a GAO study conducted in 1981 revealed that Government program fraud has become a serious problem pervading all areas of Government operation. In addition, we are all too familiar with the fraud problems that sometimes appear to permeate Government contracting.

Although the Justice Department, under current law, can pursue cases of fraud in Federal court, for several reasons, the Justice Department has not been able to pursue a significant number of these cases. As a result many cases valued at less than $100,000 are not prosecuted. Further, the agencies involved in these cases do not have the authority to pursue these cases in Federal court, nor do they have an adequate administrative remedy available to them to address these cases.

The failure to pursue these cases results in a financial loss to the Government and the public. And although many of the cases involve relatively small-dollar amounts, cumulatively these cases account for millions of dollars.

In a time when everyone is looking for ways to reduce the budget deficit and cut the cost of operating the Government, legislation that would save money by reducing and deterring fraud without affecting the quality of service provided to the Government and the public is vitally important and very timely. The Program Fraud Civil Penalties Act is such a piece of legislation. The act would provide agencies with an administrative procedure to pursue fraud cases with a dollar value under $100,000. The agencies would also have the authority to impose a penalty of not more than $10,000, for each false claim or statement, plus double the amount claimed.

While the act provides agencies with a remedy to address fraud cases, it also provides due process protection to any party prosecuted under its provisions.

The Program Fraud Civil Penalties Act, if enacted, will be an effective weapon against not only reducing and deterring fraud in Government programs and contracts, but saving millions of dollars that are needlessly

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adding to an enormous budget deficit.●

By Mr. COHEN:

S. 1135. A bill to amend section 3729 of title 31, United States Code, to increase the amount of the civil penalty authorized for false claims; to the Committee on the Judiciary

FALSE CLAIMS ACT AMENDMENTS

● Mr. COHEN. Mr. President, today I am also proposing, as a separate measure, an amendment to the civil False Claims Act that would increase the forfeiture liability under the act from $2,000 to $10,000.

Presently, the False Claims Act authorizes the United States to recover $2,000, plus double damages, from those persons who knowingly submit a false or fraudulent claim for money or property to the United States, or from those who knowingly submit false information in support of a false or fraudulent claim.

The $2,000 forfeiture amount has remained unchanged since it was set by Congress in 1863. According to the Bureau of Labor Statistics, the current value of $2,000 in 1863 dollars is $16,816. I therefore believe that the penalty should be modestly increased to $10,000 to reflect the inflationary impact over the past 120 years.●

By Mr. STAFFORD (for himself and Mr. LEAHY):

S. 1136. A bill to authorize the U.S. Army Corps of Engineers to undertake certain activities at dams operated by the Corps of Engineers in the State of Vermont; to the Committee on Environment and Public Works.

SALMON LADDER LEGISLATION

● Mr. STAFFORD. Mr. President, I am today introducing legislation that will direct the U.S. Army Corps of Engineers to construct certain facilities on the West River in Vermont. These facilities are essential if we are to allow Atlantic salmon to swim up and down the West River, bypassing two large Corps of Engineers dams on that river during a life-cycle that takes the salmon from fresh water to the sea and back.

I am particularly honored that my distinguished colleague [Mr. LEAHY] has agreed to cosponsor this bill.

Mr. President, the history of the Atlantic salmon in the Connecticut River Valley is a most interesting one. Salmon were driven from the Connecticut River almost two centuries ago, when a dam was built across the river at Turners Falls, MA. That occurred in 1798.

An effort was made to reintroduce salmon to the Connecticut River following the Civil War. That effort failed, leaving this great river devoid of this wonderful species of fish.

But as a result of Federal legislation 20 years ago, the Atlantic salmon has been brought back to the Connecticut River. This is good news for the ecology of the Connecticut River; it is good news for sportsmen.

Yet the situation is far more complicated than it was in 1798, or during the 19th century. Many dams have been built on the Connecticut and its tributaries. Without modification, each of these dams blocks the salmon from their natural and historic spawning grounds, then blocks young salmon from swimming back to the sea. Two of these dams—these barriers—are located on the West River in Vermont; both are operated by the Army Corps of Engineers. This bill makes it possible for man to help the salmon get around those man-built barriers.

As I mentioned, the latest effort to return salmon to the Connecticut River began with passage of the Anadromous Fish Act in 1965. By 1967, a fisheries agency was set up for the Connecticut River, consisting of representatives of the four States—Vermont, New Hampshire, Massachusetts, and Connecticut—together with the regional directors of two Federal fisheries agencies. Since last year, their work has been carried on by the 10-member Connecticut River Atlantic Salmon Commission, which was established by Public Law 98-138 to oversee the revival of the salmon, as well as the revival of a shad population.

The commission's goal: Restore the Atlantic salmon to five key Connecticut River tributaries. Two of these are in Connecticut, one is in New Hampshire, and two—the West and the White Rivers—are in Vermont. The commission's second goal is to return the American shad to its historic spawning grounds below Bellows Falls VT.

As a result of several agreements, two private power companies have modified their large hydropower dams on the mainstem of the Connecticut, allowing both species of fish to migrate upstream.

The first dam that required work is located at Holyoke, MA. Two large fish lifts were put into operation there in 1976. A fish lift, incidentally, is just what it sounds like. It is a large hopper, about 6 feet across, with a device to attract the fish. When the fish reach the lift, an operator closes a gate, and the hopper lifts 2,000 gallons of water, plus dozens and dozens of fish, about 50 feet to a sluiceway, where the fish swim over the top of the dam into the reservoir beyond.

At Turners Falls, MA., conventional fish ladders were completed in 1980. New England Power completed a fish ladder at its dam at Vernon, VT, in 1981. The utilities, which have done a fine job, are still working with fisheries officials to improve the efficiency of these projects. By 1984, a new fish ladder had been completed at Bellows Falls, VT.

Thus, by this spring, Atlantic salmon have been able to reach the mouths of both the White and the West Rivers.

The White, which is a somewhat larger and more fertile river, poses no real problem. There are dams on tributaries of the White, but salmon have access to the main stem, as well as several unobstructed tributaries. All of these stretches show promise as spawning grounds.

And the salmon have access to the mouth of the West River. Unfortunately, the salmon cannot reach the shallower stretches of the West and its tributaries that would serve as spawning grounds. The reason is the presence of Townshend and Ball Mountain Dams.

Following a good deal of study, Federal and State fish and wildlife experts have determined that the best solution is this:

Install a fish trap on the downstream side of Townshend Dam. Remove the migrant fish from the river, then transport them by truck to points above Townshend Dam and above Ball Mountain Dam. Years earlier, fish and game officials will have marked the baby salmon, so the lift operator will know where to place the fish so their instinct will allow them to reach their proper spawning ground.

The design of the dams make construction of conventional fish ladders quite difficult; the fish trap appear to be a far more cost-effective approach. I understand further that the baby salmon can migrate out of the West to the sea without too much danger, although some modifications in the sluiceways at both dams will be necessary, and is authorized in this bill.

In preparation for this work, and the changes already in place downstream, fish and game officials began to stock salmon into parts of the West River in 1981. The salmon fingerlings were able to move downriver to the sea, despite sluiceways that caused some deaths. This population of salmon, now in the Atlantic, is expected to return to the West River within a year or two. Unless something is done quickly, these adult salmon will reach the base of Townshend Dam and confront an impossible barrier to those stretches of the river where instinct draws them to spawn. This bill will, in effect, remove that unnatural barrier.

Fisheries experts calculate that the West River can annually handle about 630 adult salmon, out of 5,570 salmon expected to return to spawn annually throughout the entire Connecticut River system by the year 1992.

While fishing is not permitted now, I should point out that sports fisherman may evantually be allowed to hook up to 25 percent of the year run.

The program I have outlines in this bill takes this cost-effective approach. I am advised that a fish-trap system at

Townshend and downstream facilities, particularly at Ball Mountain, will have a total cost of about $1 million, and that it will cost about $20,000 a year to operate.

My bill authorized construction of the fish trap system, as well as the operation and maintenance of that facility. Such costs are a legitimate Federal responsibility, since the project was constructed originally by the Federal Government.

The State of Vermont is presently discussing the possible development of hydropower facilities at both dams. It would certainly be appropriate if, as a part of the licensing process, the responsibility for operating the salmon transportation program, once it is in place, is transferred to any power licensee. For now, the responsibility for operations and maintenance will be assumed by the corps.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1136

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the comprehenisve plan for the control of floodwaters in the Connecticut River Basin, Vermont, New Hampshire, Massachusetts, and Connecticut, authorized by Section 5 of the Flood Control Act of 1936 (49 Stat. 1570, 1572), as amended, is amended further to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to design, construct, operate, and maintain facilities at Townshend Dam, West River, Vermont, to enable upstream migrant adult Atlantic salmon to bypass that dam and Ball Mountain Dam, Vermont, and to provide at both Townshend and Ball Mountain Dams facilities as necessary for the downstream passage of juvenile Atlantic salmon.

SEC. 2. Prior to construction of the work authorized by this Act, non-Federal interests shall agree to hold and save the United States harmless for any damages incurred in the construction and operation of such fish-passage facilities, and provide all lands, easements, rights-of-way, and relocations as may be reasonably necessary for the construction and operation of the fish-passage facilities.

SEC. 3. There is authorized to be appropriated to the Secretary of the Army, acting through the Chief of Engineers, in the fiscal year ending September 30, 1986, or thereafter, the sum of $1,000,000 for the construction of facilities authorized by Section 1 of this Act, such sums to remain available until expended.●

By Mr. SPECTER:

S. 1137. A bill entitled the "Conrail Public Offering Act of 1985;" to the Committee on Commerce, Science, and Transportation.

CONRAIL PUBLIC OFFERING ACT

Mr. SPECTER. Mr. President, today I am introducing the Conrail Public Offering Act of 1985. This bill provides that any disposition of the Government's 85-percent interest in the Consolidated Rail Corporation shall proceed by public stock offering in accordance with the proposal presented by Morgan Stanley & Co., Inc., on May 14, 1985.

The Morgan Stanley proposal to return Conrail to broad public ownership—an alternative which I have supported for almost 1 year—provides the most effective assurance for the long-term viability of Conrail's rail system. The proposal avoids the anticompetitive problems contained within the proposed sale/merger of Conrail/Norfolk Southern, ensures a greater return to the Government and taxpayers—who have already invested in excess of $7 billion in the modernization of the Conrail system—and allows all taxpayers the opportunity to invest in Conrail's future, as opposed to giving away the system to Norfolk Southern.

I have been concerned about the sale of Conrail since June 1984 when final proposals were submitted by private bidders. I believed then that these proposals had potentially serious consequences for my State, the Commonwealth of Pennsylvania. Through exhaustive analysis over the last year, I have become convinced that a sale of Conrail to Norfolk Southern will also have harmful consequences for the entire Nation.

I reached my conclusions after a lengthy and detailed investigation. This investigation included extensive consultations with labor and business leaders; numerous discussions with the Secretary of Transportation, Elizabeth Dole; review of voluminous documents; and seven hearings that I have conducted on this subject. These hearings were held in Harrisburg in October, Philadelphia in December and March, Pittsburgh in January and February, and in Washington, DC, with Senator DIXON and the Northeast-Midwest Senate coalition in January and February. I heard the testimony of more than 55 witnesses, including shippers, public officials, competing bidders, investment bankers, union leaders, and Conrail management and financial officers.

I have also visited Conrail car repair shops and shipping facilities throughout Pennsylvania—the hundreds of concerned workers and union officials with whom I spoke on these visits further convinced me that it would be strongly contrary to the national interest, as well as the best interest in Pennsylvania, to proceed with the proposed sale of Conrail to Norfolk Southern.

The proposed purchase price by Norfolk Southern of $1.2 billion for the Government's 85-percent interest in Conrail represents a huge giveaway of taxpayers' money—Norfolk Southern will be able, through tax benefits, to recoup that minor investment in a few short years. Given the taxpayers' expenditure of over $7 billion in Conrail, Conrail's present book value of $4 billion, and the fact that Conrail has in excess of $1 billion in cash and annual profits of over $500 million, the Norfolk Southern sale price is outrageous. The Morgan Stanley proposal guarantees at least the $1.2 billion, which will be to the benefit of the public investors, rather than one private interest group, and further provides that up to $600 million more will be realized by the government, through elimination of the tax losses which would result from the Norfolk Southern offer.

Further, the anticompetitive problems raised by combining Conrail's 15,000 miles of track with Norfolk Southern's 18,000 miles, thereby creating the Nation's largest rail system, are insurmountable. The Senate Judiciary Committee, on which I serve, has conducted several hearings on this topic, and plans to investigate the subject even further. The divestiture plan proposed by the Department of Justice as a remedy to specified antitrust violations is not feasible. It is unrealistic to divert key lines to small carriers such as Guilford Transportation or the Pittsburgh & Lake Erie Railroad, which will be unable to provide effective competition for the combined rail giant of the Conrail/Norfolk Southern system. No such anticompetitive problems exist with the Morgan Stanley public offering proposal.

The Morgan Stanley proposal, involving approximately 25 "blue-chip" investors—such as Citicorp, Columbia, Harvard and Princeton Universities, United States Steel, and Rockefeller & Co.—is a commitment which represents the strongest testimony to the economic viability of Conrail and its future as a major independent rail carrier. The investors have accepted public interest covenants equivalent to those negotiated by the Department of Transportation and Norfolk Southern, including provisions relating to cash balances, dividends, and capital expenditures. One of the major investors, CSX Corp., is a major rail system, but it will place its stock interest in trust to ensure that it will not participate in the management or control of Conrail, and that no antitrust problems will arise.

Over a period of time, not to exceed 5 years following the purchase, the investor group will resell to the public a majority of its interest in Conrail through one or more public stock offerings. The Government will bear no market risk associated with future sales of Conrail stock. At the conclusion of such offerings, the investor group will own no more than 40 percent of an independent, financially secure Conrail, with no single investor owning more than 10 percent. Conrail employees will receive a comprehensive financial package valued at approximately $440 million as compared to $375 million contained in the Norfolk Southern offer, and will also receive two seats on Conrail's board of directors.

This proposal provides taxpayers with a superior return for their investment in Conrail and, at the same time, preserves effective rail competition in the Northeast and Midwest without creating any complex antitrust issues requiring legislative resolution. This proposal will result in a financially strong and independent Conrail, thus ensuring long-term employment opportunities for Conrail workers. This proposal will better meet the interests of taxpayers, Conrail current and former employees, shippers, and consumers. Further, it satisfies the financial and public interest factors identified by the Department of Transportation in establishing a process for the sale of Conrail under the Northeast Rail Service Act of 1981.

For these reasons, I introduce this bill today and ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1137

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that—

(1) the United States has invested more than $7,000,000,000 in the Consolidated Rail Corporation since April 1, 1976;

(2) the Consolidated Rail Corporation generated over $500,000,000 in profits in 1984;

(3) the Consolidated Rail Corporation has a book value in excess of $4,000,000,000;

(4) the Consolidated Rail Corporation has cash assets in excess of $1,000,000,000; and

(5) the United States Railway Association has determined that the Consolidated Rail Corporation is a profitable carrier as defined in section 403(a)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 763(a)(2)).

Sec. 2. (a) Notwithstanding any provision of law, any disposition of the government's interest in the Consolidated Rail Corporation shall proceed by public stock offering in accordance with the proposal presented by Morgan Stanley & Co., Incorporated on May 14, 1985.

By Mr. GRASSLEY (for himself, Mr. Domenici, Mr. Metzenbaum, Mr. Heflin, and Mr. DeConcini):

S. 1138. A bill to reenact and amend former section 504 of title 5, United States Code, and former section 2412(d) of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes; to the Committee on the Judiciary.

EQUAL ACCESS TO JUSTICE ACT

Mr. GRASSLEY. Mr. President, it is my pleasure today to introduce a bipartisan bill I am cosponsoring with Senators Domenici, Metzenbaum, Heflin and DeConcini, to reauthorize and make permanent the Equal Access to Justice Act [EAJA]. This important regulatory reform measure expired on October 1, 1984 and needs urgent reenactment. As you may recall, efforts to reauthorize this law were unanimously passed in this body near the end of the 98th Congress. However, much to my disappointment, the President vetoed the measure on November 8 after Congress had adjourned.

As you know, the EAJA allows eligible individuals and small businesses to recover attorney fees up to $75 per hour, and other expenses when they prevail in litigation with the Federal Government, unless the Government can prove that its conduct was substantially justified, or that special circumstances make a fee award unjust.

The EAJA has provided a critical avenue of redress for small businesses and individuals with limited assets who are forced to litigate against the vast resources of the Federal Government. Before this landmark legislation was first enacted in 1980, these parties were faced with a "Hobson's" choice—either to fight unjustified Government enforcement or regulatory actions at great personal or financial cost, or to simply capitulate in the face of the meritless action. The law has worked rather well in its 3-year test period, and has done so at minimal cost to the Government. For example, in its first 3-years, the EAJA has allowed about $3 million in fee awards, about 1 percent of the law's original cost estimate. Additionally, there is evidence that the law has had a positive effect on the regulatory and enforcement actions of the Federal bureaucracy.

This particular bill is the product of much thoughtful negotiation between Members of Congress, the administration, and interested parties. The Justice Department has testified in support of a nearly identical bill, H.R. 2223, in the other body. Thus we are assured that this is a bill that the President will sign into law. The EAJA reauthorization also makes a number of important clarifications and improvements in the law. First, the bill clarifies that when deciding whether a prevailing party shall be awarded fees, a court or adjudicative officer shall evaluate both the Government's arguments made in the litigation and the agency action that made it necessary for the private party to seek relief. This clarification resolves a judicial conflict that had developed over the meaning of the term "position of the United States" in the EAJA. Some Federal courts had in effect ruled that the Government could insulate itself from attorney fee liability simply by conceding its error on the merits at the time of trial. An action that is always a justified litigation position. Of course, such a restrictive interpretation of the law removes the very incentive for careful agency action that Congress hoped to create in 1980. At the same time, this bill adequately addresses the administration's stated concerns over unbridled discovery of the agency's deliberative processes. As a safeguard against excessive discovery, the bill directs courts considering fee applications to look only to the record developed on the merits of the case. Second, the bill makes the EAJA applicable to cases litigated before agency boards of contract appeals. Third, the bill makes clear that the U.S. Claims Court is a court with jurisdiction to make a fee award. Fourth, the bill makes EAJA's coverage retroactive to October 1, 1984, thus ensuring that no meritorious claimant is left without redress, simply due to last year's failure at EAJA reauthorization.

The one difference between this EAJA reauthorization and the bill introduced in the other body is purely a technical one. Since the EAJA expired, it is necessary for us to reenact the entire measure rather than to simply make amendments to the 1980 law, as the other bill does. I expect that the other body will make this necessary clarification in its EAJA bill as it moves through the markup process.

Although it is critical that we move quickly to reauthorize and make permanent the EAJA, we should also be mindful of other areas where further reform is necessary, to redress the imbalance of litigation resources between private citizens and the Government. For example, the actions of the Internal Revenue Service are not covered by EAJA, and are not covered by this bill. Instead, the attorney fee provisions of the 1982 Tax Equity and Fiscal Responsibility Act [TEFRA] apply. The TEFRA fees provision differs from the EAJA in three critical ways: TEFRA allows evaluation of only the Government's litigation conduct, rather than the IRS action that led to the lawsuit; it allows the Government to avoid a fee award of its conduct was merely reasonable rather than substantially justified, and it places the burden of proof in the fee case on the prevailing taxpayer to provide that the Government was not only wrong, but also unreasonable. In my view, the TEFRA provisions are too easily applied to deny a meritorious taxpayer of attorney fee award, after he or she has proven the IRS wrong. Making the IRS live up to the standards of conduct that all other Federal agencies must live up to is an issue that I will address in the Finance Committee. The TEFRA fee provision expires at the end of 1985.

Also, I am concerned about the consistently low number of cases at the administrative adjudication level that

result in fee awards. In fiscal year 1984 for example, only 13 awards were made, out of 143 fee applications filed by prevailing parties. In the previous year, there were only 8 awards, out of 88 petitions filed. The chances of a fee recovery at the agency level have been much lower than that in the Federal courts. The reasons for this need to be explored. There has been a further complaint that certain agencies have engaged in a policy of unnecessary litigation tactics, designed solely to force concessions on the fee issue. This is an area in which I plan continued oversight.

In summary, Mr. President, this bill continues, and indeed improves upon, a working initiative first passed in the 96th Congress. I urge its speedy enactment.

Mr. President, I ask that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1138

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter I of chapter 5 of title 5, United States Code, is amended by reenacting section 504, repealed by Public Law 96-481, between section 503 and section 505 and amending such section to read as follows:

"§ 504. Costs and fees of parties

"(a)(1) An agency that conducts an adversary adjudication shall award, to a prevailing party other than the United States, fees and other expenses incurred by that party in connection with that proceeding, unless the adjudicative officer of the agency finds that the position of the agency was substantially justified or that special circumstances make an award unjust. Whether or not the position of the agency was substantially justified shall be determined on the basis of the administrative record, as a whole, which is made in the adversary adjudication for which fees and other expenses are sought.

"(2) A party seeking an award of fees and other expenses shall, within thirty days after a final disposition in the adversary adjudication, submit to the agency an application which shows that the party is a prevailing party and is eligible to receive an award under this section, and the amount sought, including an itemized statement from any attorney, agent, or expert witness representing or appearing in behalf of the party stating the actual time expended and the rate at which fees and other expenses were computed. The party shall also allege that the position of the agency was not substantially justified. When the United States appeals the underlying merits of an adversary adjudication, no decision on an application for fees and other expenses in connection with that adversary adjudication shall be made under this section until a final and unreviewable decision is rendered by the court on the appeal or until the underlying merits of the case have been finally determined pursuant to the appeal.

"(3) The adjudicative officer of the agency may reduce the amount to be awarded, or deny an award, to the extent that the party during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy. The decision of the adjudicative officer of the agency under this section shall be made a part of the record containing the final decision of the agency and shall include written findings and conclusions and the reason or basis therefor. The decision of the agency on the application for fees and other expenses shall be the final administrative decision under this section.

"(b)(1) For the purposes of this section—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the agency to be necessary for the preparation of the party's case, and reasonable attorney or agent fees. The amount of fees awarded under this section shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (i) no expert witness shall be compensated at a rate in excess of the highest rate of compensation for expert witnesses paid by the agency involved, and (ii) attorney or agent fees shall not be awarded in excess of $75 per hour unless the agency determines by regulation that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys or agents for the proceedings involved, justifies a higher fee;

"(B) 'party' means a party, as defined in section 551(3) of this title, who is (i) an individual whose net worth did not exceed $2,000,000 at the time the adversary adjudication was initiated, or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the adversary adjudication was initiated, and which had not more than 500 employees at the time the adversary adjudication was initiated; except that an organization described insection 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1171j(a)), may be a party regardless of the net worth of such organization or cooperative association;

"(C) 'adversary adjudication' means (i) an adjudication under section 554 of this title in which the position of the Untied States is represented by counsel or otherwise, but excludes an adjudication for the purpose of establishing or fixing a rate or for the purpose of granting or renewing a license, and (ii) any appeal of a decision made pursuant to section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) before an agency board of contract appeals as provided in section 8 of that Act (41 U.S.C. 607);

"(D) 'adjudicative officer' means the deciding official, without regard to whether the official is designated as an administrative law judge, a hearing officer or examiner, or otherwise, who presided at the adversary adjudication; and

"(E) 'position of the agency' means, in addition to the position taken by the agency in the adversary adjudication, the action or failure to act by the agency upon which the adversary adjudication is based; except that fees and other expenses may not be awarded to a party for any portion of the adversary adjudication in which the party has unreasonably protracted the proceedings.

"(2) Except as otherwise provided in paragraph (1), the definitions provided in section 551 of this title apply to this section.

"(c)(1) After consultation with the Chairman of the Administrative Conference of the United States, each agency shall by rule establish uniform procedures for the submission and consideration of applications for an award of fees and other expenses. If a court reviews the underlying decision of the adversary adjudication, an award for fees and other expenses may be made only pursuant to section 2412(d)(3) of title 28, United States Code.

"(2) If a party other than the United States is dissatisfied with a determination of fees and other expenses made under subsection (a), that party may, within 30 days after the determination is made, appeal the determination to the court of the United States having jurisdiction to review the merits of the underlying decision of the agency adversary adjudication. The court's determination on any appeal heard under this paragraph shall be based solely on the factual record made before the agency. The court may modify the determination of fees and other expenses only if the court finds that the failure to make an award of fees and other expenses, or the calculation of the amount of the award, was unsupported by substantial evidence.

"(d) Fees and other expenses awarded under this subsection shall be paid by any agency over which the party prevails from any funds made available to the agency by appropriation or otherwise.

"(e) The Chairman of the Administrative Conference of the United States, after consultation with the Chief Counsel for Advocacy of the Small Business Administration, shall report annually to the Congress on the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this section. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy, and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards. Each agency shall provide the Chairman with such information as is necessary for the Chairman to comply with the requirements of this subsection.".

(b) The table of sections for subchapter I of chapter 5, of title 5, United States Code, is amended by adding after the item relating to section 503 the following:

"504. Costs and fees of parties.".

Sec. 2. Section 2412 of title 28, United States Code, is amended—

(1) in subsections (a) and (b) by striking out "or any agency and any official of the United States" each place it appears and inserting in lieu thereof "or any agency or any official of the United States";

(2) by reenacting subsection (d), repealed by section 204(c) of Public Law 96-481, and amending such subsection to read as follows:

"(d)(1)(A) Except as otherwise specifically provided by statute, a court shall award to a prevailing party other than the United States fees and other expenses, in addition to any costs awarded pursuant to subsection (a), incurred by that party in any civil action (other than cases sounding in tort), including proceedings for judicial review of agency action, brought by or against the United States in any court having jurisdiction of that action, unless the court finds that the position of the United States was substantially justified or that special circumstances make an award unjust.

"(B) A party seeking an award of fees and other expenses shall, within thirty days after final judgment in the action, submit to the court an application for fees and other expenses which shows that the party is a prevailing party and is eligible to receive an award under this subsection, and the amount sought, including an itemized statement from any attorney or expert witness representing or appearing in behalf of the party stating the actual time expended and the rate at which fees and other expenses were computed. The party shall also allege that the position of the United States was not substantially justified. Whether or not the position of the United States was substantially justified shall be determined on the basis of the record (including the record with respect to the action or failure to act by the agency upon which the civil action is based) which is made in the civil action for which fees and other expenses are sought.

"(C) The court, in its discretion, may reduce the amount to be awarded pursuant to this subsection, or deny an award, to the extent that the prevailing party during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy.

"(2) For the purposes of this subsection—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the court to be necessary for the preparation of the party's case, and reasonable attorney fees. The amount of fees awarded under this subsection shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (i) no expert witness shall be compensated at a rate in excess of the highest rate of compensation for expert witnesses paid by the United States; and (ii) attorney fees shall not be awarded in excess of $75 per hour unless the court determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee;

"(B) 'party' means (i) an individual whose net worth did not exceed $2,000,000 at the time the civil action was filed, or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the civil action was filed, and which had not more than 500 employees at the time the civil action was filed; except that an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be party regardless of the net worth of such organization or cooperative association;

"(C) 'United States' includes any agency and any official of the United States acting in his or her official capacity;

"(D) 'position of the United States' means, in addition to the position taken by the United States in the civil action, the action or failure to act by the agency upon which the civil action is based; except that fees and expenses may not be awarded to a party for any portion of the litigation in which the party has unreasonably protracted the proceedings;

"(E) 'civil action brought by or against the United States' includes an appeal by a party, other than the United States, from a decision of a contracting officer rendered pursuant to a disputes clause in a contract with the Government or pursuant to the Contract Disputes Act of 1978;

"(F) 'court' includes the United States Claims Court;

"(G) 'final judgment' means a judgment that is final and not appealable, and includes an order of settlement; and

"(H) 'prevailing party', in the case of eminent domain proceedings, means a party who obtains a final judgment (other than by settlement), exclusive of interest, the amount of which is at least as close to the highest valuation of the property involved that is attested to at trial on behalf of the property owner as it is to the highest valuation of the property involved that is attested to at trial on behalf of the Government.

"(3) In awarding fees and other expenses under this subsection to a prevailing party in any action for judicial review of an adversary adjudication, as defined in subsection (b)(1)(C) of section 504 of title 5, United States Code, or an adversary adjudication subject to the Contract Disputes Act of 1978, the court shall include in that award fees and other expenses to the same extent authorized in subsection (a) of such section, unless the court finds that during such adversary adjudication the position of the United States was substantially justified, or that special circumstances make an award unjust.

"(4) Fees and other expenses awarded under this subsection to a party shall be paid by any agency over which the party prevails from any funds made available to the agency, by appropriation or otherwise.

"(5) The Director of the Administrative Office of the United States Courts shall include in the annual report prepared pursuant to section 604 of this title, the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this subsection. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy, and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards."; and

(3) by adding at the end thereof the following new subsection:

"(f) If the United States appeals an award of costs or fees and other expenses made against the United States under this section and the award is affirmed in whole or in part, interest shall be paid on the amount of the award as affirmed. Such interest shall be computed at the rate determined under section 1961(a) of this title, and shall run from the date of the award through the day before the date of the mandate of affirmance.".

Sec. 3. Section 206 of the Equal Access to Justice Act is amended to read as follows:

"EFFECT AND OTHER LAWS

"Sec. 206. (a) Except as provided in subsection (b), nothing in section 2412(d) of title 28, United States Code, as reenacted and amended by this Act or by Public Law 96–481, alters, modifies, repeals, invalidates, or supersedes any other provision of Federal law which authorizes an award of such fees and other expenses to any party other than the United States that prevails in any civil action brought by or against the United States.

"(b) Section 206(b) of the Social Security Act (42 U.S.C. 406(b)(1)) shall not prevent an award of fees and other expenses under section 2412(d) of title 28, United States Code. Section 206(b)(2) of the Social Security Act shall not apply with respect to any such award but only if, where the claimant's attorney receives fees for the same work under both section 206(b) of such Act and section 2412(d) of title 28, United States Code, the claimant's attorney refunds to the claimant the amount of the smaller fee.".

Sec. 4. Section 207 of the Equal Access to Justice Act is hereby repealed.

Sec. 5. Section 208 of the Equal Access to Justice Act is amended by adding at the end the following: "Awards may be made for fees and other expenses incurred before October 1, 1981, in any such adversary adjudication or civil action.".

Sec. 6. (a) Except as provided in subsection (b), the amendments made by this Act apply to cases pending on or commenced on or after October 1, 1984, including any case commenced on or after October 1, 1984, and finally disposed of before the date of the enactment of this Act, except that in any such case, the 30-day period referred to in section 504(a)(2) of title 5, United States Code, or section 2412(d)(1)(B) of title 28, United States Code, as the case may be, shall be deemed to commence on the date of the enactment of this Act.

(b) Section 504(b)(1)(C)(ii) of title 5, United States Code, as added by this Act, and section 2412(d)(2)(E) of title 28, United States Code, as added by this Act, shall apply to any adversary adjudication pending on or commenced on or after October 1, 1981, in which applications for fees and other expenses were timely filed and were dismissed for lack of jurisdiction.

By Mr. BURDICK (for himself and Mr. Andrews):

S. 1139. A bill to authorize construction of a combined Sheyenne and Maple River flood control project; to the Committee on Environment and Public Works.

SHEYENNE AND MAPLE RIVER FLOOD CONTROL PROJECT

Mr. BURDICK. Mr. President, I rise today to introduce for myself and my colleague, Mr. Andrews, a combined Sheyenne and Maple River flood control project.

The Sheyenne and Maple River flood control projects are the result of Federal, State, and local efforts to develop acceptable alternatives to the Kindred Lake project which was authorized in the 1970 Flood Control Act. The Army Corps of Engineers recommends that Congress deauthorize Kindred Lake and authorize the Sheyenne flood control project in its place. The project consists of levees and diversion channels at West Fargo and Riverside; a flood diversion channel from Horace to West Fargo; and raising the Lake Ashtabula reservoir pool level 5 feet behind the existing Baldhill Dam.

The Federal cost is estimated at $26.2 million with $15.1 million for the levees and channels and the remaining $11.1 million for raising the pool reservoir. Non-Federal interests will cover approximately 45 percent of the project which has a 6- to 7-cost benefit ratio.

The public has voiced considerable objection to raising the Lake Ashtabula pool reservoir. The State and the

corps have agreed to separate the pool reservoir portion of the project, and proceed with the levees and channels. According to the corps, project separation will not affect the integrity of the urban flood protection design. A final decision on the pool reservoir is not expected until 1990. The State and the Army corps have agreed to review alternative plans to be developed and presented by the Upper Sheyenne Joint Water Resources District. The district supports authorization of the entire project; however, it reserves the right to object to raising the pool reservoir. As a safeguard to the compromise, I will request appropriate report language which will prohibit the use of corps planning funds for raising the reservoir pool until the State of North Dakota agrees to sponsor that portion of the project.

We intend that the final decision on the reservoir pool should not delay the Chief of Engineers' plan to modify the Baldhill Dam for dam safety considerations. The modifications will address only the current deficiencies of an inadequate spillway capacity, and the stability of the embankment, which has shown distress.

Besides the corps-recommended flood control project on the Sheyenne, this bill includes the Maple River project. The Maple River empties into the Sheyenne River 3 miles north of West Fargo. From this point, the two flow north and east to join the Red River 5 miles northeast of Harwood.

The corps, the State water commission, and local water resource districts have analyzed the Maple River Watershed. It is clear that a dam on the main stream of the Maple River north of Enderlin would be of significant benefit in reducing flood damages on the lower Sheyenne. The corps has not been able to come up with the cost/benefit ratio required to justify Federal participation. A corps project requires each individual component of a plan to stand on its own before it can be included in an overall flood control project.

In the case of the Maple River project, the corps did not consider the economic impact of agricultural losses. This is indeed unfortunate. The Federal Government must consider the major reductions in flood levels or flood damages on agricultural lands. In 1975, the President twice announced disaster declarations for eastern North Dakota. The spring flood was declared on May 24; the summer flood on July 11. Losses to both public and private properties in the eastern part of the State were estimated at $550 million. The greatest losses occurred to crops destroyed in the summer flood.

The 1975 floods had the following impact on Cass County, the primary beneficiary from the proposed Sheyenne and Maple River project.

Agricultural Stabilization and Conservation Service [ASCS] annual report showed a $1.8 million disaster payment for crop damage estimated at $62,029,385 over 426,400 acreas.

North Dakota crop and livestock reporting service statistics showed 169,000 crop acres abandoned due to flooding.

Losses to public property, roads, bridges, and so forth, were estimated at $2.5 million. The State disaster emergency services distributed $1,740,491.45 to Cass County political subdivisions for emergency repair.

Other government funding included an estimated $280,000 by the corps for flood-fighting activities; $40 million in emergency loans through the Farmers Home Administration and Small Business Administration; $250,000 by the U.S. Department of Agriculture for emergency conservation measures; and $200,000 for mosquito spraying through the Federal Emergency Management Agency.

Ring dikes were built following the flood to protect urban property: $75,000 for the historic village of Bonanzaville; $1 million corps project for Argusville City; and $45,000 in Raymond Township to protect 80 acres.

The communities and farmers along the Sheyenne and Maple Rivers are interested in a 100-year flood protection project. It is estimated that a flood in this area could cause $700 million in damages, with the greatest impact in the area where the Sheyenne and Maple Rivers flow together to join the Red River. In light of the potential damage, and the role of the Federal Government in helping communities and States recover from flood disasters, I think that $15 million spent on a dam now would be a sound and wise investment.

I would ask unanimous consent that the bill be printed in full following my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to proceed with the planning, designing, engineering, and construction of the plan for flood protection and related purposes on the Sheyenne River, North Dakota, as described and recommended in the Report of the Chief of Engineers dated August 22, 1984, at an estimated federal cost of $26,200,000 (October 1984 price levels), and to proceed with the planning, design and construction, at full federal expense, of a dam and a reservoir of about 35,000 acre-feet of storage in the vicinity of Enderlin, North Dakota, on the Maple River to provide the downstream communities and adjacent environs protection against flooding, at an estimated cost of $15,000,000 (October 1984 price levels).

Sec. 2. Congress finds that the benefits attributable to the flood control measures provided by the Maple River project exceed the cost of such measures and further economic analysis is not required.

Sec. 3. The plan of the Chief of Engineers to modify the Baldhill Dam (authorized by Public Law 78–534) for dam safety considerations shall not preclude implementation of those components of the Sheyenne River, North Dakota, project not dependent on such safety modifications.

Mr. ANDREWS. Mr. President, I am pleased to join my distinguished colleague from North Dakota in introducing legislation to provide for the Sheyenne and Maple River control project. Completion of this long overdue project will protect and reassure residents of both the farms and cities that have been devastated by flooding from both spring runoff from thawing snow and from heavy rains later in the season. The threat of flooding along these rivers is not seasonal or predictable, it can occur at any time, in any season other than the winter.

The Nation's East-West Continental Divide crosses North Dakota. The drainage basin to the east and north of that divide puts water into the Red River of the north, which flows from south to north, into Canada and ultimately into the Hudson Bay. The whole area, once a prehistoric lake called Lake Agassiz, has some of the richest farm land in the world and is the site of the most metropolitan developments in North Dakota. The Sheyenne and Maple River flood control project not only provides long overdue protection to the immediately affected communities, but also provides water management capability for the whole area of the Red River Valley in North Dakota and Minnesota.

For too long the local, State, and Federal response to the threat and reality of flooding in this area has been piecemeal and spot repair. Small dikes, emergency evacuation, and later reseeded crops, with remodeled and redecorated dwellings and businesses assisted by disaster aid have been the last ditch emergency response to and from the flooding of the past. It is time to put that behind us and provide these residents of farm and city the protection and assurance of safety they deserve and desire.

My colleague has set forth the costs of the Sheyenne and Maple River control project. It seems a small price to pay for the benefits and assurances for which our friends and neighbors have waited so long. It is cost effective to implement the cooperative plans of the local and State planning groups and those of the Army Corps of Engineers to solve the problem and resolve the threat once and for all. Every level of involved government, from township, to county, to city to State has given its encouragement and approval to this Sheyenne and Maple River control project.

I am convinced this provides the best and most effective overall solution to the serious flooding from the Sheyenne and Maple Rivers.

This project has my unqualified support and enthusiastic endorsement.

By Mr. **METZENBAUM** (for himself, Mr. THURMOND, and Mr. DECONCINI):

S. 1140. A bill to amend the antitrust laws in order to preserve and promote wholesale and retail competition in the retail gasoline market and to protect the motoring safety of the American public; to the Committee on the Judiciary.

MOTOR FUEL SALES COMPETITION IMPROVEMENT ACT

● Mr. **METZENBAUM**. Mr. President, today I am pleased to introduce, along with Senator THURMOND and Senator DECONCINI, the Motor Fuel Sales Competition Improvement Act of 1985. This bill will dramatically improve competition in the sale of gasoline at the retail and wholesale levels. It will benefit consumers as well as insure independent service station dealers have a fair opportunity to compete in the sale of gasoline.

This bill has two basic components. First, it prohibits refiners from requiring that service stations purchase all or almost all of their supplies of gasoline from a single source. Oil companies could not require independent dealers to purchase more than 70 percent of their supplies from the companies' refineries. Consequently, dealers would be free to go elsewhere to buy gasoline supplies when they could find a better price. The result would be to inject competition into what is now a system that freezes out competition. Under this bill, if an oil company tries to squeeze its dealers by charging prices for supplies that are not competitive, the dealer could respond by looking around for supplies from other refiners or wholesalers.

This provision is consistent with the settlement of recent antitrust litigation between independent dealers and 15 major oil companies. In this case, Bogosion versus Gulf Oil Corp., et al., the independent dealers claimed that the oil companies, among other things, had restricted their ability to buy gasoline from other suppliers. The settlement with almost all the defendants allows dealers to have greater freedom to buy supplies from others if they can get a better deal. This settlement, if the dealers are allowed to put it in practice, will reduce gasoline prices for consumers and allow service station dealers to be more competitive.

The terms of this settlement, however, expire after 5 years. In addition, the provision of each settlement are somewhat different and in some cases oil companies can impose greater restrictions on their dealers than in others. Finally, there is legitimate fear by some dealers that the economic leverage wielded by the oil companies, who in most cases, own the station and lease it to the dealer, will prevent the dealer from taking advantage of the settlement. As one dealer put it when the settlement was announced, the settlement "grants a theoretical right. But it doesn't address the fact that the oil company is landlord, banker, giver of wholesale and retail credit and supplier of maintenance."

The settlement shows that giving dealers greater freedom to purchase supplies from others does not present a serious burden for the major oil companies. This greater flexibility in purchasing supplies will be implemented through conversion of one or more pumps or addition of new pumps to dispense gasoline supplied by someone other than the company whose brand is displayed at the station. The bill requires that the dealer provide notice at the point of sale that gasoline supplied by someone else is being dispensed at a particular pump.

By making the terms of this settlement permanent, and by insuring that dealers can take advantage of the greater freedom to buy supplies, the consumer will save and dealers will have some economic leverage to use against the big oil companies that supply them.

The second part of this bill prohibits large integrated refiners from controlling the operations of gasoline service stations. No company which owns refining capacity over 175,000 barrels per day and which produces more than 30 percent of the crude oil supplied to its own refineries would be allowed to set prices and control the operations of service stations, although they would be permitted to own the station property and lease it to the dealer who runs the station.

This provision would prevent approximately the 20 largest oil companies in this country from controlling retail operations. It would not prevent the scores of other refiners in operation today or any other type of company from operating service stations.

This provision of the bill would allow retail service stations to compete on a fair basis. Large oil companies would not be allowed to extend their dominance any longer into the sale of gasoline at retail.

Mr. President, independent service stations are in trouble. Their numbers are shrinking at an alarming pace. And there seems no end in sight.

It is no accident that these independent businesses are struggling for their existence. They are up against major oil companies that already control the production of domestic crude oil, crude oil pipelines, refining, and marketing. Not only do the major oil companies own most of the assets in each of these levels of production, but their market share understates the degree to which they are able to cooperate to control the market.

Big oil controls pipelines throughout the Nation through joint ownership agreements. Offshore exploration is typically done through joint ventures. Crude oil is traded among the major oil companies through complex exchange agreements.

In addition to this powerful tendency for the oil companies to cooperate rather than compete, in recent years we have witnessed a decline in the independent companies operating in this industry. Over 90 refineries have closed since 1981, almost all of them independents. Big oil companies have tried to buy up their midsize competitors in order to have access to crude oil supplies for less than the cost of drilling for them.

In short, the major oil companies' ability to manipulate prices and control all levels of the industry, already enormous, is expanding. By dominating the retailing level, big oil is able to control the industry from taking it out of the ground to putting it in the consumer's gas tank.

Day by day, the oil companies are using their vast financial power to eliminate competition from independent gasoline dealers. Retailing used to be the area in which we saw the greatest amount of competition, because of the role played by the independent dealers. But increasingly, as the numbers starkly demonstrate, the big oil companies have been driving out the independents. And the tactics that have sometimes been used cannot be described as fair and reasonable.

While some dealers may have failed because of poor management and changing market conditions, many appear to have been the victims of unfair pricing and marketing practices by the major integrated oil companies that continue unabated today. Hearings in past Congresses revealed a vast array of tactics used by the major integrated refiners against these small and independent businesses. Such tactics, according to extensive testimony from present and former dealers, have included excessive rent increases, abrupt changes in credit terms, delays in credit card processing, subsidization by refiners of their own directly operated stations, refusals to provide routine maintenance service to dealers, reduced gasoline allocation to the independents when supplies are short, and unreasonable quotas when the market is flooded.

It is clear that the major integrated refiners have reaped the benefits of such economic eviction techniques. At the same time that independent dealerships have been declining by the tens of thousands, integrated refiners have expanded their sales of gasoline

through stations that they themselves owned and operated.

Ed Rothschild, director of the Citizen/Labor Energy Coalition, an organization representing consumers' interests on energy matters, has advocated divestiture by oil companies of retail operations:

> We know that once the dust settles, that once the major oil companies have restructured the gasoline market to their oligopolistic advantage, the competition that now exists will disappear. The majors, with their access to lower-priced crude oil will have a significant economic advantage over non-integrated refiners and will be in a position (particularly in a declining market) to become even more dominant. They will use the power of vertical integration to further restrict the competition at the refining and marketing levels and consumers will be forced to pay monopoly prices for gasoline and other petroleum products.

The legislation we are proposing today will restore the competitiveness of small businesses engaged in gasoline marketing in part by eliminating the incentives that lead to such inequitable practices by the major refiners.

Mr. President, I ask unanimous consent that a more detailed statement of the bill be included in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MOTOR FUEL SALES COMPETITION IMPROVEMENT ACT OF 1985: SUMMARY OF PROVISIONS

WHOLESALE PURCHASE OF GASOLINE

Section 2(a) prohibits producers or refiners from requiring service station dealers to purchase more than 70 percent of their gasoline supplies from the producer or refiner and allows the dealer to convert existing tanks and dispensers or install new ones to sell gasoline supplies by someone other than company whose brand is displayed.

Section 2(b) prohibits producers or refiners from conspiring to violate Section 2. For example, one oil company could not conspire with another company to refuse to supply a dealer in order to force the dealer to buy all its supplies from one of the oil companies.

Section 2(c) requires branded dealers who sell gasoline supplied by companies other than the company owning the brand to disclose to the public that sales of gasoline from particular pumps are not supplied by the brand-name company. In order to comply with this provision, a dealer could install new pumps and tanks or convert existing facilities, as long as clear notice was made at the point of sale.

OPERATION OF SERVICE STATIONS

Section 3 prohibits large integrated oil refiners from operating service stations. Large integrated refiners are defined as companies with refining capacity exceeding 175,000 barrels per day and which supply 30% or more of their own crude oil to their refineries. This prohibition on operation of stations applies to approximately the 20 largest oil companies.

Section 4 allows large integrated refiners to own the station facilities as long as they do not control the operation through employees or in other ways.

Section 5 provides definitions of terms. Section 6(a) provides for enforcement by the Justice Department and the Federal Trade Commission. Section 6(b) provides for private enforcement. Section 6(c) provides for an effective date one year from enactment.●

By Mr. **DOLE** (for himself, Mr. BOSCHWITZ, Mr. LEAHY, Mr. DANFORTH, and Mr. ANDREWS):

S. 1142. A bill to improve and extend certain domestic food assistance programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

DOMESTIC FOOD ASSISTANCE ACT

Mr. **DOLE**. Mr. President, today, as chairman of the Nutrition Subcommittee, I am introducing the Domestic Food Assistance Act of 1985, which includes a 4-year reauthorization of the Food Stamp Program, Commodity Supplemental Food Program, and Temporary Emergency Food Assistance Program. I am pleased to be joined in the introduction of this legislation by Senators BOSCHWITZ, LEAHY, DANFORTH, and ANDREWS.

We are committed to fulfilling the nutritional needs of low-income Americans, while maintaining an approach that is consistent with current budget constraints. It is significant that this reauthorization is a bipartisan effort, and I welcome the support of Senator LEAHY, with whom I worked very closely during the last food stamp reauthorization process in 1981, when he was then ranking minority member of the Nutrition Subcommittee. This coalition was also very productive during the budget process the following year.

Mr. President, this week, the Committee on Agriculture, Nutrition, and Forestry will begin markup of the 1985 farm bill, which includes the reauthorization of the Food Stamp Program. There are those who believe that this program should undergo another round of budget cuts to the extent of a billion dollars or more. Then, there are those who believe that increasing spending by that amount will make domestic hunger problems go away.

This legislation achieves $79 million in savings for fiscal year 1986, while the Senate-passed budget resolution requires $78 million in savings, including $40 million in regular Food Stamp Program spending reductions, and $38 million for Puerto Rico. In the outyears, this bill would save significantly more than what is required in the current budget resolution. I ask unanimous consent that a comparison chart showing budget savings be included in the record at this point.

There being no objection, the chart was ordered to be printed as follows:

[Budget savings in millions of dollars]

	Fiscal year—		
	1986	1987	1988
Senate budget resolution:			
Regular Food Stamp Program	−40	−78	−109
Puerto Rico block grant	−38	−77	−115
Total	−78	−155	−224
Domestic Food Assistance Act:			
Regular Food Assistance Program	−41	−112	−119
Puerto Rico block grant	−38	−77	−115
Total	−79	−189	−234

This Domestic Food Assistance Act will expand accessibility to the Food Stamp Program through various noncost provisions. Benefits to the working poor will be increased by raising the earned income disregard from 18 percent to 20 percent. Further, administrative savings are achieved by some other provisions. Although we may be spending additional Federal funds to increase benefits to food stamp recipients, we are also eliminating a free revenue ride that States have been getting as a result of State sales taxes on food. These taxes erode the purchasing power of food stamp beneficiaries, while the States are able to collect revenues from what should be food dollars. The major savings provision included in this legislation would save over $100 million a year after it is fully implemented—$132 million in fiscal year 1987, and $139 million in fiscal year 1988.

Mr. President, we believe that this Food Assistance Act of 1985 represents a responsible approach to reauthorization of the Food Stamp Program, Commodity Supplemental Food Program, and Temporary Emergency Food Assistance Program. In this legislation, we make many changes in the current Food Stamp Program that will enhance program accessibility to those who meet the eligibility criteria. At the same time, we are able to meet the constraints of the current budget resolution.

These are difficult times for the American people and Members of Congress—we are no longer in a create-a-new-program spending mode. Tough decisions have to be made. We have a great responsibility to the taxpayer, as well as to those in our society who are genuinely in need and require help from the Government. During the budget processes of 1981 and 1982, we were able to reduce Food Stamp Program spending by $7 billion during the 3-year fiscal period 1982–85. Although we can still achieve some further spending cuts, this should not be accomplished at the expense of low-income Americans. Poor people do not have strong voices in the Halls of Congress—they can't hire fancy lobbyists to protect their interests, and they don't attend fundraisers. They have to depend upon Members of Congress themselves to be sensitive to their needs.

Mr. President, it is our hope that the Domestic Food Assistance Act of 1985 will provide a basis for consideration of issues relating to reauthorization of the Food Stamp, Commodity Supplemental and Temporary Emergency Food Assistance Programs.

I ask unanimous consent that a section-by-section summary of this legislation appear in the RECORD immediately following my statement, as well as the bill itself.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1142

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Food Assistance Act of 1985".

DECLARATION OF POLICY

Sec. 2. (a) The Congress finds that—

(1) existing hunger and malnutrition in the United States are deplorable and without justification; and

(2) hunger and malnutrition are complex, social and human resource problems which require the coordinated efforts of Federal, state, and local government, public and private for profit and nonprofit organizations, and affected families and individuals.

(b) It is the policy of the Congress—

(1) to review periodically all federal domestic food assistance programs;

(2) to make any necessary changes in such programs in a manner which will diminish hunger and malnutrition; and

(3) to provide the maximum amount of assistance under such programs to individuals with particular nutritional needs.

TITLE I—FOOD STAMP PROGRAM

EARNED INCOME DEDUCTION

Sec. 101. The third sentence of section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking out "18 per centum" and inserting in lieu thereof "20 per centum".

INCOME EXCLUSIONS

Sec. 102. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (d)—

(A) by inserting "except as provided in subsection (k) of this section," after the comma at the end of clause (1);

(B) by inserting "and no portion of any federal educational grant, to the extent it provides assistance beyond that used for tuition and mandatory school fees," after "expenses," in the proviso of clause (5); and

(C) by inserting "except as otherwise provided in subsection (l) of this section" after the comma at the end of clause (10); and

(2) by adding at the end thereof the following new subsection:

"(k)(1) For purposes of subsection (d)(1), except as provided in paragraph (2), assistance provided to a third party on behalf of a household by a State or local government shall be considered money payable directly to the household if the assistance is provided in lieu of a regular benefit payable to a household for living expenses under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or a State or local general assistance program.

"(2) Paragraph (1) of this subsection shall not apply to—

"(A) medical assistance;

"(B) child care assistance;

"(C) energy assistance; and

"(D) emergency and special assistance, to the extent excluded in regulations prescribed by the Secretary.

"(l) Notwithstanding section 142(b) of the Job Training Partnership Act (29 U.S.C. 1552(b)), income of individuals earned as a result of participation in a program authorized under such Act shall be considered earned income for purposes of the food stamp program.".

DEDUCTION OF ENERGY ASSISTANCE PAYMENTS

Sec. 103. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) by inserting ", excluding expenses paid on behalf of the household under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.)," after "by a household for shelter" each place it appears in clause (2) of the fourth sentence and subclause (C) of the last sentence; and

(2) by inserting after the seventh sentence the following new sentence: "A State agency may use a standard utility allowance for a household on behalf of whom a payment is made under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) if such household incurs out-of-pocket heating or cooling expenses.".

MONTHLY REPORTING AND RETROSPECTIVE BUDGETING SIMPLIFICATION

Sec. 104. (a) Section 5(f)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(2)) is amended—

(1) by amending subparagraph (A) to read as follows:

"(A) Household income for—

"(i) migrant farmworker households; and

"(ii) households—

"(I) that have no earned income; and

"(II) in which all adult members are elderly or disabled members;

shall be calculated on a prospective basis, as provided in paragraph (3)(A).";

(2) in subparagraph (B)—

(A) in clause (i)—

(i) by inserting "under the first sentence of section 6(c)(1)" after "permitted"; and

(ii) by striking out "under section 6(c)(1) of this Act,";

(B) by striking out clause (ii); and

(C) in clause (iii)—

(i) by striking out "(iii)" and inserting in lieu thereof "(ii)";

(ii) by striking out "other than a migrant household" and inserting in lieu thereof "other than households specified in subparagraph (A)";

(iii) by inserting "under the first sentence of section 6(c)(1)" after "not required"; and

(iv) by striking out "under section 6(c)(1) of this Act"; and

(3) by striking out subparagraph (C) and inserting in lieu thereof the following new subparagraphs:

"(C) Except as provided in subparagraphs (A) and (B), household income for households which have earned income, and for households which include any member who has recent work history, shall be calculated on a retrospective basis, as provided in paragraph (3)(B).

"(D) Household income for all other households may be calculated, at the option of the State agency, on a prospective basis as provided in paragraph (3)(A) or on a retrospective basis as provided in paragraph (3)(B).".

(b) Section 6(c)(1) of such Act (7 U.S.C. 2015(c)(1)) is amended—

(1) in the first sentence, by striking out "certain categories of households" and all that follows through "disabled members," and inserting in lieu thereof "households with respect to which household income is required by section 5(f)(2)(C) to be determined on a retrospective basis"; and

(2) by inserting after the second sentence the following new sentence: "State agencies may require households, other than households with respect to which household income is required by section 5(f)(2)(A) to be calculated on a prospective basis, to file periodic reports of household circumstances in accordance with the standards prescribed under the preceding provisions of this paragraph by the Secretary.".

CATEGORICAL ELIGIBILITY

Sec. 105. (a) Subsection (j) of section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014(j)) is amended to read as follows:

"(j) Notwithstanding subsections (a) through (i), a State agency shall consider a household in which each member of the household receives either benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or supplemental security income benefits under title XVI of such Act (42 U.S.C. 1380 et seq.) to have satisfied the income and resource limitations for participation in the food stamp program prescribed under this section.".

(b) Section 11(i) of such Act (7 U.S.C. 2020(i)) is amended by adding at the end thereof the following new sentence: "A State agency may not deny or terminate benefits to a household under the food stamp program solely on the basis of the denial or termination of benefits to such household under the aid to families with dependent children program established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the supplemental security income program established under title XVI of such Act (42 U.S.C. 1381 et seq.) without a separate determination by such agency that such household has failed to satisfy the eligibility requirements for participation in the food stamp program.".

JOB SEARCH PROGRAM

Sec. 106. Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended—

(1) in paragraph (1)—

(A) by designating the first and second sentences as subparagraphs (A) and (B), respectively;

(B) by amending clause (ii) of subparagraph (A) (as designated by clause (A)) to read as follows: "(ii) refuses without good cause to fulfill the job search requirements prescribed by paragraph (4) and whatever reasonable job search requirements are prescribed by the State agency in accordance with paragraph (4), which may, at the option of the State agency, provide that such requirements apply to applicants at the time of application, except that the period of ineligibility under this clause shall be two months;";

(C) by adding at the end thereof the following new subparagraphs:

"(C) A period of ineligibility of a household for a violation of a requirement of this paragraph shall terminate when the household member who committed the violation complies with such requirement.

"(D) If a household member who commits such violation leaves the household during the period of ineligibility, such household—

"(i) shall not be ineligible for assistance under this Act as a result of such violation; and

"(ii) if it is otherwise eligible, may resume participation in the program.

"(E) A household of which such person thereafter becomes a member shall be ineligible for the balance of the period of ineligibility."; and

(2) by adding at the end thereof the following new paragraph:

"(4)(A) As used in the paragraph, the term 'job search program' means a program that contains—

"(i) terms and conditions comparable to those prescribed for employment search under sections 402(a)(35)(A) and (B) of the Social Security Act (42 U.S.C. 602(a)(35)(A) and (B)), except that a State agency may not be required to incur costs for a program participant in excess of $25 per month and may exercise the option provided in paragraph (1)(ii); and

"(ii) to the extent determined appropriate by the State agency, reasonable job search training and support activities, including jobs skills assessments, job finding clubs, training in techniques of employability, job placement services, or other direct training or support activities determined by the State agency to expand the job search abilities or employability of program participants.

"(B) A State agency shall conduct a job search program in accordance with this paragraph.

"(C) A State agency may provide that participation in the training and support activities referred in in subparagraph (A)(ii) may supplement or supplant other requirements imposed by this Act on program participants.

"(D) A State agency shall exempt from the job search program—

"(i) a category of household members to which the State agency determines that the application of such program is impracticable as the result of the unavailability of work opportunities, the cost effectiveness of job search activities, or other factors; and

"(ii) an individual household member not included in such category to whom the State agency determines that the application of such program is impracticable as the result of personal circumstances of the member such as the lack of job readiness and employability, the remote location of work opportunities, the unavailability of dependent care, or other factors.

"(E) In making a determination under subparagraph (D)(i), a State agency may include in a category all household members residing in a specified area of the State.".

(b) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking out "and" at the end of paragraph (20);

(2) by striking out the period at the end of paragraph (21) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new paragraph:

"(22) that the State agency shall conduct a job search program in accordance with section 6(d)(4) and describe such program in the State plan of operation.".

(c) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by adding at the end thereof the following new subsection:

"(h)(1) In order to pay each State agency the full cost of carrying out the job search program required under section 6(d)(4), except as otherwise provided in this subsection, the Secretary shall allocate from funds appropriated under section 18(a)(1) an amount of $40,000,000 for the fiscal year ending September 30, 1986, and $50,000,000 for the fiscal year ending September 30, 1987 and each fiscal year thereafter.

"(2) If a State agency incurs costs in carrying out such program that exceed the amount payable to the State agency under paragraph (1), the Secretary shall pay such State agency in accordance with subsection (a) an amount equal to 50 per centum of such additional costs.

"(3) The Secretary shall reimburse each State agency, in accordance with subsection (a), in an amount equal to 50 per centum of the total amount of payments made or costs incurred by the State agency in connection with transportation costs and other expenses reasonably incurred in the job search program required by section 6(d)(4), except that the total amount of such payments or costs for a program participant may not exceed $25 per month.

"(4) The Secretary shall monitor the job search programs carried out by State agencies under section 6(d)(4) in order to measure the effectiveness of such programs in increasing the number of household members who obtain and retain employment as the result of participation in such programs.".

(d) No later than April 1, 1988, the Secretary of Agriculture shall submit a report on the effectiveness of the job search programs conducted by State agencies under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

ISSUANCE OF COUPONS

Sec. 107. (a) Section 7(a) of the Food Stamp Act of 1977 (7 U.S.C. 2016(a)) is amended by adding at the end thereof the following new sentence: "A coupon issuer may issue coupons to eligible households at various times during a month.".

(b) The first proviso of section 7(b) of such Act is amended by inserting before the colon at the end thereof the following: ", except that a participating retail food store or wholesale food concern which is located in an area in which food stamps are commonly used (as determined by the Secretary) may not increase the price of food at any time during a month if the increase is the result of the issuance of coupons to customers of the store or concern".

ALTERNATIVE MEANS OF COUPON ISSUANCE

Sec. 108. Section 7(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(g)(1)) is amended by striking out "may" in the matter preceding clause (A) and inserting in lieu thereof "shall".

REDEMPTION OF COUPONS

Sec. 109. Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended by adding at the end thereof the following new sentence: "A financial institution may not impose on, or collect from, a retail food store a fee or other charge for the redemption of coupons that are submitted to the financial institution in order to defray the costs of complying with a requirement, other than a requirement relating to the cancellation of coupons, for the presentation of coupons by the financial institution to a Federal Reserve bank.".

HOURS OF OPERATION

Sec. 110. Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)) is amended—

(1) by striking out the semicolon at the end thereof and inserting in lieu thereof a period; and

(2) by adding at the end thereof the following new sentence: "The State agency shall assess, from time to time, the need for operating food stamp offices within the State during evening and weekend hours.".

ELIGIBILITY OF THE HOMELESS

Sec. 111. Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)) (as amended by section 110 of this Act) is further amended by adding at the end thereof the following: "The State agency shall provide a method of certifying and issuing coupons to eligible households who do not reside in permanent dwellings or who do not have fixed mailing addresses. In carrying out the preceding sentence, the State agency shall take such steps as are necessary to assure that participation in the food stamp program is limited to eligible households;".

DISQUALIFICATION OF RETAIL FOOD STORES AND CIVIL MONEY PENALTIES

Sec. 112. Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end thereof the following new subsection:

"(e)(1)(A) If a retail food store or wholesale food concern disqualified under subsection (a) is sold or otherwise transferred, the person who sold or transferred such store or concern shall be subject to a civil money penalty.

"(B) The amount of such penalty shall—

"(i) be established by the Secretary through regulations; and

"(ii) reflect that portion of the disqualification period which has not yet expired.

"(C) If such store or concern has been disqualified permanently, the amount of such penalty shall be double the penalty imposed for a ten-year disqualification period, as determined under regulations issued by the Secretary.

"(D) Notwithstanding the imposition of such penalty, the disqualification period imposed under subsection (b) shall continue in effect as to the person who sold or transferred such store or concern.

"(2)(A) After a civil money penalty imposed against a person under paragraph (1) has become final pursuant to section 14(a), the Secretary may request the Attorney General to institute a civil action against such person to collect such penalty in a district court of the United States for any district in which such person is found, resides, or transacts business.

"(B) Such court shall have jurisdiction to hear and decide such action.

"(C) The validity and amount of such penalty shall not be subject to review in such action.".

AUTHORIZATION FOR APPROPRIATIONS

Sec. 113. The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended—

(1) by striking out "and" after "1984"; and

(2) by inserting before the period at the end thereof the following: "; not in excess of $13,217,000,000 for the fiscal year ending September 30, 1986; not in excess of $14,034,000,000 for the fiscal year ending September 30, 1987; not in excess of $14,841,000,000 for the fiscal year ending September 30, 1988; and not in excess of $15,702,000,000 for the fiscal year ending September 30, 1989".

PROHIBITION AGAINST THE TRANSFER OF FUNDS TO OFFICE OF THE INSPECTOR GENERAL

Sec. 114. Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended by adding at the end thereof the following new subsection:

"(f) No funds appropriated to carry out this Act may be transferred to the Office of the Inspector General of the Department of Agriculture.".

TRANSFER OF SALES TAX IMPOSED ON FOOD PURCHASED WITH FOOD STAMPS

SEC. 115. Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) (as amended by section 114 of this Act) is amended by adding at the end thereof the following new subsection:

"(g)(1) As used in this subsection, the term 'program period' means the three-month period beginning on April 1, 1986, and each three-month period thereafter.

"(2) If a State participated in the food stamp program in any program period and in such program period the State or any political subdivision thereof imposed a tax on the sale of food purchased with coupons, the State shall transfer to the Secretary of the Treasury as soon as practicable, but not later than sixty days, after the end of such program period, an amount equal to the sum of—

"(A) the product obtained by multiplying—

"(i) the total value of coupons issued by the State agency of the State to all households during such program period; by

"(ii) the rate of tax imposed by such State on the sale of food purchased with coupons during such program period (as determined by the Secretary of Agriculture); and

"(B) the product obtained by multiplying—

"(i) the total value of coupons issued by the State agency of the State to all households within such political subdivision during such program period; by

"(ii) the rate of tax imposed by such political subdivision on the sale of food purchased with coupons during such program period (as determined by the Secretary of Agriculture).

"(3) If a State fails to transfer to the Secretary of the Treasury the amount of funds described in paragraph (2)—

"(A) the Secretary of the Treasury shall notify the Secretary of Agriculture of such failure; and

"(B) the Secretary of Agriculture may withhold, from funds which the State would otherwise be entitled to receive under section 16(a), the amount which the State failed to pay.".

(b) The amendment made by subsection (a) of this section shall become effective on April 1, 1986.

PUERTO RICO BLOCK GRANT

SEC. 116. Section 19 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended—

(1) in subsection (a)(1)(A)—

(A) by inserting "through the fiscal year ending September 30, 1989," after "for each fiscal year";

(B) by striking out "noncash"; and

(C) by striking out ", and" and all that follows through the period and inserting in lieu thereof a period;

(2) by striking out "50 per centum of the" in subsection (a)(1)(B); and

(3) by striking out "a single agency which shall be" in subsection (b)(1)(A)(i) and inserting in lieu thereof "the agency or agencies directly".

COMMUNITY WORK AND TRAINING PROGRAM

SEC. 117. (a) The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end thereof the following new section:

"COMMUNITY WORK AND TRAINING PROGRAM

"SEC. 21. (a) A State agency may establish a community work experience program in accordance with this section.

"(b)(1) The purpose of a community work experience program shall be to provide experience and training for individuals not otherwise able to obtain employment in order to assist them to become regularly employed.

"(2) Such program shall be designed to improve the employability of participants through actual work experience and training and to enable individuals employed under such program to become employed promptly in the public or private sector.

"(3) Such program shall be limited to projects which serve a useful public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and day care.

"(c) In carrying out a community work experience program under this section, a State agency shall—

"(1) utilize, to the extent possible, the prior training, experience, and skills of a participant in making appropriate work experience assignments;

"(2) prescribe appropriate standards for health, safety, and other conditions applicable to the performance of work;

"(3) take such steps as may be necessary to assure that the program does not result in the displacement of employed persons or the filling of established unfilled position vacancies;

"(4) provide reasonable conditions of work, taking into account the geographic region, residence, and proficiency of the participants;

"(5) not require participants, without their consent, to travel an unreasonable distance from their homes or remain away from their homes overnight;

"(6) provide that the maximum number of hours in any month that a participant may be required to work is that number which equals the value of the allotment of the household of which such individual is a member divided by the greater of the Federal or the applicable state minimum wage; and

"(7) provide for the payment of transportation and other costs, not in excess of an amount established by the Secretary, reasonably necessary and directly related to participation in the program.

"(d) The facilities of State public employment offices may be used to find employment opportunities for participants in the community work experience program.

"(e)(1) A State agency may not use funds provided to carry out the community work experience program under section 16(a) to compensate participants for the performance of work.

"(2) A participant in such program shall not be entitled to a salary or to any other work or training expense provided under any other provision of law by reason of participation in such program.

"(3) Nothing in this Act shall prevent a State agency from operating a community work experience program in accordance with this section and in accordance with such other terms and conditions as the State agency may determine to be necessary, whether or not consistent with section 6(d)(1)).

"(f)(1) Each person who is required to comply with section 6(d)(1) or is described in section 6(d)(2)(A) shall participate in a community work experience program, upon referral by the State agency, unless such person is currently employed at least eighty hours a month and is earning an amount not less than the applicable minimum wage for such employment.

"(2) In addition to a person described in paragraph (1), a State agency may also require to participate in such program a person who would be required to comply with section 6(d)(1) but for the exception contained in section 6(d)(2)(B) if the person is caring for a child over three years of age or an incapacitated person and care for such child or incapacitated person is available.

"(g) The State agency shall coordinate a community work experience program operated under this section, the requirements prescribed under section 6(d) (1) and (4), and a pilot program operated under section 17(e) so as to assure that job placement will have priority over participation in the community work experience program.

"(h) Section 6(d)(1) shall apply to any individual referred to a community work experience program who fails to participate in such program in the same manner that such section applies to an individual who is required to comply with section 6(d)(1).

"(i) Funds provided to carry out the community work experience program under section 16(a) may not be used—

"(1) to make or acquire materials or equipment in connection with the work performed under such program;

"(2) to pay the cost of supervision of work under such program; or

"(3) to pay other costs unless such costs are attributable to such program and the payment of such costs is approved by the Secretary.".

(b) Section 16(a) of such Act (7 U.S.C. 2025(a)) is amended—

(1) by striking out "and" at the end of clause (3); and

(2) by inserting ", and (5) a community work experience program" after "(4) fair hearings".

TITLE II—NUTRITION SURVEILLANCE

NUTRITIONAL STATUS MONITORING

SEC. 201. Section 1428 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3178) is amended to read as follows:

"NUTRITIONAL STATUS MONITORING

"SEC. 1428. (a) The Secretary and the Secretary of Health and Human Services shall establish a comprehensive nutritional status monitoring program which shall include the following:

"(1) An assessment system consisting of periodic surveys and continuous monitoring to determine the extent of risk of nutrition-related health problems in the United States, which population groups or areas of the country face the greatest risks of such problems, and the likely causes of risk and changes in such risk factors over time.

"(2) A surveillance system to identify remediable nutrition-related health risks to individuals or for local areas, in such a manner as to tie detection to direct intervention and treatment.

"(3) Program evaluations to determine the adequacy, efficiency, effectiveness, and effects of nutrition-related programs in reducing health risks to individuals and populations.

"(4) Periodic special surveys to determine the health and nutritional status of particularly vulnerable low-income population groups, including low-income mothers; single parent, pregnant mothers; single, elderly person households; and homeless individuals.

"(b) In carrying out the monitoring system required under subsection (a), the Secretary and the Secretary of Health and Human Services shall conduct longitudinal surveys' in order to determine the status over time of nutrition-related health problems in the United States.

"(c) In carrying out the surveillance system required under subsection (a)(2), the Secretary and the Secretary of Health and Human Services shall use screening and other information available from other health programs, including programs funded under titles V, XVIII, and XIX of the Social Security Act (42 U.S.C. 701 et seq.) and section 330 of the Public Health Service Act (42 U.S.C. 254c).".

TITLE III—FOOD DISTRIBUTION AND EMERGENCY SHELTERS

TRANSFER OF SECTION 32 COMMODITIES

SEC. 301. Section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), is amended by adding at the end thereof the following new sentence: "A public or private nonprofit organization which receives agricultural commodities or products under clause (2) of the second sentence of this section may transfer such commodities or products to another public or private nonprofit organization which agrees to use such commodities or products to provide, without cost or waste, nutrition assistance to individuals in low-income groups.".

COMMODITY SUPPLEMENTAL FOOD PROGRAM

SEC. 302. (a) Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by striking out "1982, 1983, 1984, and 1985" and inserting in lieu thereof "1986, 1987, 1988, and 1989".

(b) Section 5(a) of such Act (7 U.S.C. 612c note) is amended—

(1) by amending clause (1) to read as follows:

"(1) shall conduct the pilot projects directed at low-income elderly persons (including, where feasible, distribution of commodities to such persons in their homes) which were in existence on the date of enactment of the Domestic Food Assistance Act of 1985, and"; and

(2) by striking out "1982 through 1985" in clause (2) and inserting in lieu thereof "1986 through 1989".

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

SEC. 303. (a) Section 202 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by adding at the end thereof the following new subsection:

"(c) In addition to any commodities described in subsections (a) and (b), the Secretary may use to carry out this Act agricultural commodities and products made available under clause (2) of the second sentence of section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c).".

(b) Section 204(b) of such Act (7 U.S.C. 612c note) is amended by striking out "September 30, 1984, and September 30, 1985" and inserting in lieu thereof "September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989".

(c) Section 212 of such Act (7 U.S.C. 612c note) is amended by striking out "1985" and inserting in lieu thereof "1989".

DONATIONS BY MILITARY COMMISSARIES

SEC. 304. (a) Section 2482 of title 10, United States Code, is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) A commissary store of the Department of Defense may donate surplus, unmarketable food to a local food bank.".

(b) The caption of section 2482 of such title is amended by striking out ": private operation".

TITLE IV—EFFECTIVE DATES

EFFECTIVE DATES

SEC. 401. (a) Except as provided in subsections (b) and (c) of this section, this Act and the amendments made by this Act shall become effective on such dates as the Secretary of Agriculture shall prescribe, taking into account the need for orderly and expeditious implementation, but in no event later than one year after the date of enactment of this Act.

(b) The amendments made by sections 102, 103, 111, 116, 302, 303, and 304 of this Act shall become effective on October 1, 1985.

(c) The amendments made by sections 101 and 115 of this Act shall become effective on April 1, 1986.

SECTION-BY-SECTION DESCRIPTION OF THE DOMESTIC FOOD ASSISTANCE ACT OF 1985

Section 1 provides that this Act may be cited as the "Domestic Food Assistance Act of 1985."

Section 2 sets forth findings of the Congress that: existing hunger and malnutrition are deplorable and without justification; and hunger and malnutrition are complex social and human resource problems requiring coordinated efforts of Federal, State, and local government, public and private organizations, and affected families and individuals.

It also states that it is the policy of the Congress to: periodically review all Federal domestic food assistance programs; make necessary changes to diminish hunger and malnutrition; and provide maximum assistance through domestic food assistance programs to individuals with particular nutritional needs.

TITLE I—THE FOOD STAMP PROGRAM

Earned income deduction

Section 101 amends section 5(e) of the Food Stamp Act to increase the proportion of earned income disregarded for food stamp eligibility and benefit purposes—from 18 to 20 percent effective April 1, 1986. This repeals a reduction from 20 to 18 percent legislated in 1981.

Income exclusions

Section 102 amends section 5 of the Food Stamp Act to make 3 changes in the rules governing income that must be disregarded for food stamp eligibility and benefit purposes.

It would require that Federal educational grants be counted as income for food stamp purposes, to the extent that they are not used for tuition and mandatory school fees and regardless of whether they may be earmarked as "reimbursements" for expenses. Existing law has been interpreted to allow the portion of some grants to be disregarded as reimbursements. The amendment would retain the existing-law disregard of the portion of any grant that is used for tuition and mandatory school fees.

It would require that payments for living expenses made to third parties ("vendor payments") on behalf of a household by State or local governments be counted as money payable directly to the household—if the aid is provided in place of a regular Aid to Families with Dependent Children [AFDC] benefit or a State or local general assistance benefit. However, medical assistance, child care assistance, energy assistance, and emergency and special assistance would continue not to be counted if made as a vendor payment. Under existing law, vendor payments are, in general, disregarded.

It would require that the earnings of participants in Job Training Partnership Act [JTPA] programs be counted as earned income for food stamp purposes. Under existing law, they are disregarded.

Deduction of energy assistance payments

Section 103 amends section 5(e) of the Food Stamp Act to make clear that energy assistance payments made to energy suppliers under the Low-Income Home Energy Assistance Program [LIHEAP] cannot be counted when determining a household's shelter expense deduction for food stamp purposes. It would also allow States to use a "standard utility allowance" for households for whom a LIHEAP payment has been made to a supplier, but who still have out-of-pocket home energy expenses.

Monthly reporting and retrospective budgeting simplification

Section 104 amends sections 5(f) and 6(c) of the Food Stamp Act to require that States use "monthly reporting and retrospective budgeting" for households having earned income or any recent work history, unless the Secretary waives the requirement and allows less frequent reporting or "prospective budgeting." Elderly or disabled households with no earned income, and migrant households, would be subject to prospective budgeting and a requirement to report changes in household circumstances when they occur (rather than monthly). States would have the option of whether to apply monthly reporting and retrospective budgeting to other types of households. Under existing law, migrant households are exempt from both monthly reporting and retrospective budgeting, and elderly or disabled households are exempt from monthly reporting. In all other instances, a State must obtain a waiver if it feels that monthly reporting and retrospective budgeting are not cost-effective for a given recipient group. The proposed amendment would conform food stamp practice with the monthly reporting and retrospective budgeting rules in the Aid to Families with Dependent Children [AFDC] program. It would also conform food stamp law with the general result of the existing "waiver" system—e.g., waivers limiting application of monthly reporting and retrospective budgeting to households with earned income or recent work history.

Categorical eligibility

Section 105 amends sections 5 and 11 of the Food Stamp Act to grant "categorical" (automatic) food stamp eligibility to households in which all members receive either Aid to Families with Dependent Children [AFDC] or Supplemental Security Income [SSI] benefits. It would also stipulate that eligibility for food stamps may not be denied or terminated solely on the basis of an AFDC or SSI eligibility determination. Under existing law, AFDC recipients must pass all food stamp eligibility tests, except for the assets test; SSI recipients must pass all food stamp tests. The President's Task Force on Food Assistance recommended categorical eligibility for AFDC and SSI recipients and pilot projects on categorical eligibility are currently authorized.

Job search program

Section 106 amends section 6, 11, and 16 of the Food Stamp Act to require that all States operate a "job search program" for food stamp recipients and to provide additional Federal funds to help finance the programs. It also provides that disqualification for failure to meet any of the food stamp program's work requirements is to be for 2 months, or until the requirement is complied with, and that disqualification of a household ends if the member who failed to comply leaves. Under existing law and regulations, enforcement of job search requirements is a State option, Federal funding is limited to the State's share of a $30-million allocation, the length of work-related disqualifications is not specified in law, and disqualification of a household continues even if the non-complying member leaves.

The job search programs that States would be required to operate would be up to them to design, and job search programs could include required job contacts, training and support activities such as job skills assessments, job finding clubs, and job placement services, and payment of job search related expenses such as transportation (although there would be no obligation to pay more than $25 per participant per month). States would also have the authority to limit the applicability of job search requirements by exempting recipients for whom it feels the requirements would be impracticable. Barring State decisions to limit the coverage of their job search programs, job search would be required of all unemployed or underemployed adult (between ages 18 and 60) able-bodied recipients, unless they are caring for a child under age 6 or a disabled person, are students otherwise eligible (i.e., working or with dependent young children), subject to and complying with another program's work requirement, or residents of a drug addiction or alcohlic treatment program.

Increased Federal funding for job search activities would consist of an increase in the basic allocation (from $30 to $40 million in fiscal year 1986, and to $50 million in later fiscal years), and a requirement that the Federal government share in half the cost of any efforts beyond a State's share of the basic allocation.

Issuance of coupons

Section 107 amends section 7 of the Food Stamp Act to allow "staggered" issuance of food stamps throughout the month, rather than at set times every month. It also would prohibit food-price increases relating to the issuance of food stamps. Existing law does not specifically allow for the staggered issuance of food stamps and the President's Task Force on Food Assistance recommended that specific permission be adopted.

Alternative means of coupon issuance

Section 108 amends section 7 of the Food Stamp Act to require the Secretary to have States use alternative means of issuing food stamps if it is determined, in consultation with the Inspector General, that it would improve program integrity. Alternative methods of issuance include using automatic data processing and information retrieval systems, or issuing, instead of food stamps, reusable documents (similar to credit or bank cards).

Redemption of coupons

Section 109 amends section 10 of the Food Stamp Act to prohibit financial institutions accepting ("redeeming") food stamps from retailers from charging a fee for redemption if the food stamps are submitted in accordance with Federal Reserve Board requirements (other than requirements for cancellation). Existing law contains no such prohibition.

Hours of operation

Section 110 amends section 11(e) of the Food Stamp Act to require that State agencies periodically assess the need for extended hours of operation—during evening and weekend hours. Existing law contains no specific provisions in this regard and the President's Task Force on Food Assistance recommended that States be encouraged to keep food stamp offices open during some non-business hours.

Eligibility of the homeless

Section 111 amends section 11(e) of the Food Stamp Act to require that States provide a method of certifying land issuing food stamps to eligible households not residing in a permanent dwelling or without a fixed mailing address. In carrying out this requirement, States would have to take necessary steps to ensure that food stamp participation is limited to eligible households. Existing law contains no specific provisions in this regard and the President's Task Force on Food Assistance recommended that procedures be put in place to ensure that those not having fixed addresses are served by the food stamp program.

Disqualification of retail food stores and civil money penalties

Section 112 amends section 12 of the Food Stamp Act to convert any disqualification of a retail food store into a civil money penalty when the disqualified store is sold or transferred before the disqualification period is completed. The amount of the payment would be calculated in a manner similar to the manner civil money penalties in lieu of disqualifications are now determined: i.e., multiply 10 percent of monthly food stamp redemptions times the number of months remaining in the disqualification period. Disqualification ends on sale of a store under existing law.

Authorization for appropriations

Section 113 amends section 18(a) of the Food Stamp Act to extend the authorization for appropriations through fiscal year 1989, with the following "caps": $13,217,000,000 for fiscal year 1986; $14,034,000,000 for fiscal year 1987; $14,841,000,000 for fiscal year 1988; and $15,702,000,000 for fiscal year 1989.

Prohibition against transfer of funds to the Office of the Inspector General

Section 114 amends section 18 of the Food Stamp Act to prohibit any funds appropriated under the authority of the Food Stamp Act from being transferred to the Agriculture Department's Office of the Inspector General, thereby requiring a separate appropriation. Under present practice, a portion of each year's food stamp appropriation is transferred to the Inspector General's office for use in food-stamp-related investigative activities. A separate appropriation is not sought or made.

Transfer of sales tax imposed on food purchased with food stamps

Section 115 amends section 18 of the Food Stamp Act to require that States transfer to the Federal government an estimated amount equal to the sales taxes collected on food stamp purchases in the State, if such State or local taxes are charged. The requirement would be effective beginning with the April-June quarter of 1986 and the transfers would be required quarterly (within 60 days of the end of a quarter). If a State fails to transfer the appropriate amount, the Secretary would be authorized to withhold amounts otherwise due the State (i.e., the Federal share of State and local administrative costs).

Puerto Rico block grant

Section 116 amends section 19 of the Food Stamp Act to authorize $825 million annually for the Puerto Rico Block Grant for nutrition assistance through fiscal year 1989. It would also revise 3 existing provisions of law affecting the operations of the block grant: The current noncash assistance requirement, now scheduled to be implement in October 1985, would be repealed, allowing the Commonwealth to continue to determine the form of assistance under its block grant; the current requirement that the Commonwealth pay 50 percent of administrative costs matched under the block grant would be deleted; and the current requirement that the Commonwealth use a single State agency to administer its nutrition assistance program would be deleted.

Community work and training program

Section 117 amends the Food Stamp act to add a new section (21) giving States the option to establish community work experience programs, in addition to other work-related activities. States would be allowed to initiate activities providing work experience and limited training to food stamp recipients, or strengthen similar existing efforts. The authority for and limitations on these optional work experience programs would be similar to the authority granted to states for their Aid to Families with Dependent Children [AFDC] recipients in 1981. However, the food stamp work experience programs could, in addition to work in return for benefits, provide for a broader range of work experience and training activities than provided for under workfare or other authorities, and States could limit participation to specific recipient groups most likely to benefit. Each program would be State-designed and would be aimed at improving the employability of participants through actual work experience and training, in order to enable participants to become employed promptly. As with existing food stamp workfare authority, the number of hours of work experience or training would be limited to the value of the household's food stamp allotment divided by the minimum wage, protection for recipients and against displacement of existing employees would be required, and States would receive a reimbursement of half of their administrative and limited participant support costs.

This amendment would allow States to pursue food stamp employment and training programs that are more flexible than under current law, which limits them to either job search activities (requiring a specific number of job contacts) or workfare. It would also complement the requirement, in this bill (section 106), for a job search program that can include training and support components.

TITLE II—NUTRITION SURVEILLANCE

Nutritional status monitoring

Section 201 amends section 1428 of the National Agricultural Research, Extension,

and Teaching Policy Act of 1977 to require that, as a part of our comprehensive nutritional status monitoring program, periodic special surveys be included to determine the nutritional status of particularly vulnerable low-income groups (including low-income mothers, single parents, pregnant women, single elderly persons, and homeless individuals). It would also require: (1) assessment and monitoring of nutrition-related health problems, who faces the greatest risks, and the likely causes of nutrition-related health risks; (2) development of a surveillance system that can tie detection of nutrition-related health risks to means of direct intervention and treatment; and (3) program evaluations to determine the adequacy, efficiency, effectiveness, and effects of nutrition programs in reducing nutrition-related health risks.

The President's Task Force on Food Assistance recommended that the Federal government devote more effort to developing standards and means to measure nutritional status.

TITLE III—FOOD DISTRIBUTION

Transfer of "section 32" commodities

Section 301 would amend section 32 of the Act of August 24, 1935, to allow public or private nonprofit agencies receiving "section 32" commodities to transfer those commodities to other public or private nonprofit organizations that agree to use the commodities to assist low-income groups without cost or waste.

Commodity Supplemental Food Program

Section 302 would amend section 4(a) of the Agriculture and Consumer Protection Act of 1973 by extending, through fiscal year 1989, the suthority for appropriations to obtain commodities for the commodity supplemental food program and other commodity distribution programs. It would also amend section 5(a) of that Act to extend, through fiscal year 1989, the current-law requirement for the provision of Federal funds for State and local administrative operating costs. Finally, it would require the continuation of pilot commodity supplemental food projects for the elderly in existence at the date of enactment.

Temporary Emergency Food Assistance Program [TEFAP]

Section 303 would amend the Temporary Emergency food Assistance Act of 1983 to extend the Temporary Emergency Food Assistance Program [TEFAP] through fiscal year 1989, and to extend the $50 million annual appropriation authorization for costs associated with the provision of commodities to needy persons served by food banks, charitable institutions, hunger centers, soup kitchens, and similar public or private nonprofit agencies, nonprofit public or private agencies. It would also authorize the Secretary of Agriculture to make "section 32" commodities available to carry out the purposes of the Temporary Emergency Food Assistance Act.

Donations by military commissaries

Section 304 would amend section 2482 of title 10 of the United States Code to allow commissary stores of the Department of Defense to donate surplus, unmarketable food to local food banks.

TITLE IV—EFFECTIVE DATES

Section 401 provides that the effective date of the following sections would be October 1, 1985: sections 102, 103, 111, 116, 302, 303, and 304—dealing with income exclusions, deduction of energy assistance payments, eligibility of the homeless, the Puerto Rico block grant, the commodity supplemental food program, the temporary emergency food assistance program, and donations by military commissaries. It also provides that the effective date of sections 101 and 115—dealing with the earned income deduction and the transfer of sales tax imposed on food purchased with food stamps—would be April 1, 1986. All other amendments would be effective on such dates as the Secretary of Agriculture prescribes, taking into account the need for orderly and expeditious implementation—but in no event later than one year after enactment.

Mr. BOSCHWITZ. Mr. President, I am pleased to join Senator DOLE in introducing the Domestic Food Assistance Act of 1985. The purpose of this legislation is to reauthorize and improve the Food Stamp Program. The Domestic Food Assistance Act of 1985 will be a positive and effective step toward alleviating hunger in the United States while being fiscally responsible. The costs of the Food Stamp Program under this bill, will be within the constraints imposed by the budget resolution.

The improvements we make in the program include raising the earned income deduction from 18 to 20 percent and strengthening the job search and work requirements. Increasing the earned income deduction to 20 percent increases the incentive for food stamp recipients to work. Increasing the States' grants for the job search and work requirements will help States provide incentives to food stamp recipients to return to work.

In this bill we pay for these improvements and get the cost of the program within the budget resolution by freezing the block grant to Puerto Rico for food assistance and by requiring States to repay the sales tax collected on food paid for with food stamps.

Once again, with Senator DOLE's leadership, I think we have come up with a pragmatic, responsible approach to reauthorizing the Food Stamp Program.

By Mr. LEVIN (for himself, Mr. GRASSLEY, Mr. DOLE, Mr. THURMOND, Mr. LAXALT, Mr. HATCH, Mr. SIMPSON, Mr. DENTON, and Mr. DECONCINI):

S. 1145. A bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies; to the Committee on the Judiciary.

RULEMAKING PROCEDURES REFORM ACT

Mr. LEVIN. Mr. President, I am today joining with my colleague Senator GRASSLEY, the current chairman of the Administrative Practices Subcommittee of the Senate Judiciary Committee, in introducing the Agency Accountability Act of 1985. Senators DOLE, BOREN, THURMOND, LAXALT, HATCH, SIMPSON, DENTON, and DECONCINI are also cosponsoring this measure, which we believe is a responsible answer to the Supreme Court's Chadha decision in which one and two House legislative vetoes were so sweepingly overturned.

Although the Supreme Court struck down through the breadth of its opinion the existing legislative vetoes over agency rulemaking, as well as legislative veto mechanisms in other areas such as foreign policy, budget and reorganization, the need for this shared-power mechanism has not diminished. Our attention has been focused on, and this bill addresses the area of, agency rulemaking. The executive branch and independent agencies continue to churn out thousands of regulations, directly and significantly affecting our lives, without the politically accountable involvement of the Congress. The reason and need for the legislative veto over agency rulemaking has not changed, only—because of the Supreme Court's decision—the mechanics of its procedures. The bill we are introducing meets the constitutional tests laid out by the Supreme Court in Chadha and at the same time gives Congress the power over these regulations which it should have to assure agency accountability to the public—without creating an unmanageable workload.

The Levin-Grassley legislative bill is similar in some respects to earlier versions, except that it provides for a prohibition on the appropriation of funds for the implementation of any rule for which a joint resolution of disapproval has been passed by both houses of Congress. It uses the constitutional mechanisms of a joint resolution of disapproval which was contained in the earlier versions of the Levin-Boren legislative veto, which means that both houses of Congress and the President are required to pass and sign, respectively, the disapproval resolution. This meets the essential elements of the Chadha decision, which requires involvement by both houses of Congress and presentment to the President.

The bill categorize rules into two areas—major and nonmajor. These are terms with which the agencies and Congress have been familiar over the past several years. The definition of a major rule is contained in the bill, and is the same definition as that contained in S. 1080, which passed the Senate by a vote of 96 to 0 in the 97th Congress.

The reason for distinguishing between major and nonmajor rules is to avoid any unnecessary delay in the implementation of noncontroversial rules. Major rules require more time for analysis because of their likely complexity, but it would be unfortunate to submit other rules which are simpler and less important to the same timeframe. Thus the bill establishes a

90-day delay period from the time the rule is sent to the Federal Register for publication as final and a 45-day delay period for nonmajor rules. "Days" are defined as legislative days. A rule may take effect during either the 90- or 45-day time periods if either House of Congress defeats a joint resolution of disapproval. Expedited procedures are included for the prompt consideration of a resolution of disapproval.

The bill adds the new and important provision establishing an internal mechanism for controlling the appropriation of funds for the implementation or administration of a controversial rule. If both Houses of Congress have passed a joint resolution of disapproval, but the President has vetoed the resolution and Congress has not overturned the veto, the appropriation of funds for that rule is restricted. In that situation a point of order will lie against final passage of any appropriations bill or resolution involving the agency with responsibility for the rule, unless the appropriations bill or resolution has a specific restriction in it which prohibits the use of any of the appropriated funds for the administration or enforcement of the subject rule. This provision is constitutional because it is a housekeeping measure, internal to the Congress. It is not a legislative act requiring presentment to the President; it is merely a statement of Congress' internal rule of procedures with regard to regulations which have been disapproved by both Houses.

Mr. President, Senator **Grassley** and our other cosponsors have given a great deal of thought to the subject of an appropriate response to the Chadha decision. In the interests of achieving a governmentwide legislative veto mechanism over agency rulemaking we have engaged in a lot of give and take. We are proud of this final product, because it is effective, constitutional and reasonable. I hope our colleagues will join us in support of this measure.

I ask unanimous consent that a copy of the legislation be printed following my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1145

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rulemaking Procedures Reform Act of 1985".

Sec. 2. (a) Section 551 of title 5, United States Code, is amended—

(1) by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) 'rule' means the whole or part of an agency statement of general or particular applicability designed to implement, interpret, or prescribe law or policy or to describe the organization, procedure, or practice requirements of an agency and includes—

"(A) the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services or allowances therefor, or of valuations, costs, or accounting, or practices bearing on any of the foregoing; and

"(B) any amendment, revision, or repeal of such an agency statement.";

(2) by striking out the word "and" in paragraph (13);

(3) by striking out the period at the end of paragraph (14) and inserting a semicolon and the word "and"; and

(4) by inserting immediately after paragraph (14) the following new paragraph:

"(15) 'emergency rule' means a rule which is temporarily effective prior to the expiration of the otherwise specified periods of time for public notice and comment under this subchapter and which was duly promulgated by an agency pursuant to a finding that delay in the effective date thereof would—

"(A) seriously injure an important public interest,

"(B) substantially frustrate legislative policy and intent, or

"(C) seriously damage a person or class of persons without serving any important public interest.".

(b) Section 553(b) of such title is amended by striking out clause (B) and inserting in lieu thereof the following:

"(B) when the agency for good cause finds that public notice and comment are unnecessary due to the routine nature or matter or insignificant impact of the rule, or that an emergency rule should be promulgated.

An agency which finds that clause (A) or (B) of this subsection applies to a rule shall publish in the Federal Register with the final rule a statement of such finding and a brief description of reasons for such finding. The provisions of clauses (A) and (B) of this subsection shall not preclude an agency from—

"(i) inviting persons representing different points of view to submit comments,

"(ii) creating an advisory committee to report, or

"(iii) using such other devices to obtain suggestions,

regarding the content of proposed rules prior to notice of rule making.".

(c) Section 553 of such title is amended—

(1) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) Except as provided in subsection (e) with respect to an emergency rule, and after notice required by this section, the agency shall give interested persons not less than 60 days to participate in the rule making through submission of written data, views, or arguments with or without opportunity for oral presentation. The agency may extend the 60-day period if the agency determines that such period is insufficient to permit diligent interested persons to prepare comments or that other circumstances justify an extension of such period. After consideration of the relevant matter presented, the agency shall incorporate in the rules adopted a concise general statement of their basis and purpose. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.";

(2) by redesignating subsection (e) as subsection (f); and

(3) by inserting after subsection (d) the following new subsection:

"(e) Unless earlier withdrawn by the agency, earlier disapproved by a joint resolution of Congress pursuant to chapter 8 of this title, or earlier set aside by court action, an emergency rule shall terminate 120 days after the date on which it is promulgated.".

Sec. 3. (a) Title 5, United States Code, is amended by inserting after chapter 7 the following new chapter:

"CHAPTER 8—AGENCY ACCOUNTABILITY

"Sec.
"801. Findings and purposes.
"802. Definitions.
"803. Agenda; transmission of rules.
"804. Review of agency rules.
"805. Procedures for consideration of joint resolutions.
"806. Relationship to other law.
"807. Enforcement.

"§ 801. Findings and purposes

"(a) The Congress finds and declares that—

"(1) agencies issue a large number of rules that have a significant impact on the Nation;

"(2) these agencies are staffed by persons who are not elected and who are therefore not directly accountable to the public;

"(3) some of the rules issued by these agencies may conflict with or duplicate other rules or may not conform with legislative intent;

"(4) conflicting or duplicative rules may contribute to governmental inefficiency, and rules which do not conform with legislative intent may frustrate the purposes and implementation of congressionally mandated programs; and

"(5) conflicting or duplicative rules and rules which do not conform with legislative intent may also impose unnecessary burdens on State and local governments.

"(b) Therefore, it is the purpose of this chapter to assure increased agency accountability to the public through their elected officials and through adherence to legislative intent in the issuance of agency rules.

"§ 802. Definitions

"For purposes of this chapter:

"(1) The term 'agency' has the same meaning as in section 551(1) of this title.

"(2) The term 'rule' has the same meaning as in section 551(4) of this title, except that such term does not include—

"(A) a rule or statement described in section 553(b)(A) of this title, unless such rule or statement has general applicability and substantially alters or creates rights or obligations of persons outside the agency;

"(B) a rule of particular applicability that approves or prescribes for the future rates, wages, prices, services, or allowances therefor, corporate or financial structures, reorganizations, mergers, or acquisitions thereof, or accounting practices or disclosures bearing on any of the foregoing; and

"(C) a rule if—

"(i) the agency made a finding with respect to such rule under section 553(b)(B) of this title; and

"(ii) on the date on which the agency promulgates the rule, the head of the agency submits a copy of the statement required to be published in the Federal Register under such section to the chairman and ranking minority member of the appropriate committees.

"(3) The term 'joint resolution' means only an unamendable joint resolution which contains no preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the recommended final rule issued by   dealing with the matter of   , which rule was transmitted to the Congress on   .', the first blank being filled with the name of the agency issuing the rule, the second blank being filled with the title of the rule and such further description as may be necessary to identify it, and the third blank being filled with the date of transmittal of the rule to the Congress.

"(4) The term 'appropriate committee' means the committee of the House of Representatives and the committee of the Senate which has primary legislative jurisdiction over the statute pursuant to which an agency issues a rule.

"(5) The term 'major rule' means—

"(A) a rule or a group of closely related rules that the agency, the President, or an officer of the Government designated by the President reasonably determines is likely to have an annual effect on the economy of $100,000,000 or more in reasonably quantifiable direct and indirect costs; or

"(B) a rule or a group of closely related rules that is otherwise designated a major rule by the agency proposing the rule, or is so designated by the President or an officer of the Government designated by the President, on the ground that the rule is likely to result in—

"(i) a substantial increase in costs or prices for wage earners, consumers, individual industries, nonprofit organizations, Federal, State, or local government agencies, or geographic regions; or

"(ii) significant adverse effects on competition, employment, investment, productivity, innovation, the environment, public health or safety, or the ability of enterprises whose principal places of business are in the United States to compete in domestic or export markets.

"(6) The term 'emergency rule' has the same meaning as in section 551(15) of this title.

"§ 803. Agenda; transmission of rules

"(a) Each agency shall prepare an agenda listing all areas in which the agency intends to propose rules within the following twelve-month period. The agency shall transmit such agenda or relevant portion thereof to the appropriate committee of the Senate and the appropriate committee of the House of Representatives. Failure to list an area of possible rule making on an agenda shall not preclude an agency from proposing or issuing any rule. The agenda, or relevant portion thereof, shall be transmitted to the appropriate committees within one hundred and eighty days after the effective date of this chapter and semiannually thereafter.

"(b) On the day an agency forwards to the Federal Register for publication a recommended final rule, the agency shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives a copy of such rule and a copy of any other materials transmitted to the Federal Register for publication with respect to such rule. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended final rule under this subsection whether the appropriate House is in session, recess, or adjournment.

"(c) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended final rule, the Secretary and the Clerk shall transmit a copy of such rule and any materials received with respect to such rule to the appropriate committees.

"§ 804. Review of agency rules

"(a) For purposes of this section and section 805 of this title—

"(1) 'days' means only days of continuous session of Congress;

"(2) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(3) the days on which either House is not in session for more than three days because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress.

"(b) Notwithstanding any other provision of law, any final rule shall be considered a recommendation of the agency to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this chapter.

"(c)(1) Notwithstanding any other provision of law, a recommended final rule shall become effective in accordance with its terms unless—

"(A) in the case of a recommended final major rule, a joint resolution is enacted into law within 90 days after the first day of continuous session of Congress after the day on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives under section 803(b) of this title; or

"(B) in the case of a recommended final nonmajor rule, a joint resolution is enacted into law within 45 days after the first day of continuous session of Congress after the day on which such rule is received by such Secretary and such Clerk under such section.

"(2) Whenever an appropriate committee reports a joint resolution pursuant to this chapter, the joint resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(d) Notwithstanding paragraph (1) of subsection (c), a recommended final rule may become effective at any time after the day on which either House of Congress defeats a joint resolution, and, in the case of the Senate, a motion to reconsider such joint resolution is disposed of.

"(e) If Congress adjourns sine die at the end of a Congress prior to the expiration of the period specified in subparagraph (A) of subsection (c)(1) with respect to a recommended final major rule, or prior to the expiration of the period specified in subparagraph (B) of such subsection with respect to a recommended final nonmajor rule, as the case may be, the rule shall not become effective during that Congress. The agency which issued such recommended final rule may transmit such rule at any time after the first day of the following Congress in accordance with section 803(b) of this title, and the period specified in subparagraph (A) or (B) of subsection (c)(1), as the case may be, with respect to such rule shall begin on the day such rule is transmitted to the Congress.

"(f)(1) If a recommended final rule of an agency does not become effective under this chapter, the agency may issue a recommended final rule which relates to the same acts or practices as the rule which did not become effective under this chapter. Such recommended final rule—

"(A) shall be based upon—

"(i) the rule making record of the recommended final rule which did not become effective under this chapter; or

"(ii) such rule making record and the record established in supplemental rule making proceedings conducted by the agency in accordance with section 553 of this title, in any case in which the agency determines that it is necessary to supplement the existing rule making record; and

"(B) may reflect such changes as the agency considers necessary or appropriate including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(2) An agency, after issuing a recommended final rule under this subsection, shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives in accordance with section 803(b) of this title, and such rule shall only become effective in accordance with this chapter.

"(g) Congressional inaction on or rejection of a joint resolution with respect to a recommended final rule shall not be deemed an expression of approval of such rule.

"§ 805. Procedures for consideration of joint resolutions

"(a) The provisions of this section and sections 802(3), 803(c), and 804(c)(2) of this title are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(b) Except as provided in subsection (e) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(c)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such joint resolution—

"(i) in the case of a joint resolution with respect to a recommended final major rule, within 60 days after the first day of continuous session of Congress after the day on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives under section 803(b) of this title;

"(ii) in the case of a joint resolution with respect to a recommended final nonmajor rule, within 30 days after the first day of continuous session of Congress after the day on which such rule is received by such Secretary and such Clerk under such section,

it shall be in order to move to discharge the committee from further consideration of such joint resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such joint resolution—

"(i) in the case of a joint resolution with respect to a recommended final major rule, within 20 days after the date of transmittal of such joint resolution from the other House; or

"(ii) in the case of a joint resolution with respect to a recommended final nonmajor rule, within 10 days after the date of transmittal of such joint resolution from the other House,

it shall be in order to move to discharge such committee from further consideration of such joint resolution.

"(2)(A) Any motion to discharge under paragraph (1) of this subsection in the Senate may be made by one Senator and is privileged (except that it may not be made after a joint resolution has been reported with respect to the same rule).

"(B) Any motion to discharge under paragraph (1) of this subsection in the House of Representatives must be supported in writing by one-fifth of the Members of the House of Representatives, duly chosen and sworn, is highly privileged, and may be filed—

"(i) in the case of a joint resolution with respect to a recommended final major rule, 20 days after the first day of continuous session of Congress after the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive such rule under section 803(b) of this title; or

"(ii) in the case of a joint resolution with respect to a recommended final nonmajor rule, 10 days after the first day of continuous session of Congress after the day on which such Secretary and such Clerk receive such rule under such section.

"(C) Debate on any motion to discharge under paragraph (1) of this subsection in the Senate or the House of Representatives shall be limited to not more than one hour, the time to be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees, and to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge. An amendment to the motion is not in order.

"(d)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a joint resolution shall be limited to not more than two hours (except that when one House has debated its joint resolution, the companion joint resolution shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the joint resolution and which shall be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the joint resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote on adoption of the joint resolution, and shall not be debatable. Any other motions shall be decided without debate.

"(e) If a joint resolution has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the joint resolution of the other House shall be placed on the appropriate calendar of the first House. If prior to the disposition of a joint resolution of one House, that House receives the companion joint resolution from the other House, the vote in the first House shall occur on the joint resolution of the other House.

"§ 806. Relationship to other law

"The provisions of this chapter supersede any other provision of law requiring action by one or both Houses of Congress for congressional review or disapproval of agency rules to the extent such other provisions are inconsistent with this chapter.

"§ 807. Enforcement

"(a) This section is adopted as an exercise of the power of each House of Congress to determine the rules of its proceedings. The Congress specifically finds that the provisions of this section are essential to the Congress in exercising its constitutional responsibility to monitor and to review exercises by the Executive of delegated powers of a legislative character.

"(b) Except as provided in subsection (c) of this section, after the Senate and the House of Representatives adopt a joint resolution with respect to a rule pursuant to this chapter, it shall not be in order in the Senate or the House to vote on final passage of any bill or resolution making appropriations for the agency which issued such rule unless such bill or resolution contains provisions which prohibit the use of any funds appropriated by such bill or resolution to issue, promulgate, enforce, or otherwise carry out such rule.

"(c) In any case in which, prior to the effective date of this chapter, Federal law provided that a rule subject to this chapter could not take effect if such rule was disapproved by action of only one House of Congress, the provisions of subsection (b) of this section shall apply to such rule on and after the date on which either the Senate or the House of Representatives passes a joint resolution under this chapter with respect to such rule.

"(d) An appeal of a ruling of the presiding officer sustaining a point of order raised under this section shall require the approval of a majority of members of the Senate or the House of Representatives, as the case may be, present and voting, to overrule the ruling of the Presiding Officer. On all appeals under this section there shall be one hour of debate equally divided.".

(b) The table of chapters for part I of such title is amended by inserting after the item relating to chapter 7 the following new item:

"8. Agency Accountability .... 801.".

Sec. 4. This Act and the amendments made by this Act shall take effect on the first day of the One Hundredth Congress.

Mr. GRASSLEY. Mr. President, 4 years ago, a new administration and a new Senate majority took office, pledged to reduce the pervasive role of Government in the everyday lives of Americans.

Our targets were a tax system which punished initiative and investment, wasteful Government spending which crowded out private sector activity, and pernicious Federal regulation which increased costs for businesses and consumers alike, while intruding on the prerogatives of families and communities.

In these 4 years, Congress has joined with the administration in reforming that tax system. And while we have yet to face squarely the inevitable consequences of mammoth deficits, we have at least slowed the growth of Federal spending.

Yet as we begin a second Reagan administration, and the third Congress since that shift in the Senate, Congress remains, a seemingly hapless bystander in that third, equally vital, area of limiting Government power: regulatory reform. Though the Senate-passed comprehensive regulatory reform legislation in 1982—by a 94 to 0 vote—Congress has not advanced at all since that high point in our effort.

In fact, Congress has suffered a setback in its participation in the regulatory reform process. That setback revolves around what I consider the centerpiece of the congressional rôle in the regulatory reform process: the legislative veto.

A large piece of the blame for the growth of the Federal regulatory morass falls on Congress for its willingness to abandon its oversight and legislative function in favor of a mass of faceless bureaucrats.

However, Congress had begun to reassert some of its control over the workings of Government through its use of the legislative veto of agency actions—and seemed prepared to flex its muscles still further by expanding its use of the device to all major agency rules—until the Supreme Court stepped into the breach in Chadha versus Immigration and Naturalization Service.

In Chadha, the Court struck down the use of the legislation veto in more than 120 statutes, ruling that the device upset the constitutional scheme dividing powers between the executive and legislative branches.

Because of the difficulties encountered to date in passing comprehensive regulatory reform legislation—and because I believe that the revival and expansion of the legislative veto is crucial to our efforts to make the operations of Government subject once again to the consent of the governed—I have joined with my distinguished colleague, Senator Levin, in fashioning separate legislation creating a congressional veto which comports with the requirements of Chadha.

Our legislation creates a two-step process for halting agency action. First, major agency rules, as defined under the bill, will be considered recommendations only until 90 days after they have been reported to Congress. The waiting period for nonmajor bills is 45 days. During that waiting period,

the appropriate committee may commence a joint resolution of disapproval, and the bill establishes procedures for expedited floor consideration of such a resolution.

After 60 days for major rules, and 30 days for a nonmajor bill, the committee may be discharged from consideration of the legislation by a vote of one-fifth of the Members of that House of Congress. If Congress has not acted by the end of the waiting period, the rule may take effect.

Second, the passage of the joint resolution by both Houses of Congress gives rise to a point of order for any appropriations bill involving the relevant agency which does not bar use of Government funds to implement the rule. For rules previously subject by law to a one-House veto, the passage of a joint resolution by either House of Congress would give rise to this point of order. Therefore, even if the President does not sign the joint resolution of disapproval mandated by Chadha, the agency in question will still be prevented from going forward with the rule by lack of funds.

As Senator Levin and I come forward with this legislation, I recognize that the regulatory reform fervor within Congress has waned somewhat. For one thing, the need to act now on reducing the budget deficit has dwarfed all other economic issues. And in fact, administration officials, engaged in an experiment with prior review of agency action under Executive Order 12498, have encouraged Congress to hold off until they have had a chance to review that process.

While I agree that a resolution of our budget crisis is the paramount issue of this Congress, I also believe that we can find time to move forward on an issue which has been a focus of congressional attention now for nearly 10 years. A voluminous hearing record—including 10 days of hearings before the Judiciary Committee and 11 days before the Government Affairs Committee—proceeded Senate passage of our comprehensive regulatory reform proposal in 1982, further hearings followed my reintroduction of that proposal as S. 1080 in the 98th Congress, and specific hearings on the legislative veto question followed the Chadha decision. And let me add that the experiment of the administration in tightening its own internal control of the regulatory process, while welcome, is no substitute for Congress' reestablishing its own prerogative to direct and oversee the operations of the executive branch.

Mr. President, this proposal is a reasonable and workable way for Congress to reassert itself in setting the policies that Americans must abide by at home, in the workplace, and in the community. We cannot afford to let another session go by without taking action on this vital issue involving not just the interrelationship of the coequal branches of Government, but the fundamental right of Americans to control their Government through the actions of their elected leaders.

Mr. President, I ask that a summary of the legislation be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY OF LEVIN-GRASSLEY LEGISLATIVE VETO BILL

The Levin-Grassley legislative veto bill for the 99th Congress is similar to earlier versions, except that it provides for a prohibition on the appropriation of funds for the implementation of any rule for which a joint resolution of disapproval has passed both houses of Congress. It continues to use the constitutional mechanism of a joint resolution of disapproval, which means that both houses of Congress and the President are required to pass and sign, respectively, the disapproval resolution. This meets the essential elements of the Chadha decision. Two timetables are established by the bill—one for major rules and one for non-major rules. Non-major rules would not take effect for 45 days and major rules would not take effect for 90 days after they are sent to Congress, which is the same day on which they are sent to the Federal Register for publication as final. "Days" are defined as "legislative days." A rule may take effect during either the 45 or 90 day time periods if either house of Congress defeats a joint resolution of disapproval. There are expedited procedures for the consideration of a resolution of disapproval.

A short summary of each section of the bill follows:

Section 1. The title of the bill.

Sec. 2. Definition of the term "rule" and extension of the notice and comment period from 30 days to 60 days.

Sec. 3. Other definitions. The veto provisions pertain to most rules of general applicability. Provision is made for the immediate implementation of a rule without the legislative veto procedure where an emergency or other exigent circumstance exists. Such rules, however, can remain effective for no more than 120 days.

Procedures. Each agency is to semiannually prepare a list of the areas in which it intends to propose rules in the following 12 months and transmit that list to the Congress. On the day the agency forwards a rule to the Federal Register for publication in final, the agency shall also send a copy of the rule and accompanying documents to each house of Congress. The rule is then referred immediately to the committee having jurisdiction over the program under which the rule is being promulgated.

The Veto. Any rule subject to the legislative veto procedure shall be considered a recommended final rule and cannot take effect before the end of a period of 45 legislative days with respect to non-major rules and 90 legislative days with respect to major rules, from the day on which it was submitted, excluding from the count any recess or adjournment of more than three days. However, a rule may take effect, regardless of the 45 or 90 day period, if either House of Congress votes to reject a joint resolution of disapproval. If a recommended final rule is subject to a joint resolution of disapproval enacted into law, the agency may issue another rule relating to the same subject and following the same legislative veto procedure required by this bill. Congressional inaction on or rejection of a joint resolution of disapproval is not to be viewed as an expression of approval of the subject rule.

Expedited Procedures. Expedited procedures are provided for consideration of a resolution of disapproval in both the House and the Senate.

Point of Order on Appropriations. If the Senate and House have passed a joint resolution of disapproval pursuant to this Act, then a point of order will lie against any appropriations bill, amendment or resolution, providing money for the relevant agency, unless such bill, amendment, or resolution contains an express prohibition on the use of any of the appropriated funds for the implementation of the subject rule. This point of order will lie regardless of whether or not the joint resolution of disapproval has been enacted into law.

Sec. 4. This act will take effect on the first day of the 100th Congress.

Mr. BOREN. Mr. President, I am pleased to again join my colleague from Michigan, Senator Levin, in introducing a bill, known as the Agency Accountability Act of 1985, to allow for a legislative veto of Federal agency regulations.

This act would allow both Houses of Congress the opportunity to consider agency recommendations before such regulations would go into effect. In the case of a major rule, one which has an economic impact of $100 million or more, the Congress would have 90 days while in session to consider such a new regulation before it could take effect. This will ensure that our elected Representatives have a final check on major governmental policies set down by bureaucratic officials.

In the case of a rule that does not have as large an impact, Congress would have 45 days to consider a possible veto of the new regulation. In both cases, the House and Senate committees, with primary legislative jurisdiction in that particular area, have a time limit to consider the regulation prior to its effective date. If it is justified by the committee to be in the public's best interest and the intent of Congress, no action would be required. If, however, the regulation is met with opposition, the committee may recommend a joint resolution to veto the rule, requiring a two-thirds vote of each House.

Congress has a constitutional responsibility to monitor and review mandates of our Government agencies. While we delegate a great deal of the implementation of such policy to these agencies, it is our job to see that this is carried out with congressional intent.

Our Government is a government of the people. Laws should not be made by bureaucrats who are not elected by and accountable to the people.

Many of the rules and regulations which agencies issue not only cause redtape, frustration, lengthy delays, and paperwork, but often cause severe economic hardships on individuals and businesses in this country. It only seems right, that the elected and accountable representation in our Congress should have the responsibility and opportunity to intervene before some of these kinds of rules produced by our appointed agencies come into effect.

Often, intervention after the fact can be too late to prevent the expenditure of large amounts of money by the private sector to comply with the unneeded regulations. The duty of oversight by the Congress is a very important responsibility.

The Code of Federal Regulations at present fills over 111,830 pages contained in 191 volumes which take up a staggering 18 feet in shelf length. This represents a tremendous time and economic burden being placed upon the people, often without advance review by their own elected officials.

Senator Levin, whom I greatly admire and appreciate for his untiring efforts in again bringing this proposal before the Senate, has detailed the purpose and workings of the bill. I will not reiterate those points, but rather close with this very basic thought.

The Declaration of Independence sets forth that our rights are secured by, "governments instituted among men, deriving their just powers from the consent of the governed." The power is in the people and the people exercise that power through their elected representatives. That power is not meant to be subdivided by anyone, especially by a nonelected bureaucracy.

By Mr. HATFIELD (for himself, Mr. Ford, Mr. Dole, Mr. Johnston, Mr. McClure, Mr. Hollings, Mr. Abdnor, Mr. Metzenbaum, Mr. Bumpers, Mr. Moynihan, Mr. Packwood, Mr. Cochran, Mr. Thurmond, Mr. Burdick, Mr. Zorinsky, Mr. Cranston, Mr. Wallop, and Mr. Lautenberg):

S.J. Res. 136. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with Sunday, April 13, 1986, as "National Garden Week"; to the Committee on the Judiciary.

NATIONAL GARDEN WEEK

● Mr. HATFIELD. Mr. President, today I am introducing a joint resolution requesting and authorizing President Reagan to designate the calendar week of April 13, 1986, as "National Garden Week."

The contributions of American gardeners range from the beautification of our environment to the production of fresh fruits and vegetables. Gardening provides a healthy, relaxing hobby for both young and old Americans. I find gardening to be an enjoyable and rewarding pastime.

As I walked across the Capitol Grounds this week, I was greatly impressed by the well-tended flower beds that add so much to the esthetic beauty of our Capitol. In other parts of America, flower gardens and window boxes bring enjoyment and satisfaction to many, beautifying neighborhoods and apartment buildings.

Throughout our Nation's history, gardeners have made invaluable contributions to the quality of life in our country. Many famous Americans have been avid gardeners. Thomas Jefferson, an enthusiastic practitioner of scientific farming and gardening, conducted numerous experiments at Monticello. Contemporaries said that he was always looking for new plants and seed with which to experiment. In a letter to a friend he remarked, "But though an old man, I am but a young gardener."

Henry Mitchell, one of my favorite authors, wrote a book entitled "The Essential Earthman," in which he describes the art of gardening quite succintly:

> Leisure, slowness, contemplation: In an age of presumed efficiency and professionalism, these amateur virtues are perhaps despised, but they may underlie the greatest joys of gardening, and of life. There are no green thumbs or black thumbs. There are only gardeners and nongardeners. Gardeners are the ones who ruin after ruin get on with the high defiance of nature herself, creating, in the very face of mere chaos and tornado, the bower of roses and the pride of irises. * * * Patience, and freedom from fretting, are supreme gardening virtues.

Gardening instills in us a greater appreciation and respect for the natural beauty of our country. It inspires us to take greater care in preserving and protecting our precious natural resources, of which trees and plants are vital elements.

Gardening contributes to our Nation's economic health, as well. The production and sale of seeds, plants, and gardening tools provide thousands of jobs across the country, and constitute an active and growing industry.

By designating the third week in April as "National Garden Week," we will provide the stimulus for Federal, State, and local government agencies, as well as private citizens and organizations, to recognize the important contributions that have been made toward preserving traditional American values of individual initiative and caring concern for our environment.●

ADDITIONAL COSPONSORS

S. 54

At the request of Mr. D'Amato, the name of the Senator from Michigan [Mr. Levin] was added as a cosponsor of S. 54, a bill to establish a Federal annuity program to compensate participants in private pension plans which terminated before July 1, 1984, for nonforfeitable pension benefits which were lost by reason of the termination, and for other purposes.

S. 361

At the request of Mr. Moynihan, the name of the Senator from Hawaii [Mr. Inouye] was added as a cosponsor of S. 361, a bill to amend the Internal Revenue Code of 1954 to make permanent the deduction for charitable contributions by nonitemizers.

S. 408

At the request of Mr. Weicker, the name of the Senator from Oregon [Mr. Hatfield] was added as a cosponsor of S. 408, a bill to amend the Small Business Act to provide program levels, salary and expense levels, and authorizations for the Small Business Administration's programs for fiscal years 1986, 1987, and 1988, and for other purposes.

S. 523

At the request of Mr. Armstrong, the names of the Senator from Oklahoma [Mr. Boren], and the Senator from Florida [Mrs. Hawkins] were added as cosponsors of S. 523, a bill to prohibit the payment of certain agricultural incentive payments to persons who produce certain agricultural commodities on highly erodible land.

S. 531

At the request of Mr. DeConcini, the name of the Senator from Texas [Mr. Bentsen] was added as a cosponsor of S. 531, a bill to authorize the appropriation of funds for the operation and maintenance of a Special Operations Wing of the Air Force Reserve, to authorize the appropriation of funds for the operation and maintenance of the Directorate of the Department of Defense Task Force on Drug Enforcement, and to require certain reports.

S. 538

At the request of Mr. Metzenbaum, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor of S. 538, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for warnings concerning the use by children of drugs containing aspirin, and for other purposes.

S. 680

At the request of Mr. Thurmond, the name of the Senator from Montana [Mr. Melcher] was added as a cosponsor of S. 680, a bill to achieve the objectives of the multifiber arrangement and to promote the economic recovery of the U.S. textile aand apparel industry and its workers.

S. 729

At the request of Mr. Durenberger, the name of the Senator from North Carolina [Mr. Helms] was added as a cosponsor of S. 729, a bill to amend the Internal Revenue Code of 1954 to make permanent the rules relating to imputed interest and assumption of loans, and for other purposes.

S. 797

At the request of Mr. Hatch, the names of the Senator from Florida [Mrs. Hawkins] and the Senator from North Carolina [Mr. Helms] were added as cosponsors of S. 797, a bill to authorize an employer to pay a youth employment opportunity wage to a person under 20 years of age from May through September under the Fair Labor Standards Act of 1938 which shall terminate on September 30, 1987, and for other purposes.

S. 882

At the request of Mr. Cranston, the name of the Senator from Tennessee [Mr. Sasser] was added as a cosponsor of S. 882, a bill to amend the Peace Corps Act to establish a Peace Corps National Advisory Council, to establish a policy of providing opportunities for a volunteer corps of at least 10,000, and to provide for nonpartisan appointments.

S. 908

At the request of Mr. McConnell, the name of the Senator from Utah [Mr. Hatch] was added as a cosponsor of S. 908, a bill to provide market expansion and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

S. 945

At the request of Mr. Thurmond, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor of S. 945, a bill to recognize the organization known as the National Association of State Director of Veterans' Affairs, Inc.

S. 959

At the request of Mr. Danforth, the name of the Senator from South Carolina [Mr. Thurmond] was added as a cosponsor of S. 959, a bill to amend the Coastal Zone Management Act of 1972 to provide authorization of appropriations, and for other purposes.

S. 1093

At the request of Mr. Mathias, the name of the Senator from Missouri [Mr. Danforth] was added as a cosponsor of S. 1093, a bill to amend the patent law to restore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

SENATE JOINT RESOLUTION 10

At the request of Mr. Kennedy, the name of the Senator from Pennsylvania [Mr. Heinz] was added as a cosponsor of Senate Joint Resolution 10, a joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for women and men.

SENATE JOINT RESOLUTION 24

At the request of Mr. Bradley, the names of the Senator from California [Mr. Cranston] and the Senator from Pennsylvania [Mr. Specter] were added as cosponsors of Senate Joint Resolution 24, a joint resolution to designate the month of October 1985 as "National Make-A-Wish Month."

SENATE JOINT RESOLUTION 93

At the request of Mr. Metzenbaum, the names of the Senator from New Mexico [Mr. Domenici], the Senator from Delaware [Mr. Roth], the Senator from Illinois [Mr. Simon], the Senator from Nebraska [Mr. Exon], the Senator from Vermont [Mr. Leahy], the Senator from West Virginia [Mr. Rockefeller], and the Senator from Alabama [Mr. Heflin] were added as cosponsors of Senate Joint Resolution 93, a joint resolution to designate the month of May 1985 as "Better Hearing and Speech Month."

SENATE JOINT RESOLUTION 122

At the request of Mr. Bradley, the names of the Senator from South Carolina [Mr. Hollings], and the Senator from Nevada [Mr. Laxalt] were added as cosponsors of Senate Joint Resolution 122, a joint resolution to authorize the President to proclaim the last Friday of April each year as "National Arbor Day."

SENATE JOINT RESOLUTION 125

At the request of Mr. Leahy, the names of the Senator from Arkansas [Mr. Pryor], the Senator from West Virginia [Mr. Rockefeller], the Senator from South Carolina [Mr. Thurmond], and the Senator from South Carolina [Mr. Hollings] were added as cosponsors of Senate Joint Resolution 125, a joint resolution designating the week of June 23, 1985, through June 29, 1985, as "Helen Keller Deaf-Blind Awareness Week."

SENATE CONCURRENT RESOLUTION 41

At the request of Mr. Armstrong, the name of the Senator from Washington [Mr. Gorton] was added as a cosponsor of Senate Concurrent Resolution 41, a concurrent resolution expressing the sense of the Congress that corporate income tax rates should remain graduated.

SENATE CONCURRENT RESOLUTION 47

At the request of Mr. Heinz, the names of the Senator from Nebraska [Mr. Zorinsky], the Senator from Virginia [Mr. Warner], the Senator from Georgia [Mr. Nunn], the Senator from South Carolina [Mr. Thurmond], and the Senator from West Virginia [Mr. Rockefeller] were added as cosponsors of Senate Concurrent Resolution 47, a concurrent resolution observing the 20th anniversary of the enactment of the Older Americans Act of 1965.

SENATE RESOLUTION 82

At the request of Mr. D'Amato, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor of Senate Resolution 82, a resolution to preserve the deduction for State and local taxes.

SENATE RESOLUTION 112

At the request of Mr. Cohen, the name of the Senator from Georgia [Mr. Nunn] was added as a cosponsor of Senate Resolution 112, a resolution relating to bilateral discussions between the United States and the Soviet Union to ban chemical weapons.

SENATE RESOLUTION 148

At the request of Mr. Zorinsky, the name of the Senator from Arkansas [Mr. Bumpers] was added as a cosponsor of Senate Resolution 148, a resolution commemorating the 50th anniversary of the Rural Electrification Administration.

SENATE RESOLUTION 162—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. GOLDWATER, from the Committee on Armed Services, reported the following original resolution; which was referred to the Committee on the Budget:

S. Res. 162

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act was waived with respect to the consideration of S. 1029, a bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, and for other purposes.

Such a waiver is necessary because section 303(a) of the Congressional Budget Act of 1974 provides that is shall not be in order in either House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides new spending authority described in section 401(c)(2)(C) of such Act to become effective during a fiscal year until the first concurrent resolution on the budget for such year has been agreed to pursuant to section 301 of such Act.

For the foregoing reasons, pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to S. 1029.

SENATE RESOLUTION 163—EXPRESSING CONCERN OVER FETAL PAIN

Mr. HUMPHREY submitted the following resolution; which was referred to the Committee on the Judiciary:

S. Res. 163

Whereas medical evidence provides convincing proof that the human fetus is capable of sensing organic pain at stages in gestation prior to birth;

Whereas scientific advances have brought about a growing awarness that the human fetus is a distinct and separate human life;

Whereas in standard medical practice, physicians use anesthetics and analgesics to prevent pain when performing operations on a human fetus;

Whereas organic pain, as is suffered by the human fetus during abortion procedures, is cruel and inhuman; and

Whereas the Federal Government and State governments, within their respective

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jurisdictions, have a compelling interest in preserving the dignity of all human life and therefore have an interest in protecting the human fetus from organic pain experienced during abortion procedures that do not utilise anesthetics or analgesics: Now, therefore, be it

Resolved, That the Senate encourages the Congress to seek the appropriate methods of giving the human fetus the protection of the Constitution and the laws of the United States from organic pain experienced during abortion procedures that do not utilize anesthetics or analgesics.

SEC. 2. The Senate encourages the States to seek appropriate methods to protect the human fetus from organic pain experienced during such procedures.

Mr. HUMPHREY. Mr. President, scientific advances have brought about a growing awareness that the human fetus is a distinct and separate human life. Medical technology has provided convincing proof that the human fetus is capable of sensing organic pain prior to birth. All of the body parts needed to experience pain are in place as early as 8 weeks, and are already well-developed in a 12-week-old fetus. Scientific evidence also shows that the fetus reacts to pain and moves away from painful stimuli. By the end of the fifth week, a tap on the mouth of the fetus will cause the lips to draw back. By 10 weeks, the palms of the hands are sensitive to touch, and at 11 weeks, the face and extremities respond to tactile stimuli. Just as in an adult, the motions to get away originate at the spinal cord level and not in the cortex of the brain.

In standard medical practice, physicians use analgesics and anesthetics to prevent pain when performing operations on a human fetus.

Mr. President, in cases where anesthetics or analgesics are not administered during abortion procedures, the organic pain suffered by the human fetus is cruel and inhuman. This Congress has the responsibility to preserve the dignity of all human life, and therefore has a compelling interest in protecting the human fetus from organic pain experienced during abortions that do not utilize anesthetics or analgesics.

Mr. President, today I am introducing legislation that declares that Congress should seek the appropriate methods of giving the human fetus the protection of the Constitution and the laws of the United States from organic pain experienced during abortion procedures that do not utilize anesthetics or analgesics. We cannot measure the sum agony of these human beings during abortion procedures. We can only know that it was real. This legislation recognizes that truth, and provides for the unborn human being the same dignity we bestow upon all other human beings.

SENATE RESOLUTION 164—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL IN THE CASE OF UNITED STATES V. JOSEPH MATRANGA

Mr. DOLE (for himself and Mr. BYRD) submitted the following resolution; which was considered and agreed to.

S. RES. 164

Whereas, the case of *United States* v. *Joseph Matranga, et al.*, Criminal Action No. 84-0569-E, is pending in the United States District Court for the Southern District of California;

Whereas, the defendant Joseph Matranga has moved for a new trial in that case and has subpoenaed Philip R. Manuel, a former member of the staff of the Permanent Subcommittee on Investigations, to testify and to produce documents;

Whereas, William B. Gallinaro, another former employee of the Permanent Subcommittee on Investigations, is also expected to be served with a subpoena to testify and to produce documents;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c (a)(2) (1982), the Senate may direct the Senate Legal Counsel to defend former employees of the Senate in any proceeding with respect to any subpoena or order directed to them in their former official capacity; Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to defend Philip R. Manuel and William B. Gallinaro with respect to the subpoenas to them in the case of *United States* v. *Joseph Matranga, et al.*, Criminal Action No. 84-0569-E, in the Southern District of California.

SENATE RESOLUTION 165—REGARDING TAX INCREASES IN THE VALUE OF LIFE INSURANCE

Mr. HEINZ (for himself, Mr. PRYOR, Mr. SYMMS, and Mr. MATSUNAGA) submitted the following resolution; which was referred to the Committee on Finance.

S. RES. 165

Whereas the President of the United States and the Congress are engaged in an effort to reform the tax code to achieve greater simplicity and fairness along with lower marginal tax rates;

Whereas various proposals would impose a tax on the annual increase in the value of permanent life insurance policies either on a current or prospective basis;

Whereas permanent life insurance policies feature level premium payment plans which allow policyholders to space the cost of their insurance protection evenly over their lifetime and cash values are simply a by-product of this level premium feature;

Whereas a tax on the annual increase in the value of permanent life insurance would violate the basic tax principle that tax should be imposed only on amounts actually or constructively received, because life insurance policy cash values are not realized until the policy is reduced or surrendered;

Whereas a tax on the annual increase in the value of permanent life insurance would substantially undercut the market for permanent life insurance, thereby diminishing the capital provided to the economy by the life insurance industry;

Whereas a tax on the annual increase in the value of permanent life insurance would discourage the purchase of adequate amounts of life insurance, would result in an underinsured population, and would therefore create pressure on the Federal Government to provide more expensive Government funded economic protection;

Whereas a tax on the annual increase in the value of permanent life insurance would have its greatest impact on older policyholders whose income may have been reduced because of retirement, and would therefore be discriminatory against older and retired Americans;

Whereas the Congress and the President of the United States concluded less than one year ago a complete revision of life insurance company and product taxation, with Congress and the President having reached agreement with each other and with the industry on the appropriate tax law applicable to the increase in the value of permanent life insurance policies;

Whereas continued debate on, and scrutiny of, these recently settled issues could chill the American public's ability and desire to purchase adequate life insurance protection: now therefore, be it

Resolved, That it is the sense of the Senate to urge the President and the Secretary of the Treasury to exclude from any tax reform plan any proposal to impose a tax on the annual increase in the value of permanent life insurance.

● Mr. HEINZ. Mr. President, today I am submitting a resolution to express the sense of the Senate that would urge the President of the United States and the Secretary of the Treasury to reject any tax reform proposal which would impose a tax on the annual increase in the value of permanent life insurance.

Most of the tax reform proposals now before Congress, including Bradley-Gephardt (S. 409) and Kemp-Kasten (S. 325) would, either directly or indirectly, include annual increases in the value of ordinary life insurance policies in the taxable interest income of policyholders. The Treasury Department tax reform proposal released last November would not only tax this cash value, which is called inside buildup, but would also treat borrowing against life insurance policies not as loans which must be paid back with interest, but as current income taxable to policyholders.

Taxing life insurance in this manner would be a radical departure from current policy which recognizes taxable income only in the event of actual or constructive receipt. Annual increases in the cash surrender value of whole life insurance are not income to the policyholder because he or she cannot gain access to these moneys without surrendering the contract in whole or in part, thereby sacrificing the death

protection provided. Advocacy of such a tax reflects a misunderstanding of the nature and purpose of whole life insurance. Whole life insurance is not now and was never intended to be a tax loophole. In fact, it predated the income tax by about 200 years. The concept of whole life insurance evolved in 18th-century England because of widespread dissatisfaction with term insurance. Most insureds were forced to let their term policies lapse because they couldn't afford the rapidly escalating premiums as they got older. This is still true today; 99 percent of all term insurance is allowed to lapse before any claim can be made against it.

To remedy this problem, whole life was structured so that the premiums would remain level over the duration of the policy. Companies accomplished this by collecting higher premiums than needed to cover the risk of death in the early years, and investing the difference. Earnings on these investments—inside buildup—funded the eventual death benefit without raising costs to policyholders as they aged. This system enabled people of modest means to provide for the economic security of their families.

Taxing inside buildup would be unsound social and economic policy. Many current and prospective policyholders would be forced either to surrender their contracts or to try to make do with less insurance than they need. The elderly would be hit the hardest of all because the cash value of whole life increases most rapidly in old age so that the premium can stay level. Taxes on this unrealized appreciation would escalate steeply just when people most need the insurance they have paid for over 30 or more years. Ironically, whole life would end up with all of the disadvantages of term insurance.

The U.S. economy is also likely to suffer adverse consequences if inside buildup is taxed. Aside from being a pillar of economic security to many millions of average American families, the assets which buildup in whole life policies to eventually fund death benefits are a major source of capital formation in our economy. In 1983 alone, life insurance contributed $56.6 billion to U.S. capital markets including Government securities, corporate stocks and bonds, public utility railroad bonds, and real properties of all kinds.

Any temptation by wealthy individuals to abuse the system by disguising tax-sheltered investments as life insurance was effectively removed by this Congress just last summer as part of the Deficit Reduction Act of 1984. The comprehensive life insurance tax reform provisions contained in that legislation were the result of over 2 years of intensive study. After careful deliberation, Congress saw no need to change the taxation of life insurance products any further.

In light of these facts, the cosponsors of this resolution seriously question whether any worthwhile tax reform goal would be served by taxing inside buildup. The income of 61 percent of those who own life insurance is less than $25,000 per year. These are the very people who already pay their fair share of taxes and can least afford either the increased costs which would accompany the enactment of such a proposal, or the consequences of inadequate coverage.

Mr. President, I will not dwell at length on the other costs this shortsighted proposal could inflict, such as the long-range hidden costs placed on social service and welfare programs of the Federal Government to provide what individuals have heretofore been able to provide for themselves. It should be obvious that Government programs to replace the individual initiatives which have been recognized and encouraged since the earliest days of the Tax Code would be a far more costly alternative in the long run.

For all these reasons, Mr. President, I urge all our colleagues to join in sponsoring this resolution.●

● Mr. PRYOR. Mr. President, I'm pleased to join my colleague from Pennsylvania, Mr. HEINZ, and others in submitting this sense-of-the-Senate resolution expressing our support for the continuation of the present tax treatment of the inside buildup of life insurance policies. This is an extremely important issue, Mr. President, and I hope other Senators will join in this effort.

Mr. President, since the inception of the Federal income tax, in 1913, the annual increase in the cash surrender value of life insurance products has not been taxed. This tax and social policy has served us well, and people have been encouraged to provide for their families through the purchase of life insurance. The purchase of insurance is not principally an investment, Mr. President, but is instead made for other reassons, primarily the protection of family in the event of the death of the policyholder.

Under current law, the policyholder is not taxed on the annual increase in the cash surrender value, or inside buildup. In its November 1984 tax reform proposal, however, the Department of the Treasury proposed that the inside buildup be taxed annually to the policyholder. This proposal, if enacted, would require that taxpayers include in their income each year the increase in the cash surrender value over the basis in their life insurance contract. The taxation of the inside buildup is unwise for several reasons, Mr. President, and I hope we can adopt this sense-of-the-Senate resolution, and reject this proposal.

First, as I've stated earlier, life insurance is purchased primarily to protect one's family in the event of the death of the insured. It is not thought of as an investment vehicle by most people. When most people think of investing money they usually look to savings accounts, CD's, real estate, IRA's, or other forms of investment where the returns are usually better, and there is much more liquidity.

Second, permanent life insurance coverage is purchased primarily by middle-income taxpayers. It's not something that the very wealthy use to shelter income from taxes. These people use tax-exempt bonds and other investments. In fact, a recent study showed that about two-thirds of all permanent life insurance was purchased by persons with family incomes of $25,000 a year or less.

Third, a life insurance contract is different than other types of investments. The cash surrender value is really an ancillary part of the thing purchased. What you are really purchasing is protection against the risk of death, and much of the cost of the policy goes toward this end, whereas in other types of products the entire interest earned, plus the initial contribution, can be recovered.

Fourth, Mr. President, the Congress made significant changes just last year in the Tax Reform Act of 1984 with respect to insurance. We completely changed the taxation of life insurance companies, and more importantly for purposes of this debate, we put strict definitions in the Tax Code (section 7702) of a life insurance contract. The reason these definitions were put into the code was to ensure that products receiving tax treatment as life insurance policies were indeed life insurance policies, and not some other type of investment disguised as life insurance. These changes will prevent products with a significant investment portion from qualifying as life insurance. Since these changes have only been in effect a few months, it seems we shouldn't legislate in this area again.

Finally, Mr. President, this isn't a simplification proposal. It is complex. If we are serious about simplifying the tax system, and want to make it easier to comply with, we should work in other areas, rather than trying to pass a provision that will only add to the complexity.

For all of these reasons, Mr. President, I would hope that this provision is not included in the final package of the Treasury Department. I urge my colleagues to join in this resolution, and I commend the efforts of my colleague from Pennsylvania.●

AMENDMENTS SUBMITTED

INTERNATIONAL SECURITY AND COOPERATION ACT

HAWKINS AMENDMENT NO. 113

(Ordered to lie on the table.)

Mrs. HAWKINS submitted an amendment intended to be proposed by her to the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes; as follows:

On page 64, between lines 16 and 17, insert the following:

INTERNATIONAL NARCOTICS CONTROL COMMISSION

Sec. 914. (a) There is established the International Narcotics Control Commission (hereafter in this section referred to as the "Commission").

(b) The Commission is authorized and directed—

(1) to monitor and promote international compliance with narcotics control treaties, including eradication, money laundering, and narco-terrorism; and

(2) to monitor and encourage United States Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

(c)(1) The Commission shall be composed of fifteen members as follows:

(A) Six Members of the House of Representatives appointed by the Speaker of the House of Representatives. Four members shall be selected from the majority party and two shall be selected, after consultation with the minority leader of the House, from the minority party.

(B) Six Members of the Senate appointed by the President of the Senate. Four members shall be selected from the majority party of the Senate, after consultation with the majority leader, and two shall be selected, after consultation with the minority leader of the Senate, from the minority party.

(C) One member of the Department of State appointed by the President.

(D) One member of the Department of Justice appointed by the President.

(E) One member of the Department of the Treasury appointed by the President.

(2) There shall be a Chairman and a Cochairman of the Commission.

(3) On the date of enactment of this section and at the beginning of each odd-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Chairman of the Commission. At the beginning of each even-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Chairman of the Commission.

(4) At the beginning of each odd-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Cochairman of the Commission. At the beginning of each even-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Cochairman of the Commission.

(d) In carrying out this section, the Commission may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

(e) In order to assist the Commission in carrying out its duties, the President shall submit to the Commission a semiannual report regarding the status of compliance with narcotics control treaties, the first one to be submitted six months after the date of enactment of this section.

(f) The Commission is authorized and directed to report to the House of Representatives and the Senate with respect to the matters covered by this section on a periodic basis and to provide information to Members of the House of Representatives and the Senate as requested. For each fiscal year for which an appropriation is made the Commission shall submit to the Congress a report on its expenditures under such appropriation.

(g)(1) There are authorized to be appropriated to the Commission for each fiscal year and to remain available until expended $550,000 to assist in meeting the expenses of the Commission for the purpose of carrying out the provisions of this section, such appropriation to be disbursed on a voucher to be approved by the Chairman of the Commission.

(2) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to the use of funds in accordance with such sections.

(3) Not to exceed $6,000 of the funds appropriated to the Commission for each fiscal year may be used for official reception and representational expenses.

(h) The Commission may appoint and fix the pay of such staff personnel as it deems desirable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

● Mrs. HAWKINS. Mr. President, I wish to submit today an amendment to the Foreign Assistance Act to establish the International Narcotics Control Commission.

No threat strikes America as savagely and as frequently as that of illicit narcotics. Its deadly impact is felt in failed education, lowered productivity, impaired national defense, increased violent crime, addiction, and death.

To combat this threat effectively, we must use a three-pronged approach: we must eradicate, we must educate, and we must cut off drugs at the source. In order to achieve the eradication of drug abuse, we must fight the battle against drug abuse simultaneously on all three fronts, and in doing so we must use every weapon at our disposal.

A most useful weapon, using as an example the successful Helsinki Commission, would be an International Narcotics Control Commission, designed to monitor and promote international compliance with narcotics control treaties, including eradication, money laundering, and narcoterrorism. This Commission would also monitor and encourage U.S. Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

The composition of the Commission would be as follows: six Members of the House of Representatives appointed by the Speaker, four of whom would be from the majority party, and two of whom would be from the minority party; six Members of the Senate appointed by the President of the Senate, with identical majority and minority representation; one member of the Department of State appointed by the President; one member of the Department of Justice similarly appointed by the President; and one member of the Department of the Treasury also appointed by the President. There will be a Chairman and a Cochairman of the Commission.

There will be a rotating system of the designation of Chairman of the International Narcotics Control Commission, with the President of the Senate designating one of the Senate Members as Chairman in even-numbered Congresses, and the Speaker of the House designating one of the House Members as Chairman during odd-numbered Congresses. The Commission would also be provided with subpoena power.

The President of the United States will participate in the activities of the Commission by submitting a semiannual report regarding the status of compliance with narcotics control treaties, the initial report to be submitted 6 months after the date of enactment of this proposal. In turn, the Commission is authorized and directed to report to the Congress on a periodic basis, and at the end of each fiscal year the Commission will submit to the Congress a report on its expenditures.

Mr. President, a well-structured and well-supported entity such as the International Narcotics Control Commission would be of invaluable help in the battle against drug abuse. Enactment of this legislation would provide an international forum for consideration of narcotics control efforts worldwide, and would enable my colleagues in the U.S. Congress to express their concern in this most vital

of issues. Mr. President, as we all work together to achieve the eradication of drug abuse, I wish to take this opportunity to urge speedy adoption of this amendment.●

DeCONCINI (AND OTHERS) AMENDMENT NO. 114

Mr. DeCONCINI (for himself, Mr. Chiles, Mrs. Hawkins, and Mr. Denton) proposed an amendment to the bill S. 960, supra; as follows:

On page 54, between lines 14 and 15, insert the following:

PARTICIPATION IN FOREIGN POLICE ARREST ACTION AND INTERROGATION

Sec. 509. Section 481(c)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. (c)(1)) is amended to read as follows:

"(c) The head of any department or agency of the United States employing individuals who are authorized to engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts, or any interrogation in connection with such efforts, shall prescribe regulations for the conduct of, and the procedures used by, such individuals.".

DANFORTH AMENDMENT NO. 115

Mr. LUGAR (for Mr. Danforth) proposed an amendment to the bill S. 960, supra; as follows:

At an appropriate point in the bill, insert the following new section:

"SEC. . USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS, COOPERATIVES, AND THE PRIVATE SECTOR.

"(a) The Administrator of the Agency for International Development is directed to undertake a comprehensive study of additional ways to provide development assistance through nongovernmental organizations (including United States and indigenous private and voluntary organizations, cooperatives, and other private entitites). Such study shall include:

"(1) an analysis of the percentage of development assistance allocated to governmental and non-governmental programs;

"(2) an analysis of structural impediments, within both the United States and foreign governments, to additional use of nongovernmental programs; and

"(3) an analysis of the comparative economic benefits of governmental and nongovernmental programs.

"(b) The Administrator is directed to conduct the study using available funds and to prepare a final report to the Congress no later than September 30, 1986.".

HAWKINS (AND OTHERS) AMENDMENT NO. 116

Mrs. HAWKINS (for herself, Mr. Mattingly, Mr. Chafee, Mr. Ford, Mr. Hollings, Mr. DeConcini, Mr. Garn, and Mr. Moynihan) proposed an amendment to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

RESTRICTIONS ON ASSISTANCE FOR BOLIVIA

Sec. 914. (a) The Congress finds that—

(1) cocaine has had a severe negative impact on productivity, public health, education, and the quality of life in the United States and on the national security of the United States;

(2) Bolivia is the source of more than 50 percent of the world's cocaine, and Bolivian production of cocaine continues to rise;

(3) 50 percent of the population of Bolivia is under 19 years of age, and cocaine production has had a severe, negative impact on the youth of Bolivia;

(4) the production of, and trafficking in, cocaine by Bolivia has contributed significantly to Bolivia's 1,000 percent rate of inflation;

(5) the failure of the Government of Bolivia to take steps to curb the production of coca in Bolivia during 1984 was cited in the report of the Department of State entitled "International Narcotics Control Strategy Report" as a major disappointment in its review of drug producing countries; and

(6) Bolivia received more than $37,000,000 in United States assistance during the fiscal year 1984 and during such fiscal year did not eradicate a single coca bush.

(b)(1) Beginning with the fiscal year 1986 and for each fiscal year thereafter, no United States assistance may be provided Bolivia unless the President certifies to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 percent less than the amount produced in Bolivia during the fiscal year which preceded such preceding fiscal year.

(2) Whenever the President certifies under paragraph (1) that the amount of coca that is produced in Bolivia is reduced by more than 10 percent from one fiscal year to the next, the amount of any such additional reduction shall be carried over and counted as if it had occurred in the fiscal year following the year in which it actually occurred.

(3) The Secretary of the Treasury shall instruct each United States Executive Director of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and the Inter-American Development Bank to oppose actively the extension of any loan or the furnishing of any financial assistance or technical assistance during the fiscal year 1986 or any fiscal year thereafter by the respective international financial institution to Bolivia, unless the President certifies under paragraph (1) that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 percent less than the amount produced in Bolivia during the fiscal year which preceded such fiscal year.

(4) In carrying out this section, coca produced solely for pharmaceutical purposes shall not be counted in determining amounts of production.

(5) As used in this section—

(A) the term "coca" means cocaine hydrochloride;

(B) the term "United States assistance" includes any assistance of any kind (other than assistance involving only the provision of food or medicine) which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to or for the benefit of any foreign country, including—

(i) assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation, but excluding programs under chapter 8 of part I, relating to international narcotic control assistance);

(ii) sales, credits, and guaranties under the Arms Export Control Act;

(iii) sales under title I (including title III) of the Agricultural Trade Development and Assistance Act of 1954 and donations under title II of such Act of nonfood commodities;

(iv) financing programs of the Commodity Credit Corporation for export sales of nonfood commodities;

(v) financing under the Export-Import Bank Act of 1945;

(vi) assistance under the Migration and Refugee Assistance Act of 1962;

(vii) programs under the Peace Corps Act;

(viii) assistance under the Inter-American Foundation Act;

(ix) assistance under the African Development Foundation Act;

(x) financial assistance for foreign persons or groups under the Mutual Educational and Cultural Exchange Act of 1961; and

(xi) assistance of any kind under any other Act.

CONDITIONS ON ESF ASSISTANCE TO JAMAICA

Sec. 915. Of the funds allocated for Jamaica for fiscal year 1987 under chapter 4 of part II of the Foreign Assistance Act of 1961, $5,000,000 shall be withheld from obligation until the President certifies to the Congress that the Government of Jamaica has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit cultivation, production, processing, transportation, and distribution of marijuana within a specifically stated period of time.

On page 64, line 18 strike out "Sec. 914." and insert in lieu thereof "Sec. 916.".

BRADLEY (AND OTHERS) AMENDMENT NO. 117

Mr. BRADLEY (for himself, Mr. Bentsen, Mr. Melcher, Mr. Moynihan, Mr. Kerry, Mr. Bumpers, Mr. Bingaman, and Mr. Harkin) proposed an amendment to the bill S. 970, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

POLICY REGARDING FOREIGN EXCHANGE INTERVENTION

Sec. 914. (a) The Congress finds and declares that—

(1) the trade deficit looms larger than any other threat to the ability of the United States to generate jobs and create economic well-being;

(2) the trade deficit continues to deteriorate even from the 1984 level of $123 billion;

(3) the trade deficit will continue to deteriorate until the value of the dollar declines on foreign exchange markets;

(4) the dollar's rise may slow down but is unlikely to fall sufficiently as a result of Congress' contemplated budget deficit reduction measures;

(5) the dollar would probably fall under a number of tax reform proposals but industries losing market share due to the exchange rate may not be able to wait for a complete tax package;

(6) the only remaining timely option for lowering the dollar is intervention in foreign exchange markets by the Treasury or the Federal Reserve;

(7) any such intervention must be strong enough to achieve the Congress' intent of lowering the dollar's value but sufficiently moderate to prevent a sudden drop in its value;

(8) any such intervention in order to assure a gradual decline and protect against too large a drop in the value of the dollar, will require coordinated action by the central banks of Europe and Japan as well as the United States; and

(9) such coordination is especially important to strengthen economic and political ties with the allies of the United States and to promote consistent macroeconomic policies to the mutual benefit of all.

(b) Therefore, it is the sense of the Congress that—

(1) the Secretary of the Treasury and the Chairman of the Federal Reserve Board, in concert with our allies and coordinated with the central banks of the Group of Five or other major central banks, should take steps as are necessary to lower gradually the value of the dollar;

(2) such steps should not exclude intervention in the foreign exchange markets;

(3) the Secretary of the Treasury and the Chairman of the Federal Reserve Board should work to ensure that the domestic macroeconomic policies of the United States and its allies are forged to reinforce rather than oppose one another.

HAWKINS (AND PELL) AMENDMENT NO. 118

Mr. LUGAR (for Mrs. Hawkins, for herself and Mr. Pell) proposed an amendment to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

INTERNATIONAL NARCOTICS CONTROL COMMISSION

Sec. 914. (a) There is established the International Narcotics Control Commission (hereafter in this section referred to as the "Commission").

(b) The Commission is authorized and directed—

(1) to monitor and promote international compliance with narcotics control treaties, including eradication, money laundering, and narco-terrorism; and

(2) to monitor and encourage United States Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

(c)(1) The Commission shall be composed of twenty-two members as follows:

(A) Seven Members of the House of Representatives appointed by the Speaker of the House of Representatives. Four members shall be selected from the majority party and three shall be selected, after consultation with the minority leader of the House, from the minority party.

(B) Seven Members of the Senate appointed by the President of the Senate. Four members shall be selected from the majority party of the Senate, after consultation with the majority leader, and three shall be selected, after consultation with the minority leader of the Senate, from the minority party.

(C) One member of the Department of State appointed by the President.

(D) One member of the Department of Justice appointed by the President.

(E) One member of the Department of the Treasury appointed by the President.

(F) Five members of the public to be appointed by the President after consultation with the members of the appropriate congressional committees.

(2) There shall be a Chairman and a Cochairman of the Commission.

(3) On the date of enactment of this section and at the beginning of each odd-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Chairman of the Commission. At the beginning of each even-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Chairman of the Commission.

(4) At the beginning of each off-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Cochairman of the Commission. At the beginning of each even-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Cochairman of the Commission.

(d) In carrying out this section, the Commission may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

(e) In order to assist the Commission in carrying out its duties, the President shall submit to the Commission a semiannual report regarding the status of compliance with narcotics control treaties, the first one to be submitted six months after the date of enactment of this section.

(f) The Commission is authorized and directed to report to the House of Representatives and the Senate with respect to the matters covered by this section on a periodic basis and to provide information to Members of the House of Representatives and the Senate as requested. For each fiscal year for which an appropriation is made the Commission shall submit to the Congress a report on its expenditures under such appropriation.

(g)(1) There are authorized to be appropriated to the Commission for each fiscal year and to remain available until expended $550,000 to assist in meeting the expenses of the Commission for the purpose of carrying out the provisions of this section, such appropriation to be disbursed on a voucher to be approved by the Chairman of the Commission.

(2) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to the use of funds in accordance with such sections.

(3) Not to exceed $6,000 of the funds appropriated to the Commission for each fiscal year may be used for official reception and representational expenses.

(h) The Commission may appoint and fix the pay of such staff personnel as it deems desirable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

MATTINGLY AMENDMENT NO. 119

Mr. MATTINGLY proposed an amendment to the bill S. 960, supra; as follows:

On page 54, between lines 14 and 15, insert the following:

RESTRICTION ON ASSISTANCE TO PERU

Sec. 509. United States assistance, as defined by section 481(i)(4), may be provided to Peru for the fiscal year 1986 only if the President certifies to Congress that the Government of Peru has demonstrated substantive progress in developing a plan, in accordance with the Single Convention on Narcotic Drugs of 1961, that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed coca production.

BINGAMAN (AND OTHERS) AMENDMENT NO. 120

Mr. BINGAMAN (for himself, Mr. Hatfield, Mr. Rockefeller, Mr. Bumpers, Mr. Pryor, Mr. DeConcini, Mr. Baucus, and Mr. Simon) proposed an amendment to the bill S. 960, supra; as follows:

On page 2, line 12, strike out "5,464,500,000" and insert in lieu thereof "5,364,500,000".

On page 54, between lines 14 and 15, insert the following:

PUBLIC LAW 480 FUNDS

Sec. 509. In addition to funds otherwise available for such purpose, there are authorized to be appropriated $100,000,000 to be used to carry out title II of the Agricultural Trade and Development Act of 1954.

CRANSTON (AND KASSEBAUM) AMENDMENT NO. 121

Mr. CRANSTON (for himself and Mrs. Kassebaum) proposed an amendment to the bill S. 960, supra; as follows:

On page 54, below line 21, insert the following new sections:

Sec. 602. (a) The Peace Corps Act (22 U.S.C. 2501 et seq.) is amended by inserting after section 11 the following new section:

"PEACE CORPS NATIONAL ADVISORY COUNCIL

"Sec. 12. (a) A Peace Corps National Advisory Council (hereinafter in this section referred to as the 'Council') shall be established in accordance with the provisions of this section.

"(b)(1) The Council shall advise and consult with the President and the Director of the Peace Corps with regard to policies and programs designed to further the purposes of this Act and shall periodically report to the Congress.

"(2) Members of the Council shall visit, examine, and inspect the Peace Corps' activities in the United States and in other countries in order to, among other things—

"(A) evaluate the accomplishments of the Peace Corps;

"(B) assess the potential capabilities and the future role of the Peace Corps; and

"(C) make recommendations to the President, the Director of the Peace Corps, and the Congress to guide the future direction of the Peace Corps and to help ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, efficient, responsive to changing needs in developing countries and to changing relationships among peoples, and in accordance with law.

"(3) The Council may provide for public participation in its activities.

"(c)(1) Persons appointed as members of the Council shall be broadly respresentative, including representation of educational institutions, private volunteer agencies, private industry, farm organizations, labor unions, different regions of the United States, different educational, economic, racial, and national backgrounds and age grouping, and both sexes.

"(2)(A) Subject to the succeeding sentence, fifteen members of the Council shall be appointed by the President by and with the advice and consent of the Senate. At least seven of such members shall be former Peace Corps volunteers, and no more than eight of such members shall be members of the same political party.

"(B) The first appointments of members of the Council under this paragraph shall be made not more than sixty days after the date of the enactment of this section and, solely for purposes of determining the expiration of their terms, shall be deemed to take effect on the sixtieth day after such enactment date.

"(C) No member appointed under this paragraph shall be an officer or employee of the United States Government.

"(D) Of the members initially appointed under this paragraph, eight shall be appointed to one-year terms and seven to two-year terms. There after, all appointed members shall be appointed to two-year terms.

"(E) A member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of the term.

"(F) No member of the Council may serve for more than two consecutive two-year terms.

"(G) Members of the Council shall serve at the pleasure of the President.

"(H) An appointed member of the Council may be removed by a vote of nine members for malfeasance in office, for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(I) Any vacancy in the office of an appointed member of the Council shall be filled by the President within thirty days after such vacancy occurs.

"(3) The Secretary of State shall be a voting member, ex officio, of the Council. The Secretary may designate any officer in the Department of State compensated at level II or III of the Executive Schedule under section 5313 or 5314 of title 5, United States Code, to act for the Secretary under this section.

"(4) The Director and Deputy Director of the Peace Corps shall be non-voting members, ex officio, of the Council.

"(d)(1) Except as provided in paragraph (2), a member of the Council who is not officer or employee of the United States Government shall be (A) paid compensation out of funds made available for the purposes of this Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including travel-time) during which the member is engaged in the actual performance of duties as a Council member, and (B) while away0 from his or her home or regular place of business on necessary travel, as determined by the Director of the Peace Corps, for actual performance of such duties, paid per diem, travel, and transportation expenses in the same manner as provided for under subchapter I of chapter 57 of title 5, United States Code.

"(2) A member of the Council may not be paid compensation under paragraph (1)(A) for more than twenty days in any calendar year.

"(e) A majority of the voting members of the Council shall constitute a quorum for the purposes of transacting any business.

"(f) A member of the Council shall disclose to the Council the existence of any direct or indirect financial interest of that member in any particular matter before the Council and shall not vote or otherwise participate as a Council member with respect to that particular matter.

"(g) At its first meeting and at its first regular meeting in each calendar year thereafter, the Council shall elect a Chair and Vice Chair from among its appointed members who are citizens of the United States. The Chair and Vice Chair shall not both be members of the same political party.

"(h)(1) The Council shall hold a regular meeting during each calendar quarter and shall meet at the call of the President, the Director of the Peace Corps, the Council's Chair, or one-fourth of its members.

"(2) The Council shall prescribe such bylaws and regulations as it considers necessary to carry out its functions. Such bylaws and regulations shall include procedures for fixing the time and place of meetings, giving or waiving of notice of meetings, and keeping of minutes of meetings.

"(i) Not later than January 1, 1988, and not later than January 1 of each second year thereafter, the Council shall submit to the President and the Director of the Peace Corps a report of its views on the programs and activities of the Peace Corps. Each report shall contain a summary of the advice and recommendations provided by the Council to the President and the Director during the period covered by the report and such recommendations (including recommendations for administrative or legislative action) as the Council considers appropriate to make to the Congress. Within 90 days after receiving each such report, the President shall submit to the Congress a copy of the report, together with any comments concerning the report that the President or the Director considers appropriate.

(j) The Director of the Peace Corps shall make available to the Council such personnel, administrative support services, and technical assistance as are necessary to carry out effectively its functions.".

(b) Sixty days after the date of the enactment of this Act, any advisory body carrying out functions similar to those assigned to the Peace Corps National Advisory Council provided for by subsection (a) shall cease to operate and shall become defunct.

NONPARTISAN APPOINTMENTS

Sec. 603. The Peace Corps Act is amended—

(1) by redesignating sections 25, 26, and 27 as sections 26, 27, and 28, respectively; and

(2) by inserting after section 24 the following new section:

"NONPARTISAN APPOINTMENTS

"Sec. 25. In carrying out this Act, there shall be no political test or political qualification used in (1) selecting any person for enrollment as a volunteer or for appointment to a position at, or for assignment to (or for employment for assignment to), a duty station located abroad, or (2) promoting or taking any other action with respect to any volunteer or any person assigned to such a station."; and

(3) in subsection (a) of section 5, by amending the final sentence to read as follows: "In carrying out this subsection, there shall be no discrimination against any person on account of race, sex, creed, or color.".

BUMPERS AMENDMENT NO. 122

Mr. BUMPERS proposed an amendment to the bill S. 960, supra; as follows:

At the appropriate place in the bill, add the following:

"Sec. . The Senate finds that:

A free and democratic El Salvador is in the security interest of the United States; and

Jose Napoleon Duarte was elected President of El Salvador last year in the most democratic election held in El Salvador in many years; and

Political violence in El Salvador has declined dramatically under President Duarte's leadership; and

President Duarte's policies of respect for human rights, political pluralism, dialogue and reconciliation with the Salvadoran guerrilla forces, legal and social reform, and effective defense against the violent overthrow of the Salvadoran government are deserving of praise from all who believe in a democratic form of government; and

The March 31 legislative and municipal elections were successfully carried out, with 64 percent of the electorate defying guerrilla attacks to vote; and

The victory of President Duarte's Christian Democratic Party reaffirms the support for these policies by his fellow citizens, the essential test of any government or movement; and

In spite of the state of seige technically in effect due to the insurgent threat, observance of free speech, free press, and free assembly are widely enjoyed in El Salvador and permit public airing of opposing political views; and

President Duarte is firmly committed to judicial reform and prosecution of cases involving "death squads";

His leadership and popular support has notably weakened the popular support given the guerrillas, as evidenced by the high levels of voter participation in the free elections held in El Salvador since 1982, the reduction in territory in which the guerrillas can freely operate, their inability to mount frontal military attacks, and their resort to economic sabotage, ambushes, political assassination, and urban terrorism with blatant disregard for basic human rights; and

He has succeeded in reversing the decline in his country's economy which, though still weak, has better prospects than in recent years;

Based upon the above findings, it is the sense of the Senate that:

President Duarte is to be congratulated for his outstanding leadership under difficult circumstances and for his efforts to foster democratic government and institutions in his country, and he is encouraged to continue his efforts to promote political pluralism, democratic institutions, and respect for human rights in his country; and

The armed services of El Salvador are to be congratulated for their improved performance and professionalism in defending Salvadoran citizens and their democratically elected government from attack by armed insurgents, and especially for their role in helping to protect and uphold the electoral process; and

The Senate reaffirms the importance of contained support for democratic principles and institutions and respect for human rights by the various sectors of Salvadoran society, which is a major factor in U.S. support for El Salvador.

MURKOWSKI AMENDMENT NO. 123

Mr. MURKOWSKI proposed an amendment to the bill S. 960, supra; as follows:

At the appropriate place, insert:

Of the funds authorized to be appropriated in this Act to carry out Chapter 2 or Chapter 4 of Part II of the Foreign Assistance Act of 1961, up to $5 million for FY 1986 may be made available to noncommunist resistance forces in Cambodia, provided that the Secretary of State finds that the Association of Southeast Asian Nations has acknowledged that material assistance to the noncommunist resistance is also being supplied by members of that Association.

HELMS AMENDMENT NO. 124

Mr. HELMS proposed an amendment to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

AVAILABILITY OF FUNDS FOR ISRAEL

Sec. 914. (a) Funds authorized to be appropriated by this Act which are made available for the purpose of improving living and employment conditions of the residents in the territories of Gaza, Judea, and Samaria under the control of the Ministry of Defense of Israel shall be allocated for projects which benefit all residents of such territories; provided that those projects which benefit Israeli citizens residing in such territories shall receive funds allocated in the proportion which the number of such Israeli citizens bears to the total number of the residents of such territories.

(b) Funds authorized to be appropriated by this Act which are made available for Israel shall be available for use within any of the territory administered by Israel on the date of enactment of this Act.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

MURKOWSKI AMENDMENT NO. 125

Mr. MURKOWSKI proposed an amendment to the bill S. 960, supra; as follows:

On page 3, beginning on line 9 with (d) strike all through the end of line 19.

SPECTER AMENDMENT NO. 126

Mr. SPECTER proposed an amendment (which was modified and subsequently further modified) to the bill S. 960, supra; as follows:

On page 64 at the end of the bill, add the following new section:

Sec. . (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya or any other country determined by joint resolution to be engaged in terrorism from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya or any other country determined by joint resolution to be engaged in terrorism.

(c) For purposes of this Act, the term "United States" includes territories and possessions of the United States.

(d) In exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. 17).

MURKOWSKI AMENDMENT NO. 127

Mr. MURKOWSKI proposed an amendment to the bill S. 960, supra; as follows:

On page 6, beginning on line 5 with "Notwithstanding" strike out all through the end of line 7.

On page 2, line 12, strike out "$5,464,500,000" and insert in lieu thereof "$5,269,300,000."

On page 14, line 18, strike out "$805,100,000" and insert in lieu thereof "$1,000,300,000."

GLENN (AND KASSEBAUM) AMENDMENT NO. 128

Mr. GLENN (for himself and Mrs. KASSEBAUM) proposed an amendment to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

POLICY TOWARD SOUTH AFRICAN "HOMELANDS"

Sec. 914. (a) The Congress finds that—

(1) the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race, are principles which are fully supported by the American people;

(2) the forced relocation of blacks by the Government of the Republic of South Africa to designated "homelands" divides families, as families are required to remain in the "homelands" while fathers seek work in the so-called "white areas";

(3) the forced removal of persons living in so-called "black spots" in "white" rural areas in South Africa denies them the fundamental right to live and to farm on land they have legally occupied for years, and subjects them to arbitrary arrest and detention when they seek these rights;

(4) compared to "white" South Africa, the designated "homelands," which are meant to accommodate the largest South African population group on a fraction of South African territory and were established without the consent of the vast majority of the governed, are characterized by high rates of infant mortality, unemployment, and malnutrition and by a severe shortage of medical services;

(5) the policy of the Government of the Republic of South Africa denies blacks their rightful claim to full South African citizenship; and

(6) the recent violence in South Africa must be seen as an inevitable result of the denial of the full rights of citizenship.

(b) It is the sense of the Congress that—

(1) the policy of separate development and the forced relocation of the people of the Government of the Republic of South Africa are inconsistent with fundamental American values and internationally recognized principles of human rights;

(2) the Government of the United States should continue to regard as citizens of South Africa all persons born within the internationally recognized boundaries of the Republic of South Africa, and not differentiate among these citizens on the basis of the South African Government's claim to have granted independence to various "homelands";

(3) at such times that any "homeland" official applies for a visa for travel to the United States, no such visa should be granted to such official unless such official holds a passport which is recognized as valid by the Government of the United States; and

(4) the Government of the United States should urge that the forced relocation of South African citizens be discontinued and that policies be adopted for all South Africa's citizens which protect the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

GLENN AMENDMENT NO. 129

Mr. GLENN proposed an amendment to the bill S. 960, supra; as follows:

On page 24, between lines 9 and 10, insert the following:

SENSITIVE TECHNOLOGY

Sec. 128. Section 36(b) of the Arms Export Control Act (22 U.S.C. 2776(b)) is amended—

(1) by inserting before the period at the end of the second sentence of paragraph (1) the following: "and a detailed justification of the reasons necessitating the sale of such articles or services in view of the sensitivity of such technology"; and

(2) by adding at the end thereof the following new paragraph:

"(5)(A) If, before the delivery of my major defense article or major defense equipment, or the furnishing of any defense service or design and construction service, sold pursuant to a letter of offer described in paragraph (1), the sensitivity of technology or the capability of the article, equipment, or service is enhanced or upgraded from the level of sensitivity or capability described in the numbered certification with respect to an offer to sell such article, equipment, or service, then, at least forty-five days before the delivery of such article or equipment or the furnishing of such service, the President shall prepare and transmit to the chairman of the Committee on Foreign Affairs of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report—

"(i) describing the manner in which the technology or capability has been enhanced or upgraded and describing the significance of such enhancement or upgrade; and

"(ii) setting forth a detailed justification for such enhancement or upgrade.

"(B) The provisions of subparagraph (A) apply to an article or equipment delivered,

or a service furnished, within ten years of the transmittal to the Congress of a numbered certification with respect to the sale of such article, equipment, or service.

"(C) If the enhancement or upgrade in the sensitivity of technology or the capability of major defense equipment, defense articles, defense services, or design and construction services described in a numbered certification submitted under this subsection costs $14,000,000 or more in the case of any major defense equipment, $50,000,000 or more in the case of defense articles or defense services, or $200,000,000 or more in the case of design or construction services, then the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which relates to such enhancement or upgrade and which shall be considered for purposes of this subsection as if it were a separate letter of offer to sell defense equipment, articles, or services, subject to all of the requirements, restrictions, and conditions set forth in this subsection. For purposes of this subparagraph, references in this subsection to sales shall be deemed to be references to enhancements or upgrades in the sensitivity of technology or the capability of major defense equipment, articles, or services, as the case may be.".

"(D) For the purposes of subsection b(5)(A), major defense article shall be construed to include electronic devices, which if upgraded, will enhance the mission capability of a weapons system.".

PELL (AND CRANSTON) AMENDMENT NO. 130

Mr. PELL (for himself and Mr. CRANSTON) proposed an amendment to the bill S. 960, supra; as follows:

On page 36, add the following at the end:

Sec. 314 (A): The Foreign Assistance Act of 1961, as amended, is amended by adding at the end of section 119 the following new subsections:

"(e) Each Country Development Strategy Statement (country plan) shall include a detailed and specific plan to assist the recipient country in the conservation of biological diversity. Each such plan shall include, as appropriate, assistance to countries in the identification, acquisition, and protection of wildlife habitats, of representative ecosystems, and of significant or unique natural areas. Each Country Development Strategy Statement shall take account of the information derived from the activity undertaken pursuant to subsection (h).

"(f) The Administrator of the Agency for International Development, and the Directors of other appropriate United States agencies, are authorized and directed to enter into long-term agreements with recipient countries to protect wildlife habitats, representative ecosystems, and significant or unique natural areas in the recipient country.

"(g) Of the amount by which funds appropriated to the Agency for International Development for agriculture and forestry exceeds the amounts appropriated for agriculture and forestry in fiscal year 1986, at least fifty percent shall be available only for countries which enter into long-term agreements pursuant to subsection (f). Funds made available by this subsection may be used in support of the long-term agreements.

"(h) The Administrator of the Agency for International Development is authorized and directed to support the creation of biological inventory programs in recipient countries, to support programs to identify critical ecosystems in developing countries, and to make surveys of national parks and proposed protected areas where such surveys will enhance the protection of endangered species or the protection of critical ecosystems."

(B) In subsection (d) of section 119 of the Foreign Assistance Act of 1961, as amended, strike "subsection" and insert in lieu thereof "section".

KENNEDY AMENDMENTS NOS. 131 THROUGH 133

Mr. KENNEDY proposed three amendments to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

REPORTS ON FOREIGN DEBT IN LATIN AMERICA

Sec. 914. (a) The Congress finds that—

(1) the foreign debt of Latin American countries has soared from $27 billion in 1970 to over $350 billion in 1983;

(2) the foreign debt of Latin American countries is a serious obstacle to their economic progress, threatens their stability, and endangers the democratic processes in those nations;

(3) the economic and political futures of many of the Latin American countries hang in the balance and depend upon a successful resolution of the foreign debt crisis; and

(4) the confidence of the American people in the United States system of banking is also involved in a successful resolution of the foreign debt crisis.

(b)(1) Not later than October 1, 1985, the Secretary of State shall prepare and transmit to the Congress a report on—

(A) the magnitude of the foreign debt crisis in this hemisphere;

(B) the impact of the foreign debt crisis on the economies of the nations of Latin America;

(C) the degree to which the national security interests of the United States are implicated in this crisis; and

(D) the steps being taken and the policy being pursued by the United States with this crisis.

(2) Not later than October 1, 1985, the Secretary of the Treasury shall prepare and transmit to the Congress a report on—

(A) the degree to which the foreign debt crisis affects the system of banking in the United States; and

(B) the steps being taken and the policy being pursued by the Department of the Treasury aimed at dealing with this crisis.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915."

On page 36, after line 26, add the following:

OCEAN FREIGHT REIMBURSEMENT

Sec. 314. Section 123(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(b)) is amended—

(1) by inserting "(1)" immediately after "(b)"; and

"(2) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the President $20,000,000 to pay charges on shipments described in paragraph (1).".

On page 64, between lines 16 and 17, insert the following:

That, because the fabric of a society is strengthened by visible reminders of the historical roots of the society, it is in the national interest of the United States to preserve and protect the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens.

Sec. 2. There is established a commission to be known as the Commission for the Preservation of America's Heritage Abroad (hereafter in this Act referred to as the "Commission").

Sec. 3. The Commission shall—

(1) identify and publish a list of those cemeteries, monuments, and historic buildings located abroad which are associated with the foreign heritage of United States citizens, particularly those cemeteries, monuments, and buildings which are in danger of deterioration or destruction;

(2) encourage the preservation and protection of such cemeteries, monuments, and historic buildings by obtaining, where appropriate and in concurrence with the Department of State, assurances from foreign governments that the cemeteries, monuments, and buildings will be preserved and protected;

(3) sponsor or otherwise support demonstration projects to help preserve and protect such cemeteries, monuments, and historic buildings;

(4) prepare and disseminate reports on the condition of and the progress toward preserving and protecting cemeteries, monuments, and historical buildings; and

(5) coordinate its efforts with the United States International Council on Monuments and Sites.

Sec. 4. (a) The Commission shall consist of five members appointed by the President.

(b) Members shall be appointed for terms of three years except—

(1) of such members first appointed—

(A) two shall be appointed for two years; and

(B) three shall be appointed for three years;

(2) a member appointed to fill a vacancy on the Commission shall serve for the remainder of the term for which the member's predecessor was appointed; and

(3) a member may retain membership on the Commission until the member's successor has been appointed.

(c) The President shall designate the Chairman of the Commission from among its members.

(d) The Commission shall meet at least once every three months.

Sec. 5. (a) Members of the Commission shall receive no pay on account of their service on the Commission.

(b) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

Sec. 6. (a) The Commission may appoint such personnel (subject to the provisions of title 5 of the United States Code which govern appointments in the competitive service) and may fix the pay of such personnel (subject to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates) as the Commission deems desirable.

(b) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay then in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332(a)).

(c) Upon request of the Commission, the head of any Federal department or agency, including the Secretary of State, is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this Act.

Sec. 7. (a) The Commission may secure directly from any department or agency of the United States, including the Department of State, any information necessary to enable it to carry out this Act. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(b) The Commission may accept, use, and dispose of gifts or donations of money or property.

(c) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(d) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

Sec. 8. The Commission shall transmit an annual report to the President and to each House of Congress as soon as practicable after the end of each fiscal year. Each report shall include a detailed statement of the activities and accomplishments of the Commission during the preceding fiscal year and any recommendations by the Commission for legislation and administrative actions.

Sec. 9. This act shall take effect on October 1, 1985.

On page 64, line 18 strike "Sec. 914." in lieu therefore "Sec. 915."

HATFIELD (AND PELL) AMENDMENT NO. 134

Mr. HATFIELD (for himself and Mr. Pell) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill, add the following new section:

THE CONTROL OF CONVENTIONAL ARMS TRANSFERS

Sec. . (a) The Congress recognizes that conventional arms transfer agreements with the Third World by all suppliers from 1981–1984 totaled $153.2 billion (in constant 1984 dollars); in which non-communist suppliers accounted for $94.1 billion and communist suppliers accounted for $59.1 billion. The United States, the Soviet Union and France have been the three predominant arms suppliers to the Third World from 1977–1984 and collectively accounted for 83% of all conventional arms transfer agreements with the Third World in 1984.

There is grave concern for the effect Conventional Arms Transfers may have on regional stability, arms races and the economic needs of third world nations, including their development, and ability to meet basic human needs. There is further concern about the effect of conventional arms transfers on regional stability, and ultimately on United States and Soviet security. Conventional arms transfer agreements made by the U.S., the Soviet Union and France are at levels closer to rough equivalence than at any time in history. This could be a significant factor in facilitating progress to limit and control arms transfers. Since new arms transfers are unpredictable, and, since new cycles of arms purchases by the less developed nations could occur at any time, the U.S. should re-evaluate its conventional arms transfer policies and practices and seek to achieve negotiated conventional arms control agreements which enhance the national interest at the earliest possible date.

"(b) Therefore—

"(1) The President should, at the earliest possible date, in consultation with our allies, initiate discussions with the Soviet Union and France aimed at beginning multilateral negotiation to limit and control the transfer of conventional arms to the less developed world.

"(2) Within one year of the date of enactment of this section, the President shall submit to Congress a report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations which examines and analyzes United States policies concerning the transfer of conventional arms, especially sophisticated weapons, and including a review of measures being taken to fulfill the objectives stated above. This report shall also examine and analyze—

"(A) the lessons of earlier efforts to negotiate restraints on the export of conventional arms;

"(B) the evolution of supplier practices and policies;

"(C) the evolution of recipient country attitudes regarding conventional arms transfers;

"(D) the effect upon regional stability and security of conventional arms transfers by the United States and its allies and the Soviet Union and its allies in recent years;

"(E) the relationship between arms exports by major suppliers and the needs of those countries to support their domestic military procurement programs;

"(F) the relationship between arms imports and the external debt of recipient countries, allocation of internal resources, and their economic well-being; and

"(G) the relationship between arms transfers and regional military stability.

"(3) The report provided for in subsection (2) shall be submitted in unclassified form, with an unclassified summary and with classified appendices, as appropriate and necessary.

KASTEN AMENDMENT NO. 135

Mr. KASTEN proposed an amendment to the bill S. 960, supra; as follows:

At the appropriate place in the bill add the following:

Since the People's Republic of China is seeking to apply for admission to the Asian Development Bank, conditioning its application upon administrative changes affecting the status and designation of the Republic of China (Taiwan) within that body;

Since the Republic of China (Taiwan) is a founding member of the Asian Development Bank, actively participating in the Bank's activities and faithfully fulfilling its obligations since the Bank's establishment in December 1966;

Since the Republic of China's (Taiwan's) subscription to the initial capital stock of the Bank was determined on the basis of the area, population, and economic condition of the island of Taiwan;

Since neither the relationship between the Republic of China (Taiwan) and the Bank, nor the circumstances under which these relations were established, have changed since 1966;

Since the Asian Development Bank agreement specifically prohibits the Bank from being influenced in its decision by politics;

Since it was the strong conviction of the founders of the Asian Development Bank that the introduction of political considerations would undermine the ability of the Bank to carry out its mission, namely to further economic growth and cooperation in the region; and

Since the Republic of China (Taiwan) has assisted in carrying out the mission of the Asian Development Bank over the years, moving from borrower to donor: Now, therefore,

It is the sense of the Senate that—

(1) Republic of China (Taiwan) should remain a full member of the Asian Development Bank, and that its status and designation within that body should remain unaltered no matter how the issue of the People's Republic of China's application for membership is disposed of; and

(2) the President and the Secretary of State should express support of the Republic of China (Taiwan), making it clear that the United States will not countenance attempts to make administrative changes affecting the status and designation of another member without that member's full knowledge and consent.

HELMS AMENDMENT NO. 136

Mr. HELMS proposed an amendment (which was subsequently modified) to the bill S. 960, supra; as follows:

At the appropriate place in the bill, insert the following new section:

Sec. . (a) None of the funds authorized to be appropriated for fiscal year 1986 under chapter 2 and 5 of Part II of the Foreign Assistance Act of 1961 shall be made available to the People's Republic of Mozambique unless the President makes a certification in accordance with subsection (a) within thirty days of the enactment of this section and every one hundred and eighty days thereafter.

(b) The certification required by subsection (a) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations that the Government of the People's Republic of Mozambique—

(1) is making a concerted and significant effort to comply with internationally recognized human rights;

(2) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy:

(3) has implemented a plan and Sept. 30, 1986 to reduce the number of foreign military personnel to no more than 55.

(i) is committed to holding free elections at a date not later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(A) the electoral process with internationally recognized observers; and

(B) the elimination of all restrictions on the formation and activities of opposition political parties.

KASTEN (AND KENNEDY) AMENDMENT NO. 137

Mr. KASTEN (for himself and Mr. Kennedy) proposed an amendment to the bill S. 960, supra; as follows:

On page 34, between lines 8 and 9, insert the following new section:

AFRICA FAMINE RECOVERY AND DEVELOPMENT FUND

Sec. 308. Chapter 1 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 129. Africa Famine Recovery and Development Fund.—(a) The Congress reaffirms the commitment of the American people to assist the countries of Sub-Saharan Africa in dealing with drought and famine conditions which threaten the lives of millions of its people. The Congress reaffirms the commitment of the United States Government to continue its support, in concert with other nations and in cooperation with the affected nations in Africa, of the International relief, rehabilitation, and recovery program to assist these nations in dealing more effectively with drought and achieving self-sufficiency in agricultural production, eliminating forever the threat of famine.

"(b) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the long-term agricultural recovery and development of the Sub-Saharan Africa region, particularly for support of policy reform and agricultural support and research for small farmers. Assistance furnished under this section shall be in accordance with a long-term, multidonor development plan which calls for equitable burdensharing with other donors and shall be furnished, whenever appropriate, in cooperation with an international coordinating mechanism or international agency.

"(c)(1) There are authorized to be appropriated to the President up to $100 million, which sums shall be derived from any funds, authorized by this act to carry out the purposes of this section.

"(2) Amounts appropriated under this section are authorized to remain available until expended.".

KASTEN (AND INOUYE) AMENDMENT NO. 138

Mr. KASTEN (for himself and Mr. Inouye) proposed an amendment to the bill S. 960, supra; as follows:

On page 50, line 19, after the word funds insert: "authorized to be".

SPECTER (AND KASTEN) AMENDMENT NO. 139

Mr. SPECTER (for himself and Mr. Kasten) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill add the following new sections:

Sec. . (a) The Congress finds that—

(1) Josef Mengele was the selecting physician at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally sent more than four hundred thousand Jews, including close to two hundred thousand children, to the gas chambers and conducted unspeakable pseudo-scientific experiments on many of the inmates of Auschwitz;

(2) Josef Mengele has lived in freedom since the end of the Second World War, initially, it is thought, in Germany and, thereafter, for the past thirty-five years, in South America;

(3) Josef Mengele became a naturalized citizen of Paraguay in 1959, and is believed still to be living in the region; and

(4) the Minister of the Interior of Paraguay has promised that the Paraguayan Government would undertake a nationwide investigation to locate Josef Mengele and allow foreign observers to participate in such investigation.

(b) It is therefore the sense of Congress that—

(1) the United States Government should undertake all possible efforts to ensure that Josef Mengele is brought to justice;

(2) the Government of Paraguay should, consistent with its previous commitments, carry out an immediate investigation to locate Josef Mengele and, if he is to be found in that country, arrest him and extradite him to a country where a warrant is outstanding for the arrest of Josef Mengele for crimes against humanity;

(3) the United States Government should seek to enlist similar efforts on the part of other regional governments; and

(4) in pursuance of these ends, the United States Government should send representatives to Paraguay and such other regional states as appropriate to participate in these investigations.

(c) Report to Congress on efforts of the Government of Paraguay to apprehend Josef Mengele.

Sec. . The President shall submit a report to the Speaker of the House of Representatives and the President Pro Tempore of the Senate on the efforts made by the Government of Paraguay to apprehend Josef Mengele. Such report shall be submitted no later than October 1, 1985 and shall include—

(1) a detailing of the efforts made by the Government of Paraguay to locate Josef Mengele;

(2) the degree to which other countries have cooperated with the investigation; and

(3) the results of the Government of Paraguay's efforts to locate and apprehend Josef Mengele.

HELMS AMENDMENT NO. 140

Mr. HELMS proposed an amendment to the bill S. 960, supra; as follows:

On page 50, strike line 15 through line 26, inclusive, and insert in lieu thereof the following: "There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $196,211,000 for the fiscal year 1986."

MELCHER (AND PRESSLER) AMENDMENT NO. 141

Mr. MELCHER (for himself and Mr. Pressler) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill, add the following new section:

Sec. . Since, livestock prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of live cattle and hogs from Canada, which has increased by 1,000 percent in the last decade in the case of hogs alone; and

Since, American livestock producers are suffering from the same general economic crisis affecting all of agriculture, and many will face liquidation or foreclosure in the near future; and

Since, the disparity between the U.S. and the Canadian dollar amounts to 32%–34% and results in even further increases in Canadian hogs and cattle being imported into the United States;

Therefore, it is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of cattle and hogs to the United States.

KENNEDY (AND DODD) AMENDMENT NO. 142

Mr. KENNEDY (for himself and Mr. Dodd) proposed an amendment to the bill S. 960, supra; as follows:

(a) Conditions on Military Assistance and Sales.—For fiscal year 1986, assistance may be provided for Guatemala under chapter 2 (relating to grant military assistance) or chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961 and sales may be made and financing may be provided for Guatemala under the Arms Export Control Act (relating to foreign military sales) only if the President makes the following certifications to the Congress:

(1) For fiscal year 1986, an elected civilian government is in power in Guatemala and has submitted a formal written request to the United States for the assistance, sales, or financing to be provided.

(2) For fiscal year 1986, the Government of Guatemala made demonstrated progress during the preceding year (A) in achieving control over its military and security forces, and (B) toward eliminating kidnappings and disappearances, forced recruitment into the civil defense patrols, and other abuses by such forces of internationally recognized human rights.

(b) Continuation of IMET Programs Upon Election.—Notwithstanding subsection (a), up to 30 percent of the amount allocated for Guatemala for fiscal year 1986 for assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 may be provided, upon the election of a civilian government in Guatemala, for the continuation of existing programs under that chapter.

(c) Construction Equipment and Mobile Medical Facilities and Related Training.—If the conditions specified in subsection (a) are met, Guatemala may be provided with the following for fiscal year 1986 (in addition to such other assistance, sales, or financing as may be provided for Guatemala):

(1) Sales of construction equipment and mobile medical facilities to assist in development programs that will directly assist the poor in Guatemala.

(2) Sales of training, to be provided outside of Guatemala, which is related to the sales described in paragraph (1).

(3) A total for fiscal year 1986 of no more than $5,000,000 in credits under the Arms

Export Control Act for sales described in paragraphs (1) and (2). Such sales and credits shall be provided only to enable the military forces of Guatemala to obtain equipment and training for civilian engineering and construction projects and mobile medical teams, which would not be used in the rural resettlement program.

(d) Prohibition on Furnishing Weapons.—Funds authorized to be appropriated by title I of this Act may not be used for the procurement by Guatemala of any weapons or ammunition.

(e) Suspension of Assistance if a Military Coup Occurs.—All assistance authorized by this Act which is allocated for Guatemala shall be suspended if the elected civilian government of that country is deposed by military coup or decree.

(f) Rural Resettlement Program.—Assistance provided for Guatemala for the fiscal year 1986 under chapter 1 of part I (relating to development assistance) or under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961—

(1) may not be provided to the Government of Guatemala for use in its rural resettlement programs; and

(2) shall be provided through private and voluntary organizations to the maximum extent possible.

(g) Invitation for ICRC To Visit Guatemala.—The Congress calls upon the President to urge the Government of Guatemala to allow the International Committee of the Red Cross—

(1) to conduct an unimpeded visit to Guatemala in order to investigate humanitarian needs in that country, and

(2) to investigate the possibilities of its providing humanitarian services in that country.

(h) Relations Between Belize and Guatemala.—It is the sense of the Congress that the United States should use its good offices and influence to encourage the Government of Guatemala to recognize the independence of Belize and to enter into a mutual nonaggression treaty with Belize.

DOLE AMENDMENT NO. 143

Mr. LUGAR (for Mr. Dole) proposed an amendment to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

ASSISTANCE FOR THE CAMBODIAN PEOPLE

Sec. 914. The President may make available to the non-communist resistance forces in Cambodia up to $5,000,000 for fiscal year 1986 of the funds authorized to be appropriated to carry out chapter 2 or chapter 4 of Part II of the Foreign Assistance Act of 1961, notwithstanding any other provision of law.

On page 64, line 16, strike out "Sec. 914." and insert in lieu thereof "Sec. 915."

DOLE AMENDMENT NO. 144

Mr. DOLE proposed an amendment to the bill S. 960, supra; as follows:

On page 51, lines 8 and 9, strike out "Cuba, or Syria" and insert in lieu thereof "or Cuba".

SYMMS AMENDMENT NO. 145

Mr. SYMMS proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill, add the following new section:

Sec. . Since, softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 percent of U.S. market in the last 2 years to 35 to 40% today—

Since, American timber producers are suffering from this economic crisis and the difficulty in acquiring timber from the National Forest System;

Since, the disparity between the U.S. and the Canadian dollar amounts to 32%–34% and results in even further increases in processed softwood timber being imported into the United States;

Therefore, it is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States.

NOTICES OF HEARINGS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. COHEN. Mr. President, I wish to announce that the Senate Oversight of Government Management Subcommittee will hold a hearing on the Program Fraud Civil Penalties Act of 1985 (S. 1134) on Thursday, May 23, at 9:30 a.m., in room 342 of the Dirksen Senate Office Building.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 15, 1985, in order to mark up S. 1029, a bill to authorize appropriations for the military function of the Department of Defense for fiscal year 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. LUGAR. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 15, 1985, in closed executive session, to hold a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. LUGAR. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, May 15, to hold a hearing on weight reduction products and plans.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate on Wednesday, May 15, to markup the 1985 farm bill, and that the meeting conclude at the hour of 12:30 today.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, May 15, to hold a hearing to consider the nomination of D. Lowell Jensen, of Virginia, to be Deputy Attorney General of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

REA ANNIVERSARY

● Mr. KASTEN. Mr. President, I rise today to take note of an important anniversary. Last Saturday, May 11, marked the 50th anniversary of rural electrification, one of the most forward-looking and successful programs in our Nation's history.

Those of my colleagues who are not familiar with Wisconsin should know that it is a largely rural State. Most of its western half is serviced by rural electric cooperatives who throughout the last half-century have received an invaluable helping hand from the Rural Electrification Administration.

Mr. President, in a very real sense REA helped bring rural Wisconsin—and rural America—into the 20th century. Nowadays we tend to take electricity for granted. But in areas where the population is widely dispersed and the terrain rugged, commercial utilities 50 years ago were unwilling to accept the risk and expense that went along with installing power generating and transmission facilities.

REA, working with the rural electric co-ops, helped save these areas from being left behind. Today, rural electrics are able to offer their customers electricity at reasonable rates. In many cases, this fact makes the difference between families being able to afford life in the country, and on the farm, and being forced to move to already overcrowded cities.

Rural electrification has contributed to a productive and diversified agriculture and to the growth and vitality of thousands of rural communities in Wisconsin and across the Nation. The employees of REA, through their hard work and dedication, have done much to make this contribution possible, and

their efforts should receive the recognition they deserve.

The task of the Rural Electrification Program is not yet complete. Many areas of the country would not have access to electric and telephone service even today were it not for the lending programs and technical assistance available through REA. We must all look together to ensure that rural electrification continues to play its important role in sustaining a prosperous rural America.

Mr. President, I am proud to be a cosponsor of Senate Resolution 148, and urge my colleagues to support this measure honoring the Rural Electrification Program on its 50th anniversary.●

SECURITIES SAFETY AND SOUNDNESS ACT

● Mr. DOMENICI. Mr. President, yesterday, I placed in the Record the first episode of the Roaring Eighties. The article was written by Steven Brill and appeared in the May edition of the American Lawyer. The name, Roaring Eighties brings to mind the speculative fervor that was all the rage in the twenties. Many of us are concerned that, unless Congress acts swiftly, this current wave of mergers/liquidations will end just like 1929.

Few of us remember first-hand the speculation that was the capstone of the Roaring Twenties. However, on May 10, 1985, Jacques Coe of Cowen & Co., wrote to the Wall Street Journal about his recollections of the events leading up to the great crash. He draws a parallel between activities in the 1920's and activities taking place now. He writes:

> I doubt very much whether you get mail from people [who have been] actively engaged on Wall Street [for] as long as this writer. In my 92 year and still active as a limited partner of Cowen & Co., I have gone through many cycles of ups and downs.
>
> I have read Felix Rohatyn's warning article on "junk bonds" etc. Whether it will have a sobering effect is questionable but, it does bring to mind a similar warning in different phraseology by Paul Warburg when he was a partner in Kuhn Loeb and, I believe, a governor of the Federal Reserve. This took place in March 1929 and was greeted by a temporary short decline followed by another bullish thrust ending in what happened in September 1929.
>
> The old saying that "those who disregard the past are bound to be punished by the future" still is valid.
>
> Jacques Coe,
> *Wall Street Journal, May 10, 1985.*

Given that perspective, let us rejoin our cast of characters. As you recall in the last episode we watched with anxious anticipation the opening bid from the seductive Texan and left our characters right after the rescue squad arrived. Please refer to the Record of yesterday's date.

Today I ask that the "Rescue Plan," "Enter Icahn," and "The Group," and "Icahn's Magic Offer" be printed in the Record. Tomorrow, the Junkman cometh.

The material follows:

[From Roaring Eighties, II, American Lawyer, May 1985]

THE RESCUE PLAN

It is Sunday, December 23. After more than a week of meetings and negotiations with Pickens (in which Flom acts as an intermediary), Lipton and crew come up with a complicated plan that the Phillips board dutifully approves.

The scheme, called a recapitalization plan, would give shareholders a new package of debentures supposedly worth $60 a share for 38 percent of their stock and allow them to sell $1 billion worth of other shares back to the company for as much as $50 per share, in cash. Moreover, new shares totaling 32 percent of the stock would be issued—in lieu of some future employee wage increases—to an employee stock ownership trust, which presumably would forever vote in favor of management. When combined with other friendly shares, this employee stock trust would give management effective control over the company.

Where's Phillips going to get the money to buy back those shares and support all that new debt? Easy: The company is going to sell $2 billion worth of unspecified assets and cut capital expenditures—this from a company that had attacked Pickens's bid because it would cause Phillips to sell off assets and cut long-term capital expenditures, and a company that had spent more than $3 billion in recent years to make Douce and crew's empire bigger, by buying General American Oil and R.J. Reynolds's Aminoil subsidiary.

Phillips also announces that although it's not interested in a sale to anyone, it will put aside its recapitalization plan and take $62 a share in cash for all shares if anyone is interested.

When Phillips announces the plan, it claims the package is worth $53 a share—which is better than Pickens's $60, they say, because his bid is illusory.

As for Pickens, there's an announcement about him, too: He's agreed to take a $53 deal from Phillips for the stock he's already bought. Only there's one catch: Pickens, despite his repeated protests that he'll never take greenmail or any other deal not offered to all the shareholders, is guaranteed the $53 in cash. Plus he's been given $25 million in "expenses" he's supposedly incurred in mounting his now-aborted effort.

Thus, Pickens has made a quick $89-million profit on his purchase of Phillips stock. Moreover, because he has also bargained for all litigation to be dropped, he has avoided any possible embarrassment from wide disclosure of the depositions suggesting tipping or insider trading.

On the heels of the announcement of the Pickens buyout and the recapitalization plan. Phillips stock plummets from $54.88 to $45.25.

Although Wall Street analysts quickly set a value of $45 to $50 on the recapitalization package and the stock hovers at $45 to $46. Pickens maintains, with a straight face, that his $53 cash sellout is not greenmail but only a different form of the same deal offered all the shareholders. (One of the great features of our soap opera is the ability of so many people to keep straight faces in situations like these.)

Phillips and Pickens are quickly sued in a shareholder class action. Among the complaint's more persuasive points is that the Phillips board had said it would take $62, yet when Pickens offered $60 for some of the shares, the board was not willing even to sit down with him to see if it could get him to offer $60 (or $61 or $62) in cash of its verifiable equivalent for all the shares. In effect, as one arbitrageur later put it, the board had instead said to the shareholders, "We think the stock is worth $62, we won't listen to his $60 to see if it's real; and we want to force you to take what we say is $53 from us in a package that the market says is really worth $45 and that, with the employee trust getting so much stock, forever forecloses the possibility of another bid."

But the suit in Delaware state court is doomed; the law there is that a board of directors can exercise its "business judgment" pretty much as it sees fit as long as it's not grossly negligent.

ENTER ICAHN

In *The Raring Eighties* Carl Icahn's résumé reads like the model career path. He srarted out as a stock trader, graduated to arbitrage, and then decided that rather than take arbitrage risks anticipating other people's raids he'd gamble on a sure thing—that *he* would do a raid. That is, he'd buy stock and watch it jump as he threatened a takeover.

As Icahn enters center stage, the camera flashes back to a confidential memo he wrote in order to recruit prospective partners in 1980 (which was one of the exhibits in a court record recently unsealed at the request of *The American Lawyer*). In the memo Icahn summarizes his *modus operandi:*

> It is our opinion that the elements in today's economic environment have combined in a unique was to create large profit-making opportunities with relatively little risk. . . . It is our contention that sizale profits can be earned by taking large positions in "under valued" stocks and then attempting to control the destinies of the companies in question by:
>
> (a) trying to convince management to liquidate or sell the company to a "white knight";
>
> (b) waging a proxy contest, or;
>
> (c) making a tender offer and/or;
>
> (d) selling back our position to the company.

"Icahn & Co., Inc., has already utilized these maneuvers successfully three times during the past two years," the memo continues, pointing out that the returns on capital from these "maneuvers" had so far been 100 to 250 percent.

By now, five years later, the several dozen partners whom Icahn recruited for various forays with memos like this one include a small circle of ever-richer relatives, close friends active in garment-center and other small businesses in New York, and other stock speculators—including Cincinnati-based Marvin Warner. (Warner's Home State Savings Bank set off a near-disastrous chain reaction when it failed in March.) There's also one foundation among Icahn's partners, The Carl C. Icahn Foundation. Drawing on tax-deductible contributions from Icahn and an Icahn-controlled corporation, the foundation—which, according to its publicly available tax filings, has contributed only minor portions of its assets or income to charity—has invested in at least one of its namesake's limited partnerships, a practice that, depending on regulatory interpretations, might violate Internal Revenue Service regulations limiting such self-dealing.

With these partners in tow, Icahn has now gone after 14 different companies. And he has taken option d)—greenmail or some variation of it, such as selling to a third party whose purchase was arranged by the target company—nine times. He has forced the target into the clutches of a white knight three times. In the two cases where he gained control, he quickly achieved partial liquidations.

So in the reception area at Icahn's Sixth Avenue office, we fine 14 neatly framed covers of annual reports—among them those of Marshall Field, Gulf & Western, Dan River Mills, Owens Illinois, and Simplicity Pattern—each trumpeting a quick money triumph.

Icahn could also have another wall full of framed documents: SEC consent decrees he has collected in earlier fights for five of the 14 target companies. And if even a fraction of the additional charges of securities law transgressions made against him in court by his targets before they'd caved were true, he arguably deserved a few more. If the wall were large enough, he could also include a slew of demerits from his earlier days as a stock trader and arbitrageur, a consent order from the New Jersey Bureau of Securities, a censure from the New York Stock Exchange, a consent agreement with the New York Stock Exchange, an Assurance of Discontinuance from the New York state attorney general's office, and four decisions by the Chicago Board Options Exchange fining Icahn's company for options trading irregularities.

By all accounts, including those of his executive quarry, Icahn is relentlessly single-minded once he starts a fight. In many instances, he unabashedly asks for greenmail. He is always willing to bargain through all hours of the day and night down to the last dollar, frequently seeming to go along with one price, and then prolonging things for hours, claiming he has changed his mind. And he prides himself on negotiating without lawyers, thinking he can best any of his target CEOs one on one (which he probably can). In one deposition, Icahn recalled that when Marshall Field's chairman didn't call him back to agree to a negotiating session, he himself called again because he was "beginning in some way to sort of feel that surge of battle a little bit."

Yet there's something appealing about Ichan—perhaps his obvious, sheer intelligence and confidence in himself as a lone player in an arena where everyone has layers of advisers. There's also his candor. If, as enemies and even friends say, he is one of the greediest men on the planet, he is also in his way delightfully greedy, stripped of all pomposity and pretense. In one suit over his fight for Dan River (which bought him out and went private), Icahn testified, when asked about his prior greenmail payoffs, "I'm not a Robin Hood."

On December 27, 1984, two days after the announcement of the Phillips recapitalization plan and the accompanying buyout of Pickens, Icahn and his web of partnerships and corporations began buying Phillips stock. The price is about $45.

"I got into it," Icahan will later explain in an interview, "just because I figured something would happen. I thought there really wasn't much risk because the board's offer was too low. They'd have to raise it, or someone would have to come in and better it," Icahn would soon be that someone.

The Group

The scene shifts to northern Westchester County and the Bedford, New York, estate of Ivan Boesky, the fabled arbitrageur. It's a Saturday in January. We are about to see that arbitrage in The Roaring Eighties may not be as risky as it's cut out to be.

Boesky, like most arbs, has had a horrible Christmas season. Boone Picken's sellout has threatened to cost Boesky millions; he reportedly bought Phillips stock in the $50s in anticipation of Pickens's deal—or a better one—going through, only to watch the stock drop to the mid-$40s when Pickens was bought out.

Boesky has invited Icahn, who has an estate nearby, to discuss the Phillips fight.

According to Icahn's later deposition, Boesky had called him a few days earlier and said, "I hear you are involved in Phillips." At the time, Icahn's stock purchases were supposedly secret and certainly not a matter of public record; and the information would be gold to Boesky, who presumably could be buying back Phillips stock at its now-lowered price in hopes of evening out his position should a new Phillips suitor appear.

"I think I said, 'Yes, I bought some stock.' but I really don't recall," Icahn testified.

Boesky told me in a February interview that he had "never, ever" spoken to Icahn "about any deals or stocks we're involved in." He otherwise declined all comment about his Phillips trading.

Icahn further testified that during their telephone conversation Boesky said he felt the Phillips situation was ripe for a proxy fight. The two then decided to set the Saturday meeting.

At this meeting (attended by three other people—an Icahn aide, a Boesky assistant, and a broker from Shearson Lehman/American Express—according to Icahn's testimony), Boesky shies away from joining Icahn in a Phillips fight, but urges him on. Icahn replies that he doesn't like simple proxy fights, rather, he prefers tender offers combined with proxy fights, because while they may be riskier, they put more pressure on the target.

"Did you discuss at what price a tender offer should be made?" Icahn was asked in the subsequent deposition.

"I don't remember going into that. Maybe, but I don't remember it," he replied.

"Did you discuss how much money would be needed for a successful tender offer for Phillips?" he was asked.

"All of this must have come up," he answered. "I remember generally we talked about all of these things, but I don't remember any more.

"Then later on, Ivan [Boesky] kept calling me," Icahn added.

According to Icahn's deposition, "a few other" arbitrageurs were in contact with him, either before he announced a bid for Phillips or soon thereafter. But the clannishness doesn't stop there. When asked in the deposition about whether the subject of financing a Phillips tender offer came up in his chat with Boesky, Icahn replied, "The name Drexel came up."

Drexel, of course, is Drexel Burnham Lambert Incorporated, America's preeminent junk-bond dealer. (More on that later.) And, according to one Drexel banker and to other deposition testimony, it was Boesky who brought up Drexel's name to Icahn. Indeed, Drexel, according to other deposition testimony, had thought up a leveraged junk-bond scheme for a Phillips tender offer and "was looking for someone to do it," says the Drexel banker.

"One guy we started with was Ivan, because we knew he'd been burned by Pickens and figured he might try to sell it to someone else even if he didn't take it himself, which is just what happened with Icahn."

"Yes, we talked to Boesky before we talked to Icahn about a financial package for a Phillips takeover," confirms David Kay, head of mergers and acquisitions at Drexel. "It was our package, and we were trying to interest someone in it. . . . I probably talk to Ivan everyday," he says.

In short, Boesky, an arbitrageur with a need for inside information (Is there any other word for secret information about a possible tender offer?) was out discussing, perhaps even encouraging, an Icahn tender offer formulated by Drexel. And Drexel, of course, could have been passing that same information on to any of its other stock speculator clients, too—not in the traditional and black-letter sense of tipping someone off with inside information, but in the context of asking people to consider the deal for themselves, while mentioning that Icahn was seriously considering it.

"These arbitrageurs and takeover entrepreneurs, and people from Drexel are a ring, pure and simple," asserts one takeover adviser. "They feed on their own inside information and cooperation, and to believe anything to the contrary is to be ridiculously naive."

According to Icahn's deposition testimony, Boesky sold him 2.74 million shares of Phillips on January 28. But, his testimony continues, 11 days later, on February 9—five days after Icahn announced his bid for Phillips—he and Boesky met again, this time over dinner at Icahn's house. At that meeting they discussed the fact that Boesky had bought another 4 million Phillips shares.

Had Boesky bought the shares before Icahn's bid, but after their January discussions when he had learned that Icahn was contemplating a bid, thereby taking advantage of that information? Had Boesky done any trading *at all* in Phillips stock during the time he was discussing with Icahn and Drexel the plan for a tender offer? Asked these specific question. Boesky again declined all comment on his trading activities, citing longstanding "Boesky company policy," except to say, "I seem to detect an insinuation that such trading would in some way be wrong . . . or improper, which I find kind of unattractive . . . and offensive coming from a responsible publication." Was Icahn's deposition about their discussions accurate? "I really don't think I should comment on that," Boesky replied, "except to say that I wonder whether it is proper or legal for you to publish something like [the deposition], and that it would be foolish and not nice of me to sit here and take potshots at what a friend of mine has said under oath, whether its true or not."

According to Icahn's testimony, after that February 9 meeting at Icahn's house, Boesky "was on the phone with me every day." The arbitrageur, of course, had a big stake in knowing what Icahn was doing and how he was faring.

It is about this time, according to Icahn's deposition, that Icahn gets those mysterious late-night phone calls cheering him on in the Phillips fight. Is it an arbitrageur? Is it someone from Drexel Burnham? Is it someone else?

Icahn's Magic Offer

It is now February 4, 1985. A messenger delivers a letter from Icahn to Douce, via

Morgan Stanley. Icahn begins by telling Douce that he owns 7.5 million shares of Phillips—or about 5 percent, purchased for about $350 million—"which makes me one of the company's largest shareholders.

"I have examined the material you have sent me concerning [the recapitalization plan] and find it grossly inadequate." Icahn's letter continues. Icahn then proposes that he acquire all of Phillips for what he calls $55 per share—$27.50 in cash and $27.50 in a subordinated note. Icahn goes on to say that the financing will be provided by Drexel Burnham Lambert Inc., which is, he says, "highly confident" it can raise the money. Icahn also threatens an alternative: If Douce and his board don't withdraw their recapitalization plan in favor of his offer, he intends to begin a proxy fight to defeat the recapitalization scheduled to be voted on at a shareholders' meeting in Bartlesville on February 22, and to begin a tender offer for 51 percent of the share at $55 in cash and what he says will be $55 in debt securities for the remaining 49 percent.

At face value, a $55 bid for the Phillips shares is an $8.1-billion offer for the company. And face value is exactly how the press plays it: Icahn's offer is called a $55 offer.

An attached letter from Drexel Burnham corporate managing director Leon Black repeats the "highly confident" claim and reveals that the financing to be arranged amounts to $4.05 billion, which will cover all of the cash portion of the offer to the shareholders. When all the numbers are added up, this means that if Icahn's plan goes through the company will have just $800 million in stock and about $11 billion in debt. Even considering Icahn's stated plan to sell $3.7 billion in unspecified Phillips assets, this debt-to-equity ratio seems to leave the company hopelessly mired in interest payments, with nothing to invest in research or oil exploration and in grave trouble if cash flow should slow.

After going through the motions of asking Icahn to answer written questions about the offer, Douce and the Phillips board reject it. They also sue Icahn, claiming among other things that his letter to Douce, which he knew the company would have to make public, constituted the sending of proxy material without prior SEC clearance, and that it was false and fraudulent proxy material because of its supposedly unfounded criticism of the board's recapitalization plan.

A few days later, Phillips puts the lie to the bona fides of its first recapitalization offer by sweetening it so that the shareholders get a package the company says is worth $3 more. (The market soon pegs its value at about a dollar more.) More important, the company announces that its board has passed a poison pill.

The dreaded poison pill. It is a Lipton creation of almost diabolical repute. In its various incarnations, it gives shareholders a right to demand all kinds of extra money in the form of debentures, or rights to sell their stock to an acquiring company, or rights to buy an acquiring company's stock if an acquirer buys more than 20 percent (or, in some cases, 30 percent) of a company. Its stated purpose is to prevent partial two-tier takeover bids by allowing the remaining shareholders to make life miserably expensive for the acquirer, a problem eliminated in most of the pills if the acquirer buys out all the shareholders, because then the acquirer owns whatever misery-causing rights that shareholder had been given.

In this incarnation, Lipton's pill allows shareholders to redeem their shares for $62 in debentures the moment anyone buys more than 30 percent of the company. In other words, Icahn would be buying into a company where everyone—except him, because the 30 percent buyer somehow is discriminated against and doesn't get these rights—would have a $62 debt package. Depending on your point of view (or your stock position), Lipton's pill is an ingenious way to make sure the shareholders get what the company is worth, and aren't stampeded into selling out cheap; or it's an outrageous usurpation by management of the shareholders' rights to decide on Icahn's offer for themselves, with management having set an unrealistically high price—$62—and having cleverly come up with a way (this pill) to make all the shareholders stick to it, just so management can't be thrown out in a takeover.

This pill is adopted less than three weeks after a Delaware court has decided that a similarly intended, though differently configured, Lipton pill aimed at saving Household International from a possible raid is perfectly legal.

The camera now shifts to any February morning at the Regency Hotel in New York, where Joe Flom or others from Skadden, Arps can be found arguing, persuasively, that Lipton's pill is a patently illegal usurpation of shareholder rights, and that unless the Delaware appellate court (where Skadden will be arguing against the Household pill) overturns the lower court decision, the takeover game may be frozen by this Rube Goldberg monstrosity.

Indeed, at almost every table at the Regency, lawyers, investment bankers, CEOs, and their clients are talking about the pill: and most seem awed by its ominous impact.

"Marty comes up with a new trick, and it's like someone passed legislation," comments takeover expert Arthur Fleischer, Jr., of Fried, Frank, Harris, Shriver & Jacobson one morning over an omelet. "Don't they realize it's a passing fad that has ten antidotes?"

Fleischer doesn't realize how right he is, and how soon we'll all find out that in The Roaring Eighties fads like the pill pass quickly indeed.

Underlying the pill and other Phillips defenses is the company's attack on Icahn's offer as unreal because the financing has not been lined up and Icahn won't be able to get it.●

IN SUPPORT OF JOB CORPS

● Mr. **DECONCINI.** Mr. President, early in the morning of May 10, 1985, the Senate adopted by the narrowest of margins a budget package that included a 30-percent cut in the Job Corps Program.

I am a 100-percent supporter of Job Corps, and I have given this fine program my strong support throughout my years in the Senate. Arizona has two excellent Job Corps centers, one in Phoenix and one in Tucson. I have been appalled at the administration's tactics in trying to seek termination of this program. In order to hide Job Corps' fine record of achievement in helping poor and disadvantaged individuals, OMB Director Stockman and others have sunk to the level of using manufactured statistics to over estimate Job Corps costs and to downplay its successes. To the embarrassment of the administration, independent studies conducted at the request of the Department of Labor have been released which truly portray the costs and benefits of Job Corps. Let me briefly review the key facts that these studies and others have revealed:

For every tax dollar spent on Job Corps, $1.46 was repaid to the Treasury in increased tax revenues from the higher earnings of program participants and from the decreased burdens which Job Corps graduates placed on Government programs.

The "slot cost" for participants in the Job Corps is approximately $6,000 per participant, not the $15,000 that the administration estimates.

Considering that Job Corps enrollees come from the most disadvantaged sectors of our economy and that 4 out of 10 new enrollees in Job Corps have prior arrest records, the cost of the Job Corps is a bargain. It should also be noted that costs to incarcerate an individual range from $22,000 to $30,000 per year.

Mr. President, although I am pleased that the Senate did not bow to the misinformation disseminated by the Reagan administration by terminating Job Corps, let there be no doubt that the 30-percent cut will, if approved by the House of Representatives, severely damage the effectiveness of this program and therefore harm the many, many low-income, hard-core unemployed people who could benefit from the training that Job Corps offers. Even if a freeze were imposed on Job Corps funding, the Department of Labor projects that between one and six centers would close and training slots would be reduced by 4 percent. The hardships that would be caused by a 30-percent cut is unacceptable to this Senator.

In sum, Mr. President, I hope that our colleagues in the House of Representatives have a chance to visit the Job Corps centers in their districts prior to making a decision on the budgetary status of Job Corps. I have no doubt that such a visit will renew their confidence in a program that is not only a good dollar value but has helped so many poor people become working and contributing members of American society.●

TRADE POLICY AND FOREIGN POLICY

● Mr. **LEAHY.** Mr. President, the balance between U.S. trade promotion and the importance of protecting our vital technology is an issue that continues to be debated within the Reagan administration and in Congress.

In a recent issue of the Washington Quarterly, Dr. Jan Feldman of the University of Vermont has written an article entitled "Trade Policy and Foreign Policy." It is a sober and thoughtful assessment of the impact of export controls on our national security. I urge my colleagues and members of their staff to study Dr. Feldman's recommendations before we once again turn to the Export Administration Act.

I ask that Dr. Feldman's article be printed in the RECORD.

The article follows:

TRADE POLICY AND FOREIGN POLICY

(By Jan Feldman)

The recent furor over the alleged expansion of KGB industrial espionage activities is creating a tension between the traditional U.S. commitment to trade promotion and the protection of U.S. technology.

The tension between these goals came to a head as the reauthorization of the expired Export Administration Act of 1979 (EAA) was debated. After a full year of haggling, in which the House and Senate could not come to an agreement, the EAA has now expired. But Senate backers of more stringent control on export technology plan to reintroduce their bill with its strong controls intact. They are confident that the House will bend and accept their new, tougher EAA. Regardless of the final form that the bill takes, the tension between export promotion and technology control, as well as the problems inherent in the use of trade as an instrument of foreign policy, promise to be perennial.

This article evaluates the threat to our technological lead and national security and the measures that have been proposed to counter that threat, concluding that any strategy which undermines our export-dependent economy is hardly likely to be a boon for national security.

Little Ruth sits cross-legged on the floor playing with her "Speak-and-Spell." It is a teaching toy, but within its innocuous plastic casing can be found sophisticated components not all that different from the ones housed in the Pentagon's computer. Ruth's parents bought it for her birthday at the local department store but, had they been Soviet diplomats, they could have bought the toy just as easily—maybe for little Vladimir's birthday or maybe for more nefarious purpose.

An amusing hyperbole? Perhaps, but such a scenario seems plausible enough to several members of Congress and the Department of Defense (DOD) to have prompted strong countermeasures. A new protectionism may be emerging. Unlike the traditional brand, it is not intended to protect a declining industry from foreign competition but, instead, to protect our "cutting edge" technologies for reasons of national security.

Behind this impulse toward technological isolationism is the fear that our free and open trade policies have enhanced the military capabilities for our adversaries, especially the Soviet bloc. This perspective has influential supporters who, with the president's backing, have introduced amendments to strengthen the restrictions on technology exports authorized by the Export Administration Act (EAA) of 1979. The Act expired September 30, 1983, and is still in conference a year later, attesting to its controversial nature. An executive order is currently maintaining the EAA's controls in place, as the debate over the Act is likely to drag on at least until the end of this congressional session. In addition to empowering the president and the Department of Defense to restrict the export of U.S. technologies to foe and friend alike, it encourages the use of trade sanctions to bring recalcitrant trading partners around to a more conservative way of thinking. It may soon become harder for U.S. firms to export commodities containing advanced technologies.

In addition, the Department of Defense has recently reconstituted a tough directive limiting the transfer of technology which occurs under the auspices of DOD programs. The DOD's assistant secretary for international security policy, Richard Perle, is calling the "hemorrhage of technology" to hostile nations one of the most serious problems facing the United States, asserting that we are in the midst of a "quiet war" for technological supremacy.

> At no previous time in history has one nation [the USSR] been able to prey so deeply and systematically on the fruits of its adversary's genius and labor.[1]

But these knee-jerk responses misperceive the threat and misconceive the solution. A well-considered policy must combine an analysis of the price we pay in national security because of technology leakage, with a realistic assessment of the costs of implementing the proposed solutions.

We must conclude that the proposed solutions will be as ineffectual as they are expensive, and will not heighten U.S. security significantly but, on the contrary, are likely to erode it. By restricting the exchange of scientific know-how and technology between the United States and NATO allies, improvements in the common defense capability will be inhibited, while tensions in an already fragile alliance will be exacerbated.

Failure to draw the distinction between U.S. general foreign policy goals and specific national security interests has contributed to the current tendency to use trade policy in an ad hoc and counterproductive way, reducing U.S. credibility with allies and adversaries alike. This, in combination with the inability to specify which technologies deserve special protection, reduces the likelihood of achieving agreement with allies on the enforcement of multilateral controls. Controls imposed unilaterally by the U.S. government would only serve to burden U.S. exporters, and erode the export-based economy on which our national security is surely also dependent.

Although it has currently reached an all-time critical mass, the concern over the leakage of technology to the enemy is nothing new. Neither is the commingling of trade policy and foreign policy, nor the use of trade as leverage against the behavior of other countries. The Export Control Act of 1949 allowed the president to compile a list of controlled technologies, a power that was reinforced by Congress in 1962.

But by the mid-1960s, the emphasis had shifted from control to promotion as commercial ties began to be seen as a way of lessening Cold War tensions. President Johnson spoke of "building bridges" with the USSR and Nixon talked of "cooperation rather than confrontation." Accordingly, the Export Administration Act of 1969 declared that U.S. policy was to "encourage trade with all countries with which we had diplomatic relations," and directed the secretary of commerce to revise and shorten the list of controlled items.

But Soviet actions in Angola, Afghanistan and Poland gave rise to the perception that détente had backfired and that the United States had been had. All the while, the Soviet Union had been availing itself of Western technology, boosting its own military capability.

Unquestionably, the USSR has acquired or would like to acquire U.S. technology with potential military application, such as high speed computers, microprocessors, semiconductors, inertial navigation systems, fiber optics composite metals and precision machine tools, but the extent to which a hemorrhage is occurring is not completely clear.

Another point more often taken for granted than proved is that the U.S. technological lead is so narrow or fragile that any further erosion will create an immediate threat to national security. Appraisals of the Soviets' ability to reverse engineer and assimilate these technologies to their manufacturing infrastructure are questionable. Yet policies currently proposed to counteract this putative threat have strong backing in the Department of Defense and Congress and could make it tougher to export products which contain advanced technology.

Likely to be especially hard-hit by these policies are aerospace and advanced electronics manufacturers who export sophisticated weapons systems. Ironically, these manufacturers had thought that things were looking up when Reagan took office, signaling a reversal in the adversarial relationship that had existed between weapons exporters and the Carter administration. Reagan immediately rescinded the "leprosy" letter—Carter's prohibition against contact between U.S. weapons salesmen and U.S. embassy personnel, letting it be known that actively promoting the sales of U.S. arms abroad would no longer be frowned upon. In his Arms Transfer Policy Directive of July 8, 1983, Reagan announced that:

> The United States views the transfer of conventional arms and other defense articles and services as an essential element of its global defense posture and an indispensable component of its foreign policy. . . . We will deal with the world the way it is, rather than as we would like it to be.[2]

Industry's sigh of relief was to be short-lived. As an international sales representative of a major weapons manufacturer expressed it, "Reagan came on board and things were great . . . except for the technology transfer policy." [3] Much to the consternation of industry, the Reagan administration's encouragement of arms sales is somewhat counteracted by its discouragement of technology transfer. The president sent a letter to House and Senate leaders last Spring strongly backing amendments to stiffen the export control provisions of the Export Administration Act.[4]

As every weapons exporter knows, technology transfer is often an inevitable ingredient of international sales these days. Almost no country can afford to buy a sophisticated item off-the-shelf and, as a condition of purchase, more and more are demanding compensatory benefits or offsets, which frequently take the form of requests for participation in production. Coproduction is fast becoming a necessary modern marketing tool which gives U.S. firms the flexibility to compete internationally. The purchaser desires coproduction arrangements because they provide access to advanced technology and manufacturing know-how, thus strengthening the industrial base and labor skills of the purchasing country. Where weapons are roughly commensurate in price and quality, it is likely to be the offset package offered by the competing firms that will clinch the deal for one

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Footnotes at end of article.

of them. Firms often end up in offset auctions, committing themselves to coproduce the weapon with the purchaser. A recent Treasury Department survey of the U.S. aerospace industry indicated that 75 percent of sales would not have been made had offsets not been offered.[5]

Willingness to let the purchaser participate in the production of the item almost always necessitates sharing technology. Because technology transfer is an inherent part of collaborative weapons production, these cooperative ventures, whether arranged between private firms or initiated by governments (i.e., in the context of NATO), will be particularly susceptible to proposed new controls.

"A NEW PROTECTIONISM MAY BE EMERGING . . . TO PROTECT OUR 'CUTTING EDGE' TECHNOLOGIES FOR REASONS OF NATIONAL SECURITY"

U.S. firms feel that if comparable controls are not enacted by other countries, those controls imposed unilaterally by the U.S. government will have no significant impact on the availability of technology to the Soviets, but will allow foreign firms to jump in and replace U.S. firms in the sale of sophisticated equipment. This happened in 1979 when the government held up a license for Sperry Univac to sell a computer-driven word processing system to Tass. By the time the U.S. government finally granted the license Tass had signed with a French firm.[6]

U.S. firms are not lobbying for the elimination of export regulations. Regulation has been a fact of life for exporters of technology for a long time. Instead, industry is arguing that a vast network of regulations already exists, complete with red-tape and long delays which will only be compounded by adding another layer of regulations.

In a large number of defense-related transactions, the U.S. government is itself a party, usually as an intermediary between U.S. contractors and foreign governments and, therefore, can regulate the transfer of technology through government-to-government memoranda of understanding (MOUs). But even in private international transactions to which the U.S. government is not a party, all exports of technology must be licensed by the Department of State or Commerce. Statutory export regulations such as the International Traffic in Arms Regulations (ITAR, Title 22, CFR parts 121–128) authorized under the Arms Export Control Act and administered by the Department of State's Office of Munitions Control, and the Commodity Control List (CCL) authorized by the Export Administration Act and administered by the Department of Commerce, already provide labyrinthine licensing procedures for different classes of articles.

Other existing mechanisms for protecting technologies against inadvisable transfer include:

The government system of classifying material and the Department of Defense's strict regulations regarding the industrial security of its private contractors. Additionally, the National Policy and Procedures for the Disclosure of Classified Military Information to Foreign Governments and International Organization (NDP) requires DOD to weigh the costs and benefits of sharing sensitive technologies with allies. Recently, concern is being expressed over unclassified technologies and know-how. Much of this material cannot be classified for a variety of reasons: it may still be in the research of emerging phase, or it may be intended for commercial rather than military use, or it may simply not meet the damage standard that would immunize it against the Freedom of Information Act.

Company protection of properietary expertise, argues industry, provides an internal mechanism for the protection of sensitive material. The self-interest of the firm is a sufficiently strong motive for keeping its advanced technologies out of the hands of its domestic and foreign competitors. But economic sensitivity and strategic sensitivity are not necessarily synonymous, giving rise to some skepticism about leaving the regulation up to industry.

The Coordinating Committee for Multilateral Export Controls (COCOM) agreements provide the only multinational mechanism for regulating the transfer of technology. COCOM was formed in 1949 to combat the flow of sensitive technology to the USSR and is composed of the NATO countries (minus Iceland, plus Japan). COCOM is actually only a loose aggregation of countries with diverse trade and foreign policies. Its list of restricted technologies is much shorter than the United State's own CCL, and additions can only be made by consensus. Similarly, the list can only be enforced by a gentlemen's agreement as there is no provision for punishing violators. The only way to restrict the flow of sensitive military technology to the Soviet Union is through international consensus and voluntary enforcement. The best chance for achieving consensus is to identify a lean list of technologies and manufacturing processes, the transfer of which truly pose immediate national security threats. Europeans have signaled that they are unwilling to have COCOM used by the United States for partisan or nebulous foreign policy goals, as is evidenced by COCOM's recent rejection of the U.S. bid to add several newly-emerged technologies to the list of already restricted ones.

COCOM's most recent meeting, held in Paris in July 1984, was characterized by trench warfare and endless infighting. Against U.S. objectives, COCOM agreed to decontrol eight-bit personal computers and main-frame computers except for those with a data-processing rate of faster than 48 million bits of information per second. The United States, however, managed to add to the list of restricted items electronic-grade silicon, printed circuit boards and other components of computer-making technology. While the July meeting demonstrates that compromise can be achieved, the key concern remains how to keep COCOM from doing more harm to its members and the alliance than to the Soviets.

While there is agreement between government and industry that these existing mechanisms are not perfect and that some level of protection of critical technology is desirable, there is disagreement as to how this protection is to be applied and to which technologies. The complex nature of technology and the fact that sophisticated technologies can be embedded in innocuous end products exacerbates the difficulties of control. The most problematic area for policymakers is the nebulous category of dual-use technologies which have potential military as well as commercial application.

How many Americans would want to have to produce a permit to enter their local Radio Shack and buy a Pac-Man game? Yet many such video and computer games are prime examples of dual-use technology because, just like the lining of coffee pots which can also be used on the nose-cones of aircraft, they embody technology which has potential military application. Is it absurd to treat these technologies as militarily strategic? Not completely, for Krushchev liked to point out, even the buttons on a soldier's trousers are strategic, since without them, he would be forced to hold his trousers up with his hands in battle.

In an effort to sort out this problem, the Export Administration Act of 1979 directed that military critical items be placed on a Militarily Critical Technologies List (MCTL) which, on the recommendation of the respected Defense Science Board Task Force on the Export of U.S. Technology's report to the Department of Defense (the Bucy Report), would have strictly controlled a select group of revolutionary processes (rather than products) while deregulating low-level technological processes and products.[8] Accordingly the resulting MCTL was supposed to simplify the lives of Commerce Department officials, but instead, caught on the conceptual snag of dual-use, it has become a nightmare of complexity. Still classified and not officially published, this unwieldy three-volume document is tantamount to a modern technologies shopping list and defies both incorporation into CCL and application by Commerce and Customs personnel.

Detractors within government claim it is nearly useless in its present form and business complains that in spite of the fact that the MCTL was originally intended to regulate East-West trade, it promises to have a real, though restrictive, impact on West-West trade as well. The MCTL is a potentially useful document and should be formulated in such a way as to make it the cornerstone of technology export regulations—specifying a concise list of truly critical technologies and processes the export of which would directly contribute to Soviet military capability.

Nor have our European trading partners failed to realize the implications of the proposed restrictions for U.S.-European trade. They don't see why we can't be friends even if our friends aren't friends. In spite of recent expulsions of Soviet diplomats by several European nations as part of a drive against illegal acquisition of information, most European nations do not share the magnitude of current U.S. concern, partly because they perceive the Soviet threat differently and partly because they reject in principle linking foreign policy with trade policy.

The European Economic Community (EEC) recently registered a formal complaint with the U.S. government over proposed amendments to the Export Administration Act of 1979 which would give the president authority to terminate imports from countries that failed to comply with U.S. restrictions or embargoes. Such punitive measures are seen as extraterritorial attempts by the United States to define other nation's sales territories and foreign policies. Such threats are viewed as an infringement on national sovereignty and a sign of U.S. distrust of our allies.

The EEC sees these strong-arm policies as self-serving on the part of the United States, especially in light of the willingness of the U.S. government to bend to domestic economic pressures and resume grain sales and initiate the sale of oil and gas exploration equipment to the USSR. During periods of economic recession all countries, the United States not excluded are more likely to take heed of the economic costs of trade restrictions, exercising what the French call "commercial prudence."

Proposed amendments to the Export Administration Act are not the only things ruffling European feathers. A controversial directive governing all mechanisms of technology transfer under the aegis of the Department of Defense threatens to have a serious impact on U.S.-NATO collaborative weapons production programs. This directive, 2040.2, signed by Defense Secretary Caspar Weinberger on January 17, 1984, applies to all mechanisms of technology transfer, including strategic trade licensing, munitions licensing, security assistance and DOD collaborative research and development programs. It firmly expresses the view that technology is a national security asset: It shall be DOD policy to treat defense related technology as a valuable and limited national security resource to be husbanded and invested prudently in the pursuit of national security objectives.[9]

The man whose imprint is clearest on 2040.2 is the assistant secretary of defense for international security policy, Richard Perle. A forceful personality, influential beyond what his official rank would suggest, he has been characterized by his detractors, even within the Pentagon, as everything from a "Cold-Warrior'" overreacting to the USSR, to a turf-builder, overzealous in his approach to technology control in the interests of self-aggrandizement.[10]

In addition to militarily critical technologies, sensitive technologies are now being slated for control. This is likely to put a damper on NATO collaborative programs, which just happen to be the rice bowl of another Pentagon office, the undersecretary of defense for research and engineering.

Support for these collaborative programs comes from other quarters as well. Congress gave the green-light to the programs under the banner of NATO rationalization, standardization and interoperability (RSI) in order to eliminate duplicative research and development which resulted in our buckle not fitting their belt. The Culver-Nunn amendment to the 1975, 1976, and 1977 DOD Appropriation Authorization Acts and the Glenn-Roth-Nunn amendment to the 1983 DOD Appropriation Authorization Act affirm Congress' general support for NATO RSI and acceptance of the technology transfer that it entails. Moreover, NATO collaboration has the official endorsement, if not heartfelt support, of Secretary of Defense Weinberger in the "Ninth Report to Congress on the Standardization of Equipment within NATO."[11]

Sponsors of tougher legislation feel that the extraterritorial reach of U.S. policy is necessary and that the threat of sanctions is needed in order "to help the Europeans learn their lesson".[12] But the lesson that our allies and trading partners are learning is that U.S. commitment to alliance defense may not extend to the sharing of the technology that makes this defense possible. Accordingly, European nations are now taking measures to assure their technological independence—a policy which, even if uneconomical, they will eventually achieve through sheer political will. The European reading of the intent of the Export Administration Act and DOD Directive 2040.2 is that the United States would rather close down the shop than give it away.

Before new restrictions on technology transfer are imposed, we should know whether the benefits of these new controls will be commensurate with the costs of enforcement and the loss of trade, and whether stricter controls will succeed where the network of existing controls have apparently failed.

Technology passes through many channels. According to the CIA, the Soviets have a systematic and coordinated approach to the acquisition of Western technology, employing legal and illegal means.[13]

Legal transfers are made possible by the open nature of our society and include open access to trade journals, technical reports, trade fairs, exhibitions and academic exchanges. The National Academy of Sciences recently released a report assessing the technology transfer issue, deemphasizing the danger posed by the leakage of technology that occurs in the process of scientific and academic exchange of information, and advocating instead of more restrictions, a greater emphasis on, and encouragement of, scientific research to protect our technological lead.[14]

Technology also leaves the country through legal purchases under general or validated licenses, or between U.S. corporations and their overseas subsidiaries. An interesting case of such a sale is the now controversial Kama River truck facility which the United States sold to the Soviet Union at the height of détente. Subsequently, it was discovered that in violation of the agreement, the Soviets were deploying these trucks in Afghanistan. While the current administration uses this as an illustration of what it is trying to prevent through stricter export regulations, this case is distinctly not an example of the failure of existing regulations. Rather, it is a case of a well-considered, political decision which at the time seemed appropriate and expedient to an administration which was guided by different principles.

Illegal purchases are also made on behalf of the Soviets by agents and dummy corporations. These purchases often leave the country under legal validated licenses, but once the goods leave the United States they are almost impossible to safeguard from illegal reexport. An example of this sort of illegal transfer is the Bruchausen-Maluta case in which a non-covert purchase of regulated equipment was labeled falsely and exported through normal channels, only to be diverted from its destination (a dummy corporation in a Western European nation) to the Soviet Union.

> "NEBULOUS FOREIGN POLICY GOALS . . . PURSUED THROUGH INDIRECT MEASURES, USING TRADE AS A CARROT OR STICK, ARE LIKELY TO BE AS CONTROVERSIAL AND INEFFECTIVE AS THE GRAIN AND PIPELINE EMBARGOES"

Illegal transfers can also be accomplished by smuggling or industrial espionage. A rather notorious example of the latter is the Bell case. William Bell, a radar project enginneer for Hughes Aircraft, provided for the sum of $110,000 more than twenty classified reports on future U.S. weapons systems to a bogus Polish businessman.

Soviet efforts may have netted them some valuable savings in research and development (R&D) funds and time, but the best way of short-circuiting this predatory relationship is less obvious. Restricting the free exchange of information is a high price to pay for the protection of technology. While our commitment to an open society allowed Soviets to back a truck up to the National Technology Information Service of the Department of Commerce in 1980, and to legally load more than 80,000 documents detailing many of the latest technological advances, many people would be willing to accept such things as the price we pay for the freedoms we cherish.

Significantly, few of the cases cited by the CIA actually support the contention that existing export regulations are inadequate or that augmenting them in the proposed ways will solve the problem. Generally technology transfers are carried out overtly and do not violate U.S. laws, or they are carried out covertly and would probably continue to evade stricter regulations as well. The FBI estimates that 90 percent of the technology which finds its way into Soviet hands passes through noncommercial channels, meaning that only 10 percent of the leakage, which is the major target of the proposed regulations, can be attributed to the failure of the export control system.

The costs of enforcing these regulations have not been estimated, but a DOD official averred that the cost of such programs as the new "Operation Exodus" is likely to be very high.[15] What will these controls accomplish for national security? The same DOD official admitted that the goal of stopping leaks altogether is unrealistic.[16] The best we can hope to do is to delay the Soviets' acquisition of the technologies they target, and to increase the cost and effort required.

U.S. technology-exporting firms, represented by the Aerospace Industries Association and The Electronics Industries Association, are asking "why us?" They are voicing three major objections to the proposed regulations. First, they maintain that the net contribution of high-technology exports to the U.S. economy far outweighs the risk to national security. Second, the regulations are over-broad and the technologies to be regulated are too vaguely defined. Third, because there are a variety of conduits through which technology reaches the USSR, and multiple international suppliers of most technologies, imposing additional regulatory burdens on U.S. exporters is inappropriate and unfair.

According to the estimates of the United States Trade Representative and the Department of Commerce, trade generates 22 percent of our GNP and every $1 billion worth of exports creates 25,000–40,000 jobs. From 1977–1980, 80 percent of new jobs in manufacturing were export related.[17] One corporation with extensive international experience testified that:

> Technology transfer has brought significant monetary income to the United States and has provided many additional jobs for the U.S. workforce. To unreasonably restrain technology transfer when the situation demands it in competition with overseas sources, can often result in the loss of product markets to foreign competitors.[18]

Moreover, a representative of General Electric claimed that transferring technology stimulates sales, the profits of which are plowed back into research, which increases rather than decreases our technological lead.[19]

Both the proposed amendments to the Export Administration Act and DOD directive 2040.2 "contain language which could adversely affect billions of dollars in exports and limit U.S. companies' opportunities to compete for foreign markets or participate in multi-national ventures," according to Karl Harr, Jr., president of the Aerospace Industries Association.[20]

Industry's second objection is that the technologies to be regulated should be specifically defined: "The very knowledge that something can be done is itself a transfer of technology. Scientists and engineers in a great number and countries are quite competent to work out the details," claims Joseph Gavin, president of Grumman Corporation.[21]

Industry's third objection is to being forced to bear the brunt of regulations that would create uncertainties at home and abroad regarding U.S. trade policy and undermine the reputation for reliability of U.S. firms.

Senator Jake Garn (R-Utah), a strong proponent of stiffer export controls, is unmoved by these complaints. He seems to fear that the profit motive may blind U.S. firms to the priority of national security. In last February's hearings on the Export Administration Act, Senator Garn commented:

> I have been a friend of the business community . . . but not at the expense of the security of this country. If industry wants to come in and blindly approve the status quo and continue this hemorrhage, solely for the purpose of profits, then you are going to find an adversary.[22]

Neither does Defense Secretary Weinberger find the economic arguments compelling. In his February Report to Congress on the Technology Transfer Control Program he stated that:

> It is our assessment that it is more cost effective . . . to control technology that would otherwise contribute to the Soviet military build-up, even counting the "profits" that might accrue to the private sector if exports were not controlled.[23]

In the estimation of Richard Perle: A major effort is needed to persuade the U.S. business community that the potential consequences of these transfers are intolerable. . . . It is possible to control unwarranted legal sales. Here the principle factor is the profit motive, or to put it more precisely, greed.[24]

Lenin's adage that "when the Communists get ready to hang the capitalists, the capitalists will sell them the rope," ironically seems to characterize feelings in quarters where the profit motive has generally been ranked as highly as the American way of life.

The tension between the competing goals of export promotion and technology control is coming to a head in the debates on the reauthorization of the Export Administration Act of 1979, but will provide a persistent dilemma for U.S. policymakers. Although it is undesirable, it is probably inevitable that, in the absence of a coherent foreign industrial trade policy, national security policy will occasionally fill the vacuum in a surrogate fashion. Using trade as an instrument of foreign policy has long been thought a good way of affecting the behavior of other countries. But the danger of linking trade and foreign policy is manifest in Carter's grain embargo and Reagan's West Siberian pipeline policy. Both alienated friends without perceptibly altering Soviet behavior.

The Export Administration Act of 1979 allows the president to restrict exports for reasons of national security and foreign policy. Though at times one can shade into the other, the distinction between foreign policy and national security policy should be maintained as far as possible. Measures taken in the interests of national security which bear a direct relationship to the goal they seek to achieve will be more likely to gain consensus at home and abroad. Nebulous foreign policy goals, however, which are pursued through indirect measures, using trade as a carrot or stick, are likely to be as controversial and ineffective as the grain and pipeline embargoes. As long as the distinction between national security and foreign policy is blurred, trade will be subject to current sentiments about the nature of the Soviet threat, and exporters had better apprise themselves constantly of which way the wind is blowing.

If our technological lead is envisioned as a bucket with holes in the bottom through which technology and know-how leak, we can preserve our edge by plugging the holes, or we can refill the bucket at a faster rate.[25] The former strategy requires that we compile a lean list of only the most critical technologies for control, while the latter calls for greater R&D expenditures. Whichever mix we choose, undermining our export-dependent economy is hardly likely to be a boon for national security.

FOOTNOTES

[1] Richard Perle. "Technology and the Quiet War," *Strategic Review*, Winter 1983, p. 35.

[2] Text of President Ronald Reagan's July 8, 1981 Arms Transfer Policy Directive. The White House, July 8, 1981.

[3] Interview conducted with director of procurement, Raytheon. Washington, D.C., June 21, 1983.

[4] President Reagan's letter to House and Senate leaders transmitting proposed bill to amend the Export Administration Act, April 4, 1983.

[5] "Offset/Coproduction Requirements in the Aerospace and Electronics Trade," Report of a Survey of Industry, Department of the Treasury, May 24, 1983, p. 2.

[6] "How Defense Will Handle Critical Technology Exports—and Why," *National Security*, May 1979, p. 16.

[7] "COCOM Rejects Bid to Ban New Technologies to Eastern Bloc," *Electronic News*, May 16, 1983.

[8] "An Analysis of Export Control of U.S. technology—A D.O.D. Perspective," Report of the Defense Science Board Task Force on Export of U.S. Technology, February 4, 1976, Washington, D.C.

[9] "International Transfer of Technology, Goods, Services and Munitions," Department of Defense Directive, January 17, 1984, No. 2040.2, p. 2.

[10] Interviews with various government officials and private contractors conducted in Washington, D.C., June 1983. Not for attribution.

[11] "Standardization of Equipment Within NATO," Ninth Report to Congress, January 1983, Caspar Weinberger, Secretary of Defense.

[12] "Congress Draws Itself into Foreign Policy Formulation." Clyde Farnsworth, *New York Times*, March 25, 1984.

[13] "Soviet Acquisition of Western Technology," CIA, April 1982.

[14] "Scientific Communication and National Security." National Academy of Sciences (Washington, National Academy Press, 1982).

[15] Secretary of Defense Caspar Weinberger, Department of Defense, Technology Control Program Report to the 98th Congress, February 1983—requested funding of $11.6 million and 157 personnel for technology control program for fiscal year 1984. In 1983, DOD made a one time transfer of $20 million to U.S. Customs Service's Operation Exodus.

[16] Interview with official in the office of the deputy assistant secretary of defense (international economic, trade and security policy), June 20, 1983. Not for attribution.

[17] Joint statement by Secretary Baldridge and Ambassador Brock, Spring, 1983. Office of the United States Trade Representative, Washington, D.C. (These figures are constantly cited, yet source and derivation are not.)

[18] Comments of a U.S. corporation with extensive and varied experience in international production. Internal memo, not for attribution.

[19] Report to the House of Representatives Committee on Armed Services, Special Subcommittee on NATO. "Standardization interoperability Readiness, June 22, 1978.

[20] Karl Hau, Jr., president of the Aerospace Industrial Association of America Inc. Letter to Deputy Secretary of Defense Paul Thayer, March 4, 1983.

[21] Joseph Gavin, Jr., president of Grumman Corporation, in personal correspondence with the author, April 27, 1983.

[22] Export Administration Act Hearings before the Committee on Banking, Housing and Urban Affairs, United States Senate, February 3, 1983, p. 3.

[23] Caspar Weinberger, "Department of Defense: The Technology Transfer Control Program," Report to the 98th Congress, February 1983, p. 9.

[24] Richard Perle, "Technology and the Quiet War," *Strategic Review*, Winter 1983, p. 35.

[25] I am grateful to Brigadier General H. V. Larson (USAF-Ret.) for the "bucket" analogy.●

ST. PATRICK'S DAY SERMON BY ARCHBISHOP O'CONNOR

● Mr. D'AMATO. Mr. President, I rise today to insert in the RECORD the sermon given by my dear friend, Archbishop O'Connor, at St. Patrick's Day Mass.

I am grateful for this opportunity to share with my colleagues the remarks of Archbishop O'Connor.

The sermon follows:

ST. PATRICK'S DAY MASS, MARCH 16, 1985,
ARCHBISHOP JOHN J. O'CONNOR

Once again there are far too many distinguished visitors here to risk singling out any. I want to thank my brother Bishops for being here and my brother priests. I am very happy that the Scriptures today were read by two Christian Brothers since I owe so much of my vocation to the Christian Brothers and we are particularly pleased that our senior Archbishop, Archbishop Maguire, retired Coadjutor of this Archdiocese, is here and Bishop Furlong, one of the most senior and beloved bishops in the United States.

Many a tourist passes him by today without a glance and even the New Yorkers, aware of his presence, are dwindling in numbers. But Father Francis Duffy still stands watch in Times Square, a symbol of the 165th Regiment of New York, the famous Fighting 69th, of whom could well be said what was said of the Marines at Iwo Jima, that among them uncommon valor was a common virtue. The legendary 69th was highly instrumental in bringing the St. Patrick's Day Parade through its years of infancy. They are with us today and we are grateful that they are. We shall be remembering them and particularly their fallen numbers in a very special way in this Mass. The statue of the extraordinarily legendary Father Francis P. Duffy is the only statue dedicated to a priest in the history of New York that stands on public property and well deserved the honor.

We are equally grateful for the presence of the Ancient Order of Hibernians who did so much for the early Church of New York and so very much to launch the St. Patrick's

Day Parade from the outset. I'm wearing today beneath my vestments, the Cross of Archbishop John Hughes of the County of Tyrone, the first Archbishop of New York. And when the old St. Patrick's Cathedral was in danger of being burned and looted during the nativist riots of 1844, Archbishop Hughes called one thousand men of the Ancient Order of Hibernians to protect the Cathedral and so they did. A plaque still stands in the Old St. Patrick's Cathedral that they defended and it reads—"Erected to the memory of members of the Ancient Order of Hibernians of the City of New York who in April 1844, at the call of the Most Reverend John Hughes, rallied to the defense of the Cathedral when it was threatened by the forces of bigotry and intolerance." Many years later the AOH gave a magnificent chalice to Cardinal Farley, Archbishop of New York, and that is the chalice that I will be using in the Mass today.

Now having with us both members of the Fighting 69th, whose heroism symbolizes that of millions of Americans who have served our country so well and of the thousands of Chaplains who have served those who have served—and having here the AOH, symbolic of the tremendous contributions made to our country not only by Irish Catholics and others but by all Catholics and many others, including those in the Military, all this provides and exceptionally appropriate setting for an announcement of historic import that I wish to make on this Saint Patrick's Day of 1985.

On November 24, 1917, because of World War I, Pope Benedict XV appointed another Patrick, Archbishop Patrick Hayes, then Archbishop of New York, as the first Bishop Ordinary, as it was called, for the Roman Catholic Armed Forces of the United States. From that day until today, through Cardinal Spellman, Cardinal Cooke and myself, the Archbishop of New York has had responsibility for all of our Catholic Armed Forces and Veterans Administration all over the world. I formally announce today, with humility, with great pleasure, that our Holy Father, Pope John Paul II, has decreed that His Excellency, here with us today, Archbishop Joseph T. Ryan, has been appointed Military Prelate or Bishop Ordinary of the Armed Forces in my place. For the first time since its birth in 1917, the Military Vicariate will cease to be associated with the Archbishop of New York. This announcement was decreed by the Holy See to be made public today, effective date will be March 25th, one week from Monday and one week and one year after I assumed the Archbishopric of New York. It is obvious that the Holy Father, recognizing my lack of familiarity with the Military, determined that the mantle should pass to another. I warmly congratulate my good friend and loyal comrade, Archbishop Joseph T. Ryan. As I told him before Mass, he is still my subject for one more week.

I have selected today's Gospel reading with deliberation. "Simon, son of John, Simon Peter, do you love me?" "Yes Lord, you know that I love you." "Simon, Simon, son of John, do you love me?" "Yes Lord, you know that I love you." "Simon, John's son, Simon, Simon whom I have called Peter, do you love me?" "Lord, you know everything, you know well that I love you."

There are marvelously profound analyses of these words to be found in the works of our scripture scholars and they give us solid foundation for explaining some of the most important teachings of our faith. But for our purposes today I suggest one very simple explanation of our Lord's questioning Peter three times. He simply wanted Peter to say over and over and then over again, I love you. For Our Lord knew so very well the healing power of words as He knew the destructive power of words. He knew how devastated Peter had been when in bitter words he had three times denied even knowing Our Lord, much less being his friend. Now Our Lord would begin the healing process—let words of love restore what words of bitterness had destroyed. Let words of loyalty begin the process of reconciliation ruptured by words of betrayal.

There has been horrible pain in Ireland for a long, long time. There has been bitter suffering there has been oppression met with violence and violence met with further oppression. Men and women, and whole families, teenagers and little children of all political positions and all religious persuasions have paid dearly for months, for years, for generations. The Holy Father has pleaded passionately for an end to it all—to the injustice, the oppression, the indignity and to the violence and the terrorism and the paralysis of fear. And he has called for the use of the word, the healing word, the reconciling word, the word of reasoned dialogue.

Today the majority of us in the Cathedral of Saint Patrick will receive the Living Word, the Son of God in Holy Communion. Before we do so, after I have held His Body aloft with the words, "Behold the Lamb of God, Behold Him Who Takes Away the Sins of the World", all will say the time-honored words, "Lord, I am not Worthy to receive you but only say the Word and I shall be healed." I know it is said that talk is cheap—it's not cheap when we use words of love for these are reflections of the Divine Word, the Living Word who is Jesus the personification of love itself. Words are not cheap when we use the words of love because they demand of us so much sacrifice, make us so vulnerable.

I know it is argued by each party that other parties won't listen but it is terribly difficult to hear over the sound of guns or tanks. I know that willingness to talk mere words can be perceived as a sign of weakness. Christ was at His strongest, not His weakest, despite all appearances to the contrary, when He cried out from the Cross, "Father forgive them for they know not what they do." And the good thief hanging on the Cross, who had seemed to have been at his strongest when he was pillaging others, now at what appeared to be his weakest, was clearly stronger than ever before in his life when he asked forgiveness of Christ, the Son of God.

I know that sometimes the powerful of the world turn back conciliatory words with public scorn. Then the words must be repeated and repeated until the shallowness of the rebuff defeats itself. The whole world recognizes that the weak are strong in their initiatives for peace and the strong are weak in the rejection of those initiatives.

My words today may please few and displease many. They are spoken from the depths of my being. They are a passionate plea to all. My actions today may please some and displease others. For allowing this Mass, as Archbishop of New York, having carefully and prayerfully conferred with hosts of advisors and listening to an exceptional number of validly concerned parties, I shall review the Parade from the steps in front of the Cathedral in honor of Saint Patrick and of all Irish everywhere of whatever religious persuasion. I will do this with profound respect for my beloved predecessor, His Eminence, Cardinal Cooke, who two years ago made in honor and all integrity, with malice toward none and charity toward all, the judgment which he deemed appropriate for the circumstances of the day. In that same spirit I will do today what I believe should be done. There are those good and sincere people who will be pained by my decision and who believe it implies support for violence and terrorism. Nothing could be farther from the truth. I reiterate and reemphasize publicly what I have said repeatedly before, I cannot accept, I cannot support or encourage support of the violence in Ireland by whomever perpetrated. And that includes both physical violence and moral violence. The violence of those who shed blood and engage in acts of terrorism, the violence of those who rob a people of justice, deprive them of their birthright and inflict on them continuing indignities. I cannot and I will not condemn or indict the legitimate struggle of Ireland for justice and human rights. But I must condemn and I do condemn once again in the strongest terms, all acts of violence by whomever or against whomever they are perpetrated and all acts of terrorism as well.

And finally, it is not for me to determine the political procedures for ending the conflict. I am a bishop, not a politician. But the moral course is clear, the time has come and is long overdue for those great nations of the world, truly dedicated to liberty and justice for all, to raise their voices loudly and clearly and unmistakably in the forums of the world or privately and quietly but persuasively, as they see fit, to demand that the oppression end, the slaughter cease. Which nation should lead the way but our own!

Now let us pray—let us pray this Feast Day of Saint Patrick, that all parties to the conflict and we ourselves, will one day see in one another what Saint Patrick saw wherever he looked—You will recall the legend on his breastplate, "Christ above me, Christ beneath me, Christ beside me, Christ before me, Christ behind me, Christ all around me, Christ in the mouth of friend and stranger." God bless you all.●

RETTA BROWN ELEMENTARY STUDENTS ARE PLAY IT SAFE WINNERS

● **Mr. PRYOR.** Mr. President, I am pleased to advise my colleagues that a group of students from Retta Brown Elementary School in El Dorado, AR, have been named winners in the Play It Safe Program.

This national competition, jointly sponsored by General Foods Corp. and the National Highway Traffic Safety Administration, is designed to teach elementary children about traffic safety and the media.

The students—Mark Golden, Chris Jennings, Bruce Jernigan, and Eric Moree—along with their teacher, Mrs. Karen Greer, will come to Washington May 18 to 20 to receive a plaque for their efforts.

In winning the competition, the students submitted a 30-second radio spot, a TV public service announcement, and a print ad—all on the subject of seatbelt safety.

To apprise my colleagues of this fine program, I would ask that a news release advertising this program be printedg in the RECORD.

I look forward to meeting these deserving students and their teacher when they are in Washington next week.

PLAY IT SAFE NATIONAL WINNERS ANNOUNCED

WHITE PLAINS, NY, May 6—An important educational tool placed in more than 75,000 classrooms nationwide by Kool-Aid brand soft drink mix ended its competitive portion today with the announcement of twenty elementary school winners of the "Play It Safe" program.

Designed to instill a deeper appreciation of transportation safety issues and an understanding of the use and power of the media, the project affords teachers with a new way to add a significant component to the curriculum in elementary grades.

"Play It Safe" is sponsored by Kool-Aid and the National Highway Traffic Safety Administration. These organizations developed the program and established the competition to provide incentives and challenges for participation and reward learning.

The winning teams and students are from Poquoson Elementary School in Poquoson, Virginia, Retta Brown Elementary School in El Dorado, Arkansas, Brandon Elementary School in Columbus, Mississippi and Mark Twain Elementary School in Albuquerque, New Mexico.

Local student teams of four competed at the state level. State winners were judged by panels of media and traffic safety professionals in final selection rounds in Washington, D.C. and New York City.

General Foods Corporation, maker of Kool-Aid brand soft drink mix, is providing an all-expense paid trip to Washington, D.C. for winning student teams and their teachers May 18–20. The highlight of the three-day visit will be an awards presentation at the Capitol, Monday morning, May 20th at 9:00 a.m., with the winning states' senators and congressmen on hand to confer the awards and congratulate the students and teachers.

The special Master of Ceremonies of the awards breakfast will be Joey Lawrence, young star of NBC-TV's "Gimme A Break." Kool-Aid Man, popular children's media character, will also be present.

The "Play It Safe" program teaches children about traffic safety and the media in the context of a public service media campaign. As part of the competition, each team submitted a print advertisement, copy for a 30-second radio spot and a storyboard for a television public service announcement, the subject of which was traffic safety, with special emphasis on the importance of seat belts.

At the local level, support was provided by advertising clubs and agencies, state broadcasters' associations, state newspaper associations, education associations and state safety councils.

Beside the 3-day all expense trip to Washington, the four winning teachers will win cash awards and the four schools will receive audio-visual equipment and wall plaques.●

THE 20TH ANNIVERSARY OF OAA

● **Mr. PRESSLER.** Mr. President, I rise today to express my support for the senior citizen programs put into motion by the passage of the Older Americans Act. This year marks the celebration of the 20th anniversary of this important act. I am pleased to join my colleagues on the Senate Aging Committee in cosponsoring the Senate Joint Resolution paying special tribute to the work of the aging network and recognizing the tremendous achievements of the Older Americans Act.

South Dakotans are most grateful for the programs which have been initiated because of this act. Our senior citizens now enjoy their senior citizen centers which provide fellowship and recreation. More importantly, because of this act, thousands of our elderly citizens have nutritional meals at congregate facilities or participate in the Meals on Wheels Program which provides the nutritional meals in their homes.

This act not only provides social and human services but promotes greater independence and allows the elderly to remain in their own homes much longer.

I am proud to be a cosponsor of a resolution recognizing the 20th anniversary of the Older Americans Act and am reaffirming my support for this legislation which provides services to maintain the dignity and promote the independence of our country's senior citizens.●

CONGRESSIONAL DIRECTORY

● **Mr. MATHIAS.** Mr. President, the Joint Committee on Printing has authorized the printing and distribution of the "Congressional Directory" for the 99th Congress. A letter has been mailed to all congressional offices explaining the details for distribution.

Participants in and followers of activities in and around the Capitol may add this volume to their collection of important reference tools. The current edition provides biographical information about Members of Congress, the President and his cabinet, and the Judiciary. In addition, the Directory contains statistical data about congressional districts, terms of service, subcommittee memberships, and lengths of previous congressional sessions.

The "Congressional Directory" was first printed privately during the 17th Congress, in 1821. After the creation of the Government Printing Office in 1865, the publication was compiled under the direction of the Joint Committee on Printing. For more than 120 years, it has been a reliable resource tool for the Congress, the Federal Government, and the American public.

The current edition offers an additional reminder to the Congress as we approach the bicentennial of our national legislature. On the cover of the paper edition is a facsimile of the Articles of Confederation. The original document, consisting of six leaves of vellum sewn together in a 12-foot-long scroll, is stored in the National Archives. While clearly exhibiting the stamp of its age, the 200-year-old document, bearing the signatures of the delegates to the 1778 Continental Congress, is still quite legible. Although 7 of the 13 States ratified the Articles in 1778, the last delegation, from my own State of Maryland, did not sign until March 1781. Some of the issues that delayed complete support of the Articles included territorial disputes to western lands, the right of government to raise money and to build an army, and the right of individual States to control trade and commerce. But despite those difficulties, the States agreed to ratify the Articles because an instrument of one united government was needed to establish the credibility of a new America among a world of nations.

The unresolved dilemmas of the early years became more and more evident, and as time marched on, it was apparent that the Articles of Confederation were not broad enough to meet the needs of a growing democracy. The struggle for independence had ended and America was free to govern itself and to control her own destiny. Following unsuccessful conferences at Mount Vernon in 1785, and at Annapolis in 1786, the newly elected delegates adjourned to Philadelphia to debate the worthiness of the Articles of Confederation. That session, held in 1787, produced the Constitution of the United States.

Today's historians, unlike some of their predecessors, are more charitable to the document that appears on the cover of the new "Congressional Directory." it is now widely acknowledged as a product of a nation that was searching for legitimacy among other nations; and, although shortsighted on matters of finance and internal administration, the Articles of Confederation are now universally recognized as the instrument that reflected the ideas and aspirations of a young America bent on independence.●

CHARLIE: "THE INDEPENDENT WHITE COLLAR WORKER"

● **Mr. PRYOR.** Mr. President, recently a young Arkansas man, Mack Keown of Hot Springs, AR, won a trip to the Nation's Capital for an award-winning essay he wrote as part of a program sponsored by the President's Commission on the Employment of the Handicapped.

I want to commend this fine young man who refuses to let prejudice and fear interrupt his efforts as an individ-

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ual with a handicap to lead a full and normal life.

I commend Mack's fine essay to my colleagues.

I ask that Mack's essay be printed in the RECORD.

The essay follows:

CHARLIE: "THE INDEPENDENT WHITE COLLAR WORKER"

(By Mack Keown)

Do you know Charlie? I do and am willing to bet there is a Charlie in your town, too. Charlie is my inspiration. He is unique by anyone's standards, yet he laughs and smiles a lot, is sensitive to others, is loving and caring, and in every way a normal human being. Charlie is an attorney, and a great one at that. At this pont you are probably wondering what makes Charlie so special. Aside from the fact that I am an aspiring young man determined to become a "Big Time" criminal lawyer, Charlie's influence is more personal than academic. Charlie had polio as a young man and fought against seemingly unsurmountable odds to become one of the best attorneys a person could ever meet. Charlie is a "Handicapable" person whose wheelchair is his chariot. He is not the only person like this I know, unfortunately they all cannot achieve Charlie's station in life, not because they lack determination, rather because they face prejudice and fear by people who close their eyes to the abilities the Charlies of the world are more than willing to offer the town and community.

Times are changing, but like all other major changes that are accomplished, it takes time and lots of work. Charlie went to school before there were ramps for his chariot or special parking spaces for his car. Recent legislation has required these facilities for access to public buildings, which is a step in the right direction. Even though, it will take more than legislation to open the eyes of the public in general, not to mention the employers of the world.

Our town has one of the largest rehabilitation centers anywhere. People from not only our state, but others fortunate enough to be accepted, come from everywhere to receive training and education to prepare them for their independence and a chance to make their own way in the job market. Give credit where credit is due, the Rehabilitation Center does a marvelous job on a limited budget. The sad part is for all their hard work, the prejudice and fear begin after the training when Charlie goes to apply for a job. Too often those who have good jobs or happen to be in position to hire Charlie turn their heads and close their eyes to his abilities and justify these actions by believing someone else such as Abilities Unlimited or other organizations of this nature are better suited to his needs. These organizations are fine and every town has them, but they also are strapped by limited budgets and too few jobs available.

Mainstreaming Charlie has become common in schools all over the country, yet that in itself has become a source of separation. The classes are different and not an integral part of the educational system. Nobody seems to realize that these students often work harder to achieve their goals than students who are in regular courses of study. The inter-action of students is extremely limited socially. One such person I happen to know can remember the dates, scores, and names of games and players that most people have never heard of. He is also able to recall the words to countless country and western songs and the names of each of the singers who recorded them. He is interesting and eager to work and apply himself to the best of his abilities, but who will hire him to work for their company or business. His attitude is great despite the obstacles placed in the path he must follow.

Another friend was lost in the system and has since found a new lease on life, a new job, and a loving family. The system that lost my friend was the adoption service in our state. Long years of foster care, never a permanent home or family, put this friend on the streets upon reaching his eighteenth birthday. Without proper education and preparation, he was left to sleep on benches, under bridges, and to sell blood or beg for meals the best way he knew how. Determined not to make this his life's destiny, he sought help and found a family that gave him encouragement and support. He now has a job and recently got a promotion and a raise in pay. He is so grateful that he works harder than most people to make his employer proud of him.

Living in our community is a major accomplishment. There are those who have spent much time and energy to provide a housing complex to give independence and pride to my friend Charlie. Everyone thought a complex for the special people in our community would be a great idea until they learned that it would be built in their community and then load cries about decreasing property values, danger to the community, and danger to the children by being exposed to handicapped people. The only handicapped people are those blind to their own prejudice and fear. There are those who could accept the complex, but only if it were surrounded by tall fences with locked gates. Charlie is not a criminal. He is a friend who would love to have a chance in life.

All of my friends are very real people, not a figment of a vivid imagination. Each one has experienced one or all of the above obstacles and has coped with them in his own way, for all of my friends are individuals like no other. Admittedly they are each exceptions to the rule, but one day they will be the rule and the world will be the one to profit. I would love to give the real name of Charlie, my inspiration, and all of my other "Handicapable" friends, but the times have not changed enough to allow them real independence. To be able to work is independence and independence is freedom to become a functioning member of society.

Thanks Charlie, for being my inspiration. You made it and you have given hope to all the Charlies of the world. I will make my mark in time and space too, because if you can do it so can I!●

INTERNATIONAL YOUTH YEAR IN ARKANSAS

● **Mr. PRYOR.** Mr. President, on March 7 of this year Governor Clinton of Arkansas issued a proclamation declaring the year 1985 as International Youth Year in Arkansas. This coincides with the celebration of youth proclaimed at the same time by the United Nations.

We are all aware, Mr. President, of those occasions when our young people impress us with their work and commitment, and with the magnificent results their actions achieve. I am thinking of the senior class that donates the money for its graduation trip to pay for the funeral of a classmate. I am thinking of the teenager who volunteers in the drug center that keeps her friends alive and well, and of the 12th-grader who supports his family while finishing high school.

I want to encourage my colleagues to recognize the youth of our country, Mr. President. Surely they constitute the chief natural resource of our Nation and our world. I am proud that Arkansas has joined in this recognition and ask that the Governor's proclamation be inserted at this point in the RECORD.

The proclamation follows:

PROCLAMATION

To all to whom these presents shall come—Greetings:

Whereas, The youth between 15 and 24 years of age represents one of Arkansas' most valuable resources; and

Whereas, Their involvement in educational, recreational and spiritual matters is critical to the development of responsible citizens in creating a positive future for Arkansas; and

Whereas, It is our intention to bring to the awareness of Arkansans the contributions that young people make in our society in hopes that parents, educators, business and religious leaders will provide encouragement and support to increase and promote their endeavors; and

Whereas, 1985 has been declared International Youth Year by the United Nations;

Now, therefore, I, Bill Clinton, Governor of the State of Arkansas, do hereby proclaim 1985, as International Youth Year in Arkansas.●

TRIBUTE TO MUHAMMAD ALI

● **Mr. FORD.** Mr. President, on May 22, the World Boxing Council Sports Medicine Foundation is paying tribute to Muhammad Ali. The proceeds from the dinner will go to the WBC/UCLA Sports Medicine Foundation. The funds will be used to conduct ongoing research for the prevention of injury in sports.

Muhammad Ali was born in the State of Kentucky and has always been a favorite son since his days of growing up in Louisville. He has won the highest honors in the world of boxing from Olympic champion to world heavyweight champion.

The champion in boxing has also been active in his community and across the Nation. His participation in various charitable events has made him famous as a compassionate, caring person. This extraordinary man has sought to touch the lives of people in every walk of life.

I am pleased on behalf of the people of Kentucky to recognize before the Senate of the United States his many achievements and efforts for prevention of injury in sports and take note of the tribute he is to receive on May 22, 1985, in Los Angeles, CA. This man will live forever in the sports annals of the world as "The Greatest."●

REDUCTION OF RISK OF CONFRONTATION

● **Mr. D'AMATO.** Mr. President, I rise today in support of Senate Joint Resolution 108, introduced by my esteemed colleague, Senator WARNER. I am pleased to cosponsor this legislation to reduce the risk of confrontation or conflict between the United States and the Soviet Union as a result of an accident or miscalculation.

This legislation will expeditiously implement the July 1984 agreement between the United States and the Soviet Union to upgrade the direct communications link for crisis control. This upgrade will provide for a faster, more capable means of communication for our leaders. The increase in speed of communication and the ability to relay graphic materials when seconds count could be especially crucial in some future crisis.

I urge my colleagues to support this vital step in our continuing efforts to secure a more peaceful world. This legislation builds confidence between the leaders of our Nation and the Soviet Union critical to crisis prevention and demonstrates our commitment to strengthen controls over the nuclear weapons we ultimately seek to eliminate.●

TRADE-IN OF WESTWAY FUNDS

● **Mr. HUMPHREY.** Mr. President, today I would like to discuss the advantages of a trade-in of Westway funds for a combined renovation of New York's mass transit system and west side highway.

Currently, Westway's trade-in value is estimated at $1.71 billion in Federal funds. Not only is this approximately one-third of the cost of Westway but it involves money for renovation of the mass transit system as well as a new highway. Unlike Westway, this alternate project would not use Federal highway funds for real estate development purposes.

Another advantage of a trade-in is that no landfill would be needed in order to renovate the west side highway. In light of this, the striped bass would be able to keep the Hudson River as their main spawning area. Not only would a landfill destroy this aquatic habitat, but it would also destroy piers which could be reused for recreation, housing, ships, and commercial uses. Altogether, the nonlandfill alternative would be more efficient, cheaper, and faster to build because no landfill permit or dredging, filling, tunneling, or tunnel reinforcement would be necessary.

One of the arguments in favor of Westway is that the project would create a large number of jobs through the construction work involved. The alternate project would create just as many construction jobs through the renovations of the transit system and the existing highway. Moreover, it would not destroy the existing jobs on the west side such as jobs in printing, warehousing, garment, and other industries. If Westway is allowed to proceed, these industries will be eliminated through construction disruption and highway ramps.

Mr. President, the exorbitant cost of Westway, the elimination of the mating area of the stiped bass, and the destruction of factories employing hundreds of people are just a few of the reasons why Westway must be stopped. The project is a waste of Federal funds at a time of high budget deficits and cutbacks in important programs. We cannot afford to grant $4 to $6 billion in highway funds to what is mainly a private real estate venture.●

THE SUGAR PROGRAM

● **Mr. BOSCHWITZ.** Mr. President, the State of Minnesota has an ongoing interest in the continuation of the sugar program. Minnesota produces more sugar beets than any other State in the country.

The provisions relating to sugar in the 1981 farm bill have provided the Nation with a significant amount of domestic production at reasonable prices. Moreover, it has enabled the U.S producer of sugar beets and sugar cane to survive in an otherwise hostile atmosphere.

I use the term hostile atmosphere because the world sugar price has been artificially depressed to less than 4 cents per pound by use of export subsidies. Our domestic industry would have been wiped out without the program.

On December 3 in a speech to the 1985 USDA Agricultural Outlook Conference, Daniel B. Amstutz, Under Secretary for International Affairs and Commodity Programs, stated:

> "EC policies that encourage sugar production and export of the surplus by using subsidies contribute to sugar oversupplies and depressed world prices, which are particularly damaging to developing countries that depend on sugar exports to earn much of their foreign exchange.
>
> It is probably realistic to say that for the past three years, the price impact [of the EC's actions] has been . . . 10 to 12 cents. This means that EC sugar policies have cost the sugar exporting developing countries about $2 billion a year in lost export earnings.

A study recently completed by the respected analysts at Economic Perspectives, Inc., of McLean, VA, reveals that in the absence of EC subsidized exports there would not be a need for the current sugar program since market prices would be above current U.S. levels. This report also reveals that had 1984 beginning world stocks been at a normal level, tropical sugar exporters' revenues would have been higher by $6.5 billion. Also, the need for U.S. foreign aid would have been sharply reduced and the economies of the developing countries would be much improved.

I am greatly impressed by the results of the study and commend the following summary to the attention of my colleagues. I ask that it be printed in the RECORD.

The summary follows:

IMPACT OF EEC SWEETENER POLICIES ON U.S. AND WORLD PRODUCERS

SUMMARY

The European Economic Community (EEC) only recently has become a major sugar exporter. From a net importer in 1975, it now is the dominant exporter in the world free market. As a result, EEC policies have vast impacts on sugar prices, and on sweetener producers in the United States and the world.

This study is an analysis of some of the major effects on EEC's sugar policy. It is less a prediction of an outcome than an illustration of the relative importance of EEC policies on world sugar markets and on domestic producers of sugar, HFS, and corn. It recognizes that the market impacts of such a policy have accumulated over many years and are impossible to measure in their totality. Nevertheless, the study examines economic conditions at one point in time, and attempts to measure the impacts of the policy by measuring changes that reasonably could be expected in the absence of EEC exports.

The EEC's current sugar regime reflects a policy of maintaining and protecting high internal sugar prices initially begun to insure self-sufficiency in production. However, that policy has resulted in the EEC's shift from a traditional importer to a large and growing exporter (Chart 1 and Table 1). [Chart 1 not reproducible for RECORD.] Because it has high production costs and no economic advantage in production relative to the major sugar producing regions of the world, its position as a dominant world exporter has been achieved only at great expense.

The EEC policy has three important economic effects. Its extremely high price structure (which must be protected by very high import levies) has led to production far above amounts that otherwise would be forthcoming. At the same time, the high consumer prices have discouraged consumption. These two effects in combination have resulted in production of substantial quantities of sugar in excess of consumption requirements. To avoid holding the large surpluses that are generated, the EEC must provide large export subsidies to move sugar into world markets. By that means, and in spite of the lack of an advantage in production, the EEC has greatly increased its share of the world "free" sugar market from zero in 1975 to more than 27 percent in 1984.

In 1984, the huge world surplus sugar stocks were more than 50 percent of expected consumption, the result of recent policy changes in the EEC and elsewhere. The world price of raw sugar fell below four cents per pound during the year and averaged only 5.4 cents per pound (raw value). However, the EEC exported more than 5.5 mmt during the year. Had they expected no sugar in 1984, the world price would have been substantially higher, perhaps more than 15 cents per pound even with the large world sugar stocks. Such a change could have been expected to allow the United

States to drop the import quotas imposed in 1982 and return to the use of fees and duties to protect the loan program and hold prices at about the actual 1984 levels.

Had world sugar stocks been near trend levels at the beginning of 1984, the absence of EEC exports from the market would have meant world refined sugar prices about 24 cents per pound higher, and U.S. refined sugar prices about 9.43 cents higher than the 1984 average (Table 2). U.S. sweeterner producers' revenues would have been more than $2.1 billion higher and corn sweetener producers' revenues $1.2 billion above the 1984 levels. U.S. quota restrictions would have been unnecessary.

The EEC sugar policy significantly affects HFCS production and corn prices as well. With world sugar stocks at trend, the absence of EEC exports would have been associated with U.S. refined sugar prices 9.43 cents per pound higher than the 1984 average. Over the intermediate term, such an increase would have the potential to facilitate increased HFCS competition. By the end of the decade production likely could be as much as 53.4 million cwt above 1983 output. Such an increase would mean about 160 million bushels more corn used in HFCS production annually and higher corn grower sales of as much as $1.2 billion each year.

A 160 million bushel increase in the commercial use of corn would substantially reduce government program costs. Under FY 1985 crop conditions, it could reduce the cost of CCC loans by $281 million, storage payments by $33 million, and target prices by $200 million, a total of $514 million.

The absence of EEC exports from the world sugar market would have a major impact on traditional sugar exporters, especially the developing nations in Central America and the Caribbean (Table 3). Even with the large 1984 stocks, revenues of traditional sugar exporters would have been $2.6 billion higher had the EEC not been in the market in 1984. Had 1984 beginning world stocks been a normal level, their export revenues would have approached $6.7 billion. For the Central American and Caribbean nations alone, annual revenues could have been $600 million higher, for South America $2.1 billion, and for Africa more than $728 million.

TABLE 1.—NET EXPORTS OF SUGAR TO THE WORLD FREE MARKET

Exporting country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
	Million metric tons, raw value										
EEC		1.2	2.4	3.3	3.4	4.3	5.4	5.6	4.9	5.5	4.4
Brazil	1.7	1.3	2.5	1.9	1.9	2.7	2.7	2.8	2.8	2.9	3.0
Australia	2.0	2.6	3.0	2.0	2.0	2.4	3.0	2.5	2.4	2.6	2.8
Cuba	1.7	1.4	1.5	2.0	2.1	2.2	2.2	1.7	1.7	1.7	1.7
Philippines	1.0	1.5	2.6	1.1	1.1	1.8	1.3	1.3	1.0	1.0	1.0
Thailand	.7	1.1	1.7	1.0	1.2	.5	1.2	2.0	1.4	1.4	1.4
Others	6.3	6.4	7.2	6.2	6.6	5.8	5.0	5.8	6.4	5.4	6.2
Total	13.4	15.5	20.7	17.5	18.3	19.4	20.6	21.6	20.5	20.5	20.5
	Percent of free market										
EEC	0	8	11	19	19	22	26	25	24	27	21
Brazil	13	8	12	11	10	14	13	13	14	14	15
Australia	15	17	14	12	11	12	14	12	12	13	14
Cuba	13	9	7	12	12	11	11	8	8	8	8
Philippines	7	10	12	6	6	9	6	6	4	5	5
Thailand	5	7	8	6	7	2	6	9	7	7	7
Others	47	41	34	35	36	30	24	27	31	26	30
Total	100	100	100	100	100	100	100	100	100	100	100

Source: Historical data from ISO.

TABLE 2.—IMPACT OF EEC EXPORTS, 1984

Item	1984 stock levels		World stocks at trend [1]	
	Actual	Absent EEC exports	With EEC exports	Absent EEC exports [2]
World sugar prices (cents per pound):				
Refined	9.40	19.19	21.60	33.80
Raw	5.43	15.15	17.20	28.50
U.S. sugar prices (cents per pound):				
Refined	28.04	28.04	28.04	37.47
Raw	21.80	21.80	[3] 21.80	[4] 30.53
Difference from 1984 average				9.43
On U.S. producers (in millions of dollars):				([5])
Sugar (5.18 mmt)				$977
HFCS (4.30 mmt)				811
Other corn sweetener (2.54 mmt)				347
Minor caloric sweetener (0.17 mmt)				14
				2,149

[1] 45.2 mmt, raw value, in 1984.

[2] Comparison assuming equilibrium following the changes specified, reflecting normal stock levels at the beginning of the year and the absence of EEC exports.

[3] World raw sugar price, duty, and 1.4 cents per pound freight, insurance, and handling, plus fees as necessary to protect the loan program.

[4] World raw sugar price plus minimum duty of 0.625 cents per pound and 1.4 cents per pound freight, insurance and handling.

[5] Assumes spread between sugar and HFCS is unchanged, and other sweetener prices increase proportionally less than sugar.

TABLE 3.—VALUE OF SUGAR TRADE, 1984, NORMAL BEGINNING STOCKS

[In millions of dollars]

Origin	Total		Change
	Actual	No EEC exports	
EEC	$699		−$699
Other Caribbean	362	$686	324
Central America	306	574	268
Canada-Mexico	14	62	48
South America	781	2,870	2,089
Africa	522	1,250	728
Oceania	460	1,816	1,356
Asia	508	2,085	1,577
Other	137	917	780
Total World	3,789	10,260	6,471●

NATIONAL OSTEOPOROSIS AWARENESS WEEK

● Mr. GRASSLEY. Mr. President, I am happy to have sponsored legislation to designate the week of May 20, 1985 through May 26, 1985, as "National Osteoporosis Awareness Week."

My goal in sponsoring this legislation is to promote and support the education of the American population on the preventive measures available to fight this debilitating disease.

Osteoporosis is a condition in which bone mass decreases causing bones to be more susceptible to fracture. Between 2 and 5 million Americans seek medical help each year for some problem linked to osteoporosis. It afflicts approximately 15 million Americans overall, beginning as early as age 35, and is particularly a threat to thin-boned, light-skinned women, women who undergo an early menopause and women whose female relatives have osteoporosis. In fact, 88 percent of osteoporosis victims are women. But this is not to say that it is a disease that afflicts only women. As the aging process progresses, the risk of developing osteoporosis increases and, for that reason, our older Americans, male and female, must become aware of this disease.

Every year about 1.3 million persons 45 years and older suffer from fractures attributable to osteoporosis. Fractures of the spine, hip and wrist are most common. The dowager's hump is the result of a spine fracture. It is estimated that 150,000 hip fractures occur each year as a consequence of osteoporosis and about 12 percent of these people will die of related complications. I know from visits with older Iowans that these fractures are debilitating and, for many, incapacitating, resulting in a loss of independence and freedom.

When I look at statistics stating that 19.6 percent of our population consists of women over 40; 11.6 percent of our population is 65 years and older; 13.1 percent of our population will be over

65 by the year 2000, that figure will increase to 21.7 percent by 2050; and a statistic that I have a personal interest in, 13.3 percent of Iowa's population is over 65, I become concerned about the possible increase in the number of Americans suffering from osteoporosis.

In light of the importance of reducing the budget deficit, I am concerned that the short-term direct costs for osteoporosis patient's care are projected to exceed $1 billion annually without considering indirect long-term costs of extended nursing care. These statistics are what have prompted me to sponsor this legislation.

Research is being done to find the cause of osteoporosis, a method of detecting it and a treatment. Presently, however, once osteoporosis has developed, there is no cure.

There are steps that can be taken to prevent osteoporosis. The amount of calcium intake has been noted as a major link in the development of this disease. Bone contains 99 percent of the calcium of the body, the other 1 percent is used for the heart beat, muscles to contract and relax, for blood to clot and for nerves to transmit messages. The body does not make its own calcium, therefore, it is necessary to maintain a rich-in-calcium diet, particularly if you are at high risk of developing osteoporosis. Through the years, when the body does not have enough calcium to put into the blood, it will take it from the bones. If this continues, the bones will become weak and brittle to the point that they will fracture under everyday common stresses. That is osteoporosis.

Milk and other dairy products such as cheese and yogurt are a main source of calcium in our diet. The average calcium intake is 450 to 550 milligrams a day. This is one-half the amount recommended by a special panel, the Consensus Development Conference on Osteoporosis, convened by the National Institutes of Health [NIH] last April.

For women, the decrease in the production of estrogen after menopause increases the risk of developing osteoporosis because estrogen is necessary in preserving bone in women. Oral doses of estrogen, known as estrogen replacement therapy, compensate for the natural decline in estrogen production and has proven an effective means of preventing osteoporosis.

Moderate weight-bearing exercise such as jogging, walking and biking is another preventive measure. This is important because exercise stimulates the formation of new bone. Americans who are at risk should, with the help of their doctors, become aware of and implement the necessary precautions which might decrease their chances of developing osteoporosis.

I would like to conclude by commending the National Dairy Council [NDC] for their efforts in alerting Americans to the effects of osteoporosis and calcium intake. I understand that between January 1 and April 30 of this year, the National Dairy Council held 2,000 1-hour consumer workshops to create awareness of calcium needs, risks, benefits, and sources. The National Institutes of Health also offer many pamphlets on osteoporosis and I would urge everyone to take advantage of these materials and workshops.

Hopefully, this resolution as well as other legislation such as the recently passed Older Americans Act Amendments of 1984, a reauthorization of the 1965 law, will support and promote the education of osteoporosis. I feel that it is particularly appropriate that "National Osteoporosis Awareness Week" will occur during a month of commemoration and celebration of our older Americans. I am happy to be a part of the passage of "National Osteoporosis Awareness Week".●

ORDERS FOR THURSDAY

ORDER FOR RECESS UNTIL 10 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. on Thursday, May 16, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order on tomorrow, there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators PROXMIRE, DIXON, BUMPERS, and PRYOR.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that on tomorrow, following the special orders just identified, there be a period for the transaction of routine morning business, not to extend beyond 11:30 a.m., with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, we have obtained unanimous consent to resume at 11:30 a.m. tomorrow the conference report to accompany H.R. 1869, under a time agreement of 40 minutes, 30 minutes under the control of the distinguished Senator from Ohio [Mr. METZENBAUM] and 10 minutes under the control of the distinguished Senator from Oregon [Mr. PACKWOOD] or his designee.

It is my understanding the Senator from Ohio [Mr. METZENBAUM] would not demand a rollcall vote, but in the event a rollcall vote should be requested, it will follow immediately.

Also, the Senate can turn to Calendar No. 47, S. 408, small business. We are also working on a coinage bill that both Senators MCCLURE and CRANSTON have an interest in, and there is a possibility that we could dispose of the Safe Drinking Water Act some time tomorrow afternoon.

I understand now from both the chairman of the Armed Services Committee and the ranking minority member that they will not be in a position to take up their bill tomorrow. They would like to take it up on Friday, and I will be discussing that with the distinguished minority leader tomorrow.

Mr. President, while we are waiting, I suggest that it is still my hope that we can complete action on the DOD authorization bill by Thursday next on or before 6 p.m. on that day.

I know the distinguished chairman of the committee, Senator GOLDWATER, is very anxious to complete action. I think it is particularly important we do that in view of the preliminary budget figures in the House Budget Committee markup. It might be of some help to Members on both sides of the House if there were some expression from the Senate on that legislation.

But in any event, I can discuss that tomorrow with the distinguished minority leader.

RECESS UNTIL 10 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 10 a.m. tomorrow.

The motion was agreed to; and, at 7:49 p.m., the Senate recessed until Thursday, May 16, 1985, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 15, 1985:

DEPARTMENT OF STATE

Lewis Arthur Tambs, of Arizona, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Costa Rica.

Lannon Walker, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal.

THE JUDICIARY

Loren A. Smith, of Virginia, to be a judge of the U.S. Claims Court for a term of 15 years vice Joseph V. Colaianni, resigned.

Robert C. Broomfield, of Arizona, to be U.S. district judge for the district of Arizona vice Valdemar A. Cordova.

Donald E. Walter, of Louisiana, to be U.S. district judge for the western district of

Louisiana, vice a new position created by Public Law 98-353, approved July 10, 1984.

Claude M. Hilton, of Virginia, to be U.S. district judge for the eastern district of Virginia, vice a new position created by Public Law 98-353, approved July 10, 1984.

U.S. INFORMATION AGENCY

Marvin L. Stone, of Virginia, to be Deputy Director of the U.S. Information Agency, vice Leslie Lenkowsky, resigned.

SPECIAL PANEL OF APPEALS

Barbara Jean Mahone, of Ohio, to be chairman of the Special Panel on Appeals for a term of 6 years, new position—Public Law 95-454 of October 13, 1978.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Robert D. Russ, 537-28-9188FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Merrill A. McPeak, 554-44-2858FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Bernard P. Randolph, 434-46-9726FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. William E. Thurman, 401-38-5617FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Charles J. Cunningham, Jr., 197-26-1874FR, U.S. Air Force.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Earl B. Fowler, Jr., 266-26-8820/1440, U.S. Navy.

IN THE AIR FORCE

The following persons for Reserve of the Air Force appointment, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be colonel

Christian, Charles B., Jr., 423-54-3186
Howard, Cleve W., 512-36-2295

To be lieutenant colonel

Duffy, Adrian D., 511-42-8661
Wagman, Edward, 082-24-9919
Holt, Gilbert A., Jr., 042-34-0772
Maso, Eugene C., 147-34-1609
McDonald, Edward C., 378-52-8318
McKiernan, Thomas L., 354-42-5357
Ross, Gerald W., 256-64-4202

DENTAL CORPS

To be lieutenant colonel

Peluso, Joseph R., 019-34-6260
Crichton, David D., III, 558-70-9833
Matsumoto, Terry S., 576-46-4374
Saunders, Timothy R., 375-48-7717
Fairbourn, Dennis R., 529-62-2918
Withers, James A., 318-40-1466

The following officers for Reserve of the Air Force (non-EAD) promotion in the grade indicated, under the provisions of section 8366, title 10, United States Code:

LINE

To be lieutenant colonel

Bowen, Kingston, 288-38-4461
Lewis, Palmer B., 003-24-7383
Samuels, James D., 242-56-1027

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3383:

ARMY PROMOTION LIST

To be colonel

Chaffin, Richard E., 489-44-6581
Chitwood, Michael R., 492-36-2085
Evans, Thomas N., 391-40-2956
Griffiths, Kenneth, 255-66-8399
Kho, Franklin Y.C., 576-32-3897
Lunde, Raymond H., 468-32-4279
MacDonald, John W., 392-40-5995
McLennan, Thomas D., 371-32-0834
Rude, Carl E., Jr., 266-58-2326

CHAPLAIN

To be colonel

Luljak, Louis P., 390-30-6779

MEDICAL CORPS

To be colonel

Andres, Dale F., 428-58-4219
Dilallo, Chester A., 132-28-5172

ARMY PROMOTION LIST

To be lieutenant colonel

Abel, Daniel W., 264-74-4117
Allen, Robert E., 551-74-8628
Altahuler, Herbert, 059-36-9024
Au, Alvin K.C., 574-44-9974
Cagley, Thomas R., 313-42-4860
Carter, Leslie W., 217-44-8326
Chang, Gerald Y.Y., 575-46-0383
Cook, Gerald J., 484-50-9497
Crosson, William D., 327-42-2951
Cullinane, Murdock, 426-94-6160
Dahoney, Richard H., 143-30-1886
Ford, Dean C., 516-44-7161
Fuller, Tyrice E., 434-64-5702
Gatzke, James F., 280-42-4605
Green, Stephen R., 500-50-8253
Harris, James B., 497-48-3541
Kawahara, Bert H., 575-44-0067
Lingerfelt, Larry R., 412-58-0476
Maher, Michael D., 508-52-5489
Milan, Lawrence, 217-46-4566
Montgomery, Jimmy G., 422-52-6189
Moore, Harry J., 375-40-1632
Parker, Alton B., Jr., 419-60-0094
Petersen, Rene J., 439-60-1158
Powell, Calvin S., 234-70-2221
Romero, Lee J., Jr., 439-60-8790
Sears, Marlyn T., 084-36-5777
Shirley, Daniel T., 465-74-2848
Smith, Laurin G., 254-62-5296
Sollars, Frederick, 574-14-6571
Sommer, Anthony J., 368-46-7826
Steck, Larry J., 368-44-7457
Stephen, Lowndes F., 404-56-6943
Thompson, John S., 259-62-7894
Townsend, John G., 358-40-7318
Trowbridge, Emery H., 029-30-6378
Varhola, Michael H., 172-36-2980
Vath, Michael B., 195-32-4103
Wanko, Harry C., 061-38-6269
Wilkes, Howard E., 294-42-0800
Williams, Roy D., II, 260-66-6831
Wilson, Charles E., 363-50-7188
Woods, Jimmy N., 424-48-9063
Yoshida, Calvin, 576-44-9974
Zak, Frederick J., 149-32-8971

CHAPLAIN

To be lieutentant colonel

Santiago, Manuel A., 264-56-6371

DENTAL CORPS

To be lieutenant colonel

Weed, Roger, M., 458-68-9706

MEDICAL CORPS

To be lieutenant colonel

Porter, David L., 232-80-6614
Vista, Reynaldo B., 151-40-1131

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 593 and 3353:

MEDICAL CORPS

To be colonel

Markey, Keith L., 317-44-2782

MEDICAL CORPS

To be lieutenant colonel

Alderson, Gerald G., 561-50-5596
Altman, Ivan S., 410-30-0561
Briggs, William A., 169-30-4554
Burch, Garry R., 066-32-3187
Cavanaugh, Richard C., 149-28-1432
Dalton, Martin L., Jr., 420-34-4953
Eachempati, Rama G., 382-58-4164
Eisen, Howard B., 181-26-6921
Ferois, Gilbert N., 143-36-9939
Gallan, Thomas W., 048-28-1677
Kendle, Ellis M., 544-48-3666.
Kitridou, Rodanthi, 209-38-1494
Lancaster, Lamar L., 436-48-3084
LaVerde, Philip S., 141-26-7357
Levy, Benjamin, 062-30-3199
Lewis, George N., III, 213-30-3765
Lubritz, Ronald R., 438-48-6787
Martin, Wayne R., 522-48-9913
Podell, Barry D., 101-20-4948
Pointer, Robert W., 389-24-2573
Ramirez, Antonio, 059-36-7410
Ramirez, Jose S., 346-32-5734
RigauMarques, Jose, 050-26-3931
Sadler, John E., Jr., 477-38-7341
Smith, Joseph I., 212-40-4961
Stecher, William A., 195-24-9335
Tarpley, Harold I., 012-32-3366
Vondrell, John J., 283-32-8748
Weber, Ralph, 320-20-9974

The following-named Army National Guard of the United States officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3385:

ARMY PROMOTION LIST

To be colonel

Alford, Paul D., 433-64-2618
Bacon, Roger A., Sr., 436-48-2681
Barlow, Gregory P., 531-38-7763

Baxley, Dexter E., 251-52-7984
Bortolin, Richard J., 530-22-2703
Brock, Clifton H., Jr., 238-44-5402
Brown, James L., 421-22-4565
Brown, Richard G., 433-50-1699
Burbury, John L., 006-36-4243
Chavanne, John E., 158-28-9899
Crawford, Carroll E., 525-74-8819
Faust, Ramon B., 468-32-6739
Ferguson, James W., 067-26-2861
Francis, Rudolph A., 580-01-7054
Gillaspie, Russell, 574-16-0028
Hanson, David B., 374-36-6735
Hanson, David L., 477-32-2212
Harrison, David G., 226-42-8440
Hayes, Edison O., 226-44-6210
Hovda, Clayton A., 728-07-3917
Hurley, Joseph V., 420-36-3155
James, Nathaniel, 054-28-9171
Jensen, Donald E., 501-22-3718
Jones, Willie F., 251-50-1889
LopezTorres, Javier, 582-22-7018
Masterjoseph, Joseph, 058-30-0088
McCullough, James E., 479-44-5407
McNinch, David H., 530-26-3587
Michael, Robert J., 518-38-6787
Miller, Gerald A., 231-56-4491
Mongolo, William T., 557-52-9519
Morris, James M., 110-30-2884
Morris, Kenneth C., 234-50-8980
Norton, Richard A., 042-28-1150
Oakeley, William A., 525-82-8732
Pannell, Jerrell L., 426-60-6131
Schultz, Roger C., 483-54-5293
Sessoms, Charlie C., 238-46-7620
Sims, Herbert J., 542-48-2194
Slaton, Maurice V., 257-50-1889
Smith, Richard A., 310-36-9400
Snell, Robert S., 262-30-1340
Spor, Francis X., 107-22-2547
Stack, Robert J., 226-54-7924
Stevens, Velton R., 452-48-2477
Stultz, Stuart G., 398-34-1346
Underwood, John T., 406-40-4805
Velasquez, Refugio, 455-34-6201
Venticinque, Carmen, 151-28-7042
Vontrott, John T., 207-38-1310
Walsh, Milton C., 014-24-8614
Walters, Bobby G., 427-66-4497
Warren, Duane C., 533-30-6161
Wilson, William H., 254-50-9881
Yeager, Jack E., 234-54-4905

ARMY PROMOTION LIST

To be lieutenant colonel

Amme, Richard C., 136-32-8246
Armstrong, Elmo G., 223-58-4053
Avila, John, Jr., 457-76-8971
BanchNegron, Hector, 581-76-7770
Bannon, Michael J., 154-34-2044
Barnette, John E., 234-72-8236
Bierbower, Park P., 401-64-9130
Bode, Robert L., 468-50-9451
Bora, Rodney H., 008-30-4332
Bruckbauer, James L., 395-38-5526
Buffington, Ronald, 418-62-6893
Burpee, William L., 289-36-2427
Cable, Vincent L., 226-52-9718
Chainey, Hendrick J., 110-36-7835
Chavez, Arthur G., 525-98-8012
Cleary, Robert J., 396-36-4760
Cochran, Norman V., 221-22-3275
Cockrum, Randy L., 005-42-3358
Combes, George S., 056-36-1750
Conley, Michael D., 232-62-3160
Cornelison, John W., 521-46-2230
Costello, Robert H., 027-32-1783
Crites, Harold F., 278-46-3498
Cruickshank, Edward, 576-46-9635
Dadak, Gregory J., 025-32-5136
Degatina, James C., 218-40-1840
Denton, Charles R., 247-64-7353
Fiedler, David M., 072-38-3477
Fritz, Richard R., 228-32-4068
Goodman, John C., 544-46-8943
Goodwin, Howard L., 426-82-3547
Greene, Patricia A., 004-44-9940
Guerrein, Joseph H., 186-36-8906
Haenn, William F., III, 205-36-1715
Haney, Merritt W., 422-52-0173
Hannula, Rodney R., 389-38-0002
Hansen, Michael H., 503-44-5567
Hejl, Theodore W., 461-68-4298
Hessman, Daniel L., 504-50-5137
Hickman, Wilton R., 566-60-2831
Hock, Larry L., 505-46-6674
Hurst, William C., 541-54-2632
Intini, Frank P., Jr., 110-36-7686
Jave, Lennie, J., 479-40-5006
Joens, Gary L., 485-50-1243
Johnson, George R., 416-58-3691
Jones, Ira K., 420-58-6043
Kaneshi, Emerick Y., 576-50-8771
Kennedy, Michael T., 511-50-6409
Kranak, Dennis D., 504-46-8983
Lackey, Joseph A., 456-70-9209
Latimore, Paul B., 489-44-8885
Leppink, Allen R., 517-48-5049
Loewenkamp, Stanley, 310-38-0224
Madden, Richard B., 229-62-3204
Mahan, Thomas K., Jr., 524-54-0961
Mansfield, William, 574-18-0496
Martin, Charles E., 171-36-2734
Masker, Willard H., 144-34-0645
Maynard, Gary D., 441-42-6692
Minetti, Gerald P., 550-64-5368
Miyamoto, Richard Y., 576-42-1232
Morrow, Don C., 432-76-3878
Moss, Richard S., 267-88-6348
Mullen, Edward W., 508-52-9324
Murrell, Stanley A., 572-66-4908
O'Neill, William E., 544-34-0599
Paisley, Duane D., 478-48-5317
Paluda, Michael L., 198-32-4590
Pearson, David W., 471-46-5855
Pool, Robert H., 548-50-8110
Popham, David G., 566-56-9619
Pyeatt, Dale M., 460-62-6628
Rawlins, Michael E., 575-42-9609
Robbins, David W., 220-40-7692
Robinson, Randal M., 250-64-2867
Rodrigue, Thomas J., 436-66-1279
Saito, Chester I., 575-48-1217
Sattur, Theodore W., 141-34-4405
Sawyer, Richard P., 008-24-5585
Schofield, Kenneth, 509-32-1208
Schuster, Andrew M., 398-50-5145
Sedillo, Cruz M., II, 525-92-5810
Smit, Rayburn G., 227-60-3264
Spann, Foy R., 462-64-0632
Spence, Russell J., 520-42-9386
Stenzel, Michael J., 057-36-4009
Stokes, Clare H., 467-66-2436
Tipa, Ronald J., 099-36-7564
Treland, Robert G., 463-70-9745
Wagers, Nollie W., 249-58-7546
Wallace, Raymond R., 187-30-7732
Washabaugh, Frank J., 320-36-0527
Weaver, Larry D., 397-40-9108
Whitten, Jesse M., 428-76-1028
Wissell, George P., 009-30-3150
Wood, Marvin L., Jr., 245-54-3922
Yingst, Thomas P., 164-34-8322

DENTAL CORPS

To be lieutenant colonel

Barton, Eric B., Jr., 262-58-9066

MEDICAL CORPS

To be lieutenant colonel

Burgos Vasquez, F., 580-72-3498
Ferguson, John D., 422-46-6031
Lovell, Richard K., 429-40-3993
Nesbitt, Leslie B., 525-44-6705

MEDICAL SERVICE CORPS

To be lieutenant colonel

Waltman, Jerry N., 428-94-5684

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a) title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Reginald C. Ameele, 073-36-5070
Maj. Eugene R. Andreotti, 472-48-1905
Maj. Peter W. C. Barnhart, 289-38-4522
Maj. Diane Buckley, 566-68-0638
Maj. Marion R. Dangelo, 267-70-2734
Maj. Thomas R. Ebner, 468-44-0807
Maj. William J. Frahm, 476-38-5153
Maj. James H. Frederick, 282-42-2775
Maj. John F. Frey, 224-68-0569
Maj. Varnell C. Hart, 520-40-5109
Maj. Thomas Ingargiola, 068-46-3954
Maj. James F. Klimback, 140-40-0254
Maj. William F. Lyle Jr., 232-68-4650
Maj. Richard A. Nester, 309-44-2967
Maj. Stephen C. Robertson, 523-54-8197
Maj. Ronald A. Sailor, 006-42-0818
Maj. Sidney L. Shoemaker, Jr., 253-58-8296
Maj. Robert C. Smith, 267-66-6459
Maj. David J. Tanke, 124-34-1929
Maj. Frank E. Tobel, 517-46-1101
Maj. Donald L. Whitehead, 138-42-0714
Maj. Donald E. Worden, 563-54-0019

LEGAL

Maj. Wilbert L. Sawyer, Jr., 231-54-2370
Maj. Robert C. Ward, Jr., 181-36-4136

MEDICAL CORPS

Maj. Hari S. Kapur, 276-64-9518
Maj. Leonora K. Petty, 222-34-4166

DENTAL CORPS

Maj. David B. Pierce, 025-34-0034

IN THE ARMY

The following-named officers for permanent promotion in the U.S. Army in accordance with the appropriate provisions of title 10, United States Code, sections 624 and 628:

ARMY

To be lieutenant colonel

James L. Brazell, 248-66-2077
George A. Flowers II., 302-38-1534
Gary E. Jewett, 555-60-6776
Armand O. Pepin, Jr., 003-32-8626
Charles M. Piper IV., 568-74-3575
Richard R. Ryan, 024-32-0174
Gary F. Smith, 575-50-4383

CHAPLAIN CORPS

To be major

Richard A. Cooper, 168-38-1413

IN THE MARINE CORPS

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of colonel under provisions of title 10, United States Code, section 5912:

Baer, Clarence L., Jr., 9142
Bailey, James M., 0235
Ballentine, David A., 1589
Barrios, James V., 7079
Beavis, Robert L., 6112
Biangardi, Otto 8097
Braun, George F., 7984
Calef, Marshall M., II, 2114
Campbell, William S., 6863
Carberry, Michael G., 2698
Carpenter, Albert E., Jr., 5742
Cercone, Edward A., 6659
Connors, John R., Jr., 7466
Coti, William A., 4606
Coyle, Edward H., 2936
Davis, Robert R., Jr., 7166
Delong, Terry L., 9408
Dickerson, Alexander C., 1180
Earnest, Keith L., 0264
Ewton, Thomas D., 9682
Farro, Jerry J., 0520

Fischbach, John T., 4439
Flanagan, James E., 0742
Furr, Kenneth R., 3492
Gallaspy, Donald S., Jr., 0549
Gould, David W., 4847
Gruggel, John, S., Jr., 5426
Herring, Dewey L., 8896
Hobbs, William W., Jr., 8578
Iorio, William E., 3843
Johnson, Kari 2505
Jonic, George A., Jr., 6040
Kirk, Alexander 7268
Kissling, Robert G., 0753
Knight, William S., 5913
Luciano, Thomas J., 7930
Luy, Walter M., 7902
Manning, Clifford H., 7032
Marchand, David M., 4788
Martin, Kenneth E., 8716
McCollum, Michael G., 4861
Mori, Stanley M., 6039
Nelson, John J. Jr., 8320
O'Connell, George J. Jr., 8866
Olivas, George S., 2956
Parnell, Robert E. Jr., 4222
Pechalonis, Stanley J., 2525
Pickett, Jeffrey C., 1217
Prichard, Don E., 4614
Quilter, Charles J. Jr., 3638
Rich, Wayne A. Jr., 2361
Robb, Robert M., 7385
Rumsey, David K., 1095
Sandlin, Michael E., 9519
Shea, Thomas M., 0936
Shearer, Robert C., 2863
Shortal, Denis L., 2711
Smith, Douglas L., 9125
Smith, Frederick J. III, 2680.
Smith, Norman W. Jr., 6268
Snider, Neil A., 2855
Somerville, John T., 8105
Speed, Bily L., 6049
Stout, David M., 9783
Talent, Robert M., 7500
Tifford, Arthur W., 4862
Till, Quentin T., 6564
Treichler, Donald R., 0649
Tutt, Charles S., 7809
Vogel, Frederick J., 6528
Wilson, Steven C., 6446
Wolfe, Joseph C. Jr., 1119
Zimmermann, Jack B., 1425

In the Marine Corps

The following-named officers of the Marine Corps and Marine Corps Reserve for permanent appointment to the grade of major, under provisions of title 10, United States Code, section 624:

Ahlers, Shauna E., 1302
Ahle, Dirk R., 0749
Alexander, Joseph A., Jr., 2944
Andriko, Stephen W., 8694
Balash, Paul, III, 4370
Ballas, Mark J., 6106
Bambrick, Philip M., 7598
Barrett, John P. Jr., 3978
Barthold, William G., 0997
Bechtol, Barbara L., 4396
Benefield, Johnie W., 4426
Blair, John E., 4093
Blanche, John F., 2164
Block, Thomas J., 9116
Bohon, David W., 0126
Bordeaux, John C., Jr., 6095
Brammer, Christopher J., 9219
Brandenburg, David J., 0773
Brann, Ronald W., 9417
Breithaupt, Terry L., 4258
Brennan, Francis P., 8717
Bridgers, Robert L., 7414
Brush, Laura J., 8164
Buckhaults, Alvin T., 0823
Burchnall, Richard K., 7824
Burns, Michael R., 4704
Cahill, Paul J., 7316
Cameron, Stewart D., 5254
Campbell, Andrew H., II, 1052
Carey, Patrick L., 1181
Carpenter, Steven C., 9884
Carroll, Robert M., 7609
Cassidy, Benjamin L., 5522
Centner, Roy T., 9215
Cerney, Robert W., 6194
Chase, Paul J., 4851
Chrostowski, Lee A., 7731
Cole, Eugene J., 8573
Connally, Patrick D., 5161
Cook, William H., 1858
Crebbin, Anthony M., 4237
Crooks, Michael O., 6686
Culver, Marsha L., 7220
Cuny, Terrence J., 5092
Cushman, Daniel D., 3173
Darden, Sampson D., 3391
Davenport, Jennings M., Jr., 2866
Davidson, Jeffrey L., 4526
Davis, Ira S., 0473
Day, Steven F., 0057
Dixon, Kenneth W., 6295
Donaleski, Devin G., 0033
Dorris, Brian C., 0203
Duke, Scott G., 4354
Duncan, Douglas C., 2964
Durrant, Jerry L., 2690
Dykstra, Daniel M., 2558
Eastman, Candace G., 0372
Eberhart, George A., Jr., 1485
Edmundson, Richard S., 4811
Ellis, Robert W., Jr., 3100
Elwell, John P., 2459
Estilow, Rex A., 4325
Favors, John D., 7160
Felder, Allie C., III, 6694
Ferlet, Michael R., 2458
Finer, Robert M., 9933
Finsterle, Steve J., 7487
Fisher, Donald K., 3085
Flock, James F., 6021
Flores, Susan J., 1791
Flynn, George J., 5536
Ford, Barry M., 1554
Gallaher, Dennis P., 7049
Garrabrants, William M., 0163
Gates, Bradley M., 0690
Gerlaugh, Robert E., 6436
Gilliland, Mark D., 8846
Gologanoff, Christ G., 0220
Goodale, Richard W., Jr., 2936
Goodman, Gregory L., 1801
Goold, David F., 8661
Griffin, Otis, Jr., 4089
Grundy, Dennis E., 3341
Gurley, Gary P., 8124
Guthrie, Charles E., Jr., 7641
Hale, Gerald M., 3074
Hale, Glenn A., 0743
Hamilton, Edward J., 8008
Hamilton, John A., 4797
Hammes, Thomas X., 4316
Hanson, Robert M., 6211
Hardt, Charles H., 0665
Harmon, Gloria J., 0425
Harney, William W., 0330
Hartley, George S., 2375
Harvey, Charles W., III, 7378
Hebert, Stanley M., 6730
Heisinger, Michael J., 4434
Hejlik, Dennis J., 3767
Henson, Frank L., 2123
Hicks, Mary L., 6377
Hitchcock, Norman E., 1729
Hobbs, Richard A., Jr., 0483
Hogg, Danny L., 8728
Holden, Herbert T., 7870
Holland, Charles G., 8344
Holland, Trenton F., 4417
Horvath, Rick L., 8819
Hubert, Robert J., 4100
Hudson, Carolyn A., 8793
Hug, David C., 0377
Hughes, Carl L., Jr., 4262
Humphrey, Robert L., 6005
Iaquinto, Christopher J., 1442
Inghram, Jonathan D., 5493
Jackson, Gilda A., 2155
Jacocks, Mary V., 4518
Jensen, Carl B., 5079
Jinnett, Michael J., 1157
Jones, Peter L., 8892
Jukich, William, 4347
Katzberg, Allan A., 1703
Kennedy, Frank B., 3060
Kenney, James R., 1583
Kerr, Charles E., 7806
Knox, Raymond M., Jr., 3449
Koper, Paul J., 0530
Koreis, Phillip E., Jr., 4487
Kouri, Norman F., 0281
Kramer, Michael J., 2008
Krider, Frank F., 0632
Krusadossin, Mary A., 1134
Lackner, Robert A., 9456
Lafleur, Michael H., 5570
Langford, Kenneth R., 6072
Lawson, Henderson, Jr., 4382
Leitch, Roderick W., 4199
Lenderman, James E., Jr., 9409
Libbey, David S., 4502
Lilly, Ritchie M., 3828
Lindemann, Joel G., 3162
Linnebur, David G., 7185
Lovely, James M., 8370
Lundy, Michael E., 3651
Lynn, Steven J., 0131
Macklin, Gilbert A., 8518
Mackrell, Patrick J., 8985
Maguire, Edward J., 1217
Marazzini, Michael J., 3685
Marron, Joseph J., Jr., 4182
Martin, Alton L., 8490
Martin, Bobbie J., Jr., 9680
Matejov, Frances C., 0523
McCarthy, Thomas G., 7964
McClain, James V., 3879
McClair, Ronald L., 0686
McDonough, Richard F., 9524
McGohey, Charles H., 9711
McQuerry, Thomas O., 1409
Meckel, Robert J., 7296
Merritt, Dennis I., 4690
Metler, Terry D., 1889
Miller, Richard C., 6097
Miller, Richard E., 3794
Mirra, David R., 4693
Monreal, Richard, 0870
Moog, William C., 5630
Motes, Michael J., 5848
Murray, William R., 6595
Neller, Robert B., 0298
Nelson, James D., 5374
Newbold, Mark A., 4615
Newton, Johnnie L., 1490
O'Connor, Mark H., 5733
Paul, Kenneth C., 2577
Peery, James C., 9190
Pendleton, Alan C., 2272
Phillips, Maxie W., 9010
Phillips, Timothy L., 0485
Pillar, Mark A., 7408
Plum, Randall A., 6750
Potocki, Mark L., 0012
Powell, William J., 5181
Powers, Jessica L., 0126
Pratt, William F., 7891
Raley, Joel T., 0492
Rann, David P., 8565
Rapp, Daniel E., 6648
Raths, Gregory G., 3827
Rea, Robert S., 3431
Reintjes, David J., 3408
Richardson, Robert S., 6304
Rickard, James 9801

Riley, Timothy M., 3757
Rodecker, Richard L., 2678
Rogers, John S., III, 3898
Rushworth, Charles T., III, 0296
Rutledge, Robert D., 2330
Sadler, David W., 4647
Sandal, Arne L., 1264
Sandkuhler, Kevin M., 7415
Seegers, Harvey F., Jr., 9585
Shores, William B., 5932
Sickinger, Daniel L., 5023
Sides, Robin D., 0596
Sides, Ernest E., III, 0685
Siwicki, Bernard A., 7822
Smith, Ellett M., 5633
Smith, Jackie B., 7970
Smith, Richard J., 8580
Steffensen, Robert E., 4168
Stevens, Michael H., 9938
Stewart, Grant R., 8577
Stewart, Michael E., 6531
Stidham, Kenneth N., 0812
Strawn, Jerrell N., 1056
Streeter, Douglas G., 0275
Strock, Frederick T., 4821
Suetos, Vincent G., 5604
Taglieri, Fabio 8776
Taxeras, John R., 7547
Taylor, John M., 0873
Thrash, Gary D., 9261
Toepfer, Michael A., 7835
Tritchler, William K., 6806
Tully, Paul A., 5771
Turk, Carl D., 7581
Turner, John H., 8223
Tussing, Bert B., 9199
Vizina, Jonathan N., 7544
Walker, Andrew D., 2367
Watson, Paul H., 1718
Watts, Robert M., 2041
Wavinak, Jon A., 5446
Wehrle, Daniel A., 3536
Welborn, Franklin W., II, 1314
Wells, Buford G., 9945
Weston, Ronald C., 3732
Wierzbicki, Walter J., 6754
Wilcox, Robert G., 6802
Wilk, Christopher A., 1141
Wilson, James H., 2225
Wirsig, David E., 4113
Wolfe, Stanley C., 8510
Wuest, Charles S., 9057
Yanello, Gerald L., 7953
Yff, Philip N., 9645
Zimmeck, Steven M., 7309

In the Navy

The following-named lieutenant commanders of the staff corps of the Navy for promotion to the permanent grade of commander, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

MEDICAL CORPS

Adams, Clinton E.
Allport, Edgar Lamb
Amundson, Dennis E.
Anderson, Michael Jon
Anderson, Thomas Gordon
Andrada, Rosalia Corres
Arthur, Donald C., Jr.
Atwell, George Willard
Austin, Robert Marshall
Aznar, Sonia Ferry
Barnebee, James Hosea
Bean, Robert R.
Beecham, Harry James, II
Bibro, Mary Catherine
Blacharski, Paul A.
Blankenship, Charles L.
Block, Robert
Blumberg, Andrey I.
Bond, Douglas M.
Bonner, Robert Emmett
Brilli, Richard J.
Brown, Edward W.
Bryan, Curtis Russell
Burkhard, Thomas K.
Campbell, Stephen E.
Cardello, Frank Patrick
Cassaday, Michael A.
Cattau, Edward LeRoy, Jr.
Cecil, James A., II
Cella, John A.
Chang, Charles Shih C.
Chinnery, Martha Steele
Choplin, Neil Todd
Coddington, Charles C.
Croslin, Artis R.
Crudale, Angelo S.
Cunningham, Glenn D., Jr.
Cunningham, William J.
Curran, James Joseph
Cusack, John Robert
Dalton, Jon N.
Davis, James E.
Deline, Carol Compton
Dennett, Douglas E.
Depry, Dennis Lee
Dicapua, Lawrence
Donegan, Elizabeth A.
Dutka, Andrew J.
Evans, Kurt J.
Fagan, Steven Joseph
Fagerlund, Robert W.
Fellenbaum, Theodore L.
Fetchero, John A., Jr.
Fichman, Kaye Ruth
Field, David R.
Gellman, Michael Daniel
Ghiselli, Guido Robert
Gibbin, Candace Lynn
Goodman, David L.
Gray, Charles Glenn
Grey, Carlile, Robert, II
Haden, Keith W.
Haerr, Robert W.
Hall, Richard Benfield
Halloran, Thomas Joseph
Hamilton, William C.
Hamlett, Frank Burnette
Harris, Martin H.
Hart, Steven Edward
Hawley, Thomas Arthur
Healy, Grant F.
Herdener, Richard S.
Hilaman, Brad L.
Hill, David Michael
Hinz, Thomas Walter
Hoffman, Janaleigh
Hogan, Kevin P.
Holden, Randall William
Howard, Douglas Chapman
Hurst, David B.
Hyden, Ralph Donald
Jones, Bluett Emery
Kao, Yi H.
Katona, Ildy Margaret
Keyes, Booker T., Jr.
Kidd, Donald David
King, Lonnie T.
Kitagawa, Seiji
Klein, Michael K.
Klingelberger, Carl E.
Lancaster, Danny Joe
Lathen, Donald Frank
Lebenson, Bernard S.
Lee, Charles Keith
Lehner, William Edward
Ley, Carl E.
Livingston, John M.
Loch, James Robert
Maano, Rio Rita Mastril
Macivor, Duncan C.
Malick, Jewell Ethel
Mandel, Lee Richard
Manzione, James V., Jr.
Mayer, Frederick W.
McPhee, Hugh T.
Mellon, Monte Tim
Messersmith, Donald P.
Minteer, William E., III
Mosley, Coleman A., Jr.
Moss, Richard L.
Meyers, E. Ann
Nelson, William Max, III
Ofarrell, Kathleen Anne
Ogrady, Terence Charles
Oldfield, Baird Dewes
Paden, Lindsay Bernard
Page, Caleb Wesley, Jr.
Parker, Gregg S.
Pedrotty, John Richard
Perry, Donna Ruth
Peterson, Noel Rae
Petrochko, Nicholas, Jr.
Porter, Charles Thomas
Powers, Bernard Joseph
Powers, William E., Jr.
Puckett, Ralph Arthur
Raeber, Kirk John
Ramey, Jack M.
Rash, Francis C.
Reams, Gary Glenn
Robinson, Adam M., Jr.
Ronan, William Vincent
Ropes, Milton B.
Rowley, Dennis Alan
Rjffer, James A.
Sanchez, Phillip L.
Sargeant, William O.
Schwartz, John C., Jr.
Scott, William, Jr.
Shaffer, William Orion
Shapiro, Alan I.
Sharma, Suresht Paul
Shipton, William E.
Silverman, Eugene David
Simkovich, Joan
Sintek, Colleen Flint
Sise, Michael Joseph
Sladek, Gary G.
Smith, Dennis E.
Smith, Gary Wayne
Smith, Robert W.
Sobel, Douglas Owen
Solomon, William Curtis
Soper, David E.
Spurling, Timothy J.
Stafford, Perry W.
Sweeney, John R.
Tauber, William Bernard
Thomas, Raymond Milton
Thompson, Douglas F.
Tobias, Imelda Victoria
Tobiason, Joel E.
Tuddenham, Margert A. O.
Vidmar, Dennis Alan
Vincent, Michael Paul
Waack, Timothy C.
Wade, Lloyd Robert, Jr.
Walter, Arthur Lee
Weiser, Edward B.
Whalen, Thomas V., Jr.
Whitten, George Brine
Wilkerson, Stephen Y.
Wolcott, Hugh Dixon
Woods, Edward Lawson
Wurzel, William David
Zable, Elizabeth Helen
Zahller, Mary C.
Zajdowicz, Thaddeus R.

SUPPLY CORPS

Adams, Roy Stilz, Jr.
Allion, Dennis G.
Argue, Arthur Clark, III
Banghart, Allan Andrew
Bender, Danny Arthur
Bird, Robert Ralph
Bock, John Henry, III
Bullock, David Richard

Burdon, William Henry
Callaway, Michael Patrick
Capizzi, David Alan
Cassano, Anthony John, Jr.
Conover, Richard Philip
Crowley, Indy Charles
Cummings, Patrick William
Dawson, Rosemary Nelson
Delaurentis, Michael Joseph
Dewell, Kenneth George
Douglas, David Bruce
Duffey, Thomas Owen
Durnan, Robert Emmett
Easton, Mark Edward
Eller, Jeffrey Michael
Emerson, Jimmie Darrell
Evans, Michael W.
Feltes, Dale Joseph
Finley, Michael Edward
Flanagan, John Edward, Jr.
Forney, Robert Allen
Fredericks, Kenneth David
Gift, Wendell Jay, II
Gilbert, Robert Roy
Hammond, Richard Coleman, Jr.
Hammons, Thomas Joel, III
Hannaford, Philip Stephen
Hayes, Bryan Francis
Hickman, Ronald William
Hickson, Edward Earl
Hoffman, Lee David
Hoffman, Thomas Lewis
Huddleston, Ronald Duane
Hurley, Joseph Francis, Jr.
Huss, Boyce Wayne
Jackson, John Edward
Jamriako, Steven Francis
Jenkins, Michael Lynn
Kaloupek, William Thomas
Kern, Thomas Marshall
King, Wallace Vernon
Kirk, John Robert
Koehler, Jay Barry
Lawrence, Robert Craig
Lindsay, David A.
Main, Archibald Macnicol, III
Marczynski, Alfons Carl
Marquez, Ernest B., II
Matsushima, Rodney Fujio
Miller, Felton
Miller, Raymond Lee
Monahan, Barbara Bull
Moore, Robert Tolmie, III
Moran, Michael Dann
Nielsen, Gerald Thomas
Nogosek, John
Ohagan, Michael George
Oshier, Daniel Raymond
Owen, Wayne Allen
Pearce, Richard Leeroy
Perkins, George Warren, Jr.
Perkins, Robert Morris
Pledger, John David
Powell, Jeffrey Philip
Reeve, Robert Eugene
Reily, James Donald, Jr.
Rova, Bruce Wayne
Seebeck, Robert Niels
Selby, Theodore Joseph
Shepherd, Robert Myrick, Jr.
Sheppard, Theodore James
Shiffman, Robert Lawrence
Shubert, Tommy Lawrence
Simm, Donald Booth, Jr.
Solis, Armando Raul
Standen, Eric Allen
Stephens, John Harold
Tabb, Donald Cameron, Jr.
Teipel, Mark Allen
Tinker, William Marshall
Tufts, John Emory
Vedder, Hellmuth
Vinagre, Eduardo Gerardo
Walton, David Winfield
Werthmuller, Roy Walter
Willis, Roger Allen
Wimett, William Thomas
Wingfield, George Russia
Worrall, Eric Hamilton
Wright, Dennis Lloyd
Yates, David Stephen
Zychowski, Thaddeus Frank

CHAPLAIN CORPS

Bebee, Roy L.
Bruce, Gerald Ronald
Burke, Ronald John
Chadwick, Thomas K.
Eis, Charles Richard
Grogan, Gerald Robert
Ha Young Chang
Herndon, James Nelson
Jayne, Bruce C.
Jukam, Donald C.
Langhorne, George A.
Livojevich, Ronald
Masse, Edward Joseph, Jr.
Milas, Throdore P.
Pearcy, David L.
Rector, Roscoe E., Jr.

CIVIL ENGINEER CORPS

Allen, James Richard
Allshouse, Clare Ray
Bukoski, Thomas John
Chamberlin, Paul Douglas
Cherry, John Marshal
Christensen, Thomas Holm
Clough, Paul Leroy
Craft, Gary Myers,
Dean, Joseph Clay
Dew, Fred Warren
Digeorge, Frank Peter, III
Foster, Michael Earl
Fulgham, James G.
Gebert, David Kirk
Hall, William Michael
Hanes, Samuel Houston, Jr.
Hill, Jerry David
Hocker, Robert Gerad, Jr.
Kechter, Ronald Arnold
Keifer, John Michael
Kotz, John Stanley
Laboon, Thomas Alcuin, Jr.
Lappano, Gilbert Christopher
Macnamara, Timothy Charles
Mann, Douglas Edward
Morris, Donald Edward
Morris, Donald Gene
Morrow, James Franklin, III
Murphy, Bernard Francis, Jr.
Parisi, Anthony Michael
Parsons, Robert Charles
Perry, Michael, J.
Pizzano, Robert Carl
Rabold, Bernard Louis, Jr.
Rigby, William Herman, Jr.
Scullion, Leonard Paul
Terry, Ronald Elton
Tull, Terrence William
Vanderels, David Michael
Wong, Jack Jerry, Jr.

JUDGE ADVOCATE GENERAL'S CORPS

Bennett, John C.W.
Bergstrom, Alan Lee
Boudewyns, Timothy M.
Carney, Patrick J.
Dalesio, Daniel, J., Jr.
Dawson, Mark Reed
Dirks, John A.
Kelley, Patrick W.
Martin, Thomas Latimer
Meadows, Robert W.
Montgomery, John Bernar
Rockwell, James D.
Scranton, Joseph Douglas
Sheehan, Patrick J.
Villemez, Clyde Joseph

DENTAL CORPS

Allen, Jeffery Paul
Baker, Darrel A.
Biedermann, Kurt George
Brinkley, Eugene D., Jr.
Brown, Gordon M., Jr.
Cummings, Gary G.
Dizinno, William Joseph
Galich, John William, Jr.
Hartsook, Timothy M.
Hutter, Jeffery W.
Jaworski, Charles P.
Loar, Robertson D.
Lutcabage, Gregory J.
Marsaw, Frederick A., Jr.
Marshall, Edward C.
Mayhall, Clyde Wesley
McDonald, William H.
Sergent, Robert S.
Stgermain, Henry A., Jr.
Turner, Carol Irene B.
Walker, Cleodius
Weaver, William S.
Wetzel, Jeffrey Peter
Wilkinson, Richard J.

MEDICAL SERVICE CORPS

Butler, David Eugene
Clarkson, Wallace Martin
Crabbe, Joel Reed
Cronin, Patrick Dwight
Daniel, David G.
Dean, Larry Marcellis
Delong, Douglas Stanley
Densley, Merlynn Duane
Dial, William Stephen
Escamilla, Joel
Felton, Robert Eugene
Foster, Jerry Allen
Greenan, Jon, Everett, I.
Helm, Wade Raymond
Hickey, Rodney Dale
Hickey, Thomas Michael
Higgins, Janet Lorelei
Hughes, Francis Joseph
Humphrey, Charles Robert
Joseph, William Arthur
Kelly, Stephen John
Kunkel, Clyde Ellsworth
Kurtich, Richard Bruce
Lawrence, Jonathan Dale
Lewis, Morris Newman
Macys, David Allen
Mahin, Patrick Lee
Malinoski, James Walter
Martin, Donna Rae
McKenzie, Darrel Dean
Muklevicz, Robert Edward
Palmer, James Felix
Peterson, Jack Leroy
Randle, Kenneth Robert
Roman, Michael John
Ruffin, Tommy Lee
Schick, Gary Edward
Seible, Lawrence George
Smith, Steven Linck
Thompson, Robert Stanley
Trosper, James Hamilton
Turocy, Regis Harry
Wallace, William Emory
Whiten, Ronnie Edward

NURSE CORPS

Ahrens, William David
Ames, Ervin Lyle
Bailey, Donna Lancaster
Barlow, Judy Lynn
Benway, Michael William
Bickford, Carol Jean
Bonnetlangston, Kathlee
Breeding, Patricia Ann
Brown, Paul Peyton
Brown, Terry Lou
Caffrey, Gloria Jean
Carney, Carol Anne
Craft, Donna Leigh
Cranston, Christine Sul

David, Lucy Mendoza
Deangelis, Lorelei S.P.
Doyle, Marcia Smith
Drexler, Jeannine Lynn
Dunn, Richard Allen
Field, Marion Griffith
Foley, Barbara Ann
Garrison, Richard Allen
Honeywell, Joseph Leroy
Johnson, Charlene Eliza
Jung, James Wyland
Kopanski, Ruth Grimes
Kout, Kathryn Kelly
Lewis, Rosalie Day
Lombardi, Judith Ellen
Loose, David Stewart
Loveridge, Lois Elaine
Macey, Linda Lee
McClain, Terry Worth
Mellema, James Henry
Monahan, Michael Edward
Norrick, Albert Joseph
Perry, Cynthia E.
Phillips, Donald W., Jr.
Protsman, Nancy Lee
Reitz, Anne Elizabeth
Roberts, James Wylie
Roy, Terry Dale
Sharpe, Jacqueline Elai
Speirs, Carol Lucille
Spidel, Margaret Loftus
Swanson, Rita Viola
Taschner, Ardis L.
Trent, James Edward
Ward, Deborah Ann
Warren, Carolyn Sue

LIMITED DUTY OFFICER (SUPPLY) (651X)

Curry, Dennis Samuel

In the Navy

The following-named lieutenant commanders of the staff corps of the Navy for promotion to the permanent grade of commander, pursuant to title 10, United States Code, section 628, subject to qualifications therefor as provided by law:

MEDICAL CORPS

Landacre, Jo Ann
Kennedy, Kevin Stewart

CONFIRMATIONS

Executive nominations confirmed by the Senate May 15, 1985:

Department of Agriculture

John R. Norton III, of Arizona, to be Deputy Secretary of Agriculture.

Department of Energy

J. Michael Farrell, of the District of Columbia, to be General Counsel of the Department of Energy.

Joseph F. Salgado, of California, to be Under Secretary of Energy.

Department of Commerce

Douglas A. Riggs, of Alaska, to be General Counsel of the Department of Commerce.

Department of Agriculture

Peter C. Myers, of Missouri, to be Assistant Secretary of Agriculture.

Robert L. Thompson, of Indiana, to be an Assistant Secretary of Agriculture.

Department of the Treasury

John F. W. Rogers, of New York, to be an Assistant Secretary of the Treasury.

Margaret DeBardeleban Tutwiler, of Alabama, to be an Assistant Secretary of the Treasury.

The Judiciary

Samuel G. Sterrett, of Maryland, to be a judge of the U.S. Tax Court for a term expiring 15 years after he takes office.

Department of Justice

William H. Opel, of Alaska, to be U.S. Marshal for the district of Alaska for the term of 4 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Department of Justice

Herbert M. Rutherford III, of Virginia, to be U.S. Marshal for the District of Columbia for the term of 4 years.

In the Army

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. John B. Blount, 038-12-7463.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Thomas F. Healy, 019-24-4071, U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Howard F. Stone, 447-32-5655.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Howard G. Crowell, Jr., 029-26-2816, U.S. Army.

The following-named officer for appointment as a Reserve commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, section 593(a) and 3392:

To be brigadier general

Col. Frank C. Torres, Jr., 577-50-4676.

In the Marine Corps

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Charles G. Cooper, 426-40-0100, U.S. Marine Corps.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. William R. Maloney, 187-20-9074, U.S. Marine Corps.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Bernard E. Trainor, 120-16-6811, U.S. Marine Corps.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 610:

To be lieutenant general

Lt. Gen. George B. Crist, 263-60-4607, U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Ernest C. Cheatham, Jr., 555-30-9278, U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Thomas R. Morgan, 199-22-0605, U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Joseph J. Went, 042-32-1604, U.S. Marine Corps.

The following-named brigadier general of the Marine Corps Reserve for promotion to the permanent grade of major general, under provisions of title 10, United States Code, sections 5902 and 5912:

Constantine Sangalis.

The following-named colonel of the Marine Corps Reserve for promotion to the permanent grade of brigadier general, under provisions of title 10, United States Code, sections 5902 and 5912:

George R. Omrod.

In the Navy

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. John M. Poindexter, 305-32-0503/1110, U.S. Navy.

In the Air Force

Air Force nominations beginning Maj. James H. Applegate, Jr., and ending Maj. Michael R. Conners, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 1985.

Air Force nominations beginning John H. Barnhart, and ending Jerry W. Brackett, which nominations were received by the Senate and appeared in the Congressional Record of April 29, 1985.

EXTENSIONS OF REMARKS

STUDENT LEADERS CONDUCT NATIONAL SUMMIT IN NEW YORK CITY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BIAGGI. Mr. Speaker, yesterday marked a important day in the history of higher education. Student leaders—representing 25 States and 3 million students across the Nation—convened in New York City for 2 days to strategize about the future of student financial aid and the Federal role in education. They released a joint statement—entitled "A Call to Commitment" which is a thoughtful and comprehensive statement which bears our close attention during these days of budget deliberations.

Mr. Speaker, the Postsecondary Education Subcommittee, chaired by my colleague and friend, BILL FORD, came to my home city of New York yesterday to conduct a hearing on issues related to the reauthorization of the Higher Education Act. We received the statement from the student leaders as part of the hearing as well as testimony on these same issues. I was impressed not only with the quality of the presentation—but also with the level of interest and enthusiasm that they brought to this meeting.

For the benefit of my colleagues, I wish to insert this joint statement into the CONGRESSIONAL RECORD so that the collective efforts of the students can be read in its entirety.

A CALL TO COMMITMENT

STATEMENT OF PURPOSE

The student leaders gathered here today represent 3 million college students from both public and independent institutions. This "Summit" meeting is concerned that the federal role in postsecondary education is being adversely affected. The consensus of the student leaders gathered is that postsecondary education should be one of the top national priorities for funding. Programs which have been the gateway to a better life for many Americans have been eroded because of inflation and changing national priorities.

Students have benefited from such federal programs as the G.I. Bill, the National Defense Student Loan (National Direct Student Loan), Supplemental Education Opportunity Grant, the Guaranteed Student Loan (GSL), Pell Grants, College Workstudy, and TRIO. These programs have stood as a landmark of the federal commitment to postsecondary education.

As students we are not blind to our roles as citizens and we are aware of the enormous dangers posed by federal deficit spending. We also would remind our national leadership that a strong and vital system of higher education is fundamental to our development as a people.

RECOMMENDATIONS

General philosophy of postsecondary education—Mission statement

An educated citizenry is the basis of a free and democratic society. Postsecondary education, especially in an era of increased technological complexity, economic and social change, is of great benefit, not only to individuals attempting to enhance their job opportunities but also to the society as a whole.

Given the social and geographic mobility of our society, the federal government is an appropriate vehicle for revenue raising and funding of postsecondary education.

Student aid budget—1985

Since 1980, students have seen a decline of the purchase power of the dollars they receive through student aid for their college educator. Student aid has not kept pace with inflation and increasing college costs. This has adversely affected all students, especially minority and non-traditional students, who continue to face extreme barriers to postsecondary education.

The administration's proposed budget continues the decline in money available for financial aid; if passed, they would devastate postsecondary education. Students and parents in virtually all income levels would be hurt by the budget proposals. We now find not only minority and non-traditional students affected, but also those middle-income families who have relied on Guaranteed Student Loans and institutions which depend on planned giving through state and local deductions.

We therefore submit a summary of specific recommendations as follows:

1. We oppose the arbitrary mega caps such as the proposals for $4,000 and $8,000 caps. Because they fly in the face of the uniform methodology of needs analysis, ignoring differences in costs, tuition, fee levels, and student family size. Furthermore, the mega cap hits low income, non-traditional, and minority students the hardest.

2. We oppose all proposals which use an artificial and arbitrary income cap to limit eligibility. They are insensitive to individual family differences and to families' ability to pay for postsecondary education.

3. We oppose requiring a high school diploma as a prerequisite for federal financial aid. This proposal would adversely affect students in proprietary schools and other technical training programs.

4. We oppose the $800 minimum self help contribution previous to receiving any Pell Grant aid. The rationale that has been used for the inclusion of the $800 in Pell Grant calculation is to make sure that the students don't get a "free ride". The fact is that this student self-help amount would be in addition to the expected family contribution.

5. We oppose tightening the independent student definition. The proposed age cutoffs are arbitrary and make no provisions for exceptional circumstances.

6. We oppose the elimination of funding for NDSL, SEOG, and SSIG programs, since 923,000 students nation-wide would be eliminated from these programs.

Reauthorization of the Higher Education Act of 1965

The single most important piece of legislation affecting postsecondary education in the United States is the Higher Education Act of 1965. This act encompasses the aspirations and dreams of many Americans. It contains programs which demonstrate a commitment on the part of the federal government to access and choice for students seeking higher education.

We therefore propose the following recommendations be considered in continuing current and expanding other federal postsecondary programs.

Non-Traditional Students

With the increase utilization of postsecondary education by non-traditional students, returning students, working students, students with families, women and minorities, attention should be paid to meeting their special needs, especially in the areas of flexible financial aid packages, courses of instruction, and day care.

College Work-Study

Federal funding for work-study and wages paid to work-study students and other student employees who depend upon the income for their share of the cost of education should be tied to tuition increases and inflation. Too often, statutory or regulatory ceilings on hours of their expected contribution without seeking a second job or increasing their loan debt.

All provisions regarding waivers to allow payment of subminimum wages to students by postsecondary institutions should be eliminated.

Debt Burden

We are concerned, yet realistic about the debt load considered bearable by the student borrowers. We call on the federal government, the states that have loan programs, and Sallie Mae to act rationally and decisively after carefully scrutinizing the following student concerns:

More flexible repayment plans.

Write off of loans for authorized public service work commitments.

Loan limits tied to cost of instructions.

Collection of defaulted loans through the Federal tax structure, by earmarking and collecting repayment funds from the overpayment section of the tax form.

Certain loan consolidation plans which provide for realistic and equitable repayment plans.

Pell Grants

Establish the Pell grants as a true entitlement, and do not merge other campus based programs, although some re-allocation of funds among the programs is considered appropriate within overall financial aid scheme adopted by Congress.

Campus Based Program Funding

We stand opposed to the elimination of any of the current campus based programs in their entirety through legislation or zero-funding.

Needs Analysis

Some adjustment is appropriate in the needs test. In far too many cases, the overvaluation of assets without an equally critical evaluation of liabilities amount to effective discrimination against farm families, unemployed families, non-traditional students, graduate students, and small business owners. We therefore support revisions in the needs analysis that would afford these students a more realistic appraisal of their financial aid eligibility.

Financial Aid Delivery, Inter-State Cooperation and Proposed Study

Congress should also consider the following:

Incentives for banks to assist in the financial aid delivery system, especially in the area of information about options in courses of instruction and financial aid. Once again, computer-based information systems would be an appropriate part of such a delivery system.

Incentives for increased inter-state cooperation and coordination in forms, deadlines, and financial aid delivery.

Setting aside a fixed statutory percentage of financial aid appropriations, or funding a special one-time study, to be controlled by the Congressional Budget Office, to determine the actual effect on student consumers of changes in federal financial aid programs.

Loan Information

Sallie Mae, the state guaranteed loan agencies, and the American Banker's Association should set aside funds to create educational materials (with advice from students) explaining in detail the rights and responsibilities of persons who borrow funds for postsecondary education, as well as provide a variety of views regarding the philosophy of borrowing and its relative usefulness and values as an investment in a career and future earnings.

Independent Students

The following should be included in both state and federal statutes:

Students shall be eligible for independent student status if they meet the following criteria:

Parents did (will) not claim the student as an income tax exemption. Parents did (will) not provide more than $750 in support. Student did (will) not live with the parents more than 42 days a year.

A student must further provide the following information to be eligible for consideration as an independent student:

Declaration of all income sources which the student receives.

Documentation such as income tax returns, rent payments, proof of residence, voter registration or similar documentation that reasonably may be requested by the campus financial aid officer or state financial aid commission to establish that the applicant's parents have severed relations with the applicant and that the applicant has established a pattern of self-supporting behavior.

A signed affidavit from the applicant's parent(s) that they are not providing any financial support, either in kind or monetary, above $750; are not providing lodging for the applicant more than 42 days; and have not claimed the applicant as a tax exemption. Should the parent(s) not provide an affidavit, the applicant may present other information to prove he/she is independent.

Students who are married, wards or orphans of a state, veterans, divorced, separated, and singles with dependents shall automatically be considered independent for financial aid purposes.

Any person who knowingly and willfully makes any false statement, furnishes any false information, or conceals any material information in connection for receiving federal (or state) financial aid awards shall be fined not more than $5,000 or imprisoned for not more than 3 years.

Pell Grant Funding

Attempts should be made by Congress to reverse the trend in Pell Grant awards that has seen a reduction in the number of poor and minority students participating in the program because of a loss of purchasing power.

The federal government should increase funding designed to enhance educational opportunities for black students and other minority groups. The fact that the number of black college students has dropped 5 percent since 1978, while the number of blacks receiving high school diplomas has increased, is demonstrative of severe inequities that must be corrected. Increased support for Title's III and IX are demanded by students.

Unmet Need

The federal government, in cooperation with the states, must develop programs which will fund the "unmet need" of financial aid recipients.

Multiple Disbursements

Multiple disbursements of GSLs should be considered in an attempt to reduce the program's default rate.

Computer Information for Consumers of Postsecondary Education

The states, the federal government, and private institutions should increase their utilization of computerized databases to inform potential and current students about their options regarding careers, postsecondary institutions, and financial aid. An especially appropriate location for terminals with interactive menu-driven programs would be in secondary schools where potential students could "browse" through the information at their own pace, examining the information with different combinations of career goals, institutions, and financial aid packages.

Loan Consolidation

Congress should allow students to consolidate their loans to provide for easier repayments.

GSL Fee

Financial aid offices should not charge students for the processing of the Guaranteed Student Loans. This is contrary to Congressional intent.

Origination Fee

Congress should repeal the 5 percent origination fee for the Guaranteed Student Loan program.

Definition of Default and Delinquency

Default and delinquency definitions in the Guaranteed Student Loan program should be examined. Allowances should be made for students who default on their loans yet wish to enter into repayment. They should be allowed to move from a default category to one of delinquency.

Aid to Part-Time Students

Part-time students are the fastest growing component of postsecondary education. Between 1972 and 1982, part-time student enrollment increased 61 percent until it accounted for 5 million students, 41 percent of postsecondary enrollments.

Facing significant financial and personal obligations, part-time students made great sacrifices in order to attend school. As a matter of simple equity, students who can demonstrate financial need should not be excluded from federal aid because they are in school part-time. Areas to be considered include:

1. Revise child care so it reflects actual costs.

2. Single parents with dependents contribute equally as a dependent in the same income level.

3. Update student living cost allowances for room, board, books, supplies, and transportation.

4. Open Pell Grants, Guaranteed Loans, and National Direct Loans to students attending college less than half-time.

5. Require that institutions with needy part-time students devote a reasonable proportion of their campus based aid to these students.

Graduate Student Aid

Congress should provide for direct assistance other than loans for graduate students.

Insurance Premium

Congress should adopt the recommendations of the National Commission on Student Financial Aid concerning the GSL Insurance Premium.

Lender Responsibility

While lenders have assisted millions of students in garnering an education via the GSL Program, it is time they become full partners in this $3 billion dollar taxpayer-and-student-subsidized loan program. Incentives must be devised to make lending institutions much more responsible and accountable for default prevention and adherence to effective due diligence standards.

Tuition Policy

The recent decline in federal student aid and the budgetary restraints at the state level have placed a bigger burden on students to meet their cost of attending college. Tuition and fee policies have been regressive for students. The best way to ensure access and equity for students is low tuition.

In order to allow for the intelligent planning of financial resources for attendance at a postsecondary institution, any changes in tuition, fees, and financial aid should be: 1. Predictable. 2. Rational. 3. Moderate. 4. Gradual.

Each state should set its tuition and fees based on the philosophy of education and current budget realities in that state rather than rely on a fixed cost ratio. Mechanisms must exist to insure that those students being affected by tuition and fee policies are not disenfranchised from the decisionmaking process.

Department of Education

For postsecondary education, 1980 was a landmark year. That year produced not only a Higher Education Act, but also marked the beginning of a voice for education in the President's cabinet. The passage of legislation in 1979 to create a Department of Education once again showed the federal government's commitment to education.

That one voice for education has often lacked the resonance needed to project the education community's concerns. The student voice has all but been lost within the walls of the department.

We therefore present the following recommendations designed to open the lines of communication between the federal government and the people it serves.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Public Awareness

Increase public education concerning the actual social and financial benefits of postsecondary education.

Student-Secretary Conference

The Student-Secretary Conference where student leaders and U.S. Department of Education officials discuss national administration of financial aid programs should be reinstated by the Department of Education.

Student Liaison Officer

Student leaders resent the increasing politicalization and the ineffectiveness of the Student Liaison Officer position. We recommend a reformation of the selection process as well as a budget adequate to cover travel expenses and be given a greater degree of autonomy in decision-making.

Student Advisory Committee

The U.S. Department of Education (and state education agencies) should establish a student advisory committee composed of student leaders and/or the state student association staff members to provide valuable assistance to the Department in meeting the needs of the people who receive financial aid. Members would be selected for their knowledge of financial aid and policy issues in postsecondary education which the Department is involved.●

REA PROGRAM

HON. HANK BROWN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BROWN of Colorado. Mr. Speaker, I rise today to commemorate the 50th anniversary of the Rural Electrification Program.

The Rural Electrification Program has been successful in making a better life for millions of Americans. Not only has it brought electric convenience to our rural areas, it has encouraged people to be more productive, which has strengthened the productivity of America.

On the 50th anniversary of the Rural Electrification Program, we honor those who saw the need for electric systems for rural areas. When Congress established the Rural Electrification Administration [REA] in 1936, only 12 percent of U.S. farms had electricity. By 1982, 99 percent of U.S. farms had electricity. In addition, in 1949, when the telephone program started, only 36 percent of U.S. farms had telephones. By 1982, 95 percent of U.S. farms had telephones. In its half century of existence, REA has provided technical assistance and long-term financing to rural electric and telephone systems throughout the Nation. More importantly, since the program was established, more than $20 billion in loans and guarantees have been made and losses have been less than $50,000.

In Colorado, REA has helped finance distribution and power supply facilities to serve an estimated 276,065 rural consumers. Of the 25,300 farms in the State, approximately 98 percent are receiving electric service. Only 11.2 percent of Colorado farms had electric service when the REA was created in 1935.

As of January 1, 1984, REA had advanced $721,344,795 to borrowers in Colorado. By that same date, REA borrowers had made a total of $348,150,118 in payments on their government loans. Not only has the REA worked with our cooperatives, it has created prosperity and jobs in our rural areas—which brings revenues to the Federal Treasury.

REA has been an important part of Colorado's past, and hopefuly, the program will continue to be an investment in our future. All of those involved can be proud of their contributions to this fine program and its role in making our Nation a better place to live.

It is said that it is better to light a candle than to curse the darkness. The lights kindled by REA have served as a beacon of progress for Colorado and our Nation.●

LET'S SET THE RECORD STRAIGHT: STRONG BIPARTISAN SUPPORT FOR FAMILY PLANNING

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SOLARZ. Mr. Speaker, soon we will start debating the foreign assistance reauthorization bill for fiscal years 1986 and 1987. One of the priority issues to be discussed will be international population assistance which has enjoyed solid bipartisian support for the last 20 years and the backing of five administrations. Unfortunately, this most constructive and effective aid program has become controversial and confusing due to a number of misstatements by opponents of the measure.

In helping my colleagues better understand the current confusion regarding international family planning, I would like to draw attention to an editorial which ran in the New York Times, April 6, 1985. I hope my colleagues will read the editorial, recognize the vital importance of these programs, and vote in support of population assistance so that these important worldwide family planning programs can be continued. Voluntary family planning programs are an important part of our International Foreign Aid Program, they are in the best interests not only of our allies, but of our own Nation.

The editorial follows:

[From the New York Times, May 8, 1985]

FAMILY PLANNING: STRICT ENOUGH ALREADY

Forty years from now, at current growth rates, the world will hold twice as many people—close to 10 billion. Most will be living in desperately poor countries, countries that have slowly come to accept America's advice that slowing population growth speeds up economic progress.

But at last summer's World Population Conference in Mexico, America's representatives announced that we'd gotten it all wrong: It was economic progress that slowed population growth. So, to make up for that previous bad advice, the Reagan Administration was going to do the world a favor. It would make it harder for family-planning programs abroad to get Federal money.

Congress didn't agree that the advice was bad. It voted the largest one-time increase ever for overseas population assistance programs. But the Administration stayed on the course it had set in Mexico City. Private family-planning groups, which had been required only to sequester American aid from their abortion-related services, were now told that if they continued those services, they would lose Federal funds. Only organizations run by foreign governments would remain exempt from the proposal may be because the Administration doesn't want to be seen manipulating other countries' population policies.

Now the House Foreign Affairs Committee has challenged the Administration's restriction. It has earmarked $320 million in aid to groups like International Planned Parenthood, the United Nations Fund for Population Assistance and the Population Office of the U.S. Agency for International Development. No money could go for programs in countries with coercive abortion policies. That means no Federal funds will go, directly or indirectly, to China, which is reported to have such a program.

Should the House accept the committee's recommendations—a vote on the foreign aid bill is expected this week—it would restore common sense and clarity to a debate that has been thoroughly muddled by anti-abortionists. The 1973 prohition against using Federal funds for abortion services would be retained, but America's long, honorable commitment to family-planning programs all over the world will be affirmed.●

POINT PLEASANT BEACH, NJ, INSTITUTIONS CELEBRATE 100TH ANNIVERSARY

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. HOWARD. Mr. Speaker, I am proud to represent a district in New Jersey that has a rich colonial history and was in many respects the cockpit of the Revolutionary War. Through the 1800's, my district retained its economic vitality as a home to many successful businesses and institutions, while developing into a flourishing summer resort area.

On Sunday, May 19, three institutions located in Point Pleasant Beach, NJ, will be celebrating their 100th anniversary. Johnson's Point Pleasant Hardware, Van Note Lumber Co., and Ocean Fire Co. No. 1 were in business in 1885 and will be honored Sunday with a series of events, including a

parade that is expected to be the best in the borough's history.

All three institutions began when Point Pleasant Beach was a tiny settlement with fewer than 700 inhabitants, not at all like the bustling year-round community it is today. In 1885 most of the town was woods and farmlands. But in the true American spirit, nothing daunted these early businesses of Point Pleasant Beach.

A Philadelphia newspaper advertisement in that year offering a hardware business for sale attracted the attention of two Philadelphians, Joseph W. Johnson and Frank M. Dampman. They took a train to Point Pleasant, were impressed with the possibilities of the business, and bought the stock for $5,200. Thus, Johnson's Hardware had its start in a building at Arnold and Cincinnati Avenues owned by a wealthy Presbyterian minister, the Reverend Knox.

At about the same time, Capt. James Monroe Van Note, who for years had sailed the seven seas, decided it was time to try his land legs—and so, in a small building, he established the Van Note Lumber Co. It is still at the same location on Arnold Avenue, and in the words of its current president, Dennis Rittenhouse, "has grown by leaps and bounds ever since."

Ocean Fire Co., No. 1, which is just across the street from Van Note's, began in the days of the horse-drawn pumper. When the horses didn't arrive on time, the firemen had to pull the pumper. And fire buckets were used until the fire hydrants came into use around 1900.

All three of these institutions have contributed much to Point Pleasant Beach and the surrounding area in Ocean County. They have always been in the forefront of community and charitable activities. The borough, in the words of Mayor Dan Hennessey, is "really proud of them."

Mr. Speaker, I congratulate these three shore institutions on their anniversary and wish them many more years of success.●

CONGRESSIONAL SALUTE TO THE CLERGY AND PARISHIONERS OF ST. JOHN KANTY CHURCH OF CLIFTON, NJ, UPON THE CELEBRATION OF ITS 50TH GOLDEN ANNIVERSARY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. ROE. Mr. Speaker, on Sunday, May 19, the people of the city of Clifton, my congressional district, and State of New Jersey will join with Rev. Joseph Grzybowski, pastor, and the congregation of St. John Kanty Church of Clifton, NJ, in commemorative services upon the celebration of the 50th anniversary of the founding of this highly esteemed parish. I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to the clergy and parishioners of St. John Kanty Church in national recognition of a half-century of total dedication and devotion to the service of God and the cause of brotherhood, goodwill, and understanding among all mankind.

Mr. Speaker, the faith and devotion of our people in a full communion of understanding, ever caring and respecting the individual religious beliefs of his or her fellowman has been the lifeline of our democracy—ever inspiring our people with hope and urging the individual on to great achievements and purpose in pursuing the fulfillment of his or her dreams and ambitions. The exemplary leadership and outstanding efforts of our citizens so important to our quality of life are in the vanguard of the America dream. Today we express our appreciation to the pastor of St. John Kanty Church, Rev. Joseph Grzybowski, and his predecessors whose personal commitment and unselfish devotion in promulgating spiritual guidance, goodwill, fellowship, and brotherhood in service to God have provided a lasting contribution to the quality of life of the people of our community, State, and Nation.

The quality of the leadership of members of the most reverend clergy who settled in the city of Clifton, NJ, and founded St. John Kanty Church is most eloquently intertwined in the history of the church which was provided me by the Golden Anniversary Committee. With your permission, Mr. Speaker, I would like to place this statement on the history of St. John Kanty Parish at this point in our historic journal of Congress, as follows:

ST. JOHN KANTY PARISH

Its faith . . . its peoples . . . its church.

The high golden covered church tower of Saint John Kanty Church in Clifton, New Jersey is a landmark in the Athenia section of Clifton today, visible to people from many different vantage points. Looking back fifty years ago to 1935, it was sort of a beacon for the newly arrived immigrant people who came to America from Europe, helping them to become part of a new land while preserving their original faith. First they met our Lady on Ellis Island who welcomed them to our shores and next they had seen their future church with its majestic steeple as hands folded in prayer heavenward.

St. John Kanty Parish also served the Polish people of Passaic who began to leave the city and spread out into the nearby rolling hills of Athenia, the move from the cities into the suburban areas. These were trying times for this tired and somewhat apprehensive group of immigrants. They came in search of freedom and peace of soul. They needed their own church not only as a place of worship, but also as a home where their culture and customs would be melded with their faith—a place where the social aspect of their human nature would be satisfied. Thus a small group of devout and energetic people petitioned the Bishop of Newark, Most Rev. Thomas J. Walsh, to establish a parish of their own. On October 6, 1935, the parish of St. John Kanty was established and entrusted to the care of the Franciscan Friars who are still tending to the needs of the parishioners.

Father Theodore Kaczmarck, OFM Conv. was appointed the first pastor. Within a year ground was broken for the new church which was blessed on April 25, 1937. The first census in 1936 revealed a membership of 243 families. Now the parish begins to grow . . .! The rectory was built in 1940. In the fifties, the parishioners, now eight hundred families strong, influenced by the exceptional administrative talents and winning personality of Father Adolph Banach, their new pastor, witnessed the opening of their own school for their children who no longer would have to use makeshift classrooms. From its inception the school has been staffed and administrered by the Felician Sisters of Lodi, New Jersey. Father Aloysius Balcerak provided these dedicated teachers with a new residence in 1968.

Throughout the history of the parish, the various church societies which today number seventeen (as compared to the original three) have showed their zeal and interest in fostering a social and family spirit in the parish. Due to the Second Vatican Council, the Church, in general, experienced significant changes. Father Balcerak as well as his successor, Father Martin Dombrowski, patiently guided their flock, who understandably were affected by the many changes and helped them to accept the recommendations of the Council.

At present, Father Joseph Grzybowski's main concern, like that of the pastors before him, was and remains the spiritual life of the parishioners. His material contributions to the parish include remodelling the parish auditorium, the complete renovation of the church interior as well as the refurbishing of the church steeple with gold leaf—the crowning feature in preparation for the Golden Jubilee festivities in 1985.

On May 19, 1985 the bells will gloriously ring out in the golden church steeple calling all the parishioners to this joyous day of Thanksgiving. They will raise their voices in prayer and song to God and to the Blessed Virgin Mary in gratitude for their beautiful House of God, their school and all of the priests and sisters who have served them so piously, devotedly and efficiently throughout the years.

Saint John Kanty parish is young . . . only fifty years old. God will continue to reveal Himself in His Word and the sacraments. He will call us forth into new challenges. He will speak to us in the days to come of things we must yet do, and of mysteries we still cannot fathom. Its future is being developed in the potential of the present movement. Its story will be complete only then when the hearts of all who shared in its history are opened before the Lord in the kingdom that is yet to be revealed in its fullness. Our task as a parish is to unite ourselves in charity and to go forth together as God's people . . . as we read in Ezekhiel (36:28) ". . . you shall be my people and I will be your God."

Mr. Speaker, during the course of the year, the clergy and laity of St. John Kanty Church will be celebrating this most important golden history of their parish, devoting themselves in an outstanding program dedicated to the remembrance of the blessings of St. John Kanty parish during the past 50 years and strengthening the resolve of all to continue their most noteworthy efforts in service to God and mankind.

I am pleased to have this opportunity to seek national recognition of the distinguished pastors, associate priests, sisters, and congregation of St. John Kanty Church. In their dedication and devotion to our people, they have truly enriched the cultural, educational, and religious endeavors of our community, State, and Nation. In national tribute to the elegance of their faith and good deeds, we do indeed salute the clergy and parishioners of St. John Kanty Church of Clifton, NJ, upon the commemoration and celebration of their 50th golden anniversary.●

BLACK HERITAGE DAY PARADE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. RODINO. Mr. Speaker, on Sunday, May 26, I will have the honor of once again participating in the Annual Black Heritage Day Parade in Newark, NJ. As in the past 7 years, thousands of people will line the streets to rejoice in the rich contributions Afro-Americans have made to the culture and heritage of our Nation.

The sponsor of this event is the Black Heritage Day Parade Committee, a nonprofit organization that was established in 1978 to educate black people in Newark about the richness of their heritage and to foster cooperation and unity among the diverse groups of people who are all committed to equal rights in our society.

In addition, the committee also helps provide seminars in black history for Newark residents, particularly young people, and in other ways build a sense of community pride and awareness in the achievements of black Americans—on both a local and national level.

I would like to express my appreciation and commendation to the many, many people who have worked so hard to make sure that this celebration will be a success. Specifically, I want to recognize the parade officers—Mr. Kurt A. Culbreath, chairperson; Mr. Michael Cook, first vice chairperson; Mr. Harold Edwards, Sr., second vice chairperson; Ms. Deborah L. Bryant, secretary; and Mr. Shawii Johnson, sergeant at arms.

The marshals of this year's parade represent some of the leading organizations in our community. The grand marshal will be Mr. Keith Jones, executive director of the Newark Chapter of the NAACP; and the deputy grand marshals will be James Blair, executive director of the Urban League of Essex County; James Wallace, executive director of the International Youth Organization; and Mrs. Mary Hill, president of the Newark Chapter of the National Council of Negro Women. All of these individuals—and all of these organizations—have played crucial roles in the fight for equal justice and civil rights. They have given a great deal of themselves for the betterment of our entire society, and I salute them for their outstanding work in our community.

The theme of this year's Black Heritage Day Parade—"Twenty Years Not In Vain"—is most appropriate. Two decades after the passage of landmark civil rights legislation, we must assess where we have come from, what we have achieved, and where we must go from here in the fight for racial equality.

As we reflect on the parade theme, we can certainly conclude that the past 20 years have not been in vain, and we should also rededicate ourselves to ensuring that none of the efforts we have expended in the name of civil rights will ever be in vain. The significant advances we have made are too numerous to be mentioned here, and we all know the names of the laws we worked to pass and the social programs that were implemented as a result. The important thing now is to guard against those who would turn back the clock on civil rights. We cannot afford to let that happen.

While all of these laws and programs may not work perfectly, there can be no doubt that they have made a great improvement in the quality of life of millions of Americans and, more importantly, that they have brought the prospect of opportunities to those to whom the doors were previously closed. But instead of the fine tuning that may be necessary to perfect these programs and laws, we have seen the imperfections being used as an excuse to undercut or abolish them.

And so, while we joyously celebrate 20 years of progress we must be ever vigilant to those who would reverse our successes. We often feel that, instead of moving toward Dr. King's "sunlit path of racial justice," we are merely struggling to mark time.

In the quest for freedom, there will continue to be struggles ahead. Yet I am confident that we shall be on the march again under the banner of equal rights and justice for all of our citizens, and that we shall again prevail.

Mr. Speaker, once again Mayor Kenneth Gibson has proclaimed next Sunday "Black Heritage Day," and I look forward to joining in this important and exciting event. It promises to be a time for celebration and reflection, a time of pride in our accomplishments and of rededication and commitment to the goal of one nation, under God, with liberty, justice and equality for all.●

NICARAGUA UPRISING NOT TO SUPPORT MARXISM

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SPENCE. Mr. Speaker, in a letter to the editor which appeared in the April 26, 1985, edition of the Columbia, SC, State newspaper, Mr. Kenneth J. Dieter points out the error some make in attempting to relate our experiences in Vietnam with the current problem in Nicaragua. He makes a number of significant observations regarding this troubled land and the need to assess our Nicaraguan policy on the basis of the situation there rather than on some fancied comparison with Vietnam. I commend Mr. Dieter's letter to my colleagues and include it as a part of my remarks. The text of the letter follows:

[From the State (Columbia, SC), Apr. 26, 1985]

NICARAGUA UPRISING NOT TO SUPPORT MARXISM

It seems odd to me that so many people attempt to relate Vietnam with the current problem in Nicaragua.

In Nicaragua, there was an overthrow of a dictatorship which the general public apparently supported. The uprising was not to support communism, but to rid itself of an oppressive government. The fact that a Marxist military gained control does not give proof that the people really want this type of government. It is also clear that there are some who oppose it to the death. The general public may, or may not, support the current government in Nicaragua.

The lesson that we should have learned in Vietnam is that the communist government will rapidly devour any militarily weak neighbor. This policy has been used with great success by communist governments since World War II. The current administration in Washington claims that already there are groups of Maxists terrorists operating through Central America. The Russian diplomacy of force and threat of force throughout the world appears to be active in Central America.

The U.S. decision of policy in Central America better be made on the facts on the situation and not on some emotional knee-jerk reaction about Vietnam.

"Peace in our time" claimed the British Prime Minister Chamberlain. This claim was shortly followed by a blood bath that extended over most of the Northern hemisphere. If England and France would have put a foot on Hitler in 1937, World War II would not have occurred. If Central America can supply the cannon fodder, Russia will provide the materials of war.—Kenneth H. Dieter, 3211 Bush River Road, Columbia.●

TRIBUTE TO HISAO INOUYE

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. BURTON of California. Mr. Speaker, on June 7, Kimochi, Inc., in San Francisco will honor Mr. Hisao Inouye, the immediate past chairman of this outstanding community organization.

I am pleased to be able to bring to the attention of the U.S. Congress the accomplishments of this exemplary gentleman. In a letter to me, Sandy Ouye Mori, director of Kimochi Home, said this about Mr. Inouye:

Mr. Hisao Inouye is being honored for his years of commitment to his community, exemplified by his leadership as a founding member of the Japanese Chamber of Commerce of Northern California, an original organizer of the Cherry Blossom Festival, a leading force in the development of Kimochi Home for seniors, and a leader in the Nikkei Lions Club. His skills in the areas of corporate business, United States-Japan relations, ethnic awareness, human services, and community organizing are admired by all segments of our Japanese American community.

I would also like to include in the RECORD the following personal history of Mr. Inouye:

1942 (May-September): Appointed as Interpreter by Officer-In-Charge, Detention Camp, Bismarck, ND, in hearing proceedings for the Wartime Issei Japanese Detainees.

1945 (fall): Appointed as interpreter by Officer-In-Charge, Internment Camp, Crystal City, TX, in hearing proceedings for the Japanese Internees sent to United States, by the Peruvian Government during the War.

1945-46: Elected as Spokesman for the Japanese Internees, Crystal City Internment Camp, Crystal City, TX.

1950 (June): As member of Ad-Hoc Committee, participated in preliminary meetings to organize and establish Japanese Chamber of Commerce in San Francisco.

1950 (September): Elected President of Japanese Chamber of Commerce of North California,[1] and served to December 1951.

1955 (October): Received Certificate of Appreciation from Parents Association, Troop 12, Boy Scouts of America, San Francisco, in recognition of service to youths.

1957-56: As a partner in import wholesale firm of Modern Food Products Co., San Francisco, participated in merger negotiations with Pacific Trading Co., Inc. Merger completed in October 1958 and became Japan Food Corporation. Present name JFC International, Inc. Served as Secretary/Treasurer and Member of the Board until retirement in 1974.

1961: Helped to organize Japanese-American Lions Club in San Francisco. Club was named the Nikkei Lions Club of San Francisco. Elected as Secretary, 1961-62.

1962-63: Elected President of the Nikkei Lions Club.

1965-66: Appointed District Chairman, Lions' Youth and Community Activities Fund, District 4-C-4, Lions International.

1967: Organized Ad-Hoc Festival Committee composed of representatives of business, cultural, religious organizations and Kenjikais in San Francisco for the purpose of having Annual Festival in Japantown as well as to celebrate coming completion of Japan Center complex. Elected General Chairman of the Festival.●

IN SUPPORT OF THE ECONOMIC EQUITY ACT OF 1985

HON. CATHY (MRS. GILLIS) LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. LONG. Mr. Speaker, I rise in support as a cosponsor of the Economic Equity Act of 1985, which was introduced yesterday in the House of Representatives.

At a time when women comprise approximately 45 percent of the labor force and support 9.5 million families, legislation which unravels economic discrimination against older women and mothers, working women, and homemakers should be enacted quickly.

The Economic Equity Act is landmark legislation. Once passed, reforms it includes, such as the retirement security and tax reform, will make the difference in the lives of the majority of our citizens.

Roughly 20 years ago, Congress passed the Equal Pay Act to end discrimination against women in the workplace. But today, despite our long-standing concern for equality, women still earn only 69 cents to every dollar a man earns. As a result, our entire economy suffers. When women are denied full participation and equal opportunity, we are squandering a valuable resource.

Passage of the Economic Equity Act is intended to move women farther along the path to social and economic fairness. However, this legislation is not for women alone. It will create a better society for us all—as husbands, sons, and daughters.

Mr. Speaker, I urge the House to pass this instrumental piece of legislation as we continue to face and deal with the problems of discrimination against women. And in closing, I would like to recognize that if we are to totally eliminate discrimination toward women, we must realize that the problems of women are not just women's problems, but America's problems.●

KEEP AMTRAK ROLLING

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SCHEUER. Mr. Speaker, one of the most important transportation issues before this Congress is President Reagan's ill-advised request to eliminate Federal funding for Amtrak. Without a doubt, adoption of this proposal would result in the demise of our Nation's rail passenger network. I believe this would be a serious mistake with grave consequences for all regions of the country, urban, and rural alike.

Last week, our Senate colleagues derailed President Reagan's proposal by voting 53 to 41 to provide $614 million for Amtrak in fiscal year 1986. While I would have preferred to see funding frozen at the current fiscal year 1985 level of $684 million, I believe that the House can keep Amtrak rolling on the right track by insisting upon a freeze at the fiscal year 1985 level for the next 2 years.

Earlier this year, the New York State Senate adopted a resolution urging Congress to maintain the necessary Federal funding to keep Amtrak operating at current levels. This measure, Senate Resolution 307, recognizes the importance of Amtrak to New York's economy and the serious consequences that would result from elimination of rail passenger service. I would like to bring this resolution to the attention of my colleagues and urge them to heed the sound advice of the New York State Senate.

Whereas, The National Railroad Passenger Corporation, known as Amtrak, serves the citizens of New York State; and

Whereas, Our citizens' use of Amtrak has increased continuously since 1971 until at the present time 7,236,256 persons in 1984 use Amtrak to arrive in and depart from points in our State; and

Whereas, Amtrak directly employs 2,355 citizens of New York State and indirectly supports the employment of 12,000 citizens of this State through the purchase of supplies and equipment from their employers; and

Whereas, Amtrak has invested $90,000,000 in this State in the form of passenger facilities, track rehabilitation and purchase of equipment; and

Whereas, Amtrak has continually improved the quality of its service, its financial position and the number of passengers carried to the point where it transported 22 million people in 1984 and expects to increase that amount by 2% to 3% in 1965; and

Whereas, The Budget presented to the Congress of the United States by the President would, if enacted, deprive Amtrak of the federal funding required for its continued existence; and

Whereas, The effective elimination of Amtrak would result in serious adverse economic consequences to this State and its citizens in terms of loss of investment, loss of income to equipment and supplies contractors with Amtrak, loss of rail passenger service, loss of jobs and a concomitant strain on the Railroad Retirement System by the loss of many contributors to that System: Now, therefore, be it

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[1] Northern California instead of San Francisco because members composed of businesses in cities as Sacramento, Stockton, Fresno, East Bay, and South Bay.

Resolved, That this Legislative Body pause in its deliberations to memorialize the United States Congress to see to it that sufficient funds are appropriated to help Amtrak in at least as sound a position operationally in fiscal year 1986 as it has been in fiscal year 1985; and be it further

Resolved, That copies of this Resolution, suitably engrossed, be transmitted to The Honorable Elizabeth H. Dole, Secretary of Transportation, United States Department of Transportation, 400 Seventh Street, S.W., Washington, D.C. 20590 and to each member of the Congressional delegation from the State of New York.●

THE GOVERNMENT SECURITIES MARKET PROTECTION ACT

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. FAUNTROY. Mr. Speaker, I am today introducing the Government Securities Market Protection Act. It is designed to enhance the confidence and stability in the Government securities market following the recent failures of several securities firms.

This bill has been developed following a careful examination of the problems which confront the Government securities market, including the growth of the debt, new and innovative forms of financing, and the recent failures of firms in the Government securities market. The failure of these firms has been assessed in terms of the losses to customers and the subsequent loss of confidence in the financial system.

The U.S. Treasury securities market is one of the largest markets in the world. Through this market, the U.S. Treasury raises more than $200 billion in new funds each year to finance the deficit, while refinancing hundreds of billions more of maturing old debt. It is a matter with more than $1.576 trillion of debt currently outstanding. Maintaining the public confidence in Treasury debt securities ensures both a minimal interest cost and the orderly and efficient sale of such instruments.

Two characteristics distinguish the Government securities market from other securities markets. First, there is no risk of default by the U.S. Government on its debt. Second, the primary investors in U.S. Government securities are institutions—financial institutions, businesses, local government bodies, pension funds, securities firms, etc.—rather than individuals.

Given the riskless nature of these securities, losses to customers have resulted when unscrupulous and completely unregulated dealers have taken advantage of the enormous growth of the debt and its attractiveness to new investors. In a number of these instances firms have: First, been over leveraged; second, pledged the securities to more than one party; or third, failed to provide adequate segregation of a customer's securities. While steps were taken as early as last year to assure that holders of a repurchase agreement—repo—could sell the security in the event of a bankruptcy, there still is no effective way to ascertain who is doing business in the Government securities market. Neither is there a consistent method for evaluating the financial position of securities dealers. Nor has there been a method for assuring the proper segregation of securities. Finally, financial institution regulators have been unable to obtain and share information concerning the practices of unregulated securities dealers.

The Government Securities Market Protection Act fills the void. It accomplishes this objective in eight specific ways:

1. The Act requires the Federal Reserve to establish a capital adequacy standard for government securities dealers. Enforcement of these standards will be combined with a system of internal controls to assure continued compliance.

These capital adequacy standards are intended to assure that dealers in government securities will keep the size of their risks consistent with the amount of liquid capital available to absorb losses. It will also enable potential customers to assess whether a dealer is acting in accordance with generally accepted prudential standards.

2. The Act requires both dealers and clearing agents to maintain segregated accounts on securities transactions with customers. In the case of a repurchase agreement, the dealer is required to deliver the securities to the customer, to an independent custodian, or another third party designated by the customer. This delivery may be exempted by the Federal Reserve for appropriately brief periods.

Customers have suffered losses in government securities transactions due to their failure to take effective possession of collateral pledged for the cash borrowed from them by the dealers. By requiring that segregated accounts be maintained and securities delivered to either the customer, an independent custodian, or other approved third party, a dealer is effectively barred from double-pledging a security. Should the dealer fail, a customer who has a perfected security interest in the collateral would then be able to sell the security as contemplated by the amendments to the Bankruptcy Code in 1984.

3. The Act requires the Federal Reserve to maintain and publish on a regular basis a list of all dealers complying with the capital adequacy guidelines, including the system of internal controls. Furthermore, each such dealer must have established a system of segregated accounts. Unless specifically excluded because they are otherwise regulated, no dealer is permitted to engage in government security transactions unless they are so listed by the Federal Reserve.

There is presently no bar to entry into the government securities business. In addition, government regulators have little idea of the number of dealers engaged in the government securities market. This provision authorizes the Federal Reserve to establish a listing of those dealers and to regulate their entry. The failure of any securities firm to comply with the standards established by the Federal Reserve will prohibit them from conducting any government securities business.

4. The Act prohibits primary dealers or depository institutions from conducting government securities transactions with any firm which has not complied with the capital adequacy and clearing requirements established by the Federal Reserve.

Depository institutions and primary dealers are the mechanisms through which all government securities firms must operate to obtain access to the book entry system and larger quantities of securities. By prohibiting business contact with an unlisted dealer, the statute effectively assures that one who fails to meet Federal Reserve standards cannot ply their trade to the detriment of unwitting customers.

5. The Act directs the Federal Financial Institutions Examination Council to develop standardized examination practices with respect to the handling of government securities transactions by any depository institution. The Federal Reserve is required to advise the members of the Examination Council of any dealer whose actions may adversely affect the safety and soundness of a depository institution.

Insofar as depository institutions were among the worst victims of the most recent failures, largely because they had failed to exercise prudent business judgements regarding transactions in government securities, it is felt that consistent standards set by examiners should eliminate practices which expose financial institutions to loss. Additionally, the imposition of such standards should have a salutary impact upon customers of depository institutions since depository institutions are often the agents for smaller transactions undertaken by individuals or small organizations.

6. The Act establishes a Government Securities Advisory Council to the Board of Governors of the Federal Reserve System with responsibility to determine methods to maintain and improve the integrity of the markets and to protect against fraud and other abusive practices.

Hopefully, the Council will assure that the Federal Reserve is kept abreast of changes in the market place. An important aspect of this informational process is the requirement that customers be included as members.

7. The Act also directs the Federal Reserve to report to Congress within six months on ways to expand the business relationships between the Federal Reserve and the government securities market, including:

The establishment of additional business relationships with nonreporting dealers designed to enhance Federal Reserve dealer oversight and surveillance;

Providing primary dealers access to the clearing system for government securities transactions;

Enabling smaller dealers to borrow odd-lot securities on a fully collateralized basis from the Federal Reserve; and

Expanding access to the brokers market including access to the broker screens through which the bulk of government securities transactions are conducted.

These four proposals seek to assure that the market functions efficiently in selling the Federal debt by looking for new ways to add liquidity and opportunities in the government securities market. Some of the suggestions have arisen from the hearings, others emerge from the work which the General Accounting Office has undertaken for the Subcommittee, while a few have come from the dealers themselves.

8. Finally, the Act contains various forms of injunctive relief, and civil and criminal penalties which are substantial enough to assure that violations cannot be considered as the mere cost of doing business. Civil penalties are $100,000 per day for each violation; criminal penalties are $500,000 with possible jail terms for up to five years.

This bill reflects the considered approach of the Subcommittee on Domestic Monetary Policy following extensive oversight hearings beginning in March 1981 on the question of the regulation of Government securities. It is responsive to the heavy borrowing requirements of the Federal Government and of the fact that interest rates on all other debt are based on rates which the Treasury must pay. Most importantly, however, the bill is responsive to the needs of market participants who require that their business practices not suffer unanticipated losses.

There is no safer market for investors than the Government securities market. This bill acknowledges that fact and builds upon it by assuring that unscrupulous dealers will not have the opportunity to take advantage of the riskless nature of securities offered by the United States of America.

I encourage Members to support this approach and hope that they will call the subcommittee if they have questions.●

NEW MODES FOR ST. LOUIS EDUCATOR

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. CLAY. Mr. Speaker, I would like to take this opportunity to join with my fellow St. Louisans in the celebration honoring an outstanding educator on the occasion of her retirement from the St. Louis public school system. As Mrs. Marjorie Eloise Fay retires from the St. Louis public schools, she can reflect on a career that has been challenging as well as multidimensional. Through two decades she has provided leadership in a variety of assignments. Mrs. Fay has served as area assistant superintendent for alternative schools, secondary curriculum supervisor, evaluator and writer for Federal Relations Division, coordinator of Secondary Title I Reading and Rooms of Twenty, and coordinator of the Secondary English Summer Workshop.

Undergirding Mrs. Fay's success in all of her administrative roles are her expertise and dedication as a teacher. As an English teacher at Beaumont High School, her flexibility and creativity were utilized and exemplified by her ability to involve and motivate students—all kinds of students—including those regarded as slow learners as well as college bound high achievers. As she guided her students through classes in English, journalism and advanced composition and literature her propensity for eloquent clarity in both oral and written language served as a model for students to aspire to emulate. Her proficiency in this area has been ably illustrated by the publication of her work in Bulletin, Missouri Botanical Garden, spring, 1949; The Standard, American Ethical Union; Bulletin, Missouri Association of Teachers of English, spring, 1975; Caduccus, Beaumont High School, May 1976.

Many professional organizations have benefited from Mrs. Fay's commitment to professional development. With an educational background that includes bachelor of arts and master of arts degrees from Washington University as well as advanced course work at that university, she has actively participated in and provided leadership for:

National Council of Teachers of English; Missouri Association of Teachers of English (first vice president, 1976–79); Greater St. Louis Council of Teachers of English (president, 1976–78); Greater St. Louis English Teachers Association (cochair executive committee, 1978); Association for Supervision and Curriculum Development; Missouri Association for Supervision and Curriculum Development; Greater St. Louis Association for Supervision and Curriculum Development; St. Louis Council for the Social Studies; Delta Kappa Gamma; Missouri State Teachers Association; St. Louis Administrators' Association; and St. Louis Association of Women Administrators (vice president, 1975–77).

Mrs. Fay's impact in the field of education has not been limited to St. Louis public schools. She has served as a consultant to other school districts, participated in the North Central Association evaluation of public and parochial secondary schools in the metropolitan area, addressed professional groups, and taught piano lessons to private pupils. At the ethical society of St. Louis Mrs. Fay has served as: director, junior Sunday assembly; member, board of trustees; and teacher, junior Sunday assembly.

The intellectual accomplishments of Mrs. Fay have been recognized by many organizations which have honored her with awards:

First-Ranking Student, Beaumont High School, June 1945; Four-Year Honor Scholarship to Washington University; Phi Betta Kappa, Washington University; Sigma Xi, Washington University; Alpha Lambda Delta, Washington University; Kappa Delta Pi, Washington University; and Distinguished Alumni Award, Beaumont High School.

The competence which Mrs. Fay applies to all of her commitments is enhanced by her versatility in a wide range of interests outside of the field of education. After graduating from Washington University with a major in botany, she was employed at Missouri Botanical Garden as a librarian and herbarium worker. She also served as assistant editor of the popular scientific publications distributed by the garden. Her interest in and knowledge of flora are reflected in the many hours she has spent with her husband, James, maintaining the beauty of the plants in and surrounding their home.

Having mastered the skill of parenting with the guidance and assistance of her son, Bruce, and daughter, Patricia, Mrs. Fay has now moved with ease and grace to the more eminent rank of doting grandmother. In addition to the pleasure she receives from being with her family, she has a broad range of interests which include reading, music, travel, swimming, and cooking. Her skill with crafts—from crocheting baby sweaters to making stained glass windows—is awe-inspiring, and her products are works of art.

With so many outlets available for her vast storehouse of intellect and creativity, Mrs. Fay is moving away from her previous responsibilities with the St. Louis public schools into new modes of living which promise to be exciting, fruitful, and satisfying. I congratulate Mrs. Fay on her exceptional record of achievement. Marjorie Eloise Fay has maintained a standard of excellence and commitment to education which will leave its mark on the St. Louis public schools for many years to come.●

OLDEST EPISCOPAL CHURCH IN DIOCESE OF CHICAGO MARKS 150TH ANNIVERSARY

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. O'BRIEN. Mr. Speaker, this week marks the 150th anniversary of Christ Episcopal Church in Joliet, IL, the oldest Episcopal Church in the Diocese of Chicago.

One hundred and fifty years ago tomorrow, the Rt. Rev. Henry Philander Chase administered communion to eight Joliet citizens at the home of Mr. A.W. Borden at the corner of Chicago and Webster Streets in Joliet. The Borden home is still standing today and is listed in the National Register of Historic Places. In 1835, there were only five other Episcopal parishes in Illinois.

Joliet's Christ Episcopal Church has seen three of its rectors over the years rise to become bishops of the Episcopal Church. Christ Episcopal's 25th and current rector is Rev. Alexander Seabrook.

Thursday evening, May 16, the bishop of Chicago, the Rt. Rev. James W. Montgomery, will lead services celebrating the 150th anniversary of the first services in Joliet. My longtime dear friend, Mr. George P. Lloyd of Joliet, will be honored as the honorary senior warden for the anniversary services in recognition of his long and valued service to the parish.

It is a pleasure for me, Mr. Speaker, to join the many people of the Joliet and Chicago area to honor the 150th anniversary of Christ Episcopal Church in Joliet.●

IN MEMORY OF CAPT. RONALD B. SCHATZ

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. KOSTMAYER. Mr. Speaker, I rise today to pay tribute to a constituent, Capt. Ronald B. Schatz of Solebury, PA, who lost his life last month while on a mission with the Pennsylvania Air National Guard.

Captain Schatz, and another pilot, Capt. Donald R. Benton of Aberdeen, NJ, were killed when their OA-37 aircraft crashed in the Caribbean while on a training mission off the coast of Honduras.

Captain Schatz had flown with the Pennsylvania Air National Guard for 5 years as a member of the 111th Tactical Air Support Group at Willow Grove Naval Air Station. He was in Honduras as part of a 50-man, 6-aircraft contingent from the 111th group.

The death of Captain Schatz, Mr. Speaker, is a grim reminder of the great sacrifices made by those who serve their country in the National Guard and Reserve units. Ronald Schatz volunteered for this mission, and like so many others at Willow Grove, the time he contributed to his unit and its mission was above and beyond what is required. We owe a tremendous debt to all those brave individuals like Ronald Schatz who give so much and perform so capably.

And Captain Schatz' death is a grim reminder, too, of the contribution of the families of our servicemen. Ronald Schatz leaves a wife, Marlene, an 11-year-old daughter, Christina, a 10-year-old son, Michael, and his father, Chester Schatz of Souderton, PA. In this tragedy we recognize their sacrifice and their loss.

The neighbors and friends of Ronald Schatz in Solebury, PA, will miss him, and on behalf of the House of Representatives, Mr. Speaker, I want to extend our prayers and sympathy to his wife and family.●

ECONOMIC EQUITY FOR WOMEN

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BONKER. Mr. Speaker, we all know that while progress sometimes comes slowly in this body, good legislation is able to weather the tests of time and procedure and eventually find its way into law. This has been the case with legislation critical to the rights of women.

The introduction today of the Economic Equity Act of 1985 marks the third session that this comprehensive package of legislation aimed at improving the economic well-being of women and families has come before Congress. Over the past 5 years, parts of the package have been enacted into law while others have been improved and refined.

Last year marked passage of key legislation in the House reducing the costs of day care and making it more widely available. With more than 23 million children in the United States requiring day or after-school care, in 1982, and only 500,000 federally supported day-care slots, the problem of meeting the demand for affordable, convenient day care remains one of the most serious problems confronting families today. Unfortunately, this legislation died in the Senate.

Last year, Congress was also able to enact pension reform legislation which enhanced the retirement security of many women by recognizing common work patterns among our Nation's female workers. Still, however, there remains the problem of older women living on median incomes far less than those of older men. In 1983, there were more than 2.6 million older women with incomes below the poverty line.

Both of these measures were part of a larger package of bills, the Economic Equity Act of 1983. While these bills experienced some success, other key measures remain to be enacted.

That's why I'm pleased today to join with my colleagues as an original cosponsor of the Economic Equity Act of 1985, which I believe is an important step toward providing full equity and opportunity to our Nation's women. I hope my colleagues will look closely at this legislative package which includes important reforms in retirement security, dependent care, insurance, employment, and taxation. These measures, which range from pay equity and insurance nondiscrimination to child care in public housing and spousal IRA's affect the quality of life for families from all income groups.

The many authors of these bills deserve high praise for their vision and persistence. So, too, do the co-chairs of the Congressional Caucus on Women's Issues, Representatives SCHROEDER and SNOWE. Slowly, through their efforts, progress has been made toward economic equality. But we still have a long way to go before we can be assured that equal pay and opportunity are available to all, regardless of sex or economic status. I am hopeful that we in Congress can take new steps in that direction and move swiftly on this vital legislation.●

COMMUNITY AND FAMILY LIVING AMENDMENTS OF 1985

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. McDADE. Mr. Speaker, today I am introducing legislation that would restructure Medicaid services for the mentally retarded and severely disabled individuals. This legislation would, over a period of 14 years, shift the priority of the Federal share of Medicaid funds from long-term institutional arrangements to services provided in community based, integrated, family environments. Medicaid coverage for services for severely disabled persons living at home or in community settings would be expanded under this bill.

It is important for my colleagues to recall that the process of "deinstitutionalization" is already occurring throughout the country. Clearly, however, this process has been hampered by the lack of long-term, systematic planning by the States for the transition from institutional based care to a system of family, home, and community service-based care. In addition, there is a lack of resources for the development of these types of services.

This bill is a direct response to these types of problems and mandates that a long-time systematic planning approach by the States be developed, while at the same time maintaining adequate resources for those service levels in the community.

The Association for Retarded Citizens considers this legislation the most important item on its legislative agenda for this entire decade which affects people who are disabled. It has been seen as an opportunity to make adjustments to the Medicaid Program which are in keeping with the current philosophy of care and training for people who have developmental disabilities. In addition to correcting the "institutional bias within the Medicaid Program as it relates to the severely disabled individuals", which legislation will assist the States in establishing those home and community based services which can prevent persons from being institutionalized.

The knowledge and technology to provide community services to even

those with the most complex needs are in place throughout this country. This validates the need of this bill to commit Federal funds to individualized mainstream services in the community.

This legislation, introduced by Senator JOHN CHAFEE, as S. 873, has been strongly supported by the Association for Retarded Citizens and its prompt passage has been urged.

This bill contains many provisions to ensure quality service for persons who are institutionalized and for those living at home in community settings. Client, parental and/or family involvement in the decisions affecting a disabled person are required. The other major provisions contained in this bill are:

(1) Requiring that States include some "community and family support services" in the Medicaid plans beginning 2 years after the effective date of this act. A comprehensive list of services that States may choose from is included with a mandate for provisions of case management services, protective intervention services, and individual family support services (which would include personal assistance and respite care).

(2) Permitting States to include such services with reimbursement beginning at the effective date.

(3) Requiring service provisions to be based on individualized plans developed by an interdisciplinary team including client participation and family participation as appropriate.

(4) Making Federal Medicaid reimbursement to the State conditional upon the completion of an implementation agreement between the State and the Secretary of Health and Human Services. Such agreements must cover a range of issues (quality control, protection of individual rights, employe rights, audits and monitoring arrangements, a plan for increasing community resources and decreasing reliance on large institutions, among others.) Each agreement will be composed by the State in light of circumstances prevailing in that State.

(5) Making gradual reductions in the percentage of Federal Medicaid matches as it applies to the care of certain "severely disabled individuals" in Medicaid certified long-term care facilities accommodating more than 15 residents. The rate will be reduced by 1 percent per quarter over 10 years, (that is, a 50-percent rate would drop to 30 percent; a 75-percent rate to 45 percent) thereby fostering, but not imposing a reduction in its use of institutional beds. The Federal matching percentage for community-based programs would remain at the level of other Medicaid services offered by the State.

(6) Place a limit on State's expenditures of Medicaid funds in institutional settings. In the year 2000, a limit will be placed on Federal Medicaid funds for facilities over 15 beds—the limit would be 15 percent of expenditures in a chosen "base year," adjusted for inflation. It is expected that the "15-percent limit" after 2000 A.D. and the reduced percentage for institutional services will work together to allow a State to maintain up to 20 percent of its current institutional based population in midsized and/or large facilities while fostering the growth of community and family based service situations for the severely disabled individual.

It is my strong belief that the ability to assist the severely disabled individual to either obtain or maintain the maximum potential for independence and their capacity to participate in community and family life is a vital, if not key, provision of any type of disability assistance. While I believe it is our responsibility as citizens to take care of those who cannot care for themselves, we must also strive to provide every means for an individual to develop their own sense of personal dignity and self-reliance.

I commend this legislation to my colleagues and urge your support.

Thank you.●

LEGISLATION DENYING A DEDUCTION FOR AMOUNTS PAID AS RESTITUTION FOR ACTS OF FRAUD

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. STARK. Mr. Speaker, I am today introducing legislation that would deny a business expense deduction for amounts paid as restitution or other damages for violation of the law involving fraud. Mr. Speaker, we have recently seen unconscionable cases of corporate crimes and abuses, the most recent example was the fraudulent scheme by the E.F. Hutton Co. against many banks around this country. All too often the fines are not commensurate with the nature of the violation. Fines are not deductible business expenses; however, restitution payments generally are. The legislation I am introducing today would assure that the Federal Government does not, through the Tax Code, subsidize the restitution payments which companies, such as E.F. Hutton, make as part of a plea to fraud charges.

Mr. Speaker, I share the concerns of those 15 Senators who recently wrote to Ed Meese protesting the absence of any charges against individuals in the E.F. Hutton case. These decisions, however, are matters of prosecutorial discretion. However, we in the Congress can take this small step to assure that these types of acts are discouraged. I urge speedy enactment of my legislation.

The text of the bill follows:

H.R. 2529

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (f) of section 162 of the Internal Revenue Code of 1954 (relating to fines and penalties) is amended to read as follows:

"(f) FINES AND PENALTIES, ETC.—

"(1) FINES AND PENALTIES.—No deduction shall be allowed under this chapter for any fine or similar penalty paid to a government for the violation of any law.

"(2) RESTITUTION FOR FRAUD.—If a taxpayer is convicted of a violation of law involving fraud, or the taxpayer's plea of guilty or nolo contendere with respect to such a violation is entered or accepted in any proceeding, no deduction shall be allowed under this chapter for any payment of restitution or other damages to a party injured by such fraud."

(b) The amendment made by subsection (a) shall apply to amounts paid after ——— in taxable years ending after such date.●

NATIONAL POLICE WEEK

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. TRAFICANT. Mr. Speaker, this week is National Police Week, and as a former sheriff, I would like to take this opportunity to pay tribute to the 1,600 law enforcement officers who were killed in the line of duty during the last 10 years. I would also like to pay tribute to all the law enforcement officers across the country who put their lives on the line every single day.

As a former sheriff, I know only too well the fact that law enforcement officers are a special breed—every time they put on the uniform they become a target. Every day at work they put their lives on the line. All too often the public only sees fit to honor the job that they do when a police officer is killed in the line of duty. Mr. Speaker, not only are the 1,600 law enforcement officers killed over the past 10 years heroes, they are a grim reminder that police work requires a special individual. Those officers who have given their lives for the public safety are indeed heroes. But during National Police Week I would like to remind my colleagues and the American people that all law enforcement officers deserve our respect, support, and praise. Routine police work—while many times not glamorous—is a vital part of protecting law-abiding citizens.

Law enforcement officers are an important part of our society and all aspects of their work should be recognized and applauded. All police officers know that at any time they could be called upon to put their lives on the

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line. They are a dedicated, hard working, courageous, and honorable group of men and women. I feel that it is proper and fitting that all Americans pause this week and honor the fine work that this Nation's law enforcement officers have done and that this Nation takes pause to honor the sacrifices that they have made over the years.

We here in Congress must continue to support police officers and do all we can to protect then and to assist them in their everyday fight against crime. Mr. Speaker, I am honored to pay tribute to the law enforcement community and I urge all my colleagues to continue to support and assist our police officers.●

ORGAN DONOR PROGRAM

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. COURTER. Mr. Speaker, today I am pleased to bring to your attention the recent outstanding efforts of the American Liver Foundation to increase the national number of organ donors throughout the country.

The American Liver Foundation has just completed a 3-year campaign to invite over 1 million Americans to "Give Love, Give Life—Be a Donor" of body organs for transplant surgery.

Mr. Speaker, my friend, Thelma King Thiel, president of the American Liver Foundation urges all Americans to sign up as organ donors. It is easy, and can be done any time of the year. At this point, I would like to commend to my colleagues' attention, the following news article released by the American Liver Foundation.

SAVING LIVES WITH TRANSPLANT SURGERY IS A MATTER OF MORE ORGAN DONORS, ACCORDING TO AMERICAN LIVER FOUNDATION

CEDAR GROVE, NJ, May 2, 1985—More than one million Americans have been invited by the American Liver Foundation to "Give Love, Give Life—Be a Donor" of body organs for transplant surgery.

Announcing the results of the foundation's three-year drive to increase the number of organ donors at the close of National Organ Donor Awareness Week in April, Thelma King Thiel said that "if only four percent of those who got donor cards from our organization alone would sign up, we would have 10,000 more potential donors than were needed to take care of all the cornea, heart, lung, kidney, liver and pancreas transplantations performed in all of 1984."

Mrs. Thiel is president and chief operating officer of the foundation. Of the 30,000 transplant operations done last year, she says, only 308 were liver transplantations. "As far as transplant surgery is concerned, liver transplantations are 'the new kid on the block,'" Mrs. Thiel says. "Only in the last three years have the technology and techniques been developed that make this procedure the miracle it is. Liver transplantations save lives everyone had given up on before," she observed.

Liver transplants are the only effective therapy that currently exists for end-stage liver disease, Mrs. Thiel added. "People with kidney disease have hemodialysis as a viable alternative. But victims of serious liver disease have no therapy to turn to other than transplantation." The problem is that many die waiting for suitable organs to become available.

Mrs. Thiel, whose son died of liver disease 14 years ago when liver transplants were still a medical dream, urges all Americans who did not sign up as organ donors during the national drive to consider doing so. It can be done any time during the year.

"We won't be here to see the life we've passed on to someone else. But our families have the consolidation of knowing that out of their sorrow joy has been brought to others."

The American Liver Foundation is the first national nonprofit health agency to concern itself with research and treatment for cirrhosis, hepatitis, and the more than 100 genetic, infectious and environmentally-caused liver diseases. Its nationwide network of volunteers and 27 chapters provide support to adults and children afflicted with liver diseases.●

LEGISLATION TO PROTECT SENIOR NUTRITION PROGRAM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BIAGGI. Mr. Speaker, today I am introducing legislation that will address the current funding shortfall in section 311 of the Older Americans Act. I am pleased to note that I am joined in this effort by my colleague, DALE KILDEE, who now is chairman of the Human Resources Subcommittee which oversees Older Americans Act programs.

This bill is designed to assure adequate funding for meals served by States under section 311 of the act and also prohibits the Secretary of Agriculture from reducing funding for this program in any year that appropriations are insufficient to meet the anticipated number of meals served by States.

This legislation is needed because under section 311, the current $116 million appropriated in fiscal year 1986 will not provide enough money for States to continue to serve meals at current service levels. Under section 311, the Secretary is authorized to reduce reimbursements per meal, which are established in the statute. For this fiscal year, the rate was originally established at 58.76 cents per meal for those States which choose to receive cash in lieu of commodities. On February 21, 1985, the Department published notice in the Federal Register that it intended to reduce the per meal rate from the original 58.75 cents to 56.76 cents per meal. This reduction was based upon an estimated 212.8 million meals to be served in this year at the $116 million funded level.

Upon receiving notice of reimbursement at the rate of 58.76 cents, States planned their annual projects accordingly. If we do not provide an additional $5 million in this year, these same States will be forced to reduce or eliminate meal programs because they will be receiving reimbursement at the lower rate.

This bill would increase the authorization levels in section 311 to accommodate the increased demand for meals at the following levels: $125.8 million for fiscal year 1985, $135.9 million for fiscal year 1986, and $147 million for fiscal year 1987. It will also delete the authority of the Secretary to reduce reimbursements for this program when projected meals being served will exceed the existing appropriation.

In my opinion, if States are serving meals respective of need for such meals, then the Department should seek a supplemental appropriation to assure the higher level of services. To reduce or eliminate meals is unnecessary and counterproductive.

Mr. Speaker, I would not pursue a legislative remedy to this problem at this time if the meal programs were not directly threatened for reduction. I have received a letter from the Department affirming the fact that they did indeed advise States last year that they would receive 58.75 cents per meal, only to reduce it to 56.76 cents at this time. Adjustments in reimbursements must be made in a manner that will allow States to budget appropriately. To reduce funding in the middle of a budget cycle only guarantees cuts in meal programs.

In addition, passage of this bill will allow the Appropriations Committee to provide the estimated $5 million extra that it needed to assure that States will not lose meal dollars in this fiscal year. This is because the current appropriated level of $116 million is also the fully authorized level. Passage of this bill to increase authorizations and eliminating the Secretary's discretion to reduce reimbursements will be the first step in addressing this problem on a permanent basis.

Mr. Speaker, this bill is a small but important initiative and I hope that my colleagues will join me in supporting its passage.●

THE 100TH BIRTHDAY OF GROTON SCHOOL

HON. JIM COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. COOPER. Mr. Speaker, it is an honor for me to mark the occasion of the 100th birthday of Groton School

in Groton, MA. I believe it is also an honor for the House of Representatives as a whole to recognize this school, so many of whose graduates have contributed so much over the last century to the security and welfare of the United States.

In 1884 Rev. Endicott Peabody established Groton School to prepare students for college and to prepare them for the active work of life. So well did the rector succeed at this preparation that it is almost no surprise to read history books filled with achievements of Grotonians on behalf of U.S. Government.

In the 20th century no President has contributed as much to the security and welfare of the people of the Fourth District of Tennessee as did a Grotonian named Franklin D. Roosevelt. Dean Acheson, Averell Harriman, Douglas Dillon, Sumner Welles, Stanley Resor, Francis Keppel, and McGeorge Bundy are but a few of many graduates of Groton who have also contributed in a noteworthy way to the security and welfare of the people of my district.

The record which these men have compiled in public life is by no means unblemished, but it is a record of which all may be justly proud. Indeed, as is possible for any person or institution possessing a glorious past, both Groton School and the Grotonians who have distinguished themselves in public life could be so proud of this record that they might live in the past and try to repeat the same accomplishments over and over.

But there is a difference between knowing the past and living in it. Always has Groton School been blessed with trustees and teachers who have appreciated this difference and put the past into its proper place. Thus I attended festivities at Groton School last weekend which rejoiced at the past but, even more so, celebrated an anticipation of the next hundred years of education at a special community. It truly is. And the reasons for the special character of Groton School are each of the 55 members of its faculty. To them I take this opportunity to pay a tribute.

In particular, I take this opportunity to pay a special tribute to the 46 years of full-time leadership and service of Paul W. Wright, and to a wise teacher of many public servants, Richard K. Irons. To them I owe a debt for my own career in public life which it is not possible to repay.

But I believe it is in this spirit I speak for graduates of Groton School who serve the public today and say: I look forward to the future confidently, will thrive on better or different solutions to problems in the welfare and security of the American people, and can believe that the U.S. Government will surmount any crisis if it is led by leaders possessing the vision and character which Groton School continues to provide.●

FUTURE OIL SHOCK

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. MURTHA. Mr. Speaker, in recent weeks through a maze of numbers of energy supplies we have seen some dangerous trends that deserve to be highlighted.

Recently, oil imports have risen for the first time in 5 years. Gasoline supplies recently reached a 12-year low. There has been an increasing demand for natural gas at a time when there is a continued reduction of drilling for supplies.

While we certainly are not in an immediate energy crisis, we see the outlines in these developments of energy problems down the road. In addition, we see the partial return of a familiar problem from the seventies—inflation being pushed upward by rising energy prices.

Two recent reports resounded what should be a clear call to us for paying more attention to the energy future: the U.S. Department of Interior announced that there is some 55 percent less oil and 44 percent less gas reserves in our offshore areas than was previously thought; the Congressional Office of Technology Assessment also said our reserves are dwindling, our imports are rising, and our vulnerability to foreign manipulation of the energy markets is increasing.

Clearly, America cannot allow itself to once again fall into the energy trap. Clearly, we cannot allow our economy to again be racked by uncontrolled energy prices. Clearly, the options and alternatives we face are largely the same as we faced during the seventies.

What we need is renewed action, renewed commitment, and a renewed sense of America's energy situation.

As we in the House of Representatives begin our budget debate in detail, I believe it is essential that we remember to balance in these future energy needs. Finding and developing new energy supplies takes a tremendous amount of capital and substantial leadtime.

Right now, we have the time. What we need to make sure is that we continue the commitment, that we continue to look forward and continue to plan for the future.

Many well-meaning Members of the House believe a place to attack in the budget is the money for synthetic fuels development. I disagree strongly. This remains an alternative we desperately need to develop in order to promote our own energy resources for the decades ahead. One of the great strengths of the Synthetic Fuels Program has always been that it will use American energy supplies and produce jobs and sales in America, rather than seeing our energy dollar continue to go to foreign countries. The Synthetic Fuels Programs deserves to go ahead within its present financial framework to help us plan for the future.

Also in this budget debate we will again take up the leasing of promising areas for oil exploration in the Outer Continental Shelf. We worked on the Interior Appropriations Subcommittee last year for the proper balance of exploration with environmental protection and we will be seeking to further these goals again this year.

We will also be looking in this budget debate at funding for research in coal development and other research funds for domestic energy supplies. The Energy Department has proposed severe cuts but I believe we can restore funds in this area to continue vital research and do so within reasonable budget guidelines.

These are among the modest, workable energy goals that we can secure in this budget and that will help to protect our economy and our Nation against a disastrous energy future.

Several years ago, Sheik Yamani, Saudi Arabia's oil minister, told a group of Texas oil executives that it was his plan to work with his brethren in OPEC to hold down the world market price long enough so that this country would be deterred from its development of alternate fuels. He knew back then that if America planned carefully, developed its available oil and natural gas resources, planned for its development of alternate fuels to use coal and oil shale, and combined that with conservation that OPEC would have lost its market position forever.

We cannot fall into that trap. Let us strive to meet these and other energy goals during the budget debate so that the Nation is ready when—and I mean "when" and not "if"—the next real or orchestrated energy shortage comes, we are ready.●

HOUSE JOINT RESOLUTION 192

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. FORD of Michigan. Mr. Speaker, last week the Committee on Post Office and Civil Service reported out House Joint Resolution 192, which designates April 24, 1985 as a "National Day of Rememberance of Man's Inhumanity to Man." It sets aside a day of rememberance for all victims of genocide, and especially the 1.5 million Armenians who were the victims of systematic destruction in Turkey between 1915 and 1923.

The action of the committee gave me great pleasure since I have long felt that this horrendous chapter in world history has gone little noticed except by the Armenians themselves.

At the full committee meeting I questioned the wisdom of the Department of State in objecting to this resolution because it might damage our sensitive relations with Turkey.

I feel that this is a specious argument. And if you look at the number of Holocaust-type resolutions that we have taken to the floor by unanimous consent, there was a clear danger here of opening ourselves up to accusations of discrimination in deciding what is a problem and what is not.

Just 2 weeks ago, unanimous consent was granted for a resolution condemning the Russians for actions with regard to Jewish immigration from that country.

And here we have a much different case. The genocide resolution does not condemn the Government of Turkey. It talks about people in the past. As a matter of fact, a letter I received from the State Department said:

> These resolutions seek designations of April 24 as a date of rememberance for all victims of genocide, especially Armenians who died in Turkey 70 year ago. Specifically, the events occurred in Eastern Turkey when the Ottoman Empire was in the final days of its decline and before the modern-day Republic of Turkey was established.

So I fail to see the point of the State Department's objection.

Just a few days ago the President addressed several groups in Europe and pointed out repeatedly that it is not our policy to hold the present Republic of West Germany responsible for the activities of their predecessors when Germany was a totalitarian state under the rule of the Nazis.

After receiving the State Department letter I carefully reread the resolution to see if it said anything about the Government of Turkey. It does not. It talks about incidents and circumstances.

I find it very difficult to explain to the people who are survivors of this bloody era and the survivors of families that were wiped out that we in this country recognize the mass murders of some people as genocide, but not the mass murders of others. Do we just want to shrug our shoulders and say it is something that happened a long time ago and we should simply forget it?

While there were fewer Armenians killed in that genocide than Jews in the Holocaust, in terms of total populations the figure is proportionately higher. Virtually the whole Christian population of an entire country was annihilated. Their only crime was that they were Christians in a Moslem country.

We have a chance to speak now and say the things that should have been said long ago: that it is against all that America stands for when people turn against their own in a national orgy of bloodletting just because they don't like the religion they practice or the church they go to.

For my part, I cannot agree with the argument that, because we are dealing with a different government today which is part of NATO, we should do nothing now lest it offend that new government.

I find that thinking especially difficult to accept in light of the President's recent remarks in Europe regarding the Holocaust. There are simply too many parallels. Are we saying that we can openly and strongly condemn the Germans' inhumanity toward the Jews during World War II and still expect our friendship with the West Germans to survive, but we cannot condemn what a previous government in Turkey did to a million and a half Armenians out of fear it will damage our relationship?

What kind of tortured reasoning is this?

What must be kept in mind is that in this resolution we are not attacking the present Turkish Government. We are not condemning the brave Turkish soldiers who fought on our side in Korea. We are only calling attention to a horror of many decades ago in some small hope that this simple remembrance will serve as a reminder for the future.●

NEW LEGISLATION TO CLARIFY VOTING RIGHTS OF PERSONS ACCUSED OF CRIMES

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. CONYERS. Mr. Speaker, the right of qualified persons to register to vote is of fundamental importance to our American system of government. However, for certain categories of offenders, that right is very often ignored because of the erroneous belief that everyone who goes to jail is disenfranchised. The U.S. Supreme Court, in 1974, ruled in O'Brien versus Skinner that:

> Persons who are incarcerated as convicted misdemeanants or pretrial detainees unable to make bail who are under no voting disability under state law are entitled to vote by absentee ballot.

Rarely do these persons exercise their voting rights because, oftentimes, they and corrections officials are unaware of what the law provides.

A Washington-based prisoners' rights group recently registered 7,000 pretrail detainees, misdemeanants, and persons appealing their conviction. Still, an estimated 300,000 men and women in custody remain unaware of their right to vote. This is an intolerable situation, the resolution of which is essential to the full enjoyment of voting rights.

Today, I have introduced a House concurrent resolution expressing the sense of the Congress that: First, all State constitutions and county and city charters be clearly amended to reflect the right of all pretrial detainees, convicted misdemeanants, and persons appealing a felony conviction to register and vote; second, the opportunity to register and vote be made available to all qualified offenders in our jails and prisons; and, third, probation and parole officials consider voting participation to be a positive rehabilitative factor when evaluating the offenders under supervision.

I invite my colleagues to join me as cosponsors of this legislation, the complete text of which is as follows:

H. Con. Res. 148

Whereas, the population of pretrial detainees, convicted misdemeanants, and persons appealing their felony convictions should have the right to register and vote; and

Whereas, such population does not exercise this right because they are generally unaware of their rights and because registration and voting is not usually made available to them; and

Whereas, the denial of the right to vote violates the due process and equal protection rights of those who have not been found guilty of felonies and those whose felony convictions are being appealed: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) all State constitutions and county and city charters should reflect the right of the population of pretrial detainees, convicted misdemeanants, and persons appealing their felony convictions, to register and to vote;

(2) all Federal, State, county, and city registrars of voters should provide adequate voter registration accessibility to such population during intake processing (booking), while in the general jail or prison population, and during release, discharge, or transfer;

(3) election officials should provide adequate voting accessibility to the such population in the form of voting booths and absentee ballots at each election;

(4) Federal, State, county and city corrections, parole, and probation officials should accept and encourage the positive rehabilitative value of voter registration and voting, and give fair consideration to acceptance of these civic responsibilities in probation and parole determinations; and

(5) prisoners rights, community, voter education, and political organizations should be encouraged to provide voter education to pretrial detainees, convicted misdemeanants, and persons appealing their felony convictions.●

RAILROAD RETIREMENT ACT AMENDMENTS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. OBERSTAR. Mr. Speaker, the Railroad Retirement Act was once model legislation for this Nation. Many of the retirement income protections of ERISA, enacted in 1974, have been a part of the Railroad Retirement Act since 1937.

Spouses and widows of workers retiring directly from railroad employment have been assured of pensions since the mid-1940's. In this regard, the Railroad Retirement Act is still ahead of other law since the Retirement Equity Act of last year only assured widows they wouldn't be surprised to learn that their pension rights had been signed away.

To finance these provisions, railroad workers contribute an amount identical to FICA taxes paid by everyone who works in employment covered by Social Security. In addition, railroad workers contribute to the railroad retirement trust fund from which the private pension portion of their annuities are paid. Through the financial interchange, FICA taxes paid by railroad workers are credited to Social Security trust funds and then credited back to the railroad's social security equivalent trust fund for payment of tier I railroad retirement benefits.

In spite of the fact that Social Security equivalent benefits for railroad retirees, their dependents and survivors must now be deposited into the equivalent account, limitations in the Railroad Retirement Act, in many instances, prohibit the payment of these benefits. Railroad workers pay for these benefits, they should receive them.

Measures I have introduced in past years have eliminated some of the most serious disparities in the law. As a result, benefits are being paid to separated spouses, dependent parents, divorced spouses and remarried widows of railroad workers. But many more changes need to be made to bring the Railroad Retirement Act into closer conformity with laws protecting other workers in our economy.

I am today introducing the following bills which are being cosponsored in the Senate by Senator JOHN HEINZ and I urge my colleagues to join me in working for their enactment.

SURVIVORS' BENEFIT FOR RETIREES WITHOUT A CURRENT CONNECTION

Under the Railroad Retirement Act, an employee who works in railroad employment for 120 months or more is vested for life. Upon retirement, he is eligible for a tier I benefit computed on the basis of lifetime wages whether in railroad employment or employment covered by the Social Security Act. He is also eligible for a tier II benefit based on years of railroad employment. The worker's retirement-age spouse is eligible for 50 percent of tier I and 45 percent of tier II. Upon the death of the worker who retires directly from railroad employment, the surviving spouse is entitled to 100 percent of a tier I benefit and 50 percent of a tier II benefit. The survivor's tier I benefit is paid from the Social Security equivalent account; the tier II benefit is paid from the railroad retirement account.

If the worker leaves railroad employment after becoming vested but before reaching retirement age and works in nonrailroad employment, he is said to have lost his "current connection" with the railroad. Upon his death, his lifetime wage history is transferred to the Social Security Administration for payment of a Social Security survivor benefit. No tier II survivor's benefit is ever payable.

H.R. 2508 brings the Railroad Retirement Act into line with ERISA and the 1984 Retirement Equity Act by providing:

First, widows of noncurrent connected workers who die before retirement age will be paid both a tier I and a tier II benefit by the Railroad Retirement Board.

Second, all noncurrent connected survivors will be eligible for survivors benefits. This entitlement will be financed by reducing noncurrent connected retiree and spouse benefits in an amount sufficient to finance benefits to survivors.

Third, consent of both the retiree and spouse will be required to waive survivor benefits.

Fourth, the Railroad Retirement Board will retain jurisdiction for payment of all surviving spouse benefits on the wage records of deceased, noncurrent connected workers.

Fifth, amendments will apply to workers and retirees whose deaths occur on or after date of enactment.

LAST PERSON SERVICE

The Railroad Retirement Act provides that neither tier I nor tier II retirement benefits can be paid until a work relationship with a last employer is severed. Individuals who wish to remain in the work force may change employment and receive both tier I and tier II benefits, though tier I entitlement would be reduced by excess earnings in the same manner and same amount as would occur under the Social Security Act. No benefits can be paid, however, if a worker chooses to stay with a current employer even on a part-time basis. This requirement to sever current employment applies not only to workers retiring directly from the railroad, but also to spouses, divorced spouses, and workers who may have left railroad service years earlier. It has its most serious impact on divorced spouses who might not be able to afford to completely leave the labor market.

H.R. 2509 provides that a tier I benefit, subject to the earnings limitations of the Social Security Act, will be payable to any eligible individual without regard to the last person service rule. Since this benefit will be paid from the Social Security equivalent account, it will have no impact on the railroad retirement account.

DIVORCED SPOUSE

The Social Security Act of 1983 provided divorced spouses the option of retiring at age 62 if their former spouses were eligible to retire. Under prior law, benefits could not be paid until the former spouses had actually left the work force. The 1981 Railroad Retirement Act Amendments authorized payment of a benefit to divorced railroad spouses equal to that which would be paid under the Social Security Act. The Railroad Retirement Act, however, still specifies that the railroad worker spouse must have filed an application for retirement benefits before the divorced spouse is eligible.

H.R. 2510 removes the requirement that the railroad worker file for benefits before his former spouse is eligible to file for and receive a tier I benefit.

CURRENT CONNECTION

Legislation I sponsored, enacted in modified form in 1981, provided that a worker who left railroad employment after more than 25 years of service would not lose his "current connection" with the railroad unless he was released for cause, failed to accept a valid offer of reemployment, or left voluntarily. For purposes of this section of the law, acceptance of severance pay was to be interpreted as voluntary separation.

Since 1981, the railroads have suffered a severe recession. Employment dropped precipitously between 1981 and 1983. Many workers with 30 or more years of service accepted severance pay and left railroad service with the understanding that they were entitled to file for unreduced railroad retirement benefits at age 60. The Railroad Retirement Solvency Act of 1983 altered the benefit computation formula by imposing a 20-percent reduction on tier I benefits for workers retiring before age 62. Workers who would otherwise choose to reenter the work force and defer retirement until age 62 are precluded from doing so as accepting nonrailroad employment will cause forfeiture of tier II survivors' benefits to their widows.

H.R. 2511 removes the limitations of present law. Workers with 25 or more years of railroad service would not longer lose a current connection by working for a nonrailroad employer after leaving railroad employment.

DISABLED WORKERS, MONTHLY AND ANNUAL WORK TEST

Railroad workers who are retired on disability, who wish to attempt to return to the work force, are subjected to a monthly earnings limitation of $200. One penny in earnings over that amount causes a forfeiture of all disability retirement benefits in the month of excess earnings. Similarly, annual earnings in excess of $2,400 cause a loss of 1 month's benefits for each $200 over the annual amount. The final increment of excess earnings over $2,400, if greater than $100, will cause a loss of 1 month's benefits.

H.R. 2512 increases the monthly disability earnings limit to $400 after deduction of disability related work expenses and the annual earnings test to $4,800 after deduction of disability related work expenses. One month's benefits will be withheld for each $400 over the earnings limitation. A final increment of $200 or more will cause a loss of 1 month's benefits.

DISABLED WORKERS, TRIAL WORK PERIOD

Under the Social Security Act, disabled workers who have not recovered from their disabilities, but nevertheless attempt to return to some type of gainful employment, are entitled to a trial work period of up to 9 months. Full disability benefits are paid throughout the trial period and for an additional 3 months.

Disabled railroad workers are subject to a loss of benefits from the first month of a return to the work force.

H.R. 2513 provides that a railroad retirement tier I benefit will be payable without regard to the disability earnings limitation during a trial work period if, in identical circumstances, a Social Security benefits would be payable. This benefit would be paid from the Social Security equivalent account.

DISABLED SPOUSES OF ANNUITANTS

Spouses of annuitants are entitled to benefits upon reaching retirement age. Younger spouses, who are not caring for young children, are expected to be able to enter the work force. This expectation is unrealistic if the spouse is so severely disabled as to be unable to engage in any substantial gainful activity.

H.R. 2514 provides an unreduced benefit, regardless of age or child in care, to a disabled spouse of a railroad worker in receipt of retirement or disability benefits. The bill also provides a benefit to the spouse of an annuitant who is so disabled as to require constant aid and attendance. H.R. 560 and H.R. 562, introduced January 22, 1985, would similarly amend the Social Security Act.

YEARS OF CREDIT FOR MILITARY SERVICE

Railroad Retirement credit for military service is limited to workers who are involuntarily inducted or who enlist after war is declared. As a result, railroad workers who enlisted in the Armed Forces between World War II and the Korean conflict and subsequently returned to railroad employment are denied retirement credit, whether or not they actually served in combat. Had they worked for the Federal Government or any other private employer in the Nation, Federal law would have required the crediting of military service. The same disparity in treatment under Federal law applies to all workers who left railroad employment, entered military service after December 31, 1976, and returned to railroad service after discharge. At the same time, there is no limit on the number of years of military service which can be credited toward railroad retirement as long as the worker entered military service and reenlisted during a period recognized as "wartime service."

H.R. 2515 removes the requirement that workers must have been involuntarily inducted or enlisted during wartime in order to receive railroad retirement credit for a period of military service. The bill also limits the period of military service for which retirement credit must be given to the period of time—generally 4 years—which must be credited by any other employer under provisions of veterans' reemployment rights laws. This limitation of creditable service applies only to persons who return from military service to railroad employment after the date of enactment of the bill.

UNEMPLOYMENT INSURANCE AND SICKNESS BENEFITS

The Railroad Unemployment Insurance Act requires that unemployment or sickness benefits be reduced dollar for dollar by any "other social insurance" the railroad worker is receiving. "Social insurance" as defined by the courts includes disability or retirement programs from any level of government. It also includes workers' compensation or veterans' compensation paid on the basis of injuries or disabilities resulting in a loss of wage earning ability. As a result, railroad workers in receipt of "social insurance" payments from nonrailroad employment have little or no unemployment or sickness insurance protection against loss of their railroad wages.

The Railroad Unemployment Insurance Committee, in its 1984 report, supported enactment of legislation to remove this offset and bring the Railroad Unemployment and Sickness Benefits Program into line with the State and Federal unemployment insurance programs protecting other workers in the Nation.

H.R. 2516 amends the Railroad Unemployment Insurance Act to provide that unemployment benefits and sickness benefits of railroad employees will not be reduced by reason of the receipt of unrelated social insurance benefits.●

AMTRAK MYTHS, AMTRAK FACTS

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. KOSTMAYER. Mr. Speaker, one of the major budget battles looming ahead will be over Amtrak. The administration has targeted Amtrak for extinction; many of us in the Congress believe we need rail passenger service in this country.

The administration has been guilty in the case of Amtrak, Mr. Speaker, of hyperbole and exaggeration. The facts are Amtrak is indeed on the right track, and the subsidies it receives are quite modest considering the number of riders, and the number of communities dependent on Amtrak service.

Neil Peirce, the widely respected journalist, recently wrote a column about the Amtrak controversy. Mr. Peirce notes the adverse economic effects which would result from the loss of Amtrak service.

I commend this article to my colleagues, Mr. Speaker, and insert it at this point in the RECORD:

FIGHT TO SAVE AMTRAK PUTS SMALL, BIG CITIES ON SAME TRACK

(By Neal R. Peirce)

If ever there was an issue on which the needs of small and big city people were on the same track, it's this spring's Capitol Hill battle to save Amtrak from the zero funding, and almost sure death, advocated by Ronald Reagan and David Stockman.

All taxpayers should question the fishy math behind the administration argument that $684 million a year could be saved by killing off the nation's railpassenger network. Lengthy layoff wages for railway workers, mandated by Congress years ago, would cost at least $600 million next year and over $2 billion in six years—without a single passenger transported anywhere.

The shutdown costs might be worth it if Amtrak were throwing good money after bad. But the system has won substantial labor concessions. Its shucked off many lightly used routes. Its invested $2 billion in the Northeast corridor highspeed track and over $1 billion in equipment. Fares paid only 43 percent of costs six years ago, but should reach 60 percent next year. The fact that Amtrak requires subsidies is hardly shameful; so do national rail systems across the globe.

Ultimately, the issue is people and communities. Small cities and towns constitute the vast majority of Amtrak's 513 station stops. As many as 160, most in the South and West, would be left devoid of passenger service—rail, bus or air—by Amtrak's demise.

Stockman says Amtrak subsidizes "well-heeled" Americans. Some are. But Amtrak riders outside of big commuter markets have average family incomes of less than $20,000. Many are youths or retirees. Observes travel writer George Bradford: "Nobody who ever walked, at night, through the passenger coaches of the Crescent to New Orleans, the Silver Star to Florida, or Broadway Limited to Chicago could convince me that those were the rich and middle class sprawled across seats, trying to keep the kids quite, and shifting around while attempting to sleep until their luxurious arrivals at 2:20 a.m. in Charlotte, N.C., or 2:51 a.m. in Canton, Ohio."

For subsidy elimination, Stockman is on much sounder ground in urging speedup of the scheduled 1988 ending of the government's "Essential Air Service" program. Some $44 million will be spent this year to underwrite service to 148 towns—such as Great Bend, Kan., Oil City-Franklin, Pa., and Stillwater, Okla. But most air travelers are more affluent (many are on business trips) and could easily drive to bigger air transit hubs in their states.

Where Amtrak does have proportionately more affluent passengers is in its heavily used Boston-to-Washington corridor. It carries 10 million passengers, mostly commuters, into New York, Philadelphia, Boston and Washington, each year. Other heavy commuter markets are Chicago-Milwaukee and Los Angeles-San Diego.

Eliminating Amtrak would have dire effects on highways and airports in the densely used corridors. The 83,000 daily rail commuters from New Jersey into New York would be forced into private cars or buses. With more people training than flying between Washington and New York, already clogged airports would face horrendous traffic increases: 50 flights a day more would be required into Philadelphia alone.

One suggestion has been to preserve Northeast corridor service, and perhaps one or two other heavily used markets, and let the rest of Amtrak die. The solution doesn't wash, says Amtrak President W. Graham Claytor. It would immediately trigger labor-protection liabilities of $1 billion or more: "We don't have money to pay that. We'd be insolvent even then."

Could states and cities shoulder the bill? Only, one guesses, by an interstate compact that it would likely take a decade to negotiate. State legislatures would be caught in endless wrangles between areas benefited and those not. Cities, already facing revenue sharing and mass-transit subsidy loss, wouldn't have the means.

Could Amtrak ever be profitable, or be sold to private owners? Given world experience, probably not. But Congress could help by fashioning labor law to encourage more efficient operations. And if Amtrak's subsidy is to be ended, would Congress also end the billions of federal funds going into air-traffic control and maintenance and revenue bonds for airports? The gravy train doesn't stop at the rail station. For the really big subsidy bucks, go to the airport and ask Delta, Eastern or United how much they'd like to pay the full bill for the facilities they use.

Another point for Amtrak: The national economy would hardly benefit by death of a corporation with 25,000 workers and a $2 billion budget. But the ultimate argument isn't economic. It's that a system its enemies call a nostalgic anachronism is part of the soul of America. Once killed, it would be exceedingly difficult—perhaps impossible—to revive.

The rails carry us over routes by which many of our ancestors first discovered and traveled this land. They are a national treasure, like national parks. Like parks, they require subsidy. To run them inefficiently is intolerable. To extinguish them would be unthinkable.●

H.R. 2528

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. STARK. Mr. Speaker, today, I am introducing H.R. 2528, a bill designed to eliminate the unintended application of the minimum tax to startup high technology companies on their R&D expenditures. Recently, it has come to light that startup high technology companies may face unexpected tax liabilities under the minimum tax due to a tax law change made in 1982.

In TEFRA, research and development expenditures became a tax preference item for individuals, including shareholders of Sub S corporations and members of partnerships. Although corporations were exempted generally, these expenditures were made a tax preference for personal holding companies.

While no one considers active companies to be personal holding companies [PHC's], many high technology companies in the startup and developmental stages of their business technically fit the definition of a PHC during the period before product sales begin. This result can occur when a company is closely held and has largely passive sources of income, such as interest earned on the venture capital that has been raised. In this situation, operating expenses and other deductions, including research and development expenses, produce a net operating loss [NOL] carryforward to future years.

For affected companies, in future years when the NOL is used against operating profits, such companies will also have to pay a minimum tax liability on 90 percent of the R&D expensed under IRC section 174(a) in the year(s) the NOL arose. Ironically, the company would not be subject to the PHC tax in the earlier year since it had no taxable income, and it would not be a PHC in the later year when it had substantial operating income.

It does not appear that the tax writing committees or the Congress understood or anticipated this effect of the 1982 act provision. The personal holding company rules have not been reviewed in many years and their application to high technology companies has only recently come to our attention.

This bill, as a first step, would provide that R&D expenses are not to be considered a tax preference item for personal holding companies. This change would be effective for tax years beginning after December 31, 1982, to ensure that the affected startup companies will not have any unwarranted tax liabilities under the minimum tax to pay out of their first profits.

I am hopeful for a quick resolution of this problem. I expect the bill to be noncontroversial and to have a wide base of congressional support.

The text of the bill follows:

H.R. 2528

A bill to amend the Internal Revenue Code of 1954 to provide that research and experimental expenditures of corporations, including personal holding companies, shall not be treated as items of tax preference for purposes of the mimimum tax

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the last sentence of section 57(a) of the Internal Revenue Code of 1954 (defining items of tax preference) is amended by inserting before the period at the end thereof the following: "and paragraph (6) to the extent it relates to the deduction under section 174(a) also shall not apply to a personal holding company (as so defined)".

(b) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1982.●

THE 150TH ANNIVERSARY OF THE CITY OF SONOMA, CA

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. BOXER. Mr. Speaker, I am happy to rise today to honor an important occasion in California history. One-hundred-and-fifty years ago this June the Mexican Governor of Alta California directed the establishment of a Presidio and Pueblo in the Valley of Sonoma. This settlement came to be known as the city of Sonoma. This city of rich heritage is celebrating its sesquicentennial in June 21 through June 24, 1985. In honor of this occasion, I ask that the following proclamation, issued by the mayor of Sonoma, be published in full in the CONGRESSIONAL RECORD.

Whereas, Sonoma, in the Valley of the Moon, was originally a mission settlement, the last in the chain of 21 missions beginning in San Diego and going north along the coast of California; and

Whereas, the founding of the Sonoma Mission on July 4, 1823 was the only one established under the Republic of Mexico; and

Whereas, this Mission was flourishing during its first decade of existence; and

Whereas, during this time the Russian settlements at Fort Ross and Bodega were also flourishing; and

Whereas, the Mexican Governor of Alta California had growing concerns of further Russian expansion in this Northern Frontier territory of the Republic of Mexico; and

Whereas, the Mexican Government desired to curb this expansion and demonstrate this by settling the area; and

Whereas, Governor Figueora having confidence and trust in the Commandant of the Presidio of San Francisco, Mariano Guadalupe Vallejo; and

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Whereas, on June 24, 1835 the Governor

Most observers agree that the power

The art of politics is compromise as

Whereas, on June 24, 1835 the Governor sent a letter to the Commandant directing him to establish a Presidio and Pueblo in the Valley of Sonoma adjacent to the Mission San Francisco Solano.

Now, therefore, be it resolved, that it was 150 years ago that this formal direction was given by the Government of Mexico to Mariano Guadalupe Vallejo; and

Be it further resolved, that the present City of Sonoma as successor to the original Pueblo of Sonoma, desires to appropriately celebrate this 150th Anniversary; and

Be it further resolved, that it is not only fitting and proper but necessary to cherish and perpetuate the history, tradition and heritage that is ours as residents of the City of Sonoma; and

Be is finally resolved, that the Mayor and City Council of the City of Sonoma invites and urges its citizens and friends to participate and celebrate in the festivities honoring our Sesquicentennial.

JEANNE M. MARKSON, *Mayor.*●

THE 4-YEAR TERM: TIME FOR RECONSIDERATION

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. O'BRIEN. Mr. Speaker, it has been 19 years since this body considered a constitutional question which has been around since the founding of our Republic; namely, "should the length of terms of office for Members of the House of Representatives be extended?"

The House Judiciary Committee held hearings on this subject in 1966 and 1967. The other body held hearings on this and related subjects in 1979.

The role of the House of Representatives has changed drastically in the 200 years since the first Congress. In 1787 the relatively primitive stages of communication and travel made a 2-year term necessary in order to keep a Member from becoming too independent from the citizens of his district. However, modern technological advancements have caused this argument to lose its efficacy. A Member can easily and effectively keep in touch with the viewpoints and opinions of his constituents through modern communication, public opinion polls and the media. Additionally, Mr. Speaker, in response to the changing character of the House and the society, our institution has provided means, and effective means, for each Member to stay in touch with his or her constituency.

The modern House of Representatives a continuous and professional work organization and institution which deals with highly complex issues. A 4-year term would allow a reasonably sufficient period of time I which to gain and apply the expertise necessary to deal with problems which can only become more complex.

Most observers agree that the power of the House of Representatives has been eroded over the years and that real power resides in the executive branch and with the courts. We have no one to blame but ourselves for this state of affairs. In an era of million dollar political campaigns, there is a practical reason why members do not relish the assumption of new powers and duties, and that is, simply, that Members must spend an inordinate amount of time on the process of reelection.

In my view, the Nation would be better served if some of the time and attention that goes into campaigning were focused instead on oversight and control of the bureaucracies we have created. I am convinced that if just some of the campaign pressure were lifted from Members, the quality of legislation would improve.

There is an assumption on the part of most Members that they know the arguments, for and against, the proposition to extend the terms of office. However, in order to bring the debate up to date, and to reconsider all the ramifications of making such a change in the Constitution, it is vital that the House Judiciary Committee conduct a thorough hearing and investigation.

It appears that many Members agree with the concept of extending the length of terms, but falter when suggesting a methodology that is comprehensive, fair, and would stand a reasonable chance of approval by two-thirds of the membership of each House of the Congress and three-fourths of the 50 State legislatures.

Thus far in my examination of the various proposals to lengthen the terms of House Members, I have discovered enough complications and variations to keep a platoon of political scientists busy for decades. The process of reforming the system whereby we elect Members of the House must, of necessity, be as uncomplicated as the present system. It it is not, then I fear there is little possibility that this House, or the other body, or the State legislatures, or the people, would ever subscribe to the concept.

The first complication is the decennial census. Somehow or other, we must make provision for the reapportionment of the House based on the census. If one can devise a new and simple system that takes the census into account, then one runs into the variations. Shall we have classes of Members like the Senate? Shall we have two classes or Members, or three, or four classes of Members? How do we provide for an equal distribution of the first apportionment? How do we make sure that all State delegations are provided for equally? These are but some of the questions that face the reformer.

The art of politics is compromise as we learn here every day. Accordingly, I am compromising with the principle of term extension to the extent that my legislation provides for a term of 2 years and two terms of 4 years each in the 10-year cycle.

Assuming this legislation were passed by the Congress and approved by the States within the next 5 years, the term-extension begins with the election of 1990.

The elections of 1990 would be for terms of 2 years each. The calendar years served would be 1991 and 1992. The actual service period would be from January 3, 1991 through January 2, 1993.

The elections of 1992 would be for terms of 4 years each. The calendar years served would be 1993, 1994, 1995, and 1996. The actual service period would be from January 3, 1993 through January 2, 1997.

The elections of 1996 would be for terms of 4 years each. The calendar years served would be 1997, 1998, 1999, and 2000. The actual service period would be from January 3, 1997 through January 2, 2001.

The cycle would begin again with elections of the year 2000. The elections of 2000 would be for terms of 2 years each; the elections of 2002 would be for terms of 4 years each; and the elections of 2006 would be for terms of 4 years each. And, the cycle would began again: The elections of 2010 would be for terms of 2 years each; the elections of 2012 would be for terms of 4 years each; and the elections of 2016 would be for terms of 4 years each.

Mr. Speaker, at this point, I have provided a 60-year chart of the elections under my proposal:

ELECTION YEARS, CALENDAR YEARS, TERMS OF SERVICE

Election year	Calendar years served	Term of service
1990	1991, 1992	1/3/1991–1/2/1993
1992	1993, 1994, 1995, 1996	1/3/1993–1/2/1997
1996	1997, 1998, 1999, 2000	1/3/1997–1/2/2001
2000	2001, 2002	1/3/2001–1/2/2003
2002	2003, 2004, 2005, 2006	1/3/2003–1/2/2007
2006	2007, 2008, 2009, 2010	1/3/2007–1/2/2011
2010	2011, 2012	1/3/2011–1/2/2013
2012	2013, 2014, 2015, 2016	1/3/2013–1/2/2017
2016	2017, 2018, 2019, 2020	1/3/2017–1/2/2021
2020	2021, 2022	1/3/2021–1/2/2023
2022	2023, 2024, 2025, 2026	1/3/2023–1/2/2027
2026	2027, 2028, 2029, 2030	1/3/2027–1/2/2031
2030	2031, 2032	1/3/2031–1/2/2033
2032	2033, 2034, 2035, 2036	1/3/2033–1/2/2037
2036	2037, 2038, 2039, 2040	1/3/2041–1/2/2041
2040	2041, 2042	1/3/2041–1/2/2043
2042	2043, 2044, 2045, 2046	1/3/2043–1/2/2047
2046	2047, 2048, 2049, 2050	1/3/2047–1/2/2051

Mr. Speaker, I believe the proposal meets the critical needs of this institution. I believe that my proposal also meets the test of simplicity and understandability which is absolutely vital if we are to sell this reform to the American people.

I commend this proposal to my colleagues and the members of the House Judiciary Committee and, naturally,

extend an invitation to other Members to join me in cosponsorhip.

A copy of the proposed legislation is appended to these remarks.

"JOINT RESOLUTION

"To propose an amendment to the Constitution of the United States to provide for terms of two and four years for Members of the House of Representatives.

"*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislature of three-fourths of the several States with the five-year period following the date of its submission to the States for ratification:

"ARTICLE

"SECTION 1. The terms of Members of the House of Representatives who are elected in any year ending with a zero shall be two years. The terms of Members of the House who are elected in any year ending in a two or a six shall be four years. Terms of Members shall commence at noon on the third day of January of the year following the year in which they were elected to office.

"SEC. 2. No Member of the House of Representatives shall be eligible for election to the Senate for a term which is to begin before the expiration of the House term of such Member unless at least thirty days prior to such election such Member submits a resignation from the House that is effective not later than the beginning of such Senate term.

"SEC. 3. Any person who is a candidate for election to one House of the Congress under the laws of the State where such person resides shall not be eligible for election to the other House of the Congress.

"SEC. 4. This article shall apply to any election held during or after the year 1992."●

OFFICIOUS INTERMEDDLERS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. EDWARDS of California. Mr. Speaker, the Reagan administration is attempting to reopen over 50 settled public employment discrimination cases to eliminate agreed upon affirmative action plans. This attempt flies in the face of local community sentiment. Officials in Boston, Chicago, Philadelphia, Miami, Los Angeles, San Francisco, Indianapolis, and Birmingham, among others, have told the Justice Department to stop meddling in their local affairs.

Mr. Speaker, I find it a bitter irony that the Reagan administration's usual litany against "interference from Washington" is seldom heard in civil rights matters. Instead, the Justice Department has its own affirmative action plan to roll back our society to a time when racism was accepted and segregation was the law.

The following Washington Post editorial, I believe, will be of interest to our colleagues:

[The Washington Post, May 8, 1985]

THE MEDDLERS

The administration abhors heavyhanded federal intervention in local affairs—except on some issues. In Indianapolis the Justice Department is now intervening in the most delicate of local matters, the racial composition of the police and fire departments. Over the objections of the city's Republican mayor, it is asking a federal court to order the rewriting of a 1978 consent decree in which the city pledged to raise "the black composition" of the two public safety departments until their makeup "more nearly reflects the racial composition of the work force of the city." To accomplish that, the city agreed to reserve for "qualified black applicants" for as long as necessary at least 25 percent of the places in "all future police and fire training classes." A similar consent decree was entered in 1979 affecting women; the Justice Department is also attacking that.

The department is acting on the basis of a Supreme Court decision last year in a Memphis firefighters case. The assistant attorney general for civil rights, William Bradford Reynolds, contends that the court in this case outlawed all affirmative action plans containing explicit numerical goals. His view of the case is sharply disputed. The issue in Memphis was layoffs—whether race could be given more weight than seniority in deciding whom to keep and whom to let go at a time of retrenchment. The court said seniority should govern. But seniority rights have a special place in the law, and civil rights groups say the court did not mean its decision to extend to such other areas of affirmative action as hiring and promotion. Some federal courts have also taken this view since the Supreme Court spoke.

Mr. Reynolds sees a principle at stake. He believes the law should be colorblind. There are good arguments to make on this account in certain cases, and not everything ever undertaken in the name of affirmative action is right. But the Supreme Court itself has said that race can be taken into account in overcoming the effects of past discrimination, and Indianapolis is no great symbol or path breaker in the affirmative-action debate. Its mayor, William H. Hudnut III, says its police and firefighters hiring plan was working peacefully and well, and "if we want a higher standard of hiring than what the Justice Department requires, I don't understand why they can't let us do that." Blacks make up about 18 percent of Indianapolis' work force. When Mayor Hudnut took office in 1976, they made up about 10 and 8 percent of the police and fire departments, respectively. Those figures are now 14 and 13 percent.

Officials in this administration sometimes voice astonishment that their record is viewed as anti-black and anti-civil rights. If they genuinely wonder at this, they should look to Indianapolis. It's not just that the department is on the wrong side—which we think it is. The department under Mr. Reynolds is trying to make law on affirmative action—to force its view of the law on the country in advance of the courts. It is welcome to do that in future cases, to argue for whatever result it pleases. But to reopen settled cases on such a weak basis is to threaten social peace for the sake of ideology. The Justice Department should go home.●

"NEW" SS WREATHS, OLD ANTI-SEMITISM

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. GREEN. Mr. Speaker, I would like to share with my colleagues the following article by Marvin Kalb which appeared in the New York Times on May 14, 1985.

The article's message speaks for itself; the lessons of the Holocaust have not been learned.

The article follows:

[From the New York Times, May 14, 1985]

"NEW" SS WREATHS, OLD ANTI-SEMITISM

(By Marvin Kalb)

WASHINGTON.—The controversy over the Reagan visit to Bitburg is receding, no longer a front-page embarrassment. But do you hear an echo from the past?

I visited the cemetery the morning after President Reagan and Chancellor Helmut Kohl placed wreaths of reconciliation in front of its chapel. For years, the cemetery had been largely ignored; now, it was an instant shrine, a focus of political debate. Small flower pots marked many flat graves, 40 of them honoring Waffen SS troops. By the end of my visit, many hundreds of Germans and occasional Americans from the nearby Air Force base paused before the wreaths. Some took pictures. Mothers hushed children. A religious air seemed to saturate the scene.

But look and listen: all around there were the sights and sounds of the new Germany—and old. Six feet to the left of the President's wreath stood an equally impressive one. Across its banner: "To the Waffen SS who fell at Leningrad." No more than a foot to the right of the Chancellor's was another wreath: "For the fallen comrades of the Waffen SS."

These two wreaths had been placed in the chapel, out of sight, hours before the President arrived. They were restored to their original places of honor only hours after he left. In the ensuing tranquility, the Waffen SS could again be honored in the springtime sun.

A middle-aged visitor from Nuremberg said the Waffen SS were simply soldiers—young conscripts doing their duty. "Let them rest in peace. For us, a dead soldier is a dead soldier, not a hero."

A native of Bitburg, who looked to be in his 20's, expressed a view I was to hear with disturbing regularity. "We Germans and Americans had been cooperating very well"—he lowered his voice—"until the Jews began to make trouble."

Another Bitburger zeroed in on Elie Wiesel. "Imagine the nerve of a Jew lecturing President Reagan. I saw him on television, making trouble the way they all do."

An old woman complained that Mr. Reagan had spent only eight minutes at the cemetery. "You know why the visit had to be cut back? Because of the Jews." She stalked away to join a group of friends nodding in agreement.

A man with a cane stopped and said: "If they don't like it here, the Jews, let them go away. We were better off without them in Germany." There are only 28,000 left, he was reminded. "Too many," he replied.

The people of Bitburg are pleased that Mr. Reagan came to visit, that he didn't yield to pressure. But it's clear they resent their new notoriety—and equally clear whom they consider responsible for the unwelcome change: the Jews and the media. The Jews are seen as a group separate from Germans and Americans—an indigestible lump, a foreign body. The media are seen as intrusive and irresponsible and, somehow, controlled by the Jews.

So it went. A few days later, a Munich newspaper editor explained that anti-Semitism is an "anthropological phenomenon" in Germany. The controversy seems only to have uncorked the venom once again. There is a sad irony. Bitburgers consider themselves remarkably enlightened. In 1933, when Hitler won a critical election, this conservative Catholic town voted overwhelmingly against him.

Is Bitburg an aberration? It is impossible to judge and dangerous to generalize. But a number of leading West German politicians and professors—several close to Mr. Kohl—think anti-Semitism was on the rise even before Bitburg. "The Jews were getting too impertinent," one politician said, citing, among other things, their opposition to West German tank sales to Saudi Arabia. "We've listened to them much too long. It's enough."

The pursuit of reconciliation by way of Bitburg has been a failure. What should have been obvious from the beginning is that reconciliation is a long process—not a single photo opportunity, an event, a moment frozen in time. Bitburg, exposing clumsiness and poor political judgment in Bonn and Washington, in the process lifted the scab on dark corners of recent German history. There is a time to know when to leave well enough alone.

As I entered the cemetery, I noticed a sign: "Please do not disturb the peace and rest of the dead." Too late.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. MONTGOMERY. Mr. Speaker, next week the House may be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain nonservice-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the Harry S. Truman Memorial Veterans Hospital in Columbia, MO:

HARRY S. TRUMAN
MEMORIAL VETERANS HOSPITAL,
Columbia, MO, January 31, 1985.

HOWARD H. GREEN, M.D.,
Chief of Staff (11),
VA Medical Center,
White River Junction, VT.

Subject: National Survey Questionnaire from NAVACOS.

1. We are pleased to answer the questionnaire in your letter of January 2, 1985 as we too are one of the hospitals that have been experiencing ever increasing budget deficits during the past few years. We would appreciate your sharing the comments and solutions you obtain as a result of this survey with us so that we may benefit from them at this hospital.

A. Size of hospital.—Our hospital is a 452 bed facility (54 NHCU beds).

B. Affiliated.—We are affiliated with the University of Missouri Medical Center.

C. Projected dollar deficit as of 1/1/85: (1) Personnel, $115,287; (2) All Other, $1,078,565.

D. Impact of dollar deficit:

(1) Personnel.—The deficit of $115,267 represents 5.5 FTEE based on an average annual salary of $28,1451. Our current lag time in filling selected vacancies is 8 weeks. By increasing lag time in filling selected vacancies, we can control the personnel services shortages.

(2) Supplies—the most significant shortages are in drugs, medical supplies and beneficiary travel. We are anticipating cutting outpatient visits to reduce workload and thus save in drug, medical supplies and beneficiary travel costs. We have a projected $95,000 deficit in beneficiary travel which can be eliminated by cutting 5,000 outpatient visits. However, we are planning to cut from 10,000 to 15,000 visits to bring the drug and medical supplies deficits down to a manageable level. This will be done by strictly enforcing existing law regarding stable patients, and limiting visits for non-service connected veterans.

(3) Equipment.—There are no budget deficits for 1985. FY 1984 end-of-year funding was utilized to buy required equipment. However, we are seriously considering using equipment funds to offset some of our deficit.

(4) Backlog of patient surgery.—At the present time we do not plan a backlog in this area. As stated above, we plan to cut back on outpatient visits. In the past, deficits have caused backlogging of joint prosthesis patients, and I anticipate that this will happen again in the future.

E. Solutions devised: We are in the process of implementing serveral plans aimed at decreasing existing personnel and supply deficits.

(1) Changing the refill policy in Pharmacy from 30-day to 90-day refills. While this will not save in drug and supply costs, it will offset staffing needs in Pharmacy and reduce their overtime requirements.

(2) We are also opening our own Coronary Care Unit. These services have also been provided in the past by the University of Missouri Medical Center through the Sharing Agreement.

(3) The additional funds we received at the end of FY 1984 were used exclusively to replenish inventory for high usage items and to buy required equipment. Use of funds in this manner has also reduced this year's deficit considerably.

F. Other comments:

(1) I am deeply concerned about the present level of our funding, and share Dr. Wolcott's concern about the detrimental impact on our programs. Our medical staff has given me a clear message that they intend to maintain quality of care, and do not consider lowering level of care in order to accommodate increasing numbers an alternative. This means that unless funding is increased, we will not be able to respond to the projected rise in demand.

(2) This concerns me greatly, since it will mean that we will not be able to provide for large numbers of patients who are truly indigent. The private sector does not want these non-paying people, and I am sure that it would be more expensive for society to create a new alternate system. Any physician working in the system can verify that the VA gets a bargain on its dollars.

(3) It will also deprive our training programs of needed teaching material.

(4) I cannot believe that a country with the humanitarian concerns of ours will settle for providing health care only on the basis of ability to pay.

2. The Resource Allocation Model, which bases fund allocation on weighted work units for Diagnostic Related Groups, substantiated our opinion that our budget deficits are directly related to the complexity of our patient care. Full utilizaiton of this model should alleviate some of our monetary problems.

TERRY S. HOYT, M.D.,
Chief of Staff.●

POLIO ERADICATION IN THE AMERICAS BY 1990

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BARNES. Mr. Speaker, a war has been declared on polio in the Western Hemisphere. Yesterday, the Pan American Health Organization launched a plan to raise the immunization level of children in the hemisphere to a minimum of 80 to 85 percent by 1990, effectively wiping out polio in the Americas. Only a few years ago, such an achievement was thought to be impossible. Today, with the demonstrated effectiveness of mass immunization campaigns in Colombia and El Salvador, this hope for the children of the world can become a reality.

I want to share with my colleagues the following Washington Post account of the PAHO announcement:

HEMISPHERIC WAR ON POLIO DECLARED

With the developers of the polio vaccines looking on, the Pan American Health Organization launched a major effort yesterday to eradicate polio from all nations of the Americas by 1990.

Dr. Carlyle Guerra de Macedo, the organization's director, outlined a five-year, $100 million program to raise the immunization level of children in all countries of the hemisphere to at least 80–85 percent. This, officials said, should wipe out the disease in the New World.

Guerra de Macedo said one-third of the amount needed to eliminate polio in the hemisphere will come from donations from wealthier nations and institutions, and the remainder from the tropical and subtropical countries at which the effort is mainly aimed.

There were 489 cases of polio reported in 10 countries in the Western Hemisphere last year, but Dr. Albert Sabin, who developed the live-virus polio vaccine, said the actual number of cases may be 10 times as great.

Guerra de Macedo said 4 million children born every year in the Americas still are not vaccinated against polio and other serious childhood diseases.

Polio reached a peak in the United States in 1952 when it left 57,628 people paralyzed. Seven cases were reported in the nation last year.●

UNITED STATES-JAPAN TRADE IMBALANCE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, May 15, 1985, into the CONGRESSIONAL RECORD:

THE UNITED STATES-JAPAN TRADE IMBALANCE

The sudden outpouring of anti-Japanese sentiment in Congress is the result of surging public resentment over the U.S. trade imbalance. Last year our trade deficit rose to $123.3 billion, $50 billion more than the previous record deficit in 1983. $37.6 billion of the deficit was with Japan. By 1990 it could be $87 billion.

For many Americans, the deficit with Japan has become a focal point of U.S. trade problems. Japanese economic success is seen as undermining our economic recovery. Anti-Japanese rhetoric in some circles is more extreme now than at any time since World War II. For 20 years Washington tried everything: mandatory textile quotas, voluntary restraints on automobiles, pressure on Japan to buy American beef and citrus fruits, and pressure to bolster the yen. In Congress, the free-trade consensus is eroding, and restrictions and retaliation are openly discussed. The House and the Senate recently approved by wide margins resolutions calling on the President to retaliate against Japanese imports if Japan does not take major steps to open its markets. Congress has often threatened to act, but has rarely delivered. Now the Japanese wonder if Congress means it.

Although imports from Japan are sensitive issues, access to Japanese markets has become the most important issue for the U.S. Japan is the single largest buyer of our agricultural exports, and, after Canada, is the second largest market for all U.S. exports, buying some $22 billion worth last year. Our economy derives real benefit from trade with Japan. To improve our access, we have negotiated five packages with Japan in the last four years. Yet no real change in trade patterns has taken place, and the trade deficit has only grown larger. Japanese trade barriers are a problem, but even in an open Japanese market the best estimates are that the U.S. would sell no more than $15 billion worth of additional goods, less than half the present deficit.

Perhaps the chief source of our trade deficit is not in Japan: It is here. The high exchange rate of the dollar raises the price of American exports and lowers that of foreign imports. The most important step we can take to correct our trade imbalance is to get control of the federal deficit. That will help reduce interest rates and thereby bring the exchange rate back into line with the dollar's true value.

The Japanese save and invest more than we do. Consumer credit is not easily obtained, and savings in Japan are directed toward investment rather than the purchase of foreign consumer goods. Japanese investors purchased some $20 billion of securities in the United States in 1984 in order to take advantage of high interest rates. Japanese argue that their large U.S. investments counterbalance the trade deficit, since they contribute to American growth and employment.

Trade barriers in Japan are still a problem, but they are of less concern now than "non-tariff barriers", such as Japan's distribution system, protection of strategic industries, buy-Japanese attitudes, and regulatory barriers. Unlike the U.S. and Western Europe, Japan does not permit foreign companies to participate in the drafting of product regulatory standards. Americans often complain that these standards are unfairly drawn along terms of design rather than performance.

Japan also benefits from its close government-private sector relationship. The world is divided into more than free-market economies and centrally-planned economies. Japan is somewhere in between. Japan's Ministry of International Trade and Industry coordinates trade policy and orchestrates which sectors and industries will expand or contract. We historically have spurned such an industrial policy as excessive government intervention.

Finding a solution to our trade problems with Japan will require careful judgments. Japan is a crucial ally of the United States in the Pacific, and its friendship is important to the security of that region. Much more is at stake than correcting the present trade deficit.

Several steps are needed. First, we must get Japan to open more of its markets. Reciprocity must be implemented with flexibility and finesse. We are seeking better access for electronics, timber, pharmaceuticals, and telecommunications, the last area providing a most important test issue. Japan has never fully accepted the rule of an open trading system, even though it is one of the greatest beneficiaries of that system.

Second, we might explore negotiating specific shares of the Japanese market in sectors where we are genuinely competitive. This has the advantage of relative simplicity, and avoids both countries getting bogged down in minute regulations. This could be a temporary way to gain market access.

Third, Americans need to improve our export capabilities. We often fail to match the Japanese skill and determination to work the U.S. market. Hiring Japanese staff and learning Japanese is important, as is finding the right partner in Japanese industry. Private sector efforts to export need to be bolstered by Washington. The ability of U.S. companies to sell in Japan will be determined less by the concessions we extract than by the skill we show in the products we develop and the mastery we show in marketing.

Fourth, the U.S. must encourage its allies to turn up the pressure on Japan. The major Western economic powers, including Japan, recently discussed steps to solve present trade problems, but did not agree on a timetable for a new round of negotiations. Such a round will be important for resolving trade differences. Pressure should also be brought on Japan to encourage consumers, through tax and financial incentives, to buy more goods, including imports, and save a little less.

Finally, and perhaps most importantly, Japan and our other trading partners must see that the United States is putting its own economic house in order. U.S. rhetoric against the Japanese trade barriers will not have much force as long as the U.S. budget deficit grows.●

EARL C. BEHRENS

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. BURTON of California. Mr. Speaker, this past Monday Earl C. Behrens, the political editor of the San Francisco Chronicle for many years, died at the age of 93.

Known in the national political scene as "Squire" Behrens, he covered California politics, national conventions, and the State capital beat in Sacramento for some 50 years.

Squire Behrens could be courtly and gracious, but he had a legendary impatience for those in government or politics who danced around in response to one of his typically incisive and insightful questions.

Squire Behrens' passing marks the end of a great and colorful chapter in San Francisco political journalism, but those of us who knew him and avidly read his reporting will always have a lingering respect for his memory.●

A TRIBUTE TO FRANCES MARSH SHASKAN

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. BURTON of California. Mr. Speaker, I would like to bring to my colleagues' attention to a remarkable constituent of mine who, on May 28, will receive the prestigious Eleanor Roosevelt Democratic Woman of the Year Award in San Francisco.

Frances Marsh Shaskan is, in the truest meaning of the term, a "Renaissance Woman." Her career has been rich and diverse and her commitment to her community is consummate.

After her graduation from Radcliffe College in 1927 she taught French in the Scarsdale, NY, school system and, shortly thereafter began study and experiment in brain metabolism, publish-

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now to give their air waves over to out-

beverages now do. Thus, I believe that

ing a paper in 1936 entitled "Lactic Acid Content of Blood and Cerebral Spinal Fluid" in the Archives of Neurology and Psychiatry. In 1937 she published "Vitamin C Studies in Alcoholics" in the American Journal of Psychiatry.

In 1930 Frances Shaskan became a member of what was to become the illustrious Democratic Women's Forum, joining Eleanor Roosevelt, Mrs. Louis Brandeis, and Frances Perkins.

In 1947, to the good fortune of our city, Frances and her husband Donald, moved to San Francisco. Since then, her contributions to our city have been many, and legendary. She has been and continues to be a devoted advocate for those in need of a vigorous champion. Among her many achievements she helped organize a consumer group to fight high food prices and established a milk program for school age children.

This led to the founding of the Farmer's Market which has been providing quality, low-cost produce to our area for over 35 years. Her knowledge of foreign affairs and defense issues is formidable as is her zeal for peace and for world unity.

To avoid committing a sin of omission, I will employ the worn cliche that Frances' accomplishments are too numerous to mention. I had the great pleasure of serving with her in the Democratic Women's Forum for many years and I know of her special passion for equality and justice. She holds our Government to the highest possible moral standards, and she therefore provides us with a standard to which we should all aspire.

I am sure my colleagues would join with me in extending congratulations to Frances Shaskan—a truly exceptional individual.●

A TRIBUTE TO FATHER ANTHONY DUDEK

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. LIPINSKI. Mr. Speaker, it is with great pride that I rise before my colleagues today to call attention to Father Anthony Dudek, who recently celebrated the 50th anniversary of his ordination into the priesthood.

Father Dudek has had a long and distinguished career in the priesthood. Following his ordination on April 27, 1935, at St. Mary of the Lake Seminary in Mundelin, IL, Father Dudek was assigned to the St. Salomea Parish in his native city of Chicago. After 5 years at St. Salomea, Father Dudek was asked to join the armed services as a chaplain. He was stationed in both Europe and the Pacific during World War II and, following the war, was made command chaplain of the entire Carribean Zone. He also served at Fort Leavenworth and Brooks General Hospital in San Antonio, TX, while in the military. In 1970, after 28 years, Father Dudek left the service, receiving the Legion of Merit commendation medal at his retirement ceremonies.

Once again a civilian, Father Dudek returned to his home parish in Chicago, St. Barbara, where he offered his services as a full-time resident and assistant for nearly 15 years. He currently resides at St. John of God Parish and will celebrate his 75th birthday this July.

Mr. Speaker, I join with the residents of the Fifth Congressional District in paying tribute to Father Anthony Dudek on the occasion of his 50th anniversary and thank him for his outstanding community work in our behalf.●

FAIRNESS IN ALCOHOL ADVERTISING ACT OF 1985

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SEIBERLING. Mr. Speaker, one of the most serious problems afflicting our society today and threatening the health, safety, productivity, and quality of life of many Americans is the misuse of alcohol. Alcohol is a dangerous and addictive drug, but unfortunately, many people do not understand that. As a result, this Nation suffers hundreds of thousands of alcohol-related deaths and serious injuries every year. In addition to drunk-driving accidents, alcohol misuse often plays a role in incidents of child and spouse abuse, suicide, and crime. Alcohol can also have serious adverse health consequences and has been linked to birth defects, liver disease, heart disease, and several forms of cancer, to name only a few. All of this causes immense suffering for millions of people and costs our Nation billions of dollars every year.

One of the saddest aspects of the alcohol problem is that it is reaching epidemic proportions among many young people. Alcohol is the drug of choice for many teenagers. According to the National PTA, of the estimated 13 to 15 million alcoholics and problem drinkers in the United States, more than 3 million are under the age of 18.

There are certainly many factors that are responsible for the alcohol problem in this country—stress, parental behavior and influence, peer pressure, and lack of health information are just some. But whatever the other factors, it is clear that the nature of alcohol itself plays a big role. Unfortunately, you would never know the extent of the problem from viewing the large number of slick advertisements promoting the sale and consumption of alcohol which are saturating the air waves. These give the impression that alcohol is the solution to finding a better, more enjoyable life, not the doorway to trouble and tragedy that it really is.

As a parent concerned about the youth of this country, a someone who observed at first hand the birth of Alcoholics Anonymous 50 years ago, as a preventive health advocate who believes in the importance of fitness, good nutrition and health education, and as a member of Congress who feels we have a responsibility to help create and maintain a healthier and safer society for everyone, I think it is time we took effective action to see that the public is given all sides of the picture about alcohol and the perils of alcohol use and misuse. So today I have introduced the Fairness in Alcohol Advertising Act to require that when any alcoholic beverage is advertised on television, radio, or cable, equivalent time shall be provided for the presentation of messages regarding the various adverse effects that may be attributable to consumption and misuse of alcohol.

Essentially, this bill adopts the Fairness Doctrine approach. Currently, the Fairness Doctrine requires that when a broadcast or cable station presents one side of a controversial issue of public importance, the station must afford a reasonable opportunity for the presentation of contrasting points of view. However, in 1974, the Federal Communications Commission found that standard product commercials do not trigger the Fairness Doctrine right to presentation of a contrasting view. The Fairness in Alcohol Advertising Act does not overturn that decision but simply recognizes that alcoholic beverage advertisements promote a special kind of product which present unique problems thus requiring separate and unique treatment.

The bill amends the Communications Act to specifically provide that in order to air commercial messages promoting alcoholic beverages, a radio or television licensee or a cable operator must ensure that equivalent advertising time for the broadcast of counterbalancing messages is given to responsible spokespersons. Under the bill, those spokespersons would receive only the free air time; they would have to bear their own production and other costs.

I think that broadcasters are currently doing a good job of complying with the Fairness Doctrine in terms of the many controversial issues facing American society today. I know that it is not always an easy task and I commend them for their efforts. This bill is not intended to force broadcasters now to give their air waves over to outside parties for whatever messages those parties may wish to convey. The bill's language attempts to give broadcasters and cable operators reasonable discretion in meeting their new responsibilities required by the bill. The bill also requires the FCC, in consultation with both the Bureau of Alcohol, Tobacco and Firearms and the Public Health Service, to issue guidelines to help broadcasters carry out their obligations under this bill.

This bill is not intended to allow the disparagement of any particular brands of beer and wine, but to allow the fullest possible discussion of the problems associated with alcohol in general. Nor is it the intent of this bill to detract from the many existing public service announcements dealing with community needs and problems other than those associated with alcohol. Broadcasters are doing a great service to their communities by providing important messages on behalf of many different causes including Red Cross, United Way, hunger and disaster relief, voter education, job training and many others. My bill specifically states that the alternative alcohol messages required by the bill may not be used to discharge the broadcasters' public interest obligations in other areas.

The bill defines alcoholic beverage advertisement as programming which is intended to promote the purchase or consumption of alcoholic beverages and for which air time is purchased from the broadcaster. Excluded from this definition are announcements which are limited simply to sponsor identification of a program, such as the recognition given corporate sponsors of PBS programs. Alcholic beverage is defined in this bill as it was in last year's amendment to the Highway Safety Act establishing a national minimum drinking age.

With regard to the equivalent time requirement, this bill looks to the approach now followed regarding the use of broadcast time by candidates for public office. The Fairness in Alcohol Advertising Act provides that the counterbalancing messages be afforded air time which is of equal duration to that used for the presentation of alcoholic beverage advertisements, and which has an audience size and composition approximately equivalent to that received by the alcoholic beverage advertisements. These requirements ensure that the counterbalancing ads can't be lumped together into one big spot and aired at 2 a.m.

I realize that this equivalent time standard goes beyond the reasonable opportunity standard which is applied to other issues under the Fairness Doctrine. However, I don't think that any other issue receives the same significant amount of time for its promotion as the commercials for alcoholic beverages now do. Thus, I believe that this imbalance justifies the requirement of equal time.

Let me emphasize that I do not believe that beer and wine commercials promote the misuse of alcohol, nor do I think that these ads directly cause such misuse. However, it is undeniable that by portraying happy, successful, healthy people drinking wine and beer, these ads do project the image of a total lifestyle which appears enviable. They are thus influential, especially on impressionable young people. The influence of such commercials may be subtle, but it is real and powerful, nevertheless. As Rose K. Goldsen, Ph.D., a professor of sociology at Cornell University has written:

> Conventional wisdom insists on establishing a measurable connection between exposure to the ads and drinking as 'proof' that they do anything at all. But we miss the culture-shaping power of commercials if we think that's how they do their main work. Not many children are likely to respond to a beer commercial by dashing to the nearest bar for a beer on draft, nor is it our custom to admit kids bars. But since it is our custom to beam the bars into our homes every day, it's hard to grow up in this country without learning the advertisers' glamorized versions of the culture of bars of how delightful are those grownup lifestyles that drinking so enhances.
>
> All children aspire to adulthood and prepare for it by trying out the various behavioral repertoires their environment makes familiar and paints as admirable. That environment is now saturated with repertoires picked up from TV, including the substantial input made by commercials glamorizing drinking.

The Fairness in Alcohol Advertising Act addresses the need to offset these images of glamorous lifestyles and to show that, unfortunately, there is a dark side to alcohol.

I know that the wine and beer industries and the broadcasting industry share the concern about the misuse of alcohol and have responded positively by mounting campaigns in schools and on the air against alcohol abuse. However, most of their efforts have focused on drunk driving and while these efforts have been commendable, I don't think they are reaching a sufficiently wide audience or are covering a sufficiently broad range of the problems associated with alcohol consumption. Let me emphasize here that I am talking about consumption even in relatively modest amounts and not just the grossly excessive consumption usually comprised under the terms "abuse" or "misuse." The public needs to be better educated regarding the many risks associated with alcohol consumption. Alcohol can affect the brain and body in many disruptive ways. There is hardly any organ, tissue or function of the body that is immune to alcohol's damaging effects.

I want to make clear that I am opposed to prohibition. I am not seeking a ban on either the product or on the alcohol ads themselves. And in introducing this bill, I am not saying that people should become teetotalers. But I do think people should know about the risks associated with drinking, even in moderate amounts.

The challenge facing us is to come to grips with the national tragedy of alcohol misuse and the dangers it poses to health, safety, family life, mental acuity and social development. I don't pretend that this one piece of legislation offers the full answer. But it is a step forward. This bill would provide an opportunity for a wider dissemination of responsible information regarding the dangers of alcohol misuse. It seeks to increase the public's knowledge and understanding of the many risks and consequences associated with alcohol misuse and to educate high risk populations, such as pregnant women, alcoholics and adolescents about the special concerns and risks associated with the consumption of alcoholic beverages. Finally, I think that enactment of this bill would not only help deter individuals from becoming problem drinkers, but also help discourage minors from using alcohol and teenagers and young adults from developing lifestyles which include excessive alcohol consumption.

I have, as you might suppose, already received numerous letters and visits from people in the broadcasting industry, as well as the beer and wine industry, opposing any such legislation and raising many questions and objections. All of them are entitled to careful consideration and should be evaluated after a thorough and balanced legislative hearing in which all sides have an opportunity to make their case. I am sure that just such a hearing will be held and that Congress will not act hastily or without all relevant information.

My bill is intended to aid that process, and I believe it will provide a focal point. Surely all points of view can only benefit by a full and frank public discussion of this very real and important issue.

Recently, a broadcasting executive speaking in Cleveland said that the answer to alcohol abuse lies in increased public education about the associated dangers and risks. I agree with him. I believe that the Fairness in Alcohol Advertising Act will, in the end, be seen as providing a reasonable means of achieving this crucial national goal.●

DEPENDENT CARE TAX CREDIT

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Ms. SNOWE. Mr. Speaker, today I am introducing legislation along with my good friend and colleague, Hon. SILVIO CONTE, to expand the dependent care tax credit and make it refundable for those whose tax liability does not exceed the credit to which they are otherwise entitled. In addition, this legislation would provide for a limited credit for respite care expenses which allow caregivers a brief period of relief from the daily responsibilities of caring for a seriously ill or disabled dependent. These provisions have also been included in the Economic Equity Act of 1985, introduced on May 13 by Congresswoman PAT SCHROEDER.

Dependent care is a vital support service for all working persons, and it is particularly important for women working outside of the home because they are the individuals most likely to be faced with the responsibility of caring for dependent family members. Access to affordable dependent care is a crucial factor in ensuring that women have an equal opportunity to enter and continue in the job market. Many studies suggest that approximately one in every five or six women is unemployed because she is unable to make satisfactory child care arrangements.

There is an equally pressing need for adequate care for elderly dependents. Women's caregiving responsibilities frequently do not cease when her children are grown, but rather change to accommodate an aged parent or sick spouse. One in ten middle-aged women between 45 and 65 has responsibility for older relatives. While many of these women continue to participate in the labor force, countless others retire to assume full-time responsibility for the care of a dependent family member. It is important to encourage the use of respite care by these caregivers as a means of avoiding expensive institutionalizations down the road.

The dependent care tax credit is currently available to taxpayers who incur work-related expenses for the care of a child under age 15, a disabled spouse, or any other dependent who is physically or mentally incapable of caring for him or herself. In 1981, Congress replaced the previous flat rate credit for dependent care with a sliding scale that focused the maximum benefit of the credit on lower income households. The scale currently allows a 30-percent credit for work-related dependent care expenditures up to $2,400 for taxpayers with incomes of $10,000 or less; the credit is reduced by one percentage point for each $2,000 of income between $10,000 and $28,000 to a minimum of 20 percent. Currently, a family earning $10,000 a year would have to pay $2,400 per year, nearly one-fourth of its income, to receive the maximum credit of $720.

In order to provide a more realistic level of support to working families to help them meet dependent care expenses, my legislation would raise the sliding scale to 50 percent of work-related dependent care expenditures for families earning $11,000 or less. The scale would be reduced by one percentage point for each full $1,000 of income, with persons earning $41,000 or more receiving a credit of 20 percent. In addition, the dependent care tax credit would be indexed to the cost of living and made refundable so that those families with incomes too low to have tax liability or whose credit exceeds their tax liability have access to the credit. Currently, 93 percent of all claims are made by families with incomes greater than $10,000 a year. A refundable tax credit that is indexed to the cost of living will ensure that lower income families have the same access to the credit as the middle and higher income families who currently derive considerable benefit from this tax credit.

Finally, my legislation would, for the first time, include respite care expenses under the dependent care tax credit. Respite is a relatively newly defined service area designed to provide care for the dependent person while the caregiver takes a break from their daily responsibilities. In a very real sense, respite means relief, and as such, is vital to the continued well-being and effectiveness of the caregiver.

The legislation I am introducing today provides for a credit on up to $1,200 of expenses for one dependent and $2,400 for two dependent individuals to provide for respite care. A caregiver would be able to either hire someone to come to the home to care for the dependent for a few hours a day or a week, or could bring the dependent to an adult day care center. My legislation would also permit up to a 2-week stay in an institution in order for the caregiver to tend to other personal or family affairs. A credit on expenses incurred for respite care would be available without regard to the caregiver's employment status.

Because the concept of respite care is a relative new one, I would like to take this opportunity to highlight the importance of this section of the bill. Legislation in the area of dependent care. has generally been tied to the needs of the dependent, with less attention paid to the caregiver. The caregiver is a vitally important link in the home care of an individual who is unable to maintain him or herself. This role most often falls to a female family member, such as the mother, daughter, daughter-in-law or wife of the dependent family member.

Caring for a person who is bedridden, wheelchair bound or who cannot be left alone can be an exhausting, discouraging and often depressing job. One woman recently told of caring for her husband from the time he was striken with multiple sclerosis in his 30's until his death 20 years later. This woman stayed at home to provide for her sick husband and only left the house twice a week, once to do the grocery shopping and once to go to church on Sunday mornings. She told of the desperation, of the loneliness, and of the guilt she felt over her sometimes angry and resentful feelings.

Dependents, such as Alzheimer victims, have been known to have personality changes during the course of their illness, which can render them difficult to manage. Alzheimer patients often have fits of anger and frustration; they sometimes wander in the daytime as well as during the night, allowing the caregiver little rest. Worst of all perhaps is the time when the victim no longer recognizes his or her loved ones. When there is no longer a thank-you, a loving smile, a touch or tender look, then caregiving truly becomes a thankless job. To be left with caregiving responsibilities of this magnitude is something no person should have to do without assistance. My legislation will encourage respite care in an effort to support the caregivers who are, at times, themselves in need of help.

In the long run, dollars prudently spent on respite care for the caregiver, will save even greater amounts for both families and State and Federal governments through the postponement or avoidance of expensive institutionalizations.

Mr. Speaker, I believe the dependent care tax credit provisions of the Economic Equity Act, which I am introducing separately here today, represent a cost-effective way of assisting our most vulnerable Americans. An estimated 6 to 7 million children 13 years old and under, including many preschoolers, may go without care for significant parts of each day while parents work. With the over-80 age group the fastest growing segment of our population, the number of adult dependents in need of care will continue to climb rapidly. Expansion of the dependent care tax credit will help all families provide better care for their loved ones, without extracting a heavy toll on the members of our society least able to afford it.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. PENNY. Mr. Speaker, within the next few weeks, the House and Senate will be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in St. Cloud, MN:

VETERANS' ADMINISTRATION,
MEDICAL CENTER,
St. Cloud, MN, February 22, 1985.

HOWARD H. GREEN, M.D.,
Chief of Staff (11), VA Medical Center, White River Junction, VT.

DEAR DR. GREEN: Listed below is our response to the questions you pose in your letter of January 2.

a/b. The VA Medical Center, St. Cloud, MN is a 820 bed nonaffiliated facility, comprised of 10 patient care buildings. With the impact of DRG's, an aggressive community placement program, and a remodernization program to comply with JCAH privacy standards, our average daily census, fiscal year to date is 518. Two buildings with a total capacity of 151 beds have recently been closed.

c. Our projected dollar deficit as of January 1, 1985 for personnel services was $200,000.

d. The impact of dollar deficit:

(1) Personnel—The personnel ceiling will be reduced by 43.8 FTEE (by attrition) due to the closure of Buildings 9 and 49.

(2) Supplies—Some monies earmarked for supplies will have to be used for salaries.

(3) Equipment—A deficit of $51,249 for additional equipment. A deficit of $94,056 for equipment replacement. (FY'85)

(4) Continuing Education Funds—Our budget has not increased over the past 5 years, yet the cost of education has doubled.

e. Solutions:

(1) Closing of two buildings and abolishing staff positions.

(2) Establish a six week lag time before filling positions.

(3) Divert funds from purchase of ward and office furnishings.

(4) Request funding adjustment from District for ventilator dependent patients.

f. Other Comments:

(1) We have a number, perhaps a couple dozen, long-term patients whose assaultive and inappropriate behavior precludes community placement.

(2) The ventilator-dependent patient program may be increased from a census of 4 to 10. We will need approximately $280,000 annually to fund this program. Of the nine ventilator-dependent patients treated at this medical center, one was on the program approximately three years. The average length of stay for the other eight was 53 days.

(3) Although we have actively recruited for additional physical therapists for the past two years, we have been unable to hire any.

(4) Another critical problem that faces us is our increasing outpatient workload. We have physical facilities which are difficult to adapt to ambulatory care due to limited size and inappropriate configuration of this space.

G.F. KELLER, Jr., M.D.,
Chief of Staff.●

WINNERS OF THE 1985 SILVER KNIGHT COMPETITION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. LEHMAN of Florida. Mr. Speaker, as a former chairman of the Dade County School Board, I have seen first-hand the high caliber of many students in our public schools. As a Congressman from North Dade, however, I am especially pleased to learn that there are some especially outstanding students who live in our 17th Congressional District. I am referring to the five North Dade students who were winners of the 1985 Silver Knight competition.

In 1959, John S. Knight, the late editor emeritus of Knight-Ridder newspapers and the Miami Herald, established a program to recognize outstanding high school students in Dade County. He called the program the Silver Knights, which each year honors and brings to public attention the best of our students.

Each school submits a list of Silver Knight nominees for honors in categories ranging from social science and mathematics to art and athletics. This year there were 354 nominees, from which were chosen the honorable mention winners and the 14 Silver Knights.

Of the 14 winners 5 were from North Dade high schools. They were Juan Carlos Acosta and Kaylois Henry from American High School; Todd Green from Miami Central High School; Clyde Montgomery from Miami Norland High School; and Ronald Gillyard from Miami Northwestern High School. A brief description of the accomplishments of each of these students is reprinted below.

Mr. Speaker, these remarkable young people are evidence that the future of this country will be in capable hands.

The articles follow:

KAYLOIS HENRY

ENGLISH—AMERICAN HIGH

She writes features, pep rally scripts, essays and speeches.

When there's writing to be done at American High, Kaylois Henry is pushing the pencil.

Henry edits and designs the feature pages of American High's Third Century newspaper. She interns at The Miami Herald Neighbors in Hialeah, and tutors fellow students in English, science and math.

Last year, Henry organized the Journalism Club at Lake Stevens Elementary. Club members put together a school newspaper to improve their English-language skills.

For her accomplishments in English and her ability to interpret other writers' works, Henry has been named the outstanding English student by her honors English teachers every year since the ninth grade.

She also won the Florida Schools Pride Award for writing excellence.

Henry has volunteered to work in the Special Olympics and the North Dade Children's Home, and has also organized local blood drives.

JUAN CARLOS ACOSTA

ART—AMERICAN HIGH

Graphic arts enthusiast Juan Carlos Acosta is a teacher at heart.

Acosta volunteers as an aide to an art class of 30 students at Miami Lakes Elementary School, where he has organized the school's first Art Club. He recruited 13 talented sixth graders for the club and plans to extend the program to other grades.

"The good feeling I get in teaching children actually makes me do better in my classes," Acosta says.

At American Senior High School, Acosta's colorful strokes and lines are displayed on wall murals, banners, posters and invitations he has designed.

The senior also sponsored the Juvenile Diabetes Week campaign at the school, and participated in American's Christmas project, turning a school room into a miniature store where small children learned to shop.

RONALD GILLYARD

SOCIAL SCIENCE—MIAMI NORTHWESTERN HIGH

When Ronald Gullyard read about the increasing number of students who drop out of school, the young civic activist went immediately to work to find a solution.

The result: SWITCHED, which stands for Students Working Intelligently to Combat Higher Educational Deficiencies, a dropout prevention program instituted at seven senior high schools.

Gillyard even wrote the program's constitution and bylaws.

The chairman of the Inner-City Youth Council, Gillyard organized a rally in support of fired Miami City Manager Howard Gary, working with the Metro-Dade Community Relations Board to ensure it provided an opportunity for students to air their opinions about government.

The Miami Northwestern Senior High student participates in a young men's service club at Bible Baptist Church. He visits the elderly at nursing homes, helps with the yard work and runs errands for widows in the church.

TODD GREENE

SPEECH—MIAMI CENTRAL HIGH

Last November, while the nation stirred with election excitement, Miami's inner-city high schools had their own presidential debate, thanks to Todd Greene.

Outraged because fellow students knew little about the Rev. Jesse Jackson, the eloquent speaker and newspaper editor from Miami Central High organized a mock debate. Students from across Dade—representing the Democratic and Republican parties—debated each other on various issues.

"In preparation for the debate, the students became interested in the campaign," Greene said.

A top student in his senior class, Greene is co-editor of the newspaper SkyRocket. His journalism skills help him in debate, he says.

But it was his knack for making learning fun that inspired him to organize an American history contest, also among the inner-city high schools, to prepare students for college entrance exams. Greene has also served on the Peer Review Panel, which listens to first-time juvenile offenders and their parents, then recommends punishment. He is a hospital volunteer at Jackson Memorial Medical Center and at Southeastern Medical Center.

Clyde Montgomery

ATHLETICS—MIAMI NORLAND HIGH

He is a star football player, a wrestling champion, a crime fighter.

Clyde Montgomery, a linebacker for the Norland Vikings, plays defensively off the field too, patrolling the halls of Miami Norland Senior High School. He keeps strangers away from campus and sends wayward students to class.

"It requires a great deal of time on my part, but I don't mind at all," he says. "I know it keeps the flow of teachers working with students running smoothly."

Montgomery also helps other schools stay safe.

He has introduced Youth Crime Watch programs at several elementary and junior highs in Dade and Broward counties. As a member of the Key Club service organization, he works at nursing homes and raises money for charity.

Montgomery started his football stint as a linebacker on the junior varsity football team. For the last two years he has been selected for the first-team defense of The Miami Herald's All-City Team and as a member of the first-team defense by The Miami News.

In wrestling, he has won local and state competitions.

After he graduates from college, where he plans to play football, Montgomery hopes to be a policeman.●

UPON THE RETIREMENT OF WARREN KNOWLES

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. MOODY. Mr. Speaker, I would like to pay tribute to a constituent whose life and work has been one of exemplary service to his State and community. That person is Warren Knowles, former Governor of Wisconsin, who now is retiring from a distinguished career in banking.

Warren Knowles served the people of Wisconsin as a public official for 3 years, beginning with his election to the State senate in 1940. His distinguished political career included 15 years in the State senate, 10 of which were as Republican majority leader. In 1964, he was elected Lieutenant Governor of Wisconsin, a post to which he was again elected in 1960. In 1964, he was elected Governor, a position he served in distinction until his retirement from political office at the end of this third term in 1970. He then joined the Heritage Bank of Wisconsin, serving as a chairman of the board.

Warren Knowles' career of service to the public at large extends far beyond the elected offices he held. He served on the boards of many civil and professional organizations, including the Leukemia Society of Wisconsin, the Milwaukee Athletes for Childhood Cancer, and the Medical College of Wisconsin. He has been awarded honorary degrees from eight colleges and universities, and has received many special awards and honors. A State park and a forest have been named after him.

Although Mr. Knowles and I belong to different political parties, I have always admired him as a symbol of the kind of selfless public service that serves as a model to all of us who hold the public trust.

This month Warren Knowles is retiring from his current position as chairman of the board of Heritage Wisconsin Corp. However, I am certain that his generous contributions to the good of the State of Wisconsin and its people will continue for many years to come. I join many other admirers in extending best wishes and congratulations.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. HUBBARD. Mr. Speaker, Americans continue to be shocked at the activities of certain U.S. Justice Department employees.

"CBS Evening News" and the Lexington, KY, daily newspaper, The Herald-Leader, have reported this week that the head of the FBI's Lexington office has been implicated in the unsolved theft of 50,000 dollars' worth of truck parts in Kentucky.

When asked about the news accounts, Bill Cheek, public affairs agent for the FBI in Kentucky, said: "An inquiry is presently being conducted in regard to the allegations. Because of the ongoing investigation, the FBI cannot discuss the matter."

When the politically motivated U.S. Justice Department began to destroy some of former President Jimmy Carter's political enemies in Congress years ago, FBI Director William H. Webster, a Carter appointee, and other FBI spokesmen gladly discussed the allegations with the news media.

There have been other occasions when FBI agents have eagerly discussed allegations against elected officials in an effort to damage their careers.

The following is a portion of a lenghty front page story in the May 14, 1985, Lexington Herald-Leader, as written by staff writers Mary Ann Roser, Valarie Honeycutt and Jeffrey Marx..

Larry Long, head of the FBI's Lexington office, has been implicated in the unsolved theft of $50,000 worth of truck parts in Kentucky, and the FBI said last night that it was investigating the charge.

The allegation was made public last night on the "CBS Evening News," based on accounts from ex-convict Delane "Red" Colvin.

Colvin told CBS that Long was involved in a break-in at Cummins Diesel Co., a truck repair firm in Jeffersontown outside Louisville.

Long, 40, who has headed the FBI office in Lexington since 1980, told the Herald-Leader last night that he was "aware of the story" but could not comment further.

According to the CBS report, the FBI allegedly commissioned the August 1979 break-in and protected the criminals as part of a failed sting operation. The stolen truck parts allegedly were transported to a "hot parts buyer operating out of a truck stop in Indio, Calif.," CBS said.

The parts were never recovered, and as insurance company lost nearly $50,000 in claims on them, the report said.

Steve Young, who reported the story for CBS, told the Herald-Leader that the second half of the report tonight would include "substantially more corroboration of the story from a co-confederate" in the alleged crimes and from a "prominent criminal lawyer" in Kentucky.

The report, titled "Kentucky Crimes," also will include what Young referred to as a "clandestine but legal" confrontational meeting with Long at the Glass Garden Restaurant of the Hyatt Regency Hotel. The meeting, involving a hidden camera, occurred during the NCAA Final Four basketball tournament earlier this spring, Young said.

Long was asked about "accusations he helped to plan much bigger, multimillion-dollar burglaries all in the name of the FBI, all in the name of law and order," CBS said last night.

Colvin told CBS that he and another man committed the break-in and that he was acting on instructions from Long. The Cummins break-in was "one of five thefts the FBI approved in Kentucky," Colvin said.

Asked by Young if he had any evidence of FBI participation in the Cummins case, Colvin said he taped conversations with Long. A portion of one of the alleged tapes was played during last night's broadcast.

When asked about the story, Bill Cheek, public affairs agent for the FBI in Kentucky, said: "An inquiry is presently being conducted in regard to the allegations. Because of the ongoing investigation, the FBI cannot discuss the matter."●

ONE TOO MANY

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. COATS. Mr. Speaker, it is increasingly apparent that many of the social ills that trouble America today are related to alcohol abuse. From the two hearings that the Select Committee on Children, Youth and Families has held on alcohol abuse and the family it is apparent that:

Alcohol abuse costs America nearly $120 billion per year in lost productivity;

Approximately 80 percent of first offender DUI's coming before the courts are alcoholics or problem drinkers; 40 percent of all family court problems involve alcohol abuse; 50 percent of all cases of spouse abuse are alcohol related; and 40 percent of high school seniors binge drink on a regular bases.

The problems of alcohol abuse involves the young and extend to more people than is commonly realized. While excessive drinking adversely effects the health and social well being of the individual consumer it also effects those who live in his company—the family. Sis Wenger, recently testifying before the Select Committee on Children, Youth and Families stated that:

> No genuine prevention of juvenile delinquency, child abuse, neglect, sexual abuse and family violence will be found until their connection to alcohol abuse is acknowleded. . . . prevention of alcohol abuse will remain an illusion until we deal with it in the context of the family system. . . .

Today's youth do not need to be robbed of their future by developing habits which limit their options and abilities. For this reason, Mr. Speaker, I have taken the lead in promoting the distribution of the film "One Too Many" among the Members of Congress. This 45-minute film on teenage drinking will be shown by ABC on May 21. The film was recently shown in Topeka, IN, and a teacher there responded by saying, "In my 20 years as a teacher I have never shown such a moving and significant film." It is my hope that this film will save lives during this year's prom and graduation season and I encourage my colleagues to see it on May 21 and make use of it in their districts.●

WHY WE SHOULD CONTINUE TO SUPPORT FEDERAL STUDENT AID PROGRAMS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. FORD of Michigan. Mr. Speaker, this past Sunday I was extremely pleased to receive an honorary degree from the C.W. Post campus of Long Island University. I was particularly delighted to share the platform with the valedictorian of the class of 1985, Laurie Manzione, and to have the opportunity to meet this extraordinary young woman. Laurie Manzione is a remarkable story in herself, coming from modest middle-income circumstances she graduated with a perfect 4.0 grade point average and is accepted to medical school this fall. Perhaps even more noteworthy are the achievements of the entire Manzione family. Laurie is the youngest of eight children, all of whom have graduated from college including seven from C.W. Post. Among her siblings are three physicians, an oral surgeon, a chemical engineer, and two law students. Laurie is also the third member of her family to graduate with a 4.0 average and become valedictorian at C.W. Post.

In her remarks at the commencement ceremony Laurie Manzione noted the importance of the Federal student financial assistance programs in making it possible for she and her brothers and sisters as well as many of her classmates to have access to educational opportunities. The children of the Manzione family epitomize the achievement of the goals of student financial aid—opening the doors of educational opportunity so that individuals with talent and motivation can improve themselves and increase their contribution to the strength of our Nation. I can think of no more powerful argument for sustaining for Federal commitment to student aid, which has been callously attacked by the current administration, than the success of the Manzione family in realizing the American dream.

An excellent article detailing the educational record of the Manzione family appeared in Newsday on Sunday, May 12, 1985. It is titled "A 'Quietly Extraordinary' Family," and I am including it in the RECORD at the conclusion of my remarks:

A "QUIETLY EXTRAORDINARY" FAMILY

(By Richard C. Firstman)

Laurie Manzione has a round, open face draped by long, straight brown hair—the kind of freshness that fits nicely into a cap and gown. Today she will deliver the valedictory address at the C.W. Post campus of Long Island University. In the fall she will be a medical student at Downstate Medical Center. But she seems unimpressed. "I don't care if I'm tenth in the class or twelfth or twentieth," she says. "As long as I do well."

"They're all like that," says Nancy Manzione, the mother of eight children, none of whom finished college with a grade-point average of less than 3.88. "If you meet them, you think, 'Just another person.' "

But at Post, the Manziones have been quietly extraordinary. Seven of the eight Manzione children have attended Post, where Laurie, the youngest, is the third to graduate with a perfect 4.0 average and become valedictorian. All eight children, ranging in age from 21 to 33, have or are pursuing advanced degrees. The family includes three physicians (Nancy, Madeline and James Jr.; who also holds a dental degree); an oral surgeon (Thomas); a chemical engineer (Jeffrey), and two law students (Claire and Stuart). Laurie hopes to be the fourth doctor in the family.

So the question asked by people at Post is: How do they do it? It is something like asking a 120-year-old man how he accounts for his longevity. A good diet, and luck. "We wonder about that," said Sherman Tatz, chairman of Post's psychology department. "We wish we had their secret."

"It's just in us all," Laurie said. "I guess genes have a lot to do with it."

And parents. This is a story for Graduation Day, but it is as much one for Mother's Day. "Their mother stood over them, guided them," said James Manzione, the father. "She was interested in everything they did. She spent every minute of her life with the children."

The Manzione children grew up in the house their father built—by himself—in 1951. It sits at the end of a cul-de-sac in a particularly pretty section of Glen Head. He worked as a construction supervisor, sometimes two jobs. His wife stayed home until eight years ago, when the youngest child was in junior high school in the North Shore School District. Now Nancy Manzione works as the secretary to Post's deputy president.

"There was always a baby in the house," Manzione says, and individual attention was a rare commodity. But Nancy Manzione had her ways. "I would go grocery shopping and take one at a time so they would have time with me," she said.

James and Nancy Manzione were the children of immigrants. Because of circumstances, neither went past high school, and they decided early that it would be different for their children. "When I finished high school, you had to work; it was the Depression," said James Manzione. Later, he said, "my friends who had gone to college started going into a world I couldn't go into."

From the early grades, his children showed a drive whose source was something of a mystery. "We stressed the importance of education, but we never pushed," Nancy Manzione said. "We never had to push." She recalls: "When Nancy was in second grade, she got a 92 on a test and she cried. I said, 'That's great,' and she said, 'I should have done better.' Her teacher said, 'This child will have an ulcer by the time she's 16.' "

The Manziones grew up with a simple idea: you always try your best. Jeff Manzione said it was demonstrated in something as small as "my father making that table." He pointed to a dark wood coffee table in the family's living room.

"Our parents let us do what our interests were," said Dr. James Manzione Jr., now a 33-year-old radiologist in San Diego. "They were good examples to us. Whatever they seemed to do, they always stressed doing the best they could do."

The children also got small morality lessons at home. When James Manzione suffered a heart attack 17 years ago, his wife decided to demonstrate how everyone could contribute in the event their father wasn't with them. She divided up James Jr.'s newspaper route and all eight children delivered the papers—including 4-year-old Laurie.

Such techniques may explain why the children grew up as noncompetitive friends. "Large families often generate a certain competition," said Maithili Schmidt-Raghavan, Post's dean of the College of Arts and Sciences and a teacher of several of the Manziones. "They never seem to be under that pressure."

Because the elder Manziones have worked at Post—James in the maintenance department after his heart attack and later Nancy as an administrative secretary—the children have been able to attend the college almost tuition-free. But the children never complained that they couldn't go to more prestigious schools. "In high school, I hung out with the smarter kids," Stuart Mangione said. "All of them were applying to Ivy League schools. I was curious about how I'd do, but I looked at how my brothers and sisters did at Post."

Stuart didn't do badly himself. A law student at St. John's University, he was last year's salutatorian at Post. A B-plus in freshman political science scarred his otherwise perfect record. No matter. "It didn't bother me," he says. "I deserved the B-plus."

By the time the younger children reached college, they had plenty of role models. Laurie decided she would pursue a career in medicine a couple of years ago. One night, while washing the dishes together, her doctor siblings insisted she justify her decision. They wanted to be sure the baby of the family was really willing to make the necessary sacrifices.

Today, this generation's last Manzione will deliver one more valedictory address. "We see the family at graduations," Tatz said. "The Manziones are always there with another star. The starmakers."●

A CONGRESSIONAL TRIBUTE TO PAUL HARTSTEIN, M.D.

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. ANDERSON. Mr. Speaker, I rise to pay tribute to Dr. Paul Hartstein, the outgoing president of the Long Beach Medical Association who will relinquish his post next month.

Born and raised in Aliquippa, PA, Dr. Hartstein joined the 11th Armored Division in 1942. Following his service as a medical technician during World War II, Dr. Hartstein received a B.S. in medicine from the University of Missouri at Columbia. He received his M.D. from Jefferson Medical College in Philadelphia in 1949 and then moved out west to serve his internship at the Los Angeles County Hospital.

Following service during the Korean war as a captain, Dr. Hartstein established a family practice in Long Beach, CA. He moved his offices in 1952 to Lakewood, CA. He still has his offices in Lakewood after 32 years of service to the community.

In addition to his service as a family doctor, Dr. Hartstein was the first chief of staff at the Doctors Hospital of Lakewood, and has subsequently served as a member and as chairman of the hospital's board of trustees. He has also served as a member of the scholarship committee of the Lakewood Medical Center Foundation, helping others to enter the field of medicine.

Dr. Hartstein, an excellent family practitioner and leader in the medical community in my district, has been an active member of the Long Beach Medical Association for over 34 years. In that time, he has served as secretary-treasurer (1982), vice president (1983) and as the current president of the Long Beach Medical Association.

Dr. Hartstein has improved the quality of life and health of the residents of my district and has shown great leadership in the medical community during his many years of service to the Long Beach and Lakewood communities. Although he is relinquishing his presidency, I am sure that he will continue to serve the community as vigorously as he always has. My wife, Lee, joins me in wishing continued success and all the best in the years ahead to Dr. Paul Hartstein, his wife, Dorothy, and their four children, Nancy, Gordon, Mark, and Scott.●

SELF-HELP ENTERPRISES

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. COELHO. Mr. Speaker, on May 24, 1985, I will have the pleasure of addressing the 20th anniversary dinner of the San Joaquin Valley's Self-Help Enterprises. Formed in 1965 from a project of the American Friends Service Committee, Self-Help Enterprises is the oldest and largest self-help housing organization in the United States. The nonprofit housing and community development organization serves seven counties in central California: Kern, Tulare, Kings, Fresno, Madera, Merced, and Stanislaus.

Self-Help Enterprises has for the past 20 years been a vital force in three areas of the San Joaquin Valley's rural development. Its programs in new housing, housing rehabilitation and community development have undoubtedly improved the quality of life and standard of living for thousands of families in the valley. The new housing program, utilizing Farmers Home Administration funding, has resulted in the completion of homes for almost 3,000 families. Under the supervision of Self-Help Enterprises' construction staff, families directly participate by building their own homes at a substantially reduced cost. The average cost of a self-help house, including the land is $39,000—a price significantly below commercially built homes. This savings allows families which may not have been able to afford to, realize the American dream of homeownership.

In addition to the many families who are now able to experience the pride and self-confidence which comes with maintaining a home, thousands more families have benefited from the maintenance programs run by Self-Help. Repair services are aimed at making current available housing decent, safe, and sanitary, and involve the replacement of faulty wiring, plumbing, and roofs, adaption of housing units to meet the special needs of the handicapped and elderly and weatherizing homes against the cold and heat of the valley.

Finally, Self-Help Enterprises' community development program provides technical assistance to very small communities to obtain adequate drinking and wastewater facilities. Some 90 sewer and water systems in approximately 60 communities in the San Joaquin Valley are now in operation because of the dedicated efforts of the Self-Help Enterprises staff.

In these times of fiscal restraint, we increasingly hear that people need to help each other and themselves. That is exactly what Self-Help Enterprises has been doing for 20 years. On the occasion of their 20th anniversary, I would like to congratulate Self-Help Enterprises for all of their accomplishments. And on behalf of the citizens of the San Joaquin Valley, I would like to thank them as well, for all of the encouragement, hope, and resources they have provided.●

DIRTY AIR THREATENS OUR NATIONAL PARKS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. VENTO. Mr. Speaker, our national parks, monuments, and historic sites are among our country's greatest treasures. There is no way to calculate the value of the view from the rim of the Grand Canyon, the peacefulness of an alpine lake in Yellowstone, the inspiration of the Statue of Liberty, or the historic importance of the Gettysburg Battlefield.

The National Park Service is charged with protecting these great treasures, but it appears powerless to stop the destruction which is blowing in with the wind. The recently retired director of the National Park Service, Russell Dickenson, has called air pollution the No. 1 threat to the national parks. As chairman of the Subcommittee on National Parks and Recreation, I agree, and despite the Clean Air Act, the park pollution problem is not improving.

Air pollution is destructive in different ways. Acid rain destroys trees, and accumulates in streams and lakes, upsetting delicate chemical balances which, in turn, can effect fish and wildlife. Dirty air robs visitors of spec-

tacular views. Airborne pollutants fall to the ground, and attack fragile monuments and historic buildings.

Scientists only recently have been taking measure of the damage, but already some scientific data is available, and it is not encouraging. At Acadia National Park in Maine, scientists last year studied 300 eastern white pine trees, and found nearly every one showed damage from excessive levels of ozone. Researchers in Mount Rainer National Park in Washington found high concentrations of arsenic in subalpine fir trees. In Shenandoah National Park in Virginia, scientists are measuring high levels of lead, and noticing widespread damage to trees. Lichens, the fungal alga pioneer plants, are especially sensitive and good indicators of airborne pollutants, and studies are beginning to note the abrupt decline of lichens in national parks from Big Bend in Texas, to Theodore Roosevelt in North Dakota, to the Florida Everglades. In some places, like the Santa Monica National Recreation Area, lichens have disappeared entirely.

Damage to vegetation is just one result of air pollution in the parks. Acid rain is no longer a problem confined to the industrialized Northeast. Recent studies compiled by the World Resources Institute show that western lakes and streams are especially susceptible to acid deposition, because the thinner, lime deficient soils, and steep soles are less capable of neutralizing the airborne acid deposition or rainfall. Scientists have identified many western national parks, including Yosemite, Yellowstone, and Glacier, as being especially sensitive to the effects of acid rain. Temporary pulses of highly acidic water have been measured following rainfall and snowmelt at such parks as Isle Royale in Lake Superior, and at mountain parks such as the Great Smoky Mountains, Shenandoah, and the Rocky Mountains. Such sudden increases in water acidity could seriously hurt or kill aquatic life in park waters.

Air pollution attacks more than plants and animals. The park system protects some 11,000 historic buildings and monuments nationwide, from the Anasazi pueblos of the Southwest to the great monuments of Washington, DC. At Mesa Verde, CO, rangers note the dissolving of sandstone walls built by a long extinct civilization. They have begun studies to determine if air pollution is speeding the process. We have all seen the pictures of the Statue of Liberty surrounded by scaffolding. Workers are repairing a century not just of natural weathering, but of air pollution, which has literally eaten away much of the copper skin. The gravestones on our national battlefields are crumbling, and the statues honoring the soldiers are corroding away. Acid rain can turn marble into soft, powdery talc. That is happening to the marble sculptures of Saint-Gaudens Historical Site in New Hampshire, and its happening to our own Capitol Building. The great scenic parks of America ideally should be places where the hand of man is rarely seen. In the Southwest, a person standing on a high plateau used to be able to see up to 200 miles. Now, air pollution is robbing us of those grand views. Regional haze, and plumes of smoke from everything from wood stoves to coal-fired powerplants are reducing those once grand vistas. At Glen Canyon National Recreation Area near the Four Corners of the Southwest, visibility has declined 25 to 50 percent in the past decade alone. At Arches National Park in Utah, a visitor asked, in the park log book, "is this air safe to breath?" Visibility has declined at other parks where the scenic vistas are among the attractions, such as Great Smokey Mountain and Shenandoah National Parks, as well as the parks of the Southwest Canyon Country, like Bryce Canyon, and the Grand Canyon.

All park visitors can see the results of air pollution on the great scenic park vistas, but most of the effects of air pollution are noticed only by scientists. Researchers have only been studying the problems a short time, and few can point to absolute, provable conclusions which fully satisfy the rigid skepticism of science. But we should note with more than passing interest the early warnings such as the lichens disappearance in parks from California to Florida, and from Texas to North Dakota. Like the canary in the mine, the lichens indicate great danger ahead. We set aside these national parks and historic sites to be preserved for all time. From the evaluation of the available data, debate, and research, the national park mandate for all time may not last until the final air pollution research dissertation is complete.●

TROUBLED IRS/TROUBLED TAXPAYERS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. MURTHA. Mr. Speaker, we are nearing the end of one of the most exasperating tax seasons in memory.

For many constituents in Pennsylvania's 12th Congressional District and other parts of the country it has been a nightmare of delays, lost forms, a lack of information, and foulups.

Stories that circulated and originally seemed bizarre were later confirmed. A recent story in the Wall Street Journal noted these examples.

"An almost comic succession of errors in the handling of the computer tape at the problem-plagued Philadelphia center," the Journal reported, "resulted in incorrect dunning notices being sent to some 26,000 businesses in the Northeast."

The GAO reported that IRS officials found between 50 and 100 returns hidden in a women's restroom in the Philadelphia IRS office.

And, the Journal noted, "Overloaded IRS employees are able to answer only about one-third of their calls. And the large backlog of mail to the IRS means that nearly half of all letter inquiries can't be answered within 45 days."

Even the normal 45-day target is one we have come to accept but it is not really efficient enough for taxpayers with questions, concerns, and refunds do. Clearly, it is a situation where Congress has to be involved to make sure this pattern is not repeated.

I want to insert into the RECORD a letter I wrote to Appropriations Committee Chairman JAMIE WHITTEN about investigating this situation.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 2, 1985.

Hon. JAMIE WHITTEN,
Chairman, House Appropriations Committee, Washington, DC.

DEAR MR. CHAIRMAN: I want to urge the Appropriations Committee to request an audit of purchase and operational procedures of the Internal Revenue Service.

I have received a steady stream of phone calls, letters, and face-to-face complaints about delays, lost forms, and inability to receive information about income tax forms filed this year. The problem has been particularly bad in my area because we file with the Philadelphia Center, which has encountered the most problems.

We must get to the bottom of this problem, and make certain the tax program works efficiently and effectively. What happened this spring with delays and lost returns can never be allowed to happen again.

When individual citizens come in contact with a government agency operating this inefficiently, they certainly have a right to expect Congress to review the spending and operational practices of this agency from top-to-bottom. I believe the Appropriations Committee should undertake that study either through our investigations staff or through the General Accounting Office.

I appreciate your attention to this problem, and thank you for your consideration of this request.

Sincerely,

JOHN P. MURTHA,
Member of Congress.●

COMMEMORATION OF THE DETROIT ENGINEERING INSTITUTE'S 75TH ANNIVERSARY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. FORD of Michigan. Mr. Speaker, it is with great pleasure that we extend our congratulations to the Detroit Engineering Institute in commemoration of its 75th anniversary.

The oldest private technical institute in Michigan, the Detroit Engineering Institute has been meeting the needs of industry, commerce, and labor for three-quarters of a century.

The Detroit Engineering Institute was founded in 1910 as a private practical engineering school. Since that time, this educational facility has developed into one of the finest skilled trade schools in the country. The Detroit Engineering Institute currently trains draftsmen, design engineers, and heating and air-conditioning technicians, and offers career programs of study such as electronics engineering technology, robotics design and maintenance, and repair.

This educational facility has graduated over 18,000 students who have contributed to the economic development of Michigan and the Nation. With a current enrollment in excess of 650 students, and with the recent expansion of its facilities, it is assured that the Detroit Engineering Institute will continue its commitment to America.

The education of our people is an integral part of our Nation's promise to provide a life of hope and fulfillment to all our citizens. Without educational institutions such as the Detroit Engineering Institute, our Nation would leave that hope and fulfillment unmet for a great number of Americans.

We look forward to many more years of the Detroit Engineering Institute's commitment and dedication to our Nation and our people.●

STOP DEPORTING NICARAGUAN REFUGEES

HON. LARRY SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SMITH of Florida. Mr. Speaker, this administration continues to deport Nicaraguans to a country in which they will face considerable danger from the ruling Sandinistas.

Administration officials argue that Congress is to blame. The Refugee Act of 1980, they say, establishes criteria for political asylum, and the Nicaraguans cannot meet this criteria.

I submit, Mr. Speaker, that the statute simply provides the framework. It is the administration's interpretation of the law that is faulty.

On the one hand, the administration calls on the American people to oppose the Marxist Sandinista government. On the other, it sends back to that very government people who have fled Marxism. Such a policy is woefully contradictory.

I call on the administration to reexamine its policy toward the deportation of Nicaraguans and to allow extended voluntary departure.

When that review has been completed, the administration then can reexamine its policy toward the poles.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. MONTGOMERY. Mr. Speaker, next week the House may be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the Chiefs of Staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the VA Medical Center in Salem, VA:

VA MEDICAL CENTER,
Salem, VA, February 8, 1985.

HOWARD G. GREEN, M.D.,
Chief of Staff (11), VA Medical Center,
White River Junction, VT.

DEAR DR. GREEN: In response to your letter of January 2, 1985, I am providing a description of some of the funding problems faced by the VA Medical Center at Salem, Virginia. As you know, we are not allowed to operate with a true deficit (i.e., spending more than we have); however, some significant problems result from the "resource reductions" which have been thrust upon us.

1. By way of introduction, our Medical Center has 827 operating beds: 124 medicine, 198 intermediate medicine, 76 surgery, 329 psychiatry and 100 NHCU. We have an active affiliation with the University of Virginia School of Medicine. We serve as the primary referral center for psychiatric patients in Medical District 7 and provide medical and surgical care for the veterans of Southwestern Virginia.

2. We are currently faced with a $750,000 "deficit" (i.e., resource reduction) in FY 1985. This shortfall is the result of both direct reductions in funding (e.g., DRG target allowance reduction and GS-11-15 grade reduction) and unfunded increases in personal services costs (e.g., health benefits increase, RN qualification standards, one-half percent pay raise, etc.).

3. We have had to take some rather drastic action in order to accommodate such reductions!

(a) Personal Services—Since the majority of a medical center's budget is for personnel, that's where the majority of the loss was allocated. In order to accommodate about $600,000 of the "deficit," we reduced our FTEE by 24 positions. We had to implement this reduction in FTEE very carefully. Our Position Management Committee reviews every vacancy which occurs, eliminating positions where possible, deferring others and refilling those deemed critical to the continued operation of the Medical Center. We have eliminated seven positions, significantly increased our "lag" in refilling (i.e., more jobs are deferred for a longer period of time), reduced some full-time positions to part time and refilled many at a lower grade.

The negative effects of these actions are beginning to evidence themselves. There are about ten physician vacancies at present, as well as a significant number of vacancies (due to "lagging") in nursing and other direct patient care programs. This results in delays in surgery (e.g., orthopedics is three months behind, urology is two months behind), backlogs in clinic scheduling, restrictions of clinics (i.e., some are now seeing only service-connected veterans), lower staff morale and decreased communication of vital information between clinicians and patients. Most of the job cuts were in support services. This has caused problems in maintaining the facility and in providing supplies and administrative support to direct patient care functions.

(b) All other—The remainder of the shortfall, about $150,000, was taken from our all other funding. This comes at a time when we are experiencing skyrocketing drug costs as a result of increasing variety and volume of prescriptions associated with our workload, as well as increasing unit costs. Our estimate is that we need approximately $400,000 to $500,000 additional annually for pharmacy, prosthetics, and supplies.

4. In addition to the above problems in FY 1985, the 3.5 percent pay raise which was effective January 6, 1985, has not been funded. If it remains unfunded, the result will be a further shortfall of $841,000 in FY 1985 at this Medical Center.

5. Finally, there looms the "threat" of the implementation of the as-yet-unveiled FY 88 DRG Casemix Resource Allocation model. We are now almost midway through FY 85, the base year for the FY 87 Target Allowance analysis, and we do not yet know how the FY 84 workload will be analyzed to arrive at the FY 86 Target Allowance. This approach to resource allocation and adjustment makes it impossible to plan and manage rationally.

6. Thank you for this opportunity to offer comments. I hope our collective remarks will have some influence.

Sincerely yours,
P.S. FOGG, M.D.,
Chief of Staff.●

HOSPICE CARE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. LEHMAN of Florida. Mr. Speaker, several weeks ago, we sent a newsletter to our constituents in North Dade on the subject of hospice care—an innovative and humane approach to caring for terminally ill patients.

At first, we have some misgivings about basing a general newsletter on what many people might consider to be a depressing subject. However, the response we received from our constituents has been overwhelmingly favorable. We have received dozens of letters and comments from people who have relied on hospice care, as well as from grateful constituents who have family members or friends who need hospice care but were unaware that it is available.

I would like to share with my colleagues one of the letters we received. Helen Freedenberg's husband, Ben, died earlier this year. In many respects, her letter is typical of the kinds of comments we have gotten from our constituents.

The letter follows:

NORTH MIAMI BEACH, FL,
April 30, 1985.

Congressman WILLIAM LEHMAN,
North Miami Beach, FL.

DEAR BILL: I always make sure to read your "Reports from Washington". Of particular interest to me is your April 15th report on "Hospice" and treating the terminally ill. I have first hand experience with Hospice and words cannot sufficiently express my thanks to them and my admiration of the remarkable service they make available to the "medicare-eligible terminally ill" patients.

I shall always be grateful to Hospice. Ben was very ill for about a year until he passed away in January 1985. I don't know how I would have managed for so many months without Hospice which fortunately I had heard about. On the same day I called Hospice (in fact within a few hours) a registered nurse came to my home to assess the situation. Two hours later a hospital bed, a commode, and many personal items for bed comfort, were delivered to my home. Thereafter a registered nurse came in to check on Ben's condition several times a week and would also speak to our doctor.

The service of Hospice for the terminally ill should be known by more people and I am so glad you have given them some wonderful publicity. I was so grateful to Hospice I wrote an article for our Moorings monthly publication praising this remarkable service. I am enclosing a copy for you.

Ben was so glad to be at home. The Hospice nurses were so kind he responded cheerfully to their efforts to make him comfortable in his own bed.

With the excellent equipment provided by Hospice, a registered nurse coming in several times a week to check on Ben, and a part time practical nurse, I was able to keep Ben as comfortable as possible until his demise which we knew was inevitable.

I am so glad you have chosen Hospice as the subject of your April 15th publication. I shall always be grateful for this remarkable service.

With my best wishes and fond regards,
HELEN K. FREEDENBERG.

NORTH MIAMI BEACH, FL,
January 8, 1985.

HOSPICE INC.,
Miami, FL.

Following is an article (copy thereof) I wrote for the monthly bulletin published by our MOORINGS complex. I feel the wonderful service for the terminally ill that is available to the over 65 generation deserves publicity. I personally am most grateful for the caring service given to my husband by Hospice. . . .

HOSPICE

How come I never heard of a remarkable free health service for the elderly terminally ill in this area? The service is called "Hospice" and is a service under Medicare. I telephoned Hospice and the very same day a registered nurse visited Ben. On her orders, in just a few hours a hospital bed and a commode plus some disposable items, were delivered to us. A registered nurse comes in a few times a week to check temperature, medications, supplies, etc. I can't help wondering why there has been so little or no publicity about this exceptional service. Our doctor certainly never told us about it: I bring this service to the attention of our residents while hoping with all my heart that none of you ever need to use it. Hospice certainly deserves publicity. This is the only means I have to express my thanks to Hospice.

Sincerely yours,
HELEN K. FREEDENBERG.

Mr. Speaker, I have visited hospice patients at their homes and in hospice houses. I have talked with their friends and families. I have spoken with doctors, nurses, volunteers, and others directly involved in the treatment of the terminally ill. My experience confirms in my own mind the value of this kind of care and the importance of making it available to every person who needs it. I urge my colleagues to learn more about hospice care and to help in the effort to make its availability more widely known.●

POLICE MEMORIAL WEEK

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. ORTIZ. Mr. Speaker, this past weekend marked the beginning of Police Memorial Week, honoring the men and women who serve in a variety of law enforcement capacities around the country. As a former law enforcement official, I know there is no group more deserving and worthy of our praise than these public servants. I urge my colleagues to recognize and honor the people in their districts who perform the sometimes tedious, sometimes dangerous and always critical tasks associated with crime prevention.

We live in a country that demands professionalism and judgment from the officers who protect and preserve the rights of our citizens. Unlike many nations where the police simply arrest any individual whom the government considers dangerous or subversive, law enforcement personnel in the United States have many legal and moral considerations to take into account. Upholding the rights of a suspect and determining the threat posed by criminals to the public make law enforcement much more complicated, and therefore much more just and fair.

I feel our law enforcement people receive an inordinate amount of blame for the problems of urban and rural America. It is easier to remember the crimes that go unpunished than to recognize the successes in apprehending suspects or preventing crimes from occurring.

I am not going to stand here and pretend that problems do not exist among law enforcement officials. But given our goal of more effective law enforcement, I ask you to support and encourage your constituents to participate in crime prevention programs in their towns, neighborhoods and schools. Officers cannot be everywhere at once, and that is why our citizens must assist law enforcement agencies through the practice of crime prevention.

Today at 12 noon, a service was held at the Senate park on the lawn of the Capitol to honor law enforcement officials killed in the line of service during 1984. With my deepest sympathy, I offer my condolences to the families and friends of officers who made this supreme sacrifice. These men and women, despite the dangers and uncertainties of law enforcement, lived to serve the public and the Nation. Please let us not forget those who have fallen, nor those who continue to risk their lives to protect the people of this country. "Police Memorial Week" gives us an opportunity to honor this special group of public servants, but it is an honor they deserve every day of the year.●

THE 10TH ANNIVERSARY OF CONCERNED BLACK MEN, INC.

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. FOGLIETTA. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues an outstanding organization of the Philadelphia area, Concerned Black Men, Inc., and to recognize the contributions they have made to black youth as they celebrate their 10th anniversary.

Concerned Black Men is a fine organization which has dedicated much time and many resources to the enrichment of thousands of lives in the Philadelphia area. An excellent example of the invaluable contributions volunteers can and do make, this distinguished group of men have exerted a very positive force in developing and enriching the lives of black youths. During the past 10 years, Concerned Black Men has been active in practically every facet of young adult life,

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including academics, athletics, religion, culture, and recreation.

Concerned Black Men has taken the time to expose youth to culture, to sponsor essay contests to challenge outstanding young scholars, and to showcase church youth choirs and high school bands. This organization has also awarded numerous scholarships to inner-city students and through financial contributions have enhanced the quality of instruction in local high school music departments.

This organization has clearly made a difference in many lives in the Greater Philadelphia community and is deserving of our praise, our admiration, and gratitude. Through programs which promote self-achievement and self-esteem, Concerned Black Men has been very successful in the motivation and recognition of inner-city black youth. Mr. Speaker, I ask you to join me in congratulating Concerned Black Men for their achievements and on receiving the 1985 President's Volunteer Action Award.●

CONGRESSIONAL FREEZE ON 1986 BUDGET WOULDN'T HALT RISE IN DEFENSE OUTLAYS

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. ROUKEMA. Mr. Speaker, I draw the attention of my colleagues to "Blueprint for Balance", the comprehensive budget package proposed by the 92 Group. Central to this equitable $51 billion deficit reduction effort is a freeze on defense spending. In my opinion this is the only rational way to make structural reductions in the deficit in fiscal year 1986 and beyond.

As this House debates the Department of Defense Authorization bill, I call the attention of my colleagues to two interesting analyses of DOD spend-out. One is from the Washington Post of May 12, 1985. The other is a series in the New York Times beginning on May 14, 1985.

The excerpts from the articles follow:

[The Washington Post, May 12, 1985]

REAGAN AMASSED HUGE MONEY RESERVOIR IN FIRST TERM

(By George C. Wilson)

President Reagan built up such a huge reserve of defense money in his first four years that Pentagon spending will continue to rise significantly for the rest of his second term even if the one-year budget freeze just passed by the Senate becomes law.

The Democratic minority on the Senate Budget Committee estimates that the defense budget has risen so sharply in the last few years that the United States could retain the present spending level until 1993, partly because of the "bow wave" of money appropriated in earlier years and not yet spent.

The fine print in the compromise worked out between Reagan and Senate Majority Leader Robert J. Dole (R-Kan.) shows that new congressional appropriations for defense would rise $54 billion, or 18 percent, between fiscal 1985 and 1988 while actual spending—counting funds already in the pipeline—would jump $61 billion, or 24 percent, in that period.

Citing the numbers, Edwin L. Dale Jr., spokesman for the White House Office of Management and Budget, said "this is a slowdown, not a halt. . . ."

Defense Secretary Caspar W. Weinberger, who has been more successful than any previous peacetime defense secretary in building a big base of funding for the Pentagon, now is in position to decide whether to describe the glass as half empty or half full. The Senate compromise preserves the huge spending base in fiscal 1986, adding only enough to offset inflation, and then continues to raise it in fiscal 1987 and 1988 by adding 3 percent annually to cover inflation.

When Weinberger meets with fellow North Atlantic Treaty Organization defense ministers in Brussels later this month, he can state, according to the Budget Committee minority, that the United States has spent $117 billion more than it was obligated to spend for defense since agreeing in 1978 to raise defense spending by 3 percent a year after allowing for inflation.

Unless Congress cuts deeper than it has done under the Reagan-Dole compromise, happy days still are here for the Defense Department and its contractors. Record high peacetime spending will continue because of the peculiar dynamics of the Pentagon budget.

When the Navy, for example, goes to Congress seeking money for an aircraft carrier costing $4 billion, the whole amount is put in the bank that same year and then drawn out year after year until the carrier is launched. All the services have salted billions of dollars away under this system.

The money will be spent from now until after Reagan leaves office.

From fiscal 1982 through 1985, Congress allowed the Army, Navy, Air Force and Marine Corps to put a total of $369 billion in their procurement accounts, $154 billion more than the previous four years, figured in fiscal 1986 dollars. Spending from the procurement account in fiscal 1982 through 1985 totaled $259 billion in fiscal 1986 dollars, meaning $110 billion more was deposited by Congress than was withdrawn by the Pentagon in that four-year period. It is such unspent money that builds up the bow wave.

Also, the Pentagon has been receiving more money to cover inflation than it needed over the last four years. The House Armed Services Committee is preparing a report criticizing the department for holding onto this inflation dividend estimated at $30 billion to $50 billion for fiscal 1982 through 1985. The committee is expected to come close to the higher estimate in the report, to be issued this week.

To bring future defense spending down significantly, Congress would have to do more than add fewer dollars to the already high pile.

The quick fixes, however, have such dangerous political side effects that lawmakers are reluctant to try them. One remedy is to cancel giant weapons programs outright, throwing people out of work and incurring cancellation charges from the contractor. Another fix is to reduce the Pentagon payroll of 2.1 million men and women in uniform and another 1 million civilians.

Rather than save money those ways, Congress and the Pentagon in the past have opted for killing new programs in the bud, slowing production of weapons coming out of the factory and cutting operational costs by such steps as fewer flying hours and sailing days.

Stretching out purchases, thus losing savings from mass production while slashing operations reduces the readiness of the armed forces.

Because the armed services were figuring on a budget increase of at least 5 percent a year for the rest of the Reagan administration, military leaders will be forced to revamp their five-year plans if the House goes along with the Senate.

The Army is in a manpower crunch, so neither its leaders nor Congress is inclined to reduce the size of the force to save money. This puts such controversial programs as the Divad antiaircraft gun and new helicopter programs on the budget-cutters' chopping block, along with stretchouts in current programs.

The Navy has salted away most of the money needed to build its 600-ship fleet, but will come under increasing pressure from congressional and administration budget-cutters to consider building a mix of nuclear-powered and cheaper conventional submarines, reconsider planned purchases of improved A6 medium bombers and F16 "aggressor" aircraft and slow the tempo of its operations.

The Air Force, also running short of manpower to operate such new weaponry as cruise missiles going to Europe, is trying to build two bombers at once, the Rockwell B1 and Northrop Stealth "Flying Wing." The Stealth is running far above cost estimates, according to Air Force sources, making it a candidate for stretchout.

The Marine Corps is in the midst of its biggest weapons-buying program and will have to slow or kill some programs to fit under the lowered budget ceilings.

[Excerpted from the New York Times, May 14, 1985]

OUT OF POST-VIETNAM TROUGH

By the time Jimmy Carter left office in January 1981, military spending had begun to pull gently out of its post-Vietnam trough.

After the Soviet intervention in Afghanistan and the taking of American hostages in Iran, polls taken in 1980 and early 1981 showed that 60 percent of the American electorate believed military spending should be increased.

Mr. Carter left behind a budget that proposed an increase of 10 percent after allowing for inflation.

But the military advisers to the President-elect had bigger plans.

William Schneider Jr., a key member of Mr. Reagan's national security transition team who became the associate director for national security at the Office of Management and Budget, recalled that the group identified these five priorities:

A major renovation of the nuclear arsenal.

A restoration of combat forces that had been widely deplored as unfit.

An expansion of the Navy and of air transport to project power into remote areas in line with what the new Administration described as a "global commitment."

A sweeping program to modernize nonnuclear weapons.

A heavy investment in communications systems.

From the beginning, Mr. Weinberger was less the architect than the salesman. On March 4, 1981, the new Secretary of Defense appeared before the Senate Armed Services Committee to outline the proposal for rearming America.

"If we continue at anything like the levels of expenditure of the recent past," he said, "by the middle 1980's we will clearly be second in military power to the Soviet Union."

Congress, for the most part, cooperated.

True, after the heady first year Congress cut an average of $18 billion a year from Mr. Weinberger's requests. But 90 percent of the cuts came from postponing purchases a year or two and from "financing adjustments" such as re-estimates of inflation and fuel costs.

According to the Office of Management and Budget, Mr. Reagan has got 97 percent of the military purchasing power he requested, when inflation is accounted for.

SCANT ATTENTION TO STRATEGY

Congress, some members say, gave its blessing to budgets with little discussion of the underlying strategy.

"The Pentagon announced it wanted a 600-ship Navy and sent up a succession of budget consistent with that," said Representative Les Aspin of Wisconsin, chairman of the House Armed Services Committee. "But as far as I know, we never gave 15 minutes' debate to the subject of a 600-ship Navy."

Adjusted for inflation, the military budget had grown an average of nearly 9 pecent a year. The Central Intelligence agency estimates that Soviet military spending, adjusted for inflation has grown about 2 percent a year since 1976.

The spending by the United States was heavily skewed to equipment. From 1980 to 1985, "investment," which includes weapons procurement, research and military construction, grew 92 percent, even after adjusting for inflation. It now consumes 47 percent of the military budget.

By comparison, military pay increased 12 percent.

THE REAGAN SPENDING SPURT

When the first Reagan military budgets were added to Mr. Carter's last proposal, there was a powerful spurt of spending. In the first two years military spending leaped 25 percent faster than inflation.

"It has nothing to do with a strategy, nothing to do with a program of what we needed for defense," said Richard A. Stubbing, who was deputy chief of the national security division at the Office of Management and Budget. "It was the services' shopping lists."

Mr. Schneider, the transition team member and now Under Secretary of State, strongly disagreed.

The idea, he said, was to take advantage of the favorable mood by "forward-funding" as many programs as possible. Money would be committed to multiyear weapons contracts. This would assure the industry of a steady flow of business for years to come, thus encouraging it to gear up for more efficient production.

However, several studies by Congress and the Pentagon have found that companies have not increased their investment in plant and equipment during the buildup, despite higher profits and a variety of incentive programs.

TRYING TO MEASURE WASTE

There is no official barometer of waste, but one statistic suggests the trouble the industry had spending the money pumped at it. The Defense Department has a record $280 billion "backlog," money appropriated by Congress but not yet spent.

Many critics, led by a cadre of conservative Republicans in Congress, argue that in its haste to spend, the Pentagon had little time to police. They say it allowed excessive overhead charges and unregulated profits.

"As long as Defense has more money than it knows what to do with, then it doesn't have much incentive to spend it well," said Mr. Stubbing.

Others, like Senator Quayle and Representative Aspin, who is chairman of the House Armed Services Committee, said the buildup did not so much create waste as draw attention to it.

"You couldn't pay the press to write a waste story back in 1979," said Mr. Aspin. "But there was just as much waste then as now."

Recently the Pentagon has taken a more aggressive public stance against major contractors. The General Dynamics Corporation saw $244 million in payments withheld as restitution for alleged overbilling, and the Pentagon's Inspector General, Joseph Sherick, urged that the company's top officials be suspended from Government business. The General Electric Company, after its fraud indictment, was temporarily barred from contracts, and in the wake of its guilty plea could be forbidden from bidding on new defense contracts for three years.

So far these efforts seem to have done little to restore diminished confidence in the Pentagon's ability to spend wisely.

Mr. Weinberger complained that the Pentagon's early "management initiatives," especially a push for more competition, received little press attention while articles about overpriced pliers proliferated.

"They damaged us very badly," he said. "It's the one thing that many people remember, and it's particularly galling because it isn't so."

GAUGING IMPROVEMENTS

Analysts agree that it is tricky to assess how much improvement Mr. Reagan bought with his first $1 trillion.

Much of the money went into areas such as communication, intelligence and research, which are inherently hard to measure. Much went into classified programs.

The Congressional Budget Office report, "Defense Spending: What Has Been Accomplished," by R. William Thomas, is one of the most complete recent efforts to measure the indicators that do exist, and it was unable to draw a clear conclusion.

Pentagon figures show that the military is not much larger now in terms of personnel, but a bigger "force structure" was never a top priority of the Administration.

The number of uniformed personnel, including reserves, is up 317,000, to 3.2 million, with the biggest increase in the National Guard and reserves.

QUALITY OF TROOPS CITED

The Army rearranged its 16 active divisions to create a new "light" division for rapid deployment without adding troops to do it. Tactical fighter squadrons have increased from 85 to 88 in the Navy, but declined to 78 from 79 in the Air Force in favor of expanding reserve units. The Navy, which now has 530 ships, is growing toward a much-discussed 600-ship fleet, about 50 more ships than President Carter planned.

The universally acknowledged success story is the quality of the people in uniform. Studies show they are better-educated and, because of higher reenlistment rates, more experienced than their counterparts at the time Mr. Reagan took office. Drug use and AWOL rates have declined dramatically, and even the Administration's critics say morale is high.

Some say it is noteworthy that personnel showed the most dramatic improvement of any area in the military budget with one of the smallest increases in spending.

Other measures of combat-readiness are more ambiguous, as demonstrated by the following items from Mr. Thomas' report:

Training, measured in flying hours, steaming days and battalion training days, has increased only modestly, although the use of stimulators and more realistic field exercises may have raised its quality.

The percentage of aircraft, tanks and missiles that are "mission capable" has improved slightly over all, with the best progress in Air Force and Navy tactical fighters.

Stockpiles of munitions have increased significantly for all services, but other war reserves, especially spare parts, have fallen behind. That is attributed to the advent of new weapons that require costlier spare parts.

Administration critics say the biggest disappointment has been in the area of highest spending: weapons procurement.

Spending for nuclear weapons has grown fastest, nearly tripling since 1980. The Administration revived the B-1 bomber, spent heavily on the little-noticed area of command and control systems and inaugurated a research program aimed at inventing defenses against nuclear missiles.

Critics, like William K. Kaufmann of the Brookings Institution, say these programs amount to wasteful excess. For example, Mr. Kaufmann argues that cruise missiles can penetrate Soviet air defenses better and more cheaply than the B-1 and that submarine-launched missiles make the land-based MX a white elephant.

The Administration counters that it has passed the best test of success: the Soviet Union returned to Geneva to discuss limiting nuclear arms.

In so-called conventional forces, the pace of modernization has been erratic, with much of the buildup still in back orders.

At the 1981 hearing before the Armed Services Committee, Mr. Weinberger held up charts showing Soviet factories out-producing American plants 3 to 1 in tanks, almost 4 to 1 in submarines, 2 to 1 in fighter planes and more than 2 to 1 in armored vehicles. The ratios today are about the same, but the Administration contends the quality of American weapons has improved.

In Mr. Reagan's first term, production increased for some weapons, such as helicopters and air-launched missiles, and decreased for others, such as airplanes and surface-launched missiles. A major shipbuilding program was undertaken, although some analysts now doubt that the Government can afford to finish it.

For example, in 1982, Congress granted the Navy's request for $7 billion to build two new aircraft carriers. But the plans for those carriers also called for modern escort and supply ships, aircraft weaponry, fuel and more sailors and pilots to operate them. Much of that has not been provided for in the President's budget.

A new study by a Congressional Budget Office naval analyst, Peter Tarpgaard, estimates that completing the 600-ship Navy according to current specifications will require that Navy budgets grow 5 percent faster than inflation for nine more years.

One striking feature of the buildup, the Congressional Budget Office found, was a trend toward costlier weapons.

For example, the budgets for aircraft went up 75 percent, but the number of airplanes bought went up less than 9 percent. The budget for missiles went up 91 percent but purchased only 6 percent more missiles. The Pentagon bought 30 percent more tanks, but spent 147 percent more to do it.

The budget office study and Administration officials stress that these new weapons are more capable than the ones they replaced.

But another reason more weapons were not bought is that in the first two years of the Administration, the "unit cost" of many weapons soared above Pentagon estimates.

In part, analysts say, that may be because Reagan aides, in making their first budget, accepted unrealistic Carter Administration estimates of what the weapons should cost. In part it was because the services demanded engineering changes along the way, which entitled the contractors to raise prices.

In the last two years, costs for these weapons have remained steady. But Senator Sam Nunn of Georgia, the senior Democrat on the Armed Services Committee, predicted in an interview that a variety of weapons programs nearing production would crowd the budget and lead to higher prices across the board.

DISCUSSIONS IN CONGRESS

"The unit cost of weapons will go up more in the future that it has in the past four years," he said, "because we now have so many weapons systems started that we're not going to be able to maintain efficient production rates."

In Congress, the feeling is widespread that an unacceptable share of the buildup was diverted either by wasteful buying practices or inadequate strategy.

"We may have gotten a little more defense, but for a heck of a lot more money," said Senator Charles E. Grassley, an Iowa Republican, who blames a failure to discipline military contractors.

Senator Nunn agreed. "I don't think we've gotton output commensurate with input in the last four years," he said. He blames what he considers a lack of internal discipline, reflected in the failure to weed out low-priority weapons programs favored by the services, and a lack of strategy, notably an unwillingness to share more of the burden with the allies.

One Government official who has spent his career trying to evaluate Defense Department programs said that after all the calculations were done, the votes would be cast on the basis of feelings.

"There's no question that after $1 trillion, people now feel a lot better about the military, not least of all the military themselves," said this official. Toting up the President's next, five-year spending plan, he added sardonically, "How much better can you feel for another $2 trillion?"●

VOLUNTEER ACTIVISM: IT WORKS!

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BROOMFIELD. Mr. Speaker, we are so involved in authorizing and appropriating funds for Federal departments and agencies that we sometimes don't have a chance to see the results of some of the smaller programs that can be of such great value.

I was reminded of this recently when one of my constituents, Wayne M. Bornemeier of Brighton, MI, reported to me on his work in Lesotho as a volunteer, with his travel, lodgings, meals, and clothing care paid for largely out of Agency for International Development [AID] funds.

Mr. Bornemeier is a trained agricultural economist, and in the 1940's he was employed by the Farm Credit Administration, first as a research assistant, then as assistant to the Director of Research, during which time he conducted a series of statistical studies on problems concerning the provision of credit to farmers. He entered the management side of our credit union movement in 1948 as he became managing director of the Nebraska Credit Union League, a position he held until the end of 1967. From 1968 to 1973, he served as coordinator of cooperative development of the Michigan Credit Union League, and from 1973 to the present he held the position of coordinator of governmental relations for the Michigan League. While now officially retired, he remains active in the credit union field.

Last year a private organization in Lesotho, the Lesotho Cooperative Credit Union League, [LCCUL] turned to an organization created 15 years ago by U.S. cooperatives, Volunteers in Overseas Cooperative Assistance, to provide help in the development of a comprehensive 5-year plan. VOCA asked Mr. Bornemeier if he would volunteer his services to help the Lesotho Credit Union, and he said he would.

Lesotho is an impoverished country in southern Africa. The vast majority of the local population live in the rural areas. Many farmers have not developed methods used in more advanced agricultural countries. Mr. Bornemeier developed a realistic plan for a 5-year period to support and strengthen the league as a credit union institutional system and to improve Lesotho's agricultural production credit system to small farmers. He thoroughly analyzed 19 different functions of the league in such areas as accounting, credit, investment, management, training, by-laws, inspection, and audit. He developed yearly goals for each area and outlines sound action plans to achieve them. This plan provided a basic blueprint for helping people help themselves.

The progress to date and the dedication Mr. Bornemeier witnessed are convincing testimony to the strength of democratic self-help private institutions such as the credit unions in Lesotho. They have served as an effective vehicle for mobilizing savings among the rural poor and have acted in many cases as the only available source of credit for its members. With sound advice and continuing dedication from the people of Lesotho to the credit union ideal, the league should continue to play an important role toward increasing Lesotho's agricultural productivity and the incomes of their members.

VOCA is poised to receive further requests for technical help and is ready to provide it. In addition to AID, it receives funding from eight sponsoring organizations in the private sector. However, as VOCA emphasizes, its most vital, most important resource is not money. It is the volunteered services of persons like Mr. Bornemeier. I am told that these services, if valued at $250 a day, represent a substantial proportion of VOCA's resources.

It seems to me my constituent, Mr. Bornemeier, epitomizes the kind of help the American people wholeheartedly support overseas. It offers technical help—not money, but know-how. It offers this help to groups of people who want it, who ask for it, who are willing to commit some of their own resources to a joint effort with the United States, and who want to help themselves. Such a program is private, organization to organization. With relatively small amounts of AID funds, such a program is able to marshall modest contributions from U.S. cooperatives and the volunteer services of highly skilled, well-qualified men and women. I commend to my colleagues this fine piece of volunteer work by my constituent.●

SEIZURE OF ILLICIT DRUGS

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SMITH of Florida. Mr. Speaker, on May 8, the largest seizure of cocaine ever occurred in southern Florida. In two separate cases, the Coast Guard and police in Florida City, Dade County, seized more than 4,000 pounds of nearly pure cocaine worth many millions of dollars.

These seizures are both heartening and distressing. I applaud the efforts of the personnel who made the seizures. At the same time, I wonder how much more cocaine will enter this country unnoticed.

The people of south Florida are tired of being the entry point for cocaine and other illegal drugs. They are giving Federal, State, and local law enforcement personnel the type of support and encouragement that makes a tought job a little easier.

But we in Congress must remember that these seizures will not continue if we fail to provide sufficient funding for the Coast Guard, DEA, FBI, and Customs Service. I hope that the House understands this fact when it considers the budget.

To get rid of this cancer, this cancer of illicit drugs, we must maintain our dedication. The key to that dedication is our law enforcement personnel and the funding for them. We can win. We can interdict most drugs. It is a costly battle, but the cost is worth it—for our kids and for the future of our country.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 16, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 17

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the deregulation of surface freight forwarders.
SR-253

10:00 a.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219

MAY 20

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 56, S. 71, S. 217, S. 251, and S. 729, bills to clarify the application of imputed interest and interest accrual rules of the Internal Revenue Code.
SD-215

10:00 a.m.
*Judiciary
To hold hearings to examine civil suits under the Racketeer Influenced Corrupt Organizations Act (RICO).
SD-226

2:00 p.m.
Foreign Relations
To hold hearings on proposed legislation relating to Iranian claims.
SD-419

MAY 21

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to consider the nomination of Martha R. Seger, of Michigan, to be a member of the Board of Governors of the Federal Reserve System.
SD-538

Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on the implementation of section 404 of the Clean Water Act, relating to the wetlands dredge and fill permit program.
SD-406

Judiciary
Constitution Subcommittee
To hold hearings on fetal pain.
SD-G50

10:00 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Treasury.
SD-126

Foreign Relations
Business meeting, to resume consideration of the Convention on the Prevention and Punishment of the Crime of Genocide (Exec. O, 81st Cong., 1st sess.).
SD-419

Judiciary
To hold hearings on S. 397, to modify the application of U.S. antitrust laws to international trade and commerce.
SD-226

Joint Economic
Economic Goals and Intergovernmental Policy Subcommittee
To hold hearings on the Federal Reserve Budget.
2212 Rayburn Building

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Holocaust Memorial Council, Minerals Management Service, Department of the Interior.
SD-138

Appropriations
Legislative Branch Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1986 for the Legislative Branch of the Federal Government, focusing on the Congressional Budget Office, Office of Technology Assessment, General Accounting Office, and the Government Printing Office.
S-128, Capitol

Select on Intelligence
Closed business meeting, to resume markup of proposed legislation authorizing funds for fiscal year 1986 for the intelligence community.
SH-219

MAY 22

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume hearings on recent changes in the financial services industry.
SD-538

Energy and Natural Resources
Business meeting, to resume consideration of S. 979, to extend the expiration date of titles I and II of the Energy Policy and Conservation Act, and other pending calendar business.
SD-366

Judiciary
Criminal Law Subcommittee
To hold hearings on S. 605, to clarify certain provisions of the National Stolen Property Act as applied to imported archeological and ethnological materials.
SD-226

Labor and Human Resources
To hold hearings on S. 797, the Youth Employment Opportunity Wage Act of 1985.
SD-430

Select on Intelligence
Closed briefing on intelligence matters.
SH-219

10:00 a.m.
Environment and Public Works
To hold hearings on the nomination of Francis S. Blake, of Maryland, to be Assistant Administrator (General Counsel) of the Environmental Protection Agency.
SD-406

Foreign Relations
To resume hearings on American policy toward South Africa.
SD-419

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold oversight hearings on a General Accounting Office report on Federal pay equity and classification system.
SD-342

Judiciary
Juvenile Justice Subcommittee
To hold oversight hearings to examine the scope of missing children.
SD-219

Joint Economic
Agriculture and Transportation Subcommittee
To resume hearings to review economic problems in rural areas, focusing on rural community services, education, and health care.
SD-562

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for Naval Petroleum Reserves, and fossil energy.
SD-138

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 765, to provide for coordinated management and rehabilitation of the Great Lakes.
SD-342

Judiciary
To hold hearings on pending nominations.
SD-226

Small Business
Small Business: Family Farm Subcommittee
To hold hearings on small issue industrial development bonds as a source of capital for small business expansion.
SR-428A

MAY 23

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 586, to provide for the review of certain authority in awarding international airline route certificates issued under the Federal Aviation Act.
SR-253

Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings on S. 1134, the Program Fraud Civil Penalty Act of 1985.
SD-342

10:00 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To continue oversight hearings on a General Accounting Office report on Federal pay equity and classification system.
SD-135

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on efforts to locate missing children.
SD-430

MAY 24

9:30 a.m.
*Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on S. 635, to express opposition of the United States to the system of apartheid in South Africa by prohibiting new U.S. bank loans to the Government of South Africa, prohibiting investment by U.S. firms in South Africa, prohibiting the importation of South African gold coins into the United States, and forbidding the sale of computers to the Government of South Africa.
SD-538

10:00 a.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219

JUNE 3

9:30 a.m.
* Finance
Health Subcommittee
To hold hearings on proposed legislation to modify the Medicare direct medical education pass-through.
SD-215

JUNE 4

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the impact of imported petroleum products on the domestic petroleum industry.
SD-366

10:00 a.m.
Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

JUNE 5

9:30 a.m.
Finance
To hold hearings on S. 814, to make technical corrections to certain provisions of the Tax Reform Act of 1984, and proposed technical corrections to the Retirement Equity Act (P.L. 98-397).
SD-215

Labor and Human Resources
To hold hearings on drug export reform.
SD-430

JUNE 6

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold oversight hearings on the impact of coal imports on the domestic coal industry.
SD-366

JUNE 10

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume oversight hearings on proposed budget requests for fiscal year 1986 for programs of the Department of Energy, focusing on fossil energy programs.
SD-366

JUNE 11

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on the implementation of the Orphan Drug Act (P.L. 97-414) focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on administrative activities of Gallaudet College and the National Technical Institute for the Deaf.
SR-428A

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 403, to revise requirements with respect to the issuance of licenses for existing hydroelectric facilities, and S. 426, to provide for more protection to electric consumers.
SD-366

JUNE 12

9:30 a.m.
Labor and Human Resources
To continue oversight hearings on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

JUNE 13

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1105, to reform the Walsh-Healey Act to allow Federal contractors in the private sector to work flextime hours.
SD-628

JUNE 14

9:30 a.m.
*Finance
Health Subcommittee
To hold hearings on health promotion and disease prevention strategies for Medicare beneficiaries.
SD-215

JUNE 17

9:30 a.m.
Labor and Human Resources
To hold hearings on home health care reform.
SD-430

JUNE 18

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the current status of and factors affecting the natural gas market.
SD-366

Labor and Human Resources
To continue hearings on home health care reform.
SD-430

JUNE 20

10:00 a.m.
Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings to examine the problem of drugs in the military.
SD-430

JUNE 25

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine certain barriers to adoption.
SD-430

JULY 10

9:30 a.m.
Labor and Human Resources
To resume oversight hearings to examine certain barriers to adoption.
SD-430

JULY 15

2:00 p.m.
Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 16

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine U.S. relations with the International Labor Organization (I.L.O.)
SD-430

10:00 a.m.
Environment and Public Works
Regional and Community Development Subcommittee

To continue hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 17

9:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JULY 22

2:00 p.m.
Environment and Public Works
Regional and Community Development Subcommittee
To resume hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 31

9:30 a.m.
Labor and Human Resources
To hold hearings to examine certain barriers to health care.
SD-430

OCTOBER 1

11:00 a.m.
Veterans Affairs
To hold hearings to review the legislative priorities of the American Legion.
SD-106

HOUSE OF REPRESENTATIVES—*Thursday, May 16, 1985*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We thank You, O God, for the gift of hope. When we experience weakness, You give us strength; when we know disappointment, You offer grace: when we feel alive and without purpose, You grant direction. For all Your gifts, O God, in strength and grace and direction and for Your loving gift of hope, we offer this our prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chidon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 95. Concurrent resolution commemorating the 20th anniversary of Head Start.

WHAT HAPPENED TO TRUE TAX REFORM?

(Mr. KLECZKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLECZKA. Mr. Speaker, what is happening to the concept of true tax reform? The new tax package dubbed "Treasury II" which is to be presented to the country in late May is mysteriously being slanted in favor of the vested and special interests of this country. It seems that big business is winning. Slipping by us is the equity and the fairness that the American people have demanded. The President, it would appear, has backed away from reform in such key areas as oil and gas, real estate, business depreciation and capital gains. And the President dares to call all of this progressive.

The true special interest group of this country should be the people and it seems they are being ignored in Treasury II. The people demand a simple and universal tax system. Individuals in this country must be the true beneficiaries of tax reform, not some corporate entity.

Instead, it would appear that once again the winners will be the corporations, the tax shelter beneficiaries, the privileged, the same group that benefited from the President's tax cuts of 1981.

The Congress must not tolerate this. We must enact a true and fair tax reform package. Our approach must be equitable.

Mr. President, the people of America are watching you.

A TRIBUTE TO THE HONORABLE WALLACE F. BENNETT, FORMER SENATOR FROM UTAH

(Mr. MONSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONSON. Mr. Speaker, it is a distinct honor for me to stand in these Chambers today to pay tribute to a man whose life stands as an example of unquestionable moral character, achievement, and service. Wallace F. Bennett served 24 years as a U.S. Senator from my great State of Utah, and in that time, he earned a reputation as a skilled legislator and an effective representative for Utah. It is my privilege to introduce a bill designating the Federal building at 125 South State Street in Salt Lake City, UT, as the "Wallace F. Bennett Federal Building." I believe it is only fitting that the Federal building be named after someone who serves as a paragon of excellence for so many in the State of Utah. His life history is one of achievement and success, not just as a U.S. Senator, but as an esteemed businessman.

While serving in the Senate, Mr. Bennett was the ranking member of the Senate Finance Committee, and senior Republican on the Senate Banking, Housing, and Urban Affairs Committee. He served as secretary of the Senate Republican Conference, vice chairman of the Senate Ethics Committee, and a member of the Joint Committees on Atomic Energy, Defense Production, and Internal Revenue Taxation. He was also a member of the Senate Select Committee on Standards and Conduct.

Mr. Bennett's term of service is the second longest in the history of Utah and is distinguished not only by its duration, but also by its quality. He is the only popularly elected Utah Senator to retire from office voluntarily.

One of Mr. Bennett's colleagues, former Senator Paul J. Fannin of Arizona, appropriately sums up my comments:

> No man better represents these people [from Utah] and this heritage than the senior Senator from Utah, Wallace Bennett.

SUSAN PETERS KOGUT—PHYSICAL EDUCATOR OF THE YEAR

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, this morning I would like to honor and congratulate a constituent of mine, Mrs. Susan Peters Kogut of Joppa, MD.

Susan has been named national "Physical Educator of the Year" by the National Association of Sports and Physical Education.

A teacher at Chesapeake High School, Mrs. Kogut's philosophy—"learning and physical education are for everyone; physical education is the culmination of these two things"—is exemplified by her programs in the Essex, MD, school.

Working with the handicapped, overweight, and troubled adolescent, Susan has gained well deserved national recognition for her concern and belief that physical fitness is for everyone.

As a spokesperson for the benefits of physical education, Susan believes that physical fitness is a healthy alternative to smoking, drinking, and drugs—that the teacher and the coach can have a positive influence on students in getting the message across.

It is always a pleasure to hear of someone's good fortune and achievement, but when the accolade is for working with our young people in the most constructive way, it is a positive joy.

Congratulations, Susan.

☐ 1010

THE "JUSTICE" DEPARTMENT

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, if Lady Justice should come alive and witness the deal agreed upon by the U.S. Justice Department and E.F. Hutton & Co., Inc., she would untie her blindfold, drop her scales and flee in disgust.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The Justice Department is now mounting a determined defense of its decision not to prosecute individual officials in E.F. Hutton's $4.35 billion bank fraud which adversely affected 400 American banks through a massive check-kiting scheme.

One prominent elected official said yesterday here in Washington and I quote from today's edition of the New York Times:

> That the agreement not to try to send individuals to jail was a "travesty" and an "incredibly negligent, political judgment."

Associate Attorney General D. Lowell Jensen, whose nomination to be Deputy Attorney General is before the Senate Judiciary Committee, said yesterday that the Justice Department's strategy regarding E.F. Hutton produced a "tremendous favorable" result for the Government.

Mr. Jensen's statement gives added credibility to those of us who know that the U.S. Justice Department is the most politically conscious, politically active agency in the Federal Government.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will inform the gentleman from Kentucky the rules of the House do not permit him to refer to Senate proceedings, and so the Chair would ask him to revise his remarks.

CHILDREN'S PROTECTION ACT OF 1985

(Mr. McCAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCAIN. Mr. Speaker, today I am introducing legislation that will combat one of the most terrible crimes in our society. I am referring to child pornography.

The U.S. Customs Office has estimated that in just the last 3 years they seized more than 247,000 pieces of pornography—70 percent of it depicted children. At least 1 million children have been sexually molested and then filmed for the abuser's pleasure or profit. Approximately 260 child pornography magazines are sold in this country.

The child pornography business makes profits in the millions of dollars. Until now, producers or distributors did not lose their assets when convicted. They might receive a sentence for their crimes, but still retained the profits made at the expense of exploited children. My legislation would include child exploitation crimes under the racketeer influenced and corrupt organizations [RICO] provisions, thus providing for the seizure of all assets and profits made from this business. This bill, the Children's Protection Act of 1985, would also prohibit advertising of child pornography and make it punishable to transport minors across a State line for the purpose of sexual exploitation.

The child pornography business is one of the most horrible enterprises in society today. It exploits innocent children, often leaving them with emotional and physical scars that will last forever. We must enact appropriate measures that will put an end to this crime and severely punish those who would exploit and harm our children.

IMPLEMENT THE PROVISIONS OF THE BOATING SAFETY AND SPORT FISHING ENHANCEMENT ACT

(Mr. TALLON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TALLON. Mr. Speaker, I urge my colleagues to support House Resolution 165 which calls on the administration to honor its commitment and implement the provisions of the Boating Safety and Sport Fishing Enhancement Act, included in the Deficit Reduction Act of 1984, as written and intended by Congress.

This act, commonly known as the Wallop-Breaux fund, is based on user fees paid by recreation fishermen and boaters. New taxes were imposed on fishing gear, with the support of the boating and fishing communities. In addition, the legislation recognizes that recreational boaters pay another user fee for which they were previously receiving only limited benefits—the 9 cents per gallon tax of fuel purchased for recreational boats.

When the Federal fuels tax was raised from 4 cents to 9 cents per gallon in 1982, the increase was clearly intended not as a new tax, but as a user fee that would provide direct benefits in the form of roads and other benefits to the people paying the tax.

Prior to the passage of the Wallop-Breaux legislation, the money attributable to the gas tax on motorboats was authorized to be spent on boating safety programs; however, very little was ever appropriated.

The new law mandated that the motorboat fuels tax and the new user fees, along with import duties on fishing tackle and pleasure craft, were to be placed in a special aquatic resources trust fund.

Yet, while earlier praising the legislation, the administration proposed in its fiscal year 1986 budget to repeal the automatic appropriation for the Federal aid in the Sport Fishing Restoration Act and to withhold new funds from the program.

The administration's attack on this program threatens to undermine the user fee concept which has served this and other programs so well.

Sportsmen have willingly supported user fees in the past because they believe in protecting our resources and because Congress has never broken faith with them.

Revenues from the Federal Government through the user fees are to be distributed by the Fish and Wildlife Service on a 75-25 matching basis to States to be used for boating safety, education and law enforcement purposes, construction of boating public access sites, as well as for fishing conservation programs.

While the administration proposes only a funding level of $44 million in fiscal year 1986, the expanded program is estimated to bring in $97 to $102 million, with the remaining $53 to $58 million going into the General Treasury for deficit reduction rather than to the use for which Congress intended.

My State of South Carolina alone stand to lose as much as $1 million a year if the present accounting procedure is allowed to continue to be used.

If user fees are collected but not returned, we will have turned this concept into special taxes for raising general revenues—a complete perversion of congressional intent.

I urge my colleagues to cosponsor this resolution and send a strong message to the administration to operate this program in the manner in which Congress mandated.

THE INDIANA ELECTION DISPUTE

(Mr. STRANG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRANG. Mr. Speaker, we came to this body with an abiding faith in this country, in its people, in its ideals, and its institutions. We are a people of ideas and idealism, with faith in God and faith in ourselves. This faith, Mr. Speaker, is not misplaced.

Our conduct in wresting a legal election from the chagrined grasp of an incredulous Indiana electorate reflects neither a respect for law, nor idealism.

Mr. Speaker, this shame will not just quietly disappear as we have read recently. Respect for decency and for Mr. McIntyre dictates that we never forget.

FEDERAL BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS NEEDS TO GET TOUGH ON MAC-10'S

(Mr. TORRICELLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Mr. Speaker, when it comes to the subject of fighting crime, members of this institution, indeed, the leadership of our country, is eager to get in line. Now there is a line worth joining. Not for symbolism, not for talk, but for some real action.

Sometime ago, the Department of the Treasury made a terrible error. In judging a new gun, the MAC-10, they decided it was no more than a simple pistol, free from any Federal regulation. Time has proven otherwise.

With small changes, the insertion of a single coin, this gun becomes a lethal machinegun, in fact with more deadly power, greater firepower than the M-16 assault rifles used by the U.S. Army.

Mr. Speaker, legislation that I have introduced, H.R. 2024, would require that retroactively, these guns be subject to Federal regulation. They have become the favorite of organized crime, neo-Nazi groups, motorcycle gangs, extremist organizations, drug dealers, and other criminal elements fighting our law enforcement personnel across America.

I urge my colleagues to support this legislation.

The Department of the Treasury has recognized its error and prospectively has subjected these weapons to Federal regulation. The Congress must force them to do so retroactively as well.

This is a chance to get in a line that can move policy. Please join this effort.

FOREIGN AFFAIRS COMMITTEE PASSES NUCLEAR TEST BAN

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, yesterday, by voice vote, the House Foreign Affairs Committee passed House Joint Resolution 3, dealing with limiting nuclear weapons testing.

House Joint Resolution 3 is an arms control measure that urges the President to request ratification of the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty and to resume negotiations on a comprehensive test ban treaty. The same language of House Joint Resolution 3 was passed in the other body last year by a vote of 77-22—a vote in excess of the two-thirds necessary for treaty ratification.

House Joint Resolution 3 is a proarms control measure which builds off the past arms control efforts of President Nixon and Ford and reaffirms the position of every President from Eisenhower to and including President Reagan to work toward a comprehensive test ban treaty.

As a manifestation of our commitment to nuclear nonproliferation, House Joint Resolution 3 demonstrates U.S. seriousness about bringing an end to the nuclear arms race.

Ratification of the Threshold Test Ban Treaty [TTBT] and the Peaceful Nuclear Explosions Treaty [PNET] would result in enhanced verification of these treaties. Verification is enhanced because of the unprecedented exchange of data required by the TTBT and the PNET and provisions for onsite inspection required by the PNET. Such provisions make an assessment of Soviet compliance with these treaties easier and more reliable. These data exchanges, however, are not possible until the treaties are ratified, which is all the more reason why we in the Congress should work diligently and quickly to urge their ratification.

In short, House Joint Resolution 3 is a modest but concrete proarms control and proverification enhancement measure that complements the administration's stated objective of bringing an end to the nuclear arms race.

THE TAX FAIRNESS FOR FAMILIES ACT

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, as House sponsor for H.R. 1551, the Tax Fairness for Families Act, I was obviously pleased to learn yesterday that the administration's tax plan included an apparent doubling of the personal exemption from $1,000 to $2,000 for each family member.

This is good news for families that have suffered inequity and discrimination in the Tax Code for many, many years.

☐ 1020

However, I was a little bit concerned when I read that under discussion was the possibility that this might be phased in over a 3-year period.

You cannot phase in fairness, Mr. Speaker. It is either fair or it is not fair. And what is important to realize is that the $2,000 level for personal exemption for members of the family is not a benefit. It is ending a discrimination that has existed and an inequity that has existed for a number of years. Were it to become a benefit, it would have to exceed what is rightfully the entitlement of families had that been indexed for inflation since 1948. That has not been the case. So let's go right to the $2,000. It does not even bring us fully even to where we should be in terms of providing equity for family members, but it is a great step in the right direction. I am pleased that the White House has moved this issue to the top of the priority list. We hope through negotiations in the next few weeks to make sure that that $2,000 level is maintained.

NATIONAL HISTORIC PRESERVATION WEEK

(Mr. STAGGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STAGGERS. Mr. Speaker, this week marks the celebration of the 13th annual National Historic Preservation Week. "The Action's Back on Main Street" is the theme this year and reflects the successful efforts of preservation and neighborhood groups to make their downtown areas once again a place to work, to play and do business. In my district, communities have learned that historic preservation is an extremely important economic development tool.

In Monongalia County, Main Street, Morgantown, Inc., has renovated several buildings on the National Register of Historic Places, which has made a significant contribution to economic revitalization.

In Berkeley County, an old mill building with flooding problems has been transformed into a $5 million project. Martinsburg's Blue Ridge Outlet Mall, housed in a former textile mill, is responsible for 160 new jobs, will contribute $1 million in sales tax revenue annually to the State and will benefit other downtown businesses.

Historic preservation can indeed prove to be a catalyst for economic growth. Our heritage does not have to be sacrificed, but can be incorporated into the future growth of our communities.

I salute the efforts of preservation and neighborhood groups in West Virginia, who are responsible for the action returning to main street.

SUNDRY RESCISSION PROPOSALS, DEFERRALS AND REVISED DEFERRAL PROPOSALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-68)

The SPEAKER pro tempore (Mr. ALEXANDER) laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, Thursday, May 16, 1985.)

SIXTH ANNUAL REPORT DESCRIBING FEDERAL ACTIONS WITH RESPECT TO CONSERVATION AND USE OF PETROLEUM AND NATURAL GAS IN FEDERAL FACILITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

(For message, see proceedings of the Senate of today, Thursday, May 16, 1985.)

CALL OF THE HOUSE

Mr. WALKER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 118]

Ackerman
Alexander
Anderson
Andrews
Anthony
Atkins
AuCoin
Barnard
Bartlett
Bateman
Bates
Bedell
Bennett
Bentley
Bereuter
Bevill
Biaggi
Bilirakis
Bliley
Boggs
Boner (TN)
Bonior (MI)
Bonker
Bosco
Boucher
Boulter
Boxer
Breaux
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Byron
Callahan
Campbell
Carper
Carr
Chandler
Chappell
Clinger
Coats
Cobey
Coble
Coelho
Coleman (TX)
Combest
Conte
Conyers
Cooper
Coughlin
Coyne
Craig
Crockett
Dannemeyer
Darden
Daschle
Daub
de la Garza
Dellums
Derrick
DeWine
Dickinson
Dicks
DioGuardi
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dymally
Dyson
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Fascell
Fawell
Fazio
Feighan
Fiedler
Flippo
Florio
Foglietta
Foley
Franklin
Frenzel
Frost
Gallo
Gejdenson
Gekas
Gephardt
Gibbons
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hatcher
Hawkins
Hayes
Hefner
Hendon
Henry
Hertel
Hiler
Howard
Hoyer
Hubbard
Hughes
Hunter
Hutto
Jeffords
Jenkins
Johnson
Jones (OK)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kostmayer
Kramer
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lightfoot
Lloyd
Loeffler
Long
Lowry (WA)
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McGrath
McHugh
McKernan
McMillan
Mica
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nielson
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Pashayan
Pease
Penny
Perkins
Pickle
Price
Pursell
Rahall
Rangel
Ray
Regula
Reid
Richardson
Rinaldo
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rostenkowski
Rowland (CT)
Rowland (GA)
Russo
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Sikorski
Sisisky
Skeen
Slattery
Slaughter
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stenholm
Strang
Studds
Sundquist
Sweeney
Swindall
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torricelli
Towns
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whittaker
Whitten
Wirth
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (MO)
Zschau

☐ 1040

The SPEAKER pro tempore (Mr. KLECZKA). On this rollcall, 306 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call were dispensed with.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1985

The SPEAKER pro tempore. Pursuant to House Resolution 140 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1555.

☐ 1045

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1555) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and the Agricultural Trade Development and Assistance Act of 1954, to authorize development and security assistance programs for fiscal year 1986, and for other purposes, with Mr. AUCOIN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida [Mr. FASCELL] will be recognized for 30 minutes and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 1555, the International Security and Development Assistance Act of 1985, is a comprehensive, 2-year foreign assistance authorization bill which deserves the strong approval of the House.

I choose my words carefully and I mean precisely what I say: This measure deserves—indeed, demands—support for three simple but important reasons: it is responsible, it is necessary, it is practical.

Above all, it is fiscally responsible. It responds to the collective determination of this country and this House to spend less.

It is also necessary in terms of programs it contains which protect vital American interests abroad. These programs include:

Military aid to our friends and allies, which strengthens free world security and enhances our own defenses, including the use of military bases to U.S. forces around the world.

Special economic assistance to areas of strong strategic interest to the United States, particularly the Middle East.

Development and humanitarian help to poor countries, which will enable them to improve their economies through self-help.

Finally, H.R. 1555 is practical in the sense that what it means for Americans is jobs, further economic expansion, and important opportunities to restore some balance to our growing and serious trade deficit.

How does it do that? It does that by responding to the fact that the economies of developing countries over the past few years have become the fastest growing markets for American products at the same time that they are the source for materials needed by American industry. It is also practical since the great bulk of the so-called foreign aid in this bill is spent right here in the United States for services and goods produced by your constituents—American farmers and workers.

Two points I want to emphasize at the start are:

First, that is essentially a freeze bill. It authorizes appropriations of $13,050,200 in fiscal 1986 and the same amount in fiscal 1987. Excluding the $525 million increase which the President asked for Israel and Egypt for fiscal 1986, the fiscal 1986 total is below the $12,774 million which Congress enacted in appropriations in fiscal 1985 for the programs under this bill.

The total also is $191 million below the President's request for fiscal 1986.

Additionally, the bill freezes all line items for fiscal 1987 at exactly the same levels authorized for fiscal 1986, with no upward adjustments for inflation or any other increased costs.

For fiscal 1985, I should also point out, there is a $1.5 billion supplemental item for emergency assistance to Israel to help Israel in its current economic crisis.

Second, it needs to be emphasized that this is the major vehicle for the Congress to exercise its influence and provide guidance in its foreign policy area. These are functions which are not and will not be carried out through a continuing resolution. And if the bill does not pass that is what we are going to get—another continuing resolution and a further weakening of the committee system in the Congress. This is not in anybody's interest.

The Congress needs an authorizing bill. Therefore, a vote for this bill will be a vote for Congress' role in foreign policy and a vote to uphold the legislative process.

Title I authorizes $6,281,271,000 in fiscal 1986 and the same in fiscal 1987 for military assistance, a reduction of $425,729,000 below the President's fiscal 1986 request. It contains cost-saving improvements in the Security Assistance Program which further reduce program costs by over $600 million.

Title II authorizes $3,900,400,000 in fiscal 1986 and fiscal 1987 for economic support fund assistance to areas where the United States has special political and strategic interests, a $123.6 million reduction below the President's request. Also, $1.5 billion is authorized for fiscal 1985 for special emergency economic assistance to Israel, and $250 million for use in event of substantial progress toward a peaceful settlement of the Cyprus dispute; $50 million a year in fiscal 1986 and 1987 would be for easier term credit for U.S. businesses in cases where they face subsidized competition from foreign companies. Also, $5 million is authorized each year to Thailand for assistance to non-Communist forces in Cambodia, including military assistance.

Title III authorizes $1,895,894,000 for development assistance to poor countries each year in fiscal 1986 and fiscal 1987, $219 million above the President's request. Increases are for population and health programs abroad and $50 million for the child survival fund.

Title IV authorizes $819,966,200 for other foreign assistance programs each year in fiscal 1986 and fiscal 1987, $124 million above the President's request. Increases are for American Schools and Hospitals Abroad [ASHA] and for U.S. voluntary contributions to the U.N. Development Program and the U.N. Children's Fund [UNICEF].

Title V authorizes and strengthens the International Narcotics Control Assistance Program including tying conditions on aid to certain Latin American countries to their antinarcotics efforts, earmarking funds for U.S. weapons to be installed on friendly country antinarcotics aircraft, and allowing U.S. agents to be present at narcotics arrest actions overseas.

Title VI sets up a scholarship program under the auspices of the U.S. Information Agency [USIA] and the Agency for International Development [AID] under which students from developing countries can come to study at American schools.

Title VII provides a policy framework for U.S. assistance to Central America designed to promote peace and democratic process.

Title VIII provides for improved programs for economic development in Africa; earmarks funds for regional programs in southern Africa; authorizes continued funding for the African Development Foundation and the Sahel Development Program.

Title IX authorizes the U.S. contribution to the second replenishment of the International Fund for Agricultural Development [IFAD]; strengthens food for peace programs extended through private voluntary agencies; provides for child immunization and farm-to-farmer aid programs.

Title X authorizes $136,100,000 each year for the Peace Corps in fiscal years 1986 and 1987, an increase of $11.7 million above the President's request.

Titles XI and XII contain miscellaneous other provisions including congressional policy statements on various foreign affairs issues. One provision creates a commission to oversee preservation of cemeteries and other facilities of historic interest to the United States because of the foreign heritage of Americans.

In sum, Mr. Chairman, this is a bill which carries out programs requested by the President as necessary for American interests abroad.

It helps our own defenses by helping those of our friends and allies abroad. It enhances our export sales and the potential growth of our markets in developing countries. It provides for humanitarian and developmental assistance to poor countries on an enlightened, self-help basis. It serves the cause of peace in areas of interest to the United States, particularly in the Middle East.

It is the best legislative vehicle we have, the principal vehicle for providing for congressional initiatives in foreign policy and otherwise carrying out the congressional role in the foreign affairs field.

And, it is a freeze bill.

I urge passage of the bill.

● Mr. **HAMILTON**. Mr. Chairman, I rise in support of H.R. 1555, the International Security and Development Cooperation Act of 1985.

This important legislation was passed by the Committee on Foreign Affairs in early April 1985 and authorizes appropriations for fiscal years 1986 and 1987 of over $13.05 billion annually which is nearly $200 million less than the amount requested by the administration for foreign assistance for fiscal year 1986. Excluding a $525 million increase request by the President for military assistance to Israel and Egypt in fiscal year 1986, the total in this bill is below the freeze level based on the continuing resolution appropriations which Congress voted for fiscal year 1985. This bill also authorizes some $1.75 billion in fiscal year 1985 supplemental aid, of which $1.5 billion is for Israel and $250 million is for Cyprus.

This funding, which includes military assistance, economic support and development and humanitarian assistance is an essential component of American foreign policy. These funds help protect and promote U.S. political and military interests around the world as well as help others help themselves. They also help our national economy. Some 70 percent of these funds will be spent in the United States and represent hundreds of thousands of jobs here.

The interrelationship between our ability to protect key American national interests and the economic and security programs contained in this legislation can be dramatically illustrated by a quick perusal of how H.R. 1555 affects the Middle East and Europe. These two areas are to receive over 58 percent of the funds for fiscal year 1986 and fiscal year 1987 contained in this bill.

EUROPE

In Europe, Mr. Chairman, this bill supports the continued vitality of NATO's southern flank and the strengthening of Western security interests in the Mediterranean region.

Four key NATO allies—Portugal, Spain, Greece, and Turkey—are to receive some $242 million in economic support fund money, some $285 million in grant military assistance and $1.48 billion in foreign military sales financing in addition to military training funds.

Together these four nations, along with Italy and France, have responsibilites in NATO's southern region. Today, this region is increasingly vital to Western security. The political instability of the Middle East and Africa offers a possible arena for the Soviet Union's expanded interference there and in the Mediterranean, where its navy is already strong. We must help these nations, for they are a bridge linking the United States and the Atlantic to the Middle East and Persian Gulf.

In each of these four countries the United States has important military facilities access agreements. Each access agreement is critical for the United States and the four agreements, taken together, provide the United States a critical link across the northern edge of the Mediterranean Sea. These allies look to the United States for assistance to augment their own contributions to Western security. All of these countries are upgrading their military forces and need American assistance and equipment. Thus, the assistance provided to these countries is among the most efficient forms of national defense expenditures and can make a substantial addition to U.S. national security interests and world peace.

Given Greece's important geopolitical location and our mutual security interests, Greece's continued close relationship with the United States is of vital importance. Therefore, there is $498.25 million in security assistance for Greece in this bill. Greece has a socialist government and we have had differences with that government over the last 3 years, but we also have a mutual stake in maintaining a close and trustful dialog with that government and in preserving our security relations. Our long-term mutual interests will outlast our differences with any single government. Greece moves to parliamentary elections June 2 and we must hope that our dialog with Greece can improve in the aftermath of the elections.

Greece and the United States remain deeply intertwined nations. Many or America's leading citizens are of Greek lineage. The essence of our political cultures are the same. America's system of government is descended from Greece—the cradle of democracy.

Turkey is also an important country for the United States and its contribution to NATO is critical. Turkey is NATO's major link with the Middle East. It is the only Islamic member of NATO. We need to help Turkey with its economic and military needs in part because we should support Turkey's own impressive efforts to rebuild its country and economy. We should also encourage the ongoing political changes in Turkey, especially the return of a democratically elected government. The United States does have differences with Turkey on the Cyprus issue and on some human rights matters and these issues affect policy, but it is also true that Turkey, an Islamic nation, is a key pro-West country in a turbulent region with common borders with such states as Bulgaria, the Soviet Union, Iran, and Syria. We neglect Turkey at our own peril. This bill contains $740 million in military assistance, $150 million in economic aid and $4 million in military training for Turkey.

The $15 million fiscal year 1986 economic aid program supported by this bill for Cyprus is another key sign of strong U.S. support for this island nation. Continued U.S. assistance supplements efforts to help facilitate a negotiated settlement of the Cyprus dispute. The frustrations of many Americans over the lack of progress toward a settlement of the Cyprus dispute is understandable, but I hope my colleagues realize that some progress has occurred in Cyprus intercommunal talks under U.N. auspices and we can perhaps look forward to renewed negotiations in the near future. I am sure my colleagues are aware of the continued importance of U.S. economic assistance for Cyprus to help deal with humanitarian, economic development and educational needs of the Cypriot people and to help implement any Cyprus agreement which the parties may reach. In recognition of this possibility, a $250 million Cyprus reconstruction fund has been authorized in H.R. 1555 as a fiscal year 1985 supplemental. This action was taken pursuant to a Presidential request last May.

Spain is another country in Europe which is key to Western defenses. Even now it seeks to integrate its military more effectively into the Western security system. Democratic Spain will receive both economic and military assistance in this legislation. This assistance, which contains $400 million in FMS credits, $12 million in economic aid and $3 million in military training, is pivotal if Spain's membership in NATO is to be solidified and we are to build a constituency for NATO in Spain. It will also help Spain's democratic government define a new and clear role for its military forces.

Portugal is also to receive substantial economic and security assistance in this bill—$138 million in security assistance and $80 million in economic aid. The United States renewed its bilateral base agreement with Portugal in December 1983, which gives the United States continued use of Lajes Air Base in the Azores Islands. U.S. assistance will promote Portugal's security, strengthen its democracy, and enhance its contributions to NATO and the defense of Western security as well as help alleviate the financial burdens of Portugal's troubled economy. It is in our interest to help Portugal economically because Portugal is already taking difficult steps to help itself through austerity programs.

Mr. Chairman, our assistance programs for these four NATO allies buttress vital Western security interests. Without this assistance, American access to key military facilities is compromised and the ability of our allies to strengthen their own defenses is weakened. NATO's southern flank is vital to our interests and we must not let its security be undermined.

MIDDLE EAST

Mr. Chairman, the Middle East will receive over 40 percent of the funds authorized in fiscal year 1986 in this bill. These funds are closely related to American efforts to promote and expand the Middle East peace process and to strengthen the moderate forces in the region. While efforts to find a basis to restart the Middle East peace process proceed in the coming weeks and months, it is critically important to maintain the security and economic well-being of our friends in the region in the expectation that new opportunities for further progress toward a comprehensive peace will be created and that no party will foreclose those possibilities.

H.R. 1555 provides for:

An authorization for Israel in fiscal year 1986 and fiscal year 1987 of $3 billion annually in economic and military assistance to be provided on a grant basis. The United States has a historic commitment to Israel's security and economic well-being and U.S. assistance provides a tangible demonstration of the strength and durability of that commitment. The United States seeks to give Israel the confidence to take the risks necessary to pursue the peace process. It is a continuing principle of U.S. security assistance to enable Israel to maintain a qualitative edge in military technology in the Middle East. This is especially important because of the Soviet shipment of sophisticated arms to other countries in the region, and especially to Syria.

A fiscal year 1985 supplemental authorization for Israel of $1.5 billion to be provided over 2 years to supplement Israel's own efforts to correct its economic problems. The extraordinary assistance is intended to give Israel some breathing space while its own new programs begin to take effect. Israel has undertaken some important steps but I think a vast majority of Israelis understand that further action is essential if this supplemental assistance is to be successful in helping Israel help itself at this time of economic hardship in that country. The United States and Israel are in the process of working out together important understandings about this assistance and its implementation. That process must go forward. We must all realize that in the final analysis, this one-time extraordinary U.S. economic aid can only be a supplement, not a substitute, for Israel's own efforts to reform its economy.

An authorization for Egypt for fiscal years 1986 and 1987 of some $2.3 billion annually, including $1.3 billion in military assistance, $815 million in economic assistance and $213 million in food aid. Egypt remains critical to the success of U.S. regional political and strategic policies and these requests support U.S. policy. The United States and Egypt have a shared strategic interest in the stability of the Middle East and the surrounding region, especially Africa, and a shared strategic commitment to a peaceful solution of the Arab-Israeli conflict. Egypt has been an active partner in the Middle East peace process, and continued Egyptian support is crucial to its ultimate success. The Mubarak government publicly supports the President's September 1, 1982, peace initiative and is currently encouraging Jordan to enter the peace process and engage in bilateral efforts with Israel to improve their ties.

Smaller authorizations for economic and military assistance for other countries in the region: Jordan is to receive $122 million; Oman $60 million; and the Yemen Arab Republic $41.5 million. We have important ties to these countries and a stake in what happens to each. Our programs with these countries promote broad U.S. policy objectives in the Middle East. In the case of Oman, our program is directly related to a military facilities access agreement for U.S. forces; Oman is located near the entrance to the Persian Gulf and abuts the Straits of Hormuz.

And an authorization of $26 million for special Middle East programs to promote regional cooperative programs involving both Israelis and Arabs, economic development projects in the critical West Bank and Gaza area where significant proportions of the Palestinian people live, and regional program support and development. These programs are small in amounts but touch the lives of many people and promote the cause of peace.

Mr. Chairman, the United States continues to have a stake in what happens in the Middle East. We cannot walk away from the region because of frustrations with the peace process. We have important and interrelated interests there in the stability and well-being of friends, in access to oil, in reducing the tensions of regional conflict and in preventing the Soviets from obtaining an enhanced position in the area. These funds help us in promoting those interests. Without these programs, efforts to energize the peace process will be hampered.

SUMMARY

In conclusion, Mr. Chairman, I wish to reiterate my support for H.R. 1555. Many Members may feel it is not a good time for any foreign aid bill and that the mood of the American people is against the legislation in general and for an absolute freeze of funding levels in particular. Given our significant domestic needs and priorities, the amount of resources being provided for assistance overseas is declining. But we must remember that we cannot confront the foreign policy challenges we face and counter aggressive policies of our adversaries without the prudent use of economic and military assistance programs such as those contained in H.R. 1555. This bill supports key national interests overseas, promotes trade, and represents well over 400,000 jobs for Americans.

Mr. Chairman, let me add one final plea. This bill strikes a careful balance between security and economic programs and contains important policy guidelines. If there are any freeze amendments which might cut the amendments in the bill, I would hope that the amendments retain this important balance. A meat ax cut would not represent the interests of the Nation or the balanced interests of the Members of the House. We are only still in the early stages of the congressional process on this legislation and I am sure that over the coming months many of the provisions of this legislation with which some of my colleagues disagree can be modified.

Mr. Chairman, I urge the adoption of H.R. 1555 to let the authorization process proceed.●

Mr. **BROOMFIELD.** Mr. Chairman, I yield myself such time as I may consume.

Mr. **McKERNAN.** Mr. Chairman, will the gentleman yield?

Mr. **BROOMFIELD.** I yield to the gentleman from Maine.

Mr. **McKERNAN.** Mr. Chairman, I thank the gentleman from Michigan for yielding to me.

Since it is my understanding that this weekend the Interparliamentary Conference between the United States and Canada will be held, I want to put the House on notice that next week, during the amendment process, I intend to offer an amendment to this bill to encourage the bilateral resolution of problems facing Canada and the United States. I commend the President for his efforts in this area.

Mr. Chairman, as we debate the foreign assistance authorization bill, we are shaping the course of our foreign policy. Something that should not be forgotten in this debate is how our foreign policy interacts with our economic relationships with other nations.

The tool of economic cooperation is powerful. It can be applied most directly and postively toward our trade relationship with underdeveloped countries. President Reagan's Caribbean Basin Initiative is a prime example of the importance of pursuing progressive and productive trade relationships in this hemisphere.

We also must not overlook the importance of continuing to improve our trade relations with the developed nations. Healthy and cooperative partnerships in trade not only ensure strong economies in the industrialized nations, but such partnerships also have a ripple effect that benefits all nations.

For this reason, I have a strong interest in working to improve the trade relationship between the United States and its biggest trading partner—Canada. Overall, we have positive trade relations with our friend to the north. There continue to be, however, specific, unresolved issues that mar this relationship. I believe that it is important that attention continue to be drawn to these issues.

For my State of Maine, these trade problems are particularly serious. The major concerns involve Canadian exports of potatoes, lumber, and fish. Exports, in large part subsidized by Canadian Federal and Provincial governments, have placed our Maine industries in jeopardy, inhibiting their growth potential.

Maine is not alone in its trade problems with Canada. States in the northwest with significant lumber industries, confront problems similar to those affecting Maine and there is also a host of other issues adversely affecting the United States which need to be resolved, including subsidized Canadian freight rates, Canadian Federal sales tax on tourist literature entering their nation, and hog and pork exports.

Mr. Chairman, House and Senate Members are going to Ontario this weekend to participate in the annual meeting of the Canada-United States Interparliamentary Group. This meeting gives Members of both the U.S. Congress and the Canadian Parliament the opportunity to discuss at length bilateral trade concerns.

Our trade relationship with Canada deserves attention from legislators on both sides of the border. Because of the need for Congress to continue to look closely at this trade relationship, I plan to offer an amendment to the foreign aid authorization bill that calls for increased efforts to resolve Canadian-United States trade problems and requires the President to report to Congress on efforts to settle these problems.

The passage of this amendment will help us focus on the need to put equity in our trade relationship with Canada. I urge my colleagues to support this amendment when it comes before the House.

Mr. **BROOMFIELD.** Mr. Chairman, let me begin by saying that the administration opposes the committee bill, and, as well, it has not endorsed the substitute which I will be offering. As a matter of fact, the executive branch, including the OMB, opposes both the committee bill and the substitute that I plan to offer.

It seems that the administration, as far as my bill is concerned, wants more money for the military portion than I believe Congress and the American people will support.

At the outset, I want to compliment my friend, the gentleman from Florida [Mr. FASCELL], the distinguished chairman of the Committee on Foreign Affairs, for doing an admirable job in shepherding the committee through the markup of this very complex bill. Regrettably, he was unable to persuade the members of the committee to keep a sense of proportion on what I believe is the total price tag of this bill.

The bill before us, as reported by the Committee on Foreign Affairs, represents a staggering authorization for foreign assistance of more than $13 billion for each of the next 2 fiscal years, fiscal year 1986 and fiscal year 1987, for a total 2-year authorization of over $26 billion.

A breakdown of this amount will show that our ally and friend in the Middle East, Israel, alone would receive grants of $6 billion, nearly one-fourth of the 1986 and 1987 total, plus a 1985 supplemental of $1.5 billion under the previous provisions of the bill.

Also I point out that in this bill Egypt would receive $4.3 billion, that is, 16 percent of the total, all in grants. That is for both countries.

To address the shortcomings of the committee bill, I will be offering a nonamendable amendment in the nature of a substitute. Again I point out, Mr. Chairman, despite the administration's opposition, my approach is a workable compromise. It reduces the total foreign aid authorization for fiscal year 1986 by $50 million below the 1985 appropriation bill. This is truly below the freeze, and it freezes the level for fiscal year 1987, too. My proposal also remedies the numerous ambiguities in the committee's version of the bill.

The substitute I will be offering reduces the total authorization for each of the years, 1986 and 1987, by more than $325 million below the committee level and more than $516 million below the administration's request. On a 2-year, straight-line basis, my substitute would represent more than a $650 million reduction from the committee's 2-year bill. It is more than a $1 billion reduction from the 2-year level of the administration's request if we make the optimistic assumption of straight lining the request for fiscal year 1987. The Broomfield substitute maintains the same levels and earmarks, as the committee bill, for AID programs to Israel and Egypt, including, as I mentioned earlier, the $1.5 billion for the economic support supplemental for Israel.

In a shortsighted move, I believe, the committee decided that about the only area in which it would reduce funds is in the military area. The committee made a total cut of more than $425 million below the President's request in order to partly offset its hefty increases in favored economic aid accounts.

□ 1100

There is no doubt that the so-called longer term economic development aid is an important and necessary part of a foreign aid program; however, there are equally important international problems requiring military assistance as well. My amendment would restore a modest amount to the FMS and MAP accounts. It would bring the total for all military aid accounts to within about $1 million of the fiscal year 1985 levels, not including again the $525 million increase in forgiven FMS for Israel and Egypt. While my approach has held security assistance somewhat below last year's appropriations levels, this lower amount is still adequate, in my judgment, to meet the minimum security requirements of our friends around the world.

There is no doubt that appropriate foreign aid programs do attempt to address important U.S. interests in security and equitable economic growth; but I strongly believe, Mr. Chairman, that foreign aid cannot be overlooked when significant cuts must be made in our Nation's budget. There are many domestic programs which serve vital national interests, too. They must be maintained. We must be fair in seeing that our foreign aid programs bear a reasonable share of the burden of helping to reduce the budget deficit.

While my substitute does not have administration support, at least at the present time, it is a fair compromise. It is also mindful of the need to trim our large budget deficits in an evenhanded way. It improves some of the policy language in the committee bill.

For these reasons, I hope the committee will support the substitute bill.

Mr. **PURSELL.** Mr. Chairman, will the gentleman yield?

Mr. **BROOMFIELD.** I am happy to yield to my friend, the gentleman from Michigan.

Mr. **PURSELL.** Mr. Chairman, as I understand, the gentleman's substitute would be below the 1985 appropriation in the current law; is that correct?

Mr. **BROOMFIELD.** That is correct.

Mr. **PURSELL.** Does the gentleman have an idea of the number of dollars, how far below?

Mr. **BROOMFIELD.** At least $50 million.

Mr. **PURSELL.** At least $50 million?

Mr. **BROOMFIELD.** Yes.

Mr. **PURSELL.** And then I understand the committee bill that is in front of us is also below the 1985 appropriation, or did I misunderstand that?

Mr. **BROOMFIELD.** I think according to our figures, the gentleman misunderstood that.

Mr. **PURSELL.** The present committee bill is above the 1985 current law?

Mr. **BROOMFIELD.** It is $275 million, I am told.

Mr. **PURSELL.** It is $275 million over 1985, based on the additions that the full committee made?

Mr. **FASCELL.** Mr. Chairman, will the gentleman yield?

Mr. **PURSELL.** I would be happy to yield.

Mr. **FASCELL.** We did not make any additions. This was the President's request for additional money for Israel and Egypt that was not in the 1985 appropriations. All we did was grant the President's request, which totaled an additional $525 million; but because of the cuts we made elsewhere in the bill, we reduced that aggregate increase overall down to $275 million.

In other words, we were able to absorb that much by making cuts below the 1985 appropriation level in other accounts.

Mr. **PURSELL.** But irrespective of the President's mark, which I understand is above the current law, the committee bill is also above current law and the gentleman indicated that it is because of the President's mark; is that appropriate?

Mr. **FASCELL.** That is absolutely right; but if you eliminate that, to look at it in a different way, eliminate the additional amount requested by the President for Israel and Egypt, the bill by that measurement is below the 1985 mark.

Mr. **PURSELL.** Mr. Chairman, if the ranking member will yield further, in principle we have had four major authorization bills here; NASA, the Bureau of Standards, the National Science Foundation, and the State Department bills, principally they have been kept to the current legislation of the freeze of 1985. How could we now move above that freeze level with this committee bill, irrespective of the President's position?

Mr. **FASCELL.** Well, an amendment can just be offered to knock out the money for Israel and Egypt. That is one way to do it, if we want to do that.

Mr. **PURSELL.** Or we could reprogram that total amount, including Israel and Egypt, and reprogram it percentagewise within the aggregate amount within the current 1985 level.

Mr. **FASCELL.** The gentleman is absolutely right.

That is certainly a possibility. But let me point out further what can happen when you try that.

The gentleman from Michigan, who has expressed concern about insufficient military assistance, if I understood the gentleman correctly, has $805 million for that purpose in his substitute.

The committee has $761 million. To do what the gentleman is talking about, we would have to reduce that amount and then we would have to take money out of the economic support fund also.

Yes; it can be done, but somebody would have to offer that amendment and the House would have to work its will. If that were to happen, then we would have to absorb the $275 million.

Mr. PURSELL. I see.

Mr. FASCELL. Mr. Chairman, if the gentleman will yield further, one of the things we did, recognizing the point the gentleman makes, which is very valid, is that we took other legislative action in this bill to produce an additional $500 million that goes to the Treasury that was not produced before.

Now, that does not help the bottomline in this bill in terms of the freeze application, but it is a $500 million help to the taxpayers.

Mr. PURSELL. Especially, as I understood the gentleman's comment earlier, we have a $1 billion supplemental for 1985.

Mr. FASCELL. Well, a billion and a half for Israel.

Mr. PURSELL. A billion and a half.

Mr. FASCELL. And that is not all.

Mr. PURSELL. That is worse.

Mr. FASCELL. That is not all. I do not know what else is coming in the supplemental appropriation, I really do not.

Mr. PURSELL. So in this case, we could have the administration opposing the bill because it is too low.

Mr. FASCELL. Well, that is quite possible.

Mr. BROOMFIELD. I can answer that. They are already doing that.

Mr. FASCELL. The gentleman from Michigan has worked very hard and we have worked together in trying to bring a sensible bill to the floor; but the problem the gentleman has is that he ran into objections from the administration, who said, "You know, you are cutting our heart out."

They do not like our bill because we cut below the President's request and put in some statements that they do not like. We have the unusual situation, I might add, that in the other body they did worse than that. They did not support the President at all.

Mr. BROOMFIELD. That is exactly right.

Mr. PURSELL. But at this point, we are trying to find a common ground here so that we can stay consistent with all the authorizations.

Mr. FASCELL. Absolutely.

Mr. PURSELL. And eventually in the appropriation bills, so that we maintain the budget mark that the gentleman is going to be presenting in the budget resolution next week.

Mr. FASCELL. The gentleman raises a very good point in referring to the budget mark.

Let me just say that between the gentleman from Michigan, and myself, and the rest of the members of the committee, we think we have done well by making the cuts that we have.

Mr. PURSELL. Can I ask a further question with respect to the budget mark that has arisen over in the Budget Committee?

Mr. FASCELL. I was afraid that the gentleman was going to ask that. I do not know how to handle that budget mark.

Mr. PURSELL. Well, we are premature here in looking at this legislation without the budget ahead of us, and I realize the Armed Services Committee has the same problem, so we are going to lift this bill, as I understand it, and move it to a subsequent date to consider amendments and maybe by then we might know what the mark is in the House. We know certainly what the mark is in the Senate in respect to trying to maintain a basic freeze, because a basic freeze only gives us $32 billion in the aggregate overall, so we have to look at other programs; and so to treat foreign aid consistently with the State Department, NASA, and all the other programs, I think it is incumbent that we try to work our will here with an appropriate compromise.

Mr. FASCELL. I cannot argue with the gentleman, if he will yield further, but from the rumors I hear about what the budget mark is going to be, I do not know how you are going to handle that. The international affairs 150 account is taking a whipping; but nevertheless, the point that the gentleman raises is valid.

Mr. PURSELL. I thank the chairman.

Mr. FASCELL. Mr. Chairman, I yield 6 minutes to the gentleman from Pennsylvania [Mr. Kostmayer].

Mr. KOSTMAYER. Mr. Chairman, I want to begin by commending the distinguished chairman of the full committee, the gentleman from Florida [Mr. Fascell] for the magnificent job he has done in handling this legislation and bringing it to the floor.

I also want to commend the ranking member of the committee, the gentleman from Michigan [Mr. Broomfield] for his hard work.

Mr. Chairman, 20 years ago the Congress authorized in the very best bipartisan sense one of the most important aspects of American foreign policy, which is under severe attack in the current Congress. That was legislation authorizing, for the first time, funds for voluntary family planning assistance in the developing world.

Last evening, in the other body when similar legislation was adopted, unfortunately an important provision which the House committee inserted, authorizing $320 million for population, was very badly damaged.

It is my understanding that when this legislation comes to the floor of the House, our distinguished colleague, the gentleman from New Jersey [Mr. Smith], will offer similar amendments, with due respect to my colleague, the gentleman from New Jersey, will undermine very severely these most important provisions of the Foreign Assistance Act.

Mr. Chairman, there are essentially two targets for these amendments. The first is the U.N. Fund for Population Activities, and the second is the International Planned Parenthood Federation.

□ 1110

The objections which we will hear to the $46 million which we authorized to the UNFPA is that the UNFPA currently has a modest program in China. The Chinese Government's population program is one which we have heard a great deal about lately and one which all of us feel very strong objection to for a number of the things which are happening in the People's Republic of China.

But I think there are a number of things which are very important to recognize. First of all, the U.N. Fund for Population Assistance Program in China is distinct from and in no way involved in the coercive aspects of the Chinese program. This has been affirmed by the Reagan administration. AID has certified and given to the UNFPA a clean bill of health for the manner in which it operates in the People's Republic of China.

Second, no U.S. funds which go to the UNFPA are used in the People's Republic of China. Those funds are held in entirely separate accounts and not a single cent of American money is used in any way directly or indirectly in the UNFPA Program in China.

The UNFPA I think, and I think AID officials would agree, acts as a moderating and a restraining influence on the program in China.

But what will happen if the amendment to be offered by the gentleman from New Jersey [Mr. Smith] is agreed to, an amendment which would reduce by one-third the budget of the UNFPA, a cut of $46 million.

That amendment, if it is adopted by the House, will not affect the program in China at all but it will cripple the programs in 115 other countries in which the UNFPA operates. It will do severe damage to the voluntary family planning programs in other countries while not affecting the program in China at all because no U.S. money is spent there.

The second amendment which I believe our friend from New Jersey [Mr. Smith] will offer, has to do with the International Planned Parenthood Federation. In December of last year, the administration cut the $17 million which the United States provides to the International Planned Parenthood Federation. The Foreign Affairs Committee in its deliberations restored that $17 million.

That $17 million is one-third of the IPPF budget. But the gentleman from

New Jersey [Mr. Smith] believes that the United States should not provide any funds at all to IPPF because of the following reason: Of the entire $50 million IPPF budget, $17 million of which comes from the United States, of that, $300,000 is spent for materials, training, and services in activities related to voluntary abortions. None of that $300,000 is American money.

IPPF is an organization which is doing vital work in the Third World.

Yet, because of that small expenditure for entirely legal activities in certain countries, we would undermine the entire program.

Finally, Mr. Chairman, I was in Ethiopia last November and saw the terrible suffering there. In Ethiopia, the food production is declining on a yearly basis, yet the population is increasing at an annual rate of 3.7 percent. In India, there are 1 million people born every 30 days. In Nigeria, in just 76 years, there will be as many people as there are currently in the People's Republic of China.

Mr. Chairman, this is a modest, yet desperately important program. I would ask the House when the foreign aid bill comes before us to resist those amendments to be offered and to support the committee and, indeed, to support the administration on allowing these funds to be expended.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I am happy to yield to the gentleman from Florida.

Mr. FASCELL. I want to commend the gentleman in the well for his leadership on this issue in the committee. He was very, very persuasive because the committee position in the bill is a position of the majority of the committee that supports this viewpoint. I would hope that we could keep this small amount of money in the bill.

Mr. KOSTMAYER. I thank the chairman.

Mr. BROOMFIELD. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. Solomon], a member of the committee.

Mr. SOLOMON. I thank the gentleman from Michigan [Mr. Broomfield] for yielding me this time.

First of all, in rising to oppose the committee bill, let me make two points.

One, even though the bill does carry the dollar figures that the administration has asked for, I would like to point out that President Ronald Reagan is only right 99 percent of the time, and 1 percent of the time he is wrong. And that is when he is offering this bill as far as the dollar figures are concerned.

In rising to oppose the bill also I would like to in no way diminish from the work and the efforts that our outstanding committee chairman, the gentleman from Florida, Dante Fascell, and his staff, as well as the ranking member, the gentleman from Michigan, Bill Broomfield, and his staff, and the tremendous job they have done. Any time you try to develop a foreign aid bill and you try to satisfy people like President Reagan, and you try to satisfy people like Gerry Solomon, and Dante Fascell, and all of the others from the liberals to the conservatives, you have an almost impossible job. So I say to the gentleman from Florida [Mr. Fascell], you have done an outstanding job and so has the gentleman from Michigan, Bill Broomfield.

Mr. Chairman, a number of my colleagues from this side of the aisle have outlined the serious problems with this foreign aid bill, problems that will have to be addressed by a large number of amendments if this bill can command any support at all from conscientious Members of Congress, let alone the support of the American people and I certainly concur with the statements that have been made.

I would like to take a few moments right now to discuss a particular aspect of the bill that I find very troubling because I am greatly concerned about what the committee has done concerning the aid package for the Philippines. It would seem that we engage in this little shell game every spring. The administration comes down here and proposes a well-conceived and well-balanced package of security and economic assistance for the Philippines, which the committee then tinkers with to front load the package with ESF and to shortchange the security assistance. Under this bill, the administration's FMS proposal for the Philippines is eliminated altogether, and the proposed military grants for the Philippines are cut in half.

It may be that the committee wants to insulate itself from any eventuality that may occur in the Philippines—to be on the right side of history as some might put it—but this bill is simply not the way to help an ally in need. Once again the foreign aid bill is raising the bogeyman that security concerns and economic needs in the Philippines are mutually exclusive. This one-dimensional approach to foreign policy has become almost obsessive because the problems in the Philippines today are political, economic, and military. We must address all three simultaneously if we are to address them at all. It is neither honest nor courageous for us to choose one problem, neglecting the others and wishing that the areas we are neglecting will somehow take care of themselves.

What the committee chose to ignore in its juggling act on this bill is that the Philippines Government has worked with the IMF to introduce austerity measures and across-the-board spending reductions in all areas of the public budget. Military spending, even during a time of insurgency threats, has been reduced by more than one-third—to a level now amounting to little more than 1 percent of GNP.

The committee chose to ignore that even if the administration's security package for the Philippines would be approved in its entirety, the funds made available would be enough to maintain only the status quo, to make up for last year's reductions and to allow the Philippines Armed Forces to repair existing equipment and deal with other maintenance problems. Moreover, a sizable portion of the administration's security package is devoted to civic action projects like roadbuilding and public health services in areas of the Philippines that are affected by the insurgency of the Communist New People's Army.

I plan to offer an amendment that will restore the original mix of security and economic assistance in the administration's proposal for the Philippines. After having visited the Philippines in April and talking with President Marcos, I am more convinced than ever, that now is the time to be standing shoulder to shoulder with our friends in the Philippines. They are the indispensable link in our chain of defense in the Western Pacific and Southeast Asia and we owe it to them as allies to help them with their needs.

Let me just conclude, Mr. Chairman, by making one other observation about this bill. One of the things I find most offensive about this particular bill is the manner in which it shortchanges friends—such as the Philippines—and loads up with all kinds of extraneous programs and spending schemes for countries and organizations of dubious worth. This problem comes into special focus when one realizes that this bill is more than $400 million above last year's continuing resolution.

I plan to offer an amendment that will make sure that the aggregate total of spending authority in the bill will not exceed by one penny what is contained in last year's continuing resolution. At a time when we are asking the American people to make sacrifices, it makes no sense at all to continue pouring billions of dollars into countries and programs that are neither grateful nor responsible for the support we give them. In its present form, this bill does not provide an appropriate or plausible venue for the conduct of American foreign policy.

□ 1120

I made a statement on the floor yesterday that we have had "Dear Colleague" letters and we have had resolutions being circulated asking for us to cosponsor them which would reinstate the tax exemptions on local taxes for government, put that back in the budget, put back in revenue sharing, put back all these things, and I mentioned that I had accumulated all these "Dear Colleague" letters and resolutions which totaled the entire $50 billion deficit reduction program that President Reagan has offered to us.

If we enacted all of them we would have no deficit reduction and we would go back to the 14-percent Jimmy Carter inflation, we would go back to the 22-percent interest rates of Jimmy Carter. We cannot do that.

So here is your chance, ladies and gentlemen, when I offer my amendment tomorrow or whenever this bill comes back on the floor to cut this bill back by $400 million, just to last year's level, I want you to support it because then I might support one of your recommendations to reinstate revenue sharing or some of these other programs.

Just think about these things until next week when we come back, and we will have a good bill when we are finished.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. Frank].

Mr. FRANK. I thank the chairman for yielding.

I was interested in the previous speaker's criticism of the administration's excessive request for foreign aid. But that is not the subject that I wanted to address.

The nation of Portugal has been a very strong ally of the United States and it has been one which in recent years has made that transition from a repressive regime to a thriving democratic regime. So that we now have both from the human rights standpoint and from the geopolitical standpoint a strong ally.

The committee, under the very able leadership of the gentleman from Florida [Mr. Fascell] has been very generous in recognizing that relationship. I know the gentleman from California [Mr. Coelho] and I both have a particular interest in that relationship.

I wonder if the chairman [Mr. Fascell] could confirm for us the particular figures which, while not written into the bill, are the intention of the committee to be conveyed to Portugal if the bill is passed as written.

Mr. COELHO. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from California who has the figures.

Mr. COELHO. I thank the gentleman for yielding.

Mr. Chairman, in the subcommittee report they basically said that it was the intent of the subcommittee that the $80 million for economic support fund and $70 million for military assistance and $65 million for the foreign military sales, that was the intent of the subcommittee and it was not in the full committee report.

The gentleman from Massachusetts [Mr. Frank] and I were wondering as to whether or not it is the full committee's intent that this money be given to Portugal.

They have been a great, willing partner of the United States. The President, as you know, was just there.

The relationship between our two countries is probably at the best that it has been in years. We were just wondering what the intent of the full committee was.

Mr. FASCELL. If the gentleman will yield, let me assure the gentleman from California [Mr. Coelho] and the gentleman from Massachusetts [Mr. Frank] that the full committee is very well aware of Portugal's importance as a close and friendly ally. We have supported fully in the committee and in the subcommittee, as the gentleman pointed out, the President's requests for Portugal in all fields, foreign military sales, grant military assistance, and economic support funds.

This bill that is before us now accommodates all of those requests for Portugal.

Mr. FRANK. Mr. Chairman, I thank the gentleman and the gentleman from California [Mr. Coelho].

The gentleman from California and I, as well as my colleague from Massachusetts who serves on the committee [Mr. Studds] and the gentleman from Rhode Island and the gentlewoman from Rhode Island have a particular interest in the Azores.

Mr. Chairman, we note with some satisfaction what the chairman says because the economic support funds in particular are generally passed along to the regional government of the Azores in recognition of their very strong cooperation with the United States through the Lajes Base.

So that makes us particularly satisfied.

Mr. FASCELL. The gentleman from Massachusetts [Mr. Frank] raises a very good point. That is one of the things which even the gentleman from New York who preceded us [Mr. Solomon] was trying to make with respect to our base-rights agreements with these important allies. That is a reason why this bill is so important in the security interests of the United States.

Portugal is a country with whom we have a good and friendly relationship. Our security interests are directly involved.

Mr. COELHO. And in the case of Portugal they have agreed to the extension of the lease with regard to the Air Force base there.

Mr. FASCELL. They have been totally cooperative, the Government and the people of Portugal have been totally cooperative and we recognize that in this bill.

Mr. FRANK. I thank the gentleman from Florida.

Mr. COELHO. I thank the gentleman from Florida.

Mr. BROOMFIELD. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. Gilman], a member of our committee.

Mr. GILMAN. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of H.R. 1555, the International Security and Development Cooperation Act of 1985. As a member of the Committee on Foreign Affairs, I believe the previous remarks of our distinguished chairman, the gentleman from Florida [Mr. Fascell] and the ranking minority member, the gentleman from Michigan [Mr. Broomfield] have described effectively the need this year for passage of a foreign assistance bill. I want also to associate myself with the remarks of the chairman of the Subcommittee on Europe and the Middle East, the gentleman from Indiana [Mr. Hamilton]. I have had the privilege to serve as the ranking minority member on that subcommittee, and I want to commend the gentleman from Indiana for the diligence and well-reasoned approach he brought to the consideration of the issues before our subcommittee which have a high priority on our Nation's foreign policy-making agenda.

The measure before us authorizes for the fiscal year 1986 approximately $13 billion for those programs necessary for the conduct of U.S. foreign policy. As the committee report notes:

> Excluding the $525 million increase requested by the President for military assistance to Israel and Egypt in fiscal year 1986, the total is below the freeze level based on the continuing resolution appropriations which Congress voted for fiscal year 1986.

The legislation provides needed economic and military support to Israel as that long-time ally of the United States struggles to get its economic affairs back on track and to assure that its defenses are strong to combat forces hostile to United States and Israeli security interests. The measure also contains aid for Egypt in the hope that nation can participate effectively in the process that seeks a lasting peace in the Middle East.

The measure contains carefully prepared provisions enabling the United States to respond more effectively to the problems of global hunger and malnutrition and to the spreading menace of international narcotics trafficking.

In other areas, H.R. 1555 provides funding to meet our Nation's commitment in many regions of the world including, for example, with those nations which we have base rights agreements.

Mr. Chairman, my colleagues and I on the committee devoted a substantial amount of time and attention to the consideration of the measure under discussion. There will be some areas of the bill which I am sure will receive considerable scrutiny as alternative proposals are debated by the House. It is my hope, however, as our deliberations unfold, that discussion can proceed in a manner that seeks to produce legislation that can respond effectively to the foreign policy challenges our Nation faces. It is important, Mr. Chairman, that we adopt a measure which can be guided through the legislative process this year and which can serve as the principal vehicle for articulating congressional concerns and proposals for the conduct of foreign policy.

□ 1130

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. Walker].

Mr. WALKER. I thank the gentleman for yielding to me. Mr. Speaker, it seems to me that one of the things that the American people have been screaming for in terms of foreign aid is to at least assure that if we are going to put money out overseas that we assure that we get it to our friends, that we use our foreign aid money to support those people who have a policy which is friendly toward the United States.

When we get to the appropriate time, and I understand that may be a matter of weeks instead of days, I intend to offer an amendment aimed at that kind of a foreign policy option.

It essentially takes the Kasten amendment that was placed in the supplemental appropriations bill last year and expands upon that by saying that if a country does not vote with us at least 15 percent of the time in the United Nations, that they would be regarded as an unfriendly nation, and that the President would have to certify to Congress that, for national security or humanitarian reasons, that they be waived in order to get foreign assistance rather than having them automatically into the foreign assistance stream.

In other words, you would have to be with us at least 15 percent of the time up in the United Nations to be regarded as a friend. Now that does not seem to me to be a very tough obligation. In fact, the reason for that figure is that is about the amount of time that the Soviet Union votes with us. We get the Soviet Union to vote with us up in the United Nations about 15 percent of the time.

So all we are going to do is require that nations vote with us at least as much as the Soviet Union does before we start pouring foreign aid out across the world into these countries.

So this amendment would be aimed at attempting to achieve that particular goal. It should not be surprising to many that there are a number of nations in the world which in fact vote with us at the United Nations less times than the Soviet Union does.

I would propose in my amendment to first of all have a constant report as to who those nations are; and then assure that we are not giving foreign aid. The fact is that most of those countries do not receive foreign aid now.

I think what we need to do is say to the American people that, you have our assurance that we are not going to begin to pour your tax dollars into countries that are not in compliance with some kind of a voting pattern, that it assures friendship with the United States.

The American people are disgusted, in all honesty, with a program that continues to pour out money, often to no avail. This is an attempt to begin to tighten down. I think that some aspects of American foreign policy need to get tough.

In fact, we had a vote on the House floor the other day which showed that the American people are willing to get tough and their representatives are willing to get tough when we voted on the question of how to deal with the Major Nicholson matter.

The gentleman from Michigan, I think, courageously brought to the floor an amendment that finally got tough with that particular aspect of our foreign policy.

I think this body ought to get tough in some other aspects; particularly how we spend our money in foreign policy, and here is a chance with an amendment to get tough again, by saying that we are going to give money across this world, when we do it, only to people who can be certified as friends of the United States.

Mr. FASCELL. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. Stenholm].

Mr. STENHOLM. Mr. Chairman, I rise to commend you on your efforts and leadership in the sometimes difficult job of chairing a most important committee and on your hard work on this bill.

As you know, Mr. Chairman, in recent weeks I have seriously considered offering an amendment to H.R. 1555 that would have stripped out a significant amount of United States assistance to Haiti.

The Government of Haiti continues to commit egregious violations of human rights. These were once again highlighted, recently by several groups appearing before the Human Rights Subcommittee. Besides grinding poverty, the people of Haiti are forced to live without the simplest of liberties and political dignity that so many Americans take for granted. For reasons such as this, I am a cosponsor of a resolution introduced by Congressman Owens, calling for the withdrawal of the determination that the Government of Haiti is making progress toward human rights and political reform. I urge all my colleagues to join in cosponsoring House Concurrent Resolution 120.

Also, as you know, Mr. Chairman, the case of an American citizen who suffered a loss of millions of dollars at the hands of the Haitian Government remains unresolved. Don Pierson, of Eastland, TX, has pursued his case for several years and I will help him continue to pursue it until the wrong done to him has been righted. Mr. Pierson was under contract to develop a freeport authority that would have brought much employment and commerce to an improverished nation, until the Government of Haiti unjustifiably canceled his contract and seized his property without anything approaching due process as we know it. I have appreciated the interest shown in Mr. Pierson's case by several members of the committee and have appreciated the interest and guidance offered by our colleague, Chairman Barnes, of the Western Hemisphere Subcommittee.

In view of the facts I have mentioned, I was prepared to bring an amendment to the floor to reduce aid to Haiti. I am not offering that amendment today for two reasons:

First, I want to acknowledge the efforts made by members of the Foreign Affairs Committee to limit and condition aid to Haiti in a way meant to maximize assistance actually reaching the people and to promote human rights. A number of our colleagues want to avoid the possibility of "throwing the baby out with the bath water" and I am willing to wait and to continue examining the efficacy of such an approach of offering only specially limited aid.

Second, I am hopeful that an administrative remedy can be pursued on behalf of Mr. Pierson one more time, this time with fruitful results. A new review of his case has been initiated, a review that I have been assured will be a thorough and objective one. In the past, I have very much doubted that the State Department asserted Mr. Pierson's rights and advocated his claim as strongly as it should for an American citizen. I am watchful and hopeful that this new review will produce a more just result.

Mr. FASCELL. Mr. Chairman, let me say for the gentleman in the well, that I certainly appreciate his persistence, and I know that his constituent does.

Having been in the same position myself with respect to a constituent that had that kind of problem, I know the difficulty.

I must say that the gentleman is acting in a very appropriate manner. I appreciate his statement very much and the fact that he is not offering an amendment. I say that wholeheartedly, having been in the same position. I believe that you are doing everything that can possibly be done for the constituent that you represent, and I can assure that the Committee on Foreign Affairs is behind your effort. We will monitor the study of the State Department very carefully, and hope that some way can be found to resolve the problem.

Mr. STENHOLM. I thank the chairman for those comments; that is exactly what I hope to do.

Mr. BROOMFIELD. Mr. Chairman, I yield the balance of the time to the gentleman from Illinois [Mr. Hyde], a member of our committee.

The CHAIRMAN. The gentleman is recognized for 3 minutes.

Mr. HYDE. Mr. Chairman, as I often stated in recent months, Congress' irresistible penchant for micromanaging foreign policy is imperiling the security of this Nation. The legislation before us epitomizes what I mean.

For example, the authors of this legislation caricature arbitrarily cut the President's fiscal year 1986 request for security assistance by more than $549 million. But before anyone gets the idea that this was done in the name of austerity, I must point out to my colleagues that most of these reductions were offset by transferring these ersatz savings into the pet economic assistance accounts of the committee's grand designers of foreign policy.

I have nothing against economic assistance, but when you have a finite number of dollars, security assistance becomes of transcendent importance. Pouring primarily economic assistance into insecure societies may have some very short-term benefits, but as a useful solution to the long-term and nearly intractable problems of these nations, it is about as beneficial as providing a blind man a pair of glasses. Of what good, for instance, would economic aid be to El Salvador if we did not also provide an adequate security assistance umbrella?

The incongruities in this bill are mind boggling. It correctly authorizes generous amounts of money for Israel and Egypt in clear recognition of what these two nations represent to our national security. Yet, with respect to El Salvador, a struggling and besieged ally in desperate need of large doses of U.S. aid to sustain President Duarte's embryonic democratic revolution, this measure cuts the President's request by $54.5 million.

What kind of a signal is that to send a friend in need?

Equally perplexing and counterproductive is the decision of the committee's majority to recommend a net cut of $25 million for Pakistan, another friend in difficult circumstances, with nearly 4 million Afghan refugees who have fled the Soviet rape of their homeland.

The committee never forgets to pillory its favorite whipping boys. Consequently, Zaire, one of Israel's best friends in Africa, took its annual beating to the tune of $6.4 million.

Of course, legislation from this committee would not be complete without a plethora of idiosyncratic foreign policy promulgations. Some of them are even gratuitous as in the case of the Contras in Nicaragua. Even though the administration did not request any funds in this bill for these freedom fighters, you will find a provision prohibiting such aid.

Paradoxically, you will also discover assistance for the freedom fighters in Cambodia and Afghanistan. With convoluted sophistry, rationales were articulated during the committee's consideration of H.R. 1555, that justified supporting patriotic resistance forces on the other side of the world while rejecting the pleas of their counterparts in our own strategic backyard. I am sure that you will hear some of these clever Contra distinctions repeated here today, but as far as I am concerned, they are nothing more than a nuance without a nuance.

□ 1140

The CHAIRMAN. The time of the gentleman from Illinois [Mr. Hyde] has expired.

All time of the gentleman from Michigan [Mr. Broomfield] has expired.

Mr. FASCELL. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. Hyde].

Mr. HYDE. Mr. Chairman, I thank the gentleman for yielding additional time to me.

For example, you will be told that the non-Communist resistance in Cambodia is fighting against a foreign invader—Vietnam. Well, suppose only Pol Pot and his Khmer Rouge were in control and practicing their genocide on the population. Would you then deny funds to the resistance? In Afghanistan, yes, they are suffering a Soviet invasion, but there is as yet no export of revolution across their borders, so the legal case for defending El Salvador is even stronger.

We are always prepared to fight World War II again—but in the modern world, conquest occurs by subversion and wars of liberation supported and controlled from without but occurring from within. We seem paralyzed in our efforts to deal with this—placing our trust in negotiations unsupported by force—as if the Communists will yield any power because we ask them to—or the Contadora countries ask them to.

This committee has placed its bet on the good will of Mr. Ortega—and where I come from, that's called a sucker bet. We should support freedom fighters wherever they are—or forfeit the claim to be leaders of the free world. If any slogan can be applied to the majority of this committee, it would be "don't seize the moment!"

In keeping with the committee's principle that the closer to home the more we micromanage, proponents of this bill also decided to infringe upon the President's constitutionally mandated foreign policy and war powers responsibilities. Specifically, they approved highly restrictive language regarding the deployment of U.S. Forces into or over El Salvador or Nicaragua. Now I don't envision the need for U.S. Forces in these areas, but why needlessly add a provision which would be construed as an invitation to the Sandinistas to engage in either military or paramilitary activities against their neighbors? This committee makes us enforcers of the Brezhnev doctrine but must we tell the world about it? It just does not make good sense to stipulate prohibitions which appear to preclude some uses of defensive military force, short of declared war. Even the constitutionally questionable War Powers Resolution does not go this far. The isolationism reflected in this legislation betrays an ignorance of modern history that can only extract a fearful price in the years to come.

Mr. Chairman, I could go on endlessly about my objections to this bill. In the interest of time, however, I will sum up by saying that unless it is significantly improved during the amending process I will be unable to support this legislation, since on balance it does more harm than good.

● **Mr. BARNES.** Mr. Chairman, I rise in strong support of H.R. 1555, the International Security and Development Act of 1985.

I would like to commend the gentleman from Florida, the chairman of the Foreign Affairs Committee, Mr. Fascell, for having once again guided the committee through the consideration of the foreign aid bill. The fact that this bill is before us today is a tribute to the chairman's statesmanship. I would also like to commend the ranking minority member of the committee, Mr. Broomfield, and the ranking minority member of the Subcommittee on Western Hemisphere Affairs, Mr. Lagomarsino, for their leadership and cooperation during the consideration of the bill.

The levels of assistance contained in the bill before us are extremely modest compared to the objectives that we seek to achieve. The bill authorizes the appropriation of slightly more than $13 billion for fiscal year 1986 and the same amount for fiscal year 1987, and a supplemental authorization of $1.75 million for fiscal year 1985. We achieved a cut of more than $191 million below the amount requested by the President. The committee has acted very responsibly in responding to the severe budget constraints that we all recognize.

The savings were achieved by making necessary cuts mostly in military assistance programs, while protecting and sometimes increasing the levels of economic assistance. The members of the committee feel that while military aid programs are obviously important, economic aid programs contribute the most to U.S. interests by promoting development and stability. The economic aid increases went to programs that over the years have provided a significant return on our investment on human capital, such as the Peace Corps, the Inter-American Foundation, the African Development Foundation, and international organizations.

This bill also incorporates the provisions contained in H.R. 1340, the U.S. Scholarship Program for Developing Countries, which was introduced by the majority leader. It was an honor for me to support the leader's proposal, which provides for scholarships to disadvantaged students from developing countries.

The bill also provides for a higher level of assistance for population programs, and clarifies the intent of the Congress with respect to U.S. funding for population activities. As demonstrated to some extent by the tragedy in Ethiopia, we now know that population programs are crucial to the survival of millions of people and to the development and stability of countries in the Third World. Our programs seek to guarantee that couples will have access to education and population programs that will help them achieve a desired family size.

Mr. Chairman, as chairman of the Subcommittee on Western Hemisphere Affairs I would like to explain some of the provisions in the bill that pertain to that region. Recognizing that Central America has been one of the most controversial issues discussed in the Congress, the subcommittee and the committee worked very hard to formulate recommendations that we felt would be acceptable to the majority of the Members of the House. We now bring this bill to the floor confident that the end product of our efforts merits the support of this Chamber.

During the last year the committee has followed with much interest the efforts of Salvadoran President Jose Napoleon Duarte to negotiate with the guerrillas and to seek an end to human rights violations by military and security forces. In cooperation with the ranking minority member of the subcommittee, Mr. Lagomarsino, the committee adopted a semiannual reporting requirement in order to support the democratic government of President Duarte. The report, which would be required as a condition of disbursing military aid, would deal with: First, the Salvadoran Government's willingness to pursue a dialog with the opposition; second, the Government's control of the military and security forces; third, progress in ending the activities of the death squads; fourth, progress in establishing an effective judicial system; and fifth, progress in implementing the Land Reform Program. These are all areas that the administration and the Salvadoran Government have also identified as crucial to peace and development in El Salvador. Although the language requires that military assistance be disbursed in tranches, we accommodated the concerns of the ranking minority member by allowing for a waiver in case of an emergency. The bill also provides for the termination of all military assistance if the elected President is deposed by military coup or decree. In response to concerns about the indiscriminate bombing of civilians, the bill also provides for a report to Congress whenever new helicopters and aircraft are provided to El Salvador.

Although many of us were encouraged by the elections in Guatemala last year, we are still concerned that in recent months there has been an escalation in the number of disappearances and murders of civilians. In order to express congressional support for the transition to democracy, the bill contains a prohibition on military assistance to Guatemala until there is an elected civilian government in power which has requested such aid. The aid will be of a nonlethal nature.

The legislation continues the provisions currently in the law with respect to Haiti. It also prohibits the use of the Foreign Assistance Act funds for military or paramilitary operations in Nicaragua. The bill provides for limitations on the introduction of armed forces into El Salvador and Nicaragua for combat, which is similar to the Foley amendment adopted by the House last year, and requires a Presidential notification to the Congress on U.S. military exercises in Central America, which is similar to a provision contained in last year's Broomfield amendment.

This legislation also calls for the establishment of a Central American Development Organization, which was recommended by the Kissinger Commission, and an International Advisory Commission for the Caribbean region.

I know how difficult it is for some of my colleagues to support foreign assistance, but I would encourage them to look very closely at this modest proposal we have before us and to think what a small price, what a small investment this program is for promoting a stable and democratic world where U.S. interests are protected. I encourage my colleagues to support H.R. 1555, the International Security and Development Cooperation Act of 1985.●

● **Mr. RUDD.** Mr. Chairman, this week and next, we will be considering H.R. 1555, the Foreign Assistance Act authorization for fiscal year 1986.

With this legislation, we not only have a chance to correct mistakes in our past foreign policy, but also an opportunity to shake up the State Department, which administers foreign aid programs, and force it away from the line of appeasement it has been following.

In time after time, I have witnessed State Department bureaucrats and careerists practice a policy of appeasement to our enemies rather than firmness in following a policy consistent with what is right and in America's best interests.

International incidents in countries like Hungary, Poland, Czechoslovakia, and Afghanistan have shown the State Department, as well as the Congress, unwilling to take a tough line toward the enemies of freedom abroad. A State Department policy of appeasement in Cuba helped Castro to power. Inaction in Chile helped a Marxist government to rule that nation.

In the course of following these policies of appeasement and inaction, and adopting a conciliatory approach toward actions and foreign aggressors which damage U.S. interests, the State Department has spent millions and billions of taxpayers' dollars.

Internally, the State Department is a bureaucratic snarl in which U.S. foreign policy is batted about by competing factions, watered down through compromise, indecisiveness or inaction, and emasculated by bureaucrats unable or unwilling to make decisions, exhibit leadership, or take responsibility for our foreign policy.

These are my observations of the sort of operation we are currently funding at that agency. But they are similar to opinions shared by many Americans.

Mr. Chairman, current State Department counselor Edward Derwinski, a former colleague of ours who served 24 years in Congress, recently said, and I quote, "What we need is somebody to shake up the whole damned structure."

We made some progress in this direction when we considered the State Department authorization bill last week. We have some more opportunity to shake up the Department and help correct its policymaking structure in the foreign aid bill before us today.

The bill, as reported by the committee, however, is fatally flawed. In Central America, it adopts the State Department's conciliatory approach, doing more to appease the Soviets and their surrogates in Cuba and Nicaragua than to help our friends in the

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region who are struggling to establish strong democracies.

The bill includes numerous conditions on military aid to El Salvador despite the fact that the Salvadoran Government was freely elected, has demonstrated time and again its commitment to improving human rights and is a firm ally of the United States. The requirements go so far as to call on the freely elected Duarte government to enter into dialog with armed opposition forces. With this language, we send the signal that the Marxist/Leninist guerrillas in El Salvador can shoot their way into power.

While we set rigid conditions on aid to our friends, we give virtually free reign for the Sandinistas to spread communism throughout Latin America by prohibiting use of any funds for the Contras. After the House voted 3 weeks ago against aiding the Contras, Commandante Ortega the next day embarked on a victory pilgramage to Moscow with a request for some $200 million in aid.

The people throughout Latin America look to the United States for help in fighting Communist aggression. They know that if they do not get the assistance they need, the terror that exists in Nicaragua will spread to their homelands.

This House made a tragic mistake when it voted last month against aiding the Contras. If that vote is sustained and we do not provide immediate help to the freedom fighters, we cannot be serious about supporting those fighting in defense of liberty and freedom anywhere.

We have before us a $13 billion foreign aid bill. We provide aid to dozens of countries throughout the world, but we seem unwilling or unable to recognize the most serious threat to our security in Central America and provide even modest help to those fighting for democracy there.

We must end the mistaken policy of criticizing our friends at each opportunity and accommodating our enemies—before it's too late.●

● Mrs. LLOYD. Mr. Chairman, I must oppose the foreign assistance authorization. Many issues have been and will be raised during the debate on this bill which our Nation must eventually address. The most important of these is whether this Nation has the ability to provide massive amounts of financial assistance to foreign nations during these very difficult economic times. Since first coming to the Congress I have opposed the continuation of these foreign aid programs, because I could not support the giveaway of billions of dollars to other nations while we faced severe economic problems at home.

So long as there is a desperate need in this Nation—elderly who must choose between food and shelter, workers unable to support their families, young people without work—I cannot support this massive expenditure of our tax dollars on foreign aid. Can we take dollars from programs that are essential to millions of Americans in order to send them to governments who are hostile to our philosophies and consistently oppose our Government. With this critical shortage of funds, we must put America first.

I deeply regret that in opposing this bill I must vote against aid to Israel, a nation which has suffered greatly in its own defense. Israel is in the throes of its most serious economic crisis since its establishment as a nation. The United States must play an important role during Israel's troubled economic times. I commend the committee for its level of funding to Israel and to Egypt, its leading partner in the peace effort. And I support the restriction on FMS financing for weapons to Jordan.

Israel simply cannot resolve its economic problems by itself without making such draconian cuts as to jeopardize the very security of the state. A clear statement by the U.S. Government of its willingness to increase its assistance would greatly facilitate the difficult decisions that lie before the Israeli Government. The provision of additional aid is very much in our mutual interests. A strong Israel, both economically and militarily, is vital and the United States should generously support Israel as it undergoes this difficult period.●

● Mr. SHUMWAY. Mr. Chairman, I rise today in opposition to H.R. 1555, the foreign aid authorization for fiscal years 1986 and 1987. In considering this legislation today, I believe that we must ask, can the U.S. Congress really justify the expediture of over $13 billion for foreign aid programs in a year in which projected Federal deficits exceed $200 billion, a year in which we must ask Americans to make significant sacrifices in order to cut the Federal budget and bring the growing deficits under control? Although I recognize the useful role that foreign aid can play in supporting our friends and allies around the world, I believe that it is only right that we apply even greater scrutiny to our foreign aid spending than we apply to our domestic spending needs. Instead, however, while we consider such proposals as reductions in student aid, modifications to Social Security, and the elimination of funding for Amtrak, we are faced with a foreign aid authorization which represents a 5.6-percent nominal increase over the appropriation for fiscal year 1985 and a 64-percent increase over spending in fiscal year 1981.

Mr. Chairman, I find this relentless growth of our foreign aid spending in recent years very troubling. Rather than focusing U.S. aid on the specific needs or problems of friendly nations, we have come to treat our foreign assistance allocations as an entitlement program: Once an assistance program is begun, its continuation, and in fact, its expansion, seems to be presumed regardless of whether the original objectives of the program are being met. We must recognize the aimless impetus that our foreign assistance programs have assumed and reevaluate the multiplicity of goals that they serve.

Mr. Chairman, in my view, by reducing our spending and working to reduce our national deficit, we can better serve many of those countries which are the beneficiaries of U.S. foreign aid. As long as our deficit remains high, so will interest rates, thus placing a significant burden on nations trying to repay foreign assistance loans from the past. Clearly, deficit reduction must be our foremost priority and foreign aid must be subject to our national economic constraints.

In opposing the trend of foreign assistance generally and H.R. 1555 in particular, I am not advocating U.S. isolationism or the elimination of assistance programs altogether as a tool of U.S. foreign policy. I firmly believe that we have obligations throughout the world that can be served through foreign assistance, whether the need is feeding the starving people of Ethiopia or promoting the struggle of democracy against totalitarianism in Central America, both causes which I strongly support. I believe, however, that U.S. aid allocations should realistically reflect our available resources and should, in general, reward those nations which support our foreign policy objectives, not those who actively oppose them. Mr. Chairman, why should we continue to channel the dollars of American taxpayers to those who use them to counter American interests in the international arena? Why should we provide, as the legislation before us proposes, $30 million in aid in fiscal year 1986, including military assistance, to the avowed Marxist regime of Mozambique? In my view, proposals such as this clearly demonstrate the unnecessary and even detrimental spending that Congress would accept by passage of H.R. 1555.

I believe as well that elements of this legislation represent an inappropriate intrusion by the House into the foreign policymaking responsibilities of the executive branch. It is the executive branch which possesses the constitutional authority and the resources—represented by the Department of State and its Foreign Service, the intelligence agencies, and the Department of Defense—to develop a fully informed foreign policy. I am opposed, Mr. Chairman, to attempts by this body to impose limitations on the President's foreign policymaking role, attempts reflected in a variety of the

provisions contained in H.R. 1555 such as those creating conditions on assistance to Central America and to Jordan. While Congress must be responsible for determining the levels of spending we can sustain for foreign aid, I believe that the President must retain flexibility in determining the priorities for the use of that aid and in pursuing diplomatic initiatives, flexibility which is impaired by the policy requirements inserted in the foreign aid authorization before us.

In conclusion, Mr. Chairman, while I recognize that H.R. 1555 does contain some requests for U.S. assistance which are legitimate and in the national interest, I must oppose this legislation based on the objections outlined above. I believe a reconsideration of our approach to foreign assistance is long overdue; until the level of foreign aid spending is drastically reduced to a level consistent with the economic stringency of our time and until a formula is established that effectively rewards our friends and allies, not our enemies, I will continue to oppose funding authorizations for foreign assistance and urge my colleagues to do the same.●

● Mr. FAUNTROY. Mr. Chairman, I rise in support of H.R. 1555, the International Security and Development Cooperation Act of 1985. As in the debate last year over H.R. 5119, the International Security and Development Act of 1984, I do so with reservations. While supporting H.R. 1555, I have a great deal of difficulty with the continued overemphasis on military assistance as opposed to humanitarian and development assistance. The balance in H.R. 1555 between military/security assistance and development and humanitarian assistance, while an improvement in comparison to the administration's request, still contains too much military assistance. Military assistance cannot address the political, economic, and social variables which underlie the drought, malnutrition, lack of health care, and educational opportunity, and plain injustice which torment most of the world and threaten the peace.

I recognize that our military assistance to Israel and Egypt contained in this bill, which would otherwise be but a small item in our overall bloated defense expenditure, is necessarily inserted here in order that this foreign assistance bill gain passage. The real tragedy is that our Nation is yet unwilling to devote more than a token amount to actual development assistance.

This legislation, however, does contain a number of positive features, particularly as it seeks to address human rights and economic development in many areas of the world. It is because of these features and my belief that it is in our national interest to pass a foreign assistance bill that I have decided to support H.R. 1555. This bill provides at least some policy framework for our assistance programs. I want to congratulate the distinguished chairman of the Committee on Foreign Affairs for his leadership and skill in structuring H.R. 1555 which represents "the art of the possible."

As chairman of the Congressional Black Caucus Task Force on Haitian Refugees, I am especially appreciative of the human rights conditionality contained in title VII, section 706, promoting the development of the Haitian people and providing for orderly emigration from Haiti. In this section the Committee on Foreign Affairs expresses its continuing concern over the unsatisfactory human rights situation in Haiti. Specifically, section 706(b)(3) stipulates that assistance may be obligated for Haiti only if the President determines that the Government of Haiti "is making progress toward implementing political reforms which are essential to the development of democracy in Haiti, such as progress toward the establishment of political parties, free elections, free labor unions, and freedom of the press." Section 706 also "provides that to the maximum extent practicable development assistance and economic support fund assistance for Haiti should be provided through private and voluntary organizations."

Having visited Haiti just last month, I can report that section 706 is necessary and helpful to United States foreign policy goals in Haiti. I spent most of my time in the rural areas and was greatly impressed by the resilience, strength, and determination of the small farmers in rural Haiti to help themselves. I saw numerous projects underway on the part of private voluntary agencies, many of them church groups funded by our foreign assistance. I was particularly impressed by the work being done by Catholic organizations, such as IDEA, a grantee of the Inter-American Foundation, which was recently singled out by the Haitian Government for intimidation. Especially encouraging was the improvement in the programs of the Agency for International Development in reaching the poor through indigenous groups. There has been progress made in the past few years, and I can report that with respect to the various reforestation programs, soil conservation programs, and the pig repopulation effort the U.S. taxpayers' money is being well spent. I had earlier requested a General Accounting Office study on our assistance programs to Haiti. I can report, after reviewing the draft copy, that agency's agreement with my assessment after its own extensive and comprehensive onsite investigation.

The AID mission in Haiti is gearing up to assist the Haitian people in addressing the nightmare of an 80-percent illiteracy rate. In a supportive provision section 706 earmarks $1 million of economic support funds for each fiscal year 1986 and 1987 for literacy programs in Haiti. It is my hope that these funds can be provided to the private educational sector in Haiti in support of educational reform in that sector which presently educates two-thirds of all of those in school in Haiti. The goal of this program should be to support basic education in Haiti with the objective of achieving literacy by the end of the fourth grade. I have been informed by the committee that the language in section 706 would permit the allocation of the earmarked economic support funds to a program such as that mentioned above.

The Haitian people are prodevelopment; they want to improve their lives and those of their children. If given the resources and the freedom to participate in the decisionmaking process of their country, they will develop it. I urge my colleagues to support development assistance to the Haitian people as provided for in section 706 channeling assistance to the maximum extent possible through private and voluntary organizations. The best chance for assuring that assistance reaches the Haitian poor is, in most instances, through private voluntary organizations.

It must also be reported that the whole area of human rights and political freedom suffers from a lack of sustained progress. During my visit, I went to the national penitentiary to meet with political prisoners arrested during a security sweep last November. I was deeply concerned that some of the prisoners with whom I visited at the prison in December 1982 and who had been there since 1979 had still not been charged. I was equally disturbed that those arrested in November 1984 had not been given a trial date, allowed access to legal counsel, or been permitted visits from family members. Most disturbing of all were the continued reports and physical evidence of prisoner abuse at the Cassernes Dessalines prior to transfer to the national penitentiary. Now, I am able to report the encouraging news that these political prisoners, numbering 37 in all, were released on April 29, 1985.

While I was in Haiti, there was a good deal of expectancy among people concerning an announcement by President Jean Claude Duvalier. This announcement made on April 22, 1985, dealt with the establishment of political parties and the creation of an office of Prime Minister. The announcement was vague; the Haitian people have still not been provided with rules for functioning of political parties, and the presidency-for-life is to be maintained. The Prime Minister is to be selected at some future date by the President from the most popular party as determined in elections for the National Assembly. Whether or not this announcement offers any real possibility for the public policy dialog, accountability, and progress toward democracy and pluralism, which the people of Haiti need and want, will ultimately be determined by the people of Haiti in the coming days.

We in the Congress and our colleagues in the executive branch have an obligation to monitor this process closely as it will impact greatly on our objectives of assisting Haiti toward progress in democratization, promotion of human rights, and development with justice. If it leads to greater participation and accountability, then development prospects will be enhanced and we can revitalize our efforts to assist the great Haitian nation. If it does not succeed, and proves to be an attempt to cosmetically address our concerns while continuing or even increasing repression and the misallocation of resources, then decertification under section 706 should be considered by the executive branch. In the unhappy circumstances where that might be necessary, food assistance under Public Law 480 and all assistance channeled through private and voluntary organizations could be continued. I would hope, however, that in 6 months we could receive a report from the Department of State that can credibly speak of progress toward human rights, democracy, and pluralism. We are at a crucial crossroad in our policy toward Haiti—one that requires increased attention from both the Executive and the Congress.

There are other sections in title VII, "Latin America and the Caribbean," that warrant strong support. Section 718 requests the President of the United States to establish an International Advisory Commission for the Caribbean to end our all too neglectful and patronizing treatment of this vital region. The establishment of such a Commission championed by the Chairman of the Congressional Black Caucus Task Force on the Caribbean, Congressman Mervyn Dymally, is long overdue and will help our Nation better address the social, agricultural, educational, and economic problems of the Caribbean.

Section 709 authorizes funding for the Inter-American Foundation and seeks to protect this most valuable institution from politicization, protecting the professionalism of its staff. Having visited with IAF grantees in Haiti, I do not exaggerate in saying that its programs in that country are a model of excellence in working with the poor for self-reliant development and the reduction of dependency.

Section 704 prohibits the use of any funds authorized under H.R. 1555 to military or paramilitary operations in Nicaragua.

Section 707 prohibits the use of military assistance for Paraguay unless the President certifies to the Congress that the Government of Paraguay has taken various steps to locate Dr. Joseph Mengele and to correct human rights abuses, specifically torture.

With reference to Africa, the continent with the greatest need for development assistance, title VIII, section 808 authorizes $94.5 million for fiscal year 1986 and the same for fiscal year 1987 for the Sahel Development Program.

Section 809 authorizes $4 million in each of the fiscal year 1986 and 1987 for the fledgling African Development Foundation.

As stated earlier, our total of about $1 billion in development for Africa, particularly sub-Sahara Africa, is woefully inadequate in light of the need. While the American people have been extremely responsive to the need for emergency food assistance, there is an acute need for long-term development assistance. This assistance must be focused on agriculture at levels capable of supporting policy reform and sustained increases in production. There are additional needs in sanitation and health care. As inadequate as are the funding levels under this act for sub-Sahara Africa, I think it imperative that we support the efforts of the Multilateral Development Banks to address the development needs of Africa. With that in mind, I would urge my colleagues to support H.R. 1949, the Multilateral Development Act of 1985, which contains within it a provision to authorize United States. participation in the Special Facility of the World Bank for sub-Sahara Africa. This is most important, as United States participation can leverage increased funding for Africa by encouraging the participation of other donor countries. Additionally, H.R. 1949 contains a provision that would authorize United States participation in the fourth replenishment of the Africa Development Fund, the soft loan window of the African Development Bank designed to assist the poorest of African countries. This legislation was affirmatively considered in the Committee on Banking, Finance and Urban Affairs.

As a member of the Select Committee on Narcotics Abuse and Control, I am encouraged by title V of H.R. 1555. It authorizes policies and funds designed to enhance our control of the international trade in narcotics, and signals a new toughness in our battle with the No. 1 security problem in our neighborhoods. For example, section 504 provides exemption from the ban on involvement by U.S. personnel in arrest actions in narcotics control efforts abroad.

Sections 509–511 set conditionality on assistance to countries known to produce crops used in the preparation of narcotics. Conditionality in providing foreign assistance is linked to cooperation of specific countries cited in reducing their cultivation of crops used in the preparation and processing of narcotics.

Other worthy provisions of H.R. 1555 which deserve support are to be found in title VI and title X. Title VI would establish an Undergraduate Scholarship Program for students of limited financial means from developing countries for the purpose of pursuing a course of study at U.S. institutions of higher learning. Congressman Mervyn M. Dymally will be introducing an amendment to title VI specifying the inclusion of students from the Caribbean in this program. I urge my colleagues to support this amendment. Title X would provide increased appropriations for the Peace Corps in fiscal years 1986 and 1987. The level of authorization would be set at $136.1 million for each of these fiscal years—an increase of $7.5 million per year over the 1985 appropriation. In providing this increase, the Committee on Foreign Affairs has expressed the position that this increase should be used to support the Peace Corps' African Food Systems Initiative. The committee has also urged the Peace Corps to review its Caribbean programs for the purpose of considering the expansion of its operations in that critical region.

In conclusion and on balance, this legislation imposes a necessary, if imperfect framework for the carrying out of our Foreign Assistance Program and clarifies congressional priorities and areas of concern. Our foreign policy requires such a framework, and I urge my colleagues to support H.R. 1555.●

● Mr. RANGEL. Mr. Chairman, I rise in support of title V, the international narcotics control section of the International Security and Development Cooperation Act of 1985 recently reported out by the Committee on Foreign Affairs of the House of Representatives. Title V of the bill addresses the shortcomings of our international narcotics control programs overseas. It contains the foreign-assistance-related provisions, as amended, of H.R. 1768, the "International Narcotics Control Act of 1985," introduced by Chairman Fascell in March of this year.

The major provisions in title V include conditions on United States foreign assistance to Peru, Bolivia, and Jamaica tied to their antinarcotics efforts, an earmark of military assistance funds for U.S. weapons to be installed on antinarcotics aircraft of friendly countries, permission for U.S. agents to be present at overseas narcotics arrest actions and encouraging our military to increase its involvement in antinarcotic measures overseas. These initiatives represent an effort by the Foreign Affairs Committee and this Congress to demonstrate our frustrations and our resolve regarding the lack of progress in reducing the amounts of illicit drugs being cultivated or processed by narcotics-producing countries which receive foreign aid from the United States.

Indeed, Mr. Chairman, since the first of this year four major reports have been issued by various groups whose mandate it is to monitor international drug trafficking. The U.N. International Narcotics Control Board, the State Department, the Select Committee on Narcotics Abuse and Control which I chair, as well as the Committee on Foreign Affairs have all reported expandedinternational production and trafficking of illicit drugs.

Mr. Chairman, the situation regarding illicit narcotics abuse appears to be worsening. We must, this year, brace ourselves against the tide of what was 1984's bumper crop worldwide of opium, coca, and marijuana. We must live with the all too vivid memory of our slain DEA agent and guard against the real threat that those who seek to profit from drugs pose as they get more brazen and more contemptuous of the law.

International drug traffickers have declared war on the United States. Our administration's response to their aggression, a policy mired in equivocation, stuck in diplomatic muck. Yet who suffers while the country waits for the kind of firm action to be taken that brought a halt to the illicit production of opium in Turkey and Mexico in the 1970's? All of us do, and especially our young people.

These drugs are produced by friends overseas. Friends whose governments we support and to whom we provide assistance. To be exact $57,529,000 for fiscal year 1986 will go to these countries to be applied to their antinarcotics efforts. Yet more illicit narcotics than ever before reach our shores.

Mr. Chairman, I support title V of the foreign aid bill and I commend its authors. Yet I do not believe that in its present form it goes far enough in addressing the concerns I have here outlined and that I am sure we all share. We are past the point of merely criticizing the countries of the world who receive U.S. assistance and then fail to uproot a single coca bush or who put their eradication programs on hold indefinitely. The death and destruction that these drugs bring to this country and around the world take no such hiatus.

I will thus, in the weeks to come offer amendments to title V in order to shore up the weaknesses which I perceive in this legislation. A stronger, firmer, foreign aid package ensures that those receiving our assistance know that a cavalier approach to narcotics control does not sit well with the American Congress and the American people. We have a chance here to send this message. It is a message that has not been forthcoming from the administration. Let us in Congress then seize the initiative and tell our friends around the world in the surest possible way that the unhindered, out of control production of narcotics within their borders is not sufficient consideration for the receipt of our aid.●

Mr. FASCELL. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Mr. FASCELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. Kanjorski] having assumed the chair, Mr. AuCoin, Chairman of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1555) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and the Agricultural Trade Development and Assistance Act of 1954, to authorize development and security assistance programs for fiscal year 1986, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked to proceed for the purpose of inquiring of the acting majority leader the program for next week.

Mr. COELHO. Mr. Speaker, if the gentleman will yield, the program for next week is as follows:

The House will meet at noon on Monday and will consider 11 bills on the Suspension Calendar. Recorded votes on suspensions will be postponed until Tuesday.

The 11 bills are as follows:

H.R. 1534, permanent authority for flexible and compressed work schedules;

H.R. 2343, to make certain improvements in veterans compensation programs;

H.R. 2344, to make certain improvements in the VA program that provides assistance to certain disabled veterans;

H.R. 1408, to amend the Emergency Veterans Job Training Act of 1983;

H.R. 505, to improve the delivery of Health Care Services by the VA;

House Joint Resolution 192, National Day of Remembrance to Mans Inhumanity to Man;

H.R. 2456, to amend the Arms Control and Disarmament Act in order to increase the authorization of appropriations for the fiscal year 1985, to extend the authorization of appropriations for the fiscal years 1986 and 87, and for other purposes;

House Resolution 166, expressing the sense of the House re ratification of the Convention of Crime and Genocide, as amended;

House Concurrent Resolution 142, welcoming the Prime Minister of India, Rajiv Gandhi, on the occasion of his official visit to the United States;

H.R. 1997, amending Libraries Services and Construction Act; and

H.R. 2745, amend Internal Revenue Code to simplify imputed interest rules.

On Tuesday, the House will meet at noon and will consider the Private Calendar. Following any postponed recorded votes on suspensions debated on Monday, the House will consider H.R. 1460, the Anti-Apartheid Act of 1985, subject to a rule being granted.

On Wednesday and the balance of the week the House will meet at 10 a.m. and will consider the budget resolution for fiscal year 1986.

Mr. MICHEL. If I might inquire, those votes on suspensions on Tuesday would be up first, before consideration of the Anti-Apartheid Act; is that correct?

Mr. COELHO. That is correct.

Mr. MICHEL. Does the gentleman have any idea, on the Anti-Apartheid Act, how many amendments were made under the rule? Did they conclude, informally, the act?

Mr. COELHO. If the gentleman will yield, we do not know exactly how many amendments, but we understand it will take about 6 hours.

Mr. MICHEL. And would that suggest that we would attempt, then, to finish that legislation, no matter how late on Tuesday?

Mr. COELHO. Our intentions at this point are to complete the bill on Tuesday.

Mr. MICHEL. And then we would have the rule on the budget resolution the first thing on Wednesday, I assume.

Mr. COELHO. If the gentleman will yield, that is correct. And as the gentleman knows, under the rules, the budget gets 10 hours of general debate, so we would complete the general debate on Wednesday for the budget resolution.

Mr. MICHEL. And then depending upon the number of amendments made in order, we would be under the amending process on Thursday on the budget resolution?

Mr. COELHO. If the gentleman will yield, our intent is to vote on Thursday on the budget amendments and to hopefully conclude on Thursday, if we can get through at a reasonable hour. But our intentions are to complete it on Thursday.

□ 1150

Mr. MICHEL. Of course, that is prior to our Memorial Day normal recess period where Members are obliged to make Memorial Day speeches and appearances, usually back home. So, I would imagine the getaway time is, hopefully, to be as early as possible on Thursday to facilitate Members departing town.

Is that correct?

Mr. COELHO. If the gentleman will yield, that is our intent. Of course, depending, as the gentleman knows, on the number of amendments and discussion; but that is our intent.

Mr. MICHEL. Just one more clarification. It would not be the intention on the majority side to go beyond general debate on the budget resolution on Wednesday; we would not get to the amending stage under any circumstances Wednesday; would we or would we not?

Mr. COELHO. If the gentleman will yield, our intent at this point is to only do general debate because it is 10 hours, and then on Thursday; start with the amendments that have been made in order.

Mr. MICHEL. Mr. Speaker, I thank the gentleman and I yield back the balance of my time.

ADJOURNMENT TO MONDAY, MAY 20, 1985

Mr. COELHO. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. COELHO. Mr. Speaker, I ask unanimous consent that business in order under the calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request made by the gentleman from California?

There was no objection.

CENTRAL AMERICA: A DOSE OF REALITY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, whenever a government sets on a vague course of action, it takes no great skill to see that lack of direction leads to misdirection, and misdirection leads to disaster.

In Nicaragua, the Central Intelligence Agency was given a vague mission. Congress thought that the Intelligence Agency was supposed to build up a force to interdict arms supplies that supposedly were going from Nicaragua to El Salvador. The CIA, however, apparently thought that its mission was to try and overthrow the Nicaraguan Government. President Reagan thinks that the job is to make the Sandinistas cry uncle.

Sure enough, it was not long before uncontrolled actions grew up in the midst of the policy vacuum. The CIA built a much larger force than Congress had envisioned, and that force began acting far beyond the scope of anything that Congress had authorized, and indeed far beyond the specific limits set out in the Boland amendments. The lack of direction clearly permitted the CIA to drift out of control, with results that strengthened the Sandinistas, weakened legitimate opposition to the regime, and further tarnished whatever good name our country had remaining in Nicaragua.

In this week's news, we see further confirmation of how a vague policy, carried out by proxies, can do more harm than good.

President Reagan on April 3, last year, signed papers to authorize the CIA to carry out counterterrorist actions, both of a preemptive and retaliatory nature. Sure enough, the action soon came down to seeking revenge in that revenge-ridden holocaust that is called Lebanon. And what happened?

We supported operations that we did not control, but for which our Government would be—and has been—held responsible. The CIA worked with Lebanese intelligence, which in turn worked through proxies of their own, who in turn had their own private agenda. These proxies in the third or fourth degree succeeded in killing 80 people in a car bombing, but missed their target. It was a senseless, indefensible slaughter. It killed dozens of innocent people, and probably ended up doing more to promote than to suppress terrorism.

When are we going to learn? When are we going to learn that wishful thinking is no substitute for clear policy direction? When are going to learn that violent, clandestine activity has to be controlled in the closest possible way; that you cannot substitute blood for brains, and that it is not possible to do through thugs that which must be done through thought?

It was not James Bond manning the speed boats that mined the harbors in Managua, and in the process undermined the Sandinista opposition. It was not the heroes of "Mission Impossible" who set out to terrorize the Nicaraguan countryside. It wasn't even the Keystone Cops, No, this is the real world, and in that real world, we have seen repeatedly that working through proxies, through violence, and through undefined policy, we have not harmed our enemies and opponents so much as strengthened them and harmed ourselves.

TO PROVIDE MEDICARE COVERAGE FOR THERAPEUTIC FOOTWEAR NECESSITATED BY CONDITIONS RESULTING FROM DIABETES

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, I rise today, Mr. Speaker, to introduce a bill which would provide Medicare coverage of costs for therapeutic shoes for diabetic individuals who suffer from severe diabetes-related foot disease.

There are approximately 5½ million diabetics in the United States. It is estimated that about 2.1 million are 65 and over and Medicare eligible.

Mr. Speaker, many people are unaware that diabetics often suffer from peripheral neuropathy or loss of feeling or sensation. This leads to repeated injury or trauma to the extremities resulting in ulceration and infections.

Diabetics also suffer from peripheral vascular disease. This disease causes the blood supply to the lower extremeties to be severely diminished. With the diminished blood supply, healing of ulcers and infections is impaired, even prevented. The result is that gangrene will occur and amputation is necessitated.

Mr. Speaker, amputations are much more common among diabetics than the general population. It is estimated that each year 40,000 diabetics are required to have a lower extremity amputation. Of these, anywhere from 10,000 to 16,000 are age 65 or over.

Amputation could be prevented, however, in as many as 50 to 75 percent of affected individuals if proper foot care were available. Proper foot care involves patient education and, where foot disease is only mild, the use of extra-depth shoes and plastizote inserts. For patients with severe diabetic foot disease, specifically designed therapeutic shoes are necessary. It is these specially designed shoes that I, along with the American Diabetes Association, am proposing be made part of the Medicare Program.

It is estimated that at least 5 percent of diabetics suffer some form of severe diabetic foot disease, including foot deformity and ulceration. These individuals are at a great risk for amputations.

An amputation, Mr. Speaker, can cost Medicare anywhere from $10,000 to $16,000 per patient. If these high risk individuals had properly fitting therapeutic shoes, at least 40 percent of these amputations could be prevented.

The average cost of a pair of specially fitted therapeutic shoes is approximately $350. That seemingly high cost is a significant barrier to their acquistion by Medicare beneficiaries who generally must live on fixed incomes. If Medicare were to pay 80 percent of the cost of these shoes for diabetes-related beneficiaries needing them, that would be about $280 per pair per year. If, then, the 105,000 Medicare beneficiaries—5 percent of 2.1 million—qualified for shoes, the potential cost to the Medicare system would be approximately $30 million.

Mr. Speaker, the cost of providing these shoes would be offset against the savings created by amputations prevented. Even if the availability of shoes lowered the amputation rate by only 40 percent, savings are predicted to be at least $30 million or more. This figure does not even reflect the other costs associated with diabetic foot disease—hospitalization for surgery on lesions, debridgement of ulcers, et cetera—which could also be prevented. Nor does it reflect the added costs incurred by the Social Security system associated with permanent disability due to amputation.

In order to ensure that this benefit is properly utilized, the bill also provides that anyone who receives therapeutic shoes be certified by a physician as being involved in a comprehensive plan of care for all aspects of their disease. Thus, the bill protects against possible abuse or misuse.

Mr. Speaker, the bill I introduce today was developed in consultation with the American Diabetes Association and provides Congress with the opportunity to improve the quality of life for diabetics while reducing costs incurred by the Medicare system.

ABUSES OF SPECIAL ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, there has been some debate around the House for a period of time as to whether or not Members ought to come to the floor and actually participate in debate, and actually talk about subjects out here on the floor during special order time.

In fact, we have had the majority, on several occasions, question whether or not the minority should in fact utilize this time. The reason why the minority often utilizes the time is because these special orders are one of the few periods during the legislative day when the minority can get time to discuss the issues that it wants to discuss here on the House floor.

Other than that, the legislative schedule is controlled by the majority and only those issues that the majority designs for the House to discuss are the issues before us. We think it is important from time to time to define for the American people issues as seen from the perspective of the minority party, which got nearly half the votes in the last election for Congress. So, it is important I think that we have the debate on the House floor which is in fact oriented sometimes from the minority side as well.

Mr. WHEAT. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Missouri [Mr. WHEAT].

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1460, ANTI-APARTHEID ACT OF 1985

Mr. WHEAT, from the Committee on Rules, submitted a privileged report (Rept. No. 99-131) on the resolution (H. Res. 174) providing for the consideration of the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, which was referred to the House Calendar and ordered to be printed.

Mr. WALKER. I thank the gentleman. The gentleman was most kind in the Rules Committee at helping us achieve a rule that the minority will be able to offer a substitute under, and I thank the gentleman for that.

Mr. Speaker, to go back to the issue on the special order, what we have seen happening, however, is the majority, from time to time, has decided that special orders, because they are coming from the minority viewpoint, are therefore not conducive to their legislative process and have raised objections to them.

Among the objections they have raised from time to time is that when minority Members are on the floor taking special order time, that we are costing the taxpayers money. Now, that never seems to be an issue when majority Members are taking the time. In fact, a review of special order time during this Congress will reveal that there are majority Members who have taken far more time in special orders than any Member of the minority has.

The majority party, and particularly through the Democratic Congressional Committee, has in fact issued press releases into Members' districts accusing them of wasting taxpayers' money by coming to the floor to debate.

Let me make the point that, indeed, there are some costs that are associated with being on the floor debating issues. I think the healthiest part of the legislative process is Members who are willing to come here to the floor and allow their viewpoints to be challenged. As I stand here today talking, if there is somebody that wants to take exception to what I am saying, they are perfectly able to come to the floor, I will be glad to yield to them and we will debate the issue.

That is somewhat different, I would say, than the issues that arise by people taking material that they have preprinted and stick it in the CONGRESSIONAL RECORD. That also costs the taxpayers. As a matter of fact, in discussions with the Clerk, I have found out that that is where most of the expense comes from, whether it is talking on the House floor or whether or not it is inserting material in the RECORD.

The real question of cost to the taxpayers is how much it costs to print the RECORD, and that insertions are in fact the expensive part of what we do here in the House.

I would say that those people who do not allow their viewpoints to be challenged by simply sticking stuff into the RECORD are in fact the ones who are abusing the legislative process. What they end up with is something which is printed, which appears to be what was said on the House floor, which is often represented to the public as something which was said on the House floor, but in fact was never spoken, and so therefore, could never be challenged. So they are not asked to defend those things which they are saying. Whereas, someone discussing the issue on the floor is in a position of having to defend what it is they are saying.

I happen to think that the legislative process is furthered by people who are willing to have their viewpoints challenged. I am disappointed from time to time that people who, on the outside, will raise criticisms, refuse to come to the House floor and make those criticisms here where someone might be able to challenge them.

□ 1200

But the issue of cost, then, does, I think, raise questions in the public mind and so, therefore, need to be defined because if, in fact, the Democratic Congressional Committee is right in the press releases that they are sending out to people's districts, that in fact this business of the CONGRESSIONAL RECORD is very costly, then it seems to me that the Democratic Congressional Committee has an obligation, through the majority party, to bring to the floor a rule which stops the abuse of the CONGRESSIONAL RECORD.

There are a number of abuses of the CONGRESSIONAL RECORD. We had one on the floor the other day, talking about the fact that the Members have a right to lie in the CONGRESSIONAL RECORD by the ability to revise and extend. I think that is a real problem.

But in this case, the issue is this: Should Members be allowed to put large volumes of material into the RECORD that was never spoken on the House floor and thereby pass the cost along to the taxpayers? The Democratic Congressional Committee, the campaign arm of the majority party in this House, has said in the press release that they issued in order to criticize Members of the minority side, that it costs $6,500 per hour for the cost of printing additional pages into the CONGRESSIONAL RECORD.

If you take the CONGRESSIONAL RECORD, you will find that each hour of time is about 6½ pages of the CONGRESSIONAL RECORD so, therefore, what the Democratic Congressional Committee is saying is that it costs somewhere between $900 and $1,000 per page to print the CONGRESSIONAL RECORD.

I have asked the Clerk, and the Clerk says that that is just a total phony figure; that that is not, in fact, the cost of printing the CONGRESSIONAL RECORD. It is actually about half that amount to print the CONGRESSIONAL RECORD. But that is what the Democratic Congressional Committee has to say. I assume that they did not mean to lie, but the fact is that their release says $6,500 per hour, and it takes about 6½ pages of the RECORD to consume an hour.

So if they are right, then we went and did a little more research. I had a young lady over at the Republican Study Committee by the name of Krista West go back through and find out how many pages of the CONGRESSIONAL RECORD there were since the beginning of this Congress, between January 3 and May 7 the Democrats have inserted into the CONGRESSIONAL RECORD, how much material had the Democrats simply put into the CONGRESSIONAL RECORD. Now, not back in the Extensions of Remarks in the back that is provided for that, that is costly, too, but how much in the body of the RECORD while the House is going on in special orders, during debate, where they have inserted material into the RECORD. How much have Democrats put into the CONGRESSIONAL RECORD over that period of time at a cost that the Democratic Congressional Committee says is nearly $1,000 per page, at least $900?

What I find is that there are over 250 pages of such material that have been put into the RECORD. In other words, the Democrats who complain about the cost of the minority in printing the CONGRESSIONAL RECORD have, in fact, themselves cost the taxpayers nearly a quarter of a million dollars for printing material that they refuse to say on the House floor; that they refuse to have challenged as a part of the debate process on the House floor; that they simply stuck into the RECORD without having it debated on the House floor.

That is their figure. They say that it cost $900 to $1,000 a page, and I counted up the pages through the Republican study group's work, and we found the 250 pages.

My question is: Why is that a responsible action if, in fact, what they are going to do is put out these kinds of press releases, make these kinds of claims about cost, why is it a responsible action for them, then, to be sticking this material into the RECORD and costing the taxpayers. Should not a reform take place that stops this abuse if, in fact, it does as the Democratic Congressional Committee claims, costs $900 to $1,000 a page for the CONGRESSIONAL RECORD.

I would far prefer, as a Member who is committed to the debate process in the House, that those Members come out on the floor, speak their minds, have their viewpoints challenged, and make certain that what is said is, in fact, the reality of debate rather than the phoniness of debate that takes place when we are simply inserting material into the RECORD, evidently at great cost to the taxpayers, according to the Democratic Congressional Committee.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I will be glad to yield to my good friend from New York, the chairman of the subcommittee on which I serve.

Mr. WEISS. I wonder if he would yield to me so that I could ask unanimous consent to proceed for 5 minutes for a discussion of revenue sharing that the gentleman himself may want to participate in.

Mr. WALKER. I would be very happy to yield some time to the gentleman to do that.

Mr. WEISS. Mr. Speaker, I ask unanimous consent that I be allowed to have 5 minutes to address the House and to revise and extend my remarks and include extraneous matters therein.

The SPEAKER pro tempore [Mr. STALLINGS]. After the present special order, that request would be in order.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WALKER. Mr. Speaker, I can simply yield to the gentleman, and he can talk about whatever he wants, can he not?

The SPEAKER pro tempore. The gentleman is correct.

Mr. WEISS. I would appreciate that.

Mr. WALKER. I would be very happy to yield to the gentleman to make any comments that he might wish to make relative to revenue sharing.

GENERAL REVENUE SHARING

Mr. WEISS. I very much appreciate my distinguished colleague yielding to me.

Mr. Speaker, I am rising to speak on behalf of the general revenue sharing very briefly because I know that the budget resolution will be coming before this body as of next week, and that there is a recommendation probably forthcoming which will adversely affect the general-revenue sharing program, and before that becomes finalized I thought that perhaps a few minutes of discussion might be in order.

General revenue sharing is a program which has operated successfully since 1972, because of strong bipartisan support in both Houses of the Congress. It is the most efficient, fair, and cost-effective grant program that the Federal Government operates.

Each year, less than one-tenth of 1 percent of program funds goes to administration. With the remainder going directly for vital public services such as police, fire, ambulance, education, and health care. The distinguished gentleman from Pennsylvania, who is the ranking member on the subcommittee, together with other members of the Subcommittee on Intergovernmental Relations and Human Resources of the Government Operations Committee, had occasion, earlier this year, to hold field hearings across the country. We held hearings in Cedar Rapids, IA. We had representatives, that is mayors, supervisors of various counties from five different States.

We held hearings in Austin, TX; we held hearings in Charleston, WV; we held hearings in Boston, MA, in addition to holding hearings in Washington, DC. The story was the same, in location after location from mayors of big cities and small towns and everything in between.

County supervisors, representing some 39,000 units of government receiving revenue-sharing assistance based on a formula which makes the automatic determination as to what communities are entitled to, without the necessity of paperwork having to be engaged in. In many instances, these communities get not another nickel or dime of Federal funds except what they get from the revenue-sharing program.

We were told, without exception, that if the revenue sharing programs are cut that they will have only two choices at the localities. They can

either cut services or they can increase taxes, and the increase in taxes will go on, in most instances, real estate, on real property, on people's homes and farms and business properties that they own. The fact is that in most communities they are already paying real estate taxes up to the very top level permissible, and in many States the communities cannot levy greater taxes because there are provisions of the law which in essence put a limitation on how much of an increase in real estate taxes there can be.

Thirty percent of the moneys that go for the revenue-sharing program go for the basic services of police and fire, so that this is not a matter of using these moneys for frills. We had testimony from small town mayors. I remember one community of maybe 1,200 people where the mayor testified that they took the couple of thousand dollars that they received from the revenue-sharing program, bought materials, and then volunteers from that small community themselves used the materials to repair the roof of the town hall. We had testimony from communities that do not have water yet brought to them, where they have used revenue sharing to install water systems.

The revenue-sharing program has been a very useful, effective, essential portion of the Federal fiscal relationship with the localities for these past 13 years or so. It has eroded, as a matter of fact, some 50 percent in value because there has been no increase in the revenue-sharing program since its inception.

□ 1210

The program was never intended as a surplus-sharing program. People tell us, "Well, we have deficits now, so we can't share what we don't have, deficits." The fact is that the revenue-sharing program was begun under the Nixon administration at a time of Federal deficits, and Federal deficits have existed in each of the years in which the program has been reauthorized.

There is often a sort of an attitude that says, "Why should we, the Federal Government, in our largesse give them, the localities, our money?" Mr. Speaker, that has it all upside down. It is not our moneys. Every single dollar that the Federal Government collects comes from people who live in our hometowns, in our constituencies. The Federal Government takes a great deal of money from those localities. At the same time the Federal Government mandates programs, and I think rightly, but nonetheless the Federal Government mandates programs, whether they be air quality or water quality or access for disabled and handicapped people to public places or updating correctional facilities. We mandate those programs on the communities, and what the revenue-sharing program is intended to do is in a very small part to compensate or to reimburse those localities for the money they have expended on the basis of Federal mandates.

Mr. Speaker, I would hope that the House would follow the suit of the Senate with regard to the Federal revenue-sharing program and in essence freeze the revenue-sharing program. What the Senate budget resolution does is provide for funding at the same level. I think that the people of this country should have the right to expect no less from the House of Representatives, and I hope that in the course of the debates next week we will in fact be able to persuade our colleagues that revenue sharing is not a frill, that it is not a frivolous expenditure of moneys. It is moneys that go for the most basic and essential needs of the people back home.

Mr. Speaker, I want to thank the gentleman for yielding at this time to me.

Mr. WALKER. Mr. Speaker, as the gentleman knows, I participated in some of those hearings with him, and I would say the gentleman well represents the case that was made to the subcommittee by constituents across this country.

I think one point that the gentleman made needs to be reemphasized. That is that indeed there are Federal resources being spent on the revenue-sharing program. We are not in debate over that issue. The question is whether or not those resources are wisely spent in this kind of a discretionary program.

I think that the one case that is very clear on this is that we as the Federal Government, as we have come more and more into budget-crunch situations, have tended to pass on more and more mandates to local governments. We have tended to say to local governments, "We regard this as being something that is the law of the land, something that needs to be done. We don't have the money to do it. You do it." And we pass on those mandates that then become extremely costly to local governments.

The only discretionary money, the only discretionary resources that come from the Federal Government in order to meet those mandates come in the revenue-sharing program, and the way most of these communities have reacted to the mandates passed on by the Federal Government is to use revenue-sharing money in order to meet those mandatory obligations.

In my mind, if we are going to eliminate the revenue-sharing money—and there are people around here who will make a strong case in that regard—if we are going to do that, it seems to me we ought to have an accompanying bill with that, and that is a bill that eliminates all the mandates we passed along to those same governments. I do not think that we can say that we are going to have it both ways, that we can impose mandates across this country and then not provide the resources with which to meet the mandates. I think that becomes a ludicrous policy for this Congress to pursue.

If we are going to withdraw the resources, then let us withdraw the mandates, too, and let local governments meet their own locally determined priorities with their own resources and not impose our priorities on those resources. If we are going to impose priorities on them, then we ought to provide at least a modicum of resources with which to meet the priorities that we have passed on as obligations.

We heard that in a number of instances from local communities, that that is a major problem for them, that the kind of mandates the Federal Government imposes is indeed a problem for local governments. I think that that makes one of the clearest cases that is available for a continuation of the revenue-sharing program, even in a budget-crunch kind of situation.

I am one who is pretty sensitive to the whole business of the deficit, but I think that the way in which we manage programs around here is also a deficit question, and we have some horribly managed programs where we have attempted to micromanage things out of Washington that cost us great gobs of money. But here we have a program that costs us next to nothing to administer and in fact is helping to pick up mandates that we as the Federal Government would have to pick up otherwise, and does so at a cost which we have been able to freeze for a number of years. It does not make sense to wipe out the most efficient programs in order to keep the most ineffective programs. That to me is a kind of a crazy way to proceed.

Mr. WEISS. Mr. Speaker, I appreciate the gentleman's comments, and he is quite right in saying that the Federal Government gets a tremendous bargain. We nowhere near compensate the local governments at the local level for the mandates that they fulfill. So it seems to me that at a time when we keep on talking about shifting burdens to the local governments and shifting resources to them to meet those burdens, for us to take away one of the very few programs that in fact gives them resources from the Federal Government does not make sense at all.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WALKER. Mr. Speaker, I thank the gentleman for his comments.

I certainly hope that if we end up with a budgetary program—and we all are going to have to face tough decisions on this, me as well as the gentleman—at least if we face the budgetary crunch of having to cut off those funds, we will include with that language that withdraws all the mandates that we have put on local government, because at that point we will have at least partially compensated them for the loss of the resource, but also will have assured that in losing the resource they are not tied to Federal mandates that they cannot meet with local moneys.

This has become something of a potpourri of a special order, with a whole series of questions we have addressed here during the time.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, I was sitting here listening to some of the discussion. I want to try to take a little different tack on this issue of revenue sharing.

I think it is fine if we freeze revenue sharing, but the fact is that we have to evaluate what we spend money on in this country at the Federal level, what is important and what we cut. We have an expenditure request from the President, from the Senate, and probably from the House that will far exceed the revenues we have available to meet it, and so we have to decide where the cuts come from.

I think that philosophically the Reagan administration, since the day it took office, has really decided it wants to move back to the notion that that Government which governs least governs best, and local government is better able to make decisions about these local issues than we are.

I have found in the last dozen or 15 years that the growth of programs by which one level of government raises money and then sends it to another level of government and says, "You spend it" breeds, in some instances, at least the most irresponsible of public spending. Generally speaking, when you have public officials who are requred to raise the revenues and then required to oversee their expenditure, you breed, it seems to me, the most efficient kind of allocation of resources.

By that I am not suggesting that all EDA, all UDAG, all community development grants, and all revenue sharing is bad. But I am saying this: I think there was an explosion of programs that were developed in Congress in the last decade, especially or the last dozen years that said: "Raise the money here because it is easy to raise the money, send it back there, and you go ahead and spend it back there."

For that reason, for example, in my home State, 1,500 miles from any major body of water, or any ocean, we have a swimming pool with a wave machine. Why? Why do we have a wave machine that has a bellows at one end and a beachhead at the other and gives 2-foot to 3-foot waves in the middle of summer? Well, not because the folks back home said: "We really want to spend our money on that." It was because there was some Federal money in a Federal program, and they said: "You build this swimming pool in this neighborhood, and you have this extra money, so you go ahead and buy a wave machine for it."

That is just one example of what exists all around this country.

I am just saying that when you take a look at our responsibilities, the revenues we have and the spending needs we have, including the highest priority needs, that is, feeding the hungry, helping the disadvantaged, educating the American people, and so on, when you make those choices, I think you need to make them in a philosophical framework of deciding how we most effectively spend money that meets the most critical needs. When we talk about revenue sharing, or UDAG, or EDA, or any the other programs, we have to continually keep that in mind.

All the mayors and others have contacted me, and I understand they have contacted all of us about revenue sharing. Again I am not saying that we have to zero revenue sharing out tomorrow. But I recall when revenue sharing was enacted in Congress—I was not here at the time—the whole underlying theory of revenue sharing was always, at its genesis in the 1960's and leading up to its enactment in the 1970's, that because of a progressive tax system interacting on an economy such as ours, we would have fiscal drag if we did not yield back those surpluses of revenue that we collect in the long term at the Federal level.

□ 1220

Well, of course, the surpluses have never materialized and therefore we need never have worried about fiscal drag resulting from surpluses.

But I wanted to raise those points simply in the context of the discussion that the gentleman was having about revenue sharing, because it is even broader than that. It deals with a lot of programs that send money elsewhere, where one government collects it and the other government spends it.

Mr. WALKER. The gentleman makes a legitimate point, and it is in fact many of the points that the opposition will make, but I think the gentleman maybe missed my point and that is the fact that we do not have a system in this country at the present time which is allowing local officials to use local resources for locally determined priorities. What we have in this country in too many instances is a system which allows local officials to raise local resources; in other words, raise local taxes to meet mandates imposed on them by State and Federal governments.

I think in that kind of climate that the Federal and State governments have some obligation to fund the priorities that they are mandating on local officials.

I can be fairly comfortable with eliminating a revenue-sharing program in a climate where the Federal Government was not imposing mandates upon local governments, telling them: "You assume the costs, but we don't give you any of the money." I could be reasonably comfortable with that, but the problem is that that is not the situation. In fact, during the growth period that the gentleman has talked about of a lot of these locally derived programs, we have not only begun spending some money for them, we have sent back a minimal amount of money for the amount of mandate that we have tied to that money.

My point is this, that if in fact we want to get rid of revenue sharing, we want to get rid of UDAG's, and community block grants, and a lot of these programs, and I personally could endorse getting rid of a number of them, but then at that point let us not tell local officials that they have got to commit local resources to doing what we tell them to do. Let us make certain that they can do with that money what they determine should be done, rather than meeting mandates as prescribed from Washington. Until we get that kind of balance, it seems to me then we are really doing something which is destructive of local government when we say to them: "There are no Federal resources, but you will have to meet our mandates." That to me causes all kinds of dislocations and all kinds of problems.

I will be glad to yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Let me say that I accept the premise of some of what the gentleman says. I understand that. We do at times say: "Here is your requirement, local government, but it is not our business to deal with the resource question."

I understand the unfairness of that. I understand the predicament that puts some of the local officials in and in some cases that is unwarranted.

The gentleman's suggestion that we have to map some of these things is one that I understand and accept.

On the other hand, the gentleman knows and I know, I grew up in a town of several hundred people. I recall when that town decided whether or not it wanted to pave its streets. There was a big question, because you know, we had gravel streets in our town. It was a question for the townspeople, whether or not they wanted to commit that kind of resource. In course, in later years it has not been that difficult a question because there has always been a program that comes from someplace else that will send money to that town. You do not have to go through this decisionmaking.

What do you want to spend your money on? Some of those communities were dumping raw sewage upstream where the kids were swimming downriver. Well, you know, ultimately the Government said: "You can't do that. You have got to treat that sewage," and there are restrictions. So in those cases the Government said: "Here is some money to do it."

But we also said: "It's also part of your responsibility, local government, to handle those affairs because you do collect a property tax and have a local revenue base."

I accept part of the gentleman's premise and I think this is a constructive dialog. I am just saying that it is not an easy question to answer precisely where these resources ought to be cut or how much we are to offer, where it ought to stop; but I am saying that it is important.

Let me just say also that I am not very complimentary of President Reagan's leadership on this floor, for a lot of good reasons, I think, but I do compliment him for his leadership since 1980 in stopping the explosion of some of these kinds of programs, to say: "Wait a second, let's take a look at what we are doing. Are we just sending checks all over and saying we raised it, you go ahead and spend it?"

I compliment the President for saying: "Let's start putting the brakes on some of those kinds of things."

Mr. WALKER. Well, I personally think that it would be very valuable to start a turnback of responsibility, as well as resources, and that we would do a great deal for the empowerment of local government and for the empowerment of local people by beginning a process that gets the Federal Government out of a lot of these things and allows resources to be developed at the local level; but it really does strike me as puzzling that we have a Congress that is willing to eliminate those programs that are discretionary in nature, while we continue to fund programs which are far more arbitrary in nature. I think that exactly the reverse should be true.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I thank the gentleman for yielding to me.

You can always find a wave machine, a wavemaking machine, to wave in an effort to try to discredit a program which benefits 329,000 communities.

The fact that some community leaders do irresponsible things should not be a justification for eliminating a program where the overwhelming vast percentage, in fact, it is used for the most basic of community services, in many instances to meet Federal mandates, as the gentleman has said.

Mr. WALKER. Well, if the gentleman would allow me to reclaim my time for just a moment, as the gentleman pointed out in his remarks, and it is absolutely true, and the testimony shows it, and the facts and figures show it, there can be no doubt about it, where the money from revenue sharing goes is for fire protection and law enforcement. The vast bulk of the money goes into those particular elements, so it really is a question of public safety that is largely involved in the revenue-sharing program.

The gentleman is right. You can find abuses. I am very good at coming up with abuses in programs around here and you can find them all the time; but we should understand that in the case of revenue sharing, I have no doubt there are abuses. I have no doubt that you can come up with a laundry list of them.

We also hear about rich communities that are getting revenue-sharing money, and that is in fact the case, just as there are millionaires who get Social Security checks and we do not talk about eliminating the Social Security Program because some millionaires get checks out of it.

There is really a need to look at what the bulk of the money goes for and if in fact you are against doing some additional crime fighting and you are against local fire companies having some additional resources available to them, you may in fact take the position that revenue sharing has not worked; but if you look at the realities, the fact is realities say it is public safety that is most enhanced by what we do with revenue sharing.

Mr. WEISS. Mr. Speaker, will the gentleman yield again?

Mr. WALKER. I am glad to yield.

Mr. WEISS. The fact is that the communities are required by law and do so as a matter of practice of holding public hearings in which they ask the community to come forward and tell us how we ought to spend this money, whether we get $2,000, or $15,000, or $35,000, or in the millions in some of the larger communities. The decisionmaking really is made by the leaders of those communities on the basis of what their constituencies tell them.

We have small county representatives who came and told us that under State law they are held responsible for providing ultimate support and shelter for elderly people without any other means in their communities. Well, where do they get the money from? The only way they are able to supply the necessary programs now is to take revenue-sharing funds.

What happens if in fact that money is taken away from them? In many instances they cannot raise taxes any more because the State law prohibits them from increasing real estate taxes. The State still insists that they provide the services, so what they will have to do is they will have to cut someplace else. Maybe they will reduce the number of policemen or firemen they have in their communities.

Again what we are talking about are basic needs in society. It is ironic, it seems to me, for us to take a situation where we have said categorical programs really do not make as much sense as we thought they did because the Federal Government in those instances tries to tell localities how to spend their money.

So, OK, revenue sharing is discretionary. It says: "You make your determination as to where you use the money," and then we go ahead and say: "Oh, but we are raising the taxes and letting you spend the money."

It is an argument that you can play both sides against the middle for a long time, but ultimately something has to give.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WALKER. Well, I thank the gentleman and we go back to the statement of the gentleman from North Dakota when he raised the question of one of the major priorities on his list. I might have put defense on the list, too; but one of the major priorities on his list was education.

The fact is that education takes place in this country mainly at the local level and what we have had happening as a result of several categories of programs is that we have been mandating more and more on those local units, local school districts, with relatively little in the way of resources.

Revenue sharing, although it has to be in some cases through the backdoor method, another major area of revenue sharing has been to get money into the education communities. In some cases it has gone and helped library systems. There have been various ways of doing it; but if you add the educational element into the public safety element, you have really begun to speak to some of the needs that the gentleman from North Dakota himself specified as being major national goals, that in fact are being implemented at the local level.

Mr. WEISS. Mr. Speaker, if the gentleman will yield for one final comment, it has been said before and it is worth saying again, there is no free lunch. If people think here in this body that by eliminating a program like revenue sharing you are ultimately going to get off without consequences, we are kidding ourselves.

□ 1230

What is going to have to happen is either vital services are cut at home or your citizens, your constituents back home are going to be asked to pay increased real estate property taxes, and ultimately they will know who is responsible for those cuts in services and for those increases in property taxes.

I thank the gentleman.

Mr. WALKER. The gentleman is right. And I think it is also that there is a need to recognize that through discretionary programs it is in fact possible to begin the process of reducing Federal commitments while getting positive results out in the country. In the case of revenue sharing we know very well that the Revenue-Sharing Program has not been increased at all for a number of years. It has been held frozen, not just for the last couple of years when freeze has been a big item in Washington, but it has been frozen for most of the life of the program. So we are talking about a program that shows that with reducing resources you can still meet a broad base of legitimate needs.

If you put that together with what we did in education, and the gentleman and I are not wholly in agreement on this, I know, but with the educational block grants that went into, for example, to fund the great bulk of the country, the school districts across the country where we were able to deliver more money with the block grant to those school districts than we had delivered in the past.

Mr. WEISS. The gentleman is right, we do not necessarily agree on that.

Mr. WALKER. The gentleman has some concern about the urban school districts. But the fact is, what I am saying is for the majority of school districts in the country under chapter 2 they got more money under chapter 2 than they had gotten before because we did eliminate some of the bureaucracy at the Federal level and we forced a State passthrough mechanism that assured the delivery of funds.

I think that a case can be made in that case, too; we showed that despite the fact that the funding levels were either held even or cut back in a couple of instances that the delivery of money to the school districts was enhanced, and I think we are beginning to see some examples of that.

It is a shame to step in and cut out some of the more efficient ways of delivering money.

Mr. WEISS. If I may make just one more point on the education point, the program I think perhaps that is most relevant is the Congress passed legislation mandating that each child receive equivalent educational programs and resources regardless of the special education needs of children within our communities. And the Congress said at the time that they reinforced that mandate to the localities by they were going to make sure that we provided them with the resources to meet the needs of those kids.

Well, not only did we never provide what we promised that we would, but in those instances where revenue sharing has been used, in New York City, for example, 7,000 teachers had their salaries paid for out of revenue-sharing funds. Now we are saying that is going out.

You know we are not going to cut 7,000 teachers. But what it will mean is that we will be cutting some police people, some fire people, some health service people, sanitation people, to make up for the revenue-sharing funds that are lost.

Mr. WALKER. That is one of the best points that we could possibly make about the system of mandates, because that has been a very, very expensive program, not that it is not a worthwhile program. But when you start talking about equivalent education, and you realize the broad range of people that affects and how that affects school districts where they may have one or two children with special handicaps, where they have to make multimillion-dollar decisions with regard to building access and a number of things in order to accommodate those couple of kids, when you have that mandate from the Federal Government you are imposing tremendous costs often upon school systems. And the gentleman is absolutely right. We have got to be willing then to follow our mandate with resources.

Mr. WEISS. I thank the gentleman.

Mr. WALKER. I thank the gentleman very much.

As I said a couple of minutes ago, this special order is somewhat of a potpourri. But I had made the point earlier with regard to the Congressional Record abuse that I think needs to be aired, and I have fairly substantially made that point.

But I think maybe what we want to do is perhaps move into another issue that will be coming on the floor next week where I have had some involvement, and a couple of the gentlemen on the floor with me have had some involvement over the last several months, and one where we feel very strongly that an approach has to be taken that will in fact enhance U.S. policy rather than detract from U.S. policy. And that is the whole issue of what do we do about apartheid in South Africa.

The gentlemen who are on the floor with me here have in a variety of ways demonstrated that there is in fact a conservative and a Republican viewpoint on this issue which is vehemently antiapartheid but also has some belief that we are about to take some actions in this body that might in fact undercut our ability to deal with that abhorrent system rather than enhance our ability to deal with that system.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. WALKER. Let me yield to the gentleman from Georgia.

Mr. GINGRICH. I want to say to the gentleman from Pennsylvania that I will be doing a special order this afternoon on specifically the issue of how a free society can have an effective foreign policy in a dangerous world. And I am going to talk about three different levels of difficulty, the difficulties of Leninism and the Soviet Union, the difficulties of terrorism, including the recent disaster in Philadelphia, and finally the difficulties of dealing with States which are not a direct threat to the United States but whose policies are abhorrent.

I would say to the gentleman that in a sense the text I want to talk about, because I think the debate next week will not be about South Africa, and I think the debate next week will be about how America is effective, my text is from Abba Eban and his new book "The New Diplomacy of International Affairs in the Modern Age, 1983."

As the gentleman knows, Abba Eban was the remarkably articulate and persuasive Israeli Foreign Minister for many years, and in his new book he said, and I quote from page 68:

> The speed and vigor with which Carter supported the tide of change obscured an essential question. Was any regime in the world so oppressive that it was incapable of becoming more so? The dilemma was well illustrated in Iran and Nicaragua. When the United States weakened a pro-Western dictatorship the end result was not a pro-Western democracy but an anti-Western despotism. The Ayatolla Khomeni was no improvement on the Shah. This tends to support the view that the United States should determine its relations with other nations in accordance with their contribution to stability rather than by reference to their domestic conduct.

The point I want to make is that the former Foreign Minister of Israel is saying to our liberal friends, people I have characterized sadly in foreign policy as being ostriches, that if they will look at the track record of their sincere and well-motivated human rights initiatives in the 1970's they will see that they left across this planet a series of disasters of unparalleled threat in each area, that their interventions, while well meaning, were as fundamentally flawed as a 13-year-old deciding that he could be an appendectomy surgeon and cutting open his sister's tummy to see whether or not he could take out her appendix.

The thing that bothered me, and I say this as somebody who 2 years ago voted for the liberal bill on sanctions on South Africa because I wanted at that time to express my condemnation and my disagreement with South Africa on apartheid, that having studied much more carefully, having over the last 2 years had a lot more time to think about this question of how a democracy functions in a dangerous world, I think there are certain fundamental flaws in the liberal approach to sanctions and there are certain fundamental flaws in the liberal approach to how you help a nation make the transition to democracy. And if our liberal friends will look at Ethiopia, Zimbabwe, if they will look at Iran, if they will look at the problems in Nicaragua today, and on the other hand, if they will look at some success stories: Why is it that Argentina is today a democracy? Why is it that El Salvador is, and I am going to quote in my special order from the New York Times which says today, "As Duarte begins a visit to the United States, optimism returns to El Salvador."

What are the lessons of success in creating a positive environment? I think we will see a very different story in looking at that special order.

I thank the gentleman for yielding.

Mr. WALKER. I thank the gentleman. I think that one of the key points that needs to be raised in all of this is what do the reformers in some of these countries wish to have done.

Over the last several months I have had an opportunity because of my involvement with the South African issue to talk to people from South Africa, not the people who are trying to defend the status quo there, not the people who are trying to move slowly in ending apartheid, but the people who are taking the risks within their own country to try to end that absolutely horrible system, and they have seen, in some cases, opposition Members of Parliament, in some cases tribal leaders. But they are people who are very much involved in their own country in trying to stop the apartheid system, in trying to empower black South Africans in a way that they will have opportunities to be a part of the economic and political processes of their nation in the future.

□ 1240

What we hear from them almost uniformly is that they do not agree with an approach that will decimate the economy in their country, that they think that that would be counterproductive to everything that they are attempting to achieve; that they believe that what we need to do is have the kind of activity in South Africa that assures that American businesses and the American presence there is such that it empowers blacks economically, that it gives them the opportunities necessary to become a part of the political process, that it shows by example that in fact a nonsegregated society is the strong route for South Africa to pursue in the future.

If we can develop those kinds of policies in this country then we will have the opportunity to see South Africa not be lost as a pro-Western country but, rather, become a country that recognizes the need to have its black majority involved in all aspects of its society, but does so in a way that does not force it to go the route of a dictatorship of a Zimbabwe or other kinds of nations in Africa that have proven to be economic and political disasters.

I have been struck with what I have heard from a lot of these leaders that we would face a very grave decision if we move in the direction that some are suggesting where we pull out and simply say that South Africa is so bad that we should have no involvement there.

There is no doubt that it is bad, there is no doubt there is a major problem there, there is no doubt something needs to be done. Some of us in this country have taken a stand against people in our own political ranks who basically were willing to support the status quo.

Our own administration is not happy with some of us who have seemed to say we want to go further than the administration's constructive-engagement policies because we think something more needs to be done.

But to go the route of attempting to undermine and destroy the economy of South Africa in the hopes of reforming it is probably not only counterproductive but actually destructive of the future relationships of this country with theirs.

Mr. Speaker, I will be very glad to yield to the gentleman from Wisconsin, who has been very, very active in this field and will probably offer on the floor next week one of the major alternatives to be debated as part of our discussion of the entire apartheid act.

Mr. GUNDERSON. Mr. Speaker, I appreciate very much the gentleman yielding.

I think really, Mr. Speaker, that the gentleman and our colleague from Georgia, Mr. Gingrich, have absolutely focused on the real question we ask next weekend, perhaps a question that will have significance on down the road in terms of other foreign policy actions.

That question is do we simply want to make a moral statement that makes us feel good, a legitimate moral statement that may be correct, et cetera, or do we want to be constructive and positive in influencing change elsewhere around the world?

I think South Africa hits that example better than anything else.

There is to my knowledge no one who is a Member of this body who does not absolutely deplore what is going on in South Africa at the present time; say it is wrong, say that it needs to be changed, and it needs to be changed as soon as possible.

The question is how do you bring about that change? Or don't we want to be a part of the process of bringing about change, do we simply want to make moral statements?

As you look at some of the options we will consider next week there are really two very separate and distinct alternatives. One alternative is going to come up and immediately impose sanctions on the Government of South Africa, upon American companies doing business in South Africa, et cetera, saying "Today is decision day, period. There is no future, there is no opportunity for change, come what may in South Africa we are going to make that decision." That sounds good. It makes good press releases. It makes you feel good.

I would suggest to anyone who studies what is going on with South Africa and realizes that until you make those changes you need to deal with the Government that is there whether you like it or not and how do you bring about political change in that system under the present process?

Now we can come down with all kinds of heavy-handed statements as some administrations in this Government have done during history with South Africa and elsewhere around the world and we could have that government rejected. We can have them put their backs up against the wall and affirm their position and say: "I am not going to allow the United States, the big brother from the West, to tell us what to do."

I think there are some indications in the past that that has happened even in South Africa.

The question is, "How do we come down with a moral statement then which allows them to make positive decisions and really bring about some change?"

Really I think there are going to be two substitutes offered next week which merit some type of consideration in this regard. I shall be offering one. Our colleague from Michigan, Mr. Siljander, intends to be offering another. They are not all that different. Really we are talking about much the same thing from two different perspectives. Perspective No. 1 would be that we provide additional funding, funding in particular aimed at the blacks in South Africa. They need education. It is a crime when you compare the amount of public funds invested in education for the black population in South Africa with that invested by the Government in the education of their whites, and we need to provide some additional funds, some additional scholarships, some additional training programs to allow them to move forward and to become a part of the future, viable South African economy.

The other side is what we call conditional investment. That is, do you allow no investment with immediate sanctions, which the major proposal in front of us next week will do? Or do we do nothing? Or is there a middle ground? I suggest there is a middle ground in which we allow the concept of some type of conditional investment, we allow investment to occur for a couple of years, we lay down the conditions to pass laws with respect to the homelands, those types of things which absolutely must be changed, and we then come back and we say, 1 to 2 years down the road, what has happened, what progress has been made, has progress been made, is South Africa changing their ways and moving into the modern world of recognizing each person for their true equality and legitimacy of purpose on this Earth?

Now many people would say well, you ought not to even have conditional investment, you ought to just allow investment because investment is a step in the right direction.

I think it is wrong for America to totally ignore the issue. We are the leader of the free world. That leadership gives us some responsibility. And by virtue of that we do have an obligation to make sure that some type of positive action does occur in South Africa at some point in time. But we do not come in as heavy-handed big brother and say, "Do it now or you are done." Rather what we do is we come forth and say, "Here are our conditions. You decide."

Mr. WALKER. If the gentleman would allow me to reclaim my time, I think the points the gentleman makes are good ones. He also mentioned a third alternative which I think we need to recognize. There are a number of policy-oriented people in this country, a lot of people in the public who believe we should do nothing with regard to South Africa, the status quo is just fine and ultimately they will work things out for themselves. My own impression of that is that that is not really a responsible policy option if in fact you are truly anti-apartheid at this point.

I am afraid, and my reaction is that we have some people in this country, I am sad to say, who are actually pro-apartheid, who are perfectly satisfied to see this system continue.

I think that is sad but the fact is you also have people who claim to be anti-apartheid but do not want to do anything.

The problem with that is if you talk to the people within the country who want to see reforms made, they say that is not an option. If the United States, in order to assure that there is movement to end the apartheid system, which they think there is a historic opportunity to do right now, needs to confront the Government of South Africa with some kind of a program.

Now they would argue that it should not be a disinvestment program of the type some of our liberal friends are talking about offering, that that is the wrong route; but that we need to do something, we need to have some kind of a program.

Many of them endorse, for instance, mandatory Sullivan principles, mandatory labor practices for American businesses. They endorse ideas like helping in educating black leaders and the black populace. They are for positive kinds of alternatives of that type, but they think that would put the appropriate kind of pressure on their Government and would do so in a way that is positive, a positive thrust for the future. But they are adamantly opposed to doing something, as the gentleman mentioned a few minutes ago, to make ourselves feel good.

The problem is part of this debate is not a debate about South Africa but it is a debate how we are going to be perceived in this country.

☐ 1250

Now, the question that the gentleman raises is a true one: Is that really the important question here, how this plays out in this country, or do we want to do some positive good? Is this posturing or is it real?

I think that if we can develop an approach like the gentleman has suggested, which also is the approach which seems to be gaining the most credibility in the Senate, we actually have a chance of enacting something here, something that would send all the right messages to the South African Government that they have got to begin to change, and it has got to be a change of a very rapid nature.

If we end up doing nothing but posturing for political purposes or whatever purposes; moral purposes, social purposes, economic purposes—I do not know why we are posturing, but if that is all we end up doing with what we do on this floor, and we end up with a bill that the President will not sign that gets vetoed, that has very little chance of getting a two-thirds override vote in either House, we end up then, having had the major discussion in the country where nothing is done.

What kind of signal does that send to South Africa? It says that the political process here is not able to respond, that they are more interested in posturing for political purposes back home than they are in really responding, and it seems to me that you end up then with the South African Government getting precisely the wrong signal, and perhaps we aggravate the very situation that we claim to want to solve.

Mr. GUNDERSON. Exactly. Will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman.

Mr. GUNDERSON. I think it perhaps even more serious than that. The gentleman indicated earlier that we are facing this question of perception. The issue is now going to be before us, and all of a sudden, now the question is what are we going to do? To fail to pass something by the House and by the Senate at this point would probably be interpreted around the world, at least by many in South Africa, as an indication of American support for the present policies of South Africa.

So I think that we are beyond the hill, so to speak, and going down the other side, and the question now is how do we handle that, and so we do have a very important responsibility to find a policy. We can pass here, it can pass the other body, that the administration can support, and live with, and can bring about some positive reform in South Africa.

Mr. WALKER. The fact is, Mr. Speaker, the gentleman knows as I do, that the administration is going to be reluctant to sign onto nearly anything, and we are going to have to fight and persuade in order to get the administration to sign onto anything which appears to be a modification of their constructive engagement policy.

So that we ought to come up with something that at least some of us who have some credibility with the administration can go to the White House and suggest to them that this is something that should be signed. If we come up with something that we do not think has credibility, we are going to have a very difficult time convincing the administration that it is a good idea; as a matter of fact, I do not intend to be a part of a process of asking the administration to sign onto something that I think would be destructive.

So that the point here is whether or not we are able to get by our own political divisions in this country and our own political rhetoric in this country and really accomplish something that will do some good in South Africa.

I think that that is the key question before us. It has been the key question, it seems to me, since the start of this debate. That is the reason why some of us wrote a letter to the South African Ambassador back in December, to try to join into the debate, because we thought it was important that South Africa begin to realize that there was no place in this country, there was no body of political opinion large enough to be called real opinion that supported what they were doing in the apartheid system.

Now there was a need to look toward policy options that would make that extremely clear to South Africa. Now we have come down to this point where we are going to have to define those policy options in a meaningful way, and the gentleman, I know his work with some of the people in the other body who are developing an approach here, and I have worked on some legislative approaches, but they are all headed in the same direction; and that is to do the right thing that will allow the kind of investment activities in South Africa that produces real change and not just ends up producing rhetoric that has the appearance of wanting to change.

Mr. GUNDERSON. Will the gentleman yield?

Mr. WALKER. I yield to the gentleman.

Mr. GUNDERSON. Mr. Speaker, I think the gentleman brings up another very, very important point. I want to commend you for your leadership; you really were one of the first people on our side of the aisle who took this issue and said that this is not a Democrat or a Republican issue; it is a moral, it is an American, it was a freedom issue, and the gentleman needs to be commended for that.

THE 92 GROUP'S FEDERAL BUDGET

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. Pursell] is recognized for 60 minutes.

Mr. PURSELL. I would be happy to yield to the gentleman from Pennsylvania for an additional 5 minutes, and we will go from there.

Mr. WALKER. I thank the gentleman, and I was simply going to make the point that there really is a need, I think, to focus on the debate next week, and to assure the American people that we are not engaged in a process which is aimed at producing another foreign policy disaster, but that we have recognized mistakes that have been made in the past with a number of allies around the world, and that we are now going to attempt to make the right kind of changes in policy; that kinds of changes that produce modifications in systems that we find abhorrent; that produces an opportunity for the majority blacks in South Africa to be a vital part of all that goes on in their country, but that we do so in a way that does not turn the country into some kind of a pro-Soviet despotism which has been too often the example of what has happened.

Mr. PURSELL. Mr. Speaker, I would like to take some time this afternoon to officially introduce, to the House of Representatives of the United States a Federal budget presented on behalf of Group 92; about 40 Republicans who have worked on this document since January, so that we could meet the deadline of the Budget Act which was yesterday, May 15.

This budget document that I have introduced on behalf of our group, is a reflection of Representatives from many different States of this country, to outline what we think is the number one goal of this Nation; to some day achieve a balanced budget.

It is not easy to write a Federal budget. Many Members have commitments in their congressional districts; responsibilities in their standing committees, here in Washington, so we have gone above the call of duty, you might say, and tried to spend some extra hours, to outline this budget for this Nation.

So today, in introducing this concurrent resolution, I want to take a few minutes to indicate to our people in this Nation that many Members of Congress who volunteered, on our side of the aisle, to participate in this task force have given of their time personally over and above the call of duty to contribute intelligent, substantive suggestions and policy decisions on what makes up a Federal budget.

We know that a budget is not an attractive issue that appeals to general audiences; but a budget is what I consider the most sacred document of this Nation aside from the Constitution. It outlines where this Nation is going philosophically.

Is it fiscally responsible? Is it compassionate? Are we conscientious about how we spend other people's money? I think Group 92 has outlined this.

☐ 1300

We are proud and we think we have a magnificent document.

Mr. GUNDERSON. Mr. Speaker, will the gentleman yield?

Mr. PURSELL. I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. I apologize for disrupting the gentleman's remarks, but I do want to take a moment to commend him for his leadership on this thing. The gentleman from Michigan, more than anyone, is responsible for the group of us who were able to sit down and set aside all our parochial, regional, and philosophical differences and come together with a budget that achieves over a $50 billion deficit reduction in a fair and equitable manner. I am absolutely convinced that the budget the gentleman is presenting is the fairest, it is the most balanced budget being considered by this Congress in either body. It is the most accurate, all its numbers have been checked by the Congressional Budget Office. There is no smoke, there are no mirrors, it is all hard, difficult decisions. I just hope that everyone in this body recognizes the gentleman's leadership and compliments him for the major contribution he has made not only to our process here but to the economic future of this country.

Mr. PURSELL. I thank the gentleman from Wisconsin for his remarks. The gentleman from Wisconsin has been a member of the task-force and has made significant contributions to this task-force effort.

I want to take a few minutes to list the Members who contributed their time and effort, to this task-force project. I will read them so that we will include all of the Members who were active:

The Honorable Hamilton Fish, Jr., from New York, one of the senior members of the Committee on Science and Technology; the Honorable Stewart McKinney, from Connecticut, who has contributed many long hours; the Honorable Matthew Rinaldo from New Jersey, one of the more senior Members of Congress; myself, from Michigan; the Honorable Doug Bereuter from Nebraska, who has made major contributions; the Honorable Steve Gunderson from Wisconsin, from whom we just heard; the Honorable Claudine Schneider from Rhode Island, who has been a budget analyst and has been involved in environmental issues and other issues since her tenure here in the House; the Honorable Rod Chandler from the State of Washington, has made a major contribution in the area of defense and the need for reform.

We also have the Honorable Nancy Johnson from Connecticut, who has made some enormous contributions in respect to the more compassionate programs, the sensitive social programs that impact not only on her State but the country; the Honorable John McKernan from Maine, who made some significant suggestions; the Honorable Thomas Ridge from Pennsylvania, who has made a good contribution to the effort of our task-force report and our final budget document; the Honorable Ed Zschau from California, who has expertise and has worked in small business and entrepreneurial activities and has made a contribution toward our effort; the Honorable Paul Henry from Grand Rapids, MI, from former President Gerald Ford's district, who is a former member of the State Board of Education in Michigan and a former member of the State senate, with whom I served over the years, and he is an outstanding bright young man who has a great future in this House.

Also, the Honorable John Rowland from Connecticut, who has made some major proposals and has been an active participant in our deliberations.

Saying all that and completing our task force names, I have to say that Congressman Tom Tauke and Congresswoman Olympia Snowe have provided some outstanding leadership in offering some policy judgments, strategic judgments, and political judgments each day to the Members.

It is difficult for one person to grasp the complexity of the budget process.

What does this budget really do? Why is it important? Why do we spend time on writing a Federal budget? Why are we not working on other issues?

Well, public policy says that you have so many hours in a day, so many hours in a week, and so you make judgments as an elected official to concentrate on the important issues of the day that face this Nation. And, obviously, I believe that developing a constructive budget is of the highest order in public policy.

In the last 37 years we have only had six balanced budgets, and very close balanced budgets, I might add, very few dollars were left over, out of those 6 years our deficit is at an all-time high. We could take time to analyze why that occurs. We will not do that today because we all recognize that the deficit is jeopardizing the future stability of real economic growth for this Nation.

I see that interest rates dropped slightly yesterday. Inflation is down, thanks to the administration and Congresses efforts. The real facts of life as of today are that we have approximately $210 billion to $220 billion deficit. This is a major deficit facing a young country only 200 years old.

So it is incumbent upon us to say: How do we address that? How do we eliminate the deficit?

A family cannot afford to have a deficit over a long period of time. Neither can a small business or a large corporation. And when you look at a budget, you say: Where can I make reductions? Where can I tighten the belt and close down those exorbitant expenditures and reevaluate national priorities in such a way that we can protect the important responsibilities, the constitutional responsibilities under our Constitution, and at the same time achieve a balanced budget so that we can feel comfortable with that policy decision.

Frankly, I am one of the more traditional Members of the Republican Party. I believe very strongly in supply-side economics in respect that we need to lower our tax rates. We have done that recently. I have been an advocate and supporter of that. Some said we need to do it in a 3-year proposal, reducing our tax structure over 3 years. I though maybe it might be more appropriate to reduce our tax rates over 5 years, a little longer spread but a little less impact on that staggering deficit. So we had the revenues to continue a balanced budget. But in spite of that, the Kemp-Roth proposal was sound, and I think the majority of the Members of Congress feel that it has made a major contribution to the economic recovery of this Nation.

□ 1310

That is the revenue side. A budget has revenue on one side and expenditures on the other. Congress, over the years, has said simply that the easy way out is to tax and then spend. Next year comes along and we look at new revenues and we tax again. And the State legislatures look at tax increases. My State, under the present Governor, James Blanchard, a Democrat, included a new 2-percent income tax for the State of Michigan when he was elected.

I believe that when you look at Federal taxation and State taxation and local governments who have taxing powers, and revenue-producing ordinances and powers, and then you look at the local cities and townships who have taxing powers, you see the accumulation of taxes on top of taxes, and you drive a nation into what I call an early bankruptcy as you look at the history of nations throughout the world.

So it is time to pause and time to reevaluate where this Nation has been in respect to the taxing side and the revenue side, and it is very obvious, very obvious to me, that we needed to concentrate this year on the expenditure side; looking at the rate of expenses.

Let's look at a good, classic example, Medicare; an important program. It is part of our health program, but Medicare and Medicaid now cost over $100 billion, and is growing at such a rapid rate that it could jeopardize the program itself. Medicare is growing at the rate of 15 percent per year, and that rate of spending could jeopardize the Medicare Program itself.

So it is nice to have great programs, but it is more important to have fiscally sound programs, and so this Congress will have to look at those entitlement programs like Medicare. I illustrate just those two examples of programs that need attention on behalf of the Members of Congress and the Nation.

We have authorization bills that are now going through the House. We have had four. The NASA bill; the Bureau of Standards bill; the State Department bill, I believe; and one other in which this authorization bills were coming at the 1986 target, higher than 1985. So the trend was continuing in Congress until we came to grips with these four authorization bills on the floor and said, look, let us stop; let us reflect. If we are going to address the deficit, if we are going to have a good budget this year, we must start looking at a freeze. The current legislation should demand that we not spend one dime more on these authorization and appropriation bills than we spent last year. In other words, put a freeze on and hold those lines of appropriations and authorization to the 1985 levels.

Well, what will a freeze get you in a budget document, in a budget? A freeze in the Federal Government basically will add up to about $32 billion. You must look for additional money to achieve the $50 billion which the President, the Senate, and I think most Members of the House would agreed is somewhat realistic. It is a target, looking at $50 billion to take out of a trillion-dollar budget. Maybe it is not much, but it is changing the trend. It is changing the direction. It is changing fundamental policy that you have seen in this House, which has been tax and then spend; tax and then spend.

So these freeze efforts have been applied, and we have offered amendments in the House to turn that around. Our group and others, Congressman MORRISON and others, in a bipartisan effort this year, are trying to get a budget, hold-the-line policy so that we reduce the rate of growth and reduce the rate of spending at least to the 1985 level.

Our budget proposal, similar to the Senate, will accomplish the first goal this year, in 1986, starting in October, of achieving a $51 billion target to reduce deficit. There are hard numbers within our budget proposal.

Followed by that the next year, 1987, we will achieve a $91.2 billion deficit reduction target, and then the third year, a $132 billion target to reduce the deficit. So if you look at charts and you look at graphs, what I am saying here is that we are changing the trend from the rate of spending upwards and turning that graph down so that we are moving toward a lower deficit and eventually, toward a balanced budget.

Obviously, there are many ways to do it. Republicans in the Senate have accomplished a comprehensive budget proposal. The Democrats are marking up now, today and through the weekend, and will have a proposal ready for us I think next week. The Group 92 plan is one we call a Blueprint For Balance. Basically, the major points are as follows:

A $51 billion deficit reduction for 1986 without a tax increase. I repeat, without a tax increase. No. 2, a comprehensive freeze, including defense, in 1986 budget authority of $32 billion. I indicated it will get you about $32 billion in a freeze movement.

No. 3, additional deficit reductions beyond the freeze of over 75 programs that we have looked at in the Federal budget in the Federal Government. We have picked up an additional $19 billion over the $32 billion. You add those two together and you get your $51 billion budget numbers.

The 1986 budget that we are proposing, which achieves a $51 billion deficit reduction package includes the following: $24.6 billion in defense programs, which is about 48 percent of our savings. $24 billion in nondefense programs, which is about 47 percent of our budget savings. Then because those two are generally even and fair-handed, in looking at our budget, we achieve a little extra benefit because we have accomplished that $51 billion mark by saving the interest on the national debt out of the general fund of about $2.4 billion.

Do I think that is important? I think it is incredibly important when all of

us in the Nation should understand that the national debt is now $1,800 billion. It sort of shakes me up a little bit to even say what those numbers are when you look at the zeros and try to outline what a national debt is. A national debt means we are spending more than our income; we are borrowing almost 20 percent of our revenue in this general budget this year. Borrowing money to pay our bills.

What are we doing to our young generation? What are we doing to the Nation when we borrow more and we have more expenditures than we have income? Certainly we are on a self-destructive path in my opinion. I think when you look at a national debt of $1,800 billion, if you can visualize those numbers for a moment, we will be taking out of the General Fund this year an amount to pay the interest on that national debt.

What does that mean? Translated, it means to every taxpayer that every dollar that comes to Washington from the American taxpayer, 15 cents off the top goes right to pay the interest on the national debt. Fifteen cents of every dollar. That is something that all young Americans should be concerned with as well as every taxpayer, because this is accumulating and it is now, the interest on the national debt in the General Fund, is the second most expensive program in the Federal Government, next to the Social Security Program.

□ 1320

I indicated we are making a recommendation with respect to Social Security, and individuals in our group have different opinions on whether we should preserve the COLA's for Federal employees and military and Social Security recipients, and we feel probably, in light of what the Senate has done and what the House may do in keeping the COLA's in for Social Security recipients in the House that there probably ought to be, in my opinion, some bipartisan agreement in respect to the Social Security issue.

I was just looking at a poll here over the weekend published in the New York Times in which the question was asked in reference to the military dollar, and I would like to talk about the military for a minute. The public was asked: Do you think Federal spending on military and defense programs should be increased, decreased, or kept about the same?

In 1981, 61 percent said it should be increased. In 1983, 32 percent said it should be increased. In 1984, 22 percent said it should be increased, and in 1985, 19 percent said it should be increased, and in February of this year, only 16 percent said it should be increased.

Polls mean different things to different people, and polls are phrased in different language to get different results, but I think the trend is all I am interested in today. The defense budget has increased now to 28 percent of the general fund. Dollarwise translated, it is about $1 trillion 2 billion new dollars since President Carter left office.

As a former military officer in the Army, it was obvious to me that many of our military programs were inadequate and our national security was at question. If you have traveled the world as I have, it is obvious that the efforts in national security were certainly questionable because we were not in what I call a high standard of national security in terms of readiness, irrespective of the weapons systems.

This Nation was not prepared to preserve the freedom of this Nation, which is our fundamental constitutional responsibility. The States do not have this responsibility. In education we have decentralized education to local school boards and State governments, so the billions spent for education is now the responsibility of local school boards and elected State legislatures. Fundamentally it is their responsibility, and our responsibility primarily is national defense.

The defense budget needs to be reviewed in depth to establish some credibility in financing and management. The Secretary, I think, is very cognizant of that in recent months, and I think that Congress is asking for that hard, in-depth look at change that is necessary to look at our national security and look at our mission. Can we be all things to all people? We have troops in almost every country in the free world. Is that good national security? In a lot of cases it is. It is good foreign policy, obviously. The strategic deployment of troops is important and critical to this Nation. How is their readiness? Is their morale factor high?

So there have been some very positive initiatives brought forth by this administration and by Congress to rebuild and to restructure and to look at procurement policies and to strengthen this Nation on behalf of not only the United States, but fundamentally a much greater effort at being the leader of the free world.

This is the first budget document introduced in the House of Representatives this year to comply with the Budget Act. As a matter of fact, as of this hour it is the only one. The Democrats are working on theirs and probably will have theirs introduced next week. We wanted to comply with the Budget Act because it should be timely.

□ 1330

One of the basic process problems of this Nation is that we have not been presenting budgets on time. Our authorization and appropriation bills have been late, and so near the end of June and July and August we do not have our work completed on time, which I think is inappropriate, and we finish up by putting together one document called a C.R., a continuing resolution, in which we package everything that is left undone and pass it and get it over to the President.

Well, if I were the Chief Executive of this Nation, I would send it back and say, "This is inappropriately completed under the Budget Act," and I would personally veto it simply because it is bad budget process and it is bad management.

Our obligation is to have a budget completed and our authorizations and appropriations signed into law by October 1, so that by the fiscal year's ending, the President has before him 13 appropriation bills.

Now, that is just good business practice, and it is time that this Nation pressure and encourage and write to the Members of Congress, all of us, to say, "Please, Mr. Congressman," or "Mr. Senator, get your budget completed on time and get those bills to the President by October 1."

Then we could say that we have a fiscally sound document that we can stand tall and be proud of, and we could say that this Nation has a balanced budget that is completed on time.

That is good business policy.

Mr. MACK. Mr. Speaker, will the gentleman yield?

Mr. PURSELL. I am happy to yield to the gentleman from Florida, who is serving on the Budget Committee. And let me say that I appreciate his leadership.

Mr. MACK. Mr. Speaker, I thank the gentleman for yielding.

We just had a break from the Budget Committee, as the gentleman probably knows. We are involved in the markup session now on the budget, and I just wanted to take a moment here to not only compliment you for the work you have done but the entire 92 Group.

Having worked with the budget and the numbers and knowing that it is not simply a question of mathematically adding up or subtracting out numbers or dollars, I know those are very difficult decisions one has to make in going through that process, all the way from international affairs to national defense to the COLA's and everything else.

I just want to compliment the 92 Group not only for the effort they put into it but also for the product. I believe the gentleman mentioned earlier that it is the only budget proposal that is out at this time that complies with the Budget Act.

Mr. PURSELL. And on time.

Mr. MACK. That is interesting. If I may build on that for just a moment, we are now involved in the markup of

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a budget document in the Budget Committee that has not been priced out by the Congressional Budget Office.

The point I am making is that while you have done your work, we are now finding ourselves, in the Budget Committee, the day after our resolution should have been completed, not in the Budget Committee itself but on the floor of the House should have been passed. We are not even working with the document that has been gone through by the Congressional Budget Office.

I would imagine that in your experience, after having done what you have, that is, after having your work reviewed by the Congressional Budget Office, you found that there were may modifications that came up as a result of it. Therefore, I know you have found it is a very worthwhile process to go through, and it has elevated your work to the point of a great deal of credibility. For that I commend you, and I appreciate the work you have done and the impact you have had on the system.

Mr. PURSELL. Mr. Speaker, I thank the gentleman from Florida, who is an active leader in the budget process and who understands fiscal management and general good government policy.

We are proud of our document. We know there are differences of opinion on some of the numbers. We are not as far away from the Senate on defense and some others as one might think, and overall we are proud to have this document introduced here on time to meet the Budget Act and be what I call responsible Members of the House.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. PURSELL. I yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I appreciate the gentleman's yielding to me.

I want to commend the gentleman personally and in fact all the Republican Members who gathered together under his leadership on this topic, and I am looking forward to other similar initiatives on other very important topics because I think the 92 Group is a continuing evolution of a very important development of new ideas and new approaches in a creative effort to sincerely develop the best possible good-government approach to solving some problems that can get mired down in ideology and partisanship.

So at least for this particular Member, I want to say to you and other Members who I know worked many hours with you—because I talked to some of them who went through some very long sessions with you—that I appreciate and I think every Republican and, I hope, every Member of this Congress will appreciate the kind of integrity and intellectual commitment you and the task force put into developing this budget. And I hope they will treat it with the kind of seriousness that it deserves as a major step toward trying to think through the kind of fiscal dilemmas we are in.

Mr. PURSELL. Mr. Speaker, I thank the gentleman from Georgia.

I might indicate in summary, looking at some of the details of the budget, that there had been some discussion where our defense numbers might be a little different than the Senate's and the President's numbers.

Our group came in a little tougher than the Senate. We said, "Let's have more fiscal control, and let's go with a freeze in defense until we see where we are in the defense budget." But we are only $9 billion lower on defense in budget authority than the Senate, but in budget outlay we are only $3.2 billion away from the Senate figure. So we are not far from the Senate numbers. And as I understand it, as I have seen the Democratic proposal, they indicated they are coming in pretty close to our numbers, since with our numbers, not only in defense but in the other budget functional categories, about 22 functions, the proposals that they may be offering will be close to the Senate's and ours in terms of the overall goal.

Frankly, I do not know how the Democrats get $56 billion in their budget. Their soft numbers in the budget have to be looked at, as the gentleman from Florida indicated. Their numbers have not been put through the Congressional Budget Office, so I think there will be some soft numbers there that need to be cleared up, and I think the truth in the debate on the budget will be forthcoming next week, as we probably have about 10 hours of full debate on this high agenda item, namely, addressing and putting together a Federal budget.

Sometimes it is not very exciting to discuss these issues, but I think it is appropriate that the 92 Group has, I hope, made a contribution to the White House, to the Senate, and to our colleagues on the Democratic side, as well as our Republican colleagues. Our 182 Republicans here, and looking for alternatives and looking for timely budget decisions. And it does feel appropriate that our budget has been introduced on time.

So I close my remarks by complimenting again my task force, the members of the steering committee, and other Members, about 40, who have joined the debate and who have learned a great deal. There are new Members who have had the exciting experience of putting together a Federal budget, who have learned what numbers are about and what fiscal responsibility is about, and who have learned how to say no to spending programs. That is tough, but that is political courage.

I think I can speak for the group that we were concerned about the direction of the Nation. It is bad public policy, it is bad economic policy, it is even bad politics to spend more than you earn from your income.

I think this Nation will be appreciative of the efforts of Members of Congress, both in the House and the Senate. Hopefully in a bipartisan effort we will have a budget completed through the congressional process so that the President of the United States will get appropriation bills on time to address the problems of this Nation in a fiscally appropriate manner.

Mr. Speaker, I want to thank my colleagues for their efforts, and I yield back the balance of my time.

□ 1340

FOUR GREAT CHALLENGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I am going to talk today about the need for new thinking, new strategies, and new institutions in America's foreign policy.

I will discuss briefly the cocaine trade, terrorism, the Leninist-Soviet threat, particularly in Nicaragua, and the problem of dealing with governments that we are not very happy with, such as the Government of South Africa with whose position of apartheid I totally disagree and which virtually every American wants to see changed.

The real theme of this talk is the question of effectiveness and at the heart of it I want to respond first to an article recently published in the New Republic, called "Realigners Cop Out" by Anthony J. Blinken, and second, I want to deal with the challenges raised by Abba Eban, the former Prime Minister of Israel in his new book, "The New Diplomacy, International Fears in the Modern Age," because I think that the question of our proposed policies in South Africa can be understood only in a larger context of what is America's role in the world and how do we deal with the complex realities of a planet on which there is sadly a great deal of violence and which, unfortunately, we have currently no effective American doctrine for survival.

Let me take as one example of the realities we must deal with, the Washington Times for today. Its headline stories include a story that carries us back to the Korean airliner being shot down by the Soviet Union, an article on international terrorists selecting new American targets in which the Islamic Jihad issues ultimatum, threatens to kill six Westerners; an article on hearings yesterday in the other body in which the administration was talking about its concern over U.S. countermeasures to terrorism and how we deal with the news media and to what degree the news media in effect makes it difficult to respond to terrorism.

At the bottom of the page it says, "Firestorm of criticism engulfs Philadelphia," in which a wide range of people are unhappy with the way the Philadelphia city government dealt with a terrorist group that was equipped with two shotguns, a rifle, substantial quantities of ammunition, and had in effect turned their house into a bunker which included a steel-sided strong point on the roof of the house.

Now, the thing that I want to draw together from all this is that you and I live in a very different world than anything our parents or grandparents were ready for. When you live in a world in this building we have had a terrorist bombing in the last couple years, where you live in a world where in order to get into this building you have to go through security devices that Thomas Jefferson would have thought inconceivable; when to fly on an airplane you automatically and routinely today walk through a metal detector and do not even think about it, it has become part of the nature of our world, then we are indeed faced with some challenges.

I think that dealing with South Africa has to be seen in the context of the totality of those challenges and our friends on the left who sincerely hate apartheid, who sincerely want to change South Africa, are I think continuing the ostrich tradition of refusing to learn from their own experience, because the very same well-meaning people who asserted first that we should undermine the Shah and turn Iran into a democracy, and second that we should undermine Samoza and turn Nicaragua into a democracy, and third, that we should not help the forces of democracy in El Salvador because they clearly were incapable of winning, those people were intellectually wrong in every case.

In a number of cases, for those who have served long enough, they also had the same tradition in the seventies of being opposed to our involvement in propping up a free government in South Vietnam and in Cambodia propping up a pro-American Government and being opposed to our being involved in Africa to try to help create a free government in Angola.

Now, the first point I want to make is that the track record of the ostrich faction of American life in being able to successfully produce a democratic society is pretty dismal. They failed to find a policy which would lead to South Vietnam to survive as a free society. They failed to find a policy that would lead Cambodia to survive as a free society. They failed to find a policy that would make Iran a better country. They failed to find a policy that would make Nicaragua a free society. They have failed in Angola to produce a free society and in that tradition of failure I would say to my friends who are ostriches, what leads you to believe you are going to be more successful in South Africa?

Is not in fact the track record of what you did in Iran precisely that you are likely to destable the current government and produce a dictatorship, a dictatorship which is even more ruthless, even more bloody, even more worse and by any reasonable standard, Khomeini's Iran is worse than the Shah's Iran.

What leads you to believe you are going to be successful in South Africa in destabilizing gradually only by pulling out American influence? In fact, are you not just kidding yourselves?

Are we not in effect seeing here on the left a moral temper tantrum which will in fact probably lead to exactly the opposite policy, exactly the opposite results?

I would say to my friends who are ostriches, why would you think that forcing American companies to leave South Africa helps integration? We are the largest, most complex integrated society in the world. American companies have had more experience integrating than any other companies in the world.

What makes you think that French companies in a country which is basically all white, German companies in a country which is all white, are going to have a higher level of experience?

Why would you think that Japanese companies are going to be more systematically prointegration than American companies?

Why would you think that the Afrikaners, that is the Dutch-speaking South African whites who are going to buy those American factories are going to be in any sense upset if we leave? Are they not more likely in fact to be very happy at the sudden windfall profits of buying factories at a fire sale and are they not going to be glad to have Japanese and German and French and Australian companies move in, who have no interest in appeasing any domestic pressures for an integrated South Africa?

So the first point I want to drive at is that we have four great challenges to America in the last 20th century: the challenge of dealing with the cocaine trade, where we are failing; the challenge of dealing with terrorism, where we are failing; the challenge of dealing with the problem of Leninism in the Soviet Union and particularly in Nicaragua and Cuba where we are failing, and the problem of how do we effectively help countries move and move decisively from dictatorship to democracy, when the dictatorship is not anti-American and is not committed to our destruction?

I want to draw a distinction between Cuba and Nicaragua which are dictatorships actively allied with the Soviet Union trying to destroy America and the kind of countries that our left wing ostrich friends love to focus on. Where do you find ostriches really focusing their moral energy? They are upset about South Korea, not North Korea. They are upset about the Philippines, not particularly about North Vietnam. They are upset about problems in El Salvador, not problems in Nicaragua.

They are upset about South Africa, not about Afghanistan.

So where is the moral pressure of the ostrich left in American life? It is systematically on those countries which happen to not be against the United States. If you want to see a left wing cause picketing against dictatorship, the odds are overwhelming that the country they will be mad about happens to be passively favorable to the survival of the United States. The odds are overwhelming that they will not be upset about a country which is already part of the Soviet empire.

□ 1350

Let us carry this a stage further. How successful have ostrich policies of capriciously getting America involved in destabilizing countries worked? How successful have the sanctions of the past been?

Let me quote from Abba Eban because I think it is important to recognize that in fact the ostriches have failed. This is Eban in his new book entitled "The New Diplomacy," where he talks about the Carter policies and suggests, and I quote from page 68 again: "The speed and vigor with which Carter supported the tide of change obscured an essential question. Was any regime in the world so oppressive that it was incapable of becoming more so? The dilemma was well illustrated in Iran and Nicaragua. When the United States weakened a pro-Western dictatorship, the end result was not a pro-Western democracy but an anti-Western despotism. The Ayatollah Khomeini was no improvement on the Shah. This tends to support the view that the United States should determine its relations with other nations in accordance with their contribution to stability rather than by reference to their domestic conduct."

Notice this is the Foreign Minister, former Foreign Minister of Israel saying flatly that when the United States gets involved in a country like Iran without having thought it through, the most likely result is a government which is more anti-American, more vicious in terms of oppressing its own people, and less willing to move toward freedom.

Let me in that sense carry you back for a moment to today's Washington Times in which they talk a little bit about terrorism. What was the net result of terrorism as it relates to Iran and the so-called reform of Iran? There was a 39 percent increase during 1984 in state-sponsored acts of terrorism, a rise from 70 to 94.

Under Secretary of Defense Fred C. Ikle cited Iran and Libya as responsible for all but five of the acts of terrorism. In other words, 89 of the 94 acts of terrorism in 1984, 89 of the 94 were caused by either Iran or by Libya.

They are in effect not acts of terrorism. They are a form of warfare which Iran and Libya have invented which allows them to kill us while we do nothing.

In that setting let me suggest to you that the end result of the ostrich-like policies of urging the Shah to be decent without providing the support, the mechanisms, the time to do it, led to a situation in which Iran is now governed by a country which is systematically supporting the killing of people.

As the article said in today's Washington Times:

> BEIRUT, LEBANON.—The terrorist group Islamic Jihad sent a Beirut newspaper pictures of six abducted Westerners, including four Americans, and issued "for the last time" conditions for their release.
>
> Hours earlier and apparently unrelated, eight gunmen kidnapped a senior Irish U.N. official as he was being driven to work in Beirut's Moslem sector.

Now, in that sense I think the American people need to stop and say to themselves we really live in a world in which two governments, Iran and Libya, are systematically killing Westerners and we are doing nothing about it because we have no sophisticated doctrine, no way of effectively dealing with state terrorism and in fact our allies do not even understand the problem.

France, for example, a country which is broadly allied with us, a country which is democratic, a country which is against terrorism, has rejected 120 extradition requests from Italy. And the Italians claim that France currently gives sanctuary to 117 Italian terrorists. In other words, the French Government is saying to Italian terrorists, "I don't object to you living in France as long as all your terrorism is in Italy."

Now what does that end up doing? It ends up with countries that are basically Western, that are basically democratic, because we have no official definition of terrorism as an act of war, randomly allowing people to cross the border as a tourist, set off a bomb, kill policemen, and then run back into this case France and have the French, who are our allies, say to the Italians, who are our allies, "No, we won't help you," even though they are both in the Common Market.

The problem of state terrorism leads directly into the problem of the Soviet Union and Cuba. Mr. Ikle is quoted as saying,

> The governments of the Soviet Union, Cuba, and Nicaragua have also supported terrorism, but have been conscious of the benefit of concealing their involvement so as to mislead Western opinion and to forestall a response by the democracies.

In other words, if you are dealing with ostriches, ostriches will cheerfully ignore the reality of what is happening, and the reality of what is at stake. And the ostriches will get involved in saying, "Gosh, that is not really, that is only a random terrorist," even when we can prove systematically that the terrorists are trained by Nicaraguans or Cubans or by the Soviets or when we can prove that there is a systematic process of providing arms and equipment.

We see this happening today in a success story. In El Salvador this radio report was picked up from the secret Communist radio station in Morazon Department and I want to read. This is a radio report which says as follows:

> After the elections, the San Jorge mayor, who is a Christian Democratic Party member, was captured by our forces. We wanted to inform him that we would not allow the installation of municipal authorities, and, therefore, he should abstain from taking office. After warning him, we released him. A few days later, this person took office. For this reason, our forces then captured him again. As he was being led off to zones under our control, this mayor attempted to flee; that prompted an incident in which the mayor was killed.

He goes on to say, and I quote:

> On May 11 our forces captured the (mayor of Checapan) in Usulutan Department, and we destroyed the municipal building of (San Jose La Fuente) in La Union Department, thus raising to over 35 the number of municipal buildings we have destroyed in the country's eastern sector.

In other words, what the radio report of the Communist guerrilla radio station in El Salvador said was that they have now adopted a policy of systematically destroying city halls and kidnaping and killing local mayors.

Why have they done that? They have done that because El Salvador is the one place in the modern world in the last 10 years where we can prove systematically that the American involvement in that country has worked by providing foreign aid directly to the Government of El Salvador, by providing military aid to the Government of El Salvador, by helping train the El Salvadoran police, and we are in fact beginning to improve El Salvador as a democratic country; we are providing it with both bread and guns so that the country is now able to move into a democratic system. And the result is that in El Salvador the Communist guerrillas who 8 months or a year ago were able to move as a military force are being reduced back to terrorism. They are now only able to kill local government officials. They are no longer able to seize a town and hold it.

El Salvador in fact is a great success story, such a great success story that the New York Times, not an institution which normally focuses on American successes, has today a page one story entitled "As Duarte Begins a Visit to the U.S., Optimism Returns to El Salvador."

The article goes on by James LeMoyne, and I quote:

> For the first time in five years of conflict, many Salvadorans and foreigners here are beginning to voice a cautious assessment that El Salvador may have halted its slide into a worsening civil war and that a degree of recovery is now possible. Whether the speaker is a Government official, a Western diplomat, a businessman, an academic or a refugee worker, the judgment that things may be getting better rather than worse is always framed with strong caveats and a recognition that recovery will be long and difficult. But given El Salvador's recent history, the appearance of even guarded optimism is a new development.

That is from the New York Times. What is it saying? It is saying that when the United States, and this happened to be a Reagan administration policy, bitterly opposed by leftwing ostriches, all of whom said it failed, we can find quote after quote after quote where leftwing ostriches in this body got up and said, "you can't save El Salvador, you can't establish democracy, you can't reform the army, you will never get the job done."

And the Reagan administration and the realists said, "If we are slow and steady and calm, if we provide military aid to defeat communist guerrillas, if we provide police training and aid to defeat the terrorists, if we provide economic aid to rebuild a war-torn country, we can save El Salvador for freedom, and, by the way, in addition, if we put pressure on Nicaragua, which is the source of the weapons, and the source of the command and the control for the guerrillas."

□ 1400

The thing is, the Reagan administration turned out to be right. The Reagan administration is winning a great victory for freedom in El Salvador.

It is in many ways like Truman's commitment to Greece and Turkey in 1947. We are saving a country from the Soviet empire. But let us carry it a stage further; let us look in more detail for a moment at El Salvador, because the motto relates directly to South Africa.

Georgie Anne Geyer, in today's Washington Times, in a column entitled "Duarte's Political Miracle." And I quote:

> El Salvador is working. Christian Democrat President Jose Napoleon Duarte has taken hold of the situation. The military is seriously reforming itself and the Marxist guerrilla left in desperation has returned to a prolonged war strategy. As impossible as that might have seemed even 6 months ago, that is the situation today. Everyone now, including the army, agrees that the key is the canny president who won a majority in the latest elections this March. Mr. Duarte's peculiar brand of gradual but persistent change has turned things around. He has effectively separated the military from the death squads of the right, regained a great deal of international respect for his Christian Democrat reformist government and replaced the Marxism of the guerrillas with his party's reformist Christian ideology. In short, he has effectively satisfied the political needs and yearnings for dignity of the long suffering Salvadoran people.

Now the next paragraph is really important. It relates directly to what we have to do in South Africa and relates to what I would say is the realistic approach to reforming the world as opposed to the ostrich approach and having temper tantrums which make America feel good but leaves the rest of the world worse off.

> Moving step by step but with the dogged determination that characterizes him, he at times has quietly pushed through what seemed to be but turned out not to be cautious reforms. For instance, Mr. Duarte changed the arrest procedures so that all armed men must be in uniform, must identify their arrest to the Red Cross and to the families involved. Amazingly, this has had rapid effect, particularly in cutting back the sadistic death squads of the wealthy old right. In 1980, for instance, political violence from all sources, right and left, amounted to 550 deaths a month. In the last 6 months of 1984 deaths averaged 44 a month, while in the first 2½ months of 1985 there were 85 deaths in all. Of those, 61 were attributable to the left, 16 were mysteries, and the rest of the right. These figures from the American Embassy were corroborated closely by the Catholic Church's figures.

Now, notice what we are suggesting here. According to Georgie Anne Geyer's figures, so far in 1985, 61 people were killed by the left in El Salvador, only 8 were killed by the right. So the left is now responsible for approximately 8 times as many deaths as the right. Where are the ostriches of the left in America who 2 years ago, 3 years ago were screaming loudly about right wing death squads? Where is the praise for President Reagan and President Duarte who have successfully begun to win the fight for democracy? Where is the anger directed at the left in El Salvador which is now killing people viciously because it can no longer stay in the field as a military movement?

The ostriches now turn away and say, let's not talk about El Salvador, let's talk about South Africa, because the left which can no longer explain El Salvador where after all democracy is working, the left in America which can no longer look at death by the left in El Salvador, now has found a new ground for its experiment, a new place for its temper tantrums, it now wants to focus on South Africa, and the very people who were wrong 3 years ago about their prescription for El Salvador and therefore do not want to come and talk about it, are wrong now about their prescription for South Africa. Not that apartheid is good, apartheid is horrible. Not that we should be passive, we should be active. We should look at the kinds of activities that are working in El Salvador. Georgie Anne Geyer goes on to focus on the left:

> These changes have led directly to the new tactics of the Marxist guerrilla left. The guerrillas of the Faribundo Marti liberation front now have turned from direct unit confrontations to sabotage, urban assassination and destructive of elected mayors and city halls. They have been responsible in the last month for burning 32 city halls and kidnaping 10 mayors, one of whom is known to have been killed. This is of course a way to try to sabotage the restructuring of the country by the Christian Democrats, but it appears to be a desperate move. The sabotage of the guerrillas are multiplying, Father Roberto Amilcar Torruella, Director of Communications for the Roman Catholic Archdiocese here told me "it would seem to be because they are losing power. Before, they were on the offensive with spectacular hits. Now, they are not doing that, and the army is on the offensive. The extreme right has also lost prestige."

Now what is happening here? Because the United States was willing to be involved, we did not withdraw from El Salvador, we did not embargo El Salvador, we did not try to punish El Salvador into reform, we systematically offered money and training and support and counsel and guidance, and we now have in El Salvador a country which is dramatically freer, dramatically safer, in which the Communist guerrillas of the left are reduced to vicious terrorist sabotage and killings because they can no longer stay in the field.

One example, which is peculiarly ironic, and I quote this because I think it is something that every American should focus on as an example of how leftwing ostriches cripple the United States, Geyer says, speaking of Duarte:

> The next dramatic thing that Mr. Duarte will do when he is in the United States this spring to give the commencement address at the University of Notre Dame, is to announce a highest level task force of investigators trained in the most sophisticated manner by the FBI in Puerto Rico. They are going to take the death squads head on.

Now, the reason that that is fascinating is that in the 1970's, in reaction to the leftwing interpretation of Vietnam, which was that it was all America's fault and that America was a vicious country, the left in this Congress made it illegal for the United States to train other police forces. The theory was that we would train them in the Gestapo tactics that would make them behave in fact the way the Soviets do behave.

Now, as all of you know, there is an enormous pressure in America to try to develop a positive approach to police work. We are adamant in trying to find ways to end police brutality, we try to have all sorts of legal protections for the person who is accused; we go to elaborate lengths to tell people of their rights, to make sure they have lawyers. What struck this gentleman, and I think it tells you a lot about the underlying pathology of ostrichism: If you seriously wanted to improve the quality of police work in the Third World you would want more people from the Third World trained by American policemen.

If you really wanted to have a fair and decent police force, an investigative force in Chile or South Africa or in El Salvador, you would want to have policemen who have ties with the United States, who have been to the FBI Academy, who have been trained and have friends among the FBI; you would want them to be more like us, to learn to be more like us, because if they do not learn to be more like us, how are they going to learn to be effective policemen? Are we going to learn from the Soviets? Are they going to invent it on their own? Now what is interesting, their fear in El Salvador, while we are beginning to get control of the death squads, we are beginning to establish justice, Georgie Anne Geyer specifically refers to the fact that the investigators were trained in the most sophisticated methods by the FBI in Puerto Rico; that, in fact, as I think Georgie Anne Geyer well understands, she has been one of the people who is helping us develop the concept of ostrichism because she reflects reality, she is trying to cope with the world as it really is. And she recognizes that having America involved intimately, having America actually try to move toward reform is the way in fact in which we can lead to a more democratic and a safer and a more prosperous world.

It is interesting in that sense, when you look at the closing paragraph here, and I quote: "Yet the long way that El Salvador has come in only the last year is truly extraordinary." Would it not be nice if we could look back at the ostrich left's efforts at reform in Iran and find an Iran there was more pro-American, more open, more modern, more democratic, more decent? But we cannot. Would it not be nice if we could look at the ostrich left attempt to change Nicaragua and to find a Nicaragua that was truly democratic, truly open, truly pro-American? But we cannot.

□ 1410

The reason is that the underlying model of how America behaves and how the world really is, is very differ-

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ent from the way ostriches think and how ostriches look at the world.

There are four places where I think ostriches have a problem. First of all, in dealing with the drug trade, the cocaine dealers, with the understanding that that is now such a big industry and such an elaborate and complicated industry that it is going to take a major American effort at every level to break its back and to end the cocaine trade that is threatening to undermine Colombia, Peru, Bolivia, and the United States.

Second, in recognizing that terrorism is a systematic effort to wage war on Western democracies. The terrorism is a subtle form of warfare. It is not something different; you do not have war over here and terrorism over there. It is part of the same continuum. We in the Western democracies are going to have to invent the new language, the new executive branch systems, the new news media understanding, and the new legislative approaches that will allow us to deal directly and effectively with terrorists.

Third, the ostriches must come to grips with the reality of Leninism, the reality of the Soviet Union, and in particular the reality of Cuba and Nicaragua as Leninist states allied to the Soviet Union.

It is fascinating, when you look at El Salvador, at the effort to improve El Salvador, to then go back and ask, "Now where do the Communists in El Salvador get their help?" What you find is, in effect, Nicaragua is waging war against El Salvador. In effect Nicaragua is engaged right now in an act of warfare against El Salvador.

Let me quote from an official document, written by the House of Representatives, May 13, 1983, a report by the Intelligence Committee of the House, a committee dominated by Democrats, a committee in which the Democratic leadership has absolute control of the report, and this is what the report itself says on page 2:

> The success of the insurgents in El Salvador has not been matched by political victories. It is not popular support that sustains the insurgents. As will be discussed later, this insurgency depends for its lifeblood; arms, ammunition, financing, logistics and command and control facilities, upon outside assistance from Nicaragua and Cuba.
>
> This Nicaraguan-Cuban contribution to the Salvadoran insurgency is longstanding. It began shortly after the overthrow of Somoza in July 1979. It has provided by land, sea and air the great bulk of the military equipment and support received by the insurgents.

In other words, according to the official House Intelligence Committee report of May 13, 1983, adopted by the Democrats on the committee as well as the Republicans, the reason there was a bloody civil war going on with Communist guerrillas in El Salvador was because immediately after the ostrich left had destabilized the dictatorship in Nicaragua, the new Nicaraguan Communist government had formed an alliance with the Cubans and the Soviets, so that they could then send equipment and aid and training to the guerrillas in El Salvador.

In effect, Nicaragua and Cuba were waging war on El Salvador. But by calling that war "guerrilla," we in the United States in our news media, in our Government, in the Congress, we do not think that is a war.

Let me ask you: If there was a group that came across from Canada or Mexico, and it came into let us say Texas from Mexico, and it kidnaped 10 mayors and it blew up 35 city halls, would we say "Gosh, let's take care of them only when they're in Texas," or would we say to the Mexican Government, "If you don't get rid of those guerrillas, we are going to send the Army in."

If you have any doubt what we would do, let me suggest you go back and look at 1915 and 1916 when in fact Pancho Villa invaded Texas and New Mexico and the U.S. Army under John J. Pershing went into Mexico.

Now, how far fetched is that? Well, when you realize that Nicaragua is closer to Miami than Miami is to Washington, DC. When you realize that Nicaragua says flatly and explicitly it is engaged in guerrillas war in Honduras, in Guatemala, in El Salvador; when you realize that those countries lead inevitably to Mexico, at what point do we start recognizing that warfare fought by guerrillas is still warfare?

Nicaragua is at war with all of Central America. If you doubt that, I will put more evidence in the RECORD in a moment, but the problem for the ostrich left is that they cannot confront it.

Notice again in this 1983 report adopted by the House, including the Democrats, "More ominous is that the Sandinistas have stepped up their support for insurgents in Honduras."

Again, notice the fancy language we have adopted in the West. "Sandinistas have stepped up their support for insurgents in Honduras." What does that mean in plain English? It means Communists in Nicaragua are waging war in alliance with people in Honduras against the country of Honduras. That is all it means.

If this report were to say that the Communists in Nicaragua sent 20 tanks into Honduras, we would say, "Oh, that's a war." But as long as they send 20 foot soldiers, carrying satchel charges to blow up city hall, that does not count as a war. Who is kidding who?

The Communists have invented a form of warfare we are losing, and we cannot even describe it.

Now, in that setting then, let me come to South Africa. We are in the same problem in South Africa we are in in El Salvador; the same problem we were in in Nicaragua originally, the same problem we are in in Iran.

The Shah of Iran was a dictator, and he had secret police, and we should have tried to reform Iran, but as we tried to reform Iran we failed. We failed in a way which helped the Soviet Union, we failed in a way which led to thousands of people being killed, we failed in a way which led to Iran becoming a bitterly anti-American government which today sponsors terrorists who right this minute have four Americans held captive and who are threatening to kill them.

We failed. What lesson can we learn from that failure and apply to South Africa? We can learn first the lesson that if we are going to try to reform a country, we had better be slow and we had better be positive.

My goal is not simply to eliminate apartheid. I do not want to replace a white dictatorship with a black dictatorship, for example. I do not want to replace a pro-Western dictatorship with a pro-Communist dictatorship. I am not willing to accept the idea that any change in South Africa is automatically good.

Remember, if you will, back on page 68, what Abba Eban said. He said:

> The speed and vigor with which Carter supported the tide of change obscured an essential question: Was any regime in the world so oppressive that it was incapable of becoming more so?

Now let us apply—and I think that the Carter administration was the only administration we have had in modern times which was committed, as a matter of policy, to a leftwing ostrich foreign policy, a foreign policy which failed so totally that there are no serious Democrats who would defend it today.

Let us look at that policy and apply it to our friends on the left and their version of how to deal with South Africa. What do they want to do to South Africa? They want to first of all, on the extreme form, cut off all American involvement in South Africa. The extreme leftwing ostrich position on South Africa is: Let's sell everything.

What would the result be? The result would be we would liquidate our holdings; companies, ownership in land. Who would get those holdings? Would people get those holdings who are prointegration? No. Not necessarily. Many of those holdings would be bought by white South Africans who are perfectly happy to buy up at 10 or 15 percent of value American holdings. Would they be more likely to free up their country? No.

So what else would happen? With America gone, with the daily process of talking to Americans gone, with the manager for Ford Motor Co. gone; with the manager for Mobil Oil Co. gone, what everyday person is going to interact with South African businessmen and tell them the virtues of democracy and the virtues of immigration and the virtues of freedom? What businessmen are there going to be there who have systematically worked with black Americans and had the experience of an integrated workplace? None.

The Germans do not have that background; the British do not have that background. The Australians do not have that background; the Japanese do not have that background. So where are they going to get this experience? Where is the white South African going to be reassured that it is possible to live in an integrated society and really have things work?

Those who are for absolute extreme disinvestment are in effect for cutting off South Africa from exactly the lessons of integration which we have learned at such great cost and which we could teach.

Let us go to a second level. There are people, sincere people, who I voted for several years ago before I really got involved in studying this problem who say, "Well, let's show that we are morally superior. Let's just punish the South African Government with a variety of specific sanctions."

☐ 1420

Well, let us look at it for a second. How seriously would the South African Government take sanctions? And I really want to draw the case clearly here. If the South African Government is determined to resist Western pressure, then we have a real problem, and our problem is going to be deciding whether or not we are willing to take on the moral burden of deliberately and systematically breaking the back of the South African Government. That is not going to be easy, it is not going to be cheap, and that is a pretty heavy moral responsibility for us to take on. But if we decide to do it, we ought to do it for real. We ought to insist, we ought to say to the South African Government, "You are not going to survive as a segregationist, antiblack, white supremacist government," and we will take the steps that are necessary. And we should coordinate those steps with Japan and Australia and Europe, and we should apply those steps ruthlessly and systematically and remorselessly and should have real change. Is that what the left is proposing? Not on your life, because they know, first of all, they could never get a majority in this country for that kind of change, not at the present time. And, second, that would involve real pressure, that might well involve military action. Oh, they do not want to get involved in that, so what are they suggesting? They are suggesting that we irritate the South African Government just enough that it does what? Moves faster than it is moving because of American pressure? In fact, it is likely to move slower because of American pressure. So what are the positive things we could be doing? And this will sound, I think, shocking to some of my friends, and it is really where I have come to in thinking about South Africa for the last 3 years and in looking at the lessons of Iran and the lessons of El Salvador.

What we should be doing is a much more active engagement than the Reagan administration. What we should be doing is saying that we are going to have a lot more scholarships so people can go to college and learn how to be leaders, we are gong to have a lot more encouragement of American investment so we get more American companies in South Africa, to have more local black labor unions, to have more people working in an integrated workplace, to have more Americans sitting down there, going to the chamber of commerce meetings, going to breakfast, saying to the South Africans, "You really can integrate and be free. It is possible to have a multiracial society that is democratic." We should be increasing our engagement in our involvement with the South Africans, not decreasing it. And we should also be saying to them, "You have to understand that apartheid is going to end, that the civilized world will not tolerate it and that you are simply establishing a laboratory for Communist terrorism and for the rise of extremist black movements inside South Africa who will end up imposing a black dictatorship along the lines of Ethiopia, a Marxist-Leninist pro-Soviet dictatorship."

Now, the problem is that means we are saying as Americans that we are going to be involved in somebody else's country. But the fact is, we now live in a world where we are all involved in each other's countries, we now live in a world where it is routine for American Congressmen to show up everywhere and it is routine for other countries' leaders to show up here. We live in a world in which those people who have walked into this building today have walked past concrete blocks put up in the middle of the road because we fear terrorists in our own country. Now, if that is reality, then we need to start to come to grips with it.

What is the American position going to be over the next 10 years if we see a steady increase in left wing black activist movements in South Africa that are clearly Leninist, that are tied to the Soviet Union, that use violence and that want to impose a pro-Soviet dictatorship on South Africa? I think our position should be that we are opposed, that we will actively help the forces that want democracy.

What then should our position be across the planet? What should it be in a complicated situation like South Korea, which is a dictatorship but pro-American? I think our position should be that we systematically and methodically encourage the development of a democracy, that we systematically encourage freedom of the press, freedom of travel, that we encourage Americans to go to pro-American dictatorships and to visit them, that we encourage church groups, that we encourage others to go, but not to go just to break the back of the dictatorship.

To replace South Korea, which is a pro-American dictatorship, with the North Korean Communist dictatorship would be a setback for human freedom in Korea, would be a threat to Japan and would be a major defeat for the survival of America in a world in which the Soviets are a real threat. To replace the current South African Government, which is a bad government, with a pro-Soviet, Leninist dictatorship would be worse, it would be worse for the people of South Africa, it would be worse for the West, it would be worse for the survival of the United States.

So the real challenge to the ostrich left of America is not how to prove you are morally courageous. Fine, do you want to pass a resolution that condemns South Africa for being a racist society? We can condemn them. But then what? Do you want to get arrested in front of their Embassy, under a procedure, by the way, in which you never really go to jail, so it is, in effect, a moving press conference? Fine. But then what? How do we then move to the next stage? And I think that is where El Salvador is so encouraging. In El Salvador we had a vicious rightwing death squad problem, and we had Communist guerrillas. And the United States went in systematically and methodically and slowly and we helped create a profreedom, pro-American, proeconomic growth, prodemocracy centrist government, which is today establishing conditions that will have a pro-American El Salvador in which human beings can live in decency and in dignity and have a better future.

The challenge to all of us is how to do two things simultaneously, how to defeat the problems of cocaine trade and terrorism and Leninist intervention, including the liberal efforts to fight the liberal wars in your neighbors, and, second, how to get governments to change when they are determined not to. And let us look at the other case, which our friends on the left will come back and say, "Well, if GINGRICH is opposed to trade sanctions in South Africa, why would he favor trade sanctions for Cuba or for Nicaragua?" And let me explain that for just a moment.

The current Communist dictatorship of Nicaragua is an unacceptable government to the United States. We should make that clear and we should outline why in our national interest we will not accept that government, why in the interest of our survival we will not tolerate it. And we should inform that government, first, that we will not tolerate a government which is currently waging war on three countries, second, that we will not tolerate a government that is systematically allied with the Soviet Union, and, third, ,and in our hemisphere, in the Western Hemisphere, in a position to endanger the Panama Canal and in a position to endanger some 70 percent of our key shipping to NATO and to the Middle East coming out of Texas through the Caribbean, and, fourth, that we will not tolerate a government which only achieved power by going to the Organization of American States and promising it would hold free elections and has then established a dictatorship.

Now, people will say: Are you saying the United States has the right to interfere in other countries?

Well, in the absolute sense, yes, under international law, if we think a country is threatening our survival we do have that right. Under international law, if we think a country is waging war on one of our allies, we have the right to help our allies.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. Certainly.

Mr. CONYERS. To what provision of international law is the gentleman referring?

Mr. GINGRICH. The U.N. charter, the right of self-defense.

Mr. CONYERS. You say that Nicaragua so now threatens our defense that we now have the right to intervene in their government?

Mr. GINGRICH. I state to the gentleman unequivocably that the president of El Salvador has said flatly Nicaragua is a threat to the survival of his government, El Salvador is an ally of the United States and, therefore, in the interest of our national security, under the U.N. Charter provision for mutual response to aggression, unless you are willing to say——

Mr. CONYERS. Does the gentleman have some other citations other than the President's allegations which are in wide dispute, not only in the Congress but in America and in the world and in the United Nations?

Mr. GINGRICH. Yes; let me cite to the very distinguished gentleman the May 13, 1983, report of the House Intelligence Committee, authored by Mr. BOLAND, who is a distinguished Member of your party, who says——

Mr. CONYERS. Is the gentleman telling me that he said that we have the right to intervene internationally and militarily into Nicaragua? I am sure he did not say that.

Mr. GINGRICH. This report said unequivocably that the Nicaraguan-Cuban contribution to the guerrilla war in El Salvador is clear, it is real, and it is a deliberate systematic effort to destroy the Government of El Salvador. This report is very clear on that.

Mr. CONYERS. In other words, the gentleman is extrapolating now that we have a right under international——

Mr. GINGRICH. No.

Mr. CONYERS. I wish the gentleman would be just a little more careful in his grandiose statements.

Mr. GINGRICH. Let me be very precise.

Mr. CONYERS. I am willing to concede that there is a problem, but to stand in the well of the House, in a sober fashion, on an afternoon, and tell us that we now have the right to invade Nicaragua under international law is a little bit strong for this Member at this time of day. Now, about 8 o'clock tonight, I will buy it. But at 2:30 in the afternoon I ask my colleague from Georgia to just please be a little tempered in his statements.

Mr. GINGRICH. If I may say to my good friend—I do not want to cite authority, but as a professor of European history who has studied this stuff for a long time, let me assure the gentleman that if you are willing to define—and this may be a point which we want to discuss for a second—if you are willing to define the active training, supplying, coordination and support of guerrilla warfare as an attack on a neighbor, that is, if Nicaragua's support, active support for guerrilla warfare in El Salvador is the legal equivalent of an act of war, then there is absolutely no question that both under the Organization of American States treaty and under the U.N. Charter, there is no question, I say to the gentleman—and I will be glad to get the citations for him from people who are not in the Reagan administration—that, once you make that determination——

Mr. CONYERS. Will it be the Heritage Foundation?

Mr. GINGRICH. No; I would be glad to say to the gentleman that, as defined—I will bring people who are at Harvard and Yale, if you like—any international law scholar will tell you that legally, under those two charters, the Organization of American States charter for the Western Hemisphere and the United Nations Charter—frankly, I share the gentleman's frustration.

☐ 1430

I think this administration would have been far better off to have come to this country and said flatly: "We are defining guerrilla warfare as war; we are serving notice to Nicaragua that if you destroy your neighbors' economies; if you support forces that are kidnaping mayors; if you support forces that are destroying local city halls, that we are going to consider that an act of war, and that we are going to, under our own treaty obligations, intervene against you decisively, and we will not tolerate your destroying our allies while we do nothing.

Mr. CONYERS. May I suggest one reason why the President did not do that?

Mr. GINGRICH. Sure.

Mr. CONYERS. It will not wash.

Mr. GINGRICH. Why not?

Mr. CONYERS. It is not legal.

Mr. GINGRICH. Of course it is legal.

Mr. CONYERS. I know you have got credentials now, and they are not involved. As a professor of history, as a writer, and a theoretical analyzer of foreign policy, and you have been excellent on this subject, in terms of your energy from the day you hit the Congress, I am not in a position; I have only been a Member here for a couple of decades and gone through several wars, some of them illegal; some of them covert.

The whole point is that there are very few people who do not qualify on some point of expertise. So our credentials will have to be set aside, more or less.

Mr. GINGRICH. I am perfectly happy to do that.

Mr. CONYERS. I will set my meager ones aside if you will set your very larger ones aside.

Mr. GINGRICH. You clearly have been a participant in this Congress through a great deal of the history that I studied, so it is a great pleasure to have you bring personal witness.

Would you explain to me under what provision is it illegal, once you have, notice the way I have set this up now, once you agree that Nicaragua is actively supporting guerrilla warfare in El Salvador. I mean, if the case is a question of fact, I would agree with you; if Nicaragua just wants to be a Communist dictatorship, we have no legal grounds to intervene. That would be an act of aggression.

But once Nicaragua starts to mug its neighbor, I would say to my friend, then tell me under what rule of law we do not have the right to intervene decisively to stop that?

Mr. CONYERS. I would be glad to make that announcement. I thought no one would ever ask me today.

There is no such law. That is why nobody cites one, not even yourself. There is no law that exists. We cannot intervene under those circumstances. But the fact circumstances are not accurate to begin with.

Mr. GINGRICH. Why not? Do you not agree that Nicaragua is systematically——

Mr. CONYERS. Mugging its neighbor? No; I have not. If I did, I would come here with even greater sympathy

in my heart for the gentleman's position on this matter.

Mr. GINGRICH. So you disagree with the Intelligence Committee's report?

Mr. CONYERS. You have already distorted Mr. BOLAND's comments in one respect; I certainly do not want to assume that you and I agree on what the Intelligence Committee said. I have a lot of good friends on that committee, as does my colleague.

Mr. GINGRICH. Let me read to you then, because I do not want to distort anything. Let me read you just a couple of sentences and I want you to respond.

Mr. CONYERS. Let me read it and then at our earliest convenience we will continue the discussion.

Mr. GINGRICH. That is very fair and I thank the gentleman.

Mr. CONYERS. I thank the gentleman for allowing me to interject.

Mr. GINGRICH. I wish you would, if you get a chance, look at the Organization of American States, I am not sure which article, and then look at the U.S. Charter, both of which contain specific provisions for nations and their allies to respond to aggression. The case I am making here this afternoon that makes, I think, Nicaragua and Cuba different, is I am making the specific assertion which I think is long overdue in this country, that they are systematically engaged in aggression and the correct term for that is an act of war. That they are waging war on El Salvador, Guatemala, and Honduras, and that American policy should occur in the context of a deliberate Communist war in Central America, and as long as we muck it up and have it confusing and murky, I agree with the gentleman. I think you have helped clarify today, and I would like to arrange, at your convenience, maybe next week, for a special order that we might share to continue this dialog.

Mr. CONYERS. I appreciate this immensely. Does the gentleman recommend that ultimately that we declare war on Nicaragua?

Mr. GINGRICH. I would say to my distinguished friend that if, if at the end of helping the freedom fighters; if at the end of doing everything we can to weaken the Government of Nicaragua; if that Government is sitting there, and it is determined to wage war on its neighbors, and we have absolute proof of that point, that it has troops fighting in Guatemala, Honduras, and El Salvador, I would then say to the gentleman: What would you suggest?

Mr. CONYERS. Well, if the matter is as urgent as you suggest, I must say that you are far more restrained than I originally thought as I rushed to this microphone.

Mr. GINGRICH. I think we are a great Nation.

Mr. CONYERS. I see that you are holding yourself back from the ultimate natural, logical consequence of your argument.

Mr. GINGRICH. If the gentleman had heard the earlier part of my talk, as I was quoting from Abba Eban, the former Israeli Foreign Minister, he would know that one of my points is that a great power, if we are going to move toward an integrated, free South Africa, which I share the gentleman's passion for; if we are going to move toward a free Nicaragua; if we are going to move over time on the Philippines and South Vietnam, my central point was, we have to learn to be patient and methodical and to use our force in a systematic manner that people across the planet come to respect.

So I would say to the gentleman, yes, I think this Government should say to the Nicaraguan Communists, you have a problem. You are not going to make it, given your current behavior, and we are going to continue to raise the ante fairly rapidly over the next 2 or 3 years until you are gone, unless you change your behavior.

Mr. CONYERS. Would the gentleman reserve any recommendation of a declaration of war until we have had our discussion?

Mr. GINGRICH. Oh, I do not think we need to declare war for a long time.

Mr. CONYERS. On that note, I very happily and optimistically withdraw from the discussion.

Mr. GINGRICH. Let me ask you a question for a second because I have forgotten and I should know this: What year did you come here?

Mr. CONYERS. The age of man, I think the records may have become lost and destroyed; there is some question about it.

Mr. GINGRICH. The gentleman has so much less gray hair than I do that it is very discouraging for him to point out to this audience whatever length he has been here and to make comments like that.

Mr. CONYERS. The gentleman is very kind. I thank the gentleman.

Mr. GINGRICH. I am a mere junior. But my impression was that, were you here during the last phase of the Vietnam war?

Mr. CONYERS. I believe that I was.

Mr. GINGRICH. The reason I am asking, seriously, is because there is an argument which Harry Summers makes in his book on Vietnam. That if we were going to have done that, we would have been far wiser to have done what the gentleman says. That had we declared war in Vietnam; had we been explicit about it.

Mr. CONYERS. To have done what you would have recommended under those circumstances.

Mr. GINGRICH. Well, if you are going to be involved. I mean, the other option which I think is equally discussable would have been to have pulled out totally. To just say that we are not going to be there.

But to have been halfway there, that is, to have been there and not to lose 58,000 Americans and to devastate the countryside, and then not have won was the worst of all worlds. I guess I am saying to my distinguished colleague, and I would say also to the administration is: There is no future in this county in developing in Central America a slow-motion Bay of Pigs. We should either say we are going to accommodate the Nicaraguans no matter what they do, and allow them to get away with everything they are doing, or we should act much more decisively and much more explicitly.

I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. I thank the gentleman for yielding.

I was listening with interest to your description of the Nicaraguan behavior in the region, and I was interested specifically in the question Mr. CONYERS asked about the authority that you cite that would describe the current conditions under which we, as a country, would have the right to invade the country of Nicaragua for the purpose of replacing their government.

The facts, of course, are in dispute about what is happening in the region; you believe perhaps one set of facts and others see a different set of facts. But what is the authority that would suggest to us that we now, given a relatively common set of facts, have the right to invade the country of Nicaragua?

Mr. GINGRICH. Now, I did not say anything, the gentleman from Michigan, I think, was talking about invasion; I have not at any point today, talked about using American troops and frankly do not think they are necessary.

☐ 1440

What I have said is that if Nicaragua wages war on its neighbors, and we could discuss some day what is the evidence and whether or not that is true, but if they are waging war on Honduras, in Guatemala, in El Salvador, which I believe they are, that we in the West have to define an effective response which prevents them from successfully doing that, and that we currently have no successful system for doing that.

My whole point earlier in my speech was to say that we need a whole new set of ideas and language and approach, but we first have to decide, and this is why I would like to get the gentleman's reaction, frankly, if I could convince you that Nicaragua was systematically waging war using guerrillas, would you then agree that the United States clearly, under the U.N

Charter, and the charter of the Organization of American States, has the right to work with its allies so that they can actively protect themselves against aggression, including going to the source of the aggression?

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, did the distinguished gentleman from North Dakota wish me to yield to him for some further comments?

Mr. DORGAN of North Dakota. Yes; I would appreciate the gentleman yielding.

The discussion that was just going on in the well that the gentleman from Texas was listening to and that I was listening to was interesting. It was discussing our role in Central America and the conditions under which we might or might not get involved. I say that in some respect there is a distinction without great difference in deciding to commit American troops to go fight in Nicaragua or deciding to hire some other troops with American money to overthrow the Government of Nicaragua.

But let me say this: I have been to that region, as have many other Members of the House, and there is a claim that Nicaragua exports revolution. There is some small evidence of that.

There are other claims that the United States imports revolution into Nicaragua, and there is some evidence of that.

There are claims and counterclaims going on. I do not know to what extent there is gun running between Nicaragua and El Salvador. I have tried to find that out. There are a lot of allegations about it but not a lot of hard evidence. If I believe there is some gunrunning going back and forth, obviously I want to do what I can to stop it. But I was down in the Gulf of Fonseca in the little horseshoe between Honduras and El Salvador and Nicaragua and a navy colonel from the Honduran Navy was describing the fast boats that they have to patrol the Gulf of Fonseca because the allegation is that there are these tons of weapons moving through the Gulf of Fonseca from Nicaragua to El Salvador.

So we took a look at these boats. We saw the machineguns. We saw how fast they were and how impressive it all was, and I asked the colonel, "How long have you been patrolling these waters in the Gulf of Fonseca in order to interdict?" It is an interdiction program for arms.

He said, "Oh, about 18 months."

I said, "What kind of arms have you interdicted so far? Could you give me a description of the cache of arms in this pipeline of arms transaction between Nicaragua and El Salvador that you have interdicted?"

He said, "Well, we have not really interdicted any arms at this point."

I said, "Now, wait a second. You tell me that the Gulf of Fonseca is a major artery by which arms are transported from Nicaragua to El Salvador. You have the fast boats in here, and you are telling me you have the best program available, but you have not found any arms yet? Does that say something to you?"

"Well," he said, "it says to me maybe we have cut off the arms shipments."

Well, maybe so; I would give them that. Maybe there were substantial arms moving and maybe the presence of these boats, and so on, have cut off the arms shipments. But I find it a little bit unusual for us to go to the region, you, myself, to go to the region and hear, for example, an Ambassador talk about what is going on, and you ask the Ambassador a question, and you say, "Well, now, we have groups that are headquartered in Honduras or Costa Rica and moving up into Nicaragua to destabilize that Government. That is moving terror in one direction. We scream when it moves in other directions, but we wink when it moves in our direction."

All I am saying that I think all of us probably start from the same premise: We do not want communism to get a foothold in Central America. We move from that premise and that goal toward a series of actions that we think would best serve our interests, the interests of the United States, and best serve the interests of the people in that region in our foreign policy.

The reason that I have been interested in this is that I fervently believe that the action by the Reagan administration in Central America is action that is completely and totally counterproductive to our interests in the region and will, in fact, move the Nicaraguans ever closer to the Soviets. I do believe that we need to be involved in Central America in a constructive role, but I have been there, and people are hungry, they need something to eat, they are sick, they need medicine, they are illiterate, they need education.

The last thing we need to do is send more guns and more bullets to 13- and 15-year-olds up on a mountain someplace so they can shoot somebody. I just believe there are better approaches to the Central American problem than this administration is pursuing, which will result in our best interest, result in oppressing the Communist movement in that region, and result in serving the best interests of the people of Central America as well.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield for just a moment?

Mr. GONZALEZ. I would be glad to yield to the gentleman from Georgia.

Mr. GINGRICH. I appreciate very much the gentleman yielding.

Mr. Speaker, let me just add that the problem we have is that communism already has a foothold in Central America. The Nicaraguan Government is clearly a Leninist government. It could hardly get much closer to the Soviets, for all practical purposes. They are building a Soviet airfield. They have Soviet advisers. They are using Soviet equipment. I am not sure they could do much more than they are already doing.

Second, interdiction is working. Earlier in my special order I cited today's New York Times, page 1. I cited a column in the Washington Times by an eminent national columnist which talked about the fact that there is less there.

But notice the problem here for a second. On the floor of this House, right there, 2 weeks ago I showed two American rifles from Vietnam that had been shipped from North Vietnam to Cuba to Nicaragua and El Salvador. They were captured in El Salvador. I showed a Bulgarian rifle round manufactured at factory No. 10. I showed a Soviet hand grenade which was part of a box of hand grenades, half of which went to Grenada from Cuba, half of which went from Cuba to Nicaragua to El Salvador and were picked up in El Salvador. I showed a North Vietnamese mortar sight, my point being this to the gentleman, and I will be glad to take the gentleman not very far from here and show him a cache of weapons which the Salvadoran army has captured. Nobody disputes them.

They got there somehow, and they did not get there by Pan American taking them as CARE packages. They came through Nicaragua. The El Salvadorans affirm it. Our own intelligence affirms it, and the only question, I would say to the gentleman, is this: We are dealing with a Nicaraguan Communist dictatorship which has said unequivocally it is allied with the Soviet Union, which has said unequivocally that it is committed to a regional war, and which is currently, at this very minute while you and I talk, waging war in Guatemala, in Honduras, and in El Salvador.

I think I can provide overwhelming proof for that. If that is true, what then are we going to do about it? My point, and I will concede it is a very tough point, my point is that as the greatest power in the Western Hemisphere, we have an obligation to our allies to protect them not just by trying to stop the Nicaraguans from destroying their country, which by the way in El Salvador so far this year has led to 10 mayors being kidnaped and 35 city halls being burned, but also to say to the Nicaraguans, "If you are going to beat up on our friends, then we are going to come after you. You are not going to be safe in Nicaragua and have the right to go ahead and kill allies of America in three countries while we are passive."

Mr. DORGAN OF North Dakota. Mr. Speaker, if the gentleman from Texas would yield for 1 more minute, the gentleman from Texas has been someone who has spoken on this issue many times, and speaks on the floor of the House a great deal, and I appreciate his yielding to me to respond one more time and say that if the gentleman from Georgia believes that the Nicaraguan Government poses such a threat to this country and to this hemisphere, the kind of threat that has been described by, I think, some Members on his side of the aisle particularly, and some in the administration, then you ought to gas up the tanks and gas up the trucks and get moving and get down there and clear things out, if it is that kind of a threat.

☐ 1450

The fact is that it is not that kind of a threat. Communism is a problem in Central America. When you say it has a foothold in Nicaragua, well, we could quibble about what the word "foothold" means. Cuba has 900 physicians in Nicaragua, and they have a couple of thousand teachers, and so on, there.

But let me say this: When we as Americans decide we have a problem in Central America and decide we need to take some action to try to respond to that problem, what we desperately need to do is move bilaterally, move in concert with other countries in that region, with the consent and acceptance of other leaders in this world. What we too often do is develop unilateral behavior.

The trade embargo is an interesting example. Just recently we decided what we are going to do. We have been hiring these armies up in the mountains. And I have seen 11-year-old kids with new American rifles up there that our CIA has paid for, wearing nice new, clean, pressed uniforms. That was, incidentally, just an American CIA initiative to fund an army. Now we are saying that what we are going to do is have a trade embargo. We did not consult anybody; we do not have other countries in the region supporting it.

In fact, about 17 of the last world leaders that our President has met with in recent months, about 17 out of 17, have not supported this country's initiatives in Central America. Why? Because I think those initiatives are initiatives that those world leaders—not Communist leaders, just other government world leaders—see as initiatives that will not really work.

What we need to do when we get involved is to do something that will work. Why a trade embargo that will not work? Why a trade embargo that is unilateral? Why one that is not supported by our allies?

Why? Because somebody downtown said: "Let's do this for a while." That is not a coordinated, thoughtful response to our responsibilities in the hemisphere and to the problems that exist in the region.

Let me say, finally, that I do not like the Sandinistas very much. I have talked to them. I find their censorship of the press to be something that is detestable to me. I am not crazy about the Sandinistas at all, but neither am I crazy about this Government's policies, as articulated by this administration, in which they believe that by following these courses of using hired armies and trade embargoes, and so on, we will eventually straighten out that problem. In my opinion, there are better ways.

I do not think that we ought to have no policy. We need a policy, but I think the current policy is wrong. We need to carve out a better policy because there is a better way.

Mr. GONZALEZ. Mr. Speaker, I thank the gentleman, and I mean that sincerely. I thank both gentlemen, because this is an issue that, as I have been trying to say for some time now—to be precise, April 1, 1980, at which time President Carter was the President—should be on the priority list for consideration. I am delighted at the participation of Members who showed up at this late hour, despite the fact that the overwhelming majority of the Members have gone out of the city on various missions, and for that reason we had no legislative business today.

Yet I feel that I have been impelled to speak loud and long, perhaps to the dislike of some, on this matter because of its prime urgency and also because of the fact that I have been addressing the House here for some time under the general title of "My advice to the Privileged Orders" of our country, in a rather weak imitation of a great and noble American, Joel Barlow, a great revolutionary figure, and a great thinker of the day, and a writer, and poet who lived under somewhat similar conditions at the time, if we can make comparisons, and spoke out with his advice to the privileged orders and of the need for change, revolutionary change.

As I see it, these issues that are here today discussed very emphatically reflect the line of thought that has been agitating the minds of our national leaders in and out of the Congress and in and out of the Presidency and evince to me a rather serious misconception, and perception, or misperception of the reality of the world, particularly that world that we share with these countries to the south of us. In light of the discussion and in pursuance of my advice to the privileged orders, I would like to point out some facts.

I have been attempting, on a 1-minute basis, to pursue in a sustained way what I call a dose of reality with respect to the situation in Nicaragua. I have pointed out where tragically we have been in gross violation of solemn treaties that we are party signatory to, and that has brought down world opinion against us. And I think the RECORD ought to show, in light of this discussion today, that the 25 nations that share the New World with us today, as reported in our newspapers today, though buried on page 23, announced a solidly passed and signed resolution of protest to the United States with reference to the recently proposed embargo by President Ronald Reagan.

The President announced that embargo on the eve of his departure to the Bonn economic summit meeting in Germany recently, and some critics interpreted that as a means of defusing the loud clamor and dissension which his trip and his announced visit to the cemetery in Germany had aroused.

But I do not like to question motives. I have always assumed that every colleague and every President that I have had the honor and privilege to work with—and that is a total of six—had honorable motives. And I want to say also by way of explanation that when the two gentleman, the gentleman from Michigan and the gentleman from Georgia, were involved in the dialog preceding my special order, they were referring to membership in this body and the length of it, and let me say that mine has now reached the point of the 24th year. I have been very privileged to serve in this very, very honorable body, the most important body of its kind in the world, one in which we cannot find any comparison. Cognizant of that high honor and privilege and grateful as I am for these processes, I am very sensitive about the things that have happened over the course of the years that have represented intrusions into this great participatory democracy in a way that I believe is contrary to all of the thinking and the basis of our Government, as reflected in the deliberations of the constitutional conventions in the late 1780's, in which by these great processes we had this magnificent result known as the U.S. Constitution.

So I have watched six Presidents. I have not hesitated to speak out when I feared that some recommendation of a President—and I am speaking now of every one of the six, from John Kennedy to Ronald Reagan—has caused me to think that it is wrong, that it is contrary to the best interests of or the greatest interests of the greatest number in America. As close, and personal, and intimate friendship as I did have the honor of developing with John Kennedy, I did not hesitate for 1 minute to record my vote and speak in explanation of that vote in a manner that was inconsistent with his recommendations or those of his then administration, what his administration called his congressional-White House liaison assistants. It was the same with an equally dear friend and neighbor of mine, President Lyndon Johnson.

What I heard today is reminiscent of that period. And I have not hesitated, beginning with April 1, 1980, at which time certainly Ronald Reagan was not the President, to speak out because of my forebodings. And it has given me no satisfaction whatsoever to say, "Well, I told you so," because if anybody is interested in examining what I said on April 1—and I said it right here on this floor for the RECORD—they will see that I was predicting to the President that if he persisted in a unilateral course, without first seeking the recourse of our treaty obligations under the Rio Pact, as well as the Montevideo agreement, as well as the Punta del Este understanding, and as well as, more importantly, the OAS Treaty, we would soon squander the last little vestige of leverage we had for collective leadership, moral as well as real leadership in this New World.

☐ 1500

Regretfully, I also said that I would give that time no more than 90 days because of the development then in El Salvador following the revolution in 1979 in Nicaragua.

Now, it pains me very much to see that the same essential parameters of judgment-making evaluations are still ruling supreme in our country; though let me say that I am afraid that the real power of decision is no longer being reached within the Halls of the Congress, and much to my regret, even outside of the Oval Office of the Presidency, we now have in place a tremendous oligarchical power that is in reality exercising the power of decision in the all-important matters of fiscal monetary policies, which incidentally are the basis for the developments about which this great conflict and dissension and discussion concerning Central America and other points in the world is really about.

We can really say that these are the basic things that have given rise to these concerns about what truly is the national interest and to what extent it is involved and to what extent it is in jeopardy.

Some of us have been pointing out in both respects for some time that the question of jeopardy and danger had long ago reared its urgly head, but it has been to no avail to speak out and bring some consequent reaction reflected either in the deliberations here or the considerations in the White House.

As I have said, I have had the privilege of working with six different Presidents. I do not use the word or the preposition "and" or "under" six Presidents, because this is a word that is being used more and more by Members of the Congress and by the general American public, giving rise to a very, very noxious concept that the Presidency for some reason or other is supreme, forgetting that the true nature of our government under the Constitution is based on a tri-partite division of powers of government, that ours, the Representative, the Congress, is article I of the Constitution. Obviously that was placed as article I for a good purpose, that the Office of the Presidency, for example, was not even contemplated during the first actual 10 years of actual existence. Nobody even wanted to conceive of that Office until the deliberations in the Constitutional Convention in Philadelphia and then when it was finally debated and the term first used was not "President" or "Presidency." It was "Chief Magistrate."

Finally the decision was made that it was necessary after the experience with the First and Second Continental Congresses and the Articles of Confederation that such an Office obviously would be necessary; but for good reason very definite powers were placed exclusively in that first branch in the Congress.

The basic premise is that each branch is coequal, independent, and separate; so this notion when we say that we worked under President so and so is noxious to our basic conscience. We work with and I think it is indispensable that insofar as possible that these branches work in conformity, that neither one nor the other arrogate to itself supra or ultra vires or transconstitutional powers.

This is what the issue is today and has been very much definitely since the so-called World War II, which incidentally we forget has not really ended. We tend to forget that there is no formal treaty of peace or agreement that would resolve definitely World War II.

What did happen was that the active shooting phase did stop with the overwhelming and total victory of the Allies and the conquest of Germany, and Italy, and its allies, but the war has not ended. We have 300,000 troops in Germany alone. We have not even begun to have a glimmer of a policy as to what we would do in negotiations with the Allies with whom we were able to defeat the totalitarian forces; so that given that, we should be very mindful that we are living in a totally different world from what our basic defense policies—and I do not call them policies because they really are not—diplomatic approaches which have failed.

We never, no nation does, resort to the military or to force, if you please, unless and until the failure of diplomacy.

I think it is tragic that two Presidents, although I cannot say that President Carter did so totally, as totally as President Reagan, who in effect has been conducting war in Central America, beginning with the massive military buildup, the greatest in the history of this region of the world, with 30,000 of our military in land, and the sea, and the air surrounding the Central American area, particularly Nicaragua.

Certainly we ought to realize that since the era of Vietnam we have had certain laws approved by the Congress that would try to define, and defuse, and prevent what has been called Presidential wars.

Obviously, I would not be motivated to the introduction of a resolution alleging that the President is in violation of the War Powers Limitation Act as I have in the case of Central America and as I did in the case of Lebanon and Beirut for 1 year and almost 14 months before the murder of the marines.

How did that come about? It was simply incredible to think that under the prior system to the 1947 Reorganization Act in defense and under the old system of the old Department of War, the Secretary of War, that such things as that would have happened; but under this system, which I believe has been a mistake and I have been saying so since I came to the Congress, to have had considered as final, that is, the Reorganization Act of 1947 which gave rise to the Defense Department, a Secretary of Defense, and the Joint Chiefs of Staff.

How could we have achieved professional militarists, all the main lead elements of our components in the military, forming and constituting the Joint Chiefs of Staff, advising the President that they were unanimous in their advice against his use of the Marines in Beirut?

How can we say that a Commander in Chief, for the Constitution vests that title in our President, would have willfully, knowingly, ignored that advice for 14 months, ending in the slaughter of 241 of our noble, best warriors.

To what avail was it for us to take this floor? I wish then my colleagues could have come here and joined in some little discussion, because it is fine to get up here and talk about something that has transpired, but it is another thing to get here and say: "I anticipate this for this reason and this is what I think we can do now"—not later.

This is where I would like to come today in my advice to the privileged orders. In the first place, if a President seeks to define a policy that will bring about an understanding among our people as to the nature of the cause that he is asking us to rise to and support, especially if the military had been called in, a clear indication that our diplomacy has failed.

☐ 1510

If, as the Scriptures say, the trumpets sound an uncertain sound, who then, who then can come forth and summon and unite behind an unclear trumpet call to battle? The whole problem continues to be this vagueness of mission.

When I got here evening after evening for 14 months and directed my inquiry to the President, mindful of the fact that I had written several letters to the President from the very beginning in 1981, but this is one of the six Presidents that does not reply to a Member of Congress' letter. It is the first President I have worked with that has this as a practice. So after I had received absolute verifiable information from members of the service who happened to be my constituents, who have been in service for years on the isthmus in Central America, and came to me in early September 1979 on a confidential, private basis, frustrated, concerned, worried because they could not get any kind of a message through the bureaucracy, and they thought well, our Congressman, maybe he ought to be able to have some access, maybe to the President himself.

I found I could not. But everything these men told me was absolutely true, and what they predicted happened exactly as they said, which, again, was reminiscent to me of 1960, in December. I was still a State Senator and I had information from a distinguished member of the Texas business community on the border who had been intimately involved in Cuba during the 1920's and the 1930's and had married a distinguished member of Cuban society, and told me that he wanted me to meet with a former distinguished Cuban jurist who had been a member of the World Court and was in exile in Miami, and he wanted me to intercede with President Kennedy, with whom he knew I had an intimate friendship. I had just completed campaigning in 11 States in behalf of the Kennedy-Johnson ticket.

In effect what he was telling me was that this distinguished jurist had this troubling information that the CIA had invested over $2.5 million in the Miami area alone preparing for an invasion of Cuba, that there were similar preparations in Nicaragua and other points in Central America, that the invasion would not work, that he even knew the date of the sailing of the ships for the purposes of invading. Also that Castro knew, himself, because he had managed to infiltrate these groups, that even if these groups managed to succeed in that invasion and overwhelm the Castro forces in Cuba, they would not be able to govern Cuba because they could not even get together themselves in Miami. That unless the United States was prepared to go in itself and occupy and govern Cuba, no other way could be found for the United States to do it by delegation of authority, and especially to any component or aggregation of those that were seeking the invasion.

It so happened that I did, I contacted President Kennedy's personal secretary and made arrangements to go with these people and meet the President at Bergstrom Air Force Base. He was at that time, it was December 11, 1960, the President was at West Palm Beach, FL and he was going to fly into Austin, TX at Bergstrom Air Force Base and then from there go visit Vice President Lyndon Johnson elect at his so-called ranch.

I arranged for this group on the following day to go to Bergstrom Air Force Base and would be permitted to visit with the President from 15 minutes to half an hour. But first the secretary wanted to make sure that I knew what I was doing, that I could respond for these individuals and that the President would in no way be embarrassed. I assured him of that.

However, to my great disappointment and surprise, the next day when I was supposed to have met this Cuban former jurist and this Texas businessman, the Cuban did not show up and as it later turned out he had been diverted by some of the conspirators who had found out that he was coming to San Antonio, TX for some unknown purpose, but which perhaps they did not trust.

As a result, I had to call and cancel the visit.

Subsequent to that the same request was made on the basis that this distinguished businessman in Texas assured me that President-elect Kennedy knew nothing about what had already been undertaken for about 1 year since about January 1959, and that it was on its course, that it was irreversible, that the President really did not know that this was something that the CIA had totally prepared on its own since the last year of President Eisenhower's regime.

I then suggested that I did not want to have anything more to do with that, that they resort to one of our Texas State Senators to seek that appointment with the President. I felt that I had gone far enough.

But nobody can imagine the travail I felt in mind and soul when the following February, on the exact date and the exact hour that this gentleman had told me in December the invasion would take place, it happened, with the results we all know.

I say that under the old system before reorganization in 1947, and this is something I had said even before then when I was in the State Senate, that we had created in our hierarchal scheme of things in our Government a situation where if the military expertise were called upon that that military expertise judgment would not have that input of evaluation that it should.

We read the memoirs of General Ridgeway who, if you read those memoirs, will tell you that he singlehanded, when he was a member of the Joint Chiefs of Staff representing the Army, and the Eisenhower administration was posing the question about direct intervention in what was then called Indochina, Southeast Asia, the memoirs tell us that General Ridgeway said, "Look, this is something, allow me, before you make a decision," because he confesses in his memoirs that the majority were about to go along with that decision, he said, "First hold up and allow me to bring the logistics of the situation." In other words, the reality. And he brought in his logisticians and they pointed out 8,000 miles of line of communication and supply line, the difficult area of troop activity from a hill standpoint where there were jungle diseases that even the greatest scientific epidemiologists had not even yet quite ascertained. He pointed out that it would be a quicksand in which our troops would disappear unless we were willing to go in what would be tantamount to an out and out declaration of war.

This is the talk I heard today, and the logistics are the same.

What is it we seek in Nicaragua? Ideological purity?

The President no less than 1 month ago, when thwarted by his request for money for the so-called Contras, was publicly soliciting and encouraging private groups to raise personal mercenaries and moneys to be used. In what?

☐ 1520

In what? In not exacting ideological purity but in the overthrow of the Nicaraguan Government which, after the November elections last year, is to all intents and purposes throughout the world established as a legitimate regime. We cannot properly call it a Sandinista regime any longer. The Sandinista regime was the junta that operated until the election last November.

But let us forget about ideological purity because if this is what it is, and this was what it was when we got involved in it not only in Vietnam but prior to that in Korea, with the significant difference of when President Truman did introduce American troops he did so under the aegis, under the name of the United Nations. We had some world opinion behind us.

In the case of Indochina we never did. We went into a situation in which we were having and witnessing a civil war within a religious war within that ideological war, but mostly a civil war.

In Nicaragua we have the identical situation. And nobody, even President Reagan does not deny that the revolution in Nicaragua was made, was indigenous, was not imposed by external forces, whether Castro or Cubans or Russians or anybody else. But let us think for a moment; let us say, and I believe the President is on an irreversible course of war, that he has been involved in acts of war; if the Nicaraguan Government were to come and mine Chesapeake Bay, would we consider that an act of war? Well, we have done that. We had mined the harbors of Nicaragua.

We talk about defending friendly allies. We are occupying Honduras without the express invitation of the representatives of the Honduran people. In fact we are very heavily criticized. There is great dissention even within the governing bodies in Honduras. In the case of the so-called Contras that the President so mischievously has called freedom fighters, you have great dissension. The greatest number of that motley crew consists of ex-Somocista national guardsmen.

Now let us assume that they would have the capability, and let us not forget at this point that General Paul Gorman, the outgoing Commander of the Southern Command, said right at the point that he was retiring as commander that there was no way that the Contras could knock over the Nicaraguan Government. But let us assume that is the decision. Let us assume that we finally come to our senses and we decide to get military expertise, I know for a fact, as I knew at the time though it was never published that the Joint Chiefs of Staff were solidly against the deployment of the marines by President Reagan in Beirut. I know now that no professional American military will tell you that it will take less than 100,000 of our troops in a direct involvement of the U.S. Forces. Now what does that mean? Let us be realistic. It means we would have to pull forces from somewhere, from the 45,000 we have in South Korea, or the 300,000 in Germany or those in the Middle East area. Nobody talks about the 2,000 American troops we have in the Sinai Desert. Everybody has forgotten about them. The significant difference of that mission being that for the first time in its history the Congress mandated that deployment of that military.

Who was here to debate that? Twelve Members. I was chastised by the then and much lamented chairman of the Committee on Foreign Affairs who had admonished me not to say anything, he did not want anybody to start trouble, he said; but I had to rise for the record and raise my voice and ask the question which I am still asking. Now, we pull those troops and we go into what obviously will be a corner-by-corner, street-by-street guerrilla type warfare with a people that the Nicaraguan Government has given arms to every family. They have built sandbag barricades on the street corners and the barrios of Managua. They are fully expecting an invasion on the part of American troops.

We will, of necessity, have to kill civilians, men, women, children.

Now let us say we succeed and we knock out the Government of Nicaragua, who is going to govern Nicaragua? The Contras? They would not last a day, unless we were there like we did with Somoza for 40 years, to shore them up. First impose him and then shore him up.

Well now is that democracy? Is that government by the just consent of the governed?

So we have to be realistic. This is what I have been trying to bring out, futilely during the Vietnam era. I did not wait until it was popular to be against the war, and it was difficult because it involved a very dear friend in the person of President Lyndon Johnson. But I was the one raising the issue, salutarily, in the Congress about the use of unwilling conscripts or draftees in undeclared wars outside of the continental United States. This was a proviso that was an integral part of the first peacetime draft act that was approved by the Congress by one vote, and only after that proviso was inserted in the law.

Well, who cared? Who cared as long as in the middle of 1965 I rose and pointed out that at that point in August 1965 over 45 percent, approximately 47 percent of those involved that would likey see combat were draftees, and of that the overwhelming preponderant majority were poor, poor members that had been drafted, that had no way of going to college and get exempted or had the sophisticated ways of taking courses like the Harvard students did on how to dodge the draft. And they died. The casualties started to come in.

It was not until we were forced to dip into those sources of manpower that came from the middle class and the upper class of our classes that then we began to have some serious questioning about the war.

Now I think that that is wrong. I did not think we should have waited. I think we should have examined then and we should have asked the paramount question: What is the mission of our military?

□ 1530

What was going to be our role in the midst of a civil war, forgeting about resisting Communist aggression. But what was the perception of the world, then, as it is now on the part of the wielders of power at this moment, with respect to Latin America?

The President very clearly expressed it when he said: I'm going to make those Sandinistas yell uncle. As if he were President Coolidge in 1929, when we last sent the Marines and then stayed there 9 years in order to install the Somoza regime and form the national guard, and then keep them in power for 40 years.

Now those days are gone forever, because that world is gone. They are gone forever. We also forget that logistically, even in Vietnam, with our massive presence of half a million of our military and with all of the modern weaponry we could muster, including one feature, complete control of the airspace. We could not and we did not win.

But what were we talking about, what were we trying to win? Certainly the American people did not understand it. How can a great national leader such as the President invoke war without first making sure that the people were susceptible to developing the will to fight, and fight in a united way?

This is why some historians are beginning to call World War II the last good war, which I think is a horrible, horrible misuse of words. There are no good wars, ever.

If that was meant to mean that there was a firm resolve, that the bulge sounded clearly and forthrightly and that that call was responded to, I recall there was not any one of us at that time that wasn't lining up—not to get drafted; to volunteer.

I hear parents telling me today, "Henry, my boy is not going to go to the draft anyplace, I'll tell you that now." And I said "Well, don't tell me." I have been saying that; it is not the point. The point is that you do not know. You do not know what you will be asking your boy to do, because we cannot foretell what will develop. All we can tell you, at least I, is that if we continue along a certain course of action, that inevitably this is going to happen.

This is why I said before the election last year that sometime before the election, depending on whether or not there was political trouble for the candidates, we would see headlines. But certainly right after the election we would see headlines saying, Mig's in Nicaragua, and everybody would be saying we had better do something.

We have had U.S. Senators saying, Well, this is amply cause for us to go in. I say now, it will not be long before we will have a similar headline, except far more alarming, and the reason is that we have put in play forces.

For example, the week before last, a Honduran airplane that we supplied through the CIA, the Department of Defense last September 18 publicly stated that it had turned over what it called "excess warplanes" and military material to the CIA.

Now that posed two questions: The CIA, under the National Security Act of 1947, is not empowered as a paramilitary group. Yet no one has questioned it. Mine has been the only voice to even report that. This troubles me. There is no satisfaction in saying my voice was the only one; that is a very questionable type of boast, if I were to consider it such.

Let us pursue the point. This Honduran airplane sank a Nicaraguan patrol boat in Nicaraguan waters, not Honduran waters. Now there will be a limit beyond which any country, including the Nicaraguan regime, is going to do something, that we then will use as a pretext to say that we must defend the sovereignty of that nation; our ally Honduras, very much along the line that was spoken today, this afternoon.

I fully expect that headline. What happened last November? One day after the election, you had the beginning of what 2 days later was a headline: Mig's in Nicaragua. Then what happened 1 week later? The President was compelled to come out and say, "I don't know where that got started; that was a bad leak somewhere, but I'm not saying those are Mig's. There was something else in the bottom of those ships."

Why would I have predicted that? Was I a prophet, was I a seer? No; but I had received information that the CIA was, on a sustained basis, conducting attempts to assassinate the leaders of the Nicaraguan Government.

I was invited—I have not traveled down there. In fact, the reason is that all of this reminds me of Vietnam. I used to see some of my colleagues from Texas put on khaki, like the Governor of Texas did last month or the beginning days of this month, and went down and took chili con carne from his meat business and tamales and enchiladas and what not down to Honduras.

He put on khaki and a Westmoreland cap, and that is what I remember some of my colleagues from Texas saying, "Henry, you've got to come with us and go to Vietnam." I would say "No; I don't have to go to Vietnam. I have an overwhelming, disproportionate number of constituents that are over there. I wish I could pull them out."

I wanted to tell my two colleagues this afternoon who were talking about this great threat, that when the President announced the embargo, the newspapers very carefully left out what he had to establish as a finding of fact before he could impose the embargo. Under the law, the President has to say that Nicaragua is an emergency matter, a national emergency and a direct threat to our national interest and safety.

Now as I said earlier, it was obviously from the beginning a failure policy. Twenty-five countries of the new world today released this resolution condemning the President's action in invoking an embargo. All of the European allies, even at the conference in Germany, told the President that they were not going to go along; in fact, they were going to continue their trade and economic relations and some commitments of aid that they had already made to the Nicaraguan regime.

I say this is identically the same thing that we saw during the terrible conflict in South Vietnam in which we lost untold billions in Treasury and a lot of blood; 50,000 plus of our youth.

I believe that, had we had the correct perception of the world we would not have. Had we felt at the time that this was not a monolithic Communist world, that there was a history of war and animosity and conflict between Russia and China and between China and Vietnam, would we have proceeded under that assumption?

Would it have been wise? Why was it that even since Korea—the Soviets—Russia never had to put a live and kicking Russian soldier, much less a platoon into war involving Americans fighting Asians. Why? I asked that question before I came to the Congress. Actually, because diplomacy was a total failure.

What do we accomplish if we invoke military? What is it, then, that we seek as a mission? If our solider does not understand clearly what his mission is to be, how can we expect him to fight with the support and that type of backing that is so necessary to the fighting man?

If his support back home is confused and divided, if the leadership is unclear in its motives and goals and aims, how then can we expect success or that precious thing we call victory?

If we do not know what we are fighting for, if it is ideological, then we ought to have known since we invaded with France and England, Russia in 1918, to try to put down their revolution, that that will not succeed, that we cannot impose in the case of an indigenous, a native civil war, our people who will be governing.

We cannot, and we cannot ever bomb communism out of existence. The only answer to communism is social justice, nothing else.

I think it should be noted for the record that in both the Salvadoran elections and the Nicaraguan elections, you had candidates representing the Marxist-Leninist or Communist party. In either case, they did not even get 6 percent.

If we are worried about, in the last junta the two or three Marxist-Leninists in the Junta, forget the three priests that were in that same junta; and say Well, they ought to be ideologically pure; we cannot tolerate having a Marxist-Leninist, then what do we do about France?

□ 1540

France has two Communists in its Cabinet. Why do we not invade France? Why do we not try to purify France?

Well, because the absurdity of it hits us. So then what is and what should be our mission? Why is it that we have dozens of my colleagues traveling down to Nicaragua and El Salvador and almost everyone coming back with an entirely different impression? This is reminiscent of Vietnam. I remember some of my Texas colleagues who did go, and one would come back and say, "Well, you know, that South Vietnamese regime is corrupted, we will not be able to do any good, we ought to Americanize it, we ought to give the money to the South Vietnamese, let them fight it out." And, then right next to a companion visiting with him, was someone who said, "Absolutely not. Our presence is necessary to stem the Communist invasion."

The **SPEAKER** pro tempore. The time of the gentleman from Texas [Mr. GONZALEZ] has expired.

PERSONAL EXPLANATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

● Mr. **NELSON** of Florida. Mr. Speaker, due to official business in my home State of Florida, I was unable to be present to vote on rollcall votes 116 and 117, May 15, 1985. Had I been present, I would have voted "nay" on No. 116, a motion to adjourn, and "aye" on No. 117, approving the rule to consider the Department of Defense authorization bill.●

FINANCIAL DISCLOSURE STATEMENT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KASTENMEIER] is recognized for 5 minutes.

● Mr. **KASTENMEIER**. Mr. Speaker, even though Public Law 95-521, the Ethics in Government Act of 1978, requires public financial disclosure, nonetheless, I am continuing my practice, begun in 1963, of reporting in the CONGRESSIONAL RECORD on my personal financial condition. This disclosure, through its more precise statements, differs in important respects from the report which we are required to file by public law and by House rules.

My report covers the calendar year 1984 and also includes the amount of Federal, State of Wisconsin, and local real estate taxes paid in 1984.

Mr. Speaker, the report follows:

Financial disclosure statement—statement of financial condition, Dec. 31, 1984

Checking account, with the Sergeant at Arms, House of Representatives	$3,818.50
Cash	75.91
Securities (stocks, bonds, etc.) WPCF Credit Union (1 share)	5.53
Residential real estate:	
Arlington house and lot (1984 assessment)	209,400.00
Less mortgage	5,105.00
Equity	204,295.00
Sun Prairie house and lot	29,000.00
Improvements (dep'd)	1,296.00
Back lot	1,200.00
Sewer and water improvements	4,789.00
Total	36,285.00
Less mortgage	11,772.15
Less unpaid sewer and water assessments	246.00
Total	12,018.15
Equity	24,266.85
Household goods and miscellaneous personalty	8,500.00
Miscellaneous assets, deposits, with the U.S. Civil Service retirement fund through Dec. 31, 1984, available only in accordance with applicable laws and regulations	80,879.17
Additional retirement fund deposit	1,130.00
Cash value	None
Cash surrender value of life insurance:	
On the life of Robert W. Kastenmeier	None
On the life of Dorothy C. Kastenmeier	544.00
Deposit, Donaldson Run	400.00
Automobiles:	
1976 Oldsmobile	400.00
1978 Mercury	1,600.00
Net worth	243,905.79
Taxes paid in 1984:	
Federal income tax	15,717.86
Wisconsin income tax	6,668.97
Federal employers tax	140.79
Arlington County real estate tax	2,031.18
Sun Prairie real estate taxes, including assessments	1,743.98
State sales tax	345.00
Total	26,656.78
1984 income congressional salary	72,366.68
Gross rent, Sun Prairie house	3,720.00
Honoraria (4)	6,000.00
Total	82,086.68
1984 separate income of my wife, Dorothy C. Kastenmeier:	
Net rent	1,500.00
Hunting lease	160.00
Total	1,660.00

Note.—Separate property of spouse not listed.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. Slaughter) to revise and extend his remarks and include extraneous material:)

Mr. PURSELL, for 60 minutes, today.

(The following Members (at the request of Mr. Coelho) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. de la Garza, for 60 minutes, May 21.

Mr. Yatron, for 60 minutes, May 21.

(The following Members (at the request of Mr. Gonzalez) to revise and extend their remarks and include extraneous material:)

Mr. Nelson of Florida, for 5 minutes, today.

Mr. Kastenmeier, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Bedell, and to include extraneous matter notwithstanding the fact that it exceeds 2 pages of the Congressional Record and is estimated by the Public Printer to cost $3,733.75.

(The following Members (at the request of Mr. Slaughter) and to include extraneous matter:)

Mr. McCain.

Mr. Goodling.

Mr. Clinger.

Mr. Miller of Ohio in four instances.

Mr. Gilman in two instances.

Mr. Young of Alaska.

Mr. Conte.

(The following Members (at the request of Mr. Coelho) and to include extraneous matter:)

Mr. Kanjorski in two instances.

Mr. Gordon.

Ms. Kaptur.

Mr. Rahall.

Mr. Levine of California in two instances.

Mr. Addabbo.

Mr. Fascell.

Mr. Barnes.

Mr. Hubbard.

Mr. Montgomery in two instances.

Mr. Markey in two instances.

Mr. Guarini.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The **SPEAKER** announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 484. An act to amend the Saccharin Study and Labeling Act;

S. 661. An act entitled the "George Milligan Control Tower"; and

S.J. Res. 61. Joint resolution to designate the week of May 20, 1985, through May 26, 1985, as "National Osteoporosis Awareness Week."

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 43 minutes p.m.), under its previous order, the House adjourned until Monday, May 20, 1985, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees and a delegation traveling under an authorization from the Speaker concerning the foreign currencies and U.S. dollars utilized by them during the first quarter of calendar year 1985 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1985

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1985—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. E. Thomas Coleman	1/4	1/7	Portugal	55,080	324.00						324.00
	1/7	1/9	Belgium	13,714	216.00						216.00
	1/9	1/12	Israel		399.00						399.00
	1/12	1/13	Denmark	1,225	111.00						111.00
	1/13	1/17	Soviet Union		635.00						635.00
	1/17	1/19	Austria	5,140.50	230.00						230.00
Military transportation							5,556.94				5,556.94
Hon. E. Thomas Coleman	3/13	3/15	Switzerland		225.00						225.00
Commercial transportation							921.00				921.00
Hon. James M. Jeffords	1/12	1/14	Argentina		324.00						324.00
	1/15	1/18	Chile		384.00						384.00
Commercial transportation							3,789.00				3,789.00
Hon. Webb Franklin	1/5	1/8	Brazil	1,375,704	434.25						434.25
	1/8	1/12	Peru	2,596,320	432.00						432.00
	1/12	1/16	Argentina	98,064	432.00						432.00
	1/16	1/18	Barbados	796.50	382.00						382.00
Military transportation							5,408.12				5,408.12
Hon. Jerry Huckaby	1/5	1/8	Brazil	1,375,704	434.25						434.25
	1/8	1/12	Peru	2,596,320	432.00						432.00
	1/12	1/16	Argentina	98,064	432.00						432.00
	1/16	1/18	Barbados	796.50	382.00						382.00
Military transportation							5,408.12				5,408.12
Hon. E de la Garza	2/9	2/13	Brazil	1,800,810	495.00						495.00
Codel	2/13	2/17	Argentina	130,464	432.00						432.00
Military transportation							4,068.16				4,068.16
Hon. Berkley Bedell	2/9	2/13	Brazil	1,800,810	495.00						495.00
	2/13	2/17	Argentina	130,464	432.00						432.00
Military transportation							4,068.16				4,068.16
Hon. Charles Hatcher	2/9	2/13	Brazil	1,800,810	495.00						495.00
	2/13	2/17	Argentina	130,464	432.00						432.00
Military transportation							4,068.16				4,068.16
A. Mario Castillo	2/9	2/13	Brazil	1,800,810	495.00						495.00
	2/13	2/17	Argentina	130,464	432.00						432.00
Military transportation							4,068.16				4,068.16
Timothy Galvin	2/9	2/13	Brazil	1,800,810	495.00						495.00
	2/13	2/17	Argentina	130,464	432.00						432.00
Military transportation							4,068.16				4,068.16
Heidi Pender	2/9	2/13	Brazil	1,800,810	495.00						495.00
	2/13	2/17	Argentina	130,464	432.00						432.00
Local air transportation							633.80				633.80
Military transportation							4,068.16				4,068.16
OTHER EXPENDITURES											
Hon. E de La Garza:											
Manaus and Barsilia, Brazil (2/9 to 2/13):											
FSN Embassy support personnel									239.86		239.86
Local transportation									1,564.11		1,564.11
Control rooms									286.54		286.54
Miscellaneous									260.41		260.41
Telephone									53.73		53.73
Buenos Aires, Argentina (2/13 to 2/17):											
FSN Embassy support personnel									1,443.82		1,443.82
Local transportation									210.41		210.41
Interpreting services									455.85		455.85
Representation									100.00		100.00
Miscellaneous									185.71		185.71
Committee total					11,770.50		46,125.94		4,800.44		62,696.88

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

E de la GARZA, Chairman, Apr. 30, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Alfred A. (Al) McCandless	1/4	1/7	Portugal	55,080	324.00						324.00
	1/7	1/9	Belgium	13,714	216.00						216.00
	1/9	1/12	Israel		399.00						399.00
	1/12	1/13	Denmark	1,225	111.00						111.00
	1/13	1/17	Soviet Union		635.00						635.00
	1/17	1/19	Austria	5,140.50	230.00						230.00
U.S. military							5,556.94				5,556.94
Hon. William F. Clinger, Jr	1/4	1/7	Portugal	55,080	324.00		72.92		263.88		660.80
	1/7	1/9	Belgium	13,714	216.00				106.47		322.47
	1/9	1/12	Israel		399.00		207.72		38.16		644.88
	1/12	1/13	Denmark	1,225	111.00		15.48		22.00		148.48
	1/13	1/17	Soviet Union		635.00						635.00
	1/17	1/19	Austria	5,140.50	230.00						230.00
U.S. military							5,556.94				5,556.94
Hon. John Conyers, Jr	1/5	1/7	France	2,308.60	238.00					2,308.60	238.00
	1/7	1/10	Gabon	166,980	345.00					166,980	345.00
	1/10	1/11	Cameroon	57,500	119.00				13.91		132.91
	1/11	1/13	Mozambique		216.00						216.00
U.S. military							5,849.25				5,849.25
Commercial							3,827.00				3,827.00
Hon. Cardiss Collins	1/5	1/8	Israel		399.00				566.28		965.28
	1/8	1/11	Egypt		246.00				304.81		550.81
	1/11	1/15	Greece		540.00				80.66		620.66
	1/15	1/18	Spain		327.00				197.51		524.51
U.S. military							8,817.30				8,817.30

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31,

U.S.C. 1103); to the Committee on the Judi-

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1985—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Glenn English	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
Hon. Gerald D. Kleczka	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
William G. Lawrence	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
Theodore N. Mehl	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
William T. Cherry	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
Robert M. Gellman	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
Transportation for entire delegation							25,338.38				25,338.36
Hon. Mike Synar	2/7	2/8	Mexico	37,916	162.56						162.56
	2/8	2/10	Nicaragua		271.00		[3] 64.92 [4] 59.82				395.74
	2/10	2/12	Costa Rica		150.00						150.00
	2/12	2/13	El Savador	607.50	150.00						150.00
Commercial							911.00				911.00
Committee total					8,889.56		56,277.65		1,593.68		66,760.89

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Travel allowance.

[4] Charter charge.

JACK BROOKS, Chairman, Apr. 30, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Garner J. Cline, staff	1/6	1/12	Italy		696.00				1,450.41		2,146.41
	1/12	1/18	Israel		266.00						266.00
	1/18	1/20	England		122.00		109.58				231.58
Commercial transportation							4,723.00				4,723.00
Romano L. Mazzoli, MC	1/7	1/8	England		122.00						122.00
	1/8	1/10	Switzerland		216.00		198.84				414.84
	1/10	1/15	Italy		696.00		508.72				1,204.72
Commercial transportation							4,379.00				4,379.00
Peter Regis, staff	1/7	1/8	England		122.00						122.00
	1/8	1/10	Switzerland		216.00		198.84				414.84
	1/10	1/15	Italy		696.00		508.72				1,204.72
Commercial transportation							4,379.00				4,379.00
Bill McCollum, MC	1/13	1/15	El Salvador		150.00				30.00		180.00
	1/15	1/18	Honduras		288.00						288.00
Commercial transportation							676.00				676.00
Thomas Boyd, staff	1/13	1/15	El Salvador		150.00				30.00		180.00
	1/15	1/18	Honduras		288.00						288.00
Commercial transportation							751.00				751.00
Committee total					4,028.00		16,432.00		1,510.41		21,971.11

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

PETER W. RODINO, JR., Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO CUBA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 10 AND 18, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Bill Alexander	1/11	1/18	Cuba		690.00		3,120.25				3,810.25
James A.S. Leach	1/11	1/18	Cuba		690.00		3,120.25				3,810.25
Dorothy Thomas	1/11	1/18	Cuba		690.00		3,120.25				3,810.25
Steve Skarden	1/11	1/18	Cuba		690.00		3,120.25				3,810.25

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL ALEXANDER, May 1, 1985.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1298. A letter from the Director, ACTION, transmitting the Agency's 1984 annual report, pursuant to 42 U.S.C. 5407; to the Committee on Education and Labor.

1299. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by J. William Middendorf II, Ambassador Extraordinary and Plenipotentiary-elect, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1300. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by Edward J. Perkins, Ambassador Extraordinary and Plenipotentiary-elect, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1301. A letter from the Director, National Legislative Commission, The American Legion, transmitting the financial audit of the Legion as of December 31, 1983, pursuant to Public Law 88-504, section 3 (36 U.S.C. 1103); to the Committee on the Judiciary.

1302. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to require tonnage measurement of vessels engaged on international voyages and within the jurisdiction of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1303. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title XVIII of the Social Security Act to require that Medicare providers of hospital services also participate in the Civilian Health and Medical Program of the Uniformed Services [CHAMPUS] and in the Civilian Health and Medical Program of the Veterans' Administration [CHAMPVA]; jointly, to the Committees on Ways and Means, Energy and Commerce, Armed Services, and Veterans' Affairs.

REPORTS OF COMMITTES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DERRICK: Committee on Rules. H.R. 1460. A bill to express the opposition of the United States to the system of apartheid in South Africa, and for other pruposes (Rept. No. 99-76, Pt. II). Ordered to be printed.

[Omitted from the Record of May 15, 1985]

Mr. DELLUMS: Committee on Armed Services. H.R. 1409. A bill to authorize certain construction at military installations for fiscal year 1986, and for other purposes; with an amendment (Rept. No. 99-128). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 16, 1985]

Mr. DERRICK: Committee on Rules. House Resolution 174. Resolution providing for the consideration of H.R. 1460, a bill to express the opposition of the United States to the system of apartheid in South Africa, and for the purposes (Rept. No. 99-131). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

[Omitted from the Record of May 15, 1985]

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1202. A bill to authorize appropriations to carry out conservation programs on military reservations and public lands during the fiscal years 1986, 1987, and 1988; with amendments; referred to the Committee on Armed Services for a period ending not later than July 1, 1985, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(c), rule XI (Rept. No. 99-129, Pt. I). Ordered to be printed.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2402. A bill to establish the Public Buildings Service in the General Services Administration, and for other purposes; referred to the Committee on Government Operations for a period ending not later than June 21, 1985 for consideration of such portions of the bill as fall within that committee's jurisdiction pursuant to clause 1(j) of rule XI (Rept. No. 99-130, Pt. I). Ordered to be printed.

Mr. MAZZOLI: Committee on the Judiciary. H.R. 1452. A bill to amend the Immigration and Nationality Act to extend for two years the authorization of appropriations for refugee assistance, and for other purposes; with an amendment; referred to the Committee on Foreign Affairs for a period ending not later than June 11, 1985 for consideration of such portions of the bill and amendment as fall within that committee's jurisdiction pursuant to clause 1(l), rule XI (Rept. No. 99-132, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DONNELLY (for himself, Mr. Conte, and Mr. Frank):

H.R. 2530. A bill to amend the Internal Revenue Code of 1954 to provide a one-time amnesty from tax penalties for taxpayers who pay previous underpayments with interest, and to improve compliance with the internal revenue laws by increasing authorizations to the Internal Revenue Service for enforcement and by prohibiting the awarding of Federal contracts and certain Federal licenses to taxpayers who have tax delinquent accounts, and for other purposes; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 2531. A bill to encourage the States to prescribe the death penalty for willfully killing a law enforcement officer; to the Committee on the Judiciary.

H.R. 2532. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for employers who provide onsite dependent care assistance for dependents of their employees; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. Studds, Mr. McKernan, Mr. Bosco, Mr. Ortiz, and Mr. Manton):

H.R. 2533. A bill to amend the Maritime Education and Training Act of 1980; to the Committee on Merchant Marine and Fisheries.

By Mr. DICKINSON:

H.R. 2534. A bill to amend the Federal Election Campaign Act with respect to contributions and expenditures by national banks, corporations, and labor unions; to the Committee on House Administration.

By Mr. GOODLING:

H.R. 2535. A bill to establish a pilot program to develop methods for parents who are in adult literacy programs, and who have preschool-age children who may be educationally at risk, to acquire the skills necessary to work in the home with those children; to the Committee on Education and Labor.

By Mr. HUCKABY (for himself and Mr. Stangeland):

H.R. 2536. A bill to provide price and income protection for farmers of cotton, rice, and sugar, and to assure consumers an abundance of such commodities at reasonable prices; to the Committee on Agriculture.

By Mr. JEFFORDS (for himself and Mr. Livingston):

H.R. 2537. A bill to amend title 23, United States Code, to direct the Secretary of Transportation to apportion Federal highway funds withheld from any State for failure to have in effect a minimum drinking age of 21 if certain alcohol-related traffic fatalities are significantly reduced; to the Committee on Public Works and Transportation.

By Mr. LEACH of Iowa (for himself and Mr. Madigan):

H.R. 2538. A bill exempting the export of certain agricultural commodities from the cargo preference provision of the Merchant Marine Act, 1936; jointly, to the Committees on Foreign Affairs, Agriculture, and Merchant Marine and Fisheries.

By Mr. MITCHELL:

H.R. 2540. A bill to authorize the appropriation of funds to the Small Bussines Administration, and for other purposes; to the Committee on Small Business.

By Mr. MOLLOHAN (for himself, Mr. Wise, and Mr. Rahall):

H.R. 2541. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to provide that extended benefits will be payable in any State in which the rate of regular unemployment equals or exceeds 9 per centum, and for other purposes; to the Committee on Ways and Means.

By Mr. MONSON (for himself, Mr. Nielson of Utah, and Mr. Hansen):

H.R. 2542. A bill designating the building located at 125 South State Stret, Salt Lake City, UT, as the "Wallace F. Bennett Federal Building"; to the Committee on Public Works and Transportation.

By Mr. SMITH of New Jersey (for himself, Mr. Coyne, Mr. Daub, Mr. Guarini, Mr. Wolf, Mr. Skeen, Mr. Solomon, Mr. Cobey, Mr. Dornan of California, Mr. Saxton, Mr. Courter, Mr. Rinaldo, Mr. Gallo, Mr. Siljander, Mrs. Bentley, Mr. Mavroules, and Mr. Smith of New Hampshire):

H.R. 2543. A bill to amend title XVIII of the Social Security Act to provide for Medicare payment for therapeutic shoes for individuals with severe diabetic foot disease; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. WYDEN:

H.R. 2544. A bill to direct the Attorney General to establish a clearinghouse for information relating to criminal practices in connection with certain employment of youth, to require active Federal investigation and prosecution of such practices in violation of Federal law, and for other purposes; to the Committee on the Judiciary.

By Mr. CONYERS:

H. Con. Res. 149. Concurrent resolution expressing the sense of Congress that the President should extend full diplomatic recognition to the African National Congress in South Africa and should provide it with economic support in its struggle against apartheid; to the Committee on Foreign Affairs.

By Mr. DICKINSON (for himself, Mr. Stratton, Mr. Lott, Mr. O'Brien, Mr. Dreier of California, Mr. Lagomarsino, Mr. Flippo, Mr. Nelson of Florida, Mr. Armey, Mr. Hunter, Mr. Roberts, Mr. Hutto, Mr. Lent, Mr. Carney, Mr. Marlenee, Mr. Vander Jagt, Mr. Shelby, Mr. Siljander, Mr. Hartnett, Mr. Gilman, Mr. Bliley, Mr. Franklin, Mr. Dornan of California, Mr. Solomon, Mr. Callahan, Mr. Murtha, Mr. Hyde, Mr. Davis, Mr. Michel, Mr. Lewis of Florida, Mr. Oxley, Mr. Hatcher, Mr. Stump, Mr. de la

Garza, Mr. Kindness, Mr. Bilirakis, Mr. Dyson, Mr. Hendon, Mr. Ireland, Mr. McCain, Mr. Shaw, Mr. Barnard, Mr. Livingston, Mr. Madigan, Mr. Broyhill, Mr. Young of Florida, Mrs. Holt, Mr. Walker, Mr. Craig, Mr. Fields, Mr. Lungren, Mr. Gekas, Mr. Hiler, Mr. Sisisky, Mr. Chappell, Mr. Cheney, Mr. Loeffler, Mr. Gradison, Mr. Kramer, Mr. Huckaby, Mr. Archer, Mr. Rudd, Mr. Bennett, Mr. English, Mr. Quillen, Mr. McGrath, Mr. Darden, Mr. Rowland of Georgia, Mr. Jones of North Carolina, Mr. Taylor, Mr. Thomas of Georgia, Mr. Latta, Mr. Hopkins, Mr. Denny Smith, Mr. Daub, Mr. Rinaldo, Mr. Mica, Mr. DeLay, Mr. Ritter, and Mr. Emerson):

H. Con. Res. 150. Concurrent resolution to express the sense of the Congress that the national security policy of the United States should reflect a national strategy of peace through strength; jointly, to the Committees on Armed Services and Foreign Affairs.

By Mr. PURSELL (for himself, Mr. Tauke, and Ms. Snowe):

H. Con. Res. 151. Concurrent resolution to revise the congressional budget for the U.S. Government for the fiscal year 1985 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988; to the Committee on the Budget.

By Mr. FEIGHAN:

H. Res. 175. Resolution to provide that it shall not be in order to consider any legislation relating to the sale of the interest of the United States in the common stock of the Consolidated Rail Corporation to the Norfolk Southern Corp., until the Department of Justice has taken certain actions and reported to the Congress; to the Committee on Rules.

By Mr. ROYBAL:

H. Res. 176. Resolution establishing a pilot program of fellowships under the House of Representatives for persons who are blind or deaf; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DORNAN of California:

H.R. 2545. A bill for the relief of Maria Marinoiu; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 2546. A bill for the relief of Willie G. Simpson; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. Fauntroy.

H.R. 151: Mr. Clinger, Mr. Edgar, and Ms. Oakar.

H.R. 281: Mr. Traxler.

H.R. 343: Mr. Stangeland.

H.R. 641: Mr. Shelby.

H.R. 776: Mr. Shaw and Mr. Blaz.

H.R. 877: Mr. Franklin.

H.R. 893: Mr. Feighan.

H.R. 915: Mr. Skelton.

H.R. 1059: Mr. Packard.

H.R. 1123: Mr. Vander Jagt, Mr. Sundquist, and Mr. Marlenee.

H.R. 1132: Mr. Boucher.

H.R. 1161: Mr. Andrews.

H.R. 1217: Mr. Watkins.

H.R. 1318: Mr. Coelho.

H.R. 1427: Mr. Morrison of Connecticut, Mr. Seiberling, Ms. Oakar, Mr. Sikorski, Mr. Levin of Michigan, Mr. Fazio, and Mr. Durbin.

H.R. 1550: Mr. Lipinski, Mr. Wortley, Mr. Shuster, Mr. Fish, and Mr. Fazio.

H.R. 1611: Mr. Crockett, Mr. Nowak, and Mr. Rowland of Connecticut.

H.R. 1616: Mr. Perkins.

H.R. 1675: Mr. Conyers.

H.R. 1715: Mr. Bates. Mr. Matsui, Mr. Rangel, Mr. Vento, Mr. Weiss, and Mr. Shaw.

H.R. 1719: Mr. Gingrich, Mr. Ireland, Mr. Montgomery, Mr. Grotberg, and Mr. Leath of Texas.

H.R. 1724: Mr. Roemer.

H.R. 1853: Mr. Sisisky and Mr. Seiberling.

H.R. 1888: Mr. Jacobs, Mr. Armey, Mr. Hiler, Mr. Kostmayer, Mr. Fawell, Mr. Conyers, Mr. Morrison of Connecticut, Mr. Martinez, Mr. Rowland of Connecticut, Mr. Ford of Tennessee, Mr. Burton of Indiana, Mr. Markey, Mr. Brown of Colorado, Mr. Wolpe, Mr. Gregg, Mr. MacKay, Mr. Craig, Mr. Beilenson, Mr. Bonior of Michigan, and Mr. Sharp.

H.R. 1916: Mr. Grotberg, Mr. Kastenmeier, Mr. Craig, Mr. Campbell, Mr. Garcia, Mr. Burton of Indiana, and Mr. Siljander.

H.R. 1965: Mrs. Byron, Mr. Latta, Mr. Michel, Mr. Miller of Ohio, Mr. Nielson of Utah, Mr. Richardson and Mr. Panetta.

H.R. 2003: Mr. Kolter and Mr. Rose.

H.R. 2010: Mr. McCain, Mr. Fauntroy, Mr. Young of Florida, and Mr. Kolter.

H.R. 2020: Mr. Morrison of Connecticut, Mr. Smith of Florida, Mr. Weiss, Mr. Fazio, Mr. Martinez, Mr. Yates, Mr. Clay, and Mr. Kildee.

H.R. 2034: Mr. Berman, Mr. Moody, Mrs. Burton of California, and Mr. Vento.

H.R. 2042: Mr. Fazio, Mr. Kildee, Mr. Lehman of California, Mr. Martinez, Mr. Morrison of Connecticut, and Mr. Waxman.

H.R. 2119: Mr. Andrews, Mr. Skelton, Mr. Monson, Mr. Carper, Mr. Badham, Mr. Wolpe, Mr. Daub, and Mr. Levine of California.

H.R. 2184: Mr. Frank.

H.R. 2262: Mr. Wolpe, Mr. Fauntroy, Mr. Mitchell, and Mr. Kolter.

H.R. 2263: Mr. Evans of Illinois, Mr. DioGuardi, and Mr. Vento.

H.R. 2293: Mr. Wilson, Mr. Luken, Mr. Whitehurst, Mr. Fazio, Mr. Sikorski, Mr. Lehman of Florida, Mr. Donnelly, Mr. Skelton, Ms. Kaptur, Mr. Roe, Mr. Clinger, Mr. Walgren, and Ms. Mikulski.

H.R. 2337: Mr. Slaughter.

H.R. 2364: Mr. Matsui and Mr. Kildee.

H.R. 2397: Mr. Madigan, Mr. Downey of New York, Mr. Olin, Mr. Carney, and Mr. Roe.

H.R. 2401: Mr. Jeffords, Mr. Boucher, Mr. Mitchell, Mr. Williams, Mr. Berman, Mr. Rahall, and Mr. Frost.

H.R. 2489: Mr. Luken and Mr. Swift.

H.J. Res. 3: Mrs. Johnson.

H.J. Res. 24: Mr. Bartlett.

H.J. Res. 131: Mr. Stangeland, Mr. Jeffords, Mr. Lewis of Florida, Mr. Moody, Mr. Ray, Mrs. Bentley, and Mr. de la Garza.

H.J. Res. 156: Mr. Manton.

H.J. Res. 178: Mr. Frenzel, Mr. Boland, Mr. de la Garza, Mr. Lott, Mr. Wirth, Mr. Montgomery, Mr. Robert F. Smith, Mr. Schaefer, Mr. Gonzalez, and Mr. Hoyer.

H.J. Res. 230: Mr. Tallon, Mr. Hansen, Mrs. Boggs, Mr. Gekas, and Mr. Young of Missouri.

H.J. Res. 234: Mr. Nowak, Mr. Taylor, Mr. Ford of Tennessee, Mr. Oberstar, Mr. Roemer, Mr. Florio, Mr. Stangeland, Mr. Hawkins, Mr. Kleczka, Mr. Hayes, Mr. Volkmer, Mr. Bustamante, Mr. Packard, Mr. Tauke, Mr. Foley, Mr. Roe, Mr. Bennett, Mr. Rose, Mr. Wortley, Mr. AuCoin, Mr. Kildee, Mr. Fauntroy, Mr. Solarz, and Ms. Mikulski.

H.J. Res. 263: Mr. Rahall, Mr. Addabbo, Mr. Murphy, Mr. Bateman, Mr. Kindness, Mr. Early, Mr. Henry, Mr. Feighan, Mr. Daschle, Ms. Oakar, Mr. Hefner, Mr. Panetta, Mr. Lantos, Mr. Hutto, Mr. Eckert of New York, Mr. Hall of Ohio, Mrs. Collins, Mr. Crane, Mr. Roe, Mr. Lowery of California, Mr. Kanjorski, Mr. Young of Florida, Mr. Solomon, Ms. Kaptur, Mr. Gallo, Ms. Fiedler, Ms. Mikulski, Mr. Moorhead, Mr. Broomfield, Mr. Pepper, Mr. Vander Jagt, Mr. Wortley, Mr. Skelton, Mr. Florio, Mr. Green, Mr. McGrath, Mr. Courter, Mr. Hoyer, Mr. Howard, and Mr. Vento.

H.J. Res. 267: Mr. Huckaby and Mr. Smith of New Jersey.

H. Con. Res. 69: Mr. Kildee, Mr. Miller of Ohio, Mr. Kolter, Mr. Shumway, and Mr. Broyhill.

H. Con. Res. 117: Mrs. Lloyd and Mr. Richardson.

H. Res. 37: Mr. Murphy.

H. Res. 55: Mr. Kildee and Mr. Guarini.

H. Res. 165: Mr. Price, Mr. Marlenee, Mr. Lundine, Mr. Schuette, Ms. Oakar, Mr. Nichols, Mr. Fowler, Ms. Kaptur, Mr. Gingrich, Mr. Gregg, Mr. Howard, Mr. Derrick, Mr. Evans of Iowa, Mr. Seiberling, Mr. Biaggi, Mrs. Burton of California, Mr. Oberstar, Mr. Badham, Mr. Darden, Mr. Volkmer, Mr. Kostmayer, Mr. Kleczka, Mr. Swift, Mr. Mica, and Mr. Anderson.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1460

By Mr. DELLUMS:

(Amendment in the nature of a substitute.)

SECTION 1. PROHIBITION ON INVESTMENTS IN SOUTH AFRICA.

No United States person may, directly or through another person, make or hold any investment in South Africa.

SEC. 2. PROHIBITION ON EXPORTS TO SOUTH AFRICA.

(1) General Rule.—No goods, technology, or other information subject to the jurisdiction of the United States may be exported to South Africa, and no goods, technology, or other information may be exported to South Africa by any person subject to the jurisdiction of the United States. The prohibition contained in this paragraph shall apply to goods, technology, or other information of any kind, which is subject to controls under the Export Administration Act of 1979, the Arms Export Control Act, the Atomic Energy Act of 1954, or any other provision of law.

(2) Exception.—The prohibition contained in paragraph (1) shall not apply to exports described in section 6(f) of the Export Administration Act of 1979.

SEC. 3. PROHIBITION ON LANDING RIGHTS OF SOUTH AFRICAN AIRCRAFT.

(a) Prohibition.—The Secretary of Transportation shall prohibit the takeoff and landing of any aircraft by an air carrier owned by the Government of South Africa or any citizen or national of South Africa.

(b) Exceptions for Emergencies.—The Secretary of Transportation may provide for such exceptions from the prohibition set forth in subsection (a) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers are threatened.

(c) Definitions.—For purposes of this section, the terms "aircraft" and "air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958.

SEC. 4. PROHIBITION ON IMPORTATION OF KRUGERRANDS.

No person may import into the United States any South African krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa.

SEC. 5. ENFORCEMENT; PENALTIES.

(a) Authorities of the President.—The President shall take necessary steps to insure compliance with the provisions of this Act and any regulations, licenses, and orders issued to carry out this Act, including establishing mechanisms to monitor compliance with such provisions, regulations, licenses, and orders. In insuring such compliance, the President may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and production of all books, papers, and documents relating to any matter under investigation.

(b) Violations.—Any person that violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall—

(1) if other than an individual, be fined not more than $1,000,000; and

(2) if an individual, be fined not more than $50,000, or imprisoned not more than 5 years, or both.

(c) Additional Penalties for Certain Individuals.—

(1) In general.—Whenever a person violates the provisions of this Act or any regulation, license, or order issued under this Act—

(A) any officer, director, or employee of such person, or any natural person in control of such person who knowingly and willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who knowingly and willfully carried out such act or practice, shall, upon conviction, be fined not more than $10,000, or imprisoned not more than five years, or both.

(2) Restriction of payment of fines.—A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

(d) Seizure and Forfeiture of Aircraft.—Any aircraft used in connection with a violation of section 3 of this Act or any regulation, license, or order issued to carry out that section shall be subject to seizure by and forfeiture to the United States. All provisions of law relating to the seizure, forfeiture, and condemnation of articles for violations of the customs laws, the disposition of articles or the proceeds from the sale thereof, and the remission or mitigation of such forfeitures shall apply to the seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this subsection, insofar as such provisions of law are applicable and not consistent with the provisions of this Act; except that all powers, rights, and duties conferred or imposed by the customs laws upon any officer or employee of the Department of the Treasury shall, for purposes of this subsection, be exercised or performed by the Secretary of Transportation or by such persons as the Secretary may designate.

SEC. 6 REGULATIONS.

The President may issue such regulations, licenses, and orders as are necessary to carry out this Act.

SEC. 7. DEFINITIONS.

For purposes of this Act—

(1) United States.—The term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

(2) United States Person.—The term "United States person" means any United States resident or national and any domestic concern (including any permanent domestic establishment of any foreign concern).

(3) South Africa.—The term "South Africa" includes the Republic of South Africa; any territory under the administration, legal or illegal, of South Africa; and the "bantustans" or "homelands", to which South African blacks are assigned on the basis of ethnic origin, including the Tanskei, Bophuthastswana, Venda, and Ciske.

(4) Investment in South Africa.—A person makes or holds an investment in South Africa if that person—

(A) establishes or contributes funds or other resources (including making a loan or other extension of credit) for the establishment of a business enterprise in South Africa;

(B) otherwise invests funds in a business enterprise in South Africa, including—

(i) beneficially owning or controlling a share or interest in such a business enterprise;

(ii) beneficially owning or controlling a bond or other debt instrument issued by such a business enterprise;

(iii) making capital contributions in money or kind to such a business enterprise; and

(iv) making a loan or other extension of credit to such a business enterprise, or giving security for the debts of such a business enterprise; or

(C) controls a business enterprise in South Africa, in cases to which subparagraphs (A) and (B) do not apply.

(5) Funds.—The term "funds" means money or other resources.

(6) Business Enterprise.—The term "business enterprise" means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage; and such term includes the ownership of real estate.

(7) Branch.—The term "branch" means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity.

(8) Control.—A United States person shall be presumed to control a business enterprise in South Africa if—

(A) the business enterprise is operated by the United States person pursuant to the provisions of an exclusive management contract;

(B) a majority of the members of the board of directors of the business enterprise are also members of the comparable governing body of the United States person;

(C) the United States person has authority to appoint a majority of the members of the board of directors of the business enterprise; or

(D) the United States person has authority to appoint the chief operating officer of the business enterprise.

SEC. 8. APPLICABILITY TO EVASIONS OF ACT.

This Act shall apply to any United States person who undertakes or causes to be undertaken any transaction or activity with the intent to evade the provisions of this Act or any regulation, license, or order issued to carry out this Act.

SEC. 9. EFFECTIVE DATE.

The provisions of this Act shall take effect 180 days after the date of the enactment of this Act.

By Mr. GUNDERSON:

(Amendment in the nature of a substitute.)

—Strike all after the enacting clause and insert in lieu thereof the following:

TITLE I—GENERAL PROVISIONS

FINDINGS AND DECLARATIONS

Section 1. The Congress finds and declares that—

(a) the policy and practice of apartheid—

(1) deliberately separates millions of South African "migrant" workers from their families;

(2) denies meaningful, democratic participation in the political process to the majority of the South African population;

(3) consigns the mass of South African citizenry to lives of economic and educational deprivation;

(4) denies black citizens of South Africa the right to travel freely within their own country;

(5) leads to the arbitrary government confiscation of the private property legally owned by black South African nationals;

(6) tries to deprive many South African citizens of South African citizenship;

(b) the policy and practice of apartheid is repugnant to the moral and political values of democratic and free societies, and runs counter to United States policies to promote democratic governments throughout the world and respect for human rights; and

(c) it is the policy of the United States to promote peaceful change in South Africa through diplomatic means, but also, where necessary and appropriate, through the adoption of other measures, in conjunction with our allies, in order to reinforce United States opposition to apartheid.

DEFINITIONS

Sec. 2. As used in this Act—

(1) the term "national of the United States" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; or

(B) a corporation, partnership, or other enterprise if—

(i) natural persons who are nationals of the United States own or control, directly or indirectly, more than 50 per centum of the outstanding voting securities;

(ii) natural persons who are nationals of the United States own or control, directly or indirectly 25 per centum or more of the voting securities, and natural persons of another nationality do not own or control as equal or larger percentage;

(iii) any natural person who is a national of the United States operates the corporation, partnership, or enterprise pursuant to the provisions of an exclusive management contract;

(iv) a majority of the members of the board of directors are also members of the comparable governing body of corporation or legal entity organized under the laws of the United States, any State or territory thereof, or the District of Columbia;

(v) natural persons who are nationals of the United States have authority to appoint the chief operating officer; and

(2) the term "South Africa" refers to the territory that constituted the Republic of South Africa on May 31, 1961.

SCHOLARSHIP FOR BLACK SOUTH AFRICANS

SEC. 3. Section 105(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1) after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Beginning with the fiscal year 1986, and for each fiscal year thereafter, $15,000,000 of assistance provided under this section by the Administrator of the agency primarily responsible for administering this part of this Act shall be used to finance scholarships for black South Africans who are attending universities, colleges, and secondary schools in South Africa and who are selected in accordance with subparagraph (B). Of the funds available under the preceding sentence to carry out this subparagraph, not less than $5,000,000 shall be available only for assistance to full-time teachers or other educational professionals pursuing studies toward the improvement of their professional credentials.

"(B) Individuals for whom scholarships are financed under subparagraph (A) shall be selected by a national panel or by regional panels composed solely of members of the teaching profession appointed by the United States chief of diplomatic mission to South Africa. No such individual may be selected through any contract entered into with the agency primarily responsible for administering this part of this Act.".

HUMAN RIGHTS FUND

SEC. 4. Section 116(e)(2)(A) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "1984 and" and inserting in lieu thereof "1984,";

(2) by inserting after "1985" a comma and the following: "and $1,500,000 for the fiscal year 1986, and for each fiscal year thereafter"; and

(3) by adding at the end thereof the following: "Grants under this paragraph shall be made by the Assistant Secretary for Human Rights and Humanitarian Affairs.".

EXPANDING PARTICIPATION IN THE SOUTH AFRICAN ECONOMY

SEC. 5. (a) The Congress declares—

(1) that the denial under the apartheid laws of South Africa of the rights of South African blacks and other nonwhites to have the opportunity to participate equitably in the South African economy as managers or owners of, or professionals in, business enterprises, and

(2) the policy of confining South African blacks and other nonwhites to the status of employees in minority-dominated businesses is an affront to the values of a free society.

(b) The Congress hereby—

(1) applauds the commitment of nationals of the United States adhering to the principles set forth in section 10 to assure that South African blacks and other nonwhites are given assistance in gaining their rightful place in the South African economy; and

(2) urges the United States Government to assist in all appropriate ways the realization by South African blacks and other nonwhites of their rightful place in the South African economy.

(c) The Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall, to the maximum extent practicable, in procuring goods or services, make affirmative efforts to assist business enterprises having more than 50 per centum beneficial ownership by South African blacks or other nonwhite South Africans.

OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 6. Section 237(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "(a) Insurance" and inserting in lieu thereof "(a)(1) Except as provided in paragraph (2), insurance"; and

(2) by adding at the end thereof the following:

"(2) Insurance, reinsurance, and guaranties of loans may be issued to cover an investment made in connection with a project in South Africa, notwithstanding the absence of an agreement with the Government of South Africa, if such investment is otherwise eligible under this title, except that—

"(A) the issuance of any such insurance, reinsurance, or guaranty shall only be made to promote joint ventures between business enterprises controlled or owned by South African blacks or other nonwhite South Africans and business enterprises controlled or owned by United States nationals; and

"(B) the national of the United States holds a minority interest or agrees to relinquish its majority interest during the course of the joint venture.".

EXPORT-IMPORT BANK OF THE UNITED STATES

SEC. 7. Section 2(b)(9) of the Export-Import Bank Act of 1945 is amended—

(1) by striking out "(9) In" and inserting in lieu thereof "(9)(A) Except as provided in subparagraph (B), in"; and

(2) by adding at the end thereof the following:

"(B) The Bank shall take active steps to encourage the use of its facilities to guarantee, insure, extend credit, or participate in the extension of credit to business enterprises in South Africa that are majority owned by South African blacks or other nonwhite South Africans. The certification requirement contained in clause (C) of subparagraphs (A) shall not apply to exports to or purchases from business enterprises which are majority owned by South African blacks or other nonwhite South Africans.".

LABOR PRACTICES OF THE UNITED STATES GOVERNMENT IN SOUTH AFRICA

SEC. 8. (a) It is the sense of the Congress that the labor practices used by the United States Government—

(1) for the direct hire of South Africans,

(2) for the reimbursement out of official residence funds of South Africans and employees of South African organizations for their employment services on behalf of the United States Government, and

(3) for the employment services of South Africans arranged by contract,

should represent the best of American labor practices and should serve as a model for the labor practices of nationals of the United States in South Africa.

(b) Notwithstanding any other law, the Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall promptly take the necessary steps to ensure that the labor practices applied to the employment services described in paragraphs (1) through (3) of subsection (a) are governed by the principles set forth in section 10.

EMPLOYMENT PRACTICES OF UNITED STATES NATIONALS IN SOUTH AFRICA

SEC. 9. (a) STATEMENT OF POLICY.—It is the sense of the Congress that any national of the United States who—

(1) has a branch or office in South Africa, or

(2) controls a business enterprise in South Africa, should implement, in the operation of such branch, office, or business enterprise, those principles relating to employment practices set forth in section 10.

(b) SANCTIONS.—

(1) APPLICABILITY.—The sanctions set forth in paragraph (2) shall apply to any national of the United States who—

(A) has a branch or office in South Africa, or

(B) controls a business enterprise in South Africa,

in which more than 20 people are employed, and who does not implement the principles set forth in section 202 in the operation of that business enterprise.

(2) SANCTIONS.—With respect to any national of the United States described in paragraph (1)—

(A) no department or agency of the United States may—

(i) enter into any contract with,

(ii) make any loan, issue any guaranty of a loan, or issue any insurance to,

(iii) provide any counseling on economic or political risks to, or

(iv) intercede with any foreign government or any national regarding the foreign investment or export marketing activities in any country of,

that national; and

(B) that national may not receive any credit or deduction under the Internal Revenue Code of 1954 for any income, war profits, or excess profits paid or accrued to South Africa.

(c) No department or agency of the United States may intercede with any foreign government or any national regarding the export marketing activities in any country of any national of the United States employing more than twenty persons in South Africa that is not implementing the principles relating to employment practices in South Africa set forth in section 10. No such national may make any new investment in the Republic of South Africa. The Secretary of State shall promulgate such regulations as are necessary to implement this section.

STATEMENT OF PRINCIPLES

SEC. 10. (a) The principles referred to in sections 8 and 9 of this Act are as follows:

(1) Desegregating the races in each employment facility, including—

(A) removing all race designation signs;

(B) desegregating all eating, rest, and work facilities; and

(C) terminating all regulations which are based on racial discrimination.

(2) Providing equal employment for all employees, including—

(A) assuring that any health, accident, or death benefit plans that are established are nondiscriminatory and open to all employees, on an equitable basis; and

(B) implementing equal and nondiscriminatory terms and conditions of employment for all employees, and abolishing job reservations, job fragmentation, apprenticeship

restrictions for blacks and other nonwhites, and differential employment criteria, which discriminate on the basis of race or ethnic origin.

(3) Establishing equally pay for all employees doing equal work, including—

(A) establishing and implementing, as soon as possible, a wage and salary structure which is applied equal to all employees, regardless of race, who are engaged in equal work;

(B) reviewing the distinction between hourly and salaried job classifications, and establishing and implementing an equitable and unified system of job classifications which takes into account such review; and

(C) eliminating inequities in seniority and ingrade benefits so that all employees, regardless of race, who perform similar jobs are eligible for the same seniority and ingrade benefits.

(4) Establishing a minimum wage and salary structure based on a cost-of-living index which takes into account the needs of employees and their families.

(5) Increasing, by appropriate means, the number of blacks and other nonwhites in managerial, supervisory, administrative, clerical, and technical jobs for the purpose of significantly increasing the representation of blacks and other nonwhites in such jobs, including—

(A) developing training programs that will prepare substantial numbers of blacks and other nonwhites for such jobs as soon as possible, including—

(i) creating on-the-job training programs and facilities to assist employees to advance to higher paying jobs requiring greater skills;

(B) establishing procedures to assess, identify, and actively recruit employees with potential for further advancement;

(C) identifying blacks and other nonwhites with high management potential and enrolling them in accelerated management programs;

(D) establishing and expanding programs to enable employees to further their education and skills at recognized education facilities; and

(E) establishing timetables to carry out this paragraph.

(6) Taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health, including—

(A) providing assistance to black and other nonwhite employees for housing, health care, transportation, and recreation either through the provision of facilities or services or providing financial assistance to employees for such purposes, including the expansion or creation of in-house medical facilities or other medical programs to improve medical care for black and other nonwhite employees and their dependents; and

(B) participating in the development of programs that address the education needs of employees, their dependents, and the local community.

(7) Recognizing labor unions and implementing fair labor practices, including—

(A) recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity;

(B) refraining from—

(i) interfering with, restraining, or coercing employees in the exercise of their rights of self-organization under this paragraph,

(ii) dominating or interfering with the formation or administration of any labor organization or sponsoring, controlling, or contributing financial or other assistance to it,

(iii) encouraging or discouraging membership in any labor organization by discrimination in regard to hiring, tenure, promotion, or other condition of employment,

(iv) discharging or otherwise disciplining or discriminating against any employee who has exercised any rights of self-organization under this paragraph, and

(C) allowing employees to exercise rights of self-organization, including solicitation of fellow employees during nonworking hours, allowing distribution and posting of union literature by employees during nonworking hours in nonworking areas, and allowing reasonable access to labor organization representatives to communicate with employees on employer premises at reasonable times;

(D) allowing employee representatives to meet with employer representatives during working hours without loss of pay for purposes of collective bargaining, negotiation of agreements, and representation of employee grievances;

(E) regularly informing employees that it is company policy to consult and bargain collectively with organizations which are freely elected by the employees to represent them; and

(F) utilizing impartial persons mutually agreed upon by employer and employee representatives to resolve disputes concerning election of representatives, negotiation of agreements or grievances arising thereunder, or any other matters arising under this paragraph.

(b) The Secretary of State may issue guidelines and criteria to assist persons who are or may be subject to this section in complying with the principles set forth in subsection (a) of this section. The Secretary may, upon request, give an advisory opinion to any person who is or may be subject to this section as to whether that person is subject to this section or would be considered to be in compliance with the principles set forth in subsection (a).

(c) The Secretary of State may promulgate such regulations as the Secretary may deem necessary to implement the provisions of this Act. The Secretary may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take dispositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation. The Secretary may require all persons referred to in subsection (a) to register with the Department of State.

(d) Any person who willfully violates any rule or regulation issued under this section or who willfully, in a registration statement or report required by the Secretary, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall upon conviction be fined not more than $1,000,000 or imprisoned not more than two years, or both.

(e) In carrying out functions under this section, the President is authorized to exercise the same powers concerning violations and enforcement which are conferred upon departments, agencies and officials by subsections (c), (d), (e), and (f) of section 11 of the Export Administration Act of 1979, and by subsections (a) and (c) of section 12 of such Act, subject to the same terms and conditions as are applicable to such powers under such Act. Nothing in this subsection shall be construed as authorizing the withholding of information from the Congress.

(f) Notwithstanding any other provision of law, the Secretary may enter into contacts with one or more private organizations or individuals to assist the Secretary on implementing this section.

POLICY ON ECONOMIC SANCTIONS

SEC. 11. (a) It shall be the policy of the United States to impose economic sanctions against the Government of South Africa if, within two years of the date of enactment of this section, significant progress has not been made toward ending the policy of apartheid.

(b) The President may waive sanctions contained in subsection (a) of this section for a period of not more than 12 months if—

(1) the President determines that one or more of the conditions as set forth in subsection (d) of this section are met,

(2) the President submits that determination to the Congress, and

(3) a joint resolution is enacted approving the President's determination.

(c) The President may waive the sanctions contained in subsection (a) of this section for an additional 6-month period if, before each such waiver—

(1) the President determines that an additional condition set forth in subsection (d) has been met since the preceding waiver under this subsection became effective,

(2) the President submits that determination to the Congress, and

(3) a joint resolution is enacted approving the President's determination.

(d) STATEMENT OF CONDITIONS.—The conditions referred to in subsections (b) and (c) are the following:

(1) FAMILY HOUSING NEAR PLACE OF EMPLOYMENT.—The Government of South Africa has eliminated the system which makes it impossible for black employees and their families to be housed in family accommodations near the place of employment.

(2) RIGHT TO SEEK EMPLOYMENT.—The Government of South Africa has eliminated all policies that restrict the rights of black people to seek employment in South Africa and to live wherever they find employment in South Africa.

(3) ELIMINATING DENATIONALIZATION.—The Government of South Africa has eliminated all policies that make distinctions between the South African nationality of blacks and whites.

(4) ELIMINATING REMOVALS.—The Government of South Africa has eliminated removals of black populations from certain geographic areas on account of race or ethnic origin.

(5) ELIMINATING RESIDENCE RESTRICTIONS.—The Government of South Africa has eliminated all residence restrictions based on race or ethnic origin.

(6) NEGOTIATIONS FOR NEW POLITICAL SYSTEM.—The Government of South Africa has entered into meaningful negotiations with truly representative leaders of the black population for a new political system providing for the full national participation of all the people of South Africa in the social, political, and economic life in that country and an end to discrimination based on race or ethnic origin.

(7) SETTLEMENT OF NAMIBIA.—An internationally recognized settlement for Namibia has been achieved.

(8) FREEING POLITICAL PRISONERS.—The Government of South Africa has freed all political prisoners.

REPORT OF THE PRESIDENT

SEC. 12. (a) The President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate March 1, 1987 and every six months thereafter, a report on the extent to which significant progress has been made toward ending the system of apartheid, including—

(1) a detailed assessment of the extent to which the Government of South Africa has made progress in—

(A) housing black workers with their families;

(B) abolishing the pass laws which prevent blacks from moving freely into the cities;

(C) terminating the migrant labor system;

(D) allowing unrestricted labor union rights for all; and

(E) increasing local investment in black education and training;

(2) a statement of any conclusions drawn by the Inter-Allied Working Group on South Africa;

(3) a determination by the President as to whether significant progress has been made in achieving the purposes described in clauses (A) through (E) of paragraph (1); and

(4) if the President determines under paragraph (3) that significant progress has not been made, a recommendation as to which of the following sanctions should be imposed;

(A) A ban on new commercial investment in South Africa.

(B) A ban on new bank loans to the Government of South Africa.

(C) A ban on the importatin of South African Krugerrands.

(D) A ban on the sale of computers to the central Government of South Africa.

TITLE II—UNITED STATES COMMISSION ON SOUTH AFRICA

SEC. 201. ESTABLISHMENT OF COMMISSION.

There is established a commission to be known as the "United States Commission on South Africa" (hereinafter in this title referred to as the "Commission").

SEC. 202. DUTIES OF COMMISSION.

(a) STUDY AND REPORT ON PROGRESS AGAINST APARTHEID.—The Commission shall conduct an ongoing study of, and shall report to the Congress on, the progress that the Government of South Africa has made—

(1) in eliminating the system of apartheid; and

(2) toward the full participation of blacks and other nonwhites in the social, political, and economic life in South Africa.

The Commission shall also study the economic and political relations between the United States and South Africa.

(b) FOCUS OF STUDY.—In carrying out subsection (a), the Commission shall—

(1) with respect to the progress toward eliminating apartheid, pay particular attention to the termination of—

(A) the Group Areas Act;

(B) the Pass Laws;

(C) the Influx Control Act;

(D) the Mixed Marriages Act;

(E) the Immorality Act;

(F) the homelands policy; and

(G) the detention of persons without due process of law; and

(2) with respect to the goals referred to in subsection (a)(2), pay particular attention to the involvement of recognized representatives of the black and nonwhite population in South Africa in achieving these goals, including the convening, as soon as possible, by the Government of South Africa of a national congress, composed of all pro-democratic groups in South Africa, to establish a timetable for granting full citizenship to blacks and other nonwhites in South Africa.

(c) SCHEDULE OF STUDY AND REPORTS.—

(1) STUDY.—The Commission shall conduct the study under subsection (a) during the 2-year period beginning on the date of the enactment of this Act.

(2) REPORTS.—The Commission shall submit in terim reports to the Congress at the end of each 6-month period beginning on the date of the enactment of this Act. Not later than the end of the 2-year period beginning on the date of the enactment of this Act, the Commission shall submit a final report to the Congress. The final report shall contain—

(A) a determination by the Commission of whether the Government of South Africa has made substantial progress toward the goals set forth in paragraphs (1) and (2) of subsection (a), and

(B) if the Commission determines under subparagraph (A) that substantial progress has not been made, a recommendation as to which of the following should be imposed:

(i) A ban on new commercial investment in South Africa.

(ii) A ban on new bank loans to the Government of South Africa.

(iii) A ban of the sale of computers to the Government of South Africa.

(iv) Changes in diplomatic relations with South Africa.

SEC. 203. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, as follows:

(A) The chairman and ranking minority member of the Committee on Foreign Affairs of the House of Representatives.

(B) The chairman and ranking minority member of the Committee on Foreign Relations of the Senate.

(C) The chairman and ranking minority member of the Subcommittee on Africa of the Committee on Foreign Affairs of the House of Representatives.

(D) The chairman and ranking minority member of the Subcommittee on Africa of the Committee on Foreign Relations of the Senate.

(E) Seven members appointed by the President from among persons knowledgeable in South African affairs, as follows:

(i) One member shall be an officer of the Department of State.

(ii) One member shall be an officer of the Department of Commerce.

(iii) One member shall be an officer of the Department of the Treasury.

(iv) Four members shall be appointed from among persons who are not officers or employees of any government who are specially qualified to serve on the Commission by virtue of their education, training, or experience.

(2) DESIGNATION OF SUBSTITUTES.—If any member referred to in paragraph (1)(A) or (1)(B) is the same individual as a member referred to in paragraph (1)(C) or (1)(D), then the individual shall designate another member of the Committee on Foreign Affairs or Foreign Relations, as the case may be, to serve as a member of the Commission.

(3) FILING OF VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(b) CONTINUATION OF MEMBERSHIP.—If any member of the Commission who was appointed to the Commission as a Member of the Congress leaves that office, or if any member of the Commission who was appointed from persons who are not officers or employees of any government becomes an officer or employee of a government, he or she may continue as a member of the Commission for not longer than the 60-day period beginning on the date he or she leaves that office or becomes such an officer or employee, as the case may be.

(c) TERMS.—Members shall be appointed for the life of the Commission.

(d) BASIC PAY.—

(1) FOR NON-GOVERNMENT EMPLOYEES.—Except as provided in paragraph (2), members of the Commission shall serve without pay, but shall be allowed travel or transportation expenses, including per diem in lieu of subsistence, to the same extent as employees serving intermittently in the Government Service are allowed such expenses under section 5703 of title 5, United States Code.

(2) FOR GOVERNMENT EMPLOYEES.—Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(e) QUORUM.—Eight members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) CHAIRMAN.—The Chairman and Vice Chairman of the Commission shall be elected by the members of the Commission.

(g) MEETINGS.—The Commission shall meet at the call of the Chairman or a majority of its members.

SEC. 204. STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.

(a) STAFF.—The Commission may appoint and fix the pay of such additional personnel as it considers appropriate.

(b) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapters III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(c) EXPERTS AND CONSULTANTS.—The Commission may procure temporary and intermittent services under section 3209(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the minimum annual rate of basic pay payable for GS-18 of the General Schedule.

(d) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

SEC. 205. POWERS OF COMMISSION.

(a) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon the request of the Chairman or Vice Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(g) SUBPOENA POWER.—

(1) IN GENERAL.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commission. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) REFUSAL TO OBEY A SUBPOENA.—If a person issued a subpoena under paragraph (1) refuses to obey such subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) SERVING OF SUBPOENAS.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) VENUE OF PROCESS.—All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or may be found.

(h) IMMUNITY.—No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to a subpoena, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture by reason of any transaction, matter, or thing concerning which such individual is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committee in so testifying.

SEC. 206. Termination.

The Commission shall cease to exist 90 days after submitting its final report pursuant to section 412(c).

By Mr. RICHARDSON:

—Page , after line , insert the following new section:

SEC. 15. BAN ON IMPORTING URANIUM AND COAL FROM SOUTH AFRICA AND NAMIBIA.

Notwithstanding any other provision of law and except as otherwise provided in this Act, the following products of South Africa and Namibia may not be imported into the United States: coal and uranium ore.

Page 5, line 2, strike out "sections 4 and 5" and insert in lieu thereof "section 4, 5, and 15"; and line 12, strike out "sections 4 and 5" and insert in lieu thereof "sections 4, 5, 15".

Page 12, line 25, strike out "and".

Page 13, line 1, insert ", and on importing coal and uranium ore from South Africa" immediately before the period.

By Mr. SILJANDER:

(Amendment in the nature of a substitute.)

—Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "South Africa Act of 1985".

SEC. 2. DECLARATION OF POLICY AND STATEMENT OF FINDING.

(a) IN GENERAL.—The Congress declares that it is the policy of the United States to be a positive influence in bringing an end to the apartheid system of racial discrimination in South Africa.

(b) FINDINGS.—The Congress finds that the policy and practice of apartheid—

(1) separates millions of workers from their families;

(2) is based on a form of rule in South Africa by a minority only, which denies political rights to the majority;

(3) consigns the masses of people living under it to lives of poverty;

(4) denies nonwhite nationals of South Africa the right to travel freely within their own country;

(5) provides economic privileges for some by denying basic freedoms for others;

(6) results in forceable removals of peoples from their homes against their wills;

(7) denies the majority of the people of South Africa their basic human rights;

(8) has damaged the status and reputation of the Republic of South Africa as a civilized nation; and

(9) has contributed significantly to a general climate of instability throughout southern Africa.

(c) DECLARATIONS OF POLICY.—The Congress makes the following declarations:

(1) The policy and practice of apartheid runs counter to the principles of civilized nations and debases human dignity, and is repugnant to the values of the United States of America. The Congress consequently reaffirms that it is the continuing policy of the United States Government to oppose the practice of apartheid by the Govenment of South Africa, especially through diplomatic means, and, when necessary and appropriate, through the enactment and implementation of laws intended to reinforce United States policy with respect to apartheid.

(2) It is the policy of the United States to promote change in South Africa through peaceful means. The Congress directs the Secretary of State to consider urgently the best possible means to use United States influence to bring an end to this morally repugnant practice in a nonviolent manner, recognizing that this objective will best be achieved through cooperative action on the part of all nations and through the exercise of political rights by all of the people of South Africa.

(3) The Congress recognizes that the objectives of peaceful change in South Africa and the exercise of political rights by all people in that country can be served if United States influence is directed toward building institutions that will enable the South African people to challenge the inequities of the apartheid system. To this end, the Congress declares it is the policy of the United States to support an independent and impartial judicial system in South Africa. The Congress declares further that it is the policy of the United States to support free trade unions for South African workers and to encourage the full participation of all the people of South Africa in the social, political, and economic life in that country.

(4) The Congress recognizes that the objectives of peaceful change in South Africa cannot be achieved unless representatives of all segments of the population in South Africa are convened for the purpose of making the necessary changes to establish a fully representative democratic system.

TITLE I—UNITED STATES COMMISSION ON SOUTH AFRICA

SEC. 101. ESTABLISHMENT OF COMMISSION.

There is established a commission to be known as the "United States Commission on South Africa" (hereinafter in this title referred to as the "Commission").

SEC. 102. DUTIES OF COMMISSION.

(a) STUDY AND REPORT ON PROGRESS AGAINST APARTHEID.—The Commission shall conduct an ongoing study of, and shall report to the Congress on, the progress that the Government of South Africa has made—

(1) in eliminating the system of apartheid; and

(2) toward the full participation of blacks and other nonwhites in the social, political, and economic life in South Africa.

The Commission shall also study the economic and political relations between the United States and South Africa.

(b) FOCUS OF STUDY.—In carrying out subsection (a), the Commission shall—

(1) with respect to the progress toward eliminating apartheid, pay particular attention to the termination of—

(A) the Group Areas Act;

(B) the Pass Laws;

(C) the Influx Control Act;

(D) the Mixed Marriages Act;

(E) the Immorality Act;

(F) the homelands policy; and

(G) the detention of persons without due process of law; and

(2) with respect to the goals referred to in subsection (a)(2), pay particular attention to the involvement of recognized representatives of the black and nonwhite population in South Africa in achieving these goals, including the convening, as soon as possible, by the Government of South Africa of a national congress, composed of all pro-democratic groups in South Africa, to establish a timetable for granting full citizenship to blacks and other nonwhites in South Africa.

(c) SCHEDULE OF STUDY AND REPORTS.—

(1) STUDY.—The Commission shall conduct the study under subsection (a) during the 3-year period beginning on the date of the enactment of this Act.

(2) REPORTS.—The Commission shall submit interim reports to the Congress at the end of each 6-month period beginning on the date of the enactment of this Act.

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Not later than the end of the 3-year period beginning on the date of the enactment of this Act, the Commission shall submit a final report to the Congress. The final report shall contain—

(A) a determination by the Commission of whether the Government of South Africa has made substantial progress toward the goals set forth in paragraphs (1) and (2) of subsection (a), and

(B) if the Commission determines under subparagraph (A) that substantial progress has not been made, a recommendation as to which of the following should be imposed:

(i) A ban on new commercial investment in South Africa.

(ii) A ban on new bank loans to the Government of South Africa.

(iii) A ban of the sale of computers to the Government of South Africa.

(iv) Changes in diplomatic relations with South Africa.

SEC. 103. MEMBERSHIP.

(a) Number and Appointment.—

(1) In general.—The Commission shall be composed of 15 members, as follows:

(A) The chairman and ranking minority member of the Committee on Foreign Affairs of the House of Representatives.

(B) The chairman and ranking minority member of the Committee on Foreign Relations of the Senate.

(C) The chairman and ranking minority member of the Subcommittee on Africa of the Committee on Foreign Affairs of the House of Representatives.

(D) The chairman and ranking minority member of the Subcommittee on Africa of the Committee on Foreign Relations of the Senate.

(E) Seven members appointed by the President from among persons knowledgeable in South African affairs, as follows:

(i) One member shall be an officer of the Department of State.

(ii) One member shall be an officer of the Department of Commerce.

(iii) One member shall be an officer of the Department of the Treasury.

(vi) Four members shall be appointed from among persons who are not officers or employees of any government who are specially qualified to serve on the Commission by virtue of their education, training, or experience.

(2) Designation of substitutes.—If any member referred to in paragraph (1)(A) or (1)(B) is the same individual as a member referred to in paragraph (1)(C) or (1)(D), then the individual shall designate another member of the Committee on Foreign Affairs or Foreign Relations, as the case may be, to serve as a member of the Commission.

(3) Filling of vacancies.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(b) Continuation of Membership.—If any member of the Commission who was appointed to the Commission as a Member of the Congress leaves that office, or if any member of the Commission who was appointed from persons who are not officers or employees of any government becomes an officer or employee of a government, he or she may continue as a member of the Commission for not longer than the 60-day period beginning on the date he or she leaves that office or becomes such an officer or employee, as the case may be.

(c) Terms.—Members shall be appointed for the life of the Commission.

(d) Basic Pay.—

(1) For non-government employees.—Except as provided in paragraph (2), members of the Commission shall serve without pay, but shall be allowed travel or transportation expenses, including per diem in lieu of subsistence, to the same extent as employees serving intermittently in the Government Service are allowed such expenses under section 5703 of title 5, United States Code.

(2) For government employees.—Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(e) Quorum.—Eight members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) Chairman.—The Chairman and Vice Chairman of the Commission shall be elected by the members of the Commission.

(g) Meetings.—The Commission shall meet at the call of the Chairman or a majority of its members.

SEC. 104. STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.

(a) Staff.—The Commission may appoint and fix the pay of such additional personnel as it considers appropriate.

(b) Applicability of Certain Civil Service Laws.—The staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

(c) Experts and Consultants.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the minimum annual rate of basic pay payable for GS–18 of the General Schedule.

(d) Staff of Federal Agencies.—Upon the request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

SEC. 105. POWERS OF COMMISSION.

(a) Hearings and Sessions.—The Commission may, for the purpose of carrying out this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) Powers of Members and Agents.—Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) Obtaining Official Data.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon the request of the Chairman or Vice Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) Gifts.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(e) Mails.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) Administrative Support Services.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(g) Subpoena Power.—

(1) In general.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commission. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) Refusal to obey a subpoena.—If a person issued a subpoena under paragraph (1) refuses to obey such subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) Serving of subpoenas.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) Venue of process.—All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or may be found.

(h) Immunity.—No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to a subpoena, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture by reason of any transaction, matter, or thing concerning which such individual is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

SEC. 106. TERMINATION.

The Commission shall cease to exist 90 days after submitting its final report pursuant to section 412(c).

TITLE II—FAIR EMPLOYMENT PRINCIPLES

SEC. 201. IMPLEMENTATION OF FAIR EMPLOYMENT PRINCIPLES.

(a) Statement of Policy.—It is the sense of the Congress that any person who—

(1) has a branch or office in South Africa, or

(2) controls a business enterprise in South Africa, should implement, in the operation of such branch, office, or business enterprise, those principles relating to employment practices set forth in section 202.

(b) Sanctions.—

(1) Applicability.—The sanctions set forth in paragraph (2) shall apply to any person who—

(A) has a branch or office in South Africa, or

(B) controls a business enterprise in South Africa,

in which more than 20 people are employed, and who does not implement the principles set forth in section 202 in the operation of that business enterprise.

(2) Sanctions.—With respect to any person described in paragraph (1)—

(A) no department or agency of the United States may—

(i) enter into any contract with,

(ii) make any loan, issue any guaranty of a loan, or issue any insurance to,

(iii) provide any counseling on economic or political risks to, or

(iv) intercede with any foreign government or any national regarding the foreign investment or export marketing activities in any country of,

that person; and

(B) that person may not receive any credit or deduction under the Internal Revenue Code of 1954 for any income, war profits, or excess profits paid or accrued to South Africa.

SEC. 202. STATEMENT OF PRINCIPLES.

The principles referred to in section 201 are as follows:

(1) Desegregating the races.—Desegregating the races in each employment facility, including—

(A) removing all race designation signs;

(B) desegregating all eating, rest, and work facilities; and

(C) terminating all regulations which are based on racial discrimination.

(2) Equal Employment.—Providing equal employment for all employees without regard to race or ethnic origin, including—

(A) assuring that any health, accident, or death benefit plans that are established are nondiscriminatory and open to all employees without regard to race or ethnic origin; and

(B)(i) implementing equal and nondiscriminatory terms and conditions of employment for all employees, and (ii) abolishing job reservations, job fragmentation, apprenticeship restrictions for blacks and other nonwhites, and differential employment criteria, which discriminate on the basis of race or ethnic origin.

(3) Equitable pay system.—Assuring that the pay system is equitably applied to all employees without regard to race or ethnic origin, including—

(A) assuring that any wage and salary structure that is implemented is applied equally to all employees without regard to race or ethnic origin;

(B) eliminating any distinctions between hourly and salaried job classifications on the basis of race or ethnic origin; and

(C) eliminating any inequities in seniority and ingrade benefits which are based upon race or ethnic origin.

(4) Minimum wage and salary structure.—Establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families.

(5) Increasing blacks and other nonwhites in certain jobs.—Increasing, by appropriate means, the number of blacks and other nonwhites in managerial, supervisory, administrative, clerical, and technical jobs for the purpose of significantly increasing the representation of blacks and other nonwhites in such jobs, including—

(A) developing training programs that will prepare substantial numbers of blacks and other nonwhites for such jobs as soon as possible, including—

(i) expanding existing programs and forming new programs to train, upgrade, and improve the skills of all categories of employees, and

(ii) creating on-the-job training programs and facilities to assist employees to advance to higher paying jobs requiring greater skills;

(B) establishing procedures to assess, identify, and actively recruit employees with potential for further advancement;

(C) identifying blacks and other nonwhites with high management potential and enrolling them in accelerated management programs;

(D) establishing and expanding programs to enable employees to further their education and skills at recognized education facilities; and

(E) establishing timetables to carry out this paragraph.

(6) Improving life outside the workplace.—Taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health, including—

(A) providing assistance to black and other nonwhite employees for housing, health care, transportation, and recreation either through providing facilities or services or providing financial assistance to employees for such purposes, including the expansion or creation of in-house medical facilities or other medical programs to improve medical care for black and other nonwhite employees and their dependents; and

(B) participating in the development of programs that address the education needs of employees, their dependents, and the local community.

(7) Fair labor practices.—Recognizing labor unions and implementing fair labor practices, including—

(A) recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity;

(B) refraining from—

(i) interfering with, restraining, or coercing employees in the exercise of their rights of self-organization under this paragraph,

(ii) dominating or interfering with the formation or administration of any labor organization, or sponsoring, controlling, or contributing financial or other assistance to it,

(iii) encouraging or discouraging membership in any labor organization by discrimination in regard to hiring, tenure, promotion, or other condition of employment,

(iv) discharging or otherwise disciplining or discriminating against any employee who has exercised any rights of self-organization under this paragraph, and

(v) refusing to bargain collectively with any organization freely chosen by employees to represent them;

(C)(i) allowing employees to exercise rights of self-organization, including solicitation of fellow employees during nonworking hours, (ii) allowing distribution and posting of union literature by employees during nonworking hours in nonworking areas, and (iii) allowing reasonable access to labor organization representatives to communicate with employees on employer premises at reasonable times;

(D) allowing employee representatives to meet with employer representatives during working hours without loss of pay for purposes of collective bargaining, negotiation of agreements, and representation of employee grievances;

(E) regularly informing employees that it is company policy to consult and bargain collectively with organizations which are freely elected by the employees to represent them; and

(F) utilizing impartial persons mutually agreed upon by employer and employee representatives to resolve disputes concerning election of representatives, negotiation of agreements or grievances arising thereunder, or any other matters arising under this paragraph.

(8) Increased activities outside the workplace.—Increasing the dimension of activities outside the workplace, including—

(A) supporting the unrestricted rights of businesses owned by blacks or other nonwhites to locate in the urban areas of South Africa;

(B) attempting to influence other companies in South Africa to implement equal rights principles;

(C) supporting the freedom of mobility of black and other nonwhite employees to seek employment opportunities wherever they exist, and making possible provisions for adequate housing for families of employees near the place of employment; and

(D) supporting the termination of all apartheid laws.

SEC. 203. GUIDELINES.

The Secretary may issue guidelines and criteria to assist persons who are or may be subject to this title in complying with the principles set forth in section 202. The Secretary may, upon request, give an advisory opinion to any person who is or may be subject to this title as to whether that person is subject to this title or would be considered to be in compliance with the principles set forth in section 202.

SEC. 204. ENFORCEMENT PROVISIONS.

(a) Authority of the Secretary.—The Secretary shall take the necessary steps to ensure compliance with the provisions of this title and any regulations, licenses, and orders issued to carry out this title. In ensuring such compliance, the Secretary shall establish mechanisms to monitor compliance with this title and such regulations, licenses, and orders, including onsite monitoring, at least once in every 2-year period, of each person subject to section 201(b) who files a report under subsection (b) of this section. In ensuring such compliance, the Secretary may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(b) Reports by Persons Subject to Section 201.—Each person subject to section 201(b) shall submit to the Secretary—

(1) a detailed and fully documented annual report on the compliance of that person with the principles set forth in section 202, and

(2) such other information as the Secretary considers necessary.

(c) Determinations of Compliance.—The Secretary shall, within 90 days after giving notice and an opportunity for a hearing to each person subject to section 201(b) who files a report under subsection (b) of this section, make a determination with respect to the compliance of that person with the employment principles set forth in section

202 and any regulations issued to carry out that section.

(d) APPLICABILITY OF SECTION 201(b).—The sanctions set forth in section 201(b)(2) shall apply to any person—

(1) who fails to file the reports required by subsection (b) of this section, or

(2) with respect to whom the Secretary makes a determination under subsection (c) or (f) of this section either that the person is not in compliance with the employment principles set forth in section 202 (or any regulation issued to carry out that section), or that such compliance cannot be established on account of a failure to provide information to the Secretary or on account of the provision of false information to the Secretary.

(e) LIST OF PERSONS IN COMPLIANCE AND NONCOMPLIANCE.—The Secretary shall issue a list of all persons with respect to whom determinations are made under subsection (c) and redeterminations are made under subsection (f), and what the determinations and redeterminations are. The Secretary shall distribute the list to all departments and agencies of the Federal Government.

(f) REDETERMINATIONS.—

(1) IN GENERAL.—With respect to each person concerning whom a determination is made under subsection (c), the Secretary shall, at least once in every 2-year period, review and, in accordance with subsection (c), make a redetermination with respect to the compliance of that person with the employment principles set forth in section 202 and any regulations issued to carry out that section.

(2) UPON REQUEST.—In the case of any person with respect to whom the Secretary makes a determination under subsection (c) or paragraph (1) either that—

(A) the person is not in compliance with the employment principles set forth in section 202 (or any regulations issued to carry out that section), or

(B) such compliance cannot be established on account of a failure to provide information to the Secretary or on account of the provision of false information to the Secretary,

the Secretary shall, upon the request of that person and after giving that person an opportunity for a hearing, review and redetermine that person's compliance within 60 days after that person files the first annual report under subsection (b) after the negative determination is made.

(g) JUDICIAL REVIEW OF DETERMINATIONS.—Any person aggrieved by a determination or redetermination of the Secretary under subsection (c) or (f) may seek judicial review of that determination or redetermination in accordance with the provisions of chapter 7 of title 5, United States Code.

(h) REPORT TO CONGRESS.—The Secretary shall submit an annual report to the Congress on the compliance of those persons subject to section 201(b) with the employment principles set forth in section 202.

SEC. 205. REGULATIONS.

The Secretary shall, not later than 60 days after the date of the enactment of this Act, issue such regulations as are necessary to carry out this title. The regulations shall include dates by which persons subject to section 201(b) must comply with the provisions of this title, except that the date for compliance with all the provisions of this title shall be not later than 1 year after the date of the enactment of this Act.

SEC. 206. WAIVERS.

The President may waive the requirements of this title with respect to any person if the waiver is necessary to protect the national security of the United States. The President shall publish each waiver in the Federal Register and shall submit each waiver and the justification for the waiver to the Congress.

SEC. 207. DEFINITIONS.

For purposes of this title—

(1) PERSON.—The term "person" means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization, and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality of any such government, including a government-sponsored agency).

(2) CONTROL.—A person shall be presumed to control a business enterprise if—

(A) the person beneficially owns or controls (whether directly or indirectly) more than 50 percent of the outstanding voting securities of the business enterprise;

(B) the person beneficially owns or controls (whether directly or indirectly) 25 percent or more of the voting securities of the business enterprise, if no other person owns or controls (whether directly or indirectly) an equal or larger percentage;

(C) the business enterprise is operated by the person pursuant to the provisions of an exclusive management contract;

(D) a majority of the members of the board of directors of the business enterprise are also members of the comparable governing body of the person;

(E) the person has authority to appoint a majority of the members of the board of directors of the business enterprise; or

(F) the person has authority to appoint the chief operating officer of the business enterprise.

(3) BUSINESS ENTERPRISE.—The term "business enterprise" means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage.

(4) BRANCH.—The term "branch" means the operations or activities conducted by a person in a different location in its own name rather than through a separate incorporated entity.

SEC. 208. APPLICABILITY TO EVASIONS OF TITLE.

This title and the regulations issued to carry out this title shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this title or such regulations.

TITLE III—ADDITIONAL MEASURES REGARDING SOUTH AFRICA

SEC. 301. HUMAN RIGHTS FUND.

Section 116(e)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n) is amended—

(1) in subparagraph (A)—

(A) by striking out "1984 and" and inserting in lieu thereof "1984,";

(B) by inserting after "1985" the following: ", and $2,000,000 for the fiscal year 1986 and for each fiscal year thereafter"; and

(C) by adding at the end thereof the following: "Grants under this paragraph shall be made by the Assistant Secretary for Human Rights and Humanitarian Affairs."; and

(2) by striking out subparagraph (C) and redesignating subparagraph (D) as subparagraph (C).

SEC. 302. NATIONAL ENDOWMENT FOR DEMOCRACY.

In addition to any other amounts made available to the National Endowment for Democracy for the fiscal years 1986 and 1987, there is authorized to be appropriated for each of those fiscal years $1,500,000 for private enterprise and free labor union development in the nonwhite communities in South Africa. Of the amounts authorized by the preceding sentence—

(1) $500,000 for each such fiscal year shall be for the Free Trade Union Institute; and

(2) $500,000 for each such fiscal year shall be for the Center for International Private Enterprise.

SEC. 303. SCHOLARSHIPS FOR BLACK SOUTH AFRICANS.

Section 105(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Beginning with the fiscal year 1986, and for each fiscal year thereafter, $15,000,000 of assistance provided under this section shall be used to finance scholarships for black South Africans who are attending universities, colleges, and secondary schools in South Africa. Of the funds available under the preceding sentence to carry out this paragraph, not less than $5,000,000 shall be available only for assistance to full-time teachers or other educational professionals pursuing studies towards the improvement of their professional credentials.".

SEC. 304. OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) ELIGIBILITY OF CERTAIN PROJECTS IN SOUTH AFRICA.—Section 237(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2197(a)) is amended—

(1) by striking out "(a) Insurance" and inserting in lieu thereof "(a)(1) Except as provided in paragraph (2), insurance"; and

(2) by adding at the end thereof the following:

"(2) Insurance, reinsurance, and guaranties of loans may be issued to cover an investment made in connection with a project in South Africa, notwithstanding the absence of an agreement ,with the Government of South Africa, except that—

"(A) the issuance of any such insurance, reinsurance, or guaranty shall only be made to promote joint ventures between business enterprises controlled or owned by South African blacks or other nonwhite South Africans and business enterprises controlled or owned by United States nationals; and

"(B) with respect to such a joint venture, the national or nationals of the United States hold a minority interest or agree to relinquish its majority interest during the course of the joint venture.".

(b) NATIONAL OF THE UNITED STATES DEFINED.—Section 238 of the Foreign Assistance Act of 1961 (22 U.S.C. 2198) is amended—

(1) in subsection (c) by striking out "and" at the end thereof;

(2) in subsection (d) by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(e) the term "national of the United States" means—

"(1) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; or

"(2) a corporation, partnership, or other enterprise if—

"(A) natural persons who are nationals of the United States own or control, directly or

indirectly, more than 50 percent of the outstanding voting securities;

"(B) natural persons who are nationals of the United States own or control, directly or indirectly, 25 percent or more of the voting securities, and natural persons of another nationality do not own or control an equal or larger percentage;

"(C) any natural person who is a national of the United States operates the corporation, partnership, or enterprise pursuant to the provisions of an exclusive management contract;

"(D) a majority of the members of the board of directors are also members of the comparable governing body of a corporation or legal entity organized under the laws of the United States, any State or territory thereof, or the District of Columbia; or

"(E) natural persons who are nationals of the United States have authority to appoint the chief operating officer.".

SEC. 305. POLICY ON COOPERATION WITH ALLIED GOVERNMENTS.

It is the sense of the Congress that the President should consult with the heads of governments of countries allied to the United States regarding the important issues raised by the existence of apartheid in South Africa, particularly the prospect for joint, effective action among the allied countries in the field of economic relations to bring about an end to apartheid.

SEC. 306. STUDY; REPORTS.

(a) STUDY ON STARVATION AND MALNUTRITION IN HOMELANDS.—The Secretary of State shall conduct a study to ascertain the amount of starvation and malnutrition taking place in the "homelands" areas of South Africa.

(b) REPORT ON STUDY.—The Secretary of State shall, not later than 3 months after the date of the enactment of this Act, prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the results of the study conducted under subsection (a).

TITLE IV—GENERAL PROVISIONS

SEC. 401. SOUTH AFRICA DEFINED.

For purposes of this Act, the term "South Africa" includes—

(1) the Republic of South Africa,

(2) any territory under the administration, legal or illegal, of South Africa, and

(3) the "bantustans" or "homelands", to which South African blacks are assigned on the basis of ethnic origin, including the Transkei, Bophuthatswana, Ciskei, and Venda.

SEC. 402. CONSTRUCTION OF ACT.

Nothing in this Act shall be construed as constituting any recognition by the United States of the homelands referred to in section 401(3).

SEC. 403. TERMINATION OF PROVISIONS OF ACT.

(a) DETERMINATION OF ABOLITION OF APARTHEID.—If the President determines that the system of apartheid in South Africa has been abolished, the President may submit that determination, and the basis for the determination, to the Congress.

(b) JOINT RESOLUTION APPROVING DETERMINATION.—Upon the enactment of a joint resolution approving a determination of the President submitted to the Congress under subsection (a), the provisions of this Act, and all regulations, licenses, and orders issued to carry out this Act, shall terminate.

(c) DEFINITION.—For purposes of subsection (a), the "abolition of apartheid" shall include—

(1) the repeal of all laws and regulations that discriminate on the basis of race; and

(2) the establishment of a body of laws that assures the full national participation of all the people of South Africa in the social, political, and economic life in that country.

SEC. 404. COMPLIANCE WITH BUDGET ACT.

Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation acts. Any provision of this Act which authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1985.

Amend the title so as to read: "A Bill to express the opposition of the United States to the apartheid policies of the Government of South Africa and to implement certain measures to encourage South Africa to change such policies.".

By Mr. DELLUMS:

—At the end of title II (RDT&E) add the following new section:

SEC. . STRATEGIC DEFENSE INITIATIVE FUNDING LIMITATIONS.

(a) SDI ACTIVITIES TO BE CONSISTENT WITH 1972 ABM TREATY.—None of the funds appropriated or otherwise made available for research, development, test, and evaluation for fiscal year 1986 shall be available for activities of the Strategic Defense Initiative Organization of the Department of Defense (hereinafter in this section referred to as the "SDIO") for any activity that is not fully consistent with the 1972 Treaty on the Limitation of Anti-Ballistic Missile Systems between the Soviet Union and United States (the "ABM Treaty").

(b) LIMITATION ON DEMONSTRATION PROJECTS.—None of the funds appropriated or otherwise made available for fiscal year 1986 for the SDIO may not be used for—

(1) any technology demonstration project;

(2) any "major experiment"; or

(3) any activity that involves engineering development aimed at the construction of experimental hardware for operational testing.

(c) LIMITATION OF FY 86 FUNDS FOR THE SDIO.—Of the funds appropriated or otherwise made available for the Department of Defense for fiscal year 1986 for research, development, test, and evaluation, not more than $954,900,000 shall be available for the SDIO. Such funds shall be available only as follows:

(1) $348,000,000 for surveillance, acquisition, track, and kill assessment.

(2) $249,000,000 for directed energy weapons.

(3) $149,900,000 for kinetic energy weapons.

(4) $99,000,000 for systems concepts and battle management.

(5) $109,000,000 for survivability, lethality, and key support technology.

(6) $8,000,000 for SDIO management headquarters.

(Amendment in the nature of a substitute.)

—Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

AThis Act may be cited as the "Department of Defense Authorization Act, 1986".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to authorize appropriations for the Department of Defense for fiscal year 1986 at levels consistent with a strong national defense and a sound national economy;

(2) to minimize the risk of nuclear confrontation;

(3) to eliminate areas of waste and abuse in the budget of the Department of Defense for fiscal year 1985;

(4) to provide for improved military personnel policies designed to enhance readiness and morale; and

(5) to make other improvements in the management of the Department of Defense.

TITLE I—PROCUREMENT

SEC. 101. AUTHORIZATION OF APPROPRIATIONS, ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement of aircraft, missiles, weapons and tracked combat vehicles, ammunition, and for other procurement for the Army as follows:

For aircraft, $2,516,200,000.

For missiles, $1,141,200,000.

For weapons and tracked combat vehicles, $2,469,700,000.

For ammunition, $2,338,900,000.

For other procurement, $4,743,200,000.

SEC. 102. AUTHORIZATION OF APPROPRIATIONS, NAVY AND MARINE CORPS.

Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement of aircraft, weapons (including missiles and torpedoes), naval vessels, and for other procurement for the Navy and Marine Corps as follows:

For aircraft, $7,889,600,000.

For weapons (including missiles and torpedoes), $3,542,100,000.

For naval vessels, $4,817,300,000.

For other procurement, $5,266,300,000.

For procurement for the Marine Corps (including missiles, tracked combat vehicles, and other weapons), $1,674,700,000.

SEC. 103. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement of aircraft and missiles and for other procurment for the Air Force as follows:

For aircraft, $13,570,800,000.

For missiles, $5,763,600,000.

For other procurement, $8,165,000,000.

SEC. 104. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement by defense agencies in the amount of $500,000,000.

SEC. 105. LIMITATION ON ARMY PROCUREMENT.

None of the funds appropriated pursuant to authorizations of appropriations in this title may be obligated or expended for the Pershing II missile program.

SEC. 106. LIMITATIONS ON NAVY PROCUREMENT.

None of the funds appropriated pursuant to authorizations of appropriations in this title may be obligated or expended for the sea-launched cruise missile program.

SEC. 107. LIMITATIONS ON AIR FORCE PROCUREMENT.

None of the funds appropriated pursuant to authorizations of appropriations in this title may be obligated or expended for—

(1) the MX missile program;

(2) the ground-launched cruise missile program;

(3) the B-1B bomber program; or

(4) antisatellite weapons.

SEC. 108. PROHIBITION OF ACQUISITION OF BINARY CHEMICAL WEAPONS.

None of the funds appropriated pursuant to an authorization of appropriations in section 101 may be obligated or expended to purchase binary chemical weapons.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

(a) Funds are hereby authorized to be appropriated for fiscal year 1986 for the use of the Armed Forces for research, development, test, and evaluation in amounts as follows:

For the Army, $4,546,700,000.

For the Navy (including the Marine Corps), $7,252,400,000.

For the Air Force, $11,748,200,000.

For the Defense Agencies, $4,135,300,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1986 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a).

SEC. 202. LIMITATION ON FUNDS FOR THE ARMY.

None of the funds appropriated pursuant to an authorization of appropriations in section 201 may be obligated or expended for—

(1) the Pershing II missile program; or

(2) the ballistic missile defense program.

SEC. 203. LIMITATIONS ON FUNDS FOR THE NAVY.

None of the amount appropriated pursuant to the authorization in section 201 for the Navy may be used for—

(1) the Trident II missile program; or

(2) the sea-launched cruise missile program.

SEC. 204. LIMITATIONS ON FUNDS FOR THE AIR FORCE.

None of the amount appropriated pursuant to the authorization in section 201 for the Air Force may be used for—

(1) the MX missile program;

(2) the ground-launched cruise missile program;

(3) the B-1B bomber program; or

(4) antisatellite weapons.

SEC. 205. LIMITATIONS ON FUNDS FOR THE DEFENSE AGENCIES.

None of the amount appropriated pursuant to the authorization in section 201 for the Defense Agencies may be used for antisatellite weapons.

SEC. 206. PROHIBITION OF DEVELOPMENT OF BINARY CHEMICAL WEAPONS.

None of the funds appropriated pursuant to an authorization of appropriations in section 201 may be obligated or expended for research, development, test, or evaluation of binary chemical weapons.

TITLE III—OPERATION AND MAINTENANCE

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) Funds are hereby authorized to be appropriated for fiscal year 1986 for the military functions of the Department of Defense for operation and maintenance in the amount of $78,272,000,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1986 such additional sums as may be necessary—

(1) for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection;

(2) for unbudgeted increases in fuel costs; and

(3) for increases as the result of inflation in the cost of activities authorized by subsection (a).

SEC. 302. ELIMINATION OF NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE.

None of the funds appropriated pursuant to an authorization of appropriations in section 301 may be obligated or expended for the National Board for the Promotion of Rifle Practice.

TITLE IV—WORKING CAPITAL FUNDS

SEC. 401. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1986 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for providing capital for working capital funds, in the amount of $1,860,000,000.

TITLE V—ACTIVE FORCES

SEC. 501. ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1986, as follows:

(1) The Army, 751,300.

(2) The Navy, 541,050.

(3) The Marine Corps, 192,500.

(4) The Air Force, 565,800.

TITLE VI—RESERVE FORCES

SEC. 601. AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE.

(a) For fiscal year 1986 the Selected Reserved of the reserve components of the Armed Forces shall be programmed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 398,010.

(2) The Army Reserve, 291,900.

(3) The Naval Reserve, 94,000.

(4) The Marine Corps Reserve, 41,900.

(5) The Air National Guard of the United States, 108,700.

(6) The Air Force Reserve, 63,736.

(7) The Coast Guard Reserve, 10,700.

(b) The average strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active day (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

SEC. 602. AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) Within the average strengths prescribed in section 601, the reserve components of the Armed Forces are authorized, as of September 30, 1986, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 19,750.

(2) The Army Reserve, 10,700.

(3) The Naval Reserve, 11,680.

(4) The Marine Corps Reserve, 1,475.

(5) The Air National Guard of the United States, 6,815.

(6) The Air Force Reserve, 545.

(b) Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the number equal to 2 percent of the total end strengths prescribed.

SEC. 603. INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS.

(a) The table in section 517(b) of title 10, United States Code, is amended to appear as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E–9	517	175	80	9
E–8	2,296	381	358	74".

(b) The table in section 524(a) of such title is amended to appear as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or lieutenant commander	2,476	875	476	100
Lieutenant colonel or commander	1,240	520	318	60
Colonel or Navy captain	360	177	189	25".

(c) The amendments made by subsections (a) and (b) shall take effect on October 1, 1985.

TITLE VII—CIVILIAN PERSONNEL

SEC. 701. AUTHORIZATION OF END STRENGTH.

The provisions of section 138(c)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1986 or with respect to the appropriation of funds for that year.

TITLE VIII—MILITARY TRAINING STUDENT LOADS

SEC. 801. AUTHORIZATION OF TRAINING STUDENT LOADS.

(a) For fiscal year 1986, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 57,990.

(2) The Navy, 65,130.

(3) The Marine Corps, 18,300.

(4) The Air Force, 46,300.

(5) The Army National Guard of the United States, 7,500.

(6) The Army Reserve, 8,500.

(7) The Naval Reserve, 1,050.

(8) The Marine Corps Reserve, 2,840.

(9) The Air National Guard of the United States, 2,380.

(10) The Air Force Reserve, 1,405.

(b) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the reserve components authorized in subsection (a) for fiscal year 1986 shall be adjusted consistent with the manpower strengths authorized in titles V and VI of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the reserve components in such manner as the Secretary of Defense shall prescribe.

SENATE—*Thursday, May 16, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Our prayer this morning will be offered by His Eminence Archbishop Torkom Manoogian, primate, diocese of the Armenian Church of America, New York, NY. His Eminence is being sponsored by Senator CARL LEVIN. We are pleased to have you with us.

PRAYER

His Eminence Archbishop Torkom Manoogian, primate, diocese of the Armenian Church of America, New York, NY, offered the following prayer:

Glory to God our Father in Heaven.

Lord, we are gathered as Your humble stewards, laboring for the good of our Nation and the world.

We are grateful for the privileges of our generation: We live in a country where Your name is worshiped freely and with honor, and where the principles of human freedom and dignity are protected.

Imbue the work of this august body with peace and understanding. Open our hearts to the suffering of others; grant us Your precious spirit so that we might always uplift and exalt Your miraculous creation. You have made us stewards of the Earth; help us be good and tireless stewards.

You who have filled the world with signs of Your almighty power and boundless love, inspire the leaders of our Nation and the representatives of our people to use their talents and potentials wisely and to deliberate all matters with care and compassion. May they be guided continuously by the tenets of truth and justice, so that these virtues may never be undermined; virtues which my Armenian people have suffered to defend throughout their turbulent history.

And especially on this 70th year of remembrance of the genocide of the Armenian people, bless us with a mighty voice to praise You, a sharp eye to discern You, and the ability to direct our energies to the good of all peoples.

Thus Your blessed name, Lord of Creation, shall be praised by all nations, and from generation to generation. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

Mr. DOLE. Mr. President, let me yield first to the distinguished Senator from Michigan, Senator LEVIN.

Mr. LEVIN. I thank my friend.

ARCHBISHOP MANOOGIAN

Mr. LEVIN. Mr. President, I am delighted, as all of us are, to have Archbishop Manoogian with us this morning to deliver the prayer. After listening to his thoughtful and poignant prayer, I know that his message is shared by all of us. I had the pleasure of meeting the archbishop last year in Detroit, where I have visited many friends along the years at St. John's Armenian Apostolic Church. Indeed, Archbishop Manoogian provides spiritual leadership for many of North America's 600,000 American-Armenians who can be proud of their rich culture and proud heritage as reflected in their church—from the time of St. Gregory the Illuminator, who led Armenia to become the first Christian nation of the world in A.D. 301, to the present, where Armenians make important contributions to every aspect of our society.

Archbishop Manoogian was born on February 16, 1919, in the deserts near Baghdad, Iraq, where his parents had fled from the massacres of more than 1.5 million Armenians in Ottoman, Turkey from 1915–23—the first genocide of the 20th century. He was 12 years old when he was sent to attend the Armenian School of the Monastery of St. James in Jerusalem. Upon graduation, he decided to continue his studies there in preparation for the priesthood. After ordination in 1939, he remained for several years at the monastery, serving in various capacities.

Archbishop Manoogian came to the United States in 1946 and was assigned to serve as pastor of the Holy Trinity Armenian Church of Philadelphia. In November 1951 he was named vicar of the diocese and held that post until 1955. Back in Jerusalem, he served from 1957 to 1960 as dean of the theological school, as a member of the Holy Synod and chairman of the general assembly of the St. James Brotherhood, and chancellor of the patriarchate.

Archbishop Manoogian worked on the publication of the sacred music of the Armenian Church together with Wardan Sarxian, one of the pupils of the musician-priest Gomidas Vartabed. These arrangements were subsequently published in the United States in two volumes. Archbishop Manoogian also published the "Sunrise Service of the Armenian Church" and prepared for the first time ever the complete music of the deacon's part on the Divine Liturgy.

In 1960 he returned to the United States and enrolled at the Episcopal Theological School in Cambridge, MA, as a postgraduate student where he remained for the next 2 years. In 1962 he was elected primate of the western diocese of the Armenian Church of America and in the same year he visited Etchmiadzin, where he was ordained bishop. In 1966 he was elected primate of the eastern diocese of the Armenian Church of America and in 1968 was elevated to the rank of archbishop.

Archbishop Manoogian has published many articles in periodicals as well as a number of pamphlets and books. He serves on the governing board and the executive committee of the National Council of Churches in Christ. This year he was elected chairman of the board of Religion in American Life and is also a member of the Appeal of Conscience Foundation.

In May 1982 Archbishop Manoogian was elected to an unprecedented fifth 4-year term as primate of the diocese of the Armenian Church by an overwhelming majority of the delegates representing the 50 parishes in the United States and Canada of the diocese.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders each have 10 minutes, followed by special orders for Senators PROXMIRE, DIXON, BUMPERS, and PRYOR. They will be in routine morning business not to extend beyond the hour of 11:30 a.m., with statements therein limited to 5 minutes each.

Following morning business, the Senate will resume consideration of the conference report to accompany H.R. 1869, repeal of auto recordkeeping. That will be under a 40-minute time agreement—10 minutes under the control of Senator PACKWOOD, or his designee, and 30 minutes to the distinguished Senator from Ohio, Senator METZENBAUM. I am advised there will

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

not be a rollcall, but it is never a certainty.

Following the disposition of the conference report, there are a number of calendar items: The small business authorization (S. 408), the coin bill (H.R. 47), and safe drinking water (S. 124). We also have an Executive Calendar nomination of Vernon Walters, and an Executive Calendar nomination of Richard Hughes, and any other Legislative or Executive Calendar items cleared for action.

I assume there will be rollcall votes today. There will be a session on Friday. We hope to be on the defense authorization bill. It would be my hope that we could reach some agreement during the day to complete action on that bill by no later than 6 p.m. Thursday next so that we might complete action on this very important matter.

Mr. President, I reserve the balance of my time. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Humphrey). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may reserve the time of the minority leader, Senator Byrd, for his use later in the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

GIVE STAR WARS A CHANCE BUT CUT FUNDING INCREASE

Mr. PROXMIRE. Mr. President, as we know, the President has proposed a massive increase in funding for the star wars program. The President would push the present $1.4 billion appropriated for 1985 to a colossal $3.7 billion in 1986. The Armed Services Committee has reduced that to some extent, but it is still a huge increase of more than 100 percent. The Armed Services Committee has recommended a $3 billion increase.

That would still hand star wars a colossal 114-percent increase in funding in 1 year. Dr. Richard Garwin, a brilliantly qualified expert, has recommended that the level of research be kept at $1.4 billion for 1986 for star wars. In this year of austerity, faced with the necessity for holding down all Federal spending and with military spending under special pressure, how generously should the Congress fund the star wars program?

Mr. President, Senators Chafee, Bumpers, Mathias, and I have prepared an amendment that would permit a major increase in star wars research. It would increase star wars research funding for 1986 to $1.86 billion. That would mean an increase of more than 30 percent in funding for this highly controversial program in a stringent austerity year.

What would my amendment permit star wars research to do? It would permit high quality antiballistic missile defense. It would provide for a hedge against the Soviet ABM effort. And it would provide the basis for greater congressional oversight by developing the information necessary for the Congress to make a decision on the basis of the fullest possible information whether to go ahead to produce and deploy the immensely expensive hardware necessary to make star wars effective.

What would the Proxmire amendment eliminate in reducing the President's proposal to $1.86 billion? Mr. President, all of us agree with the President's observation that this program is not based on any single or preconceived notion of what an effective defense system would look like. Obviously, this is a long-term research project in its very early stages. Last month, a workshop at Stanford University issued a report on the Strategic Defense Initiative by an expert group that included both supporters and critics of the program. They agreed that it is now far too early for any program in strategic defense to consider technology demonstrations of types that could raise serious issues of compliance with the ABM treaty.

And they added this observation:

> In addition to the political costs of such early demonstrations (whether or not they violate the ABM treaty), premature promotion to the demonstration-and-test phase can be very harmful to attainment of any particular goal in strategic defense. A considerable body of evidence has shown that early demonstrations of new technologies have two deleterious effects. First, they tend to freeze the technology being demonstrated before it is fully mature, thus guaranteeing less than full capability. Second, they tend to absorb money from associated R&D programs, thus eliminating the possibility of better solutions . . . Therefore, at this time, sensible R&D should proceed; but demonstrations of types that could justify charges of ABM treaty violation should not even be considered before the new technologies reach sufficiently advanced performance goals to merit tests of their ability to meet systems criteria.

So our amendment permits funding increases for demonstration projects to increase only 4 percent. On the other hand, funding for the system survivability, lethality, and hardening projects would be allowed to increase at the rate the administration requested. And, as I have stated previously in speeches on the floor, a new program, threat analysis—that is a project designed to research Soviet countermeasures—would be created to assure the Congress that it would have the information available to meet the standard proposed by Paul Nitze. Nitze proposed that the star wars defense should only proceed if it meets a cost-effectiveness test. Nitze defined cost-effectiveness for star wars as a determination that the ABM defense costs less than the Soviets could spend to overcome it.

My amendment would also meet the President's stated objective that the star wars research be able to respond to the ongoing Soviet ABM effort. Any SDI research program funded by Congress should enable the United States to meet a Soviet breakout from the ABM treaty. Does the President's $3.7 billion request do this? The answer is a clear and emphatic "No." Does our proposed amendment meet the test? Yes. It would provide for research into conventional ABM systems. These systems provide the most practical and immediate hedge against a Soviet breakout of the ABM treaty. The amendment would also establish a new Hard Point Defense Technology Program.

What would be the purpose of a Soviet breakout from the ABM treaty? Obviously, it would be to reduce the effectiveness of the U.S. deterrent. How can we overcome such a Soviet move? Answer: Increase the ability of our offensive nuclear forces to penetrate Soviet defenses. What does our proposed amendment do about this? It doubles the Air Force penaids program in fiscal year 1986.

Mr. President, if the Congress proceeds with the SDI program, it will absorb a massive proportion of this country's military research dollars and an increasing proportion of the scientists and engineers engaged in developing weapons to provide our national security. For that reason, our amendment establishes a Strategic Defense Evaluation panel to monitor this technology and its implications for arms control, for our overall national security, and to report to the Congress.

Mr. President, I ask unanimous consent that a table comparing the star wars research funding for fiscal year 1984, fiscal year 1985, the President's proposed changes for 1986, and the alternative budget that we are proposing for 1986, be included in the Record. This table shows the increase in the research budget for star wars broken down in detail. It also shows the percentage increase over this year's funding in the amendment we propose—the "alternative budget."

There being no objection, the table was ordered to be printed in the Record, as follows:

SDI ALTERNATE BUDGET

[Dollar amounts in millions]

	Fiscal year—				
	1984 appropriation	1985 appropriation	1986 request	1986 alternate budget	Percent over 1985
Current year	991.8	1,397.2	3,722.3	1,860.2	33
63220C Surveillance	366.5	546.0	1,386.3	683.5	25
0001 Radar Discrimination Tech	24.1	29.9	74.1	38.9	30
0002 Optical Discrimination Tech	50.5	133.7	198.7	173.8	30
0003 Imaging Radar Tech SRB	6.3	15.3	45.8	19.9	30
0004 Imaging Laser Tech LIDAR	5.6	28.3	127.0	36.8	30
0005 IR Sensors and Data Tech	86.8	57.8	151.4	75.1	30
0006 Booster Surv and Track BSTS	28.3	38.0	131.1	49.4	30
0007 Space Survell and Track SSTS	35.6	37.0	136.0	48.1	30
0008 Airborne Optical Sys AOS	28.8	117.0	191.6	121.7	4
0009 Terminal Imaging Radar TIR	100.5	6.0	74.6	6.2	4
0010 Space-Based Imaging Demo	0	0	5.8	5.8	
0011 Common Tech and Architecture	0	83.0	250.2	107.8	30
63221C Directed Energy Weapons	322.5	376.3	965.4	446.8	19
0001 Space-Based Laser System	167.0	162.7	371.9	169.2	4
0002 Ground-Based Laser Systems	133.1	178.1	431.5	231.5	30
0003 Space-Based Particle Beam	13.9	32.1	133.4	41.7	30
0004 Nuclear Directed Energy	8.5	3.4	28.6	4.4	30
63222C Kinetic Energy Weapons	195.8	256.0	860.0	305.0	19
0001 Endo Non-Nuclear Kill Tech	111.1	68.7	100.6	89.3	30
0002 Exo NNK Technology	.1	49.1	109.7	63.8	30
0003 System Eng and Analysis	2.4	4.0	11.8	5.2	30
0004 Hyper-Velocity Launcher	6.6	19.1	68.7	24.7	30
0005 Naval Concepts	2.3	9.0	29.5	11.7	30
0006 High-Endo Defense Sys HEDS	36.8	27.6	101.9	28.7	4
0007 Exo RV Intercept Sys ERIS	24.2	12.7	120.7	13.2	4
0008 SLBM Boostphase Engagement	.1	0	0	0	
0009 Space-Based Hyper-V Launch	6.6	3.5	39.3	3.6	4
0010 Space-Based NNK Rocket	5.5	30.0	147.4	31.2	4
0011 Terminal System Demo	.1	32.3	130.1	33.6	4
63225C Hard Point Defense Tech Dev				75.0	
63223C Systems Concepts and BMC3	83.0	99.0	243.3	127.8	30
3001 Battle Management and C3	50.0	46.0	145.0	58.9	30
3002 SDI Systems Architecture	33.0	53.0	98.2	68.9	30
63226C Threat Analysis				20.0	
63224C Support Projects	24	112.0	258.1	192.9	72
0010 System Survivability	9	36.2	72.1	72.1	99
0011 Lethality and Hardening	11.3	63.3	103.5	103.5	63
0012 Space Power and Conversion	2.0	11.0	63.8	14.3	30
0013 Space Logistics	1.0	1.5	18.7	3.0	100
65898C SDIO Management HQ	.5	8.0	9.2	9.2	15
63311F Advanced Stat Miss Syst		98.0	173.9	196.0	100

UNITED STATES NEEDS TO BE "RIGHT AND STRONG"

Mr. PROXMIRE. Mr. President, on Wednesday, May 8, Israel bestowed posthumous citizenship on the 6 million Jews who died in the Holocaust. In addition, Israel granted honorary citizenship to gentiles who risked their own safety to hide Jews from the Nazis. Prime Minister Shimon Peres declared to those who had gathered to celebrate:

> Today we have our own land, our own sovereignty, our own freedom. We shall never repeat the crime of being right and weak. We want to be right and strong.

Ghetto fighters and partisans of all nations, gathered in Israel for an international symposium on resistance to the Third Reich, cheered Peres' words.

Mr. Peres' statement is especially meaningful to Americans concerned with international human rights. How can or great Nation allow itself to be "right and weak"? The failure to ratify the Genocide Convention Treaty is indeed a crime; it is a crime of omission which negates our claims of moral righteousness. As I have said before, "We cannot do moral battle against genocide with one hand tied behind our back." In order to be both "right and strong" we must utilize every diplomatic tool at our disposal.

What better time to act then this years, on the 40th anniversary of the liberation of Europe from Nazi terror? Just as Reagan remembered the suffering at Bergen-Belsen, so the United States must keep its promise to the victims of death camps to never again allow organized murder. One important way to show our commitment to this promise is to add America's name to the 96 nations that have already signed the treaty our Nation helped draft.

The treaty is far more than a statement owed to past generations. It is a promise to future generations of Jews, Cambodians, Armenians, and Miskito Indians of Nicaragua that the United States of America will do everything in its power to prevent and punish the heinous crime of genocide.

Let us not miss the critical moment of remembrance and seize the opportunity to be strong as well as right, by ratifying the Genocide Convention Treaty.

S. 1148—ELECTRONIC BANKING COMPETITIVE EQUALITY ACT OF 1985

Mr. PROXMIRE. Mr. President, today I am introducing the Electronic Banking Competitive Equality Act. The purpose of the act is to clarify the scope of the McFadden Act vis-a-vis developments in the field of electronic funds transfer so as to facilitate the convenient utilization of ATM's and similar devices by bank customers, while preserving competitive equality between State and national banks and respecting the dual banking system.

The case of IBANYS versus Marine Midland has demonstrated the need for such clarification. At the district court level, a functional test of branching was applied to determine whether an ATM not owned or rented by a national bank was a branch of that bank. The court determined that an ATM performing any of the functions enumerated in the McFadden Act—receipt of deposits, payment of checks, or lending of money—was a branch under Federal law. As a result, the ruling implied that a national bank would be able to utilize ATM's and similar devices to a lesser extent than State banks, in a State which had restrictive branching laws but which exempted ATM's from its branch definition; and that a national bank could not participate in any shared interstate EFT system, since McFadden constitutes an absolute prohibition to interstate branching.

The appeals court reversed, focusing on whether the ATM had been established by the national bank, rather than on the functions performed through the machine. The court held that an ATM or similar device not owned or rented by a national bank was not its branch; and, further, that transaction fees levied for the use of such devices would not be considered rent. As a result of this ruling, State banks could be placed in a position of competitive inequality vis-a-vis national banks as to the intrastate utilization of ATM's owned by third parties. Further, the States would be left powerless to regulate or control interstate deposit taking by national banks through such third-party machines.

Plaintiffs have now sought certiorari from the Supreme Court. Regardless of whether that request is granted, it is clear that congressional intervention is required because, when the McFadden Act is applied to electronic banking equipment, an emphasis on a functional test appears to place national banks at a competitive disadvantage; while an emphasis on proprietary control places State banks at a disadvantage, and undermines the ability of the States to exercise the control over interstate deposit taking which both McFadden and the Douglas amendment seek to delegate.

In the absence of Federal legislation, it would be entirely possible for a group of national banks to establish a shared network of automated teller machines on a nationwide basis totally outside the framework of State law. Thus even though a State may restrict or limit deposit taking by out-of-State institutions, a group of large national banks headquartered in New York or other financial centers could claim immunity on the grounds that national banks are not subject to State ATM laws. According to a recent survey by the Conference of State Bank Supervisors, 23 States have explicit restrictions in their ATM laws on deposit taking by out-of-State banks. Many of the other States rely on other provisions of State law or the McFadden Act to restrict deposit taking by out-of-State banks.

It is true that up to now, national banks have more or less decided to voluntarily comply with State ATM laws, perhaps with the idea of not rocking the boat while these ATM networks are being established and the law was somewhat unclear. However, if the second circuit decision stands on the Midland case, national banks will be in a strong legal position to begin challenging the right of the States to regulate ATM terminals, at least as they apply to national banks. Thus the fundamental principles of the dual banking system are in jeopardy unless Congress updates the McFadden Act in the light of today's financial technology.

My bill seeks to redress the situation in the following manner:

A national bank is permitted to utilize third-party electronic equipment to the same extent as is permitted to State banks in the State in which the equipment is located. Put simply, if a State bank can connect to a particular ATM or similar device, a national bank can too.

This automatic parity between national and State banks does not, however, apply to the deposit-taking function. For that function alone, a national bank may connect to a shared ATM located outside the State in which it is situated only if the law of that State specifically authorizes interstate deposit taking through electronic means.

Transaction fees are exempted from being considered as rent provided that they are levied against all banks utilizing the electronic equipment pursuant to a uniform fee schedule. Also, constructive ownership may not be found provided that the national bank and its parent, and subsidiaries and affiliates thereof, do not control either the equipment, or the shared electronic system connecting banks to the equipment, so as to gain a competitive advantage over other banks. These requirements will assure that shared systems operate in a nondiscriminatory manner, without favoring a particular bank; and that a de facto proprietary EFT/ATM system is not established by a national bank through the legal subterfuge.

Finally, the bill defines shared electronic banking equipment to encompass ATM's, CBCT's, cash dispensers, POS terminals, and any similar devices which facilitate customer access to bank products and services, are accessible by the general public, and which can be utilized by any bank on a nondiscriminatory basis.

This bill is a fair and balanced approach which enhances the establishment and utilization of electronic devices by bank customers by lifting a legal cloud; but which also preserves the values of competitive equality, a dual banking system, and State control over interstate deposit taking, which are all fundamental foundations of our banking statutes.

Mr. President, I ask unanimous consent that a copy of a survey of ATM placement and restrictions on deposit taking conducted by the Conference of State Bank Supervisors be placed in the RECORD, as well as the full text of my bill, following my remarks.

There being no objection, the survey and bill were ordered to be printed in the RECORD, as follows:

SURVEY BY CONFERENCE OF STATE BANK SUPERVISORS

Placement of Automatic Teller Machines (ATMs) by Out-of-State Institutions and ATM Law Restrictions on Acceptance of Deposits in ATMs for Accounts of Out-of State Institutions:

By a March 1985 review of state statutes and by telephone survey of State banking department personnel, 41 responses to the below questions were received:

A. Does state ATM law permit direct placement of ATMs by out-of-state entities?

B. Does the state ATM law limit or restrict deposit-taking by out-of-state institutions?

The results in summary form are as follows:

A. Permit placement of ATMs: Yes, 7;[1] No, 34.

B. Limit or restrict out-of-state deposit-taking: Yes, 23; No, 18.[1]

[1] Includes 5 states that require reciprocity or other specific restrictions on functions.

[2] A "No" response includes states relying on other provision of state law or the McFadden Act, rather than inclusion of such a prohibition in state ATM statute.

	A. Permit placement of ATMs	B. Limit or restrict out-of-State deposit-taking by ATM statute [1]
State:		
Alabama	Yes [2]	No.
Arkansas	No	Yes.
California	No	Yes.
Colorado	No	Yes.
Connecticut	No	Yes.
Delaware	No	No.
Florida	No	Yes.
Georgia	No	Yes.
Hawaii	No	No.
Idaho	No	Yes.
Illinois	No	Yes.
Indiana	No	Yes.
Iowa	No	Yes.
Kansas	No	No.
Kentucky	No	Yes.
Maine	No	Yes.
Maryland	Yes [2]	No.
Massachusetts	Yes [2]	Yes.
Michigan	No	Yes.
Minnesota	No	Yes.
Mississippi	No	No.
Montana	No	Yes.
Nebraska	No	No.
New Hampshire	No	Yes.
New Jersey	No	No.
New York	No	Yes.
North Carolina	No	No.
North Dakota	No	Yes.
Ohio	No	Yes.
Oklahoma	Yes	No.
Oregon	Yes [2]	No.
Rhode Island	No	No.
South Carolina	No	No.
South Dakota	No	No.
Tennessee	No	No.
Texas	No	Yes.
Utah	No	No.
Virginia	No	Yes.
Washington	Yes [2]	Yes.
West Virginia	Yes	No.
Wisconsin	No	No.

[1] A "No" response may merely indicate reliance on other provision of state law or the McFadden Act, rather than inclusion of such a prohibition in state ATM statute.

[2] Require reciprocity or contain other specific restrictions on functions.

Note.—A permit placement of ATMs: yes, 7; no, 34. B. Limit or restrict out-of-State deposit-taking by ATM statute: yes, 23; no, 18.

S. 1148

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Electronic Banking Competitive Equality Act of 1985".

SEC. 2. Section 5155 of the Revised Statutes (12 U.S.C. 36) is amended by adding at the end thereof the following:

"(i)(1) Except as provided in paragraph (2), a national bank may connect to, and permit its customers to use, shared electronic banking equipment which such bank does not own or rent to the same extent as, and subject to the same restrictions, conditions, regulations, rulings, and interpretations, as are imposed upon foreign or domestic State banks by the law of the State in which such electronic banking equipment is located, as enforced by such State's banking regulatory authority.

"(2) A national bank may not receive, accept, or otherwise credit the account of its customers for, any deposit made at or through the medium of shared electronic banking equipment located in a State other than the State in which such bank is situated, unless the statute law of the State in which such equipment is located authorizes such interstate transmission of deposits via shared electronic banking equipment by language specifically and affirmatively to this effect and not merely by implication or recognition.

"(3) For the purposes of this subsection, the term—

"(A) 'own' includes the exercise of constructive control over shared electronic banking equipment, or the transmission network connecting such equipment to banks, by a national bank, its parent holding company, and subsidiaries and affiliates thereof, where such control results in a competitive advantage over other banks;

"(B) 'rent' does not include transactional fees or similar charges assessed for the use of electronic banking equipment, provided that such fees are assessed in accordance with a uniform fee schedule upon all banks which share, or permit their customers to use, such equipment and

"(C) 'shared electronic banking equipment' shall include automated teller machines, customer bank communication terminals, point-of-sale terminals, cash dispensing equipment, and similar publicly accessible transmission devices facilitating the utilization of bank products and services by customers, provided that such equipment, and the transmission network or networks connecting such equipment to banks, may be utilized by any bank wishing to do so on a nondiscriminatory basis.

"(4) The connection of a national bank to any publicly accessible electronic banking equipment other than shared electronic banking equipment shall constitute the establishment and operation of a branch.".

Mr. PROXMIRE. Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR BUMPERS

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas is recognized for not to exceed 15 minutes.

S. 1149—RATEPAYER PROTECTION ACT OF 1985

Mr. BUMPERS. Mr. President, I am today introducing, along with Senator PRYOR, the "Ratepayer Protection Act of 1985," legislation that has one simple premise: Consumers of electricity should not be forced by the Federal bureaucracy, over the objection of a State public service commission, to suffer a 50-percent rate increase in order to pay for electricity they don't want, don't need and can't use.

Yet, Mr. President, that is what is about to happen as a result of two cases currently before the Federal Energy Regulatory Commission [FERC] involving the construction of the $3.5 billion Grand Gulf Nuclear Powerplant in Mississippi. Although the decision to build the plant was never subject to approval by the Arkansas Public Service Commission, the Louisiana Public Service Commission or New Orleans Public Service Commission, and although none of them want or need the power that will be generated, they may be forced by FERC to pay for up to 75 percent of the power from Grand Gulf.

Mr. President, if this strikes you as tremendously unfair and completely unjust to Arkansas ratepayers, that is because it is. I cannot overemphasize the depth of the feeling of opposition to this in Arkansas. All across the State, thousands of farmers, small businesses, and working men and women struggling just to get by, have been appalled and grossly offended by the news that their rates may go up by as much as 50 percent to pay for electricity they don't need and never agreed to purchase.

Our bill would amend the Federal Power Act to give State regulatory bodies more authority in this and similar situations; and since the Grand Gulf cases could very well become precedent for similar cases in many other States, other Senators will be interested in this legislation. Of course, I still have hope that the full Federal Energy Regulatory Commission will reverse the decisions of the two administrative law judges that have ruled adversely to Arkansas, but if they do not, the consequences will be so harmful to Arkansas that I have no choice but to attempt to reverse FERC legislatively.

The Ratepayer Protection Act of 1985 would restore to the State regulatory commissions the authority to determine whether a State-regulated utility may flow through to its retail customers the rates approved by FERC. Under our bill, the State commission would be granted this authority in cases involving rates arising from electricity purchases between utility companies within a public utility holding company system and only where the State commission had not approved the construction upon which those rates are based.

Arkansas Power and Light Co. [AP&L] is a subsidiary of the Middle South Utilities, Inc., a public utility holding company with three other utility operating companies, Mississippi Power and Light Co. [MP&L], Louisiana Power and Light Co. [LP&L], and New Orleans Public Service, Inc. [NOPSI].

Since the early 1950's, each of these four companies has operated and planned its plant construction in coordination with the others, so that each would enjoy the economic benefits of a larger overall grid. A company with temporary excess capacity sold it at market rates to a fellow subsidiary which temporarily needed power. Each utility built new capacity when its load projections dictated the need. These projections naturally took into consideration the availability of whatever temporary capacity would be available from the other utilities in the system. This situation was dictated only by economics, not by the parent holding company. Each company retained its independence.

In the 1970's, AP&L undertook an ambitious construction program, building two nuclear powerplants and a large coal-burning plant. It has recently completed a second coal-burning plant. These plants produce electricity at rates that are now regarded as low, but which were very expensive at the time. In fact, AP&L's rates rose 200 percent in 10 years. AP&L's customers assumed that heavy burden, conserving wherever they could.

Although AP&L rates are still high by historic standards, they now compare favorably with others throughout the Nation, because the increased rates have already amortized a substantial portion of the recent construction. According to the staff of the Arkansas Public Service Commission, AP&L has capacity sufficient to meet demand for the next decade and a half. Arkansans have paid the price, and they should be facing a bright future.

Instead, the Grand Gulf proceeding threatens to rob Arkansans of this bright energy future and impose instead an era of unacceptably high energy costs.

These cases are the outgrowth of two other, less successful construction programs. The first is Mississippi Power & Light's disastrous attempt to build a 1,250 nuclear powerplant, the largest in the country, at Grand Gulf, MS. This plant was begun in the early 1970's and was initially projected to cost $600 to $700 million. It has only recently received its full power operating license, and the final cost is a staggering $3.5 billion. This would have easily bankrupted MP&L, so its fellow operating subsidiaries rescued it by agreeing to help finance its cost overruns.

AP&L originally agreed to guarantee 17.1 percent of the indebtedness in exchange for receiving power from the plant. However, when AP&L began planning its second coal plant, it was obvious AP&L would not need power from Grand Gulf, so in 1981 it was released from that agreement voluntarily by the other Middle South utility subsidiaries.

The circumstances surrounding this release demonstrate why our legislation is necessary. The release was signed when AP&L was seeking permission from the Arkansas Public Service Commission to build its second large coal-burning plant. The precise connection is subject to dispute, but it is clear that the Arkansas commission began to question the need for the coal plant if AP&L also intended to purchase electricity from the Grand Gulf plant.

AP&L responded that its agreements with its fellow subsidiaries would not require it to take Grand Gulf power if it had sufficient power on its own system. Because the coal plant would assure AP&L of sufficient capacity, it would not be using Grand Gulf power. As further emphasis, the other Middle South subsidiaries released AP&L from its financial obligations for Grand Gulf. The agreement was clear—AP&L would take no power from Grand Gulf and would pay for none. With this very important assurance, the Arkansas Public Service

ever-present Japanese competition, a question whether their effort and in-

Commission approved the second large coal plant.

This careful planning is now threatened, because an administrative law judge of the Federal Energy Regulatory Commission has now decided that AP&L should be required to pay for 36 percent of the Grand Gulf plant, and share the benefit of AP&L's own construction program with the other subsidiaries. It is as if the ant were forced not only to share the benefits of his labor with the grasshopper, but also to pay the grasshopper's debts. This travesty would increase AP&L's rates by 25 percent, and, under current law, the Arkansas PSC would be forced to flow-through this increase to thousands of individuals, many very poor, and thousands more small businesses and farmers who are already struggling just to avoid bankruptcy.

In the second FERC case, intervenors are seeking to apply the same principle to the entire Middle South system. It principally involves reallocation of the costs of AP&L's Waterford Nuclear Powerplant which is the second of the two construction programs that I mentioned. This case would increase AP&L's rates by 50 percent.

Obviously, such increases would be devastating to Arkansas, but the real impact can only be seen by examining its effect upon individuals. I held an invaluable hearing in Little Rock on this subject and the testimony was astonishing. Every sector of the State would be prostrated by a 50-percent rate increase rippling through the economy.

For example, John Amos, the general manager for energy resources of Reynolds Metals, emphasized how essential electricity is in producing aluminum at its Arkansas plants, representing 30 percent of the production cost. A 50-percent rate increase would thus increase total production costs for Reynolds in Arkansas by 15-percent. Few manufacturers are flexible enough to absorb a 15-percent increase, and Reynolds certainly cannot. A 50-percent rate increase would force Reynolds to take its jobs, payroll and tax base elsewhere.

Equally important, Reynolds is AP&L's largest customer, purchasing over $100 million of power annually, which is 25 percent of AP&L's total sales. If Reynolds left, the fixed costs now supported by its purchases would be imposed on existing customers, raising their rates even more. This threat to Reynolds is enormous, but it is small when compared to other Arkansas businesses, large and small, because at least Reynolds has the option of leaving the State. Other Arkansas businesses cannot. They would have to stay and try to absorb these increases. Most of them are not in a position to do that, nor can they increase their prices to pass the cost to their customers.

Certainly, electric-intensive businesses cannot do so. Consider rice producers. Depending on the depth of their irrigation wells, rice farmers allocate 10 to 20 percent of their production costs to irrigation alone. That proportion is far above the 7-percent benchmark that the FERC uses to define an electricity-intensive energy user. A deep well already costs $80 per acre to operate each year, so a 50-percent increase would raise that to $120. Because 400 acres is considered a sound economic unit, that would mean a $16,000 annual increase in operating costs.

There is no way to pass these costs to consumers. Rice farmers operate in a world market. The strong dollar has already eroded the Arkansas farmers' competitive position there. They cannot take another blow like this one.

Moreover, they cannot reduce their purchases of electricity. They must pump water, and the cost of converting to diesel pumps is prohibitive, not to mention the fact that all competing fuels would probably rise in price to match electric rate increases.

In addition, these figures do not consider the secondary costs of processing. Both Riceland Foods, the State's largest cooperative, and Producers' Rice Mill, another large rice mill, testified that 5 to 7 percent of their costs are attributable to electricity. Both of them are already trying to reduce that amount through conservation. For example, Riceland is pioneering a machine to burn its rice hulls to produce power. Both have already shifted their electricity use as much as possible to take advantage of lower, off-peak rates. They continue to look for other methods of conservation, but it is still obvious that they would be devastated by a 50-percent rate increase. The same is true of the smaller rice mills.

Arkansas produces more rice than any other State. If rice farmers and millers are badly damaged, then the State is badly damaged.

The hearing showed that all farmers, large and small, would be badly damaged by a large rate increase. Hays Sullivan, a wise and careful farmer and seed processor, pointed out that, in addition to rice growers, growers of soybeans, wheat and milo would be hurt. Handling costs for these commodities now include 1.27 cents per bushel, so a 50-percent increase would add more than one-half cent per bushel at minimum, and a wet year would require more drying, increasing those costs by 4 to 5 cents per bushel and making them virtually unmarketable on the world market.

Mr. Sullivan went on to discuss the impact upon cotton growers. The cost of electricity for ginning a bale of cotton has increased over 300 percent since 1974, from $2.56 per bale to $10.13 per bale. A 50-percent increase, $5.06 per bale, would alone be 100 percent more than the total ginning cost in 1973, while the price of cotton is virtually the same as it was then.

Nicky Hargrove, the president of the Arkansas Farm Bureau, pointed out how the poultry growers would be hurt. Any operation with 50,000 laying hens would pay nearly $8,000 per year more. These businessmen are in a very competitive market, which permits very narrow margins. A dozen eggs, for example, brings one-half cent in profit. A 50-percent increase in electric rates would virtually eliminate that narrow margin.

Arkansas is by far the biggest broiler producing State in the Nation, and a normal unit is 30,000 chicks.

A broiler grower with 30,000 birds would face a $1,300 per year increase in electricity. It was clear from the hearing testimony that the growers would have to absorb that increase because wholesale purchasers would not. In fact, Gene Newmen, appearing for a large broiler processor, testified that it would have to consider leaving the State, because, of the six electric companies serving his company, AP&L already has the highest rates.

Arkansas produces more broilers than any other State. It is fourth in the production of turkeys and fifth in the production of eggs. Poultry growing and processing provide 65,000 jobs, making that the second largest source of employment in the State.

Arkansas clearly cannot afford to lose that industry, but that is what could happen. Just as with rice growers, poultry growers compete in a world market, sometimes against subsidized competition. With margins of less than 1 cent per pound for each chicken or turkey, they cannot absorb a 50-percent rate increase. Yet, they cannot reduce their use of electricity. They have already insulated their buildings, and they are undertaking whatever other conservation measures that they can. In fact, a new conservation service industry has developed to serve those demands, but it is a case of running as hard as you can just to keep up.

The same is true of the remainder of the agricultural sector, as testimony from cattlemen and milk producers showed at the hearing.

The nonagricultural sectors of Arkansas are already being squeezed. Small manufacturers would be badly hurt, and some would divert work from the State. For example, Orbit Valve, which makes valves for oil equipment, has operations in both Arkansas and England. Since 1980, its cost of electricity has risen from 3.9 percent of total costs to 7 percent. Given the strength of the dollar, the weakness of the pound sterling, and

ever-present Japanese competition, a 50-percent rate increase would certainly compel the company to rely more on its foreign facilities, thus reducing jobs in Little Rock.

The Monark Boat Co. competes for Government contracts—and does so very well—but it would be severely, if not fatally, harmed by a 50-percent rate increase. Last year it faced tough competition, for example losing one sizable contract by 0.4 percent and winning another by 3.9 percent. Since 1980, its electric rates have risen 50 percent. It is electric-intensive, with 7 percent of its costs devoted to electricity, and if there had been a 50-percent increase in rates last year, it would have lost $10 million in sales, half of its annual sales. Also, such an increase would make unprofitable many of its existing, multiyear contracts.

Both Monark and Orbit have invested in labor-saving equipment to boost their productivity, just as Congress intended when it passed the Economic Recovery Tax Act of 1981. A rate increase would completely upset the economies of those careful investments, robbing the companies of the intended benefits.

Another small Arkansas manufacturer, the American Transportation Co., makes buses. It already pays power bills equivalent to its competitors. An increase as low as 17 percent would force it to direct its future growth outside Arkansas.

The list goes on. Consider the Koehler Bakery Co., a family owned business begun in 1919. It has done everything it can do to conserve energy, even planting large flotinas to shade its freezers, but Federal regulations limit its ability to conserve more, because they require certain minimum temperatures. Therefore, it is not likely to reduce its energy costs much below the current high level of 30 to 35 percent of all costs.

The timber industry would be similarly squeezed. In 1982, lumber mills received $198 per thousand board-feet of lumber, but in 1984 they faced more competition from Canada and a recession, so they received only $184. Yet, from 1978 to 1984, electric rates rose 163 percent. A 50-percent rate increase would add another $4 per board-foot to the cost of producing lumber. A moderate size operation, such as Deltic Farms, would have to absorb an annual increase of nearly $500,000. A small operation, such as Charles Shields' one-man proprietorship, might not be able to absorb it at all. With daily sales averaging $4,200, he has an average daily margin of $228. A 50 percent rate increase would reduce that by $40. He is typical of many small mill owners who have already reduced electric costs to the bone, for example, by operating from 2 a.m. until 11 a.m. to take advantage of off-peak rates. They would soon begin to question whether their effort and investment were worth the reduced return.

Other small businesses would face the same question. Stant, Inc., of Pine Bluff, started 4 years ago to make gasoline, radiator, and oil caps. It then had 17 employees and it has grown to 250, but electricity now accounts for 7.1 percent of its overhead. A further rate increase of 50 percent would certainly reduce its operations and its work force.

Consider Donald Munro's Shoe Co. which spent $350,000 in energy-saving equipment between 1980 and 1984, only to see his electric bill go from $432,000 per year to $570,000 per year. He cannot continue to receive such increases and still battle fierce competition. And I don't need to remind Members of this body about the plight of our domestic shoe industry, which has already lost 73 percent of the U.S. market to imports.

Finally, consider Jane Adcox, who started the American Restaurant in Batesville in 1979. She immediately saw the necessity to conserve, so she installed insulation and purchased new, energy-efficient equipment. Yet in 1979 her utility bills were 3.1 percent of her gross, but they are now 6.1 percent, and her volume has not changed that much. If there is a 50-percent rate increase, there will be no room for more Jane Adcoxes in this world of fast-food franchises. In Jane's words, "We'd just have to close."

Mr. President, no one can doubt the magnitude of these electricity rate increases and their immediate effect, but it is even more important to assess the indirect effect as these increases ripple through Arkansas' economy and become magnified. The direct purchasers of the electricity will either pass the new costs on to their customers, absorb them, or cease operating, but none of the alternatives is desirable, as the testimony showed.

For example, Bill Scrimshire is the able mayor of Malvern, a city near a Reynolds' plant. As the owner of a restaurant he knows how dependent Malvern is on Reynolds' success. If Reynolds lays off people, he lays off people. If Reynolds closes, he closes. As a home owner, he knows how expensive a 50-percent rate increase would be to him and to other citizens. As mayor, he is aware of the increased demands made upon the city's budget by Federal water quality standards, and he must recognize the impossibility of meeting them if a 50-percent rate increase hits Reynolds and ripples through the city's economy.

It is clear by this example alone that Arkansas' quality of life would be dramatically harmed.

If AP&L's customers are able to pass along part of the increase to their customers, the results are no better. As James Caplinger, an auto dealer in the small town of England, pointed out, that would merely raise prices throughout town, absorbing disposable income and reducing sales by other retailers.

This effect would be most telling in areas which are heavily dependent upon electricity-intensive industries. State Senator Jim Scott, who represents a district in southern Arkansas, testified that, in five counties, 80 percent is forested. The district has 36 forest industry plants which employ 17 percent of its work force. Most of the rest of the population is indirectly dependent upon the forest industry.

If the plant's workers have to take pay cuts, the effect would be felt throughout five counties.

Another example is Lee County, a rural county that is the 10th poorest in the Nation. Its unemployment ranged from 13.2 to 25 percent in 1984, and 40 percent of the population is on food stamps. If farmers absorb the rate increase, there will be even less money circulating in the county. If they pass it on, food prices will rise, accentuating the rate increases experienced by grocery stores, which operate on narrow margins and use large amounts of electricity.

Increases in food prices would be especially devastating. Cheryl Maxwell, a nutritionist, testified that when faced with new expenses, most families reduce their food purchases. She also pointed out that this change would especially harm low-income families, producing low birthweight babies and various nutritional problems.

Mr. President, the full day of hearings we had on the potential impact of Grand Gulf demonstrated repeatedly that the effects would be devastating and pervasive. We are talking about a commodity, electricity, which has become a necessity, not just to live our lives but to improve them. Each witness brought the value of his or her expertise and experience to the hearing, but perhaps most valuable of all was the simple eloquence of James Duncan who spoke for the Arkansas Cattlemen's Association. He recalled life without electricity and the revolution it produced on farms throughout the county. He remembered how it first meant only a bare light in the kitchen and how they cherished it. He explained how they soon learned to use it as a tool, expanding their efforts, enhancing their strength and multiplying their productivity. All that and more is threatened.

The legislation which we are introducing would simply allow the Arkansas Public Service Commission, as well as other State commissions that are similarly situated, to decide whether rates approved by the FERC should be flowed through to consumers. It would only be allowed to make that decision for rates based upon construction of generating facilities that it had not approved.

Mr. President, all the illustrations I have used are from the Small Business Committee's hearing in Little Rock, but I promise you there are numerous illustrations, equally dramatic, in Louisiana and other States similarly situated.

This proposal is completely consistent with the original intent of the Federal Power Act. That act was created with the very limited purpose of filling the so-called Attleboro gap, the interstate sales of electricity which were placed beyond State regulatory jurisdiction by the Supreme Court in its 1927 decision in PUC of Rhode Island against Attleboro. The Attleboro decision created a gap in utility regulation which some utilities were able to exploit. Holding companies in particular were able to load their nonoperating costs onto their intrastate utilities, thus increasing those rates. At the same time, they were able to charge whatever the traffic would bear for interstate rates, reaping greater profits because fewer of their costs were associated with those rates.

To close the Attleboro gap Congress passed the Federal Power Act which conferred jurisdiction over interstate sales upon the Federal Power Commission, which is now the FERC. It specifically reserved all other matters to the States, but that reservation has been weakened by subsequent judicial decisions until it is virtually meaningless.

Despite this erosion, the courts have consistently preserved the authority of States to approve or disapprove construction of new facilties. That authority has guaranteed the States a certain minimum authority over a utility's operations, even when it operates in interstate commerce, but even that minimum authority is endangered by the Grand Gulf situation, which could easily be repeated throughout the country.

As I have mentioned, the record shows that before approving AP&L's second large coal plant, the Arkansas Public Service Commission first asked about AP&L's participation in the Grand Gulf plant, over which it had no jurisdiction. It's decision to approve the coal plant was clearly premised upon AP&L's nonparticipation in the Grand Gulf Nuclear Plant. If the FERC forces AP&L to participate in Grand Gulf, it will be undermining the Arkansas commission's decision. More importantly, such a collateral attack by a Federal agency upon a State agency's decision undermines our Federal system, a very troubling result.

My proposal would redress this problem by empowering the State agency to determine the end result of the FERC's order in those circumstances when it has not had the opportunity to consider the initial decision to build electric generating facilities. It would not be a review or potential reversal of a decision issued by the FERC, because FERC's decisions are limited to determining wholesale rates, not the retail rates to be paid by consumers.

This legislation would not interfere with whatever final decision is made by the FERC. It would merely allow the Arkansas Public Service Commission—or the Louisiana Public Service Commission in the Grand Gulf case for that matter—to consider what portion of those rates, if any, should be flowed through to consumers and under what circumstances. The State commission's decision would still be subject to constitutional prohibitions against confiscatory rates, but our bill would allow the State commission the opportunity to make an independent determination whether the utility's costs should be passed on to ratepayers and, if so, to what extent.

It would not produce sudden or unexpected results if the affected utility voluntarily submits the question of plant construction to the affected State commission before irrevocable commitments are made. Consequently, it is a very sensible solution to what could otherwise be a very serious nationwide problem.

In brief, the bill applies whenever there is a transmission or sale of power between associate companies of a public utility holding company system such as Middle South Utilities. In such cases, if FERC sets a rate or charge based in whole or in part on an allocation of electric energy from a generating unit, and a State commission having jurisdiction over the associate company purchasing the power had not approved the construction of the generating unit, then that State commission—or those State commissions—will have the jurisdiction to make a determination, in the words of the bill, "not to take into account all or part of any such federally approved rate or charge in establishing a just and reasonable rate or charge for sales by the associate company."

I want to make clear that within the limits I have described, this bill would give a State commission the authority to determine whether to pass through to retail customers a rate or charge set by the FERC. For example, in the two Grand Gulf cases before the Commission right now, if the Commission were to adopt a rate or charge based in part on a system average cost concept, or other system-wide equalization of cost concept, then a State commission which had not approved the construction of any of the plants on which the application of the system average cost concept was based would have jurisdiction under this bill not to take into account all or part of the federally approved rate or charge. I say this to make clear that, in the context of the two Grand Gulf cases I have mentioned, this bill is not limited just to the Grand Gulf plant that has been completed. The words of the bill make clear that is has much broader application than that.

Mr. President, I commend this bill to my colleagues. My primary motivation for pressing this legislation is to protect 2.3 million Arkansans from a patently unfair ruling that may be handed down by the Federal bureaucracy. But aside from the Grand Gulf cases, this bill makes eminent good sense. States should have more say so in cases like this. This should not simply be a Federal issue, and my bill will restore a more reasonable balance between State and Federal jurisdiction in setting rates involving interstate sales of electricity. I urge my colleagues to give this bill their immediate attention and most serious consideration.

I ask unanimous consent that this bill be printed in the Record immediately following my statement.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Ratepayer Protection Act of 1985".

Sec. 2. Subsection (a) of section 206 of the Federal Power Act (16 U.S.C. 824e(a)) is amended by—

(1) inserting "(1)" after "(a)"; and

(2) inserting after paragraph (1) as so designated by this section the following:

"(2)(A) Notwithstanding any other provision of this Act, if—

"(i) a rate or charge fixed or permitted to take effect by the Commission is—

"(I) applicable to the transmission or sale of electric energy subject to the jurisdiction of the Commission by an associate company of a public utility holding company system to any other associate company of such system; and

"(II) based in whole or in part upon an allocation of electric energy or costs of production of electric energy from a generating unit; and

"(ii) the associate company receiving or purchasing the electric energy or being allocated such production costs is subject to the jurisdiction of a State commission which had not approved the construction of such generating unit.

then each such State commission which had not approved the construction shall have jurisdiction to make a determination not to take into account all or part of any such federally approved rate or charge in establishing a just and reasonable rate or charge for sales by the associate company.

"(B) The terms 'holding company system' and 'associate company' as used in this paragraph shall have the meanings provided by section 2 of the Public Utility Holding Company Act of 1935.".

Sec. 3. The amendments made by this Act shall apply to any rate or charge fixed or permitted to take effect pursuant to a final order issued by the Federal Energy Regulatory Commission on or after May 1, 1985.

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas [Mr. Pryor] is recognized for not to exceed 15 minutes.

Mr. PRYOR. Mr. President, today I join my colleague from Arkansas, Senator Bumpers, in introducing a bill that would, in certain limited situations, give the public service commission [PSC] or public utility commission in each State jurisdiction to review electric rates based on the costs of construction of new generating facilities. Under the bill, the jurisdiction of the State regulatory agency would only attach when an associate company of a public utility holding company is involved, and the associate company is subject to regulation by a State commission which had not approved the construction of the new generating facility.

This bill will address a situation currently facing Arkansas ratepayers. They are being asked to pay for a portion of the costs of the construction of a nuclear facility in another State, and Arkansans neither need nor want any of the power produced by the plant. While this bill is designed to deal with this problem, Mr. President, other States could find themselves in similar situations. As I will explain in a moment, the State regulatory process—which protects the ratepayers in that particular State—can be sidestepped, and that is exactly what happened in the State of Arkansas.

Let me briefly explain to my colleagues the situation now facing the ratepayers of the State of Arkansas.

In the early 1970's Middle South Energy, Inc.—a subsidiary of Middle South Utility established solely for the construction of nuclear plants—began construction of two nuclear plants—Grand Gulf I and Grand Gulf II. Middle South Utility is the parent and has four operating companies—Arkansas Power & Light [AP&L], Mississippi Power & Light [MP&L], Louisiana Power & Light [LP&L], and New Orleans Public Service, Inc. [NOPSI].

The two nuclear powerplants were to be constructed in Port Gibson, MS. At the time construction was begun, both plants were estimated to cost $1.2 billion. Today, $3.6 billion has been spent. Grand Gulf I is now completed, although not in full operation, and Grand Gulf II is about one-third complete. Under the original plan, Middle South Energy would sell the energy produced to each of the operating companies. Since the power would be sold across State lines, Mr. President, rates would be determined by the Federal Energy Regulatory Commission [FERC], and not by the State utility regulatory commission.

When the decision was made to construct these two nuclear plants, Mr. President, agreements were made by the Middle South operating companies on how to share in the costs in the event the plants never became operational. AP&L was assigned a relatively small percentage.

If, however, the plants became operational it was assumed that each of the operating companies would pay a floating percentage depending upon the amount of power used. In fact, in 1977 officials of Middle South testified before the Arkansas Public Service Commission and stated that Arkansas ratepayers wouldn't have to share in the costs of the plant if we didn't use any of the power generated. It was then assumed by AP&L, and State authorities, that unless Arkansas energy needs required it, no power or cost allocation would accrue to the citizens of Arkansas. In keeping with this arrangement and later estimates, Middle South Utility in 1981 assigned a fixed percentage of the power from the Grand Gulf units to its four operating companies. Under this agreement, however, AP&L wasn't given any portion since Arkansas didn't need any of the power, but the percentage allocations were made to the other three companies. It's important to keep in mind, Mr. President, that during this time when the parent company, MSU, and its construction subsidiary, MSE, were entering into agreements with the four operating companies on how to allocate costs and power, the utility regulatory commissions had no jurisdiction to review the rates based on these costs.

The fixed allocations—under which AP&L was given a zero share in Grand Gulf—were held invalid by an administrative law judge of the FERC in 1984. His ruling was that AP&L, and ultimately the ratepayers of the State of Arkansas, were responsible for about one-third of the cost of the Grand Gulf unit. This decision, if it finally goes into effect, Mr. President, will have a devastating effect on the entire economy of the State of Arkansas, and it will have gone into effect without the public service commission of the State of Arkansas from ever having passed on the rates to be imposed on the citizens of the State.

Mr. President, late last year my colleague from Arkansas, Mr. Bumpers, held a hearing in Little Rock, AR, on how this decision would affect businesses and farmers in our State. The overwhelming sentiment of those who testified or submitted statements for the record was that such a precipitous increase in utility costs would have an utterly devastating impact on the total Arkansas economy. The timber industry, cattlemen, milk producers, independent grocers, rice, soybean and cotton farmers, and manufacturers of all sizes testified that their operations would be severely hurt if AP&L is forced to take an allocation of Grand Gulf.

During the last Congress, Senator Bumpers and I introduced legislation that would have amended the Federal Power Act by prohibiting the FERC's authority to order public utilities to purchase power or share in the construction costs for an generating facility the title of which is held by some other entity.

The bill we are introducing today, Mr. President, is different in this respect—it does not prohibit the FERC from ordering an associate company of a public utility holding company to purchase power from another associate company. But, it does require that if such a purchase occurs, and if the rates are based in any way on the allocation of costs for a new generating unit, these rates will be subject to the jurisdiction of any State's utility regulatory agency, which has not approved construction of the new generating unit. It seems only fair, Mr. President, that State utility regulatory agencies, who had no say over the decision to construct the facility, should have some authority to review rates that will be imposed on the ratepayers of that State as a result of the costs of construction of the new unit.

This is not an overly complex bill, Mr. President, but it is one that should prevent the circumvention of a regulatory commission established to ensure fair and reasonable utility rates. The Grand Gulf case shows very clearly why this bill is needed. Arkansas ratepayers could be saddled with much higher electric rates based on the costs of the construction of a nuclear facility in another State, without the Arkansas regulators ever having had any authority to review the rates. The bill we are introducing today would give the States some authority in this area, and would restore some balance between State and Federal regulation to this very critical and important area.

I commend my colleague, Mr. Bumpers, for his efforts, and I urge my colleagues to carefully review this very important measure.

RECOGNITION OF SENATOR DIXON

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois is recognized for not to exceed 15 minutes.

Mr. DIXON. I thank the Chair.

S. 1151—FARM CREDIT RELIEF ACT OF 1985

Mr. DIXON. Mr. President, the first thing I wish to do is to introduce a very novel and I think ingenious response to the credit problem in American agriculture. It is a bill cosponsored by Senator Bennett Johnston of Louisiana, Senator David Pryor of Arkansas, Senator Jim Sasser of Tennessee, Senator Don Riegle of Michigan, and myself.

Mr. President, as the Senate knows only too well, American agriculture is in trouble. I will not take time this morning to outline the reasons behind the agricultural crisis; I've spoken on that subject numerous times before.

One of the most troubling aspects of the farm crisis is the explosion of farm debt. Farmers now owe more than $215 billion, and the simple truth is that too-low prices for agricultural products means that it is more and more difficult for farmers to service that debt.

Farm prices are down, and the value of farm land has dropped by as much as a third or even more. Bankruptcies, however, are way up, and unless we are able to provide some desperately needed assistance, the current appalling bankruptcy rate is likely to go much, much higher.

Unless we act, many of our Nation's full-time farmers will be wiped out. The shakiest of these mid-sized farmers owes nearly a third of total farm debt—over $73 billion—an amount that dwarfs the troubled Latin American debt held by the Nation's largest banks.

Farm debt, however, unlike foreign debt, is not held largely by money center banks. It is held by the Nation's more than 4,200 agricultural banks. These banks are small in size, but they are of vital importance to their communities.

While they do not hold the bulk of long-term debt, agricultural banks are a major source of operating loans and other short-term loans. According to the Comptroller of the Currency, banks hold about only $9 billion of the $112 billion in long-term debt, or about 8 percent, but they hold almost 40 percent of the $103 billion in short-term debt, or almost $40 billion. This is a serious problem because while most farmers do have the resources to service their long-term debt, many can no longer also meet their short-term debt obligations.

The farm crisis is therefore having a major effect on agricultural banks. The number of banks on the problem list is at an all-time high, and the number of bank failures is increasing, even though we are in the third year of economic recovery. More than 1,700 banks have more than 50 percent of their portfolios in agricultural loans. They are literally being crushed by the depression in the agricultural economy.

In order to address the terrible problems affecting both farmers and agricultural banks, I am joining my distinguished colleagues, Senators Johnston, Pryor, Riegle, and Sasser in introducing the Farm Credit Relief Act of 1985. This legislation does not pretend to be a complete answer to the farm crisis, but it will provide needed breathing room for both farmers and bankers. It can help farmers to move back toward profitability, and it can help take the pressure off the capital of agricultural banks, allowing the banks to continue to provide needed agricultural financing.

The heart of the legislation is a provision that permits agricultural banks to write down loans from their book value to their fair market value. Banks can do this now, but under current law they must deduct the amount written off from their capital all at once. Even though agricultural banks are well-capitalized, they cannot withstand losses of this magnitude, so banks are forced to foreclose rather than write down loans. This benefits neither the banks nor the farmers.

Under the Farm Credit Relief Act, on the other hand, the amount written down could be amortized over a period of up to 30 years. Banks could renegotiate with the borrowers for repayment of the remaining portion of the loans eligible for this assistance. However, if a farmer defaulted on the remaining portion of the loan or sold his land, the farmer would be responsible for repaying not only the unpaid portion of the remaining loan, but also the portion of the written-down amount that had not yet been amortized. Any loan made to finance agricultural production, including the unguaranteed portion of FmHA or SBA guaranteed loans, made by an eligible bank, is qualified for this favorable amortization treatment.

I know this sounds complicated, but I think an example illustrates the benefits this provides for both farmers and banks. Assume a farmer owes his bank $1.5 million, but that the collateral securing that debt is only worth $600,000. Under this proposal, rather than the farmer defaulting on the loan and losing his farm, the farmer and the bank could renegotiate a new payment schedule and a smaller, written down loan.

The farmer and the bank could agree to write down the loan to $600,000, and create a repayment schedule that the farmer's cash flow could support. The bank would write off the remaining $900,000, over 30 years—$30,000 per year—which is much better for the bank than taking the writeoff all the first year, which is what happens if it has to foreclose on the loan. Further, the bank doesn't have to acquire the property, or manage it, and continues its relationship with the farmer.

If the farmer were to default or sell the land, say 10 years later, then the farmer would owe any unpaid amount on the $600,000 loan plus the amount of the $900,000 that had not yet been amortized. In this case, at the end of 10 years, $300,000 would have been amortized—$30,000 per year times 10 years—leaving $600,000 of the $900,000 that the farmer would have to repay, along with, as I stated before, any unpaid portion of the written-down original loan.

All banks with assets of less than $200 million, and which have at least 25 percent of their assets in agricultural loans would be eligible for this renegotiation and amortization treatment with the approval of the Federal Deposit Insurance Corporation. In addition, the FDIC could permit banks with somewhat less than 25 percent of their portfolios in agricultural loans to take advantage of the benefits of this bill. All eligible banks, in order to remain eligible, would have to agree to maintain a presence in agricultural lending, so that their aggegate level of agricultural loans would not fall below the level of such loans in its portfolio on January 1, 1985.

Additional provisions in the bill would permit eligible banks to:

Make use of regulatory accounting methods, in a manner similar to that used in the thrift industry, and which was specifically approved by Congress in the 1982 Garn-St Germain Act;

Reappraise the bank building and show any increase between fair market value and the book value of the building in the capital accounts of the bank;

Mark to market the value of real estate or other property owned by the bank on January 1, 1985, or acquired within the succeeding 10 years, and charge off any loss over a 30-year period;

Amortize the expenses incurred in operating and managing real property on its books—such as a foreclosed farm—over a 20 year period; and

Mark to market and sell eligible securities in its portfolio and charge off any loss recognized over a 30 year period.

Mr. President, I believe this bill can provide real help to both farmers and banks that need and deserve that help. It is, as I stated earlier, in no sense a complete answer to the problems facing the agricultural economy. It does, however, represent a real step forward. We have provided assistance for the savings and loan industry, and for troubled foreign loans in the past. I think American farmers are at least as deserving of help as Mexico, Argentina, and Brazil.

We are currently facing a real budget crisis. That means the Federal Government does not have the financial resources to directly provide all the financial resources that are needed, and that means that we should pay particular attention to suggestions, such as this one, which provide assistance without direct cost to the Federal Treasury.

The Farm Credit Relief Act can work. It will work. I urge the Senate, therefore, to give this bill its most careful consideration, and to enact it as quickly as is possible.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the Record.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the Record. The bill is in the possession of the Parliamentarian.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1151

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Credit Relief Act of 1985".

Sec. 2. (a) Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823) is amended by adding at the end thereof the following:

"(j)(1) With the consent of the Corporation, which shall not be unreasonably withheld, and upon the recommendation of the appropriate Federal banking agency or a State bank commissioner or on its own motion, the Corporation may by order, regulation, or otherwise authorize one or more of the actions referred to in paragraph (2) to be taken by an agricultural bank. The Corporation may not authorize any such action unless—

"(A) such action will enable the agricultural bank to survive, remain viable, and show a net profit; and

"(B) there is no evidence of fraud or gross mismanagement by the management of the agricultural bank.

"(2) The actions which may be authorized under this subsection are as follows:

"(A) The agricultural bank may file financial reports in accordance with regulatory accounting practices, and use push down or purchase method accounting principles.

"(B) The agricultural bank may reappraise its buildings and other tangible property, real or personal, and any increase between fair market value and the book value of such property may be credited to the capital accounts of the agricultural bank.

"(C) The agricultural bank may renegotiate and reamortize on an amortization schedule not to exceed 30 years qualifed problem loans owned by the agricultural bank as of January 1, 1985, and additional qualified problem loans renewed or made by the agricultural bank after January 1, 1985, but prior to January 1, 1995. In the event a renegotiated loan is prepaid or at the maturity of the renegotiated loan, or in the event of default by the borrower in the repayment of the renegotiated loan, or in the event any collateral securing the renegotiated loan is sold without the prior written consent of the agricultural bank, the borrower, at the option of the bank, shall be obligated to repay the principal balance due on the renegotiated loan, plus accrued interest, plus that portion of the difference between the principal of and accrued interest on the qualified problem loan and the beginning principal balance of the renegotiated loan which has not been charged off by the agricultural bank. The terms of the renegotiation and reamortization of the renegotiated loan, including, by way of illustration only, the rate of interest to be charged, shall be at the sole discretion of the agricultural bank. The agricultural bank may charge off the difference between the principal of and accrued interest on the qualifed problem loan or loans and the beginning principal balance of the renegotiated loan or loans over a 30-year period.

"(D) The agricultural bank may mark to market the value of any real estate or other property, real or personal, owned by the agricultural bank on January 1, 1985, and any additional property subsequently acquired by the agricultural bank prior to January 1, 1985, and charge off any loss recognized over a 30-year period. Market value may be determined by income approach to value, cost approach, comparable sales approach, or such other acceptable method of valuation.

"(E) With respect to the expenses incurred by the agricultural bank related to the ownership of the real estate or other property referred to in subparagraph (D) above, including, by way of illustration only, the payment of real estate taxes, personal property taxes, insurance premiums, and payments to senior lien holders, the agricultural bank may write off such expenses over a 20-year period.

"(F) The agricultural bank may mark to market and sell any securities held in its investment portfolio as of January 1, 1985, and any additional securities subsequently acquired by the agricultural bank prior to January 1, 1995, and charge off any loss recognized over a 30-year period.

"(3) As a condition of eligibility under this subsection, the agricultural bank must agree to maintain in its loan portfolio a percentage of agricultural loans which is not lower than the percentage of such loans in its loan portfolio on January 1, 1985.

"(4) As used in this subsection—

"(A) the term 'agricultural bank' means—

"(i) a bank which is located in an agricultural area whose economy is dependent on agriculture;

"(ii) a bank which has assets of $200,000,000, or less; and

"(iii)(I) a bank which has at least 25 percent or more of its total loans in agricultural loans which were made to finance the acquisition of farm real estate or farm equipment and the production of agricultural products or livestock in the United States; or

"(II) a bank which has fewer than 25 percent of its total loans in agricultural loans but which the appropriate Federal banking agency or State bank commissioner may recommend to the Corporation as eligible, or the Corporation, on its own motion, may deem eligible;

"(B) the term 'qualified problem loan' means a loan made to finance the production of agricultural products or livestock in the United States, a loan secured by farm land or farm machinery, or the uninsured or unguaranteed portion of any Farmers' Home Administration or Small Business Administration loan serviced by the agricultural bank, or such other category of loans as the appropriate Federal banking agency or State bank commissioner may recommend to the Corporation as eligible, or the Corporation, on its own motion, may deem eligible in order to allow the agricultural bank to remain viable.".

(b) Paragraph (1) of section 172(b) of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended—

(1) by adding at the end thereof the following new subparagraph:

"(L) In the case of a financial institution, a net operating loss for any taxable year beginning after December 31, 1984, with respect to any loan or security which is subject to the provisions of section 13(j) of the Federal Deposit Insurance Act, shall be a net operating loss carryover to each of the 30 taxable years following the taxable year of such loss.",

(2) by striking out "and (k)" in subparagraph (A) and inserting in lieu thereof "(K), and (L)"; and

(3) by striking out "and (J)" in subparagraph (B) and inserting in lieu thereof "(J), and (L)".

Mr. DIXON. Mr. President, may I ask unanimous consent that the Record on this question be left open throughout this day so that additional cosponsors may join us in respect to this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, I thank the Chair.

THE SECOND MIRACLE

Mr. DIXON. Mr. President, now I shall address a problem concerning what took place yesterday in the Armed Services Committee, a matter that the President himself is familiar with as well, particularly in view of the fact that we served together on the Preparedness Subcommittee which he chairs and upon which I am the ranking member.

I congratulate the Department of Defense for making known to us unexpended moneys held by the Department of Defense which can be viewed as "savings" to help us in connection with the serious problems we face as we try to reduce the budgetary deficit, and address questions involving expenditures for the military that some of us think have gotten out of line in the last several years, so I would not want anything I say here to be interpreted as a criticism of the Department of Defense for saving this money. To the extent that they are making available to us unexpended funds I thank them for doing that and encourage them to do it in the future.

But I know that I express the shock generally felt by members of the Armed Services Committee on both sides of the aisle when the Department of Defense appeared before us yesterday and said that they had found over $4 billion. I am advised that at first it was indicated to some on the committee that they had found almost $5 billion in savings.

I thank the Department of Defense for finding the money and I am delighted to have participated, Mr. President, in a real true observation of the second miracle.

The first miracle was 2,000 years ago. None of us had the pleasure of being there at that time. But yesterday in the Armed Services Committee, after the work of the Senate, after the earlier work of the Armed Services Committee which took weeks, after

the labor of the Senate which took

Thank you for your attention to this

These reductions covered all of the FY

Mr. DIXON. I leave it to the country

with it but they must. Instead of 807

COMPARISON OF RECOMMENDATIONS AT 3 PERCENT AND 0 the labor of the Senate which took weeks, and exhausted the membership, a miracle took place, Mr. President, a miracle.

All along the Department of Defense had the money. Is that not wonderful? Why did we work all those weeks in committee? Why did we mark to zero, 3 and 4 percent growth? Why did we work all those interminable hours here on the floor well into the morning and exhaust our membership when all the time the money was there? All the time the Department of Defense had that money? A miracle, Mr. President.

As the President knows in the Preparedness Subcommittee upon which I serve with him and which he serves this Nation so diligently, as the ranking minority member I asked questions of everyone who came before us, asking them about the savings that might be derived contractually, that could be derived by virtue of the inflationary amounts we permit for fuel for our ships, aircraft, and the military generally.

No one knew, Mr. President. It was confusing. Everyone was evasive.

Then on March 15 I sent a letter to the Honorable Robert W. Helm who was before us yesterday, the Assistant Secretary of Defense, the Comptroller, at the Pentagon. On March 22 he advised me by return letter and answered my questions and I ask unanimous consent, Mr. President, that this exchange of communications be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COMMITTEE ON ARMED SERVICES,
Washington, DC, March 15, 1985.

Hon. ROBERT W. HELM,
Assistant Secretary of Defense (Comptroller), The Pentagon, Washington, DC.

DEAR MR. SECRETARY: At a recent hearing of the Preparedness Subcommittee of the Committee on Armed Services, I questioned military witnesses on the extent to which price savings were being achieved in the execution of their FY1985 Stock Fund and Operation and Maintenance programs above the level anticipated in final Congressional Authorization and Appropriation and Appropriation action on the FY1985 Defense budget. The answers of these witnesses suggested that such price savings were in fact occurring in FY1985.

As Congress continues to review the FY1986 Defense budget, it is important that we take advantage of every opportunity to achieve savings based on lower than anticipated inflation or contract prices. Rather than pursue this issue individually with each of the military services, I have posed a series of questions on this matter which are enclosed.

Since our Committee plans to begin marking up the FY1986 Defense Authorization bill shortly, I would appreciate your written response to these questions no later than March 22, 1985.

Thank you for your attention to this matter.

Sincerely,

ALAN J. DIXON,
Ranking Minority Member,
Subcommittee on Preparedness.

QUESTIONS FROM SENATOR ALAN J. DIXON

1. Last year during the Conference on the FY1985 Defense Authorization Bill your office informed the Committee that over $1 billion in unanticipated savings due to lower inflation and better contract prices were available in the accounts under the Preparedness Subcommittee's jurisdiction that could be used to meet the Congressional reduction target.

Did Congress remove all of these price savings in the Operation and Maintenance and Stock Fund accounts in the final FY1985 authorization and appropriation bills?

How much in price savings was left in these accounts in FY1985 after final Congressional action last year?

2. Are additional price savings, either through lower inflation, better contract prices, or any other reason, being experienced in the execution of the FY1985 program that were not anticipated either in final Congressional action on the FY1985 Operation and Maintenance or Stock Fund requests, or in the FY1986 budget request submitted to the Congress?

How much is involved in these price savings, and what accounts are affected?

3. What would be the impact of reducing the FY1986 Operation and Maintenance or Stock Fund requests to reflect these more favorable prices in the execution of the FY1985 program?

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, March 22, 1985.

Hon. ALAN J. DIXON,
Subcommittee on Preparedness, Committee on Armed Services, Washington, DC.

DEAR SENATOR: This responds to your letter dated March 15, 1985 which requested answers to several questions you posed regarding FY 1985 and FY 1986 savings in the O&M and Stock Fund accounts from revised inflation estimates. The answers to your questions are enclosed. I hope this information will be helpful during your deliberations on authorization. If I can be of further assistance, please let me know.

Sincerely,

ROBERT W. HELM,
Assistant Secretary of Defense.

Enclosure.

Question: Last year during the Conference on the FY 1985 Defense Authorization Bill your office informed the Committee that over $1 billion in unanticipated savings due to lower inflation and better contract prices were available in the accounts under the Preparedness Subcommittee's jurisdiction that could be used to meet the congressional reduction target.

Did Congress remove all of these price savings in the Operation and Maintenance and Stock Fund accounts in the final FY 1985 authorization and appropriation bills? How much in price savings was left in these accounts in FY 1985 after final congressional action last year?

Answer: Congress removed a total of $2.6 billion from the Service O&M appropriations for working capital fund inflation and price adjustments and foreign currency rate improvements in the FY 1985 appropriation act. A breakdown of these adjustments is attached hereto.

These reductions covered all of the FY 1985 changes known at the time authorization/appropriations actions were being completed. Subsequent to the close of FY 1984, in part as a result of an OMB change in the inflation indices for FY 1985, additional savings became identified. For the Stock Funds, approximately $150 million in unanticipated FY 1984 savings and $850 million in projected FY 1985 savings, due to lower than anticipated costs and the inflation rate change, were not reflected in the congressional reductions for FY 1985. However, these savings have included in determining the FY 1986 Stock Fund prices for the O&M customers, which reflect an average reduction of 12 percent. This practice of adjusting Stock Fund prices in the budget year for current year cost variances is in keeping with the stabilized rate policy of the department which guarantees customers a set budgeted price that remains unchanged during the year of execution.

Similarly, $260 million for O&M purchases related to the other purchases rate change from 4.8 to 3.9 percent made by OMB in December 1984 was not reflected. This price change has been fully reflected in the FY 1985 column of the FY 1986 President's budget and the FY 1986 budget baseline has also been reduced to reflect these savings.

Question: Are additional price savings either through lower inflation, better contract prices, or any other reason being experienced in the execution of the FY 1985 program that were not anticipated either in final congressional action on the FY 1985 Operation and Maintenance or Stock Fund requests, or in the FY 1986 budget request submitted to the Congress? How much is involved in these price savings, and what accounts are affected?

Answer: For Stock Fund nonfuel and general O&M purchases, experience to date indicates that costs have been essentially as projected. We do not have sufficient cost data at this time to cause us to project a change in the inflation rate affecting such purchases. However, cumulative Stock Fund fuel costs through February are $35.79 per barrel vice the $36.12 price projected. Should this experience hold, a savings of $63 million in the O&M accounts would result. We believe it would be premature to identify this as excess to requirements at the present time since available March data indicates the current rise in spot market prices may eliminate the savings achieved to date.

The O&M accounts have experienced FY 1985 savings so far in overseas purchases resulting from the strength of the dollar in relation to foreign currencies. If the average conversion rates for the year turn out to equal the March 8, 1985 rates, a savings of $120 million in the O&M accounts would accrue.

Question: What would be the impact of reducing the FY 1986 Operation and Maintenance or Stock Fund requests to reflect these more favorable prices in the execution of the FY 1985 program?

Answer: If reductions are made and more favorable prices do not materialize, adverse impacts would occur in the O&M program and/or in the operation of the Stock Funds as a result of inadequate cash balances. As indicated in the previous answers, known savings of $1 billion from FY 1984 and FY 1985 cost changes not considered in the FY 1985 appropriated amounts have already been reflected in reduced FY 1986 Stock Fund prices.

Mr. DIXON. I leave it to the country to read what transpired and to see whether the Department of Defense told this Senator, who was involved in his responsibilities as a member of the Armed Services Committee and as the ranking minority member of the Preparedness Subcommittee, much of anything. In my view, they did not.

Now, Mr. President, all of this again addresses the integrity of the military establishment and the Pentagon and the people in this country who come to us saying how desperately we need these additional funds. The $700 toilet seats, the $7,500 coffee urns and all those things damage that integrity. And then when those people come to us and cry for more money and evade our questions and make defense budgeting an adversary proceeding.

Congress is trying to work with them in the interest of our national defense, and when they do that they again damage their integrity in the eyes of the Nation and I think it should be questioned. Their integrity should be questioned in the eyes of the Nation.

I say why is this an adversary proceeding? Why do we not have the right to know? We are Congress and it is our responsibility to know because we serve the people we represent and yet they do not treat us in that fashion, Mr. President. They treat us as the adversary. They treat us as the enemy. The enemy is overseas, Mr. President, not here in the Senate.

Now, they have had their day and they have won, but let me say that what they have done is contrary to the best interests of this country and I want to say this so the Nation knows.

They come to us and they say that we have damaged them by the cuts that have been made. Let me put the facts on the record.

The Pentagon requested in missiles and torpedoes, let the record show, 120,130 missiles and torpedoes requested. And with zero growth, what have they received? Why they have received—maybe this is the third miracle—120,280. They ended up getting 150 missiles more than they even asked for.

Mr. President, in every single line item concerning the military obligations of this great Nation of ours, I am here to state on the record so there can never be any doubt about it, and I ask that those who would take issue with me to come here and argue against what I say, they have done perfectly. Combat aircraft, Mr. President—the Department of Defense requested 807 combat aircraft and after we met and we labored in the committees and after we worked to reduce spending to zero real growth, and after we fought on the floor for 2 weeks late into the nights to get zero real growth, instead of 807 they are going to get 804. I do not know how they will live with it but they must. Instead of 807 they will unfortunately receive only 804.

And so I am here to say what a member of the Department of Defense said—and one of my friends witnessed it being said, and I assert on this floor that it is true—that at zero growth they have gotten what they sought at 3 percent growth. They have gotten the 3 percent requests because they found that $4 billion.

And so I want to say this in conclusion, Mr. President, because I realize that time is short and that we are going on to other business, I intend to introduce legislation, Mr. President, that requires in the future the Department of Defense must come to the Armed Services Committees of the Senate and the House and be forthright and honest and revealing and above board and show us every month exactly what the account is in their savings under inflationary experience, under contractual relationships, under lapsed contracts, and other things so that we can truly know what the situation is when we try to mark up a defense authorization bill in the future.

In all my time in government, which spans over three decades, Mr. President, I have never in my lifetime seen a more contrived, artful, deliberate, planned attempt to use the Congress—to use it—to let us seem to work our will and when our laborious work was done, to win in one fell swoop, with one move of the pencil, every battle fought. It is a dark day for truth in government, a sad one for the country, and one that ought not be permitted to again take place in future sessions of the Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD four pages of figures indicating the requests of the Department of Defense and the amounts allowed on missiles, torpedoes, aircraft, shims, and other things at the zero growth rate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARISON OF RECOMMENDATIONS AT 3 PERCENT AND 0 PERCENT BUDGET LEVELS VERSUS THE BUDGET REQUEST

	Fiscal year 1986			
	Request	3 percent	0 percent	3 to 0 percent
Aircraft:				
EH-60	18	18	18	0
AH-64	144	144	144	0
UH-60	78	78	78	0
A-6E	6	6	6	0
EA-6B	12	12	12	0
AV-8B	46	43	43	0
F-14	18	15	15	0
F/A-18	84	84	84	0
CH-53	14	14	14	0
AH-1T	22	22	22	0
SH-60	18	24	24	0
P-3C	9	9	9	0
E-2	6	6	6	0
SH-2F	6	6	0	−6
C-2	8	8	8	0
E-6	2	2	2	0
B-1B	48	48	48	0
F-15	48	48	48	0
F-16	180	180	180	0
KC-10	12	12	12	0
MC-130	1	1	1	0
C-5B	16	16	16	0
C-130	0	8	8	0
HH-60	3	3	0	−3
TR-1	8	8	6	−2
Trainers/administrative:				
UC-12B	12	0	0	0
VH-60	9	9	9	0
T-34	30	0	0	0
F-16 (adversary)	12	12	12	0
C-20	8	8	8	0
T-46	33	33	33	0
Total aircraft	919	877	866	−11
Total combat aircraft (net trainers/admin.)	807	815	804	−11
Missiles/torpedoes:				
Chaparral	300	300	300	0
Patriot	585	585	585	0
Stinger	3,439	3,439	3,439	0
Hellfire:				
Army	6,576	6,576	6,576	0
Navy	1,304	1,304	1,304	0
TOW II	20,100	20,100	20,100	0
MLRS	72,000	72,000	72,000	0
Tomahawk	249	249	249	0
Sparrow:				
Navy	1,872	1,872	1,872	0
Air Force	425	425	425	0
Sidewinder:				
Navy	1,220	1,220	1,220	0
Air Force	800	800	800	0
Phoenix	265	265	265	0
Harpoon:				
Navy	395	395	395	0
Air Force				
HARM:				
Navy	904	904	904	0
Air Force	1,715	1,715	1,715	0
SM 1 MR				
SM 2 MR	846	846	846	0
SM 2 ER	470	470	470	0
RAM	117	117	117	0
Sidearm	168	168	168	0
Laser Maverick	1,500	1,500	1,500	0
IIR Maverick:				
Navy	195	195	195	0
Air Force	3,500	3,500	3,500	0
AGM-130	97	97	97	0
AMRAAM	90	90	90	0
GLCM	95	95	95	0
MK 48 Torpedo	123	123	123	0
MK 46 Torpedo	500	500	500	0
Captor Mine	0	150	150	0
MK 67 Mobile Mine	280	280	280	0
Total missiles/torpedoes	120,130	120,280	120,280	0
Shipbuilding/conversions:				
Trident	1	1	1	0
SSN-688	4	4	4	0
CV SLEP				
CG-47	3	3	3	0
DDG-51				
LSD-41	2	2	2	0
LHD-1	1	1	1	0
MCM	4	2	2	0
MSH	4	4	4	0
TAO	2	2	2	0
TAGOS	2	2	2	0
AG Sound Barge	1	1	1	0
TAGS surveying ships:				
LCAC	12	12	12	0
Conversions				
TACS	3	3	3	0
TAVB	1	1	1	0
Total shipbuilding and conversions	40	38	38	0
Weapons, tracked combat vehicles:				
M577 CP Carrier	115	115	115	0
M113 APC	325	325	325	0
Bradley FVS	716	716	716	0
M109 Howitzer	0	0	0	0
Field Arty Supt Veh	197	197	0	−197
M88 Recov Veh	240	240	240	0
M1 Tank	840	840	840	0
DIVAD	117	37	37	0

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. EVANS). Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 11:30 a.m. with statements therein limited to 5 minutes each.

1140—AMENDMENTS TO THE PETROLEUM MARKETING PRACTICES ACT

Mr. DECONCINI. I am pleased to join as a cosponsor and strong supporter of this bill making amendments to the Petroleum Marketing Practices Act. The original act, enacted 6 years ago, was designed to enhance fair and open competition in the oil marketing industry by preventing unreasonable termination of marketers' franchise agreements with their suppliers. Experience has shown that more legislative action is needed if the original goals are to be met.

Independent distributors and retailers of motor fuel occupy a key position in the competitive structure of the petroleum industry. There are approximately 135,000 retail service station dealers in the United States; they supply the Nation with 75 percent of its motor fuel needs. However, over the past several years, their numbers have declined drastically. It is the opinion of many observers of this industry that predatory marketing practices by large refiners has been the prime cause for this decline.

The bill introduced today will hopefully stop this trend by adding a number of safeguards to the rights of independent retail dealers. Among these rights guaranteed by the bill are: Prohibition against franchisors from engaging in anticompetitive pricing practices in instances where they are in competition with their own franchisees; changes in renewal of the franchise agreement must be fair and reasonable; arbitrary conversions of full-service stations to pumper stations is prohibited; gives franchisees a right of first refusal to purchase their stations; and prohibits franchisors from discriminating in price and allocation policies between its classes of franchisees.

Experience in several States such as Maryland, Delaware, and Washington, DC show that competition at the retail level is intensified by preserving independent competition. It is no coincidence that recent studies have shown these three entities also have lowest prices on self-service unleaded regular on the east coast and are among the lowest in the country.

This bill is not protectionist; it is proconsumer. It does not set up a new regulatory bureaucracy for enforcement. Its purpose is to guarantee healthy and vigorous competition among retailers, distributors, and refiners in the petroleum industry. This bill has been the subject of several days of hearings before the Judiciary Committee in previous Congresses and I hope that its processing can be expedited this year. We have as complete a record as we'll ever get; the time to act is now.

AAB ADMINISTRATOR HONORED

Mr. EAGLETON. Mr. President, later this month the American Association of Bioanalysts, headquartered in St. Louis, will present its highest award to long-time AAB Administrator David Birenbaum. Mr. Birenbaum, AAB Administrator since 1965, will receive the fourth Lucien Dean Hertert Memorial Award on May 24 during the 1985 Educational Conference and Annual Meeting of AAB.

The Lucien Dean Hertert Memorial Award was established in 1980 at the Silver Anniversary of the founding of the American Association of Bioanalysts [AAB]. The award is given, at the discretion of the AAB Board of Directors, to an individual who exemplifies the dedication, loyalty, and service that Lucien Hertert, a founding member of AAB and its first Executive Secretary from 1951 to 1962, gave to the profession of Bioanalysis.

Certainly Mr. Birenbaum is a most worthy recipient of this honor. Mr. Birenbaum directed AAB through the initial phase of Medicare reimbursement and was instrumental in establishing the community laboratory as an integral part of the health care network. He led the AAB in developing both proficiency testing for laboratories and proficiency exams as an alternate route of advancement for laboratory professionals.

In addition to his work with the AAB, Mr. Birenbaum has also served as chairman of the National Council for Health Laboratory Services; chairman of the Task Force on Role Delineation for the American Society for Allied Health Professions; Founding Board Member of PRIDE, a St. Louis Labor/Management Construction Industry organization; and as trustee of several union health and welfare, and pension funds.

I am pleased to join Mr. Birenbaum's many friends and colleagues in congratulating him on receiving this honor.

DOMESTIC SUGAR INDUSTRY

Mr. INOUYE. Mr. President, it is my privilege today to make the third in an ongoing series of statements on behalf of our domestic sugar industry. In past remarks, I have emphasized the disastrous economic consequences that would result from doing away with the current sugar program; I have also analyzed why the world sugar market and certain trade practices by our allies compel us to protect American farmers from unfair foreign competition, and how the sugar program benefits countries who export to the United States under the current quota system.

Today, I would like to highlight one of the direct benefits of the sugar program: the revenue it has generated for the Treasury over the last 3 years.

I have often made the point that the sugar price support program operates at no cost to the American taxpayer. The Hawaiian Sugar Planters Association, in its Sugar News of May 8, 1985, points out that in fact, the Federal Government has earned $355.2 million from the sugar provisions of the Agriculture and Food Act of 1981 since its enactment; $350.3 million of these revenues came from duties and fees imposed on imported sugar, while $4.9 million represents income from interest earned that exceeded the cost of the Government's loans to sugar producers. No sugar has been forfeited to the Commodity Credit Corporation, and all of the bills currently before the Senate Agriculture Committee contain sugar titles that assume no net cost to the Government over the life of the next farm bill.

Mr. President, the Senate Agriculture Committee is currently marking up legislation that will carry this Nation's agricultural sector and food programs into the 1990's. At this very moment, the people of Hawaii are celebrating the 150th anniversary of our State's sugar industry. As part of this celebration, the First Hawaiian Bank has published an article entitled "150 Years of Sugar in Hawaii." This article points out that while Federal deficits are a critical national problem, they should not be used as an excuse for cutting all agricultural programs—certainly not those such as sugar that have benefited our economy, reduced our trade deficit, and operated at no cost to the American taxpayer. The First Hawaiian Bank suggests that it is crucial for our Nation to retain a domestic sugar industry, and I concur. To this end, I have introduced legislation, S. 884, to increase the sugar loan rate by 2 cents a pound over the next 4 years—a rate that does not even match inflation.

As our colleagues on the Agriculture Committee deliberate over the next farm bill, I would hope that every Senator has the opportunity to read the First Hawaiian Bank's analysis of the sugar program and the need to include an adequate loan rate in the next farm bill. Mr. President, I ask unanimous consent that the full text of the First Hawaiian Bank's Economic Indicators article for March/April 1985, entitled "150 Years of Sugar in Hawaii," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

150 YEARS OF SUGAR IN HAWAII

As we recognize the 150th sesquicentennial anniversary of the sugar industry in Hawaii, the industry is facing the greatest threat to its existence in its history. If the proposed modifications to the U.S. Agriculture and Food Act of 1981 (the Farm Act) are enacted by the U.S. Congress, the Hawaiian sugar industry could be devastated.

According to the Department of Planning and Economic Development, total sugar-related employment comes to around 19,200 jobs or 4 percent of all jobs in the state. However, on the Neighbor Island, sugar-related employment accounts for 29 percent of jobs on Kauai, 17 percent on Hawaii, and 13 percent on Maui, compared to 1 percent on Oahu. Likewise, income from sugar in 1982 came to 21 percent of total income on Kauai, 13 percent on Hawaii, 12 percent on Maui, compared to 1 percent on Oahu. Sugar occupies 188,395 acres or 71 percent of all the agricultural land in Hawaii, accounting for 97 percent of all cultivated lands on Kauai, 75 percent on Hawaii, 65 percent on Oahu, and 57 percent on Maui. Sugar also contributes around 10 percent of total state tax revenues. Loss of the industry to Hawaii would be an economic disaster of unprecedented magnitude.

The Hawaii sugar industry is not protected by Title IX of the Farm Act. The provisions include a sugar loan fund where a producer unable to sell his crop is eligible for a loan using his crop as collateral. The loan rate is based on an estimated average cost of production, and was set at 17.75 cents per pound in 1984. Congress also specified that the government should avoid accumulating stocks of sugar by establishing a Market Stabilization Price (MSP). The MSP estimates the actual price that producers must receive to sell their crop, and is composed of the loan rate plus transportation costs, interest, and a producers incentive margin. The MSP is currently at 21.57 cents a pound, 3.82 cents a pound over the loan rate of 17.75 cents a pound. To assure that the actual market price of sugar reflects the MSP, and producers sell their crops, a system of country-by-country import quotas controls the supply and, ultimately, the price of sugar in the U.S. That is possible because about a third of the sugar consumed in the United States is imported.

The need for such a system reflects the realities of the world sugar market. At present, over 40 countries around the world produce around 100 million tons of sugar. Surplus sugar not domestically consumed or traded, roughly 20 million tons a year, is dumped on the so-called "world market." Prices in this market bear no relation to production costs, and fluctuate according to available supply. In 1980, the price was 40 cents a pound. In 1984 it fell to less than 4 cents a pound. Thus, the current price-support system protects our sugar industry from the volatile world surplus market, while maintaining stable prices to insure a steady supply of domestically produced sugar.

The proposed changes in the Farm Bill would cut the loan rate for sugar to 12 cents a pound. Sugar import quotas would be terminated, thereby allowing the domestic market price to fall to world levels. In expectation of industry losses as a result of falling prices, a contingency program of direct payments would subsidize producers based on the difference between the market price and a predetermined target price set to decline to 12 cents in 1990. The payments, however, would be meaningless to Hawaii's large corporate growers because of a limitation of $10,000 per operator set for 1988.

Proponents of the changes argue that easing import restrictions would reduce the domestic price of sugar, and cut back federal dollars needed to support the industry. However, under the proposed changes neither market prices, target prices, or loan rates will bear any relation to the costs of production. Producers may not be able to either sell or borrow, and will ultimately be forced to accept government payments. Opening the American market, which is roughly 9 million tons annually, to foreign sugar would eliminate any surplus and erase any price advantage the world price seemed to offer. Erratic price fluctuations would eventually drive American producers out of business, creating a total dependency on an unreliable supply of imported foreign sugar. The result would be lost jobs, increasing welfare costs, and an increase in the balance-of-trade deficit by an estimated $2 billion a year.

The Farm Act has cost nothing because whatever support the program extends is in loans. Domestic producers borrowed $650 million on 1,312,500 tons of sugar in the 1983/84 sugar season. But, all loans were repaid at market interest rates, and the government did not accumulate any forfeited sugar.

True, federal deficits demand a serious examination of government expenditures. But, eliminating programs that have been costless for economic benefits which are illusory, while at the same time destroying a major portion of Hawaii's economy, is no solution to the problem.

Our responsibilities as a community are clear in supporting the work of our leadership to defeat the changes to the Farm Bill. Hawaii needs the existing support system. Recent developments in Congress appear encouraging. But, let it not be said in retrospect that 1985, the 150th anniversary of sugar's birth in Hawaii, was the year of sugar's demise as an industry.

A TRIBUTE TO BOB ATWOOD

Mr. MURKOWSKI. Mr. President, a very special individual is being honored in Alaska this week for his invaluable contributions to the great State of Alaska.

For five decades, Robert A. Atwood has served Alaska as its premier journalist, editor and newspaper publisher. Over these 50 years, he and his newspaper, The Anchorage Times, have led the way toward development and maturity in the last frontier.

There are few people who remain dedicated to one profession for such a long time. As a young reporter way back in 1935, Bob Atwood began writing about Alaska and about its untapped potential.

Little by little, he encouraged Alaskans to strive to make themselves and the State the best both could possibly become.

Perhaps his most enduring accomplishment came in 1959 when Alaska became the 49th star added to our flag. Bob Atwood took the lead in rallying Alaskans to statehood, and he was a key fighter in that long uphill struggle, giving national support for the Alaska effort. Hundreds of editorials were written by Bob, outlining the advantage of statehood for territorial residents and for our Nation.

Bob took many long trips back then to Washington, DC, to help the cause of statehood through the administration and Congress, garnering interest and support of newspapers along the way. The paper touted Alaska's cause in its quest for full membership in the Union. Bob finally saw his dream become a reality just 25 years ago last year, when Alaskans filled their streets in celebration of their statehood.

Today, at the age of 78, Bob Atwood continues his work as president and publisher of The Anchorage Times and shows no sign of slowing down. Frankly, those of us who have enjoyed the privilege of his friendship would be surprised indeed if he did.

It is for the quality of his work over the past half century, and not merely his longevity, that the Allied Daily Newspapers are honoring Robert Atwood this week. I, too, would like to take this opportunity to recognize the accomplishments of Robert Atwood—accomplishments of which all Alaskans are the grateful chief beneficiaries.

I'm sure Evangeline Atwood, Bob's lovely wife and Alaskan historian, feels extremely proud of her husband and honored for the recognition that he is receiving this week. I know that Evangeline, along with their daughters Elaine and Marilyn, who are also in the newspaper business, are all the more wiser for their close relationship with Bob Atwood. And I know that many Alaskans across the State feel the same way.

I would like to congratulate Bob Atwood and offer my best wishes for many more years of public service.

Mr. STEVENS. Mr. President, Alaskans and journalists across the Nation this week are honoring Robert B. Atwood, publisher of The Anchorage Times, for 50 continuous years on a major U.S. newspaper.

As a young reporter, a product of the great Midwest, educated in New England, Bob Atwood came to Alaska more than 50 years ago. His bride, Evangeline, was the daughter of Alaska pioneers, so it's possible Bob's first reason to come to the great land was to see for himself the beauty and the vast grandeur of the territory, then only an exotic land to most U.S. residents.

But it didn't take long for the young newspaperman to see that Alaska was on the move, and a newspaper in its largest city could be a significant factor in chronicling history as it was being made.

BEST COPY AVAILABLE

What he also found out, and what Alaskans have learned, is that a newspaper can also be a significant force in shaping the destiny of a land and its people.

Today there is no question that Bob Atwood, an Alaska pioneer in his own right, has made contributions beyond measure toward the settlement, development, and growth of my home, Alaska.

Without his untiring efforts, Alaska might not have added the 49th star to our flag. He was a leader of the long battle for statehood. In literally hundreds of editorials he outlined the advantages of statehood for territorial residents and for our Nation.

Early on, Bob Atwood saw that development of Alaska's vast natural resources was the key to economic growth and development. With a far-seeing group he was responsible for the exploration for oil on the Kenai Peninsula, not far from Anchorage. That successful effort led to interest from major corporations, and ultimately, to the exploration and discovery of oil at Prudhoe Bay. Today, the Alaska pipeline carries 1.7 million barrels of crude oil daily, providing for almost 20 percent of the Nation's crude oil production.

Bob Atwood has long been a strong supporter of the presence of military forces in Alaska. His understanding of Alaska's strategic military position in the Nation's safety has been one factor in assuring the protection of all our citizens through the placement of Army, Navy, and Air Force installations not far from the shores of the U.S.S.R.

Appreciating Alaska's natural beauty, from its 3 million lakes to the highest mountain in North America, Bob Atwood has been one of those who helped make the State a mecca for travelers, for tourists to see that it indeed could be an air crossroads of the world. Planes from every continent fly Alaska's skies, and carriers from every corner of the Earth stop over in Alaska today. Only a few years ago the brave Alaska bush pilots were the only fast link to Alaska's remote areas, and long steamship voyages were the only link to the world outside the region.

Bob Atwood, in a half-century of 10-hour days, 6 days a week on The Anchorage Times, has never forgotten that he is first and always a newspaperman. Through the Atwood chair he has endowed at the University of Alaska, great journalists have come to the Great Land. They shared their talents and their viewpoints with the citizens of the State as well as the students at the university.

Through 50 years, literally hundreds of young newspapermen and newspaperwomen have received their first professional boost on The Anchorage Times. They have gone on to become fine and respected journalists on newspapers and publications across the Nation.

Bob Atwood's untiring efforts on behalf of Alaska have made a mark that historians will note as long as histories are written. His love and concern for Alaska, my home and his, have taken him into some long battles and some uncharted seas. He has fought for his convictions, mapped his way through often turbulent waters and watched Alaska grow from an almost forgotten stepchild to a State important to the well-being of all our Nation.

Today we salute Bob Atwood for his efforts and his concern through 50 short and productive years behind the publisher's desk at The Anchorage Times. As journalists from across the United States gather in Anchorage to applaud his half-century of reporting and editing the news for Alaskans, we add our thanks for a reporter, a publisher, an editor, and a great Alaskan.

For his wife, Evangeline, a historian and Alaskan of great note, and his daughters Elaine and Marilyn, newspaperwomen like their dad, we send our congratulations for having the good fortune to have worked at the side of Bob Atwood, a consummate journalist and a consummate Alaskan.

ORPHAN DRUG AMENDMENTS OF 1985

Mr. HATCH. Mr. President, I ask for immediate consideration of my bill, S. 1147, the Orphan Drug Amendments of 1985, and urge my colleagues to immediately adopt this legislation. I am delighted that 28 Senators—over one-quarter of the Senate—are now sponsors of this important legislation to amend the Orphan Drug Act. The significance of this bill, and the strong support of the Senate for research in orphan diseases and research and development of orphan drugs, are illustrated well by the fact that 15 members of the Labor and Human Resources Committee are cosponsoring this legislation.

I want to recognize in particular the cosponsorship of Senator KENNEDY, the ranking minority member of the Labor and Resources Committee, and the cosponsorship of Senator KASSEBAUM, a long-time champion of this cause. It was Senator KASSEBAUM who introduced the early orphan drug legislation in the 97th Congress, and I am proud that she has joined me in sponsoring this bill as well.

Mr. President, reauthorization of the program to provide grants and contracts for the development of orphan drugs sends a clear signal that Congress encourages such activity and recognizes a winner.

The Orphan Drug Act provides several incentives for sponsors of orphan drugs. These incentives have worked. The act has worked. Since 1983, 55 drugs have been designated "orphan drugs" by the Food and Drug Administration. This is truly remarkable progress for the many Americans who are affected by any of a large number of rare diseases. Increasingly, pharmaceutical companies are agreeing to sponsor orphan drugs—to do the testing required to get these drugs to market so that they will be available to the patients whose lives will be markedly improved by them.

You may be as surprised as I was to learn that there are several thousand orphan diseases, which together afflict several million Americans. Some of these diseases are familiar to us because we have read about a well-known individual who suffers from a rare disease or we have seen a television show or a play about one of these diseases. This is the case, for example, for Amyotrophic Lateral Sclerosis, Lou Gehrig's Disease, against which our distinguished former colleague, Senator Jacob Javits, continues his valiant struggle; for Tourette Syndrome, which was featured a few years ago on the TV show "Quincy," for neurofibromatosis, the affliction recently discussed on the TV show "St. Elsewhere;" and for Huntington's Disease, which afflicted the folksinger Woody Guthrie. For each of these diseases there are hundreds more that virtually no one has heard of. We cannot imagine what it would be like to have something wrong that no one knows about and, worse yet, that no one seems to care about.

The Orphans Drug Act was an enormous positive signal to victims of orphan diseases and their families. Its enactment was a great victory and the only hopeful event in many of their lives. The fact that the Government would be able to support research and development of orphan drugs, and the fact that the pharmaceutical industry would be willing to participate in developing orphan drugs, seeking FDA approval, and marketing those drugs, even though there was no opportunity for profit, were landmark signs of commitment and caring.

The authority for the grant and contract program established in the Orphan Drug Act expires at the end of fiscal year 1985. This bill reauthorizes that program for 3 more years, at $4 million per year. This is the same as the authority in current law. In addition, the bill extends the grant and contract authority by authorizing the award of funds for both preclinical and human clinical testing of orphan drugs. This provision will mean that some of the very costly drug testing, that must be completed before human tests are begun, could be supported under a grant or contract awarded with this authority. I believe this will serve as an additional incentive and encouragement for the development of orphan drugs.

Another small change in current law made by this bill is the removal of the stipulation that in order to receive the designation as an orphan drug, a drug must be one for which a Letter of Patent may not be issued. This stipulation has caused some administrative difficulty because it is not clear as to the type of patent referred to.

There has been some discussion over the last 6 months about inclusion of "medical devices" in the Orphan Drug Act. I know I speak for my colleagues when I say that the Senate is receptive to consideration of this issue. However, my discussions with FDA and with the orphan disease groups make clear that the concepts involved are complex and that all involved parties agree that we should not delay this legislation while the issue is discussed further.

This bill establishes a National Commission on Orphan Diseases to assess both Government and private sector activities related to research in rare diseases, including research into the cause and prevention as well as the treatment of those diseases. The Commission is required to submit a report to the Congress in 2 years and will terminate 90 days after the submission of the report. I believe there is a need for the kind of evaluation envisioned by this Commission, and that the results of this evaluation can provide useful guidance in planning future research in this important area.

Finally, the bill contains a provision that will correct a drafting error in the fiscal year 1985 appropriations language for the Department of Education. This provision will require no additional funds. It will simply allow already appropriated funds to be expended on June 1, instead of on July 1, 1985. If this seemingly minor error is not corrected, there will be over 700 training programs for teachers of handicapped children that will be delayed and disrupted.

The House Energy and Commerce Committee has ordered reported a bill almost identical to the one we are considering now. This is due in large measure, as was passage of the act in the 97th Congress, to the dedicated efforts in the House of the distinguished chairman and ranking minority member of the House Subcommittee on Health and the Environment, Representative WAXMAN and Representative MADIGAN. My hat is off to them. I am confident that speedy passage of this bill in the Senate will result in its speedy enactment, as I am sure that our House colleagues will be able to quickly agree with us on the final language. There are no substantive differences in our provisions or in our priorities related to orphan drugs.

In closing, Mr. President, let me again express my appreciation to Senators who joined me in sponsoring this important bill. I look forward to its expeditious passage.

AFGHANISTAN REPORT

Mr. BYRD. Mr. President, the West Virginia Intelligencer of April 24, 1985, includes an editorial entitled "Afghanistan." It comments upon my efforts to keep this issue before the American public, and it reports on the atrocities committed by Soviet troops in that brave, sad country.

I continue to share my concern for the freedom-loving people of Afghanistan with my colleagues in the Senate and with the American people because we have a responsibility to the people of Afghanistan to keep their brave struggle on the stage of world opinion. The Soviet occupation army has done its best to stifle news about its brutality. The Soviets pursue an "out of sight, out of mind" philosophy in Afghanistan. But free people everywhere have a duty to hold the situation in Afghanistan up to the light of world opinion. When we examine events in that country, we are much better equipped to understand the hateful nature of Soviet occupation, and what Soviet subjugation means.

For this reason, I will continue to offer reports and worthwhile articles that describe the struggle of the Afghan people in the face of the cruel repression of their Soviet captors. And I will continue to support appropriate assistance for the Afghan people in their struggle against this lawless occupation.

I ask unanimous consent that the article from the Intelligencer be inserted in the RECORD at the close of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AFGHANISTAN

Sen. Robert Byrd of West Virginia recently warned his colleagues against letting Afghanistan degenerate into, "just another occassional continuing feature on the evening news." The Democrat leader is doing his best not to let Afghanistan become a victim of world apathy and historical amnesia through attempting to bring to national attention the terrible consequences of Soviet occupation of that land.

One of these, Byrd noted, happened in March of this year when death in a Red Army uniform came to the little village of Chinar in southern Afghanistan. At 8 a.m. on March 17, according to an escaped refugee, Soviet troops attacked the villiage "killing every living thing" unable to escape. Muhammad Gul said that in one incident 52 women and children tried to hide on a rooftop. Soviet troops spotted them and set fire to the building, burning those 52 innocent people to death when the flames reached the roof.

In a recent study prepared for the United Nations Human Rights Commission, Byrd noted, Austrian law professor Felix Ermacora accused the Soviet Union of massacring Afghan civilians, executing guerrilla fighters, and in some instances using poison gas against them. When the Soviets attacked Ermacora's report as a fake, the Austrian professor retorted, "Every word in it is true. And to anyone who says I am falsifying the record, I reply: 'If 4 million people leave their country, Afghanistan, then there must be a good reason.'"

What has been going on in Afghanistan since the brutal invasion of that little country by the Soviet Union doesn't seem to qualify very often as "news" in this country, now that the Soviet occupation has dragged on into its fifth year. As Byrd points out, we live in a century long on inhumanity and short on memory. Many millions of combatants have died in the hideous wars of our time. But even more millions of innocent civilians, men, women and children have been slain in acts of official barbarism.

Far too often the world's reaction to such bloody deeds is a shoulder-shrugging, "So what?" One of the duties of civilized people is to keep alive the memory of such atrocities as Buchenwald, Dachau, Auschwitz—not from notice of hatred or vengeance, but that democracy's creed may reverberate: "Never again."

In the same vein, Americans must remember today that real men and women are suffering and dying in the rugged mountains of Central Asia. Soviet bombs and bullets are mutilating Afghan children. Flesh and blood human beings are struggling there to save their country, their culture, their way of life, their freedom.

Byrd is performing a valuable service in the defense of suffering humanity by keeping the agony of Afghanistan before the American people. Our attention span is short. But we never should become so blase as to relegate the strangling of a nation's freedom to the status of a filler on the 6 o'clock news.

One reason why there is legitimate concern that this may occur in this situation is the secrecy which veils Afghanistan. A French doctor who directs Medecins sans Frontieres, Dr. Claude Malheuret, writes as one who has first-hand knowledge of the tragedy–knowledge which is extremely hard to come by.

The organization which Malheuret directs is apolitical, hence its reports possess a special quality of reliability and authenticity. When M.S.F. speaks of a Soviet war against Afghan children, it is because the physicians have had to treat ghastly wounds inflicted by booby-trapped toys.

"International public opinion would never accept such enormities if it were informed daily on the developments in Afghanistan. The need for secrecy explains why borders are systematically closed and why journalists are not allowed to enter the country," declares Malheuret.

The French physician believes that the Afghans can't be defeated in the short or medium term, but Soviet strategy involves two aspects that may make the outcome in Afghanistan differ from Western experience. One is the use of mass terror. The second is that the Soviets can afford a protracted war in the short term for the sake of a long-term victory.

"The Russians do not need smashing victories to announce to their citizenry, as Soviet public influence does not influence Soviet policy. Catastrophies such as that in the Salang tunnel where several hundred Soviet and communist-regime troops (and civilians) were killed do not incite an outcry in Moscow for Soviet 'boys' to come home. The Soviet army can wait it out . . .

"The Afghan resistance will hold out for a long time, but in the end, it probably will be beaten," is the gloomy first-hand assessment given by Malheuret.

This need not occur, should in coming years a profound change in the reactions of Westerners to Soviet totalitarianism occur. However, concludes the M.S.F. director, in a statement with which no one can argue:

"Only a very wise person would dare predict the future of Afghanistan.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

BUDGET RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT—PM 46

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, and the Committee on Environment and Public Works:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new rescission proposals totaling $37,401,818, two new deferrals totaling $24,000,000, and a revised deferral now totaling $32,300,000. The rescissions affect programs in the Department of Energy and the Corporation for Public Broadcasting. The deferrals affect programs in the Department of Energy and the Tennessee Valley Authority.

The details of these rescissions and deferrals are contained in the attached report.

RONALD REAGAN.

THE WHITE HOUSE, *May 16, 1985.*

CONSERVATION OF PETROLEUM AND NATURAL GAS AT FEDERAL FACILITIES—MESSAGE FROM THE PRESIDENT—PM 47

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

As required by Section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978, I hereby transmit the sixth annual report describing Federal actions with respect to the conservation and use of petroleum and natural gas in Federal facilities.

RONALD REAGAN.

THE WHITE HOUSE, *May 16, 1985.*

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 12:05 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 484. An act to amend the Saccharin Study and Labeling Act;

S. 661. An act entitled the "George Milligan Control Tower; and

S.J. Res. 61. Joint resolution to designate the week of May 20, 1985, through May 26, 1985, as "National Osteoporosis Awareness Week".

The enrolled bills and joint resolution were subsequently signed by the President pro tempore (Mr. THURMOND).

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, May 16, 1985, she had presented to the President of the United States the following enrolled bills and joint resolution:

S. 484. An Act to amend the Saccharin Study and Labeling Act:

S. 661. An Act entitled the "George Milligan Control Tower"; and

S.J. Res. 61. Joint resolution to designate the week of May 20, 1985, through May 26, 1985, as "National Osteoporosis Awareness Week".

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-212. A joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources.

"ASSEMBLY JOINT RESOLUTION NO. 42

"Whereas, The United States Department of the Interior has announced a five-year program to open all California's offshore waters for oil and gas leasing; and

"Whereas, Under this program, lease sales for areas previously closed to oil and gas development would occur for southern California in April 1987 and 1990, for central California in May 1989, and for northern California in December 1987 and 1990; and

"Whereas, No national energy development plan exists to provide for the orderly development of energy resources to match national needs; and

"Whereas, No national need has been demonstrated for additional offshore oil and gas leasing in California; and

"Whereas, The abundant sea life and beauty of California's coast and ocean waters provide unique recreational and fishing opportunities for the citizens of the state and nation; and

"Whereas, In 1983 tourism contributed approximately 28.5 billion dollars to the economy of the state while the value of oil and gas extracted from California and areas offshore totaled only approximately 10.5 billion dollars; and

"Whereas, Oil platforms, oil spills, interference with fishing activities, and other actual and potential adverse effects from oil development are likely to cause irreparable harm to the resources of the coast; and

"Whereas, The federal government has not yet satisfactorily addressed impacts to California from present offshore oil and gas production through revenue sharing as required by Section 8(g) of the federal Outer Continental Shelf Lands Act, as amended by Section 205 of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. Sec. 133(g)); and

"Whereas, The United States Congress, in adopting the federal Outer Continental Shelf Lands Act Amendments of 1978, directed the Department of the Interior to prepare and maintain the leasing program in a manner consistent with the principle that "(m)anagement of the Outer Continental Shelf shall be conducted in a manner which considers economic, social, and environmental values of the renewable and nonrenewable resources contained in the Outer Continental Shelf, and the potential impact of oil and gas exploration on other resource values of the Outer Continental Shelf and the marine, coastal, and human environments" (43 U.S.C. Sec. 1344(a)(1)); and

"Whereas, For the past four years the United States Congress has expressed its concern over oil and gas development off California by adopting lease moratoria for the areas now included in the proposed lease program of the Department of the Interior; and

"Whereas, California's citizens and local government have repeatedly stated that leasing of many of the areas proposed by the Department of the Interior presents unacceptable risks to economic, social, human, and natural environments far in excess of the value of projected oil resources; and

"Whereas, The Legislature of the State of California has consistently expressed its opposition to leasing of the areas proposed in the Department of the Interior's program through passage of resolutions such as Assembly Joint Resolution 19 in 1981 and Assembly Joint Resolutions 86 and 95 in 1984; and

"Whereas, The Federal Outer Continental Shelf Lands Act permits the Governor to respond within 60 days with comments and suggestions on proposed lease programs; and

"Whereas, California has prohibited offshore oil leases in most state waters adjacent to the areas proposed for leasing by the Secretary of the Interior; and

"Whereas, California is likely to lose potential revenues from state-owned oil through drainage to federal leasees under the Secretary of the Interior's proposal; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California memorializes the President of the United States and the Secretary of the Interior to delete from the proposed oil and gas leasing program all offshore areas adjacent to state-owned tide and submerged lands where oil leases are currently prohibited and all areas offshore California north of the seaward extension of the Mendocino-Sonoma County line; and be it further

"Resolved, That the Legislature of the State of California hereby respectfully requests that the Governor recommend to the Secretary of the Interior that the federal offshore areas adjacent to state-owned tide and submerged lands where oil leases are currently prohibited and all areas offshore California north of the seaward extension of the Mendocino-Sonoma County line be deleted from the proposed oil and gas leasing program; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of the Interior, to each Senator and Representative from California in the Congress of the United States, and to the Governor."

POM-213. A resolution adopted by the House of Representatives of the State of Indiana; to the Committee on Energy and Natural Resources.

"HOUSE RESOLUTION NO. 23

"Whereas, There never has been an energy crisis except as it has been perpetrated by the Federal Government for the purpose of controlling the American people; and

"Whereas, A large pool of crude oil and natural gas was discovered on Gull Island, located approximately 5 miles north of the Alaska shoreline in the Arctic Ocean, which is as large as the Prudhoe Bay pool of crude oil and gas, and also, large pools of crude oil and gas at the Duck Island and Kuparuk locations; and

"Whereas, The Gull Island crude oil find was ordered to be kept secret and closed down by the United States Government in order to force high oil prices on United States citizens; and

"Whereas, Seismographic testing has indicated that there is as much crude oil on the north slope of Alaska as in Saudi Arabia; and

"Whereas, Government ecologists forced the oil companies to spend $2,000,000 to bypass a falcon's nest, $375 for the replacement of a toilet paper holder and $10,000 for each toilet; small examples of waste, which resulted in approximately $10,000,000,000 in cost overruns, and in turn caused higher gas prices for United States citizens; and

"Whereas, The Alaskan Pipeline Corridor was originally built to accommodate two crude oil pipelines and one natural gas line; and

"Whereas, As seventy-four percent (74%) of the cost of a barrel of Alaska crude oil is federal and state taxes; and

"Whereas, There is enough natural gas in Alaska to last the United States citizens for 200 years: Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

"SECTION 1. That the United States government allow the oil companies to build an additional crude oil pipeline and a natural gas line so as to allow the United States citizens an abundance of fuel at a reasonable cost.

"SEC. 2. That the Clerk of the House of Representatives is hereby directed to deliver copies of this Resolution to each member of the United States Congress, The President of the United States and the Vice President of the United States."

POM-214. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Finance.

"RESOLUTION NO. 57 (LS)

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Sections 301 and 303 of U.S. Public Law 92-603 amended Title XIV of the Social Security Act in its entirety under the Title "Supplemental Security Income (SSI) Program for the Aged, Blind, and Disabled", and repealed Title XIV of the Social Security Act, effective January 1, 1974; and

"Whereas, Section 303(b) of U.S. Public Law 92-603 did not repeal Title XIV of the Social Security Act, and therefore, did not extend the benefits to the territories of Guam, Puerto Rico, and the Virgin Islands; and

"Whereas, all the eligible residents of the fifty states of the United States who have applied successfully for this assistance under the Supplemental Security Income Program for the Aged, Blind, and Disabled are now enjoying its full benefits; and

"Whereas, the residents of Guam's neighboring islands of the Commonwealth of the Northern Marianas are now enjoying the full benefits of the Supplemental Security Income (SSI) Program as a result of their present political status; and

"Whereas, the people of Guam firmly believe in the right to equal treatment of any resident or citizen of the United States to the benefits available to them from the United States Federal Government without regard to race, color, creed, or geographical remoteness or boundaries; and

"Whereas, there are presently 930 residents of Guam receiving public assistance under the Aged, Blind and Disabled Programs, and there are other potentially eligible residents of this territory who would definitely prefer to receive the more expanded benefits of the Supplemental Security Income Program; now, therefore, be it

"Resolved, That the Eighteenth Guam Legislature respectfully request the Honorable Ben Blaz to introduce legislation to amend the appropriate sections of the Social Security Act to extend the benefits of the Supplemental Security Income Program to the Territory of Guam; and be it further

"Resolved, That the Eighteenth Guam Legislature request the Governor and Lieutenant Governor of Guam, through their Washington, D.C. Office, and the Director of Public Health and Social Services, to seek the support of the Federal Government, specifically the Department of Health and Human Services, to aid in the passage of this legislation; and be it further

"Resolved, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Speaker of the U.S. House of Representatives; to the President of the U.S. Senate; to the Secretary of Health and Human Services, to Guam's Delegate to Congress; to the Director of Public Health and Social Services; to the Governor's Special Assistant in Washington, D.C.; to the Lieutenant Governor of Guam, and to the Governor of Guam."

POM-215. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Foreign Relations.

"HOUSE RESOLUTION NO. 236

"Whereas, in August 1984, South Africa instituted constitutional "reforms", extending minority representation to the so-called "Colored" people (i.e., of mixed racial origins) and the Indian peoples in the segregated South African parliament, but omitting any representation for the Black majority of South Africa; and

"Whereas, these so-called "reforms" have, in fact, retained the traditional White domination in the South African parliament, leading the Black opposition to organize a boycott of the Colored and Indian elections; and

"Whereas, resulting uprisings have occurred in which at least 160 people have been killed and more than 4,000 arrested since August 1984; and

"Whereas, although 17 of South Africa's political prisoners were released, as of December 12, 1984, still, in that same week, 22 more people were charged with "high treason" and face death; another 5 face long prison terms for "subversion"; and well over 200 remain in detention, without charge, as a result of the recent uprisings; and

"Whereas, in addition, Black students, protesting the segregated, inequitable education system, have refused to take high-school matriculation examinations; and

"Whereas, in South Africa's "Black only" townships, rents have been increased and new taxation measures have brought more millions of protestors into the streets; and

"Whereas, Bishop Desmond Tutu, 1984 Nobel Peace Laureate, has said "It is up to the international community to exert pressure on the South African government . . . If that does not happen . . . the bloodbath will be inevitable; now, therefore,

"Be it resolved by the House of Representatives of the Thirteenth Legislature of the State of Hawaii, Regular Session of 1985, That the South African government is respectfully urged to put an end to apartheid, as well as the current wave of repression, and the detention, without charge, of its Black citizens; and

"Be it further resolved, That certified copies of this Resolution be transmitted to the South African government, through its Embassy in Washington, D.C.; as well as to the President of the United States, the U.S. Secretary of State, the President of the United States Senate, the Speaker of the United States House of Representatives, and members of Hawaii's congressional delegation."

POM-216. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Foreign Relations.

"HOUSE RESOLUTION NO. 109

"Whereas, the United States government, in October 1984, adopted a Congressional Resolution to support peaceful uses of space, and

"Whereas, there are many current and potential uses of space, including planetary exploration, as well as Earth resources surveys, search and rescue surveillance, weather surveillance, military surveillance, communications, energy production for use on Earth and other types of systems that would be endangered by the development and operation of systems for space warfare, and

"Whereas, space defense systems that would use laser beams, nuclear explosions, or other means, could also be used for offensive warfare purposes that might also endanger the civilian population on Earth, and would violate the 1972 Antiballistic Missile (ABM) Treaty, and

"Whereas, many military experts are of the opinion that complex space defense systems, designed to be used against enemy ballistic missile attacks, would be extremely costly, could never be tested under realistic conditions, and would be unlikely to ever lead to reductions in offensive nuclear weapon arsenals, and

"Whereas, in addition, space defense systems would not be effective against cruise missiles and other low-trajectory missiles nor against manned-bombers or most tactical nuclear weapons that might be used in conventional warfare, and

"Whereas, in 1981 and 1983, the Soviet Union submitted to the United Nations a draft treaty that would 'prohibit the stationing of weapons of any kind in outer space'; however, the Reagan Administration has not responded to this initiative but, instead, has proceeded with research and development on space defense systems, as well as the development and testing of a U.S. anti-satellite weapon system which is clearly a first step in the development of a space-based, ballistic-missile-boost phase defense system.

"Whereas, in July 1983, the U.S. Senate Foreign Relations Committee approved a bipartisan resolution calling for negotiations on anti-satellite systems and adoption of an anti-satellite test moratorium, now, therefore,

"Be it resolved, That this body urges the United States and the Soviet Union to reaffirm their commitments to the 1972 ABM Treaty and to undertake serious negotiations to immediately ban the further development of anti-satellite systems, restrict research and development on space defense and space offense systems, and, instead, promote cooperative ventures in peaceful uses of space.

"Be it further resolved, That certified copies of this Resolution be transmitted to the President of the United States, the President of the Soviet Union, the U.S. Secretary of State, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and members of Hawaii's congressional delegation."

POM-217. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Foreign Relations.

HOUSE RESOLUTION No. 135

"Whereas, media polls continue to indicate that over 80 per cent of the American public favors a mutual and verifiable nuclear freeze; and

"Whereas, in June 1983, the Soviet Union proposed to accept such a freeze on nuclear weapons, if the United States did likewise; and

"Whereas, the Reagan administration refuses to accept such a freeze on the basis that it would prevent the development and testing of new nuclear weapon systems and, therefor, undermine U.S. security; and

"Whereas, our two countries already possess a combined nuclear firepower of about 6000 times all of the firepower of World War II, in which 50 million people were killed; and

"Whereas, even the use of a small amount of this firepower could not only kill hundreds of millions of people by direct effects, but could also create disastrous side effects, such as a "nuclear winter", ozone depletion, radioactive poisoning of our food chain, and epidemics of fatal diseases; and

"Whereas, the present arms race is increasing the numbers of multi-warhead, vulnerable land-based weapons, such as the U.S. MX missiles and the USSR SS-series of missiles, which are highly subject to preemptive enemy attacks, as well as forward land-based, vulnerable Pershing 3, SS-20, and cruise missiles that would leave very little time for warning of an attack, and therefore force the adoption of dangerous launch-on-warning techniques that depend on unreliable Soviet and American computers; and

"Whereas, the Reagan administration is planning, under Presidential Directive 59, to provide forces for fighting and winning a "limited nuclear war"; and

"Whereas, it appears to be impossible to fight any type of "limited nuclear war" since any use of tactical or other types of nuclear weapons would be expected to create a situation that would escalate rapidly into an all-out nuclear holocaust; and

"Whereas, there is, therefore, an urgent need to immediately suspend the production, testing, and deployment of all tactical nuclear weapons, as well as all medium- and long-range missiles, bombers, and submarines; and

"Whereas, there is also an immediate need to pull-back all battlefield, tactical nuclear weapons in Europe, to create a nuclear-free buffer-zone between NATO and Warsaw Pact forces; and

"Whereas, to make such actions viable, there is an urgent need to complete, sign, and ratify a Comprehensive Test-Ban Treaty, and to develop a schedule for rapid, mutual, and verifiable reductions in both U.S. and USSR stockpiles of nuclear warheads and delivery systems; now, therefore,

"Be it resolved by the House of Representatives of the Thirteenth Legislature of the State of Hawaii, Regular Session of 1985, That the House of Representatives urges the United States and the Soviet Union to establish an immediate, mutual, and verifiable moratorium on the production, testing, and deployment of nuclear weapons, complete a Comprehensive Test-Ban Treaty, and agree on a schedule for rapid, mutual, and verifiable reductions in nuclear warheads and delivery systems; and

"Be it further resolved, That certified copies of this Resolution be transmitted to the President of the United States, the Chairman of the Presidium of the U.S.S.R. Supreme Soviet, the U.S. Secretary of State, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and members of the Hawaii congressional delegation."

POM-218. A resolution adopted by House of Representatives of the State of Arizona; to the Committee on Governmental Affairs.

"HOUSE MEMORIAL 2001

"Whereas, federally funded programs that may be eliminated under the federal deficit reduction plan include various subsidies for United States postal service; and

"Whereas, organizations for the blind and other handicapped persons are currently granted free mailing privileges for braille books, cassette recordings, talking books and similar materials; and

"Whereas, in the system of compromise over the federal budget, postal subsidies may be reduced even further; and

"Whereas, without postal subsidies, organizations for the blind and handicapped will have to pay for costly mailings and thereby reduce their services to those in need; and

"Whereas, it is estimated that eliminating the subsidies would cost the Arizona Library for the Blind and the Foundation for Blind Children over seven hundred thousand dollars.

Wherefore your memorialist, the House of Representatives of the State of "Arizona, prays:

"1. That the President and the Congress give their most earnest consideration to retaining all existing postal service subsidies for the blind and handicapped.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM-219. A resolution adopted by the Senate of the Commonwealth of Pennsylvania; to the Committee on Governmental Affairs.

RESOLUTION—IN THE SENATE, APRIL 24, 1985

"Whereas, The Polish Falcons of America will be celebrating its 100th Anniversary in the United States in 1987; and

"Whereas, This organization has contributed immensely to American life since its founding in Chicago in 1887 through the promotion of gymnastic training, Polish culture, and fraternal life; and

"Whereas, The United States Postal Service has honored numerous Americans for their contribution to our country; therefore be it

"Resolved, That the Senate of Pennsylvania urge the Citizen Stamp Advisory Committee of the United States Postal Service to issue a stamp commemorating the centennial of the Polish Falcons of America; and be if further

"Resolved, That copies of this resolution be transmitted to Mr. Belmont Faries, Chairman, Citizen Stamp Advisory Committee of the United States Postal Service, to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-220. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Labor, and Human Resources.

"RESOLUTION SUPPORTING LIMITED HEROIN PRESCRIPTIONS FOR TERMINAL CANCER PATIENTS

"Whereas, scientific and medical studies show parenteral diacetylmorphine, named heroin, to be of medical value because of its analgesic qualities for relieving the general pain suffered by terminal cancer patients; and

"Whereas, heroin acts more quickly than morphine and gives relief of pain and a sense of well-being sooner; and

"Whereas, it is particularly effective in the terminal phase of cancer, when patients frequently cannot take medication by mouth and have little body tissue into which to give large injections; and

"Whereas, patients who are given limited heroin prescriptions are able to remain alert and are able to communicate with their families; and

"Whereas, without this highly effective pain killer, as many as 8,000 Americans may die in unnecessary agony this year; and

"Whereas, S. 70, introduced in the United States Congress by Senator Daniel K. Inouye of Hawaii, provides for limited prescriptions of heroin by physicians for terminal cancer patients in hospitals for a 5 year trial period; now, therefore, be it

Resolved by the Senate, the House of Representatives concurring: That the general court of New Hampshire supports S. 70 and

urges the members of the New Hampshire congressional delegation to do so also; and

"That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, and Speaker of the United States House of Representatives and the members of the New Hampshire congressional delegation."

POM-221. A petition from a citizen of El Cajon, CA, supporting the President's appeal to the American people for taxpayer's protection plan and his efforts to reduce the deficit spending and to balance the budget; ordered to lie on the table.

POM-222. A petition from the Vietnamese Association of Central Florida regarding Communist regime take over of the Republic of Vietnam; to the Committee on Foreign Relations.

POM-223. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Governmental Affairs.

"RESOLUTION REQUESTING THE UNITED STATES POSTAL SERVICE TO ISSUE A COMMEMORATIVE BICENTENNIAL STAMP

"Whereas, the United States will celebrate the bicentennial of the preparations and adoption of its Constitution in 1987 and 1988; and

"Whereas, New Hampshire endorsed the Constitution on June 21, 1788, thus becoming the ninth and key state to approve it, and by this action the Constitution became the basic law of these United States; and

"Whereas, a suitable memorial to the success of the Constitution and New Hampshire's involvement in its adoption would be a commemorative stamp issued by the United States; now, therefore, be it

"Resolved by the House of Representatives, the Senate concurring: That the United States Postal Service be petitioned to issue a commemorative stamp, using the logo of the New Hampshire Commission on the Bicentennial of the United States Constitution, to be issued in the spring of 1988; and

"That a copy of this resolution be transmitted to the United States Postal Service, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the New Hampshire congressional delegation."

POM-224. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Labor and Human Resources.

"HOUSE CONCURRENT MEMORIAL 2001

"Whereas, section 11(d) of the fair labor standards act, 29 United States Code section 211(d), empowers the Secretary of Labor or the administrator of the wage and hour division of the department of labor to issue orders for the regulation of commercial homework; and

"Whereas, these officials, acting pursuant to this authority, have issued orders categorically prohibiting homeworkers from engaging in broad categories of commercial activity; and

"Whereas, the effect of this prohibition has been to deprive untold numbers of individuals who prefer to work at home, such as mothers with young children, of the opportunity to be gainfully employed; and

"Whereas, those who support the prohibition of homework seek to justify that infringement of the individual's right to work by arguing that homework presents the opportunity for abuse; and

"Whereas, that argument is without merit since there is no instrumentality known to man that cannot be misused, a fact that does not warrant the indiscriminate circumscribing of individual liberty; and

"Whereas, no rational legislative objective is served by, in effect, forcing employees out of the home and into the factory or office; and

"Whereas, the American economy has entered a new phase characterized by the widespread use of computers and the electronic processing of information; and

"Whereas, this burgeoning electronic age promises to dramatically alter the traditional workplace by enabling many to earn a livelihood in the home through the use of computer terminals; and

"Whereas, this change in the commerical landscape has introduced a new category of employee, the telecommuter, who, armed with a personal computer terminal, is gainfully employed in the comfort and convenience of the home; and

"Whereas, those who seek to prohibit homework are already endeavoring, through federal regulation, to stifle this new field of opportunity.

"Wherefore, your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the President, the Congress and the Secretary of Labor of the United States take any action necessary to rescind existing orders and regulations prohibiting commercial homework and refrain from extending these prohibitions to additional categories of activities to guarantee to those individuals who choose to pursue gainful employment in the home the freedom to do so.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, the Secretary of Labor of the United States and to each Member of the Arizona Congressional Delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science and Transportation, with an amendment:

S. 1077: A bill to amend the Consumer Product Safety Act (15 U.S.C. 2051 et seq.) to provide authorization of appropriations, and for other purposes (Rept. No. 99-60).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1084: A bill to authorize appropriations of funds for activities of the Corporation for Public Broadcasting, and for other purposes (Rept. No. 99-61).

By Mr. ANDREWS, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 277: A bill to reauthorize the Indian Health Care Improvement Act, and for other purposes (Rept. No. 99-62).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 999: A bill to amend the Communications Act of 1934 to provide authorization of appropriations for the Federal Communications Commission, and for other purposes (Rept. No. 99-63).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 144: A resolution to give special recognition to the achievements of John James Audubon.

By Mr. GOLDWATER, from the Committee on Armed Services, without amendment:

S. Res. 168: An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1160. Referred to the Committee on the budget.

S. 1160: An original bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 131: A joint resolution to designate the week of June 2, 1985, through June 8, 1985, as "Future Problem Solving Program Week."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary: D. Lowell Jensen, of Virginia, to be Deputy Attorney General.

(The above nomination was reported from the Committee on the Judiciary with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE:

S. 1148. A bill to amend section 5155 of the Revised Statutes with respect to shared electronic banking equipment; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 1149. A bill to amend the Federal Power Act to allow State commissions to determine whether to exclude all or part of a rate set by the Federal Energy Regulatory Commission based on construction cost; to the Committee on Energy and Natural Resources.

By Mr. SIMON (for himself and Mr. EAGLETON):

S. 1150. A bill to revise the minimum service requirements for retired and retainer pay under titles 10 and 14 for members of the uniformed services who first become members of the uniformed services on or after the date of the enactment of this Act, to revise the manner for computing retired and retainer pay under such titles for such members, and for other purposes; to the Committee on Armed Services.

By Mr. DIXON (for himself, Mr. Johnston, Mr. Pryor, Mr. Riegle, and Mr. Sasser):

S. 1151. A bill to amend the Federal Deposit Insurance Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KERRY:

S. 1152. A bill to amend the Internal Revenue Code of 1954 to increase all civil and criminal tax penalties for taxpayers who avoid their fair share of Federal taxes, to increase voluntary compliance of the Federal tax laws, and for other purposes; to the Committee on Finance.

By Mr. D'AMATO:

S. 1153. A bill to provide for the distribution within the United States of the United States Information Agency film entitled "Hal David: Expressing a Feeling"; to the Committee on Foreign Relations.

By Mr. MATSUNAGA (for himself, Mr. Pressler, Mr. Inouye, Mr. Sarbanes, Mr. Melcher, Mr. Burdick, Mr. Pell, Mr. Leahy, and Mr. Humphrey):

S. 1154. A bill to amend title XVIII of the Social Security Act to provide direct Medicare reimbursement for services performed by registered nurse anesthetists; to the Committee on Finance.

By Mr. CHAFEE:

S. 1155. A bill to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

By Mr. DENTON:

S. 1156. A bill to amend chapter XIV of the Comprehensive Crime Control Act of 1984, relating to victims of crime, to provide funds to encourage States to implement protective reforms regarding the investigation and adjudication of child abuse cases which minimize the additional trauma to the child victim and improve the chances of successful criminal prosecution or legal action; to the Committee on the Judiciary.

By Mr. McCLURE (by request):

S. 1157. A bill to authorize the Secretary of the Interior to perform studies relating to disposal of drain water and to construct interim corrective measures deemed necessary for the San Luis intercepter drain; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. Durenberger, and Mr. Bentsen):

S. 1158. A bill to amend title XVIII of the Social Security Act with respect to Medicare payments for direct costs of approved educational activities; to the Committee on Finance.

By Mr. ANDREWS (for himself, Mr. Goldwater, Mr. Melcher, Mr. Burdick, Mr. Abdnor, Mr. DeConcini, Mr. Bingaman, Mr. Baucus, Mr. Stevens, Mr. Hatfield, Mr. Weicker, Mr. Nickles, Mr. Boren, and Mr. Cochran):

S. 1159. A bill to amend section 8(a) of the Small Business Act to clarify the eligibility of small business concerns owned by Indian tribes; to the Committee on Small Business.

By Mr. GOLDWATER, from the Committee on Armed Services:

S. 1160. An original bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes; placed on the calendar.

By Mr. DODD:

S. 1161. A bill to provide for the protection of United States security interests in the Central American region; to the Committee on Foreign Relations.

By Mr. HART:

S. 1162. A bill to amend the Nuclear Waste Policy Act of 1982 to require the Secretary of Energy to incorporate transportation impacts into the selection process for repositories of high-level radioactive wastes; to the Committee on Environment and Public Works.

By Mr. KENNEDY:

S. 1163. A bill entitled "The Military Family Act of 1985"; to the Committee on Armed Services.

By Mr. HUMPHREY (for himself, Mr. Thurmond, Mr. Laxalt, Mr. Sarbanes, Mr. Gorton, Mr. Burdick, Mr. DeConcini, Mr. Cohen, Mr. Domenici, Mr. Mattingly, Mrs. Hawkins, Mr. Andrews, Mr. Hatch, Mr. Rudman, Mr. Chafee, Mr. Dole, Mr. Pell, Mr. Proxmire, Mr. Exon, Mr. East, Mr. Matsunaga, Mr. Hollings, Mr. Lugar, Mr. Metzenbaum, Mr. Nunn, Mr. Quayle, Mr. Garn, Mr. Bradley, Mr. Denton, Mr. Nickles, Mr. Hatfield, Mr. Boschwitz, Mr. Mathias, and Mr. Pressler):

S.J. Res. 137. Joint resolution to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awareness Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER:

S. Res. 166. Resolution regarding a superpower summit; to the Committee on Foreign Relations.

By Mr. DOLE:

S. Res. 167. Resolution electing Ernest E. Garcia as the Sergeant at Arms and Doorkeeper of the Senate; considered and agreed to.

By Mr. GOLDWATER, from the Committee on Armed Services:

S. Res. 168. Original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1160; to the Committee on the Budget.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 1148. A bill to amend section 5155 of the Revised Statutes with respect to shared electronic banking equipment; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. Proxmire and the text of the legislation appear earlier in today's Record.)

By Mr. BUMPERS (for himself and Mr. Pryor):

S. 1149. A bill to amend the Federal Power Act to allow State commissions to determine whether to exclude all or part of a rate set by the Federal Energy Regulatory Commission based on construction costs; to the Committee on Energy and Natural Resources.

(The remarks of Mr. Bumpers and Mr. Pryor, and the text of the legislation appear earlier in today's Record.)

By Mr. SIMON (for himself and Mr. Eagleton):

S. 1150. A bill to revise the minimum service requirements for retired and retainer pay under titles 10 and 14 for members of the uniformed services who first become members of the uniformed services on or after the date of enactment of this act, to revise the manner for computing retired and retainer pay under such titles for such members, and for other purposes; to the Committee on Armed Services.

UNIFORMED SERVICES RETIREMENT ACT

Mr. SIMON. Mr. President, I am today introducing legislation to amend the nondisability military retirement system. We have been talking for some days now in this body about how we are going to save money. I have a proposal in—and Senator Eagleton of Missouri is a cosponsor, and I assume we will have other cosponsors as it moves ahead—to change the military retirement system. What I propose is to change the military retirement system so that no one who is presently in the military retirement system is disadvantaged, but to say starting on January 1, 1986, anyone who goes into the service at that point would have to serve 25 years rather than 20 years. That is the first point of my proposal. We now have a situation where you can go in for 20 years, serve, and then retire, and average retirement is around 41—about 39 for people who are not officers, about 45 for those who are officers—and then you have this very, very lengthy period of retirement pay. It is the second costliest entitlement program of the Federal Government that we have coming out of general revenue funds, second only to the Medicaid Program.

I am also suggesting at that point that the amount of retirement pay be reduced from 75 to 50 percent for those serving 25 years and to 60 percent for those serving 30 years.

The second point that we make—and I think it is extremely important—and that deals with this indexation matter; that is, that those who retire would receive their full cost of living but that it not be compounded. The compounding of the cost-of-living increase is frankly an inflationary thing no matter what the retirement system is. It is particularly devastating on the military side of it because retirees on the average are retirees for more than 30 years. So that there is no misunderstanding on this, what I am talking about is that if someone retires, let us say gets $10,000 a year in retirement, there is a 4-percent cost-of-living increase, then you get that next year, $10,400. If the following year there is another 4-percent cost-of-living increase, you would get the full 4 percent but it would be calculated on the base rather than $10,400. So you would grant the full cost-of-living increase, as 95 percent of the private retirement systems do not. You would continue to provide that benefit, but you would not compound it. Compounding that in the case of military retirement results ultimately in some extremely high costs.

Now, you are not going to save any money tomorrow, you are not going to save any money next year; but the Congressional Budget Office estimates that come 30 years from now, we will be saving approximately $10.7 billion a year doing this. And I suggest if we can do that, we ought to be doing it.

I ask unanimous consent, Mr. President, to insert in the Record some details of this.

There being no objection, the material was ordered to be printed in the Record, as follows:

Estimated outlays under current law for retired pay: 1985 to 2020

[In millions of 1985 dollars] [1]

1985	17,515
1986	17,922
1987	18,125
1988	16,327
1989	18,531
1990	18,720
1995	19,575
2000	20,373
2010	21,170
2020	21,510

[1] Numbers from CBO.

THE SIMON AMENDMENT

What will it do?

A. LENGTH OF ACTIVE DUTY

Current system	Simon proposal
Minimum:	
20 years	25 years.
50 percent of last 3 years' average salary.	50 percent of last 3 years' average salary.
Retirement pay equal 2½ percent per year of active duty.	Retirement pay equal 2 percent per year of active duty.
Maximum:	
30 years	30 years
2½ percent year up to	2 percent per year.
30 years or 75 percent	up to 30 years or 60 percent.

B. COLA RECALCULATION

For future recruits, COLA's will be calculated on the basis of the retirees last salary and will be cumulative, not compounded.

Current system				Simon proposal			
Base pay	Amount of		Total pay	Base pay	Amount of		Total pay
	Percent COLA	COLA			Percent COLA	COLA	
$10,000.00	5	$500.00	$10,500.00	$10,000	5	$500	$10,500
$10,500.00	5	500.00	11,025.00	10,000	5	500	11,000
$11,025.00	5	551.25	11,576.25	10,000	5	500	11,500
$11,576.25	5	578.81	12,155.06	10,000	5	500	12,000
$12,155.06	5	607.75	12,763.81	10,000	5	500	12,500
$12,763.81	5	638.14	13,402.00	10,000	5	500	13,000
$13,402.00	5	670.10	14,072.10	10,000	5	500	13,500
$14,072.10	5	703.60	14,775.70	10,000	5	500	14,000
$14,775.70	5	738.78	15,514.48	10,000	5	500	14,500
$15,514.48	5	775.72	16,290.20	10,000	5	500	15,000
$16,290.20	5	814.51	17,104.71	10,000	5	500	15,500
$17,104.71	5	855.23	17,959.95	10,000	5	500	16,000
$17,959.95	5	897.99	18,857.95	10,000	5	500	16,500
$18,857.95	5	942.89	19,800.85	10,000	5	500	17,000
$19,800.85	5	990.04	20,790.89	10,000	5	500	17,500
$20,790.89	5	1,039.54	21,830.43	10,000	5	500	18,000
$21,830.43	5	1,091.52	22,921.95	10,000	5	500	18,500
$22,921.95	5	1,146.09	24,068.05	10,000	5	500	19,000
$24,068.05	5	1,203.40	25,271.45	10,000	5	500	19,500
$25,271.45	5	1,263.57	26,535.02	10,000	5	500	20,000
$26,535.02	5	1,326.75	27,861.77	10,000	5	500	20,500
$27,861.77	5	1,393.08	29,254.86	10,000	5	500	21,000
$29,254.86	5	1,462.74	30,717.60	10,000	5	500	21,500
$30,717.60	5	1,535.88	32,253.48	10,000	5	500	22,000
$32,253.48	5	1,612.67	33,866.15	10,000	5	500	22,500
$33,866.15	5	1,693.30	35,559.46	10,000	5	500	23,000
$35,559.46	5	1,777.97	37,337.43	10,000	5	500	23,500
$37,337.43	5	1,866.87	39,204.30	10,000	5	500	24,000
$39,204.30	5	1,960.21	41,164.51	10,000	5	500	24,500
$41,164.51	5	2,058.22	43,222.73	10,000	5	500	25,000

TOTAL SAVINGS

Below is CBO's estimate of how much the Simon plan would save over a period of years.

EFFECTS OF SIMON MILITARY RETIREMENT PLAN [1]

[In fiscal year 1986 dollars]

	Fiscal year—					Steady state
	1986	1987	1988	1989	1990	
FULL SIMON PLAN [2]						
Savings in mil pers cost:						
Retirement as outlays (change in deficit)		−10	−25	−55	−70	
Retirement as accrual	455	1,305	2,135	2,880	3,475	10,700

[1] Vesting at 25 YOS; 2.0 percent multipliers to 30 YOS; COLAs paid only on amount of initial annuity.

[2] COLA provisions simulated by 75 percent COLA.

[Section Analysis]

THE UNIFORMED SERVICES RETIREMENT ACT OF 1985

TITLE I—GENERAL

Section 101. Authority to order members of the retired reserve to active duty:

This section amends current law affecting members eligible to be called back to active duty after retirement. Recruits after the date of enactment will be eligible under this statute after 25 years of active duty instead of 20.

Section 102. Retention of officers after completion of prescribed years of service:

Most services have stringent "up or out" promotion policies which are designed to eliminate members who fail to be promoted after two attempts. Since a member is not eligible for retirement benefits until late in his career, the "up or out" policy is relaxed during the last 2 years of his career. Current law contains a "kindness clause" which prohibits the services from discharging a member who has at least 18 years of active duty. Since members would now be required to serve 25 rather than 20 years, the "kindness clause" would apply to recruits after the date of enactment with 23 years of active duty.

Section 103. Separation pay upon involuntary discharge or release from active duty:

Currently, a member of the services who is discharged after more than 5, but less than 20 years of active duty is entitled to separation pay. This section would require the services to provide separation pay for new recruits with more than 5, but less than 25, years of active duty.

Section 106. Computation of retired pay:

This section changes current law to provide 50% of base pay after 25 years of service and 60% after 30 years of service for those entering after the date of enactment.

Section 107. Adjustment of retired pay and retainer pay to reflect changes in CPI:

This provison will grant cost of living allowances (COLAs) to recruits after the date of enactment. Any calculations will use a static base to increase the retiree's annuity which will make the calculations cumulative, not compounded. The following table illustrates the difference between the method currently being used and the proposed method over a 30 year period for an annuity of $10,000.

TABLE I

Current system				Simon proposal			
Base pay	Amount of		Total pay	Base pay	Amount of		Total pay
	Percent COLA	COLA			Percent COLA	COLA	
$10,000.00	5	$500.00	$10,500.00	$10,000	5	$500	$10,500
$10,500.00	5	525.00	11,025.00	10,000	5	500	11,000
$11,025.00	5	551.25	11,576.25	10,000	5	500	11,500
$11,576.25	5	578.81	12,155.06	10,000	5	500	12,000
$12,155.06	5	607.75	12,763.81	10,000	5	500	12,500
$12,763.81	5	638.14	13,402.00	10,000	5	500	13,000
$13,402.00	5	670.10	14,072.10	10,000	5	500	13,500
$14,072.10	5	703.60	14,775.70	10,000	5	500	14,000
$14,775.70	5	738.78	15,514.48	10,000	5	500	14,500
$15,514.48	5	775.72	16,290.20	10,000	5	500	15,000
$16,290.20	5	814.51	17,104.71	10,000	5	500	15,500
$17,104.71	5	855.23	17,959.95	10,000	5	500	16,000
$17,959.95	5	897.99	18,857.95	10,000	5	500	16,500
$18,857.95	5	942.89	19,800.00	10,000	5	500	17,000
$19,800.85	5	990.04	20,790.89	10,000	5	500	17,500
$20,790.89	5	1,039.54	21,830.43	10,000	5	500	18,000
$21,830.43	5	1,091.52	22,921.95	10,000	5	500	18,500
$22,921.95	5	1,146.09	24,068.05	10,000	5	500	19,000
$24,068.05	5	1,203.40	25,271.45	10,000	5	500	19,500
$25,271.45	5	1,263.57	26,535.02	10,000	5	500	20,000
$26,535.02	5	1,326.75	27,861.77	10,000	5	500	20,500
$27,861.77	5	1,393.08	29,254.86	10,000	5	500	21,000
$29,254.86	5	1,462.74	30,717.60	10,000	5	500	21,500
$30,717.60	5	1,535.88	32,253.48	10,000	5	500	22,000
$32,253.48	5	1,612.67	33,866.15	10,000	5	500	22,500
$33,866.15	5	1,693.30	34,559.46	10,000	5	500	23,000
$35,559.46	5	1,777.97	37,337.43	10,000	5	500	23,500
$37,337.43	5	1,866.87	39,204.30	10,000	5	500	24,000
$39,204.30	5	1,960.21	41,164.51	10,000	5	500	24,500
$41,164.51	5	2,058.22	43,222.73	10,000	5	500	25,000

TITLE II—ARMY

Section 201. Separation or transfer to retired reserve:

The Secretary of the Army has the authority to transfer officers from active to retired reserve status if there is an overabundance of commissioned officers. Currently, only officers with more than 20 years can be considered for this type of transfer. This section would make officers with more than 25 years eligible for this type of transfer. Others sections in this title make existing statutes pertaining to the Army consistent with the general guidelines set out in the first title of this act.

TITLE III—NAVY AND MARINE CORPS

Sections in this title make existing statutes pertaining to the Navy and Marine Corps consistent with the general guidelines set out in the first title of this act.

TITLE IV—AIR FORCE

Sections in this title make existing statutes pertaining to the Air Force consistent with the general guidelines set out in the first title of this act.

TITLE V—COAST GUARD

Sections in this title make existing statutes pertaining to the Coast Guard consistent with the general guidelines set out in the first title of this act.

Mr. SIMON. When the Department of Defense authorization bill reaches the Senate floor, I will offer this legislation as an amendment to that bill.

Mr. President, the military retirement system has been the subject of nine studies in the past decade, none of which has resulted in long-term, structural improvements. We should realize that some change in the current system is inevitable. But I want to make sure that the change is fair to members of our armed services. I would like to propose two simple changes which would result in long-term, continuous improvements to the current system.

Today, a member of the armed services is eligible to receive 50 percent of his or her base pay after 20 years of service and 75 percent of base pay after 30 years. The first of my proposals would require members enlisting after January 1, 1986, to serve a minimum of 25 years of active duty to receive 50 percent of base pay and 30 years to receive 60 percent. Mr. President, what we have today is a system which allows a member with 20 years of service to retire and draw 50 percent of his base pay for the rest of his or her life. Assuming that the average retiree is 43 years old at retirement and that the average life expectancy in the United States is 73, most retirees are able to draw 50 percent of base pay for the next 30 years. My first proposal is a modest attempt to correct what is, to me, an illogical and overly expensive system, but at the same time be fair to those who have already enlisted, to whom a commitment has been made.

The second of my proposals would grant recruits after the date of enactment a full cost-of-living allowance [COLA] based on their most recent annuity, but not compound it when they retire. Currently, retirees are granted COLA's on a base figure that is compounded annually. Under the present system, a person who starts with an annuity of $10,000 the first year and is given a 5-percent cost-of-living allowance the next year, acquires a new base of $10,500. If that same person is given a COLA the following year, he or she will then receive 5 percent of $10,500, or $525, because the compounded base figure is used to calculate the new COLA amount.

According to analysts at Cornell University, almost 95 percent of pension plans in the private sector have no provisions for cost-of-living allowances. While widely discussed in Washington and in the public sector, COLA's are not part of most pension plans in the private sector. I am not willing to say that our retirement systems should not grant cost-of-living allowances. For those relying on pensions as a sole source of income, COLA's are important. Compounding COLA's, however, increases costs too dramatically. What I propose is fair to those in the service, but less costly to the Federal Government.

Mr. President, the two elements of my plan would save the Federal Government several billion dollars over the next three decades and would be $10.7 billion less expensive per year when everyone is under the system.

The material I have included for the RECORD presents some startling facts. For example, military retirement is the second most expensive of all Federal entitlement programs funded exclusively from general tax revenues. Only Medicaid is more expensive. Yet Medicaid covers more than 20 million beneficiaries, while military retirement covers about 1.4 million.

People who serve our country are dedicated Americans and are not interested exclusively in their own financial gain. They also understand that some changes will be made. The proposals I've submitted will not cause hardship and are not unreasonable alterations to the system. Most military personnel and others who have studied the retirement system agree it needs reform.

This is not meant to be a quick-fix solution to the problem. It will not bring substantial reductions in expenditures or present an immediate cure to our current deficit problems. It will, however, provide long-term structural changes which will save billions of dollars and make the system more equitable.

Critics of this plan will charge that this proposal will present the services with manpower and recruiting problems. I have asked the Congressional Budget Office to study both the savings this plan would realize and its effect on manpower. They reported that there would be a 7.8-percent reduction at the officer level and a 4-percent reduction in the enlisted force.

Mr. President, I have always been a strong proponent of conventional defense and believe this is an area to which we should pay a great deal more attention. If there are manpower effects as a result of this legislation, it would be wise for us to use a portion of the money saved from this legislation for improving retention and recruitment in the form of cash incentives, higher salaries, improved educational benefits or other methods which would address the manpower needs of our forces. And we would still save billions of dollars.

As a veteran, I understand the difficulties of military life. The men and women who defend this country are dedicated and decent people. We should revise the military pension system in a way that protects them and my proposal does that.

Through my 10 years in the House, I have seen this issue debated and studied. Now, more than 10 years later, no substantial changes have been made. If we do not accept my proposal for moderate change, the danger is that we will swing to the opposite extreme and those serving in the military will be hurt. We now have a program which will cost the Federal Government nearly $18 billion in fiscal year 1986. This number will grow. Instead of resisting change when we most need it, Mr. President, I hope that my colleagues will join me in providing a reasonable solution. This action will take some courage. But this issue should be faced squarely, candidly, and soon.

This is not a cure-all for our problems. It is a way of simply saying we want to see a little more common sense used in this budget. Here is a practical way of saving a great deal of money. And I have to believe this is the direction that we ought to go.

Let me add that I served in the Armed Forces myself, and I served overseas. I want to see a good, sound, healthy armed services for this country, but the studies that have been made indicate that, for example, the COLA has virtually no impact on whether people enlist or not and whether you compound the COLA or have the full COLA is not a major factor in anyone's decision on whether or not they go into the service.

In my 10 years in the House and now a few months in the Senate, I have heard a great deal of talk and periodically there are a few dance steps made toward doing something about this. But we do not get anything done. I think here is a chance to really do something.

I repeat that this does not have any impact on those who are now serving. My own position candidly is that we ought to knock the COLA off for those who are now serving and for those who are now retired. But I recognize that is not going to pass this body. So I am suggesting we do everything prospectively; that starting January 1, 1986, those who enlist must serve 25 years. I would point out that the Grace Commission that we have been hearing a lot about lately recommended that we make a 30-year minimum retirement. I am not suggesting that. I am suggesting a 25-year minimum, and that we provide the full cost of living then to those retiring after January 1, 1986, but that we not compound the cost-of-living increases.

I repeat under Congressional Budget Office estimates we will save roughly—this is their minimum estimate—$10.7 billion. They did it with a sliding scale on the cost of living. If the cost of living should average 5 percent or a little better, the savings will be roughly $14 billion. But at a minimum, we will be saving $10.7 billion a year. That, it seems to me, Mr. President, is an effort that is well worthwhile. I hope my colleagues will join in this effort.

I am introducing a bill today. I will be introducing this as an amendment to the Department of Defense bill, the authorization that we will be discussing today and presumably all next week.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1150

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniformed Services Retirement Act of 1985".

TITLE I—GENERAL

AUTHORITY TO ORDER MEMBERS OF THE RETIRED RESERVE TO ACTIVE DUTY

SEC. 101. The first sentence of section 688(a) of title 10, United States Code, is amended by striking out "has completed at least 20 years active service" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed at least 20 years of active service or who first became a member of a uniformed service after the date of the enactment of such Act and has completed at least 25 years of active service".

RETENTION OF OFFICERS AFTER COMPLETION OF PRESCRIBED YEARS OF SERVICE

SEC. 102. (a) Subsection (a) of section 1006 of title 10, United States Code, is amended—

(1) by striking out "If on the date prescribed for the discharge or transfer from an active status of a reserve commissioned officer he" and inserting in lieu thereof "(1) If on the date prescribed or his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer"; and

(2) by inserting at the end thereof the following new paragraph:

"(2) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer is entitled to be credited with at least 24, but less than 25, years of service computed under section 1332 of this title, he may not be discharged or transferred from an active status under chapter 337, 361, 363, 573, 837, 861, or 863 of this title or chapter 21 of title 14, without his consent before the earlier of the following dates—

"(A) the date on which he is entitled to be credited with 25 years of service computed under section 1332 of this title; or

"(B) the third anniversary of the date on which he would otherwise be discharged or transferred from an active status.".

(b) Subsection (b) of such section is amended—

(1) by striking out "If on the date prescribed for the discharge or transfer from an active status of a reserve commissioned officer he" and inserting in lieu thereof "(1) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer"; and

(2) by adding at the end thereof the following new paragraph:

"(2) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer is entitled to be credited with at least 23, but less than 24, years of service computed under section 1332 of this title, he may not be discharged or transferred from an active status under chapter 337, 361, 363, 573, 837, 861, or 863 of this title or chapter 21 of title 14, without his consent before the earlier of the following dates—

"(A) the date on which he is entitled to be credited with 25 years of service computed under section 1332 of this title; or

"(B) the second anniversary of the date on which he would otherwise be discharged or transferred from an active status.".

SEPARATION PAY UPON INVOLUNTARY DISCHARGE OR RELEASE FROM ACTIVE DUTY

SEC. 103. Section 1174 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out "who has completed five or more, but less than twenty, years of active service immediately

before that discharge or release" and inserting in lieu thereof "who (1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or release, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or release";

(2) in subsection (b), by striking out "who has completed five or more, but less than twenty, years of active service immediately before that discharge or separation" and inserting in lieu thereof "who (1) first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or separation, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or separation"; and

(3) in subsection (c), by striking out "who has completed five or more, but fewer than 20, years of active service immediately before that discharge or release" and inserting in lieu thereof "who (1) first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or release, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or release".

RETIREMENT OR SEPARATION FOR PHYSICAL DISABILITY

SEC. 104. (a) Clause (3) of section 1201 of title 10, United States Code, is amended—

(1) by striking out subclause (A) and inserting in lieu thereof the following:

"(A) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title;";

(2) by redesignating subclause (B) as subclause (C); and

(3) by inserting after subclause (A) the following new subclause (B):

"(B) the member first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 1208 of this title; or".

(b) Clause (1) of section 1203 of such title is amended to read as follows:

"(1) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title;".

(c) Clause (4) of section 1204 of such title is amended—

(1) by striking out subclause (A) and inserting in lieu thereof the following:

"(A) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title;";

(2) by redesignating subclause (B) as subclause (C); and

(3) by inserting after subclause (A) the following new subclause (B):

"(B) the member first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 1208 of this title; or".

(d) Clause (1) of section 1206 of such title is amended to read as follows:

"(1) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title;".

(e) Section 1209 of such title is amended by striking out "has at least 20 years of service computed under section 1332 of this title" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) and has at least 20 years of service computed under section 1332 of this title or first became a member of a uniformed service on or after such date and has at least 25 years of service computed under section 1332 of this title".

(f)(1) Subsection (d) of section 1210 of such title is amended by striking out "if he has at least 20 years of service computed under section 1208 of this title" and inserting in lieu thereof "if he first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title or if he first became a member of a uniformed service on or after the date of the enactment of such Act and has at least 25 years of service computed under section 1208 of this title".

(2) Subsection (e) of such section is amended by striking out "if he has less than 20 years of service computed under section 1208 of this title" and inserting in lieu thereof "if he first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or if he first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title".

MINIMUM SERVICE REQUIREMENTS FOR NONREGULAR SERVICE RETIREMENT PAY

SEC. 105. Clause (2) of section 1331(a) of title 10, United States Code, is amended to read as follows:

"(2) he first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has performed at least 20 years of service computed under section 1332 of this title or he first became a member of a uniformed service on or after such date and has performed at least 25 years of service computed under section 1332 of this title;".

COMPUTATION OF RETIRED PAY

SEC. 106. Section 1401 of title 10, United States Code, is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.";

(2) by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1 of the table contained in such section; and

(3) by adding at the end the following new subsection:

"(b)(1) Except as provided in paragraph (2), the monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1333 of this title (if retired under section 1331 of this title) or under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formulas numbered 4 and 5).

"(2) The monthly retired pay of a person described in paragraph (1) who is retired under section 1201, 1202, 1204, or 1205 of this title is computed, as the member elects, as follows: Multiply the monthly retired pay base (as computed under section 1407(b) of this title) by—

"(A) 2 percent for each year of service, but not more than 30, credited to the member under section 1208 of this title; or

"(B) the percentage of disability of the member on the date on which he retired, but not more than 60 percent.

"(3) Before applying the percentage factor under paragraph (1) or (2), credit each full month of service that is in addition to the number of full years of service creditable to the member as one-twelfth of a year and disregard any remaining fractional part of a month.".

ADJUSTMENT OF RETIRED PAY AND RETAINER PAY TO REFLECT CHANGES IN CONSUMER PRICE INDEX

SEC. 107. Subsection (b) of section 1401a of title 10, United States Code, is amended to read as follows:

"(b) Each time that an increase is made under section 8340(b) of title 5 in annuities paid under subchapter III of chapter 83 of such title, the Secretary of Defense shall at the same time—

"(1) in the case of a person who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985,

increase the retired or retainer pay of such member or former member of the armed forces by the same percent as the percentage by which annuities are increased under such section; and

"(2) in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act, increase the retired or retainer pay of such member or former member by applying the same percentage referred to in clause (1) to the retired pay base (as provided for in section 1407(b) of this title) of such member or former member.

Increases in the retired or retainer pay of a person referred to in clause (2) of the preceding sentence shall be cumulative and may not be compounded.".

RECOMPUTATION OF RETIRED OR RETAINER PAY TO REFLECT LATER ACTIVE DUTY

SEC. 108. (a)(1) Section 1402a of title 10, United States Code, is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "September 7, 1980," each place it appears.

(2)(A) The section heading for such section is amended by adding at the end thereof the following: ", but before the date of the enactment of the Uniformed Services Retirement Act of 1985".

(B) The table of sections at the beginning of chapter 71 of such title is amended by striking out the period at the end of the item relating to section 1402a and inserting in lieu thereof the following: ", but before the date of the enactment of the Uniformed Services Retirement Act of 1985.".

(b)(1) Chapter 71 of title 10, United States Code, is further amended by inserting after section 1402a the following new section:

"§ 1402b. Recomputation of retired or retainer pay to reflect later active duty of members who first became members on or after the date of the enactment of the Uniformed Services Retirement Act of 1985

"(a) A member of an armed force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985, who has become entitled to retired pay or retainer pay, and who thereafter serves on active duty (other than for training), is entitled to recompute his retired pay or retainer pay upon his release from that duty on the basis of the monthly retired or retainer pay base under section 1407 of this title which he would be entitled to use if (1) he were retiring upon release from that active duty, or (2) he were transferring to the Fleet Reserve or the Fleet Marine Corps Reserve upon that release from active duty multiplied by 2 percent for each year of service, but not more than 30, that may be credited to him in computing his retired or retainer pay.

"(b) A member of an armed force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985, who has been retired other than for physical disability, and who while on active duty incurs a physical disability of at least 30 percent for which he would otherwise be eligible for retired pay under chapter 61 of this title, is entitled, upon his release from active duty, to retired pay computed under subsection (d).

"(c) A member of an armed force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who—

"(1) was retired for physical disability under section 1201 or 1204 of this title or any other law or whose name is on the temporary disability retired list;

"(2) incurs, while on active duty after retirement or after his name was placed on the temporary disability retired list, a physical disability that is in addition to or that aggravates the physical disability for which he was retired or for which his name was placed on that list; and

"(3) is qualified under section 1201, 1202, 1204, or 1205 of this title;

is entitled upon his release from active duty, to retired pay under subsection (d).

"(d) A member of an armed force covered by subsection (b) or (c) may elect to receive either (1) the retired pay to which he became entitled when he retired, increased by any applicable adjustments in that pay under section 1401a of this title after he initially became entitled to that pay, or (2) retired pay computed, as the member elects, as follows: Multiply the monthly retired base pay of the member under section 1407(b) of this title by—

"(A) 2 percent for each year of service, but not more than 30, credited to the member under section 1208 of this title; or

"(B) the highest percentage of disability attained while on active duty after retirement or after the date when his name was placed on the temporary disability retired list, as the case may be, but not more than 60 percent.

"(e) Before applying the percentage factor in subsection (a) or (d), credit each full month of service that is in addition to the number of full years of service creditable to the member as one-twelfth of a year and disregard any remaining fractional part of a month. The amount computed under such subsection, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1402a the following new item:

"1402b. Recomputation of retired or retainer pay to reflect later active duty of members who first became members on or after the date of the enactment of the Uniformed Services Retirement Act of 1985.".

ANNUITIES BASED ON RETIRED OR RETAINER PAY

SEC. 109. Section 1431 of title 10, United States Code, is amended—

(1) in subsection (b)—

(A) by striking out "nineteen years of service" and inserting in lieu thereof "19 years of service, in the case of a person who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act,"; and

(B) by striking out "nineteen years of that service" and inserting in lieu thereof "19 years of that service, in the case of a person who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of that service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act"; and

(2) in subsection (c), by striking out "nineteen years of service" and inserting in lieu thereof "19 years of service, in the case of a person who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act".

MISCELLANEOUS CONFORMING AMENDMENTS

SEC. 110. (a) Section 1403 of title 10, United States Code, is amended by striking out "1401" and inserting in lieu thereof "1401(a)".

(b) The matter before clause (1) in section 1405 of such title is amended to read as follows: "For the purposes of section 1401(a) (formulas 4 and 5), 1401(b)(1), 3991(a) (formula A), 3991(b), 3992 (formula (B)), 6151(b), 6323(e), 6325 (a)(2), (b)(2), and (d), 6330(c)(1)(B), 6383 (c)(1)(B) and (c)(2), 8991(a) (formula A), 8991(b), or 8992 (formula B) of this title, the years of service of a member of the armed forces are computed by adding—".

TITLE II—ARMY

SEPARATION OR TRANSFER TO RETIRED RESERVE

SEC. 201. Section 3850 of title 10, United States Code, is amended by inserting ", in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "20 years of service".

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 202. (a)(1) Section 3911 of title 10, United States Code, is amended to read as follows:

"§ 3911. Minimum years of service for retirement

"The Secretary of the Army may, upon the officer's request, retire a regular or reserve commissioned officer of the Army who—

"(1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 3926 of this title, at least 10 years of which have been active service as a commissioned officer; or

"(2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 3926 of this title, at least 10 years of which have been active service as a commissioned officer.".

(2) The table of sections at the beginning of chapter 367 of such title is amended by striking out the item relating to section 3911 and inserting in lieu thereof the following:

"3911. Minimum years of service for retirement.".

(b) The first sentence of section 3914 of such title is amended to read as follows: "Under regulations to be prescribed by the Secretary of the Army, an enlisted member of the Army who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 20, but less than 30, years of service computed under section 3925 of this title, or an enlisted member of the Army who first became a member of the armed forces on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 25, but less than 30, years of service computed under section 3925 of this title, may, upon his request, be retired.".

(c)(1) The first sentence of section 3991 of such title is amended to read as follows:

"(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.".

(2) The table contained in such section is amended by inserting "but after the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

(3) Such section is further amended by adding at the end thereof the following new subsections:

"(b)(1) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formula A) or section 3917 of this title (if retired under section 3914 or 3917 of this title).

"(2) The Secretary of the Army may increase the monthly retired pay of a person described in paragraph (1) who is retired under section 3914 of this title by 10 percent for extraordinary heroism in line of duty. The Secretary's determination as to extraordinary heroism is conclusive for all purposes.

"(c) The amount computed under this section, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(d)(1) The first sentence of section 3992 of such title is amended to read as follows: "An enlisted member of the Army who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is advanced on the retired list under section 3964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Army so advanced who first became a member of a uniformed service before such date is entitled to recompute his retired pay under formula B of that table.".

(2) The table contained in such section is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

TITLE III—NAVY AND MARINE CORPS

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 301. (a) Subsection (c) of section 6322 of title 10, United States Code, is amended by inserting "first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and" after "who" in the material preceding clause (1).

(b) Section 6322 of such title is further amended by adding at the end thereof the following new subsection:

"(d) The monthly retired pay of an officer referred to in subsection (a) who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount equal to 60 percent of the monthly retired pay base of the officer (as computed under section 1407(b) of this title).".

MINIMUM YEARS REQUIRED FOR RETIREMENT

SEC. 302. (a) Subsection (a) of section 6323 of title 10, United States Code, is amended to read as follows:

"(a)(1) In the case of an officer of the Navy or Marine Corps who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who applies for retirement after completing more than 20 years of active service, of which at least 10 years was service as a commissioned officer, may, in the discretion of the President, be retired on the first day of any month designated by the President.

"(2) In the case of an officer of the Navy or Marine Corps who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who applies for retirement after completing more than 25 years of active service, of which at least 10 years was service as a commissioned officer, may, in the discretion of the President, be retired on the first day of any month designated by the President.".

(b) Subsection (e) of such section is amended—

(1) by inserting "(1)" after "(e)";

(2) by inserting "who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985" after "this section" in the material preceding clause (1);

(3) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively; and

(4) by adding at the end the following new paragraph:

"(2) Unless otherwise entitled to higher pay, an officer retired under this section who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay in an amount determined by multiplying the monthly retired pay base of the officer (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, that may be credited to him under section 1405 of this title.".

RETIRED GRADE AND PAY OF OFFICERS

SEC. 303. (a) Subsection (a) of section 6325 of title 10, United States Code, is amended by striking out "subsection (b) or" in the text preceding clause (1) and inserting in lieu thereof "subsections (b) and (d) and".

(b) Subsection (b) of such section is amended by striking out "Each" at the beginning of such subsection and inserting in lieu thereof "Except as provided in subsection (d), an".

(c) Such section is further amended by adding at the end thereof the following new subsection:

"(d) An officer referred to in subsection (a) or (b) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay at the rate of 2 percent of the monthly retired pay base of the officer (as computed under section 1407(b) of this title) multiplied by the number of years of service that may be credited to him under section 1405 of this title, but the monthly retired pay so computed may not be more than 60 percent of the monthly retired pay base.".

COMPUTATION OF RETIRED PAY FOR ENLISTED MEMBER WITH 30 OR MORE YEARS OF SERVICE

SEC. 304. Section 6326 of title 10, United States Code, is amended—

(1) in subsection (c), by striking out "Each" and inserting in lieu thereof "Except as provided in subsection (d), a"; and

(2) by adding at the end thereof the following new subsection:

"(d) The monthly retired pay of an enlisted member referred to in subsection (a) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount equal to 60 percent of the monthly retired pay base of the member (as computed under section 1407(b) of this title).".

MINIMUM SERVICE TO QUALIFY FOR TRANSFER TO THE FLEET RESERVE OR THE FLEET MARINE CORPS RESERVE

SEC. 305. (a) Subsection (b) of section 6330 of title 10, United States Code, is amended to read as follows:

"(b)(1) An enlisted member of the Regular Navy or the Naval Reserve who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 20 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Reserve. An enlisted member of the Regular Marine Corps or the Marine Corps Reserve who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 20 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Marine Corps Reserve.

"(2) An enlisted member of the Regular Navy or the Naval Reserve who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 25 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Reserve. An enlisted member of the Regular Marine Corps or the Marine Corps Reserve who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 25 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Marine Corps Reserve.".

(b) Subsection (c)(1) of such section is amended—

(1) by striking out "Each" at the beginning of such subsection and inserting in lieu thereof "(A) Except as provided in subparagraph (B), a";

(2) by redesignating clauses (A) and (B) of paragraph (1) as clauses (i) and (ii), respectively; and

(3) by adding at the end thereof the following new subparagraph:

"(B) A member who first became a member of a uniformed service on or after

the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve under this section is entitled, when not on active duty, to monthly retainer pay in an amount determined by multiplying the monthly retired pay base of the member (as computed under section 1407(b) of this title) by 2 percent for each year of active service in the armed forces, but not more than 30.".

COMPUTATION OF PAY OF CERTAIN MEMBERS INVOLUNTARILY RETIRED

SEC. 306. (a) Subsection (c) of section 6383 of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(c)";

(2) by redesignating subclauses (A) and (B) of clause (2) as subclauses (i) and (ii), respectively;

(3) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively;

(4) by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in subclause (ii) of clause (B), as redesignated by clause (2) of this section; and

(5) by adding at the end thereof the following new paragraph:

"(2) An officer retired under subsection (a) or (b) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay in an amount determined by multiplying the monthly retired pay base of the member (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, that may be credited to him under section 1405 of this title.".

(b) Subsection (i) of such section is amended by inserting "in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or beyond 28 years, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "24 years of commissioned active service," in the second sentence.

ELIMINATION FROM ACTIVE SERVICE OF CERTAIN OFFICERS WHO HAVE TWICE FAILED OF SELECTION FOR PROMOTION.

SEC. 307. Subsection (c) of section 6389 (c) of title 10, United States Code, is amended—

(1) by striking out "20 years" in the table under the heading "Total commissioned service" and inserting in lieu thereof "20 years (in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years (in the case of an officer who first became a member of a uniformed service on or after such date)"; and

(2) by striking out the period at the end of the fourth sentence and inserting in lieu thereof ", in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or if the officer can complete at least 25 years of service as computed under section 1332 of this title during the period of such deferment, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act."

TITLE IV—AIR FORCE

SEPARATION OR TRANSFER TO RETIRED RESERVE

SEC. 401. Section 8850 of title 10, United States Code, is amended by inserting ", in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "20 years of service".

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 402. (a)(1) Section 8911 of title 10, United States Code, is amended to read as follows:

"§ 8911. Minimum years of service for retirement

"The Secretary of the Air Force may, upon the officer's request, retire a regular or reserve commissioned officer of the Air Force who—

"(1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 8926 of this title, at least 10 years of which have been active service as a commissioned officer; or

"(2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 8926 of this title, at least 10 years of which have been active service as a commissioned officer.".

(2) The table of sections at the beginning of chapter 867 of such title is amended by striking out the item relating to section 8911 and inserting in lieu thereof the following:

"8911. Minimum years of service for retirement.".

(b) The first sentence of section 8914 of such title is amended to read as follows: "Under regulations to be prescribed by the Secretary of the Air Force, an enlisted member of the Air Force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 20, but less than 30, years of service computed under section 8925 of this title, or an enlisted member of the Air Force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 25, but less than 30, years of service computed under section 8925 of this title, may, upon his request, be retired.".

(c)(1) The first sentence of the text preceding the table in section 8991 of such title is amended to read as follows:

"(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.".

(2) The table contained in such section is amended by inserting "but after the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

(3) Such section is further amended by adding at the end thereof the following new subsections:

"(b)(1) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formula A) or section 8925 of this title (if retired under section 8914 or 8917 of this title).

"(2) The Secretary of the Air Force may increase the monthly retired pay of a person described in the preceding sentence who is retired under section 8914 of this title by 10 percent for extraordinary heroism in line of duty. The Secretary's determination as to extraordinary heroism is conclusive for all purposes.

"(c) The amount computed under this section, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(d)(1) The first sentence of section 8992 of such title is amended to read as follows: "An enlisted member of the Air Force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is advanced on the retired list under section 8964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Air Force so advanced who first became a member of a uniformed service before such date is entitled to recompute his retired pay under formula B of that table.".

(2) The table contained in such section is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

TITLE V—COAST GUARD

RETIREMENT UPON FAILURE FOR SELECTION FOR PROMOTION

SEC. 501. (a) Clauses (3) and (4) of section 283(a) of title 14, United States Code, are amended to read as follows:

"(3) if, on the date specified for his discharge in this section, the officer has completed at least 20 years of active service (in the case of a member who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or at least 25 years of active service (in the case of a member who first became a member of a uniformed service on or after the date of the enactment of such Act) or is eligible for retirement under any law, be retired on that date; or

"(4) if, on the date specified for his discharge in clause (1), the officer has completed at least 18 years of active service (in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985) or at least 23 years (in the case of an officer who first became a member of a uniformed service on or before the date of the enactment of such Act), be retained on active duty and retired on the last day of the month in which he completes 20 years of active service (in the case of a member who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years of active service (in the case of a member who first became a member of a uniformed service on or after the date of the enactment of such Act), unless earlier removed under another provision of law.".

(b) Clauses (1) and (2) of section 285 of such title are amended to read as follows:

"(1) if the officer—

"(A) has completed at least 20 years of active service, in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or at least 25 years of active service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act, or

"(B) is eligible for retirement under any law on June 30 of the promotion year in which his second failure of selection occurs;

be retired on that date; or

"(2) if ineligible for retirement on the date specified in clause (1), be retained on active duty and retired on the last day of the month in which he completes 20 years of active service, in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of active service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act, unless earlier removed under another provision of law.".

(c) Section 289(g) of such title is amended by striking out "twenty years of active service" and inserting in lieu thereof "20 years of active service, in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of active service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act".

MINIMUM YEARS OF SERVICE FOR VOLUNTARY RETIREMENT

Sec. 502. (a) Section 291 of title 14, United States Code, is amended by striking out "twenty years' active service" and inserting in lieu thereof "20 years of active service (in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years of active service (in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act)".

(b)(1) The section heading of such section is amended to read as follows:

"§ 291. Minimum years of service for voluntary retirement".

(2) The table of sections at the beginning of chapter 11 of such title is amended by striking out the item relating to section 291 and inserting in lieu thereof the following:

"291. Minimum years of service for voluntary retirement.".

VOLUNTARY RETIREMENT

Sec. 503. Section 355 of title 14, United States Code, is amended by striking out "has completed twenty years' service" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 20 years of service or who first became a member of a uniformed service on or after the date of the enactment of such Act and has completed 25 years of service".

RETIREMENT OF ENLISTED PERSONNEL

Sec. 504. Section 357 of title 14, United States Code, is amended—

(1) in subsection (a), by striking out "have twenty years service," in the first sentence and inserting in lieu thereof "first became members of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and have 20 years of service or who first became members of a uniformed service on or after the date of the enactment of such Act and have completed 25 years of service,";

(2) in subsection (b), by striking out "has completed twenty years' service" and inserting in lieu thereof "first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 20 years of service or who first became a member of a uniformed service on or after the date of the enactment of such Act and has completed 25 years of service,"; and

(3) in subsection (c), by striking out "retired by reason of twenty years' service," and inserting in lieu thereof "who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has 20 years of service, or who first became a member of a uniformed service on or after such date and has completed 25 years of service,".

COMPUTATION OF RETIRED PAY

Sec. 505. Subsection (b) of section 423 of title 14, United States Code, is amended —

(1) by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)"; and

(2) by adding at the end thereof the following new subsection:

"(c) The monthly retired pay of a person entitled to retired pay under this title who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is 2 percent of the monthly retired pay base of the person (as computed under section 1407(f) of title 10) multiplied by the number of years of service that may be credited to him under section 1405 of title 10, but the retired pay so computed may not be more than 60 percent of such monthly retired base.".

By Mr. DIXON (for himself, Mr. Johnston, Mr. Pryor, Mr. Riegle, and Mr. Sasser):

S. 1151. A bill to amend the Federal Deposit Insurance Act; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. Dixon and the text of the legislation appear earlier in today's Record.)

By Mr. KERRY:

S. 1152. A bill to amend the Internal Revenue Code of 1954 to increase all civil and criminal tax penalties for taxpayers who avoid their fair share of Federal taxes, to increase the voluntary compliance of the Federal tax laws, and for other purposes; to the Committee on Finance.

TAXPAYER AWARENESS AND ENFORCEMENT ACT

● Mr. KERRY. Mr. President, during the debate last week on the budget, I proposed a tax enforcement amendment which endorses measures which would accomplish substantial deficit reduction and address the growing problem of income tax evasion. Due to the overwhelmingly positive support we received on the amendment, I am today introducing a bill entitled the "Federal Taxpayer Awareness and Enforcement Act of 1985." The bill represents a fundamental improvement in fiscal fairness because it will help eliminate the pressure for painful budget cuts, while at the same time insuring that all Americans meet their obligation to comply with existing tax laws.

All of us are aware of the magnitude of the Federal budget deficit, and the serious economic challenge we face as the result. Unfortunately, we have another problem that is nearly as large, and has received much less attention: approximately $100 billion in revenues is lost each year to tax cheaters. This is a grave problem, and it's rapidly growing worse. According to the General Accounting Office, the "tax gap" of uncollected revenues has grown by 300 percent over the last decade.

Recent studies show an astonishing number of Americans see tax cheating—nonfiling, under-reporting, or overstating deductions—as a common and accepted practice. A 1984 Yankelovich survey for the IRS found that a majority of Americans believe that over 25 percent of the public cheat on their taxes, and that such cheating is becoming more prevalent. Even more alarming is the perception by 41 percent of the taxpayers, that cheaters are unlikely or certain not to be caught. Our fundamental aim is to reverse this perception and the underlying trend on which it is based. This bill is not designed to increase or substantially alter withholding requirements or recordkeeping on the 80 percent of the individuals in this country who are honest taxpayers. The basic intent of this act is to ensure that IRS has the resources and the means to effectively use the information which is already in the system to obtain compliance from the 20 percent of the taxpayers who are evading their taxes.

The strategy proposed in this bill is twofold. First, a period of taxpayer awareness would be offered so that all Americans will be fully aware of the effects that tax cheaters have on honest individuals, the deficit of this country, and the new programs that will go into effect to identify and collect taxes from those taxpayers who don't pay their fair share. The second phase of the initiative is a significant enforcement program designed to crack down on tax shelter promoters, and individuals and corporations in flagrant violation of tax laws. The explicit aim of this enforcement effort is to make an example of those who violate the law, and thereby demonstrate that tax evaders will be swiftly brought to justice and pay the penalty for violating the law.

The initiative in this act will increase taxpayer compliance and raise billions of dollars. Both approaches have already been put to a test on the State level. Over the last couple of years, several States have increased their revenues through some of the same measures in this act. Hundreds of millions of dollars in previously uncollectable revenues were raised, and the success of these efforts exceeded even the most optimistic assumptions. By raising Federal taxpayer compliance by 5 percent over 5 years as stated in the bill, estimated revenue collections will increase by about $30 billion a year.

Mr. President, I ask unanimous consent that a factsheet on this legislation be printed in the Record.

There being no objection, the fact sheet was ordered to be printed in the Record, as follows:

THE FEDERAL TAXPAYER AWARENESS AND ENFORCEMENT ACT OF 1985—FACTS ON TAX COMPLIANCE

IRS estimates that the "tax gap" is now approaching $100 billion a year, and growing every day. GAO says this estimate is conservative.

Legal sector tax gap has tripled in the last decade.

The compliance gap can be accounted for chiefly as follows: Individual underreporting of legal income, 69%; overstated deductions or credits, 13%; unreported illegal income, 8%; corporate underreporting or overstating, 4%; and other, 6%.

Delinquent payments of approximately $30 billion are owed.

IRS has shown conclusively that using existing examination or audit techniques, every $1 spent results in a return of $5 or $6. For every $1 spent on accounts receivable, $18 to $20 is returned.

IRS staff has only increased by approximately 3% in the last 10 years while tax returns have increased by about 46%.

IRS will only be able to examine about 1.2% of the returns in 1988 compared to 2.6% in 1976.

1984 Yankelovich study found that: One in 5 persons admitted to tax cheating; a majority believed that over 25% of the public is cheating on their taxes and 1 in 4 felt that more than half of the public is cheating to some extent; a majority perceived that it was certain or unlikley that tax cheaters would be caught (a taxpayer has a 1 in 43,000 chance of being subject to a criminal investigation); and a majority of the public believe that tax cheating is becoming more prevalent.

"The National Governors' Association has urged the Administration and Congress to strengthen federal tax enforcement tools, powers, or other resources for the Internal Revenue Service as integral to any tax reform proposal and integral to initiatives designed to tackle the deficit crisis. They estimate that as much as $20 billion annually could be saved by the Treasury through an intensive effort to tighten federal enforcement."

ELEMENTS OF THE FEDERAL TAXPAYER AWARENESS AND ENFORCEMENT ACT OF 1985

A taxpayer awareness program that through the extensive use of media will inform taxpayers of: the effect tax cheaters have on the honest taxpayers; the effect tax cheaters have on the national deficit; and the efforts IRS will undertake to find these cheaters.

Tax Compliance certification required from federal contractors, borrowers, employees and licensees.

Aggressive public disclosure of flagrant tax violators along with an aggressive public relations campaign to build support and confidence in the tax administration system.

Greater sharing of data among different levels of government.

Contracting collection of uncollectables to private collection agencies.

Require local government units to report real property capital gains.

Resources to raise voluntary compliance by 5% within 5 years.

5% increase in voluntary compliance would raise approximately $30 billion a year.

Increased Penalties of 50% or more.●

By Mr. D'AMATO:

S. 1153. A bill to provide for the distribution within the United States of the U.S. Information Agency film entitled "Hal David: Expressing a Feeling"; to the Committee on Foreign relations.

PROVIDING FOR DISTRIBUTION AND SHOWING OF "HAL DAVID: EXPRESSING A FEELING"

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation to allow the U.S. Information Agency [USIA] to release for distribution and use in the United States the film, "Hal David: Expressing a Feeling." This film is the first in a series of USIA documentaries on American songwriters.

By some quirk of law, materials produced by USIA using taxpayers' moneys cannot be shown domestically. It becomes necessary, therefore, to pass special legislation to allow the viewing of such films in the United States.

"Hal David: Expressing a Feeling" is a profile of one of the most talented and prolific songwriters in our Nation. It is ironic that Americans need an act of Congress to enjoy a film about one of the treasures of our own culture. I hope this body will act quickly on this bill so this film can be made available to the American people as soon as possible.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1153

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461)—

(A) the Director of the United States Information Agency shall make available to the Administrator of General Services a master copy of the film entitled "Hal David: Expressing a Feeling"; and

(B) subject to paragraph (2), the Administrator shall reimburse the Director for any expenses of the agency in making that master copy available, shall deposit that film in the National Archieves of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

(2) The Administrator shall carry out his duties under clause (B) of paragraph (1) only after the United States Government has acquired, after the date of enactment of this Act, any remaining license or other rights which are not Government-held before such date and which are required for distribution within the United States of the film entitled "Hal David: Expressing a Feeling" without use of funds appropriated or otherwise made available to any department, agency, instrumentality, or office of the United States.

(b) Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.●

By Mr. MATSUNAGA (for himself, Mr. Pressler, Mr. Inouye, Mr. Sarbanes, Mr. Melcher, Mr. Burdick, Mr. Pell, Mr. Leahy and Mr. Humphrey):

S. 1154. A bill to amend title XVIII of the Social Security Act to provide for direct Medicare reimbursement for services performed by registered nurse anesthetists; to the Committee on Finance.

DIRECT MEDICARE REIMBURSEMENT FOR SERVICES OF REGISTERED NURSE ANESTHETISTS

Mr. MATSUNAGA. Mr. President, in the unceasing battle against ever-escalating health care costs, I am today introducing with Mr. Pressler, Mr. Inouye, Mr. Sarbanes, Mr. Melcher, Mr. Humphrey, Mr. Burdick, Mr. Pell, and Mr. Leahy, as cosponsors, legislation to modify the Medicare reimbursement system with regard to anesthesia services in order to provide for more affordable care, cost efficiencies for the Medicare system, and improved access to care in many parts of the country.

Our bill S. 1154 would provide for direct Medicare part B reimbursement to certified registered nurse anesthetists [CRNA's]. Unlike determinations of physician reimbursements, this legislation would permit the Secretary of Health and Human Services to set the rates at which CRNA's would be paid under part B. These rates could be prospectively determined based on groupings of costs similar to the hospital diagnosis related grouping [DRG] payment. The costs of such a system of direct reimbursement would be limited so as not to exceed comparable costs of utilizing CRNA's under the current Medicare reimbursement structure. Our bill will not create a new benefit. Rather, it would effect a simple shifting of the payment mechanism from part A and B of Medicare under current law to part B.

S. 1154 would do nothing to change the current Medicare requirements of physician supervision under the Medicare conditions of participation for CRNA's. It would, however, provide an alternative method of Medicare reimbursement for nurse anesthetist services that would not discourage the use of nurse anesthetists. It would provide an incentive to hospitals to employ or contract with CRNA's, which would help to dampen spiraling health costs while maintaining the quality of health care.

Mr. President, the Deficit Reduction Act of 1984 (Public Law 98-369) contained a "passthrough" amendment for CRNA's. This amendment provided for the costs of CRNA's to be paid or "passedthrough" outside the current prospectively fixed payment made to hospitals. Under this system, hospitals are being reimbursed under part A for reasonable costs they incurred for anesthesia services provided by a CRNA. This provision applies to cost reporting periods that began on or after October 1, 1984, and will last for only 3 years for hospitals utilizing it. This provision is a temporary solution adopted by Congress to rectify an unintended effect of the DRG law. Under the original medicare prospective payment statute, disincentives for the use of CRNA's were created. S-1154 proposes a long-term solution to the problem.

Mr. President, CRNA's are highly educated, qualified and licensed health professionals who have been providing much of the anesthesia services in this country for about 100 years. There are approximately 18,000 active practicing CRNA's who provide 70 percent of the anesthesia care in rural areas and 50 percent of such services nationwide. Their practice is legally sanctioned through State laws and regulations in all 50 States and U.S. territories. Thirty-four States have recognized CRNA's in an expanded role for professional nurses practicing in collaboration with physicians, dentists, and other health professionals who are themselves legally authorized to render anesthesia services.

By any norms, this is a profession with rigorous standards. A CRNA is a professional nurse who has subsequently graduated from a nurse anesthesia educational program accredited by the Council on Accreditation of Nurse Anesthesia Educational Programs and Schools, and who has passed a national examination for certification in the specialty, administered by the Council on Certification of Nurse Anesthetists. The recertification process requires that every 2 years, each CRNA demonstrate evidence of current licensure as a registered nurse, active practice as a nurse anesthetist, and appropriate continuing education within the specialty.

CRNA's can practice in one of three ways: (1) as a hospital employee, (2) as a physician employee, or (3) as a self-employed professional. The self-employed CRNA bills directly under such private insurance and medicaid programs which permit it and contracts with hospitals when direct billing is not permissible. Currently, 50 percent of CRNA's are hospital employees, 35 percent are employed by physicians, 11 percent are self-employed and four are in an "other" category of employment. Their median annual earnings amount to about $35,000.

By recognizing CRNA's as directly reimbursable health professionals, we would be taking advantage of a tested, cost-effective option in providing high quality anesthesia services at reduced costs. In fact, such recognition would inject the crucial element of economic competition into the delivery of anesthesia services, with resulting lower costs.

Presently, over 30 percent of Blue Cross-Blue Shield plans directly reimburse CRNA's for their services. There are eight States which directly reimburse CRNA's under the medicaid programs. Of the private insurance plans surveyed, 57 percent indicate they can provide direct reimbursement to CRNA's for anesthesia services. Such reimbursement also is available under the CHAMPUS Program covering active and retired military personnel and their dependents.

Medicare reimbursement was originally designed to conform with existing private, nongovernmental insurance plans. Since the enactment of Medicare, those plans have changed dramatically in that many private insurers make direct payments to a number of licensed health professionals on a charge basis for services they deliver. Medicare has been amended with respect to hospital cost reimbursement to reflect current needs. It also should be changed to provide medicare reimbursement to health professionals to reflect subsequent changes in non-Medicare programs such as in Blue Shield and CHAMPUS.

Supporting this concept is a 1981 research report entitled "Competition Among Health Practitioners" which was submitted to the Federal Trade Commission by Lewin and Associates. This report shows that current reimbursement practices regarding health professionals tend to limit innovation and promote inefficiency. Reimbursement policies that place CRNA's or other nonphysician health professionals at a competitive disadvantage interfere with innovation in health care delivery and severely limit consumer choice. Where CRNA's are used only as physician complements rather than, in appropriate cases, substitutes, costs are likely to go up and productivity decline.

Medicare part B reimbursement policy clearly creates these problems of inefficiency and costliness and is probably the greatest offender of all health care payors in this particular area. Trends in other insurance programs such as Blue Shield reflect the recognition by other insurors that it is efficient and sensible to provide for direct reimbursement to CRNA's.

The major arguments made against nonphysician direct reimbursement, such as the contention that direct reimbursement is hard to administer and that it results in poor quality care and is costly, cannot be made against CRNA's for the following reasons:

First CRNA's provide a discrete, easily identifiable item of service which is presently listed separately as an item of charge under private plans and appears separately as a part of a physician's service under part B of medicare. Therefore, to administer a direct reimubursement plan for CRNA's is simple.

Second, CRNA's must practice always in a setting where a physician is present and supervising. In addition, hospitals exercise quality control by virtue of their ability to grant or withhold hospital privileges to CRNA's.

Third, the services of CRNA's are not subject to limitless demand which the CRNA can stimulate since physicians control whether there will be a medical intervention requiring anesthesia services.

I would like to emphasize that the bill, S. 1154, specifically ensures that State laws relating to the practice of medicine or nursing or State law requirements, with regard to the administration of anesthesia and its medical direction or supervision, will not be affected by its passage in any way.

Furthermore, it has been estimated that the cost of the direct reimbursement provisions would be the same as if the current reimbursement system is retained. Some savings are expected in fiscal year 1987 and thereafter relative to the costs for CRNA services that would be incurred when the passthrough provision is scheduled to terminate.

Given the current atmosphere of hospital reimbursement constraints, anesthesia services may become less accessible in sparsely populated areas of the country. Already there are serious problems in some regions where anesthesiologists do not practice and where hospitals are too small to employ CRNA's full time and remain cost-efficient.

Prior to the "passthrough" provision, contracting with CRNA's for this service often placed a prohibitive cost on a hospital's budget under the hospital payment limits. Contracting entails administrative costs which some hospitals indicate are much less acceptable. Direct reimbursement is, in these situations, the only method by which anesthesia services could be furnished by a CRNA and paid for by medicare.

Direct reimbursement to CRNA's would enable medicare to generate complete, accurate and current data related to anesthesia care providers, the consumers they serve, and the costs associated with that care.

As previously noted, the vast majority of CRNA services are provided in hospital in-patient settings. Therefore, the case for allowing direct reimbursement to CRNA's is a special one. Such a professional service presents an opportunity to link professional service reimbursement to the DRG-related prospective payment systems. Such reimbursement could be a model for relating part B professional service reimbursement to part A prospective payment. Reimbursement rates to CRNA's could be developed by utilizing related factors such as patient risk, complexity of medical intervention, and essential anesthesia resource requirements, in a manner allowing easier verification of the appropriateness of charge or cost-based billings.

Mr. President, I urge my colleagues to join me in supporting the innovative move in health care proposed by S. 1154.

Mr. President, I ask unanimous consent that a cost estimate for this bill, prepared recently by the American Association of Nurse Anesthetists, be printed in the RECORD at this point, and that the text of the bill, S. 1154, be printed immediately following it.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF BILL AND COSTING METHODS

This bill provides for direct reimbursement for anesthesia services to CRNA's under Medicare Part B. The bill does not specify the payment method. It specifically provides HHS with authority to fix the payment rate at amounts consistent with considerations of quality and efficiency, taking into account prevailing rates paid for CRNA services. The bill specifically is not a fee for service approach based only on actual, customary or prevailing charges. The prevailing CRNA system, which shall be considered as part of establishing a rate, is generally not a fee for service, charge system. Only 8% of CRNA's or about 1,500 practice in a CRNA group which bills payors directly for services on a charge basis. The remainder are hospital employees (50-55%) and physician employees (35-40%) whose services are paid as part of the hospital payment or physician fee. (Some CRNA's are in the military or VA and are not counted.)

In establishing a fixed payment for a CRNA service, we assume HCFA may follow one of two approaches that are related. It will either seek to relate CRNA costs to surgical DRG's and fix a price that way or it will establish a price per unit of service based more generally on the average annual compensation plus overhead allowance attributable to CRNA's divided by an annual average number of procedures. Under either approach an economic updating factor should be used, but would function as a rate of increase ceiling. In no case, under either approach, should a CRNA receive less than presently received from Medicare as compensation per unit of service, whether the CRNA is hospital employed, physician employed or self employed with a hospital contract.

In no case will the total payments by Medicare necessarily exceed the prior years total payments for CRNA services except for the inflation adjustment. If a CRNA were hosptial-employed or a hosptial contractor, HCFA will have data on costs per case or total costs under the "pass through" provisions of the Deficit Reduction Act § 2312. Under this approach either a cost based rate per surgical DRG case can be established or a standard rate per case for each CRNA by hospital.

The CRNA employed by the physician is in a different situation. Physician fees include the CRNA charge and have not been separated out by HCFA. There has been no reporting as to that part of the physician fee which is attributable to the CRNA. We urge that HCFA be based on a sample basis to do this data collection. The physician fee including the CRNA will be DRG related, however. We can estimate the amount of salary plus fringe benefits and overhead of average physician employed CRNA. It is also possible to develop, from CRNA's and by estimation, the current compensation per unit of service. From this a CRNA profile of cost related rates per unit of service can be constructed.

Our current fiscal year 1985 estimate of costs related to CRNA services on Medicare cases is about $280 million. This estimate is based on HCFA's estimated cost of the pass through provision of $160 million plus an estimated cost of $120 million for CRNA services billed under Part B.

This is also our estimate of the cost of the direct reimbursement provisions since the costs under current law will be used to construct the payment rate. The provision is not a new benefit, but simply a shifting of the payment mechanism from Parts A and B of Medicare under current law to Part B under the bill. There is no net cost since $280 million is being spent under Parts A and B now. The net cost would increase above $280 million only if the number of cases is increased. The unit cost per case would remain the same except for an inflator. It is not expected that the number of CRNA's in practice will increase, however, given present trends. While the number of cases may increase, the increase is not expected to be significant and would have occurred in any event.

Some savings are expected from this provision relative to costs Medicare would incur in fiscal year 1987 and thereafter when the current Part A and B exceptions for CRNA services end. With CRNA's paid from the hospital DRG payment, as will be the case in fiscal year 1987 and thereafter, hospitals will have an incentive to over-utilize physician services at the expense of CRNA services since they can be billed and paid directly under Part B. The cost of a service is conservatively 3 to 4 times as great when a physician performs the service as a CRNA based upon earning differentials as reflected in recent HCFA data. If substitution occurs in only 20% of the cases, the excess cost to Medicare would be about $150 million. This bill can therefore be estimated to save about $150 million in fiscal year 1987 and thereafter assuming a 20% substitution factor. This seems a reasonable assumption based on hospital actions prior to fiscal year 1984 and fiscal year 1985 when the pass through and unbundling exceptions for CRNA's were created.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) section 1861(s) of the Social Security Act is amended—

(A) by redesignating paragraphs (11) through (14) as paragraphs (12) through (15), respectively;

(B) by striking out "and" at the end of paragraph (9);

(C) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(D) by inserting after paragraph (10) the following new paragraph:

"(11) anesthesia services and related care provided by a registered nurse anesthetist.".

(2) Section 1864(a) of such Act is amended by striking out "paragraphs (11) and (12)" and inserting in lieu thereof "paragraphs (12) and (13)".

(b) Section 1861 of such Act is amended by adding after subsection (aa) the following new subsection:

"ANESTHESIA SERVICES PROVIDED BY A REGISTERED NURSE ANESTHETIST

"(bb)(1) The term 'anesthesia services and related care provided by a registered nurse anesthetist' means those services provided by a registered nurse anesthetist (as defined in paragraph (2)) which such nurse anesthetist is legally authorized to perform as such by the State in which such services are performed.

"(2) The term 'registered nurse anesthetist' means a registered nurse licensed by the State who meets such education, training, and other requirements relating to anesthesia services and related care as the Secretary may prescribe. In prescribing such requirements the Secretary may use the same requirements as those established by a national organization for the certification of nurse anesthetists.".

(c) Section 1832(a)(2)(B) of such Act is amended by striking out "and" at the end of clause (i), by striking out "; and" at the end of clause (ii) and inserting ", and", and by adding at the end thereof the following new clause:

"(iii) anesthesia services and related care provided by a registered nurse anesthetist; and".

(d)(1) Section 1833(a)(1) of such Act is amended by striking out "and" at the end of subparagraph (E), and by adding at the end thereof the following: "(G) in the case of anesthesia services and related care provided pursuant to section 1861(s)(11), the amounts paid shall be 80 percent of the reasonable charge for such services established by the Secretary in accordance with subsection (l);".

(2) Section 1833 of such Act is amended by adding at the end thereof the following new subsection:

"(l)(1) With respect to anesthesia services and related care provided pursuant to section 1861(s)(11), the reasonable charge shall be an amount determined by the Secretary to be consistent with efficient and high quality anesthesia services, taking into account the prevailing rate for such services, but modified to the extent necessary to comply with the requirements of paragraph (2).

"(2) In establishing the reasonable charge for anesthesia services and related care provided pursuant to section 1861(s)(11), the Secretary shall adjust such reasonable charge to the extent necessary to ensure that the total amount which will be paid under this title for such services in any fiscal year (as estimated by the Secretary) will not exceed the total amount which would be paid under this title for such services in such fiscal year if such services were included as inpatient hospital services and payment for such services was made under part A in the same manner as payment was made in the fiscal year ending on September 30, 1986, adjusted to take into account changes in prices and technology relating to the administration of anesthesia.".

(e) Section 1861(b)(4) of such Act is amended by inserting before the semicolon the following: ", and anesthesia and related care provided by a registered nurse anesthetist".

(f)(1) Section 1886(a)(4) of such Act is amended by striking out ", costs of anesthesia services provided by a certified registered nurse anesthetist".

(2) Section 1886(d)(5) of such Act is amended by striking out subparagraph (E).

(g)(1) Section 1862(a)(14) of such Act is amended by inserting before the period at the end thereof the following: ", or are anesthesia services and related care provided by a registered nurse anesthetist".

(2) Section 1866(a)(1)(H) of such Act is amended by inserting ", and other than anesthesia services and related care provided by a registered nurse anesthetist" after "1862(a)(14)".

Sec. 2. The amendments made by this Act shall apply to items and services furnished on or after Janury 1, 1987.

Sec. 3. Nothing in this Act or the amendments made by this Act shall contravene provisions of State laws relating to the practice of medicine or nursing or State law requirements regarding the administration of anesthesia and its medical direction or supervision.

By Mr. CHAFEE:

S. 1155. A bill to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

SILVER STOCKPILE REFORM ACT

● Mr. CHAFEE. Mr. President, I am today introducing a bill which would authorize the General Services Administration to dispose of 10 million troy ounces of the silver now held in the national defense stockpile.

The U.S. Government is the largest single holder of silver in the world. In addition to substantial amounts of silver held by the mint and the Defense Department, there are 136.5 million ounces stored in the strategic stockpile. The National Security Council has determined that there is no strategic need to stockpile silver, and every administration since 1974 has declared surplus all or a portion of the silver in the stockpile. One Presidential commission—The National Commission on Supplies and Shortages—found no need to stockpile any silver.

The silver currently held in the strategic stockpile is costly to maintain and, as the last four administrations have determined, serves no useful purpose. The Federal Emergency Management Agency's latest report to Congress, issued last month, declares the entire supply of stockpile silver as excess. Valued at the average price for last year, this silver is worth $1.1 billion. If sold by GSA at current market prices, the sale of the stockpile silver would result in a $687,500 profit for the Government.

Some have argued that a sale of the entire 136.5 million ounces would effectively "dump" an unnecessarily large amount of silver on the market and depress the silver-producing industry. This may be true, which is why this bill proposes disposal of only 10 million ounces, a relatively small sale that would serve as a test method for disposing of the remainder of the surplus silver.

Mr. President, the impetus for this measure comes from the Defense Authorization Act of 1985, which officially declared 10 million ounces of silver as excess to the requirements of the stockpile. The sale of this excess silver would solve a problem currently facing the Department of Defense: According to the FEMA report, there is a shortage of many other materials considered important to the stockpile. Disposal of 10 million ounces of silver would provide funds for the purchase of these materials, which include aluminum, cobalt, copper and zinc. Thus, this bill would not only bring revenues to the Government, but would also enhance the strategic preparedness by providing to the defense stockpile materials that FEMA has determined are in short supply.

It is worth noting that the creation of the strategic silver stockpile was simply a by-product of the decision in 1967 to cease minting silver coins. It was not the result of a considered determination that such stocks were essential to the national defense.

Before 1967, the United States consumed vast amounts of silver for coinage purposes. In 1965, for example, this country used 320 million ounces for coinage. From 1961 to 1965 more than 700 million ounces were used in the same way. Clearly, there was at one time a need for large amounts of silver to be stockpiled for national purposes, but this is no longer the case. The great bulk of the current stockpile was transferred from the Treasury to the stockpile as a result of the 1967 act. There is no strategic purpose served by this huge hoard of silver, and should a strategic need for silver ever arise, vast amounts of silver are held by the Government in stores other than the stockpile and by private citizens. In any case, 10 million ounces is only a fraction of the stockpile amount, and its disposal can only serve the national interest; that is, it would test one orderly way of ridding the Government of this costly, unnecessary burden.

The United States has depended on substantial amounts of imported silver to meet its industrial needs. In 1982, net imports were 92 million ounces or $736 million. Imports account for a large percentage of U.S. consumption. Obviously, it would serve the national interest to begin disposing of the stockpile silver in an orderly fashion and thereby reduce our dependence on imports.

Rather than let this supply of silver simply lie fallow and soak up the taxpayers' dollars, let us allow the market to put it to good use. Industry sources predict a rise in the future demand for silver, which probably will have to be met through imports unless we move to dispose of excess Government supplies. The stockpile silver costs $20 million yearly to maintain, and lost opportunity costs amount to more than $225,000 per day, or more than $80 million per year. My legislation would allow us to begin replacing the silver in the stockpile with the materials FEMA has determined to be in short supply. It would also free up for commercial use surplus silver that has needlessly remained in storage for too long.

I hope my colleagues will join in supporting this legislation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Silver Stockpile Reform Act of 1985".

SEC. 2. The President is hereby authorized to dispose of 10 million troy ounces of silver currently held in the National Defense Stockpile established by section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h). Any disposal under the authority of this Act shall be carried out in accordance with the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.).●

By Mr. DENTON:

S. 1156. A bill to amend chapter XIV of the Comprehensive Crime Control Act of 1984, relating to victims of crime, to provide funds to encourage States to implement protective reforms regarding the investigation and adjudication of child abuse cases which minimize the additional trauma to the child victim and improve the chances of successful criminal prosecution or legal action; to the Committee on the Judiciary.

CHILD VICTIM WITNESS PROTECTION ACT

Mr. DENTON. Mr. President, I rise today to introduce the "Child Victim Witness Protection Act of 1985." The

bill would amend chapter XIV of the Comprehensive Crime Control Act of 1984 as it relates to victims of crime, by providing funds to encourage the States to implement protective reforms for the investigation and adjudication of child abuse cases. Those reforms should minimize the additional trauma to the child victim and improve the chances of successful criminal prosecution or legal action.

Mr. President, the issue of child abuse has exploded into public view during the past several years. One need only to read the newspapers or to watch television news to realize that child abuse is a problem of immense proportions. The National Center for Missing and Exploited Children projects that, on a national basis, one out of three minor girls and one out of every seven minor boys will be sexually abused. Reports from the Children's Trust Fund of Montgomery, AL, indicate that 28,407 young Alabamians were abused in 1984.

Children who have been abused or sexually molested have suffered an extreme trauma. Often, however, the abused children suffer additional trauma from the justice system and other community agencies because of insensitive investigative and adjudicative procedures.

A most disturbing example of an insensitive procedure is the practice in some jurisdictions of repeated interrogation on the child victim. In many cases, the abused child is subjected to countless grueling and detailed investigative interviews. Not only do duplicative and insensitive interview procedures lead to greater trauma to the child victims and his or her family, but they frequently result in less effective intervention and prosecution. Rather than providing the child victim with necessary respect, understanding and compassion, the procedures reduce the child victim to an automaton, caught in the adult drama of the courtroom.

Mr. President, as the U.S. Supreme Court noted in the famous case of New York against Ferber, "the prevention of sexual exploitation and abuse of children constitutes a Government objective of surpassing importance." It is with that objective in mind that I introduce the "Child Victim Witness Protection Act of 1985." By encouraging the States to implement protective reforms for the investigation and adjudication of child abuse cases to minimize the additional trauma to the child victim and improve the chances of successful criminal prosecution or legal action, we will meet the objective of preventing sexual exploitation and abuse of children, or at least preclude additional trauma for the child victim.

The bill is based on recommendations from the September 1984 Final Report of the Attorney General's Task Force on Family Violence, and on the October 1982 report from the National Legal Resource Center for Child Advocacy and Protection of the American Bar Association entitled "Recommendations for Improving Legal Intervention in Intrafamily Child Sexual Abuse Cases." Under the proposed legislation, the level of the Crime Victim's Fund would be increased by $10 million to allow the Attorney General to provide modest Federal financial assistance to the States to implement programs and procedures established by previously enacted statutes which minimize additional trauma to the child victim and improve the chances of successful criminal prosecution or lgeal action.

The "Child Victim Witness Protection Act" will not impose any additional burden on the taxpayer. As a part of the Crime Victim's fund, the "Child Victim Witness Protection Act" would be financed from first, fines collected by the Federal Government, second, penalty assessments levied upon convicted Federal dependants, third, forfeited bail bonds and collateral in Federal criminal cases, and fourth, certain profits made by criminals from publishing their misdeeds in literary, visual, and audio productions. In other words, the bill would impose a type of "users' fee" on criminals in order to protect child abuse victims.

Under the bill the Attorney General would allot to each eligible State $200,000 plus an amount that bears the same ratio to the remainder as the population in the State bears to the population in all eligible States. To assist the States in meeting the eligibility requirements, the bill sets, forth suggested guidelines for statutes to minimize additional trauma to the child victim and improve to the chances of successful criminal prosecution or legal action.

Mr. President, I believe that the "Child Victim Witness Protection Act" would allow the special needs of physically and sexually abused children to be addressed effectively. I would encourage my colleagues to support it.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1156

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Child Victim Witness Protection Act of 1985".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) child abuse may result in serious and severe physical and psychological trauma to the child victim;

(2) in the investigation and adjudication of child abuse cases, the child victim may be subjected to such demanding procedures as repeated interrogation and direct intense confrontation with the offender which may be tantamount to a second victimization;

(3) some evidentiary procedures, such as the hearsay rule, in effect require the child victim to testify in court, thereby forcing the child to relive in a public setting and in the presence of the offender the episode of exploitation or abuse;

(4) various legal reforms such as coordinated legal proceedings, videotaped depositions, and closed-circuit television have been introduced in a number of States and offer protection to the child victim from additional trauma resulting from the investigation and adjudication of the child abuse case;

(5) in enacting the Victims of Crime Act of 1984, chapter XIV of title II of Public Law 98-473, the Congress mandated that priority be given to eligible crime victim assistance programs which provide assistance to victims of child abuse;

(6) in defining the term "services to victims of crime" the Congress expressly included "assistance in participating in criminal justice proceedings"; and

(7) while this language was designed to provide assistance to individual victims of crime, there is a great need for broad-based intervention at the State and local levels through legal reforms and procedures specifically to address the needs of victims of child abuse.

(b) The Congress declares that the purpose of this Act is to provide funds to encourage States to implement protective reforms regarding the investigation and adjudication of child abuse cases which minimize the additional trauma to the child and improve the chances of successful criminal prosecution or legal action.

ESTABLISHMENT OF FUND

SEC. 3. Chapter XIV of the Comprehensive Crime Control Act of 1984 (title II, Public Law 98-473), relating to victims of crime, is amended by adding between section 1404 and section 1405 the following new section:

"CHILD VICTIM WITNESS PROTECTION GRANT

"SEC. 1404A. (a) The Attorney General is authorized to make additional annual grants and other payments from the Crime Victims Fund under section 1402 to the States for the protection of victims of child abuse in accordance with the eligibility requirements of this section.

"(b)(1) A State is eligible for assistance under this section if the Attorney General determines that the State has enacted statutes with respect to the investigation and adjudication of child abuse cases which—

"(A) minimize the additional trauma to the child victims; and

"(B) improve the chances of successful criminal prosecution or legal action.

Any assistance received by the State under this section shall be used to implement the programs and procedures established by the statutes enacted pursuant to this section.

"(2) From the amounts in the fund, the Attorney General shall allot to each State meeting the eligibility requirements of paragraph (1)—

"(A) $200,000, plus,

"(B) an amount which bears the same ratio to such remainder as the population in the State bears to the population in all States meeting the eligibility requirements of paragraph (1).

"(c)(1) For purposes of subsection (b)(1)(A), procedures to minimize additional trauma to the child victim may include—

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"(A) establishing interdisciplinary teams of child abuse professionals such as law enforcement officers, child protective service workers, prosecutors, child advocates, mental health professionals, family counselors, and medical personnel for handling child abuse cases;

"(B) coordination of civil and criminal court proceedings involving intrafamilial child abuse;

"(C) providing for special units and training relating to child development, legal issues, and the dynamics of child abuse for law enforcement, legal, judicial, child welfare, family counseling, and mental health personnel to deal with the child victim;

"(D) providing for a support person to the child victim prior to and during the course of any legal or administrative proceeding to protect the interests of that child; or

"(E) granting courts the authority to enter protective orders to protect the child victim from additional abuse.

"(2) For purposes of subsection (b)(1)(B), reforms designed to improve the chances of successful criminal prosecution or legal action in child abuse cases may include—

"(A) establishing a specific definition of child sexual abuse;

"(B) extending the statute of limitations in criminal cases of child abuse;

"(C) modifying certain rules of evidence to allow for the admission of the child victim's hearsay statement of abuse, to permit leading questions to be asked of the child victim, to permit the use of anatomically correct dolls and drawings to describe the abuse, and to establish a presumption that children are competent to testify; or

"(D) establishing procedures for the videotaping of the child victim's statement and testimony or the use of closed-circuit television to protect the child victim from additional trauma.

"(3) Each State is encouraged to develop innovative approaches not described in paragraphs (1) and (2) to achieve the objectives of minimizing the additional trauma to the child victim and improving the chances of successful criminal prosecution or legal action in child abuse cases.

"(d) As soon as practicable after the date of enactment of this section, the Attorney General shall issue such regulations as may be necessary to implement this section. In establishing regulations, the Attorney General shall consider the purposes of this section.

"(e) The Attorney General is hereby authorized to use up to $10,000,000 from the Crime Victim's Fund each fiscal year for the purposes of this title.".

INCREASE IN CRIME VICTIM'S FUND LEVEL

SEC. 4. (a) Subsection (c)(1) of section 1402 of the Victims of Crime Act of 1984 is amended by striking out "the sum of $100 million" and inserting in lieu thereof "the sum of $110,000,000".

(b) Paragraph (2) of subsection (2) of section 1402 is amended to read as follows:

"(2) Of the total deposited in the Fund during a particular fiscal year—

"(A) out of the first $100,000,000 deposited in the Fund, fifty percent shall be available for grants under section 1403 and fifty percent shall be available for grants under section 1404; and

"(B) any amounts deposited in the Fund in excess of $100,000,000 but not exceeding $110,000,000 shall be available for grants under section 1404A.".

By Mr. McCLURE (by request):

S. 1157. A bill to authorize the Secretary of the Interior to perform studies relating to disposal of drain water and to construct interim corrective measures deemed necessary for the San Luis interceptor drain; to the Committee on Energy and Natural Resources.

SAN LUIS INTERCEPTOR DRAIN

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to authorize the Secretary of the Interior to perform studies relating to disposal of drain water and to construct interim corrective measures deemed necessary for the San Luis interceptor drain.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill, and the executive communication which accompanied the proposal from the Assistant Secretary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1157

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. That there is authorized to be appropriated to the Secretary of the Interior for studies and interim corrective measures relating to distribution and drainage and to the disposal of drainage water in the west side of San Joaquin Valley of the Central Valley Project up to $12,600,000 for fiscal year 1986.

SEC. 2. The Secretary shall use his best efforts to obtain repayment contracts pursuant to section 9(d) of the Reclamation Project Act of August 4, 1939 (53 Stat. 1195) with respect to the expenditure of any funds authorized to be appropriated by this Act, said contracts to be with those water districts which benefit from such expenditure and to provide for the repayment of such funds within a period, not to exceed 50 years, determined by the Secretary. Any funds expended which are not made the subject of a repayment contract within 2 years of expenditure shall be added to the costs of the construction of works of the San Luis Unit, Central Valley Project, California or the Central Valley Project as a whole allocated to irrigation and shall be repaid pursuant to section 9(e) of 1939 Act.

SEC. 3. The Secretary is authorized to receive additional funds from non-Federal entities to assist in the studies and/or construction authorized pursuant to this Act.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, April 24, 1985.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: There is enclosed a draft bill "To authorize the Secretary of the Interior to perform studies relating to disposal of drain water and to construct interim corrective measures deemed necessary for interceptor drains for the San Luis Unit, Central Valley Project."

We recommend that the draft bill be introduced, referred to the appropriate committee for consideration, and enacted.

The Central Valley Project, California is a large multibillion dollar, multipurpose project that has been under construction since the early 1940's. The San Luis Unit, authorized in 1960, is about 25 percent of the overall project, and it has an estimated total Federal obligation of $1.2 billion. Based on dollars it is slightly less than one half complete although many features are in operation. It is now common knowledge that the west side of the San Joaquin Valley has serious drainage and salt management problems which are having negative impacts on the area's waterfowl and farm production. In addition, the irrigation drainage disposal issue has created both a public health and environmental concern which requires both immediate and long term actions.

An intradepartmental effort is continuing to develop and evaluate economically viable and environmentally sound alternative solutions. Resources from the Bureau of Reclamation, U.S. Geological Survey and the U.S. Fish and Wildlife Service have been mobilized to analyze both the source and origin of trace elements and the loading of mineral contaminants in the drainage effluent, and to define safe levels and treatment technologies necessary to protect human health and fish and wildlife resources. In addition, studies are needed to develop alternative long-term methods for environmentally sound disposal of contaminants and to address the long term problems of their disposal.

It was originally believed that sufficient funds could be appropriated pursuant to Public Law 95–46, as amended, to finance all studies to analyze the contaminant problem in the subsurface drainage effluent, develop alternative solutions, and to implement any required interim corrective action. Further study has revealed that the magnitude of the requisite studies and the possible alternative interim corrective measures will require funds in excess of those available under the authorization. The magnitude of the problem and its resolution are estimated to be significantly in excess of the funds that can be appropriated under the authorization of Public Law 95–46.

The Department recognizes the need for additional funding in FY 1986 and beyond to continue the studies as well as implementation of appropriate corrective measures. The FY 1986 budget request includes $12.6 million for continuing the studies and for related activities. The first section of the draft bill would provide this authority to continue these studies.

We would like to make it clear that the draft bill may be only the first part of a larger package. Through these authorized studies we will be able to identify the most economical and environmentally effective method to address the entire issue. Additional authority will be needed for a permanent solution at Kesterson. We will submit legislation at a future date for such authorization.

The Office of Management and Budget has advised that there is no objection to the submission of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

ROBERT N. BROADBENT,
Assistant Secretary.●

By Mr. DOLE (for himself, Mr. DURENBERGER, and Mr. BENTSEN):

S. 1158. A bill to amend title XVIII of the Social Security Act with respect to Medicare payments for direct costs of approved educational activities; to the Committee on Finance.

MEDICARE PAYMENTS FOR DIRECT COSTS OF APPROVED EDUCATIONAL ACTIVITIES

Mr. DOLE. Mr. President, today I am joined by my distinguished colleagues, Senators DURENBERGER and BENTSEN, in introducing a bill that reaffirms the Medicare Program's commitment to the education of this Nation's health care professionals but imposes important fiscal restraints that are in line with our effort to reduce the Federal deficit and enhance the stability of the Hospital Insurance Trust Fund. We welcome comments and suggestions on the bill we have introduced.

MEDICARE'S ROLE IN GRADUATE MEDICAL EDUCATION

Let me note at the outset that our commitment to graduate medical education support has proven to be a valuable investment. More than 1,300 hospitals presently offer teaching programs that train physicians, nurses, and other allied health care personnel. Of these, by far the largest investment on behalf of the Medicare Program has been made in the area of the residency training of physicians, which includes support for 3 to 7 years of postgraduate study after the completion of medical school. In 1984, approximately 75,000 residents were trained in 4,800 approved residency training programs. As a result, Medicare's financial contribution to graduate medical education is considerable. In fiscal year 1985, subsidies for direct medical education costs for resident training alone will likely total approximately $925 million. The total amount spent for all the professions covered, including physicians, nurses, and allied health care personnel, will be in the area of $1.3 billion.

OPEN-ENDED SUBSIDIES

It has long been recognized that the presence of teaching programs in our hospitals has a direct and positive impact on quality of care. Medicare's support of graduate medical education has played a significant role in sustaining high levels of quality of care for Medicare beneficiaries. I firmly believe that our Nation's teaching hospitals are in large part the guardians of the high standards we demand from our health care system. It is for this reason, I am willing to continue our support.

However, open-ended funding of graduate medical education cannot continue. Medicare currently provides a cost-based "passthrough" to teaching hospitals to support their so-called direct teaching costs. Medicare also provides a substantial adjustment to each DRG payment to cover factors including indirect teaching costs that are not directly identifiable, but presumably result from the presence of a teaching program in the institution. Historically, Medicare has not made any requirements on this training in return for the funding it has provided. There have been no restraints on the length of the programs, numbers, or types of residents to be trained. However, the current Federal budget deficit and pressures to reduce expenditures by the Medicare Hospital Insurance Trust Fund necessitate some reductions or constraint. It is our hope that this can be done in an orderly and thoughtful manner.

My colleagues from Minnesota and Texas join me in putting before you a plan that we believe to be both fair and timely. We have endeavoured to impose fiscal restraint without causing undue and potentially harmful disruption in graduate medical education. In addition, we have identified some important areas of inquiry that must be pursued so that we can intelligently evaluate what our appropriate role should be with respect to expenditures for these purposes over the long term.

SUMMARY OF BILL

Our bill consists of four major provisions:

First, we provide for a freeze on Medicare payments for direct medical education for 1 year. The 1-year freeze, in addition to providing short term savings, will also provide sufficient time for hospitals to plan for the changes we propose for subsequent years. We have tried to accommodate the fact that institutions have different accounting periods and that the freeze should really be based on the most current information available.

Second, beginning with fiscal year 1987, a limit will be placed on the number of years of a residency program we will help finance. The limit will be the lesser of the formal training required—as detailed in the 1985–86 directory of residency training programs published by the Accreditation Council on Graduate Medical Education—for initial board eligibility, or 5 years.

This 5-year limitation covers the board eligibility requirements for the primary care specialties and general surgery in full. This particular 5-year or board eligibility requirement restriction remains in effect for a period of 3 years. After that time, we provide for a reevaluation of the training period to be financed, recognizing that the academic medical community and specialty organizations may well find reason to alter the requirements.

Third, beginning with fiscal year 1987, we will no longer share in the costs of training for those non-U.S. citizens who are graduates of foreign medical schools. Graduates of foreign medical schools currently participate in U.S. graduate medical education programs and, as a result, have a portion of their residency funded by Medicare. This group consists of both U.S. citizens who attended foreign medical schools [USFMG's] and those that are non-U.S. citizens or alien foreign medical graduates [AFMG's]. It does not appear to continue to make sense to use Medicare Trust Fund dollars to underwrite AFMG training. If, in fact, this Nation believes we should continue to assist in the training of foreign physicians, whose homelands count on their return to care for their countrymen, such funding might more appropriately come from nonpatient care revenue sources.

Fourth, we have directed the Department of Health and Human Services to conduct studies to improve our understanding of educational activities relating to nursing and other health professions to determine the types and numbers of such programs and to describe the fiscal and administrative relationships between hospitals and the schools with which the programs and students are affiliated.

We have also directed the General Accounting Office to conduct a second study that would examine the difference between costs in teaching and nonteaching hospitals. This study would take into account differences in severity of illness levels, area wage levels, and differences in physician reasonable charges, as well as other factors that might affect patient comparability.

BROAD RANGE OF ISSUES

As was recently outlined in a document prepared by the Congressional Research Service, there are a broad range of important issues that must be addressed about the effects which Medicare payment policies for health professions have on patient care, on the supply and distribution of physicians and other health professionals, on the institutions providing such education, and on the costs of the program. Similar questions need to be addressed in considering any changes in current Medicare and Medicaid policies. One of the most critical will certainly be issues related to physician reimbursement.

The physician reimbursement methods adopted by various third-party payers and the costs for physician services are intertwined with issues related to health professions education in hospitals. The patient care services that residents provide in the course of their graduate medical education to some degree substitute for the services of physicians and the hospital staff. How much does a hospital save by having relatively low-cost residents providing these services? Do the residents thus help pay for their graduate medical education? Would it be more costly to the hospital—and ultimately to the third-party payer—if someone other than a resident were performing the services? For example, if hospitals were to reduce the size of their teaching programs in response to reductions in payment under Medicare's prospective payment system, would costs increase under part B of the Medicare Program as physicians began billing for the services formerly provided by residents?

Another issue concerning payment for graduate medical education in hospitals is whether the whole variety of payments for physician services to hospital inpatients needs to be examined, including payments for physicians employed by the hospital, for attending physicians who bill separately for their services, for the teaching services provided by the physicians, and for the services of residents in training.

The other major area of interest will, of course, be the present Medicare indirect teaching adjustment. While this bill only addresses direct medical education expenses, it is also our intention to pursue changes with respect to the indirect teaching adjustment.

CONCLUSION

I believe this bill represents a major step forward in our ongoing commitment to both medical education and the Medicare Program. It is certain to encourage a continuing debate that must utlimately benefit those who depend on the present and future availability of high quality health care services. I thank Senator DURENBERGER and Senator BENTSEN and their able staffs, Chip Kahn, Kerry Kilpatrick, and Marina Weiss, for their assistance in the preparation of this bill. In particular, I would like to compliment Senator DURENBERGER, the distinuished chairman of the Finance Committee's Health Subcommittee. Senator DURENBERGER introduced one of the first major pieces of legislation to address this subject and has forced us all to consider carefully what ought to be done in the future. I look forward to our continued collaboration as we explore other aspects of the Medicare Program and graduate medical education.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1158

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(v)(1) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(P) Payments relating to the direct costs of approved educational activities at hospitals shall be made in accordance with the regulations in effect on January 1, 1985, except as follows:

"(i) For a hospital's first cost accounting period which begins on or after July 1, 1985 (the freeze accounting period), the amount of such costs recognized as reasonable by the Secretary shall not exceed the amount so recognized with respect to such hospital for such hospital's most recent cost accounting period ending prior to July 1, 1985 (the base accounting period), disregarding any salary or wage increases, and any cost center shifting or reallocation, implemented after May 1, 1985. If a hospital's cost accounting periods do not begin on July 1, the Secretary shall increase the limit established under the preceding sentence by an appropriate factor to reflect general increases in the costs of approved educational activities which took place between the end of the hospital's base accounting period and the beginning of its freeze accounting period, disregarding any increases in salaries or wages after May 1, 1985.

"(ii) Effective on and after July 1, 1986, the Secretary shall not recognize as reasonable any such costs incurred with respect to any intern or resident-in-training for years in training which exceed the lesser of—

"(I) five years, or

"(II) the minimum number of years of formal training necessary to satisfy the requirements (as specified in the 1985-1986 Directory of Residency Training Programs published by the Accreditation Council on Graduate Medical Education) for initial board eligibility in the particular specialty for which such intern or resident-in-training is preparing, or, after July 1, 1989, in the event that the required number of years in training increases, the number of years which the Secretary may specify, after consultation with the Accreditation Council on Graduate Medical Education.

"(iii) Effective on and after July 1, 1986, the Secretary shall not recognize as reasonable any such costs incurred with respect to any intern or resident-in-training who is neither a graduate of an accredited school of medicine (or accredited school of osteopathy, dentistry, or podiatry) located in the United States or Canada nor a citizen of the United States or Canada.".

(b)(1) The Secretary of Health and Human Services shall conduct a study with respect to approved educational activities relating to nursing and other health professions for which reimbursement is made to hospitals under title XVIII of the Social Security Act. The study shall address—

(A) the types and numbers of such programs, and number of students supported or trained under each program;

(B) the fiscal and administrative relationships between the hospitals involved and the schools with which the programs and students are affiliated; and

(C) the types and amounts of expenses of such programs for which reimbursement is made, and the financial and other contributions which accrue to the hospital as a consequence of having such programs.

(2) The Secretary shall report the results of the study to the Congress prior to December 31, 1986.

(c)(1) The Comptroller General shall conduct a study of the difference between the amounts of payments made under title XVIII of the Social Security Act with respect to inpatients in teaching hospital settings and the amounts of such payments which are made with respect to comparable patients who are treated in a nonteaching hospital settings. Such study shall identify the components of such payments (including payments with respect to inpatient hospital services, physicians' services, and capital costs, and, in the case of teaching hospital patients, payments with respect to direct and indirect teaching costs) and shall account, to the extent feasible, for any differences between the amounts of the payment components in teaching and nonteaching settings.

(2) In carrying out such study, the Comptroller General may utilize a sample of teaching hospital patients and any other data sources which he deems appropriate, and shall, to the extent feasible, control for differences in severity of illiness levels, area wage levels, levels of physician reasonable charges for like services and procedures, and for other factors which could affect the comparability of patients and of payments between teaching and nonteaching settings. The information obtained in the study shall be coordinated with the information obtained in conducting the study of teaching physicians' services under section 2307(c) of the Deficit Reduction Act of 1984.

(3) The Comptroller General shall report the results of the study to the Congress prior to December 31, 1986.

Mr. DURENBERGER. Mr. President, I am pleased to join my colleagues the distinguished majority leader, Mr. DOLE, and the distinguished Senator from Texas, Mr. BENTSEN, in introducing S. 1158, a bill to reform Medicare payment for clinical training.

Since, its inception in 1965, Medicare has reimbursed hospitals for its share of the direct educational costs. The direct education costs recognized as reimbursable are defined as the salaries and fringe benefits for residents, and interns and nurses and other health professions in hospital training programs. The allocated costs of conference and classroom space within the hospital, as well as additional supervision, administrative and equipment costs are also paid.

Medicare support for this activity has been deemed appropriate in the past because:

First, the physicians, nurses, and health professionals in these programs provide service to Medicare patients.

Second, virtually all other payers had traditionally been willing to pay their share of these education costs.

Third, it was felt that these educational activities enhanced the quality of care in hospitals, and

Fourth, in the 1960's and early 1970's, the view was widely held that there existed a shortage of quality trained physicians, nurses, and other health professionals.

But times have changed since 1965. The Nation now faces a growing surplus of physicians, estimated to reach 35,000 by 1990 by conservative projections. At the same time there are 73,000 residents in the training pipeline. Many of these are training in specialties already in oversupply.

The medical schools in this country have acted responsibly to reduce their class sizes to bring their outputs more in line with the requirements for physicians. In 1984 the medical schools in the U.S. reduced their class sizes to 16,997, down 323 students from the enrollment in 1981. The University of Minnesota Medical School has reduced

its class size from 239 in 1981 to 223 in 1984 and plans to continue to reduce class size until it reaches 200 in 1987. On the other hand, the number of foreign medical school graduates seeking residency training in this country has increased three fold since 1981. In 1984, over 10,000 foreign medical graduates participated in the match for placement in U.S. hospital resident positions.

The system needs better control and management. This is why my colleagues and I have joined together to not only reaffirm but to reform Medicare's role in subsidizing the direct costs of clinical training in hospitals. The bill we introduce today continues the Medicare commitment to funding clinical training in hospitals from the Medicare trust fund. It begins a process of defining more explicitly the direct expense Medicare will reimburse. S. 1158 would freeze all payments for the direct costs of approved educational activities for fiscal year 1986 at the level of the costs obtaining in the hospitals for their accounting period ending prior to July 1, 1985. However, if the hospitals accounting period does not begin on July 1, the limit may be increased by a factor to reflect the general cost increases that occurred during the freeze period.

After July 1, 1986, the number of years that will be recognized as reasonable for Medicare payments for graduate medical education would be constrained to the lesser of first, 5 years or two, the number of years of formal residency training required for initial board eligibility in the particular specialty for which a resident is preparing.

The bill, for example, would continue Medicare funding for its share of 3 years of training for family practice, general internal medicine, general pediatrics, and emergency medicine. Four years of funding would be provided for such specialties as radiology, psychiatry, and pathology. Five years of support would be provided for general surgery.

The number of years under which payment is allowable for each specialty will remain fixed until 1988. At that point if speciality boards determine that changes in practice and technology require more years of speciality training, the Secretary of Health and Human Services may extend the years of Medicare payment—but not beyond 5 years for any specialty.

These restrictions are especially appropriate in the case of surgical subspecialties and medicine and pediatric fellowship programs which include a specified time for organized research rather than patient services. These research activities are important to the development of clinical investigators and academic physicians, but it was not the purpose of Medicare to fund nonservice-related research activities.

The reform my colleagues and I propose would not dictate specific requirements for the distribution of training programs to hospitals and affiliated medical schools. It would provide financial constraint, instead, which would require them to be much more sensitive to the economics of the training decisions they made for their institutions. The combination of these financial signals and market forces should lead to more constraint in institutional training policies, particularly as regards the number of subspecialty slots made available.

The contraction of subspecialty slots likely to result should shift emphasis more to primary care training. In this way, more physicians in training will choose to end their graduate medical training at the still needed first-contact specialties. This should contribute both to cost containment and increased access generally. It is good Medicare policy and good physician manpower policy to produce more first-contact physicians.

Further, under the bill, Medicare would only contribute to the residency training of persons who are graduates of accredited schools in the United States or Canada or who are citizens of the United States or Canada. We need to do a better job of specifying who we will support for clinical training with Medicare funds. With the phyisician surplus and the fact that the number of residency positions for U.S. citizens are becoming in short supply, it is inappropriate to spend Medicare patient service dollars on the training of 6,000 alien foreign medical graduates. As many as 90 percent of these residents do not return to their home countries so residency training for most FMG's is not a matter of foreign policy. The Aliens who train here frequently plan to stay and ultimately also contribute to this Nation's over supply of physicians.

Finally, the bill requires that two studies be conducted to provide information for further reforms. The Secretary of Health and Human Services is instructed to conduct a study of the approved programs for nursing and other health professions currently receiving funding for direct Medicare costs incurred in hospitals. Information on the types of health professionals trained in these programs, the number of such trainees, the costs incurred and reimbursed, and the contributions of the trainees to patient care is so sparce it is not now possible to make informed Medicare policy with respect to nonphysician hospital training. The study should fill this void.

The bill also instructs the Comptroller General to conduct a study to determine the difference between Medicare costs paid for services for patients in teaching hospitals and for patients with comparable conditions treated in nonteaching hospitals. The study will examine elements as inpatient hospital services, physicians' services, capital costs and, for teaching hospitals, payments made for direct and indirect costs of clinical training.

The study would be based on a sample of hospital patient data and other sources which controls statistically for differences in case severity, area wage levels, differences in physician reasonable charges and other factors that might affect patient comparability. The study is to be coordinated with ongoing studies being conducted through the Department of Health and Human Services to avoid duplication of effort.

The reforms in the bill are partially driven by budget pressures. The freeze on direct medical education payments projected for fiscal year 1986 reflects this notion. However, even more importantly, the bill will help focus attention on the basic problems facing the hospital training of physicians, nurses, and other health professionals in this country.

A year ago, in a speech at the annual meeting of the Council of Teaching Hospitals, I highlighted the effect that the evolution toward consumer choice in health care is having on teaching hospitals. As the health care marketplace becomes increasingly price competitive, the hospitals which have clinical training programs are finding that they are less able to pass on in patient service dollars the costs of such "societal contributions" as graduate medical education, unsponsored research and technology development, standby tertiary care resources, and even care for the uninsured poor.

These competitive pressures are having a positive effect on the management of health care services. The system is becoming more efficient. But, the cross-subsidies are also becoming exposed and vulnerable.

I can see this happening in the Twin Cities in my home State of Minnesota. The pressures of health plan competition are having a profound effect on the University of Minnesota Hospital. I have been told, for example, the hospital is having to negotiate for business with physician groups and HMO's at prices frequently below amounts the institution received for the same services in a cost-based reimbursement environment. The volume these agreements provide will be helpful but clearly a teaching institution will have to change its commitments and structure in this kind of environment without outside subsidy. The HMO's and other purchasers are just not willing any more to pay for the costs incurred in a teaching hospital which do not directly benefit their sick subscribers, and price competition will mean that teaching hospitals will not be able to incorporate these costs in their prices.

Some will argue, I am sure, that the Twin Cities' health care market is an anomaly. This may have been true 5 years ago, but it is not today. I have been traveling all over this country, and I have seen competition between providers and health plans sprouting up in every major city. The medical school deans, hospital administrators, and physicians I talk to give me the sense that teaching hospitals, even the foremost in the Nation, are beginning to feel the stress of price competition.

In this context last October, I introduced S. 3073, "Medicare Clinical Training Amendments of 1984." This proposal was designed to make a number of points. It used Medicare as a vehicle to begin a payment reform for clinical training in hospitals. The bill would have placed a lid on Medicare's contribution to training. Thus, it made the statement that with a pending physicians surplus and Federal budget crisis, Medicare should fund the service provided by residents and nurses, and other health professionals in training, but that the open-ended funding of such programs would not continue.

The proposal used a block grant to the States as a means to allocate the capped Medicare funding. This approach argued for a better rationalization of training financing, better to meet true manpower needs. And, it provides explicit recognition of the role the States will have to assume in financing clinical training in teaching hospitals in the new health care market environment.

Clearly, teaching hospitals are public resources which are national, regional, State, and local in nature. Most of the residents trained in Chicago or New York go elsewhere to practice. Nevertheless, it is the communities of Chicago, New York, Boston, and the other major teaching enclaves which gain the most from having the teaching institutions.

The health services industry is the third largest employer—after retail and wholesale trades—in Chicago, New York, and Boston. In these three cities alone a total of over 500,000 people are employed in health care. The dominant health care institutions in these cities are the large teaching hospitals.

These same institutions also provide the lion's share of the health services to the poor in the cities. These teaching hospitals enhance the cities' quality of life and stature by providing a broad range of tertiary care services and by engaging in biomedical research. When considered in these terms, State and local governments need to realize it is in their best interest and the interest of their communities to see the academic medical centers sustained.

Currently, Medicare pays about 30 percent of the direct costs of clinical training through its patient services dollars. S. 3073, as well as the bill I am introducing today with my colleagues, affirms Medicare's commitment to pay for its share of these direct costs. Most of the other 70 percent comes from the payment of hospitals billing non-Medicare patients. As the non-Medicare purchasers begin to negotiate with hospitals based on prices which do not include the subsidies such as clinical training, State and local governments will find it necessary to set explicit policies and probably subsidize at least part of these activities.

I believe S. 3073 served its purposes well. It touched off a nationwide debate on the future financing of clinical training.

The discussion by institutions and professional organizations led to task forces, committees, special studies, and forums and colloquies to study this broad and complex issue. The need to move deliberately in formulating approaches to the problem has been widely recognized, but the varied interest of the institution and medical disciplines has made consensus difficult to reach. The contributions to this process of such bodies as the Commonwealth Task Force on Academic Health Centers, the Committee on Financing Graduate Medical Education of the Association of American Medical Colleges, the Association of Academic Health Centers, the American Medical Association and a host of other organizations has been exceedingly valuable.

As I have explored the complex problems surrounding clinical training in hospitals personally and in my capacity as chairman of the Finance Committee's Health Subcommittee, I have learned a great deal. I discuss what I have learned and the principles which underlie my approach to these issues in an article published in Business and Health in April 1985. Mr. President, I ask that the article be printed in the RECORD following my remarks.

The proposal we are introducing today builds upon the principles present in this article. It keeps the momentum for reform moving ahead. At the same time, it preserves the basic structure of the Medicare financing mechanisms that have supported a share of the graduate education process in the past. I view this present proposal as a step in the right direction. It forms a solid foundation for the future reforms and it achieves budgetary savings in a manner which is fair and moderate. Though, I should point out, it only begins a process of developing more comprehensive policy for financing clinical training in an emerging competitive environment.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHO, HOW AND WHEN TO PAY FOR PHYSICIANS' TRAINING

(By David F. Durenberger)

During the last decade, all aspects of the medical profession have been the subject of intensive inquiry. Because physicians directly or indirectly affect 70 percent of all health care expenditures, the focus of public interest and professional introspection has been on the forces influencing physicians' decisions in the consumption of health care resources. With health care costs continuing to grow at a rate of $70,000 every minute, the structure of medical practice, the financing of health care and the consequences of the physician training system all are being closely examined.

LESS WISDOM, CHARACTER

Studies by the Josiah Macy Jr. Foundation, the Institute of Medicine, and the Association of American Medical Colleges have called for sweeping changes in medical education programs in terms of the knowledge base, skills and attitudes physicians of the future will need to possess. Harvard University President Derek Bok notes that, in the beginning years of medical education, students spend a large percentage of their time passively sitting through basic scientists' lectures that bear "little relation to the patient care that attracted most * * * students to medical school in the first place." Bok observes that even the clinical exposure that occurs in the last two years of medical school often is loosely organized and taught by residents with only slightly more experience than the medical students. This forces students to act as passive observers, and provides insufficient opportunity to hone information gathering and diagnostic skills.

Likewise, in an address to the advisory board of Duke University Hospital, internist and cardiologist Don Warren observed that the physicians emerging from the medical education system in this country are "coming out with more facts and less understanding, more knowledge and less maturity with which to handle the knowledge, more education as measured by hours of courses and less wisdom." Warren is concerned that the selection and training of medical students and residents places too much emphasis on intellect and too little on character and compassion.

Whether it comes from educators, physicians or patients, the message is the same. Whatever changes are made in the structure and process of medical education, their potential effects must be evaluated not only in terms of costs and access to care but also in their ultimate impact on the character of the physician-patient relationship.

THE MEDICAL EDUCATION CONTINUUM

Medical education can be viewed as a continuum that begins when a college student chooses a premedical curriculum, with its heavy emphasis on required math and science courses, continues through graduation from college and another four years of medical school, and ends after the completion of a residency.

The four years of medical school ending with graduation and a Doctor of Medicine (M.D.) degree are referred to as undergraduate medical education. During these years, students pay tuition and fees as with any other graduate program.

Graduate medical education is the formal training of a physician that occurs after receiving an M.D. degree. This training takes place under the auspices of a residency program (so called because the student typically is a resident of the hospital in which the training occurs). The term intern in reference to general postgraduate training has fallen into disuse. Interns and residents now are referred to by year of post-M.D., such as "PMD-1," "PMD-5" and so forth.

Postgraduate training differs markedly from undergraduate medical education. Very little graduate medical education time is spent in classroom, laboratory instruction or research. The resident physician spends the majority of his or her time delivering services under the supervision of an experienced attending physician, much like apprenticeship training in other professions.

The salary of the resident physician is a routine business expense and is absorbed in the pricing structure of the hospital, like in any other firm. For their services residents receive annual stipends, which increase with their seniority, and nearly 70 percent of which are paid for out of the patient care revenues of their hospital employers.

Residency programs range from three to seven years in duration. The primary care specialties (family practice, general internal medicine, pediatrics and emergency medicine) require three years. The surgical specialties generally require four or five years. Neurosurgery takes six years and thoracic surgery, seven.

In 1983 these stipends ranged from $20,800 for the first-year post-M.D. to $27,867 for the sixth year. There were 72,397 residents in training in the U.S. that year, so their total compensation (including fringes) was nearly $2 billion (see chart). When these other allocated cost and indirect costs are added, it has been estimated that the total cost of graduate medical education exceeds $4 billion annually.

PAYING FOR GRADUATE TRAINING

Historically, the inclusion of the costs of graduate medical education in patient charges has been an accepted practice. Today, however, in an era which the health care market is becoming increasingly price sensitive, subsidizing the cost of this training by raising the bills of sick people is becoming less acceptable to insurers, and the businesses and individuals who ultimately pay.

One side effect of a competitive, consumer choice model of health care delivery is to force providers to recognize and deal with the cost-subsidies in their prices. Thus, unless the extra costs for clinical education, technological innovation and uncompensated care incurred by teaching hospitals are explicitly accounted and paid for, these tertiary care institutions simply cannot hope to compete on price.

Further, at a time of mounting federal deficits and budget cuts and freezes, Medicare support of graduate medical education needs to be reassessed.

Under cost based reimbursement, Medicare used to pay a proportionate share of the net educational costs including allocated hospital expenses and supervision costs as determined by retrospective cost reporting.

Established in 1983, Medicare's diagnosis related group (DRG) based prospective payment system maintains special treatment of clinical education costs by paying for direct costs on a reasonable costs basis. Further, an indirect adjustment was preserved as a multiplier added to the DRG rate and increased to 11.59 percent to recognize the higher case severity, expensive medical technology and costlier practice patterns of residents in many teaching hospitals.

There are only three ways to reduce total Medicare costs to the U.S. Treasury: cut back benefits; increase beneficiary cost sharing; or decrease payments to providers. Graduate medical education support is publicly perceived as an upper- and middle-class subsidy. Before going to the elderly and disabled and asking them to accept reduced benefits, fairness requires that medical education take its share of the budget reductions.

Assuming current services, by 1986 the direct and indirect costs of clinical education supported by Medicare will approach $3 billion. President Reagan's budget proposal for 1986 freezes the direct payments at the 1985 level for an anticipated savings of $150 million and cuts the indirect add-on percentage in half—to 5.79 percent—for an expected savings of $695 million. This approach is problematic for a couple of reasons.

First, capping the direct payments does not resolve the potential for undesirable consequences of the present method of support such as the geographic and specialty maldistribution of training positions.

Second, the President's budget rationale fails to address congressional intent in increasing the indirect payment adjustment. The President only recognizes the increased costs in teaching hospital due to the practice styles of interns and residents. Congress intended that the indirect adjustment also compensate for the greater case severity and intensity in teaching hospitals. Until a better means of adjusting the DRG rate for case severity is found, the use of a multiplier to the resident-to-bed ratio as a proxy for severity must be maintained at a reasonable level. To be effective, legislation changing the way Medicare pays for clinical training will have to be more imaginative than a cut in or freeze of the current system.

The evidence also is inescapable that the present system of financing graduate medical education primarily by open-ended support through patient care revenues has encouraged the production of too many specialists. They are trained to deliver a brand of high-technology medical care that can perform medical miracles but is ill-equipped to handle the routine illnesses faced by a majority of patients.

If Americans are going to rely on payroll taxes to support the training of physicians who will, on average, earn four to five times the income of the wage earners paying the taxes, then a graduate medical education financing mechanism will have to be developed that encourages the training of the numbers and types of physicians needed at the lowest possible cost to the taxpayers.

There is a direct relationship between a physician's time spent in training and his or her subsequent income. For example, a family practitioner who spent three years in residency training had a medium income of $76,200 in 1983, whereas a thoracic surgeon, with seven years residency training, earned a median income of $163,580. For graduate medical education, the real rates of return on the investment including foregone income range from 9 percent for pediatrics to 22 percent for anesthesiology, according to health economist Frank Sloan of Vanderbilt University.

For these reasons, I introduced the Medicare Clinical Training Amendments of 1984 last October. This legislation, which has stimulated much thoughtful discussion of the graduate medical education issue, contained two important principles. First, it placed a cap on direct Medicare expenditures for this training. Second, it encouraged states through a federal sharing formula to increase their support of clinical training. While it is true that, to an extent, the production of health professionals is a national resource, states also reap enormous benefits from both the existence of the teaching hospitals and the professionals trained in them. In places like Boston and Chicago, medical education is a major industry. The Ohio legislature decided to have seven state supported medical schools not because of a shortage of physicians, but because the schools provide opportunities for the state's students to pursue medical education and act as magnets for federal funds and the medical technology industry.

CONSEQUENCES OF A PHYSICIAN SURPLUS

In its May 1984 Report to the President and Congress, the U.S. Health and Human Services Department's (HHS) Bureau of Health Professions, employing a model based on utilization of health services, predicted an aggregate surplus of 35,300 physicians in 1990 and a surplus of 51,800 in 2000. These estimates are considerably below the 1980 projections of the Graduate Medical Education National Advisory Committee (GMENAC) for a 70,000 physician surplus in 1990 and a 145,000 surplus in 2000. While estimates of the precise magnitude differ, there is no longer much debate over the likelihood of a growing physician surplus. Moreover, there is general agreement on the specialties in which the surpluses are occurring—all surgical specialties, most subspecialties in internal medicine and obstetrics and gynecology.

There also are still too many physicians in large urban areas and too few in rural and inner-city regions. California, Texas and New York comprise about one-fourth of the U.S. population but have nearly one-third of the physicians. Approximately 90 percent of all physicians are located in metropolitan statistical areas. The physicians who locate in the rural areas are much more likely to be general and family practitioners. Rand Corporation studies have shown there is some diffusion of specialty physicians to rural areas occurring as the number of specialists in cities increases. But the dominant pattern will continue to be one of a high physician-to-population ratio in the urban areas.

For most products, a surplus of supply leads to falling prices and producer incomes. But for physician services this has not proven to be the case. Fueled by a health insurance system that has made purchasers largely insensitive to cost, the demand for medical care has continued to outstrip the availability of services. In some markets, physicians also have been able to enhance their effective utilization by increasing service intensity as an offset to decreased patient volume due to keener competition. San Francisco provides one example of a market area in which medical incomes have been maintained in spite of a growing concentration of physicians in the bay area.

This phenomenon is reflected in national data as well. Between 1975 and 1983, the supply of physicians increased by nearly one-third, while the total costs of physician services increased almost three-fold to almost $70 billion. Part of that dollar increase was due to an increase in fees by two-thirds over 1975 levels, but the remainder was the result of increases in volume and intensity of services. Physicians did more during each patient visit. This partly relates to a perceived need to practice defensive medicine in today's malpractice climate. In response to increased pressure on visit volume, physicians also are doing more office based testing, including laboratory screens, pulmonary function testing and even computer tomographic scans, to increase profitability.

The concentration of medical specialists in a given geographic area also encourages more resource intense practice styles. Janet Mitchell, president of the Center for Health Economics Research in Chestnut Hill, Mass., found in a recent study that attending physicians in New Jersey ordered consultations from specialists two to three times more often than their counterparts in North Carolina. New Jersey physicians also used assistant surgeons more frequently and had a greater number of paid visits per hospitalization. It seems unlikely that these physicians were treating sicker patients or providing higher quality care. The explanation for such large differences in practice style probably has more to do with the fact that New Jersey has 30 percent more physicians per person than North Carolina.

PATIENTS BENEFIT, BUT AT A COST

Some of the consequences of the increased supply of physicians have been positive from the patient's perspective. With an increased diffusion of board certified specialists to rural areas, many small towns now are enjoying their services for the first time.

Patients are reaping other benefits of the physician surplus. Surveys have shown visits to physicians' offices have fallen by 20 percent in the last eight years. Research conducted by John Drabek of the HHS Bureau of Health Professions shows that patients spend less time waiting for appointments and more time with physicians during visits. Physicians are keeping evening and weekend office hours and some are making house calls again. Thus, except for lowering prices, the growing supply of physicians under the fee-for-service system is bringing a number of benefits to the consumer.

The increased supply of physicians also may be a factor in the rapidly changing style of medical practice with more and more physicians choosing to practice in health maintenance organizations (HMOs), single and multispecialty groups. Group practice is becoming the dominant choice of young physicians completing residencies. While physicians who join groups gain in such advantages as regular working hours and a ready-made patient pool, they have had to give up income.

In the Twin Cities, some HMOs are offering starting salaries as low as $36,000 to physicians just completing their residencies. By way of comparison, *Medical Economics* reports that the median income for all physicians in their first five years of practice was $82,690 in 1983. One large HMO in the Washington, D.C. area reports it has 10 to 15 qualified applicants for every opening and it has never advertised for physicians.

Prepaid group practice arrangements will further exacerbate the problems associated with a physician surplus because HMOs use far fewer physicians, especially specialists, per capita than fee-for-service arrangements. The growth of HMOs and other prepaid plans has been phenomenal and is expected to continue. From June 1983 to June 1984, enrollment grew at an annual rate of 21 percent. While there may be some beneficial selection occurring, if the ratio of about 100 physicians per 100,000 population achieved by the nation's largest HMOs were applied to the entire country, by 1990 there would be a surplus of 240,000 physicians or 80 percent more than are required.

The nonprice benefits to patients notwithstanding, the fact remains that as the number of physicians grows, the pressures on fee-for-service physicians to enhance income by increasing the volume of unnecessary return office visits, tests and procedures, and surgery will intensify. Thus, the structure of the medical education process must account for the new requirements of the prepaid medical care system.

TEACHING HOSPITALS STRUGGLE

Meanwhile, HMOs and other alternative health care delivery systems, along with employers and consumers, are placing the squeeze on teaching hospitals. Faced with mounting costs of health care benefit packages, employers are increasing coinsurance and deductibles. This trend is likely to accelerate if Congress caps employer paid health benefits. As more of the costs of care are borne by individuals, physicians and their patients will avoid the expensive teaching hospitals, creating additional problems with financing graduate medical education through patient revenues.

There also is a growing concern about equity and fairness of the health care system across the country. This is particularly relevant in the high cost states that have locked in the support for graduate medical education and uncompensated care in their all-payer rate systems under Medicare waivers. It is unfair for these subsidies to be maintained in the states having Medicare waivers when competitive pressures are prohibiting such cross-subsidization in other states. Instead, explicit, uniform policies should be adopted to fund separately the costs of physician training and uncompensated care.

However, from a cost accounting perspective, graduate medical education payment methods are troublesome. The multiple outputs and societal benefits produced in connection with these teaching programs make explicit accounting for the use of the funds from the direct payments to teaching hospitals very difficult. Nonetheless, some members of Congress have grown weary with the longstanding argument that residents produce joint products (patient care, education and research) that are inseparable. Therefore, to pay for one product is to pay for them all. If the health care industry cannot find a way to account accurately for the specific costs of these joint products, Congress may be forced to do it arbitrarily, to separate out the patient care component Medicare originally was designed to pay for.

There are further problems in determining what the indirect payments to teaching hospitals really buy. These hospitals provide more than their proportionate share of uncompensated care, treat more severely ill patients and develop many new clinical technologies. A better job must be done of differentiating between these sources of higher-than-average costs in teaching hospitals and the costs of the graduate medical education function, and developing a means of paying for the former that do not depend on a count of interns and residents as a proxy for other societal contributions.

TOWARD A NEW FUNDING STRATEGY

Reform of the current method of paying for graduate medical education through Medicare should stop the open-ended support of as many residents as the traffic will bear for whatever program duration medical specialty groups desire. It should address the distributional questions of the number, types and locations of residency positions. It should pay principally for primary care since the first three years of residency training equip the physician for independent practice; advanced specialization would not be covered in hospital payments. As this approach does not address the problems of uncompensated care, the development of new medical technologies and the case mix severity issue, additional legislation will be required to deal adequately with these problems. This is a tall order and will not be accomplished all at once.

Likewise, whatever approach is taken to graduate medical education financing under Medicare makes sense for the other payers too. In today's climate, no one will pay for a service for which the benefits are not clear and direct. Changes made in graduate medical education funding have to be both fair and efficient. The following approach, as outlined, will bring that goal closer.

A determination first must be made as to what should be funded under the rubric of graduate medical education. Medicare expenditures should benefit Medicare patients. And, if this fund is to be only for direct and allocated costs of graduate medical education, then mechanisms must be found to account for and fund each of these societal contributions, separately, on its own merits.

Second, it must be determined prospectively just how much should be spent on physician training. There are two parts to this problem. One deals with the requirement for an explicit identification of the volume of graduate medical education output it is reasonable to support with Medicare dollars. In addition, the impact of changes in graduate medical education funding levels on the institutions in which the programs are housed must be considered.

There is no question that teaching hospitals represent an essential community resource that should be preserved. No community will want to forego the special care provided by neonatal intensive care, burn and trauma units. Teaching hospitals also provide a greater proportional share of uncompensated care. Any change in funding mechanisms must be sensitive to these conditions. But we cannot afford to continue to provide a blank check to the teaching hospitals for these functions in this time of fiscal restraint.

Third, it needs to be determined where the support for graduate medical education should be directed. If the current system provides incentives for the proliferation of too many subspecialists in already crowded fields, consideration should be given to changing the reimbursement system to produce more primary care physicians. Paying only for the first three years of graduate medical education would be one approach to achieving this goal. Training in community hospitals and ambulatory care environments should be encouraged. The Mayo Clinic in Rochester, Minn., operates a graduate medical education program acknowledged to be one of the finest in the world, and it produces a practice style that is much less expensive than those in univeristy based teaching hospitals. Savings are achieved not by paying lower stipends but through emphasis on the efficient use of diagnostic tests and ancillary services.

Fourth, the appropriate source of funding for graduate medical education needs to be specified. The 1982 Advisory Council on Social Security recommended searching for another source of funding for the training of prospective health Professionals than Medicare. These sentiments are shared by a

number of members of Congress. Other sources that have been mentioned include: taxes on employer and employee contributions to health insurance premiums or health plan premiums; a tax on physician fees; or general revenue taxes.

As alternative sources of funding are considered, the effects on funding stability and distribution of the burden must be evaluated carefully. While there are some problems with financing graduate medical education from the Medicare trust fund, they are not as great as those that would arise from the vagaries of annual appropriations from some other source.

Fifth, it should be made explicit about whose medical training is being funded. Medicare dollars, in part, support the graduate medical training of more than 6,000 alien graduates of foreign medical schools. Given the physician surplus, it does not make much sense to use Medicare funds to subsidize the education of foreign physicians.

Finally, consideration must be given to how best to distribute funds to education programs. One alternative would be to fund programs through special project grants competitively awarded and administered from a central agency. Alternatively, funds could be made available directly to a resident through a voucher mechanism. Available funding might be limited in duration and targeted at specialties determined to be in short supply. Another choice would be to maintain the current system of funding the training institution, which would be the least disruptive approach. With this latter approach, the indirect funding would be allocated to the institutions as it is now but with a smaller permissible count of residents.

The system of graduate medical education in this country is producing the finest physicians in the world. A way must be found to do the job less extravagantly without harming it. The issue of funding graduate medical education cannot be avoided simply because it is inherently complicated. This current Congress intends to pursue this issue vigorously through hearings and new legislative initiatives.

Mr. BENTSEN. Mr. President, I am pleased to join my distinguished colleagues from Kansas and Minnesota in introducing S. 1158, a bill to amend the direct medical education [GME] provisions of the Medicare Program.

Several features of this bill deserve special mention as do the circumstances surrounding its genesis. I am especially gratified that we were able to come to agreement that no policy changes in GME be implemented until a full year after introduction of the bill. It is our intent to ensure that no institution or affiliated hospital suffer damage to its teaching program because of an unreasonable requirement that changes be immediately incorporated into a budget or class year. In short, we are committed to reasonable and timely notice to ensure a smooth transition.

Second, I should like to stress the fairness of this approach with respect to the so-called freeze of domestic programs. As most of our colleagues are aware, the administration proposed a freeze in direct medical education founding for the full 3-year budget horizon, with no indication that such a policy would be revoked after 1988. Further, that freeze included a rollback to 1983-84 funding levels—a net reduction in support of medical training. The bill we are introducing today includes a 1-year freeze based on 1984-85 expenditures, a policy far more fair and budgetarily sound in that it acknowledges the desirability of continued Federal support of medical education. For teaching institutions in growth areas of the United States, this reaffirmation of support should be especially welcome, for without Federal assistance, a number of programs would be curtailed just as they are beginning to reach their full potential. Failure to continue such support would be devastating to States such as Texas where the ratio of physicians to population is significantly below the national average, where 52 counties have been designated medically underserved, and 11 counties have no physicians at all.

Third, for almost all residents, this bill ensures that Medicare will bear its fair share of responsibility for providing financial assistance during training for practice in their chosen field of medicine. Unlike many proposals, S. 1158 does not attempt to control manpower decisions by limiting support to the years needed to qualify for only a handful of specialties. We are mindful that the residents themselves are perhaps the most competent judges of how best their talents may be applied. Therefore, we have consciously chosen to set the outside limit on Medicare financing at 5 years, the period now needed to qualify for board certification in one of the most lengthy specialties—surgery.

Perhaps the most controversial component of this bill involves termination of financial support to those residents who are of foreign nationality and who trained outside the United States or Canada. It would be a grave error to conclude that the exclusion of FFMG's from direct medical education funding was an easy decision. Extensive analysis of demographic data and many hours of arduous discussion brought us to the recommendation embodied in the bill. While sound arguments can be made on both sides of this difficult issue, I am forced to conclude that in a time of budgetary restraint and significant pressure on the trust funds, it makes little policy sense to expend Medicare dollars to train physicians who come to this country to learn a profession they expect to practice, not on Medicare participants or other U.S. patients, but in their countries. I recognize current law has served as a form of foreign policy, and I am well aware that some institutions have come to rely on this pool of residents for staffing. Accordingly, I would encourage those who testify before the Congress on the various provisions of this bill to offer suggestions about alternative funding approaches—perhaps a requirement that the foreign student's government share in the cost of his or her education; coupled with a special funding adjustment for public and other not-for-profit hospitals that provide a disporportionate share of charity care.

I want to take this opportunity to commend my colleagues, Senators Dole and Durenberger, and their exceptional staffs on the care they have taken in developing this legislation. Evidence of that tempered approach can be seen in the two studies commissioned by the bill.

In the Health and Human Services directed study, training programs for nurses and allied health personnel will be evaluated. The results of that review will, in turn, serve as a guide to clarify the Federal role in continuing support of training programs.

Further, because there remain many unanswered questions about the so-called "indirect" teaching adjustment and its appropriate funding level, the General Accounting Office is directed to conduct a study of expenditures at teaching and nonteaching facilities. When the Congress is ready to proceed with what could be a major policy change regarding Federal support keyed to the special missions of teaching institutions, this information will be invaluable.

Though I am pleased to be an original cosponsor of the pending bill, I am not yet satisfied that the question of funding graduate fellowships has been properly addressed, particularly as it relates to internal medicine residencies. The failure to clarify supervising physician/attending physician responsibilities for purposes of billing also leaves a major financial question unresolved. Furthermore, I continue to believe that modifications in direct medical education assistance should be coordinated with proposed changes in the indirect adjustment because of the interactive relationship of these two sources of funding.

Notwithstanding these reservations, my hope is that this legislation will serve as a working document and that it will generate responsible policy and budgetary discussions in the area of medical education. I look forward to working with individuals and organizations with an interest in these issues to ensure continuation of a strong Federal presence in the training of health personnel.

By **Mr. ANDREWS** (for himself, Mr. Goldwater, Mr. Melcher, Mr. Burdick, Mr. Abdnor, Mr. DeConcini, Mr. Bingaman, Mr. Baucus, Mr. Stevens, Mr. Hatfield, Mr. Weicker, Mr. Nickles, Mr. Boren, and Mr. Cochran):

S. 1159. A bill to amend section 8(a)

North Dakota there are two tribes in

This legislation will direct the Secre-

S. 1159. A bill to amend section 8(a) of the Small Business Act to clarify the eligibility of small business concerns owned by Indian tribes; to the Committee on Small Business.

CONCERNING SMALL BUSINESS CONCERNS OWNED BY INDIAN TRIBES

● Mr. ANDREWS. Mr. President, I rise today to introduce a bill that will amend and clarify section 8(a) of the Small Business Act. This amendment will benefit a group in our country, the Native Americans, who have experienced dramatic economic and social improvement because of the 8(a) Program, and who, above all others, are economically and socially disadvantaged due to the Federal Government's failure to provide real economic development opportunities out in Indian country.

Some of you may recall that I introduced similar bills in past Congresses. Due to a number of factors, none of which concerned the intent or language of the bills, they did not make it to the Senate floor for our consideration. I am hopeful that this bill, which is identical to that reported out of the Senate Small Business Committee last Congress, will soon be before us for our favorable consideration.

Although the Small Business Administration has permitted tribally owned business to participate in the 8(a) Program, by administrative practice, this has been done on a very small scale. However, tribal eligibility for the 8(a) Program has never been clear because there is no clear expression of Congress in the Small Business Act or in the legislative history of the 8(a) Program that tribes, as an entity, are eligible. As a result, some Indian tribes have been informed by local SBA offices that they are ineligible for the program, while other local offices state that tribes are eligible. While some of this inconsistency was corrected in October 1982, by an SBA general counsel's opinion affirming the administrative practice allowing tribal participation in 8(a), there are still instances of tribes being denied access to the program, by misinformed local offices.

Therefore, I feel, that once and for all, there should be a clear expression to lay the issue to rest and ensure tribes access to this program.

The tribes participating in the 8(a) program are doing an excellent job. These businesses know the meaning of minority economic development. They employ a good number of people, the majority of whom are tribal members, and are forming the base for the beginning of a stable economy in otherwise economically isolated and disadvantaged areas.

While the concept of tribal ownership of a business is foreign to many of us in Washington, I, personally, know the success that such businesses can achieve. In my home State of North Dakota there are two tribes in the 8(a) Program—both providing a good, solid product to the U.S. Government and incentives and opportunities for their members.

The Devils Lake Sioux Tribe owns the Devils Lake Sioux Manufacturing Corp. in Fort Totten, ND. DLSMC has consistently been honored by the Defense Department for its outstanding work product. But its success is not only in the production line. DLSMC has given its members an opportunity for good, steady employment and the incentive to go off to college to learn business and marketing skills. Many of their college graduates return, now, to the reservation, and work for the company in the management area. Ten years ago, there were no jobs on the reservation for these young, college graduates. As the economy has grown, other small businesses, owned by Indians have sprung up, where before, if there were any businesses they were solely owned and run by non-Indians. DLSMC is a success story and one the tribe is very, and justifiably, proud of.

The Turtle Mountain Band of Chippewa also participate in the 8(a) Program through their Turtle Mountain Manufacturing Co., located in Belcourt, ND. The company currently employs over 130 people, producing cargo trailers for the Department of Defense. Due to its success in the program, the company is anticipating an expansion of the plant and contracts with the private sector. Young tribal members are gearing up their business skills to move into positions with the company, while other members, due to the company's contribution to the local economy, are starting small businesses, such as cafes, in the area. Again, 8(a) has helped an Indian tribe build an enterprise worthy of pride.

I can best sum up the effect of the 8(a) Program on Indian tribes and reservation economy by paraphrasing a tribal elder from one of the 8(a) tribes when he said that the difference between the 8(a) Program and prior Federal economic development programs was that the latter was a "make-work for awhile" program while 8(a) was a "work to make something forever program."

I urge my colleagues to support this bill and support building economies in Indian country.●

By Mr. HART:

S. 1162. A bill to amend the Nuclear Waste Policy Act of 1982 to require the Secretary of Energy to incorporate transportation impacts into the selection process for repositories of high-level radioactive wastes; to the Committee on Environment and Public Works.

NUCLEAR WASTE POLICY IMPROVEMENTS ACT

● Mr. HART. Mr. President, today I am introducing legislation to amend the Nuclear Waste Policy Act of 1982. This legislation will direct the Secretary of the Department of Energy to incorporate in the ongoing waste repository site selection process the impacts associated with the transportation of high-level radioactive nuclear wastes.

With passage of the Nuclear Waste Policy Act in December 1982, Congress for the first time established in law a comprehensive Federal policy for the management of the Nation's commercial high-level radioactive wastes. This was watershed legislation in the development of a national waste management policy and our efforts to address one of the most difficult and troubling aspects of the nuclear age. It addressed many of the issues debated for several Congresses and committed the Nation to a schedule for the development of permanent geologic repositories, granted private utilities primary responsibility for interim storage of wastes, and more clearly defined the roles and authority of both States and Indian tribes in the site selection process.

The act contains mandatory schedules for the selection, siting, and licensing of two separate, permanent repositories for nuclear waste and spent nuclear fuels. Nine locations are now under active consideration by the DOE, including several in the Western States of Utah and Nevada.

In passing the act, Congress left a great many technical questions unresolved. This did not include, however, concern about the costs and risks associated with the transportation of nuclear wastes and spent nuclear fuels. Transportation impacts were clearly not left to DOE discretion. Though the act makes explicit reference to transportation in section 112, indicating Congress' interest in having these impacts evaluated in the site selection process, the DOE has largely ignored this concern. In both its overall guidelines for the selection process and its draft environmental assessments for the nine potential sites, the DOE has given transportation only cursory and passing reference.

For example, the DOE analysis of transportation impacts at the two sites under consideration in Utah has been limited to a 125-mile radius. Regrettably, this study area barely includes the junction at Interstate 70, the major east-west corridor to be used by trucks traveling to and from the site. Further, this limited scope largely excludes all but highway access to the site, and completely excludes both Denver and Salt Lake City, two major urban population centers which will surely be affected by shipments to a potential Western site. Finally, where the DOE has focused on the transportation impacts, it appears to have been more concerned with the costs and impacts associated with heavy traffic during the construction phase than the shipment of dangerous cargo during the operational phase.

Needless to say, this raises some very serious and troubling issues for every State which will potentially become a corridor for waste shipments. And, given the geographic distribution of the nine sites under construction by the DOE, this issue will hardly be limited to Western States.

Mr. President, it is conservatively estimated that by the turn of the century nearly 120 shipments of radioactive cargo will be transported daily on the Nation's highways and railroads. Undoubtedly, this aspect of the waste management process affects the greatest number of States and localities nationwide. Although only two sites will ultimately be selected, many more States and communities will have to prepare and plan for transportation of wastes through their jurisdictions. It is also this step of the process which poses the greatest risk of accidential spill or release of radioactive materials. Yet this is precisely the area which the DOE has devoted least attention to thus far in the site selection process.

Should the DOE select one of the sites in Utah or Nevada, several States including Colorado, Nebraska, Texas, and Kansas will, by necessity, play host to daily shipments of nuclear waste. In fact, it is estimated that if spent fuel were transported by truck to the Davis Canyon site in Utah, 5,917 shipments annually, or 16 shipments per day, will pass through Colorado alone. Given the special nature of the most likely routes through Colorado, this will have profound implications for the State. Unfortunately, none of these hazards has been adequately considered by the DOE.

A primary east-west route to the potential sites in Utah or Nevada will be Interstate 70, a highway which bisects Colorado and serves hundreds of thousands of commuters daily as it passes through the State's largest metropolitan area. Through much of east Denver this highway is elevated and passes literally over both residential neighborhoods and businesses. During foul weather this portion of I–70 often becomes dangerously icy; and during the daily morning and afternoon rush hours it is routinely clogged with commuter traffic.

West of the city I–70 winds through some of the most dramatic and difficult-to-navigate mountains in the Nation as it rises in elevation and eventually crosses the Continental Divide. In the Rocky Mountains, this highway is known for its steep grades, sharp turns, and unpredictable mountain weather which often reduces visibility to zero. Weather conditions alone closed the highway for more than 300 hours or 12 days in 1984.

This stretch of the Interstate System presents at least two other very special problems. First, all hazardous cargo is prohibited from the Eisenhower Tunnel, forcing trucks to use Loveland Pass—a very narrow, twisting, two-lane State highway which rises in elevation to nearly 12,000 feet. Second, in far western Colorado I–70 parallels the Colorado River along yet another narrow winding stretch. As we all know, this river is the lifeblood for seven Western States and Mexico.

A very good illustration of the problems presented by this stretch of I–70 was recently given by a Colorado State trooper in a Denver newspaper noting that Loveland Pass is hardly an ideal road for dangerous cargoes, and was closed 16 times last winter, once for 9 days. He said,

> My question is, are the drivers prepared to spend nine days in the truck with the radioactive waste, and where are they going to park while they wait out the storms? The prospect of permitting trucks to use the Eisenhower Tunnel is no more comforting. Runaway truck ramps were used 34 times last year. Each time, it took one to two hours to get them off the ramps. Once last year two trucks went off one ramp at the same time. The second entered the ramp at 80 to 90 m.p.h. and collided with the first one. Summit County, where Loveland Pass and the Eisenhower Tunnel are located, has no full-time fire department. Obviously the level of training of volunteer fire departments is not up to the standards necessary to respond to nuclear waste incidents.

Although the chances of a serious accident involving nuclear cargo are somewhat remote, the consequences of such an accident in any of the locations would surely be catastrophic.

Officials throughout Colorado have expressed deep concern about the potential shipment of radioactive cargo on routes near their homes and communities. They are concerned about continued inadequate assessment and planning for shipments associated with the national permanent waste management program. In recent months, more than 10 communities have adopted resolutions restricting or prohibiting these shipments within their city limits. And, in March of this year, the State of Colorado intervened in a suit brought by the State of Washington to require judicial review of the DOE site selection process in order to require consideration of the impacts on corridor States like Colorado.

The residents of these communities and of communities throughout the Nation raise very legitimate concerns. Their resolutions emphasize the need for an expanded assessment program by the DOE, incorporating and evaluating the transportation routes and modes to potential sites. This will assist in determining the risks shipments of nuclear waste to these sites pose to public health, the environment, communities and highways in so-called corridor and adjacent States. This alone can help the DOE, the President, and ultimately the Congress make a much more informed decision on the selection of high-level waste repositories.

The Nuclear Waste Policy Improvements Act I am introducing today will address this issue in several ways: First, it will require the DOE to assess the public health and environmental impacts associated with radioactive waste shipments through the region surrounding all potential sites. Second, it will require the DOE to identify the most likely routes and modes of transport, evaluate the conditions and terrain on such routes, analyze and characterize the mileage traveled and by what types of vehicles, describe significant human activities and population density occurring within 10 miles of such routes, and estimate the cost of upgrading and maintaining such routes in a manner minimizing the risk to public health and the environment. Most important, this legislation will make available to States the additional Federal assistance necessary to upgrade and maintain such routes to ensure protection of public health and the environment in the event of an accident or spill involving high-level nuclear wastes.

Mr. President, the Congress has taken a necessary and important step with passage of the Nuclear Waste Policy Act. I urge my colleagues to join us in modifying this important act to ensure that communities and States affected by the shipments of nuclear waste are incorporated in the site selection process, and the DOE provides assistance necessary to plan for and prevent unexpected and possibly deadly accidents involving radioactive waste transportation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1162

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Waste Policy Improvements Act of 1985".

TITLE I

SEC. 101. (a) Section 112 of the Nuclear Waste Policy Act of 1982 (Public Law 97–425) is amended by striking out the period at the end of paragraph (1)(E)(vi) of subsection (b) and inserting in lieu thereof ", including the environmental impact of transporting high-level radioactive waste and spent nuclear fuel through the region surrounding such site.".

SEC. 102. (a) Section 114(a)(1) of the Nuclear Waste Policy Act of 1982 is amended by striking out "and" after "regional distribution of repositories" and inserting ";".

(b) Section 114(a)(1) is further amended by inserting the following after "solidified high-level radioactive waste": ", and the effect of transportation of high-level waste on States containing possible transportation routes, particularly States that are adjacent to the State in which a high-level waste site is being recommended pursuant to this section".

SEC. 103. Section 114(a)(1) is further amended by inserting the following after subparagraph (D) and relettering subsequent paragraphs accordingly:

"(E) the effect of transportation of high-level nuclear waste on States containing possible transportation routes, including, but not limited to—

"(i) identification of likely routes within each State,

"(ii) the condition of such routes,

"(iii) the terrain on which such transportation routes are located,

"(iv) an estimate of the cost of upgrading and maintaining such routes in a manner that minimizes risk to public health and the environment from transportation accidents or spills,

"(v) an analysis of the vehicle miles traveled (annually and seasonally) on such routes,

"(vi) a characterization of the types of vehicles that utilize such routes, and

"(vii) a description of significant human activities and population density that occur within 10 miles adjacent to such routes."

SEC. 104. Section 114(f) of the Nuclear Waste Policy Act is amended by inserting the following after the fifth sentence of such section: "The Secretary shall take into consideration the routes for the transportation of high-level nuclear waste, and the impact of such transportation on routes that are in States adjacent to the State in which a repository has been selected."

TITLE II

SEC. 201. Section 116(c) (2) (A) of the Nuclear Waste Policy Act of 1982 (Public Law. 97-425) is amended by adding the following at the end of the subparagraph:

"The Secretary shall also provide assistance to any State that contains likely routes for the transportation of high-level nuclear waste to the repository if such State, in its application for assistance pursuant to this paragraph, demonstrates such assistance is needed to upgrade or maintain such routes in a manner that provides adequate protection to the public health and safety from accidents or spills involving high-level nuclear waste."●

By Mr. KENNEDY:

S. 1163. A bill entitled the "Military Family Act of 1985"; to the Committee on Armed Services.

MILITARY FAMILY ACT

● Mr. KENNEDY. Mr. President, I am pleased to introduce the Military Family Act of 1985, a bill to address a number of issues that affect our military personnel and the families. We all know that our service men and women form the backbone of our national security. But the contribution comes not simply from the individual in uniform—but equally from all the members of the family who share the sacrifice that comes with military service. There are 3.7 million Americans who are members of military families and they deserve our recognition and support. The readiness and morale of our troops is critically dependent on the well-being of their family members, an issue which deserves as much attention as any of the more traditional components of military preparedness.

As a member of the Armed Services Committee, I have had the opportunity to visit with our military personnel and their families, both in the United States and abroad. Everywhere I go I find family issues on the top of the agenda—housing, permanent change of station, day care, spouse employment, education for the children—the list goes on and on. For too long these concerns have not received the attention they deserve—and yet they are among the most important factors in recruiting and retaining the skilled, dedicated individuals that our modern military requires.

The legislative package I am introducing today is based on legislation introduced by Representative PATRICIA SCHROEDER who has been a vocal and articulate force in working to meet the needs of the military family. The specific provisions I am offering today are drawn from the bill, H.R. 1681, and have been adopted by the full House Armed Services Committee as part of the Defense authorization bill for fiscal year 1986. I am hopeful that with the support of my Senate colleagues, we will see these provisions enacted into law as a part of the final Defense authorization for this upcoming year.

Mr. President, I ask unanimous consent that a brief summary of the bill appear in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

To summarize briefly, the bill contains 11 provisions.

Sec. 101 establishes an Office of Family Policy within the Office of Secretary of Defense, reporting to the Assistant Secretary for Manpower, Installations and Logistics to oversee existing military family programs and make program and policy recommendations.

Sec. 102 would transfer the Military Family Resource Center from the Office of Assistant Secretary for Health Affairs to the Assistant Secretary for Manpower Installations and Legislation.

Sec. 201 would reimburse members of the military for costs associated with travel in privately owned vehicles at the same rate that civilians are reimbursed.

Sec. 202 provides that military personnel and their families will be reimbursed for up to four days of temporary lodging expenses at $110/day.

Sec. 203 permits dependent students who are enrolled in a school within the continental U.S. to a round trip ticket once a year from a point of entry in the U.S. to their parents duty stations if their parents are stationed in Alaska and Hawaii.

Sec. 301 gives spouses preference in hiring for DOD civilian position at grades of GS 8 or above, if they are on the list of best qualified candidates, after veterans preference is satisfied.

Sec. 401 provides that DOD child care facilities on military installation be operated on a 24-hour a day basis when necessary to meet mission requirements.

Sec. 402 provides for a report from DOD on ways to improve employment opportunities for military spouses at child care facilities.

Sec. 501 establishes a youth sponsorship program at all military installations.

Sec. 502 requires DOD to make recommendations to assist children in secondary schools who must transfer with their parents to an area with different graduation requirements.

Sec. 601 establishes a voluntary dental insurance plan for spouses and dependents, with families paying not less that 40%, nor more than 60% of the premium.●

By Mr. HUMPHREY (for himself, Mr. THURMOND, Mr. LAXALT, Mr. SARBANES, Mr. GORTON, Mr. BURDICK, Mr. DECONCINI, Mr. COHEN, Mr. DOMENICI, Mr. MATTINGLY, Mrs. HAWKINS, Mr. ANDREWS, Mr. HATCH, Mr. RUDMAN, Mr. CHAFEE, Mr. DOLE, Mr. PELL, Mr. PROXMIRE, Mr. EXON, Mr. EAST, Mr. MATSUNAGA, Mr. HOLLINGS, Mr. LUGAR, Mr. METZENBAUM, Mr. NUNN, Mr. QUAYLE, Mr. GARN, Mr. BRADLEY, Mr. DENTON, Mr. NICKLES, Mr. HATFIELD, Mr. BOSCHWITZ, Mr. MATHIAS, and Mr. PRESSLER):

S.J. Res. 137. Joint resolution to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awareness Week"; to the Committee on the Judiciary.

NATIONAL DRUNK AND DRUGGED DRIVING AWARENESS WEEK

● Mr. HUMPHREY. Mr. President, I am pleased to once again introduce a joint resolution designating "National Drunk and Drugged Driving Awareness Week." For the past 3 years, many of my colleagues have joined me in introducing similar joint resolutions. The weeks, which have taken place right before the Christmas and New Year holiday season, have proven enormously successful in increasing public awareness of the dangers of driving while impaired from drugs or alcohol.

Over the past 3 years, hundreds of volunteers throughout the Nation have participated in the programs and activities of National Drunk and Drugged Driving Awareness Week. Activities during the week have included the issuance of parallel proclamations by many Governors, mayors, and local officials; introduction of new drunk driving legislation in various States; the appointment of task forces, and issuance of task force reports; roadblocks and other increased enforcement efforts; candlelight vigils; a "Speak Out for Safety" campaign; and voluntary efforts to provide rides from holiday parties. All of the groups involved in this effort have asked that

once again we designate such a week right before the holidays this year.

Traffic accidents result in more violent deaths each year than any other cause, over 44,000 in 1984. According to the National Highway Traffic Safety Administration, 45 percent of all drivers killed in 1984 were legally drunk and this figure rises to over 60 percent for single vehicle crashes. The cost to society of drunk driving has been estimated to be over $24 billion a year, which does not include the needless pain and suffering caused by drinking and driving.

In addition, we are continuing to hear reports of driving after drug use and accidents involving drivers who have used marijuana or other illegal drugs. Scientists are just beginning to collect data on the concentrations of various drugs in the blood of fatally injured drivers and to conduct studies of the effects of drugs on driving ability.

Of increasing concern is the combination of drugs and alcohol and its impact on the incidence of traffic accidents. Surveys of our young people show that drinking and driving often accompany marijuana use. We have also been made aware that driving after the use of therapeutic drugs, either alone or in combination with alcohol, counter to the advice of physician, pharmacist, or manufacturer, may create safety hazards on the roads. Clearly we need more research to determine the effect of drugs, both alone and in combination with alcohol, on the incidence of traffic accidents and we must alert the public to the risks of combining alcohol and drugs with driving.

In large part due to the volunteer efforts of citizens such as Mothers Against Drunk Drivers [MADD] and Remove Intoxicated Drivers [RID], the public has been demanding changes in the Nation's approach to drunk driving. It is important that we press forward with current efforts to develop new and creative approaches, by combining the expertise of Government, community groups, and voluntary organizations, and bringing the unique talents of each to bear on this devastating national problem.

I believe we should designate 1 week annually as National Drunk and Drugged Driving Awareness Week, to ensure that the momentum does not slip away as society turns its attention to other pressing problems. It is my hope that each year, this week will be marked by radio and TV programs, articles in the print media, and local initiatives such as dial-a-ride, candlelight vigils, and roadblocks, all aimed at increasing the public awareness of the risks of drunk and drugged driving. This will provide an annual opportunity to focus attention on the problem, assess our progress, and address the question of further measures needed. It will guarantee we do not forget the enormous costs in human suffering and dollars caused by the deadly combination of alcohol, drugs and driving.

I urge all my colleagues to join me in sponsoring this Senate joint resolution to designate the week beginning December 15, 1985, as "National Drunk and Drugged Driving Awareness Week."

Mr. President, I ask unanimous consent that the text of the legislation I have introduced today be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 137

Whereas traffic accidents cause more violent deaths in the United States than any other cause, approximately forty-four thousand in 1984;

Whereas traffic accidents cause thousands of serious injuries in the United States each year;

Whereas more than 60 per centum of drivers killed in single vehicle collisions and 45 per centum of all drivers fatally injured in 1984 had blood alcohol concentrations above the legal limit;

Whereas the United States Surgeon General has reported that life expectancy has risen for every age group over the past seventy-five years except for Americans fifteen to twenty-four years old, whose death rate, the leading cause of which is drunk driving, its higher now than it was twenty years ago;

Whereas the total societal cost of drunk driving has been estimated at over $24,000,000,000 per year, which does not include the human suffering that can never be measured;

Whereas there are increasing reports of driving after drug use and accidents involving drivers who have used marijuana or other illegal drugs;

Whereas driving after the use of therapeutic drugs, either alone or in combination with alcohol, contrary to the advice of physician, pharmacist, or manufacturer, may create a safety hazard on the roads;

Whereas more research is needed on the effect of drugs either alone or in combination with alcohol, on driving ability and the incidence of traffic accidents;

Whereas an increased public awareness of the gravity of the problem of drugged driving may warn drug users to refrain from driving and may stimulate interest in increasing necessary research on the effect of drugs on driving ability and the incidence of traffic accidents;

Whereas the public, particularly through the work of citizens groups, is demanding a solution to the problem of drunk and drugged driving;

Whereas the Presidential Commission on Drunk Driving, appointed to heighten public awareness and stimulate the pursuit of solutions, provided vital recommendations for remedies for the problem of drunk driving;

Whereas most States have appointed task forces to examine existing drunk driving programs and make recommendations for a renewed, comprehensive approach, and in many cases their recommendations are leading to enactment of new laws, along with stricter enforcement;

Whereas the best defense against the drunk or drugged driver is the use of safety belts and greater safety belt usage would increase the number of survivors of traffic accidents;

Whereas an increase in the public awareness of the problem of drunk and drugged driving may contribute to a change in society's attitude toward the drunk or drugged driver and help to sustain current efforts to develop comprehensive solutions at the State and local levels;

Whereas the Christmas and New Year holiday period, with more drivers on the roads and an increased number of social functions, is a particularly appropriate time to focus national attention on this critical problem;

Whereas designation of National Drunk and Drugged Driving Awareness Week in each of the last three years stimulated many activities and programs by groups in both the private and public sectors aimed at curbing drunk and drugged driving in the high-risk Christmas and New Year holiday period and thereafter;

Whereas the activities and programs during National Drunk and Drugged Driving Awareness Week have heightened the awareness of the American public to the danger of drunk and drugged driving: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of December 15, 1985, through December 21, 1985, is designated as "National Drunk and Drugged Driving Awareness Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate activities.●

● Mr. CHAFEE. Mr. President, I am pleased to join my distinguished colleague, Senator HUMPHREY, in sponsoring the Senate joint resolution to designate the week before the Christmas and New Year's holidays as National Drunk and Drugged Driving Awareness Week.

This joint resolution raises public awareness about the serious problem of drunk and drugged driving which exists in America today. The National Transportation Safety Board's statistics display with horrifying clarity the role of alcohol in auto accident fatalities and injuries. In 1982, there were 38,899 accidents, which killed 43,945 people. Alcohol was involved in 25,000 deaths, nearly 57 percent of the fatalities. This figure is even more disturbing when one considers that many of these alcohol-related fatalities could be prevented.

Drunk or drugged driving is a broad social problem. Federal and State transportation and law enforcement officials have worked diligently in recent years to keep alcohol or drug-impaired people off the road. Continued public education is an essential ingredient in the fight against drunk or drugged driving.

National Drunk and Drugged Driving Awareness Week will establish an intensive campaign aimed at its prevention. Local initiatives, such as dial-a-ride, combined with media attention will increase public awareness of the problem. Awareness will lead to prevention.

Alcohol and drug abuse are a leading cause of tragedy on our highways today. Congress has the opportunity to take an initiative in preventing such tragedies from occurring. I urge my colleagues to join in supporting this important joint resolution●

ADDITIONAL COSPONSORS

S. 84

At the request of Mr. Inouye, the names of the Senator from North Carolina [Mr. Helms], the Senator from Illinois [Mr. Simon], and the Senator from Kentucky [Mr. Ford] were added as cosponsors of S. 84, a bill to incorporate the Pearl Harbor Survivors Association.

S. 664

At the request of Mr. Nickles, the name of the Senator from Delaware [Mr. Roth] was added as a cosponsor of S. 664, a bill to facilitate the competitiveness of exports of U.S. agricultural commodities.

S. 670

At the request of Mr. Pell, the names of the Senator from West Virginia [Mr. Byrd], the Senator from California [Mr. Cranston], and the Senator from Connecticut [Mr. Dodd] were added as cosponsors of S. 670, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, and to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 725

At the request of Mr. Chafee, the name of the Senator from Missouri [Mr. Eagleton] was added as a cosponsor of S. 725, a bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1986, 1987, 1988, 1989, and 1990.

S. 729

At the request of Mr. Durenberger, the name of the Senator from Arizona [Mr. DeConcini] was added as a cosponsor of S. 729, a bill to amend the Internal Revenue Code of 1954 to make permanent the rules relating to imputed interest and assumption of loans, and for other purposes.

S. 787

At the request of Mr. Nunn, the names of the Senator from Florida [Mr. Chiles], and the Senator from South Carolina [Mr. Hollings] were added as cosponsors of S. 787, a bill to authorize the Secretary of the Army to accept and to operate a National Science Center for Communications and Electronics in order to enhance military training and to share technology development in the communications, electronics, and computer industries, and for other purposes.

S. 873

At the request of Mr. Chafee, the name of the Senator from Rhode Island [Mr. Pell] was added as a cosponsor of S. 873, a bill to amend title XIX of the Social Security Act to assist severely disabled individuals to attain or maintain their maximum potential for independence and capacity to participate in community and family life.

S. 896

At the request of Mr. Sasser, his name was added as a cosponsor of S. 896, a bill to amend the Internal Revenue Code of 1954 to apply rural electric cooperative plans to the provisions relating to cash or deferred arrangements.

S. 930

At the request of Mr. Nickles, the name of the Senator from Delaware [Mr. Roth] was added as a cosponsor of S. 930, a bill to amend the Commodity Credit Corporation charter to exempt all agricultural exports from cargo preference requirements.

S. 1025

At the request of Mr. Pressler, the name of the Senator from Georgia [Mr. Mattingly] was added as a cosponsor of S. 1025, a bill to require the United States International Trade Commission to investigate and report on the effects of honey imports and to require the President under certain conditions to take action based on such report.

S. 1147

At the request of Mr. Hatch, the name of the Senator from Georgia [Mr. Durenberger], the Senator from Iowa [Mr. Grassley], and the Senator from Maine [Mr. Mitchell] were added as cosponsors of S. 1147, a bill to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws.

SENATE JOINT RESOLUTION 88

At the request of Mr. Levin, the name of the Senator from Utah [Mr. Hatch] was added as a cosponsor of Senate Joint Resolution 88, a joint resolution to designate the week beginning September 8, 1985, as "National Osteopathic Medicine Week."

SENATE JOINT RESOLUTION 92

At the request of Mr. Denton, the name of the Senator from Vermont [Mr. Leahy] and the Senator from Illinois [Mr. Simon] were added as cosponsors of Senate Joint Resolution 92, a joint resolution to designate October 1985 as "National Foster Grandparents Month."

SENATE JOINT RESOLUTION 108

At the request of Mr. Warner, the names of the Senator from Ohio (Mr. Glenn) and the Senator from Nebraska (Mr. Zorinsky) were added as cosponsors of Senate Joint Resolution 108, a joint resolution authorizing the Secretary of Defense to provide to the Soviet Union on a reimbursable basis, equipment and services necessary for an improved United States/Soviet direct communication link for crisis control.

SENATE JOINT RESOLUTION 122

At the request of Mr. Bradley, the name of the Senator from New Hampshire [Mr. Humphrey] was added as a cosponsor of Senate Joint Resolution 122, a joint resolution to authorize the President to proclaim the last Friday of April each year as "National Arbor Day."

SENATE JOINT RESOLUTION 126

At the request of Mr. Pressler, the name of the Senator from Wisconsin [Mr. Proxmire] was added as a cosponsor of Senate Joint Resolution 126, a joint resolution to condemn Bulgarian brutality toward their Turkish minority.

SENATE JOINT RESOLUTION 133

At the request of Mr. Dole, the name of the Senator from Idaho [Mr. McClure] was added as a cosponsor of Senate Joint Resolution 133, a joint resolution to designate May 25, 1985, as "National Holstein Day."

SENATE RESOLUTION 148

At the request of Mr. Sasser, his name was added as a cosponsor of Senate Resolution 148, a resolution commemorating the 50th anniversary of the Rural Electrification Administration.

SENATE RESOLUTION 165

At the request of Mr. Heinz, the name of the Senator from Iowa [Mr. Grassley] was added as a cosponsor of Senate Resolution 165, a resolution to urge the President of the United States and the Secretary of the Treasury to reject any tax reform proposal which would impose a tax on the annual increase in the value of permanent life insurance.

SENATE RESOLUTION 166—REGARDING A SUPERPOWER SUMMIT

Mr. SPECTER submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. Res. 166

Whereas relations between the United States and the Union of Soviet Socialist Republics are currently characterized by considerable tension;

Whereas on-going nuclear arms negotiations being conducted by the duly appointed representatives to the respective parleys have not achieved satisfactory results to date;

Whereas a carefully prepared summit could facilitate the accomplishment of the objectives of these negotiations and lead to a reduction in the risk of nuclear war;

Whereas a carefully prepared summit could also lead to progress in resolving other major issues troubling relations between the two superpowers;

Whereas both President Reagan and Soviet General Secretary Gorbachev have indicated their willingness in principle to participate in such a carefully prepared summit;

Resolved, That it is the sense of the Senate that the President of the United States and the President of the Union of Soviet Socialist Republics should meet at the earliest practical time following thorough preparation to discuss major issues in United States-Soviet relations and to work for the realization of mutual equities and verifiable reductions in nuclear arms.

Mr. SPECTER. Mr. President, I am today submitting a resolution expressing the sense of the Senate that President Reagan and Soviet leader Mikhail Gorbachev should hold a summit meeting as soon as possible.

I have submitted virtually this same resolution three times prior to this, as an amendment to the defense authorization bills in 1982, 1983, and 1984. It has been passed by my colleagues overwhelmingly each time. In 1982 my sense-of-the-Senate resolution calling for a summit passed by a vote of 92 to 6 and in 1983 by a vote of 82 to 7. In 1984, I again offered the resolution as an amendment to the Defense authorization bill. As it happened, my amendment came up very late at night after a long day of debate, and at the request of the majority leader I withdrew my request for a rollcall vote. The amendment passed without objection by a voice vote.

I would like to think our voices have been heard on Pennsylvania Avenue and that we have played some role in the President's invitation to Soviet leader Gorbachev for a summit.

Yet, I feel compelled to offer this resolution once more. Despite each leader's expression of a willingness to meet, conflicting pressures and longstanding distrust have resulted in virtually no progress being made toward such a meeting.

With growing signs that the talks in Geneva may already be approaching a stalemate, it is imperative that these two world leaders meet face to face; not for "marking progress," but to encourage and stimulate progress.

This summit cannot wait for the talks to produce agreement. It must propel the process toward peace.

This is consistent with the two-track approach which President Reagan has long advocated: That we should be strong, knowing the proclivities of the Soviets, but at the same time we should be willing to talk arms reduction.

Mr. President, I think that it is especially appropriate in the constitutional setting for this sense of the Senate resolution to be offered, given the constitutional responsibility and authority in the Senate for advice and consent on treaties.

The SALT II Treaty was never ratified by the U.S. Senate. It seems to this Senator most appropriate for this body to express itself on such an important matter and to lend encouragement to our President and to his Soviet counterpart that the Senate considers such negotiations in arms reduction to be a matter of paramount importance, that this body is interested in having such arms reduction agreements and, obviously depending upon the specifics of any such treaty, would be inclined to consider it favorably if, as, and when the matter came before the Senate for ratification.

An expression of congressional support for a summit is even more timely now than before because the United States has proceeded with the President's strategic modernization programs, including deployment of Pershing and cruise missiles in Europe, production of the B-1 bomber, and further production of the MX missile.

Consequently, the United States can now bargain from a position at least of parity. Indeed, the President has affirmed that he is satisfied with a position of parity and that efforts to achieve superiority are neither necessary nor helpful to arms control.

I believe, Mr. President, that in this day and age, there is no such thing as superiority. In a very real sense, the United States is inferior to the Soviet Union because the Soviet Union has the power to destroy the United States. And similarly, in a very real sense, the Soviet Union is inferior to the United States because the United States could destroy the Soviet Union. And both major powers may be inferior if the likes of Qadhafi or Khomeini ever obtains nuclear arms.

Mr. President, in my judgment there is worldwide fear of nuclear destruction, and there is the corollary of a worldwide wish for nuclear disarmament. In November-December 1983, I personally observed the location of the Pershing II's in West Germany, the location of the cruise missiles in England, and had occasion to talk to West Germans and British where the cruise missiles were deployed. Those missile systems were received by those two nations but in the context of great concern by the citizenry of those nations.

During the course of the past 4 years I have had occasion to have several hundred open house/town meetings throughout my State of Pennsylvania; and have found great concern and fear about the possibility of nuclear destruction, and great wish for nuclear disarmament. Wherever I have traveled in Pennsylvania at these open house/town meetings, there have been concerns about the MX, and a general sense in favor of a mutually verifiable nuclear freeze. There is a real sense in this country today about wanting to have arms reduction talks at the highest level.

It is my view, Mr. President, that the Congress and the Senate have a leadership role to push for such summit. As President Reagan himself has articulated his view of the relationship between the executive and legislative branch, there is a partnership. In seeking this sense-of-the-Senate resolution, I do little more than press for a formal statement by this body on what the President has already said that he finds to be acceptable.

I believe it is important that this body lend its collective voice to encourage our President, and encourage the leader of the Soviet Union, to meet, to have talks on these matters of the utmost urgency, and of the utmost importance.

The sense-of-the-Senate resolution which I am submitting does not lay out any detailed blueprint as to how President Reagan may wish to proceed, or how his Soviet counterpart may wish to proceed in terms of the adequacy of preparation or the nature of an agenda, but simply that there not be preconditions or assurances of success which means that the summit meeting ought not to be delayed until all of the items have been agreed upon by the subordinates and it is merely an event where documents are signed.

Mr. President, there have been relatively few summits during the course of the last 25 years—in 1959, 1961, 1967, 1972, 1973, 1974, in June 1974, November 1977, and June 1979. There has not been a summit meeting since June 1979.

In President Reagan, the United States has a superb negotiator and leader. His signal accomplishments at economic summits in Ottawa, Versailles, Williamsburg, and London and his bold proposals in the areas of nuclear, chemical, and conventional arms demonstrate his potential to achieve a breakthrough on arms control and other vital subjects in a summit with Chairman Gorbachev.

Of course, President Reagan, as an advocate on military strength and anticommunism, has unique credibility with important sectors of American political opinion on reaching an arms control agreement just as President Nixon did on recognizing Red China. With the accumulated knowledge from nearly 5 years of studying and deciding a range of arms control issues, the President also now has the requisite expertise.

Soviet leaders know, however, that, unlike their system of Government, in our country the system of checks and balance involves Congress in critical foreign policy decisions such as funding new weapons and ratifying new treaties. Therefore, there is a great need to demostrate national unity to them on critical issues like holding a summit and negotiating arms control.

In submitting this resolution, my intention is to give the President encouragement from the Senate's renewal of support for his suggestion for a summit, and I fully expect it will be backed by my colleagues as before.

I am submitting this resolution now so that people can consider it, and I expect to reintroduce it, as in the past, as an amendment to the Department of Defense authorization bill when it comes to the floor.

There is no more important issue facing the world today than the possibility of nuclear destruction, and there is no more vital effort that can be made by the leaders of the United States and the Soviet Union than for the two superpowers to meet and talk about these issues in an effort to achieve arms reduction, and to relieve international tension.

SENATE RESOLUTION 167—ELECTING ERNEST E. GARCIA AS SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

Mr. DOLE submitted the following resolution; which was considered and agreed to:

Resolved, That Ernest E. Garcia, of Kansas, be, and he is hereby, elected Sergeant at Arms and Doorkeeper of the Senate, beginning June 3, 1985.

SENATE RESOLUTION 168—AN ORIGINAL RESOLUTION WAIVING SECTION 303(a) OF THE BUDGET ACT WITH RESPECT TO THE CONSIDERATION OF S. 1160

Mr. GOLDWATER, from the Committee on Armed Services, reported the following original resolution; which was referred to the Committee on the Budget:

S. Res. 168

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1160, a bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, and for other purposes.

Such a waiver is necessary because section 303(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides new spending authority described in section 401(c)(2)(C) of such Act to become effective during a fiscal year until the first concurrent resolution on the budget for such year has been agreed to pursuant to section 301 of such Act.

For the foregoing reasons, pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1160.

AMENDMENTS SUBMITTED

ETHNIC AMERICAN DAY

PRESSLER AMENDMENT NO. 146

Mr. DOLE (for Mr. PRESSLER) proposed an amendment to the joint resolution (S.J. Res. 32) to authorize and request the President to designate September 15, 1985, as "Ethnic American Day"; as follows:

On page 2, line 4, strike out "15, 1985" and insert in lieu thereof "21, 1986".

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I wish to announce that the Senate Subcommittee on Intergovernmental Relations will hold a hearing on S. 765, the Great Lakes Management Act, on Wednesday, May 22, at 2 p.m. in room 342 of the Dirksen Senate Office Building.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Thursday, May 16, to conduct an executive session to consider pending legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet until 12:30 p.m., during the session of the Senate on Thursday, May 16, to mark up the 1985 farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. DOLE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 16, 1985, in closed executive session, to hold a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, May 16, to hold an oversight hearing on the Department of Energy's report to Congress on emerging clean-coal technologies.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

DOD AUTHORIZATION

● Mr. GOLDWATER. Mr. President, late yesterday afternoon the committee completed action on its second markup of the fiscal year 1986 defense authorization bill. In the first markup, which occurred in early April, the committee reduced the administration's defense budget request by approximately $10 billion in budget authority. The amount reported in April represented 3 percent real growth over the defense funding level approved in fiscal year 1985. Yesterday's committee action resulted in a further reduction of $10 billion in budget authority in order to conform the fiscal year 1986 defense funding authorization to amounts approved by the Senate late last week.

In my view, the committee did an excellent job in establishing specific national security priorities and program funding reduction guidelines, and then making program funding reductions consistent with those priorities and guidelines. To the committee's credit, it did not try to artificially dramatize the serious long-term consequences of these budget reductions on our national defense posture by terminating several high-visibility major weapon systems. Cost and performance discipline for these and all other programs continues to be one of my highest priorities as chairman of the Armed Services Committee. I believe it was the committee's view that even those systems which have been controversial do, in fact, meet essential military requirements and contribute importantly to national defense.

It ought to be clear to the American public that our potential adversaries in the world are not standing still and thus our national security cannot be preserved if we are merely willing to stand still. These additional required reductions make this a stand-still budget. If we continue on such a path for the next few years, we will never reach the force level goals that are necessary to ensure our ability to deter and counter aggression and to support our foreign policy objectives.

For those of my colleagues in the Senate and the House of Representatives who have been clamoring for a reduction in defense spending and decrying the procurement practices of the Pentagon which they believe to be wasteful, this bill will test their sincerity. The bill provides $1 billion to be used in conjunction with statutory language authorizing the Secretary of

Defense to close some of the least essential military installations which have remained open largely, in many cases, for political reasons. The upfront costs associated with closing these military installations will, in a very short time, be exceeded substantially by the savings which will result. In addition, this bill proposes to eliminate certain congressionally imposed waste by modifying the Davis-Bacon Act, the Walsh-Healey Act, the Contract Work Hours and Safety Standards Act, and in addition, proposes to remove the congressionally imposed restrictions on the authority of the Secretary of Defense to compete in the private sector certain services required by the Department when the Secretary determines such action would be cost effective and consistent with the interests of national security.

I hope that as the committee takes its bill to the Senate floor, Members will restrain their desire to have their individual authorship on an arms control amendment and recognize that such amendments more often than not impair the ability of our negotiators in Geneva, who are experiencing enough problems getting the Soviet negotiators to bargain in good faith. It has always been a curious phenomena to me, that faced with clear and convincing evidence of existing Soviet treaty violations, certain of my colleagues feel the desire to hold the United States to a stricter standard of compliance than they do the Soviet Union.

Following are the highlights resulting from yesterday's committee markup:

MANPOWER AND PERSONNEL

In manpower and personnel, the committee recommended a reduction of 10,730 active duty personnel from the request. This decision was a result of the substantial congressionally mandated defense budget reductions, coupled with a desire to permit increased manning in combat units as opposed to support forces. The committee agreed to increase the average strengths of the Selected Reserve by 30,272 which amounts to approximately 70 percent of the administration's request. A Defense Department civilian end strength of approximately 1.1 million personnel was approved, also as a result of congressionally mandated budget reductions. This figure represents a freeze on civilian manning levels in those program areas where growth was requested in fiscal year 1986 and a reduction in those functional areas where such a reduction was estimated in the budget.

In addition, the committee agreed to provisions which could lead to a substantial restructuring of the military compensation system. These provisions include a 10-percent reduction in the funding level for the military retirement system along with approval of several hundred million dollars for special and incentive pays and improved permanent change of station allowances. As part of this package, which involves reducing the share of military compensation dollars to be utilized for military retirement so as to provide more compensation to personnel during their careers, the committee approved on across-the-board pay raise of 3 percent for all military personnel to become effective on October 1, 1985. The committee further directed that the Secretary of Defense submit proposed legislation to the Congress, not later than September 1, 1985, which if enacted would alter the military retirement structure in such a manner that the costs of the system could be met under the reduced funding authorized by the committee. The committee specifically directed that the proposed legislation to be submitted by the Secretary of Defense would not apply to any person on active duty or already retired at the time such legislation is enacted.

STRATEGIC AND THEATER NUCLEAR FORCES

In view of the need to satisfy the constraints of a no real growth defense budget, the committee was compelled to reduce funding for strategic programs by an additional $1.3 billion. This amounts to a total reduction of $3.4 billion from the administration's request of $47 billion for strategic programs.

There was no change in the committee's recommendation on the Peacekeeper [MX] Program, with 21 missiles authorized for procurement. The committee also fully funded the small missile program.

Due to budgetary constraints, the committee recommended an authorization of $2.97 billion for the President's strategic defense initiative. This was a reduction of $450 million beyond that recommended at 3 percent real growth, for a total reduction of $750 million from the administration's request.

The committee recommended full funding for the 48 B-1B bombers requested by the administration, and it fully funded the advanced technology bomber and advanced cruise missile programs.

The committee fully funded the Trident II (D-5) missile program, and it recommended the authorization of $1.43 billion for one Trident submarine. This amounts to a reduction of $100 million from the administration's request.

SEA POWER AND FORCE PROJECTION

The committee approved $23.9 billion for sea power and force projection programs, a reduction of $3.3 billion from the administration's request. The committee approved $9.9 billion to procure 21 new ships in the 1986 Navy shipbuilding account. The committee's reductions in the shipbuilding program totaled $1.5 billion and included two MCM-1 class mine countermeasures ships. In the Navy aircraft procurement account, as an economy measure, the committee denied funding for six LAMPS Mark—1 helicopters, an action which would close this production line 1 year earlier than planned. For Air Force airlift, the committee approved the procurement of 12 KC-10A tanker/airlift aircraft and 16 C-5B airlift aircraft. The committee also approved $383.7 million for continued development of the C-17 airlifter, a reduction of $70 million.

MILITARY CONSTRUCTION

The committee authorized $8.8 billion for military construction out of a budget request of $10.3 billion. As in the committee's previous action, $36 million was authorized for the Navy to initiate land acquisition and construction to homeport a battleship group at Staten Island, NY and a carrier battle group at Everett, WA. However, the funds cannot be used until the Navy justifies to the Congress the military necessity and cost effectiveness of homeporting ships at these locations. The committee, due to budget constraints, deferred funds requested by the Army to begin stationing of the 10th Mountain Division at Fort Drum, NY. No funds were denied for troop or family housing as a result of the defense freeze. The committee also authorized $1 billion to be appropriated specifically for base closures along with a statutory provision which would supercede certain existing statutes which have impaired the ability of the Secretary of Defense from closing such bases.

TACTICAL ISSUES

The committee's program funding recommendations will continue the essential modernization of our conventional forces. The committee rejected the past practice of reducing production lines of the more essential weapons programs to inefficient production rates and instead recommended approval of the administration's request for the AH-64 Apache attack helicopter, UH-60 Blackhawk helicopter, Bradley Fighting Vehicle, M-1 Abrams main battle tank, the Navy's A-6E attack aircraft, F/A-18 Strike Fighter, and the Air Force's F-15 and F-16 fighters with only minor funding reductions. The committee recommended approval of the R&D for the JVX tilt-rotor aircraft, now designated the V-22 Osprey, but recommended reductions for the LHX, the Army's proposed family of light helicopters, and the Air Force's Advanced Tactical Fighter [ATF]. The committee also recommended that the Army's Aquila Remotely Piloted Vehicle [RPV] program be restructured at a funding level one half of that requested by the administration.

The committee recommended approval of the administration's request for air-to-air, surface-to-air, and air-to-surface missiles with the exception of the Air Force's AMRAAM [advanced medium range air-to-air missile] for which the committee recommended approval of only $200 million of the $366.5 million requested by the administration for missile production.

The committee recommended no funds be provided for the Army's field artillery ammunition support vehicle [FAASV], the Army's robotic obstacle breaching assault tank [ROBAT], Navy UC-12B aircraft, Navy T-34C trainer aircraft, Marine M-198 Howitzers, Air Force HH-60 Nighthawk helicopters, and Air Force low level laser guided bomb [LLLGB] kits.

PREPAREDNESS

With regard to preparedness issues, the committee recommended $83.5 billion, approximately $3.5 billion less than requested by the administration in this area.

In going from the original 3 percent markup contained in the committee report to the zero percent growth level, an additional $800 million was reduced from the request. The additional reductions were made in financing adjustments of $200 million; O&M program reductions of nearly $250 million; a reduction of $200 million in the stock fund requests from all services; and almost $100 million in additional procurement reductions.

DEFENSE ACQUISITION POLICY

TITLE VI

Because Members of the Senate have expressed an interest in addressing the issue of defense procurement reform when the authorization bill comes to the Senate floor, the committee has removed the Defense Procurement Improvement Act of 1985 from the legislation. It will be offered as a committee amendment during Senate consideration of the authorization bill.

TITLE VII

The committee agreed to language clarifying the application of civil and criminal penalties levied against contractors submitting consistent unallowable claims. The section relating to the applicability of the Davis-Bacon Act contains codification of Department of Labor regulations on wage computation. The Walsh-Healey provision was modified by the committee to require overtime for hours worked over 40 hours per week, with no reference to daily overtime requirements. Finally, the committee has added language to set specific evaluation for the Secretary of Defense to use in closing or realigning bases, as well as to set restrictions on the authority to use appropriated funds for this purpose.●

NATIONAL TOURISM WEEK 1985

● **Mr. SASSER.** Mr. President, as cochairman of the Senate tourism caucus, I want to direct attention to National Tourism Week 1985, which begins on Sunday, May 19. National Tourism Week will kick off the great American summer vacation season, a season in which 105 million Americans are expected to make vacation trips this summer.

Instituted last year as a result of a joint resolution unanimously supported by both the House and Senate, National Tourism Week proved to be an enormous success in promoting the importance of travel and tourism—the second largest business in the United States.

So successful was National Tourism Week in 1984, in fact, that the resolution designating a 1985 National Tourism Week became a public law only 3 months after it was introduced simultaneously in both the House and Senate.

"Tourism Works for America" is the theme of this year's National Tourism Week. And certainly, tourism does work for America.

The travel and tourism industry is our Nation's second largest employer, providing 6.8 million jobs. And in 1983, the most recent year for complete data are available, the industry was responsible for 43 percent of all new jobs.

It represented 6.4 percent of the U.S. gross national product in 1983, with expenditures totaling $210 billion. One-eighth of every dollar spent on travel and tourism is tax revenue. In 1983, the industry generated $13.8 billion in taxes for the Federal Government, $8.7 billion for our States and $2.8 billion in taxes for local governments.

As the second largest industry in Tennessee, travel and tourism are key to the economy of the State. Data provided by the U.S. Travel Data Center and the U.S. Travel and Tourism Government Affairs Council amply illustrate this, and I ask that this data be printed in the RECORD at this point.

The data follows:

TENNESSEE FACT SHEET: ECONOMIC IMPACT OF TRAVEL AND TOURISM IN 1982

Travel and tourism was the second largest employer in the state in 1982.

In 1982, travel and tourism generated: 82,900 jobs; 4.9 percent of all jobs in Tennessee; $645 million in payroll. Over $3.1 billion expenditures in the state.[1] Tourists spent nearly $8.7 million per day in Tennessee in 1982; $3,168 million total domestic traveler expenditures; $292 million total tax revenues;[1] $139 million federal tax revenues; $114 million state tax revenues. Tourism contributed more than $312,000 per day to Tennessee in state taxes in 1982. Tennessee received $27.14 in tourism generated state taxes for each dollar the state budgeted for tourism in 1982; $39 million local tax revenues.

Tennessee ranked 8th in the U.S. in terms of state tourism budgets in 1982–83.

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[1] Totals do not include foreign visitor contributions.

Source: U.S. Travel Data Center and Travel and Tourism Government Affairs Council.

Note: 1982 is the latest data available. 1983 data will be released in late summer 1985.

Mr. **SASSER.** Mr. President, as favorable as the data on travel and tourism are, all of us who are concerned with the vitality of the industry can do even more to strengthen its role in our national economy, and National Tourism Week is an ideal time in which to undertake this effort.

Specifically, more Americans should be aware of the importance of tourism to our international balance of trade. The foreign visitor to the United States is part of a major export industry. Yet, the administration seems intent on deauthorizing and dismantling the U.S. Travel and Tourism Administration [USTTA], the agency charged with coordinating our Nation's policies regarding tourism, especially international tourism.

With the strong American dollar making travel from abroad less attractive, it is more important than ever that we have a strong, aggressive national policies in this regard. I am confident that the Congress will see to it that the life and funding of the USTTA are extended so that this agency can do the job that needs to be done in promoting international tourism in the United States.

There are many other themes about tourism that one could emphasize during National Tourism Week 1985, but I believe that the industry has adopted a most fitting one for the week that begins shortly: "Tourism Works for America." Let us take the occasion of this special week both to appreciate and to promote this important economic fact.●

ANNUAL FINANCIAL DISCLOSURE OF SENATOR STAFFORD

● **Mr. STAFFORD.** Mr. President, in each of the last 11 years, I have made public disclosures of my financial holdings, along with summaries of my Federal income tax return.

I have pledged that I would issue a similar report to the citizens of Vermont each year for the remainder of my time in public office.

In keeping with that promise, I am once again issuing a public statement of financial disclosure.

The financial statement shows that my wife, Helen, and I had net assets of $760,000 as of May 8, 1985, when the evaluation was made.

The statement I am making public details our holdings, including bank accounts, cash value of life insurance and Federal retirement fund, real and personal property we own, and stocks and bonds.

The majority of the stocks and bonds listed were owned by us before I entered public office in Vermont 30 years ago.

The summary of our joint Federal income tax return shows that Mrs. Stafford and I had an adjusted gross

income of $123,000 last year. Of that total, $72,300 came from my salary as a U.S. Senator.

Our total tax bill for the year was more than $46,000, of which $36,000 was in Federal income taxes and $10,000 in Vermont State income taxes.

I shall ask that details of our financial statement be printed in the CONGRESSIONAL RECORD, as in the past. And, as I have done in each of the last 11 years, I am making copies of the statement available to newspapers, radio and television stations and other news services in Vermont.

This information is being made public because I remain convinced that those who serve in government, as well as government itself, must be as open and candid as possible with the public.

The net assets of the Staffords increased by $110,000 last year, a gain of nearly 17 percent. A major portion of our assets continues to consist of homes in Virginia and Vermont whose estimated total fair market value is $310,000.

One of the best ways Americans have to judge whether their government and their officials are acting properly is to provide full disclosure of all interests of government and of those who make decisions in government.

Thus, I invite all Vermonters—and all other Americans—to examine my financial interests and to match those interests with my record as a public official.

We have made some progress in providing the public with more information about the interests and activities of public officials, but we have a long way to go in providing full public disclosure.

I shall continue to support legislation that provides greater ventilation of the way we do business in our Government. In the meantime, I shall continue to make my own full disclosure to my fellow Vermonters.

The material follows:

Summary of 1984 joint Federal income tax return Robert T. and Helen K. Stafford

Income:	
Salary	$72,342.96
Interest	8,577.79
Dividends	5,414.01
Honoraria	20,500.00
Other	20,399.79
Total income	127,234.55
Adjustments to income allowable congressional expenses not reimbused	3,849.26
Total adjustments to income	3,849.26
Adjusted gross income	123,385.29
Deductions	11,270.89
Exemptions	4,000.00
Taxable income	108,114.40
Federal income tax due and paid	36,008.48

Statement of financial condition Senator and Mrs. Robert T. Stafford, May 15, 1984

Certificates of deposit:	
Chittenden Trust Company	$10,000
First Vermont Bank	10,000
Howard Bank	10,000
Howard Bank	10,000
Marble Savings Bank	10,000
Proctor Bank	10,000
Proctor Bank	10,000
Vermont National Bank	10,000
Vermont National Bank	10,000
Vermont Federal Bank	10,000
Total	100,000
Checking accounts:	
First Virginia Bank	600
Howard Bank	300
Riggs National Bank	18,000
Total	18,900
Life insurance:	
Connecticut General	
MONY	
NYLIC	
NSLI	
Travelers	
Total	20,000
Real estate (estimated market value):	
3541 Devon Drive, Falls Church, VA	150,000
27 Howard Avenue, Rutland, VT	60,000
64 Litchfield Avenue, Rutland, VT	100,000
Total	310,000
Additional assets:	
Contributions to Federal retirement (Dec. 31, 1984)	$82,055.83
Law library and office furniture	2,000.00
Boat and cars (two)	110,000.00
Personal property	35,000.00
Total	229,055.83
Stocks:	
Names and Shares	*Value*
NYNEX Corp.—77 at 82⅞	$6,381.36
AT&T—100 at 21½	2,150.00
Bellows Falls Trust Co—120 at 60	7,200.00
Cluett Peabody—20 at 30½	610.00
Con Edison of N.Y.—common 200 at 32⅜	6,475.00
Gillette Co.—20 at 60¼	1,205.00
Greyhound Corp.—20 at 28¼	565.00
Howard Bank—1425 at 22¾	32,418.75
International Harvester—20 at 9	180.00
Monsanto—80 at 46⅞	3,750.00
N. L. Industries—common 40 at 11⅞	475.00
National Distillers—40 at 29⅝	1,185.00
Outboard Marine—40 at 22⅞	915.00
Security Pacific Corp.—19 at 27¾	527.25
Time, Inc—75 at 54¼	4,068.75
Vendo—10 at 7⅜	73.75
Total	68,179.86
Keough account (Howard Bank)	13,983.28
Recapitulation: Total assets	760,118.97●

PAN AMERICAN HEALTH ORGANIZATION'S CAMPAIGN AGAINST POLIO

● **Mr. KENNEDY.** Mr. President, earlier this week I had the privilege to attend the Pan American Health Organization's meeting to launch its 5-year campaign to eradicate polio from the Americas by 1990.

It was a remarkable meeting, not the least because of the attendance of all the scientists whose work has led to the possibility of eradicating this dreaded disease from our planet. All Nobel laureates for their pioneering work—Dr. Jonas Salk, Dr. Albert Sabin, Dr. Fredericak Robbins, and Dr. Thomas Weller—were given a standing ovation as the Pan American Health Organization announced that their life-saving vaccines would be mobilized to eliminate the scourage of polio in the Western hemisphere.

In announcing the program, the director of PAHO, Dr. Carlyle Guerra de Macedo, said it best: Despite dramatic advances that have been made with polio immunization, the disease has not been conquered here in our own hemisphere. He said:

> By 1990, if nothing new is done and if the number of new victims reported in 1984 is repeated year by year, there will be at least 2,500 more children paralyzed, crippled or dead because of this acute viral disease. We must put an end, once and for all, to that spectre of crippling disease which still looms before the children of the Americas.

As the regional office of the U.N. World Health Organization, this campaign by PAHO reflects the larger goals of WHO to immunize the children of this world against the preventable diseases that yearly kill 5 million children under the age of 5.

Mr. President, this is the work of the United Nations that we should commend and support—not denigrate, as some did just yesterday on the Senate floor during the debate on the foreign assistance bill. The work of WHO, and through it the Pan American Health Organization, deserves our praise and our active support.

Their work is also being recognized by the private sector, and I am delighted to learn that Rotary International has pledge to promote and assist in polio immunization of all children, worldwide, by the year 2005—Rotary's 100th anniversary.

Just in support of PAHO's campaign in the Western Hemisphere, Rotary has already contributed $6 million—with a commitment to do much more.

Other U.N. agencies, particularly, UNICEF, with its "Child Survival" initiative, are also supporting the campaign.

Mr. President, I commend to the attention of the Senate the outstanding work of PAHO as it launches a major program to eradicate polio from the Americas. I ask that the announcement by Dr. Macedo, director of PAHO, as well as Rotary International's program statement, be printed in the RECORD.

The material follows:

ANNOUNCEMENT BY DR. CARLYLE GUERRA DE MACEDO, DIRECTOR, PAN AMERICAN HEALTH ORGANIZATION

I am pleased to welcome so many distinguished scientific, political, and diplomatic leaders this morning to the Pan American Health Organization. Your presence here at PAHO demonstrates once more the combined commitment of the countries of the hemisphere to the struggle against disease in the Americas.

As the Regional Office of the World Health Organization in this hemisphere, PAHO has a permanent task of working with its member countries in pursuit of Health For All by the Year 2000. That responsibility is even greater when it touches our children.

Throughout the world, some 5 million children under five years of age die each year from diseases which we can prevent with medicines and relatively common technology available to us today. They die mainly of poor perinatal care, of hunger or of some infection. In the countries of the Americas, 800,000 children die each year from preventable diseases, as many children as the number of people who live in this city. It is as if an entire city the size of Washington, its inhabitants only children, were to be destroyed every year.

The tragedy is that those lives are lost not because we do not know how to prevent or control those diseases, but because we have failed to assure all children access to the benefits of the knowledge we possess.

Perhaps the most effective and efficient of all the health technologies know to man is immunization. The geniuses of science, and many are here today, have developed effective vaccines which protect against most of the childhood infectious diseases. Yet, 80 per cent of the world's children do not receive that protection. Even here in the Americas, 4 million children born every year do not yet have access to vaccination against those childhood killer diseases.

Around the world, every six seconds, one child dies and another is disabled because of the failure to immunize against those diseases. . . . In that space of time, a child has died because of the lack of immunization.

A decade ago, the World Health Organization sought to counter this threat to the children of the world by establishing the Expanded Program on Immunization. In 1977, it was begun here at PAHO with the aim of preventing six diseases—measles, diphtheria, tetanus, whooping cough, tuberculosis and poliomyelitis.

We created a revolving fund, financed by special contributions of several donor countries. Last year, PAHO received a special grant from the U.S. to complete that fund. PAHO now can purchase vaccines for the participating countries at the lowest possible cost. Reducing the cost means reaching more children.

Much has been achieved since 1977. A vast number of health workers have been trained. Cold chain systems that keep the vaccines viable have been organized and are being maintained in country after country. Immunization is one of the top priorities in the national health plans of every country of this region.

In 1977, immunization reached between 25-30% of the children. By 1984, we say the countries double that coverage, extending that fundamental life-saving technology to 60 percent of the children at risk. The gap is still enormous: too many children still suffer needless illnesses and too many still die.

The most dramatic advances have been made with polio immunization where we have boosted coverage nearly three-fold to 75% of those under one year of age since 1977. But the disease has not been conquered: by 1990, if nothing new is done and if the number of new victims reported in 1984 is repeated year by year, there will be at least 2,500 more children paralyzed, crippled or dead because of this acute viral disease.

We must put an end, once and for all, to that spectre of crippling disease which still looms before the children of the Americas. Without the eradication of the polio virus, the chances of a sudden outbreak of polio still exists. Eradicating the virus from the hemisphere is the only sure way to protect our children from the threat of that disease.

We have the means available to accomplish that goal, thanks to many of the men who are with us today. These remarkable scientists have given us the tools to put an end to the sight of children in wheel chairs or hospital beds because of polio. Drs. Frederick Robbins, and Thomas Weller, along with Dr. John Enders, received the Nobel Prize for their pioneering work with tissue culture which made a vaccine possible.

The final developers of the vaccines also are with us today, and their great contribution to the well-being of children has made their names household words—Dr. Jonas Salk and Dr. Albert Sabin.

They have made it possible. But there are others who have helped to make it feasible. The many multilateral, bilateral and non-governmental agencies—most of which are represented here today—helped create the necessary network of external support for the countries of the world.

UNICEF, through its strong advocacy of child survival, has raised international awareness, motivated governments and provided important resources for immunization. UNICEF and PAHO have developed an unprecedented and extraordinary cooperative relationship. Throughout the Americas, we are working side by side sharing goals, projects and resources.

UNDP and UNFPA have promoted vaccine quality programs and strengthened maternal and child health services.

The Inter-American Development and the World Bank have emphasized immunization in financing development and health projects in the Americas.

USAID and other bilateral cooperation agencies, have given substantial priority to programs in child health, especially immunization and oral rehydration.

Rotary International is a stellar example of the spirit of voluntary action by citizens around the world. It has dedicated itself to make the elimination of polio its highest priority.

Some of these organizations are part of the Group which met under international auspices at Bellagio to commit themselves to protect the world's children through immunization.

The work of the individuals whom I have cited, the collaborative actions of the various agencies I have mentioned and above all, the progress of the countries themselves, have convinced us that it is feasible today to interrupt the transmission of wild polio virus in the hemisphere by 1990. We are convinced that it is possible to reduce the number of cases from 500 annually to zero.

We are proposing that the member countries of PAHO be supported by all of us to achieve the eradication of polio from the Americas in a massive final five year effort. The time has come for us to say that it is unacceptable for any child in the Americas to suffer from polio.

We saw nearly 200 years elapse between Jenner's vaccination experiments and the elimination of smallpox from the Americas and the world. The genius of man has made it possible for us to consider a time much shorter between the first vaccinations for polio and its elimination from our hemisphere. The Americas was the first Region to eliminate smallpox; we can be the first to eliminate polio.

It will not be an easy task, but we are convinced that our plan of action can work. It will focus on the accelaration of the Expanded Program of Immunization with special vaccination strategies in each country, supported by effective disease surveillance and control and training of health workers. It will strengthen the countries' maternal and child health services which are so vital for the health of our children.

We will be tapping the voluntary organizations in every country, inviting the participation of the mass media and mobilizing individual families and communities. We will promote a nationwide effort in every country, dedicated to a common strategy, committed to a common goal.

The drive to eliminate polio will be the vehicle that will carry the nations of the hemisphere toward the EPI goals of universal immunization against the childhood diseases by 1990.

We estimate that the cost of halting the transmission of wild poliovirus from the Americas will be approximately $100 million over the next five years. We believe that we will obtain one-third of that amount from donor countries and institutions and part of that amount already is included in their current and future budget plans. The remainder will come from the countries themselves, in spite of the financial crisis which currently pervades this Region. For most of them, it will mean the reprogramming and more efficient utilization of resources which are already being spent in health.

I am convinced that this commitment by the nations of the Americas to eradicate polio will not fail because of the lack of financial resources. The long-term economic return will far outweigh the actual costs of the effort, although my personal conviction is that it is time to stop using economic indicators alone to measure the development and well being of children.

Although individual countries have shown that it can be done, skeptics will say this is too ambitious an undertaking. I say it is the least that we can do. For I dream of a time when we have not only rid this hemisphere of the curse of polio, but of a time when, for every child, the future is, as the poet wrote, "a world to be born under your footsteps." We can build a better world for our children. We can make a revolution in health. We need only to decide to work together to do it.

Let us now take this first step toward that future by eradicating polio from the Americas by 1990: I trust that we or others like us will meet here at that time to rejoice in our having achieved the goal we have set today.

Once more, in this special struggle to eradicate polio, health must and will be a bridge for solidarity and understanding between the peoples and countries of the Americas, a bridge for peace and well-being.

ROTARY ESCALATES WORLD WAR AGAINST POLIO WITH MASSIVE 20-YEAR PROGRAM

POLIO 2005 PLAN

Rotary International has pledged to promote and assist polio immunization of all children worldwide by 2005, Rotary's 100th anniversary. It has already launched or approved immunization projects in 19 countries to protect more than 46 million children.

By adding its efforts to those of WHO's Expanded Immunization Program (EPI), UNICEF, and other organizations, Rotary—through The Rotary Foundation of Rotary International—contributes to making a polio-free world a reality through its work in developing nations.

Rotary will provide all the polio vaccines necessary for up to five consecutive years for any approved city, state, country, or regional immunization program—either as part of annual national days of immunization against polio or through other delivery tactics, in overall support of the EPI.

Rotary will make available to any less-developed country, upon invitation, a team of experts to help assess, plan, implement, and evaluate a plan for annual national days of immunization against polio. In each country targeted for such campaigns, a committee of Rotarians, in conjunction with Rotary's expert team and national and local health officials, will seek to motivate and utilize resources of the private business and professional sectors. Recently, the World Health Organization (WHO/PAHO) established official relations with Rotary International as a non-governmental agency.

ROTARY ACTION TO CONTROL POLIO IN THE AMERICAS

In the Americas, The Rotary Foundation currently is conducting or planning five-year immunization projects in nine countries. In addition, as part of Rotary's new Polio 2005 Program, Rotary Foundation immunization expert Mejico Alfredo Angeles, vice minister of health for the Dominican Republic, is now in Paraguay working with a Pan American Health Organization team to determine if a mass immunization program is feasible in that country.

ROTARY IMMUNIZATION PROJECTS IN THE AMERICAS

Belize: A U.S. $51,200 grant is approved for a national program due to begin in May or June, 1985. The grant will be used to purchase equipment and provide training for both health workers and maintenance personnel as part of a national effort to protect 35,000 children.

Bolivia: Now in its third year, the U.S. $104,000 Rotary Foundation project provides both polio vaccine and cold chain equipment for a national effort to protect 425,000 children. A national immunization day was held October, 1984.

Costa Rica: Polio vaccine for 500,000 children is being provided through a U.S. $50,000 Rotary Foundation grant. The second shipment, comprising 600,000 doses, was purchased November, 1984.

El Salvador: Local Rotarians donated 3,000 vaccine thermoses for El Salvador's first three national immunization days this year and actively participated in implementing the program. Polio vaccine for the next five years of the project, designed to protect 1,454,000 children, will be purchased through a U.S. $274,000 Rotary Foundation grant.

Haiti: To launch Rotary's immunization project to protect 540,000 children, local Rotarians enlisted 1,000 volunteers in an inaugural event held in Port au Prince in April, 1982. Now in its third year, the project is funded by a U.S. $196,000 Rotary Foundation grant.

Guatemala: The first one million doses of polio vaccine to be purchased through The Rotary Foundation's U.S. $378,600 grant was ordered in February, 1985. Local Rotarians are actively promoting that nation's efforts to protect 1,920,000 children.

Panama: In support of Panama's efforts to protect 400,000 children from childhood diseases, The Rotary Foundation has awarded U.S. $537,000 for a massive public information campaign to be supported by local Rotarians' work to enlist the participation of the entire population.

St. Lucia: A U.S. $66,000 Rotary Foundation grant will supply a variety of needed vaccine for this island nation, including polio vaccine to protect 20,000 children.

OTHER ROTARY FOUNDATION IMMUNIZATION PROJECTS

Country	Children to be immunized	Foundation grant
Gambia	200,000	50,500
Ghana	1,875,000	374,000
Liberia	268,865	56,800
Morocco	5,000,000	734,600
Nigeria	21,150,000	2,810,000
Philippines	6,000,000	760,000
Senegal	1,250,000	219,000
Sierra Leone	1,000,000	165,000
Sudan	1,200,000	236,000
Zambia	2,200,000	367,000

SUPPORT OF NOMINATION OF WILLIAM H. OPEL FOR U.S. MARSHAL FOR ALASKA

● Mr. **MURKOWSKI**. Mr. President, I am honored to support the nomination of an outstanding Alaskan, Mr. William H. Opel of Anchorage, to be the U.S. marshal for the State of Alaska. Mr. Opel's nomination for this important position was confirmed late last evening by the Senate.

Bill Opel is extremely well-qualified and deserving of this appointment. He has been with the U.S. Marshal Service in Alaska for over 15 years and has been the court-appointed marshal since 1977.

In addition to his dedication as a member of the U.S. Marshal Service, Bill has also demonstrated his service and dedication to our country through a distinguished military career.

After graduating from high school in 1943, Bill joined the U.S. Army, first serving in Europe during World War II. During the war he was awarded nine decorations and five battle stars before receiving an honorable discharge on December 9, 1945.

At the outbreak of the Korean war, Bill, reenlisted in the Army and volunteered for combat duty. During his assignment in Korea, Bill received six additional decorations.

After his tour of duty in Korea, Bill continued to serve in the Army for the following 12 years in Germany and Taiwan. In 1964, he became the first American to be awarded the Chinese Police Medal by the Taiwanese Government.

In 1967, at the height of the Vietnam war, Bill again volunteered for combat duty. During the 13 months he served in Vietnam, he was awarded the Purple Heart, two Bronze Stars, one of which was for heroism, the Vietnamese Medal of Honor and the Vietnamese Cross for Gallantry. Bill Opel has the distinction of being recognized as the most highly decorated enlisted man in Alaska.

Upon his retirement from the Army in 1970 at Fort Richardson, AK, Bill joined the U.S. Marshal Service.

Bill's career with the U.S. Marshal Service has been as illustrious as his military one. After entering the U.S. Marshal Service as a deputy marshal, he was promoted through the ranks to the position of chief deputy U.S. marshal, before being appointed as U.S. marshal for the State of Alaska. During his career in the Marshal Service he has accumulated almost as many awards and honors as he did in the Army. In fact, Bill has received 22 letters of commendation and is the first member of the Alaska Marshal Service to be awarded the Outstanding Performance Award by the U.S. Marshal Service.

There is one more honor that has been bestowed upon Bill, although it may be a dubious one. Because of bureaucratic problems, he has served as the longest court-appointed U.S. marshal in the history of the U.S. Marshal Service.

Mr. President, I know of no other person more worthy of becoming the U.S. marshal for Alaska.

It is a distinct honor for me to support the nomination of Mr. William H. Opel of Anchorage, AK, to be U.S. marshal for the State of Alaska, and I commend my colleagues for having confirmed his nomination.

Mr. President, I ask that a letter in support of Mr. Opel's nomination, written by Judge James Fitzgerald, chief judge of the U.S. District Court for the State of Alaska, be printed in the RECORD.

The letter follows:

U.S. DISTRICT COURT,
DISTRICT OF ALASKA,
Anchorage, AK, March 28, 1985.

Mr. STANLEY E. MORRIS,
Director,
U.S. Marshals Service,
McLean, VA.

DEAR MR. MORRIS: A few months ago a story broke in the local press concerning misfeasance involving millions of dollars in the affairs of the North Slope Borough, an Alaskan municipality. This initial report has been followed by many wide-ranging news articles, T.V., and radio broadcasts throughout Alaska. It was recently reported in the media that federal officials, including the Federal Bureau of Investigation and the Internal Revenue Service agents are involved

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in ongoing investigations into the affairs of

incentives and opportunities for our

social needs go unanswered because most of in ongoing investigations into the affairs of the North Slope Borough.

Within the past two weeks a second Grand Jury was empanelled at the request of the United States Attorney, Mr. Michael Spaan. I was informed by Mr. Spann and by certain agents of the Federal Bureau of Investigation of the necessity of protecting the identity of several confidential informants who would be appearing before the Grand Jury. I was satisfied, on the basis of information made available to me, that not only was it essential and necessary to protect the identity of the confidential informants but the identity of members of the Grand Jury as well.

Acting United States Marshal William Opel was assigned full responsibility by this court to ensure the secrecy of all Grand Jury proceedings, as well as the protection of the identity of Grand Jurors and confidential informants.

I have now received a letter from the United States Attorney commending Marshal Opel for achieving full security of the Grand Jury and the witnesses who appeared during recent sessions of that body. Mr. Spaan reports that the Grand Jury was able to conduct its business without interference by interested defense lawyers and the media. According to Mr. Spaan, Marshal Opel performed an outstanding job.

This is only the latest instance in which Marshal Opel has performed his duties in a most commendable manner. From time to time, he has had to provide courtroom security for the trial of criminal cases in which a substantial threat of disruptive behavior existed. In every instance, Marshal Opel has carried out his duties and has appropriately instructed and supervised his deputies. At no time have I ever heard a single complaint that either he or his deputies acted in any manner offensive or officious to the public in performing these sensitive responsibilities. I believe his nomination as United States Marshal in this district is now pending before the Senate Judiciary Committee. For that reason, I am also sending copies of my letter to our United States Senators, Senator Ted Stevens and Senator Frank Murkowski. I, and the other judges of this court, believe we are fortunate to have the services of a dedicated and worthy officer of the United States Marshals Service.

Very truly yours,

James M. Fitzgerald,
Chief Judge.●

REPRESENTATIVE ROBERT TORRICELLI

● Mr. HART. Mr. President, I am privileged to be working with one of the young Democratic leaders in the House of Representatives on a proposal about which I care deeply.

Congressman Robert Torricelli a Democrat from New Jersey, is the House sponsor of legislation I introduced in the Senate on the subject on national service. Our bill, the Select Commission on National Service Opportunities Act of 1985, calls for the establishment of a panel to investigate the issues associated with national service.

The activities of the Commission—which is empowered under our bill to hold hearings on national service—will focus the attention of the country and the Congress on how we can establish incentives and opportunities for our young people to provide service to the Nation.

On May 12, the Bergen Record, a distinguished daily newspaper in northern New Jersey, ran an editorial titled "At Your Service." In it, the Record recognizes that some form of national service would help this Nation meet a catalog of needs which need to be filled—problems in our cities, the elderly who need companionship, restoration of housing, and others.

The Record also paid tribute to the House sponsor of the legislation, saying: "At a time when the currency of patriotism is debased by sloganeering, it is bracing to hear Representative Robert Torricelli talk about asking Americans to repay some of the benefits of citizenship."

I think this editorial makes an important contribution to the debate on national service by correctly identifying the core value of this proposal, and by saluting Congressman Torricelli for his leadership on this issue.

I ask that the full text of the editorial appear in the Record.

The editorial follows:

At Your Service

At a time when the currency of patriotism is debased by sloganeering, it is bracing to hear Rep. Robert Torricelli talk about asking Americans to repay some of the benefits of citizenship. Mr. Torricelli, of Hackensack, and Sen. Gary Hart of Colorado are cosponsoring legislation that will open the debate on a system of universal national service.

Their bill would establish a Select Commission on National Service Opportunities to come up with practical proposals for a mandatory period of military, volunteer, or government service by every man and woman aged 18 to 25.

It's not a new idea, Franklin Roosevelt recruited 3 million youths to build dams and rehabilitate parks in the Depression. John Kennedy's Peace Corps, created as an embodiment of his ideals of public service, has sent 35,000 volunteers overseas. Robert Kennedy talked about some kind of obligatory national service for everyone.

It is a question of opportunities. We seem to be at a juncture in our history, said Mr. Torricelli, where young people yearn to make a contribution to their society. National service would give them an opportunity to do so. At the same time, it would give a more fundamental kind of opportunity to the large number of youths who've never had decent housing, decent diets, decent schooling—and who thus enter adulthood with no hope of finding a productive job. Here the opportunty is society's to help these youngsters overcome educational and economic deficits and enter the mainstream.

There is a long catalog of national needs to be filled—an enormous amount of work to do. Our cities are marred with blasted neighborhoods. Salvageable housing is ceded to junkies and their dealers. Parks are trashed. Many children should have tutoring to help them catch up in school—or someone to play ball with after school. Lonesome old people need errands run, windows washed, someone to talk to. A million social needs go unanswered because most of us are so busy pursuing livelihoods.

Universal national service is a promising answer. There are a host of practical problems. How much would it cost to place millions of young people in military, public, and social services? How would we choose the work for them to do? Would they be paid according to present military pay scales, for instance, or on a sliding scale controlled by the difficulty of their assignments? How would a tour of duty mesh with ongoing educational or career or family goals? How would the government match its needs with the preferences of individual recruits for, say, the military, the Job Corps, the Peace Corps, or local government service?

The questions are legion but not imponderable. Fiscal and administrative obstacles must be overcome. But it's hard to think of an endeavor that would better suit the physical and psychic needs of this nation and its people.●

FRATERNAL ORDER OF POLICE

● Mrs. HAWKINS. Mr. President, I rise today to recognize the Fraternal Order of Police for their active participation in protecting our Nation's children. We find in this organization, activities vital to success in combating child abuse and kidnapping.

Robert Spiegel, chairman of public relations, has taken a strong interest in this issue. He was instrumental in getting the national lodge to adopt the Ident-A-Child Program and has consistently supported child safety programs throughout the years.

The Fraternal Order of Police was involved with action in putting together a number of publications on children, such as the Child Safety Program Handbook. It also undertook the task of fingerprinting children across America. They concentrated one program on Dade County, FL, in which they took fingerprints and photographs of children. They gave parents identification cards with vital information, excluding names and addresses to prevent possible misuse by child abusers.

The organization has also been active in legislation concerning child safety. They were instrumental in getting the first joint resolution for National Missing Children Day passed, and they actively supported juvenile justice legislation and the President's criminal justice legislation. Most recently, the Fraternal Order of Police was asked to aid in the President's national partnership on child safety, and, with their active involvement, they hope to comprise a portion of the task force.

We must pull in all of America in this protection of our Nation's most valuable resource. The Fraternal Order of Police serves as a model to all public organizations to involve themselves in protecting our children.●

SOVIET STRATEGY IN GENEVA

● Mr. NUNN. Mr. President, when the Soviet Union agreed to return to Geneva for new negotiations on nuclear and space arms, there was hope that the Soviets would come to the negotiating table with serious proposals and a new spirit of flexibility and compromise.

Instead, they devoted the first 6 weeks of the talks to propaganda, posturing, and public diplomacy. Round one of the negotiations demonstrated that the Soviets are prepared, at least for now, to defend totally unacceptable proposals that have actually regressed from earlier Soviet offers in START and INF. If, in Soviet eyes, the raison d'etre of these talks is to achieve a negotiated agreement that prohibits the deployment of new strategic defenses, then round one certainly moved them no closer to this goal.

On May 1, Ambassador Paul Nitze gave a speech at the National Press Club in which he offered a possible explanation for Soviet behavior in round one. According to Ambassador Nitze, the Soviet Union is "pleased with the current strategic situation" and is therefore trying to freeze its perceived advantage in several key elements of strategic power, including prompt counterforce capability, longer-range INF missiles, ABM's and ASAT's. In short, Ambassador Nitze argues that, rather than negotiate an accord that would provide for strategic parity, the Soviets are "devoting their efforts to countering any change."

Mr. President, I ask that the entire text of Ambassador Nitze's speech be inserted in the Record.

The text follows:

The First Round in Geneva

(Paul H. Nitze)

INTRODUCTION

On April 23, U.S. and Soviet negotiators completed their first round of talks on nuclear and space arms in Geneva. On that same day, in his speech at the Central Committee Plenum, Soviet General Secretary Gorbachev criticized the United States for blocking progress in the negotiations. He alleged that we had refused to discuss the question of preventing an arms race in space. He charged us with violating the agreement reached in January by Secretary Shultz and Foreign Minister Gromyko to address the complex of issues in their interrelationship. Finally, he extolled the moratorium proposal introduced by the Soviets in the first round as providing a basis for progress.

Mr. Gorbachev's claims are without merit. The U.S. approach to the negotiations is specifically designed to pursue all of the agreed objectives of the talks, including preventing an arms race in space. It is the Soviets who, by focusing their energies on an attempt to derail SDI research, are contradicting the January agreement to deal with all the issues in their interrelationship. The Soviet moratorium proposal does not provide a useful basis for progress. And it is the Soviet approach as a whole that is blocking U.S. efforts to facilitate movement in the negotiations.

Let me review the results of the first round and explain the basis for these conclusions.

BACKGROUND

As you remember, the Shultz-Gromyko agreement in January established the parameters of the negotiations. They agreed that the subject is the complex of questions concerning space and nuclear arms—both strategic and intermediate-range—to be considered and resolved in their interrelationship. The agreed objective is to seek effective agreements aimed at reducing strategic and intermediate-range nuclear arsenals, at strengthening strategic stability, and at preventing an arms race in space. The detailed work of the talks is being conducted in three negotiating groups, addressing strategic nuclear arms, intermediate-range nuclear forces, and defense and space arms.

U.S. APPROACH

The United States approached the first round of the negotiations with four primary objectives in mind. The first of these is to seek equitable and verifiable agreements leading to deep reductions in offensive nuclear arsenals. These are the weapons that exist today and which thus pose the most immediate threat to our mutual security.

Our second goal is to resolve our concerns about the erosion of the ABM Treaty regime that has resulted from Soviet actions over the past decade, and about Soviet noncompliance with that and other existing agreements. We are determined to seek corrective action where violations have occurred.

Our third objective is to lay out the US strategic concept and engage the Soviets in a general discussion of the offense-defense relationship. Specifically, we want to explain how, over the long term—should new defensive technologies prove feasible—we hope to make a transition from the current situation, in which deterrence rests on the ultimate threat of devastating nuclear retaliation, to one in which nuclear arms are greatly reduced and increasing reliance is placed on defenses which threaten no one. We intend, when the Soviets are ready to join us in doing so, to begin discussions with them on our ideas as to how our two sides might jointly manage such a transition.

Our final objective is to impress on the Soviets that our ultimate goal, as the President has repeatedly stated, is the elimination of all nuclear weapons. The Soviet Union has long stated this to be its goal as well. We have no illusions that our two sides can quickly or easily agree on the practical steps necessary to reach this goal, but its importance makes it imperative that we persist. Were nuclear weapons to be eliminated, we would have to devote particular attention to how, together with our allies, we might counter and diminish the threat posed by conventional arms imbalances, through both arms improvements and arms control efforts.

At the beginning of the round, in meetings of the full delegations, the US negotiators presented our assessment of the current strategic situation and our ideas on how we could pursue the agreed objectives of the talks. After two weeks, the delegations broke into the separate negotiating groups and the detailed work began.

In the negotiating group on strategic offensive arms, the US laid out its conceptual approach to achieving significant, equitable, and verifiable reductions, in a manner that would improve stability. This approach includes substantial reductions in the number of warheads on, and the destructive capacity of, ballistic missiles, as well as limits on heavy bombers and the number of ALCMs they carry below the levels set by SALT II. US negotiators emphasized the broad authority they had been given by the President for working out means to reach that goal. They made it clear that it is the substantive outcome more than the method of achieving it that is of primary importance.

The US side also stressed that the US is not trying to dictate the character of the Soviet force structure. We recognize that there are substantial differences between our respective nuclear arsenals, and have therefore urged the Soviets to explore with us possible trade-offs between areas of US and Soviet advantage and interest. An example of such a trade-off would be a provision allowing a Soviet advantage in ballistic missile capability in return for a US advantage in bomber capability.

In the negotiating group on intermediate-range nuclear forces, the US reaffirmed its preference for the complete elimination of all US and Soviet longer-range INF missile systems. We reiterated our willingness to agree, as an interm measure, to reduce LRINF missiles to the lowest possible equal global limits on warheads. Finally, in order to take account of previously expressed Soviet concerns, we renewed our willingness to consider a commitment not to deploy in Europe all of the LRINF missiles to which we would be entitled under equal global ceilings, to apportion reductions to be made in LRINF missiles between Pershing IIs and GLCMs in an appropriate manner, and to discuss LRINF aircraft limitations. As in the strategic arms group, the US negotiators emphasized their flexibility.

In the defense and space negotiating forum, we pointed out the instability that exists in the current strategic situation and the need for our two sides to address the problem. We stressed the importance we attach to reversing the erosion of the ABM Treaty regime. In that regard, we underlined the premium we place on treaty compliance in the arms control process and our concern about Soviet actions that violate the ABM Treaty and other existing agreements. Notable in this regard is their construction of a large phased-array ballistic missile tracking radar at Krasnoyarsk that, because of its interior location, orientation, and early warning capability, violates ABM Treaty constraints. We also explained to the Soviets our view on the relationship between offensive and defensive forces, the potential contribution of defensive forces to our mutual security, and how—if new defensive technologies prove feasible—we might manage a stable transition over time toward increased reliance on defenses.

In sum, the United States carried out its planned agenda in the first round. We explained our concerns created by the existing array of nuclear arsenals and put forth sound proposals to redress those problems. We outlined our vision of a safer and more stable future and explained our ideas on how such a future could be realized.

SOVIET APPROACH

The Soviet approach to the first round contrasted sharply with ours. Where we sought deep reductions in existing nuclear arsenals, they proposed to freeze the current situation—with its existing imbalances—and address largely unspecified reductions later. Where we sought to explain our ideas on how increased reliance on defenses, should they prove feasible, might enhance strategic stability, they insisted on banning any new effort—even research—in the defense area.

The strategy underlying the Soviet approach seems clear. The Soviet Union is pleased with the current strategic situation. They possess substantial advantages in several key measures of strategic offensive nuclear power, especially in prompt counterforce capability. They hold a large advantage in the area of intermediate-range nuclear forces, particularly in longer-range INF missile systems. Moreover, they have the only operational ABM system and have until recently enjoyed a virtual monopoly in research into advanced ballistic missile defense technologies. Finally, they have the only operational anti-satellite system. They want to maintain this situation, and thus are devoting their efforts to countering any change. Their most important objective in this regard is to stop the US SDI research program, which threatens to find counters which would negate many of their advantages, both offensive and defensive. Similarly, they wish to abort our strategic modernization program and roll back NATO's INF deployments. To this end, they attack and thereby seek to undermine support for these programs by characterizing them as exacerbating the "arms race," all the while remaining silent on the strategic buildup of the Soviet Union.

The centerpiece thus far of the Soviet strategy is their moratorium proposal, tabled early in the round in Geneva and publicized three weeks later by General Secretary Gorbachev.

With regard to offensive weapons, the Soviets propose a quantitative freeze on strategic arms and a moratorium on further deployments of "medium-range" missiles. These are the same old discredited proposals the Soviets surfaced in the past. They first raised a moratorium over three years ago in the INF negotiations, though, after supposedly invoking it on a unilateral basis in 1982, they continued construction of SS-20 bases already begun in the European USSR and deployed new missiles at those bases. Interestingly enough, we see construction of SS-20 bases continuing again today, after Mr. Gorbachev's declaration of a new unilateral moratorium.

The Soviets subsequently proposed a moratorium in START. As we noted on those occasions, a moratorium would lock in the advantages the Soviets have gained in both strategic and intermediate-range nuclear arms as a result of their deployment of many modern systems during a period in which the US has exercised restraint. Negotiating it would divert considerable time and attention from the more important goal of achieving deep reductions, and would also directly undercut the prospects for achieving reductions, instead giving the Soviets incentives to preserve their advantages by perpetuating the freeze.

With respect to strategic defense, the Soviets propose a comprehensive ban on research and development, as well as on testing and deployment, of what they call "space-strike arms."

It is difficult to see how one could effectively or verifiably ban research. The Soviets have in the past agreed with this view, not only at the time of the negotiation of the ABM Treaty but also in January in Geneva.

How could one decide what research would lead to "space-strike arms," and thus cross over the line into the restricted category, and what research would not? It would be impossible to monitor the actions and thoughts of all the scientists and technicians in the research institutes and laboratories in every country of both alliances.

Moreover, SDI research holds open the one possibility of providing the means for a move to a more defense-reliant relationship, one that would be more stable and reliable for both sides. It makes no sense to foreclose such a possibility. Furthermore, such research is a powerful deterrent to a Soviet breakout from the ABM Treaty.

The Soviets themselves have clearly seen the value of researching new defensive technologies. They have devoted considerable time and resources to such an effort. This includes high-energy lasers—for example, at the Sary Shagan test center—and particle beam weapons.

Why, then, do the Soviets propose to ban such research? The answer is simple. The Soviets are ahead in research on, and deployment potential for, nuclear-armed ground-based ABM interceptors, and they seek to preserve and enhance these advantages. At the same time, the Soviets fear that the West's superior technological base could give us an advantage in the more exotic defensive technologies, and they want to prevent this. At worst, a mutually observed ban would leave them where they are today. Moreover, given the unverifiability of a research ban and the closed nature of their scientific community compared to ours, they very well might be able unilaterally to continue research on advanced defense systems on a clandestine basis. From Moscow's point of view, such a monopoly in the area of strategic defense research would certainly be the most desirable outcome.

As for development, testing and deployment of so-called "space-strike" arms, most of this is already covered by provisions of existing treaties. The Outer Space Treaty prohibits the placing of weapons of mass destruction, including nuclear weapons, in space. The Limited Test Ban Treaty forbids the testing of nuclear arms in space.

Additionally, all systems—whether nuclear or otherwise—which have a capability to counter strategic ballistic missiles or their warheads at any point in their trajectory are subject to the ABM Treaty. That agreement prohibits the deployment of ABM systems in space or on the earth, except for precisely limited, fixed, land-based systems. Its provisions also cover testing and engineering development of such systems or their major components.

It thus appears that the sole space activity that is not covered by existing agreements is that of a narrow class of anti-satellite or ASAT systems. This class is restricted to non-nuclear systems capable of attacking satellites, but not capable of countering strategic ballistic missiles or strategic ballistic missile warheads. Were they capable of the latter, they would be subject to terms of the ABM Treaty.

In essence, we are talking about the Soviet co-orbital interceptor—the world's only operational ASAT system—and the aircraft-launched miniature vehicle system now under development by the United States.

Banning ASAT-capable systems presents difficulties. Once an ASAT weapon, such as the Soviet co-orbital ASAT, has reached operational status, it is questionable that one could assure that all such systems had been destroyed. Even were we to find a way to ban the declared US and Soviet ASAT systems, most satellites would still be vulnerable to attack, especially by nuclear weapons. The existing Soviet Galosh ABM interceptors deployed around Moscow are capable of attacking low-orbiting satellites, which pose much easier targets than do ballistic missile warheads. In fact, any ballistic missile capable of lofting a nuclear weapon to orbital altitudes has some inherent ASAT capability.

Thus, we concluded, after carefully studying the Soviet moratorium proposal in the aftermath of its presentation in Geneva, that it does not provide a useful basis for progress in the Geneva talks.

SOVIET ALLEGATIONS

In an attempt to buttress their position, the Soviets during the first round, and Mr. Gorbachev in his Central Committee Plenum speech, accused us of violating the Shultz-Gromyko agreement in two respects. First, they charged us with failing to honor the commitment to address the complex of space and nuclear issues in their interrelationship, based on their novel definition of that term. The Soviets asserted that progress on the issues in the two groups dealing with offensive arms would be impossible unless the US agreed to the Soviet proposal to ban "space-strike arms," and that, by failing to accept that ban, the US was denying the interrelationship.

This charge is, of course, without merit. The US is addressing all issues in their interrelationship. In fact, as I explained earlier, the offense-defense relationship is one of the principal elements on which our position focuses. Rather, it is the Soviet approach which violates the interrelationship agreement by insisting that the space issue be considered in isolation and by setting resolution of that issue—on the basis of their demands—as a precondition to serious negotiation on the other issues.

The second Soviet charge is that, by failing to agree to their proposal for a "space-strike arms" ban, the US is reneging on its commitment to prevent an arms race in space. This charge is also groundless; preventing an arms race in space is exactly what our strategic concept envisages. The term "arms race" connotes a runaway competition between two sides, with each piling weapon upon weapon in an unbridled manner. What we propose is just the opposite—a stable transition to greater reliance on defensive systems, should new technologies prove feasible, managed jointly by the United States and the Soviet Union. Defenses would be introduced at a measured pace, in conjunction with progressively stricter limitations and reductions in offensive nuclear arms. The result would be that the two sides would have far fewer weapons which would use space as a medium for delivering nuclear destruction. The approach we foresee would be designed to maintain at all times control over the mix of offensive and defensive systems on both sides, and thereby increase the confidence of the sides in the effectiveness and stability of the deterrent balance.

STEPS BACKWARD

Beyond pressing these baseless charges, pushing their moratorium proposal, and showing little interest in exploring US proposals, the Soviets provided little of substance and few specifics during the round. Of the specifics that were offered, many represent steps backward from previous Soviet positions.

For example, in the START negotiations in 1983, the Soviets expressed willingness to consider permitting some deployment of air-launched cruise missiles. Their current position calls for a ban on all cruise missiles

with range exceeding 600 km, regardless of basing mode.

In the INF talks in 1983, the Soviets offered a freeze on SS-20 deployments in Asia; now they insist on having no constraints on these systems, which, due to their range and mobility, are capable of striking Europe in addition to threatening US friends and allies in Asia. Similarly, in 1983, the Soviets showed considerable flexibility regarding the US aircraft on which they would require limits; now they have returned to their earlier and far more strident demands.

In the January meeting in Geneva, Gromyko acknowledged that limits on strategic defense research would not be verifiable; the Soviets nonetheless now propose banning such research.

Also in the January meeting, Gromyko included the Moscow ABM system in the Soviet definition of "space-strike arms;" at the negotiating table, the Soviets specifically excluded that system from their definition and thus from their proposed ban.

Finally, in the anti-satellite talks of 1978-79, the Soviets acknowledged that neither limits on ASAT research nor a comprehensive ASAT ban would be verifiable; in Geneva, they called for a ban on such research and for a total ASAT ban, again despite the lack of verifiability.

In sum, the Soviets took a predictably hard line in the first round. Their principal objectives were clearly to discredit the US SDI research program and to put maximum pressure on it by holding progress in all other aspects of the negotiations hostage to US acceptance of the Soviet proposal on "space-strike arms."

GORBACHEV'S WARSAW SPEECH

In his speech last Friday in Warsaw, Mr. Gorbachev stated that the Soviet Union has "already suggested that both sides reduce strategic offensive arms by one-quarter by way of an opening move." He also held out the possibility of deeper mutual cuts.

Mr. Gorbachev was apparently referring to the Soviet proposal in the START negotiations of 1982-83. That proposal would have reduced strategic nuclear delivery vehicles by one-quarter from the initial level permitted under SALT II, from 2400 to 1800. However, the Soviets did not accompany it with a proposal for reductions in those measures of strategic capability which would, in fact, enhance strategic stability, the number of ballistic missile warheads and ballistic missile destructive capacity.

Contrary to the public impression created by Mr. Gorbachev, the Soviet Union has made no proposal for reductions in strategic forces in the new negotiations, nor has it even gone so far as to resubmit its old START proposal. In fact, during the first round, the Soviets refused to respond to efforts by US negotiators to ascertain details of their position on this subject.

We would, of course, welcome and examine seriously any concrete Soviet proposals for substantial, balanced, and stabilizing reductions in strategic forces. As I said earlier, US negotiators have broad authority to negotiate approaches that meet the interests and concerns of both sides. We encourage the Soviet Union to substantiate Mr. Gorbachev's claim by introducing a proposal in the next round at Geneva.

FUTURE PROSPECTS

The Soviet behavior in the first round was consistent with their historical approach to arms control negotiations. That strategy is to combine tough bargaining at the negotiating table with a hard-nose public propaganda campaign designed to undercut support for US and NATO positions and force unilateral concessions. Until they realize that their propaganda campaign is not working—that is, that US concessions will not be made unilaterally—the Soviets will not be prepared to negotiate seriously.

Accordingly, in the near term, we can expect the Soviets to continue to protest publicly about the SDI program and alleged US designs to accelerate the arms race, especially by spreading it into space. We can also expect them to sustain their efforts to drive a wedge between the US and its allies, particularly by exploiting any perceived signs of weakening in allied unity on defense or arms control issues.

What we in the West must do to bring the Soviets to a more serious tack is, in parallel with our efforts at the negotiating table in Geneva, demonstrate the political will and ability to maintain the necessary capabilities effectively to deter them. When the Soviets recognize that they will attain no exploitable military or political advantages from their military buildup, and that unilateral concessions will not be forthcoming, they may then welcome a serious discussion of how we could take practical steps toward our agreed objectives of preventing an arms race in space and terminating it on earth, limiting and reducing nuclear arms, and strengthening strategic stability.

When the Soviets are ready for such discussions, we believe those talks can be productive. Although the issues in Geneva are many and complex, we are convinced that we have formulated good proposals that provide a sound basis for mutually beneficial agreements. Moreover, the President has provided our negotiators unprecedented flexibility to explore various avenues toward the equitable outcomes we seek. Accordingly, despite our realization of the difficulties ahead, we are hopeful that, with patience and persistence, we can achieve a result that will benefit all mankind.●

RECREATION USER FEES

● Mr. McCLURE. Mr. President, the various administration proposals for the budget resolution made some rather elaborate assumptions as to the amount of additional revenues which can be obtained from an increase in recreation user fees. I do agree that some increase in such fees is possible and, in fact, should be obtained. The resolution, however, assumed an overly simplistic formula that the Federal Government should recover 25 percent of administrative costs. That assumption fails to consider the varieties of public lands, the purposes for which such lands are managed, or the real impact of an increase across the board. The assumption also is defective in that it asserts that visitor use would remain constant regardless of the size of the fee when in fact revenues are a product of the fee times the number of people paying the fee.

Anyone familiar with the Metro system here in Washington should realize that ridership is a function of the price and the convenience and that, at a certain point, as the cost increases, the ridership declines—the net revenue results seem always to be less than the projections. The resolution assumption also fails to consider the increase in costs associated with collections. It conveniently ignores how we are going to police one-third of this Nation so that citizens pay their fair share for watching the Sun go down across the public domain.

There are certain areas where the Federal Government has invested funds to provide recreational facilities, and it would be rational to expect those who take advantage of those facilities to pay a reasonable fee for their use. I do object to any suggestion that we are going to start charging fees to cross Federal land, hunt or fish, walk or hike, or watch the clouds. We are not going to institute a sliding scale in the Tetons where people pay 10 cents for every elk they happen to see nor are we about to deputize the Florida panther population to begin a pay-or-be eaten campaign. The Federal Government does a variety of things for the American people as a whole, for this and future generations, and those obligations should be borne by the people as a whole.

I am certain that by now everyone has seen the April 15 gray covered document entitled Senate/Administration Deficit Reduction Plan. It compares the National Park System with Disneyland and the San Diego Zoo. That would certainly come as a surprise to Teddy Roosevelt, John Muir, and Stephen Mather. OMB will probably next propose that we put golden arches in Canyonlands. The truth is that we do not encourage the Federal Government to provide significant services in the national parks, but rather use concessionaires.

The Federal Government through the National Park Service has one mission only for the National Park System and that is:

> To conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.

Indiana Dunes, Zion, the Grand Canyon, Gates of the Arctic, Yellowstone, Yosemite, Redwoods, Vicksburg, Gettysburg, Shiloh, Shenandoah and Great Smokies, Haleakala, Canyonlands, Crater Lake, North Cascades, and the list goes on. These are not Disneyland nor are they the San Diego Zoo.

It is true that some increase in the entrance fees can and probably should be obtained over a period of time and based on careful studies. Those fees, however, should be based on park management, not on some gnome's magical formula based on administrative costs. We are not about to recover 25 percent of the salary of the Secretary of the Interior from visitors to the national parks, nor are we about to take pennies from schoolchildren visiting Independence Hall to cover 25 percent of the costs of OMB analysts.

Aside from the national parks, the Federal Government does provide some recreational facilities at places such as Corps of Engineers and Bureau of Reclamation sites, and I agree that, where the Federal Government has invested in more than minimal facilities or health and safety, the user should be expected to pay a fair share of the cost of such facilities. There is no administrative cost, however, to the Federal Government to have the Sun daily set in the West, nor should we charge people to watch it. We are not going to start metering homes in Jackson Hole and charge them for a sunset.

Mr. President, given the problems with the budget, I do not have a problem with the Committee on Energy and Natural Resources being asked to consider and report legislation addressing recreation user fees. I wish that a full and comprehensive study could be initiated first rather than developing revenue estimates first, but this is not the only area of the budget where numbers dictate over sound policy.

It would be nice to have the results of the newly created Outdoor Recreation Resources Review Commission, but it may be possible to achieve some increase in revenues over a period of time without turning our natural heritage into Disneyland and without dramatically increasing personnel and costs to enforce and collect those fees. I want to make it clear that we are not going to initiate hunting or fishing fees, but intend to focus clearly and specifically on those sites and areas where the Federal Government has actually made an investment for the direct benefit of visitors.

Although the Committee on Energy and Natural Resources and its predecessor, the Committee on Interior and Insular Affairs, has carefully considered the questions surrounding fees over the years before OMB lifted the veil from our eyes, we will need considerable help in achieving anything which is remotely rational. We will need far more if we must actually achieve the OMB assumptions underlying the resolution. We will need considerable help in determining how the citizens of Massachusetts can best contribute to the administration of Cape Cod National Seashore, short of borrowing a shark from the San Diego Zoo to collect entrance fees. It will be difficult to patrol the entire beach, but perhaps we will be able to make suntans circumstantial evidence of failure to pay the fee. I look forward to the wise suggestions from the senior Senator from Alaska on the proper level for fees to use the transportation system at Denali, and of course Gateway, Golden Gate, Cuyahoga, and Jean Laffite, not to mention Chattahoochee, should all make their contribution. I am certain that the delegations from those States which have Corps of Engineer reservoirs will be lining up to cosponsor the legislation to impose user fees on those sites, so I am optimistic that the committee will have no problem in implementing the assumption underlying the resolution.

It probably is only fair to mention some of the present limitations of existing law which will have to be reexamined. Out of the many years of legislation dealing with fees, we have agreed that fees should not be charged to the blind or permanently disabled.

We have also agreed that there should not be a charge for drinking water, wayside exhibits, roads, overlook sights, visitors' centers, scenic drives, toilet facilities, picnic tables, or boat ramps where specialized services such as lifts are not provided. Turning the George Washington Memorial Parkway and Beach Drive into toll roads should help us considerably, and we can probably expect to see that proposal emerging in the near future since it would be in the finest traditions of the Office of Management and Budget.

Present law also requires the Corps of Engineers to provide at least one primitive campground without fee at sites where camping is permitted. Fees are also prohibited at campgrounds if there are no toilet facilities and drinking water as well as reasonable visitor protection. I have not heard anyone offering an amendment to fund improvements in these campgrounds so that fees could be collected under existing law.

I think it is also fair to mention that user fees are annually adjusted to reflect the fair value of such services based on similar services in the area offered by either private or public entities. That does not portend a very elastic demand for Federal facilities to radically increase fees.

Had it been possible, I would have offered an amendment which would have decreased the amount of revenues which would have been achieved. My intent would not have been to eliminate the subject from serious consideration, but rather to set a mark which would have had some chance of enactment. We do a considerable disservice not only to the American people but also to ourselves and this institution when we make promises which we are unable to keep or when we set goals which are unreachable.

I would be willing to attempt to achieve approximately half of the assumption over 3 years. I do not know if that would be possible until we have had hearings. I do not know whether a simple increase in fees would result in any additional revenues at all. Perhaps if we eliminated concession operations and directly collected fees we would, at least on paper, show some increase, but I wonder what the cost would be for the Federal Government to provide the kind and level of services which concessions now provide.

In offering my amendment I would be simply attempting to inject some sense of reason into this process. I do not hold out any great hope that we would be able to accomplish what my amendment would have proposed. I can assure you that the assumptions in the resolution are impossible. I am willing to try to accomplish some revenue enhancement, I am not prepared to tilt at windmills.

In addition to the setting of fees, there is the problem of collections. I assume that no one is proposing to hire thousands of new Federal employees to collect the fees, so we will need to consider alternatives. One alternative, of course, is that, since almost everyone in the United States at some time or another uses Federal areas, we could annually collect a fee of about $1 which would entitle everyone to use the facilities as provided by current law, paying an additional amount at those areas where significant services are provided.

To make it easy, and to avoid needless paperwork, we could take advantage of existing Federal agency support and collect the $1 from families on or about April 15 of each year. That approach would allow American people to not only contribute to the direct-use benefits but also to the indirect benefits which accrue to all generations from the preservation of our natural heritage. I realize that would be a radical suggestion, completely at variance with current practice, but it does have some appeal to those of us who have dealt with this issue over the years.

I do have one question which I almost fear to ask and, that is, If we plan to recover 100 percent of the salary of the Secretary of the Interior as administrative costs on the mineral leasing receipts returned to the States, and also recover 100 percent from timber receipts, and 25 percent from recreation fees, will we need to increase the salary of the Secretary to cover our savings? Or maybe if he takes a pay cut we will not be able to balance the budget—this is all very confusing.

I do look forward to the overwhelming support which the implementing legislation for the amendment is certain to elicit. I would like to encourage my colleagues to carefully consider the various sites within their States which have no national significance, or which at best are only junior varsity versions of Disneyland, and let me know their names so that we can expeditiously report our legislation.●

NOMINATION OF JOHN NORTON

● Mr. DeCONCINI. Mr. President, last night, the Senate finally confirmed the nomination of John Norton to be Deputy Secretary of Agriculture. Frankly, it was about time. It is a discredit to this body when a very few isolated Senators hold up a nomination, rather than debate its merits on the floor and proceed through regular channels. John Norton will be an outstanding Deputy Secretary of Agriculture.

John is more than familiar with the problems farmers face today. He is a graduate of the University of Arizona's School of Agriculture and has practical experience in the field as president and chief executive officer of J.R. Norton Co., which farms over 25,000 acres in Arizona and California. He is also past chairman of the United Fresh Fruit and Vegetable Association which is illustrative of the confidence his colleagues in the industry have in him. In addition, John and his wife, Doris, have devoted their time and efforts to numerous civic and charitable causes in Arizona, the West, and nationwide.

The Senate has a responsibility to advise and consent on Presidential nominees, and it is a responsibility we should not take lightly. When one Senator seeks to hold up a nomination for petty reasons, completely unrelated to the nominee, then that Senator is abusing Senate procedures. Recently, the Washington Post carried an article in which they detailed the problems surrounding the Norton nomination. The opening paragraph of that article states: "The failure of John R. Norton III, a wealthy conservative farmer from Arizona, to win Senate confirmation as Deputy Secretary of Agriculture is becoming one of the political mysteries of the year." But the article goes on to say it is not really a mystery and it has nothing to do with Mr. Norton.

Mr. President, I wish to commend this body for finally confirming John R. Norton III to be Deputy Secretary of Agriculture. I hope that in the future, qualified nominees such as Mr. Norton will not be subject to this sort of petty politics. I would also like to commend John Norton on his staying power and his commitment. It is not often you find someone as qualified as John Norton who is willing to leave his prosperous business to work for the Government. John is making a great sacrifice and I believe he will make an enormous contribution in resolving the difficult problems confronting the agricultural sector today.●

MEMORIAL SERVICES FOR THE 16,500 ABORTED BABIES TO BE HELD ON MAY 19, 1985 IN MONROVIA, CA

● Mr. HUMPHREY. Mr. President, there will finally be a memorial service for the 16,500 aborted babies, whose bodies were discovered more than 3 years ago in a repossessed shipping container in Woodland Hills, CA.

It is fitting that we set-aside time to mourn these unborn children and so on May 19 at 1:30 p.m., the American Holocaust Memorial Committee will hold a nondenominational memorial service and will dedicate a plaque on a site at Live Oak Memorial Park in Monrovia, CA as a permanent reminder not only of the 16,500 but of all the more than 17 million innocent unborn human beings killed since the 1973 Roe versus Wade decision.

This memorial will carry no names; these children died nameless, but each will be remembered by our spiritual adoption.

The memorial simply reads:

> In memory of all who were deprived of human love and robbed of life through abortion.

It might be noted that 16,500 is approximately 4 days worth of abortions performed in the United States, and about 28 percent of the 58,022 Vietnam war dead and missing who are memorialized here in Washington. In the time that it took to read this short speech three more of the unborn have lost their lives to abortion.

I ask that we remember these innocent unborn children on May 19 and offer a silent prayer on their behalf. It's the least we can do for so many who have lost so much. It is in this spirit that I ask that my message to the mourners of these 16,500 unborn children be entered into the Record.

> Washington, DC, *May 16, 1985.*
>
> My Fellow Friends Of The Unborn,
>
> It is through prayer that I join you in this memorial service held in honor of these 16,500 unborn children who were victims of our nation's abortion nightmare. I share your concern and love for each and all of the little ones who died so tragically.
>
> We can only hope that somehow this event will contribute to an awakening of our nation's moral consciousness so that we may reflect on the inhumanity of abortion. When we rid this nation of this horror, which I am certain will occur, we will truly breathe life into the meaning of all human beings' right to life, whether they be born or unborn. My thoughts and prayers are with you and those we mourn, today and always.
>
> Sincerely,
>
> Gordon J. Humphrey.●

FINANCIAL STATEMENT OF SENATOR DOMENICI

● Mr. DOMENICI. Mr. President, I would like to submit for the Record my personal financial statement for 1984. While such is not required by law, and the financial disclosure statements that all Senators must file are not as detailed as the one I submit, this release of my financial statement is something I started with my election to the Senate in 1972 and is a tradition I intend to continue as long as I serve in this Chamber. Therefore, I submit for the Record the following statement:

Senator Pete V. Domenici's 1984 Personal Financial Statement

FEDERAL INCOME TAX INFORMATION FOR 1984

Income: $109,923—$72,675 Senate salary; $75 wife's salary; $14,319 Income from family partnership of D&V Investments (one-half inherited on death of my mother); $360 Capital gains on sale of stock; $21,780 Honoraria.

Itemized deductions and taxes: Total taxes of $34,000 (including $25,273 federal taxes, $8,727 in New Mexico state, local and property taxes.) Deductions include $7,630 in interest expenses, $1,475 in contributions, and $8,727 in state, local and property taxes.

PERSONAL NET WORTH STATEMENT

Gross assets: $4,000 cash on hand; $8,000 household goods (no change from last year); $7,000 automobiles (1984 Ford Tiempo, 1981 Oldsmobile, 1973 Plymouth Duster); $455,000 real estate and family holdings ($225,000 [1] home in Rockville, Maryland; $35,000 interest in Kent Investment Company's real estate in Rio Puerco, NM; $195,000 [2] family partnership of D&V Investments; $1,490 mausoleum crypt, $4,508 IRA account with Senate Employees Credit Union).

Liabilities: $80,000 real estate mortgage on Rockville, Maryland home; $5,000 unsecured loan at Sunwest Bank of New Mexico; $12,100 liability on real estate contract for vacant lot adjoining family partnership property at 4th and Lomas NW in Albuquerque. $479,908, assets; $97,100, liabilities; $382,808, total net worth.●

SECURITIES SAFETY AND SOUNDNESS ACT OF 1985

● Mr. DOMENICI. Mr. President, I would like to place in the Record part III of "The Roaring Eighties." The past two episodes of our true-to-life saga by Steven Brill in the American Lawyer left us wondering what would happen to Icahn's magic offer to take over Phillips Petroleum.

The answer to this and other questions will be revealed in the conclusion to our sequel. How much money is really made by investors in dummy corporations? How much money is made by investment bankers cutting the deals? Why is the SEC taking no action. Will the dreaded Drexel agree not to bother Phillips in return for a hefty payment? And how effective is the pill in fending off a takeover?

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[1] I have increased the estimated value of the Rockville home without a formal appraisal based upon sales in the neighborhood of similar homes.

[2] I have increased the estimated value of the family partnership without a formal appraisal based upon value of additional lot purchased and my estimated evaluation of enhanced value of partnership.

Unlike other soap operas, the ending to this dream is not altogether a happy one. And it is becoming more and more familiar as other firms become targets. The morale is: What gets leveraged up today with lightning speed could crash just as fast tomorrow. I hope we will learn our lesson from "The Roaring Eighties."

I ask that the final pages of "The Roaring Eighties" be printed in the RECORD.

The material follows:

[From the American Lawyer, May 1985]

THE JUNKMEN SELLETH

How can a man who's prepared to spend only $350 million in cash (the cost of his original stock purchases] bid more than $8 billion for a company? Enter Drexel Burnham, the investment banking house where in *The Roaring Eighties* people seem to be having the best time of all. Drexel has led the way in promoting the current darling of *The Roaring Eighties*, the high-risk, high-yield, "junk" bond. The firm's clients include what one top lawyer calls "a murderers' row of takeover raiders"—Saul Steinberg, Carl Lindner, Victor Posner, the Bass brothers, the Canadian Belzberg family, Irwin Jacobs, Sir James Goldsmith, Pickens Icahn. When a raider is stalking prey, he forms a dummy corporation or partnership, for which Drexel sells these high-yield bonds, which will ultimately be secured by the assets of the company to be taken over. In other words, it's a mechanism for a hostile leveraged buyout: The raiders buy the company with the company's anticipated cash flow.

If the takeover doesn't go foward, the subscribers to the bond still get a commitment fee (paid by the raider) for having pledged their money. In the Icahn-Phillips deal these fees were three-eighths of one percent, or $37,500 for each $10 million pledged.

Drexel's take in these deals is high, even by investment bankers' porcine standards. In the Icahn-Phillips deal, Drexel's retainer letter calls for the firm to be paid $1 million the moment Icahn uses its feared name in any public statement, then 2 percent of all the financing it arranges—or more than $80 million—if the deal goes through. Moreover, if the deal does not go through, Drexel is to get as much as 20 percent of the incremental profit Icahn makes from selling his stock to anyone else, plus one-eighth of one percent in its own commitment fees for the money it has lined up, which would be as much as $5 million.

The question of whether Drexel can in fact peddle $4.05 billion in junk bonds for Icahn's deal, let alone whether Icahn really wants to raise the money and take over the company or is just bluffing to force a higher bid from the company or from someone else, is high drama—and the subject of Phillip's newspaper ads attacking the Icahn offer under the headline "Is Icahn For Real?"

The issue is sharpened on February 15. With just a week to go before the vote on management's recapitalization plan, which Icahn has declared the shareholders must reject in order to take his plan. Icahn announces that in just 48 hours Drexel has lined up $1.5 billion. Where have these communications come from? The very people who have done other Drexel junk-bond raids (such as Steinberg and Lindner), a host of arbitrageurs (though not Boesky) with an obvious interest in seeing Icahn's deal or some new deal go through, plus the kind of high-flying insurance companies or savings and loan institutions that have been Drexel's base in selling these junk bonds.

To explain why these people signed on for junk bonds in a company that was going to be neck-high, or higher, in debt, our camera takes us to Drexel's Beverly Hills sales floor (its West Coast office is the center of junk-bond financings), where eager young bankers under the tutelage of junk-bond impresario Michael Milken, 38, are pushing $1.5 billion worth of bonds in units as small as $3 million.

We then cut to their various customers across the country. Several tell us they're in it because they believe in Icahn's stated plan to liquidate $3.7 billion in assets to slash some debt and to pay down the remaining debt through better management of the remaining assets. They like the yield on their junk bonds—it ranges as high as 16 percent a year, depending on the seniority of the debt—and they're confident Icahn can run the company in a way that will see the debt paid. Can they really believe that Carl Icahn—whose management experience consists of running a staff of 30 and supervising two partially liquidated midsized companies he's taken over in recent years—is going to run a corporation larger than Xerox, Boeing, Westinghouse, or ABC? Can they really believe he's going to get into Bartlesville (where he has promised to keep the company headquarters but where prayer vigils and other demonstrations have been organized against him by fearful, resentful townspeople), let alone know what to do when he gets there?

Others aren't as sure as that about how Icahn will fare, but they feel good about Drexel's assurances, all oral, that there will be a good secondary market in the bonds, or perhaps a fast payoff because Icahn just might liquidate the whole company if he gets control. Still others want to support Icahn's bid because they like the commitment fee and have shares in Phillips that will rise if the recapitalization plan is defeated, and, they're being told by Drexel, a show of support for Icahn will help defeat the plan. At least one whom I interviewed seems to be in it just for the easy commitment fee; he claims he's received tacit assurances from Drexel that the deal is not likely to go through, and therefore he's not likely to have to put the money up. (A Drexel spokesman declines all comment "on our solicitation activities, although you can assume we conduct ourselves in a responsible manner.") Finally, there are Icahn's compatriots—such as Steinberg, who according to a deposition had bought Phillips stock; they apparently have signed on for some variety of the above reasons, along with a desire to help someone who will help them with their next deal.

How can Drexel's people be on the phone offering these securities with no written material? We cut to the SEC, where everyone is sleeping. "These are sophisticated investors" a source in the enforcement division at the SEC says, when roused by our question. "They know what they're doing."

We cut to lines of customers waiting for Ohio savings and loans to open in the wake of the chain reaction that savaged their confidence in the banks after Home State Savings Bank—controlled by Icahn's sometime partner Marvin Warner—was so unsophisticated that it went under investing in the E.S.M. treasury securities Ponzi scheme that erupted in March. Then we cut to crowds outside the Financial Corporation of America's savings and loan branches in California; until it almost went under, Financial Corporation was controlled by Charles Knapp, who is now committing $100 million through a second entity he controls, to Drexel's Phillips-Icahn junk bonds. The point is perhaps a bit indirect, but it is real. There are more than a dozen savings and loans, insurance companies, and other financial institutions on whose health millions of Americans depend signed up for Drexel's Phillip-Icahn junk bonds. How sophisticated are the people who run them about gauging risk? Are they so high on the everything-works euphoria of *The Roaring Eighties* that risk evaluation has for them become a sissy's game?

Watching it all, a cynic in the audience might even conclude that, as one lawyer puts it, "it's all just a ring that lines up bluff money with Drexel at the center. Today they go in for a bluff for Phillips, with Icahn as the front guy. Last year it was Disney with Steinberg"—indeed, many of the same investors drew the same type of commitment fees in Steinberg's Disney greenmail deal—"and next month it'll be Lindner. And then it'll be Charlie Knapp," he adds.

But why hasn't Icahn gotten the full $4.05 billion? Because, he says, he doesn't want to pay the additional commitment fees until he knows that management's recapitalization plan has been defeated. As it is, he has already paid $7.5 million in commitment fees—three-eighths of one percent to the junk subscribers, plus one-eighth of one percent to Drexel. His proxy solicitors are now urging him to up the ante and show more strength; so is Boesky, who is "calling every day," Icahn later testified. But Icahn sticks at $1.5 billion. Is he bluffing? Is Drexel bluffing?

While we're on the subject of bluffing, the camera shifts to the SEC, where once again we find everyone asleep. How else can one explain why this fiasco is being allowed to continue, with Icahn calling this whatever-it-is of his a tender offer? That in itself seems like fraud worthy of an immediate SEC move to enjoin Icahn from proceeding. This isn't a tender offer; it's a request for a gratuitous option. For Icahn has conditioned his offer on obtaining financing, yet he has not obtained the financing, nor is he out there trying to get it, or even promising to try to get if. He's basically saying, "Let me hold your stock for a while and use it to get credibility, while I decide whether to gather financing and go ahead with this."

Wachtell, Lipton has sent letters to the SEC arguing this point, but to no avail. "We figured the people involved in this deal are sophisticated people and can make that decision," our SEC source later explains, ignoring the clear case law that says that a tender offer, to be called such, must be a contractual offer that is binding on the party making the tender offer to buy the shares if the shareholder tenders them, subject only to conditions that are not within the offerer's control.

DEFENDING THE ADVERSARY SYSTEM

In these and other legal battles, Icahn is defended not only by his lawyers at New York's 41-lawyer Gordon, Hurwitz, Butowsky, Weitzen, Shalov & Wein (plus Oklahoma and Delaware counsel), but also by 280-lawyer Paul, Weiss, Ritkind, Wharton & Garrison. "You go after a company and Marty Lipton starts throwing all kinds of chairs at you, which offends me," says Gordon, Hurwitz partner Marc Weitzen, referring to Wachtell, Lipton's host of efforts at injunctions, as well as the poison pill gambit. "It also makes the litigation heavier than a firm our size can sustain." Weitzen adds.

"Once it was clear that the thing started to get messy and we'd need a lot of litigators. I knew we needed a large firm." explains Icahn. "Paul, Weiss had already been retained by Drexel Burnham, so since they were up to speed I figured I'd use them instead of Weil, Gotshal [& Manges], whom I usually use when I need a big firm. And they were very eager to do it for me so it worked out fine."

In motions seeking temporary restraining orders against Icahn. Wachtell, Lipton and local counsel Crowe & Dunlevy of Oklahoma City and Boone, Smith, Davis & Hurst of Tulsa attack him as a "fast-buck" takeover entrepreneur and greenmailer. Paul, Weiss answers that Icahn's plan represents the best interests of all shareholders, that all the things Phillips is doing to stop him are tricks intended to "rig the forthcoming vote [on the recapitalization plan] with false, misleading, and deliberately confusing proxy material," and that Phillips's "ad hominem attacks [on Icahn] are still another effort to disrupt the proxy process." The camera pans in on the Paul, Weiss letterhead affixed to these arguments.

Then the camera flashes back three years, to another Paul, Weiss brief in another Icahn takeover fight, this one involving Dan River, Inc. But the picture is confusing. For in this brief the firm is accusing Carl Icahn of racketeering and market manipulation, and comparing his announcing his intention to purchase Dan River stock to his buying an "ad in a Danville newspaper . . . stating that he is about to enter Dan River's mill and break the windows . . . unless he is paid $1,000." The brief goes on to argue that Icahn's "entire pattern of buying into companies and threatening a liquidation or a fight for control unless the company pays defendants a premium for their stock (or obtains a white knight to do so), is extortionate or manipulative, and thus constitutes a pattern of predicate RICO acts, from which profits were derived that now are being invested in Dan River. In short, defendants are using tainted money to 'infiltrate' Dan River and should be enjoined from further so doing."

Another flashback shows Paul Weiss partner Max Gitter tearing into Icahn at a Dan River deposition and, as four different sources remember it, being nearly obsessed with what in his view was the dire threat to lawful business affairs that Icahn represented. As one of the four puts it, "Max was emotionally involved in this case and in what a bad guy Icahn was. I swear to you he was foaming at the mouth at one point, ranting and raving about Carl."

Gitter declines comment on his work against Icahn, except to say that he acted as an advocate for client Dan River "ethically and in ways consistent with the Code of Professional Responsibility's requirements" that a lawyer not make frivolous claims, and that he was not "emotionally involved."

Gitter is not involved in his firm's current efforts on Icahn's behalf, but two other Paul Weiss partners active in the Dan River defense against Icahn are now working for Icahn on the Phillips deal. The camera now comes back to them. The first, Moses Silverman, tells us that "other than to acknowledge that I went both ways, I don't want to comment." The second, Arthur Liman, says that these kinds of shifts are "routine aspects of the adversary system." Asked how the firm can argue for the bona fides of Icahn's investment today when in the past it took the position that the money he had amassed was gathered by extortion and, therefore, tainted and forfeitable under the racketeering statute, Liman replies. "Our willingness to argue on behalf of any client is what strengthens the adversary system. We do it because it contributes to the system."

Asked if he minds having lawyers on his payroll who have called him an extortion artist and racketeer, Icahn shrugs and says, "Frankly, I wasn't aware of any of those charges. Who cares? Lawyers H— say whatever they're paid to say. You can't let it bother you. It's all part of this game."

THE MONEY MEN

It is February 21, a day before the vote is scheduled on the recapitalization plan. The rules are that Phillips must get a majority to vote *for* its plan; a non-vote, therefore, will effectively count for Icahn's side.

Remember, Icahn is not only soliciting proxy votes from shareholders against the plan, he also has a tender offer pending, which he has now changed to $60 in cash, financed by those junk-bound buyers, for about 45 percent of the shares, and what he says amounts to $50 in notes (which will be lower than even the junk bonds in payment priority) for the rest of the shares. But his tender offer is conditioned on the recapitalization plan being defeated. As for Lipton's poison pill, Icahn has come up with a relatively simple antidote. When soliciting for the tender offer, he's also soliciting for the shareholders' consent to remove the board of directors and replace it with his own board without holding a shareholders' meeting. In other words, if he gathers a majority of the consents, he can have a meeting with himself and install his own board. And, he promises, his new board will immediately abolish the poison pill, enabling his tender offer to go forward.

With Phillips saying its recapitalization offer is worth $53 and Icahn saying it's worth $42, and Icahn saying his offer is worth $55 and Phillips saying it isn't worth anything close to that, and with outside people saying both sides are stretching the truth, where's the SEC?

While we're at it, why hasn't the SEC come down in Phillips for claiming that Icahn intends to "bust up" Phillips and move the corporate headquarters, when for the record he has promised not to move out of Bartlesville, and said he'll sell $3.6 billion in assets as compared to the Phillips plan to sell $2 billion? And why hasn't the SEC made Drexel Burnham file as part of Icahn's group? Drexel, after all will share heavily in Icahn's profits if he resells the stock. Drexel is responsible for formulating the plan in the first place, and is wholly responsible for financing it. Drexel is wholly responsible for gathering the group who will buy not only all the junk bonds, but also most of the small amount of stock there will be in the company, and who already own enough of the stock to constitute a group for SEC filing purposes. Besides, Drexel, like Icahn, has two representatives on the slate of directors Icahn proposed in his proxy fight.

We cut back to SEC headquarters. The lights are out.

Now we cut to the electorate who unaided by any apparent SEC policing will decide the Icahn-Phillips fight. We learn that by now, with all the arb activity, some 60 percent of Phillips shares are controlled by institutions. (The latest studies indicate that institutions now have about 50 percent of all the voting power of shares traded on the New York Stock Exchange.)

Who are these "institutions"? Some are the arbs, who have probably accumulated or been stuck with about 5 percent that they are ready to vote unquestionably for Icahn. The rest, says one exasperated Phillips lawyer, are "a bunch of brainless thirty-year-old kids who will do anything for the quick buck because their goddamn jobs depend on beating the Standard and Poors every month or every week or every hour."

Actually, some are in their forties and fifties. Other than that, the assessment isn't far off. In random interviews of a dozen institutional money managers who own Phillips stock, I find by and large a surprisingly uninformed and just plain dumb group of voters. Most don't understand the basics of Icahn's offer or Phillips's recapitalization plan, let alone the poison pill or the consent process that would overturn it. But the real point is that they don't care. They just want the company "kept in play," as the phrase goes, meaning they want all options kept open. So they're voting againt the recapitalization plan.

In fact, they're voting against the plan on the proxy cards that Phillips is sending out asking for a vote for the management plan, rather than waiting for Icahn's cards to arrive. (An injunction had briefly delayed his solicitation.)

The Phillips lawyers and bankers had figured they had the vote locked up, for with the poison pill in place the shareholders had only one alternative—the recapitalization plan. If they voted it down, the pill would seemingly protect Phillips from other offers, and the stock would sink back into the $30s.

Yet as the Phillips people are counting their own proxy cards and seeing all the surprising negative votes—it's unprecedented for one side to have so many of its own cards cast against it—they begin to see that they have misread the electorate. Sure, some public pension funds had announced that they had banded together as a kind of new shareholder rights group and vowed to fight poison pills, implying they'd vote against the recap plan. But would private institutions do it, too? Would the establishment help Carl Icahn at the expense of the Phillips management?

"I didn't care about that poison pill. I didn't even understand it," one 33-year-old private pension fund manager will recall after the vote. "And I didn't believe Icahn's bid. What I cared about was that I have a meeting twice a month with my boss and he goes over my portfolio. I needed to keep that company in play to get money out of it."

Others do vote on principle—against Phillips. "We just have a policy here, plain and simple," one California money manager will later explain, in remarks echoed by several others. "We now vote against any types of poison pills or other such devices. We believe shareholders ought to have the right to vote on all offers. And we also saw the part of the recap plan that would put the company in control of the employees' trust as a total management entrenchment device. You know, we're not going to take that stuff anymore, and those investment bankers and lawyers who get millions of dollars to come up with this garbage ought to be thrown out on their asses."

Even pension funds whose own managements have come under attack by raiders now find themselves voting against the recap plan on this basis. "It's just not in keeping with any concept of fiduciary duty to allow a poison pill or anything else that stops an offer," one such manager will later say. (This man thought Phillips was seeking consents with the recap plan to enact the poison pill, and that Icahn had already raised all $4.05 billion.) What if an offer isn't in the long-term interests of the shareholders? "I'll define the long term," he will reply. "That's my job. And I define it as jumping to the best opportunities I find every day."

THE SETTLEMENT

It is now Sunday evening, March 3, 1985. Phillips, having adjourned the shareholders meeting several times since the February 22 zero hour—ostensibly to count the vote but really to come up with a new strategy—has just announced a) that it lost the recap vote by about 9 million shares and b) that, contrary to its prior vows that its first offer was its final offer, and that its second, sweetened offer was its really final offer, the company is now offering another sweetener to the recap plan. The market will later decide that this plan—which excludes the scheme to put the controlling interest in the company in the hands of an employees' trust—may really be worth $53.

Now Icahn, accompanied by Liman of Paul, Weiss and just a few others, is locked in negotiations at Morgan Stanley with Lipton, lots of other lawyers, and the Morgan Stanley and First Boston bankers. Phillips has vowed not to pay Icahn greenmail, but paying his expenses is another matter. Icahn claims his expenses are $30 million. Phillips will only pay $25 million, because that's the most its people estimate Icahn really will have to spend for lawyers, for Drexel (about $15 million), for investment bankers at Donaldson, Lufkin ($1.3 million), and for commitment fees ($7.5 million). Icahn won't budget. True to form, he's happy to sit there for eight hours, until 3:00 a.m. Yet he leaves with only $25 million.

"It was one of those moments of truth that make this a tough game." Icahn will later recall. "I thought hard about pressing ahead with my offer. But I was looking at a thirty-seven-million-dollar risk"—$12.5 million in the commitment fees necessary to draw down the remaining $2.55 billion in junk-bond commitments, plus the $25 million on the table for expenses—"and I just didn't see it. So I walked away with the twenty-five million."

Assuming Icahn had bought $7.5 million shares at an average price of $46, and could now cash in on a Phillips offer that really was worth $53, he also walks away with a ten-week trading profit of $52.5 million.

There is one other item on the bargaining table besides Icahn's expenses: standstill agreements. In the days before *The Roaring Eighties*, these agreements involved people like Icahn promising not to bother the company again for five or ten years. Now there's a new twist: The target wants the same promise from the dreaded Drexel. But Drexel doesn't want to give it. That separate negotiation also goes on into the morning. In the end, Icahn agrees to an eight-year standstill. Drexel agrees to three years.

"Drexel is in one sense the most powerful financial institution in the country today," says Lipton a few weeks later, acknowledging that he now believes Drexel could indeed have raised all $4.05 billion for Icahn's offer. "So these standstills are very important."

EPILOGUE

"Lipton lost the vote by putting in the poison pill." Icahn asserts, sitting in his office a week after the settlement. "That turned everybody off. He doesn't understand that the country is now controlled by money managers who aren't going to put up with that."

"Lipton seems to agree. "Carl's right," he says. "We just completely misread this. We didn't appreciate how these institutional voters just cared about keeping the company in play. They don't understand that the pill can be a legitimate protection device.

"What we saw in Phillips was the Woodstock of shareholder rights," says head Drexel M&A man David Kay. "It's the first time the shareholders stood up and really said, 'Don't tell us what you're gonna do and what it's worth. The marketplace is telling us what it's worth and we're not gonna do it. Ten years ago," Kay continues, "if the institutions didn't like the company, it sold the stock. They didn't say, 'I challenge you.' This is an evolution no different than all sorts of other evolutions." Kay concludes, "with an activist role being taken by people who used to be pussycats."

As for the preventive effect of the poison pill, "I never even thought about that," says Icahn "It was always clear I could do a proxy fight or a consent to get a new board to remove it, and I think everyone understood that. The pill didn't mean a damn thing to me."

Is Icahn right about the pill being ineffective in a fight like this? "Oh sure," says Lipton. "I've been saying and writing that all along—that the pill doesn't stop takeovers and does nothing to stop a guy who wants to hang in more than thirty days with a consent or proxy fight. That's why I could never understand what all the fuss was about the pill. It can only be used to stop shareholders from being stampeded quickly by a front-end loaded offer."

In fact, Lipton points out, the emergence of Drexel Burnham in the Phillips deal and the firm's apparent ability to raise billions within days make the pill virtually irrelevant, because with Drexel a raider can bid for all the shares rather than do a front-end deal that offers cash to some shareholders and debt to others. The raider can finance an all-cash offer with Drexel's junk-bond debt.

Is Drexel virtually unlimited in what it can raise in junk bonds? "The size of the transaction isn't the issue," agrees Kay. "The key variable is the disparity between the real value of a company and its market price. That's what drives these transactions."

What we have, then, in *The Roaring Eighties* is a world in which companies' fates are controlled by Drexel Burnham and the institutional money managers. "That's right," says Lipton. "And that's what I'm worried about."

Nonsense, says Icahn. "A company that keeps its stock up and is managed well doesn't have any problem. . . . If it's really making long-term investments that are worthwhile, then it should be out there explaining that to stock analysts, and the stock will stay up. . . . When you offer a company a premium for control," he explains, "it's an insult to management. You're saying the stock is worth more in your hands than in theirs."

In one sense that seems to ignore the obvious: that the value of one share of a company is always worth less than the value per share of gaining control of a company. Still, Icahn has a point. What does indeed drive transactions like his—which typically involve stock price premiums far higher than the normal premium paid for control—is the perception that someone else can manage the assets of a Phillips better than Douce and company can, be it by improving asset deployment, improving productivity, or selling off all or some of its parts. That's also what drives more traditional mergers and acquisitions, such as the recent Capital Cities Communications—ABC deal: Capital Cities management (and Wall Street, too, given the stock market reaction to the deal) believes it can make more of a ABC than current management has.

It's also true, though, that a large share of such acquisitions haven't worked out that way—such a large share that the word "synergy" ought to be banned from the business vocabulary by the SEC as prima facie deception. Many of these deals are simply monuments to the egos of the acquirers. But here, too, Icahn and his friends, who claim to personify the marketplace at work, are ready to step in and help: They'll bust up the merged company.

In doing so, they find support from free market academics and economists, including those on the President's Council of Economic Advisers. The council's latest report to the President contained a section on takeover fights, which said in part:

> The best assurance an incumbent management has against a successful takeover attempt is a stock price that is high relative to outsiders' estimates of . . . potential value. . . . Managements that allocate capital to higher valued uses, operate efficiently, and adopt capitalization structures responsive to prevailing financial market conditions are less likely to be subject to takeovers. . . . Contests for corporate control are part of a larger merger and acquisition process that plays an important role in the economy's adjustment to changing market circumstances. . . . [T]here is no economic basis for regulations that would further restrict the . . . process. Indeed, the economic evidence suggests that existing regulations impose restraints that may deter potentially beneficial transactions. . . . The evidence also suggests that abusive practices in the market for corporate control are limited largely to tactics employed by target managements who, in opposing takeover bids, defeat or deter tender offers at the expense of their shareholders and the economy. . . .

Lipton now so passionately takes the opposite view that his firm, he says, has recently decided not to accept business from takeover raiders (including previous client Jimmy Goldsmith) who specialize in what Lipton calls "the two-tiered, bust-up, junk-bond takeover." Sure, Lipton's position could simply be a cagey marketing strategy (like Goldman Sach's decision two decades ago never to work for a hostile acquirer) that gives his firm a new leg up on the loyalty and business of Fortune 500 CEOs. But that's beside the point. Whatever the reason, Lipton has become a prime advocate on one side of what should become a fascinating, important public policy debate, and he has articulated perhaps the most cogent arguments against the laissez faire attitude toward Icahn-like forays that seems to be prevailing in The Roaring Eighties.

In a recent letter to Senator William Proxmire, Lipton spelled it out this way:

> These takeovers move assets into hands that profit by cutting off the allocation of part of the revenues produced by the assets to research and development and capital improvements and instead divert those revenues to paying the debt incurred to acquire the assets. One can analogize the situation to a farmer who does not rotate his crops, does not periodically let his land lie fallow, does not fertilize his land and does not protect his land by planting cover and creating wind breaks. In the early years he will maximize his return from the land. It is a very profitable short-term use. But inevitably it leads to a dust bowl and economic disaster. . . . Day after day the takeover entrepreneurs are maximizing their returns at the expense of future generations that will not benefit from the research and development and capital investments that takeover entrepreneurs are forcing businesses to forego. . . .
>
> Today institutional investment managers . . . will accept any premium over the current stock market price rather than hold a portfolio investment for appreciation in the future. . . . Since most of the large publicly held companies are effectively controlled by institutional investors, the coordinated activity of takeover entrepreneurs and institutional investors now presents an immediate threat of takeover and liquidation to every large public company that sells in the stock market for less than its liquidation breakup value. . . .

Lipton was arguing in his letter against legislative proposals mandating that shareholders get a right to vote on any takeover offer, free from management's interference. But, again, if a company is worth more broken up, why shouldn't the shareholders be able to break it up by voting for a proposal from an Icahn? And why shouldn't they be able to decide if their long-term interest is better served by sticking with the company because its R&D program is so promising? And how is it that some companies, such as IBM, are selling at high multiples of earnings because, presumably, the stock market sees its long-term value?

"Research and development," huffs Icahn. "These companies that are so desperate for protection aren't doing that. Their idea of research and development is buying businesses they don't know how to run that will add to their power and their egos. Why should their shareholders have management be a depository of funds for something like that?"

"I'm telling you, these raids are the best thing that's happened to corporate America that I can remember," echoes Pickens. "It's bringing an awareness and accountability into the system," he adds, noting that managements of other oil companies who, like Douce, own only small portions of their company's stock are now starting to "worry about the shareholders more than they ever did."

But it should be remembered that both well run and poorly run companies are susceptible to raids, for when the supporters of the laissez faire approach argue that the neutral marketplace ought to decide who gets taken over and how, they seem to forget that the country's tax and accounting rules are such that the market isn't exactly neutral. To take two obvious examples:

First, corporations that invest in research and development have to account for that expense in the year they spend it, thereby depressing earnings. The same corporation that pays a premium to take over another company can amortize the premium over 40 years, thereby depressing earnings only minimally.

Second, the fact that corporate income is taxed to corporations and dividends are taxed to shareholders creates a double tax. This makes payment of interest (on junk bonds, for example), which is tax deductible to the corporation, roughly twice as easy (assume a 50 percent tax rate) for a corporation as paying dividends. Thus, a company that can pay shareholders a rate of return of 7 percent on dividends can just as easily pay 14 percent interest; and an investor, who will have to pay taxes on either the interest or the dividend, will prefer a debenture at that higher rate to a dividend at the lower rate. In that sense even an Exxon (which has been buying its stock vigorously on the open market, reportedly at least in part to lessen takeover dangers) or an IBM could be vulnerable. "Take the vigorish out by stopping double taxation," says Joe Flom, "and you end one of the major encouragements for these leveraged deals."

Others, like Flom, don't buy Lipton's client-pleasing answer that the solution is to let all managements, good and bad, use any and all tactics in Lipton's medicine bag to keep shareholders from deciding on tender offers. But they don't think that tinkering with tax and accounting regulations is enough, either. Martin Davis, the chairman of Gulf & Western Industries, a company Icahn attacked in 1983 just days after founder Charles Bluhdorn died of a heart attack, points out that with so many other markets—from antiques, to money funds, to new forms of corporate debt instruments, to options, to options on options—now competing for funds that might otherwise be invested in the stock market, "most stocks sell below their market value and certainly below their control value and bust-up book value." In Davis's view this makes almost any company susceptible to a raid and forces every management to worry about its current stock price, often at the sacrifice of long-term investments. "Carl's right about a lot of managements, but the fact is he can go after almost any company and make a profit by putting it into play," Davis maintains. "Something fundamental has to be done, but I'm not sure what, because I believe in the free market. I just also believe the country can't survive if the stock market is just a casino full of short-term players."

Icahn, who was bought out of his Gulf & Western position in an open-market transaction arranged by Davis at the market price, credits Davis (whom he recalls as "one guy willing to negotiate with me one on one") with boosting his company's stock. He says Davis has in fact, made the company far less susceptible to a raid, though not immune, by doing "exactly the kinds of things managers should be doing. . . ."

Flom, who is one of Davis's lawyers, doesn't agree that more basic reforms are necessary. He "generally believes," he says, in the conservative Chicago School view that after "some turmoil with some of these raids by people like Carl," the market will adjust, and stock prices will go up, because assets will have been redeployed more efficiently, and companies that haven't been raided will have a prospective-takeover premium added to their price that will deter more raids.

"It seems to me that turmoil is what you want to avoid in an economic system." counters investment banker Felix Rohatyn of Lazard Freres. "And what these Chicago School people don't understand is that turmoil is very destructive for everyone. When you have an environment like we seem to have now where those rolls of the dice can be so wild because there is so much leverage with so little proper evaluation of the risk behind that leverage, because everyone seems to think that any type of leverage works, you're creating a very dangerous situation."

Leverage, indeed, seems to be the culprit. It's leverage, after all, that seemingly allows anyone to tally up the control value or the bust-up value versus the stock market value of a company the size of Phillips and then offer a stupendous premium. Some people, especially greedy people, will almost compulsively take just about any risk that opportunity—in the form of the credit markets—allows, and they'll find others to follow along. In the Roaring Eighties everyone seems to be having a terrific time offering and accepting any and all such opportunities. And they're not terribly interested in listening to anyone who wants to spoil the party with homilies about proper risk evaluation or the fact that risk really does increase with reward.

Yet what seems eminently do-able, even magically wonderful today, looks quite the opposite when the economy turns down and the corporations that are supposed to throw off the cash to service these junk bonds dry up. What today gets leveraged up with lightning speed could unravel just as fast. We can see it in the E.S.M. government bond failure which revealed a classic Roaring Eighties get-rich-quick leverage scheme; and we ought to be able now to see how it could happen tomorrow on a much larger scale if one of these Icahn-type deals goes through and the target company fails.

"What bothers me most about what's happening today." adds Rohatyn, "is that there's this mutually reenforcing cycle of everyone telling everyone else that anything will work. That this is a foolproof way to get rich. There just shouldn't be so many rolls of the dice. . . .

"It's contagious now," Rohatyn continues. People like Pickens are on the covers of national magazines. And when I go to colleges to lecture on municipal finance or public policy, the kids all want to hear about how investment bankers are creating all this wealth. . . . We have to put the brakes on this go-go mania. We have to take a look at controlling all of this from the credit and tax side."

Who won the Phillips fight?

Douce and the target management seem to have won; they became the first oil company management under attack to preserve their independence. But who's to say the company can't be raided again." Icahn, for one, thinks this is entirely likely.

The shareholders seem to have won, in that in exchange for their old stock they got a package that seems to be worth $53, or close to it, whereas last fall their old stock was trading in the $30s. But a few years ago that stock was over $60; and studies show that many companies that successfully resist tender offers at extremely high premiums later see their prices rise higher than the premiums that were offered. Moreover, as Rohatyn puts it, "It's not so clear that the (new) Phillips stock will be worth what they said it would be worth," meaning that the package may not be worth $53 after all.

Icahn clearly won; he made $52.5 million in ten weeks. *And for his victory there are no qualifiers.*

True, there may have been a few "moments of truth," as he likes to describe his poker game. Yet like the man who made those mysterious late-night phone calls—who, if not for the fact that Icahn testified under oath that he really exists, could be a metaphor for the ethic of *The Roaring Eighties*—Icahn didn't have to do much or show much of his hand.

"I'm fervently against poison pills and believe that shareholders have a right to control their destinies, but what especially bothers me about Icahn is that he did this with mirrors," says Rohatyn. "No one really could believe he intended to run Philips Petroleum. . . . And when you have too many people getting rich on mirrors, you have to stop and take a look at where we're going. Because it could all unravel."●

FARMERS' DAY PRAYER

● Mr. BOREN. Mr. President, the letters and phone calls continue to pour into my office expressing my constituents' concerns over the persistent farm crisis. A day never goes by that I am not reminded of the many struggles of keeping the family farms going day after day, obtaining credit in time to plant seasonal crops, and for the first time for some farmers, juggling a full-time job in town with farming in the wee morning hours and late in the evening.

As the Agriculture Committee this week begins marking up the farm bill, I think it is particularly fitting to share with all of you a beautiful prayer that I received in the mail several weeks ago. The prayer was written by Dr. Jene Miller for a farmer's day banquet in Altus, OK, several years ago and is entitled, "A Seed-Time and Harvest-Time Prayer." This composition is so revealing of the necessity of the farmers' own survival to ensure that the rest of the world never has to go without. It is the farmers' unfailing faithfulness and commitment to tilling the land that assures us that we, as Americans, will never have to go hungry. Now, we remain hopeful of finding more workable means of distributing this wealth. I ask that the prayer be inserted in the RECORD at this point.

The prayer follows:

God of galaxies and atoms, we come to this hour to confess our need. However fair the skies or rich the soil, without farmers to mediate between the dirt of our fields and the protein of our bread, we will starve. Without their faithfulness in storm and drought, in labor and indebtedness, we will not eat. For all their silent sacrifices and vigilent labors we give thanks to Thee and for them. In the name of all the hungry world, we implore Thy blessings on them that they may continue to enable us to obey our Lord's own command to feed the hungry, clothe the naked, and heal the sick. In Jesus' name, Amen.●

GROUND-BREAKING FOR A NEW MUSEUM OF AFRICAN AMERICAN HISTORY

● Mr. LEVIN. Mr. President, on Tuesday, May 21, there will be a groundbreaking for the new Museum of African American History in Detroit, MI. This is an important event for Detroit and for the Nation because since its founding, the Museum of African American History has provided national leadership in the field of African American museum affairs as well as having given more than 3 million people the opportunity to visit its exhibits and participate in its activities.

The Museum of African American History has had as its goal the preserving, restoring, and publishing of materials related to the black experience. Through these efforts, the museum has provided young and old alike with the opportunity to learn more about their community, their heritage, and themselves. By doing so, we are all better aware of the contributions of African Americans to our national life and share in the sense of pride that we all feel at the achievements of our fellow citizens.

The success of the museum has given rise to the need for additional space. That is the reason for the ground-breaking ceremony next Tuesday. The new museum will have five times as much space as the current facility. This expansion will allow the museum to increase its potential for preserving and promoting a greater awareness of African American history.

Current plans also call for a mobile studio, including audio, photo, and video facilities, which will travel throughout the country gathering artifacts and personal life stories for the museum. In turn, the museum will be the national repository for this memorabilia.

I would also like to commend the efforts of so many in the Detroit community who have made the construction of a new site for the museum a real possibility. In particular, the students, teachers, and administration of Detroit's public schools should be congratulated on their successful buy-a-brick campaign. The Museum's Million-Dollar Club has also already raised more than $100,000, and the city administration has contributed $2.3 million. These represent the kinds of community based efforts of which we as a nation can be proud.

There is nothing quite like this project happening anywhere else in our Nation. This project represents a total commitment from the entire community and I commend the effort put forth by so many to enrich and enhance Detroit's cultural resources.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in two of the covering letters are available to Senators in the office of the Foreign Relations Committee, SD–423.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, May 10, 1985.
Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-10 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to Spain for defense articles and services estimated to cost $20 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Lieutenant General, USAF,
Director.

Attachments.

TRANSMITTAL No. 85–10

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Spain.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$16
Other	4
Total	20

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: A quantity of 60 MK 46 MOD 5 torpedoes, 12 exercise heads and associated spare parts.

(iv) Military department: Navy (AHN).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 10 May 1985.

POLICY JUSTIFICATION

SPAIN—MK 46 MOD 5 TORPEDOES

The Government of Spain has requested the purchase of a quantity of 60 MK 46 MOD 5 Torpedoes, 12 Exercise Heads and associated spare parts at an estimated cost of $20 million

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Spain and enhancing the defense of the Western Alliance.

The sale of these torpedoes and continuing support to the Government of Spain is part of the close cooperation in defense and other matters under the 1976 Treaty of Friendship and Cooperation between Spain and the United States. The Spanish Navy intends to utilize these torpedoes on frigates and shipboard helicopters as an anti-submarine deterrent.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be Honeywell, Incorporated of Hopkins, Minnesota.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Spain.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

TRANSMITTAL No. 85–10

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

3. (U) Release of this technology is within the classification guidelines for disclosure to Spain as stipulated in National Disclosure Policy (NDP-1).

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, May 13, 1985.
Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN. Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-31 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Switzerland for defense articles and services estimated to cost $209 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Lieutenant General, USAF,
Director.

Attachments.

TRANSMITTAL No. 85–31

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Switzerland.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$168
Other	$41
Total	$209

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: A quantity of 12,000 BGM-71D TOW II missiles, 3,000 (inert) practice missile rounds, 400 AN/TAS-4A night vision sights, 400 components to assemble TOW II launchers, and ancillary equipment. The sale may involve co-production of selected releasable components of the TOW II weapon system by the Swiss.

(iv) Military department: Army (VEY).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 13 May 1985.

POLICY JUSTIFICATION

SWITZERLAND—TOW II MISSILES

The Government of Switzerland has requested the purchase of a quantity of 12,000 BGM-71D TOW II missiles, 3,000 (inert) practice missile rounds, 400 AN/TAS-4A night vision sights, 400 components to assemble TOW II launchers, and ancillary equipment at an estimated cost of $209 million.

This sale will further the foreign policy goals of the United States by helping to assure the defense of a friendly country whose avowed neutrality has long contributed to the security of Western Europe. It is consistent with the U.S. policy of assisting other nations to provide for their own defense and security. Switzerland has traditionally based its independence on a strong and ready military establishment.

This weapons system is required by the Government of Switzerland to replace its 30 year plus weaponry and to improve its Army and Militia Military. Switzerland will have no difficulty absorbing this system and this sale will increase the military defense capability of Switzerland. The sale of this equipment and support will not affect the basic military balance in the region since comparable or identical weapons already exist there.

The sale may involve partial co-production of selected releasable components of the TOW II weapon system by the Swiss. The exact components and the degree of co-production will not be known until some time in 1985 since the Swiss are currently conducting production feasibility studies for this effort. During co-production, the Swiss may release technical data and drawings to the Eichweber Company of the Federal Republic of Germany for the sole purpose of integration of the Talissi system to the modified day sight and launch tube. Some launch tube shells and modified day sight shells may also be transferred to the Eichweber Company on a temporary basis. The total value of the transfers is estimated to be not more than $50,000.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractors will be the Hughes Aircraft Company of Tucson, Arizona and the Emerson Company of St. Louis, Missouri.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Switzerland.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

HEAD START'S 20TH ANNIVERSARY

● Mr. GLENN. Mr. President, this year marks the 20th anniversary of Project Head Start—a program that provides America's children the change to overcome the obstacles of poverty. In 1965, President Lyndon Johnson launched Head Start with the hope and dream to alleviate the tragedies of disadvantaged children who face a lack of medical, emotional, nutritional, and educational services that many take for granted.

Today there is a Head Start center in nearly every county in the United States. Although performance standards are set at the Federal level, it is the local community that actually molds the program to enhance its own particular cultural and ethnic characteristics.

Few would dare dispute Head Start's success. Since its inception, some 9 million children and their families have benefited from this project. We all know that the early years of childhood are critical to a child's development and it is essential that we reach out and give these youngsters a helping hand at a time when they need it most. The very existence of Head Start illustrates our commitment to the well-being of our greatest investment—our greatest hope—our children.

It is imperative that we reach out and encourage them to explore, to create, and to dream. Most importantly, though, the Head Start children are surrounded by parents and teachers who believe in them and love them.

Twenty years of Head Start success stories could fill volumes of books and these successes cannot be measured merely in dollars alone. Rather, they must be judged by the mental, physical, and educational development of those children who might otherwise have fallen short of their potential through no fault of their own.

On behalf of the 9 million children who have received assistance from Head Start and those children who have yet to benefit, I want to congratulate those who have contributed to the creation and development of this outstanding program. When many today are quick to remind us of the shortcomings of Federal programs, let us recall that this program sought to serve and did. It is my hope that Congress will continue to support one of our Nation's most valuable programs so that disadvantaged children can truly get a "head start" in life.●

A TRIBUTE TO DONALD P. EDSON

● Mr. BOREN. Mr. President, it is with a great deal of sadness that I note the tragic death of Donald P. Edson, vice president for legislative services for the Farm Credit Banks of Wichita, KS, in a three-wheel recreational vehicle accident near Mulvane, KS, on April 28, 1985.

In writing about his death, Hurst Laviana, staff writer for the Wichita Eagle-Beacon, commented that "Whether his audience was a group of Congressmen in Washington, DC, office building or a farmer in the middle of a Kansas wheatfield, Donald P. Edson was at his best when he was talking agriculture."

As one who discussed agriculture with him many times, I can attest to that. Edson spent many hours in my office discussing the problems of agriculture and attempting to find answers to the problems facing farmers. He was concerned not only about farmers' financial problems but also their other problems. He was always open to any idea and carefully considered differing points of view.

In the Eagle-Beacon article mentioned above, Mrs. Edson, his widow, pointed out that "He could talk to anyone. He could listen to anyone and understand. He could go through a whole room full of people and just light up." One of his former employers was quoted as saying, "He was the type of person you felt you knew all of your life—whether it was a high-ranking Federal official or a farmer out on his land. He had the ability to communicate with all types of people. He never met a stranger." Monte Reese, a vice president of public affairs for Farm Credit Banks, is quoted as saying that what made Mr. Edson unique was his ability to combine extensive knowledge of agriculture with a strong ability to communicate. "He could really talk their language and they could understand him," Reese said. "Don had a very solid understanding of agriculture. He was a very energetic and dynamic leader in Kansas agriculture. He was a very popular speaker at agricultural meetings—in Kansas and around the country."

Edson was raised on a livestock and grain farm south of Topeka and received a degree in agricultural education from Kansas State University. He was a farm director at WIBW Radio and TV in Topeka for 10 years, joining the Federal intermediate Credit Bank in January 1970. He took the position of vice-president for legislative services at a time when most would have shunned the responsibility. With tremendous pressure facing the Farm Credit System as a result of record farm foreclosures, he rose to the challenge of finding a solution which would keep the system solvent.

Surviving Edson are his wife, Lynne; two sons, David and Doug, and a daughter Darla; his parents, Burton and Elma Rene; a brother, Dean; and two sisters, Jan Haun and Karen Edson. To them and his other relatives we extend our deepest sympathy. All of us have lost a good friend and a fighter for our farmers.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

REPEAL OF CONTEMPORANEOUS RECORDKEEPING REQUIREMENTS—CONFERENCE REPORT

The PRESIDING OFFICER. The hour of 11:30 a.m. having arrived, the Senate will now return to the consideration of the conference report on H.R. 1869, which the clerk will report.

The legislative clerk read as follows:

> The conference report on H.R. 1869, an act to repeal the contemporaneous recordkeeping requirements and the Tax Reform Act of 1984, and for other purposes.

The PRESIDING OFFICER. The time on this conference report is limited to 40 minutes, with 30 minutes under the control of the Senator from Ohio [Mr. METZENBAUM] and 10 minutes under the control of the Senator from Oregon [Mr. PACKWOOD] or his designee.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise to address myself not only to the conference report but to an issue that is not in the conference report but that was in the report language of the Senate Finance Committee.

Before doing so, however, I think we ought to make the record clear as to what this conference report does and does not do. According to the conference report, the measure before the Senate will reduce revenues by $107 million between fiscal year 1985 and fiscal year 1987. It is, therefore, subject to a point of order under section 311 and another point of order under section 303 of the Budget Act.

Mr. President, I do not intend to make the parliamentary point of order because I feel confident that it would be overruled by a vote of the Senate, but in order to make it clear to one and all that, indeed, the point that the Senator from Ohio is making is correct and that we are taking away $107 million in revenues, I will pose a parliamentary inquiry: First, would the Chair sustain a point of order raised under section 311 and, second, would the Chair sustain a point of order raised under section 303 of the Budget Act?

The PRESIDING OFFICER. This conference report does result in a loss of revenues for fiscal year 1985, and because the Congress is below the revenue floor for this fiscal year, the conference report would give rise to a point of order under section 311 of the Budget Act. Because the conference report raises revenues for the fiscal year 1986, a year for which there is no first concurrent resolution on the budget, the report would violate section 303(a) of the Budget Act.

Mr. METZENBAUM. And, therefore, be subject to a point of order under section 303 as well?

The PRESIDING OFFICER. That is correct.

Mr. METZENBAUM. Mr. President, I do not intend to raise those points of order, but I want to emphasize that while everybody is out making speeches about balancing the budget, the U.S. Senate is going to pass this conference report by unanimous consent this morning, probably without a rollcall, and we are going to increase the Federal budget deficit by $107 million over 3 years.

Now, that $107 million I want to point out is over and above the amount that we do not even know the facts about, and that is the reduction in revenues that will be produced by those corporate executives who will not have to pay much in taxes on their corporate aircraft travel.

It is a fact—and I will get into that soon—that they will still pay something, but the amount they will pay, according to my calculations, is probably closer to one-fifth to one-eighth of what they would otherwise be paying.

Now, the matter of aircraft used by corporate executives is not technically part of the conference report before the Senate. It has to do with the report language the Finance Committee wrote. It was not possible for us to deal with the issue on the floor because it is not in the bill. But it was one of those arrangements that you make around here where in the committee report the Finance Committee tells the Treasury Department to do what they want, and the Treasury Department, always ready to accommodate, particularly when it has to do with the loss of revenue from corporate executives who do not have to pay their fair share of the taxes, went even further than the Finance Committee had asked.

Now, to explain the issue, in the Deficit Reduction Act of 1984, there was an effort to increase revenues by closing some tax loopholes. Now, that was significant. The Congress indicated its willingness to close some tax loopholes, an area some of us had been addressing ourselves to for some time but our arguments pretty much fell on deaf ears. Even though David Stockman and the President and others said they should be closed, every time we attempted to close them, some lobbyist came along and was pretty much able to talk them out of it.

One area of the 1984 bill had to do with the taxation of fringe benefits that are not statutorily tax exempt.

The 1984 Tax Act amended the Tax Code to provide that fringe benefits are among the items specifically included in gross income. According to the "General Explanation of the Revenue Provisions of the Deficit Reduction Act of 1984" put out by the Joint Committee on Taxation, the Tax Code was amended "as a clarification that the fair market value of any fringe benefit not covered by an express statutory exclusion is included in the recipient's gross income."

Now, existing regulations provide that corporate executives who use corporate aircraft for personal purposes

must include in their taxable income the fair market value of such use.

Now, is that not a reasonable thing to do? If you are using it for your personal benefit, should not that corporate executive be required to report that as a part of his or her income?

Fair market value is determined under all the facts and circumstances, or, alternatively, by using a safe harbor test, which is the cost of chartering a similar aircraft. That certainly is fair.

How does it work under the present law? If, for example, an executive were to travel on vacation from Washington to Miami and back on a corporate Lear-35 jet, current regulations would require that $8,150, the cost of a charter for that same flight, be added to his or her taxable income.

That seems simple as such. But the National Business Aircraft Association believes that the new regulations were too complex for the average chief executive officer to comprehend. That according to a bulletin "Is This Tax Simplification?" by Mr. Joseph Burnside, manager of Government relations. Mr. Burnside wrote:

> But the granddaddy of them all, when it comes to considering the various uses of business aircraft and value to the employee, is when the boss uses the plane for personal transportation. Now, admittedly, this is the sort of fringe benefit which should result in the imputation of addition income but, at the same time, is not something which occurs every day. Indeed, most aircraft are used strictly for business reasons. However, the IRS has seen fit to address this subject also.

The article went on to say:

> Further, the time spent by the IRS auditor in ascertaining whether the regulation is complied with will certainly divert the agent from more productive pursuits, such as looking for abusive shelters or, indeed, dreaming up new ways to "simplify" the tax code. Is this tax simplication?

To him, I answer, yes, indeed, that is tax simplification. As a matter of fact, it is more than tax simplification. It is a matter of what is right and what is wrong. But the lobby is pretty good. The lobbyists did their work on the committee, and the big business executives made their point.

Lo and behold, who came to the rescue? That sturdy defender of Government income, our Senate Finance Committee, came to the rescue.

The committee adopted report language in reporting S. 245 that directed the IRS to revise its regulations for valuing trips on corporate aircraft. You have to understand that there was nothing in the bill having to do with corporate aircraft. It was totally blank on that subject. It was as though they included something in the bill having to do with the WIC Program or something having to do with some totally unrelated program. But they wanted to take care of their friends, the corporate executives who fly planes for personal use.

After all, is it not important to the Nation's interests that we permit corporate executives to use the planes to go to the World Series or to some important football game, or to take their families on a vacation to some warm climate?

So the language of the report reads:

> The committee also intends that the Treasury is to substitute the following safe-harbor valuation rules with respect to employee flights on employer-provided, noncommercial aircraft that constitute taxable fringe benefits, for the valuation rules with respect to such benefits that are currently set forth in temporary regulations.

It then went on to say that if the plane weighs more than 10,000 pounds, the value for a control employee—those are the executives—would be the first-class fare that would have to be reported; and the value for other employees would be the value imputed to the parents of an airline employee, which would be half the coach value. If the plane weighed more than 6,000 pounds but not more than 10,000 pounds, the value that would have to be included so far as the executive is concerned would be the coach fare, and the value for other employees would be three-fourths the value imputed to the parents of airline employees.

If some within the hearing range of my voice want to know why the language is "parents of airline employees," or if some who read the RECORD want to know why that language is used, they will have to go back to the Finance Committee and ask them; because, frankly, I do not understand the meaning of that language.

If the plane weighed 6,000 pounds or less, the control employees—the executives—would have to pay taxes on one-half the coach fare; and for those who are not executive employees, the amount that would have to be included would be half the value imputed to the parents of the present employee.

I must say that it probably is unimportant what "parents of employees" means, because, in the last analysis, you can count on the Treasury Department. They got the message. The message was clear and simple: "See to it that the corporate executives and others who use private aircraft do not have to pay anything in taxes, or see to it that they have to pay very little in taxes, when they use the corporate planes."

I am aware that it is unusual for me to be standing here to debate an issue that is not before the Senate. As a matter of fact, I am not even debating it, because it is obvious that the chairman of the Finance Committee and the majority leader are not on the floor—and I have no fault to find with that. But I believe it is so shocking, so indecent, so inappropriate, and so wrong for the Finance Committee and the U.S. Senate to be telling the Treasury Department to reduce taxes of corporate executives who use private planes, that unless I raise the issue in this manner—and I cannot get it to a vote, because there is not a parliamentary procedure to do so—unless the issue is made, unless the matter is at least brought out into the open, it will slide through, as many other issues slide through in Congress.

However, although it is unusual to debate an issue that is not before the Senate, it is just as unusual for the proponents of a tax cut to avoid placing it before the Senate. What wonderful speeches my colleagues make about trying to balance the budget! There is nothing more important, they say on the television programs and the radio programs and to the newspaper editors and before the crowds to whom they speak. But the fact is that everybody is going along with what the Finance Committee did; and the Treasury Department, which is so anxious to find a new tax bill for the President, is going along, losing revenue, for no reason whatsoever.

Instead of making it possible for this issue to come before the Senate, the proponents inserted in the committee report language that was never before the Senate and insisted that the Treasury provide favorable treatment.

When I raised this issue on April 3 on the floor of the Senate, the chairman of the Finance Committee said:

> This issue is not before us in any way, shape, or form—it is not before us in any report language in the House bill, it is not in the House bill, it is not in the amendment before us—it is not in any report language that is before us. There is nothing that we have done or are going to do that has any effect, at the moment, on the Treasury regulations that impute the value of flying on airplanes. The committee report that contains that language is not part of the pending committee amendment.

I offered an amendment to H.R. 1869—that is this particular legislation—that would have expressed the sense of Congress that existing regulations regarding the valuation of personal travel on private aircraft by corporate executives should not be changed. That measure failed on a 46 to 47 vote, with eight members of the Finance Committee supporting the amendment.

However, the Treasury Department got the message. They understood what some Members of Congress wanted. They did not worry about the 46 who said, "We don't want it." They were going to take care of the 47 who did. Besides, the business lobbyists were doing their job, and doing it well, at the Treasury Department.

So the Treasury Department did not heed the concerns that 46 Members of the Senate expressed. Treasury caved. They caved so fast that they fell over themselves to be sure that they took care of the corporate executives.

So, when the measure reached the conference committee, the Treasury had in hand a letter addressed to Majority Leader Dole:

> To confirm our discussions regarding the establishment, by Treasury regulation, of a revised safe harbor method of valuing personal flights * * *.

I ask unanimous consent that a copy of that letter be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Hon. Robert Dole,
Senate Majority Leader,
Washington, DC.

Dear Mr. Leader: This letter is to confirm our discussions regarding establishment, by Treasury regulation, of a revised safe harbor method of valuing personal flights by employees, their families and their guests on company aircraft.

The safe habor values would be as follows.

Maximum certified takeoff weight of the aircraft	Includible value for a control employee	Includible value for a non-control employee
25,000 lb or more	200 percent of first class.	Safe harbor value for airline parents.
10,001 to 25,000 lb.	150 pecent of first class.	Safe harbor value for airline parents.
6,001 to 10,000 lb	Coach	75 percent of safe harbor value for airline parents.
6,000 lb or less	50 percent of coach.	50 percent of safe harbor value for airline parents.

In approximating first class fare or coach fare, we would use the Standard Industry Fare Level (SIFL) rates or another appropriate method.

The term "control employee" in the content of private employment shall be defined to mean the following:

1. Board-elected or shareholder-elected officers. However, the number of employees who are control employees under this test shall be limited to the lesser of (a) 1 percent of all employees or (b) 10 employees.

2. The top 1% in terms of compensation, based on the prior year. The number of employees who are control employees under this test shall not exceed 25 employees. In addition, no employee earning under $50,000 shall be a control employee under this test.

3. All employees owning an equity interest of 10% or more of the employer, with appropriate attribution rules.

4. Guest and family members of the employees listed above.

In addition, we will, by regulation, create a special rule which applies where 50% or more of the regular passenger seating capacity of that plane as used by the company is occupied by individuals whose flights are primarily for the employer's business and whose flights are thus excludable from income. In such circumstances, a personal flight by an employee, his spouse, or dependent children (generally, as such terms are defined under section 132 of the Code) in any of any of the remaining seats is deemed to have no value. This special rule is not based on general valuation principles but rather on legislative intent. Thus, if other guests of an employee (such as an employee's parent) fly in the remaining seats for personal purposes, the employee would have income. In these situations, if the safe harbor is used, the employee would be taxed at the non-control employee rate. For purposes of determining passenger seating capacity, any seat occupied by the flight crew shall not be counted except when an employee is flying the plane in which case his seat shall be deemed a passenger seat.

We believe this fairly represents our discussions and provides a workable regulatory framework for taxing personal use of company planes.

Sincerely,

Ronald A. Pearlman,
Assistant Secretary (Tax Policy).

Mr. METZENBAUM. Now, Mr. President, you have to understand what I am saying. What I am saying is that the chairman of the Finance Committee told this body that there is nothing before us in any report language in the House bill, not in the Senate bill, not in the amendment and it is not in any report language, there is nothing we have done or going to do that has any effect at the moment on the Treasury regulations, and yet the Treasury did not read that part of the remarks of the distinguished chairman of the Finance Committee on the floor. What they did is they acted promptly, so promptly that they had a letter in hand. They were busy with the President's tax revision program, but they had time to get out this letter and that letter indicated:

> Dear Mr. Leader: This letter is to confirm our discussions regarding the establishment, by Treasury regulation, of a revised safe harbor method of valuing personal flights by employees, their families and their guests on company aircraft. The safe harbor values would be as follows:

And then it proceeds to indicate that.

Then the letter goes on to say:

> In addition, we will, by regulation, create a special rule which applies where 50 percent or more of the regular passenger seating capacity of that plane as used by the company is occupied by individuals whose flights are primarly for the employer's business and whose flights are thus excludable from income.

I will not read the balance of that paragraph which is included in the letter that I put into the Record.

But I will point out that the Treasury Department was so anxious to be accommodating that they actually went even further than the Finance Committee requested.

Under the proposed new regulations, excutives flying on planes weighing more than 25,000 pounds will pay taxes on twice the value of a first-class ticket and on planes weighing between 10,000 and 25,000 pounds 150 percent of a first-class ticket.

In computing the first-class and second-class fares, the IRS will use the standard industry fare-level rates published by the Department of Transportation.

How do these coach rates compare to actual fare-market costs of domestic coach air travel? The Treasury Department was very anxious to be accommodating, and if you look at the facts, you will see that the SIFL rates, the standard industry fare-level rates, would provide that on a New York to Chicago trip that figure would be $129 instead of the actual coach rate of $258. The New York to Miami rate would be $168 instead of the actual fare of $280. And the Chicago-San Francisco rate would be $251 as compared to $398.

Mr. President, I know that my time is getting close to running out, and I know there seems to be no one fighting for the floor. I ask unanimous consent that the Senator from Ohio may be accorded an extra 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. What does this mean for the corporate executive traveling round trip on vacation trips between Washington and Miami? Instead of paying taxes on $8,150, he or she would pay taxes on $1,128, about one-eighth of the $8,150 figure. In addition the corporation is allowed to deduct its cost for providing this special perk for the executive, a total that in this case would come to $2,679.

So while we are standing here making our speeches about balancing the budget and doing all the press work that we do about balancing the budget, we are making it possible for an executive who may be making $300,000 or $400,000 or $3 million or $4 million, not to pay taxes on $8,150 which is what is provided for under the present law, but only pay taxes on $1,128.

What a great effort on our part to balance the budget.

When we made an effort to find out what this would actually cost, we were not able to determine whether the loss to the Treasury would be $10 million, $25 million, or $100 million.

Let me point out this is just the week after the Senate indicated it was prepared to eliminate 17 programs, cut back on food for people who need food, and cannot put it on their table, cut back on educational benefits, cut back on social security increases, cut back on so many other programs that means so much to so many. The Secretary of Health and Human Resources is even cutting back on research centers for Alzheimer's disease. There are five research facilities and they are cutting it back to three, with total savings of $2 million.

Mr. President, is it really more important to take care of our corporate executives and see that they do not pay fair taxes than it is to have two more research facilities in the area of Alzheimer's disease?

We spend $1 million a year total to research the whole area of child suicide, $1 million total. And yet once every minute a child in this country attempts to commit suicide and once every 90 minutes a child in this country is successful. So $1 million does not sound like much money. But that is all we spend on that area of research.

Maybe if we did not take care of the corporate executives and paid a little more attention to our kids, paid a little more attention to the older people of this country, maybe the people of this country would have a little more respect for Congress. They think that we are a giveaway operation. They think we take care of only those who have lobbyists around Washington. They think that the defense contractors can constantly and consistently rip us off. They think anyone who has some political moxie or political power is able to get away with anything and everything, and unfortunately what they think is 100 percent correct.

This is a raw, raw deal that we are involved in in that committee report.

Mr. President, when I raised this issue on the floor last month, the majority leader was very frank about his position. He stated:

> There are a number of aircraft companies in rather deep recession at this time, including several in Wichita, Kansas, that this Senator has some interest in. They are very concerned about this. They think that without some clarification, the overvaluations required by the regulations can have a potential impact on the entire industry.

I only wish that the Treasury had been as frank and open about its decision to revise the regulations.

On May 3, I delivered a letter to Assistant Secretary Ron Pearlman, asking several questions about the proposed regulations.

I asked for:

First, a detailed explanation of the method by which the IRS determines fair market value for valuing fringe benefits; second, a description of actual out-of-pocket costs of a typical roundtrip flight between Washington and Miami; third, an explanation of why existing regulations do not reflect fair market value; fourth, an explanation of the tax treatment accorded businesses providing aircraft for personal travel to its employees.

I ask unanimous consent that the copy of the letter and the Treasury response be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Committee on Energy
and Natural Resources,
Washington, DC, May 3, 1985.

Hon. Ronald Pearlman,
Assistant Secretary, U.S. Department of the Treasury, Washington, DC.

Dear Ron: As part of the Senate-House conference agreement on legislation to repeal the contemporaneous record keeping requirement, you agreed to amend existing regulations to ease the fringe benefit valuation rules for corporate aircraft. I believe that your decision to provide a tax cut for corporate executives who use corporate aircraft for personal use is outrageous. In addition, I believe that your decision is not supported by existing statute or Congressional intent.

Last year as part of the Deficit Reduction Act, Congress terminated the moratorium on fringe benefit regulations and amended Section 61(a) of the Internal Revenue Code to provide that fringe benefits are among the items specifically listed in that section as gross income. According to the "General Explanation of the Revenue Provisions of the Deficit Reduction Act of 1984," by the Joint Committee on Taxation, Section 61 was amended "as a clarification that the *fair market value* of any fringe benefit not covered by an express statutory exclusion is included in the recipient's gross income * * *." (emphasis added).

Existing regulations provide that key employees (executives) who use corporate aircraft for personal purposes must impute into income the cost of chartering a similar aircraft. I believe that the charter cost represents a reasonable measure of fair market value for vacation and other personal uses. However, you have announced that the IRS will issue amended regulations that limit the amount imputed to executives to twice the first class fare for the trip. This new regulation means that an executive who takes a round-trip flight from Washington, D.C. to Miami on a Lear Jet will only have to include $1,128 of income, instead of $6,470,00 as provided under existing regulations. If the trip is on a C-90 King Air, the amount imputed is $218 instead of $6,070. And if it is on a smaller aircraft, such as a Beechcraft Baron, the amount imputed will be $109 instead of $3,110. These examples clearly indicate that the new regulations will provide a substantial tax cut for corporate executives who use their company's private aircraft.

Please provide me with:

(1) a detailed explanation of the method by which the IRS has determined the fair market value of personal trips taken by executives on their company's planes, and a detailed description of the methodology used by the Treasury in valuating other fringe benefits.

(2) a description of the actual out-of-pocket costs (fuel, landing charges, pilot wages, etc.) that are incurred in a typical round-trip flight from Washington to Miami;

(3) a description of what has transpired in terms of statutory changes or information brought to the Department's attention that leads you to believe that existing regulations do not properly measure the value of flights taken by executives, and why your proposed regulations will reflect the accurate fair market value;

(4) an explanation of the tax treatment accorded a company that provides an aircraft for the personal use of an executive—specifically I want to know whether a company will ever be entitled to deductions that exceed the amount the executive must include in income; and

(5) a detailed description of the legislative history of the 1984 tax bill that leads you to the conclusion that the proposed regulations conform to congressional intent.

Because the conference report on H.R. 1869 will reach the Senate floor next week, I would appreciate receiving a response to my questions by the close of business on Monday, May 6.

Sincerely,

Howard M. Metzenbaum,
U.S. Senator.

Department of the Treasury,
Washington, DC, May 9, 1985.

Hon. Howard M. Metzenbaum,
U.S. Senate,
Washington, DC.

Dear Senator Metzenbaum: I received your letter of May 3, 1985, regarding the valuation of personal flights on company aircraft. I welcome this opportunity to respond to your concerns about our decision to revise the safe harbor values for such flights.

Your letter questions the appropriateness of the planned revision to the safe harbor values as applied to executives who use the company airplane for personal purposes. Under the planned revisions (which are not addressed in the pending legislation), all employees, including executives, would be able to use a safe harbor method of valuing a personal flight on a company aircraft. Under the safe harbor, aircraft are divided into 4 classes with different safe harbor values. For example, the value of a flight by a control employee (a term which includes certain executives) on an aircraft weighing more than 25,000 pounds would generally be double the first class fare for a trip of that distance on a commercial airline.

The legislative history of the Tax Reform Act of 1984 provides Treasury with the power to "issue regulations setting forth appropriate and helpful rules for the valuation of taxable fringe benefits." House Report 98-432, at 1609. Pursuant to this legislative history, on January 2, 1985, the Treasury Department issued regulations which, in addition to articulating certain general rules for valuing fringe benefits, established safe harbor valuations for the availability of an employer-provided automobile, for the use of an employer-provided automobile for commuting, for a flight on an employer-provided airplane, and for a free or discounted flight on a commercial airline. The purpose of these safe harbors was to make the taxation of fringe benefits more certain and administrable. Instead of determining fair market value based on all the facts and circumstances, taxpayers could simply use these safe harbor values. Such use would relieve both taxpayers and the Internal Revenue Service of a significant administrative burden and reduce tax controversies. We believe that administrative simplicity is very important in the taxation of fringe benefits; much of the past failure by taxpayers to report fringe benefits can be attributed to uncertainties regarding valuation.

For the safe harbors to be effective, the values should not exceed a value perceived as fair by taxpayers. If the safe harbor values are set too high, the safe harbors will not be used and thus will not accomplish the purpose for which they were established, namely, reduction of the administrative burden. Determination of a value perceived as fair cannot, of course, be accomplished with any degree of certainty. Nevertheless, in establishing our safe harbors, that is what we have attempted to do based in part on extensive review of public comments.

The company aircraft safe harbors are based on the price of commercial airline seats. Since the overwhelming majority of air travel is by commercial airline, this is an appropriate reference for establishing safe harbor values for similar air travel on company aircraft. The use of a double first class safe harbor value for control employees flying on the largest aircraft reflects a substantial premium for the convenience of a company aircraft. At the same time, we believe that this value will be perceived as fair by taxpayers.

We do not suggest that outside the safe harbors a value based on charter costs would be inappropriate. Where the value of a personal flight on a company aircraft is determined outside of the safe harbors, all the facts and circumstances must be considered and, in certain instances, a value based on charter could be appropriate.

I appreciate this opportunity to share my views with you.

Sincerely,

RONALD A. PEARLMAN,
Assistant Secretary
(Tax Policy).

Mr. METZENBAUM. Mr. President, Treasury has refused to answer any of these questions.

In his response, Secretary Pearlman wrote:

> For the safe harbors to be effective, the value should not exceed a value perceived as fair by taxpayers.
>
> We do not suggest that outside the safe harbors a value based on charter costs would be inappropriate.

Imagine, if all taxpayers were given the opportunity to decide what is fair and what is not and then to pay only what he or she thinks is fair—would that not be wonderful? And would it not have an unbelievable negative impact upon the budget?

I venture to guess that our budget deficits would be even higher than they are today.

It is outrageous that the Treasury Department has turned over the regulation writing process to those who are supposed to pay the tax.

Here we have a tax cut, a tax cut going not to middle-income people, not to poor people, but going to some of this country's most privileged corporate executives.

As a matter of fact, I am told that some corporate executives have been heard from and even they have said, "It is a stupid act on the part of the Treasury and we cannot understand why the Finance Committee of the Senate took the action that they did."

What kind of brains gives away Treasury dollars to the people who have the highest salaries in the country? There is no statutory language before us. There is not conference report language. There has been no legislative action whatsoever. And when a Member of the U.S. Senate attempts to ask the administration to explain its actions and to provide factual data, what happens? The Treasury Department refuses to answer the question and says, "We are too busy to give you those answers. We are working on the President's tax programs."

Mr. President, we hear a lot about budget deficits. We hear a lot about tax reform. We hear a lot about tax fairness and tax simplification. It is easy to talk about these objectives in glowing terms. It is as American as baseball and apple pie.

But when it comes time to act to achieve these objectives, it is a different story. We ought to be ashamed of ourselves and the Treasury Department ought to be doubly ashamed. The Treasury Department, on one hand, is preparing to release a tax reform package that is supposed to make our tax laws fair and simple. On the other hand, it is promulgating new regulations to provide tax cuts for the wealthy.

Mr. President, I do not blame any particular Member of this Congress. I blame all of us. I do not blame my friend from Kansas, the majority leader, for wanting to help Kansas companies. I do not blame the chairman of the Finance Committee. I do not criticize those who opposed my earlier amendment to prevent corporate executives from gaining this tax concession. I blame all of us.

We ought to face up to the realities of what we are doing and quit kidding the American people. We ought to go public and say, "Yes, today we took care of corporate executives in this country in this whole conference committee report which is going to cost the Federal Treasury $107 million over a 3-year period." Why? Because nobody wanted to keep written records.

But as soon as the recordkeeping issue came before Congress there were Members of this body that wanted to go further. Everybody wants to make speeches about balancing the budget, but everybody also wants to take care of the privileged few in this country.

I do not believe it does much for the public perception of how we legislate when back-room deals are struck for the benefit of the privileged few. And I think there is no excuse whatsoever for refusal by the Treasury Department to take responsibility for its own actions and to answer inquiries from a Member of Congress.

Mr. President, what I am saying I know will not change reality. It is not going to change the facts. It is not going to cause Treasury to do that which they should do. And it is not going to cause the Finance Committee of the U.S. Senate to repent and to look at themselves in the mirror and to say, "Why did we really do this? What earthly reason could we have had for doing it?"

None of that is going to occur, but the Senator from Ohio is going to feel a little bit better, at least, that he raised the issue on the floor of the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBUAM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I would like to clarify a question I have in regard to the contemporaneous recordkeeping, H.R. 1869, and conference report. The bill listed types of vehicles that were exempted from the substantiation rules and from treatment as a taxable fringe benefit.

First, I want to clarify that this list was not meant to be all inclusive, and that Treasury has the authority to expand this list.

In addition, I want to inquire if Treasury has the authority to include certain pickup trucks and vans in the list of vehicles not susceptible to personal use and excluded from income tax if it is shown that the design, such as permanent shelving or heavy equipment that cannot easily be removed, makes the particular vehicle not susceptible to personal use.

Mr. PACKWOOD. The answer to both of the Senator's questions is yes. The list included in the conference report was not intended to be all inclusive—Treasury definitely has the authority to expand the list.

This is a facts and circumstances test and you have listed some of the relevant facts that Treasury should consider.

Mr. HEINZ. I thank the Senator from Oregon for his forthright and helpful answers to my questions.

Mr. D'AMATO. Mr. President, I rise today in support of the conference report on H.R. 1869, which repeals the ridiculous contemporaneous recordkeeping under which we are currently operating. These IRS regulations are imposing a tremendous burden on America's businesses.

These rules required that the use of cars, trucks, airplanes, personal computers, and even photographic equipment be recorded contemporaneously in a log. These onerous regulations were mandated by the Deficit Reduction Act of 1984, which I opposed.

Such contemporaneous recordkeeping imposes a massive burden on businesses and is a gross intrusion by the IRS into even the smallest economic transaction. As a result, there has been a great outcry against the IRS regulations. Legislation was introduced, which I was proud to cosponsor, to repeal the logging requirements. This bill, S. 245, required that the recordkeeping regulations be completely repealed. I am pleased that the Senate Finance Committee took quick action on this vital legislation.

The bill before us today would repeal contemporaneous recordkeeping for cars, trucks, airplanes, photographic equipment, personal computers, emergency vehicles, and unmarked police cars. The conferees were careful to require that adequate records on the use of business vehicles still be kept for tax purposes. However, these records need not be kept contemporaneously. By crafting the legislation in this manner, honest taxpayers can get on with the business of doing business. By requiring adequate records a loophole is not created allowing dishonest individuals to abuse the Tax Code.

Mr. President, I am proud to support H.R. 1869 and I urge my colleagues to join me in voting for this vital legislation.

Mr. ANDREWS. Mr. President, I rise in support of the conference report to repeal these onerous recordkeeping requirements.

It is rare that a Federal regulation should cause such an overwhelmingly negative public response as the regulations we are repealing today. Naturally, no one wants to spend their time detailing minutiae or business transportation when the Federal tax law could be fairly appealed in a broader manner. But in this case, the issue is far more serious than merely keeping business records. I believe that this law represented a breach of faith by the Government.

If there is a line to be crossed where the Government no longer serves the best interests of the people, we have just seen it crossed. This is why we have repealed these rules by such a lopsided vote. But it was not simply these specific rules. It was these rules on top of hundreds of other intrusions into the daily lives of average Americans. It is small business men and women filling out form after form so that they must devote 18 hours a day to their business just to stay above water. It is middle income Americans who must hire someone else at tax time to understand how to avoid paying more than their fair share of taxes. It is the American farmer who gets told when to plant, what to plant, where to sell, and to whom to sell in order for that farmer to make a decent livelihood. In short, in the spirit of this repeal bill, we must also use the moment to consider other ways to get the Government off the backs of the American people.

Mr. ABDNOR. Mr. President, today the Senate is taking final legislative action on legislation to repeal the ridiculous IRS rules which require detailed mileage logs for business vehicles. Since the opening day of Congress, I've been fighting to abolish these rules and solve what has been a 6-month-long paperwork nightmare for millions of ordinary Americans. I'm pleased that we are finally sending this bill to the President and that the nightmare will soon be over.

Although it was my bill which passed the Senate by a 92-to-1 vote, I was not a member of the conference committee since I'm not a member of the Finance Committee. However, I would like to commend the Senate conferees for their wisdom in refusing to accept a catch-22 provision included in the House version of this legislation. By including a reference to written evidence, the House bill would have permitted the IRS to again impose burdensome recordkeeping requirements.

It's ironic that in a bill which was supposed to get rid of this bureaucratic boondoggle, the House wanted to include a provision permitting the IRS to impose the same ridiculous requirements all over again. A move like that doesn't make much sense unless you're more interested in playing politics than solving this massive paperwork burden. The Senate conferees are to be commended for holding the line against the House provision.

The Government seems to forget that farmers, ranchers and businessmen have more important things to do than needless paperwork. For months now, they've been tied down to their odometers. It's time we unleash them so they can get on with more important and productive work. I've received literally hundreds of letters from South Dakotans who have been attempting to keep detailed logs. If they were honest in their recordkeeping, they just weren't getting their work done. It is not unusual for a day's log on a single vehicle to cover an entire legal size page with upwards of 20 detailed entries.

I am disappointed, however, that the final version of this bill went even further than the House in reducing limits for investment tax credits and depreciation on business vehicles. While I'm all for going after those who take abusive tax deductions on luxury-type cars, I'm afraid this provision is going to amount to a tax hike on many small business men and farmers. I had made it a point to keep hidden tax increases out of my bill.

While I may not be entirely satisfied with this legislation, the important thing is that we've gotten the Federal bureaucracy off the backs of millions of honest, hard-working Americans. At a time when the Federal bureaucratic monster seems out of control, it is encouraging to see that it is possible to rein it in. I am proud to have been able to play an instrumental role, and I hope this action will serve as an impetus for other needed regulatory reforms.

Mrs. HAWKINS. Mr. President, I am pleased to rise in support of this conference report to repeal the contemporaneous recordkeeping requirements imposed on American businesses when the deficit reduction package was passed last year.

Everyone in this Chamber is very much aware of the severe problems this requirement created for businesses who work in a fast-paced environment and were losing thousands of dollars and valuable time each week because of this draconian requirement. One Florida businessman reported that his company estimated that each employee was losing at least 1 hour per day to complete the required information for their records.

As a Member of this body, I want to work to encourage efficiency and productivity in the marketplace, not stifle it. Efforts should be made to clamp down on those who cheat this country by evading their tax liability. However, stringent rules that broadly sweep across every sector of the population and impose severe burdens on honest taxpayers is not the answer. The result of the contemporaneous requirements was simply to frustrate taxpayers and, therefore, almost encouraged additional noncompliance out of that frustration.

The outcry for relief in my State came from the farming community, the real estate industry, every type of small business, bankers, and others. Essentially, it came from honest, hardworking Floridians who were outraged that the Government would deprive them of valuable work time to excessively substantiate legitimate and lawful business deductions.

Mr. President, the businesses of our communities are waiting for final passage of this legislation. I am grateful to the Finance Committee members for their expedient action and I urge each of my colleagues today to support this conference report so that we can finally put this onerous requirement to rest.

● Mr. NICKLES. Mr. President. The passing of the conference report for H.R. 1869, which repeals the so-called automobile log rule, ends one of the most punitive tax laws ever imposed. As an original cosponsor of the legislation to repeal this, I am glad to see this long road come to an end. I have already spoken several times on this subject before the Senate; therefore, my remarks will be brief.

There are thousands upon thousands of Oklahomans who will be relieved that this rule no longer exists. It was clear that this requirement was too broad and imposed excessive recordkeeping on the taxpayer. Comments from businesses and individuals while the rule was in effect showed that the cost of taxpayer compliance in both time and money far outweighed any added revenue benefit to the Federal Treasury.

Mr. President, I urge my colleagues, and I know they will, to support the conference report which repeals the auto log rule.●

Mr. DOLE. Mr. President, this Senator strongly recommends that the Senate agree to the conference report

on H.R. 1869. It represents a responsi-

The changes outlined by Assistant

ness travelers. I can understand that

on H.R. 1869. It represents a responsible compromise between compliance and complexity and does so in a revenue-neutral fashion.

The conference report repeals the requirement that taxpayers keep contemporaneous records and also follows the Senate position that written records will not be necessary to corroborate a taxpayer's position that a deduction is justified, although some evidence in addition to the taxpayer's own statement will still be required.

The conference report also exempts from the otherwise applicable substantiation rules certain vehicles which have been of particular concern to a number of Members. Among these are schoolbuses, certain police, fire vehicles, and specialized utility repair trucks other than pickups and vans.

On a related issue, this Senator is particularly pleased that the Treasury Department decided that it would revise its regulations concerning the value of personal travel on corporate aircraft. This has made unnecessary any further legislative action.

In his letter to me explaining the regulatory changes Treasury would adopt, Assistant Secretary Pearlman outlined guidelines which follow the conceptual framework of the Finance Committee report language and provide a fair valuation for personal travel on company aircraft.

Perhaps the most important change is that the amount included in an employee's income will depend upon the type of plane as well as on whether the plane is carrying a substantial number of persons flying for business reasons. The original version of the Treasury regulations did not distinguish between a flight on the most luxurious corporate jet and a four seat, single-engine plane with a maximum speed of barely a hundred miles per hour. That certainly made no sense in the real world.

A second important change is that the revised regulations will treat corporate hitchhikers in a manner similar to airline employees. If half the passenger seats on a company plane are occupied by employees traveling primarily for business, then no amount will be includable in the income of an employee who hitchhikes for personal reasons. This rule, like the rule applicable to airline employees, applies to active and retired employees, as well as their spouses and dependent children.

I should clarify one point. The seats that should be counted in determining whether half the seats are occupied are passenger seats and pilot seats if a nonprofessional pilot employee, such as the company president, flies the plane. However, if the company employs a professional pilot to fly the plane, his seat is not counted for these purposes.

The changes outlined by Assistant Secretary Pearlman differ from the Finance Committee report language in certain areas. First, the regulations set a higher value for personal flights on aircraft weighing over 10,000 pounds if the employee is of a class likely to be able to control the aircraft's destination and time of departure. For planes between 10,000 and 25,000 pounds, the amount imputed to an employee who takes a personal trip is one and a half times first class commercial fare. For personal travel on aircraft over 25,000 pounds, the amount to be included in income is twice first class fare.

The over 10,000 pound classes include all corporate jets and the largest turbo-props. The over 25,000 pound class includes the largest corporate jets, those that are most like commercial airliners.

The valuations have been criticized as too high by some members of the corporate community and have been criticized as too low by some individuals. I guess that means that we have a good compromise.

However, I would like to point out that the economic impact of a rule requiring inclusion in income at twice first class is the same for a corporate executive in the 50-percent bracket as if he had used his after-tax income to purchase a first-class ticket. It seems to me that placing corporate executives in the same position, whether they use a large corporate jet or fly first class on a large commercial jet, makes a lot of sense.

I understand that some might argue that the correct valuation should be charter or some other higher value, but I would venture that most people would think that first class is a sufficient amount to exact for a flight on a large corporate jet. The last point is important from a compliance standpoint. Undoubtedly, there is use of company aircraft for personal trips. If we were to force these trips to be valued at the highest conceivable value, we would simply cause individuals to go to greater lengths to find some arguable business purpose for the trip or, simply to play the audit lottery and not report the income without even making an effort to document a business purpose. On the other hand, if we impose a fair and reasonable value for these trips, employees will be more likely to report their income accurately to avoid any question if they are subsequently audited.

From comments I have received, these rules may have the impact of reducing the number of trips where a corporate executive's spouse accompanies him/her on a business trip. The reason for this is that the spouse would cause a control employee to have an income inclusion of up to twice first class unless at least half the passenger seats are occupied by business travelers. I can understand that some would prefer that the IRS look only to seats actually occupied, rather than seating capacity, but I can also see Treasury's position that they wanted a strict, objective test as to whether the flight was primarily for business purposes, and that it is more difficult to be sure that the primary purpose of the trip is business when only one of two passengers is arguably flying for business and most of the passenger seats are empty.

The other major difference between the proposed regulatory changes and the Finance Committee report language is the definition of control employee. The Finance Committee language suggested a facts and circumstances test—did the employee, in fact control the destination or departure times of the aircraft? The Treasury approach, once again, is to provide an objective test.

A select few elected officers, highly compensated employees, and shareholder employees will be deemed to have control over the use of the corporate aircraft. They will thus be subject to income inclusion of up to twice first class, depending on the weight of the aircraft. Of course, if half the pasenger seats are occupied by employees traveling primarily for business, even those control employees will be treated the same as airline employees and have no income inclusion.

Mr. President, the new aircraft fringe benefit rules are a reasonable compromise. They are fair both to the Treasury and to employees. They address the empty seat problem and provide adequate, but not punitive, valuations for employee travel that ought to improve compliance.

Mr. President, I yield back the remainder of the time on this side.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, it is my hope now that those who have an interest in the following bills would indicate a willingness to take up those bills: Calendar No. 47, S. 408, Small Business authorization; Calendar No. 111, H.R. 47, the coin bill; Calendar No. 131, S. 124, safe drinking water; Executive Calendar nomination of Vernon Walters; Executive Calendar nomination of Richard Hughes; and we are looking for other Legislative or

Executive Calendar items that we can clear for action.

It may be that the prime candidate of the ones referred to would be Calendar No. 111, H.R. 47, the coin bill. There is considerable interest on both sides in bringing that to the floor. I would just indicate that we are prepared to do that. I hope those who have an interest in that legislation would indicate to me or the distinguished minority leader if they have problems or if they are prepared to move on that legislation.

Mr. METZENBAUM. Mr. President, will the distinguished majority leader be good enough to give us some advice as to whether he intends to work on Friday?

Mr. DOLE. Mr. President, it is my understanding that the defense bill will be laid down. There will be opening statements. I am not certain whether or not there will be amendments, but I should have that information no later than 3:30 today.

Mr. METZENBAUM. I thank the Senator.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:15 P.M.

Mr. DOLE. Mr. President, we are trying to see what we can schedule in about an hour from now. Until I am certain, it seems to me the best course to follow would be to stand in recess until the hour of 1:15 p.m. Therefore, I ask unanimous consent that the Senate stand in recess until 1:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, at 12:17 p.m., the Senate recessed until 1:15 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer [Mr. MATTINGLY].

The PRESIDING OFFICER. The Chair in his capacity as a Senator from Georgia suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DENTON). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. MATTINGLY. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business under the same terms and conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATTINGLY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KASTEN). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I have cleared this request with the distinguished majority leader. I ask unanimous consent that I may speak for as long as I require during morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. May I say that if any Senator wishes to have the floor, I will be very glad to yield to him or her.

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THE SENATE AND THE SECOND WORLD WAR, 1941–1945

Mr. BYRD. Mr. President, those interested in the history of the United States Senate can always find rewarding information in the *Congressional Directory*, that great catch-all of congressional facts and figures. I call your attention to the "Statistical" section, which among other things lists the number of days that every session of Congress lasted, going back to the First Congress in 1789. That first session lasted for 210 days, and second session for 221 days, both surprisingly high. Their length reflected the problems of inaugurating a new government, and perhaps also the practice of paying members of Congress for the number of days they served, rather than by the year. After the First Congress the length of each session declined. Generally, during each two-year Congess, there were two sessions. The "long session" lasted between 150 and 200 days, and the "short session" between 50 and 90 days. thus, nineteenth century senators and representatives often spent less than half their time in Washington—a practice which many of our members today may look back upon wistfully.

Not until the first session of the 31st Congress, from 1849 to 1850, did a session of Congess extend longer than 300 days. This was the time when Congress debated the great issues leading to the Compromise of 1850, about which I have spoken earlier. Only four times between 1850 and 1940 did a session of Congress last longer than 300 days. But all of that changed with the third session of the 76th Congress, which ran from January 3, 1940 to January 3, 1941, or 366 days—it being a leap year. Since then, year-round sessions have become commonplace in the congressional routine.[1]

The 76th and 77th Congresses were great pivotal points in our history, as both this institution and the Nation as a whole plunged into the maelstrom of world war and took on the responsiblities of world leadership. In my last address in this continuing series on the history of the United States Senate I discussed the "great debate" over foreign policy between the so-called isolationists and internationalists. Although the isolationists had predominated during the two decades following the Senate's rejection of the treaty of Versailles, world events began to erode their position, and public opinion began to shift away from them. During 1940 and 1941 Congress enacted such critical legislation as the extension of the Selective Service Act and Lend Lease. But the debate raged on until Sunday morning, December 7, 1941, when the Japanese attack on Pearl Harbor brought the Congress, the presidency, and the Nation together as one.

Ten minutes after noon on Monday, December 8, the Senate marched in procession to the House chamber to hear President Franklin Roosevelt deliver a stirring and eloquent war message. "No matter how long it may take us to overcome this premeditated invasion," said the president, "the American people in their righteous might will win through to absolute victory. . . . Hostilities exist. There is no blinking at the fact that our people, our territory, and our interests are in grave danger . . . I ask that the Congress declare that, since the unprovoked and dastardly attack by Japan on Sunday, December 7, a state of war has existed between the United States and the Japanese Empire." Immediately following the president's address, the Senate returned to its chamber, where Tom Connally of Texas, chairman of the Foreign Relations Committee, introduced a joint resolution declaring war. Connally called for the yeas and nays, but Senator Arthur Vandenberg (R-MI) rose to speak. Connally tried to hold him off. "Mr. President, those of us on this side of the chamber are withholding remarks," said Connally. "I was hoping that there would be no comment." But Vandenberg persisted, and Connally gruffly observed that "of course, the senator has a right to speak if he insists."[2]

One can imagine the scene as the Michigan senator began to speak. All eyes in the crowded chamber were focused upon this leading spokesman for

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[1] Footnotes at end of article.

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isolationism. Everyone quieted to hear his words. Since four o'clock on the previous afternoon, when he received a telephone call at his Washington apartment telling him of the Japanese attack, Vandenberg had been preparing this speech. The news profoundly affected the senator and changed his perceptions of international cooperation and collective security. "That day ended isolationism," he later commented.[3] Now on the Senate floor, after denouncing the Japanese attack and declaring the American people united in defense of their Nation, he said:

> Mr. President, I am constrained to make this brief statement on my own account, lest there be any lingering misapprehension in any furtive mind that previous internal disagreements regarding the wisdom of our policies may encourage the despicable hope that we may weaken from within. I have fought every trend which I thought would lead to needless war; but when war comes to us—and particularly when it comes like a thug in the night—I stand with my Commander in Chief for the swiftest and most invincible reply of which our total strength may be capable.[4]

The Senate then voted unanimously for the war resolution. (In the House, one lone vote was cast against the resolution, and that by Representative Jeanette Rankin of Montana, who had also voted against American entry into World War I, and who end her long career as a pacifist in opposition to the Vietnam war.) With that vote, and with Vandenberg's pronouncement, the isolationists' influence in the Senate evaporated. Their trust in an invulnerable "fortress America," protected by two oceans, as Senator William E. Borah and others had reiterated, had been proven misplaced.

Some isolationists had not yet gotten the message. On December 11, Senator Charles Tobey (R-NH) complained in the Senate that exact American losses at Pearl Harbor were still unknown, and demanded a congressional investigation. Senator Scott Lucas (D-IL) furiously lashed into the isolationist. "I say to the senator from New Hampshire, in so far as negligence is concerned, look at your own record from the standpoint of national defense." [5]

Attention, of course, was no longer focused on the issue of isolationism versus internationalism. What mattered now was winning the war, and the Senate quickly began to address the problem, passing War Powers acts in December 1941 and March 1942 that granted vast discretionary powers to President Roosevelt. The president could create and abolish war agencies, control foreign commerce, ration goods, and enforce priorities. The president could also order government seizure of private property if needed for the war effort. Instrumental in passing these bills, and other critical wartime legislation was the Democratic majority leader, Alben Barkley of Kentucky.

Mr. President, an imposing marble bust of Alben Barkley stands immediately outside of the center entrance to this chamber, and it most appropriately occupies that prominent place. Many politicians claimed to have been born in a log cabin, but Barkley really was, on his father's tobacco farm in Kentucky in 1877. As a young man he worked as a janitor to earn his way through Marvin College and then he attended Emory University and the University of Virginia Law School. Returning to Kentucky, Barkley practiced law in Paducah, and campaigned on horseback in the hills of McCracken County for the office of prosecuting attorney. He then served as a county circuit court judge, before his election to the United States House of Representatives in 1912. In Congress, he won a reputation as "a regular among regulars, a party workhorse of the old school." He supported the administration of Woodrow Wilson and took a leading part in the passage of Wilson's "New Freedom" legislation. In 1926, he sponsored the Howell-Barkley Act, which set up the Federal Board of Mediation and Conciliation for labor disputes. That same year he was elected to the United States Senate.

"A good story," Barkley liked to say, "is like fine Kentucky bourbon. It improves with age and, if you don't use it too much, it will never hurt anyone." Senator Barkley, with his booming baritone and endless repertoire of anecdotes, quickly became a popular member of the Senate. In 1932, Barkley was called upon to deliver the keynote speech at the Democratic convention, an honor which was repeated again and again during his long career, attesting to his rousing speech-making ability. At that convention, Barkley was also the first of the favorite son candidates to withdraw his name in favor of Franklin D. Roosevelt. This marked the start of a long and close relationship between the two men.

In 1937, following the death of Senate majority leader Joseph Robinson, President Roosevelt sent a letter addressed to "Dear Alben" encouraging Barkley to take up Robinson's fight for the controversial Supreme Court "packing" plan, and, by implication, to take over as majority leader. Roosevelt's endorsement helped Barkley win the Democratic leadership post by a narrow one-vote victory over Mississippi Senator Pat Harrison. It was a costly victory for Barkley, however, and for some years he was looked upon more as Roosevelt's messenger to the Senate than as a true leader in his own right. Nevertheless, during his early years as majority leader, Barkley effectively marshalled support for Roosevelt's program. He helped lead the fights to repeal the Neutrality Act and the Arms Embargo Act, and to extend the reciprocal trade agreements acts. In January 1941, he was Senate sponsor of the Lend Lease Act and maneuvered it skillfully around numerous crippling amendments. With the war came even greater assignments.[6]

Senator Barkley and Senator Prentiss Brown of Michigan took the lead in sponsoring price control and anti-inflation legislation, both of which demonstrated Congress' need to focus on domestic issues, not in spite of, but because of the war effort. Although Congress had delegated vast powers to the president in the two War Powers acts, it did not concede to the administration the sole power to run the war and the wartime economy. Roland Young, in his study of *Congressional Politics in the Second World War*, points out how Congress repeatedly attempted to influence wartime policies. "Congress was perhaps less concerned with broad principles of administrative organization," Professor Young wrote, "than with the manner in which the economic position of certain groups and commodities was being affected by the war." With the federal goverment attempting to regulate, and even dictate American production, many groups turned to Congress for help. For example, there were the farmers who needed more agricultural equipment, and the small businesses that feared they would not get a fair allocation of raw materials and supplies. In 1942, after a Senate committee reported that small businesses faced "bankruptcy and chaos along a wide front," Congress set up a Smaller War Plants Corporation to oversee their needs. Congress also passed legislation to provide loans to automobile dealers, who faced ruin as the automobile industry converted from producing passenger cars to making tanks and war planes.[7]

Another domestic issue which the Senate faced, but did not resolve, was the poll tax. It may seem strange that as the Nation faced war across both the Atlantic and Pacific, the Senate should be debating the poll taxes that were charged in seven Southern states. But the Roosevelt administration and many liberal Democrats and Republicans believed it was contradictory to fight a war for democracy abroad while denying it to some people at home. The poll taxes, which amounted to about $1.50, discriminated against poor white and black voters in these states. In October 1942, the House passed an anti-poll tax bill, and on November 13, 1942, Majority Leader Barkley brought the bill before the Senate with an undebatable motion for its immediate consideration. In response to his outraged Southern colleagues, Barkley explained that he followed the precepts of Thomas Jefferson and believed in equality for all

people. Despite Barkley's attempts to stave off a Southern filibuster, one began over the parliamentary question as to whether the Judiciary Committee had a quorum present when it reported the bill. One senator had been absent and voted by proxy [8] —which, of course, would be a violation of the rules today which require that a quorum of the Senators on a committee be present at the moment that it reports a bill or other matter from the committee.

Those engaged in the filibuster, led by Mississippi's Senator Theodore Bilbo, encouraged senators to go home so that an adjournment could be forced in the absence of a quorum. Senator Barkley, however, instructed the sergeant-at-arms to "arrest" those senators who were still in the city, but had absented themselves from the floor.

Incidentally, Mr. President, I am the last majority leader to have offered a motion to have Senators arrested and brought into the Chamber for the purpose of establishing a quorum. In that instance, Mr. Mansfield, who was then majority leader, was in the Far East. I, as the assistant majority leader, was acting leader at that time. Almost immediately after passage of that motion, Senators began coming in the doors and answering to their names. As a matter of fact, no Senator had to be arrested but those who were outside resting on the couches on that particular night found it convenient to come into the Senate quickly and answer to their names.

At that time, J. Mark Trice (who later became secretary of the Senate) was the deputy sergeant-at-arms, and to Mr. Trice fell the unpleasant duty of "arresting" the Senate's president pro tempore, the doughty Senator Kenneth McKellar of Tennessee. What follows was delightfully recorded by Richard Riedel, who worked in the Senate press gallery and who published this account in his memoir, *Halls of the Mighty, My 47 Years at the Senate*:

> Senate Majority Leader Alben Barkley was determined to get a quorum come what may. "Do you mean Senator McKellar, too?" asked Mark /Trice/. "I mean *everyone*!" answered Barkley. With more than a few misgivings, Mark

—whom we all, in my early days in the Senate, knew very well and respected very much—

> set out for the Mayflower Hotel to seek the volatile bachelor from Tennessee. When Senator McKellar did not answer the house telephone, Mark enlisted the aid of a hotel official who suggested they get a maid to knock on the door. Obviously the hotel man knew McKellar well! The senator opened the door at the maid's request to discover Mark Trice outside. McKellar welcomed him and seemed surprised to learn that he was needed at the Senate. Though Mark carried a subpoena in his pocket, it never became necessary to mention it.
>
> The old senator came along in a friendly spirit, chatting with Mark as though they were on a normal trip together. Then suddenly, as the car climbed Capitol Hill, the light in the dome made McKellar put two and two together. He realized that he was about to help the leadership to get a quorum that would foil his fellow Southerners. He stopped talking to Mark. His face grew redder and redder. By the time the car reached the Senate entrance, McKellar shot out and barrelled through the corridors to find the source of his summons to the Capitol in the middle of the night. He was so mad at Barkley that he would not speak to him for months, though as senior Democrat, Senator McKellar sat beside the majority leader in the front row.[9]

As the little story illustrates, Mr. President, majority leaders often stand in the kitchen and feel the heat! Senator Barkley—and Mr. Trice, I might add—both made their amends with Senator McKellar, after he had cooled down a bit, some fifteen months later—and how that occurred I will mention later in this address. Ultimately, Barkley proved unsuccessful in the poll-tax fight, as he could not persuade the Senate to vote cloture against the filibuster. It was not until 1964 that the 24th amendment to the Constitution was ratified, prohibiting the charging of a poll tax in presidential or congressional elections.

Senator Barkley's strength as majority leader, as his biographer, Polly Ann Davis, has noted, was his ability to compromise. "All legislation is a matter of compromise," Barkley once wrote. "I never liked that word 'compromise' because it has a connotation that is not really fair. But I mean by it that all legislation must be by the process of adjustment." A majority leader is never guaranteed a majority of votes, but must build a majority, issue by issue, vote by vote. Senator Barkley succeeded in building majorities because "he had an uncanny sense of the possible, knowing when to be adamant on a point and when to yield." He excelled in cloakroom maneuvering and in face-to-face dealings with other senators. He had a reputation for keeping his word.[10]

And by the way, having served in this body now for going on 27 years, I have found that to be an absolute cardinal principle here. If one breaks his word once, he may never be fully believed again. It is like the old poem about the bird with the broken pinion: It never flies as high again.

The Democrats held their majorities in both houses after the elections of 1942, although by reduced margins. When Senator Barkley returned to Washington for the start of the new Congress in January 1943, he found his leadership challenged in the Democratic Conference by a still angry Senator Kenneth McKellar. The first question concerned the election of a secretary. Senator Josh Lee had been defeated in the recent election, and to replace him as conference secretary, Barkley nominated Senator Monrad Wallgren of Washington. Senator McKellar nominated Senator Francis Maloney of Connecticut. By a secret ballot, McKellar's candidate won by a vote of 31 to 22. Senator Joseph O'Mahoney of Wyoming then moved that the chairman of the conference—that is, Majority Leader Barkley—assign members to fill the vacancies on the Democratic Steering Committee. Senator McKellar moved that the members of the conference as a whole should vote to fill the vacancies. Here Barkley drew the line. He reminded his Democratic colleagues that filling vacancies on the Steering Committee had always been the prerogative of the majority leader—and by the way, it still is—and announced that he would resign immediately as leader if he were stripped of this power. This brought the McKellar revolt to a halt. Again by a secret ballot, the Democrats defeated McKellar's motion by a vote of 33 to 20 (Senator Maloney, the new secretary, had left the room before the vote was taken).[11]

Back in the saddle, Alben Barkley continued pressing the president's program. He fought against the Smith-Connally Anti-Strike bill, which made it illegal to strike against a plant that had been seized by the government. The bill passed and was vetoed by President Roosevelt, but was eventually enacted over the president's veto. No matter what the issue, Barkley was there—at the desk from which I speak now—fighting the good fight for the president's program. Reporter Allen Drury, who came to cover the Senate in November 1943, and who has left us a fascinating diary of those years (*A Senate Journal, 1943-1945*, a worthy companion to his popular novel *Advise and Consent)*, looked down at Barkley from the galleries and described him as acting "like a man who is working awfully hard and awfully earnestly at a job he doesn't particularly like. Sweat almost visibly stands out at times on the man the president once addressed as 'Dear Alben.' " [12]

Few would have suspected that a fissure was about to open between President Roosevelt and his loyal lieutenant, but a mighty one was in the making. In his State of the Union message in January 1944, the president requested a ten billion dollar tax bill to pay for the war. The Senate Finance Committee produced instead a two billion dollar tax bill. Senator Barkley had been a member of the Finance Committee, and while not entirely satisfied with the bill, concluded that it was the best that could be gotten at that time. In two meetings with President Roosevelt, Barkley strongly urged him not to veto the tax bill. After meeting with the seemingly unmovable president, a glum Barkley rode back to the Capitol with Vice President Henry Wallace. "What's the use?" Barkley complained. "I can't get the votes in the Senate under the methods that are being followed." Wallace noted that this was the first time he had ever seen Barkley "look on the dark side of the picture." It was clear that the chief executive had no intention of signing the tax bill, but Barkley still hoped Roosevelt would let the bill become law without his signature. But on February 22, 1944, Roosevelt returned the bill with his veto message.[13]

Immediately following the traditional reading of George Washington's farewell address, the Senate received the president's message and was shocked by its tone. Essentially the president rejected the legislation for providing insufficient revenue, but he did so in language which Alben Barkley and other senators found offensive. This bill provided "relief not for the needy but for the greedy," Roosevelt wrote.

> It has been suggested by some that I should give my approval to this bill on the ground that having asked the Congress for a loaf of bread to take care of this war for the sake of this and succeeding generations, I should be content with a small piece of crust. I might have done so if I had not noted that the small piece of crust contained so many extraneous and inedible materials.

The president went on to accuse Congress of:

> using language in drafting the law which not even a dictionary or thesaurus can make clear. . . . I trust, therefore, that the Congress, after all these delays will act as quickly as possible for simplification of the tax laws which will make possible the simplification of the forms and computations now demanded of the individual taxpayer. These taxpayers, now engaged in an effort to win the greatest war this Nation has ever faced, are not in a mood to study higher mathematics.

After the Senate adjourned that day, Senator Barkley met with the press and recounted for them, "in a cold fury," as one reporter described it, how he had argued with the president against the veto. He told them that he intended to make a speech in the Senate the next day "without regard for the political consequences." That night he went home to discuss his decision with his invalid wife, and then sat before a battered typewriter in his bedroom drafting his speech. The next morning he dictated another draft to his secretary and then marched to the Senate floor at noon.

As Allen Drury has recorded, every reporter who could possibly attend was in the gallery. "All the bureau chiefs rushed up from downtown; most of the special correspondents were there. As Barkley sat at his desk waiting for the quorum call to be completed, he glanced up from time to time with an almost questioning look at the Press Gallery. He saw it more crowded than he had seen it in many months." Word began to spread among the senators that Alben Barkley intended to resign as majority leader. Almost the full membership of the Senate was in the chamber. Kenneth McKellar, Barkley's old adversary, headed for Barkley's desk and shook his hand, urging him to reconsider. At the end of the quorum call, Barkley rose and was recognized by Vice President Wallace.[14]

For the next forty-five minutes, Barkley denounced both the president and his veto message. Barkley denied Roosevelt's charge that Congress was responsible for the tax complexities. "No man could have made that extraordinary statement who had sat in tax committees in the Capitol of the United States," he said.

> If it was made by anybody who ever sat in a tax committee, it was a deliberate and unjustified misstatement in order to place upon Congress the blame for universal dissatisfaction with tax complexities, and in order to produce the illusion that the executive departments have in vain protested against this complexity.

But what truly raised Senator Barkley's dander was the president's characterization of the bill as tax relief for the greedy. This, the senator said, was a "calculated and deliberate assault upon the legislative integrity of every member of Congress." He did not intend to take such an insult lying down. He had carried the flag for the Roosevelt administration for seven years as majority leader, but there was something more precious to him than that position and honor, said the senator. "And that is the approval of my own conscience and my own self-respect." He announced that he had called a meeting of the Democratic Conference for the next morning, at which time he would submit his resignation as majority leader. He then concluded that "if the Congress of the United States has any self-respect yet left it will override the veto of the president and enact this tax bill into law."[15]

When Barkley took his seat the rest of the Senate and the galleries jumped from theirs and gave him a standing ovation, lasting "a good three minutes." Senators rushed to his desk and stood in line to shake his hand. Senators were on their feet, as Allen Drury observed, "to honor a man who had finally, after many years and many humiliations, reasserted his own dignity and his own self-respect and gained thereby an increased stature among the men with whom he works."

The next morning more than a hundred reporters and cameramen packed the hall outside of room 201 in the Senate Office Building, surging around senators for a quick statement and photo before they entered the conference. At 10:30, Barkley walked the short distance from his office to the conference room. A half hour later he stepped out, and with tears in his eyes announced that he had resigned as majority leader and turned the chair over to Senator McKellar. Surrounded by the press, Barkley walked back to his office. Then minutes later, Tom Connally burst out of the conference room, booming in a loud voice: "Make way for liberty! Make way for liberty!" as he led a delegation of Democratic senators to Barkley's office to tell him they had unanimously reelected him majority leader.

I can remember reading that story in the newspapers away back when.

Soon they emerged again, this time with Barkley with them. He returned to the conference room to the cheers and applause of the other senators. "By his one-vote margin in the 1937 contest when he was first elected leader," Senator Elbert Thomas later commented, "the impression was given, and it has been the impression ever since, that he spoke to us for the president. Now that he has been unanimously elected, he speaks for us to the president." [16]

Needless to say, President Roosevelt was taken aback by his turn of events. When first informed of Barkley's speech in the Senate denouncing the tax veto, the president had commented, "Alben must be suffering from shell shock." The president was genuinely puzzled over Barkley's emotional response, but he immediately sent a conciliatory message to the senator, denying that he had meant to attack the integrity of the Senate. "You and I may differ," Roosevelt wrote, "but that does not mean we question one another's good faith." The president concluded by urging Barkley not to resign, and stating that if he did, he hoped the conference would unanimously reelect him. Senator Barkley responded in kind, telling the press that he had "the deepest personal affection and regard for the president." [17]

There were several results of this remarkable incident. First, the Senate and House decisively overrode the president's veto of the tax bill. Second, President Roosevelt was never more estranged from Congress, a consequence due in part to his long years in the White House and his preoccupation with the war effort. Third, Senator Barkley gained new stature as majority leader. And finally, Senator Barkley lost his chance to be nominated for vice president in 1944, and of becoming president of the United States after Roosevelt's death in April 1945. In the movement at the Democratic convention in 1944 to replace Vice President Wallace, Democrats turned not to their majority leader but to another border state senator, Missouri's Harry S. Truman. And in one of those special twists of fate in history, four years later President Harry Truman

would choose Alben Barkley for his vice president.

Alben Barkley, let me say, served as an extremely popular vice president, or "Veep" as he was affectionately called, and then returned to service in the United States Senate in 1954, defeating a popular incumbent, John Sherman Cooper.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. LONG. I would just add one footnote to what the Senator said.

At the time Senator Barkley returned to the Senate, the Senator from Louisiana was on the Finance Committee, and he did not know what other committee he wanted. But he saw Alben Barkley ask for those two committees, and the Senator from Louisiana asked to go on the Foreign Relations Committee, of which I subsequently became a member of couple of years later. Having been on both committees, I do not think it is a very good assortment of committees.

I thought that inasmuch as Alben Barkley had been majority leader longer than any other Senator, he would make a wise decision as to the committees he asked for. I must say, looking back on it, that I did not regard the decision as being all that wise.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Louisiana.

The Senator from Louisiana, as I have said before in this series of speeches, is one who has served in the Senate longer than I have served. When I came in here in January 1959, there were 96 Senators and 48 States. Today, there are only four Senators who were here when I came here. One of those four is my delightful and able friend from Louisiana, Mr. Long. Senator Stennis, Senator Long, Senator Thurmond, and Senator Proxmire were here when I came to the Senate. So I am glad that Senator Long has made the observation regarding Senator Alben Barkley.

Mr. LONG. Mr. President, if the Senator will yield at that point, Senator Barkley was known for his sense of humor—a great impromptu speaker. When someone would tell him a joke, he would make it a point to repeat it as promptly as possible, in order to keep it in his mind and add it to his repertoire.

He told one story that might be appropriate and might be good for the minority leader. He might want to use it on a future occasion.

Senator Barkley's first wife died, and it created a lot of conversation around the city when he then married a younger woman. She had a family of her own. She was a charming and lovely person, much younger than the Vice President. People asked him how the marriage was coming along. He said it was coming along just great. Have they had an argument?

He said: "No difference whatever. My wife and I had an agreement when we married that she would make all the small decisions and I would make all the big ones. So far, we haven't had any big decisions to make."

Mr. BYRD. I again thank the distinguished Senator from Louisiana. That is about the way my marriage is. I call my wife the general superintendent around the house. I am just a lowly private in the ranks.

Mr. LONG. Yes.

Mr. BYRD. While his Senate colleagues gave him back his assignments on the Foreign Relations and Finance Committees, Alben Barkley would not accept their offer of a front-row seat in the chamber, preferring to join the other freshmen in the back. "Now I am back again as a junior senator and I am willing to be a junior," he said in his last keynote speech, before a mock "convention" at Washington and Lee University in 1956. "I'm glad to sit in the back row. For I would rather be a servant in the House of the Lord than to sit in the seats of the mighty." With those words, Alben Barkley collapsed and died—as dramatic a conclusion as any orator could offer. As one of his friends commented, "It is the way he would have wanted to go. He never could turn down a crowd."[18]

By the way, two years ago I was pleased to support the bill when established, as a National Historic Site, Senator Barkley's beautiful home, known as "Angles," located near Paducah, Kentucky. The house has been left the way it was when he lived there and contains the many mementos of his long career.

Mr. President, having concentrated so much attention on Alben Barkley today, let me turn to another notable senator with whom Barkley's name will forever be linked and who also played a significant role in the Senate during World War II. That is the name of Harry Truman. Nineteen eighty-four was the centennial of Harry Truman's birth—he was born on May 8, 1884—and there was a joint meeting of Congress to commemorate that event. The freshman Senator Truman who first arrived in this chamber on January 3, 1935 certainly had not the slightest idea that he would be so honored by Congress and by history. The former haberdasher and Jackson County, Missouri judge was nearly fifty-one when he came to this chamber, but he described himself "as timid as a country boy arriving on the campus of a great university for his first year." With his customary thoroughness, he had read the biographies of every member of the Senate before he arrived and had studied everything he could get about Congress. He was quite awed by his new position. Old J. Hamilton Lewis, the Democratic whip, welcomed the newcomer to the Senate. "Don't start out with an inferiority complex," Lewis advised him. "For the first six months you'll wonder how you got here, and after that you'll wonder how the rest of us got here." [19]

Truman's colleagues found him an amiable fellow but did not take him all that seriously at first. He was often referred to, snidely, as the "Senator from Pendergast," meaning that he was a product of the Kansas City Democratic machine run by Tom Pendergast, who later went to prison for corruption. Truman remained loyal to Pendergast, who had given him his start in politics, and supported the Pendergast organization on patronage matters but insisted that he did not follow Pendergast's advice on legislation. "I vote the way I believe Missourians as a whole would want me to vote." Truman's voting in the Senate was generally in line with the New Deal, and roll call analyses have shown that the longer he served in the Senate the closer he came to President Roosevelt's position on all of the issues.[20]

Senator Harry Truman was a student of the legislative process. "I found out very soon after I had settled down to a study of my duties that the business of a good legislator is not to get things done quickly and efficiently, as a good administrator has to do," he said, "but to prevent, if possible, the enactment into the law of the land many crazy and crackpot measures." From his associations with Arizona's Senator Carl Hayden, Truman learned to be a "work horse" rather than a "show horse" in the Senate. He soon found that, as he expressed it, "the real business of the Senate was carried on by unassuming and conscientious men, not by those who managed to get the most publicity." Truman also associated himself closely with Montana's Senator Burton K. Wheeler, chairman of the Interstate Commerce Committee, on which Truman served. There he devoted his attention and study to matters of railroads, aviation, communication, and federal trade. It was out of Truman's subcommittee, for instance, that the Civil Aeronautics Act emerged, which set up our current Civil Aeronautics Board and Federal Aviation Administration.[21]

Harry Truman might have remained a quiet, hardworking, and essentially obscure member of the Senate had it not been for World War II. Even before the United States entered the war, Truman was concerned about the problems of defense mobilization and production. He had received many letters from his constituents criticizing defense spending in Missouri, and on an inspection trip to Fort Leonard Wood and other camps he had uncovered examples of waste, extravagance, and theft. Individuals and corporations, he suspected, were bleeding the national defense program for their own profit. On February 10, 1941, Truman rose in the Senate to submit a resolution calling for an investigation of the national defense program and the handling of federal contracts. He expressed concern that defense spending was being concentrated in large corporations in the East. "The little manufacturer, the little contractor, and the little machine shop have been left entirely out in the cold. The policy seems to be to make the big man bigger and to put the little man completely out of business."[22]

On March 1, Truman's resolution was reported out of committee and unanimously adopted. Eight members were appointed, with Truman as chairman. But the Senate cut the proposed budget for the committee from $25,000 to $15,000, indicating it didn't expect much from this special investigation. The Roosevelt administration lent its support, largely because it believed Senator Truman was not a headline hunter and would not use the committee to embarrass or harrass its conduct of defense policy. So the Special Committee to Investigate the National Defense Program—better known as the Truman Committee—was born. Its members were noticeable primarily for their "unspectacular competence," according to one account, and several of them proved to be excellent interrogators of witnesses, from defense contractors to high government officials. One of the best of these interrogators, by the way, was Senator Harley Kilgore from West Virginia, who chaired eight of its investigations and earned a reputation as a critic of military waste and inefficiency.[23]

The Truman Committee first directed its attention to nearby Fort George Meade in Maryland. There they found spiraling camp construction costs, which led them to recommend that future construction be transferred from the Quartermaster Corps to the Corps of Engineers, and that was done at a multimillion dollar savings to the government. The Committee also began to oversee the activities of the new agencies the president was appointing to handle defense mobilization. When the Japanese attack on Pearl Harbor plunged the Nation into war, some government officials hoped that the Truman committee might be disbanded, but soon came to change their opinions. Under Secretary of War Robert Patterson commended the committee's work. "Some of the very best features of our war program have their origin from the investigations made by this committee."

Mr. President, congressional investigations have a considerably mixed history. Some of them have been castigated as partisan fishing expeditions and glory hunts. After the McCarthy investigations of the 1950's, such congressional hearings developed a decidedly bad name. But there have been many more constructive investigations than destructive witchhunts in the Senate's history. We recall the Teapot Dome hearings in the 1920's and the Pecora stock market investigations in the 1930's, about which I have spoken earlier, or in our own times the Watergate investigation chaired by Senator Sam Ervin. The Truman committee ranked high among these constructive and meaningful investigations. In its seven years of existence, the committee held 432 public hearings and 300 executive sessions (the transcripts of which, by the way, have been carefully preserved at the National Archives and are completely open for research). They heard testimony from 1,798 witnesses, made hundreds of field trips, and issued thousands of press releases.[24] Here, for example, is a brief account of the committee written by two journalists in 1945:

> Through the door of Room 449 in the Senate Office Building, the committee headquarters, flowed a strange assortment of mail and people. A typical day might bring an eccentric inventor with a gadget; he said the Army and Navy had given him the brush-off. He would be followed by a manufacturer who thought his product had been discriminated against by the Quartermaster General. A maker of mouthwash for the Army couldn't get priorities for alcohol; a dry kiln owner couldn't get a government contract for his lumber; or an industrialist accused a competitor, now holding a dollar-a-year job in WPB [the War Production Board], of using his official position for private ends. And every day there was an assortment of government officials, labor representatives, lobbyists, and occasionally a plain citizen with an idea he hoped might help the war effort. Some came in search of a new shoulder to cry on; others looked to Truman as a court of last resort. None was turned away coldly.[25]

The Truman committee investigated and prodded industry, labor, and the executive branch to work more harmoniously and efficiently for the war effort. It investigated the aluminum monopoly that seemed unresponsive to military needs. It looked into a bitter dispute between the United Mine Workers and the coal operators. It encouraged President Roosevelt to reorganize the poorly-run Office of Production Management. The committee pointedly did not meddle in military strategy, but it carefully examined the relations between the military and the civil government. The committee demanded full cooperation from the military in supplying the information it sought, and in only one instance did Senator Truman back down on a request. Committee staff investigators discovered some unexplained expenditures for something called the "Manhattan Project." Truman telephoned Secretary of War Henry Stimson to demand an explanation, but the Secretary responded: "I am only one of a group of two or three men in the whole world who know about that. . . . It's part of a very important secret development." Senator Truman replied: "I herewith see the situation, Mr. Secretary, and you won't have to say another word to me." It was not until after he became president that Harry Truman learned the purpose of the Manhattan Project: to develop the first atomic bomb.[26]

Mr. President, it is no exaggeration to say that Harry Truman's work on the Special Committee to Investigate the National Defense Program not only made him president, but prepared him for the presidency. By the time he had completed his four years as chairman of the committee he had dealt with nearly every one of the groups, in business, labor, agriculture, and the bureaucracy that he would deal with as president during the next eight years. He had learned how to deal with the press—although that relationship was never a smooth one, or can it ever be for a political figure?—and the press in turn had made Truman a household name. Service on the Truman Committee changed his image from the "Senator From Pendergast" to a fair, tough, hard-working, diligent, persistent, patriotic senator. When the Democrats sought a replacement for their controversial vice president, Henry Wallace, in 1944, Senator Harry Truman filled the bill. He was a compromise candidate, because unlike Wallace, or Alben Barkley, or James F. Byrnes, he had no major groups opposed to his candidacy. So it was Harry Truman who ran with Franklin Roosevelt in the president's bid for a fourth term in 1944. Roosevelt and Truman easily beat the Republican ticket of Thomas E. Dewey and John Bricker, and Harry Truman settled in for what he expected would be four years of presiding over the Senate.[27]

The United States Senate was presented with a myriad of problems during the Second World War, so complex and extensive that I can but list them here. They included supervising the conversion of a peacetime domestic economy to a war economy, establishing controls over military and industrial production, regulating the draft, and deciding who were the essential workers needed for the domestic economy (farmers and defense workers, for example), who should be exempt from the draft, appropriating money both for the war effort and the homefront, tackling the issue of labor strikes during the war, deciding how soldiers on the field should be able to vote, controlling wages and prices to prevent spiraling inflation, distributing scarce resources to the civilian population through rationing and other formulas, and raising taxes to pay for the great needs of the war.[28]

In the case of taxes, it was during the Second World War that much of our current structure of revenue raising developed. After ratification of the income tax amendment in 1913, taxes were levied only on the highest incomes, and the average citizen paid little or no federal taxes. Due to the great demands of the war, this situation changed in 1942 and taxes were levied on nearly all levels of income. The problem was that the average citizen had not put aside sufficient funds and was simply unable to pay his or her taxes. The rate of default was so high that the government eventually had to "forgive" the 1942 taxes, but the next year income tax withholdings from salaries were established and have become a way of life ever since.[29]

Mr. President, I have focused this address largely on the domestic side of World War II. Of course, the Senate as a whole and through its appropriate committees followed, assisted, oversaw, and criticized both the military and diplomatic sides of the war. Beginning in January 1942, Senator Tom Connally, chairman of the Foreign Relations Committee, initiated the practice of having a State Department official brief members of the committee on a weekly basis. Senators also expressed their concerns over the principles for which this Nation fought in this global conflict, and on the type of world order that would emerge from the war. In March 1943, Senators Joseph Ball, Theodore Burton, Carl Hatch, and Lister Hill—two Republicans and two Democrats—introduced a Senate resolution commiting the United States to five peace objectives: to assist in coordinating the military and economic resources of all member nations in prosecuting the war against the Axis; to establish temporary administrations over Axis-controlled territories once they were captured; to administer relief and economic rehabilitation to both Allied and captured enemy territories; to establish procedures and machinery for peaceful settlement of disputes and disagreements between nations; and to provide for a United Nations military force to suppress future acts of military aggression. This resolution, foretelling the postwar United Nations, was referred to a subcommittee of the Foreign Relations Committee chaired by Walter George of Georgia.

Time and events had changed many minds in the United States Senate about the proper role of this Nation in the world. Arthur Vandenberg, a leading isolationist before the war, became a member of the George subcommittee, and noted in his diary in March 1943 that he took the position "that the United States obviously must be a far greater international co-operator after this war than ever before." The Roosevelt administration, through Secretary of State Cordell Hull, urged the subcommittee to "go slow," however, to avoid an acrimonious debate on the Senate floor. There were still a number of articulate isolationists left in the Senate who worried them, and the administration did not want to disrupt the war unity of the Nation. Of course, there were also many uncertainties involved in the postwar future that this resolution did not address. The Soviet Union had become one of our allies when the United States entered the war, and while we provided that nation with military and economic aid, and counted heavily upon its military forces to withstand the German onslaught, many senators were suspicious of Joseph Stalin's territorial expectations after the war. But the sponsors of the resolution argued that the first priority was to assure America's allies that this Nation would not withdraw into isolation after the Second World War as it had done after the First World War.

In May 1943, British Prime Minister Winston Churchill addressed a joint meeting of Congress and delivered yet another magnificent address, pleading with Congress to avoid any needless arguments between the Allies until the war was won. Later, Churchill met with the members of the Foreign Relations Committee to answer their questions. When asked by Senator Vandenberg if it would disrupt Allied unity by "trying prematurely to settle peace objectives," Churchill replied emphatically: "Yes!" Similarly, when asked if any Senate debate over possible Soviet territorial aggrandizement might be a hazard to the war partnership, Churchill responded: "Yes!" Later, however, Churchill took Vandenberg aside to assure that he did not oppose the general resolution then before the George subcommittee.

In July 1943, Senator Vandenberg, and Senator Wallace White of Maine, introduced a "Republican foreign policy" resolution in the Senate, as an alternative to the Ball-Burton-Hatch-Hill resolution. It called for postwar cooperation between sovereign nations, in opposition to the designs of "One Worlders" and "World Staters" who dreamed of a common international government, and it called for "faithful recognition of American interests" in all postwar planning. Senators Ball, Burton, and Hill responded in Senate speeches demanding that the George subcommittee act on their resolution, and act quickly. In a private letter that August, Vandenberg explained that he was "hunting for the middle ground" between those "who would cheerfully give America away," and those "who would attempt a total isolation." When it came to determining Republican foreign policy issues, no senator was more influential than Arthur Vandenberg, and it was clear that how he made up his mind, and where he found that "middle ground" would influence many other members of his party. Fortunately for those interested in how historical decisions are made, Senator Vandenberg faithfully kept a diary which was published after his death, and from which I have drawn this account.[30]

At last in October 1943, the George subcommittee completed its work. Into the original Ball-Burton-Hatch-Hill resolution it incorporated some of the concerns of the Vandenberg-White resolution, pledging the use of the "constitutional process" and concern for "American sovereignty." The debate was as acrimonious as the State Department had feared, but the opponents remained a decided minority, and the resolution was adopted by an 85 to 5 vote. When the dust had settled, Senator Connally stood to thank Senator Vandenberg for his valuable contributions to the drafting and passage of the resolution. "Being of the minority party," said Connally, "it was probably more difficult for him than for some of the rest of us to go along with the main purpose we had in view, but at all times he manifested a very earnest desire to cooperate, and he gave to the committee wholeheartedly of his talents and leadership in achieving agreement and unity on the resolution."

Senator Vandenberg's public conversion from isolationism to internationalism was a slow, deliberate, and exceedingly important one. From his call for national unity immediately following the Japanese attack on Pearl Harbor, through his support for the Senate resolution which pledged American support for a future United Nations, Vandenberg was moving toward a position of bipartisan internationalism. In foreign policy even more than domestic policy some degree of bipartisanship is always essential, not only to unify the Nation but to secure the necessary two-thirds of the Senate needed to ratify a treaty. Rarely can a majority party do that without help from the minority. Vandenberg stood as the bellwether for a substantial number of the Republican minority.

Senator Vandenberg, as his son later commented, was about to make "the biggest decision of his life." In January 1945, the magazine *United States News* (forerunner of *U.S. News and World Report*) reported that Republican leadership in the Senate was "virtually powerless on postwar foreign policy." The Republicans were still too divided between isolationism and internationalism and, therefore, had "little effect on the foreign policy." Arthur Vandenberg sat down at his typewriter to draft a response. He wrote several versions of the speech, and accepted revisions from such prominent journalists as James Reston and Walter Lippmann, incidentally insuring the speech prominent attention in the press.

On January 10, 1945, Senator Vandenberg rose in this chamber to deliver a "speech heard round the world." "Mr. President," he began, "there are critical moments in the life of every nation which call for the straightest, the plainest, and the most courageous thinking of which we are capable. We confront such a moment now." After describing the way American war policy and post war policy ought to be directed, Vandenberg delivered a personal "confession." He admitted that he had once stood for the Nation's complete self-reliance. "But I do not believe that any nation hereafter can immunize itself by its own exclusive action. Since Pearl Harbor, World War II has put the gory science of mass murder into new and sinister perspective. Our oceans have ceased to be moats which automatically protect our ramparts. . . . If World War III ever unhappily arrives, it will open new laboratories of death too horrible to contemplate. I propose to do everything within my power to keep those laboratories closed for keeps." Vandenberg went on to pledge his support for "maximum American cooperation" with other nations in building the postwar world.

The specific proposals of Senator Vandenberg's address proved less important than its general impact and reception. It attracted newspaper headlines everywhere in this country and around the world. His speech symbolized a new national unity on foreign policy, a bipartisan approach, a belief that politics would henceforth stop at the water's edge. What he said was not particularly new, but coming from a leader of the prewar isolationist bloc it represented a major turning point in American political and diplomatic history.[21] I will discuss the full implications of this turning point for bipartisanship in a later address on the Senate and the Cold War, but for now let me quote the words of Allen Drury, who from the press gallery that day heard Vandenberg's address: "This placed the Republicans' most powerful spokesman on foreign affairs far out in front of both his own party and the leaders of the opposition. It augured well for the future of the peace treaty." [22]

Mr. President, when Arthur Vandenberg delivered that significant address, Harry S Truman sat in the chamber as a United States senator. Ten days later he was sworn in as vice president, in a wartime inauguration held not at the Capitol but on the South Portico of the White House. Truman enjoyed his new position as vice president, although he admitted that it took him a while to get used to the fact that he had no voting or speaking privileges in the Senate. In his eighty-two days as vice president he had the opportunity to vote only once, on an amendment to limit the Lend-Lease extension bill. The vote was tied, and Truman voted no, which in a sense was unnecessary, since the bill would have died even without his vote. Truman was not given many tasks by the Roosevelt administration and saw little of the president, who in February attended the Yalta Conference, and in April traveled to his retreat in Warm Springs, Georgia. On April 12, 1945, Truman sat at the presiding officer's desk, listening to "a windy senator" delivering a long address, and writing a letter to his mother and sister back in Missouri. "I have to sit up here and make parliamentary rulings," he wrote, "—some of which are common sense and some of which are not.[23]

Near 5:00 p.m., Truman adjourned the Senate and strolled through the Capitol Building to the "Board of Education" room on the first floor beneath the House chamber. There he planned to enjoy a glass of bourbon and chat with his old friend, House Speaker Sam Rayburn, and other congressmen. Before Truman arrived, Speaker Rayburn received a call from the president's press secretary, Steve Early, asking the vice president to call back as soon as he got there. Moments later, Truman walked in the door. Matter-of-factly, Rayburn told him of the call, which he made. As Truman spoke on the phone, the House parliamentarian saw the vice president's face turn pale. "Steve Early wants me at the White House immediately," Truman said. "Something must have happened." Not yet realizing his fate, Truman rushed out, eluding his Secret Service guard, and ran the length of the Capitol back to his office. As instructed by the press secretary he told his chauffeur to drive him not to the east entrance of the White House as usual, but through the main entrance on Pennsylvania Avenue.

Ushered into the family quarters at the White House, Truman met Mrs. Roosevelt. "Harry," she said quietly, "the president is dead." Stunned into speechlessness, Truman finally found his voice and asked, "Is there anything I can do for you?" "Is there anything *we* can do for *you*?" she responded. "For you are the one in trouble now." [24]

So Harry Truman, who arrived in the United States Senate ten year earlier feeling like a country boy attending a famous university, was president of the United States. The next day, Truman returned to the Senate to lunch with congressional leaders in the office of the secretary of the Senate, just off this floor. When he left the luncheon, Truman walked into the Democratic cloakroom. "I looked into the empty Senate chamber," he later wrote. "These were the surroundings in which I had spent ten active, happy years. In a way it had been my political home, and here I had experienced the most exciting adventure I had ever expected to have. Less than twenty-four hours before, I had been presiding over the Senate. But now I was president of the United States and had to return to the White House." [25]

For Senators Harry Truman, Alben Barkley, and Arthur Vandenberg, their colleagues, and their Nation, the years of the Second World War were dramatic turning points. But I think it is safe to say that none of them anticipated how harrowing would be the years to come. Before dealing with the Senate and the Cold War, however, I intend to address, in my next speech in this series, a structural reform. It was perhaps the most important reform in the history of this institution, and for that I believe it deserves special attention. This was the Legislative Reorganization Act of 1946, which created the modern United States Senate.

NOTES TO "THE SENATE AND THE SECOND WORLD WAR"

[1] U.S., Congress, Joint Committee on Printing, *1983-1984 Official Congressional Directory, 98th Congress* (Washington, 1983), 418-425.

[2] *Congressional Record*, 77th Congress, 1st sess. (1941), 9504-9505.

[3] Arthur H. Vandenberg, Jr., ed., *The Private Papers of Senator Vandenberg* (Boston, 1952), 1.

[4] *Congressional Record*, 77th Congress, 1st sess. (1941), 9505.

[5] Richard E. Darilek, *A Loyal Opposition in Time of War: The Republican Party and the Politics of Foreign Policy From Pearl Harbor to Yalta* (Westport, Connecticut, 1976), 18-37; *Congressional Record*, 77th Congress, 1st sess., (1941), 9659.

[6] For Barkley's career, see Polly Ann Davis, *Alben W. Barkley: Senate Majority Leader and Vice President* (New York, 1979); *Current Biography 1949* (New York, 1949), 27-29; and the *Dictionary of American Biography* (New York,), Vol. , 34-36.

[7] Roland Young, *Congressional Politics in the Second World War* (New York, 1956), 34-36.

[8] Davis, *Alben W. Barkley*, 114-117.

[9] Richard Riedel, *Halls of the Mighty, My 47 Years at the Senate* (Washington, 1969), 89-90.

[10] Davis, *Alben W. Barkley*, 124-129.

[11] Democratic Party Conference Minutes, January 7, 1943.

[12] Allen Drury, *A Senate Journal, 1943-1946* (New York, 1972 /1963/), 11.

[13] Davis, *Alben W. Barkley*, 137-141.

[14] Drury, *A Senate Journal*, 85-88; Davis, *Alben W. Barkley*, 141.

[15] *Congressional Record*, 78th Congress, 2nd sess. (1944), 1964-1966.

[16] Drury, *A Senate Journal*, 88-93.

[17] Davis, *Alben W. Barkley*, 147-153.

[18] U.S., Congress, *Memorial Services Held in the Senate and House of Representatives of the United States, Together With Remarks Presented in Eulogy of Alben William Barkley*, 84th Congress, 2nd sess. (Washington, 1956), 101-106.

[19] Harry S Truman, *Memoirs by Harry S Truman: Year of Decisions* (New York, 1955), vol. I, 142-144.

[20] Gary Fink and James Hilty, "Prologue: The Senate Voting Record of Harry S Truman," *Journal of Interdisciplinary History* 4 (Autumn 1973), 207-235.

[21] Harold F. Gosnell, *Truman's Crises: A Political Biography of Harry S Truman* (Westport, Connecticut, 1980), 112-137.

[22] Ibid., 154-155; *Congressional Record*, 77th Congress, 1st sess., 830-838.

[23] Wesley McCune and John R. Beal, "The Job That Made Truman President," *Harper's Magazine* (June 1945), included in Arthur Schlesinger and Roger Bruns, eds., *Congress Investigates, A Documented History, 1794-1974* (New York 1975), 3254-3261. See also Robert Franklin Maddox, *The Senatorial Career of Harley Martin Kilgore* (New York 1981), 111-135.

[24] Theodore Wilson, "The Truman Committee, 1941" in Schlesinger and Bruns, *Congress Investigates*, 3115-3124.

[25] McCune and Beal, "The Job That Made Truman President," 3257-3258.

[26] Wilson, "The Truman Committee," 3128-3135.

[27] Gosnell, *Truman's Crises*, 154-168, 178-195.

[28] See in general Roland Young, *Congressional Politics in the Second World War.*

[29] Richard Polenberg, *War and Society: The United States, 1941-1945* (Philadelphia, 1972).

[30] Vandenberg, *The Private Papers of Senator Vandenberg*, 25-60.

[31] Ibid., 61-145.

[32] Drury, *A Senate Journal, 334-335.*

[33] Truman, *Year of Decisions*, 6, 194-198.

[34] Ibid., 4-5; Robert Donovan, *Conflict and Crisis: The Presidency of Harry S Truman, 1945-1948* (New York, 1977), 3-7.

[35] Truman, *Year of Decisions*, 18-19.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 4 P.M.

Mr. DOLE. Mr. President, we are in the process of a conference on the defense authorization bill, where we have 30 to 45 Senators involved. I think rather than to just keep the quorum call going, we would be better served if we had a recess while we complete that conference.

So I ask unanimous consent that the Senate stand in recess until 4 p.m.

There being no objection, the Senate, at 3:08 p.m., recessed until 4 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. QUAYLE).

SCHEDULE

Mr. DOLE. Mr. President, it is my hope that we can dispose of the safe drinking water bill yet this afternoon, perhaps H.R. 47, a coin bill, and then I understand the disaster relief bill has been cleared or is in the process of clearance. So we hope to dispose of those three measures.

We have just completed a Republican conference on the DOD authorization bill. It is our intention to call up that bill tomorrow, lay the bill down, have opening statements, which I assume will consume most of the day, and then there will be a committee amendment offered on procurement which will be the pending business when we recess tomorrow and will be pending on Monday.

Next week it would be my hope that we could get consent to have final passage of the defense bill no later than 6 p.m. on Thursday next. I will discuss that with the distinguished minority leader.

If the bill comes up, and it will come up, I will advise Members now that there will be votes on Monday, no votes until 5 o'clock Monday, but there will be votes starting at 5 o'clock, probably a number of votes at 5 o'clock, and we will have extensive sessions all next week. So it is our intention to try to finish the bill before Memorial Day.

Mr. President, I understand the distinguished Senator from Connecticut wishes to speak, so I yield the floor.

U.S. POLICY TOWARD CENTRAL AMERICA

Mr. DODD. Mr. President, I would like to take a few minutes here this afternoon. I appreciate the willingness of the majority leader to give me a couple of minutes to share some random thoughts with my colleagues.

Mr. President, over the last 4 years we have spent countless hours in this Chamber and elsewhere debating the policies of Central America. And over the last several weeks and up to now, and including what will more than likely occur in the coming weeks, we find ourselves again and again in this Chamber and this Congress knotted in the debate on Central American policy.

Mr. President, I have given this issue a great deal of thought over the last several weeks as to what our policy ought to be, and how we ought to deal with the present situation, particularly in Nicaragua. I have come to the conclusion, Mr. President, that the time has come for us to recast and rethink our policy entirely and to try to fashion a policy that not only makes sense for the region of Central America but, far more importantly, a policy that will first and foremost take into consideration the interests of the United States.

Over the past several years we have spent a great deal of time in this Chamber and elsewhere debating and discussing what ought to occur in the Central American region as a whole and more specifically what ought to occur within those countries, including El Salvador and Nicaragua; debating whether or not we thought the Contras deserved support in Nicaragua; whether or not the Sandinistas were a legitimate government deserving of support. We have talked at length about the situation in El Salvador and, to a lesser extent the situations in Costa Rica and Guatemala. And certainly all of those issues deserve a great deal of attention and we have, I think, properly brought to the attention of the American public the various views of Members of this body and the other body.

But too often Mr. President, I think the attention on Central America and the specific countries and the various groups that are part of that region have caused us to neglect what are our interests, the national security interests of the United States, and how important those security interests are to ourselves and to our allies throughout the region.

As a result of that neglect, Mr. President, and especially the international reaction to the President's decision to place a trade embargo on Nicaragua, I have come to the conclusion that we have to come up with something vastly different than what we have been proposing over the last several years. Whether one agrees or disagrees with the President's trade embargo policy on Nicaragua is not the point I want to make here. What was totally alarming to me was the fact that not only single country—not one single nation, including some of our closest allies—anywhere in the world would even rhetorically give any support to the embargo.

What I think has occurred, Mr. President, is that not only do we have a conflict with Nicaragua, but that we find ourselves, in the middle of May of 1985, 4 year after the initiation of the contra operation, in a situation where we are confronted with two-front conflict, a conflict not only with the Nicaraguans but also now we find ourselves in conflict with our European and Latin American allies.

After 4 years and $100 million-plus in aid to the contra operation, which the President has noted and others have noted over and over again as the centerprice of our effort to effect changes within Nicaragua domestically and to change their foreign policy, we find that Nicaragua's military strength has increased, domestic reforms have deteriorated, and the ruling government of Nicaragua is enjoying a popularity in excess of what they possessed in the winter of 1981.

While it has never been concisely stated over the last 4 years where our objectives were with the contras operation, I think no one will argue with the fact that we have basically been trying to encourage the Nicaraguans not to build a massive military machine in their country. We have been trying with the contra operation to convince them that they ought to change their present domestic policies and live up to the promises they made in 1979 prior to overthrowing the Somoza government. And, third, we have been trying to convince our allies in this hemisphere and elsewhere that the Sandinista government does not deserve the support of democracies.

The result, after 4 years and $100 million plus, of that centerpiece of this administration's policy is that the stated goals have not only not been achieved, but that in fact, in each and every one of those categories, there has been a deterioration for U.S. interests. The military buildup, the deterioration of reforms, and the fact that Daniel Ortega, the President of Nicaragua, and members of his government are today enjoying a popularity throughout western Europe and this hemisphere that exceeds in many places the popularity of our own administration proves my point.

Our policy, Mr. President, is just not working. It is not working at all militarily, it is not working politically, and it is not working economically. It is painful to say, it is difficult to admit, but I think the sooner we do admit it and the sooner we seek a different course, the better off we are all going to be.

As I see It, Mr. President, there are presently three options before us. Option 1 is to pursue the present policy. This Chamber and this body will be asked in the not-too-distant future to support a figure of roughly $14 million in so-called humanitarian aid to the Contras. We will argue over what constitutes humanitarian aid. Does it mean nonlethal aid? Does it mean jeeps and tractors, or only syringes, band-aids, and stretchers? Who will deliver that aid? Will it be the Agency for International Development, the CIA, the Red Cross, or the United Nations? Where will it be delivered—inside Nicaragua, in Honduras, at some neutral delivery point? Who will supervise it? Who will see to it that we get an adequate accounting of whether or not this aid is actually reaching the people we intend it to reach, and so forth and so on?

We will in fact, Mr. President, be arguing about a nonpolicy. Following the present policy of providing what I would call almost meaningless humanitarian so-called assistance to the Contras is tantamount to rearranging the deck chairs on the Titanic, and waiting for this policy to work is tantamount to leaving the airport landing lights on for Amelia Earhart. The policy is just not getting us anywhere.

The second option would be to say that the only way we are going to effectuate change in Nicaragua is to overthrow the Government. We either decide to do it with direct U.S. military intervention or by giving the Contras the kind of military assistance that would make it possible for them to achieve that goal for us. Obviously, $14 million in humanitarian aid is not likely to contribute in a meaningful way to the overthrow of the Government. We are told by the President and others that we are not interested in overthrowing the Sandinista government, that what we are trying to do is convince the Sandinistas that they ought to change their policies both at home and abroad.

Mr. President, waiting for that to occur is also a pipe dream. One would be terribly naive to assume that the Sandinista government is going to fundamentally change its policy. It may make some cosmetic changes in order to satisfy international concerns, but on the fundamental issues the Sandinista Nicaraguan Government is not going to change unless they are ousted from power. And the only way they are going to be ousted from power is if we give the Contras meaningful assistance militarily or decide to take on that job ourselves. Obviously, we need to ask ourselves, if we decide to pursue option 2, is what the repercussions will be of all-out war in Nicaragua, how will we line up in terms of international public opinion, what the American people want us to do, and how long are they going to be willing to sustain a conflict if we become, as I think we would have to be, directly involved in such an effort? All are very important questions that one should address before you decide to take dramatic step of deciding that you are going to directly try to overthrow a government. But I want to emphasize, Mr. President, for those who believe that contra assistance is going to moderate Nicaraguan behavior, that they are waiting for something that is never going to occur.

The third option, Mr. President, is to refocus our attention in this country on the legitimate U.S. interests and concerns, to identify those interests and concerns, to make it absolutely as clear as possible to the Nicaraguans and others what our legitimate national security interests are in that region, and what we as a nation are prepared to do in order to defend those interests.

I hope there would not be any significant disagreement within this Chamber or elsewhere if we were to discover that the Nicaraguans were bringing in offensive missiles, sophisticated military hardware, or establishing Soviet or Cuban military bases in Nicaragua, that those actions would jeopardize our interests, the sea-lanes, the sovereignty of our allies, the Panama Canal, and a variety of other issues. If those events should occur, while I hope we would be able to convince the Nicaraguans, or anyone else who decided to do that, that those acts would cause serious difficulties here and abroad, we ought to make it clear—abundantly clear—to them that an option we would not exclude as a way of dealing with those problems would be the use of direct military force to eliminate those threats to our security. Those are our interests. Those are the interests that really do raise very serious questions about the security of the United States.

It seems to me that while we continue to focus our attention on the Contra operation, we are neglecting to pay far better attention to the interests of our national security, which I think are in far greater jeopardy today than they were 4 years ago.

What I happen to believe, Mr. President, is that the only two viable options that are available to us are the second and third options. Either we make a decision in this body to really give the Contras meaningful military assistance to assist them in the overthrow of the Sandinista government, or we admit to ourselves that is not likely to occur, and that there are other far more important interests which need to be addressed, or we shall continue making a serious mistake in terms of this country's interests in the months and years to come.

Mr. President, we can make that choice now or we can wait 6 months, or a year. We can spend another $100 million or $200 million or $300 million to provide humanitarian assistance or nonlethal assistance—call it what you will—to the Contras. But as each day, week, and month goes by the situation grows worse. The Nicaraguans grow stronger militarily, conditions deteriorate inside their own nation, and the United States continues to find itself in a more isloated position politically in this hemisphere and elsewhere.

We do not like to make hard choices. Human nature would prefer that we come up with so-called compromises—something that does a little bit of both; that provides the Contras with humanitarian assistance, but does not give them military assistance, that lets us play this one out as long as we can in hopes somehow that the situation might change, so that we can avoid having to make the difficult choices which I think we must.

The option of just providing an additional $14 million or $18 million or $20 million in jeeps, band-aids, and such nonlethal equipment is what I would call, Mr. President, a two-speech policy. That will allow Members to go back to their constituencies and speak to those groups who are opposed to military assistance to the Contras and say, "I only provided humanitarian aid."

You can then go to the next audience that is for the Contras and you can say, "But I provided assistance to the Contras."

So you can get away, and satisfy a domestic constituency. It is a compromise in that regard. But it is certainly not a bona fide compromise when it comes to trying to deal with the serious problems that plague us in this hemisphere.

Mr. President, I am introducing legislation this afternoon which tries to lay out in a clear form and manner the third option that I have identified here this afternoon.

The legislation I am introducing states as clearly and as unequivocally as I can what some of our very legitimate security interests are in this hemisphere, and what we are prepared in this country to do to defend those interests should they be jeopardized by the Nicaraguans or others. I also, in this legislation, provide $10 million in financial support to the Contadora process, which I happen to believe is the most legitimate option and the most viable option of dealing with the broader Central American political and economic difficulties.

Third, Mr. President, I terminate all funding for the Contra operation except for relocation assistance for those individuals who are fighting with the Contras who decide to seek refuge in Central America. I believe we have an obligation to do that, because frankly, the Contra operation is our creation—or at least substantially our creation.

Mr. President, what I am offering here is not in any way to be interpreted as a choice between supporting the Contras or the Sandinistas. I hold no brief for the Sandinistas and I abhor what they are doing in their own country. What I am trying to do is to move onto center stage what I think is the more important debate and the far more important question; that is, the interests of the United States in this region. The longer we continue to focus our attention on the Contra policy, which was identified earlier as a policy that is not in fact improving or advancing the very goals we had stated at the outset, then it seems to me we jeopardize further the very legitimate U.S. interests within that region. We have been so totally consumed over the last 4 years by the Contra effort that I think we have hurt ourselves substantially in terms of ultimately dealing with the real issues.

Mr. President, I say once again in these random thoughts this afternoon that I do not think we have anything but the two choices I have identified. They are difficult choices, hard choices. But I think if we are honest with ourselves and honest with the American people, we shall finally have to come to terms and admit that there really are only those two choices. Just providing humanitarian assistance is not going to advance our cause at all. It may delay for a while the decision that I think we shall have to make sooner or later—and frankly, the longer we wait, the harder the decision will be.

In fact, over the last several days, I have heard a number of my colleagues suggest that, while they agree the policy of continued military support for the Contras does not make any sense, we have already spent $100 million, we have already been involved in this effort for the last 4 years, a number of good people have died, and that we cannot go back at this point; we are too committed to following this policy no matter how misguided it may be.

If that argument has any credibility in May 1985, think how much more credibility it will have 6 months, or a year, or 2 years from now, after we have expended more money for a longer period of time where more lives have been lost. Mr. President, we can make the choice now or we can make it later, but there is no question in this Senator's mind that we are going to have to make that choice.

The better choice, I believe, is one that admits that the present policy is not working, that we are not contributing to peace and stability in the region, we are not advancing the interests of the United States; that in fact, they are in far greater jeopardy. And the sooner we admit that to ourselves, to the American people, and to our allies, the better chance we will have of contributing to the peaceful resolution of the problems of the area and to some stability in this hemisphere.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds and declares that a direct threat to the security interests of the United States in the Central American region would arise from several developments including, but not limited to, the following:

(1) The stationing, installation, or other deployment of nuclear weapons or the delivery systems for such weapons in the Central American region.

(2) The establishment of a foreign military base in the Central American region by the government of a Communist country.

(3) The introduction into the Central American region of any advanced offensive weapons system by the government of a Communist country if such system is more sophisticated that such systems currently in the region.

(b) If any development described in paragraphs (1) through (3) of subsection (a) arises, the Congress intends to act promptly, in accordance with the constitutional processes and treaty commitments of the United States, to protect and defend United States security interests in the Central American region and to approve the use of military force, if necessary, for that purpose.

(c) Notwithstanding any other provision of law, the prohibition contained in section 8066(a) of the Department of Defense Appropriation Act, 1985, as enacted by the Act of October 12, 1984 (Public Law 98-473), which applies to funds available during the fiscal year 1985 to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities shall apply to the same extent and in the same manner with respect to any such funds available during any fiscal year beginning on or after October 1, 1985. For purposes of the application of this subsection, the reference in such section 8066(a) to the fiscal year 1985 shall be deemed to be a reference to the fiscal year in which such funds are available.

(d) There are authorized to be appropriated to the President $14,000,000 for the fiscal year 1985 ,to be available only to achieve—

(1) the safe and orderly withdrawal from Nicaragua of all military and paramilitary forces which were supported by the United States before October 12, 1984; and

(2) the relocation of such forces, including members of the immediate families of individuals serving in such forces.

(e)(1) There are authorized to be appropriated to the Secretary of State $10,000,000 which shall be used only as may be necessary to assist the negotiations sponsored by the Contadora group and to support through peacekeeping and verification activities the implementation of any agreement reached pursuant to such negotiations.

(2) For purposes of paragraph (1), the term "Contadora group" refers to the governments of Colombia, Mexico, Panama, and Venezuela.

(f) Nothing in this Act shall be construed as granting any authority to the President with respect to the introduction of United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances which authority he would not have had in the absence of this Act.

(g) For purposes of this Act—

(1) the term "Central American region" refers to the geographic region containing Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; and

(2) the term "Communist country" has the same meaning as is given to it by section 620(f) of the Foreign Assistance Act of 1961.

Mr. President, I send the bill to the desk and ask for its appropriate referral.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. DODD. Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHEMICAL WARFARE

CHEMICAL WARFARE

Mr. PRYOR. Mr. President, I sincerely thank the distinguished minority leader for yielding to me for just a few moments.

I think it is very, very appropriate that the minority leader this afternoon has talked about the late Harry Truman, because the late Harry Truman—Senator Truman and then President Truman—was one Senator and one President who did not mind questioning expenditures by the Department of Defense. He, himself, knew very well that his patriotism was not measured by the amount of the profits of defense contractors.

This next week, Mr. President, we shall be considering the Defense Department authorization bill. We all know the importance of a strong national security, and during next week's debate period, we shall once again, for example, be faced with the issue of whether or not the United States will reverse a policy it has had since 1969 that we would go out of the business of producing chemical weapons, or nerve gas. This debate has been heated, it has been emotional. The votes in this Chamber have been close.

As I recall, on two occasions in the past 2 years, the Vice President of the United States, occupying the chair, has had to break the tie in favor of resuming nerve gas production. I find it very, very strange indeed that the Pentagon publicity machine is once again swarming the halls, writing letters, and even going out to the State Adjutants General in our National Guards and having those fine individuals help the lobbying efforts of the Department of Defense to promote the resumption of nerve gas production. I think this activity is a bit ironic in view of the recent General Accounting Office report that shows that the Department of Defense has fallen far short in the area of defending our troops defensively—with better masks, better clothing, training in how to survive a chemical warfare attack or exposure. DOD has consistently played down the defensive aspects of our nerve gas deterrent and consistently played up the need to go back into full-scale production to add to our stockpile.

(Mr. DOLE assumed the chair.)

Mr. PRYOR. Down in Pine Bluff, AR, I say to the distinguished President and to my friend the Democratic leader, there is now sitting a new $27 million building awaiting our decision next week as to whether or not, in that facility, we will resume the production of nerve gas.

We have all heard about the $6,000 coffeepots and the Allen wrenches for $9,600, and the stool caps and the hammers and all of that. There is one additional item on the list that I would like to mention this afternoon. That is that under a sole-source contract, our Defense Department is now purchasing gas masks at $6,500 each. It is my understanding, Mr. President, that in France, you can buy a good gas mask for less than $100. Ours are $6,500.

That brings me to another matter. That is the issue of a major procurement decision due next week when several in this Chamber will gather whatever forces we might have to attempt not only to put teeth, but add some fangs, to the procurement laws that prevent such overpriced items.

Next week will be a critical week for the Senate, Mr. President. It will be a critical week for the country. I am very hopeful that we will no longer continue this idea that we can create the illusion of strength by throwing dollars at problems.

Next week, during the nerve gas debate, I think we must keep in mind that should we go forward once again with the production of nerve gas we will have no place to store the weapons in Europe. We have not seen one ally anywhere in the world, to the best of this Senator's knowledge, which says that it is now willing to store that supply of nerve gas on its soil.

So, what are we going to do? We appropriate another $63 million—billions of dollars down the line—to go back into the production of chemical warfare, when overwhelming testimony today is against the need for production to be resumed.

So, I would say in the area of defense procurement and the decision of nerve gas production, we will be making major decisions—major decisions that will affect our national security. I hope that those decisions will be made with wisdom and in the spirit of common sense and cooperation. Certainly, we will make our appeals to both sides of the aisle to listen to the arguments on the need for tighter procurement laws and the lack of the need to resume the production of chemical weapons.

Mr. President, I yield back the remainder of my time.

(Mr. SIMPSON assumed the chair.)

DOD AUTHORIZATION

Mr. PRYOR. Mr. President, I see both leaders on the floor. I would like, if I may, to ask the majority leader a question about the schedule. Is that permissible at this point? There is a lot of uncertainty, I say to my friend the majority leader, about the schedule for Monday. Tomorrow—Friday—as I understand it, we will have only general debate. Is that correct, on the Defense Department authorization bill?

Mr. DOLE. That is correct. If the distinguished Senator will yield, it is my understanding that the DOD authorization bill will be laid down sometime around noon, maybe a bit later. There will be rather extensive opening statements on both sides. There will be no votes.

It is my hope that we can agree that any votes that were ordered for Monday will be postponed until the hour of 5 p.m. on Monday, but I am quite certain there will be votes.

I guess the first amendment is a committee amendment. It deals with procurement. We do not want to spend all day Monday on one amendment if we can move onto other amendments. But there will be no votes tomorrow, and if we can make out some arrangement, no votes until 5 p.m. on Monday.

I assume then there will be a number of votes. Maybe not. We will be in early Tuesday, Wednesday, Thursday, and Friday. We have every intention to finish the bill next week.

Mr. PRYOR. I know the majority leader is trying to accommodate the respective schedules of Members of the Senate. Is it mandatory to finish the bill next week before the Memorial Day recess?

Mr. DOLE. I was reminded today that there are only about 50-some legislative days remaining, if we adjourn when we indicate we will this year. Everybody wants to delay and delay. I hope that we will finish it next week. Unless Members feel constrained to talk and talk, we might be able to finish. We finished foreign aid authorization in a day and a half. Normally that has taken several days.

Mr. PRYOR. I noticed in the press where the Department of Defense in a matter of a couple of hours found another $4 billion. My suggestion is we could drag this out a little longer if they did that every few hours. If we could simply think about maybe early votes on Tuesday and eliminate votes on Monday, that is my suggestion.

Mr. DOLE. There will be votes on Monday.

Mr. PRYOR. There will be votes on Monday?

Mr. DOLE. There will be votes on Monday. I have had Members on my side say, "No votes until Wednesday. Why vote Monday or Tuesday? Why not vote Wednesday?"

Well, why vote at all? As far as this Senator is concerned, there will be votes Monday. There would be votes tomorrow if we could arrange votes tomorrow, but we cannot arrange votes tomorrow.

I think this is a very important bill. We can characterize how the money comes from the Defense Department, gas masks and all those things, but the bottom line is it is rather important to our country that we act on this legislation rather than try to accommodate Senators.

Mr. PRYOR. I appreciate the concern of the majority leader. If we wait until 5 o'clock before votes occur, my presumption is that we will be involved with the procurement amendment then most of Monday afternoon. I can only assume.

Mr. DOLE. We hope to start early Monday morning, and we can set that aside, obviously, if other amendments would be taken up.

Mr. PRYOR. I thank the majority leader.

ORDER TO REPORT DOD AUTHORIZATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Armed Services have until 8 p.m. this evening to report a bill on DOD authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

ELECTION OF ERNEST E. GARCIA AS THE SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

Mr. DOLE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The bill clerk read as follows:

> A resolution (S. Res. 167) electing Ernest E. Garcia as the Sergeant at Arms and Doorkeeper of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, it is a pleasure for me to offer this resolution with respect to the election of our new Sergeant at Arms, Ernest Garcia of Garden City, KS.

Ernie Garcia has been, and I know will continue to be, a fine public servant.

Since February, he has ably served as the Deputy Sergeant at Arms and has demonstrated a excellent understanding of the responsibilities of that important office.

Before becoming Deputy Sergeant at Arms, Ernie was a Deputy Assistant Secretary of Defense, where he was a valued and trusted aide to Secretary Caspar Weinberger. In fact, he was awarded the DOD Medal for Distinguished Public Service. At the presentation, Secretary Weinberger said:

> Mr. Garcia's overall performance of duty has consistently been of the highest caliber. His dedication, patriotism, loyalty, and integrity, are in keeping with the highest standards of the Department of Defense and reflect great credit on himself, the Department, and the United States.

The Senator from Kansas wholeheartedly agrees with my good friend Cap. I have worked closely with Ernie for many years, both in Washington and Kansas—on the campaign trail, on the road in Kansas, and here on Capitol Hill. He has been a valuable asset to my staff, and has never forgotten his Garden City, KS, roots.

I know that the Hispanic community has taken great pride in Ernie's accomplishments, and I am proud to nominate him as the Senate Sergeant at Arms.

In his new role, I am sure Ernie will continue to build upon his enviable record of public service and dedication. He has proven worthy of the responsibility this body will entrust in him. I know Ernie will live up to that trust.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

> *Resolved,* That Ernest E. Garcia, of Kansas, be, and he is hereby, elected Sergeant at Arms and Doorkeeper of the Senate, beginning June 3, 1985.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DOD AUTHORIZATION BILL

Mr. DOLE. Mr. President, I have indicated that the DOD authorization bill would be laid down and there would be votes Monday evening. I have now been requested to see if the votes could be delayed until Tuesday morning. I will make that inquiry of the chairman of the Armed Services Committee and try to report back before we recess this evening.

I ask unanimous consent that no amendments to the DOD authorization bill be in order during Friday's session and prior to 5 p.m. on Monday which have not been authorized by the majority leader and the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR AMENDMENT NO. 100 TO BE PRINTED

Mr. DOLE. Mr. President, I ask unanimous consent that amendment No. 100 be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CRISIS LINK BETWEEN THE UNITED STATES AND THE SOVIET UNION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 123 (S.J. Res. 108), upgrading the United States-Soviet hotline.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The bill clerk read as follows:

> A joint resolution (S.J. Res. 108) authorizing the Secretary of Defense to provide to the Soviet Union on a reimbursable basis, equipment, and services necessary for an improved United States/Soviet Direct Communication Link for crisis control.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. WARNER. Mr. President, I am delighted to have joined Senator NUNN in sponsoring this important legislation, which was unanimously approved by the Armed Services Committee on May 2 and now has 39 cosponsors. The purpose of this joint resolution is to authorize the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services needed to implement the July 17, 1984, agreement between the United States and the Soviet Union to expand and improve the operation of the United States/Soviet direct communications link, commonly known as the hotline.

Mr. President, let me briefly review the history of the hotline. In June 1963, the United States and the Soviet Union agreed in a memorandum of understanding to establish a direct communications link [DCL] for use in time of emergency. Each agreed to ensure prompt delivery to its head of government any communications received over the DCL from the other head of government. The memorandum of understanding was negotiated and signed by the heads of the United States and Soviet delegations to the 18 Nation Disarmament Conference in Geneva and the DCL was activated in August 1963.

Eight years later, the DCL was updated by a September 30, 1971, agreement negotiated by a special working group of the two SALT delegations and signed by the United States Secretary of State and the Soviet Foreign Minister. This agreement provided for the addition of two satellite circuits to the DCL, one using the Soviet Molniya II satellite system and the other the United States Intelsat system. Those two circuits became operational in January 1978.

A second special working group of the two SALT delegations simultaneously negotiated a related agreement on measures to reduce the risk of outbreak of Nuclear war between the United States and U.S.S.R., which was signed on the same day, to notify the other in advance of any planned missile launch extending beyond its national territory in the direction of the other, and for each to notify the other immediately in the event of certain situations which could create a risk of nuclear war. The parties agreed that they would use the DCL to transmit urgent information in situations requiring prompt clarification.

In May 1983, President Reagan proposed to the Soviet Union three measures to improve the bilateral communications network between the two countries: the addition of a high-speed facsimile capability to the hotline; the establishment of a joint military communications link [JCML]; and the establishment of high-speed data links between each government and its embassy in the other's capital.

The Secretary of Defense had recommended those proposals to the President following a full and complete study of possible initiatives for enhancing international stability and reducing the risk of nuclear war. That examination, which involved all concerned U.S. Government agencies, was mandated by an amendment to the fiscal year 1983 DOD Authorization Act introduced by Senators Jackson, Nunn, and I, directing the Secretary to study a number of crisis control measures, including an improved Hotline. The Secretary of Defense transmitted its results and recommendations in his April 1983 Report to the Congress on Direct Communications Links and Other Measures to Enhance Stability.

United States/Soviet negotiations on improving bilateral communications links opened in Moscow in August 1983, and subsequent rounds were held in Washington in January 1984, in Moscow in April 1984, and in Washington in July 1984. On July 17, 1984 President Reagan announced that an agreement had been reached.

Mr. President, I ask unanimous consent that a copy of the President's remarks on this occasion be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. WARNER. Mr. President, under this agreement, a facsimile capability will be added to the hotline, enabling each country for the first time to transmit and receive graphic materials. In addition, the planned improvements will allow the United States and Soviet heads of government to exchange messages more rapidly than they can with the existing teletype. The increase in the speed of communication and the ability to send pictures and maps could be especially critical in future crises.

The direct communications link will now consist of; Three circuits (two satellite circuits plus one wire telegraph circuit); one Earth station in each country for each satellite circuit; terminals in each country linked to the three circuits and equipped with teletype and facsimile equipment.

The agreement specifies that the U.S. Government will sell the Soviet Union at cost the equipment necessary to install and maintain the improved hotline. This transaction, which is expected to cost less than $1 million, will include facsimile equipment, personal computer [PC] equipment, modem equipment, and microprocessor systems to ensure the privacy of these very sensitive communications. Most of this transaction will be completed in the initial sale of the specified equipment to the Soviet Union. However, sales of services and additional equipment, including consumable items, will recur periodically throughout the life of the improved hotline.

Mr. President, under the timetable envisioned by the two governments, the initial items of equipment are to be delivered to the Soviet Union no later than June 30. Accordingly, it is imperative that the Congress act quickly on this legislation to ensure that there is no unnecessary delay in the implementation of this agreement.

Mr. President, I ask unanimous consent that Senators Glenn and Zorinsky be added as cosponsors of Senate Joint Resolution 108.

The PRESIDING OFFICER. Without objection, it is so ordered.

Exhibit 1

Statement by the President

I am happy to be able to announce today that we and the Soviet Union have reached agreement to expand and improve the operation of the direct communications link, or the "Hotline."

This agreement is a modest but positive step toward enhancing international stability and reducing the risk that accident, miscalculation, or misinterpretation could lead to confrontation or conflict between the United States and the Soviet Union.

With the addition of a facsimile capability, we will not only be able to exchange messages faster, but for the first time we will be able to send graphic material such as maps or pictures which would play a crucial role in helping to resolve certain types of crises or misunderstandings.

The negotiations which led to this agreement began about 1 year ago, August 1983, based upon a series of proposals that we first made in May 1983.

In developing this and other initiatives designed to reduce the risk of war due to accident, misunderstanding or miscalculation, we had the benefit of excellent advice from a number of key congressional leaders, including Senators Warner and Nunn and the late Senator Jackson.

I see this agreement as both an appropriate technical improvement to the "Hotline," which has served both our governments well for over 20 years, and as a good example of how we can, working together, find approaches which can move us toward a reduction in the risks of war.

Mr. WARNER. Mr. President, I now yield to my distinguished colleague from Georgia, Senator Nunn.

Mr. NUNN. Mr. President, I join Senator Warner in expressing my strong support for this legislation.

One year ago, when Senator Warner and I testified before the Foreign Relations Committee on our nuclear risk reduction resolution (S. Res. 329), I noted that although the United States and the Soviet Union had in large measure been able to avoid confrontations entailing the risk of nuclear war over the past three decades, there were compelling reasons to be concerned about their ability to continue this into the future. Indeed, there are an increasing number of circumstances that could precipitate the outbreak of nuclear war that neither side anticipated or intended, possibly involving terrorist groups or the growing number of nuclear-armed states that will likely exist by the end of the century.

If anything, I am more convinced today than I was then that the establishment of new risk reduction measures is a crucial, indeed imperative, step. Over the past year, we have witnessed three different Soviet military accidents that could easily have been misinterpreted by one side or the other: the errant Soviet cruise missile incident in January and two major explosions in the Soviet Union last year, one at the naval munitions depot at Severomorsk, the other at a munitions factory in western Siberia.

Even more compelling, though, is the shift that both sides are now undertaking in their strategic posture toward a much prompter launch of land-based systems. I will not get into a discussion here as to whether we are talking about launch on confirmed warning of attack or launch under attack. But suffice it to say that as increasingly accurate, MIRV'ed ICBM's like the MX, the SS-18, and the SS-19 make each side more and more vulnerable to a first strike, we are moving inexorably toward a hair trigger retaliatory posture. In these conditions, there is an extraordinary premium placed on avoiding any misinterpretation of nuclear incidents or military activities, and this is precisely the role the upgraded "Hotline" or nuclear risk reduction centers could perform.

In this regard, I also pay tribute to President Reagan for the four part proposal for reducing military tensions which he announced in his May 8 speech to the European Parliament in Strasbourg, France. I hope the Soviet Union will give serious consideration to these proposals.

Mr. President, in its report on Senate Joint Resolution 108, the Armed Services Committee stated that it agrees with President Reagan that the July 17, 1984 agreement will make a "modest but positive" contribution toward improving crisis stability and decreasing the risk that a confrontation or conflict between the United States and the Soviet Union could ever occur as a result of accident, miscalculation or misinterpretation. In accordance with the principle of confidentiality concerning communications between heads of state, the precise number of times that the United States and the Soviet Union have used the system has not been disclosed. However, it is evident that the Hotline has provided invaluable in major crises, including the 1967 and 1973 Arab-Israeli wars. The addition of a fascimile capability and the increase in the speed of communication will further enhance the value of this communications link.

The committee also reviewed this need for new legislative authority. At the request of Senator Warner and me, the General Counsel of the Department of Defense prepared a memo outlining the legal reasons why new legislation was needed to implement the July 1984 agreement. The General Counsel determined that use of the Arms Export Control Act as authority for providing the specified equipment to the Soviet Union would not appear to be either viable or appropriate. The memo also notes that use of the Secretary of Defense's contingency fund is intended to meet only "emergency or extraordinary expenses which cannot be anticipated or classified," whereas procurement by DOD of equipment needed to maintain the improved Hotline is expected to recur over the lifetime of the system. I ask unanimous consent that this memo be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. NUNN. Mr. President, a final issue considered by the committee concerned the transfer of technology. On March 22, Senator Warner and I wrote Assistant Secretary of Defense Richard Perle to request his assessment of the technology transfer aspects of the proposed sale. In a March 25 reply, Assistant Secretary Perle advised the Senators that prior to deciding the final configuration of the proposed upgrade:

> The Department of Defense examined each component proposed for that system in the context of applicable transfer of technology regulations.

Assistant Secretary Perle stated that based on this review, DOD determined that:

> The sale of those components for this purpose is entirely consistent with current U.S. law and policy regarding trade with the Soviet Union.

I ask unanimous consent that this letter be printed in the Record at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. NUNN. Mr. President, in closing let me say that I am especially gratified that over the past several years, Congress has been in the forefront of efforts to devise practical measures to reduce the risk that these weapons might ever be useful as a result of accident or miscalculation. I believe that this legislation moves us closer toward realizing these goals, and I hope that it might provide an impetus for more comprehensive measures, such as the nuclear risk reduction center concept which the Senate endorsed 82 to 0 last summer.

Exhibit 2

General Counsel of the
Department of Defense,
Washington, DC, April 3, 1985.

Legal Memorandum

Subject: Sale of DCL Equipment to the USSR.

The U.S. Government proposes to sell DCL equipment to the Soviet Union. Attached is a memorandum outlining three alternatives approached to achieving the requisite legal authority for the proposed transaction.

The first approach (a security assistance sale) does not now appear to be viable because it is conditioned upon our obtaining from the Soviets certain non-retransfer and security assurances, and because use of the Arms Export Control Act as authority for providing equipment to the USSR would not appear to be appropriate.

The second approach (use of the Secretary's contingency fund authorized by 10 USC § 140) is feasible. The commitment of an amount from this fund sufficient to cover the cost of the equipment and services to be provided to the Soviets has been made. A disadvantage of this approach is that a limited amount is appropriated for the contingency fund. Therefore, to the extent the fund is used for DCL purposes, it will not be available for other critical needs. This disadvantage cannot be avoided by reprogramming other funds into the contingency fund. 10 USC § 140 limits the total amount that can be expended from the contingency fund in any year to the amount appropriated for this purpose in the DoD Appropriation Act.

Accordingly, the third approach (a Joint Resolution authorizing the use of any DoD funds) is strongly preferred. This approach would involve virtually no cost to the Treasury since the Soviet Union will reimburse the U.S. Moreover, the Joint Resolution would have the great advantage of permitting DoD to avoid depletion of the contingency fund. In addition, this approach is more appropriate for funding foreseeable expenditures that may well be necessary in the future to maintain the system, since the contingency fund is designed to meet only "emergency or extraordinarly expenses which cannot be anticipated or classified."

Chapman B. Cox.

Department of Defense,
Office of General Counsel,
Washington, DC, September 21, 1984.

Memorandum

Subject: Legal Authority for the Sale of DCL Equipment to the USSR (U).

You have requested the opinion of this office regarding the legal implications of various possible funding approaches for a US-Government sale of equipment and spare parts to the USSR in exchange for Soviet payment. The following approaches appear available to carry out such a transaction.

1. A security assistance sale. Although Section 620(f) of the Foreign Assistance Act (FAA) prohibits furnishing any assistance under the FAA to the USSR, that prohibition does not extend to transactions undertaken under other statutory authority such as the Arms Export Control Act (AECA). Section 3 of the AECA provides four conditions of eligibility for a country to purchase defense articles or defense services under the AECA:

(1) The President must find that the furnishing of defense articles (and defense services) to such country will strengthen the security of the United States and promote world peace;

(2) The country must have agreed not to transfer title to, or possession of, any defense article or related training or other defense service so furnished to it to anyone not an officer, employee or agent of that country and not to use or permit the use of such defense article or related training or other defense service unless the consent of the President has first been obtained;

(3) The country shall have agreed that it will maintain the security of such article and will provide substantially the same degree of security protection afforded to such article by the United States Government;

(4) The country is otherwise eligible to purchase or lease defense articles or defense services.

Accordingly, in order for the United States Government to sell DCL equipment to the USSR as a security assistance sale, the President must sign a finding that the furnishing of DCL equipment to the USSR will strengthen the security of the United States and promote world peace. It is possible for such a finding to be limited to declaring a country eligible for just one sale. The U.S.S.R. must commit to the non-retransfer and security assurances detailed in paragraphs (2) and (3) above.

The U.S.S.R. must also be "otherwise eligible" to purchase this equipment. This requirement means that there must be no other statutory prohibition on such a sale (e.g., such a provision as the Congressional cutoff of sales to Chile) and that the proposed sale must fall within the scope of the Arms Export Control Act. The objectives of the AECA include encouraging regional arms control and disarmament agreements and discouraging arms races. The purposes for which sales under the AECA are authorized are limited to: internal security; legitimate self defense; permitting the recipient country to participate in regional or collective arrangements of measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security; and enabling foreign military forces in less developed friendly countries to construct public works and to engage in other activities helpful to the social and economic development of such friendly countries. It would appear that participation in the DCL is a measure consistent with the Charter of the United Nations.

In order to obtain the required Presidential Determination making a country eligible under the AECA, the Secretary of State prepares a Memorandum for the President justifying the proposed Determination. Copies of a Presidential Determination and the State Department's justification Memorandum for that determination are attached to this memorandum for your information.

2. Use of the Secretary of Defense's discretionary funds. 10 U.S.C. § 140 authorizes the Secretary of Defense to provide, within the limitation of appropriations made for the purpose, for any emergency or extraordinary expense which cannot be anticipated or classified. When it is so provided in such an appropriation, the funds may be spent on approval or authority of the Secretary for any purpose he deems proper. Expenditures made under this authority must be reported on a quarterly basis to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives. There is no provision for reimbursement in 10 U.S.C. § 140, since this authority was not originally designed for a purpose such as that under consideration. However, it would be possible, if sufficient funds remain in the appropriation, for the Secretary to direct that DCL equipment be purchased using those funds and provided to the U.S.S.R., although any reimbursement from the U.S.S.R. for such equipment would have to be returned to Miscellaneous Receipts in the U.S. Treasury.

3. A specific Congressional authorization. Instead of using either of the procedures described above, it would be possible to seek new law authorizing the United States to sell the requisite equipment to the USSR. This approach would allow the US to tailor the statutory authorization to the terms of the proposed sale, instead of having to tailor the sale to the statute, as in (1) above. It could also allow the US Government agency purchasing the equipment to be sold to the USSR to put the receipts from the sale back into its own appropriations, which would not be possible under (2) above. The drawback to this approach is the time required to obtain new law. Congress is due to adjourn on October 5, 1984 and probably will not reconvene until the new Congress is sworn in in January 1985. Your decision concerning adoption of this approach will therefore turn, in part, on the necessary schedule for the sale of this equipment to the USSR.

JOHN H. MCNEILL,
Assistant General Counsel
(International).

EXHIBIT 3

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, March 25, 1985.

In reply refer to: I-85/07907.

Hon. SAM NUNN,
U.S. Senate,
Washington, DC.

DEAR SENATOR NUNN: Thank you for your letter of March 22, 1985, requesting my comments on the legislation which you propose to introduce to facilitate the upgrade of the Direct Communications Link, which the United States and the Soviet Union agreed to undertake in an Exchange of Notes, dated July 17, 1984.

As President Reagan indicated at the time of signature of this agreement, the upgrade of the Hotline by the addition of a facsimile capability is a modest, but positive step toward enhancing international stability and reducing the risk that accident, miscalculation or misinterpretation could lead to confrontation or conflict between the United States and the Soviet Union. The success of this initiative is due in no small measure to your continued support and advice. Your efforts now, to ensure the smooth and efficient implementation of the agreement, are welcomed by all who believe that it is critical that our leaders be able to communicate rapidly and comprehensively in the event of crisis. I heartily endorse your proposed legislation for this purpose.

I want as well to assure you that the sale of the facsimile system to the Soviet Union is consistent with US technology transfer policies. Prior to the United States' proposing the configuration for the addition of a facsimile capability to the Direct Communications Link, the Department of Defense examined each component proposed for that system in the context of applicable transfer of technology regulations. We determined that the sale of those components for this purpose is entirely consistent with current U.S. law and policy regarding trade with the USSR. Sale of the quantity of equipment necessary to maintain the reliability of the Soviet part of the Hotline requires COCOM approval, which the U.S. will seek.

I want to underscore for the Congress that there is a great deal of difference between selling the USSR equipment for the specific purpose of improving the Direct Communications Link and allowing the Soviet Union unfettered access to U.S. and Allied high technology products. We will continue to ensure that sales to the Soviet Union are closely scrutinized and seek to ensure that only those which are consistent with our COCOM obligations and strategic trade controls are permitted to go forward.

RICHARD PERLE.

Mr. BOSCHWITZ. Mr. President, I rise as a cosponsor and strong supporter of this very important resolution to upgrade the direct communications link between Washington and Moscow. I believe that communications—good, clear communications—is a key to crisis control and an important confidence-building measure between the superpowers.

The so-called hotline, born out of the Cuban missile crisis, was the result of an effort to improve crisis management. It was an essential first step toward reducing the risk of nuclear war. Since 1963, the hotline has been used to prevent any number of crisis from becoming runaway confrontations. It has served us well; however, now the hotline is a crude device compared to today's sophisticated communications. The need to increase the speed of communications and rapidly exchange graphic data over state-of-the-art equipment is very important, and an upgrade that is long overdue. William Ury tells us in his recent book, "Beyond the Hotline," that the time available for United States-Soviet leaders to respond to a crisis is shrinking as the flight times of missiles grow shorter. If this means selling the required equipment in order to get the Russians up to speed, let's waste no more time doing it.

With today's hi-tech computers setting on the desks of many of our grade school students, I am sure the American public would fail to understand why a vital communications link such as the hotline, consists essentially of 1960 teletype technology. Technological improvements to this important tool for bilateral crisis prevention need to be undertaken now.

I am very pleased to join in this effort and I wish to commend my colleagues, Senators WARNER and NUNN for their distinguished leadership in proposing practical measures to reduce the risk of nuclear war. Moreover, this legislation will clearly lend practical support to President Reagan's new four-part proposal, recently announced in Strasbourg, for reducing military tensions between the United States and the Soviet Union. I strongly support these confidence-building measures. Furthermore, I hope that this legislation and the President's proposal receive broad, bipartisan support. Surely, enhanced communications between adversaries is the first step toward improved understanding and reducing conflict.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution (S.J. Res. 108) with its preamble, reads as follows:

S.J. RES. 108

Whereas section 1123(a) of the Department of Defense Authorization Act, 1983 (Public Law 97-252), directed the Secretary of Defense "to conduct a full and complete study and evaluation of possible initiatives for improving the containment and control of the use of nuclear weapons, particularly during crises";

Whereas the Congress directed that the same study should address several specific measures for building confidence between the United States and the Soviet Union, including an improved Direct Communications Link for crisis control;

Whereas the Secretary of Defense responded to that congressional mandate with a report entitled "Report to the Congress on Direct Communications Links and Other Measures to Enhance Stability" in which the Secretary proposed several improvements to existing United States-Soviet mechanisms for the prevention and resolution of crises, including the addition of a facsimile capability to the United States/Soviet Union Direct Communications Link;

Whereas the President of the United States presented the recommendations of the Secretary of Defense to the Government of the Soviet Union in May 1983;

Whereas the United States and the Soviet Union commenced negotiations on bilateral communications improvements in August 1983, and on July 17, 1984, concluded the Exchange of Notes Between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade in which the two governments agreed to add a facsimile capability to the Direct Communications Link;

Whereas the Congress endorses that agreement and remains committed to all possible measures to facilitate the resolution of international crises and to limit the danger of conflict;

Whereas the Secretary of Defense is responsible for the installation, maintenance, and operation of the Direct Communications Link equipment for the United States; and

Whereas the Exchange of Notes Between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade provides that the United States Government will provide to the Union of Soviet Socialist Republics, at cost, the equipment and services necessary for the Soviet Union part of the improved Direct Communications Link: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Defense may provide to the Soviet Union, as provided in the Exchange of Notes Between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade, concluded on July 17, 1984, such equipment and services as may be necessary to upgrade or maintain the Soviet Union part of the Direct Communications Link agreed to in the Memorandum of Understanding between the United States and the Soviet Union signed June 20, 1963. The Secretary shall provide such equipment and services to the Soviet Union at the cost thereof to the United States.

SEC. 2. (a) The Secretary of Defense may use any funds available to the Department of Defense for the procurement of the equipment and providing the services referred to in the first section.

(b) Funds received from the Soviet Union as payment for such equipment and services shall be credited to the appropriate account of Department of Defense.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DISASTER RELIEF ACT AUTHORIZATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 120, S. 1023, Disaster Relief Act Authorization.

The PRESIDING OFFICER. The bill will be stated by title.

The bill clerk read as follows:

A bill (S. 1023) to extend authorizations for appropriations for the Disaster Relief Act of 1974, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1023

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 606 of the Disaster Relief Act of 1974, as amended (42 U.S.C. 5202), is amended by striking out all after "501," and inserting in lieu thereof "$194,000,000 is authorized to be appropriated to the President to carry out this Act for fiscal year 1986 and $6,400,000 is authorized to be appropriated to the Federal Emergency Management Agency for administrative expenses in fiscal year 1986.".

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ETHNIC AMERICAN DAY

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 112, Senate Joint Resolution 32.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The bill clerk read as follows:

A joint resolution (S.J. Res. 32) to authorize and request the President to designate September 15, 1985, as "Ethnic American Day".

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

AMENDMENT NO. 146

(Purpose: To change the date of Ethnic American Day from September 15, 1985, to September 21, 1986)

Mr. DOLE. Mr. President, I send to the desk an amendment on behalf of Senator PRESSLER.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. Pressler, proposes an amendment numbered 146:

On page 2, line 4, strike out "15, 1985" and insert in lieu thereof "21, 1986".

Mr. PRESSLER. Mr. President, this amendment merely changes the date of Ethnic American Day to September 21, 1986. The reason for this change is to give national ethnic organizations more time to organize events for this occasion.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 146) was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and was read the third time.

The preamble was agreed to.

The joint resolution (S.J. Res. 32), with its preamble, reads as follows:

S.J. RES. 32

Whereas the United States of America is a haven for victims of religious and political persecution and for those who seek freedom and opportunity;

Whereas the United States of America has welcomed oppressed and deprived persons and granted them refuge and citizenship;

Whereas ethnic Americans love the United States of America and have shed their blood in defense of America and its freedoms;

Whereas ethnic Americans have made outstanding contributions in the fields of agriculture, labor, arts, science, medicine, business, and government, and to the quality of life in these United States; and

Whereas designation of an "Ethnic American Day" would contribute to a greater appreciation of the rich ethnic heritage of this Nation and to the unity of all its people: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate September 21, 1986, as "Ethnic American Day" and to call upon the people of the United States to acknowledge and advance mutual understanding and friendship among all Americans regardless of their ethnicity.

AMENDMENT

(Purpose: Amendment to the title)

Mr. DOLE. Mr. President, I send an amendment to the title to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

Amend the title so as to read joint resolution to authorize and request the President to designate September 21, 1986, as Ethnic American Day.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Without objection, the amendment to the title is agreed to and the title, as amended, is agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was passed and the title, as amended, was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session to consider numerous calendar items.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. DOLE. The calendar items are Nos. 118, 119, 144, 164, 177, 178, 179, 180, 181, 182, 183, and 184.

Mr. BYRD. Mr. President, reserving the right to object, may I say to the distinguished majority leader on this side among those calendar orders which he has stated are the following which have been cleared and concerning which we are ready to proceed:

OL
31
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Calendar Order Nos. 144, 164, 177, 178, 179, 180, 181, 182, 183, and 184.

Mr. DOLE. But not 118 or 119?

Mr. BYRD. Yes; I think, if I may say to the distinguished majority leader, I would hope to have those cleared by tomorrow.

Mr. DOLE. Fine.

Mr. BYRD. I, myself, had a hold on each of them and there may be other holds, but I am ready to clear the one now and probably will be ready on the second one tomorrow.

Mr. DOLE. All right.

The PRESIDING OFFICER. The nominations will be stated.

EXPORT-IMPORT BANK OF THE UNITED STATES

The legislative clerk read the nomination of Richard H. Hughes, of Oklahoma, to be a member of the Board of Directors of the Export-Import Bank of the United States.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Vernon A. Walters, of Florida, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

The legislative clerk read the nominations of Pauline Crowe Naftzger, of California, and George S. Rosborough, Jr., of Missouri, to be Members of the National Museum Services Board.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

NATIONAL SCIENCE FOUNDATION

The legislative clerk read the nomination of John H. Moore, of California, to be Deputy Director of the National Science Foundation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NATIONAL COUNCIL ON THE HANDICAPPED

The legislative clerk read the nominations of Jeremiah Milbank, of Connecticut; Justin W. Dart, Jr., of Texas; and Roxanne S. Vierra, of Colorado, to be members of the National Council on the Handicapped.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

ARMY

The legislative clerk read the nominations of Lt. Gen. Alexander M. Weyand to be lieutenant general (retired), and Maj. Gen. Charles W. Dyke to be lieutenant general.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

NAVY

The legislative clerk read the nominations of Vice Adm. James A. Sagerholm to be vice admiral (retired), and Rear Adm. Kendall E. Moranville to be vice admiral.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

Mr. DOLE. Mr. President, I move to reconsider the votes by which the nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SAFE DRINKING WATER AMENDMENTS OF 1985

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar Order No. 131, S. 124, the safe drinking water amendments of 1985.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (S. 124) entitled the "Safe Drinking Water Amendments of 1985".

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

Mr. BYRD. Mr. President, there is no objection on this side.

There being no objection, the Senate proceeded to consider the bill (S. 124) entitled the "Safe Drinking Water Amendments of 1985," which had been reported from the Committee on Environment and Public Works, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

S. 124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Safe Drinking Water Act Amendments of 1985".

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PUBLIC WATER SYSTEMS

NATIONAL PRIMARY DRINKING WATER REGULATIONS

SEC. 2. (a) Section 1412(a) of the Safe Drinking Water Act is amended to read as follows:

"(a) Effective on the date of enactment of the Safe Drinking Water Act Amendments of 1985, each national interim primary drinking water regulation promulgated under this section before such date of enactment shall be deemed to be a national primary drinking water regulation under subsection (b). No such regulation shall be required to comply with the standards set forth in subsection (b)(2) unless such regulation is amended to establish a different maximum contaminant level after the date of enactment of such amendments.".

(b) Section 1412(b) of the Safe Drinking Water Act is amended by striking paragraphs (1), (2), and (3), and inserting in lieu thereof the following:

["(b)(1)(A) In the case of the 14 contaminants listed in the Advance Notice of Proposed Rulemaking published in volume 47, Federal Register, page 9352, not later than 15 months after the date of enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall—

["(i) simultaneously propose maximum contaminant level goals and national primary drinking water regulations and, after opportunity for public comment, simultaneously publish maximum contaminant level goals and promulgate national primary drinking water regulations for those contaminants which may have any adverse effect on the health of persons; or

["(ii) make and publish in the Federal Register a determination that promulgation of a national primary drinking water regulation is not justified under the criterion in

clause (i). Such determination by the Administrator shall be considered a final agency action for purposes of judicial review under chapter VII of title V of the United States Code.

["(B) In the case of each of the contaminants listed in the Advance Notice of Proposed Rulemaking published in volume 48, Federal Register, page 45502, not later than 36 months after the date of enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall—

["(i) simultaneously propose maximum contaminant level goals and national primary drinking water regulations and, after opportunity for public comment, simultaneously publish maximum contaminant level goals and promulgate national primary drinking water regulations for those contaminants which may have any adverse effect on the health of persons; or

["(ii) make and publish in the Federal Register a determination that promulgation of a national primary drinking water regulation is not justified under the criterion in clause (i). Such determination by the Administrator shall be considered a final agency action for purposes of judicial review under chapter VII of title V of the United States Code.

["(C)(i) The Administrator shall publish maximum contaminant level goals and simultaneously promulgate national primary drinking water regulations for each substance (other than a substance referred to in subparagraph (A) or (B) for which a national primary drinking water regulation was promulgated) which, in the judgment of the Administrator, may have any adverse effect on the health of persons. On January 1, 1988, and at annual intervals thereafter, the Administrator shall publish a list establishing priorities for the review of substances (other than substances referred to in subparagraph (A) or (B)) which may require regulation under this Act in order to prevent known or anticipated adverse effects on the health of persons. Such priorities shall be based upon the extent to which such contaminant occurs in public water systems throughout the United States or on the known or anticipated adverse effects of such substance on the health of persons. In establishing such priorities the Administrator's consideration shall include, but not be limited to, substances regulated as toxic water pollutants under section 307 of the Clean Water Act and substances registered as pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act.

["(ii) For each contaminant listed on the priority list, the Administrator shall, within 3 years of listing—

["(I) simultaneously propose a maximum contaminant level goal and a national primary drinking water regulation and, after opportunity for public comment, simultaneously publish a maximum contaminant level goal and promulgate a national primary drinking water regulation for those contaminants which may have any adverse effect on the health of persons; or

["(II) make and publish in the Federal Register a determination that promulgation of a national primary drinking water regulation is not justified under the criterion in subclause (I). Such determination by the Administrator shall be considered a final agency action for purposes of judicial review under chapter VII of title V of the United States Code.]

"(b)(1) In the case of those contaminants listed in the Advance Notice of Proposed Rulemaking published in volume 47, Federal Register, page 9352, and in volume 48, Federal Register, page 45502, the Administrator shall simultaneously publish maximum contaminant level goals and promulgate national primary drinking water regulations—

"(A) not later than 12 months after the date of enactment of the Safe Drinking Water Act Amendments of 1985 for not less than 9 of those listed contaminants;

"(B) not later than 24 months after the date of enactment for not less than 40 of those listed contaminants; and

"(C) not later than 36 months after the date of enactment for the remainder of such listed contaminants.

"(2)(A) Not later than January 1, 1988, and at three year intervals thereafter, the Administrator shall publish a list of contaminants which, in the judgment of the Administrator, may have an adverse effect on the health of persons and are known or anticipated to occur in public water systems.

"(B) For the purpose of establishing such list, the Administrator shall form an advisory working group including members from the National Toxicology Program and the Environmental Protection Agency's Offices of Drinking Water, Pesticides, Toxic Substances, Ground Water, Solid Waste and Emergency Response and any others the Administrator deems appropriate. The Administrator's consideration of priorities shall include, but not be limited to, substances referred to in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act, and substances registered as pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act.

"(C) Not later than 24 months after listing, the Administrator shall simultaneously propose a maximum contaminant level goal and a national primary drinking water regulation for not less than 25 contaminants from the priority list established under paragraph (2).

"(D) Not later than 36 months after listing, the Administrator shall simultaneously publish a maximum contaminant goal and promulgate a national primary drinking water regulation for those contaminants identified under subparagraph (C).

["(2)] *"(3)* Each maximum contaminant level goal established under this subsection shall be set at the level at which no known or anticipated adverse effects on the health of persons occur and which allows an adequate margin of safety. Each national primary drinking water regulation for a contaminant for which a maximum contaminant level goal is established under this subsection shall specify a maximum level for such contaminant which is as close to the maximum contaminant level goal as is feasible.

["(3) The Administrator may, after opportunity for public comment, change maximum contaminant level goals, or the list established under paragraph (C), and shall simultaneously with such change, amend the national primary drinking water regulations concerned accordingly.]

"(4) For the purposes of this subsection, the term 'feasible' means feasible with the use of the best technology, treatment techniques and other means which the Administrator finds, after examination for efficacy under field conditions and not solely under laboratory conditions, are available (taking cost into consideration). For the purpose of paragraph (2), the use of granular activated carbon is available (taking costs into consideration) for the control of synthetic organic chemicals, and any technology, treatment technique, or other means found to be the best available for the control of synthetic organic chemicals must be at least as effective in controlling synthetic organic chemicals as the use of granular activated carbon.

"(5) Each national primary drinking water regulation which establishes a maximum contaminant level shall list the technology, treatment techniques, and other means which the Administrator finds to be feasible for purposes of meeting such maximum contaminant level, but a primary drinking water regulation under this paragraph shall not require that a specified technology, treatment technique, or other means be used for purposes of meeting such *maximum* contaminant level.

"(6)(A) The Administrator is authorized to promulgate a national primary drinking water regulation that requires the use of a treatment technique in lieu of establishing a maximum contaminant level, if the Administrator makes a finding that it is not economically or technologically feasible to ascertain the level of the contaminant. In such case, the Administrator shall identify those treatment techniques which, in the Administrator's judgment, would prevent known or anticipated adverse effects on the health of persons to the extent feasible. Such regulations shall specify each treatment technique known to the Administrator which meets the requirements of this paragraph, but the Administrator may grant a variance from any such specified treatment technique in accordance with section 1415(a)(3).

"(B) If any contaminant referred to in paragraphs (b)(1) (A) or (B) is listed under this paragraph (and a national primary drinking water regulation requiring the use of treatment techniques is simultaneously promulgated under this paragraph for such contaminant), the listing and promulgation under this paragraph shall be made on the date referred to in paragraphs (b)(1) (A) or (B) for the establishment of primary drinking water regulations.

"(C)(i) Not later than [12] *18* months after the enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall propose and promulgate national primary drinking water regulations specifying criteria under which filtration (including coagulation and sedimentation, as appropriate) is required as a treatment technique for public water systems supplied by surface water sources. In promulgating such rules, the Administrator shall consider the quality of source waters, protection afforded by watershed management, treatment practices (such as disinfection and length of water storage) and other factors relevant to protection of health.

"(ii) In lieu of the provisions of section 1415 the Administrator shall specify procedures by which the State determines which public water systems within its jurisdiction shall adopt filtration under the criteria of clause (i). The State may require the public water system to provide studies or other information, to assist in this determination. The procedures shall provide notice and opportunity for public hearing on this determination. If the State determines that filtration is required, the State shall prescribe a schedule for compliance by the public water system with the filtration requirement. A schedule shall require compliance [as expeditiously as practicable (as the State may reasonably determine.)] *within 18 months of a determination made under clause (iii).*

"(iii) Within 18 months from the time that the Administrator establishes the criteria and procedures in this subparagraph, a State with primary enforcement responsibility shall adopt any necessary regulations to implement this subparagraph. Within [2 years] *12 months* of adoption of such regulations the State shall make determinations regarding filtration for all the public water systems within its jurisdiction supplied by surface waters.

"(iv) If a State does not have primary enforcement responsibility for public water systems, the Administrator shall have the same authority to make the determination in clause (ii) in such State as the State would have under that clause.

"(v) Any filtration requirement or schedule under this subparagraph shall be treated as if it were a requirement of a national primary drinking water regulation.

"(D) *Not later than 36 months after the enactment of the Safe Drinking Water Act Amendments of 1985,* [The] *the* Administrator shall propose and promulgate regulations requiring disinfection as a treatment technique for all public water systems[. The] *and the* Administrator shall *simultaneously* promulgate a rule specifying criteria that will be used by the Administrator or delegated State authorities to grant variances from this requirement according to the provisions of sections 1415(a)(1)(B) and 1415(a)(3)[, prior to implementation of this paragraph]. The Administrator or the delegated State authority shall, to the extent feasible, provide technical assistance to small public water systems in complying with this [subsection] *subparagraph.*".

(c) Paragraphs (4) and (5) of section 1412(b) of the Safe Drinking Water Act are amended by striking "Revised national" both times the words occur and inserting both times in lieu thereof "National". Paragraphs (4), (5), and (6) of section 1412(b) of the Safe Drinking Water Act are redesignated as paragraph (7), (8), and (9) respectively.

(d) Paragraph (7) of the Safe Drinking Water Act as redesignated by subsection (c), is amended by adding at the end thereof the following: "Such review shall include an analysis of innovations or changes in technology, treatment techniques or other activities that have occurred over the previous three-year period and that may provide for greater protection of the health of persons and the findings of such review shall be published in the Federal Register. If, after opportunity for public comment, the Administrator concludes that changes in technology, treatment techniques or other means are not available to permit greater protection of the health of persons than that afforded by the existing regulations, an explanation of such conclusion, shall be published in the Federal Register.".

[(d)] *(e)* Section 1412(e) of the Safe Drinking Water Act is amended to read as follows:

"(e) The Administrator shall provide the Science Advisory Board, established under the Environmental Research, Development and Demonstration Act of 1978, an opportunity to comment prior to proposal *or during the public comment period* [of] *on* a maximum contaminant level goal and national primary drinking water regulation.".

ENFORCEMENT

SEC. 3. (a) Section 1414(a)(1)(A) of the Safe Drinking Water Act is amended by inserting "and such public water system" after the words "notify the State".

(b) Section 1414(a)(1)(B) of the Safe Drinking Water Act is amended to read as follows:

"(B) If beyond the thirtieth day after the Administrator's notification the State has not commenced appropriate enforcement action, the Administrator shall issue an order under subsection (g) requiring the public water system to comply with such regulation or requirement or shall commence a civil action under subsection (b).".

(c) Section 1414(a)(2) of the Safe Drinking Water Act is amended by striking the words "he may commence a civil action under subsection (b)" and inserting the following: ["he"] *"the Administrator* shall issue an order under subsection (g) requiring the public water system to comply with such regulation or requirement or shall commence a civil action under subsection (b)".

(d) Section 1414(b) of the Safe Drinking Water Act is amended by—

(1) adding "or with an order issued under subsection (g)" after "drinking water regulation" in the first sentence;

(2) deleting "willful" immediately after "there has been a" in the second sentence; and

(3) striking "$5,000" and substituting "$25,000".

[(d)] *(e)* Section 1414 of the Safe Drinking Water Act is amended by adding at the end thereof the following new subsection:

"(g)(1) In any case in which the Administrator is authorized to bring a civil action under this section with respect to any regulation, schedule, or other requirement, the Administrator also may issue an order to require compliance with such regulation, schedule, or other requirement.

"(2) An order issued under this subsection shall not take effect until after notice and opportunity for public hearing and, in the case of a State having primary enforcement responsibility, until after the Administrator has provided the State with an opportunity to confer with the Administrator regarding the proposed order. A copy of any order proposed to be issued under this subsection shall be sent to the appropriate State agency of the State involved if the State has primary enforcement responsibility for public water systems in that State. Any order issued under this subsection shall state with reasonable specificity the nature of the violation. In any case in which an order under this subsection is issued to a corporation, a copy of such order shall be issued to appropriate corporate officers.

"(3)(A) Any person who violates, fails, or refuses to comply with an order under paragraph (2) shall be liable to the United States for a civil penalty of not more than $25,000 per day of violation.

"(B) Whenever any civil penalty sought by the Administrator under this paragraph does not exceed a total of $5,000, the penalty shall be assessed by the Administrator after notice and opportunity for a hearing on the record in accordance with section 554 of title 5 of the United States Code. [The Administrator shall have the discretion to compromise, modify, or remit, with or without conditions, any civil penalty assessed under this subsection against any person.]

"(C) Whenever a civil penalty sought by the Administrator exceeds $5,000, the penalty shall be assessed by a civil action brought by the Administrator in the appropriate United States district court (as determined under the provisions of title 28 of the United States Code).

"(D) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Administrator, the Attorney General shall recover the amount for which such person is liable in any appropriate district court of the United States. In any such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.".

(e) Section 1414 of the Safe Drinking Water Act is amended by striking the words "Failure by State to Assure" from the title.

PUBLIC NOTIFICATION

SEC. 4. (a) Section 1414(c) of the Safe Drinking Water Act is amended by striking everything after the sentence "The Administrator shall by regulation prescribe the form, manner, and frequency for giving notice under this subsection." to the sentence beginning "The Administrator may also require" and inserting the following: "Within [12] *18* months after the date of enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall amend such regulations to provide for different types and frequencies of notice based on the differences between violations which are intermittent or infrequent and violations which are continuous or frequent. Such regulations shall also take into account the seriousness of any potential adverse health effects which may be involved. [Notice of any violation of a maximum contaminant level and any other notice of a violation designated by the Administrator as continuous or posing a serious potential adverse health effect shall be given no less frequently than every three months and in no case shall notice be given less frequently than annually. Such notice shall include notification in a newspaper of general circulation serving the area served by the public water system. Notice under this subsection shall provide a clear and readily understandable explanation of the violation, the steps that the system is taking to] *Notice of any violation of a maximum contaminant level or any other violation designated by the Administrator as posing a serious potential adverse health effect shall be given as soon as possible, but in no case later than 14 days after the violation. Notice of a continuous violation of a regulation other than a maximum contaminant level shall be given no less frequently than every three months. Notice of violations judged to be less serious shall be given no less frequently than annually. Notification of such violations to affected persons shall be as prompt as possible and shall include notification by newspaper and shall include, unless inappropriate, a press release to electronic media and individual mailings. Notice under this subsection shall provide a clear and readily understandable explanation of the violation, any potential adverse health effects, the steps that the system is taking to* correct such violation, and the necessity for seeking alternative water supplies, if any, until the violation is corrected. Until such amended regulations are promulgated, the regulations in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1985 shall remain in effect.".

VARIANCES

SEC. 5. (a) Section 1415(a)(1)(A) of the Safe Drinking Water Act is amended by striking the word "despite" and inserting in lieu thereof the following: ". A variance may only be issued to a system after the system's".

(b) Section 1415(a)(1)(A) of the Safe Drinking Water Act is amended by striking the word "best" before technology; by striking the word "generally" before the word

"available" and inserting in lieu thereof the [word "best";] *words "the best";* and by adding after "(taking costs into consideration)." the following: "The Administrator shall propose and promulgate his finding of the best available technology, treatment techniques or other means available for each contaminant for purposes of this subsection at the time he proposes and promulgates a maximum contaminant level for each such contaminant. The Administrator's finding of best available technology, treatment techniques or other means for purposes of this subsection may vary depending on the number of persons served by the system or for other physical conditions related to engineering feasibility and costs of compliance with maximum contaminant levels as considered appropriate by the Administrator.".

(c) Section 1415(a)(1)(A) of the Safe Drinking Water Act is amended by striking the words "within one year of the date" and inserting in lieu thereof "at the time".

(d) Section 1415(a)(1)(A)(ii) of the Safe Drinking Water Act is amended by adding after the words "water system of such" the word "additional".

EXEMPTIONS

SEC. 6. (a) Section 1416(b)(1) of the Safe Drinking Water Act is amended by striking the words "within one year of the date" and inserting in lieu thereof "at the time".

(b) Section 1416(b)(2)(A)(i) of the Safe Drinking Water Act is amended by striking the word "interim" and striking the words "not later than January 1, 1984" and inserting in lieu thereof "not later than 12 months after the date of enactment of the Safe Drinking Water Act Amendments of 1985".

(c) Section 1416(b)(2)(A)(ii) of the Safe Drinking Water Act is amended by striking the word "revised"; and by striking the words "not later than seven years after the date such requirement takes effect" and inserting in lieu thereof "other than a regulation referred to in section 1412(a), 12 months after the date of the issuance of the exemption".

(d) Section 1416(b)(2)(B) of the Safe Drinking Water Act is amended to read as follows:

"(B) The final date for compliance provided in any schedule in the case of any exemption may be extended by the State (in the case of a State which has primary enforcement responsibility) or by the Administrator (in any other case) for a period not to exceed 3 years after the date of the issuance of the exemption if the public water system establishes that—

"(i) the system cannot meet the standard without capital improvements which cannot be completed within the period of such exemption;

"(ii) in the case of a system which needs financial assistance for the necessary improvements, the system has entered into an agreement to obtain such financial assistance; or

"(iii) the system has entered into an enforceable agreement to become a part of a regional public water system; and

the system is taking all practicable steps to meet the standard.

"(C) In the case of a system which does not serve more than 500 service connections and which needs financial assistance for the necessary improvements, an exemption granted under subsection (b)(2)(A) (i) or (ii) may be renewed for one or more additional 2-year periods if the system establishes that it continues to meet the requirements of subsection (B).".

MONITORING FOR UNREGULATED CONTAMINANTS

SEC. 7. (a) Section 1445(a) of the Safe Drinking Water Act is amended by adding at the end thereof the following: "In requiring a public water system to monitor under this subsection, the Administrator may take into consideration the system size and the contaminants likely to be found in the system's drinking water.".

(b) Section 1445(a) of the Safe Drinking Water Act is amended by adding "(1)" after "(a)" and adding the following at the end thereof:

"(2) Not later than 18 months after date of enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall promulgate regulations for every public water system to conduct a monitoring program for unregulated contaminants. Such regulations shall require monitoring of drinking water supplied by the system, and shall vary the frequency and schedule of monitoring requirements for systems based on the number of persons served by the system, the source of supply, and the contaminants likely to be found. Each system shall be required to monitor at least once within 5 years of the effective date of such regulations unless the Administrator requires more frequent monitoring.".

"(3) Regulations under paragraph (2) shall list unregulated contaminants for which systems may be required to monitor, and shall include criteria by which the primary enforcement authority in each State could show cause for deletion of a contaminant from the designated list. The primary State enforcement authority may delete contaminants for an individual system, in accordance with these criteria, with an approved assessment of the contaminants potentially to be found in the system. [Any such State must submit an assessment to the Administrator which shall be regarded as approved 60 days after its submission unless the Administrator disapproves the assessment.] *The Administrator shall approve or disapprove such an assessment submitted by a State within 90 days.*

"(4) Public water systems conducting monitoring of unregulated contaminants pursuant to this section shall provide the results of such monitoring to the primary enforcement authority.

["(4)] *"(5)* Notification of the availability of the results of such monitoring program required under paragraph (2), and notification of the availability of the results of the monitoring program referred to in paragraph (5), shall be given to the persons served by the system and the Administrator.

["(5)] *"(6)* The Administrator may waive the monitoring requirement of this subsection for a system which has conducted a monitoring program after January 1, 1983, if the Administrator determines the program to have been consistent with the regulations promulgated under this section.

["(6)] *"(7)* Any system supplying less than 150 service connections shall be regarded as complying with this subsection if such system provides water samples *or the opportunity for sampling* according to the rules established by the Administrator. There are authorized to be appropriated $30,000,000 in the fiscal year ending September 30, 1986 to remain available until expended to carry out the provisions of this subsection.".

TECHNICAL ASSISTANCE

SEC. 8. (a) Section 1442 of the Safe Drinking Water Act is amended by adding the following new subsection:

"(g) The Administrator is authorized to provide technical assistance to small public water systems *or water systems of Indian tribal organizations* to enable such systems to achieve and maintain compliance with national drinking water regulations. Such assistance may include 'circuit-rider' programs, training, and preliminary engineering studies. There are authorized to be appropriated to carry out this subsection $10,000,000 for each of the fiscal years 1986 through [1989.] *1990. Of this sum, at least 5 per centum shall be utilized for technical assistance to Indian tribal organizations.*".

TAMPERING WITH PUBLIC WATER SYSTEMS

SEC. 9. Part D of the Safe Drinking Water Act is amended by adding the following new section at the end thereof:

"TAMPERING WITH PUBLIC WATER SYSTEMS

"SEC. 1432. (a) Any person who tampers with a public water system shall be fined not more than $50,000, or imprisoned for not more than 5 years, or both.

"(b) Any person who attempts to tamper, or makes a threat to tamper, with a public drinking water system shall be fined not more than $20,000, or imprisoned for not more than 3 years, or both.

"(c) The Administrator may bring a civil action in the appropriate United States district court (as determined under the provisions of title 28 of the United States Code) against any person who tampers, attempts to tamper, or makes a threat to tamper with a public water system. The court may impose on such person a civil penalty of not more than $50,000 for such tampering or not more than $20,000 for such attempt or threat.

"(d) For the purposes of this section, the term 'tamper' means—

"(1) to introduce a contaminant into a public water system with the intention of harming persons; or

"(2) to otherwise interfere with the operation of a public water system with the intention of harming persons.".

PROTECTION OF UNDERGROUND SOURCES OF DRINKING WATER

RESTRICTIONS ON UNDERGROUND INJECTION OF HAZARDOUS WASTE AND REGULATION OF STATE PROGRAMS

SEC. 10. (a) Section 1421(b)(2)(A), section 1422(c)(1), and section 1425(a)(1) of the Safe Drinking Water Act are each amended by inserting "or natural gas storage operations" after "production".

(b) Part C of the Safe Drinking Water Act is amended by adding at the end thereof the following new [sections] *section:*

["PROHIBITION ON HAZARDOUS WASTE INJECTION

["SEC. 1426. (a) No hazardous waste may be disposed of by underground injection—

["(1) into a formation which contains (within one-quarter mile of the well used for such underground injection) an underground source of drinking water; or

["(2) above such a formation.

The prohibitions established under this section shall take effect 6 months after the enactment of the Hazardous and Solid Waste Amendments of 1984 except in the case of any State in which identical or more stringent prohibitions are in effect before such date. The prohibition established under this subsection shall be treated for purposes of this Act as a prohibition established pursuant to an applicable underground injection program.

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[“(b) Subsection (a) shall not apply to the injection of contaminated ground water into the aquifer from which it was withdrawn, if—

[“(1) such injection is—

[“(A) a response action taken under section 104 or 106 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or

[“(B) part of corrective action required under the Solid Waste Disposal Act intended to clean up such contamination;

[“(2) such contaminated ground water is treated to substantially reduce hazardous constituents prior to such injection; and

[“(3) such response action or corrective action will, upon completion, be sufficient to protect human health and the environment.

[“(c)(1) Each State which assumes primary enforcement responsibility under this Act shall adopt a program to carry out the prohibition established under paragraphs (1) and (2) of subsection (a) (unless such State has adopted and is carrying out a more stringent prohibition).

[“(2) The Administrator shall promulgate regulations to carry out the prohibitions established under paragraphs (1) and (2) of subsection (a) for each State which is not exercising primary enforcement responsibility under this Act for enforcement of such prohibitions.

[“(d) The term ‘hazardous waste’ as used in this section means any hazardous waste, as defined in the Solid Waste Disposal Act, which is listed or identified under section 3001 of that Act.”.]

“REGULATION OF STATE PROGRAMS

“SEC. [1427] *1426.* (a) No later than 18 months after enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall revise regulations issued under this Act to require ground water monitoring at locations and in such a way that would provide the earliest possible detection of fluid migration into, or in the direction of, underground drinking water sources from a class I injection well unless the Administrator or delegated State authority concludes, on the basis of the applicant’s demonstration, that such monitoring is not necessary because no potential exists for migration from the injection zone that may be harmful to human health or the environment.

“(b) The Administrator shall submit a report to Congress no later than September 1987, summarizing the results of State surveys, currently required by the Administrator, 3 years after the delegation of the program, under this section to a primary State enforcement authority. The report shall include the following information:

“(1) the numbers and categories of class V wells which discharge nonhazardous waste into or above an underground source of drinking water,

“(2) the primary contamination problems associated with different categories of these disposal wells, and

“(3) recommendations for minimum design, construction, installation, and siting requirements that should be applied to protect [ground water] *underground sources of drinking water* from such contamination wherever necessary.”.

(c)(1) Section 7010(c) of the Solid Waste Disposal Act is amended by striking “sections 7002 and 7003 of this Act” and inserting in lieu thereof “the provisions of this Act”.

(2) Section 7010 of the Solid Waste Disposal Act is renumbered as section 3020 and inserted after section 3019 of such Act.

ENFORCEMENT

SEC. 11. (a)(1) Section 1423(a)(1) of the Safe Drinking Water Act is amended by striking out all after the first sentence and substituting the following: “If beyond the thirtieth day after the Administrator’s notification the State has not commenced appropriate enforcement action, the Administrator shall issue an order under subsection (d) requiring the person to comply with such requirement or shall commence a civil action under subsection [(b)(1).”] *(b).”.*

(2) Section 1423(a)(2) of the Safe Drinking Water Act is amended by striking the words “he may commence a civil action under subsection (b)(1)” and substituting the following: [“he] *the Administrator* shall issue an order under subsection (d) requiring the person to comply with such requirement or shall commence a civil action under subsection [(b)(1).”] *(b).”.*

[(3) Section 1423(b)(1) of the Safe Drinking Water Act is amended by striking out the first sentence thereof and substituting the following: “Civil actions referred to in paragraphs (1) and (2), subsection (a) shall be brought in the appropriate United States district court and such court shall have jurisdiction to require compliance with any requirement of an applicable underground injection program.”.

[(b) Section 1423(b)(1) of the Safe Drinking Water Act is amended by striking in the last sentence “$5,000” and substituting “$25,000” and striking “60” and substituting “30”.

[(c) Section 1423 of the Safe Drinking Water Act is amended by adding the following new subsection at the end thereof:

[“(d)(1) In any case in which the Administrator is authorized to bring a civil action under this section with respect to any requirement of an applicable underground injection control program, the Administrator may also issue an order to require compliance with such requirement.

[“(2) An order issued under this subsection shall not take effect until after notice and opportunity for public hearing and, in the case of a State having primary enforcement responsibility for underground water sources (within the meaning of section 1422(b)(3) or 1425(c)) until after the Administrator has provided the State with an opportunity to confer with the Administrator regarding the proposed order. A copy of any order proposed to be issued under this subsection shall be sent to the appropriate State agency involved if the State has primary enforcement responsibility. Any order issued under this subsection shall state with reasonable specificity the nature of the violation. In any case in which an order under this subsection is issued to a corporation, a copy of such order shall be issued to appropriate corporate officers.

[“(3)(A) Any person who violates, or fails or refuses to comply with an order under paragraph (2) shall be liable to the United States for a civil penalty of not more than $25,000 per day of violation.

[“(B) Whenever the civil penalty sought by the Administrator under this paragraph does not exceed $5,000, the penalty shall be assessed by the Administrator after notice and opportunity for a hearing on the record in accordance with section 554 of title 5 of the United States Code. The Administrator shall have the discretion to compromise, modify, or remit, with or without conditions, any civil penalty assessed under this subsection against any person.

[“(C) Whenever the civil penalty sought by the Administrator under this paragraph exceeds $5,000, the penalty shall be assessed by a civil action brought by the Administrator in the appropriate United States district court (as determined under the provisions of title 28 of the United States Code).

[“(D) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Administrator, the Attorney General shall recover the amount for which such person is liable in any appropriate district court of the United States. In any such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.”.]

(b) Section 1423(b) of the Safe Drinking Water Act is amended to read as follows:

“(b) Civil actions referred to in paragraphs (1) and (2) of subsection (a) shall be brought in the appropriate United States district court and such court shall have jurisdiction to require compliance with any requirement of an applicable underground injection program or an order issued under subsection (c). The court may enter such judgment as protection of public health may require. Any person who violates any requirement of an applicable underground injection control program (A) shall be subject to a civil penalty of not more than $25,000 for each day of such violation, and (B) if such violation is willful, such person may, in addition to or in lieu of the civil penalty authorized by clause (A), be fined not more than $25,000 for each day of such violation, or imprisoned for not more than three years, or both.”.

(c) Section 1423 of the Safe Drinking Water Act is amended by inserting the following new subsection immediately after subsection (b) and redesignating the succeeding subsection accordingly:

“(c)(1) ADMINISTRATIVE ORDERS FOR OTHER THAN OIL OR NATURAL GAS INJECTION WELL OPERATORS.—In any case in which the Administrator is authorized to bring a civil action under this section with respect to any regulation or other requirement of this part other than those relating to (A) the underground injection of brine or other fluids which are brought to the surface in connection with oil or natural gas production, or (B) any underground injection for the secondary or tertiary recovery of oil or natural gas, the Administrator may also issue an order under this subsection either assessing a civil penalty of not more than $25,000 per day for each violation for any past or current violation, up to a maximum administrative penalty of $125,000, or requiring compliance with such regulation or other requirement, or both.

“(2) ADMINISTRATIVE ORDERS FOR OIL OR NATURAL GAS INJECTION WELL OPERATORS.—In any case in which the Administrator is authorized to bring a civil action under this section with respect to any regulation, or other requirement of this part relating to (A) the underground injection of brine or other fluids which are brought to the surface in connection with oil or natural gas production, or (B) any underground injection for the secondary or tertiary recovery of oil or natural gas, the Administrator may also issue an order under this subsection either assessing a civil penalty of not more than $5,000 per day for each violation for any past or current violation, up to a maximum administrative penalty of $125,000, or requiring compliance with such regulation or other requirement, or both.

“(3) PROCEDURE.—(A) An order under this subsection shall be issued by the Administrator after opportunity (provided in accordance with this subparagraph) for a hearing. Before issuing the order, the Administrator shall give to the person to whom it is directed written notice of the Administrator’s proposal to issue such order and the opportunity to request, within 30 days of the date the notice is received by such person, a hearing on the order. Such hearing shall not be subject to sections 554 or 556 of title 5, United States Code, but shall provide a reasonable opportunity to be heard and to present evidence.

“(B) The Administrator shall provide public notice of, and reasonable opportunity to comment on, any proposed order.

“(C) Any citizen who comments on any proposed order under subparagraph (B) shall be given notice of any hearing held under this subsection and of any order. In any hearing held under subparagraph (A), such citizen shall have a reasonable opportunity to be heard and to present evidence. If no hearing is held prior to issuance of the order, then upon presentation by such citizen, within 30 days of issuance of the order, of evidence that such order was inadequate or improper, the Administrator shall set aside such order immediately and provide a hearing in accordance with subparagraph (A) on the proposed order.

“(D) Any order issued under this subsection shall become effective 30 days following its issuance unless an appeal is taken pursuant to paragraph (6) or the order is set aside pursuant to subparagraph (C). If a hearing request made pursuant to subparagraph (C) is denied, an order issued under this subsection shall become effective thirty days following such denial.

“(4) CONTENT OF ORDER.—(A) Any order issued under this subsection shall state with reasonable specificity the nature of the violation and may specify a reasonable time for compliance.

“(B) In assessing any civil penalty under this subsection, the Administrator shall take into account appropriate factors, including (i) the seriousness of the violation; (ii) the economic benefit (if any) resulting from the violation; (iii) any history of such violations; (iv) any good-faith efforts to comply with the applicable requirements; (v) the economic impact of the penalty on the violator; and (vi) such other matters as justice may require.

“(5) EFFECT OF ORDER.—Any violation with respect to which the Administrator has commenced and is diligently prosecuting an action, or has issued an order, under this subsection shall not be subject to an action under subsection (b) of this section or section 1424(c) or 1449 of this Act: PROVIDED, That the foregoing limitation on civil actions under section 1449 of this Act shall not apply with respect to any violation for which (i) a civil action under section 1449(a)(1) of this Act has been filed prior to commencement of an action under this subsection or, (ii) a notice of violation under section 1449(b)(1) of this Act has been given prior to commencement of an action under this subsection and an action under section 1449(a)(1) of this Act is filed prior to 120 days after such notice is given.

“(6) JUDICIAL REVIEW.—Any person against whom an order is issued or who commented on a proposed order pursuant to paragraph (3) may file an appeal of such order with the United States District Court for the District of Columbia or the district in which the violation is alleged to have occurred. Such an appeal may only be filed within the 30 day period beginning on the date the order is issued. Appellant shall simultaneously send a copy of the appeal by certified mail to the Administrator and to the Attorney General. The Administrator shall promptly file in such court a certified copy of the record on which such order was imposed. The district court shall not set aside or remand such order unless there is not substantial evidence on the record, taken as a whole, to support the finding of a violation or, unless the Administrator’s assessment of penalty or requirement for compliance constitutes an abuse of discretion. The district court shall not impose additional civil penalties for the same violation unless the Administrator’s assessment of a penalty constitutes an abuse of discretion.

“(7) COLLECTION.—If any person fails to pay an assessment of a civil penalty—

“(A) after the order becomes effective under paragraph (3), or

“(B) after a court, in an action brought under paragraph (6), has entered a final judgment in favor of the Administrator, the Administrator may request the Attorney General to bring a civil action in an appropriate district court to recover the amount assessed (plus costs, attorneys’ fees, and interest at currently prevailing rates from the date the order is effective or the date of such final judgment, as the case may be). In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

“(8) SUBPOENA.—The Administrator may, in connection with administrative proceedings under this subsection, issue subpoenas compelling the attendance and testimony of witnesses and subpoenas duces tecum, and may request the Attorney General to bring an action to enforce any subpoena under this section. The district courts shall have jurisdiction to enforce such subpoenas and impose sanction.”.

(d) Section 1423 of the Safe Drinking Water Act is amended by striking the words “FAILURE OF STATE TO ASSURE” from the title.

[CRITICAL AQUIFER PROTECTION AREA DEMONSTRATION PROGRAM]

SOLE SOURCE AQUIFER DEMONSTRATION PROGRAM

SEC. 12. Part C of the Safe Drinking Water Act is amended by adding the following new section:

[“CRITICAL AQUIFER PROTECTION AREA] *SOLE SOURCE AQUIFER* DEMONSTRATION PROGRAM

“SEC. [1428] *1427.* (a) The purpose of this section is to establish procedures for development, implementation, and assessment of demonstration programs designed to protect critical aquifer protection areas located within areas designated as sole or principal source aquifers under section 1424(e) of the Safe Drinking Water Act.

“(b) For purposes of this section, critical aquifer protection area means *all or part of* an area located within an area for which an application for designation as a sole or principal source aquifer pursuant to section 1424(e) has been submitted to or approved by the Administrator as of the date of enactment of this section and which satisfies the criteria established by the Administrator under subsection (d).

“(c)*(1)* Any State, municipal, or local government or political subdivision thereof or any planning entity (including any interstate regional planning entity) that identifies a critical aquifer protection area over which it has authority or jurisdiction may apply to the Administrator for the selection of such area for a demonstration program under subsection (e). Any applicant shall consult with other [appropriate] government or planning entities with authority or jurisdiction in such area prior to application. The application shall include a certification by the Governor that the plan is consistent with State laws, regulations, and policies.

“(2) Applicants, other than the Governor, in any State in which any Federal funds under section 208 of the Clean Water Act have been expended prior to the date of enactment of this section for planning to protect a sole source aquifer designated under section 1424(e) of this Act shall: (A) submit the application for a demonstration program jointly with the Governor and (B) shall obtain the approval of any plan developed or implemented under subsection (g) of this section from the Governor prior to submission to the Administrator.

“(d) Within [12] *16* months of the date of enactment of this section, the Administrator shall, by rule, establish criteria for identifying critical aquifer protection areas under this section. In establishing such criteria, the Administrator shall consider the following:

[“(1) the existence of one or more recharge zones through which significant volumes of ground water flow to an underground source of drinking water;]

“(1) the vulnerability of the aquifer to contamination due to hydrogeologic characteristics;

“(2) the number of persons or the proportion of population using the ground water as a drinking water source;

[“(3) the availability of alternative supplies of drinking water;

[“(4) the vulnerability of the aquifer to contamination due to hydrogeologic characteristics;]

“[(5)] *(3)* the economic, social and [ecological] *environmental* benefits that would result to the area from maintenance of [high quality] *ground* water [recharging the aquifer] *of high quality*; and

“[(6)] *(4)* the economic, social, and [ecological] *environmental* costs that would result from degradation of the quality of [recharging water] *the ground water.*

“(e) An application submitted to the Administrator by any applicant shall propose boundaries for the critical aquifer protection area within their jurisdiction and [may] *shall* include a *plan proposal or a* comprehensive management plan for the proposed protection area. [Such plan shall be designed to maintain the quality of the ground water in the critical protection area through maintenance, to the maximum extent possible, of the natural vegetative and hydrogeological conditions.] *A plan approved prior to the date of enactment under section 208 of the Clean Water Act to protect a sole source aquifer designated under section 1424(e) of this Act shall be considered a comprehensive management plan for the purposes of this section. The objectives of such plan shall be to maintain the quality of the ground water in the critical aquifer protection area in a manner reasonably expected to protect human health, the environment, and the ground water resources.* The following elements [may] *shall* be included in such a protection plan:

“(A) a map showing the detailed boundary of the critical protection area;

[“(B) a determination of the quality and quantity of the ground water recharged within the critical protection area;]

"(B) a hydrogeologic assessment of surface and ground water resources within the critical protection area;

"(C) an identification of existing and potential point and nonpoint sources of ground water degradation; [, ground water flow patterns, and the relationship between surface water management and ground water quality and recharge;

["(D) a resource assessment of the amount, location, and type of human development and activity which the ecosystem can sustain while still maintaining existing ground and surface water quality and protecting unique ecological features related to maintenance of water quality;]

"(D) an assessment of the relationship between activities on the land surface and ground water quality;

"(E) specific actions and management practices to be implemented in the critical protection area to prevent adverse impacts on *ground* water quality [and recharge capabilities];

["(F) a program for State and/or local implementation of the plan in a manner that will insure the continued, uniform, consistent protection of the critical protection area in accord with the purposes of this section;]

"(F) identification of authority adequate to implement the plan, estimates of program costs, and sources of State matching funds.

["(G) adequate personnel, funding, and authority to carry out the plan;

["(H) proposed limits on activities and projects financially assisted by Federal, State, or local government which may contribute to degradation of such ground water or any loss of natural surface and subsurface infiltration or purification capability of the critical protection area watershed;

["(I) consideration of specific techniques, which may include clustering, transfer of development rights, and other innovative measures sufficient to achieve the objectives of this section;

["(J) consideration of the establishment of a State institution to facilitate and assist in funding a development transfer credit system.]

"(f) Within 120 days after receipt of an application under this section, the Administrator must approve or disapprove the application based on a determination that the critical protection area satisfies the criteria established under subsection (d) and that a demonstration program for the area would provide [a useful model for other ground water protection programs] *protection for ground water quality consistent with the objectives stated in subsection (e).* Any petitioner may modify and resubmit any application which is not approved. Upon approval of an application, the Administrator may enter into a cooperative agreement with the applicant to establish a demonstration program. Such program shall include the development and implementation of a plan for the protection of the ground water recharged through the critical aquifer protection area.

"(g) Upon entering a cooperative agreement under subsection (e), the Administrator may provide to the applicant, on a matching basis, a grant of 50 per centum of the costs of developing and implementing the plan established under this section. The total amount of grants under this section for any one aquifer, designated under section 1424(e), shall not exceed [$2,000,000] *$4,000,000* in any fiscal year.

"(h) No funds authorized under this subsection may be used to fund activities funded under other sections of this Act or the Clean Water Act, the Solid Waste Disposal Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or other Federal statutes.

"(i) No funds authorized to be appropriated under this section may be used to clean up [individual] *any source of contamination or to bring any* [sources] *source* of contamination [or to bring such sources] into compliance with Federal, State, or local statutes.

"(j) No later than December 31, 1989, each State shall submit to the Administrator a report assessing the impact of the program on ground water quality and identifying those measures found to be effective in protecting groundwater resources. No later than September 30, 1990, the Administrator shall submit to Congress a report summarizing the State reports, and assessing the accomplishments of the sole source aquifer demonstration program including an identification of protection methods found to be most effective and recommendations for their application to protect ground water resources from contamination wherever necessary.

["(j)] *"(k)* Nothing under this section shall be construed to amend, supersede or abrogate rights to quantities of water which have been established by interstate water compacts, Supreme Court decrees, or State water laws; or any requirement imposed or right provided under any Federal or State environmental or public health statute.

["(k)] *"(l)* There are authorized to be appropriated for the purposes of this section [$25,000,000] *$20,000,000* for each of the fiscal years [1986] *1987* through [1989.".] *1990.".*

GENERAL PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

Sec. 13. (a) Section 1442(f) of the Safe Drinking Water Act is amended by inserting the following at the end thereof: "There are authorized to be appropriated to carry out subsection (a)(2)(B), [$9,600,000 for the fiscal year 1985,] $11,300,000 for the fiscal year 1986, $11,300,000 for the fiscal year 1987, $11,300,000 for the fiscal year 1988, and $11,300,000 for the fiscal year 1989 *and $11,300,000 for the fiscal year 1990.* There are authorized to be appropriated to carry out the provisions of this section (other than subsection (g), subsection (a)(2)(B), and provisions relating to research), [$42,000,000 for the fiscal year 1985,] $47,000,000 for the fiscal year 1986, $47,000,000 for the fiscal year 1987, $47,000,000 for the fiscal year 1988, [and] $47,000,000 for the fiscal year 1989 *and $47,000,000 for the fiscal year 1990.".*

(b) Section 1443(a)(7) of the Safe Drinking Water Act is amended by adding the following at the end thereof: "For the purposes of making grants under paragraph (1) there are authorized to be appropriated [$40,000,000 for the fiscal year 1985,] $45,000,000 for the fiscal year 1986, $45,000,000 for the fiscal year 1987, $45,000,000 for the fiscal year 1988, [and] $45,000,000 for the fiscal year 1989 *and $45,000,000 for the fiscal year 1990.".*

(c) Section 1443(b)(5) of the Safe Drinking Water Act is amended by adding the following at the end thereof: "For the purpose of making grants under paragraph (1) there are authorized to be appropriated [$25,000,000 for the fiscal year 1985,] $28,000,000 for the fiscal year 1986, $28,000,000 for the fiscal year 1987, $28,000,000 for the fiscal year 1988, [and] $28,000,000 for the fiscal year 1989 *and $28,000,000 for the fiscal year 1990.".*

(d) Section 1441(f) of the Safe Drinking Water Act is amended by striking out "in effect" and all that follows and substituting "in effect for more than one year.".

INDIAN TRIBAL ORGANIZATION

Sec. 14. (a) Section 1401 of the Safe Drinking Water Act is amended by inserting the following after subsection 13:

"(14) The term 'Indian tribal organization' means any Indian tribe, band, nation, or other organized group or community (including any Alaska Native village, but not including any Alaska Native regional or village corporation) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.".

(b) The Administrator, in cooperation with the Director of the Indian Health Service, shall, within 12 months of enactment, conduct a survey of drinking water on Indian reservations, identifying drinking water problems and the need, if any, for alternative drinking water supplies.

(c) The Administrator is authorized to make special provision for the treatment of Indian tribes under this Act, including the treatment of Indian tribes as States to the degree necessary to carry out the purposes of this Act. Such special provision may include the direct provision of funds to the governing bodies of Indian tribes, and the determination of priorities by Indian tribes, where not determined by the Administrator in cooperation with the Director of the Indian Health Service. The Administrator is authorized to reduce the non-Federal share otherwise required under section 1443 with respect to Indian tribes, as determined by the Administrator in cooperation with the Director of the Indian Health Service.

JUDICIAL REVIEW

Sec. 15. (a) Section 1448(a) of the Safe Drinking Water Act is amended to read as follows:

"JUDICIAL REVIEW

"Sec. 1448. (a)(1) A petition for review of—

"(A) action of the Administrator in promulgating any national primary drinking water regulation under section 1412, any regulation under section 1413(b), any regulation under section 1414(c), any regulation for State underground injection control programs under section 1421, or any general regulation for the administration of this title may be filed in the United States Court of Appeals for the District of Columbia, or in any United States court of appeals for a circuit in which the petitioner resides or transacts business which is directly affected by such action; and

"(B) action of the Administrator in promulgating any other regulation under this title, issuing any order under this title, or making any determination under this title may be filed only in the United States court of appeals for a circuit in which the petitioners resides or transacts business which is directly affected by such action.

Any such petition shall be filed within the 120-day period beginning on the date of the promulgation of the regulation or issuance of the order with respect to which review is sought or on the date of the determination with respect to which review is sought, or after such date only if the petition is based solely on grounds which arose after such one hundred and twentieth day. Action of the Administrator with respect to which review could have been obtained under this subsection shall not be subject to judicial review in any civil or criminal proceeding for enforcement or in any civil action to enjoin enforcement.

"(2)(A) If petitions for review of the same agency action have been filed in two or more United States courts of appeals and the Administrator has received written notice of the filing of the first such petition more than 30 days before receiving written notice of the filing of the second petition, then the record shall be filed in that court in which the first petition was filed. If petitions for review of the same agency action have been filed in two or more United States courts of appeals and the Administrator has received written notice of the filing of one or more petitions within 30 days or less after receiving written notice of the filing of the first petition, then the Administrator shall promptly advise in writing the Administrative Office of the United States Courts that petitions have been filed in two or more United States courts of appeals, and shall identify each court for which he has written notice that such petitions have been filed within 30 days or less of receiving written notice of the filing of the first such petition. Pursuant to a system of random selection devised for this purpose, and within three business days after receiving such notice from the Administrator the Administrative Office thereupon shall select the court in which the record shall be filed from among those identified by the Administrator. Upon notification of such selection, the Administrator shall promptly file the record in such court. For the purpose of review of agency action which has previously been remanded to the Administrator, the record shall be filed in the court of appeals which remanded such action.

"(B) Where petitions have been filed in two or more United States courts of appeals with respect to the same agency action and the record has been filed in one of such courts pursuant to paragraph (1), the other courts in which such petitions have been filed shall promptly transfer such petitions to the United States court of appeals in which the record has been filed. Pending selection of a court pursuant to subsection (1), any court in which a petition has been filed may postpone the effective date of the agency action until 15 days after the Administrative Office has selected the court in which the record shall be filed.

"(C) Any court in which a petition with respect to any agency action has been filed, including any court selected pursuant to subparagraph (A), may transfer such petition to any other United States court of appeals for the convenience of the parties or otherwise in the interest of justice.".

(b) Section 1448(b) of the Safe Drinking Water Act is amended by deleting "45-day" in both places where it appears and inserting "120-days" in lieu thereof.

Mr. DURENBERGER. Mr. President, I move the adoption of the committee amendments.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to en bloc.

Mr. DURENBERGER. Mr. President, today we are considering S. 124, the Safe Drinking Water Act Amendments of 1985.

This bill, which was developed with the able effort and support of our full committee chairman, Bob Stafford, the full committee ranking member, Lloyd Bentsen, the subcommittee ranking member, Max Baucus, and other members of the Environment and Public Works Committee, will help to assure that citizens in this country are provided high quality drinking water supplies.

The Safe Drinking Water Act was enacted in 1974 to provide public health protection from contaminants in drinking water. The detection of synthetic organic chemicals in the water supplies of a number of cities in the early 1970's served as the impetus behind the act's reforms. The act established a program to require compliance with national drinking water standards for contaminants that may have an adverse effect on the health of persons. As an addition to the Public Health Act, the Safe Drinking Water Act focused on the removal of contaminants found in water supplies as a preventive health measure.

The act also established programs intended to protect underground sources of drinking water from contamination. Provisions in the act established restrictions on the underground injection of hazardous and nonhazardous waste and provide authority for the protection of designated sole or principal source aquifers.

An evaluation of the accomplishments of the Safe Drinking Water Act yields both good news and bad news. The good news is that over the past decade there have been a number of improvements. The act has improved compliance with basic drinking water standards. It has increased monitoring of drinking water systems and heightened public awareness of the need to protect drinking water supplies.

However, there have been major deficiencies in the implementation of programs established under the act so that public health objectives have not been fulfilled. Only 22 drinking water standards have been established—a small fraction of the contaminants that are found in public water systems and that may have an adverse effect on human health. Monitoring is only required for those contaminants for which there are standards so that we do not know if our water supplies are contaminated with other potentially harmful substances.

The need for change in current practice and an effective program based on Federal drinking water standards is illustrated by figures from recent reports issued by the Environmental Protection Agency and others: As many as 700 different synthetic organic chemicals, heavy metals, pesticides, and other pollutants have been found in our Nation's drinking water supplies; 28 percent of the water supplies in a random survey of metropolitan systems were found to be contaminated by one or more toxic organic chemicals; 63 percent of the rural water supplies in a random survey were found to be contaminated; and all 50 States have reported cases of underground drinking water contamination. Taken collectively, these statistics speak clearly to the need for an effective program that will assure fundamental public health protection.

The amendments in S. 124 were developed to rectify deficiencies in the statutory requirements and implementation of the act. The bill establishes schedules and deadlines for drinking water standard setting, requires simultaneous promulgation of drinking water goals and standards, and requires that standards be set as close to health level goals as feasible with the use of best available technology. The bill also establishes a monitoring program for unregulated contaminants to provide a systematic check on the quality of each public water system's supply.

The problem of viral and bacterial contamination of drinking water supplies is addressed in the bill by the requirements that EPA issue criteria for filtration of surface water supplies and promulgate regulations requiring disinfection for all public water systems.

Other provisions in the bill require EPA to amend existing public notification requirements to make them more timely and informative and authorize $10 million per year to provide technical assistance to small systems which have had chronic noncompliance problems.

Amendments pertaining to the protection of underground sources of drinking water are intended to enhance existing protection. EPA is required to promulgate ground water monitoring regulations for hazardous waste injection operations and to issue a report on problems with existing class V wells. In addition, a sole source aquifer demonstration program is established for the purpose of providing protection for particularly critical ground water supplies and assessing the effectiveness of specific protection measures.

The bill also provides EPA new enforcement authority for public water systems and ground water protection programs established under the act to assure timely and effective enforcement of existing and new regulatory requirements.

The bill authorizes appropriations of $131,300,000 to be expended to fulfill existing responsibilities and new activities authorized in this bill for fiscal years 1986 through 1990. In addition, a total of $30 million is authorized for monitoring of unregulated contaminants and $20 million per year for fiscal years 1987-90 is authorized for the sole source aquifer demonstration program.

Mr. President, I urge my colleagues to vote for this bill which will help to assure that citizens throughout this

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an aquifer and the use of the lands that are the only source of drinking context—is ineffective in controlling country will have safe drinking water supplies now and in the future.

Mr. **BENTSEN**. Mr. President, I would like to state my support of S. 124, the Safe Drinking Water Act Amendments of 1985. I would also like to express my appreciation to Senators Stafford, Durenberger, and Baucus for their efforts.

These amendments to the Safe Drinking Water Act are significant modifications that should enhance EPA's ability to improve the quality of our drinking water. While the quality of water has improved over the last decade due to this act and the Clear Water Act, there are many tasks yet undone. Enactment of this legislation will provide EPA with the mandate it apparently needs to accomplish these tasks.

Key among the provisions in S. 124 are the new enforcement provisions for underground injection wells. Previously, the Administrator of the EPA had recourse only through the courts to penalize violators—an inefficient and the time-consuming method for minor violations. S. 124 makes administrative order authority available to the Administrator so the Agency can more effectively enforce its regulations and the law.

Section 11 of the bill, which authorizes this administrative authority, also imposes fines of up to $5,000 per day for oil and gas injection well violators and up to $25,000 per day for hazardous waste well violators. The different penalties that may be assessed under this section are important and realistic: They promote compliance while recognizing that the threat to the environment from these two types of wells is not the same.

I hope my colleagues will join me in support of this legislation.

Mr. **STAFFORD**. Mr. President, I want to commend the distinguished Senator from Minnesota, the chairman of the Subcommittee on Toxic Substances and Environmental Oversight, for guiding S. 124 through the Environment and Public Works Committee and bringing it to the floor of the Senate.

The Safe Drinking Water Amendments of 1985 contain major improvements to the law that is intended to protect the Nation's drinking water supplies. The bill provides needed impetus to the Environmental Protection Agency to issue regulations for contaminants of drinking water, a needed prod as the Agency has been far too slow in its regulatory efforts.

The bill also takes a major step toward identifying the nature and scope of contamination of drinking water. It does this by greatly expanding the monitoring that is required of public water systems.

Finally, the bill will provide better regulation of underground injection operations that could affect drinking water supplies.

In short the bill is a major improvement of existing law and should be passed by the Senate.

Mr. **SIMPSON**. Mr. President, I would take this opportunity to heartily congratulate Senator Durenberger and his fine staff members, Heather Wicke and Jimmy Powell, for the fine work they have done on the Safe Drinking Water Act reauthorization. This public health measure is of critical importance to the American public. There is a continually and growing awareness in this country that contamination of drinking water supplies has occurred as a result of the inappropriate or erroneous siting of toxic waste dumps, various nonpoint pollution seepage and other contamination.

Many of the municipal water systems currently in service are using technology that is over 100 years old. Progress is needed in increasing the effectiveness of the methods that are used to remove pollutants from our drinking water supplies and the Safe Drinking Water Act reauthorization is a fine forward step in providing cleaner drinking water to all Americans.

Senator Durenberger is a fine friend and a pragmatic and considerate Senator. He is sensitively aware of the ground water contamination problems that we find in various regions of this country. I think all of us on the Environment and Public Works Committee recognize that ground water contamination is a growing problem that Congress must deal with. However, I believe it is prudent and reasonable to leave a full and comprehensive approach to ground water regulation for another day. The new requirements that will result from passage of this bill are very significant and will contribute significantly to protection of the environment and public health. I firmly believe that this bill is generally sound and that there is genuine flexibility for the proper administration of this act by the EPA Administrator.

This legislation also contains a judicial review provision which I authored and which I believe will facilitate the equitable and reasonable determination of venue. I remain concerned that the standard setting language may not have the desirable amount of flexibility for the EPA and I would anticipate that the Members of the House will consider the implications of any overly restrictive regulatory language in this regard.

I do look forward to seeing this bill signed into law during this session of Congress and I trust that most of my colleagues will lend their support to this important piece of public health legislation.

Mr. **BENTSEN**. I would like to raise a concern that has come to my attention only recently. It appears that the Environmental Protection Agency is not consistent in applying permit requirements for fluids brought to the surface in connection with oil or natural gas production. Several EPA regions with a majority of oil and gas production facilities treat these fluids as part of the class II injection well program. However, some exceptions to this policy have recently occurred, which has created some confusion with respect to certain fluids.

For example, in Colorado, the EPA region will not permit the injection of water produced along with carbon dioxide at the McElmo Dome Field into a class II disposal well. EPA has assigned a class I nonhazardous permit to such wells.

In California, region IX requires a class V permit for wells which inject produced water commingled with field scrubber waste waters. Texas, Louisiana, Kansas, Oklahoma, and other States, however, approve class II injection for multiple waste waters associated with oil and gas operations.

Mr. **SIMPSON**. I commend the Senator from Texas for raising this issue for I had intended to do so. In my judgment, it is appropriate that all the material described by my friend from Texas be handled with his State's class II program. However, at a minimum, the EPA should review its regulations in order to assure consistent application of permit requirements.

Mr. **DURENBERGER**. As I am not familiar with the specific technical issues involved in this case, I am not able to judge what action, if any, the Agency should take. However, I agree that EPA should strive to achieve consistency in the application of its regulations to injection well activities.

Mr. **EVANS**. Mr. President, I rise in support of this important piece of legislation. I commend my colleague, Mr. Durenberger, for a job well done. He has pursued legislation to protect our water resources for a number of years. Last year he produced a set of Safe Drinking Water Act amendments in the waning days of the 98th Congress. Unfortunately, the crush of pending legislation and time stole our opportunity to consider that bill. Through his continued efforts, we are able to consider that bill. Through his continued efforts, we are able to consider Safe Drinking Water Act amendments early in this Congress. I applaud his perseverance.

This is an important and timely bill. Its provisions strengthen the existing drinking water statute; additional protection cannot wait any longer. I am particularly pleased that this bill contains a new program to encourage the protection of sole source aquifers, the Sole Source Aquifer Demonstration Program. This program reflects our recognition of the delicate, often precarious, balance between the health of

an aquifer and the use of the lands surrounding it. Some communities have already acknowledged this relationship and have taken measures to protect their aquifers. I believe such communities deserve special consideration. At my urging, last year's bill contained language requiring that a community's previous efforts to protect its sole source aquifer be recognized. Similar recognition is provided for in this bill, and I thank my colleague for his response to my requests.

Water is our most precious resource. Life cannot exist without clean, safe drinking water. Ground water, and aquifers in particular, are marvels of the natural world. We must protect these treasures from pollution. By acting now to prevent further contamination of our ground water, we can avoid tragic problems in the future.

This bill is another step toward that goal. Yet there is much left to be done before our ground water resources are fully protected. I urge my colleagues to support this bill to protect our most vital resource—water.

Mr. **MOYNIHAN**. Mr. President, I would like to express my support for S. 124, the Safe Drinking Water Act Amendments of 1985. I commend Senator Durenberger for working so diligently to develop the legislation and steer it through committee consideration so early in this Congress. S. 124 would protect the Nation's drinking water supplies by establishing a more aggressive, systematic process for setting new maximum contaminant levels.

This bill would hasten the neglected effort to establish standards for harmful chemicals that contaminate drinking water supplies. The Environmental Protection Agency would be required to promulgate standards for a specific set of chemicals, and the bill provides strict deadlines. Equally important, the Agency would periodically review the need for regulating additional substances that could threaten the health of drinking water consumers. Maximum contaminant levels would be set as close as feasible to a goal at which no adverse health effects occur.

S. 124 has one major omission: it lacks a comprehensive program to address the serious problem of ground water contamination. I am, however, very pleased that the bill includes a sole source aquifer demonstration program. I first introduced the Sole Source Aquifer Protection Act in 1982 and reintroduced it on January 3, 1985. Although not as generous or far-reaching as my bill, the demonstration program in S. 124 would be the first significant federally assisted effort to prevent the degradation of our most critical underground water supplies.

The Environmental Protection Agency has to date designated 20 sole source aquifers, underground reserves that are the only source of drinking water for a region. One of these lies under Long Island. On Long Island, nearly 3 million people drink from one well. And this well is rapidly becoming polluted by toxic chemicals. In Nassau County alone 119 of the 389 public wells have detectable levels of synthetic organic chemicals. Throughout both Long Island counties, Nassau and Suffolk, chemicals from diverse sources have ended up in the water supply: Solvents from industries and residents' homes, pesticides from potato farms, nitrate from lawn fertilizers, and numerous chemicals from landfills.

The only way to prevent the problem from getting worse, on Long Island and elsewhere, is to plan. We now realize how much our activities on the land above an aquifer affect the quality of the ground water and its viability as a supply for future generations. As precipitation infiltrates the land surface and recharges the ground water, it carries with it substances that have leaked into the soil or been placed on the land. In many cases, water passing through a relatively small, well-defined land area recharges a large ground water reservoir. On Long Island, the prime recharge zone happens to be an area known as the Suffolk Pine Barrens, an area of 110,000 acres or 13 percent of the island. Careful protection of these recharge zones is one of the cheapest and most effective means of maintaining good ground water quality.

Under the voluntary demonstration program, local and State governments could cooperate with the EPA in the development and implementation of plans to protect sole source aquifers. The EPA would provide half the necessary funds, and $80 million is authorized for the purpose. The plans could include a variety of measures to control human activity in special protection areas and thereby prevent contamination of the sole source aquifer. Critical parcels of land could be acquired, while in other areas suitable zoning ordinances and regulations on siting and design of landfills, underground storage tanks, and other potential sources of pollution could be established. S. 124 requires the Governor's approval of the plan in States where federally funded "208 plans"—referring to section 208 of the Clean Water Act—have previously been prepared. This ensures consistency with earlier planning efforts, although I believe the Governor's approval should be required in all States.

The sole source aquifer designation provided by the Safe Drinking Water Act of 1974 was intended to control development activities of the Federal Government in regions entirely dependent on ground water for drinking supplies. However, experience has shown that the designation—lacking a broader planning and management context—is ineffective in controlling many activities which may adversely affect the quality of ground water. I am confident that section 12 of S. 124 will accomplish its purpose—to demonstrate the effectiveness of a preventive approach to protecting sole source aquifers. All my colleagues should support S. 124.

Mr. **BAUCUS**. Mr. President, I would like to express my support for S. 124, the Safe Drinking Water Act Amendments of 1985.

I would also like to thank my colleague, Senator Durenberger, the chairman of the Subcommittee on Toxic Substances and Environmental Oversight, for his efforts on this measure.

The bill effectively addresses some of the most serious problems plaguing EPA's drinking water office. EPA has failed to develop a vigorous program, so that a wide variety of contaminants are still regularly found in our drinking water and even regulated contaminants are permitted to remain in our water at levels that present a significant risk to public health.

This bill addresses these serious shortcomings in several ways. First, it requires EPA to set standards within 3 years for the 85 contaminants previously listed by EPA as contaminants of concern. Many of us are uncomfortable with denying an agency discretion in this manner, but the failure of the EPA to meet its responsibilities under the Safe Drinking Water Act leaves us no alternative. The provisions in section 2 of this bill are the only means we have of assuring that EPA will set standards for these contaminants found in our drinking water that present a risk to the public health.

The second major problem S. 124 addresses is the lack of information about what substances are found in our drinking water. The Safe Drinking Water Act, as enacted, required EPA to conduct a series of studies to find out more about the quality of our drinking water and our ability to remove contaminants. Unfortunately, practically none of these studies have been completed so we find we have very little reliable, national information about our drinking water. S. 124 requires EPA to publish a list of unregulated contaminants for which public water systems will be required to monitor. This will be the first nationwide effort to determine what contaminants are found in which systems and in what quantity.

A third significant aspect of this bill are amendments to the enforcement provisions in the act. S. 124 provides EPA with authority to issue administrative orders and increases penalties. These provisions provide EPA with the means to take action against violators of drinking water standards more swiftly and more effectively. To date, EPA's enforcement of these standards can be most generously categorized as lax. S. 124 should prevent EPA from continuing its poor enforcement practices.

There is one last provision of particular interest to States like Montana that contain many small public water systems. Section 8 of S. 124 provides $10 million per fiscal year in technical assistance to these systems so their ability to comply with national drinking water standards is not impaired simply because of their size.

Mr. President, I support the Safe Drinking Water Act Amendments of 1985 because I believe enactment of this bill will improve the quality of our drinking water. I encourage my colleagues to lend their support to this measure as well.

Mr. MITCHELL. Mr. President, I strongly support the reauthorization of the Safe Drinking Water Act. The amendments before us today make two particularly important improvements to the act.

The most significant amendment to the act is the addition of specific deadlines for development of drinking water standards for 85 identified contaminants. The Agency will publish these much-needed standards over the next 36 months. The amendments to this portion of the act also provide for streamlining of the standard-setting process.

While these improvements to the standard-setting process are badly needed, I am pleased that members of the Environment and Public Works Committee have agreed to focus future attention on the degree of health protection provided by the current standards and those under development. It has been suggested that we consider adding to the existing standard-setting process a safety net to assure a minimum level of public health protection. I believe this proposal has merit and look forward to considering it more fully.

The second major amendment to the act is the provision for a sole source or critical aquifer protection demonstration program. This program is designed to identify workable approaches to the protection of ground water resources where these resources are a critical or sole source of drinking water supply. This demonstration program will provide valuable insights into effective methods of protecting ground water resources.

It is important to note, however, that the Safe Drinking Water Act is not designed to provide for the comprehensive protection of the ground water resource. We see increasing evidence that ground water quality is threatened from a wide range of pollution sources. Congress has provided for controls over some of the most obvious threats to ground water, such as leaking underground storage tanks, which have been identified as a serious problem in the State of Maine. But we have not yet begun the job of working with State and local governments to design a more comprehensive approach to protecting ground water resources. I am hopeful that hearings scheduled soon in the Subcommittee on Toxic Substances will be a step in that direction.

(At the request of Mr. Durenberger the following colloquy was ordered to be printed in the Record.)

● Mr. WILSON. I would ask my distinguished friend from Minnesota, the chairman of the Environment and Public Works Subcommittee on Toxic Substances and Environmental Oversight, to respond to several questions concerning the intent of the standard-setting amendments to the act. I realize that there has been a good deal of discussion on the issue of granular activited carbon as the basis for determining the best technology available for purposes of establishing the maximum contaminant level, and I don't want to repeat the full debate that has been covered so well in the Committee on Environment and Public Works. In fact I have read the report language and some if not all, of my particular concerns seem to be taken care of in that carefully constructed language. However, I would like to ask the chairman to restate for the record how cost will, in practice, be considered in the process of determining the maximum contaminant level.

It is my understanding from reading the statute and the report language that the Environmental Protection Agency Administrator would regard granular activated carbon as available technology, but in setting the maximum contaminant level, he would take into consideration cost and feasibility at different levels of treatment by granular activited carbon technology in arriving at the final maximum contaminant level. Once that level has been set a water agency could use another technology which is at least as effective at meeting the maximum contaminant level.

Can the chairman assure me that cost will be taken into account in establishing drinking water standards?

● Mr. DURENBERGER. That is correct.

● Mr. WILSON. The Senator's response is most welcome, and I feel that this process will not lead to unreasonable costs to local water agencies that will have to comply with this new legislation. My particular concern is with trihalomethane removal where a comparable or higher level may be achieved more cost effectively by using an alternative technology. Can the chairman tell me if these alternative technologies can be used by the Administrator as the basis for setting the drinking water standards?

● Mr. DURENBERGER. That is correct.

● Mr. WILSON. I thank the chairman for his cooperation.●

Mr. LAUTENBERG. Mr. President, I rise in strong support of the drinking water bill before us. The American public is demanding safe drinking water. They also want precious underground sources of drinking water protected. The bill before us will go far in meeting these goals, and I applaud the chairman of the Environment and Public Works Committee for the speed with which the committee took up this bill.

It will result in important improvements in EPA's current drinking water program. It puts EPA on a strict schedule for regulating 85 contaminants. It puts EPA on a schedule for developing an additional list of substances and regulating those. And of critical importance is the requirement that every major water supply system conduct a baseline inventory of unregulated contaminants in drinking water and then remonitor at least every 5 years.

Mr. President, I am particularly interested in the public notification provisions of the bill. It is widely recognized that the current notification requirements have failed. The bill revises these requirements by distinguishing between violations that pose a serious threat to public health—such as exceedences of maximum contaminant levels—and less serious violations. I thank the chairman of the subcommittee, Senator Durenberger, again for his willingness to accept my amendment requiring notification of serious violations within no longer than 14 days.

Mr. President, another issue of great interest to me is the provision establishing—for the first time—a program for protecting underground sources of drinking water. This provision sets up a demonstration program for land use planning in the area affecting aquifers. It provides for $20 million per year in matching grants for implementing management plans.

Aquifer protection is critically important in New Jersey. Over 60 percent of the drinking water in the State comes from groundwater supplies. The state of emergency due to drought conditions and reliance on our groundwater to pull us through the drought brings the point home. Unfortunately, the spreading contamination of this resource is sobering. Hundreds of wells in New Jersey have been restricted or closed because of chemical contamination.

The aquifer protection program we are approving today is an important step in recognizing the importance of preventing contamination. It is much harder, if not impossible, to clean up an aquifer after it becomes contaminated. I am hopeful that applications for the protection of our three federally designated sole source aquifers, the Buried Valley Aquifer, the Brunswick Shale and Sandstone Acquifer, and the Unconsolidated Quartenary acquifer of the Rockway River, will be submitted for the demonstration funds to make full use of this program.

The Committee on Environment and Public Works plans to hold hearings in the next month on a national groundwater protection strategy, and I look forward to working with members of the committee in fashioning legislation that is larger in scope than the proposal that we are approving today.

Mr. President, Senator Bradley and I planned to offer an amendment today to ban the use of lead and lead solder in drinking water pipes. This amendment would have been prospective. It was aimed at reducing the exposure of the public to lead in drinking water. Studies in New Jersey have indicated that this form of exposure ranks even higher than exposure to lead from automobile exhaust. The committee will hold a hearing on lead in drinking water before superfund is taken up on the floor. It is my understanding that the amendment will be considered when the Senate takes up superfund on the floor.

Mr. President, it is my hope that the House will soon pass their counterpart and that we will have the opportunity to send a strong safe drinking water act to the President's desk well before the summer recess.

Mr. President, I'd like to commend the chairman of the committee, Senator Stafford, and chairman of the subcommittee, Senator Durenberger. In addition, I'd like to commend the leadership for bringing this bill promptly to the floor. It is my hope that we can get the Clean Water Act and the superfund to the floor as rapidly.

Mr. President, 10 prominent environmental and health organizations and the water and wastewater equipment manufacturers associations sent a letter to the Senate today urging passage of this bill. Their support has been critical in passing a strong bill, and I ask unanimous consent that the complete text of their letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Safe Drinking Water Amendments—Floor Vote Today

May 16, 1985.

Dear Senator: The Safe Drinking Water Act is one of our most critical environmental and public health laws. Unfortunately, this Act has not functioned as intended in protecting the American public from toxic chemicals in drinking water.

Many sorely needed reforms to this law have been included in S. 124, the Safe Drinking Water Amendments of 1985. This legislation, sponsored by Senator David Durenberger and unanimously reported out of the Senate Environment and Public Works Committee, is scheduled for floor action this week. On behalf of a broad coalition of environmental, industry, public interest and public health organizations, we urge you to support this bill.

When over 700 contaminants were found in the drinking water supplies of New Orleans and these supplies were linked with high rates of cancer, Congress passed the original Safe Drinking Water Act. The 1974 law was intended to protect the public health by giving EPA the authority to set and enforce limits on toxic chemicals in drinking water.

Over the past decade, however, EPA has used this authority most reluctantly, setting standards for only 22 drinking water contaminants. This lack of standards means not only that treatment technologies are not applied but also that monitoring to determine the presence of chemicals such as dioxin, benzene, EDB, PCBs and trichloroethylene is sporadic or nonexistent in most states. In addition, the enforcement of these few standards has been lacking; for example, the General Accounting Office reported in 1982 that enforcement action "ranged from none to minimal, followed no particular pattern, and was not as timely as it could or should have been."

S. 124 addresses many of the failings of the existing drinking water program. The bill requires EPA to set standards for over 60 chemicals which threaten drinking water supplies across the country. It requires the Office of Drinking Water to consult with other appropriate offices within EPA and with the National Toxicological Program in order to set priorities for future standard-setting. It mandates the establishment of a much-needed program to monitor for unregulated but potentially harmful contaminants, and it enhances enforcement capabilities with new authorities for the use of administrative orders by EPA. Senator Durenberger's legislation assures that notification of violations of standards will be timely and widespread; at the same time, it allows for revisions of what some had considered a burdensome public notification system. S. 124 also provides a mechanism for federal, state and local cooperation to protect critically needed and highly vulnerable underground sources of drinking water.

The American public has waited too long for the basic protections embodied in S. 124. We urge you to support this important legislation.

Sincerely,

Velma, Smith, Environmental Policy Institute; Julia A. Holmes, League of Women Voters; Rich Miller, American Nurses Association; Dan Becker, Environmental Action; Reid Wilson, U.S. Public Interest Research Group; Dr. William H. McBeath, American Public Health Association; Fern Summer, Water and Wastewater Equipment Manufacturers Association; L. Geoffrey Webb, Friends of the Earth; Jacqueline M. Warren, National Resources Defense Council; Larry Williams, Sierra Club; Nancy Drabble, Public Citizen's Congress Watch.

Mr. DURENBERGER. Mr. President, I move the passage of the bill, as amended.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 124), as amended, was passed.

Mr. DURENBERGER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURENBERGER. Mr. President, I thank my colleague, the majority leader, and I thank the Democratic leader a great deal for the special courtesy and convenience that has been provided for all of us today in the waiver of the 3-day rule and many other considerations.

Mr. BYRD. Mr. President, I appreciate the kind remarks of the distinguished Senator.

HOUSE BUDGET PLAN

Mr. DOLE. Mr. President, I am not surprised but disappointed with the action by the House Budget Committee. I think the Democratic majority, which is rather large in that committee, has simply walked away from fiscal responsibility today. The partisan House budget package is a feeble attempt at best, and the smoke and mirrors demonstrate that the House Democrats still reflect the big government, antidefense views of its liberal Members. Under the House budget plan, not one Federal program is terminated. The spending path continues to go up—not down. The spending plan is about $40 billion short, and probably closer to $80 billion or $100 billion short if you take out some of the smoke and mirrors, and assumptions, than the plan passed by the Senate. Almost $9 billion in "savings" comes from technical adjustments and other sleights of hand.

The liberal Democrats have again made defense the "whipping boy." I think you will recall that the Senate action cut substantially the amount from the administration's defense requests over the next 3 years, but the House Democratic plan would lop off an additional $22 billion. If spending reductions of that magnitude were put into effect, it would certainly mean slashing programs that affect our national security here and abroad.

The House Democratic budget blueprint does not spread the burden fairly across the board. It exempts all retirement benefit programs from even a freeze in inflation adjustments. This is politics—pure and simple—designed for special interests, not deficit reduction.

Perhaps worst of all, a significant portion of the House proposed budget savings comes from the assumption that growth in nondefense discretionary programs can be limited to one-half of the rate of inflation. but those savings are unrealistic since there is no way of knowing what the Congress will do in 1987 and 1988.

Mr. President, as we have learned in the Senate, there are no easy ways to cut the deficit and at the same time guarantee that the Federal Government fulfills its most fundamental responsibility—the responsibility to maintain a strong national defense. Sooner or later the Democratic-controlled House is going to have to face up to those hard realities.

Mr. President, I am still hopeful that maybe in the conference, and hopefully on the House floor, that there can be a coalition put together of reasonable Members of the House in both parties who will really make an effort to reduce Federal spending. Again, I repeat—not a single Federal program terminated, all their savings comes from defense and other smoke and mirrors adjustments, assumptions, and I guess when someone finally determines how much the savings is over a 3-year period it is going to fall far short of the budget passed by the Senate here on last Friday morning.

So I am disappointed—not surprised—that with the stacked committee of the margin of several Members, I assume, every Republican amendment was defeated. It is unfortunate because we have heard so much rhetoric from those who have the responsibility on the House side to deal with this issue. I just say as I have said before, this in the final analysis must be bipartisan. But even beyond that, it must be realistic. There is not much realism in the budget approved by the Democratic majority on the House Budget Committee.

That is unfortunate and it must be disappointing to the American people and others who really felt that this time the Congress would actually do something. But in one short week the House has demonstrated that they are not prepared to do anything but make speeches—talk about the deficit, tell you how bad it is, how we ought to do something, and then proceed to do as little as possible.

So as bad as it is, there is still some hope, hope that the American people and others will be able to encourage a bipartisan effort on the House floor next week to put something together that will mean real spending restraint, real spending reduction and not because we all enjoy that so much but because the situation demands it, and whether we are Democrats or Republicans is not really important.

ORDERS FOR FRIDAY, MAY 17, 1985

ORDER FOR RECESS UNTIL 11:30 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11:30 a.m. on Friday, May 17.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. DOLE. Mr. President, following the recognition of the two leaders under the standing order, I ask unanimous consent that there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE], for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, following the Proxmire special order, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 12 noon, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, following routine morning business, the Senate will turn to the consideration of the DOD authorization bill.

PROGRAM

Mr. DOLE. I am advised by the distinguished chairman of the Armed Services Committee that he cannot agree or does not want me to agree that there be no votes until Tuesday morning. There may be a way to prevent votes from happening after 5 p.m. on Monday, but I am advised by the chairman that he has already instructed two Members on this side to cancel events on Monday evening, one in Detroit and one in New York. On that basis, I am not able to assure the distinguished Senator from California, Senator CRANSTON, that anybody can be protected beyond 5 p.m. on Monday. It is my understanding those visiting NATO will return no later than 4 p.m. on Monday, and those attending the Canadian conference will return by 10 or 11 a.m. on Monday. So I only say to my colleagues that I know it may be an inconvenience, but this is a very important piece of legislation. There is a real hope that we can finish it next week. Some say it is impossible. Maybe it will be impossible. But I do not know of any other way except to try.

So I regret that I cannot be the bearer of good news to the distinguished Senator from California, Senator CRANSTON.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 11:30 a.m., Friday, May 17, 1985.

The motion was agreed to; and, at 6:06 p.m., the Senate recessed until tomorrow, Friday, May 17, 1985, at 11:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 16, 1985:

EXPORT-IMPORT BANK OF THE UNITED STATES

Richard H. Hughes, of Oklahoma, to be a member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 1987.

DEPARTMENT OF STATE

Vernon A. Walters, of Florida, to be the representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the representative of the United States of America in the Security Council of the United Nations.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Pauline Crowe Naftzger, of California, to be a member of the National Museum Services Board for a term expiring December 6, 1988.

George S. Rosborough, Jr., of Missouri, to be a member of the National Museum Services Board for a term expiring December 6, 1988.

NATIONAL SCIENCE FOUNDATION

John H. Moore, of California, to be Deputy Director of the National Science Foundation.

NATIONAL COUNCIL ON THE HANDICAPPED

The following-named persons to be members of the National Council on the Handicapped for the terms indicated:

For a term expiring September 17, 1986:

Jeremiah Milbank, of Connecticut, vice Carmine R. Lavieri, deceased.

For a term expiring September 17, 1987:

Justin W. Dart, Jr., of Texas, reappointment.

Roxanne S. Vierra, of Colorado, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Alexander M. Weyand, 516-28-8461, age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Charles W. Dyke, 229-40-9184, U.S. Army.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. James A. Sagerholm, 216-20-4766/1120, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Kendall E. Moranville, 493-34-4890/1310, U.S. Navy.

EXTENSIONS OF REMARKS

FIFRA AMENDMENTS OF 1985

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BEDELL. Mr. Speaker, on Tuesday I was joined by my colleague, Mr. Roberts, in introducing the Federal Insecticide, Fungicide, and Rodenticide Act [FIFRA] Amendments of 1985. As the name implies, this legislation proposes to make certain changes with respect to the basic law which governs the manufacture and use of pesticides in this country.

The proposed amendments, we believe, reflect many of the comments made by Dr. John A. Moore, Assistant Administrator for Pesticides and Toxic Substances, Environmental Protecton Agency, during hearings held by the Subcommittee on Department Operations, Research, and Foreign Agriculture, on April 18 of this year.

The subcommittee scheduled its hearings on that day in anticipation that Environmental Protection Agency [EPA] officials at that time would make good on their previous assurances to the Congress that the Agency would submit specific legislative proposals to improve the implementation of FIFRA. However, we were greatly disappointed to learn that, despite the apparent best efforts of EPA officials to draft a FIFRA reform measure, others within the administration refused to allow the Agency to submit that proposal to the Congress.

Although he appeared before the subcommittee without a specific legislative proposal in hand, EPA's Dr. Moore provided a helpful review of the Agency's progress to date in carrying out its authority under FIFRA. In addition, while he attested to the fundamental soundness of FIFRA, he was able to point to a number of areas where certain changes in the act could improve EPA's authority to assure the safe use of pesticides.

Mr. Speaker, the measure we introduced is intended to serve two purposes. First, it is offered as a reflection of the improvements in FIFRA recommended by Dr. Moore. In that respect, we hold out hope that administration officials eventually will be able to lend their support to efforts seeking progress on FIFRA this year.

Second, we view the amendments as a useful basis for beginning debate on the necessary process of reforming FIFRA. Next week, the subcommittee on Department Operations, Research, and Foreign Agriculture will hold 2 days of public hearings on legislation to amend FIFRA. As we proceed with these hearings, the measure we are introducing today is intended to provide a focus for suggested changes. However, we fully expect—and we are open to—additional proposals for changes in pending legislation or current law.

At this point, Mr. Speaker, only one thing is clear. We must act on comprehensive FIFRA reform legislation this year. As we know, this issue has been plagued by controversy and the lack of real progress for several years now, despite sincere efforts and considerable hard work by many on both sides. However, we are hopeful that the early indications we detect of a willingness by all sides to cooperate and compromise will result in progress this year. We pledge our intention to see that every opportunity is provided for action and resolution of this issue in the coming weeks.

The text of the bill, and a summary analysis, follows:

H.R. 2482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1985".

REFERENCES TO THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

Sec. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

DEFINITIONS

Sec. 3. (a) Section 2(e) (7 U.S.C. 136(e)) is amended—

(1) in paragraph (1) by deleting the second sentence thereof.

(2) by deleting paragraph (4).

(b) Section 2(l) (7 U.S.C. 136(l)) is amended by deleting the words "cancellation proceeding" and substituting therefore the words "a cancellation proceeding under section 6 (b) and (d) or a rulemaking proceeding under section 6(a).".

(c) Section 2(n) (7 U.S.C. 136(n)) is amended to read as follows:

"(n) Ingredient Statement.—The term 'ingredient statement' means a statement which contains—

"(1) the name and percentage of each active ingredient in the pesticide product;

"(2) the name (and, to the extent found necessary, the percentage) of each inert ingredient which the Administrator determines must appear in the ingredient statement because of the hazard which the Administrator has determined may be posed by the presence of that ingredient;

"(3) the total percentage of all inert ingredients in the pesticide product;

"(4) if the product contains arsenic in any form, a statement of the percentages of total and water soluble arsenic, calculated as elementary arsenic; and

"(5) any other information concerning the chemical composition or identity of any active ingredient of the product (for example, information on chemical equivalency) which the Administrator requires to appear on the ingredient statement in order that the nature of the active ingredient is accurately represented.".

(d) Section 2(u) (7 U.S.C. 136(u)) is amended by inserting after the words "or desiccant;" the words "or (3) any substance or mixture of substances which contains an active ingredient and which any person distributes or sells in any State for use in manufacturing or formulating a pesticide or for repackaging as a pesticide;".

(e) Section 2(ee) (7 U.S.C. 136(ee)) is amended—

(1) by inserting at the end of clause (1) thereof the words "unless the labeling specifically prohibits deviation from the specified dosage, concentration, or frequency;"; and

(2) by deleting the word "or" in clause (3) thereof and substituting therefor the words "unless the labeling specifically states that the product may be applied only by the methods specified on the labeling; or".

(f) Section 2 is further amended by adding at the end thereof the following new subsections:

"(ff) To Distribute or Sell.—The term 'to distribute or sell' (and grammatical variations thereof) means to distribute, sell, offer for sale, hold for distribution, hold for sale, hold for shipment, ship, deliver for shipment, release for shipment, or receive and (having so received) deliver or offer to deliver: *Provided,* That the term does not include the holding or application of registered pesticide products or use dilutions thereof by any applicator who provides a service of controlling pests without delivering any unapplied pesticide to any person so served.

"(gg) Pesticide Product.—The term 'pesticide product' means a pesticide in the particular form (including composition, labeling, and packaging) in which it is (or is proposed to be) distributed or sold. The term 'pesticide' as used in this Act shall mean 'pesticide product' when the context so indicates.

"(hh) Pesticide Testing Facility.—The term 'pesticide testing facility' means any person that conducts any test, study, survey, or investigation of the properties, effects, or behavior of any pesticide (or any ingredient, metabolite, or degradation product thereof) for or on behalf of any registrant, applicant for registration, or other person who sells or distributes the pesticide (or contemplates selling or distributing it): *Provided,* That the term does not include any person solely on account of such person's participation as a cooperator in field testing of a pesticide in compliance with an experimental use permit under section 5 of this Act.

"(ii) Terms of Registration.—The term 'terms of registration' means the requirements imposed on a pesticide product under this Act concerning the product's composition labeling, and packaging, and the restrictions on its distribution, sale, and use.".

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

REGISTRATION OF PESTICIDES

Sec. 4. (a) Section 3(a) (7 U.S.C. 136a(a)) is amended to read as follows:

"(a) Requirement of Registration.—Except as provided by this Act, no person in any State may distribute or sell to any person any pesticide which is not registered under this Act.".

(b) Section 3(c) (7 U.S.C. 136a(c)) is amended—

(1) in section 3(c)(1)(D)(ii) by striking out all of the fourth sentence after "findings and determination of the arbitrator" and all of the fifth sentence, and in section 3(c)(2)(B)(iii) by striking out all of the second sentence after "findings and determinations of the arbitrator" and all of the third sentence, and by substituting in each case therefor the words "shall be reviewable only in the United States court of appeals for the circuit in which the petitioner resides or has its principal place of business, or in the United States Court of Appeals for the District of Columbia, upon a petition for review filed with the court by a party to the arbitration within 60 days after the entry of the arbitrator's determination or within 60 days after enactment of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1985 whichever date is later. For purposes of section 2112 of title 28, United States Code, the arbitrator's determination shall be treated as if it were an order of an administrative agency. The parties to the arbitration shall share equally in the fee and expenses of the arbitrator, including any expenses of the arbitrator associated with judicial review."; and

(2) in section 3(c)(3) and 3(c)(6) by adding the words "or (7)" after the words "paragraph (5)".

(c) Section 3(d) is amended—

(1) in section 3(d)(1)(A) by deleting the words "on the initial classification";

(2) in section 3(d)(1)(C)(i) by deleting the words "by or under the direct supervision of a certified applicator." and substituting therefor the words "by a certified applicator or under such degree of supervision of a certified applicator as the Administrator may specify.";

(3) in section 3(d)(1)(C)(ii)—

(A) by deleting the words "by or under the direct supervision of a certified applicator" and substituting therefor the words "by a certified applicator or under such degree of supervision by a certified applicator as the Administrator may specify";

(B) by deleting the last sentence thereof and substituting therefor the words "Any such regulation shall be issued under section 6(a) of this Act.";

(4) in section 3(d)(2) by deleting the words "he shall notify the registrant" and all that follows and substituting therefor the words "or that additional restrictions are required to prevent such effects, the Administrator may act to provide such restrictions under section 6(a) or 6(b)(1)(B) of this Act."; and

(5) in section 3(d)(3) by deleting the last sentence thereof and substituting therefor the words "A petition under this paragraph shall be treated as an application to amend the registration and to modify or rescind any regulation involved.".

ADMINISTRATIVE REVIEW; SUSPENSION

Sec. 5. (a) Section 6(a) (7 U.S.C. 136d(a)) is amended to read as follows:

"(a) Rulemaking Proceedings To Determine Whether Products Cause Unreasonable Adverse Effects on the Environment.—

"(1) The Administrator may by regulation determine—

"(A) that a use (or proposed use) of a pesticide product (or category of products) causes or will cause unreasonable adverse effects on the environment; and

"(B) the terms of registration, if any, under which the pesticide product (or category of products) may be distributed, sold, or used.

"(2) As part of a rulemaking proceeding under this subsection, the Administrator may by order require that one or more issues shall be determined solely on the basis of substantial evidence of record presented in a hearing conducted in the manner prescribed by subsection (d) of this section.

"(3) Any regulation issued under this subsection (and any refusal of a petition to modify or rescind such a regulation) shall be reviewable only as provided by section 16(e) of this Act.

"(4) The Administrator may not issue a notice of intent to cancel the registration of a product (or to cancel it unless the terms of registration are modified) for one or more uses under subsection (b)(1) of this section unless—

"(A) the Administrator has published a final rule under this subsection which concludes that one or more uses of the product poses unreasonable adverse effects on the environment; or

"(B) the Administrator determines that the question of whether one or more uses of the product poses unreasonable adverse effects on the environment can be answered more quickly and efficiently in an adjudicatory hearing under subsection (d) of this section than in a rulemaking proceeding, taking into account the cost to the Government and to other parties and the time required for resolution of issues; or

"(C) the notice is issued on or before October 2, 1988, and concerns a product (or category of products) which was the subject of an administrative investigation or proceeding or investigation commenced on or before October 2, 1988.

"(5) If a hearing results from a notice under subsection (b)(1) or (b)(2) of this section or section 3(c)(6) based on a pesticide's failure to comply with a regulation issued after October 2, 1985, under this Act, the scope of the hearing shall be limited to—

"(A) whether the product complies with the regulation;

"(B) whether the regulation by its terms is applicable to such a product; or

"(C) whether, because of significant information that was not (and could not reasonably have been) presented in the proceeding wherein the regulation was established, it would be unreasonable to require such a product to comply with the regulation.".

(b) Section 6(b) (7 U.S.C. 136d(b)) is revised to read as follows:

"(b) Cancellation.—

"(1) Noncomplying products.—If the Administrator determines that any of the terms of registration of a registered pesticide product (or category of such products) does not comply with the provisions of this Act or any regulation issued under this Act, or determines that use of a registered pesticide product (or category of such products) in accordance with widespread and commonly recognized practice generally causes unreasonable adverse effects on the environment, the Administrator may issue a notice of intent—

"(A) to cancel the registration; or

"(B) to cancel the registration unless specified modifications to the terms of registration of the product(s) are requested by the registrant(s).

"(2) Improper application, etc.—The Administrator may issue a notice of intent to cancel the registration of a pesticide product, or to cancel the registration unless specified modifications to the terms of registration of the product are requested by the registrant, if the Administrator determines that the product was registered (or that its registration was amended)—

"(A) in response to an application that contained or cited any information or representation which the applicant knew or reasonably should have known, at the time of filing the application, was false, inaccurate, or misleading; or

"(B) in response to an application that contained or cited any information which was required to be submitted and which was false, inaccurate, or misleading, if the Administrator determines that cancellation of the registration would be in the public interest, taking into account the need to use the data to determine whether the product may cause unreasonable adverse effects on the environment if used during the period required for replacement of the information and the degree of care which the applicant exercised in obtaining and submitting the information; or

"(C) in response to an application that did not comply with the requirements of the Act or regulations issued under the Act and that was mistakenly approved by the Agency because of clerical error or other improper ministerial Agency action; or

"(D) in response to an application that was approved on the basis of the prior approval of another application that the Administrator determines is described by subparagraph (A), (B), or (C) of this paragraph, if a notice of intent to cancel the registration resulting from that other application has been issued.

"(3) Notice; required contents.—Each notice issued under paragraph (1) or (2) of this subsection shall state the reasons for and factual basis of the notice. Each notice issued under paragraph (1)(B) or (2) of this subsection shall specify each required modification in the terms of registration.

"(4) Publication of notice.—A notice of denial, notice of intent to cancel, notice of suspension, or notice of intent to suspend issued under this Act shall be published in the Federal Register and shall be sent by certified mail, return receipt requested, to the registrant's or applicant's address of record on file with the Agency. If the mailed notice is returned to the Agency as undeliverable at that address, if delivery is refused, or if the Agency otherwise is unable to accomplish delivery of the notice to the registrant or applicant after making reasonable efforts to do so, the notice shall be deemed to have been received by the registrant or applicant on the date the notice was published in the Federal Register.

"(5) Review by Secretary of Agriculture.—At least 60 days prior to issuing a notice under paragraph (1) or (2) of this subsection, the Administrator shall provide the Secretary of Agriculture with a document containing the substance of the actions proposed and the reasons therefor and an analysis of the impact on the agricultural economy of the actions that could result from issuance of the notice and any resultant hearing or order: *Provided,* That such document need not be furnished if the notice implements a regulation issued under subsection (a) of this section upon which opportunity to comment has been furnished to the Secretary under section 25(a)(2) of this Act. If the Secretary comments in writing to the Administrator regarding the document within 60 days after receiving them, the Administrator shall publish such comments and any Agency response in the Federal Register with the notice. The comment period established by this paragraph may be waived or modified by agreement of the Administrator and the Secretary. Notwithstanding any other provisions of this subsection (b) or of section 25(d) or (e), if the Administrator determines that an immediate suspension under subsection (c) is necessary, the Administrator may waive the requirement of advance notice to the Secretary under this paragraph and to the Scientific Advisory Panel under sections 25(d) and 25(e), and may proceed in accordance with subsection (c).

"(6) REQUEST FOR HEARING; EFFECT OF FAILURE TO REQUEST HEARING.—The action proposed by a notice of intent to cancel issued under paragraph (1)(A), (1)(B), or (2) of this subsection shall become final and effective at the end of 30 days from the date of receipt of the notice by the registrant or from the date of publication of the notice in the Federal Register, whichever occurs later, unless within that time the Administrator receives—

"(A) a request from the registrant (or from any person adversely affected by the notice) for a hearing concerning the product, if the notice did not specify modifications in the terms of registration that could be made in lieu of cancellation; or

"(B) with respect to each term of registration found to require specified modifications in a notice issued under paragraph (1)(B) or (2) of this subsection, either a request from the registrant (or from any person adversely affected by the notice) for a hearing concerning the product, or an application from the registrant to amend the terms of registration in the manner specified in the notice.".

(c) Section 6(c) (7 U.S.C. 136d(c)) is amended—

(1) in section 6(c)(1) by deleting the second sentence thereof and substituting therefor the words "A suspension order may prohibit the distribution or sale of the pesticide product, may prohibit use of the product, or both. No suspension order may be issued under this subsection unless the Administrator has issued or at the same time issues either (A) a notice of intent to cancel the registration of the pesticide product under subsection (b)(1) of this section, or (B) a notice commencing a rulemaking proceeding with respect to the product under subsection (a) of this section."; and

(2) in section 6(c)(4) by deleting the word "classification" and substituting therefor the words "the terms of registration".

(d) Section 6(d) (7 U.S.C. 136d(d)) is revised to read as follows:

"(d) PUBLIC HEARINGS AND SCIENTIFIC REVIEW.—

"(1) If a hearing is requested pursuant to subsection (b) or (e) of this section or section 3(c)(2)(B)(iv) or 3(c)(6) of this Act, or if the Administrator convenes a hearing under subsection (a)(2) of this section, a hearing shall be held after due notice for the purpose (subject to subsection (a)(5) of this section) of receiving evidence relevant and material to the issues raised by the request for hearing, or to the issues stated by the Administrator if the hearing is convened under subsection (a)(2) of this section. Any interested person may intervene in such a hearing. The hearing shall be held in accordance with the provisions of subchapter II of title 5 of the United States Code, except that the burden of persuasion in a hearing held in response to a notice issued under subsection (b)(1) of this section or under section 3(c)(6) of this Act or convened under subsection (a)(2) of this section shall rest with the party or parties contending that use of the pesticide product does not cause unreasonable adverse effects on the environment. The Administrator may by regulation prescribe rules of procedure for hearings under this subsection.

"(2) Upon a showing of relevance and reasonable scope of evidence sought by any party to a public hearing, the Administrative Law Judge shall issue a subpoena to compel testimony or production of documents from any person. The Administrative Law Judge shall be guided by the principles of the Federal Rules of Civil Procedure in allowing and controlling discovery and in making any order for the protection of the witness or the content of documents produced and shall order the payment of reasonable fees and expenses as a condition of requiring testimony of the witness. On contest, the subpoena may be enforced by an appropriate United States district court in accordance with the principles stated herein.

"(3) Upon the request of any party to a public hearing and when in the judgment of the Administrative Law Judge it is necessary or desirable, the Administrative Law Judge shall at any time before the hearing record is closed refer to a committee of the National Academy of Sciences relevant questions of scientific fact involved in the public hearing. No member of any committee of the National Academy of Sciences established to carry out the functions of this section shall have a financial or other conflict of interest with respect to any matter considered by such committee. The committee shall report in writing to the Administrative Law Judge as soon as practicable after such referral on these questions of scientific fact. The report shall be made public and shall be considered as part of the hearing record. The Administrator shall enter into appropriate arrangements with the National Academy of Sciences to assure an objective and competent scientific review of the questions presented to committees of the Academy and to provide such other scientific advisory services as may be required by the Administrator for carrying out the purposes of this Act.

"(4) As soon as practicable after completion of the hearing (including the report of the Academy), the Administrator shall evaluate the record of the hearing and any findings and conclusions of the Administrative Law Judge and—

"(A) if the hearing was requested in response to a notice under subsection (b) of this section or section 3(c)(2)(B)(iv) or 3(c)(6) of this Act, the Administrator shall issue an order either revoking the notice, canceling or denying the registration, or requiring modification of the terms of registration of the product. Such order shall be based only on substantial evidence of record and shall set forth detailed findings of fact upon which the order is based; or

"(B) if the hearing was convened under subsection (a)(2) of this section, the Administrator shall make and set forth detailed findings of fact based only on substantial evidence of record and shall include such findings, and the record of the hearing, in the record of the rulemaking being conducted under subsection (a) of this section.".

(e) Section 6 is further amended by adding at the end thereof the following new subsections:

"(g) FINALITY; REOPENING OF PROCEEDINGS.—The Administrator may issue regulations governing the right to a hearing under this section with regard to the denial of any application for the registration of a product containing an ingredient which was the subject of a prior notice of intent to cancel. Under such regulations, due weight shall be given to the desirability of finality of prior proceedings and determinations and to the extent to which the applicant had a prior opportunity to participate in earlier proceedings.

"(h) GENERAL.—

"(1) VOLUNTARY CANCELLATION.—A registrant may at any time request that any of its product registrations be cancelled or be amended to delete one or more uses. The Administrator shall approve such a request unless the product is the subject of a cancellation proceeding under section 6 and the Administrator determines that the public interest would be served by disapproving the request and continuing such cancellation proceeding.

"(2) CANCELLATION AFTER FIVE YEARS.—The Administrator shall cancel the registration of any pesticide at the end of the five-year period which begins on the date of its registration (or at the end of any five-year period thereafter) unless the registrant, or other interested person with the concurrence of the registrant, before the end of such period, requests in accordance with regulations prescribed by the Administrator that the registration be continued in effect.

"(3) EXISTING STOCKS.—The Administrator may permit the continued use, the continued distribution or sale, or both, of existing stocks of a pesticide product whose registration is suspended or cancelled under any provision of this Act to such extent, under such conditions, during such periods, and for such uses as he may specify if he determines that such distribution, sale, or use is not inconsistent with the purposes of this Act and will not cause unreasonable adverse effects on the environment.

"(4) PETITION.—Any person may petition the Administrator to cancel or suspend the registration of a pesticide product, or to issue, modify, or rescind a regulation under this Act.

"(5) ADDITIONAL INFORMATION.—If at any time after the registration of a pesticide the registrant has additional information regarding unreasonable adverse effects on the environment of the pesticide, he shall submit such information to the Administrator. For purposes of this paragraph, 'information' shall include factual information and expert opinion regarding risks or benefits.".

RECORDS

SEC. 6. Section 8 (7 U.S.C. 136f) is amended to read as follows:

"SEC. 8. RECORDS.

"(a) AUTHORITY TO REQUIRE RECORDS.—The Administrator may by regulation require any producer, registrant, applicant for registration, applicant for or holder of an experimental use permit, pesticide testing facility, or commercial applicator, or any person who distributes or sells any pesticide—

"(1) to prepare, and to maintain for reasonable periods of time, such records as the Administrator finds to be necessary for the effective implementation or enforcement of this Act;

"(2) to furnish to the Administrator reports stating the location where the records are maintained; and

"(3) to furnish a copy of any such record to the Administrator upon written request.

"(b) LIMITATIONS.—The Administrator may not, under the authority of this section, require any person to maintain records of—

"(1) financial data or pricing data;

"(2) personnel data, except for data concerning exposure of employees to pesticides or ingredients of pesticides, or concerning health effects on employees that could reasonably be attributable to such exposure; or

"(3) research or test data (other than data relating to registered pesticide products, data relating to any products for which an application for registration or for an experimental use permit has been filed, or data relating to the conduct of testing at a pesticide testing facility).".

INSPECTIONS

SEC. 7. (a) Section 9(a) (7 U.S.C. 136g(a)) is amended to read as follows:

"(a) AUTHORITY TO ENTER, INSPECT, AND COPY.—Officers or employees of the United States or of any State, duly designated by the Administrator, are authorized at reasonable times, as provided by this section—

"(1) to enter any place where any pesticide, active ingredient, or device is distributed or sold, in order to inspect and obtain samples of any pesticide, active ingredient, or device being distributed or sold at such place, or of any packaging or labeling of any such pesticide, active ingredient, or device;

"(2) to enter any place where there are located any records required by or under this Act, or any place reported pursuant to section 8(a) as a location where such records are maintained, in order to inspect and obtain copies of such records;

"(3) to enter any pesticide testing facility, in order to inspect the facility and the testing being conducted at the facility, and to inspect and obtain copies of any records required by or under the authority of this Act to be maintained by the pesticide testing facility; and

"(4) to enter any place where such officer or employee has probable cause to believe that the Act has been or is being violated by any person other than a person acting in the capacity of a private applicator, in order to inspect such place to obtain evidence of such violation.".

(b) Section 9(b) (7 U.S.C. 136g(b)) is amended to read as follows:

"(b) WARRANTS.—Officers or employees of the United States or of any State or political subdivision thereof, duly designated by the Administrator, are empowered to obtain and to execute warrants authorizing—

"(1) entry for the purposes of this section;

"(2) inspection and copying of all records required under this Act; and

"(3) seizure of any pesticide or device which is in violation of this Act.".

(c) Section 9 is further amended by adding at the end thereof a new subsection, to read as follows:

"(d) PROCEDURE.—Before any entry or inspection of any premises not open to the general public is made under this section, the person conducting the inspection shall present to the person in charge of the premises appropriate credentials, and a written statement of the reason for the inspection and whether a violation of the law is suspected. Each inspection shall be commenced and completed with reasonable promptness. If the person conducting the inspection obtains any samples of pesticides or devices, prior to leaving the premises he shall give to the person in charge of the premises a receipt describing the samples and, if requested and practicable, a portion of each such sample equal in volume or weight to the portion retained. If an analysis of any such sample is made, a copy of the results of such analysis shall be furnished on request to the person in charge of the premises.".

PROTECTION OF TRADE SECRETS AND OTHER INFORMATION

SEC. 8. (a) Section 10(d) (7 U.S.C. 136h(d)) is amended in paragraph (3) by deleting the word "If" in the first sentence thereof and substituting therefor the words "Except with respect to determinations requiring disclosure of information in inert ingredient statements in accordance with section 2(n) of this Act, if".

(b) Section 10 (7 U.S.C. 136h) is further amended by adding at the end thereof the following:

"(h) DISCLOSURE TO STATES.—The Administrator may disclose to any State any data or information acquired under the authority of this Act if the Administrator has first determined that the laws and regulations of the State prohibit disclosure of the data to any person who would not be entitled to obtain the data from the Administrator under this Act.".

(c) Section 10 (7 U.S.C. 136h) is further amended by adding at the end thereof the following:

"(i) DISCLOSURE TO FOREIGN GOVERNMENTS.—Notwithstanding any other provision of this Act, the Administrator may disclose data or information obtained under the authority of this Act to the government of another country if—

"(1) a bilateral treaty or agreement exists between the United States and that country authorizing the mutual exchange and protection of data and information pertaining to pesticides; and

"(2) the Administrator, after consultation with the Secretary of State and after notice and opportunity for public comment, has determined that the laws of that country provide protection equivalent to that provided by this Act against disclosure of the data or information and against use of the data or information to support any application for, or decision to grant, any license, permit, or other action to allow the production, distribution, or sale of a pesticide under the laws of any country; and

"(3) the Administrator determines that the particular disclosure is in the national interest; and

"(4) the Administrator notifies any applicant or registrant who submitted the information or data of the disclosure.

"(j) INFORMATION RECEIVED FROM FOREIGN GOVERNMENTS.—Notwithstanding any other provision of this Act, section 552 of title 5 of the United States Code, or any other provision of law, the Administrator shall not be required to disclose any data or information concerning pesticides if—

"(1) the Administrator obtained the data or information from the government of another country;

"(2) that government required the Administrator to agree not to disclose the data or information to the public as a condition of furnishing it to the Administrator;

"(3) the Administrator could not otherwise obtain the data or information; and

"(4) that government has not informed the Administrator that the data or information may be disclosed to the public.".

UNLAWFUL ACTS

SEC. 9. (a) Section 12(a) (7 U.S.C. 136j(a)) is amended—

(1) in subsection (a)(1) by deleting the words "distribute, sell, offer for sale, hold for sale, ship, deliver for shipment, or receive and (having so received) deliver or offer to deliver, to any person—" and substituting therefor the words "to distribute or sell to any person—";

(2) by revising subsection (a)(1)(A) to read as follows:

"(A) any pesticide product which is not registered under section 3 or whose registration has been cancelled or suspended, except to the extent that distribution or sale otherwise has been authorized by the Administrator under this Act;";

(3) by revising subsection (a)(2)(B) to read as follows:

"(B) to refuse to (i) prepare, maintain, or submit any records required under this Act or by regulations issued pursuant to this Act, (ii) submit any reports required by this Act or by regulations issued pursuant to this Act, or (iii) allow any entry, inspection, copying of records, or sampling authorized by this Act.";

(4) in subsection (a)(2)(F) by deleting the words "to make" and substituting therefor the words "to distribute or sell, or to make";

(5) in subsection (a)(2)(J) by deleting the words "section 6" and substituting therefor the words "this Act";

(6) by amending subsection (a)(2)(K) to read as follows:

"(K) to violate any cancellation order issued under this Act;";

(7) in section (a)(2)(M) by deleting the words "section 8" and substituting therefor the words "this Act";

(8) in subsection (a)(2)(O) by deleting the word "or" at the end thereof;

(9) by striking the period at the end of subsection (a)(2)(P); and

(10) by adding at the end thereof the following:

"(Q) to violate any regulation prescribed by the Administrator to carry out good laboratory practice standards;

"(R) to distribute or sell, to make available for use, or to use any pesticide product which is the subject of an exemption under section 18 in violation of the terms of the exemption;

"(S) who is a registrant, an applicant for registration, or a pesticide testing facility, to falsely or misleadingly represent any information relating to the testing of any pesticide (or any ingredient, metabolite, or degradation product thereof), including the nature of any protocol, procedure, substance, organism, or equipment used, observation made, or conclusion or opinion formed if such representation is made to the Agency, or is made in any document or record which the person making it knows or reasonably should know will be furnished to the Agency or will become a part of any records required to be maintained by this Act or by regulations issued under this Act; or

"(T) who is a registrant, an applicant for registration, or a pesticide testing facility, or who distributes or sells any pesticide, or who is a commercial applicator, or who applies any pesticide for hire, to violate any regulation issued under the authority of this Act.".

(b) Section 12 (7 U.S.C. 136j) is amended by adding at the end thereof a new subsection (c) to read as follows:

"(c) ACTS OF OFFICERS, AGENTS, ETC.—

courts shall have jurisdiction to enforce

notice stating that the State which issued

extent necessary, the percentage) of any

or distributing it). A proviso would make

Administrator's authority to classify prod-

"(c) ACTS OF OFFICERS, AGENTS, ETC.—When construing and enforcing the provisions of this Act, the act, omission, or failure of any officer, employee, agent, or other person acting for or employed by any person shall in every case be also deemed to be the act, omission, or failure of such person as well as that of the person employed.".

PENALTIES

SEC. 10. (a) Section 14(a) (7 U.S.C. 1361(a)) is amended—

(1) in subsection (a)(1)—

(A) by inserting after the words, "commercial applicator," the words "applicant for registration, or any pesticide testing facility, or any";

(B) by deleting the word "distributor" and substituting therefor the words "person who distributes or sells any pesticide or device,";

(C) be deleting the words "$5,000" and substituting therefor the words "$25,000";

(D) by adding after the words "offense." the words "Each day such a violation continues shall, for the purposes of this subsection, constitute a separate offense.";

(2) in subsection (a)(2)—

(A) by deleting the words "$1,000" each time they appear and substituting therefor the words "$5,000";

(B) by deleting the words "$500" and substituting therefor the words "$2,500";

(C) by adding at the end thereof the words "Each day such a violation continues shall, for the purposes of this subsection, constitute a separate offense."; and

(3) in subsection (a)(3) by deleting the period at the end thereof and substituting therefor the words ": *Provided*, That if the person neither resides nor has his principal place of business in the United States, the Administrator may designate a site for the hearing in the United States which is reasonably convenient for the parties."; and

(4) in subsection (a)(4) by adding the words "the economic benefit (if any) resulting from the violation," immediately after the words "to continue in business," in the first sentence thereof.

(b) Section 14(b) (7 U.S.C. 1361(b)) is amended—

(1) in subsection (b)(1)—

(A) by inserting after the words "commercial applicator the words "applicant for registration, or any pesticide testing facility, or any";

(B) by deleting the word "distributor" and substituting therefor the words "person who distributes or sells any pesticide or device,";

(C) by deleting the word "misdemeanor" and substituting therefor the word "felony";

(D) by deleting the words "one year" and substituting therefor the words "two years"; and

(2) in subsection (b)(2)—

(A) by deleting the words "30 days" and substituting therefor the words "one year";

(B) by deleting the words "$1,000" and substituting therefor the words "$5,000"; and

(3) by deleting subsection (b)(4).

(c) Section 14 is further amended by adding at the end thereof the following new subsection:

"(c) SUBPOENAS.—The Administrator may, in connection with administrative proceedings under subsection (a) of this section, issue subpoenas compelling the attendance and testimony of witnesses and subpoenas duces tecum, and may request the Attorney General to bring an action to enforce any subpoena under this section. The district courts shall have jurisdiction to enforce such subpoenas and impose sanctions.".

INDEMNITIES

SEC. 11. Section 15 (7 U.S.C. 136m) is amended by adding a new subsection at the end thereof to read as follows:

"(c) LIMITATION.—Notwithstanding any other provision of this Act, no indemnity payment under this section shall be made on account of any suspension of registration of a pesticide product which occurs after the effective date of this subsection.".

ADMINISTRATIVE PROCEDURE; JUDICIAL REVIEW

SEC. 12. Section 16 (7 U.S.C. 136n) is amended by adding at the end thereof a new subsection, to read as follows:

"(e) REVIEW OF REGULATIONS.—(1) Any regulation issued under this Act and first published in the Federal Register in final form after the effective date of this subsection or any refusal of a petition to modify or rescind such a regulation shall be reviewable only as provided by this subsection. Any person may obtain judicial review of such a regulation or refusal by filing a petition for review in the United States court of appeals for the circuit wherein the person resides or has its principal place of business, or in the United States Court of Appeals for the District of Columbia. Any petition under this subsection for review of a regulation shall be filed within sixty days from the date of promulgation of the regulation as determined by the Administrator in the Federal Register. Any petition under this subsection for review of a refusal to modify or rescind a regulation shall be filed within sixty days after such refusal. The scope of review shall be as specified in section 706 of title 5, United States Code. The commencement of proceedings under this paragraph shall not, unless specifically ordered by the court to the contrary, operate as a stay of the regulation.

"(2) Action of the Administrator with respect to which review could have been obtained under paragraph (1) of this subsection shall not be subject to judicial review in any suspension, cancellation, or denial proceeding under this Act or any appeal therefrom, nor in any proceeding under section 13, 14, or 16(c) of this Act or any appeal therefrom.".

DISPOSAL AND TRANSPORTATION

SEC. 13. Section 19(a) (7 U.S.C. 136q(a)) is amended by inserting after the words "canceled under section 6(c)" the words "on or before October 1, 1985".

DELEGATION AND COOPERATION

SEC. 14. Section 22 is amended by adding at the end thereof a new subsection, to read as follows:

"(c) EFFECT ON CERTAIN OTHER LAWS.—In exercising any authority under this Act, the Administrator shall not, for purposes of section 653(b)(1) of Title 29, United States Code, be deemed to be exercising statutory authority to prescribe or enforce standards or regulations affecting occupational safety or health.".

AUTHORITY OF STATES

SEC. 15. Section 24(c) (7 U.S.C. 136v(c)), is amended in subsection (c)(1) by deleting the period at the end thereof and substituting therefor the words "*Provided*, That such a registration shall expire and be of no further effect, without further action by the Administrator—

"(A) at the end of the period, if any, provided as the duration of the registration by the State which approved it; or

"(B) 10 days after the date the Administrator publishes in the Federal Register a notice stating that the State which issued the registration has informed the Administrator that the State no longer desires the registration to continue in effect.".

AUTHORITY OF ADMINISTRATOR

SEC. 16. (a) Section 25(a) (7 U.S.C. 136w(a)) is amended by revising subsection (a)(4) to read as follows—

"(4) CONGRESSIONAL REVIEW OF REGULATIONS.—Notwithstanding any other provision of this Act, simultaneously with the promulgation of any rule or regulation under this Act, the Administrator shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. The rule or regulation shall not become effective until the passage of 60 calendar days after the rule or regulation is so transmitted.".

(b) Section 25(c) (7 U.S.C. 136w(c)) is amended—

(1) by inserting after the words "notice and opportunity for hearing," the words "or by issuance of regulations,"; and

(2) by deleting the words "prescribe regulations requiring" in paragraph (5) thereof and substituting therefor the word "require".

SECTION-BY-SECTION DESCRIPTION OF DRAFT PESTICIDE AMENDMENTS

[SECTION 1]

[SECTION 2]

[SECTION 3]

Section 3 of the amendments would amend FIFRA § 2, which defines terms used elsewhere in the Act.

Section 3(a)(1) would make a technical change in the definition of the term "certified applicator." The second sentence of § 2(e)(1), which provides that certain applicators shall not be deemed to be sellers or distributors of pesticides, would be made a part of the new definition of the term "distribute or sell" (see section 3(f) of these amendments).

Section 3(a)(2) would delete the definition in FIFRA § 2(e)(4) of the term "under the direct supervision of a certified applicator." In section 4(c) of these amendments, companion changes would allow the Administrator to specify the extent of supervision which must be exercised by certified applicators over the application of restricted-use pesticides by uncertified applicators.

Secton 3(b) of the amendments would revise the definition of the term "imminent hazard," which contains the grounds for suspension under FIFRA § 6(c). Under current law, an imminent hazard justifying a suspension exists if continued use of a pesticide during the time required for a cancellation proceeding would be likely to result in unreasonable adverse effects on the environment or would involve unreasonable hazard to an endangered species. Under the amendment, an imminent hazard justifying a suspension would also exist if such effects or hazard would result from continued use of a pesticide during the time required for a rulemaking proceeding under the revision to FIFRA § 6(a) proposed in Section 5(a) of these amendments.

Section 3(c) of these amendments would revise and expand the definition of the term "ingredient statement." (The label of a registered pesticide must contain an ingredient statement.) The amendment would clarify that the Administrator may require, in addition to the name and percentage of each active ingredient and the total percentage of inert ingredients, the name (and, to the extent necessary, the percentage) of any inert ingredient which the Administrator determines must appear in the ingredient statement because of the hazard which the Administrator has determined may be posed by the presence of that ingredient. The amendment would also codify the longstanding Agency practice of requiring that, when necessary to represent accurately the nature of the active ingredient, the ingredient statement contain other information concerning the chemical composition or identity of any active ingredient in the product (e.g., information on chemical equivalency); this would generalize the specific requirement already contained in the existing statute with regard to various forms of arsenic.

Section 3(d) is a technical amendment which would modify the definition of the term "pesticide" contained in FIFRA § 2(u) by stating clearly that the term includes any substance or mixture which contains an active ingredient and which any person distributes or sells in any State for use in manufacturing or formulating a pesticide or for repackaging as a pesticide. Such substances and mixtures have in fact been treated been regarded as pesticides for many years, as current FIFRA § 3(c)(2)(D) indicates.

Section 3(e) of the amendments would revise FIFRA § 2(ee), which defines the unlawful act (see FIFRA 12(a)(2)(G)) "to use any registered pesticide in a manner inconsistent with its labeling." The amendment would include within the definition the application of a pesticide at any dosage, concentration, or frequency less than that specified on the labeling, or application by any method not specified by the labeling, *if* the label specifically prohibited deviation from the label instructions on dosage, concentration, frequency, or method of application.

Section 3(f) would add new definitions at the end of FIFRA § 2. A new FIFRA § 2(ff) would define the term "distribute or sell" to allow simplification of language in several other amendments (see proposed new or revised FIFRA §§ 2(gg), 3(a), 6(c), 8(a), 6(h)(3), 9(a)(1), 12(a)(1), 12(a)(2) (R) and (T), 14(a)(1), and 14(b)(1)). The term incorporates all the terms used in various places in the current statute (FIFRA § 3(a), 6(a)(1), 7(b)(1)(C), 9(a), and 12(a)(1)) to connote introduction into, or movement in, commerce.

A new FIFRA § 2(gg) would define the term "pesticide product" to mean a pesticide in the particular form (including composition, labeling, and packaging) in which it is (or is proposed to be) distributed or sold. The term is used in other proposed amendments. The current statute uses the term "pesticide" in different senses: sometimes the context indicates a reference to a category of pesticides having some common ingredient or property, while at other times the term refers to a particular product whose registration is being sought, denied, cancelled, or suspended. This new definition would make it clear that the term "pesticide" refers to "pesticide product" in those latter cases where the context so indicates.

A new FIFRA § 2(hh) would define the term "pesticide testing facility," another term used in several other of these amendments, to mean any person that conducts any test, study, survey, or investigation of the properties, effects, or behavior of any pesticide (or any ingredient, metabolite, or degradation product thereof) for or on behalf of any registrant, applicant for registration, or other person who sells or distributes the pesticide (or contemplates selling or distributing it). A proviso would make clear that the term does not include any person solely on account of such person's role as a cooperator (a person who allows his premises to be used for tests of a pesticide) in compliance with an experimental use permit under section 5 of this Act.

Finally, a new FIFRA § 2(ii) would define "terms of registration" to mean the requirements imposed on a pesticide product under FIFRA concerning the product's composition, labeling, and packaging, and any restrictions on its distribution, sale, or use. This term is used in several other of the amendments, and is defined here to allow clearer and more efficient language elsewhere.

SECTION 4

Section 4(a) of the amendments would simplify FIFRA § 3(a), the statute's basic statement of the requirement that pesticides be registered, by substituting the newly-defined term "distribute or sell" for the long list of commercial acts in the current provision. It would make no substantive change.

Section 4(b)(1) of the amendments would make identical amendments to FIFRA §§ 3(c)(1)(D)(ii) and 3(c)(2)(B)(iv), as they concern the extent of judicial review of decisions of arbitrators in disputes concerning compensation for use of data or allocation data generation expenses. These amendments would moot a current court challenge to the constitutionality of the current statute's limitation on judicial review which, if decided adversely to the position of the government, could adversely affect the working of the statute's data cost-sharing mechanisms and the Agency's registration and data-gathering efforts. Under the amendment, arbitrator's decisions would be reviewable only in the United States Court of Appeals for the circuit in which the petitioner resides or has its principal place of business, or in the United States Court of Appeals for the District of Columbia, upon a petition for review filed by a party to the arbitration within 60 days after the entry of the arbitrator's decision (or, in order to cover decisions issued prior to the enactment of this amendment, within 60 days of such enactment). The arbitrator's decision would be treated as if it were the decision of an administrative agency for purposes of 28 U.S.C. 2112 (which concerns such matters as assembling and filing with the court the record for review). The amendment would also provide that any expenses incurred by the arbitrator on account of court review would be shared equally by the parties to the arbitration, just as the arbitrator's fee and other expenses are shared under the current statute.

Section 4(a)(2) would make a technical change to FIFRA §§ 3(c)(3) and 3(c)(6). Section 3(c)(3) requires the Administrator to review applications and either register the product under § 3(c)(5) or deny the application under § 3(c)(6), while § 3(c)(6) now requires the Administrator to deny the application if it does not meet the requirements of § 3(c)(5). When § 3(c)(7) (conditional registration) was added to the statute in 1978 as an alternative to registration under § 3(c)(5), cross-references to it in §§ 3(c)(3) and 3(c)(6) were inadvertently omitted; this amendment would remedy that omission.

Section 4(c) of the amendments would make several changes to FIFRA § 3(d), which concerns classification of pesticides for restricted use. FIFRA § 3(d)(1)(A) would be amended by deleting the words "on the initial classification," thus clarifying the Administrator's authority to classify products for restricted use by rulemaking at any time. FIFRA §§ 3(d)(1)(C)(i) and 3(d)(1)(C)(ii) would be amended to allow the Administrator to require that a restricted use pesticide be applied only by a certified applicator or only under such degree of supervision of a certified applicator as the Administrator may specify. Also, § 3(d)(1)(C)(ii) would be amended by deleting the special court of appeals review provision for regulations issued under that section, which would be unnecessary upon enactment of proposed amendments 5(a) and 13. Substituted for the current provision would be language stating that any regulations establishing other regulatory restrictions would be issued pursuant to proposed FIFRA § 6(a).

The amendment also would revise FIFRA § 3(d)(2) by deleting the special procedure now required for changing a product's classification from general use to restricted use and by providing that if the Administrator concludes that a change from general use to restricted use is warranted, or that additional restrictions are necessary, the Administrator may impose such restrictions using the procedures set forth in proposed §§ 6(a) or 6(b)(1)(B).

FIFRA § 3(d)(3) would be amended to delete the special procedure provided by the current statute which allows a registrant to appeal the denial of a petition for the removal of restriction on a product's use to a United States District Court. In lieu thereof would be added a statement that such a petition would be treated as an application to amend the registration or to modify or rescind any controlling regulation, thus providing the registrant with the same remedies afforded registrants seeking other types of amendments to their registrations.

SECTION 5

Section 5 of the amendments would modify FIFRA § 6 concerning cancellation of pesticide registrations. The changes would make the process more efficient by establishing rulemaking as the primary method for determinig whether products cause unreasonable adverse effects on the environment and what regulatory steps should be taken to address such effects. The Administrator's authority to issue suspension orders or emergency suspension orders would not be subject to this change. In addition, the amendments to FIFRA § 6 would allow registrations to be cancelled if they were found to have been approved on the basis of data later found to be false, inaccurate, or misleading, or to have been wrongly approved due to clerical error. Finally, this amendment would address various problems that have arisen in the administration of the Act and give recognition in the statute to administrative practices that have become routine.

Section 5(a) would amend FIFRA § 6(a) to provide that rulemaking, rather than formal adjudication, shall be the primary mechanism for deciding whether uses of pesticides cause unreasonable adverse effects on the environment, (Current § 6(a), which contains a number of miscellaneous provisions, would be redesignated § 6(h).) Proposed FIFRA § 6(a)(1) would specifically authorize the Agency to determine by regulation that use of a pesticide product (or category of products) causes unreasonable adverse effects on the environment, and the terms of registration, if any, under which the product may be distributed, sold, or used. Proposed § 6(a)(2) would allow the Administrator to elect to use formal hearing procedures, as part of a rulemaking proceeding, in order to resolve one or more particular issues. Proposed § 6(a)(3) would specify that regulations under § 6(a) would be reviewable in courts of appeals, as provided by proposed FIFRA § 16(e) (see section 12 of these amendments). Proposed § 6(a)(4) would provide that issuance of notices of intent to cancel based on unreasonable adverse effects would have to be preceded by a rulemaking under § 6(a)(1). A notice of intent to cancel would be issued without first conducting a rulemaking only when the Administrator concluded in a particular case that it would be more efficient to use formal adjudication, rather than rulemaking, to resolve the substantive issues involved. Provision is also made to allow issuance of cancellation notices without prior rulemaking during a transition period following enactment of these amendments. Finally, proposed § 6(a)(5) would permit an opportunity for a cancellation hearing resulting from a notice of intent to cancel that was based on regulation under § 6(a)(1). The hearing's scope would be limited to whether the product in question was covered by the regulation, whether the product was in compliance with the requirements imposed by the regulation, and whether significant information that could not have been presented in the rulemaking would make it unreasonable to require the product to comply with the regulation.

Section 5(b) of the amendments would rewrite FIFRA § 6(b) to add additional grounds for cancellation, delete the fact-finding hearing provided for in current FIFRA § 6(b)(2) (the proposed rulemaking amendment would eliminate the need for this kind of hearing), and make a number of technical and clarifying changes. As amended, FIFRA § 6(b)(1) would clarify the Administrator's authority to cancel the registration of a pesticide product (or to cancel unless specified modifications to the terms of registration are requested by the registrant). In order to take this action, the Administrator would have to determine that one or more of the terms of registration of the product did not comply with the provisions of FIFRA or any regulation issued under FIFRA, or that use of the product in accordance with widespread and commonly recognized practice generally caused unreasonable adverse effects on the environment.

Proposed FIFRA § 6(b)(2) would authorize issuance of a notice of intent to cancel a registration which was approved on the basis of false, inaccurate, or misleading information in the registration application. Cancellation proceedings would be authorized if the applicant knew or reasonably should have known that the application was false, inaccurate, or misleading. Where the applicant did not know the application contained false, inaccurate, or misleading information, cancellation would be allowed if the Administrator determined that cancellation would be in the public interest, taking into account the importance of the data in determining whether the product may cause unreasonable adverse effects on the environment if used during the period required to replace the data and the degree of care exercised by the applicant in obtaining and submitting the information. Cancellation also would be authorized where the application was approved in violation of the statute or governing regulations as a result of Agency clerical or ministerial error, or where the registration was issued under FIFRA § 3(c)(7) in reliance on the existence of another registration which itself had been improperly issued.

The other changes to FIFRA § 6(b) are less significant. Proposed §§ 6(b)(3) and 6(b)(6) are conforming amendments. Proposed § 6(b)(4) would provide that Federal Register publication would constitute delivery of the notice for purposes of commencement of the 30-day period allowed for requesting a hearing in cases where the mailed copy of the notice is undeliverable. Proposed § 6(b)(5) would eliminate duplicative review requirements by the Secretary of Agriculture on notices of intent to cancel which merely implement final regulations issued under proposed § 6(a). (Under FIFRA § 25, such regulations could only be issued where the Secretary has been provided opportunity to comment on proposed and final versions of the regulation.) Existing review requirements for notices of intent to cancel not following a rulemaking would not be affected. Finally, the subsection has been subdivided for purposes of clarity.

Section 5(c) of the amendments would conform FIFRA § 6(c) (dealing with suspension of registrations) to the new rulemaking provisions of proposed § 6(a). The amendment also would clarify that a suspension order may prohibit distribution, sale, or use of a pesticide product; the current statute indicates this indirectly (see FIFRA §§ 2(1) and 15(b)(2)). The Administrator's suspension authority would not be otherwise affected by these amendments.

Section 5(d) of the amendments makes conforming changes to current FIFRA § 6(d) (which concerns cancellation hearing procedures). The amendments would codify the long-standing administrative practice of allowing any interested person to intervene in a hearing. The amendment would specify that the burden of persuasion in hearings concerning unreasonable effects on the environment shall rest with the parties who contend that a product does not cause such effects; this provision would continue existing law as to cancellation hearings and extend the same principle to hearings held as part of rulemakings under proposed FIFRA § 6(a). The amendments would also specify that the principles of the Federal Rules of Civil Procedure shall govern any discovery in hearings. The term "Administrative Law Judge" is substituted for the term "hearing examiner." Finally, the subsection has been subdivided for clarity.

Section 5(e) of the amendments would add two new subsections at the end of FIFRA § 6. Proposed § 6(g) would specifically authorize the Administrator to promulgate regulations governing the right to a hearing on the denial of an application for registration of a product containing an ingredient which was the subject of a prior notice of intent to cancel. Under such regulations, the Administrator would be directed to give due weight to the desirability of finality of prior proceedings and determinations and to the extent to which the applicant had had an opportunity to participate in the prior proceedings.

Proposed § 6(h) contains the provisions which now appear in FIFRA § 6(a) concerning five-year renewals and existing stocks orders, as well as certain new provisions. The amendment would add a provision recognizing the right of a registrant to voluntarily cancel its product. It also would add a provision that would confirm the Agency's interpretation of current FIFRA § 6(a)(2), i.e., that the section requires submission by registrants of post-registration information which consists of expert opinion (e.g., a pathologist's report from a toxicity study on the pesticide) or which concerns the benefits (or the lack thereof) of the pesticide. This interpretation was criticized in dictum in a 1980 federal court decision, *Chemical Specialties Manufacturers Ass'n* v. *EPA*, 484 F. Supp. 513 (D. D.C. 1980). Proposed § 6(h) also would expressly provide that any person may petition for the cancellation or suspension of a pesticide product or for the issuance, modification, or recission of a regulation under FIFRA.

SECTION 6

FIFRA § 8 currently allows EPA to promulgate regulations requiring "producers" of pesticides and devices to keep and submit records, and allows EPA access to the delivery and movement records of any "producer, dealer, carrier, and distributor." This amendment to § 8 would clarify that EPA's authority to require recordkeeping by regulation extends to registrants, applicants for registration, and persons who hold or are seeking experimental use permits. Further, the amendment would extend that authority to pesticide testing facilities and commercial applicators because of the growing need to monitor the quality of testing data under FIFRA and the application of restricted use pesticides. Under this amendment, persons who distribute or sell pesticides could be required to maintain records as necessary for the effective implementation and enforcement of the Act. All persons subject to § 8 could be required to furnish the Agency copies of the records on request. Authority to inspect records is treated separately in Section 7 of these amendments, which would amend FIFRA § 9.

SECTION 7

This amendment to FIFRA § 9 would clarify and consolidate current inspection provisions in FIFRA §§ 8 and 9, and extend EPA's inspection authority to places where there is probable cause to believe the Act has been or is being violated. It also would amend the authority of the Agency to obtain warrants; these amendments would bring the statute into conformance with U.S. Supreme Court decisions authorizing warrantless inspections of business premises and authorizing issuance of warrants in furtherance of neutral administrative inspection schemes as well as where probable cause of a violation exists. The amendment also would allow State officers or employees duly designated by the Administrator, as well as Federal officers or employees, to conduct inspections under FIFRA.

SECTION 8

Section 8 of the amendments would revise FIFRA § 10 (dealing with confidentiality of information) in two respects. First, it would amend § 10(d)(3) (which, inter alia, establishes criteria and procedures to be used when the Administrator proposes to disclose information on product formulas) to exempt, from its provisions, determinations made by the Administrator to require disclosure on the ingredient statements of product labels of hazardous inert ingredients of the product. Applicants or registrants who wish to contest such determinations may do so in a denial or cancellation hearing under FIFRA § 6(d) or a rulemaking under proposed § 6(a).

Second, it would add a new subsection which would clarify the extent of the Administrator's authority to disclose information obtained under FIFRA to state officials. Specifically, proposed § 10(h) would authorize the Administrator to disclose to any state any data or information obtained under FIFRA if the Administrator first determined that the state's laws and regulations prohibit disclosure of such data or information to any person who would not be entitled to obtain it from the Administrator.

SECTION 9

This section of the amendments would make a series of changes to FIFRA § 12, which specifies acts that are unlawful.

Section 9(a) would amend FIFRA § 12(a). Section 9(a)(1) is a conforming change; see section 3(f) of the amendments. Section 9(a)(2) would include expressly in FIFRA what is already implicit: that it is unlawful to distribute or sell a cancelled or suspended pesticide except as authorized by the Administrator.

Section 9(a)(3), a companion amendment to sections 6 and 7 of these amendments, would make it unlawful to refuse to prepare, maintain, or submit any records or reports required by the Act or by regulations issued under the Act, or to refuse to allow any entry, inspection, copying, or sampling authorized by the Act.

Sections 9(a)(4)–(8) are technical or conforming amendments. Section 9(a)(9) would add three new "unlawful acts" provisions.

The first new provisions, proposed FIFRA § 12(a)(2)(Q), would make it unlawful for any person to distribute or sell, and make available for use, or use any pesticide which is the subject of an exemption under FIFRA § 18 in violation of the terms of the exemption.

The second provision, proposed FIFRA § 12(a)(2)(R), would make it unlawful for registrants, applicants, or pesticide testing facilities to falsely or misleading represent information relating to the testing of any pesticide in any representation made to the Agency or in any document or record which the person making it knows or reasonably should know will be furnished to the Agency or will become a part of any record required to be maintained by FIFRA or regulations issued under FIFRA. This provision would be a corrollary to the proposed new FIFRA § 6 authority to cancel registrations which were approved based on false or misleading data.

The third new provision, proposed FIFRA § 12(a)(2)(S), would make it unlawful for registrants, applicants, pesticide testing facilities, distributors or sellers of pesticides, and persons who apply pesticides for hire to violate regulations issued under FIFRA, thus allowing the Agency to enforce against those categories of persons the regulations it has authority to issue. This authority could, among other things, allow the Agency to seek civil or criminal penalties for pesticide testing facilities that violate good laboratory practice regulations prescribed by the Agency. This would provide clearer authority to assure the integrity of data being used for regulatory decisions. Current law does not allow the Agency to regulate a pesticide testing facility directly, unless the facility happens to be owned by the person who seeks to register a pesticide product. This amendment would close this potential gap in coverage.

Section 9(b) of the amendments is a technical change which redesignates current FIFRA § 14(b)(4) (dealing with vicarious responsibility) as § 12(c).

SECTION 10

This section would make a series of changes to FIFRA § 14, which deals with civil and criminal penalties for violations and related matters.

Section 9(a) of the amendments concerns civil penalties. It would add to the category of persons liable for the higher civil penalties under §§ 14(a)(1) and two new categories of persons: "applicants for registration" and "pesticide testing facilities." In addition, the amendment would raise the most serious FIFRA civil penalty levels five-fold, to the $25,000 per day of violation level of other environmental statutes, and thereby provide stronger incentive for compliance. The current lesser penalties in FIFRA, applicable to private applicators and some other persons, also would be increased. (Penalties still could be assessed against a private applicator only after he ignores a written warning.) The "per day" provision would ensure that continuing violations were treated differently than non-continuing violations. There is sufficient protection in the Act against imposition of a penalty so great as to affect ability to continue in business.

This amendment would also clarify the Agency's authority to consider the economic benefits of noncompliance (where applicable) as a factor in imposing civil penalties. This ensures both that penalties assessed could be high enough to create an economic as well as legal incentive to comply and that a violator does not obtain a competitive advantage over those who comply with the Act.

Section 9(b) of the amendments would amend the criminal penalty provisions of FIFRA § 14(b). It again would add "applicants for registration" and "pesticide testing facilities" to the § 14(b)(1) category of persons subject to higher penalties. It further would provide that violations by persons in that category would be chargeable as felonies, rather than as misdemeanors as the current statute provides, and that the maximum term of imprisonment would be two years, rather than the current one-year maximum. Felony-level charges would operate as a significant deterrent to would-be violators and would reflect the large health and environmental risks posed by criminal conduct under FIFRA. For private applicators and other persons in the misdemeanor category under § 14(b)(2), the maximum penalty would be increased from $1,000 to $5,000.

Section 9(c) of the amendments would confer authority upon the Administrator to issue subpoenas in civil penalty proceedings requiring appearance, testimony, and production of documents. These subpoenas could be enforced by order of U.S. District Courts in actions commenced by the Attorney General.

SECTION 11

This amendment would revise FIFRA § 15, concerning indemnity payments to owners of pesticide products whose registratons are suspended and cancelled, by providing that no indemnity entitlement would arise with regard to any pesticide suspended after the effective date of these amendments.

SECTION 12

This amendment would add a new subsection at the end of FIFRA § 16 to govern judicial review of regulations issued under FIFRA after the effective date of the amendments. Review would be proper only in the federal courts of appeals upon a petition filed within 60 days of the date of promulgation of the regulation in question. Court review of Agency denials of petitions to modify or rescind any such regulation would be governed by the same provision.

SECTION 13

This amendment, a companion to section 11 above, would modify FIFRA § 19(a), concerning disposal by the government of pesticide products whose registrations are suspended and cancelled, by providing that the government would not bear the responsibility of disposing of any such pesticide suspended after the effective date of these amendments.

SECTION 14

The amendment would add a subsection to FIFRA § 22 (concerning delegation and cooperation) to provide that in implementing FIFRA, the Administrator shall not be deemed to be exercising authority to prescribe or enforce workplace standards affecting occupational safety or health. This provision, which is modeled after a provision in the Toxic Substances Control Act, would allow EPA to regulate certain aspects of pesticide use in workplace situations without thereby preempting the Occupational Safety and Health Administration (OSHA) from also regulating other aspects of pesticide use in the workplace. In exercising their respective authorities to regulate pesticide use in the workplace, EPA and OSHA will continue to coordinate their activities between themselves and with the U.S. Department of Agriculture in keeping with the intent of existing FIFRA § 22(b).

SECTION 15

This amendment to FIFRA § 24(c) would provide that "special local needs" registrations issued by States would terminate without the need for cancellation hearings at the end of the period authorized by the State or at the time the State informed the Administrator that the registration is no longer deemed desirable. It thus would facilitate more accurate record-keeping by the Agency of the number and kinds of registrations that are active.

SECTION 16

This section of the amendments would make two changes in section 25, which concerns the general implementing authority of the Administrator. First, it would delete the "legislative veto" provision currently in the law, and replace it with a simpler provision requiring a 60-day delay in the effective date of regulations issued under FIFRA and a requirement that copies of the regulations be furnished to Congress upon promulgation. Second, it would make clear that the Administrator may take the actions listed under FIFRA § 25(c) by notice-and-comment rulemaking.●

CONSERVATION GROUP SUPPORTS NORTH PACIFIC FUR SEAL TREATY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. YOUNG of Alaska. Mr. Speaker, the other body will shortly be considering a protocol extending for 4 years the Interim Convention for the Conservation of North Pacific Fur Seals. Many Members of both bodies have been contacted by representatives of animal preservation groups urging that the Convention be terminated. I want to bring to the attention

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of the House a resolution recently adopted by the National Audubon Society which recommends ratification of the Interim Convention.

The first fur seal convention was adopted in 1911. At that time, the world population of North Pacific fur seals totaled only 300,000 animals. Under the comprehensive management regime established by the convention and succeeding agreements, the fur seal population has increased to 1.2 million seals. I think this certainly demonstrates how wise management and international cooperation can save a species from extinction.

If the Interim Convention is not extended, we will lose all protection for fur seals outside our 200-mile exclusive economic zone. Some have suggested that protection can be extended by imposing restrictions on foreign vessels fishing in our zone. This would not work for a number of reasons.

First, foreign fishing will not continue indefinitely. Once it ends, there is no leverage. Second, not all nations that might harvest seals on the high seas fish in our zone. Third, we have already seen that such protective covenants do not necessarily work. The Soviet Union recently had its fish allocation reduced due to a dispute over whaling. This has not convinced the Soviet Union to change its whaling practices. In fact, the Soviet Union may refuse to continue fishing operations in our zone. Fourth, prohibitions such as have been suggested are difficult, if not impossible, to enforce. Finally, such restrictions might result in further problems for our fishermen without providing any additional protection.

In the words of the National Audubon Society, the Interim Convention "has a solid record of achievement in international wildlife conservation since its adoption in 1911." I think this record should remain unbroken. I urge Members to join with me in supporting extension of the Interim Convention.

Mr. Speaker, I ask that the text of the National Audubon Society's resolution be printed in the RECORD.

RESOLUTION ON CONSERVATION OF NORTH PACIFIC FUR SEALS

Whereas the "Interim Convention for the Conservation of North Pacific Fur Seals" has a solid record of achievement in international wildlife conservation since its adoption in 1911;

Whereas failure to ratify the Interim Convention would subject fur seals to the danger of indiscriminate and unregulated killing;

Whereas past and current research on the fur seals pursuant to the treaty is recognized by the scientific and conservation communities as some of the most outstanding ever designed and carried out on wildlife populations;

Whereas improved international cooperation in research, education, management and law enforcement will be vital to dealing with threats to the fur seals from entanglement in fish nets, increased natural mortality due to disease, predation, fluctuating food supplies and other biological factors;

Whereas continued opportunity for nonwasteful uses of fur seals by residents of the Pribilof Islands is essential to their physical, economic, traditional and cultural existence;

Whereas current declines in the Pribilof Island fur seal populations are serious and merit adoption of scientific management principles to the Interim Convention; and

Whereas opposition to the Interim Convention poses a serious threat to treaties as effective mechanisms in promoting international cooperation in wildlife conservation; Therefore be it Resolved, That the National Audubon Society supports ratification of the "Interim Convention for the Conservation of North Pacific Fur Seals" by the United States Senate; Be it further

Resolved, That the National Audubon Society recommends that ratification of the "Interim Convention" be contingent on adoption of scientific management principles that insure the problems confronting the fur seal population will be resolved in a timely manner.●

NATIONAL TRANSPORTATION WEEK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BIAGGI. Mr. Speaker, the President has proclaimed the week of May 12, 1985, as National Transportation Week. In his proclamation he states that our Nation's history can be traced through the development and growth of transportation in America. He notes that transportation today is critical to our economy and necessary to our defense.

On these points we can all agree. The difficulty has been actually developing a transportation policy that is in our national interest. In the maritime area, we have seen the U.S.-flag merchant marine decline to precipitous proportions with an alarming dependence on foreign-flag shipping for the transportation of our goods. I believe this is a threat to our economic well-being as well as our national security.

The United States is the greatest trading nation in the world. We have a fairly sophisticated network of commerical seaports. We have a national network of inland river ports. We have a capable and competitive domestic merchant marine. But what has happened to our capable and competitive offshore foreign trade fleet? Our combined share of bulk and general cargo carried in our foreign trade on U.S.-flag vessels has declined to less than 4 percent. The amount of bulk cargo that moves in U.S. bottoms is nearly nonexistent.

No one seems to dispute the need for a U.S.-flag merchant marine. The real issue is the type of maritime policy we must have in place to maintain a fleet that is in our economic and national defense interests. This policy must be coordinated and provide for a certain degree of stability to facilitate private entrepreneurial economic decisions.

Clearly, what is needed is a coordinated approach. The country must be made to recognize that we need a revitalized, competitive, and efficient U.S.-flag merchant marine, capable of carrying a substantial portion of our foreign waterborne commerce. It must be made aware that international shipping is not conducted in a free trade atmosphere. Foreign shipping has been and continues to be supported by the respective governments in their economic self-interest. We, on the other hand, seem to have a maritime policy that works against our self-interest and, in fact, adds to the economic interest and well-being of our trading partners. We must wake up and see the need to share in the movement of goods that are exported and imported by the greatest trading nation on earth. Hopefully, this will happen prior to the extinction of our merchant marine.

The last Congress—with the strong support of the administration—was able to amend the regulatory aspects of our shipping laws to provide for procedures that are consistent with those generally accepted in international trade. This will permit our liner fleet to compete on the same footing as the fleets of our foreign-flag trading partners.

We are now beginning to see the results of prior legislation that provided a 1-year window for building or acquiring vessels overseas. Many vintage vessels have been replaced by modern, efficient vessels. Another concerted and coordinated effort can and should provide us with a similar opportunity to replace the remainder of our vintage and fuel-inefficient fleet.

There are many more important issues facing the Nation and the U.S.-flag merchant marine. However, during this week of activity celebrating National Transportation Week, I would like the American public to be aware of the condition of, and the vital importance of, our merchant marine to the national economy and our defense. Revitalization of our merchant marine is a difficult one, but it is in our national interest. Let us all support our President and give full recognition to the importance of transportation to this country, particularly a healthy U.S.-flag merchant marine.●

END OF WAR CELEBRATION

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. LEVINE of California. Mr. Speaker, on Sunday, May 5, 1985, I had the honor of speaking to a group of veterans in Los Angeles about the 40th anniversary of the end of World War II. This was the same day that our President laid a wreath at the cemetery in Bitburg where 49 members of the Nazi SS are buried.

In responding to the veterans organizations which asked me to speak on May 5, I attempted to place the meaning of that day and its events in an appropriate perspective.

I would like to submit for the RECORD the text of my speech. The text follows:

STATEMENT OF MEL LEVINE

Three days from now—the 8th of May—will be the 40th anniversary of the end of World War II. We are gathered here today to honor those who gave their lives in that war in the defense of our country and of our democratic ideals.

World War II was one of the clearest conflicts between good and evil in the history of man. The root cause of World War II lay in the deliberate attempt by Nazi Germany to impose its authority over the entire European continent.

The war that began that fateful day in September 1939 was to last six long, grueling, agonizing years. Before it ended, it claimed over one million American victims. Over 407,000 Americans lost their lives, and over 670,000 were wounded. Almost every American family was touched by its breadth and drama. Brave, courageous, generous men and women served our cause by joining the Army, the Navy, the Marine Corps or the Coast Guard. Others worked in industries important to the war effort, and every citizen made sacrifices in a common bond toward a common goal: the defeat of totalitarianism and fascism. What were we fighting for? Why were we compelled to join our European allies in defeating Hitler and his mad machine?

The answers are clear, because the lines were clearly drawn. We were fighting for democracy over dictatorship; freedom over oppression; good over evil.

But the victory cost us dearly, for we were fighting against a force driven by wickedness more powerful than the world had ever seen: the cruel and pitiless Nazis. It was the elite of this group—the notorious SS—who were even more brutal than the others. It was they who carried out the worst atrocity against American Armed Forces in the European theatre in what became known as the Malmedy Massacre. Nearly 100 American soldiers were murdered in cold blood by the Nazi SS at Malmedy.

Forty-nine members of the Nazi SS are buried in the German military cemetery in Bitburg where President Reagan today is laying a wreath. That the President would choose to so honor them is almost incomprehensible because, according to former West German Chancellor Willie Brandt, it is well known in Bitburg that the cemetery graves of Nazi SS men include those who massacred United States prisoners of war.

One author has described the Nazi SS this way:

"With their black uniforms, death's heads (a symbol of their willingness to die for Adolf Hitler) on their caps, and the runic double S flashes on their collars, the SS men were the terror of the entire European continent. Whatever the actual roles of the young men buried at Bitburg, the 'SS' is one of the most potent symbols of evil and cruelty in history."

And so it is.

President Reagan was urged by Republican and Democratic Senators and Congressmen alike to find another way, to find another site, to honor German war resisters or symbols of freedom, but not to go to Bitburg.

That the President would lay a wreath at Bitburg has understandably outraged not just veterans and Holocaust survivors but Americans, Europeans, and others who even in an age of moral relativism refuse to forgive and forget the embodiment of absolute evil in the form of the Nazis. The President's decision has divided us from our allies, not made us closer. It has brought painful recriminations, not healing. It has reopened old wounds, not closed them.

It is neither pleasant nor easy to criticize our President on a day such as this, but, as an American who loves our land and cherishes our freedom, I believe it is necessary.

I do not believe he intended any harm, but his visit to Bitburg brought too much rancor to our land. It is true that the President decided to go to Bitburg in the spirit of reconciliation. Who among us would oppose reconciliation with a country which has proven to be a strong, democratic ally? Surely we are proud of the relationship between the United States and Germany today. It is an important relationship, and one that has been carefully and appropriately nurtured on both sides of the Atlantic. But that does not allow us to alter or rewrite history. The Nazi SS were part of a world of absolute evil, and that fact cannot be buried and forgotten with the bodies of those 49 Nazi SS members.

President Reagan has said that the German soldiers of World War II "were victims just as surely as the victims in the concentration camps." But that is not true. Those men were active participants in the attempt to destroy the very foundations of Western civilization, and no amount of rhetoric can change that.

And so it is highly appropriate that we meet here today as a way of coming together to pay homage to those who rightly deserve our respect and gratitude: those who have fought for freedom and those who have paid the highest price for freedom: those who paid with their lives.

And it is you veterans—each of you—who deserve to be honored today. Our state, California, has the largest veteran population in the United States. I say that with great pride. We all owe the highest debt to our veterans, a debt which should never be forgotten.

Perhaps there are veterans here who served in World War I, World War II, the Korean War and the Vietnam War. Perhaps there are those who fought the battles at Argonne, Normandy, the Battle of the Bulge, Iwo Jima, Okinawa, the Pusan Perimeter, the Ia Drang Valley, or the Siege of Khe Sanh. The mere mention of these names conjures up the magnitude of the valor needed to fight for what we believe in, not only at the scene of these battles, but in every way our veterans serve our nation.

In preparing this speech, I spoke with a friend of mine who fought in the Battle of the Bulge. He was then a young man of 20. I asked him if he felt that he was part of a great and glorious effort. He said no—there wasn't time. He did say there was a feeling of patriotism among his fellow soldiers, and of being involved in what General Eisenhower called a "crusade." And they never lost sight of the principles in which they believed and for which they were fighting.

But mostly he felt there was a job to be done, and he, along with others, did that job to the best of their ability. There was no glory, only hard work and guts.

And that, I think, is your most valuable contribution: your willingness to work hard—with courage and purpose—for the survival of the principles in which you—in which we—believe. Without your courage and purpose, ennobling concepts such as democracy, liberty, and freedom—all that we stand for as a society—could now be a footnote in history. So, it is not only the Pershings and Pattons and Taylors who deserve recognition for a job well done. It is you as well—every one of you.

To all of you I want to tell you it is an honor to be among you here. Today our country is at peace. We are fortunate, indeed. But the enemies of democracy and freedom never sleep. Let us remember Hungary, Czechoslavakia, Poland, and Afghanistan—and all others who long to be free. The pursuit of freedom is difficult, and protecting it takes constant vigilence.

Let us remember and rejoice in ideals upon which our country is built, in which we believe, and for which you have fought.

Freedom and liberty are great gifts, and they are cherished by us all. It is those of you who have helped secure these priceless gifts who deserve to be honored. You have our profound respect, and our deepest thanks.

Let me close on a more personal note. I was just short of two years old on V.E. Day. Those of you who fought that terrible war allowed me and my entire generation to grow up in freedom—perhaps to grow up at all.

We owe you the highest debt of all, the debt of preserving our society and our liberty.

Now I have the honor of serving my nation and my district as Member of the United States Congress. No one could ask for a more challenging or rewarding form of public service. In discharging my oath of office, I do so with deep gratitude and respect for each of you, who have helped insure that all we believe in can survive.

More Americans alive today were born after the heroic and noble deeds of our soldiers in World War II were completed. For too many Americans, World War II is an historical event, inadequately understood or appreciated.

Forty years is a long time in each of our lives, but only a flicker in the history of civilization. Yet, it is well to remember that our civilization, certainly our nation and all we hold dear, was preserved by those of you who insured our victory in 1945.

It is a story which can never be forgotten and its participants can never be given too much gratitude.

And so, it is with great respect and gratitude that I join you today and say to all our veterans: thank you; and to recall a job brilliantly done.●

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INTRODUCTION OF THE EVEN START ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. GOODLING. Mr. Speaker, I would like to take this opportunity to describe the Even Start Act which I am introducing today. This bill would establish a pilot program to develop methods for parents in adult literacy programs to acquire the skills necessary to work in the home with their children. This legislation is designed to use existing funds and would thus require no additional spending.

Without a doubt, we are currently in a period of educational soul searching and reform. The transformed educational system that we are seeing created will be stronger and more effective than what existed prior to this examination.

The fact is that we simply must improve the way we educate students of all ages. To not do so puts our Nation at risk in terms of economic development, national security, and personal freedom.

The high rates of early school failure, school dropouts, adult illiteracy, and joblessness among certain subgroups of the population are symptoms of serious trouble in this country.

The bill I have introduced, the Even Start Act, is designed to address these problems through a combination of proven approaches offered in a new format.

A consensus has developed among educational researchers, professional educators, and policymakers that early childhood education programs are a powerful intervention in the lives of students likely to suffer from school failure. Evaluations have demonstrated their effectiveness in preventing school failure and dropping out and improving later life chances.

In addition, research has demonstrated that constructive parental involvement can have beneficial effects on the learning outcomes of children.

The Even Start Act would bring these two principles together by helping parents to acquire specific skills to become partners in the education of their children. More specifically, adult basic education would cooperate with chapter 1 remedial education programs to develop innovative approaches to working with adults and children. The first goal of the program would be the training of adults in basic literacy skills. Once this goal was attained, instruction involving the parent working directly with the child would take place. To participate in this program adults would have to be eligible for participation in an ABE Program and have a child aged 4 or 5.

This bill does not propose a specific structure for how these services would be delivered. Instead applicants are encouraged to design innovative and educationally sound proposals to attain the goals specified in the act. Proposals would be chosen on a competitive basis by a review panel appointed by the Secretary. Three programs would be selected for funding, two from urban settings and one from a rural area.

The value of a small program such as this is its ability to demonstrate new ways of achieving successful results. The evaluation and dissemination requirements in the bill ensure that we will know what was done, with what effects, and then be able to share this knowledge through established dissemination mechanisms.

Chapter 1 and ABE have both been successful programs in their own right. The legislation described here attempts to build from their efforts to make even greater gains in the education of both adults and their children. Given the restraint on new spending recognized by a majority of Congress, it is incumbent upon us to look at already existing funds for new approaches to lingering problems. Even Start demonstration projects would be funded by setting aside a small amount of future chapter 1 and ABE appropriations for this purpose.

I feel it is appropriate that this bill is being introduced during the 20th anniversary of the declaration of the war on poverty. From the start of this war, education was to be the major weapon. Many of the problems that existed in the 1960's are still with us today. We cannot be satisfied with only maintaining what has been done in the past. The legislation I have introduced is a product of what has been learned from the important educational efforts of the last two decades and an attempt to carry them even further into the future.●

REPLACEMENT TRAINING VESSEL FUND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BIAGGI. Mr. Speaker, I have been concerned over the need to provide for the building or acquisition of modern training vessels to replace existing training vessels at the State maritime academies. The Maritime Administration has been charged with the responsibility for the education and training of individuals capable of providing for the safe and efficient operation of our merchant marine. Yet, it has not developed any type of long-range plans to replace the existing, aging, and obsolete State training vessels.

Last year, Congress was able to make a start in this direction by appropriating $8.5 million as part of the supplemental appropriation bill of 1984 [Public Law 98-396] to replace the training vessel of the State University of New York Maritime College. The administration, on the other hand, requested deferral of this $8.5 million to defray other operations and training costs, claiming that is cannot find a suitable vessel that can be acquired and converted with these funds. I believe the funds should be used for the building or acquisition of modern training vessels within the next few years. There is a reasonable expectation that the administration's request to defer the $8.5 million of budget authority will be denied when the Appropriation Committee favorably endorses the action of the Subcommittee on Commerce, Justice, State, and the Judiciary.

This legislation amends the Maritime Education and Training Act of 1980. It requires the Secretary of Transportation to maintain a replacement training vessel fund for the building or acquisition of modern training vessels to replace, within 10 years, existing training vessels. It also provides for crediting to the fund the $8.5 million that has already been appropriated, and makes provisions for future authorizations and appropriations.

The authorization for Federal assistance in providing training vessels for the State maritime academies originated with enactment of the Merchant Marine Act of 1936 and was continued in the Maritime Education and Training Act. With the possible exception of the recent replacement vessel for the Massachusetts training vessel, the *Bay State*, which suffered a total constructive loss as the result of an engine room fire, the remaining four training vessels are totally inadequate and do not in any way represent the equipment that is currently in use in the merchant marine. These vessels are the *Golden Bear* [California], built in 1939; the *Texas Clipper* [Texas], built in 1944; the *Empire State* [New York], built in 1952; and the *State of Maine* [Maine], also built in 1952. The oldest is 46 years old, and the newest is 33 years old.

Their maintenance has become more expensive and difficult with each passing year. Some repair parts are becoming nonexistent. Soon, another $2.5 million in unplanned expenditures will be spent on repairing the boilers of the *Empire State*. These vessels are powered by old and fuel-inefficient steam plants that are rapidly going out of worldwide use in favor of diesel propulsion. They utilize vintage direct-current equipment [instead of alternating current]; equipment that fewer and fewer companies manufacture;

equipment that is nearly impossible to obtain.

These training vessels are marginal at best. Each year presents a new dilemma in their ability to meet minimal Coast Guard standards for safety. These vessels are poor representatives of this great Nation when they visit foreign ports or when visited by worldwide maritime figures. I cannot help but note that some Third World countries have modern training vessels and equipment while we have to struggle with vessels and equipment that have been declared obsolete.

Although these vessels can now be used for troop transport in time of national emergency and are maintained in a 20-day readiness state, they leave much to be desired. New training vessel configurations could be developed to provide for rapid troopship conversion. This has the potential for being both economical and beneficial to the defense planners as they fund the moderization of the Ready Reserve Fleet and, thereby, enhance our sealift capacity.

I believe this legislation to be cost-effective and in the national interest. I, therefore, urge your support in seeing to its enactment.●

CULTURAL PROPERTY REPOSE ACT OF 1985

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. GEPHARDT. Mr. Speaker, recently I and a number of our colleagues introduced H.R. 2389, the Cultural Property Repose Act of 1985. The purpose of this legislation is to free the owners of cultural property and art work from the threat of civil suit by foreign governments.

Museums and private collectors across the country who have acquired works of art legally, in good faith, and for legitimate educational and aesthetic purposes are now at risk of having their property expropriated through civil suits by foreign governments.

This treat exists because we have no Federal statute of limitation barring such suits. Under many of our State laws, the limitation period for civil claims by foreign governments starts on the date the property is demanded, rather than the date the property was brought into the country. This allows foreign governments to sue for property acquired in the distant past.

Such suits are actually taking place. The Romanian Government recently claimed a painting by El Greco from the Kimbell Art Museum in Fort Worth, TX. The Government of Peru is claiming title to all pre-Columbian artifacts from that region, no matter how long they have been in the United States.

Foreign nations clearly have a right to protect and preserve cultural and art items they consider part of their heritage. This bill neither questions the legitimacy of cultural self-definition by nations nor condones or legalizes thievery of cultural property.

However, museums clearly have a valid and important function to perform in bringing the culture of other nations to visitors to their exhibits. Collectors, museums or individuals, also clearly have a right to acquire items in other countries legally and in good faith, without fear of subsequent seizure by the government of the country of origin. Our bill is designed to protect that right.

The issue is one of fairness. Other countries have statutes of limitation barring suits by the U.S. Government. Yet our collectors remain subject to the seizure of property that they acquired legally and in good faith.

The Cultural Property Repose Act of 1985 sets a timetable for suits by foreign governments for cultural property. It bars suits if the property has been in the United States 5 years prior to enactment. It stipulates that property held in museums would be free from suit if it is displayed or discussed in museum literature for 2 years after enactment. Private collectors would be free from suit if their property is publicly exhibited or discussed for 3 out of 5 years after enactment.

Our bill is a substantially unchanged version of H.R. 5924, introduced last session by our late colleague Gillis Long. It complements Public Law 97-446, which implemented the UNESCO Convention on the Means of Prohibiting the Illicit Import, Export, and Transfer of Ownership of Cultural Property. Under Public Law 97-446, the U.S. Government and foreign governments may agree on the formal designation of significant items and categories of cultural property; this designation then imposes import restrictions to curtail illicit international trade in designated items. The law provides for seizure and return of objects imported in violation of those restrictions after its enactment, subject to a sliding scale of repose periods, ranging from 3 to 20 years, depending upon the likelihood that interested parties could determine the item's whereabouts through proper investigation.

These provisions are fair and necessary. The problem is that Public Law 97-446 does not apply to items exported before the date of designation by the governments, nor to undesignated items, nor to any form of action other than a suit by the United States to enforce the import restrictions.

The Cultural Property Repose Act of 1985 is designed to fill these gaps. It covers all forms of cultural property as defined in the UNESCO Convention, regardless of designation. It applies to all items presently located in the United States. It applies to all civil litigation.

The purpose of H.R. 2389, as is the purpose of Public Law 97-446, is to discourage illegal trade in cultural property while establishing proper protection of long-established rights to items held in the United States legitimately.

Mr. Speaker, I insert a section-by-section analysis in the RECORD:

SECTION-BY-SECTION ANALYSIS

The bill would add a new chapter 101 to Title 28 of the United States Code: "Repose for certain items of archeological and ethnological material and cultural property."

Section 1641 of Title 28 establishes a uniform statute of limitations applicable in all suits brought in courts in the United States by foreign sovereigns claiming ownership of an item of cultural property, preempting any contrary State Law.

Subsection (a)(1) applies to cultural property that was imported into the United States five years or more prior to the date of enactment and bars suits by foreign sovereigns, their assignees and successors in interest, to recover damages or possession of such property. Subsections (a)(2)-(a)(4) establish a sliding scale of repose periods that will apply after date of enactment to items imported into the United States before or after the date of enactment, depending upon the nature of the holding in the United States.

Subsection (a)(2) applies to museums or institutions and allows repose after two years for items or cultural property held by such institutions if, for that period, the museum or institution has exhibited the item or has made knowledge of it available through publications, cataloguing or otherwise.

Subsection (a)(3) applies to any holder of cultural property and establishes repose where for three out of five years the item is publicly exhibited or publication is otherwise made that the item of cultural property is being held here.

Subsection (a)(4) applies to any holder of cultural property and allows repose after ten years unless a foreign state can establish that the holder acquired the property with actual knowledge that it had been removed from the possession of the country of origin in violation of the law of that country.

Subsection (b) of the new section 1641 of Title 28 applies only to items to which the restrictions of Public Law 97-446 apply by virtue of designation or emergency Presidential action, and for them establishes an exception to the general rules of subsection (a). For those designated items, the bill allows repose from civil suits by foreign nations on precisely the same conditions and after the same periods as prescribed in Public Law 97-446 for violations of that law's import restrictions.

Subsection (c)(1) defines the items of cultural property covered by the bill to have the same meaning as under the UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property.

Subsection (c)(2) defines "foreign state" consistently with the rest of Title 28 of the United States Code.

Section 3 of the bill establishes the effective date and makes the provisions of the bill applicable to any proceeding that is pending or initiated after enactment.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MONTGOMERY. Mr. Speaker, next week the House may be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in West Roxbury, MA:

Veterans' Administration
Medical Center,
Brockton and West Roxbury, MA,
January 24, 1985.

Howard H. Green, M.D.,
Chief of Staff (II), Veterans' Administration Medical Center, White River Junction, VT.

Dear Dr. Howie Green: This is in response to your January 2, 1985 letter about the universal problem of increasing shortages of funds to continue operating VA Medical Centers.

A. Size of Hospital: Operating Hospital Beds, 997; Nursing Home Care Unit Beds, 100; Total Operating Beds, 1097; Authorized Hospital Beds, 1080; Nursing Home Care Unit Beds, 100; Total Authorized Beds, 1180.

B. Affiliated with Harvard Medical School.

C. Projected Dollar Deficit as of January 1, 1985: We project no dollar deficit for this Medical Center. This is no reflection of affluence, but simply that we continually adjust our personal service and "All Other" dollars to reflect funding. There is no "base line year" which is felt to be illustrative of full funding that we would use to project a dollar deficit; rather, for many years we have been scaling down clinical and administrative activities as necessary to stay within budget.

D. Impact of Dollar Deficit:

1. Personnel: Inpatient staffing in professional services has remained approximately constant over the last several years. Though the rate of patients treated is also constant, a decreasing average length of stay, coupled with an increase in the complexity and severity of illness has resulted in an increasing workload on a sparse and unchanging staff. There have been dramatic difficulties with the Nursing Service staffing on several psychiatry wards and some SCI wards as well as the nursing support of the operating room and all intensive care areas. Some of the workload has been absorbed by increasing involvement of residents in both in and outpatient settings, as well as the hiring of more physician assistants and nurse practitioners. Professional support services such as Laboratory, Radiology and Respiratory Therapy are hard pressed to meet regular tour responsibilities, and at the Brockton Division we are unable to provide 24 hour service in any of those areas. Waits for General Medical Clinic average approximately two months for new patients and for certain subspecialties such as Orthopaedics and Dermatology, the wait can be almost six months.

2. Supplies: It is this area in which funding deficits are most dramatically experienced. For 1985 we budgeted all control points based on recurring funds for 1984, and predictably, almost every control point for both administrative and clinical services is over budget at the close of the first quarter. Since it is unwise to plan on the availability of drop money in the fourth quarter, we have initiated steps to curtail surgery, catheterizations and the prescriptions of drugs for outpatients. Such areas such as oncology, orthopaedic surgery, podiatry, optometry, prosthetics, and general medical clinic for non-service connected veterans are coming under increasing scrutiny.

3. Equipment: In this area we are the least severely hampered by budget shortfalls. However, much of our equipment is aging and requires frequent repairs.

4. Backlog of Patient Surgery: There are no specific statistics kept in this area. Cardiac surgery has a varying waiting list of one to three months. The other surgical sections often require waits for elective surgery of two to four months, including orthopaedics and urology.

E. Solutions We Have Devised: We have devised no obviously effective solution to this situation other than the fall back position of restricting access to care of the non-service-connected veteran, which we find difficult to accept. Rather, we have focused on ways to become more efficient without reducing services. To this end we have planned, or actually taken, the following steps:

(1) Pharmacy and Therapeutics Committee has made and continues to make marked reductions in the availability of many types of agents, including reductions in the numbers of antibiotics, antacids, cardiac drugs, sedatives and over-the-counter drugs.

(2) The Infectious Disease Section has been required to monitor and restrict the use of all expensive antibiotics including third generation cephalosporins. Constant physician education to prescribe less expensive or generic drugs.

(3) The Ambulatory Care Service is attempting to limit the number and types of prescriptions utilized in the care of outpatients.

(4) Severe curtailment of all fee for service tests or therapies.

(5) An extensive effort is being made to determine the cost of various tests and procedures and to hold bed section and ambulatory service chiefs responsible for these costs. Elimination of routine x-rays, skull x-rays without signs of symptoms, standing orders and routine lab tests.

In the long run, funding reductions will lead to service cuts. For the time being, cost accounting methods, formulary restrictions, physician education, and other such initiatives can help render the delivery of care more efficient, but can obviously not substitute for adequate funding. Whenever funding becomes inadequate to carry out our mission, we will cut services rather than compromise the quality of the patient care services we deliver.

Sincerely yours,
Ernest M. Barsamian, M.D.,
Chief of Staff.●

THE FRAUDULENT YOUTH EMPLOYMENT PRACTICES ACT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. WYDEN. Mr. Speaker, I rise today to introduce a bill that will help put a stop to a silent national scandal: the abuse of young people through employment in fraudulent sales schemes.

This legislation, the Fraudulent Youth Employment Practices Act, establishes an information clearinghouse on fraudulent youth employment practices within the Federal Bureau of Investigation's National Crime Information Center. It also directs the U.S. Department of Justice to vigorously investigate and prosecute violations of Federal criminal law discovered through this clearinghouse.

After consulting with a wide range of law enforcement officials, it became abundantly clear that there is a great need for a national information center so that these officials can monitor the activities of unscrupulous door-to-door selling groups.

Although we believe that the vast majority of door-to-door sellers are wholly honorable and reputable—we know them in every community as Scouts, Camp Fire, little leaguers and many others—there are groups in this country that are breaking the law and exploiting our young people.

Earlene Williams, the national director of Parent Watch, estimates there are more than 200 questionable door-to-door sales companies operating across the country. They prey on the desires of young people to get a job, to travel to new places, and to make money. They twist these normal desires to their advantage and in the process threaten the safety of the youths in their employ and defraud consumers.

Here's how these companies—which can be peddling anything from magazine subscriptions to chemical cleaners—usually work. They will advertise jobs that promise high pay and the adventure of travel. They will then conduct interviews and tell the prospective employee—usually between 16 and 24 years old—that they can have the job but they have to leave right away.

Some groups which specialize in selling candy, hire children between the ages of 8 and 15. While many candy-selling groups do not take children across State lines, or on overnight trips, they violate virtually every child labor law in the book. They say there's no time to talk to parents. The only contact made with parents is usually in the form of a letter from the operator of the company to tell them, that because of the travel itinerary, all mail to their child will have to go through a central location.

After that, the unfortunate young people who have decided to sign on to these crews are subject to a vast array of threats to their health and well-being. They are taken from familiar surroundings, work 14 to 16 hours a day, sleep in crowded conditions, are subject to humiliation and physical abuse at the hands of the sales crew leaders and are transported in unsafe vehicles. In one case, five young people perished in a plane crash in Alabama caused by overloading and poor maintenance, according to Federal Aviation Administration investigators.

And these crews are not limited to any one part of the country either. Many of my colleagues may have had these kids come to their doors. Or they may have been strolling down Pennsylvania Avenue after a late session and seen youngsters as young as 8 years old out on the street corner after 10 p.m. trying to sell candy.

One would think it would be rather simple to crack down on these groups both because of their obvious abuse of young people and because of the fraudulent sales practices—such as deceptive claims, faulty merchandise, and violations of weights and standards rules—they employ. But these groups are extremely mobile. It's not unusual for them to disappear from a State literally overnight when local law enforcement authorities catch wind of them. It's also not unheard of for these groups to be put out of business one day and resume business the next under a different name.

That's why the local officials contacted during our research have expressed the need for a central source of information to more effectively monitor sales crew activity in other States so they can be better prepared in the event their own State is subjected to these fraudulent groups. An information clearinghouse such as the one created by this bill would enable States to follow up on investigations that will lead to prosecution.

The National Crime Information Center is an effective law enforcement tool that is already in operation. The creation of a National Clearinghouse on Fraudulent Youth Employment Practices would not require any new bureau, agency, or department. We simply build on an existing resource. Furthermore, NCIC is mindful of the needs of local law enforcement and its policy advisory board regularly meets to evaluate these needs and the effectiveness of the data bank files.

Once the clearinghouse is established, the 50,000 law enforcement agencies that participate in the NCIC system would be able to contribute and to receive information on these fraudulent groups. The value of this approach is that this information can be retrieved almost immediately from the NCIC files. For example, if a law enforcement officer spotted a vehicle hauling a group of youngsters around selling products door to door, the officer could simply contact the police dispatcher with the license plate number of the vehicle and the dispatcher would punch that number into a computer terminal connected to the NCIC and instantly get a readout on any fraudulent activities that the owner of that vehicle has been involved in. In addition, any State or local official authorized to participate in the NCIC system could frequently monitor the clearinghouse to get information on these groups.

I firmly believe that with a little information available in a timely fashion to the right people, we can put these dangerous and unscrupulous operators out of business. And, most importantly, we can take a step toward protecting our youth from dangerous employment practices. I urge my colleagues to join me in this effort.

H.R. 2544

A BILL To direct the Attorney General to establish a clearinghouse for information relating to criminal practices in connection with certain employment of youth, to require active Federal investigation and prosecution of such practices in violation of Federal law, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as "The Fraudulent Youth Employment Practices Act."

SECTION 2. CLEARINGHOUSE.

The Attorney General shall establish and maintain in the Department of Justice the National Clearinghouse on Fraudulent Youth Employment Practices (hereinafter in this Act referred to as the "Clearinghouse"). The Clearinghouse [utilizing the resources of the Department of Justice (including identification records and information acquired under section 534 of title 28, United States Code)] shall provide technical assistance to non-Federal governmental entities in the United States—

(1) to enable such entities to identify and collect data on fraudulent youth employment practices in the solicitation of magazine subscriptions and the sales of products;

(2) to assist in the reporting of such data to the Clearinghouse; and

(3) to assist such entities in the use of data disseminated by the Clearinghouse to obtain criminal prosecutions.

SEC. 3. FEDERAL PROSECUTIONS.

If the Department of Justice becomes aware of a violation of Federal criminal law through the data reported to the Clearinghouse, it shall be the duty of appropriate officials in the Department of Justice vigorously to investigate and prosecute such violation.●

REMARKS BY ADM. JAMES D. WATKINS, CHIEF OF NAVAL OPERATIONS, ON STRATEGIC SEALIFT

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. ADDABBO. Mr. Speaker, I would like to bring to the attention of my colleagues a recent speech delivered by Adm. James D. Watkins to the National Security Industrial Association Conference on Amphibious Warfare/Strategic Sealift requirements. In it, he discusses how our paucity of strategic sealift could cause our national economy and our industrial base to become hostage to foreign flag shipping—what we're doing about this situation, and what needs to be accomplished.

The following is Admiral Watkins' speech:

THE TIME IS NOW, WE CAN WAIT NO LONGER

(Remarks by Adm. James D. Watkins, Chief of Naval Operations, National Security Industrial Association, Sixth Annual Conference on Amphibious Warfare/Strategic Sealift Requirements)

A well-known writer on military affairs once rhetorically asked—"What need has the United States of sea power? Her commerce is even now carried by others; why should her people desire that which, if possessed, must be defended at great costs?"

This writer answered his own question by saying—"so far as this question is economical, it is outside the scope of my work; but conditions which may entail suffering and loss on the country by war are directly pertinent to it."

While that may sound like debate surrounding the health and welfare of, and requirement for, a strong and ready navy and merchant marine today, that actually was written by Admiral Alfred Thayer Mahan almost one hundred years ago.

It is interesting to note—and somewhat apocalyptic—what Mahan believed to be one of the quintessential elements of sea power—and that is a strong national trade carried in a ready merchant marine. A nation's sea power, then, is not one dimensional, is not measured only by counting ships of war. It is rather a combination of various aspects, ranging from shipyard construction and repair capabilities to a capable navy and merchant marine.

This was a lesson we learned from Mahan and proved in action during World War II. In fact, as we entered the 1950s, America's Navy and Merchant fleets were the envy of the world. That was a golden era—when we had more tonnage underway than any other nation.

But, we forgot the warnings of Mahan, and, for a number of reasons—ranging from economic to political—we allowed our Nation's sea power to wither and almost die. By the end of the 1970's, we had that infamous one-and-a-half-ocean Navy with a three-ocean commitment, and a merchant marine which had all but disappeared from the seas.

With the 1980s, and the Reagan administration, came dramatic new awareness in the need for American sea power. A commitment was made to the American people—they would have a 600-ship Navy on the seas by decade's end. But sea power, more than combatant ships alone, is having a strong merchant marine as well. And, herculean efforts are still needed to correct deficiencies in our U.S. flag fleet. I don't have to remind this audience that our merchant marine has fallen from first in the world in 1950 to tenth place today.

Can we allow this vital arm of sea power to atrophy by default any further? I say, no. If we do, our Nation could easily be crippled by a determined foe, and they know it. Our merchant fleet must not only provide efficient, economical and profitable commercial services in peacetime, but must also be ready to carry men, material and supplies as a naval auxiliary force in times of emergency. A well-sized U.S. flag fleet is an essential element of deterrence for a maritime nation.

In fact, it is estimated that more than one thousand merchant shiploads per month would be required to reinforce and resupply Europe during the first 180 days of a conflict. Since our national strategy of forward defense implies that armed conflict will usually occur far from our shores, strategic sealift capabilities are absolutely essential to our defense.

Winston Churchill wrote that "victory is the beautiful, bright colored flower; transport is the stem without which it could never have blossomed." This was demonstrated during the Falkland Islands campaign—when Great Britain had to organize every sealift resource available to support an 8,500-mile logistics pipeline . . . use every ship they could get underway including the QE2.

The British were successful. They kept logistics lifelines operating, but just barely. This single-theater operation was barely supported with a merchant fleet twice the size of our own, and without excessive losses from hostile action.

But, if we had to confront a threat in various oceans and regions, would we be assured of victory with our merchant marine of today?

Answering that question brings the need for a strong maritime fleet into sharp focus: Today, our sealift studies show that it would essentially take every single U.S. flag merchant ship—and most of those of our allies—just to support our forward deployed forces in a large-scale conflict. And, that doesn't even include any additional ships for attrition.

The result is that our national economy and industrial base would be hostage to foreign flag shipping for vital services and import of natural resources. This is not a comfortable position for an insular nation . . . particularly one with globe-spanning commitments and dedicated to the defense of the free world. As Mahan warned, "the distance which separates (us) from other great powers, in one way a protection, is also a snare."

So, what I am talking about is not just a Navy problem . . . isn't just a merchant marine industry, union or shipbuilder's problem . . . isn't just a problem for this administration. It is a national problem. Our shriveled merchant marine arm of American sea power is a problem not only of tremendous economic and commerical proportions, but of significant national security implication as well. And, the only people who have any reason to breathe easy are our potential enemies.

Look at the facts—while our merchant seagoing fleet has dwindled, the Soviet fleet has grown to more than 2,500 ships. The Soviet merchant marine that was the twenty-first in size in 1950, is number two in size today.

As the current edition of Soviet military power points out, "the growth of the Soviet merchant marine . . . has been carefully directed to create a fleet that can perform a commercially competitive peacetime mission and satisfy military logistics requirements in crisis or war."

It also is very clear: Russian naval and party leaders thoroughly understand the importance of a strong merchant fleet. The head of the Soviet navy, Admiral Gorshkov, has said, "the seapower of the Soviet Union depends on all its means of exploiting the world's oceans . . . transport ships and naval forces . . . and on serving its national interests by combining them properly." These merchant ships are commanded largely by naval reserve officers and routinely participate in major naval exercises. In fact, the operations of the merchant marine are closely coordinated with naval requirements from the Moscow level. Their merchant fleet is a chameleon which quickly changes color from benign merchant ships to combat-supporting ships.

Maybe that is one of the few advantages of a centralized state system, where policies are dictated, competition wiped away, and complete control administered. But, I must admit that I believe in our system of competition and innovation. And, if we believe in this Nation's ability to overcome obstacles when we put our hearts into the task, and our collective wits to the problem, that is what we need right now. But, you say, "What has the Navy done to help tackle this National tragedy of potentially fatal proportions?" I say, "Quite a bit!"

I am first to admit that we in the Navy underplayed the magnitude of our problem, and the risks it entailed, and for too many years. Frankly, strategic sealift was a "back seat priority" because we were living under the narcotic of detente and false expectations that Soviet behavior would somehow magically change. So, our inability to support the Army's transport and logistic requirements was the result. To a great extent, however, these days are fortunately passing in our wake astern. Now, with the narcotic worn off, we are urgently doing everything we can to rebuild this Nation's strategic sealift.

In March of 1984, we formally recognized strategic sealift as the third major function of the Navy along with sea control and power projection. This reemphasized the increasing importance of strategic sealift to our overall military and deterrent capabilities.

In the summer of 1984, we signed an agreement with the Army to enhance our joint-interservice responsibilities in the area of sealift with the objective to provide a smooth flow of materials to support our forces worldwide.

We backed up words with programs, including the construction and conversion of 75 sealift ships. In addition to these ships, our shipyards are upgrading more than 70 additional ships to go into our Ready Reserve force. In the last four budgets, we put more dollars into sealift than all the budgets since World War II combined. Here is a brief status report of our most noteworthy achievements:

The near-term prepositioning force was established in 1980 as a quick and efficient means of achieving dedicated sealift in the Indian Ocean, a region some 11,000 miles removed from our Nation. Today, these ships are in the Indian Ocean, Pacific and Mediterranean. They are capable of supporting a marine brigade, plus material and ammunition for Army and Air Force units.

We developed a follow-on program of maritime prepositioning ships. There will be 13 of these specially configured ships on line by this time next year. They will be loaded out with a full range of cargo, from ammunition and artillery to water and rations, ready to support three marine brigades for 30 days.

In order to quickly move large volumes of military equipment for the Army to distant areas, we also started converting eight large containerships into what we now call fast sealift ships . . . these former "SL-7s"—acquired by the Navy in 1981—will all be on line in their newly converted form by next year.

We didn't stop there—we started an ambitious expansion of our Ready Reserve force, our pool of Government-owned cargo ships that can be quickly activated. During 1984, the Ready Reserve force was expanded from 32 to 55 ships. We expect to increase to more than 100 ships in the next few years, forced to do so again because of a greater-than-expected decrease in projected U.S. Fleet numbers by decade's end.

Other programs to strengthen our sealift capabilities range from construction of new tankers and conversion of other ships into hospital ships to developing crane ships capable of unloading containerships in even the most primitive areas.

Maybe even more important than these initiatives is the spirit which we are applying to tackling this problem. For we don't look at the survival of the merchant marine as a "nice to have" or "somebody else's problem"—we look at it as a "must solve" by pooling national talents.

Typical is our decision to support American flag carriers whenever we can. We have even laid-up the Navy's own military sealift command ships to ensure, whenever possible, that our cargo travels in commercial bottoms. In 1980, we were running about 60 MSC ships on a regular basis in the Atlantic and Pacific in support of our Navy. Today, that number has been slashed about in half with a resultant increase in jobs for commercial carriers.

The Navy's military sealift command also is actively pursuing opportunities for contract operation of many of its civilian manned ships. Over one-half of its 126-ship force is already manned by contract crews, employing more than 1,700 mariners. This number will continue to grow as strategic sealift ships are delivered from U.S. shipyards. In addition, MSC is evaluating feasibility of contracting operation of up to 29 additional special mission ships now in the force.

Today, sealift is one of the fastest growth areas in the Navy budget. Our new awareness of sealift can be seen as we pump $20 billion directly into the maritime industry for new ship construction, ship conversions, charter programs, operations and maintenance. While I have repeatedly testified about the necessity of a strong merchant marine on Capitol Hill, I think our actions are proof positive of our commitment.

But, the Navy cannot bear the total responsibility for revitalizing the maritime industry. Shipyards, labor unions and ship operators all must demonstrate their awareness and determination. There are no quick fixes or easy injections of subsidies which can correct these problems. The Navy's effort, while significant, is not enough. It is a modest injection where a transfusion is needed.

I realize many of you represent areas which have been hard hit by problems in our merchant marine. I realize you already have taken your cause up with our elected officials. Still, this is not enough. We must go further—together. We must use every means at our disposal, not as a way to push single interests, but as methods to push for the national interest. For this Nation needs its own flagships in both peace and war. Our seapower depends on it. I see the congressionally-mandated Maritime Commission as an unique opportunity to put our combined efforts together and start pulling on the same set of oars. Secretary Lehman has been designated Director of the Commission, and we in the Navy are very supportive of this process. I hope you are onboard too, so we can investigate means to correct current deficiencies.

My challenge to you today is to help us seek alternatives that are in keeping with our basic policy of reliance upon the U.S. merchant marine . . . alternatives that strengthen the merchant marine industry; return more shipping to U.S. flag; and provide these assets at roughly equal cost to what we are spending on strategic sealift today.

There is an abundance of cargo carried for use by this Nation and exported to other Nations. We must carry more of this cargo. We must learn to compete better on the real-world market place today to ensure survival of our merchant marine tomorrow. Since there will always be a differential between our wages and costs, and those of others with whom we are competing, we must get smarter, more efficient and use American ingenuity.

I believe this can be done by using our technological know-how and business acumen to increase efficiency. I am not here to advise on economic and business aspects of such undertakings, but I am here to say that if the merchant marine can compete better in time of peace, our sea power will develop the strength to compete better during time of conflict, against even a determined foe. I am here to say the U.S. Navy is in this with you—and is determined to do everything in its power to help restore our merchant marine to the role it used to play in this Nation's sea power.

This is our challenge. It comes from Mahan's work of 1890: "If time be, as is everywhere admitted, a supreme factor in war, it behooves countries whose genius is essentially not military, whose people, like all free people, object to paying for large military establishments, to see to it that they are at least strong enough to gain the time necessary to turn the spirit and capacity of their subjects into new activities which war calls for."

The time is now for developing a strong merchant marine. Time is now for countering a threat which is significant and growing. The time is now for enhancing effectiveness of our forward-deployed strategy which heavily depends upon a strong merchant marine.

We have taken the first steps back from the brink of only a few years ago. Now, if we work together, we can build the U.S. merchant fleet into a force strong enough to compete in a difficult business atmosphere; strong enough to ensure this Nation can support urgent national commitments and its mandate for "peace through strength."

Thank you very much.●

HARRIET P. HENRY: A PROMINENT MAINE JUDGE

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● **Mr. McKERNAN.** Mr. Speaker, it is with great honor that I take this opportunity to pay tribute to an accomplished public figure and pioneer, Judge Harriet P. Henry. When appointed district judge in 1973, she became the first female judge in Maine's long history. She has now set standards in the field and opened doors for the four other female judges who now serve with her in Maine.

An economics major at Smith College, her first job was in the Army's Office of the Quartermaster General in Washington, DC, as an economic analyst. She later transferred to the National Security Agency, working as an intelligence analyst. It was while working there that Mrs. Henry decided to take up law. She entered night school at George Washington University, and got her degree in 3½ years.

Four years after marrying Merton Henry, a fellow law student and now a prominent attorney, the couple moved to Portland, ME, in 1958, and she became involved in community activities. As a volunteer, she contributed to the community through her efforts on the Maine Status of Women Commission and as president of the Portland League of Women Voters.

While involved in these organizations, Henry also found time to author a four-volume report entitled "Maine Law Affecting Marine Resources", a landmark survey of 50 State agencies related to or affecting marine resources, sponsored by the University of Maine and the National Science Foundation. Later, she chaired the Joint Action Commission on University Goals and Directions for the University of Maine at Portland-Gorham.

In 1965, Mrs. Henry became a member of the Portland Housing Authority and, in 1973, became its chairperson. Later that year, Governor Curtis appointed her Maine's first female judge. She is currently active in several judicial organizations, including the Executive Committee of the National Conference of Special Court Judges, where she serves as editor of its newsletter.

There comes a time when old traditions must make way for progress. Harriett Henry not only proved that a female could be judge in Maine, but she showed that one's gender is not in the least a determining factor for success in law or any other profession. I ask my colleagues to join me in commending Judge Henry for this and her other noteworthy achievements.●

VETERANS' HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● **Mr. MONTGOMERY.** Mr. Speaker, next week the House may be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the Chiefs of Staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the VA Medical Center in Fort Wayne, IN:

VETERANS' ADMINISTRATION
MEDICAL CENTER,
Fort Wayne, IN, January 24, 1985.

HOWARD H. GREEN, M.D.,
Chief of Staff (11), President, NAVACOS, VA Medical Center, White River Junction, VT.

DEAR DR. GREEN: I received your letter of inquiry dated January 2, 1985 this past Monday, January 21, 1985.

I shall answer the questions categorically:

(a) 230 beds.

(b) No.

(c) As of January 1, 1985, unknown.

(d) 1. Personnel.—It is extremely difficult to recruit virtually any professional individual at this hospital, since we cannot pay, e.g., the pharmacist, physical therapist, recreation therapist, etc., a wage comparable to those receive by the private hospitals in our particular area. As far as physicians are concered, it is extremely difficult to recruit those who are qualified since their ability to make more money in the private sector or in other areas of the non-private sector far exceeds what we pay at the VA, including the so-called "fringe benefits" we are eligible for.

2. Supplies.—We have a chronic lack of material since we do not have the funds to purchase needed items, e.g., oxygen, various forms of medication and drugs which should

be used in the latest therapeutic armamentarium by any active competent physician and/or hospital.

3. Equipment.—We lack an ultrasound, a CT-Scanner; we have been asking for a Gamma Camera for the last three years and it looks as if nothing is going to happen that will replace the current one which is obsolete. Every single hospital in this area is equipped with all of this equipment and more and we have to pay for their services on a contractual basis in order to afford our patients the ultimate in diagnostic and/or therapeutic modalities.

Further, in conjunction with this, we have to contract out for oncology and radiation therapy services since we do not have the facilities nor the personnel, nor can we recruit the personnel. If we could recruit, we don't have the equipment to use by qualified individuals.

4. Backlog of patient surgery.—Our only backlog at this point in time is with orthopedic patients whom we are not able to serve here, since we have no orthopedist, nor can we recruit one, apparently. They have to go to our tertiary unit (Indianapolis) which is 130 miles distance one way and they have difficulty in recruiting an orthopedic surgeon and/or department. As a result, it is at least a four or five month delay, except for an extreme emergency, for a patient with an orthopedic problem to be attended to.

The same holds for a cardiologist; the compensation in this system is so poor that we cannot compete with the private sector, particularly in these two areas.

(e) Contract out, basically.

(f) It would seem to me, medically and fiscally prudent to increase the compensation afforded the professional personnel in the VA system. The threat of a 5% cut in wages has a pervasive depressing aura, not only on the people who are already working in the system, but on those people whom we have recently interviewed who thought they might like to enter the VA medical system. They feel that if they enter with an assumption of certain benefits and wages that these benefits are liable to be reduced arbitrarily and capriciously.

I would like to suggest that we use a medical placement service, as any other private hospital does in obtaining or helping us obtain physicians and other personnel, i.e., recreation therapist, physical therapist, etc. It appears to me that the main block to this is the fact that we in the Federal system are not allowed to pay for the services of the medical placement agencies. Quite frankly, I think this is preposterous and negates what we can do constructively to improve the care and treatment of veterans to have higher quality physicians and ancillary personnel utilized in treating veterans.

Candidly, I think the money is there. I would suggest that the distribution of it has been in the wrong areas, i.e., millions and millions of dollars going to foreign aid, very little going to the treatment of our own veterans, who, in many instances, fought overseas to liberate the countries we are now supporting and have supported for the last 40 years.

Lastly, I think the concept of Resource Allocation has little basis in reality, is faulty, and is quite possibly unrealistic in operation. I consider this, however, the least of our problems.

Cordially,
ROBERT F. GREEN, M.D.,
Chief of Staff.●

WALTER PIUREK, THE MAYOR OF JOSLYN SQUARE

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, today I rise to pay tribute to Walter Piurek, "the mayor of Joslyn Square," in New Haven, CT, in my Third Congressional District. This Sunday, May 20, 1985, New Haven proudly honors Mr. Piurek on his 75th birthday.

Mr. Piurek has been a leading figure in New Haven for over 50 years. From 1938 until his retirement, his little restaurant at the corner of Humphrey and East Streets was a fixture on the New Haven scene, a popular gatherplace for politicians, businessmen, and sports fans. The restaurant has recently been renovated and will be rededicated during the Sunday birthday celebration.

Mr. Piurek served as a Polish interpreter at the old New Haven City Court and a State boxing inspector. He is a member of the St. Stanislaus Ushers Club, the St. Stanislaus Holy Name Society, the Tadeusz Kosciuszco Society Group No. 103, the Polish Roman Catholic Union of America, the Knights of Columbus San Salvador Council 4th degree, the John Barry Assembly, the Moose Club, and the St. Stanislaus Parish Council.

I am pleased to join with so many others in honoring Walter Piurek for his contributions to our community over five decades.●

PARTISAN POLITICS RESULT IN A PAT ON THE BACK FOR CHILE'S PINOCHET

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BARNES. Mr. Speaker, 3 weeks ago the House voted down House Concurrent Resolution 52, a resolution calling for the restoration of democracy in Chile. It was quite obvious to everyone in this House why that resolution failed. It did not fail because Members on both sides of the aisle do not support a restoration of democracy in Chile, but rather as a result of partisan politics in this Chamber.

Immediately preceding the vote, Republican Members had made the declaration to vote "no" on all suspensions in retaliation for the decision to seat our colleague from Indiana. The resolution on Chile was their first opportunity to make their point.

Unfortunately, this particular "no" vote had more symbolic value than my colleagues may have bargained for. The political point was lost in Chile. Instead, the message was sent loudly and clearly that the U.S. Congress was not prepared to condemn the Government of Chile for its abhorrent human rights record, and its intransigence on moves toward a democracy opening. The reaction from government officials clearly shows how this vote was interpreted in Chile. Foreign Minister del Valle said:

> This is very good news. It shows the truth is gradually being learned in the United States.

Chilean Navy Commander Adm. Jose Toribio Merino reportedly expressed his satisfaction with the vote, saying that in his opinion this is proof that "Chile's image abroad is improving greatly."

This pat on the back that we have handed Chile's 12-year dictator has evidently proved to him that the United States really isn't paying attention; that while we focus on Nicaragua's human rights record, he is free to do as he likes. And he has. Last week, General Pinochet quietly extended the state of siege in Chile for another 3 months, giving him widespread powers ranging from the ability to send people into mass detention centers to closing Chile's borders. Since the initial imposition of the state of siege on November 4 of last year, 8,000 Chileans have been detained, more than 600 internally exiled, 6 publications have been closed down, and freedom of movement and assembly has been curtailed. These measures have been instituted, in Pinochet's words, "to safeguard democracy and liberty."

And this House has cheered him on.●

SPACE COMMERCIALIZATION

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. GORDON. Mr. Speaker, in the last few months, members of the House Subcommittee on Space Science and Applications have been focusing on the possibilities for space commercialization. Although I am new to this field, I have found the hearings and discussions intriguing. Because of the effect which space commercialization will have on our economy and our foreign policy, I believe that it is a matter which demands the attention of our entire Nation. I would like to recommend an interesting article which recently appeared in the Atlantic Monthly. Entitled "Business in Space," it explores the possibilities offered by this new economic frontier.

The author, David Osborne, compares the development of space to that of the American frontier a century ago. "Anyone who was sitting around

in 1840 thinking about this railway thing couldn't imagine a fraction of the economic potential that would eventually be realized by opening up the West."

In a cogent and readable manner. Osborne reviews both current and potential opportunities in space. An infant business, the space industry now generates about $23 billion a year. The first venture in space commercialization is already mature: satellite communications. Remote sensing satellites are a few years behind, but have the potential for use in a number of areas. Alreay they are being used for weather tracking, mining surveys, and crop forecasting.

Osborne believes, however that the real economic potential lies in manufacturing. He explains the advantages of processing in the near weightless, ultra-clean environment of space and lists a broad range of materials which are currenty being tested for production. Cost-effective manufacturing, he notes, will demand a cohesive system of space stations and orbiting platforms, as well as launch and repair services.

Indulging briefly in a look toward the next generation of innovations, Osborne writes about some of the ideas which may become reality by the next century. These concepts include nuclear waste disposal in space, mining operations on asteroids, and huge solar sails, driven by photons from the sun, for long space voyages.

In what I considered the most interesting section of the essay, Osborne discusses the role of Government in space commercialization. He analyzes the very real threat of foreign competition and critizes the U.S. Government's early efforts toward encouraging and shaping this pioneer industry. He weighs the pros and cons of an aggressive Federal intervention. This is done partly through a review of governmental interventions in recently developed technologies such as aviation, computers, and supersonic transport. He also looks at the arguments made by free market enthusiasts. In the end, Osborne recommends that we design a more coherent strategy to preserve U.S. leadership on this new frontier.

I found this a thought-provoking essay and one which should be of interest to Members of the House.●

KINGSTON RESIDENT HEADS JEWISH WAR VETERANS OF THE USA

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. KANJORSKI. Mr. Speaker, as we once again remember the valiant men and women who have sacrificed so much for our Nation through th[illegible] service in the Armed Forces, I [illegible] like to bring to your attention an individual who has been a leader in providing assistance and support to the veterans of our Nation. Mr. Samuel Greenberg of Kingston, PA, has spent nearly 40 years working on behalf of our veterans through his work in community and veterans' projects.

Mr. Greenberg, a veteran of World War II, was elected on September 2, 1984, as national commander of the Jewish War Veterans of the USA. Previously, he served for 5 years as a member of the national executive committee and as national editor of the Jewish Veteran, the organization's national publication. He has held the positions of national public affairs officer, central district commander, Department of Pennsylvania commander, and commander of Wilkes-Barre, PA, Post. No. 212. He has also been a member of the foreign affairs committee, the veterans' cemetery committee, three special task force committees, the board of directors, and the JWV–USA National Memorial, Inc.

Although a leading member of the JWV, Samuel Greenberg has also participated actively in other veterans' groups in the community, such as the American Legion, the Veterans of Foreign Wars, and AMVETS. His other community activities have included: Chairman of the United Jewish Appeal, school board director for Temple Israel, member of the board of directors of the Greater Wyoming Valley Jewish Federation, board member of the Greater Wyoming Valley Jewish Community Center, and chairman of the Boy Scout Troop No. 32 Committee. Along with other concerned citizens, he formed the Joe Palooka Monument Committee to restore a vandalized statue saluting the fictional hero. In 1976, Mr. Greenberg received the Tapper Award from the Greater Wyoming Valley Jewish Community Center honoring him as "Man of the Year."

The owner of Arrow Steel Supply in Swoyersville, PA, Samuel Greenberg is also well known for his steel sculptures. A picture of Greenberg with one of these sculptures, a memorial to the Israeli athletes murdered at the 1972 Munich Olympics, is displayed in the Diaspora Museum in Tel Aviv.

Mr. Speaker, it is my pleasure to recognize Samuel Greenberg and the tremendous contributions he has made on behalf of all veterans, as well as the members of our community. I am proud to commend his years of tireless work to your attention today.●

UNDERMINING OF RURAL ELECTRIFICATION ADMINISTRATION SHORT-SIGHTED

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. DORGAN of North Dakota. Mr. Speaker, it's a pleasure to salute the Rural Electrification Administration on its 50th birthday. REA has much to be proud of as we look back over the last half century. In 1935, only 10 percent of America's farms had electricity; now lines are strung to virtually every farm and ranch, no matter how rugged the terrain or how far to the nearest neighbor.

But as we note these successes, we cannot help but see the dark clouds on the horizon in front of us. The current administration has waged an all-out attack on the Rural Electrification Administration, most recently going so far as to call for its elimination by 1990. Even though Congress has fought each effort to undermine the REA, and restored most of the programs under attack, morale at the agency has been seriously eroded by the lack of support at the top.

A good example of how this has worked is the current debate over engineering standards. These standards, which set guidelines for the equipment used by rural electric systems, make good sense. Rural electric systems, with their wide spans and fewer poles, have special needs. Not every small co-op can afford its own engineer to select equipment for them. REA's engineering standards division helps with these decisions and insures that all systems are compatible.

Even though this work is done for the entire country with only six technical engineers, the current administration still wants to abolish the engineering standards division. When their intention to do so raised a number of questions, REA announced that it would conduct an objective study of the issue, using four REA employees. However, when this study recommended keeping the standards, REA ignored it and commissioned a new one. The second study also recommended keeping the standards, but REA is still trying to abolish them.

The administration's stubborn insistence to do away with the engineering standards division, even though it has been shown to save co-ops between 6 and 9 percent of their construction costs, clearly shows that their opposition to REA is philosophical, not financial.

This opposition is evidencing itself in other ways as well. Loan applications, even simple ones, take longer than necessary to process. There seems to be a deliberate slow-down in effect.

The administration's attitude toward the Rural Electrification Administration is, in my judgment, extremely short-sighted. REA has been a major factor in fostering this country's tremendous agricultural productivity. Even though agriculture is currently struggling under a number of economic factors beyond its control, it is still our biggest earner of export dollars—dollars that are of critical importance to the economic health of this country.

So rural electricity is important to all of this country, not just to our farms and ranches. It is too bad the current administration just doesn't understand that.●

THE PLAINS CENTENNIAL

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. RAY. Mr. Speaker, this weekend, there will be a very special celebration in my district. Plains, GA, is hosting a centennial celebration commemorating their founding 100 years ago.

Although Plains is a small city, with a population of only 683, there are few Americans who aren't familiar with this town and with the people of the town.

Plains began as a small community, set up after the Federal authorities moved the Creek Indians when the Treaty of Washington was signed.

At first, Plains was known as The Plains of Dura. The Biblical plain of Dura near Babylon was where Nebuchadnezzar erected a golden idol. Around 1840, the town was relocated to its present site, which was at that time a wooded area owned by Mr. Carey Thomas Cox and Mr. Milton Hudson. When the town moved, the name was shortened to just Plains.

Throughout its history, Plains has been a thriving community. Although primarily a farming town, the city's business section has been the home of a number of different Georgia businesses through the years.

Of course, Mr. Speaker, Plains gained national prominence when one of her residents, Jimmy Carter, was elected our Nation's 39th President. Through him, we met the people of Plains and became familiar with the sights and lifestyle of the people of Plains and Sumter County.

President Carter personified for this country many of the beliefs and characteristics that are ingrained by life in a small town—the creed of an honest day's work for an honest dollar, neighborly concern and caring, belief in God, love and pride in America, and the importance of honesty and forthrightness.

Although the cities of America may be her "shining stars," it is the towns and communities that will always remain her heart. Throughout our history, many of our Nation's leaders have come from small towns, all across this country. In this environment, it seems the strength of character, the decency, and the Humanity so necessary in a good leader is strengthened and encouraged.

Just as President Carter's strength of character was developed in Plains, another famous Georgian, Charles Crisp, gained the same values of honesty and decency in a small town only 20 miles away.

Although born in England, Charles Crisp came to Georgia with his parents in 1845, while still an infant, and spent his youth in the small towns of Georgia. His family settled in Ellaville, which is very near Plains, and there he was taught the small town values that were to bring him to a leadership position in this country.

At only 16 years of age, Crisp was a soldier and a Union prisoner during the Civil War. Following the war, he became a lawyer and served our State as a judge, until his election to Congress in 1882. There he served until his death in 1896, just months before he would have achieved his life's ambition and taken a seat in the U.S. Senate.

The values and characteristics I have spoken of made him outstanding among his peers from the start, and in the 52d and 53d Congresses, his colleagues elected him Speaker of the House of Representatives.

There have been many great statesmen to come from Georgia and, like Jimmy Carter and Charles Crisp, many of them are the product of small Georgia towns—areas where the values of honesty, productivity, and belief in God are strongly held.

It is always an inspiration to me, as I look through the history of this great country, to see how many of our Nation's leaders were not members of the upper class, how many of them were largely self-educated, and how many of them attained their positions of public trust through the force of their own character, abilities, and efforts.

It is an old cliche that, "In America, anyone can grow up to be President," but it's still true. Look through our history and look at this Congress—with hard work and determination, almost any goal can be achieved in this country.

As our population continues to move away from smaller communities, and our cities build, many of us remember life in smalltown America warmly. Small towns are pictured as havens of friendly neighbors, personal businesses, and strong community morals. When President Carter came to national prominence, he brought that picture of smalltown America to life when he introduced the world to Plains, GA.

In many ways, Plains became the small town that all of us knew and loved. So, as Plains celebrates her centennial this weekend with fanfare, I wanted to let my colleagues know that our small town, the one we all remember so fondly, has reached a pinnacle.

But, more importantly, I wanted to remind you that smalltown America is still alive and well and is still teaching to it's youth those same qualities of honor, strength, and virtue that it always has. Although many of our future leaders may come from our Nation's cities, I feel secure in knowing that we still have a strong training ground busily at work producing tomorrow's leaders in today's smalltown America.●

FOUR DECADES OF SERVICE FOR MR. STANLEY WIDES

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. TORRICELLI. Mr. Speaker, I am honored to call to the attention of the Congress the four decades of service Mr. Stanley Wides has provided to the United States and all the veterans of New Jersey.

Throughout his many years of civic involvement, Mr. Wides has been active and supportive to many organizations. He is a past commander of the Bergen County Jewish War Veterans and the New Jersey State Jewish War Veterans. He has also served on the National Executive Committee of the Jewish War Veterans.

Mr. Wides provided decisive leadership when he served as the director of the New Jersey Allied Council of Veterans Organizations. During his tenure Mr. Wides represented more than 1 million New Jersey veterans with both integrity and conviction. It has been his leadership ability that has prompted past and present Governors of the State of New Jersey to turn to him for advice and counsel.

Mr. Wides is respected by his friends and family as a compassionate and understanding individual. The veterans of New Jersey know him as a friend and leader who they can turn to for advice and assistance, and I know him as an intelligent and hardworking individual, and a community leader and a personal friend.●

FELLOWSHIP PROGRAM FOR THE BLIND AND DEAF

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. ROYBAL. Mr. Speaker, today I am reintroducing my bill to establish a pilot fellowship program for the blind and deaf.

This resolution, House Resolution 540 in the last Congress, attracted 56 cosponsors and a lot of attention from groups representing the blind and deaf. Everyone I heard from was very supportive of the fellowship, and the organizations thought such a program would be a tremendous boost to their members. I even heard from people who were eager to participate in the fellowship—it was just the impetus they needed to become involved in the legislative process. This heartening response convinced me of the worthiness of such a program, thus my reintroduction of this resolution.

Upon passage of this resolution, a 2-year pilot program would be set up for 100 fellows a year. At the end of that period, the House Administration Committee would evaluate it and issue recommendations as to the advisability of continuing. The experiences of the fellows will weigh heavily in the evaluation. If the program does not accomplish what I believe it can, I will be the first to admit it should be terminated. However, if the fellowships are properly chosen and administered, I don't see how the program can miss.

I am convinced that we need this or a similar program to encourage blind and deaf men and women to consider employment on Capitol Hill as a viable career option. Concurrently, offices up here would have a valuable opportunity to experience the abilities, talents, and unique perceptions of these individuals.

I know you all share my commitment to making sure the legislation process is open to all Americans. I believe this resolution embodies that commitment, and I hope you will join me in cosponsoring it.

For more detailed information on my resolution, a section-by-section analysis follows:

SECTION-BY-SECTION ANALYSIS

SECTION 1

Establishes a pilot program of Congressional fellowships for the blind and deaf, and sets out the purpose of the program.

There will be 100 positions available each year for two years. Each Member, Committee or Subcommittee may fill one position on a first come, first served basis, and are instructed to consider the qualifications of the fellow in assigning the position.

SECTION 2

Requires that participants be blind or deaf, can only serve for one session of Congress, will be paid $20,000 per year and, for administrative purposes, be treated in the same manner as an LBJ intern.

SECTION 3

Provides that any special equipment needed by the fellows will be made available through the House Administration Committee.

SECTION 4

Establishes that the program will be funded through the contingent fund of the House.

SECTION 5

Establishes that the positions and amounts provided for in this resolution are in addition to the positions and amounts otherwise available to Members, Committees and Subcommittees.

SECTION 6

Directs the Committee on House Administration to evaluate and report to the House on the effectiveness of the program and whether it should continue.

SECTION 7

Defines "blind" and "deaf."

SECTION 8

Gives the Committee on House Administration the authority to prescribe regulations to carry out the resolution.●

HUNTINGTON, WV

HON. NICK J. RAHALL, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. RAHALL. Mr. Speaker, I would like to bring to the attention of my colleagues a column by the publisher and editor of the Herald-Dispatch in Huntington, WV. I believe that the spirit of optimism espoused in Mr. Hatfield's article is indicative of the mood of West Virginians even as we weather the storm of unemployment as the much-heralded economic recovery has yet to find its way to southern West Virginia. I think that all of my colleagues should share in this spirit of optimism that I am proud to say is prevalent in my district in southern West Virginia:

HUNTINGTON: A CITY THAT IS JUST CHANGING, NOT DYING

If you read the letters in our "Voice of the People" regularly, as I do, then you know that a growing number of readers believe that "Huntington is a dying city."

Most of these point to vacant storefronts downtown, to the proposed "Superblock" which still is a nine-acre parking lot, to our frequently-dark Civic Center, our boarded-up hotel, to problems some downtown merchants are having, to the lack of jobs in the region.

Well, those are hardly encouraging examples, to be sure.

But Huntington a dying town? I don't believe that.

It's a changing town.

If you travel across this land, you'll find many cities Huntington's size having the same problems we do.

I remember several years ago when a sociologist predicted that America's cities were on the verge of great change. There would be no stores in them, he said. Instead, people would drive to huge covered shopping centers outside the cities, where they could park easily and shop in many varied stores.

Cities would survive, he said, but in a different way. They would be centers for offices, for services, for entertainment, but no longer for shopping as they then were.

In fact, he predicted, the day would come when cars would be banished from downtowns. Drivers would park at the edge of the cities and take shuttles to their office jobs. We'd have to do that, he said, because pollution from auto exhausts would be so bad.

I thought at the time the guy was being pretty far-out. Huge covered shopping centers? Downtowns with only offices and restaurants?

Well, look at what has happened.

Actually, all things considered, Huntington has fared pretty well. Visitors continue to regard it as a surprisingly attractive and successful downtown. They like our pedestrain plaza with its fountain and sculpture. They like our stores. They like our theaters. They say it's a clean downtown, not at all what they see in many other places.

And Huntington, make no mistake about it, is the size city that has been most affected by change. The really small towns have stayed pretty much the same, and so, of course, have the New Yorks, and Washingtons, the metropolises. But the Huntingtons, Lexingtons, Knoxvilles, Tulsas, Louisvilles have had problems in their downtown areas.

They've not dying as cities, however, they're changing.

After all, most cities have large shopping malls 10 to 25 miles outside the city limits. Land is more abundant—and cheaper. And shoppers' habits and styles have changed.

It seems to me we've got to redefine what we mean when we say "city" anyway.

Is a city no more than what is contained within the city limits?

Is a city no more than its downtown?

A city is many things. It's schools, neighborhoods, parks, rivers, even suburbs.

We look at the population of Huntington and find that it has dwindled by 20,000 in 20 years. Yet Cabell County's population has remained the same during that period and that of Wayne County and Lawrence County, Ohio, has increased.

Much of Lawrence has become a bedroom community of Huntington. And the towns of Milton, Barboursville, Kenova, Ceredo and Wayne are not only parts of Greater Huntington, but parts of growing importance.

It's time we realized that. It's time we permitted our minds to expand beyond the boundaries of any one town, village or city.

It's time we realize that we're all in this together, dependent upon each other for the future.

I'd like to see every storefront in downtown Huntington filled and busy. I wish 4th Avenue and 3rd Avenue looked today as they did in the 1950s, when I was entering college here.

But that isn't the way it is and that isn't the way it's going to be.

And we don't help matters any by declaring this "a dying city."

I'm grateful we have a shopping mall which provides not only shopping, but jobs and tax dollars.

And I'm grateful there still is so much to be proud of in this area.

Picking up a visitor at the airport Wednesday, I found myself pointing with pride to Pilgrim Glass as we drove past, and then going on to talk about Blenko as well. As the day went on, I was showing off the Huntington Galleries, Ritter Park, the bridges into Ohio, the Harris river-front park, the 9th Street plaza, our theaters—especially the old Keith—and Marshall University.

That evening I was proud to take my guest to Permon's, the elegant restaurant atop the West Virginia Building from where I pointed, again with some pride, to two other states.

I talked about the employers here upon whom so many of our jobs depend: Armco, Ashland Oil, Huntington Alloys, Marshall University and others.

I talked about the city becoming a banking center and a regional medical center. There was growth in both new "industries," I said, and that well could be Huntington's future.

I talked about the success of Marshall's football and basketball programs, the new Henderson Center, the proposed new football stadium, and how such successful programs also help the local economy.

It didn't occur to me until later that not once did I talk about Huntington being a "dying town."

Actually, it's time we went even beyond the suburbs and realized that our "city" stretches not only beyond its own borders but state borders as well.

We are slowly becoming a true Tri-State region, no longer estranged from each other. We live in one state, work in another, shop in still another.

The success of the newly formed River Cities Cultural Council, in which all three states, all three cities, several counties, every school system and many businesses contributed money for arts, education and possibly jobs, is a good example of what can be done.

But first we've got to believe in it. And above all, we've got to stop saying that we're "dying" just because we have a few aches and pains.●

ADDITIONAL SMALL BUSINESS SAVINGS

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MITCHELL. Mr. Speaker, today I have introduced legislation which reauthorizes the Small Business Administration for 3 additional years and which saves some $1.5 billion more than a freeze alone would save.

Last February I introduced an earlier version of this bill. The old bill, H.R. 1281, provided a similar 3-year authorization and would have yielded savings of some $320 million. Since then we have held field hearings in some 7 cities and an additional 3 days of hearings in Washington at which we heard from over 200 small businesses. Their message, along with the one we have received from a bipartisan group of some two dozen Governors and State legislatures is the same: Save the SBA and leave it viable.

I wholeheartedly agree with this message and my only problem with it is that it does not go far enough. I believe that SBA programs should be expanded substantially and that it is sheer lunacy to talk about elimination or severe cutbacks.

Nonetheless I believe that the mood in Congress requires an even greater reduction in outlays by the Small Business Administration. As a result I have revised my earlier legislation in order that it now will achieve savings of some $1.5 billion over the next 3 fiscal years as compared to a 1-year freeze.

The changes are as follows:

First, it limits physical disaster loans to $355 million in fiscal year 1986 and nonphysical disaster loans to $65 million. In the outyears, it limits physical disaster loans to a maximum of $500 million in each of fiscal years 1987 and 1988—it leaves unchanged the $100 million nonphysical program proposed for these years. This amount is identical to that applicable to fiscal year 1986 as provided in Public Law 98-270.

Second, it prohibits the Federal Financing Bank from acquiring debentures issued by small business investment companies with an SBA guarantee. Existing law authorizes the Federal Financing Bank to purchase these debentures which it does with money derived from the Treasury. My bill now would prohibit this and instead would have SBA sell the debentures to investors, thereby eliminating Federal outlays as the SBA guarantee is only a contingent liability. I want to note here that it is an extremely contingent liability and that in the approximately 25 years in which this program has operated. SBA has guaranteed $2 billion in debentures and has lost only $36 million.

Third, the bill further limits the amount of assistance which may be provided annually under the Surety Bond Guarantees Program to $900 million per year and under the Pollution Control Bond Guarantee Program to $50 million per year.

Finally, it equates the amount of direct loans with the amount of additional Federal taxes generated by those firms which receive direct loans from SBA. At our committee hearings, witness after witness stressed the amount of taxes which were generated by the SBA loan. I have long said this and now for the first time I propose to measure the amount of taxes and shut down the direct loan program any time the additional taxes do not exceed net losses on the loan program.

A detailed explanation of my new bill follows:

EXPLANATION OF H.R. 2540 BY MR. MITCHELL

The bill makes changes in eligibility for direct loans and provides a three-year authorization for SBA. The program levels for direct loans would be reduced 15 percent from the amounts contained in the regular appropriations bill for FY 1985; and guaranteed levels and salaries and expenses would be frozen or slightly reduced.

DIRECT LOAN PROGRAM

The bill changes the direct loan program as follows:

First, direct loans would be restricted to prospective businesses or new ones within eighteen months after they commence operations (i.e., to those without a "track record");

Second, direct loan applicants would be required to supply additional funds from non-federal sources of at least 25 percent (now there is no set requirement);

Third, direct loans would be limited to $150,000 (now $350,000); and

Fourth, direct loans would be limited to a maximum term of ten years (now twenty-five years plus any construction time).

Finally, SBA would ascertain the amount of additional Federal taxes paid by direct loan borrowers as a result of the SBA loan as compared to net losses on the program. If losses ever exceed additional taxes, the program would shut down.

NEW DIRECT LOAN LEVELS

The program levels for direct loans under the regular business, handicapped, economic opportunity, and veterans loan programs would be reduced from the amount appropriated for 1985 ($206 million) to $175 million, a reduction of $31 million or 15 percent.

MESBICs would be frozen at $41 million.

GUARANTEED LOAN LEVELS

The program levels for guaranteed loans under the regular business, handicapped, economic opportunity, energy and development company loan programs would be frozen at the 1985 level of $3.18 billion.

SBICs would be frozen at $250 million. Also, SBIC debentures would be sold to investors rather than acquired by the Federal Financing Bank.

DISASTER LOAN LEVELS

The program level for physical disaster loans in 1986 would be reduced to $355 million and for nonphysical disaster loans would be reduced to $65 million. For 1987 and 1988 the physical disaster loan program would be frozen at $500 million per year and the nonphysical disaster loan program would be frozen at $100 million per year.

SURETY BOND GUARANTEES

The program level for the surety bond guarantees programs would be set at $900 million.

POLLUTION CONTROL BOARD GUARANTEES

The program level for the pollution control bond guarantees program would be set at $50 million.

SALARIES AND EXPENSES

The level of salaries and expenses would be frozen at $205.34 million.

BUDGET AUTHORITY

The bill authorizes the following appropriations (1985 level was $700.25 million):

1986—$685.34 million;

1987—$716.34 million; and

1988—$739.34 million.●

REPORT OF CHEMICAL WARFARE REVIEW COMMISSION

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. COURTER. Mr. Speaker, I submit for the RECORD the testimony given by Ambassador Walter J. Stoessel, Jr., Chairman of the Chemical Warfare Review Commission, at the Senate Armed Services Committee on May 1, 1985, and a summary of the Commission's findings. In view of the importance of this issue in the defense authorization debate, I urge my colleagues to read and study the Commission's findings carefully:

AMBASSADOR WALTER J. STOESSEL, JR., CHAIRMAN, CHEMICAL WARFARE REVIEW COMMISSION: TESTIMONY BEFORE THE SENATE ARMED SERVICES COMMITTEE—MAY 1, 1985

Mr. Chairman, it is my privilege to present to the Committee the preliminary findings of the bipartisan Chemical Warfare Review Commission, established by the President in Executive Order 12502 of January 28, 1985, in accordance with the provisions of Section 1511 of the Department of Defense Authorization Act of 1985.

Those appointed to serve on this Commission were, in addition to myself, Mr. Phillip John Bakes, President of Continental Airlines; Dr. Zbigniew Brzezinski, former Assistant to the President for National Security Affairs; General Richard E. Cavazos, whose last active-duty position was Commander, U.S. Army Forces Command; the Honorable Barber B. Conable, Jr., formerly a member of the House of Representatives from New York; the Honorable John N. Erlenborn, formerly a member of the House of Representatives from Illinois; General Alexander M. Haig, Jr., former U.S. Secretary of State and also former Supreme Allied Commander, Europe; and Mr. John G. Kester, a partner in the Washington law firm of Williams and Connolly and former Special Assistant to the Secretary of Defense.

The Congress directed this Commission to "review the overall adequacy of the chemical warfare posture of the United States with particular emphasis on the question of whether the United States should produce binary chemical munitions."

The Commission was further directed to consider the relationship of this matter to United States efforts for a multilateral, verifiable ban on chemical weapons; the adequacy of the current United States stockpile of chemical weapons in providing a credible deterrent to Soviet use of chemical weapons against United States and allied forces; whether the proposed binary program will provide a credible deterrent to chemical warfare; and, finally, whether defensive measures alone are adequate to meet the Soviet chemical warfare threat and whether current and projected funding of defensive measure programs is adequate.

The Commission has been meeting for two months, and has carefully studied all these matters. It began by considering United States policy with respect to chemical weapons. That policy has three elements:

Arms control. The United States will actively pursue the achievement of a multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons.

Deterrence. Until such a ban is achieved and in effect, the United States will retain the capability to deter chemical attack by other powers.

No first use. The United States will never use chemical weapons except in retaliation for the use of chemical weapons against the United States or its allies.

The Commission has concluded that the policy as stated continues to be appropriate. The members of the Commission wish to stress their conviction that achieving a multilateral, verifiable ban on chemical weapons should remain a priority aim of the United States.

In carrying out its work, the Commission reviewed the history of chemical weapons use, the scientific characteristics of modern chemical warfare agents, the technology of chemical defenses and chemical munitions, and the technology for demilitarizing obsolete and deteriorating munitions. The Commission has heard briefings by intelligence specialists on the Soviet Union's capability in both offensive weaponry and defense, and also on the spread of chemical weapons possession and the authenticated use of these weapons in warfare in recent years.

Members of the Commission traveled to Europe, where we spoke with U.S. commanders and service men and women, and representatives of our NATO allies. We also viewed a portion of the current stockpile at several locations in the United States.

The Commission has reached a general consensus on the matters we were asked to consider, and I should now like to convey to you our findings to date, which I expect will appear in substantially this form in the final report.

On the matter of the relationship of stockpile modernization to the U.S. goal of achieving multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons, the Commission believes that modernization would be likely to increase the chances of achieving such a ban. The Commission has noted that in the 16 years since the unilateral renunciation by the United States of production of chemical munitions the Soviet Union has not progressed substantively toward acceptance of such a ban; on the contrary, it has continued its intensive program of production and research and development for chemical munitions.

On the matter of the adequacy of the existing stockpile to deter, this is what the Commission found:

The existing U.S. store of chemical weapons dates from the 1940's through 1960's and is in deteriorating conditon. The bulk of it is militarily useless; a small fraction of the stockpile has deterrent value. All of it is potentially hazardous to handle.

Soviet chemical warfare capability is sizable and is increasing.

A more credible U.S. chemical retaliatory capability is needed in order to prevent either quick defeat or early escalation to a nuclear exchange in the event chemical weapons are used by the adversary.

Failure to acquire an effective chemical retaliatory capability could have the United States with only nuclear retaliation to deter chemical attack.

The current stockpile should be destroyed at an accelerated rate.

The Commission carefully considered the proposed binary program, and came to the following conclusions:

The binary program will provide an adequate deterrent capability to meet our present needs and is necessary because of the deteriorating condition of the current stockpile.

The great advantage of the proposed binary munitions is safety.

The projected binary munitions program will not produce a more lethal generation of weapons. It provides, rather, a safer, separate packaging of nonlethal chemicals that combine to form lethal agents only when launched. The agents which would be formed after launching are identical to the lethal agents already produced and stored in the U.S. stockpile.

Substitution of these safer binary weapons to replace existing U.S. munitions filled with lethal nerve agent will provide much greater safety for U.S. personnel, and will simplify transport and handling. In addition, effective elimination of potential environmental hazards will be far easier and less expensive.

On the question of whether defensive measures alone are adequate to meet the Soviet threat, the Commission found:

The expectation that protective measures alone can offset the advantages to the Soviets from a chemical attack is not realistic.

Even if defensive equipment works, it severely handicaps personnel who must wear it. Without a retaliatory capability, this leads to an overwhelming military advantage for the attacker armed with chemical weapons.

In addition to its conclusions on the four matters it was specifically asked to address, the Commission reached several additional conclusions on the basis of its extensive review of this country's chemical warfare posture. Here are those additional conclusions:

On the matter of deployment of binary munitions, the Commission concluded that peacetime deployment of binary munitions in foreign countries is not essential, because of the safety and speed with which these munitions can be transported.

The Commission concluded that research and development efforts on both defensive items and detection equipment, as well as on retaliatory chemical agents and munitions, should be accelerated, both in order to deter the Soviet Union from using new agents and in order to develop countermeasures.

Finally, the Commission concluded that U.S. intelligence gathering and analysis regarding chemical warfare activities of the Soviet Union and other countries should be greatly improved.

A full report on the Commission's review of U.S. chemical warfare posture, which will amplify our views and may contain additional conclusions and recommendations, is now being prepared and will be ready for delivery to the President for transmission to Congress within a few weeks.

If, in the meantime, members of this committee have questions about the thinking or data that underlie the conclusions I have presented, I shall be happy to discuss these with you.

SUMMARY OF FINDINGS AND CONCLUSIONS

This Commission was directed by the Congress to review the overall adequacy of the chemical warfare posture of the United States. The Commission began by considering United States policy with respect to chemical weapons. That policy has three elements:

Arms control. The United States will actively pursue the achievement of a multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons.

Deterrence. Until such a ban is achieved and in effect, the United States will retain the capability to deter chemical attack by other powers.

No first use. The United States will never use chemical weapons except in retaliation for the use of chemical weapons against the United States or its allies.

The Commission found the policy as stated continues to be appropriate.

The Commission was directed by the Congress to consider four specific questions: [1]

1. The relationship of chemical stockpile modernization by the United States with the ultimate goal of the United States of achieving a multilateral, comprehensive, and verifiable ban on chemical weapons;

2. The adequacy of the existing United States stockpile of unitary chemical weapons in providing a credible deterrent to use by the Soviet Union of chemical weapons against the United States and allied forces;

3. Whether the binary chemical modernization program proposed by the Department of Defense is adequate to support United States national security policy by posing a credible deterrent to chemical warfare; and

4. The ability of defensive measures alone to meet the Soviet chemical warfare threat and the adequacy of funding for current and projected defensive measure programs.

The following are the Commission's findings on each of the four points it was directed to address:

The effect of modernization on achieving a chemical weapons ban

The Commission believes that modernization would likely increase the chances of achieving a multilateral, verifiable ban on chemical weapons. The Commission notes that in the 16 years since the unilateral renunciation by the U.S. of production of chemical munitions, the Soviet Union has not progressed toward acceptance of such a ban; on the contrary, it has continued its intensive program of production and research and development for chemical munitions.

Adequacy of the existing stockpile to deter

The Commission has found that:

The existing U.S. store of chemical weapons dates from the 1940's through 1960's and is in deteriorating condition. The bulk of it is militarily useless; a small fraction of the stockpile has deterrent value. All of it is potentially hazardous to handle.

Soviet chemical warfare capability is sizable and increasing.

A more credible U.S. chemical retaliatory capability is needed in order to prevent either quick defeat or early escalation to a nuclear exchange in the event chemical weapons are used by the adversary.

Failure to acquire an effective chemical retaliatory capability could leave the United States with only nuclear retaliation to deter chemcial attack.

The current stockpile should be destroyed at an accelerated rate.

The Binary Chemical Program

The Commission has found that:

The proposed binary program will provide an adequate deterrent capability to meet our present needs and is necessary because of the deteriorating condition of the current stockpile.

The great advantage of the proposed binary munitions is safety.

The projected binary munitions program will not produce a more lethal generation of weapons. It provides, rather, a safer, separate packaging of nonlethal chemicals that combine to form lethal agents only when launched. The agents which would be formed after launching are identical to the lethal agents already produced and stored in the U.S. stockpile.

Substitution of these safer binary weapons for existing U.S. munitions filled with lethal nerve agent will provide much greater safety for U.S. personnel and will simplify transport and handling. In addition, effective elimination of potential environmental hazards will be far easier and less expensive.

Defensive measures

The Commission has found that:

The expectation that protective measures alone can offset the advantages to the Soviets from a chemical attack is not realistic.

Even if defensive equipment works, it severely handicaps personnel who must wear it. Without a retaliatory capability, this leads to an overwhelming military advantage for the attacker armed with chemical weapons.

Additional conclusions

The Commission in the course of its deliberations has also arrived at these additional conclusions:

Deployment. The Commission does not consider peacetime deployment of binary munitions in foreign countries to be essential, because of the safety and speed with which these munitions can be transported.

Research and Development. The Commission believes that research and development efforts on both defensive items and detection equipment, as well as on retaliatory chemical agents and munitions, should be accelerated, both in order to deter the Soviet Union from using new agents and in order to develop countermeasures.

Intelligence. The Commission believes that U.S. intelligence gathering and analysis regarding chemical warfare activities of the Soviet Union and other countries should be greatly improved.●

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[1] These four questions were incorporated into the three tasks of Executive Order 12502, dated January 28, 1985.

LEGISLATION TO PROTECT SENIOR NUTRITION PROGRAM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BIAGGI. Mr. Speaker, last Thursday, I introduced H.R. 2453, legislation that will address the current funding shortfall in section 311 of the Older Americans Act. I am pleased to note that I am joined in this effort by my colleague, Dale Kildee who now chairs the Human Resources Subcommittee which oversees Older Americans Act programs.

This bill is designed to assure adequate funding for meals served by States under section 311 of the act and also prohibits the Secretary of Agriculture from reducing funding for this program in any year that appropriations are insufficient to meet the anticipated number of meals served by States.

This bill is needed because under section 311, the current $116 million appropriated in fiscal year 1986 will not provide enough money for States to continue to serve meals at current service levels. Under section 311, the Secretary is authorized to reduce reimbursements per meal, which are established in the statute. For this fiscal year, the rate was originally established at 58.76 cents per meal for those States which choose to receive cash in lieu of commodities. On February 21, 1985, the Department published notice in the Federal Register that it intended to reduce the per meal rate from the original 58.75 cents to 56.76 cents per meal. This reduction was based upon an estimated 212.8 million meals to be served in this year at the $116 million funded level.

Upon receiving notice of reimbursement at the rate of 58.76 cents, States planned their annual projects accordingly. If we do not provide an additional $5 million in this year, these same States will be forced to reduce or eliminate meal programs because they will be receiving reimbursement at the lower rate.

This bill would increase the authorization levels in section 311 to accommodate the increased demand for meals at the following levels: $125.8 million for fiscal year 1985, $135.9 million for fiscal year 1986, and $147 million for fiscal year 1987. It will also delete the authority of the Secretary to reduce reimbursements for this program when projected meals being served will exceed the existing appropriation.

In my opinion, if States are serving meals respective of need for such meals, then the Department should seek a supplemental appropriation to assure the higher level of services. To reduce or eliminate meals is unnecessary and counterproductive.

Mr. Speaker, I would not pursue a legislative remedy to this problem at this time if the meal programs were not directly threatened for reduction. I have received a letter from the Department affirming the fact that they did indeed advise States last year that they would receive 58.75 cents per meal, only to reduce it to 56.76 cents at this time. Adjustments in reimbursements must be made in a manner that will allow States to budget appropriately. To reduce funding in the middle of a budget cycle only guarantees cuts in meal programs.

In addition, passage of this bill will allow the Appropriations Committee to provide the estimated $5 million extra that is needed to assure that States will not lose meal dollars in this fiscal year. This is because the current appropriated level of $116 million is also the fully authorized level. Passage of this bill to increase authorizations and eliminating the Secretary's discretion to reduce reimbursements will be

the first step in addressing this problem on a permanent basis.

Mr. Speaker, this bill is a small but important initiative and I hope that my colleagues will join me in supporting its passage.●

BASEBALL TEAM SOUGHT FOR WILKES-BARRE/SCRANTON AREA

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. KANJORSKI. Mr. Speaker, I would like to bring to your attention an article, which appeared in the April 15 issue of USA Today, detailing some of the exciting work being done in northeastern Pennsylvania to attract a professional baseball team. I call this exciting because this project is bringing together the energies and enthusiasm of so many people in our area, and proving how much pride we have in our region.

A stadium is being built even though no team has been selected to use it. And, perhaps even more remarkable is the fact that more than 2,000 season tickets have already been sold. And this is almost 2 years before the stadium is even completed.

Our region has been through some hard times in recent years, but we are on our way back. We're planning for a more prosperous future, and this new professional baseball stadium is indicative of the effort and enthusiasm that is present.

Mr. Speaker, I would like to include the text of the USA Today article which explains in greater detail just what is being done in that regard.

[From USA Today, Apr. 15, 1985]

Major-League Pitch for Minor League—Northeastern Pennsylvania Towns Plot To Attract Baseball Franchise

(By D.I. Strunk)

Scranton, PA.—"When somebody mentions Scranton or Wilkes-Barre what do you think of?" asked John McGee, the man most responsible for trying to bring professional baseball back to northeastern Pennsylvania. "Coal mines. Right? Coal-crackers. Well, we haven't been in the coal-mining business for 40 years."

Well, people here like McGee are weary of that false public image. And they've decided not to take it anymore.

So they built a new ski resort that opened this year and lengthened their airport runways. They converted abandoned railroad stations to hotels and railway cars to restaurants. They turned old mines into tourist attractions and bolstered their economy by luring a variety of light-manufacturing companies.

Now leaders in Scranton and Wilkes-Barre are doing something strictly for their own quality of life. Something to add to their philharmonic orchestra, their Nay Aug zoo, the nearby Pocono Mountain resorts and the Pocono Downs race track.

They want to bring minor-league baseball to the area.

OK, so its not the big leagues. But class AAA minor-league ball—whose season opened last week across the USA—is as close as you can get.

OK, so they don't have a Class AAA team yet. But they're building a 12,000-seat stadium.

OK, so the stadium won't be finished for two years. But they've already sold 2,151 season tickets.

"Where else could you sell $238 season tickets for 70 home games for a team that doesn't exist and a stadium not built yet," said Greater Wilkes-Barre Chamber of Commerce president John Sheehan. "And baseball is just one of the stories of our naked city."

But it is the one that has everybody talking. Even more than the new Rand McNally's Places Rated Almanac that jacked the area of Scranton and Wilkes-Barre up 99 spots to make it the USA's 64th-most-attractive metropolis.

What makes this baseball story so enticing is that while just about every big city without a major-league team is vying for a franchise, this area is waiting to gather in the extras.

"The new teams have to put their minor-league clubs some place," explained McGee.

So do the old ones, which has been a problem even without major-league expansion. There aren't that many adequate stadiums and facilities for minor-league clubs, particularly in the East. Those that do exist, says Bobby Bragan, former president of the minor leagues and now with the Texas Rangers, often "leave a lot to be desired."

In fact, in 1979 Bragan told the Northeastern Baseball Corp.—formed to bring baseball to this area—that if it had had a stadium a year earlier they could have had the Yankees AAA club when they terminated with Syracuse, N.Y.

"They ended up in Tacoma, Wash.," Bragan said, "because there was no other Eastern facility."

The Philadelphia Phillies, two hours south, have expressed serious interest in moving its AAA club from Portland, Ore., if there was a minor-league stadium in the East. The International League, with eight AAA clubs from Maine to Virginia, has voted to expand when major-league baseball expands.

McGee was fully aware there was "a need" when he was a law student at the University of Louisville nine years ago listening to congressional hearings into the marketing, operating and antitrust laws governing professional sports.

That's when the idea started percolating in McGee's very organized, certified public accountant's mind. He knew the area of Scranton and Wilkes-Barre (pop. 650,000) couldn't support a major-league club. But a minor-league team would fit perfectly. There was even a track record. In the 1940-50s, the area had two successful minor-league teams: the Miners (also once called Red Sox) in Scranton and the Barons in Wilkes-Barre. But with the advent of TV baseball, the teams were sold and the old stadiums dismantled.

What McGee needed was support from the Lackawanna and Luzerne county commissioners to build a multipurpose stadium—modeled after the one in Columbus, Ohio—with the main tenants being a baseball team. As many of the larger cities seeking major-league teams have discovered the formula is as simple as "no stadium—no team."

But the governing bodies of the two counties—deeply dedicated to high school sports and rivalries—didn't embrace the idea. The only project the two cities had ever cooperated on was the Northeast Philharmonic.

So McGee, 34, who recently became county solicitor, went into quiet, backroom lobbying. "Planning is everything," said the former high school shortstop. "You have to proceed with the attitude that you're going to make the pivot for the double play."

McGee persuaded Bragan and other baseball executives to visit and help sell the idea. He got the area communities involved in raising $19,000 for a feasibility study. But what really helped was a year and a half ago when the Old Republican grip on Lackawanna was broken with two new Democratic commissioners.

Said one of the new commissioners, ex-Marine Ray Alberigi: "I felt a ballclub would project the area image in a better light." He also pointed out the stadium would create 20 full-time and 80 part-time jobs.

Added fellow new commissioner Joe Corcoran: "It'll be one more thing to attract industry while enhancing the quality of life."

Still, even the new commissioners weren't totally convinced the public wanted a baseball team. So they agreed to provide some funding for a new stadium only if Northeastern Baseball could sell 2,000 charter season tickets between Oct. 9 and Jan. 1.

"It was a most difficult period," said McGee. "I'd speak night after night. Sometimes to groups of only 10 people."

But the corporation exceeded its goal. Alex Brogna, vice president of the Wyoming National Bank of Wilkes-Barre and former Minnesota Twins minor-league third baseman said: "We're still getting a lot of inquiries from people who couldn't come up with the lump $238, but say they'll be coming to every game."

With the help of federal, state and county funds the stadium plans to open for the 1987 season. As a safety valve, Northeastern Baseball has purchased the Waterbury, Conn., AA club for $350,000 so there'll be someone to play in the new stadium in case a AAA team hasn't been acquired by opening day.

The only real problem that remained was picking a team name. A write-in poll determined that anxious fans favored "Red Barons," combining the names of the erstwhile area minor-league teams.

"One thing was certain," said McGee, "the name definitely wasnt going to reflect the false miners or coal image."

Added Austin Burke, president of the Greater Scranton Chamber of Commerce, "Way things are moving around here it may only be just another 10 years before that old coal image is completely out of people's minds."●

PRESIDENT VON WEIZSACKER ON END OF WW II

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MAVROULES. Mr. Speaker, the storm of controversy that swirled about President Reagan's ill-advised Bitburg visit clouded the lessons of May 8, 1945—the day on which World War II ended in Europe.

With regard to this commemoration

memorate the six million Jews who were

nity? Whoever opened his eyes and ears and

With regard to this commemoration and its meaning, few in my estimation have been more thoughtful or lucid than Richard von Weizsacker, the President of West Germany.

In order to shed valuable light on this timely and important subject, I would like to share with my colleagues excerpts from Mr. von Weizsacker's speech before the Parliament in Bonn that appeared in the New York Times on Thursday, May 9, 1985.

His words are heartfelt and deserve to be read.

The excerpts follow:

Many nations are today commemorating the date on which World War II ended in Europe. Every nation is doing so with different feelings, depending on its fate. Be it victory or defeat, liberation from injustice and alien rule or transition to new dependence, division, new alliances, vast shifts of power—May 8, 1945, is a date of decisive historical importance for Europe.

We Germans are commemorating that date amongst ourselves, as is indeed necessary. We must ourselves find our own standards. We are not assisted in this task if we or others spare our feelings. We need and we have the strength to look truth straight in the eye, without embellishment and without distortion.

For us May 8 is above all a date to remember what people had to suffer. It is also a date to reflect on the course taken by our own history. The greater honesty we show in commemorating this day, the freer we are to face the consequences with due responsibility. For us Germans, May 8 is not a day of celebration. Those who actually witnessed that day in 1945 think back on highly personal and hence highly different experiences. Some returned home, others lost their homes. Some were liberated, whilst for others it was the start of captivity. Many were simply grateful that the fear had passed and that they had survived. Others felt, first and foremost, grief at the complete defeat suffered by their country. Some Germans felt bitterness about their shattered illusions, whilst others were grateful for the gift of a new start.

LIBERATED ALL OF US

Yet with every day something became clearer, and this must be stated on behalf of all of us today: May 8, was a day of liberation. It liberated all of us from the inhumanity and tyranny of the National Socialist regime.

Nobody will, because of that liberation, forget the grave suffering that only started for many people on May 8. But we must not regard the end of the war as the cause of flight, expulsion and deprivation of freedom. The cause goes back to the start of the tyranny that brought about the war. We must not separate May 8, 1945, from January 30, 1933.

There is truly no reason for us today to participate in victory celebrations. But there is every reason for us to perceive May 8, 1945, as the end of an aberration in German history, an end bearing seeds of hope for a better future.

May 8 is a day of remembrance. Remembering means recalling an occurrence honestly and undistortedly so that it becomes a part of our very beings.

REMEMBERING JEWISH DEAD

Today we mourn all the dead of the war and the tyranny. In particular we commemorate the six million Jews who were murdered in German concentration camps. We commemorate all nations that suffered in the war, especially the countless citizens of the Soviet Union and Poland who lost their lives. As Germans, we mourn our own compatriots who perished as soldiers, during air raids at home, in captivity or during expulsion. We commemorated the Sinti and Roman gypsies, the homosexuals and the mentally ill who were killed, as well as the people who had to die for their religious or political beliefs. We commemorate the hostages who were executed. We recall the victims of the resistance movements in all the countries occupied by us. As Germans, we pay homage to the victims in the German resistance, among the public, the military, the churches, the workers and trade unions and the Communists. We commemorate those who did not actively resist, but preferred to die instead of violating their consciences.

Alongside the endless army of the dead, mountains of human suffering arose grief for the dead, suffering from injury or crippling or barbarous compulsory sterilization, suffering during the air raids, during flight and expulsions, suffering because of rape and pillage, forced labor, injustice and torture, hunger and hardship, suffering because of fear of arrest and death, grief at the loss of everything which one had wrongly believed in and worked for. Today we sorrowfully recall all this human suffering.

BURDEN BORNE BY WOMEN

Perhaps the greatest burden was borne by the women of all nations. Their suffering, renunciation and silent strength are all too easily forgotten by history. Filled with fear, they worked, bore human life and protected it. They mourned their fallen fathers and sons, husbands, brothers and friends. In the years of darkness, they insured that the light of humanity was not extinguished. After the war, with no prospect of a secure future, women everywhere were the first to set about building homes again, the rubble women in Berlin and elsewhere. Because of the war, many women were left alone and spent their lives in solitude. Yet it is first and foremost thanks to the women that nations did not disintegrate spiritually on account of the destruction, devastation, atrocities and inhumanity and that they gradually regained their foothold after the war.

At the root of the tyranny was Hitler's immeasurable hatred against our Jewish compatriots. Hitler had never concealed this hatred from the public, but made the entire nation a tool of it. Only a day before his death, on April 30, 1945, he concluded his so-called will with the words: "Above all, I call upon the leaders of the nation and their followers to observe painstakingly the race laws and to oppose ruthlessly the poisoners of all nations: international Jewry." Hardly any country has in its history always remained free from blame for war or violence. The genocide of the Jews is, however, unparalleled in history.

WHO COULD BE UNSUSPECTING?

The perpetration of this crime was in the hands of a few people. It was concealed from the eyes of the public, but every German was able to experience what his Jewish compatriots had to suffer, ranging from plain apathy and hidden intolerance to outright hatred. Who could remain unsuspecting after the burning of the synagogues, the plundering, the stigmatization with the Star of David, the deprivation of rights, the ceaseless violation of human dignity? Whoever opened his eyes and ears and sought information could not fail to notice that Jews were being deported. The nature and scope of the destruction may have exceeded human imagination, but apart from the crime itself, there was, in reality, the attempt by too many people, including those of my generation, who were young and were not involved in planning the events and carrying them out, not to take notice of what was happening. There were many ways of not burdening one's conscience, of shunning responsibility, looking away, keeping mum. When the unspeakable truth of the Holocaust then became known at the end of the war, all too many of us claimed that they had not known anything about it or even suspected anything.

There is no such thing as the guilt or innocence of an entire nation. Guilt is, like innocence, not collective, but personal. There is discovered or concealed individual guilt. There is guilt which people acknowledge or deny. Everyone who directly experienced that era should today quietly ask himself about his involvement then.

The vast majority of today's population were either children then or had not been born. They cannot profess a guilt of their own for crimes that they did not commit. No discerning person can expect them to wear a penitential role simply because they are Germans. But their forefathers have left them a grave legacy. All of us, whether guilty or not, whether old or young, must accept the past. We are all affected by its consequences and liable for it. The young and old generations must and can help each other to understand why it is vital to keep alive the memories. It is not a case of coming to terms with the past. That is not possible. It cannot be subsequently modified or made undone. However, anyone who closes his eyes to the past is blind to the present. Whoever refuses to remember the inhumanity is prone to new risks of infection.

REMEMBER AND RECONCILE

The Jewish nation remembers and will always remember. We seek reconciliation. Precisely for this reason we must understand that there can be no reconciliation without remembrance. The experience of millionfold death is part of the very being of every Jew in the world, not only because people cannot forget such atrocities, but also because remembrance is part of the Jewish faith.

Seeking to forget makes exile all the longer; the secret of redemption lies in remembrance. This oft-quoted Jewish adage surely expresses the idea that faith in God is faith in the work of God in history. Remembrance is experience of the work of God in history. It is the source of faith in redemption. This experience creates hope, creates faith in redemption, in reunification of the divided, in reconciliation. Whoever forgets this experience loses his faith. If we for our part sought to forget what has occurred, instead of remembering it, this would not only be inhuman. We would also impinge upon the faith of the Jews who survived and destroy the basis of reconciliation. We must erect a memorial to thoughts, and feelings in our own hearts.●

A TRIBUTE TO GEORGE FURGALA

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. LIPINSKI. Mr. Speaker, I rise before my colleagues today to call attention to an outstanding resident of the Fifth Congressional District, George Furgala, who recently celebrated his 100th birthday.

George Furgala was born on March 12, 1885, in Austria-Hungary. In 1910, he immigrated to America where he married and settled in Chicago. After numerous occupations, he was employed at R.R. Donnelly and Sons, from which he retired in 1951 after 26 years of service. George and his wife, Felicia, raised three children and were long active in community and religious affairs on the south side of Chicago.

Mr. Speaker, I join with the residents of the Fifth Congressional District in congratulating George Furgala on the occasion of his 100th birthday and extend my best wishes for many years of happiness and success.●

A BILL TO COMBAT CHILD PORNOGRAPHY

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. McCAIN. Mr. Speaker, today I am introducing legislation that will amend the United States Code to further protect our children from exploitation. Specifically, my legislation will address the area of child pornography.

In the last Congress, we enacted the Child Protection Act of 1984. These reforms have been instrumental in combating the incidence of child pornography. My legislation will add strength to this law, providing additional tools to stem the growth of this heinous crime.

Currently, the pornography industry is capitalizing on a new market—that of video cassette recorders. Those that produce and distribute child pornography have moved their operations underground and have formed interstate links to effectively pervade this lewd market.

My legislation amends title 18 of the United States Code to include offenses relating to the sexual exploitation of children under the Racketeer Influenced and Corrupt Organizations [RICO] provisions.

If the production and distribution of child pornography were included, along with child prostitution, among the offenses defined as racketeering activity, the consequences would substantially affect both the criminal and civil liability of child pornography traffickers. Those who are engaged in a pattern of child pornography distribution as part of a business or other enterprise would be subject to criminal penalties of up to 20 years imprisonment forfeiture of any property acquired as part of that enterprise and a fine of up to $25,000.

By amending the RICO provisions, the victim is afforded further protections and compensation. Currently, child pornography victims have no effective recourse against their abusers either to obtain damages or to prevent circulation of the material in which they appear. Under the change provided by this legislation the victim of a pattern of child exploitation, would have the right to sue their abusers for treble damages plus a reasonable attorney's fee. Additionally, district courts would be allowed to issue injunctions against those who have engaged in a pattern of prohibited conduct. In other words, the courts could prevent nationwide distribution of a child's pornographic pictures.

The second section of the legislation amends the United States Code to prohibit advertising in connection with child pornography. This includes advertisements on where to purchase pornographic material, as well as those that solicit or offer participation in sexually explicit conduct with a minor. This provision would severely restrict market sales, and aid law enforcement officers in tracking those involved with the distribution of child pornography.

Finally, the last section of the bill makes it illegal to transport minors across State lines for the purpose of sexual exploitation. Currently, a commercial purpose is required for a conviction under this statute. This section eliminates the commercial purpose. The very act itself would be punishable. Those that are convicted of this crime may be imprisoned up to 15 years or fined up to $250,000.

At least, 1 million children between the age of 1 and 16 have been sexually molested and filmed for the abuser's pleasure and profit. Let's put an end to this horrendous crime and enact the appropriate legislative measures to crack down on child pornography operators.●

IN HONOR OF CHUCK SCHNEIDER

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. LEVINE. Mr. Speaker, I rise today in honor of Mr. Chuck Schneider, the outgoing chairman of the board of the Western Los Angeles Regional Chamber of Commerce, who has devoted 1 year of service and commitment to both the chamber and the west Los Angeles community.

Under Chairman Schneider's able leadership, the chamber accomplished the following activities:

The name of the organization was changed from the Western Los Angeles Regional Chamber of Commerce to the Los Angeles West Chamber of Commerce.

The logo and corporate symbol were revised to better reflect the new identity.

The on-going business of the organization was carried out with dignity, efficiency, and aplomb.

Chairman Schneider supported the chamber position on political and ceremonial matters by his presence at campaign parties, dinners, rallies, forums, and debates.

He succeeded in fiscal responsibilities by spending a day at the races and returning to Westwood from Santa Anita with more capital than he carried with him originally.

He organized and delivered the culinary aspects of the energy production and conservation committee meetings.

He served as the chamber's official host at mixer parties held during his tenure at various member establishments on the westside of Los Angeles.

He welcomed visiting dignitaries and invited guests to the chamber's annual beautification awards program at the Hotel Bel-Air.

He attended the chamber's "Job-Ops" program at the Century Plaza Hotel and greeted educators, students, and business people to this valuable public program.

He served as master of ceremonies at the Westwood art show.

He organized the South Westwood Boulevard merchants to upgrade the area.

It is a pleasure to bring Chuck Schneider's accomplishments to the attention of my colleagues and I ask that they join me in commending him for a job well done.●

A TRIBUTE TO A LEADING BRONX CITIZEN

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. GARCIA. Mr. Speaker, I would like to congratulate one of my constituents, Mr. Richard D. Gidron.

Mr. Gidron is being honored by the Bronx County Committee for his dedication to the Bronx and its citizens. He has been honored by a wide variety of groups since he settled in the Bronx in 1972. They range from the Boy Scouts of America, the National Conference of Christians and Jews, the Cooley's Anemia Foundation, Man of the Year awards from the Interracial Council of Business Opportunity, the Bronx Chamber of Commerce, a Humanitarian Award from the Bronx County Society for Prevention of Cruelty to Children to a 1984 Presidential Citation. Another award is nothing new to Dick, but it symbolizes his tireless and continuing efforts to help New York and the Bronx.

He is a successful businessman, owning the second largest—and largest black-owned—Cadillac dealership on the east coast. This dynamic businessman, husband, and father also finds time somehow to involve himself in civic affairs. He is president of the Bronx Chamber of Commerce, and a member of a host of other associations dedicated to improving educational, health, and employment opportunities for minorities. In the past Dick has sponsored a voter registration drive, and he is on the board of such organizations as the NAACP's Finance Committee, Fordham University, and the Bronx Museum, to name a few.

Not one to stand still, Dick is embarking on a new venture: Dick Gidron Ford. This makes him the first black two-car dealer in America. With his past success, this new venture will certainly be a challenge.

Dick is a strong believer in hard work and devotion to family, two precepts that are part of the foundation of our society. I want to extend my warmest congratulations to Dick, and to thank him for all the work he has done to make the Bronx a better place to live and work.●

JUNK BONDS

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. PICKLE. Mr. Speaker, there is increasing concern throughout the country about the explosive growth in the issuance of junk bonds.

In the past, junk bonds were traditionally used as a relatively rare means of raising capital by emerging companies or distressed companies that had no other recourse.

However, in recent years we have seen healthy corporations become highly leveraged through the issuance of junk bonds as a defense against takeovers and there are shell corporations, with little or no assets, taking on huge debts to finance takeover attempts.

After closely examining this issue in hearings conducted by the Ways and Means Oversight Subcommittee, I have introduced House Resolution 2476, the Junk Bond and Greenmail Tax Act, to discourage the use of junk bonds to purchase stock.

In order to further inform my colleagues about the dangers of the current uses of junk bonds, I recommend to them an article by Senator PETE DOMENICI that appeared in the Wall Street Journal this week.

Congress should act on this issue to reduce the threat of disrupting our Nation's financial system.

The article from Wall Street Journal, May 14, 1985, follows:

FOOLS AND THEIR TAKEOVER BONDS

(By Pete V. Domenici)

I have been fascinated by the intensity of the debate on this page over the risks of non-investment grade, or "junk," bonds, particularly in hostile takeovers. Literary flourishes reached a high point with the designation of junk bonds as "swill." But so far the debate has overlooked the two issues that will most likely result in a federal regulatory response.

The first of these is the recent and growing role of federally insured lending institutions and government-backed pension funds in purchasing junk bonds. The 1982 deregulation of financial markets and the Depository Institutions Deregulation and Monetary Act of 1980 were designed to give federally insured thrifts more elbow room in the financial marketplace to meet their commitment to provide home mortgages. Their involvment in the high-stakes game of corporate takeovers has led Chairman Edwin Gray of the Federal Home Loan Bank Board to characterize the thrift's participation as "heads I win, tails the FSLIC loses." Since 1981, more than 1,000 federally insured thrifts have been merged or liquidated.

The second issue that will prompt eventual federal action is the use of junk bonds to circumvent the Federal Reserve's margin requirement (Regulation G). This rule provides that loans for stock purchases cannot exceed 50% of the value of the stock being bought. In the military there is a saying that safety regulations are written in blood. The margin requirement is written in the blood of 1929.

Several of the recent hostile takeovers have made a mockery of the margin requirement. Shell corporations have issued junk bonds to finance stock purchases entirely with borrowed funds. Because there is no functional difference between bonds and loans in this situation, the margin requirement is unjustly circumvented.

I believe that responses by Congress and the Federal Reserve are inevitable. But we need to take care to craft legislation that preserves the advantages of hostile mergers, while limiting the risks of using junk bonds in such takeovers. Accordingly, I have proposed a temporary moratorium on hostile mergers using junk bonds to give Congress and the regulatory agencies time to act.

Opponents of a moratorium, or for that matter, any federal action, have argued that hostile takeovers using junk bonds are a healthy development. This conclusion is based on a three-part argument that (1) history has shown junk bonds are not inordinately risky; (2) the present round of takeover activity will lead to better management and healthier companies, and (3) buying out stockholders with junk bonds is the way the market makes more efficient use of capital. The first two arguments reflect more fancy than fact. The third has some superficial appeal but, under close scrutiny, proves irrelevant to the particular policy issues facing us.

1. *The Risks of Junk Bonds.* The past offers us no guide to the risks of recently issued junk bonds. In 1977, $1 billion of junk bonds was issued. In 1984, the market for junk bonds was more than $15 billion. In the past, these bonds were issued by growth companies or troubled industrial giants such as Chrysler Corp. In contrast, the junk bonds of today are being issued by shell corporations to finance highly leveraged acquisitions. In addition to these dramatic differences in volume, and the quality of the issuer, 80% of these bonds have never faced the test of an economic downturn or a rise in interest rates. Comparing today's explosion of junk bonds with their use in the late 1970s is like comparing World War II with the Civil War simply because gunpowder was used in both.

The recent default of Sharon Steel Corp. on its two most recent payments on $426 million of these bonds and Metromedia Inc.'s decision to sell seven TV stations to service the debt on its junk bonds are timely reminders of the risks involved. Metromedia sold $1.3 billion of junk bonds in two hours only last year, even though the prospectus admitted: "Based on current levels of operations and anticipated growth, the company does not expect to be able in generate sufficient cash flow to make all of the principal payments due on the notes. . . ." It goes on to state, "Based on current levels of operations, the company's cash flow would be insufficient to make interest payments. . . ."

The importance of Metromedia lies in that it is not part of a declining industry, but rather part of the vibrant communications sector. Moreover, the Metromedia sale comes in good economic times, not bad. As for the future, we need only remember the observation of John Shad, chairman of the Securities and Exchange Commission: "The more leveraged takeovers and buyouts today, the more bankruptcies tomorrow."

2. *The Management Smoke Screen.* Talk of improving management is a smoke screen for the raiders' scorched-earth tactics in the energy industry. Phillips Petroleum Co. has more than 70% of its cash flow dedicated to debt service. Its exploration and development budget is down by 32% ($260 million). The last offer from Carl Icahn would have made the company's debt-to-equity ratio 14 to 1 (at 6 to 1 Chrysler came to the feds hat in hand).

By attacking Uniroyal Inc., whose stock has increased fivefold in the past three years, and Unocal Corp., whose cost of finding oil is the lowest of any major oil company ($6 a barrel vs. $14 for Mesa Petroleum Co. and $22 for Chevron Corp.), the raiders further belie any interest in improving management.

Documents unearthed during the Unocal takeover effort and reported in the press give a truer picture of raider intentions. They are looking for targets with two characteristics: strong cash flow and little debt. The quality of management is irrelevant. The court documents also undercut any contention that the raiders are concerned with the long-range health of the target company. In Unocal's case, the raider's plan for spending for exploration and development in the U.S. is scheduled to decline from $850 million a year in 1984 to $100 million a year in 1990. Foreign exploration would drop from $355 million a year in 1983 to zero in 1988. We are speaking not of restructuring, but of liquidation.

3. *Markets and Predators.* An argument with surface appeal contends that buying out stockholders at a premium with borrowed money (substituting debt for equity) frees up stockholders to take their money elsewhere and put it in industries that will yield a higher return. Just as nature has a role for predators, the argument continues, so the financial jungle has a use for them. The process is not for the squeamish, but ultimately benefits us all. And just because we may not like the personalities involved, whoever said sharks were friendly?

Although flawed—stockholders can sell anytime, not just during a takeover, and much of the economic incentive comes from the tax advantages of using debt rather than putting capital to higher uses—this argument at least has the virtue of describing the motives of the participants.

But despite its descriptive value, this argument is devoid of policy consequences. Specifically:

It does not address whether the taxpayer should shoulder any of the risk of having federally insured institutions participate in corporate takeovers using junk bonds. Prior articles on this page have emphasized the savvy of participants such as the Belzberg family or Saul Steinberg, but not the liability of the taxpayer.

It has no impact on the need to enforce margin requirements. If it does, then proponents of junk-bond-financed takeovers are the ones asking for a major change.

It is also irrelevant to the issue of government intervention. The present takeover contests are being conducted within a long-established, elaborate framework of federal and state laws and regulations with many judges checking to see that every "i" is dotted.

A moratorium on hostile takeovers using junk bonds would give us the time needed to enact the minimal precautionary steps to preclude federally insured institutions from purchasing junk bonds and to scrutinize the present round of takeovers to ensure that the margin requirements are fully enforced. Timely action is needed to reduce the greatest risk of all, the risk to our nation's financial system. For more than five years the Federal Reserve has been navigating through a seemingly endless financial mine field. The debt volcano of the lesser-developed countries could erupt again. Savings and loan associations, as noted earlier, continue to succumb at alarming rates. And the Ohio banking crisis is not fully behind us. Into this fragile situation, junk-bond advocates are urging us to pump unprecedented amounts of high-risk corporate debt. Market theorists love to rhapsodize about the wisdom of markets. But part of this wisdom consists of dealing harshly with fools who believe that the good times are without end.●

ANTIAPARTHEID ACT OF 1985

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. RICHARDSON. Mr. Speaker, I urge my colleagues to support an amendment I will be offering to H.R. 1460, the Antiapartheid Act of 1985 to prohibit the further importation and use in this country of uranium and coal originating in either South Africa or Namibia, a country which is controlled by South Africa.

Mr. Speaker, we all deplore the terrible system of apartheid practiced by the Republic of South Africa. Under that system, black citizens not only are disenfranchised, not only are confined to slums to live, not only are afforded inferior educational opportunities. But also are compelled to work at lower paying jobs and are given little or no chance for meaningful advancement.

The South African policy of inequality is not simply harmful to the citizens of South Africa; it also takes a direct and unacceptable toll on Americans. The apartheid system permits South Africa to produce minerals such as uranium and coal, and to exploit deposits of these minerals, largely through the toil of South Africa's black population. Uranium is mined by virtual slave labor under brutal and unsafe conditions. Sold by a South African Government agency [NUFCOR], transported in secrecy to foreign countries, marked with false labels and shipping orders, owned by a tangle of multinational corporations whose activities are only partially disclosed, and sold to the United States at the expense of the American uranium miner. South Africa's prior history in the 1970's of participating in an international cartel to restrict production and to raise prices has exacerbated the grave condition of the U.S. domestic uranium market today.

As a direct result of South Africa's apartheid system, its subsidies and other policies, about one-third of U.S. imports of uranium now involve material of South African origin. From employment of 20,000 workers 5 years ago, the American uranium industry now employs only 2,000 workers and only a handful of mines remain open. South Africa is also the largest importer of coal into the United States—in 1984 we imported 612,447 tons of coal from South Africa. The United States is rich in coal—I find it unconscionable that we would allow the importation of coal mined in a country whose human rights abuses are known to all, at the expense of the American miner.

We in the U.S. Congress now have an opportunity to right two serious wrongs—to send a clear message to the South African Government that we will not condone their deplorable policies of apartheid and to say to the American miner, we are willing to restrict these imports to save their jobs.

Mr. Speaker, apartheid is a moral outrage and is having a direct and grossly detrimental impact on American workers. My amendment will contribute to correcting this situation and I urge its adoption.

AMENDMENT TO H.R. 1460, AS REPORTED OFFERED BY MR. RICHARDSON OF NEW MEXICO

SEC. 15. BAN ON IMPORTING URANIUM AND COAL FROM SOUTH AFRICA AND NAMIBIA.

Notwithstanding any other provision of law and except as otherwise provided in this Act, the following products of South Africa and Namibia may not be imported into the United States: coal and uranium ore.

Page 5, line 2, strike out "sections 4 and 5" and insert in lieu thereof "sections 4, 5, and 15"; and line 12, strike out "sections 4 and 5" and insert in lieu thereof "sections 4, 5, and 15".

Page 12, line 25, strike out "and".

Page 13, line 1, insert ", and on importing coal and uranium ore from South Africa" immediately before the period.●

RESTON, VA, CELEBRATES 20TH ANNIVERSARY OF ITS FOUNDING

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. WOLF. Mr. Speaker, there is much to celebrate in Reston this coming weekend as we mark 20 years of growth and progress. Today, thanks to its active citizen participation, Reston enjoys a remarkable record of achievement. The cooperative and spirited efforts of its citizens reflect the true sense of community set forth the Reston's founders. It is not only a special time of remembrance of past accomplishments but also a time of renewal and rededication to complete the work and meet the challenges that lie ahead.

As the Representative for Virginia's 10th Congressional District, I take great pride in Reston's accomplishments and I congratulate the citizens of Reston who have made this the model town that it is.

I ask that a Fairfax County resolution be printed at this point in the RECORD.

RESOLUTION

Whereas, Reston, Virginia, a community with a distinguished history, this year celebrates the 20th Anniversary of its founding; and

Whereas, in the 1960's, Robert E. Simon planned and began one of the nation's first contemporary "new towns", pioneering an alternative to suburban sprawl, and attracting world-wide attention as a laboratory for community and urban development; and

Whereas, the innovative concept of Reston was made possible by the Residential Planned Community Zoning Ordinance, adopted by the Fairfax County Board of Supervisors in 1962; and

Whereas, Reston has made and continues to make an important contribution to Fairfax County, receiving numerous awards for excellent design, and serving as a model for a better quality of life through a planned environment offering housing diversity for all segments of its population, providing the County with economic growth through business and commercial interests, and ensuring that abundant cultural and recreational opportunities are available for its residents; and

Whereas, Reston's developers, designers, and residents together embraced and achieved the original humanistic goals set forth by Reston's founder; and

Whereas, Reston successfully embodies a true sense of community, because its actively involved citizens have contributed significantly to shaping their community, the County, and the region; now therefore

Be it resolved that the Fairfax County Board of Supervisors, on behalf of all of the citizens of Fairfax County, does hereby commend Reston, Virginia for its numerous achievements, and does extend their best wishes on the auspicious occasion of this outstanding community's 20th Anniversary.

John F. Herrity,
Chairman.
Ethel Wilcox,
Register, Clerk.●

TRIBUTE TO THE 3D INFANTRY DIVISION

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. RAY. Mr. Speaker, last week I introduced legislation (H.R. 2440) that would allow the Society of the Third Infantry Division to erect a monument in memory of its members' fallen comrades.

Organized on November 21, 1917, the 3d Infantry Division arrived in France in early 1918. In July of that year, on the Marne River, the division won its nickname "Rock of the Marne," by holding a 12-kilometer line against heavy German attacks. The 3d Division went on to win six battle streamers during World War I.

Mr. Speaker, the division's record in World War II was just as impressive. Among its honors, the 3d Infantry Division was awarded the Presidential Unit Citation and the French Croix de Guerre with Palm for its action clearing the Colmar Pocket. The 3d Division is also credited with 10 campaigns for World War II service.

Responding again to its call to service, the "Rock of the Marne" engaged in eight campaigns in Korea and, as a result of its courageous efforts, was awarded two Republic of Korea Presidential Unit citations.

After a reorganization of the division into a mechanized infantry, the 3d Division is now stationed in Wuerzburg, West Germany, where it fulfills its mission as part of the frontline shield of NATO.

My distinguished colleague in the other Chamber, Senator Sam Nunn, has introduced identical legislation that will give the Society of the Third Infantry Division the necessary congressional approval to begin the procedure for erecting a memorial in the District of Columbia or its environs. The memorial will be erected at no cost to the Federal Government. Furthermore, the Secretary of the Interior will select a suitable site and approve the design and plans for such a memorial.

Mr. Speaker, memorials honoring the 1st and 2d Infantry Divisions have for some time existed in the District of Columbia. The Society of the Third Infantry Division is very anxious to begin construction of a monument of its own as soon as it gets our authority.

I take pride in offering this measure calling for a 3d Infantry Division memorial honoring the memory of this very deserving unit.●

HOUSE JOINT RESOLUTION 3: A MEASURE TO PREVENT NUCLEAR EXPLOSIVE TESTING

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BEDELL. Mr. Speaker, on January 3, my colleague and fellow Iowan, Jim Leach and I reintroduced House Joint Resolution 3—a measure to prevent nuclear explosive testing. Since that time, we have been joined by 145 other Members of the House of Representatives in support of this important arms control initiative, including 24 members of the House Foreign Affairs Committee.

House Joint Resolution 3 represents a sound approach toward bringing the nuclear arms race under control through its requirements that urge the President to request Senate ratification of the Threshold Test Ban and Peaceful Nuclear Explosion Treaties, as well as to propose to the Soviet Union the immediate resumption of negotiations toward conclusion of a verifiable comprehensive test ban treaty.

Despite widespread and bipartisan support House Joint Resolution 3, resistance to its modest objectives were noted during the Foreign Affairs Committee's markup of this initiative. Nevertheless, I am pleased to inform you that yesterday, the committee reported this measure unamended for further consideration by the full House of Representatives.

I do not believe this would have been possible without the support and stewardship of committee Chairman Dante Fascell. In my view, Chairman Fascell was open in his committee's investigation into the merits of House Joint Resolution 3 and quite fair in endeavoring to garner additional bipartisan support for this proposal by waiting for senior minority members to return to the committee from other commitments prior to voting on final passage of House Joint Resolution 3.

For these reasons, I would like to both commend and thank Chairman Fascell, as well as those members of the Foreign Affairs Committee who cosponsored House Joint Resolution 3, and those Members who comprised the quorum necessary to report this measure to the House.

It remains my sincere hope that we can move on as expeditiously as possible in bringing this important initiative to the floor of the House as soon as possible. In this regard, I would also like to insert Chairman Fascell's opening remarks on House Joint Resolution 3 into the Record for the benefit of my colleagues.

Opening Statement of Chairman Fascell on House Joint Resolution 3 May 14, 1985

House Joint Resolution 3, dealing with limiting nuclear weapons testing, urges the President to request ratification of the TTBT [Nixon] and PNET [Ford] and to resume negotiations on a comprehensive test ban.

The resolution also calls upon the President to include any reservations on verification that should be attached to the two treaties.

The same language of House Joint Resolution 3 was passed in the Senate last year by a vote in excess of the two-thirds necessary for treaty ratification [77-22].

This is a proarms control and proverification measure.

Proarms control:

Builds off past arms control efforts of Presidents Nixon and Ford.

Reaffirms the position of every President from Eisenhower to and including President Reagan to work toward a comprehensive nuclear test ban.

Enhances our commitment to nuclear nonproliferation.

Demonstrates U.S. seriousness about bringing an end to the nuclear arms race.

Pressures the Soviets to act on their propaganda "lip service" commitment to arms control.

Enables the Reagan administration to point to progress in arms control.

Proverification:

Ratification of both the TTB and the PNE results in new confidence-building measures and onsite inspections never done before by the two superpowers.

Assessing Soviet compliance with the TTB and the PNE is easier and more reliable because of unprecedented exchanges of information and technical data before and after nuclear explosions.

The PNE provides unprecedented onsite access to sites of explosions.

The exchanges of data and other technical information flowing from the ratification (otherwise not obtainable) will increase U.S. confidence in verification assessments especially on yield estimations and help to enhance U.S. confidence of Soviet compliance with an ultimate comprehensive test ban treaty.

In short, this is a modest but concrete proarms control and verification enhancement measure that complements the administration's stated objective to bring an end to the nuclear arms race.●

OLDER AMERICANS MONTH

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. CLINGER. Mr. Speaker, Older Americans Month is upon us again, giving Congress and the American people an opportunity to pause and reflect on the importance of senior citizens to society and the Federal programs which assist them in a number of ways.

The most publicized of these programs provide tangible, cash benefits to senior citizens, while perhaps the least known but most effective, afford seniors the opportunity to work in their communities on a volunteer basis or for a small salary. Such employment through the Retired Senior Volunteer Program [RSVP] and the Senior Community Service Employment Program [SCSEP], not only stimulate local economic development but instill a sense of respect and self-worth to older Americans. Moreover, local community agencies and organizations have only to gain by employing the older workers; their insight and experience are invaluable resources that should not be wasted.

I would also like to insert into the Record, a letter addressed to me from the McKean County RSVP, located in the 23d District, which, on its own, is an outstanding testament to the program and is a true tribute to Older Americans Month.

The McKean County RSVP,
April 23, 1985.

Hon. William F. Clinger,
House of Representatives, Washington, DC.

Dear Mr. Clinger: Because the months of April and May have been designated as "National Volunteer Month" and "Older Americans Month" respectively, we would like to update you about the Retired Senior Volunteer Program (RSVP) in McKean County: This organization for senior service to America matches interest and abilities to demonstrated community needs so volunteer stations can extend the work that they perform.

RSVP is an outgrowth of decades of effort by gerontologists, private agencies, and government groups to address the continuing needs of retired persons in America for useful activity. In 1969 the Retired Senior Volunteer Program was created in an amendment to the Older Americans Act. Now under the national aegis of ACTION, RSVP promotes the volunteer contributions of time and energy of more than one-third of a million senior citizens. The program develops opportunities for older people to share their expertise, abilities, and skills to serve their communities at virtually no taxpayer cost because members do Volunteer their services.

Locally, the McKean County Retired Senior Volunteer Program is sponsored by the North Central Pennsylvania Office of Human Services. In 1984 nearly 600 residents of the county were active in RSVP projects. Thirteen to fifteen thousand hours are donated on the average each quarter to a total of 43 sites. These valuable "people hours" enrich our lives immeasurably and enhance the quality of life county-wide.

RSVP involvement provides a vital service to non-profit private and public agencies and organizations, which in turn, have an impact on most of us throughout our lives. This assistance is especially welcome today as funding levels are stable or decreasing in the public sector. Volunteer hours help these groups maintain their current levels of service to the community and to McKean County. Nursing homes; hospitals; public libraries; the American Red Cross; the American Heart Association; and the American Cancer Society currently benefit from the RSVP program. The Bradford State Health Center; the McKean County Historical Museum; community senior centers; the Salvation Army Food Bank; and the University of Pittsburgh at Bradford are also among the 43 RSVP stations throughout the county.

It is an American Axiom that we take care of our own and that everyone should pitch in to help. Because of the RSVP commitment here, volunteers provide service of which many larger communities and counties are envious.

The Advisory Council of the McKean County Retired Senior Volunteer Program is proud of the dedication of Director Michele Angevine and her staff, but especially of the volunteers themselves for their efforts in making RSVP an outstanding local success.

We trust that we can count on your continued support of this worthwhile program.

Thank you.

Sincerely,

Rudy A. Anderson,
Advisory Council.●

SPECIAL FORCES GROUP OF FLORIDA

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MARKEY. Mr. Speaker, I would like to bring to the attention of my colleagues an exercise undertaken by elements of the 11th Special Forces Group.

This exercise was undertaken in honor of Duff Matson, a World War II veteran distinguished both by his military service and by his service to the community.

I would like to commend the participants in this exercise, particularly Vincent Arnone, of Malden, MA. I would also like to have printed in the Congressional Record an article published by Malden This Week which describes the activities of the 11th Special Forces Group in Florida.

Local Residents Train With Special Forces in Florida Everglades

During a recent training exercise elements of the 11th Special Forces Group (Airborne) parachuted into the Everglades of Florida at 2 a.m. as part of "Operation Everglades '84". Their drop zone was located at Immokalee Airport in Collier County.

Training included automatic weapons firing with state-of-the art weaponry, a reptile demonstration by Joe Wasilewski, a nationally known reptile expert, a lecture on fighting knives by world renowned knife maker Bill Moran, a wilderness survival trail and training in the handling of poisonous snakes.

Present to observe the training was Ltg William P. Yarborough who designed the parachutist badge, more commonly called "jump wings" some four decades ago. Yarborough also designed the parachute jump boots and was one of the founding fathers of the Special Forces.

The training took place on property owned by Duff W. Matson who served as a World War II paratrooper and combat bodyguard to Mg Robert T. Frederick who commanded the 1st Special Service Force, (more commonly called the "Devil's Brigade"), during that war. Matson is one of the men on whom the movie the "Dirty Dozen" was based and is also the subject of an upcoming book entitled "The Devil's Bodyguard".

Several awards and presentations took place during the weekend to include the renaming of the parachute drop zone so that it will forever be recorded in the Assault Zone Availability report of the U.S. Air Force as Matson Drop Zone as a tribute to this legendary man. Malden native and former resident Ltc Richard A. Nazzaro was presented his silver oak leaf by Ltg Yarborough in front of the men. It was the same oak leaf formerly worn by Ltc Donald C. Van Roosen who was the officer that nominated Nazzaro for a direct commission from Sfc nearly two decades ago.

Other participants included Ltc Frank M. Wallen, Deputy Commanding Officer of the 11th Special Forces Group (Airborne), Ltc John Mills, Group Surgeon, Maj. Ed Hines, C.O. of B Company and his executive officer Cpt Fred Jones, Sgm Jim Santos, 1st Bn., Msg Frank Shaw, A Company, Sfc Vincent W. Arnone, and Ltc Donald C. Van Roosen.

Also in attendance were Don Lassen, Editor/Publisher of the Static Line, a world-wide publication catering to the alborne and Reverend Riley Short who served as a civilian minister to families of the 101st Airborne Division during the Vietnam War.●

FIRST AID EMERGENCY TEST

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. RAHALL. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues and the country the accomplishments of four outstanding young people from my district in West Virginia. These four students from Cabell County recently won the first place prize in the national competition in the first aid emergency test sponsored by the Red Cross. They will be honored at the Red Cross National Awards Banquet on May 21, 1985, in Pittsburgh.

On behalf of the U.S. Congress, I would like to offer my congratulations to Kelli Bradshaw, Kim Finley, Jason New, and Joe Pritt. They are all students at Ona Elementary School, in Ona, WV. We in West Virginia are filled with pride in the hard work and dedication shown by these four students. They exemplify the best that we have to offer in southern West Virginia.●

BEST COPY AVAILABLE

TRIBUTE TO THOMAS S. DUNMIRE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the announced retirement later this month of a friend to many of us in this Chamber, Mr. Thomas Dunmire. As many in this body know, Tom has served ably and with dedication as minority consultant for territorial issues on the Committee on Interior and Insular Affairs.

Since joining the House Interior Committee 12 years ago, April 3, 1973, Tom has provided intelligent and sound counsel enabling Congress to formulate effective and successful policies in governing America's trust territories. Tom has played a critical role in the promotion of political, social, and economic development in the Pacific and the Caribbean. Tom has served as a continuous link between this body and the Departments of State, Defense, and Interior. Additionally, his diplomatic skills have been utilized as liaison between Congress and the governments of Puerto Rico, U.S. Virgin Islands, American Samoa, Guam, Northern Marianas, Palau, the Marshalls, and the Federated States of Micronesia. In this capacity, Tom has excelled in providing detailed analyses of diversified Federal and territorial budgets, policies, and projects.

Tom Dunmire established a distinguished record of service to the Nation even before his tenure in the Congress. After graduation from the U.S. Military Academy at West Point in 1952, he rose to the rank of lieutenant colonel in the U.S. Army. During his military service, Tom attended the Army War College, the Naval Post Graduate School, the Armed Forces Staff College, and the U.S. Army Language School. His intelligence, hard work, and loyalty are reflected in the awards he received: the Legion of Merit, the Bronze Star, and a Commendation Ribbon with two oak leaf clusters.

While serving in the military, Tom performed many important roles with great success. He served as a foreign liaison in Germany, utilizing his German language skills. Tom also served as a legislative liaison, research and development project officer, and authored several official publications about military construction, management, and nuclear engineering.

In addition to his military education, Tom also obtained a masters degree in international affairs in 1966, and a masters degree in public administration in 1978, from George Washington University.

I know we will all greatly miss Tom, his hard work, sound advice, and friendly nature. Along with my colleagues on the House Interior and Insular Affairs Committee, I would like to take this opportunity to thank Tom for his assistance and hard work these many years. I wish him the best of luck in all future endeavors.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. HUBBARD. Mr. Speaker, CBS News reported Tuesday night that FBI agents allegedly "masterminded" a scheme in which burglars were to steal millions of dollars of coal-moving equipment in eastern Kentucky, with the goods to be used to try to trap "corrupt coal operators."

CBS said the plan never was finalized, but according to Louisville attorney Bart Adams, who apparently represented one or more of the FBI operatives, the FBI promised one man immunity for the planned thefts.

"I couldn't believe it," attorney Adams said earlier this week. "I was astounded by the entire thing," he added.

Wednesday night, in the second part of a series titled "The Kentucky Crimes," CBS News reported that the FBI discussed with Delane "Red" Colvin the possibility of stealing coal-moving equipment in eastern Kentucky as part of a scheme to "trap corrupt coal operators."

The scheme involved 3 to 5 million dollars' worth of equipment.

CBS News reported Monday that Colvin and a man who appeared on camera, but who was not named, alleged that Larry Long, head of the FBI's Lexington, KY, office, instructed them to carry out a burglary at Cummins Diesel Co., a truck repair firm in Jeffersontown—near Louisville.

The two men said in the report that the FBI "commissioned" five thefts in Kentucky as part of the sting operation.

Long, 40, who has headed the Lexington office since 1980, has refused to comment on the allegations.

In a hidden camera interview, CBS-TV correspondent Steve Young confronted Long:

Young. I can't believe that the FBI commissions crimes.

Long. That's your interpretation.

Young. How else can you interpret it?

Long. I don't know.

The FBI has announced it is reviewing the CBS allegations, but Bureau spokesmen have declined to comment on the charges.

CBS and newspaper accounts in Kentucky describe Delane "Red" Colvin as "an ex-convict."

CBS quoted a coal operator, identified as "ex-convict Rodney Glynn," who said: "Red Colvin and I would be authorized to go out and steal equipment and operate this with legitimate funds."

CBS-TV didn't say why the coal equipment scheme was canceled, but CBS did say the Cummins Diesel Co. break-in and theft operation was carried through in its entirety.

The U.S. Justice Department's response to all this? Bill Cheek, public affairs agent for the FBI in Kentucky, says: "An inquiry is presently being conducted in regard to the allegations. Because of the ongoing investigation, the FBI cannot discuss the matter."

This, of course, is in sharp contrast to the news conferences FBI spokesmen have held in the past to eagerly discuss allegations against elected officials in an effort to damage and/or destroy their careers.●

THE REVENUE ENHANCEMENT AND PROTECTION PROGRAM TAX ACT OF 1985

HON. BRAIN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. DONNELLY. Mr. Speaker, I am today introducing, along with my Massachusetts colleagues Mr. Conte and Mr. Frank, the Revenue Enhancement and Protection Program Tax Act of 1985.

The Internal Revenue Service estimates that approximately $90 billion in Federal tax revenues owed is lost to the Treasury annually because of taxes never reported or paid. Another $30 billion in taxes the IRS has assessed, but never collected, must be added to this Federal "tax gap." This tax gap has grown 300 percent since 1973. Tax evasion is a widespread, pervasive problem.

Unfortunately, the Internal Revenue Service compliance and enforcement programs have decreased during this time period. Individual audits are down 29 percent, and corporate audits down 51 percent. Our voluntary compliance system, once a model to the world, is clearly not working, and that is unfair to the millions of taxpayers who do pay their taxes. Further, the $120 billion in revenues the IRS is unable to collect represent sums that could significantly reduce the almost $200 billion Federal deficit the Nation faces.

The Federal Revenue Enhancement and Protection Program, or REAP, that I propose is a comprehensive effort to attach the tax gap, and recover some of that lost revenue. It is

based on the highly successful Massachusetts REAP. In 1983 Massachusetts embarked on a program that increased State revenues by 4 percent over the previous year, exclusive of economic growth and personal income increases. The Massachusetts REAP combined increased staff and resources for enforcement, tougher penalties for tax evasion, extensive publicity, high visibility seizures, and a one-time only, 3-month amnesty. At the Federal level, if such a program were to result in even a 3 percent increase in Federal revenues, that would mean a revenue increase of approximately $20 billion. Twenty billion dollars of deficit reduction, without raising taxes or cutting existing programs.

The Federal REAP provides: A one-time, 3-month tax amnesty. Individuals would be liable for any back taxes they owe plus interest, and would be granted immunity from any civil penalties or criminal prosecution. Once these taxpayers have had the opportunity to "wipe the slate clean," the IRS will begin a program of improved, tough tax enforcement. Among the compliance provisions are: A requirement that 10 percent of the revenues generated by the amnesty will go to IRS compliance programs; a prohibition on the award of Federal contracts or licenses to taxpayers who have delinquent accounts; authorization for the IRS to turn seriously delinquent accounts over to private collection agencies; authorization of 2,500 additional IRS compliance personnel for each of the next 3 fiscal years; a directive to the IRS to extensively publicize its amnesty, compliance, and enforcement efforts; a revision of the Internal Revenue Code penalties for tax evasion, now widely scattered throughout the Code, to make them more uniform and rational.

The time is right for enactment of a Federal REAP Program. It will set the stage for tax reform. The amnesty portion wipes the slate clean for taxpayers who want to come forward and pay what they owe, but have not done so for fear of severe penalties. Effective, tough compliance requirements will restore the faith of honest taxpayers who have understandably felt cheated due to widespread reports of tax avoidance. Moreover, the REAP is proven effective: the Massachusetts experience demonstrates it can result in significant deficit reduction without raising taxes or cutting programs. I urge my colleagues to join me in working toward its speedy enactment.●

CHRYSLER SAVES $58 MILLION IN BATTLE AGAINST HEALTH-CARE WASTE

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Ms. KAPTUR. Mr. Speaker, the billions of dollars spent each year on health care and the ever-increasing cost of that care have become a major topic of national debate. However, we have begun to see some success in reducing and holding down costs when employers, employees and health care providers work together and take concerted and determined action to do something about health care expenditures.

The Washington Post recently highlighted the experience of the Chrysler Corp. in bringing down the projected 1984 health care outlays for its employees by $58 million. I want to share that article with my colleagues. I believe it illustrates very well what can be accomplished when employers and employees take on the joint responsibility to control health care costs and when competition is injected into the health care procurement process.

[From the Washington Post, Apr. 29, 1985]

Chrysler Saves $58 Million in Battle Against Health-Care Waste

(By Spencer Rich)

Chrysler Corp., faced with the need to sell 70,000 cars a year just to pay health insurance premiums for workers and retirees, chopped $58 million out of its health-care bills in 1984 by an aggressive campaign against waste, overcharges and outright fraud by doctors and medical institutions treating Chrysler workers, according to a report from former secretary of Health, Education and Welfare Joseph A. Califano Jr.

Califano, now a member of the Chrysler board and chairman of its committee on health care, said Chrysler's experience—which reduced projected health-care outlays from $460 million to $402 million in 1984, a $300 savings for each worker and retiree—shows how "an aroused private sector" is "the key to health-care cost containment."

The Chrysler experience, as detailed by Califano in a report prepared for delivery today in Kansas City, Mo., to the Health Insurance Association of America, is almost a textbook example of how American companies, in a revolutionary new development in health care, are beginning to take a hard look at what they are paying for in health services.

Nationwide, firms now pay about $90 billion a year in health-care premiums for their workers, a major factor in overall business costs, as Califano detailed for Chrysler.

Califano said health-care inflation has burgeoned to the point where Blue Cross/Blue Shield has become Chrysler's single largest supplier.

He said "more than $530 of the cost of every car we sold in 1984" went to health-care premiums to private insurers and Medicare.

It was in this general context that Chrysler chief Lee Iacocca in 1981 brought Califano in to do something about health costs, warning him that their growth alone might block revival of the ailing company.

Working with Iacocca and then-United Auto Workers president Douglas A. Fraser, Califano set out to find out what Chrysler was getting for its health-care money.

"The first thing we discovered was that we didn't know," Califano said. Chrysler, which had simply paid premiums for insurance and not looked behind the premium charges, "had no idea what it was buying or from whom.

"We didn't know who the efficient suppliers were. We had no quality controls. We didn't have the slightest idea what health care our employes needed."

Working with Blue Cross and the union, Chrysler took a "30-month snapshot of our health-care purchases," cataloguing each treatment for each employe, how much was charged, what tests were given, how long patients stayed in hospital and the like.

"What we found was appalling," he said. For example:

Chrysler, at a cost of $12 million a year, was paying for an average of five lab tests a year for every person it insured, although a large percentage never needed any tests at all—meaning that doctors were ordering excessive numbers of tests.

Chiropractors each year were routinely increasing diagnostic X-rays an average of 15 percent.

Blue Cross/Blue Shield was paying dermatologists twice as much annually as it paid the average practitioner.

For no apparent reason, average daily costs at six Detroit hospitals used by Chrysler workers varied from $452 to $608, and costs for the average length of stay ranged from $3,028 to $6,077.

Similar variations were found for doctor charges, X-ray charges and lab tests. A team of physicians examined hospitalization for nonmedical low-back-pain treatment and found that two-thirds of admissions and 85 percent of the total hospital days were medically inappropriate.

The average Detroit ophthalmologist was charging $2,000 for a 20-minute cataract operation, which means he would receive more than $1 million a year for performing three operations a day for four days a week, 42 weeks a year. This is grossly excessive, Califano said, when the average charge for serious abdominal surgery requiring four to five hours, and much riskier than cataract surgery, was only $1,500.

There were cases of outright fraud—a chiropractor selling "fake injury reports to auto workers, and billing our insured for phony treatments, X-rays and unnecessary lab tests. He charged $20 for phony work-excuse slips." One worker obtained 51 prescriptions for more than 6,000 Valium tablets.

With this information in hand, the Chrysler health-care committee took action:

In the company drug plan, where workers paid $3 for any prescription and Chrysler paid everything above that, druggists routinely filled the prescriptions with expensive brand-name drugs. No more. Now the company payment covers only the cost of using cheaper generic drugs in the prescription. If the employe insists on a brand-name drug, he or she must pay the extra charge. This plan saved $250,000 the first year.

Chrysler asks employes to check all their health bills to make sure there are no mistakes and overcharges: To encourage cooperation, it splits any savings with the workers.

Chrysler pushes outpatient surgery where medically appropriate. Savings in 1984 were $2 million.

Chrysler gives employes the option of joining a group health plan for dental services, where Chrysler negotiates a fixed premium in advance and there are no added charges or yearly maximums. This saved $3 million in 1984.

Hospitals were confronted with findings about inappropriate admissions for low-back pain and asked to study them; in the next 6 months, such admissions were cut 64 percent.

Hospitals in Detroit also were confronted with data showing Chrysler mothers were kept in hospitals an average of 3.8 days for childbirth, compared with an average of 2 days in California. As a result, hospitals cut stays above 3 days by 67 percent.

For salaried employes, but not union members so far, all nonemergency, non-maternity hospitalizations are now prescreened by a second, independent medical expert, to make sure the visits are necessary; and lengths of stay are similarly monitored. Second opinions are also required for surgery for all employes. Savings: $32 million.

Looking back over the experience, Califano said, "The most important lesson is that hard-negotiating buyers, who treat health care like the other products they purchase, can change the system—and we are only beginning to realize the benefits of competition."●

COLLAGEN IS NOT DERIVED FROM HUMAN SOURCES

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. CONTE. Mr. Speaker, for almost 2 years now, the cosmetic industry has been battling an astounding and unfounded rumor that aborted fetus materials are being used in some cosmetic products. Both the Food and Drug Administration and the industry trade group, The Cosmetic, Toiletry and Fragance Association, have pursued every accusation regarding the issue since this gruesome rumor began circulating. Not one shred of evidence has been uncovered to support these charges. Nor is there any evidence that any cosmetic company condones such a practice.

The confusion lies with the word "collagen," which is listed as an ingredient on some cosmetic products. While collagen exists in humans and animals, the collagen now used by cosmetic companies is connective animal tissue and is not derived from any human sources. In response to consumer concerns, CTFA is now taking steps to clarify the nomenclature for collagen materials, which it is hoped will help put an end to these rumors.

This controversy was the subject of a recent collumn of Ann Landers. With her typical punchy and direct style, she scotched the rumor and denounced its purveyors. I would like to share with my colleagues the relevant portion of her column, which appeared in the April 28, 1985, edition of the Washington Post.

[From the Washington Post, Sunday, Apr. 28, 1985]

(By Ann Landers)

Dear Ann Landers: I am desperate to know the truth and I am sure you will be able to track it down. Please check with everyone who might be knowledgeable on the subject. It has kept me up nights.

I have been told by three people that collagen is made from aborted babies. My sources are an evangelist, a beauty consultant, and my neighbor who works in a hospital.

I've spent hours in stores where cosmetics are sold, checking the ingredients printed on the jars and bottles. Collagen is used in many creams, shampoos and conditioners. It must be very expensive because the prices of the products that contain collagen are awfully high.

It breaks my heart to think that the little ears, hands and feet of murdered babies are being ground into powder to make women more youthful-looking. Is this true?—Sleepless in Florence, AL.

Dear Florence: There is not a shred of truth to that story. Collagen is used in some cosmetics. It is hydrolyzed animal protein that comes from leftovers at the slaughterhouses. The evangelist, the beauty consultant and your neighbor are spreading unadulterated garbage. Tell them so and get some sleep.●

THE RETIREMENT OF MR. LELAND C. AYERS

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MOORHEAD. Mr. Speaker, I would like to call to the attention of my colleagues in the House of Representatives the retirement of Mr. Leland C. Ayers after 12 productive years as an elected official in the city of Burbank.

In Burbank, the name of Leland Ayers is synonymous with dedication and hard work, with efficiency, success, and achievement. His political accomplishments are numerous. Elected in 1973, he is the only man in the history of Burbank to be elected to three 4-year terms. He has served two terms as mayor and he has done so with fairness and distinction. In addition to his city council duties, Mr. Ayers has served his city and its residents as a member of the Burbank Redevelopment Agency, the Housing Authority, and the Burbank-Glendale-Pasadena Airport Authority.

His involvement with Burbank goes beyond public office. He has devoted considerable time to the Burbank chapter of the Red Cross; he has served on the board of directors of the St. Joseph's Medical Center. He is a member of the Elk's Club, the Verdugo Hills Council of the Boy Scouts of America, and the Exchange Club of Magnolia Park.

Mr. Speaker, I am delighted to take this moment to pay tribute to a good friend, an able public servant, and a devoted community leader. I wish him the same success, the same rewards, and the same satisfactions in retirement from public life as he realized in it. On behalf of myself and my constituents in Burbank, I extend to him our thanks and gratitude for his gifts of time, effort, and dedication.●

THE WISDOM OF ROBERT MOSES' THOUGHTS ON WESTWAY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. GUARINI. Mr. Speaker, in 1974, master builder Robert Moses prepared a proposal for the restoration of New York's west side highway entitled "West Side Fiasco." At that time, when alternatives for the west side highway were first considered, cost estimates ranged from $46 million to repair the existing structure to $1.2 billion for the "Outboard Alternative," or Westway as it is currently known.

Moses, in his proposal, evaluated all of the alternatives and dismissed both the "Outboard Alternative" and an "Inboard Alternative" plan (estimated to cost $950 million) because of their enormous costs. "What," he claims, "even if we were rolling in money would be the rationale for spending such vast sums? Competition among several States for limited Federal transportation funds is intense. Can you picture Western and Southern Congressmen standing mute while the U.S. Department of Transportation approves the spending of such monstrous sums to build a 4-mile expressway section on the Hudson representing all the Federal aid in a Rocky Mountain State for decades?"

While the figures in his proposal are no longer accurate, the logic still holds. Today we are looking at a potential cost of $4 billion—$10 billion for the 4.2 mile Westway highway and landfill. New York's share of Federal interstate funds for Westway alone is greater than the combined shares of interstate funds for 12 other States. If, Westway's cost was unthinkable in 1974, when we had a deficit of $6.1 billion, how can we now, with a deficit over $200 billion, sanction such extravagance?

Moses claims that the evaluation of the proposed west side alternatives was slanted and that it favored "the most costly (alternative) and hence the least likely to be built."

Considering that the Federal Highway Administration estimates a non-landfill highway could easily be constructed for under $1 billion dollars, Westway, with its tremendous landfill, is indeed a costly alternative. Moreover, because of its magnitude and the complexity involved in filling in more than 200 acres of the Hudson River, Westway will take more than 10 years to complete and could exhaust its sources of funding.

Moses recognized the need for a new highway on the west side of Manhattan but he questioned the wisdom of building a road tunneled through landfill in the Hudson River. "Why," he asked, "move out into the river or bury it underground?"

Like Robert Moses, my colleagues and I, who have introduced legislation to prohibit Federal expenditures for the Westway landfill, fully recognize the need to construct a new highway on the west side of Manhattan. We also agree that there is little wisdom in eliminating more than 200 acres of the Hudson River for a 12-lane superhighway which would cost more than $1 billion a mile. If New York decided not to construct Westway, as it is presently proposed, it could exercise its trade-in option and receive interstate trade-in funds to construct a non-landfill highway and provide aid to its crippled mass transit system.

Robert Moses concluded, "my mind is staggered by the demand of a 90-percent handout at Washington for a racetrack on the west side of Manhattan."

I, too, am stunned by the thought of commiting the Government to financing 90 percent of the $10 billion Westway landfill and real estate venture. This is an injurious use of Federal dollars which could jeopardize the public's faith in our ability to make sound fiscal, environmental, and transportation policies and would divert scarce Federal resources from programs with a national scope.

Robert Moses was a well-respected builder and architect. Though his proposal was prepared in 1974, his thoughts ring clear and true today. We should heed his words and act quickly to prevent the expenditure of Federal funds for the Westway landfill, a project which is totally beyond reason.●

A SALUTE TO OUR GED GRADUATES

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BARTON of Texas. Mr. Speaker, last Friday night, I had the opportunity to address a group of 67 adults in Waco and share their feelings of pride in being awarded their general educational development certificates.

Several of these students at the Heart of Texas Community Education Cooperative in Waco were residents of the Sixth Congressional District. It was remarkable seeing a 73-year-old lady getting the equivalent of her high school diploma and then a 19-year-old sharing that same sense of accomplishment. One man in the program, and I applaud his perserverance, had been working on his certificate for 5 years.

These 67 are members of our largest graduating class of 1985—an estimated 450,000 adults across the Nation will get their GED certificates this year.

In the last 13 years, more than a half million Texans have earned their GED certificates and the passing rate in Texas is 84 percent, well above the national average of 73 percent.

At this time of the year when many of us are taking part in high school and college commencements, we should not forget this very important program and recognize those receiving their GED certificates for the hard work and accomplishment this represents.●

NATIONAL TOURISM WEEK

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. SCHUETTE. Mr. Speaker, as a member of the House Travel and Tourism Caucus, I am proud to endorse National Tourism Week beginning on May 19, 1985. America's breathtaking beauty and abundant natural resources are for all to share and experience. It is only fitting that we celebrate the nationwide importance of the travel and tourism industries.

The travel and tourism industry contributes immensely to the economic well-being of the State of Michigan. Her residents benefit from the economic and employment opportunities generated by the thousands of visitors that frequent our great State. I am proud to say that tourism really does work for Michigan. Each year tourism employs thousands of Michiganites; it is the fifth largest employer in the State. Tourists spend millions of dollars each day on travel and tourism services, and that means millions for the local communities. And, tourism generates Federal, State, and local tax revenues. Tourism is a vital element in Michigan and one that we should support and encourage.

I commend the individuals who have worked so diligently to promote National Tourism Week, particularly those in my home State of Michigan.●

MOUNT ST. HELENS: FIVE YEARS LATER

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BONKER. Mr. Speaker, this Saturday marks the 5-year anniversary of the explosive eruption of Mount St. Helens, WA. The May 18, 1980 eruption has left area residents with more than memories of a dramatic natural event. It has left us with a mixed legacy of problems and progress.

The immediate effects of the eruption were dramatic and devastating. The less obvious long-term effects are equally severe: Heavy sediment erosion from a huge volcanic debris avalanche clogs rivers and creates a continuing flood threat and sediment disposal problems; and the threat of a breakout of Spirit Lake that could bury downstream communities under 40 feet of debris.

The news on efforts to remove these hazards is mixed. The good news is that the threat of the Spirit Lake debris dam bursting has been all but eliminated by the construction of a safe outlet for the lake.

The bad news is that after 5 years and several studies—all with similar conclusions—the sediment problem—the Nation's worst—remains unresolved. Tens of millions have been spent on stop-gap measures, providing neither the safety, nor the cost-effectiveness of a permanent solution. Authorization for a permanent solution has been included in the supplemental appropriations bill approved by the Energy and Water Subcommittee. I urge my colleagues to support this provision so that the continuing threats of the Mount St. Helens disaster can be eliminated in a sensible manner.

THE PROBLEMS: ONE DOWN, ONE TO GO

Spirit Lake: The good news.—When Mount St. Helens erupted with the power of a large H-bomb, it tore off the north side of the mountain. The debris literally buried Spirit Lake.

A new Spirit Lake took form behind the unstable debris dam. As it filled with water, experts realized the lake was a timebomb. Spirit Lake had no secure outlet. If the debris dam were ever overtopped or breached, one of the worst disasters on record could result.

The U.S. Geological Survey, projecting a worst case breakout of Spirit Lake, estimated that communities more than 30 miles downstream could be buried under 40 feet of mud. Even areas upstream on the Cowlitz River could be covered to a depth of 10 feet by a Spirit Lake mudflow. The Columbia River would be blocked for months or years and commerce in the region would be severly restricted.

When the hazard became apparent, a state of emergency was declared, and the Army Corps of Engineers began pumping to keep the lake at a safe level. While pumping is an effective interim measure, it costs taxpayers over $3 million a year. But it bought the corps the time to design and build a permanent outlet for Spirit Lake.

As of April 27, Spirit Lake has a safe outlet. The corps has bored an 8,500-foot tunnel through the solid rock of Harry's ridge to South Coldwater Creek. This tunnel has finally defused the Spirit Lake timebomb.

Sediment: Time to stop the problem at the source.—The eruption of Mount St. Helens blasted 3 billion cubic yards of debris into the north fork of the Toutle River, creating one of the biggest debris avalanches in history. The debris avalanche is a giant sandbox over 15 miles long, up to 1¾ miles wide, and an average of 150 feet deep.

With each heavy rain and snowmelt, the debris avalanche erodes, sending millions of cubic yards of silt and sand into the Cowlitz and Columbia Rivers. An estimated 28 million cubic yards of sediment erodes from the debris avalanche every year, enough to fill 2 million double-axle dumptrucks.

To avoid flooding and to keep the Columbia River navigation channel open, this sediment must be dredged out of the rivers. This is a risky and expensive way to deal with the sediment problem.

Dredging alone does not provide downstream communities with adequate flood protection. Even if dredging of the river channel provides reasonable protection at the beginning of the water year, storms or mudflows can decrease channel capacity and increase the threat of flooding with the next event.

Since the eruption we have been lucky. The region has not had the size storm, or the massive runoff that could cause flooding. Twice in the 1970's we had such storm events.

Stopping the problem at its source is the safest and most cost-effective way to solve the sediment problem, according to three major studies in the last 2 years. Each one identifies a debris dam, or single retention structure [SRS], at the foot of the debris avalanche as the best solution, based on cost, safety, and impact on fish and land. Until the SRS is constructed, taxpayers are footing the cost of interim dredging, and communities downstream remain at risk.

Dredging alone is creating another problem: So much material has been removed from the rivers that we are running out of economical disposal sites. Once these sites are filled, the cost of dredging will skyrocket. On the Columbia, this could take place in just a few years at present rates of sedimentation. Upstream control is needed to keep the Cowlitz and Columbia banks from becoming giant dredge spoil dumps.

The final feasibility report for the sediment solution is currently under review by the Office of Management and Budget. The administration's recommendation is expected in the near future.

The price tag for a permanent sediment solution is substantial. The SRS will cost approximately $200 million with another $100 million for downstream dredging over the next 50 years. But the cost of doing nothing is much greater. The time to act is now.●

MILITARY RETIREMENT TINKERING

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BENNETT. Mr. Speaker, I call to the attention of the Members of the House the following article in the May 16 Washington Times written by Assistant Secretary of the Air Force Tidal W. McCoy. He is in charge of Manpower, Reserve Affairs and Installations there. I believe all Members of Congress would want to read this analysis of what the Department of Defense bill on procurement would do in the field of retirement benefits.

I expect to offer an amendment to strike this provision from the bill and I think the following statement by Secretary McCoy shows many of the reasons why this should be done:

MILITARY RETIREMENT TINKERING

(By Tidal McCoy)

Legislation has been introduced which would limit the sum each service/component may obligate for basic pay and military retirement accrual for FY 86, and which directs the secretary of defense to submit legislation changing the military retirement accrual cost by $4 billion. The Air Force "share" of this reduction would be $1.056 billion.

H.R. 1984, introduced April 4 by Rep. Les Aspin, also stipulates that in determining the cost (and savings) DOD must use the same actuarial assumptions and methods used in developing the retired-pay accrual cost for the FY 86 budget.

In the April 4 CONGRESSIONAL RECORD, Mr. Aspin says "this direction is intended to prevent the department from attempting to obtain the savings from some other source, from simply changing the actuarial assumptions or methodology, or from structuring a situation in which the Congress may have no alternative but to increase the appropriations categories late in the year."

The RECORD goes on to state "The changes could grandfather everyone, or no one, or some. It is a matter for the services to decide." Finally, Mr. Aspin indicates that if the department submits legislation to achieve the required savings, Congress would have "no incentive" to get involved in the specifics of the proposal.

On May 2, the House Armed Services Committee on Manpower and Personnel voted to accept Mr. Aspin's bill as an amendment to the FY 86 DOD Authorization Act, with the proviso that all current retirees and active-duty members would be grandfathered under the old system.

The purpose of H.R. 1984 is to force a structural change in the military's retirement system. Since it requires savings in the accrual costs, it is not designed to reduce near-term government outlays, which would reduce the budget deficit. Nor is it designed to provide substantial reductions in accrual costs beyond FY 86. This is because Mr. Aspin's bill demands that the accounting procedures for FY 86 are based on "entry age normal" costing.

This means that the accrual costs for FY 86 assume that all retirement liabilities for service by all members during that year are based on the retirement benefits provided to new entrants. Thus, any changes made to the military retirement system to achieve savings of $4 billion for costing purposes in FY 86 are required to assume that the changes apply to new entrants and all members on active duty.

Mr. Aspin suggests that all members can be grandfathered from any changes or not—but he has mandated that the FY 86 accounting procedures will provide that accrual savings will be calculated assuming no one is grandfathered. A neat trick indeed.

The accrual costs for FY 87 and subsequent years, however, are based on a weighted normal cost procedure. This means that the accrual costs will reflect the estimated liabilities based on the retirement benefits that actually apply to different classes of members on active duty. For example, members who entered active duty prior to Sept. 8, 1980, have their retired basic pay based on final basic pay rather than the highest 36 months of basic pay (Hi-3 averaging). Those who will retire under Hi-3 will receive about 13 percent less life-stream retired pay. This will be reflected starting in FY 87; it is not reflected for FY 85 or FY 86 (for these years everyone on active duty is assumed to be under Hi-3, since that is the system that new FY 85 and 86 entrants will receive).

Owing to the personnel subcommittee's actions to grandfather current retirees and members, the implication of this is that mandated rules for changes in FY 86 (which cut $4 billion from the FY 86 accrual costs) would only save about $300–350 million in FY 87. By FY 90 the accrual savings would still be only about $2 billion.

Thus when we combine this new cut with Hi-3, we see about a one-third reduction in the value of retirement since 1980. It is inconceivable that this would not have a substantial impact on readiness. Even if we grandfather all members on active duty to protect them from these changes, we'll eventually have to pay the price in increased active-duty pay, increased bonuses, increased accession and training costs, and, very likely, decreased military readiness.

If members of Congress expect that Mr. Aspin's proposal will save $4 billion each year right away, they will be severely disappointed. They may even view this as nothing but an accounting trick, and seek further cuts in the system to reduce accrual (budget) costs further.

Indeed, if Congress decides that the $4 billion FY 86 savings must appear in the immediate subsequent years, the problem is severe. The only way such cuts can realistically be made in FY 87 and beyond is to deny grandfathering to all or a large portion of the current force. Even if we only grandfather those members beyond the first term of service, we estimate we would have to cut benefits by 45–50 percent (above and beyond the Hi-3 impacts) for first-terms and new entrants in order to reach the $4 billion target. It is unlikely that our No. 1 retention incentive, the military retirement system, would continue to work after such drastic cuts. Such cuts would mean a retiree could expect to receive about 15 percent of total pay after 20-years' service—not too fat.

If current retirement benefits were decreased an additional 22 percent beyond Hi-3, we would expect the resulting retention decline to be at leaast as severe as FY 79–80. As an example of the impact, if FY 79–80 rates were to recur, we would lose, in only one year, an additional 20,200 enlisted members and 3,345 officers. The accession and training costs to replace these would run $1.2 billion, and we'd be replacing them junior people with little or no experience, resulting in decreased military readiness and war-fighting capability. These added costs to the Air Force would entirely offset the Air Force portion of the directed retirement savings.

We believe this scenario is extremely conservative. Tampering with the retirement system to this degree is bound to produce emotional and psychological impacts that, when added to the economic impacts, would easily lead us to repeat our poorest retention years since the beginning of the all-volunteer force. The actual outcome might well be worse, particularly if cuts of 45–50 percent are made as outlined above in order to achieve large near-term accrual savings beyond FY 86.

It appears to some that $4 billion is going to be saved in defense costs by Mr. Aspin's proposal. This is not the case beyond the year of phony assumptions (FY 86) that have been written into H.R. 1984. If the Congress, upon realizing that $4 billion is not going to be saved in successive years, then demands that similar savings be achieved in the out-years (an obvious hope of some in the Congress), either a 22.5 percent cut in retirement benefits to all current active-duty members and new entrants would be necessary, or an approximately 50 percent reduction in the retirement benefits of all new entrants would be required.

Consequently, to save the kind of money Mr. Aspin talks about, we would have to degrade either the current force or the future force severely; a sad day for the American fighting man, particularly when the adverse impacts of changing the retirement system would only raise costs substantially in other budget areas.

It may look good to shift the costs of military retirement to other budget accounts, particularly since the shift is modestly well-disguised to the laymen, but the turmoil and confusion will hurt all those in uniform, and that, in turn, will hurt the nation's security.●

SENATE—*Friday, May 17, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

My thoughts are not your thoughts, neither are your ways my ways, saith the Lord. For as the heavens are higher than the earth, so are my ways higher than your ways, and my thoughts than your thoughts.—Isaiah 55:8,9.

God of Abraham, Isaac, and Israel, the Prophet Isaiah reminds us how upside down we can be in terms of Your wisdom and ways. We transpose values, making absolutes relative, relatives absolute, we call evil good and good evil. We get terribly turned around and inverted in our thinking. Help the Senate as it sifts through a multitude of plans, often conflicting, as to defense, budget, deficit and national debt, to seek God's thought and God's ways to peace, unity and solvency. Make the Senators aware, Mighty God, of Your availability to illuminate, facilitate and direct the human struggle for the way of truth and justice. In the name of Him Who is the Light of the World. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders will have 10 minutes each. Then there will be a special order for the distinguished Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

Following that, there will be a period for routine morning business not to extend beyond the hour of 12:30, with statements therein limited to 5 minutes each.

Following routine morning business, the Senate will begin consideration of the DOD authorization bill, S. 1160. I assume we would call that up somewhere around 12:30 p.m. I understand from the chairman of the Committee on Armed Services, Mr. GOLDWATER, there will be rather extensive opening statements and discussion of the bill if anybody wants to participate in that. There will be no votes today.

I think it is fair to indicate to my colleagues on both sides that we want to try to finish this bill next week. That would be next Thursday or next Friday, if at all possible; if not, we shall either reach some agreement about its completion when we return or to curtail the so-called recess period the following week and come back when the House comes back on Wednesday, rather than staying out the balance of that week. That is under active consideration.

I hope we might be able to work out some agreement between now and, say, Monday or Tuesday of next week on passage of the DOD authorization bill.

MAJ. GEN. DONALD S. DAWSON'S TRIBUTE TO PRESIDENT TRUMAN

Mr. DOLE. Mr. President, recently, one of our Nation's finest military officers, Maj. Gen. Donald S. Dawson, USAFR, delivered the keynote speech to the Chicago convention of the Reserve Officers Association of the United States, of which General Dawson is president. General Dawson's address was an eloquent tribute to another great American, President Harry Truman, who was a close and personal friend of General Dawson.

I want to share General Dawson's speech with my colleagues, both because we have recently marked President Truman's birthday, May 8, but also because so much of what General Dawson said—about the challenges which our country faced during Truman's Presidency and about that President's courageous response—can readily be applied to our own situation today.

Mr. President, I ask that the full text of General Dawson's address be placed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KEYNOTE ADDRESS (DONALD S. DAWSON, MAJOR GENERAL, USAF RET.)

Mr. President . . .
Distinguished Guests . . .
Honored Past Presidents . . .
Ladies of the ROAL . . .
My Fellow Officers . . .

I am highly honored to have this invitation to take another early morning walk with President Truman. Not down Pennsylvania Avenue and up to the Capitol this time, nor with the Secret Service, but a stroll down memory lane, with one of the great men of history—one who has meant so much to ROA.

The Reserve Officers Association is dedicating this convention to an outstanding Reserve Officer, Harry S. Truman, who rose from the National Guard private in 1905 to captain—on active duty in France in World War I and then by Presidential election became Commander-in-Chief of all our Armed Forces.

He was a preeminent example of the citizen soldier—the example set by our first President, George Washington.

Born in Lamar, Missouri, he grew to manhood on a Missouri farm near Independence. He was a farmer. His mother said he could plow the straightest furrow in Jackson County, Missouri, and that was behind a walking plow pulled by a mule—no high-powered tractor.

During the 1948 Presidential campaign when he had literally been living on the "whistle-stop" train, making a dozen speeches a day and shaking thousands of hands, I asked him how he seemed so full of energy and never tired of doing all the things we put upon him, when his staff—much younger—was worn out.

After a moment's reflection he said, "I think it is because I was behind a plow at the right time of life."

He also knew the life of a small town, where he went to school and fell in love on his first day at Sunday school, when he was six, with the prettiest girl he ever saw and later married after the war—a long courtship, one that was to last all of his life.

He worked as a railroad timekeeper. He worked in the post office, in a drug store, as a bank clerk in the big city—Kansas City, tried his hand at oil well development, which did not work out, and owned a small haberdashery after the war with his buddy, Eddie Jacobson, that went broke.

Many stores in the Midwest failed in that advance tremor of the Great Depression, so there was little mystery or shame. Indeed, what struck most people was not his failure but how he handled it. He refused to take bankruptcy, as was commonly done, and over the next 20 years he paid off some $20,000 in haberdashery debts, down to the dollar. He was still paying them off while he was in the Senate, when the salary was only $10,000 a year and when he could barely made ends meet in Washington.

If there was one turning point in his career, it was his success as an artillery officer in World War I. He need never have gone to war. He has applied to West Point and had been turned down because of poor eyesight. He was past 30, and he was needed on the family farm, where he had worked for 11 years.

As Captain Harry Truman of the 129th Field Artillery in France, he was a triumph, as is plain in the record. His 1918 service record says, "This officer is an excellent Battery Commander. He is unusually well-equipped and is an excellent instructor. He is resourceful and dependable."

He was put in command in France of an unruly Kansas City unit, Battery D, the regiment's most troubled unit, more than 200 men who were mostly Irish who did not go easy on any officer, let alone one in big horn-rimmed glasses who still looked a lot like a bank clerk. He was the fourth officer in less than a year.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Truman later wrote, "They called themselves the Irish Battery and it did sound as if the Hibernians were meeting when the roll was called, except that now and then, along with the McKims and Caseys and the Donnellys, there'd be Schmidt and a Meisberger."

The morning he took over, he was as frightened as he ever had been. "I didn't come here to get along with you," he told the non-coms. "You've got to get along with me. And if there are any of you who can't—speak up, and I'll bust you back now."

At St. Mihiel and the Argonne Forest, through some of the heaviest fighting seen by any American unit in the war, he proved himself tough, courageous and consistently popular. His men said: "He was the boss of the outfit." "He not only commanded it, he owned it." "We felt he knew what he was doing." "He was the best in the world." "On firing problems we began to hit the target." After two months in France, his unit went to the front—before they had finished their training.

In the first shelling by the Germans, Vic Householder saw Captain Truman's horse go down, its belly torn open by shrapnel. He rushed over and found Truman lying there with only his upper chest and head sticking out from under the horse. They dragged him out and he quickly recovered. Then, using language learned driving Missouri mules, he brought his men together. They now saw him as a cool captain under fire, and some even spoke of him as a good luck piece for the battery.

On another occasion, the enemy began shelling Battery D's position. Three rounds landed close and some nervous Nellie yelled, "Let's get out of here." Several men ran over Truman, knocking him into the mud as he was coming out of his command dugout. He jumped up, pulled his pistol and shouted, "Any SOB who isn't back in position in ten seconds will be shot." They made it back, and later called it the "Battle of Who Run."

"He was tough, but he was fair," said Gene Donnelly. Some have gone so far as to say, "He was one of the kindest and most thoughtful men I've ever known."

After the war, he maintained a personal relationship with each of the men in Battery D, which lasted through the years. Countless times I have seen him recollect from memory where they were, what they were doing, how their families were. He kept a little black book in the left bottom drawer of his Presidential desk in the Oval Office with the address of each, with personal notes about them, that were up-to-date.

He was never too busy to see any of them and enjoy old times whenever they happened to be in Washington or wherever he was, throughout the country. He attended every reunion, even as President and marched in their ever-thinning ranks on parade.

After the war Captain Harry became Major Truman in the Army Reserve, assigned to the 102nd Reserve Division. The educational program he and his fellow reservists initiated served the Army for years as a model reserve training program which was used throughout the country. General Harry Smith, Commanding Officer of the VII Corps, addressing the Kansas City reserve officers commended the Kansas City reservists as the "best coordinated effort in the nation."

Truman became active in the American Legion and helped with the 1921 Convention in Kansas City. A few days after the Convention, he met with several other World War I veterans and members of the Officers Reserve Corps at Morton's Restaurant and decided to start a club of all reserve officers in the Kansas City Area—the Reserve Officers Club of Kansas City, which became Kansas City Chapter No. 1 of ROA.

Harry Truman was Army; make no mistake about it. He loved the military from boyhood. While he was President, he said at a Medal of Honor presentation that he would rather have earned the medal himself than be President. As President, he was convinced of the vital necessity for universal military training for all our youth. He lost that fight to the Congress, but never his interest in a strong reserve program, which he knew was the force on which our country must ultimately depend in time of national emergency.

I said he rose from Private to Captain in World War I, but he was never a Second Lieutenant. In those days the men elected their officers in the National Guard and he was elected First Lieutenant. He later said, when his political popularity was at a low ebb, he did not know whether he could win that election again.

Those early days bred a desire and a dedication that would serve our country well today. For example, there was no facility for training and very little else. The men rented a hall in which to hold their meetings and took up a collection to pay the rent out of their own pockets.

Reserves have known lean days in equipment, money and facilities through the years, but we have come into our own because we have persisted in the determination and dedication of the men who came back from France vowing that this nation will never again be caught with its defenses down. Captain Truman learned the hardest and most important lesson which came out of World War I, that a nation unprepared for war was only inviting aggression and condemning to the casualty rolls many young men who would go into battle to save our coutnry and our freedom without the necessary military training and leadership.

Our great association grew out of recognition of this historic principle—over 125,000 members whose only purpose is—adequate military preparedness, to maintain the eternal villigance which is the price of freedom. We of ROA have been fostering the national defense in general and the reserves in particular for the past 60 years. The next 60 years will see ROA continuing the battle for a strong America.

A famous British general remarked a quarter of a century ago that "it is a law of life that has yet to be broken that a nation can only earn the right to live soft by being prepared to die hard." We of ROA have lived with this precept. We will continue to live with it for the years to come.

As Commander-in-Chief, Harry Truman gave every support within his power to the reserves. It is in a large measure due to the leadership he provided during those critical years that our reserve programs flourished to the extent they did.

Harry Truman's life found its true purpose when he went into politics. History records his first political job. He was appointed Postmaster of Grandview, Missouri, but he passed the job on to a widow who needed the money.

In time, he was elected County Judge, a position usually belittled by writers who knew nothing about it. A Judge in Jackson County is an administrator. In fact, as Chief Administrator of the county for eight years, Truman erected and administered courthouses, public buildings, ran welfare agencies and built what was acknowledged to be one of the best highway systems in the entire United States. He had overall responsibility for more than a thousand employees and expenditures of $15 to $20 million a year—and that was in the 1920s. All of this was done without a hint of scandal being associated with him. No one ever questioned his honesty.

Clean, upright, popular, able, Harry Truman—a man who always tried his level best at everything he ever did—gave Jackson County, Kansas City politics a good name, although the Kansas City and St. Louis big-city newspapers had scourged him for years, trying to dig up skeletons that just were not there.

In the U.S. Senate, to which he was elected for two terms, he headed the Truman Committee which he had proposed to expose waste, inefficiency and profiteering in the war effort. He quickly proved himself extraordinarily effective. A panel of journalists voted him one of the ten men who had contributed most to the war effort in all fields, and he was the only one who was a member of Congress. By 1944, the Truman Committee had saved an estimated $15 billion and many thousand American lives.

Truman was 60 when he became Vice President. He had not as yet held an office of great power, it is true. Nor had he made any money to speak of. But again and again, he had turned setbacks into positive accomplishments. The boy who couldn't go to college became a lifelong student of history—perhaps the most knowledgeable of all our Presidents. The boy who was turned down by West Point became a model battlefield officer. The failed businessman met his debts so honorably that it is still talked about in and around Kansas City. The man who was first dismissed in Washington as "the Senator from Pendergast" became one of the prominent figures in the wartime Senate and in the Democratic Party. Otherwise, Roosevelt never would have picked him as a running mate.

As President Reagan said May 8th: "'Little Harry,' some people called him when he first took Roosevelt's place. Funny that 'Little Harry' looms so large in our memories—he was in many ways the quintessential American—he was a patriot. He loved his country. He was an unpretentious man who esteemed common sense and common wisdom. And he was most American in this: Imbedded in his heart, like a piece of gold, was a faith that said that the ideals that shaped this country are enduring, that they are continually reborn as we live our lives every day.

"On the day he became President, he said, 'I felt like the moon, the stars and all the planets had fallen on me.' And in a way they had.

"History handed him the toughest of all tasks: To explain to his troubled countrymen that all their efforts in four years of war, had not assured the victory of freedom. That the struggle against totalitarianism would have to continue. And that the victories would not be as clear-cut as those of World War II and the battle lines would keep moving."

"President Truman has often been called the 'uncommon man.' And he was. He elevated the Presidency to a new height by taking command in the free world at a time when most leaders were bewildered and stunned by the sudden onslaught of pressure from the Soviet Union which had so recently been the West's ally and wartime partner.

"President Truman rallied the free world. He provided the resources with which to defend it."

Winston Churchill wrote to him January 5, 1952, "You sir, more than any other man have saved Western Civilization from Communism."

He was often criticized for his decisions, and he was sometimes alone. Later, after listening to attacks on what was called "Trumanism," he took to his dairy and wrote, "Let us define Trumanism. We have built up our Armed Forces. We have prevented Tito from taking Trieste. We forced Stalin out of Iran. We saved Greece and Turkey. We stayed in Berlin. We knocked the socks off the Communists in Korea. We gave the Philippines free government. And we gave Puerto Rico home rule. If that's Trumanism, I confess I'm proud to have my name attached to it."

He could have added that he showed the world the depth of America's commitment to freedom when he started NATO. He could have added that when the war was over, he considered the starving people and the burned-out rubble of Europe and put together a plan to get our former allies and our former enemies back on their feet. And the Marshall Plan saved Europe.

It was in its way the most stunning act of American idealism since Lincoln declared his policy of "malice toward none and charity for all."

And, as President Reagan further said, "You have to go back to Grant telling Lee to keep his sword to find another such moment of American grace.

"None of his decisions were made without cost. By 1948, the joke of the day was 'to err is Truman.' Tom Dewey was picking his Cabinet At the Democratic Convention, they carried signs that said: 'We're just mild about Harry.' Even the symbolism was against him. When he walked into the convention hall, they released 50 doves that had been hidden under a liberty bell as a symbol of peace. The doves were weak from the heat and the long confinement. They circled about the convention hall and one frantically looking for a landing place, a safe place—finally spotted a smooth and shining perch, and it was Sam Rayburn's head.

"Truman told the story for years and could never control his laughter.

"Harry Truman won the nomination and went to the people on his whistle-stop tour, going from town to town throughout the country and bringing his message, explaining what he was doing and why, and how the Congress was thwarting his efforts. Everyone knew he'd lose. The commentators said so, and the polls, and the politicians.

"But a funny thing happened. Everywhere his train went, the people went, thronging the platforms and spilling onto the grass and off the sidewalks. They cheered him on. "Give 'em hell, Harry,' they'd say. 'Pour it on.' And Truman said, 'I never give them hell. I just tell the truth and they think it's hell.'

"Election night, the returns came in and when it was over, Harry Truman had won by two million votes. He held aloft a Chicago newspaper with four-inch headlines that said Dewey had won—smiled his great smile and gave us a picture we'll never forget because there just aren't that many photographs of greatness triumphant.

That picture hangs on the wall of my office today, telling me in even bigger headlines—"Never give up—never give up if you believe you are right."

We are here today to honor Harry S. Truman. A long century has passed since he was born a hundred years ago; but he is still a vital presence. He lives on in the American consciousness. He is a shared memory.

Harry Truman in the pearl grey Stetson and the light grey suit and the round-rimmed glasses and the walking stick. Harry Truman on his morning stroll, the brisk cadence of his walk matched by the blunt rhythm of his speech. Plain spoken, plain talking, no-nonsense Harry.

In dedicating this convention on the 100th anniversary of Harry S. Truman's birth, we must, however, dedicate ourselves—not just this convention—to the great principles he believed in.

I share your hope, and pray today, that no future generations of Americans will have to serve our country in combat against the enemy, but I tell you that we must also hope and pray and work so that American will aways have the will and the wisdom to hear their country's call and answer it—in war and in peace.

If Washington's men could go barefoot in the snow at Valley Forge to give us this country and its freedom . . .

If those who have gone before us could lay their lives on the line at Chateau Thierry, Belleau Woods and the Argonne . . .

If we could storm the beaches of Normandy and General McAuliffe, with his back against the wall, could say "nuts" to the Nazi . . .

If the Marines could raise Old Glory on Mount Suribachi in the far-off Pacific to avenge Pearl Harbor . . .

If American G.I.'s could survive Pork Chop Hill in Korea . . .

And if six million Americans who have served in Vietnam—your loved ones and mine—could stand the acid test of battle—for our country . . .

Then, I say we can face up to our responsibility on the battlefront at home and go forward to a new day in America with a rebirth of the Spirit of 1776—with every man and woman, a minuteman fighting for our homes, our schools, our churches, the good, the clean, the decent things in life. And the strength to keep them secure against all challengers.

When we forget ourselves and put our God and out country first, this nation shall stand as the unchallenged leader of the world.

And in all we do remember, when the buck comes to us—we even, as Harry Truman, must have the courage—the determination and the will to reach out and grasp it and make the most of the responsibility—the decision is our!

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER (Mr. HATCH). The acting minority leader is recognized.

Mr. BURDICK. Mr. President, I ask unanimous consent that the minority leader's time be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

WHAT CONGRESS SHOULD REQUIRE FOR A STAR WARS GO-AHEAD

Mr. PROXMIRE. Mr. President, if the Congress is to spend hundreds of billions for a star wars defense against intercontinental ballistic missile attack, we should go on that spending binge with our eyes wide open. We should recognize the immense cost of such a program. We should go into it with an understanding that this project will take many years—at least 15 or 20—to complete. We should understand that during this period tens of thousands of our best scientists and engineers will have to leave their work of improving the competitive capability of American industry to work for firms that are doing the vast research required in star wars. And American industry will suffer because of it. We will have to take scientific experts from their work in space research and from their work in developing and doing research on other important military weapons.

Make no mistake about it, Mr. President, we will also have to take those expert scientists and technicians who are so critical to our military strength and progress, from their work on the advancement we need in planes, tanks, ships, and offensive nuclear missiles so that they can go to work in star wars. And, Mr. President, with all the dollars we pour in, the prospect of success in the star wars program can never be assured no matter how much money or scientific genius we throw into it.

In the report of just last month, April 1985, from the Center for International Security and Arms Control at Stanford University comes the following very wise caution:

> With strategic defense weapons systems, integration, and reliability are particularly pressing concerns because the systems tend to be highly complex, the data-handling requirements enormous, the engineering tolerances very small, the time intervals extremely short, and the reliability required remarkably high.

Mr. President, that gives us some idea of the vast mountain star wars

has to climb. Let's break down that warning. These experts tell us the data-handling requirements are enormous. And they are. Think of it. The Soviet Union has thousands of independently targeted warheads. They could be fired within seconds of each other. Each warhead can begin its flight from missile to target on different paths, at immense velocities. The velocity of the warhead may be faster than the speed of a bullet. But the speed, the locus of separation from the missile, the precise direction of each of these thousands of warheads is the data that must be determined and calculated. Then we are told the engineering tolerances are very small. A very slight error in our defensive calculations—very slight—and we miss the warhead. Errors are not unusual. They are the name of the game in such a complex and large and rapid operation. The question is how large an error the system can tolerate and still provide defense. The answer is that star wars can work only if the error is not just a small error; it must be a very small error. And then the time intervals are extremely short. How short? The warheads will be covering between 4 and 5 miles every second. Every second, Mr. President. They travel 4 or 5 miles in 1 second. That allows very little time for readjustment, for correction of errors, for a second chance, following a miss. We are warned that the reliability required is not just high. It is "remarkably high."

Now, Mr. President, it is one thing to be reliable when you have plenty of time, when the job is simple, when the data is small and the tolerances are great so you can make an error and have the time to readjust to it. But in this case, from the beginning, our defense will have to be right on target when everything is working against it. And I mean everything: the complexity, the enormous data handling, the very small engineering tolerances, the flash of an eyelash time interval.

But there is something else even more exacting than all this.

The star wars defense must be able to meet countermeasures every bit as advanced and ingenious as the star wars defense itself. As the Stanford study points out, an adversary can employ even primitive countermeasures with little lead time and no major change in its own arsenal which will confront star wars with entirely different problems than it anticipates. The adversary can do this simply by changing tactics. The history of weapon systems is replete with examples of weapons that work perfectly in tests but in combat conditions something goes wrong even in simple, undemanding weapons. In this case we have far and away the most complex weapon system ever and it has to work perfectly the first time.

Mr. President, in a previous speech on the floor, I urged the Senate to insist on funding what is called a red team to work with our intelligence agencies to determine in detail precisely what offensive capabilities to Soviet Union may be able to employ against star wars, so we have an understanding of what capabilities and especially what countermeasures are available to the Soviets to overcome star wars. We should not only know the cost of such an offense and its full capabilities, we should also understand whether or not there is a realistic possibility of meeting and defeating it.

Certainly a star wars defense is an option. Like it or not, the President of the United States has made it an option. Our responsibility is to determine which option or combination of options—arms control, deterrence, or star wars defense—offers the greatest promise of genuine national security within the resources we must provide for them. Arms control requires no net resource commitment. In fact, it will save money. It will enable us to reduce our military spending and conserve our resources for peaceful purposes.

Deterrence is costly, but it is a cost that we have paid for many years. And deterrence has the blessed quality of working. For more than 35 years the two superpowers have faced each other—armed to the teeth with nuclear power, respecting each other's deterrent in the full knowledge that a nuclear strike means a double suicide. Star wars will increase military costs immensely. If it works even partially, it could increase deterrence but it could also diminish deterrence as one side or the other believes it can deny its adversary the effectiveness of its offensive deterrent. And the feasibility of star wars has yet to be established. Finally, star wars appears to represent a serious threat to arms control.

THE LONG, PAINFUL ROAD TO FISCAL RESPONSIBILITY

Mr. PROXMIRE. Mr. President, the most serious economic mistake Members of the Congress, the press, and the public are making today is to assume that if we bring the deficit under control we will enjoy a period of economic growth and prosperity in the process. Do I disagree with that? You bet I do. Does that mean that I do not believe Congress should reduce the deficit? No. I fervently believe we should reduce the deficit. We have no more important economic responsibility as Members of the Congress. But we should reduce the budget deficit with our eyes wide open. We must recognize how long and painful this process will be. We must understand that the reduction in the deficit will not provide more jobs. It will not stimulate the economy. It will slow down the economy. It will increase unemployment. Just think about it. Does the economy move ahead when the Federal Government runs a deficit, that is, when it puts more into the economy than it takes out? Of course, it does. Look at our national experience with economic booms and depressions. When did this country have far and away the biggest growth of the American economy? It was at the tail end of the Depression of the 1930's when this country moved into World War II. As the arsenal of democracy, this country increased spending for the military as it had never been increased before. Taxes were not increased. Deficits broke all records. In 1943, 1944, 1945 they exceeded 25 percent of the GNP. In relation to the size of the economy, those deficits were more than four times greater than they have been in any of the great deficit years of the 1980's.

So what happened to the economy? Did the deficits depress the economy? Did they throw people out of work? Did they bring on a drop in personal income and lower profits and business failures? No, indeed. This country went through the most spectacular economic boom in our country's 200-year economic history. Unemployment for 10 long depression years had hovered between 15 percent and 25 percent. Then came World War II and the superdeficits. The mammoth Federal deficits so accelerated business activity that unemployment fell to less than 20 percent. Personal income rose sensationally. Business profits zoomed. The country suffered heartbreaking losses of young Americans on the battlefields of Europe and Asia, on the oceans and in the air throughout the world. But thanks to those wartime, monstrous deficits the long depression of the 1930's ended with a spectacular breakthrough into prosperity. Never before or since has the United States experienced the kind of vast economic stimulation that it did with the colossal deficits in World War II. Last year—1984—the country enjoyed the biggest economic growth in real terms in 33 years. What proceeded that growth? It occurred after 3 years of back-to-back superdeficits, ranging from $109 billion to $195 billion. So what does a smashing increase indeficits do to our economy in the short run? Answer: king-size deficits stimulate the economy. Not only does our economic experience show this, the stimulus makes obvious common sense. Can anyone question the fact that if the Federal Government increases its spending by $100 or $200 billion and does not increase its revenues—thus pushing up its deficit—the effect will be to stimulate the economy? Of course, it will.

Now, Mr. President, how about the converse. As the Federal Government comes off this mammoth spending binge, as the deficit diminishes, as taxes rise relative to spending. Won't the stimulus lessen? Won't the economy slow down? It will indeed. If, in the next 3 or 4 years, the Congress does what it should do, if it diminishes the deficit by $50 billion per year or more, what will be the consequence? The consequence will be that the slowdown the economy is experiencing right now with a first quarter annual rate of growth of only 1.3 percent will slow further and the economy will suffer a recession. Unemployment will increase. And then the real test will come. Will this Congress have the fortitude to continue to hold down spending and resist a tax cut when the recession strikes? Even if the Congress does resist that temptation, Federal spending will increase as welfare costs and unemployment compensation costs rise. Revenues will fall as millions of taxpayers lose their jobs and corporate profits diminish. So the deficit will rise in the recession that will come in the next 2 or 3 years precisely because the Congress is reducing the deficit. The pressures on the Congress to act to get the economy moving again by cutting taxes and increasing spending will be immense. This is why it is so essential that we fully recognize the seriousness of our economic plight now. We must resolve to stay the tough, hard course year after painful year. And we must find the courage to explain to our constituents that we intend to persist with full knowledge that the course will be long and painful.

CONTINUING HUMAN RIGHTS VIOLATIONS IN HAITI

Mr. PROXMIRE. Mr. President, Haiti, the Western Hemisphere's poorest country, has suffered problems which continue to plague its poverty-stricken people. As if the misery of their economic destitution were not enough, the Haitian people have been the victims of widespread human rights violations, primarily from Government forces. The authoritarian rule of President Jean-Claude Duvalier has been marked by political killings, torture, and detentions. Duvalier is the President for life, having assumed the Presidency from his father in 1971.

Pressure from outside influences—including the United States—have forced Duvalier to narrow the scope of the Government's human rights abuses. Since 1977 the indiscriminate use of coercive tactics to subdue alleged subversive political factions has been replaced by a more calculated, selective method. Opposition leaders, trade unionists, and journalists have been singled out for persecution by the President's militia and the secret police.

The targets of Government forces often disappear, while others are tortured and released. Many are held incommunicado, sometimes for several years, in the damp and dark cells of secret service barracks. Trials fail to meet international standards for fairness, as indicated by the few times outside observers have been able to witness these trials.

Those who speak out against human rights violations often become victims themselves, as do those who threaten Government policy through their actions. One such victim is Gerard Duclerville, a lay preacher arrested in 1982 for his work with the poor. Mr. Duclerville was beaten so severely that he asked his tormentors to kill him "and get it over with."

Mr. President, we see these human rights violations occurring near our borders—not just in places like Afghanistan or Kampuchea. I think this indicates our inability to address the problem. We need a renewed vigor in our approach to human rights, backed by a reaffirmation of our commitment to international justice. An invaluable tool in the pursuit of this is the Genocide Treaty. Let us ratify the treaty and resume our role as a leader for international human rights.

S. 1164 AND S. 1165—LIMITATION ON EMPLOYMENT OF FORMER DOD AND FEDERAL GOVERNMENT PROCUREMENT PERSONNEL

Mr. PROXMIRE. Mr. President, I am introducing today, on behalf of the distinguished Senator from Arkansas [Mr. PRYOR] and myself, two bills designed to slam shut the revolving door through which Government contracting personnel pass to take lucrative jobs with private firms over which they previously exercised contracting authority. Almost daily, disclosures confirm that this revolving door is spinning ever faster and taking its toll on taxpayers and the Nation's security.

Early in this session, the distinguished Senator from Arkansas and I introduced separate bills designed to shut the revolving door—S. 385 and S. 490. Because we believe that action is urgently needed, we have put aside our differences and produced a single approach that we are convinced will get the job done. We have produced two bills, one directed specifically at the Department of Defense and the other imposing the same restrictions throughout the Government.

The bills would impose a cooling off period on Government procurement officials at the GS-11 level and above by forcing them to wait 3 years after leaving Government before taking a job with any contractor over whom they exercised significant responsibilities during the last 3 years of their Government employment. Both the individual and the contractor would be subject to criminal penalities of up to 5 years imprisonment and a $10,000 fine for violating the act. The contractor would suffer an additional civil penalty of the greater of $250,000 or five times the annual rate of compensation of the employee.

Contractors would be required to file annual reports detailing the names and duties of former Government employees that they had hired in the preceding 3 years. The Office of Government Ethics would oversee the act and advise individuals and contractors in cases involving potential violations of the act.

Despite widespread underreporting, we know that in 1983 companies doing $10 million or more in Pentagon business employed more than 2,100 former Defense Department employees who had left Government service within the last 3 years. This is a 63-percent increase over the number employed just 6 years earlier and more than three times the number employed as recently as 1975. Similar figures are not available for other executive agencies because there is currently no requirement that former Government employees outside the Defense Department report such employment.

This unobstructed flow of Government contracting personnel to the private sector has at least three detrimental consequences. First, it impairs the quality of Government bargaining and contract oversight. A Government procurement official who knows that he is dealing with a potential employer will be less likely to negotiate as vigorously as one who is free to this conflict. Similarly, an official supervising a contract will be less likely to find fault with the performance of a potential employer than with a contractor who is forbidden from offering him a job.

As one Pentagon employee recently testified:

> The process begins at least two or three years prior to the separation from government service and the manager becomes increasingly soft on the contractor. To get the job, he must know someone in the contractor's hierarchy. He must do things which his future employers like and prove his worthiness for his new job. Consciously or unconsciously, the thought of future security begins to affect him. He begins to think more about his future employer than his current one. Loyalties become confused.

The second detrimental effect of the revolving door is on the morale of Government employees who watch their bosses switch overnight from supervising Government contractors to working for those very same contractors at higher pay. Government employees complain that they are outraged when a supervisor becomes a manager for the contractor. As one employee expressed it: "We don't know if we have been working for the contractor or the Government." Inevitably, this anger develops into disrespect for and distrust of Government supervisors and hurts employee job performance.

Finally, the revolving door diminishes the public's view of the integrity of Government, generally, and of Government contracting, in particular. The appearance of corruption in Government contracting undermines the public's faith in its Government and erodes public support for necessary programs. Consider, for example, how the public must view the much-publicized problems with the Divad antiaircraft gun. Companies involved in designing and manufacturing that weapon hired three former Army lieutenant generals who, before retiring, had participated in the Divad research program.

One of these generals had actually helped formulate the Army's requirements for the system while he ran the Air Defense Command. These companies also hired five additional lower ranking Army officers who had been involved in Divad testing. One, a test manager, assumed exactly the same position with a contractor 3 months after the contract award. This is but one example among hundreds. How can the public believe that it is getting its money's worth in the face of these practices? The simple answer is that it cannot because it is not.

The bottom line is that these conflicts of interest cost the taxpayers enormous sums of money and hurt the quality of goods that the Government purchases. Estimates suggest that the Pentagon alone may lose some $30 billion a year through wasteful procurement practices. These bills will eliminate a significant amount of this waste and, at the same time, improve the quality of Government goods by insuring that those supervising their production owe loyalty only to the Government.

I am convinced that nothing short of the limited ban on post-Government employment proposed in these bills can restore the necessary integrity to the Government procurement process and assure the public that the Government is driving a hard bargain when contracting for the instruments of our national welfare.

Mr. President, I proposed, and the Senate passed, legislation very similar to this bill back in 1977. Unfortunately, that bill did not become law. I am confident that the time has finally come to nail shut the revolving door.

Finally, I would like to thank my distinguished colleague from Arkansas, Senator PRYOR, for his diligence and cooperation in producing these bills. I would also like to thank Senators SIMON, GORE, and MITCHELL for their cosponsorship of this legislation.

I ask unanimous consent that the bills be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRYOR. Mr. President, I rise today to join my distinguished colleague from Wisconsin, Senator PROXMIRE, in introducing legislation to slam shut the revolving door through which Pentagon procurement personnel pass to take employment with the very same contractors they have monitored during their Government service. In hundreds of cases, these personnel transfers have fractured the integrity of the procurement process. It is our belief that Congress must now step in and take action to eliminate these very real conflicts of interest.

I want to thank Senator PROXMIRE for his commitment and leadership in this area. He has worked for years to bring reform to Government procurement. It is therefore a great honor for me to join with him in this most worthwhile effort.

Let me say at the outset, we, in no way, have singled out the Department of Defense [DOD] as the only Department of the Federal Government which should operate under strengthened conflict of interest laws. On the contrary, reform is needed in all Federal procurement and we have therefore today introduced comparable legislation which would apply Governmentwide. However, with over $100 billion in DOD procurement spent per year, we feel it entirely appropriate and necessary that we initiate this reform at DOD without delay. We will therefore offer this bill in amendment form to the DOD authorization bill in the coming days.

Our bill would impose a cooling-off period on Pentagon procurement officials at the GS-11 level and above by forcing them to wait 3 years before taking a job with any contractor over whom they exercised significant responsibilities during the last 3 years of their Government employment. Both the individual and the contractor would be subject to criminal penalties for violating the act and the contractor would suffer an additional civil penalty. The Office of Government Ethics would oversee the act and advise individuals and contractors in cases involving potential violations.

Mr. President, some have expressed concern about the implications of limiting the employment opportunities of Government personnel. I understand and appreciate these concerns. However, I believe the interests of taxpayers in assuring that procurement decisions are motivated only by national security—and never personal security—supersedes the interests of employees who are narrowly and specifically limited in terms of post-Government employment under our bill. Let me emphasize: Our bill only restricts employment with the very same contractor the employee dealt with in their capacity as an agent of the Government. The employee can go to work for anyone else. This should in no way jeopardize the employment opportunities for qualified procurement personnel.

There is precedent for the type of restriction we propose today. Under 12 U.S.C. 232, members of the Board of Governors of the Federal Reserve Board, who have not served their full term of office, may not, for 2 years after leaving the Board, hold any office, position, or employment in any member bank. Similarly, under 12 U.S.C. 1812, members of the Board of Directors of the Federal Deposit Insurance Corporation are subject to 2-year prohibition for employment with any insured bank.

Examples of the revolving door are many and they cast a dark and unfavorable light on the system we use to purchase weapons, munitions, and supplies for the security of our Nation. Let me cite just a few egregious examples which have been reported in the press and which have eroded the public confidence in the Pentagon.

Gen. Alton D. Slay, retired from the Air Force in 1981 after a career which included positions as Deputy Chief of Staff for Air Force research, development, and acquisition, and head of the Air Force Systems Command, which develops all Air Force aircraft. Upon retirement, he formed Slay Enterprises, Inc. He then went to work for several defense contractors, including Lockheed. During his Government service, he had declared tests on Lockeed's C-5A cargo plane successful, even though the planes' engines were clogged and had to be shut down while idling.

Slay also worked with Pratt and Whitney during his Government service and for Pratt and Whitney when he retired. During his Government service, he revived production of the U2 spyplane. The airframe is made by Lockheed, the engine by Pratt and Whitney. Later, he came up with a way—again, during his Government service—to save Pratt's troubled F-100 engine, by suggesting Pratt sign a warranty which was described by a former Pratt engineer as similar to a car company guaranteeing a car for 2,000 miles.

The Maverick Missile, made by Hughes, is another case where Federal employees with significant responsibilities for the Pentagon—test director and systems project officer—on a troubled weapons system, went to work for the contractor they had previously monitored.

Mr. President, the list unfortunately goes on. Contract negotiators, including Air Force plant representatives, who monitor work which actually takes place at the the contractor's plant, are leaving the Government one day and going to work for those contractors the next day.

Officers of the Defense Contract Audit Agency [DCAA], charged with evaluating the acceptability of costs claimed or proposed by contractors and reviewing the efficiency and economy of contractor operations, have left the DCAA and gone to work for Boeing and Hughes in 1 and 2 days.

Recently, Ompal S. Chauhan, chief of the Manufacturing Operations Assessment Branch of the Air Force Plant Representative Office at the Boeing Plant in Wichita, KS, testified before the Seapower and Critical Materials Subcommittee of the House Armed Services Committee, on the need for reforms of the kind we are proposing today. Let me read a short quote which describes the "business as usual" attitude which we found with regard to personnel transfers:

> One of the auditors, who was assisting me during the December 1982 Hughes Productivity Study, Paul Fisher, was hired by Hughes even while he was part of our productivity review team. Initially, he was providing us with excellent data. Then for 3 days, he provided us no data, saying the company was stalling him. On the fourth day, he told us that he was being hired by Hughes and provided us with no further data at all. Two weeks later, he began his new job at Hughes.

Mr. President, the bill we introduce today, which we will offer as an amendment to the DOD authorization bill, will do much to restore public confidence in the Pentagon. It will prevent many situations of conflict like those I have described from arising. It will give taxpayers a greater return on their money. Finally, and most importantly, it will enhance our national security. I urge my colleagues to give this bill their careful consideration and support.

EXHIBIT 1

S. 1164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

"§ 2397a. Limitation on employment of certain Department of Defense personnel by defense contractors

"(a) As used in this section:

"(1) 'Compensation' includes any payment, gift, benefit, reward, favor, gratuity, or employment valued in excess of $100 at prevailing market price, provided directly, indirectly, or through a third party.

"(2) 'Contractor' means any person, partnership, corporation, or agency thereof (other than the Federal Government, the independent agencies of the Federal Government, or the District of Columbia) that offers, negotiates, agrees, or otherwise contracts to furnish to the Federal Government property, services, or supplies, and any parent organization, subsidiary organization, or affiliated organization of any such person, partnership, corporation, or agency thereof.

"(3) 'Covered defense official' means an officer or employee of the Department of Defense or a member of the armed forces on active duty who is paid for service as an officer or employee of the Department or member of the armed forces at a rate of basic pay equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule.

"(4) 'Procurement function' means any acquisition activity relating to a contract awarded by the Department of Defense, including—

"(A) negotiating, awarding, or administering the contract;

"(B) approving contract changes;

"(C) approving payment under the contract;

"(D) selecting a contractor;

"(E) performing cost analysis, quality assurance, operation and developmental testing, budgeting, or auding functions relating to the contract;

"(F) providing technical advice or recommendations relating to the contract; or

"(G) managing a procurement program which includes the contract.

"(b)(1) A former officer or employee of the Department of Defense and a member of former member of the armed forces may not accept compensation from any contractor for the 3-year period beginning on the date the former officer or employee separates from Government service in the Department or the member or former member is discharged or released from active duty if, within 3 years before such date, the former officer or employee or the member or former member was a covered defense official who had significant responsibilities in the performance of a procurement function with respect to that contractor.

"(2) Whoever violates paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(3) Whoever furnishes any compensation to a person who is prohibited by paragraph (1) from accepting the compensation shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(c)(1) Each contract for the procurement of property or services awarded by the Department of Defense shall include a provision prohibiting the contractor from furnishing compensation to any person if the acceptance of such compensation by such person would be a violation of subsection (b)(1).

"(2) A contractor which violates a contract provision required by paragraph (1), as determined by the Secretary of Defense, shall be liable to the United States for the greater of $250,000 or the amount equal to five times the annual rate of compensation paid by the contractor in violation of such contract provision. The United States may collect the amount of such liability by withholding, as a forfeiture, any money payable by the United States to the contractor.

"(d)(1) Not later than March 1 of each year, each contractor which is subject to a contract provision required by subsection (c)(1) shall transmit to the Inspector General of the Department of Defense a report on persons to whom the contractor furnished compensation during the preceding year and who are covered by such contract provision. The report shall include—

"(A) the name of each person (together with other information adequte to identify the person) who, as a covered defense official, performed a Government procurement function within 3 years before the first day of the year covered by the report and who was compensated by that contractor during the year covered by the report;

"(B) the agency or agencies of the Federal Government which employed the person or the armed force in which the person served on active duty, as the case may be, during the 3 years referred to in clause (A);

"(C) the person's job titles during the 3 years referred to in clause (A);

"(D) a full and complete description of the duties of the person during 3 years referred to in clause (A);

"(E) a full and complete description of any official responsibilities such person exercised with respect to any contract in which the contractor has or had an interest; and

"(F) a description of any duties that the person has performed on behalf of the contractor during the year covered by the report.

"(2) Not later than April 1 of the year in which the Inspector General of the Department of Defense receives a report under paragraph (1), the Inspector General shall transmit a copy of the report to the Congress.

"(3) The Inspector General of the Department of Defense shall assess the accuracy and completeness of each report received under paragraph (1) and shall identify any conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Inspector General shall report any such conduct, violations, and failures to the Attorney General of the United States for prosecution or other appropriate action without regard to whether the Secretary of Defense has taken or has declined to take action under subsection (c)(2).

"(4) A contractor who fails to transmit to the Inspector General of the Department of Defense a report required by paragraph (1) shall be liable to the Federal Government for an administrative penalty in the amount of $10,000. The Secretary of Defense shall assess the penalty required by the first sentence.

"(5) The Director of the Office of Government Ethics shall have access to the annual reports filed under paragraph (1) and shall review the reports for conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Director shall submit an annual report to the Congress on his actions under this paragraph and shall include in the report his findings relating to his review of the reports filed under paragraph (1).

"(e) Subsections (b), (c), and (d) do not apply with respect to a contract for an amount less than $25,000.

"(f)(1) The Director of the Office of Government Ethics shall coordinate and review the implementation and administration of this section. In consultation with the Secretary of Defense, the Secretaries of the military departments, the Attorney General, and the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Government Ethics may issue regulations to implement and administer this section and may review agency regulations issued to implement and administer this section.

"(2) For purposes of implementing and administering this section, the Secretary of

Defense, the Secretaries of the military departments, the Attorney General of the United States, and the Administrator of the Office of Federal Procurement Policy shall cooperate with the Director of the Office of Government Ethics and shall furnish the Director such information, appropriate personnel (with or without reimbursement by the Director), and financial and other assistance as may be agreed upon between the Director of the Office of Government Ethics and such official.

"(g)(1) Any person who is offered compensation that, if accepted, might place the person in violation of subsection (b)(1) may, before accepting such compensation, request from the Office of Government Ethics advice on the applicability of this section to such compensation. The request shall be made jointly by the person and the contractor who offered such compensation to the person.

"(2) A request made under paragraph (1) by any person who has been offered compensation referred to in such paragraph shall include—

"(A) a full and complete description of the person's duties during the last 3 years the person was employed by the Department of Defense or served on active duty in the armed forces, as the case may be;

"(B) any official responsibilities the person exercised during those 3 years with respect to any procurement contract in which the contractor has or had an interest; and

"(C) the contractor's description of any services that the person will perform on behalf of the contractor.

"(3) Promptly upon receipt of any request made under paragraph (1), the Director of the Office of Government Ethics shall publish a notice of the request in the Federal Register. The notice shall include—

"(A) the name of the person making the request;

"(B) the contractor offering compensation to the person; and

"(C) the information included in the request under clauses (A), (B), and (C) of paragraph (2).

"(h)(1) Upon receiving a request for advice under subsection (g), the Director of the Office of Government Ethics shall determine whether the acceptance and payment of compensation referred to in the request is conduct punishable under subsection (b) or would be a violation of a contract provision required by subsection (c)(1).

"(2) Not later than 30 days after the date the Office of Government Ethics receives a request for advice under subsection (g), the Director of the Office shall issue an interim advisory opinion stating his determination under paragraph (1) based on an initial review of the request.

"(3) Not later than 60 days after the date the Office of Government Ethics receives a request under subsection (g), the Director of the Office shall issue a final advisory opinion stating his final determination under paragraph (1).

"(4)(A) Except as provided in subparagraph (B), if the Director of the Office of Government Ethics states in an interim advisory opinion issued under paragraph (2) that, based on the initial review, the Director concludes that the acceptance and payment of such compensation is not conduct punishable under subsection (b) and does not violate a contract provision required by subsection (c)(1), acceptance and payment of such compensation shall not be punishable under subsection (b) and shall not be considered a violation of such contract provision.

"(B) Subparagraph (A) shall not apply to an acceptance or payment of compensation which occurs after the date the Director of the Office of Government Ethics issues a final advisory opinion under paragraph (3) if the Director states in the final advisory opinion that acceptance and payment of the compensation is conduct punishable under subsection (b) or violates a contract provision required by subsection (c)(1).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

"2397a. Limitation on employment of certain Department of Defense personnel by defense contractors.".

(b) Not later than 180 days after the effective date of the amendments made by subsection (a), the Secretary of Defense shall issue regulations specifying the procurement functions covered by the description of functions set out in section 2397a(a)(4) of title 10, United States Code (as added by subsection (a)).

SEC. 2. Section 2397 of title 10, United States Code, is amended—

(1) by striking out subsection (b);

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively;

(3) in subsection (b)(1) (as redesignated by clause (2))—

(A) by striking out "minimum rate for GS-13" and inserting in lieu thereof "minimum rate of basic pay payable for grade GS-11 under the General Schedule";

(B) by striking out "of at least $15,000" and inserting in lieu thereof "equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule"; and

(C) by striking out "contracts by the Department during the fiscal year that total at least $10,000,000" and inserting in lieu thereof "any contract during the fiscal year in an amount equal to or greater than $25,000"; and

(4) in subsection (d) (as redesignated by clause (2)), by striking out "$1,000, or imprisoned not more than 6 months, or both" and inserting in lieu thereof "$10,000".

SEC. 3. (a) The amendments made by the first section and section 2 shall take effect January 1, 1986.

(b) The amendments made by the first section—

(1) do not prohibit—

(A) the continuation of employment which commenced before the effective date of the amendments; or

(B) the receipt of compensation for such employment; and

(2) do not apply with respect to any procurement function performed before such effective date by a former officer or employee of the Department of Defense whose employment by the Federal Government terminated before such effective date or by a member or former member of the Armed Forces who was discharged or released from active duty in the Armed Forces before such effective date.

S. 1165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act:

(1) "Compensation" includes any payment, gift, benefit, reward, favor, gratuity, or employment valued in excess of $100 at prevailing market price, provided directly, indirectly, or through a third party.

(2) "Contractor" means any person, partnership, corporation, or agency thereof (other than the Federal Government, the independent agencies of the Federal Government, or the District of Columbia) that offers, negotiates, agrees, or otherwise contracts to furnish to the Federal Government property, services, or supplies, and any parent organization, subsidiary organization, or affiliated organization of any such person, partnership, corporation, or agency thereof.

(3) "Covered Government official" means an officer or employee of an executive agency or a member of the uniformed services on active duty who is paid for service as an officer or employee of the executive agency or as a member of the uniformed services at a rate of basic pay equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule.

(4) "Executive agency" has the same meaning as provided in section 105 of title 5, United States Code, except that such term includes the military departments referred to in section 102 of such title and does not include the General Accounting Office.

(5) "Procurement function" means any acquisition activity relating to a contract awarded by an executive agency, including—

(A) negotiating, awarding, or administering the contract;

(B) approving contract changes;

(C) approving payment under the contract;

(D) selecting a contractor;

(E) performing cost analysis, quality assurance, operation and developmental testing, budgeting, or auditing functions relating to the contract;

(F) providing technical advice or recommendations relating to the contract; and

(G) managing a procurement program which includes the contract.

(6) "Reviewing official", when used with respect to an executive agency, means—

(A) the Inspector General of the executive agency; or

(B) in the case of an executive agency which does not have an Inspector General, the head of the executive agency.

(7) "Uniformed services" has the same meaning as provided in section 101(3) of title 37, United States Code.

SEC. 2. (a) A former officer or employee of an executive agency and a member or former member of the uniformed services may not accept compensation from any contractor for the 3-year period beginning on the date the former officer or employee separates from Government service or the member or former member is discharged or released from active duty if, within 3 years before such date, the former officer or employee or the member or former member was a covered Government official who had significant responsibilities in the performance of a procurement function with respect to that contractor.

(b) Whoever violates subsection (a) shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

(C) Whoever furnishes any compensation to a person who is prohibited by subsection (a) from accepting the compensation shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

SEC. 3. (a) Each contract for the procurement of property or services awarded by an executive agency shall include a provision prohibiting the contractor from furnishing compensation to any person if the acceptance of such compensation by such person would be a violation of section 2(a).

(b) A contractor which violates a contract provision required by subsection (a), as determined by the head of the executive agency which awarded the contract, shall be liable to the United States for the greater of $250,000 or the amount equal to five times the annual rate of compensation paid by the contractor in violation of such contract provision. The Federal Government may collect the amount of such liability by withholding, as a forfeiture, any money payable by the Federal Government to the contractor.

SEC. 4. (a) Not later than March 1 of each year, each contractor which is subject to a contract provision required by section 3(a) shall transmit to the reviewing official of the executive agency which awarded the contract a report on persons to whom the contractor furnished compensation during the preceding year and who are covered by such contract provision. The report shall include—

(1) the name of each person (together with other information adequate to identify the person) who, as a covered Government official, performed a Government procurement function within 3 years before the first day of the year covered by the report and who was compensated by that contractor during the year covered by the report;

(2) the executive agency or executive agencies which employed the person or the uniformed service in which the person served on active duty, as the case may be, during the 3 years referred to in clause (1)

(3) the person's job titles during the 3 years referred to in clause (1)

(4) a full and complete description of the duties of the person during the 3 years referred to in clause (1)

(5) a full and complete description of any official responsibilities such person exercised with respect to any contract in which the contractor has or had an interest; and

(6) a description of any duties that the person has performed on behalf of the contractor during the year covered by the report.

(b) Not later than April 1 of the year in which the reviewing official of an executive agency receives a report under subsection (a), the reviewing official shall transmit a copy of the report to the Congress.

(c) The reviewing official of an executive agency who receives a report under subsection (a) shall assess the accuracy and completeness of the report and shall identify any conduct punishable under section 2, any violation of a contract provision required by section 3(a), and any failure of the report to meet the requirements of subsection (a). The reviewing official shall report any such conduct, violations, and failures to the Attorney General of the United States for prosecution or other appropriate action without regard to whether the head of the executive agency has taken or has declined to take action under section 3(b).

(d) A contractor who fails to transmit to the reviewing official of an executive agency a report required by subsection (a) shall be liable to the Federal Government for an administrative penalty in the amount of $10,000. The head of such executive agency shall assess the penalty required by the first sentence.

(e) The Director of the Office of Government Ethics shall have access to the annual reports filed under subsection (a) and shall review the reports for conduct punishable under section 2, any violation of a contract provision required by section 3(a), and any failure of the report to meet the requirements of subsection (a). The Director shall submit an annual report to the Congress on his actions under this subsection and shall include in the report his findings relating to his review of the reports filed under subsection (a).

SEC. 5. Sections 2, 3, and 4 do not apply with respect to a contract for an amount less than $25,000.

SEC. 6. (a) The Director of the Office of Government Ethics shall coordinate and review the implementation and administration of the provisions of this Act. In consultation with the heads of executive agencies and the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Government Ethics may issue regulations to implement and administer the provisions of this Act and may review executive agency regulations issued to implement and administer such provisions.

(b) For purposes of implementing and administering the provisions of this Act, each head of an executive agency and the Administrator of the Office of Federal Procurement Policy shall cooperate with the Director of the Office of Government Ethics and shall furnish the Director such information, appropriate personnel (with or without reimbursement by the Director), and financial and other assistance as may be agreed upon between the Director of the Office of Government Ethics and such official.

SEC. 7. (a) Any person who is offered compensation that, if accepted, might place the person in violation of section 2(a) may, before accepting such compensation, request from the Office of Government Ethics advice on the applicability of the provisions of this Act to such compensation. The request shall be made jointly by the person and the contractor who offered such compensation to the person.

(b) A request made under subsection (a) by any person who has been offered compensation referred to in such subsection shall include—

(1) a full and complete description of the person's duties during the last 3 years the person was employed by the Federal Government or served on active duty in the uniformed services, as the case may be;

(2) the official responsibilities the person exercised during those 3 years with respect to any procurement contract in which the contractor has or had an interest; and

(3) the contractor's description of any services that the person will perform on behalf of the contractor.

(c) Promptly upon receipt of any request made under subsection (a), the Director of the Office of Government Ethics shall publish a notice of the request in the Federal Register. The notice shall include—

(1) the name of the person making the request;

(2) the contractor offering compensation to the person; and

(3) the information included in the request under clauses (1), (2), and (3) of subsection (b).

SEC. 8. (a) Upon receiving a request for advice under section 7, the Director of the Office of Government Ethics shall determine whether the acceptance and payment of compensation referred to in the request is conduct punishable under section 2 or would be a violation of a contract provision required by section 3(a).

(b) Not later than 30 days after the date the Office of Government Ethics receives a request for advice under section 7, the Director of the Office shall issue an interim advisory opinion stating his determination under subsection (a) based on an initial review of the request.

(c) Not later than 60 days after the date the Office of Government Ethics receives a request under section 7, the Director of the Office shall issue a final advisory opinion stating his final determination under subsection (a).

(d)(1) Except as provided in paragraph (2), if the Director of the Office of Government Ethics states in an interim advisory opinion issued under subsection (b) that, based on the initial review, the Director concludes that the acceptance and payment of such compensation is not conduct punishable under section 2 and does not violate a contract provision required by section 3(a), acceptance and payment of such compensation shall not be punishable under section 2 and shall not be considered a violation of such contract provision.

(2) Paragraph (1) shall not apply to an acceptance or payment of compensation which occurs after the date the Director of the Office of Government Ethics issues a final advisory opinion under subsection (c) if the Director states in the final advisory opinion that acceptance and payment of the compensation is conduct punishable under section 2 or violates a contract provision required by section 3(a).

SEC. 9. Not later than 180 days after the effective date of this Act, the Administrator of the Office of Federal Procurement Policy shall issue regulations specifying the procurement functions covered by the description of functions set out in paragraph (4) of the first section.

SEC. 10. (a) This Act shall take effect January 1, 1986.

(b) This Act—

(1) does not prohibit—

(A) the continuation of employment which commenced before the effective date of this Act; or

(B) the receipt of compensation for such employment; and

(2) does not apply with respect to any procurement function performed before such effective date by a former officer or employee of the Federal Government whose employment by the Federal Government terminated before such effective date or by a member or former member of the uniformed services who was discharged or released from active duty in the uniformed services before such effective date.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of morning business.

WHITHER AMERICA?

Mr. GOLDWATER. Mr. President, today, we start debate on the 1986 defense budget. This authorization has been very carefully worked out by the Armed Services Committee and will serve the purposes of our military to defend our freedom. In reading the Strategic Review, which is an excellent publication put out quarterly, I came across an editorial written 10 years ago, and it is so applicable to the situation we find ourselves in this very

day, that I want to put it in the RECORD so that my colleagues can understand the concern many of us have for our defense situation.

I ask unanimous consent that this article, "Whither America?" be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Strategic Review, Spring 1975]

WHITHER AMERICA?

The Supplemental Statement of the "Report of the Blue Ribbon Defense Panel" submitted to the President and to the Secretary of Defense, dated September 30, 1970, pointed out that "The convergence of a number of trends indicates a significant shifting of the strategic military balance against the Untied States and in favor of the Soviet Union," that "The situation which our country faces is without precedent," and finally that "It is not too much to say that in the 70's neither the vital interests of the U.S. nor the lives and freedoms of its citizens will be secure."

This solemn statement brought into question for the first time in the history of our country the survival of American life and liberty.

Four years have elapsed. The "converging trends" for all weapons categories—conventional and nuclear, tactical and strategic—have long since intersected and currently are diverging at a rate which portends so great a disparity of military power favoring the Soviet Union that, if it is not checked, it will spell the end of U.S. security as we have known it and usher in a new world order subject to the harsh realities of Soviet coercion.

Soviet force levels on land, at sea and in the air, including nuclear strategic strike forces are—or by reason of unmatched Soviet momentum soon will be—massively superior by evéry measure of military power to those of the United States and its allies. SALT has done nothing to check this momentum. Indeed, SALT I regularized the principal of Soviet strategic nuclear superiority as to launchers, size, throw weight and ultimately numbers of warheads.

With the erosion of U.S. military power since World War II we have had to face up to the fact of another superpower and now we must face up to the fact of a superior military power.

Just what will that mean? And what problems will it pose for the United States and its allies?

First, the U.S. nuclear deterrent will disappear—simply by the passage of time, the terms of SALT I and the momentum of current Soviet qualitative programs. This would sharply curtail U.S. diplomatic influence and end our ability to negotiate or to guarantee U.S. security.

Second, clear Soviet nuclear superiority with the authority attendant to that status can encourage a new and different world order in the Soviet mold. U.S. failure to exploit for political advantage its period of nuclear monopoly and superiority is not a model which the Soviet Union can be expected to follow when it has the nuclear advantage.

Third, allied ties with the U.S. would be strained and ultimately, perhaps, broken by the necessity for accommodation with the Soviets both economically and politically.

Fourth, crisis creation and crisis management as a standard Soviet procedure are greatly enhanced by the challenge presented by the new Soviet navy as a flexible political instrument whose coercive effectiveness can be measured by the degree to which we permit our relative naval power to decline. This would have serious economic as well as military implications.

Fifth, U.S. power to insure its freedom of action and to pursue its vital interests would be subject to continual challenge and coercion.

Sixth, whatever the costs of maintenance of national security and our priceless freedom, the cost in dollars and cents of being subject to outside control, loss of world markets, and the increasing bill for blackmail and tribute could well make the cost of an adequate military posture, once abandoned, seem negligibly small by comparison.

This is a dangerous world—and becoming more so as the steadily expanding military power of the Soviet Union overshadows Western Europe and the United States and makes its way around the globe with the awesome weight of its large and expanding surface and submarine navy, nuclear-propelled and thermonuclear-weaponed. And all without benefit of surprise—and, as must have been learned by now, there can be surprises, too!

Nothing less than the course of civilization and whether the American experience is to have a future hangs upon the decision of the President and the Congress to take prompt and bold action to provide beyond all reasonable doubt for the safety of the Nation by restoration of that measure of relative military strength which has brought us safely to where we now stand.

This is the first responsibility of government. This—and no other—is the gravest issue of our time.

DANIEL R. McLEOD

Mr. THURMOND. Mr. President, it is with heartfelt sadness that I rise today to note the passing of my dear friend, Daniel Rogers McLeod, former attorney general of South Carolina, who died May 15 at the age of 71.

To his wife, Mrs. Virginia Hart McLeod; his son, Daniel R. McLeod, Jr.; his daughter, Elizabeth McLeod Coble; his brothers, James, Guyton, David, and Thomas; his sisters, Mrs. Rutledge Thomas and Mrs. Ed Tyler; and his stepsons, John E. Hart and Comdr. Robert S. Hart; I extend my deepest sympathy.

If there was ever a challenging and difficult time to serve as a State attorney general, it was during the time Dan McLeod held the post. For the 24 years he was the State's chief legal officer, South Carolina, like America, experienced some of the most profound social changes in history.

In his own words, he called the attorney general's job "one crisis after another." If there ever was a person who could truly handle one legal crisis after another, it was Dan McLeod.

There were countless times in this man's tenure that he took an unpopular stance to defend the statutes or constitution of the State of South Carolina from attack. He let no individual or group compromise the laws which he had sworn to uphold.

This fine gentleman had a brilliant legal mind. Not only was this recognized by the people of South Carolina, who elected him to the office for as long as he desired, but after 10 years of public service he was selected by the National Association of Attorneys General as the Nation's outstanding attorney general.

Dan McLeod's work will long be remembered by all those who benefited from his long and productive service. His touch is evident in many areas of State legal activity today including civil and criminal prosecutions, criminal appeals, child-support cases, environmental suits, and consumer fraud.

This man was admired and respected by all who had the opportunity to share his acquaintance. Historians will verify that his service to the people of South Carolina had a profound and continuing impact on the legal services provided by the attorney general's office.

In order to share more about a truly outstanding attorney general, my friend Daniel R. McLeod, I ask unanimous consent that the following article from his hometown newspaper be printed in the RECORD..

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the State (Columbia, SC), May 16, 1985]

FORMER ATTORNEY GENERAL McLEOD DIES

Daniel Rogers McLeod, South Carolina's attorney general for almost a quarter of a century, died Wednesday in Baptist Medical Center at Columbia. He was 71.

The soft-spoken but feisty man affectionately known as "General" had been hospitalized since mid-Arpil. His death, shortly after 8 p.m., followed a series of strokes

McLeod was the state's chief legal officer for 24 years, from his election in 1958 until his decision not to seek another term in 1982, encompassing a time of profound social change that reshaped McLeod's personal views and those of many other citizens.

"His death is an obvious loss to the state. History will write that he was a truly great attorney general."

Gov. Dick Riley said: "I have lost a true friend, a valuable colleague."

Ten years into his tenure, he was named the nation's outstanding attorney general—the only South Carolinian to achieve that recognition from the National Association of Attorneys General.

When he left office, McLeod was the senior state attorney general in the United States, as well as South Carolina's senior elected constitutional officer.

The Daniel R. McLeod Scholarship was established at USC Law School by his associates at the attorney general's office and by members of the South Carolina Bar.

McLeod was an active member of the Washington Street United Methodist Church. He served on several state boards and panels, including the old Board of Health, the Judicial Council and the advisory board of the Public Service Authority.

His second marriage was on July 29, 1962, to Mrs. Virginia Barrett Hart McLeod.

He is also survived by his sons, Daniel R. McLeod Jr. and John Ellison Hart of Columbia and Cmdr. Robert S. Hart of the U.S. Navy; a daughter, Elizabeth McLeod Coble of Columbia; brothers, James M. McLeod of Miami, Guyton McLeod of Charleston, David H. McLeod of Florence and Thomas McLeod of Columbia; and sisters, Mrs. Rutledge (Emma) Thomas of Cope and Mrs. Ed (Mary) Tyler of Estill.

Plans will be announced by Dunbar Funeral Home, Devine Street Chapel.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

WAIVER OF SECTION 303(a) OF CONGRESSIONAL BUDGET ACT—CONSIDERATION OF S. 1160

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the budget waiver to accompany S. 1160, Senate Resolution 168.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 168) waiving section 303(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1160.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 168) was agreed to, as follows:

S. Res. 168

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1160, a bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, and for other purposes.

Such a waiver is necessary because section 303(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides new spending authority described in section 401(c)(2)(C) of such Act to become effective during a fiscal year until the first concurrent resolution on the budget for such year has been agreed to pursuant to section 301 of such Act.

For the foregoing reasons, pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1160.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of S. 1160, the DOD authorization bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Armed Services.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, before I make my actual report on this bill, I wish to recognize the attitude of Congress and the attitude of many American people relative to the subject of defense spending that has been engineered by some, a very small percentage, of American corporations doing business with the Pentagon.

Mr. President, I happen to be a product of the American business system. I was in corporate work before I came to the Senate. But I cannot and will not defend those corporations that have violated honesty in connection with the defense of our country. Mr. President, we are here to help that defense of our country, not to punish or convict those who have abused the system.

Mr. President, I report to the Senate on the action taken by the Committee on Armed Services on S. 1160, the Omnibus Defense Authorization Act for fiacal year 1986.

Let me explain briefly the procedural background of this bill. The Armed Services Committee reported S. 1029 to the Senate on April 29 of this year. This bill was accompanied by Senate Report No. 99-41.

When the Armed Services Committee learned that the Senate would approve no real growth in the defense budget, it reconvened on Wednesday of this week to make further program reductions to conform to the ceiling in the budget resolution. The Committee has reported a clean bill, S. 1160, reflecting these new budget levels. Some explanatory backround information has been prepared to accompany the new bill, and I ask unanimous consent that this information be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1160, FISCAL YEAR 1986 NATIONAL DEFENSE AUTHORIZATION ACT, MAY 16, 1985

The Committee on Armed Services, with a bipartisan vote of 13 to 6 on April 4, 1985, agreed to report a Fiscal Year 1986 National Defense Authorization bill which represents 3 percent real growth in the defense program over the amount approved for Fiscal Year 1985. Specific program funding recommendations are reflected in Senate Report 99-41 which accompanies the bill S. 1029.

Subsequent to the Committee's action, the Senate on May 10 voted to freeze the defense budget for Fiscal Year 1986 at a level permitting no real growth after allowing for projected inflation. This represents a reduction of $9.1 billion in budget authority below the level of funding approved in S. 1029 as reported.

The Committee strongly disagrees with the action of the Senate in adopting a First Concurrent Budget Resolution which provides no real growth in the national defense function. Nevertheless, the Committee feels compelled to reconsider its earlier actions and report a new bill which reflects a defense funding level consistent with the budget resolution.

In the bill ordered reported on May 15, the Committee recommends slightly less than $6 billion in additional program funding reductions beyond the cuts made in the previous mark. In addition to programmatic reductions, the Committee utilizes approximately $4 billion in savings identified by the Department of Defense which result from efficiencies in the management of the industrial and stock funds, savings anticipated to be realized from revised procurement procedures in the operation and maintenance accounts, favorable contract negotiations, and lower than anticipated inflation rates.

The charts and explanatory statements which follow reflect the detailed recommendations of the Committee under the constraints of the Senate-passed First Concurrent Budget Resolution.

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION

[In thousands of dollars]

	Fiscal year 1985 budget authority	Fiscal year 1986 request	Change from request	Committee recommendation
DIVISION A				
Procurement				
Army:				
Aircraft	3,901,300	3,892,500	−155,000	3,737,500
Missiles	3,158,300	3,386,700	−39,000	3,347,700
Weapons and Tracked Combat Vehicles	4,548,100	5,739,100	−525,800	5,213,300
Ammunition	2,646,300	2,635,000	−226,700	2,408,300
Other Procurement	5,122,450	5,712,800	−663,300	5,049,500
Total, Army Procurement	19,376,450	21,366,100	−1,609,800	19,756,300
Navy:				
Aircraft	10,903,798	12,062,600	−718,000	11,344,600
Weapons	4,353,611	5,627,900	−157,700	5,470,200
Shipbuilding and Conversion	11,620,826	11,411,600	−1,485,400	9,926,200
Other Procurement	5,341,614	6,601,200	−1,321,800	5,279,400
Marine Corps	1,836,722	1,726,800	−112,000	1,614,800
Total, Navy Procurement	34,056,571	37,430,100	−3,794,900	33,635,200
Air Force:				
Aircraft	26,078,066	26,165,500	−1,900,400	24,265,100
Missiles	6,888,345	10,862,700	−1,277,800	9,584,900
Other Procurement	8,848,127	9,538,000	−831,600	8,796,400
Total, Air Force Procurement	41,814,538	46,566,200	−4,009,800	42,556,400
Defense Agencies Procurement	1,169,301	1,391,900	−73,800	1,318,100
National Guard and Reserve Procurement	380,000	0	332,000	332,000
Total Procurement	96,769,860	106,754,300	−9,156,300	97,598,000
Research, Development, Test, and Evaluation				
Army	4,376,115	5,279,900	−497,125	4,782,775
Navy (including Marine Corps)	9,274,106	11,264,300	−795,744	10,468,556
Air Force	13,506,347	15,578,500	−1,288,766	14,289,734
Defense Agencies	4,307,207	7,157,400	−1,031,134	6,126,266
Total, Research, Development, Test, and Evaluation	31,463,775	39,280,100	−3,612,769	35,667,331
Operation and Maintenance				
Army	18,603,698	20,190,630	−960,344	19,230,286
Navy	25,334,741	25,797,700	−1,064,828	24,732,872
Marine Corps	1,650,894	1,667,400	−39,378	1,628,022
Air Force	19,213,465	20,924,400	−823,726	20,100,674
Defense Agencies	7,182,599	7,568,900	−65,636	7,503,264
Army Reserve	732,700	779,600	−10,300	769,300
Naval Reserve	828,781	954,500	−50,710	903,790
Marine Corps Reserve	58,842	61,600	−4,730	56,870
Air Force Reserve	881,261	907,700	−16,856	890,844
Army National Guard	1,439,293	1,605,200	−13,580	1,591,620
Air National Guard	1,828,848	1,830,100	−23,738	1,920,162
Rifle Practice, Defense	928	920	0	920
Claims, Defense	146,500	158,300	−15,000	143,300
Court of Military Appeals, Defense	2,870	3,200	0	3,200
Environmental Restoration Fund	314,000	0	0	0
Total, Operation and Maintenance	78,219,420	82,450,150	−3,089,026	79,361,124
Working Capital Funds				
Army Stock Fund	366,448	442,000	−49,000	393,000
Navy Stock Fund	473,307	716,500	−78,000	638,500
Marine Corps Stock Fund	34,900	42,700	−5,000	37,700
Air Force Stock Fund	548,593	464,900	−49,000	415,900
Defense Stock Fund	130,700	193,500	−19,000	174,500
Total, Working Capital Funds	1,553,956	1,859,600	−200,000	1,659,000
Special Foreign Currency				
Army		0	0	0
Navy		1,600	0	1,600
Air Force		0	0	0
Defense Agencies		500	0	500
Total, Special Foreign Currency	8,650	2,100	0	2,100
Base Closure Fund	0	0	1,000,000	1,000,000
Total, Division A	208,042,661	230,346,250	−15,058,095	215,288,155
DIVISION B				
Military Construction				
Army	1,593,137	2,023,910	−441,571	1,582,339
Navy/Marine Corps	1,534,592	2,147,510	−563,946	1,583,564
Air Force	1,572,655	1,973,350	−291,207	1,682,143
Defense Agencies	302,198	309,600	−60,900	248,700
NATO Infrastructure	107,200	98,000	−60,000	38,000
Army National Guard	98,603	102,100	−1,900	100,200
Air National Guard	111,200	137,200	−9,645	127,555
Army Reserve	69,306	70,700	−1,300	69,400
Naval Reserve	60,800	51,800	−1,000	50,800
Air Force Reserve	67,800	66,800	−1,300	65,500
Total, Military Construction	5,517,491	6,980,970	−1,432,769	5,548,201
Family Housing				
Army	1,331,817	1,625,764	−66,590	1,559,174
Navy	659,282	738,739	−1,100	739,839
Air Force	885,565	943,698	−1,800	941,898
Defense Agencies	17,437	20,300	0	20,300
Total, Family Housing	2,894,101	3,328,501	−67,290	3,261,211
Total, Division B	8,411,592	10,309,471	−1,500,059	8,809,412

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION—Continued

[In thousands of dollars]

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION—Continued

[In thousands of dollars]

	Fiscal year 1985 budget authority	Fiscal year 1986 request	Change from request	Committee recommendation
DIVISION C				
Department of Energy National Security Program				
Weapons Activities	4,230,180	4,542,090	−180,500	4,361,590
Verification and Control Technology	76,700	93,575	10,000	103,575
Materials Production	1,738,300	1,947,900	−98,500	1,849,400
Defense Waste and By-Products Management	773,571	712,820	−52,000	660,820
Nuclear Safeguards and Security	62,700	58,925	0	58,925
Security Investigations	34,000	33,400	0	33,400
Naval Reactors Development	496,900	569,000	0	569,000
Total, Division C	7,362,351	7,958,710	−321,000	7,637,710
DIVISION D				
Federal Emergency Management Agency				
Civil Defense Program	179,547	119,125	0	119,125
Grand Total of Bill	223,996,151	248,733,556	−16,879,154	231,854,402

AIRCRAFT PROCUREMENT, ARMY

[Dollars amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
ROTARY						
4 EH-60A Helicopter (quickfix) (MYP)	18	146.4		−64.0		82.4
Less: Advance procurement (PY)		−27.8				−27.8
Net		118.6		−64.0		54.6
5 Advance procurement (CY)		24.4				24.4
Prior year authorization transfer			64.0			64.0
6 AH-64 Attack helicopter (Apache)	144	1,269.2			144	1,269.2
Less: Advance procurement (PY)	−91.0					−91.0
Net		1,178.2				1,178.2
7 Advance procurement (CY)		55.3				55.3
8 UH-60A (Black Hawk) (MYP)	78	414.7			78	414.7
Less: Advance procurement		−147.7				−147.7
Net		267.0				267.0
9 Advance procurement (CY)		199.0				199.0
Subtotal, aircraft		1,842.5		0.0		1,842.5
MODIFICATION OF AIRCRAFT						
11 OV-1 Surveillance airplane (Mohawk)		27.7				27.7
12 RC-12D Recon airplane		0.5				0.5
13 RV-1 Recon Airplane		0.5				0.5
15 AH1S Attack helicopter (Cobra-TOW)		124.5		−20.0		104.5
Prior year authorization transfer				20.0		20.0
17 CH-47 Cargo helicopter (MYP)		413.2		−20.0		393.2
Less: Advance procurement (PY)		−159.9				−159.9
Net		253.3		−20.0		233.3
18 Advance procurement (CY)		124.8				124.8
Prior year authorization transfer				20.0		20.0
19 CH-54 Cargo helicopter (Tarhe)		0.5				0.5
23 UH-1 Utility helicopter (Iroquois)		12.2				12.2
24 UH-60A (Black Hawk) MODS		15.4				15.4
25 Army Helicopter Improvement Program (AHIP)		206.0				206.0
Less: Advance procurement (PY)	−47.2					−47.2
Net		158.8				158.8
26 Advance Procurement (CY)		51.8				51.8
29 Airborne avionics		1.0				1.0
30 Modifications under $900,000 (aircraft)		0.1				0.1
31 ACFT SWW		17.0				17.0
Subtotal, modification of aircraft		788.1		0.0		788.1
32 Spares and repair parts		949.7		−100.0		849.7
Support equipment and facilities						
33 Avionics support equipment		67.8				67.8
34 Common ground equipment		35.0				35.0
35 Air traffic control		9.4				9.4
36 Synthetic flight training systems	7	131.6			7	131.6
37 Industrial facilities		61.9				61.9
39 War consumables		6.5				6.5
Undistributed reduction				−10.0		−10.0
Subtotal, support equipment and facilities		312.2		−10.0		302.2
Inflation reestimate for FY 86				−5.0		−5.0
Prior year program savings				−40.0		−40.0
Total, Army aircraft		3,892.5		−155.0		3,737.5

MISSILE PROCUREMENT, ARMY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
SURFACE-TO-AIR MISSILE SYSTEMS						
1 Chaparral	300	110.4			300	110.4
2 Other missile support		5.0				5.0
3 Patriot	585	983.4			585	983.4
4 Stinger	3,439	304.1			3,439	304.1
AIR-TO-SURFACE MISSILE SYSTEM						
5 Laser hellfire system	6,576	250.7			6,576	250.7
ANTI-TANK/ASSAULT MISSILE SYSTEM						
6 TOW 2	20,100	226.9			20,100	226.9
7 Advance procurement (CY)		22.0				22.0
8 Pershing		( )				( )
9 Multiple launch rocket system (MYP)	72,000	579.5			72,000	579.5
Less: Advance procurement (PY)		−71.7				−71.7
Net		507.8				507.8
10 Advance Procurement (CY)		41.0				41.0
Subtotal, other missiles		2,786.0		0.0		2,786.0
MODIFICATION OF MISSILES						
12 Patriot		17.2				17.2
13 Chaparral		112.9				112.9
14 Hawk		54.1				54.1
15 TOW		37.8				37.8
Subtotal, modification of missiles		222.0		0.0		222.0
21 Spares and repair parts		322.0		−10.0		312.0
SUPPORT EQUIPMENT AND FACILITIES						
22 Air defense targets		21.0				21.0
23 Items less than $900,000 (missiles)		3.8				3.8
24 Production Base SPI		29.9				29.9
25 Other production charges		2.0				2.0
Subtotal, support equipment and facilities		56.7		0.0		56.7
Inflation reestimated for FY 86				−4.0		−4.0
Prior year program savings				−25.0		−25.0
Total, missile procurement, Army		3,386.7		−39.0		3,347.7

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
TRACKED COMBAT VEHICLES						
1 Carrier, command post light, FT. Arm. M577A2	115	23.6			115	23.6
2 Carrier, personnel, FT. Arm. M113A2	325	82.9			325	82.9
3 Bradley fighting vehicles (MYP)	716	1,024.6			716	1,024.6
Less: Advance procurement (PY)		−17.6				−17.6
Net		1,007.0				1,007.0
4 Advance procurement (CY)		27.6				27.6
5 Bradley FVS training devices		79.4				79.4
6 Field artillery ammo support vehicle	197	101.5	−197	−101.5	0	0.0
8 Recovery vehicle, MED, FT. M88A1	240	215.8			240	215.8
9 Abrams tank series roll (MYP)	840	2,063.2			840	2,063.2
Less: Advance procurement (PY)		−313.6				−313.6
Net		1,749.6				1,749.6
10 Advance procurement (CY)	(840)	359.2			(840)	359.2
11 M60 series tank training devices		20.4				20.4
12 M1 series tank training devices		65.6				65.6
MODIFICATION OF TRACKED COMBAT VEHICLES						
13 Carrier, MOD		56.2				56.2
15 Fist vehicle (MOD)		80.8				80.8
16 BFVS series (MOD)		19.0				19.0
17 Howitzer, MED SP FT. 155MM M109 SER (MOD)		25.4				25.4
19 Armored veh launch bridge (AVLB) (MOD)		20.4				20.4
20 Tank, combat, FT. 105MM gun, M60SER (MOD) (MYP)		130.6		−20.0		110.6
22 105MM tank gun (MOD)		6.0				6.0
23 Tank, M1 series (MOD)		70.1				70.1
24 Robotic obst breaching assault tank (MOD)		17.8		−17.8		0.0
SUPPORT EQUIPMENT AND FACILITIES						
25 Spares and repair parts		649.0		−30.0		619.0
26 Value engineering		1.0				1.0
27 Items less than $900,000 (ICV-WTCV)		0.8				0.8
28 Production base support (TCV-WTCV)		95.8		−10.0		85.8
Subtotal, tracked combat vehicles		4,905.5		−179.3		4,726.2
WEAPONS AND OTHER COMBAT VEHICLES						
30 Sergeant York Divad gun	117	506.5	−80	−256.5	37	250.0
Less: Advance procurement (PY)		−100.0				−100.0
Net		406.5		−256.5		150.0
31 Advance procurement (CY)		11.0				11.0
33 Armor machine gun, 7.62MM M240	4,924	27.1			4,924	27.1
34 Squad automatic weapon (SAW) 5.56MM	6,000	14.5			6,000	14.5
35 Grenade launcher, auto. 40MM. MK19-3	821	9.0			821	9.0

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PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
36 Launcher, smoke grenade	3,177	2.1			3,177	2.1
37 Mortar, 81MM, XM252	187	6.1			187	6.1
38 Mortar, 120MM	63	5.0			63	5.0
39 M16 rifle	71,990	39.3			71,990	39.3
40 Personal defense weapon, 9MM	25,400	7.5	−25,400	−7.5	0	0.0
41 Veh rapid fire wpn sys-bushmaster (MYP)	715	45.6			715	45.6
42 Advance procurement (CY)		8.3				8.3
43 Tank muzzle boresight device	2,327	4.6			2,327	4.6
MODIFICATION OF WEAPONS AND OTHER COMBAT VEHICLES						
44 Divad (MODS)		0.5		−0.5		0.0
45 Howitzer, 155MM, M114A2 (MOD)		1.7				1.7
46 M16A1 rifle mods		3.3				3.3
48 Modifications under $900,000 (WOCV–WTCV)		0.8				0.8
SUPPORT EQUIPMENT AND FACILITIES						
49 Spares and repair parts		183.6				183.6
50 Items less than $900,000 (WOCV–WTCV)		2.9				2.9
51 Production base support (WOCV–WTCV)		51.4				51.4
53 5.56 carbine XM4	4,685	2.8			4,685	2.8
Subtotal, weapons & other combat vehicles		833.6		−264.5		569.1
Inflation reestimate for FY 86				−7.0		−7.0
Prior year program savings				−75.0		−75.0
Total, Army weapons & tracked combat vehicles		5,739.1		−525.8		5,213.3

PROCUREMENT OF AMMUNITION, ARMY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
AMMUNITION						
Atomic Material						
1 Nuclear Weapons Support Material		5.2				5.2
Controlled Items						
4 CTG, 5.56MM, Ball M193	114,883	18.1			11,883	18.1
5 CTG, 5.56MM, Blank M200	84,807	12.0			84,807	12.0
6 CTG, 5.56MM, BLK M200, LKD F/SAW	8,637	2.2			8,637	2.2
7 CTG, 5.56MM, 4 Ball M855/1 TRCR M856 LKD	26,884	9.6			26,884	9.6
8 CTG, 5.56MM, BALL M16–A2	96,289	25.0			96,289	25.0
9 CTG, 5.56MM, Tracer M16–A2	21,456	6.5			21,456	6.5
10 CTG, 7.62MM, Tracer M62 LKD	1,439	0.5			1,439	0.5
12 CTG, 7.62MM, 4 Ball M80/1 TRCR M62 LKD	84,525	25.0			84,525	25.0
13 CTG, 7.62MM, Ball M80 LKD/M13	2,428	0.7			2,428	0.7
14 CTG, 7.62MM, LKD 4 Ball 1 Tracer GNF	4,007	1.4			4,007	1.4
16 CTG, 7.62MM, Spec Ball M118	6,433	1.9			6,433	1.9
17 CTG, Cal. .22, Ball LR	136,179	2.7			136,179	2.7
18 CTG, 9MM, Ball	8,312	1.4	−8,312	−1.4	0	0.0
19 CTG, Cal. .45, Ball M1911	18,759	2.2			18,759	2.2
20 CTG, Cal. .45, Match Grade	5,120	0.8			5,120	0.8
22 CTG, Cal. .50, LKD 4 Ball/1 TRCR W/M15A2L	6,560	9.6			6,560	9.6
23 CTG, Cal. .50, APIT, M20 LKD	834	1.4			834	1.4
24 CTG, Cal. .50, Ball LKD	2,160	2.4			2,160	2.4
25 CTG, Cal. .50, BLK, M1A1, LKD W/M9LK F/M2	19,582	15.0			19,582	15.0
27 CTG, Cal. .50, LKD Tracer M17	2,882	4.1			2,882	4.1
28 CTG, Cal. .50, LKD 4 Ball/1 Tracer W/M9 L	33,124	44.4			33,124	44.4
29 CTG, 20MM, LKD TP–T M220 Series MLB M14A	5,175	19.3			5,175	19.3
31 CTG, 25MM, HEI–T M792 W/F	648	18.9			648	18.9
32 CTG, 25MM, APDS–T M791 W/M28(MYP)	455	11.1			455	11.1
33 CTG, 25MM, TPT LKD M793 MLB M28	2,400	37.7			2,400	37.7
35 CTG, 30MM, LKD HEDP M789 W/Fuze(MYP)	881	26.0			881	26.0
36 CTG, 30MM, LKD TP M788(MYP)	369	3.8			369	3.8
38 CTG, 40MM, PT–T M813 F/SGT York(MYP)	144	11.3	−144	−11.3	0	0.0
40 CTG, 40MM, HE W/PROX M822	144	31.0	−144	−31.0	0	0.0
41 CTG, 40MM, HEDP M430	2,047	48.8			2,047	48.8
42 CTG, 40MM, TP F/MK19	485	4.8			485	4.8
43 CTG, 40MM, PRAC M781	2,478	6.0			2,478	6.0
44 CTG, 75MM, Blank, M337A1 F/Howitzer	174	2.8			174	2.8
46 CTG, 81MM, Illum MK XM853	103	15.7			103	15.7
47 CTG, 81MM, HE MK W/Fuze	170	31.7			170	31.7
48 CTG, 81MM, SMK RP MK XM819	66	12.4			66	12.4
49 CTG, 81MM, MP 1/10 Range ING XM880	36	2.4			36	2.4
51 CTG, Sub Cal. 22, PRACT CHG–2 M745	157	1.1			157	1.1
55 CTG, 4.2-inch, Illum, W/Fuze	143	27.3			143	27.3
56 CTG, 4.2-inch, Smoke, WP	51	6.7			51	6.7
57 CTG, 120MM, HE W/Multi-Option Fuze	83	30.3			83	30.3
58 CTG, 120MM, Illum	8	4.0			8	4.0
59 CTG, 120MM, Smoke	41	11.2			41	11.2
61 CTG, 105MM, Heat MP T M456A2	130	47.2			130	47.2
62 CTG, 105MM, TP–T, M490	347	51.2			347	51.2
63 CTG, 105MM, Tracer–P FOR M833		2.3				2.3
64 CTG, 105MM, DS–TP M724	433	89.4			433	89.4
65 CTG, 105MM, APFSDS–T M833	76	46.8			76	46.8
67 CTG, 120MM, APFSDS–T XM829	45	59.7			45	59.7
68 CTG, 120MM, HEAT–MP–T, M830(MYP)	13	27.3			13	27.3
69 CTG, 120MM, TP–T XM831(MYP)	31	29.6			31	29.6
70 CTG, 120MM, TPCSDS–T, M865(MYP)	49	29.7			49	29.7
71 Proj, 155MM, HE, ICM M483 (MYP)	689	299.8			689	299.8
73 Proj, 155MM, SMK, WP, M825	38	16.3			38	16.3
76 Proj, 155MM, HE, Adam M731 (MYP)	6	26.5			6	26.5
78 Proj, 155MM, HE, Raams M741 (MYP)	41	71.6			41	71.6
80 Proj, 155MM, HE, Copperhead (EA)	6,900	235.0			6,900	235.0
81 Proj, 155MM, CHEM GB–2		( )				( )
82 Charge, Propelling, 155MM, Green BAG M3	466	27.7			466	27.7
83 Charge, Propelling, 155MM, WHITE BAG M4	378	30.4			378	30.4

PROCUREMENT OF AMMUNITION, ARMY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
84 Charge, Propelling, 155MM, RED BAG M203	60	20.4			60	20.4
85 Charge, Propelling, 155MM, WHITE BAG M11	140	17.8			140	17.8
89 Charge, Propelling, 8-INCH WB, M188	129	29.2			129	29.2
92 Fuze, MTSQ M577/M577A1	758	49.3			758	49.3
93 Fuze, MTSQ M582/M582A1	154	10.5			154	10.5
94 Primer, PERC, M82	1,491	2.9			1,491	2.9
95 Ground IMP Mine SCAT SYS AP M74 (MYP)	36	14.5			36	14.5
96 Ground IMP Mine SCAT SYS AT M75 (MYP)	134	26.5			134	26.5
97 Canister Mine Practice XM88 (Volcano)	5	1.5			5	1.5
98 Canister Mine (Volcano) XM87	10	2.6			10	2.6
99 Mine, AT.BLU–91/B (Volcano) (MYP)	60	12.6			60	12.6
100 Mine, AP, BLU–92/B (Volcano) (MYP)	12	5.0			12	5.0
101 MIR RKT 5 IN MK22 MOD 4 (EA)	1,412	5.4			1,412	5.4
102 Line Charge M58A3 (MICLIC) (EA)	1,018	12.3			1,018	12.3
103 Line Charge Inert M68A2 (MICLIC) (EA)	103	1.2			103	1.2
104 Modular Pack Mine System	3,358	36.0			3,358	36.0
106 Demolition munitions and other		16.5				16.5
107 Demo Kit Bangalore Torpedo	6	3.0			6	3.0
108 Lightweight multi-purpose system	156	107.6			156	107.6
109 Lightweight multi-purpose system TRNR	1,645	3.1			1,645	3.1
110 Hydra 70 RKT, MPSM HE M261 WHD(MYP)	36	28.9			36	28.9
111 Hydra 70 RKT, MPSM PRAC M267 WHD	8	5.4			8	5.4
112 Grenade, hand, all types		33.0				33.0
113 Signals, all types		33.5				33.5
114 Simulators, all types		28.7				28.7
Miscellaneous						
115 Ammo Components/Support, all types		21.3				21.3
116 Items less than $900,000 (Misc-Ammo)		3.7				3.7
117 Spares and repair parts		1.0				1.0
118 Ammunition peculiar equipment		5.2				5.2
119 Nitroguanidine (LB)		25.0				25.0
120 Comp A–5		9.1				9.1
121 Comp C–4		9.0				9.0
122 Comp B		4.4				4.4
123 PBX 0280		1.6				1.6
124 Cyclotol 70/30		2.8				2.8
126 Comp LX–14		5.8				5.8
130 Ammo SWW/ELT		1.7				1.7
Subtotal, ammunition		2,266.6		−43.7		2,222.9
AMMUNITION PRODUCTION BASE SUPPORT						
131 Provision of industrial facilities		280.6		−40.0		240.6
132 Components for prove-out		14.0				14.0
133 Layaway of industrial facilities		22.5				22.5
134 Jefferson proving ground modernization		2.0				2.0
135 Chemical demilitarization program		49.3				49.3
Subtotal, Ammunition PROD base support		368.4		−40.0		328.4
Prior year inflation savings				−78.0		−78.0
Inflation reestimate for FY 86				−3.0		−3.0
Prior year program savings				−62.0		−62.0
Total, Army Ammunition		2,635.0		−226.7		2,408.3

OTHER PROCUREMENT, ARMY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
TACTICAL VEHICLES						
1 Chassis trailer gen 2½ ton 2W M200A1	1,676	7.6			1,676	7.6
2 Dolly set, trans shelter, 7½T, M1022	141	5.5			141	5.5
3 Motorcycle, GED, 2W, rough terrain	1,413	5.6			1,413	5.6
5 Semitrailer, BB/Cont 34T M872 C/S	100	3.4			100	3.4
6 Semitrailer, LB, 12T M270A1–M2269A1	238	9.3			238	9.3
7 Semitrailer, low bed, 40T M870 (C/S)	311	12.2			311	12.2
8 Semitrailer, low bed HET, XM1000	144	11.2			144	11.2
9 Semitrailer, tank, 5000G	484	19.8			484	19.8
11 Trailer, cargo, ¾T, 2W, M101A2 W/E	1,241	5.3			1,241	5.3
12 Trailer, cargo, 1½T, 2W, M105A2	3,099	11.1			3,099	11.1
14 Trailer, tank water 400G 1½T, 2W M149A	650	4.0			650	4.0
15 HI MOB multi-purp Whld veh (HMMWV)(MYP)	13,383	326.0			13,383	326.0
16 Fast attack vehicle	88	3.1	−88	−3.1	0	0.0
18 Small unit support vehicle (SUSV)	135	14.8			135	14.8
19 Truck, 5T, 6×6, ABT (MYP)	2,179	225.3			2,179	225.3
20 Truck, 10T, 8×8, ABT (MYP)	770	128.7			770	128.7
21 Truck, tractor, yard type, M878 (C/S)	42	3.1			42	3.1
22 Modification of in-service equipment		0.1				0.1
23 Shop equipment, auto maint & rep	104	0.9			104	0.9
24 Items less than $900,000 (Tac Veh)		1.7				1.7
NON-TACTICAL VEHICLES						
25 Passenger carrying vehicles	2,464	30.0			2,464	30.0
26 General purpose vehicles		39.9				39.9
27 Special purpose vehicles		13.0				13.0
Support Equipment and Facilities						
28 Spares and repair parts		135.2				135.2
Subtotal, tactical and support vehicles		1,016.8		−3.1		1,013.7

OTHER PROCUREMENT, ARMY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
Telecomm Equip—Read Cmd Comm						
31 JCSE equipment (USREDCOM)		0.3				0.3
32 Classified project SWW		14.2				14.2
Telecomm Equip—Joint Tactical Comm Prog						
34 Mod rcvd TFC term (MRTT)		39.9				39.9
35 Dig group multiplexer (DGM)		20.4				20.4
36 BPTR/term assemblies		15.7				15.7
37 Radio terminals AN/TRC-170		29.2				29.2
39 Unit level switches		31.4				31.4
40 Com sys con el an/tyq-16		15.9				15.9
41 Dig nonsc vter TA-954	4,500	4.0			4,500	4.0
42 Audio-Tac term, CV-3591	159	4.0			159	4.0
43 Lightweight digital facsimile	275	7.4			275	7.4
44 Mob subscriber EQP		335.3				335.3
45 MOD of in-svc eq (TRI-TAC)		22.5				22.5
Telecomm Equip—Combat Support Comm						
46 Comm sys (HTLD)		8.5				8.5
47 Sincgars (ROLL)	16,400	231.3			16,400	231.3
48 Communications central, AN/TSC-99	3	11.7			3	11.7
51 IHP HF radio family		26.6				26.6
53 PWR supply PP-6148/U	110	0.9			110	0.9
55 Radio set AN/PRC-70	305	11.6			305	11.6
56 Antenna group OE-254	4,000	2.5			4,000	2.5
57 Small unit trans AN/PRC—68	510	1.0			510	1.0
61 Teletypewriter terminal AN/UGC-74	310	4.2			310	4.2
62 MOD of in-svc equip (CSC)		26.0				26.0
63 RDF comm (S.W. Asia)		19.5				19.5
64 Items less than $900,000 CSC-C-E)		10.1				10.1
66 Spec ops comm sup elmt		7.3				7.3
Telecomm Equip—Starcom Non-DCS						
69 AR Telecom auto PR (ATCAP)		9.2				9.2
70 C-E facilities/projects		20.5				20.5
71 Southcom C3 Upgrade		26.9				26.9
72 Electromag comp prog(EMCP)		0.6				0.6
Long-Haul Communications (DCS)						
73 Autodin (DCS)		4.8				4.8
75 Defense data network (DDN)		6.5				6.5
77 Transmission media (EUCOM)		16.2				16.2
78 Transmission media (PACOM)		30.9				30.9
79 WW tech con imp PR (WWTCIP)		5.3				5.3
Telecom Equip—Satcomm-GRD Environment						
80 Digital equipment (DSCS)		40.0				40.0
81 Interconnect facility (DSCS)		7.9				7.9
82 Jam resistant secure Com (JRSC)		22.9				22.9
83 Med sat term AN/GSC		62.1				62.1
84 Sprd spec mod acc (DSCS)		23.0				23.0
85 DSCS operations control sys (DOCS)		40.4				40.4
86 Mod in-svc equip (DSCS)		8.5				8.5
87 MPK sat UHF term, AN/PSC-3	114	3.9			114	3.9
88 VEH sat UHF term, AN/VSC-7	22	1.4			22	1.4
89 Single channel object tact term (SCOTT)		83.4		—83.4		0.0
90 Mod in-svc equip (TAC SAT)		53.4				53.4
Telecomm Equip—Eucom C3 System						
91 Eucom C3 (HWS)		98.6				98.6
93 Eucom alternate SPT HQ (ASH)		11.5			11.5	
Telecomm Equip—Comsec Equipment						
96 Auto key dc kgx-93/tsec	147	4.3			147	4.3
97 Sec vo imprv prg (COMSEC)		8.4				8.4
98 Loop key gen tsec/kg-82	1,520	2.1			1,520	2.1
99 Net ver gen tsec/kg-83	59	0.4			59	0.4
100 Dsd loop encryp dev kg-84	5,525	21.8			5,525	21.8
101 Tok encrt dev tsec/kg-93	212	2.2			212	2.2
102 Tsec/kg-94	828	7.8			828	7.8
104 Int lev 1 set tsec/st-34	14	0.8			14	0.8
105 Dig sub voice tsec/ky-68	525	2.0			525	2.0
106 Tsec/y-90	141	5.4			141	5.4
108 Key generator, tsec/kg-87	7	2.0			7	2.0
110 Comsec module, tsec/kgv-13	320	5.1			320	5.1
111 Freq module, kgv-10/tsec	17,120	18.2			17,120	18.2
113 Elec tran dev krk-13/tsec	7,272	1.5			7,272	1.5
114 Net con dev kyx-15/tsec	2,236	1.8			2,236	1.8
115 Speech secur eq tsec/ky-57	7,442	31.5			7,442	31.5
118 Tsec/KOv-5 (vector) secure equip	205	0.9			205	0.9
119 Tempest (COMSEC)		1.1				1.1
122 Tsec/kgv-11/secure module		1.3				1.3
124 Umstead cc (cl-11-1)		3.0				3.0
125 Umstead rt (cl-11-2)		6.8				6.8
126 Batson 11, tsec/cl-14		8.4				8.4
127 Items less than $900,000 (COMSEC)		4.5				4.5
Telecomm Equip—Base Comm						
128 Base comm (CONUS)		34.6				34.6
129 Base comm (EUCOM)		6.8				6.8
130 Base comm (PACOM)		4.0				4.0
131 Dc comd & con sys (DACCS)		10.3				10.3
132 Army ops ctr		5.0				5.0
133 Pentagon telecom ctr (ptc)		9.8				9.8
Trade for Telecomm						
134 Trade modernization		27.0				27.0
Other Elect Sys/Equip—Intelligence Support						
138 Trailblazer	2	38.4			2	38.4

OTHER PROCUREMENT, ARMY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
139 Tac elec surv sys		15.8				15.8
141 Manpack radio df system (MRDFS)	19	7.0			19	7.0
142 Team pack	4	6.0			4	6.0
143 Mod in ser eq (int spt)		20.2				20.2
144 Reserve tactical intel enhancement		0.9				0.9
145 Items less than $900,000 (int spt-c-e)		4.7				4.7
146 Ft Devens training support		0.4				0.4
147 Trojan		5.3				5.3
Other Elect Sys/Equip—Gen Def Intel Prog						
148 Intelligence data handling sys (IDHS)		[ ]				[ ]
149 Tech recon and surv sys (tecras)		[ ]				[ ]
150 Items less than $900,000 (gdip-c-e)		[ ]				[ ]
Other Elect Sys/Equip—Auto Data Process Sys						
151 Vert instl auto baseline (VIABLE-BASOPS)		18.7				18.7
152 Vertical force develop MIS		6.3				6.3
154 Battery computer system	89	17.7			89	17.7
156 Army data distribution system-adds		21.6				21.6
158 USAREUR tactical automation		2.2				2.2
159 Life cycle software sup (LCSS)		3.5				3.5
160 ADFE for non tac mgt info sys		9.4		23.6		33.0
162 Digital message device	701	13.2			701	13.2
163 Fire support team digital message	427	17.2			427	17.2
164 Maneuver control sys		72.3				72.3
165 Mod IN-SVC CMD/control (C2)		2.9				2.9
166 Corps/theater ADP SVC CTR (CTASC)		8.9				8.9
167 TACT army CMBT COMPT SY(TACCS)	2,522	44.7			2,522	44.7
169 Computer ballistics: mortar Xa-23	882	6.0			882	6.0
170 CSS log APPLC auto mark/read SYMBS(LOG MA)		10.6				10.6
171 WW MIL COM & CONT SYS ADPE		7.1				7.1
172 Unit level computer (ULC)		5.5				5.5
Audio Visual						
173 Afrts (audio visual)		4.3				4.3
174 DIG STRG & RTRVL ENGRG data sys (DSREDS)		25.3				25.3
175 Items less than $900,000 (A/V-C-E)		14.3				14.3
Other Elect Sys/Equip—Electronic Warfare						
177 Countermeasures set AN/TLQ-17A	12	5.7			12	5.7
179 Tacoom, AN/MLQ-34	6	19.0			6	19.0
180 EW (HTLD)		5.2				5.2
182 MOD IN-SVC EQUIP (EW)		2.1				2.1
183 Items less than $900,000 (EW-C-E)		2.9				2.9
Other Elect Sys/Equip—Tactical Electronics						
184 Charger, radiac detector PP-4370/PD	2,840	3.8			2,840	3.8
185 Battery charger PP-7286/U	450	3.5			450	3.5
186 Power supply, PP-6224	631	1.9			631	1.9
187 Computer/indicator, CP-696/PD	1,160	4.0			1,160	4.0
188 Meterological data sys (FAMAS)	21	33.1			21	33.1
189 Ground laser locator designator (GLLD)	180	45.1			180	45.1
191 Intrusion detection devices		16.6				16.6
192 NAVSTAR global positioning system	264	9.7	—50	—2.0	214	7.7
193 Position/azimuth determining sys (PADS)	97	36.4			97	36.4
195 Tam-6 night sight maintenance facility	17	4.2			17	4.2
196 AN/TAM-3 test set, night vision sight	83	2.3			83	2.3
199 Night vision goggles		65.0				65.0
200 Night vision sight INDIV WPN AN/PVS-4	3,661	9.9			3,661	9.9
201 Position location reporting sys (PLRS)		45.1				45.1
204 Radiac set AN-VDR-2	827	2.0			827	2.0
205 REMBASS		22.0				22.0
206 RFV TA/Design aerial recon sys (TADARS)		134.6		—68.6		9.8
207 Tactical dosimeter, IM-185	5,543	2.4			5,543	2.4
209 Modification of in-service EQ (TAC EL)		3.5				3.5
210 Items less than $900,000 (TACT ELEC-C-E)		14.5				14.5
TMDE for Tactical Electronics						
211 Test sta, electronic equip, AN/USM-410	6	8.9			6	8.9
213 TMDE for STE/ICE	981	5.6			981	5.6
214 Core electronic auto test (STE-X)	103	8.5			103	8.5
Other Elect Sys-Equip—Sup Equip and Fac						
215 Spares and Repair parts (Telecom)		215.4		—15.1		200.3
216 Spares and repair parts (COMSEC)		14.6				14.6
217 Spares and repair parts (other)		218.0				218.0
218 War reserve spares		32.8				32.8
219 Special programs		95.0				95.0
220 Quick return on investment (DRIP) PGM		0.5				0.5
221 Productivity investment funding		40.7				40.7
222 Prod enhancing cap investment prog (PECIP)		1.0				1.0
223 Production base support (C-E)		5.5				5.5
Subtotal, comm and elec equipment		3,306.3		—145.5		3,160.8
OTHER SUPPORT EQUIPMENT						
Chemical Defensive Equipment						
226 Sim det chem agent auto alarm XM81	692	4.7			692	4.7
227 Decontaminate app pwr DR LT WT XM17	379	6.4			379	6.4
230 Mask, protective, NBC	111,490	30.3			111,490	30.3
231 Chemical agent monitor	3,260	19.4			3,260	19.4
232 Simp coll prot equip XM20	310	3.9			310	3.9
233 Modular/coll prot equip for VV and S	100	3.1			100	3.1
236 Gen set, smoke, mech: pul jet, XM157	145	4.2			145	4.2
Bridging Equipment						
239 Boat, bridge erection, DE, 27 FT	185	25.4	—185	—25.4	0	0.0
240 Bridge, float-ribbon, interior bay	180	7.1			180	7.1
241 Bridge, float-ribbon, ramp	87	3.8			87	3.8
242 Bridge, float-ribbon, transporter	156	18.0			156	18.0
243 Items less than $900,000 (bridging)		0.9				0.9

OTHER PROCUREMENT, ARMY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Engineer (Non-Construction) Equipment						
245 Gemss aux mine dispenser XM138 (flipper)	237	2.0			237	2.0
246 Dispenser mine XM139	18	2.5			18	2.5
247 Launcher, mine clearing line charge	115	1.4			115	1.4
248 Marking sys. clear lane	65	3.0			65	3.0
249 E DET SET, mine, MET/NON-MET, AN/PRS-8	5,927	8.1			5,927	8.1
252 Mine clearing roller	50	3.5			50	3.5
253 Remote control unit (MOPMS)	581	4.6			581	4.6
254 M-9 armored combat earthmover (ACE)	70	65.0	−70	−65.0	0	0.0
255 Items less than $900,000 (ENG NON COSTR)		1.9				1.9
Combat Service Support Equipment						
256 Air conditioners various size/capacities		19.1				19.1
257 Field kitchen, mobile, trl mtd	327	5.3			327	5.3
259 Diving equipment		0.4				0.4
260 Firetrucks		8.6				8.6
264 TAG printing and binding equipment		5.4				5.4
265 Halon recharge service kit	132	2.1			132	2.1
266 Items less than $900,000 (CSS-EQ)		10.0				10.0
267 Modifications of in service equip (CSE)		3.8				3.8
Petroleum Equipment						
268 Tank assembly fab coll pol 50000 G	335	5.1			335	5.1
270 Tank assembly fab collapsible pol 10000G	492	5.8			492	5.8
273 Tank unit trl mtd 600 gal	826	1.9			826	1.9
274 Pump assy liq gas skd 4 in out 350 GPM	361	5.8			361	5.8
277 SWA petroleum distribution system		38.9				38.9
278 Items less than $900,000 (pol)		1.6				1.6
Water Equipment						
280 Wtr pur unit REV OS 2000/3000 GPH TK MTD	16	14.0			16	14.0
281 Water pur unit, REV OSMOSIS, 600GPH	95	24.0			95	24.0
286 Tactical water distr sys	2	8.3			2	8.3
289 Tank, fabric, coll, wtr. semi-trl mtd	140	1.6			140	1.6
290 Small mobile water chiller (SMWC)	118	2.2			118	2.2
292 Pump centrifugal, 65GPM	2,183	3.4			2,183	3.4
293 Items less than $900,000 (water EQ)		1.9				1.9
Medical Equipment						
294 Deployable medical system (DMS)		84.4				84.4
295 Combat support equipment medical		77.5				77.5
296 Medical support equipment		83.9				83.9
Maintenance Equipment						
297 Shop eq contact maintenance trk mtd (MYP)	740	38.0			740	38.0
Less: advance procurement (PY)		−11.0				−11.0
Net		27.0				27.0
301 Welding shop, trailer mtd	232	9.8			232	9.8
302 Shop eq electrical RPR semi-trl mtd	82	13.5			82	13.5
307 Calibration set support		7.7				7.7
308 Items less than $900,000 (main equip)		9.5				9.5
Construction Equipment						
313 Tractor full tracked low speed DD mod	129	26.4			129	26.4
314 Small emplacement excavator (see)	356	25.3			356	25.3
320 Items less than $900,000 (construction)		7.7				7.7
Rail Float Containerization Equipment						
321 Landing, craft, utility	5	22.9			5	22.9
324 RO/RO discharge platform	2	11.8			2	11.8
325 Causeway systems		13.4				13.4
329 Modifications of in-serv ed (FLOAT/RAIL)		1.0				1.0
330 Items less than $900.000 (FLOAT/RAIL)		4.2				4.2
Generators						
331 Gen and associated equip	5,311	99.4			5,311	99.4
Material Handling Equipment						
333 Truck, fork RR, GE, FT, 6000 LB	354	13.5			354	13.5
334 Truck, fork RR, GE, SRT, 2000 LB	123	2.9			123	2.9
336 Truck, fork RR, DE, PT, RT, 6000 LB	250	26.3			250	26.3
337 Truck, fork RR, ELEC, SRT. 6000 LB.	116	4.6			116	4.6
338 Truck, fork RR, ELEC, SRT FRT/SIDE LDR	23	2.0			23	2.0
339 Truck, fork RR, ELEC, SRT, 4000 LB	424	12.9			424	12.9
340 65 ton crane	11	6.2			11	6.2
341 Items less than $900,000 (MHE)		6.0				6.0
Other Support Equipment						
342 Spares and repair parts		37.7				37.7
344 Area oriented depot upgrade		73.8		−20.0		53.8
345 Value engineering (VE)		0.6				0.6
348 Project reshape (HQ DARCOM)		14.6		−8.6		6.0
349 Production base support (OTH)		7.9				7.9
352 Special equipment for user testing		11.2				11.2
353 Host nation support—Europe		58.2				58.2
354 National training CTR SUP		13.3				13.3
356 SWA staging bases		6.4				6.4
357 Training devices, nonsystem		177.8		−20.0		157.8
Subtotal, other support equipment		1,389.7		−139.0		1,250.7
Undistributed reduction				−132.7		−132.7
Prior year inflation savings				−174.0		−174.0
Inflation reestimate for FY 86				−5.0		−5.0
Prior year program savings				−64.0		−64.0
Total, other procurement		5,712.8		−663.3		5,049.5

AIRCRAFT PROCUREMENT, NAVY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
COMBAT AIRCRAFT						
1 A-6E (attack) intruder	6	213.9			6	213.9
Less: Advance procurement (PY)		−11.3				−11.3
Net		202.6				202.6
2 Advance procurement (CY)		11.6				11.6
3 EA-6B (electronic warfare) prowler	12	467.5			12	467.5
Less: Advance procurement (PY)		21.2				−21.2
Net		446.3				446.3
4 Advance procurement (CY)		33.0				33.0
5 AV-8B (V/STOL)	46	972.9	−3	−45.0	43	927.9
Less: Advance procurement (PY)		−80.4				−80.4
Net		892.5		−45.0		847.5
6 Advance procurement (CY)		86.6		−10.0		76.6
7. F-14A (fighter) Tomcat	18	838.6	−6	−100.0	15	738.6
Less: Advance procurement (PY)		−185.0				−185.0
Net		653.6		100.0		553.6
8 Advance procurement (CY)		148.2		−48.0		100.2
9 F/A-18 (fighter) Hornet	84	2,701.4			84	2,701.4
Less: Advance procurement (PY)		−207.7				207.7
Net		2,493.7				2,493.7
10 Advance procurement (CY)		268.1		−53.0		215.1
11 CH/MH-53E (Helo) Super Stallion (MYP)	14	279.1		−6.0	14	273.1
Less: Advance procurement (PY)		−19.0				−19.0
Net		260.1		−6.0		254.1
12 Advance procurement (CY)		33.3				33.3
13 AH-1T (helicopter) Sea Cobra	22	217.0			22	217.0
Less: Advance procurement (PY)		−15.0				−15.0
Net		202.0				202.0
15 SH-60B (ASW Helo) Seahawk	18	373.5	6	41.0	24	414.5
Less: Advance procurement (PY)		−57.9				−57.9
Net		315.6		41.0		356.6
16 Advance procurement (CY)		54.9				54.9
18 CV ASW Helo advance procurement (CY)		30.0				30.0
19 P-3C (patrol) Orion (MYP)	9	418.9		−7.0	9	411.9
Less: Advance procurement (PY)		−89.0				−89.0
Net		329.9		−7.0		322.9
20 Advance procurement (CY)		156.6		−50.0		106.6
22 E-2C (early warning) Hawkeye	6	358.0		−5.0	6	353.0
Less: Advance procurement (PY)		−29.6				−29.6
Net		328.4		−5.0		323.4
23 Advance procurement (PY)		31.3				31.3
24 SH-2F (ASW Helo) Seasprite	6	74.4	−6	−69.9	0	4.5
Less: Advance procurement (PY)		−4.5				−4.5
Net		69.9		−69.9		0.0
Rounding adjustment		−0.1				−0.1
Subtotal, combat aircraft		7,048.0		−352.9		6,695.1
AIRLIFT AIRCRAFT						
27 UC-12B/CX	12	26.9	−12	−26.9	0	0.0
C-20A		0.0	1	22.0	1	22.0
28 C-2 (MYP)	8	177.9			8	177.9
Less: Advance procurement (PY)		−43.0				−43.0
Net		134.9				134.9
29 Advance procurement (CY)		35.2				35.2
Subtotal, airlift aircraft		197.0		−4.9		192.1
TRAINER AIRCRAFT						
30 T-34C	38	49.4	−38	−49.4	0	0.0
32 Adversary (F-16)	12	115.7			12	115.7
Subtotal, trainer aircraft		165.1		−49.4		115.7
OTHER AIRCRAFT						
36 E-6A	2	395.0			2	395.0
Less: Advance procurement (PY)		−97.7				−97.7
Net		297.3				297.3
37 Advance procurement (CY)		58.3				58.3
40 VH-60	9	129.7			9	129.7
Less: Advance procurement (PY)		−26.9				−26.9
Net		102.8				102.8
Subtotal, other aircraft		458.4		0.0		458.4

AIRCRAFT PROCUREMENT, NAVY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
MODIFICATION OF AIRCRAFT						
42 A-3 series		5.4				5.4
43 A-4 series		17.0				17.0
44 A-6 series		240.5				240.5
45 EA-6 series		45.5				45.5
46 A-7 series		30.0				30.0
47 AV-8 series		8.1				8.1
48 F-4 series		5.0				5.0
49 RF-4 series		2.5				2.5
50 F-14 series		158.8				158.8
51 F-8 series		0.1				0.1
52 F-5 series		1.7				1.7
53 OV-10 series		51.5				51.5
54 F-18 series		17.8				17.8
55 H-46 series		137.0				137.0
56 H-53 series		40.3				40.3
57 SH-60 series		1.6				1.6
58 H-1 series		75.4				75.4
59 H-2 series		33.9				33.9
60 H-3 series		98.0				98.0
61 EP-3 series		38.5				38.5
62 P-3 series		152.9				152.9
63 S-3 series		284.3				284.3
65 E-2 series		72.1				72.1
67 Trainer AC series		5.3				5.3
75 EC-130 series		6.5				6.5
76 C-130 series		12.5				12.5
77 FEWSG		22.7				22.7
78 Cargo transport A/C series		6.9				6.9
80 Various		15.6				15.6
81 Power plant changes		8.3				8.3
82 Misc FLT safety/OPER necessity changes		4.3				4.3
83 Common ECM equipment		242.0				242.0
84 Common avionics changes		23.9				23.9
Undistributed reduction				−30.0		−30.0
Subtotal, modification of aircraft		1,865.7				1,865.7
AIRCRAFT SPARES						
85 Spares and repair parts		1,463.7		−88.0		1,375.7
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
86 Common ground equipment		684.8				684.8
87 Aircraft industrial facilities		57.1				57.1
88 War consumables		65.0				65.0
89 Other production charges		57.7				57.7
Undistributed reduction				−64.8		−64.8
Subtotal, support equip and facilities		864.7		−64.8		799.9
Undistribution reduction				−4.0		−4.0
Inflation reestimate for FY 86				−15.0		−15.0
Prior year program savings				−109.0		−109.0
Rounding adjustment		0.1				0.1
Total, aircraft procurement, Navy		12,062.6		−718.0		11,344.7

WEAPONS PROCUREMENT, NAVY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
BALLISTIC MISSILES						
1 UGM-73A (C-3) Poseidon		5.0				5.0
2 UGM-96A (C-4) Trident I		77.0		−30.0		47.0
Less: Advance procurement (PY)		−10.8				−10.8
Net		66.2		−30.0		36.2
3 Trident II		312.7				312.7
4 Advance Procurement (CY)		269.3				269.3
Modificiation of missiles						
5 UGM-73A (C-3) Poseidon MODS		15.0		−10.0		5.0
Support equipment and facilities						
7 Missile industrial facilities		4.5				4.5
8 Astronautics		12.6				12.6
Subtotal, ballistic missiles		685.3		−40.0		645.3
OTHER MISSILES Strategic Missiles						
9 BGM-109 Tomahawk	249	698.2			249	698.2
Less: Advance procurement (PY)		−28.0				−28.0
Net		670.2				670.2
10 Advance procurement (CY)		64.6		−10.0		54.6
Tactical Missiles						
11 AIM/RIM-7 F/M Sparrow	1,872	359.2			1,872	359.2
12 Advance procurement (CY)		9.5				9.5
13 AIM-9L/M Sidewinder	1,220	85.8			1,220	85.8
14 Advance procurement (CY)		8.0				8.0
15 AIM-54A/C (Phoenix)	265	368.0			265	368.0

WEAPONS PROCUREMENT, NAVY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Less: Advance procurement (PY)		−24.4				−24.4
Net		343.6				343.6
16 Advance procurement (CY)		38.3				38.3
17 AGM-84A Harpoon	395	314.9			395	314.9
18 AGM-88A Harm	904	258.0			904	258.0
19 SM-MR		26.4				26.4
20 Advance procurement (CY)		9.5				9.5
21 SM-2 MR	846	509.7			846	509.7
22 SM-2 ER	470	312.2			470	312.2
24 RAM	117	44.7			117	44.7
25 Sidearm	168	20.5			168	20.5
26 Hellfire	1,304	55.1			1,304	55.1
27 Laser Maverick	1,500	194.3			1,500	194.3
28 IIR Maverick	195	27.8			195	27.8
29 Aerial targets		105.6		−20.0		85.6
30 Drones and decoys		29.4				29.4
31 Other missile support		12.3				12.3
Modification of Missiles						
32 Tomahawk MODS		2.5				2.5
33 Aim/Rim-7E/F Sparrow MOD		2.3				2.3
34 AIM-9 Sidewinder MOD		30.3				30.3
35 AIM-54A/C Phoenix MOD		13.2				13.2
36 AGM-84A Harpoon MOD		9.5				9.5
37 Standard Missiles MOD		17.1				17.1
Support Equipment and facilities						
39 Weapons industrial facilities		18.9				18.9
40 Fleet satellite communications		56.3				56.3
41 Defense Meteorological Satellite Program		8.8		−8.8		0.0
42 Ordnance support equipment		71.9		−20.0		51.9
Subtotal, other missiles		3,730.5		−58.8		3,671.7
TORPEDOES AND RELATED EQUIPMENT						
44 Topedo MK-48 ADCAP	123	417.4			123	417.4
46 Topedo Mk-46 (MYP)	500	105.5			500	105.5
47 Advance procurement (CY)		23.6				23.6
49 MK-60 Captor		0.0	150	59.6	150	59.6
50 Mobile target MK-30 (MYP)	6	20.6			6	20.6
52 MK-38 Mini mobile target	1,200	3.5			1,200	3.5
53 ASROC		15.6				15.6
MODIFICATION OF TORPEDOES AND RELATED EQUIPMENT						
55 Mobile mine MK-67	280	23.7			280	23.7
56 Torpedo MK-46 MODS (MYP)	672	91.9			672	91.9
57 Advance procurement (CY)		8.4				8.4
59 Captor MODS		15.7		−4.0		11.7
60 Swimmer weapons system		1.5				1.5
Support equipment						
61 Torpedo support equipment		47.4				47.4
62 ASW Range support		23.2				23.2
Subtotal, torpedoes and related equipment		798.0		55.6		853.6
OTHER WEAPONS Guns and Gun Mounts						
64 MK-15 Close in weapons system	39	150.1			39	150.1
65 MK-75 76MM gun mount	6	20.0			6	20.0
66 MK-19.40MM machine gun	56	1.2			56	1.2
67 25MM gun mount	29	5.5		−2.5	29	3.0
68 Small arms and weapons		11.3		−3.0		8.3
Modification of Guns and Gun Mounts						
69 CIWS MODS		37.1		−5.0		32.1
70 5"/54 Gun mount MODS			14.1		−5.0	9.1
71 3"/50 Gun mount MODS		0.7				0.7
72 MK 75 76 EMM Gunmount MODS		4.2		−1.0		3.2
73 MODS under $900.000		2.0		−1.0		1.0
Support Equipment						
74 Gun support equipment		1.2				1.2
Subtotal, other weapons		247.5		−17.5		230.0
76 Spares and repair parts		166.6		−50.0		116.6
Undistributed reduction				−25.0		−25.0
Inflation reestimate for FY 86				−7.0		−7.0
Prior year program savings				−15.0		−15.0
Total, Navy weapons procurement		5,627.9		−157.7		5,470.2

SHIPBUILDING AND CONVERSION, NAVY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
FLEET BALLISTIC MISSILE SHIPS						
1 Trident (nuclear)	1	1,547.7		−100.0	1	1,447.7
Less: Advance procurement (PY)		−264.1				−264.1
Net		1,283.6		−100.0		1,183.6
2 Advance procurement (CY)		248.2				248.2
Subtotal, fleet ballistic missile ships		1,531.8		−100.0		1,431.8

SHIPBUILDING AND CONVERSION, NAVY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
OTHER WARSHIPS						
4 SSN-688 class submarine (nuclear)	4	2,685.0		-10.0	4	2,675.0
Less: Advance procurement (PY)		-561.8				-561.8
Net		2,123.2		-10.0		2,113.2
5 Advance procurement (CY)		585.2				585.2
8 Battleship react advance procurement (CY)		53.5				53.5
10 CV SLEP advance procurement (CY)		133.4				133.4
11 CG-47 Aegis cruiser (MYP)	3	2,787.3			3	2,787.3
Less: Advance procurement (PY)		-35.7				-35.7
Net		2,751.6				2,751.6
12 Advance procurement (CY)		14.6				14.6
14 DDG-51 advance procurement (CY)		164.3				164.3
Subtotal, other warships		5,825.8		-10.0		5,815.8
AMPHIBIOUS SHIPS						
15 LSD-41 landing ship dock	2	497.9			2	497.9
Less: Advance procurement (PY)		-83.5				-83.5
Net		414.4				414.4
17 LHD-1 amphibious assault ship	1	1,187.8			1	1,187.8
Less: Advance procurement (PY)		-39.2				-39.2
Net		1,148.6				1,148.6
18 Advance procurement (CY)		358.6		-193.0		165.6
Subtotal, amphibious ships		1,921.6		-193.0		1,728.6
MINE WARFARE AND PATROL SHIPS						
22 MCM mine countermeasures ship	4	334.1	-2	-167.0	2	167.1
23 MSH-1 coastal mine hunter	4	184.5			4	184.5
Subtotal, mine warfare and patrol ships		518.6		-167.0		351.6
AUXILIARIES, CRAFT AND PY PROG COSTS						
24 TAO fleet oiler	2	328.5			2	328.5
25 Tagos surtass ship	2	113.9			2	113.9
26 Advance procurement (CY)		1.2				1.2
28 AG sound barge	1	68.9			1	68.9
29 MTSD		26.5				26.5
35 Service craft		79.5		-41.8		37.7
36 Landing craft		34.4				34.4
37 Strategic sealift		203.4				203.4
38 LCAC landing craft	12	307.5			12	307.5
Less: Advance procurement (PY)		-31.3				-31.3
Net		276.2				276.2
39 Advance procurement (CY)		30.8				30.8
40 Outfitting		228.5				228.5
41 Post delivery		112.6				112.6
43 TACS crane ship (conv)	3	82.5			3	82.5
44 TAVB (conv)	1	32.1			1	32.1
Less: Advance procurement (PY)		-5.2				-5.2
Net		26.9				26.9
Subtotal, auxiliaries, craft and PY prog costs		1,613.8		-41.8		1,572.0
Undistributed reduction				-100.0		-100.0
Prior year authorization transfer				-437.6		-437.6
Prior year inflation savings				-337.0		-337.0
Inflation reestimate for FY 86				-14.0		-14.0
Prior year program savings				-85.0		-85.0
Total, Navy shipbuilding and conversion		11,411.6		-1,485.4		9,926.2

OTHER PROCUREMENT, RAVI

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
SHIP PROPULSION EQUIPMENT						
1 LM-2500 gas turbine		13.3				13.3
2 Allison 501K gas turbine	2	15.5			2	15.5
3 LM2500 special support equipment		0.9				0.9
4 Steam propulsion improvement program		6.8				6.8
5 Other propulsion equipment		19.9				19.9
GENERATORS						
7 Other generators		16.0				16.0
PUMPS						
8 Other pumps		11.6				11.6
AIR COMPRESSORS						
9 High pressure air compressor	12	3.3			12	3.3
PROPELLERS						
11 Submarine propellers	15	3.0			15	3.0

OTHER PROCUREMENT, RAVI—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
12 Other propellers and shafts		11.5				11.5
NAVIGATION EQUIPMENT						
13 Electrically suspended gyro navigator	8	36.8			8	36.8
14 Carrier navigation system		9.5				9.5
15 Other navigation equipment		16.1				16.1
UNDERWAY REPLENISHMENT EQUIPMENT						
16 Underway replenishment equipment		8.5				8.5
PERISCOPES						
17 Type 18 periscope		16.2				16.2
18 Type 8 periscopes		0.1				0.1
19 Persicopes and accessories		5.4				5.4
OTHER SHIPBOARD EQUIPMENT						
20 Firefighting equipment		5.1				5.1
21 Command and control switchboards	12	10.6			12	10.6
22 Pollution control equipment		9.3				9.3
23 Submarine silencing equipment		18.0				18.0
24 Surface ship silencing equipment		3.4				3.4
25 Submarine batteries	37	8.3			37	8.3
26 Strategic platform support equipment		56.5				56.5
27 DSSP equipment		11.3				11.3
28 Sealift support equipment		59.0		12.0		71.0
30 Minesweeping cable		5.7				5.7
31 HM&E items under 900K		10.8				10.8
32 Surface IMA		7.0				7.0
33 Radiological controls		2.3				2.3
34 Mini/micromini electronic repair		1.0				1.0
35 Chemical warfare detectors	302	15.4			302	15.4
36 Submarine life support system	4	13.4			4	13.4
37 HM&E engineered maintenance		8.4				8.4
REACTOR PLANT EQUIPMENT						
39 Reactor power units	6	163.4			6	163.4
40 Reactor components		227.8				227.8
OCEAN ENGINEERING						
41 Man in the sea		0.9				0.9
42 Diving and salvage equipment		8.3				8.3
43 Naval special warfare equipment		30.8				30.8
SMALL BOATS						
44 Small boats	251	14.8			251	14.8
TRAINING EQUIPMENT						
46 New ships training equip		19.6				19.6
47 Other ships training equipment		10.9				10.9
PRODUCTION FACILITIES EQUIPMENT						
48 Calibration equipment		1.1				1.1
49 Production support facilities		5.8				5.8
Subtotal, ship propulsion equipment		923.0		12.0		935.0
COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
Ship Radars						
52 AN/SPS-67	23	9.2			23	9.2
53 AN/SPS-40		14.8				14.8
54 AN/SPS-48		67.5				67.5
55 AN/SPS-49		14.1				14.1
56 AN/SYS-()	7	13.1			7	13.1
57 MK 23 target acquisition system	3	19.9			3	19.9
58 Radar support		25.0				25.0
Ship Sonars						
59 AN/SOS-26/53/53A		7.9				7.9
60 AN/SOS-53B	5	30.9			5	30.9
62 AN/BOO-5		101.0				101.0
63 TB-16 towed array (MYP)		2.9			9	2.9
Less: Advance procurement (PY)		-1.4				-1.4
Net		1.5				1.5
65 Surf sonar windows and domes		8.5				8.5
66 Sonar support equipment		11.8				11.8
67 Sonar switches and transducers		40.3				40.3
68 F&M system sonars		13.4				13.4
ASW Electric Equipment						
70 Submarine acoustic warfare systems		10.4				10.4
71 An/SLQ-25 (Nixie)	44	11.5			44	11.5
72 Acoustic communications		0.4				0.4
73 Submarine advanced combat system		2.8				2.8
74 SOSUS		85.8				85.8
75 AN/SQR-17 acoustic processor	20	15.2			20	15.2
76 AN-SQR-18 towed array sonar		41.7				41.7
77 AN-SQR-15 towed array sonar		1.9				1.9
78 AN/SQR-19 towed array sonar	16	146.5			16	146.5
79 Surtass		19.4				19.4
80 ASW operations center		30.0				30.0
81 Carrier ASW module		31.5				31.5
Electronic Warfare Equipment						
83 AN/SLQ-32		102.4				102.4
83 AN/SLQ-17		14.2				14.2
84 AN/WLR-1		3.5				3.5
85 AN/WLR-8	1	3.0			1	3.0
86 ICAD systems		4.8				4.8

OTHER PROCUREMENT, RAVI—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
87 Offboard deception devices		22.2				22.2
88 EW support equipment		21.5				21.5
89 Fleet EW support group		1.7				1.7
90 C3 countermeasures		8.5				8.5
Reconnaissance Equipment						
91 combat cryptologic support console		4.0				4.0
92 Combat DF		25.1				25.1
93 Outboard		36.4				36.4
94 Naval intelligence processing system		15.6				15.6
Submarine Surveillance Equipment						
95 AN/WLD–4 depot		5.4				5.4
96 AN/WLD–4 improvements		2.5				2.5
97 AN/BRD–7/8/9	4	12.8			4	12.8
100 Submarine Support Equipment Program		4.5				4.5
Other Ship Electronic Equipment						
101 Navy tactical data system		130.9				130.9
102 Tactical flag command center	4	20.8			4	20.8
104 Minesweeping system replacement		3.5				3.5
105 Omega shipboard equipment	44	1.6			44	1.6
107 Navstar GPS receivers	62	24.8	−45	−15.0	17	9.8
108 HF Link–11 data terminals	14	3.9			14	3.9
109 Armed Forces Radio and TV		6.9				6.9
110 Strategic platform support equipment		193.8				193.8
Training Equipment						
111 Other NAVELEX training equipment		0.1				0.1
112 Other NAVSEA training equipment		4.6				4.6
Aviation Electronic Equipment						
113 MATCALS		16.3				16.3
115 Shipboard air traffic control		13.3				13.3
116 Automatic carrier landing systems		9.2				9.2
117 TACAN		4.8				4.8
118 Air station support equipment		12.2				12.2
119 Microwave landing system	14	7.4			14	7.4
120 FACSFAC		49.3		−29.3		20.0
121 Radar air traffic control	10	1.5			10	1.5
122 MK XII aims IFF		2.7				2.7
Other Shore Electronic Equipment						
125 Naval space surveillance system		3.1				3.1
126 Space system processing		2.1				2.1
127 Mallets		0.6				0.6
128 NCCS ashore		35.0				35.0
129 RADIAC		8.6				8.6
131 Remote sensors		1.6				1.6
132 GPETE		28.6				28.6
133 Integ combat sys test facility		5.3				5.3
134 Calibration standards		7.0				7.0
135 EMI control instrumentation		10.0				10.0
136 Shore electronic items under 900K		5.1				5.1
Shipboard Communications						
137 Shipboard HF communications		13.6				13.6
138 Shipboard UHF communications		7.3				7.3
139 Flight deck communications		6.2				6.2
140 Portable radios	271	3.7			271	3.7
141 Shipboard communications automation		16.0				16.0
142 Ship Comm items under $900K		7.7				7.7
143 Sealift ship communications		4.8				4.8
Submarine Communications						
144 ELF communications	34	13.2			34	13.2
145 Shore LF/VLF communications		19.3				19.3
146 VERDIN		16.1				16.1
147 SSN integrated communications		1.7				1.7
149 Submarine communications antennas		15.5				15.5
150 Data collection and record system	25	1.0			25	1.0
151 Circuit Mayflower		0.3				0.3
Satellite Communications						
152 Satcom ship terminals		46.2				46.2
153 Satcom shore terminals		22.9				22.9
Shore Communications						
154 JCS communications equipment		1.4				1.4
155 Electrical power systems		0.1				0.1
156 Shore HF communications		30.0				30.0
158 Joint tactical communications (TRI–TAC)		26.7				26.7
160 Ashore mobile communications vans	4	6.0			4	6.0
161 Worldwide wideband communications		2.1				2.1
162 Defense data network		2.8				2.8
163 WWMCCS communications equipment		1.1				1.1
164 Shore communications automation		9.9				9.9
165 Shore comm items under 900K		3.1				3.1
Cryptographic Equipment						
166 Single audio system		18.2				18.2
167 TSEC/KY–71/72 (STU–II/STU–III)		15.8				15.8
168 TSEC/KG–84		27.1				27.1
169 TSEC/KY–57/58 (Vinson)		25.0				25.0
171 TSEC/KYV–5 (ANDVT)		4.6				4.6
172 TSEC/KW–46		14.3				14.3
173 TSEC/KG–72/KGV–14 (FDCS)		1.4				1.4
174 TSEC/KG–81 (Walburn)		5.3				5.3
175 TSEC/KG–44 (DMSP)		7.9				7.9
177 TSEC/KG–58/KGV–6 (PLRS)		9.5				9.5
178 Tri–Tac crypto (Tenley)		11.9				11.9
179 TSEC/KY–67 (Bancroft)		13.5				13.5

OTHER PROCUREMENT, RAVI—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
180 TSEC/KGV–11		4.5				4.5
181 Common fill devices		2.0				2.0
182 Signal security		1.9				1.9
183 Cryptographic items under 900K		5.5				5.5
Crypologic Equipment						
186 Cryptologic communications equipment		4.9				4.9
187 Ships signal exploitation space		4.8				4.8
188 Cryptologic items under 900K		6.0				6.0
189 Cryptologic reserve equipment		0.8				0.8
190 Cryptologic field training equipment		2.1				2.1
191 Shore cryptologic support system		2.3				2.3
Other Electronic Support						
192 Advance base functional components		0.1				0.1
193 Elec engineered maintenance (NAVSEA)		5.3				5.3
194 Elec engineered maintenance (NAVELEX)		2.1				2.1
------ 9th Battalion C&E equipment		0.0		2.0		2.0
Subtotal, comm & elec equipment		2,154.0		−42.3		2,111.7
AVIATION SUPPORT EQUIPMENT						
Sonobuoys						
196 AN/SSQ–36 (BT)	31,600	4.4			31,600	4.4
LESS: ADVANCE PROCUREMENT (PY)						
Net		2.4				2.4
198 AN/SSQ–53 (DIFAR)		143.0				143.0
199 AN/SSQ–57 (special purpose)		3.1				3.1
200 AN/SSQ–62 (DICASS)		27.0				27.0
202 AN/SSQ–77 (VLAD)		82.1				82.1
204 AN/SSQ–86 (DLC)		3.0				3.0
205 Signal underwater sound (SUS)		1.4				1.4
207 Low cost sonobuoy		11.1				11.1
Air Launched Ordnance						
208 Skipper	925	27.6			925	27.6
209 General purpose bombs		148.6				148.6
210 Laser guided bomb kits	652	22.1			652	22.1
211 Walleye		37.6				37.6
212 Rockeye	2,090	8.8			2,090	8.8
213 Zuni rocket		20.7				20.7
214 2.75 inch rocket		28.0				28.0
215 Parachute flares	307	2.1			307	2.1
216 Machine gun ammunition		27.0				27.0
217 Practice bombs		76.5		−20.0		56.5
218 Cartridges + cartridge actuated devices		29.9				29.9
219 Aircraft escape rockets		8.1				8.1
220 Airborne expendable countermeasures		91.7				91.7
221 Marine location markers		7.8				7.8
222 Defense nuclear agency material		2.2				2.2
223 Bigeye chemical weapon	425	21.5			425	21.5
224 Jatos		15.6				15.6
225 Gator	1,380	44.7			1,380	44.7
226 Misc air launched ordnance		0.2				0.2
Aircraft Support Equipment						
227 Weapons range support equipment		85.9		−10.0		75.9
229 Expeditionary airfields		2.9				2.9
230 Aircraft rearming equipment		79.0		−30.0		49.0
231 Catapults and arresting gear		27.5				27.5
233 Meteorological equipment		2.4				2.4
234 Other photographic equipment		1.7				1.7
235 Misc survival equipment		17.7				17.7
236 Airborne mine countermeasures		23.0				23.0
237 Lamps MK III shipboard equipment		42.7				42.7
238 Rewson photographic equipment		2.4				2.4
239 Stock surveillance equipment		2.3				2.3
240 Other aviation support equipment		3.1				3.1
Rounding adjustment		−0.1				−0.1
Subtotal, aviation support equipment		1,184.0		−60.0		1,124.0
ORDNANCE SUPPORT EQUIPMENT						
Ship Gun Ammunition						
243 5 /38 gun ammunition		4.5				4.5
244 5 /54 gun ammunition		67.0				67.0
245 5 inch guided projectile		104.3				104.3
246 16 inch gun ammunition		7.9				7.9
247 CIWS ammunition		35.2				35.2
248 76mm gun ammunition		17.3				17.3
249 Other ship gun ammunition		18.4				18.4
Ship Gun System Equipment						
250 Gun fire control equipment		34.8				34.8
252 Coast guard gun system	3	28.8			3	28.8
Ship Missile Systems Equipment						
253 MK 92 fire control system		2.9				2.9
254 Harpoon support equipment		13.0				13.0
255 Terrier support equipment		112.1				112.1
256 Tartar support equipment		106.8				106.8
257 Point defense support equipment (MYP)		43.8				43.8
258 Airborne ECM/ECCM		1.0				1.0
260 Aegis support equipment		61.8				61.8
261 Surface Tomahawk support equipment		86.6				86.6
262 Submarine Tomahawk support equipment		19.0				19.0
263 Vertical launch system	3	127.4			3	127.4

OTHER PROCUREMENT, NAVY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request: Quantity	Fiscal year 1986 request: Amount	Change from request: Quantity	Change from request: Amount	Committee recommendation: Quantity	Committee recommendation: Amount
FBM Support Equipment						
264 Strategic platform support equipment		168.9				168.9
ASW Support Equipment						
266 MK 117 fire control system		60.0				60.0
267 Submarine ASW support equipment		25.7				25.7
268 Surface ASW support equipment		20.8				20.8
269 MK 116 fire control system	8	25.7			8	25.7
270 ASW range support equipment		7.0				7.0
Other Ordnance Support Equipment						
271 Explosive ordnance disposal equipment		11.0				11.0
272 Swimmer weapons systems		1.2				1.2
273 Unmanned seaborne target		7.8				7.8
274 Anti-ship missile decoy systems	5	4.6			5	4.6
275 Calibration equipment		3.3				3.3
276 Stock surveillance equipment		2.1				2.1
279 Other ordnance training equipment		1.5				1.5
Other Expendable Ordnance						
281 Small arms and landing party ammo		18.8				18.8
282 Pyrotechnic and demolition material		25.5				25.5
283 Quickstrike		50.5				50.5
284 Fleet mine support equipment		25.2				25.2
285 Mine neutralization devices		3.2				3.2
286 Defense Nuclear Agency material		7.9				7.9
287 Shipboard expendable countermeasures		33.2				33.2
Subtotal, ordnance support equipment		1,396.5		0.0		1,396.5
CIVIL ENGINEERING SUPPORT EQUIPMENT						
288 Passenger carrying vehicles	804	10.1			804	10.1
290 Armored sedans	1	0.1			1	0.1
291 Trucks	2,775	38.1			2,775	38.1
292 Trailers	271	4.0			271	4.0
293 Crush, mix, batch, pave equipment		4.7				4.7
294 Drilling and blasting equipment		2.7				2.7
295 Earth moving equipment	228	11.4			228	11.4
296 Lighting and power generating equip		3.5				3.5
297 Misc construction and maintenance equip		3.5				3.5
298 Fire fighting equipment	71	7.1			71	7.1
299 Weight handling equipment	80	13.2			80	13.2
300 Amphibious equipment		73.0				73.0
301 Combat construction support equipment		9.5				9.5
303 Mobile utilities support equipment		2.9				2.9
306 Fleet moorings		7.3				7.3
307 Pollution control equipment		2.7				2.7
310 Fleet hospitals	1	27.7			1	27.7
— 9th Battalion equipment		0.0		11.0		11.0
Subtotal, civil engineering supp equipment		221.6		11.0		232.6
SUPPLY SUPPORT EQUIPMENT						
312 Forklift trucks	217	9.1			217	9.1
313 Other materials handling equipment		3.3				3.3
314 Automated materials handling systems		12.9				12.9
316 Pollution control equipment		2.3				2.3
322 Special purpose supply systems		34.9				34.9
Subtotal, supply support equipment		62.5		0.0		62.5
PERSONNEL AND COMM SUPPORT EQUIPMENT						
Training Devices						
325 Surface Sonar trainers		40.5				40.5
327 Submarine Sonar trainers		6.9				6.9
328 Surface combat system trainers		23.7				23.7
329 Submarine combat system trainers		11.9				11.9
331 Ship system trainers		15.3				15.3
342 Training support equip		2.4				2.4
343 Training device modifications		6.7				6.7
Command Support Equipment						
346 Medical support equipment		17.2				17.2
347 Intelligence support equipment		56.9		−3.9		53.0
348 Items under 900K		1.2				1.2
351 Oceanographic support equipment		0.0		14.0		14.0
352 Physical security equipment		17.2				17.2
Computer Acquisition Program						
353 Computer Acquisition Program		176.5				176.5
Productivity Programs						
356 Productivity investment fund (PIF)		3.4				3.4
Subtotal, personnel and comm sup. equipment		379.8		10.1		389.9
358 Spares and repair parts		279.8		0.0		279.8
Undistributed reduction				−1,025.6		−1,025.6
Prior year inflation savings				−168.0		−168.0
Inflation reestimate for FY 86				−6.0		−6.0
Prior year program savings				−53.0		−53.0
Rounding adjustment		0.1				0.1
Total, Navy other procurement		6,601.2		−1,321.8		5,279.3

PROCUREMENT, MARINE CORPS

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request: Quantity	Fiscal year 1986 request: Amount	Change from request: Quantity	Change from request: Amount	Committee recommendation: Quantity	Committee recommendation: Amount
AMMUNITION						
1 Linear Charges (all types)		3.2				3.2
2 Small Arms Ammunition		9.6				9.6
3 Machine Gun Ammo (all types)		34.9				34.9
4 Mortar Ammunition (all types)		33.3				33.3
5 Grenades (all types)		2.2				2.2
6 Rockets (all types)		57.2				57.2
7 Training Ammunition		29.0				29.0
8 155mm Ammunition		214.6				214.6
10 Copperhead 155mm Proj		52.1				52.1
11 8 Inch Ammunition		11.2				11.2
12 Fuzes (all types)		31.3				31.3
13 Ammo Modernization		5.7				5.7
Other Support						
14 Items Less Than $900,000		4.5				4.5
Subtotal, Ammunition		488.9		0.0		488.9
WEAPONS AND TRACKED COMBAT VEHICLES						
Tracked Combat Vehicles						
21 Modification Kits		1.1				1.1
22 M60 Mine Plow	80	4.4			80	4.4
23 Recovery Vehicle	5	4.5			5	4.5
24 Armored Vehicle Launched Bridge	16	8.6			16	8.6
25 Items Less Than $900,000		1.5				1.5
Artillery and Other Weapons						
26 Battery Computer System An/GYK-29	166	32.3			166	32.3
27 M198 Howitzer, Medium, Towed 155mm	35	21.0	−35	−21.0	0	0.0
30 Items Less Than $900,000		1.9				1.9
Weapons						
32 Personal Defense Weapon (9mm)	10,000	3.0	−10,000	−3.0	0	0.0
33 Machine Gun, Light, Squad, Auto, (SAW)	1,000	3.3			1,000	3.3
34 M16A2 Rifle 5.56MM	28,186	14.1			28,186	14.1
35 MK-19 Machine Gun, 40mm	150	1.0			150	1.0
36 EOD Equipment		0.7				0.7
38 83mm Launcher Assault Rocket (SMAW)	535	4.7			535	4.7
Subtotal, weapons and combat vehicles		102.1		−24.0		78.1
GUIDED MISSILES AND EQUIPMENT						
Guided Missiles						
39 Hawk	550	140.0			550	140.0
40 Hawk Mod		39.1				39.1
41 Stinger	800	59.4			800	59.4
43 Tel	4,782	44.5			4,782	44.5
Other Support						
44 Modification Kits		0.7				0.7
Subtotal, Guided Missiles and Equipment		283.7		0.0		283.7
COMMUNICATIONS AND ELECTRONICS						
45 Manpack Radios and Equipment		12.7				12.7
46 Vehicle Mtd Radios and Equip		10.6				10.6
Telephone and Teletype Equipment						
48 Unit Level Circuit Switch (ULCS)		18.6				18.6
49 ULCS Life Cycle Support		17.1				17.1
50 AN/TGC-() Tactical Comm Center		4.0				4.0
Repair and Test Equipment						
55 AN/USAM-323 Electronic Generator Signal	456	5.6			456	5.6
56 Shop Sets Electronic	80	5.3			80	5.3
57 Automatic Test Equipment System	45	5.2			45	5.2
60 Electronic Test Equipment		1.0				1.0
Other Comm/Elec Equipment						
61 PP-7333 Power Supply	1,012	3.8			1,012	3.8
63 AN/GXC-7A Facsimile Set	359	6.7			359	6.7
64 Andvt/Tacterm	34	1.5			34	1.5
Other Support (Tel)						
66 Test Calibration and Maint Support		1.0				1.0
68 Modification Kits		3.6				3.6
69 Items Less Than $900,000		0.9				0.9
Command and Control Systems (Non-Tel)						
70 Position Location Reporting Sys (Plrs)	2	59.1			2	59.1
72 Tactical Air OPS Module (TAOM)	4	86.3		−23.0	4	63.3
Radar and Equipment (Non-Tel)						
75 AN/TPS-59 Decoy	5	9.1			5	9.1
76 AN/PPN-19 Radar Transponder Beacon	272	13.2			272	13.2
Intell/Comm Equipment (Non-Tel)						
80 Remote Sensor Equipment		0.7				0.7
81 AN/TMQ-31 Meteorological Data System (MDS)	9	13.3			9	13.3
Repair and Test Equipment (Non-Tel)						
88 Electronic Test Equipment		1.0				1.0
Other Comm/Elec Equipment (Non-Tel)						
93 AN/TAS-4 Night Vision Sight (TOW)		10.5				10.5
94 Productivity Investment		0.5				0.5
95 Automated Data Processing Equipment		15.0				15.0

PROCUREMENT, MARINE CORPS—Continued

PROCUREMENT, MARINE CORPS—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request Quantity	Fiscal year 1986 request Amount	Change from request Quantity	Change from request Amount	Committee recommendation Quantity	Committee recommendation Amount
Other Support (Non-Tel)						
96 Test Calibration and Maint Support		1.6				1.6
98 Modification Kits		8.4				8.4
99 Items Less Than $900,000		0.4				0.4
Subtotal, communications and electronics		316.6		—23.0		293.6
SUPPORT VEHICLES						
Administrative Vehicles						
100 Commercial Passenger Vehicles	203	2.7			203	2.7
101 Commercial Cargo Vehicles		21.1				21.1
Tactical Vehicles						
102 High MOB Multi-Wheeled Veh (HMMWV) (MYP)	4,832	121.7			4,832	121.7
103 Air/Crash Fire and Rescue Veh	6	1.0			6	1.0
105 Trucks 5-Ton (All Types)	396	39.7			396	39.7
106 5 Ton Retrofit	691	17.9			691	17.9
108 Logistical Vehicle System (LVS)	719	71.4			719	71.4
109 Trailers (All Types)	772	10.5			772	10.5
110 Lubricating and Servicing Unit Power	70	2.0			70	2.0
Other Support						
112 Modification Kits		4.3				4.3
113 Items Less than $900,000		1.4				1.4
Subtotal, support vehicles		293.8		0.0		293.8
ENGINEER AND OTHER EQUIPMENT						
116 Environmental Control Equip		2.7				2.7
121 Motorized Road Grader	100	8.4			100	8.4
122 Tractors (All Types)	202	20.6			202	20.6
123 Runway Sweeper, Vacuum	18	2.3			18	2.3
124 Shop Equip, Gen Pur. Repair, Semi-Trlr	8	1.7			8	1.7
125 Container Handler Rt 50,000Lb.	27	7.7			27	7.7
126 CH–53E Helicopter Sling	310	1.0			310	1.0
127 Forklifts (All Types)	225	11.1			225	11.1
129 Bath Shower Unit Expeditionary Field	100	2.3			100	2.3
130 Refrigeration Unit, F/Rigid Box	264	1.2			264	1.2
131 Refrigerator, Rigid Box	218	1.4			218	1.4
133 Water Purification Unit—Rev Osmosis	125	20.6			125	20.6
137 Fuel, Water, Pump and Storage Module		4.2				4.2
138 Fuel Sys Amphib Assault 60,000 Gal	5	5.9			5	5.9
139 Helicopter Expedient Refueling System	6	0.7			6	0.7
142 Boat, Bridge Erection	21	5.2			21	5.2
143 Medium Girder Bridge	17	11.1			17	11.1
144 Power Equipment Assorted		8.5				8.5
145 Electrical Power Distribution System	17	9.0			17	9.0
Materials Handling Equipment						
146 Command Support Equipment		0.8				0.8
148 Garrison Mobile Engineer Equip		6.3				6.3
149 Telephone System		4.3				4.3
152 Material Handling Equipment		1.5				1.5
General Property						
153 TRN Devices (Audio Visual)		1.6				1.6
154 TRN Devices (Simulators)		10.4				10.4
156 Shelter Family	870	17.6			870	17.6
157 Container Family	4,900	7.0			4,900	7.0
158 Chemical Alarm System	634	1.9			634	1.9
159 Decontaminating Apparatus	85	1.2			85	1.2
160 Sanitation Set, Field Kitchen	75	1.2			75	1.2
Other Support						
162 Modification Kits		2.8				2.8
163 Items Less Than $900,000		3.5				3.5
Subtotal, Engineer and Other Equipment		185.5		0.0		185.5
164 Spares and Repair Parts		56.1		0.0		56.1
Undistributed Reduction				—35.0		—35.0
Inflation Reestimate for FY 86				—2.0		—2.0
Prior Year Program Savings				—28.0		—28.0
Total, Marine Corps Procurement		1,726.8		—112.0		1,614.8

AIRCRAFT PROCUREMENT, AIR FORCE

[Dollar amounts in millions]

Line No.	Fiscal year 1986 request Quantity	Fiscal year 1986 request Amount	Change from request Quantity	Change from request Amount	Committee recommendation Quantity	Committee recommendation Amount
COMBAT AIRCRAFT						
Strategic Offensive						
1 ACM Integration		122.8		—122.8		0.0
2 B–18 (MYP)	48	7,632.7			48	7,632.7
Less: Advance Procurement (PY)		—2,170.9				—2,170.9
Net		5,461.8				5,461.8
Tactical Forces						
4 F–15 C/D/E	48	2,079.3		—30.0	48	2,049.3

AIRCRAFT PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No.	Fiscal year 1986 request Quantity	Fiscal year 1986 request Amount	Change from request Quantity	Change from request Amount	Committee recommendation Quantity	Committee recommendation Amount
Less: Advance Procurement (PY)		—176.4				—176.4
Net		1,902.9		—30.0		1,872.9
5 Advance Procurement (CY)		236.0				236.0
6 F–16 C/D (MYP)	180	3,277.9		—52.0	180	3,225.9
Less: Advance Procurement (PY)		—441.2				—441.2
Net		2,836.7		—52.0		2,784.7
7 Advance Procurement (CY)		553.1				553.1
Other Combat Aircraft						
8 KC–10A (ATCA) (MYP)	12	763.0			12	763.0
Less: Advance Procurement (PY)		—524.2				—524.2
Net		238.8				238.8
9 Advance Procurement (CY)		208.2				208.2
10 MC–130H	1	83.9			1	83.9
Less: Advance Procurement (PY)		—10.3				—10.3
Net		73.6				73.6
11 Advance Procurement (CY)		5.9				5.9
Subtotal, Combat Aircraft		11,639.8		—204.8		11,435.0
AIRLIFT/TANKER AIRCRAFT						
Strategic Airlift						
14 C–5B	16	2,193.6		—102.0	16	2,091.6
Less: Advance Procurement (PY)		—251.5				—251.5
Net		—1,942.1		—102.0		1,840.1
15 Advance Procurement (CY)		326.0				326.0
Other Airlift						
20 C–20A	8	168.8			8	168.8
Subtotal, airlift/tanker aircraft		2,436.9		—102.0		2,334.9
TRAINER AIRCRAFT						
UPT Trainers						
21 T–46A (NGT)	33	165.1			33	165.1
Less: Advance Procurement (PY)		—22.3				—22.3
Net		142.8				142.8
22 Advance Procurement (CY)		63.3				63.3
Subtotal, trainer aircraft		206.1		0.0		206.1
OTHER AIRCRAFT						
Helicopters						
24 HH–60	3	100.0	—3	—94.0	0	6.0
Less: Advance Procurement (PY)		—6.0				—6.0
Net		94.0		—94.0		0.0
25 Advance Procurement (CY)		22.0		—10.0		12.0
Other Aircraft						
28 Aurora		80.1		—80.1		0.0
29 TR–1/U–2	8	352.4	—2	—64.1	6	288.3
Less: Advance Procurement (PY)		—8.5				—8.5
Net		343.9		—64.1		279.8
Subtotal, other aircraft		540.0		—248.2		291.8
MODIFICATION OF IN-SERVICE AIRCRAFT						
Strategic Aircraft						
31 B–52		463.6		—100.0		363.6
32 FB–111		13.2				13.2
33 B–18		5.1				5.1
Tactical Aircraft						
34 A–7		3.4				3.4
35 A–10		87.0				87.0
36 F/RF–4		174.2				174.2
37 F–5		25.7				25.7
38 F–15		141.8				141.8
39 F–16		73.7				73.7
40 F–111		294.5				294.5
42 TR–1A		11.7				11.7
Airlift Aircraft						
44 C–5		9.8				9.8
45 C–141		2.1				2.1
Trainer Aircraft						
46 T–38		40.1				40.1
Other Aircraft						
47 KC–10A (ATCA)		4.3				4.3
48 C–12		5.0				5.0
50 C–130		201.0				201.0
52 C–135		868.1				868.1
53 E–3		33.4				33.4
54 E–4		20.4				20.4
55 HH–53 aircraft		26.4				26.4

AIRCRAFT PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No.	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
56 Other aircraft		133.2				133.2
Other Modifications						
57 Classified projects		114.4				114.4
Civil Reserve Airlift Fleet (CRAF)						
59 Civil reserve airlift fleet (CRAF)		164.9				164.9
Undistributed reduction				−240.0		−240.0
Subtotal, modification of in-service A/C		2,917.8		−340.0		2,577.8
AIRCRAFT SPARES AND REPAIR PARTS						
60 Spares and repair parts		4,934.6				4,934.6
Undistributed reduction				−310.0		−310.0
Subtotal, aircraft spares and repair parts		4,934.6		−310.0		4,624.6
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
61 Common ground equipment		631.0				631.0
62 Industrial responsiveness		89.2		−15.0		74.2
63 War consumables		86.4				86.4
64 Other production charges		2,683.7		−242.4		2,441.3
Subtotal, support equipment and facilities		3,490.3		−257.4		3,232.9
Inflation reestimate for FY 86				−32.0		−32.0
Prior year program savings				−406.0		−406.0
Total, aircraft procurement, Air Force		26,165.5		−1,900.4		24,265.1

MISSILE PROCUREMENT, AIR FORCE

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
BALLISITC MISSILES Strategic						
1 Peacekeeper (M–X)	48	3,037.3	−27	−981.0	21	2,056.3
FORCE MODERNIZATION						
3 Missile Replacement Equipment—Strategic		86.7		−30.0		56.7
Subtotal, Ballistic Missiles		3,124.0		−1,011.0		2,113.0
OTHER MISSILES Strategic						
4 Advanced Cruise Missile		[ ]				[ ]
Less: Advance Procurement (PY)						
Net		[ ]				[ ]
5 Advance Procurement (CY)		[ ]				[ ]
6 Air Launch Cruise Missile		34.4				34.4
Tactical						
7 AIM–7F/M Sparrow	425	82.3			425	82.3
8 AIM–9L/M Sidewinder	800	43.3			800	43.3
9 AGM–130 Powered GBU–15	97	48.5			97	48.5
10 AGM–65D Maverick	3,500	504.0			3,500	504.0
Less: Advance Procurement (PY)		−15.0				15.0
Net		489.0				489.0
13 AGM–88A Harm	1,715	478.1			1,715	478.1
14 Rapier		7.6				7.6
15 Amraam	90	395.9		−166.5	90	229.4
Less: Advance Procurement (PY)		−29.4				−29.4
Net		366.5		−166.5		200.0
16 Advance Procurement (CY)		65.9				65.9
17 GRD Launch Cruise Missile	95	556.0			95	556.0
Less: Advance Procurement (PY)		−11.9				−11.9
Net		544.1				544.1
18 Advance Procurement (CY)		9.8				9.8
Target Drones						
21 Target Drones		35.9				35.9
Tactical Drones						
23 Industrial Facilities		12.9				12.9
24 Missile Replacement Equipment—Tactical		14.5				14.5
Subtotal, Other Missiles		2,895.7		−166.5		2,729.2
MODIFICATION OF IN-SERVICE MISSILE						
35 Class IV		92.7				92.7
Class V						
26 LGM–30F/G Minuteman II/III		13.5				13.5
UPDATE						
30 AGM–88A Harm		3.0				3.0
31 Update ALCM		16.5				16.5
32 GRD Launch Cruise Missile Update		8.7				8.7
Subtotal, Modification of in-service missile		134.5		0.0		134.5

MISSILE PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
33 Spares and Repair Parts		539.3		−25.0		514.3
OTHER SUPPORT Space Programs						
34 Spaceborne Equip (COMSEC)		36.3				36.3
35 Global Positioning (MYP)	9	352.0			9	352.0
Less: Advance Procurement (PY)		−154.6				−154.6
Net		197.4				197.4
37 Space Launch Support		381.1		−35.0		346.1
Less: Advance Procurement (PY)		−85.1				−85.1
Net		296.0		−35.0		261.0
40 Def Meteorological Sat Prog (MYP)		54.0				54.0
42 Defense Support Program		131.3				131.3
44 Defense Satellite Commo System (MYP)	2	187.7			2	187.7
Less: Advance Procurement (PY)		−52.2				−52.2
Net		135.5				135.5
45 Advance Procurement (CY)		13.7				13.7
46 AF Satellite Commo System	1	34.4			1	34.4
47 Space Boosters	7	126.9			7	126.9
48 Space Defense System		[ ]				[ ]
Less: Advance Procurement (PY)						
Net		[ ]				[ ]
49 Advance Procurement (CY)		[ ]				[ ]
50 Space Shuttle		22.1				22.1
Special Programs						
51 Other Programs		170.0				170.0
52 Have Flag		[ ]				[ ]
53 Forest Green		4.7				4.7
54 Ionds (MYP)		45.8				45.8
55 Special Programs		1,915.8		−32.4		1,883.4
56 Special Update Programs		887.4		40.1		927.5
Subtotal, Other Support		4,169.2		−27.3		4,141.9
Inflation Reestimate for FY 86				−13.0		−13.0
Prior Year Program Savings				−35.0		−35.0
Rounding Adjustment		0.1				0.1
Total, Missile Procurement, Air Force		10,862.7		−1,277.8		9,584.9

OTHER PROCUREMENT, AIR FORCE

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
MUNITIONS AND ASSOCIATED EQUIPMENT Rockets and Launchers						
1 2.75-inch rocket motor	100,000	22.3			100,000	22.3
2 GTR–18 missile simulator	65,867	2.0			65,867	2.0
4 Rocket training 35mm	52,280	1.7			52,280	1.7
5 Items less than $900,000		4.6				4.6
Cartridges (thousands)						
6 9 mm parabellum	10,00	1.2	−10,000	−1.2	0	0.0
8 5.56 mm	29,513	4.5			29,513	4.5
10 20 mm training	450	1.5			450	1.5
11 30 mm training	9,000	100.4			9,000	100.4
13 30 mm API	2,165	30.6			2,165	30.6
15 40 mm TP grenades	750	3.5			750	3.5
16 40 mm HE grenades	1,009	16.6			1,009	16.6
18 Cart chaff. RR–170	5,707	17.8			5,707	17.8
19 Cart chaff. RR–136	67	0.5			67	0.5
20 Signal Mk–4 MOD 3	1,258	1.7			1,258	1.7
21 MXU–4A/A engine starter	50	5.0			50	5.0
22 Cart IMP 3,000 Ft/lbs	1,913	4.3			1,913	4.3
24 Items less than $900,000		8.6				8.6
Bombs						
25 MK–82 inert/BDU–50	49,638	13.4			49,638	13.4
26 Durandal	3,483	94.5			3,483	94.5
27 Timer actuator fin fuze	5,000	2.0			5,000	2.0
28 BSU–49 inflatable retarder	51,392	34.7			51,392	34.7
29 BSU–50 inflatable retarder	9,300	10.2			9,300	10.2
30 Bomb 2000 lb high explosive	13,006	34.1			13,006	34.1
31 Cluster bomb, MK–20 (Rockeye)	1,496	4.4			1,496	4.4
32 Laser bomb guidance kit	2,575	103.7	−2,575	−103.7	0	0.0
33 GBU–15	715	127.9			715	127.9
34 Bomb, practice 25 pound	100,000	20.9			100,000	20.9
35 Bomb, practice BDU–38	683	5.4			683	5.4
36 Bomb, practice MK–106	122,472	1.3			122,472	1.3
37 MK–84 bomb-empty	4,736	6.8			4,736	6.8
38 CBU–89 (Tmd/Gator)	4,406	202.0			4,406	202.0
39 CBU–87 (combined effects munition)	22,500	552.9			22,500	552.9
40 Bigeye	425	22.1			425	22.1
41 Items less than $900,000		1.5				1.5

OTHER PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Targets						
42 Aerial tow target	365	8.4			365	8.4
43 Items less than $900,000		0.3				0.3
Other Items						
45 Flare, IR MJU–7B	563,040	13.3			563,040	13.3
46 Flare, Para. LUU–48	3,600	1.4			3,600	1.4
47 Flare, IR MJU–2	100,022	3.1			100,022	3.1
49 M–306 Cartridge Flare	228,000	1.4			228,000	1.4
51 Signal, Smoke/Illum Mk–6	20,356	2.0			20,356	2.0
52 Signal Smoke and Illuminating	109,944	2.4			109,944	2.4
53 MC–3468, Retard Device	153	1.9			153	1.9
54 Rapid Munitions Assembly	46	3.9			46	3.9
58 Spares and Repair Parts		9.5				9.5
59 Modifications		0.7				0.7
60 Items Less Than $900,000		21.3		—2.3		19.0
Fuzes						
62 FMU–130	10,500	8.4			10,500	8.4
63 FMU–112/FMU–139	75,000	61.7			75,000	61.7
65 Items Less Than $900,000		0.2				0.2
Other Weapons						
66 M–203 Grenade launcher	1,314	0.8			1,314	0.8
67 Machine gun, 7.62MM, M–60	1,259	3.8			1,259	3.8
68 GAU–5 Machine Gun	2,917	1.4			2,917	1.4
69 40MM Machine Gun, MK–19	499	4.2			499	4.2
70 9MM Handgun	19,000	6.8	—19,000	—6.8	0	0.0
Subtotal, Munitions and Associated Equip		1,621.8		—114.0		1,507.8
VEHICULAR EQUIPMENT						
Passenger Carrying Vehicles						
71 Sedan, 4 Dr 4x2	293	1.9			293	1.9
72 Station Wagon, 4x2	283	2.2			283	2.2
73 Bus, 28 Passenger	155	4.8			155	4.8
74 Bus, Intercity	10	1.8			10	1.8
75 Bus, 44 Passenger	81	2.8			81	2.8
76 Ambulance, Bus	27	2.1			27	2.1
Cargo and Utility Vehicles						
78 Truck, Stake/Platform	540	6.8			540	6.8
79 Truck, Cargo-Utility, 3/4T, 4x4	406	4.5			406	4.5
80 Truck, Cargo-Utility, 1/2T, 4x2	486	4.4			486	4.4
81 Truck, Pickup, 1/2T, 4x2	850	6.5			850	6.5
82 Truck, Pickup, Compact	1,168	6.4			1,168	6.4
84 Truck, Multi-Stop 1 Ton 4x2	751	11.7			751	11.7
85 Truck Panel, 4x2	348	3.5			348	3.5
86 Step Van 4x4	20	0.9			20	0.9
87 Truck Carryall	571	7.5			571	7.5
88 Commercial Utility Cargo Vehicle	258	3.6			258	3.6
89 Trück, Cargo, 2 ½T, 6x6, M–35	371	15.6			371	15.6
90 Truck, Cargo 5T M–923, M–925	223	17.1			223	17.1
91 Semi-Trailer, 20 T	34	0.4			34	0.4
93 High Mobility Vehicle (MYP)	594	15.3			594	15.3
95 Truck, Tractor 5T M–932 (MYP)	15	1.0			15	1.0
96 Truck, Tractor, Over 5T	102	4.4			102	4.4
97 Truck, Wrecker	7	0.4			7	0.4
98 Truck, Wrecker 5T M936 (MYP)	26	3.9			26	3.9
99 Truck, Dump 5 Ton	183	8.1			183	8.1
100 Truck, Utility	218	2.2			218	2.2
102 Items Less Than $900,000		8.4				8.4
Special Purpose Vehicles						
103 Truck, Maint 4x2	287	2.6			287	2.6
104 Truck, Maint 4x4	101	1.2			101	1.2
105 Truck, Maint, HI-REACH	26	2.1			26	2.1
106 Truck, Telephone Maintenance	26	3.8			26	3.8
107 Truck, Tank, 1200 Gal	56	2.0			56	2.0
108 Truck, Tank Fuel R–9	216	23.6			216	23.6
109 Truck, Tank, Fuel, M–49	31	1.8			31	1.8
111 Truck, Tank, L10 NIT, C–5	2	0.5			2	0.5
113 Tractor, A/C Tow, MB–4	110	2.9			110	2.9
114 Tractor, Tow, Flightline	260	3.9			260	3.9
115 Tractor, Wheeled, Industrial	150	1.9			150	1.9
116 Tractor, Dozer	37	2.4			37	2.4
118 Vehicle, Law Enforcement	271	2.3			271	2.3
119 Truck, Demineral Water, 2600 Gal	9	0.9			9	0.9
120 Truck, Hi Lift CS	2	0.1			2	0.1
121 Truck, Hi Lift 3T	3	0.2			3	0.2
122 Truck, Hi Lift, 9T	3	0.2			3	0.2
123 Truck, Refuse	23	1.8			23	1.8
124 Truck, Hydrant Fuel	39	3.9			39	3.9
125 Trailer Water M149	21	0.2			21	0.2
126 Trailer Fuel A18	15	0.2			15	0.2
128 Semi Trailer Compressed Gas	16	2.7			16	2.7
129 Semi Trailer Tank UDMH	1	0.1			1	0.1
131 Dolly M832	19	0.4			19	0.4
133 Tractor Wheeled W Dozer	3	0.4			3	0.4
134 Items Less Than $900,000		7.5				7.5
Fire Fighting Equipment						
135 Truck, crash P–4/P–19	140	23.8			140	23.8
136 Truck, crash P–15	5	3.5			5	3.5
137 Truck, crash P–2	18	8.2			18	8.2
138 Truck, water P–18	52	3.9			52	3.9
139 Truck, pumper P–8	16	1.9			16	1.9
140 Truck, pumper P–12	2	0.2			2	0.2
141 Truck, crash P–10	14	0.4			14	0.4
142 Truck, crash P–13/P–20	20	0.5			20	0.5
144 Items less than $900,000		0.8				0.8

OTHER PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Materials Handling Equipment						
145 Truck, F/L 4,000 lb ged/ded 144	151	2.2			151	2.2
146 Truck, F/L 6000 lb	203	4.9			203	4.9
147 Truck, D-L 10,000 Lb	196	10.9			196	10.9
148 Truck, F/L large capacity at	10	0.6			10	0.6
149 Truck, F/L 15000 Lb	19	0.8			19	0.8
150 Large capacity loader	10	4.3			10	4.3
151 25K A/C loader	45	6.3			45	6.3
153 Tractor, Whse, 4,000 Lb	101	0.8			101	0.8
154 Container, lift, truck	20	4.5			20	4.5
155 Items less than $900,000		2.7				2.7
Base Maintenance Support						
156 Loader, scoop	54	3.6			54	3.6
157 Loader, scoop, w/backhoe	20	0.7			20	0.7
158 Distributor, water 1500 gallon	69	3.5			69	3.5
160 Cleaner, runway/street	139	6.0			139	6.0
161 Roller, vibrating	29	0.7			29	0.7
162 Truck, dump 22t	9	0.9			9	0.9
163 Grader, road, motorized	54	3.1			54	3.1
164 Crane, 7–50 ton	23	3.1			23	3.1
165 Excavator, DED, PT	38	4.3			38	4.3
166 Watercraft	3	4.3			3	4.3
167 Spares and repair parts		4.5				4.5
168 Modifications		0.2				0.2
169 Items less than $900,000		7.2				7.2
Undistributed reduction				—20.0		—20.0
Total		340.9		—20.0		320.9
ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT						
Comm Security Equipment (Comsec)						
170 Space systems (Comsec)		33.5				33.5
171 Tempest equipment		0.5				0.5
172 TAC secure voice		13.2				13.2
173 DCS secure voice (Comsec)		27.7				27.7
174 Secure data		41.0				41.0
175 TRI-TAC (Comsec)		28.6				28.6
176 Spares and repair parts		7.6				7.6
177 Modifications (Comsec)		0.3				0.3
Intelligence Programs						
178 Intelligence data handling sys		29.4		—5.6		23.8
179 Intelligence training equipment		9.1				9.1
180 Intelligence comm equip		4.6				4.6
182 Cobra shoe		3.0				3.0
183 Items less than $900,000		6.4				6.4
Electronics Programs						
184 Traffic control/landing		5.0				5.0
185 Tractical air control sys improvement		95.4		—23.0		72.4
186 Weather observ/forcast		31.6				31.6
187 Defense support program		117.8				117.8
188 OTH–B Radar		237.0				237.0
189 SACDIN		1.1				1.1
190 SAC command and control		11.1				11.1
191 Cheyenne mountain complex		61.0		—5.9		55.1
192 PAVE PAWS/SLBM warning systems		9.0				9.0
193 BMEWS modernization		70.8				70.8
194 Spacetrack		10.1				10.1
195 NAVSTAR gps		7.4		—4.0		3.4
196 USAFE command/control system		12.1				12.1
197 PACAF command/control		9.9				9.9
198 Defense meterological sat prog		10.2		—2.0		8.0
200 Caribbean Basin radar network		4.4				4.4
201 Mars/USAF-FAA radar upgrade		16.6				16.6
202 TAC Sigint support		34.7				34.7
203 Dist early warning RDR/north warning		8.9				8.9
204 Transport ground intercept facil		17.5				17.5
205 TR–1 ground stations		74.6				74.6
206 Air base survivability		1.6				1.6
207 TEREC ground processor		4.1				4.1
208 Imagert trans		37.5				37.5
210 Tactical warning systems support		0.4				0.4
211 North Atlantic Defense C3		22.4				22.4
Special Comm-Electronics Projects						
212 Automatic data processing equip		170.5				170.5
213 WWMCCS Adpe		36.4				36.4
214 MAC command and control support		13.3				13.3
215 GLOM communications		14.5				14.5
216 Air base defense/AF phys security		52.5				52.5
217 Weapons storage/security		2.9				2.9
218 Range improvements		105.2		—15.0		90.2
219 HF radio consideration		9.8				9.8
220 Radar bomb scorer		9.1				9.1
221 FLSS		25.1				25.1
222 C3 countermeasures		21.4				21.4
223 Space shuttle		5.0				5.0
225 Base level data auto program		64.9				64.9
226 Satellite control facility		66.3		—15.0		51.3
228 Constant watch		15.9				15.9
229 Consolidated space ops center		17.6				17.6
230 CMD center processing/display sys		2.6				2.6
231 Hammer ace		0.8				0.8
232 Samto test ranges I&M		32.1		—10.0		22.1
233 Emp hardening		12.7		—4.0		-8.7
Air Force Communications						
234 Program 698AJ		2.0				2.0
235 Information transmission systems		5.7				5.7

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OTHER PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
236 Telephone exchange		52.9				52.9
237 Joint tactical comm program		161.9				161.9
238 USREDCOM		3.0				3.0
239 USCENTCOM		26.1		-10.0		16.1
241 Automated telecommunications prg		19.1				19.1
243 Teletypewriter equipment		11.7				11.7
244 Satellite terminals		65.1				65.1
DCA Programs						
245 Wideband systems upgrade		45.7				45.7
247 Minimum essential emer comm net		14.4				14.4
248 DCS secure voice equipment		18.4				18.4
Organization and Base						
249 Tactical C-E equipment		17.9				17.9
250 Productivity inv telecom		16.4				16.4
251 Radio equipment		38.6				38.6
253 Fiber optics		1.4				1.4
254 TV equipment (AFRTV)		4.5				4.5
255 CCTV/Audiovisual equipment		4.7				4.7
257 E & I requirements		10.8				10.8
258 Spares and repair parts		398.5				398.5
259 Items less than $900,000		15.5				15.5
Modifications						
260 Comm-electronics class IV		39.4				39.4
261 Traffic control/landing		3.4				3.4
264 Tactical equipment		25.4				25.4
265 Antijam voice		19.0				19.0
Subtotal, electronics and telecomm equip		2,816.8		-94.5		2,722.3
OTHER BASE MAINTENANCE AND SUPPORT EQUIPMENT						
Test Equipment						
266 Base/ALC calibration package		52.8		-7.8		45.0
267 Newark AFS calibration package		3.4				3.4
268 Test equipment-gen-purp		39.7		-5.2		34.5
269 Items less than $900,000		42.0		-7.0		35.0
Personal Safety and Rescue Equipment						
270 Life raft, 20 man	652	1.0			652	1.0
271 Automatic life preserver	3,000	3.7			3,000	3.7
272 Night vision goggles	683	8.4			683	8.4
273 Chemical/biological def prog		81.2				81.2
274 Items less than $900,000		7.0				7.0
Depot Plant and Materials Handling Equipment						
275 Base mechanization equipment		37.5		-7.0		30.5
276 Air terminal mechanization equip		1.2				1.2
278 Items less than $900,000		18.5		-5.0		13.5
Electrical Equipment						
279 Generators-mobile electric		30.1		-3.0		27.1
280 Flood lights	900	10.7			900	10.7
281 Items less than $900,000		0.5				0.5
Base Support Equipment						
283 Medical/dental equipment		132.3		-12.3		120.0
284 Air base survivability		36.7				36.7
285 COB essential facilities		11.6				11.6
287 Barrier, aircraft arresting system	2	0.2			2	0.2
288 Pallet, air cargo, 108"x88"	3,000	2.7			3,000	2.7
289 Net assembly, 108"x88"		3.3				3.3
290 Pumps and compressors		1.3				1.3
291 Mobility containers	341	2.1			341	2.1
292 Bladders fuel	183	2.7			183	2.7
293 Tactical shelter	72	17.8			72	17.8
294 Photographic equipment		6.5				6.5
296 Productivity investments		0.9				0.9
297 Mobility equipment		43.1				43.1
298 Wartime host nation support		5.1				5.1
299 Spares and repair parts		14.3				14.3
300 Items less than $900,000		17.8		-2.8		15.0
Special Support Projects						
301 Intelligence production activity		18.9				18.9
302 Scientific/technical intelligence		4.6				4.6
303 Tech surv countermeasures eq		4.9				4.9
304 Defense dissemination system		21.4		-6.7		14.7
305 AF technical application center		15.9				15.9
306 Photo proc/interpret sys		11.3		-1.3		10.0
307 Selected activities		3,933.1		-17.0		3,916.1
308 Special update program		86.5				86.5
309 Industrial preparedness		14.3				14.3
310 Misc equipment		6.5				6.5
311 Modifications		5.1				5.1
Subtotal, other base maint and support equip		4,758.6		-75.1		4,683.5
Undistributed reduction				-237.0		-237.0
Prior year inflation savings				-242.0		-242.0
Inflation reestimate for FY 86				-9.0		-9.0
Prior year program savings				-40.0		-40.0
Total, other procurement, Air Force		9,538.0		-831.6		8,706.5

PROCUREMENT, DEFENSE AGENCIES

[Dollars amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
MAJOR EQUIPMENT						
1-OSD/WHS		59.4				59.4
2 NSA: Classified equipment		( )		-3.0		-3.0
DNA:						
3 Vehicles		0.2				0.2
4 Other capital equipment		5.6				5.6
DCA:						
5 WWMCCS ADP systems		14.8				14.8
6 Defense switching network		10.8				10.8
7 Items less than $900,000 each		43.7				43.7
8 DIA: Intelligence and communications		( )		-0.8		-0.8
DLA:						
9 Materials handling equipment		13.6		-3.0		10.6
10 Vehicles		1.9				1.9
11 Mechanized materials handling systems		16.4				16.4
12 ADP equipment		74.6				74.6
13 Telecommunications equipment		11.0				11.0
14 Other major equipment		6.8				6.8
DMA:						
17 ADP equipment		16.8				16.8
19 Vehicles		0.3				0.3
20 Other capital equipment		26.6				26.6
21 AF phase IV computer		4.2				4.2
24 Pass replacement		2.7				2.7
25 DIS: Vehicles		1.7				1.7
27 USOHS: Items less than $900,000 each		0.7				0.7
28 DCAA: Items less than $900,000 each		7.6				7.6
29 DAVA: Items less than $900,000 each		0.5				0.5
30 DRSP: Items less than $900,000 each		( )				( )
31 DIG: Items less than $900,000 each		( )				( )
Undistributed reduction				-30.0		-30.0
Prior year inflation savings				-36.0		-36.0
Inflation reestimate for FY 86				-1.0		-1.0
Total, defense agencies procurement		1,391.9		-73.8		1,318.1

NATIONAL GUARD AND RESERVE PROCUREMENT

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
RESERVE EQUIPMENT						
1 Reserve, Army		0.0				0.0
2 Reserve, Navy: Miscellaneous Equipment		0.0		20.0		20.0
3 Reserve, Marine Corps		0.0		20.0		20.0
4 Reserve, Air Force		0.0				0.0
NATIONAL GUARD EQUIPMENT						
5 Army National Guard: Miscellaneous Equipment		0.0		100.0		100.0
6 Air National Guard:						
Miscellaneous Equipment		0.0		30.0		30.0
C-130 Aircraft		0.0	8	150.0	8	150.0
C-131 Aircraft Modifications		0.0		12.0		12.0
Subtotal, Air National Guard		0.0		192.0		192.0
Total, National Guard and Reserve Equipment		0.0		332.0		332.0

RESEARCH, DEVELOPMENT, TEST AND EVALUATION ARMY

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
TECHNOLOGY BASE			
1 61101A In-house Lab Independent Research	25.280		25.280
2 61102A Defense Research Sciences	236.869		236.869
3 61103A University Research Initiatives	6.126		6.126
4 62105A Materials	12.380		12.380
5 62111A Atmospheric Investigations	6.896		6.896
6 62120A Nuclear Weapons Effects/Fluidics	8.461		8.461
7 62122A Survivability Enhancement	[ ]		[ ]
8 62201A Aircraft Weapons Technology	3.321		3.321
9 62202A Aircraft Avionics Technology	9.766		9.766
10 62209A Aeronautical Technology	31.171		31.171
11 62210A Airdrop Technology	2.061		2.061
12 62303A Missile Technology	31.504		31.504
13 62307A Laser Weapon Technology	21.392		21.392
14 62601A Tank and Automotive Technology	22.226		22.226
15 62603A Large Cal and Nuclear Technology	[ ]	-8.500	-8.500
16 62617A Small Cal and Fire Control Technology	12.794		12.794
17 62618A Ballistics Technology	48.424		48.424
18 62622A Chemical and Smoke Munitions	14.062		14.062
19 62623A Joint Service Small Arms Program (JSSAP)	6.542		6.542
20 62701A Communications Technology	21.403		21.403
21 62703A Combat Surveil Target Acquis and Ident	4.407		4.407
22 62704A Military Environmental Criteria Dev	3.096		3.096
23 62705A Electrical and Electronic Devices	22.871		22.871
24 62706A Chem/Bio Defense/Gen Invest	41.724		41.724
25 62707A Mapping—Geodesy	10.364		10.364

RESEARCH, DEVELOPMENT, TEST AND EVALUATION ARMY—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
26 62709A Night Vision Investigations	22.077		22.077
27 62715A Tactical Electronic Warfare Technology	[ ]		[ ]
28 62716A Human Factors Engineering System Dev	15.269		15.269
29 62717A Human Performance Effect/Simulation	6.788		6.788
30 62719A Mobility and Weapons Effects Technology	13.363		13.363
31 62720A Environmental Quality Technology	8.912		8.912
32 62722A Manpower/Personnel/Training	8.016		8.016
33 62723A Clothing Equipment and Shelter Tech	10.537		10.537
34 62724A JT Service Food System Tech	6.432		6.432
35 62725A Computer and Information Science	2.216		2.216
36 62727A Nonsystems Training Devices Tech (NSTD)	5.103		5.103
37 62730A Cold Regions Engineering Technology	6.819		6.819
38 62731A Military Facilities Engineering Tech	5.253		5.253
39 62733A Mobility Equipment Technology	13.627		13.627
40 62734A Medical Defense Against Chemical Agents	32.309		32.309
41 62746A Tactical ADP Technology	9.066		9.066
42 62770A Military Disease Hazards Technology	28.990		28.990
43 62772A Combat Casualty Care Technology	8.892		8.892
44 62775A Combat Maxillofacial Injury	2.167		2.167
45 62777A Systems Health Hazard Prevention Tech	19.461		19.461
46 62781A Energy Tech Applications for Mil Facilities	2.230		2.230
Classified Programs	45.765		45.765
Subtotal, Technology Base	876,432	—8,500	867,932
ADVANCED TECHNOLOGY DEVELOPMENT			
47 63102A Materials and Structures Adv Dev	14.437		14.437
48 63104A Fuels and Lubricants Adv Dev	3.384		3.384
49 63201A A/C Power Plants and Propulsion	21.833		21.833
50 63206A Aircraft Weapons	6.946		6.946
51 63207A Aircraft Avionics Equipment	10.970		10.970
53 63211A Rotary Wing Controls/Rotors/Structures	31.104	−13.700	17.404
54 63216A Synthetic Flight Simulators Development	12.613		12.613
55 63218A Airdrop Advancement	3.854		3.854
57 63221A Non Aviation and Navigation Equipment	3.089		3.089
58 63226A Classified Projects	[ ]	—31.800	—31.800
59 63306A Terminally Guided Projectiles	17.409		17.409
60 63313A Missile/Rocket Components	42.836		42.836
62 63322A Battlefield Environment Simulation	2.570		2.570
63 63324A Army Development and Employment Activity	9.705		9.705
64 63602A Advanced Land Mobility Systems Concepts	16.474		16.474
65 63606A Landmine Warfare/Barrier Development	11.267		11.267
66 63607A Joint Service Small Arms Program (JSSAP)	3.463		3.463
67 63621A Combat Vehicle Propulsion System	14.967		14.967
68 63631A Combat Vehicle Turret and Chassis Subsys	17.036		17.036
69 63636A Combat Vehicle Armor/Anti-Armor	11.363		11.363
70 63637A Adv Propulsion/Launch System for Munitions	8.233		8.233
72 63640A Ammunition Logistics	2.035		2.035
73 63710A Night Vision Advanced Development	33.622		33.622
74 63723A TAC Comm/Comm/computer (C4) Integration	31.774		31.774
76 63731A Manpower and Personnel	16.938		16.938
77 63734A Engineering Systems	3.450		3.450
78 63736A Human Factors Engineering Applications	1.961		1.961
79 63737A Anti-Radiation Missile Countermeasures	[ ]		[ ]
80 63739A Human Factors in Training-Oper Effect	11.511		11.511
81 63742A Advanced Electronic Devices Development	9.730		9.730
82 63743A Education and Training	11.846		11.846
83 63744A Training Simulation	5.494		5.494
84 63748A Test Measurement and Diag Equipment Dev	7.235		7.235
85 63749A Technical Vulnerability Reduction	4.305		4.305
86 63752A Demilitarization Concepts	9.575		9.575
87 63756A DOD Software Initiatives (Stars)	52.000	−20.000	32.000
88 63758A Tactical Robotic Systems	26.496	—10.000	16.496
89 63759A Chem/BIO Defense/ SMK Adv Tech Demos	3.045		3.045
90 63761A EW Vulner/Susceptability Tech Support	[ ]		[ ]
91 63762A EW Feasibility Developmentality Development	8.643		8.643
92 63763A Nonsystems Medical Material Development	16.221		16.221
93 63764A Medical/Chem Defense Life Support Material	22.612		22.612
94 63765A Nontactical ADP Technology	0.218		0.218
Classified Programs	51.084		51.084
Subtotal, Advanced Tech Development	593.348	—75.500	517.848
STRATEGIC PROGRAMS			
97 12814A Special Program	[ ]		[ ]
98 12821A Classified Program	[ ]	−6.000	−6.000
99 33152A WWMCCS Information System	30.914		30.914
Classified Programs	204.743		204.743
Subtotal, Strategic Programs	235.657	—6.000	229.657
TACTICAL PROGRAMS			
100 63209A Air Mobility Support	15.472		15.472
101 63215A Joint Survivability Investigations	0.900		0.900
103 63220A Advance Rotorcraft Tech Integration (LHX)	75.528	−20.000	55.528
104 63225A Airdrop Equipment Systems	1.877		1.877
105 63302A Anti-tactical Missile (ATM)	62.760		62.760
106 63303A Surf-to-Surf Missile Rocket System	30.622		30.622
107 63604A Nuclear Munitions and Radiacs	[ ]		[ ]
108 63608A Weapons and Ammunition	0.798		0.798
109 63612A Advanced Anti-Tank Weapon	81.077	—20.000	61.077
110 63615A Lethal Chemical Munitions Concepts	20.387		20.387
111 63619A Landmine/Barrier System	28.424	−2.800	25.624
112 63627A Smoke Munitions and Material Concepts	12.672		12.672
113 63628A Artillery/Mortar Ammo Development	10.157		12.157
114 63633A Tank/Fighting Vehicle Ammo Development	5.734		5.734
115 63635A Mobile Protected Gun Program	9.802	—9.802	0.000
116 63639A Armament Enhancement Initiative (AEI)	[ ]		[ ]
117 63641A Program 292	[ ]	—63.600	−63.600
118 63702A Electric Power Sources	11.258		11.258
119 63705A Physical Security	4.416		4.416
120 63706A IFF Equipment Development	20.693		20.693

RESEARCH, DEVELOPMENT, TEST AND EVALUATION ARMY—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
121 63709A Communications Development			
123 63711A Aircraft Survivability Equipment	[ ]		[ ]
124 63713A Army Data Distribution System (ADDS)	8.611		8.611
125 63718A EW Vulnerability/Susceptability	38.016		38.016
126 63720A Chem/Bio Detection Warn/Samp Mat Concept	23.791		23.791
127 63721A Chem/Bio Protective Material Concepts	15.192		15.192
129 63725A Remotely Piloted Vehicles/Drones	9.341		9.341
130 63726A Combat Support Equipment	20.977		20.977
131 63726A Combat Support Equipment	28.363		28.363
132 63732A Combat Medical Material	[ ]		[ ]
134 63745A TAC Electronic Support Measure Systems	9.379		9.379
135 63746A Single Channel Grd/Abn Radio Sub-System	[ ]		[ ]
136 63747A Soldier Support/Survivability	2.265		2.265
137 63750A Drug and Vaccine Development	6.657		6.657
138 63751A Medical Defense Against Chemical Warfare	16.932		16.932
139 63754A Classified Program (ADV)	31.019		31.019
140 63755A TAC Electronic Countermeasures Systems	[ ]		[ ]
142 64202A Aircraft Weapons	[ ]		[ ]
143 63767A Combat Service Support Control System	[ ]		[ ]
144 64202A Aircraft Weapons	0.980		0.980
145 64204A Air Mobility Support Equipment	12.672		12.672
147 64207A Advanced Attack Helicopter (AH–64)	2.600		2.600
148 64216A Aircraft Propulsion Systems	17.506		17.506
149 64217A Synthetic Flight Training Systems	70.791		70.791
150 64218A Airdrop Equipment Development	7.863		7.863
151 64220A Army Helicopter Improvement Program	3.141		3.141
153 64268A Aircraft Component Improvement Program	6.802		6.802
154 64306A Stinger	16.158		16.158
155 64307A Patriot (SAM–0)	18.583		18.583
156 64310A Heliborne Missile (Hellfire)	53.070		53.070
158 64313A Grassblade	6.213		6.213
160 64318A Division Air Defense Gun	10.878		10.878
161 64321A JT Tactical Fusion Program	43.176	—37.000	6.176
163 64324A JT Tactical Missile System—Army (JTACMS–A)	[ ]		[ ]
164 64601A Infantry Support Weapons	154.805	—40.000	114.805
165 64603A Nuclear Munitions	24.003		24.003
166 64604A Mobility	[ ]	—3.000	—3.000
167 64609A Smoke Munitions and Materiel	15.486	—15.486	0.000
168 64612A Countermine and Barriers	6.024		6.024
169 64616A Fighting Vehicle System	10.417	—4.800	5.617
170 646618A Landmine Warfare	2.228		2.228
171 64630A M1 E1 Development Program	7.954		7.954
172 64631A Field Artillery Ammunition	3.898		3.898
173 64632A 105MM Tank Ammunition	62.590	—7.800	54.790
174 64633A Cactus Plant	1.543		1.543
175 64701A Comm Engineering Development	[ ]	—8.500	—8.500
176 64702A JT TAC Information Distribution System	10.716		10.716
177 64704A Unattended Ground Sensors	12.243		12.243
178 64705A Modular Integrated Comm and Navig System	2.940		2.940
179 64706A Radiological Defense Equipment	5.007		5.007
181 64710A Night Vision Devices	0.664		0.664
182 6464111A Aircraft Survivability Equipment	14.567		14.567
183 64712A Army Comm/Control System Eng	24.777		24.777
184 64713A Combat Feeding, Clothing and Equipment	9.896		9.896
185 646714A Tactical Electric Power Sources	6.461		6.461
186 64717A General Combat Support	10.122		10.122
187 64718A Physical Security	14.822		14.822
188 64722A Education and Training	6.496		6.496
189 64623A Special Purpose Detectors	6.611		6.611
190 64724A Chem/Bio Detect Warn and Train Material	3.256		3.256
191 64725A Chem/Bio Protective Material	23.081		23.081
192 64727A Command and Control	15.585		15.585
193 64730A Remotely Piloted Vehicles	5.799		5.799
194 64740A Tactical Surveillance System	30.014	—6.900	23.114
195 64741A Division Air Defense Command and Control	[ ]		[ ]
196 64746A Automatic Test Equipment Development	33.040		33.040
197 64750A Tactical Electronic Countermeasures Systems	21.310		21.310
198 64751A Single Channel GRD/ABN Radio Sub Eng	[ ]		[ ]
199 64754A Classified Program (ENG)	12.874		12.874
200 64757A Medical Chemical Defense Life Support Mat	[ ]		[ ]
201 64758A Drug and Vaccine Development	7.680		7.680
202 64766A Tactical Electronic Surveillance System	10.497		10.497
203 64770A JT Surveil Target Attack Radar System	[ ]		[ ]
204 64779A JT Interop of Tac Cmd & Cont Sys (JINTACCS)	43.818		43.818
205 65710A JT CB Contact Point Test and Assessment	8.381		8.381
206 23724A HV Anti-Tank Assault Weapon System (TOW)	2.402		2.402
207 23726A Adv Field Artillery Tactical Data System	11.836		11.836
208 23727A MED Anti-Tank Assault Weapon (H)	35.574		35.574
209 23730A Chaparral	3.842		3.842
210 23731A Sam Hawk/Hawk Improvement Program	17.666		17.666
211 23735A Combat Vehicle Improvement Program	5.212		5.212
213 23740A Maneuver Control System (MCS)	72.743		72.743
215 23743A 155MM Self-Propelled Howitzer Improvements	8.636		8.636
217 23745A Equipment Upgrade	26.105		26.105
218 28010A JT Tactical Communication Program (TRI-TAC)	30.805		30.805
219 33145A Eucom C3 Systems	30.560		30.560
Prior Year Authorization Transfer	1.961		1.961
Classified Programs	615.866		615.866
Subtotal, Tactical Programs	2366.366	—239.688	2126.678
INTELLIGENCE AND COMMUNICATIONS			
220 63712A Mapping and Geodesy	4.205		4.205
221 64201A Aircraft Avionics	2.238		2.238
222 64716A Mapping and Geodesy	3.430		3.430
223 64778A Navstar GPS (User Equipment)	11.271		11.271
224 31307A Foreign Science and Technology Center	[ ]		[ ]
225 31327A Tech Reconnaissance/Surveillance (TECRAS)	[ ]		[ ]
226 31334A Other Command GDIP Activities	[ ]		[ ]
227 31359A Special Army Programs	[ ]		[ ]
229 33126A Long-Haul Communications (DCS)	4.312		4.312
230 33142A Satcom Ground Environment	26.755	25.991	52.746
231 33401A Communications Security	[ ]		[ ]

RESEARCH, DEVELOPMENT, TEST AND EVALUATION ARMY—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
Classified Programs	16.280		16.280
Subtotal, intelligence and communications	68.491	25.991	94.482
DEFENSEWIDE MISSION SUPPORT			
232 63315A Target Missiles	6.051		6.051
233 63738A Nonsystems Training Devices (NSTD) Dev	5.863		5.863
234 64715A Nonsystems Training Devices (ENG)	43.636		43.636
235 64726A Meteorological Equipment Systems	6.447		6.447
236 65201A Aviation Engineering Flight Activity	11.720		11.720
237 65301A Kwajalein Missile Range	161.624	−7.600	154.024
239 65702A Support of Development Testing	58.671		58.671
240 65706A Material Systems analysis	15.930		15.930
241 65709A Exploitation of Foreign items	3.569		3.569
242 65712A Support of Operational Testing	54.855		54.855
243 65716A Threat Simulators for Testing	36.149		36.149
244 65801A Program-wide Activities	183.766	−15.000	168.766
245 65802A International Cooperative R&D	0.947		0.947
246 65803A Technical Info Activities	6.265		6.265
247 65804A Darcom Major Range-Test Facility	373.054	−10.000	363.054
248 65805A Munitions—NATO STDZN DOD Effec Safety STDS	11.626		11.626
249 65806A DOD High Energy Laser Systems Test Facility	20.184		20.184
251 65872A Productivity Investments	23.335		23.335
252 65898A Management Headquarters (R&D)	11.852	−4.000	7.852
253 78011A Industrial Preparedness	104.062	−12.000	92.062
Subtotal, Def-Wide Mission Support	1139.606	−48.600	1091.006
Restoration of Civilian Pay Reduction		33.600	33.600
Civilian End Strength Freeze		−85.428	−85.428
Prior Year Inflation Savings		−40.000	−40.000
Inflation Reestimate For FY 86		−4.000	−4.000
Priot Year Program Savings		−49.000	−49.000
Total, Army RDT&E	5279.900	−497.125	4782.775

RESEARCH, DEVELOPMENT, TEST & EVALUATION NAVY

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
TECHNOLOGY BASE			
1 61103N University research	6.250		6.250
2 61152N In-House independent lab research	26.277		26.277
3 61153N Defense research sciences	339.176	−10.968	328.208
4 62101N Tactical directed energy tech	10.834		10.834
5 62241N Aircraft technology	23.102		23.102
6 62331N Missile propulsion tech	10.503		10.503
7 62332N Surf/aerospace weaponry tech	27.218		27.218
8 62542N Nuclear propulsion tech	49.018		49.018
9 62543N Ship and submarine tech	25.272		25.272
10 62633N Undersea warfare weaponry tech	44.181		44.181
11 62711N Undersea target surv tech	44.495		44.495
12 62712N Surf/aerospace target surv tech	32.240		32.240
13 62721N Command and control tech	28.943	−4.500	24.443
14 62734N Countermeasures tech	27.005		27.005
15 62744N MC air-ground technology	18.499	−4.000	14.499
16 62747N Human factors and Sim tech	7.652		7.652
17 62758N Biomedical tech	8.906		8.906
18 62759N Ocean and atmos supt tech	27.095		27.095
19 62760N Logistics tech	13.311		13.311
20 62761N Materials tech	33.004		33.004
21 62762N Elex device tech	24.898		24.898
22 62763N Personnel and training tech	5.062		5.062
23 62764N Chemical/bio/radiological defense tech	4.765		4.765
25 62766N Lab independent exploratory dev	15.463		15.463
Subtotal, technology base	853.169	−19.469	833.701
ADVANCED TECHNOLOGY DEVELOPMENT			
27 63202N Avionics	4.909		4.909
28 63207N Air/ocean tactical applications	8.946		8.946
29 63210N ADV A/C propulsion system	8.841		8.841
30 63218N Aviation life support system	1.377		1.377
31 63217N ADV A/C subsystems	4.684		4.684
32 63303N Erase	10.149		10.149
33 63306N ASM tech	8.973	−8.973	0.000
35 63508N Ship propulsion sys (ADV)	30.664		30.664
36 63526N Advanced computer tech	14.555	−3.341	11.214
37 63573N Electric drive	9.762		9.762
38 63609N Conventional munitions	30.334	−2.000	28.334
39 63654N Joint service EOD develop (ADV)	10.898		10.898
40 63701N Human factors eng devel	2.116		2.116
41 63704N ASW oceanography	6.376		6.376
42 63706N Medical development (ADV)	14.653	−4.000	10.653
43 63707N Manpower control system dev	4.099	−1.000	3.099
44 63709N Advanced marine biological system	5.477		5.477
45 63712N Generic logistics R&D	8.886	−8.886	0.000
46 63713N Ocean eng tech development	13.083		13.083
47 63720N Education and training	4.667	−1.500	3.167
48 63721N Environmental protection	8.347		8.347
49 63722N Naval special warfare	11.862		11.862
52 63732N Advanced manpower training system	6.144		6.144
53 63733N Training device tech	8.679		8.679
54 63739N Naval logistics productivity	0.968		0.968
Subtotal, advanced tech development	239.449	−29.700	209.749

RESEARCH, DEVELOPMENT, TEST & EVALUATION NAVY—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
STRATEGIC PROGRAMS			
60 63451N Space technology	14.002	−9.002	5.000
61 64363N Trident II	2,165.615		2,165.615
62 65856N Strategic tech support	3.882		3.882
63 11221N FBM system	33.550		33.550
64 11224N SSBN security program	38.591		38.591
65 11228N Trident I	47.195	−5.000	42.195
66 11401N Elf communications	28.283		28.283
67 11402N Navy strategic communications	125.839		125.839
68 12427N Nav spasur	0.954		0.954
69 33131N MEECN	1.615		1.615
70 33152N Wis modernization	22.504	−10.00	12.504
Subtotal, strategic programs	2,482.030	−24.002	2,458.028
TACTICAL PROGRAMS			
71 63206N Airborne electronic warfare equipment	61.587		61.587
72 63208N T45–S	114.128		114.128
76 63228N CV ASW module	5.022	−0.763	4.259
77 63251N A/C systems (ADV)	5.894		5.894
78 63254N AIR ASW	6.778	−2.000	4.778
79 63256N JVX	603.743		603.743
80 63257N A–6E improvements	237.952	−50.000	187.952
82 63260N Airborne mine countermeasures	14.148		14.148
83 63261N Tactical air reconnaissance	6.906		6.906
84 63262N A/C survivability and vulnerability	14.825		14.825
87 63315N Retract yellow	25.728	−20.728	5.000
88 63318N Advanced surface-to-air missile (ASAM)	41.510		41.510
89 63320N Low-cost anti-radiation seeker	16.523		16.523
90 63367N Submarine ASW standoff weapon	75.328	−25.000	50.328
91 63382N BGAAWC	11.183		11.183
92 63502N Surface MCM	24.908		24.908
93 63504N Sub sonar development (ADV)	22.414	−9.908	12.506
94 63506N Surface ship torpedo defense	45.199		45.199
96 63512N Catapults	3.418		3.418
97 63513N Shipboard system comp development	21.427	−6.000	15.427
98 63514N Shipboard damage control	32.320		32.320
101 63519N Advanced command data system	2.585	−2.585	0.000
102 63522N Sub arctic warfare/support equipment pr	9.748		9.748
103 63525N Pilot fish	93.964		93.964
104 63528N Non-acoustic ASW	22.104		22.104
105 63529N Advanced ASW target	12.646		12.646
106 63532N Ship system engineering standards	4.673	−0.673	4.000
107 63536N Retract Juniper	25.368		25.368
109 63542N Radiological control	3.585	−1.389	2.196
110 63550N Link dogwood	26.247		26.247
111 63553N Surface ASW	17.649		17.649
112 63560N Sub hull array dev (ADV)	13.206	−4.995	8.211
113 63561N Advanced sub system development	180.586		180.586
114 63562N Sub tactical warfare system (ADV)	23.171		23.171
115 63564N Ship development (ADV)	14.639		14.639
116 63565N Surface ship navigation system	2.841		2.841
118 63569N Attack submarine development	33.139		33.139
119 63570N Advanced nuclear reactor comp system DEV	120.175		120.175
120 63571N Shipboard physical security	3.703		3.703
121 63576N Chalk Eagle	68.783		68.783
122 63578N A4W/A1G nuclear propulsion plant	3.327		3.327
123 63582N Combat system integration	22.383		22.383
124 63589N DDG–51	100.836		100.836
125 63591N Joint advanced systems	132.348		132.348
126 63601N Mine development	1.964		1.964
127 63610N ALWT (ADV)	10.113		10.113
128 63611N MC Assault vehicles	10.407		10.407
129 63634N Tactical nuclear development	9.721		9.721
130 63635M Ground combat/support arms system	17.129		17.129
131 63702N Ocean engineering system dev	1.380		1.380
133 63708N Anti submarine warfare signal PROC	15.535		15.535
134 63711N Fleet tactical D&E program	3.880		3.880
135 63717N Command & control sys (ADV)	42.973	−7.000	35.973
136 63719N Container offload and transfer system	1.515		1.515
137 63724N Navy energy program (ADV)	18.576		18.576
138 63725N Facilities improvement	7.279		7.279
139 63726N Mership navy auxiliary program	6.031		6.031
140 63729M Combat services support (ADV)	9.356		9.356
141 63730M MC INTEL/electronic warfare system	0.070		0.070
142 63734N Chalk coral	3.039		3.039
144 63737N Link hazel	23.564		23.564
145 63740N Link laurel	35.345		35.345
146 63743N Ariadne	2.185		2.185
147 63744N Link spruce	67.352	−17.352	50.000
148 63746N Retract maple	8.247		8.247
149 63763N NCCS SE&I	7.181		7.181
150 63784N ASW surveillance	19.458	−2.000	17.458
151 63785N LRAP	15.678		15.678
152 63787N Special processes	49.532		49.532
153 63788N RDSS	15.380	−15.380	0.000
154 64203N Avionics development	14.965		14.965
155 64211N IFF system development	17.477		17.477
156 64212N Lamps III	16.006	−1.906	14.100
157 64213N Helicopter development	7.902		7.902
158 64214N AVBB (ENG)	72.078		72.078
159 64215N Support equipment	16.428		16.428
160 64217N S–3 weapon system improvement	15.955		15.955
161 64218N Air ocean equipment ENG	2.468		2.468
162 64219N Airborne ASW development	6.136		6.136
163 64220N A/C IR sign suppression	3.945		3.945
164 64221N P–3 modernization program	48.725	−6.000	42.725
165 64224N Airborne electronic warfare eng	62.298		62.298
167 64226N ASPJ	24.985		24.985
169 64229N CV IZ ASW helo	12.722		12.722
170 64252N A/C propulsion (ENG)	44.866		44.866
171 64255N Electronic warfare simulator development	40.275		40.275
172 64260N C/MH–53E	2.300		2.300

RESEARCH, DEVELOPMENT, TEST & EVALUATION NAVY—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
173 64261N Acoustic search sensors (Eng)	42.630	-12.000	30.630
174 64264N Aviation life support system	32.809		32.809
176 64268N A/C engines component improvement program	65.843		62.843
177 64301N MK92 FCS upgrade	13.326		13.326
178 64303N Aegis area air defense	11.081		11.081
179 64307N CG-47 product improvement	48.506	-10.000	38.506
180 64308N Link ash	13.636		13.636
181 64314N AMRAAM	17.051	-8.051	9.000
183 64353N Vertical launching system	29.566		29.566
184 64354N AAM systems engineering	13.589		13.589
185 64355N VLS ASROC	37.444		37.444
186 64358N CIWS (Phalanx)	7.612		7.612
187 64361N NATO Sea Sparrow	8.047	-5.000	3.047
188 64365N SM-2 (n)	9.756	-5,000	4.756
189 64366N Standard missile improvements	47.185		47.185
190 64367N Tomahawk	68.798		68.798
191 64369N 5' rolling air frame missile	10.948	-7.000	3.948
192 64370N SSN-688VHS	25.699		25.699
194 64372N New threat upgrade	54.034	-54.034	0.000
195 64502N Submarine communications	4.426		4.426
196 64503N Sub sonar development (eng)	40.299		40.299
197 64504N Air control eng	20.335		20.335
198 64506N IIR/CW countermeasures	6.079		6.079
199 64507N EMSP	99.277		99.277
200 64508N Radar surveillance equipment	6.330		6.330
201 64509N Advanced tactical RAD	2.909		2.909
203 54511N Intelligence systems	0.901		0.901
204 64515N Sub surveillance equipment program (eng)	19.429	-4.000	15.429
205 64516N Ship survivability	5.904		5.904
206 64518N CIC conversion	29.204		29.204
207 64520N Sub hull dev (eng)	25.974		25.974
208 64524N Subacs (eng)	205.205		205.205
211 64562N Sub tactical warfare systems (eng)	49.798	-12.000	37.798
212 64563N Shipboard physical security (eng)	4.617		4.617
213 64567N Ship subsystem developments/LBTS	89.418	-2.000	87.418
214 64569N NATO sea gnat	2.284		2.284
215 64573N Shipboard EW improvement	63.776		63.776
216 64574N Tactical embedded computer program	19.169	-10.000	9.169
217 64575N AN/SQS-53C	37.713		37.713
218 64578N Link birch	4.078		4.078
219 64601N Mine development (eng)	9.367		9.367
220 64602N Naval gunnery improvement	15.870	-8.000	7.870
221 64603N Unguided conventional air-launched weapons	4.678		4.678
223 64608N SAL GP/EO sens devel	48.717	-25.800	22.917
224 64609N Bomb-Fuze improvement	5.672		5.672
225 64610N MK-50 torpedo (Alwt)	158.290		158.290
226 64654N Joint Service EOD development (eng)	4.405		4.405
227 64656M MC assault vehicles	45.653	-15.000	30.653
228 64657N Ground combat/support arms system	8.686		8.686
229 64675N MK-48 ADCAP (eng)	63.470		63.470
230 64704N ASW oceanographic equipment	0.506		0.506
231 64705N Chalk banyan	5.826		5.826
232 64710N Navy energy program (eng)	9.799		9.799
233 64711N Command & control system (eng)	66.173	-17.000	49.173
234 64713N Tactas (AN-SQR-19)	16,200		16,200
236 64715N Surface warfare training development	25,821		25,821
238 64717M Combat services support	3,638		3,638
239 64718M Intel/elect warfare system	14,159		14,159
240 64719M Command/control/communication system	18,906		18,906
242 64725N Regional tactical surveillance	56,225		56,225
243 64781N Intelligence (ENG)	12,421	-4,000	8,421
244 64771N Medical development (ENG)	1,380		1,380
245 64779N OMTACCS	5,622		5,622
246 64780M OMTACCS MC	2,945		2,945
248 65155N Fleet tactical D&E	17,197	-3,000	14,197
249 65803N Emi and spectrum control	3,870		3,870
250 65853N Management and tech support	11,063	-3,000	8,063
251 65887N C2 surveillance/reconnaissance support	3,979		3,979
252 65871M Mc tactical exploit nat cap	0,415		0,415
253 24134N A-6 squadrons	19,205		19,205
254 24136N F/A-18 squadrons	58,314	20,000	78,314
255 24152N Early warning aircraft squadrons	23,666		23,666
256 241651N Aviation support CVW	1,785		1,785
257 24163N Fleet Telecommunications (TAC)	72,697	-22,697	50,000
259 24281N Submarines	3,756		3,756
261 24311N Undersea surveillance system	25,217		25,217
262 24313N Surtass	2,186		2,186
263 24571N Special projects	20,513		20,513
264 24573N Navy cover & deception program	25,584		25,584
265 24575N Electronic warfare support	8,573		8,573
266 24576N Counter C3 development	22,563		22,563
267 25601N Harm improvement	2,636		2,636
268 25604N JTIDS	184,646		184,646
269 25620N Aaw combat system integration	12,271		12,271
271 25633N Aircraft equip rely/maintain program	7,852		7,852
272 25634N Submarine silencing	31,638		31,638
273 25645N Modular guided weapon improvement	7,682	-7,682	0,000
274 25658N Lab fleet support	6,158		6,158
276 25667N F-14D	348,065		348,065
277 25870M Tactical intell proc support	1,456		1,456
278 25674N Ew counter-response	80,168		80,168
79 25675N Operational reactor development	12,719		12,719
280 26313M Marine corps telecommunications	3.587		3,587
281 26623M Ground combat/support arms system	43,600		43,600
282 26624M Combat services support	1,449		1,449
283 26625M Intel/elect warfare system	1.163		1,163
284 26626M Command/control/communication system	39.064		39,064
285 26627M M/C tech support C/C system	4,094		4,094
286 28010M TRI-TAC-MC	11,939		11,939
Naval oceanography	0,000	5,900	5,900
Subtotal, tactical programs	6160,962	-383,053	5777,909

RESEARCH, DEVELOPMENT, TEST & EVALUATION NAVY—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
INTELLIGENCE AND COMMUNICATIONS			
288 63518N Advanced navigation development	1,941		1,941
289 64514N Navigation systems	0,920		0,920
290 64577N EHF satcom	45,437		45,437
291 64777N Navstar GPS	70,079	-8,000	62,079
292-53866N-C2 systems plan/eng support	5.466		5.466
293-31303N-Field operations intelligence office	▯		▯
294-31326N-Prairie schooner	▯		▯
295-31327N-Tech reconnaissance and surveillance	▯		▯
296-33109N-Satellite communications	17.973		17.973
298-33401N-Comsec	▯		▯
299-33603N-Milstar joint project office	4.418		4.418
300-34111N-Special activities	▯	-50.000	-50.000
-Classified programs	557.773		557.273
Subtotal, intel and communications	704.007	-58.000	646.007
DEFENSEWIDE MISSION SUPPORT			
301-64208N-Range instrumentation and system development	8.382		8.382
302-64258N-Target systems development	109.012	-10.000	99.012
303-64703N-Training and personnel system development	3.086		3.086
304-65151M-Studies and analyses support/MC	1.785		1.785
305-65152N-Studies and analyses support/Navy	3.977		3.977
306-65153M-MCOAG	3.714		3.714
307-65154N-Center for naval analysis/Navy	21.813	-5.771	16.042
308-65156M-MC operational T&E	2.317		2.317
310-65804N-Tech information services	2.744	-0.500	2.244
311-65852N-Autec	51.914	-8.717	43.197
312-65854N-Development center support	3.958		3.958
313-65857N-International RDT&E	2.436	-0.600	1.836
314-65859N-Mobile sea range	5.268		5.268
315-65861N-RDT&E lab and fac management supports	66.278	-9.500	56.778
316-65862N-RDT&E instrumentation and material support	20.321	-1.500	18.821
317-65863N-RDT&E ship and aircraft support	84.293	-6.000	78.293
318-65864N-Test and evaluation support	294.480		294.480
319-65865N-OT&E capability	6.503		6.503
320-65872N-Productivity improvement	2.855	-2.855	0.000
321-35111N-Weather service	1.146		1.146
322--35160N-DEF meteorological satellite program	55.975	-25.000	30.975
323-78011N-Manufacturing technology	72.426	-17.426	55.000
Subtotal, def-wide mission support	824.683	-87.869	736.814
Restoration of civilian pay reduction		3.300	3.300
Civilian end strength freeze		-2.952	-2.952
Prior year inflation savings		-60.000	-60.000
Inflation reestimate for fy 86		-11.000	-11.000
Prior year program savings		-123.000	-123.000
Total, Navy RDT&E	11264.300	-795.744	10468.556

RESEARCH, DEVELOPMENT, TEST & EVALUATION AIR FORCE

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
TECHNOLOGY BASE			
1 61101F In-House Lab Independent Research	17.444		17.444
2 61102F Defense Research Sciences	206.334	-10.000	196.334
3 61103F University Research	6.250		6.250
4 62101F Geophysics	38.614		38.614
5 62102F Materials	54.769		54.769
6 62201F Aerospace Flight Dynamics	67.545		67.545
7 62202F Aerospace Biotechnology	50.840		50.840
8 62203F Aerospace Propulsion	62.609		62.609
9 62204F Aerospace Avionics/VHSI Circuits	74.806		74.806
10 62205F Training/Simulation Tech	25.236		25.236
11 62206F Civil Engineering and Environmental QA	7.125	-7.125	0.000
12 62302F Rocket Propulsion	41.661	-4.000	37.661
13 62601F Advanced Weapons	37.020		37.020
14 62602F Conventional Munitions	44.819		44.819
15 62702F Command/Control/Communication	80.720	-5.000	75.720
16 62703F Personnel Utilization Tech	9.421	-0.821	8.600
Subtotal, Technology Base	825.213	-26.946	798.267
ADVANCED TECHNOLOGY DEVELOPMENT			
17 63106F Logistics Research and Devel Requirements	12.736	-3.000	9.736
18 63107F Automation of Technical Information	5.382	-2.382	3.000
19 63202F A/C Propulsion Subsystem Integration	27.493		27.493
20 63203F Advanced Avionics for Aircraft	22.651		22.651
21 63205F FLT Vehicle Technology	22.884		22.884
22 63208F Recon Sensors/Processing Technology	9.182		9.182
23 63211F Aerospace Structures/Materials	23.596	-10.000	13.596
24 63215F Aviation Turbine Fuel Technology	4.671		4.671
25 63216F Advanced Turbine Engine Gas Generator	29.656	-4.656	25.000
26 63217F Weapon System Power	1.947		1.947
27 63226F DOD Common Prog Language (ADA) ADV DEV	7.460		7.460
28 63227F Advance Simulator Technology	4.410		4.410
29 63231F Crew Systems Technology	12.754		12.754
30 63244F A/C Non-Nuclear Survivability	3.278		3.278
31 63245F Advanced Fighter Tech Integration	22.276	-3.000	19.276
32 63250F Lincoln Laboratory	26.363		26.363
33 63253F Advanced System Integration Demonstration	36.327		36.327
34 63259F Cartographic Applications—Tac and Strategi	1.409		1.409
35 63302F Space and Missile Rocket Propulsion	8.381	-5.000	3.381
36 63313F Advanced Missile Subsystems Demonstration	1.209	-1.209	0.000
37 63319F Advanced Technology Cruise Missile	7.677		7.677

RESEARCH, DEVELOPMENT, TEST & EVALUATION AIR FORCE—Continued

RESEARCH, DEVELOPMENT, TEST & EVALUATION AIR FORCE—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
38 63363F Hypervelocity Missile	10.763	−2.000	8.763
39 63401F Advanced Spacecraft Technology	9.700	−2.000	7.700
40 63406F Advanced Military Spaceflight Technology	0.916	−0.916	0.000
41 63410F Space System Environmental Interaction Tech	4.954	−1.000	3.954
42 63424F Missile Surveillance Technology	11.550		11.550
43 63452F Very High Speed Integrated Circuits	193.776	−40.000	153.776
45 63454F Non-Destructive Inspection Adv Dev	0.980		0.980
46 63601F Conventional Weapons	28.590	−2.000	26.590
47 63605F Advanced Radiation Technology	19.749		19.749
48 63704F Manpower and Personnel System Tech	2.199		2.199
49 63707F Weather Systems	3.963		3.963
50 63718F Electronic Warfare Technology	29.436		29.436
51 63723F Civil/Environmental Eng Technology	11.488		11.488
52 63726F Fiber Optics Development	3.861		3.861
53 63727F Advanced Communications Technology	4.895		4.895
54 63728F Advanced Computer Technology	8.643	−1.143	7.500
55 63743F Electro-Optical Warfare	15.818		15.818
56 63745F Chemical Warfare Defense	6.165		6.165
57 63750F Counter/Countermeasures Adv Dev	14.444		14.444
58 63751F Training Systems Technology	2.324		2.324
59 63752F DOD Software Engineering Institute	11.742	−5.000	6.742
60 63789F Command/Control/Communications Adv Dev	26.273	−10.000	16.273
Subtotal, advanced tech development	713.971	−93.306	620.665
STRATEGIC PROGRAMS			
62 63311F Advanced Strategic Missile Systems	173.934		173.934
63 63312F Advanced Concepts	[ ]		[ ]
66 63364F SRAM II	78.958	−25.000	53.958
70 63716F Atmospheric Surveillance Tech	4.978		4.978
71 63735F WWMCCS Architecture	8.036		8.036
72 64221F Special Improvement Projects	[ ]		[ ]
73 64226F B-1B	367.438		367.438
75 64234F Common Strategic Rotary Launcher	72.629		72.629
76 64312F ICBM Modernization	1580.824	−50.000	1530.824
77 64326F Strategic Conventional Standoff Capability	71.787	−71.787	0.000
78 64361F Air-Launched Cruise Missile	14.179		14.179
79 64406F Space Defense System	149.934		149.934
80 64711F Systems Survivability (NUC Affects)	7.927		7.927
81 11113F B-52 Squadrons	16.047		16.047
82 11120F Advanced Cruise Missile	[ ]		[ ]
83 11135F A/C Survivability Enhancements	[ ]		[ ]
84 11142F KC-135 Squadrons	0.968		0.968
85 11213F Minuteman Squadrons	31.203	−25.200	6.003
86 11312F PACCS/WWABNCP System EC-135 Class V Mods	5.163		5.163
87 11316F SAC Communications	10.625		10.625
88 12310F NCMC—TW/AA Systems	57.445		57.445
89 12311F NCMC—Space Defense Systems	72.996	−20.000	52.996
90 12313F Ballistic MSL TAC Warning/Attack Assessment	2.655		2.655
91 12323F TW/AA Interface Network	1.468		1.468
92 12325F Joint Surveillance System	3.069		3.069
93 12411F Surveillance Radar Stations/Sites	20.215		20.215
94 12412F Dew Radar Stations	40.914		40.914
95 12417F Conus Over-the-Horizon Radar	67.457		67.457
96 12423F Ballistic Missile Early Warning System	12.966		12.966
97 12424F Spacetrack	9.613		9.613
98 12431F Defense Support Program	79.592		79.592
99 12432F SLBM Radar Warning Systems	8.235		8.235
100 12433F Integrated Oper Nudets Detection System	20.538		20.538
101 12436F Command/Control Process/Display System	14.807		14.807
104 33131F MEECN	97.199		97.199
105 33152F WWMCCS Information System	8.100		8.100
106 33154F WWMCCS Information System—JFMO	88.721	−25.000	63.721
107 33601F Milstar Sat Comm System (AF Terminals)	132.095		132.095
108 33603F Classified Program	[ ]		[ ]
109 35155F Theater NUC Weapon Storage and Sec System	1.045		1.045
111 35172F Burnie	[ ]		[ ]
112 35892F Special Analysis Activities	[ ]		[ ]
Classified Programs	2,410.025		2,410.025
Subtotal, Strategic Programs	5,743.785	−216.987	5,526.798
TACTICAL PROGRAMS			
113 63230F Advanced Tactical Fighter	242.852	−50.000	192.852
114 63239F Adv Tactical Air Reconnaissance System	20.339		20.339
117 63256F Joint Service Adv Vertical Lift A/C (JVX)	4.901		4.901
118 63307F Air Base Survivability and Recovery	6.178		6.178
119 63320F Low Cost Seeker	17.613		17.613
120 63437F Have DJINN	[ ]		[ ]
121 63609F Advanced Attack Weapons	19.113		19.113
122 63714F DOD Physical Security Equipment—Exterior	1.010		1.010
126 63742F Combat Identification Technology	8.763		8.763
128 63749F C3 Countermeasures Advanced Systems	3.463		3.463
129 63770F JT Surveil Target Attack Radar Sys (JSTARS)	3.200		3.200
130 63801F Special Programs	[ ]	−15.000	−15.000
131 64201F A/C Avionics Equipment Development	29.397		29.397
132 64209F F-100 Durability	2.899		2.899
133 64212F Aircraft Equipment Development	8.779		8.779
134 64218F Engine Model Derivative Program	122.854	−80.000	42.854
135 64219F Integrated Digital Avionics	11.763		11.763
136 64220F EW Counter-Response	37.193		37.193
137 64222F Nuclear Weapons Support	2.035		2.035
138 64223F Alternate Fighter Engine	33.353		33.353
139 64231F C-17 Program	453.681	−70.000	383.681
140 64232F Pave Runner	[ ]		[ ]
141 64236F Infrared Search and Track System	23.657		23.657
142 64247F Modular Automatic Test Equipment	9.962		9.962
143 64249F Night Precision Attack	40.849		40.849
144 64268F A/C Engine Component Improvement Program	138.574		138.574
145 64313F T-46A	54.287		54.287
146 64314F Adv Medium Range Air-to-Air Missile	101.382		101.382
148 64321F Joint Tactical Fusion Program	26.920		26.920

RESEARCH, DEVELOPMENT, TEST & EVALUATION AIR FORCE—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
150 64362F Ground-Launched Cruise Missile	0.685		0.685
151 64601F Chem/BIO Defense Equipment	22.488		22.488
152 64602F Armament Ordnance Development	17.563		17.563
153 64604F Submunitions	43.910	−10.000	33.910
154 64607F Wide-Area Anti-Armor Munition	15.811		15.811
156 64617F Air Base Survivability and Recovery	21.900		21.900
157 64703F Aeromedical Systems Development	8.049		8.049
158 64706F Life Support System	16.779		16.779
159 64708F Other Operational Equipment	17.087		17.087
160 64710F Reconnaissance Equipment	7.820		7.820
161 64715F DOD Physical Security Equipment—Exterior	15.733		15.733
162 64724F TAC C3 Counter-Measures	17.441		17.441
163 64725F Combat Identification Systems	13.164		13.164
164 64733F Surface Defense Suppression	54.980	−10.000	44.980
165 64737F Airborne Self-Protection Jammer	11.220		11.220
166 64738F Protective Systems	65.792		65.792
167 64739F Tactical Protective Systems	75.709	−20.000	55.709
168 64740F Computer Resources Management Tech	14.011		14.011
169 64742F Precision Location Strike System	63.081		63.081
170 64750F Intelligence Equipment	13.481		13.481
171 64753F Combat Helicopter Modernization	14.100		14.100
172 64754F JT Tactical Information Dist System (JTIDS)	91.675		91.675
173 64756F Side Looking Airborne Radar (SLAR)	20.667		20.667
174 64770F JSTARS	260.221	−20.000	240.221
175 64779F JT Interoperability TAC Command/Control	9.141		9.141
176 11133F SR-71 Squadrons	[ ]		[ ]
177 27129F F-111 Squadrons	54.535		54.535
178 27130F F-15 Squadrons	252.142	−20.000	232.142
179 27131F A-10 Squadrons	3.102		3.102
181 27133F F-16 Squadrons	94.859		94.859
182 27136F F-4G Wild Weasel Squadrons	36.707		36.707
183 27137F Constant Help	[ ]		[ ]
184 27162F Tactical AGM Missiles	3.926		3.926
187 27247F Air Force Tencap	0.250		0.250
188 27411F Overseas Air Weapon Cont System	3.068		3.068
189 27412F Tactical Air Control System	20.075		20.075
190 27417F Airborne Warning and Control System	137.302	−30.000	107.302
191 27419F TAC Airborne Command and Control System	8.151		8.151
192 27423F Advanced Communication System	123.785	−10.000	113.785
193 27431F Tactical Air Intel Sys Activities	2.191		2.191
194 27435F Tactical Recon Imagery Exploitation	7.691		7.691
195 27584F Seek Axle	[ ]		[ ]
196 27585F Seek Spinner	[ ]		[ ]
197 27591F Omega	[ ]		[ ]
198 27595F Base Comm—Tactical Air Forces	0.899		0.899
199 28010F JT Tactical Communication Program (TRI-TAC)	4.947		4.947
200 28041F Joint Advanced Systems	[ ]		[ ]
201 28042F Have Flag	[ ]	−30.000	−30.000
202 33605F Satellite Communications Terminals	7.569		7.569
203 35687F Electronic Combat Intel Support	1.593		1.593
207 41129F Theme Castle	[ ]	−5.000	−5.000
208 41840F MAC Command/Control System	11.441		11.441
209 44011F Special Operations Forces	13.993		13.993
Classified Programs	666.386		666.386
Subtotal, Tactical Programs	3,792.137	−370.000	3,422.137
INTELLIGENCE AND COMMUNICATIONS			
210 63431F Space Communications	45.012	−2.000	43.012
211 64238F Constant Pisces	[ ]		[ ]
213 25782F Have Trump	[ ]		[ ]
214 31305F Intelligence Production Activities	[ ]		[ ]
215 31310F Foreign Technology Division	[ ]		[ ]
216 31314F Infrared Processing and Exploitation	[ ]		[ ]
217 31315F Missile and Space Tech Collection	[ ]		[ ]
218 31317F Senior Year Operations	[ ]		[ ]
219 31324F Forest Green	[ ]		[ ]
222 33110F Defense Satellite Communication System	6.930		6.930
223 33112F Air Force Communications	0.978		0.978
224 33126F Long-Haul Communications (DCS)	11.543		11.543
225 33144F Electromagnetic Compatibility Analysis CTR	7.191		7.191
226 33401F Communications Security	[ ]		[ ]
227 34111F Special Activities	[ ]	−61.700	−61.700
228 35114F Traffic Control/Approach/Landing System	29.517	−10.000	19.517
229 35159F Defense Reconnaissance Support Activities	[ ]		[ ]
230 35164F NAVSTAR GPS (User Equipment)	28.691		28.691
231 35165F NAVSTAR GPS (SPACE/GRD Segments)	48.527	−10.000	38.527
232 64733F General Intelligence Skill Training	5.300		5.300
Classified Programs	2,199.143		2,199.143
Subtotal, Intel and Communications	2,382.832	−83.700	2,299.132
DEFENSEWIDE MISSION SUPPORT			
233 63248F Concept Development	3.028		3.028
236 63402F Space Test Program	70.434	−2.000	68.434
237 63438F Satellite System Survivability	4.273		4.273
239 64211F Advanced Aerial Targets Development	13.505		13.505
240 64227F Flight Simulator Development	155.315	−10.000	145.315
241 64237F Variable In-Flight Test A/C (Vista)	0.391		0.391
242 64411F Space Shuttle	132.007		132.007
243 64609F Logistics Tech for Weapons Systems	6.750		6.750
244 64707F Weather Systems	13.078	−5.000	8.078
245 64735F Range Improvement	62.166	−15.000	47.166
246 64747F Electromag Radiation Test Facility	3.376		3.376
247 64755F Improved Capability for RDT&E	46.417		46.417
248 65101F Project Air Force	17.445	3.555	21.000
249 65304F Acquisition/Command Support—Telecom	6.550		6.550
250 65306F Ranch Hand II Epidemiology Study	4.695		4.695
252 65708F NAV/RADAR/Sled Track Test Support	28.319	−8.000	20.319
253 65806F Acquisition and Command Support	366.620	−30.000	336.620
254 65807F Test and Evaluation Support	431.594	−20.000	411.594
255 65808F Adv System Engineering/Plan	3.895	−1.395	2.500

RESEARCH, DEVELOPMENT, TEST & EVALUATION AIR FORCE—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
256 65863F RDT&E Aircraft Support	59.820		59.820
257 65872F Productivity Investments	7.009	-4.000	3.009
258 65874F Product Performance AGMT Center (PPAC)	0.975		0.975
260 35110F Satellite Control Facility	83.122	-15.000	68.122
261 35119F Space Boosters	221.393		221.393
262 35130F Consolidated Space Operations Center	87.415	-20.000	67.415
263 35160F Defense Meteorological Satellite Program	71.309	-20.000	51.309
264 35171F Space Launch Support	79.232		79.232
265 71112F Inventory Control Point Operations	4.034		4.034
266 72207F Depot Maintenance (NON-IF)	0.489	-0.489	0.000
267 78011F Industrial Preparedness	104.540	-40.000	64.540
269 78026F Product/Reliability/Avail/Maintain Program	17.365	-3.000	14.365
270 78031F Logistics C31 System	9.933		9.933
271 91212F Service-Wide Support	0.196		0.196
272 91215F Productivity Investments	0.978		0.978
274 01004F International Activities	2.894		2.894
Subtotal, Def-Wide Mission Support	2,120.562	-190.329	1,930.233
Undistributed Reduction		-50.000	-50.000
Restoration of Civilian Pay Reduction		24.400	24.400
Civilian End Strength Freeze		-11.898	-11.898
Prior Year Inflation Savings		-100.000	-100.000
Inflation Reestimate for FY 86		-14.000	-14.000
Prior Year Program Savings		-156.000	-156.000
Total, Air Force RDT&E	15,578.500	-1,288.766	14,289.734

RESEARCH, DEVELOPMENT, TEST AND EVALUATION DEFENSE AGENCIES

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
TECHNOLOGY BASE			
1 61101E Defense Research Sciences	92.600	-12.000	80.600
2 61101W In-house Lab Independent Research	1.981		1.981
3 61103E University Research	6.250		6.250
4 62101E Technical Studies	1.800		1.800
6 62301E Strategic Technology	254.400	-42.000	212.400
7 62702E Tactical Technology	102.000		102.000
8 62707E Particle Beam Technology	21.500		21.500
9 62708E Integrated Command/Control Tech	53.000		53.000
10 62712E Materials Processing Tech	33.000		33.000
11 62714E Nuclear Monitoring	19.400	6.000	25.400
12 62715H Defense Nuclear Agency	384.361	-20.000	364.361
Polygraph	[ ]	0.590	0.590
Subtotal, Technology Base	970.292	-67.410	902.882
ADVANCED TECHNOLOGY DEVELOPMENT			
Strategic Defense Initiative	3,712.962	-750.000	2,962.962
13 63220C Surveil/ACQSN/Track/Kill Assessment	(1,386.344)		
14 63221C Directed Energy Weapons	(965.441)		
15 63222C Kinetic Energy Weapons	(859.724)		
16 63223C Systems Concepts and Battle Management	(243.300)		
17 63224C Survivability, Lethality and Key Support Tech	(258.153)		
18 63225D Joint DOD-DOE Munitions Tech Dev	8.413	1.587	10.000
19 63226E Experimental Eval of Major Innov Tech	175.249		175.249
20 63702D Special Technology Office/USDR&E	4.177		4.177
21 63703D Counter-Insurgency and Special Tech	11.421		11.421
22 35108K Command and Control Research	2.313		2.313
Subtotal, Advanced Tech Development	3,914.535	-748.413	3,166.122
STRATEGIC PROGRAMS			
23 63734K Island Sun	17.000		17.000
25 32016K NMCS-Wide Support	43.498	-10.000	33.498
27 32019K WWMCCS System Engineer	21.254		21.254
28 33131K MEECN	12.398		12.398
Subtotal, Strategic Programs	94.150	-10.000	84.150
TACTICAL PROGRAMS			
29 21135K CINC C2 Initiatives	2.083		2.083
30 28045D C3 Interoperability (JOINT TACT C3 AGCY)	72.152	-12.000	60.152
31 28298D Management Headquarters (JTC3A)	1.472		1.472
Subtotal, Tactical Programs	75.707	-12.000	63.707
INTELLIGENCE AND COMMUNICATIONS			
32 62716B MAP/Chart/Geodesy	0.975		0.975
33 63701B MAP/Chart/Geodesy INV/Prototype Dev	20.197	-4.000	16.197
34 64701B MAP/Chart/Geodesy Engr Dev/Test	3.092		3.092
35 31011G Cryptologic Activities	[ ]	-20.116	-20.116
36 31301L General Defense Intelligence Program	[ ]		[ ]
37 31398L Management Headquarters GDIP	[ ]		[ ]
38 33126K Long-Haul Communications (DCS)	18.935	-5.000	13.935
39 33127K Support of the NCS	5.686		5.686
40 3401G Communications Security	[ ]		[ ]
41 35139B DMA Exploitation Program	[ ]		[ ]
42 35159B Defense Reconnaissance Support Activities	[ ]		[ ]
43 35159G Defense Reconnaissance Activities	[ ]		[ ]
44 35159N Defense Reconnaissance Support Activities	[ ]		[ ]
45 35167G Computer Security	[ ]		[ ]
46 35884L Intel Plan and Review Activities	[ ]		[ ]
47 35885G Tactical Cryptologic Activities	[ ]		[ ]

RESEARCH, DEVELOPMENT, TEST AND EVALUATION DEFENSE AGENCIES—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
Classified Programs	1,826.848		1,826.848
Subtotal, Intel and Communications	1,875.733	-29.116	1,846.617
DEFENSEWIDE MISSION SUPPORT			
48 65104D Technical Support to USDR/E	23.593		23.593
49 65106D General Support for PA/E	3.489		3.489
50 65107D Support to Policy	6.445	1.005	7.450
51 65108D General Support for Net Assessment	4.032		4.032
52 65109D General Support for MRA/L	3.117		3.117
53 65110D Critical Technology	2.792		2.792
54 65112D Technical Analytical Support	16.001	-4.000	12.001
55 65112E Technical Analytical Support	[ ]		[ ]
56 65113D Tapistry	2.793		2.793
57 65114E Blacklite	4.000		4.000
59 65801S Defense Technical Info Center	21.656		21.656
60 65802S Information Analysis Centers	6.550		6.550
62 65898C Management Headquarters SDI	9.222		9.222
63 65898E Management Headquarters R & D	13.148		13.148
64 78011S Industrial Preparedness	5.000		5.000
65 01015D Technology Transfer Functions	1.645		1.645
Subtotal, Def-Wide Mission Support	123.483	-2.995	120.488
Subtotal, Defense Agencies RDT&E	7,053.900	-869.934	6,183.966
DIRECTOR OF TEST AND EVALUATION, DEFENSE			
1 65111D Foreign Weapons Evaluation	17.010		17.010
2 65804D Test and Evaluation	86.490	-10.000	76.490
Subtotal, Director of Test and Evaluation	103.500	-10.000	93.500
Restoration of Civilian Pay Reduction		1.200	1.200
Civilian End Strength Freeze		-1.400	-1.400
Prior Year Program Savings		-151.000	-151.000
Total, Defense Agencies RDT&E	7,157.400	-1,031.134	6,126.266

TITLE III—OPERATION AND MAINTENANCE

The administration requested $82,450.2 million for the operation and maintenance of the armed forces and the component agencies of the Department of Defense in fiscal year 1986.

The committee recommends authorization of $79,361.1 million for operation and maintenance in fiscal year 1986, a reduction of $3,089.1 million from the February request. The committee estimates that the recommended level of authorization will provide for approximately 1.5 percent dollar growth over the amounts appropriated in fiscal year 1985.

From the initial report and markup, a number of major changes were made to produce the following funding levels. Additional financing adjustments were in the refund areas of Industrial Funds, Foreign Currency Fund Rate, Stock Fund Cash, and the Transfer Investment Savings. A small adjustment was made in operation and maintenance expenses due to the limits placed on military end strengths requests. An inflation reestimate for fiscal year 1986 was made.

In the area of operation and maintenance programs, changes were made in the areas of Base Operating Support for Consolidation, Command and Control, Force Modernization, Inactive Ship Rework, and Space Operations in general. These changes were made in addition to previous reductions.

[Dollars in thousands]

Operation and maintenance	Fiscal year 1985 budget authority	Fiscal year 1986 request	Committee change from request	Committee recommendation
Army	$18,603,698	$20,190,630	-960,344	19,230,286
Navy	25,334,741	25,797,700	-1,064,828	24,732,872
Marine Corps	1,650,894	1,667,400	-39,378	1,628,022
Air Force	19,213,465	20,924,400	-823,726	20,100,674
Defense Agencies	7,182,599	7,568,900	-65,636	7,503,264
Army Reserve	732,700	779,600	-10,300	769,300
Navy Reserve	828,781	954,500	-50,710	903,790
Marine Corps Reserve	58,842	61,600	-4,730	56,870
Air Force Reserve	881,261	907,700	-16,856	890,844
Army National Guard	1,439,293	1,605,200	-13,580	1,591,620
Air National Guard	1,823,843	1,830,100	-23,938	1,806,162
Nat'l Board Promo of Rifle Practice	928	920	0	920
Claims, Defense	146,500	158,300	-15,000	143,300
Court of Military Appeals	2,870	3,200	0	3,200
Other O&M	314,000	0	0	0
Total	78,219,420	82,450,150	-3,089,026	79,361,124

Operation and Maintenance, Army

	Million
Fiscal Year 1985 budget authority	$18,603.7
Fiscal Year 1986 request	20,190.6
Committee change from request	-960.3
Committee recommendation	19,230.3

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
fuel refund	-27.0
Industrial fund refund	-60.0
Foreign currency fluctuation, Defense	-156.0
Foreign currency fund rate	-262.4
Stock funds, cash refund	-365.4
Transfer investment savings refund	-31.0
Personnel adjustments:	
Pay reduction restoration	+282.4
Absorption of pay restoral	-72.1
Civilian end strength	-160.3
Inflation reestimate	-11.0
O&M Program Reductions:	
Consolidation—BOS	-30.0
Command and Control	-15.0
Force modernization	-30.0
Other	-2.5

Operation and Maintenance, Navy

	Millions
Fiscal year 1985 budget authority	$25,334.7
Fiscal year 1986 request	25,797.7
Committee change from request	-1,064.8
Committee recommendation	24,732.9

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
Fuel refund	-119.7
Industrial fund refund	-70.0
Foreign currency fluctuation, defense	-156.0
Foreign currency fund rate	-42.8
Stock funds, cash refund	-680.4
Transfer investment savings refund	-42.1
Personnel adjustments:	
Pay reduction restoration	+345.7
Absorption of pay restoral	-94.9
Military	-19.1
Civilian end strength	-49.4
Inflation reestimate	-15.0
O&M Program reductions:	
Consolidation—BOS	-30.0
Command and control	-15.0
Inactive ship rework	-75.0
Other	-1.1

Operation and maintenance, Marine Corps

	Millions
Fiscal year 1985 budget authority	$1,650.9
Fiscal year 1986 request	1,667.4
Committee change from request	-39.4
Committee recommendation	1,628.0

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
Fuel refund	-1.8
Foreign currency fund rate	-11.2
Stock funds, cash refund	-28.0
Transfer investment savings refund	-2.9
Personnel adjustments:	
Pay reduction restoration	+15.5

Program adjustments	*Committee recommendation*
Absorption of pay restoral	-4.3
Civilian end strength	-6.7

Operation and maintenance, Air Force

	Millions
Fiscal year 1985 budget authority	$19,213.5
Fiscal year 1986 request	20,924.4
Committee change from request	-823.7
Committee recommendation	20,100.7

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
Fuel refund	-162.3
Industrial fund refund	-70.0
Foreign currency fluctuation, defense	-156.0
Foreign currency fund rate	-69.2
Stock funds, cash refund	-198.8
Transfer investment savings refund	-15.5
Personnel adjustments:	
Pay reduction restoration	+201.9
Absorption of pay restoral	-55.4
Military	-19.1
Civilian end strength	-154.9
Inflation reestimate	-13.0
O&M Program reductions:	
Consolidation—BOS	-30.0
Command and control	-20.0
Space operations and et cetera	-50.0
Interim contractor support	-10.0
Other	-0.9

Operation and maintenance, Defense agencies

	Millions
Fiscal year 1985 budget authority	$7,182.6
Fiscal year 1986 request	7,568.9
Committee change from request	-65.6
Committee recommendation	7,503.3

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
Foreign currency fund rate	-14.4
Stock funds, cash refund	-14.0
Tranfer investment savings refund.	-3.0
Personnel adjustments:	
Pay reduction restoration	+151.4
Absorption of pay restoral	-41.5
Civilian end strength	-38.7
O&M Program reductions:	
Command and Control	-10.0
JCS special fund	-50.0
CHAMPUS	25.0
Other	-20.4

Operation and maintenance, Army Reserve

	Millions
Fiscal year 1985 budget authority	$732.7
Fiscal year 1986 request	779.6
Committee change from request	-10.3
Committee recommendation	769.3

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustment/refunds:	
Fuel refund	-1.1
Stock funds, cash refund	-18.2
Personnel adjustments:	
Pay reduction restoration	+12.4
Absorption of pay restoral	-3.4

Operation and maintenance, Navy Reserve

	Millions
Fiscal year 1985 budget authority	$828.8
Fiscal year 1986 request	954.5
Committee change from request	-50.7
Committee recommendation	903.8

Millions

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
Fuel refund	-7.0
Stock funds, cash refund	-40.6
Transfer investment savings refund	-3.4
Personnel adjustments:	
Pay reduction restoration	+2.7
Absorption of pay restoral	-.7
Civilian end strength	-1.7

Operation and maintenance, Marine Corps Reserve

	Millions
Fiscal year 1985 budget authority	$58.8
Fiscal year 1986 request	61.6
Committee change from request	-4.7
Committee recommendation	56.9

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds;	
Stock funds, cash refund	-4.2
Personnel adjustments:	
Pay reduction restoration	+.2
Absorption of pay restoral	-.1
Civilian end strength	-.6

Operation and maintenance, Air Force Reserve

	Millions
Fiscal year 1985 budget authority	$881.3
Fiscal year 1986 request	907.7
Committee change from request	-16.9
Committee recommendation	890.8

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
Fuel refund	-7.4
Stock funds, cash refund	-7.0
Transfer investment savings refund	-.2
Personnel adjustments:	
Pay reduction restoration	+14.0
Absorption of pay restoral	-3.8
Civilian end strength	-12.5

Operation and maintenance, Army National Guard

	Millions
Fiscal year 1985 budget authority	$1,439.3
Fiscal year 1986 request	1,605.2
Committee change from request	-13.6
Committee recommendation	1,591.6

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
Fuel refund	-3.2
Stock funds, cash refund	-28.0
Transfer investment savings refund	-1.0
Personnel adjustments:	
Pay reduction restoration	+25.9
Absorption of pay restoral	-7.1
Civilian end strength	-.2

Operation and maintenance, Air National Guard

	Millions
Fiscal year 1985 budget authority	$1,328.8
Fiscal year 1986 request	1,830.1
Committee change from request	-23.9
Committee recommendation	1,806.2

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
Fuel refund	-20.0
Stock funds, cash refund	-15.4
Transfer investment savings refund	-.9
Personnel adjustments:	
Pay reduction restoration	+26.8
Absorption of pay restoral	-7.4
Civilian end strength	-7.0

Operation and maintenance, National Board for the Promotion of Rifle Practice

	Millions
Fiscal year 1985 budget authority	$0.928
Fiscal year 1986 request	.920
Committee change from request	0
Committee recommendation	920
Claims, Defense:	
Fiscal year 1985 budget authority	146.5
Fiscal year 1986 request	158.3
Committee change from request	-15.0
Committee recommendation	143.3
Court of Military Appeals, Defense:	
Fiscal year 1985 budget authority	2.9
Fiscal year 1986 request	3.2
Committee change from request	0
Committee recommendation	3.2

STOCK FUNDS

The request of $1,859.6 million for the stock funds in fiscal year 1986 was reduced by $200.0 million. The committee felt the fund levels were adequate, and were accumulating cash reserves. Therefore, the funds were reduced by the following amounts.

[Dollars in millions]

Stock fund	Fiscal year 1985 budget authority	Fiscal year 1986 requested	Committee change from request	Fiscal year 1986 recommended
Army	$366.4	$442.0	-49.0	$393.0
Navy	473.0	716.5	-78.0	638.5
Marine Corps	34.9	42.7	-5.0	37.7
Air Force	548.6	464.9	-49.0	415.9
Defense	130.7	193.5	-19.0	174.5

TITLES IV AND V.—PERSONNEL AUTHORIZATIONS AND COMPENSATION AND BENEFITS

The only personnel authorization which differs from S. 1029 is that for civilian personnel. Because of Congressionally directed budget reductions, the Committee now recommends a civilian end strength of 1,065,970, a reduction of 21,806 personnel from the level previously recommended in S. 1029. The end strength now recommended results from freezing civilian personnel levels in programs where growth was requested and from accepting the civilian personnel reductions budgeted for fiscal year 1986 in other programs.

The compensation and benefits provisions of the bill contain significant differences from those contained in S. 1029. In an effort to initiate a major restructuring of the military personnel management and compensation system, the Committee recommended that funding available for the payment of basic pay and the military retirement accrual charge for fiscal year 1986 be reduced by $1.82 billion, or 10% of the budgeted amount for that accrual charge. At the same time, the Committee directed that the Secretary of Defense submit a report, including proposed legislation, to the Congress not later than September 1, 1985, which, if enacted, would alter the military nondisability retirement system, other elements of the compensation system, or other personnel programs (including but not limited to promotion and retention policies) so

that the reduced funding would be sufficient to fund military basic pay and the military retirement accrual charge in fiscal year 1986. The Committee specifically directed that any proposed legislation which would alter the military retirement system would not include structural changes to the retirement system for personnel on active duty or retired on the date such legislation were enacted.

As a second facet of the restructuring of the military compensation system, the Committee recommended a 3% across-the-board pay raise for all military personnel to be effective on October 1, 1985, while the provision of S. 1029 would have made such a pay raise effective three months later on January 1, 1986. In addition, the Committee recommended increases or enhancements to a number of special and incentive pays and improvements in permanent change of station allowances, having a total cost of more than $300 million.

The special and incentive pays and allowances involved in these recommendations include:

a. Nuclear officer pays.
b. Submarine officer pay.
c. Danger pay.
d. Responsibility pay.
e. Career sea pay.
f. Certain places pay.
g. Hazardous duty pays.
h. Dislocation allowance.

Each of these benefit increases or enhancements are in addition to the modest improvements in benefits previously recommended in S. 1029.

Changes in Title VII

Section 702.—Reduces the penalty for submitting a general or administrative cost that is unallowable by clear and convincing evidence because it violates a cost principle in the Federal Acquisition Regulation from 3 times the amount of the cost to one times the amount of the cost.

Reduces the penalty for consistently submitting general or administrative costs that are unallowable by clear and convincing evidence because they violate cost principles in the Federal Acquisition Regulation from up to 25% of the general and administrative costs in the contract to an additional two times the amount of unallowable costs.

Clarifies that civil and criminal fraud penalties will be applied consistent with the terms of 18 USC 287 and 31 USC 3729, including the knowledge requirements in those provisions.

Clarifies that these provisions do not apply to firm-fixed-price contracts.

Section 711.—Complete substitute of Davis-Bacon provision.

Exempts all DOD contracts under $1,000,000 from coverage of law.

Changes the basis for calculation of the wages paid to workers on DOD construction projects to the wage paid to 50% or more of the corresponding classes of laborers, mechanics, and helpers employed on private industry projects of a character similar to the contract work in the urban or rural civil subdivision of the State in which the work is to be performed, or in the District of Columbia if the work is to be performed there; or if the same wage is not paid to 50% or more of the laborers, mechanics, and helpers in the corresponding classes, the weighted average of wages paid to the corresponding classes.

Changes references to laborers and mechanics to laborers, mechanics, and helpers.

Section 713.—Requires overtime for hours worked over forty hours a week, with no reference to daily overtime requirements.

Section 722.—incorporates specific criteria to consider in base closings or realignments.

Requires notification to Congress containing an evaluation of the criteria with regard to the specific base closing or realignment proposed.

Restricts reprogramming authority to funds authorized and appropriated for the facility to be closed or realigned.

Authorizes an additional $1,000,000,000 to use for base closings or realignments.

DIVISION B—MILITARY CONSTRUCTION

Purpose of the bill

The purpose of Division B is to provide military construction authorization and related authority in support of the military departments during fiscal year 1986. The Administration's request is reflected in S. 537 as introduced by request. This Division as approved by the Committee on Armed Services, totals $8,809,412,000 in authorization for appropriation. It provides construction in support of the Military Services, Guard and Reserve components, Defense Agencies, NATO Infrastructure, and includes military family housing requirements. Committee review resulted in a net reduction of $1,500,059,000 from the total $10,309,471,000 requested in new authorization for appropriation for fiscal year 1986.

A brief summary of the Authorizations for Appropriations provided in Division B follows:

Authorization for appropriations granted, fiscal year 1986

Sec. 601 (Army):	
Inside the United States.	$1,106,950,000
Outside the United States	488,170,000
Unspecified minor construction	31,000,000
Planning and design	144,300,000
Family housing construction	288,080,000
Family housing support	1,271,094,000
Subtotal	3,141,513,000
Sec. 602 (Navy):	
Inside the United States.	1,195,989,000
Outside the United States	221,195,000
Unspecified minor construction	21,560,000
Planning and design	141,860,000
Defense access roads	2,960,000
Family housing construction	154,000,000
Family housing support	585,839,000
Subtotal	2,323,403,000
Sec. 603 (Air Force):	
Inside the United States.	1,036,707,000
Outside the United States	449,100,000
Unspecified minor construction	22,000,000
Planning and design	144,096,000
Defense access roads	30,240,000
Family housing construction	212,600,000
Family housing support	729,298,000
Subtotal	2,624,041,000
Sec. 604 (Defense Agencies):	
Inside the United States.	103,102,000
Outside the United States	106,598,000
Unspecified minor construction	4,000,000
Contingency construction	5,000,000
Planning and design	30,000,000
Family housing construction	1,910,000
Family housing support	18,390,000
Subtotal	269,000,000
Sec. 605 (NATO Infrastructure)	38,000,000
Sec. 701 (Guard and Reserve Forces):	
Army National Guard	100,200,000
Army Reserve	69,400,000
Navy and Marine Corps Reserve	50,800,000
Air National Guard	127,555,000
Air Force Reserve	65,500,000
Subtotal	413,455,000
Total authorization for appropiation	8,809,412,000

BACKGROUND

Military construction requirements for fiscal year 1986 identified in this legislation were developed on the same basis as the Department of Defense request presented to Congress for military procurement. This concept involved the so-called package-program method of identifying our military forces with their primary missions and then assigning to these forces the weapons, equipment, and facilities necessary to discharge effectively these assigned mission responsibilities.

The Department of Defense requested authorization for appropriations in the amount of $10,309,471,000 for fiscal year 1986—slightly less than 2 percent below the $10,499,802,000 requested for fiscal year 1985 by the administration but more than 11 percent higher than the $9,133,908,000 authorised for appropriations in FY 1985. One quarter of the FY 1986 request is for operation and maintenance of military housing and the rest, $7.8 billion, was requested for new construction, including $500 million for planning and design. Construction in the United States accounts for 73 percent, with 18 percent for bases in Europe, and 9 percent in other areas overseas.

The committee carefully assessed each proposal and project to assure that only those items which are essential to our national defense interests would be approved.

SUMMARY OF COMMITTEE ACTION

The fiscal year 1986 military construction authorization bill was introduced as S. 537 and hearings on this bill were conducted by the Subcommittee on Military Construction of the Committee on Armed Services. The subcommittee met on numerous occasions to thoroughly review more than 1,700 individual projects involving approximately 700 military installations within the United States and overseas. After these extensive hearings the committee reduced the request by $1,500,059,000.

The following table indicates the changes made to the various titles of the bill.

CHANGES RECOMMENDED BY THE COMMITTEE—AUTHORIZATION FOR APPROPRIATION

[In thousands of dollars]

	DOD fiscal year 1986 request	Changes by committee	Total amount approved by committee
Sec. 601—Army	3,649,674	-508,161	3,141,513
Sec. 602—Navy	2,886,249	-562,846	2,323,403

CHANGES RECOMMENDED BY THE COMMITTEE—AUTHORIZATION FOR APPROPRIATION—Continued

[In thousands of dollars]

	DOD fiscal year 1986 request	Changes by committee	Total amount approved by committee
Sec. 603—Air Force	2,917,048	−293,007	2,624,041
Sec. 604—Defense agencies	329,900	−60,900	269,000
Sec. 605—NATO infrastructure	98,000	−60,000	38,000
Sec. 702—Guard and Reserve	428,600	−15,145	413,455
Total	10,309,471	−1,500,059	8,809,412

Matters of Special Emphasis:

TITLE IV—DEFENSE AGENCIES

	Defense agencies request	Total authorization	Less amounts not authorized for appropriation	Total authorized for appropriation
Military construction:				
Inside the United States	$180,847,000	$173,647,000	[1] $70,545,000	$103,102,000
Outside the United States	126,778,000	126,778,000	21,180,000	106,598,000
Planning and design	30,000,000	30,000,000		30,000,000
Unspecified minor construction	4,000,000	4,000,000		4,000,000
Secretary of defense contingency	5,000,000	5,000,000		5,000,000
Total MilCon authorized	346,625,000	339,425,000	90,725,000	248,700,000
Military family housing:				
Construction, improvements, and design	1,910,000	1,910,000		1,910,000
Support	18,390,000	18,390,000		18,390,000
Total family housing	20,300,000	20,300,000		20,300,000
Grand total, defense agencies	366,925,000	359,725,000	90,725,000	269,000,000

[1] $16,845,000 general reduction for savings inside the United States and −$53,700,000 for incremental funding of the National Security Agency Research and Engineering Facility at Fort Meade, MD.

SUMMARY OF PROGRAM

The Secretary of Defense's military construction request for the Defense Agencies totaled $366,925,000 for fiscal year 1986. Included in this total are: $305,625,000 for major construction of new facilities and rehabilitation of existing facilities at 26 locations within the United States and at 32 locations overseas; $5,000,000 for contingency construction authorization for the Secretary of Defense to provide for unforeseen construction requirements in emergency situations; $30,000,000 for planning and design; $4,000,000 for unspecified minor construction projects, $1,910,000 for family housing construction and improvements; and $18,390,000 for family housing support.

The committee gave careful consideration to all projects and related support. The following table summarizes the authorization requested and approved:

[In thousands of dollars]

	Fiscal year 1986 request	Committee approved	Authorization for appropriations
Defense Logistics Agency	56,150	56,150	19,125
Defense Mapping Agency	900	900	900
National Security Agency	89,292	89,292	35,592
Secretary of Defense Activities	161,283	157,083	157,083
Department of Defense:			
Dependents Schools	(116,941)	(116,941)	(116,941)
Overseas	(85,335)	(85,335)	(85,335)
Section 6	(31,606)	(31,606)	(31,606)
Classified Activities	(15,142)	(15,142)	(15,142)
National Defense University	(29,200)	(25,000)	(25,000)
OSD Contingency Construction	5,000	5,000	5,000
Unspecified Minor Construction	4,000	4,000	4,000
Planning and Design	30,000	30,000	30,000
Family Housing	20,300	20,300	20,300
New Construction & Improvements	(1,910)	(1,910)	(1,910)
Support	(18,390)	(18,390)	(18,390)
General Reduction for Davis-Bacon Savings		−3,000	−3,000
Total	366,925	359,725	269,000

[In thousands of dollars]

Location	Project	Cost
Defense Fuel Support Point, San Pedro, CA	Fire Protection	700
Defense Property Disposal Office, Groton, CT	Conforming Storage Facility.	625
Defense Fuel Support Point, Port Tampa, FL	Fire Protection	595
Defense Property Disposal Office, Fort Riley, KS.	Covered Storage	965
Defense Fuel Support Point, Newington, NH	Fire Protection	1,040
Defense Fuel Support Point, Verona, NY	Fuel Tank Roofs	1,395
Defense Depot, Mechanicsburg, PA	Fumigation Facility	470

DEFENSE MAPPING AGENCY

The mission of the Defense Mapping Agency is to acquire or develop and to supply maps, charts, and other geodetic information required by the Department of Defense.

The committee approved $900,000 for one project at the following location:

Location, Project and Cost:

Texas National Guard Station, Mineral Wells, TX, Repromat Secure Storage Facility, $900,000.

NATIONAL SECURITY AGENCY

The mission of the National Security Agency is to organize and manage activities and facilities for the production of foreign intelligence information.

The committee approved six projects at the following locations:

[In thousands of dollars]

Location	Project	Cost
Fort Meade, MD	Research and engineering facility	[1] 75,064
	Outdweller	6,000
	SAB 2 equipment platform	450
	Test pad building	628
Classified locations	Marcher	4,650
	Emergency generators	2,500

[1] $71,364,000 authorized for appropriation.

SECRETARY OF DEFENSE ACTIVITIES

The Secretary of Defense is provided $157,083,000 for various activities of the Office of the Secretary of Defense including two classified projects, projects for overseas dependents schools, projects for Section 6 (CONUS) schools, and a facility to support the National Defense University.

The committee continues to support the need for adequate schools for children living on military installations and has approved the projects requested for that purpose.

The committee approved the following projects:

[In thousands of dollars]

Location	Project	Cost
Office of Dependents Schools:		
Florennes, Belgium	Elementary and high school	7,420
Bermuda	Elementary School	2,290
Babenhausen, Germany	Elementary school addition	760
Bamberg, Germany	do	3,390
	Middle and high school addition	2,410
Butzbach, Germany	Elementary school addition	3,420
Hanau, Germany	Middle school	7,480
Heidelberg, Germany	Elementary school No. 2 Addition	1,910
Heilbronn, Germany	Elementary and junior high school addition.	2,520
Pirmasens, Germany	do	1,630
Schweinfurt, Germany	Junior high school	3,930
Sembach, Germany	Elementary school addition	2,170
Vilseck, Germany	Elementary school	6,680
Sigonella, Italy	Elementary and high school addition.	5,360
Misawa, Japan	Elementary school addition	4,780
Okinawa, Japan	High school addition (Kadena)	300
	Elementary school (Jennings)	445
Osan, Korea	Elementary school addition	2,780
Pusan, Korea	Elementary and high school addition.	1,540
Taegu, Korea	do	730
Soesterberg, Netherlands	Elementary school	4,460
Clark Air Base, Republic of the Philippines.	High School (Wagner)	7,190
Rota, Spain	Elementary and high school addition.	2,870
Bicester, United Kingdom	Elementary school addition	4,570
Upwood, United Kingdom	do	3,240
Woodbridge, United Kingdom.	do	1,060
Department of Defense section 6 schools:		
Fort Benning, GA	Elementary school addition	1,693
Camp Lejeune, NC	High school	8,400
Fort Bragg, NC	Elementary school	5,660
Myrtle Beach AFB, SC	Elementary and middle school	1,400
Marine Corps Base, Quantico, VA	Elementary school	3,500
Fort Buchanan, PR	New high school	9,753
Roosevelt Roads Naval Station, PR	High school addition	1,200
Classified Activities:		
Classified activity, classified location.	Facility conversion, expansion, and substation.	3,142
Classified activity, classified location.	Construct addition and support facility.	12,000
Other OSD Activities: Fort McNair, District of Columbia.	Academic instruction facility	25,000

CONTINGENCY CONSTRUCTION

The Secretary of Defense is provided $5,000,000 requested in new authorization for unforeseen contingency construction requirements which he considers vital to the security of the United States.

UNSPECIFIED MINOR CONSTRUCTION

The committee approved $4,000,000 for unspecified minor construction projects authorized under Title 10 USC 2805. This is considered adequate to enable the numerous Defense Agencies and Activities to react to requirements resulting from unforeseen situations which could affect mission performance or safety of life or property, and to take advantage of opportunities to attain greater efficiency of operations.

PLANNING AND DESIGN

The committee approved the $30,000,000 requested for planning and design to support the timely design of Defense Agency projects proposed for inclusion in outyear programs.

FAMILY HOUSING

The committee approved the $20,300,000 requested for Military Family housing to support the Defense Agencies. The details of this amount are as follows:

FAMILY HOUSING—DEFENSE AGENCIES

[In thousands of dollars]

	Defense Mapping Agency	Defense Intelligence Agency	National Security Agency	Defense Logistics Agency	Total
New construction			1,800		1,800
Improvements			70	40	110
Subtotal			1,800	40	1,910
Operation	23	2,143	543	185	2,894
Leasing	33	8,900	6,000		14,933
Maintenance	31		292	240	563
Subtotal	87	11,043	6,835	425	18,390
Total	87	11,043	8,705	465	20,300

Summary of Defense agencies program action

	Thousands
Total Defense agency authorization Request	$366,925
Military construction: Total Defense agency authorization Request	346,625
Committee reductions:	
National Defense University, Fort McNair, DC	−4,200
General reduction for Davis-Bacon savings	−3,000
Total reductions	−7,200
New military construction authorization	339,425
Family housing: Total Defense agency authorization request	20,300
Committee reductions:	
New family housing authorization	20,300
New Defense agency military construction and family housing authorization	359,725

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE NATO AUTHORIZATION

The Secretary of Defense requested $98,000,000 under this title for the U.S. contribution to the NATO common-funded Infrastructure Program in fiscal year 1986. The committee is very supportive of the NATO Infrastructure Program and believes that the majority of construction requirements for Europe should be funded by it. It is essential to the United States that NATO fund our high priority facility to meet our obligations to pay our share of this vital program. The Committee approved $38,000,000.

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surplus occurred because of the strength of the dollar against foreign currencies. The committee believes that the present strength of the dollar will continue through 1985 and there will once again be surplus funds available in 1986. Therefore, the committee has reduced the Authorization of Appropriations to $38,000,000 for fiscal year 1986.

AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

The authorization of appropriations and administrative provisions contained in title VI are designed to provide certain restrictions as well as relief in execution of the authorization contained in the act. With relatively few exceptions they are essentially the same as those recurring provisions contained in past military construction authorization acts.

AUTHORIZATION OF APPROPRIATIONS

Section 2601 through 2605 is language which appears in each annual military construction Act except the dollar amounts now include the amounts of authorizations contained in the titles of this Act. It authorizes the appropriation of funds to carry out the functions authorized by separate titles of the Act.

ACTIVITIES INCLUDED WITHIN AUTHORIZATIONS FOR MILITARY FAMILY HOUSING

Section 606 defines the activities included in Sections 601 through 604 for Military Family Housing. Construction and acquisition included amounts for minor construction, improvements to existing military family housing units and facilities, relocation of military family housing units under Section 2827 of 10, United States Code, and architectural and engineering services and construction design. Support includes amount for operating expenses, leasing expenses, maintenance of real property expenses, payments of principal and interest on mortgage debts incurred, and payments of mortgage insurance authorized under Section 222 of the National Housing Act (12 U.S.C. 1715m).

EXPIRATION OF AUTHORIZATIONS; EXTENSIONS OF CERTAIN PREVIOUS AUTHORIZATION

Section 2607 is similar to the repeal provision in last year's act and continues in affect their previously established policy of repealing military construction authorizations that have not been used within a specified period after enactment. This section also exempts the following projects from repeal:

Two Army fiscal year 1984 heating system projects at Stuttgart, Germany, for which contracts cannot be awarded before October 1985 because of additional time required to complete an economic analysis to determine if the heating systems are more cost effective than district heat connections. District heat connections would also require congressional notification of scope substitution.

An Army fiscal year 1984 range modernization project at Wildflecken, Germany, for which a contract cannot be awarded before October 1985 because of a redesign necessary to satisfy environmental concerns. The current estimate exceeds the programmed amount and will require a cost variation report and reprogramming request to Congress.

All of the following seven Army projects are being held in abeyance pending resolution of contracting procedures in Greece.

Three Army fiscal year 1984 projects at Argyroupolis, Greece, for which contracts cannot be awarded before October 1985.

Three Army fiscal year 1984 projects at Penivolaki, Greece, for which contracts cannot be awarded before October 1985.

An Army fiscal year 1984 physical fitness training center project at Elefsis, Greece, for which a contract cannot be awarded before October 1985.

A Navy fiscal year 1984 project at Naval Air Station, Brunswick, Maine, for which a contract cannot be awarded before October 1985.

A Navy fiscal year 1984 project at Naval Air Station, Cecil Field, Florida, for which a contract cannot be awarded before October 1985 because of a redesign requirement based on severe operational problems experienced with a similar design at Naval Air Station, Lemoore, California.

A Navy fiscal year 1984 land acquisition at Naval Weapons Station, Concord, California, which cannot be consummated before October 1985 due to unresolved environmental issues involving the closing of several country roads.

A Navy fiscal year 1984 generator plan project at Naval Communications Area Master Station Eastern Pacific, Honolulu, Hawaii, for which a contract cannot be awarded before October 1985 because of a pending court order not due to be issued before that time.

An Air Force fiscal year 1984 air freight terminal project at Elmendorf Air Force Base, Alaska, for which a contract cannot be awarded before October 1985, because a requirement to redesign and resite the structure could extend beyond that date.

ESTABLISHMENT OF CERTAIN AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

Section 2608 continues the procedure of establishing certain thresholds for the forthcoming military construction program. The table below compares the amounts specified by law for fiscal year 1985 to those approved by the committee for fiscal year 1986:

	Fiscal year 1985	Fiscal year 1986
Maximum amount for unspecified minor construction	$1,000,000	$1,000,000
Amount for reporting A/E contracts	300,000	300,000
Maximum amount per unit for family housing improvement	30,000	30,000
Maximum annual rental for family housing in the United States, Puerto Rico, or Guam	8,000	10,000
A. Maximum annual rental for a family housing unit leased in a foreign country	16,800	16,800
B. Maximum number of family housing units that may be leased in foreign countries at any one time	30,000	32,000
Maximum rental per year for family housing facilities leased in a foreign country	250,000	250,000

EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

Section 2609 makes the provisions of titles I, II, III, IV, and V effective October 1, 1985.

GUARD AND RESERVE FORCES FACILITIES

[In thousands of dollars]

	Enacted fiscal year 1985	Requested fiscal year 1986	Committee approved
Army National Guard	$101,683	$102,100	$100,200
Major construction	(73,630)	(70,821)	(68,921)
Minor construction	(19,053)	(18,917)	(18,917)
Planning and design	(9,000)	(12,362)	(12,362)
Army Reserve	71,700	70,700	69,400
Major construction	(57,650)	(55,295)	(53,995)
Minor construction	(5,550)	(5,800)	(5,800)
Planning and design	(8,500)	(9,605)	(9,605)
Naval and Marine Corps Reserve	62,000	51,800	50,800
Major construction	(55,705)	(46,060)	(45,060)
Minor construction	(2,895)	(1,540)	(1,540)
Planning and design	(3,400)	(4,200)	(4,200)
Air National Guard	121,200	137,200	127,555
Major construction	(105,300)	(119,600)	(109,955)
Minor construction	(7,900)	(8,000)	(8,000)
Planning and design	(8,000)	(9,600)	(9,600)
Air Force Reserve	67,800	66,800	65,500
Major construction	(60,900)	(58,400)	(57,100)
Minor construction	(2,250)	(3,400)	(3,400)
Planning and design	(4,650)	(5,000)	(5,000)
Total	424,383	428,600	413,455
Major construction	(353,185)	(350,176)	(325,031)
Minor construction	(37,648)	(37,657)	(37,657)
Planning and design	(33,550)	(40,767)	(40,767)

The authorization of appropriations requests for fiscal year 1986 total $428,600,000, including major construction, minor construction, and planning and design is suport of facilities for the Guard and Reserve Forces. The committee recognizes the increasingly vital role of the Guard and Reserve Force in improving the readiness capability of the total military force.

The following summary represents the status of lump sum authorization provided continuously since the Guard and Reserve Forces facilities program reverted to this method of authorization in 1963:

RESERVE FORCES FACILITIES—ESTIMATED STATUS OF LUMP SUM AUTHORIZATION [1] AS OF MARCH 1, 1985

[In thousands of dollars]

	Army		Naval and Marine Corps Reserve	Air Force		Total
	National Guard	Reserve		National Guard	Reserve	
Lump sum authorization (cumulative fiscal years (1963–85)	743,330	512,957	417,715	557,490	316,747	2,948,239
Estimate of authorization to be committed through fiscal year 1985	730,023	608,849	413,347	835,534	316,747	2,904,500
Uncommitted balance	13,307	4,108	4,368	21,956	0	43,739
Added by present bill	100,200	69,400	50,800	127,555	65,500	413,455
Total available, fiscal year 1986	113,507	73,508	55,168	149,511	65,500	457,194
Estimated commitments in fiscal year 1986	100,200	69,083	51,020	126,355	65,500	412,158
Estimated residual authorization, end fiscal year 1986	13,307	4,425	4,148	23,156	0	45,036

[1] Figures include Planning and Design and minor construction for fiscal year 1984–86 in accordance with Public Law 97–214.

Summary of Guard and Reserve Forces Program Action

	Thousands
Total Guard and Reserve Forces authorization request:	
Army National Guard	102,100
Army Reserve	70,700
Navy and Marine Corps Reserve	51,800
Air National Guard	137,200
Air Force Reserve	66,800
Committee Reductions:	
Army National Guard: General Reduction—Davis-Bacon Savings.	1,900
Army Reserve: General Reduction—Davis-Bacon Savings	1,300
Navy and Marine Corps Reserve: General Reduction—Davis-Bacon Savings	1,000
Air National Guard	
W.K. Kellogg Regional Airport, Battle Creek, MI Fuel System Maintenance Dock	1,700
McConnell AFB, Kansas:	
Fire Suppression System	775
Weapons Calibration Facility	1,500
Add/Alter Hangar Building 41	2,500
Aerospace Ground Equipment Shop	670
General Reduction—Davis-Bacon Savings	2,500
Air Force Reserve: General Reduction—Davis-Bacon Savings	1,300
Total Reductions	15,145
New Guard and Reserve Forces authorization:	
Army National Guard	100,200
Army Reserve	69,400
Navy and Marine Corps Reserve	50,800
Air National Guard	127,555
Air Force Reserve	65,500

surplus occurred because of the strength of the dollar against foreign currencies. The committee believes that the present strength of the dollar will continue through 1985 and there will once again be surplus funds available in 1986. Therefore, the committee has reduced the Authorization of Appropriations to $38,000,000 for fiscal year 1986.

AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

The authorization of appropriations and administrative provisions contained in title VI are designed to provide certain restrictions as well as relief in execution of the authorization contained in the act. With relatively few exceptions they are essentially the same as those recurring provisions contained in past military construction authorization acts.

AUTHORIZATION OF APPROPRIATIONS

Sections 601 through 605 is language which appears in each annual military construction Act except the dollar amounts now include the amounts of authorizations contained in the titles of this Act. It authorizes the appropriation of funds to carry out the functions authorized by separate titles of the Act.

TITLE I—ARMY

The Army request under title I of S. 537 amounted to $3,650,755,000. The committee, after careful review and consideration of the Army request, approves the following programs.

	Army request	Total authorization
Military construction:		
Inside the United States	$1,362,590,000	$1,106,950,000
Outside the United States	494,220,000	488,170,000
Design	136,100,000	144,300,000
Minor construction	31,000,000	31,000,000
Total military construction	2,023,910,000	1,770,420,000
Military family housing:		
Construction, improvements, and design	356,051,000	288,080,000
Support	1,270,794,000	1,271,094,000
Total family housing	1,626,845,000	1,559,174,000
Grand total, Army authorization	3,650,755,000	3,329,594,000
Less:		
Military construction reduction for prior year savings		−106,000,000
Military construction general reduction for favorable currency rates in Europe and the Pacific:		
Korea		−7,000,000
Europe		−23,000,000
Military construction reduction for Davis-Bacon Act exemption		−51,000,000
Family housing, Fort Ord, CA, trailer site construction, authorization only		−1,081,000
Grand total, Army authorization for appropriation		3,141,513,000

MILITARY CONSTRUCTION

The Army presented an authorization request for appropriations for the military construction, Army, program as follows:

MAJOR COMMAND SURVEY

[In thousands of dollars]

Major Command	Army request	Committee approved
Inside the United States:		
U.S. Army Forces Command	$635,420	$546,440
U.S. Army Western Command	40,910	40,910
U.S. Army Training and Doctrine Command	325,130	311,280
Military District of Washington	8,300	8,300
U.S. Army Medical Command	234,250	122,570
Army Ammunition Plants	46,950	15,950
U.S. Army Intelligence and Security Command	6,850	0
U.S. Army Information Systems Command	2,780	2,050
U.S. Military Academy	31,000	31,000
U.S. Army Health Services Command	12,270	9,720
U.S. Army Military Traffic Management Command	4,730	4,730
U.S. Army Corps of Engineers Command	11,000	11,000
Special Project	3,000	3,000
Total inside the United States	1,362,590	1,106,950
Outside the United States:		
U.S. Army, Japan	1,050	1,050
Eighth U.S. Army	152,130	146,080
Ballistic Missile Defense Systems Command	14,600	14,600
U.S. Army Forces Command	7,680	7,680
U.S. Army, Europe	318,760	318,760
Total outside the United States	494,220	488,170
Minor construction	31,000	31,000
Design	136,100	144,300
Total support	167,100	175,300
Total military construction authorization	2,023,910	1,770,420
Less:		
Military construction reduction for prior year savings		−106,000
Military construction general reduction for favorable currency rates in Europe and the Pacific:		
Korea		−7,000
Europe		−23,000
Military construction reduction for Davis-Bacon Act exemption		−51,000
Total military construction authorization for appropriation		1,583,420

FACILITY CATEGORY SUMMARY

[In thousands of dollars]

Facility category	Army request	Committee approved
Operations and training	$313,340	$304,550
Maintenance and production	453,920	419,420
Army ammunition plants	46,950	15,950
Research, development, test and evaluation	31,250	31,250
Supply	153,000	58,690
Medical	113,000	113,000
Administrative	70,060	70,060
Housing and community	511,470	440,130
Utilities and ground improvements	163,820	142,070
Minor construction	31,000	31,000
Planning and design	136,100	144,300
Total military construction	2,023,910	1,770,420
Less:		
Military construction reduction for prior year savings		−106,000
Military construction general reduction for favorable currency rates in Europe and the Pacific:		
Korea		−7,000
Europe		−23,000
Military construction reduction for Davis-Bacon Act exemption		−51,000
Total military construction authorization for appropriation		1,583,420

POLLUTION ABATEMENT

The committee approved $19,540,000 for two pollution abatement projects. The projects are listed with the appropriate command's projects.

ENERGY CONSERVATION INVESTMENT PROGRAM

The committee approved $28,090,000 for 21 energy conservation investment projects. The projects are listed with the appropriate command's projects.

Inside the United States

U.S. Army Forces Command

The U.S. Army Forces Command (FORSCOM) has command responsibility for the units, installations, and activities that are principally related to readiness and defense missions. It has command readiness responsibility for most of the deployable troop units in the Army and is responsibile for organizing, training, equipping, and insuring the combat readiness of assigned troop units.

The committee approved $546,440,000 for 97 projects at the following twenty locations:

Location and project	*Thousands*
Fort Bragg, NC:	
Anti-Armor Range	4,050
Sniper Training Range	1,200
Aviation Fuel Storage Facility	2,550
Division Headquarters	6,700
Energy Monitoring System Expansion	2,750
Battalion Headquarters	1,500
Ammunition Storage	490
Tactical Equipment Shop	11,000
Company Operations and Supply	1,650
Aircraft Maintenance Hanger	9,400
Unaccompanied Enlisted Personnel Housing	13,000
Test Equipment Calibration Facility	570
Flight Simulator Building	3,100
Runway Extension	770
Total	58,730
Fort Campbell, KY:	
Flight Simulator Building	2,550
Tactical Equipment Shop	7,200
Multi-purpose Range Complex-Light	16,000
Railroad Track Acquisition	450
Total	26,200
Fort Carson, CO:	
Military Operations on Urbanized Terrain	4,550
Multi-purpose Range Complex-Heavy	24,000
Battalion Headquarters	1,350
Tactical Equipment Shop	12,600
Company Operations and Supply Addition	1,100
Company Operations and Supply	2,100
Range Roads-Phase II	3,050
Total	48,750
Fort Hood, TX:	
Administration and Test Support Facility	8,300
Aircraft Maintenance Facility	15,000
Aircraft Maintenance Facilities	29,000
Tactical Equipment Shop	1,050
Tactical Equipment Shop	5,600
Total	58,950
Fort Hunter-Liggett, CO:	
Technical Documentation Facility	2,200
Milti-purpose Range Complex-Light	8,900
Total	11,100
Fort Indiantown Gap, PA: Centralized Wash Facility	5,300
Fort Irwin, CA:	
Hospital Upgrade and Addition	8,000
Dining Facility Modernization	1,250
Unaccompanied Enlisted Personnel Housing	14,600
Training Facility	1,100
Training Ranges	1,750
Total	26,700
Fort Lewis, Wash:	
Midigan Army Medical Center Phase II	26,000
Barracks with Dining Facility	[1] 12,600
Utilities	6,900
Military Operations on Urbanized Terrain	4,000
Tactical Equipment Shop	3,000
Tactical Equipment Shop	6,100
Tactical Equipment Shop	11,600
Aircraft Maintenance Hangar	10,800
Battalion Headquarters	1,250
Battalion Headquarters	630
Tactical Equipment Shop	4,650
Tactical Equipment Shop	5,100
Battalion Headquarters	2,500
Group Headquarters	2,100
Unaccompanied Enlisted Housing Complex	21,000
Tactical Equipment Shop	2,700
Aircraft Maintenance Hanger	3,350
Total	124,280

[1] Revised Army cost estimate.

Location and project	*Thousands*
Fort McCoy, WI: Ammunition Storage	940
Fort Bragg, NC:	
Unaccompanied Enlisted Personnel Housing	2,950
Physical Fitness Training Center	2,000
Fort Campbell, KY:	
Radiant Heaters	[1] 430
Physical Fitness Training Center	5,900
Fort Carson, CO:	
Child Care Center	[2] 2,600
Physical Fitness Training Center	4,100
Fort Devens, MA: NBC Defense Instruction Facility	610
Fort Drum, NY:	
Fire Station	990
Child Care Center	2,000
Fort Greely, AK: Child Care Center	[2] 2,500
Fort Hood, TX: Tactical Equipment Shop	[2] 7,700
Fort Irwin, CA:	
Community Center	1,900
Child Care Center	1,450
Fort Lewis, WA:	
Barracks with Dining Facility	[4] 4,850
Child Care Center	[2] 7,800
Company Operations and Supply	4,800
Fort Polk, LA:	
Tactical Equipment Shop	[1] 11,200
Physical Fitness Training Center	7,000
Fort Riley, KS: Tactical Equipment Shop	[1] 9,500
Fort Stewart, GA: Tactical Equipment Shop	[4] 6,100

All projects deferred without prejudice due to budget constraints unless otherwise noted.

[1] Review scope and cost.

[2] Deferred pending 3rd party financing test.

[3] Later award in fiscal year.

[4] Review requirement.

U.S. ARMY WESTERN COMMAND

The Commander of the U.S. Army Western Command (WESTCOM) commands and supports assigned and attached Active and Army Reserve units, installations and activities in Hawaii and possessions and trust territories in the Pacific administered by the U.S.

The committee approved $40,910,000 for twelve projects at the following three locations:

Location and project	*Thousands*
Fort Shafter, HI: Unaccompanied Enlisted Personnel Housing	6,300
Phoakuloa Training Ara, HI: Ammunition Storage	2,150
Schofield Barracks, HI:	
Security Fence with Land Acquisition	510
Tactical Equipment Shop	11,200
Dining Facility Modernization	2,700
Operations Building	1,500
Company Combined Arms Assault Course	1,850
Military Operations on Urbanized Terrain	3,850
Install Electrical Outlets	400
Air Conditioning Upgrade	5,900
Tactical Equipment Shop	3,650
Automated Field Fire Range	850
Total	32,460

U.S. ARMY TRAINING AND DOCTRINE COMMAND

The U.S. Army Training and Doctrine Command (TRADOC) is responsible for the Army school system and the principal combat development activities of the Army. It is responsible for individual training for members of the active Army and for Army Reserve component personnel assigned to TRADOC schools and activities.

The committee approved $311,280,000 for 46 projects at the following seventeen locations:

Location and project	*Thousands*
Fort A. P. Hill, VA:	
Water Distribution System	600
Heating System	3,500
General Purpose and Cold Storage Warehouse	2,350
Total	6,450
Fort Belvoir, VA:	
Intelligence Command and Control Facility	30,000

Location and project	*Thousands*
Automated Data Processing Facility	4,300
Total	34,300
Fort Ben Harrison, IN: Unaccompanied Enlisted Personnel Housing	5,300
Fort Benning, GA:	
Highway Crossing—US 280	9,400
Ranger Camp Modifications	5,100
Trainee Barracks	17,000
Tactical Equipment Shop	4,550
Medical Supply Warehouse	1,600
Total	37,650
Fort Bliss, TX:	
Hardstand	11,000
Barracks Modernization	5,500
Barracks Modernization	10,000
Total	26,500
Fort Dix, NJ:	
Main Library	1,850
Dining Facilities Modernization	330
Vehicle Maintenance Instruction Facility	920
Automated Field Fire Range	3,000
Total	6,100
Fort Gordon, GA:	
Addition to Data Processing Building	760
Modified Record Fire Range	880
Applied Instruction Facility	5,800
Barracks with Dining Facility	23,000
Applied Instruction Facility	14,600
Operations Building	1,000
Total	48,040
Fort Jackson, SC: Dining Facilities Modernization	6,600
Fort Knox, KY:	
Vehicular Bridge	8,800
Dining Facilities Modernization	1,300
Tactical Equipment Shop	5,300
Company Operations and Supply	870
Total	16,270
Fort Leavenworth, KS:	
Health Clinic	2,550
Dining Facility Modernization	4,350
Total	8,900
Fort Lee, VA:	
General Instruction Building	9,100
Automated Record Fire Ranges	1,750
Applied Instruction Facility	1,200
Total	12,050
Fort Leonard Wood, MO:	
General Instruction Building	1,150
General Instruction Building	2,800
Total	3,950
Fort McClellan, AL:	
Unaccompanied Officer Housing	3,500
Unaccompanied Enlisted Personnel Housing	23,000
General Instruction Building	12,800
Total	39,350
Fort Pickett, VA: Chemical Decontamination Training Area	420
Fort Rucker, AL:	
Unaccompanied Officer Housing	5,900
Land Acquisition	1,200
General Instruction Building	2,350
Total	9,450
Fort Sill, OK:	
Hospital Upgrade and Addition	29,000
Trainee Barracks	23,000
Total	52,000
Fort Story, VA: Hardstand	1,950

The committee did not authorize the following projects:

Location and project	*Thousands*
Fort Belvoir, VA: Physical Fitness Training Center	12,800
Fort Benning, GA: Recreation Center	[1] 2,000
Fort Bliss, TX:	
Child Care Center	[2] 2,350
Physical Fitness Training Center	2,200
Fort Knox, KY: Child Care Center	[2] 4,500

All projects deferred without prejudice unless otherwise noted.

[1] Review scope and cost.

[2] Deferred pending 3rd party financing test.

MILITARY DISTRICT OF WASHINGTON

The commander of the Military District of Washington (MDW) commands the troop units in the immediate Washington, D.C. area and is responsible for the operation of the installations under his jurisdiction.

The committee approved $8,300,000 for one project at the following location:

Location and project	*Thousands*
Fort Myer, VA: Administration Facility	8,300

U.S. ARMY MATERIEL COMMAND

The U.S. Army Materiel Command (AMC) is responsible for integrated, systemized management of the Army's wholesale materiel activities. The wholesale activities responsibilities range from research through acquisition and distribution to disposal.

The committee approved $122,570,000 for 37 projects at the following twenty locations:

Location and project	*Thousands*
Aberdeen Proving Ground, MD:	
Dining Facilities Modernization	4,400
Lighting Modifications	270
Total	4,670
Anniston Army Depot, AL:	
Ammunition Container Loading Yard	750
Machine Shop	3,150
Facility Energy Improvements	360
Vehicle Repair Facility	4,700
Total	8,960
Corpus Christi Army Depot, TX: Helicopter Blade Facility	4,400
Detroit Arsenal, MI: Window Replacement	320
Dugway Proving Ground, UT:	
Munitions Processing for Assembly Facility	2,150
Ammunition Storage	1,350
Photo Optics Maintenance Facility	1,550
Operations Building	3,600
Total	8,650
Navajo Army Depot, AZ: Ammunition Container Loading Yard	240
Picatinny Arsenal, NJ: Insulate Steam Lines	1,000
Pine Bluff Arsenal, AR: Close Hazardous Waste	19,000
Pueblo Army Depot Activity, CO: Ammunition Container Loading Yard	200
Redriver Army Depot, TX: Ammunition Container Loading Yard	820
Redstone Arsenal, AL:	
Unaccompanied Enlisted Personnel Housing	13,600
Hangar Missile Test Facility	5,300
Target and Seeker Measurement Facility	2,250
Propulsion Aging Laboratory	3,100
Total	24,250
Rock Island Arsenal, IL: Modernize Manufacturing Facility—REARM	29,000
Sacramento Army Depot, CA: Optical Facility	4,550
Savanna Army Depot, IL: Ammunition Container Loading Yard	510
Seneca Army Depot, NY:	
Vapor Barrier Addition	590
Energy Monitoring and Control System	360
Ammunition Container Loading Yard	460
Total	1,410
Sierra Army Depot, CA: Unaccompanied Enlisted Personnel Housing	2,600
Tooele Army Depot, UT:	
Health Clinic	2,000
CAMDS Laboratory	3,200
Storm Windows	240
Ammunition Container Loading Yard	550
Insulate Dock Doors	600
Building Insulation	700
R&D Science & Technology Facility	4,200
Total	11,490
Umatilla Depot Activity, OR: Ammunition Container Loading Yard	260
Yuma Proving Ground, AZ: Wall Insulation	240

The committee did not authorize the following projects:

Location and project	
Army Materials and Mechanics Research Center, MA: Water Pollution Abatement	770
Fort Wingate, NM: Ammunition Container Loading Yard	490
Letterkenny Army Depot, PA: Ammunition Truck Loading and Blocking	[1] 1,550
Lake City Army Ammunition Plant, MD: Industrial Wastewater Treatment	[2] 19,000
New Cumberland Army Depot, PA: Eastern Distribution Center	[3] 88,000
Redstone Arsenal, AL: Child Care Center	[3] 1,500
Sierra Army Depot, CA: Ammunition Container Loading Yard.	[4] 370

All projects deferred without prejudice unless otherwise noted.

[1] Review scope and cost.

[2] Deferred for review of possible 3rd party financing.

[3] Deferred pending 3rd party financing test.

[4] Review requirement.

ARMY AMMUNITION PLANTS

Army ammunition plants are used to produce conventional ammunition in support of war reserve, consumption, and training requirements including support to the other Services and selected allies.

The committee approved $15,950,000 for 13 projects at the following eight locations:

Holston Army Ammunition Plant, TN:	
Fire Protection Sprinkler Systems	320
Backup Electric Power	1,350
Total	1,670
Indiana Army Ammunition Plant, IN: Convert Shiphouses to Explosive Storage	210
Iowa Army Ammunition Plant, IA: Storm Drainage Improvements—Yard L	810
Kansas Army Ammunition Plant, KS: Rehabilitate Raw Water Intake	570
Lake City Army Ammunition Plant, MD: Enclose Warehouse Loading Docks	930
Louisiana Army Ammunition Plant, LA:	
Replace Explosion Protection Barricade	370
Herbicide & Pesticide Building	270
Total	640
Newport Army Ammunition Plant, IN: Binary Component Production Facility	[1] 8,000

[1] Revised Army cost estimate.

Redford Army Ammunition Plant, VA:	
Replace Explosion Protection Barricades	2,000
Replace Air Compressor—Building 4333	390
Alter Building for Nitrocellulose Weighing	520
Total	2,910
Sunflower Army Ammunition Plant, KS: Guanidine Nitrate Ship-Out Facility	210

U.S. ARMY INTELLIGENCE AND SECURITY COMMAND

The U.S. Army Intelligence and Security Command (INSCOM) is responsible for performing intelligence functions in support of Army field commanders and in fulfillment and support of those national intelligence responsibilities assigned to the Army.

The committee did not authorize the following projects:

Location and project	*Thousands*
Vint Hill Farm Station, VA:	
Warehouse Addition	[1] 950
Equipment Testing and Evaluation Facility	[2] 5,900

[1] Review scope and cost.

[2] Deferred without prejudice.

U.S. ARMY INFORMATION SYSTEMS COMMAND

The U.S. Army Information Systems Command (USAISC) has world-wide responsibilities for engineering, installing, operating, and maintaining Army's information systems, the Army portion of the defense communications system, and for providing, operating, and maintaining the Army's communications-electronics facilities.

The committee approved $2,050,000 for one for one projects at the following location:

Location and project	*Thousands*
Fort Huachuca, AZ: Operations Building	2,050

The committee did not authorize the following projects:

Location and project	*Thousands*
Fort Huachuca, AZ: Automated Record Fire Range	730

U.S. MILITARY ACADEMY

The U.S. Military Academy is responsible for instructing and training the corps of cadets in academic studies which are designed to lead the members to becoming commissioned officers of the Regular Army.

The committee approved $31,000,000 for six projects at the following location:

Location and project	*Thousands*
U.S. Military Academy, NY:	
Chemistry Laboratory Modernization	1,400
General Instruction Building	7,300
Expand Academic Facility	5,300
Energy Monitoring System Expansion	5,900
Modified Record Fire Range	2,500
Boiler Conversion	8,600
Total	31,000

U.S. ARMY HEALTH SERVICES COMMAND

The U.S. Army Health Services Command (HSC) is responsible for providing Army health services to authorized recipients in the United States and its territories. It is the principal proponent and developer of concepts, doctrine, material requirements, and organizations for the health care system for the Army in field environments.

The committee approved $9,720,000 for three projects at the following three locations:

Location and project	*Thousands*
Fort Detrick, MD: Operations Building	7,600
Tripler Army Medical Center, HI: Alternate Electric Power Source	970
Walter Reed Army Medical Center, D.C.: Energy Monitoring and Control System	1,150

The committee did not authorize the following projects:

Location and project	*Thousands*
Fitzsimons Army Medical Center, CO: Physical Fitness Training Center	2,550

U.S. ARMY MILITARY TRAFFIC MANAGEMENT COMMAND

The U.S. Army Military Traffic Management Command (MTMC) is the Department of Defense single manager for traffic managment, land transportation, and common user ocean terminals.

The committee approved $4,730,000 for four projects at the following three locations:

Location and project	*Thousands*
Bayonne Military Ocean Terminal, NJ:	
Boiler and Refrigeration Plant Automation	1,000
Insulation and Weatherstripping	2,200
Total	3,200
Oakland Army Base, CA: Rail Head Loading Ramps	330
Sunnypoint Military Ocean Terminal, NC: Road and Staging Area Paving	1.200

U.S. ARMY CORPS OF ENGINEERS COMMAND

The mission of the U.S. Army Corps of Engineers Command (USACE) is to exercise command and operational control of and provide support to assigned engineer divisions, districts, research and development organizations and designated field activities engaged in world-wide military construction and civil works programs.

The committee approved $11,000,000 for one project at the following location:

Location and Project	*Thousands*
Humphrey Engineering Center, VA:	
Topographic Laboratory	11,000

SPECIAL PROJECT

Authorization for a special project was requested. The committee approved $3,000,000 for one project at an unspecified location.

OUTSIDE THE UNITED STATES

U.S. Army, Japan

The U.S. Army, Japan (USARJ) maintains bases in Japan to provide supplies, maintenance, storage, procurement, transportation, engineering, medical and other essential services required to support USARJ operational plans with a capability for expansion when needed.

The committee approved $1,050,000 for one project at the following location:

Location and project	*Thousands*
Japan: Medical Supply Warehouse	1,050

EIGHTH U.S. ARMY

The Eighth U.S. Army provides administrative, medical, and logistical support for U.S. Army units assigned to Korea.

The committee approved $146,080,000 for 64 projects in Korea at the following locations:

Location and project	*Thousands*
Camp Carroll:	
Controlled Humidity Warehouses	19,500
Field Maintenance Addition and Paint Shop	1,800
Satellite Communications Terminal Building	2,600
Battalion Headquarters	1,950
Hardstand	1,000
Medical Supply Operations Building	980
Medical Maintenance and Optical Shop	1,150
Calibration Laboratory	1,600
Unaccompanied Personnel Housing	9,800
Total, Camp Carroll	40,380
Camp Casey:	
Dining Facility	1,350
Company Operations and Supply	350
Tactical Equipment Shop	950
Dental Clinic	2,350
Company Operations and Supply	370
Company Operations and Supply	360
Canvas/Tent Repair Facility	440

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Location and project	*Thousands*
Warehouse	700
Unaccompanied Personnel Housing	3,600
Tactical Equipment Shop	2,450
Total, Camp Casey	12,920
Camp Castle: Unaccompanied Enlisted Personnel Housing	1,100
Camp Colbern: Unaccompanied Officer Housing	550
Camp Edwards:	
Company Operations and Supply	360
Tactical Equipment Shop	730
Total, Camp Edwards	1,090
Camp Gary Owen: Unaccompanied Officer Housing	580
Camp Giant: Unaccompanied Personnel Housing	1,050
Camp Greaves: Moving Target Simulator Building	420
Camp Hovey: Unaccompanied Personnel Housing	8,300
Camp Howze:	
Tactical Equipment Shop	800
Moving Target Simulator Building	430
Tactical Equipment Shop	750
Total, Camp Howze	1,980
Camp Humphreys:	
Flight Simulator Building	1,850
25 Meter Firing Range	700
Unaccompanied Officer Housing	3,700
Unaccompanied Enlisted Personnel Housing	2,450
Unaccompanied Enlisted Personnel Housing	2,900
Total, Camp Humphreys	11,600
Camp Kittyhawk: Unaccompanied Enlisted Personnel Housing	1,600
Camp Kyle:	
Warehouses	2,650
Tactical Equipment Shop	930
Total, Camp Kyle	3,580
Camp Liberty Bell: Dining Facility	800
Camp Market: Tactical Equipment Shop	710
Camp Page:	
Electrical Distribution System Upgrade	2,350
Fuel Storage and Dispensing Facility	4,250
Dispensary/Dental Clinic	1,500
Airfield Operations Facilities	2,100
Tactical Equipment Shop	1,050
Central Heating and Cooling Plant	4,550
Water and Sewer Upgrade	3,200
Aircraft Maintenance Hangar	7,200
Unaccompanied Personnel Housing	6,400
Total, Camp Page	32,650
Camp Pelham: Unaccompanied Enlisted Personnel Housing	2,400
Camp Red Cloud:	
Company Operations and Supply	330
Tactical Equipment Shop	1,400
Total, Camp Red Cloud	1,730
Camp Stanley:	
Dispensary	1,150
Unaccompanied Personnel Housing	4,350
Total, Camp Stanley	5,500
K-16 Army Airfield:	
Flight Simulator Building	1,700
Tactical Equipment Shop	840
Paintshop	900
Unaccompanied Enlisted Personnel Housing	610
Total, K-16 Army Airfield	4.050
Location 177: Multi-purpose Activity Center	740
Yongin: Unaccompanied Personnel Housing Complex	2,550
Yongson:	
Warehouse Addition	2,050
Chapel and Religious Education Facility	2,150
Barracks and Movement Control Center	2,150
Provost Marshal Command/Control Facility	1,450
Unaccompanied Enlisted Personnel Housing	2,000
Total, Yongson	9,800

The committee did not authorize the following projects:

Location and project	*Thousands*
Camp Carroll: Medical Supply Warehouse	[1] 4,500
Location 177: Power Upgrade	[1] 1,550

[1] Review scope and cost.

BALLISTICS MISSILE DEFENSE SYSTEMS COMMAND

The mission of the Ballistic Missile Defense Systems Command (BMDSC) is to coordinate and control all work and associated resources in testing and logistical support involved in developing effective ballistic missile defense systems.

The committee approved $14,600,000 for three projects at the following location:

Location and project	*Thousands*
Kwajalein:	
Shore Erosion Control	2,400
Aircraft Maintenance Hangar	7,100
Upgrade Airfield	5,100
Total	14,600

U.S. ARMY FORCES COMMAND

The U.S. Army Forces Command has command responsibility for the units, installations, and activities that are principally related to readiness and defense missions. It has command readiness responsibility for the bulk of the deployable troop units in the Army and is responsible for organizing, training, equipping, and insuring the combat readiness of assigned troop units.

The committee approved $7,680,000 for three projects at the following location:

Panama:	
Barracks Modernization	4,550
HVAC Systems Modifications	930
Unaccompanied Enlisted Personnel Housing	2,200
Total	7,680

U.S. ARMY, EUROPE

The U.S. Army, Europe, provides administrative, medical, and logistical support for the U.S. Army, Europe, and the Seventh Army.

The committee approved $318,760,000 for 92 projects at the following locations:

Location and project	*Thousands*
Amberg, Germany: Ammunition Storage	850
Ansbach, Germany:	
Tactical Site Facilities	690
Dispensary/Dental Clinic	1,900
Tactical Equipment Shop	9,400
Dining Facilities Modernization	2,400
Total, Ansbach	14,390
Bad Kreuznach, Germany: Child Care Center	1,100
Bad Toelz, Germany: Dispensary/Dental Clinic	1,850
Bamberg, Germany:	
Boiler Plant Automation	6,000
Hardstand and Equipment Storage	490
Total, Bamberg	6,490
Baumholder, Germany: Child Care Center	900
Darmstadt, Germany:	
Ammunition Storage Phase I	600
Tactical Equipment Shop	4,400
Tactical Equipment Shop	3,650
Unaccompanied Enlisted Personnel Housing	4,750
Battalion Headquarters	1,700
Unaccompanied Enlisted Personnel Housing	4,500
Dining Facility	1,300
Tactical Equipment Shop	8,300
Total, Darmstadt	29,200
Frankfurt, Germany:	
Battalion Headquarters	990
Tactical Equipment Shop	3,500
Unaccompanied Enlisted Personnel Housing	3,850
Utilities Modernization	5,200
Physical Fitness Training Center	1,850
Battalion Headquarters	990
Tactical Equipment Shop	2,300
Total, Frankfurt	18,680
Friedberg, Germany:	
Unaccompanied Enlisted Personnel Housing	8,200
Battalion Headquarters	950
Total, Friedberg	9,150
Fulda, Germany:	
Unaccompanied Enlisted Personnel Housing	4,950
Community Center	2.250
Total, Fulda	7,200
Giessen, Germany: Physical Fitness Training Center	1,700
Goeppingen, Germany:	
Unaccompanied Enlisted Personnel Housing	2,850
Tactical Equipment Shop	3,800
Unaccompanied Officer Housing	2,500
Child Care Center	1,100
Total, Goeppingen	10,250
Grafenwoehr, Germany: Automated Record Fire Range	2,450
Haingruen, Germany: Troop Ready Building	680
Hanau, Germany:	
Unaccompanied Enlisted Personnel Housing	3,600
Tactical Equipment Shop	4,050
Tactical Equipment Shop	8,200
Unaccompanied Enlisted Personnel Housing	2,650
Tactical Equipment Shop	3,350
Dispensary/Dental Clinic	1,850
Child Care Center	780
Hardstand	1,850
Tactical Equipment Shop	21,000
Battalion Headquarters	810
Total, Hanau	48,140
Heidelberg, Germany:	
Child Care Center	3,550
Tactical Equipment Shop	3,450
Operations Building	1,800
Total, Heidelberg	8,800
Heilbronn, Germany:	
Hardstand	2,200
Hardstand	750
Total, Heilbronn	2,950
Hohenfels, Germany:	
Military Operations on Urbanized Terrain	3,250
Applied Instruction Facility	1,600
Automated Record Fire Range	1,450
Total, Hohenfels	6,300
Kaiserslautern, Germany: Tactical Equipment Shop	3,450
Karlsruhe, Germany:	
Battery Shop	2,000
Child Care Center	470
Tactical Equipment Shop	1,550
Total, Karlsruhe	4,020
Mainz, Germany: Ammunition Storage	820
Neu Ulm, Germany: Child Care Center	1,000
Nuernberg, Germany:	
Ammunition Storage	860
Tactical Equipment Shop	1,500
Battalion Headquarters	2,300
Modified Record Fire Range	2,850
Child Care Center	1,850
Total, Nuernberg	9,360
Pirmasens, Germany: Electronics Maintenance Facility	14,000
Schoeningen, Germany: Power Distribution Upgrade	700
Schweinfurt, Germany:	
Rotary Wing Aircraft Parking	690
Ammunition Storage	3,050
Barracks with Dining Facility	13,000
Battalion Headquarters	1,100
Total, Schweinfurt	17,840
Stuttgart, Germany:	
Communications Security Support Facility	1,050
Unaccompanied Enlisted Personnel Housing	3,450
Total, Stuttgart	4,500
Vilseck, Germany:	
Tactical Equipment Shop	3,850
Community Center	3,200
Child Care Center	2,350
Headquarters	890
Total, Vilseck	10,290
Wiesbaden, Germany: Flight Simulator Building	2,900
Wildflecken, Germany: Multi-purpose Training Ranges	20,000
Wuerzburg, Germany:	
Hospital Upgrade and Addition	31,000
Consolidate Heating Plants	5,600
Tactical Site Facilities	320
Ammunition Storage	650
Sewer System Upgrade	3,050
Hardstand	1,250
Child Care Center	2,050
Battalion Headquarters	1,500
Dining Facility	2,650
Total, Wuerzburg	48,070
Greece:	
Upgrade Operations and Supply Building	800
Upgrade Multi-purpose Building	640
Total, Greece	1,440
Italy:	
Child Care Center	1,350
Veterinary Facility	500

TITLE II—NAVY

The Navy requested authorization of $2,879,949,000. The Committee after careful review and consideration of the Navy request, approved the following programs:

	Navy request	Committee approved
Military construction:		
Inside the United States	1,752,130,000	1,437,635,000
Outside the United States	243,300,000	221,195,000
Architectural and engineering services and construction design	139,260,000	141,860,000
Unspecified minor	21,560,000	21,560,000
Access roads	2,960,000	2,960,000
General reduction for bid savings	0	−100,000,000
General reduction for civilian end strength		−5,346,000
Reduction for future appropriation for NSB, Kings Bay, GA, drydock		−85,600,000
General reduction for Davis-Bacon		−39,000,000
Reduction NS, New York, NY, dredging		−11,700,000
Total MILCON authorized for appropriation	2,159,210,000	1,583,564,000
Military family housing:		
Construction, improvements, and design	154,000,000	154,000,000
Support	584,739,000	585,839,000
Total family housing	738,739,000	739,839,000
Grand total, Navy	2,897,949,000	2,323,403,000

MAJOR COMMAND SUMMARY

[Dollars in thousands]

Major command	Navy request	Committee approved
Inside the United States:		
U.S. Marine Corps	391,490	234,230
Chief of Naval Research	28,900	28,900
Office of the Comptroller of the Navy	2,940	2,940
Chief of Naval Operations	73,890	30,090
Commander in Chief, Atlantic Fleet	149,515	125,565
Commander in Chief, Pacific Fleet	176,425	173,170
Chief of Naval Education and Training	162,215	135,555
Navy Military Personnel Command	1,900	1,900
Naval Medical Command	67,760	67,760
Chief of Naval Material	685,380	625,810
Naval Oceanography Command	4,890	4,890
Naval Telecommunications Command	785	785
Naval Security Group Command	6,040	6,040
Subtotal, inside the United States	1,752,130	1,437,635
Outside the United States:		
U.S. Marine Corps	7,015	7,015
Commander in Chief, Atlantic Fleet	69,100	69,100
Commander in Chief, Pacific Fleet	100,710	100,710
Commander in Chief, U.S. Naval Forces Europe	22,795	22,795
Chief of Naval Material	5,480	5,480
Naval Telecommunications Command	33,520	11,415
Naval Security Group Command	3,700	3,700
Host Nation Infrastructure Support	980	980
Subtotal, outside the United States	243,300	221,195
Total	1,995,430	1,658,830
Unspecified minor construction	21,560	21,560
Architectural and engineering services and construction design	139,260	141,860
Access roads	2,960	2,960
General reduction for bid savings	0	−100,000
General reduction for civilian end strength	0	−5,346
Reduction for future appropriation for NSB, Kings Bay, GA, drydock		−85,600
General reduction for Davis-Bacon		−39,000
Reduction NS, New York, NY, dredging		−11,200
Total military construction	2,159,210	1,583,564
Family housing	738,739	739,839
Grand total	2,987,949	2,323,403

FACILITY CATEGORY SUMMARY

[In thousands of dollars]

Description	Request			Committee approved		
	Navy	Marine Corps	Total	Navy	Marine Corps	Total
Operational	233.567	31,080	264.647	212,077	31,080	243,157
Training	211,535	15,165	226,700	163,845	15,165	179,010
Maintenance and production	444,740	80,625	525,365	402,900	80,625	483,525
RDT&E	74,565	0	74,565	70,345	0	70,345
Supply	66,683	15,920	82,603	66,683	15,920	82,603
Medical	84,360	0	84,360	84,360	0	84,360
Administrative	83,910	14,060	97,970	46,080	14,060	60,140
Troop housing	165,630	70,960	236,590	155,030	70,960	225,990
Community	31,750	11,890	43,640	16,860	2,630	19,490
Utilities	99,840	153,785	253,625	99,060	5,785	104,845

FACILITY CATEGORY SUMMARY—Continued

[In thousands of dollars]

Description	Request			Committee approved		
	Navy	Marine Corps	Total	Navy	Marine Corps	Total
Energy conservation	4,360	0	4,360	4,360	0	4,360
Water pollution abatement	16,610	5,020	21,630	16,610	5,020	21,630
Real estate	78,395	0	78,395	78,395	0	78,395
Subtotal	1,595,945	398,505	1,994,450	1,416,605	241,245	1,657,850
Access roads			2,960			2,960
Unspecified minor construction			21,560			21,560
Architectural and engineering services and construction design			139,260			141,860
NATO			890			980
Subtotal			2,159,210			1,825,210
General reduction						−100,000
General reduction for civilian end strength						−5,346
Reduction for future appropriation for NSB, King Bay, GA, drydock						−85,600
General reduction for Davis-Bacon						−39,000
Reduction for NS, New York, NY, dredging						−11,700
Total MCON			2,159,210			1,583,564

POLLUTION ABATEMENT

The committee approved $21,630,000 for 10 pollution abatement projects. The projects are listed with the appropriate command's projects.

ENERGY CONSERVATION INVESTMENT PROGRAM

The committee approved $3,580,000 for 5 energy conservation projects. The projects are listed with the appropriate command's projects.

MILITARY CONSTRUCTION, INSIDE THE UNITED STATES

U.S. MARINE CORPS

The Marine Corps is responsible for providing air and ground forces for the seizure and defense of advanced naval bases and the conduct of land operations incident to the prosecution of the naval campaign.

The committee approved $234,230,000 for 67 projects at the following 16 locations:

[In thousands of dollars]

Location and project	Cost
MCLB, Barstow, CA: Radiographic facility	530
MCAS, Beaufort, SC:	
Aircraft parking apron	570
Ordnance handling pad	4,150
Fuel pier extension	685
Air combat training facility	1,080
Hazardous waste facility	420
Total	6,905
MCMWTC, Bridgeport, CA: Automotive maintenance shop	1,470
MCCD, Camp Elmore, Norfolk, VA:	
Combat vehicle maintenance facility	715
Fleet marine force support warehouse	3,280
Total	3,995
MCB, Camp Lejeune, NC:	
Vehicle mechanics training building	2,550
Combat vehicle maintenance shop	2,740
Light armored vehicle maintenance shop	4,850
Electronics and communications maintenance shop	3,280
Bachelor enlisted quarters	9,500
Sewerage system improvements	1,220
Total	24,140
MCB, Camp Pendleton, CA:	
Communications and electronics maintenance and storage facility	1,470
Communication improvements	6,000
Special intelligence support facility	1,520
Battalion headquarters	3,300
Bachelor enlisted quarters	7,950
Oil spill prevention	1,470
Armory addition	365
Tactical vehicle maintenance facility	3,100
Total	25,175
MCAF, Camp Pendleton, CA:	
Armory	570
Maintenance hangar	11,000
Automotive maintenance shop	1,270
Group headquarters building	1,470
Total	14,310
MCAS, Cherry Point, NC:	
Vertical take-off and landing pads	4,600
Maintenance hangar modifications	3,190
Parachute and survival equipment shop addition	490
Operations, training and maintenance facilities	3,970
Aviation supply warehouse	5,100
Bachelor enlisted quarters	19,100
Total	36,450
MCAS, El Toro, CA:	
Tactical support van pads	2,250
Aircraft direct fueling facilities	4,460
Communications conduit	980
Aircrew water survival training facility	1,960
Electronics and communications maintenance facilities	1,470
Bachelor enlisted quarters	17,640
Loading and unloading ramps	345
Hazardous waste facility and oil spill prevention	1,270
Total	30,375
MCAS, Kaneohe Bay, HI:	
Maintenance hangar improvements	940
Heavy gun shop	4,900
Ground support equipment facilities	1,290
Aviation supply facilities	1,760
Medical warehouse	4,310
Electrical distribution system improvements	4,220
Total	17,420
MCAS, New River, NC:	
Aviation ready fuel storage	2,000
Ground support equipment facility	1,130
Helicopter maintenance hangar	7,650
Total	10,780
MCRD, Parris Island, SC:	
Clothing issue building	2,630
Recruit training building	980
Total	3,610
MCAS, Tustin, CA:	
Aircraft parking apron	4,450
Helicopter maintenance training building	2,250
Maintenance hangar	8,330
Helicopter engine maintenance shop	2,940
Total	17,970
MCAGCC, Twentynine Palms, CA:	
Battalion and battery headquarters	2,840
Brigade headquarters	2,880
Bachelor enlisted quarters	11,570
Total	17,290
MCDEV&EDCOM, Quantico, VA:	
Bachelor enlisted quarters	5,200
Sewerage system	1,860
Total	7,060
MCAS, Yuma, AZ:	
Attack aircraft training building	3,150
Operational trainer facility	2,550
Maintenance hangar	4,300
Engine test cell	3,570
Power check pads	1,130
Battalion headquarters	2,050
Total	16,750

The committee did not authorize the following projects:

Location of project	Cost
MCAS, Beaufort, SC: Child care center	[1] 900
MCB, Camp Pendleton, CA: Santa Margarita water project	[2] 148,000
MCAS, Cherry Point, NC: Child care center	[1] 1,490
MCAGCC, Twentynine Palms, CA:	
Physical fitness center	[3] 5,380
Child care center	[1] 1,490

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[1] Pending third party test.

[2] Scope not resolved.

[3] Budget constraints.

CHIEF OF NAVAL RESEARCH

The Chief of Naval Research is responsible for naval research related to the maintenance of future naval power and the preservation of the national security.

The committee approved $28,900,000 for one project at the following location:

Location, project, and cost:

NRL, Washington, DC, electronic warfare laboratory, $28,900,000.

OFFICE OF THE COMPTROLLER OF THE NAVY

The mission of the Office of the Comptroller of the Navy is to formulate principles and policies, and prescribes procedures and systems which will exercise effective control over the financial operations of the Department of the Navy through the application of sound accounting principles and progressive modernization of the programming, budgeting and financial management system development, financial analysis and auditing practices of the Department of the Navy.

The committee approved $2,940,000 for one project at the following location:

Location, project, and cost:

NFC, Cleveland, OH: Data processing center addition, $2,940,000.

CHIEF OF NAVAL OPERATIONS

The Chief of Naval Operations is responsible for certain central executive organizations, assigned shore activities, and the operating forces of the Navy.

The committee approved $30,090,000 for 8 projects at the following 8 locations:

[In thousands of dollars]

Location and project	Cost
NA, Annapolis, MD: Public works shops and storage	1,880
NAVSPACECOM, Dahlgren, VA: Command and control center	4,700
NARDAC, Jacksonville, FL: Data processing center	10,300
NSPSUFLDSTA, Lewisville, AR: Antenna modernization and land acquisition	675
NTISA, Mayport, FL: Tactical data system facility	470
NTISA, North Island, CA: Headquarters building	585
NARDAC, Norfolk, VA: Data processing center	10,880
NAVSPSURFLDSTA, San Diego, CA: Antenna modernization	600

The committee did not authorize the following projects:

[In thousands of dollars]

Location and project	Cost
NA, Annapolis, MD: Brigade activities center	[1] 21,600
NPGS, Monterey, CA: Ocean sciences academic building	[2] 13,000
INTELCENPAC, Pacific, Pearl Harbor, HI: Intelligence center addition	[3] 2,900
COMNAVDIST, Washington, DC: Administrative office modernization	[4] 6,300

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[1] Reduce scope.

[2] Consider lesser cost alternative.

[3] Budget constraints.

[4] Not justified.

COMMANDER IN CHIEF, ATLANTIC FLEET

The Commander in Chief, Atlantic Fleet, is responsible for air, surface, submarine and fleet marine forces and supporting shore installations within the Atlantic region.

The committee approved $125,565,000 for 25 projects at the following 11 locations:

[Dollars in thousands]

Location and project:	Cost
NAS, Brunswick, ME:	
Patrol aircraft maintenance training building	$3,040
NAS, Cecil Field, FL:	
Air combat training range	26,250
Aircraft parking apron	2,800
Training range debriefing facility	785
Total	29,835
NS, Charleston, SC:	
Bachelor enlisted quarters	9,600
Storm sewer	360
Total	9,960
NAS, Jacksonville, FL:	
Anti-submarine warfare aircraft training buildings	5,800
Brig	6,470
Total	12,270
NAVPHIBSE, Little Creek, VA:	
Explosive ordnance disposal group complex	4,560
Bachelor enlisted quarters	7,740
Total	12,300
NS, Mayport, FL:	
Fleet training support facility	810
Fire and rescue station addition	210
Helicopter maintenance hangar	9,800
Total	10,820
NSB, New London, CT:	
Submarine magnetic silencing facility	385
NS, New York, NY:	
Site improvements	3,920
Land acquisition	2,940
Dredging	11,700
Total	18,560
NAS, Norfolk, VA:	
Mine countermeasures helicopter training building	1,130
Warning aircraft training building addition	815
Helicopter Maintenance hangar	7,160
Oil spill prevention	1,570
Total	10,675
NS, Norfolk, VA:	
Dredging	800
NAS, Oceana, VA:	
Maintenance hangar	11,000
Steam and condensate systems	840
Land acquisition	5,100
Total	16,940

The committee did not authorize the following projects:

[Dollars in thousands]

Location and project	Cost
NAVPHIBSE, Little Creek, VA:	
Combat swimmer training facility	$4,070 [1]
NS, Mayport, FL:	
Child care center	2,240 [2]
NF, Radio Island, NC:	
Equipment washdown facility and land acquisition	17,640 [3]

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[1] Budget constraints.

[2] Pending third party test.

[3] Consider lesser cost alternatives.

COMMANDER IN CHIEF, PACIFIC FLEET

The Commander in Chief, Pacific Fleet is responsible for air, surface, submarine and fleet marine forces and supporting shore installations within the Pacific region.

The committee approved $137,170,000 for 27 projects at the following 17 locations:

[Dollars in thousands]

Location and project	Cost
NF, Adak, AK:	
Electric power plant	$2,650
NAS, Alameda, CA:	
Dredging	8,650
NSB, Bangor, WA:	
Bachelor enlisted quarters	5,200
PHIBTASKFORCE, Camp Pendleton, CA:	
Landing craft air cushion complex	9,020
NAVPHIBSE, Coronado, CA:	
Waterfront operations building	3,050
Amphibious forces training building	3,500
Sealift support maintenance facility	4,400
Bachelor enlisted quarters	5,200
Total	16,150
NS, Everett, WA:	
Land acquisition	17,640
NAS, Fallon, NV:	
Strike warfare training building	7,350
Aircraft parking apron	8,230
Range improvements	12,000
Control tower	2,350
Utility systems improvements	6,570
Total	36,500
NAS, Lemoore, CA:	
Helicopter escape trainer	2,300
NS, Long Beach, CA:	
Bachelor enlisted quarters	16,000
NAS, Miramar, CA:	
Hazardous waste facility	385
NAS, North Island, CA:	
Helicopter maintenance hangar	13,130
Ordnance facilities	5,463
Total	18,593
NSB, Pearl Harbor, HI:	
Bachelor enlisted quarters modernization	2,900
NS, San Diego, CA:	
Deperming pier	9,110
Degaussing building	980
Dredging	6,107
Total	16,197
NSB, San Diego, CA:	
Electrical distribution system improvements	14,120
NS, Seattle, WA:	
Brig	3,480
NS, Mare Island, Vallego, CA:	
Telephone lines	735
NAS, Whidbey Island, WA:	
Maintenance hangar improvements	2,650

The committee did not authorize the following projects:

[Dollars in thousands]

Location and project	Cost
NS, Long Beach, CA:	
Construction battalion unit complex	1,230 [3]
COMOCSYSPAC, Pearl Harbor, HI:	
Naval ocean processing facility addition	1,180 [1]
NS, San Diego, CA:	
Child care center	845 [2]

[1] Budget constraints.

[2] Not justified.

[3] Pending third party test.

CHIEF OF NAVAL EDUCATION AND TRAINING

The Chief of Naval Education and Training is responsible for the education and training of all naval personnel.

The committee approved $135,555,000 for 33 projects at the following 22 locations:

[Dollars in thousands]

Location and project	Cost
FMWTC, Charleston, SC:	
Mine warfare training facility	$1,180
NAVPHISCH, Coronado, CA:	
Landing craft air cushion training building	5,900
SWOSCOLCOMDET, Coronado, CA:	
Surface warfare officer training building	5,200
NAS, Corpus Christi, TX:	
Land acquisition	1,960
Electrical switching station	2,400
Total	4,360
FCTCLANT, Dam Neck, VA:	
Radarman training building	7,160
NAVEODSCOL, Eglin, FL:	
Explosive ordnance disposal training facilities	13,700
NAVCONSTRACEN, Gulfport, MS:	
Seabee training buildings	2,460
NAVPHIBSCOL, Little Creek, VA:	
Amphibious force training building improvements	420
NAS, Memphis, TN:	
Radar operational facility	835
Aviation mechanics training buildings	6,750
Air traffic controller training building	2,740
Naval legal service building	1,370
Brig	3,180
Total	14,875
NAS Meridian, MS:	
Road improvements	450
NAVSUBSCH, New London, CT:	
Submarine training building	13,300
NETC, Newport, RI:	
Bachelor officer quarters	8,700
Construction battalion unit complex	1,180
Fire fighting training facility	8,800
Facility energy improvements	1,570
Senior enlisted academy	3,430
Municipal sewer connection	4,600
Total	28,280
NTC, Orlando, FL:	
Barracks	9,400
NAS, Pensacola, FL:	
Facility energy improvements	225
NTTC, Pensacola, FL:	
Crypto training building	1,370
Bachelor enlisted quarters improvements	4,300
Total	5,670
NAVCONSTRAC, Port Hueneme, CA:	
Seabee training buildings	4,800
FASWTCPAC, San Diego, CA:	
Anti-submarine warfare training building	7,850
FCTCPAC, San Diego, CA:	
LAMPS MK III training building	305
FTC, San Diego, CA:	
Damage control training facility	4,760
NTC, San Diego, CA:	
Patternmaker training building	2,900
NTTC, San Francisco, CA:	
Underway replenishment training building	1,570
NAS, Whiting Field, FL:	
Pay and personnel support office	810

The committee did not authorize the following projects:

[Dollars in thousands]

Location and project	Cost
NAVPHISCH, Coronado, CA:	
Combat swimmer trainer facility	$3,430 [1]
FCTCLANT, Dam Neck, VA:	
Chapel and religious education building	2,490 [1]
NTC, Great Lakes, IL:	
Diesel engineman training facility addition	4,360 [1]
Barracks	10,600 [1]
Physical fitness center	5,780 [1]

[1] Budget constraints.

NAVAL MILITARY PERSONNEL COMMAND

The Naval Military Personnel Command is responsible for the procurement, distribution, administration and motivation of the military personnel of the regular and reserve components of the Navy; and for the management and administration of the Navy's civilian personnel; and for development of service wide programs for improvement of human resources management.

The committee approved $1,900,000 for a project at the following location:

[In thousands]

Location and project	Cost
NAVBAND, Washington, DC: Navy band training building modernization	1,900

NAVAL MEDICAL COMMAND

The Naval Medical Command is responsible for the health of Navy and Marine Corps personnel, their dependents, and other personnel.

The committee approved $67,760,000 for 7 projects at the following 7 locations:

[In thousands of dollars]

Location and project	Cost
NAVMEDCLIN, Annapolis, MD: Naval hospital	12,540
NH, Groton, CT: Hospital expansion	8,720
NH, Jacksonville, FL: Hospital addition	18,600
NH, Long Beach, CA: Medical clinic	8,300
NH, Oak Harbor, WA: Hospital addition	13,900
NH, Pensacola, FL: Medical and dental clinic	7,250
NH, San Diego, CA: Fire station	450

CHIEF OF NAVAL MATERIAL

The Naval Material Command is the single integrated material support agency for the Navy. It is responsible for the development, procurement and support of total weapons systems, depot maintenance, supply management and facilities support.

The committee approved $625,810,000 for 68 projects at the following 31 locations:

[In thousands of dollars]

Location and project	Cost
Puget Sound NSY, Bremerton WA:	
Inactive submarine mooring	620
Underwater equipment laboratory addition	960
Electrical distribution system improvements and land acquisition	20,650
Waterfront security lighting	765
Municipal sewer connection	7,950
Total	30,945
NSC, Bremerton WA: POL storage facilities	1,520
NWS, Charleston, SC: Ammunition overhaul shop	3,230
POMFLANT, Charleston, SC: Fire protection water tank	1,620
NARF, Cherry Point, NC: Hazardous and flammable storage facility	1,720
NWC, China Lake, CA:	
Pay and personnel support office	785
Fixed point test facility	1,670
Ordnance research laboratory	6,866
Total	9,315
NWS, Earl NJ:	
Mine assembly facility	780
Weapons handling facility	2,940
Total	3,720
NCBC, Gulfport, MS: Seabee equipment maintenance facility	2,550
NOS, Indian Head, MD: Bachelor officer quarters modernization	1,570
NSC, Jacksonville, FL:	
Waterfront transit shed	285
Fuel truck loading facility	1,270
Total	1,555
NUSWES, Keyport, WA:	
Torpedo assembly building	660
Hazardous and flammable storehouse	1,780
Total	2,440
NSB, Kings Bay, GA:	
Communications antenna facilities	1,670
Tender mooring and lay berths	23,500
Dredging	23,380
Explosives handling wharf	39,010
Strategic weapons facility (Phase II)	91,360
Drydock	[1]125,000
Command and control systems shop	7,160
Controlled industrial facility	7,550
Hull shops	12,740
Refit warehouse	7,920
Strategic weapons magazines	13,700
Consolidated personnel support facility	3,230
Bachelor enlisted quarters and administrative facility	5,400
Community impact assistance	6,140
Utilities and site improvements	35,700
Total	404,060
NAEC, Lakehurst, NJ: Energy monitoring and control system	600
Long Beach NSY, Long Beach, CA: Sonar rubber dome facility	7,160
NOS, Louisville, KY:	
Gun shop and land acquisition	4,210
Plating shop modernization	12,740
Total	16,950
NARF, Norfolk, VA:	
Heavy processes shops	11,170
Hazardous and flammable storage facility	1,910
Total	13,080
NSC, Norfolk, VA: Warehouse modernization	2,350
NARF, North Island, CA:	
Engineering laboratory	9,120
Heating, ventilation, air conditioning	345
Total	9,465
NSC, Oakland, CA:	
Dredging	6,570
Oil spill prevention	1,320
Total	7,890
Pearl Harbor NSY, Pearl Harbor, HI: Hazardous and flammable storage facility	1,860
NPWC, Pearl Harbor, HI: Electrical distribution system improvements	13,700
NPWC, Pensacola, FL: Electrical distribution system improvements	8,430
PMTC, Point Mugu, CA: Bachelor enlisted quarters	10,200
NCBC, Port Hueneme, CA:	
Seabee materiel transit facility	6,960
Seabee operations headquarters	5,880
Bachelor enlisted quarters	5,100
Cogeneration utility plant addition	3,630
Total	21,570
NSWSES, Port Hueneme, CA: Weapon systems engineering buildings	10,780
NESEC, Portsmouth, VA:	
Communications systems laboratory addition	825
Shipboard electronics support laboratory	880
Utilities improvements	1,550
Total	3,255
Norfolk NSY, Portsmouth, VA:	
Dockside work center addition	530
Bachelor officer quarters	5,600
Mess hall	560
Total	6,690
NSC, San Diego, CA:	
Fire protection system	1,760
Cold storage warehouse	5,340
Total	7,100
NAVELECSYSENGACT, St. Inigoes, MD:	
Command, control and communications laboratory	7,850
Utilities improvements	3,140
Combatant communications assembly and test facility	4,560
Total	15,550
Mare Island NSY, Vallejo, CA: Security lighting (Total)	815
NMINEWARENGACT, Yorktown, VA: Mine warfare systems laboratory (Total)	4,120

[1] To be incrementally funded. Authorization for appropriations, $40,000,000.

The committee did not authorize the following projects:

[In thousands of dollars]

Location and project	Cost
NARF, Alameda, CA:	
Paint and finishing hangar	[1] 24,200
Energy monitoring and control system	[1] 780
NWS, Charleston, SC: Gymnasium	[1] 840
NCBC, Port Hueneme, CA: Chapel and religious education building	[1] 2,080
NESEC, San Diego, CA: Fleet support center	[2] 27,450
NADC, Warminster, PA: Navigation equipment laboratory	[1] 4,220

[1] Budget constraints.

[2] Reconsider alternatives.

NAVAL OCEANOGRAPHY COMMAND

The Naval Oceanography Command is responsible for providing research and operational data of the environment to support the Navy and other services. Data includes mapping, charting and geodesy publications.

The committee approved $4,890,000 for 2 projects at the following 2 locations:

[Dollars in thousands]

Location and project	Cost
NAVOCEACMDFAC, Jacksonville, FL: Meteorological building addition	390
NAVWESTOCEANCEN, Pearl Harbor, HI: Meteorological building	4,500

NAVAL TELECOMMUNICATIONS COMMAND

The Naval Telecommunications Command is responsible for providing communications by satellite and radio for administrative functions and command and control of Navy ships.

The committee approved $785,000 for a project at the following location:

[Dollars in thousands]

Location and project	Cost
NRS, Sugar Grove, WV: Sewerage system	785

NAVAL SECURITY GROUP COMMAND

The Naval Security Group Command is responsible for signal intelligence, protection of U.S. Navy signals and other exploitable emissions, special communications systems, technical research and development for the creation of new systems and equipment and Navy-wide support of the Armed Forces Courier Service.

The committee approved $6,040,000 for 6 projects at the following 4 locations:

[Dollars in thousands]

Location and project	Cost
NSGA, Adak, AK: Security improvements	980
NSGA, Northwest, Chesapeake, VA:	
Strategic facilities and public works shop	835
Bachelor enlisted quarters modernization	550
Total	1,385
NSGA, Skaggs Island, CA: Computer suport warehouse	395
NSGA, Winter Harbor, ME:	
Public works shop	880
Ocean surveillance building addition	2,400
Total	3,280

MILITARY CONSTRUCTION, OUTSIDE THE UNITED STATES, UNITED STATES MARINE CORPS

For the Marine Corps outside the United States, the committee approved $7,015,000 for 5 projects at the following 3 locations:

[Dollars in thousands]

Location and project	Cost
MCAS, Iwakuni, JP:	
Operational trainer facility	645
Aviation armament shop	1,130
Total	1,775
MCAS Futenma, Okinawa, JP:	
Refueling vehicle shop	1,320
Ground support equipment shop addition	1,670
Total	2,990
MCB Camp Smedley D. Butler, Okinawa, JP: Heavy gun shop	2,250

COMMANDER IN CHIEF, ATLANTIC FLEET

For the Commander in Chief, Atlantic Fleet, outside the United States, the committee approved $69,100,000 for 10 projects at the following 6 locations:

[Dollars in thousands]

Location and project	Cost
NF Argentina, NF, CAN: Fire protection system	700
NF, Antigua, W.I.: Naval facility upgrade	2,410
NS, Guantanamo Bay, CU:	
Bachelor enlisted quarters—new and modernization	10,060
Communications facilities	2,750
Bachelor officer quarters	9,600
Total	22,410
NS, Keflavik, IC:	
Airfield improvements	20,510
Aircraft acoustical enclosure support facilities	1,270
Total	21,780
LANTFLTWPNTRFAC, Roosevelt Roads, PR:	
Underwater range operations center	4,100
Range operations center	3,000
Total	7,100
NS, Roosevelt Roads, PR: Bachelor quarters	14,700

COMMANDER IN CHIEF, PACIFIC FLEET

For the Commander in Chief, Pacific Fleet, outside the United States, the committee approved $100,710,000 for 17 projects at the following 9 locations:

[Dollars in thousands]

Location and project	Cost
NAS, Cubi Point, RP: Maintenance hangar	19,200

Location and project	*Cost*
NSF, Diego Garcia, IO:	
Lighted navigational aids	510
Antenna support facilities	1,320
Fleet support warehouse	2,500
Laundry building addition	3,280
Bachelor officer quarters	8,920
Total	16,530
NAF, Diego Garcia, IO:	
Fire station addition	980
Maintenance hangar	15,200
Weapons complex	6,270
Total	22,450
NM, Guam:	
Wharf utilities	6,570
Bachelor enlisted quarters and mess hall	4,700
Total	11,270
NSD, Guam: Cold storage warehouse addition	6,550
NS, Guam: Fleet hospital support facilities	10,200
NSRF, Guam: Sand storage silo	990
NM, Subic Bay, RP: Fire protection	250
NSRF, Subic Bay, RP:	
Shipfitting shops	4,070
Wharf electrical distribution system improvements	9,200
Total	13,270

COMMANDER IN CHIEF, U.S. NAVAL FORCES EUROPE

The Commander in Chief, Naval Forces Europe, is responsible for the Naval component of the unified U.S. European Command. The committee approved $22,795,000 for 7 projects at the following 5 locations:

[Dollars in thousands]

Location and project	*Cost*
NAVACTS, London, UK:	
Support building acquisition	785
Fleet hospital support facilities	6,850
Total	7,635
NSA, Naples, IT: Supply facilities	7,750
NS, Rota, SP: Fire alarm system	1,030
NAS, Sigonella, IT:	
Operations vehicle garage	2,250
Administrative and security facilities	3,680
Total	5,930
PERSUPACT, London, UK: Pay and personnel support office	450

CHIEF OF NAVAL MATERIAL

The Chief of Naval Material is the single integrated material support agency for the Navy. It is responsible for the development, procurement and support of total weapons systems, depot maintenance, supply management and facilities support.

The committee approved $5,480,000 for 2 projects at the following 2 locations:

[Dollars in thousands]

Location and project	*Cost*
NPWC, Guam: Steam system improvements	1,080
NPWC, Yokosuka, JP: Electrical distribution system improvements	4,400

NAVAL TELECOMMUNICATIONS COMMAND

For the Naval Telecommunications Command, outside the United States, the committee approved $11,415,000 for 4 projects at the following 3 locations:

[Dollars in thousands]

Location and project	*Cost*
NAVCAMSWESTPAC, Guam: Bachelor enlisted quarters modernization	8,330
NCS, Harold E. Holt, Exmouth, Australia: Exmouth, Australia:	
Small craft boathouse	390
Cooling systems conversion	2,300
Total	2,690
NCS, Rota, SP: Operational storage	395

The committee did not authorize the following projects:

[Dollars in thousands]

Location and project	*Cost*
NAVCAMSWESTPAC, Guam: Child care center addition	[1] 615
NCS, Yokosuka, JP: Fleet operational control center	[8] 21,490

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[1] Pending third party test.

[8] Seek JFIP funding.

NAVAL SECURITY GROUP COMMAND

For the Naval Security Group Command, outside the United States, the committee approved $3,700,000 for a project at the following location:

[Dollars in thousands]

Location and project	*Cost*
NSGD, Diego Garcia, 10: Ocean surveillance building addition	3,700

VARIOUS LOCATIONS

The following projects are at various locations. The committee approved $166,380,000 for 3 projects:

[Dollars in thousands]

Location and project	*Cost*
Various: Access roads	2,960
Various: Unspecified minor	21,560
Various: Architectural and engineering services and construction design	141,860

HOST NATION INFRASTRUCTURE SUPPORT

Host Nation Infrastructure Support outside the United States will support NATO projects which the United States is host nation.

The committee approved $980,000 at various locations.

[Dollars in thousands]

Location and project	*Cost*
Various locations host nation infrastructure support	980

SUMMARY OF NAVY PROGRAM ACTION

A summary of actions taken on the request of the Navy is tabulated by project as follows:

[In thousands of dollars]

Location and project	*Cost*
Navy request	2,159,210
United States Marine Corps:	
MCAS, Beaufort, SC: Child Care Center	[1] −900
MCB, Camp Pendleton, CA: Santa Margarita Water Project	[2] −148,000
MCAS: Cherry Point, NC: Child Care Center.	[1] −1,490
MCAGCC, Twentynine Palms, CA:	
Physical Fitness Center	[3] −5,380
Child Care Center	[1] −1,490
Chief of Naval Operations:	
NA, Annapolis, MD: Brigade Activities Center	[4] −21,600
NPGS, Monterey, CA: Ocean Sciences Academic Building	[6] −13,000
INTELCENPAC, Pearl Harbor, HI: Intelligence Center Addition	[3] −2,900
COMNAVDIST, Washington DC: Administrative Office Modernization	[3] −6,300
Commander in Chief, Atlantic Fleet:	
NAVPHIBASE, Little Creek, VA: Combat Swimmer Training Facility	[3] −4,070
NS, Mayport, FL: Child Care Center	[1] −2,240
NF, Radio Island, NC: Equipment Washdown Facility and Land Acquisition	[6] −17,640
Commander in Chief, Pacific Fleet:	
NS, Long Beach, CA: Construction Battalion Unit Complex	[6] −1,230
COMOCSYSPAC, Pearl Harbor, HI: Naval Ocean Processing Facility Addition	[3] −1,180
NS, San Diego, CA: Child Care Center	[1] −845
Chief of Naval Education and Training:	
NAVPHISCH, Coronado, CA: Combat Swimmer Trainer Facility	[3] −3,430
FCTCLANT, Dam Neck, VA: Chapel and Religious Education Building	[3] −2,490
NTC, Great Lakes, IL:	
Diesel Engineman Training Facility Addition	[3] −4,360
Barracks	[3] −10,600
Physical Fitness Center	[3] −5,780
Chief of Naval Material:	
NARF, Alameda, CA: Paint & Finishing Hangar Energy monitoring control system	[3] −760
NWS, Charleston, SC: Gymnasium	[3] −840
NCBC, Port Hueneme, CA: Chapel and Religious Education Building	[3] −2,080
NESEC, San Diego, CA: Fleet Support Center	[7] −27,450
NADC, Warminster, PA: Navigation Equipment Laboratory	[3] −4,220
Naval Telecommunications Command:	
NAVCAMWESTPAC, Guam: Child Care Center	[1] −615
NCS Yokosuka, JP: Fleet Operational Control Center	[8] −21,490
General Reduction for bid savings	−100,000
Reduction for future appropriations for NSB Kings Bay, GA Drydock	−85,600
General Reduction for civilian end strength	−5,346
Architectural and engineering services and construction design	+2,600
General Reduction for Davis-Bacon	−39,000
Reduction for NS New York, NY, Dredging	−11,700
Total military construction authorized for appropriation	1,583,564

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[1] Pending third party test.

[2] Scope not resolved.

[3] Budget constraints.

[4] Reduce scope.

[5] Consider lesser cost alternatives.

[6] Not justified.

[7] Reconsider alternatives.

[8] Seek JFIP funding.

FAMILY HOUSING

The Navy's request for the Family Housing program and the committee's recommendations are as follows:

NAVY FAMILY HOUSING

[In thousands of dollars]

Request	Request	Committee change	Revised total
Construction of new family housing (1,227 units)	113,050	0	113,050
Post acquisition construction	40,950	0	40,950
Construction improvements	(34,020)	0	(34,020)
Planning	(6,930)	0	(6,930)
Total authorization for appropriation request, construction	154,000	0	154,000
Operations and maintenance:			
Operating Expenses:			
Management account	(42,155)	+1,100	(43,255)
Services account	(29,946)	0	(29,946)
Utilities account	(181,343)	0	(181,343)
Furnishing account	(13,636)	0	(13,636)
Miscellaneous account	(420)	0	(420)
Total operating expenses	267,500	+1,100	268,600
Total maintenance account	277,458	0	277,458
Leasing	22,479	0	22,479
Domestic	(3,545)	0	(3,545)
Foreign	(18,934)	0	(18,934)
Debt payment	17,302	0	17,302
Principal	(16,239)	0	(16,239)
Interest payment family housing	(822)	0	(822)
Servicemen's mortgage insurance premiums for existing coverage	(241)	0	(241)
Total authorization request O&M and debt payment	584,739	+1,100	585,839
Total authorization for appropriation request, construction, O&M and debt payment	738,739	+1,100	739,839

The Navy Family Housing Program authorization for appropriations request totaled $738,739,000. In addition, $11,429,000 will be applied to the program from anticipated reimbursements.

NEW CONSTRUCTION

The committee approved the construction or acquisition of 1,227 units of family housing in support of housing at the following locations:

[In thousands of dollars]

Location and project	Cost	
NAS, Adak AK: 100 units	15,500	15,500
MCAS El Toro, CA: 282 units	29,800	29,800
PWC, San Diego, CA: 200 units	15,200	15,200
MCAGCC, Twentynine Palms, CA: 100 units	8,400	8,400
FTGP, Warner Springs, CA: 44 units	4,400	4,400
NWS, Earle, NJ: 200 units	15,400	15,400
ASO, Philadelphia, PA: 1 unit	170	170
PWC, Subic Bay, RP: 300 units	24,180	24,180
Total: 1,227 units	113,050	113,050

TITLE III—AIR FORCE

The Air Force requested authorization of $2,917,048,000. The committee, after careful review and consideration of the Air Force request, approved $2,624,041,000 for the following programs:

	Air Force request	Total authorization	Less amounts not authorized for appropriation	Total authorized for appropriation
Military Construction:				
Inside the United States	1,265,517,000	1,143,707,000	[1] −107,000,000	1,036,707,000
Outside the United States	511,497,000	481,100,000	[2] −32,000,000	449,100,000
Architectural and engineering services	144,096,000	144,096,000		144,096,000
Unspecified minor construction	22,000,000	22,000,000		22,000,000
Defense access roads	30,240,000	30,240,000		30,240,000
Total Military Construction authorization	1,973,350,000	1,821,143,000	−139,000,000	1,682,143,000
Military family housing:				
Construction	214,400,000	212,600,000		212,600,000
Support	729,298,000	729,298,000		729,298,000
Total Family Housing authorization	943,698,000	941,898,000		941,898,000
Total Air Force authorization	2,917,048,000	2,763,041,000	−139,000,000	2,624,041,000

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[1] Includes $39 million reduction because of Davis-Bacon rates and $68 million reduction for anticipated bid savings.

[2] General reduction of $32 million for anticipated bid savings.

MILITARY CONSTRUCTION, OVERVIEW

The Air Force's authorization request for the military construction program and the committee's recommendations are as follows:

MAJOR COMMAND SUMMARY

[In thousands of dollars]

Major command	Air Force request	Committee approved
Military construction:		
Inside the United States:		
Air Force Logistics Command	186,148	172,298
Air Force Systems Command	68,760	49,410
Air Force Reserve	500	0
Air National Guard	12,370	12,370
Air Training command	100,300	97,850
Air University	14,000	11,200
Alaskan Air Command	105,360	79,860
Military Airlift Command	167,540	150,380
Pacific Air Forces	5,530	3,330
Space Command	11,250	11,250
Special Project	55,000	55,000
Strategic Air Command	337,014	327,614
Tactical Air Command	191,435	162,835
U.S. Air Force Academy	10,310	10,310
General reduction for bid savings	0	−68,000
General reduction for Davis-Bacon	0	−39,000
Total, inside the United States	1,265,517	1,036,007

MAJOR COMMAND SUMMARY—Continued

[In thousands of dollars]

Major command	Air Force request	Committee approved
Outside the United States:		
Military Airlift Command	38,885	28,785
Pacific Air Forces	133,280	129,930
Space Command	38,450	38,450
Tactical Air Command	23,172	23,172
U. S. Air Forces in Europe	277,710	260,763
General reduction for bid savings	0	−32,000
Total, outside the United States	511,497	449,100
Support:		
Architectural and Engineering Services	144,096	144,096
Unspecified Minor Construction	22,000	22,000
Defense Access Roads	30,240	30,240
Total Support	196,336	196,336
Total Military Construction	1,973,350	1,682,143
Military Family Housing: Total Military Family Housing	943,698	941,898
Total, Air Force	2,917,048	2,624,041

FACILITY CATEGORY SUMMARY

[In thousands of dollars]

Facility category	Air Force request	Committee approved
Military construction:		
Operational	459,964	460,544
Training	108,940	91,440
Maintenance/production	355,809	352,053
Research, development, test & evaluation	67,250	56,350
Supply	157,290	157,290
Medical	26,470	26,470
Administrative	107,380	48,180
Personnel housing/community support	281,170	250,570
Personnel housing	(217,210)	(207,660)
Community support	(53,960)	(42,910)
Utilities	182,150	151,313
Water pollution abatement	2,800	2,800
Energy	27,792	27,792
Minor construction	22,000	22,000
Architectural and engineering services	144,096	144,096
Defense access roads	30,240	30,240
General reduction for bid savings	0	−100,000
General reduction for Davis-Bacon	0	−39,000
Subtotal military construction	1,973,350	1,682,143
Military family housing	943,698	941,898
Total, Air Force	2,917,048	2,624,041

POLLUTION ABATEMENT

The committee approved $2,800,000 for pollution abatement projects. The projects are listed with the appropriate command's projects.

ENERGY CONSERVATION INVESTMENT PROGRAM

The committee approved $27,722,000 for energy conservation investment projects. The projects are listed with the appropriate command's projects.

MILITARY CONSTRUCTION, INSIDE THE UNITED STATES AIR FORCE LOGISTICS COMMAND

The Air Force Logistics Command (AFLC) is responsible for providing an adequate and efficient system of procurement, production, surveillance, maintenance and supply for the United States Air Force and training specialized units for accomplishment of logistics functions in overseas areas and theaters.

The committee approved $172,298,000 for 30 projects at the following locations:

Location and project	*Thousands*
Hill Air Force Base, UT:	
Add to and alter aircraft corrosion control facility	13,400
Peacekeeper-transporter repair facility	8,300
Depot explosive storage complex.	2,600
Facility energy improvements	3,980
Total	28,280
Kelly Air Force Base, TX:	
Hydrant fueling system	4,600
Approach lighting	1,450
Integration support facility	9,299
Depot machine shop	11,500
Add to and alter jet engine test cell complex	6,500
Dental clinic	2,800
Emergency back-up power	2,500
Alter electrical distribution system	1,100
Total	39,749
McClellan Air Force Base, CA:	
Aircraft accessory maintenance complex	16,929
Sound suppressor support	700
Depot electronic warfare/communications facility	13,100
Medical & occupational health clinic	12,800
Total	43,529
Robins Air Force Base, GA:	
Fire protection-avionics facilities.	1,950
Large item storage facility	5,400
Total	7,350
Tinker Air Force Base, OK:	
Transient munitions facility/land acquisition	6,900
E-3A maintenance hangar	6,800
Alter aircraft corrosion control facility	4,650
Alter petroleum operations facilities storage complex	3,650
Alter unaccompanied enlisted personnel housing	3,100
Add to and alter heat plant	6,400
Total	31,500
Wright-Patterson Air Force Base, OH:	
Add to and alter precision measurement equipment lab	920
Entomology shop	770
Add to and alter high power research lab	1,950
Alter electrical distribution system	1,500
Add to and alter storm drainage system	3,950
Add to and alter science engineering & support complex	12,800
Total	21,890

The committee did not authorize the following projects:

Location and project	*Thousands*
Kelly Air Force Base, TX: Add to and alter visiting officer quarters	[1] 1,950
Tinker Air Force Base, OK: Add to and alter recreation center	[1] 1,600
McClellan Air Force Base, CA: Logistics Systems Operations Center	[1] 10,300

[1] Budget constraints.

AIR FORCE SYSTEMS COMMAND

The Air Force Systems Command (AFSC) is responsible for advancing aerospace technology adapting it to operational aerospace systems, and acquiring quantitatively superior aerospace systems and material needed to accomplish the Air Force mission.

The committee approved $49,410,000 for 10 projects at the following locations:

Location and project	*Thousands*
Brooks Air Force Base, TX:	
Vehicle maintenance shop	2,500
Total	2,500
Edwards Air Force Base, CA:	
Alter physical science lab	2,450
Add to and alter flight test mission control center	4,800
Total	7,250

The committee did not authorize the following projects:

Locataion and project	*Thousands*
Arnold Engineering Development Center, TN: Engineering Analysis facility.	[1] 16,900
Hanscom Air Force Base, Mass., Library and education center	[2] 2,450

[1] Review for lower cost alternative.

[2] Budget Constraints.

AIR RESERVE FORCES

The mission of the Air Force Reserves is to develop, maintain and provide the Active Air Force with those operationally ready units and trained individuals needed to augment the active force in time of war or national emergency.

The committee did not authorize the following project:

Location and project	*Thousands*
Billy Mitchell Field, WI: Administrative facility	[1] 500

[1] Budget constraints.

AIR NATIONAL GUARD

The Air National guard is responsible for providing units with trained personnel and sufficient and suitable equipment, capable and ready for mobilization in time of war or national emergency to support the Air Force.

The committee approved $12,370,000 for two projects at the following location:

Location and project	*Thousands*
Buckley Air National Guard Base, CO:	
Security police operations facility	670
Aerospace data facility/utility distribution system	11,700
Total	12,370

AIR TRAINING COMMAND

The Air Training Command (ATC) is responsible for providing flying training leading to an aeronautical rating, aircrew training, basic and advanced technical training leading to an Air Force specialty, basic military training, mobile training, and other training as may be directed by the United States Air Force Chief of Staff.

The committee approved $97,350,000 for 21 projects at the following locations:

Location and project	*Thousands*
Chanute Air Force Base, IL:	
Add to and alter aircraft engine training facility	1,400
Medical war reserve material facility	330
Total	1,730
Goodfellow Air Force Base, TX:	
Operations intelligence training facility	13,500
Unaccompanied enlisted personnel housing	11,000
Dining hall	3,000
Total	27,500
Keesler Air Force Base, TX:	
Electronic assembly & checkout facility	2,100
Alter unaccompanied enlisted personnel housing	8,400
Total	10,500
Lackland Air Force Base, TX:	
Satellite communications ground terminal	2,950
Unaccompanied enlisted personnel housing	14,800
Dining hall	5,000
Total	22,750
Laughlin Air Force Base, TX: Water supply main/land acquisition	1,900
Total	1,900
Lowry Air Force Base, CO:	
Cold storage facility	3,350
Add to and alter academic classrooms	3,500
Total	6,850
Mather Air Force Base, CA:	
Central life support equipment facility	1,200
Accounting & finance facility	1,500
Total	2,700
Randolph Air Force Base, TX: Vehicle maintenance complex	3,200
Total	3,200
Reese Air Force Base, TX: Vehicle maintenance complex	3,250
Total	3,250
Sheppard Air Force Base, TX:	
Medical Training Facility	14,000
Medical logistics facility	2,150
Total	16,150
Vance Air Force Base, OK: Central life support equipment facility	660
Total	660
Williams Air Force Base, AZ: Add to and alter avionics shop	660
Total	660

The committee did not authorize the following projects:

Location and project	*Thousands*
Goodfellow Air Force Base, TX:	
Recreation center	[1] 2,450

[1] Budget Constraints.

AIR UNIVERSITY

The Air University (AU) is responsible for Air Force professional military education. It also provides support for the Civil Air Patrol (CAP) and the Air Force Data Systems Design Center.

The committee approved $11,200,000 for three projects at the following locations:

Location and project	*Thousands*
Gunter Air Force Station, AL: Add to computer facility	6,000
Total	6,000
Maxwell Air Force Base, AL:	
Alter electrical distribution system	3,300
Squadron officers school-leadership development complex	1,900
Total	3,200

The committee did not authorize the following project:

Location and project	*Thousands*
Maxwell Air Force Base, AL: Add to and alter historical research center	[1] 2,800

[1] Budget constraints.

ALASKAN AIR COMMAND

The Alaskan Air Command (AAC) is responsible for providing combat ready forces, defense weapons systems, aircraft control and warning element, and air defense forces within Alaska. It also is responsible for providing logistical support for the Strategic Air Command, the Military Airlift Command, the Command of the Alaskan Sea Frontier and the United States Army.

The committee approved $79,860,000 for 13 projects at the following locations:

Location and project	*Thousands*
Attu Research Site, AK: Seismic operations & data transmission facilities	910
Total	910
Eialson Air Force Base, AK:	
Maintenance hangar	6,000
Sound suppressor support	1,550
Refuel vehicle/petrol operations facility	2,200
Alter unaccompanied enlisted personnel housing	5,500
Fire protection—hangar	4,200
Total	19,450
Elmendorf Air Force Base, AK:	
Fire station	1,400
Alter unaccompanied enlisted personnel housing	3,600
Total	5,000
King Salmon Airport, AK:	
Add to and alter composite operations facilities	3,000
Fire station	5,600
Total	8,600
Shemya Air Force Base, AK:	
Liquid fuel pipeline system	8,800
Composite personnel housing & alert facility	9,600
Add to and alter central power plant	27,500
Total	45,900

The committee did not authorize the following projects:

Location and project	Thousands
Eielson Air Force Base, AK: Add to and alter central heat & power plant	[1]25,500

[1] Insufficient review for third party financing.

MILITARY AIRLIFT COMMAND

The Military Airlift Command (MAC) is responsible for maintaining the military airlift system in a constant state of readiness. MAC supervises and operates the Air Weather Service, the Air Rescue and Recovery Service, Aeromedical Evacuation System and Military Airlift.

The committee approved $150,380,000 for 44 projects at the following locations:

Location and project	Thousands
Altus Air Force Base, OK:	
Vehicle maintenance shop	3,200
Weapons systems maintenance management facility	2,550
Unaccompanied enlisted personnel housing	3,800
Total	9,550
Andrews Air Force Base, MD:	
Alter communications facility	3,350
Alter unaccompanied enlisted personnel housing	4,550
Facility energy improvements	420
Fire protection various facilities	1,900
Total	10,220
Base 24—Classified Location, ZI:	
C-130—Support facilities	(6,170)
C-130—Add to parking apron	1,500
C-130—Squadron operations	1,350
C-130—Corrosion control facility	1,300
C-130—Add to and alter avionic maintenance facilities	1,200
C-130—Organizational maintenance shop	820
Total	6,170
Bolling Air Force Base, DC: Facility energy improvements	250
Total	250
Charleston Air Force Base, SC:	
Petroleum operations facility	480
Aerial refueling part task training facility	1,140
Total	1,620
Dover Air Force Base, DE:	
Extend runway/land acquisition	13,800
Add to and alter aerial refueling part task training	1,050
Add to and alter flight simulator training facility	1,250
Ancillary explosive complex	2,300
Base supply and equipment shed	360
Base hazardous storage facility	430
Total	19,190
Eglin Auxiliary Field 9, FL: Alter dining hall	1,700
Total	1,700
Kirtland Air Force Base, NM:	
Dangerous cargo pad	1,900
Communications duct system	1,300
Munitions Storage Complex	47,000
Computer/vault facility	4,300
Alter unaccompanied enlisted personnel housing	5,000
Facility energy improvements	830
Total	60,330
McChord Air Force Base, WA:	
Add to and alter serial port facility	1,300
Add to and alter aerial refueling part task training facility	940
Total	2,240
McGuire Air Force Base, NJ:	
Aerial refueling part task training facility	1,050
Aircraft maintenance hangars	7,300
Alter unaccompanied enlisted personnel housing	6,200
Total	14,550
Norton Air Force Base, CA:	
Security police operations facility	1,900
Control tower	2,200
Facility energy improvements	470
Total	4,570
Pope Air Force Base, NC: Combat arms training and maintenance facility	440
Total	440
Scott Air Force Base, IL:	
Satellite communications ground terminal	4,270
Alter unaccompanied enlisted personnel housing	4,000
Administrative facility	550
Land easement	530
Total	9,350
Travis Air Force Base, CA:	
Add to and alter flight simulator training facility	2,000
Base hazardous storage facility	2,100
Weapons systems maintenance management & support facility	6,200
Total	10,300

The committee did not authorize the following projects:

Location and project	Thousands
Altus Air Force Base, OK:	
Base supply administrative facility	[1]1,900
Recreation center	[1]1,710
Bolling Air Force Base, DC: Office of Special Investigations (OSI) building	[1]12,000
McGuire Air Force Base, NJ: Add to and alter gymnasium	[1]1,550

[1] Budget constraints.

PACIFIC AIR FORCES

The Pacific Air Forces are responsible for offensive and defensive air operations, and for providing administrative and logistical support for Air Force units in the Pacific geographical area.

The committee approved $3,330,000 for two projects at the following locations:

Location and project	Thousands
Hickam Air Force Base, HI: Facility energy improvements	480
Total	480
Wheeler Air Force Base, HI: Various aircraft maintenance & support facilities	2,850
Total	2,850

The committee did not authorize the following projects:

Location and project	Thousands
Wheeler Air Force Base, HI: Gymnasium	[1]2,200

[1] Budget constraints.

SPACE COMMAND

The Space Command is responsible for operational space assets and the strategic defense mission.

The committee approved $11,250,000 for four projects at the following locations:

Location and project	Thousands
Cape Cod Air Force Station, MA: Pave Paws-Electronmagnetic pulse protection	600
Total	600
Cavalier Air Force Station, ND: Power reliability enhancements	950
Total	950
Clear Air Force Station, AK: Satellite communications ground terminal	4,500
Total	4,500
Peterson Air Force Base, CO: Test, development & training center—phase II	5,200
Total	5,200

SPECIAL PROJECT

Authorization for a special project was requested.

The committee approved $55,000,000 for a special project at an unspecified locations:

Location and project	Thousands
Unspecified Location: Support facilities	55,000
Total	55,000

STRATEGIC AIR COMMAND

The Strategic Air Command (SAC) is responsible for the bomber, tanker and missile force required for conducting intensive and conclusive worldwide offensive operations.

The committee approved $327,614,000 for 82 projects at the following locations:

Location and project	Thousands
Barksdale Air Force Base, LA: Alter fuel systems maintenance dock	1,400
Total	1,400
Base 34-Classified Location, ZI:	
Air Launched Cruise Missile (ALCM) Support facilities—Phase I.	(8,920)
ALCM—Integrated maintenance facility	7,200
ALCM—Missile roll/transfer & storage	1,400
ALCM—Site activation task force facility	320
Total	8,920
Beale Air Force Base, CA:	
TR-1—Physiological support division facility	550
TR-1—Aircraft shelter	3,300
Pave Paws—Electromagnetic pulse upgrade	950
Pave Paws—Boundary security system	1,050
Total	5,850
Belle Fourche, Air Force Station, SD: Strategic training range complex (Site 4) & land acquisition	4,080
Total	4,080
Carswell Air Force Base, TX: Willis-Cartwright school acquisition/renovation	1,000
Total	1,000
Castle Air Force Base, CA:	
Approach lighting & land acquisition	2,000
Engine inspection & repair shop	1,300
Total	3,300
Dyess Air Force Base, TX:	
B-1B—Beddown support facilities—Phase III	(16,000)
B-1B—Flight simulator training facility	5,600
B-1B—Central aircraft support system equipment & installation	4,350
B-1B—Add to and alter maintenance facilities	1,500
B-1B—Add to and alter field training facilities	1,300
B-1B—Munitions igloos	2,300
B-1B—Blast deflectors	95
Heating, ventilation and air conditioning	950
Total	16,950
Ellsworth Air Force Base, SD:	
B-1B—Beddown support facilities—Phase II	(62,464)
B-1B—Alter maintenance hangers	12,400
B-1B—Aircraft parking apron & taxiways	10,600
B-1B—Add to and alter alert parking area pavement	7,600
B-1B—Field maintenance facility	6,300
B-1B—Area security improvements	3,450
B-1B—Flight simulator training facility	3,400
B-1B—Central aircraft support system equipment & installation	3,000
B-1B—Helicopter/aircrew enhancement facilities	2,850
B-1B—Blast deflectors	2,850
B-1B—Alter utilities systems	990
B-1B—Add to and alter operations & maintenance facilities	710
B-1B—Alter engine inspection and repair facility	450
B-1B—Add to and alter organizational aircraft maint shop	270
B-1B—Alter integrated maintenance facilities	210
B-1B—Weapons preload facilities & rapid deployment system	7,384
Unaccompanied enlisted personnel housing	8,100
Peacekeeper—Add to and alter air launch control center facility	730
KC-135 Cockpit procedures trainer simulator facility	770
Total	72,064
F.E. Warren Air Force Base, WY:	
Peacekeeper—Launch facilities site work	6,200
Data processing facility	1,550
Alter unaccompanied enlisted personnel housing	4,900
Facility energy improvements	560
Peacekeeper—Land easements	2,100
Total	15,310
Grand Forks Air Force Base, ND:	
B-1B—Beddown support facilities—Phase I	(61,030)
B-1B—Three bay maintenance hanger & apron	25,000
B-1B—Hydrant Fuel with Central aircraft support system provisions	14,300
B-1B—Add to and alter aircraft maintenance hangars	9,200
B-1B—Area security improvements	5,200
B-1B—Alter utilities systems	3,600
B-1B—Add to and alter field training & site activation task force facilities	960
B-1B—Alter field maintenance facilities	930
B-1B—Weapons bay fuel tank storage facility	700
B-1B—Power check pad	580
B-1B—Alter avionics maintenance facility	560
Facility energy improvements	1,700
Total	62,730
Griffiss Air Force Base, NY:	
Refuel vehicle heated storage facility	430
Alter tempest secure intelligence laboratory	1,210
Air launched cruise missile igloo	1,100
Total	2,740
Grissom Air Force Base, IN:	
Base civil engineering complex—Phase II	1,700
Total	1,700
K.I. Sawyer Air Force Base, MI:	
Air launched cruise missile (ALCM) facilities—Phase II	(19,180)
ALCM—Weapons storage igloos	5,600
ALCM—Munitions upload training facility	6,500
ALCM—Weapons convoy roads	2,650
ALCM—Support equipment maintenance shop	1,400
ALCM—Unarmed weapons storage facility	710
ALCM—Vehicle parking facility	310
ALCM—Alter operations facilities	380
ALCM—Support equipment corrosion control	650
Alter unaccompanied enlisted personnel housing	3,400
Total	22,580
Malmstrom Air Force Base, MT: Facility energy equipments	1,300
Total	1,300
March Air Force Base, CA:	
Air division headquarters	2,200
Alter unaccompanied enlisted personnel housing	6,800
Total	9,000
Minot Air Force Base, ND: Security police operations facility	5,000
Total	5,000
Offutt Air Force Base, NE:	
Headquarters command post	5,700
Peacekeeper—Add to and alter air launch control center	430
Add to and alter unaccomp enlisted personnel housing/dining hall	3,400
Unaccompanied enlisted personnel housing—Silver Creek	550
Energy recovery systems	360
Total	10,440
Pease Air Force Base, NH:	
Refueling vehicle heated storage facility	590
Heating, ventilation and air conditioning	610
Total	1,200
Plattsburgh Air Force Base, NY: Facility energy improvements	1,050
Total	1,050
Unspecified Location, Conus:	
B-1B—Beddown support facilities—Phase I	[1](71,490)

Location and project	Thousands
B-1B—Hydrant fueling with central aircraft support system provisions	18,400
B-1B—Two bay aircraft maintenance hangar	17,000
B-1B—Area security improvement/alert pavements	7,300
B-1B—Integrated maintenance facilities	6,400
B-1B—Weapons storage area & igloos	6,300
B-1B—Weapons convoy roads	3,700
B-1B—Consolidated operation center	3,500
B-1B—Add to and alter avionics maintenance facility	2,100
B-1B—Support equipment & vehicle storage facilities	1,900
B-1B—Field training facility	1,830
B-1B—Add to and alter communications & support facilities	1,310
B-1B—Alter utility systems	1,000
B-1B—Warhead maintenance/inspection facility	750
Total	71,490
Vandenberg Air Force Base, CA:	
Optical test facility	710
Add to and alter telemetary receiving station	530
Electrical energy systems	720
Total	1,960
Whiteman Air Force Base, MO:	
Fire station	2,250
Total	2,250
Wurtsmith Air Force Base, MI:	
Add to and alter unaccompanied enlisted personnel housing	5,300
Total	5,300

[1] Added by the committee.

The committee did not authorize the following projects:

Location and project	Thousands
Beale Air Force Base, CA: Religious education facility	[1] 1,100
Blytheville Air Force Base, AR: Aircraft general purpose maintenance shop	[1] 3,750
Carswell Air Force Base, TX: Chapel center	[1] 2,150
McConnell Air Force Base, KS:	
B-1B—Beddown support facilities—Phase I	[1] (71,490)
B-1B—Hydrant fueling with central aircraft support system provisions	18,400
B-1B—Two bay aircraft maintenance hangar	17,000
B-1B—Area security improvement/alert pavements	7,300
B-1B—Integrated maintenance facilities	6,400
B-1B—Weapons storage area & igloos	6,300
B-1B—Weapons convoy roads	3,700
B-1B—Consolidated operations center	3,500
B-1B—Add to and alter avionics maintenance facility	2,100
B-1B—Support equipment & vehicle storage facilities	1,900
B-1B—Field training facility	1,830
B-1B—Add to and alter communications & support facilities	1,310
B-1B—Alter utility systems	1,000
B-1B—Warhead maintenance/inspection facility	750
Whiteman Air Force Base, MO: Add to and alter gymnasium	[1] 2,400

[1] Budget constraints.

TACTICAL AIR COMMAND

The Tactical Air Command (TAC) is responsible for tactical air operations and strategic defense of the United States.

The committee approved $162,835,000 for 65 projects at the following locations:

Location and project	Thousands
Bergstrom Air Force Base, TX: Commercial transportation facility	770
Total	770
Cannon Air Force Base, NM: Melrose Range—Land acquisition	12,500
Total	12,500
Davis-Monthan Air Force Base, AZ:	
Taxiway lighting	580
Ground launched cruise missile—field training facility	4,550
Medical war reserve material facility	620
Total	5,730
England Air Force Base, LA:	
Security police operations facility	1,200
Alter unaccompanied enlisted personnel housing	1,400
Total	2,600
George Air Force Base, CA:	
Fire station	3,400
Sound suppressor support	740
Add to and alter munitions facilities	1,100
Total	5,240
Holloman Air Force Base, NM:	
Vehicle maintenance shop	1,850
Base civil engineering maintenance shop	1,300
Add to and alter radar target scatter complex	13,700
Total	16,850
Homestead Air Force Base, FL:	
F-16 Beddown—Various support facilities	(3,495)
F-16—Alter fuel systems maintenance hangar	1,050
F-16—Add to and alter flight simulator facility	1,200
F-16—Add to and alter weapon/release system shop	510
F-16—Add to and alter aircraft generation squadron parts store	410
F-16—Add to and alter various maintenance facilities	325
Vehicle maintenance shop & operations facilities	900
Munitions facilities	970
Visiting officers quarters	1,650
Total	7,015
Langley Air Force Base, VA:	
Sound suppressor support	480
Unaccompanied enlisted personnel housing	8,200
Total	8,680
Luke Air Force Base, AZ:	
F-16—Beddown support facilities	(12,440)
F-16—Aircraft maintenance & training facility	3,650
F-16—Squardron operations facility	2,900
F-16—Fuel systems maintenance hangar	2,000
F-16—Wing headquarters facility	1,350
F-16—Add to and alter engine inspection & repair shop	1,750
F-16—Aircraft maintenance unit facility	790
Support equipment shop	2,050
Heating, ventilation and air conditioning	290
Total	14,780
MacDill Air Force Base, FL:	
Alter aircraft corrosion control facility	500
Alter unaccompanied enlisted personnel housing	4,000
Alter base roads	2,850
Total	7,350
Moody Air Force Base, GA:	
F-16 Beddown—Various support facilities	(10,600)
F-16—Avionics shop	3,200
F-16—Add to and alter operations/maintenance facilities	2,950
F-16—Flight simulator training facility	1,600
F-16—Add to and alter field training facility	1,600
F-16—Add to and alter engine inspection & repair shop	1,250
Aircraft maintenance unit facility	800
Sound suppressor support	980
Various munitions storage/operations facilities	6,900
Alter electric distribution system	4,750
Total	24,030
Mountain Home Air Force Base, ID:	
Over the Horizon-Backscatter radar operations/software support	12,400

Location and project	Thousands
Control tower	2,200
Total	14,600
Myrtle Beach Air Force Base, SC: Add to and alter support equipment shop	430
Total	430
Nellis Air Force Base, NV:	
Red Flag support facilities	2,800
Alter aircraft corrosion control facility	2,050
Sound suppressor support	610
Precision location strike system—software support facility	2,800
Unaccompanied enlisted personnel housing	9,600
Total	17,860
Seymour-Johnson Air Force Base, NC:	
KC-10 Blast deflectors & apron lighting	1,100
Heating, ventilation and air conditioning	1,220
Total	2,320
Shaw Air Force Base, SC:	
Add to and alter special operations facilities	2,000
Medical war reserve material facility	450
Add to and alter weapons system maintenance management facility	1,100
Consolidated support center	6,450
Wing headquarters	2,100
Heating, ventilation and air conditioning	360
Aircraft maintenance areas lighting	840
Total	13,300
Tyndall Air Forces Base, FL:	
Arm/disarm pad	980
Weapons evaluation/operations facility	2,650
Consolidated training facility	1,550
Aircraft combat maneuvering instrumentation facility	1,100
Unaccompanied enlisted personnel housing	2,500
Total	6,780

The committee did not authorize the following projects:

Location and project	Thousands
Davis-Monthan Air Force Base, AZ: Base civil engineer administrative facility	[1] 2,500
England Air Force Base, LA: Base civil engineer administrative facility	[1] 2,300
George Air Force Base, CA:	
Resource management facility	[1] 7,400
Visiting personnel quarters	[1] 7,600
MacDill Air Force Base, FL:	
Base contracting facility	[1] 1,300
Add to and alter headquarters, Readiness command	[1] 1,500
Nellis Air Force Base, NV: Consolidated support center	[1] 6,000

[1] Budget constraints.

UNITED STATES AIR FORCE ACADEMY

The United States Air Force Academy is responsible for educating and training young men and women to become officers in the U.S. Air Force.

The committee approved $10,310,000 for seven projects at the following location:

Location and project	Thousands
United States Air Force Academy, CO:	
Add to and alter aeronautics laboratory	3,400
Add to and alter prep school facilities	3,400
Add to and alter prep school fields	270
Add to and alter vehicle maintenance shop	900
Add to and alter computer center	440
Heating, ventilation and air conditioning	1,500
Recycle cooling water	400
Total	10,310

MILITARY CONSTRUCTION, OUTSIDE THE UNITED STATES

MILITARY AIRLIFT COMMAND

The Military Airlift Command (MAC) is responsible for maintaining the military airlift system in a constant state of readiness. MAC supervises and operates the Air Weather Service, the Air Resue and Recovery Service, Aeromedical Evacuation System, and Military Airlift.

The committee approved $28,785,000 for eight projects at the following locations:

Location and project	Thousands
Lajes Field, Portugal:	
Petroleum, oil, lubricants storage tanks	19,435
Refueling vehicle maintenance shop	1,250
Add to and alter cold storage	1,650
Add to and alter chapel	1,850
Child care center	1,100
Total	25,285
Rhein-Main AB, Germany:	
Flight simulator training facility	2,000
Cold storage facility	570
Religious education facility	930
Total	3,500

The committee did not authorize the following project:

Location and project	Thousands
Rhein-Main AB, Germany: Add to and alter air passenger terminal	[1] 10,100

[1] Budget constraints.

PACIFIC AIR FORCES

The Pacific Air Forces are responsible for offensive and defensive air operations, and for providing administrative and logistical support for Air Force units in the Pacific geographical area.

The committee approved $129,930,000 for 35 projects at the following locations:

Location and project	Thousands
Camp Zama, Japan: Add to and alter satellite communications ground terminal	1,500
Total	1,500
Clark Air Base, Republic of the Philippines:	
Consolidated support facilities—Phase II	4,400
Add to and alter maintenance management & operations facilities	1,750
Alter unaccompanied enlisted personnel housing	3,650
Emergency backup power	2,800
Add to and alter water distribution system	800
Security & safety improvements	1,650
Total	15,050
Diego Garcia Air Base, Indian Ocean: Munition storage facility—Phase II	5,300
Total	5,300
Kadena Air Base, Japan:	
Tactical control operations facility	2,950
Aircraft maintenance facilities—Phase I	12,600
Add to engine inspection and repair shop	5,400
Sound suppressor support	600
Jet fuel storage (JP-4)	6,100
Total	27,650
Kimhae Air Base, Korea: Medical continency complex	10,400
Total	10,400
Kunsan Air Base, Korea:	
Portomod facility support	300
Aircraft maintenance unit facility	1,950
Consolidated support facility	2,850
Add to and alter electrical distribution system—Phase I	3,900
Total	9,000
Kwang-Ju Air Base, Korea:	
Portomod facility support	260
Quick turn facility	9,000
Unaccompanied enlisted personnal housing	4,950
Unaccompanied officer personnel housing	650
Add to and alter water treatment storage/distribution system	1,450
Total	16,310
Misawa Air Base, Japan:	
Commando Port Support—Phase III. (CPIII)	(9,500)
CPIII—Concrete arch igloo magazine	2,850
CPIII—Jet fuel storage	4,500
CPIII—Aboveground storage magazine	2,150
Total	9,500
Osan Air Base, Korea:	
Portomod facility support	860
Aircraft shelters	6,800
Korean combat operations intelligence center allied support—Phase II	500
Squadron operations facilities	6,200
Munitions maintenance & storage facilities—Phase I	7,000
Alter unaccompanied officer personnel housing	3,150
Total	24,510
Sachon Air Base, Korea: Portomod facility support	310
Total	310
Yokota Air Base, Japan:	
Hydrant fueling system	8,500
Heating, ventilation and air conditioning	1,900

Location and project	Thousands
Total	10,400

The committee did not authorize the following projects:

Location and project	Thousands
Yokota Air Base; Japan: Base supply administrative facility[1]	3,350

[1] Seek JFIP Funding

SPACE COMMAND

The Space Command is responsible for operational space assets and the strategic defense mission.

The committee approved $38,450,000 for 10 projects at the following locations:

Location and project	Thousands
Fylingdales Ballistic Missile Early Warning System Site 3, United Kingdom: Satellite communications ground terminal	3,100
Total	3,100
Pirinclik Air Base, Turkey: Satellite communications ground terminal	2,600
Total	2,600
Site 5—Classified Location, Portugal:	
Spacetrack observation facility	12,400
Composite support facility	2,250
Total	14,650
Sandrestrom Air Base, Greenland:	
Consolidated port facility	2,550
Refueling vehicle heated storage facility	1,000
Laundry	2,200
Total	5,750
Thule Air Base, Greenland:	
Add to and alter ground terminal support facility	5,800
Cold storage facility	4,300
Alter unaccompanied enlisted personnel housing	2,250
Total	12,350

TACTICAL AIR COMMAND

The Tactical Air Command (TAC) is responsible for tactical air operations and strategic defense of the United States.

The committee approved $23,172,000 for two projects at the following location:

Location and project	Thousands
Howard Air Force Base, Panama Canal Zone:	
Add to aircraft apron	21,000
Facility energy improvements	2,172
Total	23,172

UNITED STATES AIR FORCES IN EUROPE

The U.S. Air Forces in Europe (USAFE) are responsible for offensive and defensive air operations in Europe and in other areas not included in either the NATO or U.S. Commander-in-Chief Europe area of responsibilities.

The committee apprgyed $260,763,000 for 142 projects at the following locations:

Location and project	Thousands
Ahlhorn Air Base, Germany: Aircraft maintenance unit facility	350
Total	350
Alconbury Royal Air Force Base, United Kingdom:	
TR-1—Support Facilities	(10,700)
TR-1—Add to and alter squadron operations facility	1,050
TR-1—Chemical warfare protect-sensor maintenance facility	1,950
TR-1—Chemical warfare protect-avionic maintenance facility	2,200
TR-1—Unaccompanied enlisted personnel housing	5,600
Add to and alter fire station	1,800
Base operations	900
Flight simulator training facility	1,150
Sound suppressor support	400
Add to and alter warehouse	1,700
Facility energy improvements	2,650
Alter electrical distribution system	1,450
Add to water distribution system	360
Total	20,310
Ankara Air Station, Turkey: Transient lodging facility	950
Total	950
Aviano Air Base, Italy:	
Telecommunications facility	920
Visiting officer quarters	4,150
Total	5,070
Base 25—Classified Location, USAFE: Satellite communications ground terminal	4,500
Total	4,500
Base 29—Classified Location, Overseas:	
Precision location strike system (PLSS)—Support Facilities	(3,500)
PLSS—Unaccompanied enlisted personnel housing	2,400
PLSS—Operations and maintenance facility	1,100
Total	3,500
Base 30—Classified Location Overseas:	
TR-1—Support Facilities	(4,530)
TR-1—Ground station	4,500
TR-1—Add to and alter dining hall	330
Total	4,930
Base 33—Classified Location, Overseas:	
Compass Call—Beddown support facilities	(9,450)
C-130—Aircraft Maintenance Complex	7,250
C-130—Site support work	1,600
C-130—Security fence	600
Total	9,450
Bentwaters Royal Air Force Base, United Kingdom:	
Aircraft maintenance facility	900
Add to aircraft engine inspection & repair shop	2,100
Vehicle maintenance complex	4,050
Warehouse	2,200
Add to and alter unaccompanied enlisted personnel housing	2,800
Total	12,050
Bitburg Air Base, Germany:	
Weapons system maintenance control	2,200
Alter unaccompanied enlisted personnel housing	3,250
Unaccompanied enlisted personnel housing	3,600
Total	9,050
Camp New Amsterdam, Netherlands:	
Telecommunications facility	860
Add to and alter general purpose maintenance complex	1,850
Total	2,710
Chicksands Royal Air Force Base, United Kingdom:	
Add to and alter clinic	830
Child care center	800
Total	1,630
Comiso Air Station, Italy:	
Ground Launched Cruise Missile (GLCM)—Various support facilities	(6,280)
GLCM—Consolidated open mess	3,000
GLCM—Exchange complex	3,280
Total	6,280
Decimomannu Air Base, Italy:	
Visiting airmen quarters	1,900
Visiting officer quarters	900
Total	2,800
Einsiedlerhof Storage Annex, Gemany: Visiting officer quarters	2,900
Total	2,900
Europe, Various Locations, Overseas:	
Chemical warfare protection	(4,450)
Camp New Amsterdam, Netherlands—Avionics shop	1,450
Incirlik Air Base, Turkey—2 Squadron operations facilities	1,400
Lahr Air Base, Germany—2 Squadron operations facilities	1,600
Total	4,450
Fairford Royal Air Force Base, United Kingdom: Clinic/Dental clinic	7,400
Total	7,400
Florennes Air Base, Belgium:	
Ground Launched Cruise Missile (GLCM)—Various support facilities	(5,860)
GLCM—Consolidated open mess	1,950
GLCM—Chapel center	1,750
GLCM—Clothing sales store	240
GLCM—Child care center	810

Location and project	Thousands
GLCM—Base support warehouse/open storage	1,110
Total	5,860
Germany, Various Locations:	
Ground Launched Cruise Missile (GLCM)—Vehicle corrosion facility	580
Precision location strike system—Navigation beacon sites	360
Total	940
Greenham Common Royal Air Force Base, United Kingdom:	
Ground Launched Cruise Missile (GLCM)—Support Facilities	(2,200)
GLCM—High frequency communications facility	1,400
GLCM—Youth center	800
Total	2,200
Hann Air Base, Germany:	
Alter control tower	560
Unaccompanied enlisted personnel housing	2,700
Alter unaccompanied enlisted personnel housing	2,800
Chapel center	2,100
Total	8,160
Hessisch Oldendorf Air Station, Germany:	
Base engineer maintenance shop	490
Warehouse	740
Total	1,230
Incirlik Air Base, Turkey:	
Telecommunications facility	770
Satellite communications ground terminal	2,600
Medical contingency facility	1,150
Consolidated support center	4,500
Alter unaccompanied enlisted personnel housing	2,250
Lighting systems	300
Total	11,570
Kapaun Air Station, Germany: Telecommunications facility	900
Total	900
Karatas Communications Station, Turkey: Unaccompanied enlisted personnel housing	2,330
Total	2,330
Keizerveer Air Base, The Netherlands: Digital European Backbone communications facility	270
Total	270
Lakenheath Royal Air Force Base, United Kingdom:	
Add to and alter vehicle maintenance shop	2,870
Munitions storage igloos	2,250
Warehouse	2,700
Gymnasium	2,500
Total	10,320
Laipheim Air Base, Germany: Aircraft maintenance unit facility	350
Total	350
Marienfelde Communications Station, Germany: Add to and alter special operations facility	2,550
Total	2,550
Mildenhall Royal Air Force Base, United Kingdom:	
Dangerous cargo pad	900
Unaccompanied enlisted personnel housing	2,580
Weatherization	600
Total	4,080
Molesworth Royal Force Base, United Kingdom:	
Ground Launched Cruise Missile (GLCM)-Various support facilities	(21,063)
GLCM—Vehicle maintenance complex (Alconbury)	4,050
GLCM—Add to post office (Alconbury)	530
GLCM—Utilities/pavements and roads	7,213
GLCM—Dining hall	1,550
GLCM—High frequency communications facility	1,400
GLCM—Security police operations facility	1,150
GLCM—Fire station	860
GLCM—Vehicle corrosion control facility	700
GLCM—Telecommunications/meteorological facility	640
GLCM—Medical aid station facility	490
GLCM—Helicopter pad facility	430
GLCM—Communications equipment facility	410
GLCM—Tower support	340
GLCM—Vehicle operations complex	200
GLCM—Small arms training complex	1,100
Total	21,063
Morocco, Various Locations:	
Airfield improvements	(3,100)
Apron lighting	2,050
Alter maintenance hangar	550
Water storage	500
Total	3,100
Norvenich Air Base, Germany: Aircraft maintenance unit facility	350
Total	350
Pruem Air Station, Germany:	
Warehouse	710
Operations facility	540
Total	1,250
Ramstein Air Base, Germany:	
Composite alert facilities	2,050
Alter control tower	360
Munitions storage	850
Rapid Runway Repair equipment storage facility	1,000
Warehouse	1,900
Unaccompanied enlisted personnel housing	3,200
Alter unaccompanied enlisted personnel housing	2,750
Dining hall	1,600
Facility energy improvements	960
Total	14,670
San Vito Air Station, Italy:	
Education center	490
Add to and alter water treatment system	1,100
Total	1,590
Sculthorpe Royal Air Force Base, United Kingdom: Munitions storage igloos	2,350
Total	2,350
Sembach Air Base, Germany:	
Alter control tower	360
Alter unaccompanied enlisted personnel housing	6,100
Total	6,460
Spangdahlem Air Base, Germany:	
Telecommunications facility	820
Field training facility	2,100
Rapid Runway Repair equipment storage facility	910
Passive defense equipment storage facility	530
Warehouse	1,400
Unaccompanied enlisted personnel housing	3,450
Alter unaccompanied enlisted personnel housing	2,900
Base road and utilities	2,750
Total	14,860
Torrejon Air Base, Spain:	
Aircraft maintenance unit complex	2,550
Aircraft corrosion control facility	1,850
Medical contingency complex	2,900
Child care center	1,000
Steam and condensate system	350
Facility energy improvements	900
Total	9,550
United Kingdom, Various Locations: Northern Europe tracking station	3,800
Total	3,600
Upper Heyford Royal Air Force Base, United Kingdom:	
Telecommunications facility	630
Religious education facility	1,200
Facility energy improvements	910

Location and project Thousands Location and project Thousands Location and project Thousands

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Location and project Thousands

1986 and future year military family hous-

SUMMARY OF CHANGES—FISCAL YEAR 1986 DEPARTMENT

Location and project	*Thousands*
Alter water distribution system	1,900
Total	4,640
Vogelweh Air Station, Germany: Child care center	1,250
Total	1,250
Vught Communications Site, The Netherlands: Digital European backbone communications facility	310
Total	310
Wenigerath Storage Site, Germany: Road & railroad siding	1,700
Total	1,700
Woensdrecht Air Base, The Netherlands:	
Ground Launched Cruise Missile (GLCM)-various support facilities	(15,980)
GLCM—Site activation support facilities	10,000
GLCM—Utilities/pavements/roads	3,800
GLCM—Command, control & safety measures	1,900
GLCM—Boundary fence	230
Total	15,980
Zaragoza Air Base, Spain:	
Control tower	1,650
Support equipment shop	1,100
Total	2,750
Zweibrucken Air Base, Germany:	
European Distribution System (EDS)—Support facilities	(3,600)
EDS—Forward storage warehouse	1,150
EDS—Unaccompanied enlisted personnel housing	2,450
Add to and alter fire station	1,350
Telecommunications facility	750
Total	5,700

The committee did not authorize the following projects:

Location and project	*Thousands*
Greenham Common Royal Air Force Base, United Kingdom:	
GLCM—Auto Hobby shop	[1] 340
GLCM—Alter arts & crafts center	[1] 300
Mildenhall Royal Air Force Base, United Kingdom: Consolidated support center	[1] 4,150
Ramstein Air Base, Germany: Indoor swimming pool	[2] 2,800
Torrejon Air Base, Spain: Alter electrical substation	[4] 2,637
Woensdrecht Air Base, The Netherlands:	
Ground launched cruise missile (GLCM)-telecommunications center	[3] 400
Ground launched cruise missile (GLCM)-add to and alter communications equipment facility	[3] 720
Ground launched cruise missile (GLCM)-Fire station	[3] 1,100
Ground launched cruise missile (GLCM)-Tower support	[3] 300
Ground launched cruise missile (GLCM)-high frequency facility	[3] 1,500

[1] Budget constraints.

[2] Not justified.

[3] Contingent on favorable deployment by The Netherlands.

[4] Late award in fiscal year.

The committee reduced the following projects by the amount shown:

Location and project	*Thousands*
Woensdrecht Air Base, The Netherlands: Grown Launched Cruise Missile (GLCM)-Utilities/pavements/roads	[1] −2,700

[1] Contingent on favorable deployment by The Netherlands.

MILITARY CONSTRUCTION PROGRAM, SUPPORT ACTIVITIES

The support activities include resources for accomplishing design work on fiscal years 1986, 1987, 1988 and subsequent years' military construction projects, for unspecified minor construction and for accomplishing urgent requirements anticipated to arise during fiscal year 1986.

The committee approved $166,096,000 for the following elements of the support program:

Location and project	*Thousands*
Various locations, worldwide:	
Architectural and engineering services	144,096
Unspecified minor construction	22,000
Total	166,096

MILITARY CONSTRUCTION PROGRAM, DEFENSE ACCESS ROADS

The Air Force requested $30,240,000 for their portion of the Defense Access Roads account at the following installations:

Location and project	*Thousands*
Nellis Air Force Base, NE: Add to and alter base access roads	3,200
F.E. Warren Air Force Base, WY: Peacekeeper—Access road	27,040
Total	30,240

SUMMARY OF AIR FORCE CHANGES

A summary of the committee recommendations by project is as follows:

Location and project	*Thousands*
Military construction: Total Air Force authorization request	1,973,350
Committee reductions:	
Air Force Logistics Command:	
Kelly Air Force Base, TX: Add to and alter visiting officer quarters	−1,950
McClellan Air Force Base, CA: Logistics systems operations center	−10,300
Tinker Air Force Base, OK: Add to and Alter Recreation Center	−1,600
Air Force Systems Command:	
Arnold Engineering Development Center, TN: Engine Analysis Facility	−16,900
Manscom Air Force Base, MA: Library & Education Center	−2,450
Air Reserve Forces: Billy Mitchell Field, WI: Administration Facility	−500
Air Training Command: Goodfellow Air Force Base, TX: Recreation Center	−2,450
Air University: Maxwell Air Force Base, AL: Add to and Alter Historical Research Center	−2,800
Alaskan Air Command: Eielson Air Force Base, AK: Add to and Alter Central Heat & Power Plant	−25,500
Military Airlift Command:	
Altus Air Force Base, OK:	
Base supply administration facility	−1,900
Recreation Center	−1,710
Bolling Air Force Base, DC: Office of Special Investigations building	−12,000
McGuire Air Force Base, NJ: Add to and alter gymnasium	−1,550
Pacific Air Forces: Wheeler Air Force Base, HI: Gymnasium	−2,200
Strategic Air command:	
Beale Air Force Base, CA: Religious education facility	−1,100
Blytheville Air Force Base, AR: Aircraft general purpose maintenance facility	−3,750
Carswell Air Force Base, TX: chapel center	−2,150
McConnell Air Force Base, KS: B-1B support facilities	−71,490
Whiteman Air Force Base, MD: Add to and alter gymnasium	−2,400
Tactical Air Command:	
Davis Monthan Air Force Base, AZ: Base civil engineering administrative facility	−2,500
England Air Force Base, LA: Base civil engineering administrative facility	−2,300
George Air Force Base, CA:	
Resource management facility	−7,400
Visiting personnel quarters	−7,600
MacDill Air Force Base, FL:	
Add to and alter Readiness Command headquarters facility	−1,500
Base Contracting Facility	−1,300
Nellis Air Force Base, NV: Consolidated support center	−6,000
Military Airlift Command (Outside the U.S.)	
Rhain-Main Air Base, Germany: Add to and alter air passenger terminal	−10,100
Pacific Air Forces (Outside the U.S.): Yokota Air Base, Japan: Base supply administration facility	−3,350
United States Air Forces in Europe:	
Greenham Common Royal Air Force Base, United Kingdom:	
Ground launched cruise missile (GLCM)—alter arts/crafts shop	−340
Ground launched cruise missile (GLCM)—auto hobby shop	−340
Mildenhall Royal Air Force Base, United Kingdom: Consolidated Support Center	−4,150
Ramstein Air Base, Germany: Indoor swimming pool	−2,800
Torrejon Air Station, Germany: Alter electrical substation	−2,637

Location and project	*Thousands*
Woensdrecht Air Base, The Netherlands:	
Ground launched cruise missile (GLCM)—telecommunications center	−400
Ground launched cruise missile (GLCM)-133—add to and alter communications equipment facility	−720
Ground launched cruise missile (GLCM)—tire station	−1,100
Ground launched cruise missile (GLCM)—tower support	−300
Ground launched cruise missile (GLCM)—high frequency facility	−1,500
Ground launched cruise missile (GLCM)—utilities/pavements/roads	−2,700
Subtotal of project reductions	−223,697
General reduction for anticipated bid savings	−100,000
General reduction for Davis-Bacon	−39,000
Total reductions recommended	−362,697
Committee addition:	
Strategic Air Command: Unspecified Location, Conus: B-1B support facilities	−71,490
Total Military Construction... Authorization for Appropriations	1,682,143

NEW CONSTRUCTION

Family housing new construction is intended to reduce the housing deficit where the private community does not provide sufficient adequate housing to support the Air Force mission. The committee approved $146,300,000 for 7 projects (1,880 units) at the following locations:

Location	Project units	Cost (thousands)
Belle Fourche, Strategic Training Range, SD	50	$4,000
Florennes Air Base, Belgium	400	79,200
Hahn Air Base, Germany	440	33,000
Ramstein Air Base, Germany	400	30,000
Osan Air Base, Korea	Support [1]	1,200
Camp New Amsterdam, Netherlands	140	11,000
Clark Air Base, Philippines	450	37,900

[1] Family Housing Office and Warehouse

The committee did not authorize the following project:

Location	Project units	Cost (thousands)
Fort MacArthur, CA	Land	1,800 [1]

[1] Land exchange without cost.

POST ACQUISITION CONSTRUCTION

The committee approved $61,300,000 for 86 projects at various locations, including $19,939,000 for energy conservation investment improvements and nine projects where the per unit cost for improvement and repair exceeds the statutory limitation ($30,000 times the area cost factor).

ARCHITECT AND ENGINEER SERVICES

The committee approved $5,000,000 for planning and design work on fiscal year 1986 and future year military family housing construction projects, both new and post acquisition.

OPERATION AND MAINTENANCE

The committee approved $665,880,000 for family housing operation and maintenance. Reimbursements are anticipated to be $15,000,000.

LEASING

The committee approved $45,402,000 for foreign leases and $2,711,000 for domestic leases.

DEBT PAYMENT

The committee approved $15,305,000 for principal and interest payments on mortgaged Capehart and Wherry housing units and Servicemen's Mortgage Insurance premiums.

Summary of family housing actions

	Thousands
Authorization request	$943,698
Fort McArthur, CA: Land acquisition	−1,800
Total reductions	−1,800
Total Authorization for Appropriations	941,898

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY AUTHORIZATION

Purpose of This Title

Division C provides authority for appropriations to the Secretary of Energy for the operating expenses, capital equipment, and construction costs related to the National Defense Programs of the Department of Energy.

In the report to accompany S. 1029, the committee described the various program elements of the request for Defense Programs and the basis for committee action, which reduced the request of $7,958,710,000 by $203,100,000. With the exception of additional reductions that were made for budgetary purposes only, this report also applies to the new action, which was necessitated by the revised budget levels for the overall defense function.

The authorizations recommended at the revised budget level for fiscal year 1986 are shown in the table below:

SUMMARY OF CHANGES—FISCAL YEAR 1986 DEPARTMENT OF ENERGY PROGRAMS

[In millions of dollars]

Program	Fiscal year 1986 request	Authorization recommended	Change
Total, Operating Expenses	6,187.022	6,062.022	−125.0
Total, Plant Construction	1,291.301	1,115.301	−176.0
Total, Capital Equipment	480.387	460.387	−20.0
Total	7,958.710	7,637.710	−321.0
SEC. 101—OPERATING EXPENSES			
Naval Reactors Development:			
Plant Development	66.0	66.0	0
Reactor Development	261.3	261.3	0
Reactor Operation	150.0	150.0	0
Program Direction	11.7	11.7	0
Total	$489.0	489.0	0
Weapons Activities:			
Research & Development	920.3	995.3	+75.0
(Inertial Confinement Fusion)	(70.0)	(145.0)	(+75.0)
(Conventional Munitions)	(0.0)	(10.0)	(+10.0)
(All other R&D)	(850.3)	(840.3)	(−10.0)
Testing	544.0	524.0	−20.0
Production & Surveillance	1,942.4	1,862.4	−80.0
Program Direction	98.7	63.7	−35.0
Total	3,505.4	3,445.4	−60.0

SUMMARY OF CHANGES—FISCAL YEAR 1986 DEPARTMENT OF ENERGY PROGRAMS—Continued

[In millions of dollars]

Program	Fiscal year 1986 request	Authorization recommended	Change
Verification & Control Technology:			
Verification & Control Technology	79.675	89.675	+10.0
Program Direction	3.8	3.8	0
Total	83.475	93.475	+10.0
Materials Production:			
Uranium Enriching	258.9	208.9	−50.0
Reactor Operations	586.300	576.300	−10.0
Processing	493.145	488.145	−5.0
Supporting Services	256.575	256.575	0
Program Direction	21.3	21.3	0
Total	$1,616.3	1,551.3	−65.0
Defense Waste & Byproducts Mgmt:			
Interim Waste Management	281.085	271.085	−10.0
Long-term Waste Mgmt Tech	96.567	96.567	0
Terminal Storage	25.070	25.070	0
Program Direction	2.4	2.4	0
Total	405.122	395.122	−10.0
Nuclear Safeguards & Security:			
Nuclear Safeguards & Security	47.4	47.4	0
Program Direction	6.925	6.925	0
Total	54.325	54.325	0
Security Investigations: Security Investigations	33.4	33.4	0
Grand Total, Operating	6,187.022	6,062.022	−125.0
SEC. 102—PLANT AND CAPITAL EQUIPMENT:			
Naval Reactors Development:			
86-N-101, General Plant Projects, VL	7.5	7.5	0
86-N-104, Reactor Modifications Advance Test Reactor, INEL	4.5	4.5	0
82-N-111, Mods Fac., SR	11.0	11.0	0
81-T-112, Mods to Prototypes, VL	27.0	27.0	0
Total	50.0	50.0	0
Weapons Activities:			
86-D-101, GPP, VL	29.9	26.9	−3.0
86-D-121, GPP, VL	33.7	28.7	−5.0
86-D-103, Decontamination & Waste Treatment Fac., LLNL	1.0	3.7	+2.7
86-D-104, Strategic Defenses Fac., SNL	8.0	8.0	0.0
86-D-122, Structural Upgr., Pu Fac., Rocky Flats	3.0	3.0	0
86-D-123, Env. Hazards Elimination, VL	8.7	8.7	0
86-D-124, Safeguards & Site Security Upgr., Phase II, Mound	3.0	3.0	0
86-D-125, Safeguards & Site Security Upgr., Phase II, Pantex	1.5	1.5	0
86-D-130, Tritium Loading Fac. Replacement, SR	5.0	5.0	0
86-D-131, Environmental Remedial Action LL	0	8.8	+8.8
86-D-132, Instrumentation Systems Lab, SNL	0	6.2	+6.2
86-D-133, Data Communications Ctr., LA	0	3.0	+3.0
85-D-102, Nuc. Wpns RD&T Fac. Revitalization Phase I, VL	81.6	71.6	−10.0
85-D-103, Safeguards & Security Enhancements, LLNL and SNL-Livermore	27.9	16.4	−11.5
85-D-105, Combined Device Assembly Fac. NTS	45.4	19.2	−26.2
85-D-106, Hardened Eng. Test Bldg, LLNL	1.9	1.9	0
85-D-112, Enr. U. Recovery Upgr., Y-12	15.3	15.3	0
85-D-113, Power Plant & Steam Dist. System Pantex	18.5	18.5	0
85-D-115, Renovate Pu Bldg Utility Systems, Rocky Flats	17.7	17.7	0
85-D-121, Air & Water Pollution Control Fac., Y-12	14.0	14.0	0
85-D-123, Safeguards & Site Security Upgr., Phase I, Pantex	4.0	4.0	0
85-D-124, Safeguards & Site Security Upgr., Rocky Flats	2.4	2.4	0
85-D-125, Tactical Bomb Production Fac., VL	11.0	6.0	−5.0

SUMMARY OF CHANGES—FISCAL YEAR 1986 DEPARTMENT OF ENERGY PROGRAMS—Continued

[In millions of dollars]

Program	Fiscal year 1986 request	Authorization recommended	Change
84-D-102, Radiation-hardened Integrated Circuit Lab, SNL-A	15.5	15.5	0
84-D-104, Nuc. Matls Storage Fac., LANL	12.1	12.1	0
84-D-107, Nuc. Testing Fac. Revitalization, VL	30.54	20.54	−10.0
84-D-112, TRIDENT II Production Fac., VL	60.7	60.7	0
84-D-113, Antisubmarine Warfare/Standoff Weapon Warhead Prod. Fac., VL	16.0	0	−16.0
84-D-115, Elec. System Expansion, Pantex	3.3	3.3	0
84-D-117, Inert Assembly & Test Fac., Pantex	.4	.4	0
84-D-118, High-Explosive Subassembly Fac., Pantex	40.0	33.0	−7.0
84-D-120, Explosive Component Test Fac., Mound	2.3	2.3	0
84-D-211, Safeguards & Site Security Upgr., Y-12	7.5	7.5	0
84-D-212, Safeguards & Site Security Upgr., Pinellas	3.8	3.8	0
83-D-199, Buffer Land Acquisition, LLNL & SNL-L	17.0	7.0	−10.0
82-D-107, Utilities & Equip. restoration, Replacement & Upgr., Phase III, VL	195.5	170.0	−25.5
82-D-111, Interactive Graphics Systems, VL	6.0	4.0	−2.0
82-D-144, Simulation Tech. Lab, SNL-A	10.3	10.3	0
79-7-0, Universal Pilot Plant, Pantex	4.5	4.5	0
Total	758.940	648.44	−110.5
Verification and Control Tech: 85-D-171, Space Science Lab, LANL	4.5	4.5	0
Nuclear Safeguards & Security: 86-D-186, Nuc. Safeguards Tech. Lab, LLNL	1.0	1.0	0
Materials Production:			
86-D-146, GPP, VL	34.8	29.8	−5.0
86-D-149, Productivity Retention Program, Phase I, VL	27.2	24.2	−3.0
86-D-150, In-Core Neutron Monitoring System, N Reactor, RL	5.46	4.46	−1.0
86-D-151, PUREX Elec. System, Upgr., RL	3.5	2.5	−1.0
86-D-152, Reactor Elec. Dist. System, SR	4.0	2.0	−2.0
86-D-153, Additional Line III Furnace, SR	2.0	1.5	−0.5
86-D-154, Effluent Treatment Fac., SR	2.5	2.5	0
86-D-156, Plantwide Safeguards Systems, SR	3.0	3.0	0
86-D-157, Hydrofluorination System, FB-line, SR	2.2	2.2	0
85-D-137, Vault Safety SNM Inventory System, RL	1.9	1.9	0
85-D-139, Fuel Processing Restoration IFP, Fac., INEL	15.0	12.0	−3.0
85-D-140, Productivity & Radiological Impr., FMPC, Fernald	12.0	12.0	0
85-D-145, Fuel Production Fac., SR	16.0	16.0	0
84-D-135, Process Fac. Mods, RL	15.0	12.0	−3.0
84-D-136, Enr. U Conversion Fac. Mods., Y-12	7.2	7.2	0
83-D-148, Nonradioactive Hazardous Waste Management, SR	3.1	3.1	0
82-D-124, Restoration of Production Capabilities, Phases, II, III, IV & V, VL	48.9	43.9	−5.0
82-D-201, Special Pu Recovery Fac., JB-Line, SR	4.4	4.4	0
Total	208.16	184.66	−23.5
Defense Waste & Byproducts Management:			
86-D-171, GPP, Interim Waste Operations and Long-term Waste Mgmt Tech., VL	26.451	24.451	−2.0
86-D-172, B Plant F Filter, RL	1.0	1.0	0
86-D-173, Central Waste Disposal Fac., Oak Ridge	1.0	1.0	0
86-D-174, Low-Level Waste Processing & Shipping System, Feed Matls Prod. Cntr, Fernald	2.5	2.5	0
86-D-175, INEL Security Upgr., INEL	2.0	2.0	0
85-D-157, Seventh Calcined Solids Storage Fac., ICPP, INEL	14.5	14.5	0
85-D-158, Central Warehouse Upgr., RL	5.0	5.0	0
85-D-159, New Waste Transfer Fac., H Area, SR	9.0	9.0	0
85-D-160, Test Reactor Area Security System Upgr., INEL	2.25	2.25	0
81-T-105, Defense Waste Processing Fac., SR	205.0	165.0	−40.0
Total	268.701	226.701	−42.0
Grand Total, Plant & Construction	1291.301	1115.301	−176.0
Capital Equipment:			
Weapons Activities	277.75	267.75	−10.0
Materials Production	123.44	113.44	−10.0
Defense Waste & Byproducts Mgmt	38.997	38.997	0
Verification & Control Tech	5.6	5.6	0
Nuclear Safeguards & Security	4.6	4.6	0
Naval Reactors Development	30.0	30.0	0
Total	480.387	460.387	−20.0

Mr. GOLDWATER. Most of Senate Report 99-41 continues to be applicable to this bill, and I would invite the attention of the Senators to that report.

Mr. President, I bring this bill to the Senate floor with mixed emotions. On one hand, it is a great privilege to be able to report this bill as the chairman of the Armed Services Committee. It has been a singular honor for me to serve with such distinguished members as those who make up our committee. Senator Nunn, our ranking member, has done an exceptional job sharing the committee's leadership responsibilities. I am indebted to him for his wise counsel, sincere friendship, and the bipartisan spirit in which he has helped guide the committee. I would also like to recognize the very important contributions made by each of our subcommittee chairmen and ranking members: Senator Thurmond and Senator Bingaman on Military Construction, Senator Warner and Senator Hart on Strategic and Theater Nuclear Forces, Senator Humphrey and Senator Dixon on Preparedness, Senator Cohen and Senator Exon on Sea Power and Force Projection, Senator Wilson and Senator Glenn on Manpower and Personnel, and Senator Quayle and Senator Levin on Defense Acquisition Policy. Mr. President, to these Senators and all the members and staff of the Armed Services Committee, I extend my sincere appreciation for their dedication and hard work in producing this bill. I am immensely proud of their achievements.

On the other hand, it is not a pleasant task to bring to the floor a defense bill that contains no real growth. I am concerned that the current state of world affairs makes such a spending level imprudent. Nevertheless, we have complied with the will of the Senate—as expressed by a narrow majority—and today I report a bill that provides only an inflationary increase over last year's defense spending level.

This bill is in conformance with the Senate passed budget resolution that provides approximately $302.5 billion in new budget authority for the fiscal year 1986 defense program. It represents a reduction of almost $20 billion from the President's request.

Mr. President, we have made every effort to minimize the impact of a zero growth budget on our defense programs. And to a very real extent we have succeeded—largely as a result of the administration's success in controlling the rate of inflation and in implementing management reforms. These efforts have yielded savings of $4 billion which have been applied in our bill to reduce fiscal year 1986 funding requirements.

But this success should not disguise the fact that there are still several very serious implications in the reductions mandated by this bill. For example, the bill reduces the administration's request for 48 MX missiles by more than one-half, and it reduces funding for the President's Strategic Defense Initiative [SDI] by $750 million. These actions were based strictly on budgetary constraints, however I fear they are likely to weaken the U.S. negotiating position in Geneva. This bill also deletes $4.3 billion from the request for tactical programs, $3.4 billion from strategic programs, $3.3 billion from Seapower and Force Projection programs, $3.5 billion from the preparedness account, $1.5 billion from the military construction account, and denies $2.5 billion in funds requested for manpower and personnel initiatives.

Perhaps of even greater significance, this bill represents a further retrenchment on the part of Congress in its support of the President's defense program. Each year, these congressional reductions lead to stretched out programs that in turn produce higher unit cost and a slower modernization pace. It is just one more example of congressionally mandated waste.

Despite these adverse consequences, the bill I report today will have one positive effect—it will help reduce the deficit. In fact, defense cuts account for a full one-third of the proposed 3-year deficit reduction package. But I remind my colleagues that is not what defense budgets are for. Defense budgets are intended to address external threats to our national security—not domestic economic concerns. Somehow it seems a little inconsistent to me: over the past 20 years the growth in

domestic spending has outpaced defense increases by a ratio of nearly 7 to 1, but when it comes time to reduce the deficit, we require defense to bear one-third of the reductions.

Perhaps those who favor zero real growth in defense believe the world is a safer place today than it was a few years ago. I do not.

Today, as we begin to debate the details of a "zero growth" defense budget, the massive Soviet military buildup continues, despite its economic consequences to that country. The savage war in Afghanistan goes on and on. Those who were eager to forget the Soviet ruthlessness in shooting down an unarmed airliner were shocked back to reality by the cold-blooded killing of Major Nicholson in Germany. And any hope that the new political leadership in Moscow would be less belligerent than their predecessors was dashed by the Politburo's swift reversal of the military agreement renouncing such use of force. Soviet arms shipments to Nicaragua continue, destabilizing the region with such advanced weapons as the heavily armed Hind helicopter. And the Soviets go on treating arms control agreements with indifference, violating them whenever it serves their objectives.

And how, you may ask, how has the Congress responded to these developments? Well, I will tell you: by cutting the defense budget and offering amendments requiring the President to certify that he is dealing in good faith with the Soviets.

I do not know how naive this Congress can be. I do not believe the American people believe for 1 minute in what we are doing relative to foreign relations in this country.

Mr. President, it is my hope that we will be able to complete floor action on this bill within a matter of just a few days. I recognize there are issues in this bill that will inspire vigorous debate—and rightfully so. The modernization of our chemical deterrent, for example, has been a politically unpopular issue—though it may be the single most important initiative in the entire bill. No other program is more likely to reduce the risk of a nuclear exchange in the event of war. In debating that issue, I hope we will be able to put aside partisan differences here on the floor just as we did in reaching our committee vote of 15 to 3 in favor of modernizing our chemical deterrent. I also expect debate over a number of arms control amendments. Some of these amendments will seek to impose unilateral restrictions on U.S. programs, while others will attempt to hold our Nation to a higher standard of compliance with arms control agreements than that observed by the Soviets. I am told, for example, that Senators Bumpers and Leahy intend to offer an amendment compelling our continued compliance with the provisions of SALT II in the face of clear Soviet violations of that and other agreements.

Our proposal on base closures will undoubtedly be controversial as will the so-called Gramm package which attempts to curtail much of the congressionally imposed waste in the defense budget. Those who wish to register the sincerity of their commitment to reduce waste in the defense budget will have that opportunity when the Gramm package comes to a vote. Finally, I hope we can limit the number of procurement reform proposals and reach agreement on the amendment developed by Senators Quayle and Levin which, in my opinion, does a very thorough job of addressing the legitimate concerns regarding the Pentagon's current procurement procedures.

STRATEGIC AND THEATER NUCLEAR FORCES

The committee reviewed the administration's request for strategic offensive forces, strategic defensive forces, strategic command, control, communications and warning, space systems, the chemical deterrent program, and theater nuclear forces. The request for these activities totaled almost $39 billion. In addition, the committee reviewed the Department of Energy's $7.96 billion request for national security programs; and the Federal Emergency Management Agency's $119 million request for civil defense purposes. Altogether, these programs accounted for $47 billion. Funding associated with the modernization of U.S. strategic forces peaked in fiscal year 1985, and is now expected to decline as a percentage of the total defense budget.

The committee reduced the administration's request for the procurement of Peacekeeper (MX) missiles by $981 million. This provides for the procurement of 21 missiles, a reduction of 27 missiles from the number requested by the administration, and is the same number authorized in each of the 2 previous years. The committee action provides funding for the hardware required to deploy 50 missiles, and full funding required for the deployment of 40 missiles. The remaining 13 missiles authorized are for testing purposes. These actions should not be viewed as a "cap" on deployment, an action the committee believes could undermine U.S. negotiating efforts.

The committee continues to support the President's Strategic Defense Initiative as a high priority research program. In view of budgetary constraints, the committee recommends an authorization of $2.97 billion, a reduction of $750 million from the administration's request. The committee leaves the allocation of this reduction to the discretion of the program manager.

The committee authorized $5.46 billion for the procurement of 48 B-1B bombers, and $367.4 million for associated research and development. This marks the final funding request for the B-1B. I might add for the record that despite skepticism expressed by some of my colleagues several years ago about the prospects of, first, remaining within the program cost; second, remaining on schedule and, third, whether there would be a 101st B-1, the B-1 is under cost, ahead of schedule, and there is no funding in the administration's request for the 101st bomber. Unfortunately, I doubt that my friends will be willing to admit they were wrong. Perhaps they will however, temper their skepticism.

Concern was also expressed over the current rationale for the two bomber program and the committee directed the Department of Defense to provide an update analysis to address future U.S. bomber force requirements.

The committee authorized full funding for the Advanced Technology Bomber [ATB] and the Advanced Cruise Missile [ACM] programs in fiscal year 1986. The actual figures are classified.

The committee approved $1.45 billion for the procurement of one Trident ballistic missile submarine, and $42.2 million for associated research and development. This marks a reduction of $100 million from the request for procurement in anticipation of contract savings. The administration's request of $2.16 billion for research and development, and $582 million for advanced procurement of the Trident II (D-5) missile system was fully authorized.

A total of $83 million was provided for the procurement of three miniature homing vehicle [MHV] antisatellite [ASAT] systems, and $202.9 million was approved for associated research and development. In view of the negotiations underway in Geneva, the committee believes it would be ill advised to impose any unilateral limitations of the development of a U.S. ASAT capability.

The committee authorized a total of $1.27 billion for the U.S. chemical deterrent program, which includes $163 million associated with initial production of modern binary munitions. The committee's action in support of this program is based on several key judgments. First, the current U.S. stockpile of chemical weapons is not adequate to deter chemical attacks on U.S. and allied troops. Second, defensive measures alone are not adequate to address the chemical warfare threat. And, finally, the Soviets will have little incentive, absent and modernization of our chemical deterrent capability, to respond more favorably to the U.S. proposal before the Committee on Dis-

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armament in Geneva to ban chemical weapons.

In view of budgetary constraints, the committee authorized $7.64 billion for the Department of Energy national security programs, a reduction of $321.0 million from the administration's request.

The committee approved in full the administration's request for $119.1 million for civil defense purposes in fiscal year 1986. This is well below the level approved by the Congress last year, and the committee expects to be kept advised of the administration's reassessment of the Nation's civil defense needs.

TACTICAL WARFARE

The committee continues to place high priority on achieving efficient production rates for our tactical warfare systems. Despite reductions of $4.3 billion from the administration's request for these programs, the committee's recommendations will continue the essential modernization of our conventional forces. In recognition of the serious shortfalls in our munitions inventory, particularly of the so called "smart munitions," the committee made a special effort to preserve production rates in this area. Such programs as the Army's Patriot, Hellfire, TOW and Stinger missiles, and the Navy's Sidewinder, Sparrow, Phoenix, Harpoon, and HARM missiles, and the Air Force's Sparrow, Sidewinder, and Maverick missiles were all recommended for authorization at the levels requested by the administration. The Air Force's AMRAAM [Advanced Medium Range Air-to-Air Missile], which has encountered schedule delays and cost increases, was not recommended for full funding. A reduction of $166.5 million from the administration's request for $366.5 million was recommended.

The committee also attempted to maintain efficient production levels for aircraft and major land warfare systems. These recommendations include the procurement of 144 AH-64 helicopters, 78 UH-60 Blackhawk helicopters, 18 EH-60A helicopters for the Army, 840 M-1 tanks and 716 Bradley fighting vehicles. The committee also approved the requested procurement levels for the Navy's A-6E, EA-6B, and F/A-18 aircraft but reduced the administration's request by $45.0 million for the AV-8B aircraft, and recommended a reduction of $100.0 million from the administration's request for the F-14. The committee recommended approval of the administration's request for 180 F-16 aircraft and 48 F-15 aircraft while making minor funding reductions in these programs of $30.0 million and $52.0 million respectively.

The committee also recommended approval of funding for development of the JVX tilt-rotor aircraft, now designated the V-22 Osprey, but recommended reductions in the LHX (the Army's proposed family of light helicopters) program, and the Air Force's advanced tactical fighter [ATF]. The committee also directed that the Army's Aquila remotely piloted vehicle [RPV] program be restructured at a funding level one half of that requested by the administration.

The committee recommended no funds be provided for the Army's field artillery ammunition support vehicle [FAASV], the Army's robotic obstacle breaching assault tank [ROBAT], Navy UC-12B aircraft, Navy T-34C trainer aircraft, Marine M-198 Howitzers, Air Force HH-60 Nighthawk helicopters, and Air Force low level laser guided bomb (LLLGB) Kits.

SEAPOWER AND FORCE PROJECTION

In the seapower and force projection area, the committee approved $23.9 billion, a reduction of $3.3 billion from the administration's request. In shaping the seapower and force projection budget, the committee emphasized the need to continue to build high priority ships and aircraft, improve readiness and sustainability, support ongoing multiyear contracts, encourage competition and efficient production rates, and support key R&D programs.

The committee approved $9.9 billion to procure 21 new ships and convert five others in the 1986 Navy shipbuilding account. Among the new ships authorized were four attack submarines, three Aegis cruisers, six mine warfare ships, and one LHD-1 Wasp class amphibious assault ship.

In the airlift area, the committee authorized continued procurement of the C-5B Galaxy airlifter and the KC-10A advanced cargo/tanker for the Air Force. Both aircraft are under multiyear contracts. Additionally, the committee authorized $383.7 million, a reduction of $70.0 million from the request, for continued development of the new C-17 airlift aircraft.

The committee also approved funding for 24 LAMPS Mark-III antisubmarine helicopters, nine P-3C Orion ASW patrol aircraft; and 10 MH-53E minesweeping helicopters.

As an economy measure, the committee denied funding for six LAMPS Mark I helicopters, an action which will close this production line 1 year earlier than planned.

PREPAREDNESS

With regard to preparedness issues, the committee recommended $83.5 billion, approximately $3.5 billion less than requested by the administration. The committee's priorities in considering program funding were to preserve positive trends in readiness; support deliveries of modernization equipment, reduce maintenance backlogs; improve force sustainability; improve individual and unit readiness measures; and improve stocks of ammunition for units, training and war reserves. Requested increases in flying hours for all services were approved as were increases in Army battalion training days and Navy steaming days. Requests for ammunition were approved except for those of the 9mm handgun and DIVAD (Division Air Defense gun). The funds for procurement of the 9mm handgun itself were also deleted. Most of the funding reductions were offset by accumulated and predicted savings resulting from lower inflation, favorable foreign exchange rates, and lower costs of stock fund items.

MANPOWER AND PERSONNEL

In the area of manpower and personnel, the committee recommended a reduction of 10,730 active duty personnel from the administration's request. This decision was a result of the substantial, congressionally-mandated defense budget reductions, coupled with a desire to permit increased manning in combat units (rather than increases in support forces). The committee agreed to increase the average strengths of the Selected Reserve by 30,171 which amounts to approximately 70 percent of the administration's request. A Defense Department civilian end-strength of approximately 1.1 million personnel was approved. This figure represents a freeze on civilian manning levels.

In addition, the committee agreed to provisions which could lead to a substantial restructuring of the military compensation system. These provisions include a 10-percent reduction in the funding level for military retirement along with approval of several hundred million dollars for special incentive pays and increased permanent change of station allowances. As part of this package—which involves reducing the share of military compensation dollars to be utilized for military retirement to provide more compensation to personnel during their active careers—the committee approved an across-the-board pay raise of 3 percent for all military personnel, effective October 1, 1985. The total costs of the increased pay and allowances provided by the committee's actions approximate $2.4 billion above the levels presently authorized. The committee further directed that the Secretary of Defense submit proposed legislation to the Congress, not later than September 1, 1985, which, if enacted, would alter the military retirement structure in such a manner that the costs of the system could be met under the reduced funding authorized by the committee. The committee specifically directed that this legislation not apply to any person on active duty or already retired when and if such legislation is enacted.

MILITARY CONSTRUCTION

The committee authorized $8.8 billion for military construction, $1.5 billion less than requested by the administration. As in the committee's previous action, $36 million was approved for the Navy to initiate land acquisition and construction to homeport a battleship group at Staten Island, NY, and a carrier battle group at Everett, WA. However, these funds may not be used until the Navy justifies to the Congress the military necessity and cost effectiveness of homeporting at these locations. Due to budget constraints, the committee deferred funds requested by the Army to begin stationing the 10th Mountain Division at Fort Drum, NY.

As I have said before, we continue to throw away billions of dollars annually on bases that should be closed. When the Pentagon has tried to close any of these nonessential bases, the politicians have stopped them cold. It is time to stop this useless waste of tax dollars. The committee has recommended legislation that will allow the Secretary of Defense to close any nonessential bases. To permit these base closures, "up front" funding will be required. This bill would authorize $1 billion for this purpose.

In concluding my remarks, I would like to remind my colleagues that in these times of uncertain budgets, one price remains unchanged: The price of liberty is still eternal vigilance. And it remains our greatest responsibility under the Constitution to provide whatever is necessary to keep that vigil. May we all bear that in mind as we debate the issues of this defense budget.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I ask for recognition. I shall not detain the Senate but a short time. I am filling in for the time being for the Senator from Georgia, Mr. NUNN, who is the ranking Democratic member of this important committee, who had to be away today on other official business.

First, Mr. President, without trying to emphasize the situation, I want to both thank and commend the Senator from Arizona, Mr. GOLDWATER, for the very fine job that he has done in getting this bill ready for presentation, and for the handling of it in the hearings, in the first write-up—and then the second time which was finished last night. He not only knows the subject but, he has the will to do. He stirs around at it all the time, and everybody that is tied in with him has to stir or get out of the way—but he stirs in a very proper and mannerly way. There is no way to estimate the value of the Senator, especially in a subject in this field.

It illustrates, too, Mr. President, the strength of the Senate is in its committees, more particularly the ones that concentrate on worthwhile subject matters representing problems of our Nation—master them to a degree, share their knowledge in and energy with their fellow members, and then present on the committee and do whatever is necessary there in making adjustments in a bill, the tone of the bill, the substance of the report, and then coming here to the floor in open session where everyone, the press, and everyone else can be heard, giving their views and countering the views that may disagree with them.

That is the Senate at its best. That is where the real work is done, particularly when supported by competent staff members. That is exactly what this committee has—a highly capably, competent, experienced and dedicated staff.

Mr. President, my remarks will be brief. I will be very brief every time that I have anything to say today and I look forward to hearing the debate, too.

Mr. President, we are just beginning debate on this major Department of Defense authorization bill. This bill contains the authorization for everything in our defense establishment. It includes authority for star wars research and for soup in the mess hall kitchens. It just covers the waterfront. That shows how the authorization process has grown since it began in 1958 with a simple authorization for Navy ships.

This is a strong bill and I would urge my colleagues to vote for it. There is plenty of money authorized in this bill to continue a strong and solid military program and continue to increase our military strength. The figures have grown so large—this bill authorizes directly $231.9 billion. That figure compares with the $51.9 billion authorized the last year that I was chairman of the Senate Armed Services Committee, when the bill did not cover as many items as now.

Mr. President, it is almost beyond realization when we think about that as late as 1957, I think it was, we did not have to meet authorization requirements. Authorization legislation did not necessarily have to come before the Senate Armed Services Committee. The Appropriations Committee decided how many ships we needed, and decided how many men we needed in the services, and made virtually all decisions, within the military field although there was some very important work done by this committee. I point this out as showing the magnitude, the growth, and the importance to the people, and to our Nation of the work of this committee and others that carry the load of these responsibilities.

There are always reductions made by Congress in the budget request and this year is not different. This bill makes a modest reduction in the request—about 6.6 percent. No major ships, aircraft, or tanks are just cut out of the program. There are some slowdowns, such as in MX and star wars research; and there are some increases, such as in military personnel. But on balance, we must provide enough money for a strong defense and this bill does that.

The funds authorized in this bill come on top of a vast amount of money provided for defense in the past few years. For the first time in history, the appropriations for the previous 4 years for national defense have exceeded $1 trillion. Those appropriations totaled $1,022.2 billion in just 4 years. That is enough money to provide the safety we need, but I doubt that our economy can stand just piling more and more billions on top of those large figures.

In fact, I have no doubt about that, and think that we have to manage better and make the funds that are reasonably available to the job, not only in the military department but others.

If we are not careful, at some point, we will undermine our economic and financial system. We already have a staggering trade deficit and the banks in two States already have been threatened with collapse. We must turn our attention to getting more out of the defense dollar because we cannot keep on piling the dollars up indefinitely.

Mr. President, I say that as one who has been through the Great Depression, the big depression of the 1930's, when, really, our system was endangered by the narrow margin of safety upon which we were then operating. Our responsibility now is tremendously greater. We are doing a better job, but there is a limit. The $600 hammers and the improper contractor bills have got to stop, but we must not just cover up the tip of the iceberg.

Those things can be corrected, Mr. President, but I urge everyone, do not judge the Department of Defense by incidents of that kind, because I do not think they are typical. Any place they exist, if they are not stirred up and picked up and put out and remedy given that is lasting, some individuals ought to have to pay that penalty. We have laws, we have the will that can make those individuals pay the penalty and not take it out on the service, particularly a service that goes to protect us every day and every night from bodily harm and the possible destruction of our very existence. We must get at producing more defense for the dollars so that the people will know that we have more ships, more tanks, and more aircraft for the money that we spend.

Mr. President, I hope we can get this bill moving today and on Monday of next week. It is an important step in providing for our national security. It is an important way for the Senate and the Congress to carry out its responsibilities and it is an important product of the Senate committee system.

Mr. President, I conclude my remarks and, at the same time, I look forward to this debate, although I have heard these facts, many of them, myself.

The PRESIDING OFFICER (Mr. Evans). The Senator from Arizona.

Mr. GOLDWATER. Mr. President, the Senator from Mississippi was very generous in his remarks concerning me. I thank him. I remind the Senator, my close friend, and my colleagues that if I have any ability in this field at all, I learned it all from him. I thank him.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I wish to associate myself with the remarks of the distinguished chairman of the Senate Armed Services Committee [Mr. Goldwater]. I also commend him for the great job he has done on this bill. Senator Goldwater is a major general in the Air Force Reserve; he has had long experience in military matters. He is truly one of the experts in this country on matters of defense.

I also commend the able Senator from Mississippi [Mr. Stennis], who was chairman of this committee for many years, for the great work he has done in military matters in helping keep our country prepared. I associate myself with his remarks.

Mr. President, the committee made every effort possible to limit the impact that zero real growth would have on necessary defense modernization programs. We were largely successful in doing this for fiscal year 1986. Our prospect for the future, however, are not very encouraging if Congress continues to severely limit or curtail growth in defense spending. Perhaps the most positive aspect of the reductions made by the Armed Services Committee is the contribution they make toward reducing the deficit.

Mr. President, the committee recommends a reduction of nearly $20 billion from the President's initial fiscal year 1986 budget request. These reductions are not without impact. We authorized only 21 Peacekeeper missiles and reduced the strategic defense initiative by $750 million. Both of these reductions undoubtedly will impair our negotiating capability with the Soviets in Geneva. The committee approved only 60 percent of the end strength increases requested by the Department of Defense. This will slow our needed force expansions and prevent us from capitalizing on the present favorable recruiting environment.

One of the most important provisions in this bill is the authorization for production of binary chemical munitions. There was very strong bipartisan support in the committee for this measure, and I strongly urge all of my colleagues to support the committee recommendation concerning binary weapons.

Another significant provision of this bill is the modification of the Davis-Bacon Act insofar as it applies to military construction projects. I have long been an advocate of repeal of this costly legislation. Each year, we spend hundreds of millions of taxpayer dollars needlessly because of the Davis-Bacon Act. The requirement to pay so-called prevailing labor wage rates for Government construction projects has proven too costly. I commend my distinguished colleague from Texas [Mr. Gramm] for his fine efforts and eloquent advocacy of revision of this costly and unnecessary legislation.

Mr. President, each year, the Senate Armed Services Committee adds a small amount of money to the defense budget to procure additional equipment for our Guard and Reserve forces. This year, Senator Stennis and I offered an amendment to add $300 million for this purpose. Of this sum, $150 million will buy eight C-130's for the Air National Guard and $150 million will buy unspecified support equipment for the Guard and Reserve. I thank Senator Stennis for his work in recognizing the importance of the Guard and Reserve.

As chairman of the Military Construction Subcommittee of the Senate Armed Services Committee, I want to briefly discuss the committee's recommendation on division B of S. 1160, which pertains to military construction. This year the committee forced to make major reductions in the military construction budget. The request was for $10.3 billion for new authority. Reductions of $1.5 billion, about 15 percent, are recommended by the committee. This year the Congress is faced with the difficult task of reconciling the need for military construction and family housing with the need to reduce the Nation's unacceptable high budget deficit. Such a reduction was not without significant consequences. Funding for many important community facilities was deferred. For the most part, funds for operations and maintenance and training facilities, as well as troop and family housing, were fully supported. The request to the Congress contained nearly 1,700 different projects, at 700 military installations, within the United States and overseas. One-quarter of the initial fiscal year request is for operations and maintenance and the rest, $7.8 billion, was requested for new construction, including $500 million for planning and design. Construction in the United States accounts for 73 percent, with 18 percent for bases in Europe and 9 percent in other overseas areas.

The committee has recommended authorization of $36 million for the Navy, to initiate land acquisition and construction to homeport a battleship group at Staten Island, NY, and a carrier battle group at Everett, WA. I want to especially thank Senator D'Amato from the State of New York, and Senators Gorton and Evans from the State of Washington, for so forcefully bringing to the committee's attention key strategic factors bearing on this important deployment. Senator Moynihan also expressed a deep interest in the New York project. While any such basing decision is costly, the Secretary of the Navy has assured us that the appropriated cost of facilities at Everett, WA, will not exceed $272 million, and those at Staten Island, NY, will not exceed $188 million.

Other details of the committee action are in the committee's report and explanatory statement, and I do not intend to discuss the committee's action in any detail. I invite my colleagues attention to the report and would be pleased to respond to any questions Members might have.

I want to take this opportunity to acknowledge the efforts of Senator Bingaman, who served with me as the ranking minority member on the subcommittee. It has been a real pleasure to work on this Bill with Senator Bingaman. He has worked hard with me to develop a sensible military construction program within the severe fiscal constraints with which we had to deal. His dedication to this formidable task is very much appreciated. Let me also acknowledge the efforts of staff members Russ Milnes, Ken Johnson, Alan Chvotkin, and Ed McGaffigan, who handled the staff work on this bill, as well as special recognition to Marie Dickinson who provided staff support.

I also wish to thank James McGovern, chief counsel of the committee, for the support that he gave to the Subcommittee, as well as Alan Yuspeh, the committee's general counsel, for his invaluable assistance.

Mr. President, I am disturbed that we were not able to bring out the recommendation of the President, which was a 5.9-percent increase plus inflation. I am disturbed we were not able to bring out a 3-percent increase plus inflation. I am disturbed that we had to bring out a zero-plus-inflation increase in this bill. I feel that it is not the bill the country needs, but it is the best bill under the circumstances that we were able to bring out considering the high deficit of the Nation and the intense necessity for reducing that deficit.

As consideration of this bill goes along, I shall bring out other facts and figures showing how the Soviet Union has made tremendous progress in their

defenses while we have not kept abreast with them. The people of this Nation must realize that the Soviet Union has not abandoned its goal of world aggression; they still desire to control not only the Communist world, but the free world. But the way that they can be stopped is with a strong defense program. The freedom and the liberty which the people of this country enjoy is the greatest privilege under our Constitution. No nation has enjoyed as much freedom, as much opportunity, as much hope, and as high a standard of living as the people in the United States. We cannot afford to jeopardize our freedom and our liberty and all of the provisions under our form of government that have made this Nation so great. We must keep strong not only economically and militarily but spiritually, too. And we must remember the goal of the Soviets and never forget that it is a necessity, whether we like it or not, to keep this country strong from a military standpoint.

Mr. WARNER. Mr. President, I join in expressing appreciation to the distinguished chairman [Mr. Goldwater] and to the ranking minority member [Mr. Nunn], absent today, although very ably represented by our former chairman, the distinguished Senator from Mississippi.

In the opening statement by our chairman, Mr. Goldwater, he pays his respect to the subcommittee chairmen, of which I am privileged to be one, and I express appreciation for that acknowledgement, not only on behalf of myself but the other subcommittee chairman because, beginning with Senator Tower, we were given a considerable measure of responsibility and that same tradition has been kept intact by our distinguished chairman today. As such, we work as a team, in a bipartisan spirit, that spirit being fostered by the distinguished former chairman and Mr. Nunn, in reaching decisions on these issues so critical to the present and the future survival of this Nation.

Mr. President, at a later point in the consideration of this bill I will address by way of opening statement, presumably with my distinguished colleague from Colorado [Mr. Hart], the matters relating to the strategic area. It is quite likely that many of our colleagues will have a specific interest with respect to those subjects. The chairman, Mr. Goldwater, in his statement today has a very complete and comprehensive review of the major actions taken by the subcommittee and eventually accepted by the committee as a whole.

Mr. President, I close by again thanking my distinguished senior colleagues, including Mr. Thurmond—I have the privilege of serving on his subcommittee also—for their guidance and leadership. I think we have provided to the Senate a very fine proposal in this bill. It is my hope the Senate will accept it and that we will meet the deadline of the chairman and majority leader by having the matter concluded before the recess next week.

I thank the Chair.

Mr. GOLDWATER. I thank my friend from Virginia not only for his statement but for the fine work he has done through the years of his assignments on the committee.

AMENDMENT NO. 147

(Purpose: To provide improved procurement procedures for the Department of Defense).

Mr. GOLDWATER. Mr. President, I send to the desk a committee amendment and ask for its immediate consideration.

I also ask unanimous consent that there be a separate printing of the committee amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. Goldwater] proposes an amendment numbered 147.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amendment No. 147

After title V of division A of the bill, insert the following new title:

TITLE VI—PROCUREMENT POLICY REFORM AND OTHER PROCUREMENT MATTERS

SHORT TITLE

Sec. 601. This title may be cited as the "Defense Procurement Improvement Act of 1985".

CONGRESSIONAL FINDINGS AND POLICY

Sec. 602. The Congress finds that the process by which the Department of Defense acquires weapon systems and other defense equipment can be improved—

(1) by promoting continuous competition throughout the period of time in which a weapon system or other defense equipment is acquired, when such competition is cost effective, would not result in unacceptable delay, and is otherwise in the national security interest of the United States;

(2) by requiring the Secretary of Defense to make thorough estimates of what it should cost to manufacture a particular weapon system or other defense equipment;

(3) by ensuring that the military and civilian personnel of the Department of Defense who have substantial responsibility for the acquisition of weapon systems and other defense equipment are highly qualified for the duties they perform;

(4) by ensuring that the career path for military officers who have specialized in the acquisition of weapon systems or other defense equipment offers sufficient opportunity for advancement and promotion;

(5) by providing mandatory training for personnel responsible for enforcing quality assurance in contractor facilities;

(6) by promoting increased disclosure of the activities of employees of defense contractors who are former employees of the Department of Defense and who were involved with the procurement of defense services and equipment while employed by the Department of Defense;

(7) by preventing conflicts of interest by employees of the Department of Defense involved in the negotiation and administration of Government contracts;

(8) by continuing procurement technical assistance through outreach programs; and

(9) by shifting the burden of proof in certain matters in the resolution of Government contract disputes.

COMPETITION IN MAJOR WEAPON SYSTEM AND EQUIPMENT ACQUISITION PROGRAMS

Sec. 603. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2224. Planning for competition in major weapon system and equipment acquisition programs

"(a) In this section:

"(1) 'Full scale development', when used with respect to a weapon system or other defense equipment, means all detail design of the weapon system or other defense equipment necessary for the production of that system or equipment to begin.

"(2) 'Major defense acquisition program' has the same meaning as provided in section 139a(a)(1) of this title.

"(3) 'Acquisition plan' means the type of plan referred to in section 7.104 of the Federal Acquisition Regulation as in effect on April 1, 1985.

"(4) 'Acquisition', when used with respect to a weapon system or other defense equipment, means the complete process associated with the development and procurement of the weapon system and other defense equipment, including identification of military requirements, research, and testing.

"(5) 'System integration' means the development and administration, normally by a prime contractor, of the process of manufacturing a completed weapon system or other defense equipment for delivery to the United States, including the installation of all subsystems and components.

"(b)(1) Before completion of the full scale development of a weapon system or other defense equipment under a major defense acquisition program, the Secretary of Defense shall prepare an acquisition plan for such program.

"(2) The acquisition plan shall provide for the use of competitive procedures when required by section 2304 of this title.

"(c) The acquisition plan prepared pursuant to subsection (b)(1) shall require the establishment and maintenance of two or more production sources for system integration and for major subsystems to be purchased by the United States under the major defense acquisition program when the establishment and maintenance of two or more production sources—

"(1) would increase competition and would likely result in reduced overall costs for such program;

"(2) would not result in unacceptable delays in fulfilling the needs of the Department of Defense; and

"(3) is otherwise in the national security interest of the United States.

"(d) The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives the acquisition plan prepared pursuant to subsection (b)(1) for a major defense acquisition program as soon as the plan is complete, but in no event later than the time that an initial budget request for production of the program is made to the Congress.

"(e) If an acquisition plan prepared pursuant to subsection (b)(1) does not require the establishment and maintenance of two or more production sources, the Secretary shall include in the plan a statement of the reasons, including any cost estimates or other background material, which form the basis for the Secretary's conclusion that the establishment and maintenance of two or more production sources is not required.

"(f) Nothing in this section is intended to modify or abrogate the provisions of section 2304 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting at the end thereof the following new item:

"2324. Planning for competition in major weapon system and equipment acquisition programs.".

(b) The amendments made by subsection (a) shall apply only to major defense acquisition programs for which funds for initial production are requested by the Secretary of Defense for fiscal year 1987 or any subsequent fiscal year.

COST ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS

SEC. 604. (a)(1) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2406. Cost estimates for major defense acquisition programs

"(a) In this section:

"(1) 'Competitive procedures' has the same meaning as provided in section 2302(2) of this title.

"(2) 'Major defense acquisition program' has the same meaning as provided in section 139a(a)(1) of this title.

"(3) 'Should-cost analysis' means the type of analysis referred to in section 15.810 of the Federal Acquisition Regulation as in effect on April 1, 1985.

"(4) 'System integration' has the same meaning as provided in section 2324(a)(5) of this title.

"(b)(1) During the first four years of production under a major defense acquisition program, the Secretary of Defense shall perform a should-cost analysis of the system integration and of each major subsystem to be purchased directly by the United States for each such program.

"(2) The should-cost analysis of a major defense acquisition program required by paragraph (1) shall be conducted with respect to a contractor only when the contractor has received a contract award under the program under other than competitive procedures during the first four years of production of the program.

"(c) The Secretary of Defense shall authorize the Secretaries of the military departments, on a nondelegable basis, to waive the requirement of subsection (b) and shall establish criteria for the exercise of the authority. The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives the criteria established under the first sentence. A grant of authority and the criteria established in connection with that authority may not take effect for a period of 60 calendar days after the day on which the criteria is received by the committees.

"(d) The Secretary of a military department shall promptly report to the Committees on Armed Services of the Senate and House of Representatives any waiver made by the Secretary under subsection (d).

"(e) If practicable, the preparation of the should-cost analysis in connection with any major defense acquisition program should be performed by employees of the Department of Defense.

"(f) The Secretary of Defense shall report annually to the Committees on Armed Services of the Senate and House of Representatives the cost of performing should-cost analyses for major defense acquisition programs and the savings believed to have been achieved in such programs from the analyses.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2406. Cost estimates for major defense acquisition programs.".

(b) The amendments made by subsection (a) shall apply only to major defense acquisition programs for which funds for initial production are appropriated for fiscal year 1986 or for any subsequent fiscal year.

MANAGEMENT OF DEPARTMENT OF DEFENSE PROCUREMENT PERSONNEL

SEC. 605. (a) Part II of subtitle A of title 10, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 85—PROCUREMENT MANAGEMENT PERSONNEL

"Sec.
"1621. Definitions.
"1622. Education, training, and experience requirements for program managers.
"1623. Education, training, and experience requirements for certain assignments.
"1624. Training program for quality assurance personnel.

"§ 1621. Definitions

"In this chapter:

"(1) 'Major defense acquisition program' shall have the same meaning as provided in section 139a(a)(1) of this title.

"(2) 'Program manager' means an individual assigned by a military department to have overall responsibility for acquisitions under a major defense acquisition program.

"§ 1622. Education, training, and experience requirements for program managers

"(a) The Secretary of each military department shall prescribe regulations, subject to the approval of the Secretary of Defense, establishing minimum requirements of education, training, and prior experience for program managers of major defense acquisition programs.

"(b) Regulations prescribed under subsection (a) shall require, at a minimum, that to be assigned to duty as a program manager a person must—

"(1) have attended the program management course at the Defense Systems Management College or a comparable program management course at another institution; and

"(2) have had eight years of total experience in the acquisition, support, and maintenance of weapon systems, at least four years of which was spent on assignments in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command.

"(c) Periods of time spent in postgraduate education in a technical or management field and attending the course referred to in subsection (b)(1) may be counted toward satisfying the eight-year requirement prescribed in subsection (b)(2).

"(d) In assigning any person to duty as a program manager, the Secretary concerned may waive the requirements prescribed in subsection (b) in individual cases. The authority to waive the requirements may not be delegated.

"§ 1623. Education, training, and experience requirements for certain assignments

"(a) The Secretary of each military department concerned shall prescribe regulations, subject to the approval of the Secretary of Defense, establishing minimum requirements of education, training, and prior experience for officers of that department assigned to duty in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command, who hold the grade of brigadier general or commodore, or any higher grade.

"(b) Regulations prescribed under subsection (a) shall require, at a minimum, that in order for an officer of a military department to serve in the grade of brigadier general or commodore, or a higher grade, while assigned to duty in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command, the officer must meet the requirements of section 1622(b) of this title.

"(c) The Secretary concerned may waive the requirements for assignment to duty described in subsection (a). The authority to waive such requirements may not be delegated.

"§ 1624. Training program for quality assurance personnel

"The Secretary of Defense shall develop a formal introductory training program of not less than four weeks in duration for all personnel of the Department of Defense who are responsible for assuring quality in contractor facilities. A person assigned to perform quality assurance duties in the Department of Defense shall attend such program during the first six months of the assignment.".

(b) The table of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part II of such subtitle are each amended by inserting after the item relating to chapter 83 the following new item:

"85. Procurement Management Personnel .... 1621".

IMPROVED REPORTING AND DISCLOSURE FOR FORMER EMPLOYEES OF THE DEPARTMENT OF DEFENSE; PREVENTION OF CONFLICTS OF INTEREST

SEC. 606. (a) Section 2397(a)(1) of title 10, United States Code, is amended—

(1) by striking out "by negotiation"; and

(2) by striking out "$10,000" and inserting in lieu thereof "$25,000".

(b) Section 2397(b)(2) of such title is amended to read as follows:

"(2)(A) If a person to whom this subsection applies (i) was employed by, or served as a consultant or otherwise to, a defense contractor at any time during a year at an annual pay rate of at least $25,000 and the defense contractor was awarded contracts by the Department of Defense during the preceding year that totaled at least $10,000,000, and (ii) within the 2-year period ending on the day before the person began the employment or consulting relationship, the person served on active duty or performed civilian service for the Department,

the person shall file a report with the Secretary of Defense in such manner and form as the Secretary may prescribe. The person shall file the report not later than 90 days after the date on which the person began the employment or consulting relationship.

"(B) The person shall file an additional report each time, during the 2-year period beginning on the date the active duty or civilian service with the Department terminated, that the person's job with the defense contractor significantly changes or the person commences an employment or consulting relationship with another defense contractor under the conditions described in the first sentence. A person required to file an additional report under this subparagraph shall file the report within 30 days after the date of the change or the date the employment or consulting relationship commences, as the case may be.".

(c) Section 2397(b)(3) of title 10, United States Code, is amended—

(1) by striking out clause (D) and inserting in lieu thereof the following:

"(D) A description of the duties and work performed by the person for the defense contractor, and a description of any similar duties or work performed for which the person had at least partial responsibility as a civilian official or employee of the Department of Defense or a member of the armed forces during the 2-year period referred to in paragraph (2)(A)(ii).";

(2) in clause (F)—

(A) by striking out "brief"; and

(B) by striking out "3-year period before that duty or service ended" and inserting in lieu thereof "2-year period referred to in paragraph (2)(A)(ii) and a description of the type of work performed and the extent to which such work was performed by the person for the defense contractor that has employed the person or has retained the person as a consultant"; and

(3) by adding at the end thereof the following new clause:

"(I) A statement describing any disqualification action taken by the person during the 2-year period referred to in paragraph (2)(A)(ii) with respect to any personal and substantial involvement in a matter concerning the defense contractor.".

(d)(1) Section 2397(c)(1) of such title is amended—

(A) by striking out "fiscal" each place it appears; and

(B) in clause (B)—

(i) by striking out "3-year" and inserting in lieu thereof "2-year"; and

(ii) by striking out "$15,000" and inserting in lieu thereof "$25,000".

(2) Section 2397(c)(2) of such title is amended—

(A) by striking out clause (C) and inserting in lieu thereof the following:

"(C) A description of the duties and work performed by the person with the Department and a description of any similar duties or work for which the person had at least partial responsibility as an employee or consultant of the defense contractor during the 2-year period referred to in paragraph (1)(B)."; and

(B) by striking out clause (F) and inserting in lieu thereof the following:

"(F) A description of the duties and work performed by the person for the defense contractor and a description of the type of work and the extent to which such work was performed by the person in connection with contracts of the defense contractor with the Department during the 2-year period referred to in paragraph (1)(B).".

(e) Subsection (f) of section 2397 of such title is amended to read as follows:

"(f)(1) A person who fails to comply with the filing requirements of this section shall be liable to the United States for an administrative penalty in the amount of $10,000, or in such lesser amount as may be determined by the Secretary of Defense, considering all the relevant circumstances.

"(2) The Secretary shall determine whether a person has failed to file a report required by this section and shall determine the amount of the penalty under paragraph (1). The Secretary shall make the determinations on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5, United States Code. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.".

REQUIREMENTS RELATING TO PRIVATE EMPLOYMENT CONTACTS BETWEEN CERTAIN DEPARTMENT OF DEFENSE PROCUREMENT OFFICIALS AND DEFENSE CONTRACTORS

SEC. 607. (a)(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

"§ 2397a. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors

"(a) In this section:

"(1) 'Contract' has the same meaning as provided in section 2397(a)(1) of this title.

"(2) 'Covered defense official', means any individual who is serving—

"(A) as a civilian officer or employee of the Department of Defense in a position for which the rate of pay is equal to or greater than the minimum rate of pay payable for grade GS-11 under the General Schedule; or

"(B) on active duty in the armed forces in a pay grade of O-4 or higher.

"(3) 'Defense contractor' has the same meaning as provided in section 2397(a)(2) of this title.

"(4) 'Designated agency ethics official' has the same meaning as the term 'designated agency official' in section 209(10) of the Ethics in Government Act of 1978 (92 Stat. 1850; 5 U.S.C. App.).

"(5) 'Employment' means a relationship under which an individual furnishes services in return for any payment or other compensation paid directly or indirectly to the individual for the services.

"(6) 'Procurement function' includes, with respect to a contract, any function relating to—

"(A) the negotiation, award, administration, or approval of the contract;

"(B) the selection of a contractor;

"(C) the approval of changes in the contract;

"(D) quality assurance, operation and developmental testing, the approval of payment, or auditing under the contract; or

"(E) the management of the procurement program.

"(b)(1) If a covered defense official who has participated personally and substantially in the performance of a procurement function in connection with a contract awarded by the Department of Defense contacts, or is contacted by, the defense contractor to whom the contract was awarded regarding future employment opportunities for the official with the defense contractor, the official shall, except as provided in paragraph (2)—

"(A) promptly report the contact to the official's supervisor and to the designated agency ethics official (or his designee) of the agency in which the covered defense official is employed; and

"(B) for any period for which future employment opportunities for the covered defense official have not been rejected by either the covered defense official or the defense contractor, disqualify himself from all participation in the performance of procurement functions relating to contracts of the defense contractor.

"(2) A covered defense official is not required to report the first contact with a defense contractor under paragraph (1)(A) or to disqualify himself under paragraph (1)(B) if the defense official terminates the contact immediately. However, if an additional contact of the same or a similar nature is made by or with the defense contractor, the covered defense official shall, as provided in paragraph (1), report the contact and all contacts of the same or a similar nature made by or with the defense contractor during the 90-day period ending on the date the additional contact is made.

"(c) A report required by subsection (b)(1) shall include—

"(1) the date of each contact covered by the report; and

"(2) a brief description of the substance of the contact.

"(d)(1)(A) If the Secretary of Defense determines under paragraph (2) that a person has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B)—

"(i) the person may not accept or continue employment with the defense contractor during the 2-year period beginning on the date of the contact; and

"(ii) the Secretary may impose on the person an administrative penalty in the amount of $10,000, or in such lesser amount as may be prescribed by the Secretary, taking into consideration all the circumstances.

"(B) An individual who accepts or continues employment prohibited by subparagraph (A)(i) shall be liable to the United States for an administrative penalty as provided in subparagraph (A)(ii). Such penalty may be in addition to any penalty previously imposed on the individual under subparagraph (A)(ii) for failure promptly to make a report relating to the defense contractor by whom the individual is employed as required by subsection (b)(1)(A) or (b)(2).

"(C) The Secretary of Defense may take action against an individual under this paragraph before, on, or after the date on which the individual's employment with the Government is terminated.

"(2)(A) The Secretary of Defense shall—

"(i) determine whether an individual has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B) and shall determine whether to impose a penalty under paragraph (1)(A)(ii) and the amount thereof; and

"(ii) determine whether an individual is liable to the United States for an administrative penalty under paragraph (1)(B) and the amount thereof.

There shall be a rebuttable presumption in favor of a covered defense official that failure to report a contact with a defense contractor or failure to disqualify himself from participation in the performance of certain procurement functions is not a violation of subsection (b)(1)(A) or (b)(2) or subsection (b)(1)(B), as the case may be, if the defense official has received an opinion in writing from the designated agency ethics official under subsection (e) stating that a report or disqualification by the official was not necessary.

"(B) Determinations of the Secretary under subparagraph (A) shall be made on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.

"(e) If a designated agency ethics official or his designee receives a report required by subsection (b) or a request for advice from a covered defense official relating to a contact described in such subsection, the designated agency ethics official or his designee may issue a written opinion regarding the necessity of a covered defense official to file a report or disqualify himself from participation in certain procurement functions, as the case may be.

"(f) A covered defense official should request the advice of his supervisor and the appropriate designated agency ethics official or his designee on matters to which this section applies.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

"2397a. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors.".

(b) The amendments made by subsection (a) shall take effect with respect to contacts (referred to in section 2397a of title 10, United States Code, as added by subsection (a) of this section) made on or after the date of enactment of this Act.

AUTHORIZATION OF FUNDS TO CARRY OUT PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM

SEC. 608. (a) There are authorized to be appropriated $3,000,000 for each of the fiscal years 1986 and 1987 to be available for the purpose of furnishing assistance to carry out procurement technical assistance programs pursuant to cooperative agreements under chapter 142 of title 10, United States Code.

(b) There are authorized to be appropriated for fiscal years 1986 and 1987 such additional sums as are necessary to defray the expenses of administering the provisions of such chapter during such fiscal years, including the expenses related to the employment of any additional personnel necessary to administer such positions.

BURDEN OF PROOF IN GOVERNMENT CONTRACT DISPUTE RESOLUTION

SEC. 609. In any proceeding before the Armed Services Board of Contract Appeals, the United States Claims Court, or any other Federal court in which the reasonableness of general or administrative costs for which a defense contractor seeks reimbursement from the Department of Defense are in issue, the burden of proof shall be upon such contractor to establish that such costs are reasonable.

TECHNICAL AMENDMENTS

SEC. 610. (a) Sections 2321 through 2331 of chapter 138 of title 10, United States Code, are redesignated as sections 2331 through 2341, respectively.

(b) Sections 2331 and 2332 of such chapter, as redesignated by subsection (a), are each amended by striking out "2323" and inserting in lieu thereof "2333".

(c) Section 2333 of such chapter, as redesignated by subsection (a), is amended by striking out "2321" and "2322" each place they appear and inserting in lieu thereof "2331" and "2332", respectively.

(d) The items relating to sections 2321 through 2331 in the table of sections at the beginning of such chapter are redesignated to reflect the redesignations made by subsection (a).

EFFECTIVE DATES

SEC. 611. (a) Section 1623 of title 10, United States Code (as added by section 605(a) this title), shall take effect on July 1, 1990.

(b) Section 1624 of title 10, United States Code (as added by section 605(a) of this title), shall take effect on January 1, 1987.

(c) The regulations prescribed under subsection (a) of section 1622 of title 10, United States Code (as added by section 605(a) of this title) shall provide that—

(1) the requirement described in subsection (b)(1) of such section 1622 shall take effect July 1, 1987; and

(2) the requirement described in subsection (b)(2) of such section shall take effect July 1, 1989.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COHEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HECHT). Without objection, it is so ordered.

Mr. COHEN. Mr. President, I rise in support of the National Defense Authorization Act for fiscal year 1986. As the chairman of the Seapower and Force Projection Subcommittee, I want to explain briefly how we went about preparing our portion of this bill, based on the President's request.

Our subcommittee reviewed procurement and research and development programs totaling $27.2 billion. Seapower and force projection funds include Navy ships and antisubmarine aircraft, as well as Air Force airlift aircraft.

The subcommittee approved $23.9 billion for Seapower and Force Projection programs, a reduction of $3.3 billion from the administration's request. In making these reductions, we were guided by the following priorities.

First, we were anxious to continue to build urgently needed ships and aircraft. For reasons I will discuss in a moment, I am pleased to report we were largely able to achieve this goal.

Our second priority was to continue to improve near-term readiness and sustainability. That is a matter which has bipartisan support. Democratic Members, as well as Republican Members, have long supported increasing our readiness and sustainability. Within our account, missiles, torpedoes, gun ammunition, and spare parts all contribute to this goal.

Third, we wanted to support ongoing multiyear contracts, and approve new ones where they show convincing potential for real savings.

As a related goal, we also wanted to encourage competition and support efficient production rates wherever feasible. This priority led us, for example, to cancel one aircraft production line, rather than to continue to produce at a very low and inefficient rate.

If I might diverge for just a moment, there has been a lot of discussion about $4 billion in defense savings that were revealed to the Armed Services Committee in the last few days. I would like to make just a couple of points regarding those savings.

No. 1, no one is complaining about the fact that we are saving money. This is something we have mandated the Defense Department to do. We want them to become better and more efficient in producing savings for the American taxpayer. For that reason, we have mandated certain types of programs.

The Competition in Contracting Act, which passed last year, has produced more competition and is thereby increasing savings. Many may recall that we also engaged in multiyear funding. In the shipbuilding program for aircraft carriers, for example, we actually projected saving some $700 to $800 million by procuring two aircraft carriers rather than one at a time. Those savings have been realized.

So no one is complaining about the fact that we saved money. But, there is some complaint—and I believe legitimate complaint—about the procedure that was used to reveal those savings to the committee. In my judgment, the committee should be apprised on a monthly, at least a quarterly basis, of the kind of savings that are being realized as a result of the various programs implemented by this administration. We should not be caught, after our initial markup has run its course, with the Defense Department saying:

> By the way, we have saved an additional $4 billion which you were not aware of when you went through your initial markup.

So my complaint is with the procedure, not with the savings.

I might point out that because we projected inflation at about 4.8 percent this year, while it turned out to be almost a full percentage point lower, we got a windfall of about $1.2 billion. That is a remarkable change from the situation we had just 4 or 5 years ago under a prior administration.

Under the Carter administration, many of us—Republicans and Democrats alike—complained loudly and consistently:

> You are underestimating the cost of this weapons program. You are projecting inflation at 7 percent when we know it is much higher. As a matter of fact, it is running at 13 percent. So why are you coming in here submitting this particular budget request projecting the cost of this weapons system at a 7 percent inflation rate?

And they would have to come back in at the end of the year and say:

> Sorry, we underestimated it. Now we have to have a supplemental appropriation and we need more money.

So that is something that is behind us and for that we ought to be thankful.

We have a very different problem now that we have inflation under control. We overestimated inflation, and I think prudently so, last year, when we said that we expected it would be 4.8 percent. Fine. then it came in at 3.8, and so much the better.

My complaint again is with the notification procedure that was used. I applaud the savings, but deplore the way they were announced. It gives the appearance of setting aside a little kitty over here, a slush fund, which left the committee that authorizes the funds unaware until the Budget Committee brought its resolution to the floor and reduced the 3-percent real growth increase to zero.

So I think there is a good cause for complaint about the procedures used. I believe, as Senator GOLDWATER has indicated, we want those procedures changed.

Mr. GOLDWATER. Will the Senator yield?

Mr. COHEN. I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I am glad the Senator has discussed this. I think it is the proper place to do it.

The Senator will remember that during the markup, when this matter was discussed, I said we would form a committee. I am happy to tell my friend we have informed the members of the committee that it will be a committee of the whole. Under the new rules, we cannot form another subcommittee. So we will meet as a committee of the whole and bring the Pentagon over, the auditors, and everybody concerned.

I believe I can promise my friend that this will not happen again. I was just as exercised about it as he was at the late reporting. But I think it indicates the great amount of progress that has been made over there when we can effect those savings.

I thank my friend from Maine for making these statements.

Mr. COHEN. Mr. President, I thank the Senator.

Before I highlight some of the success that we have had, I want to call my colleagues attention to one shining exception to all the bad news we've been hearing lately about defense costs—and that is the Navy's shipbuilding program. While the overall Defense Department's budget request increased by $36 billion this year, the Navy shipbuilding request actually decreased $172 million or 5 percent in real terms. Moreover, more than $870 million in savings were available from prior year savings in shipbuilding. As I mentioned, the savings resulted from keen competition within the shipbuilding industry, improved shipyard productivity, the elimination of costly changes during construction, and reduced inflation. Believing that these savings should accrue to those who earned them, the committee applied them fully to this year's shipbuilding request. Consequently, we were able to authorize 21 of the 23 new ships requested.

As for specific programs, among the new ships authorized were four nuclear powered attack submarines, three *Aegis* class cruisers, six mine warfare ships, two fleet oilers, and another of the LHD–1 *Wasp* class amphibious assault ships.

Readiness and sustainability received special emphasis, and I am pleased to report that we made no reductions in ammunition requests. Once again, many people in this Chamber last year and the year before kept complaining:

> We are cutting down readiness and sustainability. We need more ammunition. Don't send those ships out there unless you have sufficient ammunition to give them a sustained war-fighting capability.

Well, we have done that. We made no reductions in ammunition requests. In fact, we authorized funding for more than 1,400 surface-to-air missiles and over 600 antisubmarine torpedoes.

In the airlift area, the committee authorized continued procurement of the C–5B Galaxy airlifter and the KC–10 airlift.

For Navy aircraft, the committee approved funding for 24 LAMPS Mark-111 anitsubmarine helicopters, 9 P–3C ORION ASW patrol aircraft, and 14 C/MH–53 helicopters, including 10 of the minesweeping version.

The committee denied funding for six LAMPS Mark 1 helicopters, an aircraft which was being produced at an inefficient and costly rate. This action will also close this production line 1 year earlier than planned.

I believe the Seapower and Force Projection portion of this bill is a balanced, affordable package which is consistent with congressional priorities.

Mr. President, I urge my colleagues support during the deliberations on this matter.

Once again, I take this opportunity to pay tribute to our chairman, who was able to, I believe, produce a balanced and responsible defense package. There is a lot of criticism directed to this defense budget, some of it justified, perhaps, by contractors who have been, frankly, ripping off the public.

It has been going on for too long. I am happy to hear the chairman of the Armed Services Committee say he is not going to tolerate it any longer, that if he had his choice, he would suspend all contracts with those individuals who have in fact exploited the very needs of this country, and we cannot afford to have people taking advantage of our national security requirements. We have people who have overcharged, have submitted improper charges, and who have billed us for absurd personal and private expenses. Then they expect the American people to support a strong national defense.

There is no doubt we have to have a very strong, vigorous, dynamic military to defend this country. Consequently, when contractors engage in fraud, we ought to be as strict as we possibly can in prosecuting them. When they are guilty, we should put them in jail, if it takes that kind of example.

The chairman may be aware that I have once again introduced a measure dealing with a civil approach to contractors who submit improper charges so we do not have to go through the Justice Department on every case involving those claims under $100,000. This would allow us to focus on civil fraud penalties as well as criminal penalties for those who are cheating the American taxpayer and compromising our national security.

Mr. GOLDWATER. Will the Senator yield?

Mr. COHEN. I yield.

Mr. GOLDWATER. I am glad the Senator brought this up. I brought it up in my opening statement. I am just fed up with the very, very small percentage of our contractors who have stolen, cheated, and lied. I called my staff together the other day and suggested that we cancel the contracts of one of them. I will not mention the name here. I have done that before. It turns out that they make 50 percent of our jet engines. We are in dire need of those.

The Senator realizes that in addition to his fine amendment that we have other amendments that apply themselves to this problem. One in particular lists every conceivable type of thing that a corporation or company cannot engage in irregardless of what the Internal Revenue might allow. I think this is long, long overdue. I do not think we can get tough enough on these people. Any company that takes advantage of our defense frankly I do not think ought to be in business.

Mr. COHEN. I thank the chairman for his comments. I might point out that part of the reason that we are in this predicament is that there has not been enough competition in the defense industry. We have had too many contractors who have a lock on defense contracts. They have a monopoly and when they get a monopoly, the same thing takes place that we have seen in other industries. The price goes up, we cannot turn elsewhere to get the product; and there is virtually no control over how much the monopolist can extract from the taxpayers in the name of national security.

During this administration, we have seen more competition than ever before in defense procurement. This has been especially true in the Navy. Secretary Lehman has been an outstanding, vigorous advocate of more competition. As a result, we have saved substantial money in the shipbuilding account. We need more of that across the defense spectrum.

As the chairman has pointed out, he would like to cancel the contracts of those who defraud the procurement system. The problem is that without alternative suppliers, you may cancel one-half of our productive capacity. You cannot cancel half of this country's capacity to produce jet engines at a time when threats to our interest continue to expand around the world. This is not an easy black or white issue.

I want to commend the chairman once again for, No. 1, insisting that the Pentagon keep us apprised of savings that have been achieved. With that information, the authorizing committee can then decide whether or not we want to apply those savings to existing programs, or cut the budget, reduce the deficit, or apply the savings in some other way.

But if we are ignorant of those savings and let that account grow until the Pentagon wants to reveal it to the Appropriations Committee, then it seems to me that does a great disservice to the authorizing committee, to this Congress, and all concerned.

So I am delighted to hear the chairman intends to implement this new program which will require the committee be informed on a regular and timely basis.

Mr. WARNER. Will the Senator yield?

Mr. COHEN. I yield.

Mr. WARNER. Mr. President, I fear that there could be a misimpression created here. I would like to ask the chairman and our distinguished colleague from Maine if they would join me in another minute on this subject. I was interviewed by the press, and just moments ago. There were certain adjectives used which led me to believe that we could, in this colloquy and other statements, give the impression that the Secretary of Defense and his deputies willfully, intentionally, maybe even maliciously, withheld this information. And I, for one, after an examination of the record, after working on the matter with the chairman and others in your office, and in the committee hearing came away with the impression there was no willful or intentional withholding of this information.

During the analysis by our committee on Wednesday, I brought forth the historical perspective of this problem; namely, that last year there was $3.6 billion in funds which the auditors in the Department of Defense determined were available and, indeed, as Mr. Cohen has pointed out, they were absorbed in the process of review by the Appropriations Committee. That is the way it has been done in years previous. However, the year prior, in the fiscal year 1983, the chairman of the Armed Services Committee, Mr. Tower, on his initiative—and I presume with what he regarded as a timely fashion—determined the availability of in excess of $2 billion. We all remember that day when he announced to the full committee in session that it was his intention to apply those funds to the B-1 bomber program. I cannot recall the vote but the committee did accept his recommendation, and the funds were so applied. Therefore, those two historical precedents confirmed this Senators's opinion that there has been a practice knowledgeable by staffs of our committee, and the majority and the minority in their work almost on a daily basis with the individuals in the Department of Defense. I wholeheartedly endorse the chairman's recommendation that our committee review, together with Senator Cohen's recommendations, how we might improve this practice in the future.

I would not want this dialog today, and in the previous 2 days, to be concluded on a note that there is in this Senator's mind any belief that there was, should I say, a malice aforethought on the part of the Secretary of Defense or any of his deputies.

Mr. GOLDWATER. If the Senator will yield on that point, I do not believe that the chairman has at any time indicated that this was maliciously done.

Mr. WARNER. I am not suggesting that.

Mr. GOLDWATER. I was upset because this happened time and time and time again. I can go back in my memory to 1947 or 1948 when it happened. All I was criticizing the Secretary for was not giving us a progress report as we go along month by month, or quarter by quarter, as to what he is accumulating over there in the savings created by an overestimation of inflation that turned out that it produced $4 billion. I am very happy with it. The Senator knows that we applied that $4 billion to programs that we had to cut out. So it has been put to good use.

I join with my friend from Maine in wanting to see a repetition of this prevented. We can work out a way without any trouble in my opinion that will bring the attention of the committee to the existing situation in this fund.

Mr. WARNER. Mr. President, if the chairman will yield, I concur in his observations. I wholly support his recommendations. Presumably, the committee as a whole will perfect the procedure. I just wanted to make certain that I did not impute the remarks to the chairman nor to Senator Cohen nor anybody else, but they do exist and I felt that, in fairness to the Secretary and the members of the Department of Defense, we should make certain in this colloquy that none of us is making such an accusation.

I had the privilege of serving in the Department of Defense for over 5 years. I am fully familiar with the accounting procedures and how these matters are handled. Indeed, this system was followed in the period from 1969 to 1974, when I was there.

Senator Cohen. I think, very fairly brought out the historical perspective that in years past, there were deficits which required supplemental appropriations. That is the manner in which they were handled at that time.

I think we have reached a very satisfactory conclusion of this episode of the past few days. I just wanted to make a modest contribution to the record of my views.

The chairman has, I think, joined in my observation that there was no willfulness on the part of the Secretary.

I thank the Chair. I thank the distinguished Senator from Maine.

Mr. COHEN. Mr. President, just a few comments. I join in what Senator Goldwater has said, that neither he nor I have imputed any malice to the Secretary or his deputy. I would not have stood on this floor last year and the year before asking for two aircraft carriers unless they were going to produce the results they produced.

John Lehman said, "Give me two aircraft carriers and I will save you $800 million." He has done exactly that. I commend the Defense Department and the Navy for what they have done. We passed the Defense Department Contracting Act in 1984. It has accomplished some beneficial savings, in my view. We want to encourage them to do more. I could go on in this fashion.

The difficulty we have, is that the credibility of our defense needs is being unnecessarily compromised and undermined by a procedure which allows us to get on the floor and say, we need no less than x amount of money in order to fund programs critical to our defense. Then when those funds aren't all available, we're back a few days later, saying, we can achieve

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what we wanted with less because we have all these surprise savings we just discovered.

All I want is for the Department to advise us of savings on a monthly, bimonthly, or weekly basis, whatever is feasible, so we can stay accurately informed.

We are not casting criticism on our friends, Cap Weinberger or his deputy, but we think a better procedure has to be implemented or we run the risk of coming to the floor and with very little credibility.

Frankly, I think that the need to maintain a strong national defense, not on a yearly basis but on a consistent basis, is among the most serious issues in this country. Last year one of our colleagues offered an amendment which chastised our European friends for not sustaining a long-term defense plan at 3-percent real growth. Here we are a year later, going to zero or less, based on what the House is about to do. What I am urging is a sustained, long-term defense program, but we need credibility to come to the Congress and the country and get support for that sort of commitment. I am delighted.

The chairman has indicated we are going to develop a better reporting procedure that will help us maintain that credibility and thereby strengthen our defenses.

Mr. WARNER. If the Senator will yield, I thank the Senator from Maine for his observations. I agree with him. Procedures should be improved.

I just remember back several years ago when Chairman Tower, at the opportune time—he knew it was there—produced it. I think we all learn from experience and here is a clear example.

I share the view of the Senator from Maine that the credibility of the Department of Defense, indeed the credibility of this defense community working with the Department and all the defense budget, is brought under suspicion by virtue of the circumstantial case that can be made by the timing of the revelation of these funds.

I thank my friends and my colleagues from Arizona and Maine for indulging me in these comments.

Mr. COHEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. GOLDWATER. Mr. President, I ask unanimous consent that there be a period of routine morning business not to extend beyond 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:38 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 128. Joint resolution designating the month of October 1985 as "National High-Tech Month."

MEASURES REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 128. Joint resolution designating the month of October 1985 as "National High-Tech Month"; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1142. A communication from the Deputy Assistant Secretary of Defense (Military Personnel and Force Management), transmitting, pursuant to law, a report on retired or former military officers major/lieutenant commanders or above, former civilian employees whose salary was equal to or above the minimum GS-13 level, and former employee of or consultant to a defense contractor who during the last fiscal year was employed by DOD at a salary equal to or above the minimum GS-13 level; to the Committee on Armed Services.

EC-1143. A communication from the Secretary of the Senate, transmitting, pursuant to law, a full and complete statement of the receipts and expenditures of the Senate, showing in detail the items of expense under proper appropriations, the aggregate thereof, and exhibiting the exact condition of all public moneys received, paid out, and remaining in the possession of the Secretary from October 1, 1984, through March 31, 1985; ordered to lie on the table.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
J. Michael Hall:									
Panama	Dollar		320.00						320.00
Senator Dennis DeConcini:									
Italy	Lira	165,502	83.00					165,502	83.00
United States	Dollar				4,030.50				4,030.50
Italy	Lira	164,672	83.00					164,672	83.00
Israel	Dollar		200.00						200.00
Ethiopia	Birr	765.30	375.00					765.30	375.00
Total			1,061.00		4,030.50				5,091.50

MARK O. HATFIELD,
Chairman, Committee on Appropriations, Apr. 15, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Larry Pressler:									
India	Rupee	9,658.55	769.51	7,842	621.57		346.01	17,500.55	1,737.09
Bangladesh	Taka	400	15.56					400	15.56
Nepal	Rupee	507	27.86					507	27.86
United States	Dollar				5,563.00				5,563.00
Senator Paul Sarbanes:									
France	Franc	1,668.40	172.00					1,668.40	172.00
Gabon	Franc	119,064	246.00					119,064	246.00
Cameroon	Franc	41,500	86.32		13.91			41,500	100.23
Mozambique	Dollar		150.00						150.00
Kenya	Shilling	5,927.60	375.00		48.42		98.01	5,927.60	521.43
United States	Dollar				4,072.00				4,072.00
Douglas L. Miller:									
India	Rupee	9,658.55	769.51	7,633	605.27			17,291.55	1,374.78
Bangladesh	Taka	400	15.56					400	15.56
Nepal	Rupee	506	27.80					506	27.80
United States	Dollar				5,563.00				5,563.00
Casimir A. Yost:									
United States	Dollar				2,601.00				2,601.00
U.S.S.R.	Dollar		470.00						470.00
United Kingdom	Sterling	148,54	166.00					148,54	166.00
Senator Paul S. Trible:									
Italy	Lira	330,000	176.00			372,000	186.00	702,000	362.00
Ethiopia	Birr	461	225.00			518	253.00	979	478.00
Kenya	Shilling	2,250	160.00			2,307	169.07	4,557	329.07
United States	Dollar				4,317.00				4,317.00
William C. Mims:									
Italy	Lira	330,174	171.00			200,000	100.00	530,174	271.00
Ethiopia	Birr	461	225.00			742	362.00	1,203	587.00
Kenya	Shilling	2,250	160.00			2,193	17.06	4,443	277.06
United States					4,317.00				4,317.00
Amendment to 1st quarter 1984:									
Senator Paul E. Tsongas:									
United Kingdom	Pound	410.78	594.00					410.78	594.00
United States	Dollar				2,474.00				2,474.00
Amendments to 4th quarter 1984:									
Senator Charles McC. Mathias:									
Argentina	Peso	50,592	340.00					50,592	340.00
Alex Gillmann:									
Thailand	Baht	15,687	581.00		77.40			15,687	658.40
Malaysia	Ringgit	882.65	369.00					882.65	369.00
Singapore	Dollar	501.35	232.00					501.35	232.00
Indonesia	Rupiah	232,825	218.00					232,825	218.00
United States	Dollar				2,791.00				2,791.00
Total			6,742.12		33,064.57		1,631.15		41,437.84

RICHARD G. LUGAR,
Chairman, Committee on Foreign Relations, Apr. 30, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Orrin G. Hatch:									
Panama			40.00						40.00
Honduras			48.00						48.00
El Salvador			37.50				43.18		80.68
Nicaragua			49.00						49.00
Total			174.50				43.18		217.68

ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, Apr. 2, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MINORITY LEADER FROM JAN. 1 TO MAR. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Edward Kennedy:									
South Africa	Rand	1,827.84	768.00					1,827.84	768.00
United States	Dollar				4,752.19				4,752.19
Gregory Craig:									
South Africa	Rand	1,827.84	768.00					1,827.84	768.00
United States	Dollar				3,178.00				3,178.00
Andrea Young:									
South Africa	Rand	1,827.84	768.00					1,827.84	768.00
United States	Dollar				4,752.19				4,752.19

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MINORITY LEADER FROM JAN. 1 TO MAR. 31, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Chris Doherty:									
South Africa	Rand	1,827.84	768.00					1,827.84	768.00
United States	Dollar				3,178.00				3,178.00
Senator John Melcher:									
Japan	Yen	29,193	111.00					29,193	111.00
Philippines	Peso	5,154.80	280.00					5,154.80	280.00
United States	Dollar				3,260.00				3,260.00
Wayne E. Mehl:									
Japan	Yen	29,193	111.00					29,193	111.00
Philippines	Peso	5,154.80	280.00					5,154.80	280.00
United States	Dollar				3,260.00				3,260.00
David K. Voight:									
Japan	Yen	29,193	111.00					29,193	111.00
Philippines	Peso	5,154.80	280.00					5,154.80	280.00
United States	Dollar				3,260.00				3,260.00
Isabelita C. Sison:									
Japan	Yen	29,193	111.00					29,193	111.00
Philippines	Peso	5,154.80	280.00					5,154.80	280.00
United States	Dollar				3,260.00				3,260.00
Total			4,636.00		28,900.38				33,536.38

ROBERT C. BYRD,
Minority Leader.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1984

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John G. Campbell:									
Germany	Deutsche mark	2,511.13	825.00					2,511.13	825.00
Norway	Krone	1,832.40	204.00					1,832.40	204.00
England	Pound	115.20	192.00					115.20	192.00
George K. Johnson:									
Germany	Deutsche mark	2,511.13	825.00					2,511.13	825.00
Norway	Krone	1,832.40	204.00					1,832.40	204.00
England	Pound	239.40	288.00					239.40	288.00
Mark Albrecht:									
Italy	Lira	968,184	504.00		2,214.00			968,184	2,718.00
Rex G. Buffington:									
Italy	Lira	968,184	504.00		2,214.00			968,184	2,718.00
Francis Sullivan:									
Italy	Lira	968,184	504.00		2,001.00			968,184	2,505.00
James Locher III:									
Japan	Yen	43,350	176.94					43,350	176.94
South Korea	Won	81,200	99.51					81,200	99.51
Richard Finn, Jr.:									
Japan	Yen	44,350	181.02					44,350	181.02
South Korea	Won	81,200	99.51					81,200	99.51
Jeffrey Smith:									
Japan	Yen	46,350	189.18					46,350	189.18
South Korea	Won	123,200	150.98					123,200	150.98
James Steinberg:									
Belgium	Franc	8,533	142.99					8,533	142.99
Charles Smith:									
Germany	Deutsche mark	478.32	160.00					478.32	160.00
France	Franc	2,371.02	258.00					2,371.02	258.00
Spain	Peseta	12,682	75.00					12,682	75.00
Senator Sam Nunn:									
Ireland	Pound	21,016	204.00					21,016	204.00
Oman	Riyal	55,200	160.00					55,200	160.00
Pakistan	Rupee	4,481	304.00					4,481	304.00
India	Rupee	2,107	172.00					2,107	172.00
Nepal	Rupee	3,960	225.00					3,960	225.00
Hong Kong	Dollar	2,786.40	357.00					2,786.40	357.00
Arnold Punaro:									
Ireland	Pound	21,016	204.00					21,016	204.00
Oman	Riyal	55,200	160.00					55,200	160.00
Pakistan	Rupee	4,481	304.00					4,481	304.00
India	Rupee	2,107	172.00					2,107	172.00
Nepal	Rupee	3,960	225.00					3,960	225.00
Hong Kong	Dollar	2,786.40	357.00					2,786.40	357.00
James F. McGovern:									
Philippines	Peso	2,280	120.00					2,280	120.00
Taiwan	Dollar	6,279	161.00					6,279	161.00
Japan	Yen	67,792	258.75					67,792	258.75
South Korea	Won	357,000	425.00					357,000	425.00
Gordon Riggle:									
Philippines	Peso	2,280	120.00					2,280	120.00
Taiwan	Dollar	6,279	161.00					6,279	161.00
Japan	Yen	67,792	258.75					67,792	258.75
South Korea	Won	357,000	425.00					357,000	425.00
Senator Gordon Humphrey:									
Great Britain	Pound		8.00						8.00
Greece	Drachma	26,775.65	273.50					26,775.65	273.50
Israel	Shekel		702.95						702.95

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1984—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Ronald P. Kelly:									
Great Britain	Pound		81.25						81.25
Greece	Drachma	30,985.35	316.50					30,985.35	316.50
Israel	Shekel		577.25						577.25
Total			12,316.08		6,429.00				18,745.08

JOHN TOWER,
Chairman, Committee on Armed Services, Feb. 28, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1984

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
James P. Beirne:									
Australia	Dollar	310.59	261.00					310.59	261.00
New Caledonia	Dollar		450.00						450.00
New Zealand	Dollar		375.00						375.00
Fiji	Dollar		275.00						275.00
United States	Dollar				5,659.96				5,659.96
Craig A. Gannett:									
Australia	Dollar	310.59	261.00					310.59	261.00
New Caledonia	Dollar		450.00						450.00
New Zealand	Dollar		375.00						375.00
Fiji	Dollar		275.00						275.00
United States	Dollar				5,635.59				5,635.59
Marilyn W. Meigs:									
Great Britain	Pound	271	342.00	115.33	145.54			386.33	487.54
France	Franc	2,582.39	281.00					2,582.39	281.00
Austria	Schilling	5,089.20	240.00					5,089.20	240.00
Germany	Deutsche mark	230.25	75.00					230.25	75.00
United States	Dollar				2,019.00				2,019.00
Rita W. Scott:									
Great Britain	Pound	271	342.00	115.33	145.54			386.33	487.54
France	Franc	2,582.39	281.00					2,582.39	281.00
Austria	Schilling	5,089.20	240.00					5,089.20	240.00
Germany	Deutsche mark	230.25	75.00					230.25	75.00
United States	Dollar				2,019.00				2,019.00
Total			4,598.00		15,624.63				20,222.63

JAMES A. McCLURE,
Chairman, Committee on Energy and Natural Resources.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1984

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Len Weiss:									
France	Franc	2,460.48	264.00	296	31.75			2,756.48	295.75
United States	Dollar				1,708.00				1,708.00
Switzerland	Franc	753.30	300.00	121	47.47	440	175.26	1,314.30	522.73
Italy	Lira	1,603,336	832.00	24,200	12.61	575,400	300.00	2,202,936	1,144.61
Austria	Schilling	8,475.95	392.00					8,475.95	392.00
Ireland	Pound	198.15	204.00					198.15	204.00
Oman	Riyal	55.200	160.00					55.200	160.00
Pakistan	Rupee	4,481	304.00					4,481	304.00
India	Rupee	2,107	172.00					2,107	172.00
Nepal	Rupee	3,960	222.00					3,960	222.00
Hong Kong	Dollar	2,786.40	357.00					2,786.40	357.00
Total			3,207.00		1,799.83		475.26		5,482.09

WILLIAM V. ROTH,
Chairman, Committee on Governmental Affairs, Apr. 26, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1984

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Orrin G. Hatch:									
England	Pound	70.18	89.00	23.20	29.42			93.38	118.42
Sweden	Dollar		126.00						126.00
Austria	Schilling	1,648.65	80.00					1,648.65	80.00
France	Dollar		86.00						86.00
Germany	Mark	237.16	80.00						80.00
Total			461.00		29.42				490.42

ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, Feb. 20, 1985.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 168. Resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1160.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. PROXMIRE (for himself and Mr. PRYOR):

S. 1164. A bill to amend title 10, United States Code, to limit the employment of former Department of Defense procurement personnel by defense contractors, and for other purposes; to the Committee on Armed Services.

S. 1165. A bill to limit the employment of former Federal Government procurement personnel by certain contractors, and for other purposes; to the Committee on Governmental Affairs.

By Mr. EVANS (for himself and Mr. LUGAR):

S. 1166. A bill to facilitate the adjudication of certain claims of U.S. nationals against Iran, to authorize the recovery of costs incurred by the United States in connection with the arbitration of claims of U.S. nationals against Iran, and for other purposes; to the Committee on Foreign Relations.

By Mr. GARN (for himself and Mr. PROXMIRE) (by request):

S. 1167. A bill to protect the Federal Savings and Loan Insurance Corporation; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SIMPSON (for Mr. DOLE (for himself, Mr. ANDREWS, Mr. BOSCHWITZ, Mr. BURDICK, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. EAGLETON, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KENNEDY, Mr. LEAHY, Mr. LUGAR, Mr. McCLURE, Mr. MOYNIHAN, Mr. NUNN, Mr. PRYOR, Mr. STAFFORD, Mr. STENNIS, Mr. WILSON, and Mr. ZORINSKY)):

S. Res. 169. Resolution recognizing the centennial anniversary of the Holstein-Friesian Association of America; ordered held at the desk.

By Mr. SIMPSON (for Mr. DOLE):

S. Res. 170. Resolution appointing Kenneth U. Benjamin as Deputy Senate Legal Counsel; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself and Mr. PRYOR):

S. 1164. A bill to amend title 10, United States Code, to limit the employment of former Department of Defense procurement personnel by defense contractors, and for other purposes; to the Committee on Armed Services.

S. 1165. A bill to limit the employment of former Federal Government procurement personnel by certain contractors, and for other purposes; to the Committee on Governmental Affairs.

(The remarks of Mr. PROXMIRE and Mr. PRYOR, and the text of the legislation, appear earlier in today's RECORD.)

By Mr. EVANS (for himself and Mr. LUGAR):

S. 1166. A bill to facilitate the adjudication of certain claims of U.S. nationals against Iran, to authorize the recovery of costs incurred by the United States in connection with the arbitration of claims of U.S. nationals against Iran, and for other purposes; to the Committee on Foreign Relations.

IRAN CLAIMS SETTLEMENT ACT

Mr. EVANS. Mr. President, together with the distinguished chairman of the Committee on Foreign Relations, Mr. LUGAR, I am introducing legislation to promote the prompt and efficient processing of claims made by U.S. citizens and corporations against the Government of Iran. These claims are now pending before the Iran-United States Claims Tribunal in The Hague. Our bill, the Iran Claims Settlement Act of 1985, would achieve these ends in three ways. One, it would give the Foreign Claims Settlement Commission the authority to adjudicate certain claims of U.S. nationals against Iran should those claims be resolved by an en bloc settlement between the two governments. Two, it would permit the State Department and U.S. claimants to share among themselves pleadings and other documents that relate to proceedings before the Tribunal. And three, it would provide specific statutory authority for the collection of a fee from claimants to offset the expenses incurred by the U.S. Government in providing a forum for the arbitration of their claims and maintaining a source of funds for payment of awards to successful claimants.

The need for this legislation stems from the settlement of the hostage crisis with Iran in 1981. In addition to providing for the release of American hostages held in Iran, the settlement, known as the Algiers accords, established a method for resolving several categories of claims, including hundreds of commercial and financial claims of U.S. nationals against the Government of Iran. These claims arose from losses suffered both by individuals and corporations. Corporations had their assets expropriated and their commerical contracts breached. There are also hundreds of claims by Americans who were forced to leave their jobs and abandon their personal property as a result of the turmoil in revolutionary Iran.

The Algiers accords of January 19, 1981, established an international arbitration tribunal to hear claims such as these. Awards are paid from a $1 billion fund which the Iranian Government is obligated to replenish under specified circumstances. The Algiers accords also provide that the U.S. Government is to facilitate the processing of claims. For claims of less than $250,000, the U.S. Government, acting through the Legal Adviser's Office in the Department of State, actually presents the claims to the Tribunal. For larger claims, the Department acts as a clearinghouse for information, prepares briefs on common issues of fact and law, provides advice to claimants' counsel on the Tribunal's procedures, and distributes pleadings to claimants.

With respect to claims for less than $250,000, for which the U.S. Government acts as agent at the Tribunal, it is the State Department's hope that Iran will agree to negotiate a lump sum settlement of these claims, so that they can be withdrawn from the Tribunal. If the Department is successful in obtaining Iran's agreement, it will then face the difficult and time-consuming task of making awards to the almost 3,000 individuals and corporations who have filed small claims.

Our bill would reduce the costs and delays associated with this adjudicatory process. It would give the Foreign Claims Settlement Commission the authority to hear the claims and make awards to small claimants from the settlement fund. The Commission is an expert body with vast experience in processing foreign claims. It has developed expedited procedures for processing claims of U.S. nationals against foreign governments.

Our bill would also permit the Department of State to provide claimants a greater range of information about the overall status of claims without jeopardizing the confidentiality accorded to claimants' pleadings under the Tribunal's rules of procedure. At present, the Department is unable to share with claimants documents related to the proceedings. The reason is that were the Department to provide these documents to a claimant, they would have to be made available to any person who requested them under the provisions of the Freedom of Information Act. This general availability would, in turn, violate the confidentiality provisions in the Tribunal's rules. As a result, cooperation between claimants and the Department is hindered and requires complicated arrangements. In order to allow the sharing of materials with private claimants, our bill provides a limited exception to the Freedom of Information Act for "records pertaining to the arbitration of claims before the Iran-United States Claims Tribunal."

Finally, our bill provides unequivocal statutory authority for the collection of a fee from each successful claimant to offset some of the costs the U.S. Government has incurred in maintaining the Tribunal and Security Account, in processing claims, and in assisting claimants. At present, the Department of State contributes more than $2 million annually as the U.S. Government's portion of the Tribunal's expenses. In addition, the Department provides a variety of services to claimants. For small claimants, it prepares all pleadings and presents each case to the Tribunal. For large claimants, it advises on precedent and procedure and coordinates arbitration strategy. Other Departments incur expenses as well. The Treasury Department, for example, is required to pay $900,000 annually to the N.V. Settlement Bank, a Netherlands bank which is managing the Security Account.

The question of whether claimants should bear a portion of these costs has been controversial. There are those who believe that a fee is not justified. They point out that no fee is imposed on litigants in Federal courts. Furthermore, but for the Algiers accords, many of these claims would have been resolved in litigation in Federal court, quite possibly on terms more favorable than those that will result from the Tribunal's awards. Those who object to a fee also note there are a number of purely intergovernmental claims pending before the Tribunal and that much of the expense the U.S. Government is incurring will inure to its benefit.

On the other hand, the administration believes that the imposition of a fee is proper. The vast majority of the Tribunal's caseload is composed of private claims by U.S. nationals against Iran; the Security Account is maintained to assure the prompt and effective payment, in full, of awards in favor of successful claimants; and, the Department of State provides substantial and valuable representational and advisory services to private claimants. The costs associated with these services should be borne by the beneficiaries, administration officials contend, and not by the taxpayer.

We agree with the administration's logic. In our view, a portion of the costs the U.S. Government is incurring should be defrayed by the claimants. The remainder, which reflects costs the Government would bear in any event to prosecute its own claims, should be paid by the Government.

Where we disagree with the administration is over the amount of the fee and its structure. The administration has proposed that a flat 2 percent be deducted from each award made by the Tribunal in favor of a U.S. claimant and paid from the Security Account. Our bill would impose a fee of 1½ percent of the first $5 million awarded and 1 percent on any amount over $5 million. The lower percentage is fairer to smaller claimants and the reduction for larger awards reflects the fact that at a certain point the Government's costs do not increase with the size of the claim. This schedule of fees would be made effective as of June 7, 1982. .

Enactment of our legislation would solve two collateral issues raised by the matter of the fee. Since 1982, the administration has been collecting a 2-percent fee under a directive license issued pursuant to the authority of the Independent Offices Appropriations Act. The validity of that action has been challenged in the U.S. Claims Court. The chief judge of that court recently indicated his intent to enter a decision adverse to the United States. As a result, without our legislation, the entire amount collected to date would be subject to refund by decisions of that court.

Our legislation would ensure that the bulk of the amounts recovered to date, over $6 million, would remain in the Treasury. Further, it would guarantee that an additional $12 to $20 million in revenues, which the Department of State estimates would be collected under our bill, would go into the Treasury to offset the deficit.

Our bill strikes a balance between the interest of the individual and those of the general taxpayer. It provides advantages to both. We believe it deserves the support of all Senators.

Mr. President, I ask unanimous consent that the text of the Iran Claims Settlement Act of 1985 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Iran Claims Settlement Act".

RECEIPT AND DETERMINATION OF CERTAIN CLAIMS

Sec. 2. (a) The Foreign Claims Settlement Commission of the United States is authorized to receive and determine, in accordance with the provisions of title I of the International Claims Settlement Act of 1949, the validity and amounts of claims by nationals of the United States against Iran which are settled en bloc by the United States. In deciding such claims, the Commission shall apply, in the following order, the terms of any settlement agreement, the relevant provisions of the Declarations of the Government of the Democratic and Popular Republic of Algeria of January 19, 1981, giving consideration to interpretations thereof by the Iran-United States Claims Tribunal, and applicable principles of international law, justice, and equity.

(b) The Commission shall certify to the Secretary of the Treasury any awards determined pursuant to subsection (a) of this section in accordance with section 5 of title I of the International Claims Settlement Act of 1949. Such awards shall be paid in accordance with sections 7 and 8 of that title, except that—

(1) the Secretary of the Treasury is authorized to make payments pursuant to paragraphs (1) and (2) of section 8(c) in the amount of $10,000 or the principal amount of the award, whichever is less; and

(2) the Secretary of the Treasury is authorized to deduct pursuant to section 7(b) an amount calculated in accordance with section 3(a), instead of 5 per centum, of payments made pursuant to section 8(c).

DEDUCTIONS FROM ARBITRAL AWARDS

Sec. 3. (a) Except as provided in section 4, whenever the Federal Reserve Bank of New York shall receive an amount from the Security Account established pursuant to the Declarations of the Democratic and Popular Republic of Algeria of January 19, 1981, in satisfaction of an award rendered by the Iran-United States Claim Tribunal in favor of a United States claimant, the Federal Reserve Bank of New York shall deduct from the amount so received, for the aggregate amount awarded under each enumerated claim before the tribunal, an amount equal to one and one-half percent up to and including a total awarded of $5,000,000 and one percent thereafter, as reimbursement to the United States for expenses incurred in connection with the arbitration of claims of United States Tribunal and the maintenance of the Security Account.

(b) Amounts deducted by the Federal Reserve Bank of New York pursuant to subsection (a) shall be deposited into the Treasury of the United States to the credit of miscellaneous receipts.

(c) Nothing in this section shall be construed to affect the payment to United States claimants of amounts received by the Federal Reserve Bank of New York in respect of awards by the Iran-United States Claims Tribunal, after deduction of the amounts calculated in accordance with subsection (a).

(d) This section shall be effective as of June 7, 1982.

EN BLOC SETTLEMENT

Sec. 4. The deduction by the Federal Reserve Bank of New York provided for in section 3(a) of this Act shall not apply in the case of a sum received by the Bank pursuant to an en bloc settlement of any category of claims of United States nationals against Iran when such sum is to be used for payments in satisfaction of awards certified by the Foreign Claims Settlement Commission pursuant to section 2(b) of this Act.

REIMBURSEMENT TO THE FEDERAL RESERVE BANK OF NEW YORK

Sec. 5. The Secretary of the Treasury is authorized to reimburse the Federal Reserve Bank of New York for expenses incurred by the bank in the performance of fiscal agency agreements relating to the settlement or arbitration of claims pursuant to the Declarations of the Democratic and Popular Republic of Algeria of January 19, 1981.

CONFIDENTIALITY OF RECORDS

Sec. 6. Notwithstanding the provisions of the Freedom of Information Act, section 552 of title 5, United States Code, records pertaining to the arbitration of claims before the Iran-United States Claims Tribunal shall be prohibited from disclosure to the general public except that—

(1) rules, awards, and other decisions of the Tribunal and claims and responsive pleadings filed at the Tribunal by the United States on its behalf shall be made available to the public unless the Secretary of State or his designee determines that public disclosure would be prejudicial to the interests of the United States or United States claimants in proceedings before the Tribunal, or that public disclosure would be contrary to the rules of the Tribunal; and

(2) the Secretary of State or his designee may determine on a case-by-case basis to make such information available when in his judgment the interests of justice requires.

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. Moynihan, the name of the Senator from Louisiana [Mr. Long] was added as a cosponsor of S. 15, a bill to authorize the Secretary of Health and Human Services to make grants to States for the purpose of increasing the ability of States to provide drug abuse prevention, education, treatment, and rehabilitation, and for other purposes, to authorize the Attorney General to make grants to States for the purpose of increasing the level of State and local enforcement of State laws relating to production, illegal possession, and transfer of controlled substances.

S. 505

At the request of Mr. Durenberger, the names of the Senator from Tennessee [Mr. Gore], the Senator from New Jersey [Mr. Bradley], and the Senator from Delaware [Mr. Roth] were added as cosponsors of S. 505, a bill entitled the "Maternal and Child Health Preventive Care Amendments of 1985."

S. 1060

At the request of Mr. D'Amato, the name of the Senator from Montana [Mr. Melcher] was added as a cosponsor of S. 1060, a bill to amend title II of the Social Security Act to protect the benefit levels of individuals becoming eligible for benefits in or after 1979 by eliminating the disparity (resulting from changes made in 1977 in the benefit computation formula) between those levels and the benefit levels of persons who become eligible for benefits before 1979.

S. 1153

At the request of Mr. D'Amato, the name of the Senator from Kansas [Mr. Dole] was added as a cosponsor of S. 1153, a bill to provide for the distribution within the United States of the U.S. Information Agency film entitled "Hal David: Expressing a Feeling."

SENATE JOINT RESOLUTION 98

At the request of Mr. D'Amato, the name of the Senator from Georgia [Mr. Mattingly] was added as a cosponsor of Senate Joint Resolution 98, a joint resolution condemning the passage of Resolution 3379, in the U.N. General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all appropriate actions necessary to erase this shameful resolution from the record of the United Nations.

SENATE JOINT RESOLUTION 115

At the request of Mr. Leahy, the names of the Senator from Connecticut [Mr. Dodd] and the Senator from Rhode Island [Mr. Chafee] were added as cosponsors of Senate Resolution 115, a joint resolution to designate 1985 as the "Oil Heat Centennial Year."

SENATE RESOLUTION 148

At the request for Mr. Helms, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor of Senate Resolution 148, a resolution commemorating the 50th anniversary of the Rural Electrification Administration.

At the request of Mr. Zorinsky, the names of the Senator from Michigan [Mr. Levin], and the Senator from Montana [Mr. Melcher] were added as cosponsors of Senate Resolution 148, supra.

SENATE RESOLUTION 169—RECOGNIZING THE CENTENNIAL ANNIVERSARY OF THE HOLSTEIN-FRIESIAN ASSOCIATION OF AMERICA

Mr. SIMPSON (for Mr. Dole, for himself, Mr. Andrews, Mr. Boschwitz, Mr. Burdick, Mr. Cochran, Mr. Cohen, Mr. D'Amato, Mr. Eagleton, Mr. Heflin, Mr. Helms, Mr. Hollings, Mr. Humphrey, Mr. Johnston, Mrs. Kassebaum, Mr. Kasten, Mr. Kennedy, Mr. Leahy, Mr. Lugar, Mr. McClure, Mr. Moynihan, Mr. Nunn, Mr. Pryor, Mr. Stafford, Mr. Stennis, Mr. Wilson, and Mr. Zorinsky) submitted the following resolution; which, by unanimous consent, was ordered held at the desk until the close of business on Monday, May 20, 1985:

S. Res. 169

Whereas the Holstein-Friesian Association of America is a premier dairy cattle breed organization in the world;

Whereas the Holstein-Friesian Association of America, a nonprofit membership organization of more than forty-four thousand breeders of purebred, registered Holstein dairy cattle, was organized on May 25, 1885, and this year celebrates its one hundredth anniversary;

Whereas the Holstein breed of dairy cattle produces more than 90 percent of the Nation's milk supply;

Whereas such Association maintains the only official, complete genetic data bank and lineage record for all purebred, registered Holstein dairy cattle in the United States;

Whereas such Association through its many programs and services to the dairy industry has provided and continues to provide an environment, incentives and genetic data for the continued improvement of the Holstein breed;

Whereas United States Holsteins are recognized worldwide as the superior strain of Holstein breeding stock; and

Whereas the genetic pool of the Holstein breed in the United States has become the primary source of genetic material for the development and improvement of dairy cattle throughout the world: Now, therefore, be it

Resolved. That it is the sense of the Senate that on the occasion of the centennial anniversary of the Holstein-Friesian Association of America—

(1) recognition and commendation be extended the Holstein-Friesian Association of America for its most noteworthy contribu-

tion to the great American agricultural revolution;

(2) special commendation be extended for such Association's contribution to the genetic advancement and efficiency of the national dairy herd; and

(3) the Holstein-Friesian Association of America be complimented specifically on the advancement of the Holstein breed of dairy cattle in the United States and the contribution being made through its genetic pool of purebred, registered animals to the advancement of the Holstein breed worldwide.

Mr. DOLE. Mr. President, it is my pleasure today to introduce a sense of the Senate resolution recognizing the Centennial Anniversary of the Holstein-Friesian Association of America and to be joined as original cosponsors by my distinguished colleagues, Senators Andrews, Boschwitz, Burdick, Cochran, Cohen, D'Amato, Eagleton, Heflin, Helms, Hollings, Humphrey, Johnston, Kassebaum, Kasten, Kennedy, Leahy, Lugar, McClure, Moynihan, Nunn, Pryor, Stafford, Stennis, Wilson, and Zorinsky.

ASSOCIATION PURPOSE

Mr. President, the Holstein-Friesian Association of America has grown from a beginning membership of 284 at the time of its incorporation in 1885 to over 44,000 breeders of purebred, registered Holstein dairy cattle making it one of the premier dairy cattle breed organizations in the world.

As expressed in its original charter, the purpose of the association was to "improve the breed of Holstein-Friesian cattle; ascertaining, preserving and disseminating all useful information and facts as to their pedigrees and desirable qualities, and the distinguishing characteristics of the best specimens, and preparing, publishing, and supplying all necessary volumes of the Holstein-Friesian herd book; and, generally, for promoting and securing the best interests of the importers, breeders and owners of Holstein cattle, and thereby the public generally."

Mr. President, this has been a worthy and admirable aim of the Holstein Friesian Association of America. The association can be proud of its role in developing the quality of the Holstein dairy cattle breed throughout the United States and the world. U.S. Holsteins account for upwards of 90 percent of the Nation's milk supply as well as being a primary source of genetic material used for development and improvement of dairy cattle throughout the world.

Mr. President, it is indeed appropriate to recognize the 100th anniversary of the Holstein-Friesian Association of America and compliment them for their efforts in developing the Holstein dairy breed with its important role in providing a nutritious, wholesome and abundant supply of dairy products to our Nation's consumers.

SENATE RESOLUTION 170—APPOINTING KENNETH U. BENJAMIN AS DEPUTY SENATE LEGAL COUNSEL

Mr. SIMPSON (for Mr. Dole) submitted the following resolution; which was considered and agreed to:

S. Res. 170

Resolved, That the appointment of Kenneth U. Benjamin to be Deputy Senate Legal Counsel made by the President pro tempore of the Senate on May 15, 1985, shall become effective on May 15, 1985, and the term of service of the appointee shall expire at the end of the 100th Congress.

AMENDMENTS SUBMITTED

NATIONAL DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1986

GOLDWATER AMENDMENT NO. 147

Mr. GOLDWATER, on behalf of the Committee on Armed Services, proposed an amendment to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes; as follows:

Amendment No. 147

After title V of division A of the bill, insert the following new title:

TITLE VI—PROCUREMENT POLICY REFORM AND OTHER PROCUREMENT MATTERS

SHORT TITLE

Sec. 601. This title may be cited as the "Defense Procurement Improvement Act of 1985".

CONGRESSIONAL FINDINGS AND POLICY

Sec. 602. The Congress finds that the process by which the Department of Defense acquires weapon systems and other defense equipment can be improved—

(1) by promoting continuous competition throughout the period of time in which a weapon system or other defense equipment is acquired, when such competition is cost effective, would not result in unacceptable delay, and is otherwise in the national security interest of the United States;

(2) by requiring the Secretary of Defense to make thorough estimates of what it should cost to manufacture a particular weapon system or other defense equipment;

(3) by ensuring that the military and civilian personnel of the Department of Defense who have substantial responsibility for the acquisition of weapon systems and other defense equipment are highly qualified for the duties they perform;

(4) by ensuring that the career path for military officers who have specialized in the acquisition of weapon systems or other defense equipment offers sufficient opportunity for advancement and promotion;

(5) by providing mandatory training for personnel responsible for enforcing quality assurance in contractor facilities;

(6) by promoting increased disclosure of the activities of employees of defense contractors who are former employees of the Department of Defense and who were involved with the procurement of defense services and equipment while employed by the Department of Defense;

(7) by preventing conflicts of interest by employees of the Department of Defense involved in the negotiation and administration of Government contracts;

(8) by continuing procurement technical assistance through outreach programs; and

(9) by shifting the burden of proof in certain matters in the resolution of Government contract disputes.

COMPETITION IN MAJOR WEAPON SYSTEM AND EQUIPMENT ACQUISITION PROGRAMS

Sec. 603. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2324. Planning for competition in major weapon system and equipment acquisition programs

"(a) In this section:

"(1) 'Full scale development', when used with respect to a weapon system or other defense equipment, means all detail design of the weapon system or other defense equipment necessary for the production of that system or equipment to begin.

"(2) 'Major defense acquisition program' has the same meaning as provided in section 139a(a)(1) of this title.

"(3) 'Acquisition plan' means the type of plan referred to in section 7.104 of the Federal Acquisition Regulation as in effect on April 1, 1985.

"(4) 'Acquisition', when used with respect to a weapon system or other defense equipment, means the complete process associated with the development and procurement of the weapon system and other defense equipment, including identification of military requirements, research, and testing.

"(5) 'System integration' means the development and administration, normally by a prime contractor, of the process of manufacturing a completed weapon system or other defense equipment for delivery to the United States, including the installation of all subsystems and components.

"(b)(1) Before completion of the full scale development of a weapon system or other defense equipment under a major defense acquisition program, the Secretary of Defense shall prepare an acquisition plan for such program.

"(2) The acquisition plan shall provide for the use of competitive procedures when required by section 2304 of this title.

"(c) The acquisition plan prepared pursuant to subsection (b)(1) shall require the establishment and maintenance of two or more production sources for system integration and for major subsystems to be purchased by the United States under the major defense acquisition program when the establishment and maintenance of two or more production sources—

"(1) would increase competition and would likely result in reduced overall costs for such program;

"(2) would not result in unacceptable delays in fulfilling the needs of the Department of Defense; and

"(3) is otherwise in the national security interest of the United States.

"(d) The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives the acquisition plan prepared pursuant to subsection (b)(1) for a major defense acquisition program as soon as the plan is complete, but in no event later than the time that an inital budget request for production of the program is made to the Congress.

"(e) If an acquisition plan prepared pursuant to subsection (b)(1) does not require the establishment and maintenance of two or more production sources, the Secretary shall include in the plan a statement of the reasons, including any cost estimates or other background material, which form the basis for the Secretary's conclusion that the establishment and maintenance of two or more production sources is not required.

"(f) Nothing in this section is intended to modify or abrogate the provisions of section 2304 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting at the end thereof the following new item:

"2324. Planning for competition in major weapon system and equipment acquisition programs.".

(b) The amendments made by subsection (a) shall apply only to major defense acquisition programs for which funds for initial production are requested by the Secretary of Defense for fiscal year 1987 or any subsequent fiscal year.

COST ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS

Sec. 604. (a)(1) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2406. Cost estimates for major defense acquisition programs

"(a) In this section:

"(1) 'Competitive procedures' has the same meaning as provided in section 2302(2) of this title.

"(2) 'Major defense acquisition program' has the same meaning as provided in section 139a(a)(1) of this title.

"(3) 'Should-cost analysis' means the type of analysis referred to in section 15.810 of the Federal Acquisition Regulation as in effect on April 1, 1985.

"(4) 'System integration' has the same meaning as provided in section 2324(a)(5) of this title.

"(b)(1) During the first four years of production under a major defense acquisition program, the Secretary of Defense shall perform a should-cost analysis of the system integration and of each major subsystem to be purchased directly by the United States for each such program.

"(2) The should-cost analysis of a major defense acquisition program required by paragraph (1) shall be conducted with respect to a contractor only when the contractor has received a contract award under the program under other than competitive procedures during the first four years of production of the program.

"(c) The Secretary of Defense shall authorize the Secretaries of the military departments, on a nondelegable basis, to waive the requirement of subsection (b) and shall establish criteria for the exercise of the authority. The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives the criteria established under the first sentence. A grant of authority and the criteria established in connection with that authority may not take effect for a period of 60 calendar days after the day on which the criteria is received by the committees.

"(d) The Secretary of a military department shall promptly report to the Committees on Armed Services of the Senate and House of Representatives any waiver made by the Secretary under subsection (d).

"(e) If practicable, the preparation of the should-cost analysis in connection with any major defense acquisition program should be performed by employees of the Department of Defense.

"(f) The Secretary of Defense shall report annually to the Committees on Armed Services of the Senate and House of Representatives the cost of performing should-cost analyses for major defense acquisition programs and the savings believed to have been achieved in such programs from the analyses.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2406. Cost estimates for major defense acquisition programs.".

(b) The amendments made by subsection (a) shall apply only to major defense acquisition programs for which funds for initial production are appropriated for fiscal year 1986 or for any subsequent fiscal year.

MANAGEMENT OF DEPARTMENT OF DEFENSE PROCUREMENT PERSONNEL

Sec. 605. (a) Part II of of subtitle A of title 10, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 85—PROCUREMENT MANAGEMENT PERSONNEL

"Sec.
"1621. Definitions.
"1622. Education, training, and experience requirements for program managers.
"1623. Education, training, and experience requirements for certain assignments.
"1624. Training program for quality assurance personnel.

"§ 1621. Definitions

"In this chapter:

"(1) 'Major defense acquisition program' shall have the same meaning as provided in section 139a(a)(1) of this title.

"(2) 'Program manager' means an individual assigned by a military department to have overall responsibility for acquisitions under a major defense acquisition program.

"§ 1622. Education, training, and experience requirements for program managers

"(a) The Secretary of each military department shall prescribe regulations, subject to the approval of the Secretary of Defense, establishing minimum requirements of education, training, and prior experience for program managers of major defense acquisition programs.

"(b) Regulations prescribed under subsection (a) shall require, at a minimum, that to be assigned to duty as a program manager a person must—

"(1) have attended the program management course at the Defense Systems Management College or a comparable program management course at another institution; and

"(2) have had eight years of total experience in the acquisition, support, and maintenance of weapon systems, at least four years of which was spent on assignments in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command.

"(c) Periods of time spent in postgraduate education in a technical or management field and attending the course referred to in subsection (b)(1) may be counted toward satisfying the eight-year requirement prescribed in subsection (b)(2).

"(d) In assigning any person to duty as a program manager, the Secretary concerned may waive the requirements prescribed in subsection (b) in individual cases. The authority to waive the requirements may not be delegated.

"§ 1623. Education, training, and experience requirements for certain assignments

"(a) The Secretary of each military department concerned shall prescribe regulations, subject to the approval of the Secretary of Defense, establishing minimum requirements of education, training, and prior experience for officers of that department assigned to duty in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command, who hold the grade of brigadier general or commodore, or any higher grade.

"(b) Regulations prescribed under subsection (a) shall require, at a minimum, that in order for an officer of a military department to serve in the grade of brigadier general or commodore, or a higher grade, while assigned to duty in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command, the officer must meet the requirements of section 1622(b) of this title.

"(c) The Secretary concerned may waive the requirements for assignment to duty described in subsection (a). The authority to waive such requirements may not be delegated.

"§ 1624. Training program for quality assurance personnel

"The Secretary of Defense shall develop a formal introductory training program of not less than four weeks in duration for all personnel of the Department of Defense who are responsible for assuring quality in contractor facilities. A person assigned to perform quality assurance duties in the Department of Defense shall attend such program during the first six months of the assignment.".

(b) The table of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part II of such subtitle are each amended by inserting after the item relating to chapter 83 the following new item:

"85. Procurement Management Personnel .... 1621".

IMPROVED REPORTING AND DISCLOSURE FOR FORMER EMPLOYEES OF THE DEPARTMENT OF DEFENSE; PREVENTION OF CONFLICTS OF INTEREST

Sec. 606. (a) Section 2397(a)(1) of title 10, United States Code, is amended—

(1) by striking out "by negotiation"; and

(2) by striking out "$10,000" and inserting in lieu thereof "$25,000".

(b) Section 2397(b)(2) of such title is amended to read as follows:

"(2)(A) If a person to whom this subsection applies (i) was employed by, or served as a consultant or otherwise to, a defense contractor at any time during a year at an annual pay rate of at least $25,000 and the defense contractor was awarded contracts by the Department of Defense during the preceding year that totaled at least $10,000,000, and (ii) within the 2-year period ending on the day before the person began the employment or consulting relationship, the person served on active duty or performed civilian service for the Department, the person shall file a report with the Secretary of Defense in such manner and form as the Secretary may prescribe. The person shall file the report not later than 90 days after the date on which the person began the employment or consulting relationship.

"(B) The person shall file an additional report each time, during the 2-year period beginning on the date the active duty or civilian service with the Department terminated, that the person's job with the defense contractor significantly changes or the person commences an employment or consulting relationship with another defense contractor under the conditions described in the first sentence. A person required to file an additional report under this subparagraph shall file the report within 30 days after the date of the change or the date the employment or consulting relationship commences, as the case may be.".

(c) Section 2397(b)(3) of title 10, United States Code, is amended—

(1) by striking out clause (D) and inserting in lieu thereof the following:

"(D) A description of the duties and work performed by the person for the defense contractor, and a description of any similar duties or work performed for which the person had at least partial responsibility as a civilian official or employee of the Department of Defense or a member of the armed forces during the 2-year period referred to in paragraph (2)(A)(ii).";

(2) in clause (F)—

(A) by striking out "brief"; and

(B) by striking out "3-year period before that duty or service ended" and inserting in lieu thereof "2-year period referred to in paragraph (2)(A)(ii) and a description of the type of work performed and the extent to which such work was performed by the person for the defense contractor that has employed the person or has retained the person as a consultant"; and

(3) by adding at the end thereof the following new clause:

"(I) A statement describing any disqualification action taken by the person during the 2-year period referred to in paragraph (2)(A)(ii) with respect to any personal and substantial involvement in a matter concerning the defense contractor.".

(d)(1) Section 2397(c)(1) of such title is amended—

(A) by striking out "fiscal" each place it appears; and

(B) in clause (B)—

(i) by striking out "3-year" and inserting in lieu thereof "2-year"; and

(ii) by striking out "$15,000" and inserting in lieu thereof "$25,000".

(2) Section 2397(c)(2) of such title is amended—

(A) by striking out clause (C) and inserting in lieu thereof the following:

"(C) A description of the duties and work performed by the person with the Department and a description of any similar duties or work for which the person had at least partial responsibility as an employee or consultant of the defense contractor during the 2-year period referred to in paragraph (1)(B)."; and

(B) by striking out clause (F) and inserting in lieu thereof the following:

"(F) A description of the duties and work performed by the person for the defense contractor and a description of the type of work and the extent to which such work was performed by the person in connection with contracts of the defense contractor with the Department during the 2-year period referred to in paragraph (1)(B).".

(e) Subsection (f) of section 2397 of such title is amended to read as follows:

"(f)(1) A person who fails to comply with the filing requirements of this section shall be liable to the United States for an administrative penalty in the amount of $10,000, or in such lesser amount as may be determined by the Secretary of Defense, considering all the relevant circumstances.

"(2) The Secretary shall determine whether a person has failed to file a report required by this section and shall determine the amount of the penalty under paragraph (1). The Secretary shall make the determinations on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5, United States Code. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.".

REQUIREMENTS RELATING TO PRIVATE EMPLOYMENT CONTACTS BETWEEN CERTAIN DEPARTMENT OF DEFENSE PROCUREMENT OFFICIALS AND DEFENSE CONTRACTORS

SEC. 607. (a)(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

"§ 2397a. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors

"(a) In this section:

"(1) 'Contract' has the same meaning as provided in section 2397(a)(1) of this title.

"(2) 'Covered defense official', means any individual who is serving—

"(A) as a civilian officer or employee of the Department of Defense in a position for which the rate of pay is equal to or greater than the minimum rate of pay payable for grade GS-11 under the General Schedule; or

"(B) on active duty in the armed forces in a pay grade of O-4 or higher.

"(3) 'Defense contractor' has the same meaning as provided in section 2397(a)(2) of this title.

"(4) 'Designated agency ethics official' has the same meaning as the term 'designated agency official' in section 209(10) of the Ethics in Government Act of 1978 (92 Stat. 1850; 5 U.S.C. App.).

"(5) 'Employment' means a relationship under which an individual furnishes services in return for any payment or other compensation paid directly or indirectly to the individual for the services.

"(6) 'Procurement function' includes, with respect to a contract, any function relating to—

"(A) the negotiation, award, administration, or approval of the contract;

"(B) the selection of a contractor;

"(C) the approval of changes in the contract;

"(D) quality assurance, operation and developmental testing, the approval of payment, or auditing under the contract; or

"(E) the management of the procurement program.

"(b)(1) If a covered defense official who has participated personally and substantially in the performance of a procurement function in connection with a contract awarded by the Department of Defense contacts, or is contacted by, the defense contractor to whom the contract was awarded regarding future employment opportunities for the official with the defense contractor, the official shall, except as provided in paragraph (2)—

"(A) promptly report the contact to the official's supervisor and to the designated agency ethics official (or his designee) of the agency in which the covered defense official is employed; and

"(B) for any period for which future employment opportunities for the covered defense official have not been rejected by either the covered defense official or the defense contractor, disqualify himself from all participation in the performance of procurement functions relating to contracts of the defense contractor.

"(2) A covered defense official is not required to report the first contact with a defense contractor under paragraph (1)(A) or to disqualify himself under paragraph (1)(B) if the defense official terminates the contact immediately. However, if an additional contact of the same or a similar nature is made by or with the defense contractor, the covered defense official shall, as provided in paragraph (1), report the contact and all contacts of the same or a similar nature made by or with the defense contractor during the 90-day period ending on the date the additional contact is made.

"(c) A report required by subsection (b)(1) shall include—

"(1) the date of each contact covered by the report; and

"(2) a brief description of the substance of the contact.

"(d)(1)(A) If the Secretary of Defense determines under paragraph (2) that a person has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B)—

"(i) the person may not accept or continue employment with the defense contractor during the 2-year period beginning on the date of the contact; and

"(ii) the Secretary may impose on the person an administrative penalty in the amount of $10,000, or in such lesser amount as may be prescribed by the Secretary, taking into consideration all the circumstances.

"(B) An individual who accepts or continues employment prohibited by subparagraph (A)(i) shall be liable to the United States for an administrative penalty as provided in subparagraph (A)(ii). Such penalty may be in addition to any penalty previously imposed on the individual under subparagraph (A)(ii) for failure promptly to make a report relating to the defense contractor by whom the individual is employed as required by subsection (b)(1)(A) or (b)(2).

"(C) The Secretary of Defense may take action against an individual under this paragraph before, on, or after the date on which the individual's employment with the Government is terminated.

"(2)(A) The Secretary of Defense shall—

"(i) determine whether an individual has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B) and shall determine whether to impose a penalty under paragraph (1)(A)(ii) and the amount thereof; and

"(ii) determine whether an individual is liable to the United States for an administrative penalty under paragraph (1)(B) and the amount thereof.

There shall be a rebuttable presumption in favor of a covered defense official that failure to report a contact with a defense contractor or failure to disqualify himself from participation in the performance of certain procurement functions is not a violation of subsection (b)(1)(A) or (b)(2) or subsection (b)(1)(B), as the case may be, if the defense official has received an opinion in writing from the designated agency ethics official under subsection (e) stating that a report or disqualification by the official was not necessary.

"(B) Determinations of the Secretary under subparagraph (A) shall be made on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.

"(e) If a designated agency ethics official or his designee receives a report required by subsection (b) or a request for advice from a covered defense official relating to a contact described in such subsection, the designated agency ethics official or his designee may issue a written opinion regarding the necessity of a covered defense official to file a report or disqualify himself from participation in certain procurement functions, as the case may be.

"(f) A covered defense official should request the advice of his supervisor and the appropriate designated agency ethics official or his designee on matters to which this section applies.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

"2397a. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors.".

(b) The amendments made by subsection (a) shall take effect with respect to contacts (referred to in section 2397a of title 10, United States Code, as added by subsection (a) of this section) made on or after the date of enactment of this Act.

AUTHORIZATION OF FUNDS TO CARRY OUT PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM

SEC. 608. (a) There are authorized to be appropriated $3,000,000 for each of the fiscal years 1986 and 1987 to be available for the purpose of furnishing assistance to carry out procurement technical assistance programs pursuant to cooperative agreements under chapter 142 of title 10, United States Code.

(b) There are authorized to be appropriated for fiscal years 1986 and 1987 such additional sums as are necessary to defray the expenses of administering the provisions of such chapter during such fiscal years, including the expenses related to the employment of any additional personnel necessary to administer such positions.

BURDEN OF PROOF IN GOVERNMENT CONTRACT DISPUTE RESOLUTION

SEC. 609. In any proceeding before the Armed Services Board of Contract Appeals, the United States Claims Court, or any other Federal court in which the reasonableness of general or administrative costs for which a defense contractor seeks reimbursement from the Department of Defense are in issue, the burden of proof shall be upon such contractor to establish that such costs are reasonable.

TECHNICAL AMENDMENTS

SEC. 610. (a) Sections 2321 through 2331 of chapter 138 of title 10, United States Code, are redesignated as sections 2331 through 2341, respectively.

(b) Sections 2331 and 2332 of such chapter, as redesignated by subsection (a), are each amended by striking out "2323" and inserting in lieu thereof "2333".

(c) Section 2333 of such chapter, as redesignated by subsection (a), is amended by striking out "2321" and "2322" each place they appear and inserting in lieu thereof "2331" and "2332", respectively.

(d) The items relating to sections 2321 through 2331 in the table of sections at the beginning of such chapter are redesignated to reflect the redesignations made by subsection (a).

EFFECTIVE DATES

SEC. 611. (a) Section 1623 of title 10, United States Code (as added by section 605(a) this title), shall take effect on July 1, 1990.

(b) Section 1624 of title 10, United States Code (as added by section 605(a) of this title), shall take effect on January 1, 1987.

(c) The regulations prescribed under subsection (a) of section 1622 of title 10, United States Code (as added by section 605(a) of this title) shall provide that—

(1) the requirement described in subsection (b)(1) of such section 1622 shall take effect July 1, 1987; and

(2) the requirement described in subsection (b)(2) of such section shall take effect July 1, 1989.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

(Mr. DOLE submitted the following notice for Mr. MATHIAS:)

● Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Monday, May 20, 1985, in SR-301, to continue receiving testimony from a panel of scholars on issues involved in line-item veto legislation (S. 43) currently pending before the committee.

This panel consists of Dr. Louis Fisher of the Congressional Research Service, and Dr. Allen Schick and Dr. Norman Ornstein of the American Enterprise Institute.

For further information concerning this hearing, please contact Tony Harvey of the Rules Committee staff on 224-0291.●

ADDITIONAL STATEMENTS COST CONTAINMENT IN HEALTH CARE

● Mr. DURENBERGER. Mr. President, this Congress has heard me, over and over, claim that consumer choice and competitive health care plans are the key to cost containment in the health care industry.

Giving patients information about price and quality and allowing them to make their own choices leads to improved quality as well as reduced health care costs. I ask, Mr. President, that the following article be printed in the RECORD in support of my claims. The article, "Patients' Choice Can Save Health-Insurance Provider Millions" was written by Gordy Slovut and appeared in the Minneapolis Star and Tribune.

The article describes how patient choice in the type and location of service delivery is saving money and increasing quality. Patients will often choose home care services, if offered as an option to a more costly hospital stay. And the use of home care has the potential for saving competitive health plans and other payers of service, millions of dollars. As Gordy's article points out, in just 2½ years, the Park Nicollet Health Plan saved over $2 million through their home health initiatives.

The key to Park Nicollet's success lies in the incentives of prepaid competitive health care plans. Providers are placed at financial risk for the services provided. Plans are encouraged to appropriately substitute the lower cost service for an expensive hospital stay. And most people would choose to stay in their own home and receive the care they need if given the option.

Medicare, too, is realizing the benefits of choice and competition. With the passage of TEFRA and the final publication of regulations this year, Medicare beneficiaries now have the option to purchase their health care coverage from competitive medical plans. I expect that these providers will start saving Medicare dollars through their initiatives in home health and other cost saving service alternatives that increase consumer choice while enhancing the quality of health care in this country.

The article follows:

PATIENTS' CHOICES CAN SAVE HEALTH-INSURANCE PROVIDERS MILLIONS

(By Gordon Slovut)

Kevin Sullivan broke his neck while swimming off Fort Lauderdale beach in Florida last spring.

He spent six weeks in Jackson Memorial Hospital, Miami, connected most of the time to a ventilator, and doctors told him the injury had paralyzed most of his body.

"Then they said I could go home—by an ambulance, for $7,000," the 14-year-old from Wayzata said. "Or they said I could wait a week and go home on an airliner."

The cost didn't bother him. MedCenters Health Plan, his health maintenance organization (HMO), would pay the cost, but Sullivan figured he'd be "more comfortable" by commercial air.

That decision is one example of the kind of patient decisions that can mean substantial savings for MedCenters, a nonprofit corporation that presumably passes on part of the savings by holding down the cost of its monthly premiums and thereby remaining competitive, in its monthly rates, with other HMOs and health insurance companies.

Patients like Sullivan can save an HMO like MedCenters, their insurance companies—or themselves if they pay their own way—millions of dollars when they make the less-expensive choice, such as whether to fly by ambulance or commercial airliner or, more commonly, whether to be treated at home rather than in a hospital.

MedCenters, an affiliate of Park Nicollet Medical Center, encourages people to take the less-expensive option by providing extensive services away from hospitals and clinics. In Sullivan's case, they sent nurse

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Susan Wallenfelt, a patient care coordinator, to Miami to accompany him home.

"The procedure was worked out by Kevin's doctors in Miami and our rehabilitation specialists at Park Nicollet," Wallenfelt said.

Sullivan, his mother and Wallenfelt rode back in the first-class section of an airliner.

MedCenters' main cost was for first-class tickets, round-trip for Wallenfelt and one-way for Sullivan and his mother.

"It was a nice trip back," Sullivan said. "The nurse sat behind me, taking my blood pressure and things. My mom sat beside me. I was a little dizzy because I had been flat on my back for nearly six weeks, but I was pleased."

The outcome also pleased officials of MedCenters, which competes for clients with other HMOs, preferred provider organizations (PPOs), Blue Cross-Blue Shield and private insurance companies.

"We are trying to position ourselves as the quality alternative," said Dr. Loren Vorlicky, MedCenters' medical director.

MedCenters and Park Nicollet established their elaborate home care system after researchers learned in 1981 that many patients thought they were spending too much time in hospitals.

That opened the way for MedCenters to save money. If the plan could treat people at home, it could mean happier patients and lower hospital bills.

Bonnie Roeder, director of home health care for Park Nicollet, said that during the first 2½ years, the home bilirubin program, in which lights are used to help clear jaundice in newborns, saved $68,000; the home psoriasis program saved $320,000; the newborn family care program saved $804,000, and the low-back-pain program saved $812,000.

"Most people are just more comfortable at home than they are in the hospital," Vorlicky said.

The savings accrue to whomever is paying the health care bills—to MedCenters for its patients, to Blue Cross-Blue Shield or private insurance companies whose patients use Park Nicollet, or to the relatively small number of individuals who pay their own bills.

In the case of new mothers, the home care system is used as an incentive to reduce hospital stays. It is offered to mothers who agree to be discharged from the hospital within 48 hours of delivery.

Roeder said the newborn program saves MedCenters, the insurer of the individual who pays his or her own bills $319 per mother and child—the $480 per day in hospital care for mother and infant, minus $161 for the program.

She said the bilirubin program makes it possible for parents to take slightly jaundiced newborns home instead of leaving them in the hospital until their bilirubin blood levels drop to normal. The saving is about $490; the 2½-day hospital cost of $690 minus the average home care cost of $200.

Jason Grimm was born about two weeks ago, healthy and normal but slightly jaundiced—not very unusual for newborns.

He and his mother, Laurie, were home in Minneapolis two days after his arrival because of the bilirubin program.

Bonny Skovbroten, a home care nurse, set up the portable bilirubin light system in the Grimm home, showed Laurie Grimm how to patch Jason's eyes during the periods he would be exposed to the light, and taught her how to make sure he was not overexposed.

On Skovbroten's third visit, Jason's jaundice had cleared and she took the light system with her.

"If it weren't for the home bili-light system, Jason probably would have had to stay in the hospital two to four days longer," she said.

The borne low-back-pain program is for patients who have to be in traction 24 hours a day. The saving averages $4,573 per patient; the $5,452 it would cost for 12 days in the hospital minus the average cost of $852 for home care.

The psoriasis program has an average patient saving of $3,650—$8,450 for three weeks of hospital care minus $800 for home care.

Roeder said the basic economic fact that makes home care so desirable is that "It costs $71 a day to have a nurse visit a patient, and more than $400 a day to have the patient in the hospital."

Group Health Plan, Inc., the metropolitan area's oldest and largest HMO, has a smaller home care services staff consisting of 15 home health care nurses, according to John Ostund, manager of the plan's continuing care department.

He said Group Health provides physical, occupational and speech therapy and home health aides on a contract basis and refers patients to other agencies for services such as hospice care and cancer in children.

Group Health, like MedCenters, has found that home health care is popular with patients, he said.

"People like to get out of the hospital as soon as possible, and they prefer getting rehabilitation and other therapy at home," Oslund said.●

CORRESPONDENCE BETWEEN THE AMERICAN HELLENIC EDUCATIONAL PROGRESSIVE ASSOCIATION AND TURKISH OFFICIALS

● Mr. DODD. Mr. President, Cleo Zambetis, the supreme president of the American Hellenic Educational Progressive Association, has brought to my attention an exchange of letters between AHEPA and the Turkish Ambassador to the United States, Mr. Sukru Elekdag.

During Turkish Prime Minister Ozal's recent visit to the United States, Representatives of AHEPA met with him to discuss matters of great concern to United States-Turkish relations, including Turkish policy toward Cyprus and Greece. At the conclusion of that meeting, the AHEPA representatives left with him a letter setting forth specific concerns.

Following that meeting, the AHEPA representatives sent a thank-you note to Prime Minister Ozal, expressing their appreciation for the meeting and for bilateral negotiations between Greece and Turkey, and urging the Turkish Government to encourage the Turkish separatists on Cyprus to resume bilateral talks.

In mid-April, Mr. Zambetis received a response from Ambassador Elekdag, returning the original letter from AHEPA to Prime Minister Ozal. The Ambassador's letter does not encourage optimism for future dialog about the tensions and problems in the eastern Mediterranean.

There can be no doubt, Mr. President, that the best way—the only way—to resolve tensions between Greece and Turkey and to restore the unity of Cyprus is through dialog and mutual respect among all sides. U.S. policy toward the region must be aimed at fostering such dialog and mutual respect. In that regard, I urge my colleagues to read this correspondence for the light it sheds on the Turkish attitude toward the situation.

I ask that this correspondence be printed in the Record.

The correspondence follows:

Order of Ahepa,
Supreme Lodge Headquarters,
Washington, DC, May 9, 1985.

Hon. Christopher J. Dodd,
324 Senate Hart Office Building,
Washington, DC.

Dear Senator Dodd: During the recent visit of Turkish Prime Minister Turgut Ozal to the United States, I had the opportunity to meet with him and personally convey some of our community's concerns about Turkish policy. At the conclusion of our meeting, we presented him with a letter detailing the concerns of the AHEPA.

Following our meeting, we issued a statement about the meeting, expressing our satisfaction with the friendly and responsive manner in which the meeting was held. In spite of the reservations expressed by many members of our community—whose sentiments regarding Turkish policy towards Cyprus and Greece you are well-acquainted with—we publicly supported the concept of dialogue to aid in the peaceful resolution of conflicts in the region.

On April 17, our letter to Prime Minister Ozal was returned to the AHEPA offices by courier with a curt letter from Ambassador Sukru Elekdag. I am deeply disappointed and extremely distressed that the Turkish government has seen fit to respond in this manner. Not only is this incompatible with the Turkish Prime Minister's expressed desire to conduct a dialogue on these issues, but it also demonstrates a lack of desire to even acknowledge the expression of concerns held by a significant number of Americans.

Please find enclosed copies of the above correspondence, which I feel will be of particular interest to you.

Sincerely,

Cleo N. Zambetis,
Supreme President.

Order of AHEPA,
Supreme Lodge Headquarters,
Washington, DC, March 30, 1985.

Prime Minister Turgut Ozal,
The Waldorf-Astoria Towers,
New York, NY.

Dear Mr. Prime Minister: On behalf of the supreme Lodge and the members of the Order of AHEPA, I would like to express our deep gratitude and appreciation for the opportunity to meet with you. I hope this meeting will be of mutual benefit as it provides us with an opportunity to exchange views and hopefully gain a greater understanding of each other's concerns.

As Americans of Hellenic descent, we are naturally concerned with the tension in the Eastern Mediterranean. While I would like to underline the fact that we hold no enmity or antipathy for the Turkish people, it would be disingenuous for me to pretend that we share your Government's perspective of these problems. I fervently hope that the historic conflict between Greeks and Turks, however, will soon become a closed chapter in their history.

All members of the Eastern Orthodox Church are extremely concerned with the problems relating to the Ecumenical Partriarchate in Istanbul. His Holiness Demetrios I, Archibishop of Constantinople and Ecumenical Patriarch, is the symbolic leader of our Church and his importance to our faith is analogous to that of the Pope to Roman Catholics.

We have been extremely concerned by the closure of the Theological School of Halki fourteen years ago, the leading theological school of our Church whose roots extend to the 11th century. We are also deeply worried about the difficulties regarding building repairs to the Ecumenical Partiarchate.

The solution to these problems rests in the hands of your Government, and I humbly request that they be considered. I am confident that active measures by your Government to alleviate these problems would be appreciated not only by the members of our community, but also by the people of Greece and all members of the Eastern Orthodox Church. We are prepared to work with your government on these problems in any capacity which you feel will be helpful.

I am certain that you are aware of our concern over the lack of progress towards a peaceful and lasting settlement on Cyprus. Our position and efforts in this area are an expression of our continued frustration at the lack of flexibility that we perceive in the attitude and policies of the Turkish Cypriots and your Government.

The Order of AHEPA has consistently urged our government to use its influence on all parties to ensure that they participate in good faith in the United Nations negotiations process. Despite the breakdown in the meeting between President Spyros Kyprianou and Turkish Cypriot leader Rauf Denktas last January, we were heartened by the U.N. Secretary General's comments that the two sides have never been closer.

I believe that it is very important to maintain the momentum generated by this meeting, and urge your government to use its influence with the Turkish Cypriots and join in the efforts for a prompt resumption of the negotiations process.

I believe that a public commitment by your government to begin a systematic withdrawal of its troops on Cyprus in excess of those permitted under the existing treaties, or for the replacement of these troops by an expanded U.N. force—parallel to progress in the negotiations—would immeasurably enhance the prospects for the resumption of direct negotiations and for their successful conclusion.

I am aware of your nation's concern for the safety of the Turkish Cypriot community, yet I believe that the days of intercommunal strife and violence—which were provoked by small groups of extremists—are in the Cypriot peoples' past.

The spirit of friendship, unity, and understanding that characterized the Union of Cypriot Journalists New Year's Ball, which was attended by a Turkish Cypriot delegation headed by Ralf Denktas, is, I believe, an encouraging sign of the desire of all Cypriots to reunite into one country.

We feel that this trend must be encouraged, and thus proposed that the United States establish a special Cyprus fund of up to $250 million to be used for confidence-building measures that would foster intercommunal cooperation and understanding. Under our proposal, monies would be made available for projects approved by representatives of both communities and that would benefit all Cypriots.

We are also deeply concerned with the status of relations between Greece and Turkey. In my view, the continued deterioration in their bilateral relations do not auger well for the region.

These bilateral conflicts emerged in the early 1970s, despite the common misperception that they are age-old quarrels. The issues disputed today were for decades governed by understandings dating back to the days of friendship and cooperation established by Eleftherios Venizelos and Mustafa Kemal Ataturk.

I am confident that the Greek and Turkish peoples strongly support a return to an era of peace and goodwill between the two countries. I hope that statements and actions that would lead to a further deterioration of the situation will be restrained.

We feel that maintaining the balance of power in the Aegean is necessary to prevent conflicts from erupting into a confrontation. This view is also echoed in the United States Congress, which has identified a 7:10 ratio in military assistance to Greece and Turkey as the means of preserving this balance.

Furthermore, as Americans we are particularly concerned about the lack of cohesion on NATO's southeastern flank and the urgent need for a resolution of issues that would increase the Alliance's defensive capability in the region. Preventing Soviet naval access to the Mediterranean Sea during a crisis is an important Alliance objective in the area and NATO's deterrent capability would be enhanced by the inclusion of the Greek island of Limnos in its military command structure.

Finally, I would like to express our sincere sympathy to your Government and your people concerning the terrorist attacks perpetrated against Turkish diplomatic officials.

We fervently look forward to the day when Turks, Greeks, and Cypriots will live together in a sea of peace. We stand ready to assist in this process.

Sincerely,

Cleo N. Zambetis,
Supreme President.

Order of AHEPA,
Supreme Lodge Headquarters,
Washington, DC, April 8, 1985.

His Excellency Turgut Ozal,
Embassy of the Republic of Turkey,
Washington, DC.

Dear Mr. Prime Minister: On behalf of the members of the Order of AHEPA, I would like to thank you for the opportunity to meet with you on March 30 and exchange views on issues of mutual concern.

I hope that the outstanding issues between Greece and Turkey can soon be resolved and that the next few months will also see some tangible progress toward a peaceful and lasting settlement on Cyprus. I sincerely believe that this is in the best interests, and will be to the benefit of, the people of Greece, Turkey, and Cyprus.

I would like to reiterate that we support the concept of bilateral negotiations between Greece and Turkey. I continue to believe, however, that your initiative for direct talks would be furthered by your Government's active encouragement of the Turkish Cypriot leadership to resume the intercommunal negotiations. Such a clear gesture by your Government would demonstrate its willingness to negotiate in good faith.

Please convey my regards to Mr. Halefoglou and our thanks to Ambassador Elekdag and his staff for their assistance in arranging this meeting.

Sincerely,

Cleo N. Zambetis,
Supreme President.

Turkish Embassy,
Washington, DC, April 16, 1985.

Mr. Cleo Zambetis,
Supreme President, AHEPA
Washington, DC.

Dear Mr. Zambetis, it is a pleasure for me to refer to your meeting with Prime Minister Turgut Ozal, which took place upon your request in New York at the Prime Minister's hotel suite on March 30th.

I am sure you will join me in recalling that the meeting atmosphere was very cordial and warm. When Prime Minister Ozal stressed the need for a dialogue between Turkey and Greece and the necessity of establishing friendly and cooperative relations between the two countries, both you and your colleagues stated that you were profoundly impressed by the conciliatory and constructive approach of the Prime Minister. It is also my recollection that you expressed your readiness to spare no efforts to contribute to reconciliation between the Greek and Turkish nations.

By the time the meeting ended, it was my distinct impression that both sides felt the meeting had been useful and heartwarming undertaking. At least this is what we thought of it.

However, right after you left, it was brought to our attention that you had left a previously composed letter addressed to Prime Minister Ozal. The content of this letter is of a nature which is not in consonance with the harmony that prevailed during the meeting. Therefore, I feel bound to return it to you.

In this context, I also would like to bring to your attention two points which I deem important.

First, progress toward a just and viable solution of the Cyprus problem requires that both communities in Cyprus be encouraged by their motherlands, Greece and Turkey, to reconcile their differences. As the recent peace efforts undertaken by the U.N. Secretary General Perez de Cuellar have demonstrated, Turkey did the utmost to that end. Unfortunately, the same cannot be said of the current Greek Government which hindered the efforts of the U.N. Secretary General, and undermined the negotiations by creating tensions in Greek-Turkish relations.

In the second place, it has to be conceded that, tension between Turkey and Greece, which are regarded as motherlands by the two peoples of Cyprus, will inevitably affect these peoples on the Island. If Turkey and Greece demonstrate their will and determination to solve the differences between them through peaceful negotiations, the two Cypriot communities will be better motivated to solve their problems and live in peace.

I would like to further inform you however, that, your second letter dated April 8, 1985, addressed to Prime Minister Ozal and sent to our Embassy, has been forwarded to its high destination.

Sincerely,

Dr. Sükrü Elekdağ,
Ambassador of the Turkish Republic.●

NATIONAL FREE PAPERS WEEK

● Mr. D'AMATO. Mr. President, I rise today to join my friend and colleague, Senator Grassley, as a cosponsor of Senate Joint Resolution 73, which designates the week of September 15–21, 1985, as "National Independent Free Papers Week." Independent free circulation papers represent a superlative tradition in America's free enterprise system: they fill a need and provide choice in the media marketplace.

Free circulation papers fill the gap in cities and towns that do not receive full coverage by larger, paid papers. In all cases, whether free newspapers, shopping guides, or pennysavers, free circulation papers offer a choice to local businesses and serve a need that otherwise would not be met—providing the media support that keeps small towns, cities, and neighborhoods prospering.

Some of the earliest free papers appeared in the 1920's; even more appeared in the 1930's as a direct response to the special needs arising from the Great Depression. After World War II, these papers began to flourish. More and more businesses wanted to reach every home in the community and free circulation papers were the answer. As a result, it is estimated that there now are over 2,000 free circulation papers in the United States.

National Independent Free Papers Week will coincide with the 5th anniversary of the Independent Free Papers of America organization. IFPA has a membership of over 200 free papers representing 41 States. In my own State of New York, there are 20 member papers benefiting local businesses and their communities.

I urge my colleagues to join in this salute to free papers.●

NATIONAL GARDEN WEEK

● Mr. ABDNOR. Mr. President, I am pleased to join my colleague, Senator Hatfield, in recognizing the gardeners of America.

Gardening is an important activity that affects many aspects of our environment and our people. Our environment is improved through the flowers, fruits, and vegetables, and our people are enriched through the nutrition and the skill that homegrown foods provide.

In addition to the asethetic value gardens provide, they add to the individual initiative, independence, and respect for the land. Gardening challenges us to learn from the land. Among the challenges are production and care for our natural resources.

Even more importantly, gardening supersedes all ages. Young and old alike can work together at a common goal. This sharing can be beneficial, not only to the land, but to a greater understanding between people.

Mr. President, I believe that all Americans can gain a greater understanding and respect for America's farmers through their own gardening experiences.

I urge my colleagues, Mr. President, to join in recognizing the great efforts of all gardeners through the passage of Senate Joint Resolution 136, authorizing the President to issue a proclamation designating the week of April 13, 1986, as National Garden Week.●

THE POOR, THE STARVING, AND EXPORTING U.S. FOOD

Mr. MELCHER. Mr. President, in contrast with U.S. grain export competitors who have concern that an export bonus or payment-in-kind U.S. grain sales to other countries would be unfair, all of our competitors must admit that world distribution of food for many of the impoverished has been inadequate and that humanitarian aid has been inadequate. There is a great disparity between those of us who have more than enough to eat and have more concern about over-indulgence in excessive calories that cause body fat as compared to those impoverished people who are poor, thin and malnourished.

The gauge to justify the food domestic programs that we operate and in the Public Law 480 and section 416 foreign food programs that we operate should be based on a reasonable standard. That is a simple one: Are there hungry and malnourished people who need the surplus foods which we have in abundance in the United States?

There are still plenty of hungry people here at home as demonstrated by the Physicians Task Force on Hunger report issued a few weeks ago. Abroad there are the starving in Africa and widespread impoverishment in the developing countries. People on limited diets and particularly growing children, pregnant and nursing mothers are permanently harmed if they are malnourished. People of all ages including the young and particularly the elderly are more prone to illness and infectious diseases if malnourished. The result of using our domestic food programs for our own poor and Public Law 480 and section 416 for the hungry abroad is to allow the proper nourishment for physical and mental development for the kids, alertness and effectiveness for their working people and protect against disease for all ages. The two commodities in constant surplus in the United States are wheat and dairy products and at present rice, soybeans, sorghum, corn, honey, and barley supplies are in excess of domestic market needs.

Private voluntary organizations and cooperatives have had successful innovative experience in promoting agriculture development through the sales of food aid commodities. The most efficient and the most accountable of these programs are through the nonprofit private voluntary organizations that at no cost to the taxpayer are dedicated to the honest and equitable distribution of American food aid and who have successful experience in agricultural development in the scores of countries in which they operate. CARE, Catholic Relief Services, Cooperative League of the USA, Church World Council Lutheran World Relief, Adventist Development and Relief Agency, and World Vision are some of those most successful.

For those countries who receive American food aid, it is essential that agricultural development go in tandem with the food aid. Because the needs are greater now than in the past, just as we expand and liberalize Public Law 480 and section 416 programs, we must also utilize food aid to promote the expansion of the agricultural development efforts.

These organizations go about their work with dedication year in and year out with no press staff or public relations consultants so that there is only limited public awareness of the magnitude of their work. They operate only with the meager donations but provide billions of dollars of food aid for the hungry and promote agricultural development programs. Just as more food is necessary for the hungry, so, too, are more agriculture development programs.

Export PIK or bonus commodity exports when used by the Department of Agriculture will be both selective and controversial and not targeted to food deficit countries. Secretary of Agriculture Block has stated that he will be selective in using it to attract customers away from U.S. grain competitors who are subsidizing their exports and that is where the controversy will arise. So it will be a program to be used only as a limited tool to equalize trade. Export PIK is not contrived to aid the hungry, which is an ongoing, continuous daily program in poor food deficit countries.

To meet the existing or near term emergency situation in those food poor countries, food aid is immediately needed both for consumption as well as long term agricultural development. The nonprofit private voluntary organizations are oriented both for the humanitarian and agricultural development tasks. They already distribute more American food aid per year—up to over $1 billion per year, twice as much as the export bonus program.

In the short term, reducing surplus commodities will help the U.S. economy by first of all stabilizing the sagging commodity prices and therefore start some price improvement for U.S. farmers, extremely hard pressed from very low net income. For the long term, U.S. food aid has demonstrated that it develops markets. This is particularly true for dairy and wheat products.

The administration has been stalling Public Law 480 and section 416 shipments of U.S. commodities. While various Departments of the executive branch continue to reject PVO and cooperative sales proposals and debate continues in Congress as to whether U.S. PVO's and cooperatives should be allowed—and under what conditions—to sell food aid commodities, many of those same PVO's and cooperatives are making innovative developmental and humanitarian uses of food aid from other donor countries. Despite the urgency of the situation for both the hungry and U.S. farmers, there has been more than the usual amount of bureaucratic bungling in processing the applications for U.S. food aid from impoverished countries. Congress is seeking to legislate expansion of Public Law 480 and section 416 with firm directions for redtape cutting to the State and Agriculture Department bureaucracies.

It cannot come too soon and it is essential to balance out the fears of abuses that may be generated by the export bonus or PIK Program just announced by Secretary Block.

ORDER OF PROCEDURE

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, and let me apologize to him—I was in the House of Representatives' area and Senator Dole was called away, and I know that Senator Byrd waited here patiently for us and I certainly hope we did not discommode his schedule. I made the course over here in seven-league boots to arrive here. I do hope that did not discommode you, sir.

Mr. BYRD. Mr. President, if the distinguished assistant Republican leader will yield, he owes me no apology. From time to time I keep the leaders on the other side waiting because I may be meeting with constituents or whatever. We always try to accommodate one another. I am not disturbed about it.

Mr. SIMPSON. I thank the Democratic leader.

THE CALENDAR

Mr. SIMPSON. Mr. President, I inquire of the minority leader if he is in position to consider any or all of the following items: Calendar Nos. 118, 119, 136, and 137.

Mr. BYRD. Mr. President, those items have been cleared on this side, and we are ready to proceed.

Mr. SIMPSON. I thank the minority leader.

APPOINTMENT OF CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 81) to provide for the appointment of Barnabas McHenry as a citizen regent of the Board of Regents of the Smithsonian Institution was considered.

Mr. PELL. Mr. President, I wish to record my enthusiastic support for the appointment of Barnabas McHenry as a citizen regent of the Smithsonian Institution.

Mr. McHenry brings to the task an exceptionally rich background that includes a broad range of cultural activity. Of particular relevance is his active participation in the affairs of the Metropolitan Museum of Art in New York, where he serves on the visiting committees on Egyptian art and on 20th Century art; his service as vice chairman of the Presidential Task Force on Arts and Humanities and as a member of the Commission for Cultural Affairs of the city of New York, to name but a few.

A lawyer by training and a graduate of Princeton University, Mr. McHenry is to my mind an admirable choice for membership on the Smithsonian's Board of Regents. His breadth of vision and depth of experience will surely add new perspectives and insights to the deliberations of the Board. I support the approval of Senate Joint Resolution 81 which provides for his appointment, and urge its prompt adoption by the Senate.

Mr. President, I ask unanimous consent that Mr. McHenry's biographical résumé be printed in the Record at this point.

There being no objection, the résumé was ordered to be printed in the Record, as follows:

Barnabas McHenry

McHenry, Barnabas, publishing company executive, lawyer; born at Harrisburg, Pa., on October 30, 1929; son of William Cecil and Louise (Perkins) McHenry. Married Marie Bannon Jones, December 13, 1952; children: Thomas J. P.; W. H. Davis; John W. H. A.B., Princeton University, 1952; LL.B., Columbia University, 1957. Bar: New York, 1957. Associate at the firm of Lord, Day, & Lord, New York City, 1957–62; general counsel for The Reader's Digest Association, Inc., New York City, 1962-, also director; director, Palaceside Building Corporation, Tokyo. Member, visiting committee on Egyptian art, visiting committee on 20th century art, Metropolitan Museum of Art; member, boards of directors for the Presbyterian Hospital; Boscobel Restoration, Inc., Garrison, New York; High Winds Fund, Inc.; L.A.W. Fund, Inc.; DeWitt Wallace Fund, Inc.; Lakeview Fund, Inc.; Vivian Beaumont Theater; Center for Hudson River Valley; National Corporation Fund for Dance, Inc.; Children's Art Carnival; Reader's Digest Fund for the Blind; Reader's Digest Association, Inc.; trustee, Supreme Court Historical Society; Metropolitan Opera Association; Metropolitan Museum of Art; member, I Tatti Council; Commission for Cultural Affairs of the City of New York; Temporary State Commission on Restoration of the Capitol; trustee, New York Zoological Society; Central Park Conservancy; vice-chairman, Presidential Task Force on the Arts and Humanities; member, boards of directors, Hudson River Foundation for Science and Environmental Research; School of American Ballet. Served with the Army of the United States, 1952–54. Member, American and New York State bar associations; Association of the Bar of the City of New York; American Conservation Association (director); Academie des Beaux-Arts'; Institute de France (correspondent). Clubs: Century, Sky, Racquet and Tennis (N.Y.C.) Home: 164 East 72nd Street, New York, New York 10021. Office: 34th Floor, 200 Park Avenue, New York, New York 10166.

The bill was considered, ordered to be engrossed for a third reading, read the third time and passed; as follows:

S.J. Res. 81

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, caused by the death of William A.M. Burden of New York on October 10, 1984, be filled by the appointment of Barnabas McHenry of New York for the statutory term of six years.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMITTEE TO STUDY AND MAKE RECOMMENDATIONS WITH RESPECT TO A TWO-YEAR BUDGET PROCESS

The resolution (S. Res. 159) to establish a select committee to study and make recommendations with respect to a 2-year budget process, was considered, and agreed to; as follows:

S. Res. 159

Resolved, That (a) there is established, for the duration of the first session of the 99th Congress, a select committee of the Senate to be known as the Select Committee on the Two-Year Budget (hereafter in this resolution referred to as the "select committee"). The select committee shall be composed of twelve members of the Senate, six from the majority party and six from the minority party, to be appointed by the President of the Senate upon the reommendation of the majority leader and the minority leader.

(b) Of the twelve members—

(1) two members shall be from the Committee on the Budget;

(2) two members shall be from the Committee on Rules and Administration;

(3) two members shall be from the Committee on Governmental Affairs;

(4) two members shall be from the Committee on Appropriations; and

(5) four members shall be from the Senate at large.

(c) The select committee shall select a chairman from among its majority members and a cochairman from among its minority members.

SEC. 2. (a) A majority of the members of the select committee shall constitute a quorum for the transaction of business, except tht the select committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(b) Vacancies in the membership of the select committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments are made.

(c) The select committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

(d) Service of a Senator as a member or as chairman of the select committee shall not be taken into account for the purposes of paragraph 4 of rule XXV of the Standing Rules of the Senate.

SEC. 3. (a) It shall be the duty of the select committee to—

(1) study and review legislative proposals to improve the operation of the congressional budget process, including proposals for the two-year budget; and

(2) recommend specific legislation to improve the operation and enforcement of the congressional budget process, including such componens of two-year budgeting which the select committee finds to be desirable and feasible.

In carrying out clause (1) of this subsection, the select committee shall pay particular attention to the need to free the time of senators from unnecessary repetitive operations, to encourage oversight of enacted legislation by committees, to provide stable funding expectations to State and local governments, and to maintain accurate budgetary estimates and assessments of national needs and priorities.

(b) The select committee shall report and make recommendations to the Senate within 180 days after the adoption of this resolution.

SEC. 4. (a) For the purposes of this resolution, the select committee is authorized (1) to employ personnel, (2) to make expenditures from the contingent fund of the Senate, (3) to hold hearings, and (4) to sit and act at any time or place.

(b) With the consent of the chairman and ranking minority members of any other committee of the Senate, the select committee may utilize the facilities and the services of the staff of such other committee of the Senate, or any subcommittee thereof, whenever the chairman and the cochairman of the select committee determines that such action is necessary and appropriate.

SEC. 5. Expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required (1) for the disbursement of salaries of employees of the select committee who are paid at an annual rate, or, (2) for the payment of long-distance telephone calls. Total expenditures for the select committee shall not exceed $300,000.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FUTURE PROBLEM SOLVING PROGRAM WEEK

The joint resolution (S.J. Res. 131) to designate the week of June 2, 1985, through June 8, 1985, as "Future Problem Solving Program Week," was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 131

Whereas we are concerned about our Nation's youth and their interest in the future problems of our country and finding creative approaches to solve those problems; and

Whereas the Future Problem Solving Program, an educational program which combines problems of the future with a multiple tiple step creative problem solving process, has been created and organized in all fifty States of the Union; and

Whereas the program which began as a local program in a Georgia high school, now involves over one hundred thousand elementary and secondary school students nationwide, over eight thousand school districts, and several foreign countries; and

Whereas the Future Problem Solving Program, in addition to teaching problem solving skills, assists students in developing skills in the areas of creative thinking, critical and analytical thinking, communication, research, future studies, and group interrelations; and

Whereas students representing all regions of the United States of America, selected on the basis of the outstanding performance in earlier problem solving competitions, will be assembling to participate in the Future Problem Solving Bowl on June 2, 1985, through June 5, 1985: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of June 2, 1985, through June 8, 1985, is designated as the "Future Problem Solving Program Week", and the President is authorized and requested to issue a proclamation calling upon all Government agencies and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECOGNITION TO THE ACHIEVEMENTS OF JOHN JAMES AUDUBON

The resolution (S. Res. 144) to give special recognition to the achievements of John James Audubon, was considered, and agreed to.

The preamble was agreed to.

The resolution and the preamble, are as follows:

S. RES. 144

Whereas April 26th marks the two-hundredth anniversary of the birth of John James Audubon;

Whereas John James Audubon remains one of the best known and beloved American wildlife artists;

Whereas John James Audubon, as the first artist to portray birds as living, breathing beings and dramatic and dynamic components of a larger environment, made millions of people aware not only of birds but of the wonder and beauty of nature; and

Whereas the work of John James Audubon has inspired and encouraged the conservation of the wildlife resources of the world: Now, therefore, be it

Resolved, That the Senate of the United States gives special recognition to the achievements of John James Audubon and the work he has inspired.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. SIMPSON. Mr. President, after discussion with the minority leader, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar under the following items: Calendar No. 118 and Calendar No. 119.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

Mr. BYRD. Mr. President, reserving the right to object, and I shall not object, I wanted to discuss with these gentlemen some of the problems of the coal industry and other matters, and those conversations have taken place. I think all holds that were on them have been removed. Therefore, I withdraw any reservations.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. SIMPSON. I thank the minority leader.

DEPARTMENT OF ENERGY

The legislative clerk read the nomination of Helmut A. Merklein, of the District of Columbia, to be Administrator of the Energy Information Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Theodore J. Garrish, of Virginia, to be an Assistant Secretary of Energy.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, on April 26, 1985, the Committee on Energy and Natural Resources held a hearing on the nominations of Joseph F. Salgado to be under Secretary of the Department of Energy, J. Michael Farrell to be General Counsel for the Department of Energy, Theodore J. Garrish to be Assistant Secretary for Congressional, Intergovernmental and Public Affairs, and Helmut A. Merklien to be Administrator of the Energy Information Administration.

On May 1, 1985, the Committee on Energy and Natural Resources ordered favorably reported the 4 nominations by a vote of 17–0.

Joseph F. Salgado has been nominated to be Under Secretary of the Department of Energy. He is currently serving as transition coordinator at the Department of Energy for Secretary Herrington. Mr. Salgado previously served as an Associate Director in the White House Presidential Personnel Office, and as an Associate Commissioner for Enforcement at the Department of Justice. He also served as a senior trial attorney and deputy district attorney for Alameda County, CA.

The Under Secretary is one of the principal officers in the Department of Energy. He carries out duties delegated by the Secretary, and he has the primary responsibility for energy conservation, in accordance with an express requirement of the Department of Energy Organization Act. Mr. Salgado's views on his energy conservation responsibilities were described in his statement before the Committee. He stated:

> I believe the Department of Energy has an important role to play in facilitating energy conservation. DOE's research and development programs are essential to providing energy efficient technology options to the market. The results of these programs must be effectively and promptly transferred to the marketplace. In addition, the Department must continue to work cooperatively and effectively with state and local interests in connection with the energy assistance programs mandated by the Congress.

J. Michael Farrell is the President's nominee for General Counsel of the Department of Energy. Mr. Farrell has a professional background that includes several positions in the Federal Government as well as 14 years in private law practice. He has served in the State Department as Legislative Coordinator for the Caribbean Basin Initiative, and in the White House as Deputy Director of the Presidential Personnel Office and as Assistant Counsel in the Office of Counsel to the President.

Theodore J. Garrish has been nominated to be Assistant Secretary for Congressional, Intergovernmental and Public Affairs. Currently, he is Acting Assistant Secretary for that office. Most recently, Mr. Garrish has served as General Counsel at the Department of Energy. Prior to that he was Special Assistant to the Secretary of Energy. He has served at the Department of the Interior in several positions, and he has also worked at the U.S. Consumer Product Safety Commission, the U.S. Office of Consumer Affairs, the White House, the Federal Trade Commission, and the Department of Justice.

As Assistant Secretary, Mr. Garrish would be responsible for developing, managing and coordinating relations between the Department of Energy and Congress, the news media, State and local governmental officials, other Federal agencies, and consumer citizen organizations.

In his testimony before the committee, Mr. Garrish stated that as Assistant Secretary he will work diligently to answer congressional requests in the most prompt and efficient manner possible. He also intends to place particular emphasis on helping committees and individual members to obtain the information needed to draft legislation, providing the necessary department witnesses, and assisting in the drafting of appropriate provisions during the committee process.

Helmut A. Merklein has been nominated as Administrator of the Energy Information Administration. He received a recess appointment on December 31, 1984. Prior to that appointment, he served as Assistant Secretary for International Affairs and Energy Emergencies at DOE.

Dr. Merklein is a former engineer, economist, and educator who holds an MBA degree and a Ph.D. in economics. He has served as dean of the graduate school of management at the University of Dallas, and as a full professor in the department of petroleum engineering at Texas A&M University. Dr. Merklein has also worked for an international energy consulting firm and for a large U.S. oil company as a petroleum engineer.

In his statement before the committee, Dr. Merklein emphasized his commitment to maintaining the independence of the EIA. He stated:

> While EIA is an integral part of the Department of Energy, the Congress created it with a considerable measure of autonomy. The EIA is respected by most energy decisionmakers for its intellectual integrity in producing unbiased energy information. I am fully aware of the Congressional mandate for independence and objectivity, and I intend to uphold that mandate.

Mr. President, each of the four nominees has fully complied with the committee's rules requiring submittal of a financial disclosure report and a detailed information statement. On behalf of the Committee on Energy and Natural Resources, I am pleased that the Senate has confirmed these Presidential nominations.

LEGISLATIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF KENNETH U. BENJAMIN AS DEPUTY SENATE LEGAL COUNSEL

Mr. SIMPSON. Mr. President, on behalf of Senator DOLE, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> A resolution (S. Res. 170) appointing Kenneth U. Benjamin as Deputy Senate Legal Counsel.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. SIMPSON. Mr. President, I move the adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 170) was agreed to, as follows:

> *Resolved,* That the appointment of Kenneth U. Benjamin to be Deputy Senate Legal Counsel made by the President pro tempore of the Senate on May 15, 1985, shall become effective on May 15, 1985, and the term of service of the appointee shall expire at the end of the 100th Congress.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR MONDAY, MAY 20, 1985

ORDER FOR RECESS UNTIL 10 A.M.

Mr. SIMPSON. Mr. President, after conferring with the minority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. on Monday, May 20.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Mr. President, I further ask unanimous consent that following the recognition of the two leaders under the standing order there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators PRESSLER and PROXMIRE.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, I also ask unanimous consent that following the special orders just identified there be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m. with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, following morning business, the Senate will resume consideration of S. 1160, the Department of Defense authorization bill, and for the information of all Senators, it is the intention of the majority leader to convene the Senate for the remainder of next week at 9 a.m. or earlier, depending upon the number of special orders.

Therefore, rollcall votes can be expected prior to the hour of 12 noon each day next week starting on Tuesday, May 21.

Mr. President, I inquire of the minority leader if he has any further business to transact.

Mr. BYRD. Mr. President, I thank the distinguished Republican whip. I have nothing on this side.

RECESS UNTIL 10 A.M., MONDAY, MAY 20, 1985

Mr. SIMPSON. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 10 a.m. on Monday, May 20, 1985.

The motion was agreed to; and, at 3:06 p.m., the Senate recessed until Monday, May 20, 1985, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 17, 1985:

DEPARTMENT OF ENERGY

Helmut A. Merklein, of the District of Columbia, to be Administrator of the Energy Information Administration.

Theodore J. Garrish, of Virginia, to be an Assistant Secretary of Energy (Congressional, Intergovernmental and Public Affairs).

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, May 20, 1985*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Give unto us, O God, the spirit of understanding. We acknowledge that we know so many facts, yet such little wisdom, so much information, and so little discernment. May we be enlightened, O God, by a profound vision of Your world where we see all creation as Your gift to us and Your bountiful love as Your daily blessing. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill and joint resolutions of the following titles in which the concurrence of the House is requested:

S. 1023. An act to extend authorizations for appropriations for the Disaster Relief Act of 1974, and for other purposes;

S.J. Res. 32. Joint resolution to authorize and request the President to designate September 21, 1986, as "Ethnic American Day";

S.J. Res. 40. Joint resolution to designate the month of October 1985 as "National Down Syndrome Month";

S.J. Res. 57. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week"; and

S.J. Res. 108. Joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control.

The message also announced that pursuant to the provisions of sections 1928a–1928d of title 22, United States Code, as amended, the Vice President appoints Mr. GORE as a member of the Senate delegation to the North Atlantic Assembly Spring Meeting to be held in Stuttgart, Germany, May 17–20, 1985.

The message also announced that pursuant to the provisions of sections 276d–276g of title 22, United States Code, as amended, the Vice President appoints Mr. BAUCUS and Mr. HEFLIN as members of the Senate delegation to the Canada-United States Interparliamentary Group during the first session of the 99th Congress, to be held in Niagara-on-the-Lake, Ontario, Canada, on May 17–20, 1985.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
May 17, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, the Clerk received at 10:00 a.m., on Friday, May 17, 1985, the following message from the Secretary of the Senate: that the Senate agrees to the conference report to the Bill H.R. 1869.

With kind regards, I am,
Sincerely,
BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, May 21, 1985.

PERMANENT AUTHORITY FOR FLEXIBLE AND COMPRESSED WORK SCHEDULES

Mr. ACKERMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1534) to convert the temporary authority to allow Federal employees to work on a flexible or compressed schedule under title 5, United States Code, into permanent authority.

The Clerk read as follows:

H.R. 1534

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Federal Employees Flexible and Compressed Work Schedules Act of 1982 (Public Law 97-221; 96 Stat. 234) is repealed.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York [Mr. ACKERMAN] will be recognized for 20 minutes and the gentleman from Georgia [Mr. SWINDALL] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. ACKERMAN].

GENERAL LEAVE

Mr. ACKERMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the H.R. 1534, the bill presently under consideration.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ACKERMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in 1978, Congress originally authorized the Alternative Work Schedules [AWS] Program for 3 years. And in 1982, Congress reauthorized the program for another 3 years. This program is now due to expire on July 23 of this year.

H.R. 1534—which would make permanent the AWS Program—comes to the floor today with the bipartisan sponsorhip of 69 Members, and the unanimous approval of the House Committee on Post Office and Civil Service. In addition, on March 28, the Office of Personnel Management—speaking for the administration—testified that "* * * alternative work schedules have earned a permanent place in the management of the Federal work force." Mr. Speaker, H.R. 1534 would achieve this purpose.

Alternative work schedules include flexitime, which permits employees to stagger their work hours, and compressed schedules which allow employees to work 4-day workweeks. These options provide civil servants with a two-pronged approach to manage their leisure and employment time. It is extremely important for working parents to be able to arrange daycare for their children, and it is important to all employees to integrate their workday with other commitments, such as medical appointments. The alternative schedules that are utilized by employees are negotiated with management.

Earlier this year, the House Post Office and Civil Service Subcommittee on Human Resources held 2 days of hearings on AWS. The witnesses who testified before the subcommittee unanimously proclaimed that AWS should become a permanent fixture of the Federal civil service. Witnesses included representatives of employee organizations, management groups, and Members of Congress. The subcommit-

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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tee also received the results of the Office of Personnel Management Study of Alternative Work Schedules, and the initial findings of the General Accounting Office's inquiry into AWS. Both of these studies were conducted during the later part of 1984, and both concluded that AWS was beneficial to the Federal civil service, and the Federal agencies, as well as to the public.

AWS has a proven track record. It has decreased absenteeism, increased worker productivity, improved employee morale, expanded agency contact with the public, and bettered the effectiveness of Federal agencies—all at absolutely no cost to the American taxpayer.

Mr. Speaker, the Office of Personnel Management study, and the General Accounting Office study, as well as the study conducted by the Subcommittee on Human Resources have confirmed the immense benefits attributed to AWS. And these investigations have conclusively indicated that AWS has had no adverse impact on the mission of Federal agencies.

Mr. Speaker, H.R. 1534 provides that the current temporary authority to implement alternatives to the traditional work schedule be made permanent. The 6-year experiment of AWS has been a stunning success. I do not believe that permanent authorization of the Federal Employees Flexible and Compressed Work Schedules Act should be delayed any longer.

Mr. Speaker, I strongly urge my colleagues to suspend the rules and pass H.R. 1534.

Mr. SWINDALL. Mr. Speaker, I ask unanimous consent that my time be vacated, and that the gentleman from Indiana [Mr. Burton] be given the 20 minutes allotted to me.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I see this alternative work schedule bill as one which helps the Government, and helps Federal workers. I serve on the Human Resources Subcommittee which studied H.R. 1534. For the last 6 years alternative work schedules have been in the testing or temporary phase. There are now some 300,000 Federal workers in almost every agency who have alternative work schedules. This should be a permanent program.

The advantages are better employee morale, more personal freedom, fewer persons traveling during rush hour, longer office hours for service to the public, fewer conflicts with personal or family matters, more flexibility in scheduling for managers, and use as a benefit to attract and retain employees.

There are some disadvantages which are outweighed by the advantages. One disadvantage which still concerns me is the cost from allowing some employees on compressed work schedules to take off more time on holidays than other workers. I estimate that the lost productivity amounts to a cost of about $26 million. Also, there is the question of whether it is fair to treat workers differently by giving some more time off on holidays.

I have not offered an amendment to correct this situation because I am in the minority party. I know that my views are not held by a majority of the Members of the committee. It is truly unfortunate that the majority party does not feel an urgent need to cut spending, and make Government more efficient when we get opportunities like this.

When can we start working together to address the deficit problem? We are swiftly heading down a rapids toward a waterfall. Some of the people in our boat still think that we can go on as we have in the past and never come to that time of crisis. Unless the decisions made in this Congress, both large and small, recognize the deficit problem then we are part of the problem, not part of the solution.

I pointed out a way to make Government more efficient, and still preserve the benefits of this bill. In the future all our legislation should ring out unnecessary costs, and give the taxpayers the most value for their tax dollars. This bill could have been improved. Until Members of Congress show an honest concern in all legislation to cut costs, we are heading for disaster.

□ 1210

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. Wolf].

Mr. WOLF. Mr. Speaker, I rise today in support of the bill to permanently extend the Alternative Work Schedules [AWS] Program. As one of the original sponsors of the flexitime experiment extension in 1982 and as one of the original sponsors of this legislation, I would like to commend the Post Office and Civil Service Committee for its work and the distinguished gentleman, Mr. Ackerman, for moving this legislation through committee.

The AWS Program, also known as flexitime, allows Federal employees to utilize a variety of schedules that vary from the traditional 40-hour, 5-day workweek. For example, workers may use a compressed schedule of 4, 10-hour days or a schedule which allows them to begin work earlier in the morning and leave earlier. This is particularly beneficial for employees with school-aged children.

Because I represent one of the largest constituencies of Federal employees in the country and because one of the largest AWS experimental programs is located in my congressional district, I am keenly aware of the very real benefits this program offers and of the strong support the program enjoys among Federal workers.

The AWS Program has been beneficial to both Federal employees and to the Federal Government. A March 1985 OPM report indicated that many agencies are experiencing increases in productivity as a result of the flexitime program. Service to the public has also been enhanced as some employees are working later hours allowing greater accommodation for an ever-changing American work force. Traffic has been eased by the staggered rush hours that AWS provides and there has been a significant reduction in the number of employees arriving late for work because of traffic jams. Flexitime has helped morale as well. The March 1985 OPM report stated:

> . . . AWS led to increased job satisfaction among employees because of easier commuting, a greater sense of control over their work situation, the ability to schedule appointments on off days rather than use leave, and greater ease in making child-care arrangements.

One of the more attractive features of the AWS Program is that it allows Federal employees to spend more time with their families. For example, under flexitime, it is possible for one parent to be home when a child leaves for school in the morning and another to be home when the child returns from school in the late afternoon.

This program enjoys a broad base of support and was cosponsored by nearly 70 Members of Congress. In addition, this measure is supported by the administration and was unanimously approved by the House Committee on Post Office and Civil Service.

Mr. Speaker, during recent months major changes in the pay and benefits of Federal employees have been proposed which have demoralized the Federal work force. I believe that permanent extension of the AWS Program will help to counter the negative effects these proposals are having.

This program deserves permanent extension. The benefits to the American public, to the Government, and to the Federal employees and their families have been documented. We have an opportunity to do the right thing today and I urge my colleagues to support this measure.

Mr. ACKERMAN. I appreciate the remarks of the gentleman.

Mr. Speaker, I yield 4 minutes to the gentlewoman from Colorado [Mrs. Schroeder].

Mrs. SCHROEDER. Mr. Speaker, the Alternative Work Schedules [AWS] Program has increased employee morale and productivity and has had a positive effect on management, according to the results of a General

Accounting Office [GAO] survey I requested. The key finding is that both supervisors and employees are delighted with AWS.

In April 1984, I requested that the General Accounting Office undertake a review of the use of alternative work schedules in the Federal Government. I did this in anticipation of the upcoming expiration of the AWS authorization in July 1985. Although AWS legislation has been in place since 1978, there had not been a rigorous evaluation of the value and effectiveness of the program.

In one of its largest, most comprehensive survey efforts ever, GAO sent out 2,688 questionnaires to a randomly selected sample of executive branch employees and supervisors throughout the continental United States. With a remarkable 75-percent response rate, GAO obtained a wealth of data with which to assess the benefits and problems of Alternative Work Schedules Program. Although GAO's final review and analysis will not be completed until the end of this month, I am able today to provide some very significant findings based on the replies to the questionnaire.

Where in place, the Alternative Work Schedules Program has proved a demonstrable boon for family life, employee morale, organizational effectiveness, productivity, and quality of work environment. Of Federal employees responding to the particular question, 91 percent support the continuation of the AWS Program; 83 percent say that AWS has a favorable effect on their morale; 71 percent say that AWS has a favorable effect on their job performance; 83 percent say that AWS gives them greater flexibility to meet family obligations; 37 percent say that AWS has increased their work unit's ability to provide direct services to the public, while only 4 percent note a decrease; 49 percent say that AWS increases their work unit's hours of operation, while only 2 percent note a decrease; and 57 percent say that AWS increases their productivity, while only 5 percent say that productivity declines.

Among supervisers responding, 79 percent say that AWS has a favorable effect on their subordinates' morale, with only 4 percent noting an unfavorable effect; 55 percent say that AWS has a favorable effect on their subordinates' sense of responsibility, with only 7 percent noting an unfavorable effect; 58 percent say that AWS has a favorable effect on their satisfaction with their job as superviser, with only 7 percent noting an unfavorable effect; 48 percent say their subordinates' productivity under AWS was increased over what it might have been under a fixed schedule, with only 10 percent stating a decrease; 59 percent say that, on balance, the advantages of AWS outweigh the disadvantages, with only 7 percent saying that the disadvantages outweigh the advantages.

The results of the GAO study confirm that alternative work schedules have achieved important benefits to both the Government and the employee. In addition, the findings refute the claims that AWS will lead to a management disaster. For the most part, supervisers are pleased with AWS and the impact it has had on their employees, their work unit's productivity, and their personal job satisfaction.

In her testimony before the House Human Resources Subcommittee, Ms. Rosslyn S. Kleeman, Associate Director of the General Accounting Office's General Government Division, stated that those problems with AWS cited—difficulty in scheduling meetings, problems in office coverage, and so on—could "be minimized through better management controls. Management can, through better planning or monitoring of the program, assure that the programs are working."

Through its survey, GAO was able to determine that there are approximately 489,000 Federal workers currently on alternative work schedules in the executive branch. This figure points up a most disturbing element of the AWS progams. The former Director of the Office of Personnel Management [OPM] recently testified that there are only 300,000 Government employees covered under AWS—a startling 39 percent discrepancy. Under current law, OPM is charged with overseeing the implementation, administration, and review of the Alternative Work Schedules Program. The fact that OPM is unable even to accurately monitor the size of this program should be an issue of concern and future attention.

I urge Congress to take note of the GAO findings and the strong sentiments of Federal employees and quickly provide permanent authorization for the Alternative Work Schedules Program. In addition, I hope private industry will take note of the proven value of AWS to the Nation's largest employer and implement programs of its own.

Mr. BURTON of Indiana. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. Smith].

Mr. SMITH of New Jersey. Mr. Speaker, I rise in support of H.R. 1534, the Federal Employees Flexible and Compressed Work Schedules Act of 1985.

As I'm sure you know, the civil service has been operating under an experimental program, the Alternative Work Schedule Program, for the past 6 years. During these 6 years, the program has received resounding approval from both agency management officials and employee representatives.

For the employees, flexible and compressed schedules allow greater control over their own lives. Civil servants are better able to schedule their time outside of traditional work period—leaving more time for recreation and an enhanced quality of life. Parents in two-income families are better able to work around their childrens' schedules, and can often arrange for one to be at home before children leave for school and the other when they return.

Flexible schedules, Mr. Speaker, are not to the employees' benefit alone. The Alternative Work Schedule Program has allowed the Federal Government to better serve the public by extending service hours. While extending service hours, surveys by the Office of Personnel [OPM] Management and the General Accounting Office [GAO] show that productivity has also been increased and morale heightened as a result of this program.

Mr. Speaker, flexible time has worked and enjoys overwhelming support from employees, managers, the GAO and OPM. I, therefore, strongly urge my colleagues on both sides of the aisle, as this is indeed a bipartisan issue, to support H.R. 1534 and make flexible and compressed work schedules a permanent part of civil service employment.

Mr. BURTON of Indiana. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ACKERMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. Hoyer].

Mr. HOYER. I thank the gentleman for yielding and congratulate him, the gentleman from Indiana [Mr. Burton], and the members of the committee. Also, I am sorry she has left the floor, but I want to congratulate the gentlewoman from Colorado [Mrs. Schroeder] who for so long served as chairman of the subcommittee from which this bill comes.

I had the opportunity to serve on the Committee on Post Office and Civil Service when I first came to the Congress, and I am, of course, very interested in the rights and benefits of Federal employees.

The alternative work schedule which, as the gentlewoman from Colorado [Mrs. Schroeder] pointed out, was first adopted back in 1978 as a test program, has now become a program which is, obviously, affecting Federal employees positively, as well as the management of our Federal Government.

□ 1220

That is the reason, Mr. Speaker, that I believe the Office of Personnel Management and all of us in the Congress, on a bipartisan basis, are in strong support of this legislation.

I want to say that I believe this legislation is not only beneficial in terms of families, and in terms of individuals being able to construct their schedules positively as it relates to those families, but also because of that flexibility, gives to managers the ability—as the Congressman from New Jersey has so correctly pointed out—the ability to really extend service hours consistent with the alternative work schedules of the employees. I think this is a benefit, certainly, to the citizens that we all serve.

Mr. Speaker, I rise in strong support of this legislation and urge its unanimous approval.

Mr. ACKERMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. Bedell].

Mr. BEDELL. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise at this time to point out a problem that exists in regard to the flexitime scheduling.

First of all, let me say that I am a strong supporter of flexitime. The business that I used to operate, operated with flexitime; I believe it is better for the employees, and better for everyone. The problem exists in that in the past there is a difficulty that I encountered as I made unannounced visits to the agencies.

One of my projects here, when I have free time, is to go down to Washington, and just walk into any old agency and just punch a button on the elevator and start going down the hall and go in to see what is happening at the different agencies. What I found was that under flexitime, as people sign in, they have sheets where people sign in, and they sign out. If the people that are supervising that, leave before the other people, there is no check at all as to whether they signed out at the time they left or whether they left at a different time.

There is an easy way to solve this; the way to solve it is simply that you have seriatim time sheets, wherein the person that arrives signs their name and the time; the next person signs their name and time; the next person signs their name and time, so it is impossible for somebody that arrives after somebody else to come in and say that they arrived at a prior time. The same way when you leave.

We have succeeded in getting the rules and regulations changed that now provide for seriatim time sheets for all agencies that operate under flexitime, which would solve the problem.

The difficulty that occurs is that some of the union contracts that they have with their unions prohibit seriatim time sheets. I would say only that as those contracts are renegotiated, if this is not corrected, I see no choice except for us to pass a law to say that we are requiring seriatim time accounting if we are going to have flexitime.

It requires no extra time; nothing extra to be done. Certainly it is the responsibility of us if we are going to see that people enjoy this great opportunity, that we have an accounting system which will see that the people are actually there for the time they claim are there.

I congratulate the committee for extending flexitime; I am a strong supporter, but I wanted to call this to the attention of the Members.

Mr. ACKERMAN. Mr. Speaker, the gentleman has some legitimate concerns as he has had in the past and raised with the committee and when this bill has come up previously.

The subcommittee will request that OPM look into this and see if we can address those concerns.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. ACKERMAN. I yield to the gentleman.

Mr. BEDELL. They have looked into it, and the regulations now require seriatim time recording. The problem is that some of the union negotiations previously prohibited so they could not overrule those negotiations.

It would be this gentleman's opinion that in the future, in any new negotiations under new contracts should not prohibit seriatim time recording inasmuch as the regulations now say that that is the type of recording we are to have when we have flexitime.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. ACKERMAN. I yield to the gentleman.

Mr. BURTON of Indiana. I thank the gentleman.

As the ranking minority Member on the subcommittee, I think the gentleman has made a great suggestion and we should followup on that. I would suggest to the subcommittee chairman that maybe we could send a letter to those union leaders urging them to incorporate his suggestion in his next union contract, and then if they do not, we can take further action.

Mr. ACKERMAN. The subcommittee will certainly consider that, and we will see if we can sit down with all of the parties concerned on this issue.

● **Ms. OAKAR.** Mr. Speaker, today I rise in strong support of H.R. 1534, a bill to make permanent the temporary authority to allow Federal employees to work on a flexible or compressed work schedule.

Mr. Speaker, my good friend and colleague, Congressman Ackerman, chairman of the Subcommittee on Human Resources of the House Post Office and Civil Service Committee, should be commended for his leadership in moving so expeditiously on this important legislation of which I am very proud to cosponsor.

Mr. Speaker, as you may know, in 1982, Congress authorized the Alternative Work Schedules Program [AWS] for a second 3-year experiment. The program will expire in 2 months—July 23—unless we act to make it permanent.

Studies of the 6-year program have shown that it has been extremely successful. In a survey conducted by the General Accounting Office of 11 executive agencies, the perceptions of the AWS Program were highly positive and the officials who were questioned, with only one exception, favored continuation of the program.

Mr. Speaker, most of the agency officials cited improved employee morale, productivity, decreases in overtime, and tardiness. In general, greater efficiency of operations was realized in those agencies participating in the program. Additionally, a majority of the agencies surveyed felt that the AWS Program has enhanced their ability to serve the public.

The AWS Program has also had positive effects on Government employees. The flexitime and compressed schedules have permitted employees to adjust their schedules to meet individual needs without intruding upon valuable office time.

In particular, parents have benefited from the AWS Program. Both women and men who have either sole or joint responsibility for child-care arrangements cited greater leeway in arranging their home lives and personal schedules as an asset to improved job performance. The compressed schedules allowed employees to conduct necessary family activities while still devoting the same number of hours per week to their jobs. Such flexible schedules make it easier for working parents to enter and stay in the work force, and aid in the recruitment of part-time and handicapped individuals.

Generally, all agency officials surveyed believe employee morale has greatly improved. Employees have more positive attitudes, are more satisfied with their jobs, and are able to devote more time to family and personal interest—all without taking time away from their office duties.

The U.S. Government, as an employer, must recognize the changing nature of American life and the necessity of balancing work and personal lives so both can thrive. Our work force has dramatically changed over the past decade, as has the lifestyle of the American worker. It is important that governmental institutions and employers reflect this change in working practices to maintain an experienced and productive work force.

Mr. Speaker, I firmly believe that the AWS program should be permanently reauthorized and ask all my colleagues to support this important legislation.●

● **Mr. PARRIS.** Mr. Speaker, I strongly support House passage of the Alternative Work Schedule Program [AWS] which allows Federal employees to utilize work schedules that depart from the traditional 5-day, 40 hour workweek. I am an original cosponsor of the legislation being discussed today which permits a variety of arrangements in which fixed times of arrival and departure are replaced by core working hours and expanded arrival and departure times.

This program, Mr. Speaker, has proven to be an outstanding success during its trial period in the Federal Government as well as private industry. There are currently 10 million full-time workers in the private sector who enjoy flexible work schedules. These variations have evolved as a means of coping with social change, particularly the dramatic increase of women in the work force.

Flexible schedules have proven to be of benefit to both employee and employer. There is very convincing evidence that this type of work schedule has increased productivity, reduced the use of sick leave and tardiness, has a very salutory effect on employee morale.

Besides the obvious benefits to Federal employees, the Federal Government and families of Federal workers also benefits from this legislation. During the AWS trial period, the Government experienced greater efficiency in operations and services. Department and agency supervisors, by carefully arranging work shifts, have been able to keep offices open longer, providing an increased service to the public. This legislation also allows workers to gain some control over their daily schedules, permitting them to spend more time with their families. By adjusting their work hours, they can meet their personal needs and preferences and still maintain their commitment to their jobs.

The flexitime program, which has increased Government efficiency through improved employee morale, enjoys wide support among workers and administrators and deserves to be made a permanent option for Federal employers.●

● **Mr. DYMALLY.** Mr. Speaker, as an original cosponsor, I would like to express my support for H.R. 1534, a bill to make the current alternative work schedule experiment in the Federal Government a permanent authority.

As a member of the Post Office and Civil Service Committee, I have been actively involved in the struggle to help Federal employees retain a level of pay and benefits commensurate with the vital services they perform every day for the American people. This year, with budget deficits at the forefront of the national consciousness, the administration has attempted again to slash the salaries and benefits of its own employees, salaries which already lag significantly behind those found in the private sector, according to the President's own pay agent. Morale among the Federal work force is at an all-time low.

That is why I believe it is so important to enact the piece of legislation we have before us today. In the 6 years alternative work schedules have been implemented in the Federal Government, they have been an unqualified success. On this point, Federal employees, managers and the administration are in agreement. Not only have the flexible schedules improved employee morale, but it is highly likely that they have increased productivity and efficiency in Federal offices.

Alternative work schedules were designed to accommodate both the changing structure of the work force and changing values about family and work time. In recent years, women have made up an increasingly large proportion of the work force. Working women often have significant child care responsibilities as well. A traditional 9-to-5 job becomes extremely difficult, if not impossible, to maintain without sacrificing either job performance or family time. Because the realities of today's economy often mandate that both parents work, family becomes the expendable variable. A work schedule that allows parents the flexibility to cope with family emergencies and child priorities is a needed improvement for the changing times.

Furthermore, child care responsibilities are no longer the sole province of women. Both fathers and mothers are involved in all aspects of child-raising. With a flexible work schedule, it becomes possible to coordinate larger blocks of time to spend together as a family. Also, parents can alternate their work times so that at least one parent can be on hand to care for young children at home.

Alternative work schedules have other benefits as well. Employees can control their own schedule and set their own priorities regarding work and leisure time. Appointments can be scheduled without using up sick or leave time. Commuting may be less stressful, as employees arrive at and leave the workplace at offpeak hours. Early or late working hours can provide employees with much needed "quiet time" to concentrate on specific projects.

And the American people benefit as well from a more efficient, more productive, more highly motivated Federal work force. At no cost to the taxpayer, this program is one which should definitely be continued. I urge my colleagues in the House to support H.R. 1534 and continue a highly beneficial program.●

● **Mrs. BYRON.** Mr. Speaker, I rise today in support of H.R. 1534, a bill to permanently extend the authority of Federal agencies to establish the alternative work schedule, or flexitime program, for Federal employees. I am a cosponsor of this legislation because I have been continually impressed with the success of the flexitime program for the past 7 years. It has allowed Federal workers to utilize work schedules which no longer fit into the traditional 5-day, 40-hour workweek structure. It has also increased the morale of those Federal employees who have the flexibility to work schedules more suitable to their needs. And finally: Flexitime has helped reduce the heavy amount of traffic I have to sit in on my commute home to Frederick every evening.

According to the latest census, over 17,000 Federal employees currently reside in my Sixth District of Maryland. I have been approached several times by these constituents who feel that the flexitime program has provided them with the opportunity to work at those times when they are most stimulated and energized by their jobs. This, I think, is what is most worthwhile about the program.

Mr. Speaker, I have always held that good government begins with happy, motivated employees. I feel certain that the flexitime program has made important contributions toward ensuring that our valuable Federal workers remain this way. Therefore, I urge my colleagues to support the passage of this worthwhile legislation. Thank you.●

Mr. ACKERMAN. Mr. Speaker, I have no further requests for time and yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. Ackerman] that the House suspend the rules and pass the bill, H.R. 1534.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill passed.

A motion to reconsider was laid on the table.

VETERANS' COMPENSATION BENEFITS AMENDMENTS OF 1985

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2343) to amend title 38, United States Code, to make certain improvements in veterans' compensation programs, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Compensation Benefits Amendments of 1985".

SEC. 2. VETERANS' ADMINISTRATION REGIONAL OFFICE IN EACH STATE.

(a) In General.—Section 230(a) of title 38, United States Code, is amended to read as follows:

"(a)(1) The Central Office of the Veterans' Administration shall be in the District of Columbia.

"(2)(A) The Administrator shall maintain a regional office in each State. Subject to subparagraph (B) of this paragraph, such offices shall be responsible for processing—

"(i) claims for benefits under chapters 11, 13, and 15 of this title;

(ii) claims for educational benefits or vocational rehabilitation provided under laws administered by the Veterans' Administration;

"(iii) loans under chapter 37 of this title; and

"(iv) applications for assistance under chapter 39 of this title.

"(B) This paragraph does not require the Administrator to provide functions through a regional office in a State other than those functions that were being performed by that office on January 1, 1985.

"(3) The Administrator may establish such other regional offices and field offices within the United States, its Territories, Commonwealths, and possessions as he considers necessary.

"(4) For the purposes of this subsection, the term 'State' means one of the 50 States or the Commonwealth of Puerto Rico.".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1985.

SEC. 3. SPECIAL CONSIDERATION FOR LOSS OF PAIRED EXTREMITIES.

(a) Revision of Section 360.—(1) Section 360 of title 38, United States Code, is amended to read as follows:

§ 360. Special consideration for certain cases of loss of paired organs or extremities

"Where a veteran has suffered—

"(1) blindness in one eye as a result of service connected disability and blindness in the other eye as a result of non-service-connected disability not the result of the veteran's own willful misconduct;

"(2) the loss or loss of use of one kidney as a result of service-connected disability and involvement of the other kidney as a result of non-service-connected disability not the result of the veteran's own willful misconduct;

"(3) total deafness in one ear as a result of service-connected disability and total deafness in the other ear as the result of non-service-connected disability not the result of the veteran's own willful misconduct;

"(4) the loss or loss of use of one hand or one foot as a result of service-connected disability and the loss or loss of use of the other hand or foot as a result of non-service-connected disability not the result of the veteran's own willful misconduct; or

"(5) permanent service-connected disability of one lung, rated 50 percent or more disabling, in combination with a non-service-connected disability of the other lung that is not the result of the veteran's own willful misconduct,

the Administrator shall assign and pay to the veteran the applicable rate of compensation under this chapter as if the combination of disabilities were the result of service-connected disability.".

(2) The item relating to such section in the table of sections at the beginning of chapter 11 of such title is amended to read as follows:

"360. Special consideration for certain cases of loss of paired organs or extremities.".

(b) Conforming Amendment.—Subsection (t) of section 314 of such title is repealed.

(c) Effective Date.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 4. SENSE OF CONGRESS CONCERNING TAXATION OF VETERANS' COMPENSATION.

It is the sense of Congress that payments by the Veterans' Administration to veterans as compensation for service-connected disabilities should remain exempt from Federal income taxation. The President is urged to reject any proposal to tax such payments in connection with any tax reform legislation that the President submits to Congress.

SEC. 5. VETERANS' LIFE INSURANCE PROGRAMS.

(a) Servicemen's Group Life Insurance.—(1) Subsection (a) of section 767 of title 38, United States Code, is amended—

(A) by striking out $35,000" and inserting in lieu thereof "$50,000"; and

(B) by striking out "the amount of $30,000, $25,000, $20,000, $15,000, $10,000 or $5,000" and inserting in lieu thereof "an amount less than $50,000 that is evenly divisible by $10,000".

(2) Subsection (c) of such section is amended by striking out "the amount of" the first place it appears and all that follows through "as the case may be," and inserting in lieu thereof "any amount less than $50,000, he may thereafter be insured under this subchapter in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(3) Subsection (d) of such section is amended—

(A) by striking out "the effective date of this subsection" each place it appears and inserting in lieu thereof "January 1, 1986"; and

(B) by striking out "up to a maximum of $35,000 (in any amount divisible by $5,000)" and inserting in lieu thereof "in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(b) Veteran's Group Life Insurance.—(1) Subsection (a) of section 777 of such title is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "Veterans' Group Life Insurance shall be issued in the amounts specified in section 767(a) of this title. In the case of any individual the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemen's Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 767(b) or 768(a) of this title."; and

(B) by striking out "$35,000" in the second sentence and both places it appears in the last sentence and inserting in lieu thereof "$50,000".

(2) Such section is further amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of the law, members of the Individual Ready Reserve and the Inactive National Guard are eligible to be insured under Veterans' Group Life Insurance. Any such member shall be so insured upon submission of an application in the manner prescribed by the Administrator and the payment of premiums as required under this section.

"(2) Notwithstanding subsection (b)(2) of this section, Veterans' Group Life Insurance coverage under this subsection shall be issued on a renewable five-year term basis, but the person insured must remain a member of the Individual Ready Reserve or Inactive National Guard throughout the period of the insurance in order for the insurance of such person to be renewed.

"(3) For the purposes of this subsection, the terms 'Individual Ready Reserve' and 'Inactive National Guard' have the meaning prescribed by the Administrator in consultation with the Secretary of Defense.".

(c) Effective Date.—The amendments made by this section shall take effect on the first day of the fourth month beginning after the date of the enactment of this Act.

SEC. 6. ACTIVE DUTY STATUS BASED ON ACTIVE GUARD AND RESERVE OR ACTIVE-DUTY SUPPORT STATUS.

(a) In General.—Section 101(22)(C) of title 38, United States Code, is amended by inserting "performed for training purposes under title 10 or" after "full-time duty".

(b) Effective Date.—(1) The amendment made by subsection (a) shall apply with respect to duty performed after September 30, 1985.

(2) A member or former member of the National Guard or Air National Guard in active guard and reserve or active duty support status on the date of the enactment of this Act shall be eligible for benefits under chapter 37 of title 38, United States Code, if the member (or former member) continuously served in such status for 181 days or more before application for such benefits and is otherwise eligible.

SEC. 7. EXTENSION OF AUTHORITY TO OPERATE A REGIONAL OFFICE IN THE REPUBLIC OF THE PHILIPPINES.

Section 230(b) of title 38, United States Code, is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1988".

SEC. 8. DIC RATE FOR SURVIVING SPOUSE OF COMMANDANT OF COAST GUARD.

(a) Equalization With Other Service Chiefs.—Footnote 2 of the table I section 411(a) of title 38, United States Code, is amended by striking out "or Commandant of the Marine Corps," and inserting in lieu thereof "Commandant of the Marine Corps, or Commandant of the Coast Guard,".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1985.

SEC. 9. TECHNICAL AMENDMENTS TO VETERANS' BENEFITS IMPROVEMENT ACT OF 1984.

(a) Amendments to Public Law 98-543.—(1) Section 105 of the Veterans' Benefits Improvement Act of 1984 is amended by striking out "413" and inserting in lieu thereof "413(a)".

(2) Section 111(c)(1)(B) of such Act is amended by striking out "subsection (b)" and inserting in lieu thereof "subsection (c)(1)(B)".

(b) Amendments to Title 38.—(1) Section 524 of title 38, United States Code, is amended—

(A) by striking out "subsection (d)" in subsection (a)(2) and inserting in lieu thereof "subsection (b)";

(B) by striking out "subsection (a)(1)" in subsection (b)(4) and inserting in lieu thereof "subsection (a)"; and

(C) in subsection (c)—

(i) by striking out "Notwithstanding subsection (c) of section 525 of this title, a veteran" and inserting in lieu thereof "A veteran";

(ii) by striking out "subsection (b)" the second place it appears and inserting in lieu thereof "subsection (b)(1)"; and

(iii) by striking out the period and inserting in lieu thereof "without regard to whether the veteran's entitlement to pension is so terminated during the program period".

(2) Section 525(a) of such title is amended by striking out "under section 521 of this title".

(3) The item relating to section 524 in the table of sections at the beginning of chapter 15 is amended by inserting "program of" after "Temporary".

(c) Effective Date.—The amendments made by this section shall take effect as if included in the Veterans' Benefits Improvement Act of 1984 (Public Law 98-543).

The SPEAKER. Is a second demanded?

Mr. BURTON of Indiana. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Mississippi [Mr. Montgomery] will be recognized for 20 minutes and the gentleman from Indiana [Mr. Burton] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. Montgomery].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2343 would amend title 38, United States Code, to provide several benefits that would assist our Nation's veterans. Among other things, the bill would:

First, require the Veterans' Administration to continue to maintain at least one regional office in each State;

Second, increase the maximum insurance for service personnel from $35,000 to $50,000, and extend this coverage to members of the Individual Ready Reserve and the inactive National Guard;

Third, make members of the National Guard eligible for full benefits for active duty authorized for operational support purposes;

Fourth, extend authority for the VA to operate a regional office in the Philippines through September 30, 1988; and

Fifth, express the sense of the Congress that compensation payments made to veterans for service-connected disabilities should continue to be exempt from taxation.

Mr. Speaker, I commend the distinguished gentleman from Ohio [Mr. Applegate], the very able chairman of the Subcommittee on Compensation, Pension and Insurance, for his leadership in bringing this bill to the floor and I now yield such time as he may consume for a more detailed explanation of the bill.

Mr. Speaker, in closing I want to thank the very able ranking minority member of the subcommittee, the gentleman from New York [Mr. Solomon] for his assistance in bringing this bill to the floor.

As usual, the distinguished ranking minority member of the full committee [Mr. Hammerschmidt] has provided outstanding leadership and I want to thank him for all the work he has done on this bill.

Mr. Speaker, according to the Congressional Budget Office this measure would result in expenditures of $2 million in fiscal year 1986, $3 million in fiscal year 1987 and $3 million in 1988. It is a good bill that deserves the support of the House and I urge its adoption.

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Mr. Speaker, I yield such time as he may consume to the chairman of the subcommittee, the gentleman from Ohio [Mr. Applegate].

Mr. APPLEGATE. I thank the gentleman for yielding time to me.

Mr. Speaker, I, too, want to thank Chairman Montgomery for his work and input into this bill and his leadership on the committee, and also the gentleman from Indiana [Mr. Burton], who is filling in for the ranking member, the gentleman from New York [Mr. Solomon], and I certainly want to extend all the compliments to Mr. Solomon for the work that he has put into it and the assistance that he has given to our subcommittee. Without those kinds of cooperative efforts, we would not be here on the floor today with this bill.

Mr. Speaker, the President, in his budget submission for fiscal year 1986, requested funds for a 4.1-percent cost-of-living allowance [COLA] for the service-connected disability compensation and dependency and idemnity [DIC] programs. The increase proposed by the President would become effective December 1, 1985.

In our committee report to the Budget Committee, we agreed with the President's request for the 4.1-percent increase. The House has not, as of this time, agreed to the first concurrent budget resolution. Because we have always made an effort to stay within the fiscal target of the budget resolution, action on a COLA for the compensation and DIC programs will be deferred until the House has acted on the budget resolution.

Mr. Speaker, the bill we bring to you today is a modest bill, costing only $2 million for fiscal year 1986. It does affect a wide range of issues vitally affecting veterans' programs.

Since World War II, the Veterans' Administration has operated a network of regional offices to administer a broad range of veterans' benefits, including disability and death compensation, disability and death pension, educational benefits, vocational rehabilitation training, and the loan guaranty program. At the present time, 58 such regional offices are in operation, including at least one in each of the 50 States as well as in Puerto Rico and the Philippine Islands.

The President, in his budget request for fiscal year 1986, proposed that all adjudication, loan processing, and administrative functions in the 58 regional offices, be consolidated into three central locations over a 3-year period beginning in fiscal year 1986. On the day the President's budget was received, the committee was informed by the Administrator of Veterans' Affairs of the general proposal and that a task force had been established to develop an implementation plan by July 1985.

Current law provides that the Administrator may not in any fiscal year implement a major administrative reorganization such as the President proposed unless the Administrator first submits to the appropriate committees of the Congress a report containing a "detailed plan and justification" for the administrative reorganization. Any such report must be submitted not later than the day on which the President, pursuant to section 1105 of title 31, submits to the Congress the budget for the fiscal year in which the administrative reorganization is to be implemented. No action to carry out such reorganization may be taken after the submission of such report until the first day of such fiscal year.

On February 11, 1985, Chairman Montgomery and Mr. Hammerschmidt, informed the Administrator that the notice in his letter of February 1, 1985, was inadequate since it did not contain, among other things, details as the statute requires. The Administrator responded that the notice was adequate and provided the chairman with an opinion from his Acting General Counsel to that effect.

The Acting General Counsel stated that Congress did not intend to block significant reorganizations so much as to gain time to learn of, and evaluate, such proposed agency actions. I would point out that the Administrator does not plan until late July to inform the committee of the details of his plan which would include the locations of the proposed centralized offices, the number of employees affected, the costs of relocating employees, the savings involved, and a myriad of other factors pertinent to relocation of thousands of employees across the Nation. These are precisely the details that should have been submitted to the committees when the budget for fiscal year 1986 was sent to the Congress. I believe it to be unrealistic to assume that the details of such a move, presented to the Congress just prior to the traditional August recess, would afford the committees and the Congress a reasonable opportunity to enact legislation, should that be the will of the Congress.

The committee received testimony from the veterans' service organizations that consolidation of major adjudication functions would disrupt efficient delivery of benefits and services to veterans and their dependents, would destroy the due process rights of VA claimants, and bring total disarray to the VA benefits system.

The bill we bring to you today would simply require the Administrator to maintain the regional office structure as it existed on January 1, 1985. It would not require him to establish any new office nor would it require the relocation of any functions from one office to another. The committee, in bringing this bill to the floor today, is simply ensuring that the Administrator does not consolidate any regional office functions without affording the Congress an opportunity to exercise its oversight responsibility by evaluating the effect of such a move on the delivery of veterans' benefits in an acceptable manner.

Current law provides that a veteran who loses one eye in service and later loses the other eye from non-service-connected causes is eligible for compensation as if the blindness in both eyes is service-connected. This principle of "paired organ" impairment also covers disabilities involving kidneys and ears. The administration has asked that this principle be extended to veterans who have a severe service-connected disability involving one lung and later develop an unrelated disability of the other lung. This provision is included in the bill we bring you today.

In 1977, the House passed H.R. 6501 which would have added the loss of paired extremities to the "paired organ" provision of the law so that his principle would apply with equal force in the case of a veteran who has suffered both a service-connected and non-service-connected loss of either both upper of lower extremities. The other body would not accept the bill as passed by the House and it was necessary to compromise with a more limited benefit for these cases.

The committee has again reconsidered this proposal, as suggested by the Disabled American Veterans. The Veterans' Administration reports only 64 veterans would benefit from this amendment and the cost would be insignificant. Under this section, the 64 veterans would be entitled to total disability benefits as a result of having the "paired extremity" included along with "paired organs."

Mr. Speaker, compensation benefits have traditionally been exempted from taxation. This exemption has been reflected in the rates of compensation provided by law which take cognizance of their tax-exempt status. The committee is aware that a tax reform proposal under consideration by the administration would abridge this exemption and subject all or part of compensation payments to taxation.

In his State of the Union Message this year, the President said, "one thing that tax reform will not be is a tax increase in disguise." I just want to point out that if such a tax reform package becomes law and does include a provision to tax disability compensation, veterans who have to subsist solely on their compensation payments will begin paying taxes. I do not want to be the one to tell them that this would not be a tax increase.

Mr. Speaker, some people may ask, "What's so special about veterans' compensation?" Well, I want to say here and now that compensation is very special because it represents a paraplegic, a quadriplegic, the loss of limb and the loss of sight, suffered while fighting for our country.

The bill before us has a section which expresses the sense of Congress that veterans' disability compensation should remain exempt from Federal taxation.

The bill would increase the maximum coverage of Servicemen's Group Life Insurance from $35,000 to $50,000 and would, for the first time, extend this coverage to members of the Inactive National Guard and to the Individual Ready Reserve. This program is funded by premiums collected from the individual insureds in our all-volunteer Armed Forces, except the Government is responsible for costs relating to deaths caused by combat.

I would point that last year, the House passed a similar measure but it was not accepted by the other body. The House-passed bill was amended by the other body to limit the increased coverage to servicemembers with 5 or more years service. This limitation was unacceptable to the House. In rejecting their amendment, I informed the House at that time that of the 248 men who lost their lives in Lebanon and Grenada in the tragic events in 1983, there were 198 who had less than 5 years service. Most of them were survived by widows, children, and parents. I feel very strongly that the survivors of a servicemember with less than 5 years service need assistance and protection as much as those with more than 5 years. I hope the other body will reconsider its position on this matter this year because I do not want to try to explian to a widow that because her husband had only 4 years service, his life is not worthy as much as another serviceman with 6 years service.

Mr. Speaker, one provision of the bill would redefine full-time National Guard Service performed for operational purposes so that these individuals would be considered as having performed "active duty," rather than "active duty for training." Those guardsmen who serve limited tours for training purposes are protected for any disability incurred as a result of that training. It is the current practice of the Department of Defense to sometimes order guardsmen to active duty for lengthy periods for operational, support, or recruiting duty. The committee believes these individuals should be considered as serving on active duty rather than a more limited active duty for training category. The principal veterans' benefits that would accrue under this amendment would be loan guaranty and medical benefits in the future on a non-service-connected basis. This proposal is supported by the administration.

Under present law, the Administrator of Veterans' Affairs operates a regional office in the Republic of the Philippines. The authority to operate this office expires September 30, 1985. A section of this bill would extend the authority to maintain this office through September 30, 1988.

The Administrator has advised the committee that he believes the operation of a regional office in the Philippines is the most efficient means of administering the VA programs of compensation, pension, and educational benefits to the thousands of beneficiaries residing in the Philippines. VA reports more than 31,000 beneficiaries in the Republic of the Philippines are in receipt of monthly benefits from the VA.

Last, a provision of this bill would ensure that the surviving spouse of a former Commandant of the Coast Guard who died from service-connected causes would receive DIC at the same rate as now provided to surviving spouses of former chiefs of the other uniformed services. Prior to October 30, 1984, the Commandant of the Coast Guard received the same service pay as those of other flag officers of the Coast Guard. On that date, Public Law 98–557 was enacted and included a provision to increase the Coast Guard Commandant's service pay to the same level as the chiefs of the other uniformed services. Since the DIC rates for surviving spouses are related to the service pay of the veteran, this adjustment in the DIC rates is justified.

Mr. Speaker, while each of the provisions of the bill is meritorious, the Congressional Budget Office advises the first year cost of the bill would only be $2 million. I would point out that $1 million of this is for the continued operation of the regional office in the Philippines and is actually not a new expenditure or an extension of veterans' benefits per se. The remaining provisions, totaling less than $1 million, are significant and needed refinements in benefits provided for those who fought our wars and were disabled as a result of that service. I urge my colleagues to support the bill.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2343. The entire minority membership of the Committee on Veterans' Affairs endorses the Veterans' Compensation Benefits Amendments of 1985. As a member of the Subcommittee on Compensation, Pension and Insurance and as a cosponsor of the measure, I believe its passage would be a significant accomplishment on behalf of America's veterans.

H.R. 2343 would require the Veterans' Administration to maintain a regional office in each State, and would liberalize benefits for veterans who have a service-connected loss of one of certain paired organs and who subsequently lose the second organ.

It would express the sense of the Congress that veterans' service-connected disability compensation should not be taxed, and would increase servicemen's group life insurance and veterans' group life insurance coverage. The increases in coverage would be paid for through the policy premiums and would not entail any cost to the Government, except in the event of war.

H.R. 2343 would define full-time service on active duty by certain National Guard members as active duty for purposes of the Veterans' Administration, and would extend current authority to operate a regional office in the Philippines for 3 more years.

Finally, the bill would equalize the rate of dependency and indemnity compensation paid to the widow of the former Coast Guard Commandant with that paid to other widows of service chiefs.

None of the bill's provisions would entail significant new costs to the Government, and they are all in keeping with the need for fiscal restraint.

All of these provisions deserve favorable action, but I especially want to comment on keeping the VA's regional offices open and the resolution against taxing veterans' disability compensation.

The proposal to consolidate the VA's 58 regional offices into just three offices is one that is truly ill-advised. Consolidation should not be done for the following basic reasons: First, the consolidation would mean a serious reduction in the quality and availability of regional office services to veterans.

Second, the VA has no idea where it would put the three offices which would be left.

Third, the VA predicates the consolidation on non-existent improvements in automated data processing for which it has no specific plans.

Fourth, the VA has not adequately taken into account the enormous administrative and personnel costs of consolidation.

And, fifth, the VA's proposed consolidation could not in any event legally be accomplished in fiscal year 1986, because the United States Code requires that, prior to the submission to Congress of the budget for the fiscal year in which the reorganization is to be accomplished, the VA must submit to the Congress a detailed plan of reorganization. This proposed consolidation was a bad idea in 1981, and it is a bad idea now.

It is important to note that this bill would not require the VA to change or expand the services offered by the existing regional offices. We should act on this measure is order to prevent the VA from rushing headlong into a unwise action which will hurt our Nation's veterans.

Taxation of veterans' disability compensation is not a proposal before this body, and it never should be. Evidently, this tax has been studied at the Department of the Treasury. Hopefully, Secretary Baker will not propose it to the President. Such a tax is more than ill-advised; it is unthinkable. It would be nothing less than a slap in the face to veterans who have sacrificed their arms, legs, and sight because they loved and served their country. Our resolution would be an unmistakable message to the entire country that any proposal for taxation of veterans' disability compensation is unworthy of consideration by the Congress.

I want to pay a well-deserved tribute to Mr. Montgomery, the chairman of the Veterans' Affairs Committee, for the outstanding job he has done in bringing this legislation through the committee and to the floor.

Also, I would be remiss if I did not commend Mr. Applegate, chairman of the Subcommittee on Compensation, Pension and Insurance, Mr. Hammerschmidt, the committee's ranking member, and Mr. Solomon, the subcommittee's ranking member, for their invaluable work in the formulation of this bill.

At each stage, this bill has had unanimous support from every member of the committee. I don't know what better recommendation it could have.

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Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to reiterate again what the chairman of the subcommittee, the gentleman from Ohio [Mr. Applegate], has said and also what the gentleman from Indiana [Mr. Burton] has said. This is an excellent bill. It is low-cost, and it would certainly help the veterans and their dependents.

I would like to point out, Mr. Speaker, that we have summaries of the three bills that the Committee on Veterans' Affairs will bring up today. They are at the Democratic desk, and if any Members would like summaries of these bills, they can come by the Democratic desk and pick them up. They are the blue sheets at the desk.

● Mr. LEATH of Texas. Mr. Speaker, I am most pleased to speak in support of H.R. 2343. I want to congratulate Chairman Montgomery and his fine committee for moving so expeditiously on this legislation.

I strongly support all of the provisions of this bill, especially the sections expressing the sense of the Congress that veterans' disability compensation should not be subject to taxation by the Internal Revenue Service and which would require the VA to keep at least one regional office in each State to handle veterans claims and home loan applications.

In 1981, the present administration proposed to consolidate the regional office functions into three locations. We soundly rejected it at that time as a bad idea. I sponsored legislation, which was enacted in 1981 that requires the Administrator of Veterans' Affairs to submit to the Congress, along with the budget proposal, a detailed plan and timetable for any major reorganization. We did not receive any plan with the fiscal year 1988 budget but the VA did tell us they were making such plans and would share them with us in July.

Since they obviously have no intention of complying with the requirement of giving us detailed plans in sufficient time to hold oversight hearings and evaluate the results of such a consolidation before they actually begin, I introduced H.R. 1568 which would end once and for all their plans to consolidate. My bill is now included as section 2 of H.R. 2343 which is before us at this time. This proposed amendment would simply require the VA to maintain a network of regional offices so that each State would have the same adjudication and loan processing activity continued as they existed on January 1, 1985.

I feel very strongly on this issue and I am not going to stand by and watch the VA's mission be undermined by such a totally ridiculous reorganization. Veterans are entitled to have reasonable access to their claims records and to have personal hearings without having to travel hundreds or thousands of miles for that purpose. I would also point out that such a consolidation would involve relocation of several thousand employees; severancy pay or early retirement of employees terminated; facility closures; equipment transportation and/or procurement; and training of new personnel estimated to cost tens of millions of dollars which have not been included in the President's proposed budget.

I urge my colleagues to support H.R. 2343.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of H.R. 2343, the Veterans' Compensation Benefits Amendments of 1985. This measure, of which I am a cosponsor as ranking member of the Veterans' Affairs Committee, has provisions important to all veterans.

The Veterans Administration is proposing to reduce in fiscal year 1986 the number of its regional offices from 58 to 3. The VA made a similar proposal in 1981, which I opposed. This proposal found no support then. The VA is attempting to revive the proposal as a way of saving money. However, I believe the regional office consolidation would be a monumental and costly mistake. The VA really has no plan for consolidation and could not have such a consolidation in fiscal year 1986 as a practical matter, assuming the idea had merit. Even if the consolidation could achieve the claimed savings, which is very doubtful, the cost to veterans in lost services would far exceed any savings. I fully support the requirements of H.R. 2343 that the VA maintain a regional office in every State. The misguided VA attempt to close nearly all of its regional offices should be stopped decisively.

Few issues come to mind which have given our country's veterans more concern than the spectre that compensation for service-connected disabilities might be taxed. A tax on disability compensation would strike at the very heart of our Nation's obligation to the men and women who have answered its call to defend freedom and democracy around the world. The tax idea was raised by individuals in the Department of the Treasury who have no real understanding of the nature of veterans' disability compensation.

The idea has absolutely no support in this body, and I am very hopeful that Secretary Baker will see to it that no formal proposal to tax veterans' disability compensation ever becomes part of the President's proposal on tax reform. The sense of the Congress resolution in H.R. 2343 will put every Member clearly on record as being unalterably opposed to any taxation of veterans' disability compensation.

This measure would give a welcome increase to update coverage for Servicemen's Group Life Insurance and Veterans Group Life Insurance. Both programs are financed by policy payments at no cost to the taxpayer, except in wartime.

Full-time service on active duty by certain National Guard members would be active duty for VA purposes, under this measure. Moreover, VA authority to operate a regional office in the Philippines would be extended throughout fiscal year 1988, and the rate of dependency and indemnity compensation which the former Coast Guard Commandant's widow receives would be raised to the same level as is paid to other service Chief's widows.

I congratulate my good friend and colleague, Mr. Montgomery, chairman of the Committee on Veterans' Affairs, on H.R. 2343. I count it a privilege to be the ranking member on the committee which he chairs. Mr. Applegate, chairman of the subcommittee, and Mr. Solomon, ranking member of the subcommittee, also deserve congratulations on this measure. Its passage is important to America's veterans. I urge each of my colleagues to vote favorably on it.

Thank you, Mr. Speaker.●

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BURTON of Indiana. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. Gray of Illinois). The question is on the motion offered by the gentleman from Mississippi [Mr. Montgomery] that the House suspend the rules and pass the bill, H.R. 2343, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter on the bill, H.R. 2343.

Also, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 2344 and H.R. 1408.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

VETERANS' HOUSING AND MEMORIAL AFFAIRS AMENDMENTS OF 1985

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2344) to amend title 38, United States Code, to make improvements in the National Cemetery System and in the Veterans' Administration program that provides assistance to certain disabled veterans in acquiring specially adapted residences, and to express the sense of Congress with respect to the Veterans' Administration home loan origination fee.

The Clerk read as follows:

H.R. 2344

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Housing and Memorial Affairs Amendments of 1985".

SEC. 2. ORDERLY EXPANSION OF THE NATIONAL CEMETERY SYSTEM.

(a) Annual Report.—Section 1000 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(c) Not later than July 1 of each year, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the construction and expansion of national cemeteries. Each report shall include—

"(1) a five-year plan for the construction and expansion of the National Cemetery System;

"(2) a list, in order of priority, of the 10 geographic areas in the United States in which the need for additional burial space for veterans is greatest;

"(3) an assessment of the desirability and feasibility of acquiring existing State cemeteries in the geographic areas included on the list; and

"(4) general plans (including projected costs, site location, and, if appropriate, necessary land acquisition) for each cemetery or proposed cemetery included in the five-year plan and general plans for the expansion of the National Cemetery System in each geographic area included on the list.".

"(b) Submission of First Report.—The first report under section 1000(c) of title 38, United States Code, as added by subsection (a), shall be submitted not later than July 1, 1985, or the end of the 30-day period beginning on the date of the enactment of this Act, whichever is later.

SEC. 3. GRAVE MARKERS.

(a) In General.—Section 1004(c) of title 38, United States Code, is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following:

"(2) Each such marker shall be upright, except that, if the person buried (or the survivor or legal representative of the person buried) has requested that the grave be marked with a flat marker, the person shall be buried in a cemetery section set aside for graves marked with flat markers and a flat marker shall be used.".

(b) Effective Date and Transition Rules.—(1) The amendments made by subsection (a) shall apply with respect to markers for the graves of persons who die after September 30, 1985.

(2) During the period beginning on October 1, 1985, and ending on December 31, 1985, the Administrator of Veterans' Affairs—

(A) may waive the applicability of section 1004(c)(2) of title 38, United States Code, as added by subsection (a), in the case of the grave of a person to be buried during such period in a cemetery in which there is no section set aside for graves with upright markers; and

(B) may deny a request under section 1004(c)(2) of title 38, United States Code, as added by subsection (a), that the grave of a person to be buried in a national cemetery be marked with a flat marker if the denial is for the reason that in the cemetery in which the burial is to take place there is no section set aside for graves with flat markers.

(3) Not later than January 1, 1986, the Administrator of Veterans' Affairs shall designate for each cemetery in the National Cemetery System a section in which graves shall be marked with upright markers and a section in which graves shall be marked with flat markers.

SEC. 4. ESTABLISHMENT OF A NATIONAL CEMETERY.

(a) In General.—Subject to the conveyance to the United States of the land described in subsection (b), the Administrator of Veterans' Affairs shall establish a national cemetery in Merced County, California, on that land.

(b) Acceptance of Land.—The Administrator is authorized to accept from the Romero Ranch Company, a California corporation, a tract of land consisting of 350 acres, more or less, located in Merced County, California, if donated to the United States by the Romero Ranch Company for the purposes of the establishment of a national cemetery. The exact acreage and legal description of the land to be conveyed shall be determined by the Administrator and the company.

(c) Administration.—A national cemetery established under this section shall become part of the National Cemetery System and shall be administered under chapter 24 of title 38, United States Code.

SEC. 5. ASSISTANCE TO CERTAIN DISABLED VETERANS IN ACQUIRING HOUSING WITH SPECIAL FEATURES ALREADY IN PLACE.

(a) In General.—Section 801(b)(1) of title 38, United States Code, is amended by inserting before the period at the end the following: "or in acquiring a residence already adapted with special features determined by the Administrator to be reasonably necessary for the veteran by reason of the veteran's disability".

(b) Amount of Grant.—Section 802(b)(1) of such title is amended by striking out "cost" and inserting in lieu thereof "cost, or, in the case of a veteran acquiring a residence already adapted with special features, the fair market value,".

(c) Effective Date.—The amendments made by this section shall apply with respect to residences acquired after September 30, 1985.

SEC. 6. HOME LOAN ORIGINATION FEE.

(a) Findings.—The Congress finds that—

(1) the Veterans' Administration home loan guaranty program, which assists veterans in becoming homeowners, was established in recognition of veterans' service to the Nation;

(2) in establishing that program, Congress had no intention that the program serve as a means to achieve any Federal economic objective;

(3) the program has achieved its purpose of enabling veterans to obtain homes and has done so at the lowest possible cost to Federal taxpayers;

(4) the program is widely used by veterans seeking to buy their first home;

(5) the existing one-percent origination fee for Veterans' Administration home loan guarantees is designed to offset the costs of the program;

(6) the fivefold increase in the Veterans' Administration home loan origination fee proposed in the President's budget for fiscal year 1986 would, if enacted, have a serious detrimental effect on the ability of veterans to obtain loans for housing and would discourage homeownership; and

(7) this proposed increase in the origination fee is actually a disguised tax on home buying veterans.

(b) Sense of Congress.—It is, therefore, the sense of the Congress that—

(1) the Veterans' Administration loan origination fee should remain at its present level of one percent of the amount of the loan guaranteed; and

(2) the President should review the level of funding necessary to support the Veterans' Administration home loan guaranty program and, if additional funding for the program is required, should submit an amended budget request recommending additional appropriations for the program.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi [Mr. Montgomery] will be recognized for 20 minutes and the gentleman from New Jersey [Mr. Smith] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. Montgomery].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2344 would, among other things:

First, provide for the orderly expansion of the National Cemetery System;

Second, require that upright grave-markers be placed in national cemeteries unless the family requests a flat marker;

Third, establish a new national cemetery to be located in Merced County in northern California, the 350 acres will be donated to the Veterans' Administration; and

Fourth, express the sense of the Congress that the 1 percent loan fee paid by veterans for a VA home loan should not be increased to 5 percent as proposed by the administration.

Mr. Speaker, I want to thank the distinguished gentleman from Alabama, the very able chairman of our subcommittee on Housing and Memorial Affairs, Mr. Shelby, for his outstanding leadership in bringing this measure to the floor today.

Mr. Speaker, I want to thank the distinguished gentleman from New Jersey, the ranking minority member of the subcommittee, Mr. Smith, for the cooperation he has displayed and the work he has done on this bill.

I also want to compliment the very able ranking minority member of the full committee, the gentleman from Arkansas, Mr. Hammerschmidt, for his usual cooperation and hard work.

Mr. Speaker, this is a good bill. It is not costly. According to the Congressional Budget Office the cost of the bill, if fully implemented, would be $3 million in 1986, $4 million in 1987, and $4 million in 1988.

I urge the adoption of the bill.

Mr. Speaker, it is now a pleasure for me to yield as much time as he would like to use to the distinguished gentleman from Alabama [Mr. Shelby].

Mr. SHELBY. Mr. Speaker, the committee bill, H.R. 2344, is a modestly priced measure which makes necessary and vital improvements to the national cemetery system and enhances the Veterans' Administration specially adapted housing program.

First, it would expand the national cemetery system on an orderly basis. It requires the Veterans' Administration to submit on July 1, 1985, and yearly thereafter, a 5-year plan for the construction and expansion of the national cemetery system; a list, in order of priority, of the 10 geographic areas in the United States in which the need for additional burial space for veterans is greatest; and general plans and projected costs for each cemetery or proposed cemetery.

Mr. Speaker Public Law 93-43, which established the national cemetery system within the Veterans' Administration, offered virtually no direction regarding the structure of the national cemetery system but rather allowed for determination of the system structure at a later time, based on the recommendations of a 1974 VA study; and subsequently, the regional cemetery concept comprised of 10 standard Federal regions was adopted as an interim method of system expansion.

Since 1973, under the regional cemetery concept, the VA has designated eight new national cemetery sites. Six of these, Calverton, Long Island, New York; Riverside, CA: Bourne, MA; Fort Custer, MI; Indiantown Gap, PA; and Quantico, VA are open for burials. The other two, Fort Mitchell, AL, and Withlacoochee, FL, are expected to open between 1986 and 1987. In fiscal year 1981, the two-acre Fort Meade, SD, cemetery was transferred to the system.

At the end of fiscal year 1984, the system consisted of 109 operating cemeteries on approximately 9,000 acres of land. The 32 miscellaneous burial plots and monuments constitute about 20 acres.

Of the 109 operative national cemeteries, 51 are in closed status. Although the remaining 58 have ample gravesite resources, they are not appropriately located or distributed to effectively meet veterans' present or future burial needs. This is largely due to the evolutionary development of the system over more than 100 years. As many cemeteries were established immediately after the Civil War and some time thereafter, their size, scope, and location have no relationship to the needs of today's veteran population.

Interments in national cemeteries have generally increased each year since establishment; and during the next 15 years, as the peak period of demand approached, veteran deaths in the Nation will continue to increase annually, while unoccupied gravesites in the national cemetery system will be greatly reduced and scattered in location. The projected peak period is estimated at between the years 2000 and 2015, at which time the age 65 and over veteran group will increase from its present level of about 4 million to about 9 million individuals.

Although regional cemeteries were considered at the time to be the best method of expansion to meet immediate needs, in retrospect they did not provide for meeting the known needs of the veteran population as a whole. Standard Federal regions are comprised of a number of States. Standard Federal region No. 10, for example, consists of 815,945 square miles.

Mr. Speaker, regional cemeteries do not provide adequate service to an entire standard Federal region. Statistics indicate that veterans and their dependents prefer to be buried within a 50-mile radius from their homes.

Presently, about 9.5 million veterans or about 34 percent of the estimated 28 million living veterans reside within 50 miles of an open national cemetery. This means that 66 percent or 18.5 million veterans remain unserved by an open national cemetery.

Proposals have been received by the committee to establish a national cemetery in every State. In light of the present budgetary atmosphere and in the interest of good management, the committee does not believe this to be the best route for expansion. Rather, future expansion should provide for maximum usage. The committee therefore believes that the most equitable method for expansion is at selected locations with concentrated veteran populations. As an example, 1.2 million veterans reside in northern California. A national cemetery in that area would obviously be well utilized.

Mr. Speaker, the bill also contains a provision to require the Administrator to assess the desirability and feasibility of acquiring existing State veterans' cemeteries in the geographic areas included in the VA's yearly report. One of the 10 areas in the country identified with a heavy veteran population is Phoenix, AZ, where a State veterans' cemetery has been in existence since 1978. It is the most utilized State veterans' cemetery in the country. The committee has been advised that Arizona has the highest percentage of senior citizens moving into a State. Under the bill, the VA could determine whether or not it would be in the best interests of the Federal Government to establish and operate a national cemetery in Phoenix.

The committee believes that this provision of the reported bill requiring a 10-area breakdown of heavy veteran migration centers provides for an extremely efficient method of cemetery expansion. It follows proven management practices used in private industry known as the "establishment by need" concept where outlets for goods and services are established for optimum access by users.

Second, the bill would require that new grave markers in national cemeteries be upright except in specific instances where flat markers are requested by either the veteran or the survivors of the veteran.

In 1976, based upon a recommendation from the Advisory Committee on Memorial Affairs, the Veterans' Administration adopted a policy to install flat markers in regional cemeteries. On March 1, 1982, DMA circular 40–82–01 expanded this policy to include existing national cemeteries. Currently, 70 percent of all markers being placed in national cemeteries are flat.

One of the reasons the committee believes that the Veterans' Administration should revert to upright grave markers is because of the difficulty encountered by family members in locating flat grave markers in the snowbelt areas. Flat markers are not visible for long periods of time in areas subject to heavy snowfalls.

Additionally, flat markers constitute a parklike atmosphere rather than the traditional symbolic soldiers' formation represented by upright markers. As national cemeteries commemorate the sacrifices of those who served, instituting an upright headstone policy will serve to enhance the dignity and beauty traditionally associated with our national cemeteries.

Mr. Speaker, it is not the committee's intention to restrict a veteran or his family to a particular type of grave marker. Provision, therefore, has been made to accord a choice by designating certain portions of national cemeteries for use of flat markers so that the families who prefer flat markers will have the right to select one. This provision passed the House last year, but was not acted upon by the Senate. Hopefully, we can move it all the way through this year.

In order to maintain conformity in our national cemeteries, the Administrator has been given 90 days after the effective date of this provision (October 1, 1985) in which to designate separate sections for flat and upright markers. During this period of time, the Administrator shall have discretionary authority to deny placement of either an upright or flat gravemarker if such denial is for the reason that in the cemetery in which the burial is to take place there is no section set aside for the specific type of gravemarker requested.

Third, the bill would establish a cemetery in Merced County, CA. The Veterans' Administration has identified northern California as the area in the country most in need of a national cemetery as 1.2 million of California's veterans reside in the northern part of the State. There has been too much delay in establishing a cemetery in this heavily populated area and this bill would authorize the Administrator to accept 350 acres of land which is available at no cost to the Government.

Nationally, California ranks first in veteran population with almost 3 million veterans. This represents 10.6 percent of total veteran population. In order of magnitude, northern California has been identified as the area of the country most in need of a national cemetery because 1.2 million of California's total veterans population live in the northern part of the State. The closest national cemetery open for full-casket burials is at Riverside, CA, which is more than 400 miles south of the major population centers of San Francisco and Sacramento.

Under longstanding policy, the Veterans' Administration will consider land only if it is available through donation or through transfer from excess Federal property, and if it meets the criteria for cemetery purposes. Another critical factor is proximity to centers of veteran population. This policy was reiterated at a March 14, 1985, hearing before the Subcommittee on Housing and Memorial Affairs.

Since 1983, the Veterans' Administration has conducted numerous site inspections in northern California, including Beale Air Force Base, Dixon U.S. Naval Transmitter Facility, Hamilton Reserve Air Force Base, Alameda U.S. Naval Air Station, Oak Knoll U.S. Naval Hospital, Camp Parks, Moffett Naval Air Station, Stockton U.S. Naval Communication Station, and the U.S. Naval Ammunition Storage Facility in Concord. The Veterans' Administration also contacted the county of Alameda to see if they could acquire 400 acres near the Camp Parks site which had previously been donated to the county by the Department of the Army. The county land was not available.

In 1984, the Agency advised us that it had narrowed its consideration to two sites—a 150-acre tract of land at the Camp Parks reserve forces training area in Dublin, and a 350- to 400-acre parcel privately owned in Merced County near the San Luis Reservoir which is available at no cost to the Government.

The Veterans' Administration stated that Camp Parks, which is located in the San Frnacisco Bay area, was their primary choice since 36.8 percent of the northern California veteran population resided within a 50- to 100-mile radius of the Camp Parks site.

The committee, however, is aware of several problems associated with this site.

First, many segments of the community are opposed to the establishment of a national cemetery on the Camp Parks location.

Second, the land has not yet been declared surplus. Even if excessed to the Department of Defense's needs, it is not certain the land would go to the Veterans' Administration since others are interested in acquiring the property.

Third, 150 acres is not adequate to establish a regional cemetery of the magnitude needed in northern Calfornia.

Fourth, current Federal property management regulations require Federal agencies to pay the General Services Administration the fair market value of excessed Government property. According to recent estimates, the 150-acre tract of land at Camp Parks is valued between $20–$35 million.

Mr. Speaker, there is a critical need to establish a cemetery in northern California. Although the Veterans' Administration states that the Los Banos site is not as convenient to the downtown San Francisco area as the Camp Parks site, the committee recommends that the Administrator move to establish a national cemetery in Merced County. There has been too much delay in establishing a cemetery in this most populous region in our country. The committee believes the Veterans' Administration must move with an alternate site. There are no assurances that the problems facing the Camp Parks site will be resolved in a timely manner, and this alternate site with substantially larger acreage is available immediately at no cost to the Government.

At a time when the administration and the Congress is considering reductions in veterans' health care, freezing cost-of-living increases in veterans' benefits and increasing loan origination fees to raise revenues, the committee adamantly opposes the Veterans' Administration paying for land which the Department of Defense declares excess to its needs.

The Merced County site was recommended by the Veterans' Administration as the second best location, and there are some who would suggest it is superior, although there is currently a smaller veteran population in the immediate Los Banos area. It is the committee's understanding, however, that the population centers are expanding southward. The center for continuing study of the California economy in Palo Alto, CA, has determined that, among large cities in California, San Jose, which is located approximately 89 miles away from Los Banos, ranks third in total population growth since 1980. Additionally, this site is convenient to Fresno and Modesto, which were ranked fourth and eighth in terms of population growth since 1980.

The legislature of the State of California adopted a resolution in behalf of the Los Banos site. In addition, the California Department of Veterans Council has endorsed this selection.

The fiscal year 1986 budget allocates $6 million for land acquisition costs for the establishment of a national cemetery in northern California. The committee recommended in its budget report to the Budget Committee on March 15, 1985, that these funds be used in conjunction with the development of land and other such planning costs as may be necessary for the establishment of such cemetery in Merced County.

Fourth, this bill would authorize service-connected disabled veterans entitled to the $6,000 specially adapted housing grant to acquire a suitable housing unit with specially adapted modifications already in place and to be reimbursed for the fair market value of such adaptions.

Mr. Speaker, the purpose of the specially adapted housing grants is to assist certain veterans whose service-connected disabilities are such as to require specially adapted housing facilities.

Under current law, there are two types of specially adapted housing grants payable by the Veterans' Administration—one up to $35,500 for veterans who are essentially so disabled by their service-connected disabilities that they are precluded from locomotion without resort to a wheelchair, and one up to $6,000 for veterans who are not as severely disabled but also require special modifications to their homes. Unlike service-connected veterans who are eligible for the larger grant, however, this other category of deserving service-connected disabled veterans cannot use it to acquire a suitable home which already has the necessary modifications. This bill corrects the discrepancy between the two programs and treats them equally.

Mr. Speaker, the last item in this bill is a provision expressing the sense of the resolution that the 1-percent VA home loan origination fee not be increased.

The fiscal year 1986 budget proposes to increase the VA home loan origination fee from 1 to 5 percent of the mortgage principal.

Mr. Speaker, the implementation of a 5-percent-user fee would result in veterans being charged an average amount of $3,000 for the privilege of using the program. This would negate the beneficial aspects of the no-downpayment feature of the program and could effectively destroy it. In essence, this could be considered as a downpayment requirement without giving the veteran the benefit of reducing the principal on his mortgage—in other words a selective tax burden on home buying veterans. If the increased origination fee was added to the mortgage principal and financed, the Congressional Budget Office estimates that there would be a subsequent increase in the VA home loan foreclosure rate. This would result not only because of increased monthly mortgage payments, but because of the longer length of time necessary to build up property equity. Initially, the Veterans' Administration would be guaranteeing a loan for a larger amount than the property value.

The committee is very concerned about this proposed change. The VA Administrator, himself, characterizes his endorsement as "reluctant" and urges caution. Other VA officials have stated that a 5-percent fee could reduce loan originations by as much as 50 percent. Additionally, the Congressional Budget Office projected that outlays in 1990 could actually be higher than under the existing program were this fee to be imposed.

At a March 5, 1985, hearing before the Subcommittee on Housing and Memorial Affairs, the National Association of Realtors calculated that the proposed reduction in loan originations as a result of the fee increase would create a larger dollar loss upon the gross national product than the projected revenue gains. Additionally, the president of the Mortgage Bankers Association stated that his bank would no longer offer VA guaranteed home loans were the administration proposal to be enacted.

Accordingly, the committee recommended to the House Budget Committee on March 15, 1985, that the VA Home Loan Guaranty Program remain at ongoing levels and that the 1-percent user fee be retained.

Mr. Speaker, the Congressional Budget Office states that the revenue is not needed to maintain the solvency of the loan guaranty revolving fund. Additionally, the committee is of the firm opinion that the imposition of a larger fee would only serve to raise general revenues at the expense of our homebuying veterans—in particular, Vietnam era veterans who account for 43.6 percent of all VA guaranteed home loans. It should also be emphasized that this discriminatory tax would eliminate a substantial number of potential veteran homebuyers from participating in the VA Home Loan Guaranty Program. According to the Congressional Budget Office, a phased-in rate of 3.8 percent by 1990 could result in 141,250 fewer veterans from using their VA entitlement to purchase a home over that period of time.

This sense of the Congress resolution reaffirms the committee's strong opposition to the administration's proposal.

Mr. Speaker, this is not an expensive bill, but it is important. The Congressional Budget Office has estimated its first year cost at $3 million. I urge that its provisions be adopted.

I would like to extend my thanks to the chairman of the full committee, the Honorable G.V. (Sonny) Montgomery of Mississippi for his leadership in moving so quickly on this legislation. I also wish to express my appreciation to the ranking minority member of the subcommitte, the most

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capable Member from New Jersey, Mr. CHRIS SMITH, and to convey my gratitude to the distinguished gentleman from Arkansas, the ranking minority member of the full committee, Mr. JOHN PAUL HAMMERSCHMIDT.

There follows a brief history of VA guaranteed home loan origination fees:

In 1966, Congress approved the Veterans' Readjustment Benefits Act of 1966, better known as the cold war GI bill. This act, among other things, made servicemen and post-Korean veterans, persons who had served in active duty in the Armed Forces after January 31, 1955, eligible for VA guaranteed home and farm loans and direct loans. Although the loan benefits for post-Korean veterans and servicemen were similar in type to those available for World War II, and Korean veterans, there was one noticeable difference. Unlike the loans available to World War II and Korean veterans, the post-Korean loan program was subject to a one-time funding fee in the sum of one-half of 1 percent of the loan. In other words, the funding fee requirement was imposed by Public Law 89-358, in the interests of distinguishing between the "hot war" veterans of World War II and the Korean conflict and the "cold war" veterans of service after January 31, 1955.

The elimination of charging a funding fee to post-Korean veterans through the enactment of Public Law 91-506 on October 23, 1970, was a change rendered inevitable by events in Southeast Asia since 1965.

The President's fiscal year 1983 budget contained a proposal to reinstate the one-half percent loan processing fee for all loans guaranteed, insured or made by the VA. However, instead of the revenues being deposited into the loan guaranty revolving fund as had been done previously, the fees would be deposited in the Treasury as miscellaneous receipts and credited as general offsets to the Veterans' Administration.

The committee did not oppose the proposed legislation. However, it felt that three amendments were necessary:

First, deposit the fees into the VA loan guaranty revolving fund to insure its solvency since guarantees are paid from it in the event of foreclosures; and

Second, exempt service-connected disabled veterans from payment.

Third, the fee not be made permanent.

The committee has always believed that service-connected disabled veterans must receive priority and preferential treatment in view of disabilities incurred in service to their nation. Additionally, the committee suggested adding the fee to the loan principal to alleviate the one-time cost to the veteran.

Public Law 97-253 which became effective October 1, 1982, did exempt service-connected disabled veterans from paying the fee and permitted veterans to add the fee to their mortgage principal if they so desired. The measure also contained a sunset provision. The revenues generated by this fee, however, were deposited to the Treasury. Although overall VA outlays were credited by these offsets, the loan guaranty revolving fund did not benefit and its funding problems were not alleviated.

The VA loan origination fee was increased to 1 percent by the enactment of the Deficit Reduction Act of 1984, Public Law 98-369. This law continued to exempt service-connected disabled veterans with a 10 percent or more disability; required that these funds be deposited in the loan guaranty revolving fund, and contained certain administrative reforms in the VA loan guaranty program. The Congressional Budget Office has projected that these implemented changes will help to assure the future solvency of the VA loan guaranty revolving fund.

□ 1250

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as both a sponsor of H.R. 2344 and as ranking member of the Veterans' Affairs Subcommittee on Housing and Memorial Affairs, I rise to ask my colleagues to pass this important legislation today.

I am very pleased to report to the House this afternoon that one of the major provisions of H.R. 2344 corrects an inequity in current law regarding specially adapted housing. Under current law, veterans eligible for specially adapted housing under section 801(b) of title 38 may not use their $8,000 grant to acquire housing which already has the necessary special features. It may only be used to make necessary adaptations to a home. Section 5 would provide for the payment of fair market value of adaptations to certain disabled veterans acquiring houses with special features already in place. I would like to especially thank the Blinded Veterans of America for their role in assisting the committee in our efforts to correct this problem.

H.R. 2344 also expresses the sense of Congress that the user's fee for the VA's Home Loan Guarantee Program should not be increased above the current 1 percent rate. Mr. Speaker, an increase of the user's fee above its current rate may portend the demise of a program which has benefited over 11 million veterans by enabling them to buy a home. Our Nation's real estate and residential construction industries have also benefited enormously from this program which has infused over $230 billion into our economy.

Over the course of this program, it has consistently been the intent of Congress to provide veterans assistance in acquiring and retaining homes, in part as payment for services rendered to a grateful nation. Consequently, Mr. Speaker, any proposed changes in the delivery of these promised benefits must be scrutinized most carefully.

The Subcommittee on Housing and Memorial Affairs held extensive hearings on this topic and on the Home Loan Program in general. After receiving testimony from veterans organizations, realtors and mortgage bankers, among others, we determined that a fivefold increase in the user's fee would effectively kill the program. A result that is totally unacceptable.

The Veterans' and Housing Memorial Affairs Amendments of 1985—H.R. 2344—also requires the Veterans' Administration to submit an annual 5-year plan for the construction and expansion of the national cemetery system. Mr. Speaker, this provision will greatly enhance the ability of Congress and other interested parties to understand and act appropriately to meet the memorial needs of veterans and their dependents.

The regional concept of national cemetery expansion enacted in 1973 has proven to be too restrictive and not realistically attuned to the long-range needs of the veterans population. The concept of building one national cemetery in each of 10 standard Federal regions had led to some cemeteries being greatly underutilized, while others cannot begin to meet the demand in the region.

The size, scope and location of many of our national cemeteries have no relationship to the needs of today's veterans population. H.R. 2344, by requiring that future expansion be based on maximum usage will eliminate this problem.

H.R. 2344 also requires the placement of upright markers in national cemeteries. Veterans will be allowed a choice between flat and upright markers by designating certain portions of national cemeteries for the use of flat markers. This measure reiterates action taken by the House last year, but which was not enacted by the Senate.

The bill also requires the VA to establish a national cemetery in Merced County, CA, an area of critical need located in northern California.

H.R. 2344 was reported unanimously be the committee under the very capable leadership of Mr. MONTGOMERY, the distinguished chairman of the Veterans' Affairs Committee, and of Mr. HAMMERSCHMIDT, the committee's distinguished ranking minority member. I would also like to take this time to compliment my good friend, Mr. SHELBY, the chairman of the Subcommittee on Housing and Memorial Affairs for his excellent work on this measure as well.

I recommend this measure strongly to my colleagues as one which is clearly in the best interest of not only our veterans, but also the Nation as a whole.

Mr. Speaker, I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, let me just comment again that the gentleman from New Jersey [Mr. SMITH] has pointed out just a few minutes ago, as well as the gentleman from Alabama [Mr. SHELBY], that this loan fee increase on home loans that has been recommended, the GI Home Loan Program, the full committee is strongly opposed to any increase in user fees on veterans' loans.

Mr. Speaker, this is a good bill. As pointed out by Chairman SHELBY, it is not a big cost item and we certainly hope this bill will be adopted by the full House.

● Mr. COELHO. Mr. Speaker, I want to begin by commending the distinguished chairman of the full committee, the gentleman from Mississippi, for the outstanding job he has done in handling this legislation and bringing it to the floor. I would also like to commend the distinguished chairman of the Subcommittee on Housing and Memorial Affairs, Mr. SHELBY, for all of his work on this legislation.

I rise in support of H.R. 2344, the Veterans' Housing and Memorial Affairs Amendments of 1985. The bill: First, provides for the orderly expansion of the national cemetery system; second, requires the placement of upright grave markers in national cemeteries; third, requires the Administrator to establish a national cemetery in Merced County, CA, which is in my district; fourth, authorizes certain service-disabled veterans to acquire a housing unit with specially adapted modifications already in place and to be reimbursed for the fair market value of such adaptions; and fifth, expresses the sense of Congress that the 1-percent VA home loan origination fee not be increased.

I have been particularly interested in the provision for the establishment of a national cemetery in Merced County, CA, as the land, some 350-400 acres, is being donated to the VA by a private land owner in my district, the Romero Ranch Co.

Today it is generally acknowledged that there is a critical need for a national cemetery in northern California which is home for about half of the State's large and growing veteran population. Today, California has 3 million veterans, the largest of any State in the Union. Only one national cemetery in California, located near Los Angeles at Riverside, is still open for full-casket burials. San Francisco, the major population center of northern California, is some 400 miles from Riverside, and 500 miles from Willamette, near Portland, OR, the next closest national cemetery.

In early 1982 the VA sought to identify county-owned tracts of land within a 50-mile radius of Livermore, CA, which would be suitable for a national cemetery and could be made available at no cost to the Government. No offers were forthcoming. Nor was the VA able to locate suitable Federal land excess to the Government's needs.

I am pleased that because of the generous offer of the Romero Ranch Co., 300-400 acres of land in Santa Nella, CA, will be made available to the VA and I am hopeful that work on the cemetery can begin without further delay. The site is about 85 miles southeast of San Francisco and 45 miles southeast of San Jose. It is situated in an area of low-density development, adjacent to land dedicated to wildlife preservation and agricultural use. Indeed, in the words of the VA's cemetery experts, who surveyed the site back in 1983, it is "an ideal setting of privacy, dignity and serenity for a national cemetery."

Those who have seen the site are deeply impressed with its incomparable beauty and I predict that once the cemetery is built it will rival the National Memorial Cemetery of the Pacific, the famous "punch bowl" in Hawaii as the place of beauty and quiet repose for our veterans.

I urge the adoption of this legislation.

In closing, I would like to thank the staff of the committee and subcommittee, and in particular Mack Fleming and Gloria Royce, for all of their hard work and the help and guidance they have given my staff.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of H.R. 2344 and urge its passage by my colleagues in the House. The bill has the unanimous approval of the House Veterans' Affairs Committee.

Mr. Speaker, this bill has five major provisions. It calls for the Veterans' Administration to submit a 5-year plan to the Congress concerning possible modest expansion of the national cemetery system. It calls for placement of upright markers in national cemeteries if that be the wish of veterans or the next of kin. It provides for a critically needed new VA cemetery in northern California. It corrects an inequity in current law affecting some seriously disabled service-connected veterans who are acquiring specially adapted housing and, finally, Mr. Speaker, it contains a sense of the Congress resolution in opposition to a proposal to dramatically increase origination fees on GI home loans.

Mr. Speaker, this latter provision of H.R. 2344 deserves additional comment. In the view of our committee, the proposed large increase in fees is counterproductive. It will cause some veterans to not qualify for GI loans. It will not provide any equity to the home buyer, and it would undoubtedly cause a substantial reduction in the number of GI loans.

Mr. Speaker, this proposal has aroused the veteran community and properly so. I trust our action expressing the sense of the Congress against it will be helpful in putting it to rest.

Mr. Speaker, the chairman of the House Veterans' Affairs Committee, the gentleman from Mississippi, SONNY MONTGOMERY, is to be congratulated for moving this bill forward. The chairman of the Subcommittee on Housing and Memorial Affairs, Mr. SHELBY of Alabama, and the ranking member, the gentleman from New Jersey, Mr. SMITH, are also to be congratulated.

Mr. Speaker, this is a good bill, which, in my opinion, deserves wholehearted support in the House.

Thank you, Mr. Speaker.●

● Mr. SHUMWAY. Mr. Speaker, I firmly support the provision of H.R. 2344 which directs the Veterans' Administration to establish a national cemetery in Merced County, CA. California now has a veterans population of 3 million, the largest of any State in the Nation, and yet only one national cemetery in the State located near Los Angeles, has available grave space. Clearly, a new national cemetery is critically needed to serve the veterans of the northern part of the State. I know that the Veterans' Administration has recognized this need and I commend the agency on its attempts to locate a site near the largest population centers of northern California. Unfortunately, there have been numerous setbacks and delays in this process and I believe that the legislation before us will enable California to move ahead in the expeditious development of a national cemetery.

While the Merced County site established by H.R. 2344 is further south than the VA and many of us had desired ideally, it possesses many positive qualities and advantages. Its considerable size, 350 acres, will allow it to serve a great number of veterans over a long period of time. Furthermore, the fact that the land is being donated will allow the Veterans' Administration to apply its funds directly to development of the cemetery, rather than the purchase of land, thereby hastening its completion and availability to our veterans.

Mr. Speaker, I am pleased to support this effort to address the vital needs and interests of California's large and growing veteran's population. The establishment of a new national cemetery will allow us to honor our veter-

spect to appointments made after Septem-

gentleman from Texas [Mr. LEATH]

and over 110,000 job slots have been

lems for Vietnam veterans are struc-

which prohibits a nondisabled veteran

tery will allow us to honor our veterans as they deserve.●

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. Montgomery] that the House suspend the rules and pass the bill, H.R. 2344.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

VETERANS' EMPLOYMENT AMENDMENTS OF 1985

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1408) to amend the Emergency Veterans' Job Training Act of 1983 and title 38, United States Code, with respect to certain veterans' employment programs, as amended.

The Clerk read as follows:

H.R. 1408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Employment Amendments of 1985".

SEC. 2. EXTENSION OF EMERGENCY VETERANS' JOB TRAINING ACT.

(a) Extension.—Section 17 of the Emergency Veterans' Job Training Act of 1983 (Public Law 98–77; 29 U.S.C. 1721 note) is amended by striking out "February 28, 1985" and "September 1, 1985" and inserting in lieu thereof "December 31, 1985" and "July 1, 1986", respectively.

(b) Eligibility.—Section 5(a)(1)(B) of such Act is amended by striking out "fifteen of the twenty" and inserting in lieu thereof "5 of the 20".

(c) Authorization of Appropriations.—Section 16 of such Act is amended by inserting "and $75,000,000 for fiscal year 1986" in the first sentence after "and 1985".

SEC. 3. VETERANS READJUSTMENT APPOINTMENTS.

(a) In General.—Section 2014(b)(1) of title 38, United States Code, is amended—

(1) by striking out "GS-9" in clause (A) and inserting in lieu thereof "GS-11";

(2) by striking out "who is" in clause (C) and all that follows in that clause through "line of duty".

(3) by striking out "and" at the end of clause (C);

(4) by redesignating clause (D) as clause (E); and

(5) by inserting after clause (C) the following new clause:

"(D) a veteran of the Vietnam era who has more than 14 years of education and who is entitled to disability compensation under the laws administered by the Veterans' Administration or whose discharge or release from active duty was for a disability incurred or aggravated in line of duty shall be given a preference for such an appointment over other veterans of the Vietnam era who have more than 14 years of education; and".

(b) Effective Date.—The amendments made by this section shall apply with respect to appointments made after September 30, 1985.

The SPEAKER pro tempore. Is a second demanded?

Mr. McEwen. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. Montgomery] will be recognized for 20 minutes and the gentleman from Ohio [Mr. McEwen] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. Montgomery].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the reported bill, H.R. 1408, as amended, would extend for 1 year the Emergency Veterans' Job Training Program we enacted in 1983. This program has placed about 30,000 Vietnam and disabled veterans in jobs during the past 18 to 20 months, and has been one of the better jobs programs enacted by the Congress.

The bill would also make certain amendments with respect to the Veterans Readjustment Appointment Program that has successfully placed thousands of Vietnam veterans in Federal employment.

These two programs are working, Mr. Speaker, and they are cost effective.

I want to commend the distinguished gentleman from South Dakota, the very able new chairman of our Subcommittee on Education, Training and Employment [Mr. Daschle] for the leadership he has provided, not only in bringing this bill to the floor, but for his leadership as a member of the committee for a number of years in doing everything he can to enhance the lives of our Vietnam and disabled veterans.

Mr. Daschle is a Vietnam era veteran and has served as chairman of the Vietnam veterans' caucus in the Congress.

I congratulate the gentleman for his work.

Mr. Speaker, in closing I want to thank the very able ranking minority member of the subcommittee, the distinguished gentleman from Ohio [Mr. McEwen] for the work he has done on this bill and for the cooperation he has given to the subcommittee chairman.

Finally, I want to thank the ranking minority member of the full committee, the very able and distinguished gentleman from Arkansas, for the leadership and cooperation he has provided in getting the measure to the floor.

I also want to acknowledge the work of the two chief sponsors of the Emergency Veterans' Job Training Act, the gentleman from Texas [Mr. Leath] and the gentleman from New York [Mr. Solomon].

The gentleman from Texas has taken a leave of absence from the committee to serve on the Budget Committee and the gentleman from New York is now the ranking minority member of our Subcommittee on Compensation, Pension and Insurance. Both have been instrumental in helping employ veterans and I congratulate them for their good work.

Mr. Speaker, this is a good bill and I urge its adoption.

Mr. Speaker, I yield such time as he may consume to the gentleman from South Dakota [Mr. Daschle].

☐ 1300

Mr. DASCHLE. Mr. Speaker, I thank the chairman for yielding and for his kind words.

Mr. Speaker, I strongly recommend that the House today approve the legislation we are considering today, H.R. 1408, the Veterans' Employment Amendments of 1985. This legislation amends the Emergency Veterans' Job Training Act of 1983 and title 38, United States Code, with respect to the Veterans Readjustment Appointment [VRA] authority.

Public Law 98–77, the Emergency Veterans' Job Training Act of 1983 [EVJTA], was signed into law on August 15, 1983, establishing a program of job training assistance for certain unemployed Korean conflict and Vietnam era veterans. This program was established in response to the employment difficulties being experienced by large numbers of Vietnam era and Korean conflict veterans. The severe recession and fundamental structural changes in the American economy exacerbated preexisting employment problems and contributed to the highest unemployment rate ever recorded for veterans.

This innovative program is the first truly meaningful employment assistance program for those veterans of Vietnam and Korea who have been out of work for an extended period of time. The initial months of EVJTA were disappointing with a start-up time that was longer than expected. This program has now, however, achieved wide employer acceptance and is viewed by veterans as an effective program that can help them find permanent, stable employment.

Statistics released by the Veterans Administration on April 30, 1985, indicate that nearly 30,000 veterans have been placed in meaningful jobs, thus assisting them in their efforts to get off the unemployment rolls and into productive employment. Over 320,000 veterans have been certified and recertified for participation in the program established by EVJTA, 46,500 employers have been certified to participate,

and over 110,000 job slots have been approved. Additionally, of the $140 million made available for the program in 1983, $114 million has been committed.

Although approximately $25 million remains available for use under EVJTA, thousands of job slots are approved and available, and over 415,000 Vietnam-era veterans are still unemployed, this program unfortunately expired for new participants on February 28, 1985. Additionally, under current law veteran participants must be enrolled in a job training program by September 1, 1985. H.R. 1408 would extend the date by which a veteran must apply to participate in EVJTA from February 28, 1985, to December 31, 1985. The bill would also extend the September 1, 1985, deadline to July 1, 1986.

The Bureau of Labor Statistics indicates that in April 1985, Vietnam era veterans were unemployed at rates higher than those for their nonveteran peers. For those veterans between the ages of 30 and 39, the unemployment rate was 7 percent. Those in the same age group who did not serve in the military were unemployed at the much lower rate of 5.6 percent. This disparity in the unemployment rate between veterans and nonveterans is particularly alarming. This high Vietnam veteran unemployment rate during a time of relative economic prosperity dramatically reaffirms the need to extend the effective, cost-efficient Emergency Veterans' Job Training Act.

For the 415,000 Vietnam-era veterans unemployed in April 1985, there are no other effective employment programs available. It is important to note that there has never been a coherent, consistent Federal policy to guide the development of programs which would train and employ Vietnam-era veterans in stable, career-oriented jobs. Since 1969, many training programs have come and gone. Too often veterans merely rode on the "coat tails" of other targeted groups, competing for the same jobs and training opportunities. Even title IV, part C, of the Job Training Partnership Act, which authorizes the Secretary of Labor, through the Assistant Secretary for Veterans' Employment and Training, to conduct programs to meet the employment and training needs of certain veterans, can have only a minimal impact on veteran unemployment. Based on a designated formula, the current level of funding for the veteran program is $9.7 million, clearly an inadequate amount given the extent of the unemployment problem among certain veterans.

The unemployment trends over the past 15 years indicate that many Vietnam veterans have not found their permanent place in the national labor market and that unemployment problems for Vietnam veterans are structural, not cyclical; that is, many Vietnam veterans do not have job skills that meet the needs of the labor market. A short-term program, therefore, is unlikely to have a lasting impact on their unemployment situation. EVJTA addresses the underlying structural problem responsible for the dramatic rises in unemployment among Vietnam veterans and should be extended in order to assist as many veterans as possible.

The need for EVJTA is clear, and the extension of the program provided in H.R. 1408 is justified based simply on that evident need and the effectiveness of the program as a means of meeting that need. In addition, however, EVJTA is cost-effective, a tremendously important factor during this time of budget consciousness. Veterans employed under EVJTA immediately become taxpayers, not tax users, thus benefiting the taxpayers of the United States. In testimony before the Subcommittee on Education, Training, and Employment, witnesses pointed out that a veteran entering a $16,000 per year job will pay at least $1,600 in Federal taxes during the first year. Since the cost of the program for that veteran will be approximately $4,000, about 40 percent of the cost of training is returned to the Federal Treasury during the first year of employment alone. This offset does not include other considerations such as unemployment insurance, AFDC, food stamps, and other costs in taxpayer dollars which are obviated by the veterans' employment.

I would also like to stress that when EVJTA was enacted in 1983, the authorization was for $300 million. Only $150 million of that amount has been appropriated, thus the $75 million authorization provided in H.R. 1408 is still far below the original authorization for EVJTA. The program established by the Emergency Veterans' Job Training Act is a badly needed and cost-effective program. It deserves to be extended and adequately funded.

The Veterans Readjustment Appointment [VRA] Program provides a means by which eligible Vietnam-era veterans may be appointed noncompetitively to a Federal civilian job which leads to competitive status and career or career-conditional tenure upon satisfactory completion of 2 years of service and education or training. The VRA program was established by Executive Order 11521 in March 1970 to help in the readjustment of thousands of veterans returning from Southeast Asia.

Since that time, as shown by Veterans' Administration statistics, 80 percent of Vietnam-era veterans have utilized at least a portion of their GI bill educational assistance benefits. Accordingly, H.R. 1408 would eliminate the current educational restriction which prohibits a nondisabled veteran of the Vietnam-era from qualifying as a VRA appointee if he or she has over 14 years of education. To deny these veterans employment because they elected to enhance their education defeats the main purpose of the VRA program which is to provide long-term employment opportunities to Vietnam-era veterans.

We on the Veterans' Affairs Committee firmly believe that this Nation's first commitment must be to those who were disabled while serving in our armed services. The committee recognizes that under current law service-connected disabled veterans have a certain advantage because they are not subject to the 14 year education restriction. Accordingly, H.R. 1408 would provide that a service-connected disabled veteran of the Vietnam era who has more than 14 years of education would be given preference for a VRA appointment over other Vietnam-era veterans who have more than 14 years of education. It is expected that the Office of Personnel Management will design guidelines to ensure that this preference is provided and monitored.

Under current law, a VRA appointment may not be made above the GS-9 level or the equivalent. The bill before us today would increase that maximum level to GS-11. By deleting the educational criteria while increasing the grade level, several things would be accomplished. The VRA program would be more attractive to veterans and would provide greater career opportunities. Agencies would have greatly increased flexibility to make employment decisions. A better educated veteran would be attracted to Federal service and agencies would be able to hire a better trained VRA candidate. This change in existing law would respond to the fact that many Vietnam-era veterans have obtained the necessary educational qualifications or have met the experience requirements to be employed at higher grade.

I want to take this opportunity to thank the ranking minority member of our subcommittee, Bob McEwen of Ohio, for his leadership and support in developing this legislation, and all members of the subcommittee for their cooperation and assistance. I also want to thank the chairman of the full committee, Sonny Montgomery, for his leadership.

This Nation has a clear obligation to assist the hundreds of thousands of unemployed veterans who served their country in Vietnam and during the Korean conflict. This legislation is a modest but firm step in that direction. I firmly believe that the Emergency Veterans' Job Training Act and the VRA program are reasonable, effective programs. I urge the House to approve

H.R. 1408 and I am hopeful that the Senate will take prompt action on this legislation. Additionally, I would like to stress to the Appropriations Committee the need to fully fund the authorization for EVJTA provided in H.R. 1408. This is a meritorious bill and I urge my colleagues to support it.

Mr. McEWEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1408, the Veterans' Employment Amendments of 1985. As ranking member of the Subcommittee on Education, Training, and Employment, and as a cosponsor of this measure, I very much urge its passage.

This bill would improve and extend the Emergency Veterans' Jobs Training Act [EVJTA], which, after a slow start, is currently proving to be a cost-effective way of placing Vietnam-era veterans into real and permanent jobs. Vietnam-era veterans in certain age groups have continued to have an unemployment rate above the national average. They deserve our continued help.

Emergency veterans' jobs training is the kind of program which benefits everyone, because it reduces the need for transfer payments, unemployment assistance, and it creates new taxpayers. Emergency veterans' job training relies on private sector training by employers who actually have the jobs they are trying to fill. This is not make-work, or training for jobs which don't exist.

Specifically, these amendments extend the application deadline, which expired January 28, 1985, to end of the year and the enrollment deadline to July 1, 1986.

Also, the amendments would liberalize what has proven to be an overly restrictive length of unemployment criteria. It would change the unemployment requirement from 15 of the 20 weeks to 5 of the 20 weeks immediately prior to the date of the veteran's application.

H.R. 1408 would authorize $75 million for the program for fiscal year 1986. In my view, this is a sound expenditure of scarce dollars, and it is not in excess of the amount originally authorized.

UNEXPENDED FUNDS FROM THE EXPIRED PROGRAM

H.R. 1408 would make needed improvements in the Veterans' Readjustment Appointment Program as well. It would allow appointment to Federal jobs at a maximum grade level of GS-11, rather than GS-9. It would eliminate the 14-year education limitation for Vietnam-era veterans. We must frankly acknowledge that some Vietnam-era veteran college graduates who have 16 years of education are having trouble finding work. Finally, Mr. Speaker, this measure would appropriately give a preference to service-connected disabled veterans with more than 14 years of education.

We owe much of our thanks for this legislation to our very capable Veterans' Affairs Committee chairmen, Mr. Montgomery; a special expression of gratitude to our Education, Training and Employment Subcommittee chairman, Mr. Daschle, and to the committee's outstanding ranking member, Mr. Hammerschmidt.

H.R. 1408 was reported unanimously by the Veterans' Affairs Committee because it is a good bill, and it deserves the vote of every Member of this body.

Mr. Speaker, I reserve the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. Richardson], a former member of our committee.

Mr. RICHARDSON. Mr. Speaker, I rise in strong support of H.R. 1408, which I consider to be an extremely important piece of legislation for veterans. When I was a member of this committee, I worked very actively on this bill.

I think it simply is—as the two gentlemen, the chairman and the ranking member, have stated, it is a restatement of the principles of this legislation and a reextension of the act, a program that has worked very well and that does have veterans' preference, especially to Vietnam veterans, Korean veterans, and disabled veterans.

It is an extremely important piece of legislation and I wish to commend the chairman, the gentleman from Mississippi [Mr. Montgomery], and the ranking minority member, the gentleman from Ohio [Mr. McEwen], as well as the gentleman from South Dakota [Mr. Daschle], for their fine work.

I urge the House promptly approve this piece of legislation and I yield back the balance of my time.

☐ 1310

Mr. MONTGOMERY. I thank the gentleman for his kind remarks. He always has a place on my committee; we enjoyed having him on the committee during the time he served.

Mr. Speaker, in closing, I want to thank the very able ranking minority member of the subcommittee, the distinguished gentleman from Ohio, Bob McEwen, for the work he has done on this bill, and for the cooperation he has given to the subcommittee. I am sorry that Mr. Hammerschmidt, the ranking minority member, is not here today, but he is totally supportive of this legislation.

● Mr. SMITH of New Jersey. Mr. Speaker, I rise in strong support of H.R. 1408, the Veterans' Employment Amendment of 1985.

I am proud to be a sponsor of this laudable measure that will help Vietnam-era veterans help themselves.

Specifically, H.R. 1408 will enhance and extend the Emergency Veterans Job Training Act which is helping veterans qualify and find meaningful and permanent jobs.

As you know, Mr. Speaker, Vietnam-era veterans continue to have an unemployment rate exceeding the national average. It therefore behooves us to continue to address this compelling problem in an appropriate way.

H.R. 1408, I am pleased to point out to my colleagues, is not a make-work jobs program. It doesn't put the veteran job applicant on a dead-end street. Rather, this highly successful program relies on the private sector and effectively matches employers with eager employees.

Mr. Speaker, H.R. 1408 extends the application deadline which expired January 28, 1985, and the enrollment deadline to July 1, 1986.

Also, the bill liberalizes what has proved to be an overly restrictive length of unemployment criteria. It changes the unemployment requirement from 15 of the 20 weeks to 5 of the 20 weeks immediately before the date of the veteran's application.

H.R. 1408 authorizes $75 million for the program for fiscal year 1986. In my view, this is a prudent expenditure of funds, and it is not in excess of the amount originally authorized.

H.R. 1408 also makes needed improvements in the Veterans' Readjustment Appointment Program as well. It allows appointment to Federal jobs at a maximum grade level of GS-11, rather than GS-9. It eliminates the 14-year education limitation for Vietnam-era veterans. Finally, Mr. Speaker, this measure gives a preference to service-connected disabled veterans with more than 14 years of education.

Mr. Speaker, I urge my colleagues to adopt this legislation so we can continue to provide meaningful assistance to a group of veterans who were, for too long, forgotten and underappreciated.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in full support of H.R. 1408.

This bill extends for a very limited time the Emergency Veterans' Job Training Act and reauthorizes $75 million for it. It also makes needed improvements in the Veterans' Readjustment Appointment Program.

Mr. Speaker, when Congress passed the emergency jobs bill, it recognized a special need for certain Vietnam-era and Korean veterans to receive assistance in finding employment. After a slow start the program is not only now providing that assistance but, it is also paying dividends in other ways. It has created new taxpayers while reducing the necessity for unemployment insurance for these veterans. In my view, this is a worthy program that needs the limited extension contained in H.R. 1408.

The changes in the Readjustment Appointments Program for appointment of Vietnam veterans to the Federal Civil Service are not extensive. However, in my opinion, they improve the program by raising the maximum hiring level to GS-11 from GS-9, and by eliminating an educational impediment. The bill also gives additional preference to service-connected disabled veterans.

Mr. Speaker, I congratulate the chairman of the House Veterans' Affairs Committee, Sonny Montgomery, for his fine work on this bill. I also congratulate the chairman of the Subcommittee on Education, Training, and Employment, the gentleman from South Dakota, Mr. Daschle, and the ranking member of the subcommittee, Mr. Smith of New Jersey.

Mr. Speaker, this is a good but modest bill, and I urge its approval by the House.

Thank you, Mr. Speaker.●

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. McEWEN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. Montgomery] that the House suspend the rules and pass the bill, H.R. 1408, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON THE BUDGET TO FILE REPORT ON THE FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1986

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Committee on the Budget have until 5 p.m. today to file its report on the first concurrent resolution on the budget for fiscal year 1986, with additional and minority views.

The SPEAKER pro tempore. Is there objections to the request of the gentleman from Pennsylvania?

There was no objection.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. Gonzalez] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise again on behalf of trying to reach the powers that be, the privileged orders, with my advice to the privileged orders in the vein of the patriot Joel Barlow.

For some time, I have been speaking on the fact that the privileged orders, the money managers, the dollar barrons, the panjandrums of finance, who now are in total control of the decision-making processes that determine whether or not the American standard of living as we like to interpret it is a viable, continued and sustained choice the American people will have.

Since 1965, and the beginning of what was obvious to some of us, what today is commonly referred to as "stagflation," it was obvious that the Congress had to do something in the sense of its responsibilities as the national policymaking body, but in those halcyon days in which rates of interest were no more that about 6 percent, I guess by the credit crunch of 1966, 1 year later, in the summer of 1966, the average rate of interest would have been about 6.2, 6.3.

It was very hard at that time to advise either the colleagues of that time or those in power in the executive branch of the Government that the handwriting was on the wall; that it was inevitable that one of two things would happen:

One, either we would get a type of inflationary pressure which was reminiscent of the war conditions in which governmental procurement, after reaching a certain level, pressures—what I call the soft underbelly of our economy.

It was obvious in 1965. It was patently clear in 1966, when history if you read it will show we had what was called then a credit crunch; the first credit crunch.

Now since the so-called end of the war, which as I have been in a frustrating manner attempting to show that we have not terminated World War II, there is no peace treaty signifying an end to that very, very awesome era, rather we continue on a sustained basis with incremental movement, on a war economy basis.

Our country in fact has really become a garrison state in which everything is sacrificed to what we call defense, what in other days and other eras would be called war preparation.

Nevertheless, be that as it might, as far as the domestic conditions were concerned in that day and time, and I am speaking of just a little better than some 20 years ago, the facts will show, and I think history and historians who are even today engaged in the job of recording chronologically those facts will show that when a nation or a society enters that point at which America had reached more or less about June 1966, because on June 19, the prime interest rate—now this is defined as the interest rate at which the big, big interests, the largest mega-corporations and banking institutions lend to their favored customers; GM, General Foods, AT&T, and the like.

It was also a time in which the so-called Eurodollar—now that sounds fancy, but what it means is that by the time 1966 rolled around, and that in itself was about a 20-year period after 1945, that the whole world structure of international finance had changed.

Imperceptible to the average? Yes, but a change nevertheless, and that unless the recognition of that fact was admitted to and confronted, we would be faced with forces that inevitably would result in one of two things, as I say.

One, an inflationary pressure that would undermine the basis of the American economy. The basis of an economy that during the war was called the "arsenal of democracy." The United States was a producing nation.

In less than 4 years, the United States has metamorphosed, it has changed from a producing nation to a consuming dumping ground for foreign-made products with the unemployment that is incidental to that process.

The interest rate jumping up overnight 1 percent, a whole point, had never happened, even at the height of the Civil War. So some of us became inquisitive and asked questions. The questions to this day have never really been answered, even the most outstanding economists, national and well as international, are very loath to be reminded of what they were saying at that time.

☐ 1320

It was obvious by 1968 that a tremendous chasm had arisen in international finance. Now, that sounds like a lot of high-flown talk. But in the world as structured as it is today, what happens internationally outside of our borders over which we have little control has a direct and immediate impact on what we call the American standard of living, employment, wages, the ability to own a home that one can call his or her own, the ability to live not at a lower level of material well being, because the profusion of material goods, apparel, dress and some of the other things that we consider creatures of necessity today rather than creatures of just plain comfort, and some in fact have become necessities, such as automobiles. Why is it, then, that at the time that actions could have been taken—I addressed a letter to then President Lyndon Johnson. Now, those of my colleagues who have tried to distill my utterances in the light of partisanship had better take a look at the record, because President Johnson was not only a President representing and the standard bearer of the same party I belong to and I am quite proud to continue to belong to but he was also a neighbor and a fellow Texan and a personal friend.

But I have never been a respecter of persons and have seen the folly is not the privilege of just the ignorant, the poor or the powerless. The most powerful leaders of the world have acted very foolishly and in fact we have such books as Barbara Tuckman's recent book, "The March of Folly," the whole book intended to bring out this historical phenomenon of the foolishness of great leaders of countries since the Trojan war to Vietnam, who persisted headstrong and obdurately in a given course of action despite all of the extablished facts, all of the reasoned advice, all of the known forces in balance and in play at the time. But as Barbara Tuckman sadly confesses, there is no way that that can be predicted, it is just a matter of fact that history shows that human beings are frail and weak and none of us is exempt from that weakness and frailty and certainly none of us is infallible.

I think this is the basis of the American system of government, the first real experiment. It is very young. It is the youngest form of government in existence that we can truly call a participatory democracy. But all of that is based on certain predicates, equality of access to economic opportunity as well as to political participation.

What good does it do to have political equality if we are economic slaves and have no economic freedom? This I think is the feature question of this generation and the one that it will have to pose to each succeeding generation.

During the civil rights struggle in the 1950's some very beautiful phrases were struck by some of the participants. One of them which I think was profoundly an eternal truth is and was freedom isn't free, and every generation must win it for itself in its own way, under its own conditions.

The question at this point is whether or not the American people, as attempted to be represented by their own individual agents known as Members of Congress in the House or Senate or through their Chief Executive and the Vice President, all of whom are elected by the people, whether or not the greatest interest of the greatest number is truly going to be served, so that when we go back to these basic questions and ask why was it when some of us, or at least I did, wrote a letter to President Johnson in 1965, saying, "Mr. President, the Federal Reserve statistics show now that the rate of procurement as of this year will exceed $45 billion on the Federal level. This means that we are beginning to see some symptoms of pressure on the soft underbelly of our economy."

For example—and I pointed this out—back home, school districts had had bond elections for the purpose of construction of new facilities. No sooner had they voted favorably for the bond issues when they discovered the amount was insufficient in order to pay for the cost, the new cost, the incremental increase in the cost of prime materials, copper, steel, and labor. Coincidentally with that if one looked at the help wanted ads in the newspapers—and this was true not only in my hometown of Texas but all over the country—one would see ads offering prime pay for scaled workers. To do what? To construct the base at Camranh Bay, for example, in Southeast Asia, which I might point out to my colleagues, today is being used as sort of a naval station by the Russian fleet. And so all of those who like to distill these things as partisan, economic matters being Republican or Democratic, foreign policy and foreign errors and defeats being Democratic or Republican, are going to be disillusioned and are going to be disappointed because folly is not the exclusive privilege of any one party or any one group or even any type of leadership in this human existence.

So we pointed out these facts and showed that the reason for this was that the Federal procurement level, because of the conduct of what turned out to be, even though at that time I think the average American would have said, "What war?" very much like they are doing today in the case of Central America. I doubt, if I were to ask my colleagues if they would swear that there was a grave national emergency because of El Salvador or because of Nicaragua, a grave national emergency—this is a letter of the word and the word of the law—I doubt it, yet the President just 2 weeks ago signified to that fact and proclaimed an embargo on Nicaragua. Now, under the Constitution you would not have that right except by the delegation of power that the Congress years ago gave the Chief Executive under similar types of situations in which the reason for quick action had to be determined by a unitary souree of power such as the President rather than the body of 535 Members. But this President just 2 weeks ago, in order to justify imposing a unilateral embargo, announced a national crisis, a national emergency.

Well, it was not apparent, as it is not now, because at this point we do not have Americans directly dying. I predict, and I hope I am dead wrong, that it will not be long before they will be if the President continues in his present course of action, just as my follow-up letter to President Johnson in 1966, the first letter I wrote when I received the annual Federal Reserve report, which I read. Since I received no answer from him and since he made no allusion to any letter I had written him on the numerous trips I had taken in the interim on his invitation on Air Force I, to travel back home to the district—President Johnson was the most generous man and any time he went back to his place 55 miles away he called some of us and asked if we wanted a ride, and I invariably would because I have made it a habit and a practice and a policy to go back to the district all these 24 years every weekend that I am able to do so. That means I put in better than 8.5 million air miles just between here and the district in 24 years, and a little percentage of that was on Air Force I at the time President Johnson was President.

□ 1330

So when I saw that there was no reply, I figured the letter had been bucked over to somebody. So I called one of his assistants. His assistant said, well, they would try to dig it up. It was finally located with some submerged lesser official in the Treasury Department, of all places, and I finally received an acknowledgement, but no revelation that the matter had been considered.

In the meanwhile, the thought of asking for any taxes, what I was suggesting in that letter was the same type of action that President Truman had taken in the case of the Korean war, and had requested of the Congress, and the Congress gave it to him. So they controlled.

For instance, at the height of World War II, we were using 46 percent of the gross national product on the Federal level. The idea was every single food, fiber, weapon produced in America; Americans enlisting to serve, was all united in the purpose of winning the war. The objectives were clear; the unity was absolute.

But even at that point, now, today, the economists supporting this administration, who, incidentally some have been repudiated by the President, so that his Committee of Economic Advisers is sort of a pliant, nonexistent body at this point. The last one, selected by the President himself, was discharged finally and was not certainly considered for reappointment, because the administration did not like what he was saying. He was trying to be honest, but sometimes men in power, people in power, do not like to get the truth told if it is uncomfortable, and if it does not bear up with their protestations and their boasting.

Here we were in the middle of a situation in which it was obvious to anybody who has ever studied the matter, that no society under the same situation would end up differently, other than one, inflation, or, two, runaway interest rates.

But all during the time that this President has been saying when he was trying to defeat his predecessor that there was a direct cause between the national, that is the domestic deficit, and the rates of interest. Now that he has produced the most monstrous deficit in the history of any government, and says that it is going to be so for the next three budgets; the next three fiscal years. He finds no such connection.

Now, of course, interest rates, depending, are in our country footloose and fancy-free. So many of my citizens in the constituency and so many of my colleagues sometimes ask me, "Well, we thought there was a law against any interest over 10 percent?" I smile and I say, "Well, you know, some of us have been trying to point out that this has not happened on the national level since 1865, and the enactment by the Congress, right after the death of Abraham Lincoln, of the National Currency Act of 1865." That began the basis of what we call today, roughly, our National Banking System.

But President Lincoln was so concerned about what he saw was about to happen, that that is what he had uppermost in his mind at the time he was assassinated.

So when we read all of this history and we see the repetitious tendency of those forces that in any clime, in any country, including our own, are greedy by nature, by definition. The more they have, the more they want. Unless restrained, restrained by whom? Well, by the only power that can restrain: The law and the Government.

So when I say no there is no such thing as any legal limit, in fact, it has worked the other way around. The States that still continue to have such things as maximum 10 percent interest rates. Beyond that, it was usury and criminal, as it has been and it should be.

Those States have been under pressure because of the National Government and because of the national agencies such as FHA, VA, and the like, that make it impossible for any transaction, unlimited, in its interest rate, that is the procurement of money.

What we forget, and what very few economists will tell you, and define it so, but I have and I know I am right, interest is the mechanism by which wealth is transferred within a society. This was true 7,000 years before Jesus Christ as reflected in the Code of Hammurabi. It was true at the time of our Lord, Jesus Christ. For there were laws that imposed hard sentences, including death, against usury.

The ancient Hebrew kinds, for example, were absolutely sworn to prescribing not only usury, but any kind of interest charge for any transaction. Now, I think it would be very difficult to say that we could extrapolate and make rough comparisons with the type of civilization that we could even dimly imagine at that time and what faces us today. But I think the basic fact is that we have law and we have government because there are forces amongst us that, unrestrained, will cannibilize or victimize the rest of us. It is that simple. It is not complicated at all.

What is complicated is the zeal to do anything about it, as in the case of Christianity, where the English writer G.K. Chesterton said, "Christianity has not been tried and found a failure or found wanting. Christianity was tried and found difficult and left untried."

That is what is true today with the rest of us that have, we like it or not, we went out and sought these jobs. Nobody put a pistol to our head, and therefore, the rather distasteful job of trying to hem in some potential benefactor; some powerful businessman; some powerful banker; some powerful agencies controlled by these vast panjandrums of wealth and economy.

Franklin Roosevelt knew what he was talking about and exactly what he had in mind when he called them, "Malefactors of great wealth." But today, as a consequence of, as I said, and I am going to say it even though it may sound braggadocio, it is a fact. The reason I say it is a fact is because anybody who wants to challenge that can look at the Record published by the House of Representatives going back, not to 1965, but 1963.

In 1963, as a newly arrived Member of the Banking and Currency Committee, as it was known then, we had the august Secretary of the Treasury, Mr. Dillon, who was considered an expert, but in fact came from the same stable that every Secretary of the Treasury has come since the Henry Morganthau era during Franklin Roosevelt's term of office, and that is that bond houses and bond dealers in Wall Street. They do not know anything about international finance. What they know could not even fill a thimble.

□ 1340

As a result, we have lost all of the confrontations because wars follow diplomatic and financial failures. Let nobody make that mistake. And we have lost those wars at the financial tables of these international moneychangers, which today are so great they transcend the authority of any one nation to control.

In fact, they have annual meetings, semi-secret meetings, over in France near Versailles, and you have the big pandandrums, the Big 10 or the Big 20, depending upon who they see fit to invite at that time, and there, in private, they make the decisions that are going to be impacting the rest of the nations, and they transcend sovereignties. There is not one country in the world, whether it is the United States or England or France, that has the power to absolutely control those transnational entities that are gargantuan by any definition today.

So that whatever we do here now may end up in being a wasted effort if these forces ever care to impinge on us, as recently the Continental Illinois Bank, in which the sudden withdrawal of this fickle, foreign, quick, hot money is withdrawn. This is why I have spoken out on these occasions, in fact I did last week, to try to point out the real purpose of the economic summit meeting in Bonn. Every American, I think, who read the newspapers and not conversant with the reasons would think that the whole purpose was President Reagan to go over and visit a cemetery, as unwise as that decision was.

But that was incidental. The reason for going over was the Bonn round of summit economic discussions going back to before 1979. In 1979, the last occasion on which such a meeting was held in Bonn, President Carter went over, and the same thing happened there without any real interpretation ever being given to either the Congress or the American people. I pointed out how now, with the Big 6 having more gold as reserve than the United States, they finally decided they were going to flesh out what they call the European Currency Unit and the European Monetary System, the idea being that that will displace the American dollar as the international medium of exchange.

Now, what does that mean to us? What it means is jobs, and the continuing erosion of those jobs. The last statistics—and incidentally, they were published the same day the President went to Germany where he was going to try to tell his European consorts that America had prosperity, that it had created jobs—the statistics, even those now approved by the Department of Commerce, show that there were fewer jobs in this last accounting period than before.

The President has bragged of how there have been a million or so new jobs. It certainly is not true. The facts are that we have over 10 million unemployed Americans. I would say that not less than two-thirds of those longtime unemployed, at this point that I am speaking, for more than 6 months, so they drop out of the picture. You cannot have that. You cannot have unemployment, underproduction, and keep jobs. They have been exported out. We have lost them.

We still have over 225,000 ex-automobile workers out of work. Now, surely we cannot reach that point of oblivious indifference that I perceived in 1966, that I perceived not only with respect to not only financial matters, but to the war itself, because as long as that war did not affect some of us, the overwhelming majority at that time, where I pointed out at the same time I wrote the letter to President Johnson that in August of 1965, about

47 percent of the boys who were either engaged or likely to be engaged in any kind of hostile action in Vietnam were draftees—draftees. And the draft based on a system that no nation in the history of the world ever attempted.

England at the height of its empire never would draft a little old cockney and send him to India to fight. Rome in the height of its imperial greatness would never think of impressing a slave to fight as a soldier of the imperial legions of Rome. That was for free born Romans. But it took us to say no matter what, if you are poor, if you do not have a certain level of education, then you have no exemptions. You are going to be drafted to serve, whether you like it or not, and you are going to be drafted to serve in an undeclared war.

These are the things that the men who wrote the Constitution, like Thomas Jefferson, feared the most, just like they feared the eternal possibility that these massive forces of economic oligarchy would take over, and they resisted it, and they said so. It took our generations in the 20th century to sell that heritage for what—for a mess of potage.

Where do we stand now? We stand in the third phase of what I call the latest version of the money manias. Like I said, when you get these forces in play, you can predict easily, you do not have to be a prophet, you do not even have to be an expert. You can have either inflation, the consequences of that, which will bring the money manias, the development of such things as the money markets, which obviously led to what the Congress had to do, or felt it had to do, although I did not think so, kind of a lone voice in trying to prevail against it, the 1982 Banking Act. Some call it the Garn-St Germain Act, but it is really the most major revision of the basic 1985 Banking Act since 1935, yet it was not palmed off that way. There was no Member who would have said, who really had not gone into it, and most of this was done in conference, we never had hearings, committees never heard them, we never heard debate, naturally. In fact, the whole thing passed out on a voice vote to 10:30 at night on October 2, 1982.

I went before the Committee on Rules. It was not easy. I do not like to contradict leaders who I respect and want to follow, but I do not care who they are, whether they are Presidents, or colleagues, or chairmen or bankers, I do not consider that I am here for their convenience. I am here charged in my oath of office of representing a given district, and the people therein, and that is all; nothing more, nothing less. If I allow myself, out of fear, out of fear of losing the job, out of fear of something else, then I do not think the American system would be working, and I think this is the real area that we ought to be concentrating on.

Mr. GAYDOS. Mr. Speaker, will my colleague yield?

Mr. GONZALEZ. I would be delighted to yield to the distinguished gentleman from Pennsylvlania.

Mr. GAYDOS. I thank the gentleman for yielding.

Mr. Speaker, at that point I think it is only proper that I insert in the record just a couple observations, if my colleague would permit me.

Mr. GONZALEZ. Absolutely.

Mr. GAYDOS. The gentleman mentioned whom he represents. I think it imperative at this time that the record show that here is at least one Member from the Pittsburgh area in Pennsylvania that has a most profound respect for my colleague from Texas, and that the residents of San Antonio and the congressional district which my colleague represents should feel extremely proud because their Representative has persistently and consistently over the last 5 or 6 years of my memory taken time out of a very busy schedule to come down in the well under many adverse circumstances and spread his philosophy and reasoning on the record.

☐ 1350

He has done it without the benefit of notes in most instances, and I would challenge many of my colleagues in the House today to be able to duplicate that feat. When my colleague speaks, he speaks from the heart, he speaks from a vast reservoir of information, and he has demonstrated courage time and time again. At certain times in particular, I remember, he takes a particular situation and he makes sure that he is persistent, and he continues on until he makes what he calls a point and hopefully engenders or encourages some reaction.

I remember the very unsavory situation that occurred down in Texas involving a judge. It was this Representative who took over a year, again out of his busy schedule, to persistently come down on this floor and raise questions of a technical nature and of a practical nature, almost becoming a self-made investigator, which ultimately resulted in justice being done and the perpetrators of that crime being brought to justice. I am sure my colleague knows of the instance to which I refer.

I think at this time it should be brought out in the Record that listeners and viewers at this point and at times in the future should be cognizant, and I would like to remind them, of the reason why special orders do exist in the House. I would just like to succinctly say at this time that the reason why we have special orders is that it is almost impossible during the daily business on the floor of this House to bring in your feelings and to demonstrate your vast knowledge, the studying that you have done, what your experience indicates you can do, and to make type of arguments that my colleague is making, all for the general benefit of his colleagues, yes, and also for the citizens of this country and, in particular, the residents of his congressional district. So it is this time that is set aside to allow a Member to expand in detail on particular interests that involve his congressional district or him personally or his expertise to which he has been exposed throughout his time in Congress.

So my good friend, the gentleman from Texas [Mr. Gonzalez], has dealt with economics and banking. Yes, they are very highly technical, boring subjects, but they are so very, very important that they ultimately end up with a person having a job or not having a job and end up with seeing whether a business is going to progress and flourish or whether it is going to go down in utter defeat, and also have international consequences which affect the very strength and sinews of this Nation.

I do not know how many times my colleague receives comments, but I want him to know that I believe that he possesses an unheard of and unequaled profound knowledge of the subject matter that he approaches on a regular basis. I think he is doing this institution a favor, and I think he is doing his constituents and this Nation a favor by taking the time to come down here and speak. I want him to know that if I am not here on the floor, I usually listen to him in my office on the TV, and I go home, in my own mind, a better informed legislator, a much better informed legislator, one who will hopefully be able to confront the problems that we have that are like and sometimes unlike the subject matter into which my colleague puts so much time and so much effort.

Mr. Speaker, I want to congratulate the gentleman. I think that is proper right at this point because the gentleman did mention at this point the matter of time and about why he is speaking in the well. I just wanted to confirm that.

Mr. GONZALEZ. Mr. Speaker, I want to thank my distinguished colleague, the gentleman from Pennsylvania [Mr. Gaydos], because he, too, has spent many lonely hours here. I do not know if today he is waiting on me in order for him to be recognized, and what I want to do is try to sum up as quickly as I can so he will not have to sit here unduly long. But I want to express my profound gratitude to the distinguished gentleman from Pennsylvania, who also has spoken faithfully and sometimes unpopularly. It is not easy to sound critical of powerful forces and individuals.

Certainly I am sure it is neither the gentleman's nor my intent to do that, but one must speak as one sees the facts as they fall into place, because as much as one does not want to displease anybody, we have got to act in conformity with the greatest interests of the greatest number that we are charged with representing.

In the gentleman's case, he has seen the travail of the closing of steel mill after steel mill. One of his predecessors from Pennsylvania was a great inspiration to me, and I refer to the Honorable John Dent. Back in the early 1960's he was anticipating the net effect of forces that were emerging from Europe itself, because nobody wanted to accept the fact that the world had indeed changed and continues to change.

What I want to sum up with today is to say that the reason I am impelled to speak out is always because there are specific things that are happening. I am not speaking in general terms. The gentleman referred to the time that I spoke, not for 1 year—it was 2½ years—on the assassination of the first Federal judge in our judiciary to be assassinated, John W. Wood. Even though he was actually murdered outside the bounds of my district, it was in the confines of the San Antonio area, and that was a part of the district that I represented during my first 8 years, because the district used to consist of the entire county. But it also bore a sad proof to what I had been predicting for 4 years in San Antonio.

Now, I never bothered anybody up here because in the beginning, in 1970, for example, and in 1972 and 1974 I went to the Bexar County grand jury, and there were some elements involved. In fact, the newspaper this last Sunday, just yesterday, had a front-page story about the murder last December of a notorious figure that it took this long to find out had been involved in such things as the assassination of President Kennedy. Well, that accounts for a lot of things that happened, and nobody, including the FBI, seemed to know why they were happening. But since that involved my hide, I was interested. For instance, the FBI reported a $35,000 contract on my life, and then the FBI clammed up and would not give me facts and whatnot. It took 2 years, through the Freedom of Information Act, to finally find out what kind of a dossier the FBI had on me, and it was not very pleasant.

But these are things that I feel are quite necessary if we really are going to live up to a system that I consider myself a great beneficiary of and that I am profoundly grateful for. Given my background, I think I have a deepness of appreciation that might escape the average American who has been priviliged to have been here for several generations. I think also what happens is that we take things for granted.

What I wanted to talk of today is something that is happening that is going to startle and is going to hurt many people with respect to savings and loans. We have been reading about the special State savings and loan systems that are giving us quite a number of problems in the State of Ohio and now Maryland, and there is only one other State—and I am not going to mention that name—and that have the same kind of structure, State charters and funding and what not, and that are regulated to the extent these savings and loans are. And they are very vulnerable, have always been, but now they are the first of those to go.

Now, let me point out one other thing. I have written down what I have discovered in my own backyard, and always the source of, I would say, 65 percent of my activities goes to individual citizens. I will give one example: the half-dollar coin; the John Kennedy coin. I am the one who introduced the resolution. I am on the committee and on the Subcommittee on Coinage. But I got that idea 4 days after the assassination of President Kennedy from a citizen in San Antonio, TX, who new something that I, even as a member of the Banking Committee, did not know, and that was that the law had been amended in 1957 providing that no coin could be changed as to the design except once every 25 years.

☐ 1400

He said the half dollar, the Benjamin Franklin half dollar, is due and it is quite eligible and nothing would be greater than to have it coined in memory of President John Kennedy; so I introduced a resolution that eventually got enacted into law.

I got that from a citizen. I pride myself that I stay in touch, not forgetting where I came from, just trying to stay in touch.

As I said, I have gone over 8½ years of this.

Mr. GAYDOS. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. Yes, I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Speaker, it is interesting, and I would just take one second to commend the gentleman, my colleague, that that is true.

Mr. GONZALEZ. It is.

Mr. GAYDOS. Because I had a workshop at one time, and the gentleman may remember at one time when the IRS form, where you followed the 1040 form, when it first passed they had a $1 contribution to the Presidential election.

Mr. GONZALEZ. Yes, I remember.

Mr. GAYDOS. There was a box there and you either checked the box or you did not. One of my constituents got up and said, "If I didn't want to put or allow a dollar to be deducted from the U.S. Treasury and I did not put that check in there, what is to prohibit somebody along the line from putting the check in because they felt it should be in?"

I complained to the IRS, and they now have two boxes. You put a check in if you want the dollar to go in and you put a check in if you do not want it to go in, so you have it covered both ways.

Again that illustrates, as my colleague has just indicated, what a constituent and citizen participation can be, and I congratulate the gentleman.

Mr. GONZALEZ. I think that is the reason we have such an affinity of interest and concern that has led us out of 435 Members to have a little bit closer association than the average.

Well, I want to point out what is happening, because it is a consequence, another form of the money manias that have agitated and whiplashed this country, with great destructive impact. That has to do with the inflated values of some of these institutions. At this point it seems to be concentrated in the savings and loans. I think one reason is that Congress, wittingly or unwittingly, homogenized all financial institutions and we do not have real savings and loans anymore. They are banks. Credit unions are banks.

So here is step one. A developer or promoter buys a 3,000-acre tract of land for $5,000. Some of you say, "Where in the world can that be done?" Well, it is still possible over in our stretch of the woods.

He then sells part of it, say 200 of the 3,000 acres, to a supposedly nonrelated party for $20,000 per acre, because the demand is there.

This is probably with little or no down payment and a note for the balance.

Step 3. He then sells another tract of land to a supposedly unrelated party for $20,000 or more on very lenient terms.

Step 4. He has now established a fair market value on the land of $20,000 per acre. He then goes to a friendly savings and loan, and let us use that word advisedly, a friendly savings and loan, and creates a joint venture partnership to develop the remainder, or a part of the remainder, based on a value of $20,000 an acre, that same acreage that he bought for $5,000 an acre.

The savings and loans are allowed to loan 75 percent or 80 percent of fair market value. Then the savings and loan can lend from $15,000 plus per acre of land that he acquired for $5,000 per acre.

Step 5. If he has a close relationship with the savings and loan, and most of the promoters do, he might even sell his land to the savings and loan for $20,000 per acre and then take his profits and buy stock in the savings and loan and end up controlling the savings and loan with their own money. It will give the savings and loan more capital, thus it can participate in more deals; however, the capital does not really exist until they sell the land at an inflated price.

Setp 6. The savings and loan then sells this land to another developer on very favorable terms and a few points of brokerage which they add on to the loan and which they show as profit.

Actually, little money, if any, has changed hands at all; however, the savings and loan shows this as an asset on their books, plus the paper profit on this transaction.

The project may go slow and the purchaser cannot pay the note or the interest earnings. If it was a $10 million sale, they are accruing probably 14 percent, or $1,400,000 that does not exist. These kinds of deals have worked, as I said and repeat, during these times that we have associated with a high inflationary spiral.

Instead of foreclosing a loan, they will increase the loan by the amount of interest due. In other words, as the saying is in Spanish, and I will not repeat it today, but what it means is that you are paying debts with debts.

They have reported a $1,400,000 income that only exists if the land were truly to inflate to the original inflated price, plus accrued interest.

The probability exists that this will eventually collapse. As their earnings are phony, they have no real reserve base for losses. Then the FSLIC has to step in and pay off all the depositors up to $100,000, except that recently in the case of the FDIC and the Continental Illinois Bank, every major holder of more than $100,000 was paid off because the taxpayers through the Federal Reserve Board had ante'd up $6 billion and we in effect nationalized that bank.

If this had been done in another country, we would have said they nationalized it. In the United States, we still do not use those words, but that is what we did.

Now, how much the FSLIC has in reserve is questionable. Well, it has not been questionable to me again since 1971.

You know, my colleague is a member of the same party as I am; yet you ask the average American who has swallowed this President and his party's propaganda whole, you would think that the Democrats were responsible for inflation, they were responsible for the deficit and that there is no other cause.

The truth is that the Democrats never devalued the dollar. The Republicans, did, not once but twice, with President Nixon. They did not call it that in the American newspapers, but that is what it was. It was a wholesale devaluation of the dollar. That is when the European press said that we had gone off the gold standard, that is, we stopped redeeming dollars in gold.

This is why the Europeans finally are going to tell us how the cow ate the cabbage and are going to use their superior gold reserves as their backing for the European currency unit.

This is why we are in a terrible jam, with no awareness on the part of our national leaders, such as the President, such as the Secretary of the Treasury or anybody in the Congress that I know of; so that the day of reckoning is not too far off.

Now, as I said, what is the reserve? Well, as of 15 years ago, maybe give a year or two, take a year or two, the FSLIC had no more than about $6 billion to cover about $650 billion of covered deposits or accounts, whatever you want to call them.

Now they could have a draw, like the FDIC, on the Treasury, but it would never match.

Now, the FDIC has never had at any time more than $13 billion plus the emergency right to draw $3 billion from the U.S. Treasury, to cover what—a trillion dollars of insured deposits.

So let us face the facts. That system has been done under over the course of about a decade and a half or two decades, a decade and a half.

So this sums up the current money mania that is destined to have some pretty catastrophic results.

To accompany this, I will insert into the Record at this point an article demonstrating the concern of the State authorities in Texas are manifesting, which appeared in the San Antonio Express News Monday, May 13, 1985:

Growth of S&L's in State Prompts Criminal Probe

Dallas.—Financial experts say the unprecedented growth of savings and loan associations in Texas is the focus of criminal investigations of about a dozen institutions.

Savings associations purchased by investors outside the financial industry and bolstered by deposits raised through high interest rates have provided the money for commercial and residential real estate construction or purchase of undeveloped land, regulators say.

"Clearly, some (Texas associations) have been shooting craps," Paul Horvitz, a University of Houston banking professor who serves on the board of the Federal Home Loan Bank in Dallas, said.

Officials said loans and investments of the state's associations grew 37 percent last year, compared with 8.8 percent for banks.

Horvitz, who completed a survey of associations' real estate lending practices in the state, said his results were "hair-raising."

Industry experts said at least 24 Texas associations with assets of $100 million or more doubled or tripled in size last year, while more than 20 others with more than $100 million in assets grew between 50 and 100 percent.

"We have seen a lot of excessive speculation through the thrift industry, and the losses we're likely to experience over the next few years are testimony to the concerns many of us have had," said W. W. "Bo" McAllister, chairman of San Antonio Savings Association.

McAllister said assets at his institution grew 32 percent last year to $2 billion.

U.S. Attorney James Rolfe of Dallas said activities of about a dozen associations in the northern district of Texas are under criminal investigation.

About half the cases are connected to the failure of Empire Savings & Loans of Mesquite last year, Rolfe said.

He declined to release names of the institutions under investigation.

A local real estate appraiser in the Empire case has pleaded guilty to preparing more than 400 inflated appraisals used to obtain loans for land and condominiums along Interstate 30, east of Dallas, authorities said.

At least four other Texas thrifts were hurt by construction problems along I-30, officials said.

Mr. Speaker, I have always believed that the American people, if informed, will bring about some form, sooner or later, of expression if our system is still viable, and I say if, because we have had some forces that have moved in, such as the huge multibillion-dollar PAC influences in our electoral processes.

□ 1410

But if we are still resilient—and I have been privileged to travel this country from one end to the other, and what I see is a democracy, healthy, among our people. If we have the wit and the will to just uphold our oath of office, which says we shall perform well and faithfully.

I yield back the balance of my time.

MAKE AMERICAN STEEL COMPETITIVE: REDUCE INTEREST RATES; INCREASE CASH FOR MODERNIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. Gaydos] is recognized for 30 minutes.

Mr. GAYDOS. Mr. Speaker, first of all, I would like to commend my colleague, Mr. Gonzalez, for another excellent discourse. I want the gentleman to know that some day someone is going to put together all of the special orders and they are going to be called the Gonzalez discourses, and they are going to be in a library down there in San Antonio, one of these days, and anybody that is interested can go down there and can get the background of a very vibrant and scintillating history in this House of the last 20 years. So I would very firmly recommend that to any of the students down there in that area.

I think along that line of what was being said in previous special orders, that at this time, I would like to make

reference very hurriedly to an article that appeared in one of my local newspapers.

Mr. Speaker, since we have a trade deficit estimated at between $140 billion and $160 billion staring this country in the face this year, and there is a growing demand across the country hopefully to buy American, the trouble is there appears to be very few American-made products available to the patriotic consumer of today.

This situation is graphically illustrated in what would be a most humorous article submitted to me by one of my constituents, again were it not for the fact that the issue is so fundamentally serious. The article is entitled, and I quote, "The Trouble Is" and then it ends the quote. That is how the article appears. And the article was taken from the American Legion News and reprinted in the April 19 newsletter of the New Kensington Area Chamber of Commerce. It was forwarded to me by Grace Girardi, comptroller of Gerald L. Sanders Electrical Co. in New Kensington, PA.

I fervently urge my colleagues to read the following article. It carries a message for all of us, and I think I would just take 1 minute to read it.

This is under the heading of "The Trouble Is."

It starts out:

> He drove his German car made of Swedish steel and interior of Argentine leather to a gasoline station, where he filled up with Arab oil shipped in a Liberian tanker and bought two French tires, composed of rubber from Sri Lanka.
>
> At home, he dropped his Moroccan briefcase, hung up his Scottish tweed wool coat, removed his Italian shoes and Egyptian cotton shirt, then donned a Hong Kong robe and matching slippers from Taiwan.
>
> More comfortable now, he poured a cup of hot Brazilian coffee into an English coffee mug, set a Mexican placemat on an Irish linen tablecloth atop a Danish table varnished with linseed oil from India. Then he filled his Austrian pipe with Turkish tobacco, lit it, and picked up a Japanese ballpoint pen with which he wrote a letter to his Congressman demanding to know why the United States has an unfavorable balance of trade.

Mr. Speaker, this article means a lot, and I think the trouble with the article, "The Trouble Is", is, it is all too very, very true in this country today.

On past occasions, I took that very subject and went into great length to talk about it and I hope to do it sometime in the very near future.

But today, Mr. Speaker, I want to talk about America's steel industry and how it is being battered left and right.

Mr. Speaker, a couple of weeks ago, Wheeling-Pittsburgh Steel filed for reorganization under chapter 11 of the Federal Bankruptcy Code. At the same time, Armco Steel was also reeling and facing a possible bankruptcy filing. Sharon Steel, in Pennsylvania, too, is in trouble.

And just last Friday, LTV Corp., the Nation's No. 2 steelmaker since its merger with Republic Steel less than 1 year ago, announced an internal restructuring of its steel division which will result in the closing of its Aliquippa, PA, factory.

This tragic move will result in the disruption of the lives of 1,300 workers at that mill and their families. Those men and women who have been working at that plant will now have to search for other kinds of employment—and it won't be easy.

A survey by the Department of Labor's Bureau of Labor Statistics in January 1984 indicated that even then there were about 120,000 displaced workers in steel and related metal industries.

What is more, these workers have characteristics that make it far more difficult for them to find alternative employment. Generally, the survey found that displaced steelworkers are disproportionately male, married, and have a family; have some high school education with little or no college; have some skills, mainly as factory operatives; and have 20 years work experience with about 10 years on their last job. That is the average unemployed steelworkers' characteristics and qualifications.

Further, they are concentrated, by and large, in specific steel regions in the North Central part of the country in which there is a shrinking number of available workplaces.

Just to give you some idea of where these displaced steelworkers are: Some 45 percent of the 120,000 in January 1984 had found alternative employment. That is the lowest for all industries in this country today. The average across the board in all industries was 60 percent.

So what will happen to these workers—those that cannot find substitute employment? What kinds of futures do they have? And what about the communities in which they live? A lot of other families—those who work in local banks, supermarkets, drug stores, and what all—will suffer as well.

In an advertisement in Monday's newspapers, LTV has tried to focus on the problem. They note that during the past 10 years, some $600 million were spent to modernize the Aliquippa mill so as to remain competitive with steel imports.

In its advertisement, LTV says:

> We cannot say that every management move at LTV was correct. We cannot ignore the increase in steel-substitute products. And we cannot deny that costs—including employment costs—reached high levels.
>
> Still, the truest answer to Aliquippa's trauma lies not in Pennsylvania, but overseas.
>
> Unfair foreign competition, in the form of subsidized and "dumped" steel, intruded on product lines of steel bars, oilfield pipe and casing, continuous weld pipe, rod and wire, light structural steel, fence wire, and even nails—until we could no longer compete. What was finally left—pipe—now has an import penetration level of more than 60 percent.

That was quoted by LTV.

The LTV advertisement goes on to say that the corporation supported the administration's efforts to curb steel imports at a level of 18.5 percent through voluntary restraint agreements, even though it was giving away a big chunk of the American domestic market.

Well, if the administration's effort had worked, Aliquippa might be in business today and a year from now. But the truth of the matter is that imports are still well above the expected mark and I expect they will stay there for quite some time.

For example, just last week, the figures for steel imports for the month of March and the first quarter of 1985 became available and, quite frankly, while there is some good news to go along with the bad, the bad news is much worse.

The good news is that steel imports are reflecting a slight decrease as a share of apparent market in each of the first 3 months of 1985. In January, the imports captured nearly 31 percent of the American market; in February, the share was just over 27 percent; and in March, the import share fell to 24.5 percent.

□ 1420

At this time I am very happy to yield to my colleague from Pennsylvania in the adjacent congressional district, and who is presently serving as chairman of the steel caucus, which I serve as chairman of the executive committee, and who has had some of the miseries I am speaking of occur in his own area of Johnstown, PA, and who is probably one of the most informed Members on steel, steel imports, and the results of which has been spread on the record I think to anybody in Congress.

So at this time I would like to yield to my colleague from Pennsylvania, Mr. Murtha.

Mr. MURTHA. I appreciate the gentleman yielding to me, and I just wanted to commend you for taking this special order, and also commend you for the work that you have done.

I know how difficult it is when a plant is cut back and reduced so substantially. What it means to the people who are going to be unemployed and the workers and the tremendous impact it has on them.

The figures you cited are so important, the fact that members of the steel caucus were able to convince the President that we needed to restrict these imports—not eliminate them, but restrict them substantially—these subsidized imports coming into this country. Nobody has had more to do

with that than you have, and your in-

things that he should not have done.

over the last 10 years—and regardless

full or better employment than we

steel more competitive here in our own

with that than you have, and your influence has been so substantial.

Hopefully some of these plants that have been shut down and cut back will be started back up again, and more people will be put to work. They predict that 7 or 8 million tons of steel that is used next year will come from, this coming year used in this country will come from this country because of this voluntary restraint agreement.

So I just wanted to compliment the gentleman for the work that he has done in this area. Hopefully it will have an impact by this year, and of course, as the gentleman knows, we are sending a letter to the President, urging him to enforce this legislation, because it does not do any good to have it on the books if it is not enforced.

I know that working with the administration, we will come up with some policy that will reduce subsidized imports and increase the amount of steel produced in this country.

Mr. GAYDOS. I want to thank my colleague, and I do want to commend him for the persistency. I think we have been working together along with some of our colleagues in the steel caucus, and with the steel caucus for the last 6, 7, years. In fact, I think that our birth date, 6 years, is about due this month; in fact very shortly.

I think during that time both of us have experienced, maybe to our chagrin and disappointment that we have had so many promises; we have gone through so many suggested solutions, and in the last analysis, we end up picking up an empty bag.

As I commented I think in one of our special orders, that empty bag that we are picking up in this country is marked "made in Japan," to illustrate that it is a serious, ongoing problem. I do not know that this is the answer. As my colleague has indicated, we hope it is. We are talking about the voluntary restraints, the negotiation of agreements.

I am going to voice some of my doubts as to the inadequacy of it. I would have liked to have seen some immediate action, but that is the only ball game in town; we are trying to negotiate these voluntary arrangements between these exporters that are importing into this country.

We do not know if it is going to work. We hope it works. We have gone through so many disappointments. I do not know, I would hope, sincerely hope, that the administration, if this should fail, would sit down at arm's length again with the steel caucus as they have in the past, with a sincerity to attack the problem and then work out maybe something in the line of mandatory quotas.

I think my colleague and I both agree that Mr. Nixon in years past—and I have mentioned this so many times—he has been criticized for many things that he should not have done, and that is not for me to judge, but I remember one thing that I have given him affirmative credit for: When we had a vast influx of automobiles which we are about to have today, and it looks like we are going to have, at that time, years back, President Nixon was not afraid; took a very solid stance, and he put a 10-percent surtax on all foreign automobiles coming into this country.

That was at the time when people were saying that he was going to start an international trade war, that it wasn't going to work; he was doing something that was improper, but he did it, and he did it from the courage of his convictions. I have to say that it worked. He saved the automobile industry.

Now, some 15 years later, we had the same type of an impasse; we did negotiate voluntary quotas, as recently as 2 years ago, where the Japanese did enter into an agreement and did limit their exports of automobiles into this country, it was working and did work.

Our automobile sales increased; Chrysler came back; people were making money; jobs were created; our people were working, but again it looks like an influx is coming in and that we are going to have to do something, and I do not know what the solution is going to be, I am not clairvoyant; but we are going to be faced again with the same type of a predicament and I am sure the steel caucus is going to be there on all fours, ready and willing to work with the administration or against them, depending on what position they take.

I yield again to my colleague.

Mr. MURTHA. I just want to also say to the gentleman how much all of us appreciate you taking leadership in this very important subject.

I remember John Dent, both of our predecessors, who represented part of Westmoreland County, had been saying this for 20 years. You and I have been saying it for 10 years, and now the Congress and the public are beginning to recognize how important the work is in reducing these subsidized imports coming into the country.

So I appreciate the hard work and foresight the gentleman from Westmoreland and Allegheny County has had, and the work that you are doing on the steel caucus. All of us appreciate it. Hopefully, it will have some impact the rest of this year.

If these voluntary restraint quotas go into effect we should have a substantial increase in production of steel in this country, if the administration will enforce it. I hope that will happen. I hope we will see a tremendous increase in the amount of steel that is produced in this country.

Mr. GAYDOS. I think my colleague makes a very important point: enforcement. Now we have always argued, over the last 10 years—and regardless of which administration; whether it is Republican or Democrat; does not make any difference—history shows, unadulteratedly, that each succeeding administration was always hesitant to assign adequate personnel, No. 1, to check on imports coming into the country; each administration was always hesitant to slap the wrists of those countries that were violating some of our international trade laws; it always took time; it always seems to occur that an industry in this country was going to be stripped, going to be defeated or going to be put out of business before something was done.

We have a very erratic history of enforcing our trade laws. So that, along with the very great tensions that exist today in the Nation, internationally, where trade is involved and where the people in Brazil and Argentina have to have a dollar to pay their great debts to the bankers in this country—and they always claim and defend that when they cannot pay that debt that it is because they cannot ship any products to this country to make money, so that they can pay that international debt off.

Eventually, each succeeding administration acquiesces, and they will change and they will say, "All right, you are allowed to ship into this country, we are not going to be so strict."

☐ 1430

And eventually the unemployment is created here, and our competitors are working. In Korea, which ships so much to this country, something like 40 percent of what they make they ship to this country—it does not go to Japan, it goes to this country—the unemployment rate is roughly 3½ to 4 percent. In our country we are talking about 8 percent.

So these things just do not work. We cannot take care of the whole world, we cannot keep shipping our employment overseas and importing unemployment. Somewhere sometime somebody is going to have to answer. And that is what we are trying to do with the steel caucus in taking these special orders, trying to alert the American people, the listeners here on this floor today, my colleagues, and, internationally, yes, to alert the international community that the time is going to come when this country cannot absorb unfair subsidized foreign imports.

We have an obligation first at home, that is, to provide employment. The old saying goes, and it has not changed, that you cannot wash my shirt and I wash your shirt because we have nothing to pay each other with. We end up as a bartering nation. That may well happen. But our standard of living, of necessity, must fall if we do not solve this problem and have other economies and other countries with

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full or better employment than we have. We can only take so much.

So the bad news, if I may get back to my prepared remarks, is that imports accounted for a larger share of the domestic market for the first quarter of this year than for the first quarter of 1984, and 1984 was one of the worst ever for the American steel industry.

For the first quarter of 1985, imports took more than 27½ percent of the apparent supply. For that same period last year, imports captured just over 25 percent. The difference is that imports today represent a penetration level of almost 2½ percent higher for the first quarter than they did last year.

The big question is, of course, are these voluntary restraint agreements the U.S. Trade representative has worked out with some of the major steel exporting nations working?

The answer, as far as I have been able to determine, as of this time is both yes and no. It appears to be working because the month-by-month level of imports appears to be dropping. At the same time it is not working because some nations have yet to finalize the agreements they have initialed and others have either not been asked to come to terms or have refused to do so and now are increasing their steel shipments to the United States.

As far as I am concerned, if we refuse to set specific quotas on steel and steel products, we must enforce the executed agreements and bring other steel exporting nations under agreements if we are to succeed. At the same time, we must look for ways to provide less expensive funds—lower interest rates—for the steel industry so it can develop and implement new technology that will bring production costs down and make American steel competitive with imports.

I raise this point because of a report I received late last week from the Congressional Research Service. The report, "Hypothetical Effects of Lower Interest Rates on the Costs of Production of the Integrated Steel Industry," was prepared by Dr. David Cantor, whose understanding of the steel industry in this country and the trends within that industry have been on or very close to the mark over the past years.

Dr. Cantor notes in this report that American integrated steel companies are paying bond interest rates of between 13.5 and 16.5 percent while new issues of high-grade corporate bonds fall into a narrow range of between 11.5 and 12.25 percent.

This report suggests that a drop in the interest rates for the integrated steel industry could have a profound impact on the industry's ability to cut the cost of producing steel and implement state-of-the-art technologies and processes that would make American steel more competitive here in our own markets.

Thus, Dr. Cantor notes in this report, if the interest rate paid by the integrated steel companies could be dropped to that of the rate paid on high quality bonds in this country—that is, from 15½ to 11½ percent, a 2-percent cut—costs of production of hot-rolled steel sheet could be reduced by between 1.9 and 2 percent or about $8 a ton.

Why is this important? Simply because the steel industry is being forced to undercut its own price lists to compete.

Data Resources Inc., in a May 1985, forecast, estimates the actual realized price for hot-rolled steel sheet to be about $378 per ton. At the same time, the National Academy of Engineering, in its recent report on the steel industry, estimates the actual cost of a ton of hot-rolled steel sheet to be in the range of $396 to $432 per ton, depending on the production process used.

Based on those estimates, the steel companies are losing between $18 and $54 per ton. A drop in the interest rates of 2 percent could reduce the loss per ton to between $10 and $46.

As Dr. Cantor says:

> Reducing losses by these amounts would provide a significant increase in financial resources for investment to the industry. An $8 reduction in costs per ton resulting from a 2-percentage point drop in the interest rate would have meant nearly $730 million of additional net revenue from steel operations. This estimate is based on industry output of 91.2 million tons. Lowering the interest rate by 3.5 percentage points would have meant nearly $1.3 billion in additional revenues. While industry losses would clearly not be eliminated, the effect on steel industry cash flow resulting from the losses would be substantially reduced. Given that the industry is obligated by title VIII of the Trade and Tariff Act of 1984 to reinvest substantially all of its net cash flow from steel operations in those operations, the potential for additional investment in new technologies and the cost reductions resulting from them is considerable.

Dr. Cantor's points are important. And, because they are so crucial to our understanding of the problems facing the integrated steel industry, I am including the full report with these remarks in the RECORD.

There is another factor to this issue of interest rates. As we all noted last week, the prime rate in the United States is dropping to 10 percent. For those who may not be aware of it, the prime rate in Japan is 8 percent. And, given the savings and borrowing patterns, that means Japanese companies, including steel operations, can borrow money from Japanese lenders at considerably lower interest rates than in this country.

As Dr. Cantor pointed out with regard to the American steel industry, this means that the cost of producing a ton of steel in Japan is considerably less.

Not only can Japanese companies borrow money less expensively for operations in Japan, those same companies can borrow money for offshore functions with approval from Japan's Ministry of Finance. And, according to what I have learned, the Ministry of Finance is only concerned with the fact that the money is going out of the country.

This means that National Steel in this country, now substantially owned by Nippon Kokkan [NKK], through NKK, can borrow funds from Japanese lenders at substantially lower interest rates, thereby making improvements in its operations here in this country.

Thus, National's cost of steel making would be reduced, as Dr. Cantor says, through lower borrowing rates as well as implementing state-of-the-art technology.

Yes, it is true that American steel companies, if approved by a Japanese lender, could borrow from Japan's financial institutions and, possibly, could get approval from Japan's Ministry of Finance to use the money for modernization of a U.S. plant, but, given a substantial drop in the value of the dollar as compared to the yen, that American company could lose any savings if the loan was called, unless it had a yen source, such as National Steel's ties with NKK.

☐ 1440

There is one other point I would like to make with regard to this issue of less expensive money. Earlier, I alluded to Japan's savings patterns, something many economists have discussed for some time from the perspective of seeking ways to encourage Americans to copy.

I think it is important to consider why Japanese save, on average, about 20 percent of their earnings as compared to between 4 and 6 percent of earnings for American workers. It is important to understand because it provides Japanese companies access to a relatively larger amount of capital at lower interest rates, which they borrow, and they improve their industries.

An article in the May 14 issue of the Wall Street Journal sums it up quite clearly. First, while social security benefits in Japan are paid on roughly the same level as that of the United States and begin at age 60, the lifetime jobs Japanese workers have tend to end when workers are about age 55. That means the average Japanese worker employed by one of the larger companies has to have enough to support himself and his family for some 5 years until his social security benefits begin.

For workers in smaller companies, who don't have the guarantee of lifetime employment—and there are a great many of them, despite all you read about worker protection from layoffs, an even larger nest egg is necessary.

Second, the Japanese are concerned about the solvency of their social security system, much as we are, and, with the period of retirement increasing as the lifespan for the average Japanese increases, they realize that taxes are going to rise to keep benefits intact. So they must have that nest egg handy.

A third reason for a heavier rate of savings in Japan is that the Japanese have less incentive to spend on luxury items. The average Japanese workweek is 42.5 hours, as compared to 37.5 hours here. That means the Japanese worker is working on Saturday, too, and can't get away for a weekend at the beach or in the mountains, so the demand for boats, campers, and many other recreational items doesn't exist.

A final reason is housing. Just like Americans dream of owning their own homes, so do the Japanese. But it isn't easy. Houses cost about 10 percent more in Japan, partly because of the scarcity of desirable land. For that the Japanese save also.

The downpayment is usually about 40 percent, as compared to between 10 and 20 percent here, so it takes considerably longer for the Japanese family to save that.

Thus, Mr. Speaker, the Japanese have a strong incentive to save.

It should also be noted that most Japanese savings are in postal bonds that pay an interest rate of about 3 percent. If you look at the ads for American savings institutions, you will find that Americans aren't going to put money into savings unless they are going to get a substantial return on their investment, especially when they know they will have to pay taxes on interest earnings over a specified amount.

Perhaps, Mr. Speaker, the steel industry should be looking for ways to borrow at cheaper rates. Perhaps we, the Congress, ought to consider looking for ways to help in this direction as well as with our concern about high levels of imported steel.

Mr. Speaker, I conclude my remarks with the final observation that we will be back again, that is the steel caucus, to continue to make this information available to our colleagues and to the American public on weekly occasions.

Mr. Speaker, at this point I include the report from the Congressional Research Service.

HYPOTHETICAL EFFECTS OF LOWER INTEREST RATES ON THE COSTS OF PRODUCTION OF THE INTEGRATED STEEL INDUSTRY

(By David J. Cantor, Congressional Research Service, May 14, 1985)

ABSTRACT

If the interest rate charged to high quality borrowers was paid by integrated steel companies, their cost of producing finished steel products could be lowered by from 8 to 14 dollars per ton, or from 1.9 to 3.5 percent. Cost reductions of these magnitudes could result in additional cash flow for reinvestment in the range of 0.7 and 1.3 billion dollars, with additional and more significant cost reductions resulting from more modern plant.

HYPOTHETICAL EFFECTS OF LOWER INTEREST RATES ON THE COSTS OF PRODUCTION OF THE INTEGRATED STEEL INDUSTRY

The high cost of financing capital expenditures is a major problem facing the integrated segment of the steel industry. With steel demand flat at best and imports accounting for more than one-fifth of the market, the large integrated steel companies are paying rates of interest ranging from about 13.5 percent to nearly 16.5 percent. This contrasts sharply with the yields on new issues of high-grade corporate bonds in the range of 11.5 percent to 12.25 percent.

These relatively high interest rates paid by the large integrated steel companies creates two related problems for them. First, they add to the cost of producing steel, making domestic steel even less competitive with foreign steel. Second, they make less attractive those investments in state-of-art technologies and processes that could lower costs of steel production and, therefore, permit American steel to compete in at least domestic markets.

While some may complain that interest rates paid by so-called "high quality" corporate borrowers are too high, the even higher rates paid by integrated steel companies—2 to 5 percentage points higher than "high quality" borrowers—only exacerbate the difficulties of the steel industry. This report, utilizing cost estimates for producing steel recently issued by the National Academy of Engineering (NAE),[1] assesses the potential effects of lower interest rates on the cost of producing steel.

Using the NAE cost estimates only as a base reference case, the cost of producing 1 ton of hot-rolled sheet could be lowered by from 3.3 percent to 3.5 percent, if the steel industry could borrow long-term at a rate of interest of 11.5 percent instead of the 15 percent rate assumed by the NAE: Cost savings in the range of about 14 dollars per ton could be achieved. Even a 2-percentage point reduction in the cost of long-term borrowing would reduce steel-making costs by from 1.9 to 2.0 percent, or by about 8 dollars per ton to finished product.

Although these magnitudes may seem small even trivial to some, they are in fact considerable in relation to the cost savings achieved by the processes financed by new investment. Again, based on the NAE assumed cost of a continuous caster of 142 million dollars, production of semifinished steel shapes using continuous casting technology achieves cost reductions of about 35 dollars per ton. The reduction of total costs of 14 dollars per ton resulting from a 3,5 percentage point drop in the interest rate is equivalent to 40 percent of the savings achieved by continuous casting. Lower costs of capital can contribute significantly to achieving lower costs of production of steel products.

I. Methodology and assumptions

This analysis develops estimates of the cost savings in producing steel products resulting from a drop in the interest rate by modifying the interest rate assumptions made by the NAE in its cost estimate. NAE developed its total cost estimates of steel production using the technical input coefficients at each stage of production of the MIT simulation model of the steel production process.[2] NAE multiplied these input coefficients by its estimates of 1983 input prices.[3]

This approach recognizes the complexity of the steel-making process. A large integrated steel company plant is in reality several establishments: it includes materials' processing facilities, the blast furnace for producing pig iron, the steel-making furnace, facilities for fabricating semifinished shapes (either a combination of ingot and semifinished steel shape casting operations or continuous casters), and the finishing mills. The MIT model identifies 11 different operations, illustrating the complexity of the total process.[4]

Capital investment in new techniques can obviously be made at each stage of production. For example, investment could be made in a continuous casting process, but not in either the blast furnace molten steel-making operations or in the finishing mills. Also, the amount of investment expenditures varies by stage of production. For example, NAE assumes that a new continuous caster involves an expenditure of 142 million dollars, but the initial investment in a Basic Oxygen furnace would amount to 11 million dollars.[5] By separating the total process of manufacturing one ton of finished steel mill product into its several operations, the capital charges (and those for every other input) attributable to the end product can be estimated.

With respect to allocation of investment charges to output, NAE makes two relevant assumptions. First, NAE assumes an interest rate of 15 percent. Second, the investments are assumed to be amortized over a 10 year period. The interest rate assumption appears to be reasonable in view of the fact that steel industry long-term debt yields are in the range of 13.4 to 16.5 percent. The period of amortization, 10 years, may be considered arbitrary.

NAE's assumptions of investment requirements at each stage of the steel production process are presented in table 1. These estimates were based on 1983 costs of equipment as projected by commercial macroeconomic models.[6] To the extent that they are under—or overstated, the capital charges developed by NAE are too low or high in relation to current actual experience. If NAE estimates are too low, then the actual capital charges would be higher at each stage of production; the effect of a lower interest rate would be greater. Nevertheless, the NAE assumptions are used herein to establish a base reference case.

The case examined apply to integrated steel companies. These companies produce steel by, first, fabricating pig iron from iron ore, iron ore pellets, and coke and second, refining steel from the pig iron, scrap, and other additives. Nonintegrated companies produce steel in electric furnaces, relying mainly on scrap as a raw material.

Two cases are considered herein. In the first, the raw molten steel produced in a basic oxygen furnace is processed by pouring ingots and then casting the ingots into semifinished steel shapes for finishing. In the second, the raw, molten steel is processed directly into semifinished shapes in a continuous caster. The total investment in a new plant that cast ingots first and then semifinished shapes would be over 1.7 billion dollars; the plant using continous casters would cost just under 1.7 billion.

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[1] National Academy of Engineering and the National Research Council. The Competitive Status of the U.S. Steel Industry. Washington, National Academy Press, 1985. 158 p.

[2] Ibid., p. 60, 146-158.

[3] Ibid., p. 146 f.

[4] Ibid., p. 61.

[5] Ibid., p. 1[illegible]2 f.

[6] Ibid., p. 64.

TABLE 1.—INVESTMENT REQUIREMENTS FOR STEEL-MAKING BY STAGE OF PRODUCTION: ASSUMPTIONS OF THE NATIONAL ACADEMY OF ENGINEERING

Stage of production	Output	Total investment (millions)	Capital charge per unit of output [1]
Pelletizing	Iron ore pellets	$18.75	$10.67/ton of pellets.
Sintering	Sinter	15.00	9.96/ton of sinter.
Coking	Coke	860.00	55.10/ton of coke.
Blast furnace	Pig iron	685.00	21.93/ton of pig iron.
Basic oxygen furnace	Raw steel	11.00	10.96/ton of raw steel.
Ingot casting	Ingots	1.00	0.66/ton of steel ingot.
Ingot milling	Semifinished steel	10.00	6.64/ton of semifinished steel.
Continuous casting	Semifinished steel	142.00	10.25/ton of semifinished steel.
Finishing mill	Finished steel, mill product.	100.00	28.46/ton of finished steel.

[1] Assumes 15 percent rate of interest, and amortization of investment over a 10 year period.

Source: National Academy of Engineering and the National Research Council. The Competitive Status of the U.S. Steel Industry. Washington, National Academy Press, 1985. p. 148 f.

NAE makes other cost assumptions, which may or may not conform to reality. For example, NAE assumes the cost of production labor to be 25 dollars per hour.[7] This amount exceeds the American Iron and Steel estimate for 1982 by about 1.20 dollars per hour, and fails to take into account wage concessions of $1.25 per hour in 1983.[8] Again, the NAE estimates are utilized to establish a base reference case.

II. Hypothetical effects of lower interest rates on the costs of production of finished steel

If the interest rate paid by integrated steel companies could be lowered to the rate paid on high quality bonds, costs of production of hot-rolled steel sheet could be lowered by between 3.3 percent and 3.5 percent, or by about 14 dollars per ton. A 2-percentage point reduction in the interest rate could result in the lowering of costs by between 1.9 percent and 2.0 percent, or by about 8 dollars per ton. These effects are summarized in table 2.

The effects vary slightly depending upon the steel-making process. Companies using conventional methods for producing semifinished shapes (namely, casting ingots from the raw molten steel and, then, casting semifinished shapes from ingots) could achieve marginally higher dollar savings per ton, but smaller percentage reductions in cost than companies employing continuous casters to fabricate semifinished shapes. The larger dollar cost reductions of companies using conventional methods is due to the higher capital inputs per ton.

The cost reductions identified assume that capital investments in the amounts indicated in table 1 are made for every operation involved in steelmaking—from the production of iron ore pellets through the rolling of the finished steel product. Thus, the lower cost of inputs from prior processes resulting from lower interest rates are asusmed to be passed through to each successive stage of production.

Suppose, however, that a company only made new investments in a continuous casting process and finishing mills, and that operations up to and including the basic oxygen furnace process were financed at the base reference case interest rate of 15 percent. This company would value the raw molten steel at a price of $244.22, based on NAE estimates. Changing technologies in successive operations would lower total costs per ton of finished product to $396.34 at the 15 percent rate of interest, to $393.36 at the 13 percent rate of interest, and to $391.19 per ton at the 11.5 percent rate of interest. total savings would be $35.77 per ton, if the interest rate were unchanged. If the interest rate fell by 2 percentage points to 13 percent, total savings would be $38.75; an interest rate of 11.5 percent would result in lower costs of $40.19. Clearly, most of these savings result from adoption of the continuous casting process; still, lower interest rates would reduce costs further by an additional 8.3 to 12.4 percent, depending on the interest rate chosen.

TABLE 2. HYPOTHETICAL EFFECTS OF LOWER INTEREST RATES ON COSTS OF PRODUCTION OF HOT-ROLLED STEEL SHEET

[Dollars per ton]

Interest rate scenario	Total cost	Change from base case
Base case (15 percent interest rate):		
Conventional ingot/semifinished process	$432.11	NA
Continuous casting	396.34	NA
2 percentage point reduction (13 percent interest rate):		
Conventional ingot/semifinished process	423.88	−8.23 (−1.9%)
Continuous casting	388.36	−7.98 (−2.0%)
3.5 percentage point reduction (11.5 percent interest rate):		
Conventional ingot/semifinished process	417.73	−14.38 (−3.3%)
Continuous casting	382.40	−13.94 (−3.5%)

NA: Not applicable.

Calculated by CRS, using as source: National Academy of Engineering and the National Research Council. The Competitive Status of the U.S. Steel Industry. Washington, National Academy Press, 1985. p. 146–158.

III. Conclusions

Lowering the interest rates paid by integrated steel companies can make a positive difference in their financial pictures and in the outlook for American steel. Reducing costs of production is important in the light of apparent severe discounting of list prices by the steel industry. Furthermore, it is important if the industry is to generate substantial increases in cash flow to make the investments necessary to be competitive with foreign steel in U.S. markets.

Apparently, the U.S. industry is discounting its list prices to achieve market share. Data Resources, Incorporated estimates that the actual realized price of domestic steel products in 1984 was about 548 dollars per ton.[9] Its 1984 estimate of domestic list prices was about 623 dollars per ton.[10] If these estimates are correct, then the industry has been selling steel at a 12 percent discount from list prices.

Furthermore, assuming the NAE cost estimates for hot-rolled sheet are correct, the domestic industry is losing considerable money on this product. Data Resources, Incorporated estimates the actual realized price for hot-rolled sheet to be about 378 dollars per ton.[11] NAE estimates its cost to be in the range of 396 dollars per ton to 432 dollars per ton, depending on the process used. Thus, steel companies producing this product are losing between 18 and 54 dollars per ton. If the interest rate could be lowered by 2 percentage points, the loss per ton could have been reduced to between 10 and 46 dollars. A 3.5 percentage point drop in the interest rate would have cut the loss per ton to between 4 and 39 dollars.

Reducing losses by these amounts would provide a significant increase in financial resources for investment to the industry. An 8 dollar reduction in costs per ton resulting from a 2 percentage point drop in the interest rate would have meant nearly 730 million dollars of additional net revenue from steel operations. This estimate is based on industry output of 91.2 million tons.[12] Lowering the interest rate by 3.5 percentage points would have meant nearly 1.3 billion dollars in additional revenues. While industry losses would clearly not be eliminated, the effect on steel industry cash flow resulting from the losses would be substantially reduced. Given that the industry is obligated by Title VIII of the Trade and Tariff Act of 1984 to reinvest substantially all of its net cash flow from steel operations in those operations, the potential for additional investment in new technologies and the cost reductions resulting from them is considerable.

The possible effects of lower interest rates charged to the integrated steel industry are, again, dependent on the cost assumptions made. Thus, the estimates presented in this report must be viewed as hypothetical only. Higher capital costs or different amortization schedules could significantly change the estimates; differences in other input cost assumptions would lead to similar changes. What is, perhaps, most important is that lower interest rates could have a noticeable effect on total costs of production.

Finally, this report is limited to assessing the possible effects of lower interest rates on the integrated segment of the steel industry. This segment of the industry accounts for about two-thirds of raw steel production. While no estimates are developed for the nonintegrated or "minimill" segment of the steel industry, it would obviously benefit as well from lower interest rates.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SWINDALL) to revise and extend their remarks and add extraneous material:)

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[7] Ibid., p. 147.

[8] Ibid., p. 55 f.

[9] Data Resources, Incorporated Steel Service. Realized Prices: Estimation, Analysis, Forecast. Lexington, May, 1985. p. 6.

[10] Data Resources, Incorporated. Steel Industry Review. First Quarter 1985. Lexington, 1985. Table A-3. p. II.4.

[11] Data Resources, Incorporated Steel Service. Realized Prices: Estimation, Analysis, Forecast. Lexington, May, 1985. p. 6.

[12] Data Resources, Incorporated. Steel Industry Review. First Quarter 1985. Lexington, 1985. p. iii.

Mr. Swindall, for 45 minutes, May 21.

(The following Members (at the request of Mr. Robinson) to revise and extend their remarks and add extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Pepper, for 5 minutes, today.

Mr. Gaydos, for 30 minutes, today.

Mr. Skelton, for 60 minutes, May 21.

Mr. Gaydos, for 30 minutes, May 21.

Mr. Gaydos, for 30 minutes, May 22.

Mr. Brooks, for 60 minutes, May 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Swindall) and to include extraneous matter:)

Mr. Chappie.

Mr. Vander Jagt.

Mr. Kemp.

Mr. McEwen.

Mr. Lewis of Florida.

Mr. Lagomarsino.

Mr. Shumway.

Mr. Conte.

(The following Members (at the request of Mr. Robinson) and to include extraneous matter:)

Mr. Anderson in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Mr. Frost.

Mr. Moody.

Mr. Walgren.

Mr. Fascell in two instances.

Mr. Lehman of Florida.

Mr. Hubbard.

Mr. LaFalce.

Mr. Montgomery in two instances.

Mr. Matsui in three instances.

Mr. Murtha.

Mr. Lipinski.

Mr. Stark in three instances.

Mr. Stokes in two instances.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 32. Joint resolution to authorize and request the President to designate September 21, 1986, as "Ethnic American Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 40. Joint resolution to designate the month of October 1985 as "National Down Syndrome Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 57. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 108. Joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control; to the Committee on Armed Services.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1869. An act to amend the Internal Revenue Code of 1954 to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 103. Joint resolution to designate the month of May 1985, as "Very Special Arts U.S.A. Month."

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 1869. An act to amend the Internal Revenue Code of 1954 to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes.

ADJOURNMENT

Mr. GAYDOS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly at (2 o'clock and 44 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 21, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1304. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs of carrying out the export inspection and certification programs for apples, pears, grapes, and plums; to the Committee on Agriculture.

1305. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs of establishing standards and specifications for agricultural products; to the Committee on Agriculture.

1306. A communication from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1985 and amendments to the request for appropriations for fiscal year 1986, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-69); to the Committee on Appropriations and ordered to be printed.

1307. A letter from the Comptroller General, General Accounting Office, transmitting a report on the status of budget authority proposed for rescission in the President's sixth special message, but for which Congress failed to pass a rescission bill, pursuant to 2 U.S.C. 685; to the Committee on Appropriations.

1308. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a listing of supplemental contract award dates for the period June 1, 1985 to June 30, 1985, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

1309. A letter from the Secretary of the Navy, transmitting the unit cost exception reports as additional information to the report of April 15, 1985 (Executive Communication No. 993) concerning the A-6E/A-6F aircraft and the Phoenix missile, pursuant to 10 U.S.C. 139b(d)(3)(A); to the Committee on Armed Services.

1310. A letter from the Treasurer of the United States, transmitting the 1985 first quarter report on the activities relating to the minting of the 1984 Los Angeles Olympic Games' coins, pursuant to Public Law 97-220, section 11; to the Committee on Banking, Finance and Urban Affairs.

1311. A letter from the Auditor, District of Columbia, transmitting a copy of his report entitled, "Annual Audit of the Washington Convention Center for Fiscal Year 1984," pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

1312. A letter from the Director, Federal Mediation and Conciliation Service, transmitting the annual report for fiscal year 1983, pursuant to the act of June 27, 1947, chapter 120, secton 202(c); to the Committee on Education and Labor.

1313. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the inventory of all wells in the United States which inject hazardous waste, pursuant to Public Law 98-616, section 701(a) (98 Stat. 3288); to the Committee on Energy and Commerce.

1314. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's proposed letter of offer to Korea for defense articles and services (Transmittal No. 85-34), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1315. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmtting a report of political contributions by Lewis A. Tambs, Ambassador Extraordinary and Plenipotentiary-elect, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1316. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by Lannon Walker, Ambassador Extraordinary and Plenipotentiary-elect, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1317. A letter from the Acting Director, Office of Personnel Management, transmitting the annual report on the financial status of the U.S. civil service retirement system as of September 30, 1984, pursuant

to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1318. A letter from the Secretary of the Board, Board of Governors of the Federal Reserve System, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the committee on Government Operations.

1319. A letter from the Secretary of Transportation, transmitting the sixth annual report on the Highway Bridge Replacement and Rehabilitation Program, pursuant to 23 U.S.C. 144(i), to the Committee on Public Works and Transportation.

1320. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a report from the Chief of Engineers, Department of the Army, on Canal 18 Basin-Loxahatchee Slough, central and southern Florida, together with other pertinent reports; to the Committee on Public Works and Transportation.

1321. A letter from the Executive Secretary, Department of Defense, transmitting the report on Department of Defense procurement from small and other business firms for October through November 1984, pursuant to SBA, section 10(d); to the Committee on Small Business.

1322. A letter from the Assistant Secretary for Legislative and Intergovernmental Affairs, Department of State, transmitting a draft of proposed legislation to implement the Nairobi Protocol to the Florence Agreement on the Importation of Educational, Scientific, and Cultural Materials, and for other purposes; to the Committee on Ways and Means.

1323. A letter from the Secretary of Health and Human Services, transmitting a report on the Fiscal Year 1984 Low Income Home Energy Assistance Program, pursuant to 42 U.S.C. 8629(b); jointly, to the Committees on Education and Labor and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. de la GARZA: Committee on Agriculture. House Resolution 172. Resolution to recognize the centennial anniversary of the Holstein-Friesian Association of America, a premier dairy cattle breed organization (Rept. No. 99-134 Pt. I). Ordered to be printed.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. GRAY of Pennsylvania: Committee on the Budget. House Concurrent Resolution 152. Concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1986 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988; referred to the Committee on Rules for a period ending not later than May 21, 1985, for consideration of such portions of the concurrent resolution as fall within that committee's jurisdiction pursuant to clause 1(q), rule X (Rept. No. 99-133, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Omitted from the Record of May 16, 1985]

By Mr. McCAIN:

H.R. 2539. A bill to amend title 18, United States Code, with respect to offenses relating to the sexual exploitation of children, and for other purposes; to the Committee on the Judiciary.

[Submitted May 20, 1985]

By Mr. DASCHLE:

H.R. 2547. A bill to integrate the Hilltop and Gray Goose Irrigation Districts, SD, into the Pick-Sloan Missouri Basin Program; to the Committee on Interior and Insular Affairs.

By Mr. NEAL (for himself, Mr. Jones of North Carolina, Mr. Hefner, Mr. Duncan, Mr. Whitley, Mr. Valentine, Mr. Perkins, Mr. Tallon, Mr. Boucher, Mr. Rose, Mr. McMillan, Mr. Hendon, and Mr. Coble):

H.R. 2548. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of any contribution to any no net cost tobacco fund or any no net cost tobacco account shall be treated as a deductible expense; to the Committee on Ways and Means.

By Mr. SHUMWAY:

H.R. 2549. A bill to amend title IV of the Social Security Act to provide that States which provide aid to dependent children of unemployed parents must require the unemployed parent to participate in a community work experience program; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

133. By the SPEAKER: Memorial of the House of Representatives of the State of Hawaii, relative to the existence of American prisoners of war in Southeast Asia; to the Committee on Foreign Affairs.

134. Also, memorial of the Legislature of the Territory of Guam, relative to the Small Business Administration; to the Committee on Small Business.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 6: Mr. Rose.

H.R. 8: Mr. Gallo.

H.R. 44: Mr. Smith of New Hampshire.

H.R. 84: Mr. Monson and Mr. Shumway.

H.R. 467: Mr. Clinger.

H.R. 468: Mr. Clinger, Mr. Craig, Mr. Borski, and Mr. Gonzalez.

H.R. 527: Mr. Stangeland, Mr. Traficant, and Mr. Hutto.

H.R. 528: Mr. Gejdenson.

H.R. 602: Mr. Mrazek, Mrs. Roukema, Mr. Kolbe, and Mr. Kolter.

H.R. 644: Mr. Marlenee, Mr. Grotberg, and Mr. Clinger.

H.R. 782: Mr. Edgar.

H.R. 862: Mr. Sabo, Mr. Ortiz, Mr. Brooks, and Mr. Bryant.

H.R. 930: Mr. DeWine, Mr. Barton of Texas, and Mr. Frost.

H.R. 1101: Mr. Frank, Mr. Dwyer of New Jersey, Mr. Ortiz, Mr. Bilirakis, Mr. Matsui, Mr. Murphy, Mr. Borski, and Mr. Gonzalez.

H.R. 1102: Mr. Frank, Mr. Ortiz, Mr. Matsui, Mr. Murphy, Mr. Borski, and Mr. Gonzalez.

H.R. 1103: Mr. Frank, Mr. Dwyer of New Jersey, Mr. Bilirakis, Mr. Matsui, Mr. Murphy, Mr. Borski, and Mr. Gonzalez.

H.R. 1104: Mr. Frank, Mr. Dwyer of New Jersey, Mr. Ortiz, Mr. Matsui, Mr. Murphy, and Mr. Borski.

H.R. 1142: Mr. Bartlett.

H.R. 1154: Mr. Crockett, Mr. Heftel of Hawaii, and Mr. Weiss.

H.R. 1398: Mr. Dymally.

H.R. 1442: Mr. Solarz, Mr. Barnes, Mr. Feighan, Mr. Guarini, Mr. Ackerman, and Mr. Manton,

H.R. 1524: Mr. Wolpe, Mr. Dwyer of New Jersey, Ms. Kaptur, Mr. Gonzalez, Mrs. Collins, Mr. Pease, Mr. Smith of Iowa, Mr. Rodino, Mr. Olin, Mr. Mollohan, Mr. Akaka, and Mr. Robinson.

H.R. 1540: Mr. Frank, Mr. Vento, and Mr. Fauntroy.

H.R. 1550: Mr. Glickman and Mr. Rinaldo.

H.R. 1739: Mr. Mitchell and Mr. Staggers.

H.R. 1811: Mr. Montgomery, Mr. Ralph M. Hall, Mr. Barton of Texas, and Mr. Skeen.

H.R. 1812: Mr. Gray of Pennsylvania, Mr. Mineta, and Mr. Valentine.

H.R. 1877: Mr. Kostmayer, Mr. Lantos, Mr. Roe, Mrs. Burton of California, Mr. Boland, Mr. Fauntroy, Mr. Levine of California, Mr. Lehman of Florida, Mr. Frank, Mr. Mrazek, Mr. Towns, Ms. Kaptur, Mr. Edwards of California, Mr. Jeffords, Mr. Hayes, Mr. Young of Missouri, Mr. Akaka, Mr. Kolter, Mr. Bates, Mr. Martinez, Mr. Heftel of Hawaii, Mr. Berman, Mr. Yatron, Mr. Guarini, Mr. Studds, and Mr. Weiss.

H.R. 1878: Mr. O'Brien.

H.R. 1879: Ms. Kaptur.

H.R. 1927: Mr. Evans of Illinois.

H.R. 1935: Mr. Kastenmeier, Mr. Parris, Mr. Whitehurst, Mr. Martinez, Mr. Fauntroy, Mr. Barnes, Mr. Murphy, Mrs. Burton of California, Mr. Vento, Mrs. Bentley, Mr. Moakley, Mr. Fish, Ms. Kaptur, Ms. Snowe, and Mr. Porter.

H.R. 2032: Mr. Frost, Mr. Martinez, and Mr. Morrison of Connecticut.

H.R. 2124: Mr. Mineta, Mr. Wyden, Mr. Morrison of Connecticut, Mr. Dwyer of New Jersey, and Mr. Matsui.

H.R. 2247: Mr. Garcia, Mr. Martinez, Mr. Dymally, Mr. Vento, and Mr. Roybal.

H.R. 2397: Mr. McCloskey, Mr. Kildee, Mr. Wolpe, Mrs. Boggs, Mr. Solomon, Mr. Stokes, Mr. Gibbons, Mr. Dickinson, Mr. McHugh, Mr. Frank, and Mr. Seiberling.

H.R. 2401: Mr. Weaver, Mr. Kildee, Mr. Studds, and Mr. Mineta.

H.R. 2481: Mr. Dorgan of North Dakota.

H.J. Res. 94: Mr. Bartlett.

H.J. Res. 135: Mr. Coelho, Mr. Blaz, Mr. Sisisky, Mr. Bennett, Mrs. Bentley, Mr. Campbell, Mr. Vander Jagt, Mr. Dickinson, Mr. Young of Florida, Mr. Erdreich, Mr. Fauntroy, Mr. Flippo, Mr. Whitley, and Mr. McHugh.

H.J. Res. 137: Mrs. Meyers of Kansas.

H.J. Res. 169: Mr. Strang, Mr. Rowland of Connecticut, Mr. Yatron, Mr. Frenzel, Mr. Kildee, Mr. Nichols, Mr. Ortiz, Mr. Price, Mr. Erdreich, Mr. Gallo, Mr. Saxton, Mr. Dicks, Mr. Anthony, Mr. Bateman, Mr. Bedell, Mrs. Bentley, Mr. Bilirakis, Mr. Brooks, Mr. Hutto, Mr. Kastenmeier, Mr. Burton of Indiana, Mr. Hall of Ohio, Mr. Rinaldo, Mr. Natcher, Mr. Porter, Mr. Rodino, Mr. Smith of Iowa, Mr. Carney, Mr. Kemp, Mr. Daniel, Mr. Traxler, Mr. Shelby, Mr. MacKay, Mr. Ackerman, Mr. Boland, Mr. Conyers, Mr. Dyson, Mr. Martin of New York, and Mr. Rowland of Georgia.

H.J. Res. 171: Mr. Boland, Mr. Moakley, Mr. Leland, Mr. Guarini, Mr. Moody, Mr. Stangeland, Mr. Levin of Michigan, and Mr. Hatcher.

H.J. Res. 266: Mr. Murphy, Mr. Frenzel, and Mr. Derrick.

H.J. Res. 274: Mr. Fazio, Ms. Kaptur, Mr. Pashayan, Mr. Wortley, Mr. Horton, and Mr. Badham.

H. Con. Res. 37: Mr. Courter, Mr. Schumer, Mr. Bliley, Mr. Sisisky, and Mr. Slaughter.

H. Con. Res. 57: Mrs. Collins, Mr. Lantos, Mr. Matsui, Mr. Weber, Mr. McCain, Mr. Frenzel, Mr. Madigan, Mr. Lightfoot, Mr. Berman, Mr. Ackerman, Mr. Levine of California, Mr. Fazio, Mr. Frank, Mr. Wolpe, Mr. Garcia, and Mr. Mineta.

H. Con. Res. 114: Mr. Bates, Mr. Bustamante, Mr. Williams, Mr. Eckart of Ohio, Mr. Miller of Washington, Mr. Howard, Mr. Bruce, Mr. Fazio, Mr. Vento, and Mr. Panetta.

H. Res. 152: Mr. Akaka, Mr. Anderson, Mr. Biaggi, Mr. Boehlert, Mr. Bonker, Mr. Borski, Mr. Boucher, Mr. Coleman of Texas, Mr. Coyne, Mr. Dowdy of Mississippi, Mr. Davis, Mr. Fields, Mr. Ford of Michigan, Mr. Gejdenson, Mr. Gaydos, Mr. Gray of Illinois, Mr. Guarini, Mr. Hertel of Michigan, Mr. Howard, Mrs. Kennelly, Mr. Manton, Ms. Mikulski, Mr. Mitchell, Mr. Morrison of Connecticut, Mr. Owens, Mr. Price, Mr. Rangel, Mr. Rodino, Mr. Roe, Mr. Rahall, Mr. Rowland of Georgia, Mr. Savage, Mr. Schumer, Mr. Saxton, Mr. Stokes, Mr. Stratton, Mr. Torricelli, Mr. Weiss, Mr. Young of Missouri, Mr. Young of Florida, Mrs. Burton of California, Mr. Leland, Mr. Crockett, and Mr. Scheuer.

H. Res. 166: Mr. Udall, Mr. Dymally, Mr. Gejdenson, Mr. Studds, Mr. Bonker, Mr. Lantos, Mr. Fascell, Mr. Crockett, and Mr. Yatron.

SENATE—*Monday, May 20, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. Thurmond].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Our prayer today is the hymn entitled "National Hymn" by George William Warren, written in 1892:

"God of our fathers, whose almighty hand Leads forth in beauty all the starry band Of shining worlds in splendor through the skies, Our grateful songs before Thy throne arise.

"Thy love divine hath led us in the past; In this free land by Thee our lot is cast; Be Thou our Ruler, Guardian, Guide and Stay; Thy word our law, Thy paths our chosen way.

"From war's alarms, from deadly pestilence, Be Thy strong arm our ever sure defense; Thy true religion in our hearts increase, Thy bounteous goodness nourish us in peace.

"Refresh Thy people on their toilsome way, Lead us from night to never ending day; Fill all our lives with love and grace divine, And glory, laud, and praise be ever Thine." Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, to be followed by special orders in favor of Senators Pressler and Proxmire.

Mr. President, I ask unanimous consent that the special order in favor of Mr. Pressler be vitiated.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Following that, there will be a period for routine morning business with statements limited therein to 5 minutes each. After the period for routine morning business has expired the Senate will resume consideration of S. 1160, the Department of Defense authorization bill. It has been announced that there will be no rollcall votes today prior to 5 p.m.

I hope we will also be able to consider the Israel free trade area agreement (S. 1114) which was unanimously reported by the Finance Committee.

It is my understanding that Senator Goldwater very much would like to finish action on the DOD bill this week. Based on his willingness to pursue that policy we can expect fairly early mornings and probably late evenings.

The last time I visited the chairman of the Committee on Armed Services it was his hope and intention to try to complete action by Friday of this week, before the Memorial Day recess period. So I would urge Members who have amendments to be in touch with the managers on each side and, if possible, if Senators could reach some time agreement, time agreements are encouraged.

It would be most helpful if we could work out time agreements on matters that have been fairly well debated, whether it be SDI, MX, or some other proposal. It would seem to me, if we could work out some time agreements, we could take action on the amendments surely in fairly rapid fashion.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The distinguished Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair, the distinguished President pro tempore.

LEADERSHIP OF SENATOR DOLE

Mr. BYRD. Mr. President, there is an excellent article in today's Washington Post commenting on the leadership of Mr. Dole, especially with reference to his work in connection with the recently adopted first concurrent budget resolution by the Senate. It is a very good article by Helen Dewar, and it pays deserved compliments to Mr. Dole. I ask unanimous consent that I may insert that statement in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, May 20, 1985]

Dole Rides High After Budget Victory

(By Helen Dewar)

It was the kind of political high-wire act the Washinton loves but rarely sees: a brazen wave to the crowd, then a series of nerve-jangling wobbles and finally a safe landing for the star performer.

For four months, Senate Majority Leader Robert J. Dole (R-Kan.) kept the town in suspense as he tried—often with more grit than grace—to patch together a huge package of spending reductions that would cut deficits by half within three years without raising taxes.

The White House had tried and failed at the task; the Democrats showed no interest in trying. In his first few months as leader of Senate Republicans, Dole was still in job-training and had a mixed record, ranging from a victory on the MX missile to a rebuff from his troops on emergency farm-credit legislation.

But, from the start, the deficit-reduction effort was clearly going to be an early make-or-break test of Dole's leadership skills, made all the more dramatic by the bravado with which he launched the effort from the steps of Blair House before President Reagan finished writing his budget proposal.

It was a gamble, Dole concedes, and he was not always as certain of vindication as he appeared in public.

He knew he got off to a bad start when the Republicans promised a deficit plan by Feb. 1 and soon missed the deadline. His efforts to reach an early consensus among committee chairmen fizzled in full public view. When he then turned to the Budget Committee to draft a plan, the White House stomped all over the results. There were backroom sessions in which Republican senators were all but throwing erasers at one another.

Dole began to have at least fleeting thoughts of what it would be like to try to repair the damage from defeat.

"I could see the epitaph: 'Here lies the leader who lasted only three months,'" he said in a recent interview. He laughed but added more seriously that it would have been a "lonely six months of rebuilding" if he had failed.

However, a week ago, after a grueling trial-and-error exercise that often seemed to teeter on the brink of failure, Dole's painstaking effort paid off—barely. Sen. Pete Wilson (R-Calif.), hospitalized for a ruptured appendix, was wheeled into the chamber, setting up a 49-to-49 tie vote that Vice President Bush broke in favor of the plan.

Shaky as it was, even Democrats credited passage as an extraordinary accomplishment in light of the difficulties that had been surmounted, ranging from White House reluctance to tamper with Social Security or its defense buildup to the parochial concerns of Dole's troops, especially the 22 Republicans whose seats are up for election next year.

"I give him high marks . . . there's nothing quite like success," said Sen. Lawton Chiles (Fla.), ranking Democrat on the Senate Budget Committee, who had been standing by with his own plan, ready to pick up the pieces if Dole crashed.

In the process of finding a Senate consensus on spending cuts, the Dole-led Republican majority in the Senate moved further—

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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and more aggressively—away from White House policies than it had done under Dole's popular but less daring predecessor as majority leader, Howard H. Baker Jr. (R-Tenn.), who has retired from the Senate.

Dole and other GOP leaders persuaded Reagan to accept not only Social Security benefit limits he had vowed never to embrace but also a major cutback in his high-priority defense buildup, concessions that rivaled any that the president made in his first term.

Dole avoided an open break with the White House largely by getting the president's lieutenants to sit down in his own office to hear about problems he faced. "We did everything we could . . . and the president knew no one up here was playing games," Dole said.

With the outcome apparently hinging on a variety of concessions, especially the defense cutback, "Dole was saying in effect, 'Mr. President, we're going to make you an offer you can't refuse.' " said Sen. Bob Packwood (R-Ore.), Dole's successor as chairman of the Senate Finance Committee.

Packwood, who is close to Dole and Baker, draws this distinction between the two: "Howard regarded himself as the president's liege, Bob regards himself as leader of Senate Republicans. And there's a big difference."

The victory, no matter how narrow, clearly enhanced Dole's clout within the Senate in a way that could help him in legislative battles ahead, according to senators of both parties.

The victory, however, was won not with the fast quips and virtuoso maneuvers that have marked Dole's public image.

Instead, it was won unglamorously, in the trenches—in more than 100 private negotiating sessions, in parliamentary maneuvers that proved a match for Minority Leader Robert C. Byrd (D-W.Va.) and his renowned procedural skills, and with constantly shifting tactics that, in the process of skirting deadlock, wore down the opposition and created a sense of inevitability about passage.

It was also done in concert with Budget Committee Chairman Pete V. Domenici (R-N.M.), a rival for the majority leader's post who tangled over turf with Dole, then finance chairman, during previous budget battles. With Domenici's facts and figures and Dole's relentless pressure, "it was a formidable combination," said a Republican who had received the full Dole-Domenici treatment.

During the bargaining sessions, sometimes six to eight a day, often overlapping, Dole coaxed, wheedled and massaged his colleagues, individually and collectively, and cut deals in which money was restored to favored programs in exchange for votes. Sen. Edward Zorinsky (Neb.), the lone Democrat to support Dole's plan, said his vote helped produce a couple of billion dollars more for farm programs. Republicans got money for everything from Amtrak to Urban Development Action Grants; for some, Dole agreed to introduce amendments that he adamantly opposed, in hopes of winning their support in the end.

Roll was taken at the meetings, and absentees were rounded up. There were meetings for senators who refused to attend other meetings. When one senator complained that he had not been consulted, he was quickly told that he had been invited to 15 meetings and attended four. Only half facetiously, another senator said he was convinced that some of his colleagues agreed to go along with Dole simply to avoid having to attend any more meetings.

Baker, too, was a patient man with a collegial approach to leadership. But Dole, as stubborn as he is patient, appears more inclined to stick it out until he gets his way, shifting strategy as he goes but never losing sight of his goal.

"If nothing else, he's shown everyone that he can outlast them," a Democrat said. "That goes a long way around here."

Although it may bring them grief on Social Security, the plan bought Senate Republicans—who face a tough 1988 election—an insurance policy against economic adversity by enabling them to claim that they had voted to curb one of the major causes of high interest rates, inflation, unemployment, trade imbalances and other economic ills.

Moreover, victory was achieved without pressing the shakiest of the troops to the wall. For instance, it is thought to be no coincidence that the hair-thin margin of victory was engineered without need of a favorable vote from Sen. Paula Hawkins (R-Fla.), whose reelection is in such doubt that a vote to limit Social Security benefits as part of the package could have doomed her chances.

But it is less clear whether the victory has accomplished similar wonders for Dole as a possible contender for the 1988 Republican presidential nomination.

Hampered by an earlier reputation as a hatchetman and by a more recent image as a moderate pragmatist swimming against a tide of ideological conservatism within his party (he's been called "tax collector for the welfare state" by one of the young House conservatives), Dole has nonetheless made no secret of his presidential ambitions. And, at age 61, he may be running out of time to fulfill them.

Several political strategists, none of them serving Dole at the moment, suggested that his national reputation was helped, but not decisively, by his budget victory.

Meanwhile, Dole faces problems in the Senate, ranging from fending off further concessions in negotiating final deficit reductions with the Democratic-controlled House to keeping the Senate in GOP hands next year.

But, for the time being, he is riding high, shuttling around town to share his joy with just about anyone who will listen. As he said at a low point in the deficit struggle, "On the whole, I prefer winning."

Mr. DOMENICI. Mr. President, I wonder if the distinguished majority leader will yield 1 minute to the Senator from New Mexico.

Mr. DOLE. I am pleased to yield 1 minute.

FIRST CONCURRENT BUDGET RESOLUTION

Mr. DOMENICI. Mr. President, 1 week ago last Thursday night this Chamber adopted what I consider to be a most historic resolution—the first resolution on the budget for fiscal year 1986. Since that time a number of journalists and editorial writers have commented very favorably on the courage exhibited in that 50 to 49 vote.

As all Members know, a budget resolution is a set of numbers aggregated by broad functional categories. Reconciliation savings in a resolution are similarly aggregated by the appropriate committees of jurisdiction. In developing those numbers, however, assumptions are made as to how the figures could be met. Assumptions are not binding in a resolution, but the final numbers are.

Since a number of my colleagues have requested the assumptions that were used in developing the resolution, I have asked the Budget Committee staff to prepare a set of tables that outline these assumptions, including the final figures that have been updated for some technical corrections which they were authorized to make.

Mr. President, I ask unanimous consent to insert in the RECORD three sets of tables. These are: First, aggregate functional totals, second, narrative description of major assumptions in the resolution, and third, summary of reconciliation savings with assumptions by Senate committee.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1986, SENATE CONCURRENT RESOLUTION 32, AS PASSED BY THE SENATE

[In billions of dollars]

	Fiscal year—			
	1985	1986	1987	1988
050: National defense:				
Budget authority	292.6	302.5	323.4	346.8
Outlays	252.0	273.1	292.1	313.0
150: International affairs:				
Budget authority	25.3	21.2	20.4	20.7
Outlays	18.0	17.8	17.1	16.7
250: General science, space, and technology:				
Budget authority	9.1	9.1	9.0	9.3
Outlays	8.7	9.0	8.8	9.0
270: Energy:				
Budget authority	1.6	5.2	5.2	4.9
Outlays	6.5	5.1	4.6	4.2
300: Natural resources and environment:				
Budget authority	12.7	12.2	12.6	12.8
Outlays	13.1	12.5	12.4	12.5
350: Agriculture:				
Budget authority	24.8	17.2	17.7	17.0
Outlays	21.0	14.5	15.8	12.9
370: Commerce and housing credit:				
Budget authority	12.6	6.8	5.6	6.1
Outlays	5.6	3.4	2.3	5.1
400: Transportation:				
Budget authority	29.6	27.2	27.9	27.3
Outlays	26.1	26.1	27.7	27.4
450: Community and regional development:				
Budget authority	8.4	6.6	6.7	7.1
Outlays	8.7	7.9	7.1	6.7
500: Education, training, employment, and social services:				
Budget authority	31.6	30.1	30.7	31.3
Outlays	30.3	30.3	29.9	30.4
550: Health:				
Budget authority	33.6	35.7	38.2	40.8
Outlays	33.5	35.3	37.8	40.3
570: Medical insurance:				
Budget authority	71.8	81.9	91.2	94.8
Outlays	65.2	68.3	74.8	82.7
600: Income security:				
Budget authority	162.8	155.4	164.9	173.9
Outlays	128.6	116.6	120.6	125.7
650: Social Security:				
Budget authority	195.5	207.4	225.5	266.1
Outlays	189.3	194.9	205.9	220.0
700: Veterans benefits and services:				
Budget authority	27.2	26.7	26.8	27.2
Outlays	26.3	26.1	26.2	26.7
750: Administration of justice:				
Budget authority	6.6	6.8	6.9	7.0
Outlays	6.4	6.7	6.9	7.0
800: General Government:				
Budget authority	5.8	5.3	5.4	5.5
Outlays	5.8	5.2	5.2	5.5
850: General purpose fiscal assistance:				
Budget authority	6.4	6.5	2.0	2.1

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1986, SENATE CONCURRENT RESOLUTION 32, AS PASSED BY THE SENATE—Continued

[In billions of dollars]

	Fiscal year—			
	1985	1986	1987	1988
Outlays	6.4	6.5	3.2	2.1
900: Net interest:				
Budget authority	129.7	142.3	152.1	153.9
Outlays	129.7	142.3	152.1	153.9
920: Allowances:				
Budget authority	0.3	−1.6	−1.6	−0.6
Outlays	0.3	−1.6	−1.6	−0.5
950: Undistributed offsetting receipts:				
Budget authority	−32.4	−35.0	−37.8	−41.1
Outlays	−32.4	−35.0	−37.8	−41.1
Total:				
Budget authority	1,055.6	1,069.5	1,132.8	1,212.9
Outlays	949.1	965.0	1,011.1	1,060.2
Revenues	736.2	793.6	866.3	955.9
Deficit	212.9	171.4	144.8	104.3
Public Debt	1,849.3	2,086.5	2,312.7	2,525.2

COMPONENTS OF SENATE CONCURRENT RESOLUTION 32, AS PASSED BY THE SENATE

[In billions of dollars]

	Fiscal year—			
	1985	1986	1987	1988
Baseline deficit	213.3	227.4	244.7	243.6
Revenue increases		−0.9	−2.0	−3.4
Outlay reductions:				
Policy changes	−0.4	−52.4	−87.9	−116.2
Debt service savings		−2.7	−10.0	−19.7
Total deficit reductions	−0.4	−56.0	−99.9	−139.3
Deficit in S. Con. Res. 32	−212.9	−171.4	−144.8	−104.3

[Summary of Major Provisions and Assumptions, Senate Concurrent Resolution 32]

FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1986

(Senate-passed May 10, 1985)

FUNCTION 050—NATIONAL DEFENSE

Provide for real growth in defense spending of 0, 3, and 3 percent for the years FY 1986–1988 respectively.

Growth is based on OMB economic assumptions, consistent with the overall resolution.

Assume full funding for President's strategic program request and support of major conventional programs.

Savings would be achieved from slowing growth of troubled weapon systems, various non-major weapon systems' procurement accounts, and other accounts.

FUNCTION 150—INTERNATIONAL AFFAIRS

Terminate Eximbank direct loan program.

Provide $175 million each FY 1986–88 for a larger and more flexible interest rate buy down than the I-Match program originally proposed by the President.

Allow an increase of $200 million in FY 1986 BA above the level reported by the Foreign Relations Committee on foreign aid.

FUNCTION 250—GENERAL SCIENCE, SPACE AND TECHNOLOGY

For FY 1986 all programs in function frozen at their FY 1985 program level.

After FY 1986 funding increases based on projected inflation. Major programs in function include: National Science Foundation, National Aeronautics and Space Administration, and Department of Energy general science program.

FUNCTION 270—ENERGY

Reduce REA electric loan levels by $550 million in FY 1985 and 1986; $600 million in FY 1987 and $650 million in FY 1988.

Reduce funding for fossil energy research and development by 11 percent in FY 1986, adjusted for inflation FY 1987–88.

Reduce funding for energy supply research and development by 6 percent in FY 1986, adjusted for inflation thereafter.

Reduce funding for energy conservation by 14 percent in FY 1986, adjusted for inflation FY 1987–88.

Reform the uranium enrichment program so as to limit appropriations to level of revenues received from uranium enrichment sales, and accelerate payment of DOE obligation to Treasury for the government's prior investment in the enrichment enterprise.

Impose a 3-year moratorium on strategic petroleum reserves; continue operation and maintenance funding.

FUNCTION 300—NATURAL RESOURCES AND ENVIRONMENT

Reduce funding for discretionary public land purchases by 42 percent in FY 1986, adjust for inflation thereafter.

Reduce funding for soil and water conservation by 15 percent over FY 1986–1988.

Reduce funding for water project construction; operation, and maintenance by 6 percent in FY 1986.

Reduce funding for BLM and Forest Service programs by 7 percent over FY 1986–1988.

Reduce funding for National Park Service operation and construction by 16 percent over FY 1986–1988.

Initiate recreation user fees.

FUNCTION 350—AGRICULTURE

Freeze agriculture research, extension, and funding for agriculture services in FY 1986 at FY 1985 levels, adjust for inflation thereafter.

Reform farm price support programs to achieve savings of $0.5 billion in FY 1986, $1.1 billion in FY 1987, and $3.9 billion in FY 1988.

Phase out direct farm loans over a five year period; increase guaranteed loan levels to maintain a $4.0 billion per year package of loans. Institute an interest rate buy down program with statuatory limit of $240 million over FY 1986–1988.

Eliminate emergency disaster loans in areas served by federally subsidized crop insurance.

FUNCTION 370—COMMERCE AND HOUSING CREDIT

Retain the SBA and certain loan programs but reduce direct loans 70 percent from the FY 1985 level and reform the loan guarantee program.

Retain the Farmers Home Administration rural housing program but reduce the program level by more than half. Fund about 35,000 single family homeownership and rental housing units; and provide additional rural housing assistance through HUD.

Reduce appropriations for postal subsidies but continue reduced rates for most mailers now eligible including small newspapers, nonprofit organizations and other mailers as well as free mail for the blind and handicapped.

Eliminate the U.S. Travel and Tourism Administration.

Eliminate trade adjustment assistance provided to firms by the International Trade Administration.

End promotion of fishery products by NOAA.

FUNCTION 400—TRANSPORTATION

Reduce urban mass transit operating subsidies by 20 percent in FY 1986, and frozen at this reduced level thereafter. Transit capital programs are reduced from the current available level of $2.7 billion to $1.7 billion by FY 1988.

Reduce Amtrak by 12.5 percent in FY 1986, 25 percent in FY 1987 and 40 percent in FY 1988: Savings of $0.6 billion over the next three years.

Reduce aviation research, development, facilities and equipment funding.

Allow for pay back of ship construction differential subsidies.

Sell Conrail.

Reduce federal-aid highway obligations from enactment of S. 391, the interstate cost estimate (ICE) bill, and hold highway obligations at the FY 1985 level in FY 1987 and FY 1988.

Eliminate the Local Rail Service Assistance Program, the United States Railway Association, and the Northeast Corridor Improvement Project.

Levy Coast Guard user fees, yielding $150 million in annual receipts.

Freeze air carrier subsidies.

FUNCTION 450—COMMUNITY AND REGIONAL DEVELOPMENT

Reduce community development block grants (CDBG) by 10 percent.

Reduce urban development action grants by 20 percent in FY 1986 and terminate them in FY 1987; terminate the CDBG loan guarantee program and section 312 rehabilitation loans.

Terminate rental development grants; impose a two-year moratorium on rental rehabilitation grants.

Terminate Economic Development Administration and Appalachian Regional Commission.

Freeze loan volume for the rural telephone bank at the FY 1985 level.

Reduce the funding for TVA development programs and the Bureau of Indian Affairs.

Terminate SBA disaster assistance to farmers and the non-physical disaster loan program.

FUNCTION 500—EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES

Reduce funding for impact aid, Part B.

Freeze elementary and secondary education programs.

Reduce guaranteed student loans resulting in savings of $200 million in FY 1986, about one-half the President's request. Savings could be achieved through reduction in subsidies to lender banks.

Terminate work incentive program.

Reform the employment service.

Freeze support for cultural activities.

Reduce funding for the community services block grant in 1986, terminate thereafter.

Reduce funding for Job Corps by 30 percent.

Increase funding for programs for the disabled.

FUNCTION 550—HEALTH

Assume $1.2 billion in medicaid savings during FY 1986–1988. The savings do not assume a cap on federal medicaid payments to states.

Reduce new and competing NIH awards to 6,000 per year.

Reform federal employees health benefits program and require DC government to pay the employers share for their retirees.

FUNCTION 570—MEDICAL INSURANCE

Freeze medicare payments to hospitals and some doctors and clinical labs at their current levels in FY 1986. Payments to other smaller providers would be frozen or reformed.

Reduce by half medicare adjustment paid to teaching hospitals.

Extend the "working elderly" provisions adopted in 1982, allowing employers to provide their health insurance as primary coverage (medicare secondary) for workers 65-69.

Assume additional unspecified savings of $2.8 billion over the next three years. These savings could be achieved by increases in beneficiary cost sharing, premiums or other reforms.

FUNCTION 600—INCOME SECURITY

One year COLA freeze in FY 1986 for railroad retirement, federal civilian and military retirement, and related programs.

Increase supplemental security income benefits by $10 per month for individuals and $15 per month for couples.

Increase PBGC insurance premiums to ensure trust fund solvency.

Reform railroad retirement by applying the rules for taxing social security benefits only to those railroad retirement benefits that are equivalent to social security benefits; extend the regular state-federal unemployment system to railroad workers.

Reform federal civilian retirement by increasing employee contributions from 7 percent to 9 percent in 1987 and beyond and by increasing the contribution made by the Postal Service and the District of Columbia.

Reform military retirement to allow and encourage some members of the armed forces to stay in the service longer.

Eliminate annual payments for certain public housing projects as a result of debt forgiveness.

Reduce public housing operating subsidies.

Reform the food stamp program by strengthening work requirements for recipients and by providing a block grant at the FY 1985 level of funding for state food stamp administrative expenses.

Achieve saving in child nutrition program of about $1.2 billion, FY 1986–1988.

FUNCTION 650—SOCIAL SECURITY

One year COLA freeze in FY 1986.

Improve administration of social security program by increasing automation and other management improvements.

FUNCTION 700—VETERANS' BENEFITS AND SERVICES

Freeze for one-year COLA adjustment for veterans compensation and pension programs.

Reform eligibility for free VA hospital and medical care through the imposition of a means test for non-service connected veterans regardless of age.

Allow third-party reimbursement to the VA for the cost of care provided to privately insured veterans.

Increased VA housing loan origination fee from one to 3.8 percent over a 5 year period.

Reduce funding for remaining discretionary VA programs to the level of the President's request.

FUNCTION 750—ADMINISTRATION OF JUSTICE

Freeze all discretionary appropriated accounts in the function.

FUNCTION 800—GENERAL GOVERNMENT

Levy user fees on operations of the U.S Customs Service.

Require government-sponsored credit agencies to pay a fee to the Treasury when borrowing or issuing pass-through securities.

Reduce operations of the legislative branch by 10 percent.

FUNCTION 850—GENERAL PURPOSE FISCAL ASSISTANCE

Fully fund general revenue sharing in FY 1986 and terminate it in FY 1987.

FUNCTION 900—NET INTEREST

Adjusted to reflect savings in all other functions.

FUNCTION 920—ALLOWANCES

Freeze federal civilian and military pay for one year in FY 1986.

Achieve savings through management and workforce reform to include: Reduce the workforce by 44,000 positions through attrition, 10 percent reduction in administrative expenses, one-year delay in in-grade pay increases, and make permanent existing annual work hour calculation.

FUNCTION 950—UNDISTRIBUTED OFFSETTING RECEIPTS

Adjusted to reflect policy changes in other functions: primarily loss of receipts from freeze on federal pay.

REVENUES

Adjusted to reflect policy changes in other functions but no tax increases.

SUMMARY OF RECONCILIATION SAVINGS BY SENATE COMMITTEE

[In millions of dollars]

Committee	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry	−3,577	−3,860	−3,280	−5,097	−3,571	−8,689
Armed Services		−639		−942		−1,073
Banking, Housing, and Urban Affairs	−8,895	−3,959	−9,938	−5,937	−10,905	−7,055
Commerce, Science, and Transportation	−2,006	−1,679	−781	−471	−987	−706
Energy and Natural Resources	−3,014	−2,265	−2,836	−2,666	−2,847	−2,925
Environment and Public Works	−723	−310	−1,221	−1,393	−1,738	−2,066
Finance		−10,847		−18,608		−22,429
Foreign Relations	−192	−47	−275	−109	−282	−140
Governmental Affairs		−3,654		−7,651		−8,889
Labor and Human Resources	−1,137	−604	−1,553	−1,496	−1,861	−1,996
Small Business	−460	−504	−629	−1,028	−1,117	−1,044
Veterans' Affairs	−1,076	−986	−1,344	−1,534	−1,457	−1,741
Select Indian Affairs	−148	−61	−153	−116	−159	−137
Total reconciliation savings	−21,176	−29,403	−21,897	−46,961	−24,797	−58,779
Total contributions		+375		+1,325		+1,370

SENATE AGRICULTURE, NUTRITION, AND FORESTRY

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlay	Budget authority	Outlay	Budget authority	Outlay
270—Reduce rural electric loan levels	−174	−174	−309	−309	−408	−408
300—Reduce funding for soil and water conservation programs	−110	−58	−111	−97	−162	−131
300—Reduce Forest Service programs	−52	−12	−113	−87	−127	−111
300—Initiate recreation user fees	−21	−21	−22	−22	−23	−23
350—Reform Agricultural Stabilization and Conservation Service programs		−500		−1,100		−3,900
350—Reform farm credit programs	−2,838	−2,713	−2,161	−2,918	−2,110	−3,375
600—Reform Food and Nutrition Service programs	−378	−378	−555	−555	−724	−724
800—Require fees for government sponsored credit agencies	−4	−4	−9	−9	−17	−17
Total, Agriculture Committee	−3,577	−3,860	−3,280	−5,097	−3,571	−8,689

SENATE ARMED SERVICES

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
600—Freeze the cost-of-living increase for military retirement for one year and further reform the system		−639		−942		−1,073

SENATE BANKING, HOUSING, AND URBAN AFFAIRS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
150—Eliminate Export-Import Bank direct loan program	−3,868	−379	−4,038	−1,355	−4,216	−1,923
370—Reduce and reform Farmers Home Administration rural housing programs	−2,737	−1,810	−2,634	−1,855	−3,024	−1,560
400—Reduce urban mass transit assistance	−963	−185	−1,448	−429	−1,780	−752
450—Reduce urban development action grants in fiscal year 1986 and terminate thereafter; terminate certain loan programs	−92	−23	−445	−159	−535	−287
450—Terminate rental development grants and impose a 2-year moratorium on rental rehabilitation grants	−277	−51	−290	−193	−152	−288
450—Reduce community development block grants	−343	−7	−324	−137	−327	−308
450—Reform national flood insurance program	−50	−22	−98	−86	−112	−111
600—Reform financing of public housing capital costs		−1,070		−1,100		−1,104
600—Reduce funding to operate existing public housing projects	−557	−404	−634	−596	−701	−664
800—Require fees for government sponsored credit agencies	−8	−8	−27	−27	−58	−58
Total, Banking, Housing and Urban Affairs Committee	−8,895	−3,959	−9,938	−5,937	−10,905	−7,055

SENATE COMMERCE, SCIENCE, AND TRANSPORTATION

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
300—Increase National Oceanic and Atmospheric Administration fees	−14	−14	−19	−19	−23	−23
400—Reduce Amtrak subsidies	−114	−99	−208	−188	−326	−305
400—Sell Conrail	−1,200	−1,200				
400—Reduce funding for airway research, development, facilities, and equipment	−295	−24	−352	−97	−433	−195
400—Eliminate certain railroad programs	−50	−7	−52	−17	−55	−33
400—Allow construction differential subsidy paybacks	−200	−200				
400—Levy Coast Guard user fees	−150	−150	−150	−150	−150	−150
400—Other	17	15				
Total, Commerce, Science and Transportation Committee	−2,006	−1,679	−781	−471	−987	−706

SENATE ENERGY AND NATURAL RESOURCES

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
270—Reduce funding for fossil energy research and development	−38	−12	−39	−31	−39	−39
270—Reform the uranium enrichment program	−80	−110	−88	−202	−136	−264
270—Impose moratorium on funding for strategic petroleum reserve oil acquisition and related facilities construction	−1,964	−1,729	−1,835	−1,768	−1,710	−1,779
270—Reduce funding for energy supply research and development	−126	−64	−130	−112	−136	−133
270—Reduce funding for energy conservation	−60	−10	−70	−46	−72	−67
270—Reduce funding for naval petroleum and oil shale activities	−191	−45	−32	−44	−36	−45
270—Increase Federal Energy Regulatory Commission fees	−14	−14	−28	−28	−31	−31
300—Reduce funding for discretionary public land acquisition	−142	−44	−140	−84	−142	−106
300—Initiate recreation user fees	−40	−40	−42	−42	−45	−45
300—Reduce funding for Bureau of Reclamation programs	−80	−59	−70	−70	−120	−103
300—Reduce funding for National Park Service operation and construction	−115	−31	−129	−73	−135	−100
300—Reduce funding for Bureau of Land Management programs	−43	−39	−50	−47	−57	−53
300—Reduce abandoned mine reclamation fund spending	−60	−56	−60	−32	−61	−40
300—Reduce Forest Service programs	−52	−12	−113	−87	−127	−111
Total, Energy and Natural Resources Committee	−3,014	−2,265	−2,836	−2,666	−2,847	−2,925

SENATE ENVIRONMENT AND PUBLIC WORKS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
270—Reduce funding for Nuclear Regulatory Commission programs	−31	−17	−49	−42	−69	−62
300—Reduce funding for Fish and Wildlife Service programs	−55	−33	−56	−44	−62	−54
300—Reduce Corps of Engineers programs	−150	−105	−18	−58		−5
300—Initiate recreation user fees	−21	−21	−21	−21	−21	−21
400—Reduce federal-aid highway programs		−64	−589	−1,002	−1,080	−1,571
450—Terminate Economic Development Administration and Appalachian Regional Commission	−380	−45	−402	−155	−422	−274
450—Reduce the funding for Tennessee Valley Authority development programs	−86	−25	−86	−71	−84	−79
Total, Environment and Public Works Committee	−723	−310	−1,221	−1,393	−1,738	−2,066

SENATE FINANCE

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
370—Eliminate trade adjustment assistance to firms		−20		−28		−33
500—Eliminate the work incentive program		−217		−288		−302
550—Reduce medicaid outlays		−300		−400		−500
570—Reduce medicare outlays		−3,600		−5,300		−7,400
600—Increase Pension Benefit Guarantee Corporation insurance premiums		−184		−206		−231
600—Reform railroad retirement and unemployment programs				−10		−20
600—Freeze cost-of-living increases for social-security-related non-means-tested programs for one year		−131		−180		−186
650—Improve the administration of the social security program		−88		−150		−229
650—Freeze cost-of-living increases for social security for one year		−5,834		−8,003		−8,059
800—Levy Customs Service user fees		−473		−493		−513
850—Terminate general revenue sharing beginning in FY 1987				−3,350		−4,956
Total, Finance Committee		−10,847		−18,600		−22,429

SENATE FOREIGN RELATIONS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
150—Consolidate less effective foreign aid	−152	−15	−218	−57	−266	−166
150—Restrain foreign information and exchange activities	−40	−32	−57	−52	−16	−24
Total, Foreign Relations Committee	−192	−47	−275	−109	−282	−140

SENATE GOVERNMENTAL AFFAIRS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
370—Reform postal subsidies				1,259		−647
400—Reduce Washington Metro subsidies		−4		−19		−37
550—Reform the federal employees' health benefits program		−60		−130		−210
600—Reform the federal civilian retirement system (spending)		−13		−396		−818
600—Freeze cost-of-living increases for civil service retirement and related programs for one year		−725		−971		−992
600—Reduce other programs				−268		−645
920—Freeze federal civilian pay in FY 1986 and permanently shift effective date for pay raise to January		−1,232		−2,120		−2,557
920—Institute management and workforce reforms		−1,620		−2,480		2,883
Total, Governmental Affairs Committee (spending)		−3,654		−7,651		−8,889
600—Reform the federal civilian retirement system (contributions)		+375		+1,325		+1,370

SENATE LABOR AND HUMAN RESOURCES

[In million of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
500—Reform impact aid, part B	−108	−89	−106	−94	−121	−122
500—Reform guaranteed student loans	−200	−200	−300	−300	−400	−400
500—Reform the Job Corps, decrease job training and reform the employment service	−678	−212	−738	−764	−913	−1052
500—Reform the community services block grant	−151	−103	−409	−338	−427	−422
Total, Labor and Human Resources Committee	−1137	−604	−1553	−1496	−1861	−1996

SENATE SMALL BUSINESS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
370—Reform Small Business Administration business assistance	−460	−375	−629	−607	−658	−587
450—Reform Small Business Administration disaster assistance programs		−129		−421	−459	−457
Total, Small Business Committee	−460	−504	−629	−1,028	−1,117	−1,044

SENATE VETERANS' AFFAIRS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
700—Reform Veterans Administration hospital and medical care	−609	−382	−737	−690	−795	−828
700—Increase Veterans Administration housing loan originating fee		−186		−240		−256
700—Reduce funding for remaining discretionary Veterans Administration programs	−18	−14	−54	−52	−87	−85
700—Freeze cost-of-living for veterans' compensation for one year	−345	−310	−420	−419	−428	−426
700—Freeze cost-of-living increase for veterans' pensions for one year	−104	−94	−133	−133	−147	−147
Total, Veterans' Affairs Committee	−1,076	−986	−1,344	−1,534	−1,457	−1,741

SENATE SELECT INDIAN AFFAIRS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
450—Reduce funding for the Bureau of Indian Affairs	−60	−23	−68	−54	−74	−70
550—Reduce funding for the Indian Health Service	−88	−38	−85	−62	−85	−67
Total, Select Committee on Indian Affairs	−148	−61	−153	−116	−159	−137

Mr. DOMENICI. Mr. President, I yield the floor.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER (Mr. HECHT). Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

A DIFFERENT LESSON FROM BITBURG

Mr. PROXMIRE. Mr. President, there was more than one message that emerged from President Reagan's recent trip to Europe and especially to Germany. There was the appalling failure by our President to recognize the overwhelming contrast between the deliberately calculated extermination of European Jewry by Adolf Hitler and his forces on the one hand, and on the other, the death in battle of the Nazi troops that had so fanatically supported their Fuhrer.

That was a failure the world noticed. There was another failure of memory that escaped notice. It was the failure to face the terrible tragedy of World War II itself, the tens of millions of people killed, and the utter destruction of the lives of so many others. Consider: This was the 40th anniversary of the end of World War II in Europe. Why is our memory today of that most terrible of wars so critical? There has never been another example of the absolute insanity of war. As that remarkable first woman Member of Congress, Jeannette Rankin, said, "No one wins a war, any more than anyone wins an earthquake."

But Pulitzer Prize winner Studs Terkel entitled his book, "The Good War." How about that? Was World War II really "The Good War"? If ever there was a war in which the forces of freedom opposed the forces of evil, it was World War II. Hitler, Mussolini and Tojo represented unmitigated, arrogant evil. From the standpoint of America, World War II was a noble struggle for a decent as well as a peaceful world.

So what was the big lesson we should have learned from World War II? The answer is not as easy to understand for this victorious country that survived with its native land untouched, and with its heartbreaking casualties confined largely to brave young soldiers on the field of battle. The lesson we should learn is the absolute, unmitigated, total failure which modern war represents. World War II was fought in Europe without nuclear weapons. But in England, France, Germany, Italy, and Russia, the devastation was overwhelming. It was sickening. It was very similar to the destruction left by nuclear weapons. And the human slaughter was enormous—in the tens of millions. Certainly we should take from that memory of World War II for all of our lives the memory of the hideousness of war.

Oh, how we need that memory of war's utter inhumanity. Somehow the experience of war in one generation after another does not seem to overcome the forces of chauvinism and price and selfishness that drives this country we love to the brink of war in the Middle East, in Central America, and elsewhere. The searing memories of World War II were refreshed for many Americans with our President's trip to Europe this spring. But they mostly seemed to be romantic and nostalgic.

Fortunately, many of us were reminded of the ferocious inhumanity of Hitler's Holocaust against the Jews. We should have been. That is a memory we should never allow to grow dim. More than that, this Senate should ratify the Genocide Convention with full World Court jurisdiction over the United States. That kind of ratification would show we really mean business about doing something truly effective and useful in honor of Anne Frank and the millions of other Holocaust martyrs who perished at the hands of Hitler's Nazis.

But in this 40th year since the end of history's most terrible war, we should keep the memory of the full agony of that war alive. In that memory, we should work for peace with all our heart. And what does that mean? It means that we stop the nuclear arms race. No, we cannot stop it unilaterally. We don't live in that kind of world. Our adversary is the Soviet Union. Its leader is Gorbachev, not Martin Luther King, but not Hitler, either. Mr. Gorbachev is likely to be the Russian leader for many years. He will have time to consolidate his power. He may or may not be willing to negotiate a mutual, verifiable, and comprehensive treaty which would stop the arms race. But we should put him to the test. We know his country has everything to gain from such a treaty, just as we know our Nation has everything to gain from stopping the arms race.

In this 40th year since the end of the most terrible war in the Earth's history, in this 40th year since the advent of nuclear weapons as the ultimate catastrophic instrument of a superpower war, we should look squarely at the horror and misery of World War II. We should resolve that such a catastrophe will never happen again. We should move with all our heart to make that possible by ending the nuclear arms race.

A PHYSICAL SYMBOL

Mr. PROXMIRE. Mr. President, the Washington Post of Saturday, May 11, carried an article on the progress of plans for the proposed United States

Holocaust Memorial Museum. On May 10, the preliminary architectural design plans were unveiled at a House appropriations subcommittee hearing. These plans indicate that the architects are having difficulty in meeting the highly sensitive and different objectives of the project. The building must serve simultaneously as both a symbol and a functional structure.

As the article reports, "The building is to be at once a memorial, a museum, and a learning center with significant archival holdings for scholars as well as innovative educational programs for lay persons of all ages."

The memorial will be located between 14th and 15th Streets south of Independence Avenue. Since it is located near the Mall, the Holocaust Memorial must not clash architectually with the Lincoln Memorial, Washington Monument, or any of the museums nearby.

But, more important, the memorial must first and foremost serve as a tool for educating people of the horrors of the Holocaust so that such outrageous events never happen again.

While building a physical structure is necessary, good and important, such an act by itself is not sufficient to show the world our commitment to ending genocide. Senate action on the Genocide Convention would be such a positive move in the right direction. We must give our mark of approval and place the U.S. name among those nations which have already signed the Genocide Convention. Mr. President, the time is now, more than ever, for the Senate to ratify the Genocide Convention.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 11 a.m., with statements therein limited to 5 minutes each.

NATIONAL TOURISM WEEK

Mr. INOUYE. Mr. President, for the second consecutive year Congress has designated the week beginning May 19, 1985, as National Tourism Week, and the President has issued a proclamation accordingly.

On this occasion last year I said that it was the men and women in the travel industry who should be recognized during National Tourism Week, and it is their effort which should be celebrated. One of the most significant reasons that Congress is beginning to appreciate the importance of tourism is because the industry has succeeded in making us aware of how much it means to our national welfare.

On several occasions the diverse segments of this industry have been willing to subordinate their individual concerns, and unite for the common good. I would like to cite two very significant instances where this has occurred, and the national interest has benefited as a consequence.

First, there was the international marketing plan developed by a highly prestigious industry committee under the aegis of the Travel Industry Association of America, and presented to the Secretary of Commerce, the United States Travel and Tourism Administration, and the Office of Management and Budget on August 14, 1984.

That plan was developed at no cost to the Government, and conservative estimates place the cost to the industry at $500,000. It was the industry's response to OMB's suggestion that a comprehensive marketing plan, identifying appropriate roles for Government and the private sector, would aid USTTA significantly when the agency made its budget recommendations.

In my judgment, the industry response was most unique and commendable. Usually, it is an agency of Government which expends Federal funds to assist an industry. Just the opposite occurred here, however.

Mr. President, because that effort typifies this new found industry unity, I believe it would be instructive and worthwhile to review briefly its history.

In 1983, the Travel Industry Association of America organized an international marketing plan development committee to develop the kind of marketing plan for USTTA that had been suggested by OMB.

That industry committee, made up of top international marketing executives from all segments of the U.S. travel and tourism industry, devoted a full year to examining the international tourism market. Particular emphasis was placed on: Increasing competition between governments for international visitors, the historic and likely future performance of the United States in international tourism trade, and strategies available to begin returning the United States to its previously held competitive position.

Task forces of the committee circled the globe to visit seven key markets to determine the best approach for the United States to take in improving its competitive position in international tourism trade and how the private sector could make a greater contribution to a unified national effort. The countries visited were: Canada, Mexico, Japan, West Germany, France, London, and the Netherlands.

Mr. President, I ask unanimous consent that the biographical sketches of the members of that blue ribbon panel be inserted in the RECORD at the conclusion of my remarks.

The administration's response to that monumental effort by some of the best marketing talent in the world was a rescission message to Congress proposing to reduce USTTA's budget for fiscal year 1985 by one third; and another proposal to terminate the agency by the end of fiscal year 1986.

Mr. President, I can understand those who feel that the administration's recommendations are not responsive to the industry's good faith effort to form a public-private partnership and to provide a comprehensive plan for renewed U.S. competitiveness in global tourism trade.

But Congress did not agree to the President's rescission message, and I am reasonably confident we will insist that USTTA remain in business. The industry's strong opposition to what the administration proposed has been most persuasive in Congress. And that is the second instance I had in mind where the travel industry has united for its common good and the national interest.

Mr. President, I do not want to give the impression that the industry is united on all issues, or that Congress fully appreciates the importance of the industry. Manifestly this is not the case. But the seeds have been sown; and from what I have seen over the past 10 years the travel industry will work diligently and unselfishly to ensure that those seeds bear fruit. And so once again may I suggest that during National Tourism Week we honor the millions of men, women, and teenagers who are the U.S. tourism industry.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERNATIONAL MARKETING PLAN DEVELOPMENT COMMITTEE

J. KAY ALDOUS

Vice President-Public and Government Policy, American Automobile Association.

J. Kay Aldous has been Vice President of Public and Government Policy of the American Automobile Association since July 1978. He first served AAA as Director of Public Relations from April 1968 until December 1973, when he was appointed Managing Director, Public Affairs Division. In July 1977, Mr. Aldous was named Managing Director of Public and Government Policy.

Mr. Aldous is now responsible for the Departments of Public Affairs, Public Relations, Publications, Government Affairs, Legislative Affairs, Traffic Safety, Highway Transportation and Environment and Energy. He is also the publisher of AAA World magazine.

Before joining AAA, Mr. Aldous served from 1962 to 1968 as Director of Public Relations, Advertising and Sales Promotion for American Newspaper Representatives, Inc. (ANR) in New York City.

A veteran journalist, he served as Editor-General Manager of Suburban Newspapers in Salt Lake City, Utah, and as a columnist and sportswriter with the Deseret News-Salt Lake Telegram.

Kay Aldous earned a B.S. degree in Journalism from the University of Utah.

ROGER H. BALLOU

Senior Vice President-Vacation and Leisure Travel, American Express Company.

Roger H. Ballou came to American Express from Citibank in 1979, where he managed outside sales forces, developed and implemented business and marketing plans, and structured call programs, direct mail, and advertising support.

Mr. Ballou's first position at the Travel Division of American Express was as Regional Vice President, Destination Services. A year later, he assumed control of Travel Products Marketing with responsibility for vacations for U.S. citizens. Mr. Ballou's responsibilities changed again in January 1981 to include Destination Services Marketing—concentrating on inbound travel for foreign citizens. In October 1981 he became responsible for the Worldwide Representative Program, U.S. Supplier Management and Negotiations, Industry Relations and Retail Marketing.

Mr. Ballou was promoted to his present post in 1983. He is responsible for product development, marketing and profitable operation of the U.S. vacation stores, Travel Products Marketing and Representative Program.

He received his MBA from the Amos Tuck School of Business Administration at Dartmouth College in 1975. His undergraduate work was completed at the Wharton School, University of Pennsylvania.

WILLIAM L. BLAZIEK

Senior Vice President-Sales and Marketing, Resorts International Casino Hotel.

Mr. Blaziek joined Resorts International Casino Hotel in 1982 as Senior Vice President of Sales and Marketing.

A 14-year veteran of hotel and casino marketing, Blaziek was formerly vice president of sales and marketing for Del Webb Hotels in Las Vagas, Nevada. During his tenure with Webb, Blaziek served as director of sales and marketing for Webb Properties in Nevada, California, Hawaii and Arizona.

Mr. Blaziek takes an active role in helping to guide the growing resort and tourism industry in the Garden State. He serves on the Southern New Jersey Development Council, the New Jersey and Greater Atlantic City Tourism Council and the Atlantic City Convention and Tourism Marketing Committee.

He is also a member of the Hotel Sales Management Association, the International Society of Incentive Travel Executives, the National Association of Exposition Managers, the American Society of Association Executives and Meeting Planners International.

Mr. Blaziek was a commissioned officer during the Vietnam conflict. He was educated at Washington State University and California State University.

CHRISTOPHER C. BROWNE

Senior Vice President/Managing, Director-Systems Hotels, Holiday Inns, Inc.

Christopher C. Browne is Senior Vice President and Managing Director of System Hotels for Holiday Inns, Inc.

Mr. Browne joined Holiday Inns, Inc. in 1978 and has served as Senior Vice President of Marketing, as well as Director and Vice President of National Advertising and Promotions. From 1974 to 1978, he was Divisional Marketing Director for Burger King.

Mr. Browne gained valuable marketing experience prior to joining the restaurant chain, serving as Account Executive with two of the nation's top advertising agencies. At BBDO International, Inc., he worked on the Burger King account, and before that worked for Young & Rubicam, Inc., New York. He also served as Assistant Brand Manager with Johnson & Johnson.

Mr. Browne has also been active in the travel industry as part-owner of Voyager Travel, an incentive travel agency.

Born in Washington, DC, Mr. Browne holds an MBA from the University of Chicago and a BS in mathematics and economics from Florida State University.

JAMES C. COLLINS

Senior Vice President-Marketing, Hilton Hotels Corporation.

James C. Collins was elected to his present position as Senior Vice President-Marketing for Hilton Hotels Corporation in August, 1977. He is responsible for the corporation's sales, advertising, public relations, and marketing research efforts affecting both domestic properties and those of the company's international subsidiary, Conrad International Hotels. In addition, he is senior vice president of marketing for Hilton Inns, Inc., Hilton's franchise division.

A native of Chicago, Collins joined Hilton in 1945, following military service, as Assistant Manager of the exhibit hall at the Conrad Hilton in Chicago. After progressing through the hotel sales staff, he joined the corporate sales staff in 1957 as Assistant to the General Sales Manager.

In 1962 Collins was appointed National Sales and Convention Manager and the following year was elected Assistant Vice President; two years later he was elected Vice President-Sales.

Mr. Collins is a member of the Board of Directors of various Hilton subsidiaries including Hilton Inns, Inc.; Hilton Service Corporation, and Compass Computer Services. He is also active in numerous industry organizations, including the Travel Industry Association of America (Chairman—International Committee and International Marketing Plan Development Committee); the American Society of Association Executives (member-Board of Directors); Convention Liaison Council (Chairman); Institute of Certified Travel Agents (Fellow); American Society of Travel Agents (member-Allied Committee); Hotel Sales Management Association (member-Industry Advisory Council); and the American Hotel and Motel Association (Vice Chairman-Marketing Committee).

GORDON L. DOWNING

Vice President-General Sales, National Car Rental System, Inc.

Gordon L. Downing is responsible for National Car Rental System's commercial, agency, association and trade advertising.

Mr. Downing joined National Car Rental System, Inc. as a sales representative in 1969 and has steadily progressed to his current position as Vice President-General Sales, which he assumed in 1982. He also served as District Sales Manager; Regional Sales Manager; Manager of Agency and Interline; Director of Agency and Interline; and Divisional Vice President, Travel Industry and International Sales.

Mr. Downing attended El Camino College in California, where he received an Associate Arts Degree in Business Administration and a scholarship to Pasadena Playhouse in Dramatic Arts. He has participated in professional programs offered by the American Management Association, University of Minnesota, and Yale University for Strategic Planning for International Marketing, Sales and Advertising.

Mr. Downing serves on a number of industry committees including ASTA Allied Council, Convention Liaison Council, TIA International Committee, International Marketing Plan Development Committee, and the CREST (Creative Retailer Excellence in selling Travel) Award Committee. Most recently, Downing was appointed Area Director of the Travel Industry Association of America.

WILLIAM H. EDWARDS

President, Hilton Hotels Division, Hilton Hotels Corporation. Ex Officio Member of the International Marketing Plan Development Committee.

William H. Edwards' career at Hilton Hotels and in the travel industry is marked with achievement.

During the development of the International Marketing Plan, Mr. Edwards served as TIA's National Chairman.

His hotel career began as an Assistant Manager at the Grand Hotel on Mackinac Island, Michigan. He has since served with Hilton Hotels Corporation in many managerial and executive positions at properties in Detroit and Chicago, including Vice President and General Manager of Chicago's Palmer House.

He was elected Vice President of Hilton Hotels Corporation, supervising the Chicago Division, in 1968. He was elected Senior Vice President, Hilton Hotels Corporation in 1970, and Executive Vice President-Operations in 1971, when he was elected to the Board of Directors and Executive Committee. Mr. Edwards was elected President of Hilton Hotels Division in 1978.

He has held many key posts within the hotel and tourism industry and has received numerous awards and honors.

Mr. Edwards is Co-Chairman of the 1984 Olympics Hotel and Housing Advisory Committee.

NEIL M. EFFMAN

Senior Vice President-Marketing and Planning, Trans World Airlines.

Neil M. Effman was named senior Vice President-Marketing and Planning for Trans World Airlines in 1981 following more than two decades of experience with the airline industry.

Mr. Effman is responsible for strategic planning, product development and quality control through the functions of forecasting, scheduling, pricing, passenger services, marketing and advertising, and government affairs.

In 1958, Mr. Effman joined TWA as an analyst in the forecasting department. He later became Manager-Traffic and Revenue Analysis, Director-Route Structure Research, and Director-Passenger Strategy Planning.

Named Staff Vice President-Marketing Planning and Forecasting in 1970, he became Staff Vice President-Reservations Marketing in 1975. Then, in 1977, Mr. Effman was promoted to Vice President-Planning.

Mr. Effman holds a degree in economics from the City College of New York. He serves on the Advisory Committee of the Center for Transportation Studies at the Massachusetts Institute of Technology.

SIG S. FRONT

Senior Vice President-Director of Marketing, The Sheraton Corporation.

Sig S. Front is responsible for the Sheraton Corporation's world-wide advertising, sales and marketing activities.

He began his hotel career in 1956 with Schine Hotels in Miami—first as a management trainee and then as a sales representa-

tive. In 1957, Mr. Front left Schine Hotels

tion Advisory Committee. He is a guest,

tive. In 1957, Mr. Front left Schine Hotels to help form the sales department of the brand-new Beverly Wilshire Hotel in Los Angeles. In 1960, he was named Director of Sales for Fred Harvey Hotels and Restaurants and directed the company's marketing program.

Before joining Sheraton, Mr. Front served as Vice President of Sales and Marketing at Del Webb Hotels, International, in Nevada from 1962 until 1974. In 1974, he joined Sheraton as Managing Director of the 600-room Brussels-Sheraton Hotel.

Mr. Front attended West Virginia University and is a graduate of the Linsly Military Institute.

He is a past president of Hotel Sales Management International and a former committee chairman of the American Society of Association Executives.

C. Dean Gaiser

Director, Florida Division of Tourism.

C. Dean Gaiser has served as Director of the Florida Division of Tourism since 1983 and for more than a decade has been working to promote tourism there.

Mr. Gaiser served as Acting Director of Tourism during a change of administration, from May 1978 until June 1979 prior to becoming Director. From 1973, until assuming the directorship in 1983, Mr. Gaiser was Florida's Assistant Director of Tourism.

He served as Personnel Officer for the Department of Commerce, and Manager of Training and Development for the Florida Department of Administration. He was director of Executive Recruitment and Development for Maas Brothers Department Stores of Florida. He also served as Consultant for Distributive Education, Florida Department of Education, where he supervised high school and junior college programs of marketing and distribution.

A graduate of Florida Southern College, Lakeland, Mr. Gaiser holds a B.S. degree in economics. He is active in a number of professional organizations.

Robert Giersdorf

President, Exploration Holidays and Cruises.

Robert Giersdorf, president and founder of Exploration Holidays and Cruises, was elected chairman of the Travel Industry Association of America (TIA), in May 1984.

Mr. Giersdorf built a reputation in commercial aviation with Alaska Airlines, where as Senior Vice President for Marketing and Sales, he became known for innovation in marketing and promotion.

Mr. Giersdorf directly negotiated the protocol agreements between Alaska Airlines and the Soviet Union that opened the door from Alaska to the Soviet Union.

In 1972, Giersdorf left Alaska Airlines to establish his Alaska Tour and Marketing Services, Inc. (ATMS), which operates and packages tours and provides marketing, sales, public relations and advertising services for other Alaska travel firms. The trade name of Exploration Holidays and Cruises was implemented to better suit the expanded cruise and tour services.

Giersdorf maintains his home and business headquarters in Seattle, though he remains active in Alaska with extensive tour operations throughout the state.

When Alaska achieved statehood in 1959, Giersdorf was elected to the first legislature.

Charles Gillett

President, New York Convention & Visitors Bureau.

Charles Gillett is widely recongised as one of the travel industry's leading professionals, credited with playing a major role in stimulating worldwide interest in the attractions of New York City. He conceived of and directs "The Big Apple" campaign for New York City—one of the most successful promotions in the travel industry.

Under Gillett's direction, tourism is now New York City's leading growth industry, bringing more than $2 billion annually in visitor spending.

Mr. Gillett is Past President of the International Association of Convention and Visitor Bureaus and the National Association of Travel Organizations, which later became the Travel Industry Association of America (TIA). He is a lifetime Director of TIA and a member of its Executive Committee.

A member of the United States Congressional Travel and Tourism Caucus Advisory Board, Mr. Gillett serves on the Executive Committee of the Travel and Tourism Government Affairs Council, the U.S. Commerce Department's Travel and Tourism Advisory Board, and the New York State Board of Tourism Commissioners.

Mr. Gillett has received many honors, including the travel industry's highest, The Golden Horseshoe Award for outstanding achievements in promoting and developing travel.

Elliot E. Heit

International Marketing Director, Tauck Tours.

Elliot E. Heit joined Tauck Tours in 1981 and quickly put his 25-years of international tourism experience to work, aggressively involving the firm in international markets, including Visit U.S.A. countries.

Mr. Heit's association with Visit U.S.A. coincides with its early days of development. In 1961 he represented the Gray Line Association and, together with Pan American World Airways and Greyhound, travelled through Europe and the U.K. on board a Greyhound Scenic Cruiser to complete one of the first projects to stimulate interest in travel to the U.S.

Shortly after Greyhound acquired Gray Line New York Tours, he was invited to join Greyhound where, as Vice President of International Sales, he developed the international division to a prominent position in Visit U.S.A.

Mr. Heit is a 1950 graduate of the United States Military Academy. When he resigned from the service, he was serving as a Crew Commander in the 47th Bombardment Squadron of the Tactical Air Command.

Mr. Heit is Vice President of the West Point Society of New York and a member of the Board of Trustees for the Alumni Association of West Point.

James W. Hurst

Executive Vice President, Greater Los Angeles Visitors & Convention Bureau.

James W. Hurst began his tourism career with the Chicago Convention & Tourism Bureau in 1957. He served as Executive Assistant Director for the bureau prior to taking on his present responsibilities in California.

In 1979, Mr. Hurst joined the Greater Los Angeles Visitors and Convention Bureau as Executive Vice President—an organization with 50+ employees and a budget exceeding $4 million per year. In 1982, visitor spending in Los Angeles exceeded $8 billion.

In 1965, Mr. Hurst became executive vice president of the Atlanta Convention and Visitors Bureau where he served prior to taking on his present responsibilities in California.

Mr. Hurst is a member of TIA, Hotel Sales Management Association, National Association of Exposition Managers, Professional Convention Management Association, International Association of Convention and Visitors Bureaus, Western Association of Convention and Visitors Bureaus, and the International Congress and Convention Association.

He was Co-Chairman of the 1981 Western Tourism Conference. In 1983, he was President of the Western Association of Convention and Visitors Bureaus, and in a member of the Past Presidents Council of the International Association of Convention and Visitors Bureaus.

Mr. Hurst is a 1951 graduate of the Western Reserve Academy, Husdon, Ohio. He holds a degress in economics from Northwestern University, and is a veteran of Korea having served in the U.S. Army from 1953–1955.

Samuel B. Jamieson, Jr.

Vice President, Short Line Tours.

Samuel B. Jamieson, Jr. has been an important part of the bus industry for over 35 years, with broad experience in Operations, Sales and Marketing.

In addition to this responsibilities as Vice President of Short Line Tours, Mr. Jamieson is Vice President of a number of Short Line affiliated operating companies.

These include:

American New York Tours/American Sightseeing International, New York, N.Y.

American Sightseeing of Philadelphia.

Chenango Valley Bus Lines, Binghamton, N.Y.

Colonial Coach Corp., Mount Holly, N.J.

International Bus Service, Inc., Brooklyn, N.Y.

Mr. Jamieson serves his industry in many other capacities, as well.

He is Chairman of the Board of Directors of American Sightseeing International. He is a Director of the American Bus Association and Chairman of ABA's Northeast District-Legislative Committee.

A Past President of the Bus Association of New York, he is currently a member of the Transportation Advisory Boards of Orange County and Sullivan County, N.Y., American Society of Travel Agents, Inc., National Bus Traffic Association, National Tour Association, and Travel Industry Association of America.

Michael L. Jenkins

Director—Business Marketing, AT&T Communications.

Michael L. Jenkins assumed his current position as Director of Business Marketing for AT&T Communications in 1982.

An 18-year company veteran, Mr. Jenkins began his career with AT&T in Louisville, KY and has held positions in Operations, Sales and Marketing. Prior to being named to his present position, Mr. Jenkins served as a member of AT&T's Reorganization Planning Committee.

Based at AT&T Headquarters in Basking Ridge, NJ, Mr. Jenkins and his staff are responsible for developing marketing and sales strategies for AT&T's information transfer services. These communication services are provided to the travel, leisure and transportation industries, as well as AT&T's six million small business customers.

Mr. Jenkins attended the University of Tennessee, where he majored in Industrial Management. He is also a certified business consultant.

Mr. Jenkins is a member of the Travel Industry Association of America Board of Directors and the Small Business Administration Advisory Committee. He is a guest speaker and author of numerous papers and articles on such subjects as tourism, transportation, small business, communications and marketing.

Thomas J. Koors

Executive Vice President—Marketing and Sales, Northwest Airlines, Inc.

Thomas J. Koors was elected to Northwest Airlines' newly established position of Executive Vice President, Marketing and Sales on February 1, 1983.

A 23-year Northwest Airlines veteran, he has held many key positions in sales management, both in the United States and abroad.

Initially, Mr. Koors served in headquarters economic research. Subsequently, he became the airlines's Country Manager in the Philippines. He served as sales manager for the Tokyo, Los Angeles, and Chicago sales districts before a term as General Sales Manager at the company headquarters. In December 1979, Mr. Koors was named to the position of Vice President, Transportation Services for Northwest Airlines.

In his present post, Mr. Koors is responsible for all facets of the airline's marketing, sales advertising and sales reservations functions.

A native of St. Paul, Minn., Mr. Koors earned a Bachelors Degree in economics from the University of Minnesota.

Jack B. Lindquist

Executive Vice President-Marketing, Walt Disney Productions.

Jack B. Lindquist was named Executive Vice President of Marketing for Walt Disney Productions in October 1982.

Mr. Lindquist joined the company in August, 1955 as Disneyland's first advertising manager, and in 1965 was promoted to Marketing Director of the park. His responsibilities were expanded in 1971 with the opening of Walt Disney World, when he was named Marketing Director for both Disneyland and Walt Disney World.

In 1974, Mr. Lindquist assumed the position of Vice President, Marketing for both parks and four years later was elevated to Vice President, Marketing, for all of the company's outdoor recreation activities. From 1980, until assuming his present job, he was Senior Vice President of Advertising, Publicity, Promotion and Public Relations for Walt Disney Productions.

In addition to his marketing duties, Lindquist is President of the Walt Disney Travel Company, Vista Advertising and the company's Magic Kingdom Club. He serves on the Advisory Board of the California Angels.

After spending two years in the U.S. Air Force, Mr. Lindquist completed his education at the University of Southern California, where he majored in advertising.

William S. Norman

Executive Vice President, Marketing and Business Development, Amtrak.

William Norman joined Amtrak in 1979 after extensive experience at Cummins Engine, Co., Inc. and with the U.S. Navy Department in Washington, DC.

Mr. Norman began his Amtrak career as Vice President-Marketing and within two years was given added responsibility for sales. In December 1981, he was named Group Vice President-Marketing and Corporate Planning. He was named Executive Vice President for Marketing and Business Development in 1983.

At Cummins, Mr. Norman served in two executive marketing posts before being named Vice President for the Eastern Division in August of 1978.

Mr. Norman joined Cummins in 1973 as Director of Corporate Responsibility after twelve years as a Naval flight officer with the Navy Department, where he served in such positions as a History and Foreign Affairs Instructor at the U.S. Naval Academy, a White House Social Aide, Carrier Division Staff Officer, and Special Assistant to the Chief of Naval Operations for Special Projects.

A former public school teacher in Norfolk, Virginia, Mr. Norman is a member of the Council on Foreign Relations, the TIA Board of Directors, and numerous other industry and professional organizations.

Malcolm D. Pynn

President, Holiday Americas.

Malcolm D. Pynn, who formed Holiday Americas in 1981, has spent the last 30 years working in the travel and transportation industry. For the last 12 years his work has focused on Visit U.S.A.

Born and educated in England, Mr. Pynn came to the United States in 1958 with British Rail International, transferring from British Railways in London to British and Irish Railways in New York, where he began as a reservation clerk. He subsequently worked as sales representative and reservations/sales manager for North America.

Mr. Pynn left British Rail International in 1968 and joined Universal Sky Tours as Assistant to the President. He became President in 1972. Six years later, he left to joint Tourpak International as Vice President, Sales & Marketing.

Mr. Pynn is a former two-term President of New York Bons Vivants, and the former Auxiliary President of the 41–74 Club of New York.

In addition, Mr. Pynn serves on the Board of Directors of the Travel Industry Association of America. In 1982 and 1983, he chaired the Discover America International Pow Wow Planning Committee. He is also a member of the Association of Group Travel Executives.

Donald J. Ryan

Former President, Camping Group, Kampgrounds of America, Inc.

Donald J. Ryan has broad experience in both marketing and in the outdoor recreation-camping industry.

Before becoming President of KOA's Camping Group, Mr. Ryan served as Vice President, Marketing for the firm. Prior to joining KOA, he served as President of Recreational Marketing Services and in marketing for Mead-Johnson and United Airlines, and in sales for the Inland Steel Company.

Mr. Ryan is Past President of the Family Camping Federation and a Director of the American Camping Association.

In addition, Mr. Ryan has taught economics at the University of Evansville.

He completed both his undergraduate and graduate work at the University of Wisconsin, where he received a Masters of Business Administration degree in marketing.

Martin R. Shugrue, Jr.

Vice Chairman, Pan American World Airways, Inc.

Martin R. Shugrue, Jr. was Senior Vice President-Marketing at Pan American World Airways until he was elected Vice Chairman in 1984.

In his present position, Mr. Shugrue directs the airline's marketing programs and passenger and cargo sales efforts. He also oversees Pan American's worldwide station operations and passenger service activities, including in-flight service, catering and reservation. He is also responsible for maintenance, engineering, flight operations and airline safety.

Mr. Shugrue joined Pan American in 1968 as a B-707 pilot/flight engineer after six years of service as a carrier-based pilot in the U.S. Navy. He still maintains his military affiliation as a Captain in the U.S. Naval Air Reserve.

In 1970, Mr. Shugrue was appointed to the staff of the Executive Vice President and General Manager. He joined the Personnel Department in 1972, and in 1974 was appointed Staff Vice President—Corporate Personnel.

Mr. Shugrue became Regional Managing Director—United Kingdom and Western Europe in 1978. He was elected Vice President—Industrial Relations in May 1980 and then Vice President—Personnel in February 1981. In November 1981, he was named Senior Vice President—Administration, and in December 1982, became Senior Vice President—Marketing.

William D. Slattery

President, Braniff, Inc.

William D. Slattery became President of Braniff, Inc. on December 15, 1983, upon consummation of the Braniff/Hyatt Agreement.

Prior to joining Braniff, Mr. Slattery worked for 16 years for Trans World Airlines, where he began as an analyst in 1967.

Mr. Slattery spent his last three years with TWA based in Paris, France while serving as Vice President—International Division. He was responsibile for all sales and service activities for Europe, Asia and Africa.

Before heading TWA's International Division, Mr. Slattery worked for three years as Regional Vice President of the New York Region. He was in charge of metropolitan New York and Newark sales and services activities, including one of the airline's largest reservation offices in New York City. As Regional Vice President, Mr. Slattery was also responsible for the operations at John F. Kennedy, La Guardia and Newark airports.

He received a B.A. degree from the University of Notre Dame in 1965 and an M.B.A. from the University of Santa Clara in 1967.

Robert A. Smalley

President and Chief Executive Officer, American Land Cruises.

Robert A. Smalley began his career in 1946 with the Couture Rent A Car System—a car rental company operating in Florida, the Caribbean and Latin America.

He was Vice President and General Manager of the firm when it was acquired by the Hertz Corporation in 1957. Mr. Smalley joined Hertz and a year later was named Assitant Vice-President.

After 14 years of extensive experience, Mr. Smalley, in July 1969 was elected President and Chief Executive Officer of Hertz, a post that he held until retirement in January, 1972.

Within seven months, Mr. Smalley had founded American Land Cruisers, Inc., in Miami, Fla., today one of the nation's largest recreational vehicle dealerships. The company's rental division operates one of the nation's largest motorhome rental fleets, with locations in Los Angeles, San Francisco, New York, Orlando, Tampa and Miami. Plans call for further expansion into other key cities throughout the United States and Canada.

Smalley is a native of Detroit, Michigan. He is a graduate of St. Leo Prep, and is a World War II Veteran, having served in the Naval Air Corps.

BRADLEY P. SMITH

Executive Director-Foremost West, Four Corners Regional Tourism Organization.

Bradley F. Smith has a wealth of experience in travel marketing and was formerly a tour operator.

Prior to joining the Foremost West, a regional organization formed by the governors of the five member states, Mr. Smith founded and was president for seven years of Challenge Incorporated, a travel company specializing in package tours and sports clinic/academies in the western U.S. He has also held sales and marketing positions with Michelin Tire and 3M Business Products.

Today, as Executive Director of the Foremost West, a position he has held for 10 years, he is directly involved in international travel marketing for the interior western states, a crucial position as the U.S. seeks to generate increased travel from abroad.

Mr. Smith has been actively involved in many travel-related activities, and with the Travel Industry Association of America. He serves as a member of TIA's International Committee and the International Marketing Plan Development Committee. In addition, he has served as a member of the Pow Wow Planning Committee.

Mr. Smith is immediate past chairman of the National Council of Area and Regional Travel Organizations and serves on the Board of Trustees of the U.S. Travel Data Center. He is a graduate of the University of Utah.

BRIAN D. SMITH

Vice President-Marketing, Busch Entertainment Corporation.

As Vice President of Marketing for Busch Entertainment Corporation, Brian D. Smith oversees the marketing activities for all five Busch Entertainment properties in Pennsylvania, Virginia, Florida and Texas.

The Busch Entertainment theme parks, the Dark Continent in Tampa, Fla., and the Old Country in Williamsburg, Va., host more than five million visitors annually. Busch Entertainment also owns and operates Adventure Island, a water theme park in Tampa, Fla. and Sesame Place play parks for children in the Dallas and Philadelphia markets.

Prior to joining Busch Entertainment Corporation, a subsidiary of Anheuser-Busch Companies, Inc., Mr. Smith was Vice President-Marketing for Hanes Corporation L'Erin cosmetics division.

After earning his Masters of Business Administration degree from the University of Wisconsin, Mr. Smith joined Foote, Cone & Belding as an account executive and was later promoted to Vice President, Account Supervisor in New York.

He also has held major marketing positions with Kimberly Clark Corp. and Norton Simon, Inc.

Mr. Smith resides in St. Louis where Busch Entertainment Corporation is headquartered.

JOHN STOCKTON

Vice President-Marketing, Roy Rogers Restaurants Division-Marriott Corp.

John Stockton joined Roy Rogers Restaurants in his present position in June 1980 and directs all marketing activities for the chain of more than 500 restaurants throughout the nation.

His overall responsibilities include management of advertising and promotion, market research, product development and public relations functions and staffs.

Prior to joining Marriott, Stockton was Vice President, Health Product Planning for Colonial Penn Insurance Group in Philadelphia for four years. He worked in Marketing Management at General Foods Corporation for ten years prior to joining Colonial Penn.

A native of Long Beach, California, he holds a Master of Business Administration degree from Western Michigan University.

Mr. Stockton is recognized in his industry for his outstanding ability and leadership in marketing and advertising.

WILLIAM D. TOOHEY

President, Travel Industry Association of America.

William D. Toohey was elected National Chairman of Discover America Travel Organizations, now TIA, in 1969 when the organization was founded. In 1971, he was named President and Chief Executive Officer.

Before assuming the association post, Mr. Toohey was Executive Vice President of the Chicago Convention and Tourism Bureau and a director of Greenfield Village and Henry Ford Museum, near Detroit.

He was a founder, first chairman and is an officer of the United States Travel Data Center, in Washington, D.C.

Mr. Toohey has chaired several industry coalitions to address specific federal issues, including national tourism policy, development of equitable national energy programs, and facilitation of international travel to the U.S.

Mr. Toohey has served as the North American Affiliate Vice Chairman of the World Tourism Organization and as Vice Chairman of the Travel and Tourism Industry Advisory Council of the U.S. Senate Committee on Commerce, Science, and Transportation. He is Vice Chairman of the U.S. Congressional Travel and Tourism Caucus Industry Advisory Board and the Travel and Tourism Government Affairs Council.

A fellow of the Institute of Certified Travel Agents, Mr. Toohey is a graduate of the University of Detroit. He served in the U.S. Navy Air Corps during W.W. II.

JOHN A. UEBERROTH

President, Carlson Travel Company, President, First Travel Company, and Chairman, Ask Mr. Foster Travel Service.

John A. Ueberroth began his career in providing travel services in 1968. After two years as lieutenant in the United States Navy, Mr. Ueberroth joined First Travel Corporation (then known as Transportation Counsultants International).

He served as Vice President and General Manager of the Eastern Region, and then, when First Travel acquired Ask Mr. Foster Travel Service, he was transferred to California and became a Director of the company. In January 1974, Mr. Ueberroth was elected President of Ask Mr. Foster.

Five years later, he was elected Chairman of Ask Mr. Foster and the President of First Travel Corporation, when it was acquired by Carlson Marketing Group in December 1979. In 1983 Ueberroth was appointed to head all Carlson Companies' retail, wholesale and incentive travel operations, Carlson Travel Company.

Ueberroth is also a Director of the United States Tour Operators Association, is currently the treasurer of the Travel Industry Association of America, and a member of the Young Presidents' Organization. He is on the Board of Directors of the Braille Institute.

Ueberroth received a BA from the University of California at Berkeley and an MBA from the University of Southern California.

TERRY L. UNDERWOOD

Vice President-Passenger Marketing Greyhound Lines, Inc.

Terry L. Underwood has a broad background in marketing planning and advertising, experience essential to the development of the International Marketing Plan for the travel industry.

Mr. Underwood was appointed Vice President-Passenger Marketing at Greyhound in May 1983.

He is responsible for market plan development, advertising, sales promotion, merchandising and pricing of Greyhound's regular scheduled passenger service. In addition, Mr. Underwood has direct responsibility for charter operations and all international sales.

Prior to joining Greyhound, Underwood was Vice President of Marketing for the U.S. Rent-A-Car Division of Avis, Inc.

During his 13 years with Avis, Underwood held a variety of sales and marketing positions. Earlier in his career, he was an Account Executive with N.W. Ayer & Son.

Mr. Underwood is a graduate of the University of Tampa.

A. RUSSELL UPSHAW, JR.

Vice President-Government Affairs, Eastern Airlines.

A. Russell Upshaw, Jr., Vice President-Government Affairs for Eastern Airlines, is responsible for coordinating Eastern Airlines' interest in federal, state and local governmental activities.

Prior to joining Eastern's governmental affairs unit in the Fall of 1981, Mr. Upshaw was Vice President-Sales and Services for Eastern's Central Region.

He joined Eastern Airlines in March 1947 as a reservations agent in Atlanta and advanced through various positions in operations and passenger services in Chicago, Newark, Washington, Miami, and New York.

From 1974 to 1978, Mr. Upshaw was based in Charlotte, N.C., where he was Director of Sales and Services for the South Central Region.

Before assuming his responsibilities in Charlotte, he was a System Director for Caribbean Operations for two years in San Juan, P.R. Mr. Upshaw coordinated integration of the operations of former Caribbean Atlantic Airlines at 14 islands into Eastern's route structure, following Eastern's acquisition of the local-service airline in May 1973.

Mr. Upshaw received a B.S. degree in aviation management from Auburn University. He served in the U.S. Air Force during World War II as a pilot in Europe.

MISSING CHILDREN

Mr. SPECTER. Mr. President, the disappearance of more than 1.5 million children each year is one of the greatest tragedies facing our country today. Of the 38,700 missing persons in the FBI's missing person file as of April 1, 1985, 28,244 are juveniles. The numbers of missing children in Pennsylvania are staggering. In Pittsburgh, alone, there are 2,600 reports of missing children each year. Since the beginning of this year, 1,959 children have been reported missing in Philadelphia. In Scranton there were 343

missing children reports in 1984, and 135 new cases since January 1985.

To address this national tragedy, I introduced the Missing Children's Assistance Act in the 98th Congress. This act, which President Reagan signed into law on October 12, 1984, establishes a national clearinghouse for information on missing and exploited children and a national toll-free hotline.

Later this week, the Senate Subcommittee on Juvenile Justice, which I chair, will hold another in a series of hearings on missing children. The hearing will focus on private sector initiatives to assist in efforts to find missing children, and the dangers of fraud and abuse in the missing children's industry. Many corporations such as Wawa Dairy Products and the Trailways Corp., have responded swiftly to address the plight of missing and abducted children. We encourage others in the business community to assist in this important national effort.

A few weeks ago, my colleague from Pennsylvania, Senator HEINZ, and I met with the parents and friends of 8-year-old Cherrie Mahan, who has been missing from her home in Cabot, PA, since February 1985. There are many other concerned groups actively seeking to locate missing children like Cherrie and to reunite them with their families. Efforts like these deserve our assistance, as nationwide attention is essential if missing children like Cherrie are to be located.

I believe that one extremely important step toward this goal would be an undertaking by the television networks to air pictures of missing children as part of their regular programming, and to help publicize the National Center's hotline and information services. Senator HEINZ and I have contacted our colleagues in the Senate, and asked them to join us in urging that the major television networks undertake these steps. Mr. President, I am pleased to report that over 80 Members of the Senate have joined Senator HEINZ and me as signatories to this letter, which today is being sent to the Nation's major broadcasting companies. I thank them for their support.

I for one pledge my tireless efforts to end the tragic disappearance of more than 1 million of our children each year.

Mr. HEINZ. Mr. President, there is no worse tragedy parents can face than to find their child missing. On February 22, 1985, 8-year-old Cherrie Mahan disappeared while walking the 75-yard distance between her school bus stop and her home in Cabot, PA. My colleague from Pennsylvania, Senator SPECTER, and I met with her family and neighbors a few weeks ago, and offered our assistance. Although we were pleased to assist in every request made of us, it is clear that we must and can do far more for Cherrie Mahan and so many other children like her.

Some 1.5 million children are reported missing each year, Mr. President. Finding those children who have been abducted requires the efforts of all Americans—not just the family and friends of the child and local law enforcement officials. Congress recognized the need for greater efforts and increased coordination when it passed the Missing Children's Assistance Act of 1984, which established the National Center for Missing and Exploited Children and the center's toll-free hotline and research grant.

At the same time, the private sector has responded in an impressive way. Pictures and descriptions of missing children can now be found in shop windows, on packages and paper shopping bags, milk cartons, and on television. The media, because of its ability to reach all Americans, is central to the effort to involve all Americans in the plight of missing children. For this reason, Senator SPECTER and I have written a letter to the networks and the major media companies, thanking them for their efforts thus far, and urging them to do still more on behalf of missing children. We are not dictating to the networks what they should or should not do, only expressing our deep concern. Nearly all the Senate agreed with our sentiments; 85 have signed the letters, which will be mailed at the conclusion of my remarks. I wish to thank my colleagues for joining with me in expressing our concern for missing children, and our hope that broadcasters throughout the Nation will continue to be a critical part of the effort to locate these children.

Mr. President, I ask that the text of the letters, sent to 11 networks and major broadcasting groups, appear at the conclusion of my remarks with the names of the cosigners.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, May 20, 1985.

Mr. GRANT TINKER,
Chairman of the Board and Chief Executive Officer, National Broadcasting Company, Inc., New York, NY.

DEAR MR. TINKER: We the undersigned members of the United States Senate respectfully call upon you to join us in assisting in an increased nationwide effort to help locate missing children. On April 27th three missing children were located through the efforts of the media.

Approximately 1.5 million children are reported missing each year. One response by Congress has been the Missing Children's Assistance Act of 1984, which established the National Center for Missing and Exploited Children, a national toll-free hotline, and a grant program for research on missing and sexually exploited children.

Currently there are many concerned groups actively seeking to locate missing children and to reunite them with their families, and their efforts deserve your support. The broadcast media is uniquely capable of reaching Americans with vital information, including pictures and descriptions. Many broadcasters already play a central role in the efforts to find missing children. We commend these broadcasters for this vital public service, but encourage even greater voluntary efforts by the industry.

One crucial step towards the goal of locating missing children is nationwide dissemination of their photographs and descriptions and of the National Center's toll-free hotline (1-800-843-5678) and informational services. We urge you to air on a regular basis the pictures and descriptions of missing children.

We congratulate you on your successful efforts thus far and look forward to your prompt consideration of this request.

Sincerely,

Arlen Specter, John Heinz, Jeremiah Denton, Mitch McConnell, Paula Hawkins, Alfonse D'Amato, John Melcher, Patrick Leahy, Lloyd Bentsen, Frank Lautenberg, Don Nickles, Jake Garn, Daniel Inouye, Warren Rudman, Mark Andrews, Gordon Humphrey, Christopher Dodd, Edward M. Kennedy, Bill Bradley, J. James Exon, John F. Kerry, James Abdnor, Richard G. Lugar, Slade Gorton, Chic Hecht, Quentin N. Burdick, Dennis DeConcini, David Pryor, Jim Sasser, Ernest F. Hollings, Edward Zorinsky, Bob Packwood, David L. Boren, Lawton Chiles, Carl Levin, Gary Hart.

John Warner, Larry Pressler, John C. Danforth, Daniel Patrick Moynihan, Paul Laxalt, Claiborne Pell, Nancy Kassebaum, John H. Chafee, Steven D. Symms, Dave Durenberger, Dan Quayle, Jesse Helms, Paul S. Trible, Jr., Paul S. Sarbanes, Sam Nunn, Mack Mattingly, Thomas Harkin, Max Baucus, William V. Roth, Jr., Charles E. Grassley, Alan Cranston, Donald W. Riegle, Jr., Robert T. Stafford, Robert Kasten, Frank H. Murkowski, John P. East, Albert Gore, Jr., George Mitchell, Howard M. Metzenbaum, Paul Simon, Malcolm Wallop, Dale Bumpers, Orrin Hatch, Robert Dole, Strom Thurmond, Spark M. Matsunaga Thad Cochran, John Stennis, Wendell Ford, John D. Rockefeller, Howell Heflin, Joseph Biden, Rudy Boschwitz, Alan Dixon, John Glenn, J. Bennett Johnston, Daniel J. Evans, Pete Wilson, James McClure.

HONORARY PARK RANGER

Mr. PRESSLER. Mr. President, on Monday, April 22, the National Park Service gave its highest award, the Honorary Park Ranger Award, to Kay Riodan Steuerwald. Mrs. Steuerwald is president of the Mountain Co., Inc., at Mount Rushmore National Memorial in South Dakota. She joins a distinguished group of honorees, including John F. Kennedy, Ladybird Johnson, early NPS Director Horace Albright, the late photographer Ansel Adams, and in 1984, composer Richard Adler.

Mrs. Steuerwald has headed the Mountain Co., for 34 years. The Mountain Co., is widely recognized within the National Park Service for its high operating standards and is an example for concessions throughout the system. In being presented this most prestigious award, Mrs. Steuerwald was cited for insisting that only high-quality, theme-related publications be sold at Mount Rushmore; for her strong support of Native American arts and crafts; for developing a visitor services training program for Mountain Co., employees in cooperation with the NPS; and for her encouragement and support of special programs such as "Teddy on the Mountain, Sculptor-in-Resident."

Mrs. Steuerwald is responsible for the planning and building of concession facilities at Mount Rushmore at no cost to the Federal Government. This extremely generous gesture would surprise any outside observer. But for those of us who are fortunate enough to know Kay and understand her dedication and love for that mountain, and her desire to share its story with the rest of the world, it is no surprise at all.

I have known Mrs. Steuerwald for many years, and her contribution as a member of the U.S. Senate Travel and Tourism Industry Advisory Council has been of great benefit to me and my colleagues interested in increasing the role of the tourism industry in today's economy.

Her drive for excellence and her philosophy and commitment to national park ideals has been spread across the park system through her active participation in a variety of organizations. She helped start the National Park Foundation, has been on the board of the Christian Ministry in the National Parks for many years, and has served on the executive board of the Conference of National Park Concessioners. Mrs. Steuerwald is widely recognized and respected in South Dakota. She has an honorary doctorate of business from the South Dakota School of Mines and Technology, received the Ben Black Elk Award for tourism and was the South Dakota Small Business Person of the Year.

Through her leadership of the Mountain Co.—from a small, struggling operation into a very successful, profitable, and widely-respected business—Mrs. Steuerwald has been an outstanding ambassador for Mount Rushmore National Memorial and a leading spokesperson for our national parks across the country.

SUPPORT FOR ICC SUPPLEMENTAL APPROPRIATIONS REQUEST

Mr. PRESSLER. Mr. President, I want to take this opportunity to express my support for the supplemental appropriation requested by the Interstate Commerce Commission and to call attention to the very serious situation presently developing at the Commission. Because the situation is so critical, a number of Senators, including me, will be circulating a letter to all Senators urging immediate action to approve these supplemental funds, or at least to send a clear signal to the ICC so they can return to normal operations.

Recently, in order to avoid a budget deficiency, the Commission was forced to implement a furlough plan which requires Commission employees to be furloughed without pay 1 day per week.

The consequence of this action is that employees will suffer a 20-percent pay cut, and many highly-qualified, loyal Government workers will be forced to find work elsewhere so they can make ends meet. Those who remain will have to figure out how to support their families for 20-percent less. Some will be able to do this. Some will not.

Mr. President, as a member of the U.S. Congress, I think we owe it to the employees of the ICC to get this issue resolved as quickly as possible and get them back to work on a full-time basis. They have weathered some pretty rugged storms in the past couple of years. We have demanded much from them and they have always responded like true public servants, and I am proud of them for that. But I think there comes a point when we can go too far, and I believe we have reached that point. There are policy problems, to be sure. And there are good reasons on both sides of this issue for taking action. However, in our day-to-day policy struggles, we should not lose sight of the real-world implications of the actions we take.

A combination of circumstances has brought the Commission to this point. In fiscal year 1984, the actual ICC budget was $60 million. In fiscal year 1985, the OMB-approved ICC request was $53.97 million. The House appropriated $54.55 million. The Senate, however, approved only $48 million. Subsequently, the House and Senate subcommittees became deadlocked on transportation funding issues. Thus, no ICC money bill was passed and the agency was included in the continuing resolution appropriations. The continuing resolution filed October 10, 1984 and signed by the President authorized a funding level of $48 million for the ICC for fiscal year 1985.

Additionally, the CR detailed by office a staffing level of 914 as the average full-time employee [FTE] complement for the fiscal year.

On October 1, 1984 the ICC had 1023 full-time employees on board.

The scope of the problem thus presented, centers on the two benchmarks mentioned: First, a $48 million funding level; and second, a 914 FTE staffing level; $48 million funds a FTE average of 860 employees. By contrast, an average FTE of 914 employees requires funding at the level of $51.5 million. To achieve the average FTE of 860 employees funded by $48 million would have required RIFing some 400 employees. A bit less draconian, but equally drastic, would have been a RIF of some 200 employees to achieve the 914 average FTE set out in the CR. To put the staffing level issue in perspective, I should note the historical decline of Commission employment:

	Employees
1980	1,946
1981	1,852
1982	1,540
1983	1,319
1984	1,150
1985	984
1986 (est.)	923

This illustrates the significant reduction both in funding and in staffing levels that has already occurred in recent years.

Some argue that the $48 million figure should have been the bottom line planning figure as soon as it became apparent that the conferees could not reach an agreement. Others argue that reasonable allowances and consideration should have been made in anticipation of an ultimate compromise between the House and Senate figures, or that a supplemental request was justified and expected, given the staffing level language in the CR.

As I have said, there are reasonable arguments on both sides of the issue and I do not think it is necessary to get into a squabble here about what did or should have happened. My only point is that we on the policymaking level should be able to find a better way to deal with the problems than by placing the brunt of the burden on Government employees.

Early in this process, the ICC implemented a number of austerity measures which have resulted in approximately $1 million in discretionary expenses. Unfortunately, one result of this has been that many of its more effective programs and offices, such as the Office of Special Counsel, have been substantially curtailed.

In January, when advised that the supplemental request would take the ordinary schedule of budget proceedings in the House and Senate, it became clear that other contingency plans would have to be developed. The consequence was a furlough plan for all employees 1 day per week.

Following House and Senate hearings, which resulted in a House markup of $3.15 million, but no Senate action, the Commission, on April 15, implemented the furlough plan, resulting in a 4-day workweek for all Agency employees.

I understand that the current damage control assessment is that this is a disaster, devastating both to the employees and to the Commission. The reality is worse than the anticipation. Morale is extremely low, and employees are suffering from the stress.

The Agency workload is falling behind; deadlines are being missed. Significant pending cases are falling off pace. Hearings are being delayed or not being held. Field office outreach is diminished. The Agency's ability to fairly and adequately review various issues is on the verge of being seriously compromised.

I am especially concerned about field outreach and hearings. I understand that under the present funding plan without the supplemental, ICC field operations will cease to function. This would present special problems for States like mine.

For instance, 2 years ago South Dakota was threatened with a proposed abandonment of a 165-mile railroad line—the only major line in the entire western half of the State. We were able to have an ICC administrative law judge come out to the State to conduct field hearings, and were able to provide guidance to the local shippers through the ICC Office of Special Counsel. We ultimately prevailed in our effort to save the line, but I have no doubt that it would have been impossible without those kinds of field operations. They are essential in running any effective enforcement agency. This would be impossible under the current situation at the ICC.

I might just point out here that it is largely through the efforts of Senator ANDREWS that rural States like North Dakota and South Dakota still have available to them many of the services provided by the Office of Special Counsel.

In this past year, the ICC's outreach has involved communities and programs in 20 States. In addition, there are the activities of the six regional offices nationwide and the field offices in each of our States which are too voluminous for summary here.

My basic point today is simply that without this funding, there is little or no hope for a truly effective ICC. Without it, we may as well take back the rest of the money and close its doors. We do have to more closely scrutinize how this money is being spent. I share many of Senator ANDREWS' concerns and agree we have to take a close look to make certain this money is being used in a manner that truly reflects congressional intent—especially in the deregulation areas. Rural States like North Dakota and South Dakota are the hardest hit by the push for blind deregulation.

In my view, however, any alteration of the scope and mission of the Commission is best achieved by substantive legislation and debate, not by an appropriations measure. In any event, we owe it to the ICC employees to find a way to resolve our policy disputes without making them pay the price. I am afraid that if we do not approve this supplemental, the ongoing furlough will cause a continuing exodus of the high quality staff and, in general, aggravate already major morale problems.

I do think it is absolutely vital that we go ahead now and approve the supplemental appropriation requested by the Interstate Commerce Commission. The employees at the Commission deserve it, and the policy concerns in the various States cannot be addressed without it.

Whatever may be our respective views or assessments of the ICC, I want to emphasize that its employees deserve our consideration in providing supplemental relief for the Agency's financial needs. And if we really expect it to function effectively, we must go forward now.

So I urge all my colleagues to join us in signing the letter we will be circulating so we can send a clear signal of support to the ICC and it can once again begin effective operations and put its employees back to work full-time. They deserve our support.

THANKS TO KANSAS STAFF FOR WORK ON BUDGET

Mr. DOLE. Mr. President, I want to take a moment to say a special "thank you" to the members of my Kansas staff who made an important contribution in the Senate's adoption of the fiscal 1986 budget resolution.

Their work on specific areas, such as child nutrition, defense, and transportation, was very helpful in our deliberations both before and during floor action.

I would like to especially recognize the effort of Linda Murphy, Judy Brotman, John Peterson, Mark Scanlan, Chris Bolton, Ed Duckers, Al Lehn, and Dave Cordova and the rest of my staff who were kept busy answering questions and otherwise assisting my constituents.

Mr. PROXIMRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Denton). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

> A bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize approporiations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Goldwater Amendment No. 147, to provide improved procurement procedures for the Department of Defense, on which the yeas and nays have been ordered.

Mr. GOLDWATER. Mr. President, last Friday, before we recessed, I laid down an amendment authored by Senator QUAYLE of Indiana. We are now prepared to discuss that amendment. Senator QUAYLE is on the floor. I will yield to him.

I would hope that the Democratic side, which also has, I believe, an amendment to this amendment, would get over on the floor sometime. We are not in a great hurry, but we only have until Thursday evening to finish this bill and we already have 39 amendments that we know of. So in order to expedite, I would urge all Senators to pay attention to this piece of legislation. It is one of the most important that we have before us this year. It contains some rather drastic reductions in our defense approach, and I think we should make ourselves clear on whether we want these reductions or not or in what form we want them.

I would also like to arrange for a time on each of these amendments, but I see nobody from the Democratic side. Would the Senator from Indiana have some idea of the time he might need?

Mr. QUAYLE. Mr. President, I will probably talk maybe 15 minutes or so on this amendment. I presume that a couple of others want to speak on it. But I think the important thing is to perhaps try, down the road, to get a certain time that we are going to vote, at least on this amendment and any of the substitutes that are going to be offered to this amendment. We know a few of them are floating around. We hope in fact they would be offered in the next hour or couple of hours.

Does the chairman perhaps have in mind sometime later this afternoon that he would like to vote on at least this amendment or any substitute amendment added to this amendment? I think that might help Senators through the day to begin to focus that we are going to vote at a certain time, because the chairman is absolutely right. We have to get this bill moving. Thirty-nine amendments between now and Thursday or Friday is quite a row to hoe, but we can do it.

Mr. GOLDWATER. I might say that last Friday the leadership indicated that there would be no votes until 5 o'clock this afternoon. So the Senator may proceed with any time that he may need.

When Senator PRYOR or Senator GRASSLEY arrives in the Chamber we will discuss the total time to be spent on these particular amendments.

Mr. QUAYLE. Mr. President, I suggest to the chairman that perhaps we might want to work on our side and on the other side of the aisle to get an understanding that we might begin a vote at 5 o'clock.

Mr. GOLDWATER. I certainly hope that we can finish debate by 5 o'clock.

Mr. QUAYLE. I think we will be able to finish debating it by 5 o'clock. It depends on what amendments are going to be offered to it.

I think you are going to find, at least I hope the Senate will find, very satisfying the work that has gone into this. It came out of committee unanimously. It is an important issue. It is a big issue. There are a lot of things that can be done here. We will get into the discussion and I certainly do not intend to prolong the debate. But in the amendments and substitutes that may arise to this, it will take some time to point out the flaws that they have.

Mr. GOLDWATER. I think the amendment will be in the nature of a substitute, so the Senator may proceed.

AMENDMENT NO. 147

(Purpose: To provide improved procurement procedures for the Department of Defense).

Mr. QUAYLE. Mr. President, I rise to support not only the Defense Department Authorization Act, but in particular the committee amendment that is presently before the Senate, the amendment known as the Defense Procurement Improvement Act of 1985.

Before I proceed to the elements of the amendment and the pending business, I wish to make a few points of observation. First, I express my sincere appreciation and gratitude to the chairman of the Armed Services Committee for not only the work that he has done in the Armed Services Committee as a whole, but in particular in this area of acquisition and procurement.

He has told me, time and time again, of the personal importance that he attaches to procurement reform. He has been a very active participant in the Subcommittee on Defense Acquisition Policy as well as a steadfast proponent of trying to get more efficiencies, and a better understanding of how we do business, within the Department of Defense. Without his strong support, we would not be here today. I appreciate his encouragement and his leadership and what he has been able to do for me on that committee, particularly in the subcommittee which, I hope, is going to make a contribution here today—this is just the beginning—and a contribution down the road as well.

He is an expert in this area. He has a lot of background in the armed services, and he also has a background in business. He understands good old business sense and a business background.

Every once in a while, you get that flair of thinking from the chairman of the Armed Services Committee. He puts on his business hat and goes back to talking about when he was in business out in Arizona and says, "Why can't we do some of these things in the Pentagon as we used to do them out there in the private sector?"

I assure the Senate this morning that a lot of things we will be recommending and a lot of changes that will come before this committee are a lot of commonsense, good old business practices that we can employ. Because of that, Mr. President, we are in a position here today to move forward with this committee amendment.

I also thank the ranking member of the Committee on Armed Services [Mr. NUNN] for his efforts and leadership in the committee and his excellent suggestions.

I want particular attention paid to my ranking member Mr. LEVIN, who has joined with me and been very, very energetic in offering a lot of insight and recommendations on the Procurement Reform Act. He has a good background not only in the Armed Services Committee, but the Governmental Affairs Committee on which he serves.

We have a lot of other active members on our subcommittee. One of them is handling the bill right now for the minority, Senator BINGAMAN of New Mexico, who has been an exceedingly active member, coming forward with recommendations.

What we have here, Mr. President, is a procurement reform package that has strong bipartisan support within the Armed Services Committee. This package basically went through about a year and a half of deliberations before we got to the final enactment. Before the Defense Acquisition Subcommittee was established, we had a task force on procurement policies. Over the last 2 years, we have had something like 11 days of hearings, but we had 4 days of hearings specifically on this particular package.

I can tell the Members of the Senate that we are going to be going forward in this area again this summer. As a matter of fact, we have hearings scheduled in June, two hearings already scheduled, that will further examine procurement practices. And there is no shortage of ideas and issues and areas where we ought to get involved.

As a matter of fact, Mr. President, one of the biggest problems that I have had over the course of the last couple of years is trying to focus in on what we should be concentrating on. It is so big. Any time you have an agency that does 17 million procurement transactions a year, you are going to have problems. And there are going to be mistakes. What we are charged with is to try to come up with a system that is going to be as efficient as possible.

You know, Mr. President, we have been barraged by stories and publicity over the last couple of years pointing out some of the problems we have in the area of acquisition. We just had the latest series now running in the Washington Post. Today, the front page talks about a vehicle that is made in my home State, the Hummer vehicle. Just going through and trying to read that in the early morning over a cup of coffee—I profess to have a little bit of expertise in this area, but it is confusing. It is not only confusing to those of us who sit there and deal with it on a day-to-day basis, but I ask the Members of the Senate to try to read that. I thought it was a thoughtful article, trying to show all the bureaucratic steps and number of requirements you have to go through to get a vehicle out in production.

Then we have a situation there over the design of a whistle. We start talking about design specifications or a lot of pages put into a design specification for just getting a whistle. That will put us into another area of asking why we have to have a lot of these things before we get into procurement and production and acquisition.

Mr. President, contrary to some others, I welcome this scrutiny. I welcome the idea and the opportunity to see what we can do in the area of acquisition and the area of procurement reform. I believe that it is our challenge here today to put together a consensus that, in fact, will come to grips with what approaches we should be taking in this area of procurement. I believe that that consensus has to be among those of us in Congress, those who are across the river or downtown in the executive branch, and those who are out in the private sector, particularly in the defense contracting industry, who have the responsibility of manufacturing the weapons systems and other things that are necessary and important for national security.

Also, we have another constituency that is of tremendous interest. That is the taxpayer. The taxpayer pays the bills for national security. Taxpayers are not the least bit reluctant nor reticent to put up money to pay for national security. They understand that

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that is the No. 1 requirement of any nation; particularly this Nation that has the responsibility of moving forward and being the bastion of hope and freedom throughout this world. But when they are willing to ante up a lot of money for national security, they expect and anticipate a wise and prudent expenditure of those funds.

I would dare say that, over the course of the last couple of years, there has been a problem of credibility that we have right now in convincing the American public that they are getting an efficient utilization of taxpayers' dollars. I think that, rather than turning the cheek the other way and saying "We don't want this publicity because 99.9 percent of the things are OK and there is only a small percentage out there that is not performing according to the rules, according to the laws," I look at this as an opportunity of getting down to a perhaps even more efficient system and trying to see how we can move forward in a more productive way. Because, Mr. President, let us face the facts: We are going to be confronted in this Nation of ours with a budgetary crunch over the next decade like we have never seen before. That budgetary crunch and that fiscal restraint is going to come across the board. It is going to apply to defense as well as in the area of nondefense.

Therefore, as we reestablish the credibility that so rightly deserves to be reestablished, we also have to realize that we are going to have to do some things better. We are going to have to do things more efficiently, because we are really going to have less money than we would like to have. Therefore, we are going to have to be able to produce more planes per dollar, more ships per dollar, more missiles per dollar. We are going to have to take some of these business practices that have been known in the private sector and employ them in defense as well. We are going to have to look at ways that can in fact beef up the whole procurement and acquisition situation that we now find ourselves in.

I look forward to it as a challenge. It is not something that I fear, it is something that I welcome. I know the chairman welcomes it and others welcome it. But I daresay we have to deal with this thing on a very serious and substantive basis.

I realize there are times when it is exceedingly popular to just come across as being able to kick the Department of Defense in the shins. That is a way to get a lot of good positive publicity.

I suppose there are times they deserve to be kicked in the shins, and they ought to be, but there is also a time that we have to settle down and look at the landscape and see where we are. I suspect as we look at this challenge of reform, we had better keep in mind that there are some counterproductive things that Congress can do and in fact has done in the past.

I do not need to spend a lot of time on the congressionally mandated waste and inefficiency that has been passed in the House and in the Senate, but it is there. I suggest that as we look at this situation we look at it in its totality, rather than try to do it on a micro-management basis.

I think what our subcommittee has done, or the Committee of the Armed Services has done, is take a vastly complicated issue, an issue that, in fact, has taken up a lot of publicity throughout the press. It has taken on a lot of attention here in the Congress. It is one that deserves our attention very much. But as it deserves our attention, we also have to exercise a degree of responsibility in doing the things that we know are right in accordance with trying to create better efficiencies.

I would say that the goal we all have is to try to preserve the competition we have in the Department of Defense and try to enhance the competition that we can get in the Department of Defense. That is the No. 1 goal of any kind of procurement system. The question is not how do we in fact go ahead and get more competition, but how do we follow what Congress and the administration have agreed on in the past to get competition?

We passed legislation last year, some in the area of procurement reform, some in the area of contract competition, and some in the area of spare parts and small business. We have, in fact, been consumed with the idea of trying to get more competition. I daresay we have made some headway; we have made some progress in these areas. I think that now that we have made some progress, certainly we are going to make some more progress.

Mr. President, I think that now I would like to spend some time on the particulars of this bill, in particular this amendment that is presently before the Senate. I believe and we believe them to be constructive and a responsible, bipartisan approach to promoting increased efficiency within defense procurement. We do have a strong bipartisan basis of support for this.

The first section of our committee amendment contains a series of congressional findings that clearly define the purpose of the legislation. In our amendment, we have sought:

To increase continuous competition during the production cycle of major weapon systems;

To expand the use of "should cost" analyses during contract negotiations for major weapon systems;

To ensure that acquisition personnel in the Department of Defense are sufficiently qualified and that an appropriate career path exists for acquisition officers in the military;

To promote increased disclosure of the activities of employees of defense contractors who were employees of the Department of Defense;

To prevent conflicts of interest by employees of the Department of Defense involved in the negotiation and administration of Government contracts;

To increase competition by continuing procurement technical assistance through Outreach Programs; and

To shift the burden of proof in the resolution of certain Government contract disputes from the Government to the contractors.

Mr. President, throughout the course of hearings, it has become clear that competition is the most effective means of forcing efficiencies in defense procurement. Procuring weapon systems from two or more sources is one proven means of insuring some form of competition throughout the life of a program. Section 603 of our amendment requires the Secretary of Defense to prepare an acquisition plan that includes the establishment and maintenance of two or more production sources for major acquisition programs that meet the following criteria:

Establishing two or more production sources would increase competition and would likely result in reduced overall costs;

It would not result in acceptable delays in fulfilling the needs of the Department of Defense; and

It would otherwise be in the national security interest of the United States.

Under our provision, the Secretary of Defense will be required to submit the acquisition plan for each major weapon program no later than the time of the initial budget request for production of the program. If the Secretary determines that the criteria for the establishment of two or more production sources are not met, he must include cost estimates or other background material supporting his determination.

There are some Senators who are suggesting that this provision does not require continuing competition between the two sources. The amendment does not specifically refer to continuing competition because another law, the Competition in Contracting Act of 1984, requires such competition when more than one source is available. Thus, this committee amendment in conjunction with existing law would require annual competition between the multiple sources.

Section 604 of the committee amendment directs the Secretary of Defense to conduct a should cost analysis for each major defense acquisition program for which contracts were award-

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Attendance at the program manage-

with a defense contractor regarding

Court, or any Federal court in which

and we will perhaps discuss some of

No. 2 of three articles, so I will await ed to a single source by other than competitive means.

Mr. President, in the March 20, hearing before our subcommittee, the representatives from the Department of Defense and the military services indicated that, with the exception of should cost analysis, virtually all the cost estimating procedures used by the services and the Department of Defense rely on historical data and industry trends rather than a careful assessment of the efficiency of the individual defense contractor. A should cost analysis uses different established industrial engineering measurement tools to determine the cost of a system produced in the most efficient manner. Although the witnesses testified that demonstrated savings had resulted when should cost analyses have been utilized by the contracting officer during the contract negotiation process, should cost studies are only conducted on a limited basis because of inadequate resources.

If we are ever going to be in a position to demand greater efficiency from defense manufacturers, we must utilize should cost analyses to a greater extent. Our provision would require the Secretary of Defense to conduct a should cost analysis at one point during the first 4 years of production for each major defense acquisition program for which contracts were awarded to a single source by other than competitive means. This requirement applies to all systems for which funds are provided for initial production in fiscal year 1986 and all subsequent fiscal years.

One of the primary issues that our subcommittee has examined has been the qualifications of the defense acquisition work force. We have held two separate hearings on this issue and we are especially concerned that the services have not stressed the importance of education and experience in the acquisition, support and maintenance of weapon systems in their selection of program managers for major acquisition programs or in their selection for flat and general officer assignments in the major buying commands.

If we are to store the public's confidence in the defense acquisition process, we need the best qualified officers in major command positions in defense acquisition. However, we must provide adequate incentives for military officers to choose a career in acquisition management. Section 605 of the committee amendment requires the Secretary of each military department to issue regulations establishing the minimum requirements in education, training, and experience for program managers of major defense acquisition programs. We have laid out some elements of the minimum requirements to be issued by the service Secretaries, including:

Attendance at the program management course at the Defense Systems Management College or other comparable insitution; and

A minimum of 8 years of total experience in the acquisition, support, and maintenance of weapon systems, at least 4 years of which must have been spent in assignments in the major buying commands of the services.

We have provided an incentive for young officers to select a a career in acquisition management by requiring the Secretary of each of the services to issue similar minimum requirements for assignment to the flag and general officer positions at the major military buying commands. We have thus tried to insure that officers in the acquisition management field are selected for these positions.

Finally, section 605 addresses a problem that came to light during the October 18 hearing on quality assurance at the Hughes Aircraft Co. plant in Tucson. There is currently no formal introductory training for quality assurance personnel in the Department of Defense. Our provision requires that the Secretary of Defense develop a formal Introductory Training Program of not less than 4 weeks in duration for all personnel who are responsible for assuring quality in contractor facilities.

Sections 606 and 607 deal with the issue of Department of Defense employees who leave the Government to accept employment with a defense contractor. Both of these carefully crafted sections are largely the work of my colleague and good friend Senator CARL LEVIN from Michigan, who is the ranking minority member on our subcommittee. He will, I understand, explain these provisions in some detail, so I will only briefly discuss them now.

On March 19, the subcommittee received testimony from several witnesses on the issue of permissible employment and activities and employment of former DOD employees, which is more popularly know as the revolving door issue. Sections 606 and 607 address deficiencies in the current laws and procedures that became evident through the hearing.

Section 606 tightens up the reporting requirements applicable to military and civilian employees who go to work for a defense contractor. The content of the required report has been significantly expanded. The section also changed the criminal sanctions for failing to file to an administrative penalty, because the criminal sanctions for failure to report have rarely been used.

Section 607 establishes new limitations on contacts concerning employment between Department of Defense procurement personnel and defense contractors. Under this section, any covered official must report contacts with a defense contractor regarding future employment and disqualify himself from any participation in the performance of contract functions relating to that defense contractor. A covered official would be barred from accepting employment for 2 years with a defense contractor if he fails to report or disqualify himself. He would also be subject to an administrative penalty of up to $10,000.

Section 608 provides an authorization of $3,000,000 in each of fiscal years 1986 and 1987 to continue the participation of the Department of Defense in the Procurement Assistance Cooperative Agreement Program with local governments and private nonprofit organizations. This program has demonstrated its effectiveness on a pilot basis to assist local businesses in securing contracts with the Department of Defense, whether it be for spare parts, support equipment or other goods and services.

Mr. President, this section goes to the heart of trying to get more small businesses within the Department of Defense industry. We have always been concerned with the industrial base in this country. Not only will this help expand the industrial base, but, obviously, if we have more businesses able to compete on these particular components, whether they be major weapons systems or just spare parts, we are going to have lower costs. There is no example I know of that when you have competition the price does not automatically fall. If we do have competition, with more companies involved, the price obviously is going to go down. Therefore, we have to figure out a way to get more people and more businesses into this system.

I know in my State of Indiana every 2 years we have a statewide defense procurement conference where over a thousand small businesses attend. We bring in defense industry people. We bring in people from the Department of Defense. We bring in other experts to explain to our folks how to do business with the Department of Defense. Believe me, there is a maze of bureaucracy over there. There is a lot of redtape. There are a lot of things we have to try to make more efficient and get a better handle on, but by and large we have been successful in getting more people involved in this system. These outreach programs have been exceedingly helpful, and this authorization expands their participation for fiscal years 1986 and 1987.

Section 609 is specifically intented to overturn the presumption established in the case of Bruce Construction Corp. versus United States, which is that the costs incurred by a government contractor are reasonable. Section 609 requires that in any proceeding before the Armed Services Board of Contract Appeals, the U.S. Claims Court, or any Federal court in which the reasonableness of general or administrative costs in a defense contract is at issue, the burden of proof shall be upon the contactor to demonstrate the reasonableness of the costs.

Mr. President, this package, which was the outcome of 11 days of hearings, was approved unanimously by the Senate Armed Services Committee. I again commend my colleague, Senator LEVIN, for his hard work and creativity in this legislation, as well as other members of the Defense Acquisition Policy Subcommittee.

Mr. President, in conclusion I think we have put together a package which moves in the right direction. Other Senators on our committee—Senators GOLDWATER, WARNER, HUMPHREY, GRAMM, DIXON, BINGAMAN, and GLENN—have all had definite input into this committee amendment. We stand by to answer any questions. We feel, from our vantage point on that subcommittee and on the Armed Services Committee, that this is a positive step forward. We have announced more hearings, and we look forward to dealing with this issue not only today but continuing to monitor the situation and add our 2 cents worth in trying to get better efficiency and a better system of management within the Department of Defense because we really have to regain the confidence that has slipped by these past few years. I think there is a perception out there that the Department of Defense does not do anything but purchase hammers that are overpriced or toilet seats that are overpriced, which is simply not the case. But that is the perception that is out there.

This legislation, in fact, offers substantive reform, substantive recommendations on how we can get a better system at the Defense Department. I hope the Senate will join me in enacting this major piece of legislation, which now is in the form of a committee amendment. It is perhaps the most substantive piece of legislation in the area of procurement with which we will be dealing this year.

Obviously, this is not going to be the only time we will visit this issue, and I look forward to my colleagues on the Armed Services Committee and those who are not on the Armed Services Committee joining me in support of this amendment and joining me as we continue to have this discussion.

The only way we are going to improve the system is to have open communication, to have a competition of ideas—a competition of ideas that will come forward in the spirit of trying to make this a better system.

Mr. President, with that, I obviously urge adoption of this committee amendment. I understand that there possibly may be a substitute. If that is offered, we will certainly discuss it, and we will perhaps discuss some of the substance at a later time.

Mr. GOLDWATER. I thank the Senator from Indiana.

Mr. President, there will be a substitute offered by Senator PRYOR and Senator GRASSLEY. At present, those Senators are not on the floor.

Mr. President, I have this comment, before the Democratic side proceeds: This committee was first established by Senator JOHN TOWER when he was chairman of the committee. It was continued for a while as a task force, when we were not allowed to exceed the committee list of six. Since that time, it has been made an armed services subcommittee, and we replaced the task force to take care of that.

The matter of procurement is one that has hit the American public rather solidly because of the mistakes, either intentional or unintentional, by a very few of the manufacturers in this country who do business with the Pentagon. Keep in mind, when talking of a budget that runs around $320 billion, that is is a large sum of money; and when we talk about 17 million contracts being signed a year, that is 68,000 per day. I mention those figures just to give some idea of the immensity of this problem.

In my opinion, Senator QUAYLE, in chairing this committee, has done one of the best jobs of subcommittee work I have seen in my years in the Senate. There has been no appearance of an antagonistic attitude with respect to the manufacturers who have been represented or others. The approach has been "What can we do with you to help this whole thing work better?"

I am not going to excuse the handful who have abused the process under which we work, but I do think that legislation is needed in this field.

I am very happy that the Democrats have prepared a proposal. Ours has been prepared by Senator QUAYLE. I think this will be found to be a bipartisan issue. As President Eisenhower said, we want to get the biggest bang for our buck.

I feel certain that after the enactment of this amendment, or whatever we adopt in its place, we will have much better cooperation from the manufacturers of our country, and we will have provided the Pentagon with better guidelines as to how they do business with $320 billion a year. It should be kept in mind that we have no corporations that even approach that size. I know that corporations doing $2 billion or $3 billion business a year are confronted with massive problems of procurement, and that gives some idea of what we are up against here.

I might say to the Senator from Indiana that I read the startling article in this morning's Post. I read a rather more startling article in yesterday morning's Post. I notice that this is No. 2 of three articles, so I will await tomorrow's disclosures with a great deal of anticipation.

I do not know how they can make so many mistakes in reporting on military matters. They have expert people up here on the Hill; but when they reported on the Hummer, which I have driven and which I think is an excellent weapon, it is kind of hard to realize that perhaps they have never put their hands on it.

The other article had to do with a whistle and a flashlight, I believe. It was very revealing—but so are many of the things we read in the local press, I might say.

Mr. President, the Senator from Arkansas in not quite ready yet, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, today the American public has lost confidence in the Department of Defense's ability to procure weapons, materials, and services.

We read about procurement horror stories daily. We see unprecedented war profiteering in peacetime. We see weapons that do not work, and cost overruns that stagger the imagination and bleed the taxpayers, taking away precious tax dollars and defense dollars and throwing those dollars down a rat hole. We see a buddy system in sole-source contracting. We see virtually no competition in defense procurement.

We see more and more dollars buying less and less. And, strangely and sadly enough, Mr. President, it seems as if in the last 2 or 3 years, and especially in 1985, we see a mysterious set of circumstances when the Congress is spending more time dealing with our own Pentagon and our own contractors than we seem to be spending on what the Russians are up to.

The Department of Defense today operates in a noncompetitve economy. We not only need a law with teeth, we must now have a law with fangs. And today, with my colleagues that I will mention later in this discussion, we will offer a perfecting amendment to the amendment now pending before the Senate.

First, Mr. President, I would like at this time to acknowledge the long, hard, and dedicated work of Senator QUAYLE from Indiana and the Members who compose his procurement subcommittee of the Armed Services Committee.

Senator QUAYLE and his Subcommittee on Procurement have attempted to identify the problems caused by the existing laws and have done a good job in that regard.

Our perfecting amendment that I will offer later in the day, sponsored by members of both parties, is a sincere and a conscientious effort, after many weeks of work across party lines and political philosophies, to forge an even stronger set of rules for the Pentagon and the contractors than proposed by the distinguished Senator from Indiana and other members of the Armed Services Committee in the Senate.

Our proposal would provide a capitalistic approach to defense contracting. It makes true competitive contracting easier and makes sole-source contracting without any competition more difficult. It does not take effect in 1990 or 1989 or 1988 or 1987, as would some provisions sponsored by the Senator from Indiana, but most of our amendment would take effect October 1 of this year, 1985.

It would force the Congress to authorize sole-source contracts. As the very distinguished Senator and chairman of the Armed Services Committee, Senator GOLDWATER, will note, Congress has basically allowed the Department of Defense and other agencies to oversee contracting in the Department of Defense.

We think, Mr. President, it is now time that the Congress deal itself back into this game; deal itself back into this arena where we will have the authority, the right, and the obligation to approve sole-source contracting of major weapons systems.

Out perfecting amendment would require contractors to submit to penalties of perjury if false claims were submitted. That, Mr. President, is no different than what any American taxpayer submits to on April 15 when we file our income tax returns—the penalty of perjury if false claims or false reports are submitted. We think that this is a must. And, once again, we think that this is a strengthening section of our proposal over that offered by the Senator from Indiana.

Our proposal shifts the burden of proving what costs are reasonable from the Pentagon to the contractor. I might say that this is generally the same language as proposed by Senator QUAYLE, and I compliment Senator QUAYLE and his subcommittee and those who have worked this language out.

Our perfecting amendment will require at least two bidders on major weapons systems procurement, what is called "dual-sourcing." And for once and for all it will prohibit and address the revolving door problem in a very strong way.

Our proposal differs from Senator QUAYLE's proposal and the committee amendment proposal in that our perfecting amendment will have language that requires the defense contractors to pay for the repair or the replacement of defective parts or equipment—not the taxpayers. It is the contractors who must bear this burden and who should bear this burden.

Our perfecting amendment to the Quayle language now before the Senate is tough, it is to the point, and it should lead, Mr. President, to defense dollars going a longer way.

I feel very certain that our proposal will probably—let me strike out "probably"—I feel very certain that our proposal will be opposed by the contracting community and by the Department of Defense itself. And if the situation were otherwise, I might worry that our proposal was not strong enough.

Mr. President, it is time Congress started to get serious about cleaning up the mess in our military procurement. In the last few years it has become painfully obvious that a deep and pervasive sickness is afflicting our national defenses. With very few exceptions, Congress has been prescribing aspirin for a patient that clearly needs to go into the intensive care ward.

Only the briefest scanning of any newspaper on any day tells us the problem is large and is not getting any better—in fact, it is getting worse. We now appear to be in a situation of unprecedented "war profiteering" in peacetime. The result is not just the waste of uncounted billions but also too few weapons—and too many of them that will not work much of the time. The defense buildup over the last 6 years has been in dollars and not much else; we are building toward failure, not strength.

The problem is not a new one; it has been building for decades. More money in the absence of reform has just accelerated it. President Reagan is not the only President to blame; there is plenty of that to spread around to both parties. It is unavoidable, however, that in the last 4 years we have proved the dictum that you cannot solve problems by "throwing money at them."

Many in Congress have identified competition as an effective way to reduce outrageous defense costs because it give the producer incentives to build his product right. But our deeds in Congress have not matched our rhetoric. We have not passed any legislation that actually requires competition, real competition, in defense procurement. Today, $40 billion in contracts is awarded every year without competition. That figure represents about one-third of the procurement total.

Members of Congress, the press and the public—our constituents—have complained bitterly about the dubious ethics of senior defense officials going onto the payroll of the very same companies they were supposed to monitor when they were public servants. But all we have done in Congress so far is to ask for reports on the so-called revolving door. Nothing in the law so far would put an end to what many agree is an unethical practice.

We have read horror stories in the press of weapons delivered to our armed services that would not pass the most rudimentary quality control tests in the private sector. Two years ago we passed warranty legislation to address this problem; only last year we revised that law to carve some loopholes into it. The quality control director of the Defense Logistics Agency has said that many systems cost 50 percent more than they should because of shoddy workmanship by the contractor.

There is no incentive today, Mr. President, for the contractor not to make shoddy weapons.

In addressing these problems some advise us to take our time. In hearing after hearing, and year after year, we hear the officials from the Department of Defense come before this Congress and say,

> We have solved this problem. We have straightened this mess out. No longer are we going to be hearing about those horrow stories. We have our act together. We have found the solutions to whatever problem at hand.

How many times have we heard that, Mr. President? How many more times will we have to hear it before the Congress of the United States decides to get tough with an unthinkable situation. When the solutions are clear and obvious, the only reason to delay is to allow this ripoff to continue. We are not in favor of this approach.

Once again, Mr. President, I would like to commend Senator QUAYLE and his new subcommittee for tackling this issue, and for identifying several areas that need immediate attention. In our amendment, we have addressed those same issues but in a considerably different way. We have tried to make the results equal, with tough policy decisions, and tough laws that deal not only with the Department of Defense, but also the contracting establishment.

With all due respect to Senator QUAYLE, I would like to point out some areas where his proposal falls short of the mark:

His amendment has identified the need to increase competition and to conduct more "dual sourcing," which is the production of a weapon system by two or more producers; however, his amendment allows the Secretary of Defense to waive the dual sourcing requirement whenever the Secretary of Defense finds that in the "national interest" a waiver is justified.

Mr. President, this national interest exception was identified as a significant loophole when the Competition

in Contracting Act was written into law last year, and it was removed. The committee amendment would reestablish that loophole. Even worse, the committee amendment, or the Quayle amendment, does not really require competition in its dual sourcing. There is nothing that I can find in the committee amendment that strictly requires the two dual sources to compete against each other. Nothing prevents them from having a 50-50 split of the pie, which would remove any incentive once and for all for one producer being cheaper or better than the other.

In the committee amendment under that issue of "revolving door" language, there are also significant loopholes, Mr. President. There is nothing in the committee amendment that would prevent a Government worker from going to work for a contractor he supervised, unless the employee misleads the Government and is caught. I think that we can do better on the issue of this revolving-door problem. I would like to think my friend and colleague, Senator PROXMIRE from Wisconsin, who has long been concerned, who has long brought this matter to the attention of the Congress and the taxpayers that we need to do something very strong to prevent the revolving-door situation from getting worse.

I might also add that Senator PROXMIRE is a cosponsor of this amendment that we will shortly send to the desk. The committee's language, or Senator QUAYLE's language, if I might call it that, bars a Government employee from working for a contractor he supervised only—only—when the contractor offers him a job, when the employee is still in the Government and when the employee fails to disqualify himself from further Government supervision of the contractor. But, Mr. President, if the contractor is smart enough not to offer that employee a job until after he leaves the Government, and if the contractor is crooked enough—and I hope that is not the case—to do everything but offer the Government worker a job, there is no bar to the revolving-door problem in Senator QUAYLE's amendment.

There are also loopholes in the committee's language regarding quality control. Under that language the Department of Defense quality control workers are required to get quality control training. But contractor quality control workers are not. Furthermore, Mr. President, absolutely nothing in Senator QUAYLE's amendment would cause the contractor to pick up the cost of his own deficient work. The committee amendment would leave standing loopholes in the existing warranties legislation: an exemption from quality control warranties for the first 10 percent of any production line and for any item costing less than $100,000 or program costing less than $10 million. There may be a reason to exempt such items from performance guarantees, but there is no justification for exempting such items from the quality control specifications that a contractor has agreed to in a contract.

There is still another weakness, Mr. President, in the committee amendment that is pending at this time. This is respecting the "should cost" problem that exists in today's defense procurement situation. The committee's language would allow the contractor to tell us what his products should cost. Mr. President, can we expect anything more than self-justification from this provision? Even if that loophole were covered, however, the Quayle amendment would be deficient in this Senator's opinion. In the past, the Department of Defense has told us with a perfectly straight face that stool caps "should cost" $1,000, that pliers "should cost" $600, and that hammers "should cost" $436. Mr. President, we should be asking for an end to this tragically comical self-justification. We should not be asking for more of them.

There is still another problem occurring with the committee language respecting education and training for program managers and generals in the services' various materiel commands. The committee amendment seeks more of the very same training that has been available up to this point. This is not calling for a change, nor does it call for an improvement. It is calling for more of the same. It is stating that we will be willing to accept busines as usual. We feel that the business-as-usual approach now existing, that relationship between the contractor and the Department of Defense, cannot be justified.

Quite properly, Mr. President, the committee amendment puts the burden of proof on the contractor when he is in dispute with the Department of Defense over the reasonableness of the cost. Unfortunately, however, there is still another loophole. Only general and administrative costs are covered and not all costs are covered. Also, it is not clear whether the committee's "burden of proof" language would allow, or not allow an existing definition of the term "reasonable" in the Armed Services Procurement Manual. This dubious definition allows any cost which DOD paid in the past, no matter how high, to be termed "reasonable."

Finally, the Quayle amendment fails to put itself into effect anytime soon.

We may spend another $1 trillion in our Department of Defense before the committee amendment or Senator QUAYLE's amendment actually takes effect. Some of the committee's provisions will not go into effect until the year 1990. My question, Mr. President, is this: Is there any Member of this body who would care to wait until 1990 to address the serious deficiencies that we all know exist today in the Department of Defense procurement system?

It is time Congress got serious about actually solving the problems we all know exist. Weak provisions, filled with loopholes, going into effect years from now will not accomplish our mission. We need real solutions, and we need them now.

First, we need a dual sourcing requirement that actually forces dual sourcers to compete against each other by rewarding the best bidder with a majority of production under the contract. Furthermore, we need to start the dual sourcing requirement at the development stage and not wait for a sole-source developer to get his foot in the door for a production contract after he has done all the development for a weapons system. Finally, we should not want to grandfather onward to the future all sole source contracts that exist today, and we should want to put into place a mechanism that discourages sole sourcing and encourages competition and dual sourcing. The committee amendment does none of these things.

The amendment that I shall submit in behalf of myself and Senators GRASSLEY, Senator PROXMIRE, and others later, during the course of this discussion, we sincerely feel does all of these things.

We need a revolving door requirement that actually closes the revolving door. We need to prevent for a minimum of 3 years a Government worker's going to work for the contractor he was supposed to supervise in Government. We need to apply fines and civil penalties against those who attempt to operate unethically.

If we really want to find out what a weapons system "should cost," we should see what it costs in the commercial world where true competition exists. If no commercial item compares to the defense system we are considering, we should see how much a similar system costs when it is produced abroad. That will give us some objective standard to measure against. If the item is not available commercially or abroad, we should be requiring an independent cost analysis, not the analysis furnished by the contractor.

When a contractor delivers equipment, no matter what it is, to DOD and that equipment is defective from a quality control standpoint. Who should pay the cost—the taxpayer or the contractor? We believe that the contractor should be picking up that cost, including labor and installation costs.

Should we be paying the contractor twice for equipment; once to build it wrong and a second time to build it right? The answer to that question is obvious.

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When the "reasonableness" of a contractor's costs are at issue, all of his costs should be covered, not just some of them. We should also be defining the term "reasonable" in a commonsense manner.

We should be addressing these problems as if they existed today, as they do, not as if they might exist sometime in the distant future. Our loophole-less solutions should go into effect as soon as possible, not in 1987, 1988, 1989, or 1990.

Finally, Mr. President we have to demonstrate that we are deadly serious and not just playing around nor just giving lip service to a problem that is demoralizing our hope for a strong national security system. Contractors and Government employees who breach ethical standards, who attempt to defraud the Government and to steal the taxpayer's dollars should be going to jail; not contractor salary nirvana, not cozy retirement, and not ever higher paying jobs in Government and industry.

Sixteen million contracting decisions are made every year at the Department of Defense. If we can inject competition into some of those decisions, we will save the taxpayers billions of dollars.

Furthermore, we will not only be purchasing weapons that work, but we will be protecting the lives of our soldiers and our military and civilian personnel whom we have charged with protecting the national security of our country.

The main purpose of our amendment is to introduce something that has been foreign to the Pentagon. It is an idea called capitalism. Capitalism made this country great and it can help and should help us build a stronger defense and get more out of our defense dollars than we are getting today.

Procurement reform involves some very, very complicated issues. Honest men and women will disagree over the proper approach. Today, I wish to thank once again Senator QUAYLE, Senator LEVIN, the members of the Procurement Committee, and members of the Committee on Armed Services, especially Senator GOLDWATER and Senator NUNN and their staffs, for being so cooperative on this matter. I shall be glad to discuss any and all of these provisions of my amendment in greater detail as this debate continues this afternoon.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, I shall have more to say about this substitute amendment when it is acted on later on this afternoon, but I would like to make a couple of brief observations.

First, I appreciate the interest of the Senator from Arkansas in this area of procurement. I certainly welcome his input on these important issues and encourage him to continue to communicate with me, with Senator LEVIN, and with others who are on the subcommittee. Obviously, I do not encourage or like the substitute that is going to be offered to the Senate for a number of reasons.

First and foremost, Mr. President, I think it is important to point out that there seems to be an agreement that the subcommittee, through all of its hearings—11 hearings—all of the hours of work we put in there, has at least identified the appropriate issues we ought to be discussing. I think Senator PRYOR had indicated that that was in fact an agreed-upon condition, that we have identified the issues and started the debate and moved this thing forward where it should be.

I would say that this is not the so-called business as usual. The Armed Services Committee, in the past, has never really been in the business of looking at procurement. Under the leadership of this chairman and the creation and establishment of this subcommittee, the Armed Services Committee has now gotten into the business of looking at procurement and acquisition. So there is no disagreement, the way I understand the initial statement on this, on what the issues are.

There appears to be a disagreement on the technicalities of those amendments and those issues. I point out technicalities, Mr. President, because as of now, we have not seen the final substitute. We will see that substitute. I understand they have made a number of changes in the competition and contracting section from the previous substitute that was going to be offered and I think they have in fact moved in the right direction. I think that they are in fact moving in the right direction. I know the Senator from Michigan [Mr. LEVIN] and the Senator from Maine [Mr. COHEN], the primary movers of that amendment, will certainly appreciate that they have changed some of those positions. So in many respects, Mr. President, we are going to be discussing and arguing technicalities on this amendment, whether it is the committee amendment or the Pryor amendment.

As chairman of that subcommittee, we have put in one heck of a lot of work to try to iron out these technicalities. This is not anything that we talked about in the cloakroom or discussed casually over a cup of coffee. We had a lot of hearings. We put in a lot of work. As a matter of fact, one of the markup sessions lasted 5 or 6 hours, if my memory serves me correctly. There were a lot of issues to be discussed. The issue of dual sourcing is an important issue, particularly when we get into production. We want to encourage that because when we have two contractors out there and you can play it back and forth, you are going to get a lower price. Obviously, you have to have a couple exceptions, but we extended the Competition in Contracting Act where they merely authorized dual sourcing in production and now the committee is requiring it except for certain circumstances.

Now, this is a continuation of what we started with, the Competition in Contracting Act. This is a way of saying that we want to have more competition. This is what this committee amendment seeks. This is not business as usual. It is a very serious effort by a number of very serious Senators who spent a lot of time on this issue in the committee trying to figure out what we ought to be doing in the area of dual sourcing.

As to the revolving door issue, Senator LEVIN, who is the primary sponsor of the committee amendment, will be speaking a lot more about it. But the problem with this absolute prohibition, very quickly, Mr. President, is that it would be detrimental to getting people into Government, particularly at the Assistant Secretary level and higher. We already have enough problems getting good people to sign up and put in a tour of Government service. I think that this will complicate it, and for this reason and others that we will get into later, I would be opposed to that particular section.

Mr. President, the Senator from Arkansas talked about the warranties provision. We went through the warranty provisions last year. We started with the good Senator from North Dakota [Mr. ANDREWS], who put it on an appropriations bill. The Armed Services Committee then worked with Senator ANDREWS, myself, Senator LEVIN, and others, and we worked out a very comprehensive warranties policy, an issue that I think now is being not only enforced but complied with and a change of events that the Pentagon actually welcomes. A lot of them over there are saying, "I am glad we have that now." At first there was a lot of opposition to it, but now they are very much in favor of it.

The Senator from Arkansas talks about timeliness, when this amendment is going to be enacted. Part of the committee amendment, as he well knows, becomes effective on October 1, but there are provisions that become effective as late as 1990. But mainly those provisions apply to our education and training requirements are going to be for acquisition personnel.

Obviously, Mr. President, if we are going to require, as we should, of our program managers, particularly of major weapons programs, 8 years of service in the area of procurement, there are not that many people who have that background right now and so why would we want to put in a provision that simply cannot be complied with? The Department of Defense

knows what we want. I think this is a reasonable phase-in period, but there is no way that we could comply with that 8-year provision if in fact we had everything effective on October 1.

So, Mr. President, obviously we have a choice, but I think when we narrow this thing down, perhaps the spirit of the substitute and the committee amendment is not terribly different. It is not terribly different because we have identified all the issues. There have been changes. We will have to see what the exact substitute is when offered. And I will speak to it at that point. We have put in a lot of hard work. There is a strong bipartisan support for the committee amendment. It came out of the committee unanimously, with Republicans and Democrats joining hands on this very important issue. It is a step forward. It is a step that I think we ought to take, and I hope the Senate will adopt the committee amendment rather than the substitute when it is offered.

AMENDMENT NO. 148

(Purpose: To strengthen the provisions in the Committee amendment regarding post-employment)

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I send an amendment for myself and Mr. RIEGLE to the desk and will ask for its immediate consideration. I do expect that this amendment will be accepted by the majority and the minority. It is an amendment to the committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment for himself and Mr. RIEGLE numbered 148 to amendment 147.

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In Committee amendment number 147:

On page 14, line 21 strike the words: "personally and substantially"

On page 18, line 9 strike the words: "personally and substantially"

On page 18, line 12 after the word "awarded" insert: ", or an agent of such contractor,"

On page 19, line 23 strike "two-year period beginning on the date of the contract" and insert in place thereof "ten-year period beginning with the date of separation from government service"

Mr. LEVIN. Mr. President, as I indicated, I am hopeful and act on the belief in sending this amendment to the desk that it will be acceptable to the floor managers of the bill and of the committee amendment. I want to make some comments now on the committee amendment, and during those comments the purpose of this perfecting amendment I have just sent to the desk will become clear.

However, first, Mr. President, I commend the chairman of our subcommittee, Senator QUAYLE. He has been a most responsive and responsible chairman during the first year of this new acquisition subcommittee. He is its first chairman. He has handled this job with distinction, with courage, and with fairness. I commend him for that. It has been a pleasure to serve with him as ranking member of that subcommittee. He has established a pattern and a precedent of careful deliberation in this most complex of areas. If we follow this pattern, if we carefully deliberate on the reforms that we need in the procurement area, then I believe we can in fact stimulate competition and eliminate some of the excesses and some of the waste that exists in our procurement system.

Mr. President, just a word about my friend from Arkansas. I welcome Senator PRYOR's contribution and his effort. I do not know exactly what the details of his amendment will be. I look forward to seeing them later on this afternoon. But I do know we need all the help we can get to reform a system which desperately needs reform. This is not the first effort today, by the way. We had the Competition in Contracting Act last year. We had a number of other laws and amendments, as my friend from Arkansas knows. As a matter of fact, he cosponsored and worked very hard on many of them. But it is a continuing effort to attack a massive problem and we welcome his support and his involvement in that effort. I do not know where it will all end in terms of his substitute, what parts of it we will find acceptable, if any, and what parts we would oppose for reasons which will become more clear during the debate. But I do want him to know, before this debate proceeds further, that I particularly welcome his contribution. He is a dear friend of mine. He has shown great sensitivity this last week in terms of consideration of his perfecting amendment to the existing Competition in Contracting Act which we passed last year.

Mr. President, I first want to this afternoon address my comments to the revolving door issue. That is one portion of this title, but it is the portion in which I have the most involvement and to which I would like to address my comments.

One side of the revolving door question refers to Government employees who leave Government service to work for contractors who they may have had a responsibility for managing. This issue has been a matter of great personal concern to me, as I know it has been to many other members of the Armed Services Committee and many other Members of the Senate and House of Representatives. Indeed, I raised this issue in many of our subcommittee's 11 hearings regardless of the immediate subject at hand, because I find that it has application to many of our discussions. We wanted in our hearings the benefit of every possible opinion we could get on the revolving door issue. I think the concern of the public and Congress boils down to this: Have these employees been watching after the interests of the taxpayers or have they been watching after their own interests?

That is the bottom line ethical issue which has tremendous ramifications for our procurement process. Have these employees, the ones who are working for us on Friday and then the next Monday are working for a defense contractor whom they monitored, been watching after the interests of the taxpayers, or have they been watching after their own interests?

The public, Congress, and the Department of Defense must be assured that our employees have solely the interests of the taxpayers at heart when they are monitoring the contracts with defense contractors.

Department of Defense employees are involved in a myriad of activities that might be termed the monitoring of expenditures of taxpayers' dollars. We must have concrete assurance that our representives at the bargaining table are as zealous as possible and are totally committed in their efforts to produce the best possible results for the taxpayers.

The issue of the revolving door has been subjected to intense public scrutiny. Last January, we read in the press an in-depth story documenting the hemorrhage of army talent from the Divad Program to Ford Aerospace and its subcontractor, Westinghouse Co. Before the 1980 competition for production of Divad, Ford hired three lieutenant generals who had been involved in developing the proposal. Subsequently, five more Army officers involved in the competition were hired by Ford and Westinghouse. Because of my interest and my subcommittee assignments, I was determined to study this issue closely.

Public Law 91-21 requires the Secretary of Defense to send to Congress a list of all Department of Defense personnel above the grade of GS-13 who accept jobs with DOD contractors receiving more than $10 million in negotiated contracts with the Department. This report is simply a compilation of all the forms required to be filed by the employees for the 3-year period after leaving Government service.

In the 1984 report, there were 2,240 such forms. I directed my staff to review each of the 2,240 forms filed with the Armed Services Committee last year and to bring back an analysis of the information therein.

From this review, we learned several things: First, of the 2,240 reports filed, there is not enough information to determine whether the employee was involved with a contractor while he or she worked for the Government. Second, it was impossible to determine whether the person took steps, or might have taken steps, to disqualify himself from dealing with a contractor with whom that person was discussing employment.

In addition, the problem is not getting any smaller. Last Friday, the Senate Armed Services Committee received the 1985 shipment of forms. The number has grown from 2,240 to 3,308.

This weekend, we went through those 3,308 forms. Again, the vast majority of the forms do not yield the kind of information necessary to make a decision about whether a former employee has dealt with a contractor or whether the former employee has been discussing potential employment with the contractor while monitoring that contractor for the Government.

This amendment of the committee is going to correct that deficiency in those forms. After this amendment becomes law, if it does become law, we are going to know from those 3,300 forms whether or not those employees had any contact with the employer for whom they went to work, whether or not discussions took place when they were monitoring those contracts, and whether they disqualified themselves from any dealings with the contractor while they were working for the Government and discussing potential employment for themselves.

Our review did not begin or end with the forms. We also reviewed the current criminal statutes that might be applicable. One criminal statute, often cited as the postemployment conflict-of-interest law, does not address the question of whom one accepts employment from. It picks up the script after the former government employee departs Government employment. It bars that employee from representing a contractor before the Government on the same particular matter on which the employee was personally and substantially involved while a government employee.

The problem with this statute was that the implementing regulations had so narrowly defined the three operative terms—representing, particular matter, and personally and substantially—that the statute became almost totally ineffective.

A second criminal statute, 18 United States Code 208, makes it a crime to participate in contracting decisions on behalf of the Government with parties with whom the government employee has a financial interest. The statute designates an agreement for future employment as creating a financial interest on behalf of the employee. However, one court already has interpreted this statute to mean that the nature of any contact between the government employee and the contractor over a possible job must rise to the level of negotiations in order for the criminal statute to apply. Discussions are not prohibited. The requirement for negotiations may have been appropriate for the court to impose before applying criminal sanctions. My comments are not directed to the appropriateness of that criminal case.

However, this Senator does not believe that the contact between a contractor and a government employee should have to rise to the level of negotiations for employment, before an individual should have to disqualify himself from dealing with that contractor on behalf of the taxpayer.

The Acquisition Subcommittee held a hearing on the revolving-door issue. Among the witnesses was Deputy Secretary of Defense Taft. I asked Secretary Taft at that March 19 hearing what I consider to be the central question in this debate. I asked,

> Can you tell us, of the 2,240 reports filed last year, how many of those people were "personally and substantially" involved with the companies with whom they subsequently took jobs? And, of those who were "personally and substantially" involved with the contractors with whom they accepted employment, how many took steps to disqualify themselves from monitoring contracts for the Government while at the same time discussing future employment?

Deputy Secretary Taft could not answer those questions. No one else at the hearing could answer those questions. No one in the Department of Defense could answer those questions, and they have not subsequently been able to answer those questions. So I cannot answer those questions, and neither can the Senate Armed Services Committee nor anyone else in this body answer those questions.

However, what we all can do is to take steps today to ensure that those questions will not go unanswered again, in order that we might be protected, as taxpayers, from persons who might, even subconsciously, be affected by a contractor for whom a government employee is thinking about working, thus placing that government employee in a conflict-of-interest situation.

I offered an amendment in the Armed Services Committee that was accepted by my colleagues and in many ways is stronger than a blanket bar. At the same time, this amendment is targeted at the problems of the conflict of interest. It is stronger because it goes right to the heart of the matter, and that is, I do not want people working for the Government, monitoring expenditures of billions of dollars, discussing with those on the other side of the table their own prospects for future employment. That is what this issue is about: You cannot represent us and discuss employment with them.

The committee amendment has a ban on employment—if this perfecting amendment is adopted, a 10-year ban. This ban does not run from the time of the contact between the employee and the outside contractor, as previously drafted, but with this modification runs from the time the employee leaves Government service and it runs for 10 years, as it should, because this is the penalty that an employee should pay if he violates the requirements of this statute that he disqualify himself from any contacts with a contractor if that employee is monitoring the contract of Government with that contractor.

We believe that these provisions are the best way to slam that revolving door shut on those who violate the spirit of our conflict-of-interest laws.

We have laws on conflict of interest, and those laws are usually applied criminally and have had very little effect in this area.

We want an administrative enforcement with this 10-year ban, a monetary penalty of $10,000 to make sure that employees keep their eye on the taxpayers' dollars and not on their own future.

We want any employee who is discussing future employment for himself or herself to disqualify himself or be banned from employment with that company for 10 years.

So the committee amendment is stronger in many ways than a blanket bar. It is stronger in a critical way. For instance, it applies to covered employees who have any involvement with the contract. The involvement need not be personal and substantial—that is the other modification in this amendment which was sent to the desk—because we believe that if you have any contact at all with an outside company about their contract with the Government, whether that contact is substantial or minimal, you should not be discussing employment for yourself at the same time. That is a very important ethical principle which this amendment with this modification would embody.

We say no matter how minor the contact with the contractor, do not discuss a job for yourself while representing the Government. The contact may be minor but the ethical issue here is major.

The committee amendment not only avoids defining the degree of involvement in order to apply the 10-year ban but it also adopts an administrative penalty for enforcement.

We have done this in recognition of the fact there has not been a single criminal prosecution, according to our knowledge, under 18 U.S.C. 207. Thus, the committee gives the authority to the Secretary of Defense to administer

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penalties under guidance of the Administrative Procedures Act.

This should result in greater policing of the committee's provision.

The committee's amendment is strong because it includes again a 10-year ban when the employee has failed to live by the procedure established and did not disqualify himself from making procurement decisions while discussing a job as required by law.

The committee language is also strengthened in this modifying amendment to pertain not only to contact by or discussions with a defense contractor but also any person acting on behalf of the defense contractor, and thus the committee amendment would even cover any employment agency or other third party acting as an agent for the contractor in attempting to reach an employee for job discussion.

Mr. President, the strongest and the fairest approach to the revolving door is to slam that door on those who abuse the system and place themselves in a conflict of interest situation, slam it hard, with a 10-year ban on employment and a fine, but slam it on the right people, those who have contacts no matter how slight while discussing jobs for themselves, who have not disqualified themselves from any monitoring of that defense contractor's work with the Government.

Mr. President, I do not know whether my friend, the floor manager, the distinguished chairman of our committee, has had a chance to review this amendment to our committee amendment.

I yield the floor.

Mr. THURMOND. Mr. President, section 603 requires the Secretary of Defense to formulate an acquisition plan that includes two or more production sources for major acquisition programs. Such dual sourcing must meet the following criteria:

Dual source would likely reduce costs.

Not result in unacceptable delays in fulfilling the needs of the Department of Defense.

It would be in the interest of our national security.

The Secretary of Defense would justify his decision in the first budget request containing funds for production of the specific program.

Section 604 requires a "should cost" analysis for each major acquisition program/awarded to a single source. Should cost analyses have proven to be more accurate in the past than normal cost analyses, but have been infrequently used.

Section 605 requires each service secretary to issue regulations establishing minimum requirements in education, training, and experience for program managers. The following are requirements:

Attendance at the Program Management Course at the Defense Systems Management College or other comparable institution.

Minimum of 8 years experience in acquisition, support, and maintenance of weapon systems/with at least 4 years in major buying commands.

A quality assurance training program is also mandated by section 605.

Section 606 and 607 deal with former defense employees who leave Government work to work for defense contractors. Section 606 strengthens reporting requirements of civilian and military personnel who go to work for a defense contractor. The content of the report is expanded and the criminal sanctions are altered. Section 607 limits contacts concerning employment between Defense personnel and contractors. Under the section, Government officials must disqualify themselves from working on contracts with contractors when consideration for employment is broached. Failure to disqualify one self could result in a $10,000 fine and a bar from employment with contractor for 2 years.

Section 608 provides continued authorization of $3 million in fiscal year 1986 and 1987 for DOD to participate with local governments and nonprofit organizations to assist local businesses in securing contracts with the Department of Defense.

Section 609 shifts the burden of proof from the Department of Defense to the contractor in proving the reasonableness of costs. This will apply to Federal court, the U.S. Claims Court or the Armed Services Board of Contract Appeals.

These provisions should improve our acquisition process and ultimately save tax dollars. I indorse the Quayle-Levin amendment which is now embodied as a committee amendment, and hope the Senate will adopt it. It is bipartisan and was adopted by the full committee.

Mr. GOLDWATER. Mr. President, I might say I do not believe the Senator from Indiana objects to this amendment. I do not believe there is any objection from the minority side.

So, Mr. President, we will accept the amendment of the Senator from Michigan.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment (No. 148) to amendment No. 147 was agreed to.

TECHNICAL AMENDMENT

Mr. GOLDWATER. Mr. President, we have a technical correction. On page 11, line 22, of the Armed Services Committee bill, the term "Director of Operational Test and Evaluation" appears. The correct term should be "Director of Defense Test and Evaluation."

The Director of Operational Test and Evaluation is funded in the "Operation and maintenance account."

We have a proposed amendment that the minority side agrees to.

On page 11, line 22, of S. 1160 strike the words "Director of Operational Test and Evaluation" and insert the following: "Director of Defense Test and Evaluation."

I ask unanimous consent that that be done.

Mr. PRYOR. Mr. President, reserving the right to object, what role are we transferring for the Director of Operational Testing here?

Mr. GOLDWATER. This is a technical correction that Senator NUNN has agreed with.

Mr. PRYOR. I understand.

Mr. HEFLIN. Mr. President, I understand the chairman says that Senator NUNN, the floor manager on our side, has accepted this technical amendment, so we have no objection.

Mr. GOLDWATER. He knows all about it.

Will the Senator send the amendment to the desk?

The amendment is as follows:

> On page 11, line 22 of S. 1160 strike the words "Director of Operational Test and Evaluation" and insert the following, "Director of Defense Test and Evaluation."

Mr. GOLDWATER. Is there any further discussion of this amendment. I hate to pass it without anyone here.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. LEVIN. Mr. President, are we talking about the technical amendment or the committee amendment?

Mr. GOLDWATER. No; the Senator's amendment has been accepted. The technical amendment has been accepted.

I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. HUMPHREY). Without objection, it is so ordered.

Mr. NUNN. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside and become the pending business after the disposition of an amendment which I hope will be accepted by the committee.

The **PRESIDING OFFICER.** Is there objection?

The Chair hears none, and it is so ordered.

AMENDMENT NO. 149

(Purpose: To authorize the Secretary of the Army to accept and to operate a National Science Center for Communications and Electronics)

Mr. NUNN. Mr. President, I send an amendment to the desk and ask for its immediate consideration. It is on behalf of myself, Mr. MATTINGLY, Mr. THURMOND, and Mr. CHILES.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for himself, Mr. MATTINGLY, Mr. THURMOND, and Mr. CHILES, proposes an amendment numbered 149.

Mr. NUNN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IX of division A of the bill, insert the following new section:

ARMED SERVICES NATIONAL SCIENCE CENTER FOR COMMUNICATIONS AND ELECTRONICS

SEC. 916. (a) The Congress hereby finds—

(1) that scientific and technological developments in communications and electronics are of particular importance to the United States in meeting its national security, industrial, and other needs;

(2) that enhanced training in the technical communications, electronics, and computer disciplines is necessary for a more efficient and effective military force;

(3) that the Secretary of the Army, through the Training and Doctrine Command, is responsible for providing training to members of the Army;

(4) that the Ninety-seventh Congress, in Senate Concurrent Resolution 130 of that Congress, encouraged the establishment within the United States of a national center dedicated to communications and electronics;

(5) that the Secretary of the Army entered into a Memorandum of Understanding with the National Science Center for Communications and Electronics Foundation Incorporated, a nonprofit corporation of the State of Georgia, in which the Army and such foundation agreed to develop a science center for (A) the promotion of engineering principles and practices, (B) the advancement of scientific education for careers in communications and electronics, and (C) the portrayal of the communications, electronics, and computer arts.

(b) It is the purpose of this section to recognize the relationship between the Army and the National Science Center for Communications and Electronics Foundation Incorporated (hereinafter in this section referred to as the "Foundation") for the development, construction, and operation of a national science center and to authorize the Secretary of the Army (hereinafter in this section referred to as the "Secretary") to make available a suitable site for the construction of such a center, to accept title to the center facilities when constructed, and to provide for the management, operation, and maintenance of such a center after the transfer of title of the center to the Secretary.

(c)(1) Subject to paragraph (2), the Secretary may provide a suitable parcel of land at or near Fort Gordon, Georgia, for the construction of an armed services national science center by the Foundation to meet the objectives expressed in subsection (a). Upon completion of the construction of the center the Secretary may accept title to the center and may provide for the management, operation, and maintenance of such center out of funds appropriated to the Army for such purpose.

(2) As a condition to making a parcel of land available to the Foundation for the construction of a national science center, the Secretary shall have the right to approve the design of the center, including all plans, specifications, contracts, sites, and materials to be used in the construction of such center and all rights-of-way, easements, and rights of ingress and egress for the center. The Secretary's approval of the design and plans shall be based on good business practices and accepted engineering principles taking into consideration safety and other appropriate factors.

(d) The Secretary may accept conditional or unconditional gifts made for the benefit of, or in connection with the center.

(e) The Secretary may appoint an advisory board to advise the Secretary regarding the operation of the center in pursuit of the goals of the center described in subsection (a). The Secretary may appoint to the advisory board such members of the board of directors of the Foundation as he considers appropriate. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory board appointed under this subsection.

(f) Consistent with the mission of the armed services and the efficient operation of the center, the Secretary may make facilities at the center available to the Foundation for its corporate activities and for such endeavors in the area of communications and electronics as the Secretary may consider appropriate.

(g)(1) The Secretary may make the center available to the public and to other departments and agencies of the Government for research and study and for public exhibitions. The Secretary may charge for such uses as he considers necessary and appropriate.

(2) Any money collected for the use of the facilities of the center shall be deposited to a special fund maintained by the Secretary for the maintenance and operation of the center. The Secretary shall require the Auditor General of the Army to audit the records of such fund at least once every two years and to report the results of the audits to the Secretary.

Mr. NUNN. Mr. President, I ask unanimous consent that the Senator from Arizona [Mr. GOLDWATER] be listed as a cosponsor on this proposal.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, this amendment is to establish what we call the Armed Services National Science Center.

In December 1982 Congress adopted a Senate concurrent resolution which I coauthored with Senator Schmitt supporting the establishment of a National Center for the Advancement of Science and Technology in the specific areas of communications and electronics.

To carry out this congressional resolution, a private nonprofit foundation was established and organized under the laws of the State of Georgia. The foundation, under the chairmanship of Harry Gray and the vice chairmanship of Lt. Gen. William Hilsman, (retired), represents both educational interests and industries who have a critical need for technologically trained workers.

That is why communications and electronic industries and educational institutions have been actively supporting and participating in the foundation's work.

The major thrust of the Center is to serve as a catalyst to increase the quality of science and math education in high schools, junior colleges, and work settings so those workers entering government or private industry will come with increased technical literacy. The Army, as a major consumer of technical graduates, has a vested interest in seeing improved education in these vital skills.

This will be the only science center devoted exclusively to communications and electronics, and will be the only center capable of reaching a national audience through multimedia "telelinks."

The foundation has now undertaken a $44 million private—and I emphasize the word "private"—fundraising effort to build and equip this center.

The Department of Defense believes the Center will be an "important supplement to the Department's technical training and education programs." An April 30, 1985, letter from Deputy Secretary of Defense Taft to Senator STEVENS sets forth the endorsement of DOD.

I ask unanimous consent that that letter containing DOD's enthusiastic endorsement for this program be printed as part of the RECORD immediately after my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NUNN. On July 19, 1984, the Secretary of the Army and the foundation entered into a memorandum of understanding to support and cooperate in the development of the plans and facilities of the National Science Center. Army Secretary Jack Marsh is personally committed to this effort.

The Army has set up an internal special task force on the Center, under the leadership of General Richardson, the TRADOC Commander.

As part of the effort to bring the Center to fruition, certain minor impediments have been identified by the Army. To address those concerns, and after consultation with the Army, I introduced S. 787. That bill was referred to the Army Services Committee. This amendment is identical to that bill except for the section references.

Under this legislative proposal, Army is: authorized to designate a suitable location for the facility; given responsibility to approve all design and construction plans; authorized to accept the Center as a gift, and to assume operational control and maintenance of the Center; and retain and use at the Center any fees which may be collected from the public. The Army will not pay a fee for any military who use the Center on official business.

The Army estimates that approximately $1.25 million will be required in O&M in the first year, to be offset by whatever fees may be collected. The maximum O&M costs are presently estimated by the Army to be $1.58 million. These funds are already included in the President's fiscal year 1986 and outyear budget requests.

Mr. President, I have talked to the Senator from Arizona about this. He is a coauthor. There has been no more enthusiastic leader in this whole area of communications and electronics than the Senator from Arizona. I hope this amendment will be accepted by the managers.

EXHIBIT 1

THE DEPUTY SECRETARY OF DEFENSE,
Washington, DC.

Hon. TED STEVENS,
Chairman, Subcommittee on Defense, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This letter is in response to the requirement contained in the Conference Report on the FY 1985 Department of Defense Appropriations Act for submission of a "prior approval reprogramming" before expenditure of the $689,000 that was appropriated to the Army for expenses related to the establishment of the National Science Center for Communications and Electronics at Fort Gordon, Georgia.

The Center will be an important supplement to the Department's technical training and education programs. It will serve as a focal point for the development of educational materials and national programs related to communications and electronics. It will also sponsor exhibits and presentations related to communications and electronics. As a result it will be an important asset to both the Department of Defense and the Nation in the communications and electronics field. Therefore, because of the direct and indirect benefits that will accrue to the Department of Defense, the Department strongly supports its establishment.

Attached is a background summary concerning the Center which provides responses to the questions contained in the Conference Report on the 1985 Appropriations Act. In accordance with the direction contained in that report, the funds provided to the Army for its FY 1985 program with respect to the Center will not be expended until approval is provided in response to this letter.

This letter has also been sent to the Honorable Joseph P. Addabbo, Chairman of the Subcommittee on Defense, House Appropriations Committee.

Sincerely,

WILLIAM H. TAFT IV,
Deputy Secretary of Defense.

Mr. GOLDWATER. Mr. President, the amendment will be accepted. I just want to comment on it.

I think the National Science Center for Communications and Electronics Foundation, Inc., is a group to which we owe a great debt.

It has always been a peculiar thing for me to understand that in this Nation, with its great technological ability and its leadership generally in the field of communications, we find a great lack of understanding of the communications problem among the Army, the Navy, and the Air Force—and the Marines sort of tag along with the Navy.

For example, it has been necessary for the United States to buy an Army communications system from England at $300 million. I am not belittling the English product, but it is hard for me to understand, after having spent a lifetime in communications, why we cannot do that in the United States.

We have not yet reached a complete agreement on a communications system between the Navy and the Air Force. It is hard to believe that these two services cannot communicate very readily with the equipment we have.

I think that this center, being for the entire armed services, will prove to be a great asset. We will no longer have to rely upon the private sector for the development of ideas—not necessarily equipment, but ideas—in communication. It will provide a center where we can train young people so that they will come up with an interest in communications, where we can train members of the armed services so that they will have a better grasp of the necessity for interservice dependability, so that when they want to talk to one another, they can do it.

I congratulate the Senator from Georgia for bringing this to the attention of the Senate. As the chairman of the committee, I accept it wholeheartedly.

Mr. NUNN. Mr. President, I thank the chairman.

I might add a footnote. One of the purposes of this center is to develop educational methods that may flow from the military application and have that disseminated as rapidly as possible to the American educational system.

So I think that one of the prime beneficiaries of this center will be the education of our Nation, particularly those involved in high technology and math and science and other forms of scientific endeavor.

One of the first projects undertaken, even though there is no facility yet, is the coordination of the educators in the State of Texas.

So I have high hopes for this center.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 149) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I am expecting the Senator from Indiana at any moment. He has two more amendments.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislation clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the present amendment that we are discussing, the Quayle amendment, be temporarily laid aside so that the Senator from Indiana can introduce one or maybe three amendments at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 150

(Purpose: To require a study by the Secretary of Defense to determine the impact that foreign export subsidies have had on the defense industrial base of the United States.)

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana [Mr. QUAYLE] proposes an amendment numbered 150.

Mr. QUAYLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IX of division A of the bill, insert the following new section:

STUDY OF IMPACT OF FOREIGN EXPORT SUBSIDIES ON THE DEFENSE INDUSTRIAL BASE OF THE UNITED STATES

SEC. ——. The Secretary of Defense shall conduct a study regarding the effects that foreign export subsidies have had on the defense industrial base of the United States. The Secretary shall submit a report containing the results of the study to the Congress not later than April 1, 1986, and shall include in such report—

(1) a compilation of the number and type of contracts awarded by the Department of Defense in fiscal year 1984, fiscal year 1985, and the first six months of fiscal year 1986 on which United States firms bid but which were awarded by the Department of Defense to foreign firms;

(2) whether, in the case of each such contract, a subsidy (as defined in section 1677(5) of the Tariff Act of 1930) was provided in connection with the commodity purchased under the contract and, if so, a description of the subsidy, including the type and amount of the subsidy;

(3) identification of those segments of United States industry adversely affected by the loss of the contracts referred to in clause (1) and the consequences that the loss of such contracts has had on the defense industrial base of the United States; and

(4) such recommendations for legislative and administrative action as the Secretary considers necessary or appropriate to correct any detrimental impact that subsidized exports have on the defense industrial base of the United States, to include an evaluation of the impact of such recommendations on other U.S. foreign policy objectives such as to goal of improving cooperative weapons development and standardization in NATO.

Mr. QUAYLE. Mr. President, I rise to offer an amendment to the fiscal year 1986 Department of Defense authorization bill that speaks to the twin concerns of the need for fair trade and the need to ensure that the United States maintains an adequate defense industrial base in order to meet our essential defense and related strategic requirements in the event of a conflict.

In general terms, I find it very difficult to see how we can expect American industries to remain in business when they face many overseas competitors who are subsidized by their governments. While some may view this situation as simply a fact of life, I believe that we should at the very least be fully aware of the extent of the subsidized competition faced by our industries.

This is particularly true when we are dealing with items whose production affects our defense industrial base and national security. Because of our preference for free trade, and because of the agreements and Memorandums-of-Understanding [MOU's] we have with various countries, I am concerned that the United States may often find itself awarding contracts for defense procurements to foreign manufacturers whose competitive edge is due to subsidization. If sufficient numbers of these contracts are awarded to subsidized firms overseas, we could see a drastic impact on our industrial base and preparedness.

My amendment requires the Secretary of Defense to review the effect of subsidized foreign competition on our defense industrial base. It calls for a report to be issued next year that will compile the number of contracts in which domestic bidders lost to foreign contractors which were awarded by the Department of Defense during fiscal year 1984, fiscal year 1985, and the first half of fiscal year 1986; will determine whether the foreign manufacturer received subsidies from its government and what the extent of these subsidies were; will detail the segments of the U.S. industrial base affected by these lost contracts and their relation to our industrial defense preparedness; and will include recommendations on what steps, whether legislative or administrative, that can and should be taken to correct any detrimental impact that subsidized foreign competition has had on the U.S. industrial base.

Mr. President, this amendment is a very straightforward amendment that deals with the concern that I and others have on the whole idea of fair trade. I am a strong proponent of and support the two-way street in trade we presently have with NATO and our other allies around the world, with particular reference to military contracts.

But I also am acutely aware of the problem of subsidies by various governments, whether it be to defense contractors, to agriculture, or to whatever else the case may be.

This amendment simply asks the Secretary of Defense to report to Congress the nature of these subsidies so we can at least have them for a point of reference when we look and see what kind of trading practices are in fact going on.

At the request of the distinguished minority member of the committee, Senator Nunn, I added a section at the end of my amendment to make sure that this report also take into consideration our goals of improving cooperation in weapons development and standardization in NATO.

In no way do I want to detract from this, and I think it is a good addendum to this amendment. I think that we do have to have a good, strong two-way street relationship. But, I also think we have to have an understanding of what the trade issues are and what our relationships are going to be.

This whole issue of subsidies it one that is going to be with us for a long, long time. We are in a competitive world. We have international competition that is going on at a quickened pace, and I think that to make sure we compile all the information available to use in this report will certainly be worthwhile.

Mr. President, I believe this amendment is going to be accepted.

Mr. NUNN. Mr. President, I agree with this amendment. I have consulted with the Senator from Indiana. I have talked to the Senator from Arizona and I understand it is acceptable to the majority side.

The Senator added some words at the end of the amendment making it clear we also want the impact of any of these subsidies and any of these procedures outlined by the Senator from Indiana on the question of NATO's two-way street, which we have never completed but we continue to strive for because of the great importance of standardization in NATO. I think it is important that this be spelled out and we get the information on this subject, as well as on the subsidies. With that in the amendment, I support the amendment and congratulate the Senator from Indiana.

Mr. QUAYLE. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER (Mr. HEINZ). Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 150) was agreed to.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 151

(Purpose: To amend section 406(k) of title 37, United States Code, to allow credit for labor furnished by the member in connection with payment of allowances for the transportation of the member's baggage and household effects)

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. Quayle] proposes an amendent numbered 151.

Mr. QUAYLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of part A title V of division A of the bill, insert the following new section:

ALLOWANCES FOR TRANSPORTATION OF BAGGAGE AND HOUSEHOLD EFFECTS

Sec. 510g. (a) Section 406(k) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(k)";

(2) in the first sentence, by inserting "or in which a member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member (including packing, crating, and loading)" after "rental vehicle"; and

(3) by adding at the end thereof a new paragraph as follows:

"(2) The Secretary concerned may prescribe in any regulations authorizing the payment of a monetary allowance to a member who participates in a program in which the member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member—

"(A) the extent to which payment to the member will be made for such labor, and

"(B) the manner in which liability will be allocated among the members the United States, and the common carriers involved in the event of loss of or damage to any baggage or household effects packed, crated, or loaded by the member.".

(b) No allowance may be paid to any member of a uniformed service by virture of the amendment made by subsection (a) in connection with the transportation of the baggage and household effects provided the member before the date of the enactment of this Act.

(c) The Secretary of Defense shall submit a report to the Congress not later than three years after the date of the enactment of this Act regarding the operation of any program carried out by the military departments under which payment of a monetary allowance is made to a member who provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member and shall include in such report such recommendations for legislative action the Secretary considers appropriate.

Mr. QUAYLE. Mr. President, I offer an amendment which is designed to save the Department of Defense money during the movement of a service member's household goods as part of a domestic change of station.

Currently, two options exist for a service member facing such a change of station. First, the service member can arrange for a commercial moving company to pack and move these household goods and effects. The Department of Defense is then billed for these services.

Alternatively, the service member can pack and move these household goods in a privately owned or rental vehicle and then drive himself to the new duty station. Under this option, the service member receives an allowance for his or her labor and the cost of the vehicle and transportation.

My amendment would allow the services to consider a third option. Some commercial moving companies are now offering to the public a service whereby the company's operators drive the moving van, but the customer provides the labor to pack, load, and unload the household goods. Such an option is often less expensive than those moves in which a commercial moving company provides all the labor.

I feel we should allow such a cost-saving opportunity to be available to service members. It is my understanding, however, that existing legislation may not be sufficient to allow the services to consider this option if they so wish. This amendment, therefore, authorizes the armed services to offer such an opportunity and to pay a monetary allowance to service members for the labor the service members may provide in connection with the movement of their household goods.

My amendment is strictly voluntary as regards the participation of the various armed services. The amendment simply grants explicitly to the services the authority to use such an option if they deem it worthwhile and cost-effective. I recognize that some difficult questions of assigning liability may arise in this situation, and the amendment therefore gives the services the authority to issue regulations on such questions.

Finally, my amendment also directs the Office of the Secretary of Defense to report on the actions taken under the authority of this amendment, and on any recommendations they may have for legislative changes, 3 years after the enactment of this bill. This will enable the Congress to determine whether to abolish, continue, or modify this program.

Mr. President, I do not believe there is any controversy over this amendment. I think it is acceptable. I know it is acceptable to our side, and I believe it is acceptable to the other side, as well.

Mr. NUNN. Mr. President, this amendment is acceptable on our side of the aisle. I have conversed on this amendment with the Senator from Arizona and it is acceptable to him and to the committee.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 151) was agreed to.

Mr. QUAYLE. Mr. President, I have a third amendment, but it is going to take me about 2 minutes to put together the particulars of it. It is an initiative we have dealt with before on DOD dependents schools.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. Mr. President, is the committee amendment set aside?

The PRESIDING OFFICER. The pending committee amendment has been set aside for up to three amendments to be offered by the Senator from Indiana.

AMENDMENT NO. 152

(Purpose: To make additional changes in the section of the bill relating to the continued operation by the Secretary of Defense of the Defense Department's education system)

Mr. QUAYLE. Mr. President, I send my third amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. Quayle], for himself, Mr. Stafford, and Mr. Nunn, proposes an amendment numbered 152.

Mr. QUAYLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out section 910 of the bill and insert in lieu thereof the following:

CONTINUED OPERATION BY THE SECRETARY OF DEFENSE OF THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

Sec. 912. (e)(1) Subsection (e) of section 202, sections 208 and 302, and subsection (f) of section 401 of the Department of Education Organization Act (20 U.S.C. 3412(e), 3418, 3442, and 3461(f)) are repealed.

(2) Section 419(e) of such Act (20 U.S.C. 3479(a)) is amended—

(A) by striking out "(1)" after the subsection designation "(a)"; and

(B) by striking out paragraph (2).

(3) Section 503(a) of such Act (20 U.S.C. 3503(a)) is amended—

(A) by striking out "(1)" after the subsection designation "(a)"; and

(B) by striking out paragraph (2).

(4) The table of contents at the beginning of such Act is amended by striking out the items relating to sections 208 and 302.

(5) Section 414(b) of such Act (20 U.S.C. 3474(b)) is amended by striking out "302,".

(b)(1) Section 1402(b) of such Defense Dependents' Education Act of 1978 (20 U.S.C. 921) is amended by adding at the end thereof the following new subsection:

"(c) The Secretary of Defense shall consult with the Secretary of Education on the educational programs and practices of the defense dependents' education system.".

(2)(A) Paragraph (1) of section 1410(a) of such Act (20 U.S.C. 928(a)(1)) is amended by adding at the end thereof the following new sentences: "The membership of each such advisory committee shall also include one person to represent the interests of the organization recognized as the exclusive bargaining representative of the employees of the school. Such person shall be designated by the appropriate organization and shall be a nonvoting member of the committee.".

(B) Subsection (b) of section 1410 of such Act is amended by striking out "members" and inserting in lieu thereof "Except in the case of a nonvoting member provided for under subsection (a)(1), members".

(3) The second sentence of section 1410(b) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 928(b)) is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense".

(4)(A) Subsection (a) of section 1411 of such Act (20 U.S.C. 929) is amended to read as follows:

"(a)(1) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the 'Council'). The Council shall be composed of—

"(A) the Secretary of Defense and the Secretary of Education, or their respective designees;

"(B) twelve individuals appointed jointly by the Secretary of Defense and the Secretary of Education who shall be individuals who have demonstrated an interest in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, and parents of students enrolled in the defense dependents' education system, and one student enrolled in such system; and

"(C) a representative of the Secretary of Defense and of the Secretary of Education.

"(2) Individuals appointed to the Council from professional employee organizations shall be individuals designated by such organizations.

"(3) The Secretary of Defense, or his designee, and the Secretary of Education, or his designee, shall serve as cochairmen of the Council.

"(4) The Director shall be the Executive Secretary of the Council.".

(5) Subsection (b)(1) of such section is amended by inserting "the Secretary of Defense and" before "the Secretary of Education".

(6) Subsection (c) of such section is amended—

(A) by striking out "at least four times each year" and inserting in lieu thereof "at least two times each year";

(B) by striking out clause (2):

(C) by redesignating clauses (3), (4), and (5) as clauses (2), (3), and (4), respectively; and

(D) by striking out "Secretary of Education" in clause (4) (as redesignated in clause (3) of this subsection) and inserting in lieu thereof "Secretary of Defense".

(c) Section 5316 of title 5, United States Code, is amended by striking out "Administrator of Education for Overseas Dependents, Department of Education.".

Mr. QUAYLE. Mr. President, this amendment is cosponsored by Senator STAFFORD and Senator NUNN.

Mr. President, I am happy today to be offering an amendment regarding the administration of the Department of Defense Dependents Schools [DODDS] that I believe will be strongly supported by all in this body, and by our colleagues in the House of Representatives. This amendment is supported by the National Education Association, and its overseas affiliate, the Overseas Education Association, as well as the American and Overseas Federation of Teachers. Additionally, I would like to point out that my very good friend from Vermont, Senator STAFFORD, chairman of the Education Subcommittee, is a cosponsor of this amendment.

This amendment represents a compromise struck between the members of the Armed Services Committee who support keeping the overseas schools under the administration of the Department of Defense, and the National Education Association/Overseas Education Association, which had supported the transfer of the schools to the Department of Education.

At the outset, let me say that I have been very impressed with the negotating that has been done by the NEA. We have had very forthright discussions of the issues, and the NEA representatives have been willing, frank, and professional partners in these discussions. After the many hours spent on this issue in years past, I am very pleased to report our success at reaching a compromise, which I will describe.

First, the compromise will repeal the transfer of the DODD schools to the Department of Education. The DODD schools will remain under the jurisdiction of the Department of Defense, as most of the teachers who teach overseas, and the parents, prefer. As many of you are aware, the overseas teachers were surveyed to determine their position on the transfer of the schools to the Department of Education. Of a total of 6,794 teachers responding to the survey, 5,130 or 75 percent indicated that they wanted the DODD schools to remain in the Defense Department.

Second, we make a number of changes to the Advisory Council on Dependents' Education. The Advisory Council on Dependents' Education, which is the national advisory board for the schools, will be returned to the Department of Defense. This Council has been under the jurisdiction of the Department of Education, but the retention of the schools at DOD, we felt, and the NEA agreed, that the Council should be under the same agency as the schools.

While in our earlier version of the authorization bill we had changed some of the membership requirements for the National Advisory Council, we have agreed basically to maintain the current composition of the Council. Under our compromise, we have agreed that the Secretary of Defense and the Secretary of Education, or their designees, will serve as cochairs of the Council. I strongly believe that the input from the Secretary of Education is essential to continuing to provide an excellent education to our students abroad and to encourage cooperation between the two Departments to the greatest extent possible.

The Council will also consist of 12 individuals appointed by the Secretaries of Defense and Education. These individuals shall have demonstrated an interest in the field of primary or secondary education and shall include representatives of professional employee organizations, school administrators, and parents of students enrolled in the DODD schools, and one student. We have also agreed to include language to ensure that the individuals who are appointed to the Council to represent professional employee organizations shall be designated to do so by such professional employee organizations. The Council will also consist of one representative appointed by the Secretary of Defense and one appointed by the Secretary of Education.

We have also modified the meeting requirements of the Council from "at least four times a year" to "at least two times a year." Because of difficulty in getting all the Council members to the meetings—some do have to come from overseas—four meetings are difficult to schedule.

Third, we have included language to require the Secretary of Defense to consult with the Secretary of Education on the educational programs and practices of the DODD schools. Consultation and communication between the two Departments is critical. I urge the Department of Defense to utilize the expertise at the Department of Education as often and as much as possible.

Fourth, the amendment would add a nonvoting member to the local advisory councils that represent each school. The local advisory councils are currently composed of an equal number of parents and teachers. The amendment would require that local advisory committees include one person to represent the interests of the organization recognized as the bargaining unit for the employees fo the school. This representative to the local advisory council shall be selected by the appropriate bargaining unit for each school. This will ensure better communication and representation between the advisory council and the bargaining unit.

Finally, and very importantly, the members of the Armed Services Committee and I want to express our concern about the budget and/or public documents relating to DODD schools being made available to those who request them. I am personally extremely distressed that budget documents, that are fully in the public domain, are withheld from interested persons. The Department of Defense budget request is, indeed, a massive one, and oftentimes very difficult to get through. The DODDS budget is a portion of the operation and maintenance budget request, and is difficult to break out. However, the information is available, and it should be made available to those citizens that request it. I do not believe that citizens should be refused such information or that they should have to go through complex and time-consuming procedures to obtain it. I have pledged my help in obtaining such public information in the future, should it be necessary.

There are many people who are interested in the overseas schools. As one of the largest and best American school systems, serving 140,000 students, we should be interested in the quality of education, facilities, and services offered, such as to the handicapped and disadvantaged students. Leaving the schools at the Department of Defense will not slake the appetite for information on the schools nor lessen the desire to see them provide an excellent education. It also does not mean that Congress, and this Senator in particular, will lose interest in what goes on in these schools.

Mr. President, this has been an emotional issue. Yet, I believe our compromise amendment will satisfy all involved with the DODD schools. I again want to commend the National Education Association and their staff who have been very helpful and cooperative in working out this agreement. In addition, let me mention the continued strong support I have received from the American Federation of Teachers. We have worked well together over years past, and I am personally grateful for their support. Finally, I also want to thank again my friend from Vermont [Mr. STAFFORD] as well as the Senator from Rhode Island [Mr. PELL] for their help and support in resolving this issue.

Mr. President, this is an amendment that I am gratified to be able to offer after a number of years of confrontation over this issue. The issue is where

the DODD schools are going to be located within the Federal Government. When we created the Department of Education, the DODD schools were to have transferred to the Department of Education from the Department of Defense, I believe, in 1981.

In 1981, the amendment that I offered not to have that transfer go forward was passed in the Senate and we worked out an agreement with the House of Representatives that there would be an extension that the overseas schools would remain in the Department of Defense.

We have fought that battle almost every year. As a matter of fact, it has been a battle that has been somewhat contentious, from time to time.

I am delighted that my chief adversary on this floor, Senator STAFFORD, has joined with me on this. It is never fun to have to argue against Senator STAFFORD. As a matter of fact, he is one of my dear friends and always has been my mentor on education matters, with the exception of this matter. We happen to disagree on this matter and it is never terribly fun for me to have to debate this issue. And now we will not have to debate the issue, Mr. President. The issue has, in fact, been resolved. We had all the principals involved that have come to an agreement over the course of the years. I think this agreement is certainly one that I wholeheartedly support. Basically, it repeals the scheduled transfer of the Department of Defense dependents schools [DODDS] to the Department of Education. They will remain in the Department of Defense. But we have made some changes. We do return the advisory council on the dependents' education to the Department of Defense, but we change slightly the membership of that advisory council. In particular, it allows professional employee organizations to select their own representatives to the council. This is something that was brought to our attention, and we certainly concede that their own selection will improve communications between council members.

Mr. President, we encourage the Secretary of Defense to consult with the Secretary of Education on educational programs or practices of Department of Defense dependents schools.

Mr. President, the issue that we have been discussing for these last years going back to 1981 has been quality education. The issue is how best can we provide quality education for the 140,000 students that are presently with Department of Defense dependents schools. The issue of how we can best provide that education to those students—was of some dispute from an organizational point of view but it was never disputed that we ought to try to find the best quality education for those students. That was always my contention—that we ought to think about the kids instead of some organization schematic approach that may look good on paper, particularly national security sensitivities, and the fact of better organization within the Department of Defense. That is really where it ought to be, and that is where it will continue.

I think we have had a lively debate. Believe me, I am delighted to see it come to an end. It is one that has in fact produced tie votes even in this Chamber—evenly divided. My dearest friends voted against me on this issue from time to time, and now that we have this behind us, I think we can all move forward. Those that represent the professional employee organizations I congratulate, and the Department of Defense, the Department of Education, and also those Senators who took this battle year in and year out not lightly, but on a substantive basis. I think we have finally reached a conclusion. It is one that certainly is satisfactory to me. Obviously, it is satisfactory to other principals. It only took us 4 years to get here, but that is better than not doing anything at all. I really look forward to having oversight and making sure that the Department of Defense dependents schools continue to provide a solid education. They have on a historic basis had a higher SAT test score average than the stateside students. They have had a very good education and this system has worked very, very well.

Mr. STAFFORD. Mr. President, I am pleased to cosponsor the amendment offered by my friend from Indiana [Mr. QUAYLE] relating to the repeal of the transfer of Department of Defense dependents schools [DODDS] to the Department of Education.

As many of my colleagues know, I have for several years led the fight to bring about the transfer of the DODD schools to the Department of Education. However, I believe that it is time to settle this issue, and I believe this compromise meets the concerns of all those involved.

The teachers overseas have indicated their support for keeping the schools with the Department of Defense, and the teacher representatives here have been willing to let the schools remain at DOD, with several changes.

Those changes include greater representation by professional employee organizations on the national advisory council, greater representation by bargaining units on the local school advisory councils, and a requirement for the Secretary of Defense to consult with the Secretary of Education on the educational programs and practices at the DODD schools.

The DODD schools have performed well over the last several years, and the students attending them have scored higher on standardized tests than our mainland students. Our prime concern is the continued excellence of the schools. I am hopeful that by resolving the issue of the location of the DODD schools we can focus on the quality of education and see that the students overseas continue to perform so well.

I am pleased to support this amendment to retain the DODD overseas schools within the Department of Defense, and I urge my colleagues to support it.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I am pleased to join Senator QUAYLE and Senator STAFFORD in cosponsoring this compromise under the Department of Defense dependents schools. As the Senator from Indiana has said, this has been an ongoing dispute here for 4 or 5 years, and with the overall scope of the legislative affairs, I would say 4 or 5 years to solve a problem is a pretty good record. The Senator from Indiana has been very persistent. He has looked into it in the Department. He and I have not always been on the same side of this issue, but I am pleased that he has now brought about by his persistency an oral settlement of the issue. I think it is a good settlement.

Essentially, as I understand the amendment, the operational control of the Department of Defense schools will remain in the Department of Defense, but the amendment recognizes and retains the legitimate role of the Department of Education in advising the Defense Department on the overall educational policies of the DOD dependents schools.

So I am hopeful not only that this amendment will put this agreement to rest, but that the whole subject, the stimulating debates and votes we have had in the Senate on this for several years—and also the House perhaps has brought more attention to the Department of Defense dependents schools—but that out of all of that maybe we can take some claim for improvement at least over the years. But the schools are operated I think well now. I believe this is a compromise that will have the DOD operate the schools but have the educational policy at least be consulted on with the Department of Education. So I am prepared to accept the amendment on this side. My understanding is that the Senator from Arizona is also supportive of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Indiana [Mr. QUAYLE].

The amendment (No. 152) was agreed to.

Mr. QUAYLE. Mr. President, I move

(b) Any child permitted to enroll in a

am offering. It is an amendment that

tion-paying students in any kind of

amendments address. If I may, I would

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. QUAYLE. Mr. President, the pending business now, as I understand it, is the committee amendment. But I may have one other amendment. I have not conversed with the minority.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. Mr. President, I am going to offer an amendment that has been cleared on both sides. In order to do that, Mr. President, I ask unanimous consent that the committee amendment be temporarily laid aside in order to consider my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 153

(Purpose: To clarify authority of the Secretary of Defense to enroll the dependents of certain persons in overseas schools of the defense dependents' education system)

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Indiana [Mr. Quayle] proposes an amendment numbered 153.

Mr. QUAYLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IX of division A of the bill, insert the following new section:

AUTHORITY OF THE SECRETARY OF DEFENSE TO ENROLL CERTAIN PERSONS IN OVERSEAS SCHOOLS OF THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

Sec. 917. (a) The Secretary of Defense may, under such regulations as he shall prescribe, permit to be enrolled in schools of the defense dependents' education system, in addition to children authorized to be enrolled in such system under the Defense Dependents' Education Act (20 U.S.C. 921 et seq.), children of employees of the Federal Government stationed outside the United States, children of employees of contractors employed in carrying out work for the Federal Government outside the United States, children of employees of nonappropriated fund activities of the Department of Defense, and, if the Secretary determines such action to be in the national interest, children of other citizens or nationals of the United States or of foreign nationals.

(b) Any child permitted to enroll in a school of the defense dependents' education system under this section shall be required to pay tuition at a rate determined by the Secretary of Defense, which shall not be less than the rate necessary to defray the average cost of the enrollment of children in the system under the Defense Dependents' Education Act of 1978 (20 U.S.C. 921 et seq.).

Mr. QUAYLE. Mr. President, I am offering a second amendment affecting the Department of Defense dependents schools [DODDS] that will clarify the authority of the Secretary of Defense to provide educational services to certain categories of tuition-paying students in the DODDS school system.

Currently, in addition to providing educational services to dependents of the Department of Defense, the DODDS school system provides education to tuition-paying students whose parents are connected with the U.S. Government, but not with the DOD. For example, DODDS schools enroll the dependents of employees of other U.S. Government agencies, dependents of U.S. Government contractors; dependents of employees of U.S. nonappropriated funds activities—for example, post exchanges, theaters—and dependents of other U.S. citizens and foreign nationals. The tuition that these students pay covers the actual cost of attendance, so that the Department of Defense is not subsidizing these students at all. As of November 30, 1984, there were 6000 tuition-paying students in the DODDS system.

Recently, the general counsel's office at the Department of Defense advised the DODDS schools that these tuition-paying students may not attend a school if that school would have to expand its capability in teachers, facilities, educational materials, and other resources to serve them. With such a limitation imposed on the DODDS schools, it is likely that a large number of the 6,000 tuition-paying students would be barred from attending American schools.

The amendment I am offering would clarify that the DODDS schools can continue to enroll these students, on a tuition-paying basis. In other words, we would simply continue current practice. The Department of Defense supports this amendment, as do my colleagues on both sides of the aisle. This amendment will ensure that 6,000 American students, who currently have access to American schools overseas, will continue to have that access, and will be able to attend American overseas schools with their fellow American students. This amendment will not add to the cost of administration of the DODDS schools.

I urge my colleagues to support this amendment.

Mr. President, this is really a clarifying and a technical amendment that I am offering. It is an amendment that deals with the Department of Defense dependents schools [DODDS] that will clarify the authority of the Secretary of Defense to provide educational services to certain categories of tuition-paying students in the DODDS school system.

Currently, there is a legal question whether the Secretary of Defense has this authority to provide services to those students. Presently, there are approximately 6,000 students who are tuition-paying, space-available students attending the DODD schools. This amendment simply says "Yes, you can do that." It clarifies any ambiguity in the statute that would prohibit that. We do not want to prohibit it.

However, Mr. President, we do not want to say by this amendment, and we will have report language in the conference that will deal with this subject, that the DODD schools ought to be expanded or their construction ought to take into account the tuition-paying, space-available students. This is not the intent of the amendment.

The intent of the amendment is simply to provide services already being provided. The intent of the amendment is to say yes to space-available tuition-paying students that we will be able to provide education for them, but any expansion, new construction, et cetera, should not take into consideration the number of space available students. This amendment will not allow for any consideration of space-available students in the calculation of what the actual space should be.

Therefore, Mr. President, I think this amendment is self-explanatory. It has been cleared with both Senator Nunn and Senator Goldwater.

I move the adoption of the amendment.

The PRESIDING OFFICER. Is there debate on the amendment?

Mr. LEVIN. Mr. President, just to ask one question of the sponsor of this amendment, I understand that space-available students may not be considered for the purpose of determining the size of any new DODD school which might need to be constructed. Is that correct?

Mr. QUAYLE. The Senator is correct.

Mr. LEVIN. So that, by doing this as the sponsor proposes, we are not going to be creating any need for additional schools?

Mr. QUAYLE. As a matter of fact, Mr. President, this amendment only authorizes us to do essentially what we are doing now. The issue the Senator from Michigan brings up will be clarified in report language at the conference committee. In no way should this amendment be interpreted as allowing a calculation of space-available, tuition-paying students in any kind of construction estimate.

Mr. LEVIN. I thank my friend.

I have no objection, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 153) was agreed to.

Mr. QUAYLE. I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REVOLVING DOOR AMENDMENT

Mr. QUAYLE. Mr. President, with regard to the discussion on the pending Committee amendment, we have modifications to it by the Senator from Michigan which strengthens his revolving door provision. He made very good modifications to it, I might add. I have not been able to comment specifically on Senator Levin's amendment. I do at this time and congratulate him on the modifications that he made.

Basically, the revolving door provision is in the amendment, thanks to Senator Levin's involvement in the committee. I think his modifications today strengthen it, make it tougher. I think a lot of people want to make a tougher situation on this so-called revolving door. Now that the committee amendment has been strengthened, I shall have some other comments and have some further discussion on the Pryor amendment once it is offered and we debate it.

It is still my anticipation and hope that we shall be able to vote around 5 o'clock. That has not been cleared to my knowledge but it is still a target. We shall vote on the substitute to be followed by a vote on the committee amendment about that time.

I certainly encourage Senators to come over and talk about this at this particular time, come over and offer other amendments. If we do not have anything else to do—I know it is the chairman's desire to pass the defense bill sometime this week, maybe even Thursday, who knows?

Mr. PRYOR. Mr. President, I am not certain if the Senator anticipated having a quorum call. Before the Senator puts in that request, I have a statement I wish to make.

Mr. QUAYLE. If no Senator wants to speak on behalf of the chairman, I shall note the absence of a quorum but for now, I shall yield the floor and allow the Senator from Arkansas to gain the floor in his own right.

Mr. PRYOR. I thank the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, the revolving-door issue is one that both the Pryor-Grassley and the Quayle amendments address. If I may, I would like to try to bring up a few distinctions between the two approaches to the revolving door issue in the Pryor-Grassley proposal versus that offered by the distinguished Senator from Indiana [Mr. Quayle] and members of the Armed Services Procurement Subcommittee.

I would like if I could, Mr. President, to read exactly what Senator Proxmire and I say about the revolving door issue in a summary of our provision that we have prepared.

"One, a defense procurement official must wait 3 years before taking a job with any defense contractor over whom he exercised significant contract responsibilities during the 3 years preceding his separation from Government employment.

"In addition, all defense contractors must agree in contracts for $25,000 or more not to hire such government employees."

What are the penalties under the Pryor-Proxmire amendment or the Committee approach? "One, both an individual and a contractor who violate this provision are subject to a $10,000 fine and 2 years imprisonment." "Contractors are also civilly liable for the greater of $250,000 or five times the annual salary of the employee so hired."

What are the reporting requirements? "In our provision, we say that the contractor must report annually to the Inspector General of the Department of Defense, to the Office of Government Ethics, and to Congress regarding employees who left Government service within the last 3 years. Failure to report subjects the contractor to a $10,000 fine."

"Implementation: The Office of Government Ethics will implement this act and will issue advisory opinion to any employee or contractor faced with potential violation of this act."

We feel, Mr. President, that Senator Quayle, in addressing the issue, ignores the commonsense reality of the procurement employee-contractor relationship because, under its language, an employee must disqualify himself from further dealing with a contractor once a "contact" regarding future employment with that contractor has taken place.

Unfortunately, in many cases, the harm to the Government has already taken place by the time a specific offer or contact is made and before the Congress is made aware of this relationship. That information comes to the Congress after the fact. We feel that we should cure this problem once and for all, find out about it before it happens, and most importantly, prohibit for 3 years after that individual retires whether he or she be military or civilian, goes to work for that contractor.

This is the basic distinction, Mr. President, that we have with the committee language. This is the basic argument that we have against it. This the basic reason that we feel that our proposal would be much stronger with regard to the revolving door dilemma.

Mr. President, the Boston Globe, dated January 15, 1984, page A-1, had a splendid article by Fred Kaplan, Globe correspondent, in that edition.

If I might, Mr. President, let me read just a paragraph or two from this article written by Mr. Kaplan. He stated in his story:

> When Gen. Alton D. Slay retired from the Air Force on Feb. 1, 1981, his career in the defense business was far from finished. For the previous three years he had served as head of Air Force Systems Command, the agency that develops all Air Force aircraft, and in the three years before that he was deputy chief of staff for Air Force research, development and acquisition.
>
> In short, he had been involved in top-level decisions on virtually every system that the major U.S. defense corporations had built for the Air Force.
>
> Now, upon retirement, he established Slay Enterprises Inc., a one man consulting firm, and found as willing clients numerous defense contractors whose business he had once overseen on behalf of the government. They include three of the Pentagon's top 10 contractors—Lockheed, United Technologies Corp. and Raytheon—as well as several slightly lesser firms, including Westinghouse Electric, British Aerospace and Aerojet Ordnance.
>
> Slay is hardly the only officer who has left the military and joined a defense corporation, stepping through what many have dubbed "the revolving door." During the fiscal years 1979-82, according to Pentagon files and those of the Senate Armed Services Committee, 1,437 officers with ranks of major (in the Navy, lieutenant commander) or above retired and went to work for defense corporations.
>
> Of these officers, 510—or more than one-third—signed up with companies which during the period were consistently among the top 10 defense contractors.

Mr. President, I ask unanimous consent that the full article written by Mr. Kaplan appearing in the Boston Globe of January 15, 1984, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Boston Globe, Jan. 15, 1984]

MILITARY'S 'REVOLVING DOOR' WITH BUSINESS

(By Fred Kaplan)

Washington.—When Gen. Alton D. Slay retired from the Air Force on Feb. 1, 1981, his career in the defense business was far from finished. For the previous three years he had served as head of Air Force Systems Command, the agency that develops all Air Force aircraft, and in the three years before that he was deputy chief of staff for Air Force research, development and acquisition.

In short, he had been involved in top-level decisions on virtually every weapon system that the major US defense corporations had built for the Air Force.

Now, upon retirement, he established Slay Enterprises Inc., a one-man consulting firm, and found as willing clients numerous defense contractors whose business he had once overseen on behalf of the government. They include three of the Pentagon's top 10 contractors—Lockheed, United Technologies Corp. and Raytheon—as well as several slightly lesser firms, including Westinghouse Electric, British Aerospace and Aerojet Ordnance.

Slay is hardly the only officer who has left the military and joined a defense corporation, stepping through what many have dubbed "the revolving door." During the fiscal years 1979–82, according to Pentagon files and those of the Senate Armed Services Committee, 1437 officers with ranks of major (in the Navy, lieutenant commander) or above retired and went to work for defense corporations.

Of these officers, 510—more than one-third—signed up with companies which during this period were consistently among the top 10 defense contractors.

Slay's personal history is particularly interesting. In 1969, while commander of the Air Force Flight Test Center, Slay declared tests on Lockheed's C5A cargo-transport aircraft successful even though all the plane's engines were clogged up and had to be shut down when idling on a dusty airstrip near Edwards Air Force Base in California.

In 1978, as head of Systems Command, Slay revived production of the U2 spyplane (now called the TR1), another boon for Lockheed, which makes the airframe, and for Pratt & Whitney, a subsidiary of United Technologies, which makes the engine.

Two years later, Slay devised a plan to save Pratt & Whitney's F100 engine, whose turbine blades kept failing inside Air Force F15 and F16 fighter planes and which was coming under heavy congressional attack. Slay proposed that Pratt & Whitney sign a warranty guaranteeing that the company would repair or replace failed equipment at its own cost up to a certain point after delivering an engine.

Yet one former Pratt & Whitney engineer recalls that the warranty was in effect for such a short period that it was practically meaningless. "Anybody in the engine business knew that any engine could satisfy that warranty," he says. "It was like a car company guaranteeing your car for 2,000 miles."

Still, the warranty arrangement satisfied the critics in Congress. "Slay saved Pratt a good chunk of business," says the engineer.

Now Slay advises these companies on management "on long-range plans and new business opportunities," as a spokesman for Raytheon puts it. Slay's former Pentagon colleagues say he skillfully uses his experience in the Air Force bureaucracy to help his new clients find their way to success and continued good fortune in the politics of selling weapons to the military.

Slay failed to return several phone calls made to him over the past three years.

NOT ONLY NEW CONSULTING FIRM

Slay was not the only Air Force general who set up his own consulting firm. That path also was tread by Vice Adm. James H. Doyle Jr., former deputy chief of naval operations for surface warfare, who left the Navy in September 1980 and became a consultant on matters concerning surface ships for Martin Marietta, Vought and RCA.

All three companies are intimately involved with the Navy's highly sophisticated and costly Aegis missile and radar system aboard Ticonderoga-class cruisers. RCA builds the Aegis weapon system, the largest defense contract in RCA history. Martin Marietta is developing a vertical-launch system designed for the cruisers. And according to a spokesman at Vought, Doyle advises that company mainly on a Vought-developed system that is to be used as a target in tests of the Aegis missile system.

Lt. Gen. Benjamin N. Bellis, vice commander-in-chief of the U.S. Air Force, Europe, retired Aug. 1, 1981, and became a consultant for Martin Marietta, Hughes Aircraft, Northrop, TRW and Aerojet, all major Air Force contractors.

Consulting is one way that top-level officers make a lucrative transition to civilian life, but most are hired by a single corporation.

For example, Maj. Gen. Henry B. Stelling Jr. had been vice commander of the Electronics Systems Division at Hanscom Field in Bedford, Mass. He retired in May 1980 and became a vice president of the Defense Electronics Operations branch of Rockwell International.

Brig. Gen. Tommy I. Bell, director of development and production for the Air Force deputy chief of staff for research, development and acquisition, retired in September 1982. A month earlier, he had lined up a job as a contract manager for Northrop.

NEW JOB AFTER 10 WEEKS

Rear Adm. Curtis B. Shellman Jr. was deputy chief of naval material for logistics. He retired May 1, 1980, and 10 weeks later was working for the Electric Boat division of General Dynamics in Groton, Ct., as the assistant general manager of operations, working on the construction of nuclear submarines.

Not just generals and admirals have shifted from the military to the industrial side of weapons procurement. The practice extends to all levels of decision-making—to those who while in the military were reponsible for testing weapons systems or supervising contract negotiations or purchasing equipment or conducting analysis that might convince those at a higher level whether to kill or approve a particular weapon system.

In many cases, officers have gone to work for a contractor with which they had no contact while in the military. Several say they did so explicitly to avoid the appearance of conflict of interest. In many other cases, however, it appears they simply have moved from one side of the table to the other.

Some of these officers had been involved in testing and evaluating the effectiveness of weapons made by their future employers.

Lt. Col. George F. Goodall was test director of the Maverick missile. He resigned Aug. 30, 1982. On Sept. 9 he was working for Hughes Aircraft, manufacturer of the Maverick, worth $5.8 billion.

Lt. Col. Wayne O. Mattson was systems project officer on the Maverick. On Jan. 15, 1979, he took a terminal leave—his actual retirement date was not until March 1—and also went to work for Hughes.

Col. James C. Crosby was president of the Army Defense Board, involved in testing the highly controversial Divad antiaircraft system. In August 1981 he retired and went to work for Ford Aerospace, chief contractor on the $4.1 billion Divad program.

Col. William E. Crouch Jr. was commander of Army Aviation Development Test Activity at Ft. Rucker, Ala. He retired July 1, 1981, and five days later became the Ft. Rucker branch manager of Hughes Helicopter Inc., whose equipment the Army development unit frequently tests.

WENT TO WORK FOR LOCKHEED

Col. Sherwin Arculis tested remotely piloted vehicles, target and reconnaissance drones, for the Army's Training and Doctrine Command. He retired in February 1980 and went to work for Lockheed Missiles & Space as manager of an office that provides logistical support to Army remotely piloted vehicles.

Maj. George E. Elliott was chief tester of space transportation systems at the Air Force Test and Evaluation Command. He retired Sept. 1, 1981, and two days later was working at Martin Marietta, first as a design engineer but later responsible for integrating test programs on the company's space transportation system. While Elliott was in the Air Force, Martin Marietta was one of the contractors whose systems he tested.

More than just weapon testers move to the other side of the defense business. John W. Ulmer Jr. was manager of instrumentation systems on the MX missile for the Air Force's Ballistic Missile Office. He retired in June 1980 and went to work for TRW Inc., which oversees development of the MX project.

Col. Harvey M. Paskin was chief of the avionics division in the project office supervising the F16 jet fighter at Wright Patterson Air Force Base. He left in July 1982 and went to work as an engineer at Westinghouse Electric, which makes the radar—the avionics—on the F16.

Lt. Col. John W. O'Neal was the operations officer for the Joint Chiefs of Staff in charge of a system called the Ground Mobile Command Center. He took a terminal leave of absence in August 1982 to work for TRW Inc. as senior principal engineer in charge of planning and testing the Ground Mobile Command Center.

NEGOTIATORS ALSO SWITCH

The practice of stepping to the other side of the table, from facing corporations on behalf of the government to facing the government on behalf of corporations, also has been embraced by those assigned to negotiate contracts that ensure the government the best deal possible.

For example, Lt. Col. Edward Cartwright was deputy director of contracting for the Computer Acquisition Center at Hanscom. He retired June 30, 1980, and seven days later went to work as a computer configuration manager at Sperry Univac in McLean, Va., one of the companies whose contracts he had supervised in the Air Force.

Maj. Walter D. Crafton was in the Air Force Plant Representative Office overseeing contracts at a TRW plant in Red Beach, Cal. He retired May 1, 1981, and a month later was working as a department manager on product assurance at the same TRW plant.

High-ranking civil servants also play the "revolving-door" game. Ernest R. Giardano was an auditor in the Defense Contract Audit Agency assigned to keep things honest at a Boeing Co. plant. On Dec. 31, 1979, he retired from the government and the next day went to work for Boeing.

Marvin H. Boodnick was a price-cost analyst for the same agency, auditing Hughes Aircraft. He quit March 14, 1981, and two days later started working for Hughes.

The list of military and civilian officials who have pushed the revolving door could go on for columns. For better or for worse, what President Dwight Eisenhower once called "the military-industrial complex" is very much alive.

In telephone interviews, many of these former officials say they were hired by the corporations they had once supervised because they were good at their jobs. Says a former Defense Contract Audit Agency auditor who supervised Hughes helicopter contracts and then went to work for the company. "There's always room for both sides to have technically competent people," adding that the practice of switching sides "is common in the entire world of auditing, not just defense auditing."

Industry spokesmen generally say they hire retired officers for the same reasons—for their talent and experience. However, one unidentified public relations officer for a major defense firm, speaking on background, said they also are hired for their connections. "We need everything we can get. This is a very competitive business."

On this point, George Spanton, a recently retired audit agency official who has been offered corporate jobs for years but has turned them down, reflects, "You always like to feel [the offers are] legitimate, but you have to sit back and ask yourself, 'Would I be offered this job if I didn't have the job I have now?' [The corporation] just knows I know all the techniques on how to protect the government's interest, so I must also know all the techniques on how to get around the government's interests."

Mr. PRYOR. There is a table, Mr. President, which Mr. Kaplan includes in one of the articles that he writes in the Boston Globe. The table is entitled "Weapons Contractors Who Hired the Most Retired Military Officers, Fiscal Years 1979–82." In other words, these are those contractors that led the ticket in hiring the greatest number of retired military officers. Who were those companies, and how many former military officers then went to work with these companies? Martin Marietta, in that 3-year period, hired 100 former military officers; Boeing, 840; Lockheed, 800; Hughes Aircraft, 770; Northrop, 650; TRW, Inc., 450; Rockwell International, 420; General Dynamics, 420; McDonnell Douglas, 420; and Computer Science Corp., 34.

On another table Mr. Kaplan inserts in his article, Mr. President, the number of defense officers who retired to defense contractors. Mr. President, the Air Force had 942 officers during this 3-year period that went to the defense contracting establishment; the Navy had 425 officers; the Army, 161 officers who left; the Marine Corps, 66 officers who left and went to defense contractors—a total of 1,437 individuals from military ranks.

Mr. President, I think these figures bear witness to the fact that we have a tremendous problem on our hands. In the past we have not addressed this problem, and with all due respect to my friend from Indiana, Senator QUAYLE, and his subcommittee, it is my fear that the language in the revolving door section of his amendment that we seek to amend by our perfecting amendment does not go far enough.

Mr. President, the stories go on and on. In fact, just as recently as this Saturday, on May 18, 1985, we find a story by Mr. Howard Kurtz involving another revolving door case. This matter, Mr. President, I will not read in detail, but I submit it is one other reason for the adoption of the strongest possible language in the area of revolving door contracts. Mr. President, I ask unanimous consent that the article by Mr. Kurtz in the Washington Post of May 18, 1985, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PENTAGON LOOKING INTO "REVOLVING DOOR" CASE

(By Howard Kurtz)

Last May, when a Defense Department branch was moving to take a large audio-visual contract away from Dynalectron Corp., the branch chief supervised negotiations that allowed the company to hold on to the contract.

Weeks later, Dynalectron offered the branch chief a job as manager of the $23 million contract. He accepted the offer and joined the company in July.

The contract is now under investigation by the Pentagon's inspector general, Air Force investigators and Defense Criminal Investigative Service, one of numerous inquiries involving some of the 2,200 retired Pentagon officials who now work for defense contractors.

Many officers are hired by contractors to work on weapons they helped develop; Congress is considering legislation to restrict such "revolving door" hiring.

The inquiry involves Hal Albert, a former senior official with the six-year-old Defense Audio Visual Agency (DAVA), which provides training films and other materials to the military. Albert was chief of the agency's branch at Norton Air Force Base in California when the unit decided in 1983 to contract out most of its work to Dynalectron.

Last June, Albert announced that he was leaving the government to manage the contract for a new division set up by Dynalectron. Some of his fellow employes have told investigators that Albert continued to be involved in the Dynalectron contract in the weeks before he resigned, according to military sources. Albert said he withdrew from taking actions on the contract.

After Albert moved to Dynalectron's offices in the same building, he signed some contract documents submitted to DAVA. The papers were withdrawn after officals said it was improper for Albert to sign them.

Federal employes are legally barred for life from representing a company before the government on any particular matter that they handled as federal officials.

Albert said in a brief telephone interview that he had done nothing wrong and that he consulted with DAVA's general counsel before accepting the Dynalectron job. He said he was not aware of the Pentagon probe.

A spokesman for McLean-based Dynalectron said Albert has been questioned by Pentagon investigators and that the company is cooperating. "I think Hal has complied with the spirit and intent of the regulations and has not done anything improper under criminal law," he said.

"I don't have any problem," Albert said. "I know I'm within what's legal, what's right and what's morally correct." The Pentagon declined comment.

The Dynalectron spokesman said Albert was hired because "he knew the thing inside out. We felt that he was the most qualified to do the job."

The spokesman said it was hoped that Albert could provide smoother relations with his former unit. He said Albert had no significant inside information that would be of use to the firm on a fixed-price contract.

The DAVA branch in California decided in 1983 that it would be cheaper to hire a contractor for most of its audio-visual work. Following a study supervised by Albert, Dynalectron was awarded the three-year contract as the low bidder.

But DAVA was not satisfied with Dynalectron's performance, and announced in April 1984 that it was putting the contract up for bid again. In May, however, after negotiations supervised by Albert, the competition was canceled and agreement was reached to revise Dynalectron's contract.

At DAVA's request, the revisions included $1.2 million in incentive fees for the company if its future performance was highly rated. The company spokesman said no such payments have been made and that the revised contract was more unfavorable to the firm, which he blamed on friction resulting from its takeover of government work.

In mid-May, the spokesman said, Dynalectron began job discussions with Albert. On June 1, Albert announced he was resigning to join Dynalectron the following month and issued a memo disqualifying himself from involvement with the contract.

Pentagon sources said Albert continued to discuss the contract with DAVA subordinates and at staff meetings in the weeks before he resigned. Albert said he took himself "out of the channel" of decision-making on the contract. He declined to elaborate, saying, "You're getting into matters that are none of your concern."

A company spokesman said that Albert had talked to various DAVA staff members about the contract before leaving the government, but that Albert made no decisions involving Dynalectron.

After Albert joined Dynalectron July 2, he signed contract documents submitted to DAVA. One was a $30,000 bid by the firm to buy DAVA's surplus reels and cases, a matter that had been under discussion when Albert was still the branch chief.

The documents were withdrawn after DAVA refused to accept them and its general counsel said it would be a violation of law for Albert to sign papers involving matters he previously handled. Dynalectron arranged for someone else to sign future contract documents.

The Pentagon, which is proposing again to rebid the Dynalectron contract, has also announced plans to shut down DAVA and return its functions to the individual services.

Mr. PRYOR. I yield the floor at this time.

Mr. LEVIN. Mr. President, first let me again commend my friend from Arkansas for the effort he is putting into defense procurement reform. As I said a little earlier today, we need all the help we can get in this area. It is complicated. People who are willing to devote as much work as the Senator from Arkansas are performing a public service. I happen to agree with him that we need a very strong remedy for the revolving door problem. According to the reports that we reviewed over the weekend, 3,300 former employees of the Department of Defense filed a form last month saying that they had left the Department of Defense within the last 3 years and are now working for a defense contractor.

That figure is up from 2,240 the year before. So there is actually about a 33-percent increase by that one statistic in the number of people who are going to work for defense contractors. We do not know how many of those 3,300 people went to work for a contractor over whom they had any supervisory authority or whose contracts they monitored. We have no way of knowing. The forms do not tell us. So we have a revolving door where we have thousands of folks leaving our employ and going to work in the private sector, but we do not know how many of those 3,300 in fact monitored the contracts of the people for whom they are working. That is a terrible flaw in the form. That is one flaw which this committee amendment, the so-called Quayle amendment, is going to cure. The new form is going to require the employee to say whether or not the company for whom he is now working in fact was a company over whom he had monitor responsibility.

So we do not know how many of the 3,300 in fact might have been involved with the company for whom they are now working.

That is the heart of the problem, Mr. President. The heart of the problem is a conflict of interest, and that is what this committee amendment, the Quayle amendment, goes after. It goes after the conflict of interest directly.

What it says is that there is going to be a 10-year ban on employment and up to a $20,000 fine if an employee fails to disqualify himself from involvement with a contractor with whom the employee is discussing employment.

This is a critical difference between our amendment and the Pryor amendment, because in our case the impact falls on the employee, regardless of how minimal the involvement of the employee is with the contractor.

My friend from Arkansas described his amendment and said that it applies to employees who exercised significant contract responsibilities with a defense contractor. That is a great deal narrower than ours. Ours is a lot stronger than the Pryor amendment in that regard; because in our case there is a requirement for disqualification or else a 10-year ban and a fine for employees of the Department of Defense, whether they had significant contract responsibilities with the contractor or nominal contract responsibilities with the contractor.

What difference does it make, relative to the conflict of interest and the ethical question here, whether or not an employee working for the Department of Defense has a small contract responsibility or a major contract responsibility? The ethical question is just as big. The contract responsibility may be smaller, but the ethical question is exactly the same.

What we are saying in this committee amendment is very straightforward: If you have any contract responsibility with a defense contractor, do not discuss employment for yourself with that contractor. You either disqualify yourself, recuse yourself, or if you fail to do so, you are banned from employment with that contractor for 10 years and you are subject to a fine.

So that we cover many more employees in that sense than does the amendment of the Senator from Arkansas, because we cover employees who exercised any contract responsibility with the contractors at issue. It does not have to be a significant contract responsibility, as is set forth in the amendment of my friend from Arkansas.

Our amendment is stronger in another respect. Our ban lasts 10 years. The ban in the amendment of the Senator from Arkansas is a 3-year ban following employment. Ours is a 10-year ban following the termination of employment. But, more important, the committee amendment goes after the heart of the matter. We go after the conflict of interest. The evil we address is the conflict of interest: When you have somebody who is monitoring a contract for the taxpayers, supervising a contract for the taxpayers, in the Defense Department on Friday, and discussing employment opportunities for himself with that contractor for the next Monday.

That is the evil we go after. We do it in a very rifle-shot way, because we go after the conflict of interest. That is what has created so much concern in the hearts and the minds of the citizenry of this country.

This is true also, by the way, in the nonmilitary area. Everything we pass here should be Government-wide. We talk a lot about DOD, but what is going on here can go on outside DOD, with Government procurement specialists.

This is a Government-wide problem, and I hope that Governmental Affairs Committee takes up this problem Government-wide, so that we do not just cast an aspersion on DOD employees. As a matter of fact, we have a bill ready which will do exactly that.

This amendment slams the door shut on the right people. This is the issue. The Pryor approach misses people it should hit and hits people it should miss. The Pryor approach misses people it should hit. Who are those people? These are the people who exercise less than significant contract responsibilities, but who still exercise contract responsibilities. We think they should be included, and we do include them. If you have any contract responsibility over a contractor, you are covered by this committee amendment, no matter how minor, because, again, the ethical issue is not minor. The ethical issue is major.

The perfecting amendment of the Senator from Arkansas also hits people it should miss. Those are people who have never discussed employment with anybody until after they left Government service. His amendment hits people, presumably, I think by the thousands, who have never discussed employment, who, for the first time after working for the Federal Government, then seek employment in their area of specialization and are prohibited from doing so, even though they never had any discussion relative to employment with that particular contractor.

So, in summary, the pending committee amendment slams this revolving door shut. It slams it on the right people, the people who are engaged in a conflict of interest, who are talking about their own future when they should be defending our Treasury. It does not hit people it should not hit. It hits the people whom it should hit, and that is the right balance.

It is tough. There is a $20,000 fine and a 10-year ban. It changes the form so that we can enforce it. It is a creative way, a fair way and a tough way of getting to the revolving-door amendment.

I should like to give some examples to the Senator from Arkansas of some of the people who would be hit by his amendment and those who would not be hit by ours, nor should they.

I have already indicated that many people are hit by our amendment who are not hit by his amendment but who should be hit. Let me give some examples for the Record of the kinds of people whom his amendment would affect, which we do not think would be proper.

Last year, the Senate approved an amendment to the spare parts procurement reform package, which was offered by Senator Byrd, me, and others, that created in each of the services a statutory competition advocate general. These positions, much like the competition advocates that were created the year before in the Competition in Contracting Act, which was submitted by Senator Cohen and me, have, as one of their primary duties, signing off and thus creating personal accountability on hundreds, and in some cases thousands, of contracts. This involvement is almost certainly "personal and substantial" within the meaning of my friend's amendment.

In fact, the regulatory definition of the term "personal and substantial" reads as follows, because those are key things in his amendment or in an earlier version. I do not know if those are the exact words used in the amendment he will send to the desk, but I think that is the flavor of the amendment. The regulatory definition reads:

> A finding of substantiality should not be based only on the effort devoted to a matter, but on the importance of the effort. While a series of peripheral involvements may be insubstantial, the single act of approving or participation in a critical step may be substantial.

This means that for these people—these competition advocates general—who were created by the Senate last year, the ban on employment would bar them from literally thousands of opportunities, if you look back on all the contracts they have approved in the 3 years prior to their departure. Those are thousands of companies with whom they could not take employment because they had a substantial contract within 3 years, without the right to recuse themselves, even though discussion might be taking place. It just hits people you do not want to hit, while missing people you really do not want to miss.

Let me give a second example:

There are thousands of administrative contract officers spread all over the country who have the job of managing contracts that are already awarded. These officials sign progress payment checks and approve the quality assurance compliance systems of every contractor sometimes in a large an area as a State.

Such an involvement would, we think, be considered personal and substantial, even though there are thousands of them which take place during the course of a year.

Those administrative contract officers could be barred from accepting employment from any company receiving defense business in that entire State, for instance. Again, it could be hundreds or thousands of companies.

I happen to share the concern of my friend from Arkansas. I think that his strong revulsion to some of the situations that we have seen where we know people have monitored contracts with company A during this week and end up on their payroll next week. That revulsion is a revulsion I happen to share and I think the American people share.

What the best solution to it is, we can argue here, and we have debated it.

There are some advantages and disadvantages to each approach, may I say. We happen to think our approach is better and indeed stronger.

But whichever approach we adopt, and, of course, we favor ours, we must address this issue because it is corrosive; it is corroding the credibility of the Pentagon. The national defense of this country is too important and too serious for us to allow the revolving door of a few or a few hundred to undermine that common goal.

Mr. President, I yield the floor.

Mr. QUAYLE. Mr. President, first, I congratulate the Senator from Michigan on an excellent statement, outlining the substantive differences between the committee position and Senator Pryor's position. I again congratulate him for his design and being the architect of the revolving door provisions within the committee amendment.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. QUAYLE. What is the pending business?

The PRESIDING OFFICER. The pending question is amendment No. 147 offered by the Senator from Arizona on behalf of the committee.

Mr. QUAYLE. So the committee amendment is the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. QUAYLE. I wonder if I might inquire from the distinguished Senator from Arkansas if he is going to offer this substitute at this point or thereabout, because if we are going to try to vote on his substitute at 5 p.m. and the committee amendment, this only gives us a couple of hours to really get down and debate the merits on a point-by-point discussion.

Mr. PRYOR. I am ready at this time to submit the amendment. That is, I would be glad to submit the amendment at this time and lay it before the Senate with the understanding that it be classified as a perfecting amendment to the committee amendment, and I do not think there is any problem there.

Does the Senator from Indiana wish me at this point to officially send the amendment to the desk?

Mr. QUAYLE. I think it might be appropriate, unless I get contrary word from our chairman of the Armed Services Committee, that the Senator from Arkansas send his amendment to the desk so we can have that amendment pending and discuss it with the anticipation that we are going to vote, I think, hopefully still around 5 p.m.

I do not think that has been cleared, but that would certainly be my desire to get to it.

I yield for a comment to the chairman of the committee.

Mr. GOLDWATER. Mr. President, I certainly hope as chairman that the Senator from Arkansas will send the amendment forward. We have 2 hours and then we are going to vote, and it would be very helpful to us to know what we are going to vote on.

So I suggest that the amendment be sent to the desk and then we can have a chance to take a look at it.

Mr. LEVIN of Michigan. Mr. President, if my friend will yield, I also hope that we will have a vote then, but I understand it has not been cleared for a 5 p.m. vote. I also hope we could vote at 5 p.m., but we have not cleared that on our side yet, that 5 p.m. vote.

Mr. GOLDWATER. I think it was cleared Friday.

Mr. LEVIN of Michigan. My understanding is, it has not been cleared yet. Perhaps we should put in a quorum call and check with the minority leader.

Mr. GOLDWATER. That is not too impossible, but I thought it was cleared Friday that we would vote on Monday at 5 p.m.

But we can talk with the Senator's leader and talk with mine.

Mr. LEVIN of Michigan. I thank the Senator.

Mr. PRYOR. Mr. President, if I may respond, I would be glad in just a moment or at the right time to send an amendment to the desk, but I wish to ask one question of the manager of the bill.

Is it anticipated that if the amendment is proposed at this time, there is no danger in a tabling motion against the amendment before other speakers who may be coming in on airplanes? There is no danger to this being subjected to a tabling motion, is there, before the time has been allocated?

Mr. GOLDWATER. Mr. President, I, as chairman, will not move to table the amendment and I do not think my friend from Indiana will. We want to get a vote up or down.

Mr. PRYOR. Up or down vote?

Mr. GOLDWATER. Yes.

AMENDMENT NO. 154

Mr. PRYOR. Mr. President, with that understanding, I do send an amendment to the desk, in the form of a perfecting amendment to the pending committee amendment, and I submit this amendment at this time on behalf of myself and Senators Grassley, Proxmire, Kerry, DeConcini, Leahy, Melcher, Hart, and Metzenbaum. I send the amendment to the desk at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Arkansas [Mr. Pryor], for himself, Mr. Grassley, Mr. Proxmire, Mr. Kerry, Mr. DeConcini, Mr. Leahy, Mr. Melcher, Mr. Hart, and Mr. Metzenbaum, proposes an amendment numbered 154.

Mr. PRYOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> In the Committee amendment after the words "Title VI—Procurement Policy Reform and Other Procurement Matters.
>
> "SHORT TITLE
>
> "Sec. 601. This title may be cited as the", strike all that follows in the amendment and insert in lieu thereof the following: "Competition and Ethics Enforcement Act of 1985."
>
> DEFINITIONS
>
> Sec. 602. In this title:

(1) "Full scale development", when used with respect to a weapons system or other defense equipment, means all detail design of a weapon system or other defense equipment necessary for the production of that system or equipment to begin.

(2) "Major defense acquisition program" has the same meaning as provided in section 139(a)(1) of title 10, United States Code.

(3) "Acquisition plan" means the type of plan referred to in section 7.104 of the Federal Acquisition Regulation as in effect on April 1, 1985.

(4) "Competitive procedures" means, in connection with the award of a contract, procedures which provide for full and open competition as provided in section 2304(a) of title 10, United States Code.

(5) "Acquisition", when used with respect to a weapon system or other defense equipment, means the complete process associated with the development and procurement of the weapons system and other defense equipment, including identification of military requirements, research and testing.

(6) "System integration" means the development and administration, normally by a prime contractor, of the process of manufacturing a completed weapon system or other defense equipment for delivery to the United States, including the installation of all subsystems and components.

(7) "Sole source contract" means any contract for the procurement of a weapon system or other defense equipment awarded through procedures other than competitive procedures.

DUAL SOURCE COMPETITION AND SOLE SOURCE CONTRACTING FOR MAJOR DEFENSE ACQUISITION PROGRAMS

SEC. 603. Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

DUAL SOURCE COMPETITION AND SOLE SOURCE REQUIREMENTS FOR WEAPONS PROGRAMS.

"(a)(1) Before initiation of the full scale development of a weapon system or other defense equipment under a major defense acquisition program, the Secretary of Defense shall prepare an acquisition plan for such program.

"(2) The acquisition plan shall provide for the use of competitive procedures when required by title 10, United States Code section 2304, except as provided for in subsection (c) of this section.

"(3) The acquisition plan shall also provide for the establishment and maintenance throughout the duration of the program of two or more development sources of such program and of two or more production sources for system integration and for the production of major subsystems to be purchased by the United States under major defense acquisition programs so that each production contract, and any contract renewal for production, will result in a majority or plurality of the production under the contract being awarded to the bidder with the proposal most advantageous to the United States, considering only price and other factors included in the solicitation, and a minority of the production being awarded to the next such most advantageous bidder or bidders under the contract. The percentage of the contract for production awarded to the next most advantageous bidder or bidders under the contract shall be a percentage determined by the Secretary of Defense to be sufficient to allow each such bidder to compete effectively for a majority of the production when the contract is renewed: provided that the contract proposal of the next most advantageous bidder or bidders is competitive with the contract proposal of the most advantageous bidder.

"(b)(1) The Secretary of Defense may waive the requirements of subsection (a)(3) in the case of any contract if he determines and certifies in writing to the Congress that such requirement will materially increase total cost of the program or delay completion of the total program. Any waiver of the dual sourcing development requirement of subsection (a)(3) shall not be considered a waiver of such subsection's dual sourcing production requirement.

"(2) Except as provided in subsection (c), a contract described in subsection (c) with respect to which the Secretary has waived the requirements of subsection (a)(3) may only be awarded through the use of competitive procedures. If a contract described in subsection (c) with respect to which the Secretary has waived the requirements of subsection (a)(3) is renewed, the new contract must be awarded under competitive procedures or as provided in subsection (c).

"(c)(1) If the Secretary of Defense finds in the case of a prime contract to be awarded for a major defense acquisition program that the requirements of subsections (a)(3) and (b)(2) cannot be complied with and that procurement procedures other than competitive procedures are permitted under section 2304(c) of title 10, United States Code, in the award of such prime contract, the Secretary shall submit a report to the Congress containing his findings together with a request for specific statutory authorization to enter into a sole source prime contract for such program. The Secretary shall include in such report for each contract—

"(A) the total program cost information, total program unit cost information, and delivery schedule information under a competitive procedures contract and under a sole source contract used by the Secretary in his decision to select a sole source contract for such program;

"(B) the existing unit cost of a commercially available product that performs a function similar to the function to be performed by the product to be obtained under the contract to be awarded, if such a product is commercially available, or the existing unit cost of a foreign produced product that performs a function similar to that of the product to be obtained under the contract to be awarded, if such a product is commercially available in a foreign country, or, if such a product is not available from either such source, an independent cost estimate of the total program unit cost of the product to be obtained under the contract to be awarded;

"(C) the identity of any senior official of the Department of Defense at the equivalent level of GS-14 or above who recommended or caused to be initiated a recommendation that the contract be a sole source contract; and

"(D) such other information as the Secretary considers appropriate.

"(2) The report required by paragraph (1) shall be submitted to the Congress not later than the date on which the initial budget request for full scale development or production, whichever the case may be, of the major defense acquisition program is made to the Congress.

"(3) A sole source prime contract may not be awarded or renewed for any major defense acquisition program unless the Congress has specifically authorized such specific contract to be awarded in an annual Department of Defense authorization Act or in other appropriate legislation enacted into law. Such specific statutory authorization shall include the identity of such contract and its cost.

"(4) Whenever the Secretary requests authorization, pursuant to subsection (c)(1), for the awarding of a sole source prime contract, he shall also cause to be published in the Federal Register a notice of the request and shall include in the notice the noncompetitive nature of the contract to be awarded, the estimated cost of the contract, the name of the contractor to whom the contract is to be awarded, and the identity of any Department of Defense officials at the equivalent level of GS-14 or above, who recommended or caused to be initiated a recommendation that the contract be awarded as a sole source contract.

"(5) Nothing in this subsection shall be deemed to require the public release of classified information.

"(d) Each sole source contract for a major defense acquisition program awarded by the Department of Defense shall—

"(1) contain a provision that prohibits the contractor from employing for a period of 6 years after the expiration of the contract the services of any employee or former employee of the Department of Defense at the equivalent level of GS-14 or above who recommended or caused to be initiated a recommendation that the contract be awarded as a sole source contract;

"(2) provide for a comprehensive audit by the Comptroller General of the United States, including access by the Comptroller General to all accounting records of the contractor and subcontractors, including any classified records;

"(3) deny payment of any overhead costs under the contract until the appropriate representative of the contractor has certified to the Secretary in writing that the payment of the overhead costs will reimburse the contractor only for costs that benefit, directly or indirectly, the Department of Defense and that such costs are demonstrably related to or necessary for the performance of the contract for which the payment is requested; and

"(4) require the appropriate representative of the contractor to certify to the Secretary in writing that any claim or request for payment under the contract does not include any claim or request for general and administrative costs that are unallowable under regulation prescribed by the Secretary of Defense.

"(e) A claim or request for payment by a contractor for any overhead cost prohibited under subsection (d)(3) or for any unallowable general and administrative cost shall be subject to section 287 of title 18, United States Code, and shall be punishable as provided by law for offenses under that section.

"(f) The Comptroller General of the United States shall conduct a comprehensive audit of each prime sole source contract awarded by the Department of Defense for a major defense acquisition program and shall report the results of such audit to the Congress together with his opinion whether a new contract for the program provided for in the audited contract can reasonably be awarded under competitive or dual sourcing procedures upon the expiration of the existing sole source contract.

"(g) The provisions of this section shall not require the suspension or termination of funding or approval for any defense program or defense contract during the fiscal year 1986."

TRAINING AND REQUIREMENTS FOR QUALITY CONTROL ENFORCEMENT

SEC. 604 Part II of subtitle A of title 10, United States Code, is amended by adding the following section 1621:

"(a) The Secretary of Defense shall develop and carry out an introductory training program which shall be mandatory for all personnel responsible for assuring quality standards for all personnel responsible for assuring quality standards for weapon systems or other defense equipment. Such program shall be not less than four weeks in duration. A person assigned to duties involving quality assurance shall be required to attend such training program within the first six months of the person's assignment to such duties.

"(b)(1) In any case in which it is determined that a weapon system, other defense equipment, or service provided to the Department of Defense fails to meet the quality standards provided for in the contract for such weapon system, other equipment, or service, whether such determination is made before or after delivery of the equipment or service, the cost of repair or replacement, including all labor costs, shall be borne by the contractor.

"(c) In any case in which a contractor fails to disclose to the appropriate officials of the Department of Defense any instance in which the contractor knows defense equipment or service provided to the Department of Defense by the contractor does not meet the quality standards prescribed in the contract for such equipment or service and submit a claim for the payment of such equipment or service, such claim shall be subject to section 287 of title 18, United States Code, and shall be punishable as provided by law for offenses under that section.

"(d) The provisions of this section shall apply in any case only to the extent that the provisions of section 2403 of title 10, United States Code, do not apply.

BURDEN OF PROOF IN GOVERNMENT CONTRACT DISPUTES

SEC. 605 (a) In any proceeding before the Armed Services Board of Contract Appeals, the United States Claims Court, or any other Federal court in which the reasonableness of any contract costs for which a contractor seeks reimbursement from the Department of Defense are in issue, the burden of proof shall be upon such contractor to establish that such costs are reasonable.

(b) "Reasonable" means a cost that does not exceed that which would be incurred by a prudent person in the conduct of competitive business.

LIMITATION ON EMPLOYMENT OF CERTAIN DEPARTMENT OF DEFENSE PERSONNEL BY DEFENSE CONTRACTORS

SEC. 606. (a)(1)(A) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

"§ 2397a. Limitation on employment of certain Department of Defense personnel by defense contractors

"(a) As used in this section:

"(1) 'Compensation' includes any payment, gift, benefit, reward, favor, gratuity, or employment valued in excess of $100 at prevailing market price, provided directly, indirectly, or through a third party.

"(2) 'Contractor' means any person, partnership, corporation, or agency thereof (other than the Federal Government, the independent agencies of the Federal Government, or the District of Columbia) that offers, negotiates, agrees, or otherwise contracts to furnish to the Federal Government property, services, or supplies, and any parent organization, subsidiary organization, or affiliated organization of any such person, partnership, corporation, or agency thereof.

"(3) 'Covered defense official' means an officer or employee of the Department of Defense or a member of the armed forces on active duty who is paid for service as an officer or employee of the Department or member of the armed forces at a rate of basic pay equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule.

"(4) 'Procurement function' means any acquisition activity relating to a contract awarded by the Department of Defense, including—

"(A) negotiating, awarding, or administering the contract;

"(B) approving contract changes;

"(C) approving payment under the contract;

"(D) selecting a contractor;

"(E) performing cost analysis, quality, assurance, operation and developmental testing, budgeting, or auditing functions relating to the contract;

"(F) providing technical advice or recommendations relating to the contract; or

"(G) managing a procurement program which includes the contract.

"(b)(1) A former officer or employee of the Department of Defense and a member or former member of the armed forces may not accept compensation from any contractor for the 3-year period beginning on the date the former officer or employee separates from Government service in the Department or the member or former member is discharged or released from active duty if, within 3 years before such date, the former officer of employee or the member or former member was a covered defense official who had significant responsibilities in the performance of a procurement function with resepect to that contractor.

"(2) Whoever violates paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(3) Whoever furnishes any compensation to a person who is prohibted by paragraph (1) from accepting the compensation shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(c)(1) Each contract for the procurement of property or services awarded by the Department of Defense shall include a provision prohibiting the contractor from furnishing compensation to any person if the acceptance of such compensation by such person would be a violation of subsection (b)(1).

"(2) A contractor which violates a contract provision required by paragraph (1), as determined by the Secretary of Defense, shall be liable to the United States for the greater of $250,000 or the amount equal to five times the annual rate of compensation paid by the contractor in violation of such contract provision. The United States may collect the amount of such liability by withholding, as a forfeiture, any money payable by the United States to the contractor.

"(d)(1) Not later than March 1 of each year, each contractor which is subject to a contract provision required by subsection (c)(1) shall transmit to the Inspector General of the Department of Defense a report on persons to whom the contractor furnished compensation during the preceding year and who are covered by such contract provision. The report shall include—

"(A) the name of each person (together with other information adequate to identify the person) who, as a covered defense official, performed a Government procurement function within 3 years before the first day of the year covered by the report and who was compensated by that contractor during the year covered by the report;

"(B) the agency or agencies of the Federal Government which employed the person or the armed force in which the person served on active duty, as the case may be, during the 3 years referred to in clause (A);

"(C) the person's job titles during the 3 years referred to in clause (A);

"(D) a full and complete description of the duties of the person during the 3 years referred to in clause (A);

"(E) a full and complete description of any official responsibilities such person exercised with respect to any contract in which the contractor has or had an interest; and

"(F) a description of any duties that the person has performed on behalf of the contractor during the year covered by the report.

"(2) Not later than April 1 of the year in which the Inspector General of the Department of Defense receives a report under paragraph (1), the Inspector General shall transmit a copy of the report to the Congress.

"(3) The Inspector General of the Department of Defense shall assess the accuracy and completeness of each report received under paragraph (1) and shall identify any conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Inspector General shall report any such conduct, violations, and failures to the Attorney General of the United States for prosecution or other appropriate action without regard to whether the Secretary of Defense has taken or has declined to take action under subsection (c)(2).

"(4) A contractor who fails to transmit to the Inspector General of the Department of Defense a report required by paragraph (1) shall be liable to the Federal Government for an administrative penalty in the amount of $10,000. The Secretary of Defense shall assess the penalty required by the first sentence.

"(5) The Director of the Office of Government Ethics shall have access to the annual reports filed under paragraph (1) and shall review the reports for conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Director shall submit an annual report to the Congress on his actions under this paragraph and shall include in the report his findings relating to his review of the reports filed under paragraph (1).

"(e) Subsections (b), (c), and (d) do not apply with respect to a contract for an amount less than $25,000.

"(F)(1) The Director of the Office of Government Ethics shall coordinate and review the implementation and administration of this section. In consultation with the Secretary of Defense, the Secretaries of the military departments, the Attorney General, and the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Government Ethics may issue regulations to implement and administer this section and may review agency regulations issued to implement and administer this section.

"(2) For purposes of implementing and administering this section, the Secretary of Defense, the Secretaries of the military departments, the Attorney General of the United States, and the Administrator of the Office of Federal Procurement Policy shall cooperate with the Director of the Office of Government Ethics and shall furnish the Director such information, appropriate personnel (with or without reimbursement by the Director), and financial and other assistance as may be agreed upon between the Director of the Office of Government Ethics and such official.

"(g)(1) Any person who is offered compensation that, if accepted, might place the person in violation of subsection (b)(1) may, before accepting such compensation, request from the Office of Government Ethics advice on the applicability of this section to such compensation. The request shall be made jointly by the person and the contractor who offered such compensation to the person.

"(2) A request made under paragraph (1) by any person who has been offered compensation referred to in such paragraph shall include—

"(A) a full and complete description of the person's duties during the last 3 years the person was employed by the Department of Defense or served on active duty in the armed forces, as the case may be;

"(B) any official responsibilities the person exercised during those 3 years with respect to any procurement contract in which the contractor has or had an interest; and

"(C) the contractor's description of any services that the person will perform on behalf of the contractor.

"(3) Promptly upon receipt of any request made under paragraph (1), the Director of the Office of Government Ethics shall publish a notice of the request in the Federal Register. The notice shall include—

"(A) the name of the person making the request;

"(B) the contractor offering compensation to the person; and

"(C) the information included in the request under clauses (A), (B), and (C) of paragraph (2).

"(h)(1) Upon receiving a request for advice under subsection (g), the Director of the Office of Government Ethics shall determine whether the acceptance and payment of compensation referred to in the request is conduct punishable under subsection (b) or would be a violation of a contract provision required by subsection (c)(1).

"(2) Not later than 30 days after the date the Office of Government Ethics receives a request for advice under subsection (g), the Director of the Office shall issue an interim advisory opinion stating his determination under paragraph (1) based on an initial review of the request.

"(3) Not later than 60 days after the date the Office of Government Ethics receives a request under subsection (g), the Director of the Office shall issue a final advisory opinion stating his final determination under paragraph (1).

"(4)(A) Except as provided in subparagraph (B), if the Director of the Office of Government Ethics states in an interim advisory opinion issued under paragraph (2) that, based on the initial review, the Director concludes that the acceptance and payment of such compensation is not conduct punishable under subsection (b) and does not violate a contract provision required by subsection (c)(1), acceptance and payment of such compensation shall not be punishable under subsection (b) and shall not be considered a violation of such contract provision.

"(B) Subparagraph (A) shall not apply to an acceptance or payment of compensation which occurs after the date the Director of the Office of Government Ethics issues a final advisory opinion under paragraph (3) if the Director states in the final advisory opinion that acceptance and payment of the compensation is conduct punishable under subsection (b) or violates a contract provision required by subsection (c)(1).".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

"2397a. Limitation on employment of certain Department of Defense personnel by defense contractors.".

(2) Not later than 180 days after the effective date of the amendments made by paragraph (1), the Secretary of Defense shall issue regulations specifying the procurement functions covered by the description of functions set out in section 2397a(a)(4) of title 10, United States Code (as added by paragraph (1)).

(b)(1) The amendments made by subsection (a)(1) shall take effect January 1, 1986.

(2) The amendments made by subsection (a)(1)—

(A) do not prohibit—

(i) the continuation of employment which commenced before the effective date of the amendments; or

(ii) the receipt of compensation for such employment; and

(B) do not apply with respect to any procurement function performed before such effective date by a former officer or employee of the Department of Defense whose employment by the Federal Government terminated before such effective date or by a member or former member of the Armed Forces who was discharged or released from active duty in the Armed Forces before such effective date.

IMPROVED REQUIREMENTS AND PENALTIES RELATING TO DISCLOSURES OF EMPLOYMENT OF FORMER PERSONNEL OF DEFENSE CONTRACTORS BY THE DEPARTMENT OF DEFENSE

Sec. 607. (a) Section 2397 of title 10, United States Code, is amended—

(1) by striking out subsection (b);

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively;

(3) in subsection (b)(1) (as redesignated by clause (2))—

(A) by striking out "minimum rate for GS-13" and inserting in lieu thereof "minimum rate of basic pay payable for grade GS-11 under the General Schedule";

(B) by striking out "of at least $15,000" and inserting in lieu thereof "equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule"; and

(C) by striking out "contracts by the Department during the fiscal year that total at least $10,000,000" and inserting in lieu thereof "any contract during the fiscal year in an amount equal to or greater than $25,000"; and

(4) in subsection (d) (as redesignated by clause (2)), by striking out "$1,000, or imprisoned not more than 6 months, or both" and inserting in lieu thereof "$10,000".

(b) The amendments made by subsection (a) shall take effect January 1, 1986.

Sec. 608. There are authorized to be appropriated $3,000,000 for each of the fiscal years 1986 and 1987 to be available for the purpose of carrying out the provisions of title 15, United States Code, section 644(K).

EFFECTIVE DATE

Sec. 609. This title shall become effective on October 1, 1985, except as may be provided in sections 606 and 607.

(Mr. CHAFEE assumed the chair.)

Mr. PRYOR. Mr. President, I have just heard a very good discussion of the revolving door issue, and I wish to make certain that my colleagues in the Senate know that there is a great deal more to this entire package than just the revolving door issue.

It seems as though we have sort of glued in and narrowed on that particular issue because, one, it is an issue that is abused. I think my friend from Indiana, Senator Quayle, understands this so well as my friend from Michigan, Senator Levin, understands this so well.

We have spent hours and hours in attempting in quiet deliberation and discussion, in one case at least a 2-hour period or possibly even 3 hours with Senator Levin and his staff.

We have talked in detail about the issue of the revolving door and how we best might approach a solution to this tremendous dilemma that we find ourselves in.

I think, Mr. President, that all of the parties involved, Senator Quayle, Senator Levin, Senator Grassley, and myself, all of the parties involved in this procurement issue this afternoon see a great problem.

Now the question is: How do we best, in the most practical way, find a solution to the problem?@

As I stated in my opening statement, men and women are going to disagree in good faith about how we pursue a solution to this entire procurement dilemma.

As I look at the revolving door issue, Mr. President, I first say that it is not all that complicated when you really get down to it. There is nothing complicated about the dubious, questionable ethics of arranging for employment with someone you are supposed to be supervising.

Second, it is fine and wonderful to revise forms and to create new forms and to clean up the paperwork. Revise the paperwork, if you want, increase the reporting requirements, if you must, but this is not going to solve the problem that we are attempting to solve with this particular amendment.

It is perfectly easy under the proposal offered by the distinguished Senators from Indiana and Michigan, under their revolving door proposal, to cover any employment discussions because this particular amendment which we are trying to change does not bar nor prohibit post-retirement

employment unless, and this is key, and this is the difference, this is the distinction, unless that employee fails to report a job offer to the Department of Defense or the proper authorities and gets caught.

Mr. President, the amendment that we attempt to replace, we think, does not go far enough because the committee amendment does not slam the door on anyone who takes a job with a contractor he was supposed to supervise as long as the job offer does not come until after retirement. If he retired at midnight after 20 or 30 years with the military, civilian, whatever, and at 1 minute after midnight McDonnell Douglas or Hughes or any other of the major contracting firms could get word to this individual:

> Look, we know that you have supervised us. We know that you have been the contracting officer that granted us $1 billion or $2 billion for this or that weapons system. So you are now no longer employed, and we would like to offer you a job opportunity with our company.

Now, that may not be exactly how those things work. But we feel that a strict restriction of at least 3 years is an absolute necessity—in fact, in my original amendment that I started circulating about 6 or 8 weeks ago, in the original amendment that I was going to propose, I was going to have a 5-year period whereby that particular worker, military or civilian, could not go to work for the contractor. However, through the process of negotiation and in talking to Senator Levin and talking to dozens of different people about this matter, and also in working very closely with colleagues of ours in the House of Representatives, it was decided to amend the 5 years and go down to the 3-year period.

We think that this approach is fair. We think it has teeth in it, certainly, and I hope the legislative intent will be established this afternoon to demonstrate clearly that it is not our intention to penalize those who we should not penalize. We are not after those employees. I think the Senator from Michigan understands that.

I just want to state, Mr. President, that the Senator from Michigan, the Senator from Indiana, and just about all of us, I think, in this body see a tremendous problem. And we think, or at least Senator Grassley and I and the cosponsors of our amendment feel that this approach is fair, that it is reasonable to prohibit work within 3 years after that individual has quit the Government, and we think that the necessary protections are embodied in our language and are very hopeful we will get favorable consideration for our proposal.

Finally, Mr. President, on the subject of the revolving door, Mr. President, Ompal S. Chauman, gave this statement in testimony this month to a House subcommittee of the Armed Services Committee:

> I and many of my co-workers have observed that when a manager is ready to retire, he doesn't just retire and go the work for the contractor. There is planning involved. The process begins at least two or three years prior to the separation from government service and the manager becomes increasingly soft on the contractor. To get the job, he must know someone in the contractor's heirarchy. He must do things which his future employers like and prove his worthiness for his new job. Consciously or unconsciously the thought of future security begins to affect him. He begins to think more about his future employer than his current one. Loyalties become confused.
>
> In order for us to remove this temptation, our laws must restrict certain post-government employment activities with sanctions and penalties.

Mr. President, we think this once again demonstrates the need for language like Senator Grassley, Senator Proxmire, myself and others have worked out and have embodied in this particular amendment, the perfecting amendment to the amendment offered by the Senator from Indiana.

I thank the Chair.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, the purpose of my speaking at this point is in support of the Pryor amendment. Mr. President, I would like to tell you how much I commend at this time my friend from Arkansas for the fine work that he has done in constructing this substitute. Should this amendment pass—particularly if it becomes law—I think we in the Senate can sleep better at night knowing true reform is taking hold at the Department of Defense. It is apparent that the defense budget will be frozen in fiscal year 1986 because Congress in its responsibility has finally risen to the challenge of matching Defense Department performance with an appropriate budget level.

A defense budget freeze did not happen by chance. It took 2½ years of horror stories and environment shaping before Congress could assure itself that the Defense Department can, and should, live with a freeze. Despite a doubling of the procurement budget in the last 5 years—I stated in my debate on the budget resolution that—the Department of Defense has bought less than during the previous 4 years, and those previous 4 years marked a time when our defense became conspicuously weak. It has become obvious that more money has not solved our procurement problem. It is equally obvious, Mr. President, that fundamentally improved management will yield far greater returns than merely, and easily, increasing the defense budget. That, Mr. President, is why the Congress has frozen the defense budget as a necessary first step, and now must follow up with true management reforms such as are represented by the substitute presented by the Senator from Arkansas.

I would like to commend my colleague from Indiana, Mr. Quayle, for identifying and acknowledging the various areas needing reform in the defense budget, and yet, I would like to caution all of my colleagues on one thing. That is that there is a right way to perform surgery, and there is a wrong way.

Do we really want, in the case of the revolving door language, that to be merely a reporting requirement? Do we want to continue to pay unreasonable costs, like lavish parties, trips to Pago Pago, and trips to Danish massage parlors? Those are all instances where auditors have uncovered those expenses being paid.

Despite a perception to the contrary these costs would still be allowable under the committee language. Of course, the burden would be shifted—and it would be shifted rightly so from the taxpayers to the contractor—but the definition of what reasonable costs are would not be changed under the committee's language. In other words, Mr. President, all the contractor would have to do under the committee language is a little upfront paperwork, charge it to the taxpayers, and then get reimbursed for the same outrageous costs that we are hearing about now. I do not think this is enough of a reform. That will be awfully difficult to explain to the folks back home. It will be awfully difficult to say that we have solved the revolving-door policy by creating an honor system.

Mr. President, we do have a choice. That choice is between cosmetic reform and real reform. If we want cosmetic reform and something to put in a press release, then we should vote against the Pryor substitute. If we want our constituents banging down our doors in 2 years asking why we have not fixed the outrageous cost problems in the Defense Department, then also vote against the Pryor substitute. But contrarywise, Mr. President, if we want to have a clear conscience of having voted for true defense procurement reform for a package you can rest easy with knowing that reform is on the way, then I urge that we pass this Pryor substitute. If we truly want to lock shut or nail shut the revolving door, truly want to shift the burden of proof from the taxpayer to the contractor, and truly want to compete on military goods and serv-

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ices, then we should support the substitute.

Mr. President, if this substitute passes, I really feel there will be less and less pressure in the future for defense budget increases. There are sufficient reforms in this package to increase our national defense for those fewer dollars we are going to appropriate this year.

On the other hand, if this substitute fails, and the committee language passes, and eventually becomes law, we can expect business as usual, with the usual demand for higher defense budgets, but procuring less for those higher budgets. It will be on our record, and obviously have to be on our conscience, that we had an opportunity for true reform, and we blew it.

Mr. President, I urge my colleagues to support this substitute, and once again I commend my colleague from Arkansas for his excellent work and leadership on this amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I want to make a comment. I have been sitting here today listening to the discussion. I want to say first I am going to vote to do away with the so-called revolving door. I think the important part of this whole thing is the correction we hope to achieve in the procedure. I have been sitting here mentally trying to figure out if there are 3,300 people who have achieved their jobs through the revolving door. I think we are talking about something you can hardly measure percentagewise, maybe less than a tenth of 1 percent of the people working in the defense industry. I think we should and probably could properly close that. But I do not think that is the big issue.

The issue is to close the avenues that some manufacturers have used in order to achieve benefits to themselves that were not included or intended to be included in the contract when it was let. I know as many men working in the industry who formerly wore the uniform as anybody. I have been sitting here trying to think. I can think of two of them who regularly come to call on me relative to any business. The thing that bothers me is the fact that people can get their poodles cleaned up and deduct that, take out country club dues and dine out and all of that. That to me is the important thing to correct. I hope we will concentrate more on that than upon the seemingly very small problem of the revolving door.

I admit that it is a problem. I keep thinking, though, if I were a manufacturer of anything—let us say I was a manufacturer of an M-1 tank and I ran into a problem and I want to get somebody to help me with this problem. About the only place I can go is to the military or former military. They certainly do not teach that in colleges. There might be some academic solution to some of the problems but I do not see anything, frankly, unusual in the idea that you go to the source to get some help.

I am not going to argue the point. I am going to vote against the revolving door. I just want to remind my colleagues that the big issue, the important thing here, is to close the procedures that manufacturers have been allowed to get away with. For example, our bill has provisions to contract costs that I do not think the other bill has in it. They are very specific on this. In fact, when we get down to the Gramm amendment, it spells out in great detail what cannot be done. For example:

> That portion of the cost of the use of company furnished automobiles which is of personal benefit to the user.
>
> That portion of the cost of the use of company furnished aircraft which is of personal benefit to the user.
>
> Contributions or donations, regardless of the recipient, including political contributions.
>
> Entertainment costs.
>
> Fines and penalties.
>
> Lobbying costs.
>
> First-class air travel unless lower priced air travel is not reasonably available.
>
> Gifts.
>
> Hotel expenses in excess of limits prescribed in regulations.
>
> Meal expenses in excess of limits prescribed in regulations.
>
> Transportation to and from work except as specifically provided for in regulations or in the contract.

Those are the type of things that I think we have to close.

Mind you, Mr. President, the Internal Revenue Service may say a deduction for all these is perfectly all right. What I want to see is a flatout statement that you cannot do it and charge it to the Federal Government. If you want to deduct it from Internal Revenue, that is fine and dandy, but do not try to saddle the military contract with expenses like that. I just wanted to make those comments, Mr. President, because I think they are pertinent.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. GOLDWATER. Yes, I yield to the leader.

Mr. DOLE. Mr. President, it is my understanding that we may have a couple of votes at 5 or thereabouts—hopefully more during the evening. I visited with the distinguished chairman of the committee. He has informed me he would like to continue fairly late this evening and start again early in the morning. Apparently, he has made a lot of progress so far, disposing of a number of amendments. We are ready now for a couple of important votes on procurement. I have asked other Members to bring their amendments to the floor. I assume we are ready for another one now.

Mr. GOLDWATER. If the Senator will yield, we are a little bit confused about an agreement we reached last Friday. I thought the agreement was we would not vote before 5 p.m.

Mr. DOLE. That is correct.

Mr. GOLDWATER. The order No. 142 is:

> *Ordered*, That during the consideration of S. 1160, the Department of Defense authorization bill, no amendments be in order during the session of the Senate on Friday, May 17, 1985, or until 5 p.m. during the session of the Senate on Monday, May 20, 1985, that have not been authorized by the majority and minority leaders.

So there is no unanimous consent that we will start voting at 5 o'clock.

Mr. DOLE. That portion of the agreement was to try to head off nongermane amendments which the distinguished chairman does not want on his bill. I do not fault him for that. The minority leader was not in a position to give me consent that we would start voting at 5 o'clock, but I think maybe shortly thereafter start voting. I hope we will have some votes today. Otherwise, we will continue to pile them up.

Mr. GOLDWATER. We shall be ready to vote at 5 p.m. I do not like to suggest anything to my leader; he is the boss. But if he would touch base with the minority leader and get some agreement, which we are trying to do, but the minority leader is busy.

Mr. DOLE. As I understand it, Mr. President, if amendments are in order, the Senator is open for business?

Mr. GOLDWATER. We are open for business anytime. We want to vote at 5 o'clock, though. Then we want to go on all night.

Mr. LEVIN. Mr. President, I am glad the majority leader is not withholding any unanimous-consent request. The minority leader is on his way to the floor, and he is not withholding any unanimous-consent request?

Mr. DOLE. No.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. BYRD. I was just listening over the squawk box, and I heard my good friend from Arizona, the chairman of the committee, say that, "We had been trying to get some agreement with the minority leader but the minority leader is busy."

Nobody has approached me, Mr. President, with any agreement or with any proposal for an agreement. And

may I say I have not been too busy to listen.

Mr. GOLDWATER. I guess I have to apologize to the minority leader because the question did come up, and I remember some discussion on Friday, about 5 o'clock. I read the order No. 142, and it did not provide for voting, and so the Senator from Michigan and I just figured we would wait until the two leaders got in the room and then let them agree, if they wanted, to vote at 5 o'clock.

Mr. BYRD. I just wanted to say for the record I have not impeded progress toward any agreement.

Mr. GOLDWATER. No. We did not infer that.

Mr. BYRD. That is what I inferred.

Mr. GOLDWATER. No. The Senator from Michigan asked me the question was I sure that we had a vote at 5 o'clock. And I said, "Yes, I was." Then I found out I was wrong, which is not unusual.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. The Senator from Arizona made a suggestion to me that I visit with the distinguished minority leader, so it was not any indication that we had been in discussion. The last discussion we had about votes at 5 o'clock was on Friday. We could not reach that agreement because there was a lot of uncertainty about who would be here. As I understand, a group of Senators has now returned and another group is due to return about 4:38, so maybe we can reach some agreement. Apparently a couple amendments will be ready for disposition at 5 o'clock. They are ready now, but they will still be ready for disposition at 5 o'clock, and maybe one or two others. But certainly the minority leader has been most helpful in trying to expedite the passage of this legislation.

Mr. BYRD. Mr. President, I will check on my side and see what the prospects are for any vote or votes today. I will be happy to come back to the distinguished majority leader and the chairman and ranking member, if we are able to do that.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I rise to support Senator PRYOR's amendment to close the revolving door through which defense procurement officials pass to take lucrative jobs with contractors they previously supervised. The revolving door is spinning ever faster at increasing cost to the taxpayers and to our Nation's security. In 1983, defense contractors employed over 2,100 Defense Department employees who had left Government within the last 3 years. This is three times the number employed in 1976. Last year, the number soared to over 3,000.

This amendment, which I offer on behalf of my colleague from Arkansas, Senator PRYOR, and numerous cosponsors, would impose a cooling-off period on Government procurement officials at the GS-11 level and above. It would force them to wait 3 years after leaving Government before taking a job with any contractor over whom they exercised significant responsibilities during the last 3 years of their government employment. Both the individual and the contractor would be subject to criminal penalties of up to 2 years imprisonment and a $10,000 fine for violating the act. The contractor would suffer an additional civil penalty of the greater of $250,000 or five times the annual rate of compensation of the employee. Contractors would be required to file annual reports and the Office of Government Ethics would oversee the act and advise individuals and contractors in cases involving potential violations of the act.

The committee is to be commended for recognizing that this problem must be addressed. Before discussing the inadequacies of the committee's approach, however, it is necessary to explore why the revolving door poses such severe problems for our Nation.

The first problem is the obvious temptation for an employee to go soft on a contractor he views as a potential employer. This laxness can take many forms. A negotiator may understand the problems of the contractor too well and not drive a hard bargain. A weapons tester may overlook flaws. An auditor may not press a contractor on inconsistencies in financial data. The list could go on.

Of course, not every employee succumbs to temptation, but whether consciously or unconsciously some do. If the temptation is removed, none will succumb.

The effects when employees give in to temptation are severe. The cost of procuring the instruments of our national defense increases, while their quality declines.

A second problem arises from the appearance of conflicts of interest spawned by the revolving door. It is essential that we eliminate this appearance. Public trust in government depends on it. Obviously many people who appear to have conflicts of interest do not actually engage in corrupt behavior. Unfortunately, some do. It is often impossible for trained investigators, much less for the general public to know which do and which do not.

The impact of this appearance of impropriety is devastating. It contributes to the public's view that defense procurement is riddled with waste and, as we are now seeing, leads to public unwillingness to support defense expenditures. How can the public not become cynical when it hears about generals and admirals taking lucrative positions with defense contractors? And, the problem is much more extensive than that. The press has recently been full of stories of even lower ranking officials using the revolving door. Let me offer a few examples that appeared recently in the Boston Globe.

Lt. Col. George F. Goodall was test director of the Maverick missile. He resigned August 30, 1982. On September 9 he was working for Hughes Aircraft, manufacturer of the Maverick, worth $4.8 billion.

Lt. Col. Wayne O. Mattson was systems project officer on the Maverick. On January 15, 1979, he took a terminal leave—his actual retirement date was not until March 1—and also went to work for Hughes.

Col. James C. Crosby was president of the Army Defense Board, involved in testing the highly controversial Divad antiaircraft system. In August 1981 he retired and went to work for Ford Aerospace, chief contractor on the $4.1 billion Divad Program.

Col. William E. Crouch, Jr. was commander of Army Aviation Development Test Activity at Fort Rucker, AL. He retired July 1, 1981, and 5 days later became the Fort Rucker branch manager of Hughes Helicopter, Inc., whose equipment the Army development unit frequently tests.

Col. Sherwin Arculis tested remotely piloted vehicles, target and reconnaissance drones, for the Army's Training and Doctrine Command. He retired in February 1980 and went to work for Lockheed Missile & Space as manager for an office that provides logistical support to Army remotely piloted vehicles.

Maj. George E. Elliott was chief tester of space transportation systems at the Air Force Test and Evaluation Command. He retired September 1, 1980, and 2 days later was working at Martin Marietta, first as a design engineer but later responsible for integrating test programs on the company's space transportation system. While Elliott was in the Air Force, Martin Marietta was one of the contractors whose systems he tested.

John W. Ulmer, Jr. was manager of instrumentation systems on the MX missile for the Air Force's Ballistic Missile Office. He retired in June 1980 and went to work for TRW Inc., which oversees development of the MX project.

Col. Harvey M. Paskin was chief of the avionics division in the project office supervising the F-16 jet fighter at Wright Patterson Air Force Base. He left in July 1982 and went to work as an engineer at Westinghouse Electric, which makes the radar—the avionics—on the F-16.

Lt. Col. John W. O'Neal was the operations officer for the Joint Chiefs of Staff in charge of a system called the Ground Mobile Command Center. He took a terminal leave of absence in August 1982 to work for TRW Inc. as senior principal engineer in charge of planning and testing the Ground Mobile Command Center.

Lt. Col. Edward Cartwright was deputy director of contracting for the Computer Acquisition Center at Hanscom. He retired June 20, 1980, and 7 days later went to work as a computer configuration manager at Sperry Univac in McLean, VA., one of the companies whose contracts he had supervised in the Air Force.

Maj. Walter D. Craften was in the Air Force Plant Representative Office overseeing contracts at a TRW plant in Red Beach, CA. He retired May 1, 1981, and a month later was working as a department manager on product assurance at the same TRW plant.

Ernest R. Giardano was an adultor in the Defense Contract Audit Agency assigned to keep things honest at a Boeing Co. plant. On December 31, 1979, he retired from the Government and the next day went to work for Boeing.

Marvin H. Boodnick was a price-cost analyst for the same agency, auditing Hughes Aircraft. He quit March 14, 1981, and 2 days later started working for Hughes.

This list could go on and on. The appearance of conflict of interest is powerful. And, as we all know from reading our mail, the American people are angry. Unfortunately, because of inadequate reporting requirements, we do not know the extent of the actual conflicts of interest.

But, there is another group that is equally outraged. These are DOD employees who watch their bosses switch, sometimes overnight, from supervising contractors to working for those very same contractors, at higher pay. Employees are left wondering what their supervisors have done to curry favor with their new employers. As one such employee recently testified, they wonder whether they have been working for the Government or the contractor. These concerns inevitably lead to cynical disrespect for supervisors and less diligent performance.

In yet another way, the revolving door undermines the integrity of the procurement process. Former military officers and civilian officials are able to exploit their government contacts on behalf of their new employers within the first 2 to 3 years after they leave the Government. Such contacts undoubtedly give employers who lure away the right officials unwarranted advantage in what should be a competitive process. This advantage skews the results, producing business for contractors who make shrewd hiring decisions, rather than those who earn the Government's business by producing a superior product. Unfortunately, this exploitation of contacts cannot be prevented entirely, but its most direct effects can be curbed by preventing government employees from working for contractors with which they had significant involvement while in government.

A related problem is the official who uses his last days in office to gain knowledge or contacts that will help him after he leaves. A particularly glaring example is that of Lt. Gen. Oren DeHaven, who retired as director of the Joint Chiefs of Staff's logistics branch in June 1983. Toward the end of his tenure, he specifically requested that he be allowed to attend a briefing by junior officers who had analyzed the Air Force's need for cargo planes. Their study favored the McDonnell-Douglas C-17 and recommended that the Air Force should buy no more than the 50 Lockheed C-5B's already under contract.

According to the Boston Globe, DeHaven told the officers that he wanted to attend the briefing because he would soon be retiring and going to work for Lockheed. DeHaven did become a consultant for Lockheed, presumably using the fruits of his official briefing in Lockheed's effort to convince the Air Force to buy more C-5B's.

I commend the Armed Services Committee for recognizing that these abuses are out of control. Unfortunately, the committee's response is inadequate. The committee bill would only be activated when a contractor actually discusses a job with a government employee who has involvement with the contractor's contract. What happens then? The answer is nothing. If the employee "terminates the contact immediately," he is entitled to continue supervising the contractor as if nothing had happened.

If the contractor comes back again, the employee must report the contact within his agency and, for as long as he considers the offer, he may not supervise the contractor. If he fails to report such a contact, he will be prevented from working for the contractor for 10 years from the date of the contact.

The committee bill simply fails to address many of the problems caused by the revolving door. It does nothing to remove the temptation of a procurement official to overlook defects or otherwise go soft on a contractor in the hope of eliciting that first job offer. It does nothing to forestall the subtle stroking of an official that contractors may enagage in that sends the message that the employee should contact the contractor after he leaves government. As Col. Robert Bowman recently said, "Some of the overtures (made by contractors) were not so obvious. They just wanted to give you the impression that you had a home when you got out so you'd treat them favorably in the meantime."

The committee bill does little to prevent the appearance of conflicts of interest and reassure the public that defense procurement officials are not cozying up to defense contractors. Only a bar on post-government employment with contractors that employees have worked closely with can do that.

The committee bill will do little to boost employee morale. Employees will still watch their bosses switch overnight from supervising contractors to working for the very same contractors. This activity will barely be curtailed.

Finally, the committee bill will prove unenforceable. A principal defect of existing conflict of interest laws is that they are vague and unenforceable. Indeed, the Justice Department has a virtual hands-off attitude toward prosecutions under these laws. The committee bill would simply add another unenforceable provision. It depends entirely on either the employee or the contractor coming forward to admit that they have discussed employment. Obviously, neither has an interest in making this disclosure. And it will be virtually impossible to establish this type of contract through circumstantial evidence. Therefore, we will be left with an unenforceable law that addresses only a very small part of the problem.

The amendment that we offer today suffers from none of these deficiencies. It eliminates the temptation for a government procurement official to go soft on a contractor. It eliminates the appearance of conflicts of interest by preventing quick switches from supervising a contractor to working for the same contractor. And our bill would boost employee morale by ensuring that they know they have been working for the Government and not the contractor. By prohibiting conduct that is clearly observable—going to work for a contractor—it would be easily enforceable. It accomplishes all this by placing a reasonable limitation on the employment options of those who leave government. The Congressional Research Service has issued an opinion that such a limitation is clearly legal.

I, therefore, urge the Senate to support this amendment to close the revolving door. This is a measure that helps the taxpayers of this country, who stand to save billions of dollars by removing conflicts of interest from the procurement process. It also promises to restore a measure of public confidence in government. The time has come to shut the revolving door.

Mr. President, I yield the floor.

Mr. PRYOR. Mr. President, I wish to compliment the Senator from Wisconsin, Senator PROXMIRE. I also wish to thank him for being a cosponsor of this legislation that is pending before the Senate at this time.

I know of no other Member of this body, Mr. President, who has more knowledge or expertise, wisdom, or courage in dealing with the issue of defense procurement than the Senator from Wisconsin, Senator PROXMIRE.

Looking back, just a little bit in the history of Senator PROXMIRE on this issue, he is not a Johnny-come-lately, I say to the President, to my colleagues. Senator PROXMIRE, for example, was probably the first Member of the Senate in modern times to bring to the attention of the Senate the issue of the revolving door and the pervasive problems that the revolving door issue presents, morally, ethically, militarily, and certainly financially.

Mr. President, also in 1977, Senator PROXMIRE proposed and passed in this body the first major defense procurement reform in a long time. Unfortunately, the House of Representatives did not exercise its wisdom in supporting Senator PROXMIRE's proposal that had cleared this body.

Had the House of Representatives supported that proposal, I think without question we would not see today defense procurement in the chaotic situation, the morass that we find today.

Senator PROXMIRE and his very able staffer Richard Kaufman have been investigating certain defense contractors for years; General Dynamics, for example. All of this scandal that comes out about General Dynamics and some of the major defense contractors that have been abusing the system is no news to Senator PROXMIRE.

In the past, had we listened to him more, I think our troubles would be far fewer at this time.

Senator PROXMIRE, as we might recall, Mr. President, and the occupant of the chair, certainly would recognize this as a very important issue in our defense system. He was the first Member of this body to hold extensive shipbuilding hearings to find out what the problems were in acquiring the Navy ships to secure the defense of this country.

Once again, the very first Member of our body of colleagues to bring this matter of the revolving door to our attention, to the best of my knowledge, was the Senator from Wisconsin, and I am very, very proud to have him as a cosponsor of this legislation that we are looking at today that is before the Senate.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. PRYOR. I yield.

Mr. PROXMIRE. I cannot thank my good friend from Arkansas enough. I tell the Senate I have never listened to a speech with more pleasure than the speech he just delivered. It is far more than I deserve, but I still enjoy it very much.

I thank my good friend.

Mr. PRYOR. Mr. President, this Senator has long been an admirer of the Senator from Wisconsin, long before I came to this body, and I have certainly enjoyed working with him and his capable staff during the development of this issue.

Mr. President, we are, it looks like, not too far away from a vote on this issue. I do not know whether we will vote at 5 p.m., 5:30 p.m., 6 p.m., 7 p.m., 8 p.m., or whatever.

Whatever the case may be, in the last hour or two, in the last several hours during the luncheon break, I have been approached by several of my colleagues who have come up and said, "Look, very simply explain to us the difference in the two amendments that are now before the Senate."

With all the issues that we deal with, the farm crisis, the trade issues, and what is happening in the United Nations, and what we are going to do about this and that, sometimes it is necessary to boil down simply the difference in the issues that face us as Members of this body. I'll try to do the same for procurement reform.

Let me say, and I hope I am not being too cute when I say it, that I might describe the difference very simply between what Senator QUAYLE and the Armed Services Committee are presenting to the Senate today and what Senators PRYOR, GRASSLEY, PROXMIRE, and others are presenting to the Senate today. They are two different approaches on how we deal with the procurement mess that faces this country. One approach is softball and one approach is hardball.

The approach of Senators PRYOR, GRASSLEY, PROXMIRE, and others is a hardball approach, attempting to deal with the issue of procurement that is zapping defense dollars, destroying the morale of our Defense Department, and is causing the public to very quickly lose faith and confidence in our Department of Defense and its capability of dealing with procuring for our armed services and our national security.

Mr. President, I daresay that there is not one Member of this body who has not been home in the last several weeks or months when people would not come up on the street or the sales barn or the cafes or restaurants or Rotary Clubs, or labor unions, or whatever, and say, "What in the world is the matter with you people in Washington? Why don't you do something about this procurement problem? How is it that every day, day after day, and week after week, and month after month, we are forced to read these horror stories where our tax dollars are being sent down a rathole because they are not going to the right purpose?"

Mr. President, I do not know if you have a good answer to that complaint from our citizenry out there, from our constituents.

I myself do not have a good short explanation as to why we have allowed this to occur.

Mr. President, in very brief terms, in a side-by-side comparison, and I hope my interpretation is accurate, I would like, if I might for the next few moments, rise and state what I find to be the differences between Senator QUAYLE's amendment and the Pryor-Grassley amendment.

One, Senator QUAYLE's amendment provides no requirement that is necessary for dual-sourcing of contracts to actually be competitive. On the other side of the ledger, we are offering a proposal under Pryor-Grassley-Proxmire saying that competition between dual-sourcers is required; it is mandated.

Senator QUAYLE and the committee say the Secretary of Defense can waive competition requirements for "national security reasons." Mr. President, this is a loophole large enough to drive a Mack truck through. Any time, under the Quayle proposal or present day law, the Secretary of Defense can say:

> Well, I don't know that I want to give this contract to this particular company. Let's give it to this one and we will just do it and say for "national security reasons, we will give it to contractor B rather than A, or X rather than Y."

Our proposal differs in another way, Mr. President. It says that the Secretary of Defense can go sole source—in other words no competition—only when competition is more costly or takes too much time. However, he cannot get by with that explanation alone because we require in the case of sole sourcing, in that contract where there is no competition, that the Congress approve those particular sole-source noncompetitive contracts. That approval would probably come as part of the defense authorization bill.

There is nothing in Senator QUAYLE's bill—and I am sorry he is not here. I have sent a message for him that I was going to make these few statements and I hope that he is on the way to the Senate floor. He may want to argue or rebut some of my conclusions—there is nothing in the committee amendment, Mr. President, that inhibits noncompetitive sole-source contracting. On the other hand, the whole thrust of our amendment establishes a mechanism to strongly discourage sole-source or noncompetitive contracting. Ninety-four percent of all of the Department of Defense procurement dollars today are spent without competition. No wonder we are in the mess that we find ourselves in in this year of 1985.

There is another section, Mr. President, that we have discussed already at some length. That is the question of the revolving door. Very simply put, I think we could state that the committee amendment has no real bar to the revolving door. The Pryor-Grassley-Proxmire legislation requires that a Government employee is barred for 3 years from working for a contractor that individual supervised while on the giving end.

Also, Mr. President, we find another provision in Senator QUAYLE's amendment, the committee amendment, based on very sincere motivation. Here, Senator QUAYLE and the committee say that we need more training for program managers.

Well, to be honest, Mr. President, we eliminate this provision because it only asks for more of the same type of instructions on what has enabled us to get into this precarious and, I must say, awful position that we find ourselves in at this time.

In the committee amendment, once again as a comparison, we find that the committee says that the Department of Defense or the contractors can prepare "should cost" reports on weapons. Let us take the example of the $436 hammer—actually, it would not be all that applicable here because our proposal does apply only to the major purchase of major defense acqusition programs. But let us say we have the $436 hammer. We declare that the Congress must have objective information on commercially or foreign available equivalent systems, or an independent estimate prepared by DOD when the above is not available. We think the contractor should not have the opportunity to establish an arbitrary base price for an item he would be supplying.

Mr. President, we have another major difference in this bill between the committee version and the version of Senators PRYOR, GRASSLEY, and PROXMIRE. This is a major difference in the area of quality controls. To the quality control training for DOD employees, we should add contractor employees, because we feel that the contractor himself must be involved in this training period.

As a major difference that we have with the Quayle proposal or the committee proposal, we find—and respectfully submit, that no longer should the taxpayers of this country be responsible for paying for defective work—defective parts and weapons that do not work. We find that the taxpayers have paid for that long enough. Defective equipment should be paid for and replaced solely by the contractor who performed that work.

Today there is not enough incentive for the contractor to do it right in the first place. Because if the contractor does not do it right in the first place, he gets paid on the front end and may get paid once again to fix it.

Furthermore, we put the burden upon the contractor to prove that costs are reasonable, and we also provide a strong definition of what is and what is not reasonable.

Mr. President, let me respectfully submit on behalf of the cosponsors of this amendment, with all due respect on the committee's amendment, we as a Government will spend hundreds of billions more defense dollars before the committee amendment is implemented. Up until the 1990, the Quayle amendment, the committee amendment, will be taking effect piecemeal, where our amendment would take effect immediately, the major portions of that amendment taking place on October 1, 1985, and in subsequent years running until 1987.

Mr. President, these are basically the differences between these two proposals. They are not minor differences. We see the problems as the same. But, Mr. President, what we have maintained, respectfully, is that we must have a stronger approach to curing these problems that face us at this particular time.

Mr. President, finally, we are going to utilize the criminal penalties under the False Claims Act to apply to any contractor who knowingly certifies defective equipment or services from a quality control point of view which are delivered to the Department of Defense.

The False Claims Act and the risk of perjury would also be applied if a contractor knowingly falsified any report to the Department of Defense or to the Congress of the United States. I think Senator GOLDWATER raised this question well a while ago. I only assure the distinguished chairman of the Armed Services Committee that under our proposal if a contractor did those things that Senator GOLDWATER mentioned only a few moments ago, that contractor would be running the risk of perjury just as a taxpayer is on April 15 if he files a fraudulent income tax return.

I yield back the remainder of my time.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. I ask unanimous consent that the discussion of the present amendment be temporarily laid aside, and that recognition be given to the Senator from New Mexico who will offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 155

(Purpose: To require certain additional information in annual Selected Acquisition Reports)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 155.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following new section:

ANNUAL SELECTED ACQUISITION REPORTS

SEC. . (a) Subsection (c) of section 139a of title 10, United States Code, is amended to read as follows:

"(c)(1) Each Selected Acquisition Report for the first quarter for a fiscal year shall include—

"(A) the same information, in detailed and summarized form, as is provided in reports submitted under section 139 of this title;

"(3) the current program acquisition unit cost for each major defense acquisition program included in the report and the history of that cost from the date the program was first included in a Selected Acquisition Report to the end of the quarter for which the current report is submitted; and

"(C) such other information as the Secretary of Defense considers appropriate.

"(2) Each Selected Acquisition Report for the first quarter of a fiscal year shall be prepared and submitted in the same format and with the same content as was used for the Selected Acquisition Report for the first quarter of fiscal year 1984.

"(3) In addition to the material required by paragraphs (1) and (2), each Selected Acquisition Report for the first quarter of a fiscal year shall include—

"(A) a full life-cycle cost analysis for each major defense acquisition program included in the report which is in or has completed full-scale engineering development and which was first included in a Selected Acquisition Report for a quarter after the first quarter of fiscal year 1985;

"(B) if the system that is included in a major defense acquisition program described in clause (A) has an antecedent system, a full life-cycle cost analysis for that antecedent system; and

"(C) production information, including but not limited to—

"(i) a baseline annual production rate planned for the system through the projected termination of the procurement;

"(ii) cost and schedule variances caused by departure from the annual baseline production if the annual budget submission varies from the baseline;

"(iii) the annual production capacity provided with the facilities and tooling programmed for procurement in the program or otherwise provided by Government funds;

"(iv) the annual production rates assumed in the cost-effectiveness analysis presented at the time the Secretary of Defense authorized the military service component to proceed with full-scale development of the program; and

"(v) the cost savings projected to be available if the program submitted in the annual budget submission was procured at the annual production rate identified at the time the Secretary of Defense authorized the military service component to proceed with full-scale development of the program.

"(4) Selected Acquisition Reports for the first quarter of a fiscal year shall be known as comprehensive annual Selected Acquisition Reports.".

(b)(1) The Secretary of Defense shall resubmit to Congress the Selected Acquisition Reports required by section 139a of title 10, United States Code, for the first quarter of fiscal year 1985. The reports as resubmitted shall be in the format and with the content required by paragraph (2) of section 139a(c) of such title, as added by subsection (a).

(2) Such reports shall be submitted not later than 30 days after the date of the enactment of this Act.

Mr. BINGAMAN. Mr. President, I have sent to the desk an amendment that is designed to improve the quality of information in one of the most important oversight documents provided to the Congress on Defense Department programs, the selected acquisition reports, or SAR's.

The SAR's are one of the most comprehensive sources of data on the costs and progress of major defense weapon systems. The SAR's provide for each system the current best estimate of the key performance, schedule and cost goals for the total program. That best estimate is compared to a baseline estimate for the program. That baseline estimate provides a yardstick to measure progress, and highlight problems.

The SAR's originated in the Laird Defense Department in the early 1970's. David Packard, then Deputy Secretary of Defense, and Robert Moot, then Defense Comptroller, were committed to having a tool which could highlight cost, schedule, and technical variances in major defense acquisition programs. With the help of McKinsey & Co. and the Harvard Business School, what we now call selected acquisition reports were developed. I might add that then Senator Richard Schweiker played a significant role in encouraging the development of these reports. As my House colleague, Representative JOHN SPRATT, who was then working for Mr. Moot, has told me, the SAR was an attempt to institutionalize honesty in the defense acquisition process and was and remains an essential management tool.

The selected acquisition reports have become one of the most important tools available to the Congress for defense oversight. The SAR's are the documents which provide the basis for annual review of cost growth in weapons programs. Three years ago the Congress adopted the Nunn-McCurdy amendment on cost growth. That amendment, now incorporated in section 139b of title 10 the United States Code, stipulates specific reporting criteria if SAR weapons systems exceed certain cost growth thresholds. The Nunn-McCurdy amendment has become a powerful tool for controlling costs in programs.

The primary purpose of the Nunn-McCurdy amendment is to force senior managers in the Defense Department to confront troubled programs. At least one program, the low-level-laser-guided bomb, this year was terminated by the Air Force because it breached the Nunn-McCurdy amendment cost threshold. Because the SAR's provide comprehensive and consistent data, they are crucial to the functioning of the Nunn-McCurdy amendment.

This year the Defense Department chose unilaterally to scale back the detail provided in the annual comprehensive SAR reports, which we received in April. Major portions of cost data were dropped. Much of the cost variance analysis was removed. Contractor costs were deleted. Footnotes explaining important changes were dropped. In short, Mr. President, DOD decided to cut back severely on the data provided in the SAR's.

The Defense Department has argued that this information is already provided in other ways to the Congress and that no one looks at the SAR's anyway. That is just not true. Our staffs review them in detail. More importantly, the congressional support agencies, notably the Congressional Budget Office and the General Accounting Office, rely on the SAR reports. The independent cost estimates from the Congressional Budget Office that we have all come to depend on, rely on the SAR reports, and particularly on the data that was dropped in the most recent SAR report.

But beyond this immediate impact, there is a more fundamental issue at stake. The Defense Department, by choosing to unilaterally limit the data provided in the SAR reports, is signaling to the Congress that it is prepared to abandon this most important management tool, a tool put in place, I would repeat, by recognized management experts such as David Packard and Robert Moot. I think we must in turn signal to DOD that we require that information and that it shall continue to be provided.

My amendment, which at Congressman JOHN SPRATT's initiative is incorporated in a parallel form in the fiscal year 1986 defense authorization bill which the House Armed Services Committee has reported, specifies that the information which had been provided routinely in the past shall be continued in future SAR reports. It also calls on DOD to resubmit the current SAR with that data restored within 30 days of the enactment of this act.

My amendment also adds two new elements of information to the SAR reports starting next year. First, the amendment requires DOD to provide operating and support costs for future SAR systems by providing a comprehensive life cycle cost estimate for the systems. Congressman SPRATT's amendment has a similar requirement.

Let me reassure my colleagues that my amendment is not asking DOD to do anything that it is not already doing. Every major acquisition program must have a life cycle cost analysis completed before the Secretary of Defense will authorize full scale engineering development of the system. My amendment merely requires that the SAR reports include that information in the future once the Secretary has authorized the SAR system to proceed with full-scale engineering development. The amendment also directs DOD to compare those life cycle costs with antecedent systems, if they exist. For example, the Air Force will have to compare the life cycle cost of the advanced technology fighter with the F-15 in future SAR reports on the ATF and the Navy will have to compare the life cycle cost of the new SSN-21 attack submarine with the SSN-688 attack submarine.

The primary reason this information should be included is to bring greater attention early in the acquisition process to the total costs of a new weapon system. At the early stages of program development too little attention is devoted to operating and support costs. The program manager is under all kinds of pressure, but he is primarily evaluated on meeting the performance and investment cost objectives identified for the system.

But there is too little attention to long-term ownership costs. It costs $18 million to buy an F-16 fighter. But that fighter costs $1.8 million per year to own and operate. Over a 20-year period, the ownership costs will be twice as great as the investment costs. We need to pay greater attention to those long-term ownership costs early in the acquisition process. My amendment will bring those costs to the attention of senior managers in DOD. If they know that those costs are going to be required in the SAR's for future systems once they pass the full-scale engineering development milestone, they will devote more attention to these critical questions during internal DOD review.

My amendment also requires DOD to provide production rate information in the SAR's. This part of my amendment goes beyond Congressman SPRATT's language in the House bill, but I have discussed it with him and he believes that it would be a useful addition. All of my colleagues have heard that we have too many weapon systems in production at inefficient production rates. Senator NUNN has taken the lead in attempting to deal with this problem. Senator GOLDWATER, from my first days on the Armed Services Committee, has pointed out the inefficiencies in buying only three or four or six of a weapon system in a given year. Too much of our defense investment is going to pay for contractor overhead because we buy more systems than we can afford to buy at efficient production rates.

My amendment requires the Defense Department to identify for each SAR system the minimum economic production rate for the system and the desired production rate. DOD will have to indicate in the SAR how much more the system costs because we fail to procure it at the desired production rate. The cost impact of inefficient production will be included in the cost variance analysis, so we can see the cost of inefficiency more directly in procurement. The production rate data will be submitted starting with next year's SAR's.

I am convinced these changes will further improve the SAR reports. I ask my colleagues to support this amendment aimed at improving the management of the Department of Defense.

(Mr. DOMENICI assumed the chair.)

Mr. GOLDWATER. Mr. President, I believe the minority has cleared this.

Mr. LEVIN. Mr. President, not only have we cleared it, but we commend the Senator from New Mexico for a really creative and powerful improvement to the SAR statutes. We have been going over this and it is a very important addition to the current law. We commend him on it. We have cleared it.

Mr. GOLDWATER. Mr. President, I include myself in the remarks made by my friend from Michigan.

I have a great deal of admiration for the Senator from New Mexico for the way he attacks these problems and sticks with them.

Mr. President, we will accept this amendment.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 155) was agreed to.

Mr. GOLDWATER. I move to reconsider the vote by which the amendment was agreed to.

Mr. QUAYLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 154

Mr. GOLDWATER. Mr. President, I ask unanimous consent that we now return to consideration of the amendment offered by the distinguished Senator from Arkansas, to the amendment of the distinguished Senator from Indiana [Mr. QUAYLE].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. Mr. President, I am going to yield the floor so the Senator from Michigan can make a statement. Then, after he speaks, I intend to speak concerning some statements that have been made today about the committee amendment.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank my friend from Indiana. I am going to respond very briefly to a few of the points the Senator from Arkansas made comparing the two amendments. I am only going to focus on the revolving door aspects of it. Most of this amendment is other than that but the revolving door is the part I have had the most connection with.

I do not know if my friend from Arkansas is here. I hope he is within earshot in any event.

Mr. President, at least as far as the revolving door aspect of the committee amendment is concerned, I think the fairest characterization is that the committee amendment plays hardball and the perfecting amendment plays hardball, but they play it in two different ways. In two significant aspects, the committee amendment is stronger than the perfecting amendment. The perfecting amendment only covers DOD employees who have significant responsibilities with a particular Government contract. If you have less than significant responsibilities, if your job with the DOD relative to a contract is not major but is minor, you are off the hook under the Pryor amendment. You can have discussions about a job for yourself. If your responsibilities relative to a contract are not significant as defined by law, you can go ahead with that defense contractor and discuss employment for yourself after you leave the DOD. That is wrong. It is unethical, and we are going to stop it. The committee amendment does stop it.

In other words, there is a multitude of employees who have contract responsibility which do not rise to the level of major significance, but the ethical question is major and significant. The ethical question is whether or not we want DOD employees, regardless of the significance of their supervisory responsibilities—if they have any supervisory responsibilities, do we want those employees discussing jobs for themselves? The committee amendment says no. That is an important difference between this amendment and the Pryor amendment. In this respect, our amendment is significantly stronger than the Pryor amendment.

We also have a 10-year ban—not a 3-year ban but a 10-year ban—for employees who have not disqualified themselves who are pursuing discussions about employment at the same time that they are monitoring contracts with the contractors with whom they are discussing employment. In that respect also, the committee amendment is a lot stronger than the perfecting amendment which is being offered. Again, I am only addressing myself to the revolving door aspects of the particular perfecting amendment which we are debating now.

My friend from Indiana, I know, has been kind enough to yield to me and I am going to yield the floor so he can address the other aspects of the perfecting amendment vis-a-vis the committee amendment which we are supporting here this afternoon.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, we have had an interesting debate this afternoon. I shall have to admit that I do not think it has been as intense as I had anticipated. I guess I had anticipated a number of people really coming over and hammering away at what the Armed Services Committee had done. That simply has not happened.

I think perhaps what the vote will show is that the Armed Services Committee has very diligently provided a thoughtful, detailed, substantive procurement reform and has done that on a bipartisan basis. I really believe that, in our heart of hearts, with the work that we put into this committee amendment and the work that we have done, our deliberation will in fact prove to be the contribution that the full Senate wants to accept.

Mr. President, what I am going to do now is outline some of the actual false statements that have been made this afternoon about the committee amendment. I am going to point out some of the real fallacies of the Pryor amendment. Then I shall conclude by again talking about the merits of the committee amendment that I hope the Senate will adopt. But I do believe we have to set the record straight, because there have been a number of erroneous statements that have been made.

It was said this afternoon, Mr. President, that this committee amendment does not require competition between two contractors. False. That is simply not the case, because the committee amendment in fact does recognize and pay attention to CICA, the Competition in Contracting Act. Perhaps the statement was in reference to dual sourcing. I do not know what the reference was, but a direct quote is, "doesn't require competition between two contractors." That is simply a false statement.

Another statement was made that the "should cost" analysis would be

done by defense contractors. That is absurd. Why would we hire a defense contractor to do a should cost analysis? As a matter of fact, we say that the Department of Defense ought to do the should cost analysis.

In the report language, we make very certain in fact if they want to contract out to the private sector that is doing something, they could do that, but not to a defense contractor. Again, that is a statement that is simply erroneous. It is wrong on its face.

The statement was made this afternoon, concerning the warranty provisions that was worked out last year, that on the first 10 percent to come off the production line, there is absolutely no control on the quality that comes off. In other words, nothing is under warranty. Again, erroneous. The first 10 percent applies to production warranty, but we have a warranty on workmanship and materials for all items, whether it is the first 10 percent or the last 10 percent. So again, Mr. President, that is an erroneous statement, a false statement concerning the committee amendment.

Another statement was made that $1 trillion will be spent before the effects of this committee amendment take place—$1 trillion. It sounds good. Maybe everybody up there in the gallery caught it, $1, trillion before the committee amendment takes effect. Again, Mr. President, an erroneous statement. The things that do not take effect immediately refer to the education and training of the program managers and the professional personnel. Dual-sourcing, revolving door, and other elements of the bill take effect immediately. But it sounds good to stand up and talk about $1 trillion is going to be spent before any of the committee reforms take place.

Well, Mr. President, it is just not true, absolutely not true.

Another statement was made that 96 percent of the funds are not competitive—96 percent of the funds are not competitive.

Now, that may have been true under the earlier definition of the amendment offered by the Senator from Arkansas on sealed bids but now that he has gone back to adopting the competition itinerary in CICA, that 96 percent does not apply. It is 40 percent. Four percent compared to 40 percent is a big difference. So to stand up and say 96 percent are not competitive just simply is not true, Mr. President—simply not true.

Then we have a letter that went out on May 17, 1985, signed by the Senator from Arkansas and the Senator from Iowa. It says, "There is an incentive for contractors to provide poor equipment since the replacement of that equipment can mean more business for the contractor."

Mr. President, that is really in the category of almost being outrageous, I mean the idea that somehow we are going to put in incentives for contractors to provide poor equipment it is wrong. Furthermore, I point out that we have a warranty provision which would be an incentive to the contractors to have good equipment, to provide the best quality, but yet this statement goes out.

I say there is also an incentive to provide good equipment and good quality; if we have a fixed-price incentive contract, that those would be incentives to the defense contractors to perform in a good way. To make reference that somehow we are going to provide incentives to have shoddy equipment, bad materials, bad contracting, Mr. President, hardly deserves an answer. I am a little bit surprised it is even put in the letter, but when these things are put in there and challenges what we are doing, the Senator from Indiana has to get up and speak to that point. I cannot idly sit back and let this type of nonsense continue.

So, Mr. President, those are some of the things that have been stated throughout the day, throughout the discussion of this amendment which are simply wrong. They are simply in error, and I want the RECORD to so show.

Now, then, what are some of the objections to the Pryor amendment as such?

Well, I would say that one of the objections—I think probably the most important objection, Mr. President—is that you have a 22-page amendment that is just thrust out here, saying this is better than what the Committee on Armed Services could do. And yet, when we narrow it down, you go back and correct the RECORD, at least we have defined the areas of concern, but there seems to be a disagreement on what ought to be the remedy. That is the main objection, running in here and doing it in this manner.

Another concern I have is that if you take any kind of a claim that is submitted but not granted, then there are criminal penalties. Well, this goes to the gray area, Mr. President, and I think to say that there could not be an arguable debate on what is public relations versus advertising or what would be employee morale versus entertainment avoids the question, because there can be a discussion of these issues. It has been going on for years. As the chairman of the Armed Services Committee has said so many times, this debate has been going on for years as to what is an allowable expense. It is going to continue. Now we take some provisions that itemize and say these things in another part of the bill should be presumed to be reimbursable, but what this says is that any claim that is not granted but submitted, automatically criminal sanctions apply.

Well, now, Mr. President, if we want this legislation to mean something and be enforceable, obviously we are not going to go overboard and overkill. I hardly think that is the right thing to do.

Then we have the requirement by the Pryor amendment that sole source contract has to be authorized by the Congress each and every year. Each and every year Congress is going to have to authorize it. Whether it is the F-15 or an aircraft carrier, you name it, any sole source is going to have to be authorized. This is simply going to be a costly and in my opinion a very unworkable situation.

We have already gone through the revolving door issue. I think the Senator from Michigan has pointed out, quite properly, that his provision in many respects is tougher on the so-called revolving-door employee than the substitute that is going to be offered. But I am concerned particularly on the revolving-door amendment as a substitute for the amendment that is offered that it would prohibit those who work on mini contracts from going to work for anybody in the defense industry.

Now, I can see maybe the idea that if you want to narrow it down and say this person should not go to work for that particular industry, you may have an arguable case. But when you put it in the context of a person who works on mini contracts being prohibited from all the defense industry, I can only say that we are really going to be in a world of hurt to try and recruit people into the Government and provide a service. You talk about incentives and disincentives. This would be one of the bigger disincentives to getting quality people.

Also, Mr. President, under the substitute amendment they drop a provision of our bill that I think is very important, and that provision deals with the training and education we would like to see of our program managers and the people who are in the major weapons development systems in the area of procurement. I read from the same letter dated May 17, and it says:

> Quayle addresses a very serious problem, but unfortunately sending managers to the sort of training now offered is no improvement. Some of the best people at DOD have no formal training, just good judgment. Therefore, Pryor-Grassley eliminates these two sections.

Well, now, Mr. President, somebody having an education in this background certainly will help their judgment. They might just be a better judge and be able to call the shots a little bit better if they have this kind of background.

But, no, the Pryor-Grassley amendment cuts that. It says, "Oh, we really don't care, I guess, about what their background is just as long as they have good judgment."

I wish I could really believe that.

and put them in there and they will

Mr. President, I hope that the

accusation was, or what the Senator

I wish I could really believe that. Maybe the Congress would get out of a lot of this micromanagement business. Just let them have good judgment. Let the President exercise his judgment. Let the Secretary of Defense exercise his judgment. Do not you try to get in there and specify what this ought to be. I mean to tell you, I am going to read that one back a lot of times—just let them use their own judgment. We are going to allow them to use their own judgment. We also want to give them some guidance in what we think education and training requirements should be.

When we look at the Hughes plant with respect to the problem they had in soldering, some of the people in quality control had no background in quality control.

Just leave it up to judgment? Some reform measure? You had better rename this substitute. I do not know what kind of reform that is, but it is not what the Senate wants to adopt. Just leave it up to their judgment, just good judgment. I am going to get a plaque on that.

Mr. GOLDWATER. Mr. President, will the Senator yield for a comment?

Mr. QUAYLE. I yield to the chairman, without losing my right to the floor.

Mr. GOLDWATER. This item in the other measure bothered me. As the Senator from Indiana knows, we had been advocating competition in the armed services for years.

The Navy, for example, had competition advocates who had become so successful that they rebuilt a battleship last year, and two other ships, without 1 cent of the taxpayers' money. Those men were schooled. They were taught how to go out and get competition.

The Army is now conducting a school where they are going to train young officers to go into this type of position. The Air Force is doing it. I think it is the most important thing that the Pentagon has ever engaged in.

As for common sense, I am a great believer in common, horse sense.

The Senator described the situation at the Hughes plant, where they did not even know how to solder, and they were making $1 million Phoenix rockets. Yet, the man who was supervising had common sense. If a guy cannot look at a solder joint and tell it is no good, he does not even have any sense, not only common sense.

I am glad that the Senator is stressing this very important point, one of the major differences between the amendments we are going to vote on, and I compliment him.

Mr. QUAYLE. I thank the chairman. He is absolutely right.

The very fact that there is no formal training, just let them go out—we will get them out of some tank or some plane or pick them out of somewhere and put them in there and they will exercise good judgment. What the Armed Services Committee worked so hard on was to try to get them into training and into having some education.

Furthermore, what we have tried to do, which the Pryor-Grassley amendment totally debunks, is to get a career path established, so that once these people get into the acquisition situation, they know that they can become a general or an admiral without being on the ship or in the plane or on the tanks.

In peacetime or wartime, we have to have a professional acquisition corps in the armed services. That is what the committee amendment does.

However, for some reason, we are just going to leave it up to judgment with the Pryor-Grassley amendment. I leave it up to the Senate to answer that question in a short time.

Finally, Mr. President, I should like to reiterate what the committee amendment does. It deals with competition, continuation of competition. We encourage dual sourcing where appropriate. Where you have dual sourcing, you have two contractors, whether it is engines, where you save billions of dollars, or something else. Dual sourcing can save money.

Another main component is cost. We are trying to figure out how much a particular weapons system should cost. We ought to have an understanding of that, and we can get that understanding and that appreciation within the Department of Defense and find out what the cost should be.

Third, we do encourage a more professional procurement personal staff. That is the section that the Pryor-Grassley amendment guts. That amendment takes it out and says it is no good; leave it up to judgment; do not worry about education; do not worry about training; do not worry about these people knowing anything about soldering or accounting.

As to quality assurance, it is a major component of this bill.

The Senator from Michigan has explained the revolving door eloquently and in detail. We also have the procurement technical assistance, the outreach programs. In this bill, we have the outreach programs, where we try to get more small businesses into the defense-industrial base. There is nothing wrong with that. The more you have in it, the more competition there is.

Finally, we changed the burden of proof in a court case, that the contractor has to show why the cost should be allowable, not the Government. The burden falls on him if the Government questions it. Many Members of the Senate are lawyers, and they know that, in a court of law, an important point is where the burden of proof rests.

Mr. President, I hope that the Pryor-Grassley amendment is rejected overwhelmingly. The committee, with strong bipartisan support, voted unanimously to report this procurement reform that is pending.

I dare say that it may be good politics to stand up and say all these things and to do all these things in the area of procurement, but some of us take this matter very seriously.

No matter what happens with this amendment, I look forward to working with the authors of this amendment. I hope they offer some testimony before our subcommittee, because this is not the first time we are going to be dealing with this issue, nor is it the last time. This issue will be around. We will have the dialog, the testimony, and the witnesses, and we will do this at a committee level and a subcommittee level, where we can get bipartisan support and understanding.

This is a 22-page amendment, highly technical. I have outlined some of the deficiencies I find in the amendment. I have corrected many of the misstatements that have been made.

I hope the Senate will support the Armed Services Committee, which has done a lot of work on a very important piece of legislation that will be before the Senate very soon for a vote.

Mr. PRYOR. Mr. President, the Senator from Indiana and the Senator from Arkansas started off this debate on this issue, I thought, on a very high level. I complimented the Senator from Indiana. I complimented the members of the procurement subcommittee of the Armed Services Committee. I complimented the chairman and the ranking minority member of the Armed Services Committee. I thanked them for recognising the issues we are looking at today in this debate on the floor of the Senate.

Never once, by implication—and I hope not on the other side by inference—did the Senator from Arkansas ever suggest that there was one iota of misrepresentation or one reason to be wrongly motivated in bringing before the Senate these issues of defense procurement.

Truly, I think the Senator from Indiana, the Senator from Arkansas, and all other parties in the Senate are equally concerned and equally disturbed and equally frustrated about what is going on in this country and about the relationship of the Department of Defense to the defense contracting establishment.

Let me pass that by for the moment and say once again that I compliment the Senator from Indiana for his diligence, and I compliment the staff of the subcommittee and all those involved on that side in bringing this effort to the floor this afternoon.

Let me respond by saying, also, I do not know exactly what the Senator's

accusation was, or what the Senator from Indiana called the statements I made about what was in or not in his proposal.

Let us put all that beside us. Let us get to the point of what this issue is truly about.

This issue is about which one of these proposals is harder or softer. It is about which will bring us the best weapons system at the best price for the protection of our own national security and for the protection of our own taxpayers of this country.

I said earlier when I opened up the debate this morning—it seems like a long time ago—I stated then and I restate now that it seems that we spend too such time in this Chamber talking about how we are going to control our own Defense Department and the defense contractors of America and spend too little time, it seems, on trying to figure out what the Russians are going to be doing or what they are building or what they are saying. I am worried about that, Mr. President, because once again, this whole area has deflected our attention away from the concerns of the protection of our national security.

Mr. President, I am going to make three or four points here, and once again I am not questioning the motives of the Senator from Indiana, but I wish very much for the Senator from Indiana to rise on the floor of the Senate and show me one area of this particular bill, or his particular amendment, which is going to encourage and provide the incentive for more competition in defense contracting.

Mr. QUAYLE. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. QUAYLE. The very first provision where we say the dual sourcing ought to be part of a norm rather than exception will encourage competition.

Mr. PRYOR. How much effect have the words "ought to be"? What effect does that have on the Department of Defense and the defense contracting establishment—"ought to be"?

Mr. QUAYLE. I guess I will restate it.

I presume the Senator understands the dual sourcing. Once a contract is let you try to keep two contractors in the actual production of it. And if we encourage dual sourcing and we have two contractors out, the most classic example is the re-engine contract, where we have GE and Pratt & Whitney involved in that. We have competition and also savings, and we think this ought to be much more of the rule rather than exception.

Mr. PRYOR. I respectfully submit that the Senator's amendment says, "ought to be," and even let us just make the presumption, if I might say to the Senator from Indiana, even if the Senator said "shall be dual source," "shall" being a mandatory work, then he comes right back and says a few sentences later that if the Secretary of Defense does not want to do this, then all the Secretary of Defense has to do is to sign a waiver and say it is in the interest of national security. The very distinguished Senator from Indiana refers often and fondly to CICA. The Competition in Contracting Act, as the Senator knows, closed that loophole on "national security interest," and I respectfully submit that the committee language does nothing but open that loophole up once again.

Mr. QUAYLE. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. QUAYLE. Let me reiterate on page 4 of our bill the acquisition plan shall provide for the use of competitive procedures when required, and it does use the word "shall acquire," and furthermore on the waiver provision there are always going to be waivers. Perhaps the Senator thinks that our waiver situation ought to be tightened up. I can tell the Senator it does not take 22 pages of an amendment to tighten up that provision if that is what he is concerned about.

Mr. PRYOR. I thank the Senator for yielding.

I also wish to know if there is an incentive in his amendment to force competitive dual source contracting. What incentive do we find in the committee amendment to force competitive dual source contracting.

Mr. QUAYLE. The legislation requires dual sourcing. Let me read it again. "The acquisition plan shall provide for the use of competitive procedures," shall referring back to dual sourcing. This is not a kind of incentive. It is a requirement we are putting in there, much stronger than any kind of incentive that we could write.

Mr. PRYOR. The Senator also took great issue about the language that we have requiring Congress to approve sole-source contracting in major acquisition programs, and I guess there are somewhere around 80 of these programs each year.

I wish to ask the Senator from Indiana what is wrong, when a sole source contract has been granted with no competition that is going to spend billions and billions of dollars on a particular system when there is no competition whatsoever, what is wrong with bringing that issue to Congress? What is so wrong about that?

Mr. QUAYLE. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. QUAYLE. In some cases, some situations, there is only one contractor who can manufacture the system. For example, the F-15. They do not have two contractors making the F-15. We do not have two contractors making the F-16. We do not have two contractors making the Trident submarine. Once we sign off on that, I do not know why we have to do it year in and year out. It becomes very burdensome. It becomes a lot of paperwork, and we can allow their own good judgment on that particular point if in fact they are going to use sole source.

Mr. PRYOR. I wish to talk about good judgment in a moment, but if the Senator says it is going to take a lot of paperwork, I would just point out that we have over 100,000 people, I think who purchase for the Pentagon. If we talk about good judgment and if we talk about paperwork and if we talk about costs to come up here to the Hill, I say this sincerely to the Senator from Indiana, I think that would be time and money well spent. I think we then put Congress once and for all back in the oversight function that somehow or other we have delegated to the Defense Department, and I think it is a proper function of Congress to look at these huge expenditures, especially when there is no competition whatsoever. I think that is the proper approach.

Mr. QUAYLE. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. QUAYLE. I would think that we do in fact have oversight, and I think we do have authorization of these sole-source contracts when in fact we approve a defense budget. If the Senator wants to put in an amendment that says that we ought to dual source the F-15 or Trident submarine, I suggest that the Senator do that and then we can have a debate on that.

I do not think the Senator will do that. If he wants to we can. We are going to have oversight this whole week on the defense budget and every single item in that. Therefore, we can have a discussion on each item, whatever item the Senator wants to get into.

Mr. PRYOR. I say to my friend from Indiana, yes, we are going to have oversight. We are going to have oversight by telling the Department of Defense how much money can be authorized for a particular program and the Appropriations Committee is going to come back and appropriate those dollars and then, I say to my friend, Congress is out of it. We are out of it until it is too late, until after the Congress finally wakes up some morning and we find, oh my goodness, what has happened to this contract? Why did this tank cost so much more than we were told it was going to cost? Why did this airplane cost so much more? Why is it that today we are now buying gas masks at $6,500 apiece or whatever?

I say to my friend from Indiana, sole-source contracting, big overruns, these have got to be monitored much more closely. I say to my friend very respectfully that we are finding out too late about what is going wrong. We have got to start finding out before the fact rather than after the fact and after it is too late.

The Senator from Indiana has had some great fun talking about his section on quality assurance and our section deleting the program managers school that these program managers should go to. I would be glad to concede this at this particular point. We could do it by division or any way you want to on that particular section of the Senator's legislation. I would be very happy to concede that amendment and say, "You know, maybe this is not going to be too bad."

But it is things like what happened to Col. Robert Dilger that make me wonder about whether a school is the right to way to go. Col. Robert Dilger was the program manager for the GAU-8 ammunition program. The Senator from Indiana probably knows that the Air Force was prepared to spend some $85 per round on those shells. Because of competitive dual sourcing, however, we are now purchasing that same round of ammunition for $13.

Well, this was all the suggestion of Col. Robert Dilger. He got this round of ammunition down from $85 to $13—and he had no training. Do you know what he had? He had good judgment. And do you know what happened to him? The Air Force rewarded Colonel Dilger. How did they reward him? By promotion? By an award? By a medal? No, they hounded Colonel Dilger out of the Air Force.

This is what is happening today to people like this who want to try to bring some sense into what we are doing.

Now, Mr. President, once again I would be glad to concede and I would be willing to try, I would certainly applaud the Senator if these so-called schools that he has in mind could teach these people how to contract.

(Mr. DANFORTH assumed the chair.)

Mr. QUAYLE. Will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. QUAYLE. Actually, the schools are important, but the most important thing in there that we require is the experience, the 8 years experience. Because what has happened in the procurement area, to get people into the program management so they can see their way to the top, they are simply taking people out of operations that have very little procurement background and putting them into procurement.

We had a debate last year, I believe it was Senator Nunn, Senator Byrd, and Senator Levin and others, where we talked about putting in a 4-year requirement for a program manager because we wanted some sense of stability of these people to get into the program management and to get into the procurement.

So beyond the schools, which I personally think are an important requisite, the 8-year experience—and that is one of the things the Department of Defense, quite frankly, fought very hard and I think that is one of the things that I know I am interested in and I think you would be interested in, too, to try to establish that experience factor. Because if we can get people that have more of a background and more experience in this, then I think they are going to be able to go out there and have more parity, have a broader background and better understanding of how these things work.

So it is not just the schools, it is the very experience factor that is a very important factor that has been deleted.

Mr. PRYOR. Mr. President, I would like to say this, and I hope it does not sound facetious. I think one of the problems now in our whole defense procurement system is that there is too much experience already. They have learned how to find every loophole. They have learned how to abuse the system terribly. And I do not know who is going to be teaching all of our people how to write contracts. I hope it will not be General Dynamics or Hughes Aircraft. I am not implying that they would. I do not know who is teaching at these schools.

But whatever the situation is right now, I think we all concede that it is a mess. I am certainly willing to concede that if the Senator from Indiana and the Armed Services Committee thinks this is a good idea, I am willing to try it. But right now I am inclined to believe we have too much experience. What I think we need is some toughness in requiring competition. Because in requiring competition and requiring contractors to compete to a dual source nature, we would achieve the greatest reform ever.

Mr. President, I do not have a lot more to say about this whole proposal. It is extremely complex, as the Senator from Indiana knows. As reasonable men and women do, I think we disagree on how we can achieve the result that we want. I want the Senator to be assured, notwithstanding what he has said, that I in no way attempted to mislead one individual in this Chamber.

I would like to conclude by saying that it has been a pleasure working with the chairman of the Armed Services Committee and others in allocating this amount of time this afternoon. Frankly, I wish we could debate this section for a whole week because I think it needs that much time. I think it needs that much attention.

I just think that we have got to find a positive and constructive way to make the necessary reforms. We just think that our approach is stronger. It may be that yours is stronger, but we think that ours is stronger. I hope that you will allow us the opportunity, even though neither of the principal authors is on the Armed Services Committee, to come forward and make some sense of a chaotic and, in my opinion, a very, very dangerous situation.

So we think ours is the way to play hardball. We think yours is the way to play softball. We are going to give the folks an opportunity in this Chamber to cast their vote and see which is the best route. That is how the system works. I thank the distinguished Senator from Indiana.

Mr. HART. Will the Senator from Arkansas yield?

Mr. PRYOR. I am glad to yield to the Senator from Colorado.

Mr. HART. Let me just say for one moment that the Senator from Colorado is on the Armed Services Committee. The amendment offered by the Senator from Arkansas and his other cosponsors, in the judgment of this Senator, is in fact real procurement reform. Those of us who have been trying to bring reforms to the military institutions for a number of years, many of us very strongly support this amendment. We feel that, unlike its counterpart, it does not just offer a slim hope for promise of reform, but it is a fundamental reform in the procurement system. I hope those who genuinely feel that we have go to do business differently in the largest bureaucracy of the Federal Government, indeed perhaps one of the largest in the world, will support this amendment.

Mr. President, I strongly support the amendment offered by the Senator from Iowa and the Senator from Arkansas and supported by the congressional military reform caucus.

The issue before the Senate is a simple one: Do we want the reality of reform of defense contracting or merely the appearance of reform? The Procurement Subcommittee of the Senate Armed Services Committee has offered a committee amendment to this bill that, while it is well intentioned and does a good job of identifying procurement problems, has few teeth. The Pentagon has already said it can live with the committee amendment, which is to say, the amendment will not bring any real changes to business as usual.

In contrast, the amendment supported by the military reform caucus would bring real change.

It would replace the defense industry's business-as-usual procurement process with real free enterprise by demanding that most contracts be let on a competitive basis. And this competition would not be of the kind most common now, where a company can buy in to a program with an unrealistically low bid then raise the price once it has obtained the contract. Instead, two contractors would produce the product, with annual rebidding. The loser would get just enough of the contract to keep him in business until the next year's bidding. Time would bring added pressure to lower prices, not to raise them, as is the case today.

This is just the way the rest of our free enterprise economy works. It is the reason American consumers get a large variety of good products at reasonable prices. In contrast, the current Pentagon contracting system works like the economy of the Soviet Union. The Wall Street Journal recently referred to the current system as "The Pentagon's Gosplan." Thanks to our capitalistic economy, we do not have to buy weapons the way the Russians do. But that is exactly how we buy them today.

The Senator from Iowa has referred in the past to the need to get welfare out of the Pentagon procurement system. I would add, we need to put Adam Smith in the Pentagon. The amendment supported by the military reform caucus, unlike the proposed committee amendment, would do exactly that.

The caucus' amendment would also require that cumbersome, time-consuming procedures be followed to award a contract on a sole-source basis. I think this is a creative and useful approach. If we do not want sole-sourcing, which is to say monopoly, then we should make it difficult, obvious, and somewhat embarrassing. We should make the Defense Department shout from the housetops, "We are awarding this contract without the money-saving benefits of competition." We should make those who propose sole-sourcing parade before the Congress and the public wearing a sandwich sign reading, "We believe in monopoly. We like the way the Soviet economy works." That is, in effect, what this section of the amendment does.

The amendment also takes tough action on shoddy workmanship in defense contracts. Here we are not just dealing with money, but with lives. Weapons with manufacturing defects fail in combat, and when they fail, our soldiers die.

The committee amendment proposes nothing more than a 4 week training course for quality control personnel. In contrast, the caucus amendment requires the manufacturer to bear the full financial liability for quality control problems. He must pay all costs, including installation and labor costs, involved in fixing the defective weapon he supplied or replacing it. The defense contractors will just laugh off a 4 week training course. But if they know they have to pick up the full costs of any defects, they will have a strong incentive to get serious about quality control. We owe our soldiers that kind of seriousness.

Another major reason why we get so many poorly designed, ineffective and overpriced weapons is the revolving door. In the absence of both design and production competition, getting a contract can depend on making friends in the Pentagon. There is no better way for a contractor to make useful friends than by hiring those Pentagon officials, military or civilian, who oversaw his own program. As one Pentagon official said:

> Everyone here knows that if you play the game and keep the money flowing to the contractor, when you retire, a nice man will come around and offer you a well-paying job. If you make waves, if you raise objections to what the contractor is doing, when you retire there is no nice man.

The committee amendment merely requires a report when a DOD employee goes to work for the contractor he was supposed to be overseeing. The only penalties occur if the employee does not make a report. In contrast, the Grassley-Pryor amendment prohibits a DOD official from taking a job from any contractor he oversaw for 3 years after he leaves Government service.

Mr. President, on all three points—competition, quality control, and the revolving door—the committee amendment offers only an appearance of reform. The caucus' amendment offers real reform. I believe our constituents are tired of Government by appearance. They want reality, substance, not nice words that really change nothing.

This amendment offers a litmus test the public can use to see who is for real change and who wants to preserve business as usual in the Pentagon. That is what the committee amendment does—preserves business as usual. The Pentagon has said so itself, when it said it could live with the amendment. Anything the Pentagon can live with will not bring real reform. And without real reform, we will stay on the treadmill of declining numbers of weapons and increasing costs.

Substances or appearance—that is the issue before the Senate. I urge my colleagues to look at this amendment in that light.

Mr. PRYOR. I thank the Senator from Colorado very much.

Mr. GOLDWATER. Will the Senator from Indiana yield?

Mr. QUAYLE. I yield to the distinguished chairman of the committee.

Mr. GOLDWATER. I just wanted to respond very briefly to a comment that my friend from Arkansas made about having too much experience. You can never get enough experience.

Let me cite you the B-1 bomber program which started out at around $220 million and, because of proper supervision by one trained man, it is now down to about $175 million. The Apache helicopter started at $16.5 million and is down to under $10 million today only because of the proper supervision, watching by the Air Force.

Now there has been one source of overexpending in this that we have not talked about today, and that is the Congress. And I am going to give you one instance. I think for about 15 years I have been fighting for competition on a small carrier aircraft. In fact, Senator Metzenbaum and I took them to court 1 year and got beat. But over $400 million has been spent by the actions of the House committee without ever having one bit of competition.

Now, I would like to find something in this bill or somebody's bill that would tell the committees of Congress that they have to have competition, but we have never been able to do anything about it. And yet when it comes over here, we point out the mistakes that are being made in approving it. It has always been approved.

I am going to try it once again this year. I do not know what is going to happen but we are going to try.

I thank my friend from Indiana for yielding.

Mr. QUAYLE. Mr. President, just in brief conclusion, I also want to add my personal congratulations to the Senator from Arkansas for the way that he has conducted himself on this amendment, and the way that he conducts himself as a Senator. I do believe quite strongly that this is not a very good way to legislate. We are not trying to exclude anybody from offering amendments even though they are not on the Armed Services Committee, but we have had this discussion privately as well as publicly. We talked about this issue. This is not going to be the only time this issue is going to be discussed. I look forward to working with the Senator from Arkansas on this issue, and other issues in the future.

I in no way wanted to infer any kind of accusatory stigma to the Senator from Arkansas for any statements that he made that I in fact perceived as being misleading. I know the Senator personally has always dealt forthrightly and honestly, but I did want to take exception with some statements that were not made just by him but others that I made note of over the course of 4 or 5 hours of debate that I felt were simply erroneous and wanted to correct the Record on that—no implication whatsoever, and it should not be inferred as such. I am sure the Senator from Arkansas knows the Senator from Indiana would not infer that. But to clear up any kind of confusion I want to make sure the Record is loud and clear because I think this has been a little bit spirited in the last hour. It was not terribly spirited in the first 3 or 4 hours. But it is, as the Senator from Arkansas has pointed out, an exceedingly complicated issue. It is one that takes a lot of time. I know of the Senator's personal involvement, and he has worked hard on this; but I can only tell you that each one of these issues the Senator has talked about we have gone over with hours and hours of testimony. Knowing of the Senator's interest, I look forward to working with him at this subcommittee level as we begin pursuing other measures in the procurement effort notwithstanding the outcome which I hope will be an overwhelming rejection of the Pryor amendment and acceptance of the committee amendment when the Senate finally gets down to voting on this which hopefully will be in a very short period of time.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STEALTH TECHNOLOGY PROGRAMS

Mr. BYRD. Mr. President, I shall shortly offer an amendment to protect two of our most sensitive and critical national security programs: The advanced technology bomber, the so-called Stealth bomber; and the advanced cruise missile, the Stealth cruise missile. These programs represent a technological edge over Soviet defenses and countermeasures; they not only keep the air-breathing leg of our strategic triad viable, but force the Soviets to expend considerable resources to attempt to counter them. I believe it is more important to keep the Soviets busy attempting to counter the forces we would have at our disposal in the event of a confrontation, than to passively permit them to pour their resources into new generations of offensive systems in order to intimidate the West.

As in the past, Mr. President, the extremely sensitive and highly classified nature of these programs prohibits a discussion of their details. Nevertheless, it is my understanding that the situation regarding vigorous support for their development this year is somewhat analogous to the situation which existed when we considered the fiscal year 1985 defense authorization measure last year. That is, as I understand it, the Senate Armed Services Committee has fully funded a program which is basically on track and on budget. Unfortunately, again, the other body may not be fully funding this program. The purpose of the amendment which I shall offer, therefore, is to establish a crystal clear Senate record on its position regarding the progress of and Senate support for these programs at the fullest appropriate funding level.

It is my intention to provide the Senate conferees, in their meeting with the House conferees, with a clear record so as to impress upon the other body the importance which the Senate attaches to these programs.

The first part of my amendment indicates that the Senate regards the Stealth bomber and cruise missile programs as a critical national security asset and that they be developed as rapidly as feasible in order to deploy them as soon as is possible in accord with sound management and planning. It states that it is the sense of the Senate that these technologies should be funded at the levels authorized in the pending measure, and that all funds appropriated for these programs be fully utilized.

The second part of the amendment is designed to protect the money which is appropriated, pursuant to this authorization bill, from being reprogrammed by the Department of Defense or the Air Force into any other program or for any other purpose.

The question of how the Pentagon manages the money which is appropriated by the Congress is very much an open one. There has been a great deal of waste, as has been obvious to all of us. Furthermore, there was a last-minute discovery of over $4 billion spread around the Pentagon budget which was offered up to the Armed Services Committee last week in an effort to forestall the elimination of any weapons procurement resulting from the decision to fund DOD at a zero real growth level for 1986. That is a lot of discovery. The overall question of Pentagon management practices is an open one. The manipulations apparently made in the budget accounts do not imbue me with a high level of confidence and trust in that management. This part of my amendment intends to head off any attempt to manipulate the Stealth budget for purposes not directly related to those programs.

The mix of technologies associated with the Stealth programs, integrated into very advanced weapons systems, will enhance America's posture of credible deterrence against Soviet adventurism.

I commend the committee for protecting these programs at a time when budget constraints require belt-tightening across the board.

There have been some questions in the past concerning the attitude of the Air Force regarding the Stealth bomber, and that there may have been some in the administration who intended to divert funding from Stealth in order to extend the production line of the B–1 bomber beyond the 100 aircraft which are planned for that program. I note, Mr. President, that the 48 B–1 aircraft which are procured in this committee bill constitute the last of that fleet of 100. I do not expect any request to extend the B–1 production line beyond the procurement authorized in this legislation, and I would oppose such a request.

The third part of my amendment, Mr. President, does go beyond the language which the Senate adopted last year, and does put us on record opposing any plan for an extension of the B–1 line beyond the 100 operation aircraft now planned. I do not know of any Senator who has proposed that we go beyond that number. I do not mean to imply that. The provision capping the B–1 at 100 aircraft is simply a message, in terms as clear as I can make them, to Pentagon and Air Force planners that we will not make funds available for any future bomber procurement except the Stealth bomber.

I have had my questions about the B–1. There have been indications that it will be unable to penetrate Soviet defense much beyond the early 1990's. The Stealth can perform that mission, and we need to insure the assured penetration of Soviet defenses as a factor in our strategic capability is maintained. Given this situation, it is not logical to me that we should allow room for doubt that any bombers procured beyond the 100 B–1's which will be authorized after this measure is signed into law will be Stealth bombers and not B–1 bombers.

Mr. President, I ask unanimous consent that I may submit the amendment; that the pending amendment be set aside for the consideration of this amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 156

(Purpose: To prohibit use of funds appropriated for the advanced technology bomber and the advanced cruise missile programs from being used for any other purpose and to limit procurement of the B-13 bomber)

Mr. BYRD. Mr. President, I send the amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 156.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IX of division A of the bill, insert the following new section:

PROHIBITION AGAINST USING FUNDS APPROPRIATED FOR THE ADVANCED TECHNOLOGY BOMBER AND THE ADVANCED CRUISE MISSILE PROGRAMS FOR ANY OTHER PURPOSE

SEC. 917. (a) It is the sense of Congress that—

(1) the capabilities inherent in the technologies associated with the Advanced Technology Bomber program and the Advanced Cruise Missile program are a critical national security asset for maintaining an adequate and credible deterrent posture;

(2) Such technologies and programs should be developed as rapidly as feasible in order to produce and deploy advanced systems which will complicate the military planning of the Soviet Union and as a consequence enhance the deterrent posture of the United States;

(3) such technologies and programs should be funded at the levels authorized in this Act; and

(4) all the funds appropriated for such programs should be fully used for such programs.

(b) None of the funds appropriated pursuant to an authorization of appropriations in this Act to carry out the Advanced Technology Bomber program or the Advanced Cruise Missile program may be used for any other purpose.

(c) It is the sense of the Congress that, consistent with the stated policy of the Department of Defense, the B–1B bomber aircraft procurement program should be terminated after acquisition under such program of 100 aircraft.

Mr. BYRD. Mr. President, I have discussed this amendment with the very distinguished chairman of the Armed Services Committee, Mr. GOLDWATER, and the equally very distinguished ranking member, Mr. NUNN. I hope that they will consider it favorably.

Mr. NUNN. Mr. President, I might say to the Senator from West Virginia, I think this is a very important amendment. We are going to face a very tough conference. The Senator's leadership in this area over the last 3 years has, time after time, helped us immensely in conference in terms of preserving these very, very important programs. So I not only will be, from this side's point of view, glad to accept the amendment, but I will strongly recommend it to my colleagues.

Mr. GOLDWATER. Mr. President, the majority will be very happy to accept this amendment. I thank the distinguished minority leader for bringing this to our attention. It has come up every year that I can remember, and I can say that never in any consideration of the Senate Armed Services Committee have we even discussed manufacturing more than 100 B–1's, and we have never had any question about the ATB. If it ever comes up, I know that Senator NUNN will join me in being just as vociferous in our objection as is the minority leader. So we will accept the amendment.

Mr. BYRD. Mr. President, I thank the chairman and the ranking manager. Is it felt that there is any need for a rollcall vote in order to demonstrate to the House the strength of the Senate's position? I do not imply that we need one.

Mr. NUNN. I will defer to the judgment of the Senator from West Virginia. I think the chairman and I will stand together on this amendment in conference either way. I understand we are going to begin rollcall votes at 5:30.

Is my understanding correct that the debate is complete and we are ready to vote on two amendments?

Mr. GOLDWATER. Yes. We are ready to vote on the Pryor amendment——

Mr. CHAFEE. Mr. President, I have a couple questions on the Pryor amendment, if I might.

Mr. GOLDWATER. I say we are ready, but we will certainly allow the Senator to ask questions.

I do not think a rollcall vote will be needed because we have been very, very strong on this. I think the House understands our position without question.

Mr. BYRD. Mr. President, I am reminded of Fitzjames in the "Lady of the Lake" who said, when he stood alone before the forces that rose up before him:

> Come one, come all! This rock shall fly
> From its firm base as soon as I.

And so with the distinguished chairman and the distinguished ranking member assuring the Senate that they will stand together, I have no concern as to the House's being misled as to the strength of the Senate on this matter, so a voice vote is in line.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

So the amendment (No. 156) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I again thank Mr. GOLDWATER and Mr. NUNN.

AMENDMENT NO. 154

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I have a question for the sponsor of the Pryor amendment. I listened to the description of it, and I am not sure whether I understood it correctly.

Mr. President, in the description of his amendment, the distinguished Senator from Arkansas was talking about sole-source procurement. I heard him say something about coming to the Congress. I must confess I cannot find in this 24-page amendment exactly where that is. Will the Senator be good enough to tell me about the part that deals with going to Congress?

Mr. PRYOR. Mr. President, I will be very happy to answer my friend from Rhode Island. Basically, in a sole-source situation of major procurement systems—over $1 billion in production or $200 million in development funding—if there was no competition, if there was no competitive bid, then the Congress, in the defense authorization bill, would have to approve that particular sole-source contract. If there was no competition. In other words, the Congress would find itself back in the oversight area in those sole-source areas where there was no competition.

Mr. CHAFEE. Mr. President, I get very nervous about Congress getting into this business. It seems to me that, yes, we have had problems in the Defense Department, but I will never forget that when I was over there, the Chief of Naval Operations once said to me, "When things go wrong, you don't always change the rules and regulations. Sometimes you ought to change the people."

I think there is a great danger in having every sole-source contract, whether it is for aircraft or ship procurement or whatever, that is worked out in very complicated fashion and indeed quite frequently, as the Senator knows, there is only one provider—and that is true, for example, in the Trident submarine and certain aircraft—come up for review by the Congress. And, indeed, it is approval by the Congress? If that is so, I think we are opening our way to all kinds of shenanigans and we get all kinds of political pressures: "Oh, no, the decisions are going to be made not by those who have the authority and who we have to trust. And if they are not good, let's fire them."

But I think we are geting into heavy weather if we are sending it up here in this political maelstrom to consider who is going to get what contract. I urge my distinguished colleague to drop that particular vision or to modify it in some sense just to keep it out of this body.

Mr. PRYOR. Mr. President, first let me say to my distinguished colleague from Rhode Island—and as a former Secretary of the Navy, he is very knowledgeable—we are not trying to create any additional avenues for shenanigans. What we are trying to do, I say to my friend, is to close the door to the shenanigans that are happening—shenanigans that are being perpetrated on the taxpayers of this country, shenanigans that are being perpetrated on the Department of Defense, which result in our not getting what we are paying for.

Second, I would say to my friend from Rhode Island that under this proposal it will not be the Congress making a decision as to whether Hughes Aircraft or McDonnell Douglas or ABC contracting firm gets the contract. That is not the issue. But if there is a contract with no competition, then the Congress must approve or disapprove that contract. It is that simple.

Third, I say to my friend from Rhode Island, in talking about the Trident submarine, the Trident submarine is on the eve of finally, at long last, having a competitive dual-source bid, as I understand it. I think we have to have a lot more.

Mr. CHAFEE. Mr. President, certain things are ascribed with virtue automatically—for instance, like motherhood, competitive procurement in weapons systems is looked on as good.

Well, that is not always necessarily so. You have two bidders two providers. Neither have enough work to carry the massive overhead that is involved.

As I read this provision:

> 3. A sole source prime contract may not be awarded or renewed for any major defense acquisition program—

I assume that is the billion-dollar program—

> unless the Congress has specifically authorized such specific contracts to be awarded in an annual Department of Defense Authorization Act or other appropriate legislation enacted into law.

Let us say we appropriate x millon dollars for the procurement of an aircraft, and the Air Force goes through a fly-off and they decide that McDonnell Douglas is going to get it.

What happens when that comes up here? The California delegation decides that Northrup should get a piece of that action. Somebody says that General Dynamics ought to get a piece of that action.

By the way, where are the engines going to come from—from General Electric or United Techology?

I think this is opening the way to a lot of political interference that is not good for the country. I hope there can be some modification of that. I find it very disturbing.

Mr. BUMPERS. Mr. President, will the Senator from Rhode Island yield?

Mr. CHAFEE. Mr. President, may we have some order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Rhode Island.

Mr. CHAFEE. The Senator from Arkansas had a question.

Mr. BUMPERS. I just wanted to make an observation.

The Senator from Rhode Island and I team up quite often on these issues and others, and I certainly am not in a position to disagree with his nervousness. The Senator started off by saying that getting Congress involved in this makes him nervous. It makes me nervous, too, when every day I read of some kind of new procurement scandal at the Pentagon.

There is probably no perfect way to procure weapons, to guarantee the taxpayers that we are going to have what we all want—namely, a lean, mean, efficient, nonwasteful Defense Department. But ever since I have been in the Senate, a little over 10 years, I do not believe we have ever considered a defense authorization bill in which this issue was not presented. Yet, after 10 years of endless, tedious, laborious debate on it—and it certainly is a complicated issue—we find that, so far as procurement is concerned, the waste is much more dramatic now than it has been since anybody in this body first came to the Senate.

I am not saying that Senator PRYOR's amendment is perfect. It is a little complicated, and perhaps if he were offering it to something besides a committee amendment, it would have more support. All I am saying is that it is like a fellow who used to work for me would say: "Let's do something, even if it's not perfect."

Nothing can be much worse than the erosion of confidence in the procurement of weapons in this country.

I told the story a while back that they accused the Democrats of never having a new idea. I had a great idea the other day. I decided to pay my income tax by just sending the Defense Department several hammers. It would not hurt the country, considering what they pay for hammers, and even with that, I would be entitled to a refund of three toilet seats. [Laughter.]

So all the Senator from Arkansas is doing is trying to point out that there is something egregiously wrong with the procurement policy of the Defense Department. I hate for us to have to deal with this, because it gives the people the impression that perhaps we are antipatriotic and do not appreciate our people in uniform. Nothing could be further from the truth.

Obviously, something will have to be done that, so far, the Defense Department has been unwilling to do if we are going to get our procurement policy back on track.

I am sure the Senator from Rhode Island has read a five-article series in the New York Times, one of which says that we procure our weapons in a way that absolutely guarantees that we pay the highest price for them, and that is the cost plus fixed fee procurement.

If you tell me that I can have a contract for my cost plus 10 percent, I promise you that I will buy every $500 hammer I can lay my hands on. I will buy every $7,400 coffee pot I can lay my hands on, because at 10 percent I am going to make $740 profit.

All I am saying is that something needs to be done.

I highly commend the New York Times article to the Senator from Rhode Island, who, as a former Secretary of the Navy, obviously has knowledge in this matter, and I appreciate his wisdom. But I am going to vote for this amendment, to show that I am tired of reading about the scandals, tired of having to go home and apologize, for the first time since I have been in the Senate, about scandalous waste in the Defense Department.

I intend to support this amendment, and I recommend it to everybody else. Take it to the House and see if you can work something out that will result in efficiency in the procurement of weapons for this country.

Mr. CHAFEE. I thought that was in the form of a question.

I appreciate the thoughts of my distinguished colleague. As he said, he and I have worked together, and we will work on other issues. We have battled here against battleships, and we are going to team up on some other items.

Mr. President, the part that really bothers me is that now we have Congress in the middle of contracting, and that is not good. I do not think it is sufficient to say that the situation is bad, so we have to do something, even though it is going to make it worse.

Clearly, as the distinguished senior Senator from Arkansas has said, there has been a series of articles in the newspaper, and one of those articles pointed out that these contractors come up and deal with Congress; how they went to Rockwell and saw a picture of the B-1; and how from there went a string to every State in the Union, because every State had some part in the B-1. Thus, the future of the B-1 was assured.

Now we have a situation where it is deemed by the Defense Department to go sole source, and there are all sorts of requirements they have to go through before going sole source, under Senator PRYOR's amendment.

They have to go through all these hurdles, and it goes on for a number of pages—publishing in the Federal Register, and a whole series of things. Then, when they decide the contract is to be awarded, let us say they decide it is going to be awarded in November or December, then what do they have to do? It may not be awarded unless Congress has specifically authorized such specific contract to be awarded. So back they come here to get the OK from Congress to go through this sole sourcing.

What is Congress going to do? Everyone who is from a State that does not get the sole source is going to demand that they get a piece of the action. That is the last you will see of our sole sourcing, even though it may be in the best interest of the Nation.

Again, Mr. President, it seems to me if we do not like who is running the place over there then let us get someone else, but let us not get Congress into the contracting business.

I was rather inclined toward the Senator's amendment, but with this provision in it I find it is distasteful.

Mr. PRYOR. Mr. President, if the Senator will yield, let me just as simply as I can state that Congress does not involve itself in the contracting unless it is for over $1 billion and unless there is no competition. At that point it is the view of the Senator from Arkansas that Congress should become involved.

Nor does Congress at any step, under the procedure that I proposed with Senator GRASSLEY, never does Congress take a position on which company or which State should be the beneficiary of the contract. All we do is disapprove or approve the contract.

What it does, I say to my friend from Rhode Island, it once again puts us, Congress, in our oversight function that frankly we have abdicated in the last 30 years. We are going to be involved in the oversight function at least, and this is the least we can do concerning those contracts over $1 billion where there is no competition.

We passed the Competition in Contracting Act last year. It took effect April 1, 1985, and this particular contracting act sponsored by Senator COHEN, Senator LEVIN, Senator QUAYLE, and many others in this Chamber, including myself, will take care of those items under the $1 billion mark. That is a fairly simplistic explanation, but I repeat that the Pryor-Grassley Act addresses itself to increasing competition, and that is what we think needs to be done.

Mr. CHAFEE. I said my piece. I understand that there are some 93 Defense Department contracts that are sole source and at some time there was competition. I do not know what competition is required under here, how far do you have to go to have it competitive? Each time you go out for bid for a new purchase, does that have to be competitive? I do not know.

I think that this is not a good provision, Mr. President.

Mr. NUNN. Mr. President, if I may ask the Senator from Arkansas one question, I understand what the Senator is trying to foster here, and I agree with the purpose of the amendment. I have reservations about the workings of it, but the purpose I think is in the right direction.

Would the Senator explain how his amendment would work, though, once a prime contract had been let with competition and then there are major change orders? The change order is negotiated with the contractor. Does the Senator's amendment cover that change order?

Mr. PRYOR. There is no change in the existing procedures from present statutes. I must be honest in answering my friend from Georgia. We thought about including such orders, but we had already taken on as much as we could handle, and maybe a little bit more, with this amendment. Maybe we can get to that issue another time, but we did not change the current provision of law.

Mr. NUNN. That is where actually an enormous lack of competition is to the taxpayer.

Mr. PRYOR. That is right.

Mr. NUNN. That is a source of great difficulty because that is in a posture where a contract has already been let, there is a contract, and the military comes in and usually makes about 100 to 1,000 to 10,000 change orders.

Mr. PRYOR. Every time I pick up any publication on an airplane or the New York Times or the Washington Post, or whatever, they have something in their word processor down there that says, "Senator SAM NUNN, Democrat of Georgia, foremost authority on defense in the United States of America." Now I am going to challenge that authority to come up with an answer to that particular point, and I will support him.

I thank the Senator.

Mr. NUNN. Mr. President, I am glad to have the Senator yield some more time if he wishes to continue along that line.

Mr. PRYOR. I think I have taken enough time.

I thank the Senator very much.

AMENDMENT NO. 157

Mr. BYRD. Mr. President, I send an amendment to the desk and ask that it be stated by the clerk, but let me read it first of all here.

Mr. President, this amendment would read as follows:

> In section 915 of the bill, after the parens on line 18 of page 99 insert a period and then, beginning with the word "unless", strike out all down through the words "that purpose".

Mr. President, the Senate has just a little while ago adopted a clear policy statement that the B-1B bomber program shall be capped at 100 aircraft. The considerable testimony presented to the Armed Services Committee by the administration on the success of its two-bomber program, and the smooth progress of the Stealth bomber indicate that the B-1B procurement should end with the 100th aircraft.

I do not think there should be any question in anyone's mind about this policy. There is a prohibition in section 915 of the pending measure on the reprogramming of any funds appropriated pursuant to this authorization for additional B-1B's. The prohibition reads as follows:

> None of the funds appropriated pursuant to an authorization contained in this act may be obligated or expended for the conduct of research, design, demonstration, development, or procurement of more than 100 B-1B bomber aircraft (including any derivative or modified version of such aircraft) . . .

And the rest of that paragraph would be stricken by my amendment.

That prohibition is clear on its face when the words that follow the parens on line 18 are stricken.

However, a question does arise about a clause that follows that statement, and that clause would be stricken by my amendment. The clause could imply the prohibition does not apply if the:

> Secretary of Defense first notifies the Committees on Armed Servcies of the specific purpose for which the funds are proposed to be used and the amount proposed to be expended for that purpose.

Mr. President, this final clause could be interpreted to invite the possibility that the Secretary consider expending funds for additional B-1B or B-1C bombers. I do not believe we should invite the Secretary to do any thinking along those lines. Therefore, in order to conform to what must be the clear Senate sentiment on this program, I believe the latter clause—starting on line 18 of page 99—should be stricken. This would leave the clear prohibition on reprogramming any funds in this measure for a follow-on B-1 intact.

Regardless of the intent of the clause to keep Congress informed of the Department's proposals regarding the B-1 program, I do not think it is wise to leave any ambiguity about the 100 aircraft policy regarding the B-1.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. JOHNSTON. Is the Senator aware that questions have been asked of both the Air Force and the Department of Defense in hearings this year on the question of their intention with respect to building more than 100 B-1's and both clearly stated that it is against their policy to go beyond the 100 B-1 bombers? So this would simply be consistent with existing policy, would it not?

Mr. BYRD. It would be, yes, and I thank the distinguished Senator from Louisiana for the question.

I yield to the chairman.

Mr. GOLDWATER. Mr. President, if the Senator will yield, I think this is a very wise amendment, and I will repeat for the benefit of the Senator from Louisiana that I have never heard in the Armed Services Committee of the Senate any suggestion about the deletion of funds for the ATB or the addition of more than 100 B-1 bombers. I would oppose both very violently.

So, Mr. President, I am sure that amendment is agreeable to Senator NUNN.

Mr. NUNN. Yes; I am very much in favor of this amendment.

Mr. BYRD. Mr. President, will the distinguished Senator say why? I want it on the record.

Mr. NUNN. The reason is that in

ing of the amendment be dispensed

then follow it would be more than 93

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source contracting and there is no

The PRESIDING OFFICER. Are

May I ask the manager if there is

Mr. NUNN. The reason is that in spite of what the Senator from Arizona has said, and he is eminently correct—we have not talked about and I have heard no one urging that in committee—in spite of that, about every month or so there is a real move on out there in the complex to begin talking about going beyond the 100 and obviously the contractors involved have a real stake in that, obviously an awful lot of jobs are involved, obviously the Stealth bomber is going to have a higher per unit cost to begin with because the learning curve on production will take some time and the last B-1 is going to be an awful lot cheaper than the first Stealth, so that is an argument in favor from those who would like to continue the B-1 production line, and it is just something you feel more than you hear in explicit terms.

And the Senator's amendment I think is right on target because we are dedicated to going forward with the advanced technical bomber and there are numerous people who would like to move in a different direction with continuation of B-1. I felt for some time and I was even worried about the top leadership in the Air Force, but I no longer am.

I believe the Senator from Arizona and the Senator from Louisiana have described their position correctly as to their intentions now.

I give them full credit for being very forthright and candid with us on that point. But there are those in the Air Force at lower levels that I think have different intentions, and certainly a number in the contracting community that do.

It is going to be a tough decision for the Congress when that production line shuts down because there are an enormous number of jobs involved. But I think that is precisely the direction the Senator is warning us with the amendment.

Mr. GOLDWATER. Mr. President, we will accept the amendment.

Mr. BYRD. Mr. President, I thank both Senators who are managing the bill for their support of the amendment.

AMENDMENT NO. 157

(Purpose: To restrict the programming of funds for procurement of any B-1B bomber aircraft)

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside so that the Senate may act on the amendment which I have just sent to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. Byrd] proposes an amendment numbered 157.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 915 of the bill, beginning with "unless" strike out all down through "that purpose.", and insert a period.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia [Mr. Byrd].

The amendment (No. 157) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I again thank the chairman and ranking member for their support.

Mr. GOLDWATER. Mr. President, on the Pryor amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEVIN. Mr. President, I wonder if my friend from Arkansas might answer a question for me. It relates to the question which Senator Chafee asked, and that is on the involvement of the Congress in the contracting and in the contracts with the numbers of contracts involved.

As I understand it, it is prime contracts that the Senator is referring to that relate to these major systems.

Mr. PRYOR. The Senator is correct.

Mr. LEVIN. Is it not correct that many major systems have more than one prime contract involved in the program, and that the Senator's amendment would apply to all prime contracts in those SAR programs?

Mr. PRYOR. The Senator is correct.

Mr. LEVIN. Can the Senator tell us how many prime contracts would be covered, approximately, by his amendment?

Mr. PRYOR. I say to my friend from Michigan that I do not know exactly, but I understand it is something around 70 to 90.

Mr. LEVIN. Those are SAR programs, but with each program there could be more than one prime contract?

Mr. PRYOR. That is conceivable; that could happen.

Mr. LEVIN. Could the Senator tell us approximately? Would it be 200, 300?

Mr. PRYOR. I would say about 80 contracts, if I might just guess.

Mr. LEVIN. Mr. President, if I could press the Senator for a moment. Assume with me for a moment that there are 93 SAR programs and if many of those programs have more than one prime contract, would it not then follow it would be more than 93 prime contracts covered by the Senator's amendment?

Mr. PRYOR. The Senator may well be correct. I do think that it would be worth the time that we would expend on reviewing those contracts and asking the simple questions of those prime contractors: "Sir, why has this contract not been competitively bid? Why is there only one bid for this contract?" I think those are questions to which the Congress needs to know answers and certainly the American people would appreciate us inquiring about it.

I think that is why I would say these contracts should be put before the oversight committee before the fact rather than after the fact and after we have heard about all of the things that have gone wrong when it it too late to correct them.

Mr. LEVIN. Would the Senator agree not only does he want the Congress to know that we now have the capability of knowing that but he wants Congress to affirmatively approach that?

Mr. PRYOR. That is correct. That is the purpose of the Pryor-Grassley proposal.

Mr. LEVIN. Let me say to my friend from Arkansas that we do have two choices, both of which address competition, both of which address dual-sourcing and revolving door. We have differences as to which is stronger, but we do have two options in front of us tonight and not just one.

I again wish to thank my friend from Arkansas, Senator Pryor, for the leadership he has shown. While I do not agree with him that his approach is the better of the two that we have, it is a very valuable contribution.

Mr. PRYOR. Mr. President, that is why we have votes in this Chamber. I thank my friend from Michigan. I enjoyed working with him on this particular package.

Mr. MATHIAS. Mr. President, will the Senator from Arkansas yield for a question?

Mr. PRYOR. I am glad to yield to my friend from Maryland.

Mr. MATHIAS. Following the line of questioning of the Senator from Rhode Island, let me ask the Senator from Arkansas if he has any concern that this amendment raises a problem of separation of powers; whether bringing the Congress into the contracting role does not, in fact, breach the separation of powers between the executive and legislative branches. In other words, is the Senator convinced that this is a constitutional proposal?

Mr. PRYOR. It does not disturb this Senator. We are approving dollars in this bill, in the authorization bill, today. I would say to my friend from Maryland that when this measure comes before the Congress on sole-

source contracting and there is no competition on $1 billion or more, we are not saying which contractor gets the business, so to speak, we are simply saying that we approve or disapprove. And that is after we have asked the question: "Why is it there was no competition in this concern?"

Mr. MATHIAS. So what the Senator is looking to is a completed contract which will be executed and then the Congress simply gives it a ratification so that the executive branch fulfills its normal constitutional function?

Mr. PRYOR. I say that nothing would abrogate the responsibility of the executive branch of Government.

Mr. MATHIAS. And this is really, in effect, a congressional ratification of an executive act?

Mr. PRYOR. It would be effecting the ratification of an act by the executive branch of Government that dealth with contracts of $1 billion or more with no competition. If there was competition in that contract, if there were two or more sealed bids like we are trying to get, then it would never come before the Congress.

Mr. MATHIAS. But what comes before the Congress is a fully executed contract?

Mr. PRYOR. If there was no competition, that is correct.

Mr. MATHIAS. I thank the Senator.

VOTE ON AMENDMENT NO 154

The PRESIDING OFFICER (Mr. Gramm). The question is on agreeing to the amendment of the Senator from Arkansas [Mr. Pryor]. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

VOTE ON AMENDMENT NO. 154

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. Hatfield], the Senator from Alaska [Mr. Murkowski], and the Senator from Connecticut [Mr. Weicker] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. East] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. Hatfield] would vote "yea."

Mr. BYRD. I announce that the Senator from Delaware [Mr. Biden], the Senator from New Jersey [Mr. Bradley], the Senator from Florida [Mr. Chiles], the Senator from California [Mr. Cranston], the Senator from Illinois [Mr. Dixon], the Senator from Massachusetts [Mr. Kennedy], and the Senator from New York [Mr. Moynihan] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 22, nays 67, as follows:

[Rollcall Vote No. 83 Leg.]

YEAS—22

Baucus
Bumpers
Burdick
Byrd
DeConcini
Eagleton
Ford
Grassley
Harkin
Hart
Kerry
Lautenberg
Leahy
Melcher
Metzenbaum
Mitchell
Proxmire
Pryor
Riegle
Rockefeller
Sasser
Simon

NAYS—67

Abdnor
Andrews
Armstrong
Bentsen
Bingaman
Boren
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Garn
Glenn
Goldwater
Gore
Gorton
Gramm
Hatch
Hawkins
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Kassebaum
Kasten
Laxalt
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
McClure
McConnell
Nickles
Nunn
Packwood
Pell
Pressler
Quayle
Roth
Rudman
Sarbanes
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Zorinsky

NOT VOTING—11

Biden
Bradley
Chiles
Cranston
Dixon
East
Hatfield
Kennedy
Moynihan
Murkowski
Weicker

So the amendment (No. 154) was rejected.

ORDER OF BUSINESS

Mr. DOLE. Mr. President, as I understand the wishes of the managers, there will be one additional vote on the so-called committee amendment. Then I understand that, as hard as they have been trying all day to get another amendment up that we can take care of tonight, so far, no one has come forth to volunteer to debate one and have another vote later tonight. But I understand the distinguished Senator from Colorado [Mr. Hart] has agreed to lay down his MX amendment, which would be the pending amendment tomorrow.

I hope we can work out a time limitation agreement, an hour on each side tomorrow, and have a vote before we go into the policy luncheons. Is that agreeable with the manager and the Senator from Colorado?

Mr. GOLDWATER. I agree if the Senator from Colorado will agree, if that is what he wants.

Mr. HART. Mr. President, I yield to the minority leader.

Mr. BYRD. Mr. President, I have no problem with having the amendment laid down. I do not think we can agree at this point to vote at a given time tomorrow until we see how that comes up tomorrow.

Mr. DOLE. I shall check with the minority leader in the morning.

May I ask the manager if there is any other amendment? Is it the manager's wish, after this vote, that we lay down the MX amendment and move off this bill this evening?

Mr. GOLDWATER. That is not exactly my wish, but I am forced into it because nobody has an amendment to lay down except Senator Hart. We shall take that up tomorrow morning. We have about 30-odd amendments left, not counting those that have come up.

So if we want to get out of here Thursday night, I hope the leader will go very, very late tomorrow night, Wednesday night, and Thursday night and, if need be, come back next Wednesday if we want to finish it.

Mr. DOLE. I hope Members who have amendments will be available tomorrow. Many of these issues we have been over. We go over them every year. It seems to me we could debate them sharply and have a vote. There is still a pretty good chance of completing action on this bill this Thursday night. The distinguished manager of the bill suggests if we do not finish this week, if we do not finish Wednesday, we come back next Wednesday and work Wednesday, Thursday, and Friday since the House will be in session those 3 days. But it is my hope we can continue. We have done very well today. I think we have disposed of eight or nine amendments.

Mr. DeCONCINI. Will the majority leader yield?

Mr. DOLE. I will be happy to yield.

Mr. DeCONCINI. Is the majority leader sure the House is going to be in all week? I was told earlier, just about an hour ago, they will be out next week.

Mr. DOLE. We may be in and they will be out.

Mr. BUMPERS. Will the majority leader yield further? I know the majority leader would like to have amendments rolling on, the minute one vote is taken another one offered. Senator Chafee, Senator Heinz, Senator Leahy, and I have the SALT II sense-of-the-Senate amendment. As far as I know, we would be happy to go immediately after the rollcall vote on the Hart amendment, if the majority leader wants to get a unanimous-consent agreement.

Mr. GOLDWATER. We would be very happy to have it.

Mr. NUNN. Mr. President, there will be another MX amendment, if the Hart MX amendment does not pass. I think it would be more logical to take that one up in sequence. I will have an MX amendment if the Hart amendment does not pass.

Mr. GOLDWATER. I agree with that.

Mr. DOLE. I think we can assure the distinguished Senator from Arkansas that he will be on the list very early tomorrow.

Mr. BUMPERS. We will be ready to go at the conclusion of the Nunn amendment then, which will follow the Hart amendment.

Mr. GOLDWATER. That is fine.

Mr. DOLE. This will be the last vote of the evening.

VOTE ON AMENDMENT NO. 147

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. Hatfield], the Senator from Kansas [Mrs. Kassebaum], the Senator from Alaska [Mr. Murkowski], and the Senator from Connecticut [Mr. Weicker] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. East] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. Hatfield] would vote "yea."

Mr. BYRD. I announce that the Senator from Delaware [Mr. Biden], the Senator from New Jersey [Mr. Bradley], the Senator from California [Mr. Cranston], the Senator from Illinois [Mr. Dixon], the Senator from Massachusetts [Mr. Kennedy], and the Senator from New York [Mr. Moynihan] are necessarily absent.

The PRESIDING OFFICER (Mr. Boschwitz). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 89, nays 0, as follows:

[Rollcall Vote No. 84 Leg.]

YEAS—89

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Bingaman
Boren
Boschwitz
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
D'Amato
Danforth
DeConcini
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McConnell
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Riegle
Rockefeller
Roth
Rudman
Sarbanes
Sasser
Simon
Simpson
Specter
Stafford
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NAYS—0

NOT VOTING—11

Biden
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Kennedy
Moynihan
Murkowski
Weicker

So the amendment (No. 147), as amended, was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 158

(Purpose: To delete certain funds for the MX missile program)

Mr. HART. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. Hart] proposes an amendment numbered 158.

Mr. HART. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 90, after line 24, insert the following new section:

PROHIBITION ON USE OF FUNDS FOR PROCUREMENT OF MX MISSILES OR FOR CONSTRUCTION OF MX MISSILE RELATED FACILITIES

Sec. 916. (a) Notwithstanding section 103, the total amount authorized to be appropriated for fiscal year 1986 for the procurement of missiles for the Air Force, as specified in such section, is reduced by $2,081,600,000.

(b) Funds appropriated pursuant to an authorization contained in this or any other Act for fiscal year 1986 may not be obligated or expended for the procurement or deployment of any MX missile or for the construction, conversion, or renovation of any facility for the deployment of the MX missile.

Mr. HART. Mr. President, it is my understanding with the managers of the bill that this amendment will be the pending business when we leave morning business and enter the bill in the morning roughly at 10 a.m. Is that correct?

Mr. GOLDWATER. That is correct. The Senator is right.

Mr. HART. Mr. President, the amendment quite simply is to strike all funds from further procurement of MX missiles, and I think we will be able in the morning, if the minority leader is agreeable, to reach a reasonable time agreement on this and maybe not even use all this time.

So it is not out of the question that we might end debate early. This is a well-known issue and I think many Senators have stated their views before. They may want to restate them. I do not think it is going to take lengthy debate and if possible we could vote on this in the morning, but I think it will take agreement on the part of the managers and the leader.

Mr. GOLDWATER. Mr. President, will the Senator be agreeable to 2 hours?

Mr. HART. The Senator from Colorado is perfectly agreeable.

I understand the minority leader had some hesitation about that.

Mr. GOLDWATER. We can talk with him.

Mr. NUNN. Mr. President, I believe that the best procedure is to talk to the minority leader in the morning.

Mr. HART. I yield the floor.

Mr. NUNN. Mr. President, just for the information of Senators, if the Hart amendment striking funds for the MX does not pass, I will have an amendment that will be introduced following that that will put a cap on the number of MX missiles that can be deployed in the existing Minuteman silos at 40 and the amendment will provide for 12 missiles to be authorized for fiscal year 1986 in lieu of 21 now in the bill.

ROUTINE MORNING BUSINESS

(During the day routine morning business was transacted and additional statements were submitted, as follows:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 12:35 p.m., a message from the House of Representatives delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 1869. An act to amend the Internal Revenue Code of 1954 to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes.

S.J. Res. 103. Joint resolution to designate the month of May 1985, as "Very Special Arts U.S.A. Month".

The enrolled bill and joint resolution were subsequently signed by the President pro tempore [Mr. Thurmond].

MEASURE PLACED ON THE CALENDAR

The previous action of the Senate agreeing to the following resolution was vitiated by unanimous consent, and the resolution placed on the calendar:

S. Res. 159. Resolution to establish a select committee to study and make recommendations with respect to a two-year budget process.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 20, 1985, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 103. Joint resolution to designate the month of May 1985, as "Very Special Arts U.S.A. Month".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1144. A communication from the Secretary of Agriculture transmitting a draft of proposed legislation to recover costs of export inspection and certification programs for apples, pears, grapes, and plums; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1145. A communication from the Secretary of Agriculture transmitting a draft of proposed legislation to recover costs of federal marketing agreements and orders; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1146. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs of standards and specifications for agricultural products; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1147. A communication from the General Counsel of the General Accounting Office transmitting, pursuant to law, a report on the status of budget authority proposed for rescission, but for which a rescission bill has not been passed; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations and the Committee on the Budget.

EC-1148. A communication from the Executive Associate Director of the Office of Management and Budget transmitting, pursuant to law, a report on a reapportionment of an appropriation necessitating the need for a supplemental appropriation; to the Committee on Appropriations.

EC-1149. A communication from the Treasurer of the United States transmitting, pursuant to law, a report on activities under the Olympic Commemorative Coin Act of 1982; to the Committee on Banking, Housing, and Urban Affairs.

EC-1150. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to require tonnage measurement of vessels engaged on international voyages and within the jurisdiction of the United States; to the Committee on Commerce, Science, and Transportation.

EC-1151. A communication from the Secretary of Energy transmitting, pursuant to law, the quarterly report on the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

EC-1152. A communication from the Acting General Counsel of the Department of Energy transmitting, pursuant to law, a notice of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources..

EC-1153. A communication from the Secretary of Energy transmitting, pursuant to law, the annual report on the Industrial Energy Efficiency Improvement Program; to the Committee on Energy and Natural Resources.

EC-1154. A communication from the Secretary of Transportation transmitting, pursuant to law the sixth annual Report on the Highway Bridge Replacement and Rehabilitation Program; to the Committee on Environment and Public Works.

EC-1155. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, the report on the Injection of Hazardous Waste; to the Committee on Environment and Public Works.

EC-1156. A communication from the Chairman of the National Advisory Committee on Oceans and Atmosphere transmitting, pursuant to law, a report on problems and opportunities in management and conservation of North Pacific Fur Seals; to the Committee on Environment and Public Works.

EC-1157. A communication from the Special Counsel of the Merit Systems Protection Board transmitting, pursuant to law, a report on findings and conclusions in an investigation into allegations of widespread travel fraud and violations of law and regulations in the Corps of Army Engineers; to the Committee on Environment and Public Works.

EC-1158. A communication from the Assistant Secretary of State transmitting a draft of proposed legislation entitled the Educational, Scientific, and Cultural Materials Importation Act of 1985; to the Committee on Finance.

EC-1159. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to require that medicare providers of hospital services also participate in the Civilian Health and Medical Program of the Uniformed Services and of the Veterans Administration; to the Committee on Finance.

EC-1160. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report for April 1985 on GAO Reports issued; to the Committee on Governmental Affairs.

EC-1161. A communication from the Director of the American Legion transmitting, pursuant to law, the report on the financial condition of the American Legion as of December 31, 1983; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute and an amendment to the title:

S. 679. A bill to authorize the appropriation of funds for certain maritime programs for fiscal year 1986 (Rept. No. 99-64).

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute and an amendment to the title:

S. 721. A bill to amend the Commodity Credit Corporation Charter Act regarding the export of agricultural commodities (Rept. No. 99-65).

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute:

S. 1040. A bill to provide emergency assistance to promote the marketing and sales of agricultural commodities, and for other purposes (Rept. No. 99-66).

By Mr. THURMOND, from the Committee on Judiciary, without amendment and with a preamble:

S.J. Res. 127. Joint resolution to grant the consent of Congress to certain additional powers conferred upon the Bi-State Development Agency by the State of Missouri and Illinois.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GARN (for himself and Mr. Hecht) (by request):

S. 1168. A bill to amend certain Federal laws relating to public housing to deregulate the program, returning it to local control, and to provide reliability for funding for capital improvements through use of formula funding, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DURENBERGER (for himself, Mr. Hatfield, Mr. Hart, Mr. Cranston, Mr. Kennedy, Mr. Moynihan, Mr. Riegle, Mr. Evans, Mr. Heinz, Mr. Burdick, Mr. Matsunaga, Mr. Boschwitz, Mr. Melcher, and Mr. Kerry):

S. 1169. A bill to ensure economic equity for American women by providing retirement security for women as workers and as divorced or surviving spouses, making quality dependent care available to all working families, ending discrimination in insurance on the basis of race, color, religion, national origin, or sex, providing equal employment opportunity and pay equity for women, treating women and low-income families more equitably under the tax laws and tax reform proposals, and improving the health care coverage of displaced homemakers and Medicare recipients; to the Committee on Finance.

By Mr. RIEGLE:

S. 1170. A bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes if they become divorced and either of them so elects; to the Committee on Finance.

By Mr. McCLURE (for himself, Mr. Wilson, Mr. Cranston, Mr. DeConcini and Mr. Abdnor):

S. 1171. A bill to amend the Small Reclamation Projects Act of 1956, as amended; to the Committee on Energy and Natural Resources.

By Mr. HELMS (for himself, Mr. East, Mr. Dole, Mr. Stennis, Mr. Long, Mr. Laxalt, Mr. Domenici, Mr.

BEST COPY AVAILABLE

Hatch, Mr. McClure, Mr. Humphrey and Mr. Warner):

S. 1172. A bill to provide financial assistance for the Sam J. Ervin, Jr., Program in Public Affairs at the North Carolina State University; to the Committee on Labor and Human Resources.

By Mr. SPECTER (for himself and Mr. Heinz):

S. 1173. A bill to forgive certain loan repayments by the Southeastern Pennsylvania Transportation Authority to the Secretary of Transportation, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DURENBERGER (for himself and Mr. Leahy):

S.J. Res. 138. Joint resolution to designate the week of June 2, 1985, through June 8, 1985, as "National Intelligence Community Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SIMPSON (for Mr. Dole (for himself and Mr. Byrd)):

S. Res. 171. Resolution to authorize the representation by the Senate Legal Counsel of a former Senate employee in the case of Donald M. Zahn v. National Right to Work Committee; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GARN (for himself and Mr. Hecht) (by request):

S. 1168. A bill to amend certain Federal laws relating to public housing to deregulate the program, returning it to local control, and to provide reliability for funding for capital improvements through use of formula funding and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

PUBLIC HOUSING COMPREHENSIVE GRANT ACT

● Mr. GARN. Mr. President, Senator Hecht and I are submitting by request a bill received from the Department of Housing and Urban Development [HUD] which seeks to reform the Public and Indian Housing Programs.

I ask unanimous consent that the bill, along with a letter from the Secretary of Housing and Urban Development and a section-by-section analysis, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1168

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Housing Comprehensive Grant Act".

Sec. 2. Section 9(a)(1) of the United States Housing Act of 1937 is amended by adding after the first sentence the following new sentence: "A public housing agency may also use any available amounts provided under this section in accordance with the purpose and requirements of section 14 of this Act.".

Sec. 3. Section 14 of such Act and its heading are amended to read as follows:

COMPREHENSIVE GRANT PROGRAM

"Sec. 14. (a) Purpose and Authority.—(1) The purpose of this section is to provide assistance to improve the physical condition of existing public housing projects and to upgrade their management and operation, in order to contribute to their long-term physical and social viability and their continued availability to provide decent, safe, and sanitary living conditions for lower income families.

"(2) The Secretary may make available and contract to make available financial assistance to carry out the purpose of this section to public housing agencies with respect to public housing (as defined in section 3(b)(1) of this Act) owned or operated by such agencies. There are authorized to be appropriated, for the purpose of providing financial assistance under this section, not to exceed $760,900,000 for fiscal year 1987 and such sums as may be necessary for fiscal year 1988.

"(b) Definitions.—As used in this section—

"(1) the term 'larger public housing agency' shall mean a public housing agency with 500 or more units in projects eligible for assistance under this section; and

"(2) the term 'smaller public housing agency' shall mean a public housing agency with fewer than 500 units in projects eligible for assistance under this section and any Indian housing authority.

"(c) Allocations.—(1) From the amount approved in an appropriation Act for any year for financial assistance under this section, the Secretary shall determine the amount necessary to fund the annual accrual of capital improvement needs of public housing agencies, based on available data concerning these needs. The Secretary shall allocate this amount to each public housing agency on the basis of a formula, which is based on objectively measurable criteria which reflect the annual accrual of capital improvement needs of each public housing agency.

"(2) The Secretary shall divide the amount that remains after the allocation referred to in paragraph (1) into two parts, one for larger public housing agencies and one for smaller public housing agencies, based on the relative needs of the agencies in each category for capital improvements, as determined by the Secretary. The Secretary shall allocate amounts from the portion available for larger public housing agencies to each agency on the basis of a formula, which is based on objectively measurable criteria which reflect the relative amount of needs of each larger public housing agency for capital improvements. The Secretary shall make amounts available from the portion available for smaller public housing agencies to provide financial assistance in connection with applications from smaller public housing agencies submitted and approved by HUD in accordance with subsection (f).

"(d) Comprehensive Plan.—No financial assistance may be made available under this section unless the Secretary has approved a five-year comprehensive plan submitted by the public housing agency at a time determined by the Secretary. However, notwithstanding the limitation in the preceding sentence, the Secretary may provide such assistance where necessary to correct conditions which constitute an immediate threat to the health or safety of tenants. The plan shall contain—

"(1) a comprehensive assessment of (A) the current physical condition of each project owned or operated by the agency, (B) the physical improvements necessary for each such project, and (C) the replacement needs of equipment systems and structural elements which will be required to be met (assuming routine and timely maintenance is performed) during the five-year period covered by the plan;

"(2) a comprehensive assessment of the improvements needed to upgrade the management and operation of the public housing agency and of each such project so that decent, safe, and sanitary living conditions will be provided in the projects; such assessment shall include at least an identification of needs related to—

"(A) the management, financial, and accounting control systems of the public housing agency which are related to the projects;

"(B) the adequacy and qualifications of personnel employed by the public housing agency (in the management and operation of the projects) for each category of employment; and

"(C) the adequacy and efficacy of—

"(i) tenant programs and services in the projects;

"(ii) the security of each project and its tenants;

"(iii) policies and procedures of the public housing agency for the selection and eviction of tenants in the projects; and

"(iv) other policies and procedures of the agency relating to the projects, as specified under regulations issued by the Secretary pursuant to subsection (j);

"(3) an analysis, made on a project-by-project basis, in accordance with standards and criteria prescribed by the Secretary, demonstrating that completion of the improvements and replacements identified pursuant to paragraphs (1) and (2) will reasonably assure the long-term physical and social viability of the project at a reasonable cost;

"(4) an action plan for making the improvements and replacements identified pursuant to paragraph (1) and (2) which are determined pursuant to the analysis described in paragraph (3) to reasonably assure the long-term viability of projects at a reasonable cost; such plan shall include at least a schedule, in order of priority, of those actions which are to be completed, over a period of not greater than five years from the date of approval of the plan by the Secretary, and which are necessary—

"(A) to make the improvements and replacements identified pursuant to paragraph (1) for each project expected to receive capital improvements or replacements; and

"(B) to upgrade the management and operation of the agency and its projects as identified pursuant to paragraph (2);

"(5) a statement, to be signed by the appropriate local government official (or Indian tribe official, where appropriate), certifying that:

"(A) the plan was developed by the public housing agency in consultation with appropriate local government officials (or Indian tribal officials, where appropriate) and with tenants of the housing projects eligible for assistance under this section; and

"(B) the plan is consistent with the community's assessment of its lower income housing needs and that the unit of general local government (or Indian tribe, where appropriate) will cooperate in the provision of tenant programs and services (as defined in section 3(c)(2) of this Act);

"(6) a statement to be signed by the appropriate public housing agency official, certifying that the plan will be implemented in conformance with Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, and section 504 of the Rehabilitation Act of 1973; and

"(7) such other information as the Secretary may require under regulations issued by the Secretary pursuant to subsection (j).

"(e) HUD Review of Comprehensive Plans.—(1) The Secretary shall approve a comprehensive plan unless:

"(A) the plan is incomplete;

"(B) on the basis of available significant facts and data pertaining to the physical and operational condition of the public housing agency's projects or the management and operations of the agency, the Secretary determines that the agency's identification of needs pertaining thereto is plainly inconsistent with such facts and data;

"(C) on the basis of the plan, the Secretary determines that the action plan described pursuant to subsection (d)(4) is plainly inappropriate to meeting the needs identified in the plan, or that the agency has failed to demonstrate that completion of the improvements and replacements identified pursuant to subsections (d) (1) and (2) will reasonably assure the long-term viability of one or more projects to which they relate at a reasonable cost; or

"(D) there is evidence available to the Secretary which tends to challenge in a substantial manner any certification contained in the plan.

"(2) The comprehensive plan shall be considered to be approved, unless the Secretary notifies the public housing agency in writing within 75 calendar days of submission that the Secretary has disapproved the plan as submitted, indicating the reasons for disapproval and the modifications required to make the plan approvable.

"(f) Applications From Smaller Public Housing Agencies; HUD Review.—(1) A smaller public housing agency may submit an application to the Secretary for a grant from amounts available to fund such applications under subsection (c)(2) to meet the agency's needs for one or more of its projects which cannot be addressed with other available resources. The application shall be submitted at such time and in such manner as the Secretary shall prescribe and shall—

"(A) except where necessary to correct conditions which constitute an immediate threat to the health or safety of tenants, be consistent with the agency's approved five-year comprehensive plan;

"(B) specify the needs to be addressed and the work proposed to meet the needs;

"(C) include an estimate of the cost of the proposed work; and

"(D) include such other information as the Secretary may require.

"(2) In making assistance available under this subsection, the Secretary shall give preference to public housing agencies—

"(A) which request assistance for projects (i) having conditions which constitute an immediate threat to the health or safety of tenants, or (ii) having the most severe need for completion of improvements and replacements; and

"(B) which have demonstrated the capability of carrying out the work proposed in the application submitted by the agency.

"(g) Eligible Costs.—A public housing agency may use financial assistance received under subsection (c) only—

"(1) to undertake activities described in the agency's approved action plan pursuant to subsection (d)(4);

"(2) to correct conditions which constitute an immediate threat to the health or safety of tenants, whether or not the need therefor is indicated in its comprehensive plan;

"(3) to prepare a comprehensive plan under subsection (d), an application under subsection (f), an annual statement under subsection (h), or an annual performance report under subsection (i); and

"(4) except in the case of grants under subsection (f), for the operation of projects consistent with the requirements which apply to amounts provided under section 9 of this Act.

Financial assistance received under subsection (c) may be expended only for allowable costs as determined in accordance with cost determination policies of the Office of Management and Budget applicable to grants to local and federally recognized Indian tribal governments, as appropriately modified for application to public housing agencies.

"(h) Annual Statement.—(1) Each public housing agency receiving assistance under this section shall submit to the Secretary, at a time determined by the Secretary, an annual statement of the activities and expenditures projected to be funded, in whole or in part, by such assistance during the immediately following fiscal year of the public housing agency. The annual statement shall include a certification by the public housing agency that the proposed activities and expenditures are consistent with the agency's approved comprehensive plan.

"(2) A public housing agency may propose an amendment to its comprehensive plan under subsection (d) in any annual statement. Any such proposed amendment shall be reviewed in accordance with subsection (e).

"(3) The Secretary shall approve the annual statement unless the Secretary determines that it is inconsistent with the comprehensive plan. The annual statement shall be considered to be approved unless the Secretary notifies the public housing agency in writing within 75 calendar days of submission that the Secretary has disapproved the statement as submitted, indicating the reasons for disapproval and the modifications required to make the statement approvable. The statement shall be approved before the public housing agency receives any assistance pursuant to that section for the fiscal year to which the statement relates.

"(i) Annual Performance Report; Review and Audit—(1) Each public housing agency receiving assistance under this section shall submit to the Secretary, at a time determined by the Secretary, a performance and evaluation report concerning its activities under this section. The agency's report shall include an assessment by the agency of the relationship of the use of funds made available under this section, as well as the use of other funds, to the needs identified in the agency's comprehensive plan and to the purpose of this section.

"(2) The Secretary shall, at least on an annual basis, make such reviews as may be necessary or appropriate to determine whether the public housing agency (A) has carried out its activities under this section in a timely manner, and in accordance with its comprehensive plan; (B) has a continuing capacity to carry out its comprehensive plan in a timely manner; (C) has satisfied, or made reasonable progress towards satisfying, such performance standards as shall be prescribed by the Secretary, which shall include at least that the public housing agency shall—

"(i) maintain all occupied dwelling units in projects eligible for assistance under this section at levels at least equal to the housing quality standards established by the Secretary pursuant to section 8(o)(6) of this Act;

"(ii) maintain at least a 97 percent occupancy rate for all dwelling units in such projects; and

"(iii) maintain an operating reserve, as authorized under section 9(a) of this Act, equal to at least 20 percent of each year's operating budget; and

(D) has made reasonable progress in carrying out modernization projects approved under the provisions of this section as they existed immediately before October 1, 1986. The Secretary shall make the determination under clause (D) of the preceding sentence before providing financial assistance under subsection (c) with respect to fiscal year 1987.

"(3) The Secretary may withhold assistance under this section, require the public housing agency to take corrective action, or take other action as appropriate in accordance with the Secretary's reviews under this subsection.

"(4) Recipients shall have an audit made in accordance with the Single Audit Act of 1984 (Public Law 98-502). The Secretary, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States shall have access to all books, documents, papers, or other records which are pertinent to the activities carried out under this section in order to make audit examinations, excerpts, and transcripts.

"(j) Authority To Issue Rules and Regulations.—The Secretary shall prescribe by regulation (1) the formula for determining the annual accrual of capital improvement needs of each agency referred to in subsection (c)(1), (2) the formula for allocating assistance among larger public housing agencies pursuant to subsection (c)(2), (3) standards and criteria for determining whether proposed improvements will reasonably assure the long-term physical and social viability of a project at a reasonable cost pursuant to subsection (d)(3), and (4) performance standards to be applied in the Secretary's reviews and audits pursuant to subsection (i)(2). The Secretary also may issue such additional rules and regulations as may be necessary to carry out the provisions and purpose of this section.

"(k) Transition Provisions.—Amounts that the Secretary has obligated to smaller public housing agencies under the provisions of this section, as such provisions existed immediately before October 1, 1986, shall continue to be governed by such provisions. Amounts that the Secretary has obligated to larger public housing agencies under the provisions of this section, as such provisions existed immediately before October 1, 1986, shall be subject to this section. However, larger public housing agencies shall also have the right to use such amounts for the purposes approved by the Secretary under the provisions of this section, as they existed immediately before October 1, 1986.".

Sec. 4. This Act shall become effective on October 1, 1986 with respect to amounts appropriated for Federal fiscal years beginning on and after October 1, 1986.

The Secretary of Housing and

penses contained in one-year's operating

provement needs of larger PHAs—will be

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section 504 of the Rehabilitation Act of

ment or an annual performance report, and

projects approved under the provisions of

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT,
Washington, DC, May 3, 1985.

Subject: Proposed "Public and Indian Housing Comprehensive Grant Act."

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: I am enclosing proposed legislation to reform the Public and Indian Housing program. This legislation has two basic objectives. First, it would significantly deregulate this program, returning it to local control by public housing agencies, including Indian housing authorities. Second, it provides greater reliability of funding for capital improvements through use of formula funding for accrual of capital improvement needs and for current needs. The new program would replace the current, unwieldy Comprehensive Improvement Assistance Program under section 14 of the United States Housing Act of 1937.

Although the program would become effective with respect to amounts appropriated beginning with Federal fiscal year 1987, we urge its adoption during this Session of Congress. A significant lead time will be necessary to make the necessary administrative and program design changes and to provide PHAs with adequate opportunity to undertake the comprehensive planning required by the proposal. Accordingly, we believe it should be adopted in 1985 in connection with HUD's fiscal year 1986 legislation.

An explanation and justification accompanies this letter and more fully describes the contents of the bill. Timely enactment of this proposal would provide the Department with the necessary tools to make the Public and Indian Housing Program more effective and efficient, with benefits for the Federal government, public housing agencies, and assisted tenants. I request that the bill be referred to the appropriate Committee and urge its early enactment.

The Office of Management and Budget has advised that enactment of this legislation would be in accord with the program of the President.

Very sincerely yours,

SAMUEL R. PIERCE, Jr.

(Enclosure: Identical letter sent to the Speaker of the House).

SECTION-BY-SECTION EXPLANATION AND JUSTIFICATION

PUBLIC AND INDIAN HOUSING COMPREHENSIVE GRANT PROGRAM

The Public and Indian Housing Comprehensive Grant Program has two basic objectives: (1) significant deregulation of the public housing program, returning it to local control and (2) reliability of funding for capital improvements through use of formula funding for accrual of capital improvement needs and for current needs.

Under the new program, PHAs will receive funds for capital improvements on a formula basis. Subsidy for operating costs will be provided as it is now under the Performance Funding System. Funds from the two sources will be fully fungible with the PHA.

Funds will be granted based on 5-year comprehensive plans and annual statements of work. HUD review will be extremely limited. Close monitoring will be limited to PHAs which fail to meet, or make reasonable progress toward meeting, three performance standards: maintaining decent, safe, and sanitary housing, maintaining 97 percent occupancy; and maintaining an operating reserve of at least 20 percent of the expenses contained in one-year's operating budget.

The current modernization program is an inefficient way to distribute resources for the capital improvement needs of the public housing inventory. It denies PHAs the flexibility and responsibility essential for setting priorities for capital improvement expenditures, weighing the needs of all projects against each other and the options of repair and major maintenance against capital replacement. Because HUD decides what to fund and when to fund it, PHAs cannot do rational multi-year planning for the capital improvement needs of real estate now estimated to be worth $60 billion.

The program now imposes rigorous application requirements and applies them to all PHAs, regardless of management capablity or the size of the PHA. The program requires HUD scrutiny of the application and intensive HUD monitoring of the modernization activities. This overregulation creates unnecessary paperwork and delays, which in turn can drive up the costs of the rehabilitation work.

Under the new program, the freedom from pervasive regulation, the full fungibility of operating and capital funds provided by formula allocation and the increased reliablity of funding will provide the opportunity and incentives for efficient management. PHAs will be able to set their own priorities, to choose among projects, to determine whether maintenance or capital improvements is most cost-effective in a particular instance and to plan realistically on a multi-year basis knowing that they will have substantial control in carrying out the plan. Section 3 of the bill contains the revised section 14 of the U.S. Housing Act of 1937 which authorize the new program.

As provided in proposed section 14(a), the purpose of the Comprehensive Grant Program for Public and Indian Housing is to impove the physical condition of existing public and Indian housing projects and to upgrade their management and operation. Upgrading the management and operation of these projects will contribute to their long-term physical and social viability and assure their continued availability to provide decent, safe and sanitary living conditions for lower income families.

There are two components to the Comprehensive Grant Program, operating subsidies and capital improvement funds. Each component will be allocated separately. The opearting subsidy will be calculated as it is now under the Performance Funding System. For capital improvements, proposed subsection (c) provides for three segments of the allocation—one based on the ongoing accrual of future needs of all PHAs for replacement and major repairs, one based on the current needs of larger PHAs (PHAs having 500 or more units), and one based on the current needs of all Indian Housing Authorities (IHAs) and smaller PHAs (PHAs having less than 500 units). First, from the sum appropriated by Congress each year, the amount needed to fund the ongoing accrual of future replacement and major repair needs will be allocated by formula to each PHA under proposed subsection (c)(1). Under proposed subsection (c)(2), the remaining funds will be divided, into two "pots", one for larger PHAs and one for smaller PHAs and IHAs. The amount available for larger PHAs will be allocated by formula. The amount available for smaller PHAs and IHAs will be available on an application basis.

The funds allocated by formula—operating subsidy, accrual, and current capital improvement needs of larger PHAs—will be fungible, that is the funds can be used interchangeably. This gives PHAs the flexibility to exercise management discretion, making the appropriate trade-offs between maintenance and capital improvements. The discretionary funds available by application for smaller PHAs and all IHAs will not be fungible. Section [illegible] of the bill amends section 9 to make the operating subsidy amounts fungible. Proposed section 14(g)(4) makes amounts provided under section 14 (other than those available by application) fungible. Factors for the capital improvements formulas will be based on analysis of data regarding modernizaiton needs, including data from the modernization needs study, which will be available in draft form in the summer of 1986.

This allocation approach is significant in a number of ways. For the first time, recognition is given and regular annual allocations provided to all PHAs for future needs. For current needs, larger PHAs are allocated funds on a formula basis. Under this proposal they are assured of regular annual allocations for that purpose, to the extent that funds are appropriated instead of having to compete for available funds with other PHAs.

Availability of a discretionary "pot" for smaller PHAs and all IHAs under proposed subsection (f) will make it possible to get the funds to those smaller PHAs which have relatively large current modernization needs. Under a formula allocation to the PHA level, those small PHAs which have substantial current modernization needs would not receive adequate funding to accomplish this work even if they attempted to accumulate funds over several years. Further, sufficient data will not be available to determine formula allocations for smaller PHAs.

A five year comprehensive plan will be submitted to HUD by the PHA, as required by proposed subsection (d). This plan will include a comprehensive assessment of the current physical condition of each project, the physical improvements necessary for each project, and the future replacement needs. The comprehensive plan will also include a comprehensive assessment of the improvements needed to upgrade the management and operation of the PHA and the PHA's projects. This management assessment will include identification of needs related to management systems, PHA personnel, tenant programs and services, security, and tenant selection and eviction policies. The comprehensive plan will also include an analysis of how the physical and management improvements will reasonably assure long-term physical and social viability of each project at a reasonable cost. The comprehensive plan will include an action plan for making identified improvements and a priority schedule for such actions.

Two statements will accompany the plans, as required by subsections (d) (5) and (6). The local government will certify that (1) the plan was developed by the PHA in consultation with appropriate local government officials (or Indian tribal officials, where appropriate) and with tenants of the public housing projects, and (2) the plan is consistent with the community's assessment of its lower income housing needs and that the unit of general local government (or Indian tribe, where appropriate) will cooperate in the provision of tenant programs and services. The PHA will certify that the plan will be implemented in conformance with the Civil Rights Acts of 1964 and 1968 and with

section 504 of the Rehabilitation Act of 1973, concerning accessibility to the physically handicapped.

The level of HUD oversight and review of the comprehensive plans under proposed subsection (e) will be limited to permit PHAs maximum autonomy in ranking and responding to their own needs. HUD must approve the comprehensive plans within 75 days, unless the PHA is notified of disapproval, the reasons for the disapproval, and the required modification to the plan to make it acceptable. The plans will be approved unless anyone of the following four conditions are present. First, the plan may be disapproved if it is incomplete. Second, the plan may be disapproved if HUD determines that the PHA's identification of needs is plainly inconsistent with available, significant facts and data pertaining to the physical and operational condition of the projects or management and operations of the PHA. Third, the plan may be disapproved if HUD determines that the action plan is plainly inappropriate to meeting the needs identified in the plan or the PHA has failed to demonstrated how completion of identified improvements will reasonably assure the long-term viability of one or more projects at a reasonable cost. Finally, the plan may be disapproved if HUD determines there is evidence which tends to challenge in a substantial manner any certification contained in the plan.

Under proposed subsection (f), smaller PHAs and IHAs will submit applications to HUD to fund current modernization needs which cannot be addressed with other available resources. The application will specify the needs to be addressed and the work proposed to meet the needs and include an estimate of the cost of the proposed work. The application must be consistent with the PHA's approved five year comprehensive plan, except where necessary to correct emergency conditions. HUD will give preferenc to PHAs which have projects with emergency conditions or having the most severe need for modernization and which have demonstrated the capability to carry out the proposed work.

Under proposed subsection (h), PHAs will be required to submit an annual statement of the activities and expenditures projected to be funded. In any annual statement, a PHA may propose an amendment to its comprehensive plan. HUD will approve the annual statement unless it is inconsistent with the comprehensive plan. The annual statement will be considered approved unless HUD notifies the PHA is writing within 75 calendar days of submission that the statement has been disapproved, the reasons for disapproval and the modifications required to make the statement approvable.

PHAs will be required to submit to HUD a performance and evaluation report concerning the use of funds, as required by proposed subsection (i)(1). The PHA's report will include an assessment by the PHA of the relationship of such use of funds made available under this section, as well as the use of other funds, to the identified needs in the comprehensive plan and to the purposes of this program.

Under proposed subsection (g) of the Comprehensive Grant Program PHAs will be able to use funds to: undertake activities decribed in the approved action plan; to correct emergency conditions, whether or not the need is indicated in the comprehensive plan; to prepare a comprehensive plan, a smaller PHA application, an annual statement or an annual performance report, and for day-to-day operations of the PHA consistent with the operating subsidy statutory provisions. These eligible activities are consistent with what is now permitted under modernization or operating subsidy funding. Assistance under the program could be used only for allowable costs as determined in accordance with cost determination policies of the Office of Management and Budget under Circular A-87 applicable to grants to local and federally-recognized Indian tribal governments, as appropriately modified for application to PHAs.

The five-year comprehensive plan, annual statements and performance reports will replace the current extensive submissions required for each modernization project. These submissions include preliminary applications, additional documentation required when HUD and the PHA jointly review the proposal, final applications, construction and bid documents (where HUD-established dollar thresholds are exceeded), change orders (where HUD-established thresholds are exceeded), quarterly progress reports, budget revisions, final reports, and actual modernization costs certificates. Each submission includes numerous items, each of which is subject to HUD review and approval, except for submissions during the implementation phase for which many PHAs currently can certify compliance. Currently, HUD also determines modernization standards, which set maximum levels to which projects may be improved. By virtue of the major reduction in submission requirements, the elimination of the modernization standards, as well as strict limitation on the level of HUD review, PHAs will gain control over the amount and kind of work to be done at each project.

Provision of capital improvement funds largely by formula will replace the current competitive, discretionary program in which HUD decides which projects are to be funded—setting priorities, establishing a ranking system, and reviewing and approving individual applications. Through the Performance Funding System, HUD also constrains the amounts that may be spent each year for PHA program operations. Under the new program, although the funding amounts are determined on the basis of operating subsidy need, accrual and current capital improvements needs, PHAs are not required to establish a replacement reserve nor to spend the funds for the purposes on which each allocation is based. The entire comprehensive grant is to be spent to make physical and management improvements and to operate the PHA, according to the needs and priorities locally set by the PHA. This local management flexibility will permit efficiency in the use of funds which cannot be achieved under a system dictated in detail from Washington.

Program monitoring will be designed to determine whether PHAs are meeting program objectives, rather than procedural details, and close monitoring will be limited to those PHAs which are not making reasonable progress.

HUD will make reviews, as necessary, under proposed subsection (i)(2), to determine whether the PHA: 1) has carried out its activities under this section in a timely manner, in accordance with its comprehensive plan; 2) has a continuing capacity to carry out its comprehensive plan in a timely manner; 3) has satisfied, or made reasonable progress towards satisfying, the performance standards; and 4) has made reasonable progress in carrying out modernization projects approved under the provisions of this section as they existed immediately before October 1, 1986. The determination under clause (4) would occur before any assistance is provided under the new program.

PHAs will be expected to meet or make reasonable progress toward performance standards which represent characteristics of well-managed PHAs. These standards are: maintaining all occupied dwelling units in projects eligible for assistance at levels equal to the housing quality standards established by HUD for the Voucher program; maintaining at least a 97 percent occupancy rate for all dwelling units; and maintaining an operating reserve equal to at least 20 percent of the expenses contained in each year's operating budget.

As provided in proposed subsection (i)(3), HUD may withhold assistance, require the PHA to take corrective action, or take other appropriate action, in response to HUD reviews. The intent of the Comprehensive Grant Program is to permit PHAs the maximum possible freedom to operate in any way they believe best to meet the statutory objectives of the public housing program. However, PHAs which do not use their resources effectively to provide decent, safe and sanitary housing for lower income families, or do not maintain financial stability, including PHAs now designated as financially or operationally troubled, will be funded subject to conditions specified by HUD designed to assure that there is continuing progress toward meeting the performance standards. HUD staff resources will be freed from detailed review of PHAs that are performing well and redirected to provide assistance to troubled PHAs.

The financial transactions of PHAs may be audited in accordance with the Single Audit Act of 1984 as provided in proposed subsection (i)(4). HUD, HUD's Inspector General, and the representatives of the General Accounting Office will have access to all books, documents, papers, or other records pertinent to the activities carried out under the new program to make audit examinations, excerpts, and transcripts.

Under proposed subsection (j), HUD will prescribe by regulation: the formula for determining the annual accrual of capital improvement needs of each PHA; the formula for allocating assistance among larger PHAs; standards and criteria for determining whether proposed improvements will reasonably assure the long-term physical and social viability of a project at a reasonable cost; and performance standards. HUD may issue additional rules and regulations as may be necessary to carry out the provisions and purpose of this section.

Under proposed subsection (k), for smaller PHAs, funds previously approved for modernization will continue to be governed by the provisions which existed immediately before October 1, 1986. For larger PHAs, funds previously approved for modernization will come under this section. However, larger PHAs also will be allowed to use previously approved funds for the activities for which also they were originally approved.

Section 4 of the bill provides that the amendments will become effective October 1, 1986 with respect to amounts appropriated for Federal fiscal year 1987 and thereafter.●

By Mr. DURENBERGER (for himself, Mr. HATFIELD, Mr. HART, Mr. CRANSTON, Mr. KENNEDY, Mr. MOYNIHAN, Mr.

RIEGLE, Mr. EVANS, Mr. HEINZ, Mr. BURDICK, Mr. MATSUNAGA, Mr. BOSCHWITZ, Mr. MELCHER, and Mr. KERRY):

S. 1169. A bill to ensure economic equity for American women by providing retirement security for women as workers and as divorced or surviving spouses, making quality dependent care available to all working families, ending discrimination in insurance on the basis of race, color, religion, national origin, or sex, providing equal employment opportunity and pay equity for women, treating women and low-income families more equitably under the tax laws and tax reform proposals, and improving the health care coverage of displaced homemakers and medicare recipients; to the Committee on Finance.

ECONOMIC EQUITY ACT

● Mr. **DURENBERGER**. Mr. President, I am pleased to introduce the Economic Equity Act of 1985 along with my colleagues, Mr. HATFIELD, Mr. HART, Mr. CRANSTON, Mr. KENNEDY, Mr. MOYNIHAN, Mr. EVANS, Mr. BURDICK, Mr. MATSUNAGA, Mr. RIEGLE, Mr. BOSCHWITZ, Mr. HEINZ, Mr. MELCHER, and Mr. KERRY.

The Economic Equity Act of 1985 is a major bipartisan effort designed to eradicate some of the economic roots of discrimination against women and to address those economic barriers to women's full participation in our society.

The Economic Equity Act was originally introduced in the 97th Congress along with my colleagues BOB PACKWOOD and MARK HATFIELD. The bill drew endorsement from 23 cosponsors and virtually all of the organizations advocating equal access for women. Agricultural credit, child and dependent care tax credit reform, repeal of the widows estate tax, and military/foreign service pension reform all became public law.

In the 98th Congress we strengthened the enforcement of child support payments and made our public and private pension systems more equitable. The Deficit Reduction Act of 1984 enacted two provisions of the Economic Equity Act. It clarified nonprofit dependent care facilities as eligible for tax exempt status and it allowed alimony to be treated as income for the purposes of individual retirement accounts. The head start reauthorization bill enacted dependent care information and referral.

Despite the progress which we have made in getting major provisions of the Economic Equity Act adopted over the past 5 years, women still face disproportionate treatment under the law. Additional work needs to be done in order to secure full equity for women. Each title of the Economic Equity Act, retirement security, dependent care, insurance, employment and tax reform address areas where reforms, either by law or by practice are needed. I would like to summarize the provisions under each of the five titles of the act.

Statistics show that women have been less likely to receive pensions than men, and when they receive them, their benefits have been considerably lower than those of men. This disparity has many implications for women particularly lower paid workers. This is of particular concern due to the increased mobility of the workforce. Title I under retirement equity addresses these needs.

TITLE 1 RETIREMENT SECURITY

The Retirement Equity Act of 1983 (P.L. 98-397) reformed the Employee Retirement Income Security Act [ERISA] and the Internal Revenue Code in the following ways:

It (1) lowers from 25 to 21 the minimum age for participation in private pension plans and the minimum age at which service must be counted toward vesting (entitlement to receive benefits); (2) allows employees to leave a job for up to 5 years without losing any time accrued for pension participation and vesting; (3) allows employees on maternity or paternity leave to earn limited pension credits so that they do not incur a break-in-service; (4) requires pension plans paying annuities to pay to married participants a joint (or two-person) annuity while both persons survive and a survivor annuity after one person dies, unless both spouses sign a wiver of the joint and survivor annuity; (5) allows a spouse to receive pension benefits if a wage earner dies before retirement age but after he reaches age 45 and has 10 years on the job; (6) provides that pension benefits may be assigned to an ex-spouse in case of divorce, (7) assumes that employees who have accrued retirement benefits will not lose those benefits when an employer terminates or changes a pension plan.

VESTING, INTEGRATION AND PORTABILITY

Vesting. This years bill reduces, from 10 to 5 years, the number of years of service a pension plan participant must complete in order to earn a 100 percent, nonforfeitable right to a retirement benefit. It would permit multiemployer pension plans to retain 10 years vesting, on condition that there is complete reciprocity for workers who move from one regional pension plan to another within the same industry.

Integration. Integration is the practice of offsetting a pension plan participant's earned benefit by the amount of Social Security benefits the workers will receive upon retirement. Some 45 percent of medium and large plans use integration in calculating retirement benefits. The impact on the lowest paid workers is important because integration can wipe out their entire pension, leaving them totally dependent on Social Security.

This legislation requires all integrated pension plans to provide a munimum benefit, above and beyond the Social Security benefit. For integrated defined benefit plans, this minimum would be 1.5 percent of the employee's compensation over a 10-year period. For integrated defined contribution plans, the minimum would be 2.5 percent of compensation for all years of service.

Portability. Under the portability modification, small vested pension benefits accumulated over short time periods could be rolled over into portable pension accounts. These accounts could not be drawn upon before retirement without penalty nor added to with new earnings. This ensures that retirement money is kept for retirement, but allows the employee some control over investment.

Earnings sharing. Under earnings sharing plans, a couple's annual earnings would be divided equally between them for the years they were married for purposes of computing benefits. The couple's aggregate earnings would be split on a year-by-year basis only for those years of the marriage in order to assure that each spouse will have Social Security protection in his or her own right.

Disabled widows. The disabled widow(ers) amends title II of the Social Security Act to provide full benefits for disabled widows and widowers without regard to age, and without regard to any previous reduction in their benefits.

Transition of benefits. Under the transition of benefits bill, title II of the Social Security Act would be amended to provide for the payment of a transition benefit to the spouse of an insured individual upon such individual's death if such spouse has attained age 50 and is not otherwise immediately eligible for benefits.

Disability definition. The disability definition provision amends title II of the Social Security Act to repeal the separate definition of disability presently applicable to widows and widowers, and to provide in turn that the months of a widow's or widower's entitlement to SSI benefits on the basis of disability may be used in establishing his or her entitlement to Medicare benefits on that basis

MILITARY SPOUSE PENSION REFORM

The fiscal year 1985 Department of Defense authorization bill extends health benefits to certain former spouses of military personnel. In 1982, legislation was passed to authorize State courts to order division of retirement pay as part of community property distribution upon divorce. This law also provided for medical benefits and commissary privileges to former spouses married at least 20 years during periods of active service.

Current law allows courts to consider the division of retired or retirees pay subject to certain restrictions. Because these restrictions allow the member to withhold taxes and other liabilities from the annuity before division, the spouse often does not receive a fair share of the retirement benefits. In addition, there has been difficulty interpreting some of the formulas created by the courts to divide military retired pay.

Many military spouses find themselves without retirement benefits after a divorce. Although current law allows courts to consider the military retirement pay in divorce settlements. many courts fail to recognize the contributions and sacrifices of the spouse to a military career. Due to frequent moves, a military spouse is unable to establish a pension based on years worked with a singe employer. In addition, it is usually the spouse who resettles the family in a new neighborhood with each assignment.

The proposed EEA, would establish a pro rata presumption to the retirement pay for former spouses, the same as it establishes a pro rata presumption to the retirement pay for former spouses, the same as available to the CIA and Foreign Service spouses. The division would be subject to court review and would simplify annuity division.

DEPENDENT CARE SECTION, TITLE XX

This bill increases the title XX social services block grant authorization levels for title XX. The bill provides the following:

A set aside for child care and other services such as child abuse and neglect prevention, the promotion of cost-effective alternatives to institutionalization; funding for child care training and training for other human services staff; incentive grants to states to encourage implementation and enforcement of day care regulations and the establishment of a national resource center on child care.

The Senate bill provides for the establishment of a National Advisory Committee to develop new recommended model child care standards and the appointment of State Advisory Committees on Child Care Standards to examine the state's child care laws and procedures relating to the quality of child care standards.

CHILD CARE UNDER THE HIGHER EDUCATION ACT

This provision of the EEA amends the Higher Education Act to address the need for special child care services for economically disadvantaged college students and to improve child care training opportunities. This bill establishes a grant program to make child care available to low-income, first generation college students.

This is a positive attempt to assist young women with children to enter college. This provision could be interpreted as a duplication of services to this population. It could also be inerpreted as a luxury item in this economic environment.

CHILD CARE IN PUBLIC HOUSING

This section of the EEA establishes grants for child care services in public housing projects. Under the bill, public housing agencies would contract with nonprofit organizations within their communities to provide child care services to low-income families. The bill would also encourage direct involvement of public housing residents by employing these residents, especially elderly individuals, in the child care programs.

This provision passed last year as a part of the large housing authorization. However, it was not funded. KASSEBAUM has agreed to take the lead on the separate introduction of this measure.

HEALTH INSURANCE CONTINUATION FOR WIDOWED AND DIVORCED WOMEN AND DEPENDENT CHILDREN AND MEDICARE GAP WOMEN

This provision would cover widows and widowers and dependent children of employed spouses who have been covered under the group contract for at least the 30 days prior to the death, divorced persons of employed spouses who have been covered under the group contract for at least 30 days prior to the separation or divorce, the dependent minor children of the employed spouse and finally, spouses whose covered spouse has retired and is on Medicare but the other spouse is not old enough to qualify for Medicare.

This provision amends the Internal Revenue Code section 162(i)—to deny the business tax deduction from any employer who fails to include continuation rights to a widow and dependent children, divorced spouse and dependent children or women whose husband has retired and is on Medicare, reference to section 401—qualified pension plans, ERISA title I—new section, and Federal regulation title 42 part 110.108(e) for HMO's.

FAIR INSURANCE PRACTICES ACT

The proposed Fair Insurance Practices Act would prohibit distinctions based on race, color, religion, sex, or national origin in pension plans and insurance contracts.

Nondiscrimination in insurance is the original H.R. 100 November 1983 amendments. The bill avoids retroactivity. There is no requirement to increase benefits for current beneficiaries. Current beneficiaries would be ensured equal benefits when payment begins.

It allows insurers to equalize future benefits in whatever manner they choose. There is no requirement for them to top up all benefits. The effective date is one year after enactment.

PAY EQUITY COMPARABLE WORTH

The debate on pay equity/comparable worth is a timely and germane agenda which should be acknowledged and objectively examined. It is an issue in which we as a nation find ourselves challenged to identify the contributing factors for the large disparities between women's wages and men's wages. We should neither bury our heads in the sand, denying that these disparities exist, nor should we make it a foregone conclusion that these disparities are a product of wage based discrimination. We should squarely face this challenge, identifying these disparities using the best minds and resources at our command.

Mr. President, I offer an article recently published by "Minnesota Corporate Report," which I believe conveys a provocative view of pay equity/comparable worth from the State business perspective. I request that the article be placed in the RECORD following the remarks of my colleagues.

PAY EQUITY

The House proposal on pay equity/comparable worth would require the Equal Employment Opportunity Commission [EEOC] to develop an education program on eliminating sex-based wage discrimination from private sector pay systems. The bill would also mandate periodic reports by the Chair of the Equal Employment Opportunity Commission, the Secretary of Labor, and the Attorney General to the President and Congress describing the activity each agency has taken to enforce current laws which prohibit sex-based wage discrimination.

FEDERAL STUDY

The Federal Pay Equity and Management Improvement Act of 1985 allows for an independent consultant to conduct a study of the Federal civil service pay classification system. The report would conclude with recommendations for correcting any discriminatory wage practices identified.

LEGISLATIVE STUDY

This provision establishes a commission that would in turn select a private contractor to conduct a study of the pay practices of the Library of Congress. The commission would make recommendations to implement pay equity throughout the legislative branch.

Under the Senate pay equity provision, a commission would be established to hire a consultant to provide for a study of representative executive agencies' wage-setting practices and wage differentials. The study is to determine, by using both job content and economic analysis, whether female occupations are paid lower than male occupations. Within 18 months the commission is to transmit to the appropriated committees of Congress a report on its findings and recommendations for such administrative or legislative actions as it considers appropriate. The Director of the Office of Personnel Management shall comment on the report and specify the Director's plan and timetable to carry out any corrective measures if so indicated.

AFDC MOTHERS

The problems associated with teen pregnancy are well documented. In 1981, nearly half of all births to women under 20 were out of wedlock—

a 58-percent increase over 1970, when 31.5 percent of all births to teenagers were out of wedlock.

The United States is the only developed country where the teenage pregnancy has been increasing in recent years, with the U.S. rate for 15- to 19-year-olds standing at 96 per 1,000—83 per 1,000 for whites—compared to 14 per 1,000 in the Netherlands, 35 in Sweden, 43 in France, 44 in Canada, and 45 in England and Wales. It is notable that the teenage abortion rate alone in the United States is as high as or higher than the combined abortion and birthrates of any of these countries.

The Senate and House have different measures to address the issues of long term AFDC dependency.

The bill being introduced in the Senate would provide assistance and services to help young women remain in school or find employment. The bill would provide support services—child care, employment training, job placement, and academic and vocational education, in an effort to avoid the predictable cycle of poverty and long term welfare dependency. The bill provides Federal grants to support States' efforts to provide the services teenage parents need to complete their education and prepare themselves for employment. States applying for these funds would identify areas with a high incidence of teenage pregnancy, and funds would be targeted to low-income areas. States would be directed to better coordinate the administration of Federal funds currently directed to teenage mothers, funds from social services block grants, the Job Training and Partnership Act, the Work Incentive Program, and the maternal and child care block grant.

In its application for these funds, a State would produce a plan to target a specified core of services to teen mothers, to help them achieve greater self-sufficiency, for example, day care services, so teen mothers can attend school or work; and employment training and job placement services, so teen mothers can gain the skills to support their children.

The purpose of the Commission on Women's Small Business Ownership will be to study ways to improve the business climate for women business owners; the Commission would be appointed for 2 years, report its findings, and then expire. The Commission will help fill the void in statistics since 1980 by not only collecting available data but also reviewing data collecting procedures and identifying gaps and discrepancies. The Commission will also review all existing Federal initiatives relating to women-owned businesses and Federal roles in aiding and promoting women-owned small businesses.

This bill directs the Commission to focus on the special problems of socially and economically disadvantaged women in owning small businesses. The Commission would be required to make recommendations based upon its findings. The recommendations should include private sector and Federal initiatives to assist women in small business ownership. This Commission will help to identify barriers and assist both Government and the private sector in eliminating specific roadblocks to women's full participation in the free enterprise system.

WOMEN IN BUSINESS-EQUAL CREDIT

This bill amends the Equal Credit Opportunity Act of 1972; to require the Federal Reserve Board to extend all enforcement provisions of the Equal Credit Opportunity Act of 1974 to commercial lenders.

Although the Equal Credit Opportunity Act requires financial credit institutions to make credit available equally to all credit worthy customers without regard to sex or marital status, many of its provisions have been interpreted not to apply to business transactions. The Federal Reserve Board was given the authority to prescribe regulations to carry out the purposes of the act. Their main regulation, regulation B amplifies the basic requirements of the act. Regulation B prohibits a creditor from asking about an applicant's sex, race, color, and national origin. Despite the existence of potential safeguards, the Federal Reserve Board's rules generally exempt business credit transactions from the rules requiring notification, retention of records and inquiries about marital status.

Exempting business credit transactions from the requirements of the act hampers the ability of enforcement agencies and women entrepreneurs to detect illegal discrimination, eliminates incentives for financial institutions to monitor their own practices, and make it difficult for lawmakers to detect discriminatory practices or other types of barriers to full access to credit.

TAX REFORM: HEAD OF HOUSEHOLD ZBA

This proposal would raise the ZBA for single heads-of households to that of married couples filing jointly.

EARNED INCOME TAX CREDIT

The earned income tax credit is a refundable tax credit that was enacted in 1975 exclusively for low-income workers with children. The purpose of the EITC is to provide an incentive for low-income families to work rather than to recieve public assistance and to offset the Social Security taxes paid by low-income earners. The enactment of the EITC brought the income tax threshold above the proverty line ensuring that most poor working families would pay little or no Federal income tax. The EITC is a credit against the tax liability of families earning $11,000 per year or less, and it is refundable for a family whose credit exceeds its liability. In this way, the EITC resembles a negative income tax.

The EEA bill would index the EITC and increases it from 11 percent to 16 percent of the first $5,000 of earned income. It would phase out the maximum credit of $800 between $11,000 and $16,000 of earnings at a 16 percent rate.

Note: Bradley-Gephardt proposal maintains the current EITC; the Treasury proposal indexes it, the Kemp-Kasten plans indexes and reduces the tax credit. All three proposal raise the tax threshold through other mechanisms.

DEPENDENT CARE TAX CREDIT

The dependent care tax credit bill would expand and index the dependent care tax credit. It would expand the current sliding scale to 50 percent for those earning $10,000 or less, decreasing to 20 percent for those earning $40,000 or more.

It would index the income thresholds and make the credit refundable for low-income families who owe not income tax. The bill also provides a tax credit for respite care of disabled children and adult dependents who are physically or mentally unable to care for themselves. This credit would be available for the applicable percentage of up to $1,200 in respite care expenses.

SPOUSAL INDIVIDUAL RETIREMENT ACCOUNTS

This bill would gradually increase the allowable IRA contribution for a nonworking spouse based on the working spouse's income. The allowable contribution for a joint return with a nonworking spouse would be increased from the current $2,250 to $2,750 for fiscal year 1986 and 1987, $3,250 for fiscal year 1988 and 1989, $3,750 for fiscal year 1990 and 1991, and $4,000 thereafter.

NONDISCRIMINATION IN BUSINESS EXPENSE DEDUCTION

This bill would disallow the business deduction for entertainment and travel-related lodging when such activity takes place in a private club that discriminates on the basis of race, color, religion, national origin, or sex.

The alternative provision in no way prohibits anyone from joining the club of his or her choice. It simply puts an end to the practice of conducting tax deductible business in a discriminatory establishment. To the extent that these are business clubs, they would not be allowed to discriminate; to the extent that they are social clubs, expenses incurred therein should not be tax deductible.

The tax issues have been packaged separately in order to provide a platform to discuss the following items during the debate on tax reform.

The 1985 Economic Equity Act represents a comprehensive, forward-looking approach to improving the economic well-being of American women and their families.

The Economic Equity Act achievements of the past 4 years were important reforms, reflecting the growing awareness of the rights and needs of American women.

We can no longer allow the law to routinely treat women as second-class citizens, dependent and devoid of the choice to contribute to their women economic future.

I would like to acknowledge my colleagues and those who have worked diligently over the past several months on specific provisions contained with the package. I would also like to acknowledge my colleagues in the House of Representatives where the Economic Equity Act was introduced earlier last week and where the bill currently enjoys the support of 82 cosponsors.

I want to offer special gratitude to the groups who have endorsed the bill prior to its introduction. These groups include: American Association of Retired Persons, American Association of University Women, American Nurses' Association American Women in Radio and Television, American Women's Clergy Association, Association of Junior Leagues, Inc., B'nai B'rith Women, Children's Defense Fund, Congressional Black Caucus, Displaced Homemakers Network, Inc., Federally Employed Women, Leadership Conference on Civil Rights, League of Women Voters of the United States, National Black Child Development Institute, National Commission on Working Women, National Council of Catholic Women, National Education Association, National Federation of Business and Professional Women's Clubs, National Organization for Women, National Women's Party, National Women's Political Caucus, Older Women's League, Organization of Chinese American Women, Pioneer Women, Pension Rights Center, Wider Opportunities for Women, Women's Equity Action League, Women, U.S.A.

Mr. President, I ask unanimous consent that the bill and an article from "Corporate Report" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1169

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Economic Equity Act of 1985".

(b) TABLE OF CONTENTS.—

Section 1. Short title and table of contents.
TITLE I—RETIREMENT
PART A—PRIVATE PENSIONS
Sec. 100. Short title.
Subpart 1—Amendments to the Employee Retirement Income Security Act of 1974
Sec. 101. Continued coverage for certain workers over the normal retirement age.
Sec. 102. Minimum vesting standard reduced from 10 years to 5 years.
Sec. 103. Coverage for part-time workers.
Sec. 104. Minimum benefit rules for integrated plans.
Sec. 105. Distributions of accrued benefits to portable pension accounts.
Subpart 2—Amendments to the Internal Revenue Code of 1954
Sec. 111. Continued coverage for certain workers over the normal retirement age.
Sec. 112. Minimum vesting standard reduced from 10 years to 5 years.
Sec. 113. Coverage for part-time workers.
Sec. 114. Minimum benefit rules for integrated plans.
Sec. 115. Distributions of accrued benefits to portable pension accounts.
Subpart 3—Additional Provisions
Sec. 121. Study on cost-of-living adjustments under private pension plans.
Sec. 122. Effective date.
PART B—SOCIAL SECURITY
Sec. 130. Short title.
Subpart 1—Earnings Sharing
Sec. 131. Combined earnings of husband and wife during their marriage to be divided equally and shared between them for benefit purposes.
Subpart 2—Other Reforms
Sec. 141. Full benefits for disabled widows and widowers without regard to age.
Sec. 142. Payment of transition benefits to certain surviving spouses.
Sec. 143. Repeal of separate definition of disability presently applicable to widows and widowers.
PART C—FORMER MILITARY SPOUSES
Sec. 151. Short title.
Sec. 152. Former spouse share of retired or retainer pay.
Sec. 153. Former spouse share of survivor annuity.
Sec. 154. Survivor annuities in cases of divorce before the effective date.
Sec. 155. Former spouse share of retired or retainer pay in compliance with court order.
Sec. 156. Effective dates.
TITLE II—DEPENDENT CARE
PART A—SOCIAL SERVICES PROGRAM (TITLE XX)
Sec. 200. Short title.
Sec. 201. Increase in total amount of title XX funds available for allotment.
Sec. 202. Allotment and use of funds for specific purposes.
Sec. 203. Improvement of child care standards.
PART B—HIGHER EDUCATION ACT
Sec. 211. Child care program for postsecondary students.
PART C—PUBLIC HOUSING CHILD CARE DEMONSTRATION PROGRAM
Sec. 221. Public housing child care grants.
TITLE III—INSURANCE
PART A—NONDISCRIMINATION IN INSURANCE
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Sec. 301. Findings and policy.
Sec. 302. Definitions.
Sec. 303. Discriminatory actions.
Sec. 304. State enforcement prior to judicial enforcement under this part.
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TITLE V—TAX REFORM
Sec. 501. Zero bracket amount for heads of households.
Sec. 502. Increase in earned income credit; treatment of certain payments.
Sec. 503. Credit for dependent care services.
Sec. 504. Retirement savings of individuals.
Sec. 505. Deduction for certain expenses for food, beverages, lodging, and entertainment disallowed if incurred in connection with a facility to which access is limited on the basis of race, color, sex, religion, or national origin.

TITLE I—RETIREMENT

PART A—PRIVATE PENSIONS

SEC. 100. SHORT TITLE.

This title may be cited as the "Pension Vesting, Integration, and Portability Act of 1985".

Subpart 1—Amendments to the Employee Retirement Income Security Act of 1974

SEC. 101. CONTINUED COVERAGE FOR CERTAIN WORKERS OVER THE NORMAL RETIREMENT AGE.

(a) In General.—Section 202(a)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1052(a)(2)) (relating to maximum age conditions) is amended to read as follows:

"(2)(A) Except as provided in subparagraph (B), no pension plan may exclude from participation (on the basis of age) employees who have attained a specified age.

"(B) A pension plan may exclude from participation (on the basis of age) an employee who has attained the normal retirement age under the plan if—

"(i) the plan is—

"(I) a defined benefit plan, or

"(II) a target benefit plan (as defined in regulations prescribed by the Secretary of the Treasury), and

"(ii) the employee's accrued benefit under the plan is greater than the normal retirement benefit to which the employee would be entitled at the normal retirement age if the employee commenced participation at the earliest possible entry age under the plan and served continuously until attaining the normal retirement age under the plan.".

(b) Rule of Application.—The amendment made by subsection (a) shall apply with respect to service performed on or after the effective date under section 122.

SEC. 102. MINIMUM VESTING STANDARD REDUCED FROM 10 YEARS TO 5 YEARS.

(a) In General.—Paragraph (2) of section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)(2)) (relating to minimum vesting standards) is amended to read as follows:

"(2) A plan satisfies the requirements of this paragraph if it satisfies the requirements of subparagraph (A) or (B).

"(A) A plan satisfies the requirements of this subparagraph if, under the plan, a participant who has completed at least 5 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.

"(B)(i) A plan satisfies the requirements of this subparagraph if—

"(I) the plan is a multiemployer plan (as defined in section 3(37)),

"(II) the plan is maintained pursuant to a collective bargaining agreement to which a national or international employee organization is a party and provides for participation in the plan by all members of such organization, or the plan provides for reciprocity between itself and each other related multiemployer plan, and

"(III) under the plan a participant who has completed at least 10 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.

"(ii) For purposes of this subparagraph—

"(I) a multiemployer plan is related to any other multiemployer plan if either plan is maintained pursuant to a collective bargaining agreement to which an employee organization subordinate to a national or international employee organization is a party, and any other employee organization which is subordinate to such national or international employee organization is a party to a collective bargaining agreement pursuant to which the other multiemployer plan is maintained, and

"(II) a multiemployer plan provides for reciprocity between itself and any other multiemployer plan if each such plan recognizes, for purposes of determining nonforfeitability of benefits of a participant under such plan, years of service of such participant which are recognized under the other multiemployer plan for purposes of determining nonforfeitability of benefits of such participant under such other plan.".

(b) Repeal of Class Year Plan Rule.—Section 203(c) of such Act is amended by striking out paragraph (3).

(c) Protection for Participants With 3 Years of Service From Changes in Vesting Schedule.—Subparagraph (B) of section 203(c)(1) of such Act (relating to changes in vesting schedules) is amended by striking out "5" and inserting in lieu thereof "3".

(d) Rule of Application.—The amendments made by subsections (a) and (c), upon taking effect as provided in section 122, shall apply with respect to participants who have completed at least one hour of service on or after the date of the enactment of this Act.

SEC. 103. COVERAGE FOR PART-TIME WORKERS.

(a) Amendment of Minimum Participation Standards.—

(1) Latest date until which participation of employee may be delayed.—Section 202(a)(1)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1052(a)(1)(A)) (relating to minimum age and service conditions for participation) is amended—

(A) by striking out "or" at the end of clause (i);

(B) by striking out "service." in clause (ii) and inserting in lieu thereof "service; or"; and

(C) by adding at the end thereof the following new clause:

"(iii) in the case of an employee described in paragraph (3)(E), the date on which the employee completes one-half of 1 year of service as provided in such paragraph.".

(2) 500 hours of service per year by part-time employee treated as one-half of 1 year of service.—Section 202(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1052) (relating to definition of year of service) is amended by adding at the end thereof the following new subparagraph:

"(E) For purposes of this section, in the case of an employee who customarily completes as part-time employment more than 500 hours of service and less than 1,000 hours of service within the 12-month period specified in subparagraph (A), such hours of service so completed shall be treated as one-half of a 'year of service'.".

(b) Amendment of Minimum Vesting Standards to Treat 500 Hours of Service per Year by Part-time Employee as One-half of 1 Year of Service.—Section 203(b)(3) of such Act (29 U.S.C. 1053) (relating to definition of year of service) is amended by adding at the end thereof the following new subparagraph:

"(E) For purposes of this section, in the case of an employee who customarily completes as part-time employment more than 500 hours of service and less than 1,000 hours of service within the 12-consecutive-month period designated by the plan under subparagraph (A), such hours of service so completed shall be treated as one-half of a 'year of service'.".

(c) Amendment of Benefit Accrual Requirements to Include Service of at Least 500 Hours per Year in Determinations of Years of Participation.—Section 204(b)(3)(C) of such Act (29 U.S.C. 1054(b)(3)(C)) (relating to treatment of less than 1,000 hours of service during year) is amended by striking out "1000 hours" and inserting in lieu thereof "500 hours".

(d) Rule of Application.—The amendments made by this section, upon taking effect as provided in section 122, shall apply with respect to participants who have completed at least one hour of service on or after the date of the enactment of this Act.

SEC. 104. MINIMUM BENEFIT RULES FOR INTEGRATED PLANS.

Section 206 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056) (relating to other provisions relating to form and payment of benefits) is amended by adding at the end thereof the following new subsection:

"(e)(1) In the case of an integrated defined benefit plan, the accrued benefit derived from employer contributions on behalf of each participant, when expressed as an annual retirement benefit, shall not be less than the applicable percentage of the participant's average annual compensation.

"(2)(A) In the case of an integrated defined contribution plan or an integrated simplified employee pension (within the meaning of section 408(k) of the Internal Revenue Code of 1954), the employer contribution for the year for each participant shall not be less than 2.5 percent of such participant's compensation (within the meaning of section 415 of such Code).

"(B) The percentage referred to in subparagraph (A) for any year shall not exceed the percentage at which contributions are made (or required to be made) under the plan or simplified employee pension for the year for the participant for whom such percentage is the highest for the year.

"(C) For purposes of this paragraph, any employer contribution attributable to a salary reduction or similar arrangement shall not be taken into account.

"(3) A defined benefit plan, defined contribution plan, or simplified employee pension shall not be treated as meeting the requirements of this subsection unless it meets such requirements without taking into account contributions or benefits under chapter 2 of the Internal Revenue Code of 1954 (relating to tax on self-employment income), chapter 21 of such Code (relating to Federal Insurance Contribution Act), title II of the Social Security Act, or any other Federal or State law.

"(4) For purposes of this subsection—

"(A) a plan or simplified employee pension is integrated if the plan or pension meets the requirements of section 401(a) or 408(k) (as applicable) of the Internal Revenue Code of 1954 but would not meet such requirements if contributions or benefits under chapter 2 of such Code (relating to tax on self-employment income), chapter 21 of such Code (relating to Federal Insurance Contributions Act), title II of the Social Security Act, or any other Federal or State law were not taken into account,

"(B) the term 'applicable percentage' means the lesser of—

"(i) 1.5 percent, multiplied by the number of the participant's years of participation under the plan, or

"(ii) 15 percent,

"(C) the term 'year of participation' means, in connection with any participant, a year of service taken into account for purposes of determining whether the requirements of section 202 of this Act or section 401(a)(4) of the Internal Revenue Code of 1954 are met by the plan with respect to such participant,

"(D) the term 'annual retirement benefit' means the amount which would be payable annually under the plan as the participant's benefit if the benefit under the plan were expressed as an equivalent benefit payable in the form of a single life annuity (with no ancillary benefits) commencing at the normal retirement age under the plan, and

"(E) the term 'average annual compensation' means, in connection with a participant, the participant's annual compensation (within the meaning of section 415 of the Internal Revenue Code of 1954), averaged under a uniform rule which is applied to all participants, over—

"(i) the period of 5 consecutive years of service of the participant under the plan (disregarding any break in such service) for which the participant's compensation was the highest, or

"(ii) if the participant has less than 5 years of service under the plan, the participant's total period of service.

"(5) The Secretary of the Treasury shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection in any case in which the employer has two or more plans, including (but not limited to) regulations to prevent inappropriate omissions or require duplication of minimum benefits or contributions.".

SEC. 105. DISTRIBUTIONS OF ACCRUED BENEFITS TO PORTABLE PENSION ACCOUNTS.

(a) Election of Qualified Rollover Upon Separation From Service if Accrued Benefit Less Than $7,000.—Section 206 of the Employee Retirement Income Security Act of 1974 (as amended by section 104 of this Act) is further amended by adding at the end thereof the following new subsection:

"(f)(1) A pension plan shall distribute a participant's nonforfeitable benefit to a portable pension account if—

"(A) the plan is—

"(i) a defined benefit plan, or

"(ii) an individual account plan which is subject to the funding standards of section 302,

"(B) the present value, as of the date of separation from service, of such benefit is less than $7,000, and

"(C) the participant elects in writing, after receiving the notice required in paragraph (2), to have such benefit distributed to such portable pension account in a distribution which is excluded from gross income under section 402(a)(5)(A) of the Internal Revenue Code of 1954. The Secretary shall prescribe by regulation the manner and form in which an election under subparagraph (C) is to be made.

"(2) Upon being informed by a participant that the participant wishes to make an election pursuant to paragraph (1)(C), the plan administrator shall provide notice to the participant of—

"(A) the present value, as of the date of separation from service, of the participant's nonforfeitable benefit,

"(B) the amount of the participant's benefit on the date of the participant's retirement payable under the pension plan at normal retirement age, expressed—

"(i) if the plan is a defined benefit plan, in the form of a single life annuity, or

"(ii) if the plan is an individual account plan described in paragraph (1)(A)(ii), in the normal form of payment under the plan, and

"(C) the additional tax under section 408(f) of the Internal Revenue Code of 1954 on distributions from, or disqualification of, the portable pension account before the date on which the participant attains age 59½.

"(3) For purposes of this subsection—

"(A) the term 'portable pension account' means an individual retirement account (within the meaning of section 408(a) of the Internal Revenue Code of 1954) or an individual retirement annuity (within the meaning of section 408(b) of such Code) under which contributions may consist only of distributions made to such account or annuity pursuant to this subsection, and

"(B) the present value, as of the date of separation from service, of a participant's nonforfeitable benefit under a plan shall be deemed to be equal to the actuarial equivalent, as of such date, of the normal form of benefit under the plan.".

(b) Prospective Application.—The amendment made by subsection (a), upon taking effect as provided in section 122, shall apply only with respect to participants separated from service under the pension plan after the effective date set forth in such section.

Subpart 2—Amendments to the Internal Revenue Code of 1954

SEC. 111. CONTINUED COVERAGE FOR CERTAIN WORKERS OVER THE NORMAL RETIREMENT AGE.

(a) In General.—Section 410(a)(2) of the Internal Revenue Code of 1954 (relating to maximum age conditions) is amended to read as follows:

"(2) Maximum age conditions—

"(A) General rule.—Except as provided in subparagraph (B), a trust shall not constitute a qualified trust under section 401(a) if the plan of which it is a part excludes from participation (on the basis of age) employees who have attained a specified age.

"(B) Defined benefit plans and target benefit plans.—Subparagraph (A) shall not apply if—

"(i) the plan is—

"(I) a defined benefit plan, or

"(II) a target benefit plan (as defined in regulations prescribed by the Secretary), and

"(ii) the employee's accrued benefit under the plan is greater than the normal retirement benefit to which the employee would be entitled at the normal retirement age if the employee commenced participation at the earliest possible entry age under the plan and served continuously until attaining the normal retirement age under the plan.".

(b) Rule of Application.—The amendment made by subsection (a) shall apply with respect to service performed on or after the effective date under section 122.

SEC. 112. MINIMUM VESTING STANDARD REDUCED FROM 10 YEARS TO 5 YEARS.

(a) In General.—Paragraph (2) of section 411(a) of the Internal Revenue Code of 1954 (relating to minimum vesting standards) is amended to read as follows:

"(2) Employer contributions.—A plan satisfies the requirements of this paragraph if it satisfies the requirements of subparagraph (A) or (B).

"(A) 5-year vesting.—A plan satisfies the requirements of this subparagraph if, under the plan, a participant who has completed at least 5 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.

"(B) 10-year vesting for certain multiemployer plans.—

"(i) In general.—A plan satisfies the requirements of this subparagraph if—

"(I) the plan is a multiemployer plan,

"(II) the plan is maintained pursuant to a collective bargaining agreement to which a national or international employee organization is a party and provides for participation in the plan by all members of such organization, or the plan provides for reciprocity between itself and each other related multiemployer plan, and

"(III) under the plan a participant who has completed at least 10 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.

"(ii) Definitions.—For purposes of this subparagraph—

"(I) Related multiemployer plan.—A multiemployer plan is related to any other multiemployer plan if either plan is maintained pursuant to a collective bargaining agreement to which an employee organization subordinate to a national or international employee organization is a party, and any other employee organization which is subordinate to such national or international employee organization is a party to a collective bargaining agreement pursuant to which the other multiemployer plan is maintained.

"(II) Reciprocity.—A multiemployer plan provides for reciprocity between itself and any other multiemployer plan if each such plan recognizes, for purposes of determining nonforfeitability of benefits of a participant under such plan, years of service of such participant which are recognized under the other multiemployer plan for purposes of determining nonforfeitability of benefits of such participant under such other plan.".

(b) Repeal of Class Year Plan Rule.—Subsection (d) of section 411 of such Code (relating to special rules) is amended by striking out paragraph (4).

(c) Protection for Participants With 3 Years of Service From Changes in Vesting Schedule.—Subparagraph (B) of section 411(a)(10) of such Code (relating to changes in vesting schedule) is amended by striking out "5" and inserting in lieu thereof "3".

(d) Rule of Application.—The amendments made by subsections (a) and (c), upon taking effect as provided in section 122, shall apply with respect to participants who have completed at least one hour of service on or after the date of the enactment of this Act.

SEC. 112. COVERAGE FOR PART-TIME WORKERS.

(a) Amendment of Minimum Participation Standards.—

(1) Latest date until which participation of employee may be delayed.—Section 410(a)(1)(A) of the Internal Revenue Code of 1954 (relating to minimum age and service conditions for participation) is amended—

(A) by striking out "or" at the end of clause (i);

(B) by striking out "service." in clause (ii) and inserting in lieu thereof "service; or"; and

(C) by adding at the end thereof the following new clause:

"(iii) in the case of an employee described in paragraph (3)(E), the date on which the employee completes one-half of 1 year of service as provided in such paragraph.".

(2) 500 hours of service per year by part-time employee treated as one-half of 1 year of service.—Section 410(a)(3) of such Code (relating to definition of year of service) is amended by adding at the end thereof the following new subparagraph:

"(E) Part-time employment.—For purposes of this subsection, in the case of an employee who customarily completes as part-time employment more than 500 hours of service and less than 1,000 hours of service within the 12-month period specified in subparagraph (A), such hours of service so completed shall be treated as one-half of a 'year of service'.".

(b) Amendment of Minimum Vesting Standards To Treat 500 Hours of Service per Year by Part-time Employee as One-Half of 1 Year of Service.—Section 411(a)(5) of such Code (relating to definition of year of service) is amended by adding at the end thereof the following new subparagraph:

"(E) Part-time employment.—For purposes of this subsection, in the case of an employee who customarily completes as part-time employment more than 500 hours of service and less than 1,000 hours of service within the 12-consecutive-month period designated by the plan under subparagraph (A), such hours of service so completed shall be treated as one-half of a 'year of service'.".

(c) Amendment of Benefit Accrual Requirements To Include Service of at Least 500 Hours per Year in Determinations of Years of Participation.—Section 411(b)(3)(C) of such Code (relating to treatment of less than 1,000 hours of service during year) is amended by striking out "1,000 hours" each place it appears and inserting in lieu thereof "500 hours".

(d) Rule of Application.—The amendments made by this section, upon taking effect as provided in section 122, shall apply with respect to participants who have completed at least one hour of service on or after the date of the enactment of this Act.

SEC. 114. MINIMUM BENEFIT RULES FOR INTEGRATED PLANS.

(a) In General.—Subpart B of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to special rules for pension, profit-sharing, stock bonus plans, etc.) is amended by adding at the end thereof the following new section:

"SEC. 417A. MINIMUM BENEFIT RULES FOR INTEGRATED PLANS.

"(a) Defined Benefit Plans.—In the case of an integrated defined benefit plan, the accrued benefit derived from employer contributions on behalf of each participant, when expressed as an annual retirement benefit, shall not be less than the applicable percentage of the participant's average annual compensation.

"(b) Defined Contribution Plans and Simplified Employee Pensions.—

"(1) General rule.—In the case of an integrated defined contribution plan or an integrated simplified employee pension, the employer contribution for the year for each participant shall not be less than 2.5 percent of such participant's compensation (within the meaning of section 415).

"(2) Special rule where maximum contribution less than 2.5 percent.—The percentage referred to in paragraph (1) for any year shall not exceed the percentage at which contributions are made (or required to be made) under the plan or simplified employee pension for the year for the participant for whom such percentage is the highest for the year.

"(3) Certain amounts not taken into account.—For purposes of this subsection, any employer contribution attributable to a salary reduction or similar arrangement shall not be taken into account.

"(c) Plan or Pension Must Meet Requirements Without Taking Into Account Social Security and Similar Contributions and Benefits.—A defined benefit plan, defined contribution plan, or simplified employee pension shall not be treated as meeting the requirements of this section unless it meets such requirements without taking into account contributions or benefits under chapter 2 (relating to tax on self-employment income), chapter 21 (relating to Federal Insurance Contribution Act), title II of the Social Security Act, or any other Federal or State law.

"(d) Definitions and Special Rules.—For purposes of this section—

"(1) Integrated plan or pension.—A plan or simplified employee pension is integrated if the plan or pension meets the requirements of section 401(a) or 408(k) (as applicable) but would not meet such requirements if contributions or benefits under chapter 2 (relating to tax on self-employment income), chapter 21 (relating to Federal Insurance Contributions Act), title II of the Social Security Act, or any other Federal or State law were not taken into account.

"(2) Applicable percentage.—The term 'applicable percentage' means the lesser of—

"(A) 1.5 percent, multiplied by the number of the participant's years of participation under the plan, or

"(B) 15 percent.

"(3) Year of participation.—The term 'year of participation' means, in connection with any participant, a year of service taken into account for purposes of determining whether the requirements of section 401(a)(4) or 410 are met by the plan with respect to such participant.

"(4) Annual retirement benefit.—The term 'annual retirement benefit' means the amount which would be payable annually under the plan as the participant's benefit if the benefit under the plan were expressed as an equivalent benefit payable in the form of a single life annuity (with no ancillary benefits) commencing at the normal retirement age under the plan.

"(5) Average annual compensation.—The term 'average annual compensation' means, in connection with a participant, the participant's annual compensation (within the meaning of section 415), averaged under a uniform rule which is applied to all participants, over—

"(A) the period of 5 consecutive years of service of the participant under the plan (disregarding any break in such service) for which the participant's compensation was the highest, or

"(B) if the participant has less than 5 years of service under the plan, the participant's total period of service.

"(f) Employer With 2 or More Plans.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section in any case in which the employer has two or more plans, including (but not limited to) regulations to prevent inappropriate omissions or require duplication of minimum benefits or contributions.".

(b) Technical and Conforming Amendments.—

(1) Requirements for qualification.—Paragraph (10) of section 401(a) of such Code (relating to other requirements for qualification) is amended by inserting after subparagraph (B) the following new subparagraph:

"(C) Integrated plans.—In the case of an integrated plan (within the meaning of section 417A(d)(1)), a trust forming a part of such plan shall constitute a qualified trust under this section only if such plan satisfies the requirements of section 417A.".

(2) Nondiscrimination requirement for simplified employee pensions.—Paragraph (3) of section 408(k) of such Code (relating to nondiscrimination requirements for simplified employee pensions) is amended by adding at the end thereof the following new subparagraph:

"(F) Application of minimum benefits rules to integrated pensions.—In the case of an integrated simplified employee pension (within the meaning of section 417A(d)(1)), employer contributions to such pension do not meet the requirements of this paragraph unless such contributions meet the requirements of section 417A.".

(3) Clerical amendment.—The table of sections for subpart B of part 1 of subchapter D of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 417A. Minimum benefit rules for integrated plans.".

SEC. 115. DISTRIBUTIONS OF ACCRUED BENEFITS TO PORTABLE PENSION ACCOUNTS.

(a) Election of Qualified Rollover Upon Separation From Service if Accrued Benefit Less Than $7,000.—Section 401(a) of the Internal Revenue Code of 1954 (relating to requirement for qualification) is amended by adding at the end thereof the following new paragraph:

"(26) Election of qualified rollover upon separation from service if accrued benefit less than $7,000.—

"(A) In general.—A trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that a participant's nonforfeitable benefit shall be distributed to a portable pension account if—

"(i) the plan is—

"(I) a defined benefit plan, or

"(II) a defined contribution plan which is subject to the funding standards of section 412,

"(ii) the present value, as of the date of separation from service, of such benefit is less than $7,000, and

"(iii) the participant elects, in writing, after receiving the notice required in subparagraph (B), to have such benefit distributed to such portable pension account in a distribution which is excluded from gross income under section 402(a)(5)(A).

The Secretary shall prescribe by regulation the manner and form in which an election under clause (iii) is to be made.

"(B) Notice requirement.—Upon being informed by a participant that the participant

wishes to make an election pursuant to subparagraph (A)(iii), the plan administrator shall provide notice to the participant of—

"(i) the present value, as of the date of separation from service, of the participant's nonforfeitable benefit,

"(ii) the amount of the participant's benefit on the date of the participant's retirement payable under the pension plan at normal retirement age, expressed—

"(I) if the plan is a defined benefit plan, in the form of a single life annuity, or

"(II) if the plan is a defined contribution plan described in subparagraph (A)(i)(II), in the normal form of payment under the plan, and

"(iii) the additional tax under section 408(f) on distributions from, or disqualifications of, the portable pension account before the date on which the participant attains age 59½.

"(C) Definition and special rule.—For purposes of this paragraph—

"(i) Portable pension account.—The term 'portable pension account' means an individual retirement account (within the meaning of section 408(a)) or an individual retirement annuity (within the meaning of section 408(b)) under which contributions may consist only of distributions made to such account or annuity pursuant to this paragraph.

"(ii) Present value.—The present value, as of the date of separation from service, of a participant's nonforfeitable benefit under a plan shall be deemed to be equal to the actuarial equivalent, as of such date, of the normal form of benefit under the plan.".

(b) Additional Tax on Early Distributions From Portable Pension Accounts Before Age 59½ and in Disqualification Cases.—Subsection (f) of section 408 of such Code (relating to additional tax on certain amounts included in gross income before age 59½) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) Portable pension accounts.—In the case of a portable pension account (as defined in section 401(a)(26)(C)), paragraphs (1) and (2) shall be applied by substituting '100 percent' for '10 percent' each place it appears in such paragraphs.".

(b) Prospective Application.—The amendment made by subsection (a), upon taking effect as provided in section 123, shall apply with respect to participants separated from service under the pension plan after the effective date set forth in such section.

Subpart 3—Additional Provisions

SEC. 121. STUDY ON COST-OF-LIVING ADJUSTMENTS UNDER PRIVATE PENSION PLANS.

The Secretary of Labor shall conduct a study of the feasibility and ramifications of requiring employee pension benefit plans to provide cost-of-living adjustments to benefits payable under such plans. The Secretary shall compile data and analyze the effect inflation is having and may be expected to have on retirement benefits provided under such plans. The Secretary shall submit the results of the study required by this section, together with any recommendations, not later than two years after the date of the enactment of this Act.

SEC. 122. EFFECTIVE DATE.

(a) In General.—Subject to subsection (b), the amendments made by this title shall apply to plan years beginning after December 31, 1985.

(b) Special Rule for Collective-Bargaining Agreements.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by this title shall not apply to plan years beginning before the earlier of—

(1) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(2) January 1, 1988.

For purposes of paragraph (1), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this title shall not be treated as a termination of such collective bargaining agreement.

PART B—SOCIAL SECURITY

SEC. 130 SHORT TITLE.

This part may be cited as the "Social Security Modernization Act".

Subpart 1—Earnings Sharing

SEC. 131. COMBINED EARNINGS OF HUSBAND AND WIFE DURING THEIR MARRIAGE TO BE DIVIDED EQUALLY AND SHARED BETWEEN THEM FOR BENEFIT PURPOSES.

Title II of the Social Security Act is amended by adding at the end thereof the following new section:

"SHARING OF EARNINGS BY MARRIED COUPLES

"Sec. 234. (a)(1) For purposes of determining the eligibility of an individual and the spouse of such individual for old-age and disability benefits and the amount of such benefits to which each is or may become separately entitled, the combined earnings of such individual and such spouse shall, to the extent that such earnings are attributable to the marriage period of such individual and such spouse (as determined under paragraph (2)), be divided equally between them and shared in accordance with this section.

"(2)(A) Except as provided in subparagraph (B), for purposes of this section, the term 'marriage period' means the period—

"(i) beginning with the first day of the calendar year in which the marriage of an individual and the spouse of such individual occurs, and

"(ii) ending with the last day of the calendar year preceding the earliest calendar year in which such individual or such spouse dies, they are divorced, or one of them files application for old-age or disability insurance benefits.

"(B)(i) No marriage period shall begin for any individual and the spouse of such individual if their marriage occurs after such individual or such spouse has filed an application for old-age insurance benefits.

"(ii) No marriage period shall include a period for which such individual or such spouse is entitled to disability insurance benefits or the waiting period (as defined in section 223(c)(2)) with respect to such benefits.

"(iii) A marriage period shall include the 'earliest calendar year' referred to in clause (ii) of subparagraph (A) for purposes of recomputations for that year under section 215(f)(2), in any case where an individual or the spouse of such individual dies or they are divorced, unless the survivor (where one of them dies) or either of them (where they are divorced) is remarried later in the same year.

"(b)(1) Except to the extent otherwise provided in subsections (c), (d), and (e), an individual and the spouse of such individual shall each be credited for all of the purposes of this title with wages and self-employment income, for each calendar year for which either of them is credited with any wages and self-employment income without regard to this section during their marriage period, in an amount equal to—

"(A) 50 percent of the combined total of the wages and self-employment income otherwise credited to both of them for that year if (at the close of the month for which the benefit determinations involved are being made) they are both still living, or

"(B) 100 percent of such combined total, up to but not exceeding the maximum amount that may be counted for that year without exceeding the ceiling imposed for that year under section 215(e), if (at the close of such month) one of them has died.

"(2) Nothing in this section shall affect the crediting of wages and self-employment income to any individual for any calendar year not included in a marriage period of such individual; but to the extent that wages and self-employment income are credited pursuant to this section the other provisions of this title specifying the manner in which wages and self-employment income are to be credited shall (to the extent inconsistent with this section) not apply.

"(3) Except where the context requires otherwise, for purposes of this section, the term 'spouse' includes a divorced spouse, a surviving spouse, and a surviving divorced spouse.

"(c) Subsections (a) and (b) shall not apply with respect to the crediting of wages and self-employment income for any calendar year, in the case of any individual and the spouse of such individual, if—

"(1) as a result of the application of such subsections with respect to that year such individual or such spouse would cease to be a fully insured individual (as defined in section 214(a)); or

"(2) such individual or such spouse is applying for disability insurance benefits (or for the establishment of a period of disability) and as a result of the application of such subsections with respect to that year would cease to be insured for such benefits under section 223(c)(1) (or for such a period under section 216(i)(3)).

"(d) Subsections (a) and (b) shall not apply for purposes of determining the amount of the benefit payable to any individual for any month if—

"(1) the total amount of the wages and self-employment income credited to such individual for a marriage period, as determined without regard to this section, is higher than the total amount of the wages and self-employment income credited to such individual's spouse for that period, as so determined; and

"(2) such individual's spouse (taking subsections (a) and (b) into account) has not filed application for old-age or disability insurance benefits by the close of such month.

"(e) Notwithstanding any of the preceding provisions of this section—

"(1) benefits payable under subsection (d) or (h) of section 202 on the basis of the wages and self-employment income of any individual, and benefits payable under subsection (b), (c), (e), (f), or (g) of such section 202 (on the basis of such wages and self-employment income) to any person other than a spouse who has shared in or been credited with a part of such individual's earnings under subsections (a) and (b) of this section, shall be determined as though this section had not been enacted if—

"(A) the application of this section has changed such individual's primary insurance amount from what it would otherwise have been; and

"(B) the crediting of wages and self-employment income to such individual and the spouse of such individual without regard to this section would increase the amount of such benefits; and

"(2) in the application of section 203(a) (relating to maximum family benefits) with respect to benefits payable on the basis of the wages and self-employment income of any individual, where all or any part of the wages and self-employment income of such individual and the spouse of such individual was credited to them in accordance with this section, the primary insurance amount of such individual (and the crediting of such wages and self-employment income) shall be determined in accordance with this section but the benefits payable to any other person on the basis of the wages and self-employment income of such individual shall be determined without regard to this section.

"(f) Notwithstanding any other provision of this title, no wife's, husband's, widow's, or widower's insurance benefit shall be paid to any individual for any month under subsection (b), (c), (e), or (f) of section 202, and no individual shall be entitled to any such benefit, unless—

"(1) the period of such individual's marriage (to the spouse or former spouse on the basis of whose wages and self-employment income such benefit is payable) ended before the effective date of this section;

"(2) such individual is under the age of 62 (and is otherwise entitled to such benefit);

"(3) such benefit is payable without regard to age and solely by reason of such individual's having a child in his or her care; or

"(4) the application of this section to such individual is prevented by subsection (c) or (d) (or by clause (i) or (ii) of subsection (a)(2)(B)).

"(g) For purposes of subsections (a)(2) and (d), an individual's application for old-age or disability insurance benefits shall be deemed to have been filed on the first day of the first month for which (by reason of the operation of section 202(j) or 223(b)) such individual is entitled to such benefits.".

SEC. 122. CONFORMING AMENDMENTS.

(a) WIFE'S, HUSBAND'S, WIDOW'S, AND WIDOWER'S BENEFITS.—(1) Section 202(b)(1) of the Social Security Act is amended by striking out "The wife" and inserting in lieu thereof "To the extent permitted by section 234(g), the wife".

(2) Section 202(c)(1) of such Act is amended by striking out "The husband" and inserting in lieu thereof "To the extent permitted by section 234(g), the husband".

(3) Section 202(e)(1) of such Act is amended by striking out "The widow" and inserting in lieu thereof "To the extent permitted by section 234(g), the widow".

(4) Section 202(f)(1) of such Act is amended by striking out "The widower" and inserting in lieu thereof "To the extent permitted by section 234(g), the widower".

(b) MISCELLANEOUS.—(1) Section 205(c)(5) of such Act is amended—

(A) by striking out "or" at the end of subparagraph (I);

(B) by striking out the period at the end of subparagraph (J) and inserting in lieu thereof "; or"; and

(C) by adding at the end thereof the following new subparagraph:

"(K) to reflect any changes in the crediting of wages and self-employment income which may be necessitated by section 234.".

(2) Section 215(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(5) The determination of the wages and self-employment income to be credited to an individual under this subsection shall in all cases be made after the application of section 234.".

SEC. 123. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this part shall apply only to wages and self-employment income payable after December 31, 1986, to an individual who has not attained age 50 on or before such date, and only if—

(1) the spouse of such individual has not attained age 50 on or before such date; and

(2)(A) in the case of a benefit based upon the attainment by the wage earner of age 62, such individual and such spouse attain age 62;

(B) in the case of a benefit based upon the death of the wage earner, such death occurs after December 31, 1986, and the individual claiming such benefit attains age 62; and

(C) in the case of a benefit described in subparagraph (A) or (B) with respect to a divorced individual and spouse, the divorce occurs after December 31, 1999.

(b) DISABILITY.—In the case of a disability insurance benefit, and a widow's or widower's insurance benefit based upon disability—

(1) if an individual is entitled to such benefit before January 1, 1987, the provisions of this Act shall not apply—

(A) for the period for which such individual continues to be entitled to such benefit, and

(B) in the case of an individual who continues to be entitled to such benefit until age 62, for the period such individual is entitled to an old-age insurance benefit; and

(2) if—

(A) an individual becomes entitled to such benefit after December 31, 1986, and before January 1, 1999; and

(B) the total benefits payable to all individuals on the basis of the wages and self-employment income of the individual upon whose disability such entitlement is based (determined without regard to the provisions of this part) exceeds the total of benefits payable to all individuals on the basis of the wages and self-employment income of the individual upon whose disability such entitlement is based, and to the spouse of such individual, under the provisions of this part,

the provisions of this part shall not apply for the period during which the conditions of subparagraph (B) continue to be met and during which such individual (i) continues to be eligible for such benefit, or (ii) in the case of such an individual who continued to be eligible for such benefit until age 62, is entitled to an old-age insurance benefit.

Subpart 2—Other Reforms

SEC. 141. FULL BENEFITS FOR DISABLED WIDOWS AND WIDOWERS WITHOUT REGARD TO AGE.

(a) IN GENERAL.—(1) Section 202(e)(1)(B) of the Social Security Act is amended by striking out "has attained age 50 but has not attained age 60 and".

(2) Section 202(f)(1)(B) of such Act is amended by striking out "has attained age 50 but has not attained age 60 and".

(b) ACTUARIAL REDUCTION.—(1) Section 202(q)(3)(A) of such Act is amended by striking out "age 50" and inserting in lieu thereof "age 60".

(2) Section 202(q) of such Act is further amended by adding at the end thereof the following new paragraph:

"(12) Notwithstanding any other provision of this section, there shall be no reduction under this subsection in the widow's or widower's insurance benefit of an individual for any month in which such individual is under a disability (as defined in section 223(d)); and none of the provisions of this subsection shall apply with respect to such benefit even though such benefit may have been so reduced prior to the onset of such disability.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted. The Secretary of Health and Human Services (without the necessity of any application therefor) shall redetermine the amount of any widow's or widower's insurance benefit which is payable for the month in which this Act is enacted in order to reflect such amendments as provided in the preceding sentence.

SEC. 142. PAYMENT OF TRANSITION BENEFITS TO CERTAIN SURVIVING SPOUSES.

(a) IN GENERAL.—Section 202 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Transition Benefits for Surviving Spouses

"(y)(1) The widow or widower of a fully insured individual (within the meaning of section 216 (c) or (g)), if such widow or widower—

"(A) has attained age 50 at the time of such individual's death,

"(B) is not entitled (and would not upon application be entitled) to a monthly insurance benefit under any other provision of this section or under section 223 for the month in which such death occurs, and

"(C) has filed application for benefits under this subsection,

shall be entitled to a transition benefit for each month beginning with the month in which such death occurs and ending with the fourth month thereafter (or, if earlier, with the month preceding the first month thereafter in which such widow or widower remarries, dies, or becomes entitled to a monthly insurance benefit under any other provision of this section or under section 223).

"(2) The transition benefit of a widow or widower for any month under this subsection shall be equal to 71½ percent of the primary insurance amount of the insured individual, or (if it is larger and if such widow or widower is also a fully insured individual) to 71½ percent of the primary insurance amount of such widow or widower.

"(3) For purposes of this subsection, the determination of the primary insurance amount of a living individual under the age of 62, and the determination of whether or not such an individual is fully insured, with respect to any month, shall be made as though such individual had attained age 62 in that month.

"(4) The entitlement of an individual to transition benefits under this subsection shall not (after such entitlement has ended) affect the eligibility of such individual for any other monthly insurance benefits under this section or section 223, or be taken into account in determining the amount of any other benefits under this section or section

223 to which such individual may become entitled.

"(5) Transition benefits payable to an individual under this subsection shall not be considered monthly benefits to which such individual is entitled under this section for purposes of section 203(a), or for purposes of section 226(a).".

(b) CONFORMING AMENDMENTS.—(1) Section 202(j)(1) of such Act is amended by striking out "or (h)" and inserting in lieu thereof "(h), or (y)".

(2) Section 202(m)(1) of such Act (as in effect pursuant to section 2(j)(3)(D) of Public Law 97-123 (95 Stat. 1661)) is amended by inserting "(other than a transition benefit under subsection (y))" after "this section" where it first appears.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to deaths occurring on or after January 1, 1986.

SEC. 143. REPEAL OF SEPARATE DEFINITION OF DISABILITY PRESENTLY APPLICABLE TO WIDOWS AND WIDOWERS.

(a) IN GENERAL.—(1) Section 223(d)(2) of the Social Security Act is amended—

(A) by striking out "(except a widow, surviving divorced wife, widower, or surviving divorced husband for purposes of section 202 (e) or (f))" in subparagraph (A);

(B) by striking out subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B).

(2) The third sentence of section 216(i)(1) of such Act is amended by striking out "(2)(C)" and inserting in lieu thereof "(2)(B)".

(b) ENTITLEMENT TO HOSPITAL INSURANCE BENEFITS.—(1) Section 226(e) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(5) For purposes of determining entitlement to hospital insurance benefits under subsection (b) in the case of an individual described in clause (iii) of subsection (b)(2)(A), any month which occurred before the repeal in 1985 of section 223(d)(2)(B) (providing a separate definition of disability for widows, surviving divorced wives, widowers, and surviving divorced husbands), and for which such individual—

"(A) was paid a supplemental security income benefit under title XVI on the basis of disability, and

"(B) met all of the requirements for entitlement to widow's insurance benefits under section 202(e) or widower's insurance benefits under section 202(f) on the basis of disability except the requirement of a disability determined under the separate definition contained in such section 223(d)(2)(B) (and the requirement of application),

may at such individual's election (made in such manner and form as the Secretary shall prescribe) be included as one of the 24 months for which such individual must have been entitled to widow's or widower's insurance benefits on the basis of disability in order to become entitled to hospital insurance benefits on that basis.".

(2) Section 223(f) of such Act is amended by inserting after "shall not include any month" in the matter following paragraph (2) the following: "(other than a month described in subsection (e)(5))".

(c) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall apply with respect to monthly insurance benefits under title II of the Social Security Act for months after the month in which this Act is enacted.

(2) The amendments made by subsection (b) shall apply with respect to entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act for months after the month in which this Act is enacted.

PART C—FORMER MILITARY SPOUSES

SEC. 151. SHORT TITLE.

This part may be cited as the "Uniformed Services Former Spouses' Equity Act".

SEC. 152. FORMER SPOUSE SHARE OF RETIRED OR RETAINER PAY.

(a) IN GENERAL.—Chapter 73 of title 10, United States Code, relating to annuities based on retired or retainer pay, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER III—FORMER SPOUSE SHARE OF RETIRED OR RETAINER PAY

"Sec.
"1456. Definitions.
"1457. Former spouse share of retired or retainer pay.
"1458. Reduction in retired or retainer pay.

"§ 1456. Definitions

"In this subchapter:

"(1) 'Former spouse' means a former wife or husband of a member who was married to that member for not less than 10 years during which that member performed creditable service.

"(2) 'Court' has the meaning given such term in section 1408(a)(1) of this title.

"(3) 'Court order' means a court decree of divorce or annulment, or a court order or court approved property settlement agreement incident to a final court decree of divorce or annulment.

"(4) 'Pro rata share', in the case of a former spouse of a member eligible for retired or retainer pay, means the percentage which is equal to the percentage that (A) the number of years during which the former spouse was married to the member during the creditable service of that member is of (B) the total number of years of such creditable service.

"(5) 'Spousal agreement' means any written agreement between a member and that member's former spouse which is in writing and acknowledged before a notary public.

"(6) 'Creditable service' means service credited to a member for the purpose of determining the eligibility of that member for retired or retainer pay.

"(7) 'Member' includes a former member eligible for retired or retainer pay.

"§ 1457. Former spouse share of retired or retainer pay

"(a) Unless otherwise expressly provided by a spousal agreement or court order, a former spouse of a member who is entitled to retired or retainer pay is entitled to an annuity—

"(1) if married to the member throughout the creditable service of the member, equal to 50 percent of the retired or retainer pay of the member; or

"(2) if not married to the member throughout the creditable service of the member, equal to the former spouse's pro rata share of 50 percent of the retired or retainer pay of the member.

"(b)(1) Except as provided in paragraph (2), the amount of retired or retainer pay used for the computation of an annuity under this section shall be determined after any reduction in such retired or retainer pay required under section 1452 of this title.

"(2) The reduction required under paragraph (1) shall not apply to the computation of an annuity under this section for a former spouse who is not provided with a survivor annuity under subchapter II of this chapter.

"(c)(1) An annuity of a former spouse under this section commences on the later of—

"(A) the day on which the member upon whose service the annuity is based becomes entitled to retired or retainer pay; or

"(B) the first day of the month in which the divorce, annulment, or legal separation involved becomes final.

"(2) Such annuity and the right to such annuity terminate—

"(A) on the last day of the month before the month in which the former spouse dies; or

"(B) on the date the retired or retainer pay of the member upon whose service the annuity is based terminates.

"(3) If a member elects to combine creditable military service with creditable civilian service for the purpose of computing an annuity under subchapter III of chapter 83 of title 5, any annuity provided under this subchapter to a former spouse of that member shall not terminate or be reduced as a result of any such election.

"(4) If a member entitled to retired or retainer pay is recalled to active duty, any annuity provided under this subchapter to a former spouse shall not terminate or be reduced as a result of such recall.

"(b) A former spouse is not entitled to an annuity under this subchapter based upon the service of a member unless the former spouse elects to receive it instead of any other annuity to which the former spouse may be entitled under this chapter or any retirement system for Government employees on the basis of a marriage to someone other than the member.

"§ 1458. Reduction in retired or retainer pay

"The retired or retainer pay payable to a member shall be reduced by the amount of an annuity under this subchapter paid to any former spouse of that member based on the service of that member. Such reduction shall be disregarded in calculating any annuity under subchapter II of this chapter and in calculating any reduction in the retired or retainer pay of the member to provide survivor benefits under such subchapter.".

(b) CLERICAL AMENDMENT.—The table of subchapters at the beginning of chapter 73 of title 10, United States Code, is amended by adding at the end thereof the following new item:

"III. Former Spouse Share of Retired or Retainer Pay .... 1456".

SEC. 153. FORMER SPOUSE SHARE OF SURVIVOR ANNUITY.

(a) APPLICATION OF SURVIVOR BENEFIT PLAN.—(1) Subsection (a) of section 1448 of title 10, United States Code, relating to the application of the Survivor Benefit Plan, is amended—

(A) in paragraph (2)—

(i) by inserting "except to the extent otherwise provided under paragraph (3)," in clause (A) before "to a person";

(ii) by striking out "is married" both places it appears and inserting in lieu thereof "is married, has a former spouse,"; and

(iii) by striking out ", unless he elects" in clause (A) and all that follows through "that pay"; and

(B) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

"(3)(A) A married person eligible under paragraph (1)(A) to participate in the Plan and such person's spouse may jointly elect not to participate in the Plan, to participate in the Plan at reduced level, or to provide an annuity for a dependent child but not for such spouse. Any such election shall be in writing and shall be acknowledged before a notary public.

"(B) A married person eligible under paragraph (1)(B) to participate in the Plan may not make an election under subclause (iii) of paragraph (2)(B) to participate in the Plan at a reduced level or to provide an annuity for a dependent child but not for the spouse without the agreement of the spouse. Any such agreement shall be in writing and shall be acknowledged before a notary public. An election under this subparagraph is irrevocable if not revoked before the end of the 90-day period referred to in paragraph (2)(B)(iii).

"(C) A person who has a former spouse when such person becomes eligible to participate in the Plan and that former spouse may jointly elect by a spousal agreement or as provided under a court order to provide a survivor annuity to the former spouse under clause (1) of section 1450(a) or, alternatively, under clause (4) of such section, or to waive any such annuity.".

(2) Subsection (b) of such section is amended—

(A) by striking out "(1)" after "(b)"; and

(B) by striking out paragraphs (2), (3), and (4).

(b) Treatment of Beneficiaries Under Survivor Benefit Plan.—(1) Subsection (a) of section 1450 of title 10, United States Code, relating to beneficiaries under the Survivor Benefit Plan, is amended—

(A) in clause (1), by inserting "and any eligible former spouse, as provided under section 1448(a)(3)(C) of this title" after "or widower";

(B) in clause (2), by striking out "if the eligible widow or widower is dead, dies, or otherwise becomes ineligible" and inserting in lieu thereof "if the eligible widow, widower, and any former spouse are dead, die, or otherwise become ineligible";

(C) in clause (3)—

(i) by inserting "the spouse or any former spouse and" after "if"; and

(ii) by inserting "or any former spouse" after "spouse"; and

(D) in clause (4) by inserting ", as provided under section 1448(a)(3)(C) of this title," after "former spouse" the first place it appears.

(2) Subsection (b) of such section is amended—

(A) by striking out "widow or widower" each place it appears and inserting in lieu thereof "widow, widower, or former spouse"; and

(B) by striking out "age 60" each place it appears and inserting in lieu thereof "age 55".

(3) Subsection (f) of such section is amended—

(A) in paragraph (1)—

(i) by striking out "subject to paragraph (2)";

(ii) by striking out "former spouse or other"; and

(iii) by striking out "(1) after "(f)"; and

(B) by striking out paragraphs (2) and (3).

(4) Subsection (k) of such section is amended by striking out "60 years of age" and inserting in lieu thereof "55 years of age".

(c) Computation of Annuities Payable Under Survivor Benefit Plan.—(1) Paragraph (1) of subsection (a) of section 1451 of title 10, United States Code, relating to the computation of the amount of any annuity payable under the Survivor Benefit Plan, is amended by inserting "former spouse," after "widower,".

(2) Paragraph (2) of such subsection is amended by inserting "or former spouse" after "widow" both places it appears.

(3) Paragraph (3) of such subsection is amended by striking out "widow or widower" each place it appears and inserting in lieu thereof "widow, widower, or former spouse".

(4) Subsection (c) of such section is amended by striking out "section, or section 1448(d) of this title," and inserting in lieu thereof "subchapter".

(5) Such section is further amended by adding at the end thereof the following new subsection:

"(f) The maximum annuity or combination of annuities under this subchapter with respect to any person to whom section 1448 applies may not exceed 55 percent of the full amount of such person's retired or retainer pay.".

(d) Reductions in Retired or Retainer Pay.—Section 1452 of title 10, United States Code, relating to reductions in retired or retainer pay, is amended—

(1) in subsection (a)—

(A) by inserting "or former spouse" after "spouse" in the first sentence each place it appears except the place referred to in subclause (B);

(B) by inserting "and former spouse (if any)" in such sentence after "in favor of his spouse";

(C) by inserting "or an eligible former spouse and a dependent child" in the second sentence after "an eligible spouse and a dependent child"; and

(D) by inserting "or former spouse" in the third sentence after "eligible spouse"; and

(2) in subsection (b), by inserting "or former spouse" after "spouse" each place it appears.

(e) Definitions Applicable to Survivor Benefit Plan.—Section 1447 of title 10, United States Code, relating to definitions applicable to the Survivor Benefit Plan, is amended—

(1) by striking out "by the person providing the annuity" in paragraph (2)(C) and inserting in lieu thereof "in accordance with section 1448(a)(3) of this title"; and

(2) by striking out "he" in paragraph (2)(C) the first place it appears and inserting in lieu thereof "the person providing the annuity".

(f) Regulations.—Section 1455 of title 10, United States Code, relating to regulations prescribed to carry out the Survivor Benefit Plan, is amended by striking out clause (1) and inserting in lieu thereof the following:

"(1) provide that the member and the spouse and former spouse (if any) of the member shall, before the date on which the member becomes entitled to retired or retainer pay, be informed of the elections available under section 1448(a) of this title and the effects of such elections; and".

SEC. 154. SURVIVOR ANNUITIES IN CASES OF DIVORCE BEFORE THE EFFECTIVE DATE.

(a) Divorces Made Final Before the Date of Enactment.—(1) Any member of the uniformed services who, before the date of the enactment of this Act, participated in the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, and had elected to provide a survivor annuity to a former spouse under section 1450(a)(4) of such subchapter shall, if provided for under a spousal agreement or court order, terminate such annuity and provide an annuity to such former spouse under section 1450(a)(1). Any such election shall be made before the end of the 24-month period beginning after the date of the enactment of this Act.

(2) Any member of the uniformed services who, before the date of the enactment of this Act, was eligible to participate in the Survivor Benefit Plan referred to in paragraph (1) and elected not to provide a survivor annuity to a former spouse shall, if provided for under a spousal agreement or court order, elect to provide any such annuity under clause (1) or clause (4) of section 1450(a) to such former spouse. Any such election shall be made before the end of the 24-month period beginning after the date of the enactment of this Act.

(b) Member Deceased Before Effective Date.—In the case of a member who dies before the effective date of this Act after becoming entitled to retired or retainer pay and who—

(1) at the time the member became entitled to retired or retainer pay was married and did not elect to participate in the Survivor Benefit Plan;

(2) subsequently was divorced from the spouse who was the member's beneficiary under the Survivor Benefit Plan at such time; and

(3) died without a beneficiary under the Survivor Benefit Plan,

the individual to whom the member was married at the time the member became entitled to retired or retainer pay shall be entitled to an annuity under the Survivor Benefit Plan as if married to the member at the time of death if the individual qualifies as a former spouse.

(c) Definitions.—For purposes of this section:

(1) The terms "former spouse" and "court order" have the meanings given such terms in section 1447 of title 10, United States Code.

(2) The term "spousal agreement" has the meaning given such term in section 1456(5) of title 10, United States Code.

(3) The term "uniformed services" has the meaning given such term in section 101 of title 37, United States Code.

(4) The term "member" includes a former member entitled to retired or retainer pay.

SEC. 155. FORMER SPOUSE SHARE OF RETIRED OR RETAINER PAY IN COMPLIANCE WITH COURT ORDER.

(a) Elimination of Certain Reductions From Retired or Retainer Pay.—Section 1408 of title 10, United States Code, is amended—

(1) in subsection (a)(4)—

(A) by striking out "Disposable retired" and inserting in lieu thereof "Retired"; and

(B) by striking out "less amounts which—" and all that follows and inserting in lieu thereof a period; and

(2) by striking out "disposable" each place it appears.

(b) Elimination of 10-Year Requirement; Provision of Pro Rata Share.—Subsection (d)(2) of such section is amended to read as follows:

"(d)(2) Any court order described in paragraph (1) may provide a pro rata share (as defined in section 1456(4) of this title) of the retired or retainer pay of such member to such spouse or former spouse.".

SEC. 156. EFFECTIVE DATES.

(a) In General.—This part shall become effective on the first day of the first month which begins no earlier than 60 days after the date of the enactment of this Act.

(b) Former Spouse Share of Retired or Retainer Pay.—Subchapter III of chapter 73 of title 10, United States Code (relating

to former spouses' pro rata share of the retired or retainer pay of a member of the uniformed services), shall apply in the case of any individual who on or after the effective date of this Act becomes a former spouse (as defined in section 1456(1) of such title) of an individual entitled to retired or retainer pay on or after that date.

(c) Survivor Annuities.—Except as provided in section 154, the amendments made by section 153 (relating to the Survivor Benefit Plan) shall apply in the case of any individual who on or after the effective date of this Act becomes a former spouse (as defined in section 1456(1) of such title) of a member or former member of the uniformed services.

(d) Compliance with Court Orders.—The amendments made by section 155 (relating to former spouses' share of or retired or retainer pay in compliance with court orders) shall apply with respect to payments of retired or retainer pay payable for any month which begins after the date of the enactment of this Act.

TITLE II—DEPENDENT CARE

Part A—Social Services Program (Title XX)

SEC. 200. SHORT TITLE.

This part may be cited as the "Social Services and Child Care Assistance Act of 1985".

SEC. 201. INCREASE IN TOTAL AMOUNT OF TITLE XX FUNDS AVAILABLE FOR ALLOTMENT.

Section 2003(c) of the Social Security Act is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (2); and

(2) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) $2,700,000,000 for the fiscal year 1984;

"(4) $2,725,000,000 for the fiscal year 1985; and

"(5) $3,370,250,000 for the fiscal year 1986 and for each succeeding fiscal year.".

SEC. 202. ALLOTMENT AND USE OF FUNDS FOR SPECIFIC PURPOSES.

(a) In General.—Title XX of the Social Security Act is further amended by redesignating sections 2004 through 2007 as sections 2005 through 2008, respectively, and by inserting after section 2003 the following new section:

"ALLOCATION AND USE FOR SPECIFIC PURPOSES

"Sec. 2004. (a) The amount specified in section 2003(c)(5) and available for any fiscal year shall be allocated by the Secretary, and used, in accordance with this section.

"(b) $250,000 shall be reserved by the Secretary to fund a National Resource Center on Family Day Care which shall be operated on a regional basis, either directly or through grant or contract, to—

"(1) offer training to individuals involved in training family day care providers;

"(2) serve as a clearinghouse for resource materials on family day care; and

"(3) provide technical assistance to family day care sponsors, family day care providers, and individuals involved in training family day care providers on laws and regulations applicable to the provision of family day care services, including but not limited to zoning, tax, liability, and other issues of particular concern to family day care.

"(c) The remaining amount shall be allotted to the States in accordance with section 2003 and used by them for the provision of services (including, as appropriate, training and child care services both of the types described in paragraphs (1) and (2) and otherwise) in accordance with this title; except that of such amount—

"(1) $70,000,000 (allotted among the States in the same proportions as their regular allotments determined under section 2003(a) or (b)) shall be used only for training as follows:

"(A) 50 percent shall be used for the training and retraining of human services personnel generally authorized under this title (including, as appropriate, those training activities described in subparagraph (B)), and

"(B) 50 percent shall be used only for purposes of providing training and retraining (including training in the prevention of child abuse in child care settings) to providers of licensed or registered child care services, operators and staffs (including those receiving in-service training) of facilities where licensed or registered child care services are provided, State licensing and enforcement officials, and parents; and

"(2) $300,000,000 (allotted among the States in the same proportions as their regular allotments determined under section 2003(a) or (b)) shall be used only for the provision of child day care services—

"(A) to children who are abused or neglected, or are at risk of being abused or neglected, and who are in families receiving child protective services,

"(B) to children of eligible families who are recipients of aid to families with dependent children, and

"(C) to children of low-income (i) adolescent parents, (ii) working parents, (iii) parents enrolled in education or training programs, or (iv) parents seeking employment.

"(d) The funds made available under subsections (c)(1) and (c)(2)—

"(1) shall be expended only to supplement the level of any funds that would, in the absence of the additional funds appropriated for the training, child day care services, and licensing, regulations, and monitoring described in those subsections, be available from other sources (including any amounts available under this title without regard to such subsections) for those purposes;

"(2) shall be separately accounted for in the reports and audits provided for in section 2007; and

"(3) shall not be subject to the provisions of section 2002(d) (permitting a State to transfer up to 10 percent of its title XX funds for purposes authorized under other Federal block grant programs).".

(b) Conforming Amendments.—(1) Section 2003(b) of such Act is amended—

(A) by adding "and further reduced by" after the comma at the end of paragraph (2); and

(B) by inserting immediately after paragraph (2) the following new paragraph:

"(3) the amounts reserved by the Secretary for that fiscal year under section 2004(b),".

(2) Subsection (a) of section 2007 of such Act (as redesignated by subsection (a) of this section) is amended by striking out "section 2004" and inserting in lieu thereof "section 2005".

SEC. 203. IMPROVEMENT OF CHILD CARE STANDARDS.

Title XX of the Social Security Act is further amended by adding at the end thereof the following new sections:

"STATE REVIEW OF CHILD CARE LICENSING AND REGULATORY SYSTEMS

"Sec. 2009. (a) As a condition of the State's eligibility for receiving Federal payments under this title for any fiscal year after fiscal year 1985, the Governor of each State shall establish or designate a State Advisory Committee on Child Care Standards (hereinafter referred to as the 'State Advisory Committee') which shall be composed of not less than fifteen members, of which not less than one-third shall be parents of children who are currently enrolled in child care programs (including both center-based and family day care home programs) and not less than one-third shall be either representatives of different types of child care programs (including both center-based and family day care home programs) or individuals who are professionals in the field of child development.

"(b)(1) It shall be the function of each such State Advisory Committee to examine, investigate, and study the State's laws, regulations, and procedures for licensing, regulating, and monitoring child care services and programs within the State, to prepare the report described in paragraph (2), and, if requested by the Governor, to monitor such licensing, regulating, and monitoring activities on a regular basis.

"(2) Each State Advisory Committee shall prepare a report outlining the committee's findings and recommendations resulting from its examination, investigation, and study under this section, including a description of the current status of child care licensing, regulating, or monitoring within the State, the deficiencies, if any, in the existing licensing, regulating, or monitoring programs (including an assessment of the adequacy of staff to carry out effectively the State program), and recommendations to correct such deficiencies, if any, or to improve such licensing, regulating, or monitoring programs. The report shall set forth separately such information and recommendations with respect to center-based programs and family day care programs. The committee shall submit the report to the Governor not later than June 1, 1986, and the Governor of each State shall, not later than September 30, 1986, transmit it to the Secretary along with the Governor's comments and the State's plan, as provided for under section 2011, for correcting deficiencies in or improving its licensing, regulating, or monitoring programs.

"(c) In carrying out its activities under subsection (b), each State Advisory Committee shall review and take into consideration the final 1980 HEW Day Care Regulations, volume 45, page 17870 of the Federal Register (March 19, 1980), and the options for child care standards published by the Department of Health and Human Services in January 1985 pursuant to Public Law 98-473, including the standards set forth in the appendices to that document.

"NATIONAL ADVISORY COMMITTEE ON CHILD CARE STANDARDS

"Sec. 2010. (a)(1) In order to assist and provide guidance to the States in improving the quality of child care services, there is established a National Advisory Committee on Child Care Standards (hereinafter referred to as the 'National Advisory Committee').

"(2) The National Advisory Committee shall be composed of fifteen members who shall be individuals with expertise in the area of child care services selected from among persons who are representatives of child care providers, professionals in the field of child development, or parents who have been actively involved in community child care programs. The members shall be appointed as follows:

"(A) Seven by the President of the United States;

"(B) Two by the majority leader of the Senate;

"(C) Two by the minority leader of the Senate;

"(D) Two by the Speaker of the House of Representatives; and

"(E) Two by the minority leader of the House of Representatives.

Not more than four of the members described in clause (A) shall be members of the same political party.

"(3) All appointments under this subsection shall be made not later than sixty days after the date of the enactment of this section.

"(4) A vacancy in the membership of the National Advisory Committee shall be filled in the same manner in which the original appointment was made. Any such vacancy shall not affect the powers of the National Advisory Committee except with respect to satisfaction of the quorum requirements specified in paragraph (7).

"(5) The President shall designate a Chairman of the National Advisory Committee.

"(6) The National Advisory Committee shall adopt such rules and regulations as it considers necessary to establish its procedures and to govern the manner of its operations, its organization, and its personnel.

"(7) Eight members of the National Advisory Committee shall constitute a quorum.

"(b)(1) The National Advisory Committee shall review the options for child care standards published by the Department of Health and Human Services in January 1985 pursuant to Public Law 98-473, including the standards set forth in the appendices to that document, the standards set forth in the final 1980 HEW Day Care Regulations, volume 45, page 17870 of the Federal Register (March 19, 1980), and such other materials as the National Advisory Committee may deem appropriate and shall, not later than fourteen months after the date of the enactment of this section, submit to the Secretary proposed recommended standards for child care programs (setting forth separate recommended standards for center-based programs and for family day care programs). Such recommended standards shall cover factors having a demonstrated impact on the quality of child care including, but not limited to—

"(A) group size and composition in terms of the number of teachers and the number and age of children;

"(B) qualifications, training, and background of child care personnel, including provision for background checks;

"(C) health and safety requirements;

"(D) parental rights and opportunities for involvement; and

"(E) necessary support services (including, but not limited to, health, nutrition, and social services).

"(2) The National Advisory Committee may submit to the Secretary and to the Congress such additional comments on the final recommended standards published pursuant to subsection (c) as the National Advisory Committee considers appropriate and may provide to a State Advisory Committee (established or designated pursuant to section 2009), upon its request, such information and advice as the National Advisory Committee considers appropriate.

"(c) Not later than thirty days after the National Advisory Committee submits such proposed recommended standards, the Secretary shall publish them in the Federal Register, along with any comments or modifications proposed by the Secretary and, not later than one hundred and eighty days after such publication and, after completion of a process of not less than sixty days for notice and opportunity for public comment and after consulting further with the National Advisory Committee, shall issue final recommended standards and publish them in the Federal Register along with any additional comments that the National Advisory Committee considers appropriate.

"(d) The National Advisory Committee shall cease to exist ninety days after the date of publication by the Secretary of the final recommended standards.

"(e) Each member of the National Advisory Committee who is not an officer or employee of the United States Government shall be paid compensation at a rate equal to the daily equivalent of the rate of basic pay in effect for level IV of the Executive Schedule for each day the member is engaged in the performance of the duties of such Committee and, while so serving away from his or her home or regular place of business, be paid per diem, travel, and transportation expenses in the same manner as provided for under subchapter I of chapter 57 of title 5, United States Code.

"(f) The Secretary shall make available to the National Advisory Committee such personnel, technical assistance, and funds as are necessary for it to carry out effectively its functions under this section.

"GRANTS FOR IMPROVING STATE CHILD CARE LICENSING AND REGULATORY SYSTEMS

"SEC. 2011. (a)(1) In addition to any other amounts authorized to be appropriated for carrying out this title and in order to further the activities begun with funds appropriated for fiscal year 1985 by section 401(a)(2) of Public Law 98-473, making continuing appropriations for the fiscal year 1985, there are authorized to be appropriated an additional $50,000,000 for each of fiscal years 1986, 1987, and 1988 for the purpose of making grants to the States as provided for in subsection (b).

"(2) Funds appropriated under this subsection shall remain available for expenditure until the end of the fiscal year following the fiscal year in which such funds became available.

"(b)(1) From the funds made available under subsection (a), the Secretary shall make grants, upon application and submission by a State of a plan which meets the requirements of subsection (b)(2), for the purpose of assisting the State in carrying out such plan.

"(2)(A) Except as provided in subparagraph (B), any State desiring to receive a grant under this section shall submit to the Secretary a plan to carry out the recommendations, for correcting the deficiencies in or improving the State's licensing, regulating, or monitoring of child care programs, contained in the report submitted under section 2009.

"(B) A State's plan submitted under this paragraph may include carrying out less than all of such recommendations, but in the event that a plan omits carrying out any recommendation the plan shall include a detailed explanation of the reasons for the State not planning to carry out any such omitted recommendation.

"(3) No grant may be made under this section unless the State submits an application to the Secretary therefor at such time, in such manner, and containing or accompanied by such information as the Secretary considers necessary.

"(c) In making grants under this section, the Secretary shall initially allocate funds among the States in the same proportions as their regular allotments as determined under section 2003 (a) or (b); except that if any part of the amount made available under this section remains after all grants have been made in accordance with the preceding provisions of this sentence, the Secretary shall use the remaining part for making further grants to States which require additional assistance to carry out their plans submitted under subsection (b), but for years after fiscal year 1986 priority shall be given in distributing such additional funds to those States which have developed a plan which will lead to such States meeting or exceeding the recommended standards established by the National Advisory Committee pursuant to section 2010.

"(d) Each State which submits an application for a grant under this section must provide satisfactory assurances that the funds therefrom will be used solely for improving the State's licensing, regulating, or monitoring of child care programs or otherwise improving the quality of child care programs within the State.".

PART B—HIGHER EDUCATION ACT

SEC. 211. CHILD CARE PROGRAM FOR POSTSECONDARY STUDENTS.

Title IV of the Higher Education Act of 1965 is amended by inserting after part C the following new part:

"PART D—SCHOOL-BASED CHILD CARE PROGRAMS

"GENERAL PURPOSES

"SEC. 451. It is the purpose of this part to expand the availability of child care services for college students, particularly low-income college students, to expand their access to institutions of higher education.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 452. (a) There are authorized to be appropriated to carry out the purposes of section 453, $10,000,000 for fiscal year 1986 and such sums as may be necessary for the fiscal years 1987, 1988, 1989, and 1990.

"(b) There are authorized to be appropriated to carry out the purposes of section 454, $15,000,000 for the fiscal year 1986 and such sums as may be necessary for the fiscal years 1987, 1988, 1989, and 1990.

"CHILD CARE PERSONNEL WORK-EXPERIENCE PROGRAM

"SEC. 453. (a) Funds appropriated pursuant to section 452(a) shall be used by the Secretary to make grants to institutions of higher education to operate programs which provide practical experience to students studying child care by arranging part-time employment in child care programs.

"(b) Any institution wishing to receive a grant under this section shall submit an application to the Secretary. Such application shall include—

"(1) information on the number of students attending the institution who receive student aid;

"(2) a description of the child care programs which have agreed to employ the students;

"(3) assurances by the applicant to the Secretary that—

"(A) the program will not result in the displacement of employed workers but will expand the child care services available;

"(B) the institution will not discriminate on the basis of race, religion, sex or national origin in the selection of students to participate in the program;

"(C) the institution will use the funds from the grant to provide a stipend to students participating in the program; and

"(D) the program will not pay a stipend that is less than the current Federal minimum wage as mandated by section 6(a) of the Fair Labor Standards Act of 1938; and

"(4) such information (and meet such conditions) as may be required by the Secretary.

"(c) In making the grants under this section, the Secretary shall give a preference to any applicant which—

"(1) serves large numbers of students receiving student assistance under this title; and

"(2) participates in the special child care services program pursuant to section 454.

"SPECIAL CHILD CARE SERVICES FOR DISADVANTAGED COLLEGE STUDENTS

"SEC. 454. (a) Funds appropriated pursuant to section 452(b) shall be used by the Secretary to make grants to institutions of higher education to provide special child care services to disadvantaged college students.

"(b) Any institution wishing to receive a grant under this section shall submit an application to the Secretary. Such application shall include—

"(1) a description of the program to be established;

"(2) assurances by the applicant to the Secretary that—

"(A) not less than two-thirds of the participants in the program are low-income individuals who are first generation college students;

"(B) the remaining participants in the program are either low-income individuals or first generation college students;

"(C) the participants require the services to pursue a successful program of education beyond high school;

"(D) the participants are enrolled at the institution which is the recipient of the grant;

"(E) all participants will receive sufficient financial assistance to meet that student's full financial need for child care services; and

"(F) the institution will meet such full financial need of participants by providing child care through vouchers, contracted services, or direct provision of services; and

"(3) such information (and meet such conditions) as may be required by the Secretary.

"DEFINITIONS

"SEC. 455. For the purposes of this part—

"(1) the term 'first generation college student' means a person neither of whose parents completed a baccalaureate degree; and

"(2) the term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.".

PART C—PUBLIC HOUSING CHILD CARE DEMONSTRATION PROGRAM

SEC. 221. PUBLIC HOUSING CHILD CARE GRANTS.

(a) GENERAL AUTHORITY.—The Secretary of Housing and Urban Development shall, to the extent approved in appropriation Acts, carry out a demonstration program of making grants to public housing agencies to assist such agencies in providing child care services for lower income families who reside in public housing and are headed by eligible persons. The Secretary shall design such program to determine the extent to which the availability of child care services in lower income housing projects facilitates the employability of eligible persons who head such families.

(b) ELIGIBILITY.—The Secretary may make a grant to any public housing agency under this section only if—

(1) such public housing agency does not have a child care services program in operation prior to receipt of assistance under this section;

(2) such public housing agency agrees to provide suitable facilities for the provision of child care services;

(3) the child care services program of such public housing agency will serve preschool children during the day, elementary school children after school, or both, in order to permit eligible persons who head the families of such children to obtain, retain, or train for employment;

(4) the child care services program of such public housing agency is designed, to the extent practicable, to involve the participation of the parents of children benefiting from such program, with such participation including, but not limited to, employment with the child care program;

(5) the child care services program of such public housing agency is designed, to the extent practicable, to employ in part-time positions elderly individuals who reside in the lower income housing project involved; and

(6) the child care services program of such public housing agency complies with all applicable State and local laws, regulations, and ordinances.

(c) ALLOCATION.—In providing grants under this section, the Secretary shall—

(1) give priority to lower income housing projects in which reside the largest number of preschool and elementary school children of lower income families headed by eligible persons;

(2) seek to ensure a reasonable distribution of such grants between urban and rural areas and among lower income housing projects of varying sizes; and

(3) seek to provide such grants to the largest number of lower income housing projects practicable, considering the amount of funds available under this section and the financial requirements of the particular child care services programs to be developed by the applicant public housing agencies.

(d) APPLICATIONS AND USE OF GRANT.—

(1) Applications for grants under this section shall be made by public housing agencies in such form, and according to such procedures as the Secretary may prescribe.

(2) Any public housing agency receiving a grant under this section may use such grant only for operating expenses and minor renovations of facilities necessary to the provision of child care services under this section.

(e) EVALUATIONS AND LIMITATION.—

(1) The Secretary shall conduct periodic evaluations of each child care services program assisted under this section for purposes of—

(A) determining the effectiveness of such program in providing child care services and permitting eligible persons who head lower income families residing in public housing to obtain, retain, or train for employment; and

(B) ensuring compliance with the provisions of this section.

(2) Nothing in this section may be construed as authorizing the Secretary to establish any health, safety, educational, or other standards with respect to child care services or facilities assisted with grants received under this section.

(f) DEFINITIONS.—For the purposes of this section:

(1) The term "eligible person" means an individual who is the head of a household and (A) is unmarried; (B) is legally separated from his or her spouse under a decree of divorce or separate maintenance; (C) maintains a separate place of residence from his or her spouse and such spouse is not a member of such household; or (D) whose spouse is a person described in section 3(b)(3)(A) of the United States Housing Act of 1937.

(2) The term "lower income families" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(3) The terms "lower income housing project" and "public housing" have the meanings given such terms in section 3(b)(1) of the United States Housing Act of 1937.

(4) The term "public housing agency" has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

(5) The term "Secretary" means the Secretary of Housing and Urban Development.

(g) REPORT.—Not later than the expiration of the two-year period following the date of the enactment of this Act, the Secretary shall prepare and submit to the Congress a detailed report setting forth the findings and conclusions of the Secretary as a result of carrying out the demonstration program established in this section. Such report shall include any recommendations of the Secretary with respect to the establishment of a permanent program of assisting child care services in lower income housing projects.

(h) AUTHORIZATION.—There is authorized to be appropriated to carry out the provisions of this section not to exceed $3,000,000 for fiscal year 1986. Any amount appropriated under this subsection shall remain available until expended.

TITLE III—INSURANCE

PART A—NONDISCRIMINATION IN INSURANCE

SEC. 300. SHORT TITLE.

This part may be cited as the "Nondiscrimination in Insurance Act".

SEC. 301. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) discrimination based on race, color, religion, sex, or national origin is contrary to the established policy of the United States;

(2) the business of insurance is interstate commerce;

(3) the business of insurance includes the terms, conditions, rates, benefits, and requirements of insurance policies and contracts, including annuity or pension contracts;

(4) discrimination in insurance is prevalent;

(5) insurance coverage is an essential element of modern life;

(6) discrimination in insurance unduly burdens the commerce of the country;

(7) discrimination in insurance places an unfair burden on consumers; and

(8) discrimination in insurance can be eliminated without unduly burdening those engaged in the business of providing insurance.

(b) POLICY.—The Congress therefore declares that it is the policy of the United States—

(1) to eliminate discrimination in insurance on the basis of race, color, religion, sex, or national origin;

(2) that no insurer may refuse to make insurance available to any applicant or treat any applicant or insured differently than any other applicant or insured with respect to the terms, conditions, rates, benefits, or

requirements of any contract of insurance

(8) "State" includes any State of the

SEC. 304. STATE ENFORCEMENT PRIOR TO JUDICIAL requirements of any contract of insurance on the basis of race, color, religion, sex, or national origin;

(3) to eliminate the use of statistical tables (whether of mortality, life expectancy, morbidity, disability, disability termination, losses, or any other subject) or other statistical compilations as a basis for action which is contrary to this part;

(4) to provide adequate remedies against those who fail to comply with the policy of eliminating discrimination under this part; and

(5) not to affect the existing responsibility and authority of States to regulate the business of insurance, if such regulation is consistent with and does not prevent compliance with this part.

SEC. 302. DEFINITIONS.

For purposes of this part, the term—

(1) "aggrieved person" means an insured or a beneficiary under any contract of insurance with respect to which an alleged discriminatory action has occurred;

(2) "discriminatory action" means action by an insurer which is unlawful under this part;

(3) "insurance" and "contract of insurance" mean any arrangement (whether by contract, policy, binder, reinsurance, employee benefit plan, or otherwise), including annuity and pension arrangements, whereby a person agrees to provide benefits (whether by reimbursement, periodic or lump-sum payments, provision of services, or otherwise) in case specified events occur in connection with death, disability, medical conditions, attainment of specified age, retirement from employment, accident and casualty, economic loss, theft, liability, or other similar circumstances;

(4) "insured" means any person—

(A) with respect to whose circumstances the terms of a contract of insurance apply,

(B) who is the owner of a contract of insurance, or

(C) who is an applicant or has attempted to become an applicant for a contract of insurance issued or offered to be issued by an insurer;

(5) "insurer" means any person—

(A) who provides insurance to others or otherwise engages in the business of insurance, and

(B) whose activities—

(i) affect interstate commerce,

(ii) utilize facilities of the United States Postal Service,

(iii) utilize any facilities used in interstate commerce by any person, or

(iv) result in a discriminatory action which is carried on under color of any law, statute, ordinance, or regulation, or which is required, permitted, or sanctioned by, or supported with funds provided by, the United States, any State, any political subdivision of any State, or any agency or officer of the United States or of any State or of any political subdivision of any State;

and includes such person's agent;

(6) "person" includes one or more individuals, governments, agencies of the United States or of any State or of any political subdivision of any State, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint ventures, joint stock companies, societies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, or fiduciaries;

(7) "sex" means gender, and discrimination on the basis of sex includes discrimination on the basis of pregnancy, childbirth, or related medical conditions of a female; and

(8) "State" includes any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

SEC. 303. DISCRIMINATORY ACTIONS.

(a) In General.—No insurer may, because of or on the basis of the race, color, religion, sex, or national origin of any person, whether through the use of any statistical table or other statistical compilation or not—

(1) refuse to make, refuse to negotiate, otherwise make unavailable or deny, or delay receiving and processing an application for, a contract of insurance of the type ordinarily made or offered by such insurer;

(2) treat any insured or beneficiary differently than the insurer treats or would treat any other insured or beneficiary with respect to the terms, conditions, rates, benefits, or requirements of any contract of insurance;

(3) make, print, or publish, or cause to be made, printed, or published, any notice, statement, or advertisement relating to any insurance coverage that such insurer provides or offers to provide, indicating any preference, limitation, specification, or discrimination based on the race, color, religion, sex, or national origin of any person;

(4) address, or fail to address, any particular person or group of persons in any effort to market contracts of insurance;

(5) charge or collect any premium payment or contribution which becomes due with respect to any contract of insurance after the effective date of this part; or

(6) determine the amount of, or provide to any insured or other beneficiary under a contract of insurance, any benefit after the effective date of this part.

(b) Insurance Benefits.—Nothing in this part shall affect the amount or type of benefits due under a contract of insurance the terms of which provide for regularly recurring periodic benefits if such regularly recurring periodic benefits have begun to be paid before the effective date of this part.

(c) Life Insurance Benefits.—Nothing in this part shall affect the amount or type of premium payments or contributions or benefits due under an individual contract of life insurance which was entered into before the effective date of this part.

(d) Annuity Benefits.—Nothing in this part shall affect the amount or type of premium payments or contributions or benefits due under an individual annuity contract which was entered into before the effective date of this part to the extent that the amount of benefits under such contract is fixed before the effective date of this part by the terms of such contract.

(e) Insurance Coverage to Religious Affiliation.—Nothing in this title prohibits an insurer who, before the effective date of this part regularly provided insurance coverage solely to persons of a single religious affiliation from continuing to provide insurance solely to persons of that religious affiliation.

(f) Nondiscriminatory Auto Insurance.—No insurer may charge rates for auto insurance applicable after the effective date of this part which are higher or lower for women or any particular group of women than for men or any similarly situated particular group of men, except for nongender related risk-based reasons.

(g) Method of Achieving Goal.—Except as provided in section 308, nothing in this part shall require an insurer to use any particular method of achieving the goal of providing equal and nondiscriminatory benefits under any contract of insurance.

SEC. 304. STATE ENFORCEMENT PRIOR TO JUDICIAL ENFORCEMENT UNDER THIS PART.

(a) State Enforcement Must be Prior to Judicial Enforcement.—If an alleged discriminatory action occurs which falls under the jurisdictional reach of a State law—

(1) which prohibits such discriminatory action; and

(2) which establishes or authorizes a State administrative authority to grant or seek relief from such discriminatory action upon the filing of written notice of such discriminatory action within a specified period of not less than one hundred and eighty days after the alleged discriminatory action occurs,

an aggrieved person must seek relief under such State law in order to preserve the right to seek relief under section 306 of this part.

(b) Filing of Notice.—For the purposes of this part, depositing a written statement of notice of an alleged discriminatory action in the United States mails by certified or registered mail addressed to the relevant State authority shall constitute filing of such notice.

(c) Deadline for Filing.—Where the alleged discriminatory action is continuing in character, any deadline for the filing of written notice of the alleged discriminatory action shall be computed for the purposes of this part from the last day on which such continuing discriminatory action occurred.

SEC. 305. CIVIL ACTION BY OR ON BEHALF OF AGGRIEVED PERSON.

(a) In General.—(1) If no State law described in section 305(a) confers jurisdiction over an alleged discriminatory action, a civil action against the insurer may be brought by or on behalf of an aggrieved person for violation of this part under this section.

(2) If a State law described in section 304(a) exists which confers jurisdiction over an alleged discriminatory action and the aggrieved person has sought relief under such State law, a civil action against the insurer may be brought by or on behalf of the aggrieved person for violation of this part under this section after the expiration of one hundred and eighty days after the filing of written notice referred to in section 305(a), or after all administrative proceedings under such State law with respect to such alleged discriminatory action have terminated, whichever occurs sooner.

(b) Time of Filing.—Any civil action brought under this section must be instituted within one hundred and eighty days after the date on which it may first be brought under subsection (a) of this section, and may be instituted in any State court having jurisdiction to entertain such action under State law or in a United States district court having jurisdiction under section 307.

(c) Appointment of Attorney; Payment of Fees, Costs, or Security.—Upon the plaintiff's application and in such circumstances as the court may deem just, the court before which a civil action is brought under this section may appoint an attorney for such plaintiff and may authorize the commencement of the civil action without the payment of fees, costs, or security.

(d) Court May Stay Further Proceedings.—Upon request of the relevant State authority or any party to a civil action brought under this section, the court may stay further proceedings for not more than sixty days pending the termination of State proceedings described in section 304.

SEC. 306. CIVIL ACTION BY THE ATTORNEY GENERAL INVOLVING ISSUES OF GENERAL PUBLIC IMPORTANCE.

Whenever the Attorney General of the United States has reasonable cause to believe that any person is engaged in a pattern or practice of violation of this part, or that any person is an aggrieved person with respect to any discriminatory action under this part, and an issue of general public importance is raised, the Attorney General may bring a civil action in any United States district court having jurisdiction under section 307 by filing with such court a complaint setting forth the facts and requesting such relief as the Attorney General considers necessary to ensure that the provisions and policies of this part are not violated.

SEC. 307. JURISDICTION.

Any civil action under section 305 or 306 instituted in a United States district court may be brought, without regard to the amount in controversy, in the United States district court of any judicial district in a State in which (1) the alleged discriminatory action occurred, (2) the defendant's principal office is located, (3) the defendant maintains and administers records relevant to the alleged discriminatory action, (4) the defendant resides or is located, (5) the defendant is incorporated or has a designated agent for service of process, or (6) the defendant transacts business. The case shall be heard at the earliest practicable time and expedited in every way.

SEC. 308. JUDICIAL RELIEF.

(a) In General.—If the court in any civil action brought under section 305 or 306 determines that a defendant has committed a discriminatory action under this part, the court, in addition to any other powers which it may otherwise exercise—

(1) shall order the defendant to amend any relevant contract of insurance to comply with the provisions of this part;

(2) shall award actual damages for the period of noncompliance with this part equal to the difference between the value of premium payments or contributions and benefits paid or received by the aggrieved person and the value of premium payments or contributions and benefits which would have been paid or received by the aggrieved person with respect to such period of noncompliance if the defendant had on the effective date of this part equalized all premium payments or contributions and benefits to comply with this title without increasing the premium payments or contributions of, or reducing the benefits of, any insured;

(3) may require the defendant to pay punitive damages, in addition to any actual damages, of not more than $25,000 for each individual plaintiff and not more than a total of $800,000 in the case of a class action; and

(4) shall award the aggrieved person reasonable attorney fees as part of any costs assessed against the defendant, as the court deems proper.

(b) Determination of Damages.—In determining the amount of punitive damages under subsection (a)(3) of this section, the court shall consider, among other relevant factors, the amount of actual damages awarded, the frequency and persistence of the defendant's failure to comply with provisions of this title, the defendant's resources, the number of persons affected by the discriminatory action, the extent to which the defendant was enriched through its discriminatory action, and the extent to which the defendant's failure to comply with this part was intentional.

SEC. 309. INAPPLICABILITY.

Nothing in this part shall be construed to—

(1) amend or modify the rights, liabilities, or duties of, the remedies available to, or the penalties or punishments imposed upon any employer, insurer, or any other person under any law or Executive order prohibiting discrimination in employment on the basis of an individual's race, color, religion, sex, or national origin, or under any rule, regulation, order, or agreement under such law or Executive order;

(2) exempt or relieve any person from any liability, duty, penalty, or punishment under any State or local law, other than any such law which purports to require or permit the doing of any act which would be a discriminatory action under this part; or

(3) modify the Act of March 9, 1945, entitled "An Act to express the intent of the Congress with reference to the regulation of the business of insurance." (commonly known as the McCarran-Ferguson Act; 15 U.S.C. 1011 et seq.), except to the extent required by this part.

SEC. 310. EFFECTIVE DATE.

This part shall take effect on the first day of the first month which begins after the expiration of twelve calendar months after the date of the enactment of this Act.

PART B—HEALTH INSURANCE CONTINUATION

SEC. 320. SHORT TITLE.

This part may be cited as the "Continued Access to Group Health Insurance Act of 1985".

SEC. 321. CONTINUATION COVERAGE REQUIREMENT FOR ALLOWANCE OF DEDUCTION FOR EMPLOYER CONTRIBUTIONS TO GROUP HEALTH PLANS.

(a) In General.—Subsection (i) of section 162 of the Internal Revenue Code of 1954 (relating to deduction for trade or business expenses with respect to group health plans) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph:

"(2) Continuation coverage.—

"(A) General rule.—The expenses paid or incurred by an employer for a group health plan shall not be allowed as a deduction under this section if, in the case of an applicable change in the coverage status of any qualified secondary beneficiary, the plan does not provide to such beneficiary a continuation option meeting the requirements of this paragraph. A plan provides to a qualified secondary beneficiary a continuation option meeting the requirements of this paragraph only if the plan meets the following requirements:

"(i) Plan must allow for election of continuation coverage.—During an election period meeting the requirements of subparagraph (D), the plan shall, as provided in this paragraph, permit each qualified secondary beneficiary with respect to whom an applicable change in coverage status under the plan has occurred to elect continuation coverage under the plan. Unless otherwise specified in the election, any such election by an individual who was a qualified secondary beneficiary as the spouse of the insured employee shall also constitute under the plan an election of continuation coverage on behalf of any other qualified secondary beneficiary whose coverage would, but for continuation coverage provided in accordance with this paragraph, be affected by such applicable change in coverage status.

"(ii) Delay in plan's recognition of applicable change in coverage status.—An applicable change in coverage status under the plan with respect to a qualified secondary beneficiary shall not be deemed by the plan to have occurred until the end of the election period provided by the plan.

"(iii) Terms of continuation coverage.—Any continuation coverage so elected by or on behalf of a qualified secondary beneficiary—

"(I) shall not be conditional upon any evidence of insurability, and

"(II) shall consist of coverage which is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom an applicable change in coverage status has not occurred.

"(iv) Period of coverage.—Any continuation coverage which is so elected by or on behalf of a qualified secondary beneficiary under the plan shall be for a period commencing upon expiration of the election period and ending not earlier than the earlier of—

"(I) 5 years after the expiration of the election period,

"(II) the date on which the employer ceases to provide any group health plan to employees,

"(III) the date on which there is a failure in making timely payment of any premium required under the plan with respect to the qualified secondary beneficiary,

"(IV) the date on which the qualified secondary beneficiary first becomes, after the date of the election, an insured employee under any other group health plan providing equivalent or greater coverage or becomes entitled to benefits under title XVIII of the Social Security Act,

"(V) in the case of any individual who is a qualified secondary beneficiary by reason of having been the spouse of the insured employee, the date on which the qualified secondary beneficiary remarries, or

"(VI) in the case of any individual who is a qualified secondary beneficiary by reason of having been a covered dependent child with respect to the insured employee, the date on which the individual ceases to be a covered dependent child with respect to the insured employee.

"(v) Determination of continuation coverage premiums.—The plan shall provide for computation and payment of premiums for continuation coverage in a manner meeting the requirements of subparagraph (E).

"(vi) Conversion option.—The plan shall provide that, upon the qualified secondary beneficiary's election within 180 days before expiration of the qualified secondary beneficiary's continuation coverage, the insurer is required to offer to the qualified secondary beneficiary coverage under a conversion health plan otherwise generally available to beneficiaries under the plan.

"(B) Qualified secondary beneficiary.—For purposes of this paragraph, the term 'qualified secondary beneficiary' means, with respect to an insured employee under a group health plan, an individual (other than the insured employee) who, as of immediately before the occurrence of an applicable change in coverage status with respect to the individual—

"(i) is a beneficiary under the plan as the spouse of the insured employee and has been married to the insured employee for at least the immediately preceding 30-day period, or

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"(ii) is a beneficiary under the plan as a covered dependent child with respect to the insured employee.

"(C) Applicable change in coverage status.—

"(i) Definition.—For purposes of this paragraph, an 'applicable change in coverage status' under a group health plan, with respect to an individual described in clause (i) or (ii) of subparagraph (B), consists of an event described in clause (ii) if the coverage of the individual under the plan would, but for continuation coverage provided in compliance with this paragraph, be affected by the occurrence of such event.

"(ii) Described events.—An event described in this clause is any of the following:

"(I) the insured employee dies,

"(II) the insured employee and his or her spouse become separated or divorced, or

"(III) the insured employee becomes entitled to benefits under title XVIII of the Social Security Act.

"(D) Election period.—An election period under a group health plan meets the requirements of this subparagraph if, under the plan, the period begins with the date on which the applicable change in coverage status with respect to the qualified secondary beneficiary occurs and ends not earlier than 90 days after the qualified secondary beneficiary is notified of such applicable change in coverage status in accordance with subparagraph (F)(iii).

"(E) Computation and payment of premiums for plans providing continuation coverage.—The total premium charged by a group health plan with respect to any qualified secondary beneficiary for continuation coverage under the plan shall not exceed the sum of employer premiums and employee premiums generally charged with respect to coverage under the plan of similarly situated beneficiaries with respect to whom an applicable change in coverage status has not occurred. The plan may provide for payment of the total premium by the qualified secondary beneficiary receiving such coverage, or for payment of all or part of such premium by the employer and payment of the remainder of such premium by such beneficiary. The plan shall provide for payment of any premium by the qualified secondary beneficiary in monthly installments if so elected by such beneficiary. The total of all premiums charged by the plan in any plan year may be based upon reasonably anticipated community costs for such plan year of the entire pool of insured employees and other beneficiaries under the plan, including qualified secondary beneficiaries receiving continuation coverage under the plan pursuant to this paragraph.

"(F) Notification requirements.—A group health plan shall be treated as not meeting the requirements of subparagraph (A) unless the plan meets the following requirements:

"(i) Initial notification to beneficiaries upon commencement of coverage.—The plan shall provide that, upon the commencement of coverage of each insured employee under a group health plan, the insurer shall, by first class mail, notify each beneficiary under the plan of the continuation option provided under the plan pursuant to this paragraph. The plan shall provide that such notification shall include the following statement:

"'Notification of Continued Access to Group Health Plan

"'The spouse and dependent child or children of an insured employee may be entitled to five years of continuation coverage under this group health plan if (1) the insured employee dies, (2) the insured employee and his or her spouse become separated or divorced, or (3) the insured employee becomes entitled to Medicare.

"'This coverage is available only if it is elected by or on behalf of the spouse or child to be covered. If any of these changes takes place, a beneficiary wishing to make such an election based on the change has ninety days after being notified by the plan of the change in which to make the election.

"'This continuation coverage elected under the plan is not conditional upon any evidence of insurability and consists of coverage identical to coverage otherwise provided under the plan to similarly situated beneficiaries.

"'Both the insured employee and the employee's spouse must sign the attached form, indicating that they have read and understand the provisions of this group health plan governing the continuation coverage option, and return the form to the insurer.'

The plan shall require submission to the insurer of the form referred to in the statement within a reasonable time after receipt of the notification.

"(ii) Notification of plan by insured employee of occurrence of applicable change in coverage status.—The plan shall provide—

"(I) that the employer of an insured employee must notify the plan of the occurrence of any applicable change in coverage status described in subclause (I) of subparagraph (C)(ii) with respect to any individual who is a qualified secondary beneficiary under the plan with respect to such insured employee, and

"(II) that the insured employee must notify the plan of the occurrence of any applicable change in coverage status described in subclause (II) or (III) of subparagraph (C)(ii) with respect to any individual who is a qualified secondary beneficiary under the plan with respect to such insured employee.

The plan shall provide that such notification must be made, by first class mail, within 30 days after the date of the occurrence of the applicable change in coverage status.

"(iii) Notification of continuation option provided to qualified secondary beneficiaries upon determination of applicable change in coverage status.—The plan shall provide that, within 14 days after determining the occurrence of an applicable change in coverage status with respect to a qualified secondary beneficiary under the plan, the insurer shall, by first class mail, notify such beneficiary of the occurrence of the change and of the continuation option provided under the plan pursuant to this paragraph, and that such notification shall include the following statement:

"'Notification of Continued Access to Group Health Plan

"'The spouse and dependent child or children of an insured employee may be entitled to five years of continuation coverage under this group health plan if (1) the insured employee dies, (2) the insured employee and his or her spouse become separated or divorced, or (3) the insured employee becomes entitled to Medicare.

"'This coverage is available only if it is elected by or on behalf of the spouse or child to be covered. If any of these changes takes place, a beneficiary wishing to make such an election based on the change has ninety days after being notified by the plan of the change in which to and make the election.

"'This continuation coverage elected under the plan is not conditional upon any evidence of insurability and consists of coverage identical to coverage otherwise provided under the plan to similarly situated beneficiaries.'

"(G) Covered dependent child.—For purposes of this paragraph, the term 'covered dependent child' means, with respect to an insured employee, an individual who meets the generally applicable requirements of the plan for treatment as a dependent child covered under the plan by reason of the coverage of the insured employee under the plan.

"(H) Insurer.—For purposes of this paragraph, the term 'insurer' means, in connection with a group health plan, any person who, under such plan, provides to others medical care (as defined in section 213(d)). For purposes of this subparagraph, the term 'person' includes one or more individuals, governments or agencies of the United States or any State or political subdivision thereof, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint ventures, joint stock companies, societies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, and fiduciaries."

(b) Conforming Amendment.—Paragraph (1) of section 162(i) of such Code is amended by striking out "General rule" and inserting in lieu thereof "Coverage relating to end stage renal disease".

SEC. 322. REQUIREMENTS UNDER ERISA RELATING TO CONTINUATION COVERAGE UNDER GROUP HEALTH PLANS.

(a) In General.—Part 2 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended—

(1) by redesignating section 211 as section 212, and

(2) by inserting after section 210 the following new section:

"CONTINUATION COVERAGE UNDER GROUP HEALTH PLANS

"Sec. 211. (a) Each group health plan shall, in the case of an applicable change in the coverage status with respect to any qualified secondary beneficiary, provide to such beneficiary a continuation option meeting the requirements of this section. For purposes of this section, the term 'group health plan' has the meaning provided in section 162(i)(3) of the Internal Revenue Code of 1954.

"(b) A plan provides to a qualified secondary beneficiary a continuation option meeting the requirements of this section only if the plan meets the following requirements:

"(1) During an election period meeting the requirements of subsection (e), the plan shall, as provided in this section, permit each qualified secondary beneficiary with respect to whom an applicable change in coverage status under the plan has occurred to elect continuation coverage under the plan. Unless otherwise specified in the election, any such election by an individual who is a qualified secondary beneficiary as the spouse of the insured employee shall also constitute under the plan an election of continuation coverage on behalf of any other qualified secondary beneficiary whose coverage would, but for continuation coverage provided in accordance with this section, be affected by such applicable change in coverage status.

"(2) An applicable change in coverage status under the plan with respect to a qualified secondary beneficary shall not be deemed by the plan to have occurred until the end of the election period provided by the plan.

"(3) Any continuation coverage so elected by or on behalf of a qualified secondary beneficiary—

"(A) shall not be conditional upon any evidence of insurability, and

"(B) shall consist of coverage which is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom an applicable change in coverage status has not occurred.

"(4) Any continuation coverage which is so elected by or on behalf of a qualified secondary beneficiary under the plan shall be for a period commencing upon termination of the election period and ending not earlier than the earlier of—

"(A) 5 years after the expiration of the election period,

"(B) the date on which the employer ceases to provide any group health plan to employees,

"(C) the date on which there is a failure in making timely payment of any premium required under the plan with respect to the qualified secondary beneficiary,

"(D) the date on which the qualified secondary beneficiary first becomes, after the date of the election, an insured employee under any other group health plan providing equivalent or greater coverage or becomes entitled to benefits under title XVIII of the Social Security Act,

"(E) in the case of any individual who is a qualified secondary beneficiary by reason of having been the spouse of the insured employee, the date on which the qualified secondary beneficiary remarries, or

"(F) in the case of any individual who is a qualified secondary beneficiary by reason of having been a covered dependent child with respect to the insured employee, the date on which the individual ceases to be a covered dependent child with respect to the insured employee.

"(5) The plan shall provide for computation and payment of premiums for continuation coverage in a manner meeting the requirements of subsection (f).

"(6) The plan shall provide that, upon the qualified beneficiary's election within 180 days before expiration of the qualified secondary beneficiary's continuation coverage, the insurer is required to offer to the qualified secondary beneficiary coverage under a conversion health plan otherwise generally available to beneficiaries under the plan.

"(c) For purposes of this section, the term 'qualified secondary beneficiary' means, with respect to an insured employee under a group health plan, an individual (other than the insured employee) who, as of immediately before the occurrence of an applicable change in coverage status with respect to the individual—

"(1) is a beneficiary under the plan as the spouse of the insured employee and has been married to the insured employee for at least the immediately preceding 30-day period, or

"(2) is a beneficiary under the plan as a covered dependent child with respect to the insured employee.

"(d)(1) For purposes of this section, an 'applicable change in coverage status' under a group health plan, with respect to an individual described in paragraph (1) or (2) of subsection (c), consists of an event described in paragraph (2) if the coverage of the individual under the plan would, but for continuation coverage provided in compliance with this section, be affected by the occurrence of such event.

"(2) An event described in this paragraph is any of the following:

"(A) the insured employee dies,

"(B) the insured employee and his or her spouse become separated or divorced, or

"(C) the insured employee becomes entitled to benefits under title XVIII of the Social Security Act.

"(e) An election period under a group health plan meets the requirements of this subsection if, under the plan, the period begins with the date on which the applicable change in coverage status with respect to the qualified secondary beneficiary occurs and ends not earlier than 90 days after the qualified secondary beneficiary is notified of such applicable change in coverage status in accordance with subsection (g)(3).

"(f)(1) The total premium charged by a group health plan with respect to any qualified secondary beneficiary for continuation coverage under the plan shall not exceed the sum of employer premiums and employee premiums generally charged with respect to coverage under the plan of similarly situated beneficiaries with respect to whom an applicable change in coverage status has not occurred. The plan may provide for payment of the total premium by the qualified secondary beneficiary receiving such coverage, or for payment of all or part of such premium by the employer and payment of the remainder of such premium by such beneficiary. The plan shall provide for payment of any premium by the qualified secondary beneficiary in monthly installments if so elected by such beneficiary. The total of all premiums charged by the plan in any plan year may be based upon reasonably anticipated community costs for such plan year of the entire pool of insured employees and other beneficiaries under the plan, including qualified secondary beneficiaries receiving continuation coverage under the plan pursuant to this section.

"(g) A group health plan shall be treated as not meeting the requirements of subsection (b) unless the plan meets the following requirements:

"(1) The plan shall provide that, upon the commencement of coverage of each insured employee under a group health plan, the insurer shall, by first class mail, notify each beneficiary under the plan of the continuation option provided under the plan pursuant to this paragraph. The plan shall provide that such notification shall include the following statement:

"'Notification of Continued Access to Group Health Plan

"'The spouse and dependent child or children of an insured employee may be entitled to five years of continuation coverage under this group health plan if (1) the insured employee dies, (2) the insured employee and his or her spouse become separated or divorced, or (3) the insured employee becomes entitled to Medicare.

"'This coverage is available only if it is elected by or on behalf of the spouse or child to be covered. If any of these changes takes place, a beneficiary wishing to make such an election based on the change has ninety days after being notified by the plan of the change in which to make the election.

"'This continuation coverage elected under the plan is not conditional upon any evidence of insurability and consists of coverage identical to coverage otherwise provided under the plan to similarly situated beneficiaries.

"'Both the insured employee and the employee's spouse must sign the attached form, indicating that they have read and understand the provisions of this group health plan governing the continuation coverage option, and return the form to the insurer.'

The plan shall require submission to the insurer of the form referred to in the statement within a reasonable time after receipt of the notification.

"(2) The plan shall provide—

"(A) that the employer of an insured employee must notify the plan of the occurrence of any applicable change in coverage status described in subparagraph (A) of subsection (d)(2) with respect to any individual who is a qualified secondary beneficiary under the plan with respect to such insured employee, and

"(B) that the insured employee must notify the plan of the occurrence of any applicable change in coverage status described in subparagraph (B) or (C) of subsection (d)(2) with respect to any individual who is a qualified secondary beneficiary under the plan with respect to such insured employee.

The plan shall provide that such notification must be made, by first class mail, within 30 days after the date of the occurrence of the applicable change in coverage status.

"(3) The plan shall provide that, within 14 days after determining the occurrence of an applicable change in coverage status with respect to a qualified secondary beneficiary under the plan, the insurer shall, by first class mail, notify such beneficiary of the occurrence of the change and of the continuation option provided under the plan pursuant to this section, and that such notification shall include the following statement:

"'Notification of Continued Access to Group Health Plan

"'The spouse and dependent child or children of an insured employee may be entitled to five years of continuation coverage under this group health plan if (1) the insured employee dies, (2) the insured employee and his or her spouse become separated or divorced, or (3) the insured employee becomes entitled to Medicare.

"'This coverage is available only if it is elected by or on behalf of the spouse or child to be covered. If any of these changes takes place, a beneficiary wishing to make such an election based on the change has ninety days after being notified by the plan of the change in which to make the election.

"'This continuation coverage elected under the plan is not conditional upon any evidence of insurability and consists of coverage identical to coverage otherwise provided under the plan to similarly situated beneficiaries.'

"(h) For purposes of this section, the term 'covered dependent child' means, with respect to an insured employee, an individual who meets the generally applicable requirements of the plan for treatment as a dependent child covered under the plan by reason of the coverage of the insured employee under the plan.

"(i) For purposes of this section, the term 'insurer' means, in connection with a group health plan, any person who, under such plan, provides to others medical care (as defined in section 213(d) of the Internal Revenue Code of 1954). For purposes of this paragraph, the term 'person' includes one or more individuals, Governments or agencies of the United States or any State or political subdivision thereof, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint ventures, joint stock companies, societies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, and fiduciaries."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 201 of such Act is amended by inserting after "plan" the following: ", except to the extent that section 211 applies to a group health plan (as defined in section 211(a))".

(2) Section 212 of such Act (as redesignated by this section) is further amended by adding at the end thereof the following new subsection:

"(f) For the effective date and special rules relating to application of section 211, see section 323 of the Continued Access to Group Health Insurance Act of 1985.".

(3) The heading for part 2 of subtitle B of title I of such Act is amended to read as follows:

"PART 2—PARTICIPATION, VESTING, AND FORM AND PAYMENT OF BENEFITS".

(4) The table of contents in section 1 of such Act is amended—

(A) by striking out the item relating to part 2 of subtitle B of title I and inserting in lieu thereof the following new item:

"PART 2—PARTICIPATION, VESTING, AND FORM AND PAYMENT OF BENEFITS;

and

(B) by striking out the item relating to section 211 and inserting in lieu thereof the following new items:

"Sec. 211. Continuation coverage under group health plans.
"Sec. 212. Effective dates."

SEC. 323. EFFECTIVE DATE AND SPECIAL RULES.

(a) EFFECTIVE DATE.—

(1) GENERAL RULE.—The amendments made by this part shall apply to plan years beginning on or after January 1, 1986.

(2) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of the enactment of this Act, the amendments made by this part shall not apply to plan years beginning before the earlier of—

(A) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(B) January 1, 1987.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this part shall not be treated as a termination of such collective bargaining agreement.

(b) INITIAL NOTIFICATION.—Each group health plan shall notify by first class mail all beneficiaries under the plan, including all qualified secondary beneficiaries, of the terms of the continuation coverage provided by the plan pursuant to the amendments made by this part. Such notification shall be made not later than January 1, 1986, and shall include the statement set forth in section 211(g)(1) of the Employee Retirement Income Security Act of 1974 (as amended by this Act). Such notification may be made by mailing such notification to the last known address of each beneficiary. This subsection shall be treated as a provision of title I of the Employee Retirement Income Security Act of 1974 for purposes of enforcement under section 502 of such Act.

TITLE IV—EMPLOYMENT

PART A—PAY EQUITY IN THE FEDERAL CIVIL SERVICE

SEC. 401. DEFINITIONS.

For purposes of this part—

(1) the term "position" means employee positions that are subject to classification under chapter 51 of such title or the job-grading system under subchapter IV of chapter 53 of such title;

(2) the term "Commission" means the Commission on Compensation Equity established by section 402;

(3) the term "Director" means the Director of the Office of Personnel Management;

(4) the term "employee" means an individual to whom chapter 51 and subchapter IV of chapter 53 of such title applies; and

(5) the term "labor organization" shall have the meaning given such term by section 7103(a)(4) of such title.

SEC. 402. ESTABLISHMENT OF COMMISSION ON COMPENSATION EQUITY.

There is established a commission to be known as the "Commission on Compensation Equity".

SEC. 403. STUDY AND REPORTING REQUIREMENTS.

(a) STUDY.—(1) In order to determine whether Federal jobs are appropriately classified, graded, and paid and whether the wage-setting practices in executive agencies of the United States Government are in compliance with applicable laws and regulations prohibiting sex-based wage discrimination in Federal employment policies and practices, the Commission shall provide, by contract with the consultant selected pursuant to section 407, for—

(A) the conduct of a study of representative executive agencies' wage-setting practices and wage differentials within and between the position-classification system under chapter 51 of title 5, United States Code, and the job grading system under subchapter IV of chapter 53 of such title, including both standard objective job-evaluation techniques, and an economic analysis to determine whether there are occupations where the rates of pay payable for positions held predominantly by female employees are lower than the rates of pay payable for positions held predominantly by male employees although the work performed in each instance involves skills, effort, responsibilities, qualifications, and working conditions which, although not identical, are equivalent in totality; and

(B) the preparation and submission of a report containing the findings of such study, including a list of any such positions and the extent of the differences in the rates of pay in such cases.

(2) For the purposes of this subsection, the term "executive agency" shall have the meaning given such term by section 105 of title 5, United States Code.

(b) REPORT.—(1)(A) Not later than eighteen months after the effective date of this part, the Commission shall transmit to the appropriate committees of the Congress the report required by subsection (a) and shall provide a copy of this report to the Director.

(B) The report shall include—

(i) the Commission's findings resulting from the study; and

(ii) the Commission's recommendations (other than any recommendation which would result in a reduction in the rate of pay payable for any position) for such administrative or legislative actions, or both, as it considers appropriate (including any recommendations for amendment of section 406).

(2) Not later than ninety days after the Commission submits its report to the appropriate committees of the Congress pursuant to paragraph (1), the Director shall submit to such committees and the Commission a report commenting on the Commission's report and specifying the Director's plan (including a timetable) to carry out each of the Commission's recommendations or, in the event that the Director does not specify a plan to carry out one or more of such recommendations, the Director's reasons for not specifying such plan.

(3) Not later than sixty days after the Director submits the report to the appropriate committees of the Congress pursuant to paragraph (2), the Commission shall submit to such Committees any additional comments that the Commission considers appropriate in response to the Director's report.

SEC. 404. APPOINTMENT OF COMMISSION.

(a) IN GENERAL.—(1)(A) The Commission shall be composed of nine members as follows:

(i) Two appointed by the President.

(ii) One appointed by the majority leader of the Senate.

(iii) One appointed by the minority leader of the Senate.

(iv) One appointed by the Speaker of the House of Representatives.

(v) One appointed by the minority leader of the House of Representatives.

(vi) Three jointly appointed by a five-member panel composed of one officer of and designated by each of five labor organizations selected by the Director from among labor organizations representing substantial numbers of women who occupy positions

that are subject to chapter 51 or subchapter IV of chapter 53, of title 5, United States Code (including each of the three such labor organizations representing the greatest number of Federal Government employees).

(B) Members of the Commission shall not be members of Congress and shall, to the maximum extent practicable, be chosen from among persons who have extensive knowledge and technical expertise in the major areas of the Commission's consideration and study.

(2) All appointments under paragraph (1) shall be made not later than sixty days after the effective date of this Act.

(b) CHAIRMAN AND VICE CHAIRMAN OF THE COMMISSION.—The President shall designate a Chairman of the Commission from among the Commission members. The Commission shall elect a Vice Chairman from among its members. The Vice Chairman shall act as Chairman in the event of the absence or incapacity of the Chairman.

(c) VACANCIES.—Any vacancy in the Commission shall not affect its powers except with respect to satisfaction of the quorum requirements in section 405(b). Such vacancy shall be filled in the manner in which the original appointment was made.

SEC. 405. ADMINISTRATIVE PROVISIONS.

(a) PROCEDURES.—The Commission shall adopt such rules and regulations as it considers necessary to establish its procedures and to govern the manner of its operations, its organization, and its personnel.

(b) QUORUM.—Five members of the Commission shall constitute a quorum.

(c) MEMBER'S PAY.—Each member of the Commission who is not an officer or employee of the United States Government shall be paid compensation at a rate equal to the daily equivalent of the rate of basic pay in effect for level IV of the Executive Schedule for each day the member is engaged in the performance of the duties of the Commission.

(d) COMMISSION STAFF.—(1) The Commission may appoint, terminate, and, subject to paragraph (2), fix the compensation of such personnel as it considers advisable to employ to assist in the performance of its duties, without regard to the civil service laws, the provisions of title 5, United States Code, or any other law relating to the number, classification, or compensation of employees. The Commission may also procure temporary and intermittent services in carrying out its responsibilities. The Chairman shall appoint an executive director of the Commission with the approval of a majority of the Commission members.

(2) An employee of the Commission may not receive compensation at a rate exceeding the rate of pay payable for grade GS-18 under section 5332 of title 5, United States Code.

(3) Service of an individual as a member of the Commission or as an employee of the Commission shall not be considered service in an appointive or elective position in the United States Government for the purposes of section 8344 of title 5, United States Code.

(e) TRAVEL AND TRANSPORTATION EXPENSES.—All members and employees of the Commission and all individuals performing temporary or intermittent services for the Commission shall, while performing the duties of the Commission, be paid per diem, travel, and transportation expenses in the same manner as provided for under subchapter I of chapter 57 of title 5, United States Code.

(f) SPECIFIC POWERS.—(1) The Commission or any member authorized by the Commission may, for the purposes of carrying out this part, hold such hearings and sit and act at such times and places, take such testimony, have such printing and binding done, enter into such contracts and other arrangements, with or without consideration or bond, and take such other actions as the Commission considers advisable, to the extent that amounts provided pursuant to section 409 are available. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(2) The Commission is authorized to obtain directly from any officer, department, agency, establishment, or instrumentality of the United States Government such information, suggestions, estimates, and statistics as the Commission considers necessary to carry out this section. Each such officer, department, agency, establishment, or instrumentality shall furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request made on behalf of the Commission.

(3) The Commission may use the United States mails and receive administrative support from the Administrator of General Services in the same manner and under the same conditions as departments and agencies of the United States Government.

(4) No officer or agency of the United States Government shall require the Commission to submit any report, recommendation, or other matter to any such officer or agency for approval, comment, or review before submitting such report, recommendation, or other matter to Congress or Committees of Congress or to the President.

(g) MEETING TIMES.—The Commission shall meet from time to time, as its members consider appropriate.

SEC. 406. TERMINATION.

The Commission shall terminate ninety days after the date the Commission submits its comments pursuant to section 403(b)(3).

SEC. 407. CONSULTANT.

(a) IN GENERAL.—The Commission shall select one consultant to conduct the study required by section 403(a) from among the list of consultants transmitted by the Comptroller General of the United States pursuant to subsection (b).

(b) LIST OF CONSULTANTS.—The Comptroller General of the United States shall prepare and submit to the Commission a list of at least five consultants which, on the basis of their objectivity, extensive knowledge, and technical expertise in the matters to be studied pursuant to this part, the Comptroller General considers appropriate to conduct the study.

SEC. 408. CONSTRUCTION.

Nothing in this part shall be construed to limit any of the rights or remedies provided under the Civil Rights Act of 1964, section 6(d) of the Fair Labor Standards Act of 1938, or any other provision of law relating to discrimination on the basis of race, color, religion, sex, national origin, handicap, or age.

SEC. 409. FUNDING.

Of the sums appropriated to the Office of Personnel Management for general operating expenses for fiscal year 1986 and 1987, such amount as is estimated by the Comptroller General of the United States as necessary to carry out this part shall be made available to pay the expenses of the Commission and shall remain available for such purpose until September 30, 1988.

SEC. 410. EFFECTIVE DATE.

This part shall take effect on October 1, 1985.

PART B—SERVICE PROGRAMS FOR PREGNANT TEENAGERS AND TEENAGE MOTHERS

SEC. 411. GRANTS TO STATES FOR PROGRAMS TO ASSIST PREGNANT TEENAGERS AND TEENAGE MOTHERS WHO MIGHT OTHERWISE BECOME LONG-TERM RECIPIENTS OF AFDC.

Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"GRANTS FOR SERVICE PROGRAMS FOR PREGNANT TEENAGERS AND TEENAGE MOTHERS

"SEC. 416. (a) In addition to amounts payable to States under section 403, the Secretary shall make grants to States in accordance with this section, subject to the amounts appropriated pursuant to subsection (d). The purpose of such grants shall be to assist States in carrying out programs which—

"(1) prevent long-term dependency upon aid to families with dependent children;

"(2) permit pregnant teenagers and teenage mothers to remain in school;

"(3) provide job counseling, employment readiness, job placement, and academic and vocational education services to pregnant teenagers and teenage mothers; and

"(4) integrate and coordinate services otherwise available to pregnant teenagers and teenage mothers.

"(b)(1) In order to receive a grant under this section a State must provide assurances to the Secretary that such grant shall be used to carry out a program which—

"(A) provides child day care, job training, job placement, and academic and vocational education services for pregnant teenagers and teenage mothers, and requires that each pregnant teenager or mother participate in a program leading to a high school diploma (or the equivalent) or in a job training program;

"(B) establishes a coordinated service network consisting of the services described in subparagraph (A) and other services available for pregnant teenagers and teenage mothers under title XX, part B of this title, the State program under title V, and the Job Training Partnership Act;

"(C) provides such services in an area or areas within the State which have a large number of low-income teenage mothers;

"(D) provides for maximum utilization of existing services, including those offered by private, nonprofit service providers;

"(E)(i) provides without charge any child day care services and transportation which may be necessary to allow the pregnant teenager or teenage mother to participate in the program, and

"(ii) provides child day care services, at a charge which is related to income, for a period of six months after completion of the high school diploma (or equivalent) or job training program, as may be necessary to allow the pregnant teenager or teenage mother to be employed; and

"(F) is administered by the same agency which administers the State plan under section 402, the same agency which administers the State plan approved under part B of this title, or the same agency which administers the block grant under title XX.

"(2) For purposes of this section—

"(A) 'pregnant teenagers' and 'teenage mothers' means only pregnant women or mothers who are age 19 or under, or who are secondary school students; and

pay payable for GS-18 of the General

Subpart 2—Equal Credit

"If taxable income is: The tax is:

"(B) 'academic and vocational education services' includes instruction in family management, parenting, budgeting, health, nutrition, and other life skills.

"(c)(1) Any State receiving a grant under this section for a fiscal year shall provide a report to the Secretary at the close of such fiscal year which shall include the number and characteristics of individuals served by the State program, the services provided, and the results achieved. Such report shall also include data on the number of cases and the amounts of the aid to families with dependent children provided under this part for the fiscal year, broken down by the age of the parent or caretaker relative receiving such aid, by race, and by location within the State. The State shall also require each entity providing services under the State program to report to the State with respect to the number and characteristics of the individuals served by such entity, the services provided, and the results achieved.

"(2) The Secretary shall establish a systematic reporting system capable of yielding comprehensive data on which service figures and program evaluations shall be based. On or before each January 1 the Secretary shall submit to the Congress a report describing the activities supported under this section during the fiscal year ending on the preceding September 30, including, at a minimum, the number and characteristics of persons served, the services provided, the results achieved, and the Secretary's plans and recommendations for the future.

"(d) For purposes of making grants to States under this section there are authorized to be appropriated $75,000,000 for fiscal year 1986 and for each fiscal year thereafter.".

PART C—WOMEN IN BUSINESS

Subpart 1—National Commission on Women's Business Ownership

SEC. 420. SHORT TITLE.

This subpart may be cited as the "Women's Business Ownership Act of 1985".

SEC. 421. ESTABLISHMENT.

There is established a commission to be known as the "National Commission on Women's Business Ownership" (hereinafter in this subpart referred to as the "Commission").

SEC. 422. DUTIES OF THE COMMISSION.

(a) In General.—The Commission shall review—

(1) the status of women-owned small business nationwide and the progress made since the 1980 White House Conference on Small Business for such businesses to be represented equitably in the mainstream of the American economy;

(2) the role of the Federal Government in aid to, and the promotion of, women-owned small business;

(3) data collection procedures and the availability of data relating to (A) women-owned business; (B) women-owned small business, and (C) small business owned and controlled by socially and economically disadvantaged women; and

(4) such other Federal initiatives as may exist relating to women-owned small business including, but not limited to, those relating to Federal procurements.

(b) Emphasis on Special Impediments.—In the course of performing those duties described in subsection (a), the Commission shall pay particular regard to the special impediments suffered by small business concerns owned and controlled by socially and economically disadvantaged women.

(c) Recommendations.—Based upon its review, the Commission shall recommend, in the manner prescribed by section 426—

(1) new private-sector initiatives which would provide management and technical assistance to women-owned small business;

(2) ways to promote greater access to financing and procurement opportunities for such businesses; and

(3) such other measures as may have particular applicability for small business concerns owned and controlled by socially and economically disadvantaged women.

(d) Definitions.—For the purpose of this subpart—

(1) the term "women-owned small business" means a small business as defined pursuant to section 3 of the Small Business Act (15 U.S.C. 632) and relevant regulations promulgated pursuant thereto—

(A) which is at least 51 per centum owned by one or more women, or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more women, and

(B) whose management and daily business operations are controlled by one or more of such women; and

(2) the term "small business owned and controlled by socially and economically disadvantaged women" means a business concern which is described in paragraph (1) and, in addition, whose owners also qualify as socially and economically disadvantaged pursuant to section 8(d)(3) of the Small Business Act (15 U.S.C. 637(d)(3)).

SEC. 423. MEMBERSHIP.

(a) In General.—The Commission shall be composed of nine members to be appointed as follows:

(1) Three members shall be appointed by the President.

(2) Three members shall be appointed by the majority leader of the Senate from a list of fifteen individuals nominated for such appointment by the chairman of the Committee on Small Business of the Senate.

(3) Three members shall be appointed by the Speaker of the House of Representatives from a list of fifteen individuals nominated for such appointment by the chairman of the Committee on Small Business of the House of Representatives.

(b) Qualifications.—(1) Appointments under subsection (a) shall be made from individuals who are specially qualified to serve on the Commission by virtue of their education, training, or experience, and who are not officers or employees of the Federal Government nor of the Congress.

(2)(A) Of the individuals to be appointed under subsection (a)—

(i) no more than two members to be appointed under each paragraph of such subsection shall be of the same political party;

(ii) at least two members appointed shall be socially disadvantaged as defined pursuant to section 8(a)(5) of the Small Business Act (15 U.S.C. 637(a)(5)), and at least two members appointed under each paragraph of such subsection shall be women; and

(iii) at least one member to be appointed under each paragraph of such subsection shall be the owner of a small business concern as defined pursuant to section 3 of the Small Business Act (15 U.S.C. 632) and relevant regulations promulgated pursuant thereto.

(B) Appointments made pursuant to subsection (a) shall be made in the following sequence:

(i) appointments under subsection (a)(1) shall be made within ninety days of the effective date of this subpart;

(ii) appointments under subsection (a)(2) shall be made within one hundred and twenty days of the effective date of this subpart; and

(iii) appointments under subsection (a)(3) shall be made within one hundred and fifty days of the effective date of this subpart.

(3) In making appointments under subsection (a), the appointing authorities shall give due consideration to achieving balanced geographical representation.

(c) Term.—Members shall be appointed for the life of the Commission, except if any member of the Commission becomes an officer or employee of the Federal Government or of the Congress, such individual may continue as a member of the Commission for not longer than the thirty-day period beginning on the date such individual becomes such an officer or employee.

(d) Vacancies.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made, except that a vacancy to be filled pursuant to paragraph (2) or (3) of subsection (a) shall be made from the submission of a revised list of nominees to be submitted to the appropriate appointing authority.

(e) Compensation; Expenses.—Members of the Commission shall serve without pay, except members of the Commission shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Commission, in the same manner as persons employed intermittently in the Federal Government are allowed expenses under section 5703 of title 5, United States Code.

(f) Quorum.—(1) Two members of the Commission shall constitute a quorum for the receipt of testimony and other evidence pursuant to section 425(a).

(2) A majority of the Commission shall constitute a quorum for the approval of any report to be transmitted pursuant to section 426.

(g) Chairperson and Vice Chairperson.—The Chairperson and Vice Chairperson of the Commission shall be designated by the President. The term of office of the Chairperson and Vice Chairperson shall be the life of the Commission.

(h) Meetings.—The Commission shall meet not less than four times a year. Meetings shall be at the call of the Chairperson.

SEC. 424. DIRECTOR AND STAFF OF THE COMMISSION.

(a) Director and Staff.—(1) The Commission shall have a Director who shall be appointed by the Chairperson. Upon recommendation by the Director, the Chairperson may appoint and fix the pay of four additional personnel.

(2) The Director and staff of the Commission may be appointed without regard to section 5311(b) of title 5, United States Code, and without regard to the provisions of such title governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(b) Temporary Services.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic

pay payable for GS-18 of the General Schedule.

(c) Detail of Other Federal Personnel.—Upon request of the Commission, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this subpart, without regard to section 3341 of title 5 of the United States Code.

SEC. 425. POWERS OF THE COMMISSION.

(a) In General.—The Commission may, for the purpose of carrying out this subpart, sit and act at such times and places, hold such hearings, take such testimony, receive such evidence, and consider such information, as the Commission considers appropriate. The Commission may administer oaths or affirmations for the receipt of such testimony.

(b) Delegation.—Any member or person within the employ of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) Securing Information.—Except as otherwise prohibited by law, the Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this subpart. Upon the request of the Chairperson of the Commission, the head of such department or agency shall promptly furnish such information to the Commission.

(d) Use of Mails.—The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(e) Support Services.—The Administrator of the General Services Administration shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request. In addition, the Administrator shall, as appropriate, provide to the Commission, upon its request, access to and use of such Federal facilities as may be necessary for the conduct of its business.

SEC. 426. REPORTS.

The Commission shall transmit to the President and to each House of the Congress an interim report no less than once in every six-month period and shall transmit a final report to the President and to each House of Congress not later than twenty-six months after the date of the Commission's first meeting. The final report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation and administrative actions as it considers appropriate.

SEC. 427. TERMINATION.

The Commission shall cease to exist on the date that it transmits its final report to the President and to each House of the Congress.

SEC. 428. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this subpart, and they may remain available until expended. New spending authority or authority to enter contracts as provided in this subpart shall be effective only to such extent and in such amounts as are provided in advance in appropriation Acts.

SEC. 429. EFFECTIVE DATE.

This subpart shall take effect October 1, 1985.

Subpart 2—Equal Credit

SEC. 431. AMENDMENT TO EQUAL CREDIT OPPORTUNITY ACT.

Subsection (a) of section 703 of the Equal Credit Opportunity Act (15 U.S.C. 1691b) is amended to read as follows:

"(a)(1) Subject to the provisions of paragraph (2) the Board shall prescibe regulations to carry out the purposes of this title. These regulations may contain such classifications, differentiation, or other provision, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumstances or evasion thereof, or to facilitate or substantiate compliance therewith.

"(2) A regulation promulgated pursuant to paragraph (1) of this subsection may not exempt from the provisions of this title any class of transactions that are primarily for—

"(A) personal, family, or household purposes; or

"(B) business or commercial purposes, except that a particular type or class of business or commercial transaction may be exempted if the Board determines, after a hearing conducted on the record pursuant to chapter 5 of title 5, United States Code, that the application of this title or of any provision of this title to such transaction would not contribute substantially to effecting the purposes of this title.

"(3) An exemption granted pursuant to paragraph (2)(B) shall be for no longer than five years and may be extended beyond five years only if the Board makes a subsequent determination, in the manner prescribed by such paragraph, that such exemption remains appropriate. An extension of an exemption granted pursuant to (2)(B) shall be for no longer than five years and may be renewed only if the Board reaches a subsequent determination, in the manner prescribed by paragraph (2)(B), that such exemption remains appropriate.".

TITLE V—TAX REFORM

SECTION 501. ZERO BRACKET AMOUNT FOR HEADS OF HOUSEHOLDS.

(a) In General.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed on individuals) is amended by adding at the end thereof the following new subsection:

"(g) Increase in Zero Bracket Amount for Heads of Households for Taxable Years Beginning After 1985.—In carrying out subsection (f) with respect to taxable years beginning after 1985, the Secretary shall treat the following table as if it were the table contained in paragraph (3) of subsection (b):

"If taxable income is:	The tax is:
Over $3,400	No tax.
Over $3,400 but not over $5,500.	11% of the excess over $3,400.
Over $5,500 but not over $7,600.	$231, plus 12% of the excess over $5,500.
Over $7,600 but not over $9,800.	$483, plus 14% of the excess over $7,600.
Over $9,800 but not over $12,900.	$791, plus 17% of the excess over $9,800.
Over $12,900 but not over $16,100.	$1,318, plus 18% of the excess over $12,900.
Over $16,100 but not over $19,300.	$1,894, plus 20% of the excess over $16,100.
Over $19,300 but not over $24,600.	$2,534, plus 24% of the excess over $19,300.
Over $24,600 but not over $29,900.	$3,806, plus 28% of the excess over $24,600.
Over $29,900 but not over $35,200.	$5,290, plus 32% of the excess over $29,900.
Over $35,200 but not over $45,800.	$6,986, plus 35% of the excess over $35,200.
Over $45,800 but not over $61,700.	$10,696, plus 42% of the excess over $45,800.
Over $61,700 but not over $82,900.	$17,374, plus 45% of the excess over $61,700.
Over $82,900 but not over $109,400.	$26,914, plus 48% of the excess over $82,900.
Over $109,400	$39,634, plus 50% of the excess over $109,400."

(b) Conforming Amendments.—

(1) Clause (i) of section 6012(a)(1)(A) of such Code (relating to persons required to make returns of income) is amended by inserting "is not a head of a household (as defined in section 2(b))," after "section 2(a)),".

(2) Clause (ii) of such section is amended by inserting "or who is a head of a household (as so defined)" after "who is a surviving spouse (as so defined)".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 502. INCREASE IN EARNED INCOME CREDIT; TREATMENT OF CERTAIN PAYMENTS.

(a) Increase in Credit.—Subsection (a) of section 32 of the Internal Revenue Code of 1954 (relating to earned income credit) is amended by striking out "11 percent" and inserting in lieu thereof "16 percent".

(b) Phaseout Between $11,000 and $16,000.—Subsection (b) of section 32 of such Code (relating to limitation) is amended to read as follows:

"(b) Limitation.—The amount allowable as a credit under subsection (a) to any taxpayer for any taxable year shall be reduced by an amount equal to 16 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $11,000."

(c) Governmental Payments To Be Disregarded for Purposes of Support and Maintenance of Household Tests.—Section 2 of such Code (relating to definitions and special rules) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) Governmental Payments Disregarded in Determining Support and Maintenance of Household.—

"(1) In general.—For purposes of this title, whenever it is necessary—

"(A) to determine the extent to which the support of an individual is provided by such individual, by a taxpayer who has the same principal place of abode as the individual (including determinations under sections 152 and 1303(c)), or by the parents of the individual for purposes of section 152(e), or

"(B) to determine whether a taxpayer furnishes over half of the cost of maintaining a household during any period (including determinations under subsections (a) and (b) of this section and under sections 21 and 143(b)),

any needs-based governmental benefit used for the support of the individual or for maintenance of the household shall not be taken into account.

"(2) Needs-based governmental benefit.—For purposes of paragraph (1), the term 'needs-based governmental benefit' means any benefit which—

"(A) is not includible in gross income,

"(B) is provided under any Federal, State, or local governmental assistance program, and

"(C) is based on need."

(d) Disregard of Credit.—

(1) In general.—Notwithstanding any other provision of law, any refund of Federal income taxes made to an individual by reason of section 32 of the Internal Revenue

Code of 1954, and any payment made by an employer under section 3507 of such Code, shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

(2) Repeal of section 402(d) of the Social Security Act.—Subsection (d) of section 402 of the Social Security Act is hereby repealed.

(e) Cost-of-Living Adjustments.—

(1) In general.—Section 32 of such Code is amended by adding at the end thereof the following new subsection:

"(h) Cost-of-Living Adjustments.—

"(1) In general.—In the case of any taxable year beginning in a calendar year after 1986, this section shall be applied by increasing each dollar amount contained in subsections (a), (b), and (f) by the cost-of-living adjustment for such calendar year.

"(2) Cost-of-living adjustment.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year (as defined in section 1(f)(4)), exceeds

"(B) the CPI for calendar year 1985 (as so defined).

"(3) Rounding.—Any increase determined under paragraph (1) shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10)."

(2) Earned income advance amount.—Subsection (c) of section 3507 of such Code is amended by adding at the end thereof the following new paragraph:

"(3) Cost-of-living adjustments.—In the case of any calendar year after 1986, paragraph (2) shall be applied by increasing each dollar amount contained therein by the cost-of-living adjustment for such calendar year (as determined under section 32(h)(2)). Any such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10)."

(f) Technical Amendments.—

(1) Paragraph (2) of section 32(f) of such Code is amended—

(A) by striking out "$11,000" each place it appears and inserting in lieu thereof "$16,000", and

(B) by striking out "$6,500" and inserting in lieu thereof "$11,000".

(2) Paragraph (2) of section 3507(c) of such Code (relating to earned income advance payment amount) is amended—

(A) by striking out "11 percent" each place it appears and inserting in lieu thereof "16 percent",

(B) by striking out "$6,500 and $11,000" and inserting in lieu thereof "$11,000 and $16,000", and

(C) by striking out "$3,250 and $5,500" and inserting in lieu thereof "$5,500 and $8,000".

(g) Effective Dates.—

(1) Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1985.

(2) The amendments made by subsections (d) and (e)(2) shall take effect on January 1, 1986.

SEC. 503. CREDIT FOR DEPENDENT CARE SERVICES.

(a) In General.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"**SEC. 35. DEPENDENT CARE SERVICES.**

"(a) Allowance of Credit.—

"(1) In general.—In the case of an individual who maintains a household which includes as a member 1 or more qualifying individuals, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of the sum of—

"(A) the employment-related expenses paid by such individual during the taxable year, plus

"(B) the respite care expenses paid by such individual during the taxable year.

"(2) Applicable percentage defined.—

"(A) In general.—For purposes of paragraph (1), the term 'applicable percentage' means 50 percent reduced (but not below 20 percent) by 1 percentage point for each full $2,000 amount by which the taxpayer's adjusted gross income for the taxable year exceeds $11,000.

"(B) Cost-of-living adjustment.—

"(i) In general.—In the case of a taxable year beginning in a calendar year after 1985, subparagraph (A) shall be applied by increasing the $11,000 amount contained therein by the cost-of-living adjustment (as defined in section 1(f)(3)) for such calendar year.

"(ii) Rounding.—If any increase determined under clause (i) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $15, such increase shall be increased to the next highest multiple of $10).

"(b) Employment-Related Expenses.—For purposes of this section—

"(1) Determination of eligible expenses.—

"(A) In general.—The term 'employment-related expenses' means amounts paid for the following expenses, but only if such expenses are incurred to enable the taxpayer to be gainfully employed for any period for which there are 1 or more qualifying individuals with respect to the taxpayer:

"(i) expenses for household services, and

"(ii) expenses for the care of a qualifying individual.

Such term shall not include any respite care expense taken into account under subsection (a).

"(B) Exception.—Employment-related expenses described in subparagraph (A) which are incurred for services outside the taxpayer's household shall be taken into account only if incurred for the care of—

"(i) a qualifying individual described in subsection (d)(1), or

"(ii) a qualifying individual (not described in subsection (d)(1)) who regularly spends at least 8 hours each day in the taxpayer's household.

"(C) Dependent care centers.—Employment-related expenses described in subparagraph (A) which are incurred for services provided outside the taxpayer's household by a dependent care center (as defined in subparagraph (D)) shall be taken into account only if—

"(i) such center complies with all applicable laws and regulations of a State or unit of local government, and

"(ii) the requirements of subparagraph (B) are met.

"(D) Dependent care center defined.—For purposes of this paragraph, the term 'dependent care center' means any facility which—

"(i) provides care for more than 6 individuals (other than individuals who reside at the facility), and

"(ii) receives a fee, payment, or grant for providing services for any of the individuals (regardless of whether such facility is operated for profit).

"(2) Dollar limit on amount creditable.—

"(A) In general.—The amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(i) $2,400 if there is 1 qualifying individual with respect to the taxpayer for such taxable year, or

"(ii) $4,800 if there are 2 or more qualifying individuals with respect to the taxpayer for such taxable year.

"(B) Reduction in limit for amount of respite care expenses.—The limitation of subparagraph (A) shall be reduced by the amount of the respite care expenses taken into account by the taxpayer under subsection (a) for the taxable year.

"(3) Earned income limitation.—

"(A) In general.—Except as otherwise provided in this paragraph, the amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(i) in the case of an individual who is not married at the close of such year, such individual's earned income for such year, or

"(ii) in the case of an individual who is married at the close of such year, the lesser of such individual's earned income or the earned income of his spouse for such year.

"(B) Special rule for spouse who is a student or incapable of caring for himself.—In the case of a spouse who is a student or a qualified individual described in subsection (d)(3), for purposes of subparagraph (A), such spouse shall be deemed for each month during which such spouse is a full-time student at an educational institution, or is such a qualifying individual, to be gainfully employed and to have earned income of not less than—

"(i) $200 if paragraph (2)(A)(i) applies for the taxable year, or

"(ii) $400 if paragraph (2)(A)(ii) applies for the taxable year.

In the case of any husband and wife, this subparagraph shall apply with respect to only one spouse for any one month.

"(c) Respite Care Expenses.—For purposes of this section—

"(1) In general.—The term 'respite care expenses' means expenses paid (whether or not to enable the taxpayer to be gainfully employed) for—

"(A) the care of a qualifying individual—

"(i) who has attained the age of 15, or

"(ii) who is under the age of 15 but has a physical or mental impairment which results in the individual being incapable of caring for himself,

during any period when such individual regularly spends at least 8 hours each day in the taxpayer's household, or

"(B) care (for not more than 14 days during the calendar year) of a qualifying individual described in subparagraph (A) during any period during which the individual does not regularly spend at least 8 hours each day in the taxpayer's household.

"(2) Dollar limit.—The amount of the respite care expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(A) $1,200 if such expenses are incurred with respect to only 1 qualifying individual for the taxable year, or

"(B) $2,400 if such expenses are incurred for 2 or more qualifying individuals for such taxable year.

"(d) Qualifying Individual.—For purposes of this section, the term 'qualifying individual' means—

"(1) a dependent of the taxpayer who is under the age of 15 and with respect to whom the taxpayer is entitled to a deduction under section 151(e),

"(2) a dependent of the taxpayer who is physically or mentally incapable of caring for himself, or

"(3) the spouse of the taxpayer, if he is physically or mentally incapable of caring for himself.

"(e) Special Rules.—For purposes of this section—

"(1) Maintaining household.—An individual shall be treated as maintaining a household for any period only if over half the cost of maintaining the household for such period is furnished by such individual (or, if such individual is married during such period, is furnished by such individual and his spouse).

"(2) Married couples must file joint return.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and his spouse file a joint return for the taxable year.

"(3) Marital status.—An individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

"(4) Certain married individuals living apart.—If—

"(A) an individual who is married and who files a separate return—

"(i) maintains as his home a household which constitutes for more than one-half of the taxable year the principal place of abode of a qualifying individual, and

"(ii) furnishes over half the cost of maintaining such household during the taxable year, and

"(B) during the last 6 months of such taxable year such individual's spouse is not a member of such household,

such individual shall not be considered as married.

"(5) Special dependency test in case of divorced parents, etc.—If—

"(A) paragraph (2) or (4) of section 152(e) applies to any child with respect to any calendar year, and

"(B) such child is under the age of 15 or is physically or mentally incapable of caring for himself,

in the case of any taxable year beginning in such calendar year, such child shall be treated as a qualifying individual with respect to the custodial parent (within the meaning of section 152(e)(1)), and shall not be treated as a qualifying individual with respect to the noncustodial parent.

"(6) Payments to related individuals.—No credit shall be allowed under subsection (a) for any amount paid by the taxpayer to an individual—

"(A) with respect to whom, for the taxable year, a deduction under section 151(e) (relating to deduction for personal exemptions for dependents) is allowable either to the taxpayer or his spouse, or

"(B) who is a child of the taxpayer (within the meaning of section 151(e)(3)) who has not attained the age of 19 at the close of the taxable year.

For purposes of this paragraph, the term 'taxable year' means the taxable year of the taxpayer in which the service is performed.

"(7) Student.—The term 'student' means an individual who during each of 5 calendar months during the taxable year is a full-time student at an educational organization.

"(8) Educational organization.—The term 'educational organization' means an educational organization described in section 170(b)(1)(A)(ii).

"(f) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(b) Technical Amendments.—

(1) Section 21 of such Code is hereby repealed.

(2) Paragraph (2) of section 129(b) of such Code is amended by striking out "section 21(d)(2)" and inserting in lieu thereof "section 35(b)(3)(B)".

(3) Subsection (e) of section 213 of such Code is amended by striking out "section 21" and inserting in lieu thereof "section 35".

(c) Clerical Amendments.—

(1) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking out the item relating to section 35 and inserting in lieu thereof the following:

"Sec. 35. Dependent care services.

"Sec. 36. Overpayments of tax."

(2) The table of sections for subpart A of such part IV is amended by striking out the item relating to section 21.

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 504. RETIREMENT SAVINGS OF INDIVIDUALS.

(a) Increase in Amounts Individuals May Contribute on Behalf of Their Spouse.—Subsection (c) of section 219 of the Internal Revenue Code of 1954 (relating to special rules for certain married individuals) is amended to read as follows:

"(c) Special Rules for Certain Married Individuals.—

"(1) In general.—In the case of any individual—

"(A) with respect to whom a deduction is otherwise allowable under subsection (a) for any taxable year, and

"(B) who files a joint return for such taxable year,

there shall be allowed as a deduction any amount paid in cash for the taxable year by or on behalf of the individual to an individual retirement plan established for the benefit of the individual's spouse.

"(2) Limitation on amount of deduction.—The amount allowable as a deduction under paragraph (1) shall not exceed the excess of—

"(A) the lesser of—

"(i) the applicable amount, or

"(ii) an amount equal to the sum of the compensation includible in the individual's and the spouse's gross income for the taxable year, over

"(B) the sum of the amounts allowed as a deduction for such individual and such spouse under subsection (a) for the taxable year.

In no event shall the amount allowable for a deduction under paragraph (1) exceed $2,000.

"(3) Applicable amount.—For the purposes of this subsection, the applicable amount shall be determined in accordance with the following table:

"In the case of a taxable year beginning in:	The applicable amount is:
1986 and 1987	$2,750
1988 and 1989	$3,250
1990 and 1991	$3,750
1991 and thereafter	$4,000.".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 505. DEDUCTION FOR CERTAIN EXPENSES FOR FOOD, BEVERAGES, LODGING, AND ENTERTAINMENT DISALLOWED IF INCURRED IN CONNECTION WITH A FACILITY TO WHICH ACCESS IS LIMITED ON THE BASIS OF RACE, COLOR, SEX, RELIGION, OR NATIONAL ORIGIN.

(a) In General.—Section 274 of the Internal Revenue Code of 1954 (relating to disallowance of certain entertainment, etc., expenses) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) Expenses for Food, Beverages, Lodging, and Entertainment, Etc., Activity Incurred in Connection With Certain Facilities Which Discriminate.—

"(1) In general.—No deduction otherwise allowable under section 162 or section 212 shall be allowed for any expense paid or incurred by the taxpayer with respect to—

"(A) any food, beverages, or lodging furnished to the taxpayer or any other person in a discriminating facility, and

"(B) any entertainment, etc., activity carried on in a discriminating facility.

"(2) Definitions and special rules.—For purposes of this subsection—

"(A) Discriminating facility defined.—The term 'discriminating facility' means any facility—

"(i) access to which, by any person, is limited in any manner, or

"(ii) in which any person is denied full and free enjoyment of any goods, services, privileges, advantages, or accommodations provided within such facility,

on the basis of race, color, religion, sex, or national origin.

"(B) Entertainment, etc., activity defined.—The term 'entertainment, etc., activity' means any activity which is of a type generally considered to constitute entertainment, amusement, or recreation.

"(C) Operator defined.—The term 'operator' means any person or organization which operates or manages any facility, sets policy with respect to the operation or management of such facility, or controls directly or indirectly access to or the use of such facility.

"(D) Exception for discrimination on the basis of religion in certain cases.—Paragraph (1), to the extent it relates to discrimination on the basis of religion, shall not apply to any facility—

"(i) the operator of which is an organization exempt from taxation under section 501(a) (and is not subject to tax under section 511 with respect to such facility),

"(ii) in which entertainment, etc., activities are carried on, and

"(iii) access to which is limited in good faith by such organization to members of a particular religion for the sole purpose of excluding individuals of all other religions.

"(E) Exception for operating expenses.—In the case of a taxpayer who is the operator of a discriminating facility, paragraph (1) shall not apply to ordinary and necessary expenses paid or incurred by the taxpayer in connection with the operation of such facility.

"(F) SPECIAL RULE FOR DUES AND FEES.—To the extent the amount of any dues or fees paid to any person or organization is attributable to the privilege of gaining access to or using any discriminating facility (including the right to receive any food, beverages, or lodging in such facility or to participate in any entertainment, etc., activity carried on in such facility), such amount shall be treated as an expense for which a deduction is disallowed under paragraph (1).

"(G) SECRETARY TO PROVIDE FOR COORDINATION IN CASE OF MORE THAN 1 OPERATOR OF A FACILITY.—With respect to any facility which has 2 or more operators, the Secretary shall prescribe by regulations procedures whereby the operators of such facility may enter into an agreement to allow 1 such operator to act for the other operators for purposes of any action required or permitted of an operator under this subsection.

"(3) DETERMINATION BY SECRETARY AND NOTICE TO TAXPAYER REQUIRED BEFORE ANY DEDUCTION FOR EXPENSE INCURRED IN PRIVATE FACILITY MAY BE ALLOWED.—

"(A) PRESUMPTION ESTABLISHED THAT PRIVATE FACILITY IS DISCRIMINATING FACILITY.—Any facility—

"(i) in which any food, beverage, or lodging is furnished or within which any entertainment, etc., activity is carried on, and

"(ii) which is not open to the public or in which the public is not served,

shall be treated as a discriminating facility for purposes of paragraph (1) for any day on which the requirements of subparagraph (B) are not met.

"(B) APPROVAL OF STATEMENT BY SECRETARY AND POSTING OF PUBLIC NOTICE.—The requirements of this subparagraph with respect to any facility have been met for any day if—

"(i) a statement has been filed within the 1-year period ending on such day by the operator of such facility stating that such facility is not a discriminating facility together with information sufficient to demonstrate to the Secretary's satisfaction that no provision of any charter, bylaws, or other governing instrument or written policy statement of the operator of such facility provides for the practice of discrimination against any person with respect to access to and the use of such facility on the basis of race, color, religion, sex, or national origin,

"(ii) the Secretary has accepted the statement described in clause (i), and

"(iii) a public notice (of such size and design and such size print as the Secretary shall prescribe by regulation) is posted in a prominent place within the facility stating that the Secretary has accepted the statement of the operator of such facility that such operator does not practice discrimination with respect to access to or the use of such facility on the basis of race, color, religion, sex, or national origin.

"(4) REVOCATION OF ACCEPTANCE OF STATEMENT BY SECRETARY IN ANY CASE IN WHICH DISCRIMINATION IS PROVED.—

"(A) IN GENERAL.—If a determination is made that any facility which otherwise meets the requirements of paragraph (3)(B) is a discriminating facility, the Secretary shall revoke the acceptance described in paragraph (3)(B)(ii) with respect to such facility.

"(B) DETERMINATION THAT FACILITY IS A DISCRIMINATING FACILITY.—A determination that a facility is a discriminating facility has been made for purposes of subparagraph (A) if—

"(i) the Secretary or the head of any other department or agency of the United States determines on a record after opportunity for agency hearing that the operator of such facility currently maintains a practice,

"(ii) any court of the United States or any State renders a judgment that the operator of such facility currently maintains a practice, or

"(iii) the operator of such facility admits that it currently maintains a practice,

the effect of which is to make such facility a discriminating facility.

"(C) TERMINATION OF REVOCATION.—

"(i) IN GENERAL.—Any operator of a facility with respect to which a determination described in subparagraph (B) has been made may, under regulations prescribed by the Secretary, file a statement that—

"(I) the practice which gave rise to the determination has been corrected or abandoned, and

"(II) the facility is no longer a discriminating facility.

"(ii) ACCEPTANCE BY SECRETARY.—If the Secretary is satisfied that the practice referred to in clause (i) has been corrected or abandoned and the facility is not a discriminating facility, the Secretary may accept such statement of the operator for purposes of paragraph (3)(B).

"(5) COMPLIANCE PROVISION.—No deduction shall be allowed for any amount paid or incurred by the taxpayer in any taxable year for food, beverages, lodging, or entertainment, etc., activity unless such taxpayer reports to the Secretary (in a space provided by the Secretary on the return of income filed by such taxpayer for such taxable year) the sum of all amounts paid or incurred for food, beverages, lodging, or entertainment, etc., activity (including any dues or fees taken into account with respect to such amounts under paragraph (2)(F)) during such taxable year in any facility which is not open to the public or does not serve the public."

(b) TECHNICAL AMENDMENT.—Subsection (d) of such section 274 of such Code (relating to the requirement of substantiation of certain expenses) is amended by striking out "gift, (C)" and inserting in lieu thereof "gift (including information sufficient to substantiate that no such item or expense is an item or expense for which a deduction is disallowed under subsection (i)), (C)".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to any amount paid or incurred after the end of the 60-day period beginning on the date of the enactment of this Act in taxable years ending after the end of such 60-day period.

COMPARABLE WORTH: LOONEY TUNES OR LONG OVERDUE?

(By Ruth Hammond)

A high-placed Reagan appointee calls it "the looniest idea since Looney Tunes." Advocates call it a solution to inequities dating back to Biblical times. The state of Minnesota has embraced it as public policy.

"It" is comparable worth: payment of equal salaries for jobs somehow measured to have comparable skills, effort, responsibility, and working conditions. In Minnesota there are two comparable worth laws. One requires that all state employees be paid on the basis of comparable worth; the other that all political subdivisions of the state comparable worth studies by October 1 and begin to implement their findings by 1987.

Compared to other states, where comparable worth has fostered bitter public debate and costly court struggles, Minnesota has had an easy time of implementation—so far. Both unions and legislators backed the comparable worth law for state workers, which passed without much notice in 1982. But the landmark legislation passed last year, extending comparable worth to all the state's city and county governments and school districts, promises to be more controversial.

Figures from the U.S. Department of Labor Statistics show that the median wage of female, full-time workers was only 65 percent that of men in 1984. Comparable worth supporters argue that this disparity stems from an attitude that undervalues women's work—and puts college-educated women on the same pay scale as men who didn't finish high school. They further claim that comparable worth will take long strides toward resolving one of this country's major social problems: poverty among women and children.

Opponents argue that government should not tamper with wages set by the free market system. They question the objectivity of the various evaluation methods used to compare jobs, and claim that comparable worth may improve the economic situation of some women at the expense of limiting the total number of jobs available to everyone.

In 1978, Eleanor Homes Norton, then head of the Equal Employment Opportunity Commission (EEOC), predicted that comparable worth would become "the women's issue of the 1980s." It has. Along the way it has gained some of its strongest support from employees unions and feminist groups like the National Organization for Women. The latter advocates its adoption in the public and private sectors.

The U.S. House of Representatives passed a bill last year to study the implementation of comparable worth in the federal government, but the measure never got out of conference in the Senate. Predictably, the Reagan administration is dead set against the idea. Two of comparable worth's most outspoken critics—Linda Chavez, staff director of the U.S. Commission on Civil Rights, and commission chairman Clarence M. Pendleton Jr. (the man who likened comparable worth to "Looney Tunes")—are Reagan appointees.

Most action on comparable worth is taking place on state and local levels. While implementation here has, by most accounts, gone "smoothly," another comparable worth trendsetter, the state of Washington, is wrestling with a court decision requiring it to spend $400 million right away to make up wage discrepancies it had planned to iron out over a 10-year period. In Wisconsin, comparable worth has pitted Governor Anthony Earl against a multitude of business groups strongly opposed to its implementation for state employees. And in Illinois, where comparable worth was discussed but not implemented, the American Nurses Association is suing the state for discrimination—basing its complaint on the findings of a pilot study on comparable worth. In a twist that emphasizes the complexity of the issue, 20 female state employees who moved from traditionally female jobs to male-dominated jobs have joined the suit on the side of the state.

In Minnesota, the courts have scarcely been involved. Comparable worth legislation was introduced to remedy a situation described in a 1982 report of the Council on the Economic Status of Women's Task Force on Pay Equity. Among the findings published in the report:

Two-thirds of state-employed women were either clerical or service workers; less than 1 percent were managers.

The gap between the average earnings of state-employed men and women grew from $4,190 in 1976 to $4,929 in 1981, in spite of some improvement in the number of women in professional and managerial jobs during the same period. (Because of pay increases for both sexes, the average women's pay in this period actually improved from 69 cents on the man's dollar to 74 cents, figures not mentioned in the report.)

Where jobs were rated on a point evaluation system by Hay Associates management consultants, every female-dominated job (defined as at least 70 percent female) had considerably lower wages than the male-dominated job (at least 90 percent male) with an equal number of points.

Hay consultants did not find fault with these wage differences because they corresponded with marketplace rates, but the figures roused women's rights advocates. The state's first comparable worth law passed that same year with surprisingly little fuss. "We didn't have any testimony in opposition to the law," says Bonnie Watkins, Pay Equity Coordination in the State Department of Employee Relations. "People see it as a basic fairness issue. No hysterical stuff got started."

AN ACT OF IMPATIENCE

The comparable worth law might be interpreted as an act of impatience. Two federal laws passed 20 years ago—the Equal Pay Act of 1963 and Title VII of the Civil Rights Act of 1964—were supposed to improve the economic status of women, the first by requiring equal pay to men and women holding equal jobs, the second by prohibiting discrimination in employment. But at the state level in Minnesota, "job integration wasn't taking care of the problem" of wage differences, Watkins says. If the low economic status of women was going to change in this generation of workers, the pay scale in fields crowded by females would have to be raised. Or so argue backers of comparable worth.

The 1982 law requires that wages in female-dominated classes be adjusted gradually to equal wages for male-dominated classes with the same number of points, with full equity reached by 1987. The state's clerical workers and half of its health care workers won the greatest increases under the new law. The State Department of Employee Relations—and not Hay Associates—devised a way of adjusting pay to eliminate sex-based inequities.

By 1987, delivery van drivers (all male in 1981) must be paid about the same as clerk typist 2s (98.8 percent female) because both jobs measure 117 in Hay Point ranking. Licensed practical nurses (more than 90 percent female, 183 points) will be paid nearly the same as painters (all male, 185 points), closing a wage gap in 1981 of almost $400 a month.

The Legislature allocated $21.8 million in the 1983–84 biennium to boost the salaries of 9,000 employees deemed to be underpaid. It is expected to close the remaining $9 million gap over the next two years. The actual total wage difference for comparable worth will add up to $23.8 million because $7 million of the 1984 allocation was provided to maintain the 1983 increase. The $23.8 million will be a continuing annual cost in the state budget.

"It costs so much less than people think," Watkins says. "It only costs 4 percent of the state's payroll budget, or 1 percent a year for four years."

Others look at the same figures and find them considerable. Twenty-three million "is a lot of millions," Clarence Pendleton says. Francis Fitzgerald, of the Minnesota Association of Commerce and Industry says comparable worth is "very expensive for taxpayers," and the compounded figure is "twice as much as farmers got in relief from the state."

It should be noted that wage disparities were all credited to the underpayment of women and not the overpayment of men. No wages were decreased to reach equity, a move that would have been unpopular among employees. Another noteworthy point: Female dominated categories were awarded adjustments, even though the Hay evaluator showed some workers in male-dominated and sex-balanced classes to be making less than workers with lower rankings. So, if 1981, a Minnesota state forester, ranked at 245 points, made $1,538 a month; but a correctional counselor 3, ranked at only 195 points, made $1,961 a month.

Watkins says the comparable worth law didn't address these apparent inequities because they were not based on sex discrimination.

WHISTLING IN THE DARK

At the state level, comparable worth hasn't ruffled many feathers. The same is not likely to be the case in local units of government. There are several reasons for pessimism. For one thing, local jurisdictions resent the idea of conforming to the law when they've received no money to conduct evaluation studies or raise salaries if necessary. As a result, some county board members are dragging their feet, perhaps hoping the law will be repealed before they get in too deep. And under these circumstances, "too deep" means before a job evaluation study that might uncover job discrimination against women employees—and open the door to lawsuits. But such hopes are likely to be dashed.

"People who think the law is going to be repealed are whistling in the dark," says Rick Scott, political action director for the American Federation of State, County and Municipal Employees (AFSCME) in Minnesota. AFSCME, a powerful proponent of comparable worth, has filed with the EEOC most of the 260-plus standing charges alleging sex-based wage discrimination.

Disagreement over what type of job evaluation system to use poses another hurdle to local implementation of comparable worth—one that has already provoked a legal battle.

Earlier this year, two unions went to Hennepin County Court seeking an injunction against the Minnesota School Board Association (MSBA), the Stillwater and Minnetonka school districts, and Arthur Young and Company, the consulting firm hired by the MSBA. The unions wanted to halt the use of the particular method of job rating chosen for the schools.

MINNESOTA PAY EQUITY PLAN APPLIED TO FEMALE AND MALE JOBS

Job title	Rating	1983 pay hourly	1985 pay hourly [1]	Comparable worth raise [2]
Starting clerk (f)	97	$6.23	$7.57	$.80
Mail handler (m)	93	7.13	7.75	0
Office supervisor (f)	208	9.12	10.45	.63
Printing supervisor (m)	209	11.13	12.10	0
Health physicist (f)	608	17.32	20.20	1.38
Senior veterinarian (m)	609	18.59	20.20	0

[1] All workers received general raises; female jobs received general raises plus comparable worth raises.

[2] Two years of raises were required to make female wages equal to male wages. Most female jobs are due for two additional raises in 1986 and 1987.

Source: State of Minnesota.

The Minnesota School Employees Association (MSEA) represents teacher's aides in Stillwater and Minnetonka. The International Union of Operating Engineers Local 70 represents custodians in Stillwater. The first group is mostly female, the second primarily male, but both believe the "decision band" method will rate their jobs unfairly.

Michael Pirsch, MSEA executive director, claims that the decision band method used by Arthur Young fails on a number of critical points. Among other things, he claims the method does not meet state legal requirements that "skill, effort, responsibility, and working conditions" be considered in the evaluation. "If I were an opponent of eliminating sex-based wage discrimination, this is the system I would use," Pirsch says.

Pirsch thinks the MSBA made a mistake in recommending the system—a mistake that will be compounded more than 400 times if it is used in school districts around the state. He says he prefers a factor comparison method like the one used by the city of Minneapolis. He also believes that a union representative should have been involved in selecting an evaluation method.

But the decision band method has its defenders, too. Willard Baker, executive director of the MSBA, recalls that a 25-member advisory committee comprised of superintendents, school board members, and personnel directors reviewed proposals from various consultants and chose the decision band method offered by Arthur Young over others. "We think it's the best method for school districts. It's fair and equitable and not subject to manipulation," Baker says. "The basis concept is that higher-level decision-making in an organization requires greater skill, effort, and responsibility."

On March 6, Judge Charles Porter dismissed the unit. In his decision he cited a portion of the comparable worth law prohibiting the state Human Rights Department and state courts from using the results of any job evaluation system in discrimination proceedings prior to August 1, 1987. Pirsch counters that this wasn't a discrimination suit. He says the unions will appeal the decision to the State Supreme Court, where he hopes the case will be considered on its merit rather than its timing.

Meanwhile, Arthur Young has filed a counterclaim against the unions, alleging trade libel and slander. "We will continue to pursue the counterclaim," James C. Fox, Arthur Young's director of Human Resource Consulting, said two days after Porter's dismissal of union charges. Fox said he feels the unions, in discussing their case with the press, "have damaged the decision band method and the reputation of our firm."

The city of Saint Paul has run into more subdued opposition to the preliminary results of its classification and compensation study where employee teams rated 850 job titles according to the Quantitative Evaluation System. That system is also used by the federal government, but not for comparable worth.

Overseeing the mammoth study was a Joint Labor-Management Committee, which swelled from 20 to 40 members during the two-year evaluation process. Jeanette Sobania, a city personnel assistant who managed the St. Paul study, said that trades jobs "didn't come out all that well" in the ratings, and the trade unions are worried about how that will affect them in future

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negotiations. This spring saw a re-working

Advisers Inc., had "the best proposal by

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mothers of children under 6 who are

negotiations. This spring saw a re-working of the study.

Representatives of trades unions were quick to say that they're not opposed to comparable worth, but disagree with the classifications arrived at for trades jobs. "Women have been discriminated against historically because they're women, and that needs to be addressed," says John Galles, who represented electricians on the Labor-Management Committee. Electricians feel the study undervalues their jobs, but do not advocate that the study be redone.

Phillip Penn, another committee member and director of personnel for the St. Paul schools, predicted that the city of St. Paul and the St. Paul School System would not follow the lead of the state. Instead it would adjust pay scales to reflect the values of all jobs, whether female-dominated, male-dominated, or sex-balanced.

PERSONAL EVALUATIONS

Small towns face a special challenge. Everybody knows one another, and the debate over job evaluations can get personal.

At the urging of then Mayor Faith Zwemke, the city of Princeton, Minnesota, instituted comparable worth on January 1, 1984, before any law required it. The year before, Zwemke and another councilor reviewed the city's new point system for employees and found that female employees had been put in the wrong pay grade.

Princeton, with a population 3,146, has 33 city employees, five of them female. A whirl of controversy surrounded the bookkeeper, Bonnie Nelson-Gerth. According to the evaluation, she should have been in Pay Grade 6, the same as workers on the street maintenance crew. But, Zwemke said, "the council arbitrarily put her back in Grade 4, the comment being that no bookkeeper makes that much." That decision was later reversed.

Ultimately, Nelsen-Gerth's pay went up 38 percent, from $7.05 to $9.78 an hour—or 18 cents an hour more than maintenance workers earn. But she has paid a price for her higher remuneration, in the form, as she says, of "a lot of hatred from the men, the police department and the maintenance department." Some people, she says, "just don't feel a woman should make as much as a man."

Some of the resentment has even been generated by women, like the wife of a maintenance worker who announced to Nelsen-Gerth that "the next time it snows, we're going to bring plows down to city hall, and the bookkeeper can plow the streets." (Ironically enough, there is a female city employee, a secretary, who operates a plow on an as-needed basis.)

By now though, Nelsen-Gerth believes that her fellow male employees have had a slight change of heart. "They've accepted it in that it's done now or they understand it better," she says.

Local governments are free to act alone in job evaluations, but others are teaming together. Bill Joynes, city manager of Golden Valley, is also chairman of the Metropolitan Area Management Association's Labor Relations Committee. The association of 65 suburban city managers and administrators decided to choose one job evaluation system in order to get consistent results. Joining the association were 30 outstate cities, 20 municipal utilities, six regional libraries, the Metropolitan Airport Commission, and the Redwood Falls Hospital, all of which must comply with the law.

The association looked at 10 consultants and concluded that Control Data Business Advisors Inc., had "the best proposal by far," Joynes said. Originally the association thought it could only afford to evaluate 20 benchmark jobs and would have to slot the others in between, but Control Data Business Advisors, with its "state-of-the-art" computer capabilities, could evaluate thousands of jobs. Another compelling reason to choose Control Data provides a telling comment on the issue of comparable worth. Control Data, Joynes says, "offered support in case we ever get sued, which is likely."

Each governmental unit will pay a base of $3,000 plus $35 for each employee, with costs ranging from $3,350 for Waconia to $17,500 for Bloomington. Joynes expects the cost of correcting sex-based wage inequities to be higher than the 4 percent or less of the city budgets predicted by advocates of comparable worth. "Only about 20 percent of the state budget is for personnel, but 70 to 80 percent of our city budgets are for personnel. We're more nervous," he says.

Besides AFSCME, which has a large female membership, the cities must negotiate with five male-dominated unions which Joynes says feel "threatened" by the comparable worth law. The unions represent firefighters, operating engineers, teamsters, hotel and retail workers, liquor store operators, and law enforcement officers. "If we get litigation, it will not come from the women who get the raises, it will come from these male unions," Joynes predicts.

VALUE JUDGMENTS

Besides practical matters of dollars and cents, comparable worth raises a host of moral and ethical questions that may go beyond the power of courts and legislatures to address.

Whose value system, for example, should be used to establish job evaluation rates? Are traditionally male qualities to be valued more than traditionally female qualities—for example, why are there points available for heavy lifting but none for compassion? Or to the contrary, as some opponents of comparable worth charge, are the evaluation systems designed to rate the qualities of women's jobs higher and thus show evidence of sex-based wage discrimination where there might actually be none?

Does one evaluation system reflect hierlarchical thinking patterns unfit for use in a democratic society, as two school unions are arguing in court? Who is to say that the stress of supervising should be compensated more greatly than the stress of being supervised? Who is to say that those who use a variety of skills in a job should be more highly paid than those who must cope with endless monotony?

Do various evaluation systems reflect a white-collar ignorance of blue-collar job stresses by giving working conditions relatively low weight in their point systems? The Willis system employed by the state of Washington, for instance, gives working conditions only a potential 20 points out of a total point system of 600. People working with hazardous chemicals, or in perilous mines, or exposed to the elements on a blustery January day, might argue that their working conditions should be of greater significance. Under the factor evaluation system used by the St. Louis County Civil Service Department, a worker rates 60 points in "unavoidable hazards" if the work requires *"frequent* exposure to physical and working conditions when *critical* illness and *loss of life* occasionally are encountered despite provision of safety measures and health precautions."

An equal number of points is awarded in the evaluation factor "worker characteristics" for the "ability to read simple sentences with common vocabularly" and "to add, subtract, multiply and divide whole numbers." Are risk to life and the strain of doing simple arithmetic of equal value?

Should upper body strength, a predominantly male quality, be ranked of greater value to an employer than fine motor coordination, a predominantly female quality? Should employees in physically demanding jobs be compensated more for their effort, or less because they are spared the need to jog after work? Does it matter that the scales of measurement were set up mostly by men and are applied mostly by men?

However those questions are answered—if they *can* be answered—there's no question that comparable worth would have a sweeping, even tumultuous effect on society if it were to spill beyond the confines of government and into the private sector. Some idea of what might happen can be seen in the experience of Washington state. There, attempts to implement a comprehensive comparable worth program—one embracing both men *and* women—has pried open a Pandora's Box of legal and financial woes.

Since 1960, Washington has pegged its workers' wages to the prevailing market rate. After complaints about sex discrimination from AFSCME union officials, the governor ordered a special study in 1974. It showed that predominantly female jobs were paid about 20 percent less than male-dominated jobs of comparable worth.

When funds to correct this disparity were not forthcoming, AFSCME sued. In December 1983, U.S. District Judge Jack E. Tanner found the state guilty of discrimination under Title VII of the Civil Rights Act of 1964. He ordered that salaries of everyone in job categories that were at least 70 percent female be brought up to their comparable worth immediately, and ordered back pay to September 1979, two years prior to the date that the union filed its complaint with the EEOC. Details of how the back pay is to be calculated are still before a special master of the district court. The cost of compliance on the back pay issue alone has been estimated at $400 million.

The state is now appealing two of Judge Tanner's decisions: the finding that it is liable for discrimination, and the order that it change its pay system for female-dominated classes. Meanwhile, the state Legislature has passed a law requiring that comparable worth be fully implemented by 1993. It took a small first step by allocating $1.5 million last July to increase 15,000 employees' salaries by $100 this year. A Joint Select Committee on Comparable Worth has recommended that the Legislature allocate half the money needed to make the comparable worth adjustment in the coming year. If comparable worth were instituted for the 10,500 workers in female-dominated classes in one year, the cost would be about $65 million—this in a state financially weakened by hardships in the forest industry.

But Washington, unlike Minnesota, is aiming for comparable worth for the entire work force; that is, for men as well as women, which would cost twice as much—about $130 million—and affect the pay of 21,000 workers if the correction were made in one year.

Some believe that if Tanner's orders are followed, chaos will result. Because Tanner's decision calls for pay adjustments only in female-dominated classes, an employee could end up making more than her supervisor if the supervisor, male or female, was in either a balanced or male-dominated job class.

Workers who feel positive about comparable worth might change their minds if the Legislature eliminates the usual marketplace rate salary adjustments for a few in order to pay for comparable worth, says Leonard Nord, Washington's director of personnel. "The Legislature has been good in following the results of our salary survey," he says. "Any bias that was found is reflective of bias in the state of Washington's private sector. That's why I don't feel guilty in that suit. We pay what we have to pay to get and retain people."

No law requires private business to institute comparable worth—at least not yet—but business should feel its effect just the same. Some Minnesota companies are quietly taking steps toward comparable worth as they do job evaluation studies, either because they believe in it or because they are worried about becoming vulnerable to lawsuits. Higher pay for female-dominated jobs might "trickle down" to some businesses when they realize they can't compete with state, county, and city government wages for the best clerical and health care workers.

In Wisconsin, where comparable worth is under study, industry is outspoken in its opposition to the law. In Minnesota, where what's been done has been done, the mood is not vitriolic but cool, calm, collected, and alert.

"Comparable worth is a fairly new topic in the private sector," says John Cairns, attorney for the Minnesota Business Partnership. "We better watch it in case it spills over."

COMPARABLE WORTH: PRO AND CONS

For such a thorny and complex issue, comparable worth has generated little by way of productive public dialogue. Those posed on either side of the question tend to attack each other's motives rather than arguments. The reason for this, speculates a partner with Hay Associates, may be a form of intellectual intimidation. "It's very easy," says Robert Muschewske, "for anyone discussing the negative aspects of comparable worth to be branded as anti-women." Here are some conflicting opinions from observers around the country:

What is the difference between comparable worth and pay equity?

Some insist there is no difference and use the terms interchangeably. The term "pay equity" implies a concept that is unquestionably fair and is therefore becoming more popular among proponents; the National Organization for Women, for instance, recommends that members call comparable worth "pay equity."

Opponents do not think the two terms should be confused. "Comparable worth masquerades as pay equity," says Clarence M. Pendelton Jr., chairman of the U.S. Commission on Civil Rights. "Pay equity means equal pay for equal work, which is already required by law. Comparable worth is trying to take skills, effort, responsibility and working conditions and make some absolute zero."

Why is there still such a strong wage disparity between men and women?

Pamela Toutant, congressional liaison for the Equal Employment Opportunity Commission, wrote her master's thesis on comparable worth. She thinks employers have gotten accustomed to hiring women cheaply, and will continue to try to do so, exploiting many women's desperation for a job. "A lot of female occupations—like nursing, teaching, and social work—evolved out of volunteer work," another reason for their low pay now, Toutant says.

"A Closer Look at Comparable Worth," published by the National Foundation for the Study of Equal Payment Policy, cites other reasons besides discrimination for the earnings gap. Among them: the number of inexperienced women who have joined the work force; the tendency of women to cluster in just a few occupations and in low-paying industries; women's failure to seek more job training at the beginning of their careers; and more frequent interruption of careers by women so they can raise children.

Meanwhile, U.S. Department of Labor Statistics surveys show the earnings gap between young women and young men to be much narrower than the gap between older female and male worker.●

● Mr. HATFIELD. Mr. President, it is a pleasure to join once again in the introduction of the Economic Equity Act [EEA]. This package was first introduced by the distinguished sponsor, Senator DURENBERGER, and myself in the 97th Congress to provide a focus on economic issues relating to women.

Previous EEA's have made great strides in addressing the economic concerns of women in society. During the 97th Congress provisions relating to pensions for former spouses of military personnel, estate taxes and Tax Code changes concerning child care were enacted. The 98th Congress included passage of strengthening legislation for the collection of child support and improving womens' access to accumulating retirement benefits under private pension plans.

This year's EEA includes sections relating to retirement security, dependent care, insurance reform, employment, and tax reform. It is a big package, not without controversial provisions, but is a fair representation of the issues that are key to the economic concerns faced by women in today's society.

The focus on deficit reduction in this Congress has stirred concern over dependent care provisions included in this package which call for increased authorization levels. However, with one parent families now comprising over one quarter of all families with children under the age of 18—9 out of 10 of these families headed by women—the importance of these programs cannot be discounted. Of these female headed single parent families, 40 percent of those headed by white women live below the poverty line. The figure is 60 percent for single parent families headed by black women. These numbers are particularly disturbing in light of the fact that the national poverty rate is 15.2 percent. It is simply sound economic policy to attempt to aid these women in extricating themselves from dire economic circumstances. The Census Bureau estimates that 26 percent of mothers of children under 6 who are not now working would seek employment if affordable child care were available and affordable.

Additionally, as the graying of America continues, more and more older women will face the problems of economic survival during retirement years. Women on the average have a 50 percent greater chance of being poor than men; during old age that risk is 70 percent greater.

Although we have made great strides, the foregoing indicates there remain many challenges ahead of us. This package addresses the needs of older women and younger women, wage-earners and homemakers, single heads of households and business women. In the final analysis it may be too simplistic to identify these issues as exclusively women's issues, for in a broader sense there are issues involving basic human rights.

This package will be referred to the Senate Finance Committee and look forward to the thoughtful consideration of the issues presented under the skillful leadership of my colleague from the State of Oregon and chairman of the Senate Finance Committee, Senator PACKWOOD.●

● Mr. HART. Mr. President, I am proud to join my colleagues in introducing the Economic Equity Act. Economic equity is a vital issue not only for women, but for their families—men and children as well.

Without economic equity there can be no justice. Passage of the Economic Equity Act will move us further along the path to achieving equal treatment for women. The Economic Equity Act will rectify many outmoded and discriminatory policies. Yet, this bill is not important to women alone. For the progress of women is not theirs alone but creates a better society for their husbands, children, and parents. At a time when most women work and most single parent households are headed by women, passage of the bills included in the Economic Equity Act strengthens the family by encouraging equal treatment for women in ways that benefit the whole family. For example, fair wages for women are crucial to their whole families' financial well-being and good, safe, readily available day care provides support to hard working parents.

Mr. President, the principles of fairness and justice laid down by our Founding Fathers must apply to all our people. Men, women, and children in our society must live in an environment where fairness and justice for all exist.

We have taken many steps to resolve inequities toward women, but many still need to be taken. We must pass the ERA to assure that discrimination against women can in no way be justified ever again. At the same time we must continue to pass the bills included in the Economic Equity Act to eliminate discrimination against women step by step. Without the ERA, it is impossible to counter all the inequities women face in one bill. But, this year's Economic Equity Act makes significant progress toward that goal.

The Economic Equity Act recognizes that many women need access to affordable child care so they can participate in the job market on an equal basis with men. The Economic Equity Act addresses this problem by providing funding to the child care block grant. Funding for child care is also provided to aid low-income women in college and in public housing in this portion of the bill.

The Economic Equity Act addresses the needs of older women by correcting inequities in the retirement benefits system. Several social security reforms are included in the act. For example, the act recognizes that marriage is an economic partnership and that earnings records for Social Security of both spouses should be added together and divided equally to determine Social Security benefits.

Other sections of the Economic Equity Act address insurance reform. One bill prohibits discrimination in insurance. Another provides incentives for insurers to continue coverage for widows and widowers, divorced persons, and their families.

Legislation pertaining to employment is also included in the Economic Equity Act. Job training for low-income mothers, equal credit for business women, and pay equity are dealt with in this portion.

A variety of tax reform provisions is also included in the Economic Equity Act.

Mr. President, Senator Durenberger and the other original sponsors of this bill have worked hard to produce a far ranging piece of legislation. I pledge to strive with them for its enactment.●

(Mr. BYRD submitted the following statement for Mr. Cranston:)

● Mr. CRANSTON. Mr. President, I am pleased to join as an original cosponsor of the 1985 Economic Equity Act [EEA] which is being introduced today.

In past Congresses, the proposed EEA legislation has provided a blueprint and an agenda for congressional action to eliminate many of the economic inequities facing millions and millions of American women.

Over the past several years, many of the important initiatives contained in the prior two EEA bills—ranging from reform of child support enforcement laws to civil service retirement equity legislation—have become law.

Before the end of this decade, many more of the provisions of the EEA will have also been enacted.

Before the turn of this century, I am convinced we will have put behind us the arbitrary and discriminatory practices that today deny women economic equity. The EEA has played, and will continue to play, a critical role in breaking down these artificial barriers of economic discrimination.

Mr. President, this year's bill addresses a broad range of issues and problems affecting the economic status and well-being of women. It encompasses five principal areas including retirement security, dependent care, insurance, employment, and taxes. It also takes into account the differing needs of older women and younger women, wage-earners and homemakers, and single heads-of-household as well as women who run their own businesses. It balances proposals for long-range, fundamental reforms with more immediate, incremental reforms. This diversity and universal applicability of the EEA to women in all walks of life is one of its greatest strengths.

SPECIAL NEW ISSUES

Mr. President, as the EEA has been introduced in each new Congress, new issues have been incorporated into this omnibus legislation. I am delighted that the 1985 version will include for the first time two legislative initiatives in which I have been deeply involved—pay equity and Social Security earnings-sharing. It also includes the substantive provisions of legislation I introduced relating to the quality and provision of child-care services for working parents, another area of special concern to me. Success in each of these areas is vitally important to making sure that economic equity does become a reality for women in this Nation.

As in the past, each of the separate items contained in the omnibus bill will be or has already been introduced as an individual bill. I am especially proud that the 1985 EEA includes the provisions of S. 3, which I introduced in the Senate relating to earnings sharing for Social Security, S. 810 which I introduced relating to improving the quality of child care standards, and S. 519, which I coauthored with the distinguished Senator from Washington [Mr. Evans] relating to a pay-equity study of the Federal work force. My introductory statements for these three bills are found at S. 578 (January 24, 1985), S. 3678 (March 28, 1985), and S. 2259 (February 7, 1985) of the Congressional Record, respectively.

I look forward to working closely with the House sponsors of these provisions and the other cosponsors of the EEA in moving forward in each of these areas.

SUMMARY OF OTHER PROVISIONS

Mr. President, I want to describe briefly some of the other important provisions of the 1985 EEA. As I indicated earlier, the bill is divided into five principal parts.

RETIREMENT SECURITY

For the first time, the EEA addresses the inequities facing women under the current Social Security benefit structure. It includes both the earnings-sharing legislation which I and Representative Mary Rose Oakar have proposed as well as several more immediate reforms in Social Security, including a revision in the stringent disability definition now applied only to surviving spouses, a special limited transition benefit for certain dependent spouses over age 50, and reforms dealing with treatment of disabled spouses.

Older women are among the most economically depressed and vulnerable groups in our society and there is little doubt that the inadequacy of the benefits they receive under the Social Security System contribute substantially to the vast number of older women—more than 2.6 million in 1983—living below the poverty line.

In addition to Social Security reforms, the EEA includes provisions relating to private pension reforms. These provisions call for shortening of vesting periods, modification of provisions relating to integrating pension benefits with Social Security, portability of pensions as employees change jobs, and coverage of certain groups. There is little doubt that some changes along these lines are long overdue. The principal sponsors of these provisions in both the House and Senate are continuing to work on refining these proposals and developing a consensus on precisely how reforms will be made. I look forward to working with them to refine these legislative proposals to achieve these goals in a manner which is equitable to all concerned.

Finally, Mr. President, the retirement security title of the EEA contains further reforms in the military spouse pension program. In 1982, in the 97th Congress, several important aspects of the EEA dealing with this program were enacted. Obviously, there is a need to assess the impact of the 1982 amendments, as well as the potential impact of further changes on military recruitment and retention, as these provisions move through the legislative process. But the laudable goal of bringing about greater pension equity and adequacy to military pension programs, as well as other public and private pension programs, should continue to be pursued.

DEPENDENT CARE

As I mentioned at the outset, the 1985 EEA contains major initiatives in the area of child care, a paramount issue for millions of working parents throughout our country. The bill would authorize major new funding for title XX, which is the principal source of Federal financial assistance for child-care services for low-income

families, and two child-care grant programs focused upon special groups—higher education students and public housing residents—and contains the legislation I have introduced in the Senate, S. 810, aimed at helping to improve the quality of child-care standards and services throughout the country.

Mr. President, I don't believe it requires much elaboration to explain the importance of adequate and affordable child-care services to the attainment of economic equity for women. The facts are that a majority of mothers in this country are in the work force and they are there for one principal reason—economic necessity. Two-thirds of these working mothers are either sole providers or married to men who earn less than $15,000. Their income is esssential to the economic survival of their families.

Yet, the lack of available child care services is widespead in virtually every community in the land.

INSURANCE

As in the last Congress, the EEA contains the nondiscrimination in insurance provisions. This section would prohibit discrimination in insurance on the basis of race, color, religion, national origin, or sex.

Additionally, for the first time, the EEA will contain provisions which would provide protection to spouses who lose their health-care coverage under employee group plans because of death or divorce from the employee-spouse. The dependent spouse would be entitled to continuation of such group health coverage, subject to the individual's payment of the insurance premiums. This provision would help deal with one of the adverse side-effects of suddenly becoming a displaced homemaker.

EMPLOYMENT

The 1985 EEA will also address one of the most pervasive and devastating economic problems facing American women: sex-based wage discrimination. Wage inequities have massive consequences for millions of women in the work force and their families. The wage gap between male and female workers remains substantial, despite some progress toward reducing that gap in the past several years. A major factor contributing to this gap is the failure of many employers to pay women workers comparable pay for comparable work. The Senate version of the EEA contains the provisions of S 519, a bipartisan measure which Senator Evans and I introduced on February 27. S. 519 would provide the mechanism for carrying out a pay-equity analysis of the Federal Government's own wage-setting practices—something that hasn't been done since the Federal wage classification system was created over 50 years ago. The provisions of S. 519 incorporated in the EEA contain one change based upon recommendations made by the General Accounting Office in its March 1, 1985, report to the Congress on the various options for conducting a pay equity analysis of the Federal work force. That recommendation was to include both an economic analysis and job content analysis in the study of the Federal work force. That change has been made.

The Senate version of the EEA also contains provisions of S. 19, legislation introduced by the Senator from New York [Mr. Moynihan] relating to an education and training program for pregnant teenagers and teen mothers, as well as provisions to establish a bipartisan commission to review and evaluate the status of women-owned businesses and to amend the Equal Credit Opportunity Act to include business and commercial loans. This latter provision would prohibit lenders from discriminating on the basis of sex in making business or commercial loans, as they are now prohibited from doing with respect to personal loans.

TAX REFORM

The EEA this year, as in past Congresses, contains significant Tax Code reforms including raising the standard deduction for single heads-of-household, increasing the earned income tax credit for low-income families, expanding and making refundable the dependent child-care tax credit, and gradually increasing the allowable IRA contribution for a nonworking spouse. For the first time, the EEA includes provisions which would disallow deductions for business-related entertainment and lodging which occur in private clubs that discriminate.

Obviously, each of these provisions relating to the Tax Code will be reconsidered carefully if Congress moves toward a major Tax Code reform. The tax simplification proposals currently being discussed would modify or expand these existing Tax Code provisions in one way or another, often along the lines proposed in the EEA. It is clear that within the tax reform effort, major attention must and will be given to the impact of these changes upon women and their families. The separate tax section in the EEA underscores the importance of those tax decisions upon the economic well-being of women.

NEW SPENDING PROVISIONS

Mr. President, many of the provisions of the 1985 EEA have no, or minimal, Federal spending implications. There are several provisions—for example, the restoration of funds to title XX—that would, however, entail new Federal spending. Given our current deficit situation, in my view, it will be necessary to find offsetting reductions in other areas in order to move ahead with these proposals, however meritorious and justified they may be.

CONCLUSION

Mr. President, in 1985 EEA establishes, as it has in prior years, the legislative agenda in the 99th Congress on economic equity for women. As I called for 2 years ago, I am truly pleased that a broad bipartisan consensus has emerged to include in this year's legislation some of the most pivotal issues affecting economic equity, including pay equity, child care, and Social Security equity.

However, Mr. President, we must not forget that legislative initiatives are not an adequate substitute for ratification of the Equal Rights Amendment. I continue to believe that until we have achieved a constitutional guarantee of equality of rights, economic equity for women will rest upon a legislative quicksand. Whatever advancements we may achieve can be eroded or curtailed as the commitments of Members of Congress and the executive branch ebb and flow, or as the economy turns upward or downward.

Mr. President, we must not lose sight of the fact that ratification of the equal rights amendment is long-overdue.●

● Mr. KENNEDY. Mr. President, I am pleased to join this bipartisan effort to enact legislation which will provide economic independence for women in the 1980's.

For too long the majority of Americans who are women have been forced to accept second-class status and second-rate economic opportunities in our society. These inequities exist for women whether they are young or old, single, married, or divorced, and whether they are employed in the work force or work at home.

The Economic Equity Act is a comprehensive effort to ensure that women are treated fairly and justly by our legal system. It is a major advance in our efforts to eliminate discrimination against women in every aspect of economic life.

Women who work continue to be disproportionately represented in low-paying, dead-end jobs which offer little job security and little opportunity for mobility or advancement.

Women who choose to spend their working lives at home raising and caring for a family often find their labor unrewarded because the law does not provide the measure of protection they deserve.

The high cost of child care places an intolerable strain on many families and often prevents women from entering the work force. I am particularly concerned with the lack of affordable, quality child care in this country and I have already introduced several bills on this issue. In fact, the dependent care in higher education provision included in the Economic Equity Act is similar to the College-Based Child

Care for Students Act which I introduced in March.

The insurance system discriminates against women by denying them fair rates for basic protection from financial loss.

The private pension system makes it too difficult for working women to qualify for pension benefits, and in many instances unfairly denies nonworking spouses the benefits which their husbands have earned. I plan to introduce a separate bill which embodies those provisions next week. I have also been working with a bipartisan group of Senators to develop a broader bill that we hope to introduce in the near future.

The bill we are introducing today addresses each of these problems. It represents a truly comprehensive effort to provide millions of women with an equitable measure of economic security, regardless of age, marital, or employment status. And it affirms our belief that as we carry on the struggle to make the equal rights amendment a part of the Constitution, we must also make a comprehensive effort to amend the statute books to establish the full economic rights of women.●

● Mr. MOYNIHAN. Mr. President, I rise today to join my colleagues in introducing the Economic Equity Act in the 99th Congress.

This measure—a series of reforms to address and redress the economic discrimination faced by many women—is an important step to ensure all Americans full and equal economic opportunity. The Economic Equity Act is an agenda for action, to remove barriers impeding the progress and the full participation of women in economic life.

The measure addresses five specific matters: Retirement security; dependent care; insurance; employment; and tax reform. These titles contain legislative proposals for pension reform, greater Federal support of child care, expanded assistance for teenage parents, and provisions to reduce the tax burden on poor families.

I am grateful to see that the EEA contains the provision of S. 19, legislation I introduced on the first day of the 99th Congress to provide assistance to teenage parents, so they might avoid long-term welfare dependency. By providing resources for employment training, academic, and vocational counseling and child care services for young mothers, we can help them gain the skills they need for economic self-sufficiency. The need for such support is growing. In 1982, more than half of all births to women under age 20 were out of wedlock—a 60-percent increase since 1970, when 31.5 percent of all births to teenagers were out of wedlock. Adolescent parents are more likely not only to need welfare, but also to need such for a long term. This long-term welfare dependency is dimming the future of thousands of young Americans.

Several other provisions of the EEA also address some of the hardships facing poor families, especially poor families headed by women. Three proposals in title II would expand the child care services so essential for working mothers and their children. One of these would increase the authorization for the social services block grant, from $2.7 billion to $3.42 billion. This 27-percent increase would be designated for training programs for child care workers, implementation of day care standards by the States, and expansion of child care services. Title II also includes proposals to support the development of child care programs and universities and public housing projects.

The need for child care services is increasing, and will continue to do so throughout the next decade. Over the past 20 years, the number of women in the paid work force has increased from 23 million in 1960 to 43 million in 1980; that figure will rise to more than 60 million by 1990. By the end of the next decade—which is to say, by the close of the century—one-quarter of all American families will be headed by a single parent. Between 1980 and 2000 the the numbers of female-headed families will increase at more than five times the rate of husband-wife families. These trends indicate a growing need for adequate child care and social services.

Title V of the EEA contains several proposals that would substantially improve the tax treatment of poor families. One such would raise the zero bracket amount for a single head of a household from $2,400 to $3,540, the current level for married couples filing jointly. Title V also would increase the current earned income tax credit [EITC], a most worthy proposal. The EITC, a cash income supplement for working parents with low earnings, would be increased from 11 to 16 percent of the first $5,000 of earned income, and indexed from that point.

There is one provision of the EEA that I cannot support: the proposal to implement a system of earnings sharing for Social Security. Under this proposal, the combined earnings of a husband and wife would be divided equally during the period of their marriage, for the purposes of determining Social Security benefits. Such would require a complicated restructuring of the Social Security system, and could reduce benefits for some. I do support further examination of earnings sharing proposals, but, I do not believe we are ready to implement one at this time.

That matter apart, I enthusiastically support the EEA. It is an agenda for the 99th Congress legislation on a matter of great importance. I am pleased to cosponsor the EEA for the third consecutive Congress, and I hope my colleagues will join me in pressing for its prompt consideration.●

By Mr. McCLURE (for himself, Mr. Wilson, Mr. Cranston, Mr. DeConcini, and Mr. Abdnor):

S. 1171. A bill to amend the Small Reclamation Projects Act of 1956, as amended; to the Committee on Energy and Natural Resources.

SMALL RECLAMATION PROJECTS ACT AMENDMENTS

● Mr. McCLURE. Mr. President, last Congress I sponsored legislation to raise the ceiling for appropriations under the Small Reclamation Projects Act of 1956. The bill, S. 1981, was the subject of hearings before the Subcommittee on Water and Power of the Committee on Energy and Natural Resources on September 20, 1984, but unfortunately did not receive final consideration by the Senate prior to adjournment. The hearing record has been printed and is available to the Members as Senate Hearing 98-224, part 4.

A House companion measure, H.R. 4444, was reported by the House Committee on Interior and Insular Affairs but it was not considered prior to adjournment.

Today I am reintroducing my bill to raise the appropriations ceiling for the program and I am hopeful that the Senate may consider this legislation in the near future. As my colleagues will recall, we are fast approaching the appropriations ceiling contained in the original act and it is my understanding that an increase in the ceiling is absolutely necessary if the program is to be continued during fiscal year 1987 and beyond.

For the benefit of the new Members who may be unfamiliar with the Small Reclamation Projects Act, I would like to take just a moment to describe the history of the program and the need for this legislation.

The Small Reclamation Projects Act of 1956 established a program under which non-Federal organizations in the 17 reclamation States and Hawaii can obtain loans and grants for the construction of new, or the rehabilitation of existing single-purpose irrigation drainage, or multipurpose water resources projects similar to those which might be constructed by the Bureau of Reclamation.

Loans have constituted approximately 97 percent of the program, although the act provides for grants for those portions of projects which are nonreimbursements as a matter of national policy, such as flood control and fish and wildlife enhancement.

The costs allocated to municipal and industrial water, hydroelectric power, and the loan portion of the costs allocated to fish and wildlife and recreation, amounting to about 50 percent of such costs, are interest bearing. The interest rate is 10⅛ percent of fiscal year 1984. Costs allocated to irrigation, except as to lands which are in excess of the acreage limitations of the reclamation laws, are noninterest bearing.

Each loan application provides front-end financing. From 1957 to 1970 the non-Federal financing averaged about 11 percent. From 1974 to date, the average non-Federal contribution has been approximately 20 percent. However, presently, typical single purpose irrigation projects—the most common under the program—are requiring more local financing; 35 to 40 percent.

The maximum allowable loan and/or grant cannot exceed two-thirds of the total project cost. The total project cost ceiling is established at $15 million, January 1971 prices, and is indexed for inflation. The ceiling is $41 million for calendar year 1985 and the maximum loan and/or grant is $27 million.

Loans are to be repaid in the shortest practicable time, but in no event longer than 40 years from the date when the principal benefits of the project become available. The most recent loans have repayment periods of from 25 to 30 years.

A large number of the projects which have received loans, and those with pending applications, are requesting loan funds for the rehabilitation of old systems. Rehabilitation of such systems results in the conservation of both water and energy.

The Bureau of Reclamation is responsible for general review of the design and engineering plans developed by the loan recipient and inspects the quality control of construction in order to protect the Federal investment.

There have been no defaults on any loans made under the program.

The present authorization ceiling is $600 million. The value of approved loans and those expected to be approved in 1985 will reach this ceiling.

The additional authorization contained in the bill I am introducing today will provide about 5 years of additional program activity at the present rate of incoming applications.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1171

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 84-984 is amended as follows:

In Section 10, in the first sentence after "600,000,000" insert "and, effective October 1, 1986, not to exceed an additional $600,000,000".●

By Mr. HELMS (for himself, Mr. East, Mr. Dole, Mr. Stennis, Mr. Long, Mr. Laxalt, Mr. Domenici, Mr. Hatch, Mr. McClure, Mr. Humphrey, and Mr. Warner):

S. 1172. A bill to provide financial assistance for the Sam J. Ervin, Jr., Program in Public Affairs at the North Carolina State University; to the Committee on Labor and Human Resources.

FINANCIAL ASSISTANCE FOR THE SAM J. ERVIN, JR., PROGRAM IN PUBLIC AFFAIRS

Mr. HELMS. Mr. President, I am today introducing legislation to provide funding for the Sam J. Ervin, Jr., Program in Public Affairs at the North Carolina State University in Raleigh.

No more fitting tribute could be paid this great American than to help an educational program established in his name and dedicated to the high standards of constructive public service he set during his lifetime.

Almost a month has passed since Senator Ervin passed away, and I yet find it difficult to accept the fact that I will no longer be able to confide in him, to learn and profit from his counsel—and, yes, chuckle at his inimitable wit. Sam Ervin will be remembered in many ways, and perhaps, most of all, he will be remembered as the ideal public servant. He served the people of North Carolina in many capacities—as attorney, State supreme court justice, State representative, Member of Congress and, of course, as U.S. Senator.

North Carolina State University has established in Senator Ervin's name and in his honor an endowment for a fellowship program, public service research laboratory, and distinguished speaker series. The fellowship program will enable outstanding young Americans to study public affairs and prepare for careers in public service. Fellowships will be available to graduate students who will be designated Ervin Fellows. Scholarships will also be available to outstanding undergraduate students. Distinguished lectures in public service research will be conducted in a manner that will exemplify the interests, concerns, and integrity of Senator Ervin during his public career.

Mr. President, North Carolina State University is attempting to raise funds for the Sam J. Ervin, Jr., Program in Public Affairs through private contributions. These contributions, however, will not be sufficient to endow the program in the manner it deserves. My bill would provide $500,000 for this worthwhile purpose.

I should emphasize at this point, Mr. President, that this is by no means a new concept. In the past, the Senate has supported the Hubert Humphrey Institute of Public Affairs at the University of Minnesota, the Carl Albert Congressional Studies Center at the University of Oklahoma, and, most recently, the Maureen and Mike Mansfield Foundation at the University of Montana.

The Sam J. Ervin, Jr., Program in Public Affairs will be a living tribute to Senator Ervin. It will recognize a great American's contribution to Government and public service in a manner comparable to the recognition that other States have given their outstanding public leaders, and certainly in a manner befitting Senator Ervin's distinguished service to his Nation.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1172

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in recognization of the distinguished public service of Senator Sam J. Ervin, Jr., of North Carolina, the Secretary of Education is authorized, in accordance with the provisions of this Act, to provide financial assistance to North Carolina State University located in Raleigh, North Carolina, for the endowment of the Sam J. Ervin, Jr., Program in Public Affairs.

(b) No financial assistance may be made under this Act unless an application is made at such time, in such manner and containing or accompanied by such information as the Secretary of Education may reasonably require.

(c) There is authorized to be appropriated $500,000 to carry out the provisions of this Act. Funds appropriated pursuant to this section shall remain available until expended.

By Mr. SPECTER (for himself and Mr. Heinz):

S. 1173. A bill to forgive certain loan repayments by the Southern Pennsylvania Transportation Authority to the Secretary of Transportation, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

CHESTER COUNTY TRANSIT LOAN

Mr. SPECTER. Mr. President, today I am reintroducing legislation to forgive certain loan repayments by the Southeastern Pennsylvania Transportation Authority [SEPTA] to the Secretary of Transportation, and for other purposes. The original amount of the loan to SEPTA was $370,804 and was entered into with the Secretary of Transportation under the Urban Mass Transportation Act of 1964 for the acquisition of right-of-way. If this loan is allowed to mature until April 1986, a total of $309,790 in interest will accrue, thereby making the total payback $680,594.

An amount equaling 80 percent of the balance of the principal and interest on the loan would be forgiven outright by this provision. The remaining 20 percent would have to be repaid, unless the Secretary of Transportation chose to convert it into a grant.

The loan was originally taken out with the hope and intention of providing rail passenger service to Chester County. Under the provisions of the loan, it was to be forgiven and converted into a grant if passenger service were provided by April 1, 1986. This goal seems untenable at this point since economic conditions do not favor such a development.

However, in Chester County, the line has been restored and today provides freight service through a private operator to industries in the U.S. Route 1 corridor. During 1984, service was provided on demand to 21 customers, which amounted to 320 carloads. The continuation of this service is critical to the economic vitality of southern Chester County.

The rail line currently serves a variety of commercial traffic. Several different types of freight are being hauled, including compost materials for the mushroom industry, fertilizer for the agricultural industry, perishables, and related food grade products. Southern Chester County, the mushroom center of the country, produces 25 to 30 percent of all mushrooms consumed in the United States. Furthermore, NVF, Inc., an electronics component manufacturer, which has recently developed a new use for recycled materials, uses the rail line for bulk shipment of these materials. Usage of the rail line for commercial purposes will continue to serve as a development tool to bring industry into the area.

If assistance is not provided, there is every likelihood that the rail line would be abandoned. Neither the Southeastern Pennsylvania Transportation Authority nor the County of Chester can afford to pay back the loan in order to retain control of the rail line. Because of its light density, the railroad would not generate the interest of a large rail company if it were to be sold, and Octoraro Railroad, the current operator, cannot afford to buy it. Providing assistance to preserve the rail line for commercial traffic will assure that the line will continue to be available for possible conversion to passenger service should the community expand enough to accommodate passenger service.

The southern part of Chester County, through which the railroad passes, has been an expanding community. The population of the 18 municipalities in this area increased 19.4 percent between 1970 and 1980, while per capita income increased 149 percent. Identified employment in the area remained stable during this period while the civilian labor force, residents 16 years or older, more than doubled. The recent relocation of the national headquarters of Clarks' Shoes to Kennett Square, which is also on the rail line, is expected to attract additional residents to the area.

The above statistics point out that the potential for growth exists. Preservation of the rail line will enable Chester County to fully develop this potential for passenger service.

Precedent for this type of assistance has already been established. Section 312 of the Surface Transportation Assistance Act of 1982 excused the Massachusetts Bay Transportation Authority from repaying 80 percent of the principal and interest owed on two loans entered into with the Secretary of Transportation under the Urban Mass Transportation Act of 1964 for the acquisition of rights-of-way. Under the provisions of these loans, they would have been forgiven and converted into grants if 20 percent of the purchase price had been put into improvements. However, a weak economy prevented such improvements. The terms of the bill I am introducing today are identical to those of section 312, excusing the loans of the Massachusetts Bay Transportation Authority.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD as if read.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Southeastern Pennsylvania Transportation Authority shall have no obligation to repay the United States 80 per centum of the principal and the interest owed on the following loans entered into with the Secretary of Transportation under the Urban Mass Transportation Act of 1964 for the acquisition of rights of way: the loan numbered PA03 9002 entered into on April 29, 1976, and the loan numbered PA03 9003 entered into on April 29, 1976.

(b)(1) The Secretary of Transportation may convert the remaining 20 per centum of the principal and interest owed on the loans described in subsection (a) to grants under the conditions set forth in paragraph (2).

(2) In lieu of the local matching share otherwise required, the grant agreement may provide that State or local funds shall be committed to public transportation projects in the urbanized area, on a schedule acceptable to the Secretary of Transportation, in an amount equal to the local share that would have been required had the amount of principal and interest forgiven under subsection (a) been the Federal share of a capital grant made when the original loan was made. The State or local funds contributed under the terms of the preceding sentence shall be made available for capital projects eligible for funding under section 3(a) of the Urban Mass Transportation Act of 1964 and may not be used to satisfy the local matching requirements for any other grant project.

ADDITIONAL COSPONSORS

S. 37

At the request of Mr. HATCH, the name of the Senator from Nevada [Mr. LAXALT] was added as a cosponsor of S. 37, a bill to provide for civil rights in public schools.

S. 194

At the request of Mr. MOYNIHAN, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 194, a bill to identify, commemorate, and preserve the legacy of historic landscapes of Frederick Law Olmsted, and for other purposes.

S. 235

At the request of Mr. THURMOND, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 235, a bill to amend title 5, United States Code, to prohibit employment in civil service positions in the executive branch of any individual required to register under the Military Selective Service Act who has not yet registered.

S. 585

At the request of Mr. TRIBLE, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 585, a bill to establish the Eastern Shore of Virginia National Wildlife Refuge and National Fish and Wildlife Service Training Center at Cape Charles in Northampton County, VA.

S. 625

At the request of Mrs. HAWKINS, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 625, a bill to include the offenses relating to sexual exploitation of children under the provisions of RICO and authorize civil suits on behalf of victims of child pornography and prostitution.

S. 664

At the request of Mr. NICKLES, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 664, a bill to facilitate the competitiveness of exports of United States agricultural commodities.

S. 670

At the request of Mr. PELL, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 670, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, and to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 930

At the request of Mr. NICKLES, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 930, a bill to amend the Commodity Credit Corporation Charter to exempt all agricultural exports from cargo preference requirements.

S. 983

At the request of Mr. MCCLURE, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Vermont [Mr. STAFFORD], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 983, a bill to provide for limited extension of alternative means of providing assistance under the School Lunch Program and to provide for national commodity processing programs.

S. 987

At the request of Mr. EXON, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 987, a bill to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861-65.

S. 1036

At the request of Mr. PRESSLER, the names of the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of of S. 1026, a bill to direct the cooperation of certain Federal entities in the implementation of the Continental Scientific Drilling Program.

S. 1133

At the request of Mr. RIEGLE, the names of the Senator from Tennessee [Mr. GORE], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of S. 1133, a bill to amend section 119(d) of the Housing and Community Development Act of 1974.

S. 1138

At the request of Mr. GRASSLEY, the name of the Senator from Alabama [Mr. DENTON] was added as cosponsor of S. 1138, a bill to reenact and amend former section 504 of title 5, United States Code, and former section 2412(d) of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes.

S. 1154

At the request of Mr. MATSUNAGA, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1154, a bill to amend title XVIII of the Social Security Act to provide direct medicare reimbursement for services performed by registered nurse anesthetists.

SENATE JOINT RESOLUTION 73

At the request of Mr. GRASSLEY, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 73, a joint resolution to designate the week of September 15, 1985, through September 21, 1985, as "National Independent Free Papers Week."

SENATE JOINT RESOLUTION 98

At the request of Mr. D'AMATO, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of Senate Joint Resolution 98, a joint resolution condemning the passage of Resolution 3379, in the U.N. General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all appropriate actions necessary to erase this shameful resolution from the record of the United Nations.

SENATE JOINT RESOLUTION 124

At the request of Mr. KENNEDY, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Joint Resolution 124, joint resolution to designate "National Day of Peace."

SENATE CONCURRENT RESOLUTION 25

At the request of Mr. BUMPERS, the names of the Senator from Maryland [Mr. MATHIAS], the Senator from Missouri [Mr. DANFORTH], the Senator from Hawaii [Mr. INOUYE], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Michigan [Mr. RIEGLE], the Senator from Maryland [Mr. SARBANES], the Senator from Kentucky [Mr. FORD], the Senator from Oklahoma [Mr. BOREN], the Senator from Massachusetts [Mr. KERRY], the Senator from Iowa [Mr. HARKIN], the Senator from Illinois [Mr. SIMON], and the Senator from Washington [Mr. GORTON], were added as cosponsors of Senate Concurrent Resolution 25, concurrent resolution expressing support for the President's noundercut policy concerning existing strategic offensive arms agreements.

SENATE RESOLUTION 65

At the request of Mr. BUMPERS, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Resolution 65, resolution commending the Soil Conservation Service.

SENATE RESOLUTION 171—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. SIMPSON for Mr. DOLE (for himself and Mr. BYRD) submitted the following resolution; which was considered and agreed to.

S. RES. 171

Whereas, the case of *Donald M. Zahn* v. *National Right to Work Committee*, Civil Action No. 84-1223-A, is pending in the United States District Court for the Eastern District of Virginia;

Whereas, Paul C. Summitt, a former member of the staff of the Committee on the Judiciary, has been served with a subpoena to appear and testify as a witness in that case;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1982), the Senate may direct the Senate Legal Counsel to defend a former employee of the Senate in any proceeding with respect to any subpoena or order directed to him in his former official capacity; Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to defend Paul C. Summitt with respect to the subpoena served on him in the case of *Donald M. Zahn* v. *National Right to Work Committee,* Civil Action No. 84-1223-A, in the Eastern District of Virginia.

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1986

LEVIN (AND RIEGLE) AMENDMENT NO. 148

Mr. LEVIN (for himself and Mr. RIEGLE) proposed an amendment to amendment No. 147 proposed by Mr. GOLDWATER, on behalf of the Committee on Armed Services to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes; as follows:

In committee amendment number 147:

On page 14, line 21 strike the words "personally and substantially".

On page 18, line 9 strike the words "personally and substantially".

On page 18, line 12 after the word "awarded" insert ", or an agent of such contractor,".

On page 19, line 23 strike "two-year period beginning on the date of the contract" and insert in place thereof "ten year period beginning with the date of separation from government service.".

NUNN (AND OTHERS) AMENDMENT NO. 149

Mr. NUNN (for himself, Mr. MATTINGLY, Mr. THURMOND, Mr. CHILES, and Mr. GOLDWATER) proposed an amendment to the bill S. 1160, supra; as follows:

At the end of title IX of division A of the bill, insert the following new section:

ARMED SERVICES NATIONAL SCIENCE CENTER FOR COMMUNICATIONS AND ELECTRONICS

SEC. 916. (a) The Congress hereby finds—

(1) that scientific and technological developments in communications and electronics are of particular importance to the United States in meeting its national security, industrial, and other needs;

(2) that enhanced training in the technical communications, electronics, and computer disciplines is necessary for a more efficient and effective military force;

(3) that the Secretary of the Army, through the Training and Doctrine Command, is responsible for providing training to members of the Army;

(4) that the Ninety-Seventh Congress, in Senate Concurrent Resolution 130 of that

Congress, encouraged the establishment within the United States of a national center dedicated to communications and electronics;

(5) that the Secretary of the Army entered into a Memorandum of Understanding with the National Science Center for Communications and Electronics Foundation Incorporated, a nonprofit corporation of the State of Georgia, in which the Army and such foundation agreed to develop a science center for (A) the promotion of engineering principles and practices, (B) the advancement of scientific education for careers in communications and electronics, and (C) the portrayal of the communications, electronics, and computer arts.

(b) It is the purpose of this section to recognize the relationship between the Army and the National Science Center for Communications and Electronics Foundation Incorporated (hereinafter in this section referred to as the "Foundation") for the development, construction, and operation of a national science center and to authorize the Secretary of the Army (hereinafter in this section referred to as the "Secretary") to make available a suitable site for the construction of such a center, to accept title to the center facilities when constructed, and to provide for the management, operation, and maintenance of such a center after the transfer of title of the center to the Secretary.

(c)(1) Subject to paragraph (2), the Secretary may provide a suitable parcel of land at or near Fort Gordon, Georgia, for the construction of an Armed Services national science center by the Foundation to meet the objectives expressed in subsection (a). Upon completion of the construction of the center the Secretary may accept title to the center and may provide for the management, operation, and maintenance of such center out of funds appropriated to the Army for such purpose.

(2) As a condition to making a parcel of land available to the Foundation for the construction of a national science center, the Secretary shall have the right to approve the design of the center, including all plans, specifications, contracts, sites, and materials to be used in the construction of such center and all rights-of-way, easements, and rights of ingress and egress for the center. The Secretary's approval of the design and plans shall be based on good business practices and accepted engineering principles taking into consideration safety and other appropriate factors.

(d) The Secretary may accept conditional or unconditional gifts made for the benefit of, or in connection with the center.

(e) The Secretary may appoint an advisory board to advise the Secretary regarding the operation of the center in pursuit of the goals of the center described in subsection (a). The Secretary may appoint to the advisory board such members of the board of directors of the Foundation as he considers appropriate. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory board appointed under this subsection.

(f) Consistent with the mission of the armed services and the efficient operation of the center, the Secretary may make facilities at the center available to the Foundation for its corporate activities and for such endeavors in the area of communications and electronics as the Secretary may consider appropriate.

(g)(1) The Secretary may make the center available to the public and to other departments and agencies of the Government for research and study and for public exhibitions. The Secretary may charge for such uses as he considers necessary and appropriate.

(2) Any money collected for the use of the facilities of the center shall be deposited to a special fund maintained by the Secretary for the maintenance and operation of the center. The Secretary shall require the Auditor General of the Army to audit the records of such fund at least once every two years and to report the results of the audits to the Secretary.

QUAYLE AMENDMENT NOS. 150 AND 151

Mr. QUAYLE proposed two amendments to the bill S. 1160, supra; as follows:

Amendment No. 150

At the end of title IX of division A of the bill, insert the following new section:

STUDY OF IMPACT OF FOREIGN EXPORT SUBSIDIES ON THE DEFENSE INDUSTRIAL BASE OF THE UNITED STATES

Sec. . The Secretary of Defense shall conduct a study regarding the effects that foreign export subsidies have had on the defense industrial base of the United States. The Secretary shall submit a report containing the results of the study to the Congress not later than April 1, 1986, and shall include in such report—

(1) a compilation of the number and type of contracts awarded by the Department of Defense in fiscal year 1984, fiscal year 1985, and the first six months of fiscal year 1986 on which United States firms bid but which were awarded by the Department of Defense to foreign firms;

(2) whether, in the case of each such contract, a subsidy (as defined in section 1677(5) of the Tariff Act of 1930) was provided in connection with the commodity purchased under the contract and, if so, a description of the subsidy, including the type and amount of the subsidy;

(3) identification of those segments of United States industry adversely affected by the loss of the contracts referred to in clause (1) and the consequences that the loss of such contracts has had on the defense industrial base of the United States; and

(4) such recommendations for legislative and administrative action as the Secretary considers necessary or appropriate to correct any detrimental impact that subsidized exports have on the defense industrial base of the United States, to include an evaluation of the impact of such recommendations on other U.S. foreign policy objectives such as the goal of improving cooperative weapons development and standardization in NATO.

Amendment No. 151

On page 51, line 2:

At the end of part A of title V of division A of the bill, insert the following new section:

ALLOWANCES FOR TRANSPORTATION OF BAGGAGE AND HOUSEHOLD EFFECTS

Sec. 510g. (a) Section 406(k) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(k)";

(2) in the first sentence, by inserting "or in which a member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member (including packing, crating, and loading)" after "rental vehicle"; and

(3) by adding at the end thereof a new paragraph as follows:

"(2) The Secretary concerned may prescribe in any regulations authorizing the payment of a monetary allowance to a member who participates in a program in which the member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member—

"(A) the extent to which payment to the member will be made for such labor, and

"(B) the manner in which liability will be allocated among the member, the United States, and the common carriers involved in the event of loss of or damage to any baggage or household effects packed, crated, or loaded by the member.".

(b) No allowance may be paid to any member of a uniformed service by virtue of the amendment made by subsection (a) in connection with the transportation of the baggage and household effects provided the member before the date of the enactment of this Act.

(c) The Secretary of Defense shall submit a report to the Congress not later than three years after the date of the enactment of this Act regarding the operation of any program carried out by the military departments under which payment of a monetary allowance is made to a member who provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member and shall include in such report such recommendations for legislative action the Secretary considers appropriate.

QUAYLE (AND OTHERS) AMENDMENT NO. 152

Mr. QUAYLE (for himself, Mr. Stafford, and Mr. Nunn) proposed an amendment to the bill S. 1160, supra; as follows:

Strike out section 910 of the bill and insert in lieu thereof the following:

CONTINUED OPERATION BY THE SECRETARY OF DEFENSE OF THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

Sec. 912. (a)(1) Subsection (e) of section 202, sections 208 and 302, and subsection (f) of section 401 of the Department of Education Organization Act (20 U.S.C. 3412(e), 3418, 3442, and 3461(f)) are repealed.

(2) Section 419(a) of such Act (20 U.S.C. 3479(a)) is amended—

(A) by striking out "(1)" after the subsection designation "(a)"; and

(B) by striking out paragraph (2).

(3) Section 503(a) of such Act (20 U.S.C. 3503(a)) is amended—

(A) by striking out "(1)" after the subsection designation "(a)"; and

(B) by striking out paragraph (2).

(4) the table of contents at the beginning of such Act is amended by striking out the items relating to sections 208 and 302.

(5) Section 414(b) of such Act (20 U.S.C. 3474(b)) is amended by striking out "322,".

(b)(1) Section 1402 of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921) is amended by adding at the end thereof the following new subsection:

"(c) The Secretary of Defense shall consult with the Secretary of Education on the educational programs and practices of the defense dependents' education system,".

(2)(A) Paragraph (1) of section 1410(a) of such Act (20 U.S.C. 928(a)(1)) is amended by adding at the end thereof the following new sentences: "The membership of each such advisory committee shall also include one person to represent the interests of the organization recognized as the exclusive bargaining representative of the employees of the school. Such person shall be designated by the appropriate organization and shall be a nonvoting member of the committee.".

(B) Subsection (B) of section 1410 of such Act is amended by striking out "Members" and inserting in lieu thereof "Except in the case of a nonvoting member provided for under subsection (a)(1), members".

(3) The second sentence of section 1410(B) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 928(b)) is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense".

(4)(A) Subsection (a) of section 1411 of such Act (20 U.S.C. 929) is amended to read as follows:

"(a)(1) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the 'Council'). The Council shall be composed of—

"(A) the Secretary of Defense and the Secretary of Education, or their respective designees;

"(B) twelve individuals appointed jointly by the Secretary of Defense and the Secretary of Education who shall be individuals who have demonstrated an interest in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, and parents of students enrolled in the defense dependents' education system, and one student enrolled in such system; and

"(C) a representative of the Secretary of Defense and of the Secretary of Education.

"(2) Individuals appointed to the Council from professional employee organizations shall be individuals designated by such organizations.

"(3) The Secretary of Defense, or his designee, and the Secretary of Education, or his designee, shall serve as cochairman of the Council.

"(4) The Director shall be the Executive Secretary of the Council.".

(5) Subsection (b)(1) of such section is amended by inserting "the Secretary of Defense and" before "the Secretary of Education".

(6) Subsection (c) of such section is amended—

(A) by striking out "at least four times each year" and inserting in lieu thereof "at least two times each year";

(B) by striking out clause (2):

(C) by redesignating clauses (3), (4), and (5) as clauses (2), (3), and (4), respectively; and

(D) by striking out "Secretary of Education" in clause (4) (as redesignated in clause (3) of this subsection) and inserting in lieu thereof "Secretary of Defense".

(d) Section 5316 of title 5, United States Code, is amended by striking out "Administrator of Education for Overseas Dependents, Department of Education.".

QUAYLE AMENDMENT NO. 153

Mr. QUAYLE proposed an amendment to the bill S. 1160, supra; as follows:

At the end of title IX of division A of the bill, insert the following new section:

AUTHORITY OF THE SECRETARY OF DEFENSE TO ENROLL CERTAIN PERSONS IN OVERSEAS SCHOOLS OF THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

Sec. 917. (a) The Secretary of Defense may, under such regulations as he shall prescribe, permit to be enrolled in schools of the defense dependents' education system, in addition to children authorized to be enrolled in such system under the Defense Dependents' Education Act (20 U.S.C. 921 et seq.), children of employees of the Federal Government stationed outside the United States, children of employees of contractors employed in carrying out work for the Federal Government outside the United States, children of employees of nonappropriated fund activities of the Department of Defense, and, if the Secretary determines such action to be in the national interest, children of other citizens or nationals of the United States or of foreign nationals.

(b) Any child permitted to enroll in a school of the defense dependents' education system under this section shall be required to pay tuition at a rate determined by the Secretary of Defense, which shall not be less than the rate necessary to defray the average cost of the enrollment of children in the system under the Defense Dependents' Education Act of 1978 (20 U.S.C. 921 et seq.).

PRYOR (AND OTHERS) AMENDMENT NO. 154

Mr. PRYOR (for himself, Mr. Grassley, Mr. Proxmire, Mr. DeConcini, and Mr. Bumpers) proposed an amendment to amendment No. 147 proposed by Mr. Goldwater, on behalf of the Committee on Armed Services, to the bill S. 1160, supra; as follows:

In the Committee amendment after the words "Title VI—Procurement Policy Reform and Other Procurement Matters,

SHORT TITLE

Sec. 601. This title may be cited as the "Competition and Ethics Enforcement Act of 1985." Strike all that follows in the amendment and insert in lieu thereof the following:

DEFINITIONS

Sec. 602. In this title:

(1) "Full scale development", when used with respect to a weapon system or other defense equipment, means all detail design of a weapon system or other defense equipment necessary for the production of that system or equipment to begin.

(2) "Major defense acquisition program" has the same meaning as provided in section 139(a)(1) of title 10, United States Code.

(3) "Acquisition plan" means the type of plan referred to in section 7.104 of the Federal Acquisition Regulation as in effect on April 1, 1985.

(4) "Competitive procedures" means, in connection with the award of a contract, procedures which provide for full and open competition as provided in section 2304(a) of title 10, United States Code.

(5) "Acquisition", when used with respect to a weapon system or other defense equipment, means the complete process associated with the development and procurement of the weapon system and other defense equipment, including identification of military requirements, research and testing.

(6) "System integration" means the development and administration, normally by a prime contractor, of the process of manufacturing a completed weapons system or other defense equipment for delivery to the United States, including the installation of all subsystems and components.

(7) "source contract" means any contract for the procurement of a weapon system or other defense equipment awarded through procedures other than competitive procedures.

DUAL SOURCE COMPETITION AND SOLE SOURCE CONTRACTING FOR MAJOR DEFENSE ACQUISITION PROGRAMS

Sec. 603. Chapter 137 of Title 10, United States Code, is amended by adding at the end thereof the following new Section: "Dual Source Competition and Sole Source Requirements for Weapons Programs."

"(a)(1) Before initiation of the full scale development of a weapons system or other defense equipment under a major defense acquisition plan for such program.

"(2) The acquisition plan shall provide for the use of competitive procedures when required by Title 10, United States Code Section 2304, except as provided for in subsection (c) of this section.

"(3) The acquisition plan shall also provide for the establishment and maintenance throughout the duration of the program of two or more development sources of such program and of two or more production sources for system integration and for the production of major subsystems to be purchased by the United States under major defense acquisition programs so that each production contract, and any contract renewal for production, will result in a majority or plurality of the production under the contract being awarded to the bidder with the proposal most advantageous to the United States, considering only price and other factors, included in the solicitation, and a minority of the production being awarded to the next such most advantageous bidder or bidders under the contract. The percentage of the contract for production awarded to the next most advantageous bidder or bidders under the contract shall be a percentage determined by the Secretary of Defense to be sufficient to allow each such bidder to compete effectively for a majority of the production when the contract is renewed: provided that the contract proposal of the next most advantageous bidder or bidders is competitive with the contract proposal of the most advantageous bidder.

"(b)(1) The Secretary of Defense may waive the requirements of subsection (a)(3) in the case of any contract if he determines and certifies in writing to the Congress that such requirement will materially increase total cost of the program or delay completion of the total program. Any waiver of the dual sourcing development requirement of subsection (a)(3) shall not be considered a wavier or such subsection's dual sourcing production requirement.

"(2) Except as provided in subsection (c), a contract described in subsection (c) with respect to which the Secretary has waived the requirements of subsection (a)(3) may only be awarded through the use of competitive procedures. If a contract described in subsection (c) with respect to which the Secretary has waived the requirements of subsection (a)(3) is renewed, the new contract must be awarded under competitive procedures or as provided in subsection (c).

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"(c)(1) If the Secretary of Defense finds in the case of a prime contract to be awarded for a major defense acquisition program that the requirements of subsections (a)(3) and (b)(2) cannot be complied with and that procurement procedures other than competitive procedures are permitted under section 2304(c) of title 10, United States Code, in the award of such prime contract, the Secretary shall submit a report to the Congress containing his findings together with a request for specific statutory authorization to enter into a sole source prime contract for such program. The Secretary shall include in such report for each contract—

(A) The total program cost information, total program unit cost information, and delivery schedule information under a competitive procedures contract and under a sole source contract used by the Secretary in his decision to select a sole source contract for such program;

(B) the existing unit cost of a commercially available product that performs a function similar to the function to be performed by the product to be obtained under the contract to be awarded, if such a product is commercially available, or the existing unit cost of foreign produced product that performs a function similar to that of the product to be obtained under the contract to be awarded, if such a product is commercially available in a foreign country, or, if such a product is not available from either such source, an independent cost estimate of the total program unit cost of the product to be obtained under the contract to be awarded;

(C) The identity of any senior official of the Department of Defense at the equivalent level of GS-14 or above who recommended or caused to be initiated a recommendation that the contract be a sole source contract;

(D) such other information as the Secretary considers appropriate.

"(2) The report required by paragraph (1) shall be submitted to the Congress not later than the date on which the initial budget request for full scale development or production, whichever the case may be, of the major defense acquisition program is made to the Congress.

"(3) A sole source prime contract may not be awarded or renewed for any major defense acquisition program unless the Congress has specifically authorized such specific contract to be awarded in an annual Department of Defense authorization Act or in other appropriate legislation enacted into law. Such specific statutory authorization shall include the identity of such contract and its cost.

"(4) Whenever the Secretary requests authorization, pursuant to subsection (c)(1), for the awarding of a sole source prime contract, he shall also cause to be published in the Federal Register a notice of the request and shall include in the notice the noncompetitive nature of the contract to be awarded, the estimated cost of the contract, the name of the contractor to whom the contract is to be awarded, and the identity of any Department of Defense officials at the equivalent level of GS-14 or above, who recommended or caused to be initiated a recommendation that the contract be awarded as a sole source contract.

"(5) Nothing in this subsection shall be deemed to require the public release of classified information.

"(d) Each sole source contract for a major defense acquisition program awarded by the Department of Defense shall—

"(1) contain a provision that prohibits the contractor from employing for a period of 6 years after the expiration of the contract the services of any employee or former employee of the Department of Defense at the equivalent level of GS-14 or above who recommended or caused to be initiated a recommendation that the contract be awarded as a sole source contract;

"(2) provide for a comprehensive audit by the Comptroller General of the United States, including access by the Comptroller General to all accounting records of the contractor and subcontractors, including any classified records;

"(3) deny payment of any overhead costs under the contract until the appropriate representative of the contractor has certified to the Secretary in writing that the payment of the overhead costs will reimburse the contractor only for costs that benefit, directly or indirectly, the Department of Defense and that such costs are demonstrably related to or necessary for the performance of the contract for which the payment is requested; and

"(4) require the appropriate representative of the contractor to certify to the Secretary in writing that any claim or request for payment under the contract does not include any claim or request for general and administrative costs that are unallowable under regulation prescribed by the Secretary of Defense.

"(e) A claim or request for payment by a contractor for any overhead cost prohibited under subsection (d)(3) or for any unallowable general and administrative cost shall be subject to section 287 of title 18, United States Code, and shall be punishable as provided by law for offenses under that section.

"(f) The Comptroller General of the United States shall conduct a comprehensive audit of each prime sole source contract awarded by the Department of Defense for a major defense acquisition program and shall report the results of such audit to the Congress together with his opinion whether a new contract for the program provided for in the audited contract can reasonably be awarded under competitive or dual sourcing procedures upon the expiration of the existing sole source contract."

"(g) The provisions of this section shall not require the suspension or termination of funding or approval for any defense program or defense contract during the fiscal year 1986.

TRAINING AND REQUIREMENTS FOR QUALITY CONTROL ENFORCEMENT

SEC. 604. Part II of subtitle A of title 10, United States Code, is amended by adding the following section 1621:

"(a) The Secretary of Defense shall develop and carry out an introductory training program which shall be mandatory for all personnel responsible for assuring quality standards for weapon systems or other defense equipment. Such program shall be not less than four weeks in duration. A person assigned to duties involving quality assurance shall be required to attend such training program within the first six months of the person's assignment to such duties.

"(b)(1) In any case in which it is determined that a weapon system, other defense equipment, or service provided to the Department of Defense fails to meet the quality standards provided for in the contract for such weapon system, other equipment, or service, whether such determination is made before or after delivery of the equipment or service, the cost of repair or replacement, including all labor costs, shall be borne by the contractor.

"(c) In any case in which a contractor fails to disclose to the appropriate officials of the Department of Defense any instance in which the contractor knows defense equipment or service provided to the Department of Defense by the contractor does not meet the quality standards prescribed in the contract for such equipment or service and submits a claim for the payment of such equipment or service, such claim shall be subject to section 287 of title 18, United States Code, and shall be punishable as provided by law for offenses under that section.

"(d) The provisions of this section shall apply in any case only to the extent that the provisions of section 2403 of title 10, United States Code, do not apply.

BURDEN OF PROOF IN GOVERNMENT CONTRACT DISPUTES

SEC. 605(a). In any proceeding before the Armed Services Board of Contract Appeals, the United States Claims Court, or any other Federal court in which the reasonableness of any contract costs for which a contactor seeks reimbursement from the Department of Defense are in issue, the burden of proof shall be upon such contractor to establish that such costs are reasonable.

(b) "Reasonable" means a cost that does not exceed that which would be incurred by a prudent person in the conduct of competitive business.

LIMITATION ON EMPLOYMENT OF CERTAIN DEPARTMENT OF DEFENSE PERSONNEL BY DEFENSE CONTRACTORS

SEC. 606. (a)(1)(A) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

"§ 2397a. Limitation on employment of certain Department of Defense personnel by defense contractors

"(a) As used in this section:

"(1) 'Compensation' includes any payment, gift, benefit, reward, favor, gratuity, or employment valued in excess of $102 at prevailing market price, provided directly, indirectly, or through a third party.

"(2) 'Contractor' means any person, partnership, corporation, or agency thereof (other than the Federal Government, the independent agencies of the Federal Government, or the District of Columbia) that offers, negotiates, agrees, or otherwise contracts to furnish to the Federal Government property, services, or supplies, and any parent organization, subsidiary organization, or affiliated organization of any such person, partnership, corporation, or agency thereof.

"(3) 'Covered defense official' means an officer or employee of the Department of Defense or a member of the armed forces on active duty who is paid for service as an officer or employee of the Department or member of the armed forces at a rate of basic pay equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule.

"(4) 'Procurement function' means any acquisition activity relating to a contract awarded by the Department of Defense, including—

"(A) negotiating, awarding, or administrating the contract;

"(B) approving contract changes;

"(C) approving payment under the contract;

"(D) selecting a contractor;

"(E) performing cost analysis, quality assurance, operation and developmental testing, budgeting, or auditing functions relating to the contract;

"(F) providing technical advice or recommendations relating to the contract; or

"(G) managing a procurement program which includes the contract.

"(b)(1) A former officer or employee of the Department of Defense and a member or former member of the armed forces may not accept compensation from any contractor for the 3-year period beginning on the date the former officer or employee separates from Government service in the Department or the member or former member is discharged or released from active duty if, within 3 years before such date, the former officer or employee or the member or former member was a covered defense official who had significant responsibilities in the performance of a procurement function with respect to that contractor.

"(2) Whoever violates paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(3) Whoever furnishes any compensation to a person who is prohibited by paragraph (1) from accepting the compensation shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(c)(1) Each contract for the procurement of property or services awarded by the Department of Defense shall include a provision prohibiting the contractor from furnishing compensation to any person if the acceptance of such compensation by such person would be a violation of subsection (b)(1).

"(2) A contractor which violates a contract provision required by paragraph (1), as determined by the Secretary of Defense, shall be liable to the United States for the greater of $250,000 or the amount equal to five times the annual rate of compensation paid by the contractor in violation of such contract provision. The United States may collect the amount of such liability by withholding, as a forfeiture, any money payable by the United States to the contractor.

"(d)(1) Not later than March 1 of each year, each contractor which is subject to a contract provision required by subsection (c)(1) shall transmit to the Inspector General of the Department of Defense a report on persons to whom the contractor furnished compensation during the preceding year and who are covered by such contract provision. The report shall include—

"(A) the name of each person (together with other information adequate to identify the person) who, as a covered defense official, performed a Government procurement function within 3 years before the first day of the year covered by the report and who was compensated by that contractor during the year covered by the report;

"(B) the agency or agencies of the Federal Government which employed the person or the armed force in which the person served on active duty, as the case may be, during the 3 years referred to in clause (A);

"(C) the person's job titles during the 3 years referred to in clause (A);

"(D) a full and complete description of the duties of the person during the 3 years referred to in clause (A);

"(E) a full and complete description of any official responsibilities such person exercised with respect to any contract in which the contractor has or had an interest; and

"(F) a description of any duties that the person has performed on behalf of the contractor during the year covered by the report.

"(2) Not later than April 1 of the year in which the Inspector General of the Department of Defense receives a report under paragraph (1), the Inspector General shall transmit a copy of the report to the Congress.

"(3) The Inspector General of the Department of Defense shall assess the accuracy and completeness of each report received under paragraph (1) and shall identify any conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Inspector General shall report any such conduct, violations, and failures to the Attorney General of the United States for prosecution or other appropriate action without regard to whether the Secretary of Defense has taken or has declined to take action under subsection (c)(2).

"(4) A contractor who fails to transmit to the Inspector General of the Department of Defense a report required by paragraph (1) shall be liable to the Federal Government for an administrative penalty in the amount of $10,000. The Secretary of Defense shall assess the penalty required by the first sentence.

"(5) The Director of the Office of Government Ethics shall have access to the annual reports filed under paragraph (1) and shall review the reports for conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Director shall submit an annual report to the Congress on his actions under this paragraph and shall include in the report his findings relating to his review of the reports filed under paragraph (1).

"(e) Subsections (b), (c), and (d) do not apply with respect to a contract for an amount less than $25,000.

"(f)(1) The Director of the Office of Government Ethics shall coordinate and review the implementation and administration of this section. In consultation with the Secretary of Defense, the Secretaries of the military departments, the Attorney General, and the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Government Ethics may issue regulations to implement and administer this section and may review agency regulations issued to implement and administer this section.

"(2) For purposes of implementing and administering this section, the Secretary of Defense, the Secretaries of the military departments, the Attorney General of the United States, and the Administrator of the Office of Federal Procurement Policy shall cooperate with the Director of the Office of Government Ethics and shall furnish the Director such information, appropriate personnel (with or without reimbursement by the Director), and financial and other assistance as may be agreed upon between the Director of the Office of Government Ethics and such official.

"(g)(1) Any person who is offered compensation that, if accepted, might place the person in violation of subsection (b)(1) may, before accepting such compensation, request from the Office of Government Ethics advice on the applicability of this section to such compensation. The request shall be made jointly by the person and the contractor who offered such compensation to the person.

"(2) A request made under paragraph (1) by any person who has been offered compensation referred to in such paragraph shall include—

"(A) a full and complete description of the person's duties during the last 3 years the person was employed by the Department of Defense or served on active duty in the armed forces, as the case may be;

"(B) any official responsibilities the person exercised during those 3 years with respect to any procurement contract in which the contractor has or had an interest; and

"(C) the contractor's description of any services that the person will perform on behalf of the contractor.

"(3) Promptly upon receipt of any request made under paragraph (1), the Director of the Office of Government Ethics shall publish a notice of the request in the Federal Register. The notice shall include—

"(A) the name of the person making the request;

"(B) the contractor offering compensation to the person; and

"(C) the information included in the request under clauses (A), (B), and (C) of paragraph (2).

"(h)(1) Upon receiving a request for advice under subsection (g), the Director of the Office of Government Ethics shall determine whether the acceptance and payment of compensation referred to in the request is conduct punishable under subsection (b) or would be a violation of a contract provision required by subsection (c)(1).

"(2) Not later than 30 days after the date the Office of Government Ethics receives a request for advice under subsection (g), the Director of the Office shall issue an interim advisory opinion stating his determination under paragraph (1) based on an initial review of the request.

"(3) Not later than 60 days after the date the Office of Government Ethics receives a request under subsection (g), the Director of the Office shall issue a final advisory opinion stating his final determination under paragraph (1).

"(4)(A) Except as provided in subparagraph (B), if the Director of the Office of Government Ethics states in an interim advisory opinion issued under paragraph (2) that, based on the initial review, the Director concludes that the acceptance and payment of such compensation is not conduct punishable under subsection (b) and does not violate a contract provision required by subsection (c)(1), acceptance and payment of such compensation shall not be punishable under subsection (b) and shall not be considered a violation of such contract provision.

"(B) Subparagraph (A) shall not apply to an acceptance or payment of compensation which occurs after the date the Director of the Office of Government Ethics issues a final advisory opinion under paragraph (3) if the Director states in the final advisory opinion that acceptance and payment of the compensation is conduct punishable under subsection (b) or violates a contract provision required by subsection (c)(1).".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

"2397a. Limitation on employment of certain Department of Defense personnel by defense contractors.".

(2) Not later than 180 days after the effective date of the amendments made by paragraph (1), the Secretary of Defense shall issue regulations specifying the procure-

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ment functions covered by the description of functions set out in section 2397a(a)(4) of title 10, United States Code (as added by paragraph (1)).

(b)(1) The amendments made by subsection (a)(1) shall take effect January 1, 1986.

(2) The amendments made by subsection (a)(1)—

(A) do not prohibit—

(i) the continuation of employment which commenced before the effective date of the amendments; or

(ii) the receipt of compensation for such employment; and

(B) do not apply with respect to any procurement function performed before such effective date by a former officer or employee of the Department of Defense whose employment by the Federal Government terminated before such effective date or by a member or former member of the Armed Forces who was discharged or released from active duty in the Armed Forces before such effective date.

IMPROVED REQUIREMENTS AND PENALTIES RELATING TO DISCLOSURES OF EMPLOYMENT OF FORMER PERSONNEL OF DEFENSE CONTRACTORS BY THE DEPARTMENT OF DEFENSE

SEC. 607. (a) Section 2397 of title 10, United States Code, is amended—

(1) by striking out subsection (b);

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively;

(3) in subsection (b)(1) (as redesignated by clause (2))—

(A) by striking out "minimum rate for GS-13" and inserting in lieu thereof "minimum rate of basic pay payable for grade GS-11 under the General Schedule";

(B) by striking out "of at least $15,000" and inserting in lieu thereof "equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule"; and

(C) by striking out "contracts by the Department during the fiscal year that total at least $10,000,000" and inserting in lieu thereof "any contract during the fiscal year in an amount equal to or greater than $25,000"; and

(4) in subsection (d) (as redesignated by clause (2)), by striking out "$1,000, or imprisoned not more than 6 months, or both" and inserting in lieu thereof "$10,000".

(b) The amendments made by subsection (a) shall take effect January 1, 1986.

SEC. 608. There are authorized to be appropriated $3,000,000 for each of the fiscal years 1986 and 1987 to be available for the purpose of carrying out the provisions of Title 15 United States Code Section 644(K).

EFFECTIVE DATE

SEC. 609. This title shall become effective on October 1, 1985 except as may be provided in section 606 and 607.

BINGAMAN AMENDMENT NO. 155

Mr. BINGAMAN proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following new section:

ANNUAL SELECTED ACQUISITION REPORTS

SEC. . (a) Subsection (c) of section 139a of title 10, United States Code, is amended to read as follows:

"(c)(1) Each Selected Acquisition Report for the first quarter for a fiscal year shall include—

"(A) the same information, in detailed and summarized form, as is provided in reports submitted under section 139 of this title;

"(B) the current program acquisition unit cost for each major defense acquisition program included in the report and the history of that cost from the date the program was first included in a Selected Acquisition Report to the end of the quarter for which the current report is submitted; and

"(C) such other information as the Secretary of Defense considers appropriate.

"(2) Each Selected Acquisition Report for the first quarter of a fiscal year shall be prepared and submitted in the same format and with the same content as was used for the Selected Acquisition Report for the first quarter of fiscal year 1984.

"(3) In addition to the material required by paragraphs (1) and (2), each Selected Acquisition Report for the first quarter of a fiscal year shall include—

"(A) a full life-cycle cost analysis for each major defense acquisition program included in the report which is in or has completed full-scale engineering development and which was first included in a Selected Acquisition Report for a quarter after the first quarter of fiscal year 1985;

"(B) if the system that is included in a major defense acquisition program described in clause (A) has an antecedent system, a full life-cycle cost analysis for that antecedent system; and

"(C) production information, including but not limited to—

"(i) a baseline annual production rate planned for the system through the projected termination of the procurement;

"(ii) cost and schedule variances caused by departure from the annual baseline production if the annual budget submission varies from the baseline;

"(iii) the annual production capacity provided with the facilities and tooling programmed for procurement in the program or otherwise provided by Government funds;

"(iv) the annual production rates assumed in the cost-effectiveness analysis presented at the time the Secretary of Defense authorized the military service component to proceed with full-scale development of the program; and

"(v) the cost savings projected to be available if the program submitted in the annual budget submission was procured at the annual production rate identified at the time the Secretary of Defense authorized the military service component to proceed with full-scale development of the program.

"(4) Selected Acquisition Reports for the first quarter of a fiscal year shall be known as comprehensive annual Selected Acquisition Reports.".

"(b)(1) The Secretary of Defense shall resubmit to Congress the Selected Acquisition Reports required by section 139a of title 10, United States Code, for the first quarter of fiscal year 1985. The reports as resubmitted shall be in the format and with the content required by paragraph (2) of section 139a(c) of such title, as added by subsection (a).

"(2) Such reports shall be submitted not later than 30 days after the date of the enactment of this Act.

BYRD AMENDMENTS NOS. 156 AND 157

Mr. BYRD proposed two amendments to the bill S. 1160, supra; as follows:

AMENDMENT No. 156

At the end of title IX of division A of the bill, insert the following new section:

PROHIBITION AGAINST USING FUNDS APPROPRIATED FOR THE ADVANCED TECHNOLOGY BOMBER AND THE ADVANCED CRUISE MISSILE PROGRAMS FOR ANY OTHER PURPOSE

SEC. 917. (a) It is the sense of Congress that—

(1) the capabilities inherent in the technologies associated with the Advanced Technology Bomber program and the Advanced Cruise Missile program are a critical national security asset for maintaining an adequate and credible deterrent posture;

(2) such technologies and programs should be developed as rapidly as feasible in order to produce and deploy advanced systems which will complicate the military planning of the Soviet Union and as a consequence enhance the deterrence posture of the United States;

(3) such technologies and programs should be funded at the levels authorized in this Act; and

(4) all the funds appropriated for such programs should be fully used for such programs.

(b) None of the funds appropriated pursuant to an authorization of appropriations in this Act to carry out the Advanced Technology Bomber program or the Advanced Cruise Missile program may be used for any other purpose.

(c) It is the sense of the Congress that, consistent with the stated policy of the Department of Defense, the B-1B bomber aircraft procurement program should be terminated after acquisition under such program of 100 aircraft.

AMENDMENT No. 157

In section 915 of the bill, beginning with "unless" strike out all down through "that purpose.", and insert a period.

HART AMENDMENT NO. 158

Mr. HART proposed an amendment to the bill S. 1160, supra; as follows:

On page 90, after line 24, insert the following new section:

PROHIBITION ON USE OF FUNDS FOR PROCUREMENT OF MX MISSILES OR FOR CONSTRUCTION OF MX MISSILE RELATED FACILITIES

SEC. 916. (a) Notwithstanding section 103, the total amount authorized to be appropriated for fiscal year 1986 for the procurement of missiles for the Air Force, as specified in such section, is reduced by $2,081,600,000.

(b) Funds appropriated pursuant to an authorization contained in this or any other Act for fiscal year 1986 may not be obligated or expended for the procurement or deployment of any MX missile or for the construction, conversion, or renovation of any facility for the deployment of the MX missile.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Monday, May 20, in order to conduct oversight hearings on Civil RICO Suits Brought Under 18 U.S.C. 1964 (c)."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE MILITARY RETIREMENT SYSTEM

● Mr. GOLDWATER. Mr. President, the Association of the U.S. Army has written a short, but right to the point, article on the dangers of legislatively attempting to correct inequities in the military retirement system without the legislative members knowing a lot more about it.

This article should be read by my colleagues. I ask that it be printed in the RECORD.

The article follows:

COMPARING RETIREMENT PROGRAMS—THE DUTY MAKES THE DIFFERENCE

A frequently voiced criticism of military retirement is that it is much more generous than civilian pension plans. Direct comparisons with private sector wage and benefit plans are sometimes useful mechanisms for gauging the general adequacy of military pay, but efforts to model service compensation after civilian systems have never been successful. In reality, the armed forces retirement system *is* unlike any other. That is as it should be, since duty in the uniformed services is totally incomparable with civilian employment.

Nowhere in the private sector are young men and women who first join an organization required to sign an unlimited liability contract such as that entered upon by service members. Without recourse, armed forces personnel can be legally required to fight anywhere in the world and may be severely punished if they disobey orders to do so. They may be used when and as long as the national authorities believe appropriate, with no regard for their personal preferences or their occupational specialties.

As a matter of course, service members forfeit a considerable degree of personal freedom and undergo frequent family disruptions and inconveniences while being subject to high risk. Long hours of grueling labor without overtime pay are regular features of military duty as are duties at undesirable or remote locations, living in housing which does not meet basic American standards and being on call all the time for an entire career.

National authorities retain complete and one-way control over the military force with the freedom to use it in any way necessary in the national interest. That includes the right to individually "fire" members, despite fully satisfactory performance, in mid-career, for any momentary convenience to the government. Service members may be forced to retire without regard to personal preferences or family circumstances, can be recalled whenever the need arises, and are subject to the Uniform Code of Military Justice in perpetuity.

Congress needs to carefully consider these rigid conditions of service before attempting to reform the retirement part of military compensation. It must compare duties before comparing pay.●

OIL HEAT CENTENNIAL YEAR

● Mr. CHAFEE. Mr. President, I am pleased to join Senator LEAHY as a cosponsor of Senate Joint Resolution 115, commemorating the Oil Heat Centennial Year.

On August 11, 1885, the U.S. Patent Office issued a patent to David H. Burrell for a furnace that could burn liquid and gaseous fuels. This furnace was the first practical oil burner in the United States.

The oil burner has had a profound effect on the technological development of our country. In World War I, the oil burner became the primary source of propulsion for large warships, helping to establish the United States as a world power. After the war, oil burner technology was extended to heat businesses and homes.

Oil burners continue to be a major heating source. In New England, more than 2 million commercial and residential buildings are heated by oil. In my own home State of Rhode Island, more than 170,000 buildings utilize oil heat, translating into 225 million gallons of heating oil per year. Over 800,000 Rhode Island residents depend on oil to heat their homes.

In order to commemorate the 100th anniversary of the oil burner, the Independent Oil Marketers in New England are planning a major celebration in June. I commend their efforts and ask that we, in Congress, also recognize the contribution of the oil burner to the technological revolution of the 20th century.

I urge my colleagues to support this effort.●

BUDGET STATUS REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate a status report on the budget for fiscal year 1985 pursuant to section 311 of the Congressional Budget Act.

Since my last report, the Congress has cleared the automobile recordkeeping repeal bill, H.R. 1869, for the President's signature.

The report follows:

[Report No. 85-6]

REPORT TO THE PRESIDENT OF THE U.S. SENATE FROM THE COMMITTEE ON THE BUDGET

STATUS OF THE FISCAL YEAR 1985 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 280 REFLECTING COMPLETED ACTION AS OF MAY 16, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
Budget resolution level	1,021,350	932,050	750,900
Current level	1,015,973	933,364	750,589
Amount remaining	5,377	0	0

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $5,377 million for fiscal year 1985, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 280 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $10 million for fiscal year 1985, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 280 to be exceeded.

REVENUES

Any measure that would result in revenue loss exceeding $0 million for fiscal year 1985, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 280.●

THE ACEQUIA SYSTEMS OF NEW MEXICO

● Mr. DOMENICI. Mr. President, the New York Times recently carried a most interesting article on the acequias systems that we have in New Mexico.

These irrigation systems, many of which date to the 18th century, are vital to the survival of many smaller communities as well as the family farms we have in northern New Mexico.

To help my colleagues understand more fully this important facet of our New Mexico history, I ask that a copy of the article be printed at this point in the RECORD.

The article follows:

ANCIENT TASK REAFFIRMS RICH NEW MEXICAN PAST

(By Robert Reinhold)

LYDEN, N.M., April 13.—A warming spring sun crept over the snowcapped Sangre de Cristo mountains as old Alex Garcia prepared his men to perform an ancient ritual that has almost religious overtones in this remote part of northern New Mexico. It was the annual cleaning of the acequias, or irrigation ditches, along the Rio Grande.

The seemingly mundane task has been essential to survival here since the Spanish conquistadors pushed into this harsh but starkly beautiful land more than three centuries ago.

Mr. Garcia, the 86-year-old mayordomo, or manager, of the Lyden acequia district, takes the job very seriously. On his orders this morning, two dozen young and old men with shovels jumped into the ditch and began to shovel out the winter's collected debris of willow branches, rocks and beaver dams so that precious water could flow into the apple and plum orchards and corn fields that line the mile-and-a-half-long acequia.

First, the oldest man, Adonais Romero, walked down the littered ditch with a measuring rod, called a vara, marking off sections to be cleaned by each man. Then Mr. Garcia, in his straw hat, marched up and down, sternly ordering remedial work where the job was not done quite right.

RITUAL OF IDENTITY

It was a quintessentially New Mexican event, and one that has been performed faithfully every year for more than 300 years in this and about 1,000 other acequias. It is an event, moreover, that is closely bound up with the identity of this unusual region of the United States, where Spanish is spoken more than English, where the locals consider themselves descendants not of Mexicans but of the Spanish conquistadors, and where resentment over the en-

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croachment of rich "Anglos" with their bou-

It was only a few miles from here, at San

and the right to emigrate. The con-

anti-Semitism. He noticed some graffiti on

Dr. Franklin is an expert on the his-

notification of proposed arms sales

croachment of rich "Anglos" with their boutiques and art galleries into Santa Fe and Taos is deep.

There was a time when the ditches were the center of life in hundreds of tiny communities along the Rio Grande and other rivers, villages that did not even have electricity until after World War II. They not only carried water for the crops, but also served as wash basins for laundry and watering holes for livestock in an arid land where water has turned out to be more precious than the gold the Spanish conquerors sought in vain.

The annual cleaning, therefore, took on enormous significance and the ditches were the glue that held communities together. "I can remember as a kid the women would come and bring food for the men, posoles, frijoles, tortillas, biscochitos," said Wilfred Gutierrez, 50. "We were poor but we had plenty to eat."

Time has eroded the acequias and their importance. Young people, here as elsewhere, have been drifting away, into service jobs in the cities and in government. Also, the urbanization of Albuquerque, 75 miles south, is pressing relentlessly into the remote North. In many places ditches have decayed, along with the social cohesion they enforced.

Mr. Gutierrez has become a leader in a growing movement to rebuild the acequias as a means of preserving New Mexican heritage. He said the Lyden acequia, like others, serves mostly small farmers with only a few dozen acres who would be unable to compete with big agribusiness operations without this water.

"These things held the community together," Mr. Gutierrez said. "The acequias were something we all had in common. I fear that industry and the cities will take over the whole Southwest. We are getting more and more people from the East. And people demand water to live. Cities are growing. They want gold courses and parks, and it all becomes competitive for water. This is what bothers me. We have to keep our land profitable. This land has produced and fed families for generations."

But increasingly, families do not depend on the land anymore. Even Mr. Gutierrez is only a part-time farmer in nearly Belarde, earning his main income as a technician at Los Alamos National Laboratory.

FEDERAL HELP FOR DITCHES

Still, he has made his voice heard in Washington. He is president of Las Nueve Acequias Steering Committee, a group of nine acequia districts. The districts have quasi-governmental powers under New Mexico law, and are run by commissioners elected locally by the water users, or parciantes. The users are required to pay an annual fee to the associations, and the mayor-domos allocate water as it is needed.

The committee enlisted the aid of Senator Pete V. Domenici, and the New Mexico Republican persuaded his colleagues in Congress to appropriate $15 million to rehabilitate the nine acequias near here and the dams that feed them as a demonstration project.

Already, the fruits of the project are visible. The Bureau of Reclamation, an arm of the Interior Department, has replaced two decaying stone diversion dams on the Rio Grande with two sleek new concrete dams. Ultimately, seven new dams will be built along the valley from Espanola to Velarde, serving the ditches in such historic places as Alcalde, Lyden and El Guique.

It was only a few miles from here, at San Juan, where the Rio Grande joins the Rio Chama, that Don Jan de Onate founded the first Spanish capital of New Mexico. There is archeological evidence that the Pueblo Indians, subdued by the Spanish, had long been diverting the powerful river into crops.

RETURNING TO THE LAND

Mr. Domenici's aide in Santa Fe, Ernesto Vigil, said it was difficult to persuade other legislators that the project was worthwhile. As Mr. Gutierrez put it, "They didn't even know what an acequia was in Washington."

But all the apple, peach, plum and chili planters here know. And they all dutifully send their men every April for the cleaning, for otherwise there is no crop. For the older people, particularly, the pull of the ditches is strong. After years of teaching linguistics at universities around the country, Dr. Robert Vilapando came home to New Mexico to retire in his native Alcalde. For the last decade, the 78-year-old scholar has been an elected commissioner of the Alcalde Acequia, several miles from the Lyden ditch.

Today, standing with a shovel under an ancient cottonwood, he spoke with pride of the ditch, which irrigates 132 small farms, his included, 800 acres in all.

"This is a very nice community ditch," he said. "It's community work. It's an old tradition. The Indians came in with the Spaniards and built this ditch. The people are proud of that. The cleaning has been done every year."

Few people are following in Dr. Vilapando's footsteps, but to Mr. Gutierrez, a commissioner of two ditch associations, the survival of the acequias means nothing less than preserving a unique form of American democracy.

"The beauty of this was that our way of electing commissioners and distributing water was one of the most equitable—it was democracy at work," he said. "When we depended on farming for subsistence, we had rules that gardens had first priority, then orchards and alfalfa. It was a very equitable way of getting along."●

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. BOSCHWITZ. I once again rise to draw attention to the problem of Jews and others living in the shadow of oppression in the Soviet Union.

This congressional call to conscience is an important effort to assure those who live in oppression that theirs is not a battle they must fight alone. Their struggle is a worldwide battle that must continuously be fought. As chairman of this vigil, I am very involved in drawing the world's attention to those whose basic freedoms have been stripped away. There is a member of my family, living in Israel, Hassia Bosschwitz, who is also very active in behalf of Soviet Jewry. I ask to place in the RECORD an article she sent to me from the Jerusalem Post about Dan Shapira's struggle to settle in Israel. My cousin had the pleasure of meeting with Dan who so yearns to be with his people in their homeland.

Our worldwide effort must not cease or abate. Thousands of individuals like Dan Shapira, have been denied the right to practice their religion freely and the right to emigrate. The congressional call to conscience involving scores of Senators reaffirms our intent of changing these practices by the U.S.S.R. and convincing them that progress in all relations between our countries will be tied to matters of human rights.

The article follows:

MEETING WITH A YOUNG MAN OF SORROWS

(By Judy Siegel)

He is tall and thin, with a low-pitched voice and hunched shoulders, as if he carried the sorrows of the world on his back.

Dan Shapira marks his 24th birthday this week but he behaves in such a sober manner that he seems to be at least a decade older. Dan—a member of the new generation of Soviet Jewish aliya activists—faces a possible three years imprisonment, having been arrrested a few weeks ago for "anti-Soviet propaganda."

Two Israelis who met Shapira last summer returned from the USSR with the unforgettable memory of the young Jew etched in their minds, determined to help him in his struggle to settle in Israel.

Hassia Bosschwitz, a biochemist at the Hebrew University in Jerusalem, met Shapira, the only son of a Communist, during a trip to Moscow as one of 90 Israeli scientists attending a professional conference.

Etka Liebowitz, a librarian living at Kibbutz Ma'ale Gilboa, was in Russia on an American passport. She taped a five-minute message from Shapira, delivered in flawless Hebrew and an incredible, self-taught Israeli accent that falters only when he hesitates between words.

"We want to be reunited with our people, our land, our state." he says, "Because some of us don't have families in Israel." He adds, with a somewhat bitter note: "We are very worried, we sometimes get the feeling that Israel doesn't want us. We're not sure that Israel is so interested in aliya."

But Shapira is determined nevertheless to come to his homeland.

"The time has come to demand a mass return to the homeland, rather than piecemeal aliya by individuals being reunited with their families." Shapira says, ending simply with the word "Shalom."

The biochemist says that she had not been active in the Soviet Jewry movement before going to Russia, but she did have sympathy for it. While preparing her paper for delivery at the conference, former Russian immigrants who heard about her plans came to send regards to relatives still in the USSR. After meeting with many refuseniks in Moscow and elsewhere, Bosschwitz couldn't return home apathetic. "They're our brothers. It's hard to watch them suffer," she says.

Both Bosschwitz and Etkin, who is vice president of the Association for the Dissemination of the Hebrew Language in the USSR and a member of the executive board of the Soviet Jewry Education and Information Centre (both based in Jerusalem), were very impressed by Shapira.

Despite his age, he has a broad awareness of the world and speaks seven languages, including Arabic and Aramaic. His specialty is in German language, and he was accepted as a member of the Israel Association for Applied Linguistics.

Coming from a secular, atheistic family, he is now traditional, but not religious.

His interest in Judaism and Zionism seems to have been sparked by experience with

anti-Semitism. He noticed some graffiti on the wall of a lavatory in the German Language Academy where he studied: "As long as a single *zhid* remains in Russia, he must suffer from genocide." As soon as Shapira applied for an exit visa to Israel, he dropped out of his studies.

During their meeting in Moscow, Shapira asked Bosschwitz for a copy of James Joyce's *Ulysses* in Hebrew. "It's such a difficult book and Dan wanted to read it in Hebrew!" Bosschwitz recalls in admiration. "But it hasn't yet been published in Hebrew," she adds.

He also requested a copy of *Israel Without Zionism* by Uri Avneri, explaining that *Pravda* quotes from the left-wing author's book and he wanted to read the original. A third book Shapira wanted was a "dictionary in rhyme," something that his guest has never heard of and believes may have been written during the Middle Ages by Rabbi Sa'adia Gaon.

When Etka spoke to Dan by phone a few days before his arrest, his last request was to receive a certificate testifying to the fact that he is an Israeli citizen by the Law of Return.

Shapira is one of the young generation of Jews in Russia who grew up after the terror of the Stalin era and who is young enough to risk his future for the right to live in Israel.

During the biochemist's visit, former Israeli president Prof. Ephraim Katzir, an internationally eminent scientist, was called in for questioning by the Soviet authorities. He had told them earlier that he planned to visit with Jewish activists, and was arrested on his way to his first visit. Bosschwitz says the KGB knew exactly who Prof. Katzir was and arrested him to scare Russian Jews.

The Israeli delegates to the 6,000-participant conference traveled everywhere with badges in Russian and Latin letters declaring they were from Israel. Most people were afraid to talk to them. All attended synagogue services in Moscow on Shabbat.

Bosschwitz says she turned down an opportunity of a lifetime—the chance to attend a free performance organized for the delegates of the Bolshoi Ballet. She went to see *refuseniks* instead, and she says she doesn't regret it.

Shapira's 24th birthday is on March 1. Congratulations can be cabled to his father, Jan Shapira, Moscow 123481. Planernaya 12-3-64. USSR.●

JOHN HOPE FRANKLIN ON APARTHEID

● Mr. KENNEDY. Mr. President, the issue of U.S. policy toward South Africa has been the subject of several hearings in two major Senate committees. Consideration of this very important issue will be before the full Senate in the near future.

Dr. John Hope Franklin, speaking for the commencement exercises of Brandeis University, May 19, 1985, addressed the question of South Africa in his remarks. Dr. Franklin is a leading historian and the author of "From Slavery to Freedom," the landmark text on the history of black Americans and United States racial policy, law and practice.

He is the James B. Duke professor of history at Duke University.

Dr. Franklin is an expert on the history of public policy and race in the United States. As such his assessment of apartheid in South Africa should be given great weight by this body.

I ask that the following text of Dr. Franklin's speech as reported in the Boston Globe be printed in the RECORD.

The speech follows:

APARTHEID IS TARGETED IN BRANDEIS TALK

Not since the Nazi terror was ended in Europe with the close of World War II has a system of government been as inhumane as that in South Africa today, a leading black historian said at the Brandeis University commencement in Waltham yesterday.

He also said the United States will forfeit its claim to world leadership if it fails to adopt policies that force change.

"South Africa" is imperialistic and terroristic," said John Hope Franklin, the James B. Duke professor of history at Duke University in North Carolina.

"It is as close to being uncivilized as one can imagine a country to be," he said.

Franklin, who received an honorary degree from Brandeis, said that in South Africa, "the color bar is more extensive and more rigidly enforced than anything known in this country, even in its most racist phase.

"Since 1945, there has been nothing to approach the depth of inhumanity that has become commonplace in South Africa today."

Franklin said that nation has disfranchised most of its population. South Africa "is the clearest example we have of the utter and complete rejection of the elementary democratic principles that this country has espoused for more than two centuries." Franklin said.

"It is my view that if we as a nation and a people cannot stand up against South Africa in the United Nations, on Wall Street, in the banking community and in our personal convictions and policies, we have forfeited any claim to leadership in the community of civilized nations," he said.

Franklin said the South African government actually is encouraged by the politics and practices of the United States government.

"Think for a moment of the stark fact that this government, so activist and so interventionist in political situations around the world, has so little to say about the government that denies virtually all of the tenets in which our Administration theoretically places so much stock," he said.

"What about the powerlessness of the people. 28 of whom the police killed a few weeks ago at Uitenhage, which moved the President of the United States merely to comment that perhaps it was the fault of the victims themselves.

Franklin described South Africa as "the worst of all nations on the face of the earth today," prospering as "an outlaw nation" that terrorizes its neighbors and defies all international authorities.

Franklin and nine other guests received honorary degrees at the ceremony, in which about 850 graduate and undergraduate degrees were awarded.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under the act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notification follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, DC, May 20, 1985.

[In reply refer to: I-02275/85ct]

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-34 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Korea for defense articles and services estimated to cost $29 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 85-34]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Korea.

(ii) Total Estimated Value:

	Million
Major Defense Equipment [1]	$27
Other	2
Total	29

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A quantity of 1,432 Area Denial Artillery Munition (ADAM) and a quantity of 7,008 Remote Anti-Armor Mine System (RAAMS) 155mm projectiles.

(iv) Military Department: Army (XTG).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: May 20, 1985.

POLICY JUSTIFICATION

Korea—155mm Projectiles: The Government of Korea has requested the purchase of 1,432 Area Denial Artillery Munition (ADAM) and 7,008 Remote Anti-Armor Mine System (RAAMS) 155mm projectiles. The estimated cost is $29 million.

This sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in Eastern Asia.

The Republic of Korea needs these 155mm projectiles to enhance deterrence and contribute to the preservation of peace and stability on the Korean peninsula.

The sale of this equipment and support will not affect the basic military balance in the region.

The production sources will be the Louisiana Army Ammunition Plant of Shreveport, Louisiana and the Iowa Army Ammunition Plant of Middletown, Iowa.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Korea.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

SECURITIES SAFETY AND SOUNDNESS ACT OF 1985

● Mr. DOMENICI. Mr. President, I have received numerous letters about my proposed moratorium on junk bonds, S. 975. The overwhelming majority of these letters—from New Mexico and from around the country—support the bill. The letters are from concerned taxpayers, employees of takeover candidates, Wall Street professionals, and shareholders. I think that the direct words of these people exemplify public opinion in general on the junk bond issue. Here are some direct quotes from their letters:

> Who are they (managers of target firms) to be replaced with? Financial manipulators who have no management experience or knowledge of the industry or firm? . . . for every firm whose management is improved by a raider, there are surely ten firms that are weakened and shrunk. The raiders and present stockholders are always the gainers. The losers are the subsequent stockholders as well as present employees, suppliers, customers and communities. The final loser is the nation as a whole. The Japanese are successful because they invest in their firms for the long haul, not because they de-industrialize their country for a fast buck.—Albert Sanders, New York.
>
> The so-called "shareholder revolution" is mis-titled: It is just a plain ordinary "promoter's scam."
>
> As more and more companies are restructured, and the number of employed persons decreases, the pension contributions will become less and less, eventually the institutions will run out of pension fund money. . . We want our pension fund managers to invest solely in companies with excellent fundamental values and expectations of growth.—C. R. Palmer, Texas.
>
> The Unocal attempted take-over concerns me for Colorado as well as for this country. In Mesa and Garfield counties alone, Unocal employs over 550 people with a payroll in excess of $23 million. This company has been a good neighbor in our area many years.
>
> The prospects of Unocal being taken over, perhaps even its assets liquidated, is frightening to me. It would be a real blow to this area, a blow to this United States if some 20,000 employees were out of work.—Joseph C. Prinster, Chairman, Mesa County Economic Development Council, Colorado.
>
> Unfortunately most of their (takeover speculators) targets are well managed companies. The take-over artists are not fools; they know that junk bonds can't be based on junk operations.
>
> The take-over speculator doesn't care about long term values. . . . The long term investor sells out because at least he gets cash-less-tax for acceptance of the takeover offer whereas if he waits until the take-over is completed all he will get for his equity is a junk bond in a debt ridden company.
>
> . . . In Great Britain the financial policy was to pay out all earnings and to rely on borrowed money or new equity for new investments. The result: bankrupt businesses with worn out facilities and, consequently, no credit for the required new investments.—George Gibson, New Jersey.
>
> A large portion of my company's funds were recently devoted to preventing a hostile attempt to force our stock to be sold publicly, and thereby remove one of our strengths—employee ownership. . . . It is essential for Congress to investigate their motivation, understand their implications, and determine if legislation is needed to ensure that proper business practices are followed.—John N. Brothers, New Mexico.
>
> Hundreds, if not thousands, of peoples' lives have been affected, often traumatically by these unwanted speculations.
>
> Liquidation of a large integrated oil company, especially to small oil producers, will mean the end to the advancement of technology in every aspect.
>
> A suitable analogy of the situation is to say that a spouse, because of the insurance payments, is worth more dead than he or she is alive.
>
> As the late Winston Churchill said, "The price of strength is to be responsible."—N. Phillman Ho, California.
>
> All of my adult working life has been spent on Wall Street. In no case in my more than two decades of experience from the viewpoint of any of my previous positions can I summon a memory of more frequent abuse.
>
> Unlike loans to less developed countries, this financial activity does not ever carry the least element of social good such as elevating the lives of the economically less fortunate. Quite the contrary, a small rapacious group of "financiers" clustered about the firm of Drexel Burnham Lambert is destroying some of the best managements of America's finest companies—William E. Morfeld, New York.
>
> Why should these senseless "fast buck muggers" be allowed to devastate good companies and people who have saved a lifetime to enjoy their later years, without Federal help.
>
> Based on present circumstances it was necessary to change my investment plans and accept much less, while Pickens and Icahn enjoy millions of dollars at taxpayers expense. I recommend prompt enactment of a moratorium.—Philip R. Sweeney, Texas.

These letters are just a sample of the mail I have received in support of the Securities Safety and Soundness Act. We should be listening to these voices from the public and not the smooth talking voices of a sophisticated few who have a vested interest in making quick money.●

RADIO MARTI

● Mrs. HAWKINS. Mr. President, today freedom-loving Cubans everywhere commemorate a day of frustrated hope, and of hope newborn; 83 years ago today the United States ended its 3 year administration of Cuba following the Spanish-American War, and the people of Cuba regained full control over their destinies. Since 1959, that sovereignty, that freedom has been casually sold to promote the ego and prestige of Fidel Castro. Castro has auctioned off the pride and destiny of the Cuban people in exchange for massive amounts of Soviet aid. With Soviet aid amounting to 25 percent of the Cuban economy, or $4 billion annually, there can be little doubt that the withdrawal of such aid would result in a drastic decline in the standard of living of the Cuban people and possibly even the collapse of the Cuban economy.

There is no such thing as a free lunch. The Soviets do not hand out aid like this for nothing—you can be sure that there is a price, and that price has been the freedom, dignity and sovereignty of the Cuban people—all so that Fidel Castro can strut around the United Nations or the capitals of the Soviet bloc countries acting like he is important—a truly pathetic sight. We can plainly see why today, Cuban Independence Day, would be a day of frustrated hope for freedom-loving Cubans everywhere. But today is also a day for hope, new born, because today marks the beginning of broadcast by Radio Marti.

We have waited almost 1½ years since the President signed the bill into law permitting the beginning of broadcasts to Cuba. Now, at long last, that day has arrived. How fitting it is for a station whose mission is to promote the cause of freedom in Cuba to begin on this day of all days. Perhaps now the people of Cuba will have a basis by which they can regain control over their own destinies.

For too long the people of Cuba have been denied access to accurate and objective broadcasts relevant to their daily lives. Until today, the Cubans have been dependent on the propaganda machine of the Castro government for their so-called news. While they did have access to the Voice of America with its broadcasts to all of Latin America about life in the United States, they had no alternative to Castro's lies and deception regarding news about Cuba. Radio Marti now gives them that alternative.

Radio Marti marks a new hope for the people of Cuba. This is a peaceful initiative that could mark the beginning of unshackling the minds of the Cuban people that for too long have been chained by Castro's lies, propaganda, misinformation and deception. I welcome this new beginning.●

NATIONAL CRIME PREVENTION COUNCIL

● Mrs. HAWKINS. Mr. President, thanks to the National Crime Prevention Council, I am happy to say that McGruff has just about become a household word. Through pamphlets, flyers, radio, and TV coverage, calendars, posters, stamps and many other means, "Take a bite out of crime" has become a popular statement.

The National Crime Prevention Council uses the character "McGruff" to teach children about safety at home, school, and in all other aspects of life. One focus of the Council is on child abuse which uses the dog, McGruff, to explain the wrong kinds of touching and the importance of telling someone if a child feels wrong about something. They use a variety of ways to reach these children. One such technique they use is the Crime Prevention Activity Book which is filled with games and puzzles. They also have an elementary school program which is the answer to law enforcement's dilemma concerning how to get the message of safety and crime prevention to the children of America. They are doing all that is possible to positively mold the character and influence the minds of our Nation's children, by putting McGruff in schools from kindergarten to sixth grade.

I commend the National Crime Prevention Council for its extremely successful efforts in all crime prevention, and especially in the area of child safety. They contribute to the decline of crime overall which dropped from 29 percent in 1982 to 27 percent in 1983, the sharpest drop in 9 years of national crime surveys.

I ask that safety tips published by the National Crime Prevention Council on the subjects of missing children, sexually abused children and latchkey children be printed in the RECORD.

The material follows:

SEXUALLY ABUSED CHILDREN

Each year in the U.S., an estimated 100,000 children suffer some form of sexual abuse. Most of them are girls, but boys can also be victims. Teaching "stranger rules" is smart, but not enough—in the majority of cases, the child sexual molester is known to the child and the child's family. That's why only a minority of cases is reported. The abuser is often a parent, "good old Uncle Bill," a babysitter, or a close family friend.

Children may given in to adults' sexual advances because they fear losing their love, or fear their punishment, so they're *especially* vulnerable to abuse by someone they know. Children are trusting and defenseless, and they'll often feel guilty, as if they caused an assault.

Children may not recognize sexual abuse when it happens or even know it's wrong, although they often instinctively know what "proper distance" should be kept between them and other persons. They must learn what appropriate "touching" is, and, if they're ever uncertain about someone's intentions, they should know it's O.K. to respond in a way that makes them feel safer and more comfortable. While it is always difficult to talk about sexual abuse, the *only* way to do something about the problem is to have the child *tell someone.*

Adults should remember that, while children often make up stories, they rarely lie about being the victims of sexual abuse. If a child tells you about being touched or assaulted, take it seriously. Your response is very important. It will greatly influence how the child reacts to and recovers from the abuse.

Sometimes, a child may be too frightened or confused to talk directly abut abuse. Be alert for any change in behavior that might indicate that the child has suffered a disturbing experience:

Is the child suddenly more withdrawn than usual, refusing to go to school or afraid to be alone?

Is the child having trouble sleeping, waking up with nightmares, or wetting the bed?

Is the child complaining of irritation of the genital area?

Are there signs of increased anxiety or immature behavior?

Has the child's attitude changed toward a relative, neighbor or babysitter? Make sure you check carefully the references of babysitters, recreation leaders, and day care centers.

Abusers will continue until they're stopped. Abused children can be abusive—to themselves or others—when they become adults., It's a vicious circle that *can* be broken.

LATCHKEY CHILDREN: YOUNG CHILDREN AT HOME ALONE

An estimated 5 to 12 million children between the ages of 5 and 13 are regularly left alone at home for some part of the day. Leaving children alone always causes some anxiety, but knowing they are prepared to cope with situations that may arise will lessen the worry.

As a parent:

Be sure your children know how to use the telephone (both pushbutton and dial models) to make local, long distance and emergency calls and to dial the operator.

Post emergency numbers near all the phones in your home.

Make sure your children lock the door after they arrive home and then check in with you or a trusted neighbor.

Teach them to work the door and window locks in your home.

Tell your children what to do in case of fire.

Tell your children that they are never to go anywhere with another adult, even one who says he or she was sent by you. Adopt a family "code word" to be used if a third party is ever to pick up your children.

Teach your children, if they ever feel they're being followed, not to run home but to a store, public place, back to school, or to the nearest "Safe House."

Teach your children never to get near or into a stranger's car, or to take a walk with a stranger who says he needs the children to "show" him something.

Impress on your children that you always want to be told if anything happens to them while they're away from you that makes them feel uneasy or uncomfortable. Children will sometimes phrase this as feeling "funny."

Tell your children not to go into anyone's house or apartment without your permission and make sure you know the people who live in any home your child wants to visit.

Get together with other parents and approach your school or a community group about starting an extended-day program. Look into starting a "McGruff "Safe House" program in which neighborhood parents, grandparents, or other adults are recruited to volunteer their homes to serve as temporary shelters for frightened or lost children. A special sign posted in the window of these homes tells children this is a place to go when they are confronted with a serious problem. Local law enforcement can help in setting up a sound and enforcement program.

PREVENTING MISSING CHILDREN

Between 1.3 and 1.8 million children are reported missing in the United States every year. Some run away, others are abducted by strangers or by parents. Each year between 20,000 and 50,000 cases of missing children remain unsolved by the police.

Parents can take positive actions to protect their children. They can teach them:

That no adult has authority over them simply by virtue of size—that the children can say no.

To know their home address, including the city and state, and phone number *with* area code.

To use both pushbutton and dial phones for local and long distance calls.

To memorize emergency phone numbers.

To run to the nearest public place, store or police station, if they feel unsafe.

To watch for enticements from strangers—like candy, gifts, money, or request to help find a lost dog or cat.

Not to get close to a car if a stranger calls out for directions or anything else. It is easy for a stranger to pull a child into a car.

Not to open the door to strangers.

Not to tell callers that mom or dad isn't home.

Say they can't come to the phone and will call back.

Not to walk alone if they can help it.

To walk near the curb, on lighted streets at night, and against the traffic, and to travel known routes.

To run away, scream and make lots of noise if they are followed or grabbed by a stranger. The last thing a dangerous stranger wants is a lot of attention.

To go to the checkout counter and wait to be called on the loudspeaker if they are separated from you in a store.

Never to go out to a parking lot alone.

To tell parents immediately if anyone or any incident has made them feel uncomfortable.

Finally, parents should keep recent, clear photographs of their children in at least two different poses.

BEER AND WINE ADVERTISING

● Mrs. HAWKINS. Mr. President, alcoholism and alcohol abuse are serious problems, costing the Nations some $44.3 billion per year in lost wages, damages, and medical fees. Highway deaths involving drunken drivers have averaged 25,000 each year for the past 10 years. Some 200,000 Americans are injured each year in car accidents attributed to drunken drivers. We all know many other personal tragedies due to abuse of alcoholic beverages.

On February 7, 1985, my Subcommittee on Alcoholism and Drug Abuse

The preamble was agreed to.

The resolution, with its preamble,

Donald M. Zahn v. National Right to Work Committee.

Right to Work Committee, Civil Action No. 84-1223-A, in the Eastern District of Virgin-held an information hearing to question the relationship, if any, between alcohol product advertising and alcoholism, alcohol abuse, drunk driving, and underage consumption. Testimony was received from the Federal Trade Commission, representatives of the beer, wine, broadcast, and advertising industries, the Freedom of Expression Foundation, the Center for Science in the Public Interest, Florida Informed Parents, National Council on Alcoholism, Telecommunications Research and Action Center, and the National PTA.

Chairman Miller of the FTC testified that the Agency's role in deciding whether advertising is lawful is restricted to deception or unfairness. The FTC sees no reason now to mount an assault on alcohol beverage advertising.

Members of the beer, wine, broadcast and advertising industries testified that their advertising must already meet industry guidelines, network codes and Federal, State, and local laws and regulations before being aired and that potential problem advertising is disposed of in this manner. Of significant importance was testimony that beer sales have been level to declining since 1981, while advertising expenditures have reached an all-time high. Industry witnesses testified they compete for market share. A 1-percent change in market share is worth approximately $380 million per year. In addition, U.S. per capita alcohol consumption today is about half what it was 10 years ago. Modern advertising cannot be blamed for increasing consumption.

The alcohol, broadcast, and advertising industries, in addition to Government agencies and many others, sponsor education and research programs to address alcohol-related problems. At issue is the abuse of alcohol, not responsible consumption. A ban on broadcast advertising would not affect alcohol abusers, but would treat moderate drinkers as irresponsible. Testimony was also presented that scientific research in this country, Canada, and abroad documents no consumption or abuse improvements when alcohol advertising is banned. The broadcast and advertising industries also testified that mandating counter advertising would set a dangerous precedent for any advertised products with the potential for misuse.

Eliminating beer and wine sponsorship of amateur and professional sports would drive much sports programming to pay TV or simply result in its not being covered by the electronic media, broadcasters said.

Testimony was received calling for a careful examination of case law since 1975 on the issue of commercial free speech. A 1980 Supreme Court decision said that commercial speech could only be limited if found to be misleading, false or related to illegal activity.

Proponents testified that an advertising ban would not be a panacea to drunk driving and other alcohol abuse problems, but would be one facet of a comprehensive program to redefine alcohol in American society. They also stated that beer and wine advertising in sports and prime time hours has to have an effect on those watching, including young people, or the advertisers would not purchase the time.

Mr. President, the purpose is to increase market share, build brand loyalty, and introduce new products. The subcommittee could not find evidence to conclude advertising influences nondrinkers to begin drinking or to increase consumption. Scientific evidence as reported in respected scientific journals shows broadcast advertising has a minimal effect on drinking behavior. According to these journals, drinking behavior is influenced by parental example and peer pressure. Our subcommittee record contains no facts which would justify legislation to ban, censor advertising of beer and wine products, or require counter advertising.

Mr. President, in the past I have used this forum to compliment the broadcasters, brewers, and vintners for the many programs they have instituted to help combat the serious problem of alcohol misuse. I continue to believe that these industries can be an important part of the solution to the problem of alcohol misuse.

My colleagues may be assured that the subcommittee will continue to monitor the problem of alcohol and drug abuse in our society and do whatever we can to discourage its misuse.●

ORDER VITIATING ACTION ON S. RES. 159

Mr. SIMPSON. Mr. President, after conferring with the minority leader, I ask unanimous consent that the Senate action taken Friday, May 17, 1985, on Senate Resolution 159 to establish a select committee to study the 2-year budget process be vitiated and that Senate Resolution 159 be placed back on the Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNIZING THE CENTENNIAL ANNIVERSARY OF THE HOLSTEIN-FRIESIAN ASSOCIATION OF AMERICA

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate proceed to Senate Resolution 169, recognizing the centennial anniversary of the Holstein-Friesian Association of America, which is being held at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 169) recognizing the centennial anniversary of the Holstein-Friesian Association of America.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, it is my pleasure today to introduce a sense of the Senate resolution recognizing the centennial anniversary of the Holstein-Friesian Association of America and to be joined as original cosponsors by my distinguished colleagues, Senators ANDREWS, BOSCHWITZ, BURDICK, COCHRAN, COHEN, D'AMATO, EAGLETON, HEFLIN, HELMS, HOLLINGS, HUMPHREY, JOHNSTON, KASSEBAUM, KASTEN, KENNEDY, LEAHY, LUGAR, MCCLURE, MOYNIHAN, NUNN, PRYOR, STAFFORD, STENNIS, WILSON, and ZORINSKY.

ASSOCIATION PURPOSE

Mr. President, the Holstein-Friesian Association of America has grown from a beginning membership of 284 at the time of its incorporation in 1885 to over 44,000 breeders of purebred, registered holstein dairy cattle making it one of the premier dairy cattle breed organizations in the world.

As expressed in its original charter, the purpose of the association was to "improve the breed of holstein-friesian cattle; ascertaining, preserving and disseminating all useful information and facts as to their pedigrees and desirable qualities, and the distinguishing characteristics of the best specimens, and preparing, publishing and supplying all necessary volumes of the Holstein-Friesian Herd Book; and, generally, for promoting and securing the best interests of the importers, breeders and owners of holstein cattle, and thereby the public generally."

Mr. President this has been a worthy and admirable aim of the Holstein-Friesian Association of America. The association can be proud of its role in developing the quality of the holstein dairy cattle breed throughout the United States and the world. U.S. holsteins account for upward of 90 percent of the Nation's milk supply as well as being a primary source of genetic material used for development and improvement of dairy cattle throughout the world.

Mr. President, it is indeed appropriate to recognize the 100th anniversary of the Holstein-Friesian Association of America and compliment them for their efforts in developing the holstein dairy breed with its important role in providing a nutritious, wholesome and abundant supply of dairy products to our Nation's consumers.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the resolution.

The resolution (S. Res. 169) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 169

Whereas the Holstein-Friesian Association of America is a premier dairy cattle breed organization in the world;

Whereas the Holstein-Friesian Association of America, a non-profit membership organization of more than forty-four thousand breeders of purebred, registered Holstein dairy cattle, was organized on May 25, 1885, and this year celebrates its one hundredth anniversary;

Whereas the Holstein breed of dairy cattle produces more than 90 percent of the Nation's milk supply;

Whereas such Association maintains the only official, complete genetic data bank and lineage record for all purebred, registered Holstein dairy cattle in the United States;

Whereas such Association through its many programs and services to the dairy industry has provided and continues to provide an environment, incentives, and genetic data for the continued improvement of the Holstein breed;

Whereas United States Holsteins are recognized worldwide as the superior strain of Holstein breeding stock; and

Whereas the genetic pool of the Holstein breed in the United States has become the primary source of genetic material for the development and improvement of dairy cattle throughout the world: Now, therefore, be it

Resolved, That it is the sense of the Senate that on the occasion of the centennial anniversary of the Holstein-Friesian Association of America—

(1) recognition and commendation be extended the Holstein-Friesian Association of America for its most noteworthy contribution to the great American agricultural revolution;

(2) special commendation be extended for such Association's contribution to the genetic advancement and efficiency of the national dairy herd; and

(3) the Holstein-Friesian Association of America be complimented specifically on the advancement of the Holstein breed of dairy cattle in the United States and the contribution being made through its genetic pool of purebred, registered animals to the advancement of the Holstein breed worldwide.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REPRESENTATION BY SENATE LEGAL COUNSEL IN CIVIL ACTION

Mr. SIMPSON. Mr. President, I send a Senate Legal Counsel resolution to the desk on behalf of Senator DOLE and Senator BYRD and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 171) to authorize the representation by Senate Legal Counsel of a former Senate employee in the case of *Donald M. Zahn* v. *National Right to Work Committee*.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, this is a resolution relating to a subpoena to a former Senate staff member and representation by the Senate Legal Counsel.

Paul C. Summitt, a former staff member of the Committee on the Judiciary, has been subpoenaed by the plaintiff to testify in the case of *Donald M. Zahn* v. *National Right to Work Committee*, Civil Action No. 84-1223-A, an age discrimination action pending in the U.S. District Court for the Eastern District of Virginia. The plaintiff was a lobbyist for the defendant, and during 1981 and 1982 lobbied in support of a bill which was under consideration by the Judiciary Committee. The Senate Legal Counsel has been advised that plaintiff is seeking the testimony of Mr. Summitt, who had primary staff responsibility for such bill, in order to establish the plaintiff's competency as a lobbyist.

The speech or debate clause of the Constitution forecloses the judicial questioning of Members and staff about their consideration of legislation. The following resolution authorizes the Senate Legal Counsel to represent Mr. Summitt and to assert the privileges of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 171) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 171

Whereas the case of *Donald M. Zahn* v. *National Right to Work Committee*, Civil Action No. 84-1223-A, is pending in the United States District Court for the Eastern District of Virginia;

Whereas Paul C. Sunuimtt, a former member of the staff of the Committee on the Judiciary, has been served with a subpoena to appear and testify as a witness in that case;

Whereas by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas pursuant to sections 703(a) and 704(a)(2) of th Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1982), the Senate may direct the Senate Legal Counsel to defend a former employee of the Senate in any proceeding with respect to any subpoena or order directed to him in his former official capacity; Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to defend Paul C. Summitt with respect to the subpoena served on him in the case of *Donald M. Zahn* v. *National Right to Work Committee*, Civil Action No. 84-1223-A, in the Eastern District of Virginia:

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate go into executive session to consider Executive Calendar Order No. 185, D. Lowell Jensen, of Virginia, to be Deputy Attorney General.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of D. Lowell Jensen, of Virginia, to be Deputy Attorney General.

Mr. DOLE. Mr. President, I am pleased to rise in strong support of D. Lowell Jensen to be Deputy Attorney General of the United States.

Attorney General Meese could not have made a better choice for his second in command than Lowell Jensen. After 4 years with the Justice Department, Lowell has established himself as a skilled administrator, tough, yet fair, law enforcement official, as well as a responsible, honest individual who enjoys an excellent working relationship with Congress. During Lowell's tenure at the Justice Department, the effectiveness of DOJ's criminal law enforcement activities has improved demonstrably. Further, thanks in no small part to Lowell's contributions, last year we were able to pass one of the most comprehensive pieces of criminal reform legislation in recent history.

Lowell Jensen's confirmation as Deputy Attorney General marks one more step in his highly successful career in law enforcement. After receiving a law degree from the University of California and serving 2 years in the Army, Lowell became an assistant district attorney in Alameda County in 1954. In 1970, he became Alameda's district attorney and served in that capacity until 1981, when he joined the Reagan administration. The President first appointed him to be the assistant attorney general for the criminal division and then, to be associate attorney general. His outstanding work during this 4-year period won him another promotion to be the second highest law enforcement official in the Nation.

Mr. President, as a former member of the Senate Judiciary Committee, I have had the opportunity to work with Lowell on a number of occasions. I have always found him to be helpful, cooperative, and informed. Let me extend my warmest congratulations to him on his new job. I look forward to working with him during the second Reagan term.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY

ORDER FOR RECESS UNTIL 9 A.M.

Mr. SIMPSON. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9 a.m. on Tuesday, May 21.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Mr. President, I ask unanimous consent that, following the recognition of the two leaders under the standing order on Tuesday, there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators PROXMIRE, McCONNELL, and PRESSLER.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m. with statements limited therein to 5 minutes each if time permits.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Then, Mr. President, following the routine morning business, the Senate will resume consideration of S. 1160, the Department of Defense authorization bill. Pending before the body will be the Hart amendment relating to MX procurement. There will be a rollcall vote anticipated on that amendment, possible before noon.

ORDER FOR RECESS BETWEEN 12 NOON AND 2 P.M.

Mr. President, I further ask unanimous consent that the Senate stand in recess between the hours of 12 noon and 2 p.m. on Tuesday, May 21.

The PRESIDING OFFICER. Is there objection,

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, as I understand the distinguished assistant Republican leader, the unanimous-consent request pertains only to the standing in recess of the Senate on tomorrow afternoon between the hours of 12 noon and 2 p.m.

Mr. SIMPSON. Mr. President, that is correct. That does not in any way reflect upon the possibility of procedures with the Hart amendment.

Mr. BYRD. I thank the distinguished majority whip.

Mr. SIMPSON. Our leader has indicated that we will have late-night votes expected during Tuesday's session.

I inquire of the Democratic leader if he has further business.

Mr. BYRD. Mr. President, I thank the distinguished assistant majority leader.

RECESS UNTIL 9 A.M. TOMORROW

Mr. SIMPSON. Mr. President, I move, in accordance with the order just entered, that the Senate stand in recess until 9 a.m. tomorrow.

Thereupon, at 7:04 p.m., the Senate recessed until tomorrow, Tuesday, May 21, 1985, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate May 20, 1985:

Department of State

L. Craig Johnstone, of Washington, a career member of the Senior Foreign Service class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic and Popular Republic of Algeria.

Edward Morgan Rowell, of California, a career member of the Senior Foreign Service class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Bolivia.

Nicholas Ruwe, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Iceland.

Executive Office of the President

Antonio Navarro, of New York, to be a member of the Advisory Board for Radio Broadcasting to Cuba for a term of 3 years, new position.

Department of Housing and Urban Development

Glenn R. Wilson, of Nebraska, to be president, Government National Mortgage Association, vice Robert W. Karpe, resigned.

In the Air Force

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Robert F. Coverdale, 277-26-0316FR, U.S. Air Force.

The following-named officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of sections 593, 8218, 8373, and 8374, title 10, United States Code:

To be major general

Brig. Gen. Wess P. Chambers, 527-34-7817FG, Air National Guard of the United States.

Brig. Gen. Charles S. Cooper III, 079-26-7743FG, Air National Guard of the United States.

Brig. Gen. Glenn W. Osgood, Jr., 380-26-8509FG, Air National Guard of the United States.

Brig. Gen. Robert W. Schaumann, 055-26-8223FG, Air National Guard of the United States.

To be brigadier general

Col. Wayne B. Adams, Jr., 530-18-4052FG, Air National Guard of the United States.

Col. John A. Almquist, Jr., 211-26-7898FG, Air National Guard of the United States.

Col. Charles R. Barnes, 315-32-2506FG, Air National Guard of the United States.

Col. William D. Bates, 559-36-7920FG, Air National Guard of the United States.

Col. LeRoy R. Crane, 378-24-5617FG, Air National Guard of the United States.

Col. Charles J. Gebhart, 410-38-8260FG, Air National Guard of the United States.

Col. Robert E. Harris, 183-26-9611FG, Air National Guard of the United States.

Col. Karl K. Kramer, 284-30-8720FG, Air National Guard of the United States.

Col. Darrell V. Manning, 519-30-7079FG, Air National Guard of the United States.

Col. Paul N. Maxwell, 516-32-2739FG, Air National Guard of the United States.

Col. Pere W. Saltzgiver, 034-24-2060FG, Air National Guard of the United States.

Col. Richard A. Stich, 503-28-6779FG, Air National Guard of the United States.

Col. Stewart W. Timmerman, 118-24-2991FG, Air National Guard of the United States.

Col. Milton H. Towne, 539-22-1029FG, Air National Guard of the United States.

In the Navy

The following-named U.S. Naval Reserve officer, to be appointed permanent captain in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Anderson, Chase Dee

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Aikins, Lance Tipton
Allen, Alphonse Alvin
Aniuk, Leonard Anthony, Jr.
Baird, Donald Raymond, II
Balthrop, Clyde B.
Bartholomew, Rodger Veryl
Barton, Thomas Edward
Baxter, John Wayne
Bayne, Edward Michael
Bednash, Charles Franci
Belcher, Frank Lee
Bergamini, John Paul
Bishop, Cecil Dean, Jr.
Bledsoe, Robert M.
Bothwell, Vernon Eldon, Jr.
Bradbury, Leigh William
Brandenburg, Steven Lee
Brock, Donald Fred

Brooks, Robert Ellsworth, Jr.
Brown, Donald Lee
Browne, Robert Sloman, IV
Butler, Dean Esmond
Buttry, Jimmy E.
Carlson, Frederick Ralph
Carlson, Richard John
Carney, Edward Raymond, Jr.
Carr, James Charles
Clark, John Timothy
Clarke, Rudolph F.
Cochran, Daniel Walter, III
Collins, Robert Theodore
Collins, Steven Edward
Corser, Jack A.
Costello, Barry M.
Coyle, Duane
Crawford, John Michael
Crews, Jesse Edwin
Crowder, Donald Gene
Crowley, Timothy Edward
Dalrymple, Douglas Lee
Danner, Raymond Erwin
Day, Arlene Brennan
Delazerda, Alex Joseph
Delucia, Tor Denis John
Denham, Thomas Edwin
Deutschendorf, Randy John
Dewitt, Jerry Lyndon
Dolat, Stephen William
Donahoe, Michael Stephen
Donnelly, Donnie Lea
Dryden, John Aurel Gordon, Jr.
Duncan, John Ross
Ebeling, Edward Joseph
Eggimann, William Craig
Erickson, James Howard
Erickson, Richard Royce
Erwin, Harold Glenn
Fischer, Wayne Douglas
Fitzhenry, Jane M.
Fong, Chester Kwock Mun
Foster, William Larry
Garcia, Marcial Edward
Garrett, William Lee
Garrison, Powell Dunbar, III
Garrison, Robert Lee
Gentner, Robert Nicholas, Jr.
Gohd, Robin Scott
Graham, Gerold W.
Graning, George Tucker
Gummer, Steven Gene
Hallmark, Richard Gary
Hansell, David Alan
Hardie, Bradley Stephen
Harnish, John M., Jr.
Harrell, Ronald Reid, Jr.
Harris, Richard Grayson
Hasselbeck, Michael David
Hazel, Milton Ellsworth
Healey, John Francis
Heeren, Craig Jerome
Heffley, John Michael
Henning, Peter John
Hibbeler, Kenneth Stewart
Hines, Bradley Robert
Hockenhull, Herbert Gene
Hoffman, Louis Albert, Jr.
Holmes, Duane Edward
Horning, Joel Ralph, Jr.
Howard, Karroll Lynn
Hunt, Geoffrey Craig
Hunter, William Barnard
Imhof, Lynn Anthony
Ingram, Darryl Wilson
Jackson, Frederick Paul
Johnson, Barry David
Johnson, Richard Flernoy
Johnson, Ronald Keith
Jones, Albert M.
Jones, Granville Paul
Jones, Jon Michael
Jonkers, Cornelis Lee
Kandalec, Donald Joseph
Karawanny, Victor
Kircher, Hartmann Joseph, IV
Kling, Richard Jack
Knichel, Raymond James
Krueger, Pamela Ann
Kulczynski, Rick Edmund
Laird, Stephanie C.
Lawrence, Marilyn T.
LeBlanc, Michael
Lee, Charles Edward
Legidakes, Dean J.
Leighty, Melinda Jean
Lindsey, Thomas Watson
Lipsmeyer, William M.
Little, Keene Hillis
Littrell, James Ross
Litzenberger, Ronald Will
Lloyd, John William
Looney, John Thomas
Lynch, Johnny Ray
MacConkey, Donald F.
Marsh, Louis Francis
Martin, Frederick Herbert, Jr.
Massey, Robert Clyde
Mastenbrook, Ted E.
Matsuo, Ryan Kiyomi
Maxwell, Ray Quinn
Mazurkiewicz, John
McCollough, Norman David
McDonough, William James, Jr.
McLaughlin, Richard Keith
McNabb, Fredrick Morris
Mechling, Andrew D.
Merritt, Morgan Ashley
Messerschmidt, James A.
Miller, John Harper, Jr.
Molino, James Vincent
Montesano, Frank William
Moore, Thomas Vincent
Morgan, Darrell Gene
Morris, John Lloyd
Moss, Kenyon Lynn
Mott, Robert Delmar
Murphy, Leo Francis
Murray, Jimmie Austin
Murray, Rodrick Dean
Odell, Carlton Edwin, Jr.
Olson, Thomas Francis
Orr, Bonnie Anne
Osmon, Richard Steven
Owens, Philip Allan
Palkie, James Sahlman
Pech, David Joseph
Perl, Scott
Petersen, Paul D.
Phillips, Henry
Pinney, Thomas Edward
Plower, Thomas Joseph
Poodiack, James Anthony
Potopsingh, Flavius Constant
Pulaski, Nicholas Mark Mossm
Purnell, Helen Lucille
Rachko, Katherine
Raftery, James Joseph, II
Ringler, Thomas Jay
Rodman, Stanley R.
Rose, Frank John
Rose, Howard Thomas
Rosenthal, Mark Stuart
Roszel, Stephen S., VII
Rudio, Arthur Garcia
Scher, Phillip John, Jr.
Schmauder, Dale Jack
Schneider, Jeffrey Allan
Seywert, Scott Allan
Shaw, John Edward
Shribbs, Reginald Henry
Silvanic, Edward William
Sinnott, Michael Edward
Smith, William Harold
Southworth, Richard E.
Staggs, Gary M.
Stdenis, Thomas George
Stirling, Bruce R.
Stubbs, John Christopher
Sullivan, Christopher Paul
Surbridge, Thomas Bond
Swanton, Michael Timothy
Taliaferro, Stephen Gene
Taylor, Howard C.D.
Thompson, Thomas Petree
Toggenburger, Jack Francis
Tomazic, Rocco G.
Tritt, Gregory Eugene
Trotter, Wilton Brooks
Trudeau, Barry W.
Turner, Kent Dorell
Tuttle, Roy Edward
Twardziak, Anthony John, Jr.
Vanbelle, Bruce Thomas
Veitch, Kim William
Viggiano, Glenn R.
Walker, Lambert Roger, III
Waterhouse, Frederick Marion
Watson, John Anthony
Webber, Charles Ferguson
Weller, Clifford Francis
Wepplo, John Henry
Wesley, William Alan
Wessling, John Joseph
West, Daniel Crawford
Westbrook, John Wayne
Weyers, Russell Eugene
Williams, Kirk Gregory
Wilson, Robert Leslie
Wilson, Ronald Jessie
Woodside, James Gilbert
Wooten, James Singleterry
Wright, Frederick Paul
Yerigan, Rand Gordon
Zignego, Douglas James

The following-named U.S. Naval Reserve Officers, to be appointed permanent lieutenant in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Andrieu, Christian William
Badick, Joseph Robert
Barnhart, Richard Alan
Bartis, Richard Robert
Bolebruch, Lori Ann
Bouvet, Jean Leon Dominique
Brooks, William Lynn
Calomeni, Carolyn Ann
Campbell, Scott Eugene
Carnahan, William Grady
Carrow, Douglas Thomas
Cleveland, Ronald Mark
Cole, Jeffrey Brent
Coleman, Cranford Ronald, Jr.
Conley, Timothy Eugene
Coulombe, Peter Joseph
Craige, Kyle Martin
Culora, Thomas John
Davidson, Kenneth E., Jr.
Davis, Calvin G., Jr.
Davis, Mark William
Dealy, Daniel Scott
Demary, Scott Winfred
Dement, Janet Lynn
Demuch, Michael, Jr.
Dervay, Dana Scott
Diller, David Curtis
Doten, Glenn Emerson
Edkins, Alan C.
Ellison, Jerry Allister
Finch, Brian Goodwin
Flynn, William Francis
Ford, Alfred Daniel
Garland, Jayne Elizabeth
Gauthier, Jerry Steven
George, Mack Dale
Gordon, Bruce Allen
Graf, Virginia Barbara
Grah, Karen Elizabeth
Ham, Robert Joseph
Hansen, Michael John
Harper, Gary Thomas

Harrison, William Gerald, Jr.
Hartline, Gregory William
Harwood, William Crosby
Hasson, Michael
Heard, John Randolph
Hendrickson, Mary Ann
Higginbotham, Allen Bane, Jr.
Hile, Martin Russell
Hood, John Henry
Jarrell, Thomas Eugene
Jasitt, Lance Peter
Jenkins, Nancy Kathleen
Jimenezrojo, Jorge Ignacio
Kelley, Kenneth Patrick
Kenney, Frank McLeod, III
Kynett, Michael Smith
Laird, David Travis
Lange, Paul Thomas
Laughton, Mark Shane
Lewis, Charles Edward, Jr.
Livingston, David Marcus
Lumpkin, Rutledge Parker
Martin, Richard George
Martorelli, Joseph Walter
Mays, John B., III
McAleenan, Michael Peter
McClellan, Ronald Austin
McCombie, Bruce Howlet
McGrath, Kathleen Anne
McMillan, Lance William
McNamee, Edward Patrick, III
Miller, Craig Norman
Morgan, Gary Edward
Mullany, John Thomas
Owen, George Patrick
Raymor, Rod Daniel
Reed, James Gregson
Rosander, Jody Ann
Schmitz, Jeffrey Warren
Shelby, James Richard
Shultz, Linda K.
Smith, Alan Benjamin
Smith, Robert William
Snyder, Stanley Karl
Specht, Gary Alan
Stemmler, David Michael
Stewart, Christine Marie
Sychterz, Joseph Anthony, III
Sykes, Jonathon Robert
Tan, Roger Ariota
Toleno, Robert Paul
Topper, John Stephen
Truitt, Richard
Valerio, Bienvenido
Vanek, Mark Joseph
Vandekel, Hans Josephus
Vosloh, Thomas Blake
Wenceslao, Daniel Lathrop
Wooten, David Charles
Yarnoff, Michael Leroy
Zumbro, Brent Eldridge

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Addicott, Kirk Duane
Alexander, Townsend Griffiss
Ayers, Richard Laverne
Babuchiwski, Lynnetta Arens
Barker, David Lynn
Baus, Thomas Charles
Beem, Donald Lloyd
Beernink, Kathleen Ann
Beltz, Dwight Kevin
Bilodeau, Mindy Sue Babrove
Blakeley, Patricia Ann
Bloom, Claire Virginia
Boettger, Wayne Joseph
Bosiljevac, Timothy Lee
Bouton, David Martin
Bowles, Lee Eldon, Jr.
Bradford, Jeffery Carlton
Brandt, Steven Lewis
Bray, John Anthony
Brown, Karen Velois
Brown, Pamela Jean
Brown, Sally Ann
Browne, Jill
Buker, Martin Edward
Bunke, Frederick Michael
Burdon, John Monroe
Burger, Donald Joseph, Jr.
Bryne, Timothy Kevin
Cameron, Charles B.
Campbell, Lee Hallmark
Campbell, Marshall Fields, II
Capobianco, Antonia
Carey, Elizabeth Francis
Chalfant, Gregory Allen
Champion, Robert Anthony
Chandler, John Maddox
Chermack, George Louis, Jr.
Christianson, Julie Clare
Clark, Denise Marie
Clark, William J., Jr.
Cleveland, Terence Lee
Conrad, Alice Elaine
Contreras, Edward Adolph
Cox, Michal Ann
Crofton, Peggy Ann
Cuilik, William Patrick
Culp, Emele Perle
Cypranowski, Corinne
Dargan, Thomas J.
Davis, Stephanie Kathryn
Davis, William Douglas
Dearborn, Rebecca Dell
Delgros, Phyllis Jean
Desmarais, George Eugene
Detloff, Joseph Martin
Dionian, Michael Francis
Diverde, Charles Crowder
Donner, Linda Kay
Dornan, Randall Everett
Downing, Christine Sue
Draper, Darrel Wayne
Droy, Mark David
Dube, William Irving
Edwards, Clebern Russell
Elinson, Keith Gregg
Estill, Joe Glen
Faller, Gary Conrad
Fasciano, Robert Alan
Ferrari, Carlo Roberto
Fitzsimmons, Janette Sue
Fleet, William Don
Flowers, Kent V.
Foster, Lori Ann
Gale, Sydney Joyce
Gamble, David Graham
Garrigan, Robert Joseph
Garzone, Jill Catherine
Geny, Timothy Broughton
Germany, Karen Patricia
Gertner, Nancy Elizabeth
Gilmore, Paul Joseph
Glass, Irene Norma
Goff, Udo Ludwig
Goodnough, Bruce W.
Goodwyn, Richard Warren
Green, George Henry
Greenway, Ronald Marc
Haflich, William Bruce
Hahn, Gene Louis
Halsey, Janet Marie
Harbeson, Jeffrey
Harden, William James
Harpe, Preston Keith
Harris, Rendol Wayne
Harris, Russell Edward
Hawley, Matthew C.
Hayden, Timothy Martin
Heinselman, John David
Hilera, Leyda Josefina
Hines, Barry Lanning
Hodnett, Catherine Mary
Holmes, Barry Patrick
Holmes, Clinton Kay
Holmstrom, Erik Kenneth
Holt, David Preston
Horn, David Kenneth
Horne, Robin Marie
Hoyt, Jennith Elaine
Hume, Gordon James
Hutka, John Chappell
Hutzelman, James Harry
Huzar, Christine Elizabeth
Jackson, Walter Bryan
James, Burton William
James, Jack Barr
James, Kathleen M.
Jennings, James G.
Jones, John Kenda
Jones, Thomas McKittrick
Kadow, Mitchell Wayne
Kernan, William Alfred
Kerr, Margaret Anne
Kneipp, Nancy Virginia Colli
Kozak, Stephen Amil
Kozlowskicleverly, Keri Joyc
Kyker, Clayton Bard
Lanotte, Daniel Craig
Leach, David James
Lee, Thomas Nathan, Jr.
Leslie, Francis Robert
Littlefield, Charles Lee
Locke, Jeffrey Stuart
Lockhart, Jacqueline Jo
Loeh, Robert Lance
Lollar, Leonard Alex
Love, Terry Lee Larson
Lowe, Berkala Keith
Lowery, Charles Wayne
Lykens, Joe Dale
Lyons, Robert Allan
Margosian, Mary Ann
Martini, James Dyrell
Mays, Douglas Edward
McCallum, Kristen G.
McCarthy, Kathleen Christoph
McElroy, Thomas Christian
McGuinness, Thomas Francis J.
McKinney, John Theron, Jr.
Melnychenko, Desiree Ellen
Metz, Stephen Richard
Meyers, Robert Charles
Miavez, David James
Middleton, Richard Robert
Miller, Spencer Larry
Moench, Jon Jeffrey
Morgan, Harry Arlington, Jr.
Morris, Michael Thomas
Moss, David Scott
Moulds, Francis Norman
Mulkeen, Terrence Edward
Murdock, Gary Lee
Murphey, Kathryne Owen
Nedervold, Thomas Frederick
Nelson, James Calvin
ODonnell, Thomas S.
Olsen, Lysa Lynnaea
Pack, Geoffrey Thomas
Paulus, Pamela Ann
Pearson, William James
Peter, Lawrence Timothy
Petty, Dwight Edward
Pomozzi, James Edwin
Price, Byron Kevin
Price, Cathy Mae
Ray, William Randall
Rayburn, Karen Ann
Richter, William E.
Ricker, David
Riley, Doyle Patrick
Roach, John Phillip
Roark, Jonathan Gene
Robinson, Oliver Clinton, II
Roesner, John Jay
Ronay, Jeffrey Gerard
Ross, Paul S.
Sampson, Rita Lynn

Santoni, Carmen Olga
Saul, Linda Isabell
Sawicki, Mark Alan
Schulz, Cynthia Teresa
Scott, Rodger Forrest
Seybold, Robert Duane
Shepherd, Stephen Tracy
Sibley, Timothy John
Simmons, John Norman
Simpson, Virginia Renee
Singley, John Hazlehurst
Slay, John Alexander
Smith, Daniel Jay
Smith, John Allen
Solomon, Kenneth Neal
Southward, James David
Sparks, Dennis Allen
Stein, Roberta
Sterner, James Kenneth
Stevens, William Paul
Stickles, Duane Hamilton
Stuyvesant, Joseph
Tanner, Nancy Louise
Thomas, Daniel Patrick
Thornhill, Michael Lewis
Thorp, Howard Willian, Jr.
Tidrick, Patrick Alan
Tison, Brian Jameson
Torbik, Mary Margaret
Trimble, William Barnes
Tung, James Ming
Turner, Freda Gene
Vanness, John Douglas
Veliz, Ronald Joseph
Vellawilkinson, Camille Fran
Verville, Robert Howard
Walker, Steven Kent
Walsh, Cynthia
Ward, Michael William
Ward, Terry Allen
Weaver, John Edward, Jr.
Webber, Thomas H.
Weers, Gerald Vernon
Werkhaven, Lisa R.
Wessinger, Robert Lynn
Westra, Steven K.
Wheeler, Christy Jane
White, Cheryl Elizabeth
Wiener, Diane Lynn
Williams, Lance Richard
Williams, Roger Dean
Williamson, Edwin Ferebee
Wilson, Robert Daniel, Jr.
Winiski, Betty Jean
Winn, Thomas Michael
Wisdom, Hans Michael
Wright, David Kendall
Yates, Daniel Henry
Yates, Joanne Laura
Yeargin, Linda Tomsic

The following-named U.S. Naval Reserve officers, to be appointed permanent ensign in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Allardyce, Michael Gerald
Allegretto, Allen Eugene
Allshouse, John Norman
Bahrke, Fredric Gerard
Bartlett, Charles Spurgeon
Bartley, Jonathan Hayes
Bellio, Philip Richard
Beres, Joel Edward
Black, Thomas Marvin
Bohan, Timothy William
Bonacum, Douglas Martin
Bostic, Ronald Gene
Bowen, Barton Richard
Bragg, Roderic Charles
Brannan, David Lewis
Braudaway, Brian Wynne
Brown, Richard Logan
Burleson, Scott Forrest
Caccivio, John David, Jr.
Calcote, Roy Keith
Carper, Eric James
Carter, Robert James
Case, Scott Cameron
Chiffer, John Matthew
Chong, Philip Gee Lit
Cline, Robert Ben, III
Coady, Timothy Denis
Crane, Randall Morgan
Cunnings, John Benedict
Cupp, Keith Brian
Custer, Kent Frederic
Davito, Steven Peter
Decusatis, Gerard Casimir
Dembek, Stephen
Doty, Charles John
Douglas, Scott Kerry
Eacker, Joel Andrew
Ekker, David Anthony
Flanagan, Kevin Francis
Flattery, Paul Charles, Jr.
Gavin, Brian Andrew
Gill, Kerrie Gene, Jr.
Gillingham, David Ross
Hadden, Mark John
Hafner, Gregory George
Hammond, John Matthew
Hernon, Robert Vincent
Herr, Timothy Andrew
Hill, Timothy Thomas
Hilton, Nicholas Dale
Holdener, James Francis
Holmes, Douglas Ray
Hurban, Robert Arthur
Jimenez, David
Johnson, Walter Royle, III
Jones, Jay Todd
Kahl, John Beatty
Karlovich, David Nicholas
Kedersha, Albert George
Kendall, Thomas Conly
Ksiazek, Paul Edward
Lacy, Newton Thomas
Leonard, Michael James
Limm, Charles Christian
Loewen, Eric Paul
Long, Jeffrey Carlton
Luther, Frank Edwin
Madden, Joseph Edward
McConnel, Thomas James
McCutchen, Michael Debary
McNally, Patrick Owen
Mickelson, Joel Peder
Mohney, Michael Allan
Molchany, Jacob Edward
Morris, Richard Leon
Murray, William Scott
Nappi, Steven
Noble, Richard Earl
Norris, Brent Kirk
Oakes, William Earl
O'Connor, Christopher Lauwers
O'Rourke, Ronald Eugene
Park, Paul Yonghoon
Parris, Michael Charles
Peters, Gary Alan
Porter, Bradley Allen
Poulin, David Daniel
Prothero, Craig Timothy
Prymak, William John
Randorf, Jeffrey Allen
Recchione, Christopher Micha
Rubey, Sidney Ives
Sexton, Paul Michael
Sileo, Joseph Anthony
Smits, Theodore Vernon
Smyers, Carl Dennis, Jr.
Spellman, John Laurance
Steinbronn, Jeffrey Paul
Stevens, Jeffrey L.
Stevens, Paul Tracy
Strauss, Gary Steven
Stuart, Geoffrey Thomas
Taormina, Ernest J.
Thompson, Randall Gregg
Torrey, Kenneth James
Viveiros, George Francis, III
Wasmund, John Dennis
Whiteman, Philip Stephen, II
Willard, Randolph James
Yi, Dong Joo
Zylkuski, Gene Victor

The following-named U.S. Naval Reserve officers, to be appointed permanent captain in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Connor, Thomas Martin
Luiken, George Anthony
Martin, Alfred J.
Reinhart, Charles Marsha

The following-named U.S. Naval Reserve officers, to be appointed permanent commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Alfert, Harold Joseph
Allen, James W., Jr.
Anderson, Edwin M.
Ello, Florencio V.
Gambone, Joseph C.
Harley, Earl Herberto
Mack, Gregory Robert
Schwartz, Henry J.C.
Webster, John Seabury
Zumrick, John Lawrence

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 521:

Ahrens, Robert M., Jr.
Alexander, Charlottee E.
Alexander, James Thomas
Allport, Edgar Lamb
Andersen, Arne Jerome
Anderson, Steven Ray
Anderson, Thomas Gordon
Andersonprotzel, Cris J.
Andrews, David Roger
Arndt, Carola A. S.
Ascarelli, Marian Hullm
Atencio, Yvonne R.
Baldwin, Vincent
Barber, Francis A., Jr.
Barrett, Terry L.
Baxter, Ric A.
Beaman, John Malcom
Bean, Terrell W.
Beebe, Lucius C.
Beier, Karl Martin
Bennett, Joshua H.
Bergfield, Thomas G.
Biller, Deborah J. M.
Boatman, Gwendolyn A.
Boice, Douglas Brittin
Boone, Lynn A. P.
Bosshardt, Richard T.
Bright, Mark Timothy
Brodine, Stephanie Kay
Brower, Richard A.
Brown, Carlton Q.
Brown, James A.
Brown, William Andrew
Bryant, Harold V., Jr.
Buchta, Kathryn Slomins
Buck, Janet Harriet
Bundens, David A.
Butler, Frank K., Jr.
Cagle, William D.
Cannon, Bruce Wayne
Carey, Benjamin Arthur
Carter, Thomas M.
Caruthers, John M.
Cason, Frederick D., Jr.
Catchings, Timothy
Catenacci, Alfred R.
Chin, Robert Jr.
Christensen, John Neal

Cianfione, Alexander
Collins, William T., Jr.
Keeley, Joseph J.
Kent, Harold L.
Reeves, William A.
Reid, Doris Annette

Woods, Edward Lawson
Dunmire, Jeffrey Scott
Civil Engineer Corps of the U.S. Navy, pur-

Cianflone, Alexander
Collins, William T., Jr.
Colopy, Paul M.
Coots, Lawrence Ernest
Corcoran, Kathleen M.
Corrall, Carmen J., II
Coyle, Joseph P.
Crane, Jeffrey M.
Crane, Richard T.
Crider, Steven Reid
Crowder, Claxton Lee
Cueva, Mary Carolina
Daly, John W.
Daniels, Gary M.
Davenport, Nicholas A.
Davis, Bruce C.
Donaghy, John Joseph, Jr.
Donovan, John P.
Downey, Earl C., Jr.
Duckworth, Garrett W., Jr.
Duran, Michael J.
Eckenhoff, Roderic Geor
Edmondson, John S.
Edmundson, Marsha Ann O.
Eisold, John F.
Elliott, Allen Shipp
Ellis, Clarence Vincent
Ellis, Herman Martin
Ellis, Vivian Elizabeth
Ellsworth, Richard K.
Erikson, Nills S.
Evans, Kurt J.
Fairfax, Michael James
Farr, Robert W.
Feicht, Charles M., Jr.
Fernandezobregon, Adolf
Finton, Chris K.
Fisher, Winfield Stitt
French, Terry, Marshall
Furman, Jeffrey William
Furman, Richard L.
Garst, Paul Dimitre
Gerson, Leon L.
Goldsworthy, Vernon P.
Good, Nancy Ellen
Gormsen, David Lake
Gould, James Robert
Grams, Marilyn F.
Griffin, Richard
Guay, Paul F.
Guigelaar, James A.
Guzley, Gregory J.
Hall, Priscilla Deane
Halley, James Alfred
Halloran, Daniel R.
Hammer, Donald Frank
Hanes, Ernest C.
Hannay, Keith E.
Hardy, Michael Paul
Hayes, Francis Martin
Hayne, Charles Weston
Healey, Kathleen Mary
Heindel, Donald Joseph
Held, Arthur Christian
Helms, Lee T.
Helvey, William C.
Henderson, Rex Arthur
Hibbs, Richard G., Jr.
Hinkson, Montgomery
Hinson, James Ernest
Holbrook, David L.
Horn, Connie S.
Jackson, Leroy Thomas
Jeffers, Gregory Allen
Jeffries, Richard R.
Jenks, James E.
Johnson, Alan Richard
Johnson, Robert R.
Jones, Dan M.
Jones, David Douglas
Jones, Frederick D., Sr.
Jones, Janara J.
Jones, Warren Allen
Kaluza, Charles Leo
Keeley, Joseph J.
Kent, Harold L.
Kidd, Elizabeth M.
King, John W., Jr.
Kistler, Ernest L., III
Krafft, Rudolph Michael
Krahl, Pamela G.
Laguerre, Max Sylvestre
Landaker, Stephen D.
Larson, Charles Adrianu
Laskin, William Bradlyn
Lee, Kenneth M. H.
Lesko, Ronald Michael
Lester, Randolph C.
Lewis, Donald Wray
Lichter, Lisa Marie
Lillich, Randall K.
Little, Wayne Francis
Liverman, Steven B.
Lombardo, Christopher P.
Long, Ursula Schneider
Lord, Jonathan T.
Louie, Eric Kuowei
Luce, Rhonda F.
Luck, Thomas W.
Lundgrin, Daryl Brent
Lundy, Eugene
Madden, Michael Allan
Mahoney, Michael D.
Malixi, Edwin Camacho
Malone, John D.
Mann, Douglas Gordon
Marciano, Benedict J.
Marks, Charles Wesley
Marks, Gregory Allen
Martin, James Peter
Massimiano, Paul S.
Mathis, William F.
Matos, Emilia
Matthews, Joseph G., II
Mayer, Stephan A.
McAdams, Stephen A.
McClelland, Scott R.
McDonald, Wilbur E.
McGowan, David G.
McClellan, David Curtis
Megois, Lee S.
Meyers, Peter K.
Miller, Charles D.
Miller, David M.
Minckcounihan, Colleen
Mooney, Jerome E., Jr.
Moore, Gregory Lynn
Morrison, James P.
Morrison, Vicki Ann
Mortensen, Charles E.
Mosley, Elizabeth A. G.
Moudree, Marcia K.
Murphy, Kevin J.
Murray, Kevin M.
Musher, Jeremy Seth
Negron, Roberto
Nelson, Gerald E.
Nelson, Kenneth J.
Newcomer, John A.
Nishida, Dennis Douglas
Nowlan, Guy Jean
O'Brien, John G.
Olson, Patrick E.
Opsahl, Michael Scott
Orlando, Ralph P.
Paleologo, Fred Peter
Papadimos, Thomas J.
Pasciak, Robert Marion
Pemberton, Jackson O., Jr.
Peppler, Michael D.
Perlman, David Weil
Piper, Gordon J.
Pistone, Frank J., Jr.
Potter, Henry Gilbert
Prophete, Robert Yves
Raczek, Stanley W.
Redd, Joe W.
Reddy, Barbara Carmel
Reeves, William A.
Reid, Doris Annette
Reilly, Paul Jaye
Reynolds, David N.
Richards, Theodore D.
Ricketts, Jeffrey Mark
Rittelmeyer, James T.
Robertson, Susan E.
Robinson, Warren L., Jr.
Robison, Wendell Jesse
Romano, George C.
Rosa, Louis, III
Rosenstock, Joel
Ruckman, Arthur L.
Rutherford, Susan E.
Rysdam, Richard Lee
Sageman, Marc Samuel
Sameshima, Steven Saige
Sammons, James H., Jr.
Scherokman, Barbara J.
Schubert, Ronald L.
Schultz, Robert Gwynn
Schwindt, Mary Lina
Shannon, Francis L.
Shega, John F.
Sheldon, Mark E.
Sheppard, John D., Jr.
Sherman, Michael R.
Short, Harold K.
Shurley, William R., III
Silverberg, Michael S.
Simms, Patricia C.
Sirna, Charles T.
Skelton, Henry G., III
Sloderbeck, James D.
Smith, Carl V.
Smith, David Lawrence
Smith, Kenneth Dale
Smith, Leslie S.
Smith, Ruben L.
Sottile, Frank D.
Sowell, James Richard
Spiegel, David Anton
Stahr, Richard Fredrick
Standre, Kenneth Allen
Stark, Thomas Wheeler
Stegman, Joseph C.
Strauss, Mark Dana
Sturgis, James Lewis
Talley, James D.
Tate, Alfred F.
Taylor, Charles D.
Taylor, Larry D.
Tedesco, Joseph M.
Terbush, James W.
Tesar, Charles B.
Thomas, Douglas C., Jr.
Thomas, John R.
Thomasson, Joseph R., Jr.
Tipler, Bradley M.
Tontz, William L.
Tucci, James M.
Turk, Kyong Tae
Waack, Matthew W.
Waecker, Norman J., Jr.
Wallace, Arnold Doyle
Wallace, Richard B.
Walter, Authur Lee
Warlick, Steven Russell
Watts, David R.
Webb, Douglas H.
Whalen, Barbara Kathlee
Whalen, Timothy Earl
Whiddon, Scott M.
Whittington, Richard
Wibking, Ronald K.
Wiedmeier, Susan Elizab
Wilcox, Nora Barrett
Wilhite, Charles E.
Wilson, Terrence Scott
Winters, Charles, Jr.
Wolov, Robert Bruce
Wood, Walter H., II
Woodall, Gilbert E., Jr.

Woods, Edward Lawson
Zullo, Mark D.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Baehr, George Robert
Bazemore, Webster Carly
Campbell, Edward S.
Dainer, Roger Daniel
Devantier, Wayne Roger
Duprey, Patricia A.
Fornadley, John A.
Kerr, Anna Rebecca
Kozel, Margaret Keavey
Kozel, Randy Bruce
McQuaide, Joseph Michae
Millard, Frederick Edwa
Muramatsu, Marc S.
Murray, Nancy Bolger
Rickman, Leland Saul
Scott, Brett Andrew
Smith, David J.
Storey, James R.
Thomas, Ronald L.
Tiedt, Douglas Lawrence
Vanbuecken, Kent
Watson, Timothy Baldwin
Wilson, Marion E.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Boren, Kenneth Wayne
Pankratz, William Niel

The following-named regular officers to be reappointed permanent lieutenant in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(B):

Harms, Gerard Richard
Higgins, David Alan

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Baxter, William Ferebee
Cuskey, Jeffrey Robert
Deasy, Edward John, II
Dove, Earl Eugene, Jr.
Harp, David Madison
Nelson, Randall Dwight
Small, Chris William
Zarou, Maher Mirshed

The following-named regular officers to be reappointed permanent Lieutenant (Junior Grade) in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(b):

Dunn, Bernard D.
Kurtz, Virginia Randolph
Limjoco, Roberto Alicante
Ruehlin, Walter David

The following-named U.S. Naval Reserve officers, to be appointed permanent Lieutenant (Junior Grade) in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Abbott, Beverly A.
Allen, Michael Dewitt
Batt, Gary Thomas
Bialas, Brian Henry
Bretz, Robert James, Jr.
Broadwater, David Glenn
Bulak, Richard Henry
Burgelin, Robert Paul
Byrns, Herbert Frank, III
Callan, Thomas Joseph
Coloma, Benedicto Librado
Dabbs, Donna Fay
Dalrymple, Barbara Jo
Davis, Harry Wayne
Dunmire, Jeffrey Scott
Dunn, Robert Joseph, III
Eades, Douglas Roy
Erler, Joseph Anthony
Evans, Jack Leroy
Foote, Marcus Gene
Fouts, Jimmie Ray
Fox, Randy Lynn
Geary, John Joseph, Jr.
Gerhardt, Mark Kenneth
Gildersleeve, Cory Ward
Gutcher, Bradley Glen
Helsel, Leslie Robert
Hildreth, Kevin Scott
Hughes, Raymond Eugene
Jacobs, Robert Lawrence
Jones, Keith Anthony
Joseph, Robin Alan
Kessler, Edgar Franklin, III
Klenzman, Mark Gene
Lancaster, Richard Reed
Lanoue, Darryl Brent
Loftus, Brion William
Lubich, Matthew William
Magsombol, Anacleto Magsombo
Maher, Kevin J.
Mahoney, David Michael
Majka, Joseph Stanley, Jr.
McCosh, Alan Ray
Mills, William Jarvis
Munson, William Sanders
Navarro, George Castillo
Noe, Clifford Dixon, Jr.
O'Rourke, Maureen Ann
Pereira, Michael Joseph
Pottinger, Scott M.
Richardson, Dale Avery
Ruano, Benmer Dumlao
Sanfelice, John Donald
Scanlon, Michael John
Schowalter, Ann Bernadette
Schroer, Jeffrey Thomas
Seidel, Robert Jon
Stack, David Alan
Staggs, Carl Stephen
Standrowicz, Stephen Leo
Stupe, William Edwin
Sweeney, Edward J.
Tedin, Winston Carroll
Webb, Brian Alan
Westhoven, Stephen Douglas
Wheeler, Craig Sanders
Wheelock, Kevin Ray
Whiteman, Theodore Lynn, Jr.
Wiechelt, Thomas Frederick
Wilson, Eric Giles
Wilson, Richard Lincoln
Young, Milo Roy

The following-named regular officer to be reappointed permanent ensign in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(B):

Ishikawa, Tomoko

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Chaplain Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Gates, Richard Ralph
Gunderlach, David Paul
Kurbis, Daniel L.
Miller, Glenn Ithamar
Scott, Lloyd Elmer, Jr.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Fessler, John Anthony
Fosdick, Michael Rheu
Henderson, Gary Ray
Steimer, Robert Bruce

The following-named regular officers to be reappointed permanent lieutenant in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(B):

Killinger, Scott L. Miller
Charles, Clifton, III

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Allan, Thomas Pierre
Baumgartner, Nancy Ann
Cole, Arthur Norman
Dreelin, Dennis Felthaus
Gemender, Mark Benedict
Hilferty, Thomas John
Hipp, Mark Richard
O'Neil, Francis B., Jr.
Pete, Robert Rogers
Ray, James Loyed
Schrader, Dennis R.
Serafini, Lawrence George
Zink, John Walter

The following-named regular officers to be reappointed permanent lieutenant (junior grade) in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(B):

Conley, Roger Kevin
Gerner, James Paul
Manley, Gerald R.
Schillinger, Harold NMN
Steele, James Jeffrey

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Jones, James A.
Lueth, Kenneth Andrew

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Dental Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Antus, James Joseph
Archer, Richard Douglas
Arrow, Michael Arthur
Bailey, Stephen W.
Baker, Sharon Kay
Beim, Michael Allen
Black, Sherrie L.
Buck, John Stephen
Doll, Bruce Alfred
Eckenberg, Robert Norma
Enders, Allen Ray
Fields, Robert Powell
French, John Thomas
Fuentes, Francisco
Garrett, Gene Howard, Jr.
Grassmyer, Richard Mich
Halverson, Bradley Alan
Hamilton, Paul Miller
Hobbs, David Lynn
Kassab, Edward Cliffe
Kiernan, Loyd Julian, II
Kincer, Todd Candler
Leary, Terrance Christo
Martin, Steven Joseph
McAllister, James Berna
McKeever, Bradley Georg
Moran, Alice Poley
Morando, Gregory
Morrison, Robert Filmor
Paul, Brian Francis
Powell, Robert Steven
Rannin, Bruce Alan
Rusz, Joseph Edward, Jr.
Scholtz, Michael Lee
Shaw, Thomas Gabriel
Siemiaszko, William John
Smith, James Alan
Stanovich, James F.
Synnott, Scott Arthur

White Cecil, Jr.

The following-named U.S. Naval Reserve officer, to be appointed permanent lieutenant commander in the Medical Service Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Derrer, Douglas Scott

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Medical Service Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Bennett, Brad Lee
Booher, Lindsay Edward
Brooks, Marcel William
Colligan, Susan Carol
Compton, Joseph Reid
Connors, Jeannie Lee
Connors, Robert Edward
Deaton, John Earl
Devine, Ronald James
Dian, Duane Michael
Fairbanks, Michael Kenn
Gladding, Connie Ann
Gorsuch, Gregory Mark
Grosso, Alex James, Jr.
Hall, Gregory Eugene
Jewett, John Michael
Kellogg, Robert Michael
Kidder, Herman C.
Kuchar, Vaneesa Jo
Lane, Teresa Ann
Larcom, Barbara Jean
Lund, Paul White
Matthews, Robert Allan
Mittelman, Michael Howa
Need, James Terkeurst
Nelson, Robert Randall
Osborne, James Howard
Pattison, Michael Duane
Poblete, Richardo Quimzo
Rawls, Gregorie Matthew
Resen, John Kimber
Robinson, Steven Ernest
Siegel, Brian S.
Slater, Randall Alvah
Styer, David Jacob, Sr
Thompson, Timothy Edward
Tinling, Walter William
Valentin, Eleanor Vivia
Wyatt, Harris Thomas
Zoeller, Lawrence Lelan

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the Medical Service Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Boman, Mark Oliver
Boufford, John Roger
Edmondson, Robert Paul
Geiger, Daniel
George, Dennis Keith
Little, Franklin Arthur
Miller, David Brent
Mittacarcavallo, Diana
O'Malley, Donald Marc
Padula, Robert Michael
Pokorski, Thomas Lee
Schneid, Thomas Steven
Stokes, Steven Allen
Tempesco, John Walter

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Nurse Corps of the U.S. Navy pursuant to title 10, United States Code, section 531:

Galloway, Sherry Dee
Harayda, Eileen M.
Johnson, Janice Carolyn
Maxon, Mary Louise
Meuser, Shelagh Thomas
Puksta, Nancy Ann
Schulte, Linda Ann
Vaiana, Doris Ann

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Nurse Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Arellano, Sergio Eliseo
Backman, Mary Paul
Bohuss, Stephen Michael
Cherry, John William
Christensen, Soren
Conahey, Nora Ellen
Dominique, Karen Louise
Engesser, Robert Mayes
Godfrey, Rosalind Sloan
Hand, Walter R., Jr.
Hanks, Amy Lea
Hargraves, Andrea Marsha
Hartwell, Vathrice Hami
Herrold, Susan Blythe
Hoover, Laurie Jean R
Joyce, Kathleen Elizabeth
Kauffroath, Dwight David
Knutson, Susan Marie
Lauer, Denise Reilly
Lege, Fred C.
London, Linda Kay
Lytle, Elizabeth Ellen
McCloskey, Judith Ann
Morones, Carol Jeanne
Noggle, Vanessa Anne
Ott, Judith Anne
Page, Karen Lynne
Robison, Maryjane Myles
Rutkowski, Mark Edward
Ryan, Martha Jean
Silvia, Anne E.
Skupski, Frances Ruth
St. John, Denise Elaine
Ulaszek, Deborah Lynn
Ulbright, Stephen Michael
Vega, Eli Samuel
Whitaker, Lynn Nora

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the Nurse Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Bagley, Charles Wilson
Bowman, Earmon Wayne
Chahl, Maria Elena
Davidson, Gerald Allen
Goggin, Chester William
Harms, Nancy Lynn
Kunkel, John Robert
Peterson, Bruce Michael
Rubalcava, Ricardo
Stennett, Charles Randa
Ulses, Teresa Anne
Wright, Mary Joyce

The following-named temporary limited duty officer, to be appointed permanent lieutenant in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589(A):

Wheat, Gary Ray

The following-named temporary chief warrant officers, to be appointed permanent chief warrant officers (CWO3) in the U.S. Navy, pursuant to title 10, United States Code, section 555:

Bearden, Alvin Eugene
Crosby, Renferd Adolph, Jr.
Fulgham, Donald Ray
Lewin, Antonie Roy
Seater, Thomas E.
West, Spencer T., Jr.

The following-named temporary chief warrant officers, to be appointed permanent chief warrant officers (CWO2) in the U.S. Navy, pursuant to title 10, United States Code, section 555:

Frampton, Charles Horton
Lake, Jack Frank

CONFIRMATION

Executive nomination confirmed by the Senate May 20, 1985:

DEPARTMENT OF JUSTICE

D. Lowell Jensen, of Virginia, to be Deputy Attorney General.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

CUOMO COMMENTS ON BISHOPS' LETTER ON ECONOMY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LaFALCE. Mr. Speaker, on April 16, 1985, the Honorable Mario M. Cuomo, Governor of New York, received an honorary degree from St. Peter's College, Jersey City, NJ. He addressed the students, faculty, and friends of the college on that occasion. His talk, " 'In Praise of Folly' the Bishops' Draft Pastoral and Its Critics: Some Observations," has, in his words, "* * * jolted all of us out of some easy assumptions about our national economic life and forced us to look beyond our relative security and ease."

I call this to the attention of my colleagues, in the hope that the Governor's comments may be helpful, independent of political, or religious beliefs.

The text of his talk follows:

"IN PRAISE OF FOLLY" THE BISHOPS' DRAFT PASTORAL AND ITS CRITICS: SOME OBSERVATIONS

Thank you for the honor you've bestowed on me today.

It's always a privilege to be awarded an honorary degree but it's especially so when it comes from an institution like St. Peter's, an institution under that remarkable group of teachers and scholars, the Society of Jesus.

I was educated by another superb order, the Vincentians. But the Vincentians often spoke to us about the Jesuits.

I remember one old Vincentian in particular, Father Murphy, who told us about a cousin of his who'd been educated at St. John's and then went to study with the Jesuits and teach at Fordham.

Father Murphy used to shake his head mournfully when he talked about his cousin. "Yes," he'd say, "my cousin was educated at St. John's. But then he left the church * * * and joined the Jesuits."

Father Murphy notwithstanding, "I've always stood in awe of the learning and intelligence and dedication of Loyola's followers, especially their skills as orators and debaters.

As a matter of fact, when Father Glynn extended his invitation to me to be a part of this series here at St. Peter's, I mentioned it to a Jesuit friend of mine.

I asked this Jesuit for some tips on how to frame my remarks.

"Mario," he said, "just remember the secret of a typical Jesuit speech—make it tight, polished, eloquent, humorous, persuasive: Deliver it with pose and assurance and conviction * * * and be sure it's totally devoid of facts."

As well as being honored to be here at St. Peter's, I'm also delighted to be in Jersey City.

Ed Flynn, the onetime Democratic leader of the Bronx, once described Jersey City's fame this way: "Jersey City is to politics," Flynn said, "What Rome is to religion."

The fact is that the analogy Ed Flynn used in comparing Rome and Jersey City had its own germ of truth. The political machines of Jersey City and New York and Boston and Albany—of America's old industrial cities—had a lot in common with the church in those days.

They were both predominantly immigrant institutions.

Both the party ranks and what used to be called the church militant enlisted good soldiers—men and women of unquestioning loyalty to an organization—be it the party or the church—that was always there when they needed it. That protected them and made sure they always had a job and enough to eat, that baptized them and taught them and married them and ordained them and sent them to their eternal rest.

Their leaders possessed great power.

In the party, never wrong.

In the church, they were infallible.

A lot has changed. First in politics and then—especially in the time since Vatican II—in the church.

It's harder today, I think, to be a bishop or a politician. Both appear to have lost the old power to command blind obedience.

Nobody knows that better than archbishop Weakland and his fellow bishops after seeing the reaction of some of their flock to the first draft of their pastoral letter on the U.S. economy.

The public response to that draft reminds me of a story I heard some time ago from a priest in Queens. It concerns the namesake of this college, St. Peter, the leader of the Apostles and the first Pope.

It seems that on the morning of Easter, Mary Magdalene came running up to Peter, and flushed with excitement, she said, "Peter, I have tremendous news, only it comes in two parts—good news and bad news."

"Okay," Peter said, "First give me the good news."

"We've been to the Lord's tomb, Peter. He's not there. He's risen from the dead and appeared to us on the road."

"Hallelujah!" Peter said. "But what's the bad news?"

"The bad news is he wants to talk to you about Friday."

Well, there's good news and bad news about the bishops' pastoral on the American economy.

The good news is that the bishops' draft has not been ignored. It's being dissected and analyzed and discussed in journals and in forums like this one all over the country.

It has jolted all of us out of some easy assumptions about our national economic life and forced us to look beyond our own relative security and ease.

At a time when selfishness is being sanctified as a prerequisite for economic progress, when compassion is being derided as weakness and the doctrines of Malthus are far more popular than those of St. Francis, the bishops remind us of the special obligation to the poor that we take on when we describe ourselves as Catholics.

It's not good enough, they're telling us, to let the practice of our faith remain nothing more than ritual and romance. We have an obligation to bring what we believe to bear on the mundane activities of our day-to-day lives, a duty not just to put up with the world but to live in it, to love it, to re-create it.

The bishops have reminded us of the truth that the great Jesuit Teilhard de Chardin stressed so magnificently in his wonderful book "The Divine Milieu," which he dedicated to "Those who love the world."

They have called us to God's work in this bleeding, broken, imperfect world of ours, reminded us that our faith doesn't end at the communion rail, that it must extend into the mean streets of Jersey City and New York and Chicago—anywhere where our brothers and sisters go without work or enough to eat, some without even a roof over their heads.

If they did nothing else in their letter, this alone should earn our gratitude * * * that they reminded us of what it means to be a Christian.

That's the good news.

The bad news is that instead of the emerging consensus among Catholics the bishops had hoped for, there's been a chorus of castigation condemning some of what they have written.

Even before the bishop's draft was released, a group of Catholic lay men and women, who call themselves political conservatives, issued their own letter on the economy.

The lay letter was offered as a refutation of what the bishops wrote. And yet the two letters agreed on a number of major predicates.

They agreed on the moral dimension of our national economic life.

As I pointed out in an article I wrote for America, both documents agree that the state, the free market, trade—the ingredients of economic activity—exist to serve the people, not the other way around.

Both praise unions.

Both look on the profit motive as a central element in economic development.

Both insist on the Catholic principle of subsidiarity, on strengthening the family. On empowering the poor.

Both reject the "trickle-down" theory of economic development.

Despite this agreement, much of the criticism of the bishops' draft by individual members of the lay commission might lead a disinterested observer to believe that there is no agreement among Catholics about economics or about the economy's bearing on the social problems we all admit exist.

An article recently written by former Secretary of the Treasury William Simon, who was chairman of the group that issued the lay letter, is illustrative.

The article, entitled "The Bishops' Folly," appeared in National Review, a journal whose editor—William Buckley, Jr.—in a memorable act of dissent, once wrote that Pope John XXII's encyclical Mater et Magistra was—in his words—" "a venture in triviality."

William Simon continues the tradition.

Consider for a moment what he labels "The Bishops' Folly."

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Simon says the bishops make a "gigantic

to the question or practical political policies.

Nothing in Bill Simon's words—or in the

Simon says the bishops make a "gigantic leap * * * from the time-honored social teaching of the church to the conclusion that our American economic system is in conflict with what the bishops believe to be morally acceptable."

I don't think there's any doubt that a broad condemnation of our entire traditional economic system as "morally unacceptable" would be widely rejected by Catholics, many of whom have benefited immensely from that economic system.

I'd be among them.

So would millions of other people like myself whose parents came to this country because it offered opportunity and hope, because it gave them the chance to work and by working to give their children opportunities they never had themselves—the chance to go to schools like St. Peter's or St. John's, to become doctors, and lawyers and professors, to take their place among the leaders of industry of Government or any field of endeavor they chose.

Millions of us think of our economic system as the key to our prosperity and are grateful * * * and supportive.

But the fact is Simon has created a strawman—they're usually much easier opponents.

The bishops never anathematized our entire economic system as immoral.

Their language is strong. There's no question about that, but nowhere do they issue a wholesale condemnation of the free-enterprise economic system.

They point out forcefully, in a way unlikely to be ignored, that there are still many—millions in fact—who do not share the benefits our economy provides most of us. Nine million more poor people than there were just four years ago. More homeless than at any time since the Great Depression. More hungry. More children doomed from birth to a world of poverty and violence and social pathology.

The lay commission does not deny this.

Can any of us deny it?

Can we look around this city—or any city—and deny what we see? Can we ignore the reality that confronts us in newspapers and on T.V., in our hospitals and prisons and streets? Can we refuse to accept the fact that grinding poverty exists side-by-side with great affluence?

And if we don't deny it, can we excuse ourselves from trying to improve the system by dismissing such efforts as impractical * * * as folly?

Is it not a legitimate moral concern when, in the wealthiest country in the history of the universe, millions of people—mostly children and their mothers—subsist on the crumbs from our table?

Of course, it is. Of course, the bishops are right in pointing out the failures of the system. They are doing nothing more than applying and building upon the entire modern tradition of Catholic social teaching.

We should be accurate about that tradition. It makes clear what my philosophy teacher at St. John's used to call the desideratum—that is, the essential body of objectives that we as Catholics should be striving to reach. But it does not oblige us under the pain of sin to accept any particular recipe for economic reform as the only intelligent or moral solution.

On economics as on nuclear weapons and on other questions, Catholics are not bound to accept every detail of pastoral letters, or even encyclicals. Particularly when the bishops move beyond the dictates of moral law to the question or practical political policies, there is room for differences of opinion and honest debate.

In this draft, the bishops are careful to emphasize that point, repeatedly.

In one place they write this: "The effectiveness of our prudential judgments in this area will depend not only on the moral force of our principles but also on the empirical accuracy of our information and our assumptions."

For that reason, they also write: "We expect and welcome debate on these proposals and believe it will be beneficial if it is conducted with mutual respect."

Unfortunately, in much of the debate so far mutual respect has been a scarce commodity.

Again, look at the William Simon article. In it, he questions not only the bishops' conclusions but their very capacity to speak at all, pointing out in a formidable display of snideness that the five bishops have graduate degrees, respectively, in canon law, modern languages, philosophy, divinity, and piano.

This is a little like saying that we shouldn't take the new testament too seriously because instead of being written by theologians, it was written by fishermen, a tax collector, a doctor and a tent maker.

By this logic, the bishops would presumably be prevented from speaking about abortion because they aren't women nor physicians; or about the nuclear arms race because they're neither physicists nor generals.

And they're not the only ones who'd be restricted. Earlier this month, myself and the legislative leaders in New York agreed on a 39 billion dollar budget. Not many of us have college degrees in economics.

The point, I think, is clear.

If we must leave the economy to the economists, then there aren't going to be many people in the debate.

There are other criticisms, many of them accusing the bishops of ignoring history and embracing the so-called "failed policies of the past," accusing them of believing that Government can help improve the condition of people's lives, that we don't have to leave the least among us to the mercies of a free market.

But if anyone is ignorant of the past, it's those critics who fail to acknowledge the reasons for the success of the American economy.

That success didn't just happen. It wasn't inevitable. It wasn't just the happy result of rugged individualism. It wasn't even produced solely by the concededly heroic efforts of the waves of immigrants who pushed back the wilderness, who bridged the rivers and raised the skyscrapers, who earned their success with their sweat—sometimes with their blood.

Government had a role. An important one. From the very beginning, Government acted to make life better for our people. It provided land for homesteaders, for railroads, for private colleges.

In my lifetime, and in Bill Simon's, Government helped bring our Nation out of a shattering depression. Eventually, it provided us with unemployment insurance, health care, Social Security, loans for colleges, for homes, for businesses. Government helped an entire generation—people like myself—lift themselves to comfort and even affluence.

And it did more. It broke down the walls of legal segregation that made us two nations, separate and unequal. It helped make our society freer, fairer, more just.

Nothing in Bill Simon's words—or in the Gospel of Orthodox supply siders—can obscure this simple historic truth.

And without suggesting that we must replicate exactly every program tried in the past, isn't it just commonsense to recognize the great contribution Government made—and can still make—to the future of this country?

The bishops do.

So far, I've mentioned only the criticism that says the bishops went too far, that they were too radical. But there's been criticism as well from the other side, criticism that they don't go far enough.

Father Andrew Greeley has taken the bishops to task on a half dozen of their concrete suggestions. He does not wish, he writes, to "be identified with the nervous neighings of such critics as neocapitalist Michael Novak," the vice chairman of the lay commission. But in calling the draft "little more than a rehash of the party-line liberal, conventional wisdom of five to fifteen years ago," Greeley seems to agree with Novak and with William Simon.

His most fundamental objection, however, is that the pastoral is not Catholic enough, not radical enough because it ignores what he calls "the centralization of monopoly power in American industry."

"A critic sensitized to the classic Catholic Social theory," Greeley says, "Would writhe in horror at the mergers, acquisitions and corporation buyouts that have become a commonplace of American business life and that are devoid of social utility. * * *"

In education and Government, too, Father Greeley sees gross violations of the principle of subsidiarity. The result is bureaucracies that are unable to respond to the root causes of unemployment and poverty.

Because the pastoral does not address this most fundamental problem of the American economy, it is, in Greeley's words, "an inept and inadequate document."

To be honest, I have my own reservations about parts of the draft pastoral.

While I agree with the bishops that national eligibility standards for welfare and a national minimum benefit level are desirable, I don't believe they are achievable—at least not while the Federal deficit is running at $200 billion a year.

Along with the bishops, I believe Government has a role in putting people to work. But the bishops focus almost exclusively on public-sector jobs. I think we have to concentrate on investments that train people to work in the private sector.

We simply can't build a growing economy on the public-sector payroll.

I also don't see what's wrong with requiring able-bodied people who are on welfare to work or to train for a job. Wherever possible, the object of our public assistance programs should be to equip people with the skills they need to stand on their own.

Despite these reservations, I cannot agree with William Simon when he says that the bishops' thrust is that "a free economic system cannot be compatible with Christian doctrine," nor with Father Greeley when he calls the draft "inept and inadequate."

This document might not contain the neo conservative economic orthodoxy that Simon would like, nor a sweeping, radical plan for the achievement of an "organic society," which Greeley sees as a proper goal of Catholic Social teaching. It might, in part, be impractical from the perspective of Governors like myself who have to build broad consensus before we get our budgets passed.

There are honest disagreements with particulars, and all the criticisms should be carefully examined and evaluated.

I believe they will be; the bishops never claimed to have received stone tablets from Mount Sinai.

But none of the considerable disagreement about what the bishops call their "policy applications" should draw attention away from the enormous contribution the document makes by advancing a single proposition that I believe is unarguably right and should remain the basis for any amendments.

The proposition is this: There is more poverty—more economic suffering—in this country than there has to be. We shouldn't resign ourselves, the bishops are telling us, to so-called "iron laws" of economics that would confirm a few in their riches and condemn millions of others to ghettos and unemployment offices and welfare lines.

Remove all the particulars and there's one central theme of the pastoral—the preferential option for the poor.

At bottom, that's the important contribution this document can make. It tells us that it's not possible to call yourself Catholic and ignore the poor, that a preferential option for the rich, no matter how respectable it might become in our society, is simply not reconcilable with Catholic tradition.

It's important to keep that idea in the forefront.

And if the bishops' practical "policy applications" distract people from that central thought, then perhaps it would be wise, as several commentators have suggested, to issue the final version as two separate documents, one containing biblical and theological foundations, the other offering policy applications.

In such a format, the document might eventually have greater pastoral impact.

It might convince more of us—students and politicians and economists and employers and the whole enormous and influential body of Catholic lay and clerical men and women—to recall the obligations our faith imposes on us.

We should be grateful to the bishops for reminding us of that obligation. We should understand how important it is for those of us fortunate enough to live in "a shining city on a hill" to remember that ours is really "a tale of two cities."

* * * * *

The bishops aren't asking that we seek perfection. They know the imperfection that is built into our human natures. They don't propose a collectivist society along Marxist lines or even along the lines described in the reading last Sunday from the Acts of the Apostles, where, we're told, "no one said that any of the things he possessed was his own, but they had everything in common."

The bishops aren't looking for the road to Utopia. They aren't asking us to write the beatitudes into our legislative agendas or our political platforms.

They know the poor we will have with us always. But they believe the poor don't have to be with us in quite the number they are now, with those numbers growing every year.

The bishops believe we can come closer—much closer—millions of lives closer—to the desideratum, as long as we continue to remember what the desideratum is.

They speak to all Americans but especially to those of us who call ourselves Catholics. They challenge us to help the country of which we are so proudly a part to find better ways to express the compassion that is at the heart of our heritage.

They ask us not to lower our aspirations. Not to accept as fate what we once believed it was in our power to change.

The pastoral calls us to God's work in this world. It testifies prophetically to the great good that we are capable of as a people, to our own part in the unfolding of the work of creation.

It is hopeful, uplifting, confident about our potential for doing good.

The vision it embodies is an ancient one.

The prophets saw it. And the apostles.

Generations of believers have struggled to bring it closer to our world, "to renew the face of the earth" through justice and mercy and love.

But perhaps no one has described that vision as magnificently as Teilhard. "The day will come," he wrote, "When after harnessing the ether, the winds, the tides, gravitation, we shall harness for God the energies of love. And on that day, for the second time in the history of the world, man will have discovered fire."

The bishops ask us to work toward that day.

Thank you.●

SIXTH ANNUAL SPRING PREMIERE AWARDS BANQUET HONORS OUTSTANDING JOHNSTOWN AREA CITIZENS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MURTHA. Mr. Speaker, it has been my pleasure to enter into the CONGRESSIONAL RECORD the annual list of organizations and individuals honored by the Black United Service Clubs of Johnstown.

The Sixth Annual Spring Premiere Awards Banquet will take place this year on May 26. This banquet has become an annual hallmark in recognizing citizens and organizations who have contributed to improving economic and social living conditions in the Johnstown area, promoting the human spirit, and adding to our national effort toward racial harmony.

The strength of America rests not with its Government, but with the spirit and dedication of its people, and with the American traditions that make us the greatest Nation in the world.

These are individuals who in their own way, with their own commitment and their personal efforts contribute to the great American tradition, and it is a pleasure to insert the following names to recognize the individuals being honored at this year's awards banquet.

LIST OF BLACK CHURCHES AND PASTORS

Pleasant Hill Baptist Church, Rev. Andrew W. Tilly, D.D.

Mt. Sinai Baptist Church, Rev. Joseph Harkless.

St. James Missionary Baptist Church, Rev. Dr. A.K. Surrett.

Jefferson Memorial F.B. Church. Rev. Joseph McGauley, M.G.

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Pilgrim Church of God and Christ, Elder Crawford Spence.

Shiloh Baptist Church, Rev. Wylie Seals.

Cambria A.M.E. Zion Church, Rev. Edward Hill, M. Div.

Trinity Asbury United Methodist Church, Rev. Ronald Spence.

Bethel A.M.E. Church, Rev. Wallace J. Dickey.

Undenominational House of God, The Right Reverend Charlie March.

LIST OF BLACK ORGANIZATIONS

Conemaugh Valley Lodge No. 10, F.&A.M., P.H.A., Rev. Charlie March, Worshipful Master.

The Johnstown Branch NAACP, Thomas Smith, Jr., President.

Coke Plant Auxiliary, Mary Thomas, President.

First Cambria A.M.E. Zion Church, Modern Wives Club, Norma Sitton, President.

Flood City Lodge No. 71, I.B.P.O.E. of W., David Simms, Exhalted Ruler.

VFW, James Triplin, Commander.

Cambria Lodge No. 64 A.F.&A.M., Robert Goodman, Worshipful Master.

Greater Johnstown Affirmative Action Council, Allen P. Andrews, Executive Director.

Conemaugh Chapter No. 55, O.E.S., P.H.A., Pam Nash, Worthy Matron.

Conemaugh-Franklin Coke Plant Club, Edgar Thomas, President.

NAACP Women's Auxiliary, Dorothy Thomas, President.

Golden Star Chapter No. 79, O.E.S. A.F.&A.M., Helen Moore, Worthy Matron.

Mecca Temple No. 294, I.B.P.O.E. of W., Charlene Carr, Daughter Ruler.

Golden Leaf Club, Charles Simon, President.

NAACP Youth Council, Sandra Cashaw, Youth Advisor.●

THE TRACKLESS TANGLE OF INFLATION AT THE PENTAGON

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. ASPIN. Mr. Speaker, last week, I pointed out that the defense budget is not just a collection of defense issues—weapons, end strengths, operating tempos; it is also packed with economic issues—economic assumptions, economic policies, economic consequences.

Last week, I discussed how the Pentagon's spending rates had slowed. This week, I would like to explore another economic issue lurking in the defense budget. I would like to discuss today how the Defense Department has accommodated inflation—or, more accurately, how over 4 years we have appropriated some $18 billion, and perhaps as much as $50 billion, to accommodate inflation that never materialized.

HOW INFLATION IS CALCULATED

I must first explain how the Pentagon estimates the funds it seeks each year to offset inflation in the budget it submits to the Congress.

Every Government agency has to fold the administration's forecast of future inflation into its budget numbers, but the way the Pentagon does that is unique; it uses four different rates for four discrete segments of its budget.

First, for its military and civilian payrolls, which account for about one-third of the defense budget, the inflation estimate is simple. It's just the pay increase in that year's budget. Every pay raise is simply assumed to be the result of inflation.

Second, for major weapon systems, the planes, ships, tanks, and missiles that account for about one-quarter of the defense budget, the Pentagon since 1983 has multiplied the inflation rate estimated in the President's budget for the entire economy by 1.3. Thus, the administration provides for 30 percent more inflation in its major weapons than it expects in the economy as a whole.

Third, for most of the rest of the budget, such as operations and maintenance, research and development, and "other" procurement, accounting for about 40 percent of the total defense budget, the Pentagon uses the projected economywide inflation rate—with no multiplier.

Fourth, for purchases of fuel, the Pentagon uses a special index devised some years ago solely for fuel.

PROBLEMS WITH THE CALCULATION

There are two problems with these calculations. One is the projection of the economywide inflation rate, and the other is the unique multiplier used by the Defense Department for one-quarter of its budget.

Obviously, a key factor is what the administration assumes the economywide inflation rate will be. The budget is printed 8 months before the fiscal year begins and 20 months before the fiscal year ends—before we know what the inflation rate actually is. The lengthy and involved budget process is actually well under way more than 3 years before the fiscal year ends. If the projections are off by only a tenth or two of a point, it doesn't matter too much. But, unfortunately, that has not been the history of our inflation projections.

Most projections contain errors that tend to offset one another over time. The estimates may be too low in some years and too high in others, but these errors should cancel one another out in large measure. That has not been the history of these projections either, however.

As it turns out, the Reagan administration's projected inflation rates have been consistently higher than the actual rates in every year—and by a lot more than a tenth of a point or two.

FIGURE 1.—ECONOMY-WIDE INFLATION

[In percent]

	Fiscal year 1982	Fiscal year 1983	Fiscal year 1984	Fiscal year 1985
Forecast [1]	8.7	6.5	5.3	4.9
Actual	7.2	3.9	3.8	[2] 3.6
Error	+1.5	+2.6	+1.5	+1.3

[1] As shown in the President's budget submission for the indicated fiscal year.

[2] Latest projection for fiscal year 1985, which is now half-finished.

As figure 1 shows, the administration has consistently overestimated inflation by a substantial amount—averaging about 1.7 percentage points. That's not small potatoes; 1.7 percent of the Defense budget is now about $5 billion annually, and the errors compound with time.

But this is by no means the only source of error. The decision to apply a multiplier for major weapon programs beginning in 1983 may have been well-intentioned, but the 1.3 figure could be right only by sheer luck. It's not that it was plucked out of thin air or chosen simply as a sneaky way to pad the budget. The decision to use the 1.3 multiplier was based on recent history at that time. The actual inflation rate for weapon systems—as calculated by the Department of Commerce, not the Department of Defense—had run about 40 percent above the actual economywide inflation from 1979 through 1981.

Furthermore, since 1981, inflation in weapon systems has risen even higher than 1.3 times the economywide inflation rate—apparently confirming the decision to use some multiplier, if not 1.3.

What is the problem then?

The problem is painfully obvious if you look at figure 2, which shows the history of actual inflation in major weapons compared to actual inflation in the economy as a whole. The ratio hasn't just plugged along at 1.3; it's been all over the lot—from a high of plus 4.5 to a low of minus 1.8. And it's hard to demonstrate that plus 1.3 is even a reasonable average because it all depends on when you start counting. If you happen to start in 1965—or any year between 1971 and 1975—and end with 1984—our last actual data—you do indeed get the 1.3 figure. But if you start in some other year, you can get any figure you want between 1.1 and 2.1, except 1.8.

But even if there were some valid long-term average, using it to estimate how much to allow for inflation would inevitably—except by sheer accident—give you the wrong answer for any particular year because the actual ratio jumps around so much. Thus, it's virtually certain that we've allowed the wrong amount for inflation most years.

Looking at the actual numbers, it looks as if the 1.3 multiplier has been too low for the past 4 years. But because the projections of inflation in the economy as whole—as shown in figure 1—have been too high, the two errors have combined to put us roughly on target—by dumb luck.

Even that may not be right, however, because the actual inflation numbers for weapons are off. The calculation suffers from double-counting, which stems from the difficulty in distinguishing between the effects of inflation and the effects of production rates and learning curves. Let me explain.

FIGURE 2.—*Ratio of Major Weapons, Inflation to Economy-wide Inflation*

1946	1.04
1947	.28
1948	2.24
1949	2.94
1950	3.29
1951	1.51
1952	.03
1953	−.35
1954	−1.23
1955	4.47
1956	.78
1957	2.32
1958	.04
1959	−.67
1960	−.95
1961	1.73
1962	−.07
1963	−1.81
1964	1.13
1965	.61
1966	2.78
1967	1.94
1968	1.39
1969	.62
1970	.73
1971	.94
1972	.93
1973	1.09
1974	1.17
1975	1.12
1976	1.00
1977	1.12
1978	1.04
1979	1.03
1980	1.33
1981	1.16
1982	1.99
1983	2.23
1984	1.87

Source: Department of Defense. (DOD provides more conservative inflation rates than did the Commerce Department's earlier study that is referred to in the text.)

Take production rates: If a company is to build half as many aircraft this year as the year before, the unit cost will rise as the same burden of overhead costs is piled on half as many aircraft. Of course, the opposite occurs when production accelerates.

As for the other factor, learning curves, when a company switches from building an old aircraft to building a new one, production workers who had gradually learned over the years how to build the old aircraft efficiently have to start the learning process all over again, and costs rise. On the other hand, of course, costs will fall in later years of production.

The analysts of defense inflation at the Department of Commerce ruled that costs resulting from production

cutbacks and from the starting end of the learning curve were inflation. The hooker is that when a production run is slowed down or a new production line opened, more money is routinely pumped into the budget to account for the higher per-unit costs. In other words, we are providing the money needed to cover higher unit costs twice—once through the 1.3 multiplier, and again through the Pentagon budget process. It's double-counting.

Of course, if there have been few new starts, there would be little double-counting. Conventional wisdom holds that the Reagan administration has introduced few new weapon systems and simply accelerated the production of weapons already in the Carter program. It is true that the Reagan program is essentially an acceleration of the Carter program. But the Carter program contained a horde of weapons in R&D that entered production in the early 1980's. In fact, in the Reagan years, more than one-third of all the money going into major weapons is going to produce the first 200 copies of those weapons. In other words, one-third of the money is going into programs on the low end of the learning curve—precisely where the double-counting problem is serious.

THE SCALE OF THE ERROR

The amount of money the 1.3 multiplier swings around can be staggering. For example, if the 30-percent add-on is all double-counting, then from fiscal year 1983 through fiscal year 1985, we have appropriated an unnecessary $30 billion for major weapons. Whether that immense figure is right or not, we cannot be sure. But we can be sure that with that much money at stake, we simply have to have a much better way of coping with inflation.

As for the nonpay and non-major-weapons account—the third item I referred to at the beginning—the amount of overfunding is much clearer. If we had projected inflation accurately for the period of fiscal year 1982 through fiscal year 1985, the appropriations for those accounts should have been $18.2 billion lower—5 percent of the total.

We're talking about needless appropriations totaling no less than $18 billion, and possibly on the order of $50 billion. That's astounding in two respects: It's astounding that we should be so uncertain about how we throw the taxpayers' money around, and its astounding how much money is involved.

These sums dwarf the $7.7 billion that the President says we could save by terminating 18 Federal programs, including Amtrak support, the Job Corps, the Small Business Administration, postal subsidies, rural electrification, Urban Development Action grants, among others.

They dwarf the $5.6 billion we could save by eliminating Social Security COLA's.

They dwarf the $8.2 billion we would save by eliminating all Federal COLA's.

To paraphrase the late Senator Everett Dirksen, this is real money we're talking about.

WHERE HAS THE DIVIDEND GONE?

All of this leaves one very large and very obvious question remaining to be answered: Where's all that money gone?

I can't give you all the answers. I can't give you a bank account number. I can't point to Caspar Weinberger's mattress. But in rummaging through the various Pentagon data banks, I have come up with some circumstantial evidence pointing to some possible rocks under which the inflation dividend may be hidden. Four rocks, to be precise.

The first rock is what the green-eye-shade types call "unexpended balances." That is the money Congress has appropriated for the Defense Department that the Defense Department has not actually spent. Since 1983, the Pentagon has consistently been unable to spend its appropriated funds as fast as it has said it would. The total backlog of "unobligated" balances—that is, appropriations the Pentagon has not only not spent, but not even put under contract—doubled from 1981 to 1984. The volume of expiring appropiations—that is, appropriations that die because the Pentagon has not put the funds under contract within the legally allowable period—quadrupled from 1981 to 1984.

The second rock is the defense industry. There are indications that defense contractors have benefited because more money than was needed to cover inflation was available for their programs. If a contractor is paid moneys for inflation that never occurs, those moneys should logically show up as higher profits. The profit records for major defense contractors listed in figure 3 indicated that the defense industry is now enjoying a bonanza of profits.

As the table shows, only 1 of the 10 has seen its profit margin fall since 1981, while 6 of the 10 recorded their highest profit margins in 15 years during 1984.

FIGURE 3.—RETURN ON SALES OF 10 LARGEST PUBLICLY OWNED DEFENSE CONTRACTORS (ACCOUNTING FOR 34 PERCENT OF 1984 CONTRACT AWARDS)

[In percent]

Contractors	1981	1984	Highest year 1970–83
McDonnell Douglas	2.4	3.4	3.9
Rockwell International	4.1	5.6	4.8
General Dynamics	2.5	4.9	4.1
Lockheed	3.0	4.2	4.0
Boeing	4.8	7.6	6.4
General Electric	6.1	8.2	7.6
United Technologies	3.3	4.0	3.7
Raytheon	5.7	5.7	5.8
Litton Industries	6.3	6.0	6.9
Grumman	1.1	4.2	5.0
Average return	3.9	5.4	5.2

The third rock is reprogramming; that is, the transfers of money between Pentagon programs. If the services enjoy an excess of cash, it is reasonable that they would shift that money from the programs where it is excess to other programs—for example, to develop new concepts now in the research stage, or to fund more field operations. Over the last few years, about $2.3 billion has been transferred out of major weapon programs and into other programs, particularly research and development, and operations and maintenance.

The fourth rock is right here on Capitol Hill. Part of the money that the Pentagon included to cover inflation was later deleted in the authorization and appropriation processes. Each year we look for funds previously appropriated but no longer needed.

WHAT'S TO BE DONE ABOUT IT?

So far, I've talked about the problems of calculating inflation, estimated the general scale of the resulting errors in dollars terms, and looked over some of the evidence—admittedly circumstantial, not conclusive—as to where those vast and vanishing sums may have ended up. The remaining question is what we should do about this in the future.

One alternative is to abolish the use of any multipliers, and require the Defense Department to stick with the economywide inflation rate forecast in the President's budget. That makes some sense because, first, the multiplier counts some inflation already accounted for in the budget process, and second, in the long run, defense inflation averages out close to economywide inflation. I acknowledge, however, that from a Pentagon planner's standpoint, "the long run" does not help him cover the cost of buying 1,000 gizmos next year if the inflation rate on gizmos next year is substantially higher than the economywide rate.

From the standpoint of immediate policy, it looks as if the current defense buildup is leveling off and that, as history demonstrates in figure 2, the immediate future should see major weapons inflation running lower than the economywide rate. Therefore, it would make sense, not only from the standpoint of congressional budget cutters, but also from the standpoint of defense budget planners, to eliminate the mutiliplier, and possibly even to use a negative multiplier—that is, to give the Defense Department only 60 percent or 70 percent or 80 percent of the projected economywide inflation.

The problem with these ideas is that they still rely on guesswork about future inflation. Instead of an endless, hopeless quest for the right multiplier, instead of the inevitable imperfections in predicting inflation in the economy as a whole, instead of the trackless tangle of searching for missing money, we could move to an entirely different system that doesn't rely on guesswork.

So another alternative could be abolition of all allowances for predicted inflation. Instead, each contract for a major weapon could incorporate an explicit formula for offseting whatever inflation actually occurred in the preceding year. That formula might be based on some market basket of raw materials, wage rates in relevant sectors of the economy, energy price indexes—the Consumer Price Index, or whatever. But it would be an explicit and unarguable calculation whose ground rules would be understood in advance. Indeed, some weapon contracts already incorporate such formulas.

Then we could set up a revolving fund from which those payments would be drawn to compensate contractors for actual, rather than predicted, inflation.

All this would result in two very important improvements:

First, the inevitable errors in predicting inflation would result only in bookkeeping adjustments, not multibillion-dollar errors in appropriations; and

Second, all the funds paid out to offset inflation could be accounted for down to the last penny; how much was paid, when, and to what contractors for what weapon. No more trackless tangle of vast and vanishing funds.

This is not a new idea. For example, several years ago, we set up a foreign currency revolving fund. In years when the German mark soared, the services had taken a beating because they lacked enough funds to buy their needs on the German market. Conversely, when the dollar soared, the services enjoyed an unplanned dividend and had cash to blow. We resolved that problem with the foreign currency fund.

Unfortunately, such a solution for the 40 percent of the budget comprising operations and maintenance, research and development, and "other" procurement seems more problematical. With major weapon system contracts, it's easy to build explicit formulas for calculating payments to offset inflation. But it doesn't look quite as easy with these other accounts.

If we could predict inflation correctly, the current system would be fine, but we can't, and it isn't—to the same tune of that $18 billion to $50 billion. The future remains unpredictable—fortunately, for the spice of life, if not for the efficiency of budgeting. Let me point out here that I do not think, and am not suggesting, that the Reagan administration has used politically tinged projections. An early goal of the Reagan administration was to achieve drastic reductions in inflation. If there was any pressure to finagle the inflation projections, in this administration the pressure was to err on the side of optimism and produce very low projections. It is a sign of the administration's unexpected success that it did a far better job of lowering inflation that it ever promised the public.

It seems to me that what we need here is some system for making ex post facto adjustments in the Pentagon's budget accounts. When our estimates of future inflation turn out to be wrong—and they will turn out to be wrong—we need some credible and verifiable way to correct those past errors. Finding such a system might be quite a challenge, but we'd better find one since the taxpayers of this country have had enough—and more than enough—of sloppy management.

CONCLUSION

I do not want to pretend that the information I have laid out here today is all there is to know about this subject. I don't have all the answers. But the point I want to make crystal-clear is that there is something wrong with the way we handle inflation in the defense budget today.

It is wrong when the Pentagon can enjoy a secret dividend, regardless of whether it is $5 billion or $50 billion. It is also wrong when projections of inflation are erroneously low and the services are forced to cut corners—grounding aircraft to save fuel, shuffling accounts desperately, wasting energy by devoting efforts not to programs but to making numbers look right on a page.

I am not suggesting there has been any wrongdoing on the part of the Pentagon. I am not launching any vendetta against Secretary Weinberger. In fact, I have written the Defense Secretary outlining the statistics and the concerns I have expressed here today, and asked him to help me and the Committee on Armed Services sort out the facts, to locate more precisely the rocks under which the dividend is hidden, and to work with me in developing a rational and, I hope, permanent system for coping with the reality of inflation that all of us—in the executive and the legislative branches—can live with.●

A PRAGMATIC WORKFARE REQUIREMENT

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. SHUMWAY. Mr. Speaker, I have always been a strong advocate of the "workfare" concept because of my belief that society is better off when able-bodied people are productive. In fact, the complaint espoused by some workfare detractors that exchanging services for welfare benefits punishes people for being poor is sheer nonsense. Nonetheless, I also recognize that mandatory work programs can be impractical to implement, expensive to operate, and morally wrong if they are not intelligently structured and enthusiastically administered. For this reason, I have introduced legislation that targets a mandatory AFDC workfare requirement to primary wage earners in two-parent families only.

This narrow remedy will reaffirm the work ethic in general, enhance individual client's self-esteem and/or improve job skills through training, bring about a corresponding reduction in long-term welfare dependency, provide useful services that State and local governments could not otherwise pay for, help to restore public confidence in the safety net, establish the parent as a working role model for children, and promote the original purpose of AFDC which was to strengthen families.

This proposal will not apply to families headed by single parents, usually young mothers, who should not be forced to choose between working and leaving children at home to care for themselves—or in expensive and sometimes inadequate child care facilities. After all, Congress should certainly not encourage policies that would probably create more "latch key" children, unsupervised kids who all too often become juvenile delinquents and truants. In addition, finding meaningful temporary jobs for single parents is no easy task.

Again, the measure I am introducing limits the workfare requirement to those States which provide AFDC-U coverage to families where both parents are present. The primary breadwinners in these families generally have prior work experience and are likely to detest reliance upon the public dole. This existing sense of dignity and attachment to the labor force, combined with the relative scarcity of two-parent AFDC-U families, will make this effort more manageable, and thus attractive, to those charged with workfare program supervision.

Failure of the head of household to participate in the program will not unfairly eliminate the family's AFDC grant, though compliance will be encouraged by excluding nonparticipants from the family's actual grant calculation. Furthermore, job placements must meet the protections presently contained in section 409(a) of the Social Security Act as well as applicable health and safety standards. Programs will not displace current workers. As provided by current law, States would retain their right to establish broader workfare requirements if they so desired.

I encourage my colleagues to support this narrowly crafted workfare initiative, a responsible approach that has proven its efficacy in various State demonstrations.

The text of the bill follows:

H.R. 2549

A bill to amend title IV of the Social Security Act to provide that States which provide aid to dependent children of unemployed parents must require the unemployed parent to participate in a community work experience program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 407(b)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(E) that the parent described in paragraph (1)(A) participate in a community work experience program in accordance with section 409.".

(b) Section 409(a)(1) of such Act is amended by inserting after the first sentence the following new sentence: "If a State provides aid to dependent children of unemployed parents in accordance with section 407, such State must establish a community work experience program in accordance with this section for, at a minimum, those unemployed parents described in section 407(b)(1)(A).".

SEC. 2. (a) Except as provided in subsection (b), the amendments made by the first section of this Act shall be effective with respect to payments under part A of title IV of the Social Security Act for calendar quarters beginning more than 180 days after the date of the enactment of this Act.

(b) In the case of a State plan approved under part A of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by the first section of this Act, the State plan shall not be regarded as failing to comply with the requirements of such part solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.●

MAKE ALTERNATIVE WORK SCHEDULES PERMANENT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MATSUI. Mr. Speaker, today I rise to voice my strong support for H.R. 1534, which would permanently reauthorize the Federal Employees Flexible and Compressed Work Schedules Act.

The use of both flexible and compressed work schedules have been a boon to the Federal worker, the Federal Government and the taxpayer. Employees, being better able to control their time and plan their personal lives, spend their workday bothered by fewer distractions. This encourages a better employee attitude and a better working environment. Families are able to spend more time together at home. Flexible and compressed work schedules prevent the tragedies that can befall latchkey children. Parents can coordinate their schedules to allow one to be at home before children leave for school and the other to be home at the end of the school day.

Personal errands, which often seem to conflict with job requirements or reduce an employee's annual leave, are much less cause for concern. Car repairs, banking, doctor's appointments and the like can be taken care of on a day off by workers on a compressed schedule, or before the beginning or at the end of the day by workers on a flexible schedule.

Some flexible schedules are designed to allow workers a grace period at the beginning of the day. The employee who is detained at home or caught in traffic is allowed to make up that time at the end of the day. The grace period serves to preserve leave time for the employee, decreases tardiness and assures the Government a full day of work from each worker.

AWS was initiated as an experimental program in 1978. While potential benefits seemed clear, Members overriding concern was whether the primary mission of the Government, providing service to the American public, would be compromised. The Office of Personnel Management has monitored these effects of the program. Three years later, their results indicated that properly managed AWS programs threaten neither management prerogatives nor the taxpayers' right to superior service.

By 1982, when the program was scheduled to expire, extensive inquiry showed that the AWS was a success. Over 325,000 workers in 1,500 organizations were using some form of flexible schedule; 30 to 35 percent of the organizations involved felt the use of AWS had increased productivity within their organizations; 50 to 60 percent felt there had been no change in productivity. This compares with only 10 percent which felt there had been a decrease in efficiency. In light of this overwhelmingly favorable evidence in support of AWS, the Congress in 1982 extended authority through 1985.

AWS has on occasion met with problems, but almost all of these problems have been remedied. For instance, when management lacked the authority to terminate inefficient schedules Congress granted management the additional authority to ensure that AWS could not negatively affect Government's ability to do the people's business. Now, if an agency feels that a particular schedule will have negative consequences on agency operations or expenditures, but reaches an impasse in negotiations with the exclusive representative, the issue will be decided by the Federal Service Impasses Panel. The burden is on the agency to prove their case. Should a situation arise where a schedule already in place is found to cause problems, the agency is given the limited right to reopen the agreement to terminate that one schedule. Again, if an impasse is reached, the final decision is made by the Panel.

According to information released by the GAO this compromise has proven effective.

The AWS Program is clearly beneficial to the workers using it, to their agencies, who have more productive workers, and in turn to the American taxpayers, who are getting better service for their tax dollars. I urge the House to give its approval to the permanent reauthorization of this important program.●

SUPPORT FOR THE NICARAGUAN TRADE EMBARGO

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. McEWEN. Mr. Speaker, I would like to bring to your attention, Resolution No. 85-470, passed by the city of Miami Commission expressing their strong support for the trade embargo against the Government of Nicaragua. Their support and implementation of this embargo is to be commended and I would, therefore, like to share this resolution with my colleagues.

The resolution follows:

RESOLUTION No. 85-470

A resolution expressing full support of the trade embargo against the Government of Nicaragua imposed by President Reagan; requesting that the Dade County Commission adopt strict measures in enforcing the trade embargo at the Miami International Airport and the Port of Miami; declaring as persona non grata all representatives arriving in the city from the Sandinista government of Nicaragua and all representatives of commercial enterprises who contribute to the strengthening of said Sandinista government; further directing the city clerk to send a copy of this resolution to President Reagan, Vice President Bush, all Members of the United States Congress and all members of the Dade County Commission.

Be it resolved by the Commission of the City of Miami, Florida:

Section 1. The City Commission hereby expresses its full support of the trade embargo against the Government of Nicaragua imposed by President Reagan.

Section 2. The Dade County Commission is hereby requested to adopt strict measures in enforcing the Trade Embargo at the Miami International Airport and the Port of Miami.

Section 3. Representatives arriving in the City of Miami from the Sandinista Government of Nicaragua and all representatives of commercial enterprises who contribute to the strengthening of said Sandinista government are hereby declared persona non grata.

Section 4. The City Clerk is hereby directed to send a copy of this resolution to President Reagan, Vice President Bush, all Members of the United States Congress and all members of the Dade County Commission.

Passed and adopted this 9th day of May, 1985.

MAURICE A. FERRE,
Mayor.

Attest:

RALPH G. ONGIE,
City Clerk.

Prepared and approved by:

ROBERT F. CLARK,
Chief Deputy City Attorney.

Approved as to form and correctness:

LUCIA A. DOUGHERTY,
City Attorney.●

HONORING BRYAN CORLE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MURTHA. Mr. Speaker, on the evening of February 4, 1985, a young man in Johnstown, PA, Bryan Corle was returning home when he came across an elderly woman who had slipped on the icy ground and fallen between several parked cars.

Bryan's quick thinking, action, and willingness to assume responsibility led to quick medical attention for the woman and saving her from severe medical problems due to exposure.

Bryan's excellent leadership was honored recently when he was awarded the Medal of Merit by the National Court of Honor of the Boy Scouts of America. In addition, a group from Johnstown will join to honor Bryan on Tuesday, May 28, at the Geistown Fire Hall.

Bryan is a candidate for Eagle Scout from Troop 25. I knew that Bryan's individual effort would be of special interest to the hundreds of Members of Congress who participated in scouting themselves.

And I want to join in sending along my personal congratulations to Bryan for this outstanding effort.

UNIVERSITY OF PITTSBURGH AT
JOHNSTOWN, CATHOLIC CAMPUS
MINISTRY,
April 24, 1985.

Hon. JOHN P. MURTHA,
U.S. House of Representatives,
Washington, DC.

DEAR MR. MURTHA: I am writing to you to enlist your assistance and possible participation in the recognition of a young man from the Johnstown area. His name is Bryan Corle of 246 Beechwood Ave., Johnstown, PA 15904. Bryan is an Eagle Scout Candidate of Troop 25 sponsored by the Geistown Fire Hall. Recently, Bryan was awarded the Medal of Merit by the National Court of Honor of the Boy Scouts of America for rescuing an elderly lady and saving her from exposure and possible death. For your use, I have enclosed a photocopy of the citation from the National Court of Honor.

Mr. Murtha, we were hoping that in some way your office could recognize Bryan through some letter, momento, resolution or whatever you might deem appropriate. The award will be presented to Bryan on Tuesday May 28, 1985, at 7:30 p.m. at the Geistown Fire Hall. You are cordially invited to be present, either personally or through one of your staff.

It is the wish of the unit that this presentation be a surprise and Bryan knows nothing about at this time. We hope that you can participate and I sincerely thank you for your kind assistance.

With best wishes and regards, I remain

Sincerely yours,

REV. DAVID J. DODSON,
Chairman, Penn's Woods Council Advancement Committee.

THE MEDAL OF MERIT

For outstanding service putting into practice scout skills and ideas is awarded by the Boy Scouts of America upon the recommendation of the national court of honor on March 13, 1985, to Bryan Corle on the evening of February 4, 1985, Eagle Scout applicant Bryan Corle was returning home after visiting a friend. While enroute, he discovered an elderly lady, Mrs. Catherine Fitzpatrick, who had slipped on the icy ground and had fallen between several automobiles. When discovered, she was dizzy and incoherent. Bryan alerted a neighbor who called the ambulance. Bryan carried Mrs. Fitzpatrick safely inside and stayed with her until after the ambulance crew had left and saw her safely home. His quick action saved her from exposure.●

RENEWAL OF THE BLACK/JEWISH ALLIANCE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. RANGEL. Mr. Speaker, I am encouraged by the recent alliance formed by two prominent black and Jewish organizations in New York. The National Organization for the Advancement of Colored People and the Union of American Hebrew Congregations have launched a new partnership which will renew our common interests in the years ahead.

There is much to celebrate in the black-Jewish relationship. From the similar, historical experiences of survival through slavery and the Holocaust to sharing the frontlines of the civil rights movement have made blacks and Jews natural allies in the struggle for social justice. Recently, the African famine has, again, brought blacks and Jews together to confront moral injustices. The Israeli airlift was of special significance, not because it was the Jews of Israel helping the Jews of Ethiopia but because it was people helping people.

Demogagues will continue to emphasize the few differences among blacks and Jews, but the policies of the Reagan administration reduces these differences and makes this relationship stronger. The Bitburg visit is as callous as the retrenchment of civil rights enforcement. The common consitutent interests and goals further demonstrate the close relationship of blacks and Jews in this Congress of which I am proud to be a part.

The NAACP and the UAHC partnership is an exciting prospect—full of new hope and promise. I submit a Newsday op-ed by Mr. George Spitz, as a reflection of this important and significant relationship:

POLLS SHOW BLACK VOTERS SUPPORT JEWS

Mayor Koch's response ["The Mayor Responds to Criticism," Feb. 13] to Les Payne's critical column of Feb. 3 ["City's Deadly Atmosphere Is Edward Koch's Doing," Ideas] cites a 1978 Lou Harris poll that found "blacks tend to be more anti-Jewish than any other group" and "a higher degree of anti-Jewish prejudice among black leaders than among leaders of any other group." One wonders if Harris polled residents of the Bible Belt or Arab-Americans.

In fact, the mid-to-late 1970s provide many examples of Pro-Jewish action, or pro-Semitism, by blacks, most notably in politics, an arena familiar to Lou Harris and the mayor.

For example, Jewish candidates for the U.S. Senate, such as Ohio's Howard Metzenbaum in 1976 and Michigan's Carl Levin in 1978, are in large measure victorious over non-Jewish white candidates due to overwhelming support from black leaders and black voters. To no avail, pro-Arab advocates strongly urged black voters to reject Metzenbaum.

When a Jewish candidate, Alderman William Singer, challenged Chicago's powerful Mayor Richard Daley in the 1975 Democratic primary, he received strong backing from black leaders (reportedly even Jesse Jackson). Although a black state senator also ran, Singer's showings in black wards equaled or exceed that of Daley and the state senator and were substantially superior to his vote totals in non-Jewish white areas.

The New York State elections of 1978 furnished strong evidences of local black pro-Semitism. For example, questions were raised about then Bronx Borough President Robert Abrams' lack of courtroom experience during the Democratic attorney general primary by his non-Jewish white opponent, Judge Dolores Denman. But, early in that campaign year, the Harlem Lawyers Association offered Abrams a forum of respectability and black voters supported Abrams' run for state attorney general by a substantial majority, just as they had in 1974 (when he lost to Louis Lefkowitz in the general election) against another non-Jewish white Democratic attorney general primary opponent, Rockland County District Attorney Robert Connor.

Harrison J. Goldin had no primary opponent in his 1978 race for state comptroller, but in the November general election he faced a strong non-Jewish white candidate, Edward Regan. Although Goldin did not fare well among white non-Jewish voters, he carried black neighborhoods by substantial margins. He retained this strong black support in the 1981 Democratic primary for city comptroller when challenged by the non-Jewish white assemblyman, John Dearie.

Moreover, black pro-Semitism was an important factor in then Rep. Edward I. Koch's victories over Mario Cuomo in the 1977 run-off Democratic primary and general election. The Amsterdam News, New York City's leading black newspaper, twice endorsed Koch, who was backed by black leaders, such as Basil Paterson, Percy Sutton, Rep. Charles Rangel, David Dinkins, Carl McCall and even the mayor's current opponent, Assemb. Herman (Denny) Farrell.

This black pro-Semitism was vital, because Koch lost heavily to Cuomo in predominantly non-Jewish white, normally conservative neighborhoods in Queens, Bronx, Brooklyn and Staten Island. Astoundingly, although in the November general election Cuomo was considered more liberal than his three Jewish opponents (Koch, GOP State Sen. Roy Goodman and Conservative Barry Farber), non-Jewish white GOP-Conservatives, such as borough president candidates Thomas Galvin in Queens and Fran Biondolillo in Staten Island, openly deserted their Jewish heads of ticket to favor Cuomo, who also was the only candidate opposed to capital punishment.

The black pro-Semitism that prevails in elections around the country parallels the overwhelming support blacks in Congress, such as Rangel, have provided Israel. Indeed, blacks are the only ethnic group in Congress, including Jews themselves, to vote unanimously against shipping FS-15s and AWACS to Saudia Arabia.

According to the mayor, "anti-Semitism is a problem in the black community, just as racism is a problem in the white community." In my opinion a "problem in the black community" is its failure to obtain proper credit for a remarkable record of pro-Semitism. The mayor, once he realizes that the Harris poll does not have a sound base, might play a useful rule in dispelling once and for all the myth of black anti-Semitism by articulating the reality of black pro-Semitism.

GEORGE N. SPITZ.

Manhattan.●

VASHON HIGH SCHOOL BASKETBALL CHAMPIONS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. CLAY. Mr. Speaker, the Vashon High School basketball team has once again become the Missouri Class 4A basketball champions. This is the second State title for Vashon in the last 3 years; no other school in the State can claim such an accomplishment. On behalf of the citizens of St. Louis, I would like to take this opportunity to congratulate each member of the Vashon High School basketball team:

Hollivan Billups, Anthony Walters, Kenneth Williams, Anthony Jones, Albury Doss, Gerald Jones, Anthony Bonner, Earl Catching, Chris McDonald, Will James, Dwayne Brown, Steve Hall, Malcolm Nash, Sean Tunstall, Kenneth Simpson, Demetrius Pate, manager; Alphonso Campbell, manager; Ricardo Riley, manager, and Nicole Perkins, statistician.

And, I commend Vashon's school principal, Michael K. Thomas, athletic director James M. Ford, head coach Floyd Irons, and assistant coaches Ron Newell and Ronald Simpson, for their efforts to support and guide the players to victory. The following article, "Vashon Nips Soldan for 4A Title" (St. Louis Post-Dispatch, Mar. 10, 1985) details Vashon's winning performance.

[From St. Louis Post-Dispatch, Mar. 10, 1985]

VASHON NIPS SOLDAN FOR 4A TITLE

MISSOURI 4A BOYS: QUICKNESS, SPEED WIN PHL CIVIL WAR

(By John Sonderegger)

COLUMBIA, Mo.—The made-in-St. Louis championship game of the Missouri Class 4A high school basketball tournament was almost like a civil war.

When the last cannon had been fired and the last wound had been inflicted, the brothers of the Public High League shook hands. Their cheerleaders embraced on the Hearnes Center floor and cried like long lost friends meeting again.

When the smoke cleared, Vashon High's Wolverines were left standing Saturday with a 52–49 overtime triumph. The defeated Soldan Tigers walked slowly off the floor, glancing over at the winners, who offered thumbs-up signs to the retreating warriors of the PHL.

In the 59 years Missouri has held a high school tournament, this was the first time two PHL teams had met in the final.

And they didn't disappoint anybody.

"If you didn't get your money's worth tonight, then you're in the wrong sport," said Vashon Coach Floyd Irons.

"You should go watch the Blues' game or something."

Vashon and Soldan had roared into the final with lopsided victories in the sectionals, the quarterfinals and the semifinals.

Some called their overwhelming conquests boring.

But when they met for the title, it was anything but dull. It was a classic match of Soldan's size and power against Vashon's quickness and speed.

"You have to get up and down the court and slow them down," said Vashon guard Anthony Walters. "We're smaller, but we're quicker."

Soldan's size and strength on the forward line looked as if it would be too much to handle in the second quarter.

The Tigers were getting second and third shots, with Lance Simmons, 6-foot-5, and Kelby Stuckey, 6-6, dominating. They opened a 22–11 lead.

Irons couldn't wait for halftime. He told his troops not to attempt to get it all back at once. He wanted to get the deficit within 10 points.

But once the Vashon fire starts, it spreads quickly.

With 1 minute 8 seconds left in the half, Vashon trailed by 11. With 24 seconds left, they trailed by one.

Stuckey was called for a technical foul for attempting to stuff a shot and hanging on the rim.

The floor shook from the thunder of Stuckey's attempt at a slam. "They had to call it," said Irons.

Walters made the free throw. Then Vashon did what it does best. It shook, rattled and rolled the Tigers.

Albry Doss stole an inbound pass and scored on a layup. Then Kenneth Williams made a steal and scored. Then Doss did it again, and again. Then Hollivan Billups got position on Patrick Price and forced a charge. Billups hit one of two shots, and the Wolverines had closed within one.

It was a 10-point burst in 54 seconds. And Soldan never got the ball past midcourt in the span.

"D-fense is our best offense," said Walters.

Soldan Coach Marvin Neals said, "We fell apart. We had a 10-point lead and a chance to put them away and we just fell apart.

"Mental mistakes cost us the state championship."

Soldan carried a 25–21 lead to the locker room at halftime. The Tigers also carried the memory of the scratching and clawing Wolves who had inflicted as much mental damage as physical damage in the one-minute fire drill.

The game was close the rest of the way. Price canned a jumper to start the fourth quarter and gave Soldan a 37–33 lead. Stuckey later made a three-point play to give the Tigers a 40–36 lead. But Simmons, who had 12 points in the first half, fell silent.

"He's only human," said Irons. "I think he got tired out there. Our press might not steal the ball all the time, but it wears them down. We couldn't play half-court ball with Soldan. They were too big and too strong. We needed to make them run."

And Stuckey, who didn't get called for a foul in the first half, picked up three quick ones in the third quarter. He went to the bench.

Simmons scored his first basket of the second half with less than 4 minutes remaining, but then Doss hit a jumper and Vashon forced a 5-second violation. Walters gunned in a long jumper to tie the score at 42 with 1:35 left.

Simmons muscled in for two points, and Walters made two free throws to tie the game at 44, setting up the overtime.

Doss scored on a jumper to start the OT. Then Stuckey countered with an inside

move for Soldan. Kip Spears made two free

ed to a recent survey, inadequate

a total of $800,000 this year. Our Unfunded move for Soldan. Kip Spears made two free throws and Soldan had a 48-46 lead with 1:03 left.

Vashon then lost the ball, and Spears roared in for a slam. He missed and was called for a technical for holding on the rim with 47 seconds left.

Doss hit the free throw, and Vashon trailed by one point. Then Anthony Jones hit two free throws, and the Wolverines had a 49-48 lead with 25 seconds remaining.

Spears forced an off-balance shot and the ball bounded out of bounds, with 12 seconds left. Price then fouled Walters, who made one of two free throws, giving the Wolverines a 50-48 lead.

Simmons came up court quickly, and lofted a low shot when he got past half-court. Walters fouled him, but Lance hit just one of two. Then, with 1 second left, Stuckey grabbed Doss. The slick 6-3 junior hit both shots, giving him a game-high 24 points and Vashon its second state championship in three years.

As Doss stood at the line, Irons was up off the bench, storming up and down giving his players the high five. He also was promising them dinner at Red Lobster.

Last year, Vashon lost to Springfield Hillcrest, 51-50, in the title game. Walters made a couple of costly turnovers in that one.

"If he was the goat then, he's the hero today," said Irons.

Said Walters, "Last year, I did mess up. I couldn't let that happen again. This (the first-place trophy) belonged to us last year. Now it's going where it rightfully belongs."

To be sure, Walters and the Wolverines could feel for the Tigers. "We play AAU ball with them in the summer at the Wohl (Center)," said Walters. "They're all our friends. Lance Simmons is one of my best friends on their team. We went to grade school together."

Nonetheless, the war had to be fought. "And there's nobody I'd rather beat than Soldan," said Walters.

Vashon lost in the final of the Normandy tournament on New Year's Eve to the Tigers, who finished with a 27-4 record. The Wolverines then beat Soldan in a PHL game.

"The best team won," said Irons about his 27-5 Wolves. "No doubt about it when it's two out of three."●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MONTGOMERY. Mr. Speaker, this week the House will make major decisions on the budget for fiscal year 1986, Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to duly understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the Chiefs of Staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the VA Medical Center in Chicago, IL.

VETERANS' ADMINISTRATION,
Chicago, IL, February 5, 1985.

HOWARD GREEN, M.D.,
Chief of Staff (11), VA Medical Center, White River Junction, VT.

DEAR HOWIE: I guess that this year we are one of the luckier ones, as at this time our projected dollar deficit is zero: Chicago West Side

a. 514 beds (no NHCU or intermediate beds)

b. Excellent affiliation with University of Illinois College of Medicine

c. None at this time

d. Impact

1. Personnel—none, but we need more nurses, technicians and ward and clinic clerks.

2. Supplies—none.

3. Equipment—like everyone else we never have enough funds to replace "big ticket" items or buy new equipment for Radiology, Laboratory, Nuclear Medicine, Surgery, Neurology and Medicine.

4. Surgery: Our demand is so great that almost all specialties have patients waiting to be admitted for elective surgery. Our limitations are problems in scheduling, emergencies, occasional breakdowns of equipment—(both urology tables need replacement, one is on order), and inadequate support personnel. Overall number of procedures per year is increasing.

e. There are no good solutions to the VA's many money problems. We have made a major effort to curtail and restrict beneficiary travel. Our COMISS computerized Pharmacy plus the use of a clinical pharmacist helped us greatly by reducing the number and cost of outpatient prescriptions, especially those patients going to multiple clinics and the number going to any of the other three VA facilities, as we are all tied together on the same computer, and a printout of a patient's medications reveals all he is getting from the VA in Chicagoland.

Our Fiscal Officer informed me that if we are not funded for the January 1985 3.5 percent pay raise, we will be one million dollars in the red. We could not cope with such a loss late in the year, and thus we are dependent on the success of the 1985 supplemental bill.

A major problem in all VA facilities is the increasing backlog of unpurchased equipment, large and small items. Prior to 3-4 years ago, the "end of the year drop-money" was sufficient to keep us fairly current. Now that source of funds has become too minimal to help much. More and more of our equipment is being used beyond the replacement date. More equipment has to be purchased on an emergency basis to replace essential items that are broken and can no longer be repaired (parts not available as the manufacturer has gone bankrupt or retired). We frequently have had to wait 2-3 years to buy state-of-the-art additional or replacement equipment.

Requests for Replacement Equipment and Additional Equipment in our Medical Center are approximately $400,000 each for a total of $800,000 this year. Our Unfunded Needs List of Equipment (over $40,000) is now $766,487 more. These needs do not include beds, typewriters and pagers, some of which we purchase at the end of each fiscal year from residuals.

A survey of all VA facilities to determine only the amount of funds needed to purchase all requested and needed additional and replacement equipment should be staggering. Also we have bought very few new beds in the past 10 years. At our last Equipment meeting Supply was instructed to review that situation and tentatively set aside $35,000 this year for new beds, if possible.

One logical way to save money, of course, would be vertical cuts, to close some of the satellite clinics, which care primarily for NSC veterans. (We do not have one.) Such a move would be politically unpopular (like closing some of the hundreds of unnecessary military bases), but more palatable than closing some of our small hospitals (six VA hospitals with 150 beds or less).

Continuing horizontal cuts in funding to all facilities means that we are gradually moving towards a more marginal quality of medical care. How many complications and deaths are now the result of only two nurses in an Intensive Care Unit or only one nurse caring for 40 patients or being unable to obtain a timely CT scan or a portable X-ray, etc., etc.??

I must hasten to mail this before the new 1986 Budget details hit us, plus the amount of the pay raise we will be forced to fund. The only way will. be to use our limited equipment funds and a lowering of our ceiling again, or will it be a "freeze" by Washington, D.C. to show they mean business. Another horror story!

Best wishes for your gallant fight, Howie!

Sincerely,

ROY J. KORN, M.D.,
Chief of Staff.●

THE IMPORTANCE OF THE PRESIDENT'S RECOGNITION OF "NEUROFIBROMATOSIS AWARENESS MONTH" IN MASSACHUSETTS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. CONTE. Mr. Speaker, the Commonwealth of Massachusetts, by proclamation of the Governor, is recognizing May as "Neurofibromatosis Awareness Month." I am pleased to announce what a great success it has been.

I could base this solely on the extraordinary level to which community recognition and education of this disorder has climbed. In western Massachusetts alone, unanimous reiteration was given to the Governor's proclamation by the cities: Springfield, Pittsfield, Northampton, Holyoke, Chicopee, North Adams, and Westfield.

Perhaps, however, the most important recognization and reaffirmation of the need to heighten public awareness of NF came from President Reagan. "The public must be educated," the President wrote to the citizens of Massachusetts, "for with greater knowledge at both the level of medical practitioner and layman will come positive results for the cure and prevention of the disorder." I would like to submit for the Record, the President's letter in its entirety.

THE WHITE HOUSE,
Washington, April 25, 1985.

I am pleased to join the citizens of the Commonwealth of Massachusetts in recognizing "Neurofibromatosis Awareness Month in Massachusetts."

It is so essential that as much attention and recognition as possible be accorded to this devastating disease. The public must be educated, for with greater knowledge at both the level of medical practitioner and layman will come positive results for the cure and prevention of the disorder.

The National Neurofibromatosis Foundation and its affiliates in the Commonwealth have provided significant leadership, inspiration and support for the families of patients and for the public in general. Great work has been done thus far, but much remains to be done. Events like this give us the hope that more and more Americans will join the effort to combat and find the ultimate medical solution for neurofibromatosis. Because of you, I have every confidence that that hope will be fulfilled.

Nancy and I proudly join Congressman Silvio Conte, member of the Foundation and all those citizens of the Commonwealth of Massachusetts in proclaiming "Neurofibromatosis Awareness Month."

RONALD REAGAN.

Mr. Speaker, I am very proud of the fact that Massachusetts continues to be a leader in the efforts to eliminate this cruel and destructive disorder. I am also pleased to see that a growing number of my colleagues are becoming aware of such efforts and have signed on as cosponsors of Congressman WALGREN's bill to establish a national commission to help promote and coordinate all of the research that could someday defeat NF.

Thank you Mr. Speaker.●

A REASONED, FAIR ANALYSIS ON TELEVISION NETWORKS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. VANDER JAGT. Mr. Speaker, in recent weeks and months new attention has been focused on presentations by the television networks. I stress new attention only because this is not a new subject. I believe we have all questioned, from time to time, fairness and balance in television presentations whether they be special documentaries or just the regular national or local newscast.

I believe John Corry, the veteran and extremely capable writer for the New York Times, has written one of the finest analyses of this most controversial and emotional issue of any that I have read in years. Mr. Corry's featured article under TV View appeared in the May 16, 1985, edition of the Times. His article was entitled, "Is TV Unpatriotic Or Simply Unmindful?" I strongly recommend that you read this excellent story which will follow at the conclusion of my comments.

I would particularly emphasize Mr. Corry's opening comments as he talks of developments and censure and then stresses, "In fact, the argument is too serious to be left to partisans of either side."

Mr. Speaker, John Corry has written one of the finest reasoned and fairest analyses on television networks that I have ever read. I urge once again that all my colleagues take a few minutes to read it over.

The article follows:

[From the New York Times, May 16, 1985]

IS TV UNPATRIOTIC OR SIMPLY UNMINDFUL?

(By John Corry)

This is the charge: that the television networks are left, liberal, unpatriotic, or a sebaceous mixture of all three. CBS is the usual target, although ample censure is left over for NBC and ABC. Didn't Ted Turner say that "the greatest enemies America has ever had, posing a greater threat to our way of life than Nazi Germany or Tojo's Japan, are the three television networks"? Didn't Senator Jesse Helms speak about network people who, "if they do not hate America first, certainly have a smug contempt for American ideals and principles"? Censure grows; fervor rises, while the networks, for the most part, stand on their injured dignity. In fact, the argument is too serious to be left to partisans of either side.

For one thing, we are a long way from the time when Walter Cronkite, say, or Chet Huntley narrated documentaries produced by the Pentagon. Television's old assumptions have fled. We once heard about the "Communist menace" routinely. Now television is above that sort of thing. It is no longer national; it is supranational. Last week it commemorated the 40th anniversary of VE-Day; the week before that it commemorated the 10th anniversary of the fall of Saigon. The first was an American victory, the second an American defeat. The networks march on evenhandedly. Hanoi today, the Bitburg cemetery tomorrow, and if it's Tuesday we must be in Johannesburg.

There is nothing intrinsically left, liberal or unpatriotic about this. Usually, there is no perspective at all. This is part of the problem. Events are without meaning, the way most of the recent television coverage from Vietnam was without meaning. Totalitarianism hid itself. The networks, entranced by their own technology, only knew they were there. The anniversary parade in Ho Chi Minh City, formerly Saigon, began at 7:52 A.M., the same time, 10 years before, that the last Marine was lifted from the roof of the American Embassy by helicopter. It was obvious whom the Vietnamese Government was celebrating a victory over; it was a victory over us. In an interview on "Nightline," Henry A. Kissinger said it was "demeaning" to have all three networks cover the parade. He should have called it mindless. Hanoi scored a public relations, if not a propaganda, coup.

On television, a totalitarian state doesn't look totalitarian; it only looks exotic. During the two weeks, give or take a few days, that Vietnam was recently seen on the news programs, it didn't even look militaristic. Vietnam has been the scene of one war or another for generations; it supposedly has the fourth largest army in the world. Some print journalism tried to put this into perspective. Television showed us mostly mud-splattered oxen and peaceful peasants. Why did the boat people flee? Why are so many Vietnamese trying to leave their country now? We had the impression Vietnam was poor, people probably wanted a higher standard of living. We didn't see much on television that suggested anyone fled oppression.

The most strident of the network critics insist that omissions like that are calculated, a sure sign that correspondents and producers are captives to the left. They may indeed be captives, although not the way the critics think. Dan Rather, for example, is most often singled out as the symbol of all that is anti-American on television. This is the same Dan Rather who, while anchoring the CBS coverage of Ronald Reagan's inauguration, choked up and got teary as he watched the flags and marching bands go by. It is unlikely that Mr. Rather, or very many of his colleagues, want to tear down the Great Republic.

Nonetheless, they do reflect a powerful element of the journalistic-literary-political culture. The left wins battles there by default. It is a matter of how it gets us to look at things. In the television coverage of the Democratic and Republican National Conventions last summer, for instance, Senator Jesse Helms and his associates frequently, even routinely, were characterized as right wing; Senator Edward M. Kennedy, say, or the Rev. Jesse Jackson were never characterized as left wing. This is more than a matter of semantics.

Moral opprobrium is attached to the right wing; it is racist, imperialistic and cruel. Meanwhile, the left wing is presumed not to exist, even though its ideas make up the moral and intellectual framework for a large part of the culture. The center does not generate ideas; it only absorbs them. The left becomes the only game in town this way, while the right, isolated by the moral stigma assigned to it, becomes the enemy of all good things.

Television news fails when it accepts this and allows such values to dictate the news agenda. The values mean only that one must oppose the right wing: Support the nuclear freeze and press for affirmative action; oppose apartheid and rally against missiles. The culture knows what it favors because it knows what its enemies are against. Issues become indivisible. Journalism is supposed to make clear they may be separated. It is possible, for example, to oppose apartheid, even to campaign against it, and still call for missiles.

Give the critics their due on this; journalism may seem suspect. The right wing, for example, opposes the Sandinistas. Therefore, the culture insists, the Sandinistas should be supported, or, at the very least, accommodated. A recent story in The New York Times, however, noted that the Sandinistas had uprooted some 30,000 people, mostly poor farmers, in northern Nicaragua. The 30,000 people, thought to be sympathetic to the contras, were resettled. If the relocation had been carried out in El Salvador, say, more attention might have been paid. Commentators would have declared that El Salvador was not winning the hearts and minds of people.

Television becomes an accomplice of the left when it allows the culture to influence

was the coordinator of secondary and junior college education for the Pasa-

Clark Watanabe of John F. Kennedy High School; Arthur Okamoto, Chris-

served as a legislative liaison, research and development project officer, and

lously monitored by AID, GAO and others, and fully complied with.

and IPPF—frees up other resources for purposes with which we may not agree.

Television becomes an accomplice of the left when it allows the culture to influence its news judgment. The critics' fantasies are fulfilled. As it is, much of the coverage is restricted anyway. The networks are not allowed into Afghanistan to report on Soviet bombing. They are not allowed to accompany Cuban, North Korean or East German military advisers wherever they may be. On television, our picture of the world is skewed to begin with.

It is unlikely, however, that it is as skewed as the most extreme critics claim. Ideology does stain news programs, but not because there is a conscious conspiracy. Mr. Helms and, to a lesser degree, Mr. Turner may say that television does unspeakable things, but they are never generous in offering specifics. Few critics are. Reed Irvine of Accuracy in Media is better than the rest because he cites individual stories and then says the facts are wrong, but he loses his advantage by going on and assailing the motives of correspondents. Indeed, one striking thing about the argument is how little of it involves journalism. Both sides spend their time competing in goodness.

A recent ABC "Viewpoint," for example, matched six debaters—three pro, three con—who discussed, among other things, whether "newsmen have a mind-set that is basically unpatriotic." Some of the participants became genuinely angry. William Rusher, the publisher of National Review, choked on his own indignation. Sam Donaldson, the ABC White House correspondent, was beside himself. Did it matter that a survey of prominent journalists—print and television, the "media elite"—found that the overwhelming majority voted for liberal candidates? Mr. Donaldson's side said it did not. Mr. Rusher's side countered with an accusation: The phrase Stars Wars was a conscious liberal smear; the correct term was Strategic Defense Initiative or High Frontier. Neither side gave an inch.

As television, this was entertaining. As a search for truth it wasn't much. Meanwhile, new voices, many of them pietistic, are now being heard. They say the networks are moving to the right in a headlong retreat from liberal thinking. This argument holds up less well than anything even Mr. Helms has said. There is still the culture that shapes television.●

A RECOGNITION DINNER FOR DR. ARMEN SARAFIAN

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MOORHEAD. Mr. Speaker, on May 31, 1985, at the Huntington Sheraton Hotel in Pasadena, CA, Dr. Armen Sarafian will be honored by his many friends and colleagues for 43 years of excellence in education.

Educated at La Verne College, Claremont Graduate University and the University of Southern California, Dr. Sarafian began his educational career as an elementary teacher in Riverside and Kern Counties. He spent 2 years as head of the English department at Banning Union High School. During the next 4 years, he taught U.S. history and political science at Pasadena Junior College. From 1951 to 1959, he was the coordinator of secondary and junior college education for the Pasadena City Schools. For the next 6 years, Dr. Sarafian was the administrative dean for instruction at Pasadena City College. He then served as president of the city college until 1976 when he become president of the University of La Verne, a position he holds today.

Dr. Sarafian is a member of 19 professional groups; he is active in 23 civic organizations; he has been the recipient of 25 honors and awards and has been the author of many books and articles.

To suggest that Dr. Sarafian is active, productive, appreciated, esteemed, and loved is to suggest the obvious. The institutions and people he has touched are richer for his association. His educational legacy in our area will be impossible to match.

Mr. Speaker, I am pleased to take part in this special evening of recognition and affection for Dr. Armen Sarafian.●

SACRAMENTO CHAPTER OF JAPANESE-AMERICAN CITIZENS LEAGUE HONORS SCHOLASTIC ACHIEVEMENT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MATSUI. Mr. Speaker, I am honored to call to the attention of the Congress the outstanding contributions made to the Sacramento community by the Japanese-American Citizens League, Sacramento Chapter.

This is a fine and important organization which has dedicated much time and many resources to the enrichment of thousands of lives in the Sacramento area. An excellent example of the invaluable contributions made by the league is the upcoming presentation of scholarship awards to deserving young college-bound students.

The deserving students will receive their scholarship awards at a dinner which takes place on May 29.

The Japanese-American Citizens League deserves our praise, our admiration, and our gratitude for helping to prepare our young people for the challenges of the future. The youngsters being honored with scholarships are:

Fletcher Ibser of Encina High School; Steven Y. Kishi of Del Campo High School; Elizabeth N. Aoki and Jeffrey M. Nishimura of Rio Americano High School; Lee Nagao, Alan Sakakihara, Marian Dote, and Alison Kishaba of Sacramento High School; Eiri Hayashigatani, Eileen Nakahira and Sharon Oto of Hiram Johnson High School; Wendy Hashibe of Bella Vista High School; Sharon M. Takeda and Clark Watanabe of John F. Kennedy High School; Arthur Okamoto, Christine Matsumoto, and Robert Nakagawa of C.K. McClatchy High School; Stanley R. Baishiki of Rancho Cordova High School; Michelle Miyao of Luther Burbank High School; and Calvin Nakamoto and Angela Yee of Sacramento City College.●

TRIBUTE TO THOMAS S. DUNMIRE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the announced retirement later this month of a friend to many of us in this Chamber, Mr. Thomas Dunmire. As many in this body know, Tom has served ably and with dedication as minority consultant for territorial issues on the Committee on Interior and Insular Affairs.

Since joining the House Interior Committee 12 years ago—April 3, 1973—Tom has provided intelligent and sound counsel enabling Congress to formulate effective and successful policies in governing America's trust territories. Tom has played a critical role in the promotion of political, social, and economic development in the Pacific and the Caribbean. Tom has served as a continuous link between this body and the Departments of State, Defense, and Interior. Additionally, his diplomatic skills have been utilized as liaison between Congress and the governments of Puerto Rico, U.S. Virgin Islands, American Samoa, Guam, Northern Marianas, Palau, the Marshalls, and the Federated States of Micronesia. In this capacity, Tom has excelled in providing detailed analyses of diversified Federal and Territorial budgets, policies, and projects.

Tom Dunmire established a distinguished record of service to the Nation even before his tenure in the Congress. After graduation from the U.S. Military Academy at West Point in 1952, he rose to the rank of lieutenant colonel in the U.S. Army. During his military service, Tom attended the Army War College, the Naval Post-Graduate School, the Armed Forces Staff College, and the U.S. Army Language School. His intelligence, hard work, and loyalty are reflected in the awards he received: the Legion of Merit, the Bronze Star, and a Commendation Medal with Two Oak Leaf Clusters.

While serving in the military, Tom performed many important roles with great success. He served as a foreign liaison in Germany, utilizing his German language skills. Tom also

served as a legislative liaison, research and development project officer, and authored several official publications about military construction, management, and nuclear engineering.

In addition to his military education, Tom also obtained a master's degree in international affairs in 1966, and a master's degree in public administration in 1976, from George Washington University.

I know we will all greatly miss Tom, his hard work, sound advice, and friendly nature. Along with my colleagues on the House Interior and Insular Affairs Committee, I would like to take this opportunity to thank Tom for his assistance and hard work these many years. I wish him the best of luck in all future endeavors.●

PROTECT FAMILY PLANNING PROGRAMS—DEFEAT SMITH AMENDMENTS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. PORTER. Mr. Speaker, our colleague, Jim Moody, has taken a very active role in the consideration of H.R. 1555, the fiscal year 1986 foreign assistance reauthorization. He recently sent out a "Dear Colleague" letter on the family planning provisions of H.R. 1555 which deserves careful review prior to the vote on the "Smith" amendments. I have asked that it be included in the RECORD for all to read.

The "Dear Colleague" follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 15, 1985.

Re Protect family planning programs—Defeat Smith amendments

DEAR COLLEAGUE:

The May 6th "Dear Colleague" letter from Representative Chris Smith and others about family planning issues in the FY 1986 Foreign Aid authorization, H.R. 1555, requires some rebuttal and correction.

UNFPA AND CHINA

The Smith letter devotes page after page to slamming China over abortion and infanticide. Most of the assertions on China are probably correct, although the State Department's annual Report on Human Rights indicates that coerced abortions and/or infanticide mostly result from local and regional practices that greatly exceed official policy. But the Smith letter goes on to suggest that the U.N. Fund for Population Activities (UNFPA) is helping to fund these abuses in China, and that U.S. AID dollars therefore indirectly contribute to abortion. To remedy this alleged connection the Smith amendment would withdraw all U.S. funding for all non-coercive, non-abortion-related UNFPA programs in all underdeveloped countries in order to leverage China into changing its policies.

Please consider these three key points:

(1) No U.S. AID money funds any abortion-related programs per the Helms prohibition, passed in 1973. This has been scrupulously monitored by AID, GAO and others, and fully complied with.

(2) No U.S. AID funds for UNFPA go, even indirectly, to any abortion-related programs in China. A full-scale AID study dated March 29 of this year concluded: (a) While regional abuses of China's official policy are numerous, none of UNFPA's assistance to China fund any abortions; and (b) UNFPA is careful to keep its programs separate from any abortion or coercion. Furthermore, U.S. AID funds to UNFPA are kept in separate accounts by country, and as of 1985 no U.S. AID funds are going to China through UNFPA.

(3) The amount contributed by UNFPA to China is much too small to be used as leverage. The Smith letter gives the impression that UNFPA support to China is significant. (The repeated use of 30 percent in Smith's letter refers to the U.S. share of UNFPA's budget, not UNFPA's share of China's population programs.) In actual fact, UNFPA provides about $13 million per year to China—only one tenth of one percent of China's overall program. This is far too little to leverage China into changing those population programs which UNFPA does not fund.

There are several other inaccuracies in the Smith letter, such as the claim that the U.S. representative on UNFPA's governing council won't be able to vote on UNFPA aid to China until 1989. That's not true. UNFPA's council may reconsider such policy decisions as soon as June.

PLANNED PARENTHOOD AND IPPF

There are 119 countries with Planned Parenthood organizations. Although they are affiliated through the International Planned Parenthood Federation (IPPF) in London, each organization is independent. Each sets its own policies, depending on the laws, cultures and customs of the country.

Of these 119 Planned Parenthood organizations, 112 provide no abortion-related services in their programs. (Planned Parenthood in the U.S. and several other industrialized countries do.)

The Smith letter claims that IPPF-London advocates abortion to those 112 countries, and cites a 1983 document as the "smoking gun" of this advocacy. In fact, the document cited was a working paper prepared by six individuals, only one of whom was associated with Planned Parenthood, and the paper was subsequently rejected by IPPF.

Again, note three crucial points:

(1) In accordance with the Helms rule, not one dollar of U.S. AID assistance for family planning is going, or has been going, to any abortion-related activity through IPPF. Even in those few countries where abortion is legal, no AID funds passing through IPPF go for any abortion-related activities.

(2) IPPF has kept carefully segregated accounts to ensure that no AID funds channeled through it are used anywhere for any abortion-related activities.

(3) To defund voluntary, non-abortion-related family planning programs in Kenya, Nigeria, etc. in order to punish or leverage IPPF-London for alleged advocacy positions would be totally counterproductive and would end up causing more—not less—abortions worldwide.

FUNGIBILITY

The argument made by Representative Smith that indeed bears real consideration is the generic claim that any financial support to another country—directly or through international agencies like UNFPA and IPPF—frees up other resources for purposes with which we may not agree.

But this applies to all foreign aid programs. How many of us agree with every single action taken by Turkey, Greece, Egypt, Israel, India or Pakistan? Even our grain sales to Russia can be said to free up resources they can use for purposes we oppose.

It is correct, and important, to insist that U.S. aid not be employed for purposes we reject. But we should not apply the fungibility argument selectively to international agencies helping to prevent over-populations, starvation and misery through voluntary, non-abortion-related family planning programs just because some countries or local program affiliates use their own money in ways we wouldn't choose.

The most effective way to really reduce abortions worldwide is to support—not defund—adequate family planning.

Don't let the Chris Smith amendment gut twelve years of bipartisan, carefully monitored support for responsible and voluntary family planning.

Sincerely,

JIM MOODY.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1935

● Mr. MONTGOMERY. Mr. Speaker, this week the House will make major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in New York City:

VETERANS' ADMINISTRATION,
MEDICAL CENTER,
New York, NY, February 12, 1985.

Dr. HOWARD GREENE,
Chief of Staff, VA Medical Center, White River Junction, VT.

DEAR HOWARD: This letter is in response to your circular letter of January 2, 1985 prompted by Dr. Mark Wolcott's "universal problem."

a. Size of hospital: 851 beds, GMS.

b. Affiliated: New York University Medical School.

c. Projected dollar deficit as of January 1, 1985:

1. Personnel Services: $1,034,000.

2. All Other: $900,000.

d. Impact of dollar deficit:

1. Personnel.—We have been forced to reduce staff physicians by 13 FTEE. We have an employment lag of 40 positions in all other categories.

2. Supplies.—In essence we are "robbing Peter to pay Paul." We are meeting current needs by borrowing from other cost centers with little hope of replenishing the "borrowed" money. See comments.

3. Equipment.—Funds are grossly inadequate. $100,000 of assigned and budgeted money was removed by Region for use elsewhere.

4. Backlog of patient surgery.—None, see comments.

e. Solutions.—Reduction in 13.3 FTEE among staff physicians by elimination of temporary appointments and reduction of parttime appointments. This solution was imposed on us by Region: "Not one penny more." We have also severely curtailed overtime, approximately 75%. We have also created a lag in recruiting and consequently are approximately 53 positions under our ceiling.

f. Comments.—Although we have no backlog in surgery, the budget constraints are having a negative impact on patient care in many of the ways described by Dr. Wolcott. There are shortages in personnel in the administrative and clinical support areas. This results in delays in scheduling diagnostic radiological and nuclear medicine procedures which prolongs patients' workups and hospital stays. There are long lines at our pharmacy. Our hearing aid evaluations are being delayed as are our compensation and pension examinations. There are delays in ordering supplies and equipment and patient food is often cold because of slow deliveries of food trays.

We also feel we are not being properly compensated under the DRG System. This Medical Center has treated over 114 patients with AIDS, 15 or 20 of whom are in this Medical Center at any one time. The cost of their treatment is great, far beyond any DRG compensation.

Most of all the budget deficits have a marked and detrimental effect on staff morale. There is a general feeling that we are intentionally being put in a position where we cannot deliver optimal care. Unless we get some relief we see a continuing deterioration in the care we can give veterans.

John H. Ayvazian, M.D.,
Chief of Staff.●

WILLIAM CASEY BEFORE THE WORLD BUSINESS COUNCIL: NICARAGUA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. KEMP. Mr. Speaker, while we in the House of Representatives remain divided over what is to be done, the Communist regime in Nicaragua daily is growing stronger and more aggressive toward its neighbors. This past week has seen Nicaraguan troops crossing the border into Honduras, firing on democratic resistance forces and killing at least one Honduran soldier on his home soil. Our friends and allies in Central America have no illusions about the aggressive intentions and growing threat posed by the Soviet-controlled Sandinista regime; the freedom fighters in Nicaragua have no illusions about the abusive totalitarian objectives and practices of that regime.

Apparently the only people who still retain illusions are certain Members of Congress who found themselves embarrassed or surprised by Daniel Ortega's most recent trip to Moscow. On the very day that the House of Representatives voted to deny our help to the democratic resistance, a Soviet ship unloaded $14 million in military equipment at the port of Corinto, and Ortega prepared his petition for another $200 million in Soviet military aid.

But these events are not aberrations in Nicaragua; they are an intrinsic part of a pattern of behavior all too obvious in its threatening implications for free people.

This was summed up by the Director of Central Intelligence, William Casey:

> The American intelligence community over recent months unanimously concurred in four national estimates on the military buildup, the consolidation and the objectives of the Soviets and the Cubans and the Sandinistas in Nicaragua. If I were to boil the key judgments of those estimates down to a single sentence it would be this: The Soviet Union and Cuba have established and are consolidating a beachhead on the American continent, are putting hundreds of millions of dollars worth of military equipment into it, and have begun to use it as a launching pad to carry their style of aggressive subversion into the rest of Central America and elsewhere in Latin America.

As we in Congress debate what our policy toward Nicaragua should be, let us at least begin with this common basis of understanding of the nature of the threat we face. I urge my colleagues to read the Director's statement in full, which I am inserting in the RECORD.

The statement follows:

[From the Washington Times, May 17, 1985]

SANDINISTAS HAVE "BLUEPRINT FOR SUBVERSIVE AGGRESSION"

(By William Casey, CIA Director)

Today, I would like to tell you about the subversive war which the Soviet Union and its partners have been waging against the United States and its interests around the world for a quarter of a century or more. This campaign of aggressive subversion has nibbled away at friendly governments and our vital interests until today our national security is impaired in our immediate neighborhood as well as in Europe, Asia, Africa and Latin America.

This is not an undeclared war. In 1961, [Nikita] Khrushchev, then leader of the Soviet Union, told us that communism would win not through nuclear war which could destroy the world or conventional war which could quickly lead to nuclear war, but through "wars of national liberation" in Africa, Asia, and Latin America. We were reluctant to believe him then. Just as in the 1930s we were reluctant to take Hitler seriously when he spelled out in "Mein Kampf" how he would take over Europe.

Over the last 10 years, Soviet power has been established:

In Vietnam, along China's border and astride the sea lanes which bring Persian Gulf oil to Japan.

In Afghanistan, 500 miles closer to the warm-water ports of the Indian Ocean and to the Straits of Hormuz. Through which comes the oil essential to Western Europe.

In the Horn of Africa, dominating the southern approaches to the Red Sea and the southern tip of the Arabian Peninsula.

In Southern Africa. The source of minerals which we and other industrial nations must have.

And in the Caribbean and Central America, on the very doorstep of the United States.

This is not a bloodless war. Marxist-Leninist policies and tactics have unleashed the four horses of the apocalypse—Famine, Pestilence, War and Death. Throughout the Third World we see famine in Africa, pestilence through chemical and biological agents in Afghanistan and Indochina, war on three continents, and death everywhere. Even as I speak, some 300,000 Soviet, Vietnamese, and Cuban troops are carrying out savage military operations directed at wiping out national resistance in Afghanistan, Kampuchea, Ethiopia, and several other countries.

In the occupied countries—Afghanistan, Cambodia, Ethiopia, Angola, Nicaragua—in which Marxist regimes have been either imposed or maintained by external forces, there has occurred a holocaust comparable to that which Nazi Germany inflicted in Europe some 40 years ago. Some four million Afghans, more than one-quarter of the population, have had to flee their country. The Helsinki Watch tells us that they have fled because "the crimes of indiscriminate warfare are combined with the worst excesses of unbridled state-sanctioned violence against civilians." It cites evidence of "civilians burned alive, dynamited, beheaded; crushed by Soviet tanks; grenades thrown into rooms where women and children have been told to wait."

In Cambodia, two to three million people, something like one-quarter of the pre-war population, have been killed in the most violent and brutal manner by both internal and external Marixist forces.

In Ethiopia, a Marxist military government, supported with extensive military support from Moscow and thousands of Cuban troops, by collectivizing agriculture and keeping food prices low in order to maintain urban support, has exacerbated a famine which threatens the lives of millions of its citizens. It has exploited the famine by using food as a weapon to forcibly relocate people fighting an oppressive government in the north hundreds of miles to the south where there is no preparation to receive them. In urban areas, food rations are distributed through party cells.

In Nicaragua, the Communist government killed outright a minimum of 1,000 former Somoza national guardsmen during the summer of 1979. In 1982, it forcibly relocated some 15,000 Miskito Indians to detention camps, forced many more to flee to refugee camps in Honduras, and burned some 40 Indian villages. Last month, the Sandinistas forcibly moved 60,000 campesinos from areas close to the Honduran regions, burning their houses and killing their cattle.

What is the purpose of all this carnage, this creeping imperialism? In my view, there are two primary targets—the oil fields of the Middle East which are the lifeline of the Western Alliance, and the Isthmus between North and South America. Afghanistan, South Yemen, Ethiopia, as well as Cam Ranh Bay in Vietnam, and Mozambique and Angola in southern Africa, bring Soviet power astride the sea lanes which carry those resources to America, Europe and Japan.

Capabilities to threaten the Panama Canal in the short term and Mexico in a somewhat longer term are being developed in Nicaragua where the Sandinista revolution is the first successful Castroite seizure of power on the American mainland. They have worked quietly and steadily toward their objectives of building the power of the state security apparatus, building the strongest armed forces in Central America, and becoming a center for exporting subversion to Nicaragua's neighbors.

The American intelligence community over recent months unanimously concurred in four national estimates on the military buildup, the consolidation and the objectives of the Soviets and the Cubans and the Sandinistas in Nicaragua. If I were to boil the key judgments of those estimates down to a single sentence it would be this: The Soviet Union and Cuba have established and are consolidating a beachhead on the American continent, are putting hundreds of millions of dollars worth of military equipment into it, and have begun to use it as a launching pad to carry their style of aggressive subversion into the rest of Central America and elsewhere in Latin America.

Let me review quickly what has already happened in Nicaragua. The Sandinistas have developed the best equipped military in the region. They have an active strength of some 65,000 and a fully mobilized strength including militia and reserves of nearly 120,000. These forces are equipped with Soviet tanks, armored vehicles, state of the art helicopters, patrol boats and an increasingly comprehensive air defense system. This gives the Sandinistas a military capability far beyond that of any other Central American nation and indeed all Central American nations put together.

In addition to the considerable military hardware, there are now an estimated 6,000 to 7,500 Cuban advisers and several hundred other communists and radical personnel in Nicaragua assisting the regime in its military buildup and its consolidation of power.

The Communist government under Cuban direction and guidance has been essential in helping the regime establish control over the media, create propaganda mechanisms and neutralize the effectiveness of those who oppose the Sandinista totalitarianism.

Today, we see Nicaragua becoming to Central and Latin America what Beirut was to the Middle East for almost 15 years since 1970 when Lebanon became the focal point for international and regional terrorists. Managua's support for training of Central American subversives is well documented—they support Salvadoran communists, Guatemalan communists, radical leftists in Costa Rica, and are attempting to increase the number of radical leftist terrorists in Honduras. More recent evidence indicates Nicaraguan support for some South American terrorist groups and growing contracts with other international terrorist groups.

Yet, just last week the American congress refused to approve $14 million for people resisting communist domination of Nicaragua, on the very day that a Soviet ship unloaded more than $14 million worth of helicopters, East German trucks, and other military cargo at Corinto, the principal port in Nicaragua.

On the very next day, [Daniel] Ortega, the Nicaraguan communist dictator, traveled to Moscow to ask the Soviet Union to make $200 million available to him to consolidate a Leninist communist dictatorship across a stretch of land which separates South America from North America.

This development in our immediate neighborhood should not be viewed in isolation but as a part of a worldwide process which has already worked in Europe, Africa, Asia and Latin America.

Let me now give you an insight on how all this happens. In early 1981, I had a talk with Bob Ames, our CIA Middle East expert, who died at the hand of a terrorist attack in Beirut in 1983. Stationed in Aden, South Yemen, in 1967, he met and befriended the young revolutionary Abd'al Fatah Ismail, who became president of South Yemen and is now back in Aden after being exiled briefly to the USSR. Abd'al Fatah told Bob of his experience in the higher Komsomol school which the Soviets maintain for training young revolutionaries from non-communist countries. He explained that he had been taught in Moscow that he needed 20 years, a generation, to consolidate his revolution.

He would have to control the education of the youth and to uproot and undermine and ultimately change the traditional elements of society. This meant undermining the influence of religion and taking the young away from their parents for education by the state. He was taught that to control the people he would have to establish block committees as a powerful secret police. Finally, Abd'al Fatah spoke in impassioned terms of a need to export revolution to carry out his mission as a dedicated Marxist-Leninist and to ensure that attention was focused on neighboring countries thus diverting attention from his own country and allowing it to consolidate its revolution.

Bob Ames said that as he looked back, Abd'al Fatah—with Soviet Bloc help—had done as he said he would. He captured and subverted a legitimate war of liberation. He killed or drove into exile those members of the movement who believed in democracy and then went about the work of consolidating the communist regime and began armed subversion against Oman and North Yemen.

In Ethiopia, Angola, Afghanistan, and Grenada, dedicated Marxist-Leninist revolutionaries followed this Soviet blueprint with only slight modifications.

Our analysts have studied this blueprint for taking over a government and consolidating a totalitarian regime as it has been exemplified in seven totalitarian regimes; six Marxist-Leninist in Cuba, South Yemen, Ethiopia, Angola, Grenada, Nicaragua, and the Islamic revolutionary government of Iran. They have identified 46 indicators of the consolidation of power by a Marxist-Leninist regime. These indicators measure the movement toward one-party government, control of the military, of the security services, of the media, of education, of the economy, the forming or take-over of the labor or other mass organizations, exerting social and population control, curbing religious influence and alignment with the Soviet bloc.

Of the 46 indicators, Nicaragua in five and one-half years has accomplished 33. They have established control of the media, taken over radio and TV, censored the broadcasts of Sunday sermons of the Archbishop of Managua and subjected the only free newspaper, La Prensa, to a brutal daily censorship. They have taken control of the education system. Nicaraguan textbooks now teach Marxism. They attack the tenets of Western democracy. They attack traditional religious teachings and encourage children to maintain revolutionary vigilance by watching for signs of ideological impurities in their neighbors, friends and relatives. The Sandinistas have taken control of the military. They have taken control of the internal secret police and have established a Directorate of State Security. That directorate, according to our reports, has 100 Cubans, 70 Soviets, 40–50 East German and 20–25 Bulgarian advisers. There are Soviet advisers at every level of the secret police. In fact, it is safe to say that it is controlled by the Soviet Union and its surrogates. Block committees have been established to watch and control the people. The church has been persecuted.

Witness the campaign mounted by the Directorate of State Security to harass and embarrass Pope John Paul II during his 1983 visit to Nicaragua. They have used political mobs (similar to the Red Guards of Soviet and Chinese revolutionary history) to attack democratic politicians, union members and religious leaders. And finally, just as Abd'al Fatah told Bob Ames what he must do, and following Hitler and Khrushchev, the Sandinistas have told the world that they would spread the example of Nicaragua beyond El Salvador to Honduras, Guatemala, and the entire region.

An integral part of this blueprint for subversive aggression is deception and disinformation to manipulate and influence public opinion and policies in western countries. This takes many shapes and forms.

A worldwide propaganda campaign has been mounted and carried out on behalf of the Sandinista regime and Salvadoran guerrillas which would not have been possible without the capabilities, the contacts, and the communication channels provided by the Soviet bloc and Cuba. The Sandinistas themselves have shown remarkable ingenuity and skill in projecting disinformation into the United States itself. Perhaps the best example of this is the systematic campaign to deceive well-intentioned members of the western media and of western religious institutions.

There are many examples of Nicaraguan deception. The Sandinista press, radio and government ministry have put out claims that the United States used chemical weapons in Grenada, that the United States was supplying Nicaraguan freedom fighters with drugs, and that the United States might give the opposition bacteriological weapons.

The debate in the Congress disclosed few who think that what is happening in Central America is a desirable state of affairs or that it is compatible with avoiding a possibly permanent impairment of our national security and a serious deterioration in the American geopolitical position in the world.

There are some who will be content with an agreement that the Nicaraguans will now forego further aggression. Our experience in Korea and Indochina provides some lessons on the value of agreements with communist governments. Korea started to violate the Korean Armistice within days of the truce signing.

Under the 1973 Paris Accords, North Vietnam agreed to cease firing in South Vietnam, withdraw its forces from Cambodia and Laos, and refrain from introducing additional troops and war materiel into South Vietnam except on a one-for-one replacement basis, North Vietnam never observed the cease-fire and troop withdrawal requirements, and within little more than two months after it had signed the peace agreements it had already infiltrated some 30,000 additional troops and over 30,000 tons of military equipment into South Vietnam.

We believe the Sandinistas' main objectives in regional negotiations are to buy time to further consolidate the regime. History and the record and purposes of Marxist-Leninist regimes in general and the Sandinistas in particular lead us to believe that unless Nicaragua has implemented a genuine democracy as required by the Organization of American States such assurances could not be adequately verified and would not be complied with. Cuban officials have urged the Salvadoran communist guerrillas to slow down their attacks against the Duarte government in order to fortify and consolidate the Nicaraguan revolution. We believe that Cuba has assured the Salvadoran communists that it might take as long as five to 10 years, but as long as the Sandinista regime in Nicaragua remains, that country will serve as a base for communist expansion in the area and the Salvadoran insurgency will be renewed once the Sandinistas have been able to eliminate the armed resistance.

What does this mean for America's future? Should Central America fall under communist control, it could mean a tidal wave of refugees into the U.S.

Every country that has fallen under communist control since World War II has sent refugees streaming over the borders—first Eastern Europe, then Cuba, and more recently Vietnam and Afghanistan—and the potential influx from Central America is even higher than from any of these. Since 1980, some 200,000 Salvadorans fleeing the communist-initiated violence in their own country have entered the U.S. illegally. Illegal movement from Mexico has increased, with some one million Mexicans illegally entering this country in 1983 alone. In 1984, the Bipartisan Commission on Central America warned that a communist Central America would likely be followed by the destabilization of Mexico and that this could result in many millions of additional Mexicans fleeing into the United States.

Today, the Cuban and Nicaraguan military forces are together four times the size of those of Mexico and are equipped with vastly superior weapons. Today, with armed forces larger and better equipped than the rest of Central America put together, Nicaragua could walk through Costa Rica, which has no army, to Panama, and Cuba can threaten our vital sea lanes in the Caribbean.

The insurgency is a major obstacle to Sandinista consolidation in that it encourages the erosion of active support for the Sandinistas by creating uncertainties about the future of the regime; by challenging its claims of political legitimacy; and by giving hope to the leaders of the political opposition.

The largest anti-Sandinista insurgent group, the FDN, is still providing strong military resistance despite cutoff of United States aid almost a year ago. Popular sympathy for the insurgents appears to be increasing in the countryside, and the FDN continues to receive significant numbers of new recruits.

That opposition can increase the pressure until the Sandinista support has eroded sufficiently to leave them no option other than modification of their rejection of internal reconciliation. The objective is to allow for the same process of democratization that is taking place in the rest of Central America to occur in Nicaragua.●

CAN A TREATY ELIMINATE GENOCIDE?

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. HYDE. Mr. Speaker, tomorrow we will pass a resolution urging the other body to ratify the Genocide Treaty.

As we gird our loins for this massive paper assault on tyranny, Peter Wehner of the Ethics and Public Policy Center has put it all in perspective. I commend his views to those of my colleagues who are at all interested in the real world.

The article follows:

[From the Washington Times, May 20, 1985]

CAN A TREATY ELIMINATE GENOCIDE?

(By Peter Wehner)

Whether or not the United States votes to ratify the genocide treaty, we can be certain of one thing: the debate will generate far more heat than light.

The heat is sure to come from self-righteous senators who want to go on record as courageously "opposing genocide."

The light, we can hope, will come from serious individuals who will not permit the discussion of a nonbinding document to distract us from the real tragedies in our midst which we so often and easily ignore.

Wholly apart from the merits of the treaty itself (which are intrinsically limited), one thing is clear: the signature of the United States on a genocide treaty will not stop genocide. At best, it will be a positive moral statement. It may even be good. But it is mostly irrelevant. And should its passage act as a substitute for present responsibilities, then we will have committed a far greater sin than in rejecting it.

Most people cannot see how ratifying a treaty against genocide carries any moral ambiguity. The issue takes on new meaning, however, in light of recent American history, particularly where the conflict between rhetoric and reality, rationalism and pragmatism, was most evident: the U.S. involvement in Southeast Asia.

Throughout the 1960s and early '70s, antiwar protesters had seemingly monopolized the moral ground, constantly pitting moral responsibility against national security interests almost as if they were, by definition, mutually exclusive terms. They argued that a U.S. presence in Vietnam subordinated the former to the latter. And hence, our hands were stained with the blood of an unwanted war.

Peace, their reasoning went, would result from a U.S. disengagement. Disengagement was morally correct; U.S. involvement promoted terror and cost lives; and if we only would withdraw and let events take their natural course, all would be right with the world once more.

But these illusions have been shattered by the deaths of millions. America did leave. We left Southeast Asia to the "indigenous agrarian reformers" and "nationalist leaders" who supposedly were the driving force of the Vietnamese revolution.

And now the objective realities have turned out to be a tragedy we can scarcely comprehend: the extermination of between one-third and one-half of the Cambodian population, mass deportation, slave labor, "re-education" camps, and a terrorized people risking their lives to escape another Marxist paradise. It is now a region free of U.S. involvement, and it is a region at war with its people.

Where are the cries for justice now? Where is the anguish? What has happened to the advocates? But Americans, by and large, are no longer concerned. We have left Southeast Asia to live in splendid isolation. Come Home, America.

This romantic assessment of Asian communism was a myth eventually swept away by the rivers of blood that habitually follow the establishment of Stalinist regimes. The actions of the Viet Cong, the North Vietnamese army, and the Khmer Rouge reinforce what men like Alexander Solzhenitsyn have long understood: that there are certain qualities that will forever remain intrinsic to communist systems. "Rulers change," he wrote "but the Gulag Archipelago remains."

This issue cannot simply be cast aside, or turned into an intellectual debate between "liberals" and "conservatives." It is a profound moral issue involving human life and human worth, an issue of absolute morality—that uses human lives as a means of supporting a preordained political ideology.

Now we hear it said again—this time in Central America—that the United States is responsible for an escalation of tensions. The United States is charged with pursuing military confrontation instead of political dialogue and of running against the tides of history.

Of course, the terror will not stop if the United States leaves Central America, anymore than it did when we left Southeast Asia, even if our sense of moral responsibility will. How many times, one wonders, must this tragic drama unfold before we see the true nature of the struggle?

Whatever the answer, it should now be self-evident that real peace is not the product of moral rhetoric, or even noble human aspirations. And surely, no one can now argue that abdication can serve as a substitute for responsible policy. History has shown it, and millions of lives have been lost proving it.

Henry Kissinger once said that the difference between freedom and totalitarianism is not transient or incidental; it is a moral conflict, of fundamental historical proportions, which gives the modern age its special meaning and peril. The United States, therefore, is compelled to act: to act first, and after much thought and reflection, to define its principles and to translate those principles into effective action. That can only be achieved by selective involvement, not by unilateral disengagement.

Perhaps the United States will sign the genocide treaty. But to give the question much importance is to miss the heart of the matter. A piece of paper signed by 90 countries during the 1970s, as Cambodians were being systematically and brutally exterminated, will not stop genocide. Only a nation willing to engage in the battle can stop the march of evil.

"All that is necessary for evil to succeed," Edmund Burke wrote, "is that good men do nothing." Today, in a dark world, we condemn human rights abuses. We argue about "outlawing" genocide. We free our conscience by disengaging ourselves, and then we build memorials to the dead. And throughout, we continue to watch the people die.

"Never again"—and seemingly forever.●

REVEREND WEIR AND FIGHTING TERRORISM

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. STARK. Mr. Speaker, the primary reason we continue to see an increase in international terrorism is that certain states have concluded they can conduct a war against much more powerful countries by means of such acts. The Western nations have found no effective means of countering state-supported terrorism, although the administration has talked loudly of preemptive strikes against the perpetrators.

I don't think attacks on the perpetrators alone, although satisfying, will reduce or end state-supported terrorism. Those states involved in this form of warfare are unlikely to run out of committed fanatics prepared to drive car bombs into buildings simply because the United States has made it dangerous to be a terrorist.

The way to fight state-supported terrorism, like the kidnaping of innocent American citizens such as Rev. Benjamin Weir and the sheltering of those who murdered our AID officials in Teheran, is to make it painful for the states involved to engage in this form of warfare.

I have introduced a bill, H.R. 725, which would give the President clear legal authority to embargo products from any nation that provides training, logistical support, or de facto sanctuary to those committing terrorist attacks on U.S. citizens. Without my bill, we will continue to take such contradictory actions as train counterterrorists for preemptive attacks while importing over $700 million from Iran, as we did in 1984.●

BALANCE SHEET: MARTIN AND VALERIE FROST

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. FROST. Mr. Speaker, I am inserting in the CONGRESSIONAL RECORD a balance sheet for my wife, Valerie, and me for the year 1984.

Because the required financial disclosure of the House does not go into much detail, I am voluntarily providing this additional information.

The financial statement follows:

BALANCE SHEET: MARTIN AND VALERIE FROST

As of 31 December 1984

	Amount
Assets:	
Checking account, First National Bank of De Soto	$1,173.11
Condominium, Dallas, TX	47,500.00
House and Lot, Arlington, VA	185,000.00
Home furnishings and other personal effects	35,000.00
Savings, Wright Patman Federal Credit Union	285.07
Checking account, Wright Patman Federal Credit Union	1,636.29
Retirement, U.S. Congress	30,131.04
IRA's, (Martin and Valerie)	4,900.00
Washington Fringe Benefit Investment Club (Valerie)	2,500.00
Subtotal	308,125.51
Automobiles:	
1979 Chevrolet Chevette	1,600.00
1971 AMC Gremlin	100.00
1984 Toyota Van	8,950.00
1984 Starcraft Pop-Up Trailer	5,000.00
Subtotal	15,650.00
Stocks and Bonds:	
200 Shares Anchor Hocking	$4,175.00
413 Shares Central and Southwest	9,240.88
362 Shares Exxon	16,018.50
100 Shares Federated Department Store	5,187.50
90 Shares General Motors	6,795.00
116 Shares Greyhound	2,885.00
179 Shares Houston Industries	3,960.38
66 Shares Eli Lilly	4,290.00
71 Shares Texaco	2,387.00
82 Shares Texas Eastern Corporation	2,378.00
52 Shares Texas Utilities	1,322.50
54 Shares Mobil	1,377.00
5 Shares Ohio Edison	66.25
16 Shares Southern Company	292.00
358 Shares Westinghouse	9,263.25
27 Shares Enserch	546.75
34 Shares IBM	4,071.50
629 Shares Fundamental Investors	7,340.43
223 Shares Massachusetts Investors Trust	2,406.17
217 Shares Wellington Fund	2,630.04
139 Shares Eaton & Howard Balanced Fund	952.54
U.S. Savings Bonds	300.00
Subtotal	87,886.47
Total assets	411,661.98
Liabilities:	
Mortgages:	
Alpha Mortgage Corporation (Dallas Condominium)	37,500.00
Northern Virginia Savings & Loan (Arlington Residence)	135,00.00
Subtotal	172,500.00
Installments Loans:	
Open Charge Accounts (Balance)	1,000.00
Wright Patman Federal Credit Union (Automobile)	9,063.07
Subtotal	10,063.00
Total liabilities	182,563.07
Net Worth:	
Total assets	411,661.98
Total liabilities	182,563.07
Total net worth	229,098.91

A TRIBUTE TO EAGLE SCOUT JOSEPH LYZNIAK

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LIPINSKI. Mr. Speaker, I rise today to recognize an outstanding young man from the Fifth Congressional District of Illinois, Joseph Lyzniak. I am pleased to bring Joe to the attention of my colleagues since he has been chosen for promotion to the rank of Eagle Scout at a ceremony on June 1, 1985, at Our Lady of Good Counsel Church in Chicago.

After advancing through Cub Scouts and obtaining the Arrow of Light, Cub Scouting's highest achievement, Joseph joined troop 414 at its inception in October 1980. In earning the rank of Eagle Scout, Joe has obtained 9 skill awards, 26 merit badges, and numerous other scouting honors, including election into the Order of the Arrow. For his Eagle service project, Joe organized and conducted a toy drive for the handicapped children at the Misericordia Home for the Children, and with his fellow Scouts held a Christmas party for them. During his tenure with troop 414, Joe has attended three summer camps at the Owasippe Scout Reservation; two high adventure trips at the Philmont Scout Ranch in Cimmaron, NM, and at the Florida Sea Base in Islamorada, FL; has attended numerous hikes, campouts, and other Scouting activities and this summer will participate in a high adventure canoe trip out of Ely, MN.

Joe is presently serving as the troop's librarian and has also served in various leadership positions including senior patrol leader, patrol leader, assistant senior patrol leader, and as a member of the troop's leadership corps. A fine and active student at Quigley South High School, Joe is considering entering college at the University of Illinois in Champaign-Urbana.

Mr. Speaker, I deem it a great honor to join with the residents of the Fifth Congressional District in congratulating Joseph Lyzniak on the occasion of his obtaining the rank of Eagle Scout. Joe has demonstrated that he is an outstanding Scout, community member, student, and American citizen. I ask my colleagues to please join with me in wishing him every success in the future.●

THE RETIREMENT OF WARREN KNOWLES

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MOODY. Mr. Speaker, I would like to pay tribute to a constituent whose life and work has been one of exemplary service to his State and community. That person is Warren Knowles, former Governor of Wisconsin who is now retiring from a distinguished career in banking.

Warren Knowles served the people of Wisconsin as a public official for 31 years, beginning with his election to the State senate in 1940. His distinguished political career included 15 years in the State senate, 10 of which were as Republican majority leader. In 1954 he was elected Lieutenant Governor of Wisconsin, a post to which he was again elected in 1960. In 1964 he was elected Governor, a position he served in distinction until his retirement from political office at the end of this third term in 1970. He then joined the Heritage Bank of Wisconsin, serving as a chairman of the board.

Warren Knowles' career of service to the public at large extends far beyond the elected offices he held. He served on the boards of many civic and professional organizations, including the Leukemia Society of Wisconsin, the Milwaukee Athletes for Childhood Cancer, and the Medical College of Wisconsin. He has been awarded honorary degrees from eight colleges and universities, and has received many special awards and honors. A State park and a forest have been named after him.

Although Mr. Knowles and I belong to different political parties, I have always admired him as a symbol of the kind of selfless public service that serves as a model to all of us who hold the public trust.

This month Warren Knowles is now retiring from his current position as chairman of the board of Heritage Wisconsin Corp. However, I am certain that his generous contributions to the good of the State of Wisconsin and its people will continue for many years to come. I join many other admirers in extending best wishes and congratulations.●

ALONZO GARCELON ELECTED PRESIDENT OF THE NATIONAL RIFLE ASSOCIATION

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Ms. SNOWE. Mr. Speaker, I would like to share with my colleagues two articles which appeared in recent editions of the Bangor Daily News and the Kennebec Journal concerning the achievements of Dr. Alonzo Garcelon of Augusta, ME.

A dentist by profession, Dr. Garcelon has dedicated limitless hours to promoting the rights of sportsmen in Maine and across the Nation. This summer the Augusta-Windsor Wildlife Area, a 3,000-acre area representing some of the finest upland and marsh habitat in that area of the State of Maine, will be dedicated in his name.

Dr. Garcelon received an honor of equal value recently when he was unanimously elected president of the National Rifle Association of America. Prior to this election, Dr. Garcelon had served on the association's board of directors for 21 years, and had most recently served as the NRA's first vice president.

I extend my sincere congratulations to Dr. Garcelon and I commend my colleagues the following newspaper articles about this fine Maine sportsman.

[From the Bangor Daily News, Apr. 30, 1985]

DR. GARCELON ELECTED NEW NRA PRESIDENT

SEATTLE.—An Augusta man was unanimously elected president of the National Rifle Association of America by its board of directors at the association's 114th annual meeting in Seattle.

A champion marksman and pro-gun activist, Dr. Alonzo H. Garcelon, DDS, accepted his position at the annual meeting which ended Sunday and said that he would work as a catalyst for promoting the goals of the association.

For the NRA, Garcelon said he would seek "fair coverage by the media, recruitment of millions of hunters as members, the raising of new generations of gun owners and hunters, and reaching the group which numbers more than 50 percent of all voters . . . the women of America."

A patron member of the NRA, Garcelon has served on its board of directors for 21 years. From 1981–83 he served as the NRA's second vice president and then as its first vice president until his election as president.

An active advocate of sportsmen's causes, in 1983 Garcelon led a successful fight against a proposed ban on moose hunting. The moose referendum was defeated by a margin of 60 to 39 percent.

Garcelon is also the co-founder and first president of the Sportsman's Alliance of Maine, and in 1978, three years after SAM was founded, he was named its honorary president for life. He is also an honorary president for life of the Maine Rifle and Pistol Association.

The state of Maine recently honored Garcelon for his accomplishments as a pro-hunter by deducating a state wild-life management area in his name.

Garcelon is an accomplished competitive marksman as he was the National Champion Bench Rest Shooter in 1965. Director of the Eastern Region for the National Bench Rest Shooter's Association from 1965–66, Garcelon was elected its president for a one-year term in 1967.

In 1970, Garcelon was elected first president of the International Bench Rest Shooter's Association and was named honorary president for life in 1972. The following year, he became a world record holder in bench rest shooting.

Other honors Garcelon has achieved and posts he has served include: executive committee member for the Secretary of the U.S. Army; director of Civilian Marksmanship; a member of the National Board for Promotion of Rifle Practice; chairman of the Advisory Council, Maine Department of Inland Fisheries and Game; co-founder and vice president of the National Resources Council of Maine, an affiliate of the National Wildlife Federation; and honorary president for life of the Pine Tree (Maine) Rifle and Pistol Association.

Garcelon is also a life member of numerous outdoor sporting clubs which include: the Hampden Rifle and Pistol Club; the New Hampshire State Rifle and Pistol Association; the Maine Bird Dog Club, and the Tri City Pistol Club, of which he is past president.

A public and private health dentist, Garcelon was a member of the Executive Committee, Maine Dental Association for 24 years and is past president of the Maine Dental Association and Board of Dental Examiners.

[From the Kennebec Journal, Augusta, ME, Apr. 17, 1985]

GARCELON HONORED FOR EFFORTS

(By Gene Letourneau)

Dr. Alonzo H. Garcelon of Augusta, whose efforts on the part of sportsmen for more than 30 years have been limitless, will be honored soon when the Augusta-Windsor Wildlife Management area is dedicated in his name.

The cause of sportsmen and the natural resources of Maine always have been foremost in any undertaking by Garcelon. As a vice president of the National Rifle Association, former chairman of the Advisory Council to the Fisheries-Wildlife Department Garcelon led the way to the preservation of sportsmen heritage rights. His efforts in both the right to bear arms afield and to preserve the sport of hunting are well known. He took an initiative role in the campaign which led to the defeat of the referendum aimed at preventing an open season on moose.

Commissioner Glenn H. Manuel personally informed Garcelon of the decision to name the area in his honor.

Manuel wrote: "Our association traces back a good number of years to when I was in the legislature and you were chairman of the department's advisory council. And, of course, we both have served the people of Maine, the state's sportsmen and the fisheries and wildlife resources in a number of other capacities, both before and since those times.

"As with any other two individuals with interests and responsibilities in fish and game matters, there have been times when we took opposite positions on specific issues but never have I doubted that we were always striving for the same basic goals, to make Maine a better place for sportsmen to live and to visit and to realize the optimum management of our wild resources within the means available to us.

"Very few, if any, individuals have maintained such a high level of commitment to these goals for as long as you have.

"At a ceremony this spring or summer we will dedicate the so-called Augusta-Windsor Wildlife Management area in your name. Situated partly in your home city, the two tracts that comprise this 3000-acre area represent some of the finest upland and marsh habitat in this part of the state.

"I feel this represents a fitting tribute bonus to make in recognition of your many contributions toward preserving Maine's rich sporting heritage—one that you will be able to enjoy personally within a drive of only a few miles from your home."

The last time we chatted with Garcelon was when we met him and longtime hunting friend, Dr. Dean Fisher, retired head of the Maine Human Services Department, on a remote, on-land road in the Blanchard area. They were hunting birds, had not seen very many, got none, but they were having a wonderful time, just being out in the open.

Garcelon bemoaned the death of a Blackfield Pointer he had kept for many years for Ed Muskie, former Maine governor, U.S. Senator, Secretary of State. While on different sides of the political fence, their views on Maine's outdoors always have been focused on one objective—to make it better.

Dedicating the Augusta wildlife management area to Garcelon is a tribute well deserved.●

PERSONAL EXPLANATION

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LEWIS of Florida. Mr. Speaker, on Wednesday, May 15, due to official business, I was unavoidably absent during roll call No. 117. Had I been present, I would have voted "yea."●

BUDGET CUTS TO FURTHER DISABLE THE BLIND

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. RANGEL. Mr. Speaker, is there no end to the cruel and inhumane treatment that this administration wants to inflict on the poor, and handicapped poor of this country? The proposed budget by this administration would eliminate the free National Library Service for the Blind. A vital service that provides reading materials to 625,000 of the sightless. A vital service that provides reading materials which links the sightless to the rest of the world.

The budgets of all administrations, Democratic and Republican, liberal and conservatives have provided this service since 1899, through regional libraries. Braille literature is bulky, and postage is more expensive to mail than printed materials. Thirty-seven percent of these users have annual incomes under $5,000. For example, a copy of the National Geographic, at regular rates, would cost $1.82. Gone With The Wind would require $20 to mail; costs that their meager incomes would not permit.

For 72 years Mr. Reagan has had the gift of sight which has given him complete access to the universe. Has he and his budget cronies become so callous and insensitive to those who are less fortunate than they, that they would cut a program that cost $60.80 per year for each user?●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. HUBBARD. Mr. Speaker, the Los Angeles Times and the Washington Post last Friday reported that "top Justice Department officials" are "concerned that an indictment of Teamsters Union President Jackie Presser might damage the FBI's reliance on informants."

The Justice Department continues to delay any decision on the Cleveland, OH, Federal prosecutors 100-page recommendation that Mr. Presser be indicted in a union payroll-padding case, according to the newspapers' accounts.

"FBI concerns could derail the recommended indictment," according to the two newspapers.

Quoting two paragraphs from last Friday's Los Angeles and Washington newspapers:

> The sources, who spoke on condition they not be identified, said Cleveland strike force attorneys Steven R. Olah and Stephen H. Jigger have been told by their superiors at the Justice Department to learn how valuable Presser has been to the FBI as an informant and whether he is still cooperating with the bureau.
>
> The Presser investigation continues to present political problems for President Reagan's top appointees at the Department of Justice because Presser has been Reagan's chief supporter in organized labor.

Obviously, yes, the U.S. Justice Department is weighing carefully the political ramifications as to whether or not an indictment of Teamsters Union President Jackie Presser is soon pushed forward or delayed further or stopped.

Those Americans who are familiar with the U.S. Justice Department know it is the most politically conscious and politically active agency in the Federal Government.

The Justice Department's 3-year investigation of allegations that Mr. Presser fraudulently approved payment of more than $250,000 from the treasury of his hometown Cleveland local to associates who performed no work for the union is another reminder of just how our "Justice" Department operates.●

MINORITIES AND WOMEN GET HELP IN TELECOMMUNICATIONS

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LELAND. Mr. Speaker, as a member of the House Subcommittee on Telecommunications, Consumer Protection and Finance, I long have been an advocate of measures designed to increase the representation of minorities and women in the telecommunications industries. Recently, at the National Association of Broadcasters Convention, I had the opportunity to view voluntary efforts by the broadcasting industry aimed at increasing opportunities for minorities in that industry.

Last year, the NAB introduced the Minority Television Programming Exhibition as a continuing component of its annual convention. The MTPE provides minority programmers an opportunity and a forum to demonstrate their wares to broadcast station owners, general managers, and others who purchase programming. More than 20 minority firms had the unique opportunity to market their product to decisionmakers, and to discuss program production with experts. The MTPE also provided representatives of the broadcast industry an opportunity to review programming from nontraditional sources.

For the past several years, the NAB also has sponsored a minority employment clearinghouse. The clearinghouse attempts to place minorities and women in broadcast jobs. According to the NAB, over the past 10 years, more than 300 minorities have obtained jobs through this service.

Some years ago, the NAB, in conjunction with minorities in the communications industry, created the Broadcast Capital Fund, Inc., or Broadcap. Broadcap is an industry sponsored fund that provides financial assistance for minorities seeking ownership of broadcast stations. To date, approximately 17 minority owned broadcast stations have received funding from Broadcap.

I commend the NAB for these efforts. This Nation has a long way to go before minorities or women reach full parity in the communications industries, but efforts such as the MTPE, Broadcap, and the minority employment clearinghouse are positive steps in the right direction. I challenge the broadcasting industry to continue and enhance its efforts, and I challenge other industries to initiate similar programs. Working together, the private and public sectors can provide greater opportunity for minorities in communications.●

MR. ROBERT DAIS HONORED

HON. GENE CHAPPIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. CHAPPIE. Mr. Speaker, I would like to take this opportunity, on behalf of the people of Siskiyou County, CA, to pay our highest tributes to our good friend, Robert Dais.

For some 37 years, Robert Dais has dedicated himself to education in Siskiyou County. On June 1, 1985, he will retire after having served as county superintendent of schools since 1972.

Mr. Speaker, as an educator and administrator, Robert Dais has been the driving force behind an educational system of distinction in Siskiyou County. Under his leadership, the county has moved to the forefront of the California education system in terms of innovative programs, solid funding initiatives and quality teaching.

Born and raised in Siskiyou County, Robert Dais was educated in the local school system and received his masters degree in school administration from California State University at Chico.

Robert began his career at the McCloud Union Elementary School in 1948. In 1954, he was brought into the Siskiyou County superintendent's office as an elementary consultant. Moving through the ranks, Robert was appointed county superintendent of schools in 1972 and has been successfully reelected for three terms.

During his tenure as superintendent, Robert served 7 years on the California State Council of Education and was State chairman of the Teachers Rights and Responsibilities Committee for 4 years.

Robert Dais has been largely responsible for preserving the continuance of timber receipts for school districts in California and also established the first vocational regional occupational program for junior and senior students in Siskiyou County high schools.

Mr. Speaker, we owe a great deal to this fine man. Robert Dais has dedicated his whole life to ensuring that our children receive only the finest education. Through his efforts, the education system in Siskiyou County has grown and flourished to a position of stature and excellence.

Mr. Speaker, we shall miss Robert Dais. We shall miss his wisdom and judgement, and his commitment to our children. However, on the occasion of his retirement we have only joy and gratitude for his caring efforts on our behalf. The people of Siskiyou County want to say thanks.●

GALA DEDICATION OF EL CAMINO CONVALESCENT HOSPITAL PHOTOGRAPH GALLERY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MATSUI. Mr. Speaker, I rise to call to the attention of my colleagues a marvelous and novel project undertaken by the El Camino Convalescent Hospital in Sacramento, CA. Guided by the leadership of the resident council, the hospital has recently unveiled a photograph collection known as the "Gallery of Fame." The gallery contains over 200 framed and autographed photographs of the resident's favorite personalities from the worlds of government, athletics, religion, motion pictures, and television.

This wonderful project would not have been made possible without the public-spirited support of the Sacramento community. Individuals and businesses assisted the residents of the convalescent hospital in acquiring and framing the photographs.

I commend the residents of the El Camino Convalescent Hospital for bringing a marvelous addition to our community; one which can be appreciated and enjoyed by all.●

THE 40TH ANNIVERSARY OF AIRLIFT INTERNATIONAL, INC.

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LEHMAN of Florida. Mr. Speaker, on May 25, 1945, John Paul Riddle, a pilot and flight instructor, incorporated a small commercial airlines based in Coral, Gables, FL. On Saturday, May 25, 1985, the company Riddle founded, now called Airlift International, Inc., observes its 40th anniversary—and Mr. Riddle's 84th birthday—at a celebration to be held at its facilities at Miami International Airport.

This happy event has special significance for the dedicated employees of Airlift, the company's talented general manager, Al Oliver, and corporate rebuilder Bill Seidle, who have overcome seemingly impossible financial, economic, and regulatory problems to keep the company's fleet of passenger and cargo aircraft in the air. It also has special significance for me personally, because John Paul Riddle taught me everything I know about piloting and maintaining aircraft over 40 years ago.

The history of this company is colorful and varied. Over the years, Airlift has flown passengers all over the world; carried newspapers from New York to south Florida for same-day delivery; flew support for construction of the distant early warning [DEW] system in Canada and Alaska; participated in the freedom flights that brought Cuban refugees to the United States; and operated aircraft for the United Nations in the Belgian Congo during the civil war there in 1962. Airlift also carried zoo animals from the jungles of Africa and South America to American zoos; American seeds to anxious farmers in India, Pakistan, and Bangladesh; plasma to flood victims; and oil well drilling machinery to the Amazon. The company currently provides extensive charter and air cargo service.

I would like to include for the RECORD the final paragraphs of a company history that help explain the important contribution of small airlines like Airlift in this Nation's air transportation network:

> With all of this naturally, we have a cadre of the best trained pilots in the world today. We have an average of over 100 years of pilot experience in every cockpit. In all of these years and who knows how many millions of passenger miles, in everything from a DC-3 to the Stretch-8, we have yet to scratch our first passenger. Our aircraft, pilots and employees are an integral part of the United States CRAF Program, the Civilian Reserve Air Fleet, and are ready to respond to the needs of our county in time of war or any national emergency.
>
> In an era of uncertainty in the aviation industry when no one can look ahead with any certainty into what the future holds, we can draw pride and satisfaction from this look into our past. Most of our pilots have 20 or more years of service with our Company, and during these 20 to 30 odd years, we have responded each and every time when our customers or our government have called on us. This was our duty and our destiny, and so it was fulfilled. Little else can be asked of a Company or its men.●

NATIONAL SCIENCE WEEK

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. WALGREN. Mr. Speaker, I am pleased that Congress passed a joint resolution to commemorate the week of May 12-18 as National Science Week and to emphasize the importance of science and technology to each of us every day of our lives. The primary audience of National Science Week is young people, and this is appropriate because today's youth must be prepared to live and work comfortably in the rapidly advancing technological society of tomorrow. The National Science Foundation, with the private sector support provided by GE, IBM, Du Pont, and Eastman Kodak, has provided the framework for National Science Week to harness the imagination and talent of hundreds of individuals, groups, and organizations across the Nation into a week-long series of local activities to increase the public's awareness and understanding of the enjoyment and importance of science and technology.

The response to this national initiative by students, teachers, scientists from universities and industry, and the public was enthusiastic. The National Science Foundation received notice of over 500 activities which are taking place across the Nation in celebration of National Science Week. Schools took field trips, museums showed special exhibits, professional organizations sponsored lectures, and businesses highlighted corporate science. There were teacher workshops, short story contests, visiting scientists at schools, open houses at research facilities, and special radio and television programs. In addition, the Governors of the States of Texas, Alabama, Georgia, Hawaii, New York, Michigan, New Jersey, Kentucky, and Wyoming issued proclamations declaring May 12-18 as National Science Week.

Science and technology are timely national concerns, and National Science Week provided us all with a

forum for recognizing their importance to this country.●

OIL IMPORTS ARE STEADILY INCREASING—IT WOULD BE FOOLISH TO LOWER AUTO EFFICIENCY STANDARDS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. STARK. Mr. Speaker, last year 29 percent of our demand for liquid petroleum was met by foreign imports. This figure is projected to jump to 43 percent over the next 15 years. To put these numbers into more realistic terms—domestic production isn't keeping pace with demand. I might add, the numbers I cite are low. They are based on current oil production which is expected to decrease as demand strengthens through the 1980's.

At this rate, U.S. import dependence will return to the level just prior to the energy shock of the Iranian revolution. Rather than continuing progress in cutting energy dependence the U.S. is moving toward a dangerous new dependency on foreign oil imports. A few weeks ago the Wall Street Journal ran an article pointing out that the United States is once again losing ground on several fronts:

Imports of oil rose last year for the first time since 1979, augmented by a new flood of imported refined products.

U.S. oil companies are cutting back sharply on exploration needed to assure future domestic supplies.

The Strategic Petroleum Reserve, the huge U.S. Government stockpile of crude oil stored for an emergency, stands far short of its planned goal.

In light of all this I find it absolutely absurd that the administration would even consider requests by Ford and General Motors to lower the fuel mileage efficiency standards on new car fleets from 27.5 miles per gallon to 26 miles per gallon. Maintaining the standard will save millions of barrels per year. We cannot afford to do otherwise.

Further conservation remains a matter of urgency as well as sound economics. I encourage Members to cosponsor my bill H.R. 1425 which removes the administration's authority to lower the standard, holding it at 27.5 miles per gallon—a figure Chrysler and others have achieved.●

CUBAN INDEPENDENCE DAY: THE SPIRIT OF JOSE MARTI LIVES ON

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. FASCELL. Mr. Speaker, today is Cuban Independence Day, a day of great pride and hope for the Cuban people. Today is a very special day, indeed, for it also marks the initiation of Radio Marti, radio broadcasting of the voice of freedom and liberty to the people of Cuba.

Cuba has known the spirit of liberty—the spirit of the great Cuban partiot, Jose Marti. Freedom to think, freedom to speak, safe from reprisals by governments, political parties, or any who would impose their will. That is what Jose Marti fought for and that is the goal and meaning of Radio Marti. On this, the first day of Radio Marti broadcasts, the free people of the United States renew their commitment to the goals shared by freedom loving people everywhere, the common goals held by Washington, Jefferson, Bolivar, and Marti.

We in the United States look forward to that day when every station in Cuba reflects the heritage of Marti, a commitment to seek truth from the clash of ideals, freely expressed and unfettered by party ideology or state dogma. On this day of independence, we salute the Cuban people. We trust that the day will come again when we can stand together in the light of liberty which is our common heritage.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 21, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 22

9:30 a.m.

Energy and Natural Resources

Business meeting, to resume consideration of S. 979, to extend the expiration date of titles I and II of the Energy Policy and Conservation Act, and other pending calendar business.

SD-366

Judiciary

Criminal Law Subcommittee

To hold hearings on S. 605, to clarify certain provisions of the National Stolen Property Act as applied to imported archeological and ethnological materials.

SD-226

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.

SR-328A

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1986 for the District of Columbia government.

SD-138

Banking, Housing, and Urban Affairs

To resume hearings on recent changes in the financial services industry.

SD-538

Environment and Public Works

To hold hearings on the nomination of Francis S. Blake, of Maryland, to be Assistant Administrator (General Counsel) of the Environmental Protection Agency.

SD-406

Foreign Relations

To resume hearings on American policy toward South Africa.

SD-419

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee

To hold oversight hearings on a General Accounting Office report on Federal pay equity and classification system.

SD-342

Joint Economic

Agriculture and Transportation Subcommittee

To resume hearings to review economic problems in rural areas, focusing on rural community services, education, and health care.

SD-562

10:30 a.m.

Judiciary

Juvenile Justice Subcommittee

To hold oversight hearings to examine the scope of missing children.

SD-215

11:00 a.m.

Labor and Human Resources

To hold hearings on S. 797, the Youth Employment Opportunity Wage Act of 1985.

SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for Naval Petroleum Reserves, and fossil energy.
SD-138

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 765, to provide for coordinated management and rehabilitation of the Great Lakes.
SD-342

Judiciary
To hold hearings on pending nominations.
SD-226

Small Business
Small Business: Family Farm Subcommittee
To hold hearings on small issue industrial development bonds as a source of capital for small business expansion.
SD-428A

MAY 23

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 586, to provide for the review of certain authority in awarding international airline route certificates issued under the Federal Aviation Act.
SR-253

Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings on S. 1134, to permit Federal agencies to impose monetary penalties on individuals or companies which submit false claims to the government.
SD-342

Labor and Human Resources
Handicapped Subcommittee
Business meeting, to mark up S. 415, to clarify the intent of Congress to protect the educational rights of handicapped children, and S. 974, to provide for protection and advocacy for mentally ill persons.
SR-428A

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

Foreign Relations
To hold hearings on the nominations of Douglas W. McMinn, of Virginia, to be an Assistant Secretary of State, and Abraham D. Sofaer, of New York, to be Legal Advisor of the Department of State.
SD-419

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee
To continue oversight hearings on a General Accounting Office report on Federal pay equity and classification system.
SD-138

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on efforts to locate missing children.
SD-430

10:15 a.m.
Environment and Public Works
To hold hearings on proposed legislation to ban lead pipes and lead solder in drinking water systems.
SD-406

4:00 p.m.
Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

MAY 24

9:30 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on S. 635, to express opposition of the United States to the system of apartheid in South Africa by prohibiting new U.S. bank loans to the Government of South Africa, prohibiting investment by U.S. firms in South Africa, prohibiting the importation of South African gold coins into the United States, and forbidding the sale of computers to the Government of South Africa.
SD-538

JUNE 3

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on proposed legislation to modify the Medicare direct medical education pass-through.
SD-215

JUNE 4

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the impact of imported petroleum products on the domestic petroleum industry.
SD-366

10:00 a.m.
Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

2:00 p.m.
Labor and Human Resources
To hold hearings on the nomination of Gary L. Bauer, of Virginia, to be Under Secretary of Education.
SD-430

JUNE 5

9:30 a.m.
Finance
To hold hearings on S. 814, to make technical corrections to certain provisions of the Tax Reform Act of 1984, and proposed technical corrections to the Retirement Equity Act (P.L. 98-397).
SD-215

Labor and Human Resources
To hold hearings on drug export reform.
SD-430

JUNE 6

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold oversight hearings on the impact of coal imports on the domestic coal industry.
SD-366

JUNE 10

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume oversight hearings on proposed budget requests for fiscal year 1986 for programs of the Department of Energy, focusing on fossil energy programs.
SD-366

JUNE 11

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
To hold joint hearings with the Committee on Environment and Public Works' Subcommittee on Nuclear Regulation on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on administrative activities of Gallaudet College and the National Technical Institute for the Deaf.
SR-428A

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 403, to revise requirements with respect to the issuance of licenses for existing hydroelectric facilities, and S. 426, to provide for more protection to electric consumers.
SD-366

JUNE 12

9:00 a.m.
Office of Technology Assessment
The Board, to hold a general business meeting.
EF-100, Capitol

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To continue joint hearings with the Committee on Labor and Human Resources on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
To continue joint hearings with the Committee on Environment and Public Works' Subcommittee on Nuclear Regulation on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Rules and Administration
To hold hearings on the nomination of Ralph E. Kennickell, Jr., of Virginia, to be Public Printer.
SR-301

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1105, to reform the Walsh-Healey Act to allow Federal contractors in the private sector to work flextime hours.
SD-628

JUNE 14

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on health promotion and disease prevention strategies for Medicare beneficiaries.
SD-215

JUNE 17

9:30 a.m.
Labor and Human Resources
To hold hearings on home health care reform.
SD-430

JUNE 18

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the current status of and factors affecting the natural gas market.
SD-366

Labor and Human Resources
To continue hearings on home health care reform.
SD-430

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

JUNE 19

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1986 for the National Endowment of the Arts and the National Endowment for the Humanities.
SD-430

JUNE 20

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1986 for the National Endowment of the Arts and the National Endowment for the Humanities.
SD-485

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings to examine the problem of drugs in the military.
SD-430

JUNE 25

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine certain barriers to adoption.
SD-430

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

JULY 10

9:30 a.m.
Labor and Human Resources
To resume oversight hearings to examine certain barriers to adoption.
SD-430

JULY 15

2:00 p.m.
Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 16

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine U.S. relations with the International Labor Organization (I.L.O.).
SD-430

10:00 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 17

9:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JULY 22

2:00 p.m.
Environment and Public Works
Regional and Community Development Subcommittee
To resume hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 31

9:30 a.m.
Labor and Human Resources
To hold hearings to examine certain barriers to health care.
SD-430

OCTOBER 1

11:00 a.m.
Veterans' Affairs
To hold hearings to review the legislative priorities of the American Legion.
SD-106

CANCELLATIONS

MAY 22

9:30 a.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219

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UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 99th CONGRESS
FIRST SESSION

VOLUME 131—PART 10

MAY 21, 1985 TO JUNE 4, 1985
(PAGES 12703 TO 14265)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1985

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE *99th* CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Tuesday, May 21, 1985*

The House met at 12 o'clock noon.

The Reverend Monsignor James P. Cassidy, director of health, Catholic Charities, archdiocese of New York, New York, NY, offered the following prayer:

Almighty God, who has brought us together in this Nation, out of many races and religious persuasions, we humbly ask Your blessings and those gifts of wisdom, knowledge, and justice on all assembled here.

Grant us the vision to see Your will in all things and grant us the courage to follow it. May we always be aware of the dignity of every human being that we serve. Grant us peace and harmony and may we, by our actions, proclaim to one another and to all creation that we live in Your glory and trust.

We pray especially for the liberty and freedom of all the people of the world, and particularly, for the Cuban people, that they may grow in the freedom which they are celebrating this month.

O Lord, we humbly ask for Your strength to fulfill our destiny with competent, courageous leadership for the betterment of our country and all humankind. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 124. An act entitled the "Safe Drinking Water Amendments of 1985";

S. 960. An act to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other Acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes;

S.J. Res. 81. Joint resolution to provide for the appointment of Barnabas McHenry as a citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 131. Joint resolution to designate the week of June 2, 1985, through June 8, 1985, as "Future Problem Solving Program Week."

APPOINTMENT OF PRIVATE CITIZEN AS MEMBER OF THE FEDERAL COUNCIL ON THE AGING

The SPEAKER. Pursuant to section 204 of Public Law 98-459, the Chair appoints as a member of the Federal Council on the Aging the following person from private life:

Mr. Oscar P. Bobbitt, of Austin, TX.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

CERTAIN FORMER FLIGHT ENGINEERS OF WESTERN AIRLINES

The Clerk called the bill (H.R. 484) for the relief of certain former flight engineers of Western Airlines.

Mr. BOUCHER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MEALS ON WHEELS OF THE MONTEREY PENINSULA, INC.

The Clerk called the bill (H.R. 1095) for the relief of Meals on Wheels of the Monterey Peninsula, Inc.

Mr. BOUCHER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

GERALD M. HENDLEY

The Clerk called the bill (H.R. 1529) for the relief of Gerald M. Hendley.

There being no objection, the Clerk read the bill, as follows:

H.R. 1529

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Gerald M. Hendley of Harmons, Maryland—

(1) during the one-year period beginning on the date of enactment of this Act, may present to the appropriate Federal agency, for administrative adjustment in accordance with section 2672 of title 28, United States Code, a claim against the United States for money damages for injuries sustained when the military bus in which he was a passenger overturned on October 19, 1969; and

(2) if such claim is finally denied by such agency (or deemed to be finally denied), may institute a civil action upon such claim in accordance with section 2675 of such title;

notwithstanding the two-year limitation set forth in section 2401(b) of title 28, United States Code, and notwithstanding any disposition of such claim by an agency or a court before the enactment of this Act to the extent such disposition was determined to have been based on that two-year limitation. The appropriate district court shall, in accordance with section 1346(b) of title 28, United States Code, have jurisdiction of any action brought under paragraph (2) of this section.

SEC. 2. No more than 10 per centum of the amount appropriated in the first section shall be paid to or received by any agent or attorney on account of services rendered in connection with the claims dealt with in this Act. Any person violating the provisions of this section shall be fined not more than $1,000.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY E. STOKES

The Clerk called the bill (H.R. 1783) for the relief of Mary E. Stokes.

There being no objection, the Clerk read the bill, as follows:

H.R. 1783

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of computing the survivor annuity payable to Mary E. Stokes (social security number 263-09-1926) of Pensacola, Florida, under section 8341 of title 5, United States Code, the creditable service of her deceased husband, Bartley T. Stokes (social security number 265-28-0423), shall include, subject to section 8332(j) of such title, military service performed by him.

SEC. 2. (a) The Director of the Office of Personnel Management shall pay to Mary E. Stokes in a lump sum an amount equal to the unpaid portion of the survivor annuity she would have received for the period beginning on March 26, 1977, and ending on the first day of the last month beginning before the date of the enactment of this Act if the first section of this Act had been effective on or before March 26, 1977.

(b) No amount in excess of 10 percent of any amount paid pursuant to subsection (a) may be paid to or received by any attorney or agent for services rendered in connection with such payment. Any violation of this subsection is a misdemeanor and any person convicted thereof shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUDREY O. LEWIS AND EMERSON B. VEREEN

The Clerk called the bill (H.R. 1010) for the relief of Audrey O. Lewis and Emerson B. Vereen.

There being no objection, the Clerk read the bill, as follows:

H.R. 1010

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to—

(1) Audrey O. Lewis of Loris, South Carolina, the sum of $140,500; and

(2) Emerson B. Vereen of Baltimore, Maryland, the sum of $43,750,

in full settlement of all of their claims against the United States arising out of the tortious and felonious activity of Wayne A. Ambrose, Junior, who, while employed as a special agent of the Bureau of Narcotics and Dangerous Drugs (abolished pursuant to Reorganization Plan No. 2 of 1973 in conjunction with the formation of the Drug Enforcement Administration) engaged in such activity.

(b)(1) Any amount of money damages to be paid by the United States pursuant to subsection (a) shall be reduced by an amount equal to any sum received by Audrey O. Lewis or Emerson B. Vereen on or before the date of such payment under such subsection from Wayne A. Ambrose, Junior, or Larry L. Clark pursuant to the default judgment entered on November 18, 1982, in favor of Audrey O. Lewis and Emerson B. Vereen by the United States District Court for the District of Maryland in civil action numbered Y-81-2569.

(2) Upon the payment by the United States of the amounts described in the subsection (a), the United States shall be subrogated to the claims of Audrey O. Lewis and Emerson B. Vereen against Wayne A. Ambrose, Junior, or Larry L. Clark under the default judgment described in paragraph (1) to the extent of the amounts paid by the United States, and any amount received by Audrey O. Lewis or Emerson B. Vereen to which such subrogation applies shall be due and payable to the United States as of the date of receipt of such amount.

SEC. 2. No amount in excess of $9,100 shall be transferred or received by any agent or attorney for services rendered in connection with the payment authorized in the first section of this Act. Any person violating this section shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

ENACTING FIREARM REGISTRATION LAWS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, today I am introducing legislation to enact firearm registration laws.

Statistics show that the number of handgun homicides in this country is outrageously high.

For example, in 1980, there were 11,522 handgun homicides committed in the United States, as compared to 77 in Japan; 8 in Great Britain; 24 in Switzerland; 8 in Canada; 18 in Sweden; 23 in Israel; and 4 in Australia. Except for the United States, all of these countries require either a background check, a permit, and/or a license to buy and carry a weapon.

The situation in this country has not gotten much better. In 1983, there were 9,014 handgun homicides. Think about it—over 9,000 killed.

In the peak 7 years of the Vietnam war, there were over 40,000 U.S. troops killed. In that same timeframe, there were over 50,000 Americans killed by handguns.

My bill would require that States enact firearms registration laws in order to continue receiving criminal justice block grants. States must enact criminal penalties for failure to register a gun or to obliterate, alter, or remove the serial number. Americans can retain their guns, but they must register them.

This bill would be an important first step in gaining some control over this Nation's disgraceful homicide rate. I urge the support of my colleagues.

WELL DONE, CAP!

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, I commend the Secretary of Defense for his recent remarks condemning the Soviets for the murder of Major Nicholson. The actions of the Kremlin leaders continue to belie their words.

Secretary Weinberger is now in Europe where he restated his demands for a Soviet apology and compensation for the brutal murder of Major Nicholson. He also paid his respects to the widow and young daughter of Major Nicholson.

I join the Secretary in voicing my outrage over that coldblooded murder. The American people will not forget that tragic and senseless incident.

That murder shows the real Soviet attitude about relations with the West. Gorbachev's apparent unwillingness to come to the United Nations to meet with the President also says something about Soviet desires for better relations. They are backing away from a U.S. invitation to have the two leaders meet. Actions, more than words, reveal the truth about the Russians. This is a lesson we must not forget.

HONORING WALLY AND BARBARA FEDULLO

(Mr. TORRES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRES. Mr. Speaker, I want to take this opportunity to call to the attention of my colleagues the outstanding work of two special individuals who are being honored as "Resident Managers of the Year" by the Association of HUD Management Agents.

Wally and Barbara Fedullo have been chosen to receive this award for their tireless and innovative efforts to enhance the lives of the tenants at the Pioneer Gardens Apartments in Santa Fe Springs, CA. As resident managers of a HUD-subsidized apartment complex, they are routinely called upon to perform tasks above and beyond those required of conventional property managers. Wally and Barbara have continually demonstrated superior ability in performing these difficult tasks. They richly deserve to be honored for their outstanding achievements.

Wally and Barbara brought 11 years of experience in property management to the Pioneer Garden Apartments, and their experience has paid high

dividends. When they arrived at the multiethnic, 141-unit family project 5 years ago, it was fraught with heavy gang activity. To compound their problems, the project was located in an area undergoing redevelopment, with no adequate housing in sight prior to Pioneer Gardens.

With the persistence of the Fedullos, and their philosophy of self-determination, the project has been turned into a model for other assisted housing programs. The Fedullos have implemented several self-improvement programs including peer counseling sessions, social activities, recreational events, and health and safety seminars. The Fedullos even organized a library attendance program as a means of self-improvement for the 300 youth who reside in the complex.

The stability and sense of community that has been established at the Pioneer Gardens is evidenced by the fact that a 24-hour security guard service is no longer a necessity for the project. The Neighborhood Watch Program and counseling sessions organized to combat crime and gang activity in the area have given the residents of Pioneer Gardens a direct say in the safety of their homes.

Mr. Speaker, I am very proud of Barbara and Wally Fedullo and I invite my colleagues to join with me in honoring them as the Association of HUD Management Agents "Resident Managers of the Year."

□ 1210

GUN OWNER PROTECTION PACKAGE OF 1985

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, it's time to stop violating the rights of American sportsmen and gun owners. Today, Idaho Congressman LARRY CRAIG and I are introducing the "Gun Owner Protection Package of 1985" which seeks to stop the erosion of our constitutional rights.

Our legislative package has three parts. Part 1 will allow those citizens who legally own a firearm to transport that firearm freely across State lines through any jurisdiction in the United States, even Morton Grove, IL.

The second and third parts will protect the firearm manufacturer and firearm owner from personal liability if the firearm is purchased or stolen and then used in a criminal act.

Gun owners whose firearms are lost or stolen, and manufacturers who sell firearms, should not be held liable if their firearm is later used in the commission of a crime. That is akin to making me liable if my truck is stolen and later used as the getaway car during a robbery.

Sportsmen and firearm owners have rights and I intend to do all I can to see that those rights are protected.

I urge my colleagues to join Congressman CRAIG and I in this effort by cosponsoring the Gun Owners Protection Package of 1985.

THE NEED FOR TRUTHFULNESS

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, in the Des Moines Register this weekend was this article which says, "Reagan denies military bought the famous $435 hammer." The article quotes the President as follows: "Just give you one line about it," Reagan added, "that $435 hammer—we never bought that."

Mr. Speaker, the military did not buy just one hammer in that tool kit—the military bought three in that tool kit for which they paid $847,000.

Following that purchase, the Navy had an audit. The auditors said the overcharge may have been as much as $729,000 on an $847,000 purchase. Thereupon, the Secretary of the Navy met with a supplier and settled it for $84,000, a 10-percent refund.

Mr. Speaker, most of my people do not think a 10-percent refund on $400 hammers is any great deal, but there is something much more important than the hammers, Mr. Speaker. The issue is whether the President of the United States feels that he has to be truthful. I submit that it is important for us in the Congress to demand that the President of these United States have some concern for the truth and that he speak truthfully when he speaks to the people of our country on this and other matters.

IN DEFENSE OF CONGRESSMAN BROOMFIELD

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, I was shocked to hear Congressman WEISS' remarks last week labeling my colleague, Mr. BROOMFIELD, a "radical Republican extremist." Many of my colleagues were especially surprised that such a charge would be made by the gentleman from New York.

As my colleagues know, Congressman WEISS was referring to the fact that Mr. BROOMFIELD offered an amendment to the State Department Authorization Act suggesting that unless the Soviets apologize to the Government of the United States for the killing of Major Nicholson, our Government should declare the Soviet Ambassador to be persona non grata. The amendment passed overwhelmingly with a majority of both parties supporting Congressman BROOMFIELD.

The Congressman from New York also accused Mr. BROOMFIELD of not checking with the State Department, or the President before offering the resolution. Is the gentleman unaware of the fact that Congress is a separate branch of Government and that the overwhelming vote in support of this amendment is an expression of the American peoples' concern about the tragic incident? The amendment was also a "sense of Congress" and not binding legislation. The vote was an expression of congressional concern and intent, not the intent of the State Department.

My friend, Congressman BROOMFIELD is a well respected, thoughtful and an experienced Congressman who has led the way for bipartisanship, moderation and a steady course for America's foreign policy.

If anyone in this body is to be labeled as a radical extremist, it is clearly not BILL BROOMFIELD.

THE BUDGET

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS. Mr. Speaker, tomorrow the House begins its consideration of the coming year's budget. Those of us on the Budget Committee believe that it is a good budget and a fair budget. It assumes a deficit reduction of $56,200 million. That is more than the President has agreed to cut. Our budget includes no increase in income tax and provides a full cost-of-living adjustment for Social Security recipients, the civilian, military and railroad retirees. Fifty-one percent of the savings in our budget comes from nondefense spending, 49 percent of the savings comes from Pentagon spending. The recommendation freezes Pentagon budget authority for the coming year, although even with this freeze, the Pentagon outlays will increase for the coming year $15,100 million above the 1985 estimated level.

During the next 3 years, 1986, 1987, and 1988, spending for domestic programs would be reduced by more than $121 billion.

THE NORTHWEST ORDINANCE: GIVING EXPRESSION TO DEMOCRACY'S FUNDAMENTAL PRINCIPLES

(Mr. MILLER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Ohio. Mr. Speaker, approximately 197 years ago, an event took place that not only has a special meaning for the people of the 10th

Congressional District of Ohio, but is genuinely significant far beyond its boundaries.

On a rainy seventh of April in 1788 a boat touched shore near the confluence of the Ohio and Muskingum Rivers, bearing 47 veterans of the War for Independence, the pioneer settlers of Marietta, OH. The development of America's West under the auspices of America's government had commenced.

The founding of Marietta, OH, had been made possible by the Northwest Ordinance, the crowning achievement of the Congress of the United States under the Articles of Confederation. It is fitting that the citizens of Marietta, as they look forward to their bicentennial, plan to inaugurate the year of celebration on the 200th anniversary of the enactment of the ordinance of July 13, 1787. It is also appropriate, at this point, to note that the development of the Northwest Territory also led to the founding of Ohio University, Athens, OH, the oldest public institution of higher education in the Territory.

The bicentenary of the Northwest Ordinance calls for recognition throughout the Nation. The States of Ohio, Indiana, Illinois, Michigan, Wisconsin and—in its eastern part—Minnesota, all emerged from that vast region which the ordinance provided with civil government and opened to settlement. Moreover, those States owe much to such provisions of the ordinance as those forbidding slavery and fostering education. The States to the East should take pride in having contributed to the work: Thomas Jefferson of Virginia, Rufus King of New York, and Nathan Dane of Massachusetts were among those who gave the ordinance its form. The States to the West should be grateful that the ordinance set the precedent for a procedure by which territories, after a period of qualified self-government, were to enter the Union on an equal footing with the other States. and all Americans should be impressed by what a great judge called the "masterly display of the fundamental principles of civil and religious and political liberty" found in the Ordinance of 1787.

It is heartening to know that a Northwest Ordinance Bicentennial Planning Committee had been formed in Ohio with the aim of seeing that the Northwest Ordinance will receive the kind of 200th anniversary tribute that it deserves.

I am today introducing a concurrent resolution indicating the Congress approval of the Planning Committee's efforts, and I hope my colleagues will join me in supporting it. Senator JOHN GLENN is introducing a companion bill in the U.S. Senate.

The most famous words of the Northwest Ordinance are these: "Religion, morality and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged." A celebration of the ordinance's bicentenary that would broaden and deepen the American people's understanding and appreciation of this great law would be faithful to that mandate. It would itself be a "means of education" that would promote "good government and the happiness of mankind."

SALMON AND STEELHEAD FISHING IN THE NORTHWEST

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LOWRY of Washington. Mr. Speaker, I rise to call attention to my colleagues a resolution I received today from the Church Council of Greater Seattle commending the Northwest Steelhead & Salmon Council of Trout Unlimited for their leadership in working out what has been a very satisfactory agreement for the last 3 years on the very sensitive salmon and steelhead fishing problems in the Northwest.

We have enjoyed a real success story, where sports fishermen, commercial fishermen, treaty fishermen, landowners with water resource concerns and large corporations have replaced suing each other with sitting down and working together and saying, "Let's worry about the fish resource." It is working. The fish are coming back. We are having one of the best steelhead years ever, we are having one of the best salmon years ever, and it is because this type of cooperation is working. I invite you to the Northwest for some great fishing.

I am includng the resolution for the RECORD.

CHURCH COUNCIL OF GREATER SEATTLE—RESOLUTION

Whereas, the Salmon & Steelhead fishery resources within the State of Washington have been the subject of bitter battles over management and allocation of these important resources; and

Whereas, in the past, such differences have led to costly court cases and state initiatives; and

Whereas, the Church Council of Greater Seattle has promoted reconciliation and coming together on this issue, and has a continuing religious concern for the reverence of the earth and its resources,

Therefore, be it resolved that the Church Council of Greater Seattle, on this 14th Day of May 1985 recognizes and commends the Northwest Steelhead & Salmon Council of Trout Unlimited for its leadership in—

Working with Indian tribes as co-managers to improve fish runs and enhance fisheries habitat,

Helping to protect salmon and steelhead habitat from damaging development in watersheds, low head hydro projects, and poor logging practices,

Working with Columbia River Indian Tribes in lobbying the Bonneville Power Administration to manage water flows on the Columbia River to protect upstream and downstream fish runs,

Obtaining a United States/Canada Fishing Treaty which will help ensure that efforts to restore fish runs in the Northwest are not undermined by ocean overharvesting.

And be it resolved that a copy of this Resolution be sent to the State of Washington Congressional Delegation.

TAX FAIRNESS FOR FAMILIES

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, as sponsor of H.R. 1551, the Tax Fairness for Families Act, I was very pleased to learn last week that the administration's revised tax plan includes a doubling of the personal exemption. However, I am also a bit concerned over reports that the $2,000 personal exemption might be phased in over a 3-year period. I certainly hope that the administration does not try to shortchange the American family with this phase-in idea; because that is just what it would be, shortchanging the American family.

Mr. Speaker, over the past 20 to 30 years, the American family has been overtaxed. It's average effective rates have increased dramatically while the rates of single persons and couples without children have remained almost unchanged. This is an unjust situation which we have an obligation to remedy as soon as possible.

The personal exemption is not some kind of tax benefit or incentive. It is not an extra. It is a basic part of the Tax Code, as basic as the rate schedules themselves. It is the primary means by which the Tax Code adjusts tax liability to the size of the family, just as the rate schedules are the primary means by which tax liability is adjusted according to income. By failing to increase the personal exemption with inflation, we have increased the taxes of families relative to the taxes of single persons and couples without children.

By failing to increase the personal exemption, we have violated a basic principle of our tax system; in fact, we have been grossly unjust. And now it seems that some people in the administration are telling the President that we ought to remedy this injustice, but not all at once. In fact, what they are telling the President is, "If we promise fairness in the long run, we can get away with being unfair a little bit longer."

Well, Mr. Speaker, a fair person, and likewise, a fair administration, does not phase in fairness. It doesn't remedy past injustice by being a little less unjust in the future. I believe that

our President understands this principle, and I hope very much that he will make sure his tax plan reflects it.

FOREIGN IMPORTS ARE STEALING AMERICAN JOBS

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, foreign imports are stealing American jobs at a record pace. By the end of this year, foreign cars will capture nearly one-third of the U.S. auto market. In April, Japan took more jobs away from American workers, and at a 21-percent increase over just the previous month of March. Imports are taking away American jobs in every segment of domestic auto manufacturing—from headlights to tailpipes. Here in my hand, I have automobile glass made by the glassworkers at Libbey-Owens-Ford in my district. Over the past 3 years, imported glass has increased nearly 40 percent. As a result, almost 1,400 glassworkers at LOF are currently out of work. Further, foreign companies that assemble cars here use only foreign parts, thus diminishing jobs for workers and businesses in my district.

The administration suggests that we wait until next year to open a new round of trade talks. "Maybe then," they say, "France will be ready." We can't wait until next year. We need action now.

In my district, we are very proud of the products made by our workers. Our workers can compete with any other workers in the world—but only if all countries play by the same rules. The unfair trade practices of other nations put our workers at a disadvantage. Unfortunately, this administration is asleep at the foreign trade wheel. Under the Constitution, the Congress has the "Commerce Power." Therefore, it is up to Congress to see that the American worker gets a fair shake in foreign trade.

□ 1220

CONGRESSIONAL NEGOTIATIONS WITH SANDINISTAS SHOULD BE MADE PUBLIC

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, I took the well last Wednesday over a news report that two of our colleagues had a closed-door meeting with Sandinista leaders in Managua only weeks after this House rejected humanitarian aid for Nicaragua's democratic opposition, and only days after Daniel Ortega responded to that vote with a trip to Moscow. I was concerned because it appears that American diplomatic personnel were specifically refused permission to attend this meeting, and because I believe it is bad policy for Members of Congress to play Secretary of State, particularly with an openly hostile regime like the Sandinistas.

I also called upon both of our colleagues to make public the full substance of their negotiations. Whether or not the purpose of the trip was to encourage more clever Sandinista public relations maneuvers so as not to embarrass our Democrat colleagues—the reason alleged in the news column—the American people have the right to know what went on in Managua.

Mr. Speaker, to the best of my knowledge, our two colleagues have not yet responded to the call for full disclosure. Consequently, I again call upon them to simply tell us what they told them. And I also again urge you, Mr. Speaker, to consider changes in the House rules to prohibit self-appointed congressional ambassadors from conducting conferences out of earshot of authorized U.S. diplomatic personnel.

ANNE FRANK DAY

(Mr. DASCHLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DASCHLE. Mr. Speaker, today I join with my colleagues, Mr. LEVIN and Mr. HORTON in sponsoring a resolution designating June 12 as Anne Frank Day.

As a child, Anne Frank grew up amid the terror and persecution of the Nazi government of Adolf Hitler. For a little over 2 years, Anne, her family, and a small group of others hid in a small attic—hoping against hope they would survive.

On her 13th birthday, Otto Frank gave his daughter a diary.

That diary—the recordings of a young teenage girl—document the struggle, the hopes, the dreams, and the fears of a child growing up in a world turned upside down.

In 1945, Anne Frank died in the Nazi prison camp at Bergen-Belsen. She was 16 years old.

It is a time in our history that is difficult for us to remember—to recall the horror, the destruction, the death aimed at one segment of our society by another. But it is also a time we must never forget—or we risk permitting history to repeat itself.

Anne Frank, through her diary, left us with a powerful message. We can never again stand by and permit denial of basic human rights or freedoms and persecution to exist or we stand to lose life itself.

Anne's words, written in a child's hand, more clearly illustrated the philosophy, "in spite of everything, I still believe that people are really good at heart."

On June 12, 1985, in New York City, in Amsterdam, Holland, and in Frankfurt, Germany, the international opening of the exhibit, "Anne Frank in the World, 1929-1945," will take place. Over 800 photographs, video presentations, and memorabilia depicting the life and times of one child living in a world where evil reigned—but a world where the goodness of the human spirit overcame that evil and survived, will be displayed.

To that end, my colleagues and I invite everyone to join us in recognizing the legacy of Anne Frank.

In a dark and threatening world, amid death and persecution, Anne Frank never gave up her faith in improving all humankind. Nor should we.

GROUP 92 BUDGET RESOLUTION AND AN AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Mr. PURSELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PURSELL. Mr. Speaker, I rise today for two purposes.

First, on behalf of the 92 Group, I am reintroducing our budget proposal as a concurrent budget resolution. I am reintroducing it to comply with rule 23, clause 8 of the House rules, which calls for the public debt figures in a budget resolution to match those reported out by the House Budget Committee. I also am reintroducing it to reflect the 92 Group's decision to propose revised defense spending in the outyears—revised from our original proposal. The budget resolution I am introducing today calls for defense spending in fiscal years 1987 and 1988 to reflect 3 percent real growth.

The 92 Group has made this revision because we believe that 3 percent real growth in the outyears for defense is a position that is supported by a majority of the Members of this body. The revision thus provides for a greater consensus for our proposal. It is clear that consensus is necessary for the difficult decisions to be made to reduce this Nation's Federal deficit. That consensus, plus the accuracy of savings contained in our proposal in that we actually achieve $51 billion in deficit reduction in fiscal year 1986, make the 92 Group's budget proposal the only real alternative to solving the deficit problem and returning this country to good, sound public fiscal policy.

The second purpose for which I rise today, Mr. Speaker, is to offer the 92 Group budget proposal as an amendment in the nature of a substitute to House Concurrent Resolution 152, the budget resolution reported by the House Budget Committee. This afternoon we will be requesting of the

Rules Committee that our substitute be made in order for consideration on the floor of this House when the budget resolution for fiscal year 1986 is debated. We believe it is of the utmost importance to have our budget resolution considered on the floor. We believe that it provides the framework for uniting the people and their Government in a fair program to reduce the deficit while keeping taxes down. Our budget reflects the principle of shared responsibility for achieving those ends, with the ultimate goal of maintaining and enhancing this country's economy.

ANNE FRANK DAY

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, I am pleased today to introduce, with Congressmen Daschle and Horton, a joint resolution that would designate June 12, 1985, as "Anne Frank Day."

The story of Anne Frank is widely known. To make it still better known, on June 12, 1985, an exhibit entitled "Anne Frank in the World 1929-1945," will open in Frankfurt, Amsterdam, and New York City. The exhibit organized in the United States by the American Friends of the Anne Frank Center and hosted in New York by the American Forum on Religion and Politics is designed to preserve the memory and message of Anne Frank.

The message of Anne Frank in her diary is a powerful one. It reminds us of the precious value of human rights and of each individual human life. It also reminds us that the denial of human rights of any individual or group ultimately means the eradication of the human rights of a society as a whole.

DENYING MOST-FAVORED-NATION TRADING STATUS TO AFGHANISTAN

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, for 6 long years, we have watched with growing horror all that the Kremlin is doing to win its war against Afghanistan. And we know—every one of us—that the Karmal government in Kabul is no national government at all; it is instead an implement of Moscow, and a standing insult to the Afghan people.

Yet, the United States has never withdrawn its most-favored-nation trading status. If we are to do so, it is the Congress which must take the initiative under present law. Therefore, on May 15, 36 Democratic and Republican Members of this House joined me in introducing H.R. 2520, a bill "To deny most-favored-nation trading status to Afghanistan."

I hope many additional Members will join us in advancing this bill. It is a simple and a modest act, but it is something this Government should have done for the Afghan people a long time ago.

HOUSE BUDGET COMMITTEE'S BUDGET IS MUCH MORE FAIR

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, as one who believes very strenuously that we must reduce the size of the budget deficits, I rise in strong support of the resolution from the House Budget Committee. I feel that the $56 billion reduction for next year is very much needed, and that the matter of holding the defense spending to a freeze is adequate for our defense and a strong defense.

This budget resolution also allows for a Social Security cost-of-living increase. In comparison with the budget that emanated in and was passed by the other body, I would like to say that while they, the other body, gave an inflationary increase to defense spending, gave additional billions of dollars to the Pentagon, they refused to give even 1 cent for Social Security funds for those who are on Social Security and do not give Social Security recipients a cost-of-living increase.

I believe that the House Budget Committee's Budget is much more fair across the board for all Americans and provides for a necessary budget reduction.

☐ 1230

QUESTIONABLE TRIP TO NICARAGUA

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, a few moments ago our colleague from Louisiana raised a question about a very questionable trip by a couple of our colleagues to Nicaragua recently. I wonder if the gentleman, if he could reply to me, knows how that trip was paid for?

Mr. LIVINGSTON. Will the gentleman yield to me?

Mr. WALKER. I would be glad to yield to the gentleman from Louisiana.

Mr. LIVINGSTON. No; as a matter of fact, there was an article last Wednesday in the Washington Post about the trip. I think that was Evans and Novak. There is another article by Joseph Sobran in the Washington Times today. Both articles refer to the trip, but neither one mentions how this particular trip was paid for.

Mr. WALKER. Since those articles have appeared, I have heard a strong rumor that that trip might have been paid for out of House funds. The gentleman has no knowledge of that.

Mr. LIVINGSTON. I have not heard that rumor. I would certainly be appalled if that were true. I would certainly hope that such a trip would be paid for at the instance of the two Members on their own, paid for by themselves, particularly since they excluded the diplomatic personnel at the U.S. Embassy.

Mr. WALKER. I thank the gentleman, and I would certainly concur with what the gentleman is saying. I would hope that there is no chance that we paid for that with official taxpayers' money and then excluded the State Department, and particularly we did not pay for it out of House funds.

I think that one of the questions that has to be raised in conjunction with the ones the gentleman has already raised, is: Who paid for this trip and for what purpose? I think we need an answer.

MILITARY DRUG INTERDICTION ASSISTANCE ACT

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to extend his remarks.)

Mr. BENNETT. Mr. Speaker, I am introducing a bill today, the Military Drug Interdiction Assistance Act, which will allow members of the military to assist drug enforcement officials in drug searches, seizures, or arrests in drug interdiction operations. Our past failure to stop drug trafficking is a national tragedy. We must step up our efforts in the fight against drugs. Congress has acted on numerous occasions to set aside the posse comitatus ban on military involvement in civilian law enforcement procedures; and the menace of drug infestation compels us to act again in this much more important area. With the unique capabilities and resources the military can offer, it makes no sense at all to continue to overly restrict their assistance to drug enforcement agencies.

This bill is a balanced approach to the problem. It provides that any assistance must not adversely affect military preparedness. It allows military assistance in drug searches, seizures, and arrests only outside the land area of the United States. Federal drug enforcement officials have ultimate control over any operation, and the military drug interdiction expenses will be covered by the Economy Act and the Reimbursement Act.

We are not irresponsibly turning loose the military. We are taking a careful and necessary step to stop the

insidious flow of drugs into our country. I urge your support for this measure.

THE TAX ISSUE

(Mr. MACK asked and was given permission to address the House for 1 minute.)

Mr. MACK. Mr. Speaker, tomorrow the House will begin consideration of the fiscal year 1986 budget resolution.

While Members of this body may differ on how the burden of deficit reduction should be distributed, I commend the distinguished chairman of the House Budget Committee, Bill Gray, for steering a resolution through his committee that focuses exclusively on the spending side of the Federal budget. Certainly, the American voters made their position on tax increases crystal clear in last November's Presidential election. Our constituents, both Democrats and Republicans, throughout the country overwhelmingly rejected a tax increase for a Government bailout.

Congress will address the fairness of our tax system later this session. But an increase in revenues should not be subject to debate—neither during the coming discussion of simplification nor during the present consideration of the budget. I remind my colleagues not only of the recent mandate against revenue hikes but also of the pledge made by 146 Members of the House to sustain a Presidential veto of any legislation raising taxes.

Accordingly, as we move into the budget debate, I urge the House to demonstrate the political discipline required to legislate meaningful and balanced spending reductions.

SUBCOMMITTEE ON ELECTIONS PLANS UNIFORM POLL CLOSING HEARINGS

(Mr. SWIFT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SWIFT. Mr. Speaker, the Subcommittee on Elections is considering uniform poll closing legislation and this Thursday, the 23d, we are having a hearing specifically to provide an opportunity for interested Members to present their views.

A "Dear Colleague" has been circulated outlining the reasons for the hearings, but I can summarize briefly by saying that they stem from the work the subcommittee has been doing over the last several years on the subject of early projections of election returns.

We have finally reached an agreement with the television networks such that a nationwide uniform poll closing time will—finally and completely—solve the problem of early projections. As a result, we have begun this series of hearings to examine the feasibility of such legislation.

We are well aware, however, that there are important questions to be considered with respect to the impact of a nationwide uniform poll closing time, particularly since it will affect different regions of the country differently. We want to be sure that we have carefully considered all the ramifications of a uniform closing time before we move forward with legislation. All interested Members who have questions, or who would like to comment, are welcome—in fact, invited—to contact me or the subcommittee any time.

RESOLUTION DECLARING SOVIET AMBASSADOR PERSONA NON GRATA

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, last week I read into the Record a newsstory quoting the State Department's reaction to a resolution introduced a few days earlier at the instigation of radical Republican extremists. Today I want to submit for the Record the exact statement of State Department spokesman Edward Djerejian, and I quote:

> Yesterday, the House of Representatives, without prior consultation with the Administration passed an amendment to the State Department authorization bill expressing the "Sense of Congress" that the Soviet Ambassador should be declared persona non grata unless the Soviet Government apologizes for the killing of Major Nicholson. In earlier action on April 22, 1985, the House overwhelmingly passed H. Res. 125 condemning the Soviets for this brutal and senseless act. We share the sense of outrage felt by the American people and the Congress as reflected in these two actions concerning the killing of Major Nicholson.
>
> Nevertheless, we consider yesterday's House action to be unwise and inappropriate. This is one of the most sensitive areas of our relations with foreign nations. We have been seriously working with the Soviets to resolve the questions raised by the Nicholson killing, including the safety of our people working in East Germeny.
>
> Under the Constitution, the receiving of foreign Ambassadors is a power reserved exclusively to the President. We do not believe that threats to declare Ambassador Dobrynin persona non grata constitute a useful step in our efforts to resolve our differences with the Soviets.

So, Mr. Speaker, if my colleague from California [Mr. Lagomarsino] or any Member, has an argument over the resolution, it is not with me, but with the Reagan administration.

CENTRAL AMERICA: A DOSE OF REALITY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, once again the Reagan administration is trying to surround the Nicaraguan wagon train with just one horse—his own. The President has imposed economic sanctions on Nicaragua without seeking the advice or support of America's allies. In fact, Assistant Secretary of State Langhorne Motley admitted to the House Foreign Affairs Committee last week that the administration had not sought backing from other countries, even other Latin American countries, for its sanctions. Secretary Motley stated that to seek the backing of other countries would be to conduct foreign policy based on a popularity poll. And the administration was rewarded for its General Custer attitude by gaining the endorsement of only El Salvador and Guatemala—two countries who are completely dependent upon United States aid, neither of which can help the sanction business one iota.

What the administration has never learned is that seeking the advice and counsel of our respected allies would be a show of strength, not weakness. The President has forgotten the old adage that two heads are better than one, and he has repeatedly and dogmatically engineered a solitary, unilateral course of action in Central America. There are many reasons why it is unwise, perhaps ultimately even fatal to our best interests, to act alone as the United States is doing—and the main reason against unilateral intervention is coming to light with greater clarity as each day passes. We should seek the support of our allies so that we do not embark on a weak and misguided policy of the sort that the President has undertaken. Our allies would have told us the truth—the objective truth—about the ineffectiveness of our so-called Central American policy.

In fact, they are telling us in as diplomatic a manner as is possible. Germany's President Helmut Kohl refused to endorse our sanctions against Nicaragua; Italy promptly announced plans to go ahead with a $25 million powerplant project in Nicaragua; and where is Maggie Thatcher—she hasn't joined our game, either. And sanctions cannot conceivably work even against a third-rate power like Nicaragua, if they are imposed by only one power.

The United States is not alone in the world—and we do not run the world. If America ruled the world, we could act unilaterally without regard to the wishes or advice of our friends. But America is just one part of the world—albeit a powerful force—and as in all friendships and marriages, we cannot continue to pretend that we are the only ones that matter. The President must seek the support of our partners around the world or we will find ourselves alone on the battlefield, draining our resources and expending our lives for a fight that our friends says is unnecessary, illegal, and immoral. If we do not garner their support before we get irreversibly involved, we cannot expect them to support us when we need help. This latest General Custer maneuver cannot work, and it therefore cannot do anything but harm whatever goal the President is seeking. For, as a wise political adviser once said, "It's one thing to tell a fellow to go to hell, but another to make him do it." The Reagan sanctions won't make the Nicaraguans go to hell, but they will probably nudge our own policy further in that direction.

LET'S GET THAT NICARAGUA TRIP OUT IN THE OPEN

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, we are in a very uncomfortable position on the minority side of the aisle because rumors are flying hot and heavy about the late April trip to Managua by two of your Members. I would ask you to put yourself in the shoes of those of us who believe that the ruling comandantes in Managua are dedicated Leninists; that is Communists.

What should we do when two Members on your side, the distinguished gentlemen, Mr. MILLER from California and Mr. BONIOR from Michigan, go down to Managua to counsel in private with Communists who are hostile to freedom, block our U.S. embassy people from sitting in on their secret meeting and then refuse to tell us, their colleagues, just what they're up to. As you know, two Members from the other body, also of your party, shortly before our rotten April 24 vote denying all aid to the democratic resistance, had the same type of secret meeting with Communist rulers in Managua. We are baffled over here. Just what is going on in your party?

Would you please encourage those two Members to come over to our side of the aisle, or to our cloakroom, and tell us exactly what they said in private down there. What are they telling Vic Tinoco to tell Ortega? What kind of PR training are they giving to the comandantes? We need all the facts we can get about what is happening in Managua as we all prepare to debate this issue again, right, Mr. Speaker? We are sincerely confused over here and would like to know what the heck is going on. The rumors now, Mr. Speaker, are that you paid for their trip down there. There is also a column that is rather rough on you in today's Washington Times. Tell me it isn't so.

Let us not have these rumors fester on both sides of the aisle. Let's get it all out in the open.

OVERESTIMATED INFLATION ADJUSTMENT IS LATEST PENTAGON ABUSE

(Mr. BRUCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRUCE. Mr. Speaker, just yesterday a former Republican Presidential candidate and our own Armed Services Committee chairman took the floor in their respective chambers to point out that the current system of military spending is resulting in embarrassing examples of waste, fraud, and abuse, which are jeopardizing the national consensus to rebuild our national defense and, in my opinion resulting in a defense system that is too expensive and inefficient to truly protect our country.

We all have heard the list of abuses: the $400 hammers, the $600 toilet seats, the $6,000 coffee pots. These are more than colorful anecdotes. Recently we have heard more and more about the systematic abuses of our military procurement system by a major defense contractor. The disillusionment and outrage in my own conservative district over the American taxpayer footing the bill for golf weekends and executive parties is expected and justified.

Now we learn that the Department of Defense has overestimated the inflation adjustment when making budget requests, possibly costing us between $18 to $50 billion. My constituents want to know why.

The questions people are asking in White County and in Crawford County are painfully similar to the complaints I hear in Champaign County. Their message is quite clear—we simply cannot afford Government spending as usual.

So, Mr. Speaker, while I will support the $18 billion increase in military spending called for in the House Budget Committee package, I also want to remind my colleagues of the advice President Reagan gave us back in 1981. The only way to reduce wasteful Government spending the President said, is the same way we would reduce our own children's wasteful spending: we need to cut their allowance and make them do what we all must do—live within our means.

THE FED LOWERS THE DISCOUNT RATE

(Mr. KASICH asked and was given permission to address the House for 1 minute.)

Mr. KASICH. Mr. Speaker, the Federal Reserve's decision to lower the discount rate to 7½ percent is a move that will benefit all Americans, and one that is already beginning to bear fruit.

The immediate results prove the wisdom of this move. The stock market rallied almost 20 points yesterday, surging to an all-time high slightly greater than 1,300. I am confident this much needed reduction in interest rates will be mirrored by improvement in the alignment of the dollar, followed by a strengthening of this Nation's manufacturing and agricultural sectors.

By lowering interest rates and providing a sufficient and prudent supply of money the Fed will do its part to insure this Nation's continued growth.

I am pleased with the Federal Reserve's move to lower interest rates because it will benefit consumers, farmers, and small businessmen. In short, it will benefit America. I am also hopeful it will portend a return to the strong, noninflationary growth we saw in the first half of last year which provided so many new jobs to Americans.

POWER AND RESPONSIBILITY: THE CASE OF LEBANON

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, in his farewell address, President Harry Truman, the architect of America's cold war policy, warned his countrymen that America's new world power status required careful guidance. With power comes responsibility, he reminded us, expecting that this early warning would be heeded. It has not. Vietnam stands as a symbol of the misuse of power. Indeed, the CIA's unchecked operations in that country, shortly after Truman left office, eventually led to full-scale military intervention. Most of us now bemoan our adventure into Vietnam. It disturbs me that our current President has not learned the sad lessons of that war, and has unleashed the CIA in Lebanon.

Recent press reports of CIA-inspired terrorist activities in Lebanon have worried Americans about the direction of their foreign policy. Let us stand above our ideological adversaries who embrace terrorism, and denounce the use of terror. Let us use American power in a responsible fashion. Political pressure from a Congress and a President working together can lead to peaceful conclusions. We owe it to ourselves, Mr. Truman's memory, and to all humanity, to remain consistent with this Nation's best democratic principles of diplomacy and peace.

THE "NO COST" GSM PROGRAM

(Mrs. BENTLEY asked and was given permission to address the House

for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, the Congress has been bombarded lately with letters and visits from various agricultural interests who do not want to see the cargo preference law apply to the Blended Credit Program or the GSM guarantee programs, as Judge June Green ruled. These interests have even gone so far as to propose legislation which would remove the application of the cargo preference law from our traditional foreign assistance programs where agricultural commodities are exported.

Let me set the record straight on this "No Cost" GSM Program they are so vehement about. Since January 1981, defaults in the GSM Program have cost the U.S. Government $1.7 billion in payments to U.S. banks. For the record, the total accumulated U.S.-flag ocean freight differential in the Public Law 480 program since its inception in 1954 is $1.7 billion. While it took 30 years for U.S.-flag vessels to cost the Government this amount, this one guarantee program on the agriculture interests did it in less than 5 years.

Even though the GSM 102 Program defaults have cost the U.S. Government $1.7 billion, because cargo preference was not applied by USDA to the program, U.S.-flag vessels carried virtually none of the millions of tons of the exports which were financed with these funds.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1965

Mrs. BENTLEY. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 1965, since there is material in that bill that I did not know was in it. I am today introducing legislation known as the Agriculture Expansion Act of 1985, which parallels that legislation but leaves out the cargo preference law.

The SPEAKER pro tempore (Mr. KANJORSKI). Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

JOINT CHIEFS OF STAFF REFORM MEASURES IN THE MILITARY COMMAND REORGANIZATION ACT OF 1985

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, last week I spoke about a very important defense issue that confronts us—reform of the Joint Chiefs of Staff. I also expressed the need to reaffirm our pledge to finish the important work we have begun in this area.

The essence of the flaws exhibited by the present JCS structure centers upon an inherent conflict of interest caused by the "dual-hatting" of the service chiefs. Specifically, the service chief must assume a role in the JCS in addition to his role as the leader of his own service. A former, distinguished, Chairman of the JCS, Gen. David C. Jones, before congressional testimony, elucidated the problem, "It is very difficult for a service chief, in his service channel, to strongly advocate as the leader of that service certain issues and programs, and then step into what should be a higher arena and step aside from his service position and maybe recommend something different. If a chief departed a great deal, and consistently, from what came up through the system from his service, he would be in danger * * * of losing the support of his own service."

This conflict of interest, created by the dual-hatting of the service chiefs, represents only one of the many flaws that plague the current JCS structure. So I believe it is now time to take stock, discard this obsolete organizational form, and reconstitute it with a revitalized, healthy structure. The remaining portions of my bill on JCS reform, fulfill this very task. The end result will be a highly efficient and effective military command structure.

WELCOME TO THE GOP, BILL LUCAS

(Mr. SILJANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SILJANDER. Mr. Speaker, a great thing happened in Detroit, MI, last week. I had the honor of attending a rally where Wayne County executive Bill Lucas decided that the party of Kennedy had lost its vision and the American dream is held in the Republican Party, the party of opportunity and the party of the future.

Bill Lucas follows the tradition of John Connally, Regan, Kilpatrick, Senator GRAMM, Kent Hance from Texas, and others who see that the new vision for America is in the Republican Party. He happens to be black. He happens to be the former sheriff of Wayne County, which incorporates the city of Detroit. He receives over 77 percent of the black vote, and he holds a dream for America of economic security, family stability, safe streets, and international respect.

I say, Bill Lucas, welcome to our party, and I for one look forward to your leadership for the State of Michigan and to your leadership for America's future.

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THE BEST BUDGET RESOLUTION

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, we are facing the deadline for Congress to pass a budget resolution. The question on everyone's mind is: Which of the four or five budget alternatives is the one that makes the most sense for our national interests?

I want my colleagues to know that there is a plan that would cut the deficit in half in 3 years without compromising our national defense, without eliminating the most productive government programs, without touching Social Security COLA's, and without a tax increase. It's called A Blueprint for Balance and it was written by the House 92 Group's budget task force. I'm convinced this proposal deserves your support because it would engage both the hearts and minds of the American people in a fair program that recognizes both our fiscal and our social responsibilities.

Let me emphasize the word "fairness." the 92 Group budget package is based on a comprehensive freeze of practically all Federal spending at 1985 levels, including defense. Beyond the freeze, another $19 billion in deficit cuts would be achieved through moderate changes in a wide range of Federal programs.

Let me also emphasize the soundness of the plan. We have developed our proposal over weeks of intensive discussions, and our numbers are backed up by the CBO. There is no "funny money" in our budget.

Finally, let me emphasize the responsiveness of our budget to national needs. A defense freeze at the high 1985 level will help force the reforms that many of us want to see in defense spending. Moreover, our defense numbers for the outyears are identical to those proposed by the House Budget Committee and by the other body.

We do not feel Social Security benefits should be altered within a deficit-reduction plan. And we do not feel our national interests will be served by gutting programs that help our people help themselves to greater prosperity.

When we are spending $265 million a day just for the interest on the national debt, you can be sure we don't want to spend 1 more penny than the President does. Mr. Speaker, I ask my colleagues to take a look at the 92 Group budget proposal. It is deserving of their support.

PROPOSED AGREEMENT BETWEEN THE UNITED STATES AND FINLAND ON PEACEFUL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-71)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, May 21, 1985.)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has been concluded on all motions to suspend the rules.

VETERANS' HEALTH CARE AMENDMENTS OF 1985

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 505) to amend title 38, United States Code, to improve the delivery of health care services by the Veterans' Administration, as amended.

The Clerk read as follows:

H.R. 505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE

(a) Short Title.—This Act may be cited as the "Veterans' Health Care Amendments of 1985".

(b) References to Title 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—OLDER VETERANS' HEALTH CARE

SEC. 101. COVERAGE OF RESPITE CARE.

(a) Authority to Provide Respite Care.—Section 610(a) is amended by striking out "or nursing home care" and inserting in lieu thereof ", nursing home care, or respite care".

(b) Definition.—Section 601 is amended by inserting after paragraph (8) the following new paragraph:

"(9) The term 'respite care' means care furnished by a Veterans' Administration facility on an intermittent or temporary basis to a veteran who has been diagnosed as suffering from a chronic illness and who is receiving care in the individual's home or in a hospice program which has entered into a cooperative agreement with the Veterans' Administration to provide appropriate care for the veteran.".

SEC. 102. DOMICILIARY CARE.

(a) In General.—Subsection (b) of section 610 is amended to read as follows:

"(b) The Administrator, within the limits of Veterans' Administration facilities, may furnish domiciliary care to a veteran who is in need of domiciliary care if such veteran is unable to defray the expenses of necessary domiciliary care.".

(b) Conforming Amendment.—Section 622 is amended by striking out "610(b)(2)" and inserting in lieu thereof "610(b)".

SEC. 103. OUTPATIENT AND AMBULATORY SERVICES.

Section 612(f)(1)(B) is amended—

(1) by inserting ", nursing home care, or domiciliary care" after "hospital care" the first place it appears;

(2) by striking out "hospital" the second place it appears; and

(3) by striking out "in-hospital" and inserting in lieu thereof "such".

SEC. 104. TRANSFERS FOR NURSING HOME CARE.

Section 620 is amended—

(1) in subsection (a)—

(A) by striking out "care by the Administrator in a hospital" and inserting in lieu thereof "hospital care, nursing home care, or domiciliary care by the Administrator in a facility" in paragraph (1);

(B) by striking out "in such hospital" in clause (i);

(C) by striking out "or (II)" in the second sentence and inserting in lieu thereof "(II) where such nursing home care is required for the treatment of a veteran's service-connected disability; or (III)";

(2) in subsection (d), by inserting after the first sentence the following new sentence: "The Administrator may also authorize such a direct admission for any veteran who has been discharged from a hospital under the direct jurisdiction of the Veterans' Administration and who is currently receiving home health services under a Veterans' Administration hospital-based home care program."; and

(3) in subsection (e), by inserting "and for the purpose of section 641 of this title" after "For the purposes of this section".

SEC. 105. EXPANSION OR GERIATRIC RESEARCH, EDUCATION, AND CLINICAL CENTERS (GRECC) PROGRAM.

Section 4101(f)(1)(A) is amended by striking out "fifteen" and inserting in lieu thereof "25".

SEC. 106. EFFECTIVE DATE.

The amendments made by sections 101 through 105 shall take effect on October 1, 1985, and shall apply to care furnished, and to direct admissions occurring, on or after that date.

SEC. 107. REVISION OF STATE HOME CONSTRUCTION GRANT PROGRAM.

(a) Authorization of Appropriations.—Subsection (a) of section 5033 is amended to read as follows:

"(a)(1) There is authorized to be appropriated to the Administrator for grants under this section—

"(A) the sum of $40,000,000 for fiscal year 1986;

"(B) the sum of $50,000,000 for fiscal year 1987; and

"(C) the sum of $60,000,000 for fiscal year 1988.

"(2)(A) The Administrator shall submit each year to the Committees on Veterans' Affairs of the Senate and House of Representatives a report concerning the operation of this section during the preceding and current fiscal year.

"(B) Each such report shall include—

"(i) a list of those States that have submitted materials to the Administrator that the Administrator considers to be a preapplication for a grant under this subchapter and for which a grant has not been made; and

"(ii) the Administrator's recommendations as to the relative priority to be given to each project for which such a preapplication had been received.

"(2) Each report under this subsection for a fiscal year shall be submitted at the same time that the President's budget for the next fiscal year is submitted to Congress.".

(b) Grants Made by Priority of Projects.—(1) Subsection (b) of section 5035 is amended to read as follows:

"(b)(1) Upon receipt of material from a State that the Administrator considers to constitute a preapplication for a grant under this subchapter, the Administrator shall determine—

"(A) whether the project for which the grant is proposed generally meets the requirements of this subchapter; and

"(B) the need for the project described in the preapplication relative to the need for projects described in other such preapplications that have been received by the Administrator.

"(2) In determining the relative need for a project described in such a preapplication, the Administrator shall consider—

"(A) the projected number of veterans who may apply for admission to the facility over the facility's useful life;

"(B) the presence of Veterans' Administration facilities in the geographic area of the proposed project (including Veterans' Administration facilities in adjacent States) that may be available to provide nursing home or domiciliary care to such veterans;

"(C) the number of other facilities in the geographic area of the proposed facility that may be available to provide nursing home or domiciliary care to such veterans; and

"(D) such other matters as the Administrator considers appropriate.

"(3) Upon receipt of an application for a grant under subsection (a) of this section, the Administrator—

"(A) shall determine whether the application meets the requirements of this section and of the regulations prescribed under section 5034 of this title; and

"(B) shall notify the State submitting the application whether the application conforms with those requirements and, if it does not, of the actions necessary to bring the application into conformance with those requirements.

"(4) After determining the relative need for a project with respect to which an application for assistance under this subchapter has been submitted, the Administrator, subject to paragraph (5) of this subsection, may approve the amount of assistance applied for in the application in whole or in part.

"(5) An application for assistance under this subchapter may not be approved unless the Administrator determines—

"(A) that the project meets the standards prescribed under section 5034(2) of this title; and

"(B) that completion of the project, when considered together with other facilities for which grants have been made under this subchapter and other facilities, would not result in there being in the State concerned a number of beds available for the furnishing of nursing home care to veterans in that State more than the number of beds prescribed by the Administrator under section 5034(1) of this title for that State.".

(2) Subsection (d) of such section is amended—

(A) by striking out the first sentence; and

(B) by striking out "Such certification shall provide for payment" in the second sentence and inserting in lieu thereof "The amount of a grant under this subchapter shall be paid".

(c) Technical Amendment.—Section 5031 is amended by redesignating paragraphs (a), (b), and (c) as paragraphs (1), (2), and (3), respectively.

(d) Repeal of Limit on Grants to Any State.—Section 5035(d) is amended—

(1) by striking out "(1)"; and

(2) by striking out paragraph (2).

(e) Effective Date.—The amendments made by this section shall take effect on October 1, 1985.

(f) Transition Provisions.—A State which files documents with the Veterans' Administration before October 1, 1985, that the Administrator considers constitute a preapplication for a grant under section 5035 of title 38, United States Code, as in effect on September 30, 1985, shall have until October 1, 1987, to file all documents necessary for a complete application for the grant. If such an application is approved by the Administrator, the grant shall be made in accordance with the procedures applicable under such section as in effect on September 30, 1985.

TITLE II—OTHER HEALTH CARE PROGRAM AMENDMENTS

SEC. 201. CLARIFICATION OF REQUIREMENT OF CONGRESSIONAL AUTHORIZATION OF MEDICAL FACILITY CONSTRUCTION AND ACQUISITION PROJECTS.

Section 5004(a)(1) is amended—

(1) by inserting "(A)" after "unless"; and

(2) by inserting after "cost thereof" the following: "; (B) the appropriation law making the appropriation specifies the medical facility for which the appropriation is made and the amount appropriated for the project, and (C) the amount appropriated for the project (when added to any amount previously appropriated for the project) does not exceed the estimated cost of the project as set forth in the pertinent committee resolutions".

SEC. 202. STUDENT NURSES.

(a) Appointments.—Section 4114(a)(3) is amended—

(1) by striking out "shall not" in the second sentence of subpargraph (A) and inserting in lieu thereof "may"; and

(2) by adding at the end the following new subparagraph:

"(C) Any individual other than a student nurse technician who receives an appointment that is limited by this section to one year may not be reappointed.".

(b) Effective Date.—The amendments made by subsection (a) shall take effect on October 1, 1985.

SEC. 203. PERMANENT AUTHORIZATION FOR HALF-WAY HOUSES.

(a) Termination of Status as Pilot Program.—Subsection (a)(1) of section 620A is amended—

(1) by striking out "may conduct a pilot program under which the Administrator"; and

(2) by striking out the second sentence of such subsection.

(b) Termination of Program.—Subsection (e) of such section is amended by striking out "after the" and all that follows and inserting in lieu thereof "after September 30, 1988".

(c) Report.—Subsection (f) of such section is amended to read as follows:

"(f) Not later than December 31, 1987, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the operation of the program authorized by this section.".

(d) Clerical Amendments.—(1) The heading of such section is amended to read as follows:

"§ 620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities".

(2) The item relating to such section in the table of sections at the beginning of chapter 17 is amended to read as follows:

"620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities.".

SEC. 204. CONTRACT-CARE AUTHORITY OUTSIDE THE 48 CONTIGUOUS STATES.

(a) Three-Year Extension of Termination Date.—Section 601(4)(C)(v) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1988".

(b) Phase-Out of Extraordinary Authority in Puerto Rico.—(1) Effective on October 1, 1987, such section is amended by striking out "to the Commonwealth of Puerto Rico and".

(2) During fiscal year 1986, the excess load may not exceed 75 percent of the excess load for fiscal year 1985.

(3) During fiscal year 1987, the excess load may not exceed 50 percent of the excess load for fiscal year 1985.

(4) For the purpose of this subsection, the term "excess load" means the extent to which (under the waiver authority of the Administrator under section 601(4)(C)(v) of title 38, United States Code)—

(A) the hospital patient load and the incidence of the provision of medical services by the Veterans' Administration to veterans in Puerto Rico during a fiscal year, exceed

(B) the hospital patient load and the incidence of the provision of medical services for veterans hospitalized or treated by the Veterans' Administration within the 48 contiguous States during that fiscal year.

SEC. 205. HEALTH PROFESSIONALS SPECIAL PAY.

(a) Clarification of Special Pay.—Paragraph (4) of subsection (e) of section 4118 is amended to read as follows:

"(4) A physician or dentist who becomes employed in the Department of Medicine and Surgery and who thereafter enters into an agreement under this section is entitled to special pay beginning on the date on which the agreement is entered into, or the date on which the physician or dentist becomes employed, whichever date is later.".

(b) Treatment of Special Pay in Computation of Annuities.—Subsection (f) of such section is amended—

(1) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) Except as provided in paragraph (4) of this subsection, additional compensation paid as special pay under this section after September 30, 1980, to a full-time employee shall be included in basic pay for purposes of chapter 83 of title 5."; and

(2) by adding at the end the following new paragraph:

"(4)(A) Except as provided in subparagraph (B) of this paragraph, special pay paid to a full-time employee after September 30, 1980, shall be included in average pay (as defined in section 8331(4) of title 5) for the purposes of computing an annuity under such chapter only if—

"(i) the annuity is paid under section 8337 of such title or under subsection (d) or (e) of section 8341 of such title; or

"(ii) the employee has completed not less than 15 years of full-time service in the Department of Medicine and Surgery.

"(B) Special pay may not be included in average pay in computing an employee's annuity that commences before October 1, 1985. Special pay paid after September 30, 1980, shall be included in average pay in computing an annuity that commences on or after October 1, 1985, as follows:

"(i) 50 percent of such special pay shall be included in computing an annuity that commences after September 30, 1985.

"(ii) 60 percent of such special pay shall be included in computing an annuity that commences after September 30, 1986.

"(iii) 70 percent of such special pay shall be included in computing an annuity that commences after September 30, 1987.

"(iv) 80 percent of such special pay shall be included in computing an annuity that commences after September 30, 1988.

"(v) 90 percent of such special pay shall be included in computing an annuity that commences after September 30, 1989.

"(vi) 100 percent of such special pay shall be included in computing an annuity that commences after September 30, 1990.".

(c) Requirement of Performance Rating of Fully Satisfactory.—Subsection (a)(2) of such section is amended—

(1) by striking out "or" at the end of clause (B);

(2) by striking out the period at the end of clause (C) and inserting in lieu thereof a comma and "or"; and

(3) by adding at the end the following new clause:

"(D) receives a performance rating of less than fully satisfactory.".

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. AUTHORITY TO RELEASE LIMITATION ON USE OF REAL PROPERTY, McKINNEY, TEXAS.

(a) In General.—The Administrator of Veterans' Affairs may execute such instruments as may be necessary to release the limitation to recreational purposes only on the use of the land described in subsection (b).

(b) Land Descriptions.—The land referred to in subsection (a) is two parcels of land, consisting of a total of 38.741 acres, that were conveyed by the Administrator to the city of McKinney, Texas, by deed of May 5, 1965, under the authority of Public Law 88-438 (78 Stat. 444, approved August 14, 1964).

SEC. 302. LAND TRANSFER, PHOENIX, ARIZONA.

(a) Requirements for Intergovernmental Land Transfer Without Reimbursement.—The real property described in subsection (b) shall be transferred without compensation or reimbursement from the control and jurisdiction of the General Services Administration to the control and jurisdiction of the Veterans' Administration.

(b) Land Description.—The land referred to in subsection (a) is a tract of land consisting of 3.4 acres, more or less, in Phoenix, Arizona, that—

(1) was formerly part of the Veterans' Administration Medical Center, Phoenix, Arizona; and

(2) was declared to be excess to the needs of the Veterans' Administration in a report to the General Services Administration dated September 25, 1959.

SEC. 303. DEMONSTRATION PROJECTS FOR CHIROPRACTIC CARE.

(a) Authority To Conduct Demonstration Projects.—(1) The Administrator of Veterans' Affairs shall conduct demonstration projects for the purpose of evaluating the cost-effectiveness and medical effectiveness of providing chiropractic care compared to medical care for veterans with neuromusculoskeletal conditions. In the conduct of such demonstration projects, chiropractic care may be provided in private facilities or chiropractic colleges as approved in guidelines issued by the Administrator.

(2) Such demonstration projects shall be carried out in three geographically-dispersed locations in the United States.

(3) In the conduct of such demonstration projects, the Administrator shall consult with the Secretary of Defense concerning the conduct of demonstration projects by the Secretary of Defense under section 632(b) of the Department of Defense Authorization Act, 1985 (Public Law 98-525).

(b) Consultation With Medical and Scientific Authorities.—In designing, conducting, and evaluating such demonstration projects, the Administrator shall obtain advice and recommendations from recognized medical or scientific authorities in the treatment of neuromusculoskeletal conditions. The Administrator shall ensure that there is adequate participation by chiropractors in the design and evaluation of the demonstration projects, including participation by representatives from chiropractic colleges recognized by an approved accrediting organization.

(c) Report.—After consulting with the Secretary of Defense, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the results of the demonstration projects conducted pursuant to subsection (a). The report shall be submitted not later than October 1, 1988.

SEC. 304. VETERANS' ADMINISTRATION MANAGEMENT PROVISIONS.

(a) Prosthetics Service.—(1) The Administrator of Veterans' Affairs may undertake the administrative reorganization described in paragraph (2) without regard to the requirements of section 210(b)(2) of title 38, United States Code.

(2) The administrative reorganization referred to in paragraph (1) is a reorganization within the Department of Medicine and Surgery of the Veterans' Administration to transfer the functions of the Technology and Performance Evaluation Section and the Information and Education Service at the Veterans' Administration Prosthetics Center in New York, New York, to a new Prosthetics Assessment and Information Center in the vicinity of Washington, D.C.

(b) Personnel.—Section 210(b) is amended by adding at the end the following new paragraph:

"(3)(A) The Administrator may not in any fiscal year implement a grade reduction described in subparagraph (B) of this paragraph unless the Administrator first submits to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report containing a detailed plan for such reduction and the justification for a plan, including a determination by the Administrator, together with data supporting such determination, that, in the personnel area concerned, the Veterans's Adminstration has a disproportionate number of employees at the salary grade or grades selected for reduction in comparison to the number of such employees at the salary levels involved who perform comparable functions in other departments and agencies of the Federal Government and in non-Federal entities. Any such report shall be submitted not later than the beginning of a period of 90 calendar days (not including any day on which either House of Congress is not in session) before the implementation of any proposed grade reduction.

"(B) A grade reduction referred to in subparagraph (A) of this paragraph is a systematic reduction, for the purpose of reducing the averge salary cost of Veterans' Administration employees performing certain functions, in the number of Veterans' Administration employees at any specific grade level who perform those functions.

"(C) Not later than the forty-fifth day after the Administrator submits a report pursuant to subparagraph (A) of this paragraph, the Comptroller General of the United States shall submit to such committees a report on the Administrator's compliance with such subparagraph. The Comptroller General shall include in the report the Comptroller General's opinion as to the accuracy of the Administrator's determination (and of the data supporting such determination) made pursuant to such subparagraph.".

SEC. 305. INDEPENDENT CLINIC, TOLEDO, OHIO.

(A) Change of Status of Existing Satellite Outpatient Clinic.—The Administrator of Veterans' Affairs shall change the status of the Veterans' Administration satellite outpatient clinic located on Glendale Avenue in Toledo, Ohio, to that of an independent clinic.

(B) Funding of Independent Clinic.—Within the funds available for operation of Veterans' Administration medical facilities in any fiscal year, the Administrator shall ensure that adequate funding is provided for the efficient operation of such clinic after its change in status to that of an independent clinic.

(c) Effective Date.—This section shall take effect on October 1, 1985.

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. Montgomery] will be recognized for 20 minutes and the gentleman from Arkansas [Mr. Hammerschmidt] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. Montgomery].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a major veterans' health care bill that will help many of our veterans who are experiencing health problems.

The aging of America's veteran population will challenge the VA health care system during the next 15 years and we must be prepared to meet that challenge. In 1980, 3 million veterans were over the age of 65. By 1990, this number will more than double, reaching 7.2 million. By the turn of the centruy, veterans over the age of 65 will number more than 9 million. They will be coming to the VA for health care more often because of their age and they will stay longer.

We are prepared to meet this challenge, Mr. Speaker, under the direction of the able, distinguished gentleman from Pennsylvania [Mr. Edgar] and the distinguished gentleman from Arkansas [Mr. Hammerschmidt], the ranking minority member of the committee, who is also ranking minority member of the subcommittee.

Mr. Speaker, the gentleman from Arkansas [Mr. Hammerschmidt] was honored in his hometown last Sunday. The Vice President participated, as well as eight of his colleagues. It was a tremendous celebration. For those who are unaware of what took place, I have inserted an item in the extensions of remarks about this event. It was an honor richly deserved by the gentleman from Arkansas.

Mr. Speaker, before I yield to the gentleman from Pennsylvania [Mr. Edgar] who is the ranking member and is the chairman of the subcommittee, I would like to take about a minute to discuss briefly some of the areas that the gentleman from Pennsylvania [Mr. Edgar] and the gentleman from Arkansas [Mr. Hammerschmidt] will cover in more detail.

The bill would allow the VA to expand from 15 to 25 the number of geriatric research, education, and clinical centers.

It would authorize the VA to direct grant moneys for State veterans' homes to areas of the country where there is the greatest need.

It will extend for 3 years the VA's authority to contract for care of non-service-connected veterans in Puerto Rico and the Virgin Islands.

It will authorize a 3-year demonstration project at three locations for the VA to test the cost and health care effectiveness of chiropractic care.

Mr. Speaker, I yield as much time as he would like to the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. Edgar].

Mr. EDGAR. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I am pleased to rise in support of H.R. 505, the "Veterans' Health Care Amendments of 1985," a bill which I introduced and which, as amended, was reported unanimously out of the Subcommittee on Hospitals and Health Care and the full Committee on Veterans' Affairs. This bill also incorporates provisions derived from H.R. 788, H.R. 789, H.R. 1303, H.R. 1818, H.R. 1899, and H.R. 2227. As chairman of the Subcommittee on Hospitals and Health Care, I am pleased to have helped bring this bill before my colleagues in this body.

Our schedules in committee and here on the floor have been hectic ones during this Congress. Concerns about the deficit and about how to devise a budget for this country have been overriding issues. Yet, we cannot forget the commitments to people and purposes that the citizens and Members of Congress alike have made over

the years. This bill is intended to address one group of such deserving citizens: men and women who have served in the defense of their country. This bill contains provisions which encourage the cost-effective delivery of medical care by the Veterans' Administration. It would become part of the record of this body as an acknowledgement of the service of these men and women.

In renewing our commitment to these veterans, I am pleased to tell you that H.R. 505, as amended, contains no new entitlement authority. Of the $61 million which is the cost estimate of the CBO, $55 million is for extension of existing authorities. These existing authorities include the reauthorization of the State Veterans' Home Grant Program, the extension of the VA's authority to treat in community programs veterans suffering from alcohol and drug abuse dependencies, and the extension of the contract authority in Puerto Rico and the Virgin Islands. The remaining $6 million reflects a proposed new authority which permits veterans in VA nursing homes and domiciliaries to be admitted directly into community nursing homes. The existing requirement to admit veterans first into more costly hospital beds would be eliminated.

H.R. 505 has three titles. The first title is "Older Veterans' Health Care." Discussions of the anticipated impact of the numbers of veterans who are aging have occurred frequently in agencies of the Federal Government and in popular and scientific publications. We, here in the Congress, have also been concerned about the "graying veteran" and about the graying of nonveterans as well. The seven sections of this title are designed to provide cost-effective alternatives to institution-based health care delivery and to make more efficient the provision of institutional care when it is medically necessary. The use of health care services increases with increasing age so it is more important than ever to get the most out of each national dollar spent. Alternatives to expensive institutions will provide more veterans with health care services for the same dollar. Specific descriptions of the sections of title I follow.

Section 101 would authorize respite care for veterans suffering from chronic long-term illnesses. This provision was in the bill I originally introduced and would free hospital beds now occupied by those who could be cared for in their homes if some brief temporary relief for their caregivers, usually their families, is available.

Section 102 concerns domiciliary care. This provision would equalize eligibility for domiciliary care for veterans with service-connected disabilities by removing restrictions to admission of those veterans.

Section 103 would allow veterans who would otherwise remain in nursing homes and domiciliaries to receive outpatient care to complete their medical treatments. This provision would avoid the use of costly inpatient beds.

Section 104 would allow veterans who are in VA nursing homes, domiciliaries, or hospital-based home care programs to be admitted directly into a community nursing home. The current requirement is to be admitted first to a VA hospital. This provision would avoid the cost of admitting, using, and then being discharged from expensive hospital beds.

Section 105 would allow the VA to expand from 15 to 25 the number of Geriatric Research, Education, and Clinical Centers [GRECC's]. The successful GRECC Program encourages research and treatment of diseases affecting older veterans.

Section 106 sets the effective date for these sections as October 1, 1985.

Section 107 would change the way that grants for construction, renovation, or acquisition of State veterans' homes are awarded; it would authorize up to $40 million for the program in fiscal year 1986, up to $50 million in fiscal year 1987, and up to $60 million in fiscal year 1988. This section would also direct that grant moneys for State Veterans' Homes be awarded to areas of greatest need. It would allow a 2-year continuation of the current method of "first-come, first-served" for States to complete pending applications, and would repeal the limit on the amount of grants to any State.

Title II of H.R. 505, as amended, consists of "other health care program amendments." The five sections in this title affect VA medical care programs which are not primarily oriented to older veterans.

Section 201 is a technical amendment to title 38 of the United States Code concerning the committee's construction resolution.

Section 202 would permit the VA to hire for more than a 1-year period, student nurses and graduate nurses who are not yet registered in a State. I introduced this provision [originally H.R. 788] at the request of the VA. This section would permit those nurses to obtain health insurance and certain other employment benefits.

Section 203 would extend the authority of the VA to contract with halfway houses and other community treatment facilities for treatment of veterans with alcohol or drug abuse problems until September 30, 1988. The current authority expires September 30, 1985. I introduced this provision [originally as H.R. 789] which was cosponsored by two of my colleagues from Florida, Mr. Mica and Mr. Lehman.

Section 204 would extend for 3 years the VA's authority to contract for care of non-service-connected veterans in Puerto Rico and the Virgin Islands. This section also provides a 3-year phaseout in Puerto Rico of the so-called extraordinary authority of the VA to contract for such care at levels which exceed levels of comparable services within the 48 contiguous States. I deeply appreciate the sincere concern and sponsorship of the gentleman who represents the Virgin Islands, Mr. De Lugo. I also deeply appreciate the sincere concern and support of the gentleman who represents Puerto Rico, Mr. Fuster. Both Mr. de Lugo and Mr. Fuster have worked closely with us to develop this provision. Their concern for the veterans in those areas played a large role in helping us develop this legislation.

Section 205 was introduced originally by Chairman Montgomery [by request] as H.R. 1899. It would change, for VA physicians and dentists, the computation of special pay for retirement purposes by permitting an incremental increase, from 50 percent in 1985 to 100 percent in 1990, of the amount of special pay that may be included in the computation of retirement pay. The provision also requires a performance rating of fully satisfactory. CBO has estimated no cost with this provision.

Title III of H.R. 505 is entitled, "miscellaneous provisions," and contains five sections.

Section 301 was introduced originally as H.R. 1818 and would permit the city of McKinney, TX, to sell land which was previously owned by the VA.

Section 302 was an amendment I offered which would transfer 3½ acres of land located next to the Phoenix VA Medical Center from the General Services Administration to the VA at no cost to the VA.

Section 303 was originally introduced as H.R. 2227 by me and cosponsored by Chairman Montgomery. This section would authorize a 3-year demonstration project at three locations to test the cost-efficiency and clinical benefits of chiropractic care.

Section 304 was originally introduced by me as H.R. 1303 at the request of the VA. It would allow the VA to move certain functions of the VA Prosthetics Center from New York City to Washington, DC, before October 1, 1985. It also prohibits further implementation of GS 11-15 grade reductions without specific proof of overgrading at the VA. As is well-known, the Office of Personnel Management and the Office of Management and Budget responded to a recommendation of the Grace Commission by proposing a reduction in funding which would equate to an annual 2-percent reduction for these positions in fiscal years 1985 to 1989. This provision would require a detailed report to the Congress before implementing a grade reduction of VA employees.

Section 305 was an amendment offered by my colleague from Ohio, Ms. KAPTUR. This section would require the VA to change the status of the satellite outpatient clinic in Toledo, OH, to that of independent clinic.

I would like to thank the chairman of the full committee, Mr. MONTGOMERY, whose support of this bill, as well as all of our health care bills, was important to its success. He is an untiring supporter of veterans, and it is an honor to serve with him. I also very much appreciate the support and sincere concern expressed by the ranking minority member of the full committee, Mr. HAMMERSCHMIDT. Of course, without the work, effort, and contributions of the members of the subcommittee, this legislation would not be as beneficial to our Nation's veterans as I believe it will be.

Mr. Speaker, I strongly urge my colleagues to support H.R. 505, as amended.

□ 1310

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 505, the Veterans' Health Care Amendments of 1985. This measure is a comprehensive one and will make a number of improvements in the capabilities of the Veterans' Administration to deliver cost-effective and appropriate health care to America's veterans.

H.R. 505 has several provisions which will be particularly important to older veterans. It will authorize the VA to provide hospital treatment under a concept developed in recent years and known as respite care. The families of many veterans suffering from long-term chronic illnesses can care for them in their homes if an occasional temporary rest from caring for them is possible.

Respite care makes such a rest possible by permitting the VA to hospitalize veterans for short periods of time in order to allow that opportunity for their family care-givers. This sensible approach of allowing short hospital stays has the potential for significant savings of the taxpayer's money by enabling veterans to avoid long-term institutional care.

Some older veterans with service-connected disabilities who need domiciliary care have been faced with a quirk in the law governing admission to domiciliaries.

The current law has certain restrictions on eligibility which tend to favor non-service-connected veterans. This runs counter to the general emphasis on providing priorities to service-connected veterans. H.R. 505 will rectify this situation.

Older veterans would benefit from a money-saving proposal in this bill which concerns eligibility for VA outpatient services.

Currently, a veteran discharged from a domiciliary or nursing home is not eligible for followup outpatient care. The expensive result is that some veterans are kept in institutions in order to receive medical care they would not be eligible to receive if they were discharged. H.R. 505 has a provision allowing veterans discharged from a domiciliary or nursing home to remain eligible for this followup care.

Another provision of H.R. 505 would allow transfer of veterans directly from VA nursing homes and domiciliaries to community nursing homes. Such transfers are not authorized by current law. A veteran in a VA nursing home, for example, must needlessly be admitted to a VA hospital so that he or she can be transferred to a community nursing home. This waste of resources should be ended.

The Committee on Veterans' Affairs has encouraged the VA to enhance its ability to give geriatric care in part through establishment of Geriatric Research, Education, and Clinical Centers (GRECC's). Fifteen GREECC's are authorized, but only 10 will be in operation by the end of fiscal year 1986. H.R. 505 would authorize an additional 10 such centers.

The increasing numbers of elderly veterans predictably will strain the VA's nursing home facilities.

State veterans' homes are a promising avenue of meeting an important part of veterans' nursing home needs. A number of States without veterans' homes desire to have them and there is a growing backlog of eligible preapplications for VA grants which would cover 65 percent of construction costs. Because of the backlog, the first-come first-served system of processing applications should be replaced by a system which will give priority to those States having the greatest needs.

This measure would, after a transition period, require such a priority system. This measure would also authorize an additional $30 million for State homes, to keep pace with eligible preapplications. It is vitally important that construction of State homes be kept at a steady pace, so that demand will not get too far ahead of capacity.

For the past 5 years, the VA has been operating a pilot program for contract community halfway houses to help certain veterans with alcohol and other drug problems.

The pilot program has been successful with rehabilitation in difficult cases. The program would be made permanent by this measure.

H.R. 505 contains provisions to provide for 3 additional years of continuing contract care for veterans in Puerto Rico and the Virgin Islands.

It contains as well provisions to improve the VA's flexibility in employing student nurses who are about to graduate from nursing school; to include special pay in the computation of retirement pay for VA physicians and dentists; to allow the VA to move ahead with the long-needed reorganization of the VA's prosthetics center by a one-time exemption from certain statutory requirements for notice to Congress; and to require a detailed report from the VA before it takes any steps to reduce grade levels of certain VA employees.

I thank the gentleman from Mississippi [Mr. MONTGOMERY], who is chairman of the Committee on Veterans' Affairs, for his leadership of the committee on H.R. 505, and I also appreciate the considerable efforts of the gentleman from Pennsylvania [Mr. EDGAR], on this bill as chairman of the Subcommittee on Hospitals and Health Care.

And I thank them both for their previous comments about the Vice President's visit last Sunday to my hometown in Arkansas. I was especially pleased and honored that our very able and distinguished chairman, SONNY MONTGOMERY was able to join us for the occasion.

To sum up this measure, Mr. Speaker, it is a big step in the right direction. It will enable the VA to carry out its health care activities more effectively and efficiently, and to meet the needs of the future as the number of older veterans grows. I urge each Member to vote in favor of it.

Mr. Speaker, I reserve the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I would like to again compliment the gentleman from Pennsylvania [Mr. EDGAR] for the time that he has spent as chairman of this subcommittee. We have 172 veterans hospitals around the country and about 226 outpatient clinics. The gentleman from Pennsylvania [Mr. EDGAR] and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] have visited almost all of those hospitals and outpatient clinics, seeing what our veterans need.

Mr. Speaker, at the Democratic desk we have summary blue sheets, that fully explain this bill before the House today, which may be helpful to my colleagues. This is a good bill and I urge its adoption.

I have no further requests for time and I yield back the balance of my time.

● Mr. DE LUGO. Mr. Speaker, I rise today in support of H.R. 505, a bill to improve the delivery of health care services to our Nation's veterans. I would also like to offer my special thanks to Representative BOB EDGAR, for offering an amendment to this bill that authorizes contract health care for Virgin Island veterans for 3 years.

Prior to this legislation, this authority had only been granted on a year-to-year basis.

The Virgin Islands do not have a veterans hospital for our veterans to go to when they have health problems. The closest VA hospital is in Puerto Rico. Therefore, it is essential that these veterans have the authority to contract with the doctor of their choice. A doctor who is familiar with their problems, and whose office is close to their home. Representative EDGAR's amendment recognizes these unique circumstances, and will assure that this special authority continues for 3 years.

Furthermore, our Nation now has 28.2 million living veterans and 54 million survivors and dependents of veterans. These groups comprise 35 percent of the U.S. population. We in the Congress have the unique ability, and responsibility, to honor our veterans. We can do this by paying tribute to them now through the provision of tangible benefits and services. We can do this today by approving a bill to improve the quality of health care our veterans receive.

Thank you.●

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 505, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend title 38, United States Code, to improve the delivery of health-care services by the Veterans' Administration, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on H.R. 505, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CENTENNIAL ANNIVERSARY OF THE HOLSTEIN-FRIESIAN ASSOCIATION OF AMERICA

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 172) to recognize the centennial anniversary of the Holstein-Friesian Association of America, a premier dairy cattle breed organization.

The Clerk read as follows:

H. RES. 172

Whereas the Holstein-Friesian Association of America (hereinafter referred to as the Holstein Association) is a premier dairy cattle breed organization;

Whereas the Holstein Association, a nonprofit membership organization of more than forty-four thousand breeders of purebred, registered Holstein dairy cattle, was organized on May 25, 1885, and this year celebrates its one hundredth anniversary;

Whereas the Holstein breed of dairy cattle produces more than 90 per centum of the Nation's milk supply;

Whereas the Holstein Association maintains the only official, complete genetic data bank and lineage record for all purebred, registered Holstein dairy cattle in the United States;

Whereas the Holstein Association through its many programs and services to the dairy industry has provided, and continues to provide, an environment, incentive, and genetic data for the continued improvement of the Holstein breed;

Whereas United States Holstein cattle are recognized worldwide as the superior strain of Holstein breeding stock; and

Whereas the genetic pool of the Holstein breed in the United States has become the primary source of genetic material for the development and improvement of dairy cattle throughout the world: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives of the United States of America in Congress assembled, that—

(1) recognition be extended to the Holstein-Friesian Association of America for its most noteworthy contribution to the great American Agricultural Revolution;

(2) special commendation be extended to the Holstein Association for its contribution to the genetic advancement and the efficiency of the national dairy herd; and

(3) The Holstein Association be specifically complimented on the advancement of the Holstein breed of dairy cattle in the United States and the contribution being made through its genetic pool of purebred, registered animals to the advancement of the Holstein breed worldwide.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 20 minutes and the gentleman from Florida [Mr. LEWIS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 172, to recognize the centennial anniversary of the Holstein-Friesian Association of America, a premier dairy cattle breed organization.

The resolution expresses the sense of the House of Representatives that the Holstein-Friesian Association of America be recognized for the contribution that it has made to the American agricultural revolution and to the genetic advancement and efficiency of the national dairy herd. The association was organized 100 years ago, on May 25, 1885. Over the last century, the association and its membership, now numbering more than 44,000 breeders of purebred Holstein cattle, have done tremendous work in improving that breed of cattle. Holstein cattle presently produce more than 90 percent of this Nation's milk supply.

The association provides many services to the dairy industry in this country. Further, its work is one of the primary reasons that U.S. Holstein cattle are recognized as the superior strain of breeding stock. In short, the association and its members have made a tremendous contribution to the nutritional well-being not only of the consumers in the United States, but of those in many other countries of the world as well.

For its many and continuing contributions the Holstein-Friesian Association of America merits the recognition and commendation of the House. House Resolution 172 expresses that recognition and commendation. I would add that the accomplishments of this association contribute significantly to the abundance of food enjoyed by the American people, an abundance unmatched in history and available for a smaller portion of the consumer's disposable income than is the case in any other country.

As I conclude, Mr. Speaker, I would like to express my sincere appreciation to the Post Office and Civil Service Committee to whom this resolution was jointly referred—and particularly to the distinguished gentleman from New York [ROBERT GARCIA]. They have been most cooperative in making it possible for the resolution to be brought up today in such timely fashion. My colleagues on the Agriculture Committee and I are most grateful for their consideration.

I hope all Members will join me in supporting House Resolution 172.

Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of Florida. Mr. Speaker, I yield myself such time as I may consume.

I want to congratulate the chairman for bringing this resolution to the floor, and add that the minority is pleased to support House Resolution 172, recognizing the centennial anniversary of the Holstein-Friesian Association of America.

I would also like to add my own personal congratulations to the association on its 100th anniversary. This is an important tribute to the thousands of breeders and millions of cattle who have made the American dairy industry the most productive and efficient in the world.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

● Mr. JEFFORDS. Mr. Speaker, we have before us a resolution to recognize an organization which has had a large part in creating one of the scientific marvels of American agriculture—the Holstein cow. Holsteins make up 90 percent of our Nation's dairy herd and produce over 90 percent of our milk. What is so remarkable about these animals is that average milk production per cow has more than doubled since 1950: From 5,314 pounds per cow then, 12,587 pounds per cow today. This phenomenal increase in output per cow is the primary reason why Americans need spend the income from only 7.7 minutes of work to purchase one-half gallon of fresh, fluid milk at the store. This increase also largely explains why retail dairy prices consistently rise at a significantly slower rate than do retail prices for all foods and all retail items.

This tremendous gain in productivity did not happen by chance. For 100 years now, the Holstein Association has been working to improve the genetic potential of the cows that have enabled us to enjoy this bountiful harvest of nature's most perfect food.

First chartered by the State Legislature of New York—probably the second greatest dairy State in the Nation—the Holstein Association today counts as members 44,000 breeders of purebred, registered Holstein dairy cattle and continues to provide the incentive and genetic data for the continued improvement of the Holstein breed. American Holsteins have over the years become the primary source of genetic material for development and improvement of dairy cattle throughout the world, thanks to the market development activities of the association.

I want to commend the association for its accomplishments. I normally drink several glasses of milk a day, but tonight I'm going to have an extra one to commemorate the 100th anniversary of the association.●

Mr. DE LA GARZA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. DE LA GARZA] that the House suspend the rules and agree to the resolution, House Resolution 172.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

UNITED STATES-MEXICO INTERPARLIAMENTARY MEETING

(Mr. DE LA GARZA asked and was given permisison to address the House for 1 minute.)

Mr. DE LA GARZA. Mr. Speaker, I take this time to advise the Members that this afternoon our colleague from Pennsylvania [Mr. YATRON], and I will have a 1-hour special order in order that we might advise the Members, and in effect report to the membership about our United States-Mexico interparliamentary meeting that we just concluded last week in Mexico. I would hope that not only Members of the delegation would attend the session but any Member interested in our relations between the United States and Mexico would participate. And I would hope that many of the Members, and this is a special invitation to any Member, regardless of whether they were a part of the Members named by the Speaker of the House to attend this meeting or not that we might be able to discuss the proceedings and the gains that we made, our little successes and sometimes our little failures, as we endeavored from the legislative end to continue the input which we have or can have in our relations with Mexico.

So I would hope that our colleagues would join us later this afternoon as we have this special order after we have concluded with the business of the day and that we might be able to explore some of the areas that are critical to our understanding and goodwill between our two countries.

□ 1310

Last week I took a special order to make a preliminary report, Mr. Speaker, as to the proceedings of these sessions which we had. This week we will have other members of the delegation and, as I have stated, hopefully we will have input from other Members even though they were not members of the delegation so that we might discuss the issues that are so important to the relationship between our two neighboring countries, the United States and Mexico.

USE OF SMALL BUSINESSES WITH RESPECT TO TAX EXEMPT BONDS

(Mr. MITCHELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL. Mr. Speaker, today, I am introducing H.R. 2551. This legislation is designed to encourage the use of underutilized small businesses with respect to tax exempt bonds.

Small business is quickly becoming the dominant force in the American economy. Small companies produce 43 percent of the total gross national product [GNP], and 55 percent of all jobs are in this sector.

This legislation recognizes the vital importance of this sector and provides incentives to meet those challenges of the future. A section-by-section analysis of H.R. 2551 is as follows:

Section 1. Subsection (a) contains amendments to sections 103 of the Internal Revenue Code of 1954 (relating interest on certain governmental obligations) to provide as follows:

This would add to subsection (b) of section 103 a new paragraph (19) which would provide in subparagraph (A) that the interest on certain obligations related to exempt activities, industrial parks, and small issues shall be exempt from Federal income tax only if at least 10 percent of the proceeds of the issue are to be expended with underutilized small businesses. Subparagraph (B) provides that if Secretary of the Treasury determines that the 10 percent requirement of subparagraph (A) cannot reasonably be expected to be met with respect to an issue, the Secretary may reduce such requirement for such an issue to a percentage which the Secretary determines can be reasonably be expected to be met. Subparagraph (C)(1) creates the Good Faith Attempt exception to Paragraph (A). An issue which fails to meet the requirement of subparagraph (A) shall be treated as meeting such requirement if there was a good faith attempt to meet such requirement. This subparagraph further provides that this proposal shall not apply to any issue (or even class of issues) if the Secretary determines by regulations that application of this paragraph to such issues (or class) will not further the purposes of this paragraph. This paragraph gives the Secretary the authority to avoid circumstances in which the application of those provisions are unenforceable, unconscionable, or impracticable, or that would not further the purpose of this section. Subparagraph (D) would define available proceeds as the total amount of the industrial development bonds issue which are to be used directly or indirectly for the purchase of property or services. Ten percent of the total amount of the issue shall be expended with underutilized small businesses. This amount may be reduced, as appropriate, by regulations to be promulgated by the Secretary. The term 'underutilized small business' is defined as any small business concern owned and controlled by socially and economically disadvantaged individuals (as defined by section 8(d) of the Small Business Act).

Subsection (b) provides that the effective date of these amendments shall apply to obligations issued after the date of the enactment of this Act.

Section 2. Section 2 would amend section 103 of the Internal Revenue Code of 1954 to provide 10 percent of the amount of obligations issued in a state during a calendar year must be issued through an Underutilized Brokerage House, etc.

Subsection (a)(2) would amend section 103 of the Internal Revenue Code of 1954 (relating to interest on certain obligations) by redesigning the subsection relating to cross references as subsection (q) and by inserting after subsection (o) a new subsection (p):

Paragraph (1) of newly proposed subsection (p) would provide that if the 10 percent requirements of paragraph (2) are not met with respect to any State for any calendar year, then any obligation which is issued as part of an issue during the succeeding calendar year shall be treated as an obligation described in subsection (a). Paragraph 2 provides that 10 percent of the amount of obligations issued in a State during a calendar year must be issued through the use of a brokerage house, financial institution, or other entity which is an underutilized small business. If State fails to meet the 10 percent requirement in a calendar year it can cure this shortfall by using an underutilized small business in succeeding year to issue its exempt and non-exempt obligations. The shortfall amount is defined by an amount equal to 10 percent of the aggregate amount of obligations issued during the calendar year by issues located in a State, over the aggregate amount of obligations issued during each year by issuers located in such through the use of a brokerage house, financial institution, or other entity which is an underutilized small business. Underutilized small businesses is defined by section 8(d) of the Small Business Act. This is the same definition used in Section 1, paragraph (D). The effective date of the amendments in this section shall apply to obligations issued after December 31, 1985.

I believe that this bill provides underutilized small businesses with a mechanism to effectively contribute to the growth and development of the American economy.

I trust that this legislation will receive the early and favorable attention of the Congress.

ARMS CONTROL AND DISARMAMENT ACT AUTHORIZATIONS

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2456) to amend the Arms Control and Disarmament Act in order to increase the authorization of appropriations for the fiscal year 1985, to extend the authorization of appropriations for the fiscal years 1986 and 1987, and for other purposes.

The Clerk read as follows:

H.R. 2456

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

Section 49(a) of the Arms Control and Disarmament Act (22 U.S.C. 2589(a)) is amended by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) for the fiscal year 1985, $23,789,000;

"(3) for the fiscal year 1986, $25,614,000;

"(4) for the fiscal year 1987, $25,614,000; and

"(5) such additional amounts as may be necessary, for each such fiscal year, for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs, and to offset adverse fluctuations in foreign currency exchange rates.".

SEC. 2. PAY FOR DEPUTY DIRECTOR AND ASSISTANT DIRECTORS.

Title 5, United States Code, is amended—

(1) in section 5314, by adding at the end thereof the following:

"Deputy Director of the United States Arms Control and Disarmament Agency.";

(2) in section 5315—

(A) by striking out

"Deputy Director of the United States Arms Control and Disarmament Agency."; and

(B) by adding at the end thereof the following:

"Assistant Directors, United States Arms Control and Disarmament Agency (4)."; and

(3) in section 5316, by striking out

"Assistant Directors, United States Arms Control and Disarmament Agency (4).".

SEC. 3. COMPLIANCE WITH BUDGET ACT.

Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under section 2 shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Florida [Mr. FASCELL] will be recognized for 20 minutes and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2456, a bill to authorize appropriations for the Arms Control and Disarmament Agency. This is a noncontroversial request for a small but vital agency.

H.R. 2456 was reported unanimously by voice vote from the Committee on Foreign Affairs on May 14 with complete and bipartisan support. The principal purpose of H.R. 2456 provides for a fiscal year 1985 supplemental authorization of $1,867,000 and for a fiscal year 1986 and fiscal year 1987 authorization of $25,614,000. In addition to the authorization of appropriations, it provides for the administration's request to upgrade five senior positions for the Agency, the Deputy Director and four Assistant Directors.

H.R. 2456 represents a modest increase over the previous authorization levels for the Agency, but these increases are necessary to support the recently resumed arms control negotiations in Geneva. I would like to assure the Members that the committee carefully scrutinized the Agency's request and carefully evaluated its stated requirements for the Geneva negotiations. While this is a modest increase, the Committee on Foreign Affairs is still below the 150 budget function overall since the committee was able to hold the line in its State Department authorization as well as the foreign aid authorization.

As Members may know, the umbrella arms control talks in Geneva place significant additional requirements on the principal agency [ACDA] for administering and backstopping the comprehensive three-part arms control negotiations. This authorization request takes into account the additional needs for interpreters, office space requirements, et cetera. In addition, the authorization before us today enables ACDA to maintain its operations in Washington as well as the multifaceted requirements in Geneva.

H.R. 2456 provides for the upgrade of five senior positions in the Agency. This upgrade does not change the Director's position which is purposely on the same level as the Deputy Secretaries of the Departments of State and Defense. The upgrade would put the ACDA Deputy Director and the four Assistant Directors on the same level as their counterparts in other agencies—as Assistant Secretaries of State and Defense. This provision is supported by the House Post Office and Civil Service Committee which shares jurisdiction over such matters as personnel upgrades. The distinguished chairman of the committee, our colleague from Michigan, BILL FORD, has sent me a letter on this matter, the text of which is included in the committee report on H.R. 2456.

Mr. Speaker, in this time of increasingly complex arms control challenges, the committee continues to support a viable Arms Control Agency which is able to carry out its mandate of being the principal agency responsible for the formulation and coordination of U.S. arms control policy. The bill before Members today does just that—it provides the necessary resources to continue to support and backstop the recently-resumed arms control negotiations in Geneva. The success of our negotiators in Geneva is a desired objective which we all share. H.R. 2456 is a small but important step which will give our negotiators some of the tools they need to achieve the success of the Geneva negotiations.

In conclusion, Mr. Speaker, I would like to reiterate that this measure has enjoyed wide and full bipartisan support as reflected in the unanimous vote of approval for H.R. 2456 by both Democrats and Republicans on the Committee on Foreign Affairs.

At this time, I would like to pay tribute to the ranking minority member of the committee, the gentleman from Michigan [Mr. BROOMFIELD], for his support for this measure as well as the gentleman from Illinois [Mr. HYDE], for his participation in the committee's consideration of H.R. 2456.

Mr. Speaker, I urge the adoption of H.R. 2456.

Mr. Speaker, I reserve the balance of my time.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the chairman in support of this important legislation which has the unanimous bipartisan support of our committee.

I want to compliment my friend, the gentleman from Florida, Mr. Fascell, for the expeditious manner in which he has moved this bill through the subcommittee, and full committee.

I also want to pay tribute to Ken Adelman, the Director of the Arms Control and Disarmament Agency, and his excellent staff, for the intelligent and professional manner in which they have conducted themselves in the opening months of the Geneva arms talks which have been marred by Soviet provocation and belligerence.

The funding authorized by the legislation will allow the Agency to participate in a number of activities concerning international security.

With this bill, ACDA will be able to support the expanded arms talks in Geneva and provide additional delegation needs, including research requirements to backstop the Geneva talks.

Within the context of the new Geneva umbrella talks, which include intermediate-range and strategic nuclear arms, as well as space and defense arms, the Soviets returned to the table in March. On April 23, our negotiators completed their first round of talks only to be immediately criticized by the Soviet leadership for blocking progress in negotiations.

As one of the House observers to the Geneva talks, I can only say that the Soviet approach has been very disappointing in these first few months.

They have stonewalled any serious effort toward progress and seem more interested in using Geneva as a propaganda forum for attacking the United States than in meaningful negotiations. Their only substantive goal appears aimed at derailing our research on the strategic defense initiative even though they have been moving ahead on their own defensive systems for the last 10 years.

On the other hand, the United States has been seeking deep reductions in existing nuclear arsenals, while the Soviets propose to freeze the current situation—with all of its existing imbalances. The U.S. objectives are clear and simple. We seek substantial reductions in nuclear weapons, equality of rights and limits, increased security for the United States and our allies by reducing the risk of war, and effectively verifiable agreements.

The Soviets have broken their own rule about confidentiality and contrary to the public impression created by Mr. Gorbachev, the Soviet Union has made no proposal for reductions in strategic forces in the new negotiations.

The Soviets also continue to seek a rollback of NATO's intermediate nuclear force deployments, characterizing U.S. and NATO actions as worsening the arms race, all the while remaining silent about their own strategic buildup in the Soviet Union.

Many of you will recall that, in 1981, the United States began intermediate nuclear force talks with the Soviets in Geneva. Our Government initially offered to cancel all deployments of the Pershing II and ground-launched cruise missiles if the Soviets would remove their SS-20 missiles which destabilized the previous rough parity in Europe.

Also, as the negotiations evolved, the United States announced new and more flexible proposals including global limitations on warheads for medium-range missiles. The Soviets rejected all of the U.S. proposals and walked out of the talks in November 1983.

In the START talks, which were also held in Geneva, the U.S. delegation continued to be flexible in its proposals by incorporating bipartisan Scowcroft Commission recommendations and congressional concerns such as the mutual build-down concept. Despite the flexibility of these proposals and the need for further dialog, the Soviets walked out of the START negotiations in December 1983.

While continuing to criticize the United States on arms control, the Soviets once again, in April, literally shot first and asked questions later with the coldblooded murder of U.S. Army Maj. Arthur Nicholson in East Germany.

That was an outrageous act, and the Soviets still owe the American people an apology and the Nicholson family proper restitution.

These incidents, along with the general Soviet resistance toward any arms control aimed at producing substantial reductions, make the task of ACDA demanding and frustrating.

Yet, history teaches us that the arms control process requires determination and patience. Negotiations with the Soviets are always protracted. Historically, we have had bumpy periods with disappointing intervals.

But experience also tells us that perseverance can produce important results. Arms control is the President's No. 1 priority, and the United States continues to hope for progress toward not only arms control but meaningful reductions in nuclear stockpiles.

Along with our allies, we must continue to leave open opportunities for dialog with the Soviets in the hope that with time and patience, we can arrive at a good faith effort toward achieving the nuclear-free world we all seek.

I urge adoption of H.R. 2456.

□ 1320

Mr. FASCELL. Mr. Speaker, I have no further requests for time.

Mr. BROOMFIELD. I have no further requests for time, Mr. Speaker.

The SPEAKER pro tempore (Mr. Mitchell). The question is on the motion offered by the gentleman from Florida (Mr. Fascell) that the House suspend the rules and pass the bill, H.R. 2456.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

WELCOMING THE PRIME MINISTER OF INDIA, ON HIS OFFICIAL VISIT TO THE UNITED STATES

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 142) welcoming the Prime Minister of India, Rajiv Gandhi, on the occasion of his official visit to the United States.

The Clerk read as follows:

H. Con. Res. 142

Whereas the United States and India share a common bond of friendship and adherence to democratic values;

Whereas our shared values have been strengthened and renewed over the years, to our mutual benefit, by people-to-people contact across the full spectrum of human experience;

Whereas the United States has greatly benefitted by the contributions and creativity of 400,000 Asian-Indians who have come to our shores;

Whereas the American people hold a deep and abiding respect for India's rich cultural heritage and its important contributions to contemporary world thought as exemplified by the writings, teachings, and life's work of the great Mohandas K. Gandhi;

Whereas our two nations are embarked upon a joint celebration of Indian art, music, drama, dance, film, and crafts under the auspices of the Festival of India in the United States during the coming year;

Whereas there is impressive potential for a significant expansion of ties between the United States and India, particularly in the fields of trade, investment, and scientific cooperation;

Whereas the United States values and respects India's role as a leader of, and spokesman for, the developing nations of the world;

Whereas the United States recognizes the importance of a strong, unified, and independent India as a source of stability in Asia; and

Whereas our two nations should seek every avenue to accelerate the improvement of Indo-United States relations begun under the leadership and inspiration of the late Prime Minister Indira Gandhi: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress extends its warm greetings and respect to His Excellency, Rajiv Gandhi, the Prime Minister of India, on the occasion of his official visit to the United States, with the hope that this visit will mark the intensification of friendly, constructive ties between our two great nations.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Florida [Mr. Fascell] will be recognized for 20 minutes and the gentleman from Michigan [Mr. Broomfield] will be recognized 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. Fascell].

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 142 welcoming Prime Minister Rajiv Gandhi to the United States.

Prime Minister Gandhi's upcoming visit to our country in mid-June will provide a very important opportunity for strengthening ties between our two countries and peoples. Many of us on the Foreign Affairs Committee well remember the positive impact of Prime Minister Indira Gandhi's visit to the committee and the Congress in the summer of 1982. That visit improved the understanding and deepened the appreciation of Americans about Indian policies and perspectives.

The resolution before us will hopefully encourage intensification of friendly, constructive ties. The resolution reminds us of the great cultural, political, educational and economic contributions made by the people of India. On the eve of the Prime Minister's visit, it is fitting that we recall the significance of India's role in world history and world affairs.

We also welcome the Prime Minister with the fervent hope that this high level mission will increase mutual understanding and respect. As a great, proud and independent nation, India naturally has its own distinct positions on national and world affairs. In welcoming the Prime Minister to the United States, let us also welcome a frank exchange of views that is directed to expanding the cooperation and friendship already evident in our relations.

Mr. Speaker, I want to commend the chairman of the Subcommittee on Asian and Pacific Affairs, the gentleman from New York, Mr. Solarz and the ranking Member from Iowa, Mr. Leach, for their initiative in moving this resolution.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I offer my support of this resolution welcoming the Prime Minister of India, Rajiv Gandhi, to our country.

His visit here brings to mind the traditional bonds of friendship between our two great nations, and the cultural richness and diversity of India. We all support a strong and democratic India, and hope that the ties binding our two nations can be strengthened.

I ask my colleagues to join me in welcoming the Prime Minister and give my support of this resolution.

● Mr. GARCIA. Mr. Speaker, I want to thank my colleague for bringing this resolution to the floor to honor the leader of the world's largest democracy, the Prime Minister of India, Mr. Rajiv Gandhi.

Mr. Gandhi has not had an easy task in bringing together the people of India. The tragic death of his brother, Sanjay, and the brutal assassination of his mother, Prime Minister Indira Gandhi, have marred his personal life. In addition to all of this, the civil strife in India has made his job even more difficult and dangerous.

Yet, Mr. Gandhi has not backed down from his responsibility to all of India's people. He has not called for revenge. He has called for understanding. He has not called for cruel and unusual punishment for those who acted against his mother. He has called for justice and reconciliation.

Mr. Gandhi has shown himself to be a statesman. he has reaffirmed his commitment to democracy. It is for this reason that we honor him. He is a young and vigorous leader, who I hope will be around for a long time.

Yet, Mr. Gandhi's stature is no surprise to those of us who have been fortuante enough to have contact with the Asian-Indian community in this country. They too are committed to democracy, as well as intellectual excellence and civic pride. There are some 500,000 Asian-Indians in this country, and they are emerging as a viable political and economic force. They are the heirs to Mahatma Gandhi, Nehru, and Indira Gandhi.

I want to join my colleagues in welcoming Prime Minsiter Gandhi, and I hope that his visit will only serve to enhance the friendship between the people of India and the United States. I also encourage my colleagues to take advantage of the "Festival of India" taking place across the Nation this year. This celebration of Indian life and culture is a fitting tribute to the people of that great nation.●

Mr. BROOMFIELD. Mr. Speaker, I have no further requests for time.

Mr. FASCELL. Mr. President, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. Fascell] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 142.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on H.R. 2456 and on House Concurrent Resolution 142, the concurrent resolution just adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

FAIRNESS IN OPTIONS FOR REDUCING THE DEFICIT

(Mr. BUSTAMANTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUSTAMANTE. Mr. Speaker, as we consider the options for reducing the deficit, we must consider the fairness of the sacrifices which are proposed. It is true that it is our responsibility to apply discipline to the budget—but not discipline at the expense of those who need assistance most. Before we decide what to cut and what to keep, we must look at the cost not only in terms of dollars and cents, but also in terms of the sense and the fairness of our actions. Is it sensible to eliminate programs which help to improve the quality of life for those truly in need?

Is it fair?

If our children suffer because of a lack of funding for our educational systems while contractors benefit from inflated funding of our defense systems, to me that is not fair.

If Medicaid recipients are required to pay for having health insurance while corporations are not required to pay even a minimum tax, to me that is not fair.

If those who are striving to become self-sufficient must become more reliant on the Government because job training and work incentive programs are eliminated, to me that is neither fair nor sensible.

The recent efforts to provide for deficit reduction are commendable. Yet we must continue to provide for those in need through the shared sacrifices of a budget freeze.

INDIA AND SIKHS

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, we just passed a resolution welcoming Prime Minister Rajiv Gandhi to the United States. I would like to extend a special welcome to the Prime Minister and express my hopes that our two governments continue to work together on challenges facing this world.

BEST COPY AVAILABLE

I encourage the Prime Minister to address the problems of the Sikh community during his visit to the United States. As the Christian Science Monitor recently reported, some positive steps have been taken, but it appears many problems still exist. I urge Prime Minister Gandhi to continue to work on a resolution to the conflict in the Punjab that will safeguard the lives of Sikhs and Hindus alike.

We have been told by the FBI there has been a threat against Prime Minister Gandhi's life during his visit to the United States. This cannot be tolerated. Attacks upon any head of state must be denounced, and we do.

America can never condone any terrorist activities or the assassination of a government official. The problems in India are complex and difficult, but I encourage Prime Minister Gandhi to continue to work for a positive and peaceful resolution of the Sikh question.

□ 1330

WARM GREETINGS TO RAJIV GANDHI, THE PRIME MINISTER OF INDIA

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks)

Mr. DYMALLY. Mr. Speaker, given the pressures from terrorists and others to alter the structure of of democracy, it is comforting to note that world's largest democracies, India and the United States, have remained dedicated to the principles by which they were founded. Next month, Rajiv Gandhi, the Prime Minister of India, will make his first official visit to the United States. In addition to meeting with American Government officials, Mr. Gandhi will open the Festival of India; and unprecedented year long celebration of Indian life and culture throughout the United States.

The significance of this is apparent. Much has happened in India since the tragic assassination of his mother, Mrs. Indira Gandhi. Her successor, Mr. Gandhi, has demonstrated effective leadership in dealing with ethnic and religious tensions while, at the same time, assuring the continuation of cordial Indian-United States relations. Despite the changing political climate in India, Mr. Gandhi's commitment to democratic institutions remains unswerving. Consequently, he deserves a warm welcome from this Government, and I invite my colleagues to join me in in this celebration of friendship and democratic values.

As Mr. Gandhi will soon demonstrate with the opening of the Festival of India, United States-India friendship transcends diplomatic matters. Over 400,000 Asian Indians have immigrated to the United States, enriching American culture with their art, music, and cuisine. Meanwhile, Indian political thought has had a profound influence on recent American politics, particularly in the field of civil rights. Dr. Martin Luther King often considered himself a disciple of Mohandas K. Gandhi. Employing the latter's ideas on civil disobedience, nonviolence, and peace, King sheparded black America to realize its full political rights and potential. Considering this impact alone, we can easily conclude that Indian culture and thought has penetrated ever facet of American life.

Prime Minister Rajiv Gandhi's visit promises to further enlighten Americans regarding the significance of India in American life and diplomacy. The United States must continue to support a unified and an independent India as a democratic bulwark in Asia. Indeed, India has become a symbol for developing nations across the Asian continent. Nevertheless, we must also recognize the contributions of India's 400,000 immigrants to this country. Prime Minister Gandhi's trip will accent both the political and cultural ties between our nations. A warm greeting to him can only intensify friendly India-United States relations.

THE UNITED STATES WELCOMES ARRIVAL OF INDIA'S PRIME MINISTER

(Mr. SOLARZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLARZ. Mr. Speaker, the impending visit to our country by Prime Minister Rajiv Gandhi of India is an enormously significant development. India and the United States are the two largest and most populous democracies in the world. We have much in common, and I believe that the visit here of Prime Minister Gandhi will set the stage for what I hope and trust will be a deepening and an improvement of the relationship between our two countries.

From a cultural and from a political point of view, India and the United States have very significant mutual interests. Our relationship in the past has not been as constructive and cordial as it perhaps should have been, but with new leadership in India there is a real opportunity for us to move forward together on behalf of our mutual interests and concerns. I think the adoption of this resolution today will send a very strong signal to Prime Minister Gandhi and to the people of India that the United States warmly welcomes the impending arrival of the new Prime Minister to our shores and that we seek an even better relationship in the future than we've had in the past.

INDIA AND THE UNITED STATES SHARE A VALUE SYSTEM

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEACH of Iowa. Mr. Speaker, I rise in support of House Concurrent Resolution 142, extending the welcome of the Congress to Prime Minister Rajiv Gandhi of India on the occasion of his upcoming visit to the United States.

As the ranking minority member of the Subcommittee on Asian and Pacific Affairs, I want to join the chairman of the subcommittee, Mr. SOLARZ, and our other colleagues in this body in extending a cordial welcome on behalf of the people of the United States to Prime Minister Gandhi. We welcome the opportunity it offers to reaffirm the longstanding ties of friendship and mutual respect which we as two of the world's great democracies share, as well as to explore new areas of expanded Indo-American cooperation in science, investment, trade, and other endeavors.

As all of us know, the events of the past year, including the tragic assassination in October of the late Prime Minister, Indira Gandhi, have thrust tremendous political and social challenges on India. Yet, India's democratic institutions and traditions have prevailed and demonstrated their capacity to withstand such tests. As House Concurrent Resolution 142 points out, the United States recognizes the importance of a strong, unified, and independent India as a source of stability in Asia.

The United States and India similarly share significant economic ties. Today, the United States is India's largest trading partner and second largest foreign investor. India's vital industrial economy and enormous manpower pool of engineering and scientific expertise hold the promise of even greater economic achievements in the years ahead and the potential for expanded commercial and scientific ties with the United States. We also welcome the steps which Prime Minister Gandhi has taken since assuming office to accelerate a process of domestic economic reform and liberalization.

In addition, the people of the United States welcome the opportunities for educational and cultural exchange, of which the celebration of the Festival of India in the United States this year represents an important part.

American society has been deeply enriched as well by the immigration to this country of thousands of Indians who have, in various professions and walks of life, made invaluable contributions to the advancement of American enterprise and who, by their presence, help to strengthen the people-to-people friendship we share with India.

Great and independent nations like the United States and India will have, on occasion, different perspectives on issues relating to national security and foreign policy. As democratic societies, we respect the right of free peoples to express their views freely and hope to learn from each other through the dialog which such differences engender. India plays an enormously influential role not only in the regional affairs of South Asia but in the affairs of developing and nonaligned nations worldwide. Having endured, as we ourselves did at one time, the trials of the colonial experience, India understands and forcefully articulates the concerns and needs of developing nations.

I might add that many of us in Congress appreciate in particular the principled leadership Prime Minister Rajiv Gandhi has, in his short term in office, demonstrated with regard to the arms race. Arms control is a responsibility not just of the superpowers but of small and large nations alike. The leadership India can display, as a nuclear weapons state concerned with the proliferation of weapons of mass destruction, cannot be overestimated.

It is relevant here to pay special tribute to the great Indian leader and philosopher Mohandas K. Gandhi. Although the people of India rightfully claim him as one of their own by heritage, he was more than an Indian; he was one of the great statesmen of the 20th century. We in the United States stand in appreciation of the values and understanding which he symbolizes for the world. It may well be that in an era of nuclear weapons Mahatma Gandhi's principle of satyagraha provides the kind of moral underpinning needed for conflict resolution in disputes between nations as well as between people.

We all recognize as well the profoundly important turmoil occurring in India with respect to the assimilation of all ethnic and religious groups. In this regard, the problem of the Sikhs stands out today. It is my hope that the compassion and reconciliation implied in the movement of nonviolence symbolized by Mahatma Gandhi can come to characterize the actions of the Sikhs who are expressing deeply felt convictions as well as the response of the government and non-Sikh citizens who share an understandable concern at the tactics of a few.

Mr. Speaker, it is my hope that the visit next month of Prime Minister Rajiv Gandhi will mark the beginning of a new era in Indo-American relations based on closer bilateral cooperation and a greater understanding and appreciation of the unique role which both of our nations must play in advancing the cause of a more peaceful and stable world in the latter part of the 20th century. I urge my colleagues to join me in supporting House Concurrent Resolution 142 to welcome Prime Minister Rajiv Gandhi to the United States.

NUCLEAR ARMS CONTROL

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, the Foreign Affairs Committee has launched a major study, specifically under the Subcommittee on Arms Control, which I chair, in conjunction with the Congressional Research Service of the Library of Congress, to review nuclear arms control. In conjunction with this study, the committee has been holding a series of workshops with distinguished experts to discuss the major arms control issues. Just today, we held a very interesting workshop with two outstanding experts—Mr. Graybeal and Mr. Cline—both of whom have years of extensive experience on the subject of verification and compliance with arms control agreements.

I would like to call to the attention of Members a report which the Foreign Affairs Committee released today. This is the first in a series of 10 studies on the subject. It is entitled "Nuclear Arms Control, a Historical Survey." I urge Members to read this document and also urge Members to participate in future workshops.

We have had excellent comments on these workshops. We have had outstanding experts. Because of that fact, we have been able to carefully describe and discuss the parameters of the problem. There is obviously no issue that is strictly one sided. Most have two sides or more. And arms control is no different. So, we have wanted to understand exactly what we have accomplished, if anything, in the field of arms control. We have explored future possibilities and the problems which sometimes seem so complex and, at other times, seem so ludicrously simple. But, it has been a very important series, open to all Members of Congress, and it is part of a continuing effort by the Foreign Affairs Committee to deal with this most important issue confronting the American people and mankind, the question of how we deal not simply with the specific arms issues that are involved in our total offensive and defensive capability, not simply to determine whether we need one missile or another missile, but with our entire complex national security posture. And, when we are faced with an unending, expensive, psychologically destructive arms race, then we need to spend some time on it.

I just want to enumerate some of the issues and the reason why we published this first report, Mr. Speaker, surveying the history of arms control efforts. We hear more and more now, for example, that the agreements that we have entered into in the past really did not help us in any way and we need to examine that statement in light of the facts as they really exist, that verification is less and less of value to us or that verification is a shield to hide behind because verification is impossible in an adequate, reliable, and effective sense and therefore gives rise to the question: Why have an arms control agreement of any kind, particularly with the Soviets, when you cannot trust the Soviets?

All of these issues—strategic defense, weapons in space, bacteriological warfare, chemical warfare, the dynamics of arms technology—do they set our policy, have a momentum so strong of their own in the world and in the United States that there is no way of escaping the ultimate decision that comes simply from an escalation in technology, technological capability, and armaments in their own right?

I know, having been on the Foreign Affairs Committee now for some 30 years, that I get the feeling sometimes that what drives us is simply not just fear or the necessity to be superior in terms of armaments because of our national security, but because we have no choice, there is no way to stop the march of progress, meaning the advance of science. That scientific capability and technological advancement is so strong that it actually formulates, years ahead of time, what our ultimate policy not only in this country will be but what the ultimate policy of our principal adversary at this moment, the Soviet Union, will be. This is a scary situation, to get the feeling that we are no more in control of policy than we are the sun because of simply not only the human factors involved and the lack of trust, the inability to break through in the intelligence sense, that is, mankind's intelligence, but because of the very nature of intelligence of mankind we are driving so fast with our technological capability that it sets the pattern for the entire world. That is something to contemplate.

□ 1340

Nevertheless, I would conclude simply by saying that these workshops are very important for all Members of Congress as we fulfill our individual responsibility and make decisions on yes or no with respect to arms control; on yes or no with respect to specific weapons systems; or yes or no with respect to U.S. policy.

So I recommend that my colleagues read this first report and participate in all of the arms control workshops that the Foreign Affairs Committee will be holding in the future.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 429

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of the bill, H.R. 429.

The SPEAKER pro tempore (Mr. Kostmayer). Is there objection to the request of the gentleman from Michigan?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1809

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of the bill, H.R. 1809.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TECHNICAL AND CONFORMING AMENDMENTS TO THE LIBRARY SERVICES AND CONSTRUCTION ACT

Mr. FORD of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1997) to make certain technical and conforming amendments to the Library Services and Construction Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1997

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LIBRARY SERVICES AND CONSTRUCTION ACT AMENDMENTS.

(a) Definitions.—(1) Section 3(12) of the Library Services and Construction Act (20 U.S.C. 351a(12)) is amended by striking out "five-year program" and inserting in lieu thereof "program of not less than three nor more than five years".

(2) Section 3(15) of the Act is amended—

(A) by inserting "by the Secretary of the Interior" after "recognized"; and

(B) by striking out ", as determined by the Secretary after consultation with the Secretary of the Interior".

(b) Applicability of Public Library Provisions to Hawaiian Native Program.—Section 5(d)(2) of such Act (20 U.S.C. 351c(d)(2)) is amended by striking out "sections 403" and inserting in lieu thereof sections 402(b), 403,".

(c) Plans and Programs.—Section 6(b)(4) of such Act (20 U.S.C. 351(b)(4)) is amended by inserting "(as defined in section 703(a) of the Bilingual Education Act)" after "limited English-speaking proficiency".

(d) Correction of Administrative Cost Misinterpretation.—The references in section 6 of such Act (20 U.S.C. 351f) to "such titles" mean, and shall be construed as meaning, the immediately preceding reference to "titles I, II, and III".

(e) Major Urban Resource Library Reserved Amounts.—Section 102(c)(1) of such Act (20 U.S.C. 353(c)(1)) is amended by inserting "(excluding the amount made available for Indian tribes and Hawaiian natives)" after "section 4(a)".

(f) Services to Tribes in States Without Indian Reservations.—Title IV of such Act (20 U.S.C. 361 et seq.) is amended by adding at the end thereof the following new section:

"SERVICES IN STATES WITH INDIAN TRIBES NOT RESIDING ON OR NEAR RESERVATIONS

"Sec. 406. The provisions of this title requiring that services be provided on or near Indian reservations, or to only those Indians who live on or near Indian reservations, shall not apply in the case of Indian tribes and Indians in California, Oklahoma, and Alaska".

SEC. 2. MINORITY INSTITUTIONS SCIENCE IMPROVEMENT PROGRAM AMENDMENT.

The General Education Provisions Act is amended—

(1) by redesignating section 406A (as added by the Education Amendments of 1980; 94 Stat. 1497) as section 406B; and

(2) by inserting after such section the following new section:

"AUTHORIZATION OF APPROPRIATIONS FOR SCIENCE IMPROVEMENT PROGRAM

"Sec. 406C. There are authorized to be appropriated $5,000,000 for each of the fiscal years 1985 and 1986 for the purpose of carrying out the Minority Institutions Science Improvement Program transferred to the Secretary of Education from the National Science Foundation by section 304 of the Department of Education Organization Act".

The SPEAKER pro tempore. Is a second demanded?

Mr. HYDE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. Ford] will be recognized for 20 minutes and the gentleman from Illinois [Mr. Hyde] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. Ford].

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering H.R. 1997, a technical amendments bill dealing with two programs under the jurisdiction of the Committee on Education and Labor—the Library Services and Construction Act and the Minority Institutions Science Improvement Program. These amendments do not increase Federal expenditures for the programs but ensure their efficient and consistent operation.

The first section of the bill contains amendments to the Library Services and Construction Act [LSCA] which was reauthorized during the last session of Congress and provides funding to local public libraries to assist them in providing library services. Shortly after the reauthorization bill was signed into law, it became apparent that additional legislative language was necessary to clarify certain points in the new law which the Department of Education considered open to interpretation or in conflict with other provisions of the law. As a result, H.R. 1997 contains seven technical and conforming amendments. These amendments include clarifications on the length of long-range plans, the role of the Secretary of the Interior in designating approved Indian tribes, the maintenance of effort provisions for Indian tribes and Native Hawaiians, the definition of "limited English-speaking proficiency," the amount of funds that may be used by State libraries for administrative costs, the amount of funding for urban libraries, and the inclusion of Indian tribes in California, Oklahoma, and Alaska under the program.

The second section of the bill incorporates the provisions of H.R. 32, introduced by Chairman Gus Hawkins, which extends the authorization of the Minority Institutions Science Improvement Act [MISIP] through fiscal year 1986. MISIP supports activities to improve the quality of science education at postsecondary education institutions which serve large populations of minority students and to stimulate interest in science careers for minorities. Although the program expired at the end of fiscal year 1984, the Appropriations Committee appropriated $5 million for the program in anticipation of an extension and the President's budget requests for both fiscal year 1985 and fiscal year 1986 have supported continued funding for the program at the $5 million level.

The final section of the technical amendments bill which eliminated the maximum award limitations under the Harry S. Truman Scholarship Program and allowed the board of trustees the authority to set maximum stipends was deleted by an amendment offered by our colleague, the gentleman from Wisconsin [Mr. Gunderson] in full committee.

Mr. Gunderson was concerned about the possible threat that if the cap were removed on stipend amounts, with no additional amendments stipulating number of students to be served per year, that the number of new awards could decrease back to the mandated number of 53, specified in the act.

The members of the committee concurred with Mr. Gunderson's concerns and unanimously accepted his amendment and agreed to explore the program fully in future hearings.

The bill we are considering today is an amended version of the one reported out of committee. After consideration of the bill at committee level, staff realized that there was a drafting error in section 2 of H.R. 1997 and, as a result, a program, the Pre-College Science Teacher Training Program, had been eliminated. Both this program and MISIP were authorized and extended by the same provision of the General Education Provisions Act, section 406A. In giving a longer extension

to MISIP, through fiscal year 1986, reference to the Pre-College Program was inadvertently omitted. The amended version of the bill, which we are now considering, does not extend the Pre-College Program but it does leave authorization for the program in statute. As I stated previously, the deletion of the program in the original bill was accidental. The amended bill maintains the current status of the program.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I speak on behalf of this excellent legislation. Mr. Coleman, who is the ranking Republican, has been detained in an important committee markup and has informed me that this legislation is bipartisan in nature, makes technical and conforming changes to existing law, and does not increase Federal expenditures.

The administration has no objection to this legislation, and so I want to commend the gentleman from Michigan [Mr. Ford] for his outstanding job.

Mr. Speaker, I would now yield to the gentleman himself, Mr. Coleman, for such time as he may consume.

Mr. COLEMAN of Missouri. Mr. Speaker, I thank the gentleman from Illinois for his contribution.

Mr. Speaker, as a cosponsor of H.R. 1997, I urge the adoption of this bill. This legislation is bipartisan in nature, makes technical and conforming changes to existing law and does not increase Federal expenditures.

First, I would like to thank the chairman for swiftly moving this legislation through the committee and onto the floor of the House. The gentleman from Michigan has demonstrated his willingness to work in a bipartisan fashion during subcommittee as well as full committee consideration of this legislation. The tone established by the gentleman on this bill certainly bodes well for the major reauthorization of the Higher Education Act later in this Congress.

H.R. 1997 contains amendments to the Library Services and Construction Act [LSCA] which was reauthorized during the last Congress and provides funding to local public libraries to assist them in providing library services. The technical changes in H.R. 1997 clarify certain points that otherwise might be open to interpretation or are in conflict with other parts of the law. The changes involve:

First, clarifying that a long-range program may be from 3 to 5 years in length.

Second, clarifying that the Secretary of Education may only make grants to Indian tribes that are recognized by the Secretary of the Interior.

Third, requiring Native Hawaiians to maintain the same level of expenditure for library materials if they receive a Federal grant under LSCA as they did prior to receiving the grant.

Fourth, defining "limited English-speaking proficiency" to have the same meaning in the LSCA as it does in the Bilingual Education Act.

Fifth, clarifying the amount of administrative costs allowed to States under the program.

Sixth, exempting Indians from Oklahoma, California, and Alaska from the requirement that they must live on or near reservations. This is because the original language was to ensure that Indians living in urban areas not receive grants because they have access to existing public libraries. However, Indians and Indian tribes in the above-noted States do not live on reservations and, therefore, in strict legal terms, would be ineligible to receive grants.

The bill also extends the authorization of the Minority Institutes Science Improvement Program [MISIP] through fiscal year 1985 and fiscal year 1986.

The purpose of MISIP is twofold: to support activities to improve the quality of science education at postsecondary institutions which serve large numbers of minority students, and encouraging minorities to pursue science careers. The program expired at the end of fiscal year 1984; $5 million was appropriated for the program in fiscal year 1985 in anticipation of its extension. The administration supports continued funding for the program in fiscal year 1985 and fiscal year 1986 at the $5 million level.

I should also point out that our side of the aisle has no problem with the chairman's technical change in H.R. 1997 which differs from the version reported from committee. The committee version inadvertently deleted reference to the Pre-College Science Teacher Training Program under the General Education Provisions Act. This change involves no cost and merely maintains the status quo. In fact, if this error were not corrected, one could argue that H.R. 1997 would become more than a technical bill.

I urge the Congress to adopt H.R. 1997 without delay.

Mr. Speaker, I reserve the balance of my time.

● Mr. JEFFORDS. Mr Speaker, I would like to compliment both the gentleman from Michigan [Mr. Ford], the chairman of the subcommittee, and the gentleman from Missouri [Mr. Coleman], the ranking minority member of the Postsecondary Education Subcommittee, for bringing this legislation before the Congress. This is a technical bill which received bipartisan support in the committee. The administration has no opposition to this bill.

H.R. 1997 contains amendments to the Library Services and Construction Act [LSCA] and the Minority Institutions Science Improvement Program [MISIP]. The LSCA amendments clarify certain aspects of the newly reauthorized legislation enacted last year. The amendments include clarifications on the length of long-range plans, the role of the Secretary of the Interior in designating approved Indian tribes, and maintenance of effort provisions for Indian tribes and Native Hawaiians, the definition of "limited English speaking proficiency," the amount of funds that may be used by State libraries for administrative costs, the amount of funding for urban libraries, and the inclusion of Indian tribes in California, Oklahoma, and Alaska under the program.

The amendment to MISIP merely extends the authorization through fiscal years 1985 and 1986. It should be noted that the President's budget requests for both fiscal year 1985 and fiscal year 1986 have supported funding of this program at the $5 million level.

Both of these programs are worthy ones: MISIP supports activities to improve the quality of science education at postsecondary education institutions which serve large numbers of minority students; LSCA provides funding to local public libraries to assist them in providing library services. Since the legislation being considered today makes only technical and conforming changes to existing law, I urge swift adoption of H.R. 1997.

I should also point out that the subcommittee chairman, Mr. Ford, has taken a bill to the floor which is slightly different from the version reported from committee. This change involves correction of a drafting error and merely reinserts the language in the General Education Provisions Act relating to the Pre-College Science Teacher Training Program which was inadvertently dropped in committee. The Congressional Budget Office has reassured me that the chairman's amendment involves no cost.

I yield back the balance of my time.●

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Mr. FORD of Michigan. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. Ford] that the House suspend the rules and pass the bill, H.R. 1997, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1997, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SIMPLIFICATION OF IMPUTED INTEREST RULES

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2475) to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes.

The Clerk read as follows:

H.R. 2475

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SIMPLIFICATION OF GENERAL IMPUTED INTEREST RULES.

(a) Reduction of Imputation Rate From 120 to 100 Percent; Elimination of Separate Testing Rate.—

(1) Amendments of section 1274.—

(A) Subparagraph (B) of section 1274(b)(2) of the Internal Revenue Code of 1954 (defining imputed principal amount) is amended by striking out "120 percent of".

(B) Clause (ii) of section 1274(c)(1)(A) of such Code is amended to read as follows:

"(ii) in any other case, the imputed principal amount of such debt instrument determined under subsection (b), and".

(C) Paragraph (2) of section 1274(c) of such Code is amended by striking out "the testing amount" and inserting in lieu thereof "the imputed principal amount of such debt instrument determined under subsection (b)".

(D) Subsection (c) of section 1274 of such Code is amended by striking out paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(2) Amendments of section 483.—

(A) The last sentence of section 483(b) of such Code (defining total unstated interest) is amended by striking out "120 percent of".

(B) Subparagraph (B) of section 483(c)(1) of such Code is amended to read as follows:

"(B) under which there is total unstated interest.".

(b) Interest Rates Redetermined Each Month.—

(1) In general.—Paragraph (1) section 1274(d) of such Code (defining applicable Federal rate) is amended by striking out subparagraphs (B), (C), and (D) and inserting in lieu thereof the following:

"(B) Determination of rates.—During each calendar month, the Secretary shall determine the Federal short-term rate, mid-term rate, and long-term rate which shall apply during the following calendar month.

"(C) Federal rate for any calendar month.—For purposes of this paragraph—

"(i) Federal short-term rate.—The Federal short-term rate shall be the rate determined by the Secretary based on the average market yield (during any 1-month period selected by the Secretary and ending in the calendar month in which the determination is made) on outstanding marketable obligations of the United States with remaining periods to maturity of 3 years or less.

"(ii) Federal mid-term and long-term rates.—The Federal mid-term and long-term rate shall be determined in accordance with the principles of clause (i).

"(D) Lower rate permitted in certain cases.—The Secretary may by regulations permit a rate to be used with respect to any debt instrument which is lower than the applicable Federal rate if the taxpayer establishes to the satisfaction of the Secretary that such lower rate is based on the same principles as the applicable Federal rate and is appropriate for the term of such instrument."

(2) Rate applicable to any sale or exchange.—Paragraph (2) of section 1274(d) of such Code (relating to rate applicable to any sale or exchange) is amended to read as follows:

"(2) Lowest 3-month rate applicable to any sale or exchange.—

"(A) In general.—In the case of any sale or exchange, the applicable Federal rate shall be the lowest 3-month rate.

"(B) Lowest 3-month rate.—For purposes of subparagraph (A), the term, 'lowest 3-month rate' means the lowest of the applicable Federal rates in effect for any month in the 3-calendar-month period ending with the 1st calendar month in which there is a binding contract in writing for such sale or exchange."

SEC. 2. LOWER DISCOUNT RATE IN CASE OF CERTAIN SALES WHERE STATED PRINCIPAL AMOUNT DOES NOT EXCEED $4,000,000.

(a) General Rule.—Subpart A of part V of subchapter P of chapter 1 of the Internal Revenue Code of 1954 (relating to original issue discount) is amended by inserting after section 1274 the following new section:

"SEC. 1274A. SPECIAL RULES FOR CERTAIN TRANSACTIONS WHERE STATED PRINCIPAL AMOUNT DOES NOT EXCEED $4,000,000.

"(a) Lower Discount Rate.—In the case of any qualified debt instrument—

"(1) if the stated principal amount of such instrument does not exceed $2,000,000, the discount rate used for purposes of sections 483 and 1274 shall not exceed 9 percent, compounded semiannually, and

"(2) if the stated principal amount of such instrument exceeds $2,000,000, the discount rate used for purposes of sections 483 and 1274 shall not exceed the blended rate determined under subsection (c), compounded semiannually.

"(b) Qualified Debt Instrument Defined.—

"(1) In general.—For purposes of this section, the term 'qualified debt instrument' means any debt instrument given in consideration for the sale or exchange of property (other than new section 38 property) if the stated principal amount of such instrument does not exceed $4,000,000.

"(2) New section 38 property.—The term 'new section 38 property' has the meaning given such term by section 48(b).

"(c) Blended Rate.—For purposes of this section—

"(1) In general.—The blended rate determined under this subsection with respect to any qualified debt instrument is the weighted average of—

"(A) 9 percent with respect to the qualified amount of such debt instrument, and

"(B) the applicable Federal rate determined under section 1274(d) with respect to the stated principal amount in excess of the qualified amount.

"(2) Qualified amount.—The term 'qualified amount' means $2,000,000 reduced by the excess of the stated principal amount over $2,000,000.

"(d) Election To Use Cash Method Where Stated Principal Amount Does Not Exceed $2,000,000.—

"(1) In general.—In the case of any cash method debt instrument—

"(A) section 1274 shall not apply, and

"(B) interest on such debt instrument shall be taken into account by both the borrower and the lender under the cash receipts and disbursements method of accounting.

"(2) Cash method debt instrument.—For purposes of paragraph (1), the term 'cash method debt instrument' means any qualified debt instrument if—

"(A) the stated principal amount does not exceed $2,000,000,

"(B) the lender does not use an accrual method of accounting and is not a dealer with respect to the property sold or exchanged,

"(C) section 1274 would have applied to such instrument but for an election under this subsection, and

"(D) an election under this subsection is jointly made with respect to such debt instrument by the borrower and lender.

"(3) Successors bound by election.—

"(A) In general.—Except as provided in subparagraph (B), paragraph (1) shall apply to any successor to the borrower or lender with respect to a cash method debt instrument.

"(B) Exception where lender transfers debt instrument to accrual method taxpayer.—If the lender (or any successor) transfers any cash method debt instrument to a taxpayer who uses an accrual method of accounting, this paragraph shall not apply with respect to such instrument for periods after such transfer.

"(4) Fair market value rule in potentially abusive situations.—In the case of any cash method debt instrument, section 483 shall be applied as if it included provisions similar to the provisions of section 1274(b)(3).

"(e) Other Special Rules.—

"(1) Aggregation rules.—For purposes of this section—

"(A) all sales or exchanges which are part of the same transaction (or a series of related transactions) shall be treated as 1 sale or exchange, and

"(B) all debt instruments arising from the same transaction (or a series of related transactions) shall be treated as 1 debt instrument.

"(2) Inflation adjustments.—

"(A) In general.—In the case of any debt instrument arising out of a sale or exchange during any calendar year after 1988, each dollar amount contained in the proceeding provisions of this section shall be increased by the inflation adjustment for such calendar year. Any increase under the preceding sentence shall be rounded to the nearest multiple of $100 (or, if such increase is a multiple of $50, such increase shall be increased to the nearest multiple of $100).

"(B) Inflation adjustment.—For purposes of subparagraph (A), the inflation adjustment for any calendar year is the percentage (if any) by which—

"(i) the CIP for the preceding calendar year exceeds

"(ii) the CPI for calendar year 1987.

For purposes of the preceding sentence, the CPI for any calendar year is the average of the Consumer Price Index as of the close of

the 12-month period ending on September 30 of such calendar year.

"(f) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection, including—

"(1) regulations coordinating the provisions of this section with other provisions of this title,

"(2) regulations necessary to prevent the avoidance of tax through the abuse of the provisions of subsection (d), and

"(3) regulations relating to the treatment of transfers of cash method debt instruments."

(b) Exception for Assumptions.—Subsection (c) of section 1274 of such Code is amended by adding at the end thereof the following new paragraph:

"(4) Exception for assumptions.—If any person—

"(A) in connection with the sale or exchange of property, assumes any debt instrument, or

"(B) acquires any property subject to any debt instrument,

this section and section 483 shall not apply to such debt instrument by reason of such assumption (or such acquisition) unless the terms and conditions of such debt instrument are modified (or the nature of the transaction is changed) in connection with the assumption (or acquisition)."

(c) Technical Amendments.—

(1) Section 483 of such Code is amended by striking out subsection (e) and by redesignating subsections (f), (g), and (h) as subsections (e), (f), and (g), respectively.

(2) Paragraph (1) of section 483(e) of such Code (as redesignated by paragraph (1)) is amended by striking out "7 percent" and inserting in lieu thereof "6 percent".

(3) Subsection (h) of section 483 of such Code is amended to read as follows:

"(h) Cross References.—

"(1) For treatment of assumptions, see section 1274(c)(4).

"(2) For special rules for certain transactions where stated principal amount does not exceed $4,000,000, see section 1274A.

"(3) For special rules in case of the borrower under certain loans for personal use, see section 1275(b)."

(d) Clerical Amendment.—The table of sections for subpart A of part V of subchapter P of chapter 1 of such Code is amended by inserting after the item relating to section 1274 the following new item:

"Sec. 1274A. Special rules for certain transactions where stated principal amount does not exceed $4,000,000."

SEC. 3. RECOVERY PERIOD FOR 18-YEAR REAL PROPERTY EXTENDED TO 19 YEARS.

(a) In General.—Clause (i) of section 168(b)(2)(A) of the Internal Revenue Code of 1954 (relating to amount of deduction for 18-year real property) is amended by striking out "18-year recovery period" and inserting in lieu thereof "19-year recovery period".

(b) Technical Amendments.—

(1) The following provisions of the Internal Revenue Code of 1954 are amended by striking out "18-year real property" each place it appears in the text and headings thereof and inserting in lieu thereof "19-year real property":

(A) Section 168 (relating to accelerated cost recovery system).

(B) Section 57(a)(12) (relating to preference for accelerated cost recovery deduction).

(C) Section 312(k)(3)(A) (relating to earnings and profits).

(D) Subparagraphs (A), (B), and (C) of section 1245(a)(5) (relating to gain from dispositions of certain depreciable property).

(2) The table contained in subparagraph (A) of section 168(b)(3) of such Code (relating to election of different recovery percentage) is amended by striking out "18, 35, or 45" and inserting in lieu thereof "19, 35, or 45 years".

(3)(A) Subparagraph (B) of section 168(f)(1) of such Code (relating to components of section 1250 class property) is amended by redesignating clause (iii) as clause (iv) and by inserting after clause (ii) the following new clause:

"(iii) Buildings placed in service before May 9, 1985.—In case of any building placed in service by the taxpayer before May 9, 1985, for purposes of applying subparagraph (A) to components of such buildings placed in service after May 8, 1985, the deduction allowable under subsection (a) with respect to such components shall be computed in the same manner as the deduction allowable with respect to the first component placed in service after May 8, 1985."

(B) Clause (ii) of section 168(f)(1)(B) of such Code is amended by striking out "March 15, 1984, the" and inserting in lieu thereof "March 15, 1984, and before May 9, 1985, the".

(C) Clause (iv) of section 168(f)(1)(B) of such Code, as redesignated by subparagraph (A), is amended by striking out "or (ii)" and inserting in lieu thereof ", (ii), or (iii)".

(4) Clause (ii) of section 168(f)(12)(B) of such Code (relating to limitations for property financed with tax-exempt bonds) is amended—

(A) by striking out "15-year real property" each place it appears in the heading and the text and inserting in lieu thereof "19-year real property", and

(B) by striking out "15 years" and inserting in lieu thereof "19 years".

(5) Paragraph (2) of section 48(g) of such Code (relating to special rules for qualified rehabilitated buildings) is amended by striking out "18" in subparagraphs (A)(i) and (B)(v) thereof and inserting in lieu thereof "19".

(6) The table contained in subparagraph (B) of section 47(a)(5) of such Code (relating to special rules for recovery property) is amended by striking out "For 15-year, 10-year, and 5-year property" and inserting in lieu thereof "For property other than 3-year property".

(7) Clause (i) of section 57(a)(12)(B) of such Code (relating to real property and low-income housing) is amended by striking out "18 years" and inserting in lieu thereof "19 years".

SEC. 4. EFFECTIVE DATES.

(a) Sections 1 and 2.—The amendments made by sections 1 and 2 shall apply to sales and exchanges after June 30, 1985, in taxable years ending after such date.

(b) Section 3.—

(1) In general.—Except as otherwise provided in this subsection, the amendments made by section 3 shall apply with respect to property placed in service by the taxpayer after May 8, 1985.

(2) Exception.—The amendments made by section 3 shall not apply to property placed in service by the taxpayer before January 1, 1987, if—

(A) the taxpayer or a qualifed person entered into a binding contract to purchase or construct such property before May 9, 1985, or

(B) construction of such property was commenced by or for the taxpayer or a qualified person before May 9, 1985.

For purposes of this paragraph, the term "qualified person" means any person who transfers his rights in such a contract or such property to the taxpayer, but only if such property is not placed in service by such person before such rights are transferred to the taxpayer.

(3) Special rule for components.—For purposes of applying section 168(f)(1)(B) of the Internal Revenue Code of 1954 (as amended by section 3) to components placed in service after December 31, 1986, property to which paragraph (2) of this subsection applies shall be treated as placed in service by the taxpayer before May 9, 1985.

(4) Technical correction.—The amendment made by paragraph (6) of section 3(b) shall apply as if included in the amendments made by section 111 of the Tax Reform Act of 1984.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois [Mr. Rostenkowski] will be recognized for 20 minutes and the gentleman from Tennessee [Mr. Duncan] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. Rostenkowski].

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2475.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2475, legislation providing a permanent solution to the tax treatment of imputed interest on deferred payment sales of property. Last fall Congress passed temporary legislation modifying the imputed interest rules originally enacted in the Deficit Reduction Act of 1984. These temporary rules are due to expire on July 1, 1985.

The bill provides that, for seller-financed amounts of $2 million or less, the imputed interest rate is the lesser of 9 percent or 100 percent of the Federal rate. The 9-percent rate is not available for new property eligible for the investment tax credit. Both parties in seller/financed transactions under $2 million may elect to use the cash method of accounting, with certain restrictions.

The bill also provides that, for seller/financed amounts between $2 million and $4 million, the amount eligible for the 9-percent rate is reduced by $1 for each dollar that the seller/financing exceeds $2 million. The $2 million and $4 million threshold amounts will be indexed for inflation beginning after 1988.

The bill further provides that, for seller/financed amounts over $4 million, the imputed interest rate is 100 percent of the Federal rate. The Federal rate will be determined on a monthly basis and there is no higher penalty rate. Moreover, the bill will apply to sales or exchanges after June 30, 1985. These imputed interest rules will not apply to assumptions of loans.

In order to ensure that the bill would remain revenue-neutral, the recovery period for real property, other than low-income housing, will be lengthened from 18 years to 19 years. This provision is effective for property placed in service after May 8, 1985, subject to exceptions for binding contracts.

Mr. Speaker, as promised last fall, the Ways and Means Committee has conducted a comprehensive analysis of this difficult issue. It is our strong belief that this legislation, which has been developed on a bipartisan basis, thoughtfully addresses the legitimate concerns raised by last year's legislation. I urge the House to support H.R. 2475.

Mr. Speaker, I reserve the balance of my time.

Mr. **DUNCAN**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join my colleague, Chairman Dan Rostenkowski in urging the House to adopt H.R. 2475, a bill which modifies the imputed interest provisions of the Deficit Reduction Act of 1984. As many of us are aware, those provisions generated controversy soon after their enactment. As a result, the Congress passed legislation last October which temporarily modified those provisions. That temporary legislation will expire on June 30, thus providing an important incentive for us to act to provide permanent relief in this area. H.R. 2475, the bill currently before the House, does an excellent job of modifying those provisions in a balanced manner which minimizes the revenue impact. The Chairman has accurately described the various components of the bill for the House and I will not restate them here. This is an issue which urgently needs to be addressed before the expiration of the stopgap measure on June 30, and I therefore urge my colleagues to vote for it today.

Mr. **ROSTENKOWSKI**. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. Matsui].

Mr. **MATSUI**. I thank the gentleman for yielding this time to me.

Mr. Speaker, I would like first of all to commend the chairman of the committee, the gentleman from Illinois, [Mr. Rostenkowski], for his leadership and diligence in getting this matter before the House of Representatives. It was last October 1984, when the whole issue of imputed interest came up during the waning hours of the 98th Congress, and the chairman had committed to the gentleman from Texas [Mr. Archer], and others that he would have this matter on the floor some time prior to July 1 when the expiration of the temporary rules go out of date.

So I would like to thank the chairman in particular for moving this legislation at the rapid pace he has, and, of course, Mr. Duncan, the ranking member on the Republican side, for his leadership in this effort as well.

Mr. Speaker, this measure, as many people know, is very important to the entire construction and real estate industry in the United States, and in particular in areas of high growth such as California. We have relied largely upon seller financing, especially since we have had high interest rates over the last few years. This has caused a great many problems with the old rules because it has created uncertainty, and certainly a situation where many seller-financed transactions were not able to be completed because of the penalty in the imputed test rates.

This legislation, in my opinion, is an excellent piece of legislation. It came out of the Committee on Ways and Means without any dissension, by voice vote.

I might just point out that the $2 million threshold for the 9-percent rate applies to the loan amount and not the market rate or the sales price, but it is the loan amount, so that means the sales price could be much greater than that.

Second, between $2 and $4 million, we have a blend between the 9-percent rate and the applicable Federal rate, and anything over $4 million, of course, is at the applicable Federal rate.

I might just point out one more matter, if I may. The test rate and the penalty rate is exactly the same, so that if a person inadvertently makes an error, his only penalty will be the normal compliance test of the Internal Revenue Service.

One other matter I know is of great concern to many of the Members of the House, and that is the fact that the original rules applied to loan assumptions. This provision does not apply to loan assumptions, and you can use either the accrual or cast methods of accounting in order to consummate a transaction.

So it is my feeling that this is an excellent piece of legislation. As I said, it had strong bipartisan support out of the Committee on Ways and Means, and the industry has basically been happy with this legislation, and we are hopeful that this measure will pass the House of Representatives.

Mr. **DUNCAN**. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. Archer] who is a member of the committee, who was one of the first advocates of modifying the imputed interest provisions and who has worked diligently for many number of months on this issue.

Mr. **ARCHER**. I thank the gentleman for yielding time to me.

Mr. Speaker, although I am not completely satisfied with all of the final touches of H.R. 2475, I do rise today in support of the passage of H.R. 2475.

The imputed interest issue became controversial in the closing months of the last Congress when it became apparent that changes in the Tax Reform Act of 1984 could stifle the seller financing of real estate. Just prior to final adjournment, Congress adopted a set of substitute interim rules to be in effect while the Ways and Means Committee worked on a permanent solution.

Even though I'm not completely satisfied with the bill which is now before us, it's probably the most reasonable compromise we can expect to see reported out of committee prior to the June 30 expiration of the stopgap rules.

If no action is taken by the Congress, the onerous imputed interest provisions of the Tax Reform Act of 1984 will go into effect on July 1—a circumstance which could be disastrous.

I'm hopeful that the bill can be further improved in conference with the Senate. There are several areas in which such improvements can be made while retaining protections against the perceived abuses of the tax code which prompted Congress to address this issue in the first place.

As a member of the conference committee in 1984, I opposed the imputed interest rules of the 1984 act, so naturally I am pleased that we're seeing the legislative process go forward to ameliorate the potential damage of the 1984 act.

Chairman Rostenkowski is to be commended for his expeditious handling of the bill by our committee. He made a commitment last fall to report out legislation before the stopgap rules expire, and the chairman has shown again that he is true to his word—with 6 weeks to spare.

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Mr. **ROSTENKOWSKI**. Mr. Speaker, I yield such time as he may consume to the gentleman from North Dakota [Mr. Dorgan].

Mr. **DORGAN** of North Dakota. Mr. Speaker, I thank the chairman of the Ways and Means Committee for yielding me the time.

Mr. Speaker, I will be very brief and say that this legislation represents, I think, the success of the plan that was outlined to the House in the final hours of the last session of Congress.

This imputed interest area raised some concern among many Members of Congress. Many will recall that it was in the late hours of the night

prior to adjournment and we were hung up on that issue, and the chairman of the Ways and Means Committee said, "Look, give us some time to work this out." We developed some stopgap language, and he said, "By 6 months, I will solve this thing and get it through the committee and get it back on the floor." That has been the case, and I commend the chairman of the Ways and Means Committee for that kind of work.

The chairman of the committee put together a small group of Members, including myself, the gentleman from California [Mr. Matsui], who just spoke, and the gentleman from Texas [Mr. Archer], who just spoke, and we spent a number of hours going over these issues. It was a bipartisan group of six Members.

Once we developed some consensus, we brought the plan to the chairman of the committee and brought it to the Ways and Means Committee itself, and this agreement resulted.

I had some concern initially when the Internal Revenue Service was pushing its proposal before the Ways and Means Committee about a year or so ago. Seller financing is an important part of financing arrangements in this country, and in most cases it involves neighbor and neighbor, putting together an arrangement by which the transaction can actually take place. Without seller financing, in most cases the transaction will not occur. I did not think it appropriate or wise for us to move in the direction the Internal Revenue Service wanted us to move because they were really saying, "We want to find ways to increase interest rates on these kinds of transactions." It seems to me that we ought to be moving in exactly the opposite direction.

So I think that what we have come up with today is a really good proposal that solves a problem that was created in the 1984 act, and I just want to commend the chairman of the committee. I also want to commend the ranking minority member, the gentleman from Tennessee [Mr. Duncan], for his cooperation.

Mr. Speaker, I think that we have made another step forward in our progress toward a tax system that makes more sense.

Mr. **DUNCAN**. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. Burton].

Mr. **BURTON** of Indiana. Mr. Speaker, I thank the gentleman for yielding me this 1 minute.

Mr. Speaker, I want to associate my remarks with those of the previous speaker and those of the gentleman from Texas [Mr. Archer] as well.

Last fall, in the waning hours of the 98th Congress, we had a very hot debate on imputed interest, and the chairman of the Ways and Means Committee was very much aware of the problems that the real estate industry, the housing industry, and the construction industry had with the legislation at that time. He gave his word to members of those organizations and to the Congress of the United States that he would deal with this problem expeditiously before the June deadline, and he has done that.

Mr. Speaker, I think the members of those industries and the House of Representatives owe a debt of gratitude and respect to the chairman of the Ways and Means Committee, and I want to publicly acknowledge that right now.

Mr. **DUNCAN**. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. Gekas].

Mr. **GEKAS**. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, recalling those very same waning hours to which allusion has been made several times, during that last session there was one thing that was left hanging, as far as I was concerned, and I am not sure what the answer is, even up to this moment.

What happens to the sales agreement that was entered into between January 1 of this year and the time that we finally pass this legislation? I am not sure that the interim rules, even if intended to cover that situation, in fact legally cover the situation. Is that not kind of a hiatus situation which we have not addressed?

The gentleman from Texas, I think, was concerned with that same question during that last debate in the final minutes of the last session.

Mr. **ARCHER**. Mr. Speaker, will the gentleman yield?

Mr. **GEKAS**. I yield to the gentleman from Texas for the purpose of setting me straight.

Mr. **ARCHER**. Mr. Speaker, the effective date of the act that we are now considering which would set forth permanent rules will be on July 1 of this year, so any contracts that are entered into from January 1 until July 1 will be covered by the stopgap rules that this Congress passed at the end of the last session. This law will not be retroactive to go back and pick up the period of time from January 1 until July 1.

Mr. **GEKAS**. Mr. Speaker, I will recapture my time.

I recognize what the intent is. I am asking, has any thought been given to the legal effect of a sales agreement that is entered into between January 1 and July 1, notwithstanding our interim rules? I do not think that Congress can retroactively cure some contract that is entered into in this vacuum period. Was any thought given to that at all?

Mr. **ARCHER**. Mr. Speaker, if the gentleman will yield further, it really is not a vacuum period because Congress established rules at the end of last year to cover this period of time, and those rules will cover it. They were in the stopgap legislation.

The **SPEAKER** pro tempore. The time of the gentleman from Pennsylvania [Mr. Gekas] has expired.

Mr. **DUNCAN**. Mr. Speaker, I yield 1 additional minute to the gentleman from Pennsylvania [Mr. Gekas].

Mr. **GEKAS**. Mr. Speaker, I have one further question of the gentleman from Texas.

Is the final bill in conformity with the interim rules?

Mr. **ARCHER**. The final bill is more liberal in its treatment of seller financing than the interim rules.

Mr. **GEKAS**. Then I understand perfectly.

Mr. Speaker, I thank the gentleman very much, and I yield back the balance of my time.

● Mr. **LEVINE** of California. Mr. Speaker, I rise in support of H.R. 2475 which resolves the issue of tax treatment of imputed interest on deferred payments of property. For many months, homeowners have hesitated to negotiate the sale of their property because of the unfairness and uncertainty surrounding imputed interest regulations and legislation. The Ways and Means Committee has reported out legislation which permanently protects the seller financing prerogatives of homeowners and property owners nationwide.

Ever since Congress passed the Deficit Reduction Act of 1984, I have joined my colleagues in both Houses in working to repeal the 1984 imputed interest rules. These rules raised the minimum interest rate which a seller could charge while financing the sale of his property and slapped costly tax penalties on him for not charging the Government-established rate. Had these rules taken effect—and they will at the beginning of July unless Congress takes immediate remedial action—they would severely limit the financing options of all property buyers and sellers.

While the initial imputed interest provisions were never designed to affect primary residences, the $250,000 exemption contained in the rules did not adequately protect many homeowners. Much residential property in Los Angeles County, for example, has increased in value by more than 10 times in the last decade. Consequently, if the 1984 imputed interest rules take effect, they will significantly discourage many seller-financed transactions from taking place in Los Angeles and in other high-property-value communities.

The decision to seller-finance property is a legitimate and risky venture. The Federal Government should not penalize individuals who take advantage of this necessary financing tool. Moreover, the Federal Government should not meddle into the legitimate private bargaining between a private property buyer and seller.

I am pleased that H.R. 2475 eliminates the tax penalties—as mandated in the Deficit Reduction Act of 1984—imposed on individuals engaging in seller-financed transactions. For transactions less than $2 million, H.R. 2475 actually provides individuals with greater leeway in negotiating the terms of a seller-financed agreement.

Our Government has consistently promoted the purchase of single family homes. With passage of H.R. 2475, Congress can once again provide individuals with the necessary economic latitude and opportunity to pursue that worthy goal.●

● Mrs. LLOYD. Mr. Speaker, today we are correcting one more of the mistakes contained in the 1984 tax bill. Just recently, the House passed a repeal of the contemporaneous recordkeeping requirement which many of us had been working for and now we are acting on the provisions which would have all but eliminated seller financing.

We were right to delay the effective date from January 1 to July 1. In doing so, we gave the Ways and Means Committee time to act. And while I am not totally satisfied with their product, it has taken us one step closer toward correcting the problem. I hope that additional corrections will be made as the bill moves through the legislative process.

But it is essential that the House act now. The June 30 deadline is fast approaching and already many sellers are reluctant to negotiate—understandably so. The cost to them could be significant if their closing should occur after that date. We cannot expect taxpayers to comply when regulations are vague or when congressional action is uncertain. We must approve this legislation today to further demonstrate our determination to repeal the 1984 rules. Seller financing must be preserved.●

● Mr. AKAKA. Mr. Speaker, I rise today to support the fine work of the Ways and Means Committee in addressing the imputed interest/seller financing problem. It is a tribute to the leadership of Chairman Dan Rostenkowski, the initiative of Representative Bob Matsui and the hard work of the committee that the bill before us today is a giant step toward a final solution. Their thoughtful and expeditious action on this controversial issue is to be commended.

The bill presently on the floor is in response to certain provisions of the Deficit Reduction Act, signed into law July 1984, which substantially changed the taxation of seller-financed real estate transactions. Prior to the Deficit Reduction Act, a seller of real property financing the transaction had to charge the buyer at least 9 percent interest. If the interest rate was below 9 percent, the Internal Revenue Service [IRS] could impute interest to the transaction and tax the seller as if 10 percent interest were received.

The Treasury Department felt that pre-Deficit Reduction Act law allowed abuses by some sellers who inflated the selling price of their property in return for providing low interest financing to the buyer. In addition, buyers could claim current tax deductions for interest accrued in the transaction, but not paid until sometime in the future.

In response, the Deficit Reduction Act of 1984 required seller financing to carry an interest rate at least equal to 110 percent of the 6-month average interest rate on Federal securities of comparable length, known as the "Applicable Federal Interest Rate" [AFR]. It also obligated the seller to include into current income some, or all, of the buyer's accrued interest deduction. The amount of the forced income was also to be at equal to 110 percent of the AFR.

Soon after the enactment of the Deficit Reduction Act, Congress became convinced that the potential harm to the real estate industry was serious enough to warrant interim provisions limiting the application of the imputed interest/seller financing provisions. The bill we are considering today, reported out by Chairman Rostenkowski and the Ways and Means Committee, expands upon the groundwork set by the interim provisions and provides this House a commonsensical initiative upon which to act.

My fellow colleagues, we all realize the significant role seller finance fulfills in the real estate industry. Let us put our shoulders squarely behind the task and give our unwavering support to this worthy piece of legislation.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, in July of last year, the 98th Congress passed the Tax Reform Act of 1984, which I did not support. Among the objectionable provisions included in this bill was one that would impose a tax penalty on sellers who finance certain sales at below-market rates. These new rules became so controversial that in the closing days of the 98th Congress, we adopted a set of interim rules to be used while a satisfactory permanent solution was being developed.

While the changes included in the Tax Reform Act were supposedly aimed at curbing some perceived abuses in this area, the new rules went far beyond that and unfairly penalized the innocent who comprise the overwhelming majority involved in seller-financing. In many transactions, seller financing would cease to exist, at the very time this method of financing is again becoming an increasingly important factor in the sale of homes, farms, and small business.

For many years, the ability and willingness of owners to finance sales of residences, farms, multifamily dwellings, and businesses at affordable interest rates has enabled people to continue to do business despite unaffordable rates charged by third-party institutional lenders. This has been especially true during high or rising interest rate periods. For example, during the high interest rate recession of 1982, 34 percent, or approximately 800,000 home sales, and 41 percent of all farm sales, involved seller financing at an average 11.8-percent interest rate.

Today, we have before us a bill which I feel makes substantial progress in moving toward preserving this valuable tool in property sales financing. As a sponsor of legislation to completely repeal the imputed interest rules, I want to commend my colleagues on the Ways and Means Committee for crafting compromise legislation which represents a significant improvement over the provisions of the 1984 act. Since I have been involved in efforts to resolve this situation since the problems surfaced at the end of last year, I believe the legislation under consideration on the floor today represents a reasonable compromise. However, I am hopeful that it can be improved further as it goes to the next legislative step, House-Senate conference.●

Mr. DUNCAN. Mr. Speaker, I have no further requests for time.

Mr. ROSTENKOWSKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. Rostenkowski] that the House suspend the rules and pass the bill H.R. 2475.

The question was taken.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

SENSE OF THE HOUSE REGARDING RATIFICATION OF THE GENOCIDE CONVENTION

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 166) expressing the sense of the House of Representatives with respect to ratification of the Convention on the Prevention and Punishment of the Crime of Genocide, as amended.

The Clerk read as follows:

H. RES. 166

Whereas the twentieth century has witnessed repeated instances of genocide;

Whereas in 1948 the United Nations General Assembly, in order to prevent a repitition of the Nazi's systematic annihilation of a people, unanimously approved the text of the Convention on the Prevention and Punishment of the Crime of Genocide;

Whereas the United States representatives to the United Nations played a leading role in drafting the Genocide Convention and advocating its adoption;

Whereas since 1948 ninety-six nations have become parties to the treaty;

Whereas since 1948 Presidents of the United States representing both major political parties, including President Reagan, have consistently requested the Senate to act favorably on the treaty;

Whereas the Senate Foreign Relations Committee has on five separate occasions reported favorably on the treaty and recommended that the Senate advise and consent to the ratification of the treaty, most recently with the three understandings and one declaration called for by President Reagan;

Whereas on October 11, 1984, the Senate approved Senate Executive Resolution 478 by a vote of 87 to 2, expressing its support for the principles embodied in the Convention and declaring its intentions to act expeditiously on the Convention; and

Whereas the United States remains the world's leader in efforts to bring to an end crimes against humanity and all human rights violations: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the United States should signify its continuing commitment to ending genocide by promptly joining the ninety-six other nations which have become parties to the Convention on the Prevention and Punishment of the Crime of Genocide.

Sec. 2. The House of Representatives declares that it will act expeditiously on the required implementing legislation as soon as the Senate gives its advice and consent to ratification of the Genocide Convention.

The SPEAKER pro tempore. Is a second demanded?

Mr. SOLOMON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington [Mr. Bonker] will be recognized for 20 minutes and the gentleman from New York [Mr. Solomon] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington [Mr. Bonker].

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 166 expresses the sense of the House that the United States should signify its continuing commitment to ending genocide by promptly joining the other 96 nations which have become parties to the Convention on the Prevention and Punishment of the Crime of Genocide. The resolution further declares that the House will act expeditiously on the required implementing legislation once the Senate gives its advice and consent to ratification of the Genocide Convention. House Resolution 166 was approved by the Human Rights Subcommittee on April 24, and the full Foreign Affairs Committee approved the resolution on May 14, 1985. This resolution enjoys the bipartisan support of more than 60 Members of the House.

In the aftermath of the Nazi genocide during World War II, the United States was instrumental in negotiating this Convention. The genocide treaty establishes the commission of genocide as an international crime and, through enactment of domestic implementing legislation required by the treaty, makes it a crime within each member state. The convention defines the crime of genocide and the acts which constitute the commission of the crime of genocide. The treaty must be implemented by each individual country; thus the treaty does not define specific punishments, but obligates each signatory to define the crime of genocide consistent with the country's Constitution and to provide for punishment within that country consistent with the Constitution and laws of that country.

The United States signed the convention on December 11, 1948, and President Truman transmitted it to the Senate urging ratification in June 1949. Since that time, every administration, with one exception, has endorsed U.S. adherence to the Treaty. President Reagan, in an address to the B'nai B'rith international convention last September, committed his administration to securing U.S. ratification, supporting implementing legislation, and using the treaty to protect human rights. The Senate has considered the convention numerous times over the last three decades, and the Foreign Relations Committee has reported the treaty favorably no less than five times. The Senate voted overwhelmingly last October to approve a resolution expressing support for the principles contained in the convention and declaring its intent to move expeditiously on the Treaty. It is my understanding that the Foreign Relations Committee is again beginning consideration of the treaty today.

Following exhaustive study over the last 36 years, the American Bar Association strongly supports U.S. ratification with three proposed understandings and one declaration which President Reagan has endorsed. The ABA has concluded that there are simply no constitutional conflicts posed by the treaty, qualified by the understandings and declaration, and that there are absolutely no constitutional or other domestic legal impediments to prompt Senate advice and consent.

For purposes of the record, I would like to explain briefly the understandings and declaration. The first understanding clarifies language in article II of the convention that genocide is not merely murder, but "the intent to destroy in such a manner as to affect a substantial part of the group concerned." In other words, a crime intended for the mass destruction of a national, ethnic, racial or religious group. Suggestions that the murder of one person could constitute genocide are simply without merit.

The second understanding clarifies the "mental harm" language of article II to mean the "permanent impairment of mental faculties," and clarifies the well-established constitutional protection of free speech.

The third understanding addresses the concern that U.S. citizens would be required to be tried in a foreign nation in a forum without the constitutional safeguards afforded by our judicial system. It states that nothing in article VI "shall affect the right of any state to bring to trial before its own tribunals any of its nationals for acts committed outside the state." This will assure the full and continued independence of the American legal system and the continued extension of all constitutional guarantees afforded U.S. citizens.

Finally, the declaration would state that the United States "will not deposit its instrument of ratification until after the implementing legislation referred to in article V has been enacted." Implementing legislation must, of course, be consistent with our Constitution, fully define the crime of genocide for domestic purposes, and prescribe penalties for a conviction on charges of genocide. This declaration assures the continued involvement of Congress and the President in implementing the Genocide Convention.

Mr. Speaker, U.S. ratification of the Genocide Convention will strengthen the position of our country in the struggle to promote respect for human rights and place the United States firmly on record in condemnation of this abhorrent crime. We must not allow those who would perpetrate the unspeakable crime of trying to exterminate a national, ethnic, racial, or religious group to find sanctuary anywhere in the world. I urge my colleagues to adopt House Resolution 166.

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Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. BONKER. I am happy to yield to the distinguished chairman of the Foreign Affairs Committee.

Mr. FASCELL. Mr. Speaker, I thank the gentleman from Washington who is managing this resolution on the floor today for the committee. I want to commend the gentleman from California for his able and dedicated work in developing this resolution.

House Resolution 166 establishes for the record, the House's support for the ratification of the Genocide Convention and declares the intention of this Chamber to act expeditiously on implementing the legislation required by the provisions of the convention.

The Genocide Convention is an international treaty. Called the International Convention on the Prevention and Punishment of the Crime of Genocide, its purpose is to make genocide an international crime, whether committed during times of peace or war. The convention also provides that constitutionally responsible rulers, public officials as well as private persons who commit genocide or conspire or comply in committing genocide are to be punished as international criminals. Persons charged with the crime of genocide are to be tried by a competent tribunal of the state where the act was committed.

Genocide is not a new international crime as contemporary cases in Cambodia and Uganda demonstrate. But Hitler's persecution of various minorities, especially the Jewish people during World War II, gave particular impetus to the U.N. preparation of the convention. The U.N. General Assembly unanimously adopted the convention on December 9, 1948. It came into force in 1951. Today more than 90 states are parties to the convention. The United States, however, has not yet ratified it since President Truman transmitted it to the Senate in 1949.

Since then, in the other body, the Foreign Relations Committee has held several hearings on the convention. Most recently, the committee considered the subject at a hearing in March of this year. I understand that the Foreign Relations Committee plans to meet today to mark up their resolution with several provisos offered by Mr. LUGAR and Mr. HELMS.

Ratification of the Genocide Convention should strengthen U.S. diplomacy on human rights in both bilaterial as well as multilateral meetings. Once the Genocide Convention is ratified, and the implementing legislation enacted, I sincerely hope the President will then address five other human rights conventions pending before the Senate: the two international covenants, the Convention on the Elimination of Racial Discrimination, the Convention on the Elimination of Discrimination Against Women, and the Inter-American Convention.

Clearly, it is in our national interest to be able to show our friends, allies and even adversaries that the United States means what it says about its tradition and commitment to human rights and fundamental freedoms. We have long cherished these traditions at home and it is high time we demonstrated our support for them abroad by subscribing to these international human rights treaties. The Genocide Convention is a most commendable measure on which to being this important effort. I urge the adoption of this resolution.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I became concerned about the Genocide treaty a number of months ago when the resolution by our distinguished colleague, the gentleman from California [Mr. LEVINE] was introduced. Not many of us knew much about it, but when I discovered that the treaty itself had been pending for ratification in the U.S. Senate since 1949, some 36 years ago, and under both Democrat and Republican control, I became somewhat concerned and interested about why it had not been ratified.

Then I came across a letter from Senator Sam Ervin to Senator Percy of Illinois, then Chairman of the Foreign Relations Committee. In that letter, the distinguished Sam Ervin, who was not only a constitutional lawyer, but one of the most respected Members of the Senate who ever served in that body, stated that the Genocide Convention "contains the greatest foolishness ever presented to the Senate in the form of a treaty."

Therein lies my concern on the treaty.

Let me say at the outset that I appreciate and respect the sincerity and dedication with which the gentleman from California [Mr. LEVINE] has offered this resolution. The gentleman has gone out of his way to accommodate my concerns, and I would like to engage the gentleman in a brief colloquy after I make a few introductory comments.

Mr. Speaker, one of the major concerns that I have as a Member of Congress, and particularly as the ranking Republican on the Human Rights Subcommittee, is the degree to which this present era in time is characterized by moral confusion and evasion. One would think that a century which has witnessed the unspeakable horrors of the last 80 years—man's inhumanity to man on a scale that previous centuries could have scarcely imagined—that such an experience would lead to a heightened sense of moral responsibility and clarity. But such is not the case. And it would seem that totalitarian justice has become the only moral absolute in this modern age. Totalitarian justice—the only ethical ideal that is being propagated today without equivocation.

So I have tried to view the Genocide Convention within this larger context. Frankly, we all have a lot of work to do toward restoring a moral climate in which human rights are respected and the crime of genocide can be banished. There are numerous treaties, accords, and statutes already on the books that are regularly violated in the name of totalitarian justice. Human rights are being denied—and we have not demanded accountability for fear of offending the totalitarians whose signature on any international document is not worth the paper it is written on.

Now, Mr. Speaker, before engaging in a colloquy with the gentleman from California, I yield such time as he may require to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I rise in benign indifference to the adoption of this resolution—because once more we impose our advice and consent on the other body, whose sole responsibility it is to deal with treaties.

However, this resolution is harmless, as I am informed that the problems some have with it are being resolved.

It might be interesting if some Third World country were to study Singapore, Japan, Hong Kong, or Taiwan and decide that the population planners so beloved of many of my colleagues, and the international abortion promoters such as Planned Parenthood are really not as interested in economic development as in holding back development by keeping their populations at a very low level. They just might view these depopulation programs as little more than disguised genocide.

I would never make such a charge, but you never know what these Third World countries might do, and a charge of genocide to be defended before a U.N. court would test the mettle of, say a Ramsay Clark, at least.

Surely no one in this Congress supports genocide, but one must ask if this resolution, or this treaty for that matter, will accomplish anything to combat the mass murders that have characterized our times as among the most barbaric in history. More so, perhaps, because we have developed more efficient methods of extermination than our ancestors ever dreamed of.

My own lack of enthusiasm for this treaty rests in the conviction that we seem to substitute talk—and that is what a treaty is, talk reduced to writing—for the actions needed to halt the lawlessness and inhumanity that plague our time. Those who applaud this resolution may really believe they have struck a blow for humanity—and if their concerns stop at this point, then this treaty becomes less than a fig leaf to conceal the naked lack of will to do anything effective to half genocide.

"Give peace a chance" was the cry 10 years ago, as our last helicopters left the rooftop of our Embassy in Saigon, leaving in the distance the outstretched hands of those Vietnamese whose fatal error was to trust us. If we would only quit Indochina, the killing would end, we were told by some who still presume today to give us advice of equal insight—but the "murder of a gentle land" goes on as we speak, an on-going act of genocide which has killed one-third of the population of Cambodia so far and produces millions of refugees—boat people, half of whom drown, all fleeing the Marxist paradise we left behind. We have become practiced at averting our gaze from this holocaust, as we move from resolution to treaty and back again. In a brilliant analysis of this subject published in yesterday's Washington Times, Peter Wehner of the Ethics and Public Policy Center refers to Indochina as a "region free of U.S. involvement, and it is a region at war with its people. Where are the cries for justice * * * the anguish * * * we have left southeast Asia to live in splendid isolation. Come home, America!"

If we are serious about stopping genocide, why don't we grasp the fact that Solzhenitsyn has been trying to teach us—that there are certain qualities intrinsic to Communist systems—"Rulers change" he wrote, "but the Gulag Archipelago remains."

It is almost amusing—if anything can be called amusing in the context of so much suffering—that the newfound revulsion expressed by some on the left for Comandante Ortega depends, not on what he and his fellow commandantes have been saying and doing to peace and freedom these past 5 years, but on the ineptitude of his travel agent. Thus does symbolism move the "party of the people" in this Chamber.

But the same arguments we have heard so many times before are being heard again, that the United States is to blame for the tensions in Central America and that President Reagan seeks war rather than a negotiated political settlement. Parenthetically, have you ever known of a Communist who would give you power because you asked him for it?

The point is, that terror and repression are the very essence of Marxist-Leninist states, whether in Ho Chi Minh City, Havana, or Nicaragua, and genuine peace is not the product merely of talk, treaties or wishful thinking.

The problem with so many congressional resolutions is that they serve as a substitute for ever doing anything useful—and hence translate into irresolution.

A piece of paper can't stop a knife or bullet—only a policy that comes down on the side of freedom everywhere—in the mountains of Afghanistan or the mountains of Central America, a policy that doesn't erect a shield of pseudolegality around expansionist communist states that immunizes their export of subversion while it paralyzes those who resist.

You offer us talk, rhetoric, resolutions, words, paper—when freedom on the run pleads for effective action.

Vote for this resolution if you care to—convince yourself and the media that you are striking a blow against genocide—but try not to end the matter here—with a piece of paper—and not even a paper tiger at that, more like a paper pomeranian.

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Mr. BONKER. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. LEVINE] who is the chief sponsor of this legislation.

Mr. LEVINE of California. Mr. Speaker, first of all I would like to commend the gentleman from Washington for floor managing and bringing this resolution to the floor. I would like to commend the gentleman from Pennsylvania, chairman of the Subcommittee on Human Rights, and the gentleman from Florida, the chairman of the full committee, for the thoughtful consideration they have given to this resolution.

Before making a brief statement in support of the resolution I would like to compliment the gentleman from Illinois [Mr. HYDE] who just spoke. He was eloquent as usual. And I do wish to suggest that in terms of this resolution nobody is suggesting that this resolution in and of itself and by itself is going to resolve all of the problems that are contained in the resolution. I think that we all understand that a variety of other actions are essential, are necessary, and that this is one step in a direction of trying to pinpoint problems of great significance in the international arena.

But none of us who support this resolution, and my conclusion from the gentleman's comments is that he might also support this resolution, believe that by that support we will in and of itself eliminate all of the problems that are addressed herein.

I do believe, however, that the problems addressed by the resolution are significant and are problems that beg for resolution and beg for the type of international framework that was provided by the United Nations at the end of World War II.

The fact that our President and our most recent U.N. Ambassador have both urged that the United States ratify this convention, I think testifies to the breadth of support that exists in favor of ratification of the Genocide Convention.

I think that while points of significance have been made raising questions pertaining to sovereignty, jurisdiction, and scope, all of those points have been adequately resolved and in fact the very fact that the American Bar Association, which was perhaps the most respected organization in oppositon to ratification for a number of years is now in the forefront of those who support ratification, and in fact is one of the strongest supporters of this resolution, should help to dispel any of the concerns that people may have had in the past with regard to questions of legality, sovereignty, or jurisdiction.

Mr. Speaker, thank you for scheduling consideration of House Resolution 166, expressing the sense of the House of Representatives that the United States should signify its continuing commitment to ending genocide by ratifying the Convention on the Prevention and Punishment of the Crime of Genocide. This resolution, which I introduced jointly with Congressman FISH, is similar to the one introduced in the last session of Congress and has the approval of the American Bar Association and Amnesty International. At this time there are 73 cosponsors, across the political spectrum.

The purpose of this convention is to make genocide an international crime, whether committed during peace or war. It was the United Nation's first human rights treaty, born in the aftermath of World War II and the Holocaust.

Determined to prevent a repetition of the Nazi's deliberate and systematic annihilation of the Jews, the U.N. General Assembly on December 11, 1946, unanimously passed a resolution declaring genocide a crime under international law. Two years later the General Assembly approved the text by a unanimous vote.

The convention has been in force since January 12, 1951, and 96 other countries have become parties. Although U.S. representatives to the United Nations played an important role in drafting the treaty and signed the convention on December 11, 1948, 2 days after adoption, the United States has yet to ratify the convention.

The Senate Foreign Relations Committee has favorably reported the Genocide Convention on five separate occasions, most recently on September 19, 1984. In lieu of action on the convention, the Senate on October 11, 1984, adopted by a vote of 87 to 2 a resolution supporting the principles of the convention and pledging expeditious action on it in 1985. President Reagan himself has called for approval of the Genocide Convention by the Senate. As you know, the Senate Foreign Relations Committee has been considering the convention and a resolution of ratification, and did so again today.

It is especially appropriate that the House consider House Resolution 166 at this time. This year is the 70th anniversary of the Armenian genocide and the 40th anniversary of the liberation of the Nazi concentration camps. Last month Holocaust Memorial Week was commemorated, a heartwrenching time when survivors of the Nazi death camps gather together to share experiences and memories, and perhaps to find a lost friend or relative. April 24, the day the Human Rights Subcommittee reported out this resolution, marked the 70th anniversary of the beginning of the Armenian genocide.

Clearly, ratification of the Genocide Convention is as important today as it was when it was first introduced 36 years ago. We are fortunate to live in the United States, a land of freedom and security. But even today genocide is taking place in such places as Cambodia and Iran.

The Genocide Convention has been before the Senate for 36 years. It is time for the United States to take its place along with the 96 parties to the convention, and I believe the time has come for the House to take a formal stand on its ratification. It is entirely appropriate that we do so. I might add that the administration supports the resolution as it now stands.

I would like to add, Mr. Speaker, that there can be no forgetting of any of the previous genocides that have occurred. Genocide is a crime against all humanity and must be condemned now and forever. This resolution is meant to include all genocides, whether they occurred during World War I, World War II, or in present times. Any attempt to interpret this resolution otherwise would be a misreading of the facts.

I would like to thank the chairman of the Foreign Affairs Subcommittee on Human Rights and International Organizations, Mr. Yatron, and the chairman of the full committee, Mr. Fascell. Both have been supportive and cooperative in shepherding through this resolution. I would like to thank the Speaker again, as well, for scheduling its consideration. I urge passage of this resolution.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York [Mr. Gilman], a member of the committee.

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of House Resolution 166, legislation expressing the sense of the House that the United States become party to the Convention on the Prevention and Punishment of the Crime of Genocide. I am pleased to be a cosponsor of this legislation and I commend the chief sponsor of this resolution, the gentleman from California [Mr. Levine], for his diligent work and initiative in bringing House Resolution 166 to the House.

I believe that it is extremely important that the United States ratify the Genocide Convention. As the resolution points out, "the 20th century has witnessed repeated instances of genocide", and indeed, "in 1948 the U.N. General Assembly, in order to prevent a repetition of the Nazis' systematic annihilation of a people, unanimously approved the text of the Convention on the Prevention and Punishment of the Crime of Genocide." Since 1948, 96 nations have become parties to the treaty. On numerous occasions, the Senate and Presidents of the United States have indicated their support for the convention, and it is imperative that action be taken to complete our process of support for the convention. Such support, as the resolution indicates, includes expeditious action by the House of necessary implementing legislation.

Accordingly, Mr. Speaker, in keeping with the House's proud tradition of speaking out in support of human rights, I urge my colleagues to suspend the rules and pass House Resolution 166. In so doing, it is my hope that we can provide impetus to a process whereby the United States can join the ranks of so many other nations of the world which, in supporting the Genocide Convention, hope to prevent any recurrence of the barbaric atrocities committed during the 20th century against humanity.

Mr. BONKER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. Ackerman].

Mr. ACKERMAN. Mr. Speaker, I rise in strong and enthusiastic support of House Resolution 166, a measure that would put this body firmly on record in support of American ratification of the Convention on the Prevention and Punishment of the Crime of Genocide. The time is long overdue for the United States, the world's leader in the protection of fundamental human rights, to signify its commitment to end the practice of genocide by joining the 96 other nations that have become parties to this treaty.

The convention, negotiated in the late 1940's in response to the brutal and calculated slaughter of 6 million Jews by Hitler's Nazis defines genocide as the intentional destruction of any national, racial, ethnic, or religious group by killing its members, causing them serious physical or mental harm, imposing living conditions intended to bring about their destruction, or preventing birth.

This treaty, which was the United Nations' first human rights accord, stipulates that genocide, whether committed during peace or war, is an international crime which must be prevented and punished.

Mr. Speaker, the Holocaust represents perhaps the most devastating example of genocide. The fact that one crazed man was able to secure the political and military power that permitted him to organize and execute a plan of such massive human destruction and misery must be never be stripped from our memories.

We must not delude ourselves; it is entirely possible for such an atrocity to be repeated. It is my hope that ratification of the Genocide Convention will serve as a catalyst for reaffirming the determination of the American people to prevent such inhuman behavior from ever again prevailing while most of the world stands idly by.

Ratification of the Genocide Convention is as important today as it was when first drafted in 1947. We are fortunate to live in the United States, a land of freedom, opportunity, and security. But even in the past decade we have again seen genocide perpetrated; this time against the people of Cambodia, in a most brutal fashion.

Mr. Speaker, it is time for the United States to assume its proper place along with the other signatories to the Convention on the Prevention and Punishment of the Crime of Genocide. I urge my colleagues in the House to join me in voting for House Resolution 166.

□ 1430

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume for the purpose of engaging the gentleman from California [Mr. Levine] in a brief colloquy if I may.

Mr. LEVINE of California. I would be happy to do so.

Mr. SOLOMON. Mr. Speaker, I might say again I want to commend the gentleman, Mr. Levine, because he is a distinguished gentleman in every sense of the word when negotiating to bring his bill or resolution to the floor.

Mr. Speaker, we exchanged views in writing concerning different aspects of the Genocide Convention and its interpretation, and I would just like to ask the gentleman for his reassurance to the House that this resolution does not preclude or prejudge the terms under which the Senate may ratify the Genocide Convention. In other words, the Senate can adopt the eight reservations proposed by various Members of the Senate if that is what is necessary to secure ratification. I ask the gentleman is that correct?

Mr. LEVINE of California. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from California.

Mr. LEVINE of California. I thank the gentleman for yielding.

Mr. Speaker, I thank the gentleman for raising the question. I would also like to compliment the gentleman for his courtesy and thoughtfulness in the course of this dialog.

In response to the question of the gentleman, that is correct. House Resolution 166 does not preclude or prejudge the terms under which the Senate should ratify the Genocide Convention. The resolution merely expresses the sense of the House of Representatives that the United States should signify its continuing commitment to ending genocide by ratifying the Genocide Convention. It does not comment on the specific reservations, declarations, or understandings the other body may see fit to include.

Mr. SOLOMON. I certainly thank the gentleman for those remarks.

The gentleman also acknowledged in our private discussions that political groups were excluded from the definition of genocide contained in the convention because such groups cannot be adequately defined. I would just ask the gentleman: Was not the exclusion of political groups a concession to the Soviet Union and are not those nations that are prone to practicing genocidal policies also prone to say that the victims of such policies are political opponents and therefore not in fact victims of genocide? Just for example, the Soviets can excuse their atrocities in Afghanistan and the horrors perpetrated by their proxies in Cambodia on the ground that their victims are political opponents of the new order. And that bothers me a great deal.

Mr. LEVINE of California. Mr. Speaker, I think that the gentleman raises a very important question, and I would like to clarify.

The negotiating history of the convention indicates that there were a number of nations which objected to including groups under the convention. Political groups were excluded from applicability because they cannot be adequately defined. The convention covers the mass killings of people for who they are, not for what they do. A person is either a Jew or not; a Swede or not; a Cambodian or not. Being a member of a political group represents a different phenomenon and introduces a subjective element, since it is extremely difficult to define either what is a political group or who is a member of one. In addition, political groups can be transient or ad hoc in nature, and they would be extremely difficult if not impossible to monitor.

The Genocide Convention aims at a carefully defined phenomenon—the mass killing of people. Proponents do not claim that it covers every and all kinds of mass murders, or that what it does not cover is therefore condoned.

As for the question of whether or not nations that would be prone to practice genocidal policies would say that the victim of such policies were political opponents: They might in fact do so, but whether their claim would be legitimate or not would be up to the International Court of Justice to decide in accordance with its responsibilities outlined in article IX of the convention.

Mr. SOLOMON. If I may point to article IX of the Genocide Treaty itself, which says:

> Disputes between the contracting parties relating to the interpretation, the application or fulfillment of the present convention, including those relating to the responsibility of a state, for genocide or any of the other acts enumerated in Article III shall be submitted to the International Court of Justice at the request of any of the parties to this dispute.

I would like to call to the attention of the Members that more than 19 countries have exempted themselves from that provision in the treaty, and all 19 of those countries happen to be Soviet bloc countries and I would ask the rhetorical question why have they exempted themselves? But more directly let me ask the gentleman a final question: I wonder if the gentleman could clarify what was written in his analysis that he provided to me. He said that on the one hand he stated that the Genocide Convention is not self-executing and that its language would not become enforceable law in the United States. That is really what I wanted to hear. But then on the other hand the statement goes on to say that the World Court will decide on legal disputes concerning the interpretation, the application, or fulfillment of the convention and that such judgments will be based on the text of the convention itself and on international law. I would just ask the gentleman what are these international laws and do they know for sure that these laws do not conflict with U.S. law, because although the Soviet bloc, some 19 countries, had exempted themselves from article IX, I have the same concerns that perhaps the international laws or the International Court may try to supersede U.S. laws and our own Constitution. That very much bothers me.

Mr. LEVINE of California. I thank the gentleman for raising this important question.

In the United States there are two kinds of treaties. Self-executing treaties become effective when they are ratified. No additional legislative action is necessary. Treaties that are not self-executing, however, cannot be enforced until implementing legislation is approved by both Houses of Congress and signed by the President. The Genocide Convention is not a self-executing treaty. Once it is ratified, therefore, both Houses of Congress must consider implementing legislation to make genocide a crime under the statutes of the United States.

By ratifying the Genocide Convention, the United States agrees to adhere to its provisions. Like some 50 treaties already ratified by the United States, dispute settlement under the Genocide Convention falls within the compulsory jurisdiction of the International Court of Justice. Article IX of the Genocide Convention designates a restricted role for the International Court of Justice; that is, it may only address questions of interpretation, application, or fulfillment of the treaty's provisions by any contracting party.

In carrying out its role, the ICJ will primarily look at the specific provisions of the convention, and at the legislative or negotiating history of the document. Many provisions of the Convention reflect preexisting customary international law of treaties; for example, the principle that treaties must be adhered to in good faith.

Mr. SOLOMON. I thank the gentleman for his explanation. The gentleman certainly speaks with great clarity.

Mr. Speaker, as I said before, I did not object to this resolution coming before the House. I did indeed assist the gentleman in bringing it before the House, because I thought it should be properly debated here even though it is more properly before the other House, which has the authority to ratify treaties.

I think the Members have heard the debate. We will certainly let them decide for themselves.

I thank the gentleman again for being so cooperative.

□ 1440

Mr. LEVINE of California. If the gentleman would yield for 30 additional seconds, I would like again to thank the gentleman from New York who has been extremely thoughtful and cooperative in ensuring that a proper debate on this issue be brought before the Members.

Mr. Speaker, the gentleman from New York has been most cooperative and helpful, and I wish to commend him.

Mr. SOLOMON. I thank the gentleman for his remarks.

Mr. BONKER. Mr. Speaker, as we conclude our debate on House Resolution 166, I would just like to remind Members that this resolution does not necessarily or explicitly direct the Senate or the Senate Foreign Relations Committee to take action on the pending treaty.

What the resolution does provide is that it is a sense of the House that the United States should signify its continuing commitment to ending genocide promptly by joining the 96 other nations which have become parties to the convention on the prevention and punishment of crimes of genocide.

I think it is very proper expression for this body.

I would also like to remind Members that the Senate last year passed a similar resolution, affirming the principles of the Genocide Convention by a vote of 87 to 2.

Mr. Speaker, at this point I will place in today's Record a letter from the chairman of the Senate Foreign Relations Committee, Richard Lugar, to his colleagues concerning the status of his work on the treaty, plus other material on the so-called revised Lugar-Helms provisos, which I understand will be submitted in the course of their deliberations.

[The letter and provisos follow:]

U.S. Senate,
Committee on Foreign Relations,
Washington, DC, May 6, 1985.

Dear Colleague: Last year the Senate passed a resolution affirming the principles of the Genocide Convention by a vote of 87-2. That resolution urged expeditious action by the Foreign Relations Committee to report the Convention to the Senate in the 99th Congress.

In the spirit of that resolution, I have convened one mark-up session for the Convention already and will convene a second on May 16th. At that time, Senator Helms and I will offer a series of eight provisos to accompany the resolution of ratification. Four of these are similar or identical to ones the Committee has approved in previous years; the other four address concerns which have been raised by a number of Senators over the years.

As you know, the Genocide Convention has been awaiting Senate advice and consent to ratification for 36 years. The extraordinary length of time the Convention has been before the Senate testifies to the strength of the opposition. This opposition has been based on several concerns. Together with Senator Helms and others, I have been working to find a way to address these concerns. I believe the eight provisos we will offer do this.

A number of other Senators share this view as well. For example, Senator Hatch, who helped in the drafting of the eight provisos, has indicated that he will support Senate consent to ratification if the eight are included. Others have informally indicated the same.

If the Foreign Relations Committee approves these eight provisos, I pledge to work diligently to bring the Convention before the Senate for its consent. I will urge the Majority Leader to schedule the Convention for debate and will work with other Senators to establish a time for voting on final passage.

Conversely, if the Foreign Relations Committee does not adopt the eight provisos, I see little prospect of success for the Convention during this Congress. Speaking for myself, I would not be prepared to ask the Majority Leader to take up the Senate's valuable time for a matter which would clearly be the object of extended debate. Nor would I support Senate approval of the Convention without them.

In my judgment, this is the best opportunity the Senate will ever have to approve the Convention. President Reagan's endorsement is still fresh in the minds of many. Many of those who have opposed the Convention in the past have worked with me and with supporters of the Convention to develop an acceptable compromise. If this momentum is lost, I doubt it can ever be recaptured.

Thirty-six years of strong objections are not easily overcome. I have worked hard to find a way to respond to the serious and legitimate concerns which have been raised by critics of the Convention. I believe that this package does so and does so in a way that preserves all that is valuable in the Convention.

We have a unique opportunity to demonstrate that the Senate can cut through this long-standing problem and work its will on the Convention. This will require that Senators attempt to accommodate one another on difficult and deeply held viewpoints. I urge each Senator to do so.

I have enclosed a copy of the provisos which Senator Helms and I will propose. I ask that you consider them carefully, and I invite you to work with me to advance this matter to its conclusion.

Sincerely,

Richard G. Lugar,
Chairman.

Enclosure.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Convention on the Prevention and Punishment of the Crime of Genocide, adopted unanimously by the General Assembly of the United Nations in Paris on December 9, 1948 (Executive O, Eighty-first Congress, first session), Provided that—

I. The Senate's advice and consent is subject to the following reservations:

(1) That with reference to Article IX of the Convention, before any dispute to which the United States is a party may be submitted to the jurisdiction of the International Court of Justice under this article, the specific consent of the United States is required in each case.

(2) That nothing in the Convention requires or authorizes legislation or other action by the United States of America prohibited by the Constitution of the United States as determined by the United States.

II. The Senate's advice and consent is subject to the following understandings, which shall apply to the obligations of the United States under this Convention:

(1) That the term "intent to destroy, in whole or in part, a national, ethnical, racial, or religious group as such" appearing in Article II means the specific intent to destroy, in whole or in substantial part, a national, ethnical, racial, or religious group as such by the acts specified in Article II.

(2) That the term "mental harm" in Article II(b) means permanent impairment of mental faculties through drugs, torture, or similar techniques.

(3) The pledge to grant extradition in accordance with a state's laws and treaties in force found in Article VII extends only to acts which could be punished under the laws of both the requesting and the requested state and nothing in Article VI affects the right of any state to bring to trial before its own tribunals any of its nationals for acts committed outside a state.

(4) That acts in the course of armed conflicts committed without the specific intent required by Article II are not sufficient to constitute genocide as defined by this Convention.

(5) That with regard to the reference to an international penal tribunal in Article VI of the Convention, the United States declares that it reserves the right to effect its participation in any such tribunal by a treaty entered into specifically for that purpose with the advice and consent of the Senate.

III. The Senate's advice and consent is subject to the following declaration:

That the President will not deposit the instrument of ratification until after the implementing legislation referred to in Article V has been enacted.

Mr. BONKER. Mr. Speaker, I have no further requests for time on this side.

Mr. SOLOMON. Mr. Speaker, I yield my remaining 1 minute to my colleague, the distinguished gentleman from New York [Mr. Fish].

Mr. FISH. Mr. Speaker, all too often we come to the well to deplore incidences of repression, terror, persecution, and atrocities around the world. We speak of our commitment to human rights and to the relief of human suffering. We speak out with the belief that the United States constitutes the ideal of moral right which gives it a preeminent claim to leadership of the free world.

We are fortunate enough to live in a country whose constitution and laws guarantee basic freedoms. Our Declaration of Independence plainly expresses our belief in the inalienable rights of life, liberty, and the pursuit of happiness. And yet, we have seen in our country's past, instances where we did not live up to the promise of our ideals.

Often these deviations from our professed values were based on racial fears and hatred. The institution of slavery was allowed to prosper notwithstanding our Declaration of Independence and Bill of Rights. In our more recent past, we allowed our prejudices and fears once again to override our beliefs. We endorsed a policy which allowed the imprisonment of persons of Japanese heritage during World War II, which, with the benefit of hindsight we consider a blot on our record. Perhaps the strongest example we can cite is our treatment of native Americans. Certainly we hope that we will never again depart from our ideals and doctrine and undermine our credibility as defender of human rights around the world. We must take a firm position and vigorously support the convention on genocide.

We are speaking here today of a fundamental statement of human morality. Our Government played a leading role in drafting the convention on the prevention and punishment of the crime of genocide and advocating its adoption. President Reagan has pledged his support for the ratification and his intention to use the convention in our Government's efforts to expand human freedom and fight human rights abuses around the world.

I believe, as Elie Wiesel so eloquently put it, "in the moral principle of accountability for those governments that take rather than protect the lives of their citizens." Our failure to ratify this treaty makes us a ready target for those who would disparage American commitment and credibility in the area of human rights. If we are truly committed to the ideals embodied in our Constitution, can we do no less than to ratify and make ourselves a party to the genocide convention?

● Mr. HOYER. Mr. Speaker, I rise in strong support of House Resolution 166 which urges the Senate to ratify an important international human rights treaty, the Convention on Genocide. Accepted by 96 nations the Genocide Convention has awaited U.S.

action for over 35 years. Drafted in 1948 the Genocide Convention prohibits the systematic killing of racial, ethnic, or religious groups. Clearly, the treaty reflects the national values and moral concerns of the United States. Its provisions are compatible with U.S. sentiments and constitutional guarantees.

As cochairman of the Commission of Security and Cooperation in Europe, I am particularly concerned with the implications if the Senate fails to ratify the Genocide Convention. As the United States urges other nations, particularly at the ongoing Ottawa human rights experts' meeting, to respect certain standards of human rights, it is important that certain international agreements be ratified by the United States. Failure of the United States to ratify certain human rights treaties is a major criticism without substance, nonetheless it is a source of embarrassment. It is not a question of whether the United States subscribes to the Genocide Convention, for it most assuredly does. Failure to ratify it merely provides ammunition to the Soviet Government for attack. Ratification would strengthen the U.S. position in urging compliance by the Soviets and East European nations with certain other international accords, notably the Helsinki Final Act.

Mr. Speaker, I urge my colleagues to pass this measure and thank my colleague, Congressman Mel Levine, for bringing this important resolution to the floor today for our consideration.●

Mr. SOLOMON. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington [Mr. Bonker] that the House suspend the rules and agree to the resolution, House Resolution 166, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 166, the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 5, rule I, the Chair will now put the question on the motion on which further proceedings were postponed earlier today, in the order in which that motion was entertained.

The votes will be taken on H.R. 2475 by the yeas and nays.

SIMPLIFICATION OF IMPUTED INTEREST RULES

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2475.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. Rostenkowski] that the House suspend the rules and pass the bill, H.R. 2475, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 425, nays 0, answered "present" 1, not voting 8, as follows:

[Roll No. 119]

YEAS—425

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Barnard
Barnes
Bartlett
Barton
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chapple
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Young (AK)
Young (FL)
Young (MO)
Zschau

NAYS—0

ANSWERED "PRESENT"—1

Lowry (WA)

NOT VOTING—8

Hall, Sam
Holt
Jones (NC)
Lewis (CA)
McGrath
Rangel
Rudd
Yatron

□ 1450

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1500

ANTI-APARTHEID ACT OF 1985

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 174 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 174

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs and one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Foreign Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and each section of said substitute shall be considered as having been read. After the bill has been considered for amendment in its entirety and all other amendments have been disposed of, it shall be in order to consider the following amendments in the nature of a substitute in the following order:

(1) the amendment printed in the Congressional Record of May 16, 1985, by, and if offered by, Representative Siljander of Michigan;

(2) the amendment printed in the Congressional Record of May 16, 1985, by, and if offered by, Representative Gunderson of Wisconsin; and

(3) the amendment printed in the Congressional Record of May 16, 1985, by, and if offered by, Representative Dellums of California.

All such amendments shall be in order even if a previous amendment in the nature of a substitute has been adopted, and all points of order against said amendments for failure to comply with the provisions of clause 7 of rule XVI are hereby waived. Such amendments shall not be subject to amendment but shall each be debatable for not to exceed one hour, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto. After the disposition of such amendments, no further amendment to the bill shall be in order, and only the last such amendment in the nature of a substitute which is adopted shall be considered as having been finally adopted and reported back to the House. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes, for purposes of debate only, to the gentleman from Missouri [Mr. TAYLOR], and pending that I yield myself such time as I may consume.

□ 1510

Mr. Speaker, House Resolution 174 is an open rule which provides for 2 hours of general debate. One hour of the general debate time will be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, and the other hour will be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance, and Urban Affairs. The rule makes in order the Foreign Affairs Committee substitute as an original bill for amendment, with each section to be considered as read.

House Resolution 174 also provides for the consideration of three substitutes after the bill has been considered for amendment in its entirety. The three substitutes made in order in this rule are those by, and if offered by, Representatives SILJANDER, GUNDERSON, and DELLUMS, and the substitutes must be offered in that sequence.

Mr. Speaker, because the rule makes more than one substitute in order, the rule contains what is sometimes referred to as a king-of-the-hill procedure. Without such a procedure, under the normal rules of the House adoption of an amendment in the nature of a substitute would preclude the offering of any further amendments to the bill. Under the king-of-the-hill procedure provided in this rule, each of the three substitutes can be offered, even if offered subsequent to passage of another substitute. Only the last substitute to be adopted will be reported back to the House.

The rule waives clause 7 of rule XVI, the germaneness rule, against the three amendments in the nature of a substitute specified in House Resolution 174. Each of the substitutes will be debatable for 1 hour, with the time being equally divided and controlled by the proponent and a member opposed to the substitute. The rule also stipulates that these substitutes must have been printed in the CONGRESSIONAL RECORD of May 16, 1985. Finally, Mr. Speaker, the rules provides one motion to recommit with or without instructions.

Mr. Speaker, H.R. 1460, the Anti-Apartheid Act of 1985, will institute a constructive set of prohibitions against various forms of trade between the United States and the Government of South Africa as long as the policy of apartheid remains in force in South Africa. As an original cosponsor of this bill, I believe it represents a viable and necessary alternative to the administration's failed policy of constructive engagement with the Government of South Africa.

The provisions of H.R. 1460 will be fully detailed by the members of the Foreign Affairs and Banking Committees. Generally, the bill includes a ban on new bank loans to the South African Government, except those made available for education, housing, or health facilities open to all races; a prohibition of sales of computers to the South African Government; a ban on new investment in South Africa; and a prohibition against purchases of gold coins minted or offered for sale by South Africa, including the 1-ounce gold Krugerrand.

H.R. 1460 was jointly referred to three House committees: the Committee on Foreign Affairs, the Committee on Banking, Finance and Urban Affairs, and the Committee on Rules. The Foreign Affairs Committee reported H.R. 1460 to the House on May 9, 1985; and by letter to the chairman of the Rules Committee, the Banking, Finance and Urban Affairs Committee indicated their willingness to proceed with consideration of a rule for the bill in the absence of any markup in their committee. The bill was considered by the Rules Committee on May 16, 1985, and favorably reported without amendment.

The primary basis for jurisdiction of H.R. 1460 by the Rules Committee relates to procedures specified in section 6 of the bill for consideration of certain joint resolutions provided for under the bill. Pursuant to clause 1(q)(1) of rule X, the Committee on Rules is vested with responsibility for the "rules and joint rules . . . and the order of business of the House." The committee also receives referral of all bills and resolutions changing or affecting the rules of the House. The provisions in section 6 of H.R. 1460 have the effect of altering the rules of the House and therefore fall within the jurisdiction of the Rules Committee.

Section 6 of H.R. 1460 provides procedures by which the prohibitions against investments in South Africa and importation of gold coins may be waived. Specifically, the provisions of

sections 4 and 5 of H.R. 1460 may be waived if the President determines that one or more of the eight conditions enumerated in section 6 of the bill are satisfied. The President's determination would have to be submitted to Congress, and a joint resolution approving the determination would have to be passed by Congress before the waiver would take effect.

By requiring a statutory affirmation of the President's determination, these provisions withstand the constitutional objections raised against legislative veto provisions in the INS versus Chadha Supreme Court decision. Section 6, however, also provides procedures for expedited consideration of any joint resolution approving a Presidential determination of compliance with the provisions of the bill by the Government of South Africa.

Mr. Speaker, the Rules Committee is greatly concerned over the proliferation and variety of expedited procedures being incorporated into legislation, often as a part of legislative veto provisions. Section 6(c)(1) of H.R. 1460 provides that joint resolutions affirming such a Presidential determination would be subject to a referral to the appropriate committees of the House and Senate. This is a general restatement of the rules of the House, and therefore not an issue of concern to the Rules Committee.

Section 6(c)(2) provides that a committee to which a joint resolution has been referred is discharged from further consideration of the matter if the measure is not reported at the end of 30 days. Mr. Speaker, while the Rules Committee did not propose amendments to this section of the bill, I would note that it is the view of the committee that the normal rules of the House provide adequate procedures for action on important and time-sensitive matters.

Section 6(c)(3) of the bill seeks to provide for expedited consideration of the joint resolution on the House floor. The language of section 6(c)(3) recommends that the Rules Committee report a resolution providing for immediate consideration of joint resolutions required by the bill. This represents a departure from the standard provision of rules providing for consideration of the bill at any time after the adoption of the resolution, subject to the Speaker's discretion to schedule such business.

Mr. Speaker, the Rules Committee has asserted jurisdiction over this legislation, and reported the same, for the purpose of expressing the Rules Committee's continuing concern over the cumulative effect of expedited procedures, and the potential danger which indiscriminate use of such procedures poses to the normal legislative process. The committee therefore intends to be active in reviewing the use of expedited procedures which circumvent the normal rules of the House, and I would urge my colleagues to refer to the Rules Committee report to accompany H.R. 1460 for a detailed discussion of the issues we believe must be addressed. Let me add, Mr. Speaker, that the Rules Committee does appreciate the cooperation and assistance of the Foreign Affairs Committee in working out an acceptable agreement on this language for this particular bill.

As a final comment on this issue, Mr. Speaker, and in light of the comments I have offered on behalf of the Committee on Rules, I would like to impress upon my colleagues that the Rules Committee does not intend, in reporting this rule for consideration by the House, to establish any precedent in connection with provisions providing for expedited procedures for consideration of measures in the House. Rather, as I have already noted, it is the intention of the Rules Committee to give greater attention to these provisions in the future.

Mr. Speaker, House Resolution 174 is an open rule that will provide for full and open consideration of H.R. 1460. All Members will have an opportunity to offer amendments under the 5-minute rule, and the three substitutes to the bill will be offered at the conclusion of the amending process. I urge adoption of the rule and support for H.R. 1460.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 174 is an open rule under which the House will consider legislation imposing economic sanctions on South Africa.

The rule is designed to ease consideration by offering the House a range of choices on whether, and how, the United States should use our laws to influence the Republic of South Africa to end to its policy of apartheid.

The rule also permits a open process, under the 5-minute rule, for germane amendments to the bill, H.R. 1460, as reported from the Committee on Foreign Affairs.

The germaneness waiver allowed under the rule applies only to three specific substitutes that were printed in the RECORD of May 16.

Mr. Speaker, the essence of this rule is this: If the Congress is going to interject itself into this area of our foreign policy, at least we will have three specific options to consider in addition to the committee version.

The three substitutes made in order by this rule are ones submitted by the gentleman from Michigan [Mr. SILJANDER]; the gentleman from Wisconsin [Mr. GUNDERSON]; and the gentleman from California [Mr. DELLUMS].

The rule sets up a fairly simple parliamentary procedure. First, there will be 2 hours of general debate. The bill reported from the Committee on Foreign Affairs will be the original text for the purpose of amendments, and it is open to any germane amendments under the 5-minute rule.

After all germane amendments have been disposed of, the three substitutes will be taken up in order. Each of these amendments has been given a waiver of clause 7 of rule 16, because they are not germane to the reported bill.

Mr. Speaker, each of the three substitutes will be given 1 hour of debate and they will not be subject to amendment. The rule provides what some refer to as a king-of-the-hill approach for the three substitutes, that is, the last one to be adopted will be the one reported back to the House.

The rule guarantees the right of any Member to demand a separate vote on any amendment adopted in committee. This right extends to any germane amendments that may have been adopted to the foreign affairs bill, or the prevailing substitute should one of the three be adopted.

Last, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, the rule is not nearly as controversial as the legislation it makes in order. It is fair to the Members who asked for permission to submit alternatives to the bill reported from the Committee on Foreign Affairs. It is fair to all other Members, since it allows for as their germane amendments as well.

Mr. Speaker, there is no reason for me to describe in detail the import and export bans and the economic sanctions imposed by this legislation on the American people and on U.S. corporations doing business with the Republic of South Africa.

Two of the sanctions suggested by the Foreign Affairs Committee can be waived by the President, if certain social conditions are met. Since congressional approval of these Presidential waivers would be necessary, congressional delay would seem to be something we want to avoid.

The bill requires approval of waivers through passage of a joint resolution. It also provides for automatic discharge from committee, if such a resolution is not reported after 30 days. Up to that point, the process is similar to other legislative approval mechanisms.

Mr. Speaker, once a resolution is discharged from a committee of jurisdiction, it ought to come directly to the floor as privileged.

The Foreign Affairs Committee has concocted a process for these resolutions that sidetracks them into the hands of the Committee on Rules, because such a resolution would need a special rule providing for floor consideration.

Mr. Speaker, this bill interjects the Rules Committee into what otherwise would be an expedited procedure, and

I can see no good reason for doing that.

Mr. Speaker, while I do not oppose this rule, the bill it makes in order should be defeated on procedural grounds alone.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 414, nays 4, not voting 16, as follows:

[Roll No. 120]

YEAS—414

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
AuCoin
Badham
Barnard
Barnes
Bartlett
Barton
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chapple
Cheney
Clay
Clinger
Coats
Cobey
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crockett
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Young (AK)
Young (FL)
Young (MO)
Zschau

NAYS—4

Burton (IN)
Crane
Kindness
Stump

NOT VOTING—16

Aspin
Coble
Hall, Sam
Holt
Hyde
Jones (NC)
Lewis (CA)
Martin (NY)
McCain
McGrath
Rangel
Rudd
Schuette
Strang
Williams
Yatron

☐ 1530

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 174 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1460.

☐ 1537

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for consideration of the bill, H.R. 1460, to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, with Mr. DE LA GARZA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Michigan [Mr. WOLPE] will be recognized for 30 minutes, the gentleman from Michigan [Mr. SILJANDER] will be recognized for 30 minutes, the gentleman from Maryland [Mr. MITCHELL] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. WYLIE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Chairman, I yield myself such time as I might consume.

Mr. Chairman, the legislation that is before us today, the Anti-Apartheid Act of 1985, is the product of the effort of many people, and enjoys very broad bipartisan cosponsorship and support. But I want to pay particular tribute to certain individuals who have played an especially critical role in shaping and moving this bill. I am thinking of such Members as my distinguished chairman, the gentleman from Florida, Mr. FASCELL; the distinguished gentleman from Maryland, Mr. MITCHELL; our distinguished colleague from the District of Columbia, Mr. FAUNTROY; the gentleman from New York and the previous chairman of the Subcommittee on Africa, Mr. SOLARZ; the chairman of the Congressional Black Caucus, Mr. LELAND; my colleagues from Michigan, Mr. CROCKETT and Mr. CONYERS; our distinguished colleagues from California, Mr. DELLUMS and Mr. BERMAN; the gentleman from Louisiana, Mr. ROEMER; and the gentleman from New York, Mr. RANGEL. But one person deserves special mention, and that is the principal sponsor of the Anti-Apartheid Act of 1985, our colleague from Pennsylvania, Mr. GRAY. It was Mr. GRAY who understood long before most of us that the Congress was

ready to move beyond token measures to take decisive action against apartheid. It is his vision and determination that have been critical at every point of this legislative process. Finally, may I also express my personal appreciation to the staff of the House Subcommittee on Africa—to Anne Holloway, Steve Weissman, Salih Booker, and Mickey Harmon. No chairman could be better served by a more competent or a more dedicated staff. Mr. Chairman, the Anti-Apartheid Act of 1985 offers this Congress an historic opportunity to redirect American policy toward the apartheid regime of the Republic of South Africa in a way that will, at long last, be consistent with American values and American national interests. We have an opportunity, through this legislation, both to advance the struggle for political freedom for South Africa's disenfranchised and subjugated black majority, and to make clear—not only to South Africans but to the entire world—that America stands not with the oppressors but with those who are the victimized in South Africa. We will assert through the passage of this legislation, that the American people understand what their Government has temporarily forgotten: The struggle in South Africa is not between black and white, but between those who wish only to be free and those who would deny their freedom. And in this struggle for freedom, for liberation, for human dignity, America cannot and will not remain neutral. We will affirm through our passage of this legislation that Americans understand that the struggle for freedom and justice in South Africa cannot be separated from the struggle for freedom and justice in the United States. The struggle against apartheid in South Africa—is part and parcel of the continuing struggle against racism in America.

When the Reagan administration came into office, it proclaimed that, as far as South Africa was concerned, it had a new and better idea. The goals of American foreign policy, we were told, remained the same: Pressing for an end to the system of institutionalized racism known as apartheid, and getting South Africa to remove itself from its illegal occupation of Namibia. Only the means of achieving these goals would change.

However it was intended, it is clear today that 4½ years of "constructive engagement" with South Africa has had some terribly destructive consequences—not only for the process of change in South Africa itself but for American interests as well. Not only has repression within South Africa sharply intensified, but South Africa remains in Namibia, in open defiance of the international community and of international law, and has engaged in a campaign of aggression and destabilization directed at almost all of its neighboring states. During the past 4 years South Africa has occupied Angola, it has launched brutal raids into Lesotho and Mozambique, it has supported insurgencies in Mozambique and Angola, it has attempted to overthrow the Government of the Seychelles, and it has sought to destabilize Zimbabwe.

This is what "constructive engagement" has wrought. And we should not be surprised by this disastrous turn of events. For what was signaled by the Reagan administration's "constructive engagement" policy is that the Afrikaaner regime would have a much freer hand to do what they will—both internally and in the region. The administration has made it clear to white and black South Africans alike that there would be no response from the American side, no cost imposed on the South African-American relationship—no matter how repressive the regime became or how much aggression it launched against its regional neighbors.

It is true that administration officials have continued to verbally condemn apartheid, and to call on South Africa to remove itself from Namibia. But against a backdrop of expanded commerical relationships and closer military and nuclear cooperation, such protests have sounded very hollow indeed. The harsh truth is that constructive engagement has led the entire world to believe that the United States has decided to accommodate itself to apartheid. Constructive engagement, rather than facilitating a process of nonviolent political change in South Africa, has had the perverse consequence of adding to the repression and to the violence. It has led the Afrikaaners to conclude that, with a few cosmetic changes here and there, they will be able to retain their economically critical links to the United States and the international community without altering the system of apartheid in any fundamental way. Is it any wonder that the Afrikaaner regime takes enormous satisfaction from constructive engagement, while the 85 percent of the South African population that is not white finds in American policy only disillusionment and despair?

There are still some apologies for the South African regime who continue to insist that things are changing for the better in South Africa, and that we need to remain patient and constructively engaged. Recent constitutional changes creating separate legislatures for the Asian and colored populations, and recent pledges to abolish the Mixed Marriages and Immortality Acts, are cited by administration spokesmen as evidence of fundamental change in South Africa. But what these claims ignore is that these recent initiatives are designed to strengthen, not weaken, the political structure of apartheid and white domination by making it more palatable domestically and internationally. While legal bans on interracial marriage and sex are to be removed, the Government has simultaneously reiterated that the pillars of the apartheid system: The Group Areas Act, the Separate Amenities Act, the Population Classification Act, and the separate Education Acts are all to be maintained.

What apologies for the South African regime conveniently ignore is that repression in South Africa continues unabated as does the economic impoverishment of the black population. The statistics are staggering:

Over 300 blacks have been killed since last September, largely by brutal police action in response to anti-apartheid protests;

In one recent episode, during a nonviolent funeral procession, at least 17 blacks were shot in the back by South African police;

In 1984 there were more detentions without charges under South African security laws—over 1,100—than in any year since the 1976–77 Soweto uprising;

In 1984, the Government renewed the national ban on outdoor meetings, expanded restrictions on indoor meetings, banned the nonviolent United Democratic Front and 28 other organizations from holding meetings in certain areas, and charged 17 UDF leaders—including 4 trade union leaders—with high treason;

In the last 4 months, over 21,000 workers have been fired for political or economic strikes. Many of these workers are being deported to their so-called homelands. And, according to the AFL-CIO, 21 labor leaders remain in detention.

Since 1960, 3.5 million blacks have been forcibly removed from their homes and deported to the homelands, and another 1.5 million are scheduled for further removal.

Between 1980 and 1982, arrests for pass law violations doubled to 206,000.

The announcment just a short while ago that the Kwandebele homeland will become independent in 1986 will bring to five the number of homelands designated by Pretoria that will have been brought to nominal independence since 1976. Thus, the number of Africans deprived of their South African citizenship will rise from 8 million today to more than 9 million—over 40 percent of the black African population.

As for the claims for economic and social progress in South Africa, let it be noted that in the last 20 years economic and social conditions of the vast majority of South African blacks have drastically worsened. According to the Carnegie Foundation's ongoing enquiry:

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The number made destitute by landlessness and unemployment rose from 250,000 to 1.43 million between 1960 and 1980;

The number living below a very minimal poverty line but having some income increased from 4.9 to 8.9 million during these years;

Fully one-fourth of all black women in South Africa live apart from their husbands because of influx control regulations;

The average per capita income of the relatively better-off urban blacks is still only 18 pecent of that of whites; and

The Government spends eight times as much per capita on the education of white students as it does on the education of black students.

Mr. Chairman, it is against this backdrop that today's debate on the Antiapartheid Act of 1985 takes place. Let us understand clearly what apartheid represents. Let us resist the temptation to see progress where there is none, to substitute the wish for the reality. Who among us would give up our place in this world to live in that of South Africa if our skins were black? Who among us would wish to submit to the daily indignity of carrying a piece of paper, bearable on demand, that controls every aspect of our lives? Who among us would be content to see our families separated from us by law in order to satisfy draconian rules of economic supply and demand? Who among us would tolerate almost total impoverishment when around us a tiny minority possessed all political rights and an abundance of material wealth as a consequence of our servitude? Who among us would be willing to live and exist in such an inhuman environment? Finally, who amongst us is comfortable with the knowledge that much of the world today sees the United States as an accomplice to apartheid?

Mr. Chairman, today we begin the important process of disassociating ourselves from the horrendous apartheid regime of South Afirca. Passage of the Antiapartheid Act of 1985 will send a powerful message to that regime that the American people will no longer tolerate official U.S. Government acquiescence to apartheid. We will no longer extend legitimacy to a government that forces its own people into an exile within their own country. Rhetoric can no longer suffice in the face of such grave injustice and gross violation of state authority against a people who merely seek what we all seek—equal political, economic and social rights before the law. American national interests, together with the deeply held commitments to social justice and political freedom that define what it means to be an American, compel us to legislate a response that will matter. This is our charge today, and our witness as Americans of diverse faiths, beliefs and racial backgrounds who care about the future of an interdependent world.

□ 1540

Mr. WEISS. Mr. Chairman, will the gentleman yield to me?

Mr. WOLPE. I yield to the gentleman from New York.

Mr. WEISS. I thank the distinguished chairman of the Subcommittee on Africa for yielding to me.

I want to commend him on his statement and I am proud to join with him in supporting this legislation.

Mr. Chairman, I rise today to add my voice once again to the growing chorus of Americans across the country—many of them Members of this body—who have spoken out in one form or another against the continuing violence and oppression of apartheid in South Africa.

The list of transgressions committed by the South African Government against blacks is lengthly and shameful. But as Elie Wiesel has pointed out, the most dreadful aspect of South Africa's racial laws is that they are the law. The law in South Africa is unlawful. Wiesel said, "When the law itself becomes criminal, its authors are doubly criminal because they deprive their victims of the basic right granted to all human beings: recourse to justice." Apartheid is the codification of injustice and deliberate disregard for human rights.

Recently, the South African Government has asserted that changes are occurring that will move the country closer to a just society. But these changes are merely cosmetic and have been accompanied by an escalation in violence and repression of blacks. They have done nothing to change the agony and despair of being a black South African.

More than 250 blacks have been killed and nearly 1,000 injured at the hands of the South African police and military since August 1984. About 3,000 have been detained since last August, many of them children and teenagers. More than 200 are still being held.

Meanwhile, the Reagan administration presses on with its wornout policy of constructive engagement—a policy that has proven too patient and too accommodating to effect any positive changes in South Africa's racism; a policy which is an embarrassment to the United States. As Randall Robinson, outspoken critic of apartheid and leader of the Free South Africa Movement, has said, "constructive engagement cannot be a policy option to any American administration which accepts the right of black South Africa to full enfranchisement and self-determination."

In short, constructive engagement has failed. It amounts to collaboration with racial supremacy and oppression. It is in part because of the failure of constructive engagement that the sanctions in the Anti-Apartheid Act must become law.

The United States, as a democracy and as the most affluent and powerful nation in the world, has a moral responsibility toward South African blacks to do everything possible to alleviate the injustice of their lives.

When enacted, these sanctions will clearly demonstrate to the South African Government and to South African blacks that the United States is no longer neutral, that we expect political enfranchisement and respect for the human rights of all South Africans.

The sanctions in H.R. 1460 prohibit new investment by U.S. firms doing business in South Africa, ban new bank loans to the government, prohibit the sale of computers that help the government enforce apartheid controls, and ban the sale of South African gold Krugerrands.

South Africa depends heavily on foreign investments, bank loans, and the sale of Krugerrands for its economic security. John Vorster, a former South African Prime Minister, said, "Each trade agreement, each bank loan, each new investment is another brick in the wall of our continued existence." The prohibitions in H.R. 1460 will shake the foundations of this wall. Through economic sanctions we have the hope of gaining the necessary leverage to force negotiations between Pretoria and black South African leadership to head off full-scale violence and bloodshed.

The time to move against apartheid is now. The vehicle is the Anti-Apartheid Act of 1985. The House has passed virtually this entire bill in the last Congress as amendments to other legislative measures. We have the opportunity today to vote for the separate amendments shaped into one self-standing bill. I urge my colleagues to give their overwhelming support to H.R. 1460 as a demonstration of the will of America to topple the wall of apartheid.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr, WOLPE. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I would like to add my voice to those of my colleagues in condemnation of the system of apartheid that now exists in South Africa and in full support of this legislation—I commend the gentleman for Michigan [Mr. WOLPE], and the gentleman from Maryland [Mr. MITCHELL] for bringing up this important legislation.

It has long been my contention that the greatest failing of American foreign policy in the post-World War II period, has been our shortsighted position of supporting any government, no

matter how repressive, as long as it says it is anti-Communist.

Of course our primary foreign policy objective must be the containment of communism and stopping the spread of Soviet influence. But for too long our policies have had precisely the opposite effect.

Once and for all it is time for this country to take its head out of the sand and recognize that the policy of constructive engagement has failed. Our efforts at friendly persuasion have not produced one single reform in that abhorrent system worth mentioning. In fact it is difficult to open a newspaper or turn on the television without seeing evidence that the regime has become bolder in its racist policies.

It is time for us to declare that apartheid is inimical to everything this country stands for. We have learned from bitter experience what can result when we refuse to face up to evil that exists around us. The blood of innocent people has already begun to flow in South Africa. I call on the President and the Congress to act now before even one more drop is spilled.

Mr. WOLPE. Mr. Chairman, I reserve the balance of my time.

Mr. SILJANDER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, not too long ago, I stood in this well and engaged in our first dealing with the apartheid issue. The amendment I offered then was to make mandatory the Sullivan principles for our own Embassy in South Africa.

Mr. Chairman, I am happy to report that under unanimous consent, the House did adopt that amendment. However, that is just a beginning of a long-term, protracted engagement to force the Government of South Africa to change their vicious policy of apartheid in their country. The system of apartheid separates workers from their families, it denies democratic rule to the legitimate majority, it consigns many to poverty, it denies blacks freedom of internal travel, provides for forcible removal of people from their homes, and basically denies human rights to the majority.

This, in my opinion, Mr. Chairman, damages the reputation of the Republic of South Africa and helps contribute to the instability of the entire region. Apartheid runneth against the principles of civilized nations.

It debases human dignity and is obviously repugnant to U.S. values. Our policy must be to oppose vehemently the apartheid system in South Africa, especially through peaceful diplomatic means and, if necessary, through enactment of appropriate laws.

When I visited South Africa, I engaged in conversation with many of the black and white leaders of that country. It is incredible for us to think in America, where we enjoy such wonderful freedoms of travel, speech, congregation, organization, that in that country, if you happen to be black, you are required under their pass laws to hold an internal passport of sorts and are required, in order to travel to certain cities within that country, a stamp by the government, approval just for mobility between one community and another.

There is also a policy that attempts to set aside 20 percent of the land for homeland for 80 percent of the majority, and 20 percent minority would use 80 percent of the land. The blacks oppose this homeland policy, and so should the Congress.

The Immorality Act suggests that one cannot have relationships with the opposite race. And the Mixed Marriages Act would suggest that a black and a white cannot marry. These laws are ludicrous and need to be changed. If you happen to be black, a black can be detained in any place at any time for any period of time from 1 hour to 3 or 4 months without communicating with that person's spouse or family, and oftentimes they do not know their whereabouts.

Is it a problem? Eighteen million blacks have been arrested for pass law violations since its inception. There are many other problems in South Africa. That just highlights what I consider, Mr. Chairman, to be some of the central problems. Also, in talking with the white government majority, in the government leadership, I did notice something interesting, however, and if there is any glimmer of optimism or hope, as small as it might be, I think at least in 1985, the static conditions are beginning to shift and change a bit, a little bit.

□ 1550

President Botha said that "blacks should be involved in the political process." Well, so what? But this statement is a significant change of mind and philosophy compared to what it was only a decade ago.

There has been a 180-degree shift in South Africa, from just 6 months ago. There seems to be a slow, building momentum gathering toward significant attitude change in South Africa. There is a shift of rhetoric by the leadership, and there are changes of policies underway that were not there even 6 months ago.

We should seize the breakage of this position of frozen dogma to help accelerate change. Some of the examples since 1977: Trade and labor unions are beginning to flourish, and I mean black trade and black labor unions. The policy of blacks being only temporary workers has changed, and now blacks are recognized as permanent. The Mixed Marriages and Immorality Acts are in the process of being abolished. Group areas, influx control and detention laws are at least on the agenda for change by President Botha.

Now I want to emphasize, and please hear me out: These changes are insignificant relative to the human suffering and the plight of blacks in that country. They are insignificant in the specifics of change and human thought, but they are significant in the change of mindset and attitude among whites. That is what I consider important.

In fact, we are seeing this hard line and this Afrikaner mindset beginning to see the reality of needing to move off dead center and recognize the need for change.

Now we must press, with the greatest vigor and positive influence possible to help accelerate that change. How can we do that?

Well, there are two bills, as I see it, that are important: There is the Gray approach and the Siljander approach. They both deal with present business. Let us analyze what the various bills do with present business? The Gray approach does nothing with present business. However our approach expands the influence that has instigated change; in the form of requiring all present business to conform to the full extent—not a modified version, but the full extent of the Sullivan principles; that has contributed $100 million, to black education, black scholarships, housing, and health.

It has helped put 120,000 blacks to work learning skills, earning promotions in desegregated American companies. The Sullivan principles can help prepare blacks to effectively challenge apartheid.

Industrialization and urbanization has doomed the Afrikaners' vision of apartheid and separation and dominance. The soft underbelly of apartheid is obvious. The government, the white minority, is now dependent on the black work force. They are three-quarters of the work force and 50 percent of the skilled work force. The growing labor union influence cannot be discounted.

We need to help promote what will create real change and not stagnation. We need to contribute to the black economic leverage for change.

I would like to read a quote from Colin Eglin, who is a member of the South African Parliament. He is white, but he is national chairman of the Progressive Federalist Party. They are the party that opposes apartheid.

He says, and I quote:

> These forces that increase the economic muscle [meaning, like the Sullivan principles] of black South Africans so that they are in a stronger position to bargain for their rights and fight for their liberation. It is these forces that promote peaceful change from within South Africa that must be strengthened and encouraged.

I would also like to quote from Chief Gatsha Buthelezi, of the Zulu Nation. He says:

> I fail to see those who agree with this statement can possibly talk about effective economic isolation. Isolation will bring stagnation to the economy and perhaps even destroy its growth base. It is the circumstance of a rapidly changing and expanding economy where the independence of black and white is vastly increased. That is propensity of this country.

How do we deal with new business? Let's look at the two bills? Mr. GRAY of Pennsylvania eliminates, without real achievable qualifications, all new business in South Africa. Mr. SILJANDER, on the other hand, does something different. We say to new American businesses: You cannot enter South Africa unless you are willing to sign full compliance with the Sullivan principles. The very things we have talked about to help contribute to change.

So if you want to go to South Africa, expand business or create new business, then contribute to changes that have helped the oppressed black majority in that country.

Funding the process ourselves is another important aspect. How do we encourage self-determination? Will we put our money where our mouth is?

Now here is a conservative talking, a fiscal conservative. The Gray bill, in terms of dealing with assisting blacks in scholarship, housing, and education, does nothing. Our bill, increases the human rights fund to $2 million. Black scholarships, which are now nonexistent, will get $15 million. National Endowment for Democracy, $1.5 million, and we allow OPIC a variance from banning their involvement in South Africa to cooperate with black cooperative business ventures.

These are positive approaches that help contribute to change. I believe that systematically applying pressure in a positive emphasis is what we need to strive for.

Now how do we keep up the pressure? How do the two bills keep the pressure up for change in South Africa?

GRAY cuts off business loans, Kruggerrands, computers, and expects major changes on eight points. Our bill forces positive influence, as I said, by making new business and existing business conform to a positive change in the Sullivan code.

Second, we give extensive revenues to help them to change.

Third, we establish a commission that, over a 3-year period, would report to Congress at 6-month intervals on seven points of apartheid; many of the same ones that GRAY outlined. These points are the basic core that make up that abhorrent system of apartheid: The group areas act, influx control and pass laws, detention laws, and others.

If, at the end of those 3 years, the commission decides that there has not been significant change in these crucial areas, the essence of the system of apartheid, then the commission can recommend sanctions to the U.S. Congress.

I think that 3 years, considering the change and the movement of attitude and philosophy, is appropriate. I think it is fair. Three years is not too long to wait. We here on this floor the ongoing need to avoid violence and to work toward productive change, and I agree, and that is why we should give all peaceful change, peaceful opportunities, and options a chance.

The issue is not really whether apartheid should be eliminated. That is not the issue here today. I do think everyone in this Chamber at least would admit that they support change in South Africa. Certainly this Member would not consume all of this time if I did not believe personally and intimately, faithfully, and deeply that that terrible system needs to be changed.

What we disagree on is the process of encouraging and forcing and prompting that change.

Now there are four major points to the Gray bill. I wonder just how effective they are.

The first thing the Gray bill does, essentially, is ban computer sales. Well, come on in, Japan. Japan will simply fill the void; they have done so since 1976. Their market in South Africa in computers has increased 206 percent. So what good will that do pressuring South Africa, to allow Japan, as opposed to the United States, to sell them the computers?

Second, bank loans to the government will be banned. So without a Gray bill, without any bills of Congress, the loans to the Government of South Africa from American banks have already been cut in half, and that 50-percent figure is growing each and every day.

The New York Times reports that virtually all American banks and major banks have stopped lending to the government and its agencies, already.

Citicorp, J.P. Morgan & Co., and NCNB Corp., have adopted policies prohibiting loans to the public sector; and the Government Relations Council of the American Bankers Association, in an unusual move—says the New York Times—passed a resolution earlier this month encouraging banks not to lend to the government or its agencies, and to lend to the private sector only.

□ 1600

So without the Gray bill and without this bank provision, this system of pressure is already underway. Let me ask another question. I have heard in committee, when we have debated this bill, the arguments are usually retorted: "Well, we have to isolate ourselves from a nation who practices the evils of apartheid." Hear, hear; but this does not break away from the nation that practices apartheid. The loans are not banned to the private sector, just the public sector. Why not go all the way if we are so interested in isolating ourselves?

Krugerrands, for example. Is that going to apply pressure on the third point of the Gray bill? For each $350 in krugerrands, $49 goes to a black family, and 40 cents goes to the South African Government. What in the world will that do to help encourage the government but devastate the very people we are attempting to help: The black majority who are oppressed.

Let us keep these statistics in mind. Every black worker, especially in the gold mines of South Africa, feeds at least 6 to, some say up to 10 other mouths besides their own. In Lesotho alone, 65 percent of the GNP comes from South Africa, and 51 percent of that GNP figure is from gold mining alone. Lesotho is not a country that involves itself in apartheid.

Why not go all the way with chromium, manganese, vanadium, platinum, and gold bullion? If we are really serious about disassociating ourselves from the issue of apartheid in South Africa, then let us not be halfway about it; let us go all the way.

Now, I personally would not support that approach, but what I am trying to point out is that these halfway measures are not effective and will not be effective to promote change.

The last and fourth point of the bill: No new business. Well, you might as well say, why not just disinvest all together—and we have a chance to vote on that today yet. We have a chance to vote on that today yet. No new business. So what? We have disinvestment now without a Gray bill or a Siljander bill or a Dellums substitute. We have disinvestment now.

I mentioned that bank loans have been cut in half. Six States, 24 cities have passed resolutions divesting. Forty universities and eleven corporations are saying they are pulling out. Major corporations are leaving. They say, "The political instability of South Africa and in Washington is too much for us."

Already, these universities, for example, have sold $300 million in stocks. The stock and bond value, corporately, of all that I have mentioned is $1.5 billion. Not much for us, but significant for an economy the size of South Africa. We already have nearly 20 sanctions now around the world from arms sales and energy sales in South Africa. We have not seen a lot of change as a result.

I argue that if disinvestment is going to pressure the government to change, well, it has. The reality of disinvestment without the fact of laws forcing it has jarred the government to a point where they are willing to change; the world pressure is building. American pressure is building, and I believe, as I said earlier, that change of mind and thought is underway.

I have another concern after meeting with the white leadership of that country. Could disinvestment and/or sanctions force the government into a harder line than the hard line now that we see softening? Remember power is important to any political leader. The white African leadership do have a constituency, and if their people perceive that they are changing their form of government because of outside pressure, from a GRAY, a SILJANDER, a DELLUMS, or a GUNDERSON, they will kick their own people out of office.

The reality is that whites run that country; the reality is that whites vote for the whites, and they are self-preservationists. They are not going to give up their power. It could force them to an isolationist corner which could end the softening process that has begun.

I would like to read another quote from Chief Gatsla Buthelezi of the Zulu Nation. He says,

> We have to shape events in our own chosen direction. We have to fashion our society after the models that we ourselves emulate. Not outside forces.

What SILJANDER is trying to do is contribute to positive inside change, incorporating change by positive movement from the outside.

Our bill, I feel, recognizes that balance of imposing outside change to strengthening within, which I think is a positive alternative. With these major elements of apartheid at least on the docket for potential consideration: Detention laws, Group Areas Act, influx control pass laws—should it not be better to encourage change internally rather than force the dogmatic line even harder?

The last point, Mr. Chairman, that economic sanctions, or disinvestment I think in the end result will be a violent solution. It will be a violent solution, and I said earlier that we have heard countless speeches on the floor, we now have our Nicaragua and Iran. Why do we have to push toward a violent solution? Let us do all we can in a peaceful way before we resort to violence.

Placing economic hardships on the already oppressed black minority is fostering an environment of revolution. What are the alternatives for blacks if we disinvest or begin divesting out of South Africa? What leverage is left for us? What alternatives are left for the blacks, especially if we force the Afrikaaners into a hardline corner? Three hundred and fifty thousand legal workers from other countries work in South Africa, and 1.5 million, feeding again the 6-to-1 or 10-to-1 ratio, undermines the development of poor countries around that region.

South Africa has the seventh largest army in the world. Oh, yes, let it go to revolution; force the Afrikaaners into a radical corner, and what is the alternative? Revolution. Whose blood will be flowing down the sewers of Johannesburg and Soweto and Crossroads? It will not be white blood; it will be black blood that will be flowing down the sewers after a violent revolution ensues against a devastatingly strong and powerful army.

We need to use our great influence to help the advancement of blacks; not the destruction. Now, the people there do not want disinvestment. Are they interested in sanctions? No. A poll taken, now granted there has been criticism of the poll, but I would urge those that criticize the poll to read very specifically and very carefully exactly how the poll was done and taken, and I think they will find unequivocably that it was taken in a fair manner.

Seventy-five percent of the blacks in South Africa said they oppose disinvestment. An additional 10 percent said that if Sullivan were made mandatory, then they would oppose disinvestment. Now we are up to 85 percent. And 5½ percent said they did not care one way or the other or had no opinion. That is 90.5 percent saying they are either against disinvestment or would be against it if Sullivan were mandatory or just did not care one way or the other. So give it 10 percent variance either way, and I just do not see why we are forcing something on a community who does not seem to support it.

By the way, if the blacks in South Africa are really so energetic about disinvestment, why do they not walk off their jobs in a general strike. Let them disinvest themselves from the system. It is easy for us in our comfortable abodes and full stomachs and $74,550-a-year salaries and a beautiful Members' dining room and a cloak room; it is easy for us to say, "Spill your blood; lose your jobs; do not feed the rest of the families; let the rest of the countries around rot, because we know this is for your betterment and for the future."

□ 1610

It is easy for us to sit here and tell someone else to sacrifice. I would submit to you it seems pretty clear that the people there are not going to sacrifice as much as we want them to. More violence does not help. More violence will not soften the Afrikaner government.

Last, Mr. Chairman, how in the world would it help if we disinvested completely, or the sanctions are so severe that our American firms are crippled and have to leave, and the South African Government nationalizes the firms, kicks out the blacks who have been moving up in management mobility and puts in white Afrikaners after nationalization? How in the world does that help in the plight of the blacks?

Mr. Chairman, I think it is clear that if we expect change in South Africa, we should stand up against apartheid, but we should stand up against apartheid in a positive, effective way, not in a way that will hinder effective and dynamic change in that horrible apartheid system.

The CHAIRMAN. The gentleman from Michigan [Mr. SILJANDER] has consumed 26 minutes.

The Chair has been advised that we will proceed with the hour of general debate between the gentleman from Michigan [Mr. WOLPE] and the gentleman from Michigan [Mr. SILJANDER] and then proceed with the additional hour.

Mr. WOLPE. Mr. Chairman, I yield myself such time as I may consume.

Mr. RITTER. Mr. Chairman, will the gentleman from Michigan yield?

Mr. WOLPE. I yield to the gentleman from Pennsylvania.

Mr. RITTER. I thank the gentleman for yielding.

Mr. Chairman, my constituent, Mrs. Dorothy Roth, is an American with South African roots, family roots, still in South Africa. She has shared her feelings with me in a recent letter.

I would like to share those feelings and that letter with may colleagues as we move toward a vote on the issue of America's best role in bringing change in South Africa.

Mrs. Roth's personal knowledge of the problem, her extraordinary sensitivity, her alarm, are worthy of my colleagues' consideration. I will be sending a CONGRESSIONAL RECORD copy of Dorothy Roth's letter to each Member of the House. I urge you to please find the time to read it.

The letter follows:

ALLENTOWN, PA,
May 16, 1985.

Hon. DON RITTER,
Washington, DC.

DEAR CONGRESSMAN RITTER: Friday, May 3rd, our local newspaper, The Morning Call, headlined the following: "Panel backs sanctions against South Africa."

I read with alarm that the Democratic controlled House Foreign Affairs Committee voted 29-6 to impose new economic sanctions against South Africa and its system of racial apartheid. It also wants to suspend the sale of American computers and shut off imports of the South African gold coin—the Kruger Rand.

My question to them is, What do they hope to accomplish? And whom do they wish to help?

If the answer is to do away with apartheid I doubt their action's effectiveness. If it is to help the racially oppressed blacks improve their lot, I have to tell them their proposed sanctions will do the reverse.

From last year till today there has been a shocking economic upheaval in South Africa. I feel the happenings there transcend apartheid. It may even affect the survival of blacks and whites. I am very concerned, hence this letter to you.

I am from South Africa. I met my husband, Saul, in 1942 when his troopship, the S.S. Brazil was the first U.S. convoy to sail into Cape Town harbour. We corresponded for five years while he served in the China, Burma, India theatre of war. In 1947 we were married in Wilkes Barre, Pennsylvania.

I am a very proud American, the mother of two daughters; one an Orthopedic Surgeon, the other, a doctor of Psychology. I am a painter, potter and sculptor and writer. I thank God for all the wonderful opportunities I have enjoyed in this fabulous country and daily look for ways to be involved and say, "Thank You America".

Since 1947 I have made several return trips to South Africa. The past seven years I have made annual trips of six weeks duration to be with my aged mother. When I deplaned in Johannesburg this February, en route to Cape Town, I was shocked to learn about South Africa's horrendous economic problems, which began with businesses dealing with America and Europe that failed to insure themselves against the fluctuation of the dollar. This had a domino effect on others. While there fifteen bankruptcies a day were listed in the press. Some of the folded giants were famliar names to me, some personal friends. Exacerbating the situation were the abnormally high interest charges, 28% to excellent accounts, 32% to others. Shopping Malls, fabric manufacturing plants and other businesses suddenly closed. And builders of luxury apartments viewed with alarm their unsold condominiums, situated on the choicest waterfront locations, which last year, would have been fought over!

When I visited South Africa last year, the Rand was worth one dollar and nineteen cents. It dropped to 42 cents when I arrived this year. It since has risen to 50 cents.

Blacks and whites are victimized by this economic upheaval. While apartheid is obscene, repulsive, any adjective one wants to use, I know that unemployment and the fear of hunger, of helplessness and hopelessness, at this point in time are more central to the lives of the blacks.

The oppressive apartheid laws have, for years, been of great concern to many South Africans businessmen, professionals, most of its citizenry. They see the crippling, stifling ill-effects the myriad injustices to blacks cause industry. It hampers South Africa's progress. It also is a terrible drain on their economy.

South Africans welcome the presence of foreign and American investors with their Rev. Leon Sullivan human dignity guidelines. They are concerned with the demoralizing guilt apartheid causes the whites, the escalation of drug and alcohol abuse. They are affected by the brain drain by their sons and daughters leaving their beautiful country because of apartheid. Many don't enjoy being regarding the world's pariahs.

During the past years there have been moves toward changes in the apartheid laws. Too slow for many, too fast for others. For me, the most significant, the abolition of the Mixed Marriages act and Ted Koppel's Nightline broadcasts in South Africa. Watching extreme right and left debate apartheid issues on the same screen was an historic breakthrough.

Another reason for writing is my need to tell American protesters their voices have been heard in South Africa, that they now should retrench and permit the South African government to effect further changes without outside pressures. My fear is that the pressures of American idealogues, sans facts of present conditions, will cause irreparable damage to South Africa's blacks and whites. That in their zeal for changes they will destroy the country for blacks and whites. And once Humpty Dumpty is destroyed who will put him back together again? Who is putting Zambia and Zimbabwe back together again?

The blacks with whom I spoke, those who have jobs and homes, don't want unrest. They abhore the humiliating apartheid laws but prefer life in South Africa to that in neighbouring countries. They share the fear of the whites when they read and hear American students and other scream 'Divest Now!' Because divestiture to South Africans means no jobs for thousands. It means poverty and hunger and death. I am convinced that much of the stimulous for the recent uprisings in the Cape Province are due to fear of hunger and their survival needs.

Senator Kennedy helped no one with his recent visit. He antagonized whites and blacks. The blacks felt he disrupted things without effecting changes for the better and the whites objected to his anti-government stance. The general feelings were that his interests were more the American voter than helping to create building blocks for change. As a Democrat, who always respected Senator Kennedy, I was upset with the negative remarks people made to me about his visit.

I feel the underlying problem with apartheid is fear, fear for the stranger in their midst, the black person and his numbers. Today there are approximately 22 million blacks (not counting Indians and Cape Coloureds). The projection for the year 2000 is for 80 million. This is an emotional problem. Intellectual debates and present remedies do not work. One man, one vote, will mean an end to South Africa the way we know it. The questions that enter my head was: Will her strategically important ports, her wealth of mineral deposits and other assets be available to America in the future? South Africans looked up to America, enjoyed free trade with our country. Will this be able to continue? Will the cries and screams from American campuses effect meaningful changes without destroying what is? Many personal fears flood the mind. It is so easy to destroy, so very difficult to rebuild.

When the governments in Zambia and Zambabwe changed to all black, the persecution of blacks intensified. Why are there no outcries against that? And when the white residents of those areas left homes and wealth they were welcomed into South Africa. Where will the South Africans be welcomed when they have to run!

The South African apartheid situation needs the help of a Solomon, the situation is so complex. I suggest that the college brains stop protesting and think along lines of help with progressive, constructive ideas so that with their aid a solution can be found.

Sincerely,

Dorothy Roth.

Mr. WOLPE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Pennsylvania [Mr. Gray], the chief sponsor of this legislation.

Mr. GRAY of Pennsylvania. I thank the gentleman for yielding this time to me.

Mr. Speaker and colleagues, today we have an opportunity to determine where this great Nation that we all love stands, for the issue before us is not an issue of jobs, it is not an issue of employment. What the issue is about is the loss of life, the loss of justice.

I am always amazed at those who would defend apartheid by changing the argument and trying to say what we are really concerned about is jobs. What we are really concerned about is employment, and the reason why we cannot bring any pressure to bear on apartheid is because it will create a jobless situation.

I can only quote what the distinguished Nobel Peace Prize winner, Desmond Tutu, recently said in a Newsweek magazine article when asked that very same question. He said, "Moral humbug."

Let me just simply say this. What is it that we are seeking to do in the Anti-Apartheid Act of 1985? What the act seeks to do is to cut off future financing by U.S. companies and individuals for apartheid. It simply says that in the future we will not invest our dollars in South Africa, we will not allow new companies to locate there, we will not allow new investments, we will not allow bank loans by U.S. banks to the South African Government, we will not allow the sale of Krugerrands in this country which produce over $200 million in foreign exchange for the South African Government, and we are not going to allow high-tech computers to be sold to that country so that they can be utilized for the influx control.

That is exactly what the Anti-Apartheid Act says. It says let us change our policy and stop the financing of apartheid. Indeed, there are many South Africans who agree with that. Mention has been made on this floor about Chief Buthelezi. Chief Buthelezi, who I know personally and I have met, and if I were the leader of a tribal segment of the population of 6 million people, I certainly would be supportive of not having any pressure because I do not want enfranchisement, because if I am a tribal leader, I can maintain my control.

However, let us look at all of the others who have spoken out. Let us speak to Desmond Tutu, the Nobel Peace Prize winner. Let us look at Manos Buthelezi, the bishop of the Lutheran Church, who is also the cousin of Chief Buthelezi. All of the leadership there have cried out to America and said, "America, why do you not stop financing apartheid?" They have said, "We are suffering, and we are willing to endure if we know that this great nation stands with us and that this great nation is willing to withdraw its financing of apartheid."

I submit to you that this legislation would not threaten one job in South Africa.

Second, I should point out to you the argument that this legislation would cause divestment is absolutely wrong and it is absurd and ludicrous. First of all, that is like arguing you cannot end slavery because you will have an unemployment problem. Second, factually, it is incorrect because there are 6 million people in the work force in South Africa. American subsidiaries employ 125,000 of the 6 million, and of the 125,000, only some 70,000 are the majority South Africans, and not one iota of this legislation would cause any of the 125,000 or the some 70,000 from the majority to lose their jobs.

Thus, what you have is a tortured argument that says for the benefit of 125,000 people, let us continue to finance the oppressive political regime of apartheid. Forget the over 5 million other people who are in the work force who have no freedom, no rights. Forget the 20 million South Africans who cannot own land, who have to live in designated areas, who must carry pass cards to show, who cannot be out at night without police permission. Forget them.

All for what? For 77,000 jobs which, by the way, this legislation does not affect or endanger in any way at all?

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. Gray] has expired.

Mr. WOLPE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. I thank the gentleman for yielding this additional time to me.

So to argue that this legislation threatens that majority is absolutely wrong and it should be pointed out that it is wrong.

Second, there are those who will argue that if you take these modest restrictions, you are singling out South Africa. Not so. We currently have restrictions on over 19 nations in the world, and is it not about time that the world's greatest democracy of freedom not only light a candle for those in Poland, and rightfully so, but is it not time we strike a match for those in South Africa?

If we can speak out, and I certainly have joined with my colleagues on all sides of the aisle speaking out for Sharansky and Sakharov, why can we not speak out for Nelson and Winnie Mandela? No. We already have restrictions like this around the world, And then they will argue, "Well, you know, these kinds of measures never change anything.

Did we think that sanctions were going to change Poland? No. But we wanted to let the world know where America stood, and that we did not stand with the oppressor, but we stood with the victims. Of course, this is becoming a normal confusion around Washington these days, where people do not know who to stand with, whether to stand with the victims or whether to stand with the oppressors.

□ 1620

I submit that this Congress ought to go on record by standing with the victims and not with the oppressors. I find it interesting that those who are arguing for us to stand with South Africa are asking us to stand with the oppressors. I think we ought to stand with Desmond Tutu. I think we ought to stand with Manos Buthelezi. I think we ought to stand with those who are protesting their condition while we have sat around and allowed U.S. funds to continue the oppression.

Mr. Chairman, what is the issue? It is not the loss of jobs; it is the loss of life, over 500 in the last 6 months.

Mr. WOLPE. Mr. Chairman, I yield 5 minutes to our distinguished colleague, the gentleman from New York [Mr. Solarz].

Mr. SOLARZ. Mr. Chairman, I would like to pay tribute to the distinguished gentleman from Michigan [Mr. Wolpe] and my very good friend, the gentleman from Pennsylvania [Mr. Gray], for the leadership they have provided on this issue. Without their extraordinarily creative efforts, we would not be debating this legislation today.

The issue before us this afternoon requires a judgment not so much on the system and the situation in South Africa but on what we should be doing about it. Virtually all of us on both sides of the aisle appear to agree that the apartheid system is a moral and political abomination. Where we appear to disagree is over how the United States can most effectively use its influence to facilitate as soon as possible the elimination of this system of institutionalized segregation.

Those who are opposed to the Anti-Apartheid Act of 1985 appear to believe, as does the administration, that the best way for the United States to proceed is to continue the policy of constructive engagement. This was a policy adopted 5 years ago, and it was based on the premise that, by establishing a closer and more cooperative relationship with the Government of South Africa, we would be able to use our ensuing influence to encourage that Government to make real progress toward the elimination of apartheid. Five years later, I would submit that the policy of constructive engagement is a flop and a failure. It constitutes a monument to moral myopia and wishful thinking. It has done virtually nothing to bring about any real progress toward the elimination of apartheid, but it has created the impression that the United States is in sympathy with the racist regime in that country.

Now, some have said that significant changes have taken place in South Africa. They point to the impending elimination of the Mixed Marriages Act, and they point to the establishment of a new constitution and the creation of separate parliaments for the colored and Asian peoples of that country. But I would submit that the real measure of what has happened in South Africa is not these cosmetic changes, which leave utterly undisturbed the continued exclusion of the black majority of that country from any opportunity whatsoever to participate in the determination of their own destiny, but the remaining realities which continue to characterize the plight of the black majority in South Africa.

The failure of constructive engagement can be measured by the fact that in the last year alone 350 blacks have been killed by the security forces in that country; over 250,000 have been arrested for violation of the pass laws; and a quarter of all of the black women remain separated from their families.

It can be measured by the fact that the Government of South Africa continues to refuse to engage in any meaningful negotiations with the black majority to establish a new political dispensation in the country. It can be measured by the continued illegal occupation by the Government of South Africa of Namibia. And it can be measured by the growing enmity toward our policy with respect to South Africa throughout black Africa and on the part of the indigenous black majority within South Africa.

I would submit that the time has come for a new policy. The time has come for us to make clear our opposition to apartheid in deed as well as in word. The time has come for us to adopt the Anti-Apartheid Act of 1985.

Some will say that the best way to bring about change in South Africa is to encourage more U.S. investment in that country, but the fact of the matter is that 37 years after the establishment of apartheid in South Africa there has been enormous economic progress in that country, but from a political point of view the blacks are worse off today than they were three decades ago.

Others will say that the adoption of this legislation is an exercise in diplomatic hypocrisy, that as bad as the situation in South Africa may be, it is just as bad in other countries around the world, and why are we not taking action against them? But the fact is that we have imposed sanctions against Cuba, Vietnam, Poland, the Soviet Union, and even non-Communist countries like Libya, Iran, and Uganda, and I would submit that if we adopted sanctions against all those countries, it would be an exercise in diplomatic hypocrisy for us not to impose sanctions against South Africa.

The CHAIRMAN. The time of the gentleman from New York [Mr. Solarz] has expired.

Mr. WOLPE. Mr. Chairman, I yield 30 additional seconds to the gentleman from New York [Mr. Solarz].

Mr. SOLARZ. Mr. Chairman, the Assistant Secretary of State for South Africa, Mr. Chester Crocker, said that it was not up to the United States to choose between black and white in South Africa. The choice that confronts us there is not between black and white. There are, after all, many whites in South Africa who are opposed to apartheid. The choice that confronts us in South Africa is a choice between right and wrong, between justice and injustice, between decency and indecency. The time has come for the United States to be on the side of change rather than on the side of the status quo in South Africa.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the distinguished chairman of the Foreign Affairs Committee.

Mr. FASCELL. Mr. Chairman, I thoroughly agree with the gentleman's very cogent and very persuasive statement, as usual. I want to compliment him on his leadership in this matter because he, together with the gentleman from Pennsylvania [Mr. Gray] and the gentleman from Michigan [Mr. Wolpe], who is managing this bill, has given immense leadership to this proposition. I agree with the gentleman that the time has come when we must put aside economic and political considerations and do something and face up to this problem.

The CHAIRMAN. The time of the gentleman from New York [Mr. Solarz] has expired.

Mr. WOLPE. Mr. Chairman, I now yield 5 minutes to the distinguished gentleman from Washington [Mr. Bonker].

Mr. BONKER. Mr. Chairman, I rise in strong support of this legislation, and I would like to take this opportunity to commend the chief sponsor, the gentleman from Pennsylvania [Mr. Gray], and the chairman of the Subcommittee on African Affairs, the gentleman from Michigan [Mr. Wolpe], as well as the gentleman from New York [Mr. Solarz], who has long been distinguished for his work on this issue.

I chair one of the subcommittees that has jurisdiction. We have conducted a series of hearings over the years in attempting to develop a proper legislative approach to this controversial, if not volatile, issue.

I would also note that 2 years ago, when this House took up and considered and favorably voted on the Export Administration Act, we added title III. Title III included essentially the same provisions which are before us today, including the Gray amendment, which was offered on the House floor and actually was accepted without too much resistance.

The legislation that is before us today is essentially that package, minus the Sullivan principles—and I understand that the sponsors intend to pursue separate legislation later on—and plus new restrictions on the sale of computer equipment to the Government of South Africa and her entities.

I frankly believe that the legislation that we have before us today is actually weaker than the legislation this House already adopted 2 years ago as an amendment in the form of title III to the Export Administration Act. In my judgment, that was stronger because it did include provisions on the so-called Sullivan principles. At that time there was very little resistance to these provisions. There seemed to be almost universal acceptance that the time had come to send a message to South Africa, and we had a reasonable approach to the issue by way of title III.

Now essentially the same provisions are back here on the floor in a new bill, and all of a sudden there is plenty of resistance. I would suggest, if anything, that there ought to be a demand for stronger legislation, given the public outcry we have been hearing throughout this country. Given the provisions I have discussed, I still have some reservations about key sections of the bill.

□ 1630

They involve, first of all, a noticeable absence of Sullivan principles. I personally believe that as long as U.S. businesses are in South Africa, they ought to exemplify America's values and standards and indeed our fair labor practices, so that we can set up a model in South Africa for other businesses there.

Second, I have never been a strong supporter of the ban on importation of krugerrand gold coins. This is something of a symbolic issue. It will do some damage to many of the mom-and-pop collectors in the United States, but I am not sure it will do overwhelming damage to South Africa or her policies. There is such a sophisticated international network on gold coins that I do not think there is any way we can inhibit or ban the flow of it.

The third concern that I have has to do with the total ban on all computer sales to the South African Government entity, including service agreements. This provision would amend section 6 of the Export Aministration Act to prohibit the export of all computers and related services and equipment to any South African Government entity, including the termination of existing sales, services and maintenance contracts on such items also raises a serious problem.

I share the concern of the sponsors and the objective about blocking the sale of American chip computers and equipment so that that equipment will not be used as instruments to enforce apartheid; but the scope of this provision is far broader.

Section 7 of H.R. 1460 goes way beyond prohibiting the use of U.S. computers in enforcing apartheid.

Under this section, U.S. computers would be banned to all government entities regardless whether they are for use in schools, hospitals, transportation systems, and utility companies.

Although the committee report states that the ban will cut off new U.S. computer exports to the South African military and policy and other government organizations that enforce apartheid, there are no exceptions for end users which do not directly enforce apartheid.

Furthermore, it should be pointed out that the current law prohibits exports of such computers subject to the commodity control list to the South African police and military.

Similarly, it is U.S. regulatory policy not to approve export license applications to a variety of South African Government entities where the computer could be used to enforce the policies of apartheid.

Let me make myself clear.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. WOLPE. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. BONKER. Mr. Chairman, I thank the gentleman.

My point is this. If we want to ban the sale of computer equipment to the Government of South Africa because of an obvious concern that it might be used to enforce apartheid, I have no problem with that; but if we are going to put into the statute a provision that breaks or terminates all existing service contracts, maintenance agreements and efforts to sell software, then we put our companies in a position of contract violations and subject them to liability.

I do not think that ought to be the intent of the legislation. We want to send a message and be effective in dealing with South Africa, not place additional burdens on American businesses who happen to be located there.

Mr. SILJANDER. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. Burton].

Mr. BURTON of Indiana. Mr. Chairman, I think everyone in this body is opposed to racial discrimination and apartheid in particular. One of the things that I cannot understand, however, is why we pay so much attention to the persecution and the discrimination and the human rights violations that take place in South Africa, while we close our eyes to the same things that are happening in neighboring countries in that part of the world.

For instance, in Angola, Malawi, and Mozambique, we see repression, prejudice, and human rights violations that are every bit as bad as that which go on in South Africa; yet we do not say a word about them. I do not understand that.

South Africa has a lot of problems and we should bring pressure upon them to change, but let us look at the past. In World War II and other conflicts they have been an ally and have helped us by fighting the fascists and other enemies of the free world. Yet we point all of our guns at them and we do not pay any attention to the Communist regimes in the southern part of Africa who are repressing their people and I wonder why.

Why do we not talk about Angola, where persecution exists on a daily basis?

Why do we not talk about Malawi? Why do we not talk about Mozambique?

It strikes me as curious that we pay attention to our friends and their mistakes, their shortcomings, and we do not point a finger of guilt at those who have a worldwide objective in mind, that being the Communist movement.

David Lamb, the former Los Angeles Times Africa correspondent, noted that "whites' injustice toward blacks is considered racist. The blacks' mistreatment of blacks is just part of national growing pains and is somehow acceptable to both Africa and the world beyond."

He does not understand that and neither do I.

A Kenyan journalist once commented that what Africans are doing to Africans is unbelievable.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. SILJANDER. Mr. Chairman, I yield 30 additional seconds to the gentleman.

Mr. BURTON of Indiana. I spent a little bit of time in South Africa. I believe the white population as well as the black population over there is very concerned about what is going on. The pressure is gleaning results, in my view.

I think that we should continue with the process of constructive engagement that the President of the United States is advocating, trying to bring about positive change in an orderly way. If we try to do it in the way we are talking about today, we will drive a friend away from us and end up rueing the day that we passed this legislation. Apartheid in South Africa is bad and should be changed, but this is not the way to bring about that change.

Mr. SILJANDER. Mr. Chairman, I yield myself the remainder of the time.

I thought it rather interesting that my colleague, the gentleman from New York, took the well shortly after several statements that I had made, to set up a strawman. Some of us, he said, were standing for the oppressors and not the victims. He said that some of us believe, as the administration, that continuing constructive engagement is good. He said that some would suggest that significant changes have been made in South Africa.

Well, I am not sure who in the world the gentleman from New York was referring to or who he was talking about. No one thus far in this debate has said that any significant changes have been made in South Africa.

Someone had alluded to the fact that some thinking within the South African Government has changed, but nothing substantively has changed. I tried to make that abundantly clear.

The administration does not support any of these substitutes, as I understand, because they are not part of the continuing constructive engagement policy.

I doubt that anyone in this body is standing aganist the victims and for the oppressors.

So I am not sure what strawman was built and knocked over, but it certainly is not anyone on this floor.

Mr. WOLPE. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. Gephardt].

Mr. GEPHARDT. Mr. Chairman, today, when we vote on H.R. 1460, we have an opportunity to redeem the fundamental principles of our Nation, and advance the cause of human freedom around the world.

History will judge us harshly—and we will deserve its stern verdict—if we fail to act to remove the blight of apartheid from South Africa. We, as a nation, may not be able to make perfect all the imperfections in the world. Still, we know that when one person's liberties are denied—whether in South Africa or anywhere else in the world—all our freedoms are thereby diminished.

Reagan's "constructive engagement" policy is a sham. It offers the false promise of freedom and equality to blacks who suffer discrimination and oppression, while it aligns us with a government that countenances such inhumane treatment.

Indeed, South Africa retains its pass laws, the bans on speech, assembly, political participation and travel, and its denial of due process.

If anything, internal repression has increased. Pass law arrests have doubled since 1980. By 1986, over 9,000,000 blacks will have been forced into the crowded, impoverished "homelands."

The present violence and repression continue unabated. Over 400 people—most of them blacks protesting continued repression—have died since September. Just 2 weeks ago, an official of one of the most determinedly nonpolitical black unions was beaten to death in police custody.

Our proclamations against apartheid sound insincere. Lured by profits 35 per higher than those available elsewhere, U.S. corporations have increased direct investments in South Africa from $140 million in 1950 to $2.6 billion in 1981. We are South Africa's second largest source of foreign investment. Our economic ties are perceived—rightly—to strengthen the South African Government.

Today's vote is a test. We need to show we won't let a few investment opportunities override important principles. It's not just a moral issue—it's smart policy. If we fail to take clear action, our adversaries won't let anyone forget it.

Opponents fear hundreds of thousands of lost jobs. This is surely exaggerated. American firms hire about 120,000 people there and will be allowed to reinvest their earnings. Employment is stable at Swedish firms facing even stricter sanctions.

The 300 American firms—particularly the half who adhere to the Sullivan principles—have done some good. But a policy that helps the oppressed is unsupportable it if helps the oppressor more. The plain fact is that U.S. investment helps enable South Africa to maintain its instruments of repression.

H.R. 1460 sends—without delay—a clear message to all that America's economic strength will no longer go to support apartheid.

H.R. 1460 simultaneously preserves our vital interests. It does not require divestiture. Nor does it affect most trade. We preserve our access to minerals and remain the option of further action against South Africa.

This bill will not end apartheid. That is up to the South Africans. But it signals our strong disapproval. It is an effective statement that we can no longer afford the political and economic damage resulting from close relationships with the South African regime.

Mr. WOLPE. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Connecticut [Mrs. Kennelly].

Mrs. KENNELLY. Mr. Chairman, I rise in support of H.R. 1460, the Anti-Apartheid Act. I can think of no better way to demonstrate this Nation's opposition to the apartheid policies of the South African Government than to pass this bill.

In South Africa, if you're white, you live in a democracy. If you're black, you live in a police state.

If you're white, your salary averages around $500 a month. If you're black, it is less than $150.

If you're white, your country's infant mortality rate is 15 in 1,000. If you're black, it's one in five.

In South Africa, if you're white, you reap the benefits of American investment. If you're black, you can be jailed or even executed for advocating American disinvestment.

Today, we must speak for those who cannot speak for themselves. Our Nation must begin to withdraw from the South African economy.

Some say that if this Nation does not expand its trade with South Africa, another nation will. That is like saying that if we do not support racism, someone else will. Let those nations who want to support racism do so. This Nation will not.

Mr. Chairman, this Nation has always stood first and foremost for human freedom. That is why we stand apart from the South African Government. Today, let us increase that distance. Our history and our conscience should impel us to do so. I urge my colleagues to support H.R. 1460.

□ 1460

Mr. WOLPE. Mr. Chairman, I yield 1 minute to my distinguished colleague, the gentleman from Ohio [Mr. GRADISON].

Mr. GRADISON. Mr. Chairman, I rise, as an original cosponsor, in support of H.R. 1460. The issue of South Africa is an extremely complex one for American foreign policy. South Africa is strategically important to the United States and our allies. At the same time, the South African system of apartheid has generated understandable revulsion in the West. The recent protests in this country are testimony to the concern men and women of conscience have regarding this issue.

The violation of human dignity that occurs daily in South Africa is supported by an overt, pervasive, and systematic dismissal of fundamental human rights. The debate here, Mr. Chairman, centers on the construction of a policy which will most likely encourage change in South Africa that will be to the benefit of all South Africans and in the long-range interests of the United States.

The approach taken in the bill is to impose certain economic sanctions on South Africa. Specifically, these are a ban on new investments, the importation of krugerrands, and the export to South Africa of computer technology, as well as restrictions on new bank loans to South Africa. It must be stressed that this is not a divestment bill. The roughly 350 American companies currently active in South Africa, with direct holdings of $2.3 billion, are permitted to reinvest profits generated through their South African enterprises.

In advocating the passage by this House of the Anti-Apartheid Act of 1985, I am not encouraging the United States to walk away from the problem of South Africa, as some of my colleagues have argued. Neither is this a denigration of the Sullivan principles and the progress made in racial equality within the workplace by American companies adhering to these principles. Indeed, the ability to reinvest profits in South Africa will permit these companies to continue to play the positive role for change that they have in the past. Rather, this bill is a response to the lack of meaningful progress, outside those few selected workplaces, where discrimination is woven into the fabric of society.

It is true that certain changes in petty apartheid regulations have occurred. Certain reforms have also been implemented by the Botha government. Black trade unions have gained official recognition and some of the most insidious provisions of the Mixed Marriages and Immorality Acts have been amended. While these reforms begin to attack the surface of apartheid, the strengthening of restrictions on access to white areas for black South Africans, the lack of a Namibian settlement, and the continued pursuit of the homelands policy by Pretoria cannot be ignored.

The South African Government has acknowledged that tangible pressure from abroad plays a role in its promises of further reform. The enactment of this legislation alone will not bring about fundamental change overnight to a system that since 1948 has codified injustice in the regulation of political and economic rights and the social relationship between individuals. It will, however, provide an incentive for South Africa to modify gradually, and eventually change, its social and political system in a way beneficial for all communities in South Africa.

Pressure for change is building within South Africa. Recent outbreaks of violence indicate that patience with the slow pace of reform is eroding at a rate that makes the undesirable outcome of revolutionary violence more likely. It should be the policy of the United States to encourage Pretoria actively to do what should be obvious to avert this outcome. It is my belief that the economic restrictions provided for in this bill are a more significant lever for American foreign policy than if we merely continue to invest in a regime that we all agree is morally indefensible.

Mr. WOLPE. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES. Mr. Chairman, recent events in South Africa and in the White House have once again illustrated why we in Congress must take the initiative in ending our country's cozy relationship with the immoral apartheid regime of South Africa.

By ignoring the plight of over 24 million black freedom fighters in South Africa and calling for sanctions against Nicaragua—after Mr. Ortega goes to the Soviet Union for aid—the President has stooped to a new low in insulting the intelligence of the American people.

By turning his back on repeated acts of violent repression which have claimed the lives of over 350 and the arrest of over 10,000 black South African men, women, and children during the last year, the President is aiding the South African Government in denying the majority of its people basic fundamental human rights which Americans hold so valuable in our society today.

Mr. Chairman, we in the Congress have the responsibility to act. The President has shown time and time again that he lacks the moral sensitivity to respond to the racist tactics of the South African Government.

Because this administration has continued to allow U.S.-based corporations to eliminate hundreds of thousands of jobs for American workers in order to exploit the low pay and poor working conditions for black South Africans, we have a responsibility to act to protect the interest of our constituents.

Because the President continues to ignore rising tensions in southern Africa, we in Congress must act in order to avert bloodshed of major proportions in that part of the world.

I have often urged this great assembly to take the lead in ending our Nation's support for the apartheid regime, and I have been encouraged by the increasingly positive response my calls have received from members of both political parties. I am now once again urging my colleagues to join in a bipartisan effort to restore America's tarnished image in the world, and to show that the majority of the American people still stand for the ideals which have made our Nation great.

H.R. 1460, the Anti-Apartheid Act of 1985, is a step in that direction. It sends a clear signal to the South African Government that the United States will no longer tolerate its offensive and repressive system of Government.

H.R. 1460 is a very important piece of legislation. —I strongly urge my colleagues to support it's swift passage.

● Mrs. LLOYD. Mr. Chairman, I join with both my colleagues and also with black South Africans in urging support of sanctions against South Africa. Recent outbreaks of violence have forced us to reexamine our responsibility in peacefully abolishing acts of apartheid. I view economic sanctions

as an unfortunate measure. At this time, however, they provide the United States with the only tangible means of pressuring the South African Government to dismantle its current system of severe segregation.

As a cosponsor of H.R. 1460, I support its four measures which would ban new bank loans; ban any new investment in South Africa; ban the importation of South African krugerrands; and finally ban the sale of computers to the South African Government. The bill also allows a means for the South African Government to avoid restrictions. A means which I feel quite reasonable. Should any one of the following conditions be adhered to, we could view the South African Government as actively acknowledging their acts of inhumanity and willing to take steps toward nonviolent change.

Again, if the South African Government meets one of the following conditions, the President, with congressional approval, could waive for a limited time the prohibitions involving new investments and gold coins. The definite steps include freeing all political prisoners; giving full citizenship to the more than 8 million blacks now considered citizens of tribal homelands; eliminating all restrictions on where South African residents can live; ending the policy of forcibly moving blacks from areas designated for whites; letting blacks seek work without restrictions and live near their jobs in any part of South Africa; allowing black workers' families to live near workers' jobs; beginning negotiations with black leaders for a representative political system; agreeing to an internationally recognized settlement for Namibia, which South Africa occupies in violation of U.N. resolutions.

The companies operating in South Africa have maintained that they are providing jobs which are benefiting blacks. Many of these companies comply with the Sullivan principles in assuring equal working conditions for blacks. We recognize and commend the efforts of these companies in so much as they have made the first step at improving the lives of black workers. Yet, we must take this a step further in working toward assuring that an equally reasonable effort be made to meet the human conditions. Surely we cannot justify decent employment conditions in lieu of the poorest of living provisions. Quite simply, no choice should have to be made. These people should be allowed to choose both where they work and live.

Support of this bill would recognize the very basic of human needs while still allowing that certain sanctions could be avoided if the South African Government did nothing more than allow blacks to seek work without restriction. This seems to me not an unreasonable request and certainly one in line with our democratic philosophies.●

● Mrs. SCHROEDER. Mr. Chairman, one can debate apartheid all day and all night, yet the elementary facts will never change:

It is illegal here; we should not support it abroad.

Yet the South African Government representing 4 million whites uses taxes paid by U.S. companies to ensure a repressed work force of 26 million blacks.

Five of every six South Africans are black. Yet they cannot live or work where they choose; they risk jail if they strike for better wages or justice on the job; and they have no vote—they have no say in the government that imposes apartheid on them.

Passbooks: Blacks must carry passbooks wherever they go—a record of their fingerprints, work record, tax and family status, tribe and race, and where they can legally live and work.

Families: Apartheid laws prevent husbands and wives from living together in "white" cities.

Women: Black women face double discrimination because of their sex and race. Those who can find work as maids feed white children while their own go hungry in the barren "homelands."

Education: Less than half of black adults can read and write. Whites get free schooling. Blacks don't. The state spends 11 times more on a white child's education than on a black child's education.

Hunger: One of every five rural black babies dies before his or her first birthday—often from lack of food—while South Africa exports $2 billion worth of food a year.

Wages: On the average. Africans earn less than a third what white workers do.

Health: In December, a black American dancer performing in South Africa was in an auto accident. He is now a quadriplegic because the first ambulance refused to pick him up and he was denied admission at the white hospital to which a black passerby took him. By the time he was admitted to the black section of another hospital, he was quadriplegic.

A friend once told me that, although she had been active in the civil rights movement in the United States since the sixties and continues to fight racism in the United States, she had never experienced anything like the apartheid attitudes she witnesses in South Africa. There is no comparison, she said.●

● Mr. ALEXANDER. Mr. Chairman, I rise in support of passage of H.R. 1460, the Anti-Apartheid Act of 1985. Enactment of this legislation would make clear to the community of nations that the commitment of the people of the United States to the principle of freedom, liberty, and equal opportunity for all humankind wherever they live is a commitment, in deed as well as word.

The people of our Nation have demonstrated their willingness to work patiently toward the goal of social and economic justice. We have done so in the instance of encouraging the nation of South Africa to dismantle its destructive system of racial discrimination, apartheid. We support nonviolent change achieved in an orderly and progressive manner. But, there comes a time when we are forced to the recognition that there must be alteration in the methods we use to express our support for such change, and an acceleration toward equal economic, social, and legal justice for all men, women, and children.

And, there comes a time when we are forced to the recognition that an unchanging continuation of our economic relationships with a nation which systematically denies to a majority of its citizens the rights, freedoms, and privileges extended to a minority of its citizens—as is the case in South Africa—can only be interpreted as a betrayal of the principles by which we, as a nation, govern ourselves.

We have reached that time in our relationship with South Africa. The time has come for more decisive action. The time has come for stronger action. The Anti-Apartheid Act of 1985 embodies such change in the relations between the United States and South Africa. These are the reasons I have cosponsored this proposal. These are the reasons I now rise to urge my colleagues to support the basic principles by which our Nation governs itself and vote for passage of H.R. 1460.●

● Mr. RANGEL. Mr. Chairman, I rise in full support of this absolutely vital bill.

I am extremely concerned, as are all of you who are present here today, about the Reagan administration's policy of constructive engagement, of giving South Africa what they want because we think that somehow this well pry concessions from them, concessions that jibe with our constitutional traditions.

Well, we have gotten no concessions from South Africa. On the contrary, apartheid's hold has been strengthened on the nation, and allowed South African security forces to kill and maim nonwhite demonstrators with impunity.

What goes on in South Africa is anathema to all that we in the United States hold dear. The policy of apartheid mocks democracy, mocks fundamental rights, mocks human dignity.

A South African—if he happens to be black—cannot marry who he wants to marry. He cannot worship where he wants to worship. He cannot say aloud what he wishes to say. He cannot even meet in private with those with whom he wants to meet. And he cannot vote at all.

The Republic of South Africa issues travel passes to blacks. It segregates blacks into inferior schools. And it forces blacks to work in serflike conditions in mines and services.

These are the most fundamental human rights, rights for which our own country has fought on the battlefield and in its legislatures. We have held these ideals for more than 20 years and should not tolerate their abrogation by any country. South Africa's system is repugnant to everything that this country holds dear.

And so we might ask what can be done to convince South Africa that we will not tolerate business as usual. We might ask how we can reconcile our revolutionary principles in our relationship with South Africa. And we might ask in what way we can encourage a peaceful move toward democracy in that country.

Well, our strongest tool is economic pressure. It can be wielded effectively by ending our relationship in areas of trade and investment. This is why I support the Anti-Apartheid Act. It is our strongest response yet to Pretoria's intransigence.

Arguments have been raised that our hitting at the South African economy will somehow harm black workers in the mines and other areas of production. Well, I ask those who use this argument where their priorities lie. Black protesters are slaughtered in the streets, black children are malnourished and undereducated, and black workers are already dying because of poor safety conditions. This is a classic case of sheer oppression, Mr. Chairman, and conditions will not be made better just because we ask South Africa to relent.

For these reasons, I encourage my colleagues to vote in favor of this act.●

● Mr. LONG. Mr. Chairman, I rise today in strong support of the Anti-Apartheid Act of 1985.

The time has come for the United States to at last say to the Government of South Africa that Americans will no longer tolerate the blatant suppression of the overwhelming majority of its people. The time is long overdue for the United States to join other nations of the world in imposing economic sanctions against the Government of South Africa as tangible evidence of the depth of our conviction that apartheid is absolutely unacceptable.

How can we, as Americans, who pride ourselves on our commitment to civil rights, continue to directly or indirectly support a government which denies the most basic of human rights to the largest racial group in its country? I believe we cannot. That is why I am proud to speak in favor of the legislation before the House today. H.R. 1460 will impose four economic sanctions on South Africa, but also provides waivers of these sanctions contingent upon the government meeting conditions which demonstrate its concrete dismantling of apartheid.

Opponents of economic sanctions argue that the United States can best bring about change in South Africa through quiet diplomacy or "constructive engagement." Yet after 4 years under this approach, the South African Parliament still excludes blacks, and by 1986 more than 9 million blacks will lose their citizenship. Doesn't it make more sense to adopt legislation with teeth, so as to provide a real incentive for the government to institute meaningful reforms?

Mr. Chairman, no one wants to see desperately needed change brought about by violence. But history repeatedly has shown us that a suppressed people cannot be held down forever. Change will come in South Africa, and I believe we should be among those encouraging peaceful and democratic reforms.●

● Mr. BOLAND. Mr. Chairman, I strongly support H.R. 1460, the Anti-Apartheid Act, and urge its adoption by the House.

I think there is no question among Members of Congress that the current human rights situation in South Africa, as embodied in the doctrine of apartheid, is deplorable. The question before us, therefore, is not whether or not to take action, but rather what action to take. It is by no means a simple decision. The administration policy of constructive engagement has been proven ineffective in light of the continued presence of strict apartheid laws. Furthermore, as the United States continues to do business as usual with the Government of South Africa, blacks in that country will increasingly see the United States as permanently allied with the white minority government.

H.R. 1460 applies direct pressure to the economic basis for apartheid, and it is for this reason that I urge its adoption. H.R. 1460 represents a serious response to a serious problem and will undoubtedly have an effect on the Government of South Africa. I need only point to the words of a former Prime Minister, John Voerster, who was quoted on numerous occasions as saying: "Foreign investment is the bricks and mortar on which South Africa is built." Clearly, working for improvement within the system is not a viable option for South African blacks. As that reality becomes more apparent to blacks, so does the risk of more violent confrontations between blacks and whites. The immediacy of the issue, therefore, is manifested not merely from a moral standpoint, but also from that of humanitarian concern for avoiding further violence, an objective which is in the interests of all parties involved.

Therefore we must more strongly encourage the Government of that country to negotiate with the black majority. Pursuasion by purely diplomatic means has not achieved change, at least not in a manner visible to most Americans. It is time to try a new approach. The sanctions outlined in H.R. 1460 are a step in that direction because they are intended to focus the attention of the Government of South Africa on the need to be more receptive to the desire for equality by the black majority. That Government has responded positively to economic pressure in the past, and the incentives provided in this bill will, I hope, result in a similar response.

Mr. Chairman, H.R. 1460 is a most important piece of human rights legislation. I urge my colleagues not to pass up this opportunity to encourage real change in South Africa. It is essential that Congress demonstrate its revulsion with the practice of apartheid, and the strong desire of the people of the United States to see that practice ended. I believe H.R. 1460 can contribute to that result, and I urge its adoption.●

● Mr. AuCOIN. Mr. Chairman, I rise in strong support of H.R. 1460, the Anti-Apartheid Act of 1985, and commend Congressmen GRAY and WOLPE for their work in making this bill a reality.

I regret that this legislation is needed. However, it is clear that Congress must act to fill the void in U.S. policy toward South Africa. The administration's policy of constructive engagement—the use of quiet diplomacy to dismantle the apartheid system in South Africa—has been an abysmal failure. Quiet diplomacy has meant silence on the moral issues that so violently divide South Africa.

It is time for the United States to take a strong, clear stand against apartheid; a system of institutionalized racism that is morally repugnant to the values of every American.

Just what does apartheid mean? It means that 3½ million blacks and coloreds have been forced from their homes into a system of barren homelands in South Africa. It means that the South African police have wide latitude to search and detain blacks without having to show cause, and that public meetings of black opposition groups are outlawed. Apartheid means that the South African Government spends seven times as much to educate a white child as a black child, and that a black child has little chance to find a decent job once he finishes his schooling. It means that the infant mortality rate among black children is 14 times that of whites. Apartheid means that calls for peaceful change, such as divestment, are

treasonous acts punishable by prison sentence.

Unfortunately, the United States has limited ability to change internal polices in South Africa. The South African Government does not receive U.S. aid. There are no military or other agreements that bind South Africa to the United States. But with the economic problems facing South Africa right now, economic sanctions have a chance of working some change. The legislation we consider today is one responsible step in this direction. By preventing new investment, but not disinvesting entirely, we leave ourselves more latitude in the future.

We obviously have much farther to go. U.S. firms in South Africa must go beyond the Sullivan fair employment principles and take an active role in working to change the apartheid structure.

The administration has got to stop talking about its hope for progress and start realistically working for change. As we continue to talk, blacks in South Africa continue to die—over 500 at the hands of the South African security forces in the past 6 months.

By passing this legislation, we show that the United States is not deaf to the cries for help and the demands for change by South Africans. I urge my colleagues to support this bill.●

● Mr. FASCELL. Mr. Chairman, I rise in support of H.R. 1460. I would like to commend the chairman of the Subcommittee on Africa [Mr. WOLPE] and the chief sponsors of the bill, particularly Mr. GRAY and Mr. SOLARZ, for the leadership and determination they have provided over the several years it has taken to shape this legislation. Nearly identical legislation passed the House during the 98th Congress. The need for this legislation was evident at that time, and the present need is even more evident.

The current U.S. policy of using only negotiations with the South African Government to bring about change in that country has not worked—in truth, the situation has deteriorated since this House voted in 1983 to impose limited economic sanctions upon South Africa.

Since that vote, the level of violence has soared, detentions without trial of blacks has increased, and suppression of those advocating peaceful change has risen.

The news media carries daily reports of continuing violent confrontation between blacks seeking political and humanitarian rights and the forces of the South African Government. I believe there can be no doubt that the cause of this violence lies in the system of apartheid, a system which maintains 23 million blacks, the overwhelming majority in South Africa, as outcasts in their own land.

Mr. Chairman, this legislation offers the House an opportunity to express its commitment to justice and equality throughout the world. Negotiations to end apartheid have not worked. It is time for this country to do more. Imposing the modest economic sanctions contained in H.R. 1460 will leave no doubt as to the position of our country on this great moral issue and will, I believe, assist in bringing equal rights to all the citizens of South Africa, black and white.

I urge all Members to vote in favor of this legislation.●

● Mr. COYNE. Mr. Chairman, I rise in strong support of the Anti-Apartheid Act of 1985.

The House should act swiftly and affirmatively on this measure in view of the failure of the administration's constructive engagement policy with the repressive Government of South Africa.

Let us consider the results of constructive engagement.

Since September of last year, more than 300 people have been killed. Most of them lost their lives as a result of anti-apartheid protests in black townships.

At least 21 union leaders are now in preventive detention.

More than 1,100 were detained without charges under South Africa's security laws last year. This is more than at any time since 1976 to 1977, the period of the Soweto uprising.

Congress must respond. Failure to do so would be seen as silent consent to the South African Government's reprehensible policies.

The Anti-Apartheid Act of 1985 is an appropriate response in such circumstance. Through the application of selective economic sanctions, the measure reflects, in policy as well as words the opposition of the American people to apartheid.

First, it would ban loans to the South African Government. This makes it more difficult for the Government to finance its military budget, its trade deficit, and other budget needs.

Second, U.S. investment in new enterprises would be halted. Since 1982, there have been at least 11 U.S.-financed enterprise established in South Africa. This restriction would restrict that occurence.

Third, the measure would halt the importation of South African kruggerand coins to the United States. This sanction would have an immediate effect since the United States accounts for half the market for these gold coins.

Fourth, the Anti-Apartheid Act of 1985 would end the sale of American computer, computer software, or goods and technology intended to service computers used by the South African Government. U.S.-controlled firms make up about 70 percent of the computer market in South Africa. Computers can be used by the Government and the police to enforce the repressive racial laws.

Mr. Chairman, 6 States, 24 cities, and 40 universities have moved to divest themselves of more than $1.5 billion in South Africa-related holdings, included stocks and securities. I am pleased to report that the board of public education of the school district of Pittsburgh approved last month a divestment resolution on South African investments and contracts. The board noted that the South African Government was diametrically opposed to the principles of equal opportunity and equal treatment for all citizens, a view that I share.

The House now has an opportunity to vote on its own divestment resolution. I urge a yes vote on the Anti-Apartheid Act of 1985.

At this point, I would like to include in the RECORD a copy of the resolution approved by the Pittsburgh Board of Public Education.

[The material follows:]

PITTSBURGH BOARD OF PUBLIC EDUCATION RESOLUTION OPPOSING APARTHEID

Whereas the Board of Public Education of the School District of Pittsburgh, as the governing body of the second largest school district within the Commonwealth of Pennsylvania, is required by law to support, obey and defend the Constitution of the United States and the Constitution of Pennsylvania; and,

Whereas both of these constitutions provide, among other things, for equal opportunity and equal treatment for all persons covered by those constitutions; and,

Whereas the philosophy and practices of apartheid, as implemented by the respective governments of South Africa and Namibia (South West Africa) and their respective instrumentalities is diametrically opposed to the principles of equal opportunity for and equal treatment of the citizens of those countries; and,

Whereas the Board of School Directors condemns both the philosophy and the practices of apartheid and desires to adopt a policy that will demonstrate its opposition to this philosophy. Now, therefore, be it

Resolved, That the Board directs its appropriate officers to implement the following policy as it pertains to both the Republics of South Africa and Namibia and their respective instrumentalities:

(1) Investments—No funds of the School District of Pittsburgh shall be invested in or remain invested in the stocks, securities or other obligations of either the Republic of South Africa or Namibia or any of their instrumentalities. Neither shall any School District fund be invested or remain invested in any financial or investment institution which has investments in the stocks, securities, or other obligations of the aforementioned governments.

(2) Contracts—No contracts of any kind shall be entered into with any individual, business organization or professional association which has any contractual agreements for providing goods or services to the governments of South Africa or Namibia or their respective instrumentalities.

Any individual, business organization or professional association desiring to transact business with the School District of Pittsburgh shall be required to set forth in writing that he, she or it does not provide goods or services to the governments aforementioned. Failure to comply with this requirement shall render this individual, business organization, or professional organization ineligible to contract business with the School District.

(3) The prohibitions in the resolution can be waived if they are:

(1) Inconsistent with existing laws;

(2) Inconsistent with the other obligations of current contractual relationships;

(3) Would constitute undue financial burden on the School District

(4) No other source of supply exists.

Such waiver shall be granted only by the Board.

Passed April 24, 1985.●

● Mr. **BROWN** of California. Mr. Chairman, I rise in support of the Anti-Apartheid Act (H.R. 1460), which sends a firm message to the South African Government that racism by custom, practice or tradition is unacceptable. Racism under color of law is intolerable.

Racism is not unique to South Africa, for I know of no society that can cast the first stone, even our society. But the Government of South Africa is singular in establishing a legal framework to preserve and advance the objective of apartheid. The Anti-Apartheid Act would bear witness that such a society, acting under color of law, is not welcomed here in the United States.

Critics against economic sanctions argue that constructive engagement will bring about a peaceful change and the elimination of apartheid in South Africa. They point to recent changes, such as permitting Asians and coloreds to be represented in Parliament and proposals to scrap the Mixed Marriages Act and the Immorality Act, and proudly boast that this is proof that the South African Government is changing in its attitude toward blacks. However, they fail to see that these are purely cosmetic changes at best, and that these changes have nothing to do with the fact that the plight of South Africa's 22 million blacks has not been eased.

The facts show that internal repression has escalated dramatically over the last 4 years: controls limiting black access to white areas have been strengthened; arrests for pass law violators have more than doubled; fines for employers hiring illegal black workers have increased tenfold; and over 9 million blacks will lose their South African citizenship by 1986 as part of the Government's racist homeland policies.

Critics also argue that those most affected by the loss of the American business presence will be the black South Africans. These claims are unfounded. The effects on employment will be minimal, because this bill would permit U.S. businesses to reinvest their earnings and to continue their operations in South Africa. Moreover, only about 1 percent of South Africa's black work force is employed by U.S. firms.

Black South Africans have made it clear that even if sanctions create hardship for them in the short run, they are willing to bear that burden to achieve political and economic freedom in the long run. As Sally Motlana, vice president of the South African Council of Churches has said, "We don't want our chains made comfortable. We want them removed." Likewise, Nobel Peace Prize winner Bishop Desmond Tutu has given his support to economic pressure on the South African Government by calling for total divestment if apartheid is not eliminated within 18 to 24 months.

The Reagan administration contends that sanctions do not work. This statement is clearly contradictory since the United States has used such sanctions in the past—against Rhodesia, Uganda, Cuba—to name a few—and most recently Nicaragua—to encourage change in the behavior of foreign governments and to underscore U.S. opposition to these regimes. The sanctions in this bill would in no way eliminate American leverage in South Africa, rather it will provide incentives for real reforms. Active opposition to apartheid is in the best interest of the United States, South Africa and the world, for it is only a matter of time before South Africa's black majority will assume power. Bishop Tutu has said:

> We will be free whatever anybody does or does not do about it. We are concerned only about how and when. It should be soon, and we want it reasonably peaceful. When we are free, South Africa still will be of strategic importance, her natural resources still will be of strategic significance, and we will remember who helped us to get free.

Let's make sure that the United States' Government adheres to its own ideals and stands firm against the system of apartheid by supporting the Anti-Apartheid Act.●

● Mr. **GARCIA**. Mr. Chairman, I rise in support of H.R. 1460, the Anti-Apartheid Act. As an original copsonsor of this bill, and as an ardent opponent of apartheid, I urge my colleagues to also support this most worthy legislation. It is a well balanced proposal that addresses the inherent flaws within our policy toward South Africa.

This is a constructive policy. It is not overly restrictive. With this bill we are, nonetheless, sending a definite signal to the Government of South Africa, telling them that we cannot do business with a government that treats its majority community in such an unspeakable manner. We are not merely talking about political rights here; we are talking about human dignity.

The major provisions of this bill:

First, that it would prohibit any new loans or credits to the government of South Africa; second, that it prohibits the importation of krugerrands; third, that it prohibits new investments; fourth, that it prohibits the sale of computer technology; and are not at all unreasonable, particularly considering the Government we are dealing with.

This is not a racial issue. It is a moral outrage, to think that we in any way lend support, directly or indirectly, to the Government of South Africa. There are over 25 million nonwhites living in South Africa who are systematically being deprived of their rights by a white minority of less than 5 million people.

This is not a question of civil rights. There is not a question of separate but equal under apartheid. All nonwhites are inherently unequal under that system. It degrades all human beings: black, brown, and white. It does not allow people to interact with one another. It fosters hatred and despair.

It is important that this issue not get lost in the shuffle of current events. It must remain an important item on our foreign policy agenda, and H.R. 1460 is the vehicle that will insure that it does not get lost in the shuffle of vague promises and certifications. We cannot legislate morality. We cannot force the South African Government to end apartheid. What we can do, however, is insure that the costs of maintaining this most abhorrent system remains high. Passing H.R. 1460 is a step in the fight to bring down apartheid. I urge my colleagues to support it.●

● Mr. **MINETA**. Mr. Chairman, I rise in support of the strongest possible sanctions to be taken against the government of South Africa. The American people can no longer economically and politically support the policy of apartheid. Past administrations have tried to effect change in South Africa through dialog. They have condemned, cajoled, reasoned, and pleaded with the Pretoria government to change their policies of denying rights, basic human rights, to the black population of their country. These attempts have not come to much in the way of removing apartheid.

The present administration has taken a course called constructive engagement—a policy based on the belief that private pressures will go farther in coaxing Pretoria to give up apartheid, than public outrage and public pressures. What has 4 years of this so-called constructive engagement brought? I believe there is a consensus in this country that the situation has gone from bad to worse for blacks in South Africa.

Basic human rights are still being denied to South African blacks. In

their own country, South African blacks cannot vote; they must carry passes at all times; they cannot own property in areas that amount to 87 percent of the country because those lands are reserved for whites; they are barred from making economic progress; and millions have been stripped of their citizenship under the devious homelands policy.

In addition, brutal police state actions seem to have increased, not decreased, during this phase of constructive engagement policy. In retaliation to political activism by the blacks, the South African Government has cracked down with brutality, with the shooting of demonstrators, arresting of thousands, restricting or banning of previously legal political groups, and killing many who were held in police custody.

Constructive engagement has been tried and can now be set aside as a failed policy. The well-publicized reforms of the Government of South Africa—the repealing of the ban on interracial marriage, for instance—makes mockery of our Government's present policy toward the Pretoria regime. Does our administration and South African President Mr. Botha expect us to believe that these cosmetic concessions are the harbingers of sweeping reforms to come? Should black South Africans take heart, that at last, close at hand is a plan for dismantling apartheid?

Who does the administration and Mr. Botha think they are deceiving? Certainly not the South African blacks, certainly not the American people, and I hope certainly not this Congress. The South African Government has given no indication that they are seriously considering sharing power with the black majority. We have had enough of the endless talk of reforms that constructive engagement was to have brought.

Mr. Chairman, it is time for a change in the policy of the United States toward South Africa.

I ask that economic and political sanctions be taken against the South African Government. There are those who say that sanctions are not the right way to encourage change in South Africa. Yet, those who say that give us no viable alternatives, only rhetoric, and a string of failed policies. We are not saying that our Government can, or that sanctions can, reorder the system in South Africa. But we are saying that sanctions will go a lot farther in pressing for a change in the racist policies than more political rhetoric.

I am outraged by those that accuse proponents of sanctions of merely seeking a moral highground, or picking only on South Africa. The fact of the matter is that we are involved with a government, in a way that we politically, economically, and morally support their apartheid policies. This involvement brings us to bear a serious responsibility. The question before us is whether we can accept that responsibility and act responsibly today. Will this body continue to be passive bystanders as the administration continues their near tacit approval of apartheid?

The hour is late, but not too late. If we do not act now, we may lose an opportunity to actively participate in bringing about an end to apartheid. I ask my colleagues not to remain silent, not to obfuscate the issue, not to drag their feet, but to take a strong stand that we can no longer continue to do business as usual with a government that upholds racism as an official policy.

The time for pure rhetoric has passed. We must live up to, not just speak of, our democratic ideals in our domestic as well as international policies. I urge my colleagues to extend their support for the strongest sanctions, and therefore, the strongest signals, to show that we will no longer tolerate as a close ally, a government that institutes the policy of apartheid. Thank you.●

● Mr. **TOWNS**. Mr. Chairman, I want to voice my wholehearted support for H.R. 1460, the Anti-Apartheid Act of 1985. This legislation, which has broad bipartisan support, gives the Congress an opportunity to stand firm in its opposition to the system of apartheid in South Africa.

The Reagan administration's current policy of constructive engagement has only strengthened the hand of hardliners in the South African Government who are opposed to changes which can only lead to a violent confrontation between blacks and whites in that country. Active opposition to apartheid, however, is the appropriate posture for a nation, such as ours, that prides itself on freedom and justice for all regardless of race, creed, or national origin. Constructive engagement merely aids the repression and discrimination of the South African Government, aligning the United States with a racist regime.

H.R. 1460 imposes four economic sanctions of South Africa. These sanctions are a reasonable response to ending our complicity with the system of apartheid. The sanctions involve a ban on loans to the South African Government; a ban on any new investment in South Africa; a ban on the importation of South African krugerrands; and a ban on the sale of computers to the South African Goverment.

It is time for Americans to stand up for justice and freedom for all the people of South Africa not just a small minority who obtained their position solely on the basis of race. The realities of this system are abundantly clear when 85 percent of the population is denied basic political rights and South Africa's black workers earn less than one-third of the wage paid to white workers. Workers who have protested these inequitable conditions have been beaten, jailed, and often killed.

H.R. 1460 is the last peaceful tool available to bring pressure of the South African Government to end its policy of apartheid. Last year, the House agreed to an amendment to the Export Administration Act which prohibited loans to the South African Government. The Senate opposed this provision in conference. With renewed violence in South Africa, particularly the recent deaths of union leaders and peaceful protesters, it is clear to me that greater sanctions are needed than those proposed in the Export Administration Act. I urge my colleagues to lend their support to H.R. 1460, without weakening amendments. We will be judged in history as to whether we stood on the side of justice and freedom for the people of South Africa. I hope that we will be on the right side of history, today, by supporting H.R. 1460.●

● Mr. **FEIGHAN**. Mr. Chairman, we have in recent weeks been dramatically reminded of the horrors that man can perpetrate against man. The 40th anniversary of the end of the Second World War gives us an opportunity to remember the savagery and sorrow and to rejoice in the victory of freedom over the bonds of repression and deadly prejudice. We can rejoice in the freedoms we and our allies fought to protect; but even as we celebrate that victory, we are burdened by our involvement in repression that has had no respite.

In South Africa, the shameless brutality of apartheid continues unabated. Millions of blacks have been deprived of citizenship, deprived of their homes, and shipped en masse to desolate outposts called homelands. Innocents are killed as tension leads inevitably to violent confrontation. In this country and around the world the call has gone out to condemn this systematic repression, and still we do not act.

Constructive engagement, Mr. Chairman, is a fancy title for a hands-off policy. It is neither constructive nor instructive to continue underwriting a government of the minority whose legal code prescribes the subjugation of the majority. What's more, our active involvement in that system strengthens its hand by supporting the means to power.

The Anti-Apartheid Act comes to grips with the problems and the potential of U.S. involvement in South Africa. The sanctions it imposes—on new investment, on loans to the Government, on the importation of the krugerand, and on the sale of computer technology—will have a demonstrable impact on the South African regime without unduly burdening U.S. interests and without harming the black South African population. U.S. businesses will be able to reinvest their earnings; loans agreed to before the legislation is enacted will be honored, and existing investments will not be affected. Those U.S. companies urging reforms within South Africa can and should continue to do so.

The sanctions, however, are strong. It would prohibit loans to the Government of South Africa, a policy adopted already by 26 of our largest banks. It would prohibit new investment in South African businesses; the U.S. currently has holdings of $2.3 billion in South Africa. The bill would prohibit the importation of the South African krugerand, a business that now underwrites the Government at more than $600 million a year and comprises half of all their krugerand sales. Finally, the bill would restrict computer sales, now 70 percent of South Africa's computer business.

There are important conditions placed on these sanctions which provide significant incentives for change. Loans to the South African Government would be allowed if the funds are used for educational, housing, or health facilities available to all South Africans on a nondiscriminatory basis. Computer technology donated to schools would be allowed. Moreover, the prohibitions on new investment and the importation of krugerands can be waived by the President for up to 4½ years if the South African Government meets certain conditions in the bill demonstrating progress in eliminating apartheid.

It is time to replace constructive engagement with constructive policy. If our repudiation of apartheid is to carry weight, we must not continue to belie our words with our actions. This bill is sound policy, putting teeth in our calls for reform and providing active incentives for change. I commend the hard work of my colleague, Mr. GRAY, and urge unanimous support for this act.●

● Ms. MIKULSKI. Mr. Speaker, I join with many of my colleagues in support of the Anti-Apartheid Act of 1985 (H.R. 1460).

Over the past year and a half, over 400 black South Africans have been killed, many while in police custody; a massive crackdown by the South African Government resulted in over 24,000 arrests in 1 month; the leaders of the black labor movement were thrown in jail without charge or trial; thousands of black South Africans have had their homes bulldozed and have been forcibly removed to distant homelands.

Apartheid is a disgrace to civilized society. Wtih each year of American inaction, conditions in South Africa get worse. Bishop Desmond Tutu and other black South African leaders continuously beseech the United States to send a meaningful signal of concern to the Government of South Africa.

H.R. 1460 is such a signal. It is an important first step toward bringing substantial pressure to bear on the South African Government to change its racist policies. It would prohibit new American investment in South Africa and new American bank loans to the South African public sector. It would also ban the sale of the South African gold coin, the krugerrand, in the United States and ban American computer sales to the South African public sector.

This week, many concerned citizens from my home State of Maryland will demonstrate their opposition to apartheid in front of the South African Embassy. Their determined effort to take action against apartheid is reflected throughout the world by the many speeches, resolutions, and statements we hear of from countless world forums.

We now have the opportunity—the responsibility to act. The Anti-Apartheid Act demonstrates our moral outrage and continued resolve to oppose apartheid in all of its forms. We must act now. I strongly support the Anti-Apartheid Act.●

● Mr. WIRTH. Mr. Chairman, I rise in strong support of H.R. 1460, the Anti-Apartheid Act of 1985.

It is time for the white minority government of South Africa to relinquish power to a democratic regime with full political rights for the blacks who make up the vast majority of the country's population. And it is certainly time for the Congress to legislatively encourage such a development.

The death tolls, the economic disruptions and the social chaos in South Africa's urban and rural areas are mounting rapidly and show no signs of abating. The artificially contrived apartheid regime is unravelling, a fact that is clear even to the system's supporters.

The question now is: will the white minority support an orderly transition to government based on democratic choice and the right of self-determination or will it maintain its siege mentality and resist change until the conflict degenerates into a bloody racial war? And just as importantly, from our perspective, what will our Government's role be in shaping the transition?

The answer to the first question is crystal clear. The Afrikaaner government should no longer control the black majority through oppression and must effect a prompt transition to democratic rule open to all people within South Africa's borders—and that includes the so-called independent homelands, such as Transkei and Bophuthatswana.

Of course, the Afrikaaner government would counter that such a transfer will undoubtedly lead to a countrywide breakdown of order. That breakdown, however, is already occurring. The growing aspirations of South African blacks, coloreds, and Indians are meeting the increased oppression of the Afrikaaner government with volatile results—and this volatility is spreading throughout the country like wildfire. Not only is there political unrest in townships like Soweto, but also in the rural areas, where open opposition to apartheid was previously sporadic and unorganized.

The white minority government can only respond by magnifying its oppressive policies authorized under the rule of apartheid. Those policies include murder, as the continued killing of black protesters throughout the country tragically demonstrates. These policies rely on the detention and torture of the system's opponents, as well as the strict control of internal movements by blacks under the pass laws and laws requiring the forced removal of black indigents from their ancestral homelands. Reports from independent human rights groups indicate that the intensity of the white regime's violent assault on the opponents of apartheid, and even those innocents caught in the conflict, is on the increase.

But that assault is not deterring the opponents of apartheid from continuing their just crusade. One example among many was the funeral march, less than 2 months ago, for 19 blacks murdered in Uitenhage on the 25th anniversary of the Sharpesville demonstrations and massacre—the march numbered 60,000 people. And it was led by men—Bishop Desmond Tutu and Rev. Allen Boesak—who can effect the peaceful transition which the minority government ostensibly desires. These men—these peaceful advocates of a prompt and nonviolent change in the way South Africa is governed—may well offer the last best hope for peace. I am convinced that if the Afrikaaner government continues to resist change, violence will soon be seen by blacks as the only route to independence, and Bishop Tutu and Reverend Boesak will be cast aside in favor of less experienced and perhaps less stable rebels.

Given these conditions, it becomes clear what the U.S. role in shaping the transition should be. Through carefully managed economic sanctions, the United States must push the Afrikaaner government to open the democratic process to all peoples of South Africa, as expeditiously as possible. For years, I have fought with many of my colleagues for tough economic sanctions against South Africa. Now, for the first time, see the possibility that such sanctions may be approved by the Congress—156 of us in the

House have cosponsored legislation that would ban new U.S. investment in South Africa, bank loans to the Afrikaaner government, the import of Krugerrands, and the export of computer equipment and software to South Africa. This legislation, which is also drawing considerable support in the other body, would not completely undercut the South African economy, but it would send a powerful signal to the South African Government and white community that the United States, its one perceived ally, will no longer tolerate footdragging on the abolition of apartheid.

The administration has asked us to be patient with its policy of constructive engagement that relies on quiet diplomacy to achieve social and political change in South Africa. Yet we cannot afford to remain quiet while South African riot police shoot down blacks who rightly protest a system that denies them basis civil rights and degrades them because of their racial inheritance. We cannot remain silent so long as blacks, coloreds, and Indians are deprived of their right to self-determination through open democratic rule.

Instead, we must act forcefully to dissociate ourselves from the Afrikaaner government and its system of apartheid. The opportunity exists—now and perhaps only now—to help the black majority in South Africa throw off the shackles of apartheid and engage in a peaceful transition to open democratic rule.

I urge my colleagues to vote for H.R. 1460, and against any amendments or substitutes that would dilute our efforts to hasten the demise of apartheid.●

Mr. WOLPE. Mr Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Under the rule, the gentleman from Maryland [Mr. MITCHELL] will be recognized for 30 minutes and the gentleman from Ohio [Mr. WYLIE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Maryland [Mr. MITCHELL].

Mr. MITCHELL. Mr. Chairman, I yield 5 minutes to the gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Chairman, I rise in support of H.R. 1460, the Anti-Apartheid Act of 1985.

The significance of our consideration of this legislation today lies in the fact that in America, we've known racism and oppression.

We've known slavery and black codes; we've known Jim Crow, back of the bus, and Bull Connors, with his fire hoses and dogs. In America, we've known racism and oppression.

But racism and oppression rear their ugly heads most stridently in South Africa where 90 percent of the land and 70 percent of the income has been grabbed by a white minority, who has relegated 80 percent of the population to second class, impoverished status, simply because they are black.

Apartheid—modern day, institutionalized racism and oppression—is reflected in passbook laws, a system wherein passes are required of blacks for movement, and without these passes, they are fined or jailed. Apartheid is reflected in resettlement camps—dirty, filthy, inhumane camps for blacks, with high infant mortality rates. Apartheid is the South African Government uprooting families through forced relocations and denationalization. It is migratory labor, separating black families for nearly a year to insure cheap labor for white communities. Apartheid is reflected in homelands, modern day reservations of barren, rural wasteland. And under the system of apartheid, blacks have no say in the government that rules them—they are not allowed to vote.

Most disturbingly, apartheid is reflected in the arrest and jailing of blacks without any semblance of due process. It is reflected in unbridled, unmitigated violence, perpetrated by the Government of South Africa. In recent months, more than 400 black South Africans have been killed, far too many of them having died while in police custody.

I believe world opinion will no longer tolerate the system of apartheid. I have been encouraged by growing opposition to the policies of the South African Government and to our Government's policy of "constructive engagement."

H.R. 1460 is a consensus initiative worthy of the support of this body. It is practical enough to stand a fighting chance of passage in the Senate, yet it is firm enough to send a clear, strong message to the Government of South Africa.

Early in this Congress, I introduced H.R. 1098, the South African Human Rights and Conditionality Act of 1985. Two key concepts are incorporated in H.R. 1460 that are important features of my bill, H.R. 1098.

The first concept may be referred to as conditionality or the Tutu principles. It reflects the recommendation by Bishop Desmond Tutu that the South African Government be given a time certain to make fundamental change in its system or face stiff sanctions. As we shape a law for new U.S. policy in South Africa, I believe it is very important that we listen carefully to those who are suffering under the thumb of apartheid. We have met Bishop Tutu's recommendation by providing for waiver of the restrictions on new investments and the ban on importation of Krugerrands if the President certifies that the South African Government has met one or more of certain conditions and if Congress passes a joint resolution agreeing with the President. Further waivers are allowed under the same process as more conditions are met.

The second concept seeks to encourage other nations to join the effort to end apartheid. At section 10 of H.R. 1460, we direct the President to attempt, by negotiations, to persuade these nations to adopt a program of restrictions comparable to ours. This provision is vital because if a U.S. firm voluntarily acts against apartheid, as the Chrysler Corp. recently did, or if a U.S. firm conforms to the provisions of H.R. 1460 once it becomes law, a foreign firm should not be freely allowed to step into that open market, exploit cheap labor, and assume an unfair competitive advantage.

There is another provision taken from H.R. 1098, which is embodied in H.R. 1460. At section 12, subsection 10, the term "political prisoner" is defined. The definition is drawn from the Refugee Act of 1980. Persecution and incarceration of political prisoners in South Africa is a major problem. This subsection is designed to help free persons like Nelson Mandela, without countenancing terrorism.

By passing H.R. 1460 today, we can begin to move our Nation to the high ground of principle by insuring that the moral and economic influence of the United States is felt in South Africa. The administration seems to be wedded to its policy of constructive engagement. It will take leadership from the Congress to put this Nation on the right track.

Mr. Chairman and my colleagues in the House of Representatives, as most of you know, it was 6 months ago this very day that I, Randall Robinson of TransAfrica, and Dr. Mary F. Berry of the U.S. Civil Rights Commission launched the Free South Africa Movement. That movement has grown to embrace a new coalition of conscience in our Nation that now includes Democrats and Republicans, students and senior citizens and women, blacks, whites, Hispanics, Asian Americans, native Americans, union members, Protestants, Catholics, Jews, Muslims, and gentile alike; all of whom want America to do her part to halt the South African regime's blind march to tragedy, bloodshed, and violence, and move up the road toward national reconciliation and dialog that will end the most vicious system of racist repression the world has seen since Nazi Germany.

The Republic of South Africa, with its racist system of apartheid, is the only place on the face of the globe where racism is enshrined in law. By law, in South Africa, the color of one's skin determines whether a person can own property, where he may live, where he may work, and whether he can vote. In South Africa 22.3 million people, 73 percent of the population, are brutally denied their basic human rights, simply because their skin is black. Apartheid is a system of rigid social segregation, and vicious political domination that is a moral outrage to people of conscience and human decency across this Nation and around the world.

Members of our House Banking, Finance and Urban Affairs Committee are strongly supportive of H.R. 1460 because our jurisdiction makes us keenly aware of the extent to which apartheid is, at heart, a labor control system that is built upon cheap labor and foreign investment.

Because black South Africans are forced to work in mines for an average wage of $175 a month, the average return on investment in a mine in South Africa is 25 percent, while around the world the average return is only 13.7 percent. Because black South Africans are forced to work in factories for an average wage of $232 a month, the average return on an investment in a factory in South Africa is 18.7 percent, while around the world the average return is only 12.6 percent.

It is little wonder then that American banks, corporations, and individuals have invested $14.5 billion in this slave labor system which apartheid maintains for investors around the world. The Federal Reserve Board reports, that as of June 1983, U.S. banks had invested $3.8 billion in direct loans to the South African Government and businesses. Both the Survey of Current Business and Nation magazines reported in September 1983 that American corporations had direct investments of $2.6 billion in businesses and industries that they operate in South Africa. And, American citizens had $8 billion invested on the Johannesburg Stock Exchange.

While the slave labor wages in South Africa offer American banks, corporations, and stock purchasers a higher return on their investments, they profit at the expense of American workers who have lost their jobs to the slave labor system in South Africa. Take the steel industry, for example. Steel production in this country has gone down 50 percent in the last 10 years with the loss of 700,000 jobs for American workers. Over the same period South African exports of steel to the United States has gone up 5,000 percent. Why? Because financial institutions like Chase Manhattan, CitiCorp, Continental Illinois, Kidder Peabody, First Boston, Merrill Lynch, Smith Barney, Manufacturers Hanover, and Morgan Guarantee Trust have invested hundreds of millions of dollars in ISCOR, the Government owned and subsidized Iron & Steel Corp. of South Africa.

Jobs that left Gary, IN, and Youngstown, OH; Pittsburgh, Homestead, and Johnston, PA opened up in South Africa.

This fact was brought home to me dramatically last December when I traveled to Mobile, AL, to open the Free South Africa Movement in that port city on the Gulf of Mexico. None other than Gov. George C. Wallace of Alabama sent an emissary to my press conference to announce that he was making me a lieutenant colonel in the Alabama State Militia, and that he supports the Free South Africa Movement. Why? Because apartheid in South Africa takes jobs from Alabama steel workers. Ship builders import steel from South Africa to make ships in Mobile while up the road in Birmingham steel mills are laying off workers, and the KKK is outside the gates greeting the white workers who come out with their pink slips telling them that they lost their jobs to government programs of affirmative action. George Wallace was saying "no, that's not the problem! The problem, in part, is that those who used to invest in United States Steel and Bethlehem Steel are now investing in ISCOR and its slave labor market in South Africa." George Wallace supports the Free South Africa Movement.

In Chicago a few years ago, they were building a State office building with steel beams imported from South Africa, at the same time that United States Steel's Southworks Plant in Chicago, which makes the same kind of steel beams, had laid off steelworkers by the thousands. To add insult to injury, steelworkers had their savings in the Continental Illinois Bank, which was investing millions of dollars of their money in ISCOR to help this vicious system of apartheid in South Africa eliminate their jobs.

Mr. Chairman, the American people are getting fed up with apartheid, not only because of its system of social segregation and political domination that is a moral outrage, but also because it is beginning to hit us where it hurts the most: Jobs for our people.

H.R. 1460 gives us an opportunity to help do our part in dismantling this system of labor control that feeds on cheap labor and foreign investment. We are not asking for military aid to South African freedom fighters to overthrow their Government. H.R. 1460 does not force American firms and individuals to divest themselves of their holdings in South Africa. We do not wish to destroy South Africa; we want to redeem her. H.R. 1460 merely bans all new investments by American banks, firms, and individuals.

We ask your votes for H.R. 1460 today. For what we have here is primarily a moral issue. It cannot be assuaged by pious declarations that apartheid is repugnant. It cannot be left to this administration's policies of constructive engagement. It cannot be quieted by half measures that amount to little more than token moves and talk. It is time to act—in the Congress, in our State and local legislative bodies and, above all, in all of our daily investment practices.

We ask the House of Representatives today to act, to make a commitment to human rights and justice in our relations with South Africa that we have not fully made in this century. We ask you to ban all new investments by American institutions and citizens in South Africa. We ask you to ban the sale of the Krugerrand, and the sale of computers to the South African Government until the Republic of South Africa takes steps to dismantle this system of social segregation and political domination, for the purpose of economic exploitation.

An old English Methodist minister in the 18th century put it best:

> On some issues—cowardice asks the question, is it safe? And vanity asks the question is it popular? Expediency asks the question is it politic? But conscience asks the question is it right?

I ask you to vote for H.R. 1460 not because it is safe, or popular or politic to do so, but because conscience tells you that it is right.

☐ 1650

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to express my general support for the thrust of H.R. 1460, the Anti-Apartheid Act of 1985, which calls for a ban on new loans or credits to the Government of South Africa, a prohibition on new investments including bank loans in South African businesses, and a ban on the import of Krugerrands.

I would point out that all of the sanctions would terminate if apartheid is dismantled. I would, also, point out to my Republican colleagues that the prohibitions on new investment and Krugerrand imports could be waived by the President if he determines that South Africa is abandoning its apartheid policies.

I think H.R. 1460 is reflective of grassroots political activity going on in our county seats, State capitals, and boardrooms across the country. Eleven city governments and five State governments have passed legislation totally or partially pulling public funds out of corporations and banks doing business with South Africa. In my State of Ohio, for example, city councils in Cincinnati and Youngstown have passed ordinances divesting their municipalities of investments in South Africa. Last fall a majority of the Ohio Senate voted for a similar disinvestment plan, but the bill fell one vote short of the necessary two-thirds majority. The board of trustees of Ohio State University located in my district, has a disinvestment petition pending

before the faculty committee and is expected to make a decision on the issue in the near future.

I am well aware that the provisions in this bill is not likely to threaten the banking or economic system in South Africa or, for that matter, prevent other countries' banks from replacing United States banks as lenders. It is also true that other countries such as Japan, the United Kingdom, and the Federal Republic of Germany have significant commercial interests in South Africa and their firms could quickly fill gaps left by departing United States firms.

Furthermore, in the face of international sanctions on its arms and oil imports, the regime in Pretoria has shown a remarkable ability to substitute indigenous domestic production for foreign goods. Despite OPEC sanctions, South Africa is self-sufficient for four-fifths of its energy needs and its growing domestic arms industry has turned the country into a substantial net arms exporter.

Why then do I support legislation which may well have no more than symbolic value and which is not supported by this administration?

The answer has to do with the nature of South African society and the officially sanctioned discrimination inherent in the system of apartheid and is not intended to suggest a failure of the constructive engagement policy. As far as I know, South Africa is the only country in the world where racism is institutionalized by law and openly defended by its government.

While I can claim no overriding expertise in this area of foreign policy, it is my understanding that a central goal of United States foreign policy in the region has been to encourage the South African Government to end apartheid and grant official political, economic and social rights to all of its people.

Without a doubt, changes are occurring within South Africa. Black labor unions have been legalized and in 1983 there was a reduction in the number of banning orders and some relaxation in the control over the black political leadership. With the implementation of a new constitution, South Africa did give a measure of political representation to the Coloureds and to Asians; but blacks are still excluded from any political representation.

On December 4 of last year, I joined 34 of my Republican colleagues in sending a letter to the South African Ambassador in Washington expressing grave concerns about the mounting violence in South Africa and the pernicious effects of apartheid on the long-term United States-South African relationship. In the letter to Ambassador Fourie, we noted that our goal was an immediate end to the violence in South Africa and a "demonstrated sense of urgency about ending apartheid."

Since December of last year, unrest and clashes in black areas with South African police have escalated. On February 18 and 19, approximately 12 people were killed and 195 were injured in clashes between police and demonstrators at the Crossroads squatter camp near Capetown.

On March 21 of this year, South African police killed 19 blacks when they opened fire on a funeral procession marching toward the city of Uitenhage.

As the violence escalates so does the rhetoric: In January, Prime Minister Pik Botha, made yet another speech promising changes in apartheid, but the reality is altogether different. The parliament and local governments allow no political participation by black Africans. Influx control and forced group area clearance continue as do practices of detention without trial and press censorship.

In short, the internal situation in South Africa has deteriorated over the past 5 months and our present policies do not seem to be bringing about the necessary reforms.

Enactment of this bill might not bring about reforms, but at least it will symbolically affirm the commitment of Congress that we have a sense of moral obligation to do everything possible to end the abhorrent racial policies of the Pretoria regime. It also leaves the door open for a Presidential waiver if and when significant changes are made in the apartheid system.

In my view the time has come to do more than just talk about the injustice of apartheid.

Mr. MITCHELL. Mr. Chairman, I yield 3 minutes to the gentleman from New Mexico [Mr. Richardson].

☐ 1700

Mr. RICHARDSON. Mr. Speaker, there is no more important human rights vote in the U.S. Congress than the one that will be taken today. There is no issue that deals with human rights and foreign policy that is more far-reaching and important. No vote.

This bill will not be equaled in the next decade in terms of the commitment of this body to racial equality, human rights, and freedom around the world.

This is an important bill because it would clearly demonstrate America's passionate commitment to racial equality, human rights, and nonviolent change. This bill would foster the friendly relations that are deeply needed between the American people and the black majority of South Africa.

It would further discourage the superpower rivalry that is being fostered by South Africa's expansionism and their racial repression.

What about this constructive engagement policy? The carrot policy that this administration has espoused so that South Africa becomes nicer has not worked. What has it brought? What have these positive South African votes at the United Nations produced? Nothing except regression. What have these many speeches of quiet diplomacy and constructive engagement brought? Nothing except perhaps worse conditions. Here is the U.S. record:

Failure to condemn South Africa's invasion of Angola in 1981. Failure to talk about repression. This is South Africa's response to the American carrot—controls limiting black Africans to access areas, to white areas, have been strengthened. Two more homelands, two more homelands since constructive engagement was announced. Urban black Africans have been further isolated. Only 18 percent of urban black Africans have any kind of educational and economic benefits compared to the rest of the population.

Since September, 300 have died in the townships of South Africa violently. Not jail, not torture, but massacred. Does this country want to stand behind the government that practices these kinds of policies? In my judgment, these sanctions are rather modest. In my judgment, these sanctions are a start, to signal to the world that this country does stand for what our Founding Fathers said: Democratic principles, human rights, peace, racial equality; voting for this bill is the least that we can do today.

There is no more important vote that we will have in this session and many other sessions for human rights and racial equality and civil rights than the vote we will take today.

Mr. WYLIE. Mr. Chairman, I yield 4 minutes to the gentleman from Connecticut [Mr. McKinney].

Mr. McKINNEY. Mr. Chairman, as an original cosponsor of H.R. 1460, I rise in strong support of the Anti-Apartheid Act of 1985. The author of this legislation, Representative William Gray, as well as the respective chairmen of the Committees on Foreign Affairs and Banking, Finance and Urban Affairs, Representatives Dante Fascell and Fernand St Germain should be commended for expeditiously bringing this legislation to the floor.

This measure has strong bipartisan support and warrants prompt approval by this House. This measure clearly is not a disinvestment bill, but in the same respect it sends an unambiguous message to the Republic of South Africa that this House finds the policies of apartheid repugnant.

The legislation establishes as U.S. policy the eradication of the institutionalized policies of apartheid. It does this by making four major changes in our Nation's economic relationship with the Pretoria-based South African Government. First, it prohibits U.S. banks from extending loans to the South African Government or any entity owned or controlled by the Government. Second, it bans new investment in South Africa by any person. Third, it outlaws the importation of Krugerrands. And finally, it prohibits the sale of computers or computer technology intended to service computers in South Africa.

I think most Americans have read the Declaration of Independence and would agree with Thomas Jefferson when he said:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.

Likewise, I believe that most Americans view apartheid as morally wrong.

Over the past 4 years the administration has practiced the policy of constructive engagement with the Pretoria Government. The objective of this policy is to increase communication between the United States and South Africa's Afrikaner elite, to reduce its isolation and persuade it to move toward reform. Advocates of constructive engagement believe that this strategy will create a framework wherein the United States can encourage internal reforms in South Africa. These proponents point to the new South African Constitution which permits limited political participation by South Africa's Indians and persons of mixed race.

Yet while the theory of constructive engagement appears viable, in practice, it has not produced the desired results. The new multiracial Parliament is a mere cosmetic change. Today, in South Africa 5.5 million whites still decide the fate of 21.6 million blacks. Given the slow pace at which constructive engagement is moving, further actions obviously are needed to jolt South Africa into the 20th century.

That is why I urge the House to adopt H.R. 1460 in its present form. It is a necessary step to show the international community, and most importantly, the Government of South Africa, that we will not tolerate or in any way assist the indefensible policies of apartheid.

Mr. MITCHELL. Mr. Chairman, I yield 4 minutes to the gentleman from Louisiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, I would like to make four quick points in favor of H.R. 1460, the Anti-Apartheid Act of 1985. I want to make these points because of criticism I've heard since introducing my own apartheid bill back in January. A bill tougher than H.R. 1460, I might add.

First of all, why South Africa? Are things really so terrible down there?

Well, I think the answer is a resounding "Yes." Apartheid is nothing but institutionalized racism that treats 22 million human beings like animals. The black majority in South Africa is denied the right to citizenship, the right to national political participation, the right to live and work where they choose, the right of free assembly. All basic human rights; all denied to black South Africans.

Forty years ago the world celebrated its victory over an evil system that judged people on the basis of religion and heritage. I think it's just as appropriate, four decades later, to speak out against a similar system that judges people on the color of their skin.

Second, why single out South Africa? Aren't there other countries just as guilty of human rights abuses?

Well, sure there are. That's why this country has imposed economic sanctions against them. Iran, Libya, Cambodia, East Germany, Vietnam, Syria, and some 12 other countries face various forms of U.S. sanctions right now. Imposing the economic sanctions outlined in H.R. 1460 would only be consistent with our policy toward several other nations. We surely aren't singling out South Africa.

Third, what about economic freedom? Wasn't America founded on economic freedom? Shouldn't American citizens be free to invest their money wherever they want?

A free marketplace is one of the cornerstones of this country. I'm a strong supporter of economic freedom and the market's wisdom.

But let's not confuse freedom with anarchy. Freedom has its limits; it comes with some responsibility.

For example, there's a 55-mph speed limit in this country. The motorist is not free to drive 90 miles an hour without suffering the consequences. Not everyone in America is free to vote in our elections; you must be at least 18 years old. The arms dealer is not free to sell to the terrorist of his choice; there are laws against that sort of thing.

Should we ship computers and high-tech equipment to Russia or some other adversary? Or should we set limits on that freedom? By the same token, should we support apartheid through investment and loans? Or should we set limits on support of a political system that treats people like animals?

It's not a question of freedom. It's a question of right and wrong.

Fourth, shouldn't we be helping an important ally like South Africa?

It's true South Africa holds strategic importance to this country. And we ought to do everything we can to ensure its stability.

But who can argue apartheid has brought stability to South Africa? Just the opposite. That country is bleeding to death. As long as apartheid exists, we're in danger of losing an ally. And as I've said before, the entire continent of Africa, not just a single country, is at stake here.

We ought to speak out against the evil that is apartheid. We ought to invoke modest, but effective, economic sanctions. We ought to approve the Anti-Apartheid Act of 1985.

This H.R. 1460 is a modest proposal. Much more could be done—or much less. At one extreme we could require disinvestment. Or at the other end we could threaten to act, but do nothing.

H.R. 1460 is the middle ground, restricting new investment, computer sales to government, and bank loans, but giving South Africa a chance to remove these burdens if progress against apartheid is made.

H.R. 1460 doesn't require perfection, just progress.

It deserves your vote. It's a beginning, not an end.

□ 1710

Mr. WYLIE. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. I thank the gentleman for yielding me this time.

Mr. Chairman, this resolution reflects broad bipartisan concerns, but I would like to make several partisan observations.

My chosen political party—the Republican Party—was founded a little more than a century ago to end apartheid in the United States.

The resolution before us today is hardly radical or the reflection of a narrow liberal concern. In principle it is fundamentally conservative, traditionally Republican, reflective of the most basic American values.

All we ask of this Republican President is that he advance a foreign policy consistent with the views of the first Republican President, Abraham Lincoln.

The Republican Party was born in the smoldering cradle of apartheid-like conditions. Like the majority in South Africa today, American blacks in the last century were not recognized as citizens and were denied the right to vote. Like the majority in South Africa today, American blacks provided the slave or cheap labor so vital to maintaining a plantation economy. Like the South African majority, yesteryear's blacks in America were denied due process of law and were often at the mercy of a court system that failed to protect and instead punished the victims of an unequal society. Like the South African majority, American blacks were precluded the opportunity of receiving the same education as whites. Finally, and most poignantly, the American slave system like South African apartheid, blasphemed the family—separating parents from children and husband from wife—because of a system that put profit over compassion.

What distinguishes America from all other countries in the history of the world is that we are the first Nation founded under the principle of individual rights. The greatest debate in our history revolved around whether the rights we enshrined in our Declaration of Independence would be extended to those who were not of pale complexion. That debate was carried out first in the town halls of New England and then from the political stumps of the emerging West. In the end it required sacrifice—the death in our Civil War of more Americans than the combined casualties of all the other wars in which we ever participated.

America was led a century and score ago by a conservative Republican President—perhaps our greatest—who recognized that only through emancipation could the union be saved and the cause of individual rights and dignities be advanced.

In this context we must ask ourselves whether we can continue to give lipservice to condemnations of apartheid while at the same time legitimatizing its existence through our trade.

Isn't it time to suggest that principle come before profit, that the lessons of Fort Sumter not be lost? Don't we, as the leading force in the free world, have a moral imperative to keep the quest for larger truths the most basic element of our foreign policy? Don't we have a responsibility to ennoble our ideals in this century as we did in the last?

To be true to our heritage Americans do not have the luxury of ducking this issue. Its meaning is too great; its result too important.

Mr. MITCHELL. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. RODINO].

Mr. RODINO. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise as an original cosponsor of the Anti-Apartheid Act of 1985 (H.R. 1460) to express my deeply felt belief in the necessity of this legislation and the urgency with which we must act on it.

It should come as no surprise to us in Congress that Americans of all backgrounds—individual citizens, students, members of civic groups, churches, and synagogues—are growing increasingly impatient with the South African Government and its repugnant policy of apartheid.

For the foundation of American democracy is based on a moral principle deeply ingrained in our Nation—that everyone is equal before the law. It is this principle that underlies our Constitution and guarantees our freedoms. It is this principle that fertilized the great struggles of the civil rights movement. It is this principle that separates a nation of laws from a lawless nation.

Yet this same principle is subverted today in South Africa, where the constitution enshrines a system of injustice that undermines the very ethic of equality that the law is supposed to embody.

So how do we, as a law-respecting Nation, respond? How can we both encourage change and at the same time eliminate our complicity with this abhorrent system?

This bill, the Anti-Apartheid Act of 1985, is an appropriate beginning. For it addresses most directly the economic credibility of the regime. With this bill, America can begin to dismantle what former South African Prime Minister John Voerster used to call "the bricks and mortar on which South Africa is built"—foreign investments.

This bill bans new investments in South Africa, bank loans to the South African public sector, the sale of krugerrands, and the sale of computers that have been so central to the implementation of South Africa's notorious pass laws. Since only new investments would be prohibited, the bill will not jeopardize existing jobs. And since less than 1 percent of the black labor force is employed by American firms anyway, few jobs could be jeopardized.

Although this is not a disinvestment bill, its message is clear: Americans no longer intend to subsidize apartheid, and we are willing to apply the type of pressure that will encourage political negotiations to achieve a just system by peaceful means. We must act before it's too late, while the nonviolent movement remains strong. As Bishop Tutu said recently, people must become aware "that it is not merely financial decisions that are being made. It is decisions that have to be made on moral principles." As a Nation, we have no choice but to make the moral decision.

I am reminded of the words of Martin Luther King, which he wrote in the Birmingham jail in 1963 during the sweltering days of the civil rights movement, when this Nation's values and principles were being sorely tested: "We will have to repent in this generation," he said, "not merely for the hateful words and actions of the bad people but for the appalling silence of the good people."

Mr. Chairman, one can only characterize as "appalling silence" the administration's policy of "constructive engagement." With incidents of brutal violence and destruction continuing without interruption, with black funerals not even immune from the strong arm of the outlaw police, I believe that we in America can have only one course of action: To open our eyes, end our appalling silence, and speak out as a Nation with legislation that can have an impact. Every day that we do nothing, the situation in South Africa grows worse. Now is the time to act. We must pass the Anti-Aparthied Act of 1985.

Mr. WYLIE. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. SHUMWAY].

Mr. SHUMWAY. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to H.R. 1460, and before any of you make the judgment that I am an extremist or perhaps a bigot, let me assure you that I do not take this position lightly. I indeed do oppose apartheid, in fact, I oppose racial discrimination in any form, in any place, no matter where it may be found or practiced.

I personally subscribe to the ideal that we are all the children of a common creator, and for that reason, we are entitled the same rights, the same degree of human dignity, the same respect; and I do deplore what has been the policy in South Africa.

In my estimation, as I have analyzed this bill, I believe it falls far short of the mark that we are attempting to achieve here this afternoon. It may well provide some balm for bruised egos; it may well provide some very good political fodder to be spread around back home, but as an instrument of policy for the United States to pursue, I suggest, Mr. Chairman, it is not a sound vehicle.

It seems to me that here in the House of Representatives we are gripped by a certain psychology that impels us from time to time to lash out and to address areas abroad that we have not been able to control effectively here at home. A few weeks ago in this Chamber we adopted a resolution very critical of one of our trading partners, the nation of Japan. Again I believe, superficially, there was good reason for that resolution. There is no doubt that Japan has been very slow to open her markets to our exports and other goods.

But every economist and serious analyst of this problem has said that much of this trade imbalance has been caused by the effects of a strong dollar overseas. Now maybe that strong dollar situation has been good or bad; it depends on how it is viewed. But for the purpose of fomenting a trade imbalance, it was bad.

Again, the strong dollar, we know, has been caused by the U.S. budget deficits that have been repeated year after year. Therefore, Mr. Chairman and Members, the answer to this trade dilemma was in our hands.

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Yet, frustrated by our inability to either seek that answer or to apply it here in the House, we lashed out against an ally, and we took a measure of solace to our own shortcomings by adopting that resolution.

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Today, as we have historically in this country, we do face racial discrimination. I, for one, and I am sure all Members in this Chamber would agree, wish that we could wipe out all vestiges of racial discrimination in our society. While we have made progress in that regard, we have not totally solved the problem. But maybe we have lost some of that momentum of late, and so now, again, there is another temptation before us to lash out at another ally, in this case South Africa.

I suggest, Mr. Chairman, that the better answer would be for us to redouble our own efforts to solve racial discrimination here at home, and to do so systematically and thoroughly. We could thus set an example for the entire world, demonstrating what freedom of opportunity and equality which the United States has always stood for can mean to a free and unprejudiced society.

Our experience has shown that to achieve such goals takes time, patience, a great deal of work, and an application of diplomacy. I suggest, Mr. Chairman, that these are the very qualities that must be applied to South Africa. I think we can help South Africa most by applying the Sullivan principles, for example, and not by resorting to any kind of punitive efforts such as would be inherent in the passage of this legislation.

Finally, Mr. Chairman, no one would deny that we, as Americans, must oppose apartheid as a deplorable violation of racial equality and human justice.

Mr. Chairman, I firmly believe we have a responsibility to support democratic development wherever it is threatened, whether in South Africa, Central America, or Afghanistan. The means of supporting democratic change, however, must be designed to address each unique situation most effectively. In the case of South Africa, I believe a policy of economic and diplomatic exchange, not boycott and isolation, can provide the best foundation for a stable and long-lasting transformation of South African society.

Although, technically, the bill before us is not a call for total U.S. disinvestment from South Africa, the effect, I believe, of H.R. 1460's provisions would eventually be the same. By banning new investment, including loans to enterprises, this legislation places U.S. businesses in South Africa under a state of siege and denies the positive role that U.S. business can play in encouraging the elimination of apartheid. In my view, the contributions of U.S. firms to improving the economic welfare and advancement of South African blacks have been significant. American companies which adhere to the Sullivan principles employ 70 percent of all workers in U.S. firms, providing opportunities for training, advancement, education, and housing to their employees and playing an active role in the community. In my opinion, the active involvement of the Sullivan signatories, by improving the economic standing of the black population, provides blacks with a stronger basis from which to fight for political change. As an article entitled "Fighting Apartheid" in the March 30 issue of the Economist aptly stated, "Economic growth implies change and change threatens any established order. American investment, biased as it is towards the innovative sectors of the economy, is an engine of that change."

An evolutionary pattern of change, one that we can expedite through firm, consistent diplomatic pressure on the South African Government and through support for the efforts of Sullivan signatory firms, will better serve the interests of democracy and stability in the southern African region. H.R. 1460, by proposing a ban on loans to the South African Government, on the sale of computer goods and technology to the government, on new investment, and on the importation of Krugerrands into the United States, seeks to impose severe economic pressure on the South African Government, which, if successful, will have the most immediate and devastating impact on those we aim to help. Furthermore, this economic hardship could easily enflame an already tense situation, erupting into violence that could spread beyond South Africa's borders and spur the intervention of outside powers. I cannot help but question, Mr. Chairman, the potential for establishing under such conditions a strong, stable, and fully participatory political system—the goal that we all seek for South Africa.

Mr. MITCHELL. Mr. Chairman, I yield 2 minutes to the gentleman from the Virgin Islands [Mr. de Lugo].

Mr. de LUGO. Mr. Chairman, I rise in support of H.R. 1460, Mr. Gray's bill to impose sanctions on South Africa of which I am a cosponsor. The situation in that country is deteriorating. The violence, fear, and persistent unrest force us as a Nation to face the fact that we can no longer stand by and hope that our passive disapproval of apartheid will make an impression. "Constructive engagement" has not yielded the necessary results. The message from Black South Africans is loud and clear: "Apartheid is intolerable". If we accept the humanity of Black South Africans, the message should be one that we can understand and address.

My colleague from Michigan, Mr. Siljander, in a "Dear Colleague" letter has suggested that Mr. Gray's proposal is demagoguery, and that it will only lead to a bloody revolution. But the proposal is designed to avoid such a reception by increasing the pressure for change without disrupting existing investment in South Africa. I am not certain that the violent revolution Mr. Siljander anticipates is avoidable. I do believe that without this type of substantive, support violent revolution is inevitable.

Mr. Siljander has made some excellent proposals which I believe would complement H.R. 1460. Specifically, his "Dear Colleague" of May 6, 1985, suggests making the Sullivan principles mandatory for all American companies, increasing the human rights revolving fund to $2 million, assist black labor unions with $1.5 million through the National Endowment for Democracy, provide $15 million in scholarships for black South Africans, allow OPIC credits for joint ventures between U.S. firms and nonwhite owned South African firms, and establish a commission to monitor the abolition of laws which provide the basis of the apartheid system. I believe that instead of an amendment in the nature of a substitute, as Mr. Siljander proposes, these should be added to the sanctions that H.R. 1460 would impose.

If this country's commitment to human rights and democracy are to be believed, we must be consistent. This means that we cannot support the economy of South Africa, and hope that our moral indignation alone will pave the way to change. H.R. 1460 is a modest, but well balanced, proposal in support of a peaceful transition in South Africa. We must do no less.

Mr. WYLIE. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. Wortley].

Mr. WORTLEY. I thank the gentleman for yielding this time to me.

Mr. Chairman, the question before us today is not apartheid. Everyone agrees that apartheid is unjust, immoral, and inhumane. We are not debating whether or not apartheid should be abolished or whether or not U.S. policy should be directed at its abolishment. We are all agreed. It should be abolished, and we should follow a policy that promotes its abolition.

I think we are also agreed that our policy should foster peaceful, evolutionary change rather than violent, revolutionary change. Inevitably, the ones caught in the violence of revolution would be those whom we seek to help: the poor, black, colored, and Asian people of South Africa. If change can be brought about without revolution—and I believe it can be in South Africa—it should be.

The question before us today is how the United States can best achieve its policy goals of observance of human rights, dismantlement of apartheid, and peaceful change. The bill before us today would use economic sanctions to promote change. The range of amendments to H.R. 1460 clearly reflects the widely diverging views.

I would like to emphasize that no United States policy should reward the South African Government. But neither should we threaten the progress—slow as it may be—that is being made in South Africa.

Because the emphasis today is on economic sanctions, it is useful—even vital—to consider the effectiveness of economic sanctions in influencing policies of foreign governments in a positive way.

The evidence of precedent indicates that economic sanctions are a questionable means of positive influence. More often than not, they cause a government to intensify the policies the sanctions were intended to discourage. Based on past experience and the characteristics of an influential group of Afrikaaners, economic sanctions would provide a rationale for entrenchment of apartheid and an opportunity to convince many white South Africans that change is dangerous rather than the only hope for avoiding violence and revolution. This may well promote eventual revolutionary change, but I do not believe this is or should be our goal in South Africa.

U.S. economic interests in South Africa are unquestionably extensive enough to be a force in South African politics. The question is will we continue to use and expand upon this potential as a positive force for change, or will we reduce our influence by restricting U.S. involvement in the South African economy? Economic sanctions would not break the South African economy, but they would reduce drastically U.S. influence in South Africa.

U.S. economic involvement in South Africa to date has a good record for promoting progress. U.S. business, organized labor, and government policies and efforts were key factors in the South African Government's acceptance of black trade unions, which are a major force for change in South Africa.

Companies who are signatories to the Sullivan principles or who have adopted similar standards also have done a great deal to improve the position of nonwhite South Africans and promote evolutionary change.

About 75 percent of the South African workers who work for a U.S. company work for a signatory to the Sullivan principles.

Ninety-nine percent of the signatory companies report desegregation and 100 percent report equal pay for equal work.

In addition, from 1977 to 1983; Sullivan signatory companies have invested $78 million in projects for nonwhite South Africans. For example, dollar contributions for black employees in education and training programs increased from $3.6 million in 1982 to $6.0 million in 1983. In 1983, U.S. companies also contributed $2.8 million for education and training programs for blacks who were not employees, and they contributed $4.2 million to support black entrepreneurship.

It has been argued that such positive influence and the engagement policy of the Reagan administration should be made more intrusive rather than negated through economic sanctions. At this point I would like to submit an editorial from the Economist of March 30, 1985. This editorial argues that the Sullivan and European Community's codes of good employment practice should be extended to cover all foreign employers in South Africa with the aim of directly confronting economic apartheid. We know that economic leverage by a group within a society provides that group with political leverage. We should be working to increase the economic leverage of black and nonwhite South Africans.

Fighting Apartheid

What can be done about South Africa? The shootings at Uitenhage on March 21st are yet another rebuff to those inside and outside the country who claim that apartheid is crumbling and that South Africa should now be given "the benefit of the doubt". In themselves, the shootings were an apparently random act of police indiscipline: despite Sharpeville and Soweto, the Afrikaners have yet to learn that it is incompetent policemen rather than evil communists who are the recruiting sergeants of rebellion. Yet the shootings—and the lame excuse used by President Botha to explain them away—should remind the world that South Africa's security machine is not as the government boasts, the shield behind which reform is being expedited. It is an ever higher stockade, lulling the Afrikaners into a belief that real reform can be postponed.

South Africa is still unlike to erupt into full-scale civil war. Those who react to every riot and every act of repression by predicting holocaust are wrong. They tease black South Africans with a false dawn and distort western policies entended to confront apartheid.

The latest distortion is represented by the current disinvestment and sanctions campaign in America. This is intended to bring about an upheaval in the South Africa economy and thus, by some unexplained process, lead the government in Pretoria to abandon apartheid. The evidence, both from other countries subjected to economic sanctions and from South Africa itself, suggests that it would not achieve those goals. It would more probably strengthen the isolationist strain in Afrikanerdom, and its conviction that it stands alone against an ungodly world. It would not break the economy, though it would make life a little harder in a region debilitated by drought and incompetent management (most of all in those neighboring states increasingly dependent on South Africa).

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Those, including The Economist, who disagree with this policy must say what they would put in its place. The "constructive engagement" pursued by the American government since 1981 has offered South Africa the carrot of American friendship as the best way of persuading it to change its ways. It is hard to argue (see our study on pages 17-34) that it has achieved very much. Its ineffectiveness has disillusioned South African blacks. It has comforted the whites who believe that America under President Reagan will always accept apartheid so long as it can be presented as a bulwark against communism.

Yet it was the overselling of constructive engagement by the Reagan administration that was wrong, not the concept of engagement in itself. This should now be reapplied to the struggle against apartheid where it matters, within South Africa itself. All the posturings at the United Nations, on Massachusetts Avenue or in Trafalgar Square have not done half as much for black advancement as the steady industrialisation of South Africa, much of it through foreign capital and foreign managerial contact. The black struggle has drawn most of its support from just those areas in which foreign companies have been most evident, the industrial districts of the Vaal triangle and the eastern Cape.

Such engagement should now be made more intrusive, not neutered by the empty gesture of disinvestment. The Sullivan and EEC codes of good employment practice can be extended to cover all foreign employers in South Africa; if need be, the companies can otherwise be denied government contracts back home. The aim should be a direct confrontation with economic apartheid: the controls on labour mobility, on black promotion and on housing location. There should be continued pressure to spend on community programmes, student exchanges, education and training, and most important on black trade-union advancement. Such freedoms as still exist in South Africa should be guarded and exploited through international contact and publicity: freedom of the press, of culture, of academic exchange, of the legal profession. The habit that too many cultural and academic institutions have fallen into of boycotting South Africa is a denial of the power of imagination and thought to change minds and bend policies.

These are ways in which liberal and capitalist organisations can, in the course of their normal business, assist the process of change inside South Africa. The aim is to give blacks the economic confidence to force political concessions out of the white government, as they have already done on the union front and may soon do in local government. This, within the limits of what is feasible, is the proper way to confront apartheid—not just to walk away from it.

Mr. de LUGO. Mr. Chairman, during the course of the public debate on apartheid and U.S. policy, a great deal of emphasis has been placed on black South African attitudes toward U.S. policies and economic investment. Contrary to popular belief, there is no black consensus about how to end apartheid. Black South Africans are far from being a homogeneous or unified group. As a helpful resource in understanding the goals and tactics of various black organizations, I would like to submit for the Record at this point "A Guide to Black Politics in South Africa," published by Georgetown's Center for Strategic and International Studies.

[From Africa Notes, Georgetown University Center for Strategic and International Studies, Nov. 5, 1984]

A GUIDE TO BLACK POLITICS IN SOUTH AFRICA

(By Steven McDonald)

Under the terms of the new constitution approved by the white electorate in November 1983, South Africa's whites-only legislature was replaced on September 3, 1984 by a parliament consisting of the incumbent 178-member House of Assembly representing South Africa's 4.5 million whites, a newly-elected 85-member House of Representatives for the country's 2.7 million Coloureds (mixed race), and a newly-elected 45-member House of Deputies for the Indian (i.e. Asian) population of some 870,000. The constitution makes no provision for parliamentary representation of the country's 22 million blacks. P.W. Botha, who was sworn in as the Republic's executive president on September 14, after receiving a unanimous vote from an electoral college appointed by the new tricameral parliament, has gained a number of powers beyond those he held as prime minister. These include the right to decide (immune from challenge in the courts) what matters are and are not the "own affair" of any of the three ethnic houses of parliament or a shared "general affair" of the nation. President Botha also has the authority to veto any legislation passed by any house of parliament.

Ironically, the new constitution has caused rifts within and between the white, Coloured, and Indian communities while having an opposite effect on the black majority it ignores. Although an unexpectedly high proportion (66 percent) of white voters approved the arrangement in the 1983 referendum, the Coloured and Indian electorates were less enthusiastic. In parliamentary elections held in late August in those two communities, the official turnouts were just over 20 percent and about 30 percent respectively of registered voters. Moreover, the voting was accompanied by protest demonstrations and school boycotts (at one point 630,000 Coloured students were out of classes). Government officials have blamed intimidation as well as a lack of organization and of "democratic traditions" for the low voter turnout.

Black South Africans, on the other hand, have rallied against the constitution, forging an unparalleled degree of unity on this issue and achieving some notable success in protest politics as they urged their Coloured and Indian compatriots to stay away from the polls. Of course, the durability of this new communality is debatable for a number of reasons—notably, its focus on a single issue, the formidable coercive powers of the South African government, and the government's demonstrated willingness to use these powers (see Section 9 below, and "Destabilization and Dialogue: South Africa's Emergence as a Regional Superpower" by John de St. Jorre in CSIS Africa Notes no. 26, April 17, 1984). Meanwhile, the new restrictions imposed on the freedom of action of externally-based forces of black South African nationalism by the Nkomati Accord and other regional "nonaggression" pacts have also created new pressures and challenges for internal black activists across the political spectrum.

The following is a summary assessment of the organizational structure of black power in South Africa as of the latter half of 1984:

1. THE AFRICAN NATIONAL CONGRESS (ANC)

The ANC is the oldest nationalist organization in sub-Saharan Africa. Its roots go back to early pan-Africanist and nationalist thinkers of the late nineteenth century, many of whom were educated in the United States. Organizationally, it developed from the South African Native Convention which met in 1909 to protest the terms of the draft constitution for South African union following the Boer War. The Convention's protests were ineffective and, in frustration, the South African Native National Congress—subsequently renamed the African National Congress—was formed in 1912.

The ANC's early philosophy was moderate, indeed almost archaic, compared with its present profile. It was founded by professional, middle-class Africans who focused on, according to its 1919 constitution, the use of "resolutions, protests . . . constitutional and peaceful propaganda . . . deputations [and] enquiries" to reach its objectives. These objectives were clearly evolutionary, ranging from demands for "equitable justice" in the 1909 Convention to the All-African Convention's call in the 1930s for "reconsideration" of unjust laws and protests of the removal of Africans from the voters' rolls in Cape Province. The ANC of that era was willing to accept a qualified franchise for blacks based on "civilized" factors such as education, property, or wage qualifications and it expressed its understanding of and concern for the protection of white interests.

Over the years the ANC inexorably moved toward a greater radicalism, from early petition to protest to defiance, then to underground insurgency, banning, and exile. This escalation was due to growing frustration over a lack of any results from peaceful and legal protests (e.g., the failure to block the removal of Cape Africans from the voters' rolls in 1936). The ANC was also stimulated by the post-World War II idealism (in particular the self-determination principles of the Atlantic Charter) and stymied by the coming to power of the Afrikaner-based National Party in 1948 and the implementation of apartheid that followed.

The ANC's 1952 "Defiance Campaign" was the first mass civil disobedience campaign in South Africa. Another effort to broaden the ANC's base was the Congress Alliance, which brought together Indian, Coloured, and white organizations in protest against growing government repression. Certain individual African members of the South African Communist Party (SACP) had participated in the ANC since the 1920s, but played no formative role in its organization. After the SACP was banned in 1950, more white and Indian communists began to involve themselves through the broadening Congress Alliance. The Defiance Campaign itself was an outcome of a decision, initiated largely by the newly-formed Youth League, to begin a program of mass action. The Freedom Charter, issued by the Alliance in 1955, resulted in growing harassment, bannings, and detentions by the government. Thousands of arrests took place as anti-passbook marches, protests, and boycotts increased in number. The long-running Treason Trial of 1956-61, in which 156 persons were charged but ultimately acquitted, was a central event in this era of borderline legality for the ANC.

Following the Sharpeville confrontation in 1960, in which police fired on a nonviolent demonstration, killing 67 Africans and wounding 186, the ANC was banned and went underground. In 1961, its leadership, along with some white and Indian communists, formed a paramilitary sabotage unit called Umkhonto we Sizwe ("Spear of the Nation"). In 1962 and 1963, the Umkhonto leadership, including Nelson Mandela, was arrested. By the end of 1964 the bulk ANC leadership was either in detention or in exile.

For the past 20 years, the ANC has directed its activities from headquarters in Lusaka (Zambia), and has also maintained offices in London, New York, and several other countries. The first decade of its exile was relatively quiescent. By the mid-1970s, however, a low-key insurgency campaign had been launched, consisting mainly of sabotage and attacks on government installations that resulted in only a few fatalities. In the 1980s, the campaign has been stepped up, becoming more sophisticated and exacting a higher death toll.

The sabotage action against the Koeberg nuclear power station in December 1982 and at the SASOL coal conversion plant in June 1980; attacks on police stations and government offices; and the May 1983 car bombing outside air force offices in Pretoria (at least 18 deaths and 217 injuries) added up to a clear new trend. Guerrilla activities have occurred in all of South Africa's four provinces and in most major urban centers, including Johannesburg, Durban, Bloemfontein, Cape Town, and Pretoria. By these diverse actions, the ANC has sought to demonstrate an ability to strike anywhere and to penetrate sophisticated defenses of critical installations. A rash of bombings throughout the country, concentrated around the month of the Coloured and Indian elections, as well as a major attack on the Mobil refinery in Durban in May 1984, have been intended to send a message. This message is that the "nonaggression" pacts South Africa has signed with Mozambique and Swaziland, and seeks with others, all involving denial of "bases" to the ANC, will not end the movement's effectiveness.

The ANC has always been identified by its adherence to nonracialism in its campaign for political rights in South Africa. The Freedom Charter, which enshrines its basic philosophy, advocates a "South Africa which belongs to all who live in it, black and white." The leadership has publicly spoken against racial confrontation and consistently calls for a "new nonracial democratic South Africa." An irony of this nonracism is that the presence of whites within the ANC command structure, seen by some as an indication of the organization's broad appeal, feeds the South African government's belief that the movement is dominated by the South African Communist Party and by the Soviet Union.

Individual communists within the party hierachy have considerable influence and played a role in moving the ANC from peaceful protest to greater activism. Since its exile, the movement has received the bulk of its weaponry and much of its training from the Soviet Union and other Eastern bloc nations, a familiar pattern in African and Third World nations confronting minority or colonial ruling groups. (For a discussion of current Soviet views of the ANC, see "New Trends in Soviet Policy Toward Africa" by David E. Albright in *CSIS Africa Notes* no. 27, April 29, 1984, pp. 7–8.)

In sum, the ANC receives more international recognition and media attention than any other black South African organization. The ANC's ability to shape and influence events inside South Africa beyond the pressures exerted through its sabotage campaign, however, will be dependent on internal black perceptions of its various parts; the character of other emerging internal organizations; and the coercive and cooptative powers of the South African government.

2. THE PAN-AFRICANIST CONGRESS (PAC)

The PAC was formed in 1959 by a group of ANC members who were uncomfortable with the vague socialism and multiracial approach of the ANC. The thrust behind the PAC's formation derived in part from black suspicions of Indian and white communist activists and their external connections, but the underlying theme of the new movement was a purified form of African nationalism. The founders viewed the ANC Freedom Charter as a betrayal of that principle. While rejecting white alliances, the PAC was also strongly anticommunist. Many members of the ANC Youth League, which had also been urging a more nationalist line, moved into the PAC over time.

The PAC's founder-leader was Robert Sobukwe—imprisoned in 1960, later released but banned in Kimberley. An intellectual who practiced law after his release, Sobukwe strongly influenced the founders of the Black Consciousness movement (see below). When he died of cancer in 1978, the funeral in his home of Graaff Reinet was attended by hundreds of Black Consciousness adherents as well as old-line nationalists of the PAC and ANC.

After their post-Sharpeville banning, the PAC and the ANC formed an alliance called the South African United Front. This quickly fell apart, however, due to various ideological and personal conflicts. Since then, the PAC, unlike the ANC, has not been able to organize effectively outside South Africa. It has an external structure, with offices in New York, London, Dar es Salaam, and other African capitals, but, especially since Sobukwe's death, has had a weak leadership marked by dissension, including assassination. The PAC has nonetheless maintained considerable support within South Africa, and occasionally launches guerrilla operations, although not on a scale comparable with those of the ANC. The movement has undergone something of a resurgence recently in the general rise of black activism against the new constitution.

3. THE AZANIA PEOPLE'S ORGANIZATION (AZAPO)

AZAPO is the political home of the "Black Consciousness" movement and the heir to the organizations that were banned by the government in 1977. Black Consciousness is more a philosoply than an ideology and, while it has always had organizational ramifications, it was never an organization as such. It grew intellectually from the same roots as Pan-Africanism, Negritude, Black Pride, and Black Power. Its development followed a Black Theology group in South Africa strongly influenced by Americans such as Jim Cones and Martin Luther King, Jr.

Black Consciousness began to emerge as an identifiable philosophy in the late 1960s, reaching its peak of public recognition and organizational adherence in the early to mid-1970's. Over time, Steve Biko became its best-known spokesman, although he was only one of many who helped to form and continued to develop the philosophy. Barney Pityana, Ben Khoapa, Mokethi Mothlabi, Mamphela Ramphele, Thoko Mbanjwa, Drake Koka, Saths Cooper, Malusi Mpumlawana, and many others played important roles in the movement.

Organizationally, Black Consciousness surfaced first in such student groupings as the South African Students' Organization (SASO) and the South African Students' Movement (SASM)—partly in reaction to white students' groups' efforts to broaden their representation among black students. The political arm, the Black People's Convention (BPC), was formed in 1972 to provide "a political home for all Black people who could not reconcile themselves to working within the framework of separate development, and to promote black solidarity." One of the principles of Black Consciousness was self-help and, accordingly, organizations such as the Black Community programmes, the Ginzberg Education Fund, the Zenophile Clinic, and other community, health, educational, and agricultural schemes were established.

Black Consciousness is generally perceived today, by both its detractors and proponents, as a radical, racially exclusive philosophy. Its roots lie with the PAC rather than the ANC. Current adherents eschew alliances with multiracial groups. Black Consciousness' original philosophy seemed to suggest a less exclusivist policy, focusing on black pride and development and promoting a liberation sequence, i,e., independence of person, then community, then nation. Although it was revolutionary in the sense that it challenged the existing social, economic, and political orders, it was not intended as a denial of a role for whites. Biko saw few whites as potential allies, but he also took the position that "Blacks have had enough experience as the objects of racism not to wish to reverse the tables." Black Consciousness, he said, was "the affirmation of black humans that emancipates black people from white racism and thus provides an authenic freedom for both . . . it affirms the humanity of white people in that it says *no* to white oppression."

Almost all of the early Black Consciousness organizations were banned in 1977, along with most important Black Consciousness leaders. Black Consciousness was once more represented by a political organization, however, with the formation of the Azania People's Organization (AZAPO) in 1978. Created in Soweto by former members of the Soweto Student Representative Council and the BPC, ASAPO had a low profile during its first years, except for the national attention it received when it worked with Father Patrick Matelengwe and family members in planning the arrangements for Robert Sobukwe's funeral in 1978. There were strong Black Consciousness overtones in the funeral proceedings and an incident having to do with an effort by Chief Gatsha Buthelezi to speak almost resulted in serious harm to the Zulu leader of Inkatha (see Inkatha, Section 4).

Although AZAPO had none of the known Black Consciousness leaders of the SASO/SASM/BPC period within its executive, it became the standard bearer for the philosophy of these groups and has developed a new cadre of leaders as well as bringing old Black Consciousness types back with the formation of the National Forum (see Section 6).

4. INKATHA YENKULULENKO YESIZWE (INKATHA)

Inkatha is a Zulu cultural organization founded in 1928. Its name means a woven grass ring used by peasant women to cushion loads carried on their heads; figuratively, it denotes the cushion between the people and their burdens. The movement remained obscure for nearly half a century until Chief Gatsha Buthelezi revived it in 1974 to sidestep legal repression of political activity. The constitution adopted in 1975 describes Inkatha as a "national cultural movement" that "desires to abolish all forms of discrimination and separation." In more political terms, Inkatha aims to span tribal and urban-rural divisions and to bring change in an "orderly and controllable fashion which will lead to a liberated South Africa which is governable." Although Buthelezi is the chief minister of KwaZulu, the government-designated Zulu homeland, he and Inkatha reject homeland independence and stand for a central, unified South Africa. Inkatha opposes the new constitution and calls for "a national convention" of blacks and whites to discuss the country's future.

Inkatha currently claims over 750,000 dues-paying members, making it the largest black organization in South Africa's history. It is very well organized, with a military-style hierarchy and discipline. It has a Central Committee, chaired by the movement's president (Buthelezi), and regional branches, including township outlets throughout the Transvaal. In KwaZulu (a 12,000-square-mile cluster of land parcels in Natal province), Inkatha has branches operating in most communities, including youth groups in schools and a Women's Brigade. The urban branches are not as tightly controlled, although meetings in Soweto, outside Johannesburg in the Transvaal, are well attended.

Inkatha says it is open to all black people and claims a large multi-ethnic following throughout the country. Secretary-General Oscar Dhlomo recently stated in an interview published in the quarterly *Leadership SA* (Vol. 3, no. 1, 1984) that 40 percent of Inkatha was non-Zulu as early as 1978, and cited an opinion poll result to support that claim. In the same interview, on the other hand, Dhlomo observed that the Zulus are the largest ethnic group in South Africa, that Zulu-dominated Natal is Inkatha's base, and that the organization is thus predominantly Zulu. On balance, despite its aspirations, Inkatha remains essentially a Zulu entity.

Criticism of Inkatha is varied and emotional. Many observers see it as a personal vehicle for the political aspirations of Chief Buthelezi and claim that it would cease to exist without his presence. It is also criticized for using "strong-arm" recruiting tactics in KwaZulu. Many fear its militaristic image, strengthened by Buthelezi's threats against his opponents. The killing of five students at the University of Zululand in October 1983 by Inkatha "impis" during campus protests and clashes added credibility to the concerns of Inkatha's critics.

Buthelezi has a "thin skin" and does not take criticism in stride, thus making Inkatha's attempts to seek a broader constituency and tactical alliances more difficult. Nevertheless, Inkatha stresses black unity and Buthelezi is personally sensitive to that need. In 1976, he formed a group called the Black Unity Front consisting of the leaders of other homelands which had rejected independence and of the (Coloured) Labour Party. The Black Unity Front was expanded in subsequent years to include the (Indian) Reform Party and was renamed the South African Black Alliance. Under its new rubric, this attempt at unification foundered when the Labour Party opted to participate in the elections under the 1984 constitution. Inkatha has now established an alliance (the South African Federal Union) with black businesses, church, and homeland leaders brought together by their shared opposition to the new constitution (see Section 7 below).

Inkatha's relations with the ANC were quite cordial until 1979. Differences in the past five years have centered on Inkatha's rejection of violence and Buthelezi's position of opposition to foreign divestment or disinvestment from South Africa as well as other sanctions. During the early 1980s, personal animosities further weakened the ANC/Inkatha relationship. There was some early contact between Inkatha and the United Democratic Front (see Section 5 below); since the University of Zululand incident and Buthelezi's unwillingness to criticize or investigate it, however, links have been broken and the two groups are openly hostile to each other.

Yet Buthelezi remains a charismatic and dynamic leader, heading a large and powerful organization which, as he likes to emphasize, is self-supporting financially. Because Inkatha is indisputably well-organized, it has an enormous potential for contesting local elections or promoting strikes, boycotts, or work stayaways. Buthelezi is also an eloquent spokesman for black South Africa. Even Steve Biko, who strongly criticized Buthelezi's motivations and tactics, once said to me: "After all, Buthelezi is black. He knows and lives the problem and can tell the story"

5. THE UNITED DEMOCRATIC FRONT (UDF)

The UDF is the broadest-based of the new political movements. Ideologically, it bears comparison with the ANC; organizationally, it resembles the Congress Alliance of the 1950s. Its birthdate is the year 1983, but its ideological roots are much older.

The UDF has attracted disparate groupings that have ties to the ANC but are uncomfortable with the ANC's exile status or its open advocacy of violence. The UDF has also acquired adherents from among blacks uncomfortable with the post-banning radicalization of the Black Consciousness movement, and with the fact that no internal organization spoke for those who eschewed the exclusivist racial approach but still considered themselves "progressive" and anti-apartheid. (In 1979, for example, at a conference held by the Azania People's Organization [AZAPO], a student wing was formed called the Azania Students' Organization [AZASO]. Black Consciousness was, of course, the central theme for its information, but subsequent attempts to form campus branches ran into difficulties and AZASO began to diverge ideologically from its parent. AZASO's then-president, Joe Phaahla, stated that "a number of students were not prepared to affiliate with a dogmatic approach" and, in 1981, AZASO broke with AZAPO, stating in its new charter that it embraced a broader, nonracial, more progressive outlook. By 1982, AZASO was seeking "to forge links with all relevant organizations concerned with the liberation of the oppressed and exploited people of South Africa [but] to continue to spread the nonracial gospel." AZASO later played a role in the formation of the UDF.)

The UDF seems to have begun to coalesce at a Johannesburg meeting in May 1983, at which 30 organizations representing trade union, civic, and church groups, along with AZASO, came together. The moving forces behind the Johannesburg meeting were the Transvaal Indian Congress, the Transvaal Anti-President's Council Committee, and the Anti-Community Council Committee. This meeting was, in part, inspired by a February 1983 speech by Dutch Reformed Church (Coloured) leader Dr. Alan Boesak, also currently the president of the World Alliance of Reformed Churches. Dr. Boesak had invited various organizations, including sports and civic bodies, to come together for "the struggle for a nonracial, open, democratic South Africa, a unitary state in which all the people will have the rights accorded them by God."

Although the UDF began to take shape in the Transvaal, its appeal rapidly became nationwide. Former ANC supporters and whites, Coloureds, and Indians, as well as Africans not comfortable with the tight ideological parameters of Black Consciousness, rallied to its banner. It was officially launched as a national movement at a convention in August 1983. Some 7,000 to 12,000 persons (estimates vary) representing over 400 diverse organizations met in Cape Town's Coloured township of Mitchell's Plain and pledged to fight "side by side against the government's constitutional proposals and the Koornhof bills." The latter were a set of parliamentary proposals relating to the pass laws, black residential rights, and township municipal powers. The UDF demanded a "true democracy [for] all South Africans" and "a single, nonracial, unfragmented South Africa . . . free of Bantustans and Group Areas."

The front's declared founders and patrons read like a "who's who" of black and white activists over the years, with a strong ANC flavor. They included Nelson Mandela, Walter Sisulu, Helen Joseph, Govan Mbeki, and Dennis Goldburg as patrons and Archie Gumede, Albertina Sisulu, and Oscar Mpetha as presidents.

Focused on the specific objective of opposing the new constitutional proposals, the UDF outlined a strategy of organizing, mobilizing, and educating to create unity among its followers and "to represent their views and aspirations." Organizationally, the UDF has a National General Council, but is decentralized into at least five regional bodies. It is essentially an umbrella organization. Individuals do not join directly but only through an organizational entity. Membership is claimed to be as much as one million people affiliated to 560 organizations.

The UDF actively lobbied among whites against the "yes" vote prior to the November 1983 referendum on the constitution; successfully campaigned against black participation in the December 1983 municipal council elections, holding the turnout down to some 10 percent in several townships country-wide; has regularly held rallies and distributed literature on such occasions as the anniversaries of the Sharpeville shootings and the Soweto-sparked upheavals of 1976; has spoken out on issues such as the Strydom Committee's recommendations on the Group Areas Act and on relocations; effectively mobilized (the government says through intimidation) opposition to the participation by Coloureds and Indians in the August parliamentary elections; and, during the election and post-election unrest in several black townships, organized medical, legal, and nutritional assistance for victims.

The UDF has also appealed to the international community for recognition and publicity. Dr. Boesak frequently travels abraod and speaks often about the UDF. In April 1984, the UDF Trnnsvaal general secretary, Mohamed Valli, went to the United States, Canada, and Europe, and visited the United Nations, in search of "moral [and] political support [to] strengthen our hand internally."

Much of the UDF's rhetoric comes from the ANC Freedom Charter, which, ironically, the South African government has recently allowed to be distributed in the country. Although the UDF openly claims connection with many ANC members and includes in its ranks the Release Mandela Campaign group, statements made for public consumption by UDF officials disclaim any ANC organizational ties. There are differences with the ANC on a number of points—most notably over the use of violence—and some supporters, as noted above, may have come to the UDF out of frustration with the ANC. National Publicity Secretary Patrick Lekota, a former Black Consciousness activist, and other UDF supporters such as Winnie Mandela emphasize that the UDF is not meant as a substitute or rival for "accredited liberation movements" and that it is merely an "alliance of first-level organizations." Certainly many of its affiliates and supporters who are white or who ahve Black Consciousness roots would not welcome overt connections with the ANC.

Whether the reluctance to admit past or present ANC linkages is due to the factors cited publicly or merely an elaborate facade to avoid legal crackdowns arising from the ANC's banned status is difficult to determine. In any case, the UDF seems to be acquiring a life of its own. Even taking into account Lekota's emphasis on the umbrella nature of the organization, the sheer numbers and the focus on clear-cut tactical objectives warrant attention. The UDF now has a national, salaried executive, publishes literature, and has an efficient, democratic national structure that allows its members to vet policy issues thoroughly and recommend action. It works through affiliate members or empathetic white liberal organizations in establishing grass-roots community contact points.

The UDF is currently considering its strategies for what one official recently called the "ongoing struggle against the new system after its formal inauguration." Recent interviews with UDF leaders indicated that these "strategies" were not yet decided upon and probably would be defined by the membership. Still, the UDF's future is uncertain, largely because of possible government pressures (see Section 9) and because of the unattainability of its objectives in the foreseeable future, which creates built-in obsolesence or self-destructive tendencies.

6. THE NATIONAL FORUM (NF)

The second and smaller black group formed to fight the new constitution is the National Forum. AZAPO, the moving spirit behind the NF, launched the organization at a meeting in Hammanskraal, north of Pretoria, in June 1983. The declared purpose was to bring together blacks in opposition to the constitutional proposals, the same dynamic that produced the UDF, but under the banner of Black Consciousness. Over 800 persons representing some 200 organizations reportedly attended. They included several prominent black, Coloured, and Indian leaders—for example, Bishops Desmond Tutu and Manas Buthelezi, Saths Cooper, and Neville Alexander. The meeting took on racially exclusive and strong socialist tones which were reflected in the National Forum's manifesto. In stark contrast to the UDF's attempt at a broad, nonracial appeal, the NF manifesto declared opposition to "the system of racial capitalism which holds the people of Azania in bondage for the benefit of the small minority of white capitalists and their allies, the white workers and the reactionary sections of the

black middle class." It further called for control by workers of the "means of production, distribution, and exchange" and stated that "the struggle against apartheid is no more than the point of departure for our liberation efforts."

The National Forum has been far less vocal and visible than the UDF. It does not appear to have a permanent organizational structure, and its strident rhetoric has dampened the enthusiasm of its more moderate supporters. Indeed, several have chosen to link themselves informally with both the NF and the UDF but affiliate with neither. While many veteran Black Consciousness stalwarts such as Hlaku Rachidi and Saths Cooper have helped organize the NF, many others (e.g., the former AZAPO President, Curtis Nkondo) have either joined the UDF or maintained a neutral position. AZAPO remains the NF's most important component but, in recent commemorative meetings and press interviews, AZAPO leaders have not mentioned the NF.

Although the NF has divided some groups (for example, a delegation walked out of the Black Consciousness-based Media Workers' Association of South Africa in January 1984 over the issue of white participation and UDF affiliation), it still has a credible constituency because it represents an important group of mostly young, student-age activists who see themselves as heirs to the Black Consciousness movement and are impatient with the perceived moderate ways of their elders, including the ANC and the UDF. Significantly, the PAC, which shares the NF's philosophy and has been quiescent for so long, seems to be experiencing a modest revival in its influence in Black Consciousness circles.

7. THE SOUTH AFRICAN FEDERAL UNION (SAFU)

An unexpected entry into the anti-constitution forces was a moderately conservative black coalition initially launched in August 1983 as the Movement for National Unification and later calling itself the South African Federal Union. SAFU is philosophically akin to the now-defunct Black Unity Front and South African Black Alliance led by Chief Gatsha Buthelezi. Buthelezi played a key role in SAFU's formation, but the impetus for such an organization also came from senior officials of the National African Federated Chamber of Commerce (NAFCOC), a moderate grouping of black entrepreneurs and businessmen with a large national membership and led by the respected banker and businessman Sam Motsuenyane. The Union includes all the chief ministers and chief executive councillors of the nonindependent homelands, Chief George Matanzima of "independent" Transkei, representatives from the Interdenominational African Ministers' Association of South Africa, and officials from the United Councils Association of South Africa, a group representing municipal councils.

Although SAFU appears to have made little impact so far and faces considerable black animosity because of the homeland connection, its very existence in opposition to the constitution and in support of a national convention and "the establishment of a greater South Africa" underscores the extent to which the government's constitutional change has galvanized the black community as a whole.

8. TRADE UNIONS

Black trade unionism has become a new force in recent years—a force that many observers believe could, in the long run, have far greater impact on the rate and direction of change than any or all of the political groups on which attention is now focused. A series of illegal strikes carried out in 1973 by black industrial workers in Durban, followed by a number of government concessions (including new minimum pay scales for urban workers, a limited legal right to strike, and open recognition of the need for more technical training opportunities for black workers) helped set the stage for some watershed events of 1979. These were the publication of the report of the Wiehahn Commission of Inquiry into Labour Legislation, and action by parliament to amend the Industrial Conciliation Act to allow black workers to join registered labor unions if they are permitted to live with their families in urban areas. The government by ministerial action later extended this right to commuters and migrants for an indefinite period.

Despite increasing government surveillance and harassment of specific union leaders and unions it perceives to be involved in politics, new unions and union groupings continue to multiply among black workers. In recent years this growth has been phenomenal, with a 200 percent surge in black membership between 1980 and 1983 (from 220,000 to 670,000). The black trade union movement's potential for forcing change on the shop floor, in management attitudes, and in the economic structures of South Africa cannot be underestimated. (See, for example, *Black Trade Unions in South Africa* by David Hauck, published by the Investor Responsibility Research Center, Washington, D.C., in 1982.)

Many unions, taking a long-term view, try to avoid political or quasi-political demands and focus on the immediate priorities of shop floor organization and creation of a national trade union federation to protect rights gained. Most major union groups will speak out on specific issues such as the Industrial Court system or certain broader issues (bannings, detentions, black unity). Others have become actively engaged in the current political groupings. The UDF, the National Forum, and even Inkatha claim some union support. In the case of the UDF, such major trade union groups as the Council of Unions of South Africa (which includes the National Union of Mineworkers), the South African Allied Workers Union, the Motor Assembly and Component Workers Union of South Africa, and the General and Allied Workers Union have affiliated; in some cases, however, all their member unions may not have been consulted. Several groups, notably the Media Workers Association of South Africa, have been divided over affiliation.

9. WHAT LIES AHEAD?

While there has been a dramatic convergence of black opinion in South Africa on the constitutional issue, serious divisions remain. The ANC-PAC relationship is reflected in the groups they have ideologically spawned. The UDF publicly denies ANC connections, but openly calls its members "charterists." Although there is no clear evidence of PAC organizational involvement in the National Forum or AZAPO, blacks supporting those groups openly talk of the PAC and there may be crossover membership.

The PAC's public support of the National Forum was illustrated by PAC Chairman John Pokela's prediction in an interview with *New African* (London, May 1984) that the NF had "the best chance of succeeding" while the UDF "embraces all shades of multiracialism [and contains] constituents [which are] enemies of the Azanian African majority. . . ." Meanwhile, the ANC's Oliver Tambo, in an interview with the same publication (April 1984), took the position that "the mass opposition of our people . . . united today in the ANC, the UDF, the trade unions, the youth and women's movement without regard to ethnicity, race and color" is throwing the government's plans into "a crisis."

These divisions have other antecedents beyond the historical ANC-PAC relationship. With the PAC in eclipse throughout the 1970s, the ANC had taken on a predominant role as the external representative of South Africa's blacks. Black Consciousness advocates and student activists would not dispute that point, but many of them take exception to ANC misrepresentations of certain interval events in the mid-1970s. Student leaders were especially angered in 1976-77 by ANC claims that the widespread civil protests and resulting clashes with authorities that began in Soweto were orchestrated or inspired by the ANC. Some of this anger was based on ANC-Black Consciousness ideological differences, but it also reflected a human aspiration to be understood and credited properly. In addition, there was concern that the focus on the ANC had the effect of fueling government "communist onslaught" propaganda, thus allowing Pretoria to side-step dealing with the specific grievances that precipitated the protests.

We are also witnessing here a syndrome that has recurred again and again among externally-based ("exile") political organizations in Africa. The ANC and PAC are both victims of their distance from their constituencies. Although there is little doubt about the ANC's growing presence within South Africa in recent years, it does not necessarily follow that this growth reflects a stong allegiance to the external ANC of Oliver Tambo. Notions of the ANC among blacks within South Africa are often of a resurgent Nelson Mandela and Walter Sisulu. Restrictions on domestic press coverage of banned organizations are, of course, a factor contributing to the limited identification with the less familiar exiled leaders.

In the face of these deep divisions, recent bridge-building successes warrant a closer look. The fact that the motivation for the formation of the UDF, the NF, and the South African Federal Union has been opposition to the current constitutional process rather than any perceived need for reconciling ANC-PAC-Black Consciousness ideologies would seem to be a positive development.

Another straw in the wind is the urging by a significant range of major black leaders of a modus vivendi between the UDF and the National Forum. Dr. Nithato Motlana of Soweto's Committee of Ten and Bishops Desmond Tutu and Manas Buthelezi are among those who have tried to interact with both groups. Several Black Consciousness leaders—including Dr. Mamphela Ramphele, Zwelake Sisulu, and Curtis Nikondo—have also attempted to keep the public rhetoric conciliatory. Even Ish Mkhabela of AZAPO has stated: "We do not see divisions among the oppressed. We are one . . . [The UDF] have their weaknesses and, in the long term, are fraught with dangers and pitfalls [but] AZAPO is prepared to be part of a principled unity with any organization engaged in the struggle." AZAPO's Secretary Muntu Myeza has been quoted in the press as having said that AZAPO was not "in opposition [or] antagonistic" to the UDF because "we all ultimately have the same objective." Winnie Mandela, a key figure in any unity move, supports the UDF, but is also popular with Black Consciousness. She dismisses the differences between the groups as relatively unimportant and says she is "cheered" by developments, characterizing the constitution as the "best unifying factor" in years for blacks.

Meanwhile, the government has not been idle. The first few months of the UDF's and NF's existence were relatively trouble-free, with a short detention of one UDF official and the banning of several meetings. Monitoring has escalated as these groups have demonstrated more appeal and clout. AZAPO offices and the homes of at least 41 of its members in various parts of the country have been raided. In Johannesburg, documents, typewriters, files, filing cabinets, and other office equipment were confiscated in May 1984.

As its campaign against the elections began to prove effective, the UDF also felt the sting of official sanctions. This began with the arrest of representatives of at least 44 affiliates at an anti-apartheid rally in Durban on June 23, 1984, and several other isolated incidents. After the low Coloured turnout for the August 22 poll, but prior to the Indian elections, authorities detained 47 UDF leaders along with 152 others participating in protest actions. Fifteen of those UDF leaders were still being held as of late October under Section 28 of the Security and Terrorism Act, which is a preventive detention clause allowing for six months detention without charge or legal access.

It appears that the government was initially cautious in its approach to the UDF, possibly wishing to avoid a repetition of the kind of world condemnation that followed the 1977 bannings and detentions of Black Consciousness leadership. The effective election protest of the UDF has hardened the government's attitude, although the detentions appear not to have been universally agreed upon within the cabinet. Many UDF officials and informed observers are openly worried about a possible banning of the organization or, more probably, some of its affiliate groups and key leaders. In the wake of the recent township disturbances, Minister of Law and Order Louis Le Grange has stated that the UDF has the "same goals" as the ANC and the South African Communist Party and is "creating a revolutionary climate" in South Africa.

How the government deals with the UDF-NF phenomenon in the months ahead will, of course, dictate to a great extent whether the new sense of shared purpose represented in these organizations can be sustained long enough to confirm the existence of a meaningful political force beyond the limited and transitory objectives that brought so many diverse elements together in 1983 and 1984.

Whatever the future holds, the emergence of national organized political entities, the first since the 1950s, must be regarded as a landmark in South Africa's evolution. Given the heightened politicization of urban (and also homeland) blacks that has resulted from the constitution issue, even moderates are now impelled to speak out, organize, or join alliances in opposition to a new law of the land that ignores their existence.

(Steven McDonald received his Master's degree in African politics from the School of Oriental and African Studies, University of London. From 1970 to 1979, he was a career Foreign Service Officer in the U.S. Department of State. His diplomatic service was exclusively within the Bureau of African Affairs and included two postings in Africa—as political officer in Kampala, Uganda (1971-73) and in Pretoria, South Africa (1976-79). He was country officer for Angola and Mozambique in Washington from 1973 to 1975. Earlier in his career, he was an aide to Senator Stuart Symington of Missouri. Since 1982, Mr. McDonald has been executive director of the United States-South Africa Leader Exchange Program (USSALEP), a multiracial organization established in 1958 and composed of distinguished Americans and South Africans who share a dedication to keeping lines of communication open among and with all elements by whom South Africa's future will be shaped. USSALEP's governing body is a multiracial unitary council of approximately 25 South Africans and 25 Americans representative of a wide range of opinion in both countries.)

Mr. Chairman, regarding black attitudes toward U.S. policy, a recent survey of black South African production workers found that 75 percent overall—and 71 percent of those employed by U.S. companies—supported the constructive engagement argument, while 25 percent—or 29 percent of U.S. company employees—supported the disinvestment/boycott position.

Several black leaders, including Zulu Chief Buthelezi, have expressed opposition to disinvestment, while several others support disinvestment or sanctions. In a Wall Street Journal editorial on February 20th of this year, Chief Buthelezi argued that—

> It is in the circumstances of a rapidly expanding economy, where the interdependence of black and white is vastly increased, that the propensity of the country to change is enhanced. Black vertical mobility is concomitant of economic growth.

Chief Buthelezi also points out that the role of big business in South Africa has changed. I quote:

> It was the large corporations that broke the apartheid barriers that led to real advancements for black workers . . . Progressive managements talking, dealing and negotiating with workers hastened the day of black trade union recognition.

He goes on to say that—

> It is big business that keeps institutions such as the Institute of Race Relations alive, and it is very often big business that provides the financial muscle to challenge the government in the courts on civil rights issues, on labor issues and on contradictions and ambiguities in law; and it is international capital that can back educational and development programs.

Chief Buthelezi's conclusion regarding economic sanctions is that "in the circumstances that now appertain, withdrawal of investments in South Africa by Americans is a strategy against black interests and not a punitive stick with which to beat apartheid."

Mr. Chairman I would like to submit the full text of Chief Buthelezi's editorial for the RECORD:

[From the Wall Street Journal, Feb. 20, 1985]

Disinvestment Is Anti-Black

(By Mangosuthu G. Buthelezi)

In the struggle for liberation any black leader worthy of the title recognizes that the responsibility for bringing about radical change in South Africa rests on black shoulders. It is a South African struggle, and blacks have to lead in that struggle until we pass the point where the drive for improvements becomes nonracial. We have to shape events in our own chosen direction, and we have to fashion our society after the models that we ourselves emulate.

It must not, however, be forgotten that in life and death situations decency is so often under siege. Bloody revolutions fought against terrible oppression do not automatically bring about great improvements. Decency in South Africa is under siege at the moment in the sense that decency and democratic nonviolent opposition to apartheid are under threat by white recalcitrance, which is polarizing society and driving blacks to despair and anger. Decency is also under siege in the sense that time-honored civilized values and Western democratic principles are being viewed as impotent by an ever-increasing number of blacks. The struggle for liberation in South Africa still could take ugly turns; the prospects of widespread devastation of property and a sharp escalation of violence leading to a race war remain an ever-present possibility.

NEED ALL-PARTY ATTEMPT

It is against these background thoughts that I ask Americans to consider attitudes toward investment in South Africa, and attitudes toward President Reagan's constructive engagement policy. As a black leader I cannot be jubilant yet about the Reagan administration's South African policy. We don't know yet what deeds will be added to words, but we are aware that sufficient political time has not passed for anybody to make judgments on Mr. Reagan's approach to South Africa. As a black leader I must welcome his attempt to formulate a South African policy for the first time in the U.S.'s history, even if it has not yet been demonstrated that the U.S. government and the American people have the will and the ability to take South African issues out of U.S. party politics. Black South Africans still don't know whether petty politicking between Democrats and Republicans will turn apartheid into an American political football for party gain.

I make the point that for the U.S. the South Africa situation is distant and unimportant. The remoteness of South African issues from the daily vested interests of U.S. citizens does not demand that any U.S. government make more than vague moral pronouncements on what should and should not be happening in my country. The South African issue, however, does challenge Americans' moral fiber and the U.S.—as the world's leading democracy—should make an all-party attempt to side with the oppressed in South Africa.

This thought, however, does not belie the fact that medium and long-term economic developments in South and Southern Africa have implications for U.S. interests. South Africa after liberation will be a great gateway to the African hinterland where the process of industrialization must inevitably be talked of in terms of many millions of dollars. At this juncture, however, the immediate challenge to the U.S. is a moral challenge.

If we are to avoid a destructive conflagration of forces in South Africa, the process of change in the country must be speeded up. I fail to see how those who agree with this statement can possibly talk of our effective economic isolation. Isolation will bring stagnation to the economy and perhaps even destroy its growth base. Yet it is in the circumstances of a rapidly expanding economy, where the interdependence of black and white is vastly increased, that the propensity of the country to change is enhanced. Black vertical mobility is a concomitant of economic growth. Anybody who knows anything about a society such as ours will know that the ceilings that apartheid imposes on this vertical mobility, produce the rubbing points that mobilize opposition to apartheid where it is most vulnerable.

Apartheid has lined white pockets and succored white privilege. When white privilege and standards of living are threatened through the prosperity of blacks and there is a rising claim to recognition, then the prospects of negotiated advances are the greatest. While protected by a wide range of apartheid measures, big business in South Africa has for decades sides with the oppressor and exploited black South Africans unmercifully.

That era has passed. No big business today can secure future plans without challenging apartheid. It was the large corporations that broke the apartheid barriers that led to real advancements for black workers. Ford Motor Co.'s bold indenturing of black apprentices against the law hastened the day when job reservation had to be abandoned. Progressive managements talking, dealing and negotiating with workers hastened the day of black trade-union recognition.

It is big business that keeps institutions such as the Institute of Race Relations alive, and it is very often big business that provides the financial muscle to challenge the government in the courts on civil-rights issues, on labor issues and on contradictions and ambiguities in law; and it is international capital that can back educational and development programs. For large American companies to opt out of the South African situation is to opt out of the prospects of being catalysts in the process of change.

Increased economic investment in South Africa by U.S. companies associated with a U.S. constructive engagement policy with real meaning is a moral option that the U.S. now has. In the circumstances that now appertain, withdrawal of investments in South Africa by Americans is a strategy against black interests and not a punitive stick with which to beat apartheid.

LIFE AND DEATH DIFFERENCE

There is a great deal of genuine interest in South Africa among many Americans, but I really am fearful that the upsurge of the current debate on the disinvestment issue and on Mr. Reagan's constructive engagement policy is in part fired by Americans for Americans on American issues. Apartheid should be more than some kind of looking glass in which Americans see themselves. Apartheid is real; it is out there and millions of black South Africans suffer indescribably under it. Americans should profess a humanitarian approach to the question of what the U.S. should do about apartheid. To stand on American indignant principles by withdrawing diplomatically and economically from South Africa is a luxury that the vastness of American wealth could afford. But indulgence in that luxury for the sake of purity of conscience, whatever genuine motives produce that conscience, would do no more than demonstrate the moral ineptitude of a great nation in the face of challenges from a remote area of the globe.

Black South Africans have to confine their options to realities, and we have to seek to bring about radical change in such a way that we do not destroy the foundations of the future. More than 50 percent of all black South Africans are 15 years old or younger. A huge population bulge is approaching the marketplace. To greatly exacerbate unemployment and underemployment, and to greatly increase the already horrendous backlog in housing, education, health and welfare services, would be unforgivable. Millions of black South Africans already live in dire squalor in squatter areas and in shantytowns. Jobs make the difference between hunger and starvation and between life and death. For Americans to hurt the growth rate of the South African economy through boycotts, sanctions and disinvestment would demonstrate a callous disregard for ordinary people, suffering terribly under circumstances that they did not create, and would be a gross violation of any respect Americans may have for the principle that people should be free to exercise their rights to oppose oppression in the way they choose. Black South Africans do not ask Americans to disinvest. The strident voices calling for confrontation and violence are the voices most dominant in calls for disinvestment.

(Mr. Buthelezi is hereditary leader of the Zulu people of South Africa.)

Mr. Chairman, while economic sanctions are of questionable value, U.S. economic involvement in South Africa has been a positive factor with a potential for increased influence for change. It does not make sense to relinquish that potential in order to make a grand but ineffective gesture.

U.S. policy in South Africa can either be a force for evolutionary change or revolutionary change. Increasing economic dissatisfaction combined with unfulfilled political demands are a threat to any peaceful evolution in South Africa. As expressed by Chief Buthelezi,

> If change is ever achieved in South Africa through violence, we will find that the foundations of the future will have been destroyed in the course of liberating the country . . . For the vast majority of blacks, the struggle has always been for inclusion in the existing South Africa; it has always been a struggle to transform the state rather than destroy and rebuild it.

Mr. Chairman, I encourage all of my colleagues to carefully consider the effectiveness of economic sanctions. To look beyond the political rhetoric to the effects of such a policy. We should not recklessly approve a policy without giving careful and thorough consideration to its effects.

Mr. Chairman, at the appropriate point in our consideration of H.R. 1460, I will offer an amendment to the section that would ban the importation of Krugerrands into the United States. My amendment would allow Krugerrands to be imported, but it would require that they be registered upon entry. A nominal fee of 5 percent would be charged to cover the costs of registration. Any amounts remaining after covering the costs of registration would be used to finance scholarships for black and other nonwhite South Africans.

This amendment offers a positive way of dealing with the sale of South African Krugerrands in the United States. We would be able to use their importation to support the most effective means of achieving peaceful, evolutionary change: education.

I urge my colleagues to support this amendment and other perfecting amendments to H.R. 1460, so that the black population of South Africa will not be held hostage to change in the white South African Government.

Mr. MITCHELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. BARNES].

Mr. BARNES. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of this legislation.

Mr. MITCHELL. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the Anti-Apartheid Act.

After 4½ years, President Reagan's policy of constructive engagement has proven to be neither. Mr. Reagan's policies have brought no constructive improvement in the lives of South Africa's black majority. Those policies have failed to engage Pretoria in talks with this country that effectively communicate our disgust with apartheid and the importance we attach to serious negotiations between South African black leaders and the government there.

Mr. Reagan's policies have instead convinced the South African regime that it could continue its repression of black South Africans without fear of retaliation by the U.S. Government. Confident that the U.S. Government would not impose sanctions, the South African Government has refused to hold serious negotiations designed to end apartheid peacefully.

This bill sends a strong message to the South African Government that we will no longer tolerate the represson of nonwhites in that country.

This bill will cut off the South African Government from the economic and technical support that keeps apartheid alive.

Mr. Chairman, the American people will accept no less. The protests before the South African embassy here in Washington, and at consulates of the South African Government in cities around the United States, reflect how strongly our people feel about this.

City governments—including the government of my home city of Los Angeles—have begun to take steps to disinvest from the South Africa. Many universities have taken similar steps and others—including the California State university system—are under pressure to follow suit.

Now is the time for the Congress to take action. This bill is the best and strongest means we have to bring about changes in South Africa.

As the author of the provisions banning computer sales to South African Government agencies, I would like to take a moment now to outline the importance of this ban.

Computers make possible the South African Government's control over every detail in the lives of South African blacks. From the age of 16, every black must carry a passbook. The passbook will be a constant companion for the rest of their lives. It contains information indicating where its possessor may live and where he may work, whether he may live with his family or whether the Government has ordered him separated from his family.

The South African Government maintains detailed dossiers on each black in that country, and periodically checks the passbook information with the information it maintains in its computers. Such passbook enforcement is the most basic and intrusive means of repression.

The Government maintains thorough information on its opponents. It bugs their telephones, records their private conversations, monitors their movements through surveillance by police and their informants.

Computers are used to collect, retrieve, and employ this information in the repression of those who fight to eliminate apartheid.

Computers have allowed this suppression of dissent to continue. Computers aid in the subjugation of the 73 percent of the country's population that is black by the 15 percent who are white and in power. Computers make it possible for the Government to continue enforcement of apartheid even in the face of a white manpower shortage.

Computers allow that repression to continue—and to be intensified. Pass law arrests doubled between 1980 and 1982. Political detentions have increased sharply this year. Armed with more thorough and more readily available information, the Government has accelerated the removal of whole communities from areas traditionally occupied by blacks, but which the Government now wants to declare off-limits to nonwhites.

Those are American computers. U.S. companies supply 70 percent of all computers sold in South Africa.

The only way that we can insure that no American computers are used to enforce apartheid is to take computers out of the hands of all South African Government agencies.

IBM reports, regarding its operations in South Africa, and I quote "* * * it would be misleading to suggest that any manufacturer can control how its products are used."

Computers made by IMB, Burroughs, NCR, Mohawk Data Sciences, Data General, and others have been used by national and local South African agencies to enforce apartheid. Many have been purchased through the Government's central purchasing agent, the State Tender Board. It is all but impossible to track the use of an American computer once it has been sold to the central purchasing office.

Let's not fool ourselves into believing that somehow we can segregate the good agencies of the South African Government from the bad agencies, ban sales to the bad ones and exempt the good ones from the ban. This issue is too serious for such self-deception.

□ 1730

Mr. MITCHELL. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. Lantos].

Mr. LANTOS. Mr. Chairman, I rise with a profound sense of revulsion against the practice of apartheid and in the strongest possible support of this legislation.

We debate many issues in this Chamber, and there are lots of good arguments for and against legislation, and there are lots of gradations and shadings and points of view and perspectives—but not on this issue. If there is any moral issue that comes before the House in 1985, it is this issue.

It is significant that every single one of our colleagues from the Black Caucus is passionately committed to this issue. It is they who bleed emotionally and morally and in terms of principle on this issue. We are not debating the importation of automobiles from Japan, we are not debating bruised egos; we are talking about the fact that every single little baby born in South Africa who has a different pigmentation from mine is put in an untenable, inhuman, disgraceful, outrageous position. That is the issue. This proud democracy must stand up and send a symbolic message.

This legislation is a very pragmatic piece of legislation, but if it had no pragmatic impact, it has a powerful symbolic impact. Krugerrands are not just little gold coins; they are the symbol of institutionalized racism. The Krugerrands of today are the equivalent of the swastikas of World War II, and I beg of my colleagues to join us in supporting this legislation.

Mr. Chairman, this Congress must stand tall and approve this antiapartheid legislation.

Mr. WYLIE. Mr. Chairman, I yield 4 minutes to the gentlewoman from Maine [Ms. Snowe].

Ms. SNOWE. Mr. Chairman, I rise in support of this legislation. I realize that there are some who claim that we should not take the extraordinary steps in this bill to restrict future U.S. investment in South Africa, and to impose other sanctions on U.S. economic support for South Africa. I agree that we should be responsible in our approach to the problem of South Africa—and I believe this bill is exactly that—if there ever was a country that deserves to be treated differently, it would be South Africa. South Africa is the only country in the world with an official legal code denying the majority of its citizens their most basic human and civil rights on the basis of race. I believe that we must make absolutely clear our abhorrence at South Africa's apartheid policy and make clear our determination not to participate in any way with its continuation.

In the emotional debate that is likely to go on today, there are several things that I believe we should keep in mind. First, this bill would not disinvest U.S. holdings and investments in South Africa. What it would do is prohibit new U.S. investments, and prevent new shipments of South African gold coins to the United States. I do not interpret this as "cutting and running," although perhaps the United States should consider disinvestment at some point if genuine progress in South Africa is not made. But at this time, I believe this bill's approach is measured and appropriate.

Second, the current policy of constructive engagement is inadequate and actually serves to limit our ability to influence what happen in South Africa. I believe the administration has carried out this policy with sincerity and the best of intentions. But the policy has a fundamental flaw. Constructive engagement forecloses the possibility of sanctions and depends only on positive persuasion in the effect to shake the very foundations of the South African state. The best that such an approach can do is to achieve cosmetic changes in the implementation of apartheid.

One example is in the area of compliance with the Sullivan principles by U.S. businesses in South Africa. I am aware that this bill does not address the issue of mandatory compliance with the Sullivan principles, and that this is an issue for other legislation. But the administration, to its credit, has worked very hard to try to persuade U.S. business to voluntarily comply with the code. But the last audit by Arthur Little & Co. revealed that the number of U.S. companies claiming to comply with the Sullivan principles has actually dropped in the past 2 years, and the compliance record of those who have signed is still spotty. If the administration had informed the companies that it would seek legislation from Congress making the code mandatory if they did not voluntarily comply, I think we would see a very different record of compliance today.

By now, it must be apparent that friendly persuasion and diplomacy are not going to change the minds of those in South Africa who have worked for four decades to develop a police state able to enforce the elaborate and brutal system known as apartheid. Perhaps, as some claim, the approach taken in this bill will not end the bunker mentality of the Afrikaners, and will not lead to the abolishment of apartheid. If this is true, however, I suspect that there is nothing the United States can do that would make the crucial difference. But we should take this step if for no other reason than out of respect for racial equality and our own values.

We must keep in mind through all the discussion on the possible use of U.S. influence and leverage with the Government of South Africa, one indisputable fact stands out: there must come a time, when, the United States decides that we have done all we are willing to do in trying to work things out with a government that maintains itself in power only through a reprehensible and repugnant policy. How can we subordinate the obscenity of apartheid to any other dealing we may have with South Africa? I believe the answer is simple: we cannot. There may be some still who say that after 40 years the South Africans deserve more time, but I say that now is the time to start treating our relations with South Africa in a way that is fundamentally different.

The present policy of the carrot without the stick lulls the minds of those in South Africa who want to think that apartheid can continue. Four decades ago, when South Africa's representative to the U.N. vowed to Eleanor Roosevelt that apartheid would continue "forever," Eleanor Roosevelt replied that "forever is a long time." But now at last the pressure for real change in South Africa is building. With this bill, we will rivet the attention of South Africa's leadership and, make them realize just how short the time is.

If we fail today to apply meaningful sanctions, we will allow the South African leadership to dream on about apartheid's blissful eternity. At the same time, we will reinforce the growing resentment in South Africa's black majority toward the United States. Very little may be certain in South Africa, but one thing we may be sure of is that some day, in some way, South Africa will have majority rule.

Rather than postponing action once again to give South Africa one more chance, let us take this opportunity to speak with a clear, strong voice, and to act on our conscience. We have tried ignoring the problem, and it did not go away. We tried Constructive Engagement, and it has not worked. Now, is the time for sanctions. As we proceed with consideration of this bill, I hope this body will take an action that will end the process of merely condemning apartheid, and will begin the process of putting our words into deeds.

Mr. MITCHELL. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. Dymally].

Mr. DYMALLY. Mr. Chairman, I rise in support of H.R. 1460.

The arguments used against this piece of legislation center around the question of jobs. Let me say that there is no struggle without sacrifice. When the men and women of this country, black and white, left these shores in the 1940's to fight against the spread of Nazism, no one said, "I've got an assembly-line job in southern California" or "Detroit." They gave up their jobs. So if jobs are the sacrifice that black South Africans must make, then so be it.

Black South Africans are at war against apartheid. They are at war against racism. They are waging a moral, a spiritual, and a legal war, and soon they may wage a military war against apartheid. Therefore, to use the issue of jobs is to me an irrelevant and unnecessary argument.

My colleague, the gentleman from Indiana [Mr. Burton], likes to equate this whole issue of apartheid with communism. Communism strikes at the political and economic class system. Apartheid strikes at the Gestalt psychology of the black men and women of South Africa. It strikes at their soul. It is a humiliating experience. It is a system based on racism, not just politics, not just economics, not just class, but specifically racism, and directed not against whites but directed against blacks. So it is not fair to equate the whole question of communism, which I abhor, too, as does the gentleman from Indiana, with the question of apartheid. They are two separate and distinct issues. One demoralizes and humiliates the racial soul of the person; the other one deals with the question of class.

Mr. Chairman, in this era of peace and prosperity for the United States, there are few political issues which enrage the electorate. South Africa's apartheid policy is one of those issues. I need not berate my colleagues on the evils of this violent system of legalized racism. We are all familiar with its ugly realities. President Reagan, on the other hand, does not share our revulsion. This is disturbing, for it indicates a certain tolerance for racism. Based on anticommunism and a fear for the future, Mr. Reagan continues his policy of constructive engagement with South Africa. Stressing that the political spokesmen for the black majority are too radical, too disparate, and too disrespectful to American business interests, Mr. Reagan favors the recognition of the white minority as the lesser of two evils. To Mr. Reagan, the real evil in South Africa is the threat of Communist expansionism or, at the least, the enthroning of radical extremists should the white minority government topple. To most Americans, especially black Americans, the true evil in South Africa is the source of the current unrest, apartheid.

Without question, our Presidential administration is at odds with much of its people on this issue. Are there really two evils? The answer is apparent. Apartheid exists; the last vestige of a 19th century, colonial approach to racial matters. The Communist, extremist threat does not exist. It is a fear, born out of the anticommunist crusade that has obsessed the White House since 1981. I ask this Congress to deal with realities. Apartheid, Bishop Desmond Tutu has told us, can be halted through international pressure. The arrests at the South African Embassy, including my own, have proven this political point. Economically, little has been done to act on Bishop Tutu's advice. My fellow Californian colleague, Ron Dellums, offers a fine answer to the good bishop; a measure calling for stiff economic restrictions against South Africa. It is overdue, and I must urge the House of Representatives to support it in the name of justice and humanity.

Let us not be misguided by our own fears. Let us continue to recognize the facts and respond to them in a fashion that befits our country's tradition of respect for civil rights/civil liberties. I stand opposed to the evil of apartheid, and I advocate economic pressures on South Africa.

Mr. MITCHELL. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Louisiana [Mrs. Boggs].

Mrs. BOGGS. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of the Anti-Apartheid Act. In light of the growing unrest among the repressed people of South Africa and the failure of the government of that country to undertake steps sufficiently constructive to permit all of its people to participate in government, the time has come for the United States to establish a strong tangible, as well as moral, position in opposition to the unacceptable system that exists today in South Africa.

The apartheid system classifies the 23 million blacks who live in South Africa as "foreign natives." Under this system the Group Areas Act defines where different races may live and where they may operate commercially. Black Africans can enter other areas with a permit only as long as their labor is needed. Once admitted to nonblack areas, they must live in prescribed places and are not permitted to own property.

The Pass law requires that all Africans over the age of 16 must at all times have a passport in order to move about the country. Police efficiently control and monitor the movements of blacks. By using improved technology and support offered by the computer equipment developed, manufactured and marketed by American corporations.

The homelands system is another element of apartheid. Five Bantustans, or homelands, have been established and South African blacks are assigned to them to be citizens, whether they want to or not. The Bantustans are poor, infertile patches of arid land that comprise about 13 percent of South Africa's area. Nearly 3.5 million Africans have been relocated to these artificial homelands that have no economic viability.

Some argue that there has been some limited degree of progress in reforming the South African system. There was a change in the constitutional form of government in 1983, permitting Asians and mixed race coloureds a share of power through the establishment of a racially segregated parliament. However, black Africans were excluded because they are not citizens of South Africa. They are citizens of their Bantustans.

Others argue that the Sullivan principles are an appropriate progressive response by American business. The Sullivan principles are an important step aimed at ending segregation and the discrimination around which South Africa's private sector revolves. But let me quote from Rev. Leon Sullivan's recent op-ed column in the Philadelphia Enquirer.

> The principles are a catalyst for change and affect conditions for black workers throughout the country. They are a lever on other companies.
>
> A group of South African companies employing a million workers, mostly blacks, are now using the principles in their practices. The principles have started a revolution in industrial race relations across South Africa. Also, they have become a platform for many in South Africa arguing for equal rights in government and other places.
>
> But far more must be done by American and other companies of the world. Growing and mounting tides of protest and turmoil within South Africa make fundamental change crucially urgent if the country is to avoid a bloodbath.
>
> The pace of change is far too slow. The companies in South Africa are powerful and must become active in the struggle. One thousand companies from America and the world in South Africa practicing equal rights and taking firm stands against apartheid laws would make a dramatic difference in helping bring about the dismantling of apartheid. The companies must be pushed harder for faster results.
>
> Unfortunately, more than 100 U.S. companies in South Africa still do not suport the equal rights principles and some, that claim to be supporters, are dragging their feet. All U.S. companies should become a part of the principles and measure up fully in their implementation.

Instead, Mr. Chairman, with the help of American investments, technology and expertise, the white minority government has been able to maintain a strong economy and a sophisticated apparatus that quashes all political dissent. The Sullivan principles are a positive step, but they are not a comprehensive way to address the wrongs of apartheid.

Mr. Chairman, H.R. 1460 does represent a significant American response to apartheid. It imposes limits on dealings with South Africa, including restrictions on new U.S. investments, bank loans to the public sector, the importation of krugerrands into the United States, and the export of computer goods to South Africa. The Government of South Africa is sensitive to the importance of foreign investment to its economy. Adoption of these new restrictions will be a strong signal that in the international economic and political environment there is a potential risk of more and effective sanctions unless there is a fundamental political and social change.

Mr. Chairman, I would like to commend the gentleman from Pennsylvania for his leadership on this issue. He has done yeoman service in crafting a sensible American response by reaching out to include participants from a broad spectrum of this House to bring this legislation to this point. I commend him for his efforts and urge passage of this important element in the dismantling of the political and economic structure known as apartheid.

Mr. WYLIE. Mr. Chairman, may I inquire as to how much time remains.

The CHAIRMAN. The gentleman from Ohio [Mr. Wylie] has 4½ minutes remaining and the gentleman from Maryland [Mr. Mitchell] has 7 minutes remaining.

☐ 1740

Mr. WYLIE. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. Fish].

Mr. FISH. Mr. Chairman, I am proud to join my colleagues today to speak out against the unjust apartheid policies of South Africa and to express my strong support of H.R. 1460.

The racial injustices being perpetrated daily in South Africa require a strong response by the United States. Can we in good conscience continue new investment and trade with a country whose law is a conscious and deliberate policy of racism and often violent means of repression? Can we do otherwise than to condemn an intricate web of discriminatory laws which makes apartheid the governing reality of every aspect of social and political life?

The anglican Archbishop, Desmond Tutu, in a recent speech at the University of Kentucky, condemned—

> the violence in the black townships as discrediting our righteous struggle for liberation. But we must recognize that apartheid is the primary violence in South Africa—the violence of the migratory labor system, the violence of forced population removal, the violence of detention without trial, the violence that forces children to starve, the violence that stunts intellectual and spiritual growth.

Despite being ostracized by the international community as a social pariah, South Africa's central government has refused to relax its discriminatory hold. Special police units constantly harass members of civil rights organizations, such as the outlawed African National Congress, with social and political bannings and internal exiles. Suspected organizers and supporters, like Nelson and Winnie Mandela, have been arrested and incarcerated for long periods of the time without being charged or tried.

Recent events in South Africa make it clear that world pressure, as well as the U.S. policy of constructive engagement, has not eased tensions or increased rights of black South Africans. Over the past 9 months, more than 350 black South Africans have been killed; 10,000 have been arrested. Several of those killed were mourning the deaths of victims of previous protests. Just this past weekend, police killed a black man and injured two others in new rioting.

If history is our lesson, today's clashes and the Government's response signal the beginning of tomorrow's brutal revolution. If we are successful in forcing the lifting of the social and political restrictions of apartheid, perhaps the certainty of bloodshed will be avoided.

True equality will not be obtained without great advances in political participation. Until blacks are permitted to vote and to obtain fair representation in government, the protests will continue. Bishop Tutu said in Kentucky:

> I want to see fundamental change, political power sharing, come to South Africa peacefully. I call for international pressure: political, diplomatic, but above all economic.

We in the United States should be part of the peaceful solution in South Africa. It is time to send a message to the Government of South Africa, which represents less than one-fifth of the population, that we will no longer do business as usual.

The Anti-Apartheid Act takes the steps necessary to make our message clear—without changes in apartheid, we will not participate in the South African economy. Our legislation is a

measured response to apartheid. The bill bans bank loans to the public sector, restricts new investment, bans the importation of krugerrands, and bans computer sales to the Government of South Africa. The ban on new investments and the sale of krugerrands are subject to a waiver provision. The President can waive these prohibitions for a period of not more than 1 year if he certifies that one or more of certain conditions are being met and Congress agrees by joint resolution. These conditions include the ending of practices repugnant to all Americans—the elimination of the prohibition against blacks living near their place of employment; elimination of the prohibition against blacks finding work anywhere in the country; elimination of forced population removal, residence restrictions, or incarceration of political prisoners. Political conditions include the achievement of an internationally recognized settlement for Namibia or good faith negotiations between blacks and whites to establish a new political system that would permit full national participation by all residents of South Africa.

What of those who question our actions today, who see our sanctions as pushing South Africa into the hands of the Marxists? Again I cite the remarks of Bishop Tutu, who said "Apartheid is the best recruiter for communism."

We can be part of the solution, a peaceful solution. We should be on the side which is not only just, but which will eventually share the power in South Africa. We cannot ignore the inevitable. It if our best chance to have some influence on the future majority government and helping it become a true representative democracy.

My colleagues, the protests in front of the South African Embassy in Washington and on college campuses across the Nation, and H.R. 1460, are as much about our own country as they are about South Africa. These voices and our legislation are about what we stand for and what we will stand against.

Mr. MITCHELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. Pease].

● Mr. PEASE. Mr. Chairman, I rise in support of H.R. 1460, for it will send a clear and unmistakable signal that the United States will no longer tolerate South Africa's morally repugnant system of racist rule.

The Reagan administration's policy of constructive engagement has not prompted positive reform. Indeed, America's patience with Pretoria has exacerbated the plight of the black majority. Internal repression of South African blacks has escalated dramatically in the past 4 years, as we have maintained close political and economic ties with the white minority government. Understandably, South Africa's black majority condemns America's perceived alignment with the system of apartheid.

The economic sanctions proposed in H.R. 1460 will demonstrate our support of the South African majority and pressure the white minority government to begin dismantling its system of apartheid. Economic pressure from the United States may thus help to avert a catastrophic clash between the black majority and ruling white minority in South Africa.

I urge you to join me in support of H.R. 1460. It is a moderate but vital statement to give credence to America's moral condemnation of apartheid.●

Mr. MITCHELL. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. Levin].

Mr. LEVIN of Michigan. Mr. Chairman, I rise in support of this legislation.

Let me put it, if I might, rather simply. There are times to err on the side of compromise. There are other times to err on the side of firmness. There are times to cut an issue into pieces. There are other times to stand for an entire principle.

There are times to embrace gradualism. There are other times to insist on swift action. Apartheid is a time for the latter. If any nation should understand that, it is our Nation.

We learned the lesson of indivisibility, of equality, through the ultimate painful test of civil war. We must abide by that lesson here at home and in our relations with all nations.

Mr. Chairman, South Africa must be no exception. It is time for them to act. It is time for us to be firm.

Mr. MITCHELL. Mr. Chairman, I reserve the balance of my time.

Mr. WYLIE. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, I signed a letter not long ago with 34 of my colleagues expressing my feeling that the end of apartheid can be instrumental to the growth of better relations and good relations between South Africa and the United States.

Apartheid makes it likely that our relations will deteriorate.

I think there should be an immediate end to the violence in South Africa, accompanied by a demonstrated sense of urgency about ending apartheid.

I think, Mr. Chairman, that H.R. 1460 will send that message and I urge adoption of H.R. 1460 today.

Mr. MITCHELL. Mr. Chairman, I yield myself such time as I may consume to close out the debate.

Mr. Chairman, I rise today in strong support of H.R. 1460, the Anti-Apartheid Act of 1985, to impose economic sanctions against the Government of South Africa. This House today has the rare opportunity to dispel the idea that America's foreign policy is hypocritical insofar as blacks on the continent are concerned.

I was in Gabon, Africa, in January 1983, with the gentleman from Michigan [Mr. Wolpe] and others. Black African leaders questioned me over and over and over again. "How can your country praise the people of Afghanistan who are fighting the Soviets and in the same breath condemn black South Africans who are fighting for their liberation?" "How can your country, the great America, continue to give aid, support, and comfort to the Union of South Africa, the only country in the world which upholds racism by law?" "Is your country's policy toward South Africa reflective of a kind of colonialist mentality which demands that whites dominate the lives of blacks?"

The questions came on, and on, and on. I tried my best to answer them in an honest forthcoming manner.

But today, today this House can give a clear, straight answer to all of those questions. By our vote for this legislation today, this House can say not only is the system of apartheid an ugly, evil thing which we condemn, but we shall this day take strong, positive, direct action against this evil thing, this abomination which assaults our very sense of humanity, the system of apartheid.

By our action today we can show the same compassion to blacks trapped in Pretoria as we show to Jews trapped in the Soviet Union.

By our vote today, we can show that we respect the essential dignity of those blacks in Capetown as we show for the beleaguered people in Afghanistan.

Let us dispel the notion that we have a foreign policy toward South Africa which is really a neocolonialist policy for blacks in Soweto.

We can dispel the notion this day on this vote, we can dispel the notion that America is still dominated by a colonialist mentality that says whites will forever dominate the lives of blacks.

Do you know what we are doing in South Africa? We are continuing the old colonialism and supporting it. We are continuing the words of Kipling:

> If drunk with sight of power we loose wild tongues that have not thee in awe, such boastings as the gentiles use or lesser breeds without the law.

☐ 1750

That is what we are supporting with the neocolonialist policy. I would suggest to you that I thank you so much for your votes in the past criticizing and condemning and calling repugnant and pernicious the policies of South Africa. But that is not enough. We have done that time and time again and there has been essentially no change.

The only change that I have seen is a greater repression, more blacks being killed, more blacks dying in jail, more blacks being forced off their land. That is the only change.

There is a word we used to use in the ghetto about those who come up with their soft persuasive arguments against evil. We used to call it mealymouthing and that is what we have been doing here, some of us, today, mealymouthing on an issue that cannot be mealymouthed on, the issue of whether America is going to be a part of a neocolonialist posture against black South Africans or whether we are going to respond to the deepest and best instincts in this Nation that say all men are created to enjoy freedom, no matter where they exist.

You have heard all of the arguments and I am not going to use any more of my time. I will tell you one thing, let this House fail to vote on this issue and you fail America. Let this House fail to pass this issue and you give all of the justification in the world to the thought that is in the minds of hundreds of thousands of black Africans, that the United States of America, the greatest democracy in the world, will continue to support the most evil and repressive and racist regime that ever existed on the face of the Earth.

Mr. Chairman, let us vote for freedom, for dignity, for the right of self-determination for blacks in South Africa. Let not this House fail this Nation on this vote today.

Mr. Chairman, the House of Representatives has, in the past, adopted several resolutions sharply criticizing the pernicious and repugnant institutionalized racist policies of the South African Government. Although the language enunciating our position has been clear that the Republic of South Africa should cease its constitutional practice of apartheid, we have seen essentially no change in the status quo over the past two decades save the accelerated violence and oppression by Pretoria.

Not only has world attention been focused on the efforts of the 1984 Nobel Peace Prize winner Bishop Desmond Tutu, for his peaceful struggle against racism in South Africa, but much attention has been focused on the protests outside the South African Embassy here in the Nation's Capitol and in other cities across the Nation. It is apparent that these protests have stirred the consciousness of the American public over the past several months, but most casual observers do not realize that blacks and whites in South Africa have endured an abrasive and often bloodstained relationship since the Dutch first established a trading post at Capetown in 1652.

Mr. Chairman, although this bill allows for certain conditions under which two of the sanctions could be waived for limited periods, I do feel that it is the kind of legislation that is needed to make clear our opposition to the abominable system of racial discrimination in South Africa.

The economic sanctions this bill would impose include: First, a prohibition on all loans and extensions of credit to the South African Government; second, a prohibition on all investment direct or indirect, in new business enterprises in South Africa; third, a prohibition on the importation into the United States of South African krugerrands or any other gold coins minted or sold by the South African Government; and fourth, a prohibition on the direct or indirect export of U.S. computers, computer software, or other computer parts to the South African Government.

Over the past several years, we have witnessed an easing of export controls, and, increased sales of aircraft and other high-tech equipment from the United States to the South African Government under the guise of quiet diplomacy, but we have yet to see any move by the South African Government to abandon its policy of apartheid. Apartheid is a direct assault against our ideal of what is right and moral. It personifies evil, offends decency and affronts dignity. If we in this body really care about ending the condition of mass servitude in South Africa, if we are really concerned about the violence, human suffering and economic exploitation which results from minority rule in South Africa, if we really want to indicate to South Africa and the world that the United States is sincere in its abhorrence of the inhumane constitutional practice of racial segregation, we have a perfect opportunity today to do so. I urge my colleagues on both sides of the aisle to do the responsible thing and adopt this bill.

The CHAIRMAN. Under the rule, all time has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute recommended by the Committee on Foreign Affairs, now printed in the reported bill, shall be considered as an original bill for the purpose of amendment, and each section shall be considered as having been read.

After the bill has been considered for amendment in its entirety, it shall be in order to consider the following amendments in the nature of a substitute in the following order: the amendment printed in the Congressional Record of May 16, 1985, by, and if offered by, Representative Siljander; the amendment printed in the Congressional Record of May 16, 1985, by, and if offered by, Representative Gunderson; and the amendment printed in the Congressional Record of May 16, 1985, by, and if offered by, Representative Dellums, which shall be in order even if a previous amendment in the nature of a substitute has been adopted.

Each amendment shall be debatable for 1 hour, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto, and said amendments shall not be subject to amendment.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Anti-Apartheid Act of 1985".

Mr. WOLPE. Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be printed in the Record and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The text of the remainder of the committee amendment in the nature of a substitute, beginning with section 2, is as follows:

SEC. 2 POLICY DECLARATIONS.

The Congress makes the following declarations:

(1) It is the policy of the United States to encourage all nations to adopt political, economic, and social policies which guarantee broad human rights, civil liberties, and individual economic opportunities.

(2) It is the policy of the United States to condemn and seek the eradication of the policy of apartheid in South Africa, a doctrine of racial separation under which rights and obligations of individuals are defined according to their racial or ethnic origin.

SEC. 3. PROHIBITION ON LOANS TO THE SOUTH AFRICAN GOVERNMENT.

(a) In General.—No United States person may make any loan or other extension of credit, directly or through a foreign affiliate of that United States person, to the Government of South Africa or to any corporation, partnership, or other organization which is owned or controlled by the Government of South Africa, as determined under regulations which the President shall issue.

(b) Exception for Nondiscriminatory Facilities.—The prohibition contained in subsection (a) shall not apply to a loan or extension of credit for any educational, housing, or health facility which—

(1) is available to all persons on a totally nondiscriminatory basis, and

(2) is located in a geographic area accessible to all population groups without any legal or administrative restriction.

(c) Exception for Prior Agreements.—The prohibition contained in subsection (a) shall not apply to any loan or extension of credit for which an agreement is entered into before the date of the enactment of this Act.

(d) Issuance of Regulations.—The President shall issue the regulations referred to in subsection (a) not later than 90 days after the date of the enactment of this Act.

SEC. 4. RESTRICTIONS ON NEW INVESTMENTS (INCLUDING BANK LOANS).

(a) President to Issue Regulations.—The President shall, not later than 90 days after the date of the enactment of this Act, issue

regulations prohibiting any United States person from making, directly or through a foreign affiliate of that United States person, any investment (including bank loans) in South Africa.

(b) Exceptions From Prohibition.—The prohibition contained in subsection (a) shall not apply to—

(1) a loan or extension of credit permitted under section 3;

(2) an investment which consists of earnings derived from a business enterprise in South Africa established before the date of the enactment of this Act and which is made in that business enterprise; or

(3) the purchase, on a securities exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934, of securities in a business enterprise described in paragraph (2).

SEC. 5. GOLD COINS.

(a) Prohibition.—No person, including a bank, may import into the United States any South African krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa.

(b) United States Defined.—For purposes of this section, the term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

SEC. 6. WAIVERS.

(a) Authority of the President.—

(1) Initial waiver.—The President may waive the prohibitions contained in sections 4 and 5 for a period of not more than 12 months if—

(A) the President determines that one or more of the conditions set forth in subsection (b) are met,

(B) the President submits that determination to the Congress, and

(C) a joint resolution is enacted approving the President's determination.

(2) Additional waivers.—The President may waive the prohibitions contained in sections 4 and 5 for additional 6-month periods if, before each such waiver—

(A) the President determines that an additional condition set forth in subsection (b) has been met since the preceding waiver under this subsection became effective,

(B) the President submits that determination to the Congress, and

(C) a joint resolution is enacted approving the President's determination.

(b) Statement of Conditions.—The conditions referred to in subsection (a) are the following:

(1) Family housing near place of employment.—The Government of South Africa has eliminated the system which makes it impossible for black employees and their families to be housed in family accommodations near the place of employment.

(2) Right to seek employment.—The Government of South Africa has eliminated all policies that restrict the rights of black people to seek employment in South Africa and to live wherever they find employment in South Africa.

(3) Eliminating denationalization.—The Government of South Africa has eliminated all policies that make distinctions between the South African nationality of blacks and whites.

(4) Eliminating removals.—The Government of South Africa has eliminated removals of black populations from certain geographic areas on account of race or ethnic origin.

(5) Eliminating residence restrictions.—The Government of South Africa has eliminated all residence restrictions based on race or ethnic origin.

(6) Negotiations for new political system.—The Government of South Africa has entered into meaningful negotiations with truly representative leaders of the black population for a new political system providing for the full national participation of all the people of South Africa in the social, political, and economic life in that country and an end to discrimination based on race or ethnic origin.

(7) Settlement on Namibia.—An internationally recognized settlement for Namibia has been achieved.

(8) Freeing political prisoners.—The Government of South Africa has freed all political prisoners.

(c) Procedures for Consideration of Joint Resolutions.—

(1) Referral of joint resolutions.—All joint resolutions introduced in the House of Representatives and the Senate shall be referred immediately to the appropriate committees.

(2) Committee discharge.—If the committee of either House to which a joint resolution has been referred has not reported it at the end of 30 days after its introduction, the committee shall be discharged from further consideration of the joint resolution or of any other joint resolution introduced with respect to the same matter.

(3) Consideration of resolutions.—A joint resolution under this subsection shall be considered in the Senate in accordance with the provisions of section 601(b)(4) of the International Security Assistance and Arms Export Control Act of 1976. For the purpose of expediting the consideration and passage of joint resolutions reported or discharged pursuant to the provions of this subsection, it shall be in order for the Committee on Rules of the House of Representatives to present for consideration a resolution of the House of Representatives providing procedures for the immediate consideration of a joint resolution under this subsection which may be similar, if applicable, to the procedures set forth in section 601(b)(4) of the International Security Assistance and Arms Export Control Act of 1976.

(4) Receipt of resolutions from the other house.—If before the passage by one House of a joint resolution of that House, that House receives a joint resolution with respect to the same matter from the other House, then—

(A) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(B) the vote on final passage shall be on the joint resolution of the other House.

(5) Computation of legislative days.—In the computation of the period of 30 days referred to in paragraph (2) of this subsection, there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or because of an adjournment of the Congress sine die.

(6) Joint resolution defined.—For purposes of this subsection, the term "joint resolution" means a joint resolution the matter after the resolving clause of which is as follows: "That the Congress, having received on a determination of the President under section 6(a) of the Anti-Apartheid Act of 1985 approves the President's determination.", with the date of the receipt of the determination inserted in the blank.

SEC. 7. EXPORTS TO SOUTH AFRICAN GOVERNMENT

Section 6 of the Export Administration Act of 1979 (50 U.S.C. App. 2405) is amended by adding at the end the following:

"(1) Exports to South Africa.—No computers, computer software, or goods or technology intended to service computers may be exported, directly or indirectly, to or for use by the Government of South Africa or any corporaton, partnership, or other organization which is owned or controlled by the Government of South Africa.

"(2) For purposes of paragraph (1), the term 'computer' includes any computer that is the direct product of technology of United States origin.

"(3) The prohibition contained in paragraph (1) shall not apply to donations of computers to primary and secondary schools.

"(4) Notwithstanding any other provision of this or any other Act, the prohibition contained in paragraph (1) shall apply to any contract or agreement entered into before the date of the enactment of this subsection, and to any license or other authorization in effect which is issued under this Act before such date of enactment.

"(5) The termination provisions contained in section 20 of this Act shall not apply to this subsection, or to sections 11 and 12 of this Act to the extent such sections apply to violations of, and the enforcement of, this subsection.".

SEC. 8. REGULATORY AUTHORITY.

The President shall issue such regulations, licenses, and orders as are necessary to carry out this Act.

SEC. 9. ENFORCEMENT AND PENALTIES.

(a) Authority of the President.—The President shall take the necessary steps to ensure compliance with the provisions of this Act and any regulations, licenses, and orders issued to carry out this Act, including establishing mechanisms to monitor compliance with this Act and such regulations, licenses, and orders. In ensuring such compliance, the President may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(b) Penalties.—

(1) For persons other than individuals.—Any person, other than an individual;, that violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall be fined not more than $1,000,000.

(2) For individuals.—

(A) In general.—Any individual who violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall be fined not more than $50,000, or imprisoned not more than 5 years, or both.

(B) Penalty for section s.—Any individual who violates section 5 of this Act or any regulation issued to carry out that section shall, in lieu of the penalty set forth in subparagraph (A), be fined not more than 5 times the value of the krugerrands or gold coins involved.

(c) Additional Penalties for Certain Individuals.—

(1) In general.—Whenever a person commits a violation under subsection (b)—

(A) any officer, director, or employee of such person, or any natural person in control of such person who knowingly and willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who knowingly and willfully carried out such act or practice,

shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(2) Exception for certain violations.—Paragraph (1) shall not apply in the case of a violation by an individual of section 5 of this Act or of any regulation issued to carry out that section.

(3) Restriction on payment of fines.—A fine imposed under paragraph (1) on an individual for an act or practice constitution a violation may not be paid, directly or indirectly, by the person committing the violation itself.

SEC. 10. NEGOTIATIONS.

The President shall, by means of both bilateral and multilateral negotiations, including through the United Nations, attempt to persuade the governments of other countries to adopt restrictions on new investment (including bank loans) in South Africa, on bank loans and computer sales to the South African Government, and on the importation of krugerrands. The President shall submit annual reports to the Congress on the status of negotiations under this section.

SEC. 11. TERMINATION OF PROVISIONS OF ACT.

(a) Determination of Abolition of Apartheid.—If the President determines that the system of apartheid in South Africa has been abolished, the President may submit that determination, and the basis for the determination, to the Congress.

(b) Joint Resolution Approving Determination.—Upon the enactment of a joint resolution approving a determination of the President submitted to the Congress under subsection (a), the provisions of this Act, and all regulations, licenses, and orders issued to carry out this Act, shall terminate.

(c) Definition.—For purposes of subsection (a), the "abolition of apartheid" shall include—

(1) the repeal of all laws and regulations that discriminate on the basis of race; and

(2) the establishment of a body of laws that assures the full national participation of all the people of South Africa in the social, political, and economic life in that country.

SEC. 12. DEFINITIONS.

For purposes of this Act—

(1) Investment in south africa.—The term "investment in South Africa" means establishing, or otherwise investing funds or other assets in, a business enterprise in South Africa, including making a loan or other extension of credit to such a business enterprise.

(2) United states person.—The term "United States person" means any United States resident or national and any domestic concern (including any permanent domestic establishment of any foreign concern), and such term includes a bank organized under the laws of the United States;

(3) South africa.—The term "South Africa" includes—

(A) the Republic of South Africa,

(B) any territory under the administration, legal or illegal, of South Africa, and

(C) the "bantustans or homelands", to which South African blacks are assigned on the basis of ethnic origin, including the Transkei, Bophuthatswana, Ciskei, and Venda.

(4) Foreign affiliate.—A "foreign affiliate" of a United States person is a business enterprise located in a foreign country, including a branch, which is controlled by that United States person.

(5) Control.—A United States person shall be presumed to control a business enterprise if—

(A) the United States person beneficially owns or controls (whether directly or indirectly) more than 50 percent of the outstanding voting securities of the business enterprise;

(B) the United States person beneficially owns or controls (whether directly or indirectly) 25 percent or more of the voting securities of the business enterprise, if no other person owns or controls (whether directly or indirectly) an equal or larger percentage;

(C) the business enterprise is operated by the United States person pursuant to the provisions of an exclusive management contract;

(D) a majority of the members of the board of directors of the business enterprise are also members of the comparable governing body of the United States person;

(E) the United States person has authority to appoint a majority of the members of the board of directors of the business enterprise; or

(F) the United States person has authority to appoint the chief operating officer of the business enterprise.

(6) Loan.—The term "loan" includes an extension of credit as defined in section 201(h) of the Credit Control Act (12 U.S.C. 1901(h)).

(7) Bank.—The term "bank" means—

(A) any depository institution as defined in section 19(b)(1)(A) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)),

(B) any corporation organized under section 25(a) of the Federal Reserve Act (12 U.S.C. 611 et seq.),

(C) any corporation having an agreement or undertaking with the Federal Reserve Board under section 25 of the Federal Reserve Act (12 U.S.C. 611 et seq.), and

(D) any bank holding company as defined in section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(a)).

(8) Business enterprise.—The term "business enterprise" means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage.

(9) Branch.—The term "branch" means the operations or activities conducted by a person in a different location in its own name rather than through a separate incorporated entity.

(10) Political prisoner.—The term "political prisoner" means any person in South Africa who is incarcerated or persecuted on account of race, religion, nationality, membership in a particular social group, or political opinion, but the term "political prisoner" does not include any person who ordered, incited, assisted, or otherwise participated in the persecution of any person on account of race, religion, nationality, membership in a particular social group, or political opinion.

SEC. 13. APPLICABILITY TO EVASIONS OF ACT.

This Act and the regulations issued to carry out this Act shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this Act or such regulations.

SEC. 14. CONSTRUCTION OF ACT.

Nothing in this Act shall be construed as constituting any recognition by the United States of the homelands referred to in section 12(3)(C) of this Act.

AMENDMENT OFFERED BY MR. ZSCHAU

Mr. ZSCHAU. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Zschau: Page 20, line 11, strike out "or".

Page 20, line 15, strike out the period and insert in lieu thereof a semicolon.

Page 20, insert the following after line 15:

(4) the establishment by a United States person of a business enterprise in South Africa if that United States person first certifies to the President that the person will, in the operation of that business enterprise, implement those principles set forth in subsection (c); or

(5) an investment by a United States person who—

(A) operates or controls a business enterprise in South Africa, and

(B) in the operation of that business enterprise, implements those principles set forth in subsection (c),

if the investment is made in that business enterprise.

(c) Statement of Principles.—The principles referred to in paragraphs (4) and (5)(B) of subsection (b) are as follows:

(1) Desegregating the races.—Desegregating the races in each employment facility, including—

(A) removing all race designation signs;

(B) desegregating all eating, rest, and work facilities; and

(C) terminating all regulations which are based on racial discrimination.

(2) Equal employment.—Providing equal employment for all employees without regard to race or ethnic origin, including—

(A) assuring that any health, accident, or death benefit plans that are established are nondiscriminatory and open to all employees without regard to race or ethnic origin; and

(B)(i) implementing equal and nondiscriminatory terms and conditions of employment for all employees, and (ii) abolishing job reservations, job fragmentation, apprenticeship restictions for blacks and other nonwhites, and differential employment criteria, which discriminate on the basis of race or ethnic origin.

(3) Equitable pay system.—Assuring that the pay system is equitably applied to all employees without regard to race or ethnic origin, including—

(A) assuring that any wage and salary structure that is implemented is applied equally to all employees without regard to race or ethnic origin;

(B) eliminating any distinctions between hourly and salaried job classifications on the basis of race or ethnic origin; and

(C) eliminating any inequities in seniority and ingrade benefits which are based on race or ethnic origin.

(4) Minimum wage and salary structure.—Establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families.

(5) Increasing blacks and other nonwhites in certain jobs.—Increasing, by appropriate means, the number of blacks and other nonwhites in managerial, supervisory, administrative, clerical, and technical jobs for the purpose of significantly increasing the representation of blacks and other nonwhites in such jobs, including—

(A) developing training programs that will prepare substantial numbers of blacks and other nonwhites for such jobs as soon as possible, including—

(i) expanding existing programs and forming new programs to train, upgrade, and improve the skills of all categories of employees, including establishing and expanding programs to enable employees to further their education and skills at recognized education facilities; and

(ii) creating on-the-job training programs and facilities to assist employees to advance to higher paying jobs requiring greater skills;

(B) establishing procedures to assess, identify, and actively recruit employees with potential for further advancement;

(C) identifying blacks and other nonwhites with high management potential and enrolling them in accelerated management programs; and

(D) establishing timetables to carry out this paragraph.

(6) Improving life outside the workplace.—Taking reasonable steps to improve the quality of employees lives outside the work environment with respect to housing, transportation, schooling, recreation, and health, including—

(A) providing assistance to black and other nonwhite employees for housing, health care, transportation, and recreation either through providing facilities or services or providing financial assistance to employees for such purposes, including the expansion or creation of in-house medical facilities or other medical programs to improve medical care for black and other nonwhite employees and their dependents; and

(B) participating in the development of programs that address the education needs of employees, their dependents, and the local community.

(7) Fair labor practices.—Implementing fair labor practices, including—

(A) recognizing the rights of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist. labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity;

(B) refraining from—

(i) interfering with, restraining, or coercing employees in the exercise of their rights of self-organization under this paragraph,

(ii) dominating or interfering with the formation or administration of any labor organization, or sponsoring, controlling, or contributing financial or other assistance to it; except that an employer may permit employees to confer with the employer during working hours without loss of time or pay,

(iii) encouraging or discouraging membership in any labor organization by discrimination in regard to hiring, tenure, promotion, or other condition of employment,

(iv) discharging or otherwise disciplining or discriminating against any employee who has exercised any rights of self-organization under this paragraph, and

(v) refusing to bargain collectively with any organization freely chosen by employees under this paragraph; and

(C)(i) allowing employees to exercise rights of self-organization, including solicitation of fellow employees during nonworking hours, (ii) allowing distribution and posting of union literature by employees during nonworking hours in nonworking areas, and (iii) allowing reasonable access to labor organization representatives to communicate with employees on employer premises at reasonable times where there are no other available channels which will enable the labor organization to communicate with employees through reasonable efforts.

Mr. ZSCHAU (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ZSCHAU. Mr. Chairman, I strongly support the objectives of H.R. 1460. This bill was designed to provide pressures and incentives on the South African Government to take specific actions to end apartheid. It also attempts to disassociate the United States from supporting the mechanisms of apartheid, and it sends a strong symbolic signal to the Government of South Africa.

Unfortunately, although the objectives of the bill as it is written are good, it has some flaws in it. I will be offering a series of four amendments to address these flaws.

The flaws fall into two categories. One is that it is based on unilateral action by the United States, when we all know that economic sanctions are most effective when they are entered into on a multilateral basis.

Second, and perhaps most importantly, the sanctions as they are currently written are not focused enough. They are not focused on the negative aspects that we are trying to eliminate, nor do they recognize some of the positive aspects of activities by the United States firms in South Africa.

This first amendment that I am offering amends section 4. Section 4 bans new investments in South Africa. But in section 4, there are three exceptions to that overall ban. One of those exceptions is that bank loans and extensions of credit are permitted to housing, educational, and health facilities that do not discriminate.

Why was that exception made? It was made because those activities have a positive effect on the quality of life of some black South Africans—not all black South Africans, perhaps not the majority of black South Africans—but they have a positive effect on the quality of life of some South Africans.

My amendment would create a similar exception. It would be an exception for investments in enterprises that follow fair employment principles that are often referred to as the Sullivan principles. The principles that I refer to in my amendment are those principles that we endorsed in this House as title III in the Export Administration Act last year, H.R. 1436. It would mean that those companies that are following those fair employment principles are indeed having a positive effect on black South Africans, and, therefore, we should not ban new investment by those companies.

Some will argue that the impact of the Sullivan Code compliant companies is small. I agree that it is small. But it is positive. They have a small, positive impact much like loans to education, housing, and health facilities that do not discriminate.

So let us not throw the baby out with the bath water, even though the baby may be small. Instead, let us encourage the positive effect by U.S. companies that are compliant with the Sullivan Code.

Second, it is argued that the ban as it is written in the bill would not really reduce jobs for blacks that are being employed by Sullivan Code companies or other companies. However, we can look to the example of Sweden. Sweden enacted a freeze on investment in 1979. By this year, the number of employees in Swedish firms in South Africa has been cut in half.

It would seem to me that if we have a force that is positive, even though it is a small force, toward improving the quality of life of black South Africans, we should not stifle it; we should encourage it. That is what my amendment would do.

Rather than having an across-the-board ban on new investment, it would recognize that those companies that are complying with the Sullivan Code are having a positive effect. Those companies should be allowed to expand. New companies that comply with the Sullivan Code should be allowed to get started in South Africa. That is what my amendment would do.

Mr. WOLPE. Mr. Chairman, I rise in opposition to the amendment offered by my distinguished colleague, the gentleman from California [Mr. Zschau].

Mr. Chairman, before laying out my objections to this particular amendment I do want to say to my distinguished colleague that I think that he has made a very constructive contribution to the debate that has taken place thus far with respect to the anti-apartheid legislation that is before this body.

He will, as he noted in his remarks, be offering four separate amendments, and we intend to accept at least two of the four of those amendments which I believe will represent constructive improvements to the legislation before the body. So I certainly respect his intentions and the constructive nature of the contribution that he is making.

□ 1800

I must oppose his amendment, however, that is now before this body, because it seriously weakens what are in fact very modest sanctions that are incorporated in H.R. 1460.

I will be in the position, I might add, later on, of opposing even some amendments that propose to add new sanctions to those that are embodied in this legislation.

The elements of the legislation before this body were by and large before us in this House in the last session of Congress and enjoyed the support of this body. They are effective measures designed to send to the South African Government and to both the black and white populations of South Africa a clear indication that the American people understand very clearly that constructive engagement has had enormously destructive consequences, both with respect to the process of changes in South Africa, and with respect to American national interests.

Our concern is the policies of the South African Government fundamentally. Let it be clearly understood that American corporations who do business in South Africa, of course, ought to behave as if they were all signatories to the Sullivan Code. To say that is to say nothing more and nothing less than American companies functioning in South Africa should behave as if they were operating within the United States, adhering to practices of equal employment opportunity and equal justice in the workplace.

But we intentionally did not include Sullivan Code-related measures as part of this legislation because the authors of this legislation wanted to make very clear that our focus was the South African Government, not American corporate activity. It will be my intention, as I have indicated on other occasions, to take up separately within my committee legislation related to the Sullivan Code. Mr. Solarz, the gentleman from New York, and Mr. Gray, the gentleman from Pennsylvania, will be sponsoring that particular body of legislation. But the issue that is fundamentally before us when we talk about apartheid is not job segregation, job discrimination, economic conditions of the workplace. The fundamental question is political rights. And the purpose of the sanctions incorporated in H.R. 1460 is to say to the South African Government that the United States will not countenance additional infusion of capital into that country from American corporations until there is demonstrable progress away from the system of apartheid.

It is a modest initiative. It does not call for disinvestment at this point, but it does say that we will not permit more American capital to flow into the country, effectively supporting the system of apartheid and the economy that underpins that system.

What the Zschau amendment would do is say effectively that the no new investment ban will be maintained except for firms that apply the Sullivan Code. There is absolutely nothing, I might add, relating to enforcement of the Sullivan Code within the Zschau amendment. But beyond that, I would submit to Members of this body, that we do not want to be in a position of essentially saying that we are going to allow any additional capital to flow into that country until steps are taken to dismantle apartheid. The issue is not whether American firms are behaving as American firms should behave; the issue is whether or not we are going to make our diplomacy credible. For the past several years we have heard consistently verbal condemnations of the system of apartheid, and yet business as usual is being conducted.

Mr. CHAIRMAN. The time of the gentleman from Michigan [Mr. Wolpe] has expired.

(By unanimous consent, Mr. Wolpe was allowed to proceed for 1 additional minute.)

Mr. WOLPE. Yet we have seen business conducted very much as usual. I will resist and must resist the amendment by the gentleman from California [Mr. Zschau] because it really weakens the sanctions that are now in this legislation, which sanctions are themselves a very modest beginning of the redirecting of our foreign policy toward South Africa.

Mr. ZSCHAU. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I will be very happy to yield to the gentleman from California.

Mr. ZSCHAU. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I certainly appreciate the thoughtful remarks that the gentleman has made in reaction to my amendment.

Mr. Chairman, I have a question for the gentleman and that question is this: In the gentleman's opinion, do the companies from the United States who have subsidiaries in South Africa that comply with the Sullivan Code maintain better employment practices than companies typical of South Africa itself, vis-a-vis the blacks or European countries that have subsidiaries in South Africa?

Mr. WOLPE. If I may reclaim my time.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Wolpe] has expired.

(By unanimous consent, Mr. Wolpe was allowed to proceed for 2 additonal minutes.)

Mr. WOLPE. Let me say to the gentleman from California that I think there are some companies that are Sullivan Code signatories that in fact pursue employment practices that are substantially more progressive than those that are not Sullivan Code signatories. But there are many Sullivan Code signatories, in effect, not in compliance with the code and have been held to be not in full compliance by the Arthur D. Little monitoring agency that has pursued a review of Sullivan Code compliance.

Let me say, though, beyond that, to the gentleman from California, that I believe that there are a number of American firms who have undertaken economic activity in South Africa, that have become Sullivan Code signatories, that are deeply opposed to apartheid and have made some very constructive contributions by effective implementation of the Sullivan Code. I have some firms from my own congressional district that I think have made enormous constructive and sincere contributions to the economic conditions for black employees within those firms. But we need to understand two points. The first is that there is a very small fraction of the total nonwhite population that is employed by those firms, a total of about 70,000 black Africans, for example, less than 1 percent of the total black work force; when we consider the 26 million nonwhites in South Africa you get a sense of how few people are caught up within those Sullivan Code signatory firms.

Second, all of that positive development with respect to economic conditions notwithstanding, there is no evidence whatsoever that those constructive economic changes which have occurred within those few firms involving those few workers have had the least impact upon political liberalization. In fact, at the very same time we have seen the process of industrialization continued and extended, at the very same time we have had Sullivan Code companies that attempt to enforce workplace conditions that obviously are progressive and make sense, we have seen intensified repression and a growing commitment on the part of the Afrikaners to resist any fundamental change.

My concern is that we not mistake economic and social changes occurring within the workplace situation as somehow leading to the kind of inevitable process toward elimination of apartheid.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. Zschau and by unanimous consent, Mr. Wolpe was allowed to proceed for 2 additional minutes.)

Mr. ZSCHAU. Mr. Chairman, will the gentleman yield to me?

Mr. WOLPE. I surely would be pleased to yield to the gentleman from California.

Mr. ZSCHAU. Mr. Chairman, I respect the gentleman's opinion on this, and the bill and the objectives of the bill, as I said, in the well. And I understand that each element of the bill is not a complete solution. But we should look at them as a composite. There is a ban on bank loans, no bank loans to the Government of South Africa. There are some export limitations. There are some import limitations when it comes to the krugerrand. Within the context of all of that it

seems like we have a combination of sanctions on the government directed toward the government, directed toward the apartheid-supporting aspects of the government and then we can have, in addition to that, some positive factors that work in the economy to benefit the black South Africans. This particular amendment would take what I consider to be a meat cleaver approach and turn it into a scalpel, to say that those companies that do not comply with fair employment practices, and we can write the regulations that would enforce that, that is a part of the bill; that those companies should not expand, those companies should not get started; but those companies, no matter how few that are making a positive contribution through the lives of black South Africans, we should encourage them to expand. And in conjunction with the other sanctions directed toward the government we have an overall comprehensive approach to the problem.

□ 1810

Mr. WOLPE. Will the gentleman yield?

Mr. ZSCHAU. I yield to the gentleman.

Mr. WOLPE. Again, I think the real judgment is, what is effective? I think the South African Government, its own officials through their own public statements have made clear what they are most deeply concerned about is not Sullivan Code companies and whether they comply or do not comply with workplace standards.

What they are concerned about is the prospect that new capital infusion will be limited into their country; that there will be no new investment established as a form of policy; it has already happened by some European countries.

That is the real measure of effectiveness from the standpoint of the Afrikaner government. So my hope is that we will not weaken what is in place within this legislation, which is a ban on any new investment, from the United States though companies that are already there could in fact reinvest their retained earnings.

(On request of Mr. Zschau and by unanimous consent, Mr. Wolpe was allowed to proceed for 1 additional minute.)

Mr. ZSCHAU. Will the gentleman yield?

Mr. WOLPE. I yield to the gentleman.

Mr. ZSCHAU. I would just like to point to the gentleman, as he well knows, that the amount of investment that the United States made relative to the total foreign investment is a small fraction, a significant fraction, but about 17 percent, as I understand the numbers.

So that the impact of disinvestment, no new investment by the United States, would not bring the government to its knees or change it in a dramatic way. That can be replaced by foreign investment coming from other countries.

Mr. WOLPE. Mr. Chairman, if I can reclaim my time to respond. The gentleman, I am afraid, is somewhat in error. The United States, it turns out, is the second largest investor within South Africa, second only to Great Britain.

Twenty two percent, I think it is, of the total investment, foreign investment in South Africa, is American investment. Now while from an American standpoint the total investment activity is relatively small, from the South African standpoint it is very substantial, and it is that substantiality that provides some very significant leverage to the United States, if we are prepared now to use that leverage.

Mr. HYDE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Zschau amendment.

Mr. Chairman, I greet this topic with some trepidation, because I do not think anybody has got all the answers. It is a very difficult, almost intractible problem.

When you are dealing with a country with 26 million blacks, broken up into nine major tribes, 5 million whites, you have the ingredients for political tragedy, and that is what we have in South Africa.

I do not address this topic, suggesting that I have all the answers. I do not, or have any answers, but I would like to share some of my thinking on this problem, and in an effort to balance some of the debate.

Let us start out with the statement, nobody supports apartheid. Nobody supports it; everybody rejects it. It is repulsive.

Now, how do we get rid of it? It seems to me that is what we are talking about.

First of all, I would like to disagree respectfully with my colleagues who have said that the Republic of South Africa is the only country that legally disenfranchises people because of their race.

I would read to you from the Constitution of the Republic of Liberia, adopted October 19, 1983, article 27, subparagraph (b) and I quote:

> In order to preserve, foster and maintain the positive Liberian culture, values and character, only persons who are Negroes or of Negro descent shall qualify by birth or by naturalization to be citizens of Liberia.

Now, article 22, subparagraph (a) of the same Approved Constitution of the Republic of Liberia:

> Every person shall have the right to own property alone as well as in association with others; provided that only Liberian citizens shall have the right to own real property within the Republic.

So let us not continue to say only South Africa has a racist constitution.

Now let us talk about the repression that goes on in South Africa. I suggest to you there are other forms of apartheid. I suggest to you the Soviet Union practices religious apartheid, and Anatoly Shcharansky or Andrie Sakharov would welcome the freedom that Bishop Tutu has; to leave the country, to come over to the United States, to participate in assemblies, to accept the Novel Prize.

Sakharov and Shcharansky should live so long, they would have that kind of freedom.

Now I am not justifying the repression in South Africa. I am saying, let us look at things in context. When I see the thousands of people, probably million of people that are starving in Ethiopia through the official government practices and procedures, where for example they burned a refugee camp—I wonder why there are no pickets at the Ethiopian Embassy?

Now I ask my colleague and friend Mr. Wolpe whether his subcommittee, which is the conscience of this House on matters African, what they were going to do about that, and he said,

> I wrote a letter with Mr. Leland and Mr. Weiss, a letter to Colonel Mengistu, telling him the perceptions were not good, if they kept this up.

Well, OK, that is something; but I just suggest that the entire continent needs half the attention we give South Africa.

"Ghanaians Claim Mistreatment—Thousands Remain Stranded in Nigeria." Tales of death, deprivation and hostility unfolded today as Ghanaian workers expelled by Nigeria arrived by sea; 700,000 of them being expelled. On and on and on.

I am not justifying what South Africa does; I am suggesting there is a myopia that focuses consistently at South Africa and fails to look at the rest of the continent which, when it comes to human rights, is literally a basket case.

Now the remedy to get rid of apartheid, it seems to me, is not disinvestment but on the contrary is what Mr. Zschau is suggesting; investment with a mandated compliance with the Sullivan principles.

I suggest to you that apartheid flourishes in a lesser developed country where the blacks are confined to be hewers of wood and haulers of water, laborers, but as rapid industrialization and growth occurs, the white minority is going to need blacks to be managers, develop skills to be high-tech employees, urbanize them instead of keeping them in the hinterland where in the cities living conditions and racially restrictive laws will of necessity break down.

Apartheid works only in a country with low economic growth; but high growth and rapid industrialization will put a terminal strain on apartheid.

(By unanimous consent, Mr. HYDE was allowed to proceed for 2 additional minutes.)

I am suggesting that in a country that is industrializing, that must utilize its black people in higher jobs and in better jobs, that means better education; that means black unions, and that means that political power which always follows economic power.

Divestment, on the other hand, without any aid from the Sullivan principles, will result in further unemployment, will result in deprivation, will result in hunger, and I dare say in revolution.

Now, if you want revolution then let us go that route, but if you want to solve a very difficult problem, that is not unique in Africa and not unique in this world, we ought to do it in a more enlightened fashion.

I support the Zschau amendment.

I yield back the balance of my time.

Mr. MITCHELL. Mr. Chairman, I rise in opposition to the amendment.

I want to take this opportunity to refresh our thinking, and to try to put some things in perspective. Earlier today, one of our colleagues likened the situation in South Africa to the apartheid system that existed in America insofar as blacks were concerned, only up until very recently.

I lived through that period, and I saw some of the same tactics that are being used today employed against me and my people in order to obscure, in order to detract from, in order to circumvent the real issue of facism in this country.

What were the tactics? One was that "After all, you've got to be gradualist; you can't change these things overnight; let them gradually evolve," and I heard that, and my black colleagues heard that for all of our lives. If we had been waiting for gradualism, I would not be standing in this House floor today.

Finally we had enough of it, and we seized the initiative; all up and down this country we went on strikes, protests—we did some terrible things out of our frustration, but gradualism was a stinking word and it is just as smelly to me today used in this context as it was in those times.

Let me refresh your thinking a little bit more about how we blacks in America were deterred from seeking full citizenship, which we still do not have. One was to always create another problem: "Don't deal with the issue of racism in America, why don't we focus in on employment opportunities; why don't we focus in on education, why don't we focus in on everything else except the central issue: racism?"

That is the exact same tactic that is being used today in this Chamber. That is the old "divert your thinking" tactic in the hope that somehow or another people will somehow or another accept their status as less than human beings.

It did not work in this country, and it is not going to work in South Africa. I can assure you, and those who stand up before us, prating about, prating about problems in other countries, that is the same thing that happened in terms of our protest in front of the South African Embassy; those who do no care saying, "Well, why aren't you focusing in on the problems of black unemployment in this country? Why aren't you focusing in on this? Why aren't you focusing in on that?"

Only for one reason: To divert us from a central attack on racism, which is systemic and deep in the Union of South Africa.

I respectfully submit to you, my colleagues, do not be fooled by these old tactics and strategies; do not be misled by those attempts to confuse us and divert us from the issue. There is one issue. One issue requiring one solution, and that is to end racism in South Africa.

How do you do it? You do it by attacking the economic soft underbelly of South Africa. That is how it is done, and in no other fashion.

I yield back the balance of my time.

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. HYDE. Will the gentleman yield to me for a second?

Mr. SOLARZ. For my very good friend from Illinois, I am always happy to yield.

Mr. HYDE. I thank the gentleman.

I just want to comment that the remarks of the previous speaker questioned the motivation of myself. He said I prated about other countries in Africa.

I suggested, when I was in the well, that sometimes these things should be put in context, and I attempted to do that. The gentleman may not like to hear about the other countries such as Ethiopia and Nigeria, but my motives are not to divert anybody's attention—on the contrary, to direct attention to the problem as it exists in Africa; not in just one country.

Thank you for yielding.

Mr. MITCHELL. Will the gentleman yield to me for 30 seconds?

Mr. SOLARZ. It is an even greater pleasure to yield to my friend from Maryland.

Mr. MITCHELL. Thank you, because I very carefully worded my statement; I did not refer to any single person. Several persons talked about other problems that we had during the general debate; not just you. When I talked about prating, I obviously would not confine the prating process solely to the gentleman from Illinois.

□ 1820

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words.

This was a very interesting colloquy between the gentleman from Illinois and the gentleman from Maryland. And I must say, after listening to the eloquent address of my friend, the gentleman from Illinois, I am a little bit perplexed with the conclusions that he appears to have reached on the basis of his analysis of the human rights situation throughout Africa as a whole.

I would be the first to agree with the gentleman that, from a human rights point of view, there are many other countries in Africa that leave a lot to be desired, but I fail to see how the abuse of human rights in a country in black Africa constitutes a justification for our failure to do something about the abuse of human rights in South Africa.

If there are real and serious human rights problems in other countries in Africa and around the world, let us by all means deal with them.

A few years ago, when Idi Amin was running Uganda and there were some very serious human rights problems in that country, we held hearings on it, and we reported out legislation calling for a total embargo against Uganda. It passed the House by an overwhelming margin. I did not hear anybody on the other side on that occasion, or on this side, for that matter, get up and say we should not impose sanctions against Uganda because of the situation in South Africa and that it would be duplicitous and hypocritical for us to single out Uganda for sanctions when we were not doing anything at the time about the situation in South Africa. If there are human rights problems, let us deal with them as they come up. We have imposed sanctions against Cuba, Vietnam, North Korea, Laos, Cambodia, we have imposed sanctions against Poland and the Soviet Union, we have imposed sanctions against non-Communist countries like Libya and Uganda. When those sanctions were imposed, either by the Congress or by the President, I did not hear a lot of people get up and say, "No, let us not act, because we have not yet imposed sanctions against South Africa." People on both sides of aisle, Democrats as well as Republicans, recognize that if there is a serious abuse of human rights that cries out for an American response, we ought to respond, and we ought not to be politically paralyzed by our failure to simultaneously act against every other human rights violation around the world.

So, as they say in the Book, there is a time to reap and there is a time to sow. There is a time to apply sanctions against South Africa and there is a time to move against other countries. And in due course we will.

But, Mr. Chairman, this is really said all by way of one big parenthesis, because I took the floor not to respond to my very good friend, the gentleman from Illinois, but rather to address myself to the amendment offered by the gentleman from California. The gentleman's amendment attempts to, in effect, add the Sullivan principles to this legislation by requiring American firms doing business in South Africa to comply with those principles, but it also provides that any American firm which does comply with the Sullivan principles would be relieved of the prohibition against new American investment in South Africa.

I want to say very clearly to my good friend from California that I personally support the Sullivan principles I have introduced them in the past, together with the gentleman from Pennsylvania [Mr. GRAY], we have reintroduced them as a separate bill this year, and we have a commitment from the very distinguished chairman of the Subcommittee on Africa to not only hold hearings on that bill——

The CHAIRMAN. The time of the gentleman from New York [Mr. SOLARZ] has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 5 additional minutes.)

Mr. SOLARZ. Now, the chairman of the Subcommittee on Africa, the gentleman from Michigan [Mr. WOLPE], has assured us that he will not only conduct hearings on that legislation but will also move it forward in an expeditious fashion. I am confident that, just as this House voted last year when we took up the Export Administration Act to include the Sullivan principles in that legislation, that when the time comes to vote on this bill, a majority of the Members will support it, because I think most of us would agree that so long as American investment is present in South Africa, at the very least, the American firms doing business there should comply with these fair employment principles.

My problem with the amendment of the gentleman from California is not so much with his effort to impose the Sullivan principles, which I favor, although as separate legislation, my problem with his amendment is the extent to which it would in effect permit new American investment in South Africa simply by enabling those firms that wish to do business there to set up shop and, by complying with the Sullivan principles, to become eligible for new investment. And this raises, I think, very starkly and very boldly a major issue for American foreign policy, and that issue is whether, in the effort to facilitate the elimination of apartheid, which is our common objective, it is in our interest to encourage new American investment in South Africa or to prohibit new American investment in South Africa. If one truly believes that the best way to eliminate apartheid over time is to further develop the economy of that country through new American investment, then I think the gentleman's amendment makes a lot of sense. If one believes, however, that encouraging additional American investment will not be helpful in terms of facilitating the elimination of apartheid, then I think the gentleman's amendment would be counterproductive.

Let me tell you why I think it is not in our interest to encourage additional American investment in South Africa, which is what the gentleman's amendment would do. For one thing, I reject categorically the argument that economic growth in South Africa is a necessary, let alone a sufficient, condition for the elimination of apartheid. Ever since the establishment of apartheid in 1948, South Africa has experienced enormous growth. Over the course of the last 3½ decades, there has also been an enormous increase in U.S. investment in that country. Today there are over 350 American firms doing business in South Africa. We have $2.6 billion in direct investment in that country. And over the last 37 years, in spite of this enormous economic growth, in spite of this enormous increase in the American corporate presence, in spite of the enormous increase in direct American investment in South Africa, the situation, from a political point of view, from the perspective of the black majority in that country, has gotten worse rather than better.

□ 1830

The apartheid system is more entrenched rather than less entrenched. So I think that the simplistic notion that economic growth, qua economic growth, is a solution to the problem simply does not hold up to the test of historical analysis.

Why do I believe that a prohibition on new investment is more likely to do the job? I think it is more likely to do the job because my reading of history tells me that there is not a single example throughout the long, sad saga of the human race, with all of the travails and troubles that we have experienced, of a single ruling establishment in the course of human history which has ever voluntarily divested itself of its power, its prerequisites or its privileges.

The only way that the white minority in South Africa will ever agree to repudiate the apartheid system is if they come to the conclusion that the price of maintaining apartheid exceeds the advantages of retaining it. That will happen only as a result of a combination of increasing internal and external pressure.

Now, I am not among those who would advance the argument that the adoption of the Anit-Apartheid Act of 1985, without the Zschau amendment, is going to bring the apartheid regime to its knees. Let nobody be under the illusion that the adoption of this legislation, and the prohibition on new American investment, will result in the instantaneous repudiation of apartheid and the establishment of a political paradise in perpetuity in South Africa.

The CHAIRMAN. The time of the gentleman from New York [Mr. SOLARZ] has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. The future of South Africa will primarily be determined by the people of South Africa themselves, black as well as white. It is really up to them. But the United States and other countries around the world do have a role to play in increasing the external pressure on South Africa, which, in combination with the increasing internal pressure, is the necessary, if not the sufficient condition, for the ultimate repudiation of apartheid.

I believe that that is where the United States has an important role to play. That is the significance of the Anti-Apartheid Act of 1985. It will send a signal to the Government of South Africa that we will not continue to do business as usual with the apartheid regime so long as they maintain their system of institutionalized discrimination. It will enhance our capacity to mobilize the support of other countries around the world in an effort to get them to impose sanctions against South Africa as well. That increasing external pressure, in which the United States has the obligation to play a leadership role, together with the increasing internal pressure, is the only hope for the eventual elimination of apartheid. That is why I think my good friend from California's amendment, as well-intentioned as it may be, is sadly mistaken. It would obstruct the elimination of apartheid rather than facilitate it.

The CHAIRMAN. The time of the gentleman from New York [Mr. SOLARZ] has expired.

(On request of Mr. GRAY and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman.

Mr. GRAY of Pennsylvania. I certainly want to thank the gentleman for his very clear and very concise view on the subject, and certainly I agree totally with him.

I would just like to ask the gentleman a question. As he is one of the

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major sponsors of the Sullivan principles, known as the Fair Employment Practices Act, and since Dr. Leon Sullivan is a constituent of mine, and I have known him for most of my life, it is your understanding, based on the testimony of Dr. Sullivan before the Subcommittee on Africa, as well as oped pieces that he has written in the last few weeks, that he does not stand for his fair employment practices or his Sullivan principles to be a substitute for any of the provisions of the Anti-Apartheid Act?

Mr. SOLARZ. The Reverend Sullivan, or the "Lion of Zion," as he is known to his parishoners at the Zion Baptist Church in Philadelphia, the gentleman whose principles my good friend from California seeks to embody in this legislation, has made it very clear over and over again, that he is in favor of a prohibition on new American investment in South Africa. I think I can say without fear of contradiction that if the Reverend Sullivan were a Member of this Chamber, and were in a position to vote on this amendment, he would vote against it, because while he would like to see his principles mandated by law, he would not want to see them mandated by law if the price of mandating them by law is to permit new investment in South Africa, which is what the gentleman from California's amendment is about.

Mr. GRAY of Pennsylvania. That is exactly the point that I wanted to make. Dr. Sullivan has made it clear ever since 1980 when he testified before the Subcommittee on Africa, and this gentleman from Pennsylvania was a member of that committee, and was chaired at that time by the distinguished gentleman from New York, he has made it consistently clear that the Sullivan principles are not a replacement for the provisions of the Anti-Apartheid Act, and, second, that his principles seek to get American companies to do that which they already should have been doing, which is providing fair employment opportunity within their plants.

What the Anti-Apartheid Act does is it seeks to bring about change outside of the plant in the larger political and economic order, and thus, Dr. Sullivan has made it very clear, including a recent op-ed piece in the Philadelphia Inquirer, which the gentleman from New York is holding right there, where he clearly says that he hopes there will not be confusion on this issue; that he supports the provisions of the Anti-Apartheid Act of 1985 because it seeks to do something totally different.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(On request of Mr. Zschau and by unanimous consent, Mr. Solarz was allowed to proceed for 2 additional minutes.)

Mr. ZSCHAU. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman.

Mr. ZSCHAU. I have appreciated the reasoning and the explanation of the gentleman from New York, and I have enormous respect for his understanding of history and his ability to predict the future as well. My question to him is taking the Anti-Apartheid Act as a whole, with all of the other provisions in it, without the Zschau amendment, and then comparing that to the Anti-Apartheid Act with the Zschau amendment, what would be the difference, in your opinion, of the impact on the Government of South Africa?

Mr. SOLARZ. I think it would be a very significant difference in that with the Zschau amendment, the Anti-Apartheid Act would no longer result in a prohibition of new American investment in South Africa so long as the firms which do business there comply with the Sullivan principles. That would, in my view, substantially reduce the potential pressure against South Africa which would otherwise be applied with respect to the apartheid regime in that country, because it would become possible for any American corporation that wanted to invest in South Africa to do so simply by complying with the Sullivan principles.

Mr. ZSCHAU. If the gentleman would yield, it would seem to me along the lines of the gentleman's reasoning that the difference is that there would be not so much pressure from the standpoint of a ban on new investment, but there would be in addition a positive pressure from the greater reliance on the Sullivan principles.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(On request of Mr. Gilman and by unanimous consent, Mr. Solarz was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. I believe that the good which is done by the 350 American firms in South Africa which have a total black work force of 70,000, which is less than 1 percent of the total black work force in the country, is exceedingly limited.

I believe that the American corporate presence in South Africa may well make life in that country more bearable for those who work for those companies that are in fact complying with the Sullivan principles. But they do not begin to get the fundamental problem which is the exclusion of the black majority from any opportunity whatsoever to participate in the determination of their own destiny.

The solution to the problem in South Africa requires not incremental economic growth, it requires not a growing U.S. corporate presence.

□ 1840

What it requires is a fundamental decision by the white minority in that country to share power with the black majority, and their willingness to make that fundamental decision to cross the rubicon from racism on the one side to equality on the other will only be made in the context of increasing internal and external pressure, of which the United States, by its policy, has a role to play.

That is why I think if what the gentleman wants, is American firms in South Africa to comply with the Sullivan principles, which is an objective I support, the thing to do is to support the legislation Mr. Gray of California and I have introduced when it comes up on the floor. But if the gentleman wants to bring an end to the apartheid system, then the way to do it is not to permit additional American investment, but to cut off additional American investment.

The CHAIRMAN. The time of the gentleman from New York [Mr. Solarz] has again expired.

(On request of Mr. Gilman and by unanimous consent, Mr. Solarz was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. By popular demand, I will remain for another 2 minutes, Mr. Chairman.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to my very good friend, my patient colleague from the Empire State, the gentleman from New York [Mr. Gilman].

Mr. GILMAN. I thank the gentleman for yielding and I wish to associate myself with some of the concerns that the gentleman from New York has outlined. While I understand and respect the sincere initiatives of the gentleman from California in support of applying the Sullivan principles as outlined in his amendment, I believe we must go beyond his proposal and support the approach contained in H.R. 1460 as introduced by the gentleman from Pennsylvania [Mr. Gray]. It is important that our Nation send a much stronger signal, a more significant expression of our repugnance of the apartheid policy of the Government of South Africa.

Mr. Chairman, H.R. 1460, as reported by the Committee on Foreign Affairs, is a far reaching and comprehensive effort to demonstrate our Nation's rejection of apartheid and the cessation of our impatience with the official Government policy of South Africa which continues to support and to promote the suppression of millions of South Africans.

While I recognize concerns raised about some of the bill's mechanisms to respond to any positive steps undertaken by the Government of South Africa, I believe the intention of H.R.

1460 and the statements it makes are necessary to eliminate the more repressive actions imposed by South Africa on its black citizenry. I also want to take this opportunity to commend the ranking Republican on the Subcommittee on Africa, the gentleman from Michigan [Mr. Siljander] for his diligent and sincere efforts to develop a proposal to ameliorate the conditions left in the wake of apartheid. He has devoted long hours to this issue and that is evidenced by his erudite presentation.

However, Mr. Chairman, it is extremely important that we act now to take steps more comprehensive than that proposed by the gentleman from California if we are to prevent the widespread hostilities and bloodshed a continuing policy of apartheid would generate. Accordingly, I oppose the amendment and urge support for the original proposal as reported by the committee.

Mr. ZSCHAU. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield again to my friend, the gentleman from California.

Mr. ZSCHAU. I thank the gentleman for yielding.

Mr. Chairman, the gentleman talks about the increase in the pressure finally bringing about change. Does the gentleman envision that that change would come as a result of a violence, an occurrence of violence; that the pressure finally amounts to the point where violence breaks out, or does the gentleman envision that builds up there will be an envolutionary of peaceful change?

Mr. SOLARZ. I hope change will not be the result of violence I pray that change will not be the result of violence. But I fear that change may end up being the result of violence.

It is precisely because I want to avoid a cataclysmic confrontation between the races in South Africa that I think it is imperative for us to maximize our pressure against the Government of that country, because unless the Government in South Africa is willing to move rapidly away from their apartheid system, I fear that violent change will become inevitable.

Mr. ZSCHAU. If the gentleman will yield further, it seems that the gentleman is really suggesting a combination of pressure and positive actions, which is the trust of my amendment.

The CHAIRMAN. The time of the gentleman from New York [Mr. Solarz] has again expired.

(On request of Mr. Wolpe and by unanimous consent, Mr. Solarz was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, as I tried to make clear to my friend, the gentleman from California, insofar as he would like to see the Sullivan principles applied to American firms doing business in South Africa, I agree entirely with him, and we will have legislation to that effect before the House in the relatively near future.

But insofar as his amendment would also permit additional American investment in South Africa, I disagree with him, because I think that works against our common objective. Our common objective is the elimination of apartheid, and one has to ask how will that best be achieved, through incremental economic growth, which is what would be facilitated by increasing investment, or by increasing pressure against the government, which is what would be accomplished by cutting off new investment.

Given those two models of change, my understanding of history leads me to the conclusion that the prospects for change are enhanced by increasing the pressure on South Africa, rather than providing continued incentives for additional American investments.

Mr. ZSCHAU. If the gentleman would yield further, it seems like a combination is also a third alternative, pressure by sanctions on bank loans and exports and things of that nature, and then an internal, positive economic growth for black South Africa.

Mr. WOLPE. Mr. Chairman, will the gentleman yield on that point?

Mr. SOLARZ. I would be happy to yield to the chairman of the subcommittee, the gentleman from Michigan.

Mr. WOLPE. I thank the gentleman for yielding to me for a brief response.

Mr. Chairman, while focus has been placed upon the economic improvement in the lives of some black workers employed by Sullivan code firms, the Carnegie Foundation has been involved in a continuing study of the issues.

The CHAIRMAN. The time of the gentleman from New York [Mr. Solarz] has again expired.

(On request of Mr. Wolpe and by unanimous consent, Mr. Solarz was allowed to proceed for 2 additional minutes.)

Mr. WOLPE. Mr. Chairman, will the gentleman yield further to me?

Mr. SOLARZ. Let me just note that my human rights are being abused here by the obligation to remain on my feet indefinitely, but I yield to my friend, the gentleman from Michigan.

Mr. WOLPE. I thank the gentleman for yielding to make, I think, the very important point that whatever the economic conditions that have been experienced by those blacks employed by Sullivan code signatories that have been enforcing the Sullivan code, it needs to be understand, as the Carnegie study makes very clear, that there has been a great increase of poverty in South Africa in the last 20 years as far as the vast majority of the black population has been concerned. The number made destitute by landlessness and unemployment, according to the Carnegie study, rose from some 250,000 to 1.43 million between 1960 and 1980. The number living below a very minimal poverty line but having some income increased from 4.9 million to 8.9 million during that same time frame.

It needs to be understood that the focus upon the economic conditions experienced by black employees of Sullivan code misses the largest part of the South African reality, which has been, No. 1, increased impoverishment of the vast majority of the population, and second, increased repression that has been accompanied in recent months by killings of hundreds and hundreds of blacks by South African police and the detention of all the nonviolent political leadership within the country.

The now move away from precisely the no-new-investment ban that this House passed just last session to create new loopholes in that no-new-investment ban for the purpose of allowing Sullivan code companies to continue to invest in South Africa and to add new capital to the country, I think, would be a terrible mistake in light of those recent developments in South Africa.

Mrs. JOHNSON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I want to make absolutely clear, in light of earlier comments made here, that I rise in strong opposition to racism. I do rise in support of the amendment, and I consider it to be both a thoughtful and constructive amendment and regret the decision by my colleague from Michigan and my colleague from New York not to support it.

While I agree with much that they have had to say here, I believe that they are overlooking the fact that experience is an extremely powerful teacher. Those companies that are providing the experience of a workplace that operates according to rules of fairness, of respect for others, of equality, are companies that are providing an experience of enormous importance to individuals.

Imagine the impact, what a powerful difference it must be, to live in a nation governed by the brutal rules of apartheid and work in an environment governed by rules of equality and fairness. That is not a contrast in experience that we should forgo lightly. It is one whose presence we should foster and encourage.

The proponent of this amendment, in my estimation, is not proposing that these companies and that the Sullivan principles are a solution. I do not hold that they are a solution. In fact, experience teaches us that they are not a solution, but they do provide extremely valuable individual experience and community experience so important that that experience should be fostered, enhanced and encouraged.

☐ 1850

As to the issue of investment, the few firms affected by this amendment in the totality of investment in South Africa, considering not only American but other investors, this surely would not have a significant impact on the total amount of increased investment in South Africa, and yet it sends the message that we support increasing opportunities for individuals in South Africa to experience a different way of life, the very way of life that we hold out to them as offering hope, opportunity, and a future.

So I see this as a responsible, thoughtful amendment that merely perfects a very good bill and I think affirming the experience that these companies offer cannot undercut this bill, H.R. 1460, whose purpose it is to propose a much stronger policy for this Nation in regard to South Africa and in regard to reversing her domestic policies that support treatment of others that is so repugnant to all of us.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to begin my remarks on this subject, because I am going to talk a lot more later on in the debate, by making it very clear that I believe everyone here has the same intent. We can differ on strategies, and that is fair and legitimate. We can be honorable about it, but let us make it very clear that we all have the same intent and the same goal, and we are not conducting some kind of litmus test on civil rights by determining whether or not we agree on one particular strategy.

The amendment before us is, I believe, very essential to the bill that is now being considered, because we are going beyond the question of whether we simply want to vent our anger at the whites and the present Government of South Africa and whether we want to find ways in which we can make change.

I was one of those Members who had the opportunity to visit South Africa recently, and during my visit there I had an extensive opportunity to talk with various business people, et cetera. One of the things that became very, very clear is that, unlike the United States, in South Africa the business community is more progressive than the Government—not more conservative, but more progressive. They are the leaders of social change. And clearly American business is more progressive than South African business.

What do we do to help bring about change in South Africa, positive, constructive change, by saying no to American investment? No one debates the question that American business interests are the leading community for positive reform and change in South Africa. Presently approximately 70 percent of the American firms that are doing business in South Africa adhere to the Sullivan principles. We ought to mandate that each and every one of those firms do that, and then we ought to set them up as the example and the leadership of where we in this Government want to go to make a constructive change.

Much discussion has been focused in this debate on the amendment offered by the gentleman from California [Mr. ZSCHAU] as to exactly what we ought to do with this question of the Sullivan principles and what we ought to do with the immediate investment, the additional investment, et cetera, and we all, I think, fall prey to the age-old problem of choosing statistics which make us look good in defending our cause and choosing quotes which make us look good in defending our cause.

I would like to read a quote from the fellow who has become at least the moral and spiritual leader of change in South Africa and of the black community in South Africa, if not the official leader of those people, and that is obviously Bishop Desmond Tutu. I would like to read from the speech that he gave on February 3, when he was enthroned as the head of the Anglican Church. Here is what he said:

> May I point out that I have not as yet advocated disinvestment. Up to now I have called for international pressure, diplomatic, political but above all economic to persuade the South African Government to go to the conference table with the authentic representatives of all sections of our community.
>
> There is economic pressure used through things such as the different codes to seek to improve the lot of black workers.

That is like the Sullivan principles.

He goes on:

> Our concern is not for an amelioration or improvement of the apartheid dispensation. It is to see apartheid dismantled. Consequently I have said that we must all work together to see that goal achieved. I have actually called for increased foreign investment on stringent conditions—that black workers are housed as family units near the place of work of the breadwinner, no migratory labour, the unionisation of the black worker, the only real reform we have had and for which the government must be commended—thus the worker would be free to sell his labour wherever he pleases. So no influx control that applies only to blacks, massive investment in black education and training, an end to the denationalisation of blacks and so to forced population removals. These conditions should be implemented within 18 to 24 months. The onus is on the government. I give notice that if in 18 to 24 months from today apartheid has not been dismantled or is not being actively dismantled, then for the first time I will myself call for punitive economic sanctions.

Mr. Chairman, I will repeat again the words of Bishop Tutu.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. GUNDERSON] has expired.

(By unanimous consent, Mr. GUNDERSON was allowed to proceed for 2 additional minutes.)

Mr. GUNDERSON. Mr. Chairman, I would again like to repeat the words of Bishop Tutu where he is saying that "I have actually called for increased foreign investment on stringent conditions."

The amendment offered by the gentleman from California [Mr. ZSCHAU] does exactly that. It sets out the stringent conditions, the Sullivan principles, which each and every Member of this body adheres to. And above and beyond that, what are we saying is let us have that increased foreign investment, let us have the conditions it has provided, and let us have the sanctions the gentleman from Pennsylvania [Mr. GRAY] offered earlier, and we will have a positive step toward achieving positive reform in South Africa.

We must answer the question with this particular amendment because I think we all recognize that the chances of the substitutes passing are not all that good—even mine. We must answer the question, do we simply want to make a moral statement that simply makes us feel good, or is our goal trying to be a positive influence on constructive change in South Africa?

Mr. Chairman, I ask that we support the amendment offered by the gentleman from California [Mr. ZSCHAU].

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I am happy to yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Chairman, I thank the gentleman for yielding.

I wanted to make the point to the gentleman that the legislation that is before us in its original form, without the amendment, provides not only for sanctions but also for a waiver of those sanctions if one or more elements of the system of apartheid are in the process of being stripped away or being dismantled. In fact, if there is continuing progress toward the elimination of apartheid, effectively prohibitions could be delayed, except for the bank loan prohibition, or could be suspended for some 4½ years to provide a reasonable time for that process of dismantling to be accomplished.

What Bishop Tutu was urging was that in 18 to 24 months he insisted that—in fact, some of his language suggests that he was talking about the total abolition of apartheid—or he said the active dismantling of apartheid had to be initiated. And I submit that our legislation, in the form in which it has been crafted, is far more consistent with the thrust of our goals.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. GUNDERSON] has expired.

(By unanimous consent, Mr. GUNDERSON was allowed to proceed for 1 additional minute.)

Mr. GUNDERSON. Mr. Chairman, I will yield further to the gentleman from Michigan to allow him to complete his statement, and then I will take time to respond.

Mr. WOLPE. Mr. Chairman, let me just say to the gentleman that I, and others, have had long conversations with Bishop Tutu on this very subject. It is my belief that what he contemplates in that 18 to 24 months, the timeframe to which he referred, is that actual disinvestment measures could be applied if indeed progress had not been very, very manifest.

Our legislation does not call for disinvestment. It is really much more modest than that.

Mr. GUNDERSON. Mr. Chairman, let me reclaim my time. I realize that, and I have not made the charge that it does.

All I want to do is make it clear that even Bishop Tutu in the short term calls for increased foreign investment. That is why I think the gentleman's amendment makes so much sense, because it is saying that those American companies which abide by the Sullivan principles ought to be allowed to continue.

Mr. Chairman. I yield back the balance of my time.

☐ 1900

Mr. SILJANDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. There was a comment made by the chairman of the committee that even though we have had signatories to the Sullivan principles of approximately 139 of the 350 American firms, that poverty has increased and the problems of the country have also increased.

Well, I am not so sure that we can blame that on signatories of the Sullivan principles or blame that on U.S. firms. Besides the fact that there is a recession and besides the fact that over half the population, black population in that country is under 20, that cannot camouflage the reality that the Sullivan principles over the recent several years have, in fact, contributed significantly to assisting blacks in South Africa. For example, since 1977, American firms have contributed $100 million for black education, black health and black housing. That cannot be ignored.

There are 77,000 black workers in U.S. firms. If the figures are right, those 77,000 employees feed between 6 and 10 other mouths, that 77,000 black employees becomes 462,000 to 777,000 mouths, black mouths, that are being fed.

Pace College in Soweto is a beautiful example of how productive U.S. firms can be and those that have signed the Sullivan signatories; $5 million was invested to build Pace College. It is one of the more advanced schools in South Africa in the category of white or black. There are 28 classrooms and no one is turned away. Not one black is turned away for lack of financing. In fact, 90 percent of all the students there are under scholarships by U.S. firms.

The Sullivan principles have helped, clearly, black upward mobility.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SILJANDER. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I think the point that the gentleman just made is a rather important one, because we have heard the argument time and time again that the Sullivan principles do not reach beyond the workplace, that somehow to be for the Sullivan principles does not get you beyond workplace criteria.

I think the gentleman has just pointed out how in this particular instance it has reached well beyond the workplace. It is helping to educate a coming generation of black South Africans that will in fact be leaders, not only in business and industry, but will become leaders in many aspects of life in South Africa.

So in fact in this case the very application of U.S. money and the application of the Sullivan principles has led to the development of an educational institution with broad ramifications far beyond the workplace; so I think the gentleman makes a very important contribution and I thank him for yielding.

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. SILJANDER. I would be happy to yield.

Mr. WOLPE. Mr. Chairman, I thank the gentleman for yielding to permit me, if I may, to quote from some testimony of Bishop Tutu before our committee not long ago.

Mr. SILJANDER. Just to regain my time for 10 seconds, I hope the gentleman recognizes that I only have 5 minutes.

Mr. WOLPE. I will make a motion that the gentleman's time be extended.

Mr. SILJANDER. I yield to the gentleman from Michigan.

Mr. WOLPE. I thank the gentleman.

Mr. Tutu said before our committee:

> I have tried to say to people that you should be aware that if I sat here and said before this committee that I support economic sanctions against South Africa, that that is an indictable offense and until recently on conviction the mandatory minimum sentence would be five years imprisonment, which indicates how the South African Government regards the importance of foreign investment. I have gone on to say that I do not in fact support the Sullivan code. While it has brought about some changes and improvements for some black workers, the basic weakness is that it is ameliorative, merely making things slightly more comfortable. Somebody has said we don't want our chains made comfortable. We want our chains removed.

I say to the gentleman, my distinguished colleague from Michigan, the ranking member of our committee, the point I was making earlier with respect to the Sullivan code signatory companies is not that they were responsible for the economic impoverishment of the vast majority of the black population. That was not my point. My point is that whatever economic improvement has attached to the lives of those blacks employed in the Sullivan companies, and I would fully acknowledge that many of these companies have made some very constructive contributions to those blacks employed by these firms.

I want to just restate that I believe that some of these firms that have adopted the Sullivan code that have recognized black trade unions and that have engaged in some very important efforts at establishing desegregated work environments and the like have made important contributions. I do not deny that. I have affirmed that on many occasions.

The point I am trying to make is that the amendment that is before us would call for a weakening of the flat prohibition on new investment in the circumstance in which economic impoverishment for the vast majority of the population is actually increased and political oppression has intensified.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. SILJANDER was allowed to proceed for 3 additional minutes.)

Mr. SILJANDER. Mr. Chairman, I yield to the gentleman from Michigan.

Mr. WOLPE. Just to conclude, Mr. Chairman, and to summarize, to move now to weaken the bans that are contained in this legislation, they are very modest measures, really, I think is a mistake in the face of the clear data establishing the massive impoverishment of the majority of the population and the intensified repression in the country, it would be a terrible mistake, it seems to me, to back away from the position this House took only in the last session of Congress.

Mr. SILJANDER. Mr. Chairman, to regain my time again, may I just ask the gentleman a question. The gentleman mentioned and quoted the testimony of Bishop Tutu, as the gentlemen quoted him saying, that it is, in fact, illegal to talk against prodisinvestment. Is that correct?

Mr. WOLPE. That was Bishop Tutu's comment.

Mr. SILJANDER. The gentleman said it was an indictable offense? How many people have been indicted under that law in South Africa, just out of curiosity?

Mr. WOLPE. I cannot give the gentleman that particular number, but I can attest to the intimidating impact of that kind of law.

Mr. SILJANDER. Well, it cannot be too intimidating, because in 18 years, granted the law is bad and should be repealed, but also on balance, one person was indicted in 18 years and not convicted or charged for the charges were dropped. That was in 18 years.

Mr. WOLPE. I would only note, if the gentleman will yield further, that in this past year several thousand people have been arbitrarily arrested and detained because they dared to defy the system of apartheid.

Mr. SILJANDER. The detention rule is specifically a separate item which I have articulated on the floor a little earlier. The detention law, in fact, 18 million people have been detained for a host of reasons, some for actually totally illegitimate reasons; but to regain my time and to finish my point regarding the Sullivan principles, I think it is clear and I am glad the gentleman from Michigan has essentially agreed that the Sullivan principles have in fact, at least to some reasonable degree, contributed in a positive impact on that country and that society and the black community.

I only further state that one reason to support the amendment of the gentleman from New York [Mr. Zschau] is to shore up the concern of the chairman, the gentleman from Michigan. He was concerned that some of the Sullivan signatories were not, in fact, fulfilling the obligations of the code, even though they had signed the code.

I would submit to the gentleman that by making this part of the bill, by making this essentially mandatory, cutting off new investment, most industries would be obligated to fulfill that obligation and all industries would likely be obligated, in fact, to become signatories.

I would further argue that if we do not have the Zschau amendment and we have banning of all new investment in South Africa, what incentive would there be for those that are signatories, that have contributed to the system, what incentive is there for them to remain as signatories and fully comply?

I would argue that many of them who are not complying may totally drop the Sullivan principles altogether, thereby complicating the economic conditions of South Africa.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to address a question to my friend, the gentleman from Michigan [Mr. Siljander], who has on more than one occasion raised the question or the statement that $100 million has been generously donated by American corporations for charitable purposes.

I have asked the subcommittee staff and they do not have much information on that. Can the gentleman enlighten us on who, when, where, what, how much?

In other words, this is a wonderful gesture of benevolence, but we do not have much record of it. The check may be in the mail, but that is not sufficient for our purposes in the debate.

Mr. SILJANDER. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. Yes, I yield to my friend.

Mr. SILJANDER. I would be more than thrilled to cite in the next 10 or 15 minutes, if the gentleman will be reasonable enough to give me the time, the specific amounts of money to the specific programs since 1977. Those programs in fact have contributed $100 million to black education, black housing, and black scholarships.

Mr. CONYERS. Well, the gentleman can take the time. We are going to be here on this matter for a number of days, so there is no particular rush.

Now, let me ask the gentleman another question, because I had to again refer to the staff as my mathematical abilities are rather limited.

□ 1910

Does the gentleman know what the ratio of 66,000 is to 9 million? I ask the gentleman from Michigan [Mr. Siljander], my friend, do you know what the ratio of 66,000 is to 9 million? That is the 66,000 black Africans that work for American corporations as opposed to the 9 million black Africans in the work force.

I will tell the gentleman I did not know either. It is eight-tenths of 1 percent.

I would like the gentleman to reflect upon that fraction, to understand the significant dimension of the Sullivan principles even at their fullest enforcement.

Mr. GUNDERSON. Mr. Chairman, will the gentleman yield on that point?

Mr. CONYERS. With pleasure.

Mr. GUNDERSON. I appreciate the gentleman yielding because that is the whole problem. I will guarantee you if economic sanctions would work I would be down here supporting them. I would be the author of the bill. I think that I have as close to a perfect civil rights record as anybody in this Congress.

But when you talk about 100,000, which I have heard, blacks working for American companies, when you talk about 3 percent of the GNP coming from American companies in South Africa's GNP, you quickly realize we cannot only ban new investment, we can require total disinvestment and we are still not going to be any more of a contributor to constructive change in South Africa.

Mr. CONYERS. That is another question which I am happy the gentleman raises, because the fact of the matter is that our contribution is highly capital intensive—the computers, the automobiles and vehicles, the oil, and the technology. There is not that mass of unskilled labor effect on our investment, and so what we have with disinvestment really is the best of all worlds. And, as the gentleman knows, we are No. 1 in trade and No. 2 in investment, which really makes us the biggest dealer with South Africa of any country in the world.

So as a result of that, what we would be doing by economic sanctions is getting the best of all worlds. We would be disemploying a very minimal number of black South Africans, but removing our support for the economic investigation of the apartheid system. If we loaded on the Sullivan principles, made mandatory enforcement, had an excellent review system, which we do not—and, by the way, all of the American corportations are not on to Sullivan even in 1985 as we debate this measure—but even if we did we would get back to that fraction, eight-tenths of 1 percent. That is the real world.

So with all due deference to Leon Sullivan, a very good friend of mine, these matters become relative modest in view of the magnitude of the number that we are dealing with.

I yield back the balance of my time.

Mr. GINGRICH. Mr. Chairman, I move to strike the requisite number of words.

When the gentleman from Pennsylvania offered steps against South Africa last time, I voted for it. I thought it was a good, symbolic vote to prove that we dislike and indeed condemn apartheid. And in the November-December period when the demonstrations against apartheid in South Africa attracted attention, along with 34 other Republicans, led by the gentleman from Pennsylvania [Bob Walker], I signed a letter to the Ambassador of South Africa calling for an end to apartheid and threatening severe steps if violence continued and if the South African Government fails to move to take steps toward integration and political equality.

It is clear that in fact at the present time the South African Government has not done that. Neither has the violence stopped. Nor have they taken steps toward political equality. But I would raise questions of several of my colleagues who have talked about history and about reality in that when you study systematically the history of South Africa and you talk about South Africans, there are two major things I think that stand out about the current bill and that the amendment offered by the gentleman from California [Mr. Zschau], I think, improves.

I will talk briefly about both of them. The first is the question of the power of resistance of South African whites, and the second issue is who teaches South Africa how to be a free, integrated country.

On the first question, when we met with Chief Buthelezi, he said very explicitly if you can impose sanctions severe enough to require fundamental change by my government, go to it, but do not play games where all you do is lower the black standard of living, increase black unemployment, weaken black opportunity and do nothing fundamentally to change South Africa.

Now, when we cut off South Africa from American arms sales, a noble gesture against apartheid, do you know what happened? South Africa then becomes the eighth largest exporter of arms in the world. They built their own arms industry. They now hire people making weapons and they sell to everybody else in the third world who is quite happy to buy them.

Let us look at the question of how we are going to coerce the South African whites. What signal are you going to send to the dominant apartheid faction in South Africa, the Boars? The Boars, the last time they correctly challenged for control of their country and fought the British for more than 2½ years, they had virtually all of their population in concentration camps and ultimately were stopped only by sheer overpowering military force. You are going to now say to them no new investment unless you end apartheid?

The question I would ask second is: If all you are doing is a symbolic pinprick that will irritate the whites, worsen the standard of living of the blacks, minimize American influence, who fills the vacuum?

The reason I like the Zschau amendment and the reason frankly I almost would suggest now we seriously consider encouraging American investment in South Africa, if it is pro integration, if it meets a set of standards is because I have been asking the question of myself: If you were a South African white and you were sitting in southern Africa, and you were looking at Ethiopia, if you were looking at Uganda, if you were looking at Zimbabwe, and you were saying to yourself should I bet on extreme conservatism and a police state and a war, if necessary, or should I gamble on voluntary change, who is going to be sitting here at the country club or sitting there at the business lunch, who is going to be anywhere saying to them it is possible to integrate, it is possible to open up, it is possible to change? If we discourage American companies, who is going to teach the South Africans, who is going to inspire them?

Abba Eban, the former Foreign Minister of Israel in a recent book on foreign policy said that the greatest weakness of the liberal American drive for human rights is its inability to recognize that Iran could get worse, that Nicaragua could get worse, that moral gestures in and of themselves do not necessarily work.

I would suggest that the Gray-Solarz approach in its current form will fail because it will neither frighten the Afrikaaners nor will it lead to integration. The least it will have is almost no impact at all, but at worst what it will do, at worst it will weaken the South African economy, it will further isolate the white South Africans making them less likely to risk change, and it will further impoverish the black workers and thus lead more young unemployed blacks into radical, violent movement. It will further weaken American influence in South Africa, and it will create a vacuum which will at best be filled by Europeans, Japanese, Arabian firms, none of whom have any experience at integrating societies, none of whom have any experience of organizing an integrated system.

Let me suggest that the Zschau amendment basically is a step in the right direction. The Zschau amendment says if you American companies are willing to commit yourselves to integration, if you are willing to be in a sense the schools of democracy, or if not, it is basically a very conditional amendment.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. Gingrich] has expired.

(By unanimous consent Mr. Gingrich was allowed to proceed for 3 additional minutes.)

Mr. GINGRICH. It requires that Americans be allowed into South Africa only under circumstances where they are going to be systematically trying to increase the level of integration in South Africa.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I am glad to yield first to my distinguished friend from New York [Mr. Solarz].

Mr. SOLARZ. I thank the gentleman for yielding. I really have two questions that I wanted to ask him.

The first has to do with the letter that he, together with a number of his colleagues on the other side of the aisle, sent to the South African Ambassador on December 4. In that letter the gentleman will recall he said, as did his colleagues:

> We are looking for an immediate end to the violence in South Africa, accompanied by a demonstrated sense of urgency about ending apartheid. If such actions are not forthcoming we are prepared to recommend that the U.S. Government take the following two steps: One, curtail new American investment in South Africa unless certain economic and civil rights guarantees for all persons are in place; two, organize international diplomatic and economic sanctions against South Africa.

□ 1920

Now, since that letter was sent 240 blacks have been killed by the Government of South Africa. Is the gentleman now telling us that he is repudiating that letter?

Mr. GINGRICH. No.

Mr. SOLARZ. Do the sentiments that he expressed on December 4 no longer reflect his views?

Mr. GINGRICH. If I can reclaim my time, I am saying first of all that I very much reinforce that letter, that the Zschau amendment is conditional investment that says only if South Africa is willing to accept integrated companies, integrated workplaces, opportunities for blacks to learn the skills, of leading teams, of being involved in industrial life, only then is there investment. But let me go a step further, I am saying to my friend as a challenge, a leader on the Foreign Affairs Committee, that there are two things that his side has not confronted yet: One is if you seriously want to take on coercing South Africa, that is a very different issue indeed. It is one which I think has to be looked at in the long run. And that involves I think a systematic application of power on the scale none of us has talked about.

Mr. SOLARZ. If the gentleman will yield further.

Mr. GINGRICH. I yield to the gentleman.

Mr. SOLARZ. This leads to my second question because the gentleman has criticized the Anti-Apartheid Act of 1985 for a number of reasons, one of which is that it, paradoxically, does not go far enough, that it is only sufficient to irritate the Afrikaners and perhaps drive them further into a lock but not powerful enough to induce the kind of change he says we both seek. If that is the case, is the gentleman prepared today to say to the House that when the gentleman from California [Mr. Dellums] offers his substitute, which will require total disinvestment of American corporations from South Africa and which will establish a total embargo against trade with South Africa, that he will support that substitute?

The CHAIRMAN. The time of the gentleman from Georgia [Mr. Gingrich] has expired.

(By unanimous consent, Mr. Gingrich was allowed to proceed for 3 additional minutes.)

Mr. GINGRICH. I will yield in just a second, but let me first of all answer the gentleman [Mr. Solarz].

I admire his notion that the prospect of a little bad medicine ought to be replaced by a lot of bad medicine. But let me explain why. I think there are two challenges that the gentleman is having a hard time wrestling with that he does not want to hear. The first is show me a series of actions so powerful that the hard-core resistance of the central government, and I do not mean the extreme rightwing fringe, of the central Government of South Africa understands what we are really talking about. I think you can do that. I think though that it involves very serious international actions, it involves bringing together a multinational effort but I think it could be done and I am willing to work with the gentleman to do that because the first test I am raising here, I say to the gentleman from New York, is the test of effectiveness in breaking the back of resistance of the South African Government to the fundamental question of whether they can integrate.

The second question which I think is equally hard I would say to the gentleman is if you get them to turn to you tomorrow morning and say "Fine, I want an integrated democratic society," who is going to teach them? The Americans that you partially pull out or the Americans that the gentleman from California [Mr. Dellums] totally pulls out? Because I asked some South Africans who work for American companies what would happen if we asked you to disinvest?

They said "I would take my savings and I would buy that company." Now you think that at a fire sale in which Afrikaners are buying American factories that they are going to mind the fact that we apply pressure? They will think that they are rich.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from New York.

Mr. SOLARZ. I simply say to my friend from Georgia that if he is not prepared to support the Dellums substitute then do not say to the Members in this Chamber that he is opposed to the Anti-Apartheid Act of 1985 because it does not go far enough. Because if what he is concerned about is we are not doing enough he ought to be supporting the amendment.

Mr. GINGRICH. Obviously the gentleman did not hear me because the point I am making is the Dellums amendment will not work either. It will further isolate the United States. All it will do is make sure that the Germans, the Arabians, Japanese buy the American companies or the Afrikaners do. Now how does that help integration in South Africa?

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman. May I ask him if he has not implicitly made a case against these sanctions on Nicaragua that he so enthusiastically——

Mr. GINGRICH. Absolutely; I did not enthusiastically support it. I did not enthusiastically support them.

Mr. CONYERS. Well, I am glad to hear him say that.

Mr. GINGRICH. Let me say to the gentleman from Michigan that it is precisely because I think the sanctions against Cuba have been irrelevant, while doing nothing to Castro but hurting the Cuban people—the embargo against Nicaragua in isolation is an irrelevancy and hurts America more than it hurts Nicaragua. And if this administration is not prepared to take systematic steps on Nicaragua it ought to drop the embargo. I agree with the gentleman on that point.

The point I am making to my friend from New York [Mr. Solarz] is simply unilateral economic actions by America weaken us more than they weaken the South African segregationists.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. Gingrich] has again expired.

(On request of Mr. Zschau and by unanimous consent, Mr. Gingrich was allowed to proceed for 3 additional minutes.)

Mr. GINGRICH. Let me yield to my very distinguished Budget Committee Chairman.

Mr. GRAY of Pennsylvania. I thank the gentleman for yielding.

Mr. Chairman, let me ask the gentleman a question. We have had many conversations about this.

One, as I listened to him it would sound that he is giving a very good argument that we end up doing nothing at all. I know that is not what he is saying. But as you listen to the argument it would be "Let's do nothing because nothing is effective and nothing can bring about change."

I would simply ask the gentleman, some time ago, I think it was just a few months ago, we in this country stood up for what we thought was something that was an outrage, that occurred in the world in another nation. It occurred in a totalitarian state, a state where people were being oppressed, a place where no one, by the way, was being shot down on the streets as 500 have been killed in the last 6 months in South Africa, but a place where a group of labor people were trying to fight for dignity and human rights and that place was Poland. Could the gentleman tell me how did he feel about the President of the United States, through Executive action, applying sanctions there, since obviously no one in their right mind would imagine that we were going to bring down that government? How did the gentleman feel about that?

Mr. GINGRICH. I think the gentleman——

Mr. GRAY of Pennsylvania. And how did the gentleman vote on the resolution on the floor which I think passed overwhelmingly?

Mr. GINGRICH. Well let me proceed. I think the gentleman makes my point. In the case of Poland, given the military power of the Soviet Union and the fact that Poland for all practical purposes a Communist ally of the Soviet Union, there are no effective steps and we have proven it in the last 3 years, there are no effective steps other than the moral indignation that we can take. Now I do not think the gentleman is suggesting, and maybe he misunderstood the point I was making.

Mr. GRAY of Pennsylvania. I am just asking the gentleman one question.

Mr. GINGRICH. And I am trying to answer.

Mr. GRAY of Pennsylvania. And that is did he or did he not support the sanctions on Poland?

Mr. GINGRICH. The gentleman is saying to me that South Africa is supported by——

Mr. GRAY of Pennsylvania. I am just asking the gentleman a question.

Mr. GINGRICH. And I am reclaiming my time.

Mr. GRAY of Pennsylvania. If the gentleman will let me have 30 seconds.

The CHAIRMAN. The gentleman from Georgia controls the time.

Mr. GRAY of Pennsylvania. If the gentleman will give me 30 seconds, I will tell him why I asked the question.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. Gingrich] has again expired.

(On request of Mr. Walker and by unanimous consent, Mr. Gingrich was allowed to proceed for 4 additional minutes.)

Mr. GRAY of Pennsylvania. If the gentleman will kindly yield, I would tell him why I asked the question.

Mr. GINGRICH. I am honored. I yield to my friend from Pennsylvania.

Mr. GRAY of Pennsylvania. I thank the gentleman. I want to thank the gentleman from Georgia.

The reason I asked the question is simply this: I would agree with the gentleman that sanctions or restrictions alone do not change a government. It is a statement of what we stand for as a nation, that which we hold dear.

So when we made that statement in Poland no one thought that the Communist government there was going to be overthrown overnight. But one thing one might say happened is that Lech Walesa is alive today because the President of this country said "Let's light a candle." I think there are many people who did not get shot down in the streets of Warsaw and other cities in Poland because this Nation made it very clear very early. So the reason why I am asking the question is that if we applied the same, if we applied that standard in Poland, what is the

difference in Southern Africa? What is the difference in South Africa? That is the reason why I asked the question.

Mr. GINGRICH. I think there is a very big difference. The question is what is the gentleman from Pennsylvania seeking to accomplish? If his purpose is to make America feel better by voting for sanctions so we feel morally superior, and let me say this, OK, then I think he is doing the right thing. Because Poland is not going to become free as long as the Soviet Union Army occupies it. Poland is a situation where the most you can do that is effective is moral actions.

□ 1930

In South Africa, we have an opportunity to educate white South Africans into believing that it is possible to integrate and be free, and we have an opportunity to educate black Africans into an American way of life, an American system of labor-management relations, that are vastly superior to what they are used to.

Now I think the American way of life is good enough and is positive enough and is freedom-producing enough that Mr. Zschau's amendment, it seems to me, is useful if your long-run goal is a free, democratic integrated South Africa.

I do not see any hope of a free Poland in the foreseeable future, but I do see a possibility, and as I said a minute ago, and the gentleman from New York seemed to misunderstand me; I would be willing to participate in trying to frame extremely tough international sanctions from this standpoint: The goal has to be to break the back of resistance, not just to play games with; not just to irritate them in public, because you are not going to change the South African Government by irritating them and humiliating them in public.

You are going to change them either by gradually helping them educate their own population; which I think the Zschau amendment helps dramatically; or you are going to do things that are very aggressive and antithetical, I suspect, to my friend from New York's general beliefs about America's role in the world.

Mr. GRAY of Pennsylvania. Well, I certainly would agree with the gentleman in some respects, but I certainly would not agree with him on at least two points.

My goal is not to educate the majority there to the American way of life. I think it is to educate them about what we stand for in values, and that is justice and freedom, and I think that that is what counts, and not the Americanization of the black population.

The other thing that I would just simply say to the gentleman is that in the bill, there is exactly what you want. The President is asked to do that.

Mr. GINGRICH. I reclaim my time.

Mr. GRAY of Pennsylvania. I give back the time.

Mr. GINGRICH. I was just going to say to the gentleman from Pennsylvania, I thought that the American way of life was those simple ideas; like how to run a democracy; how to have elections; how to work together, but those are not simple ideas. It is not just abstract moral values. It is the daily process of working together in the workplace, of blacks and whites learning to work in an integrated society.

Mr. GRAY of Pennsylvania. But can you teach it to the white population in South Africa as well? Why do not you teach them?

Mr. GINGRICH. I think precisely you can. That is why the Zschau amendment is a major step toward saying that white South Africans will have a chance to work in integrated workplaces under American values, and I think it is a superb amendment, and I yield back.

Mr. FRANK. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I had been wondering what had happened to the letter that was sent by 35 of our colleagues on the other side of the aisle to South Africa, and after listening to the gentleman from Georgia, it must have come back addressee unknown, because he apparently wrote the letter to a different group of people than he has suddenly discovered are there.

I will yield to him when I am finished, but I want to say that he will, I hope when I am through, understand why with the best intentions in the world, and indulging that parliamentary impulse to think only the best of another's motives, a certain skepticism about some of what he said bubbles up from time to time on this side of the aisle.

Essentially, it sounded to me like the gentleman was making any argument he could to avoid taking any serious action whatever. We had a very fine and tough-sounding letter, and it said: We'll organize international diplomatic and economic sanctions against South Africa.

Now the gentleman says: "Well, but those will only be irritating." Then the gentleman said, he would, however, be willing to take the lead in organizing really tough sanctions.

The question to the gentleman then is, why hasn't he? The gentleman from Georgia has never previously awaited the permission of the gentleman from New York or the gentleman from Michigan. If the gentleman from Georgia seriously felt it was important to organize far tougher sanctions, if he genuinely means that his problem with this is that among other things, it is too weak, then why has not he used his ingenuity and his considerable talents for publicizing issues to do that? The gentleman has not been constrained. He is not a black South African; he is a white American Member of Congress.

If he really meant that this is too little and more should have been done, then I think he should have been doing something about it.

I also find it interesting that we now hear, in the context of our effort to apply some sanctions against this terrible, racist Government of South Africa, that some of our colleagues are not quite so enthusiastic as some of us mistakenly thought they were, about sanctions against Cuba.

These are the first bad words I have heard spoken against sanctions against Cuba. Apparently the gentleman from Georgia thinks we should not have had sanctions against Cuba. Apparently the gentleman from Georgia thinks we should not have had some of these economic sanctions against Cuba. He says they were not very effective, the sanctions against Cuba. He said all they did was make the Cuban people worse off.

Well, I am interested to hear it. I have to say when it is only in the context of our effort to do something against the racists in South Africa, that we are told that maybe, in response to a question, it did not work so well against the Cubans, I get a little bit skeptical.

I think it is very important for us to do the kinds of things that are being talked about now because, unlike the gentleman from Georgia, I do not see any sign that the minority in South Africa, who control that country by force of arms, are in fact ready to move any more than they have to.

I think without great pressure they are not going to move. Now, the gentleman's argument is that this may not be enough pressure. Maybe he is right. At that point I would say to him, "Come forward and tell us what more you have in mind, and let's talk about it." No one is constraining him.

I think in the current state of this Congress, with this administration, we will be doing well to get these things.

If the gentleman genuinely believes that the problem is that we have to go further, then I will be glad to go further.

I yield to the gentleman from Georgia.

Mr. GINGRICH. Let me make two points again to the gentleman. You, yourself just used the term "great pressure." I think that if we are seriously, at some point going to take on the South African Government in attempts to coerce them into change, it is going to require multilateral action, and vastly tougher action than anything we have seen since World War II.

Second, my point about Cuba—and I say this about Nicaragua—is twofold. You can make a case that it has increased the cost to the Soviet Union, of having to subsidize Cuba as a colony through our sanctions. I think that is a rational case.

You can make no case that either in Nicaragua nor Cuba are we likely to undermine a Leninist regime by sheer economic sanctions.

My only point——

Mr. FRANK. Is the gentleman in favor of the sanctions against Cuba and Nicaragua or opposed to it?

Mr. GINGRICH. I will be in favor of them only as part of a general policy of coercing those governments.

Mr. FRANK. But the world is—the gentleman knows the world——

Mr. GINGRICH. The gentleman did not hear me. You were talking before I answered.

Mr. FRANK. I would like to rephrase the question. I apparently phrased it insolicitously, for which I apologize and beg the indulgence of the House, and I am going to phrase it again so I can get the answer that I think would enlighten us and elucidate more.

The question is this: The gentleman knows the general policy in the current state of the world, with Ronald Reagan as President, George Shultz as Secretary of State; all those people there doing what they are doing; does the gentleman today favor the continued imposition of sanctions against Cuba and Nicaragua?

Mr. GINGRICH. I favor them against Cuba as an indirect cost to the Soviet Union; if this administration by early this fall does not have a comprehensive program in Nicaragua, I would oppose them in Nicaragua, and I would suggest we ought to go ahead and reach some kind of conciliatory acceptance of Nicaragua.

Mr. FRANK. So you are giving Reagan a deadline; he has got to shape up or you are against the sanctions——

Mr. GINGRICH. Sure.

Mr. FRANK. Against Nicaragua. How about Cuba? Has he got a deadline in Cuba?

Mr. GINGRICH. In the case of Cuba, the cost to the Soviet Union—you are saying to me, your sanctions are going to successfully drive South Africa into the Soviet Union's arms——

Mr. FRANK. No, I am not saying any of that. The gentleman, understandably, wants to get off the point of comparison.

(By unanimous consent, Mr. Frank was allowed to proceed for 3 additional minutes.)

Mr. FRANK. I thank you, because the gentleman wants to get off the comparison. The point is, he is in favor of the sanctions against Cuba, and against them against South Africa—I think costs are relevant; I think the people in South Africa are not wholly undecided about costs.

The point is that there is a great deal of similarity in the case for sanctions in both situations. Sanctions are one way we have of expressing American opinion.

□ 1940

It may not be that they are sufficient, but when the gentleman from Georgia says, "Well, sanctions are not enough, if you are really serious, then you have to organize an international multilateral force," I would say two things: First of all, there have been efforts to organize multilateral pressures against South Africa, and this Government vetoed them time and time again. There were efforts in the United Nations to do that. There is a potential to organize, as the gentleman from Georgia has suggested, a multilateral force against South Africans, not physical force, but sanctions, and they are vetoed by the American Government.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Michigan.

Mr. CONYERS. I want to compliment the gentleman, because greater economic investment in South Africa from 1970 to 1981, where we tripled our involvement, has led to increasing violence and oppression. So it seems to me that sanctions are in order. And the question is whether we want legal sanctions or involuntary sanctions that may arise from an uprising in that country.

Mr. FRANK. I thank the gentleman. I think two points are relevant: First, there is a general kind of conservative approach to issues in this country whereby some people are always for the remedy that is 10 years old. When it first comes out, they were not for it. Once 10 years have elapsed and its weaknesses may have become apparent, and people have gotten used to working around it, then they are retroactively for it. We see this in the area of antidiscrimination, we see it now with the Sullivan principles. The Sullivan principles have now got a lot of defenders when they could not be found when Sullivan was first doing his principles. And I would predict now that if we do go ahead on Krugerrands and cutting off investment, 5 years from now, if we need to go further in this progression, the people who are against it today will be for it then, but they are never for it at the time. They are always for the last one, after it has worn out.

Second, I think, as the arguments of the gentleman from Georgia make clear, if he wanted to organize sanctions against South Africa, he could have been doing that. His inconsistent position of sanctions regarding the Cuban situation I think makes a point. There are people who cannot condone apartheid. There are people who are moral enough to oppose apartheid in principle but who do not think that we ought to do very much about it. That is the question that is now before us.

I yield to the gentleman from California.

Mr. ZSCHAU. I thank the gentleman for yielding. On the outside chance that it may change his vote on this amendment, the author of the amendment, the gentleman from California, does oppose the sanctions on Nicaragua.

Mr. FRANK. I thank the gentleman.

That chance is so far outside that I do not think it is worth worrying about right now.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment but also to make a point, since the issue of the letter that several of us had signed has come up on a couple of occasions.

I think it is rather interesting that when we on our side of the aisle do something which I think nearly everybody acknowledges had some impact on the debate on this whole issue, and even Bishop Tutu has cited as being something which was instrumental in helping his visit to this country, that we then are supposed, as I take it, to then sign on to anything that they want to do in pursuit of those goals, and if we do not, then we are somehow disassociating ourselves from the views that we have expressed.

I would suggest that that is a little arrogant, that there are many different ways of approaching these issues and that they are all done in good faith, and that in fact in the approaches that we have offered on our side; including support of the Zschau amendment, we are doing precisely what that letter said we would do. That letter said that we were for curtailing new investment in South Africa. The Zschau amendment precisely moves in that direction. It says that you will have conditional investment. That is, in fact, curtailing new investment. I would say to those of you who argue on your side that your bill is not disinvestment, it is precisely that, that the Heritage Foundation has taken a look at that kind of an approach and said that despite the fact that it does not use that language, it is precisely that language, that you will end up with a disinvestment policy by virtue of implementing that policy.

Now, I think that we better start looking, then, at what you really mean to say. I think it is also important that if we are going to argue the percentage of the work force now applied under the Sullivan principles that we ought to look at the percentage of total investment in the country that would be affected by taking the approach offered in the bill before us, because it is a 3-percent solution. If a 1-percent solution was not very good, then I would suggest that a 3-percent solution is not much better, that in fact what you are talking about if you go the route of the Dellums approach, even the tough approach, as defined by one of my colleagues a moment ago, that that only gets you a 3-percent solution and that that is not going to bring the South African Government to its knees and is not going to end apartheid in South Africa.

Now, the question is, then, what do you do in a positive kind of way that might have a chance? Again, a lot of us have had an opportunity to talk to people who are standing against apartheid in South Africa, whites as well as blacks, people who are actually putting their lives on the line in South Africa, not going through a public relations gesture of getting arrested in front of an embassy in Washington, DC, where you are literally protected by the police, but doing something real, standing up against apartheid in South Africa. And those people have time and time again told us that disinvestment would be a great harm to their country, that disinvestment is not what they need, disinvestment would in fact be a tragedy to their country. And when asked specifically whether or not a mandatory application of Sullivan might in fact be a positive kind of goal to achieve, they have said yes, that that is in fact the kind of direction that they think would be useful.

Mr. GINGRICH. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Georgia.

Mr. GINGRICH. I want to respond, if I may, to the gentleman from Massachusetts, if I may have his attention. You talked earlier about people who take hard steps, and about people who do this, and people who do that. Let me say to you that, having watched the successful efforts of the American left to improve Iran by replacing the Shah, who was a bad person, and we have the improved Iran today, having watched the promises in 1979 of a democratic Nicaragua, which we do not have today, having watched many members of the left explain to us that El Salvador could not become democratic, it could not be cleaned up, it was not possible, I am willing to go a little bit slow, I am willing to advocate what the gentleman from Pennsylvania earlier described as the American way in terms of the kinds of things that Ed Zschau's amendment would provide for. I think that the short-term goal on our part should be to increase the involvement of integrated efforts by Americans, and the long-term effort should be to prepare the base for multilateral efforts to break the back of the South African Government if necessary.

But I think that a short-term effort to destabilize without any kind of approach to educating South African whites is doomed to produce the same kind of devastating results in South Africa that destabilization produced in Iran, and I do not see how anyone who has watched the last 6 years would favor that kind of destructive policy.

Mr. SILJANDER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Michigan.

Mr. SILJANDER. As one of the cosigners of that letter to the Ambassador, I attempted to draft a substitute that would parallel precisely what the intention of the letter outlined. If in fact, after a reasonable timeframe of 3 years, after a commission reporting each and every 6 months of those 3 years, determined that the major core elements of apartheid have not been dismantled, then in fact we would be willing——

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. Siljander and by unanimous consent, Mr. Walker was allowed to proceed for 2 additional minutes.)

Mr. WALKER. I continue to yield to the gentleman.

Mr. SILJANDER. If in fact after that 3-year period those essential elements that make up apartheid have not been dismantled, then in the Siljander substitute it does say that we can in fact opt for sanctions. It is perfectly consistent and we ought to do all we can do from a positive standpoint with the Sullivan principles as incorporated in the Zschau amendment before we engage, while at the crossroads of change in that country, in a more radical approach. Let us do all we can do for peace and freedom and avoid violence by supporting the Zschau amendment.

I thank the gentleman for yielding.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

I would like the attention of my distinguished colleague from Pennsylvania, if I might get it. And I might just say to my colleagues who are asking for a vote, this is perhaps one of the most significant issues that we would debate in the 2 years of this Congress, and I find it flagrantly disrespectful to assume that we can make a circus out of a critical set of issues that have impact upon millions of human beings.

Now, having said that, I will say to my colleague, the gentleman was duly elected to this body and the gentleman can express any political point of view that he chooses to express. The only concerns that I have is why, in attempting to express that political point of view, the gentleman sees fit to denegrate the effect on the part of the hundreds of human beings who were prepared to go to jail in this country at the South African Embassy, or anywhere else in this country, to try to bring America to the realization that we are killing human beings in South Africa. Whatever the gentleman's political position, it is not necessary to place his political position in juxtaposition to the legitimate motives of other people, and I yield to my colleague for a response.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

I would say to the gentleman that if that is his interpretation of my remarks, I would certainly apologize to him if that was the kind of context in which they were put. I have stated on many occasions publicly that I thought that those demonstrations were useful. What I was trying to contrast was people in South Africa who are taking stands against apartheid whom I have talked to who are literally risking their lives, who take a question of life and death when they speak out against apartheid, when they take actions against apartheid, and contrasting that to what is happening in this country where in fact you can go and get arrested for the cause but you are not really putting your life on the line. And I was simply contrasting that to say that some of those people, when they come and talk to me, say that disinvestment is not the right concept for their country. That is the only point I was making, and I certainly do not want to in any way derogate the efforts of the people who are taking those kinds of stands at the Embassy.

Mr. DELLUMS. I appreciate the gentleman's comments.

Mr. SILJANDER. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Michigan.

Mr. SILJANDER. I think it is important, talking about the question of motivations and attitude toward each other, to say that I was one of the signers of that letter, and when one of the gentleman rose today on your side of the aisle——

Mr. DELLUMS. Mr. Chairman, I cannot hear the gentleman.

I yield to the gentleman.

□ 1950

Mr. SILJANDER. I will begin my comments once again. I am also concerned with what you find important. I am concerned that the gentleman on your side of the aisle rose to question, in my interpretation, some of the motivations of those who signed that letter. I, as a signatory of the letter, feel I have worked very hard to come up with an alternative to the Gray approach, as you have, that is consistent with my signature on that letter, which is consistent with my philosophy. I have traveled to South Africa; worked many hours putting a ligitimate bill together from my point of view. We may not agree on my point of view.

Mr. DELLUMS, I may not agree on your point of view or Mr. Gray's point of view or Mr. Zschau's point of view, but you are right: I indeed agree with your point. I would hope that some Members on that side of the aisle would not stand up and question motives of all the signers of that letter who signed that letter in deep sincerity and deep concern of the vicious apartheid and system of racial discrimination that is practiced in that country.

We have different approaches; I believe mine is the best as you believe yours is the best. So let us leave it in that type of tenure from now on. Is that fair enough?

Mr. DELLUMS. I thank the gentleman and let me reclaim my time.

I would simply say to my colleague: I came here to debate ideas; I did not come here to challenge peoples' personalities; I did not come here to challenge peoples' motives. I came here to challenge the intellectual integrity or the political integrity of their ideas. I find it a very shabby kind of response when we start to challenge each other at the level of motive and at the level of personalities. We ought to lift this debate to a very high order of magnitude, and it would seem to me discussing the issue of apartheid in South Africa and America's acquiescence in that has a significant and an imperative that requires that we debate this issue at a much higher level than it is beginning to deteriorate at this particular point.

I thank my colleague and I yield to the gentleman from Michigan [Mr. Conyers].

Mr. CONYERS. I thank my colleague for making the point.

May I ask my colleague and friend from Michigan while he is on his feet, since he thinks not too highly of the halfway step of the Wolpe-Gray measure, does he in fact feel more inclined to support the Dellums amendment which calls for total disinvestment?

I thought that I heard implicit in his remarks earlier in the debate that probably he would prefer that solution to what he considered a halfway solution.

The CHAIRMAN. The time of the gentleman from California [Mr. Dellums] has expired.

(By unanimous consent, Mr. Dellums was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. I yield to the gentleman from Michigan [Mr. Siljander].

Mr. SILJANDER: Obviously the gentleman from Michigan is again hearing incorrectly. If I were supporting the Dellums approach, I respect his approach but do not philosophically or emotionally support it, why would I have worked on my own approach?

Mr. CONYERS. No, I meant relatively——

Mr. SILJANDER. You are full of questions tonight.

Mr. CONYERS. No, my friend, I meant in terms of a relative choice. I understand——

Mr. SILJANDER. It would be easier to listen more clearly; you would have less and fewer questions.

Mr. CONYERS. If the gentleman would listen to me for a second, I am saying relatively between the two other measures; not his own.

Mr. DELLUMS. I yield to the gentleman for a response.

Mr. SILJANDER. Well, which would the gentleman support between the Dellums and the Siljander? Or between the Gray and the Siljander?

Mr. CONYERS. Well, I am asking you.

Mr. SILJANDER. Well, I am asking you. You have been full of questions; let me ask you questions for the rest of the evening.

Mr. DELLUMS. If I may reclaim my time.

Mr. Chairman, I realize that only a few seconds remain. I will simply try to bring us back to the central focus to this debate, and it has nothing to do with our individual personalities; it has nothing to do with our individual motives. None of us here have the capacity to play God and to challenge each other's motives. Let us get our political ideas on the table, and let us debate those issues.

I would like to hope in that atmosphere of integrity that our particular approach at the appropriate time will prevail in this body.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Zschau].

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ZSCHAU. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 148, noes 256, not voting 30, as follows:

[Roll No. 121]

AYES—148

Archer
Armey
Badham
Bartlett
Barton
Bateman
Bereuter
Bilirakis
Boulter
Broomfield
Brown (CO)
Broyhill
Burton (IN)
Byron
Callahan
Campbell
Chandler
Chappie
Cheney
Clinger
Coats
Cobey
Coble
Coleman (MO)
Combest
Craig
Crane
Dannemeyer
Daub
Davis
DeLay
DeWine
Dickinson
Dornan (CA)
Dreier
Duncan
Eckert (NY)
Emerson
Evans (IA)
Fawell
Fiedler
Fields
Franklin
Frenzel
Gallo
Gekas
Gingrich
Goodling
Gradison
Green
Grotberg
Gunderson
Hammerschmidt
Hansen
Hartnett
Hendon
Henry
Hiler
Hillis
Holt
Hunter
Hutto
Hyde
Ireland
Johnson
Kasich
Kemp
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Lent
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lujan
Lungren
Madigan
Marlenee
Martin (NY)
McCain
McCandless
McCollum
McEwen
McKernan
McMillan
Meyers
Miller (OH)
Monson
Montgomery
Moore
Moorhead
Morrison (WA)
Nielson
O'Brien
Oxley
Packard
Parris
Pashayan
Petri
Porter
Quillen
Regula
Ridge
Roberts
Rogers
Roth
Roukema
Rowland (CT)
Saxton
Schaefer
Schuette
Sensenbrenner
Shaw
Shumway
Shuster
Siljander
Skeen
Slaughter
Smith (NE)
Smith (NH)
Smith, Denny
Smith, Robert
Snyder
Solomon
Spence
Stangeland
Strang
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Vander Jagt
Vucanovich
Walker
Whitehurst
Whittaker
Wolf
Wortley
Young (AK)
Young (FL)
Zschau

NOES—256

Ackerman
Addabbo
Akaka
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Bellenson
Bennett
Bentley
Berman
Bevill
Biaggi
Billey
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boxer
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Carney
Carper
Chappell
Clay
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crockett
Daniel
Darden
Daschle
de la Garza
Dellums
Dicks
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Early
Eckart (OH)
Edgar
Edwards (CA)
Edwards (OK)
English
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Fish
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Gregg
Guarini
Hall, Ralph
Hamilton
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hertel
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Jacobs
Jeffords
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lowry (WA)
Luken
MacKay
Manton
Markey
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Mrazek
Murphy
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pease
Penny
Pepper
Perkins
Pickle
Price
Pursell
Rahall
Rangel
Ray
Reid
Richardson

Rinaldo
Robinson
Rodino
Roe
Roemer
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sharp
Shelby
Sikorski
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Valentine
Vento
Visclosky
Volkmer
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitley
Wilson
Wirth
Wise
Wolpe
Wyden
Wylie
Yates
Young (MO)

NOT VOTING—30

Alexander
Boucher
Breaux
Carr
Derrick
Dingell
Dyson
Foley
Hall (OH)
Hall, Sam
Jenkins
Jones (NC)
Lewis (CA)
Lowery (CA)
Lundine
Mack
McGrath
Michel
Moody
Morrison (CT)
Murtha
Myers
Ritter
Rudd
Udall
Walgren
Whitten
Williams
Wright
Yatron

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The Clerk announced the following pairs:

On this vote:

Mr. Myers of Indiana for, with Mr. Breaux against.

Mr. Rudd for, with Mr. Alexander against.

Mr. Mack for, with Mr. Morrison of Connecticut against.

Mr. Lewis of California for, with Mr. Jones of North Carolina against.

Mr. Lowery of California for, with Mr. Lundine against.

Mr. MURPHY changed his vote from "aye" to "no."

Mr. FIELDS changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. WOLPE. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. Moakley] having assumed the chair, Mr. de la Garza, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. WOLPE. Mr. Chairman, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 152, FIRST CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEARS 1986, 1987, AND 1988

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 99-141) on the resolution (H. Res. 177) providing for the consideration of the concurrent resolution (H. Con. Res. 152) revising the congressional budget for the U.S. Government for the fiscal year 1986 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988, which was referred to the House Calendar and ordered to be printed.

REAGAN ADMINISTRATION ETHICS DISHONOR ROLL ADDENDUM

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, today, I am placing in the Record an addendum of 22 names to the Reagan administration Ethics Dishonor Roll. This brings the total number of individuals cited on this list to a distressing 134.

The charges which earn an individual a position on this very undistinguished list include criminal wrongdoing, abuse of power and privilege, and improper behavior for a Government official. This roll is merely a compendium of newspaper accounts. Some of the individuals have been cleared by investigations. Others have resigned, maintaining their innocence, but aborting any further investigation.

I first started compiling this list 2 years ago when the House Post Office and Civil Service Committee was struggling to strengthen the Ethics in Government Act. The American public had been besieged with repeated newspaper accounts of top administration officials running afoul of ethical restrictions. Sad to say, the onslaught of ethical violations has continued unabated.

We must further strengthen our laws to help preclude such activity, but we must also hold accountable a President who appoints, supports, and defends individuals of such curious and questionable character.

Reagan Administration Ethics Dishonor Roll, Addendum

(Compiled by the House Subcommittee on Civil Service, Representative Patricia Schroeder, Chairwoman, May 20, 1985)

112. Patrick C. Allison, Regional Director, Department of Health and Human Services, lobbied against the "Compassionate Pain Relief Bill" in apparent violation of prohibitions on use of Federal funds to lobby Congress.

113. Twenty-one non-career Ambassadors endorsed Senator Jesse Helms for re-election in apparent violation of established tradition followed by administrations of both parties which barred Ambassadors from participating in partisan politics while on active duty as official representatives of their country. Senator Helms is a member of the Foreign Relations Committee that confirms ambassadors.

114. Dixon Arnett, Deputy Undersecretary for intergovernmental Affairs, Department of Health and Human Services, told regional directors to contact state narcotics officials, governors, and mayors in their states "and ask them to contact their congressional delegation to ask for a 'no' vote" on the "Compassionate Pain Relief Bill" in apparent violation of prohibitions on use of Federal funds to lobby Congress.

115. Mark Evans Austad, Ambassador to Norway, allegedly tried to force his way into a Norwegian woman's home in the middle of the night. Mr. Austad "was apparently under the influence of alcohol" when he spent "half an hour knocking and kicking at her front door Wednesday in an attempt to get in."

116. Daniel K. Benjamin, Chief of Staff, Department of Labor, was accused of a conflict of interest allegedly involving the use of a lobbyist's boat. He also was allegedly involved in the award of a non-competitive contract to one of his former research assistants. Mr. Benjamin resigned.

117. Bruce Chapman, Deputy Assistant to the President in charge of the Office of Policy and Evaluation, White House, and former Director, Census Bureau, allegedly spent more than $10,000 on travel during a one year period including trips to his hometown, Seattle.

118. John Fedders, Director of the Division of Enforcement, Securities and Exchange Commission, reportedly beat his wife during their 18-year marriage. He was also reportedly involved in the alleged cover-up of a corporate bribe scheme by a former law client, the Southland Corporation. Mr. Fedders resigned.

119. Eileen Marie Gardner, head of the Office of Education, Philosophy and Practice, Department of Education, had criticized "misguided" efforts to help disabled people who had "selfishly drained resources from the normal school population." In addition, she indicated that the handicapped were responsible for their life situation. Ms. Gardner was told to resign.

120. Marianne Mele Hall, Chairwoman of the Copyright Royalty Tribunal, co-authored *Foundations in Sand: A Hard Look at the Soft Sciences*. This book contains such statements as American blacks "insist on preserving their jungle freedoms, their women, their avoidance of personal responsibility and their abhorrence of the work ethic." She also had no experience in copyright litigation and her experience as a teacher of law was allegedly gained at an unaccredited school that operated only on weekends. Ms. Hall resigned.

121. Donald T. Hallett, State Director of the Farmers Home Administration in California, Department of Agriculture, was found guilty of racial discrimination in his practices. Mr. Hallett received an official written reprimand.

122. Roger W. Jepsen, chosen by President Reagan to head the Commission to honor the Bicentennial of the U.S. Constitution, had once invoked the Constitution as a justification for driving his single-occupant vehicle down the car pool lane of a Virginia

highway. During his campaign for re-election to the Senate, Mr. Jepsen said he had visited a Des Moines health club that had "nude encounters." Mr. Jepsen's name was withdrawn.

123. Patrick Korten, executive assistant director, Office of Personnel Management, allegedly participated in an illegal personnel transfer to benefit a former OPM political appointee and his wife. He authorized the Intergovernmental Personnel Act transfer for Carolyn Jeffress without expecting her to return to the federal government, as required by law.

124. James Meadows, Deputy Director of the Occupational Safety and Health Administration, Department of Labor, allegedly told high-ranking agency officials to "kick asses and take names" of employees who criticize agency policies.

125. Marjory E. Mecklenburg, Deputy Assistant Secretary, Department of Health and Human Services, was investigated by the Department Inspector General for possibly scheduling an HHS workshop in Denver so she could watch her son play in the Broncos-Vikings football game. HHS also looked into additional trips she took over a two-year period at a cost to the government of $12,938.67. Ms. Mecklenburg resigned.

126. Georgia Paras, Legal Services Corporation nominee, had allegedly attacked an Hispanic judge as "a professional Mexican," saying that there also were "professional blacks, professional Greeks, professional Dagos and professional Jews" who "put their ethnic orgin ahead of everything else." His appointment was withdrawn.

127. Russell A. Rourke, Assistant Secretary of Defense for Legislative Affairs, Department of Defense, wrote a memo which allegedly shows that he and other Pentagon officials are acting in a partisan political manner to deflect criticism of the DOD's spare parts program.

128. 128. Robert A. Rowland, head of the Occupational Safety and Health Administration, Department of Labor, allegedly owns up to $50,000 in stock in Tenneco, Inc., a conglomerate that could be affected directly by his decision not to adopt a federal standard requiring clean drinking water and toilet facilities for farm workers. The Office of Government Ethics is reviewing the case.

129. Thomas Tancredo, Secretary's Regional Representative, Department of Education, mailed out copies of a 12 page "statement," accompanied by his signed cover letter, lamenting the fact that we don't have an official state religion in this country.

130. Kathleen Troia, Principal Deputy Assistant Secretary for Public Affairs, Department of Defense, wrote a memo which allegedly developed a plan for possibly improper political involvement by DOD officials during the 1984 national election campaign.

131. Lawrence A. Uzzell, Special Assistant to the Undersecretary, Department of Education, advocated that every federal program for elementary and secondary education—including aid to the handicapped—should be abolished. Mr. Uzzell resigned.

132. R. Leonard Vance, Director of Health Standards, Occupational Health and Safety Administration, Department of Labor, accused his staff of using "communistic" language and having been "trained in Moscow." He notified Congress that he could not turn over his logs because his "dog had barfed all over them."

133. John D. Ward, Acting Director, Office of Surface Mining, Department of Interior, was criticized by a Congressional Committee for failing to aggressively collect $150 million in outstanding strip mining fines and for allowing some chronic violators to receive new mining permits. Mr. Ward resigned.

134. Joseph R. Wright, Jr., Deputy Director, Office of Management and Budget, and head of the President's Council on Integrity and Efficiency, allegedly intervened, on behalf of his father's oil company, with the head of the Energy Department's Economic Regulatory Administration. The Energy Department then allegedly delayed a major enforcement case against the company.

A BILL FOR THE RELIEF OF MARY E. STOKES

(Mr. HUTTO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HUTTO. Mr. Speaker, today I rise in support of H.R. 1783, a bill for the relief of Mary E. Stokes, which passed earlier today.

This case is the result of an admitted mistake by the personnel office at the Naval Air Station in Pensacola, FL, which gave incorrect advice to Mrs. Stokes' husband before his death. Mrs. Stokes deceased husband, Mr. Bartley Stokes, served for 42 years—20 years in the Navy and 22 in the civil service at NAS Pensacola. Mr. Stokes was diagnosed as having cancer and was given only a few months to live. In an effort to provide for his wife's future, Mr. Stokes contacted the consolidated civilian personnel office at NAS for advice on combining his military and civil service annuities. He was advised by Mr. U.M. Buskey at the consolidated civilian personnel office of the best alternative to ensure that his wife, Mary, would receive all survivor benefits to which she is entitled. Mr. Stokes was promised that his wife would receive a monthly combined annuity check of $587. However, since his death, Mrs. Stokes' monthly check only amounts to $409 because his military and civil service were not combined.

The Office of Personnel Management made an inquiry into this case, and has ruled that it is clear from the record that Mr. Stokes fully intended that his service be combined and believed that it would be, and since such a combining of his service would have occurred under existing law had he not relied on the ill-considered agency advice that he exhaust his sick leave before accepting retirement, OPM supports the passage of H.R. 1783 to correct this mistake.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT DURING 5-MINUTE RULE ON WEDNESDAY, MAY 22, 1985, AND PERMISSION FOR SUBCOMMITTEE ON SURFACE TRANSPORTATION OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT DURING 5-MINUTE RULE ON THURSDAY, MAY 23, 1985

Mr. BOSCO. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule in the House on Wednesday, May 22, 1985, and that the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule in the House on Thursday, May 23, 1985.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ORDER OF BUSINESS

Mr. SKELTON. Mr. Speaker, I ask unanimous consent to vacate my 60-minute special order and to replace it with a 5-minute special order this evening.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

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THE COMPETITIVE SHIPPING AND SHIPBUILDING ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. BATEMAN] is recognized for 5 minutes.

Mr. BATEMAN. Mr. Speaker, today I am introducing, with the gentlelady from Louisiana [Mrs. BOGGS] and 15 other original cosponsors, the "Competitive Shipping and Shipbuilding Act of 1985."

Few would dispute the fact that our Nation's security depends on shipbuilding and maritime resources capable of responding to the demands of mobilization. Yet almost 15 years have gone by without meaningful congressional action while these resources have disappeared at a growing and alarming rate. Today our maritime industries are in a weakened state and growing weaker.

The United States, which generates about a fifth of the world's trade, carries only about 5 percent of that commerce in American vessels. The huge American merchant marine of the post-World War II era has dwindled to about 500 vessels, most of them antiques and few of them engaged in regular foreign commerce. Over the last 4

years 25 U.S. shipyards have closed, with a net loss of about 20,000 jobs—a few large yards have grown because of Navy contracts. Only five U.S.-flagships are under construction today, all of them for the domestic trades.

Existing commercial policies and programs will not maintain the shipping and shipbuilding capacity needed for mobilization. American shipyards cannot compete with foreign yards that pay their workers $2 an hour, build ships with materials bought at subsidized prices and enjoy subsidized financing at depressed interest rates. American ship operators cannot compete with nations whose ships sail with new equipment and small, low-paid crews. Furthermore, more and more nations have restricted access to cargo from their ports to their own merchant ships.

Last year Congresswoman BOGGS and I, with several cosponsors, introduced a measure (H.R. 6222) to provide at least part of an answer to this dilemma. Focusing on the bulk and "neo-bulk" cargo sector of our commerce—chiefly grain, coal, ores, steel, and automobiles—title I of the bill required that in the 1st year after enactment, American importers and exporters ship at least 5 percent of bulk-neo-bulk cargo on U.S. vessels. The requirement would rise by 1 percent per year until it reached 20 percent.

In title II of the bill, we provided a tax credit for shippers to compensate for any additional expense imposed upon them by the higher cost of shipping in American vessels as opposed to foreign ships. This should eliminate the traditional opposition of shippers to cargo preference proposals.

Estimates indicate the measure would result in construction of 330 ships, readily convertible to military sealift uses, and create about 100,000 jobs in shipping, shipbuilding and allied industries. There should be little or no impact on the Federal deficit, since revenues expected from increased employment and corporate activity in shipping and shipbuilding would completely, or nearly completely, offset the revenue loss created by the tax credit.

Mr. Speaker, I am convinced that a bulk cargo fleet expansion program, with a tax credit for our shippers, is an important forward step in rebuilding the American merchant marine. I urge my colleagues to support prompt enactment of this important measure.

Mr. BATEMAN. Mr. Speaker, I yield to the gentlewoman from Louisiana [Mrs. BOGGS].

Mrs. BOGGS. Mr. Speaker, in recent years shipbuilding worldwide has been in a severe depression. The situation in the United States is even worse, if that seems possible. Currently there are only 13 merchant ships under construction in the United States, most of which are intended for domestic—or Jones Act—trade. Over the past 5 years the value of domestic shipbuilding and repair work in the United States has decreased significantly.

Obviously there is a pressing need to develop a reasonable and achievable maritime policy for the United States.

There are three alternative policies that could form the basis of a maritime policy that will assure the existence of an American shipbuilding capacity and an American merchant marine. These are direct subsidies, or direct Government procurement of ships, or cargo reservation policy.

The gentleman from Virginia and I have decided upon the third option—a cargo reservation or cargo preference policy—because many of our trading partners have formal or informal policies that assure that availability of cargo for their national flag ships.

Cargo preference, which grants U.S.-flag shipping exclusive rights to carry certain cargoes, is an indirect form of support whose costs are borne by the economy, not by the government. The objective of cargo preference is to create a market which will result in the construction of American ships to meet the demand.

Cargo preference is one of the most widely used forms of maritime support. It can be established unilaterally or by mutual agreement among trading partners. A form of the latter, the UNCTAD Liner Code declares that each trading nation has the right to reserve 40 percent of its trade for its national-flag ships. Unfortunately, the administration has consistently opposed the UNCTAD Code.

The legislation that the gentleman from Virginia and I are introducing seeks to achieve a cargo policy through a unilateral approach.

As the gentleman from Virginia has said, the bill would also provide a tax credit for shippers to compensate for any additional expense imposed upon them by the higher cost of shipping in American vessels as opposed to foreign ships. This should eliminate the traditional opposition of shippers to cargo preference proposals.

We feel that the results in shipbuilding, national security interests, shipping and marketing are achievable goals, Mr. Speaker. We urge the cosponsorship of our colleagues for this legislation so necessary to the implementation of a national maritime policy.

SMALL BUSINESS EXPORT POTENTIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. ROBINSON] is recognized for 5 minutes.

● Mr. ROBINSON. Mr. Speaker, I rise today to speak to the export potential of this Nation's small businesses as part of World Trade Week which we acknowledge from May 19 through May 25, 1985.

While the American public at large is aware of the contribution made by small businesses to the economy of this Nation, there is far less understanding of the small business community's potential in the export arena. Not only is the American public unaware of this potential, but so are our small businesses.

One of my colleagues, the distinguished gentleman from Florida [Mr. IRELAND], stated during a field hearing that 92 percent of all American firms sell only in the United States while 93 percent of the world's population is outside the United States.

Couple that information with the fact that only 30,000 out of 376,000 manufacturing companies export their products. Of these 30,000 firms, 70 percent are small- or medium-sized outfits with fewer than 500 employees. That is good news.

It is also good news that the General Accounting Office estimates that small firms of less than 250 employees could, if they began exporting, export goods amounting to $4.2 billion annually.

In an era where our balance-of-trade deficits are skyrocketing, that is a step—albeit a small one—in the right direction.

We all recognize that there are obstacles—many of them formidable—to exporting. Small businesses, which often lack the resources of larger firms to solve export problems, need a great deal of sticktoittiveness.

The Small Business Committee, on which I serve, recently held a hearing where we received testimony from Kenn George, Director General of the U.S. Foreign and Commercial Service. USF&CS is a branch of the Department of Commerce which has as its aim to keep businesses informed of the international trade situation.

The USF&CS is the only Federal Government entity involved in international trade with a global outreach capability. At the same time it offers counseling to businesses that want to break into the export market.

We need to do all we can to encourage our small entrepreneurs to get involved in international trade. Making them aware of the opportunities that exist—especially in OPEC and other developing countries—is a solid first step. Giving those businesses a helping hand—from dealing with language problems to tariff requirements and a lot of other difficulties in between—will go a long way to taking the mystery out of the export puzzle.

As it says on the cover of the May 27 Business Week magazine, "Small Is Beautiful." Now we just need to get America's know-how at work in the export arena. We all stand to gain from that.●

THE REIT TAX PROVISIONS ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. VANDER JAGT] is recognized for 5 minutes.

● Mr. VANDER JAGT. Mr. Speaker, I am today introducing, with Congressman BOB MATSUI and Congressman PETE STARK, H.R. 2571, the REIT Tax Provisions Revison Act of 1985, a bill to amend portions of the Internal Revenue Code dealing with real estate investment trusts or REIT's. The legislation has become necessary largely because REIT's have found themselves increasingly at a competitive disadvantage in today's real estate marketplace. In recent years, the compelling need for flexibility and creativity in the marketplace has proven to be at odds with the various constraints imposed on REIT's by Federal tax laws. During the same period, REIT investors have been effectively denied many of the benefits of the substantial changes made in the Internal Revenue Code provisions affecting real estate. The REIT plays an important role in the real estate industry, and these increasing barriers to fulfillment of that role mandate a thorough review of the entire REIT tax regime. The proposed legislation is introduced to serve that purpose and to assure the viability of the REIT as a valuable real estate investment medium.

The history of the present REIT industry begins in 1960 with the enactment of Federal tax legislation providing for a real estate investment vehicle to be accorded conduit tax treatment similar to that available to mutual funds. The purpose of the legislation was to provide an opportunity for small investors to obtain the advantages of real estate investment normally available only to those with much greater resources.

Under the REIT conduit concept, virtually all the income of the REIT must be derived from the real-estate-oriented investments and must be passed through to shareholders as dividends. The REIT is allowed a deduction for the dividends paid with the result that the REIT income avoids double taxation. This pass through of untaxed earnings—but not losses—is conditioned on compliance with a variety of organizational and operational constraints imposed on each REIT. These constraints are designed in large part to prevent REIT's from engaging in speculative dealing in real estate or from otherwise deriving the benefits of active business operations, particularly those that are essentially unrelated to real estate. The product of this special tax regime is a mechanism for small investors to combine their resources for investment in a diversified pool of real estate assets under professional management, while enjoying the benefits of liquidity represented by transferable securities having the attributes of corporate stock.

History has shown that the REIT concept is viable, providing an important alternative in the spectrum of real estate investment. Although the industry experienced a well-documented period of financial constriction during the real estate recession of the early 1970's, there are now some 125 REIT's in existence with diverse portfolios of real estate equities and mortgages whose current value is generally well in excess of their aggregate book value of $9.5 million. The industry balance sheet is most notable for its low leverage, evidenced by an aggregate debt to equity ratio of just 1 to 1. During 1984, 101 dividend-paying REIT's distributed almost $500 million to shareholders, providing an average yield of some 9 percent. Total public and private offerings by REIT's or entities intending to qualify as REIT's raised $931 million in new capital.

Notwithstanding its obvious vitality, the RIET industry is facing important challenges, many of which derive from the dramatic changes in the form and taxation of real estate activities in general. Congress has previously responded to changing economic conditions and the state of the industry by amending numerous aspects of the REIT Provisions of the Code in early 1975, in 1976, as part of the Tax Reform Act of 1976, and in 1978, as part of the Revenue Act of 1978. There is at present an urgent need for other comprehensive revisions in order to update the REIT tax rules and reconcile them with real estate taxation generally so that REIT's and their shareholders will be able to compete more effectively and to continue their important function of enhancing the flow of capital to economically viable, income-oriented real estate projects.

THE NEED FOR FLEXIBILITY IN REAL ESTATE OPERATIONS

It is well known that inflationary pressures and irregular but generally high rates of interest have become powerful influences on the nature and level of activity in the real estate industry. Another major force at work is the expansion of the tax advantages of real estate investment provided by the Economic Recovery Tax Act of 1981.

The products of these and other factors are numerous. Among other things, we have seen increasingly intense demand for quality real estate assets among foreign and domestic investors, with acquisition costs thus being driven to extraordinary heights. At the same time, the costs of funds to finance acquisitions have climbed, and the real estate industry has become vitally concerned with the problems of accumulating capital at reasonable expense. We also have seen real estate owners and lenders explore every means of determining rents and interest to assure that their income streams and invested capital are adequately protected in this environment. In short, success in the real estate industry has become inextricably linked to the degree of flexibility with which a party may act in all forms of real estate transactions.

These conditions obviously conflict with the technical Code restraints imposed on REIT's that limit operational flexibility and the capacities to grow through retention of earnings or to realize fully the value of their assets. Under these circumstances, REIT's cannot operate effectively and are increasingly confronted by serious takeover attempts or the unavoidable prospect of liquidation. Matters have been exacerbated by changes in the Code made in 1981, 1982, and 1984 that, while not necessarily aimed at the REIT industry, have directly and indirectly reduced the capacity of many REIT's to raise capital internally and externally. For these reasons alone, the time has come for a comprehensive reexamination of the REIT tax regime.

COMPETITION WITH OTHER REAL ESTATE INVESTMENT VEHICLES

The developments noted above have been accompanied by a marked increase in investor interest in the partnership vehicle. Virtually unknown in the early 1970's, publicly offered, large syndicated limited partnerships in real estate raised more than $2 billion in both 1981 and 1982 and well over $4 billion in 1983. For real estate investment organizations such as REIT's, the competition for investment capital has been drastically altered by the explosion of partnership syndications. Despite some of their investment advantages, REIT's must contend with such factors as the generous treatment of depreciable property held in partnership form, treatment greatly enhanced by the accelerated cost recovery system provisions of the Economic Recovery Tax Act. The principal competitive advantage afforded REIT's, the liquidity enjoyed by shareholders for their investments in REIT stocks may even be subject to erosion through increasing experimentation with mechanisms designed to create meaningful secondary markets for investments in real estate and other limited partnerships. Given these considerations, the effects of bracket creep and the increased sophistication of investors pursuing tax shelter, and the intense momentum behind the marketing of real estate syndications, there is little doubt that the REIT vehicle will face increasing difficulty in attracting its traditional investors.

THE TAX BENEFITS INHERENT IN REIT ASSETS ARE DENIED TO REIT INVESTORS

Fundamental to the foregoing points is the fact that real estate values necessarily reflect the tax advantages afforded real estate investment under present law. While these advantages have become increasingly significant, the inability of the REIT investor to derive any such benefits has severely restricted the capacity of the REIT to gain favor in the marketplace.

Of course, the REIT was never intended to be and should not become a vehicle for passthrough of investment tax credits, deductions, or other tax attributes that may shelter investor income. It is appropriate, however, to question whether the REIT investor ought not to be entitled to enjoy in some form the benefits of tax deferral inherent in the accelerated cost recovery system [ACRS]. As explained below, present law makes distributions of REIT cash flow attributable to ACRS cost recovery fully taxable as ordinary income dividends. Factors such as this and other deficiencies in the REIT conduit tax regime contribute significantly to the problems of REIT management in attracting investment capital and in dealing with pressures to liquidate or restructure operations in other ways.

The basic reasons that precipitated passage of the REIT enabling legislation in 1960 remain valid today. The REIT is an important vehicle to finance and operate real estate projects that are economically feasible, not tax driven, and yielding a steady stream of income. The accumulation and application of REIT capital is efficient, as may not be the case with many real estate syndications. Management of REIT's must be responsive to REIT shareholders given the Federal and State securities law applicable to REIT's and the vital capacity of the REIT investor to liquidate his interest at any time which is assured with the great majority of REIT shares traded on major stock exchanges or over the counter.

With these considerations in mind, the basic tax provisions affecting REIT's ought to be modernized. Upon study and consultation with REIT industry representatives the bill I am introducing today has been assembled. It represents a credible first attempt at improving the existing law. As the bill makes its way through the legislative process I, and I am confident my cosponsors, will be anxious to hear recommendations on how it might be improved both from affected industry representatives and the Treasury. For example, I am already aware that modifications of current law may be appropriate to accommodate the practical need of REIT owned hotels to replace personal property—for example, furniture, kitchen equipment, et cetera. I urge this body to give its serious attention to the bill introduced today. A description of key provisions is set forth below.

SUMMARY OF KEY PROVISIONS OF H.R. 2571

1. Revision of the way that REITs compute "earning and profits." When Congress created the Accelerated Cost Recovery System ("ACRS") in 1981, it provided that the earnings and profits—E&P—of a corporation—including a REIT—must be computed as though real estate assets were depreciable over 35 years rather than over the 15-year cost recovery period applicable in determining taxable income. With enactment of the Deficit Reduction Act of 1984, the new 18-year cost recovery period for most real property is accompanied by a 40-year earnings and profits rule. These special E&P rules prevent corporations from making distributions of cash flow attributable to accelerated cost recovery that would constitute tax-deferred return of capital rather than ordinary income dividends in the hands of shareholders.

Although prevention of the sharing of tax benefits with shareholders may be valid in the typical corporate context, the earnings and profits rule is inconsistent with REIT conduit tax treatment and discriminates against the small investor for whom the REIT vehicle was created to provide the advantages of direct investment in real estate. Under the bill, the REIT tax provisions would be amended so that a REIT may compute depreciation for earnings and profits purposes using essentially the same useful life prescribed in computing taxable income. Thus, REIT investors would enjoy the benefits of tax deferral inherent in ACRS that are otherwise available to individuals who invest in real estate directly or in partnership.

2. Repeal of the section 291 20-percent cutback of corporate tax preferences as it applies to REIT's. The Tax Equity and Fiscal Responsibility Act of 1982, as recently amended, cuts back on corporate tax preferences including capital pursuant to gains realized on disposition of section 1250 real property. Codified in section 291 of the code, the provision partially accounts for the REIT conduit concept by causing a REIT to recharacterize capital gains as ordinary income only to the extent the REIT fails to distribute the gains to shareholders. The result remains that REIT's have reduced capacity to raise capital by the sale of appreciated assets, and any cutback actually results in an increased tax burden imposed directly on the shareholders because of the requirement that virtually all ordinary income be distributed to shareholders. To remedy this situation, the bill would exclude REIT's altogether from the coverage of section 291.

3. Revisions of the safe haven exceptions to the 100-percent prohibited transactions tax of section 857 and related provisions. The present 100-percent tax on income realized through transactions that are otherwise prohibited greatly inhibits REIT trustees in the prudent management of REIT's portfolios of real estate investments. Most importantly, REIT's must have enhanced ability to realize the value of appreciated assets and to raise capital to meet obligations to pay off maturing debt obligations. Experience has shown that the partial relief represented by the safe haven rules of section 851(b)(6)(C) still leave REIT trustees confronting serious dilemmas in certain cases. The rules should be amended to provide increased allowances for the number of annual sales of and permissible improvements to qualifying properties, and to allow REIT shareholders to realize a greater portion of the value inherent in long-held rental property suitable for conversion to condominiums or cooperative units. The bill makes these changes.

4. The present artificial independent contractor requirements imposed upon REIT's, which substantially affect the way in which and the cost at which REIT's may conduct their businesses, should be repealed. Under the bill section 856(d) is amended to remove the provision that permits REIT's to derive qualifying rental income only if all services customarily provided to tenants are made available through an independent management company. Similarly, the foreclosure property rules are amended to eliminate the section 856(e)(4)(C) independent contractor requirement as a condition to eligibility of REIT property for foreclosure property status. It is axiomatic in the real estate industry at large that hands-on, effective management is fundamental to the successful performance of a real estate investment, and management by contractor often results in costly and unsatisfactory performance that is not in the best interests of the REIT or its shareholders. Put simply, a REIT, like any real estate investor, must have the opportunity to manage directly its investments.

5. As commercial leasing and lending practices now dictate that rents or interest often be computed on the basis of the net income of the tenant or borrower, REIT's are under increasing pressure to conform or cease to compete for rewarding transactions. At least to the extent such transactions involve a prime lessee or a mortgagor that performs a role essentially equivalent to that which a REIT would perform if operating the property directly, relief should be granted from the net income limitations of section 856(d)(2)(A) and 856(f).

Under the bill, section 856(d)(2) of the code is amended to treat as qualifying REIT income those rents received by a REIT that are based on the net income of the lessee when that lessee is an intermediary tenant that in turn lessees all or substantially all of its tenancy to sublessees who pay rents not based on their net income. Similarly section 856(f) is amended to permit a REIT to receive as qualifying interest those payments computed with respect to the net income of the borrower when that borrower leases all or substantially all of its interest in the property and the borrower's rents are not based on the net income of space tenants. The existing prohibitions against such rents and interest based on net income are unduly broad and place REIT's at a severe competitive disadvantage in the real estate marketplace.

6. Limitations on payment of capital gain dividends by REIT's which have net operating loss carryovers from earlier years. Section 857(b)(3)(C) of the code is amended to make clear that, for purposes of computing the net capital gain of a REIT for a given taxable year, real estate investment trust taxable income will not include net operating losses (NOLs) from prior taxable years.

As presently interpreted by the IRS, the law may cause a REIT shareholder to be taxed at ordinary rates on dividends paid out of REIT capital gains notwithstanding the fact that the pass-through of capital gains is a fundamental ingredient of the REIT concept. In effect, a REIT that has suffered large losses and later realizes capital gains will be unable to share these gains with its investors, so that both the REIT and its shareholders find their economic misfortunes in earlier years, exacerbated by unfavorable treatment of dividends in later years.

7. Special notice requirements in order for REIT dividends to be treated as capital gain dividends. Section 857(b)(3)(C) of the code is amended to eliminate the present requirement that a capital gain dividend be designated as such in a written notice from the REIT to its shareholders within 30 days after the close of the REIT taxable year. A notice to the IRS should be substituted.

8. Exclusion of net losses from prohibited transactions in the computation of REIT taxable income. At the present time real estate investment trust taxable income computed under section 857(b)(2) is not reduced by the amount of any net loss as incurred in any prohibited transaction in which a REIT is found to have engaged during the taxable year. This result flows from the present language of subparagraph (F) of section 857(b)(2), which causes an amount equal to any such net loss to be added under section 857(b) in computing the distribution requirement for a trust in a given year. The net effect of the existing formula is to cause a REIT to pay dividends or income taxes out of accumulated capital. Under the bill, the REIT provisions are amended to prevent such a result.

9. Imposition of three percent excise tax on certain income not distributed during the taxable year. Section 4981, imposing a three percent tax on certain undistributed REIT taxable income, is amended because the provision severely disrupts the flow of REIT dividends. Section 4981 causes many REIT's to make cumbersome, expensive supplemental dividends distributions during the fourth quarters of their fiscal years, while other REIT's, particularly those experiencing substantial growth, may find themselves unable to avoid the excise tax notwithstanding reasonable efforts to comply.

10. Imposition of the severe section 6697 penalty when the tax liability of a REIT for a prior taxable year is redetermined and adjusted under the section 860 deficiency dividend procedures, if a REIT elects under section 860 to distribute a deficiency dividend to its shareholders pursuant to an IRS or judicial determination of the necessity for adjustment of REIT taxable income for a prior taxable year, section 6697 imposes a substantial penalty on the REIT. This nondeductible penalty is assessed without regard to fault, is computed with respect to the interest payable on the amount of the deficiency, and may be up to a maximum of 50 percent of the amount of the deficiency dividend. Given the recent high interest rates and provisions for daily compounding, the penalty and interest charges payable to the Treasury may nearly equal the deficiency dividend payable to shareholders. If the underlying deficiency is large, the REIT may be financially devastated. This effect may render virtually meaningless the relief intended by the deficiency dividend procedures as a mechanism to prevent inadvertent disqualification from REIT tax status. To mitigate the potentially harsh result, the bill amends the section 6697 penalty so it is subject to a cap that takes into account not only the amount of the deficiency but also the net worth of the REIT and its income stream in years prior to the year in which the deficiency dividend is paid. Furthermore, section 6697 is amended to provide that the penalty shall be assessed only with respect to the portion of the deficiency attributable to a position taken by the REIT for which there is or was no reasonable cause.

11. Modification of the personal holding company rules applicable to REIT's to account for the unreasonable threat of disqualification of REIT's whose investors may also engage in other real estate ventures organized as partnerships. Under present law, a business trust or corporation may not qualify as a REIT if it is a personal holding company—PHC—that is, if five or fewer individuals actually or constructively own more than 50 percent of the value of the stock of the entity at any time during the last half of the entity's taxable year. Although this rule helps ensure that REIT shares are widely held and freely transferable, it creates undue risk of disqualification in two sets of circumstances. To remove the unnecessary risk, the bill makes the five or fewer test inapplicable during the organizations phase of a new REIT. Second, the bill modifies the constructive ownership standards of the PHC rules, as applied to REIT's, so that a REIT shareholder is not treated as indirect or constructive owner of REIT shares held by partners in a partnership in which the first shareholder also owns an interest.

12. Authorizations for a REIT to place assets in subsidiaries provided those subsidiaries and the parent REIT are treated as one entity for REIT tax qualification purposes. A REIT is effectively prohibited from owning and conducting operations through a subsidiary. Thus, all investments must be held in the REIT itself, perhaps to the disadvantage of the REIT and its investors for reasons that are unrelated to federal tax laws. The bill amends the REIT tax provisions to allow a REIT to own subsidiaries, provided that the qualified status of the parent REIT is determined by taking into account the assets, all items of income, gain, loss and expense, and all other tax attributes of those subsidiaries. Thus, REIT's and their shareholders might obtain the benefits of corporate subsidiaries while remaining fully subject to the organizational and operational constraints of the REIT regime.

13. Technical amendments to certain provisions of the Deficit Reduction Act of 1984 to remove unusual burdens borne by REITs because of their unique tax regime. The Deficit Reduction Act of 1984 ("1984 Act") amended the Internal Revenue Code to alter the tax consequences of installment sales of property subject to depreciation recapture and transactions involving loans or leases that allow deferred payment of interest or rents. In each case, the new rules may cause a taxpayer to recognize and pay tax on income when no corresponding amount of cash has been received. Because a REIT must distribute at least 95 percent of its taxable income as dividends to shareholders, these provisions impose extraordinary burdens on REITs. To insure that the tax consequences for REITs are made more comparable to those of other real estate owners or lenders, the bill provides that noncash amounts included in REIT taxable income by operation of the 1984 provisions are disregarded for purposes of the 95-percent distribution requirement.

14. Amendment of the REIT Distribution Requirement to Exclude Income Recognized by a REIT upon a Determination that an Exchange of Certain Real Property Failed to Meet the Requirements of Section 1031. The elective deficiency dividend procedures of section 860 were adopted to provide much needed relief from the threat of inadvertent disqualification of a REIT. As discussed elsewhere, the REIT industry believes that the interest and penalties imposed by section 860 and related provisions may virtually neutralize the benefits of a deficiency dividend. Furthermore the deficiency dividend provisions fail to provide meaningful relief if audit or other preceedings culminate in a determination that a like-kind exchange of REIT property should be denied tax-deferred treatment under section 1031. While further study may reveal other contexts in which inadvertent tax deficiencies may be so great as to render the section 860 election meaningless, the bill contains an amendment to remove the threat of disqualification from REIT status if a REIT must recognize income because of an adverse determination on the status of a purported section 1031 exchange.●

A UNIQUE PROPOSAL ON BASING THE MX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 5 minutes.

● Mr. STRATTON. Mr. Speaker, recently, an editorial in the Washington Alert by Martha Rountree, the president of the Leadership Foundation, came to my attention. I am not technically qualified to appraise the soundness of this proposal, but I believe it needs to be considered by the Pentagon, and I am happy to bring it to the attention of my colleagues who recognize the need to incorporate the MX system into our nuclear deterrent, in the face of continued Soviet production of hard-target kill capable ICBM's.

The editorial follows:

CAN U.S. HOLD SOVIETS AT ARMS LENGTH

(By Martha Rountree)

The so-called arms race between the U.S. and the Soviet Union boils down to the big question of "How can we protect oursevles against an enemy 'first strike'?" Actually, there doesn't seem to be any way to guarantee against the possibility of the Soviets seeking ways to destroy us. Therefore, the challenge to the U.S. is to devise a system that can guarantee automatic retaliation. Our good friend, Dr. Kurt Stehling, a member of our Scientific Advisory Board and noted aerospace and marine scientist, has convinced us that there is a way to put the enemy in check.

Now, we have been hearing for a long time about the need to put the MX underground in existing silos. We would take out the older missiles, and re-engineer and harden the silos to protect the MX. This would cost millions of dollars.

Dr. Stehling thinks this is folly. If the MX missiles are located on the land area, then that will be the enemy's target area. If our timing is off, our missiles will be destroyed before we have a chance to retaliate. He suggests that there is a fairly fool-proof way to make sure that the Soviets dare not attack us less they be annihilated simultaneously.

NEW PLAN

His suggestion is to locate all U.S. Inter-Continental Ballistic Missiles (ICBMs) underwater. He suggests that all U.S. missiles (other than those on existing Trident nuclear submarines) be placed on large barges

towed underwater up and down within the 200-mile coastal zone areas of the United States. Each barge, towed by a relatively small, "cheap" diesel-powered submarine, might contain 20 or so ICBMs, including the MX.

This strategy, Dr. Stehling contends, would obviate the enormous cost of expanding our Trident nuclear submarine fleet, even if this were "allowed" be treaty. The proposed underwater basing would dramatically reduce the chances of a Soviet "first strike". With all military missile land targets thus removed, Dr. Stehling believes that no "first strike" would be attempted, at least against the land targets or the continental U.S., because instant retaliation would follow any attack.

DETECTION

The hundred or so undersea barges, moving slowly up and down our coastal areas, with some of the barges containing dummy missiles, would be difficult to detect by our enemy. In fact, all undersea vehicles or objects are almost impossible to locate accurately, especially if they can be made resistant or protective against sonar (sound location) search by Soviet submarines. Satellite detection of underwater vehicles is almost impossible, although improving. A means of camouflage for "fooling" space detectors could easily be devised, and U.S. coastal area Coast Guard and Navy vehicles could shoo the Russians away to confuse their detection schemes.

ACCIDENTS

We asked Dr. Stehling if there was any chance of the missiles being triggered during a violent storm? "This is virtually impossible," he said. Underwater, the missiles would be stable; storms would not affect them. The barge housing the missiles would have a lid over the top of each missile. Each one would sit in its own tube, and the lid would have to be opened before it could go anywhere. If a missile should go off by mistake, before the warhead could be activated it would need to receive an all-clear signal. The engines would shut down unless there was such a definite signal—and the missile would self-destruct.

MORE EFFECTIVE PLAN

Human nature being what it is, it is our belief that not even the Soviets would attack us if they knew that missiles targeted to their territory far out from our shores, would descend upon them immediately. It seems that Dr. Stehling's development plan might provide us with a military stand-off that would let us sleep easier at night. Indeed, Dr. Stehling's plan might well change the course of history●

ONE HUNDRED YEARS OF UKRAINIAN IMMIGRATION TO THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise to join with my colleagues in paying tribute to Ukrainian-Americans all over the country, who this year are celebrating 100 years of Ukrainian immigration to the United States.

Today, the Ukrainian-American community descends primarily from three waves of immigration from 1875 to World War I, between the World Wars, and after World War II. However, the first Ukrainians came to this country with the early settlers who founded Jamestown in 1607, and are among those who fought bravely under Gen. George Washington during our American Revolution, as well as all subsequent battles to preserve our American way of life.

Since the Communists have been brutal in their attempts to "russify" the people of Ukraine and strip them of their cultural and religious heritage in Soviet-occupied Ukraine, Ukrainian-Americans have been even more inspired and determined to establish museums, libraries, and university programs to counter the Soviets and to preserve Ukrainian culture.

Many colleges and universities in this country now offer courses in Ukrainian history and language, and Harvard University has established the Ukrainian Research Institute with endowed chairs in Ukrainian history, language, and literature. Several Ukrainian art museums and cultural centers have been built throughout the country, and these activities not only have preserved the ethnic heritage of the Ukrainian people, but also have enhanced the ethnic diversity of America.

Ukrainians who have immigrated to the United States have brought with them love of liberty and their respect for law. Allowed to practice their religion in freedom, Ukrainian Catholic and Orthodox immigrants constructed beautiful golden dome churches, which are a visible part of the skyline of many American cities especially in the Northeast. Several Ukrainian newspapers, including "Svoboda," and its English-lanugage edition, "The Ukrainian Weekly," join the ranks of hundreds of other ethnic periodicals and newspapers enjoying the constitutional guarantee of a free press.

Americans of Ukrainian descent and Ukrainian-born immigrants to this country have contributed mightily to the social, scientific, economic, political, and cultural advancement of our Nation. They have helped make the United States one of the greatest countries in the world.

Mr. Speaker, on this occasion of 100 years of Ukrainian immigration to the United States, I am proud to congratulate Ukrainian-Americans in the 11th Congressional District of Illinois which I am honored to represent, and Americans of Ukrainian descent throughout the country, on their achievements and contributions, making our community and our Nation a better place to live, and I extend to them my best wishes in their continuing efforts which add to the strength and greatness of America.●

CUBAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, it is a great pleasure for me to call your attention and that of our colleagues to the fact that on this day, since the House was not in session yesterday, we commemorate the blessings of freedom in Cuba through the inestimable leadership of Jose Marti, the "founding father" of independent Cuba.

It was exactly 83 years ago, on May 20, 1902, when Cuba, with the aid of the United States, her powerful neighbor to the North, raised her flag of liberty and independence. A new era of democracy and liberty began for that beautiful isle we once called "the pearl of the Caribbean". It was remarkable that Cuba was freed with the help of a great nation, instead of being colonized. In 1902 Cuba increased her freedoms.

Today that once beautiful land lies enslaved by one of her errant sons who seeks his glory in being dictator of his people. They who were lifted up have been made dependent upon the bloody tyranny of Castro and his cold and calculating allies in the Kremlin.

In memory of independent, free Cuba Msgr. James P. Cassidy today gave a moving opening prayer on the House floor. He was accompanied on his journey by the officers of the Cuban Crusade for Relief and Rehabilitation, an organization pledged to keep alive the remembrance of Cuban independence and liberty, so dastardly violated by Castro, the cruel dictator.

I commend the following two manifestos of the crusade to the attention of our colleagues in Congress and thank you, Mr. Speaker.

1985 CUBAN INDEPENDENCE DAY

On rising resistance towards Cuban, Eastern Europe, North Korean, etc., mercenaries presently holding together the Soviet Russia's vast empire. When American troops landed 15 months ago in tiny Grenada, a country with a population half of Yonkers, they encountered in addition to the Cubans, "armed construction workers," 55 assorted Russians, East Germans, Bulgarians, and North Koreans. Why were those people so far from home on the pleasant island of Grenada? What were North Koreans up to in sunny Grenada? The logical answer is that they were colonial officials doing their duty in a worldwide Soviet Empire.

CIA Chief William Casey pointed out recently in New York that in the last 20 years the Soviet Union has become a global empire with bases and surrogates in Cuba, Vietnam, Ethiopia, Angola, South Yemen, Mozambique, Nicaragua and Afghanistan. In the last 10 years the number of Warsaw Pact and Cuban troops, military advisers and technicians stationed in Third World countries has increased by an incredible 500 percent. Examine some of the detailed figures established independently by analysts at the Washington based Heritage Foundation.

Syria hosts 5,000 Soviet and East European military personnel of whom 210 are East Germans and 130 Polish. South Yemen has invited in 1,100 Soviet and East European military personnel and 2,700 economic technicians. Mozambique is occupied by 550 Soviet and East German advisers and 1,800 economic technicians. North Korea, a small and impoverished country has 240 military technicians; in Libya 35 military instructors; in Uganda 34 military instructors; in Zimbabwe (who trained the Fifth Division, blamed for last year's massacres in rebellious Matabeland) 140 military personnel in South Yemen; 33 military instructors in Malta, the Grenada of the Mediterranean; and military personnel in 14 other countries around the world.

However, Cuba leads all. But, this imperialistic performance pales in comparison with that of Cuba, which though it is an economic disaster area, living in massive subsidies from the Soviet Union, manages to maintain 23,000 troops plus 6,500 economic technicians (armed economic technicians perhaps?).

In Angola, 3,000 troops, in Ethiopia 1,000 military personnel on Mozambique and 3,000 military personnel and economic technicians in Nicaragua.

Heritage's total figures for the Soviet block military involvement in Third World, excluding the Soviet occupying force of over 100,000 in Afghanistan are:

Soviet Union	16,280
Eastern Europe	1,925
North Korea	1,151
Cuba	31,175

By contrast, the British acquired a vast Indian Empire with a force of 900 European soldiers and 2000 Indian recruits.

But the situation is changing and deteriorating all the time. Since those figures were compiled North Korean troops have been arriving in large numbers in Angola to help counter the successful campaign of anti-communist Unita guerrillas.

Not all of the countries which accept Soviet military personnel are under their heel. But some are in effect colonies, others are reduced to client status and still others are well on their way there. Thus the specialty of East German military advisers is to get control of the Third World country's secret police and intelligence services, so that any later request by the country's ruler that they leave can be ignored. Indeed, the ruler himself can be ignored, for he is no longer the ruler.

In 1968 Dubcek's rebellious Czechoslovakia was invaded by the neighboring countries of the Warsaw Pact under Soviet direction.

Today, the Soviet Union possesses the same capacity on a global basis. A man in a Moscow office can pick up the telephone and instruct the North Koreans to send troops to shore up a crumbling client regime in Angola. He can request the East Germans to relieve hard pressed Cubans in Ethiopia. If an anti-communist rebellion threatens anywhere in the far-flung Soviet Empire, he can move in foreign troops from another source unsympathetic to the local insurgents to restore the status quo.

Despite the odds against them, however, brave men will still fight for freedom. As Casey pointed out today in Afghanistan, Angola, Cambodia, Ethiopia, Nicaragua and elsewhere, hundreds of thousands of volunteers are fighting irregular wars against the Soviet army and Soviet supported regimens. These are genuine wars of national liberation against a global tyranny. These freedom fighters engaged in them do not expect the help of U.S. personnel; but they do hope for U.S. aid in the form of money and modern military hardware. None more so than the Nicaraguans: Contras who are struggling to overturn the first communist tyranny on the American mainland.

This is the underlying truth on which the Senate and House Intelligence and Appropriations Committees must ponder when they vote on funding the Contras. And if these committees appear to be forgetting it, Don Regan's new White House team must remind them of it with chapter and verse on the new Soviet imperialism. History must not record that the Soviet Union gained an empire on which the sun never sets while America slept.

The Cuban Crusade has been struggling for twenty-six years against communism and atheism in Cuba, knowing full well the dangers it posed for the Western Hemisphere having seen the Cuban revolution stolen before their eyes in Cuba by communists. On May 19, 1965, the late General Generoso Campos Marquetti of the Cuban Liberation Army who fought in the Spanish-American War, alongside Teddy Roosevelt and his American troops called "Rough Riders," did attend as Honorary Chairman and Organizer of the Cuban Crusade, etc. "Cuban Independence Day" commemoration of that date in Washington, D.C. in the House of Representatives.

He was 90 years old and dying. He died that very day in Washington, D.C. after turning over his Cuban flag which represented free, democratic, sovereign, and religious Cuba. Our beloved Cuban Crusade founder, the late Candy Achay had that flag made specially by Cuban hands in exile for the General to present to Cuba's best friend, the late Speaker John W. McCormack in the Speaker's rooms in the U.S. Capitol. At the flag presentation to Speaker McCormack, General Campos Marquetti declared, "America has no need to send Americans to liberate Cuba; it has only got to give the necessary arms to Cubans, for them to execute that honorable task."

The Cuban Crusade has the honor to have inherited that task. His legacy was declared in a letter to Miss Candy Achay and Dr. Joseph R. Julia, leaders of the Cuban Crusade and dated March 11, 1966, which stated in parts: "I recall the glorious Cuban American happening of May 20, 1902. Before the astonished eyes of the entire world for it saw what had never been contemplated before in all history. The turnover of flags from a strong liberating nation to another country, liberated and weak, exacting no financial debt whatsoever, or international obligations imposed. This newlycaught universal attention to the very firm and invariable conduct of the North American people demonstrating that America did not care for the cost in dollars, blood or in lives ripped from its own entrails, when called upon to sacrifice for liberty of the oppressed, for the miracle that is democracy and for the right of the free individual.

"America is death to imperialistic slavery and to the abuse of power. This generous and virile condition of a people that loves universal peace, does not seem the labor of man, but of God Almighty. It is Christianity increscendum in a land where Jesus Christ never treads in person, making and maintaining mutual love amongst those opposed to nations are jealous of foreign power from the old continent." signed, General Generoso Campos Marquette.

We members of the Cuban Crusade do herein declare on this historic Cuban Independence Day in the U.S. House of Representatives May 21, 1985, in the glorious names of our founder, the late Candy Achay and our respected late chairman, General Generoso Campos Marquette, do believe today there is the manpower to execute the liberation of Cuba, requiring only the adquate military weapons and logistics.

Dr. Joseph R. Julia, President, Cuban Crusade Political Committees. Dr. Alejandro Paniaqua, President Caribbean Committee. Mr. Joseph Yall, President, African Committee. Mr. Peter Harwich, Chairman, Cuban Crusade Campaign 1984. General Kei-Chi Chiu, Taiwan, General Adviser.

1985 CUBAN INDEPENDENCE DAY

Respectfully, our message is being addressed to His Excellency Ronald W. Reagan, Vice President George Bush and Administration, Honorable Speaker Thomas O'Neill Jr., Congressmen Claude Pepper, Dante B. Fascell and all other members of Congress.

Our late Candelaria (Candy) Achay, spiritual leader of our Crusade, ever since she conceived it in 1961, still guides us towards hemispheric peace and prosperity with heavenly inspiration. Her words spoken during a Cuban Crusade meeting January, 1984, stated our present powerful guidelines. She stated: "The moment of truth is now."

Her Vincentian Fathers Committee of Cuba together with the Vincentian Fathers Cuba Province, are strenuously continuing their efforts to construct Cuba's government approved program via Resolution 575 of July 5, 1960 "Obra Benefice Religious Social" as a symbol of reconciliation between all Cubans with Americans and their Western Hemispheric brother nations. Contributions from global Catholics and all other participating religions will definitely establish the common denominator necessary for international peace for which Candelaria Achay struggled all her meritorious life to achieve, specially for her beloved Cuba.

Today the climate for the success of "Obra Benefica Religiosa Social" inside Cuba is improving since there is a definite movement toward reconciliation between communist Cuba and the Catholic Church and all other religions inside Cuba.

Herein we quote, from the important religious publication "Nueva Vida" (New Life) of April 13, 1985, Madrid, Spain, the following: "Everything seems to indicate that Fidel Castro's policies are changing directions on two important issues. Firstly, the Cuban leader wishes to improve his relations with the United States and open his country to the outside world, and secondly, improve his relations with the churches that are present on his island, specially the largest Cuban religion, the Catholics. To accomplish this the Cuban communist party, the only political party in Cuba, has created an "Office for Religious Affairs" which in some manner issues citizenship status to all religions which up until now was limited only to civilians.

The visit by North American bishops to Cuba and other ecclesiastical personalities such as the secretary general of Celam seems to forecast the coming visit of His Holiness Pope John Paul II to Cuba; a desire expressed several times by the Pope. This visit could coincide with the closing in the beginning of 1986 of the "Reflections of the Catholic Conference in Cuba" a sort of "study for all Cubans" and, a "search of conscience by all Cuban Christians."

What Candy Achay stated as an all important "must" is the re-establishment inside Cuba of the complete religious freedom that existed before communism temporarily took power in Cuba with Fidel Castro in 1959. She stated "if religion is completely state controlled inside Cuba, a dangerous precedent will be established that will have dangerous repercussions in our hemisphere." However, our Cuban government approved Resolution 575 of July 5, 1960, sets a unique precedent, since it permitted for the first time the teaching of religious and social work within a Communist nation.

Our "Obra Benefica Religiosa Social San Vicente de Paul en la Sierra Maestra" was conceived and officially sanctioned as an autonomous organization without any government control or intervention.

Freedom of religion is just as vitally important as "life, and liberty and the pursuit of happiness" is to all democracies. This is specially so in Latin America today, where nearly half of the world's Catholics live. The "Obra Benefica Religiosa Social" inside Cuba today is as important to hemispheric freedom as the "alamo" was for America in its struggle for unity, democracy, and sovereignty.

According to the Spanish "Vida Nueva", before Fidel Castro's arrival to power on January 1959, Cuba was considered a total Catholic nation, since 90 percent of its population was baptized Catholic, and the church maintained a great influence as in all Latin America, in national problems.

In 1960 there were six dioceses, 210 parishes, 240 diocesan priests, 483 parish priests and 2,225 nuns. The majority of that clergy was of Spanish origin and it maintained a remembrance of the Spanish Civil War, which made them very fearful of any rapid social changes. Actually, in Cuba today there are seven dioceses, 235 parishes, 120 diocesan priests, some 93 parish priests and 300 nuns. They minister to an approximate Catholic population of 38.87 percent of the entire population, which amounts to four million of a total of ten million Cubans.

It is estimated that some 75,000 persons attend Catholic Sunday mass and 5,000 participate in Protestant services. This is a good attendance record, in view of the prevalent discrimination against practicing Catholics in schools, work, etc. Actually in the United States reside more than 150 priests from Cuba, mostly in Florida, where one of them, Agustin Roman, auxiliary Bishop of the Archdiocese of Miami, exiled since 1960, has a potential of one million Cuban resident parishioners.

Nevertheless, as stated by the Archbishop of Havana, "This opening has to be consolidated . . . we still cannot ring the church bells, since all that glitters is not gold." And pursued "Fidel Castro is an old political fox, and is intuitive of good opportunities. His position at this moment is simply strategy."

During July, 1960, Fidel Castro's government approved our "Obra Benefica Religiosa Social in the Sierra Maestra" Mountains of Oriente, Cuba." A program which was championed in Cuba via our Vincentian Father Committee that includes our "Development of Natural Resources of Cuba", an engineering feasibility report, the financing of which Fidel Castro was vitally interested and still today greatly interested, for Cuba's economy is in shambles. This report contemplates the creation of dozens of new industries inside Cuba. This study spells out the preparation of Cuba for it to enter a new economic era of real progress.

It must be understood however that any successful rapprochement with Castro today is contingent to his most inner emotions and strategic unpredictability. He may decide to a) establish adequate relations with the U.S.A. and other nations, as a demonstration of genuine concern for Cuba's future with peace and prosperity; or b) he may be merely using all his dictatorial powers to follow orders from Moscow and continue to play political games with the churches, the world, and its own people.

Candy Achay "Power of the Cross" revelation of the Patroness of Cuba, the Virgin of Charity. . . . "reveals Cuba's future, via divine intervention." Cuba will be democratic, sovereign and religious once again.

A hemispheric Christian Democratic Committee Symposium is being organized in Miami, Florida, under the auspices of the Cuban Crusade for Relief and Rehabilitation. It brings forward a platform for action, for the peace and prosperity of our hemisphere, and the reunification of all cubans under the almighty.

However, in complete compliance with the last request from our prophetic leader Candy Achay, who as power of attorney for the present Cuban Crusade Catholic program originally approved by the present Cuban government, "Obra Benefica Religosa Social San Vicente de Paul en la Sierra Maestra," said, "The moment of truth is now here."

The Cuban Crusade shall execute whatever is required and necessary to raise Candy Achay's Cuban Flag, free, democratic, religious, and sovereign above the Morro in Habana, Cuba as soon as possible.

Dr. Joseph R. Julia, President, Cuban Crusade Political Committees. Dr. Alejandro Paniaqua, President Caribbean Committee. Mr. Joseph Yall, President, African Committee. Mr. Peter Harwich, Chairman, Cuban Crusade Campaign 1984. General Kei-Chi Chiu, Taiwan, General Adviser.●

MISSING CHILDREN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DYMALLY] is recognized for 5 minutes.

Mr. DYMALLY. Mr. Speaker, I have been informed by the police department in my district that one of my young constituents has been kidnaped. I am participating in this special order because I want to do everything I can to help call attention to the case, in the hope that she might be found. [Hold up picture.]

According to a fact sheet provided me by the police department, Ilene Rebecca Scott, aged 10 years and 5 months has been missing from her home in Carson, CA, since December 20, 1980. Ilene Scott was last seen rollerskating near her mother's mobile home trailer in Carson. When first reported missing she was 3 feet 6 inches tall, and weighed 40 pounds. She has blue eyes and brown hair.

Mr. Speaker, the National Center for Missing and Exploited Children has asked that anyone having information about Ilene Rebecca Scott call 1-800-843-5678.

I commend Congressman MICKEY EDWARDS for his leadership on the missing children issue.

Let me repeat, if anyone has any information about the whereabouts of this child, or has seen her please call 1-800-843-5678, or call your local police or sheriff.

Thank you.

WORLD TRADE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. SKELTON] is recognized for 5 minutes.

Mr. SKELTON. Mr. Speaker, this is World Trade Week. We set this week aside to focus attention on the important role that exports play in our economy. In 1984, our trade deficit dramatically increased to over $120 billion. That is more than double the red ink of any previous year. It has only been recently that the United States has been a net importer of goods. During our first two centuries, we were a net exporter of goods and after World War II we dominated the world marketplace. Most countries beat a path to our door to soak up our excess production and learn of our technology.

Starting a decade ago, shortly after the Arab oil embargo, the United States began to routinely import more than we exported. These last 3 years have produced the worst balance of trade in our history. These record-breaking trade deficits have had a noticeably adverse effect on our economy. Those who say we should ignore the problem that it will simply disappear once the dollar declines know nothing of our trade competitors. They also overlook the high cost to our country of these trade deficits. While we sleep, our market share is eroded, jobs are lost to overseas manufacturers and profits made in foreign nations to research, develop and modernize. Our trading partners, and particularly our Asian trading partners, learned long ago that exports and value added are necessary for them to survive. It is a lesson that we must still learn.

One way to increase our Nation's exports is to encourage small businesses to participate in the world market. So far, small businesses have made only a limited contribution but their growth potential is unlimited. Presently, 200 large businesses account for 80 percent of our export trade while less than 10 percent of small business manufacturers—approximately 25,000 companies—export. Ninety-two percent of all American firms sell only in the United States, while over 93 percent of the world's population is outside the United States.

The General Accounting Office [GAO] estimates that at least 20,000 small businesses could be exporting but choose not to and that those small businesses could be bringing in an

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extra $4.2 billion per year back home. Remember that for every $1 billion of exports 32,000 jobs are created. We must tap this potential and increase the number of small business exporters.

There are many ways that the United States could be encouraging small business exports. A few years ago, for example, a Senate study showed that the biggest obstacle to entering world trade for our small businesses was lack of information. Today, the SBA International Office and the United States and Foreign Commercial Service of the Commerce Department provide volumes of useful services and information but, as one report said, they are apparently the "best kept secret in Washington."

Other problems frequently mentioned by small business owners are:

First, the strength of the U.S. dollar;

Second, the perception that exporting is too complicated;

Third, the lack of information: how to export guides and marketing information;

Fourth, licensing and regulations; and

Fifth, financing and obtaining capital.

Congress has provided tax incentives—such as Foreign International Sales Corporation and free trade zones; antitrust protections, through the Eximbank small business set-asides and the OPIC; and finally, efforts have been made to clear away the redtape and delay in licensing of products to be sold overseas through amendments to the Export Administration Act.

There is a natural tendency to view our exports as products or manufactured goods. We can also focus on new markets by not limiting our perception. World Trade Week is also recognized as National Tourism Week, for example. While we do tend to think of vacations and traveling as a service industry, we must also realize the industry's contribution to our balance of trade. Tourism is an export. Attracting international visitors is a unique export product. We need to remember that the most important part of an export is that it brings foreign money to us. We can do this by either sending products out of the country or attracting foreign travelers to our country. Tourism is simply an export that is consumed here by foreigners. Tourism comprises a $14.4 billion export industry—the second largest generator of U.S. export receipts among the manufacturing, agricultural and service sectors. The revenue is from all of the food, lodging, transportation and entertainment which the 21 million international visitors traveling in the U.S. purchase each year. These purchases reduce our trade deficit, create jobs here for Americans and support many many small businesses. Dollars spent by foreigners go directly to our restaurants, hotels and motels, entertainment, and recreational facilities and travel agents to name a few. And indirectly, they generate more than $1 billion in Federal, State, and local tax revenues.

The competition for this export market is as steep as any other. We must work toward attracting more foreign visitors. We have a lot to offer tourists and they in turn contribute immensely to our economy.

Finally, and perhaps ironically, our American belief in free enterprise and open markets have contributed to the trade problems which now exist. We are swamped with cheap—in some cases unfairly cheap—foreign imports while their country's doors are slammed in our face. While we should oppose protectionist measures we can no longer afford to give away our jobs and markets to those who choose not to compete on an equal footing—Congress is ready to remedy unfair competiton.

Mr. Speaker, we have come a long way toward overcoming the obstacles that have hindered our small businessmen, who are capable of meeting any challenge, from entering the world market. In the next few weeks, as we work on the budget, we should remember that our efforts there may help to reduce interest rates and stabilize the dollar to make our products that much more attractive.

The apparent lack of leadership on this issue within the executive branch is regrettable. In addition, to the budget proposals that would have scrapped or curtailed much of the export mechanisms, I note the President deleted the customary section on exports in his annual report to Congress on the state of small business. Hopefully, this is not a sign that the administration has given up or worse, feels it is not important enough to justify a report.

□ 2030

GENERAL LEAVE

Mr. EDWARDS of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order this evening.

The SPEAKER pro tempore (Mr. DYMALLY). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

MISSING CHILDREN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. EDWARDS] is recognized for 60 minutes.

Mr. EDWARDS of Oklahoma. Mr. Speaker, before beginning my special order this evening I would like to yield to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. I thank the gentleman for yielding and appreciate this opportunity to advise the membership that I will not take the special order I had requested for this evening after the gentleman concludes and will reschedule it for another day.

If I might, I want to extend my congratulations to the gentleman for the great work he does on the subject that he is about to discuss with the Members of the House.

Mr. EDWARDS of Oklahoma. I thank the gentleman.

Mr. Speaker, this is the second time in 2 months—and the fourth time in the last year—that I have taken to the floor to use these proceedings to try to locate some of the 1.5 million children who each year are reported missing, either because they have run away from home, have been abducted by strangers, or have been stolen by a parent who did not have legal custody.

Including today, about 50 Members of Congress have participated in these special orders. I want to particularly thank the Speaker, the gentleman from California, [Mr. DYMALLY] who also participated in this special order this evening. It's one way that each of us can help find children reported missing in our districts. I also invite my colleagues to consider cosponsoring some of the legislation I have introduced on this issue, including a bill to make parental kidnaping a Federal crime, a measure to declare May 25 to be "National Missing Children Day," and a sense of Congress resolution which I introduced today calling on the 1,200 commercial and public television stations across the country to regularly broadcast public service announcements about individual cases.

There is no doubt that television is one of the most effective ways to generate leads about individual cases. The day after my last special order on April 2, for example, the National Center for Missing and Exploited Children received a 100-percent increase in the number of calls reporting sightings of the children whose pictures were shown the night before.

Mr. Speaker, at this time I recognize the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL. Mr. Speaker, I have been informed by the federally funded National Center for Missing and Exploited Children that two of my young constituents from North Wilkesboro, NC, were believed to have been kidnaped in July 1982, and are still missing. I am participating in this special order today because I want to help call attention to their situation, in the hopes that they might be found. [Hold up pictures.]

According to fact sheets provided to me by the Center, Galvin Lee Sidden, 13, and Garry Patrick Sidden, 18, brothers, both from North Wilkesboro, disappeared July 21, 1982, on the night their father was killed. They are believe to have been taken by a man charged with murder in the death of their father.

Galvin is a male Caucasian with blue eyes and dark blond hair. When he was last seen he weighed about 120 pounds and was 5 feet tall. He has no identifying marks.

Garry is a male Caucasian with brown eyes and brown hair. He has a bad limp because of a problem with his right leg and has a 2-inch scar on the palm of his left hand. He is thought to be about 5 feet 5 inches and weighs about 160 pounds.

Mr. Speaker, the National Center for Missing and Exploited Children has asked that anyone having information about Galvin or Garry call 1-800-843-5678.

Like many of my colleagues, Mr. Speaker, I have cosponsored various commemoratives: the Missing Children Day in May, National Child Safety Week in September, National Children's Week in October, and National Child Abuse Prevention Month in April, in an attempt to focus attention to the tragedy of missing children and to educate our children and ourselves concerning the best methods of protection. However important these bills are, there is no better way to really help the situation than H.R. 604, the Missing Children's Assistance Act, which provides for matching Federal grant funds for $2 million in fiscal year 1986 and fiscal year 1987 to State law enforcement agencies to set up State clearinghouses for missing children. Mr. Speaker, the truth of the matter is that it has been easier to locate stolen cars than stolen children. We need this legislation and I would urge my colleagues to cosponsor this bill if they have not. I hope we can pass this bill soon to make a real difference in our effort to locate missing children.

Mr. EDWARDS of Oklahoma. I thank the gentleman from North Carolina and would point out that he asked to go first so that he could leave to be with his own child, which I think is an indication that the situation we are dealing with is one that certainly crosses all party lines and unites all of us who care so deeply about children and trying to help keep their lives happy.

□ 2040

At this time I would like to yield to the gentlewoman from Nevada [Mrs. VUCANOVICH].

While she is moving down here I might point out, Mr. Speaker, we do have the phone numbers here that are being shown, for the National Center for Missing and Exploited Children, so that people can call if they have seen these children.

Mrs. VUCANOVICH. I thank the gentleman for yielding and for taking this special order.

Mr. Speaker, I would also like to commend my colleague from Oklahoma [Mr. EDWARDS] for taking out this special order and would like to assure him that I would be happy to cosponsor any legislation which will help in locating these missing children.

I am here tonight to talk about Tony Franko. He has been missing a little over 2 years now. He disappeared on his way to school on May 9, 1983, in Lemmon Valley, NV, which is a suburb of Reno. The police department in Reno which investigated Tony's disappearance believes that he was kidnaped. Tony Franko was only 10 years old when he disappeared and he would be 13 years old this August. He has brown hair and brown eyes and was almost 5 feet tall on the day he was last seen.

As you see, here is his photograph. I am participating in this special order today because I am terribly concerned about Tony and I would like to do everything that I can to bring about his safe return to his family. I really do not think that any of us can appreciate the anguish and fear that his family must be experiencing. I am sure that Tony is the last thought they have at night when they drop off to sleep and certainly first thing when they wake up in the morning.

As his Representative and as a member of the Subcommittee on Children, Youth and Families, and on behalf of the 160,000 children who are reported missing every year in this country, I would appeal for assistance in trying to find Tony.

Anyone who recognizes him is asked to call the National Center for Missing and Exploited Children. The number that is listed here, I think some people might like to know that the last four digits stand for the word "LOST".

I thank the Speaker and I thank my colleague Mr. EDWARDS.

Mr. EDWARDS of Oklahoma. I thank the gentlewoman for her participation.

Mr. Speaker, I would now yield to the gentleman from Florida, Mr. LEWIS.

Mr. LEWIS of Florida. Mr. Speaker, I thank the gentleman from Oklahoma for holding this special order.

Dorothy "Dee" Scofield was last seen on July 22, 1976 in Ocala, FL.

Dee had accompanied her mother to the Ocala Shopping Center and had gone across the parking lot alone to buy a birthday present for her brother, while her mother took a written driver's test at the opposite corner of the shopping center.

They were to meet later and attend a movie.

Dee Scofield never made it to that movie.

Police in Ocala suspect foul play.

Dee has brown hair, blue eyes, and, at the time of her abduction was wearing teardrop shaped eyeglasses.

I urge anyone with information about Dee to please call the National Center for Missing and Exploited Children at 1-800-843-5678.

Mr. Speaker, Dee's disappearance should indicate to all of us that a uniform and effective program to find missing children should be implemented in all States across the country.

More importantly we need to involve those agencies which search for and locate missing children.

I'm speaking, of course, about our State and local law enforcement personnel.

After all, when a child is missing, a parent's first reaction is to call the local police department.

And as we all know, the first 24 hours in a situation like this is critical.

For this reason, local law enforcement officers should be trained experts in crisis situations involving missing and abducted children.

With the proper telecommunications systems and trained personnel, State and local law enforcement serve as an extremely effective frontline resource in the fight to locate and save our children.

Therefore, I have introduced legislation to provide matching grant funds to State law enforcement departments to set up State clearinghouses for missing children information.

These clearinghouses provide an essential link between all levels of law enforcement, local, State, and national.

Currently 123 of my colleagues have joined with me in cosponsoring this important legislation.

I encourage all of you to cosponsor this legislation. It is an effective way to actually help solve the problem.

Again, anyone with information about Dee's whereabouts, please call the National Center at 1-800-843-5678—5678 on your phone is "lost". Again, 1-800-843-5678.

Thank you.

Mr. EDWARDS of Oklahoma. I thank the gentleman for participating once again. He has shown his concern about this issue several times and I appreciate it very much.

Mr. Speaker, I yield to my colleague from Oklahoma [Mr. ENGLISH].

Mr. ENGLISH. Mr. Speaker, I, too, would like to join my colleagues in commending Mr. EDWARDS of Oklahoma in requesting this special order.

Mr. Speaker, I have been informed by the National Center for Missing and Exploited Children that one of my young constituents has been kidnaped. I am participating in this special order because I want to do everything I can to help call attention to the case in the hope that he will be found.

According to the information provided me, young Shannon Patrick Ketron was last seen June 17, 1982, near my hometown of Cordell, OK. His mother was assaulted by a stranger. When she regained consciousness, Shannon and the stranger were gone. At the time of his kidnaping, Shannon was only 7 months old. Shannon is a white male with blue eyes and blond hair.

Shannon Patrick Ketron is one of countless missing children. It is a national tragedy that we must stop. In the past 2½ years, a number of steps have been taken to halt this nightmare and return the children to their homes safe and sound. In an effort to continue to focus public attention on the enormous problem, I have joined with Representative Edwards and others in cosponsoring House Joint Resolution 281, declaring May 25, 1985, as "Missing Children's Day." I sincerely hope that the time will come very soon when we can put this national tragedy behind us.

Thank you, Mr. Speaker.

Mr. EDWARDS of Oklahoma. The gentleman from Oklahoma [Mr. English] commented about the hope that some of these children would return home. One of our colleagues, Mr. Sundquist, from Tennessee, was scheduled to participate in this special order but is not because the child who he was going to talk about did in fact return home safely last night, which is one of the things that gives us hope and something to work for.

Mr. Speaker, I now yield to the gentleman from Massachusetts [Mr. Moakley].

Mr. MOAKLEY. I thank the gentleman, my colleague from Oklahoma [Mr. Edwards] for taking this special order tonight in order to acquaint Congress with this very serious problem, and also those in the listening audience.

Mr. Speaker, I was recently informed by the federally funded National Center for Missing and Exploited Children that one of my young constituents, Wilfredo Torres, has been kidnaped I am participating in this special order because I want to do everything I can, to help call attention to this case, in the hope that he might be found.

According to the fact sheet provided to me by the National Center, Wilfredo Torrres of Dorchester MA, was last seen on May 9 1983, leaving an apartment building with a man who the police know had previously been charged with sexual abuse and murder, but was subsequently acquitted. Wilfredo was born on August 8, 1970, and is now 15 years old. At the time of his disappearance he was 13 years old, 4 feet tall and weighed 60 pounds. He is Hispanic and has brown hair and brown eyes.

Mr. Speaker, the National Center for Missing and Exploited Children has asked that anyone having information about Wilfredo Torres, please call 1-800-843-5678.

Since the passage of the Missing Children Act in October 1982, nationwide efforts to locate missing children have been greatly enhanced. This support on the Federal level has lead to even greater awareness and activities on the local level and in the private sector to help find missing children. Increased attention to this issue coupled with distribution of information and photogaphs of these children has not only helped find missing children, but has been instrumental in educating the general public, on the gravity of this situation. I applaud all these efforts, both public and private, and pledge my continued support in helping to locate missing children and reunite them with their loved ones.

Thank you very much.

□ 2050

Mr. EDWARDS of Oklahoma. I thank the gentleman, and I yield now to the gentleman from Idaho [Mr. Graig].

Mr. CRAIG. I would like to once again thank my colleague from Oklahoma for taking out a special order in relation to missing children. This is the third special order that my colleague from Oklahoma has called, and I must say they have been extremely effective in raising the visibility in this national tragedy.

I want to add a personal note to my involvement with young Jason Amini, and I want to congratulate my friend from Oklahoma. The other evening I was attending a movie in a theater here in Virginia, and prior to the movie starting they were doing promotional ads from different businesses and interests and community service ads on the screen of the theater. National Child Find showed a picture, courtesy of that theater, of young Jason Amini of Sagle, ID, and I can tell you there was a moment of thrill, to think that we had been able to assist in lifting the visibility of this missing child to a national stature, and for that I am very thankful and I am sure the mother of Jason Amini is thankful to our colleague, Mr. Edwards of Oklahoma.

Ladies and gentleman, I would like to have you meet Jason Amini of Sagle, ID and Nyleen Kay Marshall of Clancy, MT have much in common.

They are children, they are kidnaped and they are in danger.

Jason is 11 years old and was kidnaped by his father February 25, 1982. He was last seen at Los Angeles International Airport.

Nyleen, will be 7 years old this September. She was kidnaped from the Helena National Forest in June 1983.

Even though one child is the victim of kidnaping by a parent and the other by a stranger—statistics show that both are in as much danger of being physically and mentally harmed and abused.

Jason and Nyleen are not alone; 1,500,000 children are missing each year; 500,000 of these are victims of kidnaping by a parent. Some 20,000 to 100,000, are victims of kidnaping by a stranger.

Unbelievably, the number of kidnapers convicted in U.S. courts increased 57 percent from 1983 to 1984, but the percentage of those imprisoned actually decreased from 100 to 64 percent.

And the average sentence in 1984 was only 14 years.

That's why some of us in Congress are sponsoring House Resolutions 1318 and 2201.

H.R. 1318 would mandate a minimum 10-year sentence for adults who kidnap a child. It would also mandate life sentences for adults who kidnap and seriously abuse a child.

H.R. 2201 would make parental kidnaping a criminal rather than a civil offense and impose penalties for violators.

These bills are a beginning and the effort by Congressman Edwards is an admirable one. But these efforts are not enough without your help.

We must bring America's children—our children—home.

Please call 1-800-843-5678.

Mr. EDWARDS of Oklahoma. I thank the gentleman from Idaho for again participating, and would like to yield now to the gentleman from Massachusetts [Mr. Boland].

Mr. BOLAND. Mr. Speaker, I want to thank my colleague, Mr. Edwards of Oklahoma, for his efforts on behalf of our Nation's missing children.

The issue of missing children is not a partisan issue, it is a national concern, shared by all of us, who deeply feel the loss of the 1.5 million children who annually disappear.

I am here in the well of the House today, to bring to the public's attention, a constituent of mine, Taj Narbonne of Leominster, MA, who is one of America's missing children.

This picture of Taj was taken, not long before he was reported missing on March 31, 1981. At the time, he was nearly 10 years old, weighed between 50 to 65 pounds, was 4 to 4½ feet tall, and had blonde hair and blue eyes. Taj was born on June 18, 1971, and would be nearly 14 years old today.

The National Center for missing and exploited children has asked that, anyone with information about Taj Narbonne, please call the hotline number 1-800-843-5678.

Mr. Speaker, I am very concerned not only about Taj, but about all our missing children.

Children are our Nation's most precious resource, and even if only one child is located through the effort being made, not only in the House, but in numerous other activities throughout the country, I believe these programs will have been a tremendous success.

Mr. EDWARDS of Oklahoma. I want to thank the gentleman from Massachusetts, and now I would like to yield to the gentleman from Arizona [Mr. Kolbe].

Mr. KOLBE. Mr. Speaker, I want to join with my other colleagues in extending my thanks and appreciation to my colleague from Oklahoma [Mr. Edwards] for what he has done to spotlight a very important issue in our Nation today, a tragedy which exists. The tragedy, of course, is the issue of missing children.

Missing children are a tragic fact of life for parents in neighborhoods across our Nation. It is a problem that demands attention from each citizen. 1.8 million children are reported missing for a period of time each year. 50,000 children disappear and remain missing every year.

Brian Bleyl, a young child from Phoenix, Arizona, has been missing since February 28, 1981. He was last seen collecting for his paper route in Phoenix. Brian was 12 years old at the time; He would now be 17. At the time he disappeared, Brian was 4 feet 11 inches tall and weighed 100 pounds He has brown hair, brown eyes and a fair complexion.

I am participating in this special order because I want to do everything possible to bring attention to Brian Bleyl's case, and the cases of thousands of other children like him. Incredibly, until just a few years ago, it was easier to find a stolen car than a missing child in this country.

Thankfully, the missing children's act, signed into law in October, 1982, authorized a permanent national clearinghouse for information and identification of missing children. That clearinghouse, the national center for missing and exploited children, has asked that anyone having information about Brian Bleyl or any other missing child call 1-800-843-5678.

□ 2100

Mr. EDWARDS of Oklahoma. I thank the gentleman. He has certainly distinguished himself as one of the outstanding new Members of this body.

Mr. Speaker, I now yield to the gentleman from Texas [Mr. Leland].

Mr. LELAND. Mr. Speaker, I would like to thank the gentleman from Oklahoma for his compassion in this initiative in bringing the plight of missing children to our attention.

Each year between half a million and 2 million children are reported missing. This tragic statistic became very real to me last January when two of my young constituents disappeared.

The pictures at my sides are those of Michael and Pamela Mayfield who, according to the factsheet provided me by the Center for Missing and Exploited Children, were last seen walking home from school together on January 10, 1985.

At the time, Michael, age 6, had black hair and eyes, weighed 80 pounds and was 4 feet tall.

His 5-year-old sister Pamela, at the time, had black hair and eyes, weighed 50 pounds and was 2 feet 9 inches tall.

The National Center for Missing and Exploited Children asks that anyone with any information regarding the whereabouts of Michael and Pamela Mayfield contact the Center's hotline at 1-800-843-5678 or the Houston Police Department.

I am proud of the efforts my hometown of Houston has exercised in trying to locate these young children. Their photographs have appeared on milk cartons, metrobus billboards, and have been broadcast on KPRC, a Houston television station.

Yet, despite all these efforts Michael and Pamela Mayfield are still missing. I agreed to participate in this special order because I wanted to do everything possible to call attention to their case and to the national tragedy of missing children. Hopefully with efforts like this special order, some of these missing children will be found.

I urge my colleagues to publicize the National Center for Missing and Exploited Children's toll-free number so that their constituents with information regarding Michael and Pamela Mayfield, or any of the other children discussed here tonight, can contact the Center. The number is 1-800-843-5678. Thank you.

Mr. EDWARDS of Oklahoma. I thank the gentleman.

I now yield to the gentleman from Minnesota [Mr. Penny].

(Mr. PENNY asked and was given permission to revise and extend his remarks.)

Mr. PENNY. Mr. Speaker, I have been informed by the federally-funded national center for missing and exploited children that one of my young constituents left her southeastern Minnesota home just over 1 year ago today and disappeared without a trace. I thank Mr. Edwards for the opportunity to help call attention to this case in the profound hope that she might be found.

According to the information provided me by the center, Cheryl Peters, age 16, of Rochester, MN, left her home on May 15, 1984, and was reportedly last seen in the Albert Lea, MN, area.

Cheryl Peters is 5'2" tall and weighs 105 pounds. Her brown hair is shoulder length and is parted in the middle. She has a very small, faint scar below her right eyebrow. She also has pierced ears that are now healed over. Cheryl always wears glasses because she is very nearsighted. She also has a wire retainer on her bottom teeth and a removable retainer on her upper teeth.

Mr. Speaker, the National Center for Missing and Exploited Children has asked that anyone having information about Cheryl Peters call this toll-free number: 1-800-843-5678.

Each year, an estimated 160,000 children are kidnaped by a stranger or a parent. As many as 50,000 of these children, like Cheryl Peters, remain missing after a year. As a parent myself, I can fully understand how terrible the loss of a child must be. We in Congress must do all we can to locate these missing children and bring an end to this national tragedy.

Thank you, Mr. Speaker.

Mr. EDWARDS of Oklahoma. I thank the gentleman.

Mr. Speaker, I now yield to the gentleman from Illinois [Mr. Hayes].

Mr. HAYES. Mr. Speaker, I want to thank my colleague, the gentleman from Oklahoma [Mr. Edwards], for giving me the opportunity to participate in this special order where national attention is being focused on this very critical issue of missing children.

Mr. Speaker, I have been informed by the Chicago Police Department that one of my young constituents, Vinyette Teague, has been kidnaped. I am participating in this special order because I am one of 60 cosponsors of House Joint Resolution 281 designating May 25, 1985, as missing children's day and I want to do everything I can to help call attention to this case, in the hope that she might be found.

I now point to the photograph of Vinyette Teague.

According to a factsheet provided to me by the Chicago Police Department, Vinyette was 18 months old when she was last seen of June 25, 1983. She is a black female child with black hair, brown eyes, standing 2 feet 8 inches tall and weighing 27 pounds. When last seen, Vinyette was wearing a striped tank top, brown flowered pants, and no shoes.

Mr. Speaker, the Chicago Police Department and I ask that anyone having information about Vinyette Teague please call 1-800-843-5678.

● Mr. LEWIS of California. This month is a special month. In a recent White House Rose Garden ceremony President Reagan signed into law a resolution which I cosponsored with many of my colleagues on both sides of the aisle proclaiming May as National Child Safety Awareness Month. This commemorative month was set aside in an effort to bring nationwide attention to the problem of murdered, exploited, and abused children. The high number of abducted children reported in this Nation is unexceptable. Sadly, many of these innocent children meet terrible fates. Unfortunately far too little information is available to law enforcement agencies to use in locating missing children.

The people of my district, the 35th District of California have not escaped such tragedy. Last October, a little girl who was then 3 was kidnaped from the Indian Cove Campground in my district at the Joshua Tree National Monument. On October 18, Laura Bradbury, and her family arrived at the campground in the late afternoon. Laura and her brother went to the restrooms about 50 yards away from their campsite. When her brother came out of the restroom Laura was gone. After a 3-day search, it became apparent that Laura had been kidnaped. She has brown eyes, sandy blond hair and was wearing a kelly green sweatshirt with a hood.

According to the California Center for Missing and Exploited Children, an estimated 40 percent of the recovered children are found as a result of media exposure. If you have any information or believe you have seen Laura Bradbury, please contact the San Bernardino County Sheriff's Department at (619) 366-3781. Thank you, and I would like to thank my colleague, Mr. Edwards for having this important special order.●

● Mr. MITCHELL. Mr. Speaker, I have been informed via the Baltimore City Police Department that one of my young constituents is missing. I am participating in this special order because I want to do everything I can to help call attention to the case, in the hope that she might be found.

Toya Hill, was reported missing on March 24, 1982. She was last seen playing near her home in Baltimore at 206 South Spring Court. Toya is a black female with brown eyes and black hair. She wears glasses and is 11 years old. At the time she was reported missing she was about 4 feet tall and weighed about 80 pounds. Anyone who has information pertaining to this case should contact the Baltimore City Police Department at (301) 396-2334 or 2050.

It is imperative that we all become involved in the problem of missing children which is a national epidemic. Each year there are 50,000 cases of child disappearances that remain unsolved at the end of the year. One million children are reported each year as runaways or throwaways and many become victims of crimes.

Many people do not realize the full scope of the problem of missing children. Children who fall into this category are those who are abducted by strangers, who are abducted by a family member or acquaintance, who run away, who are thrown out of their homes, and who are lost or who are victims of an accident and are unable to find help. Fortunately, people around the country are becoming involved in an effort to help alleviate the problem.

Organizations nationwide have sponsored child Safety Days in an effort to attract attention to the tragedy of missing children. A Child Safety Day provides parents with preventive information and with the materials they can provide to assist authorities should they ever have a missing child such as fingerprints, a current picture, height and weight measurements. These Child Safety Days are relatively easy to organize and are of enormous benefit. I encourage all communities to implement a child identification program as soon as possible. For further information you can contact, among other organizations, the Office of Juvenile Justice and Delinquency Prevention at the U.S. Department of Justice or your local police department.

Again, let me reiterate the importance of community awareness and action against the problem of missing children. With the implementation of nationwide child identification programs, missing children like Toya Hill can be found and others might never disappear.●

● Mr. NELSON of Florida. Mr. Speaker, every mother and father can understand how it feels to see their children after being apart even for short time. But tragically, many parents in our Nation live each day in uncertainty about the welfare and whereabouts of their sons and daughters. I am participating in this special order today because I want to assist these parents by bringing attention to the problem of missing children.

I have been informed by the National Center for Missing and Exploited Children that one of my young constituents in Florida had disappeared and is now listed as missing by the Center. According to information provided to me by the Missing Children Help Center, Tampa, FL, Keith Dean Fleming disappeared mysteriously while on his way home from a friend's house on April 29, 1977. He has not been seen or heard from since.

Keith was born on September 18, 1963, has blond hair and brown eyes. He is from Cocoa Beach, FL. The National Center for Missing and Exploited Children has asked that anyone having information about Keith or any of the children we have spoken about today, please call 1-800-843-5678.

I would like to add that special efforts are now underway in my homestate of Florida to help find missing children. The Adam Walsh Child Resource Center, located at 227 South Orlando Avenue, Winter Park, FL, (305) 629-1811, and the Missing Children Help Center, at 410 Ware Boulevard, Suite 400, Tampa, FL, (813) 623-KIDS, are excellent organizations designed to bring our sons and daughters home.

My colleagues and I are also sponsoring legislation to declare May 25 to be "Missing Children Day." Each year 1.8 million children disappear. We hope to draw public attention to this serious national problem with our participation today and a special emphasis on Saturday. I urge all Americans to join us in helping to locate these youngsters.●

Mr. EDWARDS of Oklahoma. I thank the gentleman for participating in this special order.

Mr. Speaker, I would like to call attention to two teenage girls who live in my district in Oklahoma City who were reported missing from the State Fair of Oklahoma in September 1981.

According to the National Center for Missing and Exploited Children, Cinda Leann Pallett, whose picture is over here, was 13 years old when she was last seen on September 26, 1981. At that time she was 5 feet tall, weighed 88 pounds, had dark brown eyes and dark brown shoulder-length hair.

This is Charlotte Kinsey. She, too, was 13 years old, when last seen with Cinda Pallett at the State Fair of Oklahoma. Miss Kinsey was 5 feet tall, weighed 95 to 100 pounds, with blue-gray eyes and blond shoulder-length hair.

The National Center for Missing and Exploited Children has asked that anyone who has information about their whereabouts please call their toll free hotline at 1-800-843-5678, and on the phone dial those numbers spell out 1-800-THE LOST.

□ 2110

Mr. Speaker, when I started this project last year, it was one of the few organized efforts to publicize missing children cases. I am pleased that since that time several innovative activities have been initiated by interested organizations and concerned individuals across the country. This includes printing the pictures of missing children on milk cartons; displaying their photos on movie screen theaters during intermission; printing their pictures on the back of toll road fares cards; publishing magazines featuring page after page of these pictures.

All of those people, all of these organizations which are doing so much to help locate these missing children, 160,000 a year of whom are kidnaped, deserve our thanks and appreciation. I would like to say one more thing, Mr. Speaker. On this floor, about an hour ago, Members of Congress of different political parties and different philosophies were engaged in some rather heated and strongly-felt exchanges of views about issues that are important to this country, and yet, when it comes to an issue like this, when it comes to talking about our own children, the children of our friends and neighbors and other people in this country whose children have been kidnaped or run away or somehow disappeared from their homes, there are no party lines, there are no colors, there are no different philosophies. It is something we feel together very strongly.

I would like to thank all of my colleagues, as I said it is now nearly 50 in number, who have participated in these special orders. I look forward to continuing these efforts so that we can bring some of these children home safely again.

SOVIET JEWRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. Lungren] is recognized for 60 minutes.

MISSING CHILDREN

Mr. LUNGREN. Mr. Speaker, before I start my special order I would like to commend the gentleman from Oklahoma [Mr. Edwards] on the fine job he has done on a very difficult question.

On mother's day this year, just a little over a week ago, I attended a press conference in my home district in Huntington Beach, CA, at which the parents of Laura Bradbury, a young, 3-year-old girl who was kidnaped from Joshua Tree Monument, about 6 months ago, attended, and where we unveiled for the very first time rather large posters, 4 feet by 6 feet, that will be placed in bus kiosks or bus stops from Oceanside to Oxnard in California, 30 or 37 in number, on a rotating basis.

This was the first of hopefully a number of efforts that will be made by the people in the advertising fields with the cooperation of the bus companies to help in identifying many of the missing children that we find around this country. It was an obviously emotional experience for the Bradburys on a day as important and emotional as Mother's Day is in any event, to appear there on the first Mother's Day at which they will not be able to see Laura and to make a plea again to the public that anybody with information about Laura Bradbury contact the Laura Bradbury Organization or the National Clearing House, the numbers of which have already been given.

It is an issue that touches all of our lives, all of our families, and the reason why I think Members are involved on the national level is that even though the child taken may be from one State, in very short order that child can be placed in another State.

In fact, earlier this year a young boy about 13 or 14 years of age was found on the east coast after having been kidnaped 2 years before in my home town of Long Beach, CA. So it is a national issue that we need cooperation concerning from people at all levels.

In this regard, Mr. Speaker, I would try and bring to the attention of my colleagues and others that although we have passed legislation on the Federal level which assists in the pursuit of those who have taken our children, and assists in the identification and location and return of many of our missing children, that in some ways what we have done on the Federal level only offers an opportunity that must be followed up on the local level.

Specifically I would mention legislation that passed this House, passed the Senate and was signed by the President approximately 2 years ago, which allows the NCIC, the National Computer Bank that is established and maintained by the FBI, with information of all local jurisdictions, that is, their law enforcement agencies, State jurisdictions and the FBI itself, in which there is a national file of information of all types, including people who have been charged with crimes suspects all the way to stolen cars.

Unfortunately, prior to 2 years ago, there was very little information provided on missing children to that file. We made an alteration in the law which allows that information to go into the file. If a parent of a missing child wishes to get that information on that file, they first must contact their local authorities, and those local authorities then can place that name on the file.

After a passage of time, the parents, within a short period of time, can contact the FBI directly and find out whether that information has been inserted on the file, and if it has not, at that time they then have the right to have that information entered.

The reason we do this is because oftentimes with respect to missing children, it is the immediacy of the contact that is made with law enforcement in the immediate area that provides the best opportunity for the return of that child. We wanted to make sure that parents did not avoid that first contact.

What it does is place an obligation on local law enforcement agencies to follow through and then place that information on the file themselves.

I am unhappy to report, Mr. Speaker, that out of the 50 States in the Union, at present only 5 States require that local law enforcement immediately relay that information to the file and have it then on file. In some of our departments, they will not put that information on file until the child has been missing for at least 7 days. They do that because the largest number of children are found in a short period of time; many of them just running away from home for a short period of time. They say that there is difficulty in time and resources if we place those names on the file at the very beginning and then take them off within 24 hours.

That is a concern, but it is not a legitimate concern in my judgment when you have testimony from coroners across the country that children who are abducted and in many cases used for sexual purposes by their abductors, and are then killed, are generally killed within the 24 hours. Unfortunately, we not only have missing children, we have unidentified bodies of children that are in morgues across this country and in some cases are eventually buried without ever being properly identified.

So I would suggest that even though we have given the opportunity on the Federal level, that folks back home must follow through and ask their local law enforcement agencies, the mayors, the city councils of their towns to adopt a resolution to require that information to be placed on the NCIC immediately, and that State legislatures follow through on the progress that we have started and require that be done by their local law enforcement agencies.

Now, Mr. Speaker, I would like to speak on the subject of my special order, that is, on the question of Soviet Jewry.

□ 2120

GENERAL LEAVE

Mr. LUNGREN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of my special order today on Soviet Jewry.

The SPEAKER pro tempore (Mr. Dymally). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LUNGREN. Now, Mr. Speaker, I will speak on the subject of my special order; that is, on the question of Soviet Jewry.

Mr. Speaker, this August marks the 10th anniversary of the signing of the Helsinki Final Act. Among other things, this international document, of which the Soviet Union is a signatory, calls for the right of Jewish cultural expression and emigration from the Soviet Union.

I rise today not only out of a sense of conviction, but of moral outrage. I rise because of the tragic cry heard throughout the world emanating from the mouths of Soviet Jews who ask nothing more from the Soviet Government than the basic rights guaranteed to them through the Helsinki accords.

The Universal Declaration of Human Rights, The International Covenant on Civil and Political

Rights, and the Helsinki Final Act, all provide for the right of any citizen, to leave any country, including his own.

Mr. Speaker, by observing the present state of affairs, you would never know that the Soviet Union is a party to all of these international agreements. Nonetheless, they are signatories and are, therefore, in gross and blantant violation of international law.

These statistics of Jewish emigration from 1979–84 reveal what can only be termed a crisis situation—a situation in which never before in the history of the Soviet Jewry movement has the emigration rate been so low.

From a high in 1979 of 51,320, emigration has plummeted to an all-time low of 896 Soviet Jews last year. Furthermore, the 1985 figures, so far, are also extremely disquieting.

I would suggest, Mr. Speaker, that anybody who reviews this chart and looks at these figures recognizes that this cannot be an aberration, but it appears to be a carefully designed plan by the leaders of the Soviet Union. I think it is fair to say that these numbers are proof that Jews have resumed their historical role in the Soviet Union as the government's favorite punching bags.

Soviet officials justify this drastic reduction in emigration by claiming that all Soviet Jews who wish to leave the U.S.S.R. have already done so. They maintain that the reunification of families has been completed, thus signalling their desire to put a stop to what little emigration there is. This Soviet assertion is evidenced by a Radio Moscow broadcast in late 1982 when that broadcast stated, and I quote,

> Nearly all those applying for permission, or approximately 98.4%, have left or leave very soon,

Of course, Mr. Speaker, this is a bold-faced and preposterous lie. There are at least ten thousand Soviet Jews actively seeking emigration, and not less than 250 Jewish families who have waited a decade or more for exit visas. Sadly, there runs a deep current of despair among these people—for they firmly believe that there is no future for them on Soviet soil.

Reunification of families has also been hindered lately by an increase in administrative obstacles; 1979–80 appears to have been the turning point in Soviet emigration policy.

To apply for exit permission, one must submit to the local Office of Visa and Registration a variety of documents, including an invitation from "first degree" relatives in Israel. A Soviet Jew might request several invitations before actually receiving one, since authorities often intercept them in the mail. Furthermore, each individual applicant must pay a fee of 40 rubles, which is approximately 1 week's average salary, for every single family member seeking to emigrate. When an application is then approved, each family member must pay an additional 500 rubles, about 3 months income, for the "right," so-called to give up Soviet citizenship, and then 270 rubles for the exit visa.

Thus, the financial burdens of emigration alone cause great hardships. All resources must be pooled, and personal possessions are often sold at depressed values to meet these demands. In addition, there is evidence that bribes must often be paid to minor officials at every step along this tortuous process.

Finally, increasing numbers of applicants have been denied visas on the basis that, because they have been exposed to State secrets, they are a security risk. Other visa requests have been turned down because an applicant has more relatives in the U.S.S.R. than abroad, prompting officials to maintain that emigration would divide rather than reunite the family. Some applicants reportedly receive no reason at all for the denial of their visa requests.

Aside from these very harsh restrictions, the Soviet Government has constantly relied on various forms of harassment to applicants and their families. In direct violation of the Helsinki accords, Soviet authorities make life miserable for visa applicants through repression that takes place in ways such as:

The loss of employment. As soon as their desire to emigrate becomes known, they run the risk of either a reduced status or a total loss of work. This loss of employment makes it nearly impossible to find other work, thereby, forcing many "refuseniks" to accept any employment they can get. Thus, qualified teachers, scientists, and engineers are now working as street sweepers and lift operators.

Another form of harassment includes expulsion from a university or other institution of higher learning. To make matters worse, those students expelled from universities lose their exemption from military service and face the threat of immediate conscription by a government that has treated them in this fashion.

Deprivation of academic standing is yet another form of torment. A number of educators have been stripped of their degrees and/or excluded from academic associations. This professional harassment cannot be seen as anything but an act of psychological warfare on the part of the Soviet Government with the intent of deterring further emigration applicants.

Still another act of contempt against hopeful emigrants is the practice of overt violence and physical attacks. The case last year of Yakov Mesh is a striking one, though by no means isolated. Mesh was beaten up by KGB-men in civilian clothes in the presence of a number of people. A statement signed by nine witnesses asserted that Mesh had not offered any resistance—although he was then charged with resisting authorities—and that there had been no apparent cause for the attack on him. Mesh has been awaiting permission to emigrate for 7 years.

Mr. Speaker, perhaps the cruelest form of harassment against Jews seeking emigration is the persecution leveled against their children. In T.V. broadcasts, on the radio, in the press, and during lessons at school, more attention is devoted to Israel than to any other country, even the United States. They instill into the children that Israel is a synonym for inhumanity and cruelty and that Zionism is a form of fascism. With some children this leads to constant conflicts with their peers in playgrounds and in school. These same children are also made objects of teacher-encouraged ridicule. Whatever the case, these children are placed in a situation of constant stress which runs through their entire childhood and often leaves deep scars in their psyche.

I would like, at this time, to tell my colleagues of a case that exemplifies just this kind of persecution. This involves a Jewish refusenik named Ari Volvovsky with whom I have exchanged letters over the past 2 years. In 1974, Mr. Volvovsky was a senior engineer and researcher for an oil and gas company in Moscow. As is the case of many Jews who apply for emigration, Mr. Volvovsky was dismissed from his position. For the past 11 years, he has been unable to secure employment in his own field and has therefore been forced to work at a variety of odd jobs. Unfortunately, that was only the beginning.

In September 1979, his apartment was broken into by the KGB. Over 500 books on Jewish history and culture were confiscated. In addition, eviction papers were served by the landlord notifying him to vacate the apartment. After bringing his case to civil court, the Soviet authorities ordered him, within 72 hours, to relocate to the closed city of Gorky.

In the spring of 1980, while vactioning in Kishinev, Volvovsky was arrested for alleged vagrancy. He was subsequently detained for 30 days and threatened with trial and imprisonment.

In other words, Mr. Speaker, the government authorities, because someone merely exercises his right as promised under the Soviet Constitution and the Helsinki accords to participate in his Jewish heritage and his Jewish religion, suffers consequences in terms of his job situation, and then once he finds difficulty on obtaining any type of meaningful job, he then becomes subject to the laws of vagrancy, or the allegation that he has violated the laws of vagrancy in the Soviet Union.

□ 2130

On June 2, 1983, 10 KGB thugs came to Mr. Volvovsky's apartment and conducted a 7-hour search in the hopes of findings anti-Soviet literature. What they found were some 200 volumes related to Jewish culture and religion. Again, Mr. Speaker, his books were confiscated.

The tremendous strain of the past few years have been extremely difficult of the Volvovsky's 16-year-old daughter, Kira. Because of her family's refusenik status, she has been subjected to a considerable amount of harassment. In one letter, Mr. Volvovsky expressed to me his concern for Kira this way:

> For a child in our situation, this is very hard * * * I am worried about her. I do so want her to grow up in Israel, but fate seems to decree otherwise * * * My prayer is that things will not change for the worse.

We ask the Soviet Government: Why this persecution? Why this harassment? Why this incitement to hatred? Is it because Ari Volvovsky and his family wish to emigrate to Israel, their beloved homeland? Is it because Mr. Volvovsky wishes to speak and read the forbidden Hebrew language? Is it because he wishes to study Jewish history and culture? But we wonder, Mr. Speaker, if possibly there could be another reason.

Mr. Speaker, the Helsinki process, to which the Soviets claim to be attached, is based on the desire to promote better and closer relations among peoples. Nothing undermines more this process than vicious allegations against Jews as evidenced by the Soviet anti-Semitic propaganda campaign.

Untamed and, yes, even state-sanctioned, the venom of anti-Semitism runs rampant through Soviet society today. What is striking about the Kremlin's perception of Zionism, as reflected in this Soviet propaganda campagin, is the enormity of the power and evil with which it is endowed. Elliott Abrams, former Assistant Secretary for Human Rights and Humanitarian Affairs in the United States, maintains that Soviet propagandists have equated Zionism with every conceivable evil, including racism, imperialism, espionage, terrorism, crime, murder, and even Nazism. What an absurdity—Soviet authorities asserting that Jews, in collaboration with Nazi Germany, were to blame for the Holocaust.

This campaign of virulent anti-Semitism has taken on alarming proportions as evidenced by the hostile stories in the Soviet press. To give my colleagues an idea of the nature and scope of this anti-Semitic campaign, I would like to read a couple of quotes that have appeared in the Soviet press. The first is a brief excerpt from an article from a 1980 issue of a weekly magazine for children, aged 9 to 14, belonging to the Soviet youth organization, Pioneers:

> Most of the large monopolies in the manufacture of arms are controlled by Jewish bankers. Business made on blood brings them enormous profits. Bombs and missiles explode in Lebanon—the bankers are making money. Thugs in Afghanistan torment schoolchildren with gases—the bundles of dollars are multiplying in the safes of the Guggenheims. It is clear that Zionism's principal enemy is peace on earth.

Furthermore, the official youth newspaper in the Soviet Union declared in March 1983 that the meaning of Zionism is "to turn every Jew, no matter where he lives, into an agent of the Jewish oligarchy, into a traitor to the country where he was born."

This same paper also contends that the human rights organization Amnesty International is "under the thumb of the Tel Aviv hawks." "Can you struggle for someone else's conscience if your own has been bought by the Zionists?" The paper asked.

Last, Professor Nikolay Yakovlev, a Soviet historian and author of several anti-Semitic books, has depicted Elena Bonner, the wife of Dr. Andrei Sakharov, as an agent of the CIA's "Jewish Section." Yakovlev contends, moreover, that Bonner has taken control of Sakharov's finances and has exploited her "pathetic" husband for the sinister purpose of "international Zionism."

Mr. Speaker, let us turn briefly to an overall consideration of the issue of Jewish culture and religion in the U.S.S.R.

As is well known, Jews are recognized as one of the over 100 nationalities of the Soviet Union. In fact, they are a major one, ranking 16th in size. Yet the identifications with one's cultural heritage is perceived by the Kremlin as a direct threat to the Soviet Government. Let us simply consider the following facts:

There is no teaching of a Jewish language, history or culture at school or university level;

There are no Jewish communal or social organizations in the U.S.S.R.;

Not a single Jewish periodical is permitted in the Russian language which is spoken by over 97 percent of the Soviet Jews;

As a token gesture, there is one Yiddish newspaper. This is published by the Government, however, in a corrupted, or deliberately Russified, Yiddish;

There are no libraries with a special Jewish book section;

There is only one Jewish museum devoted to Jewish history culture or folklore.

As repressive as are Soviet policies toward Jewish cultural expression, the situation for Jews with respect to their religion is even worse.

Freedom of religion, in the words of the Helsinki accords, means freedom of the individual to practice a religion in accordance with the dictates of his own conscience. Tragically, Mr. Speaker, for Jews as well as many others in the Soviet Union, this freedom exists only in words.

There are no seminaries in the U.S.S.R. to train rabbis, and to pursue a career as a religious leader in the Soviet Union could mean a lifetime of persecution. There is a severe shortage of prayer books and Jewish calendars. Jewish religious objects cannot be manufactured in the U.S.S.R. nor can they generally be imported. In addition, there is a shortage of burial space for religious Jews in the Soviet Union; the situation is particularly critical in Moscow. The Jewish religion remains the only recognized denomination which is not permitted to maintain or retain regular links with co-religionists outside the U.S.S.R.

Ironically, the 1936 Soviet Constitution only recognized the right to religious worship, whereas the 1977 Soviet Constitution guarantees that right. In practice, however, nothing has changed or it has changed for the worst. There have been numerous cases where private gatherings for religious purposes have been disrupted by police and their participants subjected to threats and terms of imprisonment.

Mr. Speaker, I feel it is important to mention another problem specific to the Jewish religion—the suppression of the Hebrew language, preventing Jews from learning that language is the most blatant violation of their religious freedom because it prevents them from understanding their prayers, the Scripture, their religious laws and their entire religious heritage.

The language of the Old Testament and of the State of Israel, Hebrew, has historically been the common property of Jews everywhere. It is an integral part not only of Jewish liturgy and sacred texts, but also of secular Jewish culture. Yet it has been rendered virtually inaccessible to Soviet Jews through an unpublicized ban.

With the exception of the limited edition of a Russian-Hebrew dictionary which appeared in 1963, no books of any kind in Hebrew have been published in the U.S.S.R. in over 50 years. There are no Hebrew newspapers or periodicals, nor is there a Hebrew school. Just as ominous is the increased harassment to which Hebrew teachers are subject. This repression can rightly be termed a "Jewish Cultural Genocide" as almost all attempts at Jewish self-education and holiday celebration have been prohibited.

Mr. Speaker, Soviet policy as a whole amounts to a type of spiritual strangulation through the obvious

Mr. LUNGREN. I would be happy to

Andrei Sakharov is an example of

deprivation of the Soviet Jews' natural right to know the Jewish past and to participate in the Jewish present. Truly, without one's past and one's present, the future is precarious indeed.

Unfortunately, there are no easy solutions to any of the problems which I have discussed. What we can do, however, is to make clear to the Soviet Government what our own approach is and how it is related in our eyes to the United States-Soviet relationship as a whole. As Secretary of State George Shultz stated last October: "We can never let ourselves become so wedded to improving our relations with the Soviets that we turn a blind eye to actions that undermine the very foundation of stable relations."

Many of us in this body view 1985 and beyond as a critical period for Soviet Jews. We must ask ourselves whether the new Soviet leader is prepared to open the gates, even a fraction, to halt the campaign of state-sponsored intim-idation of Jews who wish to live as Jews, to study Hebrew, to rejoin the Jewish people in Israel and elsewhere.

Perhaps it is too early to predict what effect Mikhail Gorbachev's rise to leadership will have on the 2½ million Soviet Jews.

I for one think that we have swung from optimism to pessimism too often as we have had a change in leadership in the Soviet Union in the past number of years.

□ 2140

So perhaps we can only be hopeful, cautiously hopeful, that this recent Kremlin transition will result in a renewed opportunity to opening those gates once again. Perhaps that is asking too much or hoping too much, but Mr. Speaker, we must hope.

It is particularly at a time like this that our voice of support, I think, is needed.

As Members of Congress, we should be in regular and direct contact with Soviet officials, both in Washington and in Moscow, to raise the Soviet Jewry issue, along with others, and remind the Soviets of their international obligations under the Helsinki Final Act and the Universal Declaration on Human Rigths. We must continue, moreover, to combine criticism with explanations of how, why, and in what ways Soviet human rights violations threaten peace, the building of trust, and our national security. To be sure, we simply cannot accept the status quo of repression.

Furthermore, congressional advocacy on behalf of Soviet Jews in the form of letters, resolutions and verbal support, must be maintained if we are to transform this current somber reality. We must also continue to encourage the ever-growing private network in America and abroad to carry the human rights struggle ever forward.

Mr. Speaker, since the Declaration of Human Rights in the Soviet Union is not likely to wither away, the burden continues to remain with us. In that respect, I would like to close my prepared remarks with a quotation from one of our Founding Fathers, Thomas Jefferson, who wrote: "Those who expect to reap the blessings of freedom must undergo the fatigues of supporting it."

There is no doubt in my mind, Mr. Speaker, and I assure all of my colleagues, that there is no place on the face of the Earth that reaps the blessings of freedoms more actively, more consistently, more abundantly, than those of us who live here in the United States. In that regard, I would suggest that therefore we have a particular obligation, as Thomas Jefferson said, to undergo the fatigues of supporting the blessings of freedom.

We must speak out, oftentime our words are not heard, but if we do not speak out, we know they never will be heard.

I would like to say, Mr. Speaker, that a number of our colleagues have asked to join me this evening. Because of the lateness of the hour, a number of them have entered their remarks in the Record and they will then, of course, appear at the same time as my remarks.

Mr. Speaker, I yield at this time to the gentleman from New York [Mr. Green].

Mr. GREEN. Mr. Speaker, I simply want to commend the gentleman from California on an extraordinarily well documented statement on the problem of Jews in the Soviet Union. It is a kind of catch-22 situation where a youngster in a university applies for emigration, gets bounced from the univesity, gets drafted in the Army and then is told he cannot emigrate because he has been exposed to military secrets, is I am afraid all too often what we have seen in the Soviet Union.

I think it is important at this time when we are negotiating in Geneva with the Soviet Union that this record be made as the gentleman has made it regarding the violations that the Soviet Union has caused to occur with respect to the Helsinki agreements and all the problems that the gentleman from California has documented, as I think it is important and I know the administration feels this way also that our negotiators at Geneva make it clear to the Soviet Union that that noncompliance with past agreements with the United States obviously raises difficulties with respect to future agreements between our two countries, because if we cannot rely on them performing the agreements we already have, how can we rely on their performing future agreements?

So I think the gentleman from California has performed a very important service this evening in presenting this extraordinarily well documented address on the problems of the Jews and of Soviet noncompliance with their agreements and I commend him for it.

Mr. LUNGREN. Mr. Speaker, I thank the gentleman for his remarks.

With regard to the question of current negotiations going on, it is instructive to note that Mr. Kampelman, Max Kampelman, is the head of the overall negotiations, the umbrella negotiations, and he, of course, has had experience in dealing with the Soviets and others on the question of compliance with the Helsinki accords. He is a tough-minded, very intelligent individual, who I think will utilize every opportunity in a judicious manner to remind the Soviets of their lack of compliance with the Helsinki accords, as he does in fact lead our negotiating team.

Before I yield back the balance of my time, Mr. Speaker, I just would like to make reference to this chart once again. I do not think anybody can argue, nor do I think anybody does argue, on the Republican side or the Democratic side, that this diminution in the flow, allowed flow of Soviet Jews, is in response to any actions by the United States, by a Republican President, by a Democratic President. This is the result of a specific decision, a systematic plan made by the Soviet leadership, even with their change in leadership over the past years, for whatever purpose they have determined.

We ought not to divide ourselves in saying that it might have been in response to something one President or another President did. It is obvious that the Soviets are doing this in a way to punish Soviet Jews, in a way to make a point, in a way to further underscore the official anti-Semitism that is part and parcel of the Soviet leadership control of the Soviet Union at the present time, and that all of us, Jew and Christian and nonbeliever alike, Republican, Democrat, conservative or liberal, will not allow those types of arguments to deflect our attention on a problem that remains.

We know we do not control the Soviet Union. We know the leadership of the Soviet Union do not view us as their constituency; yet we do also know that the glare of the public spotlight is something that in the past has had an influence on the leadership of the Soviet Union; so it is something that we must do. It is a burden that we must share to continue to point out these problems as they exist and the fact that it is official government policy of the Soviet Union. It is not a happenstance.

Mr. GREEN. Mr. Speaker, will the gentleman yield further?

Mr. LUNGREN. I would be happy to yield.

Mr. GREEN. I would certainly agree with the gentleman on that. It is hard to know why one dissident, while 896 were allowed to leave, while others remain in Moscow, others are sent to some form of internal exile, others are actually prosecuted and sent to prison.

But the one thing I have heard from every Soviet dissident, Jewish or non-Jewish alike, who has gotten out of the Soviet Union ultimately is that it is absolutely essential that we keep up the kind of effort that the gentleman has sponsored this evening, that that is their only hope, that word of these efforts do get back to the Soviet Union and keep their spirits up and that in the end they know that they got out, even that small trickle, only because people like the gentleman from California kept up this effort, and I again commend him for it.

Mr. LUNGREN. Mr. Speaker, I thank the gentleman from New York.

● Mr. KEMP. Mr. Speaker—

> I learned the perils of language and those of silence. I learned that in extreme situations when human lives are at stake, neutrality is a sin.

These words were spoken at the White House by my good friend, Elie Wiesel, when he accepted the Congressional Medal of Honor from President Reagan last month. Elie was referring to the lesson of the Holocaust and his words ring true. If we remain silent in the face of injustice, then we are as quilty of a sin. "Indifference to evil is evil," said Wiesel and he's right. This is why I join my good friend and colleague from California, Dan Lungren, in his special order on Soviet Jewry, and why I am always willing to speak out on behalf of Soviet Jews and oppressed people everywhere. Today is especially appropriate because it is Andrei Sakharov's 64th birthday and his 5 years in internal exile and I thank Mr. Lungren for his leadership. Elie went on to say that "suffering confers no privileges. It all depends what one does with it. And this is why survivors have tried to teach their contemporaries how to build on ruins, how to invent hope in a world that offers none, how to proclaim faith in a generation that has seen it shamed and mutilated." Without people in the free world speaking out on their behalf, Soviet Jews would have no hope and would be as bereft as the victims of the Holocaust. We must learn from the lesson of the Holocaust and act to prevent a repeat of the policies of appeasement that led to the gas chambers and lead to the Gulag. We must listen and learn from the Elie Wiesels and the Avital Shcharanskys and the Alexei Semyonovs who have lived through such experiences and chosen to share their knowledge to help those who have been left behind.

Andrei Sakharov is an example of human courage. A highly regarded scientist and member of the privileged class in the Soviet Union, he risked everything because he could no longer stay silent on the subject of human rights. His reward—he was stripped of his rights, denied access to a place to continue his scientific work, and sentenced to internal exile. He is honored here in the United States and around the world. In the Soviet Union he is sentenced to exile and his wife Yelena Bonner to humiliation. We are the hope of the oppressed. Even now, we have representatives meeting in Ottawa with representatives from the Soviet Union and the 33 other countries who participated in the Helsinki Accords to discuss the issue of human rights. We must keep the lines of communication open. We must continue to give Jews in the Soviet Union and Christians the hope that the Jews in Germany did not have, the faith that a whole generation did not see. Sakharov is a living example of what America means to the world.●

● Mr. GILMAN. Mr. Speaker, I rise to thank our colleague from California, Mr. Lungren, for taking this special order out today. As we well know, the important issue of Soviet Jewry has remained a serious and constant concern of many Members of the House.

Just last month it was announced that 166 men and women had been given emigration vizovs from the Soviet Union. Many thought that this might signal an upswing in emigration figures, since last month's total was the highest to date this year. Unfortunately, however, only 11 have been given notice of their impending departure during the first half of this month. This grave news is yet another indication that the Soviet Government has not yet eased up on its harsh emigration policies. Earlier this month I was heartened by a majority of our colleagues in this body joining me in sponsoring a measure expressing House support for Solidarity Sunday for Soviet Jewry. This event, held on May 5 at Dag Hammarskjold Plaza in New York City, opposite the United Nations, attracted over 250,000 people this years. Such support is a marked indication of the grave concern with which the people of the United States view Soviet human rights practices. It is important to note that in past years, upwards of 100,000 individuals has attended Solidarity Sunday. For 2½ times that number to be present this year is indeed a demonstration that the Soviet authorities must take into consideration.

Yet throughout our appeals and meetings, demonstrations and legislation, arrest and harrassment of ordinary Jewish citizens in the Soviet Union continues. Men and women are arrested on fabricated charges. They languish in prison or labor camps for years on end. Their struggle has become our struggle. We must not forsake them in the name of expediency.●

● Mr. ERDREICH. Mr. Speaker, the number of repressive measures taken against Jews in the Soviet Union has reached epidemic proportions. The authorities' crackdown on Jews has steadily increased in past years despite recent changes in leadership. This pattern of continuous persecution is indicative of the Soviet policy toward Jews which is that of state-sponsored anti-Semitism. Mr. Speaker, I ask how can a nation that professes equality for its people engage in such wholesale discrimination?

Indeed, the repression that Soviet Jews are facing is neither arbitrary nor of limited scope; on the contrary, it is carried out with the utmost vigor, and affects every aspect of their lives. From housing discrimination to denial of the right to fair trail, the Soviet Union is making a concerted effort to wipe out its Jewish population.

One of the greatest obstacles currently confronting Soviet Jewry is the repressive emigration policy practiced by the Soviet Government. I feel that this policy is inherently hypocritical. Jewish citizens are forced to endure countless injustices on a daily basis in what is ostensibly an attempt to eliminate Jewish religious practices in the Soviet Union. Yet those who seek to leave the country are denied that basic freedom. The authorities have consistently reduced the amount of Jewish emigration from a steady flow to little more than a feeble tricle. The number of exit visas granted has declined from 21,471 in 1980 to 897 in 1984.

This governmental action is abominable. I urge not only this body, but the rest of the free world to condemn Soviet emigration policies. As the predicament of Soviet Jews grows steadily worse, it becomes clear that little can be done to combat domestic repression. Only through more open emigration can we alleviate the plight of Jews and others whose basic freedoms are routinely denied in the Soviet Union.

The denials and inflammatory anti-Semitic rhetoric that emanate from the Kremlin lead us to recognize the difficulty of such a task. However, the necessity for pressure is immediate. The Soviets have embarked on a program to dissuade potential applicants for visas by resorting to restrictive and often brutal totalitarian tactics. Harrassment of applicants, their families, and families of those who have already emigrated, has included the loss of jobs, conscription into the armed forces, and expulsion from universities and other educational institutions. By putting pressure on the Soviet authorities, we encourage the citizenry not to succumb to such measures. Furthermore, we place the Government in an embarrassing spotlight which it is eager to avoid. The special order presented today by Mr. Lungren is an example of what needs to be done. Repression against Jews and those of other faiths in the Soviet Union is, Mr. Speaker, untenable, and we must do our utmost to protest its existence.●

● Mr. KRAMER. Mr. Speaker, I wish to thank the gentleman from California, Representative Dan Lungren, for organizing this special order to express our concern about the treatment of the Jewish people at the hands of the Communist government of the Soviet Union. It is an honor to declare my solidarity with the Jewish people living in the Soviet Union, and I ask my colleagues and all Americans to lend their voices and prayers to the cause of their freedom.

Humane people all over the world, but especially in our country with its grand tradition of freedom of religion and speech, justly regard with horror the practices of the Soviet Union, which has systematically acted to persecute Soviet Jewry. Increasingly, Soviet Jews have been refused permission to emigrate even while they face ever mounting harassment and persecution at home and in their schools. Today, nearly 400,000 individuals who have requested permission to emigrate continue to lanquish in the Soviet Union because their exit permits have been denied. Officialy sanctioned anti-Semitism, echoed in the state-controlled press, affects the entire Jewish community there which numbers some 2 million, the third largest in the world. Anti-Semitism in the Soviet Union prevents the education of new religious leaders as well as assembly for worship. We in Congress must stand together in condemnation of the communist refusal to abide by the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Helsinki Final Act, all of which the Soviet Union signed.

Brave prisoners of conscience live in fear of reprisals, imprisonment, harassment, loss of employment, and even the revocation of academic degrees. Yet, the refusniks of the Soviet Jewish community continue to remain steadfast in their insistence on just treatment and free expression of religious faith, as well as the right to emigrate. We take note on the example set by the Abraham Stolar family, which has refused to leave the Soviet Union, although three members now have exit permits, so long as their daughter-in-law, Julia, is not permitted to emigrate.

We need not go as far as the Soviet Union to see the tragic results of Soviet policy. In Nicaragua, for example, we note that the policy of that client state echoes the example set by the Soviet Union. The entire Jewish population of Nicaragua now lives in exile after having a synagogue burned and homes and businesses expropriated. Furthermore, we now see that terrorist groups such as the Palestine Liberation Organization find sanctuary in the arms of the Sandinistas.

We ask the Soviet Union how much longer will it insist on denying basic freedoms to the Jewish people living within its borders. We stand as witnesses to the inhumane treatment of that people by its Communist government. As witnesses, we must act and not turn away from their struggle. Imbued with the belief that certain rights are inalienable, this struggle becomes our own.●

● Mr. DWYER of New Jersey. Mr. Speaker, I wish to thank my colleague, Congressman Lungren for calling my attention to this special order on the issue of Soviet Jewry. As leaders in the free world, we must demand total compliance with the Helsinki accords and actively promote those ideals on which the agreement is based.

Let us keep alive the ideals and values of our Founding Fathers which laid the foundation of our own form of government. These principles have made the United States the world standard of liberty and justice for over 200 years. In light of this, it is our moral obligation to continue to advocate the cause of freedom worldwide.

The realization that such oppression does indeed exist is gripping. Still, it serves by contrast to illustrate how fortunate we are to live in this great Nation. Once again, I think it only fitting to mention the name of my prisoner of conscience. Grigory Rozenshtein and his wife Natalia, are two of the leading Soviet Jewish activists in Moscow. Their daily struggle to make ends meet coupled with their lifelong desire for freedom has inspired all who live in the free world.

As a nation dedicated to the principles of independence and the protection of human rights, the refusenick community looks to us for direction. We shall always share with them the hope that the claims of political and cultural bondage will some day be broken and the claims of freedoms we cherish will be realized.

I join my colleagues today in expressing hope and concern for those around the world who do not control their own destiny. I commend my colleague, Congressman Lungren, today for reminding us that we who are blessed with freedom must remember the unfortunate ones left behind in totalitarian countries.●

● Mr. BOULTER. Mr. Speaker, the Jewish holy day of Passover, which was recently celebrated, commemorates the escape of the Jews from the religious persecution in the land of Egypt. Religious denial was one aspect of the persecution; human decency and respect were also violated by the forced enslavement of the Jews. The basic human right to freely express and practice one's religion denied to the Jews in Egypt is also being denied to the Jews in the Soviet Union today.

The situation in the Soviet Union is frighteningly similiar to the situation in Nazi Germany during the 1930's and early 1940's. Flagrant abuses of Jews range from lengthy and unprovoked apartment searches, job dismissal with no relevant explanations, prohibition of Hebrew or any religious teaching, and most of all, the denial of exit visas to the thousands upon thousands of Jews who seek to leave the oppressive Soviet Union. My fellow colleagues, this is not a Jewish issue, but rather, a moral outrage which must be addressed by the Congress of the United States.

Moses said to Pharoah when he was asking for the release of the enslaved Jews, "Let my people go.". I ask the same of Mr. Gorbachev: let the Soviet Jews go.●

● Mr. BROWN of California. Mr. Speaker, I want to thank my colleague Mr. Lungren for reserving this 1-hour special order regarding Soviet Jewry. There are continued reports that harassment of Soviet Jews, both official and unofficial, has increased. The chances for Jews and other minorities to flee this persecution remain miserably small. Jews, especially, have seen new terror visited upon their places of worship, their homes, and their families. Officially sanctioned anti-Semitism has reached new, alarming proportions.

We have received reports that anti-Semitism is increasing inside the Soviet Union. For the almost 1.8 million Jews remaining, this presents a horrible dilemma. Hebrew schools are being raided and shut down, materials are being confiscated, and new charges are being utilized to detain and imprison innocent people. The public Anti-Zionist Committee has stepped up its campaign to denounce everything Jewish, and individual Jewish refuseniks have been labelled as "dangerous Zionists." New pretexts for house searches and for the forcible dispersion of Jewish groups are constantly being invented. The anti-Jewish campaign in the Soviet Union today appears as bad as, if not worse than, the horrible cruelty and repression of the Stalin era.

Mr. Speaker, in our land of freedom and opportunity, it is all too easy to take for granted the unrestricted expression of ideas and the unrestrained ability to worship exactly how, when, and where we choose. What we consider basic, undeniable rights are, for many around the world, just fleeting images of a frustrated dream. The Soviet Jewish struggle to continue centuries-old traditions and to maintain a system of beliefs and worship is a prime example. Yet, in the face of scare tactics by the KGB and an unabating public campaign to incite the citizenry against Jews and Jewish institutions, Soviet Jews have tenaciously and courageously clung to their faith, worshiping often at grave personal risk.

The frustration of Soviet Jews is compounded by their inability to escape from this oppression. From 1948 to 1968, 6,934 Jews left the U.S.S.R.; from September 1968 to 1981, the total jumped to 259,619. But, since 1981, less than 5,000 Jews have emigrated! Hundreds of thousands more Jews have begun the emigration process, making it difficult to believe the Soviet Government's assertion that "all Jews who wanted to leave the Soviet Union have already done so." With the change of leaders this winter, there was great hope that this repressive policy would change. However, emigration figures for this year reflect the continuing effort by the Soviet Government to restrict the departure of Jews to Israel. In January, only 51 Jews were allowed to leave; February saw 88 departures; in March, 97 Jews left; and in April, the number was up to 166. This slight upward trend for April is a step in the right direction. However, the increasing numbers reflect the departure of large groups of Muscovite Jews, many of whom had been waiting for a very long time, and the government has clamped down on emigration from other parts of the country.

Mr. Speaker, we meet today in Congress to express our concern about the plight of Soviet Jews, and we will continue to do so until all Soviet Jews who desire to emigrate have been given that opportunity. From dozens of joint and concurrent resolutions, letters to Soviet and American officials, and special events like "Solidarity Sunday for Soviet Jewry" and a prayer vigil held here in March, I have joined my colleagues in urging that Soviet Jews be given the freedom to leave if they so choose, or to stay and worship unharassed and unrestricted. Additionally, my distinguished colleague Mr. Levin is leading the "Call to Conscience," a weekly insertion of statements into the Record from those of us who have adopted an individual or family in the Soviet Union. My adoptee, Mark Nashpitz, remains, like so many others, frustrated in his efforts to obtain permission to leave.

The combination of a virulent anti-Semitic campaign and the almost complete choking-off of Jewish emigration is destroying whatever is left of Jewish culture and Jewish life in the Soviet Union. As Americans who proudly protect the rights to freedom of religion, we must strive to persuade the new regime of the senselessness and cruelty of this policy. Our voices must speak for those that are muffled by repression. It is my fervent hope that, with continued pressure and effort, Soviet leaders will reevaluate these policies and end their inhumane treatment of Soviet Jews and all religious minorities.●

● Ms. MIKULSKI. Mr. Speaker, I rise today to call for an end to the oppression of Soviet Jews. Not since Stalin's time has discrimination and repression against Jews in the U.S.S.R. been greater nor emigration levels more restricted.

The plight of the Soviet Jews is a human rights issue. Refuseniks are prisoners of conscience within the country, victims of persecution and religious intolerance. Jewish heritage within the Soviet Union is endangered by government-led attacks on Hebrew education and traditional religious training. The Soviet Union is engaged in an active campaign to wipe out Jewish life. As we support and defend our ally Israel, so must we fight for the rights of Jews everywhere to live as Jews, and to emigrate to Israel if they so desire.

It is because of my deep commitment to fighting against the oppression of Soviet Jews that I will be going to the Soviet Union in July. I will be in Moscow and Leningrad to meet with refuseniks and Soviet officials. For years I have been writing letters and speaking out on this issue. It is my sincere hope that by actually going to the Soviet Union I can be a more effective advocate on behalf of thousands of refuseniks.

Mr. Speaker, all of us in Congress represent constituents who are fighting for the right of friends and family to live as Jews in the Soviet Union or to emigrate. In solidarity with them, and because we believe in human rights and religious freedom, we must all join forces in behalf of Soviet Jews.

This human rights issue is of paramount concern. As I and other American representatives meet with Soviet officials to talk about any issue, the plight of Soviet Jews must be raised. The Soviet Union must comply with the Helsinki accord and guarantee the fundamental human right of religious freedom. We must continually call for an end to the oppression of Soviet Jews. My voice is part of this call.●

● Mr. BERMAN. Mr. Speaker, I wish to thank the gentleman from California, Mr. Lungren, for arranging this special order today on behalf of Soviet Jews.

We have assembled on several occasions thus far in the 99th Congress to express our resolve to aid Soviet Jews and we must continue to emphasize our commitment to their freedom.

Dan Shapira of Moscow, Evengy Aisenberg of Kharkov, Nadazhda Fradkove of Leningrad and Yuli Edelstein of Moscow are well-known representatives of the persecuted thousands. The harassment, arrest, and sentencing of Aleksandr Kholmiansky, Yakov Levin, Shapira, and Aisenberg, all of whom are Hebrew teachers, is an obvious effort on the part of the Soviet authorities to smother the practice of Judaism by destroying that which keeps it alive. Of the over 350,000 Jews who have begun the emigration process in hope of escaping the fear and harassment, well over 20,000 are refuseniks.

We will not end our protest until the oppression ends. Just this week, Congressman Henry Waxman and I wrote a letter on behalf of the Abramovich family of Moscow. The letter was signed by over 80 of our colleagues and sent to Mr. Gorbachev. Pavel Abramovich and his family have been waiting since 1971 for permission to leave the U.S.S.R. When Abramovich applied for an exit visa he was fired from his job as an engineer. Later he was coerced into discontinuing his activity as a Hebrew teacher and was left without a means of supporting his family. What has been done to the Abramovich family has been done to many Soviet Jewish families.

Since Mr. Gorbachev assumed the position of Secretary General we have waited for signs of change in Soviet policy toward the Jews. Publically the Soviets insist that all Jews who want to leave the country have done so, and that remaining Jewish citizens are content to stay. Yet thousands still apply for emigration privileges and are denied the right to leave because, according to the Soviet Government, "the current international situation does not warrant emigration."

Now that the two countries are taking steps to improve relations, we are pleased and encouraged by preliminary signs of improvement in the treatment of Soviet Jews. In recent months, the long-term grain agreement has been established, arms control talks have resumed, there has been a preliminary meeting of the Joint Soviet-American Economic Commission, and the suggestion has been made that the U.S.-Soviet bilateral scientific and technological exchanges resume. In keeping with this trend, Jewish emigration rose last month from 97 to 166. Moreover, some long-term refuseniks were among those granted visas.

This encouraging news must fuel our efforts, not satisfy them. There are still thousands of refuseniks in the U.S.S.R. and 23 Jewish prisoners of conscience. Change will not be simple or immediate. We must continue to write letters, raise the issue on the House floor, and keep the struggle alive. We will not rest until every Jew in the Soviet Union is free.●

● Mr. FRENZEL. Mr. Speaker, the remembrance of the Holocaust and the recent anniversary of the end of the struggle to defeat Nazi racism and genocide make it especially fitting for us today to reiterate grave concern over the fate of Soviet Jewry and to renew the appeal to General Secretary Gorbachev to recognize the solemn commitments made by the U.S.S.R. at Helsinki on basic human rights.

Daily, we read reports of mistreatment of Soviet Jews seeking to emigrate from the U.S.S.R. and the intensifying campaign of repression the Soviets wage against Jewish cultural activists and refuseniks. The issue of religious freedom in the U.S.S.R., as well as the rights and welfare of those imprisoned for their religious or human rights activities, remain matters of fundamental concern to me.

The number of Soviet Jewish citizens allowed to emigrate has now fallen to historically low levels. Fewer than 900 Soviet Jews were allowed to emigrate in 1984. Recently, there have been reports that the level of emigration is slightly increasing. I can only hope that the new Soviet leaders have finally concluded that no overall improvement in relations with the United States is possible unless our genuine human rights concerns are addressed.

The President, correctly, has stated that we do not seek to force the Soviets to change their system. We do, however, demand that they live up to their Helsinki obligations and respect the rights of those seeking to emigrate. The Soviets should also adopt a more accommodating position toward visa applications from former Soviet citizens seeking to visit relatives still in the U.S.S.R.

I am pleased that Commerce Secretary Baldrige is now in Moscow for the first session of the U.S.-U.S.S.R. Joint Commercial Commission since 1978. I favor increased trade in nonstrategic products as a way of building a more constructive relationship, and I hope the Secretary's journey is successful in reopening the trade dialogue at the Cabinet level. The Soviets, however, should be under no illusions that we are so anxious for trade that we are willing to foresake our historic support for the rights of Soviet Jews.

I trust that Secretary Baldrige will raise the question of human rights during his talks. Progress will not be easy. My hope is that in the context of our expanded dialogue with the Soviets on arms control, trade, and other issues of concern that we can make genuine and lasting progress on the human rights question as well.

Let the history of the liberation of the Ethiopian Jews be repeated. Let those who wish to join their families in Israel and elsewhere be permitted to leave and let those who seek to emigrate for purposes of religious or political freedom be given this basic human right.●

● Mr. YOUNG of Florida. Mr. Speaker, I commend my colleague from California for requesting this time today so that we may express our outrage at the continued repression of Soviet Jews by the Soviet Government.

The Soviets deny thousands of requests each year from Jews seeking to emigrate to Israel, the United States, and other nations where they will be permitted to worship freely. In fact, Soviet leaders have almost entirely choked off Jewish emigration, as they allowed only 900 exit visas to Soviet Jews last year.

One Soviet Jew, Igor Tsiperfal, was fortunate enough to receive a visa last year, emigrated to the United States, and now lives in Pinellas County, FL. Maria Vesperi, a reporter for the St. Petersburg Times, wrote a very enlightening story earlier this month about Mr. Tsiperfal and his experiences in the Soviet Union. Following my remarks, I would like to include this story because it demonstrates the total disregard with which the Soviet Government holds human rights such as freedom of religion.

Because he is Jewish, Mr. Tsiperfal knew he would never be allowed to advance past a certain level in Soviet society. In fact, he says anti-Semitism has over time evolved into Soviet Government policy. Soviet Jews are given two choices by the Government—"emigrate or assimilate through mixed marriages." Emigration is virtually impossible, so for those Soviet Jews who refused assimilation, Mr. Tsiperfal says the Government recommended that they move to the Jewish autonomic region along the Soviet/China border. "It's very convenient for the Government to have them on the border because the Chinese border is probably the most dangerous place in the Soviet Union."

U.S. efforts to call world attention to the mistreatment of Soviet Jews has forced the Soviets to grant exist visas, even if only in a limited number of cases. Due to "world opinion," he says, "The Soviet Union, very reluctantly, has to let some people go out of the country."

Although emigration meant leaving his home country forever and that he would probably never see his family or friends again, he says his decision to come to the United States was worth it because he is free and his children will be free.

I think my children will appreciate the things that I did, because this is probably one of the most important things, that my children are going to be free. They are going to be American citizens. They are going to live in the most free country in the world.

Mr. Tsipefal is proof that Soviet repression cannot douse the quest of Soviet Jews for freedom and the right to worship the God of their choice. He is one of the lucky few that was able to leave the Soviet Union, and his story is a reminder that it is only through our unwavering support of those Soviet Jews who continue to be denied exit visas that they may someday be granted the freedom they so bravely seek. Despite efforts of the Soviet Government, our prayers and expresions of concern are being heard by Soviet Jews. Hopefully, our efforts will allow more people such as Mr. Tsiperfal to one day know the freedoms that have too long been denied the Soviet people by their Government.

BORN IN U.S.S.R., HE'S AT HOME IN THE U.S.A.

Igor Tsiperfal grew up on the music of the Beatles. He pondered the lyrics of songs by Bob Dylan. He went to see some Western movies and became "carzy about cowboys." He read everything in his local library by Jack London, then moved on to James Joyce and Franz Kafka.

These are the things American boyhood dreams are made of, but Tsiperfal was never an American boy. He was born 26 years ago in the small town of Ismail, U.S.S.R. He attended the university in Leningrad, where he earned the equivalent of our master's degree in engineering. He found challenging work in the field of fiberoptic telecommunications. Outgoing and personable, he pursued secondary interests in television and journalism..

"I was enjoying my life," Tsiperfal remembers. But all the time, he says, plans for the "exodus" occupied his thoughts:

"Since I was a little kid I was reading a lot, and interested in a lot of things. Sometimes there were some questions I couldn't answer. Further on, as I was growing morally and physically, I started to realize some things that I didn't understand before. My disagreement with the order that surrounded me really grew. Sometimes you have to decide if this is the thing that you want to do all your life—or not . . .

"For the people like me, I see only two ways. It's either staying within the country and trying to change some things—or leave."

Tsiperfal, who is Jewish, learned early that he could never rise above a certain level in Soviet society. "Emigrate or assimilate through mixed marriages" was part of the message he received. Those Jews who disdained assimilation were encouraged to move to the "Jewish autonomic region," along the border with China, he says.

"It's very convenient for the government to have them on the border, because the Chinese border is probably the most dangerous place in the Soviet Union," he remarks bitterly.

Armed with a set of ideals gleaned from American and English literature and history plus the rock music of the 1960s and '70s, Tsiperfal decided to apply for an exit visa from the Soviet Union and sek political/religious refugee status in the United States. It was a drastic choice, and a lonely one.

"The only way, if you want to leave the country, is forever," he explains, his voice tightening. "You will never be able to get back, to return. I have my everybody over there—my parents, my brother, my nephew. I love them very much. I can't even think of visiting them," he trails off sadly, "or something . . ." He has been in America for just under one year.

Tsiperfal is quick to stress that he left his country legally, not as a defector. Defection, he explains, is very dangerous and also very rare because most Soviets who travel to other countries on business are carefully prescreened. He says most of those who defect are "desperate people . . . and they know this is the only chance for them."

Tsiperfal thanks "world opinion" for making the exist visa option possible for some of the thousands who wish to leave. "The Soviet Union, very reluctantly, has to let some people go out of the country. . . . They can't stop immigration, they can't just close the border.

"There was always anti-Semitism in Russia," he says with a shrug. "The Jews were harassed and persecuted throughout all the history of so-called Russia. Before 1917, it was the czar. . . . The Jews had to live in certain places—*little* places. . . . There was an invisible border in the country for Jews.

"After the revolution, gradually, atheism began to prevail. It became a hard time for the Christians, but it added to the hard time of the Jews also. . . . Very gradually, anti-Semitism became (Soviet) government policy."

And in America?

"I presume that anti-Semitism is everywhere," he begins seriously. Then: "I haven't encountered any anti-Semitism toward myself. I see a very strong Jewish community in the United States. Very strong, very influential. I can't imagine how there can be anti-Semitism. There may be some kind of personal feelings, but not massive, like in the Soviet Union."

Tsiperfal speaks excellent English, but it isn't easy for him to articulate his thoughts. He struggles out loud to reconcile his Soviet upbringing, the America of his dreams and the reality of life in Clearwater, Florida.

Tsiperfal loves the freedom of movement, for instance; back home he was required to carry a passport and register with the government when he traveled from one city to another.

"You can go anywhere," he says. "This is very interesting—people take it for granted."

Tsiperfal works for an ophthalmologist in New Port Richey. He hasn't found work in his own specialty because most companies that need his skills are working under government contract. Tsiperfal is not yet eligible to apply for a security clearance, but he is too busy hoping and planning for the future to mind the waiting:

"I think my children will appreciate the things that I did, because this is probably one of the most important things, that my children are going to be free," he says happily. "They are going to be American citizens. They are going to live in the most free country in the world. . . .

"It's not just another country, it's another planet."

Yet there are things about America that make Tsiperfal uneasy. "This country actually sets the standards in many things," he says cautiously. "People hold a very idealistic image of the United States. Unfortunately, you can't have it all."

Tsiperfal is shocked, for instance, by the proliferation of handguns in America. He is also saddened by the lack of environmental concern for what he considers one of the most fascinating collection of natural wonders he has ever seen:

"These beaches, these palm trees—it is like a dream," he says with boyish enthusiasm. "This weather, these pelicans, these bird sanctuaries. Armadillos!"

Tsiperfal says the average Soviet standard of living is low, but there is no poverty such as he has observed in America. Soviet medical care isn't always the best, but it is free. Unemployment is unknown.

"In the United States, you have extremes. You can be at the top, you can be at the very bottom. Nothing is guaranteed. In the Soviet Union, social security is guaranteed, and this is the main thing in the political argument between the two countries.

"On the other hand, the individualistic approach is moving America ahead. In the Soviet Union they don't have any personal initiatives, incentives, and they are just lagging behind. Here you have to struggle, you have to fight, but here there are opportunities."●

● Mr. FROST. Mr. Speaker, I'm pleased to once again join with my colleagues to speak out on an issue that is of deep personal concern to me—the plight of the Soviet Jews. As many of you already know, the month of April brought some good news to this long-suffering community. The emigration of Jews from the Soviet Union reached its highest level in nearly 2 years—166 were allowed to leave last month. This is, of course, an encouraging sign and perhaps a signal from the Soviets that they intend to do better in the area of human rights. I know, though, that I speak for everyone here when I say that it is not enough. We would like to see many, many more exit visas granted and we would like to see this trend continued until all who wish to leave have been permitted to do so.

While there is, for the first time in a long time, reason to be somewhat optimistic, we must not let that blind us to the true situation in the Soviet Union. We cannot forget those that are being left behind while a lucky few are allowed to leave. We cannot forget those who languish in jails because they applied for exit visas years ago.

The situation for the Jewish community in the Soviet Union is as desperate as it has ever been in the past. In the last 12 months, harassment and imprisonment of Soviet Jews has risen dramatically. There has been a marked cultural crackdown on those Jews who choose to practice Jewish tradition or show an interest in their cultural heritage.

I have been to the Soviet Union and have met with refusenik families. I have heard their stories and seen the hardships that they are forced to endure. Jobs are lost, careers are destroyed, their children are denied an education, and they suffer from constant threats and intimidation. They suffer all this because of their simple desire to claim the heritage that is rightfully theirs and to practice freely the religion of their birth.

We cannot allow this to continue. As we enter this critical period in United States-Soviet relations, we are offered a greater opportunity than ever before to effect a real change for Soviet Jewry. The Congress must speak with one voice in reminding the Soviet Union that we, as a nation, will continue to strive for religious and cultural freedom throughout the world.●

● Mr. DASCHLE. Mr. Speaker, I am honored to join my colleagues in raising an alarm about the plight of Soviet Jews and their ongoing struggle to gain religious freedom.

An alarm must be raised for the more than 400,000 Soviet Jews who have initiated the complicated process of obtaining exit visas.

An alarm must be raised because the Soviet Union has granted only a small fraction of these visas.

An alarm must be raised because applying for an exit visa often marks the beginning of persecution of these Jews and their families.

They are likely to lose their jobs. They will stop getting their mail and their telephone calls. They will fear for the safety of their children and older relatives.

In spite of these threats, Soviet Jews have bravely remained committed to their culture and their religion. They continue to secretly band together to study Hebrew, Jewish culture, and history.

From the despair of this existence, heroes have emerged. Heroes that serve as examples to the world. Anatoly Shcharansky has been in a cell of the infamous Gulag Archipelago for 8 years and Andrei Sakharov has been under house arrest for 5 years.

Their message is simple—and one I urge this body to remember: world peace and human rights are inseparable.

We must raise an alarm on behalf of Soviet Jews who call out to us from their imprisonment. We must see to it that all people live in an atmosphere free of religious persecution.

It is a crucial time in the relationship between the United States and Soviet Union. If the Soviet Union wants to establish mutual trust, they can start by complying with the international agreements they have already signed.

We must raise an alarm so Soviet Jews can emigrate or live free of religious persecution.●

Mr. LUNGREN. Mr. Speaker, I yield back the balance of my time.

THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. BROWN] is recognized for 60 minutes.

(Mr. BROWN of Colorado asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Colorado. Mr. Speaker, tomorrow this House will take up the budget for fiscal year 1986. It is vitally important that we have a feel for the very fundamental assumptions that underlie the budget itself. Often this portion of the budget is overlooked or ignored, but it is vitally important—and why?

Economic assumptions forecast the spend-out in many of our entitlement programs. They in effect play a vital part in determining what this country will spend and take in.

What has happened, is that we have consistently underestimated the deficit every year in these last 6 years. Because of that, we have ignored the real crisis that we face in terms of a budget.

This evening let's review the budget assumptions for the last 6 years and see how those projections have worked out. Then we will talk about the projections that underlie the budget document that is coming to the floor. Only when we look at the assumptions can we understand the real impact of what is proposed for the Nation.

□ 2150

Lastly I would like to take a brief look at what we can do. It is vital for our Nation to act this year.

First of all let us take a quick look at what has happened in the last 6 years in those budgets. The chart on my left indicates with a red line the actual deficits that our country has experienced during these last 6 fiscal years. The blue line that underlies it is what we projected in our first congressional budget resolutions.

There are several facts that become quickly apparent when you look at the chart. First of all there is not a single year in the last 6 years when we have not underestimated the deficit.

Now, none of us are perfect in forecasting. I know of no economic forecast service that will be right every year. But the fact is this Congress has been consistently wrong and we have consistently underestimated the deficits that our country has suffered.

The first budget resolution estimated a deficit of $23 billion in 1980. The actual deficit was $59.6 billion. We underestimated it by $36.6 billion.

In 1981 the first budget resolution projected a surplus. The reality was that we had a deficit of $57.9 billion, an error of $58.1 billion.

In 1982 we estimated a deficit of $37.6 billion. It turned out to be $110.6 billion, an error of $73 billion.

In 1983 the estimated was $103.9 billion and the actual was $195.4 billion, a $91.5 billion error.

In 1984, perhaps one of the most interesting years of all, the estimate was $169.9 billion in the red. The reality was $175.4 billion.

Here we should observe that the $175.4 billion is a lower deficit than what you have seen in other reports, but it is appropriate for comparison purposes because we had not, in the original estimate, included off-budget items. Neither does the projection in the chart include off-budget items. The error in 1984 was $5.5 billion.

You might say that while we have still underestimated the deficit, that might be excusable because it is so close. But let me suggest too that you may want to look at that in historic perspective.

Always in the past we have tended to underestimate the deficit in years of a downturn. We have tended to have a much higher surplus or a much lower deficit in years of recovery. That is because when the recoveries come, as they did in 1984, they are usually far stronger than what anyone assumed.

The remarkable thing about 1984 is that even in a year of spectacular recovery the deficit still was larger than what we had projected.

In 1985 we projected $181.1 billion of red ink. It turned out to be $214 billion, or at least that is the current estimate.

My guess is a slower growth in the economy will cause that figure to be revised upward, and the error will be greater than the $23.9 billion that it now appears to be.

Now, what is the point of all of this? That we are not very good at estimating what the deficit will turn out to be? Certainly that goes without saying. But there is another lesson here that I think is very important. Congress has consistently, in every year for the last 6 years, underestimated what the deficit would be. And because we have underestimated the scope of the problem we face we have failed to take the action that this Congress needs to in facing up to our economic problems.

The real errors, though, I believe, come about when you look several years down the road. You do not have to go very far on this floor to hear that while we have not balanced the budget this year, we have taken those steps that are necessary to bring the budget into line 2 years down the road.

Let us take an objective look at what those estimates will mean when you look several years down the road.

What is that record? For the fiscal 1980 budget we forecast for fiscal 1982 a surplus of $33 billion. It turned out to be $110.6 billion in deficit, or an error of $143.6 billion.

Now that is not close, but that is the closest we have come in this decade in making estimates for those 2 years out.

In 1981 the projection for 1983 was for a $39 billion surplus but we actually ended up with a deficit of $195.4 billion, an error of $234.4 billion. Again we underestimated the deficit.

In fiscal 1982 we forecast for fiscal 1984 a surplus of $1 billion. The deficit was $175.4 billion, an error of $176.4 billion.

In fiscal 1983 we forecast for 1985, the fiscal year we are finishing up now, we forecast believe it or not, a $60 billion deficit. It turned out to be $214 billion, or at least that is our current estimates. It could be higher than that. That is an error of $154 billion.

These are not simply errors in estimating. These are a conscientious, continually occurring phenomena where we have systematically underestimated the deficit.

What we have done is, rather than dealing with the deficit, we have tried to assume it away. Instead of recognizing America has a problem and dealing with it, we have written budgets that assume dramatic growth far beyond any realm of reality.

No one is suggesting that you can have perfect forecasts. But you can have realistic ones, realistic ones that will err both on the up side and the down side. They will not be consistently underestimating the deficit.

You cannot look at these figures or the history of Congress in dealing with the Budget Act and come to any other conclusion than that we have systematically chosen to cover up the size of the problem that this country faces.

I want to take a look quickly at the assumptions that we are using for the budget in the year to come. It is important because on that hangs the question of whether or not you actually achieve a $56 billion savings as is claimed in the resolution.

The resolution is woefully negligent in assessing the current situation. The current budget resolution assumes a 4-percent real growth in the gross national product.

Now, all of us know the growth for the real GNP this year is significantly lower than that figure. But that budget resolution assumes a 4-percent real growth.

How do the experts view that? What do they forecast?

Blue Chip, which is a composite of 50 leading economists, forecasted a 2.7-percent real growth. In other words, significantly less than what our budget assumes. The Chase Econometrics forecasts a 2.4-percent real growth. We are assuming a real growth more than 50 percent higher than Chase Econometrics. And DRI, that has an excellent record of reliable forecasts, sees a 2.4-percent real growth as well.

Let us be frank. None of us knows exactly what that real growth is going to be for the next year. But the fact is that we are placing our faith in next year's budget on an assumption that is dramatically higher than any of the responsible forecasting services have come up with.

□ 2200

On unemployment, the budget assumes a 6.9-percent unemployment record. Yet Chase and DRI both agree in their forecast of a 7.6-percent unemployment rate.

What does all this mean? The fact is we forecast 4 percent real growth on for years to come. In the last 6 years,

including good years and bad years, we have had a 2.5 percent annual average growth in the GNP.

Yet our forecast for 1986 is for a 4 percent growth, in 1987 another 4 percent real growth, in 1988 another 4 percent real growth, 1989, 3.9 percent real growth, in 1990 a 3.6 percent real growth.

What we have assumed is a dramatically higher level of real growth in the GNP than what we have achieved in the last 6 years. What is more, we assume we are not going to have a recession during that 5-year future period. I hope it is true. But the fact is we are basing our spending forecasts and our spending plan on assumptions that are wildly unrealistic.

I will come back to that, because I believe capital formation is an important factor in achieving future growth.

What are OMB's projections? OMB does not agree with the assumptions that we are using in this budget. They are forecasting significantly lower rates of growth and more realistic assumptions across the board. Are they correct? I do not know. Are they perfect. No. Are they more reliable than Congress has been? Yes. They are at least reasonably close to what many of the other forecasters are suggesting. At least they bear some resemblance to what our recent history is.

But what happens when you take a look at these figures? What do you come up with? You come up with a far truer picture of where this country is headed. Let us take a look. The Economic and Budget Outlook for fiscal years 1986 through 1990 which was published in February 1985 and on page 71 is a set of forecasts for the economy. The baseline projection which assumes that the programs that we have will go on as they are projected, recognizes a deficit of $214 billion this year. It suggests it will rise next year to $215 billion, go to $233 billion in 1987, go to $249 billion in 1988, go to $272 billion in 1989, and by 1990 it suggests that the deficit will stand at $296 billion. And that assumes rising Federal revenue throughout that period. Clearly we must change.

The more realistic assumption I would suggest to you is under their low-growth alternative. I might say that low-growth alternative is slightly less than an average 2 percent real growth factor. You must make up your mind whether or not you feel that is realistic.

The low-growth assumptions does not assume skyrocketing interest rates. It does assume a more realistic growth rate. Without changes it suggests that this year we will come in at around $220 billion in the red. My guess is that it is closer to the truth than $214 billion.

In 1986 it forecasts a $232 billion deficit. In 1987 it forecasts a $298 billion deficit. In 1988 it estimates a $384 billion deficit. In 1989 it sees a $412 billion deficit. In 1990 it forecasts a $425 billion deficit. My friends, that does not assume runaway interest rates, it assumes interest rates remain fairly modest. It does not take into account our tendency to overspend the budget which occurs each and every year in this House. It does not take into account many of the unexpected things that could happen. It does assume that we will have a slowdown or a mild recession. That type of volatility in our economy has been with us since our Republic was founded and will last long beyond the membership in this House of any of our colleagues. Assuming that in here—is only realistic. It may not be what we want to hear but my guess is it is an eventuality that we must take into account.

What we are saying is the deficit by 1989 could well exceed $400 billion. The assumptions put into the budget resolution that will come to the floor tomorrow are wildly unrealistic. What we bring to the floor tomorrow from the Budget Committee is not a plan for the restructuring and revitalization of America; what we bring to the floor tomorrow is a plan for economic stagnation.

What we bring to the floor tomorrow is a plan that is clearly inadequate. What we bring to the floor tomorrow is a plan that hides from the truth. It assumes away our problems and that does not deal realistically with the urgent need to put America on the road to lasting recovery.

In the last 6 years we have had an approximate average annual real growth in GNP of 2.5 percent.

During that period of time what we have seen is that capital formation has played a key part in growth.

□ 2210

Savings as a percent of GNP have ranged from a low of 5.4 percent in 1980, President Carter's last year, to a high point of 7.4 percent in 1984.

Those savings are calculated as net private domestic savings. They do not take into account the inflow or outflow of capital from this country, from overseas sources.

There is another thing they don't take into account. They do not take into account the Government deficits. You must also look at what the real net, net savings are.

In other words, take into account what that Government deficit does.

The Government deficit comes out of the savings of the hard-working men and women of this country. The money available to reinvest in America, to make this economy stronger, must first pay for the profligate spending of this Government.

In 1980, we had domestic savings of $142 billion. But after the Federal Government got through, those savings were reduced to $82.6 billion. Net savings were 3.1 percent of our GNP.

In 1981, savings went up to $179.6 billion, but after we reduced them by the Federal deficit, they amounted to $121.7 billion.

Those years of savings were what laid the groundwork for the recovery of this country in the 1983 and 1984 period.

In 1982, we had savings drop to $165.2 billion, after you adjusted for the deficit, there was only $54.6 billion left. In 1983, after you subtracted the national deficit you had a minus $0.8 billion in savings.

In 1984, the year we've just finished, net private savings were $272.4 billion with a deficit of $175.4 billion; net savings were only $97.0 billion, or 2.6 percent of our economy.

The point of all of this is simply to suggest that one of the most important factors in determining real growth in our country is net capital formation. It is important to focus on that and ask ourselves what is happening to net capital formation in this Nation.

The facts are these: We have falling rates of net capital formation. The budget that is brought to the floor tomorrow will suggest that this country ignore reality by, continuing to increase spending. It suggests that we consume the savings of working men and women with higher Government debt.

The deficit, next year could well exceed $200 billion even if you adopt what that budget resolution classifies as savings.

What that means is that there will be very little capital left over in this Nation to reinvest in America and help bring our economy back. What it means is, the growth rate in future years is unlikely to be more than 50 percent higher than what it has been in the last 6 years, as is suggested in the assumptions. With a declining growth rate, comes skyrocketing deficits of even greater proportion.

The simple reality is, we cannot hide from the truth in this body any longer. The problem has grown big enough that we must face it. We must not hide our face from the reality that is upon us. If we propose to consume the savings in this Nation with Government deficits, we are going to face a stagnant economy. That stagnant economy will turn a crushing deficit into a burden that we simply cannot carry.

What can we do? Is the problem unsolvable? Clearly not. First and foremost I believe this body must adopt reasonable assumptions for economic forecast. Not wildly optimistic, not wildly pessimistic, but reasonable assumptions, because getting a handle on the problem necessitates understanding what that problem is.

Having come up with reasonable assumptions, I would hope that we would adopt an open rule for the budget resolution when it comes to the floor. The Rules Committee, unfortunately, has chosen to restrict the opportunity of Members of this body to offer amendments. They have been unwilling to have the alternatives presented to the American people.

That kind of restrictive rule is a tragedy for this Nation when we face such a crisis. Hopefully the Members of this body will vote to turn down that restrictive rule, and allow the real budget alternatives to come before this body.

What are those alternatives? A number of our Members have suggested a freeze. Simply not spending more this year than we did last year. That does not sound very dramatic, does it?

Yet, if we had employed it this year, in the fiscal year we are in, in 1985, we would have saved $107 billion. That is right. We had the biggest increase in spending of any year in the history of our Nation this year, fiscal year 1985.

A freeze would have had a dramatic impact in not only reducing the deficit, but reducing the interest burden that we will have to assume in future years.

So the first alternative that we should look at is a simple freeze; not cut money from any program, simply going one year without increasing spending.

Second, I think we must go through, area by area, category by category, and put this budget into shape. One of the more responsible alternatives was put together by Congressman John Porter, along with other colleagues from both sides of the aisle.

That budget resolution suggests saving over $70 billion in the plan for spending next year. It involves the best of both the House Budget Committee, as well as the Senate budget resolution. It takes an honest approach to the budget.

Unfortunately, the Rules Committee would not permit that alternative to come before the floor.

There are other suggestions. One is that we look at the individual functions. One of the alternatives is that as Members of Congress we cut the cost of the legislative branch by 10 percent.

Now that is a modest proposal, but it saves in the neighborhood of $150 million a year. I think it is much more important than simply saving that $150 million, though. I think that proposal has an impact far beyond the mere dollars it suggests.

Its impact is in setting an example. How can we turn to the people of this country and suggest they tighten their belts if we are unwilling to do our part? By standing up and taking a 10-percent cut in the cost of the legislative branch, we would be sending a clear signal that we are serious about putting this country back on the road to recovery.

Now some would say, "Hank, you can't do that. We operate on too close a margin around here that you can't cut 10 percent out of Congress without endangering its function." Do not believe it.

One of my predecessors came to Congress in the late forties. When he came on the Interior Committee they had four full-time staffers. They did more work with four full-time staffers on the Interior Committee than they have done anytime since then.

Today, with far less work, they have 73 full-time staffers doing the work that 4 did. Cannot take a 10-percent cut? Do not be foolish. This Congress could operate far more efficiently and effectively if we simply trimmed some of the waste in our own Halls.

What else could we do? The National Federation of Independent Businessmen, those small businessmen that benefit most by the Small Business Administration have come up with a suggestion for us.

□ 2220

Their suggestion is in their own area, and I think they are to be commended for the suggestion. They have suggested that we trim the Small Business Administration loan program. That would save hundreds of millions of dollars a year. The Rules Committee refused to allow consideration of the amendment on the floor. At a time we face a budget crisis, let us hope the Members of this body are willing to open up that rule so we can consider the alternatives that will truly save money.

What else? The foreign aid budget in the House Budget Committee resolution in function 150, has had a dramatic increase in recent years. For all of international affairs, they are suggesting that we authorize $2.1 billion more in 1986 than we authorized in last year's budget. We can trim that. If we cannot trim foreign aid, what can we trim? If we cannot at least freeze foreign aid, what can we do?

One of the alternatives that was suggested in the Budget Committee was to go to last year's figure and save $2.1 billion simply by freezing it at that level. The Budget Committee unfortunately decided to turn that down.

The Rules Committee unfortunately refused to allow an amendment that would trim the international affairs budget function. They refused to allow that to even be brought to the floor for your consideration. If we are serious about getting the budget down, that needs to be looked at. We do not have the money for dramatic increases in foreign aid in the international affairs.

If we are going to ask Americans to tighten their belts, how can we then have an enormous increase in our foreign aid?

I would simply close at this point with a couple of observations that I think sum up the dilemma that this House faces tomorrow:

One, the assumptions in the budget are dramatically overstated, terribly unrealistic and very misleading in their conclusions. The size of the problem this House faces is much larger than what we have admitted to.

Two, it is vitally important we have before this House tomorrow meaningful alternatives to examine that will allow us to cut that deficit that looms on the horizon.

Three, we must turn down the Rules Committee rule with regard to the budget and open up the process, let the sun shine in, let our colleagues work on this deficit and pare it down.

I happen to believe that if we will work together for the good of this country, if we will take an honest forthright approach towards solving this problem, we can do it. Americans have always met the challenge. Americans have always been willing to come forward and make the sacrifices to keep our country growing and prosperous. I believe we can do it again. But we can only do it if this House faces up to the problem honestly and forthrightly. Hopefully, we will move in that direction tomorrow by defeating the rule and moving to amend that budget to bring the deficit down.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Rudd (at the request of Mr. Michel), for today, on account of dental work.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Sweeney) to revise and extend their remarks and include extraneous material:)

Mr. Emerson, for 30 minutes, today.

Mr. Bateman, for 5 minutes, today.

Mr. Siljander, for 60 minutes, today.

Mr. Siljander, for 60 minutes, May 22.

Mr. Siljander, for 60 minutes, May 23.

Mr. Vander Jagt, for 5 minutes, today.

Mr. Brown of Colorado, for 60 minutes, today.

(The following Members (at the request of Mr. Bosco) to revise and extend their remarks and include extraneous material:)

Mr. Robinson, for 5 minutes, today.

Mr. Stratton, for 5 minutes, today.

Mr. Annunzio for 5 minutes, today.

Mr. Pepper, for 5 minutes, today.

Mr. Dymally, for 5 minutes, today.

Mr. Lipinski, for 5 minutes, May 22.

Mr. Dymally, for 20 minutes, May 22.

Mr. de la Garza, for 60 minutes, May 22.

Mr. de la Garza, for 60 minutes, May 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Addabbo, following Mr. Wolpe in general debate on H.R. 1460 in the Committee of the Whole today.

(The following Members (at the request of Mr. Sweeney) and to include extraneous matter:)

Mr. Gekas.

Mr. Dornan of California in two instances.

Mr. Conte.

Mr. Hammerschmidt in four instances.

Mr. Shumway in two instances.

Mr. Broomfield.

Mr. Pursell.

Mr. Roth.

Mr. Coats.

Mr. Gilman in three instances.

Mr. Hyde.

Mr. Badham.

Mr. Schuette.

Mr. Courter.

Mr. Kramer.

Mr. Tauke.

Mr. Jeffords.

Mr. Fields.

Mr. Myers of Indiana.

Mr. Cheney in two instances.

Mr. Michel.

(The following Members (at the request of Mr. Bosco) and to include extraneous matter:)

Mr. Udall.

Mr. Edgar.

Mr. Hawkins.

Mr. Traficant.

Mr. Lehman of Florida.

Mr. Dymally.

Mr. Ackerman.

Mr. Skelton.

Mr. Ford of Michigan in two instances.

Mr. Dyson in two instances.

Mr. Solarz in three instances.

Mr. Montgomery in two instances.

Mr. Matsui.

Mr. Vento.

Mrs. Burton of California.

Mr. Torres.

Mrs. Kennelly.

Mr. St Germain.

Mr. Rodino.

Mr. Lipinski.

Mr. Roe in two instances.

Mr. Stark in two instances.

Mr. Waxman.

Mr. Wolpe in three instances.

Ms. Mikulski.

Mr. Edwards of California.

Mr. Studds.

Mr. Smith of Florida in three instances.

Mr. Mineta.

Mr. Stallings.

Mr. Bonker in two instances.

Mr. Frank.

Mr. Kolter in two instances.

Mrs. Schroeder.

Mr. Walgren.

Mr. Hubbard.

SENATE BILL AND JOINT RESOLUTIONS REFERRED

A bill and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1023. An act to extend authorizations for appropriations for the Disaster Relief Act of 1974, and for other purposes; to the Committee on Public Works and Transportation.

S.J. Res. 81. Joint resolution to provide for the appointment of Barnabas McHenry as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S.J. Res. 131. Joint resolution to designate the week of June 2, 1985, through June 8, 1985, as "Future Problem Solving Program Week"; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. SIKORSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 30 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 22, 1985, at 10 a.m.

OATH OF OFFICE, MEMBERS, RESIDENT COMMISSIONER AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members, Resident Commissioner, and Delegates of the House of Representatives, the text of which is carried in 5 U.S.C. 3331:

> "I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 99th Congress, pursuant to the provisions of 2 U.S.C. 25:

Frank McCloskey, Eighth, Indiana.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1324. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs of carrying out Federal marketing agreements and orders; to the Committee on Agriculture.

1325. A letter from the Executive Associate Director for Budget and Legislation, Office of Management and Budget, transmitting additional information to an earlier report on the reapportionment of the appropriation to the Financial Management Service for "Salaries and Expenses" (Executive Communication No. 1031, April 16, 1985), pursuant to 31 U.S.C. 1515(b)(2); to the Committee on Appropriations.

1326. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed letter of Offer to the United Kingdom for Defense Articles estimated to cost $50 million or more (Transmittal No. 85-32), pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

1327. A letter from the Secretary of Energy, transmitting a report on the Industrial Energy Efficiency Improvement Program, pursuant to EPCA, Section 375(e) (92 Stat. 3282); to the Committee on Energy and Commerce.

1328. A letter from the Secretary of Energy, transmitting a report on activities undertaken with respect to the strategic petroleum reserve under the SPR Amendments Act of 1981, pursuant to EPCA, Section 165(b) (95 Stat. 620); to the Committee on Energy and Commerce.

1329. A letter from the Acting General Counsel, Department of Energy, transmitting notice of meetings related to the International Energy Program; to the Committee on Energy and Commerce.

1330. A letter from the Director, Defense Security Assistance Agency, transmitting notice of intent of offer to sell certain defense articles or services to the United Kingdom (Transmittal No. 85-32), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1331. A letter from the Director, Defense Security Assistance Agency, transmitting notice of intent of offer to sell certain defense articles or services to the United Kingdom (Transmittal No. 85-33), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1332. A letter from the Director, Office of Legislative Affairs, Agency for International Development, transmitting notice of a change in the allocation of foreign assistance to Mauritania, pursuant to 22 U.S.C. 2413(b); to the Committee on Foreign Affairs.

1333. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1334. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by Edward M. Rowell, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1335. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by L. Craig Johnston, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic and Popular Republic of Algeria, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1336. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by Lester Nicholas Ruwe, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iceland, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1337. A letter from the Comptroller General of the United States, transmitting a list of all reports issued by the GAO during April 1985, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

1338. A letter from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting notification of a new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1339. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting a report on compliance with the laws relating to open meetings of agencies of the Government (Government in the Sunshine Act), pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1340. A letter from the Secretary, Council of the District of Columbia, transmitting a copy of Council Resolution 6–118, entitled: "Black Revolutionary War Patriots Memorial Support Resolution of 1985," pursuant to Public Law 93–198, section 602(c); to the Committee on House Administration.

1341. A letter from the the Clerk, U.S. House of Representatives, transmitting his quarterly report of receipts and expenditures of appropriations and other funds for the period January 1, 1985 to March 31, 1985, pursuant to 2 U.S.C. 104a (H. Doc. No. 99–70); to the Committee on House Administration and ordered to be printed.

1342. A letter from the Treasurer General, Daughters of the American Revolution, transmitting the Society's report and financial audit for the fiscal year ended February 28, 1985, pursuant to Public Law 88–504, section 3 (36 U.S.C.1103); to the Committee on the Judiciary.

1343. A letter from the Office of the Special Counsel, U.S. Merit Systems Protection Board, transmitting an addendum to the report (EC0552) concerning the investigation of allegations of widespread travel fraud and violations of law in the Corps of Engineers, pursuant to 5 U.S.C. 1206(b)(5)(A) (92 Stat. 1125); to the Committee on Post Office and Civil Service.

1344. A letter from the Secretary of Transportation, transmitting the National Airway System Plan Annual Report for fiscal year 1984, pursuant to Public Law 97–248, section 504(b)(1); to the Committee on Public Works and Transportation.

1345. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of a modification of a NASA facility on Easter Island, pursuant to Public Law 98–361, section 103; to the Committee on Science and Technology.

1346. A letter from the Assistant Secretary of the Treasury for Legislative Affairs and the, Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting the seventh annual report on the progress in enhancing human rights through U.S. participation in international financial institutions, pursuant to Public Law 95–118, section 701(c)(1) (94 Stat. 431); jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

1347. A letter from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting a report entitled: "North Pacific Fur Seals: Current Problems and Opportunities Concerning Conservation and Management;" jointly to the Committees on Merchant Marine and Fisheries and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FUQUA: Committee on Science and Technology. S. 817. A bill to authorize appropriations under the Earthquake Hazards Reduction Act of 1977 for fiscal years 1986 and 1987, and for other purposes; with amendments (Rept. No. 99-90, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. Supplemental report on H.R. 2478 (Rept. No. 99-116, Pt. II) Ordered to be printed.

Mr. PEPPER. Committee on Rules. House Concurrent Resolution 152. Current resolution to revise the congressional budget for the U.S. Government for the fiscal year 1986 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988 (Rept. No. 99-133, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. S. 818. A bill to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974; with an amendment (Rept. No. 99-135). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 448. A bill to designate the Federal Building in Akron, OH, as the "Paul C. Weick Federal Building and United States Courthouse"; (Rept. No. 99–136). Referred to the House Calendar.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 633. A bill to designate the U.S. Post Office Building in Flushing, NY, as the "Benjamin S. Rosenthal Post Office Building" (Rept. No. 99-137). Referred to the House Calendar.

Mr. BROOKS: Committee on Government Operations. The President's suspension of the Competition in Contracting Act is unconstitutional. (Rept. No. 99–138). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Costly failure to control Government property furnish to defense contractors remains uncorrected. No. 99-139). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. OSHA's failure to protect the health and safety of workers at hazardous waste sites (Rept. No. 99-140). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 177. Resolution providing for the consideration of House Concurrent Resolution 152, concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1986 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988 (Rept. No. 99-141). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONES of North Carolina:

H.R. 2550. A bill to amend section 506 of the Merchant Marine Act, 1936, to permit permanent payback of construction-differential subsidy; to the Committee on Merchant Marine and Fisheries.

By Mr. MITCHELL:

H.R. 2551. A bill to amend the Internal Revenue Code of 1954 to provide that the interest on certain obligations related to exempt activities, industrial parks, and small issues shall be exempt from Federal income tax only if at least 10 percent of the proceeds of the issue are to be expended with underutilized small businesses, and for other purposes; to the Committee on Ways and Means.

By Mr. APPLEGATE:

H.R. 2552. A bill to amend the Internal Revenue Code of 1954 to extend to February 15 the date for filing the fourth installment of estimated tax for individuals, and for other purposes; to the Committee on Ways and Means.

By Mr. BENNETT (for himself, Mr. Rangel, Mr. Gilman, Mr. Montgomery, and Mr. Shaw):

H.R. 2553. A bill to amend title 10, United States Code, to authorize members of the Armed Forces to assist civilian law enforcement agencies in drug-interdiction operations outside the United States; to the Committee on Armed Services.

By Mr. BENNETT (for himself, Mr. Nichols, Mrs. Boxer, Mr. Whitley, Mr. Coughlin, Mr. Gibbons, Mr. Panetta, Mr. Frank, Mr. Mineta, Mr. Dorgan of North Dakota, Mr. Levine of California, Mr. Gejdenson, Ms. Snowe, Mr. Porter, Mr. Denny Smith, Mr. Fauntroy, Mr. Beilenson, Mr. Hughes, Mr. Kolter, Mr. Torricelli, Mr. Edgar, Mr. Coelho, Mr. Mitchell, Mr. Jacobs, Ms. Kaptur, Mr. Solomon, Mr. Boucher, Mr. Stokes, Mr. Evans of Illinois, Mrs. Burton of California, Mr. Bevill, Mr. AuCoin, Mr. Downey of New York, Mr. Weiss, Mr. Stark, and Mr. Vento):

H.R. 2554. A bill to limit conflicts of interest in defense procurement; to the Committee on Armed Services.

By Mrs. BENTLEY:

H.R. 2555. A bill to provide market expansion and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and for other purposes; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. DELLUMS:

H.R. 2556. A bill to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. DYMALLY:

H.R. 2557. A bill to establish partnership agreements between institutions of higher education and secondary schools; to the Committee on Education and Labor.

By Mr. DYMALLY (for himself, Mr. Hawkins, Mr. Dixon, Mr. Clay, and Mr. Leland):

H.R. 2558. A bill designating the United States Post Office Building to be constructed on the property on the northwest corner of the intersection of Florence Avenue and Central Avenue in Los Angeles, CA, as the "Leslie Nelson Shaw, Sr., General Mail Facility of the United States Postal Service;" to the Committee on Post Office and Civil Service.

By Mr. EMERSON (by request):

H.R. 2559. A bill entitled: "The Food Stamp and Commodity Distribution Amendments of 1985"; to the Committee on Agriculture.

By Mr. FLORIO (for himself, Mr. Sikorski, Ms. Mikulski, Mr. Markey, Mr. Edgar, Mr. Moody, Mr. Downey of New York, Mr. Fazio, Mr. Guarini, Mr. Molinari, Mr. Heftel of Hawaii, Mr. Waxman, Mr. Wirth, Mr. Swift, Mr. Rodino, Mr. Frank, Mr. Jeffords, Mr. Nelson of Florida, Mr. Foglietta, Mr. Torres, Mr. Mineta, Mr. Weiss, Mr. LaFalce, Mr. Dwyer of New Jersey, Mr. Hayes, Mr. Biaggi, Mr. AuCoin, Mr. Morrison of Connecticut, Mr. Studds, Mr. Dicks, Mr. Solarz, Mr. Miller of California, Mr. Hoyer, Mr. Lowry of Washington, Mr. Torricelli, Mr. Boucher, Mr. Berman, Mr. Walgren, Mr. Lundine, Mr. Wilson, Mr. Spratt, Mr. Brown of California, Mr. Martinez, Mr. Green, Mr. Hall of Ohio, Mr. Beilenson, and Mr. Kleczka):

H.R. 2560. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes; divided and referred as follows: Titles I and II jointly, to the Committee on Energy and Commerce and the Committee on Public Works and Transportation; title III to the Committee on Energy and Commerce; and title IV to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself and Mr. Moorhead):

H.R. 2561. A bill to amend section 456 of title 28, United States Code, to allow actual travel expenses of justices and judges; to the Committee on the Judiciary.

By Mr. LANTOS:

H.R. 2562. A bill to define allowable cost reimbursement under contracts of the Department of Defense and to authorize greater financial and criminal penalties for false claims; to the Committee on Armed Services.

By Mr. LELAND:

H.R. 2563. A bill to designate the U.S. Post Office Building located at 2909 Rogerdale in Houston, TX, as the "Debra Sue Schatz Post Office Building"; to the Committee on Post Office and Civil Service.

By Mr. MARLENEE (for himself, Mr. Craig, and Mr. Williams):

H.R. 2564. A bill to protect owners of firearms from certain litigation; to the Committee on the Judiciary.

H.R. 2565. A bill to provide to any person lawfully possessing a firearm in the place of such person's residence in the United States the right to possess that firearm anywhere in the United States; to the Committee on the Judiciary.

H.R. 2566. A bill to protect manufacturers of firearms from certain litigation; to the Committee on the Judiciary.

By Ms. OAKAR (for herself, Mr. Clay, Mr. Fauntroy, and Mr. Mitchell):

H.R. 2567. A bill to prohibit Smithsonian Institution loans and investments in the Republic of South Africa, and for other purposes; to the Committee on House Administration.

By Mr. SHUMWAY:

H.R. 2568. A bill to provide for a uniform product liability law; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. STALLINGS:

H.R. 2569. A bill to amend the Wild Scenic Rivers Act to designate a segment of the Henry's Fork River in the State of Idaho for potential addition to the national wild and scenic rivers system; to the Committee on Interior and Insular Affairs.

By Mr. TRAFICANT:

H.R. 2570. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to limit eligibility for block grants under part D of such title to States in which owners of firearms are required to register such firearms with local law enforcement agencies; to the Committee on the Judiciary.

By Mr. VANDER JAGT (for himself, Mr. Stark, and Mr. Matsui):

H.R. 2571. A bill to amend the Internal Revenue Code of 1954 to make certain changes relating to real estate investment trusts; to the Committee on Ways and Means.

By Mr. VENTO (for himself, Mr. Penny, and Mr. Frenzel):

H.R. 2572. A bill to amend title XVIII of the Social Security Act to permit a hospital to exempt a prolonged respiratory care unit that is a distinct unit of the hospital from the prospective payment system; to the Committee on Ways and Means.

By Mr. BATEMAN (for himself, Mrs. Boggs, Mr. Biaggi, Mr. McKernan, Mr. Price, Mr. Whitehurst, Mrs. Burton of California, Mr. Bennett, Mr. Addabbo, Mr. Roe, Mr. Towns, Mr. Young of Alaska, Mrs. Boxer, Mr. Quillen, Mr. Mitchell, Mr. Pepper, and Mrs. Bentley):

H.R. 2573. A bill to promote increased ocean transportation of bulk commodities in the foreign commerce of the United States in U.S.-flag ships, to strengthen the defense industrial base, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. FLORIO (for himself, Mr. Oberstar, and Mrs. Burton of California):

H.J. Res. 289. Joint resolution to designate August 29, 1985, as "Railroad Retirement Day"; to the Committee on Post Office and Civil Service.

By Mr. RINALDO:

H.J. Res. 290. Joint resolution to designate the week beginning June 16, 1985, as "National Handball Week"; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of Oklahoma:

H.J. Res. 291. Joint resolution to express the sense of the Congress that the television broadcasting stations of the Nation should provide television coverage concerning missing children; to the Committee on Energy and Commerce.

By Mr. MILLER of Ohio:

H. Con. Res. 153. Concurrent resolution expressing congressional approval of the plans being made to commemorate the 200th anniversary of the Northwest Ordinance, and calling for a national celebration of such anniversary; to the Committee on Post Office and Civil Service.

By Mr. PURSELL (for himself, Mr. Tauke, Ms. Snowe, Mr. McKinney, Mr. Gunderson, Mr. Ridge, Mr. Chandler, Mrs. Johnson, Mr. Henry, Mr. Fish, Mrs. Schneider, Mr. Horton, Mr. Lujan, Mr. Stangeland, Mr. Coughlin, Mr. Rowland of Connecticut, Mr. Leach of Iowa, and Mr. Boehlert):

H. Con. Res. 154. Concurrent resolution to revise the congressional budget for the U.S. Government for the fiscal year 1985 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988; to the Committee on the Budget.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

135. By the SPEAKER: Memorial of the House of Representatives of the State of Hawaii, relative to the Superfund; to the Committee on Energy and Commerce.

136. Also, memorial of the Legislature of the State of Nebraska, relative to a mutual reduction in nuclear weapons; to the Committee on Foreign Affairs.

137. Also, memorial of the Legislature of the State of Nevada, relative to the reform of Federal grand juries; to the Committee on the Judiciary.

138. Also, memorial of the House of Representatives of the State of Hawaii, relative to Federal energy tax credits; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FOGLIETTA introduced a bill (H.R. 2574) for the relief of the survivors of Christopher Eney; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 11: Mr. Bereuter, Mr. Chandler, Mr. Coby, Mr. Hammerschmidt, Mr. Ireland, Mrs. Johnson, Mr. Ortiz, Ms. Snowe, Mr. Shuster, Mr. Taylor, Mr. Thomas of Georgia, and Mr. Young of Florida.

H.R. 37: Mr. Hatcher, Mr. McEwen, Ms. Oakar, and Mr. Walgren.

BEST COPY AVAILABLE

H.R. 38: Mr. Kemp, Mr. Parris, Mr. Badham, Mr. Hillis, Mr. Ritter, Mr. Coughlin, and Mr. Ford of Tennessee.

H.R. 62: Mr. Bustamante.

H.R. 230: Mr. Sikorski, Mr. Miller of Washington, Mr. Leach of Iowa, Mr. Stokes, Mr. Atkins, Mr. Lehman of Florida, and Mr. Kolter.

H.R. 232: Mr. Fazio, Mr. Moakley, and Mr. Solarz.

H.R. 237: Mr. Beilenson, Mr. Bereuter, Mr. Bonker, Mr. Coelho, Mr. Foley, Mr. Hyde, Mr. Ireland, Mr. Leach, of Iowa, Mr. Moody, Mr. Morrison of Connecticut, Mr. Olin, Mr. Slattery, and Mr. Swift.

H.R. 281: Mr. Akaka, Mr. Dowdy of Mississippi, Mr. Visclosky, and Mr. Seiberling.

H.R. 333: Mr. Sweeney and Mr. Rowland of Georgia.

H.R. 479: Mrs. Meyers of Kansas and Mr. Stratton.

H.R. 480: Mr. Bustamante.

H.R. 567: Mr. Smith of New Hampshire.

H.R. 593: Mr. Lehman of California.

H.R. 822: Mr. Olin, Mr. Robinson, Mr. Coleman of Texas, Mr. Rangel, and Mr. Rahall.

H.R. 867: Mr. Rahall.

H.R. 935: Mr. Chandler, Mr. Stangeland, Mr. Gallo, Mr. Mitchell, Mr. Gunderson, Mr. Guarini, Mr. Conyers, Mr. Edwards of California, Mr. Daub, Mr. Owens, Mr. Visclosky, and Mr. Shaw.

H.R. 980: Mrs. Bentley and Mr. Erdreich.

H.R. 997: Mr. Mineta.

H.R. 1068: Mr. Fazio and Mr. Markey.

H.R. 1145: Mrs. Burton of California, Mr. Edwards of California, Mr. Jeffords, Mr. Daniel, Mr. Feighan, and Mr. Moody.

H.R. 1200: Mr. Bates and Mr. Ritter.

H.R. 1222: Mr. Clinger.

H.R. 1272: Mr. Owens, Mr. Weiss, and Mr. Walgren.

H.R. 1279: Mr. Lehman of California, Mr. Sabo, Mr. Lowry of Washington, Mr. Tallon, Mr. McKinney, Mr. Carper, Mr. Stokes, Mr. Dorgan of North Dakota, Ms. Oakar, Mr. Daschle, Mr. Hoyer, Mr. Flippo, Mr. Roe, Mr. Dyson, Mr. Perkins, and Mr. Robinson.

H.R. 1298: Mr. Mineta.

H.R. 1309: Mr. Clay.

H.R. 1355: Mr. Bedell and Mr. Gray of Illinois.

H.R. 1382: Mr. Dixon, Mr. Volkmer, and Mr. Miller of California.

H.R. 1423: Mr. Young of Alaska and Mr. Kasich.

H.R. 1595: Mr. Schulze.

H.R. 1608: Mr. Vander Jagt and Mrs. Holt.

H.R. 1613: Mr. Jeffords, Mr. Quillen, Mr. Ford of Tennessee, and Mr. Wolpe.

H.R. 1615: Mr. Williams, Ms. Mikulski, and Mr. McDade.

H.R. 1616: Mr. Boland, Mr. Rodino, Mr. Dingell, Mr. Dellums, Mr. Hawkins, Mr. Horton, Mrs. Lloyd, Mr. Bedell, Mr. Kildee, Mr. Conyers, Mr. Traficant, Mr. Markey, Mr. Owens, Mr. Coyne, Mr. Savage, Ms. Oakar, Mr. Rangel, Mr. Downey of New York, Mr. Moakley, Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Stokes, Mr. Martinez, Mr. Traxler, Mr. Levin of Michigan, Mr. Mitchell, Mr. Roybal, Mr. Boehlert, Mr. Russo, Mr. Mavroules, Mr. Weiss, Mr. Edgar, Mr. Biaggi, Mr. Hertel of Michigan, Mrs. Schroeder, Mr. Bonior of Michigan, Mr. Dymally, Mr. Oberstar, Mr. Kleczka, Mr. Frank, Mr. Hayes, Mr. Richardson, Mr. Levine of California, Mr. Evans of Illinois, Mr. Kolter, Mrs. Burton of California, Mr. Stark, Mr. Murphy, Mr. Berman, Mr. Rahall, Mr. Nowak, Mr. Williams, Mr. Durbin, Mr. Crockett, Mr. Studds, Mrs. Schneider, Mr. Sabo, Mrs. Collins, Mr. Guarini, Mr. Wolpe, Mr. Moody, Mr. Davis, Mr. Gaydos, Ms. Kaptur, and Mr. Wise.

H.R. 1619: Mr. Schulze, Mr. Anthony, Mr. Flippo, Mr. Duncan, Mr. Bevill, Mr. Fuqua, Mr. Ireland, Mr. Fazio, Ms. Kaptur, Mr. Lehman of Florida, and Mr. Vander Jagt.

H.R. 1682: Mr. Shumway, Mr. Martinez, and Mr. Kolter.

H.R. 1720: Mr. Leach of Iowa, and Mr. Dorgan of North Dakota.

H.R. 1769: Mr. Leath of Texas, and Mr. Spratt.

H.R. 1805: Mr. Chandler, Mr. Vento, Mr. Mrazek, Mrs. Bentley, Mr. Berman, Mr. Broyhill, Mr. Conte, Mr. Crane, Mr. Daschle, Mr. Daniel, Mr. Dannemeyer, Mr. Dreier of California, Mr. Fish, Mr. Garcia, Mr. Glickman, Mr. Hughes, Ms. Kaptur, Mr. Lagomarsino, Mr. McGrath, Mr. Monson, Mr. Moorhead, Mr. Rowland of Connecticut, and Mr. Shumway.

H.R. 1893: Mr. Henry, Mr. Schaefer, Mr. Robert F. Smith, Mr. Nielsen of Utah, Mr. Dickinson, Mr. Weber, and Mr. Frenzel.

H.R. 1911: Mr. Reid, Mrs. Bentley, and Mr. Kasich.

H.R. 1918: Mr. St Germain.

H.R. 1950. Mr. Rahall, Mr. Howard, Mr. Conyers, Mr. Perkins, Mr. Kindness, Mr. Murphy, Mr. Wilson, Mr. Owens, Mr. Evans of Illinois, Mr. Nowak, Mr. Stokes, Mr. Hawkins, Mr. Towns, Mr. Ford of Michigan, Mr. Gaydos, Mr. Henry, Mr. Torricelli, Mr. Ford of Tennessee, Mr. Edgar, Mr. Fazio, Mr. Bonior of Michigan, Mr. Matsui, Mr. Sundquist, Ms. Kaptur, and Mr. Lundine.

H.R. 1980: Mr. Fauntroy, Mrs. Collins, and Mrs. Boggs.

H.R. 1992: Mr. Solarz.

H.R. 2007: Mr. Conyers, Mr. Weber, Mr. Dreier of California, Mr. Frank, Mr. Lungren, Mr. DioGuardi, Mr. Saxton, Mr. Durbin, Mr. Porter, Mr. Kolbe, Mr. Eckart of Ohio, Mr. Lightfoot, Mr. Daschle, Mr. Clinger, Ms. Kaptur, and Mr. Shumway.

H.R. 2069: Mr. Glickman, Mrs. Roukema, Mr. Mrazek, Mr. Badham, and Mr. Bryant.

H.R. 2080: Mr. Bonior of Michigan, Mr. Durbin, Mr. Owens, Mr. Rangel, Mr. Heftel of Hawaii, Mr. Barnes, Mr. Clinger, Mr. Oberstar, Mr. Richardson, Mr. Dicks, Mr. Dowdy of Mississippi, Mr. Torricelli, Mr. Coyne, Mr. Walgren, Mr. Gilman, Mr. Sikorski, and Mr. Roybal.

H.R. 2098: Mr. Dickinson.

H.R. 2132: Mr. Green, Mr. Manton, Mr. Fauntroy, Mr. Smith of Florida, Mr. Oxley, Mr. Bennett, Mr. Dornan of California, Mr. Kindness, Mr. Gallo, Mr. Rose, Mr. Bedell, Mr. Roe, Mr. Wortley, Mr. Kleczka, Mr. Dwyer of New Jersey, Mrs. Johnson, Mr. Downey of New York, Mr. Daub, Mr. Gilman, Mr. Bryant, Mr. Parris, and Mr. Rangel.

H.R. 2172: Mr. Green.

H.R. 2190: Ms. Kaptur, Mr. Downey of New York, Mr. Smith of New Jersey, and Mr. Bryant.

H.R. 2205: Mr. Andrews, Mr. Blaz, Mr. Daschle, Mr. Dwyer of New Jersey, Mr. Edgar, Mr. Ralph M. Hall, Mr. Heftel of Hawaii, Mr. Howard, Ms. Kaptur, Mr. Kolter, Mr. Levine of California, Mrs. Lloyd, Mr. Martinez, Mr. Mollohan, Mr. Morrison of Connecticut, Ms. Oakar, Mr. Packard, Mr. Porter, Mr. Sabo, and Mr. Spratt.

H.R. 2216: Mr. Barnes, Mr. Garcia, Mr. Howard, Ms. Oakar, Mr. Lantos, Mr. Lagomarsino, Mr. Biaggi, Mr. MacKay, Mr. Bennett, and Mr. Daschle.

H.R. 2235: Mr. Guarini, Mr. Kolter, Mr. Fazio, Mr. Solarz, Mr. Frank, Mr. Ortiz, and Mr. Dixon.

H.R. 2262: Mr. Edwards of California, Mr. Moody, Mr. DioGuardi, Mr. Mineta, Mr. Stokes, Mr. de la Garza, and Mr. Frank.

H.R. 2277: Mrs. Smith of Nebraska, and Mr. Robert F. Smith.

H.R. 2329: Mr. Towns, Mr. Moody, and Mr. Gray of Pennsylvania.

H.R. 2346: Mr. Kindness, Mr. Horton, Mr. Lagomarsino, Mr. Daub, Mr. Wortley, and Mr. Conte.

H.R. 2354: Mr. Duncan.

H.R. 2357: Mr. Strang, Mr. Frenzel, Mr. Stenholm, Mr. Kramer, and Mr. Emerson.

H.R. 2361: Mr. Morrison of Connecticut, Mr. Stokes, Mr. Berman, Mr. Seiberling, Mr. Studds, and Mr. Lowry of Washington.

H.R. 2365: Mr. Mitchell, Mr. Yates, Mr. Owens, Mrs. Collins, Mr. Barnes, Mr. Frank, Mr. Wyden, Mr. Edwards, of California, Mr. Crockett, and Mr. Boner, of Tennessee.

H.R. 2370: Mr. Seiberling.

H.R. 2371: Mr. Studds, Mr. Roe, Mr. Fish, and Mr. Fascell.

H.R. 2385: Mr. Sikorski.

H.R. 2401: Mr. Wirth, Mr. Lehman of California, and Mr. Rangel.

H.R. 2451: Mr. Matsui, Mr. Nichols, Mr. Bevill, Mrs. Burton of California, Mrs. Bentley, Mr. Lipinsky, Mr. Rudd, Mr. Leland, Mr. Andrews, Mr. Brooks, Mr. Wright, Mr. Sam B. Hall, Jr., Mr. Ralph M. Hall, Mr. Weaver, Mr. Bryant, and Mr. Frost.

H.R. 2495: Mr. Rahall.

H.R. 2524: Mr. de la Garza.

H.J. Res. 3: Mr. Perkins, Mr. Guarini, Mr. Staggers, and Mr. Atkins.

H.J. Res. 79: Mr. Tauzin, Mr. Kostmayer, Mr. Latta, Mr. Loeffler, Mr. Edwards of Oklahoma, Mr. McDade, Mr. Mack, Mr. Moakley, Mr. Moorhead, and Mr. Pepper.

H.J. Res. 164: Mr. Akaka, Mr. Barnes, Mrs. Bentley, Mr. Coats, Mr. Feighan, Mr. Garcia, Mr. Gray of Illinois, Mr. Henry, Ms. Kaptur, Mr. Kleczka, Mr. Lowery of California, Mr. Martin of New York, Mr. Moakley, Mr. Mrazek, Mr. Regula, Mr. Schaefer, Mr. Shelby, Mr. Stangeland, and Mr. Wolpe.

H.J. Res. 169: Mr. DioGuardi, Mr. Montgomery, Mr. Cooper, Mr. Campbell, Mr. Young of Alaska, Mr. Bosco, Mr. Kanjorski, Mr. Kostmayer, Mr. Clay, Mr. Rose, Mr. Matsui, Mr. Barnard, Mr. Bartlett, Mr. Gunderson, Mr. Stokes, Mr. Regula, Mr. Davis, Mr. Edgar, Mr. Oberstar, Mr. Bennett, and Mr. Ray.

H.J. Res. 234: Mr. Ortiz, Mr. Garcia, Mr. DeWine, Mr. Wyden, Mr. Hatcher, and Mr. Rahall.

H.J. Res. 243: Mr. Roe, Mr. Wortley, Mr. Dornan of California, Mr. Fazio, Mr. Thomas of Georgia, Mr. Ortiz, Mr. Conte, Mr. de la Garza, Mr. Valentine, and Mr. Feighan.

H.J. Res. 250: Mr. Waxman, Mr. Lagomarsino, Mr. DioGuardi, Mr. Kolter, Mr. Kasich, Mr. Volkmer, and Ms. Kaptur.

H.J. Res. 281: Mrs. Lloyd, Mr. Fish, Mr. Horton, Mr. Waxman, Mr. Wolpe, Mr. Stenholm, Mr. Coyne, Mr. Hefner, Mr. Emerson, Mr. Towns, Mr. Hertel of Michigan, Mr. Conyers, Mr. Smith of New Jersey, Mr. Wolf, Mr. Sisisky, Mr. Brown of California, Mr. Barnes, Mr. Owens, Mr. Leland, Mr. Ralph M. Hall, Mr. Bateman, Ms. Oakar, Mr. Biaggi, Mr. Boland, Mr. MacKay, Mr. Carper, Mr. Courter, Mr. Daniel, Mr. Dicks, Mr. Dowdy of Mississippi, Mr. Dymally, Mr. Daschle, Mr. Kindness, Mr. Dornan of California, Mr. Crane, Mr. Chappie, Mr. Martin of New York, Mr. Skelton, Mr. O'Brien, Mr. Ortiz, Mr. Conte, Ms. Mikulski, Mr. Lagomarsino, Mr. Guarini, Mrs. Boxer, Mr. LaFalce, Mr. Hendon, Ms. Kaptur, Mr. Perkins, Mr. Young of Florida, Mr. Bustamante, Mr. Stokes, Mr. Scheuer, Mr. Hyde, Mr. Carr, Mr. Tauzin, Mr. Boner of Tennessee, Mr. Broomfield, Mr. Hoyer, Mr. Clay, Mr. Torricelli, Mr. Vander Jagt, Mr. Rodino, Mr. Porter, Mr. Bevill, Mr. Erdreich, Mr. Mazzoli, Mr. Broyhill, Mr. Howard, Mr. Robert F. Smith, Mr. English, Mr. Anthony, Mr. Nelson of Florida, Mr. Rangel, Mr. Vento, Mr. Lent, Mr. Bryant, Mr. Bliley, Mr. Donnelly, Mr. Sundquist, Mr. McHugh, Mr. de la Garza, Mr. Badham, Mr. Florio, Ms. Snowe, Mr. Saxton, Mr. Jacobs, Mr. Bedell, Mr. Thomas of Georgia, Mr. Frank, Mr. Rahall, Mr. Berman, Mr. Mrazek, Mr. Lowry of Washington, Mr. Ackerman, Mr. Packard, Mr. de Lugo, Mr. Pepper, Mr. Levin of Michigan, and Mr. McEwen.

H. Con. Res. 26: Mr. Carney, and Mr. McKernan.

H. Con. Res. 60: Ms. Oakar and Mr. Wolpe.

H. Con. Res. 69: Mr. Panetta, Mr. Spratt, Mr. Ford of Tennessee, Mr. Nowak, Mr. Wyden, Mr. Rangel, Mr. Kemp, Mr. Jeffords, Mr. Smith of New Hampshire, Mr. Brown of California, Mr. Andrews, and Mr. Gallo.

H. Con. Res. 106: Mr. Frost, Mr. Frank, Mr. Stallings, Mr. Thomas of Georgia, Mr. Wilson, and Mr. Clay.

H. Con. Res. 120: Mr. Weiss.

H. Con. Res. 131: Mr. Barton of Texas.

H. Res. 67: Mr. Kolter.

H. Res. 122: Mr. Ralph M. Hall, Mr. Mollohan, Mr. Markey, Mr. Rose, Mr. Owens, Mr. Bustamante, Mr. Weaver, Mr. Richardson, and Mrs. Lloyd.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 429: Mr. Ford of Michigan.

H.R. 1809: Mr. Ford of Michigan.

H.R. 1965: Mrs. Bentley.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

108. By the SPEAKER: Petition of the Lincoln Diocesan Counsel of Catholic Women, Lincoln, NE, relative to the rural economic crisis; to the Committee on Agriculture.

109. Also, petition of the Hernando County Board of County Commissioners, Brooksville, FL, relative to the Federal Revenue Sharing Program; to the Committee on Government Operations.

110. Also, petition of Mr. Spear, Montgomery, AL, relative to the judiciary system; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1460

By Mr. WORTLEY:

—Page 20, strike out lines 16 through 25 and insert in lieu thereof the following:

SEC. 5. GOLD COINS.

(a) Registration and Fee.—No South African krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa may be entered into the customs territory of the United States unless and until, at the point at which the krugerrand or gold coin is entered—

(1) the krugerrand or gold coin is registered with the Secretary of the Treasury, in such form as the Secretary may prescribe, and

(2) a fee of 5 percent of the value of the krugerrand or gold coin is paid.

(b) Use of Fees and Fines.—It is the sense of the Congress that the amounts of the fees collected under subsection (a)(2) and the amounts of fines collected under section 9(b)(2)(B) should be used—

(1) to pay for the costs of the registration required by subsection (a)(1), and

(2) for financing scholarships, awarded on the basis of merit and financial needs, to black and other non-white South Africans for undergraduate or professional education in the United States or South Africa, particularly in those fields of study in which the percentage of qualified persons in South Africa who are non-white is substantially less than the percentage of non-white persons in the general population in South Africa.

In section 6(a)(1) and section 6(a)(2), strike out "sections 4 and 5" and insert in lieu thereof "section 4".

In section 10, insert "and" after "South Africa," and strike out ", and on the importation of krugerrands".

H. Con. Res. 152

By Mr. BROWN of Colorado:

—In paragraph (2) (relating to International Affairs (150)) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $1,400,000,000, for fiscal year 1987.

Make a corresponding change in the levels of total new budget authority, total budget outlays, and the deficit in subsection (a) of the first section and of section 2.

—In paragraph (7) (relating to Commerce and Housing Credit (370)) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority for fiscal year 1986 by $310,000,000, for fiscal year 1987 by $429,000,000, and for fiscal year 1988 by $408,000,000.

In paragraph (7) (relating to Commerce and Housing Credit (370)) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $225,000,000, for fiscal year 1987 by $407,000,000, and for fiscal year 1988 by $337,000,000.

Make a corresponding change in the levels of total new budget authority, total budget outlays, and the deficit in subsection (a) of the first section and of section 2.

—In paragraph (17) (relating to General Government (800)) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority for fiscal year 1986 by $173,000,000, for fiscal year 1987 by $171,000,000, and for fiscal year 1988 by $175,000,000.

In paragraph (17) (relating to General Government (800)) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $151,000,000, for fiscal year 1987 by $159,000,000, and for fiscal year 1988 by $169,000,000.

Make a corresponding change in the levels of total new budget authority, total budget outlays, and the deficit in subsection (a) of the first section and of section 2.

By Mr. DANNEMEYER:

(Amendment in the nature of a substitute.)

—Strike everything after the resolving clause and insert in lieu thereof the following:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986 and October 1, 1987.

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,200,000,000.
Fiscal year 1986: $793,000,000,000.
Fiscal year 1987: $865,600,000,000.
Fiscal year 1988: $953,900,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $300,000,000.
Fiscal year 1987: $1,300,000,000.
Fiscal year 1988: $1,400,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,055,300,000,000.
Fiscal year 1986: $1,050,900,000,000.
Fiscal year 1987: $1,117,400,000,000.
Fiscal year 1988: $1,194,900,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $949,600,000,000.
Fiscal year 1986: $961,300,000,000.
Fiscal year 1987: $1,001,900,000,000.
Fiscal year 1988: $1,051,400,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $213,400,000,000.
Fiscal year 1986: $168,200,000,000.
Fiscal year 1987: $136,300,000,000.
Fiscal year 1988: $97,600,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,849,300,000,000.
Fiscal year 1986: $2,086,500,000,000.
Fiscal year 1987: $2,312,700,000,000.
Fiscal year 1988: $2,525,200,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $25,500,000,000.
Fiscal year 1986: $237,200,000,000.
Fiscal year 1987: $226,200,000,000.
Fiscal year 1988: $212,600,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987 are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $51,700,000,000.

(B) New primary loan guarantee commitments, $68,400,000,000.

(C) New secondary loan guarantee commitments, $53,500,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $22,300,000,000.

(B) New primary loan guarantee commitments, $74,600,000,000.

(C) New secondary loan guarantee commitments, $51,100,000,000.

Fiscal year 1987:

(A) New direct loan obligations, $20,400,000,000.

(B) New primary loan guarantee commitments, $76,100,000,000.

(C) New secondary loan guarantee commitments, $51,800,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $17,500,000,000.

(B) New primary loan guarantee commitments, $81,700,000,000.

(C) New secondary loan guarantee commitments, $52,100,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $252,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $302,500,000,000.

(B) Outlays, $273,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $325,400,000,000.

(B) Outlays, $294,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $349,900,000,000.

(B) Outlays, $316,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (15):

Fiscal year 1985:

(A) New budget authority, $24,900,000,000.

(B) Outlays, $18,100,000,000.

(C) New direct loan obligations, $11,100,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $17,900,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $6,600,000,000.

(D) New primary loan guarantee commitments, $12,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $17,800,000,000.

(B) Outlays, $14,600,000,000.

(C) New direct loan obligations, $6,800,000,000.

(D) New primary loan guarantee commitments, $12,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $18,100,000,000.

(B) Outlays, $13,900,000,000.

(C) New direct loan obligations, $6,700,000,000.

(D) New primary loan guarantee commitments, $12,200,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $8,800,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $8,900,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $8,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, $1,900,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,500,000,000.

(B) Outlays, $5,500,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $4,700,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $4,100,000,000.

(B) Outlays, $3,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $11,000,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitment, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $11,100,000,000.

(B) Outlays, $11,000,000,000.

(C) New direct loan obligation, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $11,300,000,000.

(B) Outlays, $11,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $21,000,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $18,800,000,000.

(B) Outlays, $16,100,000,000.

(C) New direct loan obligations, $8,900,000,000.

(D) New primary loan guarantee commitments, $8,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $17,400,000,000.

(B) Outlays, $16,300,000,000.

(C) New direct loan obligations, $8,200,000,000.

(D) New primary loan guarantee commitments, $8,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $5,600,000,000.

(D) New primary loan guarantee commitments, $8,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $5,600,000,000.

(C) New direct loan obligations, $6,500,000,000.

(D) New primary loan guarantee commitments, $27,000,000,000.

(E) New secondary loan guarantee commitments, $53,500,000,000.

Fiscal year 1986:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $2,600,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $30,700,000,000.

(E) New secondary loan guarantee commitments, $51,100,000,000.

Fiscal year 1987:

(A) New budget authority, $4,000,000,000.

(B) Outlays, $100,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $30,600,000,000.

(E) New secondary loan guarantee commitments, $51,800,000,000.

Fiscal year 1988:

(A) New budget authority, $4,400,000,000.

(B) Outlays, $2,100,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $32,900,000,000.

(E) New secondary loan guarantee commitments, $52,100,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,300,000,000.

(B) Outlays, $26,000,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $25,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $22,800,000,000.

(B) Outlays, $24,300,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $23,600,000,000.

(B) Outlays, $29,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $8,400,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,300,000,000.

(B) Outlays, $7,800,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,400,000,000.

(B) Outlays, $7,400,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $31,600,000,000.

(B) Outlays, $30,200,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $7,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $27,400,000,000.

(B) Outlays, $29,100,000,000.

(C) New direct loan obligations, $900,000,000.

(D) New primary loan guarantee commitments, $7,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $28,400,000,000.

(B) Outlays, $27,700,000,000.

(C) New direct loan obligations, $900,000,000.

(D) New primary loan guarantee commitments, $7,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $28,700,000,000.

(B) Outlays, $28,000,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $7,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,600,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $34,200,000,000.

(B) Outlays, $34,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $35,800,000,000.

(B) Outlays, $35,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $37,500,000,000.

(B) Outlays, $37,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1985:

(A) New budget authority, $71,600,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $81,600,000,000.

(B) Outlays, $68,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $91,000,000,000.

(B) Outlays, $76,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $95,000,000,000.

(B) Outlays, $85,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $163,100,000,000.

(B) Outlays, $128,800,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $156,300,000,000.

(B) Outlays, $119,100,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $166,500,000,000.

(B) Outlays, $123,200,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $175,400,000,000.

(B) Outlays, $128,600,000,000.

(C) New direct loan obligations, $600,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social security (650):

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $207,300,000,000.

(B) Outlays, $197,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $225,300,000,000.

(B) Outlays, $206,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority. $265,900,000,000.

(B) Outlays, $216,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,300,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $26,800,000,000.

(B) Outlays, $26,400,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $15,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,000,000,000.

(B) Outlays, $26,700,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $17,400,000,000.

(E) New secondary loan guarantee commitments, $0

Fiscal year 1988:

(A) New budget authority, $27,400,000,000.

(B) Outlays, $27,200,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $20,100,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,700,000,000.

(B) Outlays, $5,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $5,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $5,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $6,200,000,000.

(B) Outlays, $6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $1,600,000,000.

(B) Outlays, $2,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $1,700,000,000.

(B) Outlays, $1,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $1,700,000,000.

(B) Outlays, $1,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,700,000,000.

(B) Outlays, $129,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $140,300,000,000.

(B) Outlays, $140,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $149,600,000,000.

(B) Outlays, $149,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $151,000,000,000.

(B) Outlays, $151,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$2,400,000,000.

(B) Outlays, −$800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$1,700,000,000.

(B) Outlays, −$500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$500,000,000.

(B) Outlays, $400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,400,000,000.

(B) Outlays, −$32,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$35,100,000,000.

(B) Outlays, −$35,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$38,200,000,000.

(B) Outlays, −$38,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$41,500,000,000.

(B) Outlays, −$41,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the House committees named in subsections (b) through (q)(1) of this section shall submit their recommendations to the House Budget Committee. After receiving these recommendations, the Committee on the Budget shall report to the House a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

(b) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $4,200,000,000 and outlays by $4,200,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $9,500,000,000 and outlays by $9,500,000,000 in fiscal year 1987; and requires decreases of budget authority by $12,000,000,000 and outlays by $12,000,000,000 in fiscal year 1988.

(c) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $500,000,000 in fiscal year 1986; further the congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $900,000,000 in fiscal year 1987; and requires decreases of budget authority by $0 and outlays by $1,100,000,000 in fiscal year 1988.

(d) The House Committee on Banking, Finance, and Urban Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $3,000,000,000 and outlays by $1,800,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $3,700,000,000 and outlays by $2,500,000,000 in fiscal year 1987; and requires decreases of budget authority by $4,800,000,000 and outlays by $2,800,000,000 in fiscal year 1988.

(e) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (410(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $1,500,000,000 and outlays by $1,500,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $2,500,000,000 and outlays by $2,500,000,000 in fiscal year 1987; and requires decreases of budget authority by $2,700,000,000 in fiscal year 1988.

(f) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $3,500,000,000 and outlays by $3,500,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $4,900,000,000 and outlays by $4,900,000,000 in fiscal year 1987; and requires decreases of budget authority by $6,000,000,000 and outlays by $6,000,000,000 in fiscal year 1988.

(g) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $200,000,000 and outlays by $100,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $300,000,000 and outlays by $100,000,000 in fiscal year 1987; and requires decreases of budget authority by $300,000,000 and outlays by $100,000,000 in fiscal year 1988.

(h) The House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $2,300,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $4,700,000,000 in fiscal year 1987; and requires decreases of budget authority by $0 and outlays by $5,000,000,000 in fiscal year 1988.

(i) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1987; and requires decreases of budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1988.

(j) The House Committee on the Judiciary shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $0 in fiscal year 1987 and requires decreases of budget authority by $0 and outlays by $0 in fiscal year 1988.

(k) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $900,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $900,000,000 in fiscal year 1987; and requires decreases of budget authority by $0 and outlays by $1,000,000,000 in fiscal year 1988.

(l) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $1,200,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $3,200,000,000 in fiscal year 1987; and requires decreases of budget authority by $0 and outlays by $3,100,000,000 in fiscal year 1988.

(m) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $400,000,000 and outlays by $400,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $400,000,000 and outlays by $400,000,000 in fiscal year 1987; and requires decreases of budget authority by $500,000,000 and outlays by $500,000,000 in fiscal year 1988.

(n) The House Committee on Science and Technology shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $0 in fiscal year 1987; and requires decreases of budget authority by $0 and outlays by $0 in fiscal year 1988.

(o) The House Committee on Small Business shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $200,000,000 and outlays by $200,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $800,000,000 and outlays by $800,000,000 in fiscal year 1987; and requires decreases of budget authority by $1,200,000,000 and outlays by $1,200,000,000 in fiscal year 1988.

(p) The House Committee on Veterans Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $200,000,000 and outlays by $200,000,000 in fiscal year 1988; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $600,000,000 and outlays by $600,000,000 in fiscal year 1987; and requires decreases of budget authority by $900,000,000 and outlays by $900,000,000 in fiscal year 1988.

(q) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $2,300,000,000 and outlays by $5,500,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $4,000,000,000 and outlays by $9,200,000,000 in fiscal year 1987; and requires decreases of budget authority by $5,600,000,000 and outlays by $11,400,000,000 in fiscal year 1988.

(r) the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $1,900,000,000 in budget authority and $1,800,000,000 in outlays, to reduce spending for the fiscal year 1987 by $5,000,000,000 in budget authority and $5,900,000,000 in outlays, and to reduce spending for fiscal year 1988 by $4,200,000,000 in budget authority and $7,600,000,000 in outlays;

(s) the Senate Committee on Armed Services shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $0 in budget authority and $500,000,000 in outlays, to reduce spending for the fiscal year 1987 by $0 in budget authority and $900,000,000 in outlays, and to reduce spending for fiscal year 1988 by $0 in budget authority and $1,100,000,000 in outlays;

(t) the Senate Committee on Banking, Housing, and Urban Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $3,000,000,000 in budget authority and $1,800,000,000 in outlays, to reduce spending for the fiscal year 1987 by $3,700,000,000 in budget authority and $2,500,000,000 in outlays, and to reduce spending for the fiscal year 1988 by $4,800,000,000 in budget authority and $2,600,000,000 in outlays;

(u) the Senate Committee on Commerce, Science, and Transportation shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $2,300,000,000 in budget authority and $2,300,000,000 in outlays, to reduce spending for fiscal year 1987 by $2,600,000,000 in budget authority and $2,600,000,000 in outlays, and to reduce spending for the fiscal year 1988 by $2,800,000,000 in budget authority and $2,800,000,000 in outlays.

(v) the Senate Committee on Energy and Natural Resources shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $2,100,000,000 in budget authority and $2,100,000,000 in outlays, to reduce spending for the fiscal year 1987 by $2,200,000,000 in budget authority and $2,200,000,000 in outlays, and to reduce spending for fiscal year 1988 by $2,200,000,000 in budget authority and 2,200,000,000 in outlays;

(w) the Senate Committee on Environment and Public Works shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $0 in budget authority and $0 in outlays, to reduce spending for the fiscal year 1987 by $0 in budget authority and $0 in outlays, and to reduce spending in the fiscal year 1988 by $0 in budget authority and $0 in outlays;

(x) the Senate Committee on Finance shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $2,300,000,000 in budget authority and $8,700,000,000 in outlays, to reduce spending for the fiscal year 1987 by $4,000,000,000 in budget authority and $15,800,000,000 in outlays, and to reduce spending for fiscal year 1988 by $5,600,000,000 in budget authority and $19,500,000,000 in outlays;

(y) the Senate Committee on Foreign Relations shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $200,000,000 in budget authority and $100,000,000 in outlays, to reduce spending for the fiscal year 1987 by $300,000,000 in budget authority and $100,000,000 in outlays, and to reduce spending for the fiscal year 1988 by $300,000,000 in budget authority and $100,000,000 in outlays;

(z) the Senate Committee on Governmental Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $0 in budget authority and $1,200,000,000 in outlays, to reduce spending for the fiscal year 1987 by $0 in budget authority and $3,200,000,000 in outlays, and to reduce spending for fiscal year 1988 by $0 in budget authority and $3,100,000,000 in outlays;

(aa) The Senate Committee on the Judiciary shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $0 in budget authority and $0 in outlays, to reduce spending for the fiscal year 1987 by $0 in budget authority and $0 in outlays, and to reduce spending for the fiscal year 1988 by $0 in budget authority and $0 in outlays;

(bb) the Senate Committee on Labor and Human Resources shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $1,300,000,000 in budget authority and $1,300,000,000 in outlays to reduce spending for the fiscal year 1987 by $2,400,000,000 in budget authority and $2,400,000,000 in outlays, and to reduce spending for fiscal year 1988 by $2,500,000,000 in budget authority and $2,500,000,000 in outlays;

(cc) the Senate Committee on Small Business shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $200,000,000 in budget authority and $200,000,000 outlays, to reduce spending for the fiscal year 1987 by $800,000,000 in budget authority and $800,000,000 in outlays, and to reduce spending for fiscal year 1988 by $1,200,000,000 in budget authority and $1,200,000,000 in outlays;

(dd) the Senate Committee on Veterans' Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $200,000,000 in budget authority and $200,000,000 in outlays, to reduce spending for the fiscal year 1987 by $600,000,000 in budget authority and

* * * * *

By Mr. LATTA:

(Amendment in the nature of a substitute.)

—Strike out all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is hereby revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is hereby established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are hereby set forth:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,050,000,000.
Fiscal year 1986: $793,500,000,000.
Fiscal year 1987: $864,850,000,000.
Fiscal year 1988: $953,350,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $ * * *.
Fiscal year 1986: $850,000,000.
Fiscal year 1987: $550,000,000.
Fiscal year 1988: $850,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,200,000.
Fiscal year 1986: $51,000,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,150,000,000.
Fiscal year 1986: $200,700,000,000.
Fiscal year 1987: $216,850,000,000.
Fiscal year 1988: $248,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,060,500,000,000.
Fiscal year 1986: $1,064,850,000,000.
Fiscal year 1987: $1,140,400,000,000.
Fiscal year 1988: $1,218,000,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $953,500,000,000.
Fiscal year 1986: $966,100,000,000.
Fiscal year 1987: $1,025,000,000,000.
Fiscal year 1988: $1,075,050,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $217,450,000,000.
Fiscal year 1986: $172,600,000,000.
Fiscal year 1987: $160,150,000,000.
Fiscal year 1988: $121,700,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,857,400,000,000.
Fiscal year 1986: $2,089,700,000,000.
Fiscal year 1987: $2,320,000,000,000.
Fiscal year 1988: $2,536,000,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $33,600,000,000.
Fiscal year 1986: $232,300,000,000.
Fiscal year 1987: $231,000,000,000.
Fiscal year 1988: $215,800,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $53,500,000,000.

(B) New primary loan guarantee commitments, $69,300,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $33,900,000,000.

(B) New primary loan guarantee commitments, $73,600,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New direct loan obligations, $32,700,000,000.

(B) New primary loan guarantee commitments, $73,600,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $32,200,000,000.

(B) New primary loan guarantee commitments, $78,300,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $291,550,000,000.

(B) Outlays, $252,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $302,500,000,000.

(B) Outlays, $270,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $323,400,000,000.

(B) Outlays, $288,650,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $346,800,000,000.

(B) Outlays, $308,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:

(A) New budget authority, $27,550,000,000.

(B) Outlays, $19,400,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $20,100,000,000.

(B) Outlays, $18,800,000,000.

(C) New direct loan obligations, $9,400,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $4,450,000,000.

(B) Outlays, $16,650,000,000.

(C) New direct loan obligations, $9,000,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $19,550,000,000.

(B) Outlays, $15,700,000,000.

(C) New direct loan obligations, $9,200,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitment, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $8,650,000,000.

(B) Outlays, $8,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $8,650,000,000.

(B) Outlays, $8,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $8,700,000,000.

(B) Outlays, $8,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, $1,900,000,000.

(B) Outlays, $7,050,000,000.

(C) New direct loan obligations, $2,600,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,750,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $4,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $4,300,000,000.

(B) Outlays, $3,850,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $3,850,000,000.

(B) Outlays, $3,100,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $13,000,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $12,450,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $12,150,000,000.

(B) Outlays, $12,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $11,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $28,750,000,000.

(B) Outlays, $21,000,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $17,600,000,000.

(B) Outlays, $15,000,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $18,350,000,000.

(B) Outlays, $16,850,000,000.

(C) New direct loan obligations, $13,100,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $16,100,000,000.

(B) Outlays, $14,800,000,000.

(C) New direct loan obligations, $12,800,000,000.

(D) New primary loan guarantee commitments, $5,800,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $5,850,000,000.

(C) New direct loan obligations, $6,800,000,000.

(D) New primary loan guarantee commitments, $27,000,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New budget authority, $7,400,000,000.

(B) Outlays, $3,650,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $26,500,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New budget authority, $7,600,000,000.

(B) Outlays, $3,450,000,000.

(C) New direct loan obligations, $12,800,000,000.

(D) New primary loan guarantee commitments, $28,100,000,000.

(E) New secondary loan guarantee commitments, $68,100,000,000.

Fiscal year 1988:

(A) New budget authority, $7,650,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $3,000,000,000.

(D) New primary loan guarantee commitments, $24,800,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,350,000,000.

(B) Outlays, $26,200,000,000.

(C) New direct loan obligations, $3,000,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $26,600,000,000.

(B) Outlays, $25,800,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guaranteee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,650,000,000.

(B) Outlays, $27,150,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,050,000,000.

(B) Outlays, $26,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $8,400,000,000.

(B) Outlays, $6,750,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,950,000,000.

(B) Outlays, $8,100,000,000.

(C) New direct loan obligations, $900,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $7,400,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,600,000,000.

(B) Outlays, $6,900,000,000.

(C) New direct loan obligations, $900,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $32,650,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $8,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $31,400,000,000.

(B) Outlays, $30,800,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $32,300,000,000.

(B) Outlays, $31,400,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $9,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $32,900,000,000.

(B) Outlays, $3,100,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $9,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,550,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $35,400,000,000.

(B) Outlays, $35,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $37,750,000,000.

(B) Outlays, $37,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $40,250,000,000.

(B) Outlays, $39,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,750,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $81,950,000,000.

(B) Outlays, $68,250,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $91,550,000.

(B) Outlays, $75,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $95,550,000,000.

(B) Outlays, $84,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $160,500,000,000.

(B) Outlays, $129,200,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $156,950,000,000.

(B) Outlays, $119,900,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $166,050,000,000.

(B) Outlays, $125,600,000,000.

(C) New direct loan obligations, $2,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $174,350,000,000.

(B) Outlays, $131,450,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $207,600,000,000.

(B) Outlays, $200,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $224,850,000,000.

(B) Outlays, $213,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $265,050,000,000.

(B) Outlays, $228,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,400,000,000.

(B) Outlays, $26,500,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $27,350,000,000.

(B) Outlays, $26,550,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $15,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,300,000,000.

(B) Outlays, $26,750,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $17,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,550,000,000.

(B) Outlays, $27,150,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $20,100,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,650,000,000.

(B) Outlays, $6,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,750,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $6,850,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $5,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,250,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $3,500,000,000.

(B) Outlays, $4,150,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $3,350,000,000.

(B) Outlays, $3,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $2,750,000,000.

(B) Outlays, $2,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,950,000,000.

(B) Outlays, $129,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $142,750,000,000.

(B) Outlays, $142,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $153,100,000,000.

(B) Outlays, $153,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $156,300,000,000.

(B) Outlays, $156,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, –$650,000,000.

(B) Outlays, –$1,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $150,000,000.

(B) Outlays, –$2,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $1,500,000,000.

(B) Outlays, –$1,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, –$32,350,000,000.

(B) Outlays, –$32,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, –$39,800,000,000.

(B) Outlays, –$39,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, –$36,600,000,000.

(B) Outlays, –$36,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, –$39,800,000,000.

(B) Outlays, –$39,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the committees named in subsections (b) through (m) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

(b) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $2,785,000,000 and outlays by $2,665,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $2,385,000,000 in budget authority and $2,898,000,000 in outlays in fiscal year 1987; and requires decreases of $4,611,000,000 in budget authority and $5,196,000,000 in outlays in fiscal year 1988.

(c) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $0 and outlays by $62,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $0 in budget authority and $183,000,000 in outlays in fiscal year 1987; and requires decreases of $0 in budget authority and $308,000,000 in outlays in fiscal year 1988.

(d) The House Committee on Banking, Finance & Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $3,916,000,000 and outlays by $447,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $3,598,000,000 in budget authority and $1,643,000,000 in outlays in fiscal year 1987; and requires decreases of $3,595,000,000 in budget authority and $2,380,000,000 in outlays in fiscal year 1988.

(e) The House Committee on Education & Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $229,000,000 and outlays by $432,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $332,000,000 and outlays by $518,000,000 in fiscal year 1987; and requires decreases of budget authority by $486,000,000 and outlays by $707,000,000 in fiscal year 1988.

(f) The House Committee on Energy & Commerce shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $1,664,000,000 and outlays by $4,747,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $278,000,000 in budget authority and $4,477,000,000 in outlays in fiscal year 1987; and requires decreases of $131,000,000 in budget authority and $5,491,000,000 in outlays in fiscal year 1988.

(g) The House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $2,687,000,000 and outlays by $2,000,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $3,077,000,000 and outlays by $2,974,000,000 in fiscal year 1987; and requires decreases of budget authority by $4,005,000,000 and outlays by $3,772,000,000 in fiscal year 1988.

(h) The House Committee on Interior & Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $610,000,000 and outlays by $555,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $621,000,000 in budget authority and $604,000,000 in outlays in fiscal year 1987; and requires decreases of $652,000,000 in budget authority and $646,000,000 in outlays in fiscal year 1988.

(i) The House Committee on Merchant Marine & Fisheries shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $4,364,000,000 and outlays by $4,364,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires increases of $1,331,000,000 in budget authority and $1,331,000,000 in outlays in fiscal year 1987; and requires increases of $877,000,000 in budget authority and $877,000,000 in outlays in fiscal year 1988.

(j) The House Committee on Post Office & Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $60,000,000 and outlays by $60,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $140,000,000 and outlays by $140,000,000 in fiscal year 1987; and requires decreases of budget authority by $240,000,000 and outlays by $240,000,000 in fiscal year 1988.

(k) The House Committee on Public Works & Transportation shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $611,000,000 and outlays by $620,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,301,000,000 in budget authority and $1,697,000,000 in outlays in fiscal year 1987; and requires decreases of $1,892,000,000 in budget authority and $2,377,000,000 in outlays in fiscal year 1988.

(l) The House Committee on Veterans Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $162,000,000 and outlays by $348,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $392,000,000 and outlays by $632,000,000 in fiscal year 1987; and requires decreases of budget authority by $472,000,000 and outlays by $727,000,000 in fiscal year 1988.

(m) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $923,000,000 and outlays by $3,923,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $743,000,000 and outlays by $4,793,000,000 in fiscal year 1987; and requires decreases of budget authority by $813,000,000 and outlays by $5,763,000,000 in fiscal year 1988.

AUTOMATIC SECOND BUDGET RESOLUTION

SEC. 3. (a) If Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for the 1986 fiscal year, then this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310(a) of such Act, for the purposes of the prohibitions contained in section 311 of such Act.

SECTION 302(B) FILING REQUIREMENT

SEC. 4. (a) It shall not be in order in the House of Representatives to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1986;

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 first effective in fiscal year 1986; or

(3) direct loan authority, primary loan guarantee authority, or secondary loan guarantee authority for fiscal year 1986; within the jurisdiction of any committee which has received an allocation pursuant to section 302(a) of the Congressional Budget Act of 1974 of discretionary budget authority or new spending authority, as described above, for such fiscal year, unless and until such committee makes the allocation or subdivisions required by section 302(b) of the Congressional Budget Act of 1974, in connection with the most recently agreed to concurrent resolution on the budget.

(b) The prohibition contained in subsection (a) shall not apply until twenty-one days of continuous session, as defined in section 1011(5) of the Impoundment Control Act of 1974, after Congress completes action on this concurrent resolution.

INTERNATIONAL MONETARY CONFERENCE

SEC. 5. It is the sense of the Congress that the Administration should call for the convening of an international monetary conference this year with the express purpose of exploring options to stabilize currency exchange rates, reduce interest rates, promote maximum domestic and world economic growth, and help assure domestic price stability.

LIMITATION ON BENEFITS TO ALIENS

SEC. 6. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of social security benefits paid to illegal and non-resident aliens. It is assumed that the Ways and Means Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of the wage-earner's contribution plus interest, unless the wage earner is a citizen of a country with which the United States has a treaty or totalization agreement. This provision would apply to individuals becoming eligible on or after January 1, 1986.

COMMITTEE REVIEW OF THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

SEC. 7. It is the sense of the House of Representatives that—

(1) each of its standing committees should review and study, on a continuing basis, those portions of the President's Private Sector Survey on Cost Control affecting subjects within its jurisdiction;

(2) each of its standing committees should, in its consideration of any bill or joint resolution of a public character within its jurisdiction, review those portions of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution; and

(3) each report of any such committee on a bill or joint resolution of a public character should contain—

(A) an identification of each recommendation of the President's Private Sector Survey on Cost Control implemented in such bill or resolution and the estimated dollar amount of program cost savings or revenue enhancement as a result of the implementation of each such recommendation; and

(B) a statement setting forth each recommendation of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution, the disposition of each such recommendation, and the reasons for such disposition.

WIC FUNDING

SEC. 8. It is the sense of the Congress that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98–473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98–473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98–473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

By Mr. LEATH of Texas:

—In paragraph (1) of subsection (a) of the first section and of section 2 of the concurrent resolution increase the recommended levels of Federal revenues for fiscal year 1986 by $12,000,000,000, for fiscal year 1987 by $17,000,000,000, and for fiscal year 1988 by $25,000,000,000.

In paragraph (1) of subsection (a) of the first section and of section 2 of the concurrent resolution increase the amounts by which the aggregate levels of Federal revenues should be increased for fiscal year 1986 by $12,000,000,000, for fiscal year 1987 by $17,000,000,000, and for fiscal year 1988 by $25,000,000,000.

In paragraph (2) of subsection (a) of the first section and of section 2 of the concurrent resolution increase the appropriate levels of total new budget authority for fiscal year 1986 by $658,000,000, for fiscal year 1987 by $1,225,000,000, and for fiscal year 1988 by $1,159,000,000.

In paragraph (3) of subsection (a) of the first section and of section 2 of the concurrent resolution decrease the appropriate levels of total budget outlays for fiscal year 1986 by $7,094,000,000, for fiscal year 1987 by $11,846,000,000, and for fiscal year 1988 by $14,640,000,000.

In paragraph (4) of subsection (a) of the first section and of section 2 of the concurrent resolution decrease the amounts of the deficits in the budget for fiscal year 1986, by $19,094,000,000, for fiscal year 1987 by $28,846,000,000, and for fiscal year 1988 by $39,640,000,000.

In paragraph (8) (relating to Transportation) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority for fiscal year 1986 by $10,000,000, for fiscal year 1987 by $13,000,000, and for fiscal year 1988 by $14,000,000.

In paragraph (8) (relating to Transportation) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $10,000,000, for fiscal year 1987 by $13,000,000, and for fiscal year 1988 by $14,000,000.

In paragraph (11) (relating to Health) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority for fiscal year 1986 by $2,000,000, for fiscal year 1987 by $3,000,000, and for fiscal year 1988 by $3,000,000.

In paragraph (11) (relating to Health) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $2,000,000, for fiscal year 1987 by $3,000,000, and for fiscal year 1988 by $3,000,000.

In paragraph (13) (relating to Income Security) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority for fiscal year 1986 by $592,000,000, for fiscal year 1987 by $855,000,000, and for fiscal year 1988 by $708,000,000.

In paragraph (13) (relating to Income Security) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $1,448,000,000, for fiscal year 1987 by $1,952,000,000, and for fiscal year 1986 by $2,013,000,000.

In paragraph (14) (relating to Social Security) of subsection (b) of the first section and of section 2 of the concurrent resolution increase new budget authority for fiscal year 1986 by $977,000,000, for fiscal year 1987 by $861,000,000, and for fiscal year 1988 by $213,000,000.

In paragraph (14) (relating to Social Security) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1988 by $4,667,000,000, for fiscal year 1987 by $6,402,000,000, and for fiscal year by $6,447,000,000.

In paragraph (15) (relating to Veterans benefits and services) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority for fiscal year 1986 by $449,000,000, for fiscal year 1987 by $553,000,000, and for fiscal year 1988 by $575,000,000.

In paragraph (15) (relating to Veterans benefits and services) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $404,000,000, for fiscal year 1987 by $552,000,000, and for fiscal year 1988 by $573,000,000.

In paragraph (19) (relating to Net Interest) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority fiscal year 1986 by $909,250,000, for fiscal year 1987 by $3,200,000,000; and for fiscal year 1988 by $5,820,000,000.

In paragraph (19) (relating to Net Interest) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $909,250,000, for fiscal year 1987 by $3,200,000,000, and for fiscal year 1988 by $5,820,000,000.

Subsection (h) of section 3 of the concurrent resolution is amended to be read as follows:

(h) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $745,000,000 and outlays by $1,774,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,000,000,000 in budget authority and $1,933,000,000 in outlays in fiscal year 1987; and requires decreases of $847,000,000 in budget authority and $1,998,000,000 in outlays in fiscal year 1988.

Subsection (j) of section 3 of the concurrent resolution is amended to read as follows:

(j) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority $749,000,000 and outlays by $704,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $853,000,000 and outlays by $852,000,000 in fiscal year 1987; and requires decreases of budget authority by $875,000,000 and outlays by $873,000,000 in fiscal year 1988.

Subsection (k) of section 3 of the concurrent resolution is amended to read as follows:

(k)(1) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to increase budget authority by $500,000,000 and decrease outlays by $8,994,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires an increase of $352,000,000 in budget authority and a decrease of $11,652,000,000 in outlays in fiscal year 1987; and requires decreases of $392,000,000 in budget authority and $12,591,000,000 in outlays in fiscal year 1988.

(2) An amount equal to twenty percent of the savings resulting from the one-year freeze on the payment of the cost-of-living adjustment to Social Security beneficiaries shall be allocated to the Committee on Ways and Means for fiscal years 1986, 1987, and 1988; and, such funds shall be used to mitigate the impact of the freeze in the cost-of-living adjustment on any Social Security beneficiary whose income falls below the poverty level as a result of the freeze in the cost-of-living adjustment.

Section 3 of the concurrent resolution is amended by inserting at the end thereof the following new subsection:

(1) The House Committee on Ways and Means shall report changes in laws sufficient to increase revenues by $12,000,000,000 for fiscal year 1986, to become effective only upon enactment of changes in budget authority and outlays provided for in this section; further the Congress finds that to attain the policy of this resolution in future years requires increases in revenues of $17,000,000,000 for fiscal year 1987, and by $25,000,000,000 for fiscal year 1988; and further, the Congress finds that to attain such revenue increases, the Committee shall not report changes in income tax rates or burden on individuals.

Section 7 of the concurrent resolution is amended by inserting at the end thereof the following new subsection:

(c) It is further the sense of the House of Representatives that revenues must be increased in order to lower the deficit, but that any action taken to raise revenues should not preclude the adoption of tax reform and may be considered in conjunction with such tax reform.

By Mr. LELAND:

—That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is hereby revised and replaced, and first concurrent resolution on the budget for fiscal year 1986 is hereby established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are hereby set forth:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,050,000,000.
Fiscal year 1986: $816,100,000,000.
Fiscal year 1987: $914,600,000,000.
Fiscal year 1988: $1,018,500,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $27,700,000,000.
Fiscal year 1987: $59,400,000,000.
Fiscal year 1988: $84,800,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,200,000,000.
Fiscal year 1986: $51,000,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,150,000,000.
Fiscal year 1986: $200,700,000,000.
Fiscal year 1987: $216,850,000,000.
Fiscal year 1988: $248,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,026,100,000,000.
Fiscal year 1986: $1,056,500,000,000.
Fiscal year 1987: $1,118,050,000,000.
Fiscal year 1988: $1,197,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $939,950,000,000.
Fiscal year 1986: $989,350,000,000.
Fiscal year 1987: $1,039,800,000,000.
Fiscal year 1988: $1,092,300,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $203,900,000,000.
Fiscal year 1986: $173,250,000,000.
Fiscal year 1987: $125,200,000,000.
Fiscal year 1988: $73,800,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,039,100,000,000.
Fiscal year 1986: $1,051,500,000,000.
Fiscal year 1987: $1,125,700,000,000.
Fiscal year 1988: $1,205,300,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $33,600,000,000.
Fiscal year 1986: $232,300,000,000.
Fiscal year 1987: $231,000,000,000.
Fiscal year 1988: $215,800,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $51,950,000,000.

(B) New primary loan guarantee commitments, $68,800,000,000.

(C) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $38,050,000,000.

(B) New primary loan guarantee commitments, $74,600,000,000.

(C) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1987:

(A) New direct loan obligations, $37,000,000,000.

(B) New primary loan guarantee commitments, $78,000,000,000.

(C) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $36,450,000,000.

(B) New primary loan guarantee commitments, $76,900,000,000.

(C) New secondary loan guarantee commitments, $68,250,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $278,550,000,000.

(B) Outlays, $250,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $259,250,000,000.

(B) Outlays, $261,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $270,150,000,000.

(B) Outlays, $262,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $282,050,000,000.

(B) Outlays, $285,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:

(A) New budget authority, $24,950,000,000.

(B) Outlays, $17,500,000,000.

(C) New direct loan obligations, $10,050,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $23,050,000,000.

(B) Outlays, $17,350,000,000.

(C) New direct loan obligations, $10,350,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $22,350,000,000.

(B) Outlays, $18,200,000,000.

(C) New direct loan obligations, $10,750,000,000.

(D) New primary loan guarantee commitments, $10,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $22,750,000,000.

(B) Outlays, $18,200,000,000.

(C) New direct loan obligations, $11,000,000,000.

(D) New primary loan guarantee commitments, $11,200,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $9,150,000,000.

(B) Outlays, $9,050,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $9,350,000,000.

(B) Outlays, $9,250,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,650,000,000.

(B) Outlays, $9,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, −$2,900,000,000.

(B) Outlays, $2,850,000,000.

(C) New direct loan obligations, $2,650,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $3,750,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $4,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $3,800,000,000.

(B) Outlays, $3,500,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $3,450,000,000.

(B) Outlays, $3,350,000,000.

(C) New direct loan obligations, $2,150,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $13,000,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $12,600,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $12,600,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $13,400,000,000.

(B) Outlays, $12,850,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $22,550,000,000.

(B) Outlays, $18,950,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $14,700,000,000.

(C) New direct loan obligations, $13,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $17,850,000,000.

(B) Outlays, $17,250,000,000.

(C) New direct loan obligations, $12,150,000,000.

(D) New primary loan guarantee commitments, $5,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $18,100,000,000.

(B) Outlays, $17,800,000,000.

(C) New direct loan obligations, $11,800,000,000.

(D) New primary loan guarantee commitments, $5,750,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $2,950,000,000.

(C) New direct loan obligations, $6,550,000,000.

(D) New primary loan guarantee commitments, $26,450,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1986:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $2,850,000,000.

(C) New direct loan obligations, $5,900,000,000.

(D) New primary loan guarantee commitments, $27,100,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1987:

(A) New budget authority, $6,650,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $6,150,000,000.

(D) New primary loan guarantee commitments, $28,650,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1988:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $3,250,000,000.

(C) New direct loan obligations, $6,650,000,000.

(D) New primary loan guarantee commitments, $30,450,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,350,000,000.

(B) Outlays, $26,200,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $31,100,000,000.

(B) Outlays, $28,350,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $32,050,000,000.

(B) Outlays, $30,350,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $33,150,000,000.

(B) Outlays, $31,650,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $7,850,000,000.

(C) New direct loan obligations, $1,750,000,000.

(D) New primary loan guarantee commitments, $150,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $8,250,000,000.

(B) Outlays, $7,750,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $150,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $8,950,000,000.

(B) Outlays, $8,200,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,350,000,000.

(B) Outlays, $8,900,000,000.

(C) New direct loan obligations, $1,950,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $32,650,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $1,150,000,000.

(D) New primary loan guarantee commitments, $8,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $38,300,000,000.

(B) Outlays, $37,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,050,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $39,600,000,000.

(B) Outlays, $38,500,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,350,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $41,050,000,000.

(B) Outlays, $39,950,000,000.

(C) New direct loan obligations, $1,150,000,000.

(D) New primary loan guarantee commitments, $9,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,550,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $38,500,000,000.

(B) Outlays, $38,050,000,000.

(C) New direct loan obligations, $50,000,000

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $41,350,000,000.

(B) Outlays, $40,850,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $44,400,000,000.

(B) Outlays, $43,750,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,750,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $82,000,000,000.

(B) Outlays, $71,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $90,600,000,000.

(B) Outlays, $79,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $93,350,000,000.

(B) Outlays, $89,050,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority $160,500,000,000.

(B) Outlays, $129,250,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority $164,350,000,000.

(B) Outlays, $129,000,000,000.

(C) New direct loan obligations, $1,850,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority $173,550,000,000.

(B) Outlays, $135,900,000,000.

(C) New direct loan obligations, $2,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority $183,850,000,000.

(B) Outlays, $142,650,000,000.

(C) New direct loan obligations, $1,750,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1985:

(A) New budget authority $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority $206,300,000,000.

(B) Outlays, $200,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority $221,600,000,000.

(B) Outlays, $213,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority $258,450,000,000.

(B) Outlays, $228,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,400,000,000.

(B) Outlays, $26,500,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $28,000,000,000.

(B) Outlays, $27,300,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $17,650,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $28,500,000,000.

(B) Outlays, $28,050,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $18,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $29,000,000,000.

(B) Outlays, $28,750,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,650,000,000.

(B) Outlays, $6,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $7,150,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $5,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $5,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,050,000,000.

(B) Outlays, $5,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $6,250,000,000.

(B) Outlays, $6,250,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,750,000,000.

(B) Outlays, $6,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,950,000,000.

(B) Outlays, $129,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $143,900,000,000.

(B) Outlays, $143,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $154,750,000,000.

(B) Outlays, $154,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $165,100,000,000.

(B) Outlays, $165,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $900,000,000.

(B) Outlays, $900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $2,100,000,000.

(B) Outlays, $2,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $3,600,000,000.

(B) Outlays, $3,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,350,000,000.

(B) Outlays, −$32,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$35,500,000,000.

(B) Outlays, −$35,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee, commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$38,050,000,000.

(B) Outlays, −$37,050,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$40,950,000,000.

(B) Outlays, −$40,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

AUTOMATIC SECOND BUDGET RESOLUTION

Sec. 2. (a) Effective October 1, 1985, this concurrent resolution shall be deemed to be the concurrent resolution on the budget for the 1986 fiscal year required to be reported under section 310(a) of the Congressional Budget Act of 1974, for the purposes of the prohibitions contained in section 311 of such Act.

(b) Section 311(a) of the Congressional Budget Act of 1974, as made applicable by subsection (a) of this section, shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resoluton, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would not cause the appropriate allocation for such committee of new discretionary budget authority or new spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 made pursuant to section 302(a) of such Act for fiscal year 1986 to be exceeded.

(c) The provisions of this section shall cease to apply when Congress completes action on a subsequent concurrent resolution on the budget for fiscal year 1986 pursuant to section 304 or 310 of the Congressional Budget Act of 1974.

SECTION 302(b) FILING REQUIREMENT

Sec. 3. (a) It shall not be in order in the House of Representatives to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1986;

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1986; or

(3) direct loan authority, primary loan guarantee authority, or secondary loan guarantee authority for fiscal year 1986;

within the jurisdiction of any committee which has received an allocation pursuant to section 302(a) of the Congressional Budget Act of discretionary budget authority or new spending authority, as described above, for such fiscal year, unless and until such committee makes the allocation or subdivisions required by section 302(b) of the Congressional Budget Act, in connection with the most recently agreed to concurrent resolution on the budget.

(b) The prohibition contained in subsection (a) shall not apply until twenty-one days of continuous session, as defined in section 1011(5) of the Impoundment Control Act of 1974, after Congress completes action on this concurrent resolution.

by Mr. MICHEL:

(An amendment to the amendment offered by Ms. OAKAR.)

—In lieu of the matter proposed to be inserted, insert the following:

It is the sense of the Congress that tax legislation should be enacted to provide for payment of minimum taxes by corporations and individuals on the broadest feasible definition of income to assure that all of those with economic income will pay tax, and that the resulting revenues be used to reduce individual income tax rates and to increase the threshold amounts for tax payments by individuals in connection with consideration of comprehensive tax reform legislation.

By Mr. MORRISON of Connecticut:

—In the first section of the concurrent resolution, make the following amendments:

In paragraph (2) of subsection (a), amend the item relating to total new budget authority by striking the figures listed for fiscal years 1986, 1987 and 1988 and replacing them as follows:

Fiscal year 1986: $1,051,400,000,000.
Fiscal year 1987: $1,114,650,000,000.
Fiscal year 1988: $1,181,250,000,000.

In paragraph (3) of subsection (a), amend the item relating to total new budget outlays by striking the figures listed for fiscal years 1986, 1987 and 1988 and replacing them as follows:

Fiscal year 1986: $958,750,000,000.
Fiscal year 1987: $1,017,950,000,000.
Fiscal year 1988: $1,058,850,000,000.

In paragraph (4) of subsection (a), amend the item relating to amounts of deficits by striking the figures listed for fiscal years 1986, 1987 and 1988 and replacing them as follows:

Fiscal year 1986: $164,650,000,000.
Fiscal year 1987: $151,950,000,000.
Fiscal year 1988: $103,250,000,000.

In paragraph (5) of subsection (a), amend the item relating to public debt by striking the figures listed for fiscal years 1986, 1987 and 1988 and replacing them as follows:

Fiscal year 1986: $2,089,350,000,000.
Fiscal year 1987: $2,316,200,000,000.
Fiscal year 1988: $2,511,800,000,000.

In paragraph (6) of subsection (a), amend the item relating to statutory limits on the debt by striking the figures listed for fiscal years 1986, 1987 and 1988 and replacing them as follows:

Fiscal year 1986: $231,950,000,000.
Fiscal year 1987: $226,500,000,000.
Fiscal year 1988: $201,000,000,000.

In paragraph (1) of subsection (b) (relating to National Defense (050)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replacing them as follows:

Fiscal year 1987:
(A) New budget authority, $304,800,000,000.
(B) Outlays, $283,200,000,000.
Fiscal year 1988:
(A) New budget authority, $317,700,000,000.
(B) Outlays, $295,900,000,000.

In paragraph (2) of subsection (b) (relating to International Affairs (150)) strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $19,350,000,000.
(B) Outlays $16,850,000,000.
Fiscal year 1988:
New budget authority $19,200,000,000.
(B) Outlays, $16,100,000,000.

In paragraph (3) of subsection (b) (relating to General Science, Space and Technology (250)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $8,800,000,000.
Fiscal year 1988:
(A) New budget authority, $8,600,000,000.
(B) Outlays, $8,650,000,000.

In paragraph (4) of subsection (b) (relating to Energy (270)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $3,500,000,000.
(B) Outlays, $3,050,000,000.
Fiscal year 1988:
(A) New budget authority, $2,700,000,000.
(B) Outlays, $2,800,000,000.

In paragraph (5) of subsection (b) (relating to Natural Resources and the Environment (300)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $13,050,000,000.
(B) Outlays, $12,650,000,000.
Fiscal year 1988:
(A) New budget authority, $13,050,000,000.
(B) Outlays, $12,850,000,000.

In paragraph (6) of subsection (b) (relating to Agriculture (350)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $16,100,000,000.
(B) Outlays, $15,500,000,000.
Fiscal year 1988:
(A) New budget authority, $14,300,000,000.
(B) Outlays, $14,000,000,000.

In paragraph (7) of subsection (b) (relating to Commerce and Housing Credit (370)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $5,950,000,000.
(B) Outlays, $2,600,000,000.
Fiscal year 1988:
(A) New budget authority, $6,250,000,000.
(B) Outlays, $2,700,000,000.

In paragraph (8) of subsection (b) (relating to Transportation (400)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $30,200,000,000.
(B) Outlays, $28,850,000,000.
Fiscal year 1988:
(A) New budget authority, $30,900,000,000.
(B) Outlays, $29,150,000,000.

In paragraph (9) of subsection (b) (relating to Community and Regional Development (450)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $7,200,000,000.
Fiscal year 1988:
(A) New budget authority, $7,150,000,000.
(B) Outlays, $7,300,000,000.

In paragraph (10) of subsection (b) (relating to Education, Training, Employment, and Social Services (500)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $32,750,000,000.
(B) Outlays, $32,000,000,000.
Fiscal year 1988:
(A) New budget authority, $33,250,000,000.
(B) Outlays, $32,700,000,000.

In paragraph (11) of subsection (b) (relating to Health (550)), striking the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $38,350,000,000.
(B) Outlays, $38,150,000,000.
Fiscal year 1988:
(A) New budget authority, $40,700,000,000.
(B) Outlays, $40,500,000,000.

In paragraph (12) of subsection (b) relating to Medical Insurance (570)), strike the figures listed for outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(B) Outlays, $75,500,000,000.
Fiscal year 1988:
(B) Outlays, $84,550,000,000.

In paragraph (13) of subsection (b) (relating to Income Security (600)), strike the figure listed for new budget authority in fiscal year 1988 and the figures listed for outlays for fiscal years 1986, 1987 and 1988 and replace them as follows:

Fiscal year 1986:
(B) Outlays, $121,550,000,000.
Fiscal year 1987:
(B) Outlays, $127,250,000,000.
Fiscal year 1988:
(A) New budget authority, $175,750,000,000.
(B) Outlays, $132,850,000,000.

In paragraph (14) of subsection (b) (relating to Social Security (650)), strike the figures listed for outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(B) Outlays, $214,000,000,000.
Fiscal year 1988:
(B) Outlays, $228,200,000,000.

In paragraph (15) of subsection (b) (relating to Veterans Benefits and Services (700)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $27,450,000,000.
(B) Outlays, $27,200,000,000.
Fiscal year 1988:
(A) New budget authority, $27,700,000,000.
(B) Outlays, $27,500,000,000.

In paragraph (16) of subsection (b) (relating to Administration of Justice (750)), strike the figures listed for new budget authority and outlays for fiscal years 1986, 1887 and 1988 and replace them as follows:

Fiscal year 1986:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $6,700,000,000.
Fiscal year 1987:
(A) New budget authority, $6,750,000,000.
(B) Outlays, $6,800,000,000.
Fiscal year 1988:
(A) New budget authority, $6,750,000,000.
(B) Outlays, $6,800,000,000.

In paragraph (17) of subsection (b) (relating to General Government (800)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $5,200,000,000.
(B) Outlays, $5,150,000,000.
Fiscal year 1988:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $5,300,000,000.

In paragraph (19) of subsection (b) (relating to Net Interest (900)), strike the figures listed for new budget authority and outlays for fiscal years 1987 and 1988 and replace them as follows:

Fiscal year 1987:
(A) New budget authority, $150,700,000,000.
(B) Outlays, $150,700,000,000.
Fiscal year 1988:
(A) New budget authority, $152,850,000,000.
(B) Outlays, $152,850,000,000.

In subsection (a) of section 2 of the concurrent resolution (Unified and Off-Budget Totals), strike out paragraphs (2) through (4) and replace as follows:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1986: $1,062,800,000,000.
Fiscal year 1987: $1,123,650,000,000.
Fiscal year 1988: $1,188,750,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1986: $966,900,000,000.
Fiscal year 1987: $1,024,000,000,000.
Fiscal year 1988: $1,069,850,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1986: $172,800,000,000.
Fiscal year 1987: $158,000,000,000.
Fiscal year 1988: $109,600,000,000.

In subsection (b) of section 2 of the concurrent resolution, strike paragraphs (1) through (17) and paragraph (19) and replace as follows:

(1) National Defense (050):
Fiscal year 1986:
(A) New budget authority, $292,600,000,000.
(B) Outlays, $267,100,000,000.
Fiscal year 1987:
(A) New budget authority, $304,800,000,000.
(B) Outlays, $283,200,000,000.
Fiscal year 1988:
(A) New budget authority, $317,700,000,000.
(B) Outlays, $295,900,000,000.

(2) International Affairs (150):
Fiscal year 1986:
(A) New budget authority, $21,750,000,000.
(B) Outlays, $18,600,000,000.
Fiscal year 1987:
(A) New budget authority, $19,950,000,000.
(B) Outlays, $16,650,000,000.
Fiscal year 1988:
(A) New budget authority, $19,400,000,000.
(B) Outlays, $15,500,000,000.

(3) General Science, Space and Technology (250):
Fiscal year 1986:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,900,000,000.
Fiscal year 1987:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $8,700,000,000.
Fiscal year 1988:
(A) New budget authority, $8,600,000,000.
(B) Outlays, $8,550,000,000.

(4) Energy (270):
Fiscal year 1986:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $5,750,000,000.
Fiscal year 1987:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $5,250,000,000.
Fiscal year 1988:
(A) New budget authority, $4,850,000,000.
(B) Outlays, $4,450,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1986:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,000,000,000.
Fiscal year 1987:
(A) New budget authority, $13,050,000,000.
(B) Outlays, $12,650,000,000.
Fiscal year 1988:
(A) New budget authority, $13,050,000,000.
(B) Outlays, $12,850,000,000.

(6) Agriculture (350):
Fiscal year 1986:
(A) New budget authority, $18,550,000,000.
(B) Outlays, $15,800,000,000.
Fiscal year 1987:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $16,900,000,000.
Fiscal year 1988:
(A) New budget authority, $15,600,000,000.
(B) Outlays, $14,950,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1986:
(A) New budget authority, $8,850,000,000.
(B) Outlays, $4,600,000,000.
Fiscal year 1987:
(A) New budget authority, $9,200,000,000.
(B) Outlays, $4,950,000,000.
Fiscal year 1988:
(A) New budget authority, $9,350,000,000.
(B) Outlays, $6,600,000,000.

(8) Transportation (400):
Fiscal year 1986:
(A) New budget authority, $28,400,000,000.
(B) Outlays, $26,450,000,000.
Fiscal year 1987:
(A) New budget authority, $30,200,000,000.
(B) Outlays, $28,850,000,000.
Fiscal year 1988:
(A) New budget authority, $30,900,000,000.
(B) Outlays, $29,150,000,000.

(9) Community and Regional Development (450):
Fiscal year 1986:
(A) New budget authority, $7,500,000,000.
(B) Outlays, $8,150,000,000.
Fiscal year 1987:
(A) New budget authority, $7,750,000,000.
(B) Outlays, $8,050,000,000.
Fiscal year 1988:
(A) New budget authority, $7,900,000,000.
(B) Outlays, $7,900,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1986:
(A) New budget authority, $32,050,000,000.
(B) Outlays, $31,150,000,000.
Fiscal year 1987:
(A) New budget authority, $32,750,000,000.
(B) Outlays, $32,000,000,000.
Fiscal year 1988:
(A) New budget authority, $33,250,000,000.
(B) Outlays, $32,700,000,000.

(11) Health (550):
Fiscal year 1986:
(A) New budget authority, $36,100,000,000.
(B) Outlays, $35,600,000,000.
Fiscal year 1987:
(A) New budget authority, $38,350,000,000.
(B) Outlays, $38,150,000,000.
Fiscal year 1988:
(A) New budget authority, $40,700,000,000.
(B) Outlays, $40,500,00,000.

(12) Medical Insurance (570):
Fiscal year 1986:
(A) New budget authority, $81,950,000,000.
(B) Outlays, $68,250,000,000.
Fiscal year 1987:
(A) New budget authority, $91,550,000,000.
(B) Outlays, $75,500,000,000.
Fiscal year 1988:
(A) New budget authority, $95,550,000,000.
(B) Outlays, $84,550,000,000.

(13) Income Security (600):
Fiscal year 1986:
(A) New budget authority, $158,250,000,000.
(B) Outlays, $121,500,000,000.
Fiscal year 1987:
(A) New budget authority, $167,400,000,000.
(B) Outlays, $127,200,000,000.
Fiscal year 1988:
(A) New budget authority, $175,750,000,000.
(B) Outlays, $132,800,000,000.

(14) Social Security (650):
Fiscal year 1986:
(A) New budget authority, $207,200,000,000.
(B) Outlays, $200,800,000,000.
Fiscal year 1987:
(A) New budget authority, $224,750,000,000.
(B) Outlays, $214,000,000,000.
Fiscal year 1988:
(A) New budget authority, $264,650,000,000.
(B) Outlays, $228,200,000,000.

(15) Veterans Benefits and Services (700):
Fiscal year 1986:
(A) New budget authority, $27,450,000,000.
(B) Outlays, $26,800,000,000.
Fiscal year 1987:
(A) New budget authority, $27,450,000,000.
(B) Outlays, $27,200,000,000.
Fiscal year 1988:
(A) New budget authority, $27,700,000,000.
(B) Outlays, $27,500,000,000.

(16) Administration of Justice (750):
Fiscal year 1986:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $6,700,000,000.
Fiscal year 1987:
(A) New budget authority, $6,750,000,000.
(B) Outlays, $6,800,000,000.
Fiscal year 1988:
(A) New budget authority, $6,750,000,000.
(B) Outlays, $6,800,000,000.

(17) General Government (800):
Fiscal year 1986:
(A) New budget authority, $5,350,000,000.
(B) Outlays, $5,300,000,000.
Fiscal year 1987:
(A) New budget authority, $5,200,000,000.
(B) Outlays, $5,150,000,000.
Fiscal year 1988:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $5,300,000,000.

(19) New Interest (900):
Fiscal year 1986:
(A) New budget authority, $140,950,000,000.
(B) Outlays, $140,950,000,000.
Fiscal year 1987:
(A) New budget authority, $150,700,000,000.
(B) Outlays, $150,700,000,000.
Fiscal year 1988:
(A) New budget authority, $152,850,000,000.
(B) Outlays, $152,850,000,000.

By Ms. OAKER:

—At the end of the concurrent resolution, insert the following new section:

SEC. . (a) The House finds that—

(1) the present tax code lacks equity and fairness in that it permits profit-making entities to escape taxation;

(2) the proportion of total federal revenue contributed by corporations declined over 72 percent between 1954 and 1984; and

(3) the denial of these revenues has contributed to the largest deficit in our Nation's history, which has caused devastating economic harm to agriculture, manufacturing, and services industries.

(b) Therefore, it is the sense of the House that the Committee on Ways and Means should report and the House should adopt legislation which addresses these inequities by imposing a minimum tax.

(c) The revenue total raised be such legislation should be, at the very least, not less than the total revenue produced by provisions in the President's tax proposal which eliminate or reduce items of tax preference. Revenues derived from such legislation shall be applied either to rate reduction or deficit reduction, or both.

By Mr. PURSELL:

(Amendment in the nature of a substitute.)

—Strike out all after the resolving clause and insert in lieu thereof the following:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $50,900,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,200,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,400,000,000.
Fiscal year 1987: $216,800,000,000.
Fiscal year 1988: $248,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,055,500,000,000.
Fiscal year 1986: $1,060,000,000,000.
Fiscal year 1987: $1,129,100,000,000.
Fiscal year 1988: $1,209,300,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $949,300,000,000.
Fiscal year 1986: $970,800,000,000.
Fiscal year 1987: $1,021,600,000,000.
Fiscal year 1988: $1,074,400,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $213,100,000,000.
Fiscal year 1986: $176,600,000,000.
Fiscal year 1987: $155,600,000,000.
Fiscal year 1988: $120,200,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,857,400,000,000.
Fiscal year 1986: $2,089,700,000,000.
Fiscal year 1987: $2,320,700,000,000.
Fiscal year 1988: $2,536,500,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $33,600,000,000.
Fiscal year 1986: $232,300,000,000.
Fiscal year 1987: $231,000,000,000.
Fiscal year 1988: $215,800,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:
(A) New direct loan obligations, $51,937,223,000.
(B) New primary loan guarantee commitments, $68,805,405,000.
(C) New secondary loan guarantee commitments, $41,251,600,000.

Fiscal year 1986:
(A) New direct loan obligations, $34,258,541,000.
(B) New primary loan guarantee commitments, $74,036,665,000.
(C) New secondary loan guarantee commitments, $43,107,900,000.

Fiscal year 1987:
(A) New direct loan obligations, $34,376,759,000.
(B) New primary loan guarantee commitments, $76,966,574,000.
(C) New secondary loan guarantee commitments, $44,964,200,000.

Fiscal year 1988:
(A) New direct loan obligations, $34,172,944,000.
(B) New primary loan guarantee commitments, $81,175,571,000.
(C) New secondary loan guarantee commitments, $46,861,800,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:
(A) New budget authority, $292,600,000,000.
(B) Outlays, $252,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $293,500,000,000.
(B) Outlays, $269,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $313,700,000,000.
(B) Outlays, $285,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $336,400,000,000.
(B) Outlays, $304,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:
(A) New budget authority, $25,200,000,000.
(B) Outlays, $18,100,000,000.
(C) New direct loan obligations, $10,066,025,000.
(D) New primary loan guarantee commitments, $10,310,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $19,600,000,000.
(B) Outlays, $17,300,000,000.
(C) New direct loan obligations, $7,564,006,000.
(D) New primary loan guarantee commitments, $12,310,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $19,500,000,000.
(B) Outlays, $16,200,000,000.
(C) New direct loan obligations, $7,789,027,000.
(D) New primary loan guarantee commitments, $12,323,200,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $19,900,000,000.
(B) Outlays, $15,600,000,000.
(C) New direct loan obligations, $7,953,407,000.
(D) New primary loan guarantee commitments, $12,336,877,000.
(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $8,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $8,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $9,300,000,000.
(B) Outlays, $9,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:
(A) New budget authority, $1,900,000,000.
(B) Outlays, $6,900,000,000.
(C) New direct loan obligations, $2,668,400,000.
(D) New primary loan guarantee commitments, $84,970,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $4,700,000,000.
(B) Outlays, $4,900,000,000.
(C) New direct loan obligations, $2,672,500,000.
(D) New primary loan guarantee commitments, $80,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $4,600,000,000.
(B) Outlays, $4,100,000,000.
(C) New direct loan obligations, $2,722,858,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $4,200,000,000.
(B) Outlays, $3,400,000,000.
(C) New direct loan obligations, $2,761,383,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $13,000,000,000.
(C) New direct loan obligations, $68,500,000.
(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $12,300,000,000.
(B) Outlays, $12,600,000,000.
(C) New direct loan obligations, $63,529,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $12,500,000,000.
(B) Outlays, $12,300,000,000.
(C) New direct loan obligations, $65,770,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $12,800,000,000.
(B) Outlays, $12,500,000,000.
(C) New direct loan obligations, $68,014,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $21,000,000,000.
(C) New direct loan obligations, $13,790,000,000.
(D) New primary loan guarantee commitments, $5,706,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $19,100,000,000.
(B) Outlays, $16,500,000,000.
(C) New direct loan obligations, $13,324,000,000.
(D) New primary loan guarantee commitments, $6,812,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $17,800,000,000.
(B) Outlays, $16,900,000,000.
(C) New direct loan obligations, $12,127,000,000.
(D) New primary loan guarantee commitments, $6,891,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $17,400,000,000.
(B) Outlays, $16,700,000,000.
(C) New direct loan obligations, $11,744,000,000.
(D) New primary loan guarantee commitments, $6,970,000,000.
(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $5,600,000,000.
(C) New direct loan obligations, $6,528,415,000.
(D) New primary loan guarantee commitments, $26,448,753,000.
(E) New secondary loan guarantee commitments, $41,251,660,000.

Fiscal year 1986:
(A) New budget authority, $7,900,000,000.
(B) Outlays, $4,200,000,000.
(C) New direct loan obligations, $4,838,865,000.
(D) New primary loan guarantee commitments, $28,213,966,000.
(E) New secondary loan guarantee commitments, $43,107,900,000.

Fiscal year 1987:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $4,100,000,000.
(C) New direct loan obligations, $5,024,316.000
(D) New primary loan guarantee commitments, $29,930,344,000.
(E) New secondary loan guarantee commitments, $44,964,200,000.

Fiscal year 1988:
(A) New budget authority, $7,600,000,000.
(B) Outlays, $4,900,000,000.
(C) New direct loan obligations, $5,474,282,000.
(D) New primary loan guarantee commitments, $31,616,951,000.
(E) New secondary loan guarantee commitments, $46,861,800,000.

(8) Transportation (400):

Fiscal year 1985:
(A) New budget authority, $29,300,000,000.
(B) Outlays, $26,000,000,000.
(C) New direct loan obligations, $296,502,000.
(D) New primary loan guarantee commitments, $308,882,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $27,000,000,000.
(B) Outlays, $25,300,000,000.
(C) New direct loan obligations, $167,500,000.
(D) New primary loan guarantee commitments, $309,299,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $29,200,000,000.
(B) Outlays, $26,800,000,000.
(C) New direct loan obligations, $139,807,000.
(D) New primary loan guarantee commitments, $309,708,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $30,000,000,000.
(B) Outlays, $27,200,000,000.
(C) New direct loan obligations, $117,013,000.
(D) New primary loan guarantee commitments, $310,098,000.
(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:
(A) New budget authority, $8,400,000,000.
(B) Outlays, $8,700,000,000.
(C) New direct loan obligations, $1,734,817,000.
(D) New primary loan guarantee commitments, $169,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $8,200,000,000.
(C) New direct loan obligations, $1,391,735,000.
(D) New primary loan guarantee commitments, $169,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $7,600,000,000.
(B) Outlays, $8,100,000,000.
(C) New direct loan obligations, $1,893,361,000.
(D) New primary loan guarantee commitments, $176,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $8,100,000,000.
(B) Outlays, $8,000,000,000.
(C) New direct loan obligations, $2,115,983,000.
(D) New primary loan guarantee commitments, $182,000,000.
(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:
(A) New budget authority, $31,600,000,000.
(B) Outlays, $30,300,000,000.
(C) New direct loan obligations, $1,168,966,000.
(D) New primary loan guarantee commitments, $8,750,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $30,600,000,000.
(B) Outlays, $30,400,000,000.
(C) New direct loan obligations, $1,091,966,000.
(D) New primary loan guarantee commitments, $8,250,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $31,600,000,000.
(B) Outlays, $30,400,000,000.
(C) New direct loan obligations, $1,095,757,000.
(D) New primary loan guarantee commitments, $8,415,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $32,300,000,000.
(B) Outlays, $31,100,000,000.
(C) New direct loan obligations, $1,079,881,000.
(D) New primary loan guarantee commitments, $8,590,000,000.
(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:
(A) New budget authority, $33,600,000,000.
(B) Outlays, $33,400,000,000.
(C) New direct loan obligations, $7,000,000.
(D) New primary loan guarantee commitments, $250,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $35,000,000,000.
(B) Outlays, $35,100,000,000.
(C) New direct loan obligations, $7,236,000.
(D) New primary loan guarantee commitments, $250,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $37,200,000,000.
(B) Outlays, $36,900,000,000.
(C) New direct loan obligations, $7,547,000.
(D) New primary loan guarantee commitments, $264,422,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $39,500,000,000.
(B) Outlays, $38,900,000,000.
(C) New direct loan obligations, $7,698,000.
(D) New primary loan guarantee commitments, $278,845,000.
(E) New secondary loan guarantee commitments, $0.

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(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,800,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $81,600,000,000.

(B) Outlays, $68,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $91,100,000,000.

(B) Outlays, $75,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $95,200,000,000.

(B) Outlays, $85,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $163,100,000,000.

(B) Outlays, $128,700,000,000.

(C) New direct loan obligations, $14,306,040,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $157,900,000,000.

(B) Outlays, $121,000,000,000.

(C) New direct loan obligations, $1,825,280,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $166,400,000,000.

(B) Outlays, $126,100,000,000.

(C) New direct loan obligations, $2,295,208,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $175,100,000,000.

(B) Outlays, $132,100,000,000.

(C) New direct loan obligations, $1,758,570,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650).

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $207,200,000,000.

(B) Outlays, $200,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $224,800,000,000.

(B) Outlays, $214,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $264,600,000,000.

(B) Outlays, $228,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,300,000,000.

(C) New direct loan obligations, $1,302,518,000.

(D) New primary loan guarantee commitments, $16,777,800,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $27,000,000,000.

(B) Outlays, $26,400,000,000.

(C) New direct loan obligations, $1,311,924,000.

(D) New primary loan guarantee commitments, $17,642,400,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,100,000,000.

(B) Outlays, $28,700,000,000.

(C) New direct loan obligations, $1,216,108,000.

(D) New primary loan guarantee commitments, $18,756,900,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,500,000,000.

(B) Outlays, $27,200,000,000.

(C) New direct loan obligations, $1,092,213,000.

(D) New primary loan guarantee commitments, $20,890,800,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,700,000,000.

(B) Outlays, $5,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments $0.

Fiscal year 1988:

(A) New budget authority, $5,500,000,000.

(B) Outlays, $5,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments. $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $3,500,000,000.

(B) Outlays, $4,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $3,400,000,000.

(B) Outlays, $3,400,000,000.

(C) New dirigations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net interest (900):

Fiscal year 1985:

(A) New budget authority, $129,700,000,000.

(B) Outlays, $129,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $140,800,000,000.

(B) Outlays, $140,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $150,800,000,000.

(B) Outlays, $150,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $153,500,000,000.

(B) Outlays, $153,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$700,000,000.

(B) Outlays, −$800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$100,000,000.

(B) Outlays, −$100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $1,300,000,000.

(B) Outlays, $1,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,400,000,000.

(B) Outlays, −$32,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $−35,100,000,000.

(B) Outlays, $−35,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $37,600,000,000.

(B) Outlays, $−37,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $−40,600,000,000.

(B) Outlays, $−40,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than * * * 1985, the House committees named in subsections (b) through (f) of this section shall submit their recommendations to the House Budget Committee. After receiving those recommendations, the Committee on the Budget shall report to the House a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

HOUSE COMMITTEES

(b) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to reduce authority by $0 and outlays by $0 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,616,000,000 in budget authority and $1,616,000,000 in outlays in fiscal year 1987; and requires decreases of $2,132,000,000 in budget authority and $2,132,000,000 in outlays in fiscal year 1988.

(c) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $12,000,000 and outlays by $613,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $16,000,000 in budget authority and $941,000,000 in outlays in fiscal year 1987; and requires decreases of $17,000,000 in budget authority and $1,098,000,000 in outlays in fiscal year 1988.

(d) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $675,000,000 and outlays by $844,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $840,000,000 in budget authority and $1,007,000,000 in outlays in fiscal year 1987; and requires decreases of $1,057,000,000 in budget authority and $1,270,000,000 in outlays in fiscal year 1988.

(e) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $1,135,000,000 and outlays by $1,117,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,590,000,000 in budget authority and $1,586,000,000 in outlays in fiscal year 1987; and requires decreases of $2,105,000,000 in budget authority and $2,097,000,000 in outlays in fiscal year 1988.

(f) The House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $2,667,000,000 and outlays by $2,000,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $3,077,000,000 in budget authority and $2,974,000,000 in outlays in fiscal year 1987; and requires decreases of $4,005,000,000 in budget authority and $3,772,000,000 in outlays in fiscal year 1988.

(g) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $335,000,000 and outlays by $335,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $324,000,000 in budget authority and $324,000,000 in outlays in fiscal year 1987; and requires decreases of $333,000,000 in budget authority and $333,000,000 in outlays in fiscal year 1988.

(h) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $70,000,000 and outlays by $791,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $602,000,000 in budget authority and $1,113,000,000 in outlays in fiscal year 1987; and requires decreases of $656,000,000 in budget authority and $1,234,000,000 in outlays in fiscal year 1988.

(i) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $345,000,000 and outlays by $310,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $420,000,000 in budget authority and $419,000,000 in outlays in fiscal year 1987; and requires decreases of $428,000,000 in budget authority and $426,000,000 in outlays in fiscal year 1988.

(j) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $876,000,000 and outlays by $3,135,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,011,000,000 in budget authority and $4,200,000,000 in outlays in fiscal year 1987; and requires decreases of $1,081,000,000 in budget authority and $4,705,000,000 in outlays in fiscal year 1988.

SENATE COMMITTEES

(k) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $391,000,000 and outlays by $364,000,000 of fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $2,044,000,000 in budget authority and $2,041,000,000 in outlays in fiscal year 1987; and requires decreases of $2,602,000,000 in budget authority and $2,599,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $12,000,000 and outlays by $613,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $16,000,000 in budget authority and $941,000,000 in outlays in fiscal year 1987; and requires decreases of $17,000,000 in budget authority and $1,098,000,000 in outlays in fiscal year 1988.

(m) The Senate Committee on Energy and Natural Resources shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $335,000,000 and outlays by $335,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $321,000,000 in budget authority and $324,000,000 in outlays in fiscal year 1987; and requires decreases of $333,000,000 in budget authority and $333,000,000 in outlays in fiscal year 1988.

(n) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $3,843,000,000 and outlays by $5,619,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $4,728,000,000 in budget authority and $8,020,000,000 in outlays in fiscal year 1987; and requires decreases of $8,156,000,000 in budget authority and $9,778,000,000 in outlays in fiscal year 1988.

(o) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $70,000,000 and outlays by $791,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $602,000,000 in budget authority and $1,113,000,000 in outlays in fiscal year 1987; and requires decreases of $656,000,000 in budget authority and $1,234,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $284,000,000 and outlays by $318,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $412,000,000 in budget authority and $407,000,000 in outlays in fiscal year 1987; and requires decreases of $587,000,000 in budget authority and $604,000,000 in outlays in fiscal year 1988.

(g) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committe sufficient to reduce budget authority by $5,280,000,000 and outlays by $8,350,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $8,546,000,000 in budget authority and $13,265,000,000 in outlays in fiscal year 1987; and requires decreases of $10,779,000,000 in budget authority and $16,072,000,000 in outlays in fiscal year 1988.

AUTOMATIC SECOND BUDGET RESOLUTION

SEC. 3. (a) Effective October 1, 1985, this concurrent resolution shall be deemed to be the concurrent resolution on the budget for the 1986 fiscal year required to be reported under section 310(a) of the Congressional Budget Act of 1974, for the purposes of the prohibitions contained in section 311 of such Act.

(b) Section 311(a) of the Congressional Budget Act of 1974, as made applicable by subsection (a) of this section, shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report; would not cause the appropriate allocation for such committee of new discretionary budget authority or new spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 made pursuant to section 302(a) of such Act for fiscal year 1986 to be exceeded.

(c) The provisions of this section shall cease to apply when Congress completes action on a subsequent concurrent resolution on the budget for fiscal year 1986 pursuant to section 304 or 310 of the Congressional Budget Act of 1974.

SECTION 302(b) FILING REQUIREMENT

SEC. 4. (a) It shall not be in order in the House of Representatives to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1986;

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1986; or

(3) direct loan authority, primary loan guarantee authority, or secondary loan guarantee authority for fiscal year 1986;

within the jurisdiction of any committee which has received an allocation pursuant to section 302(a) of the Congressional Budget Act of discretionary budget authority or new spending authority, as described above, for such fiscal year, unless and until such committee makes the allocation or subdivisions required by section 302(b) of the Congressional Budget Act, in connection with the most recently agreed to concurrent resolution on the budget.

(b) The prohibition contained in subsection (a) shall not apply until twenty-one days of continuous session, as defined in section 1011(5) of the Impoundment Control Act of 1974, after Congress completes action on this concurrent resolution.

SENATE—*Tuesday, May 21, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, when the Senators work long, hard hours, behind the scenes there are those who work, if anything, harder and longer. Thank You for the unsung heroes who make it possible for legislation to happen. Thank You, God, for administrative assistants, legislative aides, secretaries, clerks and hosts of others: CONGRESSIONAL RECORD staff, Sergeant at Arms and Secretary of the Senate staffs, those in cloak rooms, pages, security, food service, elevator and subway operators, as well as those in maintenance. Help us never to take for granted the incalculable services of these dedicated, faithful friends. May we honor them, love them, serve them, as they give themselves in service to the Senate. Bless them all, Lord, with their families. In the name of Him who lived to serve. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

SCHEDULE

Mr. RUDMAN. Mr. President, the majority leader is attending a leadership meeting this morning. I shall briefly state the business of the day.

The two leaders have 10 minutes each this morning under the standing order. There are special orders in favor of Senators PROXMIRE, MCCONNELL, and PRESSLER not to exceed 15 minutes each.

There will be routine morning business not to extend beyond the hour of 10 a.m., with statements therein limited to 5 minutes each.

Following routine morning business, the Senate will resume consideration of S. 1160, the DOD authorization bill; pending is an amendment offered by the Senator from Colorado [Mr. HART] concerning MX missile production.

As usual, the Senate will stand in recess between the hours of 12 noon and 2 p.m.

At 2 p.m., the Senate will resume consideration of S. 1160, with rollcall votes expected throughout the day and very possibly late into the evening.

Mr. President, I reserve the remainder of the time for the majority leader.

I yield to my friend, the Senator from Wisconsin [Mr. PROXMIRE].

RECOGNITION OF ACTING MINORITY LEADER

The PRESIDING OFFICER (Mr. WALLOP). The acting minority leader is recognized.

Mr. PROXMIRE. Mr. President, I thank my good friend, the acting minority leader.

I ask unanimous consent that the time of the minority leader be reserved for him for his later use.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

Mr. PROXMIRE. I thank the Chair.

WITH FRIENDS LIKE PRESIDENT REAGAN, ARMS CONTROL NEEDS NO ENEMIES

Mr. PROXMIRE. Mr. President, the time has come when the Reagan administration's dismantling of arms control should be recognized. The President is mounting an assault on the Anti-Ballistic Missile Treaty. That treaty passed the Senate 88 to 2 in 1972. What did that treaty do? It outlawed all except a single antiballistic missile system for both super powers. And what would the President's favorite new military program do? It would load the country up with antiballistic missile systems known familiarly as star wars, costing as much as a trillion dollars.

Obviously, star wars would bring the absolute and total repudiation of the ABM treaty. This would be the first arms control treaty in the nuclear age to be utterly and directly repudiated by a super power. But not the last. The President has recently announced that his administration may ignore the terms of the Strategic Arms Limitation Treaty Number II—that is SALT II—by openly and directly exceeding its limits. This treaty was never ratified by the Senate, but both President Carter and then President Reagan had previously announced that we would observe it. In stating that we might now walk away from this treaty, the President asserted that there is "considerable evidence" that observance of the treaty has been "rather one sided."

Should an administration walk away from a nuclear arms control treaty with that kind of offhand remark? If the Soviet Union has violated SALT II—and very possibly they have—let us have all the evidence. Let us have it in detail. Let us have an analysis of whether or not violations may or may not have military significance. And then, above all, let us confront the Soviet Union with the alleged violations. Let us challenge them. Let us ask them for a response: Have they violated the treaty in the precise respects that we charge? Will they cease their violations? What assurances will they give the United States that they will henceforth agree to abide by the treaty, if any? What progress can we make with the standing consultative commission to keep SALT II treaty in force? Mr. President, that is the purpose of the standing consultative commission. Let us use it. This not the kind of action that an administration that believed in arms control and wanted arms control to succeed would pursue?

What a sad and sorry spectacle we have here. The American people have repeatedly declared in referenda and in reliable professional polls their support of nuclear arms control agreements between the superpowers. Every single administration in the more than 35 years since both superpowers developed nuclear arsenals 35 years ago has vigorously supported and earnestly negotiated such treaty agreements. That includes Presidents Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter. Now we have an administration that talks warmly of arms control. And no President has been able to talk more warmly than President Reagan. But when it comes to arms control action, the President and his administration have an overwhelmingly consistent record. They have given a new meaning to the term "No."

First, the President has an absolutely unblemished record of opposition to every nuclear arms control treaty this country has ever negotiated: The Limited Nuclear Test Ban Treaty of 1963, the ABM Treaty of 1972, the Underground Nuclear Weapons Testing Limitation Treaty of 1973, SALT I, and SALT II. Never has President Reagan supported a treaty that this country negotiated, not once. Of course, it is true that for the last couple of years, the President has presided over the intermediate nuclear force [INF] negotiations and the Strategic Arms Reduction Treaty—START. What happened to those nuclear arms control negotiations? Both were broken off with no results.

It is also true that the President has assigned negotiators to try to achieve a mutual superpower reduction in offensive nuclear missiles in Geneva at the present time. Those negotiations face a long paralysis. Why? Because Reagan's policies block progress. The President has announced that he intends to push for the research, development, production, and deployment of star wars.

Star wars, as we know, is a defense against intercontinental ballistic missiles. The President has made it clear that he will not negotiate away this project. He has taken star wars off the bargaining table. Why will the Russians not negotiate a reduction in offensive missiles by both sides under these circumstances? The answer is obvious: If the Russians agreed to a reduction in their offensive missiles, the reduction would make the prospects of success for star wars much greater. On the other hand, if they refuse to negotiate a reduction in warheads but increase their arsenal of deployed offensive missiles, they sharply reduce any prospect for the success of star wars.

Since the Russians want to keep their offensive nuclear deterrent, will they agree with the Reagan administration—reduce their offensive missiles and make the current arms control talks a success? No. And the President knows they will not agree. That lets the President speak as a friend of arms control blocked from reducing nuclear missiles by the Soviets.

So, here we have an administration that is engaged in arms control right now in what will very likely become a fiasco and go nowhere. Meanwhile, the administration is in the process of walking out on one arms control agreement—SALT II—pushing hard a star wars anti-missile project that will destroy another arms control agreement—the ABM treaty. The President has opposed every arms control treaty this country has ever adopted, including those negotiated by Republican Presidents. With friends like President Ronald Reagan, does arms control need any enemies?

WHY NO DEFICIT REDUCTION IN THE NEXT 4 YEARS

Mr. PROXMIRE. Mr. President, in the early hours of the morning of Friday, May 10, the U.S. Senate passed a budget resolution that its supporters claimed would reduce the deficit by $56 billion in 1986 and would bring the Federal deficit down to or below $100 billion by 1989. Wall Street reacted with hoots and hollers and literally put their money where their mouth was by buying stocks and driving up the stock market. The stock market rose in spite of generally gloomy economic news on other fronts. Industrial production fell. Industrial capacity utilization dropped. Productivity lagged. But the Senate passed that long-awaited and urgently prayed for resolution. So why doesn't it mean just what it says? Doesn't it hammer down Federal spending?

Mr. President, the answer is that it will not bring down the Federal deficit by anything like $56 billion in 1986. It will certainly not lower the deficit to $100 billion by 1989. In fact, it does not even assure the country that the deficit in 1989 will not be larger than it is today. How can this be? Certainly, the Senate majority and the Senate leadership acted sincerely in their efforts to reduce the deficit. Why did the resolution fail to make the kind of deficit reduction progress the leadership and the administration advertised?

In the first place, the economic assumptions on which the spending and revenues are based are not only excessively optimistic, they are contradictory. Obviously, any advocate of the budget resolution can increase revenues and decrease spending by simply making the rosy estimate that the economy will grow fast. If that happens, unemployment will drop. Personal income will rise. And what a happy fiscal result ensues! Fewer people demand unemployment compensation. More people work and pay taxes.

Fewer people need welfare. More corporations are making profits and paying more taxes to the Federal Government. None of this requires any action by the Congress to reduce popular spending programs. None of it requires any congressional action to increase unpopular taxes. All it requires is some constructive upbeat dreaming: a happy forecast by an administration economist and, presto, the deficit sinks by billions. Is the drop in the budget resolution based on a happy forecast? Mr. President, this forecast adds a new meaning to optimism. Consider the long range growth of the American economy in real terms has averaged 3 percent. In recent decades that growth has slowed down. Most economic recoveries progressively slow down as they grow older. The current recovery is no exception. We are in the 30th month of recovery. To push the analogy a touch further, the recovery has just about reached its difficult menopause period. In the most recent interval for which we have the results: the first quarter of this year—that is, the first 3 months—the economy slowed down to a 1.3-percent growth rate. On what rate of real growth does the administration base its forecast for a continuous drop in the deficit down to $100 billion by 1988? Answer: 4 percent! What happens to the deficit if growth falls to a more realistic 3 percent? We lose between $20 and $25 billion per year in deficit reduction. Is 3 percent real economic growth realistic next year and through 1988? Mr. President, I believe even that is optimistic. A realistic estimate of economic growth between 2 and 3 percent would more than cut the estimated reduction of the deficit in half.

And that isn't all. The administration estimates that interest rates will fall steadily while the economy grows and will diminish to 5.9 percent in 1988. Of course, anything is possible in a free economy, but if we have continuous growth—with no recession as the administration expects, interest rates are far more likely to rise than to fall. If interest rates stay where they are instead of falling to 5.9 percent, that will make a difference in interest requirement on the national debt of about $50 billion a year by 1988.

Now, Mr. President, just put these two elements together. If we have economic growth of a little less than 3 percent and interest rates stay in the present neighborhood, we will still have $200 billion deficits in 1988. And we will suffer these deficits even if other highly optimistic assumptions work out. And they will not. The bad news gets worse.

The crux—the big breakthrough in the budget resolution—came with the agreement of the Senate to cut the growth in military spending in 1986 to the growth in inflation. In other words, the resolutions said no real growth in defense spending in 1986. Newspaper commentators and Senators agreed that this action by the Senate and the acquiescence of the President represented the true breakthrough in the 1986 budget resolution. Did this mean that military spending will only rise in 1986 by the same margin as inflation? Most Senators and practically all of the general public would say yes. Well, Mr. President, most Senators and practically all of the general public would be wrong. Here's why: neither the budget resolution nor the appropriations we pass later in the year can restrain the amount of spending the Defense Department makes in 1986. What do the Budget Committee resolutions or the appropriations Congress passes in response to the budget resolution restrain? Answer: obligational authority, and only obligational authority. The budget resolution will certainly hold that down. But previous appropriations by the Congress have handed the Defense Department about $243 billion in unexpended balances. Can the Defense Department spend that $243 billion in addition to whatever the Congress authorizes and appropriates this year? You bet your life they can. If Secretary Weinberger wants to increase defense spending by 5 percent or 10 percent above inflation and expend $20 or $30 billion more in 1986 than in 1985, he has the unexpended balances sitting right there, and then some. He can spend in effect all he wants. Will he want to spend it? What do you think?

Mr. President, there are other reasons why the deficit saving will be far less than the $56 billion trumpeted by the administration. The Administration claims a $56 billion savings in part because they use a $294 billion baseline for 1986 defense outlays. They do this by relying on an agreement between the White House and Senate Republicans in the Rose Garden last year as their baseline. What is wrong with that? Plenty. The comparisons for the rest of the budget rely as they should on the budget resolution made 1 year ago in 1984 for 1985. If the defense figures are made consistent with that 1985 budget resolution pronounced last year as the starting point, the 1986 budget resolution that passed the Senate on May 9, 1985 saves $12 billion less—not $56 billion but $44 billion. In addition, on the basis of past experience, for one reason or another, the administration often requires supplemental appropriations, particularly for foreign aid or emergency aid. And this year, the President has made it clear he may come up later in the year with a request for a major military supplemental.

So altogether, the outlook for a significant reduction in the budget deficit in 1986 is not $56 billion or $44 billion. It may be we will have no reduction in the deficit in 1986.

There may very well be an increase. As for 1988, you can surely forget about seeing the deficit drop to $100 billion or less. The cold, cruel, realistic likelihood is that the deficit in 1988 will be $200 billion or higher. If there were smart Las Vegas money on this, a $200 billion deficit should be the break-even point.

REUNIONS

Mr. PROXMIRE. Mr. President, about this time, 40 years ago, all over Europe there were reunions taking place. These reunions were filled with joy and sorrow, enhanced by the discovery of family members while at the same time haunted by the growing knowledge that so many family members had been brutally murdered and would never be reunited. The war was over and the inhabitants of the German concentation camps were searching for their loved ones. The immediate horrors of the Holocaust were over and the reunions were beginning.

Reunions of survivors of the Holocaust continue. In 1981, the first formal reunion of Jewish Holocaust survivors took place in Israel. Two years later a similar event took place here in Washington. Emilie S. Passow, an English professor at St. Joseph's University, wrote her impressions of the events in an article, "Reflections on a Gathering," for Midstream magazine. Having attended both events, she had the opportunity to reflect on the Israel and Washington gatherings.

At both gatherings there was a common identity with the past: the death camps, the forests, attics, basements, and other places of refuge in Europe. There was still the search for word of what may have happened to family members, in hopes that by some miracle they may still be alive.

The article states that the Washington gathering had dozens of films shown about the Holocaust and how people have dealt with it. In one film, a daughter discovers that her mother's inability to become close to anyone is caused by her experience as a child in Auschwitz that those you love are invariably taken away. As the mother proclaims to her daughter, "If I hurt you all these years, I apologize. But who will apologize to me?" The pain never seems to end for many survivors.

The Washington gathering produced other strong feelings. There was the rekindled anger and disappointment when recalling the insufficient response to the events of the Holocaust by the United States. There were also disheartening questions that surfaced. Would the United States always be friendly? Could the United States turn its back again on the victims should another Holocaust threaten? One would hope and pray not. But it did happen before and it could happen again.

The reunions continue to take place. The pains suffered because of the Holocaust will always be felt by those who experienced them. The Senate can help make a commitment to those survivors that the United States will not turn away again. Mr. President, ratifying the Genocide Convention would be a clear signal of commitment to those survivors. I urge support for the Genocide Convention.

RECOGNITION OF SENATOR McCONNELL

The PRESIDING OFFICER. Under the previous order, the Senator from Kentucky [Mr. McConnell] is recognized for not to exceed 15 minutes.

S. 1174—AMENDMENT TO THE MISSING CHILDREN'S ASSISTANCE ACT OF 1984

Mr. McCONNELL. Mr. President, I rise today to introduce a bill that will amend the Missing Children's Assistance Act of 1984. That act provided for the establishment of a national toll-free telephone line to be operated by a national clearinghouse for information relating to exploited and missing children. This bill, when enacted into law, will see to it that we complete the work we started with that act, and follow through on progress made as a result of the National Center, by providing financial assistance to the States to set up clearinghouses in each State.

Mr. President, public awareness of the tragedy of missing and exploited children has never been more acute. Many of us saw the recent rebroadcast of "Adam," the story of the abduction and murder of young Adam Walsh. Several children were found as a result of the program, and the public's quick response to the showing of missing children after the airing of "Adam" is clear indication of how far we've come in addressing this national crisis. Prior to 1983, no national organization was in place to field the phone calls and follow through on such leads. Now, the new National Center for Missing and Exploited Children, funded initially by the Department of Justice, serves as a clearinghouse for information about missing children, provides a toll-free hotline for reporting information on these young people, and provides help to State agencies.

Yet the faces of thousands of young children in the files of the National Center are stark reminders of how far we have yet to go, and of the work yet to be done.

After less than a year in operation, the National Center has demonstrated that resources of the kind it provides, and prompt access to them, are the keys to solving the problem of missing children. Yet for all its success, it is clear that there must be a link between all levels of law enforcement, from the national to the local level, if our efforts ultimately are to be successful. It's the local law enforcement agency that is on the scene, and it's the State law enforcement agency that is best equipped and situated to coordinate efforts statewide. Officers of these agencies need training in handling the crisis of a missing or abducted child, and these agencies need assistance in establishing and implementing such efforts.

As chief executive of Kentucky's largest county, I actively pursued legislation to establish a statewide clearinghouse, and I was gratified when Kentucky moved to the forefront of the campaign to locate missing children by establishing the Kentucky

Missing Child Information Center. This center acts as a central repository of, and clearinghouse for, information about missing children in Kentucky. A few other States, most notably Florida, have similar clearinghouses, but most States have not acted to establish these programs yet.

I am convinced that if our efforts to locate missing children are to be successful, information clearinghouses like those in Kentucky and Florida must be integral components of the national network. For that to happen—and happen now—a modest Federal program such as that proposed with this bill must be implemented.

This bill calls for the award of grants to the several States representing up to 50 percent of the cost of establishing and operating, or operating and expanding, a missing children information clearinghouse. The bill requires that the clearinghouse be set up within each State's department of justice or law enforcement. This is an important aspect of the bill, for it is through law enforcement agencies that information about missing children is most readily available. Indeed, access to the National Crime Information Center computer is essential to successful implementation of a missing children information clearinghouse, and that access is only available through a law enforcement agency. At the same time, the bill will permit the States to establish their clearinghouses in conjunction with other State agencies, such as their departments of health and human services.

Experience has shown that the cost of establishing an effective State clearinghouse is not great, and the grants called for by this bill amount to a very modest $2 million in fiscal year 1986 and $2 million in fiscal year 1987—only some $75,000 per State. I do not believe it wise to authorize expenditures in the face of the burgeoning deficit, and it may be that the small sums called for here can be reallocated from other less meaningful programs. But surely we can commit this frugal amount to such an effective and critical program as this.

Mr. President, I believe that the passage of this bill and its enactment into law will close a gap in the network of protection we have established in recent years. A similar bill was introduced by Representative Tom Lewis in the 98th Congress, and was reintroduced last January in this Congress. That bill, H.R. 604, now has well over 100 cosponsors in the House. I encourage my colleagues to support this bill and to help see to its early approval.

Mr. President, I ask unanimous consent that the entire text of the bill be printed in the Record.

There being no objection, the text of the bill was ordered to be printed in the Record, as follows:

S. 1174

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5771) is amended—

(1) by redesignating section 402 as section 411;

(2) by transferring section 403 to the end of section 401, redesignating such section as section 402, and inserting after such section the following:

"PART A—GRANTS FOR RESEARCH, DEMONSTRATION PROJECTS, AND SERVICE PROGRAMS";

(3) by redesignating sections 404, 405, 406, 407, and 408 as sections 412, 413, 414, 415, and 416, respectively;

(4) by striking out "406" in section 415 (as redesignated by paragraph (3)) and inserting in lieu thereof "414";

(5) by striking out "title" in sections 411 through 416 each place it appears and inserting "part" in lieu thereof; and

(6) by inserting after section 416 (as redesignated by paragraph (3)) the following new part:

"PART B—GRANTS FOR STATE CLEARINGHOUSES

"FINDINGS

"Sec. 421. Congress finds that—

"(1) State and local law enforcement agencies serve a vital role in the safe and prompt return of missing children;

"(2) State and local law enforcement agencies serve as the initial contact point for parents or guardians of a missing child;

"(3) State and local law enforcement agencies have access to computers that can aid in quickly locating a missing child, and data accumulated on these computers can aid in research to specify the number of children missing each year;

"(4) State and local law enforcement agencies have at their disposal an advanced telecommunications system for working and cooperating with other law enforcement agencies;

"(5) State and local law enforcement agencies can work directly with the National Center for Missing and Exploited Children, a not-for-profit corporation operating under a cooperative agreement with the Office of Juvenile Justice and Delinquency Prevention of the United States Department of Justice;

"(6) State clearinghouses will aid in the dissemination of information regarding and prompt recovery of missing children;

"(7) cooperation among local, State, and Federal law enforcement agencies that operate similar systems will aid in the prompt recovery of missing children; and

"(8) Federal assistance is needed to help initiate State clearinghouses.

"GRANTS

"Sec. 422. From amounts appropriated under section 425 for any fiscal year, the Administrator shall make a grant for the purpose of establishing and operating, or operating and expanding, a Missing Children Information Clearinghouse, to each State whose application is approved under section 423. Each grant shall be made under such terms and conditions as the Administrator shall prescribe. The amount of a grant to a State for a fiscal year shall not exceed 50 percent of the total cost during such fiscal year of establishing and operating, or operating and expanding, the clearinghouse, as determined by the State under section 423. In no event shall any State be entitled to a grant in excess of $75,000.

"APPLICATIONS

"Sec. 423. (a) Each State that desires to receive a grant for a fiscal year under section 422 shall submit an application to the Administrator. The application shall contain such information and assurances as the Administrator deems necessary. The Administrator shall approve an application if the State qualifies under subsection (b) of this section.

"(b) To qualify for a grant for any fiscal year under this part, a State shall—

"(1) agree to provide for the establishment and operation, or operation and expansion, of a Missing Children Information Clearinghouse within its department of justice or law enforcement, alone or in cooperation with other State agencies, that will—

"(A) work in conjunction with the National Crime Information Center;

"(B) educate parents, children, and community agencies and organizations in ways to prevent the abduction and exploitation of children;

"(C) provide public information to assist in locating and returning missing children, including, among other things, the distribution of a monthly bulletin to State and local law enforcement agencies with pictures and descriptions that will aid in locating missing children;

"(D) publish a directory of other organizations, such as hospitals, medical clinics, and runaway shelters, that provide assistance in locating missing children;

"(E) establish an in-State toll-free telephone line to allow persons to report a missing child and be provided with information to assist in locating and returning a missing child as quickly as possibly;

"(F) cooperate with and act as a liaison for other public and private organizations to locate missing children; and

"(G) work with the National Center for Missing and Exploited Children;

"(2) determine the cost of the establishment and operation, or operation and expansion, of the clearinghouse in such fiscal year and provide assurances that the State will at least pay 50 percent of such cost in cash or in kind; and

"(3) agree to submit to the Administrator a status report on the State's clearinghouse no later than six months after receipt of a grant under this part.

"ADMINISTRATIVE PROVISIONS

"Sec. 424. (a) The Administrator—

"(1) may prescribe such rules as he considers necessary or appropriate to carry out the purposes of this part; and

"(2) shall allocate staff and agency resources which are adequate to properly carry out the Administrator's responsibilities under this part.

"(b) Whenever the Administrator, after reasonable notice and opportunity for a hearing to any State, finds that the State has failed to comply substantially with the requirements of section 423, the Administrator shall withhold payments under this part until the Administrator is satisfied that there is no longer any failure to comply.

"(c) The Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of any State receiving assistance under this part that are pertinent to the sums received and disbursed under this part.

"AUTHORIZATION

"Sec. 425. There are authorized to be appropriated to the Administrator for grants under section 422 $2,000,000 for fiscal year 1986 and $2,000,000 for fiscal year 1987.

"DEFINITION

"Sec. 426. For purposes of this part, the term 'State' shall mean any State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.".

Mr. McCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

(Mr. McCONNELL assumed the chair.)

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF SPECIAL ORDER FOR SENATOR PRESSLER

Mr. WALLOP. Mr. President, I ask unanimous consent that the special order for Senator Pressler be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 10 a.m., with statements therein limited to 5 minutes each.

THE INDIAN CONNECTION

Mrs. HAWKINS. Mr. President, in a recent article in a March issue of U.S. News & World Report, India is presented as the newest member of the worldwide drug smuggling network.

This problem-ridden nation has been recently established by drug control officials as an important linkage between heroin factories in Asia and addicts in the United States and Western Europe. This "Indian Connection" seems to be taking over the position once filled by Bangkok, Marseilles, and Amsterdam. The article discusses official statistics which point to a tremendous increase in the use of India's ports and airfields to transship heroin manufactured in Pakistan, Afghanistan, and in the Golden Triangle region on the borders of Laos, Burma, and Thailand. Until 3 years ago, heroin from these areas was transported largely through Pakistan and Thailand.

For various reasons, however, including increased police surveillance in Pakistan and Thailand, drug smugglers went south to India as a conduit to world markets. Narcotics traffickers began taking advantage of these newly discovered routes, as is indicated in the following figures: In 1981, Indian authorities seized about 36 pounds of heroin; last year, seizures amounted to 300 pounds; and this year, experts predict that 2 to 3 tons of heroin will come through India.

Mr. President, this beautiful but beleaguered nation must not allow itself to become a major world conduit for heroin aimed at the United States. Our nations have been friends for too long, and withstood too much together, to allow the aggressive and destructive activity of narcotics trafficking to come between us.

When you read of the arrest of an Indian Congressman in the act of trying to sell upwards of 22 pounds of heroin; when you learn of an Indian couple arrested in New Jersey while trying to smuggle $165 million worth of heroin in imported brass flowerpots; and when you hear of an Indian diplomat arrested at Kennedy Airport with 56 pounds of heroin in his suitcase—you know that narcotics trafficking has become a major problem between our two nations.

The U.S. News & World Report indicates that one reason that this is happening is that India's "porous borders and long coastline amount to what one agent called a heroin smuggler's dream." Mr. President, I represent a State that has been called the same thing. Combined Federal, State, and local efforts have done much to reverse this trend, and I fully believe that the Indian Government, if it wants to, can accomplish the same.

This article predicts that the situation will worsen as more and more Indian criminals discover that heroin smuggling is as easy as it is profitable. Mr. President, I would like to offer any support I can to the Indian Government in its efforts to put a stop to its escalating problem of narcotics trafficking, and the always coincidental problem of narcotics use. If, as our nations have done in the past, fight side by side in battle, we can both win the war against drug abuse.

Mr. President, I ask unanimous consent that the March 11, 1985, article of U.S. News and World Report entitled "Now It's India Pushing Drugs Into the U.S.," be inserted in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From U.S. News & World Report, Mar. 11, 1985]

NOW IT'S INDIA PUSHING DRUGS INTO THE U.S.

New Delhi.—Add India to the worldwide smuggling network that links heroin factories in Asia to addicts in the U.S. and Europe.

With a suddenness that alarms drug agents, the "Indian connection" is taking over the notoriety once focused on Bangkok, Marseilles and Amsterdam.

Official statistics show a huge jump in the use of India's ports and airfields to transship heroin manufactured in Pakistan, Afghanistan and in the Golden Triangle region on the borders of Laos, Burma and Thailand.

Until three years ago, heroin from those areas moved more or less directly to the West from Pakistan and Thailand.

But with tougher police surveillance, smugglers from Pakistan looked south to India as a conduit to world markets. And last year, heroin from the Golden Triangle—twice as pure and thus twice as valuable as that from southwest Asia—began to appear in the Indian pipeline.

"What we are seeing is the entire pattern of international narcotics trafficking changing right in front of us," says John King, head of the U.S. Drug Enforcement Administration office in New Delhi.

In 1981, Indian authorities seized about 36 pounds of heroin. Last year, seizures amounted to 300 pounds. This year, experts predict that 2 to 3 tons will come through India.

MULTIMILLION-DOLLAR HAUL

Recent arrests indicate that much of the traffic is aimed at the U.S.

Last December, agents closed in on an Indian couple in Middlesex County, N.J., and seized 37 pounds of pure heroin. Cut for the trade on the streets of nearby New York City, the haul would have brought in 16.5 million dollars.

The couple was described as the U.S. end of a sophisticated international organization. The heroin had been smuggled into the U.S. hidden in Indian-made brass ashtrays and flowerpots.

Earlier in 1984, a diplomat from tiny Bhutan was arrested at New York's John F. Kennedy International Airport with 56 pounds of heroin from India in his suitcase.

Agents say that smugglers frequently use as couriers Third World diplomats whose luggage normally is exempt from customs searches. Other couriers from America and Europe arrive in New Delhi as ordinary tourists.

Making a heroin deal is easy. Agents say that heroin is so plentiful in some Indian cities that virtually anyone can buy up to 40 pounds right on the streets. The price ranges from $3,000 to $4,500 a pound. "Just bring along a suitcase full of rupees and pay on the spot," says one undercover man.

One big factor in the sharply rising business—and one that alarms police—is that India's traditional smugglers increasingly are taking up drug trafficking. "They have learned that heroin is easy to move and is the product that brings the most money for their efforts," one official explains.

For centuries, India's smugglers almost casually brought gold and gems into the country. In modern times, they moved into liquor, transistor radios and electronic equipment. Now, they are switching to heroin.

Because smuggling was practically an honorable calling, some police accepted payoffs and turned a blind eye. But the drug trade and the corruption it spawns no longer can be winked at.

Last year, police arrested a legislator from the ruling Congress-I Party in the northern state of Uttar Pradesh with more than 22 pounds of heroin. He was trying to make a sale while using an official government residence.

Police also say that some Indian entrepreneurs are becoming drug kingpins, financing multimillion-dollar syndicates with bank letters of credit.

India was ill-prepared for this level of drug dealing. With only about 100,000 addicts among a population of nearly 750 million, the nation had not focused on drugs as a serious problem.

A minimum of funds were provided, penalties, for drug trafficking were light, and few policemen were assigned full time to the undercover work essential in fighting the illicit trade.

These conditions, added to the nation's porous borders and long coastline, amounted to what one agent called "a heroin smuggler's dream."

USING THE SEA ROUTE

Though Indian officials have become alerted to the problem, there still are few barriers to heroin coming from Pakistan or the Golden Triangle.

Some smugglers now avoid the long overland journey to New Delhi and bring the heroin from Afghanistan and Pakistan by sea to Bombay on India's west coast. In the east, Calcutta is the terminal for Golden Triangle heroin.

Agents say the Calcutta route was opened when drug warlords in Burma encountered a ban in Thailand on sale of the chemical acetic anhydride, used in the process of converting the juice of opium poppies into morphine and then into heroin.

The warlords turned to India where the chemical was easily available. The process worked so well that smugglers started sending heroin the other way.

Calcutta now is believed to be a major transshipment point. However, agents complain that enforcement is so lax and the city is so lawless that not one arrest has been made. "Keeping up with camels and bullock carts was one thing," an Indian agent complains. "Now, with boats and jet airplanes, we face a technological revolution. The stuff is gone before we can catch up with it."

Experts predict the situation will get much worse, with even more smugglers using the Indian connection to try for big payoffs in the U.S. and Europe.

RESEARCH ADVANCES NUTRITION

Mr. MELCHER. Mr. President, nutrition is fundamental for man's development and progress. Research and advancements in nutrition help us all if the quality or availability of good food supplies is enhanced. A significant breakthrough toward these goals to further our knowledge and ability occurred recently in Bozeman, MT.

After more than 2 years of research, Montana State University announced this month the development of a modified bacterium that substantially improves the nutritional content of bread. University scientists predict that the advancement will provide a different approach to the world food problem.

The new bacterium—Lactobacillus fermentum—has immediate applications to Third World countries, especially Egypt where there is a critical need for additional dietary protein.

The research advancement was the product of a team of MSU scientists including David Sands, Rosemary Newman, Walt Newman, and Mohamed Eid, a visiting research associate from Egypt.

Sands, who has been working on the process of nutritional enhancement for nearly a decade, described the area as a technological vacant lot. According to Sands, people who concentrate on problems of food and marketing generally try to increase production, which often means a loss of nutritional content.

"In many ways, Montana is like a developing country. We do not have a lot of extra money for experimental fluff. We find we have to work on pragmatic approaches to the problem of nutrition," Sands said. "If we want to do something about world food supplies and give our products an edge at the same time, we need to use technology to make natural bacteria do a better job nutritionally."

The altered bacterium discovered by the MSU research team produces 10 times as much lysine as the original bacterium, or bug, as the scientists are prone to say. That means that breads fermented with the new bug are substantially enriched. The research of Rosemary Newman found that the breads made with the new bacterium were superior in shape and texture to those made with the traditional starters.

Earlier this year, a Billings, MT, firm, Yellowstone Valley, began testing the bacterium in Egypt with the cooperation of the Egyptian Government. Preliminary consumer reports indicate that the enriched baladi bread is doing well on the market. In one test, consumers actually preferred the enriched bread to the traditional.

In the meantime, the Food and Agricultural Organization of the United Nations has expressed enthusiasm over the MSU discovery. Although it will not replace eggs and meat in the diet, the enriched bread can bring the diet of the people much closer to the FAO protein requirements.

MANIPULATING, OR IGNORING, INFANT MORTALITY RATES

Mr. HELMS. Mr. President, critics of the Reagan administration attempt to use statistics regarding infant mortality to pretend a failure of the Reagan economic program and the budget reductions of 1981 and 1982.

But when favorable news regarding infant mortality is reported, it is ignored by the Reagan critics—and by most of the major news media. To illustrate the point I ask unanimous consent that an article, "Infant Death Rate Fell Again—Did You Hear?" by Harry Schwartz in the Wall Street Journal be printed in the RECORD at the conclusion of my remarks.

Mr. President, Mr. Schwartz, a writer in residence at the College of Physicians and Surgeons of Columbia University, provides a useful insight in the discussion of infant mortality statistics. I commend his article to my colleagues.

Mr. Schwartz points out that the initial—known as provisional, or preliminary—infant mortality rate for 1984 fell to 10.6 deaths per 1,000 live births, the lowest in U.S. history.

Mr. President, all infant mortality is tragic. And we as a nation must continue to strive to reduce the levels which do exist. However, it is regrettable that some insist upon playing on the legitimate concern of the American people for the health of our Nation's infants by manipulating infant mortality statistics to suit their political purposes.

For example, Dr. J. Larry Brown and his "Physician Task Force on Hunger in America" attempted to use infant mortality figures to discredit the Reagan administration. Generally, critics of the administration, such as Dr. Brown, have focused on a few States or cities, where infant mortality rates may have gone up, while ignoring the national patterns which have shown an unbroken record of decline in infant mortality. Dr. Brown's report, "Hunger in America: The Growing Epidemic," seeks to portray the health of the Nation's infants and children, among others, as dismal. This portrayal is a pretext for recommending $5 to $7 billion in increased annual spending for an array of Federal programs including Medicaid, Aid to Families with Dependent Children, Food Stamps, and various child nutrition programs.

But contrary to the impression left by such critics, infant mortality rates continue to decline nationally and, based on the latest available information, across all racial and geographic lines.

Attempts to manipulate infant mortality statistics first came to my attention in 1983 when similar charges were made by the Food Research and Action Center, claiming "that the steady decline in infant mortality rates is being reversed in recession-hit cities and States." Similar charges have been made by the Children's Defense Fund, another frequent critic of the Reagan administration. The Committee on Agriculture, Nutrition, and Forestry has considered the issue of infant mortality in the context of the presumed interrelationships between infant mortality rates and nutrition—provided, in many instances, to low-income mothers, infants, and children through Federal food assistance programs, including the Food Stamp Program and the Special Supplemental Food Program for Women, Infants, and Children [WIC].

The Larry Brown task force makes the same attempt that the FRAC report did by claiming that "Revealing infant mortality data is also drawn from small geographic areas, for which relatively precise economic and social characterization is possible."

The report then proceeds to attempt an analysis of infant mortality rates within certain cities, or even portions of cities.

In 1983, following the initial FRAC charges, I asked nine experts from around the country to review and comment upon both the FRAC report and the administration's position, which had been represented at subcommittee hearings by Dr. Edward N. Brandt, then the Assistant Secretary for Health, Department of Health and Human Services.

One of the issues which I asked the experts to address was the propriety of using infant mortality statistics from isolated areas. Specifically, I said—

> It has been argued that historically there have been annual fluctuations on a state-by-state basis in infant mortality rates and those rates reported recently are not uncharacteristic when compared with historical trends. Similarly, the issue has arisen as to the propriety of utilizing statistics on infant mortality in (relatively) small areas such as cities where fluctuations may appear more extreme than the national figures. To what factors do you attribute fluctuations in the infant mortality rate within States or cities?"

Mr. President, the consensus of these experts was clear, and certainly remains applicable with regard to the latest outburst from Dr. Brown's task force.

Among the comments on the issue of using State or local infant mortality were the following—

Dr. Alvin M. Mauer, chairperson of the Committee on Nutrition of the American Academy of Pediatrics and director of St. Jude's Children's Research Hospital, Memphis, TN:

> The fluctuations that were observed in infant mortality data can easily be explained by random variation.

Dr. Donald A. Cornely, chairman of the Department of Maternal and Child Health at the Johns Hopkins University, Baltimore, MD:

> Fluctuation in infant mortality rates on an annual basis within states and cities are overwhelmingly due to the combination of infant death being a relatively rare event and the small number of live births occurring in many states and most cities in a single year."

One physician, who would later become a member of the Brown task force, commented that fluctuations among cities and States were not unique. Dr. Myron Wegman, dean emeritus, School of Public Health, University of Michigan, Ann Arbor, wrote:

> Besides those factors influencing infant mortality per se, rates in cities and states are more subject than national rates to chance variation from year to year. Thus, in many states, particularly the smaller ones, one would not be surprised to find a higher level in a given year, despite an overall downward trend.

Dr. Ronald L. Williams, director, Health Data Research Facility, University of California, Santa Barbara, added:

> All available statistical information supports the view that the historic trend of declining infant mortality rates (is) continuing unabated, both nationally and for each state."

As noted by Mr. Schwartz, the decline in infant mortality rates "shows up the rhetoric of the anti-Reagan groups for the absurd hyperbole it is."

Mr. President, I ask unanimous consent that, in addition to the article by Mr. Schwartz, two tables outlining reported infant mortality rates be printed in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INFANT DEATH RATE FELL AGAIN—DID YOU HEAR?

(By Harry Schwartz)

One of the most politically charged health statistics in the U.S. was released last month and received—as far as I could tell—no journalistic attention whatsoever.

The statistic issued was the infant mortality rate for 1984. The Department of Health and Human Services reported that last year there were 10.6 deaths per 1,000 live births, the lowest rate in U.S. history. Because it was the rate for the fourth year of the Reagan administration, moreover, this figure provided an opportunity to make an accurate assessment of the impact that President Reagan's policies have had on the health and welfare of the U.S.'s babies. The general failure of the media to pay attention to this figure raises interesting questions about how many journalists really seek a sober, balanced account of the state of American babies' health.

What makes the new lower rate so politically charged, of course, as the frequent claims from such groups as the Children's Defense Fund that Reagan administration health and welfare policies strike viciously at the nation's babies. In the past four years we have been treated to a barrage of data about individual states whose infant mortality rate during, say, 1982 or 1983 was greater than it had been the preceding year. Small geographic areas of the U.S. have been singled out as having infant mortality rates comparable with the worst of the Third World nations. The latest gambit has been the charge that no state will reach an (unrealistic) 1990 goal for infant mortality set by Jimmy Carter's surgeon general in 1978. The whole point of this campaign has been to portray the Reagan administration as brutal and callous toward babies and to encourage Congress to pass still higher appropriations for what the lobbyists consider pro-baby purposes. And many members of the media have proved themselves patsies for this propaganda campaign year after year since Ronald Reagan took office.

The actual data yield a message in sharp contrast to the doom and gloom favored in most news stories on this subject. In 1980, the last year of the Carter administration, there were 45,526 deaths of infants under one year of age, an infant mortality rate of 12.6 infant deaths per 1,000 live births—a record low.

In 1984 there were 39,200 deaths of infants under one year old—a reduction of more than 6,000 compared with the comparable Carter administration year, and another record low. The infant mortality rate in 1984, 10.6 deaths per 1,000 live births, was 15% less than in 1980. Indeed, every year of President Reagan's first term saw a record low establishd in this field, as the rate dropped from 12.6 in 1980, to 11.7 in 1981, to 11.2 in 1982, to 10.9 in 1983 and finally to 10.6 last year.

This record of better infant health under President Reagan is noteworthy, too, because the U.S. is still the uncomfortable champion in the field of teen-age mothers among industrialized countries. A recent study by the Alan Guttmacher Institute found that U.S. teen-agers become pregnant twice as often as British, French and Canadian girls, nearly three times as often as Swedish girls and about seven times as often as Dutch teen-age girls. Black teen-age girls in the U.S. have the highest rate of pregnancy, but the white teen-age rate of pregnancy—83 per 1,000—is very much greater than in any of the five countries mentioned.

The babies of teen-age mothers, sad experience has shown, are most vulnerable. It is they who are most likely to die in their first year because they are born prematurely, because they have low birth weights and because their mothers have often received little or no medical attention before giving birth. Also teen-age mothers are likely to be least well informed on how to raise babies. The Reagan administration did not stop the teen-age pregnancy epidemic, unfortunately, but nevertheless from 1981 to 1984 the trend of fewer babies dying continued unbroken.

President Reagan's detractors in this field have been arguing that his attempts at economies in Medicaid and in our welfare program have imperiled babies most. The Children's Defense Fund and similar groups have proved the susceptibility of the media to such claims while ignoring the steady decline of infant mortality in the U.S. That decline shows up the rhetoric of the anti-Reagan groups for the absurd hyperbole it is.

INFANT MORTALITY RATES BY RACE: UNITED STATES, 1940–84

[Rates are deaths under 1 year per 1,000 live births]

Year	Infant mortality rate		
	Total	White	Black
1984 [1]	10.6		
1983 [1]	10.9		
1982 [2]	11.5	10.1	19.6
1981 [2]	11.9	10.5	20.0
1980 [2]	12.6	11.0	21.4
1979 [2]	13.1	11.4	21.8
1978 [2]	13.8	12.0	23.1
1977 [2]	14.1	12.3	23.6
1976 [2]	15.2	13.3	25.5
1975 [2]	16.1	14.2	26.2
1974 [2]	16.7	14.8	26.8
1973 [2]	17.7	15.8	28.1
1972 [1], [2]	18.5	16.4	29.6
1971 [2]	19.1	17.1	30.3
1970 [2]	20.0	17.8	32.6
1969	20.9	18.4	34.8
1968	21.8	19.2	36.2
1967	22.4	19.7	37.5
1966	23.7	20.6	40.2
1965	24.7	21.5	41.7
1964	24.8	21.6	42.3
1963 [4]	25.2	22.2	42.8
1962 [4]	25.3	22.3	42.6
1961	25.3	22.4	41.8
1960	26.0	22.9	44.3
1959	26.4	23.2	44.8
1958	27.1	23.8	46.3
1957	26.3	23.3	44.2
1956	26.0	23.2	42.4
1955	26.4	23.6	43.1
1954	26.6	23.9	42.9
1953	27.8	25.0	44.5
1952	28.4	25.5	46.9
1951	28.4	25.8	44.3
1950	29.2	26.8	43.9

INFANT MORTALITY RATES BY RACE: UNITED STATES, 1940–84—Continued

[Rates are deaths under 1 year per 1,000 live births]

Year	Infant mortality rate		
	Total	White	Black
1949	31.3	28.9	46.8
1948	32.0	29.9	45.7
1947	32.2	30.1	47.7
1946	33.8	31.8	48.8
1945	38.3	35.6	56.2
1944	39.8	36.9	59.3
1943	40.4	37.5	61.5
1942	40.4	37.3	64.2
1941	45.3	41.2	74.1
1940	47.0	43.2	72.9

[1] Provisional data.
[2] Excludes deaths of nonresidents of the United States.
[3] Deaths based on a 50-percent sample.
[4] Figures by color exclude data for residents of New Jersey.

Source: National Center for Health Statistics, Division of Vital Statistics.

TOTAL INFANT MORTALITY RATES [1] FOR THE UNITED STATES, EACH REGION, DIVISION, AND STATE; AND BY RACE AND SEX FOR THE UNITED STATES: 1979–84

Race, sex, and area	1979 [2]	1980 [2]	1981 [2]	1982 [2]	1983 [3]	1984 [4]
United States	13.1	12.6	11.9	11.5	10.9	10.6
Male	14.5	13.9	13.1	12.8	([5])	([5])
Female	11.6	11.2	10.7	10.2	([5])	([5])
White	11.4	11.0	10.5	10.1	([5])	([5])
Male	12.8	12.3	11.7	11.2	([5])	([5])
Female	9.9	9.6	9.2	8.9	([5])	([5])
All other	19.8	19.1	17.8	17.3	([5])	([5])
Male	21.5	20.7	19.2	18.9	([5])	([5])
Female	18.1	17.5	16.3	15.5	([5])	([5])
Black	21.8	21.4	20.0	19.6	([5])	([5])
Male	23.7	23.3	21.7	21.5	([5])	([5])
Female	19.8	19.4	18.3	17.7	([5])	([5])
Regions:						
Northeast	12.8	12.2	11.6	11.5	([5])	([5])
North Central	12.9	12.5	12.2	11.5	([5])	([5])
South	14.3	13.8	13.0	12.5	([5])	([5])
West	11.4	11.2	10.4	10.0	([5])	([5])
Northeast:						
New England	11.2	10.5	10.5	10.3	8.7	([5])
Maine	9.7	9.2	10.9	9.0	8.0	([5])
New Hampshire	10.6	9.9	9.7	11.0	6.4	([5])
Vermont	8.5	10.7	7.7	9.3	6.0	([5])
Massachusetts	10.9	10.5	9.7	10.1	9.5	([5])
Rhode Island	14.1	11.0	11.8	10.0	11.9	([5])
Connecticut	12.1	11.2	12.1	11.1	7.7	([5])
Middle Atlantic	13.4	12.8	11.9	11.9	10.8	([5])
New York	13.6	12.5	12.4	12.1	11.8	([5])
New Jersey	12.9	12.5	10.7	11.7	9.7	([5])
Pennsylvania	13.3	13.2	11.9	11.6	10.0	([5])
North Central:						
East North Central	13.4	13.0	12.6	12.0	11.1	([5])
Ohio	12.8	12.8	12.3	11.5	10.8	([5])
Indiana	13.0	11.9	11.7	11.4	11.2	([5])
Illinois	15.2	14.8	13.9	13.6	12.1	([5])
Michigan	13.3	12.8	13.1	12.1	11.2	([5])
Wisconsin	10.8	10.3	10.4	9.5	9.1	([5])
West North Central	11.7	11.3	11.1	10.5	10.0	([5])
Minnesota	10.8	10.0	10.3	9.5	9.9	([5])
Iowa	10.6	11.8	10.0	10.2	8.2	([5])
Missouri	13.7	12.4	12.6	11.7	11.7	([5])
North Dakota	11.9	12.1	11.2	10.6	8.2	([5])
South Dakota	11.2	10.9	11.5	10.2	10.4	([5])
Nebraska	11.6	11.5	9.9	10.0	9.9	([5])
Kansas	11.3	10.4	11.4	10.4	9.6	([5])
South:						
South Atlantic	15.2	14.5	13.6	13.2	12.5	([5])
Delaware	17.0	13.9	13.4	14.1	10.7	([5])
Maryland	14.5	14.0	12.6	11.9	9.9	([5])
District of Columbia	22.2	25.0	25.1	21.2	19.7	([5])
Virginia	14.6	13.6	12.5	12.8	11.3	([5])
West Virginia	13.8	11.8	13.0	11.4	11.3	([5])
North Carolina	15.1	14.5	13.1	13.7	13.5	([5])
South Carolina	17.1	15.6	16.1	16.1	14.8	([5])
Georgia	15.1	14.5	13.8	12.7	12.7	([5])
Florida	14.9	14.6	13.3	12.8	12.1	([5])
East South Central	14.1	14.5	13.2	13.2	12.6	([5])
Kentucky	11.5	12.9	12.2	12.0	10.6	([5])
Tennessee	13.6	13.5	12.6	12.0	12.9	([5])
Alabama	14.4	15.1	13.0	13.8	13.0	([5])
Mississippi	17.6	17.0	15.4	15.4	14.0	([5])
West South Central	13.4	12.7	12.1	11.3	11.6	([5])
Arkansas	13.4	12.7	11.9	10.1	9.7	([5])
Louisiana	15.6	14.3	13.7	13.0	14.2	([5])
Oklahoma	12.5	12.7	11.9	12.3	10.7	([5])
Texas	12.9	12.2	11.6	10.9	11.2	([5])
West:						
Mountain	11.8	11.0	10.4	10.0	9.7	([5])
Montana	10.7	12.4	10.7	10.1	7.7	([5])
Idaho	10.0	10.7	9.2	9.9	9.2	([5])
Wyoming	13.2	9.8	4.2	9.8	6.3	([5])
Colorado	10.6	10.1	10.0	9.1	10.4	([5])
New Mexico	14.0	11.5	9.8	11.3	10.4	([5])
Arizona	13.6	12.4	11.8	9.3	9.9	([5])
Utah	10.7	10.4	9.8	11.0	9.7	([5])
Nevada	12.5	10.7	11.2	10.2	9.0	([5])
Pacific	11.3	11.2	10.3	10.0	9.9	([5])
Washington	11.5	11.8	10.5	10.6	8.4	([5])
Oregon	10.9	12.2	10.9	10.5	9.5	([5])
California	11.2	11.1	10.2	9.9	10.1	([5])
Alaska	15.9	12.3	12.7	11.1	13.2	([5])
Hawaii	10.0	10.3	9.8	8.8	9.8	([5])

[1] Infant mortality is the death of live-born children who have not reached their first birthday, and is usually expressed, as here, as a rate (i.e., the number of infant deaths during a year per 1,000 live births reported in the year).

[2] 1979–1982 represents final data from National Center for Health Statistics: Advance reports, final mortality statistics (1979–1982). Monthly Vital Statistics Report Vol. 31—No. 6, Supplement (1979), Vol. 32—No. 4, Supplement (1980), Vol. 33—No. 3, Supplement (1981), and Vol. 33—No. 9, Supplement (1982).

[3] Professional data. National Center for Health Statistics: Annual summary of births, deaths, marriages, and divorces: United States, 1983. Monthly Vital Statistics Report, Vol. 32, No. 13.

[4] Provisional data. National Center for Health Statistics: Annual summary of births, deaths, marriages, and divorces: United States, 1984. Monthly Vital Statistics Report, Vol. 33, No. 12. Not available by State.

[5] Not available in provisional data.

THE GLORY OF CARNEGIE HALL

Mr. KENNEDY. Mr. President, when Carnegie Hall opened in 1891 with Tchaikovsky conducting his famous "Marche Solennelle," it was an auspicious beginning for what was to become the flagship of American concert halls, a place that Koussevitsky once said had the sonority of a Stradivarius.

In laying the cornerstone of Carnegie Hall, Andrew Carnegie prophesied that it was built to stand for the ages and would "intertwine itself with the history of our country." His vision has been generously fulfilled over the years, and the hall that bears his name has become synonymous with excellence and high achievement in the arts.

Now, as it nears its first 100th birthday, Carnegie Hall is looking to the future. Under the leadership of James D. Wolfensohn, chairman of the board, a team of directors has embarked on an impressive drive to renovate the hall and ensure its financial and artistic integrity far into the future. For Carnegie Hall, the promise of this effort is that the second century will be even greater than the first.

I commend Mr. Wolfensohn for his effective leadership in this effort and for his abiding affection for music. Through the labor of love of the many leaders of industry and the arts committed to this restoration, future generations of Americans and visitors to New York City from throughout the world will know the beauty of Carnegie Hall and experience the magic of its perfect sound and the miracle of its music.

Carnegie Hall is one of the true national treasures of the United States, and I ask unanimous consent that an excellent article from last Sunday's New York Times magazine, "The Glory of Carnegie Hall," by Samuel G. Feedman, may be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE GLORY OF CARNEGIE HALL

(By Samuel G. Freedman)

On a rainy afternoon not long ago, the Detroit Symphony held a rehearsal in Carnegie Hall that was open to the hall's benefactors. There were young mothers, infants in their laps, and businessmen on long lunches. There were also a number of older women, with gray hair and skin like parchment.

Were their husbands at work? Were they widows? Were they afraid to take the elevator alone in their apartment buildings, afraid to go out alone for a concert at night? No matter. When the music began, some of them closed their eyes and others tilted their heads just a bit, as if to sieve the sound from the air. For a few hours in their lives, nothing would matter except the music.

There was nothing exceptional about the afternoon—it was not even a concert, after all, only a slightly glorified run-through—and yet there was a pleasure inside Carnegie Hall. At the narrowest point, 14 feet separate the interior of the hall from the world outside. It is a deceptively small distance, for, to be bathed in music in Carnegie Hall is to feel separate, apart, transported to some island of calm amid the metropolitan maelstrom.

Carnegie Hall, as Yehudi Menuhin put it, "is a building built more by music than by man." Over 94 years, its celebrated performers have included Peter Ilyich Tchaikovsky and Ignace Jan Paderewski, Leonard Bernstein and Walter Damrosch, Jascha Heifetz and Vladimir Horowitz, Leopold Stokowski and Gustav Mahler, Benny Goodman and Duke Ellington, Frank Sinatra and Judy Garland, Clarence Darrow and Lenny Bruce, and, in their only known duet performance, Isaac Stern and Jack Benny. Carnegie Hall also has welcomed dreamers and moonlighters, like Giovanni Buitoni, a food-company executive who rented the hall to sing opera, and Dr. Charles D. Kelman, a surgeon who did the same so he could give a jazz saxophone show. There is even a man, a sort of eccentric-in-residence, who comes every day to sing opera at the portal to the hall. He is said to have a particular fondness for "La Forza del Destino."

For all these performers, the famous and the obscure, gifted musicians, and acolytes who can only long for their gifts, Carnegie Hall casts the same spell. And why? The magic of Carnegie Hall is more than its acoustics—which Serge Koussevitsky said had "a sonority like a Stradivarius"—and more than the sum of the musicians who have graced its stage, great as they were. Other concert halls arguably approach Carnegie's acoustics—the Concertgebouw in Amsterdam and Symphony Hall in Boston, to name two—and other halls can name their own imposing alumni. In a rather special way, too, Carnegie Hall exemplifies not only excellence in performance, but also the development of American music and musicians, both classical and popular. It has moved in time from a citadel almost exclusively of European music and European musicians—designed to delight the gentry and uplift the rabble—to a place of catholic taste, with room enough for a Handel opera,

a Jerome Kern musical and a Steve Reich octet.

"The thing that's unique," says Isaac Stern, president of Carnegie Hall and the man who led the campaign to save it from demolition in 1960, "is that to every major performer, every major conductor, it's *their* hall. It's the queen hall of New York. Not a single orchestra, not a single performer, not a single vocalist has not identified playing Carnegie Hall as the pinnacle."

Considering his bonds to Carnegie Hall, both formal and emotional, Stern might be forgiven for a bit of hyperbole. But countless other musicians offer the same praise. "You know the old joke, 'How do you get to Carnegie Hall? Practice, practice,'" says Howard Shanet, a conductor, an author and a professor of music at Columbia University. "It's significant that it's not told about Town Hall or Aeolian Hall or Alice Tully Hall. Carnegie Hall is the landmark for serious music making."

This is a fitting time for testimonials, for Carnegie Hall is beginning a $50 million fund drive that its principals hope will carry the hall into its second century. Most of the money will go toward renovation of the building, although the main hall itself, with its prized acoustics, will be left unchanged except for cosmetic improvements. Seven million dollars is earmarked for the hall's endowment and $3 million for new artistic programs. In essence, the campaign aims to make the hall both physically and financially secure; it now has cracked masonry, dressing rooms worthy of a junior high school band and an annual operating deficit in excess of $1 million. The financial freedom would allow Carnegie Hall to become more daring in its programming, with increases in jazz, ethnic music and new-music concerts, the expansion of current opera and musical theater series, the creation of commissions for American composers and possibly the formation of an American opera series.

Carnegie Hall will close next May for about seven months of construction and it will reopen in mid-December of 1986. Negotiations are under way for the New York Philharmonic to play at the reopening. Whether by intent or not, such a concert would suggest a healing of old wounds. For it was the departure of the Philharmonic for Lincoln Center 25 years ago that brought Carnegie Hall to the brink of destruction. It has been largely forgotten over a generation just how bitter the "battle of the halls" was. Lincoln Center's Philharmonic Hall (since renamed Avery Fisher Hall) lured from Carnegie Hall not only the Philharmonic but also the Boston, Cleveland, Chicago and Philadelphia symphony orchestras (all of which have since returned, dissatisfied with the acoustics uptown). Even John Totten, Carnegie Hall's longtime house manager, jumped ship, but later returned. Workmen painted X's over all the windows in Carnegie Hall in preparation for the wrecking ball, and highbrow hooligans began stealing the portraits of conductors from the lobby. Life magazine printed an artist's rendering of the red skyscraper that was to replace Carnegie Hall. Fortunately, when New York City bought the hall for $5 million and in turn leased it to the newly formed Carnegie Hall Corporation, that drawing became the music world's equivalent of the "Dewey Beats Truman" headline.

"It's absolutely hair-raising," says Marilyn Horne, the mezzosoprano, "to think that we lost the old Met and almost lost Carnegie, too. If there's ever another problem, Isaac can call me and I'll lie prostrate in front of the place."

Like any great edifice, Carnegie Hall invites grandiose flattery and lends an epic quality to all that transpires within. Pitching a no-hitter at Yankee Stadium, leaping the net in victory at Wimbledon, luxuriating in a curtain call on Broadway—these are singular moments made more so by their setting. It is the same to perform in Carnegie Hall.

It was there that the Beatles in 1964 played their first New York concert, there that the curious sneaked in through windows and dangled from fire escapes in 1927 to listen to the debut of Yehudi Menuhin, such suspense had the 11-year-old violinist stirred. Paul Robeson in 1959, Horowitz in 1965 and Sinatra in 1974 all selected Carnegie to end their retirements from public performance. On Carnegie's stage, Stern played Bach's Partita in D minor as the pallbearers carried off the bier of Sol Hurok, the impresario who was so much a part of the hall's history.

Even fiascoes achieve a certain weight as part of Carnegie Hall lore. "Any man who has not fallen on his face in Carnegie," the cellist Gregor Piatigorsky once said, "has not lived a life in music." In 1927 there was a performance of George Antheil's "Ballet Mécanique," a piece that integrated industrial noise with music. First the sirens came in a few bars too late, drowning out the orchestra; then the airplane propellers blew the sheet music off the stands. Legend has it that during a recital with Rachmaninoff, the violinist Fritz Kreisler lost his place. "Where are we?" he asked furtively. The pianist answered, "In Carnegie Hall."

The joke has a certain point. A performer is always aware of playing in Carnegie Hall—from the acoustics, the audience, the artistic standards, the ghosts. Menuhin remembers being told as a boy that the fire ax backstage was reserved for performers who did not measure up. In 1928, Horowitz and the British conductor Sir Thomas Beecham, both making their Carnegie Hall debuts, wrestled for the entirety of Tchaikovsky's First Piano Concerto. The first night, Horowitz triumped, taking the curtain calls and the headlines ("Pianist Causes Furor," said one); the next evening, Beecham one-upped him with a post-concert speech of thanks to the audience. Horowitz, who knew but a few words of English, could only linger in the wings.

From the very beginning, a sense of importance, even destiny, has surrounded Carnegie Hall. "Who shall venture to paint its history or its end?" Andrew Carnegie asked as the cornerstone was laid on May 15, 1890. "It is built to stand for ages, and during these ages it is probable that this hall will intertwine itself with the history of our country."

Andrew Carnegie's prophecy profited from geography. When Carnegie Hall opened, it sat on the northern frontier of Manhattan—Goat Hill, a prime grazing tract. But as the borough burgeoned, it pushed uptown like a glacier, carrying the center of the music community from such downtown venues as the Academy of Music, on 14th Street, and the Metropolitan Opera, on 39th, up to 57th Street. The architect William Burnet Tuthill had designed Carnegie Hall to be the largest and most elegant in the city, and it was soon linked by subway to the outer boroughs. Meanwhile, New York as a city was achieving primacy over its competitors, Philadelphia and Boston, largely based on its ability to attract the greatest number of artists and their patrons.

In the largest sense, Carnegie Hall and its namesake were part of a philosophical climate. The hall was built during the so-called American Renaissance, the years from Reconstruction to World War I, when the United States made self-conscious reference to Renaissance Europe. There was a sense that with the frontier conquered—or so the historian Frederick Jackson Turner had declared in his famous 1893 speech—the time had come for Americans to trade their buckskins for cufflinks. They could be as cultured as any Parisian. As the painter and writer Edwin H. Blashfield put it in 1899, "The Muse is just as willing to take up the Lyre at Concord or Cambridge as at Florence or by the Fountain of Valcluse."

Libraries were erected to resemble palazzos, war monuments to recall imperial Rome. The 1893 Columbian Exposition in Chicago saw Venice and Athens recreated on the shores of Lake Michigan. In 1900, Symphony Hall in Boston opened its doors. (The third of the great American concert halls, the Academy of Music in Philadelphia, built in 1857, was the only one that predated the American Renaissance.) The novelists Henry James and Edith Wharton, the architects Stanford White and Frank Lloyd Wright and the artists Kenyon Cox and John La Farge established their reputations. And an American aristocracy arose, a class of mercantile royalty. The Astors, Whitneys, Fricks, Rockefellers—these were Carnegie's peers, these were the people who filled the boxes of his hall when it opened on May 5, 1891. To those early, elegant audiences, a trip to Carnegie Hall was less an act of devotion to art than a societal obligation—the rich man's burden, like endowing a museum or doing volunteer work with a settlement house. Whatever the motivation for attending the concerts, though, the glitter of the audience contributed as much to the Carnegie Hall aura as did the music itself.

"To mention those in the orchestra stalls," The New York World wrote of opening night, "would necessitate a list of nearly every prominent New Yorker in literature and music." Another newspaper likened the atmosphere to "the dedication of a great temple."

But the priests that night were all Europeans. Tchaikovsky conducted his own "Marche Solennelle" and Walter Damrosch led Berlioz's Te Deum. Indeed, for all the nationalism implicit in the American Renaissance, it also carried a presumption that all that was good, all that was refined, resided in the Old World. Typical of the inferiority complex was this lament in the Musical Courier's report on the opening of Carnegie Hall: "Where in (American) art, music, literature, politics, religion is just such a forceful, fiery, magnetic man such as Tchaikovsky? You can't name him."

There is no way to say precisely when Carnegie Hall began to become more of an organically American place. But it is possible to suggest several reasons why the change occurred. Europe's calamities—the Depression, two World Wars, the Holocaust, Communist expansion—drove many of its finest artists to America. In good times, they might have merely visited America; in bad times they had little choice but to stay and make their lives here. Jascha Heifetz, Vladimir Horowitz and Arturo Toscanini were all expatriates; Yehudi Menuhin and Isaac Stern were the children of immigrants. "American music," Stern says, "was enriched by the ravages of Europe. The best of Russian and Polish violin playing, German brass playing, Italian singing—that all became the 'American style.' It was an amalgam, which in a very real way reflected the amalgam that was the United States."

In time, American-born artists came to hold their own on the Carnegie stage, if not dominate it. Certainly, a similar transition was evident in other concert halls, and, certainly, many of Carnegie Hall's most important concerts were the work of others—the Philharmonic or Hurok, to name two. But the name of Carnegie Hall became associated with the musical metamorphosis. And the stature of the hall, the imprimatur it gave any concert within its walls, speeded that metamorphosis.

The world premieres of American compositions at Carnegie Hall include George Gershwin's "An American in Paris" in 1928, Leonard Bernstein's "Jeremiah" symphony in 1944, Ned Rorem's "Symphony No. 3" in 1959 and Steve Reich's "Octet" in 1980. Copland, Barber, Dello Joio, Harris—all, too, saw their major works given debuts in Carnegie Hall. Perhaps the biggest event in this Americanization was Bernstein's appointment in 1957 as mucical director of the Philharmonic. Young, handsome, witty, he was made to order for the burgeoning television age; in his Young People's Concerts, he made classical music seem fun, and nothing was more American than that. Even more to the point, Bernstein followed a series of European-born men whose musical taste harkened to their homelands. In Toscanini's decade with the Philharmonic, for instance, he conducted only five American works. "The sign of America's musical maturity," Howard Shanet wrote of Bernstein's ascension in "Philharmonic: A History of New York's Orchestra," "was not that it could produce a musician capable of filling this important post (it had long been able to do so) but that it had finally developed the self-confidence and security to offer its most honored musical position to a native son."

The Philharmonic's live radio broadcasts from 1930 to 1962 gave both the orchestra and the hall a national identity. Marilyn Horne remembers listening to those broadcasts growing up in Pennsylvania. California had more listeners than any state except New York. The ripples of reputation went beyond America. Itzhak Perlman remembers hearing about Carnegie Hall in Israel when he was 7 or 8 years old. When Stern visited China in 1979, musicians there knew the name. Mail addressed only "Carnegie Hall, U.S.A." is delivered.

"It's symbolic of the whole history of American music," Yehudi Menuhin says of Carnegie Hall. "Somehow, people associate a place not only with what it is but with what it represents. And Carnegie Hall represents American music." That was even more true for musicians like the pianist Gary Graffman, who grew up on New York. "It's what any American musician aims for," Graffman says. "The idea is to reach the top, and the top is represented by Carnegie Hall. Carnegie Hall is another word for success."

Although no demographic studies exist to prove it, today's Carnegie Hall audience is surely more egalitarian than its predecessors. The leadership of the hall is less affiliated with New York's old-money bluebloods than, say, the Philharmonic or the Metropolitan Opera. This is largely so because Carnegie Hall became a producing institution only in 1960, when power in New York was becoming a bit more diffused. Essentially, managing director Seymour L. Rosen runs the artistic end of the hall, and managing director Norton Belknap the business, fund-raising and real estate end. James D. Wolfensohn, an Australian-born financier who is chairman of the board, and Sanford I. Weill, president of American Express, lead the steering committee of the current capital campaign. Stern is both an influence on the hall's programming and its public face, the man in the bully pulpit. The donors to the hall range from the old family names like Rockefeller, Armour and Duke—Brooke Astor, the philianthropist and socialite, is among the largest contributors to the current campaign—to the rock musician Joe Jackson and the pop songwriter Neil Sedaka.

Names like Sedaka's and Jackson's are instructive, for the second factor in the Americanization of Carnegie Hall has been its wide-ranging booking policy—albeit as much a function of financial duress as artistic enlightenment. Until 1960, when the Carnegie Hall Corporation was formed, all programs were independently booked rather than produced by the hall itself; and after 1960, with the vacuum created by the departure of the Philharmonic and other major orchestras, the hall's new management was not in a position to be terribly selective about who paid the rent. The fare was often forgettable, but Carnegie Hall's popular-music programs helped to dissolve the barrier between "high culture" and "popular culture."

Carnegie Hall had begun presenting American popular music as early as 1912, with the Clef Club Orchestra—150 banjos, mandolins, clarinets and drums conducted by a famous black orchestra leader, James Reese Europe. A series of significant jazz concerts (most of them booked by outside producers) followed: W.C. Handy in 1928, Benny Goodman in 1938, John Hammond's "Spirituals to Swing" program the same year, Duke Ellington's premiere of "Black, Brown and Beige" in 1943, and a series of jazz concerts in the late 1940's and 50's.

These presentations played a major role in giving jazz credence as serious music and in providing black musicians, in particular, with the status of artists rather than entertainers. "Because of its age, because of its symbolic importance," says Dan Morgenstern, director of the Institute of Jazz Studies at Rutgers University, "Carnegie Hall added a dignity to the music and enhanced the reputation of those who played there." The same was true for folk singers, comics and balladeers of all stripes. Frank Sinatra put it this way: "Just stepping out on that wonderful stage brings an exhilarating, dream-come-true experience to someone who's been singing in saloons for 45 years."

But the shift from nightclub to concert hall also could prove unnerving. "I didn't like the idea of playing there at all," Goodman remembers of his 1938 concert. "It was some press agent's idea. I fought it all the way. Carnegie Hall was where they played Beethoven, Brahms, Mozart. I said, 'What are we going to do in *there*?' "

John Hammond, the record producer noted for having discovered musicians from Count Basie to Bob Dylan, told of instructing a young blues guitarist from Texas named Stevie Ray Vaughan in the niceties of Carnegie Hall. "I took Stevie there on the afternoon of his show," Hammond says, "and I made him listen to the acoustics. I stood on the stage and talked to him in the balcony. I told him, 'You keep your amplifier down almost to nothing, because it will carry.' And for the first time in my life, I was able to persuade Stevie that less is more."

A good deal of Carnegie Hall's stature—its patina—comes from the musical neighborhood that surrounds it. At one time, Aeolian and Steinway Halls and Columbia Concerts were all on West 57th Street. Nine piano dealers operated in the vicinity. The impresarios Sol Hurok and Aruthur Judson kept offices on 57th Street, and at lunch they—as well the choreographer George Balanchine and the director Harold Clurman—could be found at the Russian Tea Room. There was a speakeasy, the Round Room, on 58th Street, where Hammond took Fats Waller and Benny Carter to eat when other restaurants would not serve blacks. The Osborne apartment building has been home to, among others, the musicians Van Cliburn, André Watts and Gary Graffman, the musician critic Olin Downes and George E. Judd Jr., when he was manager of the Philharmonic.

The development of this neighborhood was yet another indication that the critical mass of the classical music world had migrated from Europe to serveral blocks of midtown Manhattan, with Carnegie Hall, "The Old Lady of 57th Street," at its center. "New York became like Berlin was in the 1920's" says Wanda Toscanini Horowitz, daughter of the conductor and wife of the pianist. "It had music, theater, museums, everything. The center of our world moved to New York."

In another sense, Carnegie Hall is a neighborhood unto itself. Eleven floors of apartments and studios sit around and atop the hall, and they have an ambiance that is both elegant and a bit mysterious—as if someone had grafted a few floors of the Dakota or the Ansonia on top of the great concert hall. One of the current residents, the author and radio host Jonathan Schwartz, has written of "the grand building with its hidden oboes and easels and mezzos and magicians, with its secret bassoons and private ballets and Mozart sonatas." Carnegie Hall has been home over the years to Leonard Bernstein, Bobby Short, Isadora Duncan, Marlon Brando, Peter Duchin and John Barrymore. Charles Dana Gibson drew his "Gibson girls" in a Carnegie Hall studio, and J. P. Morgan sought the stock-market advice of an astrologer named Evangeline Adams there.

The studios were added to Carnegie Hall in 1894 and 1896 as a source of income. Between fuel crises and rent control, they lose money now, and in 1979 the residents had to stave off an eviction plan. But the studios remain, essential to the character of Carnegie Hall and to the kind of New York panache that Cole Porter celebrated in song. "I felt like a rich man there," Bernstein recalls. "I was making $125 a week as assistant conductor, more than I'd ever made in my life, and that one-room apartment on the sixth floor was like a mansion. Working downstairs, living upstairs—it was part of some wondrous miracle."

Living in Carnegie Hall also allows a certain intimacy with great musicians. For Emelia Del Terzo, an organ and voice teacher who has lived in an eighth-floor apartment for 30 years, one such encounter began when her mentor, Pietro Yon, introduced her to Toscanini and to the tenor Giovanni Martinelli. "I was so thrilled," she remembers. "I asked, if I made ravioli in my little apartment some time, would they partake. And they said, well, sure. The next week, I had them over for ravioli. They had

to eat on a little bridge table and they were drinking chianti. After they finished, they all fell asleep in their chairs. I had pupils coming over, but I didn't dare distrub them. When my students came, I sent them home. I'd say, 'There are three famous men asleep in my room.' And they looked at me like 'What are you doing with three men in your room?' "

One thing Del Terzo was doing was contributing to the mythology of the place. Those who have played or lived in Carnegie Hall all seem to have their contributions. Schwartz tells of the night the fuses blew in his apartment and he dined with his wife, the director Elinor Renfield, by candlelight to Mozart from a battery-operated cassette player. Stern remembers the day he saw Horowitz paying a somewhat competitive courtesy call to pianist Artur Rubinstein in his dressing room moments before a concert. "It's the history, the background, the tradition," Perlman says. "Whoever plays Carnegie Hall—the great or the not-so-great—become classier. It takes any musician above. It's not that the artist adds to the hall; it's that the hall adds to the artist."

VIGIL FOR SOVIET JEWRY

Mr. BAUCUS. Mr. President, I rise today as a participant in the 1985 Congressional Call to Conscience Vigil for Soviet Jews. I commend my colleague from Minnesota [Mr. Boschwitz] for organizing this important effort.

This vigil seeks to raise the consciousness of the American people to the problems of Jews and others living under oppression in the Soviet Union.

In the United States, many of us take for granted the freedoms we enjoy—especially the freedom of religion and the freedom to travel and live anywhere we choose.

The Jews living in the Soviet Union yearn for these freedoms. They yearn to practice their religion freely and to emigrate to their homeland. But these freedoms, which are fully guaranteed by the Soviet Constitution, are being denied to thousands of Jews.

One such case is Polina Kozlavskaya, a 66-year-old widow who is trying to reunite with her son and daughter in Israel.

When the children first applied for exit visas, Polina did not apply with them because her husband, their father, was very ill and could not move. After his death, Polina submitted her first application.

Polina, now retired, never had a job connected with classified information or one that required a security clearance. Following her husband's death, she had great hopes that she would soon be allowed to reunite with her children in Israel. Thus, it was a bitter shock when Soviet authorities refused her permission to leave.

Polina journeyed from her home in Irkutsk to Moscow to put her case before the central visa office. Her appeal was rejected. In all, Polina has three times requested permission to leave the Soviet Union to be reunited with her children in Israel, and three times she has been denied.

Polina's case is not unique. Her inability to leave the Soviet Union is part of a harsh state policy that seeks to oppress the human rights of Jews.

The Kremlin denies anti-Semitism, yet it continues this policy of refusing Jews the right to emigrate. In 1984, fewer than 1,000 Soviet Jews were allowed to emigrate. This is the lowest level in over a decade.

If we believe in the freedoms we hold dear in the United States, we must not be silent about the plight of the Jews and other refuseniks. We must speak out against the repressive Soviet regime and press earnestly for relief for those suffering at their hands.

I urge other Senators to join us in this vigil.

Thank you.

Mr. WALLOP. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. Gorton). Is there further morning business? If not, morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

The PRESIDING OFFICER. The clerk will state the pending business.

The assistant legislative clerk read as follows:

A bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Hart Amendment No. 158, to delete certain funds for the MX missile program.

Mr. GOLDWATER. Mr. President, I believe the distinguished Senator from Colorado has an amendment that was the pending business. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. GOLDWATER. I might say to my friend from Colorado, we talked last night about a time limit on the vote with the distinguished minority leader. He has asked that we defer that and have the vote at 2 o'clock when the recess will end. He wants to have time to explore it. On top of that, I believe he has one member of the troops who will not be back.

Mr. HART. If the Senator will yield, that is perfectly all right with me, whatever the leadership wants to do on the matter.

Mr. GOLDWATER. That is fine with me.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 158

Mr. GOLDWATER. Mr. President, the Senator from Colorado may proceed if he wishes to.

Mr. HART. Mr. President, are we operating under any time agreement on this amendment?

The PRESIDING OFFICER. We are not.

Mr. HART. I thank the Chair.

Mr. President, today I am joined by my colleagues Mr. Kennedy from Massachusetts, Mr. Leahy from Vermount, Mr. Bumpers from Arkansas, Mr. Riegle from Michigan, Mr. Moynihan from New York, Mr. Sarbanes from Maryland, and Mr. Levin from Michigan in offering an amendment to delete funds for the production and deployment of the MX missile.

We believe the time has come to stop this unwarranted and ill-conceived weapons system once and for all. Congress has already spent over $10.5 billion for the procurement of 42 missiles to be based in existing Minuteman silos—with no commensurate increase in our security. Now the Armed Services Committee has asked that the full Senate approve the procurement of an additional 21 missiles at a cost of over $2 billion. We believe there is simply no justification for channeling additional resources to the procurement of a weapons system which will make no positive contribution to the U.S. nuclear deterrent.

The time has come to say no to the MX, to restore a consensus regarding additions to our strategic arsenal, and to proceed with the modernization of the nuclear triad on the basis of a sound military and strategic rationale.

Mr. President, in a recent book by the historian Barbara Tuchman, the author identifies folly throughout the ages as having three distinct elements: Knowing a course to be foolish; having a more plausible alternative; and refusing to accept that alternative.

No previous action that I can recall in my 10 years in the Senate comes closer to fitting that description than the path Congress has chosen to steer with respect to the MX missile.

For years we have recognized that the deployment of a highly accurate multi-warhead missile in vulnerable silos would be a foolish endeavor. For over a decade, as we debated the MX and considered some 30 basing modes, our primary concern was always to ensure that the missile could survive an attack.

But finally, as it became clear that no practical solution to the vulnerability problem could be found for a missile the size of the MX, what did we do? Instead of rejecting this missile and proceeding with the development and deployment of a survivable land-based system, a decision was made by this administration—and ratified by a majority in Congress—to proceed with a course which we knew to be militarily flawed; to place the MX in silos which we already knew could be destroyed by the Soviets.

The knowledge that the MX should not be based in existing silos was not limited to the perceptive few; nor is it now simply a partisan claim. In fact some of the most forceful arguments against placing the MX in existing silos come from members of this administration:

Senator JOHN TOWER, the former chairman of the Senate Armed Services Committee and now a chief negotiator at the arms control talks in Geneva, argued in 1981 that—

> By stuffing the MX into fixed silos, we're just creating so many more sitting ducks to shoot at * * *. It's of little use to us unless the Soviets are concerned that it can survive an attack. Without that the Russians will have no incentive to start serious arms control talks.

Secretary of Defense Weinberger said in 1981:

> I don't think they (Minuteman silos) can be hardened enough on a permanent basis to warrant putting the MX in fixed and known silos.

The U.S. Air Force in its own report entitled "MX Permanent Basing" in September 1982 discounted the possibility that the deployment of the MX missile in existing silos could meet the minimum criteria of survivability. The summary of that report concluded that the basing option "does not provide the required pre-launch survivability to withstand a Soviet first strike and promote strategic stability."

Mr. President, perhaps the decision to procure 42 MX missiles and place an enormous drain on our defense resources would not seem so tragic if the United States had no other alternative—if we were unable to construct strategic weapons which could survive a Soviet attack. But that is clearly not the case.

The United States is currently engaged in a robust strategic modernization program—one which includes the Trident submarine, the D-5 missile, the small mobile ICBM, additions to our survivable bomber force, and the development of cruise missiles.

In all of these programs an enormous amount of time, energy, and money has gone into ensuring these weapons are survivable. And these efforts have met with great success. I dare say there is no one in this chamber that would claim that it is beyond the technical powers of the United States to develop a strategic system—whether it be based on land or sea—which can survive a concerted Soviet attack.

Mr. President, there is no question that we have an alternative to the construction of the MX. We need not continue to build a weapon which we know can be destroyed in a preemptive attack. Yet this administration has chosen to persist, and the Congress continues to perpetuate this folly.

How can this be? Would the French have continued with the Maginot line had they known the German Army would attack through the Ardennes? Would the U.S. Navy have remained in Pearl Harbor knowing that the Japanese would all but destroy the fleet from aircraft carriers stationed just off the Hawaiian coast?

Time and time again proponents of the missile have blinded themselves to the grave strategic failings of the MX and justified their support for the system on the basis of vague political rationales. They argue that the MX has become a symbol of American resolve, or a necessary component in the arms control process.

But it is precisely because the missile represents such poor defense policy that their arguments invariably ring hollow.

I put this question to those who argue that the MX demonstrates national resolve. How can an expenditure of over $10 billion on a weapon system which grants no commensurate gain in U.S. military security demonstrate national will?

This country has spent nearly a trillion dollars in the last 4 years on revitalizing our national defense. The Soviets see that, they understand we are strong and determined.

But there is a difference between determination and blind stubbornness—a distinction which proponents of the MX have repeatedly failed to make. The dogged pursuit of a weapon which we already know cannot meet its basic operational requirements is a demonstration of national confusion and nothing else.

Furthermore, because of the missile's strategic flaws, the weapon will not provide the type of bargaining leverage proponents say it will.

The Soviets have clearly indicated that it was concern over the militarization in space which brought them back to the negotiating table. In fact, they have threatened to hold up progress on other areas of negotiations—including strategic offensive forces—if the United States is not forthcoming on antisatellite systems and strategic defense.

If the Soviets are anywhere near as interested in the MX as this administration would have us believe, they are doing an awfully good job of disguising it.

Mr. President, each time we debate this issue on the floor of the Senate we subject ourselves and the American people to a polarizing debate over the modernization of the strategic arsenal—an area in which both parties—Democrat and Republican—historically have been able to come to some basic agreement.

Now we find ourselves, for the second time this year, in a position to decide the fate of the MX. And I expect that some of my colleagues will argue for a compromise to continue this program in some form, and destine Congress to repeat this whole exercise again and again.

We have introduced our amendment today because we believe that the time for compromise has long since passed. Each time we put off final and forceful action on the MX and we invest more of our resources in this weapon we make the inevitable step of stopping the program that much more difficult.

The time has come to halt our folly once and for all, before we spend one more wasted dollar, before we engage in one more divisive debate.

The time has come Mr. President, to say no to the MX, to start rebuilding the shattered consensus surrounding the modernization of our strategic arsenal, and to proceed with defense expenditures based not on vague political justifications, but founded on a strong military and strategic rationale.

Mr. President, the amendment presently before the Senate on the 1986 defense authorization bill is one which I and others have offered for the past 3 or 4 consecutive years. The amendment would quite simply eliminate funds for procurement of additional MX missiles. This amendment reflects the judgment of not only the Senator from Colorado but other opponents of this weapons system that from the very beginning—that is to say for a period from roughly early 1983 on—the MX missile system makes no sense for the national strategic doctrine of this Nation. It is instructive, I think, to once again go back over the history of this particular weapons system.

Since this Nation began to produce and deploy nuclear weapons as part of a strategic triad—on air-, land-, and sea-based deterrent—we as a nation have consistently deployed those weapons systems in ways that would

increase stability between the two superpowers. We have done that by deploying our nuclear weapons in what is known in the jargon as survivable basing modes. To the layperson who does not follow these debates on a day-to-day basis, survivability is a very simple concept, but one which I think is helpful to restate.

Survivability, Mr. President, simply means that a weapons system has a better than even chance, indeed a very good chance, of surviving—that is, of remaining operable after a first strike by any potential aggressor. This Nation has spent literally hundreds of billions of dollars in the past two or three decades to design means by which our nuclear deterrent can in fact survive a Soviet or any other nation's first strike. Why have we done that? Because, as I have said before, it increases stability between the two superpowers. If either nation feels that its strategic weapons or its deterrent are capable of being knocked out by a first strike from the other side—that makes that nation nervous and more inclined in a period of crisis or tension to use its nuclear weapons before they are lost in a first exchange. That decreases stability, increases instability, and leads us closer to nuclear war. Therefore, we have instead allocated hundreds of billions of dollars in designing nuclear delivery systems which are survivable, such as our B-52 and B-1 and ultimately Stealth bomber capabilities.

We are in the process of deploying large numbers of cruise missiles in the air, at sea, on land; we have over the years produced and deployed over 1,000 land-based missile systems from the Titans on through the Minuteman II's and now through the Minuteman III's. For may years, indeed decades, those land-based systems were survivable and, therefore, stable. We have also, by the way, produced—at the cost of hundreds of billions of dollars—a large and continuous and ongoing sea-based nuclear capability: our Polaris-Poseidon missiles and submarines and more recently, Trident missiles and Trident boats.

As to land-based missiles, the subject of this amendment: throughout the fifties, sixties, and most of the seventies—indeed, virtually all of the seventies—the land-based missiles, the third leg of this so-called air, sea, and land triad—have been survivable. They therefore have been stabilizing, even if they also have been the most accurate part of our nuclear arsenal.

Intelligence and Air Force studies of the late 1970's, however, indicated that at some point in the 1980's, our land-based systems would become less survivable and more vulnerable to a first-strike attack by the Soviet Union or some other nation. Thus, we encountered in the political debate and dialog of the last few years the notion of the phrase "window of vulnerability."

Back in the late 1970's, those of us in Congress concerned about these issues were instructed by our military intelligence establishment that the Soviet Union would possess such a degree of accuracy in their own large, multiple warhead, land-based missiles at some point in the early or mid-1980's that our Minuteman II and Minuteman III missiles located in silos would become vulnerable. As a result, our Air Force, Defense Department, and our national command went in search of ways to locate a new generation of land-based missiles that would be survivable, accurate, and very capable of putting into jeopardy vital Soviet military targets. These systems would themselves also have to be survivable from a Soviet first-strike attack—as well as our missile systems and nuclear weapons. We all know the history of this modernization effort. It continued on 10 or more years. We looked at putting such a new missile at sea; we looked at putting it under the sea; we looked at putting it in the air. We looked most importantly, at putting it on the land in some mobile basing mode.

The search spanned several years during the recent Carter administration. That search had the support of the majority of people in the Congress in both Houses, including the Senator from Colorado. There has been virtual agreement throughout that at some time, albeit with some disagreement about when there would have to be another generation of land-based missiles. The key to that new generation was the survivability of the missile: that was the key component of the next generation of land-based missiles.

Unfortunately, in the Presidential election of 1980, the phrase "the window of vulnerability" took on considerable political meaning. The allegation was that the Carter administration had not done enough to counter this so-called window of vulnerability and had not gone forward in building a new generation of land-based missiles—the MX—and getting it deployed ahead of the Soviets' ability to knock out our existing silos.

We know who won the 1980 election. Shortly after the Reagan administration came into power, it spent 1981 and 1982 looking for a place to put the MX missile. It searched, it looked, it uncovered, it studied, it calculated, it exhaustively looked at every possible way of putting the MX missile in some place that was not vulnerable. And, lo and behold, what was found? Well, most of them did not work. And those that might work had political opposition. There was the possibility, of course, of putting this missile on some sort of a mobile vehicle, on a track, some sort of a train, or on a truck, or in some way keep the missile moving around so it could not be knocked out by a first strike.

Why did we not do that? We did not do it because of political considerations, Mr. President, not military considerations. There was opposition in the States where the missile might be deployed. Those States did not want it—it would kick up dust, require excessive amounts of water for the development of the project and for the maintenance of the project. There was not a uniform desire to have this new weapons system racing around on these mobile tracks in southern Nevada, southern Utah, or any place that it made some sense. It was political opposition and we all know that, Mr. President. It was not military considerations.

And so the Reagan administration did what it has done on other occasions in similar circumstances—it appointed a commission. That was known as the Scowcroft Commission. The Scowcroft Commission, composed of worthy, and dedicated, and patriotic persons, did what every other commission before it had done: it looked at all the alternatives. It rejected the most likely alternative—a mobile basing mode—for the same reasons the Reagan administration had—that is, for political considerations. The States in which it made sense to deploy the MX in a mobile basing mode did not want it, or at least their elected representatives in the Senate and House did not want it, and the Reagan administration and the Scowcroft Commission were not about to take on that political headache. So what did the Scowcroft Commission conclude and what brings us here today? Let's put the MX missile in silos. Lo and behold, we are going to end up right where we started 15 years ago. And we are going to end up there not because the best military minds of this country think we should. We are going to end up there because we could not think of anything else that was politically palatable.

Now initially there were supposed to be 200 MX missiles, but the Reagan administration cut the number back to 100, and within a week or 10 days of the issuance of the Scowcroft Commission recommendations the administration accepted those recommendations. What it said was that in exchange for trying to amass a majority base of support in the Congress behind the MX, we were going to go forward with two other initiatives which previously the administration had not supported. One was a mobile, land-based missile with a single warhead; and the other was arms control negotiations. Lo and behold, after 2 years, it was discovered through the work of this commission that arms control negotiations are an important part of the strategic deterrent and this Nation's security. Why it took a commission and this administration 2 or 3 years to discover that, I do not know. Every administration since the dawn of the nuclear era has known that. Nevertheless, the administration says, "Well, all right, in order to get 100 MX missiles and put them in fixed silos which we know to be vulnerable, we will reluctantly, dragging our feet, go back to the negotiating table. And we will also, to appease some of the people in Congress who are less than enthusiastic about putting a big, new, accurate, hard target, war-fighting, first-strike weapon in a vulnerable target, accelerate our efforts on a genuinely survivable missile.

Well, if this history, Mr. President, sounds to the average American like less than a distinguished way of making public policy, that average American is going to be right. I have heard a lot of rhetoric in this Chamber for over 10 years about how national security and defending this country ought to transcend every political consideration—how we should not let politics get in the way of defending this country. If it is important to defend this country, it is argued, then we ought to do it and politics be damned.

Well, anybody who tries to make that argument about the MX is just not telling the truth, because we are here today debating how to wind down this system and whether to cut it off at 40 or 50 simply because of politics. We are doing this because people were not willing to look hard and long at the only way the MX made sense, and that was in a mobile basing mode. The reason they were not was precisely because of political considerations.

Mr. President, we are clearly in a pendulum swing in defense issues. This was predictable back in 1981 when we started off on this quixotic buildup. This was predictable because you cannot choke the production pipelines with a trillion dollars in 4 years and not expect an awful lot of it to fall off the edge of the table. We are reading in the newspapers about relatively few dollars falling off the edge of the table, keeping puppy dogs in expensive dog kennels, getting hair cuts at the taxpayers' expense, and all that stuff that always goes on when scandal is below the surface. But that is only the tip of the iceberg. What we are bound to disclose in the second half of the 1980's is truly massive waste, fraud, and abuse in military procurement and, predictably, as always happens under these circumstances, public support for national security is waning, swinging back. The pendulum is headed the other way.

Anybody who did not have the foresight and the intelligence to tell Secretary of Defense Weinberger that this bill was bound to happen simply does not understand recent American history. It was bound to happen. It was a question not of whether but when, and it happened sooner than a lot of people thought, because behind closed doors everybody was willing to grant that at some point the party was going to be over. Well, the party is over in 1985. All those people who in public opinion polls had said in 1981 and 1982, "Yes, we have to spend more on defense, we have to build up, we have to catch up," are now saying, "Too much. Too much mismanagement, poor administration, lack of consensus," and here we are.

Mr. President, the argument the Senator from Colorado is making against this missile is not a budgetary argument—it is a national security argument. The Senator from Colorado—and I think it is safe to say every Senator in this Chamber against the MX missile—is for maintenance of the strategic triad. That is not the issue and should not be used against opponents of the MX. I am for the Trident submarine and the Trident missile, I am for the cruise missile, and I am for the Stealth bomber. I am for a single warhead or any other kind of rational, survivable land-base missile.

Mr. President, what I am not for is for the United States of America—for the first time in the nuclear age—to build a missile and put it in a place that is vulnerable to a Soviet first-strike attack. That is the issue, and it always has been the issue—the only issue. It does not make this country stronger, and it does not make us more secure. It makes us weaker and less secure, and it makes no sense.

There is no internal logic behind placing the MX missile in fixed silos. The only logic behind going forward with the MX in this basing mode is the set of recommendations of the Scowcroft Commission; and the politics of that, as we all know, were that in order to get enough votes for MX, we would have to give something on arms control and give something on accelerating the so-called single warhead land-based missile. If the administration had come, purely and simply, with a request for MX to be put in fixed silos, period, we would never have built one MX. The only way that MX's came to be built is because of the Scowcroft Commission package.

Mr. President, the Senator from Colorado is naive enough to believe that a nuclear weapons system should stand on its own two feet. It should be supported because of the internal logic that that weapons system makes this country stronger and more secure.

There may be the argument this year, as in the past, that we need to build this as a bargaining chip. We all know that that is phony, because the key defense figures in this administration have repeatedly said that it is not a bargaining chip. We are either willing to negotiate it away or we are not; and we have heard enough from the Secretary of Defense and other officials of this administration, including the President, to know that it is not a bargaining chip.

Mr. President, I think the Senate should do what it should have done 2 or 3 years ago and faced the facts and faced the truth: The MX missile makes no sense. It never did and it never will. Every Member of this body knows that we are not going to build 100 MX's. That day is over. The only issue is, how can we terminate this program and save face, not look like we have retreated, not look like we have done something we should not have done? The only issue is, how many can we build and not look as though we made a mistake, and how can we terminate this program without leaving egg on our face?

Mr. President, I suggest, as I have for the past 2 or 3 years, that the best way to do it is to stop the program, just to end it, admit that it should not have gone forward in the first place. It is not a bargaining chip. The Soviets seem not to care about it one way or the other. Frankly, we are doing them a favor, because we are putting a lot of our new eggs in baskets they can knock out in a few minutes.

What we should do is say, "Let's get on with the long-range plan of securing and defending this Nation with survivable weapons systems, stable weapons systems, ones that can survive a Soviet first-strike attack, that will decrease the possibility of the use of nuclear weapons in this century or any century, and not spend a lot of money we don't have on a weapons system that makes no sense."

It is not late for the Senate to stop this folly, and folly is the word. A number of us have read or are acquainted with a book by an eminent historian, Barbara Tuchman, a book about folly throughout human history. Mrs. Tuchman defines folly as a nation or a society which knows that a policy makes no sense, a nation or society which knows that it has a plausible alternative, and that nation or that society refusing to accept that alternative.

Mr. President, the MX has always been folly. It is folly today, under Mrs. Tuchman's definition or anyone else's definition, and I hope the Senate will face up to that fact and terminate this program.

Mr. President, does the Senator from New York wish to speak?

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I should like to continue in the vein of my distinguished friend from Colorado.

It was almost 2 years ago, in July 1983, that we stood on this floor and

he offered an amendment to cease production of the MX system, which, I recall, received 41 votes. I offered a followup amendment which received 42 votes, and we were making our way toward this moment today, when the Senate is going to reject the folly.

I wonder if the Senator will agree with me that the MX missile has not always been folly? For there was a time—when it began to be developed, in the early 1960's—when the MX missile was simply Minuteman IV. The United States was then very conscious of the experience of the Cuban missile crisis, when the Soviets showed to the world what we basically knew, that they had no intercontinental missiles of their own, and in order to reach our shores, they had to sneak on to an island 90 miles away. They were subsequently withdrawn, of course, and the United States thought itself secure.

In that full confidence of a secure ICBM force, we proceeded to develop the fourth in the Minuteman series. I know that my friend recalls that in the midst of this development program in the late 1960's—1969 and 1970—we began suddenly to discover, "Oh, my lord, the Soviets began testing the first of their great SS-17's and SS-19's."

I was in the Cabinet at the time. I recall a distinguished Secretary of Defense coming in from time to time and saying, "They have just put up something bigger and with longer legs than anything we know about, and therefore we will have to get out of those Minuteman silos. They have become vulnerable."

Then the historic mistake was made—and I wonder whether the Senator from Colorado agrees that it was a mistake. Instead of leaving those silos and embarking on an absolutely new and mobile system, we took the Minuteman IV missiles out—having to get out of those vulnerable silos—wandered in the desert for 15 years, and, having forgotten why we got out in the first place, we decided to go back. To our amazement, we then discovered that the missiles make an exact fit with the silos, for the simple reason that they were designed to be in there.

Is that not essentially the history?

Mr. HART. The Senator from New York is correct in terms of the history of this missile system. He probably missed the argument the Senator from Colorado made earlier as to the reason for wandering in the desert.

Actually, it was close to finding a home in the desert, except that the people in the areas nearby did not want it. It was a political, not a military decision that put the MX back in the silos.

Mr. MOYNIHAN. The Senator is speaking of the plan to excavate Nevada and Utah?

Mr. HART. The Senator overstates the case. The mobile basing mode, the so-called racetrack basing mode, made some sense.

It made sense in that it required the Soviet Union to expend so many more warheads to destroy multiple targets, it made the MX missile cost effective at the margin. It costs more to knock it out than it did to build it—that has been a standard test of new nuclear weapons systems all along.

Mr. MOYNIHAN. That is right. I quite agree.

All in all, 34 basing modes were considered, of which the racetrack was a viable, if expensive, one. You could make the case that it was not deployed in a first-strike mode—there being a high degree of confidence in its capacity to survive a first strike and thereafter be in a position to unleash so powerful a retaliatory blow as to discourage the first assault.

Mr. HART. Precisely.

Mr. MOYNIHAN. And that is the case you have been making since we first talked about this issue on the floor; that the MX in Minuteman silos is not consonant with deterrent doctrine.

I think it worthwhile to note at this point that there are currently deployed a series of strategic systems whose survivability is more assured. The United States is deploying a whole new armamentarium for the first time since the early sixties, late fifties. A whole range of new missiles are coming on line, most importantly the Trident submarine with the D-5 or Trident II missile. We also have the B-1 bomber—the final portion of that 100 plane fleet will be purchased by the bill we are considering. The Stealth is on its way. We have sea-launched, air-launched, and ground-launched cruise missiles in every configuration.

None of them is deployed in such a manner that it can only be viewed as a first-strike mode. And that is what we are asking the Senate to avoid doing with the MX today.

Before the day is over the Senate will have decided not to do it.

After the President said—ill-advisedly, in my view—this was a bargaining chip in our negotiations in Geneva, the Senate could not turn down a President on such a proposition. In March the Senate voted twice to proceed. Yet just a few weeks later, the Armed Services Committee was saying, well, now, listen, let's not rush into this. President Carter had wanted 200 missiles in the racetrack mode; in the Minuteman silos, so vulnerable as to be of no use save in a first-strike mode, no one thought of deploying more than 100.

By the middle of April, the distinguished Senator from Virginia, Senator WARNER, chairman of the Subcommittee on Strategic and Theater Nuclear Forces, started saying would 50 be enough; if we stopped deploying MX in Minuteman after we'd done 50, would we agree?

Our friend, the distinguished Senator from Georgia, the ranking member on the Armed Services Committee, and, like the Senator from Virginia previously a supporter of the MX in Minuteman proposal, said, in effect: "I am not sure I want even 50." He shortly proposed 40.

If one looked at this process from the perspective of cost accounting, it would not be an especially impressive exercise.

I wonder if the Senator from Colorado would not object if I spoke now of my admiration for him and for the capacity of others, the Senator from Georgia, the Senators from Arizona and Virginia, to listen to one another, and reason together. We have reasoned our way through this matter and we are stepping back from folly. If the Senate does vote to restrict the MX-in-Minuteman force to 40 missiles, we will have stepped back 60 percent. We have made progress. Our argument has been put forward, and, increasingly, it is accepted by others in this body. I think that speaks well for the capacity of the Senate to deliberate.

Would the Senator not agree?

Mr. HART. The Senator from New York is absolutely correct. I think whatever happens with this amendment or those that follow it will be a great tribute to the Senate to reach consensus that, in fact, 100 of these missiles in a first-strike basing mode decreases our security and increases the likelihood of nuclear war. I think that the fact that this Senate, perhaps today or certainly this week, is going to reach that conclusion is an enormous tribute to the ability of the body to reason together and reach the right conclusion, as the Senator has suggested.

I hope that fact is not lost on the American people, by the way.

Mr. MOYNIHAN. I hope it is not lost.

We have in this body men who have given their careers to the subject of defense who know how partisan it can be, how partisan it is made, but it is not always partisan on this floor. There are people who quietly listen, who do not necessarily vocally agree, but they listen, and if a case has argument, if a case has merit, it is heard. It is surprising in some way that consensus on this floor. We had, I do not know whether 10 votes against the Stealth bomber. I doubt the Trident Program ever produced any opposition. I do not think so.

Mr. HART. Nor cruise missiles.

Mr. MOYNIHAN. Nor cruise missiles. I see my friend from Virginia is listening attentively. I think he agrees that when a former Secretary of the Navy—we have two former Secretaries of the Navy in this body—comes forward with a proposal to modernize the seaborne leg of the triad with the Trident submarines and so forth, and he makes the case that it is consistent with our strategic posture, there is little or no opposition voiced. The cruise missiles have never—it may be my lack of recollection, but I do not remember them even being debated to any particular extent on this floor.

But when something comes along enough Senators say, "wait, is that what we really want to do? Is that not off the lines of our efforts here?"—that case, too, gets made and it is heard.

Mr. HART. The Senator from New York makes a very important point that needs to be underscored. Many of us discuss it and talk about it, and it is very important, for the American people to understand. That is that the consensus where traditionally supports our policy of nuclear deterrence is critical for this country, and if it ever gets shattered then we are in serious, serious trouble. We have seen some European allies deeply divided over deployment of certain weapons systems. We have seen a lot less consensus in NATO over the nature of the nuclear deterent that we must require than the alliance has had for 25 or 30 years. That has been the pattern. The MX is the single most notable exception.

Mr. MOYNIHAN. I see the Senator from Virginia has risen, but if I could ask one more question of my Colorado colleague, I wonder if he would not consider an alternative way of stating his last point.

This drawing back from the MX-in-Minuteman is not a diversion from the pattern of consensus on deterrent doctrine. Rather it reaffirms it.

We said that the decisions of our people in 1969, 1970, and 1971 were right, and we are going to keep with that continuity.

Mr. HART. The Senator is exactly correct. My point was the Senator from New York opened his remarks by citing the votes of 42 and 43 against MX to begin with 2 or 3 years ago. That was a shattering of that consensus, that was almost 1 to 1, that was a deep division in this body over a major modernization program, and it was virtually unprecedented. That is my point.

Mr. MOYNIHAN. It was. But would the Senator accept finally my closing thought? That in 1983 and 1984, we might just have been climbing the learning curve, as they say?

Mr. WARNER. Mr. President, will the Senator from New York yield for a question?

Mr. MOYNIHAN. I most assuredly will and am happy to yield to my distinguished colleague.

Mr. WARNER. The distinguished Senator from New York brings to this body a background of knowledge in diplomacy which others do not possess by way of experience, having been an Ambassador to India and in other ways working with the Department of State and our ambassadorial corps.

The question I put to the distinguished Senator from New York is: We, here in the Senate, had the benefit in S. 407 over the last 5 weeks of the views of the three Ambassadors now designated to represent the United States at Geneva, and unequivocally, all three Ambassadors—Ambassador Kappelman, Ambassador Tower, and Ambassador Glickman—said to the Senators assembled that this program was absolutely essential to the work that they are undertaking on behalf of the United States in Geneva.

Now the first round of those negotiations has been concluded, and we have examined the reports, and the next round is about to begin on May 30.

My question to my distinguished colleague is that drawing on his own experience in the diplomatic field, what would be the reaction if he were a negotiator, having come to the Senate, and asked that this program remain intact at about a level of the last 2 previous fiscal years, and that is where we are now, 21 missiles a year that Congress approved for this program for the last 2 fiscal years? What would the Senator say in reply if the Senate were to just pull the rug out from under those three Ambassadors at this time trying to put forth the viewpoints of this Nation with respect to needing to move on in a positive way and hopefully obtain an arms control agreement which calls for a substantial reduction in the level of nuclear weaponry between the Soviet Union and the United States to fairly negotiable levels and verifiable?

Mr. MOYNIHAN. Well, I thank my distinguished friend for a clear and direct question to which I think I can offer an answer which may not be entirely satisfactory to him, but I think he would accept it in the good faith that he puts the question.

First, it seems to me that just a very short while after the vote was taken on the proposition that 100 MX missiles in this deployment mode was necessary for the negotiations in Geneva, I think the Senator from Virginia proposed to the Armed Services Committee that we only deploy 50. And the Senator from Georgia said he would propose 40. This took place in the Armed Services Committee in April.

I took that to mean the acceptance by both of them—and it meant a great deal to me—of the basic argument that to deploy the MX in a necessarily first-strike mode would be an unwise diversion and departure from our 30-year practice.

Second, I do not wish to invoke this matter as one of authority, but not long ago, I discussed this matter with Arkady Shevchenko. Mr. Shevchenko, for most of his life, has worked at the highest level of the Soviet Union. He was Under Secretary of the United Nations for Political Affairs, was an aide to Mr. Gromyko for disarmament matters, and he defected to the United Nations during his tenure at the U.N. at a time when I was the American ambassador there. It was not know at the time, but it has subsequently become public. It was the highest level of defection in the history of the Soviet Union.

Mr. Shevchenko is a person with whom some of us have consulted with respect to the current negotiations in Geneva. He was also invited to testify to the House Armed Services Committee. He has offered his view that the existence or not of our MX program would make no difference to the Soviets in these negotiations in their calculations about whether they will agree to give up any of their large land-based missiles.

Now, I have to say something in a measure of indirection, and I hope the Senator will forgive me if I do. But I happen to know a very prominent Member of this body—and there is no one for whom I have a greater respect—who has made very clear, in private and I think at least once in public, his views that the Soviets have known all along we were not going to build the Minuteman IV and would not trade a thing for it. It is the Minuteman IV. It was designed around 1964, just a follow-on from III, which followed on from II. It was designed before the Soviets developed their ICBM force.

And my distinguished friend, who I mention without naming, said they know full well that we are not going to do this. And what they do know is that the fact is that we are going ahead with these other matters.

I do not say that the Soviets were not impressed with our setting up production lines, but I have to say they were impressed in a manner that I was not particularly happy about. I believe we have heard a high Soviet official—was it Mr. Gromyko or Mr. Gorbachev who recently referred to the MX as a first-strike missile in the last few months?

If they see us changing our deployment patterns and our doctrines, that may encourage them to do many things, and negotiation might be one of them, but I cannot be sure in how much good faith that negotiation is. I think their reaction would be in other ways, which is to prepare for that launch-on-warning situation we would get ourselves in if we went to 100, much less 200. The Senator from Virginia has already said we are not going to do that.

Mr. WARNER. Mr. President, if I may press on with a second question, the issue before the Senate on this particular amendment, it seems to me, is subdivided into the military requirements and the diplomatic requirements, if I may categorize it as such, and our distinguished colleague from Colorado—and I want to say this by way of saying that he has never once varied in his position on this missile. Throughout the time that I have been privileged to serve with him on the Armed Services Committee, he has been steadfast in his views and unwavering. I happen to differ in that there is a military requirement and, to some extent, this system fulfills that military requirement. But it seems to me that the vote this afternoon should rest on the negotiation facts of this system.

Now, the U.S. taxpayers have put approximately $10 billion into this system to date. While we will shortly hear from the Senator from Georgia with respect to his proposals on the making and adjustment of the number deployed—and, indeed, I have indicated that I have an open mind on this issue—I would like to, in fairness, acquaint my colleagues to the fact that at this very moment, the President is meeting with his senior advisers on this issue and we may shortly, before the day is out, receive some indication of their views on it.

But, nevertheless, the vote is imminent here in the Senate on the amendment to strike the program in its entirety.

The question to the distinguished Senator from New York is: Recognizing that $10 billion has been put into the program, if you were a negotiator, what would you get in return if the Senate unilaterally, together with actions in the House, should they join—at this time, the House basically is of the opinion of the Senate to let us have 21 missiles—what would the Senator get in return for that $10 billion investment?

Mr. MOYNIHAN. Nothing. Nothing.

Mr. WARNER. Well, that answers the question. It is the shortest answer I have ever heard from the Senator from New York.

Mr. MOYNIHAN. Nothing, save a recognition on the Soviet side that we are maintaining our deterrent mode so they can negotiate with us. The previous negotiations have not been successful, but at least they have known where we were coming from. They would not say they were doing something which we cannot comprehend.

Mr. WARNER. But I say to my friend from New York, again drawing on his experience, is it not the Senator's view that these negotiations will go on for some period of time, in all likelihood 1 year and more? Why should we take, just at the juncture between the first session and the convening of the second, a decision which removed this as a possible point of discussion?

Mr. MOYNIHAN. I can only say to my friend: Do you want to get this over with, or do you want to drag it out for the whole 2 years? We are going to vote for 50, at most, today, or 40, or none. I will vote for none first. If that fails, I will vote for the 40.

Mr. WARNER. Well, if that is the way the Senator is going to vote, I am perfectly satisfied. The Senator supports some number of 50 to 40.

Mr. MOYNIHAN. I think the statement of 50 means we do not have a weapons system here at all.

Mr. HART. Mr. President, might I respond to the Senator from Virginia by asking this question: What did the Reagan administration get at the bargaining table for unilaterally reducing the number of MX's from 200 to 100? I think we got nothing. It was a unilateral arms reduction decision by this administration, which, one could argue seriously undermined our bargaining power in Geneva or elsewhere. That was a unilateral decision made by this President.

Mr. WARNER. The Senator from Colorado will recall that at the time President Reagan took office the talks were basically in suspension. We had Afghanistan and, Mr. Carter at that time was recommending to the Senate that we not proceed even with the SALT II treaty debate in view of that attrocious event. So when the President took office he looked at the overall strategic program. And to his credit he decided to take some of the assets for that program and put them into the Stealth Program, and into the cruise missiles, which technology the Senator from Colorado, indeed joined by the Senator from New York, has pointed out justifies the continuing investment.

Mr. HART. But the point nevertheless remains.

Mr. WARNER. I will remind the Senator from Colorado that negotiations were going on at that time, and with no expectation as to when they might resume on this question.

Mr. NUNN. Will the Senator yield for a brief observation?

Mr. MOYNIHAN. I am happy to yield.

Mr. NUNN. The Senator from Virginia said something that I think is very pertinent to the debate. He said when the President came in and diverted some of that money for the 100 MX's into important programs like the Stealth and cruise missile, and so forth. That would be precisely what I will be advocating this afternoon.

Mr. WARNER. I say to my distinguished colleague that I will wait with great anticipation to his proposal this afternoon.

Mr. MOYNIHAN. Mr. President, the Senator from Ohio has come to the floor. May I conclude my remarks?

The Senate ought never to be in a self-congratulatory mood but I would like to state my judgment, and I share it with the Senator from Colorado. We have reasoned our way through. We are coming out much better than it might have been. I do agree with the Senator from Colorado that there was a cracking in that consensus. It nearly flipped—those 42 and 43 votes. Only just 2 years ago were we able to mark a departure. But we are coming back to consensus. We have shown that this diverse body can reason, look at numbers, think sensibly.

Mr. President, I prepared an essay on this matter which deals with the views of the Senator from Colorado on the subject, which I admire, and I hope the country does. I am sure it does.

Mr. President, I ask unanimous consent that excerpts from my book entitled "Loyalties" be printed at this point in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Excerpt From Loyalties

(By Daniel Patrick Moynihan, 1984)

CHAPTER ONE: "LAUNCH ON WARNING"

On July 26, 1983, two weeks of debate came to a close in the Senate on the question of authorizing funds for the procurement and deployment of MX missiles in existing Minuteman silos in Wyoming and Nebraska. Although the "X" denotes experimental, this most formidable weapon was already fully developed and ready to be produced. A land-based intercontinental ballistic missile was begun as a conventional weapon in the sense that it was intended to continue the "triad" mode of American nuclear arms: land-based missiles, long-range bombers, and nuclear submarines. The need for the new missile arose when the Soviet Union developed its own intercontinental ballistic missile force to a level where in a "first strike" it could probably destroy our land-based missiles. This was the conceptual focus of the argument, along with the fact that the Soviets had begun to "harden" their own missile fields, such that the prospect of an American second strike was losing its deterrent effect. The Omnibus Defense Authorization Act authorized $2.536 billion for the procurement of twenty-seven MX missiles—of which twenty-one were for actual operational deployment, six for spares and tests. These were to be the first of 100 such missiles to be procured and deployed.

Although the President had indicated 100 would be the limit, it was known that Air Force planners were thinking of going well beyond this number. On July 10, Senator Gary Hart of Colorado had announced he would engage in "extended debate" on the floor of the Senate to seek to delete this item. It had not been a filibuster in the traditional sense of trying to prevent a vote from taking place. Rather, it was, for the half dozen of us taking part, an effort to make the Senate realize that it was about to commit the most profound mistake in the history of America's nuclear weapons. We

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were, with this vote, moving from a strategy of deterrence to a condition of "launch on warning."

As a military strategy, deterrence has the inestimable advantage of being simple. Its principles are few, and when in place they are seen to be in place. This is to say that the world, and especially the Soviets, can observe that we are keeping to our avowed strategy. If we are not, then that, too, is instantly on display. It is, in this sense, the strategy of an honest power, one that wishes to be trusted, and denies itself the ability to deceive.

No. . . . On a moment's reflection that statement goes too far. The ability to deceive is inherent in the technology of intercontinental nuclear weapons. A decision to strike first and destroy an adversary can be made, and there is no way the adversary can know about it, except through the unlikely presence of an enemy agent in the War Room. Let me define it once more. The essential characteristic of deterrence as a strategic doctrine is that it does not put a nation under a *compulsion* to deceive.

In point of fact, in the 1950s, when the United States had a great nuclear superiority over the Soviets, some studies did advocate a first-strike strategy. President Dwight D. Eisenhower rejected this and gradually the doctrine of deterrence evolved. This doctrine accepted the fact that the Soviets would have a nuclear capacity, and a large one, but undertook to ensure that the United States would also have nuclear forces, these deployed in such a manner that a surprise attack could only destroy *a portion of them*—after which an American second strike would prove utterly devasting to the enemy. In that situation, no rational head of state or military commander would commence a nuclear exchange.

Under Eisenhower, the Minutemen were authorized and soon deployed in fixed silos on the high Western plains. It was thought that these, along with the B-52 bomber and the Polaris submarine, would about do it. A revealing truth is that American nuclear weapons today are just about the same as those ordered up by Eisenhower. Of course, there have been improvements. Of the 1,000 deployed Minuteman missiles, 450 still have single warheads, but 550 have been fitted with multiple reentry vehicles (MIRVs) and they carry three warheads. But the present missiles are of the same family as the originals. Similarly, the B-52 has been improved, but remains the same plane; many of the B-52s are older than the pilots who fly them. Only at sea have we gone on to an entirely new submarine, the Trident, and its wholly new missile, the D-5, which will be operational by the end of this decade.

Now, it had been widely thought that what the Soviets wanted with respect to American nuclear power was some rough equivalence to the U.S. There is an "asymmetry" in our forces, the Soviets being a land power, the U.S. a sea power. Exact equivalence is an inexact idea. But rough equivalence—yes, we can speak of it. Toward the end of the 1960s the Soviets were clearly on the way to such parity.

The trouble is that they did not stop with parity. Their number of nuclear warheads on intercontinental forces went from the low hundreds in 1965 on a straight trajectory to almost 8,000 in 1982. In response, American warheads, which had been declining in numbers in the late 1960s, shot up to the 9,000 level by 1982. But in the meantime the Soviets had *passed* the United States in two measures of strength.

About 1972, their steadily mounting megatonnage (the cumulative explosive power of their warheads) passed ours, which had been declining, and the Soviets kept going. At about that time, also, their total number of strategic nuclear delivery vehicles, mostly missiles, passed that of the United States. Each missile was newer, bigger, and better. I recall in 1969 and 1970 a thoroughly informed Melvin R. Laird, as Secretary of Defense, informing the Nixon Cabinet that the Soviets didn't seem, to want to stop testing new missiles. What is more, each appeared to be bigger and more powerful or more versatile than the last. After a period of testing, they would go straight into production and deployment.

It began to dawn on everyone that the Minuteman silos and those of the old titans were becoming vulnerable to a first strike. If "taken out" in a surprise attack, we would have no land-based missiles to launch the deterrent second strike. There seemed no choice: A new missile would have to be developed if deterrence was to be maintained.

And so the search began for a basing mode compatible with deterrence doctrine, and so also the fact began to emerge that the new weapon was too big for this to be possible.

The MX is a SALT missile, which is to say, a product of the particular constraint of that particular arms control agreement. Granted our limited experience with such agreements, they would appear to have this effect. The naval treaties of the 1920s produced the pocket battleship, which is to say, the strike power of a battleship crammed into the hull of a cruiser. In just this way the SALT I agreement, by limiting the number and size of launch vehicles, rather than, say, the number of warheads, or their explosive power, rewarded the party that could pack the most destructive power into a single missile of a given size. Specifically, it rewarded the Soviet Union's decison to build the huge SS-18. Combined with improvements in accuracy, the ICBM became the basis on which claims were made that our static-based Minuteman missiles were vulnerable to a first strike. To offset this imbalance in strategic capabilities and yet remain with the constraints of the SALT process, the MX was conceived. The result, however, was a missile too large to conceal, and too "valuable" not to be targeted, thus weakening the structure of deterrence even as it sought to advance it. (These are in fact weapons *systems* with an internal, essentially mathematical coherence. As we began to depart from the "configuration" of deterrence doctrine with respect to missile deployment, we also began to retreat from earlier doctrine that forbade antimissile defense. We had announced such defenses in the ABM treaty. As will be touched upon, we now begin to think of them anew.)

Over the course of a decade, some thirty-four possible basing modes for the MX were considered by the Department of Defense. In an official listing, they were:

1. Launch Under Attack (LUA).
2. Orbital Based.
3. Shallow Underwater Missile (SUM).
4. Hydra.
5. Off-Shore Recoverable Capsule, Anchored (ORCA).
6. Ship—Inland.
7. Ship—Ocean.
8. Sea Sitter.
9. Wide Body Jet (WBJ).
10. Short Takeoff and Landing (STOL).
11. Vertical Takeoff and Landing (VTOL).
12. Dirigible.
13. Midgetman.
14. Hard Rock Silo.
15. Hard Tunnel.
16. South Side Basing.
17. Sandy Silo.
18. Commercial Rail.
19. Dedicated Rail.
20. Off-Road Mobile.
21. Ground Effect Machine (GEM).
22. Road Mobile (Minuteman).
23. Road Mobile (New Missile).
24. Covered Trench.
25. Hybrid Trench.
26. Dash to Shelter.
27. Mobile Front End.
28. POOL.
29. Minuteman/MPS.
30. MX/MPS.
31. Continuous Airborne Aircraft.
32. Deep Underground Basing.
33. Ballistic Missile Defense (BMD).
34. Dense Pack.

Somewhere in the process of considering all these schemes a leakage of reality occurred. Carter's military advisers, and the President himself, had seriously believed it would be possible to build option Number 30, multiple protective shelters, or the "racetrack," as it came to be known. They had no notion of using the new missile as a "bargaining chip" in some forthcoming arms negotiation. It was meant to be a permanent fixture of the triad, deployed on rails, moving underground over vast reaches of the Far West. Even the Air Force (whose missile it was) had identified thirty-eight federal laws that would have to be complied with to build the project—and they missed the Wild, Free-Roaming Horse and Burro Act of 1971. But there had to be an MX if there was to be a SALT II treaty. I supported the treaty, but, even so, in 1979 asked whether "in a nation where nuclear power plants can no longer be built, does anyone seriously suppose that the government can dig up Utah and Nevada to put in place our largest missiles without arousing passionate opposition?"

They did. There was a leakage of reality. Right to the end, the Carter people thought they had solved the problem. As it happened, the best friend in the Congress of the next President was the former Governor of Nevada. The 1980 election put an unceremonious end to the "racetrack."

Next? President Reagan appointed a commission headed by the Nobel Prize physicist Charles H. Townes, which came up with basing option Number 34, dense pack. As described by the report of the Armed Services Committee that accompanied the Omnibus Defense Authorization Act, this concept relied on the "phenomenon known as 'fratricide'—whereby attacking warheads would, because of the proximity of their targets to one another and the size of the weapons needed to destroy those targets, destroy or degrade each other's effectiveness." This was proposed to Congress on November 22, 1982, to the accompaniment of whatever passes for hilarity in the discussion of nuclear strategy. "Densepack" was doomed from the outset, and for a singularly important reason.

At most, one person in the Senate—I cannot speak for the House—could claim a minimal grasp of the physics involved and could guess what "fratricide" involved, what "cratering" effects might be expected, and so on. That person was Senator Harrison H. Schmitt of New Mexico, a former astronaut and geologist. Schmitt was the only scientist in the Senate then—the only one in our history. But he had been defeated for re-election. Dense pack was rejected because it didn't seem to make sense and had been given a funny name. Had Thomas Jefferson been Vice President and presiding, the debate would at least have been more open to the possibilities of science. The Senate had, and still has, no capacity for making complex scientific judgments; and it shows little patience with the seemingly unending statistical quarreling that is so natural to the life of science.

On December 16, 1982, a motion by the late Senator Henry M. Jackson of Washington was adopted providing funds for procurement of MX missiles but prohibiting any expenditure until such time as an alternative basing mode had been explicitly approved by both Houses of Congress. Jackson's amendment was adopted 56 to 42 and was left substantially intact by the conference committee. On January 3, 1983, the President appointed a Commission on Strategic Forces headed by a distinguished military officer and former National Security Advisor to President Ford, Air Force Lieutenant General Brent Scowcroft. In the meantime, he had named the missile "Peacekeeper." (It was reported that the name was inspired by a six-gun on display in the office of his then National Security Advisor. The decision moved one journalist to describe the setting: "on a bookshelf in the modest White House basement office of William P. Clark . . . there rests a United States marshal's badge and a Colt .45, known in the old West as 'the Peacemaker.' Today, the gun, once used by Mr. Clark's grandfather against cattle rustlers in California, serves as a symbol of peace through strength in American foreign policy.")

A significant number of the eleven members of the Scowcroft Commission did not share President Reagan's conviction that the United States faced a "window of vulnerability," through which our land-based missiles could be hit by a Soviet first strike, such that our deterrent was no longer effective, and would not be until survivable new land-based missiles were in place.

The Commission found, to the contrary, that if the Soviets were simultaneously to attack the strategic bomber forces with low-trajectory submarine-launched missiles and the missiles fields with ICBMs, the bombers would be hit first, thereby alerting the missiles in time for them to get off. If the attack were timed for simultaneous arrival, the ICBM warning system would give the bombers time to get off. These intervals involved "over a quarter of an hour." The Commission went on to make a major strategic proposal. In effect, it proposed that we abandon the huge, MIRVed land-based missiles and set in silos, which made up the second weapons systems of the nuclear age, following the bomber. Technology had either leapt upon them or crept up on them; in any event, they were irreducibly vulnerable and therefore useless as a deterrent—in short, not a reliable second strike. The Commission proposed we move instead to a force of light, single-warhead, probably mobile weapons—the Midgetman, as it came to be called. (Note, this was the thirteenth of the thirty-four basing options considered since 1972.)

But stop. They did not stop there. Between April 1983 and the time a force of Midgetman missiles was in place, there would indeed be the political problem of learning to live with a new and real Soviet threat. And so to solve the political problem, and produce a unanimous report, the panel proposed to deploy the MX in existing Minuteman silos, which could only have the effect of vastly exacerbating that very problem.

The reasoning with respect to Midgetman was flawless.

The Commission submitted its report in April 1983. However singular the subject—life on the planet—the outcome was lamentably familiar as a *type* of government report. Experts of impeccable credentials are appointed to solve a political problem disguised as a technical one. Their technical advice was superb, their political solution calamitous. In effect, the panel agreed that American strategic forces did indeed face a period of danger in the 1980s as our old weapons became ever more vulnerable to Soviet new weapons. Their answer was to develop and deploy a small, mobile, single-war-head "Midgetman" missile, which could be available by the end of the decade. That comported with every strategic and technical stricture. The experts had given their expert opinion and it was just that.

Such a missile "inherently denies an attacker the opportunity to destroy more than one warhead with one attacking warhead." This is the *essence* of the idea of deterrence: Make attack difficult and response inevitable. The Commission judged that such a missile, "hardened against nuclear affects," was well within the range of current technology. It proposed that we proceed to full-scale development by 1987 and to deployment in the early 1990s.

To say again, this was superb. But then, of a sudden, the tone of the report changed. Having learned there was no "window of vulnerability" that urgently needed to be closed by the ninety-five ton, ten-warhead MX, and that a small, mobile, fifteen-ton one-warhead substitute would be much better, we were told that the MX should nonetheless be built and, further, placed in the very Minuteman silos which, having become vulnerable a decade earlier, had set the Air Force off in search for a successor. In sum: there was no window of vulnerability, but proceed nonetheless to deploy the MXs to close it. And put them in the place most vulnerable to attack.

And why? Because we had to be careful of the "Soviets' perception of our national will and cohesion." It was suggested that we got an Anti-Ballistic Missile Treaty out of them in 1972 because we had maintained an "ongoing ABM program." The MX program would be an equivalent inducement for another arms treaty. What is more, we had already spent over $5 billion on the damn thing.

One day, a history will no doubt be written of the Scowcroft Commission. I write of its aftermath. The Congress was instantly divided. It was 1983. The nuclear freeze movement had begun, a mass movement dealing with a subject that theretofore had been kept within the closest circles of the universities and the government. In the nice phrase of Representative Albert Gore, Jr., "Congress. . . [had] changed. Because of the freeze, there [was] now some of the same sense of nuance and detail in nuclear matters that formerly was reserved for tax laws and highway construction bills."

More important, because more specific, the American Catholic Bishops had issued their Pastoral Letter on War and Peace, *The Challenge of Peace: God's Promise and Our Response*. Here, the reader is entitled to know, I write as a Roman Catholic. What precisely or, rather, what generally do I mean by that? I do not consider myself bound by the pastoral letter; and as a Catholic I am not. I am bound to pay attention, but I feel equally bound to pay attention to what sometime colleagues such as Paul Doty, Samuel P. Huntington, Albert Carnesale, and Jack Ruina think. I try to follow what Albert Wohlstetter thinks. I pay attention to what other Senators think. But the Bishops' letter addressed itself to the moral issues of nuclear weapons. No statement of such weight had done this before. It spoke from a long tradition, "reaching from the Sermon on the Mount," and from a long involvement with the politics of succeeding ages.

They spoke as bishops, but also as *American* bishops. They would not "pretend that as a nation we have lived up to all our own ideals." To do that would be "patently dishonest." To pretend that all the evils in the present world can be traced to dictatorships, however, "would be both dishonest and absurd." But, having said this, they went on to insist that it was "imperative" to confront the larger reality: "The facts simply do not support the invidious comparisons made at times even in our own society between our way of life, in which most basic human rights are at least recognized even if they are not always adequately supported, and those totalitarian and tyrannical regimes in which such rights are either denied or systematically suppressed."

The Bishops had not been comfortable with the concept of deterrence. In 1979, testifying on behalf of the ratification of the SALT II treaty, John Cardinal Krol of Philadelphia granted that the U.S. strategic doctrine of deterrence may in fact have prevented nuclear warfare, but added that "the risk of failure and the physical harm and moral evil resulting from possible nuclear war remained." This, he said, "explains the Catholic dissatisfaction with nuclear deterrence and the urgency of the Catholic demand that the nuclear arms race be reversed." In just this vein, in their 1983 pastoral letter, the Bishops concluded that the teaching of the Church, and "applying it through our own prudential judgment, lead us to a strictly conditioned moral acceptance of nuclear deterrence."

And they would be right. The bombers are airborne twenty-four hours a day, the year round; the missile crews are on duty, the submarines at sea. Everywhere, officers wait for the word, devising ever more locked-in procedures to make sure it *is* the word. Everywhere, the lights flicker, the green-yellow scopes fill with bouncing lines, waving lines, sweeping lines. The trigger is at hand. It is just that deterrence, to paraphrase Churchill, is the worst strategy save any other.

My own problems with the MX were deep-seated. From the first, the MX had been developed as a "counterforce" weapon, which is to say a missile that could strike at and "take out" the missiles of the Soviet Union. This would not have threatened "crisis stability"—the utterly essential consideration—if the Soviets had chosen actually to imitate the Americans in nuclear matters—the proposition behind the celebrated image of "two apes on a treadmill." But they had not deployed their forces in a deterrent mode, as we had done. The size and number of their missiles could only imply a first-strike mode. This is to say, they are right out there in plain view, essentially undefended. They are highly, if not wholly, vulnerable to a first strike from the United States, but so long as the United States did not have a weapon capable of such a mission, the Soviets could, if they chose, keep calm. And they did. They kept on building, but not in a fit of panic.

At about the time Cardinal Krol testified in 1979, I was writing a long article for *The New Yorker* addressing my own, and similar, misgivings. It had seemed to me that by linking the MX to the Salt II treaty the Carter administration had begun to compromise our previous understanding of deterrence as basic nuclear strategy. The MX missile, I wrote, "is incompatible with the doctrine. . . . It is, as its advocates in the Administration like to say, a 'hard-target-kill counterforce weapon.' " That is what we had told ourselves a deterrent force does not have. Thus, we would be "building the missile that undermines the doctrine in order to sustain the doctrine. A paradox? Yes." And more: the makings of ruin.

Deterrence solved the seemingly insoluble problem of preventing the use of nuclear weapons. But it had assumed the Soviets would see the logic of our solution—and do as we did. As it turned out, the problem was not that the Soviets imitated us, but that they did not. And it mattered little what we professed, for all that would matter to them was that we were now seemingly intent on deploying a missile capable, in sufficient numbers, of wiping out their land-based forces, and accordingly putting both systems on a hair trigger.

By mid-1979, it was clear the Salt II treaty was not going to pass the Senate. A group of us who met to discuss tactics for getting it through never counted more than forty votes in the Senate in favor of the treaty, and I, for one, could not count twenty. With no treaty, the administration would not press the MX, which was to have been a kind of reward in exchange for the treaty. Besides, I knew about the Wild, Free-Roaming Horse and Burro Act of 1971. Indeed, well before the fate of the treaty was settled, I had told then Majority Leader Robert Byrd that the MX would never be built, meaning that the racetrack would never be built. So much for my foresight.

Four years passed. Of a sudden the MX was not only going to be built, but also going to be deployed in the most unstable mode that could be devised. What had happened? Nothing much. A new President. A new Chairman of the Senate Armed Services Committee. (No change in the House.) A Commission. Everyday life in the capital. There was no new information. Yet here we were seemingly intent on making the most profound change in nuclear strategy in our history.

But now to the event of July 26, 1983. The outcome of the "gentle filibuster" was never in doubt. The votes, as we say, were there: if Senator John Tower, Chairman of the Armed Services Committee, at times seemed impatient, it was because he knew this. A test vote on the MX had been taken in the Senate on May 26, and had succeeded, 59 to 39. On July 20, by a vote of 220 to 207 the House of Representatives had already approved an authorization bill embodying the Scowcroft recommendations. President Reagan had promised House Democrats that with MX funding behind him, he would feel free to take new initiatives in the frozen strategic arms control talks in Geneva.

Even so, such an enormity had to be addressed, even if it took two weeks, including the vast inconvenience of a Saturday session in July. The point was that we were submitting to a change in a strategy of more than twenty years' standing. For twenty years we had said that we would absorb a full nuclear strike before firing back. This was a strategy that had been our claim to a margin of moral superiority over the Soviet Union despite the accumulation by both nations of weapons and weapons systems of incredible—no, credible—destructiveness.

The alternative strategic doctrine—other than a deliberate first-strike policy—is "launch on warning" "Launch under attack" is a slightly different way of saying the same thing. Note that in the listing of the various deployment modes that had been considered for the MX, launch under attack had been first. It was promptly rejected, or so we may assume. But even at the outset, it was clear how difficult it would be to find a survivable deployment mode for such huge missiles. Technology was making them too easy to find and to destroy.

Now, the Soviets did have 308 SS-18s and 300 SS-19s, weapons roughly comparable to the MX, meaning capable of destroying it in the open. This was indisputable at an analytic level. (No one knows just how well any of these weapons would work in an actual nuclear exchange. There has never been one.) This being so, the Reagan administration, shifting from the Carter position, contended that the MX was needed as a bargaining chip. It was asserted, in effect, that by acting in a wildly dangerous and threatening manner, we would bring the Soviets to their senses on arms control. The formal report of the Armed Services Committee, dated July 5, stated that deploying the MX in Minuteman silos was "the only significant near-term action which will induce the Soviets to negotiate." This verges on an official lie. The staff person who wrote it did not think he was lying; and the persons he heard it from did not think they were lying. But we know nothing of our age if we do not know that governments routinely declare they need more arms in order to ensure peace. Sometimes this is true. More often it is a lie. It is part of the grammar of official lying, and has no place in a report of a committee of the United States Senate. It is not as if anybody in Washington knew what will or will not induce the Soviet leaders to behave one way or another way.

What we do know is that these missiles, the most powerful and accurate we had ever developed, would be deployed in a mode so vulnerable as practically to invite a preemptive Soviet strike. This is central to the issue of "crisis stability," a concern that began at least with the Cuban missile crisis of 1962, and the subsequent vast expansion of Soviet forces. The principal goal of crisis stability is to ensure, as much as possible, that in a crisis that might lead to war each party is reasonably confident that it will not be destroyed by a preemptive strike by the other party. Communication is essential, or would reasonably seem to be. The "hot line" between Washington and Moscow was installed after the 1962 missile crisis.

For some time, a breakfast group of Senators had been discussing enlarging on this now "ancient" initiative. New kinds of crises could be envisioned. In a "for-instance" scenario, suppose an Iraqi pilot in an F-15 fighter-bomber captured from the Israelis or borrowed from the Saudis, prompted by some official or personal motive to wreak havoc, drops a nuclear device on Sevastopol. The outward evidence is overwhelming: The United States has commenced pre-emptive nuclear war. How are the Soviets to be persuaded this is not so? How, in the reverse circumstances, is the United States to be persuaded? Good questions. Senators Sam Nunn of Georgia and the late Henry M. Jackson proposed that a kind of joint military staff group be set up somewhere in the world to monitor events around the clock, such that if some bizarre accident or intrigue occurred it might be jointly confirmed, such that both parties would act from the same information.

The one source of crisis instability, however, which no amount of communication can overcome is the possession by both parties of "hard-target, kill-capable" missiles that are targeted toward opposing missiles but vulnerable themselves to destruction by a first strike. The phrase is "Use 'em, or lose 'em." That is precisely the situation that will come into being the moment the MX is deployed in the Minuteman silos, each one of which has, for some years now, been targeted by two Soviet warheads. (Such warheads are said to be "dedicated.") In a crisis, the Soviets will know that we know they can destroy our land-based missile force in a first strike—and that we will be thinking about using them before losing them.

It is known that the Soviets practice this situation as a war game. The "Canadian Geese Problem" is the most difficult one to solve. That is to say: are you certain the radar is showing you a flight of missiles, or could it be a flight of arctic birds? Or could the radar be on the blink, or the computer malfunctioning? The obvious way to deal with this is the equivalent of layered defense. First one line of radars, then another. When enough check out with identical information, a decision must be made in the time remaining.

In my final exchange in the debate with Senator Tower, I asked if he would care to estimate how much time that would be. Two days? Obviously not. Two hours? Of course not. Twenty minutes? He responded that we would have to close the Senate chamber to speak further of such sensitive matters, but yes, of course, it was a matter of minutes. Allow me to reveal what everyone knows. With a layered radar-screen system, an attack having been confirmed, there would be eight to twelve minutes to decide whether to counterattack. That is not enough time, and argues, in a crisis, for taking no chances and striking first. If, that is, the adversary has vulnerable weapons such as the MX in the Minuteman silos.

Senator Tower spoke to the facts of the matter; others went further. At about this time, in the highest circles of the Senate, it was becoming fashionable to assert that should ever the Soviets start a war we will want our silos to be empty when their missiles arrive. Nuclear strategists use the term "breakout" to describe a sudden technological advance in a weapons system or a change in a balance of forces that disturbs the equilibrium of power. Something such had happened with respect to the formulation of nuclear strategy itself. This had been the domain of intellectuals; in the main, academics; economists mostly. A cloistered world. Perhaps the three most influential theorists in the development of deterrence doctrine still active are Albert J. Wohlstetter, Henry S. Rowen, and Fred S. Hoffman. None will be found in Who's Who in America. But with the breakout, strategies began to be devised at rallies, and also in cloakrooms. In the latter, deterrence seemed far too passive, too brainy a posture. "Use 'em or lose 'em" was the fact of the matter and that meant launch on warning.

And so the Senate proceeded to vote. First on the amendment of Senator Hart, which would delete all funds for the procurement

and deployment of the MX; it was lost, 58 to 41. Second, and finally, I offered an amendment to delete only funds for deployment. We reasoned this would be a test of just how much faith the majority had in the "bargaining-chip" theory. (By majority, I mean those supporting the Committee bill. This was close to, but not quite, a party division. Seven Republicans voted for both Hart's amendment and mine.) If the majority really did believe in the bargaining chip, why not build the missiles, put them in a warehouse, photograph them, give the photographs to the Soviet negotiators in Geneva with the statement that if no arms reduction agreement is reached, the missiles will forthwith be lowered in the Minuteman silos, or wherever? This seemingly logical proposition earned us one additional vote, that of Senator Lawton Chiles of Florida. My amendment lost, 57 to 42. On final passage of the bill, the vote was 83 to 15.

For the first time since coming to the Senate, I voted against a defense bill. The MX provision seemed to me intolerable. Fourteen others agreed. But the great majority of Senators was prepared to live with the decision. If nothing changes, the first ten MXs will be in their silos at Warren Air Force Base in Wyoming in time for Christmas 1986.

The irony is that the Senate knew that even as we were putting more of our forces in a fixed. ICBM mode, the Soviets were beginning to diversify their arsenal, recognizing the vulnerability of such fixed sites, possibly concerned with stability in a crisis, but in any event already developing a mobile land-based missile, much as the Scowcroft Commission recommended that we do.

Specifically, they had begun testing a small, single-warheard, presumedly mobile missile, which we had named the PL-5 (after the Soviet test range at Plesetsk). It is just possible that they, too, realize that the age of the giant ICBM may be passing. It is just possible they are beginning to think about deterrence in the American mode, as exemplified in the Midgetman proposal put forth by the Scowcroft Commission. In the debate, I referred repeatedly to the testing of the PL-5 and this possibility.

If further irony is needed, a case can be made that Ronald Reagan was the first President to come to office with an informed sense that the structure of arms limitation agreements and talks with the Soviets was not working at all well. Salt I, agreed to in 1972, had seemingly not at all impeded the growth of weaponry, Salt II, agreed to in 1979, promised little more.

On August 1, 1979, I had accordingly proposed an amendment to the SALT II treaty. As negotiated, the final article called upon the parties to effect "significant and substantial reductions in the number of strategic offensive arms" in the *next* treaty. My amendment provided that these reductions should be agreed to by December 31, 1981, *or else SALT II would expire.* SALT II had a protocol forbidding the deployment of certain cruise missiles before that date. It was thus a logical midpoint at which to test the Soviet willingness actually to *reduce* nuclear weapons and of the United States not to introduce a new weapons system—the Cruise.

Neither the Senate nor official Washington was much impressed by my proposal. It was a curious moment. The Senate had, in effect, decided to have nothing to do with the treaty. The Carter administration, however, was altogether unaware of this. The arrogance of the previous year—the National Security Advisor would inform a dinner companion that her husband would have no choice but to vote for the agreement when it arrived—was giving way to a certain concern, but no serious alarm. The object of my amendment was to give persons in the middle a chance to vote in favor of actual reductions in strategic offensive arms, and, further, to find out if the Soviets were serious in professing to desire them.

In any event, the press took no notice. Yet a few days later, out of nowhere, you might say—actually from 10960 Wilshire Boulevard in Los Angeles—I received a telephone call from Ronald Reagan, who asked if he might see my remarks in the *Congressional Record.* I sent them along, of course, and on August 16 received a most civil letter of thanks. "We are in agreement in every major point," he wrote, adding, "I believe we should take the high ground and stand firm for arms limitation. SALT I and SALT II have resulted (or will result if SALT II is ratified) in arms increases."

That autumn the long article in *The New Yorker* titled "The SALT Process" appeared, in which I expanded on the general subject of the process producing the opposite of its intended effect—it was *not* getting us arms reduction. This is something that frequently turns up in systems analysis. I sent a copy to Governor Reagan, who again replied most graciously: "I can only tell you," he wrote, "that I am in great agreement. . . ."

Once elected, Reagan seemed to proceed on that premise. In an address on November 18, 1981, he declared that the United States was prepared to cancel its deployment of new missiles in Europe if the Soviets in turn dismantled their batteries. This, he said, "would be an historic step. With Soviet agreement, we could together substantially reduce the dread threat of nuclear war which hangs over the people of Europe. This, like the first footstep on the moon, would be a giant step for mankind." He went on to state that he had informed President Leonid Brezhnev of the Soviet Union that he hoped the soon-to-open general negotiations in Geneva would result in further reductions in levels of arms. He continued: "To symbolize this fundamental change in direction, we will call these negotiations START—Strategic Arms *Reduction* Talks."

And yet this same President two months earlier had asked for a huge increase in funds for producing nuclear warheads. The request was reduced somewhat by the appropriation committees, but for the first time the sum exceeded $1 billion. What *happened?* The 1980 Republican platform offers some explanation. Much influenced by Senator Tower, it combines a somewhat muddied statement of ethical unease over the doctrine of deterrence with a fearsome insistence on more weaponry of every sort.

In its early—and perhaps purist form—deterrence involved targeting Soviet cities, and in a sense holding their civilian populations hostage against a Soviet attack on the United States. This came to be known as Mutual Assured Destruction, with the acronym MAD. The 1980 Republican platform declared that Carter's adherence to that doctrine "limits the President during crises to a Hobson's choice between mass mutual suicide and surrender." But, having asserted that under Carter the United States had "moved from essential equivalence to inferiority in strategic nuclear forces with the Soviet Union," the platform plank promised that Republicans would create a "credible strategy which will deter Soviet attack" by acquiring a much greater nuclear capability, so much that we could "survive and ultimately . . . destroy Soviet military targets." Presumedly, this meant that deterrence would continue as doctrine, but targeting would change and force levels would be greatly increased.

The Republican platform was not so much a sinister assertion as a frivolous one. There surely existed a moral problem with deterrence as a form of hostage-taking. But an undifferentiated call for more warheads was hardly an answer. In any event, deterrence directed only at cities was no longer American policy. For some years, we had been targeting military installations as part of a second strike. Carter had formalized this practice in a Presidential Directive. The Republicans knew this. There is something altogether too casual about a statement that the incumbent President's strategy limits him "during crises to a Hobson's choice between mass mutual suicide and surrender." Hobson was an innkeeper who rented horses, but required customers to take the one nearest to the door. A "Hobson's choice" is no choice. If nuclear strategy matters, it matters that it be stated accurately. And as for the assertion of "inferiority," to repeat, it was not true.

Withal, administrations changed, and, at some level of significance, nuclear affairs began to be discussed and decided at, the level of the rhetoric of the 1980 Republican platform. There is evidence that the new President held to his early views. On June 8, 1983, Secretary of State George P. Shultz presented to a meeting of NATO foreign ministers a report titled "Security and Arms Control: The Search for a More Stable Policy." It stressed the bipartisan nature of American arms control efforts, going back to President Truman, who, again to repeat, proposed in 1946 to eliminate nuclear weapons and turn nuclear energy over to the United Nations. Of more recent events, the report observed: "Although the SALT process brought certain benefits in the SALT I agreement, its final result as embodied in SALT II was a clear disappointment to the hopes generated in the early 1970s." Fair comment. Careful language. President Reagan had decided "it would be better to confront the problem of significantly reducing existing numbers of strategic forces rather than simply making another attempt to limit their further growth." Again: a reasoned, carefully stated position.

What, then accounts for the MX decision? One exogenous event, as economists would say, was an article by Andrei Sakharov, in the form of an open letter to the physicist Sidney Drell, in the Summer 1983 issue of *Foreign Affairs.* Entitled "The Danger of Thermonuclear War," it nonetheless seemed to endorse deployment of the MX owing to Soviet strength in silo-based missiles: "At present the U.S.S.R. has a great advantage in this area. Perhaps talks about the limitation and reduction of these most destructive missiles could become easier if the United States were to have MX missiles, albeit only potentially (indeed, that would be best of all)." This argument was a force on the Senate floor, and my amendment—to build not deploy—was a response.

But the outcome was not decided by argument. It was decided by routine: the routine that the Air Force had to have a new missile inasmuch as the Navy had got a new missile for its new submarine and the Army was scheduled to deploy its new missile, the Pershing II; the routine that the Scowcroft Commission had to reach a consensus and had used a device picked up from the Social

Security Commission, which earlier that year presented its proposals as an interconnected whole that could not be disturbed; the routine that Congress never, in the end, refuses a President a new weapons system; the routine that the Armed Services Committee gets its way.

What was lacking was a sufficiently compelling sense of the principles that were at stake. What was lacking was a sense of loyalty to life. Some part of this must be ascribed to the mind-numbing effect of thinking too much about the issue. In 1782, twenty Americans died at Yorktown. Two centuries later, former Defense Secretary Harold Brown could write: "The destruction of more than 100 million people in each of the United States, the Soviet Union, and the European nations could take place during the first half-hour of nuclear war." It is human, perhaps, to want to put the issue out of mind. During 1979, I put more effort into this issue of the SALT treaty than any other. I spoke about it, wrote about it, tried to amend it. During that year I received more letters from New Yorkers on the issue of the Alaskan timber wolf than on the arms treaty.

But that is what principles are for: to inform conduct when affairs seem out of control or beyond comprehension. the vote to deploy the MX in a launch on warning mode indicated either an absence of principle or else its abandonment. There will be no return to principle unless we teach ourselves how to weigh the moral dimensions, and dilemmas, of the decisions we are required to make. As man is God's most cherished creation, so preservation of His gift of life to us must be our most urgent duty. Pope John Paul said it best, in his address at Hiroshima on February 25, 1981: "In the past, it was possible to destroy a village, a town, a region, even a country. Now it is the whole planet that has come under threat. This fact should finally compel everyone to face a basic moral consideration: *From now on, it is only through a conscious choice and through a deliberate policy that humanity can survive*" (Emphasis added).

It may fairly be said that for doctrinal intricacy and duration of debate, as well as for its enduring value, Christian theology occupies a special place in the history of ideas. From the earliest times, the debate has been characterized by men of great learning and by texts of intimidating complexity. Indeed, there could scarcely have been greater contrast than what obtained in the Middle Ages, when the higher clergy was reading and writing in ancient languages while the laity was almost entirely illiterate. Even so, through those centuries and down to the present time, theologians conceded great authority in matters of doctrine to the *sensum fidelium*, the belief of the faithful.

May I suggest that something comparable is to be encountered in the American people today in their newly aroused concern about nuclear weapons? There is in this perception of terrible danger a kind of ultimate truth, which the experts must acknowledge—and to which they ought in the end defer. Historians of the subject regularly resort to ecclesiastical analogies. In his book *Cold Dawn*, John Newhouse writes of debates that recalled "those between the Thomists and the essentially Franciscan followers of Duns Scotus." In his history *The Wizards of Armageddon*, Fred Kaplan writes of the strategic theorists of the 1950s and 1960s as "thermonuclear Jesuits."

Now the *sensum fidelium* began to be expressed. In the first four months of 1983 I heard in writing from 134,890 New Yorkers about a nuclear freeze resolution. The concern exists that a mass movement calling for nuclear arms reductions must inevitably have greater influence on the democratic party to any such negotiations than on the totalitarian party. Such a concern is not to be dismissed. Persons demanding an "immediate" end to the arms race could usefully be reminded that, in this life, good will is not always rewarded in kind. Those of a historical bent will recall that, during the Holy Year 1500, Cesare Borgia, at the head of the forces of Pope Alexander VI (who happened also to be his parent), had set out to lay siege to Camerino, in an outlying region of the Papal States. His march took him in the direction of the prosperous city of Urbino, whose Duke possessed the finest artillery in Italy at the time. Borgia asked to borrow this new weapon system, and the Duke, by all accounts a pious and scholarly man, agreed. Whereupon Borgia laid siege to Urbino instead, and forced the Duke to flee into exile.

There is a responsibility, then, to speak to this movement as well as for it. The Bishops have done this well. They remind us that nuclear war is not merely a mathematical problem of percentages and trajectories and megatonnage; that arms control is something more than a matter of acquiring enough bargaining chips for our arms control negotiators. They are trying to teach something about the hard moral choices that currently confront us in the matter of nuclear weapons and strategic policy—not only those of us in the United States or its government, but all persons of good will everywhere.

Far from simplifying things, however, the Bishops have challenged us to choose among morally desirable goals, to decide among morally questionable means, and to wade through situations where the options can only be described as morally ambiguous. It is intentionally done. As their letter states near the outset. "In all of this discussion of distinct choices, of course, we are referring to options open to individuals." We each have to make our own decisions about what is right in this matter. Together, 230 million of us will help shape American policy. In order for the collective policy to be morally acceptable, the individual contribution must be as thoughtful as it is honest.

If there is to be any success, it will come from many steps. In the meantime, we will continue to have the responsibility to protect the independence of our nation, and the freedoms that flourish here, from real enough threat. We must be loyal to our own liberty. And our freedom, whether we like it or not, is inextricably bound to the survival of the idea of a law of nations, and of kindred democratic societies in the Middle East and Asia no less than in Western Europe.

There was a catatonic quality to the decision to deploy the MX, an absence of will; a leakage of reality now passed the point of return. Within weeks it became known that the Pentagon had decided the next stage in nuclear defense would be the development and deployment of laser-beam satellites designed to destroy Soviet missiles in the booster stage, which is to say after launching. Each laser would be activated by a two-nuclear explosion. Now this is escape from reality; the mentality of the video arcade. But it, too, was in the 1980 Republican platform, which called for an "active defense" based in outer space. The proposed system would have the same function as that of the antiballistic-missile system, and the press routinely reported that its development would mark the formal abandonment of deterrence as American nuclear doctrine. The 1983 Defense appropriation provided $160 million to begin work on laser-related space defense. ("Boost phase intercept systems," as the term has emerged.) Mind, the Soviets have been hard at work developing more conventional radar-based missile defenses which, in the spirit of the ABM treaty, we have not done. We are merely taking the arms race into outer space.

We would be taking leave of our senses also, for there is only the remotest chance that even one of the satellites would work, much less a space armada of the same. (Consider the heavens churning in nuclear inferno, while all those little dials and digital devices go blithely about their doomsday detail.) Even so, the Soviet military will believe that we *will be able to bring it off*. Generally speaking, they think American technology can develop anything American science can discover (for example, the laser beam). If there is not much chance of the weapons actually working, neither is there much hope of maintaining the nuclear peace in such a race.

Nothing irreversible has yet happened. Nothing will until the first "Peacekeeper" is lowered into the first Minuteman silo, and that is some distance off in time yet. But already we see the fading of loyalties to principles that have been honorable and worked and have commanded our loyalties. After the MX vote, I spoke once again in the Senate, still pleading the case that we were making perhaps the most fatal mistake in our history. But I spoke to a body that could not remember what it was doing that was different.

It need not end this way. Loyalties can be revived—above all, the commitment to a guarded reasonableness, to that spirit which is never too sure it is right. A loyalty to the nation, but with the awareness that we set out to be an example to mankind, not a lesson to it.

Mr. President, I thank the Chair.

Mr. **HART**. If the Senator will yield for a moment, on the question of consensus, I think it is extremely important that the Senator recognize, the politics of this issue. The shattering of the consensus was not on the issue of whether we should modernize our triad and its land-based leg. It was only the specific question of should we deploy that land-based missile in a way that we knew was vulnerable. That is the issue over which almost half the U.S. Senate said no from the outset. It was that question which is the question before us now.

Mr. **MOYNIHAN**. And the Senator from Georgia said he will be proposing putting funds into these other technologies which we all supported, and some of which I think it can be said we have not even debated, so great has been the unanimity.

Mr. **HART**. One final point, if I may, so the record is clear. The amendment presently before the Senate strikes all funds for procurement of additional missiles. It leaves in the defense authorization bill for 1986 $784 million for research, testing, design, and engineering on the MX in what could be a

survivable basing mode. That is in part a response to the Senator from Virginia, and the question of the will of the United States and its bargaining capacity. That is a great deal of money. It is three-quarters of a billion dollars that will remain in the budget for further work to investigate how to make the system survivable. I thank the Senator.

Mr. **MOYNIHAN**. Mr. President, I yield the floor.

Mr. **GLENN** addressed the Chair.

The **PRESIDING OFFICER**. The Senator from Ohio.

Mr. **GLENN**. Mr. President, I rise to support the amendment of the Senator from Colorado. I very strongly support it. I believe I was the first to raise the issue of the MX on the Senate floor 5 years ago this August. I am not opposed to a new missile. But I think when we start down this track of making a 192,000-pound missile it can only sit at one spot and be an even more attractive target than the missile it is replacing. I think we are off on the wrong track. I felt that through all of these years.

The President likes to call this the Peacekeeper. But I submit, Mr. President, if there is a Peacekeeper in our missile force, it is those submarine forces out there that have some 53 percent of our deliverable nuclear warheads in them ready to go, undetected, below the seas, under the seas. Those are the Peacekeepers because the Soviets know that if they ever are stupid enough, if they are ever dumb enough to really think they can make a first strike against this country, they cannot knock out all of those submarine forces. They indeed are going to know that they are going to get it right back in spades if they are ever dumb enough to start a nuclear attack on this country—the first-strike scenario. So they have a guaranteed response from those submarine forces.

Why would we go with a new missile? Well, we needed a new missile. We had one that can have better accuracy. So we wanted that built into a new missile. We wanted multiple warhead capability on the MX. So we designed that missile, but it came out at 192,000 pounds, and it cannot be a mobile. It has to sit at one spot. It has to be vulnerable. It has to have an even greater attractiveness to a first strike than the missiles it is replacing. To me that is the wrong way to go. So I agree with the need for a new missile. I disagree that this is the kind we should be making.

The Townsend Commission looked into this some years ago and I met with the Townsend Commission. At that time they agreed with me in principle that a mobile was the way to go. But they said the social interface was wrong. The social interface was there. The American people would never accept a missile that was anything except off someplace out of sight, and supposedly ostrichlike. If we could not see it, then it did not seem to make any difference what kind we had. But they agreed the mobile that could go anywhere, and had that potential, was going to be the best kind of missile because if there ever was a first strike by the Soviet Union, and we deployed our mobiles out in many different areas, then the Soviets would not know where to shoot. And they could know they are going to get return fire if they ever started anything against this country.

Mr. President, we play war games in this country all the time. We have war games where we set up different scenarios. They should not be called games I guess because they are not games in the childhood sense of games. But we play war games. We put in different scenarios. The most uncertainty is developed into those war games when you introduce a mobile nuclear missile on either side because if it is on the Soviet side, we do not know where to shoot. If it is on our side, I am sure the Soviet war gamers and war planners have that same kind of problem in their scenario of seeing how they would try to take on the United States of America.

It is good to note that in the development of new Soviet missiles that the SS-24, one of their newest, is going to start out in silos to begin with. But it will then become a mobile. Their SS-25 is being developed solely as an ICBM mobile from the ground up. It gives us a lot of pause in our own defense planning because we do not know where to shoot if that thing is out there deployed. We do not know where.

So to me the only rational way to go has always been with the mobile. Now, we have a mobile program. It is coming along. Some aspects of it I like and some aspects of it I question a little bit because I think it can be more mobile than perhaps some of our people who are trying to make it with armored vehicles and so on that are going to have the missile inside. But I would like to see us go with a mobile because I think it does two things. It is a better deterrent, and at a cheaper cost.

Where does this leave us with the MX? Well, to me the MX does not go that way. The only way an MX even began to make any kind of sense was when they talked as the President did, too, about how we would be able to harden the silos a little bit.

We talk about going to many, many thousands of pounds of potential hardening for those silos if we put the MX in there. But I was mildly shocked a couple of months ago when, in testimony before the Senate Armed Services Committee, we had a representative of the Defense Department tell us that to harden a silo was going to cost at least $180 million per silo. Per silo, each and every one. And that did not even take into account the cost of the missile at $74 million each.

Now, just a couple of weeks ago, we had a new estimate of what the new cost of the missile is going to be. The new cost of the missile, we are told, is $119 million per missile. That is just the missile. I stress that.

Also, if you cut down the numbers that run the price up, you also run the price up on silos as you cut down the numbers. So the estimates that they gave us at that time were that the silos themselves would cost $180 and up to as much as $200 million each for the hardened silo. Just for the silo.

You put all those figures together, Mr. President, and with the new cost of the missile at $119 and the minimum cost for a hardened silo at $180, that brings the total cost to $299 million. If you run the silo cost up to $200 million, then, that brings the cost for a deployed hardened silo MX to $319 million per missile. We are approaching the point where we are going to get three per billion dollars. I would certainly rather see that money in a mobile where you do not need the hardened silo.

Even the hardened silo is suspect, because we now know that Soviet accuracy with their missiles is beginning to get to the point where their blast area directly, their crater width, is going to be close to their accuracy, so it means that we are going to have cratering effect even hitting our hardened silos. It means you are liable even to tilt the whole blooming silo. If you fire out of it, you are going to be shooting at the next county, maybe, instead of the Soviet Union.

So, to me, with the costs going up the way they have and the fact that we could use this money to get a better deterrent, a more guaranteed response—I keep coming back to that—it just means to me that we go with the mobile, which can be deployed on Federal lands—most of the time. They have some 2,000 square miles where it can be deployable. In time of real crisis, an emergency, I think we could well accept the fact that this could go out and down our interestate systems in a natural dispersion pattern. They cannot be bombarded all over this country.

If we can see the Soviet people accepting a mobile on Soviet territory, which they have on the SS-20 and they are going to on their new SS-24 and SS-25—they can accept that and we in turn ask the people of Europe to take the Pershing, which is a mobile—you go to Europe now and you see the missiles going down the highways in a convoy every once in a while. They accept that. We think it is awful. We designed the missile, they did not want it, then the peace troops got out and they said they did not want to see it deployed; we said, it is for your own good. Yet somehow, here, there is supposed to be a social interface that Americans are not smart enough and big enough to know that if it is a better deterrent and a cheaper cost, that is the route we should be going.

I guess my view on this, Mr. President, is that I just do not want to see us wasting our money on the MX that has been so far cut back down that I do not think it is useful. As far as the bargaining chip goes, if you ever played any poker—I am not the world's greatest poker player, but if you ever played any poker, you know you do not tip your hole card. You do not tell what you have in the hole if you are playing poker with somebody. And I will tell you, Mr. President, this is a deadly serious poker game we are in with the Soviet Union, no doubt about that. And to tell them before we go in that this is a bargaining chip and we are going to give it away just as though we never had a bargaining chip does not make any sense at all to me.

I would rather see us cease and desist from what I see as this folly of the MX and strongly support the actions of the Senator from Colorado. I think he is on the right track in knocking this out.

Whatever funding we can save here, I would much rather see applied to a small mobile that I think really does give us—really does give us—a deterrent capability. Whether it does or not, I think we sometimes argue this thing so much back and forth that we tend to think we are not going to have any defense for this Nation of ours unless we have that MX missile. Actually, in the overall scheme of nuclear weapons, really, we can place back on the Soviet Union if they ever start anything—the MX does not play the major role that most people think. Because 53 percent of the warheads that we can place on the Soviet Union are out there under the water, deployed, ready to go.

Let me say the new D-5 missile coming up—I cannot give the actual figures here because they are highly classified, but the accuracy of that missile is every bit as good as the MX. We talk about needing the MX as a silo buster, needing the MX to hit specific point targets. The point is that the D-5 missile will be every bit as accurate as the MX. So we have that accuracy coming up. We have it in greater quantity than we will ever have with the MX.

So, as far as being able to place weapons on target in the Soviet Union accurately, we have that capability, we do not need the MX if we want a real deterrent, and if we can do it at cheaper cost, then I say we go for the mobile. That is the best way we can spend this money.

Mr. President, I very much back the proposal of the Senator from Colorado and hope my colleagues will agree with me in the reasoning that I have given here this morning as to what our real peacekeepers are, which are the sub missiles; the fact is that we cannot afford to go the hardened silo route and it would not do us any good if we did, because the Soviets are getting accuracies that can make the silos bounce. So why not spend the money on something they cannot knock out at first strike, and that is a mobile missile, one that can go wherever we want it to go—if usually on Federal lands, fine. If Americans do not want to see it out on the roads, OK, we will not put it out on the roads. In time of crisis, that would be there and the Soviets would know we have that capability to use it. That is what a deterrent is all about.

Mr. HART. Mr. President, will the Senator from Ohio yield for a question?

Mr. GLENN. Certainly, Mr. President.

Mr. HART. The Senator from Ohio, as we all know, occupies a somewhat unique position in the Senate, given his long and distinguished career in the defense of our Nation. His arguments this morning, as always, go very much to the core of the dispute and the debate.

The argument has been made by those who support the continued production of a deployment missile that is necessary to strengthen the hand of our negotiators in Geneva. The Senator from Ohio addressed that question in his remarks. I wonder if he would expand on it just briefly.

Is the Senator from Ohio aware of any correlation in the history of negotiations in recent years, between our decision to go forward with MX and the Soviets' willingness to bargain? Is in fact the pattern that the Soviets have been willing to come back to the bargaining table even when we were not building an MX and have shown no particular willingness to negotiate agreements that we seek even when we are going forward with this production?

Mr. GLENN. I agree very much with what the Senator from Colorado has said because I do not think there has been a correlation, I do not think the case has been made by anyone that there has been a correlation.

When we said we were going with MX, if the Soviets said, in effect, "Oh, my goodness, this is terrible, they are going to outdo us and we had better get back to that negotiating table quick because those Americans are really going to outdo us." So they came running to Geneva and wanted us to come running because "My goodness, the MX is just over the horizon, we had better get going"—I think it has been just the opposite.

I do not know why, maybe because MX has been part of that whole scenario. Certainly the MX in our planning—first it was 100, then 200, then racetrack patterns that made it into a semiconcealable half-quasimode-something. We were on that kick for a while and that went down the tube. I did not see any move on the part of the Soviets when we were planning that. I did not see them coming back to the table.

Now we have reduced it; instead of 200, we are talking about a maximum of 41 now?

Mr. HART. Forty or fifty.

Mr. GLENN. Somewhere in that ballpark. I just do not think they are so scared of it. I think they know it is so big that it will just sit in one spot and they can knock it out at the beginning of a war anyway.

Mr. HART. Precisely.

Mr. GLENN. A mobile they cannot.

Mr. HART. It is not more likely that the Soviets would be impressed by our willingness to develop the kind of mobile system that the Senator has indicated here and that the net effect of putting forth 50, 100, or even 200 MX's would be not to force the Soviets to negotiate more in good faith or but rather simply to change their launch doctrine so that both sides might be more likely, event crisis, to launch preemptively? Is that not really the net effect of going forward with a vulnerable land-based system?

Mr. GLENN. In other words, it would be more vulnerable instead of less.

Mr. HART. They would be less inclined to negotiate and more simply to change their doctrine.

Mr. GLENN. They would be able to knock out the MX as we have them, but they are a more attractive target. We have concentrated their problem for them. We have said we are putting multiple warheads on it. It is a big new system, a bit more accurate and we are putting them in the same holes we have had for the last 20 years. We do not even make them figure out new coordinates. They are in the same old holes the old Titans came out of. We are hardening them and making them a more attractive target.

I will not say the MX will be more destabilizing, but it certainly does not add to stability because it makes an even more attactive target for them to shoot at.

Mr. HART. The Senator is exactly correct, and I thank him.

Mr. WARNER. Mr. President, before the dstinguished Senator from Ohio concludes, I want to make a point of clear identification. In following his important contribution to this debate this morning, I am certain it is not his intent to indicate that this bill or any other action by the Senate has been taken to curtail the small ICBM program or in any way shortchange the program. Indeed, it is this Senator's opinion, having chaired the hearings on the subject, that the administration, most particularly the Department of Defense, is wholeheartedly behind the development of the small ICBM. It is funded to the maximum possible requirement. And while I agree with the Senator from Ohio—he certainly has been a very strong proponent for the small ICBM—there is nothing in the bill that would indicate that we are trying in any way to slow the program down, nor would a vote on this particular pending amendment in any way affect that program, in my judgment.

Mr. GLENN. No. Had the Senator asked me that question a year and a half ago, I would have had a different answer because I think there was all kinds of foot dragging. I argued for 3½ years over there. I fought with everybody in sight at the Pentagon about why they were not moving with the small mobile. There were all sorts of reasons always given on that. Now, about a year and a half ago I think they got serious about the small mobile, and they went at it finally and appointed a general in charge of the program out there. He has moved it along. We will have a briefing from them this afternoon as a matter of fact as to what is its status. So I think now the Senator is absolutely correct; we are moving strongly on the mobile, and the fact that we do or do not have the MX to me is immaterial to the small mobile. I agree with the Senator on that.

Mr. WARNER. I thank the Senator for that very clear response.

Mr. GLENN. That is correct. The only thing I disagree with, I think they have gone a little far in this armoring and PSI protection and all this stuff. The main advantage of a mobile is the ability to get out and go where nobody knows where the thing is. You cannot barrage the whole of the United States is my point. I think it is a more reliable missile at a cheaper cost. When we get down to where we still have the MX out there that has cost us so much and is going to make an even more attractive target and is not going to do the job, as I see it, then I support the amendment of the Senator from Colorado.

I yield the floor, Mr. President.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER (Mr. HECHT). The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I want to back up what my friend from Virginia said relative to the Midgetman. I think the Senator from Ohio is fully aware of my position on that, and I can assure him that as long as I have a voice I will speak out for it.

Mr. President, I rise in opposition to the amendment offered by my colleague, Senator HART, that would delete all procurement funds for additional MX missiles.

It was just over 2 months ago when I stood up in this Chamber in support of Senate Joint Resolution 71 to release fiscal year 1985 funds for the MX. At that time, the Senate considered at length the arms control context for the MX decision. Our negotiators had just begun in Geneva, and the President appealed to us not to undermine his negotiating position by unilaterally halting MX production.

Well, here we are again debating the MX, and I have to admit we expected this. I cannot understand what has changed in the 2 months since the Congress expressed its will in releasing fiscal year 1985 funds for 21 additional MX missiles. I am not aware of any breakthrough in negotiations that warrants what amounts to nothing less than a unilateral concession. My colleague from Colorado knows that there has been no such progress. He heard, as I did, testimony from our former colleague John Tower, now Ambassador Tower, our START negotiator. He heard, as I did, the importance our negotiating team attaches to the MX and to the absence of congressional constraints on our negotiating posture.

I ask my colleague from Colorado, has there been some change in the estimates of the Soviet ICBM threat to warrant the cancellation of MX at this time? No, the Soviets are continuing the modernization of their ICBM force, as they have been doing through all these years while we, in this country, have been debating the MX. The Soviets have deployed 600 large, hard target kill capable land based missiles, and are on the verge of deploying two new missiles. The MX is all we have available for deployment in this decade to begin to redress the asymmetry that exists in prompt counterforce capabilities.

Back in March, I raised the issue of Soviet treaty violations as a factor that strengthens the case for MX. And I can assure my colleagues that this situation has not improved, even though these violations have been a subject for discussion in Geneva. I might say that we have an amendment or two coming up this afternoon or this evening that will touch on Soviet violation of SALT II. The implications for the MX are also unchanged: Congressional failure to proceed with the MX program, at a time when the Soviets are violating important arms control agreements, would send precisely the wrong signal in my opinion. It would signal to the Soviets that we do not view their noncompliance as a serious matter. This would not only undermine our ability to restore the integrity of existing ageements, but it would jeopardize our ability to ensure adherence to future agreements.

Mr. President, the case for continuing MX procurement today is every bit as convincing as it was 2 months ago. And let me remind my colleagues that the Armed Services Committee has already made significiant reductions in the MX program, reducing the administration's request for 48 missiles by more than half and reducing the funding level by almost $1 billion. The program has been cut by as much as I think the national security interests of this Nation can stand. I urge my colleagues to reject the amendment of the Senator from Colorado.

Mr. WARNER. Mr. President, my colleagues are well aware that the importance of this decision goes well beyond the merits of one weapon system, even one as important as the MX. What is at issue here cannot be divorced from the negotiations now underway in Geneva that will determine whether there is any prospect in the near term for significant reductions in nuclear arms on both sides. What is at issue here is whether this Nation possesses the resolve and the continuity of purpose required to modernize an essential element of our strategic triad of forces. What is at issue here is whether this Nation will continue into the next decade in the shadow of a signifcant imbalance in strategic force capabilities that threatens important elements of our retaliatory capability while affording the Soviets a virtual sanctuary for their own.

Not 2 years ago, Members of Congress on both sides of the aisle were hailing the report of the distinguished and bipartisan Scowcroft Commission. A centrol finding of that report was the integral relationship of more stable strategic forces, arms control and ICBM modernization in achieving the goal of reducing the chances of nuclear conflict. The MX, the Commisison wrote, contributes to this goal in two ways: "It demonstrates the United States willingness to do whatever necessary to offset Soviet counterforce advantages. It also provides the necessary incentive to the Soviet Union to move toward a compatible environment for the small missile and to engage seriously in arms control negotiations designed to enhance stability."

Now, with a distinguished team of negotiators at the table, the President has urged each Member of Congress to approve the MX and join with him in a bipartisan and united effort in Geneva.

Although arms control is the most visible and most important reason for Congress to approve the MX missile now, it is not the only reason. The deployment of 100 MX in existing silos satisfies essential military requirements that can only be met in this decade by the MX. The missile has a combination of yield and accuracy, which has been successfully demonstrated beyond all expectations in seven of seven flight tests, that puts hardened Soviet targets at risk of timely and reliable attack. These targets, including their land-based missile silos, are now immune to effective and prompt retaliation.

The Congress has been debating the MX for over a decade while the Soviets have deployed over 600 modern, multiple warhead land-based missiles, creating a significant asymmetry in an important measure of the military balance. One hundred MX missiles with 1,000 warheads restores some measure of the balance between United States and Soviet missile forces, while not constituting enough capability to be perceived as a so-called first strike threat to Soviet ICBM's.

The restoration of the balance in missile capability to destroy hardened targets, while important from a military perspective, is enormously important from the political perspective. The existence of such an imbalance is extremely troublesome if the Soviet leadership perceives that they can engage in crisis bargaining—in the Third World or elsewhere—with the expectation that the United States will back down in the face of significant asymmetries in important strategic capabilities.

Mr. President, the MX responds to an imperative to modernize the land-based leg of our strategic forces. If MX is deployed on schedule, it will be 15 years between the last deployment of our most modern land-based missile, the Minuteman III, and the 100th MX. Those who would cancel the MX and have us rely on the small ICBM seem to forget that this missile will not be available until the 1990's, that it will inherently be more expensive—a full set of motors and a guidance set for every warhead—and that it will be subjected to the same public scrutiny that delayed MX mobile basing schemes.

Some suggest that we can cancel the MX and rely on the submarine missile force. Recent Presidents and Secretaries of Defense have been unanimous in their support for a modern triad of strategic forces. The ICBM brings unique characteristics to our strategic deterrent posture, including a combination of speed of delivery, hard target capability, and speed and reliability of communications. A strong, modern triad of strategic forces provides a hedge against unexpected breakthroughs in Soviet defensive measures, or unforeseen reliability problems with one element of the force.

However remote the prospects for a significant degradation in submarine survivability, it would be unwise to put too many of our eggs in that basket. Moreover, the new Trident missile does nothing to redress the imbalance in missile forces in this decade. It will not begin deployment until late 1989, and will not be available in significant numbers until the 1990's.

Others point to the survivability of the MX as a reason not to support it. Testimony before our committee has indeed indicated that there has been no basic change in the assessments of ICBM survivability in existing silos. Because of Soviet ICMB's that are already deployed, and projected to become more accurate, a higher degree of survivability would be desirable.

Ongoing research on superhard silos may provide a future option to enhance MX survivability. So also might the ongoing research in the strategic defense initiative. In the meantime, survivability should be viewed, as the bipartisan Scowcroft Commission pointed out, not in isolation, but rather in the context of the total strategic force. Viewed together in operational terms, elements of the triad reinforce the survivability of one another. For example, the Soviets cannot launch an attack that simultaneously destroys both the bomber force on the ground and the ICBM force.

Several of my colleagues have written that the MX could shift the basis for our strategic planning toward an almost inevitable policy of launch on warning. In hearings before the Strategic and Theater Nuclear Forces Subcommittee, this issue was explored at length and it was made very clear that our policy has not changed, nor is it changing with regard to our dependence on launching ICBM's before they have been destroyed in an attack. It remains, as it always has, an option that the Soviet attack planner must worry about, but is not a basis for U.S. force planning. Moreover, I must remind my colleagues that when talking about the survivability of the ICBM in the context of the total triad, we are not talking about launch on warning, even though our warning capabilities are becoming much more reliable under the priority effort being given this area in the strategic modernization program, but rather launch after attack; that is, after nuclear weapons have already detonated on U.S. territory.

By any standard, the MX has been an extremely successful development program. In testimony before the Senate Appropriations Defense Subcommittee, General Accounting Office representatives stated that the MX is not substantially different than other ICBM flight test programs over 25 years "except in its success to date."

All elements of the development program are meeting performance and cost objectives and the program is on schedule to start initial deployment in existing Minuteman III silos late next year. In a statement describing the latest findings of their 7-year audit of the program, the GAO indicated that "the Peacekeeper Flight Test Program to date has shown good performance and the Air Force plan to phase in operational components during flight testing is not unusual. While problems during flight testing are not unexpected, we believe that the development and testing schedule must maintain the relative success experienced to date if the Air Force is to meet the congressisonally mandated initial operational capability date of December 1986." My colleagues who are familiar with audit reports would find that assessment about as favorable as one is likely to hear. And indeed, testimony from the very competent Air Force team that is in charge of the program leaves every reason for confidence in achieving the deployment goal.

Mr. GRASSLEY. Mr. President, I rise in opposition to the amendment offered by the Senator from Colorado [Mr. HART].

Prior to June 14, 1984, I had voted in favor of the MX missile. My reason for supporting the program to that point is simple: I regard the MX missile as a necessary upgrading of our ICBM system. Since others of my colleagues have gone into some detail as to why the MX is an important element of our national security, I will not rehash their arguments.

Mr. President, while I firmly believe that we need to maintain a national defense that is second to none, I also believe, just as firmly, that we must do so at a fair price for our taxpayers. It was this second belief that led me on June 14 of last year to support an amendment offered by my distinguished colleague from Florida [Mr. CHILES]. That amendment did not kill the MX, it simply placed a fence around funds for the MX program. On March 19 of this year, I reaffirmed my position by voting to maintain the fencing of the funds for the MX program.

I have supported the fencing of MX funds because I do not believe that the taxpayers are getting their money's worth on the MX program, and because the Department of Defense has not been forthcoming in providing certain information on progress in improving the factory performance of the 14 contractors on the MX project. According to air force documents I obtained prior to my vote last June, the taxpayers had been paying for more than twice as much work as it should have taken the contractors to perform their tasks. Whatever the merits of the MX program, I did not then, nor do I now, believe it is right to expect American taxpayers to pay more than they should for what they are getting.

Mr. President, I have always reserved my right to renew my support for authorizing and appropriating

funds for additional MX missiles, once my concerns have been answered. The amendment before us now would close off that option by deleting all funds for research and development, testing, production and deployment of the MX missile.

● Mr. LEVIN. Mr. President, the MX missile makes no military sense, no arms control sense, and no fiscal sense. The MX is ill-conceived, vulnerable, and a waste of taxpayers' dollars. It is not a bargaining chip; it is a destabilizing strategic boondoggle which detracts from the real needs of our Nation's security.

I have stated my opposition to the MX many times. In fact, I have opposed the MX for years, and I'm certainly not alone in my criticism of it. On March 18, 1981, Deputy Undersecretary of Defense, Dr. Seymour Zeiberg described the dilemma of the MX basing options as * * * a question of what is the least rotten apple in a barrel of rotten apples.

Dr. Zeiberg was not alone in his critical assessment of the MX missile system. In January 1981, Secretary of Defense, Caspar Weinberger testified on the MX. He said:

> I would feel that simply putting it into existing silos would not answer two or three concerns I have: Namely, that the location of these are well known and are not hardened sufficiently, nor could they be, to be of sufficient strategic value to count as a strategic improvement of our forces.

Somehow, Secretary Weinberger's well-made argument against basing the MX in fixed silos was left by the wayside because vulnerable, fixed silo basing is exactly the rotten apple offered to us again today.

Indeed President Reagan's senior defense adviser during the 1980 campaign, William Van Cleve, commented on the MX in October 1983. He said:

> Deploying the MX in a vulnerable mode is inconsistent with the very logic of strategic stability and survivability, and contradictory to all of the things that the Scowcroft Commission report said should be the attributes of the survivable ICBM force.

The MX is a highly accurate and highly vulnerable weapon system. This combination of accuracy and vulnerability makes the MX not only irrelevant to deterrence; it creates a strategic threat which can only reward the side which strikes first. Instead of strengthening deterrence, the MX is an antideterrent invitation to mutual suicide.

Mr. President, over $10 billion have already been wasted on the MX. I urge my colleagues to pause and recognize the MX for what it is: a dangerous misallocation of our Nation's resources.●

Mr. HATCH. Mr. President, I rise in opposition to the Hart amendment to limit MX procurement. The Senator from Colorado is a fine thinker whose opinions we all must value. I have no doubts that he honestly believes that his amendment is good for our security. However, my distinguished friend and colleague also believes that mutual assured destruction is a preferable strategic objective—and here we honestly disagree.

We all know what the Soviet threat is—so I will be succinct:

In 1983 and 1984, they deployed 200 ICBM warheads and are nearing completion of the silo-hardening program. They have 5,000 SS-18 and SS-19 missiles, and are deploying 1,000 new ICBM's: the SS-X-24 and SS-X-25—both of which will be mobile, something of particular concern to the Senator from Colorado.

The Senator says that he supports the other legs of the triad, exclusive of the silo-based ICBM. The Soviets see things quite differently: They have: Expanded their silo-based ICBM force, and for the first time in cold war history, also expanded the other two legs of the triad. The Soviets, in principle and in practice, think our triad configuration is very sound strategically.

But let us discuss briefly the alternatives proposed by the Senator.

To establish his case the Senator must demonstrate that the silo-based MX is not accurate, cannot be hardened, lacks reliable command and communications control, takes too long to get to its target, cannot be retargeted, is too costly to maintain, and is not always ready. We all know that each argument is eminently refutable.

But the greatest flaw in the Senator's strategic concept is his total reliance on other triad elements which are no less moot for a variety of different reasons—let me expand upon them:

The Senator from Colorado likes Midgetman, as does the Scowcroft Commission. But it does not exist—and when it does, which will be in 1992, or later, we are not even certain how it will be deployed and based. It could end up in silos. Or, if on hardened mobile launchers, invulnerability is not assured. It will be trackable, and if within a targetable area of 8 or fewer square miles, probably destructible by a 1-megaton blast. Further, we are developing an advanced strategic missile that can hunt out and destroy the Soviet SS-X-25. How long will it take before the Soviets develop their own ASM technology?

What about our bomber force—is it as ready and invulnerable as the ICBM? Of course it is not. But together with the current elements of our triad, it offers reinforcing, in-depth capability. The Soviets think so, too, especially where new bombers are joined with a cruise missile capacity already qualitatively and quantitatively superior to anything in our inventory or even on our drawing boards.

That leaves us with the Trident II (D-5) missile—which does indeed have all the virtues that the Senator maintains. However, this program, too, is not without concerns:

It will not be in service until the end of the decade.

Congress cut $46 million last year, and SASC recommended a $75 million reduction this year in this most important program.

But above all, what assurances do we have that enhanced Soviet ASW and other detection techniques—such as satellites, lasers, and synthetic aperture radars will not make this leg of the triad also vulnerable? The answer is, I believe, that submarines, too, will become vulnerable, and probably at a point in time when our reliance on them has become excessive.

The distinguished Senator from Colorado and I do agree on many things, Mr. President, including, I suspect, that the key aphorism of modern warfare is that what can be detected can be destroyed. After all, the Senator supports the Midgetman because, among other reasons, of its mobile evasiveness. I however, foresee the quickly approaching time when our detective capacity will outpace both our evasive and our countermeasure abilities. At least, I have seen no evidence to the contrary—after all, that is the express concern of the new submarine security program, and similiar efforts in the other services.

Let me bring this colloquy to a close, Mr. President:

The MX Peacekeeper has a necessary place in the triad—indeed, with a hardened silo—as the Scowcroft Commission recommends as part of the overall modernization program—the MX system will remain, with the submarine, the two foundational cornerstones of the triad.

Last, the best means of making the MX and all other land-based ICBM systems unnecessary, is not to unilaterally eliminate them, but to develop a strategic defense initiative capacity.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, in the hope that Senators are in their offices with their squawk boxes turned on, I should like to make an appeal for them to get over here, starting this afternoon.

We now have 49 amendments that we want to accomplish by Thursday evening; and if we do not, the majority leader has told us that he will call us back into session next Wednesday. Nobody wants that to happen, especially when we are home for a little recess.

So, if Senators are listening and have amendments, we could accept quite a few of these amendments, thus avoiding debate, especially on matters that are of no particular threat to the defense of our country.

We have some tough amendments coming up. The amendment we are going to vote on this afternoon at 2 o'clock, the Hart amendment, is important, and it is to be followed by the Nunn amendment, which will be on the MX.

We also have this afternoon the discussion of the SALT offensive arms limits, SALT II amendments. We have a suggestion on the United States-Sovit summit. We have a very important amendment on chemical weapons that might be called up later this afternoon.

We have another amendment that people have not paid much attention to, but, as I understand, it professes to give the Army the job of patrolling our borders for narcotics violations, with the eventual hope that the Army might wind up with the power to arrest people. I do not think that sails along with our Constitution too well.

We have SDI coming up, and that will take quite a bit of discussion. We have the subject of base closings, military construction. That is just to mention a few. Military construction always takes up a little time.

So I hope that colleagues who are comfortably seated in their offices and who have amendments would get over here. There is only a half hour remaining until we go into recess, so it would not do much good to get here now, unless you have something you think we might accept. But be sure to be here this afternoon. We want to get this bill finished so that we can all go home and enjoy a little recess before we continue with the arduous tasks that always confront us.

Mr. HART. Mr. President, there are a number of Senators who want to be heard on the MX issue, and they could be heard between now and noon if they would appear at this time.

Mr. GOLDWATER. I hope they will come here. I think they would find the Chamber rather comfortable at this time.

Mr. HART. Certainly very quiet.

Mr. GOLDWATER. The air conditioning is working, and it is nice and quiet here.

Mr. HART. Mr. President, I ask unanimous consent that the names of the Senator from New York [Mr. Moynihan] and the Senator from Michigan [Mr. Riegle] be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, 50 years from now, I suspect that historians will look back at our decade-long debate over the MX missile and conclude that this was the high water mark of our nuclear folly. There are no good reasons for Congress to fund these missiles, only bad ones, and I will accordingly vote for the amendment to delete any MX funding from next year's Defense budget.

In a debate about the President's strategic defense initiative that was broadcast over the weekend on William F. Buckley's "firing line," the President's Science Adviser, Dr. George Keyworth, stated that the single most important consideration for any new weapon system could be reduced to a single word. "That word," he said, "is stability."

Does the MX missile contribute to stability between the two nuclear superpowers?

The answer is clear; the MX does not contribute to stability; it is, on the contrary, positively destabilizing. This is so for at least two reasons:

First, because of this missile's accuracy and because of its extraordinary vulnerability, the Soviet leadership will perceive the MX to be a first-strike weapon, built and deployed with the idea of firing first against the Soviet Union in a pre-emptive strike as part of an effort to destroy the Soviet Union's ability to retaliate. Their logic is simple: If the Americans did not intend to use the MX missile first and pre-emptively, they never would have based it in such a vulnerable place as old Minuteman siloes.

Any additional first-strike capability in the nuclear arsenal of either side is inherently destabilizing. It can only heighten mistrust, accelerate the arms race and make arms control more difficult to achieve. When the Soviets see the United States deploying a missile as accurate and as vulnerable as the MX, the Soviets can only become more concerned about the danger of a pre-emptive strike, about their ability to survive such a strike, about their capacity to retaliate. Their finger will tighten on the trigger, the pressure to fire first will increase, and the fear and distrust will mount.

Because of its vulnerability, the MX is useless as a retaliatory deterrent; its only utility is as a first-strike weapon, and it is, for that reason, destabilizing.

But the MX is destabilizing for a second reason, also related to its vulnerability. Estimates by the Air Force and the Congressional Budget Office demonstrate that, by the time the MX is deployed, between 90 percent and 99 percent of the missiles would be destroyed in a Soviet first strike. Because the MX is so vulnerable, because our commanders know that it is a missile that will almost certainly be destroyed in a Soviet attack, our generals will be tempted to treat the MX as a missile that must be launched on warning, before the Soviet attack is confirmed. The last thing we need in a crisis with the Soviet Union is a "use it or lose it" mentality with our most destructive missiles. That way lies accidents and errors and ultimately catastrophe.

We all agree that our land-based missile force needs to be modernized. But before the Skowcroft Commission report in 1983, we also all agreed that the solution of putting MX missiles in Minuteman silos was dead wrong. This was a solution that had been repeatedly and resoundingly rejected by Congress and the executive branch for over 10 years—and for good reasons. Nothing has changed since then to warrant deploying the MX missile in Minuteman silos.

One prerequisite for a new missile system is survivability, not only because of the destabilizing effects that come from its vulnerability that I have described earlier, but also for pure strategic reasons. Our bombers and our submarines may not always be as survivable as they are now, and the viability of our nuclear traid depends upon guaranteeing to the maximum extent possible, the surviability of each leg of the triad. This is why I believe we should move directly to the development and deployment of the Midgetman. The MX simply flunks the survivability test.

What then are the reasons for continuing this deployment?

The main reason is that we are deploying the MX because the Soviet Union has been deploying comparable weapons. As Secretary of State George Shultz stated before the Senate Armed Services Committee last February:

> Since we deployed our most modern type of ICBM, the Minuteman III, the Soviet Union has deployed three new types of ICBM's—the SS-17, 18 and 19—including 360 SS-19's roughly comparable in size to the MX, each with six warheads, and 308 of the much larger SS-18's, each with 10 warheads. Moreover, within the next 2 years, the Soviets will begin deploying two additional new types—the SS-X-24 and 25. This means five new Soviet ICBM's compared to one—the MX—for the United States.

But it is not merely "keeping up with the Jones" that prompts Secretary Shultz to support an MX for us. If the Soviets can strike at our land-based deterrent he argues we should be able to strike the Soviet land-based deterrent. Otherwise, says Secretary Shultz:

> They might believe that they had a significant advantage in a crucial dimension of the strategic balance; they could seek to gain political leverage by a threat of nuclear blackmail. Such a crucial imbalance in strategic capabilities could well make them bolder in a regional conflict or in a major crisis.

This is dangerous and self-defeating and faulty logic. The United States should not make decisions about our own national security based on what the Soviet might think. Doubtless there were those in France who supported the construction of the Maginot Line, Germany might think that France was defenseless. The fact that the Soviets, against all logic, might think they had an advantage does not ipso facto create the kind of "crucial imbalance in strategic capabilities" that Secretary Shultz warned against. The notion, put forth in the Secretary's February testimony that the United States should deploy MX missiles because otherwise the Soviet might reach irrational and totally unjustified conclusions about the strategic balance of forces is an inadequate reason for expanding billions of dollars on a dangerous and destabilizing weapon system.

If it is necessary to match the Soviets in their deployment of missile systems, it makes sense to examine what kind of new missile system the Soviets are in fact deploying. They are in the process of deploying a mobile missile system, the SS-24. For the United States to respond to the SS-24 with the MX in fixed silos is foolish. We should waste not more time or money on the MX. We should go directly to the Midgetman.

Another reason put forth in support of the MX is the need to show "national will and resolve." I suppose our willingness to spend billions of dollars on any weapons system—no matter how flawed that system may be—shows a certain kind of "national will and resolve." But the most powerful demonstration of our determination to guarantee our security and the security of our allies is to build safe, effective and survivable weapons systems. We do not show the kind of resolve that makes a difference simply by spending billions of dollars; we do not show the kind of national will that makes a difference by deploying defective or faulty weapons systems; and we certainly do not show unity of purpose by pushing a weapons system like the MX that has had so little support for it in Congress.

The final argument advanced for MX is its need as a bargaining chip. It is curious that whatever is happening in arms control, the MX is always a bargaining chip. When we are not talking, the MX is a bargaining chip to get the Soviets to the table. When they come to the table, the MX is a bargaining chip to get them to reduce, yet we never hear the administration say that it is really willing to bargain with the MX.

I am aware that this amendment is likely to fail. If it does, I intend to support the efforts of Senators Nunn and Byrd to cap deployment of the MX at 40 missiles and limit production of new missiles next year to 12. Although this is not an ideal response, it will limit the destabilizing effects of a fixed based ICBM by holding the numbers below those that threaten a first-strike and save billions of dollars that can be spent for systems that will genuinely promote stability and security. I urge all my colleagues who oppose the MX to support this approach if the amendment offered by Senator Hart is defeated.

Mr. HART. Will the Senator yield for a question?

Mr. KENNEDY. Yes; I am glad to yield.

Mr. HART. The Senator from Massachusetts has as usual cogently stated the argument against MX, and his support on this position has been consistent throughout. I hope he would not too quickly assume that the amendment will fail. Hopefully some Members of the Senate may see the light, even at this late date. But the argument is made that we need this missile to show American resolve. The principal arguments now have little to do with the strategic deterrent. They have a lot to do with the diplomatic situation. Deploying the missile supposedly shows American resolve, and this allegedly gives us an ability to negotiate in Geneva. Is the Senator from Massachusetts aware of any situation since the MX has been before the Senate or been under consideration of any correlation between Soviet behavior in terms of willingness to negotiate or give up any of the major weapons systems, and the willingness of the United States to build the MX?

Mr KENNEDY. Absolutely not. My friend and colleague from Colorado remembers the similar arguments that were made a number of years ago when we were moving toward a new technology in the MIRVing of weapons systems. Proponents argued at that time that we should move forward with MIRV's because we would be able to use them as a bargaining chip, we would be able to get the Soviet Union to the bargaining table, we would be able to use MIRV's as a bargaining chip in the negotiations. We got to the bargaining table. It was never used in those negotiations. As the Senator from Colorado well understands, we moved rapidly into the MIRVing process. We were matched by the Soviet Union at this period of time. And the result has been ever increasing instability. It was a decision that we have come to regret.

Now we see a repeat of that logic; even less compelling arguments in favor of this particular weapons system than for MIRV's. I agree with the arguments that have been put forward by the Senator from Colorado and others who oppose the MX in terms of the fallacy of the bargaining chip theory, which has been demonstrated over a long period.

Mr. HART. If the Senator will yield? The Senator from Massachusetts has followed the course of Soviet positions on nuclear issues and arms control for some time. Is the Senator aware of any statements made by existing or past Soviet leaders that could lead the American people to believe that a U.S. decision to go forward with MX would in any way give the Soviets reason to negotiate? Conversely, would the Senator agree that, quite frankly, building the MX plays right into the Soviets' hands if our genuine concern is a preemptive strike, and some possible offense or aggression by the Soviet Union against us, aren't we really providing them not only more dangerous targets but also more attractive targets?

Mr. KENNEDY. I think the Senator's statement is quite correct. I think any fair evaluation of the various factors which have brought the Soviet Union back to the bargaining table in Geneva, demonstrates that their decision is more related to new research and other kinds of weapons systems such as space systems.

I have not found, in any statements by the Soviet leadership—either explicitly or implicitly—nor in those that have followed the arms control negotiations an indication that the MX has been effective in bringing the Soviets back to the negotiating table. Quite frankly, in the brief time that I have had as a Senate observer at those negotiations, I have seen no indication that would lead us to believe that there is sufficient justification for a continued development of this program, or the purchase of increased numbers of this missile as proposed by the administration.

I think the Senator is quite correct in his review of the past statements and past behavior of the Soviet Union. I think any evaluation of that record certainly would not support the arguments that have been put forward here on the floor of the Senate for continued development and procurement of this system.

Mr. HART. Would the Senator agree that what demonstrates resolve to the Soviet Union and its leaders is unanimity of the United States, the American people, and the Congress behind a strategic deterrent that makes sense—survivable submarines, a survivable bomber capability, a mobile and therefore survivable land-based deterrent? The pattern under both parties and several administrations has been bipartisan consensus behind modernization, a consensus based upon, as the

Senator accurately said, survivability and stability. What shattered the consensus was this administration's adoption of the political recommendations of the Scowcroft Commission to put this very dangerous missile in a vulnerable target. That is the issue over which the Congress split.

It was in fact that decision that shattered the traditional consensus surrounding our deterrent doctrine, and made it appear if anything, that the United States was less than united behind this deterrent.

Mr. KENNEDY. Mr. President, I think it is also important to point out that those of us who support the position of the Senator from Colorado recognize that we have made very substantial and continued progress in modernization of our submarine fleet and weapons which are associated with that fleet; that we have made very substantial advances in the cruise missile technology and procurement of those weapons which have been associated with our bomber force; and that we are also moving toward the continued state-of-the-art advancement in that bomber force with new technologies—the Stealth technology.

We also have a strong commitment, I think, in a bipartisan way to move toward a mobile missile which does meet the criterion that the Senator from Colorado has pointed out; that is survivability.

The PRESIDING OFFICER. Under the previous order, the Senate was to go into recess now. The Chair recognizes the majority leader.

Mr. DOLE. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT

Mr. DOLE. Mr. President, I understand that we can now vote on the pending amendment at about 10 after 2, with 5 minutes of debate on either side, then a vote up or down, as I understand the managers, without any intervening debate, motion, or appeal. I have discussed this with the distinguished minority leader and I am now prepared to ask unanimous consent and I do ask unanimous consent that, at the hour of 2 p.m., there be 10 minutes of debate to be equally divided between the chairman of the Armed Services Committee and the ranking minority member or their designees on the pending amendment offered by the Senator from Colorado [Mr. Hart].

I ask unanimous consent that following the conclusion or yielding back of the time, the vote occur on the Hart amendment without any intervening debate, appeal, motion or point of order on the amendment.

Mr. BYRD. Mr. President, reserving the right to object, would the distinguished majority leader include in his request that—I believe I heard the request, and I believe that he used the word "on." That we would vote on the amendment.

Mr. DOLE. Yes, Mr. President, that a vote occur immediately on the Hart amendment without any intervening debate, motion, appeal, or point of order on the amendment.

Mr. BYRD. Mr. President, would the distinguished majority leader withhold his request momentarily?

Mr. DOLE. Yes, Mr. President, I would be happy to do so.

Mr. BYRD. Mr. President, this is a perfecting amendment in the second degree, is it not?

The PRESIDING OFFICER. It is a perfecting amendment in the first degree.

Mr. BYRD. Then I ask the distinguished majority leader to include in his request that there be no intervening amendment to the amendment, that no amendment to the amendment be in order.

Mr. DOLE. I add that the request, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

LATE SESSION TONIGHT

Mr. DOLE. Mr. President, I also indicate for the benefit of my colleagues who now have a policy luncheon to attend, both the majority and minority side, it is my understanding that the distinguished chairman of the Armed Services Committee would like to go very late this evening. He feels we are making some progress. I would like to affirm that from my colleagues on both sides. Is that correct?

Mr. GOLDWATER. I say to the majority leader that we now have 49 amendments. If we are going to be able to take our recess Thursday night or Friday, it is going to be necessary to work late every night. And when I say late, I mean late. Midnight would be early. I mean that.

It is very, very important that we get this bill through because if we allow our Members to go home and then come back, we will have amendments coming in here for the next 3 or 4 months. I think it is very essential in the interests of the defense of our country that we get a better understanding of just what we are going to be able to do.

So it will be late, Mr. President.

Mr. DOLE. Then I urge Members who have amendments to be prepared to offer those, with one exception. I hope that we might request of the President an opportunity to discuss the Nunn amendment with the distinguished Senator from Georgia at 2:30 with representatives of the President and the distinguished chairman of the committee.

Mr. NUNN. Mr. President, I would like to suggest that I am always open to discussion with the White House on any subject. But I would like to suggest that we go ahead and lay down the Nunn-Byrd-Gore-Boren amendment, which is on the MX, after we have the vote on the Hart amendment and that it be made the pending business. We can begin discussion on it. There also could be agreement that if there are other amendments that can be handled in the time that do not require rollcall votes, we can temporarily set aside that amendment. But we had agreed yesterday afternoon to make that amendment follow the Hart amendment, which is the normal sequence.

I certainly would be receptive to discussions with the White House but I would hate to hold that amendment up for another day. This is one of our more serious amendments and I am not sure that we are not going to be delaying the overall bill considerably beyond what the Senator from Arizona has in mind if we start delaying these significant amendments.

Mr. GOLDWATER. I might say to the leader that I, too, have been contacted. It is my position that the existence of this bill has been known for 4 or 5 months, that the White House should have known a long time ago of the contents of the Nunn amendment and have had a pretty good understanding of what the strengths or weaknesses might be on this floor. I would like to have the Nunn amendment laid down and made a matter of business. We can go in and sit down and talk with our friends from up the Avenue, but I think they should do their planning a little better, to be honest with the leader.

Mr. NUNN. Mr. President, I wish to add to that that this is the same amendment that we had a press conference on, I believe, in March. We offered the same amendment in committee, exactly the same amendment, the first part of April. This has been an announced position and a printed—well, at least, a typed—amendment for a long time. So it is not slipping up on anyone.

Again, I would be delighted to discuss it with the White House and the majority leader, and we are not going to be in any great rush voting on it, but I do believe the debate ought to begin on it.

I might say that the fact that debate was scheduled to begin on it probably has a lot to do with stimulating interest in that subject at the White House.

Mr. DOLE. Mr. President, let me indicate to the distinguished Senator from Georgia [Mr. Nunn] and others that I shall make the contact during the noon hour. I think in fairness to the President, he has been out of the country. At this very moment, he is

lunching with the President from Honduras. He was given an option paper, as I understand it, last evening at about 5 o'clock to see if there is some way to satisfy the concerns of Senators who are cosponsoring the amendment of the Senator from Georgia and at the same time satisfy some of his concerns.

We shall vote at 10 after 2. The vote probably will be completed at 2:30. It seems to me it would not make much difference if we met for 10 or 15 minutes before the amendment was offered.

I am perfectly agreeable that the amendment be laid down if that does not disturb someone who will not be in the Senate later this afternoon.

Mr. GOLDWATER. Mr. President, I might say that we can always lay the Nunn amendment aside and take up other amendments.

Mr. DOLE. I think we can work out something.

Mr. GOLDWATER. We shall work out something. We shall try.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 2 p.m.

Thereupon, at 12:09 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reconvened when called to order by the Presiding Officer [Mr. Symms].

AMENDMENT NO. 158

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Colorado.

Who yields time?

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. What time is available?

The PRESIDING OFFICER. Ten minutes evenly divided.

Mr. HART. Mr. President, the Senate will shortly vote one more time on whether to procure additional MX missiles. It is the position of the Senator from Colorado and other sponsors of this amendment that we should not procure any additional MX missiles, that we have gone far enough, indeed too far, down the road of a new nuclear weapons system that destabilizes the nuclear balance, that makes this country less secure, and that fragments a traditional consensus behind the modernization of a strategic triad.

Mr. President, it is not too late to reverse the folly that this program has started. Indeed, since April 1983, when the President endorsed the Scowcroft Commission report. The administration has been eyed to alter its policies and begin negotiations on the limitation on the number of nuclear weapons between ourselves and the Soviets and move toward a survivable ICBM system in this country, namely, a single warhead, generally mobile system.

As a sort of backhand gift or reward to those who would in fact go forward with what we all knew was in our national interest, the Scowcroft Commission reluctantly, for political and not for military reasons, said: Let us go ahead and build at least 100 of the MX missiles.

Mr. President, I think it is clear to all in this Chamber, that that was a mistake, that the 100 MX's in fixed silos increases the vulnerability of this Nation's strategic deterrent, reduces the survivability of our strategic forces, and decreases the stability of relations between ourselves and the Soviet Union.

It has been argued and will be argued this afternoon before this vote that we need this vote for the MX as some sort of a symbol of American resolve and resolution.

Mr. President, there is no evidence whatsoever that the Soviet Union was drawn back to the bargaining table by the MX or, indeed, is bargaining today because of the MX. A stronger argument can be made that the Soviet Union is indeed pleased to see this Nation march off the cliff of folly by putting its element of deterrent in a basing mode that the Soviet Union today can target, can target with a high degree of accuracy and indeed, can at least in a theoretical if not in a practical way, knock out by a first strike. Mr. President, the MX in a fixed basing mode has never made sense. It did not make sense in 1983; it did not make sense in 1984; it makes even less sense today.

I hope the Senate will do what it knows it ought to do; that is, cancel the funds for deployment of the MX in 1986, leave the funds for research, testing, development, and engineering on a survivable land-based system, and secure this country rather than make us less secure.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. Mr. President, I yield to the Senator from South Carolina 2 minutes.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of the MX missile.

MX is an important element of the ongoing arms control negotiations. The Soviets have indicated to our negotiators the importance they attach to this missile. The Congress should not mandate a unilateral concession that would seriously weaken the hand of our negotiators and play into the Soviet's hands.

Deployment of 100 MX in existing silos satisfies essential military requirements that can only be met in this decade by the MX. It puts hardened Soviet targets at risk of timely and reliable attack that are now immune to effective and prompt retaliation.

MX restores some measure of the balance between United States and Soviet missile forces wherein there is a serious asymmetry favoring the Soviets today.

MX will modernize the ICBM force—it has been 10 years since this country deployed the last of the Minuteman III missiles; and the small ICBM will not be available until the 1990's.

Mr. President, I hope the Senate will maintain the MX as we have included it in this defense bill. I think it is important to the security of this Nation that we do so.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I yield 1 minute to the Senator from Georgia.

Mr. NUNN. Mr. President, I oppose the Hart amendment, although I agree with some of the arguments that Senator Hart has made regarding particularly the basing mode of the MX. I oppose the amendment because this amendment would basically strike all funds on the MX and it is my understanding that there are not enough funds that have already been authorized really to even base those missiles that have already been authorized.

I think there is a strong case to be made for a limited number of MX missiles to be deployed and deployed in a satisfactory manner. I think there is a strong case to be made for enough spare missiles and enough test missiles so the program is a viable program. I shall be proposing an amendment this afternoon that will slow the production rate to 12 per year; it will cap the number of deployed missiles at 40 missiles and allow the missiles to be deployed this year in basing sets of eight. That would allow the Defense Department to deploy the missiles and leave open the possibility if they come up with another basing mode to take another look at that.

Now is not the time to debate my amendment, but it will be forthcoming. I oppose this amendment.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, there is not much question in the mind of anybody here that there is a desire on the part of many Senators to limit the MX in some fashion at a certain number, at a certain number of warheads, and so forth and so on. There is no big demand to completely wipe out the funds for the MX. It is and will remain a bargaining chip in the meetings of Geneva. We had testimony on that from Ambassador Tower this afternoon.

I think, Mr. President, that the thing that brought the Soviets back to the bargaining table was our great conventional strength, not necessarily our atomic strength. It is a vast strength. Adding to it would just make it stronger. But I hope that the Senate will reject the amendment of the Senator from Colorado.

The Senator from Colorado makes many, many very good points, but they are not points that I think we should consider at this time. I think it would be on the side of wisdom for the Senate to vote no on this amendment.

I yield back the remainder of my time, Mr. President.

The **PRESIDING OFFICER**. The Senator from Colorado has 1 minute and 39 seconds remaining.

Mr. **HART**. Mr. President, may we have order in the Senate?

The **PRESIDING OFFICER**. The Senate will be in order.

Mr. **HART**. Mr. President, it can be argued that the President of the United States, President Reagan, made a unilateral concession of some kind or other when he made the decision to reduce the overall number of the proposed MX missiles by 50 percent. That was not considered at the time to be a concession to the Soviet Union. It was, in fact, a recognition of reality. That is all that the Senator from Colorado is arguing for today in the Senate.

It has been amply stated by this administration that it has no intention of negotiating the MX missiles away; therefore, they cannot be considered a bargaining chip. The administration has never resolved in its own mind whether this is or is not a bargaining chip, but there are sufficient statements from the President of the United States, the Secretary of State, and other senior administration officials that they do not intend in any way to negotiate the MX missile away.

Mr. President, the time has come to restructure the bipartisan consensus behind a stable nuclear deterrent. The MX is not a valid part of that deterrent. We will get on with the business of this country and restructure that consensus when we decide to terminate that program and terminate the folly it has always represented as long as it has been based in a vulnerable basing mode. Therefore, I hope the Senate will face up to what I think virtually all Senators recognize now: The need to get on with the programs that do make the country stronger, including the truly survivable, truly mobile land-based system.

The **PRESIDING OFFICER**. The Senator's time has expired.

All time having expired, the question is on agreeing to the amendment of the Senator from Colorado.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. **SIMPSON**. I announce that the Senator from Oregon [Mr. PACKWOOD] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

The **PRESIDING OFFICER**. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 42, nays 56, as follows:

[Rollcall Vote No. 85 Leg.]

YEAS—42

Andrews
Baucus
Biden
Bingaman
Bradley
Bumpers
Burdick
Cranston
Dixon
Dodd
Durenberger
Eagleton
Exon
Ford
Glenn
Harkin
Hart
Hatfield
Hollings
Inouye
Johnston
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Proxmire
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Stafford
Weicker

NAYS—56

Abdnor
Armstrong
Bentsen
Boren
Boschwitz
Byrd
Chafee
Chiles
Cochran
Cohen
D'Amato
Danforth
DeConcini
Denton
Dole
Domenici
Evans
Garn
Goldwater
Gore
Gorton
Gramm
Grassley
Hatch
Hawkins
Hecht
Heflin
Heinz
Helms
Humphrey
Kasten
Laxalt
Long
Lugar
Mathias
Mattingly
McClure
McConnell
Murkowski
Nickles
Nunn
Pressler
Quayle
Roth
Rudman
Simpson
Specter
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Zorinsky

NOT VOTING—2

East
Packwood

So the amendment (No. 158) was rejected.

Mr. **DOLE**. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. **GOLDWATER**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 159

(Purpose: To impose certain restrictions on the MX missile program)

Mr. **NUNN**. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The bill clerk read as follows:

The Senator from Georgia [Mr. NUNN], for himself, Mr. BYRD, Mr. GORE, Mr. BOREN, Mr. CHILES, and Mr. BENTSEN proposes an amendment numbered 159.

Mr. **NUNN**. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 10, line 2, strike out "$9,584,900,000" and insert in lieu thereof "$9,234,900,000".

On page 11, between lines 8 and 9, insert the following new section:

LIMITATIONS ON MX MISSILE PROCUREMENT AND DEPLOYMENT

SEC. 107. (a) It is the sense of the Congress that—

(1) not more than 40 MX missiles should be deployed in existing Minuteman silos; and

(2) after procurement of 40 missiles for deployment, further procurement of MX missiles should be limited to those necessary for the MX missile reliability testing program and as spares within the logistics system supporting the deployed MX missile force.

(b) Notwithstanding any other provision of law, none of the funds appropriated pursuant to an authorization of funds in this or any prior Act may be used—

(1) to deploy more than 40 MX missiles in existing Minuteman silos;

(2) to modify, or prepare for modification, more than 40 existing Minuteman silos for the deployment of MX missiles;

(3) to acquire basing sets for more than 40 MX deployed missiles; or

(4) to procure long-lead items for the deployment of more than 40 MX missiles.

(c) All MX missiles acquired by funds appropriated pursuant to the authorization of funds in this division may only be used to support the MX missile reliability testing program or as spares within the logistics system supporting the deployed MX missile force.

Mr. **NUNN**. Mr. President, I might say to my friend from Arizona that I will be delighted to have this amendment set aside temporarily so long as it remains the pending business, so we can take up another amendment.

Mr. **GOLDWATER**. Mr. President, I ask unanimous consent that the recently introduced amendment be laid aside so another amendment can be introduced.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

AMENDMENT NO. 160

Mr. **INOUYE**. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The bill clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for himself and Mr. MATSUNAGA, proposes an amendment numbered 160.

Mr. **INOUYE**. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

At an appropriate place, insert:

(a) Notwithstanding any other provision of law, including but not limited to section 809 of the Military Construction Authorization Act, 1968, section 807(d) of the Military Construction Act, 1984, or any provision of an annual Appropriation Act restricting the use of funds for the sale, lease, rental, or excessing of any portion of land currently identified as Fort DeRussy, Honolulu, Hawaii, the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to sell and convey, at the appraised fair market value as determined by the Secretary, all right, title and interest of the United States in up to 45 acres of land and improvements northeast of Kalia Road comprising a portion of Fort DeRussy, Hawaii, to the City and County of Honolulu or the State of Hawaii, or their designated agencies, upon such terms and conditions as are acceptable to the Secretary. The exact acreages and legal descriptions of the property to be sold under this section shall be determined by surveys which are satisfactory to the Secretary. The cost of any such surveys shall be borne by the buyer.

(b) The Secretary is authorized to acquire land and design and construct such facilities as are necessary to replace those on the land to be sold pursuant to subsection (a). The Secretary is also authorized to relocate activities currently located at Fort DeRussy to such replacement facilities.

(c) The proceeds of the sale authorized to be conducted pursuant to subsection (a) shall be available without fiscal year limitation to acquire land and replace facilities authorized to be acquired or constructed pursuant to subsection (b) and to pay associated relocation costs. The remainder of the proceeds shall be converted into the Treasury as miscellaneous receipts.

Mr. **INOUYE**. Mr. President, this amendment which was drafted by the Office of the Secretary of Defense and approved by the Secretary of the Army authorizes the Secretary of the Army to sell a portion of Fort DeRussy in Honolulu to either the State of Hawaii or the city of Honolulu.

This amendment has been cleared by the managers of this measure.

Mr. President, I am offering today, an amendment to the fiscal year 1986 Department of Defense Authorization Act to provide authorization for the sale of up to 45 acres of the land area designated as Fort DeRussy, Honolulu, HI by the Secretary of the Army to the city and county of Honolulu or the State of Hawaii. During my frequent discussions with the Department of Defense, it is clear that this land area is no longer crucial to our strategic national defense posture and is not utilized as such. In the era now referred to as the Vietnam era, I requested that Fort DeRussy be designated and developed as a rest and recreation facility for our fine military personnel who were serving our country overseas. Hence, the beachfront area was developed and the military hotel aptly named Hale Koa, meaning "house of the warrior" and a large parking lot was built on prime Waikiki land. Today, this area, much to the embarrassment of the Department of Defense, is known as the world's most expensive parking lot and parade ground. However, it is in the best interest of the people of Hawaii to acquire this land for the development of the tourist industry, which is the prime industry and the lifeblood for the State of Hawaii. It is essential that tourism be perpetuated in order to enhance the economic development, growth, and stability of the 50th State. The beachfront area including the military hotel will remain as such. Installations now occupying this land area will be relocated to other appropriate locations.

Mr. **GOLDWATER**. Mr. President, we have cleared this with the minority side, and the majority has no objection. We will accept the amendment.

The **PRESIDING OFFICER**. Without objection, if there be no further debate, the amendment is agreed to.

(Later the following occurred:)

Mr. **INOUYE**. Mr. President, earlier this afternoon the Senate, with the approval of the managers of this bill, unanimously approved an amendment relating to Fort DeRussy. However, it has come to my attention that by some inadvertence we left out one section.

Therefore, notwithstanding whatever action taken by the Senate, I ask unanimous consent that I be permitted to modify the amendment that was adopted by the Senate.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **INOUYE**. I thank the Chair.

The **PRESIDING OFFICER**. The Senator will please send the modification to the desk.

The modified amendment is as follows:

At an appropriate place, insert:

(a) Notwithstanding any other provision of law, including but not limited to section 809 of the Military Construction Authorization Act, 1968, section 807(d) of the Military Construction Act, 1984, or any provision of an annual Appropriation Act restricting the use of funds for the sale, lease, rental, or excessing of any portion of land currently identified as Fort DeRussy, Honolulu, Hawaii, the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to sell and convey, at the appraised fair market value as determined by the Secretary, all right, title, and interest of the United States in up to 45 acres of land and improvements northeast of Kalia Road comprising a portion of Fort DeRussy, Hawaii, to the City and County of Honolulu or the state of Hawaii, or their designated agencies, upon such terms and conditions as are acceptable to the Secretary. The exact acreages and legal descriptions of the property to be sold under this section shall be determined by surveys which are satisfactory to the Secretary. The cost of any such surveys shall be borne by the buyer.

(b) The Secretary is authorized to acquire land and design and construct such facilities as are necessary to replace those on the land to be sold pursuant to subsection (a). The Secretary is also authorized to relocate activities currently located at Fort DeRussy to such replacement facilities.

(c) The proceeds of the sale authorized to be conducted pursuant to subsection (a) shall be available without fiscal year limitation to acquire land and replace facilities authorized to be acquired or constructed pursuant to subsection (b) and to pay associated relocation costs. The remainder of the proceeds shall be converted into the Treasury as miscellaneous receipts.

(d) Any action under this section shall insure adequate parking for the Hale Koa Hotel.

(Conclusion of later proceedings.)

AMENDMENT NO. 159

Mr. **GOLDWATER**. Does the Senator from Georgia wish to resume his amendment?

Mr. **NUNN**. Mr. President, if there is another amendment, I have been requested to meet with the White House on this one, and I think the chairman is supposed to also. I believe we are due in the majority leader's office. The meeting could not start since the chairman of the committee is here in the Chamber.

I suggest if we have another amendment that could be taken up we lay my amendment aside temporarily and keep it the pending business until we come back from this meeting.

Mr. **GOLDWATER**. We have 42 other amendments.

Mr. **NUNN**. Is there anyone else in the Chamber who has a little noncontroversial amendment to be debated about 30 minutes?

Mr. **DOLE**. Or longer.

Mr. **KENNEDY**. Mr. President, I have a little amendment on which I will be glad to have a vote within 30 minutes. It deals with the Central American policy question.

I know we talked about this matter in the course of our caucus, and I know there are other Members who wish to address this issue.

I am glad to proceed, to either accommodate the managers of the bill, or if they are prepared to move ahead to go ahead within that time. If they are not, I am prepared to move ahead.

Mr. **NUNN**. Mr. President, will the Senator describe his little noncontroversial amendment.

Mr. **KENNEDY**. There are two parts to the amendment, and one is the sense-of-the-Senate to encourage bilateral negotiations between the United States and Nicaragua hopefully, and I explain it this way, that the President of the United States might designate some individual who would have the authority of the President of the United States to make a diplomatic initiative.

We are familiar with the efforts of Sol Linowitz who was an ambassador, for example, to Central America a number of years ago.

I would hope that perhaps the President would select someone like Elliot Richardson or Don Rumsfeld who would have the prestige, influence, and support nationwide to make the serious efforts to try and see a meaningful negotiation in that part of the world.

The second part of the amendment is to ensure that given the fact that there is disposition in this body to address the Contra aid, I have a very deep and continuing concern about the dangers of military American personnel being involved, and this would require that before there be a commitment of combat troops the President would come back to Congress, and it follows the amendments that I had outlined last year.

Mr. NUNN. If I could respond briefly, I have an amendment on the Contra aid that I am sure will require at least a couple hours debate. I understand that Senator BIDEN may have an amendment on this and I understand Senator DODD may also have an amendment on that.

It would certainly facilitate orderly debate if we were able to handle all of these in one block of time. I am not particular about which one goes first, at least as far as my own is concerned.

But would the Senator withhold this one until our staff would have a chance to take a look at it and then maybe we could set aside a block of time.

I do not know when the chairman would like to do this, but depending on the chairman's preference.

Mr. GOLDWATER. I think it would be better if we consider these sort of en bloc.

I would appreciate it if the Senator would send the amendment to the desk so we can have a chance to look at it and study it.

Mr. KENNEDY. Mr. President, I send the amendment to the desk.

I am glad to accommodate the chairman and ranking minority member of the committee in terms of order, in terms of time.

The PRESIDING OFFICER. The Chair will state that the amendment of the Senator from Georgia is still pending.

Mr. NUNN. Mr. President, I believe if the Senator will just let us take a look at the amendment, my amendment is the pending business. Is that correct?

Mr. GOLDWATER. That will come up again.

Mr. NUNN. My amendment is pending, though.

The PRESIDING OFFICER. The Nunn amendment is now pending.

Mr. GOLDWATER. It was set aside temporarily. I ask unanimous consent that Senator NUNN's amendment become the pending business again.

The PRESIDING OFFICER. The Nunn amendment is the pending business before the Senate at this time.

Mr. NUNN. It never has been set aside.

Mr. GOLDWATER. All right.

Mr. KENNEDY. As I say, I think the chairman and ranking minority member indicated they are prepared to move ahead in a 30-minute timeframe, and I was glad to indicate to them that I am prepared to either accommodate their interests now or later in the debate when we are going to consider Central America and I will be guided by the chairman of the committee and the ranking minority member in terms of the time.

I think we could actually dispose of it. This is not a complicated amendment, and I do not think it would really take very long to dispose of it.

I wish to get a rollcall vote on both parts of it probably and some division. I think we could do it within a half hour.

I am glad to accommodate the floor managers of the bill in terms of the time and in terms of their disposition of the overall legislation. So I would be guided by them.

Mr. NUNN. While we have the Senator from Massachusetts on the floor and the chairman of the committee is on the floor, it might be that—I do not know what other amendments are pending today—I guess we have two choices. We could either take the block of amendments relating to Central America and after the MX amendment is disposed of by the time we count them all that will take us well into the evening.

Another choice would be if we have other amendments coming up today that we know about, and we have 8 or 10, that I would call from the lack of a better word the Senate stoppers, they are going to all take some time, that we could perhaps schedule the Central America amendments tomorrow morning to get us off to a very interesting and exciting start.

Mr. GOLDWATER. Mr. President, I might say to my friend from Georgia that we had planned to bring up the SALT business after the Nunn amendment had been disposed of, and in the interim during the time we are down consulting with you know who, we have three Roth amendments that I think the Senator's staff would agree we could take and my staff will discuss them.

He is not over here now, but he is coming.

Mr. NUNN. Mr. President, without binding anyone, would the chairman believe then we might want to have the Central America amendment begin first thing in the morning?

Mr. GOLDWATER. I would be very happy to have it start first thing in the morning. I cannot think of a better way to start the day.

Mr. KENNEDY. That is entirely agreeable to the Senator from Massachusetts. This was just such a simple little amendment that we could dispose of rapidly, but I will be glad to wait until tomorrow and work out with the Senator from Georgia, the Senator from Connecticut, and the Senator from Delaware the logical appropriate sequence for consideration.

Mr. NUNN. I thank the Senator from Massachusetts.

Mr. QUAYLE. Mr. President, I think what we are going to try to do is contact some people who do have noncontroversial amendments perhaps outside the scope of Central America that we might be able to deal with in this window that we have now while there is a discussion going on concerning the Nunn amendment.

So I am going to go ahead and suggest the absence of quorum, but we are going to be making contact with Senators on the list here in hopeful anticipation that we can get some of the amendments up and disposed of this afternoon.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHAFEE). Without objection, it is so ordered.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the Nunn amendment be temporarily laid aside in order to take up an amendment to be offered by the distinguished Senator from California.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered.

The Senator from California is recognized.

AMENDMENT NO. 162

(Purpose: To release funds for certain Navy projects at Port Hueneme Naval Construction Battalion Center that were previously restricted pending a satisfactory agreement between the Port and the Navy)

Mr. WILSON. Mr. President, I thank the Chair. I thank the distinguished manager for his courtesy.

I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 162:

At the appropriate place insert the following: Notwithstanding any other provision of law, funds received by the Navy from its license agreement with the Oxnard Harbor District covering use of waterfront facilities on an as-available basis at the Naval Construction Battalion Center, Port Hueneme, California, may be used for operation and maintenance of waterfront facilities at the installation.

Mr. WILSON. Mr. President, I have allowed the clerk to continue reading the amendment in full because of its brevity and simplicity.

This is an effort on behalf of the Navy and the Oxnard Harbor District to achieve the same status for their licensing arrangements as afforded under the long-term maintenance provision of the Military Leasing Act, a provision that has been available for

this purpose since 1947 when applied to standard leasing arrangements. The principle is the same even though the arrangement is one of licensing. The distinction is that there is an as-available basis with respect to the use by the harbor district of the wharfage facilities that are actually owned and operated by the Navy.

I will take no further time. It has been cleared by both sides, Mr. President. I ask that this treatment be afforded to the Navy in accordance with existing provisions of law applicable to regular military leasing under the Military Leasing Act.

Mr. QUAYLE. Mr. President, this amendment is a good amendment. There is no problem on this side. I do not believe there is any problem on the other side. I think it is certainly worthy of adoption.

Mr. STENNIS. Mr. President, there is no objection to this amendment from this side of the aisle.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from California.

So the amendment (No. 162) was agreed to.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 159

Mr. QUAYLE. Mr. President, we are still searching and beseeching other Senators to come to the floor to offer any noncontroversial amendments they may have. The pending question now recurs on the Nunn amendment. There are still negotiations going on concerning that amendment. I will note the absence of a quorum with the hope and anticipation that Senators might come over and offer their amendments.

I might point out that now is a good time. We are going to be here late this evening. We will have the Nunn amendment, the interim restraint amendment, or sense of the Senate, SDI, and probably a couple other things yet tonight.

According to the colloquy earlier today, we are looking at Central America amendments early tomorrow morning, so once we get going on some of these major amendments there is not going to be a lot of time, if we are going to finish Thursday. Those Senators who are interested in getting those amendments up, now is the time. We hope to find some amendments in the next few minutes, Mr. President. Not having anything right now to come before the Senate, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the Nunn amendment be temporarily laid aside in order to take up an amendment by the senior Senator from South Carolina, Senator HOLLINGS.

Mr. STENNIS. Mr. President, may I ask this question? Is this temporarily laid aside, and then we go back to the Nunn amendment?

Mr. QUAYLE. Mr. President, the Nunn amendment will be temporarily laid aside, and upon completion of the Hollings amendment we will be back on the Nunn amendment.

Mr. STENNIS. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 163

(Purpose: To require a study to determine the feasibility of testing people for drugs before they become members of the Armed Forces)

Mr. HOLLINGS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS] proposes an amendment numbered 163.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following new section:

REPORT ON FEASIBILITY OF DRUG TESTING PROSPECTIVE RECRUITS

SEC. . (a) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than October 1, 1985, a report on the feasibility of implementing a program designed to detect drug use by persons who have been accepted for entry into the Armed Forces but who have not become members of the Armed Forces.

(b) The Secretary shall include in the report required by subsection (a)—

(1) an explanation of how such a program would operate;

(2) the Secretary's assessment of the value of such a program;

(3) a discussion of any problems that might complicate the administration of such a program;

(4) the advantages and disadvantages of instituting such a program;

(5) an estimate of any savings that the United States might realize by detecting illegal drug use by a person before such person becomes a member of the Armed Forces; and

(6) such recommendations for legislation as the Secretary considers necessary or appropriate to establish such a program.

Mr. HOLLINGS. Mr. President, I rise to offer this amendment that requires the Department of Defense to study the feasibility of conducting drug detection tests for volunteers prior to their induction into the Armed Forces.

Mr. President, I believe the situation in our Armed Forces regarding drug and alcohol abuse is alarming. I have heard the comment that those in the military with this problem are only representative of our population in general. I do not have the facts to prove or disprove such a contention—but it does not really matter. What is important to our national security is that we have the best military and fighting capability possible—and that means we have soldiers that are equipped and ready to fight. No one can convince me that continual use of drugs and alcohol in the military does not detract from our readiness posture.

Admittedly the Armed Forces have an assortment of rehabilitation programs aimed at correcting drug abuses. If these remedial actions are shown not to work, the services move to discharge the problem cases. I applaud these actions. The statistics bear out that recent efforts to identify and control drug and alcohol abusers are succeeding to some extent. They are also beginning to tell a little bit about the problems our military leaders face in treating drug and alcohol abuse.

Let me cite recent statistics provided me by the DOD on the extent of the drug/alcohol abuse problem. In fiscal year 1981, the DOD spent $216 million for drug and alcohol treatment and rehabilitation, discharges for such abuse, and in disciplinary action. By fiscal year 1985, these costs are estimated to be over $400 million. I believe this is only the tip of the iceberg. In fiscal year 1981, 5,100 first term and career personnel were discharged for drug/alcohol abuse. In fiscal year 1985, the projection for discharges is over 17,000—a threefold increase in 4 years.

I ask unanimous consent that a table reflecting these drug/alcohol abuse totals be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DRUG AND ALCOHOL ABUSE PROGRAMS COSTS

[In millions of dollars]

	1981	1982	1983	1984	1985
1. Drug/alcohol treatment and rehabilitation	65	77	88	91	111
2. Drug/alcohol discharge costs	101	109	151	168	179
3. Drug/alcohol lost time and disciplinary action	50	54	83	97	120
Total	216	240	322	356	410

FIRST TERM AND CAREER DISCHARGES

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FIRST TERM AND CAREER DISCHARGES

	First	Career
1981	4,096	1,063
1982	7,006	1,779
1983	13,405	2,593
1984	13,286	3,736

Source: Department of Defense.

Mr. HOLLINGS. In reality we have not only a financial problem due to the drug problem, but also wasted time that leads of course to a readiness problem.

Much of it could be prevented if a drug detection test was required of the volunteers prior to their induction into the armed services. Necessarily, there is a question of the constitutionality of such an approach. We know that no one has a right or title to drive on the highways and we have an alcohol-drug-type of blood testing for driving under the influence that has been found to be constitutional. Similarly, for the security interests of the United States, the Congress with these facts in mind can certainly make the finding that the pretesting of volunteers—that is, prior to their induction—should occur.

It is obvious, of course, that in addition to heart, blood, and every other kind of testing related to one's physical condition that we should be testing for drug and alcohol abuse.

Mr. President, it is clear we have a problem, and it is getting worse. The services are reacting, and I do not want to do anything to slow their actions down. But I would ask my colleagues if there is not something further that can be done. I think the answer is yes, and I would suggest the time is at the earliest initial stage where the Armed Forces come into contact with the enlistee—prior to induction into the service. If such a program of drug detection could be implemented, the savings to the military could be significant—not only in cost but in precious time to our unit commanders.

To do this, I am offering an amendment requiring the Secretary of Defense to evaluate ways of implementing a program of drug detection prior to induction and report his findings to the Congress. I have worked on this problem with both the distinguished chairman and ranking member of the committee, and I appreciate their assistance and help in this endeavor.

I have gone over my amendment with the managers of the bill on both sides, and in concert with their views and intentions prepared my amendment so as to ask for a DOD report by October 1 of this year. I want to do it in a deliberate, and not a precipitous, fashion as perhaps occurred in the drug testing underway in baseball. But is should be done as soon as possible. We should hear from the Secretary of Defense on exactly how he intends to do it, and what considerations would be involved both financially, by way of policy, and by way of our national security interests.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. WILSON. Thank you, Mr. President.

Mr. President, it seems to me that the distinguished Senator from South Carolina is offering a very prudent measure. He is seeking to determine whether or not there will be any problems constitutionally or otherwise with a preinduction urinalysis. That, it seems to me, wisely avoids a great deal of trouble. This measure is preventive. It seeks to avoid having to undo unnecessarily a number of problems that clearly can be foreseen and avoided by this simple step.

I commend the Senator for what I think is a very prudent step, and I urge support for his amendment.

Mr. HOLLINGS. Mr. President, I thank my distinguished colleague.

Mr. President, unless there is further discussion from the managers of the bill, we can move the adoption of the amendment.

Mr. QUAYLE. Mr. President, there is no objection on this side. It has been cleared.

Mr. STENNIS. Mr. President, there is no objection from this side of the aisle.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from South Carolina [Mr. HOLLINGS].

The amendment (No. 163) was agreed to.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Indiana, and the Senator from California.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. QUAYLE. Mr. President, we are still going to have an opportunity to get amendments up. So I again put out a notice and try to urge, plea, and anything else to get Senators over here to offer noncontroversial amendments. I point out that once we get beyond this debate on the MX, this train is going to be gone. There are a lot of substantive amendments. If Senators want to get in on the noncontroversial amendments, they should do it now because when we get very close to the end of the bill it is going to be very difficult to accommodate everyone because of the limitation of time.

With that, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Nunn amendment be temporarily laid aside so we may consider another amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 164

(Purpose: To provide for the transfer of certain public property to the Department of State)

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. RUDMAN). The amendment will be stated.

The bill clerk read as follows:

The Senator from Virginia [Mr. WARNER] proposes an amendment numbered 164.

At the end of Division B, title VIII, insert the following:

SEC. . Upon the relocation of the Army Intelligence and Security Command and other Defense activities from Arlington Hall Station to new quarters, the Secretary of the Army shall transfer approximately 72 acres of the tract of land known as Arlington Hall Station, together with improvements thereon, to the Secretary of State, without reimbursement, to be used as a center for training foreign affairs, as authorized by chapter 7 of the Foreign Service Act of 1980, as amended (22 U.S.C. 4021-4026), and for other purposes as deemed appropriate by the Secretary of State.

Mr. WARNER. Mr. President, it is my understanding that the distinguished Senator from Georgia is prepared to accept this amendment and therefore it will not require a record vote.

I present this amendment to the Defense authorization bill to facilitate the transfer of land from the Department of the Army to the Department of State.

The Army plans, within the next several years, to move the Intelligence and Security Command currently located at Arlington Hall Station, VA, and Fort Meade, MD, to a consolidated location at Fort Belvoir, VA.

One result of this move will be to free up the land on which Arlington Hall Station now stands.

Under normal procedures, this land would then be returned to the General Services Administration.

The State Department has determined that Arlington Hall Station would be an ideal site to centralize their Foreign Service Institute.

At the present time, elements of the institute are situated in several different office buildings in the northern Virginia area.

The Foreign Service Institute will be able to operate far more efficiently in a central location at Arlington Hall Station.

The State Department has requested, and the Department of the Army has agreed, to transfer without reimbursement approximately 72 acres of land on which Arlington Hall Station is located from the Department of the Army to the State Department.

Since this action requires congressional approval, I submit this amendment, to which neither the State Department nor the Department of the Army has any objection.

As a matter of fact, they are in favor of it. I bring up the amendment at their request.

Mr. NUNN. Mr. President, I have no objection to the amendment.

Mr. GOLDWATER. Mr. President, the majority side has no objection. We shall take that amendment.

The PRESIDING OFFICER. Is there further debate? If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 164) was agreed to.

Mr. WARNER. I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 165

(Purpose: To revise P.L. 97-114, section 765, so that California's Department of Forestry may be allowed to continue to lease 12UH-1F helicopters for the purpose of firefighting, vegetation control and Search and Rescue missions)

Mr. GOLDWATER. Mr. President, I yield to the Senator from California [Mr. WILSON] to present an amendment.

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 165.

At the appropriate place, insert:

Notwithstanding any other provision of law, the department of defense is hereby authorized to lease 12 UH-1F helicopters to the State of California, Department of Forestry for the purpose of firefighting, vegetation control and Search and Rescue missions.

Mr. WILSON. Mr. President, the State of California, through its Department of Forestry, in 1981 entered into an agreement with the Department of the Air Force to lease some excess helicopters—not really excess to need. These were helicopters that were about to be mothballed. The Department of Forestry used them to great advantage for vegetation management, firefighting, and forestry operations.

What is proposed is simply an extension of the operation whereby the Air Force may continue leasing these helicopters to the State for these uses. It costs the Government nothing; indeed, it earns some revenue. It saves California State taxpayers some $3 million, a cost that they would otherwise have to engage in were they to seek to lease these helicopters from other sources.

Mr. President, this is an extremely valuable thing. It is essential in California, where the threat of fires and the requirement for firefighting is an annual occurrence.

The purpose of this amendment, I think, is quite clear. I shall take no more time discussing it. I believe that this has been cleared with both sides and there are no objections. I ask for support of this measure.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, we have no objection to this amendment on the majority side.

Mr. NUNN. Mr. President, I have just a couple of questions, if I may ask them of the Senator from California.

Is the State of California leasing these aircraft?

Mr. WILSON. Yes, they are, Mr. President.

Mr. NUNN. Does the Senator have a price per aircraft per year, Mr. President, a lease price?

Mr. WILSON. I think we could quickly calculate it, Mr. President. The price for a dozen for a 5-year period works out to be slightly over $1 million.

Mr. NUNN. Were these aircraft the subject of a grandfathering clause with the policy change? Is that correct?

Mr. WILSON. These, I think, preexisted the change the Senator has reference to, Mr. President.

Mr. NUNN. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there further debate? If there is no further debate, the question is on agreeing to the amendment of the Senator from California.

The amendment (No. 165) was agreed to.

Mr. WILSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. GOLDWATER. Mr. President, once again I stand at my desk, hoping. If the Senators' squawk boxes are turned on, I think I still want to say what I said earlier. It is delightful here; the air-conditioning is working. But we have run out of amendments. We only have about 49 left. If any of the Senators think we are going home Thursday night without those 49 being passed, they have another guess coming. So please come over and offer your amendments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 166

(Purpose: To clarify Department of Defense support for civilian drug interdiction)

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Arizona [Mr. DECONCINI] for himself and Mr. CHILES, Mr. ABDNOR, Mr. COCHRAN, Mr. SPECTOR, Mr. FORD, Mr. MATTINGLY, Mr. LONG, Mr. MURKOWSKI, Mrs. HAWKINS and Mr. DENTON proposed an amendment numbered 166.

Mr. DECONCINI. I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title III of division A, add the following new section:

OPERATION AND MAINTENANCE OF DRUG LAW ENFORCEMENT ASSISTANCE ORGANIZATIONS OF THE DEPARTMENT OF DEFENSE

SEC. 306. (a) There are authorized to be appropriated to the Department of Defense for fiscal year 1985 such sums as may be necessary for the establishment and the operation and maintenance of one or more Reserve Forces Airborne Surveillance and Detection units in the Department.

(b) There are authorized to be appropriated to the Department of Defense for fiscal year 1986 such sums as may be necessary for the operation and maintenance of the Directorate of the Department of Defense Task Force on Drug Law Enforcement.

(c) Not later than September 30, 1985, the Secretary of Defense shall transmit to the Committees on Armed Services of the Senate and the House of Representatives a report on the manner in which the Department of Defense plans to obligate and expend funds appropriated or expected to be appropriated pursuant to an authorization contained in this section. The report shall include a description of—

(1) actions or proposed actions to establish, operate, and maintain Reserve Forces Airborne Surveillance and Detection units

(2) actions and proposed actions to utilize appropriate aircraft of the Department of Defense to furnish, commensurate with military readiness, optimal support to civilian law enforcement agencies for the purpose of carrying out drug interdiction missions and for other operational activities of

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such agencies relating to the enforcement of drug laws; and

(3) actions and proposed actions to promote dual utilization of Department of Defense aircraft and other Department of Defense resources available to civilian law enforcement agencies by providing for the utilization of such aircraft and resources by Reserve Forces Airborne Surveillance and Detection units and by such agencies.

The PRESIDING OFFICER. If the Senator will suspend, the Chair will ask the managers of the bill whether or not they object to the amendment being brought forth at this time, since the Nunn amendment under the rules must first be laid aside.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Nunn amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona does have the floor.

Mr. DeCONCINI. Mr. President, I will be glad to yield for a question.

Mr. WILSON. I wonder if I might ask my good friend from Arizona for a few moments' consultation before we proceed on his amendment. I have just now seen it and would appreciate a moment's discussion.

Mr. DeCONCINI. Mr. President, I do not want to deny the good Senator from California a chance to talk about this amendment. I have been waiting around now for a day and-a-half to get my amendment before the Senate and I hate to lose the opportunity to have the floor at this time. I wonder if the manager of the bill could tell me if there are any other amendments pending? Is it just the Nunn amendment?

Mr. GOLDWATER. Was the Senator addressing me?

Mr. DeCONCINI. Yes; I wonder if there are any other amendments that will be brought up if I withdraw my amendment.

Mr. GOLDWATER. No; the Senator should go right ahead with his amendment. We are happy to have it.

Mr. DeCONCINI. Mr. President, let me suggest to the Senator from California that I go ahead with my statement and have my staff talk to his staff. Then I will be glad to put in a quorum call and we will discuss the matter.

Will that be satisfactory?

Mr. WILSON. That will be satisfactory.

Mr. DeCONCINI. I thank the Senator and I thank the Chair for its clarification.

Mr. President, on behalf of myself, Senator CHILES, Senator ABDNOR, Senator COCHRAN, Senator SPECTER, Senator MATTINGLY, Senator LONG, Senator MURKOWSKI, Senator FORD, and Senator HAWKINS, I have presented this amendment.

Mr. President, this is indeed a historic day in our longstanding national effort to combat the narcotics trafficker that threatens our shores. This amendment would, for the first time in our Nation's history, give the Department of Defense a fulltime, peacetime drug interdiction mission. This amendment is supported by the President, OMB, the Department of Defense and the Air Force. Specifically, this amendment, if approved, would pave the way toward the establishment of an Air Force Reserve unit that would have as its major peacetime mission, providing radar drug surveillance for our civilian law enforcement agencies. Under the provisions of this amendment, an Air Force Reserve wing, or other combination of Reserve units, would be created in the DOD force structure and stocked with a squadron of at least 16 sophisticated, radar-equipped surveillance aircraft for use in drug detection. This squadron of aircraft would fly surveillance missions for the U.S. Customs Service and our other drug interdiction agencies on a fulltime basis and would be crewed by a combination of customs, Coast Guard, and Air Force Reserve personnel. The aircraft designated for this new drug surveillance mission would be selected, equipped, operated and maintained by the Air Force, following close cooperation and consultation with the U.S. Customs Service, the Coast Guard, and other appropriate law enforcement agencies.

The new aircraft shall be equipped with air and surface surveillance radars equivalent in range to those sensors currently operating on the Customs Service's P-3 prototype aircraft.

In addition, the aircraft shall be equipped with communications monitoring devices capable of monitoring selected frequencies, identifying the unique signatures of identified radios, and direction finding.

The aircraft shall also be equipped with an optical detection system capable of identifying a 3-square-meter target at a range of 40 miles, and integrated with the air and surface radars to bear on targets detected by radar.

Finally, the aircraft shall be equipped with a command console capable of integrating data from all of the above sensor systems.

The sponsors of this amendment also hope that the Air Force will work closely with the Vice President's National Narcotics Border Interdiction System [NNBIS].

Mr. President, there is no question that the Customs Service and the Coast Guard are outmanned, outgunned, and outfinanced by the drug smuggler. We are dealing with an enemy that writes off as "necessary business expenses" multi-million dollar airplanes. We are dealing with an enemy that sells nearly $100 billion of his deadly poison in the United States every year. We are dealing with an enemy that pays a pilot $80,000 just to fly one load of cocaine into this country. And we are dealing with an enemy that is becoming more and more sophisticated in both his equipment and his smuggling tactics. This amendment does not authorize the placement of stormtroopers with fixed bayonets along the Southwest border. It does not authorize our Air Force to open fire on the airborne drug smuggler. There is nothing in this amendment or intent to allow the milliltary to actually make arrests of citizens suspected of trafficking drugs into the country. What this amendment does do is pave the way for the Department of Defense to assume a peacetime, drug surveillance mission as part of an overall national security strategy to protect our vulnerable Southern borders from drug smugglers.

Let me briefly outline the five major assumptions that are built into this amendment and which should govern the implementation of its provisions:

First, authorizes the establishment and the operation and maintenance of one or more reserve forces airborne surveillance and detection units in the Department of Defense. By all indications, the Air Force will be and should be tasked with the primary drug surveillance mission with the Navy playing a key role in providing surveillance assistance for the southern command or Southcom;

Second, authorizes funding for operation and maintenance of a squadron of at least 16 radar-equipped, drug surveillance aircraft to be flown in the major drug threat corridors in the Caribbean; off the coast of South America in the Gulf of Mexico; and in the Yucatan Passage. It is the understanding of the sponsors of this amendment that the Air Force would pay for aircraft modification, and intermediate and depot level maintenance, while the U.S. Customs service would pay for consumables, fuel, et cetera, and organizational level maintenance. The Air Force would begin immediately to develop as quickly as possible a prototype drug surveillance aircraft that meets all of the equipment and sensor component elements outlined in the outline following this statement.

Third, of the 16 drug surveillance, radar-equipped aircraft would be solely dedicated and tasked to the commander of the southern command or Southcom for full time use in providing much-needed detection in the weapons and drug trafficking corridors mentioned above.

Fourth, establishes the Department's task force on drug law enforcement as a "Permanent Office of the Pentagon." This office is currently operating as an ad hoc office designed to facilitate the loan of DOD equipment to civilian law enforcement agencies.

Gen. R. Dean Tice has done a tremendous job in heading up this temporary office. But we need to make the office a fixture at the Pentagon.

Fifth, finally, this amendment would establish certain reporting requirements to assure the Congress that the Pentagon is implementing this proposal as promptly, efficiently, and effectively as possible, in full cooperation with our civilian drug interdiction agencies.

Mr. President, make no mistake about it. This amendment is a tough new approach to drug interdiction. It is not business as usual. It finally means that this country is serious about going to war to protect our shores from the drug smuggler. Yet, at the same time, the provisions incorporated in this amendment can be fully implemented within the restrictions imposed by the Posse Comitatus Act—an act which restricts the role of the military in drug enforcement activities. This amendment will not only take a giant leap forward in our effort to combat narcotics trafficking, it will signal the resolve of this Senate to really do something about drugs. There is no question about it—a vote against this amendment is a vote for the status quo in drug interdiction. It means we want to keep limping along with our old, tired, crippled way of attacking the drug smuggler. On the other hand, a vote for this amendment should send a shudder through the drug trafficking families of this world that the United States has rolled up its sleeves and is willing to defend its borders from the drug menace.

Mr. President, I think this is a good amendment. I thank the chairman and the ranking member for their cooperation in arranging for the amendment to be presented today. I know they have had a chance to look at it, and I am more than happy to debate the amendment or yield to the Senator from California if he so desires.

Mr. WILSON. Mr. President, I thank the junior Senator from Arizona not only for his very lucid explanation of the measure he has offered but also for his initiative in so doing. I listened to him and read an analysis of this measure. It occurred to me that there are some who might say we would do better to place these resources at the disposal of the Customs Service rather than the Air Force. It seems to me that that quarrel is one which is far less important than the purpose the Senator has addressed in his amendment.

Indeed, those who might make that argument, most appropriately the President, the Secretary of Defense, and the Secretary of the Air Force, as I understand it, are in support of the measure of the Senator from Arizona.

I am not surprised to learn that that is true. The magnitude of the challenge faced by all drug enforcement agencies is almost incomprehensible. The effort of the Senator from Arizona, in this fight for America's youth is to deploy resources that perhaps quite appropriately symbolize that we are engaged in what cannot be overexaggerated or overdramatized if it is called a war against drug abuse.

The resources that he seeks to make available I think will aid substantially in the fight against drug abuse, against the smuggling into this Nation the kind of substances that have brought illegal profit and seek to sap the energies of this Nation. So I support him as chairman of the Manpower Subcommittee of the Armed Services Committtee. I think he is to be commended. I commend the Air Force for cooperating in this fashion. The Senator has my wholehearted support.

Mr. DeCONCINI. I thank the Senator from California. I assure him that the surveillance and air interdiction assets we have accumulated in the past is not being altered by this.

We have three P-3 airplanes coming on board to the Customs Service this year, probably in August or September. One is there already. They have been retrofitted with F-15 radar. The Armed Services Committee has agreed to that. We had two more authorized for fiscal year 1986 that the Armed Services Committee has worked on. Senator STENNIS, Senator NUNN, and the chairman have been most helpful in authorizing other airplanes and equipment which is in the process of being transferred from DOD to customs. This will not be terminated by adding this wing.

Mr. NUNN. Mr. President, I am not certain that I know precisely what the Senator's amendment does, although I am in favor of the direction he is moving in, in terms of getting the military more involved in surveillance activities in the drug enforcement effort.

Will the Senator address himself to the posse comitatus statute? I know he was part of an amendment I sponsored several years ago which allowed the military to have a part in the posse comitatus statute to provide effective communications, intelligence, and surveillance information to the drug enforcement operation, particularly at the Federal level. However, it precluded direct military involvement and arrests in carrying out domestic law enforcement tasks.

Is the Senator's amendment consistent with that posse comitatus statute as amended?

Mr. DeCONCINI. Indeed, it is.

I advise the Senator from Georgia that with his leadership of changing the Posse Comitatus Act—I think it was 1981—we made very clear, as he knows, that the act would not provide for the actual arrest and deployment of troops in direct law enforcement.

The purpose of this amendment is totally in accord with that, and the Air Force has advised me that their counsel agrees that this does not violate those principles of the statute. It restricts the use of the aircraft to detection. The equipment is military, and the retrofitting is going to be paid for by the military. The personnel, the Reserve pilots that actually fly would help, but they would not be part of the actual apprehension effort by Customs or Coast Guard.

Mr. NUNN. I thank the Senator.

Has the Senator obtained approval of the Air Force with respect to this amendment? I know he has had correspondence with the Air Force. Have they endorsed the amendment?

Mr. DeCONCINI. The amendment before us is not quite the amendment that the Senator from Arizona would like to have had before us today.

Mr. NUNN. It is not the one that the Senator originally had?

Mr. DeCONCINI. It is not the one that the Senator originally introduced as legislation—S. 531—creating a special operations wing. The reason it is not is that the Air Force wanted to have the ability to select the appropriate force structure. When they rewrote it, I was satisfied that it still retained the thrust we wanted with respect to creating a permanent drug surveillance wing. They felt that they needed the protection to satisfy some of the concerns that the Senator has raised.

Mr. NUNN. I have here the original Air Force letter, and I am not sure I agree with all of it. I am just going to ask a couple of questions to make sure we know what is being done here. These are some of the observations they made on the original amendment, and my question is whether these various concerns have been met by the new amendment. I quote from the Air Force attachment to a May 10 letter:

> While we share the sponsors' sense of urgency, and agree that more can and must be done to prosecute the war on drugs, we feel it essential that the Department of Defense maintain the flexibility to determine the most cost effective means of providing support, consistent with military preparedness and national security mission imperatives. In this regard, we cannot agree that peacetime drug interdiction support must necessarily be linked to a wartime special operations mission.

Has that concern been addressed? I assume it has.

Mr. DeCONCINI. Yes, that is correct.

Mr. NUNN. And that is no longer a problem?

Mr. DeCONCINI. We have struck, at the request of the Air Force, the original special operations reference that they felt did that. We struck it because they felt that it would create some problems that they raised in the letter from which the Senator is reading.

Mr. NUNN. The second objection they had to the original amendment was this:

> We think it premature to designate the appropriate airborne platforms, and urge you to submit the designated armed force to select those platforms which might be most economically modified with sensors to meet the dual needs of the units.

Mr. DeCONCINI. The Senator from Georgia is correct. My original amendment absolutely designated the particular aircraft to be used here because of the success the Customs is having now with retrofitting and deploying the P-3.

This amendment does away with any designation and leaves it to the Air Force to come up with an appropriate radar-equipped surveillance aircraft. I have been advised that they are seriously considering—assuming this passes both Houses—the C-130 as a possible candidate. They believe that it may be a more appropriate platform and will also satisfy the objective of this amendment.

Mr. NUNN. So the P-3 is not specified?

Mr. DeCONCINI. No.

Mr. NUNN. It is a matter of flexibility.

Mr. DeCONCINI. It is not specified.

Mr. NUNN. The next concern they pose is this:

> Customs should reimburse the Air Force for consumables and organizational level maintenance costs out of funds appropriated to Customs for this purpose.

Has that reimbursement feature been incorporated?

Mr. DeCONCINI. That is not in the amendment per se. It was in my statement. It is my understanding that Customs would agree to that, and we would be more than happy to substantiate that with colloquy or written information from Customs. They are prepared to pay for consumables and low-level maintenance.

Mr. NUNN. I thank the Senator.

I have a couple of other questions.

The Air Force suggested that the Air Force fly the aircraft during peacetime, with Customs agents abroad acting in the capacity of mission coordinator. This would permit Air Force military air crews to maintain their wartime proficiency skills.

Mr. DeCONCINI. There is no problem at all with that. That is the understanding implicit in the amendment. These aircraft remain under the control of the Air Force. They are going to have the ability to fly them. Customs would coordinate and control the mission.

Mr. NUNN. Does the Senator specify where they will be stationed?

Mr. DeCONCINI. The original legislation that the Senator from Florida and I introduced did create the air wing base in Florida. The Air Force agrees that Hurlburt Field at Eglin Air Force Base may be the place, but they ask not to be tied down to it. So the amendment before us today does not designate any place to establish the wing, leaving it to the judgment of the Air Force, in cooperation with Customs.

Mr. NUNN. So it would be fair to say that the Senator's original amendment has been substantially changed, but the original intent is being carried out. However, the floor statement that accompanied the Senator's amendment has also been altered, and this dialog would represent the best version?

Mr. DeCONCINI. The Senator from Georgia is correct. The statement I delivered just now is appropriately altered from the original legislation I offered on February 27 versus the amendment that is before us today.

We have worked with the Air Force at some length to set aside their genuine concerns that the Senator from Georgia has raised, and we have satisfied them. Close scrutiny of the amendment will demonstrate that.

Mr. NUNN. One other question: Is the Navy going to be part of this, or is this completely separate from the Navy?

Mr. DeCONCINI. The Navy is only a part of it. My floor statement indicates they will have a role to play. That will be consulting with the Air Force. The Air Force would establish the wing and they would operate the wing in cooperation with Customs. The Navy, if they could work out arrangements with the Air Force, could also have training and a role to play with the Air Force with some of their reserves who use this type of equipment. That is not specifically set forth in the amendment, that the Navy must or should be part of it. But the Air Force has indicated a willingness to participate in this mission with the Navy.

Mr. NUNN. There is nothing in the amendment that would in any way inhibit or discourage the Navy from continuing or accelerating their own efforts in this drug situation?

Mr. DeCONCINI. Absolutely not. The surveillance efforts of the Navy now, as the Senator knows, involves E-2C's which are flown in the gulf area and off the west coast for this particular purpose, solely on the basis of the Navy working with the law enforcement agencies. This would not inhibit it at all.

Frankly, the P-3 program already underway with Customs could not have come about without the Navy pilots training the Customs pilots flying those aircraft. So the Navy has played a major role and will continue to do so.

Mr. NUNN. I congratulate the Senator on his efforts.

Mr. DeCONCINI. I thank the Senator.

Mr. NUNN. Mr. President, I ask unanimous consent to have printed in the RECORD the letter of May 10, 1985, from the Department of the Air Force, as well as the attachments.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, DC, May 10, 1985.

Hon. BARRY GOLDWATER,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense with respect to S. 531, 99th Congress, a bill "To authorize the appropriation of funds for the operation and maintenance of a Special Operations Wing of the Air Force Reserve, to authorize the appropriation of funds for the operation and maintenance of the Directorate of the Department of Defense Task Force on Drug Law Enforcement, and to require certain reports." The Secretary of Defense has delegated to the Department of the Air Force the responsibility for expressing the views of the Department of Defense. The purpose of S. 531 is to authorize the appropriation of funds for the Air Force to create a Special Operations Wing of the Air Force Reserve using fixed and rotary wing aircraft to furnish, commensurate with military readiness, peacetime support to civilian law enforcement agencies agencies carrying out drug interdiction missions relating to the enforcement of drug laws.

The Office of the Secretary of Defense advises that it has no objection to that portion of the bill relating to the funding of the Directorate of the Department of Defense Task Force on Drug Law Enforcement. However, the Air Force recommends that the Bill be revised as reflected in attachment 1. The primary reason these changes are proposed is to permit the DOD to determine the force structure that would be best suited by service and capability.

Accordingly, we recommend that the bill be amended to reflect the creation of one or more Reserve Forces units which could fly training missions dedicated to drug interdiction during peacetime. Although your request solicited our views on the bill language proper, at attachment 2 we have also provided comments that address the Senate floor language accompanying the introduction of S. 531, because it appeared to develop a hardware and mission-specific legislative history that was not necessarily compelled by a simple reading of the bill language itself.

The USAF has no experience in either operating or maintaining the P-3A and would have to develop a training and maintenance infrastructure to support a comparatively small and aging fleet. Therefore, the P-3A aircraft system is not the optimum airborne platform for the Air Force.

At this time we still have several unresolved concerns. However, it is highly likely that we will be able to serve the objectives of the legislation in a cost effective manner, provided that sufficient flexibility regarding the choice of platforms, hardware, personnel and basing is reserved to the judgment and discretion of the service or services assigned.

Therefore, the Department of the Air Force, on behalf of the Department of Defense, has no objection to favorable consideration of the bill provided that the modifications and amendments reflected in the attachments are incorporated and that the bill, as enacted, be decoupled from the

Senate floor language accompanying its introduction.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

E. C. ALDRIDGE, Jr.

S. —

A bill to authorize the appropriation of funds for the establishment, operation and maintenance of Reserve Forces Airborne Surveillance and Detection Units, to authorize the appropriation of funds for the operation and maintenance of the Directorate of the Department of Defense Task Force on Drug law enforcement, and to require certain reports

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reserve Forces Airborne Surveillance and Detection Enhancement Act of 1985."

SEC. 2. There are authorized to be appropriated for fiscal year 1988 such sums as may be necessary for the establishment, operation, and maintenance of one or more Reserve Forces Airborne Surveillance and Detection Units within the Department of Defense.

SEC. 3. There are authorized to be appropriated for fiscal year 1986 such sums as may be necessary for the operation and maintenance of the Directorate of the Department of Defense Task Force on Drug Law Enforcement.

SEC. 4. Not later than September 30, 1985, the Secretary of Defense shall transmit to the Committees on Armed Services of the Senate and the House of Representatives a report on the manner in which Department of Defense plans to obligate and expend funds appropriated or expected to be appropriated pursuant to an authorization contained in this Act. The report shall include a description of—

(1) actions or proposed actions to establish, operate and maintain Reserve Forces Airborne Surveillance and Detection Units;

(2) actions and proposed actions to utilize appropriate aircraft of the Department of Defense to furnish, commensurate with military readiness, optimal support to civilian law enforcement agencies for the purpose of carrying out drug interdiction missions and for other operational activities of such agencies relating to the enforcement of drug laws; and

(3) actions and proposed actions to promote dual utilization of Department of Defense aircraft and other Department of Defense resources available to civilian law enforcement agencies by providing for the utilization of such aircraft and resources by Reserve Forces Airborne Surveillance and Detection Units and by such agencies.

SECTION-BY-SECTION ANALYSIS OF A BILL

"To authorize the appropriation of funds for the establishment, operation and maintenance of Reserve Forces Airborne Surveillance and Detection Units, to authorize the appropriation of funds for the operation and maintenance of the Directorate of the Department of Defense Task Force on Drug Law Enforcement, and to require certain reports."

Section 1 of the bill provides that it may be cited as the "Reserve Forces Airborne Surveillance and Detection Enhancement Act of 1985".

Section 2 of the bill authorizes appropriations for fiscal year 1986 for the establishment, operation, and maintenance of one or more Reserve Forces Airborne Surveillance and Detection Units within the Department of Defense.

Section 3 of the bill authorizes appropriations for fiscal year 1986 for the operation and maintenance of the Directorate of the Department of Defense Task Force on Drug Law Enforcement.

Section 4 of the bill requires the Secretary of Defense, not later than September 30, 1985, to report to the Armed Services Committees of Congress on the manner in which the Department of Defense plans to obligate and expend funds appropriated or expected to be appropriated pursuant to the authorizations contained in sections 2 and 3. The report is to include descriptions of actions or proposed actions to establish, operate and maintain Reserve Forces Airborne Surveillance and Detection Units; actions and proposed actions to utilize appropriate aircraft of the Department of Defense to furnish support to civilian law enforcement agencies for the purpose of carrying out drug interdiction missions and for other activities relating to the enforcement of drug laws; and actions and proposed actions to promote dual utilization of Department of Defense aircraft and other resources available to civilian law enforcement agencies by providing for the utilization of such aircraft and resources by Reserve Forces Airborne Surveillance and Detection Units and by such agencies.

SENATE FLOOR LANGUAGE AND AIR FORCE RECOMMENDATIONS

Specifically, the Senate floor language suggests the following:

a. The Air Force would create an Air Force Reserve air wing to complement the 1st Special Operations Wing (1st SOW). The new organization would be designated the 2nd SOW and would consist of a rotary wing UH-1N and HH-3 squadron plus a fixed wing squadron of P-3A aircraft equipped with F-15 or similar radars, a 220° surface radar and 360° forward looking infrared radar.

b. Six of the 16 P-3A aircraft would come from those already operated and maintained, or scheduled to be operated and maintained by the Customs Service.

c. The Air Force would continue to modify a second increment of 10 P-3A aircraft as they are retired from the active Navy inventory.

d. The Customs Service would continue to pay for consumables and contract for organizational level maintenance, but DOD would perform and fund higher levels of maintenance.

e. The Customs Service would pay all costs related to civilian operations.

f. The P-3A aircraft would be flown by Customs officers who were also Air Force Reserve pilots. These pilots would be drawn from Customs officers who are now members of existing Naval Reserve P-3 squadrons who would be invited to join the Air Force Reserve.

g. P-3A aircraft would be loaned to the Customs Service during weekdays in peacetime, and two of the aircraft would be available for Reserve Forces training and be tasked to support USSOUTHCOM, while eight more would be in daily use by the Customs Service for drug interdiction surveillance purposes.

h. The proposed Reserve SOW would be stationed at Hurlburt Field, Eglin Air Force Base, Florida.

i. Congress would authorize and appropriate a nonrecurring, one-time appropriation of $100 million to cover sensor equipment installation, $43.3 million FY 86 operation and maintenance funds to cover 10,000 annual flight hours, and $1 million to establish the Reserve squadron command structure.

j. The total fleet complement of retrofitted aircraft would be operational by the end of FY 87.

Dealing with the above elements seriatim, we offer the following observations and recommendations:

a. While we share the sponsors' sense of urgency, and agree that more can and must be done to prosecute the war on drugs, we feel it essential that the Department of Defense maintain the flexibility to determine the most cost effetive means of providing support, consistent with military preparedness and national security mission imperatives. In this regard, we cannot agree that peacetime drug interdiction support must necessarily be linked to a wartime special operations mission. Such an application may not represent the most effective application of taxpayer dollars. Secondly, we think it premature to designate the appropriate airborne platforms, and urge you to permit the designated armed force to select those platforms which might be most economically modified with sensors to meet the dual needs of the units.

b–c. While the Air Force has still not finalized its selection of an appropriate airborne platform, the USAF has no experience in either operating or maintaining the P-3A and would have to develop a training and maintenance infrastructure to support a comparatively small fleet. The above considerations, coupled with the limited lifespan remaining on the P-3A, suggest that the P-3A aircraft system does not represent the optimum airborne platform for the Air Force.

d. Customs should reimburse the Air Force for consumables and organizational level maintenance costs out of funds appropriated to Customs for this purpose. The USAF will be reimbursed for 10,000 flying hours per year, equating to 620 hours per aircraft. Reimbursement in this fashion assures compliance with Economy Act requirements.

f. Because there are legal and practical difficulties inherent in conditioning employment in the Air Force Reserves on Custom affiliation, and vice versa, we suggest that the Air Force fly the aircraft during peacetime with Customs agents aboard acting in the capacity of mission coordinator. This would permit Air Force military aircrews to maintain their wartime proficiency skills.

g. Since Customs agents would be aboard all or nearly all missions flown, and because such missions would be flown by Air Force personnel, there would be no need for the aircraft to be loaned back and forth between agencies. We also think it propitious to permanently station two aircraft and associated crews in a location to effectively support USSOUTHCOM requirements. Full-time temporary duty assignment of personnel is simply too manpower intensive. The location and associated mission for these aircraft and crews would be determined by the Joint Chiefs of Staff following evaluation of USSOUTHCOM requirements, which is ongoing.

h. The Air Force should be reserved the discretion to designate the base(s) of choice for beddown within the CONUS to adequately cover the drug threat.

i-j. While we have not yet resolved all issues associated with the establishment of these new units, our preliminary, and as yet tentative, estimate is that we will be able to serve the objectives of the legislation in a cost effect manner, provided that sufficient flexibility regarding the choice of platforms, hardware, personnel and basing is reserved to the judgment and discretion of the service or services assigned. For the foregoing reasons, the Department of the Air Force, on behalf of the Department of Defense, has no objection to favorable consideration of the bill provided that the modifications and amendments are adopted, and provided further that the bill, as it is finally enacted, is specifically decoupled from the Senate floor language accompanying its introduction.

Mr. GOLDWATER. Mr. President, I should like to ask the junior Senator from Arizona a few questions.

I do not know whether many Members of this body realize it, but Senator DeConcini got his real start in politics by pursuing drug violations and enforcement of the laws that pertain to drugs. He did a remarkable job in his own county in southern Arizona—in fact, across Arizona—which I think has about as many pounds of drugs coming across the border as any other place in the country.

I should like to ask a few questions. The Senator agrees that drug law enforcement is not and should not become a military mission or function.

Mr. DeCONCINI. That is correct. The senior Senator from Arizona is correct. As the chairman knows, the Constitution prohibits it—taking away their mission of national security, combat readiness and defense of this country and giving them a conflicting mission.

Mr. GOLDWATER. I just wanted to make the record clear that at no time would a man in military uniform be required to put the arrest.

Mr. DeCONCINI. Absolutely.

Mr. GOLDWATER. These Reserve officers flying these aircraft would be under military orders?

Mr. DeCONCINI. That is correct. The Senator from Arizona is correct.

Mr. GOLDWATER. So if they were involved in any aircraft accident they would be treated as a military accident.

Mr. DeCONCINI. The Senator is correct; the chairman is correct.

Mr. GOLDWATER. And I think the Senator mentioned that this would cost the Air Force $150 million.

Mr. DeCONCINI. It is a difficult figure, and the Air Force has done the best they can. I say to the chairman, their estimate now is that it would cost $100 million to retrofit these 16 airplanes, and the reason I am somewhat uncertain is that they have not designated the precise airplane yet. If it is a C-130, which looks like it is likely to be because of the surplus in the mission here for training Reserve Air Force officers, they estimate about $100 million.

I hate to be imprecise with the chairman going through what he is going through now on the cost of this particular bill, but it would be a one-time cost and I suspect it may be a little bit more than $100 million. It is a little difficult to be certain at this time.

Mr. GOLDWATER. Who would pay for the operation every year?

Mr. DeCONCINI. The consumables, the fuel primarily, the consumables, the fuel of operating airplanes and the daily maintenance will be included in the Customs budget. The overhaul of the airplanes and what one might call the heavy maintenance, will remain the obligation of the Air Force.

Mr. GOLDWATER. The Senator mentioned the base in Florida he thought might house these aircraft. Would he say it again? I did not hear.

Mr. DeCONCINI. I believe it was Eglin. It is Hurlburt Field.

Mr. GOLDWATER. What?

Mr. DeCONCINI. Hurlburt Field at Elgin Air Force Base.

This particular amendment before the Senate here does not designate it because the Air Force says they want the flexibility to decide where would be best to place it.

I concur with what the Senator said off the floor a little bit earlier to me that there may be some better places.

Mr. GOLDWATER. I do not think it is the job of Congress to determine where airplanes are based.

Mr. DeCONCINI. That is right.

Mr. GOLDWATER. I suggest they look at Homestead. That is a lot closer to the action, and it is only 80 miles from Cuba, while Eglin is way, way up on the coast of the gulf.

Mr. DeCONCINI. I appreciate that, and this amendment does not designate a base.

Mr. GOLDWATER. Mr. President, as chairman of the committee, I have no further questions. I think it is a very good idea.

The only trepidation I have is that there will be wings picking up all over the country. When someone gets word of this, we might find wings in every State that has an ocean as a border.

Maybe the Senator can conceive some way that we can regulate that, because the Air Force cannot stand many $150 million kicks. That is about 10 fighter aircraft. And I just remind him of that because the budget this year is going to be very, very low.

Mr. President, the majority side is willing to take this amendment, and I believe the minority is, so the committee will accept the amendment.

Mr. STENNIS. Mr. President, as far as I know, there is no objection to the amendment on this side of the aisle.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that the Senator from New Jersey [Mr. Lautenberg], the Senator from Alabama [Mr. Denton], and the Senator from California [Mr. Wilson] be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DeCONCINI. Mr. President, I thank the chairman here and I take his concern about the formation of the number of wings and the costs related to that very seriously.

I can assure him that, if this is passed and begins to be implemented, it will send an awfully strong signal to the drug smugglers about just how tough the United States of America is going to be.

I understand what the chairman is going through on the cost on this, and I will certainly do what I can to keep other wings from spreading up as the distinguished chairman has pointed out.

Mr. CHILES. Mr President, will the Senator yield?

Mr. DeCONCINI. I yield.

Mr. CHILES. Mr. President, the amendment just offered by Senator DeConcini is essentially the same as S. 531, the Readiness Enhancement of Air Force Special Operations Act of 1985 that was introduced on February 27, 1985, with seven original cosponsors. As one of the original cosponsors, I am pleased to also support Senator DeConcini's amendment.

Mr. President, S. 531 now has 14 cosponsors in the Senate and the companion bill in the House, H.R. 1307, now has 23 cosponsors. In the House, it has been included in the defense authorization bill as reported. The legislation takes a bold new step toward bringing the Department of Defense more deeply into the war against the international drug smugglers.

Specifically, this amendment, if approved, would permit the creation of an Air Force Reserve unit of at least 16 sophisticated, radar-equipped aircraft for use in drug detection surveillance. The question of whether or not it will be assigned to an Air Force Reserve unit, the Florida Air National Guard, or some combination is also under review by the Department of Defense [DOD]. I was pleased to learn last week that DOD is giving favorable consideration to the Florida Air National Guard which, because of their experience and the enthusiastic support of Governor Graham to this program, I believe would make an excellent choice for this mission.

The actual type of aircraft to be used for this mission would be selected, equipped, operated, and maintained by the Air Force. The actual operation of the aircraft would be in close cooperation with the Coast Guard, the Customs Service, and other domestic law enforcement agencies.

For some years now, I have been saying this country is at war. The enemy is not a foreign government, but drug smugglers who are invading

our coasts, breeding other crimes, corroding human values, destroying human lives, and supporting an underground, untaxed economy.

This program would not only support the country's civilian drug efforts during peacetime, but would also serve as a training ground for men and women to track and detect the weapons-terrorist-insurgency danger that would threaten the southern borders during a wartime scenario.

We can no longer afford to sit idly by and be outgunned day in and day out by a well-financed, well-organized army of drug smugglers that continues to deliver record quantities of cocaine, marijuana, and heroin into this country each year. If we are to launch a full-scale attack against the narcotics flow, this legislation must become law.

Mr. LONG. Mr. President, I support this amendment because it will help us to win the war on drugs. We are losing that war today.

Mr. President, the U.S. Customs Service is responsible for detecting, intercepting, and arresting drug smugglers. I am familiar with the Customs Service because, as part of the Department of the Treasury, and as a trade agency, the Customs Service is frequently before the Finance Committee, of which I am the ranking minority member. The authorization of appropriations for the Customs Service, which under current law expires annually unless renewed, comes before the Finance Committee every year. So I am familiar with Customs Service operations.

Last year, Mr. President, Congress authorized $686.4 million and with supplementals will have appropriated $701.2 million for the Customs Service in the current fiscal year.

A few weeks ago, Mr. President, I asked the Commissioner of Customs, Mr. von Raab, who was testifying before the Finance Committee, how much of this money is spent on drug interdiction. A few days ago, he provided me the answer in writing: $338 million for the fiscal year we are currently in, fiscal year 1985. The comparable sum, he said, for fiscal year 1984 was $297.3 million. And the amount proposed by the administration for fiscal year 1986 reflects a reduction over the fiscal year 1985 level to $330.8 million.

Now what do we get for that money, Mr. President?

Well, the answer is, Not much.

I also asked the Commissioner to estimate for me how much of the marijuana, cocaine, hashish, and heroin imported into the United States in 1984 and 1985 was seized.

His answers are not entirely clear, Mr. President. I have written to Commissioner von Raab asking for clarification and have not yet received a reply. But this much I can tell you from his answers:

First, in 1984 our Government seized 10 percent of the marijuana thought to have been brought into the United States in that year. Ten percent, Mr. President.

What is more, Mr. President, the Commissioner's figures show that about 60 percent of those seizures occurred in Florida alone, where the Customs Service has its major concentration of effort.

Now what about cocaine?

Well, Commissioner von Raab's figures show that we seized 26 percent of the national threat in cocaine. Nearly 75 percent of that was seized in Florida.

Commissioner von Raab's figures show that we seized 7.1 percent—7.1 percent—of the national threat of imported hashish.

We seized 7.9 percent of the national threat from foreign heroin.

Mr. President, these figures are truly shocking. Here we spent over $300 million on one of the most important programs this country has, keeping dangerous drugs out of the hands of the youth of this country. And we seized 10 percent or less of most of these drugs except for cocaine where we achieved the pinnacle of seizing 26 percent of the narcotic brought into this country.

Can you imagine, Mr. President, the cost—not just in human lives lost but in dollars and cents—by reason of this lamentable failure of Government?

I am for this amendment because we must improve our showing.

Mr. President, I voted for increases in the bill authorizing appropriations for the Customs Service this year from the administration's recommended level of $708 million to a level of $784 million. I did not do so lightly. I voted for the increase in order to wage the fight on drugs vigorously.

For the same reason, I am for this amendment. In my opinion, so long as 75 to 93 percent of the drugs sent to this country avoid detection and seizure by our Government, we must continue to vote the money necessary to prevent this terrible waste.

Mr. MURKOWSKI. Mr. President, I am pleased to support this amendment. It incorporates most of the provisions of the readiness enhancement of the Air Force Reserve Special Operations Act of 1985 which I cosponsored with Senator DeConcini.

It allows the Department of Defense to assume a peacetime drug surveillance role by authorizing the creation of Air Force Special Operations Air Detection Squadron composed of 16 airplanes equipped with sophisticated combat radars. These planes would be used to track the paths of boats and planes carrying narcotics along our borders.

This landmark legislation will bring the Department of Defense more deeply into our war against drugs and give our civilian drug enforcement agencies the drug detection technology they need to stop narcotics traffickers.

Drug abuse continues to be one of the most serious problems. In Alaska, State troopers have reported that they are seeing increased amounts of cocaine, nearly all of it between 80 and 100 percent pure. Cocaine is the drug of choice in Alaska and because of its availability it is becoming a health problem of epidemic proportions. This is deeply troubling to me.

Cocaine can no longer be seen as a harmless recreational drug. It is highly addictive and a destroyer of lives.

Mr. President, we have got to work to cut off the supply of drugs at its source. I urge my colleagues to support this amendment which is a bold new step in our efforts to stop drug trafficking.

Mr. ABDNOR. Mr. President, I rise to support this amendment. My good friend from Arizona has explained briefly what this amendment, when adopted, will do. I will not dwell on the mechanics of this proposal, but rather provide a little background.

We all have heard the numbers quoted as to what impact drugs have on the economy. It is a $100 billion a year business. And I mean business. Sure, there are small dopers but let's face facts, distribution of narcotics in this Nation is a business, big business; $100 billion, raised from the citizens of this Nation by crime; let's make no mistake about it. The cultivation, distribution, and use of controlled substances in this Nation is a crime.

Drugs are everywhere on the streets of our Nation. Our effort to stop the flow has met with some success. It has been limited at best, however. Some people will ask, Why are we putting funding into interdiction? The way to solve the problem is to stop it at the source. Well, I wish we could do that. We are trying and may someday get complete cooperation of the producing countries. However, in the meantime we must interdict the drugs before they get to the streets of this Nation. We have given the responsibility to stop this flow to the Coast Guard and the Customs Service. I can tell you that the men and women in the Customs and Coast Guard are doing an exceptional job, but, quite frankly, they are undergunned, undersupplied, and underfunded to combat the problem.

When I became chairman of the Appropriations Subcommittee on Treasury, Postal Service, and General Government in 1981, I became responsible for the funding of the Customs Service—the lead Agency in the fight to combat drug smugglers. The Customs air and marine units were scarcely noted in the budget submission. The

fleet was made up of seized equipment

The PRESIDING OFFICER. With-

point the officer to either a three or

fleet was made up of seized equipment that quite frankly I don't believe should have been in the air or the sea because of its general condition. With the very able assistance and leadership of the Senator from Arizona in his capacity as ranking member on the subcommittee, we began to make headway. We have with limited resources tried to provide modern equipment to Customs to fulfill its mission. Our efforts have met some success, but much more must be done.

Detection of smugglers is the key to the interdiction effort. Air platforms provide the necessary intelligence for our enforcement effort. This amendment will go a long way to combating drug trafficking. Quite frankly I wish we were going much further. It is time the country begins to put full-court press into operation and win the battle.

I hope all of my colleagues will support this amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Arizona.

The amendment (No. 166) was agreed to.

Mr. DeCONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Are there Senators in the Chamber with amendments? The Senator from California has one.

Mr. WILSON. Thank you, Mr. President, and I thank the distinguished manager.

AMENDMENT NO. 167

(Purpose: To clarify provisions of title 10, United States Code, concerning the grade of retired regular members recalled to active duty)

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair will notify the Senator from California that he must seek unanimous consent to lay the pending Nunn amendment aside before proceeding.

Mr. GOLDWATER. Mr. President, that is my fault. I ask unanimous consent that the Nunn amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment offered by the Senator from California.

The assistant legislative clerk read as follows:

The Senator from California [Mr. Wilson] (for himself and Mr. Goldwater) proposes an amendment numbered 167.

Mr. WILSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the end of Part D, Title V, Division A, insert the following:

Sec. . Section 688 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) A retired member ordered to active duty under this section may be ordered to active duty in a grade not higher than the highest permanent grade held by such member while on active duty. However, a retired member ordered to active duty under this section may serve in the grade of general or admiral or lieutenant general or vice admiral if the President assigns such a member during that tour of active duty to a position of importance and responsibility and appoints that member to such a grade by and with the advice and consent of the Senate pursuant to section 601 of this title. A member so assigned and appointed shall hold such a grade while on active duty in accordance with the provisions of section 601(b) of this title, but in no case beyond such officer's release from the tour of active duty to which ordered under this section.".

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Thank you, Mr. President.

Mr. President, during a recent military confirmation proceeding in the Armed Services Committee, an ambiguity in the law was discovered with respect to the recall to active duty of retired officers who are on the retired list in either a three- or four-star grade and the subsequent assignment of such officers to active duty positions of importance and responsibility which are designated to carry three- and four-star grades.

The ambiguity arises because the existing law is silent with regard to the grade in which any retired regular member of the Armed Forces may be recalled to active duty. Furthermore, the statutes do not specifically address the appointment of recalled retired three- and four-star officers to positions of importance and responsibility and their appointment during that active duty tour to the temporary three- or four-star grades.

Mr. President, this amendment will clarify the law in these two areas. First, the amendment will clarify that a retired regular member who is recalled to active duty may be recalled in a grade not higher than the highest permanent grade held by that member on active duty. Inasmuch as three and four star grades are temporary grades on active duty, the highest grade in which a retired member could be recalled to active duty would be in the grade of major general, or in the case of the Navy, rear admiral.

Second, the amendment will clarify that if the President wishes a recalled regular member to serve in a position of importance and responsibility in a three of four star grade, the President, after the officer is recalled, can assign the officer to such a position and appoint the officer to either a three or four star grade, by and with the advice and consent of the Senate. The amendment will certainly permit the President to assign retired officers to positions of importance and responsibility, but if such an officer is to serve on active duty in either a three of four star grade, then such appointments would be subject to the advice and consent of the Senate. This will make clear that the Senate retains its advice and consent authority over the appointment of recalled retired officers to serve on active duty in three and four star grades, just as the Senate has that responsibility for active duty officers.

Mr. President, my amendment will simply clarify the law to reflect the legislative intent in these areas. I believe this amendment has been cleared on both sides, and I am not aware of any objections from any Member. I would urge that it be accepted.

I thank the Chair.

Mr. GOLDWATER. Mr. President, I shall ask my friend from California a question, and we will take this amendment. But does the language of his amendment permanently change the law that prevents the Commander in Chief in now ordering three- and four-star generals and equal rank in other services back to duty or on duty?

Mr. WILSON. No. All it does is require that when the President exercises that authority he do so with the advice and consent of the Senate for the appointment of them to three- and four-star grade.

Mr. GOLDWATER. I thank my friend from California.

I think this is a very important matter, and at the proper time I think it would be in good order for the Armed Services Committee to amend whatever laws prevent this because my own personal feeling is that the Commander in Chief has the right or should have the right to order any person back to active duty or to active duty in any grade that he cares to order him in.

Mr. STENNIS. Mr. President, I know of no objection to the amendment on this side of the aisle.

Mr. GOLDWATER. Mr. President, we have no objection and we will accept the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from California.

The amendment (No. 167) was agreed to.

Mr. WILSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILSON. I thank the Chair and the distinguished manager.

Mr. GOLDWATER. We still have about 7 hours to go.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FERROALLOYS

Mr. BYRD. Mr. President, America's industrial base and national security require a secure supply of ferroalloys of chrome, manganese, and silicon. These products are the underpinning of our modern, technological economy. They are essential to produce steel, specialty steel, superalloys, iron, and aluminum, as well as silicon chips. If we lacked ferroalloys, there would be no oil wells, probably, or refineries, hospitals, airplanes, missiles, food processing facilities, or powerplants. Without a strong domestic ferroalloy industry, the Nation will be dangerously vulnerable to disruptions in our supply of the indispensable materials it produces.

Ferroalloys are a group of metals that are the result of combinations of iron and another mineral. The most common forms are ferrochrome, ferromanganese, and ferrosilicon. While silicon is abundant in the United States and many other countries, manganese and chrome ore are highly concentrated in a few deposits. South Africa dominates the world market in chrome with 2.5 billion tons of world reserves, with Zimbabwe ranking second at 1.1 billion. The rest of the world's chrome supply is found in much smaller deposits in Brazil, Albania, and other countries, including the U.S.S.R. The South Africans also lead in manganese resources, with 790 million tons of the world's reserve, while Australia follows with 130 million and Brazil at 44 million.

There is a tremendous difference in security terms between dependence on raw materials and dependence on processed products. When a nation has a viable refining capacity, it has the assurance of knowing that it can satisfy its needs for the processed product so long as it can obtain the raw material. As was the case in the 1973 oil embargo, raw materials often make their way into the world market even during a crisis—but only to those countries able to process them.

Because of intense pressure from low-priced imports, the American ferroalloy industry is in a state of crisis. It has suffered massive losses in recent years; and for nearly a decade, it has had no year in which it earned more than marginal profits. Its capacity has dwindled to just over half of what it was in 1978—down from 29 plants to about 15 now. Industry employment is at less than half its 1979 level—down from 8,500 to less then 4,000 nationwide. The industry can now supply only half of U.S. needs in the surge conditions of an emergency; without prompt import relief, capacity will soon diminish even further.

The industry cannot remedy this situation itself. It operates at the state of the art, being as technologically modern and efficient as any in the world.

Rather, its problem is imports, whose market share has risen steadily over many years, to some 60 percent of the U.S. market. The principal reason for imports' success is their artificially depressed non-free-market prices, fueled by their home governments' export-promotion policies—subsidies, protected home markets, state ownership, and so forth—and by a willingness to buy market share with little regard for profit.

The only way to preserve this essential industry is to provide broad-based import relief; for this industry, that requires legislation. The industry has pursued remedies under existing U.S. trade laws, but it has not stemmed the tide. One reason is that the industry's import crisis is long-term and systematic, where traditional trade remedies focus on the short-term and the particular. Furthermore, imports come from many sources; this small industry cannot afford to bring a multiplicity of trade cases. That is why I introduced my Fair Trade in Ferroalloy Act (S. 262) on January 24, 1985. I also introduced such legislation last year, and the Senate included that legislation as part of the Trade Act of 1984, but the provision was lost in conference. The distinguished chairman of the Subcommittee on International Trade of the Committee on Finance [Mr. Danforth] has agreed to hold hearings on this important security question.

It is important that we have the benefit of the Department of Defense's analysis of the importance of ferroalloys to our defense production base.

You see, Mr. President, this is not a labor-intensive item I am talking about. We do not have hundreds of thousands of people who are employed in this industry—only between 4,000 and 5,000. But let us not be misled by that. It is an industry which is absolutely vital to the security of this country. If this country gets into a national emergency and there has to be national mobilization, if we were to get into a war, we would have to have tanks, armored vehicles, airplanes, missiles, and steel girders for bridges and whatever, but without this vital item this country would be at a distinct disadvantage in view of the fact, as I have already indicated, the raw materials—other than silicon, manganese, and chrome—are in considerable supply only in a very few countries. I have already named them.

How would we, in a national emergency, like to depend upon the Soviet Union for chrome and manganese, or South Africa or Albania?

I cannot seem to get anybody's attention in the administration. I spoke about it down at the White House. The other day when I was there and the President was briefing us on his trip to Europe, I brought this matter up. But I cannot seem to get anyone excited about it, so I am offering this amendment to require the Under Secretary for Defense Policy in cooperation with the Federal Emergency Management Agency and the Department of Interior to undertake a study.

We have heard about the need for strengthening the defenses of this country now for several years, and we have seen a tremendous buildup in our military potential. But here we are overlooking an extremely imperative item so far as our national security is concerned. Remember, but for the nail the house was lost, and eventually the battle was lost.

Now, just to talk for a moment further about ferrochrome.

Stainless steels cannot be produced without chromium, and most ferrochrome is consumed in the production of stainless steels. Stainless steels, in turn, are essential to industrial processes in which the ability to sustain high temperatures or resist corrosion is critical. The following industrial processes and equipment depend on stainless steels: Oil refineries, chemical plants, food processing plants, dairies, beverage plants, drills for deep oil wells, and pollution control devices. Stainless steel is essential in direct military applications for jet aircraft engines, naval vessels, mobile hospitals and kitchens, nuclear weapons, spacecraft, and aerospace devices.

Now, just a few more words about ferromanganese. Around 90 percent of U.S. manganese consumption is in iron and steel production, where one of the functions of manganese is to neutralize sulphur impurities. Neutralizing sulphur with manganese allows steel to be forged and rolled into useful products.

Now, we have the silicon, Mr. President, but, as I have already indicated, plants where these ores are processed into ferroalloys are dwindling. The number has been cut in half. Three of such plants are in West Virginia. I have also pointed out that there are not huge numbers of persons employed in ferroalloy plants. But this is not to lead one to believe that the industry itself is not important to our country's security. Ferrosilicon is used in steel production as a deoxidizer and to improve the electrical properties of steel used in high performance motors, generators, and transformers. Silicon metal makes possible the wide variety of modern aluminums. Silicon adds strength to many aluminum alloys. The chemical industry uses silicon metal to produce silicones, basic building blocks for the production of plastics, rubbers, and oils that resist higher temperatures than do conventional materials. Silicon metal also is the key to manufacture of such high technology products as computer chips.

Mr. President, I ask unanimous consent to add Mr. Heflin as a cosponsor of this amendment which I am about to introduce.

The PRESIDING OFFICER. (Mr. Mattingly). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment be set aside temporarily that I might offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 168

Mr. BYRD. Mr. President, I send the amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. Byrd], for himself and Mr. Heflin, proposes an amendment numbered 168.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

"(a) Recognizing the vital role that ferroalloy products have in industries crucial to the national defense, the Department of Defense shall undertake a study to determine what effect the loss of all domestic ferroalloys production capacity would have on the defense industrial base and on industrial preparedness."

"(b) Such study shall include an evaluation of the impact of loss of production capacity for ferrochrome, ferromanganese, ferrosilicon (all grades), silicon manganese, chronium metal, and other militarily critical ferroalloy products. The study shall be conducted by the Undersecretary for Defense Policy in cooperation with the Federal Emergency Management Agency and the Department of the Interior. A report of the findings shall be made to the Congress within 180 days after enactment of this statute and shall, to the extent possible, be unclassified."

Mr. BYRD. Mr. President, I have discussed this amendment with the managers, and I hope it will be accepted. I am almost tempted, however, to ask for a rollcall vote just to get the attention of the administration.

Mr. GOLDWATER. I might say to the distinguished minority leader that this amendment is perfectly agreeable with the majority and minority sides. I personally want to thank the Senator for having made the remarks in introducing the amendment. I do not think people in this country actually understand how dependent we are upon other countries. I know that he mentioned Zimbabwe. We used to get a lot of our chrome from there through Russia, and chrome from South Africa. That is one of the reasons why I do no want to see us upset South Africa too much.

I know the Senator is aware of the fact that all surgical instruments are made from stainless steel and that most of the important parts of jet engines are made from stainless steel. We still make many of the blades of the turbines from stainless steel, but we are now going to ceramics. Frankly, without stainless steel in this country, I do no know what we would do.

I can recall at one time, about 10 years ago, when we had to wait to unground a series of aircraft because we did not have stainless steel to manufacture the nose wheel struts.

So I am very glad the Senator has introduced the amendment, and if he indicates that he has had some trouble getting the attention from downtown, I will do what I can to help him, but I do not have a lot of success myself. However, I will try.

Mr. President, we have no objection to this amendment and we will accept it.

Mr. BYRD. Mr. President, I thank the distinguished chairman.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. Humphrey], the Senator from Kansas [Mrs. Kassebaum], the Senator from Oregon [Mr. Packwood], and the Senator from South Dakota [Mr. Pressler] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. East] is absent due to illness.

The PRESIDING OFFICER (Mr. Laxalt). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 86 Leg.]

YEAS—95

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Evans
Exon
Ford
Garn
Glenn
Goldwater
Gore
Gorton
Gramm
Grassley
Harkin
Hart
Hatch
Hatfield
Hawkins
Hecht
Heflin
Heinz
Helms
Hollings
Inouye
Johnston
Kasten
Kennedy
Kerry
Lautenberg
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
McClure
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Pell
Proxmire
Pryor
Quayle
Riegle
Rockefeller
Roth
Rudman
Sarbanes
Sasser
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Zorinsky

NAYS—0

NOT VOTING—5

East
Humphrey
Kassebaum
Packwood
Pressler

So the amendment (No. 168) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Nunn amendment may be temporarily withdrawn and the Senator from Illinois be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois is recognized.

Mr. SIMON. I thank you, Mr. President, and I thank the distinguished chairman of the Armed Services Committee.

AMENDMENT NO. 169

(Purpose: To make certain changes in the retirement program of the uniformed services in the case of persons who enter the uniformed services after the date of the enactment of the bill)

Mr. SIMON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Illinois [Mr. Simon] proposes an amendment numbered 169.]

Mr. SIMON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following new title:

TITLE X—MODIFICATION OF RETIREMENT PROGRAM FOR PERSONS WHO ENTER UNIFORMED SERVICES AFTER DATE OF ENACTMENT OF THIS ACT

SHORT TITLE

Sec. 1001. This title may be cited as the "Uniformed Services Retirement Act of 1985".

PART A—GENERAL

AUTHORITY TO ORDER MEMBERS OF THE RETIRED RESERVE TO ACTIVE DUTY

Sec. 1002. The first sentence of section 688(a) of title 10, United States Code, is amended by striking out "has completed at least 20 years active service" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed at least 20 years of active service or who first became a member of a uniformed service after the date of the enactment of such Act and has completed at least 25 years of active service".

RETENTION OF OFFICERS AFTER COMPLETION OF PRESCRIBED YEARS OF SERVICE

Sec. 1003. (a) Subsection (a) of section 1006 of title 10, United States Code, is amended—

(1) by striking out "If on the date prescribed for the discharge or transfer from an active status of a reserve commissioned officer he" and inserting in lieu thereof "(1) If on the date prescribed or his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer"; and

(2) by inserting at the end thereof the following new paragraph:

"(2) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer is entitled to be credited with at least 24, but less than 25, years of service computed under section 1332 of this title, he may not be discharged or transferred from an active status under chapter 337, 361, 363, 573, 837, 861, or 863 of this title or chapter 21 of title 14, without his consent before the earlier of the following dates—

"(A) the date on which he is entitled to be credited with 25 years of service computed under section 1332 of this title; or

"(B) the third anniversary of the date on which he would otherwise be discharged or transferred from an active status.".

(b) Subsection (b) of such section is amended—

(1) by striking out "If on the date prescribed for the discharge or transfer from an active status of a reserve commissioned officer he" and inserting in lieu thereof "(1) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer"; and

(2) by adding at the end thereof the following new paragraph:

"(2) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer is entitled to be credited with at least 23, but less than 24, years of service computed under section 1332 of this title, he may not be discharged or transferred from an active status under chapter 337, 361, 363, 573, 837, 861, or 863 of this title or chapter 21 of title 14, without his consent before the earlier of the following dates—

"(A) the date on which he is entitled to be credited with 25 years of service computed under section 1332 of this title; or

"(B) the second anniversary of the date on which he would otherwise be discharged or transferred from an active status.".

SEPARATION PAY UPON INVOLUNTARY DISCHARGE OR RELEASE FROM ACTIVE DUTY

Sec. 1004. Section 1174 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out "who has completed five or more, but less than twenty, years of active service immediately before that discharge or release" and inserting in lieu thereof "who (1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or release, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or release";

(2) in subsection (b), by striking out "who has completed five or more, but less than twenty, years of active service immediately before that discharge or separation" and inserting in lieu thereof "who (1) first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or separation, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or separation"; and

(3) in subsection (c), by striking out "who has completed five or more, but fewer than 20, years of active service immediately before that discharge or release" and inserting in lieu thereof "who (1) first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or release, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or release".

RETIREMENT OR SEPARATION FOR PHYSICAL DISABILITY

Sec. 1005. (a) Clause (3) of section 1201 of title 10, United States Code, is amended—

(1) by striking out subclause (A) and inserting in lieu thereof the following:

"(A) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title;";

(2) by redesignating subclause (3) as subclause (c); and

(3) by inserting after subclause (A) the following new subclause (B):

"(B) the member first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 1208 of this title; or".

(b) Clause (1) of section 1203 of such title is amended to read as follows:

"(1) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title;".

(c) Clause (4) of section 1204 of such title is amended—

(1) by striking out subclause (A) and inserting in lieu thereof the following:

"(A) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title;";

(2) by redesignating subclause (B) as subclause (C); and

(3) by inserting after subclause (A) the following new subclause (B):

"(B) the member first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 1208 of this title; or".

(b) Clause (1) of section 1203 of such title is amended to read as follows:

"(1) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title;".

(e) Section 1209 of such title is amended by striking out "has at least 20 years of service computed under section 1332 of this title" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) and has at least 20 years of service computed under section 1332 of this title or first became a member of a uniformed service on or after such date and has at least 25 years of service computed under section 1332 of this title".

(f)(1) Subsection (d) of section 1210 of such title is amended by striking out "if he has at least 20 years of service computed under section 1208 of this title" and inserting in lieu thereof "if he first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title or if he first became a member of a uniformed service on or after the date of the enactment of such Act and has at least 25 years of service computed under section 1208 of this title".

(e) Section 1209 of such title is amended by striking out "has at least 20 years of service computed under section 1332 of this title" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) and has at least 20 years of service computed under section 1332 of this title or first became a member of a uniformed service on or after such date and has at least 25 years of service computed under section 1332 of this title".

(f)(1) Subsection (d) of section 1210 of such title is amended by striking out "if he has at least 20 years of service computed under section 1208 of this title" and inserting in lieu thereof "if he first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title or if he first became a member of a uniformed service on or after the date of the enactment of such Act and has at least 25 years of service computed under section 1208 of this title".

(2) Subsection (e) of such section is amended by striking out "if he has less than 20 years of service computed under section 1208 of this title" and inserting in lieu thereof "if he first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or if he first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title".

MINIMUM SERVICE REQUIREMENTS FOR NONREGULAR SERVICE RETIREMENT PAY

SEC. 1006. Clause (2) of section 1331(a) of title 10, United States Code, is amended to read as follows:

"(2) he first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has performed at least 20 years of service computed under section 1332 of this title or he first became a member of a uniformed service on or after such date and has performed at least 25 years of service computed under section 1332 of this title;".

COMPUTATION OF RETIRED PAY

SEC. 1007. Section 1401 of title 10, United States Code, is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.";

(2) by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1 of the table contained in such section; and

(3) by adding at the end the following new subsection:

"(b)(1) Except as provided in paragraph (2), the monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1333 of this title (if retired under section 1331 of this title) or under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formulas numbered 4 and 5).

"(2) The monthly retired pay of a person described in paragraph (1) who is retired under section 1201, 1202, 1204, or 1205 of this title is computed, as the member elects, as follows: Multiply the monthly retired pay base (as computed under section 1407(b) of this title) by—

"(A) 2 percent for each year of service, but not more than 30, credited to the member under section 1208 of this title; or

"(B) the percentage of disability of the member on the date on which he retired, but not more than 60 percent.

"(3) Before applying the percentage factor under paragraph (1) or (2), credit each full month of service that is in addition to the number of full years of service creditable to the member as one-twelfth of a year and disregard any remaining fractional part of a month.".

ADJUSTMENT OF RETIRED PAY AND RETAINER PAY TO REFLECT CHANGES IN CONSUMER PRICE INDEX

SEC. 1009. Subsection (b) of section 1401a of title 10, United States Code, is amended to read as follows:

"(b) Each time that an increase is made under section 8340(b) of title 5 in annuities paid under subchapter III of chapter 83 of such title, the Secretary of Defense shall at the same time—

"(1) in the case of a person who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, increase the retired or retainer pay of such member or former member of the armed forces by the same percent as the percentage by which annuities are increased under such section; and

"(2) in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act, increase the retired or retainer pay of such member or former member by applying the same percentage referred to in clause (1) to the retired pay base (as provided for in section 1407(b) of this title) of such member or former member.

Increases in the retired or retainer pay of a person referred to in clause (2) of the preceding sentence shall be cumulative and may not be compounded.".

RECOMPUTATION OF RETIRED OR RETAINER PAY TO REFLECT LATER ACTIVE DUTY

SEC. 1009. (a)(1) Section 1402a of title 10, United States Code, is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "September 7, 1980," each place it appears.

(2)(A) The section heading for such section is amended by adding at the end thereof the following: ", but before the date of the enactment of the Uniformed Services Retirement Act of 1985".

(B) The table of sections at the beginning of chapter 71 of such title is amended by striking out the period at the end of the item relating to section 1402a and inserting in lieu thereof the following: ", but before the date of the enactment of the Uniformed Services Retirement Act of 1985.".

(b)(1) Chapter 71 of title 10, United States Code, is further amended by inserting after section 1402a the following new section:

"§ 1402b. Recomputation of retired or retainer pay to reflect later active duty of members who first became members on or after the date of the enactment of the Uniformed Services Retirement Act of 1985

"(a) A member of an armed force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985, who has become entitled to retired pay or retainer pay, and who thereafter serves on active duty (other than for training), is entitled to recompute his retired pay or retainer pay upon his release from that duty on the basis of the monthly retired or retainer pay base under section 1407 of this title which he would be entitled to use if (1) he were retiring upon release from that active duty, or (2) he were transferring to the Fleet Reserve or the Fleet Marine Corps Reserve upon that release from active duty multiplied by 2 percent for each year of service, but not more than 30, that may be credited to him in computing his retired or retainer pay.

"(b) A member of an armed force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985, who has been retired other than for physical disability, and who while on active duty incurs a physical disability of at least 30 percent for which he would otherwise be eligible for retired pay under chapter 61 of this title, is entitled, upon his release from active duty, to retired pay computed under subsection (d).

"(c) A member of an armed force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who—

"(1) was retired for physical disability under section 1201 or 1204 of this title or any other law or whose name is on the temporary disability retired list;

"(2) incurs, while on active duty after retirement or after his name was placed on the temporary disability retired list, a physical disability that is in addition to or that aggravates the physical disability for which he was retired or for which his name was placed on that list; and

"(3) is qualified under section 1201, 1202, 1204, or 1205 of this title;

is entitled upon his release from active duty, to retired pay under subsection (d).

"(d) A member of an armed force covered by subsection (b) or (c) may elect to receive either (1) the retired pay to which he became entitled when he retired, increased by any applicable adjustments in that pay under section 1401a of this title after he initially became entitled to that pay, or (2) retired pay computed, as the member elects, as follows: Multiply the monthly retired base pay of the member under section 1407(b) of this title by—

"(A) 2 percent for each year of service, but not more than 30, credited to the member under section 1208 of this title; or

"(B) the highest percentage of disability attained while on active duty after retirement or after the date when his name was placed on the temporary disability retired list, as the case may be, but not more than 60 percent.

"(e) Before applying the percentage factor in subsection (a) or (d), credit each full month of service that is in addition to the number of full years of service creditable to the member as one-twelfth of a year and disregard any remaining fractional part of a month. The amount computed under such subsection, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1402a the following new item:

"1402b. Recomputation of retired or retainer pay to reflect later active duty of members who first became members on or after the date of the enactment of the Uniformed Services Retirement Act of 1985.".

ANNUITIES BASED ON RETIRED OR RETAINER PAY

SEC. 1010. Section 1431 of title 10, United States Code, is amended—

(1) in subsection (b)—

(A) by striking out "nineteen years of service" and inserting in lieu thereof "19 years of service, in the case of a person who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act,"; and

(B) by striking out "nineteen years of that service" and inserting in lieu thereof "19 years of that service, in the case of a person who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of that service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act"; and

(2) in subsection (c), by striking out "nineteen years of service" and inserting in lieu thereof "19 years of service, in the case of a person who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act".

MISCELLANEOUS CONFORMING AMENDMENTS

SEC. 1011. (a) Section 1403 of title 10, United States Code, is amended by striking out "1401" and inserting in lieu thereof "1401(a)".

(b) The matter before clause (1) in section 1405 of such title is amended to read as follows: "For the purposes of section 1401(a) (formulas 4 and 5), 1401(b)(1), 3991(a) (formula A), 3991(b), 3992 (formula (B)), 6151(b), 6323(e), 6325 (a)(2), (b)(2), and (d), 6330(c)(1)(B), 6383 (c)(1)(B) and (c)(2), 8991(a) (formula A), 8991(b), or 8992 (formula B) of this title, the years of service of a member of the armed forces are computed by adding—".

PART B—ARMY

SEPARATION OR TRANSFER TO RETIRED RESERVE

SEC. 1021. Section 3850 of title 10, United States Code, is amended by inserting ", in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "20 years of service".

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 1022. (a)(1) Section 3911 of title 10, United States Code, is amended to read as follows:

"§ 3911. Minimum years of service for retirement

"The Secretary of the Army may, upon the officer's request, retire a regular or reserve commissioned officer of the Army who—

"(1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 3926 of this title, at least 10 years of which have been active service as a commissioned officer; or

"(2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 3926 of this title, at least 10 years of which have been active service as a commissioned officer.".

(2) The table of sections at the beginning of chapter 367 of such title is amended by striking out the item relating to section 3911 and inserting in lieu thereof the following:

"3911. Minimum years of service for retirement.".

(b) The first sentence of section 3914 of such title is amended to read as follows: "Under regulations to be prescribed by the Secretary of the Army, an enlisted member of the Army who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 20, but less than 30, years of service computed under section 3925 of this title, or an enlisted member of the Army who first became a member of the armed forces on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 25, but less than 30, years of service computed under section 3925 of this title, may, upon his request, be retired.".

(c)(1) The first sentence of section 3991 of such title is amended to read as follows:

"(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.".

(2) The table contained in such section is amended by inserting "but after the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

(3) Such section is further amended by adding at the end thereof the following new subsections:

"(b)(1) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formula A) or section 3917 of this title (if retired under section 3914 or 3917 of this title).

"(2) The Secretary of the Army may increase the monthly retired pay of a person described in paragraph (1) who is retired under section 3914 of this title by 10 percent for extraordinary heroism in line of duty. The Secretary's determination as to extraordinary heroism is conclusive for all purposes.

"(c) The amount computed under this section, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(d)(1) The first sentence of section 3992 of such title is amended to read as follows: "An enlisted member of the Army who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is advanced on the retired list under section 3964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Army so advanced who first became a member of a uniformed service before such date is entitled to recompute his retired pay under formula B of that table.".

(2) The table contained in such section is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

PART C—NAVY AND MARINE CORPS

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 1031. (a) Subsection (c) of section 6322 of title 10, United States Code, is amended by inserting "first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and" after "who" in the material preceding clause (1).

(b) Section 6322 of such title is further amended by adding at the end thereof the following new subsection:

"(d) The monthly retired pay of an officer referred to in subsection (a) who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount equal to 60 percent of the monthly retired pay base of the officer (as computed under section 1407(b) of this title).".

MINIMUM YEARS REQUIRED FOR RETIREMENT

SEC. 1032. (a) Subsection (a) of section 6323 of title 10, United States Code, is amended to read as follows:

"(a)(1) In the case of an officer of the Navy or Marine Corps who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who applies for retirement after completing more than 20 years of active service, of which at least 10 years was service as a commissioned officer, may, in the discretion of the President, be retired on the first day of any month designated by the President.

"(2) In the case of an officer of the Navy or Marine Corps who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who applies for retirement after completing more than 25 years of active service, of which at least 10 years was service as a commissioned officer, may, in the discretion of the President, be retired on the first day of any month designated by the President.".

(b) Subsection (e) of such section is amended—

(1) by inserting "(1)" after "(e)";

(2) by inserting "who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985" after "this section" in the material preceding clause (1);

(3) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively; and

(4) by adding at the end the following new paragraph:

"(2) Unless otherwise entitled to higher pay, an officer retired under this section who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay in an amount determined by multiplying the monthly retired pay base of the officer (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, that may be credited to him under section 1405 of this title.".

RETIRED GRADE AND PAY OF OFFICERS

SEC. 1033. (a) Subsection (a) of section 6325 of title 10, United States Code, is amended by striking out "subsection (b) or" in the text preceding clause (1) and inserting in lieu thereof "subsections (b) and (d) and".

(b) Subsection (b) of such section is amended by striking out "Each" at the beginning of such subsection and inserting in lieu thereof "Except as provided in subsection (d), an".

(c) Such section is further amended by adding at the end thereof the following new subsection:

"(d) An officer referred to in subsection (a) or (b) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay at the rate of 2 percent of the monthly retired pay base of the officer (as computed under section 1407(b) of this title) multiplied by the number of years of service that may be credited to him under section 1405 of this title, but the monthly retired pay so computed may not be more than 60 percent of the monthly retired pay base.".

COMPUTATION OF RETIRED PAY FOR ENLISTED MEMBER WITH 30 OR MORE YEARS OF SERVICE

SEC. 1034. Section 6326 of title 10, United States Code, is amended—

(1) in subsection (c), by striking out "Each" and inserting in lieu thereof "Except as provided in subsection (d), a"; and

(2) by adding at the end thereof the following new subsection:

"(d) The monthly retired pay of an enlisted member referred to in subsection (a) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount equal to 60 percent of the monthly retired pay base of the member (as computed under section 1407(b) of this title).".

MINIMUM SERVICE TO QUALIFY FOR TRANSFER TO THE FLEET RESERVE OR THE FLEET MARINE CORPS RESERVE

SEC. 1035. (a) Subsection (b) of section 6330 of title 10, United States Code, is amended to read as follows:

"(b)(1) An enlisted member of the Regular Navy or the Naval Reserve who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 20 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Reserve. An enlisted member of the Regular Marine Corps or the Marine Corps Reserve who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 20 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Marine Corps Reserve.

"(2) An enlisted member of the Regular Navy or the Naval Reserve who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 25 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Reserve. An enlisted member of the Regular Marine Corps or the Marine Corps Reserve who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 25 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Marine Corps Reserve.".

(b) Subsection (c)(1) of such section is amended—

(1) by striking out "Each" at the beginning of such subsection and inserting in lieu thereof "(A) Except as provided in subparagraph (B), a";

(2) by redesignating clauses (A) and (B) of paragraph (1) as clauses (i) and (ii), respectively; and

(3) by adding at the end thereof the following new subparagraph:

"(B) A member who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve under this section is entitled, when not on active duty, to monthly retainer pay in an amount determined by multiplying the monthly retired pay base of the member (as computed under section 1407(b) of this title) by 2 percent for each year of active service in the armed forces, but not more than 30.".

COMPUTATION OF PAY OF CERTAIN MEMBERS INVOLUNTARILY RETIRED

SEC. 1036. (a) Subsection (c) of section 6383 of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(c)";

(2) by redesignating subclauses (A) and (B) of clause (2) as subclauses (i) and (ii), respectively;

(3) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively;

(4) by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in subclause (ii) of clause (B), as redesignated by clause (2) of this section; and

(5) by adding at the end thereof the following new paragraph:

"(2) An officer retired under subsection (a) or (b) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay in an amount determined by multiplying the monthly retired pay base of the member (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, that may be credited to him under section 1405 of this title.".

(b) Subsection (i) of such section is amended by inserting "in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or beyond 28 years, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "24 years of commissioned active service," in the second sentence.

ELIMINATION FROM ACTIVE SERVICE OF CERTAIN OFFICERS WHO HAVE TWICE FAILED OF SELECTION FOR PROMOTION.

SEC. 1037. Subsection (c) of section 6389 (c) of title 10, United States Code, is amended—

(1) by striking out "20 years" in the table under the heading "Total commissioned service" and inserting in lieu thereof "20 years (in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years (in the case of an officer who first became a member of a uniformed service on or after such date)"; and

(2) by striking out the period at the end of the fourth sentence and inserting in lieu thereof ", in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or if the officer can complete at least 25 years of service as computed under section 1332 of this title during the period of such deferment, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act."

PART D—AIR FORCE

SEPARATION OR TRANSFER TO RETIRED RESERVE

SEC. 1041. Section 8850 of title 10, United States Code, is amended by inserting ", in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "20 years of service".

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 1042. (a)(1) Section 8911 of title 10, United States Code, is amended to read as follows:

"§ 8911. Minimum years of service for retirement

"The Secretary of the Air Force may, upon the officer's request, retire a regular or reserve commissioned officer of the Air Force who—

"(1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 8926 of this title, at least 10 years of which have been active service as a commissioned officer; or

"(2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 8926 of this title, at least 10 years of which have been active service as a commissioned officer.".

(2) The table of sections at the beginning of chapter 867 of such title is amended by striking out the item relating to section 8911 and inserting in lieu thereof the following:

"8911. Minimum years of service for retirement.".

(b) The first sentence of section 8914 of such title is amended to read as follows: "Under regulations to be prescribed by the Secretary of the Air Force, an enlisted member of the Air Force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 20, but less than 30, years of service computed under section 8925 of this title, or an enlisted member of the Air Force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 25, but less than 30, years of service computed under section 8925 of this title, may, upon his request, be retired.".

(c)(1) The first sentence of the text preceding the table in section 8991 of such title is amended to read as follows:

"(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.".

(2) The table contained in such section is amended by inserting "but after the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

(3) Such section is further amended by adding at the end thereof the following new subsections:

"(b)(1) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formula A) or section 8925 of this title (if retired under section 8914 or 8917 of this title).

"(2) The Secretary of the Air Force may increase the monthly retired pay of a person described in the preceding sentence who is retired under section 8914 of this title by 10 percent for extraordinary heroism in line of duty. The Secretary's determination as to extraordinary heroism is conclusive for all purposes.

"(c) The amount computed under this section, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(d)(1) The first sentence of section 8992 of such title is amended to read as follows: "An enlisted member of the Air Force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is advanced on the retired list under section 8964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Air Force so advanced who first became a member of a uniformed service before such date is entitled to recompute his retired pay under formula B of that table.".

(2) The table contained in such section is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

PART E—COAST GUARD

RETIREMENT UPON FAILURE FOR SELECTION FOR PROMOTION

SEC. 1051. (a) Clauses (3) and (4) of section 283(a) of title 14, United States Code, are amended to read as follows:

"(3) if, on the date specified for his discharge in this section, the officer has completed at least 20 years of active service (in the case of a member who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or at least 25 years of active service (in the case of a member who first became a member of a uniformed service on or after the date of the enactment of such Act) or is eligible for retirement under any law, be retired on that date; or

"(4) if, on the date specified for his discharge in clause (1), the officer has completed at least 18 years of active service (in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985) or at least 23 years (in the case of an officer who first became a member of a uniformed service on or before the date of the enactment of such Act), be retained on active duty and retired on the last day of the month in which he completes 20 years of active service (in the case of a member who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years of active service (in the case of a member who first became a member of a uniformed service on or after the date of the enactment of such Act), unless earlier removed under another provision of law.".

(b) Clauses (1) and (2) of section 285 of such title are amended to read as follows:

"(1) if the officer—

"(A) has completed at least 20 years of active service, in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or at least 25 years of active service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act, or

"(B) is eligible for retirement under any law on June 30 of the promotion year in which his second failure of selection occurs; be retired on that date; or

"(2) if ineligible for retirement on the date specified in clause (1), be retained on active duty and retired on the last day of the month in which he completes 20 years of active service, in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of active service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act, unless earlier removed under another provision of law.".

(c) Section 289(g) of such title is amended by striking out "twenty years of active service" and inserting in lieu thereof "20 years of active service, in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of active service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act".

MINIMUM YEARS OF SERVICE FOR VOLUNTARY RETIREMENT

SEC. 1052. (a) Section 291 of title 14, United States Code, is amended by striking out "twenty years' active service" and inserting in lieu thereof "20 years of active service (in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years of active service (in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act)".

(b)(1) The section heading of such section is amended to read as follows:

"§ 291. Minimum years of service for voluntary retirement".

(2) The table of sections at the beginning of chapter 11 of such title is amended by striking out the item relating to section 291 and inserting in lieu thereof the following:

"291. Minimum years of service for voluntary retirement.".

VOLUNTARY RETIREMENT

SEC. 1053. Section 355 of title 14, United States Code, is amended by striking out "has completed twenty years' service" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 20 years of service or who first became a member of a uniformed service on or after the date of the enactment of such Act and has completed 25 years of service".

RETIREMENT OF ENLISTED PERSONNEL

SEC. 1054. Section 357 of title 14, United States Code, is amended—

(1) in subsection (a), by striking out "have twenty years service," in the first sentence and inserting in lieu thereof "first became members of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and have 20 years of service or who first became members of a uniformed service on or after the date of the enactment of such Act and have completed 25 years of service,";

(2) in subsection (b), by striking out "has completed twenty years' service" and inserting in lieu thereof "first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 20 years of service or who first became a member of a uniformed service on or after the date of the enactment of such Act and has completed 25 years of service,"; and

(3) in subsection (c), by striking out "retired by reason of twenty years' service," and inserting in lieu thereof "who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has 20 years of service, or who first became a member of a uniformed service on or after such date and has completed 25 years of service,".

COMPUTATION OF RETIRED PAY

Sec. 1055. Subsection (b) of section 423 of title 14, United States Code, is amended—

(1) by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)"; and

(2) by adding at the end thereof the following new subsection:

"(c) The monthly retired pay of a person entitled to retired pay under this title who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is 2 percent of the monthly retired pay base of the person (as computed under section 1407(f) of title 10) multiplied by the number of years of service that may be credited to him under section 1405 of title 10, but the retired pay so computed may not be more than 60 percent of such monthly retired base.".

Mr. SIMON. Mr. President, this is an amendment dealing with something that sooner or later this Senate and the House of Representatives will have to deal with, and that is the military retirement system. This next fiscal year we will spend $18.2 billion on the military retirement system.

One of the areas where we do not find huge immediate savings as we look at the budget is in the area of entitlements. When I served on the House Budget Committee we held hearings on entitlements, and we made some modest changes, some of which have saved billions of dollars.

One of the areas where clearly we have to do something is in this area of military entitlements. This is the second costliest entitlement program funded exclusively out of general tax revenues. It is second only to the Medicaid Program, and the Medicaid Program assists 20 million people while this assists only a small fraction of that amount. My amendment says anyone who enlists in the Armed Forces after January 1, 1986, must serve 25 years rather than 20 years, which is not as much incidentally as the Grace Commission. It recommended it be increased to 30. Second, my amendment says that they be given the full cost-of-living increase but that it not be compounded. The compounding of that cost is causing a great deal of excessive expenditure by the Federal Government.

I stress that I am not suggesting this applies to anyone now in the Armed Forces or anyone currently retired. The average person retires at the age of 41, and will be retired for an average of 33 years. Ninety-five percent of the private systems do not offer any cost-of-living increase. What I am suggesting is we give the people the full cost-of-living increase, but not compounded. In other words, if you get $100 and there is a 5 percent cost-of-living increase, you get $105. The next year, if there is a 5 percent cost-of-living increase, you figure it not on the basis of $105, but you go back to the $100 base and you would get $110. I think it is a rational way to deal with this problem.

Someone will say, "Well, is this not going to adversely impact on recruiting?" There is very little evidence when you really start digging that it will. Only 13 percent of those who serve in the Armed Forces ultimately receive any kind of retirement pay. It is a small fraction. It may be of that 13 percent some would not enlist. It may be that we would have to increase incentives for enlistment. But I would point out to this body that if this proposal were to be enacted, 25 years from now we start saving, according to the Congressional Budget Office estimates, a minimum of $10.7 billion a year.

Mr. President, I have discussed both with Senator Nunn, the ranking minority member of the Armed Services Committee, and with the chairman of the Senate Armed Services Committee, whether we could not move ahead. They are reluctant to accept this amendment without further study. I see the chairman of the Armed Services Committee rising. I would like to yield to him. My understanding is that the Armed Services Committee is willing to study this and will report back with some legislation by September 1. Is that correct?

Mr. GOLDWATER. The Senator is correct. I might say that this is a subject—the whole subject of military compensation, retirement, and so forth and so on—that has been receiving very detailed thorough study by a staff of a committee for almost 3 years. We are now in the process of beginning to hear on it. I have read the Senator's amendment. I think he has some very, very good points in it. I hope he would not press right now but be willing to come over and join us in the Armed Services Committee where we can apply the knowledgeable study that he has made to the study that we have made so that when we come to the floor with something it will be something we know the Pentagon is not going to laugh at and disregard. I can assure the Senator that we will give his amendment every consideration. We welcome the work that he has done.

Mr. SIMON. I thank the distinguished chairman of the committee. I appreciate those assurances. I might add I do not see him on the floor right now, but our colleague from Georgia, who has done great work in this whole field, has indicated the same to me. On the basis of those assurances, Mr. President, I ask unanimous consent to withdraw my amendment.

Mr. GOLDWATER. If the Senator will withhold for just a moment, I believe the Senator from Georgia is coming. He wants to make a few remarks.

Mr. SIMON. I am pleased to withhold.

Mr. KENNEDY. Mr. President, I want to commend the Senator from Illinois for his interest in this matter. As the Senator is aware, it is an issue which has received the attention of the Armed Services Committee in the legislation. Clearly, there are going to be important decisions made by the Armed Services Committee—and by the Senate—in this very important area—that will make a very significant difference, I think, to the quality of the men and women who are in the armed services in our country. But also, as the Senator from Illinois has pointed out, we want to not only have fairness and equity with regard to those particular provisions, but we want to do it in an economic way.

I welcome the Senator's interest. I join with our chairman in welcoming the Senator's involvement in our deliberations, and the Senator's recommendations as we reach some solutions to these extremely important questions. I think the Senator has made a very important contribution.

Mr. SIMON. Mr. President, I thank the Senator from Massachusetts. I appreciate the willingness of the Armed Services Committee to evaluate the ideas of someone who is not a member of that committee. Clearly, we have to adequately compensate the people who serve. But we also clearly have a problem that is mushrooming. We have to get hold of this problem. I think the sooner we get hold of it the better. We are not going to save money the next year or the following year, but down the road a ways we can save money and without doing any impairment to the quality of the people who serve. I hope we can find solid answers.

Mr. GOLDWATER. I thank the Senator.

I do not see Senator Nunn. He is in a conference relative to his own amendment. I know that he wanted to add his words of congratulations to mine. You can consider that done.

Mr. SIMON. I thank the Senator from Arizona. Senator Nunn has discussed it with me a couple of times. I appreciate that. I appreciate also the generosity of the Senator from Arizona who has gone out of his way to be helpful to me on this, and indicated a real willingness to lead on this important problem.

Mr. President, I renew my unanimous consent to withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, just a word before the Senator from Illinois leaves the floor. As chairman of the Manpower Subcommittee, I wish to

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assure him that when the subcommittee holds continued hearings on the subject of military retirement pay, he will be invited to make a presentation of his views. We will welcome him at that time and acknowledge the thoughtful contribution that he has made. I look forward to his appearance subsequently.

Mr. SIMON. Mr. President, I thank the Senator from California. I appreciate that.

Let me say to the Senator from California that it is good to see him on the floor of this body looking very, very healthy for a change.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the pending amendment of the Senator from Georgia be temporarily withdrawn so that the Senator from Pennsylvania may offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Pennsylvania is recognized.

AMENDMENT NO. 170

(Purpose: Sense of the Senate that the Presidents of U.S. and U.S.S.R. should meet at earliest possible time following thorough preparation to work for mutual, equitable, and verifiable reductions in nuclear arms)

Mr. SPECTER. I thank the distinguished chairman of the Armed Services Committee.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. Specter] proposes an amendment numbered 170.

Mr. SPECTER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

Since relations between the United States and the Union of Soviet Socialist Republic are currently characterized by considerable tension;

Since the strategic (START) and intermediate-range nuclear force (INF) reduction negotiations did not achieve satisfactory results, and in the new negotiations on nuclear and space arms the positions of the two parties remain far apart;

Since a carefully prepared summit could facilitate the accomplishment of the objectives of these negotiations and lead to a reduction in the risk of nuclear war;

Since a carefully prepared summit could also lead to progress in resolving other major issues troubling relations between the two superpowers;

Since both President Reagan and Soviet General Secretary Gorbachev have indicated their willingness in principle to participate in such a carefully prepared summit;

It is the sense of the Senate that the President of the United States and the President of the Union of Soviet Socialist Republic should meet at the earliest practical time following thorough preparation to discuss major issues in U.S.-Soviet relations and to work for the realization of mutual, equitable and verifiable reductions in nuclear arms.

Mr. SPECTER. Mr. President, this is a sense-of-the-Senate resolution calling for the President of the United States and the President of the Union of the Soviet Socialist Republics to meet at the earliest possible time following thorough preparation to discuss the major issues in the United States and Soviet relations, and to work for the realization of mutual, equitable, and verifiable reductions in nuclear arms.

It is, succinctly stated, a sense-of-the-Senate resolution calling for a summit.

Mr. President, I am today offering an amendment expressing the sense of the Senate that President Reagan and Soviet leader Mikhail Gorbachev should hold a summit meeting as soon as possible.

I have introduced virtually this same resolution three times prior to this, as an amendment to the defense authorization bills in 1982, 1983, and 1984. It has been passed by my colleagues overwhelmingly each time. In 1982, my sense of the Senate resolution calling for a summit passed by a vote of 92 to 6 and in 1983 by a vote of 82 to 7. In 1984, I again offered the resolution as an amendment to the defense authorization bill. As it happened, my amendment came up very late at night after a long day of debate, and at the request of the majority leader I withdraw my request for a rollcall vote. The amendment passed without objection by a voice vote.

I would like to think our voices have been heard on Pennsylvania Avenue and that we have played some role in the President's invitation to Soviet leader Gorbachev for a summit.

Yet, I feel compelled to offer this amendment once more. Despite each leader's expression of a willingness to meet, conflicting pressures and longstanding distrust have resulted in virtually no progress being made toward such a meeting.

With growing signs that the talks in Geneva may already be approaching a stalemate, it is imperative that these two world leaders meet face to face; not for marking progress, but to encourage and stimulate progress.

This summit cannot wait for the talks to produce agreement. It must propel the process toward peace.

This is consistent with the two-track approach which President Reagan has long advocated: that we should be strong, knowing the proclivities of the Soviets, but at the same time we should be willing to talk arms reduction.

Mr. President, I think that it is especially appropriate in the constitutional setting for this sense of the Senate resolution to be offered, given the constitutional responsibility and authority in the Senate for advice and consent on treaties.

The SALT II Treaty was never ratified by the U.S. Senate. It seems to this Senator most appropriate for this body to express itself on such an important matter and to lend encouragement to our President and to his Soviet counterpart that the Senate considers such negotiations in arms reduction to be a matter of paramount importance, that this body is interested in having such arms reduction agreements and, obviously depending upon the specifics of any such treaty, would be inclined to consider it favorably if, as, and when the matter came before the Senate for ratification.

An expression of congressional support for a summit is even more timely now than before because the United States has proceeded with the President's strategic modernization programs, including deployment of Pershing and cruise missiles in Europe, production of the B-1 bomber, and further production of the MX missile.

Consequently, the United States can now bargain from a position at least of parity. Indeed, the President has affirmed that he is satisfied with a position of parity and that efforts to achieve superiority are neither necessary nor helpful to arms control.

I believe, Mr. President, that in this day and age, there is no such thing as superiority. In a very real sense, the United States is inferior to the Soviet Union because the Soviet Union has the power to destroy the United States. And similarly, in a very real sense, the Soviet Union is inferior to the United States because the United States could destroy the Soviet Union. And both major powers may be inferior if the likes of Qadhafi or Khomeini ever obtains nuclear arms.

Mr. President, in my judgment there is worldwide fear of nuclear destruction, and there is the corollary of a worldwide wish for nuclear disarmament. In November-December, 1983, I personally observed the location of the Pershing II's in West Germany, the location of the cruise missiles in England, and had occasion to talk to West Germans and British where the cruise missiles were deployed. Those missiles systems were received by those two nations but in the context of great concern by the citizenry of those nations.

During the course of the past 4 years I have had occasion to have several hundred open house/town meetings throughout my State of Pennsylvania; and have found great concern and fear about the possibility of nuclear destruction, and great wish for nuclear disarmament. Wherever I have traveled in Pennsylvania at these open house/town meetings, there have been

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defense, that we restate our commit-

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the Assistant Secretary of Defense for Man-concerns about the MX, and a general sense in favor of a mutually verifiable nuclear freeze. There is a real sense in this country today about wanting to have arms reduction talks at the highest level.

It is my view, Mr. President, that the Congress and the Senate have a leadership role to push for such summit. As President Reagan himself has articulated his view of the relationship between the executive and legislative branch, there is a partnership. In seeking this sense of the Senate resolution, I do little more than press for a formal statement by this body on what the President has already said that he finds to be acceptable.

I believe it is important that this body lend its collective voice to encourage our President, and encourage the leader of the Soviet Union, to meet, to have talks on these matters of the utmost urgency, and of the utmost importance.

The sense-of-the-Senate resolution which I am submitting does not lay out any detailed blueprint as to how President Reagan may wish to proceed, or how his Soviet counterpart may wish to proceed in terms of the adequacy of preparation or the nature of an agenda, but simply that there not be preconditions or assurances of success which means that the summit meeting ought not to be delayed until all of the items have been agreed upon by the subordinates and it is merely an event where documents are signed.

Mr. President, there have been relatively few summits during the course of the last 25 years—in 1959, 1961, 1967, 1972, 1973, 1974, in June 1974, November 1977, and June 1979. There has not been a summit meeting since June 1979.

In President Reagan, the United States has a superb negotiator and leader. His signal accomplishments at economic summits in Ottawa, Versailles, Williamsburg, and London and his bold proposals in the areas of nuclear, chemical, and conventional arms demonstrate his potential to achieve a breakthrough on arms control and other vital subjects in a summit with Chairman Gorbachev.

Of course, President Reagan, as an advocate on military strength and anticommunism, has unique credibility with important sectors of American political opinion on reaching an arms-control agreement just as President Nixon did on recognizing Red China. With the accumulated knowledge from nearly 5 years of studying and deciding a range of arms-control issues, the President also now has the requisite expertise.

Soviet leaders know, however, that, unlike their system of Government, in our country the system of checks and balance involves Congress in critical foreign policy decisions such as funding new weapons and ratifying new treaties. Therefore, there is a great need to demonstrate national unity to them on critical issues like holding a summit and negotiating arms control.

In introducing this resolution, my intention is to give the President encouragement from the Senate's renewal of support for his suggestion for a summit, and I fully expect it will be backed by my colleagues as before.

There is no more important issue facing the world today than the possibility of nuclear destruction, and there is no more vital effort that can be made by the leaders of the United States and the Soviet Union than for the two superpowers to meet and talk about these issues in an effort to achieve arms reduction, and to relieve international tension.

Mr. President, it is my strongly held view that at the time there is a Department of Defense authorization bill in the range of approximately $300 billion there should be at the same time a statement by the U.S. Senate of our interest in having a summit to lead to arms reduction.

This is in essence the approach of the United States articulated at the start of the Reagan administration—to work on a two-track approach: first, to be strong in our dealings with the Soviet Union recognizing their historical patterns, recognizing their activities in Afghanistan, Angola, and Poland, and recognizing that they respect no restraint, but at the same time the United States should be willing to meet at the highest levels to have a summit and to work toward arms reduction.

The President of the United States has stated repeatedly that he is willing to have a summit meeting and there have been strong indications from the new Soviet leader, Mr. Gorbachev, of his similar willingness to have such a meeting.

In today's media, there appears a note that the Soviet leader may be concentrating more on domestic affairs, may not be interested or may not have the opportunity to come to the United Nations meeting in New York this September, and may choose to defer a summit meeting. It would be my hope that the leaders of the two most powerful nations on Earth could come together at the earliest possible time with a well prepared agenda and discuss arms reduction, to set that pace and set that pattern so that arms talks at Geneva and other places might move forward.

Mr. President, I think it is entirely appropriate that the Senate of the United States express itself on this subject because it is our constitutional responsibility to ratify treaties.

It is well known that this body could not ratify the SALT II treaty for good cause when the Soviets moved into Afghanistan in 1979. There had been a commitment by the leadership of the Senate to reserve time to debate SALT II extensively with a view toward such ratification, but in the light of Soviet activity in Afghanistan, SALT II was never considered by the U.S. Senate and was never ratified.

I think it is appropriate that this body signify to both President Reagan and the Soviet leader, Mr. Gorbachev, our interest in having arms reduction talks, not to prejudge any treaty which might be entered into between the two leaders, but to express our concern about the subject and our willingness to consider any such arms reduction talks in a favorable light.

Mr. President, I think it is very much in the interest of the United States to move forward on such talks at a time when we have such an outstanding leader, President Reagan, well known for his great facility for communication. He has engaged in negotiations with leaders of the Western World at the economic summits for several years now, most recently in Bonn, and has acquitted himself with great distinction. There is great hope that, with the accession of the new Soviet leader, Mr. Gorbachev, he, too, will have a new approach to United States-Soviet relations and that, with the new generation of Soviet leadership, there may be a greater willingness to deal realistically on arms reduction to the mutual benefit of both nations and to relieve a great deal of the world tension which has been present for so many years.

Mr. President, this is the fourth time that I have offered this sense-of-the-Senate resolution. I did so initially in 1982, after hearing one of the President's Saturday speeches talking about his interest in superiority. My concern at that time was that, in the nuclear age, there is no such thing as superiority. In a very fundamental sense, the United States is inferior to the Soviet Union, when the Soviet Union has the power to destroy the United States; in a very fundamental sense, the Soviet Union is inferior to the United States when, similarly, the United States has the power to destroy the Soviet Union. So, realistically viewed, there is only the sense of inferiority, unless we are able to have realistic arms reduction.

The greater threat may come when we are subject to nuclear blackmail by the likes of Khomeini and Qadhafi.

I believe our two nations should take the lead in working for arms reduction. When the resolution was introduced in 1982, it passed by a vote of 92 to 6; in 1983, by a vote 82 to 7. Last year, 1984, when the matter was considered near midnight, it was approved unanimously by a voice vote.

I think this is an important matter, at a time when we are authorizing such very substantial expenditures for

defense, that we restate our commitment to arms reduction.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SPECTER. I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ARMSTRONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona.

Mr. GOLDWATER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Were the yeas and nays ordered on the Specter amendment?

The PRESIDING OFFICER. The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, I suggest we have the vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Oregon [Mr. PACKWOOD] and the Senator from North Dakota [Mr. PRESSLER] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

The PRESIDING OFFICER. (Mr. BOSCHWITZ). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 84, nays 10—as follows:

[Rollcall Vote No. 87 Leg.]

YEAS—84

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
Cohen
Cranston
D'Amato
Danforth
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Evans
Exon
Ford
Garn
Glenn
Gore
Gorton
Grassley
Harkin
Hart
Hatch
Hatfield
Hawkins
Heflin
Heinz
Hollings
Inouye
Johnston
Kasten
Kennedy
Kerry
Lautenberg
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Pell
Proxmire
Pryor
Riegle
Rockefeller
Roth
Rudman
Sarbanes
Sasser
Simon
Simpson
Specter
Stafford
Stevens
Thurmond
Trible
Warner
Weicker
Wilson
Zorinsky

NAYS—10

Cochran
Denton
Goldwater
Gramm
Hecht
Helms
McClure
Quayle
Symms
Wallop

NOT VOTING—6

East
Humphrey
Kassebaum
Packwood
Pressler
Stennis

So the amendment (No. 170) was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the pending Nunn amendment be temporarily set aside so that the Senator from Massachusetts might offer an amendment.

Mr. NUNN. Mr. President, will the Senator reserve the right to have the amendment temporarily set aside with the amendment being taken up so that my amendment will be the pending amendment after this.

Mr. GOLDWATER. Yes. It always has been.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Massachusetts is recognized.

AMENDMENT NO. 171

(Purpose: To assist military families)

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself and the Senator from California [Mr. WILSON] and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself and Mr. WILSON, proposes an amendment numbered 171.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill add the following new sections.

SEC. 1. SHORT TITLE.

This Act may be cited as the "Military Family Act of 1985."

SEC. . OFFICE OF FAMILY POLICY.

(a) There is hereby established in the Office of the Secretary of Defense an Office of Family Policy. The office shall be under the Assistant Secretary of Defense for Manpower, Installations and Logistics.

(b) The office shall coordinate programs and activities of the military departments to the extent that they relate to military families and shall make recommendations to the Secretaries of the military departments with respect to programs and policies regarding military families.

(c) The office shall have not less than 5 professional staff members. The staff of the office shall be in addition to any statutory or administrative limit on the number of employees that may be assigned or detailed to the Office of the Secretary of Defense.

SEC. . Transfer of Military Family Resources Center.

The Military Family Resource Center of the Department of Defense is hereby transferred from the Office of the Assistant Secretary of Defense for Health Affairs to the Office of the Assistant Secretary for Manpower, Installations and Logistics.

Sec. . Preference in DOD Civil Service Positions.

(a) The Secretary of Defense shall provide that spouses of members of the Armed Forces be given preference in hiring for any position in the Department of Defense above grade GS-7 (or the equivalent) if the spouse is among those determined to be best qualified for the position.

(b) A spouse of a member of the Armed Forces may not, by reason of subsection (a), be given preference in hiring over an individual who is a preference eligible.

(c) CONDITIONS FOR PREFERENCE.—(1) Preferential hiring under this section for the spouse or other dependent of a member of the Armed Forces—

(A) shall be accorded only for positions in the same geographic area as the area within which the permanent duty station of the member is located; and

(B) shall terminate as of the date of which such spouse or other dependent is appointed to a position referred to in subsection (a).

(2) Preferential hiring under this section for an individual who has previously received a preferential appointment under subsection (a) shall be restored if such individual subsequently relocates to another geographic area pursuant to a change in the permanent duty station of the member involved.

(d) The Director of the Office of Personnel Management shall prescribe regulations necessary to carry out this section after appropriate consultation with the Secetary of Defense.

SEC. . CHILD CARE FACILITIES.

Operation of Child-Care Facilities.—The Secretary of Defense shall provide that child-care facilities that are operated by the Department of Defense on military installations be operated on a 24-hour-a-day basis when necessary to meet mission requirements.

SEC. . Report on Employment of Spouses in Childcare Facilities.

Not later than one year after the date of the enactment of the Act, the Secretary shall submit a report to Congress making recommendations for ways to improve opportunities for spouses of members of the Armed Forces to obtain employment at child-care facilities. Such recommendations shall address both hiring practices at child-care facilities operated by the Department of Defense and training programs for spouses.

SEC. YOUTH SPONSORSHIP PROGRAM.

(a) The Secretary of Defense shall direct that there be estabished at each military installation a youth sponsorship program to facilitate the integration of dependent children of members of the Armed Forced into new surroundings when moving to that military installation as a result of a parent's permanent change of station.

(b) Such a program shall provide, to the extent feasible, for involvement of dependent children of members presently stationed at the miltary installation.

SEC. STUDY ON NEED FOR ASSISTANCE TO DEPENDENTS ENTERING NEW SECONDARY SCHOOLS.

Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report which makes recommendations for any administrative and legislative changes necessary to assist families of members of the Armed Forces making permanent change of station so that a dependent child who transfers between secondary schools with different graduation requirements does not undergo unnecessary disruptions in education or have inequitable or unduly burdensome of duplicative education requirements imposed.

Mr. KENNEDY. Mr. President, I do not intend to take a very long time in explaining this amendment, but I do want to say that the time we take in explaining it in no way is a reflection on the importance of this measure because this amendment is very significant to the families who are an integral, part of the military forces of our country.

This amendment is called the Military Family Act of 1985. In this particular proposal, which Senator Wilson and I offer, we give special attention to the needs of families in the military. We address the issue of spouse employment. We address the issues of child care and child care facilities. We address the issue of the conflict in terms of the academic requirements faced by families moving from one part of the country to another. We address the issue of helping youth in dealing with the problems that occur in moving into a new community when they are transferred to different military installations, helping them to have a better and a more satisfactory experience in the new community.

These proposals and recommendations, Mr. President, come after a very considerable amount of discussion with many families in our Armed Forces who have indentified them as items about which they are very much concerned and which really have on impact on the quality of life for those individuals and their families who serve in the Armed Forces and to a great extent can have an important impact upon retention of qualified, skilled, dedicated military personnel who want to continue to serve in the Armed Forces.

Mr. President, I just want to say, in addition, very briefly, that there were two other items which were included in the amendment initially. The first was to provide for reimbursement of travel costs for those individuals who serve in the Armed Forces at the same rate that we provide for civilians who are being reimbursed by the Government.

That has already been accepted in the bill which we are considering on the floor today.

There was also a provision to reimburse for temporary lodging expenses for a short period of time, some 4 days. This again is a matter of importance to families who are in the process of finding new houses and lodging for their families.

That also has been accepted in the legislation we have today.

One item which was included which will not be included in this amendment is a provision on dental insurance. This issue is excluded from our amendment at this time because we understand that the Armed Services Committee is going to consider a range of different health care provisions later this year and we are hopeful of being able to address the need for dental insurance later in this session.

Mr. President, this is very briefly what the amendment addresses.

The amendment which we are offering is drawn from S. 1163, the Military Family Act of 1985, a bill I recently introduced.

The Military Family Act addresses a number of issues that affect our military personnel and their families. We all know that our service men and women form the backbone of our national security. But the contribution comes not simply from the individual in uniform—but equally from all the members of the family who share the sacrifice that comes with military service. There are 3.7 million Americans who are members of military families and they deserve our recognition and support. The readiness and moral of our troops is critically dependent on the well-being of their family members, an issue which deserves as much attention as any of the more traditional components of military preparedness.

As a member of the Armed Services Committee, I have had the opportunity to visit with our military personnel and their families, both in the United States and abroad. Everywhere I go I find family issues on the top of the agenda—housing, permanent change of station, day care, spouse employment, education for the children—the list goes on and on. For too long these concerns have not received the attention they deserve—and yet they are among the most important factors in recruiting and retaining the skilled, dedicated individuals that our modern military requires.

Two of the provisions of the Military Family Act (concerning travel and temporary lodging reimbursement) have already been incorporated by the committee into the Defense Authorization Act. The other provisions address issues such as dependent travel, child care, and spouse employment.

Most of the provisions involve little or no cost to the Treasury, but can make a dramatic impact on the moral and well-being of the military family.

Mr. President, I want to commend Senator Wilson for his assistance and leadership on this issue. I look forward to continue our work on behalf of military families in the Armed Services Committee.

I am hopeful, that the chairman and the ranking minority member of the committee will accept this amendment.

Mr. GOLDWATER. Mr. President, I yield to the Senator from California.

Mr. WILSON. Mr. President, I thank the Senator from Arizona.

Mr. President, I rise to commend my friend, the distinguished senior Senator from Massachusetts [Mr. Kennedy].

I think the amendment he has offered is commendable. It has exercised great thoughtfulness.

The Senator from Massachusetts is absolutely correct when he remarks that today's soldier, sailor, airman, and marine, is very likely a family man, if not at the time he enlists, by the end of his first enlistment.

In order to retain quality personnel, in order to set at rest their concerns about a number of the problems that they would face with regard to families, with regard to spousal employment, with regard to children and how those children may fit into the routine in a military installation, this measure without cost or certainly without significant cost is an exercise in thoughtfulness which I think will go a long way toward assisting the Army, Navy, Air Force, and Marine Corps in allaying a number of those concerns.

It is true that the nature of the armed services has changed. We no longer provide the same kind of recreational opportunities. We are far more concerned with opportunities for the entire family because that is the situation that we face at this year of 1985. It is the future for the armed services.

I think that the child care provisions, the provisions that relate to assisting in spousal employment, the kind of concern that teenagers find a wholesome outlet for their energies, all of these things that ring true and familiar to parents in this Chamber are shared concerns of today's military personnel.

This measure deserves the support of our colleagues, we feel, because it does address the same concerns, and it does so in a way that will allow the problems to be dealt with effectively at each installation for military personnel serving on active duty.

I again commend my friend, the Senator from Massachusetts, and urge support of this amendment.

Mr. GOLDWATER. Mr. President, we have looked carefully at the amendment offered by the Senator from Massachusetts. We find no fault with it at all. We think it does a great deal of good for the services. The majority is willing to accept it.

Mr. NUNN. Mr. President, we have also looked carefully at the Senator's amendment. He does, I think, a real service to the military personnel and their families in this country by emphasizing the family policy and by emphasizing steps the services can take to aid and assist families that are part of our overall military security. Indeed, the families of our servicemen are part of our national security. I do not think there is any denying that. I think it is a vital part of our national security. So I would certainly urge our colleagues to accept the amendment.

Mr. GOLDWATER. Mr. President, we will accept the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senator from South Carolina, Senator Thurmond, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Massachusetts [Mr. Kennedy]

The amendment (No. 171) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND. Mr. President, I ask unanimous consent that the amendment of Senator Nunn be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 172

(Purpose: To authorize the Secretary of the Navy to convey certain property at the Naval Weapons Center, Charleston, South Carolina)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. Thurmond], for himself and Mr. Hollings, proposes an amendment numbered 172.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 163, between lines 2 and 3, insert the following:

LAND CONVEYANCE, NAVAL WEAPONS CENTER, CHARLESTON, SOUTH CAROLINA

Sec. 2194. (a) Subject to subsection (b) through (g), the Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Westvaco Corporation (hereinafter in this section referred to as "Westvaco") all right, title, and interest of the United States in and to approximately 47.83 acres of improved land comprising that portion of the Naval Weapons Station, Charleston, South Carolina, located at Remount Road and Virginia Avenue, in the City of North Charleston, South Carolina.

(b) In consideration for the conveyance authorized by subsection (a), Westvaco shall pay—

(1) all costs for the construction of facilities necessary to replace those on the land to be conveyed to Westvaco under subsection (a) and the cost of relocating personnel and equipment to the replacement facilities; and

(2) an amount equal to the excess, if any, of the fair market value of the land and improvements conveyed under subsection (a) over the sum of the construction costs of the replacement facilities and the cost of relocating personnel and equpment to the replacement facilities.

(c) The replacement facilities referred to in subsection (b)(1) shall be constructed by the Navy on the Naval Weapons Station referred to in subsection (a) on a site to be selected by the Secretary.

(d) The Secretary is authorized to receive, obligate, and disburse funds received from Westvaco to cover design, construction, relocation, and related costs specified in a memorandum of understanding agreed to by the Secretary and Westvaco, dated April 17, 1985.

(e) Upon completion of the replacement facilities referred to in subsection (b)(1) and the payment by Westvaco of all agreed upon costs the Navy shall promptly vacate and convey to Westvaco the property referred to in subsection (a).

(f) The exact acreage and legal description of any land to be conveyed under this section shall be determined by surveys that are satisfactory to the Secretary. The cost of such surveys shall be borne by Westvaco.

(g) The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interests of the United States.

Mr. THURMOND. Mr. President, I offer this amendment on behalf of myself and Senator Hollings. The amendment authorizes the Navy to transfer approximately 47.83 acres of land at the Charleston Naval Weapons Station to the Westvaco Corp. In exchange for the land, Westvaco will replace all structures on the land at another location on the base. Westvaco will pay fair market value of the land and improvements less the amount needed to build replacement structures and relocate personnel and equipment.

Mr. President, it is my understanding that this amendment has been cleared on both sides of the aisle.

Mr. HOLLINGS. Mr. President, I am very pleased to join my distinguished colleague, Senator Thurmond, in offering this amendment that conveys the transfer of naval property to private ownership in the Charleston area in exchange for new housing units and necessary military headquarters facilities. The Charleston Naval Weapons Center will greatly benefit from the construction of urgently needed military family housing units and a new headquarters building. Westvaco—by participating in this arrangement with the Navy—will be able to expand its operations in Charleston, resulting in both more jobs in the community and an expanded business economic base for Charleston. It is a good deal for the Navy, Westvaco, and Charleston.

Mr. GOLDWATER. Mr. President, the majority finds no problem with this amendment.

Mr. NUNN. Mr. President, we have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. Thurmond].

The amendment (No. 172) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 173

(Purpose: To amend title 51 United States Code, to prohibit appointments to civil service positions in the executive branch of any individual required to register under the Military Selective Service Act who has not so registered)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to laying aside the Nunn amendment?

Mr. NUNN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. Thurmond] proposes an amendment numbered 173.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IX of division A, add the following new section:

BEST COPY AVAILABLE

PROHIBITION ON CIVIL SERVICE EMPLOYMENT OF PERSONS WHO FAILED TO REGISTER UNDER THE MILITARY SELECTIVE SERVICE ACT

Sec. . (a) Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 3328. Selective Service registration

"(a) Any individual who was born after December 31, 1959, and is or was required to register under section 3 of the Military Selective Service Act (50 U.S.C. App. 453) and who is not so registered or did not so register before the requirement terminated or became inapplicable to the individual shall be ineligible for appointment to a position in an executive agency of the Federal Government.

"(b) The Office of Personnel Management, in consultation with the Director of the Selective Service System, shall prescribe regulations to carry out this section.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3327 the following new item:

" 3328. Selective Service registration.".

Mr. THURMOND. Mr. President, on January 22 of this year I introduced S. 235, a bill to amend title 5, United States Code, to prohibit employment in civil service positions in the executive branch of any individual required to register under the Military Selective Service Act (50 U.S.C. App. 453) who has not so registered. I now offer the text of that bill as an amendment to the 1985 Department of Defense authorization bill.

Under current law, Mr. President, every male citizen and resident alien between the ages of 18 and 26 is required to register for the draft. This is a simple process, which generally can be completed in 5 minutes time. Furthermore, registration forms are readily available, and may be obtained at one of the 34,000 post offices across the country.

By registering, individuals not only comply with the law, but also acknowledge their acceptance of the basic responsibilities of our free society and aid in the furtherance of an important part of our defense preparedness. We can take pride in the fact, Mr. President, that approximately 98 percent of those required to register have done so; thereby signifying their recognition that the freedoms we enjoy are not without accompanying obligations.

Unfortunately, a small minority of individuals have chosen to disregard and violate our Selective Service laws. These individuals have refused to accept or even acknowledge that they have any responsibility to serve their country in a time of need. Failure to register is, of course, a criminal violation of the laws of the United States. Those who irresponsibly violate the Selective Service statutes should not be allowed the benefits of a civil service job. Federal employees are paid by the taxpayers, and it is only fair that anyone desiring to obtain employment in a Government agency comply with our Selective Service laws.

While these lawbreakers are presently ineligible for any form of Federal educational assistance or benefit—such as educational grants, loans, or workstudy to which they would otherwise be entitled under title IV of the Higher Education Act—there are no statutory provisions making them ineligible for employment in a Federal executive agency. This is particularly appalling when one considers that the possibility exists that a nonregistrant could obtain employment ahead of a veteran.

Billy Ray Cameron, commander in chief of the Veterans of Foreign Wars of the United States, voiced his concern about this inequity in a joint hearing of the Committees on Veterans' Affairs of the U.S. Senate and House of Representatives. He emphasized that requiring all eligible male Federal service applicants to be registered with the Selective Service System is one of the priority goals of the Association of Veterans of Foreign Wars of the United States. It should be a priority goal of Congress as well.

Mr. President, if an individual refuses to recognize any responsibility to his country or to its citizens, and refuses to register with the Selective Service as required by law, then that individual should be barred from Federal civil service employment. It is really that simple. To permit such individuals to enjoy the privileges and benefits of civil service positions is not only unfair to taxpayers, it is unpatriotic.

I urge my colleagues to give this amendment careful consideration and to support its adoption.

Mr. President, I might say that various veterans' organizations endorse this amendment: the Veterans of Foreign Wars, the Military Order of the Purple Hearts, the Amvets, and possibly others.

Mr. President, this amendment is cosponsored by Senator Nickles of Oklahoma, Senator Denton of Alabama, Senator East of North Carolina, Senator Gramm of Texas, Senator Helms of North Carolina, Senator Humphrey of New Hampshire, Senator Mattingly of Georgia, Senator Stevens of Alaska, Senator Warner of Virginia, Senator Johnston of Louisiana, Senator Wilson of California, and Senator Hollings of South Carolina.

Mr. President, I hope the Senate will see fit to adopt this amendment. I feel it is a fair amendment and will not cause the taxpayers to have to support someone who refuses to register and, in so doing, violate the law instead of serving their country and instead of registering as required by law.

Mr. NUNN. Will the Senator from South Carolina yield for a couple of questions?

Mr. THURMOND. I am pleased to yield.

Mr. NUNN. First, let me say that I agree with the spirit of what the Senator from South Carolina is attempting to do here in this amendment, having been the author of the Registration Act, and having gone through a great deal of debate; I think it is important that we enforce it and that we have sanctions for enforcement. So I am very sympathetic to the Senator's amendment.

I would like to ask a couple of questions.

> (a) Any individual who was born after December 31, 1959, and is or was required to register under section 3 of the Military Selective Service Act and who is not so registered or did not so register before the requirement terminated shall be ineligible for employment to a position in an executive agency.

Is there any time limit on this? For instance, if an individual failed to register when they were 18 years old, I am not sure how long the law gives them to register because the amendment says if they do not register by the time they were supposed to register, then they are not eligible. Suppose someone gets to be 26, and they have not registered through oversight. Would the Senator know whether the law provides for correcting that oversight by registering at that age?

Mr. THURMOND. I do not know of any provision for that. They are supposed to register, and 98 percent of them have registered. It is their duty to register. I am sure if it was an oversight on their part, that might be corrected. But this provides that if they do not register, then they are not eligible for a position in the executive branch.

Mr. NUNN. I think that will work fine as long as the person is continually eligible to register. But what I do not have the answer to is, how long does an individual have to register before the time has lapsed and before that is no longer a correctible defect.

Mr. THURMOND. As this provides here, "who is not registered or did not so register before the requirement terminated."

Mr. NUNN. That is the question I have.

Mr. THURMOND. In other words, the time that he was supposed to register and did not do it, then he is in violation of the law.

Mr. NUNN. I am not sure how long that time is. That is what I am really trying to seek help on. Maybe counsel can answer that question.

Mr. THURMOND. You might suggest the absence of a quorum. Possibly we can get the answer.

Mr. NUNN. Let me go on to another question. Perhaps counsel can determine that. Suppose an individual simply through oversight, through negligence but not through intentional negligence, did not meet the requirement. Is there any way that would be tied to "knowingly"?

Mr. THURMOND. An administrative procedure I think can determine that one can come in and show their resolve on an oversight or something. I think that can be corrected administratively.

Mr. NUNN. I suggest, Mr. President, that we accept the amendment but I do believe that we need to look at it closely in conference because there are some legal questions.

Mr. THURMOND. I am glad to work it out if there are any other questions.

Mr. NUNN. I think it needs to be looked at because there is a question that might go to "knowingly" and whether there is any kind of process here. Say the individual is 65 years old, and in the year 2020, he runs for the U.S. Senate in South Carolina. Will this amendment bar him from public office if he forgot to register? I say "he" here because only males are required.

Mr. THURMOND. This only applies to positions in the executive agencies.

Mr. NUNN. What if he ran for President?

Mr. THURMOND. He would be elected by the people. That is different from being appointed to a position.

Mr. NUNN. So it would apply only to appointments.

Mr. THURMOND. That is right.

Mr. NUNN. I suggest we accept the amendment but I do hope the Senator from South Carolina will work with us because I think the lawyers will have to work on this.

Mr. THURMOND. I am glad to confer with the distinguished Senator. If there are any details to be worked out, I am sure we can do it.

Mr. NUNN. Again, I want to emphasize there ought to be sanctions and people ought to register. I think that is what the people are trying to bring about. I agree with that purpose.

Mr. GOLDWATER. Mr. President, I am in complete sympathy with what I have been listening to. But not being a lawyer, I cannot add much to the conversation. It only adds to my great belief in what Tom Jefferson once said: that the legislature had too many lawyers in it. I am very happy to accept the amendment, and submit it to the legal scrutiny of our team.

Mr. THURMOND. Thank you very much.

I wish to thank the majority leader and the minority leader. I feel sure if there is any little question that is not clear, we can work it out.

Mr. NUNN. I thank the Senator from South Carolina.

The cosponsors of the amendment (No. 173) are: Mr. Thurmond, for himself, and Senators Nickles, Denton, East, Gramm, Helms, Humphrey, Mattingly, Stevens, Warner, Johnston, Wilson, Hollings, Symms, and Murkowski.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from South Carolina [Mr. Thurmond].

The amendment (No. 173) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. Mr. President, will the Senator from South Carolina withhold that for this reason? We might be able to have some correction on this, or an addition during the course of this debate.

Mr. THURMOND. Mr. President, I withhold that motion.

The PRESIDING OFFICER. The motion is withdrawn.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia [Mr. Nunn] be temporarily set aside and that Mr. Roth be recognized to call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 174

(Purpose: To amend title 10, United States Code, and the Renegotiation Act of 1951 to control the cost of Department of Defense contracts)

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Delaware [Mr. Roth] proposes an amendment numbered 174:

On page 100, between lines 2 and 3, insert the following:

TITLE X—PROCUREMENT COST CONTROL

SHORT TITLE

Sec. 1001. This title may be cited as the "Defense Procurement Program Integrity Act of 1985".

Part A—Unallowable Contract Costs

COST AND PRICING DATA

Sec. 1011. (a)(1) Subsection (f)(1) of section 2306 of title 10, United States Code, is amended by inserting "and are allowable in accordance with the requirements of law and applicable regulations and in accordance with such cost principles as the head of an agency makes applicable to the costs under such laws and regulations" after "current".

(2) Subsection (f)(2) of such section is amended by inserting "or were not allowable in accordance with the requirements of law and applicable regulations or in accordance with such cost principles as the head of the agency makes applicable to the costs under such laws and regulations" after "noncurrent".

(b) Section 2306 of such title is further amended by adding at the end thereof the following new subsections:

"(i) In any administrative or judicial proceeding to adjust the price of a contract under subsection (f)—

"(1) only cost and pricing data which were inaccurate, incomplete, or noncurrent when furnished with respect to the contract under subsection (f) and are higher than the accurate, complete, and current cost and pricing data which should have been furnished shall be considered for the purpose of determining an adjustment in the price of the contract;

"(2) it shall be conclusively presumed that the Government relied on all cost and pricing data furnished by the contractor or subcontractor under subsection (f); and

"(3) it shall not be a defense to an adjustment of the price of the contract that—

"(A) the price of the contract would not have been modified if accurate, complete, and current cost and pricing data had been furnished by the contractor or subcontractor because the contractor or subcontractor was the sole source of the property or services procured;

"(B) the price of the contract would not have been modified if accurate, complete, and current cost and pricing data had been furnished by the contractor or subcontractor because the contractor or subcontractor was in a superior bargaining position with respect to the property or services procured:

"(C) accurate, complete, and current cost and pricing data with respect to the contract were submitted to an officer or employee of the Government other than the contracting officer of the Government;

"(D) the contracting officer of the Government should have known that the cost and pricing data in issue were inaccurate, incomplete, or noncurrent even though the contractor or subcontractor furnishing the data took no affirmative action to bring the character of such data to the attention of the contracting officer;

"(E) the contract involved sales of military equipment to a foreign government:

"(F) the subcontractor furnished the cost or pricing data in issue on the contract or on a change or modification to the contract after the conclusion of an agreement between the Government and the prime contractor on such contract, change, or modification;

"(G) the contract was based on an agreement between the contractor and the Government about the total cost of the contract, and there was no agreement about the cost of each item procured under such contract; or

"(H) the prime contractor or subcontractor did not prepare and submit a certificate of cost and pricing data relating to the contract as required under subsection (f).

"(j)(1) In the case of an overpayment to a prime contractor or subcontractor by the United States Government by reason of the submission of inaccurate, incomplete, or noncurrent cost or pricing data under subsection (f), interest shall be charged on the amount of the overpayment. Interest shall be computed for the period beginning on the date of the overpayment and ending on the date the government is reimbursed the amount of the overpayment or an adjustment under subsection (f) takes effect. Any adjustment in the price of the contract to the Government under subsection (f) shall include an adjustment for the amount of interest due the United States Government on the overpayment.

"(2) For the purposes of this subsection, the rate of interest charged for any period shall be the annual rate of interest established under section 6621 of the Internal Revenue Code of 1954 (26 U.S.C. 6621) for such period.".

Part B—Renegotiation Act Amendments

SHORT TITLE

Sec. 1021. This part may be cited as the "Renegotiation Act Amendments of 1985".

CONTRACTS SUBJECT TO RENEGOTIATION

Sec. 1022. Section 102 of the Renegotiation Act of 1951 (50 U.S.C. App. 1212) is amended by adding at the end thereof the following:

"(f) Certain Amounts Received After October 1, 1976.—Notwithstanding subsection (a), the provisions of this title shall not apply to contracts with Departments, or related subcontracts, to the extent of the amounts received or accrued by a contractor or subcontractor during the period beginning on October 1, 1976, and ending on October 1, 1985.".

TERMINATION DATE

Sec. 1023. The last sentence of section 102(c)(1) of the Renegotiation Act of 1951 (50 U.S.C. App. 1212(c)(1)) is amended to read as follows: "For purposes of this title, the term 'termination date' means September 30, 1988.".

METHOD OF RENEGOTIATION

Sec. 1024. Section 105(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(a)) is amended by inserting after the sixth sentence thereof the following: "In renegotiating contracts and subcontracts under this title, the Board shall renegotiate the contracts and subcontracts by division and by major product line within a division of the contractor or subcontractor.".

MINIMUM AMOUNT SUBJECT TO RENEGOTIATION

Sec. 1025. Section 105(f) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(f)) is amended—

(1) in paragraph (1), by inserting ", or $5,000,000 in the case of a fiscal year ending after the date of the enactment of the Renegotiation Act Amendments of 1985" after "June 30, 1955" each place it appears;

(2) in the second sentence of paragraph (3), by inserting "the $5,000,000 amount," after "the $1,000,000 amount,"; and

(3) in the last sentence of paragraph (3), by striking out "$1,000,000" each place it appears and inserting in lieu thereof "$5,000,000".

APPOINTMENTS TO RENEGOTIATION BOARD

Sec. 1026. Not later than October 1, 1985, the President shall appoint the members of the Renegotiation Board created by section 107(a) of the Renegotiation Act of 1951.

AUTHORIZATION

Sec. 1027. There is authorized to be appropriated to the Renegotiation Board referred to in section 666 for fiscal year 1986, $10,000,000, to carry out the functions of the board under the Renegotiation Act of 1951.

TRANSFER

Sec. 1028. All property (including records) of the Renegotiation Board that was transferred to the Administrator of General Services pursuant to Public Law 95–431 (92 Stat. 1043) and is available shall be transferred to the Renegotiation Board.

EFFECTIVE DATE

Sec. 1029. The amendments made by sections 1022, 1023, 1024, and 1025 shall take effect on October 1, 1985.

Part C—Accounting Standards Board

SHORT TITLE

Sec. 1031. This part may be cited as the "Cost-Accounting Standards Board Amendments of 1985".

COST-ACCOUNTING STANDARDS BOARD AMENDMENTS

Sec. 1032. (a) Subsection (a) of section 719 of the Defense Production Act of 1950 (50 U.S.C. App. 2168(a)) is amended to read as follows:

"(a)(1) There is established a Cost-Accounting Standards Board which shall consist of—

"(A) the Comptroller General of the United States who shall serve as Chairman of the Board; and

"(B) fourt members to be appointed by the President of the United States, by and with the advice and consent of the Senate.

"(2) Of the members appointed to the Board—

"(A) two, of whom one shall be particularly knowledgeable about the cost accounting problems of small business, shall be from the accounting profession;

"(B) one shall be representative of industry; and

"(C) one shall be from a department or agency of the Federal Government.

"(3)(A) The term of office of each of the appointed members of the Board shall be four years, except that any member appointed to fill a vacancy in the Board shall serve for the remainder of the term which his predecessor was appointed.

"(B) A vacancy on the Board shall be filled in the same manner in which the original appointment was made.

"(4) Each member of the Board appointed from private life shall receive compensation at the rate of one-two-hundred-sixtieth of the rate prescribed for level IV of the Federal Executive Salary Schedule for each day (including traveltime) in which he is engaged in the actual performance of duties vested in the Board.".

(b) The first sentence of subsection (g) of such section is amended to read as follows: "The Board may promulgate, from time to time, cost-accounting standards designed to achieve uniformity and consistency in the cost-accounting principles followed by defense contractors and subcontractors under Federal contracts.".

(c)(1) Subsection (h)(1) of such section is amended—

(A) in the first sentence, by inserting "interpret," after "amend,"; and

(B) by striking out the third sentence and inserting in lieu thereof the following: "The interest rate applicable to the price adjustment shall not exceed a rate determined by the Secretary of the Treasury, taking into consideration current long-term Federal Government borrowing rates. Such interest shall accrue from the time payments of the increased costs were made to the contractor or subcontractor to the time the price adjustment is effected.".

(2) Subsection (h)(3) of such section is amended to read as follows:

"(3)(A) Cost-accounting standards promulgated under subsection (g) and rules and regulations prescribed under this subsection shall take effect not earlier than the expiration of the first period of ninety calendar days of continuous session of the Congress following the date on which a copy of the proposed standards, rules, or regulations is transmitted to the Congress.

"(B) For purposes of this paragraph, in the computation of the ninety-day period there shall be excluded the days on which either House is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die.

"(C) The provisions of this paragraph do not apply to modifications of cost-accounting standards, rules, or regulations which have become effective in conformity with those provisions.".

(d) Subsection (k) of such section is amended to read as follows:

"(k) The Board shall report to the Congress not later than one year after the date of enactment of the Cost-Accounting Standards Board Amendments of 1985, and annually thereafter, with respect to its activities and operations, together with such recommendations as it deems appropriate.".

(e) Such section is further amended by redesignating subsection (1) as subsection (m) and by inserting after subsection (k) the following:

"(1) All cost-accounting standards, interpretations, modifications, rules, and regulations promulgated or issued by the Cost-Accounting Standards Board established by this section shall remain in effect unless and until amended, superseded, or eliminated by the Board pursuant to the authority of this section.".

Part D—Miscellaneous Amendments to Title 10, United States Code.

CONTRACTOR PROFIT STUDIES

Sec. 1041. (a) Chapter 141 of title 10, United States Code, is amendead by adding at the end thereof the following new section 2406:

"§ 2406. Contractor profit studies

"(a) The Secretary of Defense, on a regular periodic basis, shall carry out studies of profits made by contractors under Department of Defense contracts to determine whether the level of such profits is reasonable. The Secretary shall carry out the studies at least once each 4 years.

"(b) A study under subsection (a) shall include (1) the profits made by contractors under Department of Defense contracts, (2) a comparison of the level of profitability of defense contractors under such contracts with the level of profitability of contractors under nondefense contracts and with the general level of profitability of businesses in the private sector, and (3) whether variations between the levels of profitability are reasonable under the circumstances, (4) the impact of cost allowability on pricing and profits, (5) the relationship of contract pricing to capital investment, (6) the use of pricing to motivate cost efficiency, and (7) the relationship of payment policy and contract pricing.

"(c) The Secretary of Defense shall transmit the findings resulting from a study under subsection (a) to the Congress, the Comptroller General of the United States, and the Renegotiation Board established by section 107(a) of the Renegotiation Act of 1951.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"2406. Contractor profit studies.".

LIMITATION ON CONTRACT CLAIMS

Sec. 1042. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding

at the end thereof the following new section 2324:

"§ 2324. Limitation on contract claims

"(a) A claim submitted by a contractor requesting or demanding payment in connection with a contract entered into by the Department of Defense, including a claim for an equitable adjustment, may not be paid unless the claim is submitted as provided in subsection (b).

"(b) A claim referred to in subsection (a) shall be submitted to the appropriate contracting officer of the Department of Defense within 18 months after the date of the event on which the claim is based, shall include the certification required by section 6(c)(1) of the Contract Disputes Act of 1978, and shall include such documentation as the Secretary concerned may prescribe in regulations.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"2324. Limitation on contract claims.".

(b) The amendments made by subsection (a) shall take effect with respect to contracts entered into on or after the date of enactment of this Act.

Mr. ROTH. Mr. President, my amendment consists of the elements of legislation I introduced earlier this year—the "Defense Procurement Program Integrity Act of 1985." This legislation is designed to prevent excessive profits on defense contracts; provide increased information to the public and the Government on profits and financing procedures in the defense industry; ensure more effective enforcement of existing laws requiring reasonable and supportable prices on major defense contracts; prevent claims for unallowable costs; establish time limits on the filing of claims; and ensure the continued effectiveness of defense contract cost-accounting standards.

Mr. President, the consensus for added defense spending has been seriously eroded over the past few years. A recent poll found 53 percent of the American public favoring making substantial cuts in military spending—a marked shift from a similar poll conducted just a few months earlier when only 44 percent supported such cuts. The erosion in public support for the defense buildup has decreased even more substantially in comparison with the early days of 1981 when almost 70 percent of the public believed we needed to increase defense spending.

I continue to be a strong believer that we must strengthen our defenses, but, like others, I will not support defense spending at any price, and neither will the taxpayers. I think their support for increased defense budgets has lessened in large part because they do not believe their tax dollars are being spent wisely or efficiently. Unfortunately, there is growing evidence that we are not getting fair prices in many cases and that some defense contractors are reaping unearned and exorbitant prices.

We have all read the recent accounts of abuse and waste in defense contracts involving some of our Nation's largest defense firms. I would stress that it is not just reports from the Inspector General, the General Accounting Office, or the media that point to substantial problems. Prestigious groups such as the Georgetown Center for Strategic and International Studies have released reports which raise serious questions about the effectiveness of the Defense Department. That same report has been endorsed by a bipartisan group of six former Secretaries of Defense.

Mr. President, many of the problems in the defense acquisition process have been blamed on the Department of Defense, but it is becoming increasingly evident that a number of defense contractors are performing poorly and inefficiently and are in some cases skirting the requirements of the defense acquisition system. While not all defense contractors are at fault, it is no longer plausible to argue that the mismanagement and waste in the defense programs is limited to a few bad apples or that it is bound to happen occasionally given the number of contracts and the amount of money being spent each year. The number of defense contractors both large and small, that have been debarred and suspended from contracting with the Defense Department is on the increase.

Mr. President, this country has chosen to rely on its free enterprise system to provide it with needed defense equipment. It is no exaggeration to say that the supplier's work is a matter of life and death to our service men. It is also a matter of incalculable importance to the safety and freedom of our citizens, and indeed to the entire free world. All of us, for these reasons have a stake in the performance of defense contractors.

I believe we must restore the integrity of the defense acquisition process and in order to do so, a number of changes in the law must be made. The Defense Department must have effective tools to help it obtain fair and reasonable prices in the usually noncompetitive world of major weapons contracts. That is the purpose of my amendment.

The amendment has five sections. The first deals with the problem of defective pricing. My amendment would put muscle back into the Truth-In-Negotiations Act by disallowing certain defenses used by contractors before the Armed Services Boards of Contract Appeals that have weakened the law. Even when caught with inaccurate, incomplete, or noncurrent pricing and cost data, contractors have successfully argued that the contractor, being the sole source of the service, would not have modified the price, or that supplying cost and pricing data to any officer or Government employee regardless of whether the person was directly involved in the contract was sufficient, or that the contracting officer should have known that the data was deficient. Those are only a few of the examples that have been used to prevent the Government from obtaining fair and reasonable prices.

In addition, contractors who are often paid in advance, have long-term use of the taxpayer's money and under the law, they pay no interest for its use even if they submit defective pricing data. Of course, this gives the companies no incentive to settle claims, and my committee has heard of instances where it took the Government 3 years to recover the taxpayer's funds.

My amendment would put the incentive to settle back into the law by requiring that contractors be charged interest from the day of contract award for any amounts determined to be defective pricing.

The second part of my amendment deals with unearned and excessive contractor profits. To contribute to the solution of this problem, I propose reinstituting the old five member renegotiation Board which ensured that defense companies received reasonable profits. Prior to its elimination in 1979, the Board acted as the final check on profit levels and was especially important when defective costs showed up after contract progress payments were started. The Renegotiation Board found over $1.3 billion in excessive profits during its existence. It might have done an even better job if it had not concentrated on small contractors and collected the misused funds quickly.

To correct this problem I would also make two changes to the Board's procedures. First, renegotiation would be permitted by division and by product line within the organization of a contractor and subcontractor, closing a loophole that allowed firms to average profitable with unprofitable product lines to escape investigation. Second, I would increase the minimum floor at which a company is subject to review from $1 million to $5 million of renegotiable sales to encourage the Board to focus on larger defense suppliers. With the Pentagon signing nearly 15 million contracts per year and some companies making excessive profits in the range of 22 percent, we need an institutional mechanism to oversee the process and collect such profits after the contract has gotten under way.

In order to guarantee credible cost figures and estimates for use by DOD and the contractors, we must have some consistent rules for determining the facts. That is why my third proposal is to reestablish the Cost Accounting Standards Board which went out of existence in 1980 after promulgating uniform standards for defense contractors. Since then, no governmental group has taken over their functions. With recent disputes between contractors and the Government regarding allowable costs increasing, I suggest that we need some body to amend and interpret the standards. Under my legislation, the Board would be a part of the executive branch with the Comptroller General as chairman and four other members appointed by the President with the consent of the Senate for 4-year terms. The cost of the Board is estimated at $1 million annually, a small sum when compared to the $100 billion in procurement funds that are obligated per year.

However, none of these various watchdog institutions that I am reviving can operate without adequate information. The fourth section of my amendment reaches to that issue. My amendment would require a survey to be made every 3 years of the profits and finances of defense contractors. Although the Defense Department is currently undertaking such a study, my proposal would formalize on a regular 3-year basis, important trends in the defense industry so that the public and the Government can make informed decisions about the financial performance and capabilities of our defense business.

While profit information is available in a company's annual report, there is no breakdown of the profit level and investments on specific contracts. The last survey of such information was done in 1976 and since that time the economy and our defense policy has changed dramatically. What information we have via Wall Street indicate that profits for the defense industry are healthy, but that does not tell us whether they are reasonable or properly invested in resources that will strengthen and modernize our Armed Forces. My legislation starts us in the direction of getting the answers we need to make informed decisions.

Finally, the last part of my amendment would ensure that there is a statutory time limit on the filing of claims by contractors. Currently, all contractors except those in the shipbuilding industry may file claims months and even years past the date upon which a change in the contract was made. This excessive period of time can result in confusion in establishing the validity of the claim and permits the company to use the claims process as a means of recouping losses incurred on the overall contract. Recently, the Navy set an 18-month statutory limit as the deadline for the filing of claims. My amendment extends this deadline to all defense contracts and I might add that it has the support of the Secretary of Defense who recommended that it be applied to all procurement and military construction.

Mr. President, the point of my amendment is not to punish the defense industry, or regulate our procurement system to the point of inefficiency. We, unlike other nations, depend on the free enterprise system to arm ourselves and that is one of the reasons we have the best forces in the world. But like any consumer, the buyer must make informed choices, especially when the buyer is using billions of the taxpayer's money.

My amendment gives the Government the comprehensive tools it needs to help reestablish the integrity of our defense system. I urge my colleagues to support it.

Mr. GOLDWATER. Mr. President, I congratulate my friend from Delaware and recognize him as one of the first Members of Congress to become aware of the great abuses practiced by some—and I use the word "some" advisedly—of our defense contractors.

I am very happy to report to my friend that in the report on the National Defense Authorization Act, he will find, under title VI and title VII, two descriptions of what the committee has already done in an effort to try to overcome these errors—"Procurement Policy Reform and Other Procurement Matters," and then "Title VII, Department of Defense Efficiency Economy Matters."

Also, someplace in this report—I cannot lay my fingers on it—is what we call the Gramm amendment, which very carefully lists every violation that we have been able to discover.

Even though the Internal Revenue Service may allow deductions for some of these expenses, they will not be allowed to be charged to the Federal Government in the cost of building equipment.

I say to my friend from Delaware that we have S. 940, which is now pending before the Armed Services Committee. Senator LEVIN, for example, was considering asking for hearings as part of the agenda for the Subcommittee on Defense Acquisition and Policy, which is a new subcommittee of the Armed Services Committee and is doing a splendid job under Senator QUAYLE.

I ask my friend from Delaware if he is willing not to call for the amendment at this time but to withdraw it, on the promise of the chairman that we will hold hearings, not just on this amendment but on the whole subject, long before October 31. I go that long because, as the Senator knows, we have a recess in August, we have a recess next week, we have the 4th of July, and it is getting kind of hard to find time to have meetings.

However, if the Senator is willing to do that, I can promise him adequate hearings, and by that time I think we will know a lot more about what has to be done in this field.

Mr. ROTH. Mr. President, in answer to the distinguished Senator from Arizona, first let me say that I agree with him that, while we have some contractors who have failed to live up to the kind of standards he and I expect, there are many others who are doing the kind of job we want. I think it is important that that be recognized.

I also say to the distinguished chairman of the Armed Services Committee that I recognize that these proposals are expensive, important, and deserving of careful hearings. So I would be willing to withdraw the amendment, with the understanding that his committee would hold hearings. If I understand the chairman correctly, he would expect some kind of legislation to come up sometime before the end of the year and not wait until next year's authorization.

Mr. GOLDWATER. I can say to the Senator that the Armed Services Committee is most anxious to enact legislation whose purpose will be to prevent a repetition of the kind of things we have been hearing about, occurrences, I might say, that have given this Senator the biggest problem in his senatorial life, in trying to provide adequate equipment for our Armed Forces.

When you go home and your wife asks, "What is a $600 toilet seat?" and you cannot explain it to her, you are in bad shape. I hope that will never happen again.

So I can promise that this heairng will be held, and the Senator will be given adequate opportunity to testify and to call any witnesses he wants.

Mr. ROTH. I look forward to working with the chairman because I know of his long interest in and personal dedication to clarifying this situation. I do not think there is anyone in the Senate who is more interested in supplying our military men with better equipment than the senior Senator from Arizona.

Mr. President, I will withdraw the amendment, and I look forward to working not only with the chairman but also with his committee, in an effort to bring about helpful reform.

Mr. GOLDWATER. I thank the Senator. We will keep him adequately posted.

I understand that the Senator has another amendment.

Mr. ROTH. That is correct.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the pending amendment of the Senator from Georgia be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I just want to say a brief word about Senator ROTH'S amendment.

I think he has given us a lot of food for thought here, and some of the points he makes have to be addressed, and addressed very soon. I congratulate the Senator from Delaware on his amendment.

I did not hear the chairman's comments, but I know that he expresses the strong sentiments of the committee in moving into this area very soon.

I congratulate the Senator from Delaware for presenting this to us and stimulating our thinking on this important subject.

Mr. ROTH. I thank the distinguished Senator from Georgia. He is a member of both the Armed Services Committee and the Governmental Affairs Committee, and I know of no one who has made a greater contribution in this area than the senior Senator from Georgia. I thank him for his gracious remarks.

The PRESIDING OFFICER. The amendment of the Senator from Delaware is withdrawn.

AMENDMENT NO. 175

(Purpose: To amend title 10, United States Code, to authorize the President to award prisoner of war medals in appropriate cases)

Mr. ROTH. Mr. President, I send a second amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendent numbered 175.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following:

PRISONER OF WAR MEDAL

SEC. 917. (a)(1)(A) chapter 357 of title 10, United States Code, is amended by inserting after section 3743 a new section as follows:

"§ 3743a. Prisoner of war medal: award

"The President may award a prisoner of war medal of appropriate design, with ribbons and appurtenances, to any person who, while serving in any capacity with the Army, has been taken prisoner and held captive by a hostile opposing armed force—

"(1) while engaged in an action against an enemy of the United States;

"(2) while engaged in military operations involving conflict with an opposing foreign force; or

"(3) while serving with friendly forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party.".

(B)(1) Section 3744(a) of such title is amended by striking out "or distinguished-service medal" and inserting in lieu thereof "distinguished-service medal, or prisoner of war medal".

(ii) Subsections (b), (c), and (d) of section 3744 of such title are each amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(iii) The catchline of such section is amended by striking out the colon after "distinguished-service medal" and inserting in lieu thereof a semicolon and the following: "prisoner of war medal:".

(C)(i) Section 3745 of such title is amended by striking out "and distinguished-service medal," and inserting in lieu thereof "distinguished-service medal, and prisoner of war medal".

(ii) The catchline of such section is amended by striking out the colon after "distinguished-service medal" and inserting in lieu thereof a semicolon and the following: "prisoner of war medal:".

(D)(i) Section 3747 of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(ii) The catchline of such section is amended by inserting "prisoner of war medal;" after "distinguished-service medal;".

(E)(i) Section 3748 of such title is amended by inserting "3743a," after "3743,".

(ii) The catchline of such section is amended by inserting "prisoner of war medal;" after "distinguished-service medal;".

(F) Section 3725(a) of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(2) The table of sections at the beginning of such chapter is amended—

(A) by striking out the items relating to sections 3744 and 3745 and inserting in lieu thereof the following:

"3743a. Prisoner of war medal: award.
"3744. Medal of honor; distinguished-service cross; distinguished-service medal; prisoner of war medal: limitation on award.
"3745. Medal of honor; distinguished-service cross; distinguished-service medal; prisoner of war medal: delegation of power to award."; and

(B) by striking out the items relating to section 3747 and 3748 and inserting in lieu thereof the following:

"3747. Medal of honor; distinguished-service cross; distinguished-service medal; prisoner of war medal; silver star; replacement.
"3748. Medal of honor; distinguished-service cross; distinguished-service medal; prisoner of war medal; silver star; availability of appropriations.".

(b)(1)(A) Chapter 567 of title 10, United States Code, is amended by inserting after section 6243 a new section as follows:

"§ 6243a. Prisoner of war medal

"The President may award a prisoner of war medal of appropriate design, with ribbons and appurtenances, to any person who, while serving in any capacity with the Navy or Marine Corps, has been taken prisoner and held captive by a hostile opposing armed force—

"(1) while engaged in an action against an enemy of the United States;

"(2) while engaged in military operations involving conflict with an opposing foreign force; or

"(3) while serving with friendly forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party.".

(B) Section 6247 of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(C) Subsections (a) and (b) of section 6248 of such title are each amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(D) Section 6251 of such title is amended by inserting "the prisoner of war medal," after "the distinguished-service medal,".

(E) Section 6253 of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(F) Section 6254 of such title is amended by inserting "prisoner of war medals," after "distinguished-service medals,".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6243 the following:

"6243a. Prisoner of war medal.".

(c)(1)(A) Chapter 857 of title 10, United States Code, is amended by inserting after section 8743 the following new section:

"§ 8742a. Prisoner of war medal: award

"The President may award a prisoner of war medal of appropriate design, with accompanying ribbons and appurtenances, to any person who, while serving in any capacity with the Air Force, has been taken prisoner and held captive by a hostile opposing armed force—

"(1) while engaged in an action against an enemy of the United States;

"(2) while engaged in military operations involving conflict with an opposing foreign force; or

"(3) while serving with friendly forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party.".

(3)(1) Section 8744(a) of such title is amended by striking out "or distinguished-service medal" and inserting in lieu thereof "distinguished-service medal, or prisoner of war medal".

(ii) Subsections (b), (c), and (d) of section 8744 of such title are each amended by inserting "prisoner of war medal," after "distinguished-service medal."

(iii) The catchline of such section is amended by striking out the colon after "distinguished-service medal" and inserting in lieu thereof a semicolon and the following: "prisoner of war medal:".

(c)(1) Section 8745 of such title is amended by striking out "and distinguished-service medal," and inserting in lieu thereof "distinguished-service medal, and prisoner of war medal."

(ii) The catchline of such section is amended by striking out the colon after "distinguished-service medal" and inserting in lieu thereof a semicolon and the following: "prisoner of war medal:".

(D)(i) Section 8747 of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(ii) The catchline of such section is amended by inserting "prisoner of war medal;" after "distinguished-service medal;".

(E)(i) Section 8743 of such title is amended by inserting "8745a," after "8743,".

(ii) The catchline of such section is amended by inserting "prisoner of war medal;" after "distinguished-service medal;".

(F) Section 8752(a) of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(2) The table of sections at the beginning of such chapter is amended—

(A) by striking out the items relating to sections 8744 and 8745 and inserting in lieu thereof the following:

"8743a. Prisoner of war medal: award.
"8744. Medal of honor; Air Force cross; distinguished-service medal; pris-

oner of war medal: limitation on award.

"8745. Medal of honor; Air Force cross; distinguished-service medal; prisoner of war medal: delegation of power to award."; and

(B) by striking out the items relating to sections 8747 and 8748 and inserting in lieu thereof the following:

"8747. Medal of honor; Air Force cross; distinguished-service cross; distinguished-service medal; prisoner of war medal; silver star: replacement.

"8748. Medal of honor; Air Force cross; distinguished-service cross; distinguished-service medal; prisoner of war medal; silver star: availability of appropriations.".

(d) The time limitations applicable to the prisoner of war medal prescribed by sections 3744(b), 6248(a), and 8744(b) of title 10, United States Code (as amended by subsection (a)(1)(B)(ii), subsection (b)(1)(C), or subsection (c)(1)(B)(ii)), shall not begin to run until the date of enactment of this Act in the case of any member or former member of the Armed Forces of the United States captured and held captive by an enemy force on or after April 6, 1917, and released from prisoner of war status prior to the date of enactment of this Act.

Mr. ROTH. Mr. President, I am offering, in the form of an amendment to S. 1160, the defense authorization bill, the following, which will authorize the award of a Prisoner of War Medal in appropriate cases.

I am especially proud to sponsor this amendment, which was originally introduced as a Senate bill 467 with the cosponsorship of Senators Pell, Inouye, Gramm, Domenici, Cranston, Pressler, Riegle, Boren, Kasten, Garn, Gore, Murkowski, Glenn, Heflin, and McConnell. This amendment will formally recognize that character of military service which arises under the most hostile and difficult of circumstances—that of being held prisoner by the enemy.

Traditionally, we, in Congress, have been keenly aware of the need to recognize the bravery and self-denial displayed by the men and women of our Armed Forces during time of hostilities. Acts of heroism on the battlefield, resolve exhibited in the face of extreme physical hardship, and wounds sustained at the hands of the enemy are all officially recognized by the U.S. Government as constituting acts above and beyond the call of duty.

It is surprising, therefore, that U.S. Armed Forces personnel who have served honorably as prisoners of war have, as yet, received no official recognition of the tremendous sacrifices which they have made for their country. Few members of our Armed Forces have suffered as greatly, both physically and mentally, as those who have been taken prisoner by the enemy in time of war. The Prisoner of War Medal, like other military badges, will identify the wearer as having given special service to his country.

We must remember that, in the vast majority of cases, the prisoner of war is a frontline fighting soldier. Only the fighting soldier comes close enough to the enemy to be taken prisoner. That he is not listed as among the slain is due to the infinite care of providence. After capture, prisoners of war must serve in extraordinarily difficult circumstances. Held in hostile confinement, they are at the mercy of their captors and have been victims of disease, starvation, and extreme brutality. Some have been murdered. The POW does not know if, when, or how his confinement will end. For many, the physical and mental suffering of imprisonment leave scars which stay with them for all of their lives.

Official recognition of the sacrifices of American POW's is long overdue. This decoration will be available to all who have honorably served as prisoners of war and for those families of former prisoners of war who have died at the cruel hands of the enemy, or subsequently, a posthumous award may be applied for through the Department of Defense. This medal will be a recognition by the people of the United States that the individual forfeited his freedom in the cause of freedom.

Mr. President, I and my staff have consulted with numerous veterans' groups on this issue and, without exception, they have expressed their strong support for this proposal. I trust that my colleagues in the Senate will, similarly, support this proposal to honor those Americans who have given so much in the service of their country.

Mr. President, I yield back the floor.

Mr. MURKOWSKI. Mr. President, as chairman of the Veterans' Affairs Committee, it is an honor and a privilege to rise as a cosponsor in support of S. 467 which will award a medal to former prisoners of war. This medal will recognize the sacrifice of personal liberty which more than 142,000 courageous members of our Armed Forces have made in the cause of four major conflicts of this country: WWI, WWII, Korea and Vietnam.

It is appropriate that this country recognize formally the sacrifices made by those who served in one of the most grueling theaters of war—the enemy prison camp. Over 17,000 of these POW's died while in captivity. Many others suffered permanent physical or mental harm.

The Veterans' Committee has recognized the effects of harsh confinement in the priority of VA health care and presumptions of service connection which it accords to former POW's. The effects of the mistreatment, abuse, and malnutrition are documented by those who survived.

I believe that this medal will be an important symbol to those who receive it. The medal will go to all living former POW's who are still in the military or who were honorably discharged. Families of deceased former POW's may apply and receive a medal also. The cost of this program is not significant according to CBO, and the honor to these deserving veterans is great.

I urge my colleagues to join me in recognizing those who were forced to endure captivity, depravation and abuse at the hands of hostile forces while serving in defense of our Nation.

Mr. GOLDWATER. Mr. President, the majority side finds no problem with this amendment. I think it is perfectly proper that prisoners of war receive some recognition in the form of an award. Usually they are awarded the Purple Heart, but that is not always given strict adherence to the rules of the Heart.

So, we would be very happy to accept the amendment, and I yield to our colleague on the minority side.

Mr. BINGAMAN. Mr. President, we have no objection to the amendment.

Mr. GOLDWATER. The committee will accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. ROTH. I thank the distinguished chairman and ranking minority member for agreeing to this amendment.

Mr. President, I do have one further amendment I could offer at this time, a brief one.

Mr. GOLDWATER. We are wide open for amendments.

Mr. President, I ask unanimous consent that I appear as a cosponsor of that last amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 176

Mr. ROTH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Delaware [Mr. Roth] proposes an amendment numbered 176.

Mr. ROTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

It is the Sense of the Senate that in 1986, the U.S. Postal Service should issue a postage stamp commemorating the 350th anniversary of the establishment of the U.S. National Guard.

The PRESIDING OFFICER. If the Senator will suspend, I ask the chairman of the committee whether or not he wishes to lay aside temporarily the amendment of the Senator from Georgia.

Mr. GOLDWATER. I should have asked that. I do ask unanimous consent that the amendment of the Senator from Georgia be temporarily set aside so that we can consider another amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Delaware.

Mr. ROTH. Mr. President, in March 1985, I sent a letter to the Honorable Paul N. Carlin, the Postmaster General of the United States, requesting that the U.S. Postal Service issue a postage stamp commemorating the 350th anniversary of the establishment of the National Guard. That letter was cosigned by Senators Durenberger, Chafee, Melcher, Pell, Sarbanes, Johnston, Sasser, Bentsen, Inouye, Chiles, D'Amato, Simon, Grassley, Cohen, Cochran, Levin, Boren, Helms, Hollings, Riegle, Warner, Heflin, and Andrews.

I now wish to introduce that request as a sense of the Senate resolution.

The need for such commemoration is obvious. The Guard occupies a unique place in American history, tracing its establishment to an order of the General Court at Boston, MA, issued on December 13, 1636. That order resulted in the establishment of Massachusetts' 101st Engineer Battalion and the 182d Infantry. Since that date units of the Guard have fought in almost every major U.S. military engagement, including: the Revolutionary War, the War of 1812, the United States-Mexico War of 1846–48 and the Spanish-American War of 1898.

The Guard's contribution to the security of this Nation has become even more noteworthy during this century. When the United States entered World War I, the National Guard immediately made 379,000 men available for active duty. Foreseeing the inevitability of our involvement in World War II, President Roosevelt ordered the Guard into active Federal Service in 1940. Between September 1940 and October 1941, the Guard brought a total of 300,000 men, in 18 combat divisions, along with many nondivisional units, into active service. In so doing, the Guard effectively doubled the size of the U.S. Army and greatly increased the effectiveness of our Armed Forces in the critical days following the attack on Pearl Harbor. It is especially noteworthy that, of those 300,000 enlisted Guard recruits, 75,000 were raised to officer rank during World War II. The Guard had not only increased the actual size of our Armed Forces, it had provided the crucial trained leadership which those forces would need to fight the war to its successful conclusion.

The Guard's capacity to respond to emergency has been demonstrated repeatedly since World War II. With the outbreak of the Korean war, the Army Guard brought eight infantry divisions and three regimental combat teams into active duty. The Air National Guard, established in 1947, called up 19 fighter wings, 2 light bomber wings, 1 tactical reconnaissance wing and 66 tactical squadrons. President Kennedy called up the Air Guard on October 1, 1961, during the Berlin crisis. Within 1 month, the Air Guard had deployed 216 jet fighters, with supporting elements, in Europe, all of them immediately assuming operational missions.

With the advent of the All-Volunteer Force and the rising cost of regular Armed Forces personnel, we have come to depend increasingly upon our National Guard and Reserve units to provide the basic manpower of our defensive forces in time of emergency. Nor should we forget that the duties of the Guard extend well beyond regular military missions. The Guard is repeatedly called out to assist the civilian population to cope with a variety of climatic and civil emergencies. Since we have come to depend so heavily upon the Guard, the least we can do is to issue a postage stamp in commemoration of its establishment and in recognition of the many services which it performs for this Nation.

Mr. President, I urge the adoption of the sense-of-the-Senate resolution.

The PRESIDING OFFICER (Mr. Gramm). The Senator from Arizona.

Mr. GOLDWATER. Mr. President, first, as a former member of the National Guard, I wish to thank my friend from Delaware. I did not realize that the Guard was 350 years old. It is still hard to believe. It was what—1646?

Mr. ROTH. 1636.

Mr. GOLDWATER. 1636. Well, I do not go back that far. But I do thank my friend for introducing this. As far as the majority side is concerned, we have no objection to it at all and we are glad to accept it.

Mr. BINGAMAN. Mr. President, we have no objection to the amendment. We commend the Senator from Delaware for offering it. It is an excellent amendment.

Mr. GOLDWATER. We will accept the amendment.

The PRESIDING OFFICER (Mr. Gramm). The question is on agreeing to the amendment.

The amendment (No. 176) was agreed to.

Mr. ROTH. Again, I thank both the chairman and the acting ranking member for their support. I think it is indeed a remarkable record of service to our Nation.

Mr. GOLDWATER. It really is.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business before the body is the amendment of the Senator from Georgia.

Mr. MELCHER. Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia be temporarily laid aside.

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Reserving the right to object, will the Senator tell me which amendment he wants to bring up?

Mr. MELCHER. If the Senator from Arizona will yield, Mr. President, I have three amendments. I was going to bring up the Indian amendment.

Mr. GOLDWATER. I have to tell my friend from Montana that the staff is not ready to discuss that at this time. We just received copies of it a few minutes ago. One of them relates to bases in the Philippines, and the other is a matter of instruction. I do not feel competent at this time to discuss the amendment. I ask the distinguished Senator if he will withhold until some time tomorrow when the staff will be better able to inform me as to just what we are talking about.

Mr. MELCHER. I am delighted to withhold. I have three amendments to choose from. I am ready and willing to offer any one of the three. I am delighted to withhold the amendment concerning the Indians. I do have two other amendments. I am ready to go on any of them.

Mr. GOLDWATER. I have only seen two. We do not have a copy of a third one yet.

Mr. MELCHER. Mr. President, I am not going to offer any of the three amendments until both managers are ready. But let me make a few comments.

In Montana, there are not very many military bases. As a matter of fact, there is only one. In Montana, there are very few Government procurement contracts for the Department of Defense. However, there is one contract with the Fort Peck Indian Tribes that has been ongoing for a number of years. That contract for the procurement of some defense supplies has amounted to $54 million since 1975.

This is an ongoing contract. It is a contract to stimulate some economic opportunity for these particular Indians at the Fort Peck reservation.

$37.50 for his wife and every depend-

What they do is very satisfactory. The Government is pleased with it.

I am going to ask the Senate to consider perhaps a rather unusual procedure. The amendment that I shall offer, or hope to offer, perhaps tomorrow—or whenever the managers have had time to study the amendment thoroughly—would provide that this particular contract will continue to be a sole source contract. Generally, I would not be asking anyone to consider that type of arrangement because it it best to have competitive bidding for Government procurement for any department. That applies to defense as well. However, there is a real question here as to whether this contract would be continued to be authorized. It is felt by those that have looked at the situation that it would be better if the contract were not let by competitive bidding. So I ask for a thoughtful review of this amendment when it is proposed, a thoughtful review by my colleagues as to whether the facts and the situation merit that rather unusual procedure. I will describe the amendment in detail when it is offered. This is an attempt to continue the buy current status of this contract on a sole source basis and retain this particular contract for these particular Indians who have done an outstanding job of meeting their contract obligations. They perhaps will not win the contract if it were open to competitive bidding.

Mr. President, I yield the floor.

Mr. GOLDWATER. I say to my friend from Montana that I do not see how we can entertain any amendment that provides for noncompetitive purchase or bidding. However, the amendment that the Senator has offered that relates to military bases in the Philippines I have asked the minority staff to check. It is agreeable with the majority staff. As soon as we hear from them, we can tell you whether or not we will take it.

Mr. President, it will not be possible for us to accept tonight any of the amendments offered by my friend from Montana. But tomorrow I suggest that he offer them again when we have more complete attendance. We would be very happy to consider them. The majority side finds nothing wrong with the military bases in the Philippines but on the others I think there is some question. If the Senator will do that, we can get along. I think the Senator from Ohio has an amendment or two he wants to offer.

Mr. MELCHER. I thank my friend from Arizona.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia, Senator NUNN, be temporarily put aside so that we may have an amendment from the distinguished Senator from Ohio.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 177

(Purpose: To conform the travel and transportation allowances for members of the uniformed services and their dependents under orders for a permanent change of station to the travel and transportation allowance provided for civilian officers and employees of the Federal Government under similar circumstances)

Mr. GLENN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment number 177.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 53, between lines 13 and 14, insert the following new section:

TRAVEL AND TRANSPORTATION ALLOWANCES IN CONNECTION WITH PERMANENT CHANGE OF STATION

SEC. 516. (a)(1) Notwithstanding any other provision of law, under uniform regulations prescribed by the Secretary of Defense, the travel and transportation allowances payable for travel performed or to be performed by members of the uniformed services and their dependents under orders for a permanent change of station shall be equivalent to the travel, transportation, and subsistence allowances payable to civilian officers and employees of the Federal Government under chapter 57 of title 5, United States Code, in connection with assignments to an official station for permanent duty.

(2) In prescribing regulations under paragraph (1), the Secretary of Defense shall consult with the Secretaries of Commerce, Transportation, and Health and Human Services.

(b) Not later than February 1, 1986, the Secretary of Defense shall transmit to the Congress a report on the actions taken to implement subsection (a). The report shall include recommendations for legislation to amend title 37, United States Code, so as to reflect the changes required by subsection (a)(1).

(c) In this section, the term "uniformed services" has the same meaning as provided in section 101(3) of title 37, United States Code.

Mr. GLENN. Mr. President, this is an amendment to provide permanent change of station reimbursements for military members, those reimbursements to be identical to those provided to Federal civilian employees. Moving is a way of life in the military. It also happens to be one of the single biggest irritants of military life because few military families can make a permanent change-of-station move without losing some of their own money. I know that from personal experience while spending 23 years in the Marine Corps.

That was back in the days when they used to move us every 2 or 3 years; I never made a single move that did not cost me a considerable amount of money out of my own pocket.

The Government today simply does not adequately reimburse military members for the frequent moves we ask military members to make. I would say this is in marked contrast to the way the Federal Government treats its civil service employees who also move at Government expense. Today, the Federal Government reimburses civilian members at a much higher rate than it reimburses military members.

I am certainly not proposing with this amendment, Mr. President, to lower the reimbursements that go to civil service members, but I think there is a great disparity here and it is a great inequity. I think it should be corrected. I do not know whether we can overcome this inequity with this bill or not, but this amendment would certainly take care of it by very simply giving military members identical reimbursement to Federal civilian employees.

Let me cite just a few examples, Mr. President, of these differences. First, reimbursement for a house-hunting trip. A civilian employee can get a fully paid house-hunting trip for up to 10 days at Government expense for himself and his wife.

How about the military? Well, if the serviceman is lucky and is granted leave, he can get a space-available flight for transportation if one is available to the area of his new duty station. He does not get any per diem for such a trip, however, and he is strictly out on his own.

Second, how about real estate expenses? A Federal civilian employee can claim the lesser of 10 percent or $15,525 of the selling price of his home and, added to that, the lesser of $7,763, or 5 percent of the purchase price of his home. If the employee does not own or plan to buy a home, Uncle Sam will help out with lease-breaking arrangements, even.

How about the military member? If he is lucky, the military member can get base housing. I do not know what the percentage of people who use base housing is, but it is not very high. In my 23 years in the Marine Corps that I mentioned earlier, I had base housing a grand total of 5 months out of 23 years. I was always on the list and always seemed to get transferred just before I was due to get base housing. The timing never seemed to work out.

Let's look at the third comparison: per diem. A civilian employee gets $50 a day per diem for himself, $37.50 per day for his spouse, $37.50 per day for every other dependent over 12, and $25 per day for every dependent under 12.

That is per diem en route to his new residence. I repeat that. The Federa. civilian gets $50 a day for himself,

$37.50 for his wife and every dependent over 12, and $25 for every dependent under 12. The military family gets a total of $50 per day. If you have 20 kids, you have 20 kids you have to take along with you on $50 a day. I grant that not too many people have 20 kids these days, but the disparity is there, and obviously that mounts up to a very sizable difference in the moving costs between the civilian and the military.

Example No. 4: Household goods allowance. Every Federal civilian can move up to 18,000 pounds of household goods—18,000 pounds. How about the military? Household goods weight allowances in the military are based on rank and capped at 13,500 pounds for the most senior officers. If you are a member of the Joint Chiefs of Staff or a general in the Army, for example, you are only allowed to ship a total of 13,500 pounds. This is compared to any civilian transfer where the lowest GS rating, as I understand it, can move up to 18,000 pounds. Having had to pay some of those household goods transfers, because my wife is an excellent acquirer of things for our home, I can tell you that that moving household goods has cost me a bundle in the years past. Again, I think the disparity is obvious and unjustified.

Example No. 5: Temporary quarters subsistence allowance. The Federal civilian can get 60 days of temporary quarters at his new duty station paid for by the Government—60 days of temporary quarters at his new duty station paid for by the Government. What does the military get? We recently authorized up to 4 days temporary lodging expenses for the military members but it has never been funded by the Appropriations Committee. So the service members gets a "thank you" for the transfer and no reimbursement the Federal civilian gets 60 days of temporary quarters at his new duty station paid for by the Government.

Example No. 6: Miscellaneous expenses. The Federal civilian with a family can get a $700 allowance for miscellaneous expenses or with documentation up to an amount equal to 2 weeks pay up to grade GS-13, not to exceed $1,880. Military members, on the other hand, receive a dislocation allowance equal to 1 month's basic allowance for quarters, which—depending on the members rate or rank, ranges from $123 to $662 per month.

At this point, Mr. President, I ask unanimous consent that a comparative study of permanent change of station reimbursement costs for Federal civilian employees and military members, done at my request by the Congressional Budget Office, be printed in the RECORD.

There being no objection, the comparative study was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, May 16, 1985.

Hon. JOHN GLENN,
U.S. Senate,
Washington, DC.

DEAR SENATOR: In response to your letter of March 29, 1985, the Congressional Budget Office has prepared the following analysis on Permanent Change of Station (PCS) issues for both military personnel and federal civilians. Specifically, you asked for the differences in PCS benefits for federal civilian employees and military personnel, along with a cost comparison for a hypothetical move. In addition, you requested data on the numbers and costs of civilian and military moves and the budget impact of equalizing these benefits.

Reimbursement rates depend sometimes on whether the move is within the continental United States (CONUS) or overseas. Attachment 1 shows the types of reimbursement available to civilians making CONUS moves; Attachment 2 shows this information for overseas moves. For military personnel, Attachment 3 pertains to CONUS moves and Attachment 4 pertains to overseas moves. All rates are those now in effect and exclude changes proposed in the FY 1986 budget or in pending legislation.

An accurate comparison of the reimbursements to military and civilian employees cannot be reduced to a single number representing the difference in reimbursements. The primary reason is that reimbursement is often provided in-kind rather than in cash; for example, military personnel are more likely to receive a house to live in and not need reimbursement relating to real estate than a civilian who generally receives a higher reimbursement rate, but no house. Also, the overall rates of compensation can make up for some apparent inequities; for example, higher pay rates, retirement pay, and bonuses available to military personnel but not to civilians could make up for a lower rate of reimbursement for moves—especially in light of reimbursement in-kind.

Nevertheless, in response to your request for a cost comparison Attachment 5 compares the relative levels of reimbursement for an E-7 and a GS-9 when ordered to make a PCS move from Washington, D.C. to San Francisco, California. A family of 4 persons with one child over 12 and one child under 12 has been used for this example. The results suggest that civilians receive more reimbursement, though the amount varies depending on assumptions. Attachment 6 outlines the various assumptions for this estimate. This comparison may not be representative for reasons cited above.

To answer your third and fourth questions, we checked with several executive offices to determine the number and cost of government employee moves. This data is available for military personnel, but not for civilians. For 1985, the number of PCS moves for the military is projected to be 1,277,653 at a total cost of $2.3 billion or an average cost of $1,824 per move. In 1986, the President plans to increase the number of moves by over 15,500 for a total of 1,293,201 at an annual cost of $2.7 billion or $2,065 per move.

Finally, CBO cannot answer your fifth question about the cost or savings of equalizing moving expenses for civilians and the military without significant further study. Such an estimate would require more information than either the Administration or CBO has been able to gather. For example, if military weight limits for household goods allowances were set at 18,000 pounds, the limit for all civilians, the costs would range from zero to $6.2 billion. DoD projects an average shipment of about 3,500 pounds at a total cost of $1.5 billion. If the new weight allowance caused military personnel to increase their shipments to 4,000 pounds each, costs would rise $200 million. An increase to 10,000 pounds would raise costs $2.8 billion and if all military personnel used the full 18,000 pounds, costs would rise $6.2 billion. Neither DoD nor CBO has a good idea of how the average shipment would change under the new benefit, so we cannot estimate the budget impacts.

With best wishes,
Sincerely,
RUDOLPH G. PENNER,
Director.

ATTACHMENTS 1

PCS Entitlements for Federal Civilian Employees:

Requirements:

Civilians are treated uniformly; there is no distinction by grade. No break in service is allowed between moves. The employee must stay on the job for 12 months after the move.

Entitlements:

House hunting trip:

An employee and/or spouse may be given one round-trip to the new location for house hunting purposes. The maximum number of days allowed for this trip is ten, which includes travel time. Per diem allowances of $50 per day for the employee and $37.50 for the spouse are allowed.

En Route Expenses:

(a) Trip can be by common carrier.

(b) If the family travels by car, the following mileage allowances are in effect:

(1) 1 person—15 cents/mile.

(2) 2 people—17 cents/mile.

(3) 3 people—19 cents/mile.

(4) 4 or more people—20 cents/mile.

Per Diem Allowances:

To determine the number of days for which a civilian is entitled to per diem expenses, take the number of miles traveled and divide by 300. (300 is the minimum number of miles a car must be driven in one day). This trip must be the one that transports the family from the old location to the new. The per diem allowances are as follows:

(a) Employee—$50/day.

(b) Spouse—$37.50/day.

(c) Each family member over 12—$37.50/day.

(d) Each family member under 12—$25/day.

Household Goods Weight Allowance (HHG):

The maximum weight of HHG a civilian may move is 18,000 lbs. This applies to all federal civilian employees.

Temporary Storage:

An employee is entitled to 90 days of temporary storage. An additional 90 days may be authorized, depending on circumstances.

Mobile Home Transportation:

The movement of a moble home will be authorized if it is a residence.

This move will be in lieu of HHG shipments.

Temporary Quarters Subsistance Allowance:

The payment of a temporary quarters allowance may be authorized for up to 60 days for compelling reasons. The allowance is divided into two time frames.

(a) First 30 days:
(1) Employee—$50/day.
(2) Accompanying spouse—$33.50/day.
(3) Family member over 12—$33.50/day.
(4) Family member under 12—$25/day.
(b) Second 30 days:
(1) Employee—$37.50/day.
(2) Spouse—$25/day.
(3) Family member over 12—$25/day.
(4) Family member under 12—$18.75/day.

Real Estate Expenses:

Under this provision, an employe has a two year entitlement period in which to claim expenses on either the sale of an old house or the purchase of a new one. Interest expenses, discount points and other such items are not allowed as expenses. Closing costs such as a broker's commission are allowed. The level of expenses an employee may claim are:

(a) On sale of house—a maximum entitlement of $15,525 or 10 percent of price, which ever is less.

(b) Purchase of home—a maximum entitlement of $7,763 or 5 percent of price, whichever is less.

Lease—Breaking Expenses:

If, in order to move, an employee has to break a lease, he will be reimbursed for such expenses.

Miscellaneous Expenses Allowance: This provision covers any extra expenses an employee incurs when setting up a new home. For example, the employee might have to pay for a change of auto licenses. The allowances are as follows:

(a) With family—

(1) Without any documentation, an employee can receive either $700 or two weeks' basic pay up to Grade 13, whichever is less.

(2) With documentation, an employee can receive up to 2 weeks' basic pay, limited to Grade 13.

(b) With no family—

(1) Without any documentation, an employee may receive either $350 or one week's basic pay, limited to Grade 13, whichever is less.

(2) With documentation, an employee may receive one week's basic pay, limited to Grade 13.

Relocation Services:

This entitlement allows a government agency the discretionary authority to enter into contracts with private firms to assist in selling the employee's home or other services associated with a relocation. The primary purpose is to assist in the sale of a house. The government agencies have the option of providing this service to their relocating employees or not doing so. The money for this service has to come out of the agency's appropriated funds. The government may not purchase or take title to the employee's home.

ATTACHMENT 2

Overseas Travel—Civilian Employees:

Requirements:

A minimum tour of duty of one year following the transfer is required.

Entitlements:

Because rates are determined by local costs no dollar amounts are listed.

En Route Expenses:

Airfare for employee and dependents (child must be under 21) is covered.

Predeparture Expenses:

Foreign Transfer Allowance provides for lodging and meals up to 10 days prior to departure.

Temporary Living Expenses:

Lodging and meal expenses are covered by a temporary lodging allowance and supplementary post allowance respectively. These allowances are available for the first three months after arrival and the final month prior to departure. The rate is based on the number and ages of dependants.

Household Goods Weight Allowance (HHG):

Up to 18,000 pounds may be shipped if the employee is moving into unfurnished quarters. For furnished quarters the limit is 7,200 pounds.

Non-Temporary Storage:

Up to 18,000 pounds may be stored for the duration of the overseas tour. The storage weight combined with the weight shipped as household goods may not exceed 18,000 pounds.

Real Estate Expenses:

These are the same as in Attachment 1.

Return to the United States:

The home service transfer allowance provides for lodging and meals for up to 30 days following the return to the United States. Reimbursement is not to exceed a maximum rate that declines every 10 days.

Dependent Student Travel:

One round trip per year is authorized.

Miscellaneous Expenses Allowance:

A post allowance for high cost of living areas is authorized. An advance of up to three months pay is authorized.

ATTACHMENT 3

PCS Entitlements for the Military:

House-hunting trip:

None are currently authorized.

En Route Expenses:

(a) Trip can be by common carrier.

(b) If the family travels by car, the following mileage allowances are in effect:

(1) military member—15 cents/mile.

(2) 2 people—1 member and spouse—22 cents/mile.

(3) 3 people—1 member, spouse, and child over 12—29 cents/mile.

(4) 4 people—1 member, 1 spouse, 1 child over 12, 1 child under 12—32.5 cents/mile.

Per Diem Allowance:

To determine the number of days for which a military member is entitled to per diem expenses, take the number of miles traveled and divide by 300. (300 is the minimum number of miles a car must be driven in one day). This trip must be the one that transports the family from the old location to the new. The per diem allowances are as follows:

(a) Military member—$50/day.

(b) No dependents are authorized per diem.

Households Goods Weight Allowance (HHG):

The weights allowed are determined by pay grade. The following tables outline the current HHG allowances.

Rank	*Current weight allowance*
0-10	13,500
0-9	13,500
0-8	13,500
0-7	13,500
0-6	13,500
0-5	13,000
0-4	12,000
0-3	11,000
0-2	10,000
0-1	9,500
W-4	12,000
W-3	11,000
W-2	10,000
W-1	9,500
E-9	9,500
E-8	9,000
E-7	8,500
E-6	8,000
E-5	7,000
E-4 2 years	7,000
CONUS/OVERSEAS	
E-4 2 years	225/1,500
E-3	225/1,500
E-2	225/1,500
E-1	225/1,500

Temporary Storage:

A military member may have up to 180 days of temporary storage.

Non-Temporary Storage:

Military members on rotational moves frequently are limited in the amount of HHG they can transport; because of this, they are allowed non-temporary storage. The storage is for the duration of the tour.

Mobile Home Transportation:

The movement of a mobile home will be authorized if it is a residence. This move will be in lieu of HHG shipments.

Temporary Lodging Expense (TLE):

The payment of TLE has been authorized since 1981 but the appropriation committees have never funded it. Maximum payment would be $110 per day for 4 days.

Real Estate Expenses:

None are currently authorized.

Lease-Breaking Expenses:

None are currently authorized.

Miscellaneous Expenses Allowance:

Members may receive a dislocation allowance (DLA). It is intended to cover any extra expenses that may occur when setting up a new home. DLA is equal to one month's BAQ and not payable to members moving into government quarters.

Relocation Services:

None are currently authorized.

ATTACHMENT 4

Overseas Travel—Military Personnel:

Requirements:

A minimum tour of duty of one year following the transfer is required.

Entitlements:

Because rates are determined by local costs no dollar amounts are listed.

En Route Expenses:

Airfare for the military member and dependents (except in restricted areas) is covered.

Predeparture Expenses:

There is no reimbursement for predeparture lodging allowance. A dislocation allowance can cover some of the moving expenses.

Temporary Living Expenses:

Lodging and meal expenses are covered by a temporary lodging allowance which is available for up to 60 days upon arrival and 10 days prior to departure.

Houeshold Goods Weight Allowance (HHG):

The amount of household goods that can be shipped varies by grade. The maximum is 13,500 pounds. If the member is moving into furnished quarters he may be limited to 2,000 pounds or 25 percent of the CONUS limit, whichever is greater. This varies by service however.

Non-Temporary Storage:

The member may place his possessions in non-temporary storage for the duration of the overseas tour.

Real Estate Expenses:

None are currently authorized.

Return to the United States:

The member receives nothing. If the Temporary Lodging Expense (TLE) is funded up to four days are authorized.

Dependent Student Travel:

One round trip per year is authorized.

Miscellaneous Expenses Allowance:

A cost of living allowance is authorized for high cost areas. An advance of up to three month's basic pay is authorized.

ATTACHMENT 5.—COMPARISON OF MOVING ALLOWANCES

	E-7	GS-9
Prior to departure:		
House-hunting trip:		
Air travel	N/A	$596
Per diem	N/A	875
Real estate expenses	N/A	[1] 9,000
En route:		
Mileage	$910	560
Per diem	450	1,350
Temporary storage	1,900	1,900
HHG	3,825	4,500
On arrival:		
Lodging and subsistence	470	2,840
Miscellaneous expense	384	700
Real estate expenses	N/A	[1] 4,500
Total	7,939	26,821
Total excluding items for which military may receive in-kind compensation that is, real estate-related expenses	7,939	11,850

[1] Does not include use of relocation services.

[2] Assume ship 10,000 pounds.

ATTACHMENT 6

Assumptions behind Example in Attachment 5:

1. A four person family with one child over 12 years of age and one under 12 is used in this example.
2. A distance of 2800 miles from Washington, D.C. to San Francisco, California is used in the calculations.
3. Family travels by car and makes it to San Francisco in 9 days.
4. Both spouses would go on house-hunting trip and would fly to San Francisco for 10 days.
5. Airplane tickets for house-hunting trip are purchased more than 30 days in advance.
6. For household goods shipments, it is assumed that the GS-9 will move 10,000 pounds (the average for a three-bedroom house). The E-7 is limited to 8,500 pounds under current military guidelines.
7. Miscellaneous expenses for the military are equivalent to an average dislocation allowance for 1986 of $384.
8. Miscellaneous expenses for civilian employees assume allowances for a family that does not document expenses.
9. Twenty day time limit in lodging and subsistence is assumed.
10. Current lodging and subsistence for a military member include BAQ, BAS and VHA.
11. Real estate expenses assume that relocation services are not used.
12. Temporary storage of 10,000 pounds worth of household goods is assumed to last 20 days.
13. Real estate expenses based on sale and purchase of homes costing $90,000. Spouses of civilian or military personnel are assumed to be employed to provide qualifying income.

Mr. GLENN. With these disparities in mind, Mr. President, it should not surprise anyone to learn that, according to a recent comparison by the newspaper, Air Force Times, a typical GS-9 with his wife and two kids moving from Washington, DC. to San Francisco can get a total of $19,344 from the Government to ease the pain of his move. An E-7, which starts out at about the same pay grade, with a family the same size, would get only $1,992 from the Government for the same move—less than 10 percent of his Federal civilian counterpart. I submit that is preposterous.

I repeat those figures. The civilian would get $19,344 compared to $1,992 for the military.

Mr. President, I ask unanimous consent that the Air Force Times comparison be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Air Force Times, Mar. 25, 1985]

PROPOSED MOVE PAY STILL LOWER THAN CIVILIAN

(By Rick Maze)

WASHINGTON.—Service members and their families would fare better at moving time under Pentagon proposals to increase military travel reimbursements, but they still will receive substantially smaller payments than federal civilians of comparable salary levels making identical moves.

The proposed travel improvements include provisions to increase per diem payments for lodging and subsistence, a revision of mileage reimbursement rates and payment of a temporary lodging allowance for Stateside moves.

Navy officials, responsible for drafting the necessary legislation, calculate that on a coast-to-coast move a married E-7 with two children will receive almost $800 more in travel allowances if Congress approves the changes proposed for FY 1986.

However, the calculation also shows that the E-7 still would receive some $2,800 less than a federal employee of comparable salary making the same move and facing identical expenses.

This disparity is even larger when the calculations include real estate expense reimbursements available to federal civilians to help them in selling their old homes and buying new ones. These benefits, not available to military members, would make the civil servant's total relocation payment up to $16,500 higher than that of the E-7, the Navy calculates.

The comparison is based on a hypothetical nine-day, 2,630-mile move from San Diego to Washington, D.C., as shown on the accompanying chart. The estimates assume that both the E-7 and federal civilian, a GS-9, are married with two children, ages seven and one.

Defense Department manpower officials, making a similar comparison for a shorter, 600-mile PCS move, found that a married E-6 with two children, ages two to 12, would receive $345 more in travel allowances if the DoD travel reimbursement package is approved by Congress. A married O-6 with two children, ages 12 to 20, would receive $349 more for a 600-mile move, Pentagon officials said.

But, as with the longer moves, service members would continue to receive far less in travel payments than federal civilians of comparable salaries. While under the proposed changes the E-6 moving 600 miles would receive $978 in travel allowances, a civilian servant, GS-7, would receive up to $17,192 for the same move, including the real estate benefits. While an O-6 would receive $1,264, a GS-15 could receive up to $18,029, according to the comparison.

Both the Pentagon and Navy analyses indicate that members will benefit most from proposals before Congress to increase per diem and the payment of a temporary lodging allowance of up to $110 a day for four days during the Stateside portion of PCS moves. It would be similar to the temporary lodging entitlement now paid during the overseas portion of PCS moves.

TLA is authorized by law, but for four years Congress has not funded the new allowance. On a nine-day coast-to-coast trip it would provide the member with four days' worth of allowances, or $440. On a two-day trip, it would provide $220.

The per diem increases, which would require new legislation, would result from new rates for dependents, in addition to the $50 per diem now paid to members.

The member would be provided an additional $37.50 per day for each dependent age 12 and over, and a $25 per diem for each dependent under 12 who accompanies the member during the move.

On a coast-to-coast move, a member accompanied by a spouse and two dependents under the age of 12 would receive $500 more than currently allowed for lodging and subsistence.

The per diem increases would be offset partially by a decrease in mileage allowances included in the legislative package. Members currently receive an allowance of 15 cents per mile, plus seven cents a mile for each dependent 12 and over and 3½ cents a mile for each dependent under 12 but older than two.

Under the budget proposal, a member traveling alone still would receive 15 cents a mile. A member traveling with one dependent, or two dependents traveling alone, would be paid a total of 17 cents per mile. A member traveling with two dependents, or three dependents traveling alone, would receive a total of 19 cents per mile. A member traveling with three or more dependents, or four or more dependents traveling without a sponsor, would receive 20 cents per mile, the maximum rate proposed.

Under the Navy-prepared example, the E-7 moving from San Diego to Washington, D.C., would receive $91 less in mileage allowance.

The net effect of the per diem increase and mileage allowance decrease would be higher payments for most families, Pentagon officials calculate. Using their example of a 600-mile move, the two changes would leave the member accompanied by a spouse and two children under 12 with $125 more in mileage and per diem, and the member accompanied by a spouse and two children over 12 with $79 more in combined per diem and mileage payments.

Mr. GLENN. Mr. President, something is wrong with our priorities when there is such a big disparity between the way we reimburse Federal civilian employees for their moving expenses and the way we reimburse military members for their moving expenses. I am not saying anything should be pulled down. I am saying it should be a more fair and equitable distribution, particularly for those who have to move more often. The military members have to move much more often at much greater inconvenience for them, but they are paid less reimbursement for that inconvenience. At a minimum they ought to be reimbursed for their moving expenses. That is the reason I put this amendment forward. I am offering the amendment which simply says that military members are eligible to receive the same reimbursement for moving expenses currently provided to Federal civilian employees.

The first question I know somebody is going to ask is: What does it cost? Well, this amendment is not cheap, Mr. President. We enlisted the help of the Congressional Budget Office once again in trying to figure out the total cost.

Mr. President, it is not cheap. Giving military members the same temporary lodging expenses as Federal civilians would cost about $2.5 billion. Mr. President, in addition to that, allowing all military members 18,000 pounds of household goods, like civilians, would add another $2.8 billion, assuming military members shipped an average of 10,000 pounds of household goods. Giving military members the same per diem and en route expenses as civilians costs another $400,000. These are very rough figures, but what I have totaled up so far that they could come up with at CBO comes to between $5 billion and $8 billion even before we talk about the expensive benefits that civilians now receive—like a house hunting trip and reimbursement for real estate expenses. So that would be in addition to this. I would presume it would be a minimum of another $2 billion or $3 billion.

Mr. President, the point of this whole thing is that I think the military is being dealt with unfairly. The Congressional Budget Office report that I submitted in the RECORD will give much more detail on it than I have in these summary remarks. The article from the Air Force Times of March 25, 1985, also details some of these disparities between civilian transfers, GS transfers and military transfers.

Mr. President, I move the adoption of this amendment. I think it is a good way to go in dealing fairly with our military. I know that we are under a budget crunch, but I also know that our military people out there who put up with a lot of the difficulties of overseas travel and time away from families and difficult transfers also want to be dealt with fairly. They do not want to be second-class citizens. They do not want to be dealt with as someone who does not rate the same treatment as their counterparts in civilian life.

So, Mr. President, I hope the distinguished floor manager of the bill will accept this amendment. After all, it is only $8 billion or $9 billion. But I am sure in all fairness he can see the equity of this.

Mr. GOLDWATER. Mr. President, I have a very sympathetic ear for all the Senator from Ohio has said. It has been a long, long time since I have been on active duty, but things were not very much better then. This is a very large amount of money, Mr. President. It will run something between $6 billion to $9 billion or even $10 billion. I would much rather see my friend from Ohio put this in a regular way through the Armed Services Committee, and I will do my best to help him. I do not know if we will come out exactly the way he would like, but I do think amending the act at this point is a particularly proper way to do this, particularly in view of the fact that we are not told the House has gone to zero-zero-zero and maybe will go minus 4-minus 4-minus 4. I just do not know where the money is coming from. I do agree with everything the Senator has said, that the man in uniform gets the short end of the stick. He has been getting it all his life, as long as we have had armed services. But I just cannot bring my conscience to the point that I would feel proper in accepting it. So I would suggest that the Senator might be tempted to withdraw the amendment and rely upon the kindness of his colleagues in committee.

Mr. GLENN. Mr. President, I fully appreciate the difficult situation we are in with regard to the budget. I do feel sincerely distressed about this, that our military, through the years, have been treated the way they have on transfers. I think our civilian counterparts in the military are treated on a much more equitable basis, and I do not think they lose much when they are transferred. Maybe some go through the inconvenience of uprooting children in school, and so forth, and all the inconveniences anyone goes through by way of a change to a new community. But our military seems to get thanks for this and little else.

I would like to see this considered very seriously. I appreciate the suggestion of the distinguished chairman of the committee that we bring this up in committee. I know from talking to him privately that he is sincerely interested in this, in seeing that our military receives a fair shake in this area, which they are not getting now.

I hope that all those people who read the CONGRESSIONAL RECORD, with regard to passing on the information they glean from it to the military, whether it be for the service newspapers or whatever purpose, would start documenting some of these differences. Although the press gallery tonight is not very full at the moment, I hope some of them might take the opportunity of pointing out some of these differences between the way the military are treated and the way our civilian transfers are treated in the GS ranks.

To mention just a few of the things I cited this evening: house hunting allowance, household goods allowance, temporary quarters, subsistence allowance, miscellaneous expenses—all flow far more liberally and generously to the GS transfer than to the military transfer.

Once again, Mr. President, I say that I do not like to see our military treated as second-class citizens. They have put up with enough, are in danger when war starts, and to have them treated all during their service careers in a lesser way than their civilian counterparts is not fair treatment, so far as I am concerned.

Mr. President, I regrettably have to agree with the distinguished chairman that this is probably not the time to push this to a vote. I have no doubt how an $8 billion to $10 billion addition would come out tonight on a rollcall vote. But I hope we have used this as an opportunity to draw attention to a serious inequity. I want to pursue it in the committee, as the distinguished chairman has said, and I hope we can do this at the full committee level or maybe commission a study of this which is more thorough than the CBO study.

Perhaps the distinguished chairman could agree to join me and other committee members in pushing for such a more detailed study so that we can get into definitive legislation on this matter. I would be interested in having the distinguished chairman's comment on that before I take any further action.

Mr. GOLDWATER. Mr. President, I say to the Senator from Ohio that the committee staff has studied this at some length. We have talked about this, never in a thorough way, in the years I have been on the committee; but I think that the great discrepancies that have been outlined tonight by the Senator from Ohio certainly call for the Armed Services Committee to go into this matter very thoroughly.

I can assure my friend that if he will visit with me sometime when we get out of this present little brouhaha, we will hold hearings on this subject. I think it is long overdue that we treat the military perhaps not on an equal basis with the civilian but certainly give them a better break as they move from station to station.

There is nothing worse than a permanent change of station. In military, "permanent" does not mean exactly that. If you are lucky, it means 3 years. If you goof off, it is 4. If you goof off, it might be 2.

So if the Senator will come with me any day, we can get something up, and I promise him that. I have a tremendous feeling for this.

Mr. GLENN. I thank the chairman.

I should also like to give some credit to the Congressional Budget Office, to which we made a request through our staff, Mr. Lyles, who did an excellent job in digging out some information on this matter. He is on the floor tonight, and I acknowledge his work on this. It is outstanding. He worked with the Congressional Budget Office, and they did an excellent job with him on this and got a letter back to us in fairly short order. Mr. Penner, who is the Director there, sent the report back on May 16. I want to acknowledge that, and I appreciate his effort very much. It is an extensive report, and we probably can use that as the basis for further studies with whatever group will have that job.

Mr. President, with the statement of my distinguished chairman, and having the assurance that we can work together on this, I withdraw the amendment.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia be temporarily set aside so that the Senator from New Mexico may offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 178

(Purpose: To provide $50,000 for impact aid to certain school districts in New Mexico)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself and Mr. DOMENICI, proposes an amendment numbered 178.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following new secton:

SPECIAL IMPACT ASSISTANCE TO CERTAIN SCHOOL DISTRICTS

SEC. 2136. The Secretary of the Air Force may use not more than $50,000 of the funds appropriated to the Air Force for fiscal year 1986 for land acquisition for expansion of the Melrose Air Force Range, New Mexico, to provide assistance, by grant or otherwise, to school districts in communities near the Melrose Air Force Range for purposes of mitigating any adverse impact on the schools in such districts determined by the Secretary ro result from expansion of the range.

Mr. BINGAMAN. Mr. President, I am offering this amendment on behalf of myself and Senator DOMENICI.

The amendment is very simple in its language and is very short.

It provides the Secretary of the Air Force with authority to provide up to $50,000 in assistance to two school districts which are going to be impacted by proposed expansion of the Melrose Bombing Range in New Mexico. The amendment is purely discretionary; it is not mandatory.

The Secretary of the Air Force, himself, will determine, through negotiations with the school districts, the extent of the adverse impact, if any. Any payment under the authority that would be granted in this amendment would be a one-time settlement, with no continuing obligation on the part of the Air Force.

The amendment is offered with the understanding that this is not to establish any precedent regarding impact assistance.

I believe the amendment is acceptable to both sides of the aisle, and I defer to the senior Senator from South Carolina for any comments he has with regard to the amendment.

Mr. THURMOND. Mr. President, I have considered this amendment, and I have observed that it is not mandatory.

It provides that the Secretary of the Air Force may use not more than $50,000—the amount is limited—of the funds appropriated to the Air Force for fiscal year 1986 for land acquisition for expansion of the Melrose Air Force Range, NM, to provide assistance to school districts in communities near the Melrose Air Force Range for the purpose of mitigating any adverse impact on the schools in such districts determined by the Secretary to result from expansion of the range.

In view of the conditions in the amendment, the way it is fenced in and protected, the amendment would be all right. It limits the amount to $50,000, and it has to go to school districts where there is an adverse impact as determined by the Secretary. I think that is a fair thing to do, and on this side I am willing to accept the amendment.

Mr. GOLDWATER. Mr. President, the situation surrounding the reasons for the Senator offering this amendment are well known to all of us who live in what was once the sparsely populated area of the Southwest.

I do not know the exact number of acres that World War II changed from desert land into bombing ranges, but I imagine it would approach several hundred thousand acres. I know that in my State, which has the same experience as the State that came into the Union just 20 minutes before my State, we have had many occasions where school districts could not expand and there was not a proper basis for taxation to allow them to expand or to build schools, because the land they wanted to occupy or use or even tax was owned by the Federal Government and owned in the name of bombing ranges.

Mr. President, I think this is a very wise amendment that my friend has put in, and the majority finds no reason at all that it cannot be accepted. The minority goes along with that. So the amendment will be accepted by the committee.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (No. 178) was agreed to.

Mr. BINGAMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, we do not seem to be hard pressed for Senators around here with amendments. Senator GLENN has another one.

Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia be temporarily set aside so that the Senator from Ohio might offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, before the Senator from Ohio goes forward, I noticed and have been advised by the staff that there were just some errors in the pages on the amendment that was just adopted by the Senate.

I ask unanimous consent that the corrected version of that be allowed to take the place of the one that was just adopted.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator will send the amendment to the desk.

The amendment is as follows:

On page 132, between lines 14 and 15, insert the following new section:

SPECIAL IMPACT ASSISTANCE TO CERTAIN SCHOOL DISTRICTS

SEC. 2136. The Secretary of the Air Force may use not more than $50,000 of the funds appropriated to the Air Force for fiscal year 1986 for land acquisition for expansion of the Melrose Air Force Range, New Mexico, to provide assistance, by grant or otherwise, to school districts in communities near the Melrose Air Force Range for purposes of mitigating any adverse impact on the schools in such districts determined by the Secretary to result from expansion of the range.

AMENDMENT NO. 179

(Purpose: To transfer $4,023,000,000 from the Department of Defense to the General Fund of the Treasury)

Mr. GLENN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 179.

On page 100, between lines 2 and 3, insert the following new section:

TRANSFER OF DEPARTMENT OF DEFENSE FUNDS TO THE GENERAL FUND OF THE TREASURY

SEC. 917. (a) There is hereby transferred to the General Fund to the Treasury from funds available for obligation by the Department of Defense the sum of $4,023,000,000.

(b) The accounts of the Department of Defense to be reduced to reflect the transfer made by subsection (a) and the amount of the reduction to be made in each such account shall be determined by the Secretary of Defense with the approval of the Director of the Office of Management and Budget.

Mr. GLENN. Mr. President, I was amazed about a week ago, when we had just voted early one morning to go back to zero defense growth, an action I voted on the other side of—I abhored that move because I still feel we need about a 3-percent growth to continue at the most efficient rate for the production lines and the procurement processes that we already have under way. We voted that morning to go to zero percent defense growth. That, as I recall, was on a Thursday night or early on Friday morning, somewhere around 2:30 a.m. or so.

Mr. President, the very next week, on Wednesday I believe it was, we were having a hearing in the Armed Services Committee, and Mr. Helm of the Defense Department told us that they just happened to find $4 billion excess over there—just happened to find $4 billion over there. In fact, the first report was it was $4.7 billion. And they felt that this could be spread around so that some of the cuts in programs that we had authorized here or were in the process of authorizing could be continued at the old rate, not at the zero percent rate.

Mr. President, I was amazed that after all the accounting procedures they have in the Department of Defense and all the people that they have working in the Comptroller's office, and all the people they have keeping the books over there their finding of that $4 billion just happened to coincide, just accidentally happened to coincide, with that zero budget vote over here in the Senate.

Mr. President, I was amazed, and I believe many of my colleagues were also. The Department of Defense almost magically found virtually overnight more than $4 billion in unexpended fiscal 1985 defense funds.

They identified this money to offset what they consider to be unacceptable cuts in the fiscal 1986 defense authorization bill mandated by the newly passed Senate budget resolution.

Mr. President, as you know, on April 4, 1985, the Armed Services Committee reported out a fiscal 1986 defense authorization bill that allowed for a 3 percent real growth in budget authority. But subsequently, on May 10, the Senate, through the fiscal 1986 budget resolution, directed that the defense authorization for fiscal 1986 be limited to zero percent real growth, and that required an additional cut of some $10 billion.

As I said, a very interesting thing happened at that point. On May 14, just 4 days after passage of the Senate budget resolution, Secretary of Defense Weinberger announced that his review of the situation "has persuaded me that the new budget levels cannot be accommodated without seriously impacting the defense program."

In view of that fact, he said, "management savings and efficiency should be used to mitigate the effects of these cuts."

And he then offered some $4 billion in unexpended fiscal 1985 funds to that end.

Mr. President, let me say that I want to laud the actions of the Defense Department, their diligence, their good management in effecting those savings. We, least of all, want to discourage such actions which perhaps help to offset the recent repeat disclosures of fraud, waste, abuse, and mismanagement in some of our defense contracting practices.

Now, these savings have come apparently not only from new contracting procedures that have saved money, but also from less expenditures because of inflation that were anticipated when these funds were authorized and appropriated.

Likewise, we understand that savings of this nature, as the Secretary of Defense says, savings of this nature are usually identified in the normal course of consideration of the defense budget by Congress and are reflected as legitimate financing adjustments in the appropriations bill.

Mr. President, that might be the usual way of doing this. But I would say that this year we are faced with a very unusual situation. We are not expanding this year; we are cutting back. We have major budgetary problems as we are all aware.

So I do not think that the normal carryover of legitimate financing adjustments in the appropriations bill, as the Secretary of Defense referred to it, I do not think those usual procedures apply this year.

In particular, DOD timing in this instance was gratuitously self-serving. It makes me believe that they think we in Congress are either dupes or idiots, or both, but they just happened to find the savings. They just happened to find it at that particular time.

Mr. President, I am a very strong proponent of defense. I consistently advocated 3 percent real growth in the fiscal 1986 Defense budget. I voted against the zero growth rate.

I was somewhat dismayed when the zero-percent real growth was mandated because I think it hurts us. In the long run it will not save money.

To hit that zero growth rate, we have one of two things we can do.

We can either cut major weapons systems, which will be extremely wasteful and dangerous to our defense, or we can stretch out our procurement programs which means that the per unit cost goes up.

An M-1 tank, for instance, when we stretch out that production line from its more normal steady rate that it is at right now, we add cost to that tank of about $100,000 per unit cost on that tank.

So we wind up 3 or 4 or 5 years down the road with the same number of tanks but they cost us a lot more if we go to this false economy, this false economy of zero growth.

Mr. President, knowing the consideration that we are giving to the deficit, how important it is that we get it down for all the considerations of the strength of the dollar and its effort on worldwide trade and employment in this country and all of those things, I think it is highly important that we use this $4 billion not for programs that have been unauthorized or unapproved by the Congress, but I would propose, Mr. President, that we use it to bring it back over here, have a reverse supplemental, if you will, where we return the money to the Treasury.

This $4 billion that just happened to be found over there can reduce our deficit by some 2 percent, almost all by itself. Now I think that is a good step forward in the economy. It is a good step forward in telling the Pentagon also that they will use money specifically only for those things that the Congress has voted money for and will not have in effect a $4-billion slush fund over there.

So I remain a strong proponent of defense. As I said, I voted for 3-percent real growth and I will continue to do so, and I do not like the zero real growth rate, but at the same time, I think orderly accounting and comptroller procedures mean that while we usually have supplementals going the other way in providing increased expenditures, that the least we can do at this point is say, "OK, if there is a $4 billion surplus, it should be returned to the U.S. Treasury."

So this amendment to the fiscal 1986 defense authorization bill returns to the general fund the $4.023 billion in unexpended fiscal 1985 funds just identified by the Department of Defense.

Mr. President, I move that amendment. I hope the distinguished floor manager of the bill would agree with me on that $4 billion being returned to the general fund and would appreciate his comments.

Mr. GOLDWATER. Mr. President, I cannot agree that this should be returned to the general fund because it is not characteristically the way that

that would be accomplished. It would require a budget decision, and that would require a decision request by the President, and then that would have to lay for 45 days before we took any action. So a simple amendment just cannot move $4 billion.

To tell you the truth, it would not be $4 billion—I will get into that in a minute—of appropriated funds that the Defense Department found to be in surplus.

I might say, I mention not $4 billion because $1.2 billion, while it was authorized, has never been appropriated. So that leaves $2.8 billion that is surplus from prior years.

I might say this particular figure goes back to 1983, but we have figures that will carry the whole thing back to 1977.

I do not like this happening any more than my friend from Ohio. And I have prepared an amendment that I probably will offer to this bill that will prevent it happening in the future.

I might say the first time I ever experienced this happening was about 1947 or 1948. I was the commander of the Arizona National Guard. I received a call one day about this time of the year from the Pentagon asking, "Can you use some money?" I said, "Sure, we can always use money." I said, "How much?" He said, "Well, how much do you need?" I said, "Well, I would like to lengthen the runway. It will be about $6 million." He said, "Fine."

So the next week, I got a call from the same gentleman. He said, "Do you need some more money? We found some more." I said, "I would like to build a hangar." He said, "How much do you need?" I said, "1 million." So out it came. It was much cheaper to build those things then.

So this has been going on and on and on. I do not think it can be done monthly, but I think quarterly we can be kept abreast of what the savings are.

The savings in this case developed from the defense inflation project that was set around 4 percent, but it only ran 3.8 percent. What we are talking about here actually is about 4 percent of the entire budget.

Mr. President, just to give some idea of what we are talking about, contract savings in 1985 totaled $322.2 million. I will not go through these. They are too numerous to really talk about.

I ask unanimous consent that a letter from the Acting Assistant Secretary of Defense, Comptroller, together with several tables showing the savings, be printed in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, May 21, 1985.

Hon. BARRY GOLDWATER,
Chairman, Committee on Armed Services,
Washington, DC.

DEAR MR. CHAIRMAN: As you are aware Secretary Weinberger announced on May 14 the results of his recent review to find budgetary savings from previously approved defense programs that could be used to assist the Senate Armed Services Committee in reaching the Senate resolution total for national defense in FY 1986. Since that time, we have provided your committee and its staff with much of the detail necessary for them to complete their deliberations.

The enclosed table, a revision of the one provided to you on May 17, summarizes by appropriation account the dollar amounts that we understand will be included in the Department of Defense Authorization Bill for FY 1986 that the committee will report to the floor. If we can assist you or your staff in any way, we will, of course, be available to do so.

Sincerely,

JOHN R. QUETSCH,
Acting Assistant Secretary of Defense, (Comptroller).

SUMMARY AUTHORIZATION ADJUSTMENTS, FISCAL YEAR 1986

[In millions of dollars]

	Industrial fund		Prior year inflation		Fiscal year 1986	inflation	Unobligated balances fiscal year 1985	Total
	Investment expense criteria	Stock fund cash	Fiscal year 1984	Fiscal year 1985				
O&M:								
Army	-60	-31.0	-182.7			-11		-284.7
Navy	-70	-42.1	-340.2			-15		-467.3
Marine Corp		-2.9	-14.0					-16.9
Air Force	-70	-15.5	-99.4			-13		-197.9
Defense Agencies		-3.0	-7.0					-10.0
Army Reserve			-9.1					-9.1
Navy Reserve		-3.4	-20.3					-23.7
Marine Corp Reserve			-2.1					-2.1
Air Force Reserve		-.2	-3.5					-3.7
Army Guard		-1.0	-14.0					-15.0
Air Force Guard		-.9	-7.7					-8.6
O&M summary	-200	-100.0	-700.0			-39		-1,039.0
Aircraft, Army						-5	-40	-45.0
Missiles, Army						-4	-25	-29.0
WTCV, Army						-7	-75	-82.0
Ammunition, Army				-30	-48	-3	-62	-143.0
Other procurement, Army				-79	-95	-5	-64	-243.0
Aircraft, Navy						-15	-109	-124.0
Weapons, Navy						-7	-15	-22.0
SCN				-229	-108	-14	-85	-436.0
Other procurement, Navy				-70	-98	-6	-53	-227.0
Procurement, Marine Corp						-2	-28	-30.0
Aircraft, Air Force						-32	-406	-438.0
Missiles, Air Force						-13	-35	-48.0
Other procurement, Air Force				-86	-156	-9	-40	-291.0
Procurement Defense agencies				-15	-21	-1		-37.0
Procurement summary				-509	-526	-123	-1,037	-2,195.0
RDT&E:								
Army					-40	-4	-49	-93.0
Navy					-60	-11	-123	-194.0
Air Force					-100	-14	-156	-270.0
Defense agencies							-151	-151.0
RDT&E					-200	-29	-479	-708.0
Military construction:								
Army								
Navy								
Air Force								
NATO infrastructure							-60	-60.0
Military construction							-60	-60.0
Total DOD	-200	-100.0	-700.0	-509.0	-726	-191	-1,576	-4,002.0
Service summary:								
Army	-60	-32.9	-205.8	-109	-183	-39	-315	-944.7
Navy	-70	-48.4	-376.6	-299	-266	-70	-413	-1,543.0

SUMMARY AUTHORIZATION ADJUSTMENTS, FISCAL YEAR 1986—Continued

[In millions of dollars]

	Industrial fund		Prior year inflation		Fiscal year 1986	Inflation	Unobligated balances fiscal year 1985	Total
	Investment expense criteria	Stock fund cash	Fiscal year 1984	Fiscal year 1985				
Air Force	−70	−15.7	−110.6	−86	−256	81	−637	−1,256.3
Agencies		−3.0	−7.0	−15	−21	−1	−211	−258.0

¹ Includes $129,000,000 from fiscal year 1983 program.

Examples of fiscal year 1985 contract savings procurement

	Millions
EH-60A (quickfix)	$30.0
CH-47 mod	28.0
CG-47 hull	12.7
TAGOS	16.7
DDG-51 hull	65.8
TAO	40.0
A-6E engine	1.2
C/MH-53E airframe	8.5
C/MH-53E engine	1.0
AH-1T TOW missile system	2.9
AH-1T engine	.7
SH-60B airframe	.7
SH-60B engines	1.0
P-3C AYA-8B electronics analysis set	1.3
E-2 airframe	4.0
TH-57 aircraft	1.1
KC-135 A/F mod kits	36.4
C-5B simulators	40.5
Hellfire	.7
SM-1 MR	12.0
Tomahawk	10.5
MK-19	.8
MK-75/76	1.8
Aircraft spares	3.9
Total of examples only	322.2

Fiscal year 1985 RDT&E reductions

[In millions of dollars]

Army:	
Reductions available due to status of program execution:	
Short Range Air Defense Command and Control (SHORAD C²) 64741A	−30.0
Joint Interoperability of Tactical Command and Control Systems (JINTACCS) 64779A	−10.0
Joint Tactical Communications Program (TRITAC) 28010A	−5.0
Reduction available as result of fiscal year 1986 HASC/SASC action: Heavy Lift Research Vehicle (HLRV) 63211A	−4.0
Total	−49.0
Navy:	
Reductions available due to status of program execution:	
SSN-21 Nuclear Attack Submarine	−10.0
AV-8B Combat Aircraft 64214N	−10.0
Advanced Medium Range Air-to-Air Missile (AMRAAM) 64314N	−12.0
Extremely Low Frequency Program (ELF) 11401N	−10.0
Airborne EW Equipment 63206N	−5.0
JTIDS 25604N	−5.0
Shipboard Electronic Warfare 64573N	−5.0
Aircraft Engine Component Improvement 64268N	−3.0
Air Control 64504N	−2.0
E-6A 11402N	−10.0
Fleet Telecom 24163N	−8.0
Submarine Hull Array 64520N	−3.0
LAMPS III Improvement 64212N	−6.0
Standard Missile Improvement 64366N	−5.0
C³ Systems USMC 64719N	−2.0
P-3 Modifications 64221N	−4.0
Reductions available due to program cancellation: Marine Corps Assault Vehicle (LVTX) 63611M	−15.0
Reductions available as result of fiscal year 1986 HASC/SASC action: Rapidly Deployable Surveillance System (RDSS) 63788N	−6.0
Total	−123.0
Air Force:	
Reductions available due to status of program execution:	
ICBM Modernization 64312F	−65.0
Joint Surveillance Target Attack Radar (JSTARS) 64770F	−36.0
Protective Systems 64738F	−15.0
Aircraft Electronic Countermeasure Self Protection Device 64739F	−15.0
Short Range Attack Missile II (SRAM) 63364F	−15.0
Precision Location Strike System (PLSS) 64742F	−10.0
Total	−156.0
Defense agencies:	
Reductions available due to status of program execution:	
National Security Agency (NSA)	−100.0
Defense Advanced Research Projects Agency (DARPA)	−40.0
Office of the Secretary of Defense/Office of Joint Chiefs of Staff	−7.0
Reduction available as result of fiscal year 1986 HASC/SASC action: Heavy Lift Research Vehicle (LHRV) 63226E	−4.0
Total	−151.0
Grand total	−479.0

Mr. GOLDWATER. I have one other point I might make to my good friend from Ohio. If this were possible to turn the whole $4 billion back, what we would run into would be some rather drastic changes in the budget.

For example, B-52 modifications, we would have to take $75 million out of that; the advanced tactical bomber, $100 million; small ICBM, which I know is very close to the heart of my friend from Ohio, $200 million.

Now, getting on to a few other little things, Army aircraft spares, $50 million.

Mr. GLENN. Will the Senator yield for a question?

Mr. GOLDWATER. Yes.

Mr. GLENN, Why does that come out of those programs? Why can it not come out of something else?

Mr. GOLDWATER. Well, I have a lot of them here. And the reason I mention these is because when we are getting down to a budget that is becoming so low, we have to take some rather drastic action. And while I would feel very bad taking money out of the Midgetman, it might become necessary if the Senator is successful in getting the $4 billion taken away from us and putting it back some place else.

This actually totals about $4 billion.

I remind my colleagues that the Department of Defense engages annually in over 15 million transactions and issues more than $146 billion in contract awards. The savings of $4 billion represents only about 1.4 percent of the total Department of Defense budget last year. And I would say anyone managing nearly $300 billion who can control spending to within 1.4 percent of estimated expenditures is doing a pretty fair job.

So, Mr. President, I always like to accommodate my good friend, but I do not think tonight I could accept that amendment. So that is just about where it sits.

Mr. GLENN. Mr. President, I appreciate the comments of my good friend, the committee chairman, concerning the $4 billion. I guess what concerned me as much as anything was the fact that I felt we were misled.

That gave me a considerable concern because we went through all of our budget markups, Mr. President, now knowing about this $4 billion. We might well have taken a different tack on a lot of things had we known that $4 billion was in there. So when I said that I think the Defense Department played us like fish on a string out there, I mean that. They were not forthcoming, and I refuse to believe that they just happened to find that $4 billion the morning after we voted for zero. Anybody that thinks that can believe in the tooth fairy and a few other things. So I do not agree with that. I think they played us in a way for suckers in this thing and were not forthcoming with what the real financial situation of the Pentagon was at a time when we needed that information. That is when we were trying desperately, and meeting day and night, as the chairman knows, trying to mark up a zero, a 3-percent, and a 4-percent growth rate.

Had we known this $4 billion was in there, I think it would have eased our pain, anxiety and difficulties in cutting some of these weapons programs. I do not think they played square with us. I have seen some of the comments by Mr. Aspin over in the House that the savings really in this area are somewhere between $18 billion and $50 billion. I have not looked at an analysis of where he gets those figures or how many years have to be combined to find them. But whatever the figures are, I think the Pentagon has misled us this year. I think it caused a lot of difficulty for us during markup that we need not have gone through. That is the reason I put this in.

I think we need to fire a warning shot across their bow and I was going to bring this to a vote. But I think what I will do is this: the distinguished chairman has brought up an issue that I thought we had resolved. In talking to legislative counsel on this, they indicated that an amendment, a straightforward amendment such as I propose, was the way that we can do this. It would be very straightforward, and very simple.

The distinguished chairman has raised the issue that this can only be done via rescission by the President and lay on the table for 45 days. In light of that, I am willing to discuss this or have staff get together and talk about this. I would be willing to temporarily withdraw this while we can have staff talk about it and bring it up later if we can reach some agreement. I temporarily withdraw the amendment, Mr. President.

The PRESIDING OFFICER. The amendment is withdrawn without objection.

Mr. GOLDWATER. I am just as upset about that as the Senator is. The Senator will recall that last year after we had voted that we did not have enough money for the B-1, the next day—I think it was—$2.5 billion was discovered. But I can go back to 1977 where we found $882 million; 1966, $742 million; going upward where it gets big, 1981, $1.7 billion; 1982, $1.6 billion; in 1984, $3.2 billion. I have an amendment. That amendment that I am going to offer as soon as the Senator yields the floor which I think will take care of this because I do not like what happened any more than the Senator does. I have a very hard time explaining it to friends of mine who wonder why they do not go back and look in another drawer. Maybe they will find some more money. The amounts of money that Congressman Aspin reported—I am at a loss to know where he came up with those figures unless he just assumed that every year and year after year it would go on and on and he came up with something like $18 billion. I do not care whether it is $1, $4 billion or $20 billion. I think that Congress is owed not just respect but the duty of being informed all the time as to what funds are available. I can agree with the Senator from Ohio that we would have taken a much different approach to the markup of our bill had we known that there was $4 billion laying around someplace. I think the Senator has done a great service by bringing this up. I may not offer my amendment at this particular moment because I see our friend from Georgia is back. Maybe they have solved that big puzzle. We can get on with the job.

Mr. GLENN. Mr. President, I have temporarily withdrawn this. Let me make one further comment on this. I think the American people are depending on us to straighten this mess out. It is a mess. I say that I do not care whether it is a Republican administration or Democratic administration. We cannot run the Defense Department of this country this way. We must have better accounting than we have been getting for quite a number of years, such as the distinguished chairman of the committee indicated clear back in whatever the year was when he was getting hangars, runways, and things in Arizona as head of the Guard. That goes back quite a number of years.

So this is not something new that has been happening. I think we need a new approach to accounting over in the Pentagon. I refuse to believe that places like General Motors, Ford, GE, and giant corporations can run things right down to a nickel, know exactly where they stand—and they can—and we cannot at least approach that with the Defense Department even though defense is far more complex when we are dealing with state-of-the-art issues, where you cannot just go out and buy things that are all in the public domain. It makes it very difficult to contract. I appreciate that. But I do not appreciate being deliberately misled by comptrollers and by Secretaries of Defense in thinking that they just casually come up with $4 billion. Oh, very nice, great. Keen, that is very nice. They just find $4 billion the morning after we happen to come up with our zero cut.

I say to the distinguished floor manager on the minority side that he is the one that asked Mr. Helms, our comptroller over there, the direct question about when they found the $4 billion. The reply in committee was "The morning after you voted zero percent, Mr. Senator." That defies credulity. He gave it with a straight face, too, I might add. That is what made it even worse.

I have temporarily withdrawn this amendment. We will get together in talking about a revision versus the amendment and see whether we bring this up later in the debate.

I thank the distinguished floor manager of the bill, our committee chairman, for his consideration.

Mr. GOLDWATER. Thank you very much, Senator.

Mr. President, while we are still on the subject and have not returned to the amendment of the Senator from Georgia, I send to the desk an amendment and ask unanimous consent that it be laid on the table. I will ask it be reported later but not at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia, Mr. Nunn, be temporarily laid aside so that the Senator from New Mexico might offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico.

AMENDMENT NO. 182

(Purpose: To earmark specified amounts of research and development funds for certain computer-related programs)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. Bingaman], for himself, and Senators Heinz, Kennedy, Glenn, Danforth, Simon, Hollings, and Domenici, proposes an amendment numbered 182.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, after line 25, insert the following:

(c) Of the amount authorized in subsection (a) for the Army, $52,000,000 shall be available only for the Software Initiatives (STARS) program.

(d) Of the amount authorized in subsection (a) for the Air Force—

(1) $196,776,000 shall be available only for the Very High Speed Integrated Circuit program; and

(2) $11,742,000 shall be available only for the Software Engineering Institute.

(e) Of the amount authorized in subsection (a) for the Defense Agencies, $142,000,000 shall be available only for the strategic Computing Initiative.

Mr. BINGAMAN. Mr. President, first I would like to have the Record show that Senators Heinz, Kennedy, Glenn, Danforth, Simon, Hollings and Domenici are to be listed as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, the amendment that I have offered will restore funding in four critical computer-related research programs for the Department of Defense. It will restore that funding to the level of the President's request this year. The amendment does not increase overall research and development funding since it requires an offsetting undistributed reduction in the $35.7 billion that we have authorized for research, development, test and evaluation, included in this bill.

The amendment, in my view, is much needed. It is necessary for several reasons. Obviously, I urge my colleagues to adopt the amendment. The amendment adds funding to four critical programs which are programs on the cutting edge of new computer hardware and software technology. The programs involved are not only vital to our national defense but are also vital to continued U.S. leadership in the computer industry.

The amendment would restore $42 million which was cut from the DARPA Strategic Computing Program in our committee. It would restore $40 million which was cut from the Air Force's Very High-Speed Integrated Circuit Program. It would restore $5 million cut from the Air Force's Software Engineering Institute, and it would restore $20 million cut from the Army's Software Initiatives Program.

Mr. President, the Strategic Computing Program is designed to produce "intelligent" weapons for the 1990's and beyond. This program is also our Government's answer to the Japanese fifth generation computer effort, a program to which the Japanese are devoting rapidly increasing resources in an attempt to leapfrog our efforts.

Earlier this year, while visiting Japan, I questioned the Japanese Government officials at MITI, the Ministry of International Trade and Industry, about their strategic computing effort, their fifth generation computing effort. I left with the distinct impression that the Japanese assign a very, very high priority to this effort.

I point out to the Senate that the funding in the Japanese program is expected to double between this year and the next and if our proposal as it came out of committee is adopted, there would be only a very slight increase in our own funding of our effort.

In this country, the Very High-Speed Integrated Circuit Program is entering its phase 2 effort to develop submicron chips. These chips will provide the compact high-speed signal processing and data processing capabilities that will be needed in military systems in the 1990's and beyond.

The Software Engineering Institute and the DOD Software Initiatives Programs are part of an integrated effort to deal with the ballooning costs of software in our military systems. Software costs DOD $9 billion a year now and is estimated to cost $30 billion a year by 1990. While tremendous strides have been made in computer hardware in the past 30 years, progress in developing adaptable, reliable software programs has been much more limited, even as the demands on software have accelerated.

The Software Engineering Institute will be DOD's showcase software factory and its center of excellence for bringing new ideas on software development from university campuses to the military services. The DOD software initiatives will fund the development of software tools for use in the software factories of the future and the design of those future factories. Cuts in these programs are only going to retard our ability to deal with the explosive growth of software costs in military systems. Such cuts will be penny wise and pound foolish.

All of these programs involve both university and industry. They are well organized, and show great promise for continuing pay-offs in the next 5 to 10 years. They are vital to maintaining our lead in military technology over the Soviets. And they are precisely the sort of DOD programs which offer the greatest spinoffs to our commercial sector and thus to maintaining the economic competitiveness of our computer industry in world markets.

DOD has historically been the largest Government supporter of computer research. In light of the proposed freeze on the budgets of the National Science Foundation and NASA, there is no other agency today able to pick up the slack if the DOD computer R&D thrusts are retarded.

Mr. President, I have taken the floor several times recently, as have a number of colleagues, to attempt to raise the consciousness of my colleagues and the American people to the declining state of our industrial competitiveness in this country.

Last year, the United States experienced a trade deficit of $123.3 billion, the ninth year in a row that we have imported more than we have exported. This is a striking reversal for a nation that for most of its history has been the world's foremost industrial power. It is also a warning sign that many sections of American industry are now having problems successfully competing against foreign firms both at home and abroad.

Our deteriorating competitive position in the world marketplace is manifested in many ways. The trade deficit is the most obvious, and it is not restricted any longer to the traditional "smoke-stack" industries such as steel and automobiles; 7 of 10 American high-tech industries have lost world market shares since 1965. In 1984, for example, our bilateral trade deficit with Japan in electronics was greater than in automobiles. Loss of American leadership in advanced technology markets hurts our entire economy, since its application is the essential ingredient in the improvement of nearly every industry.

To correct this declining ability to compete in the world economy, we must first build a national consensus that a competitive strategy is needed. Then we must craft specific actions to carry out that strategy. These are five areas of activity that a successful strategy requires. These are: Trade policy, the domestic deficit, commercial research and development, education and health. I intend to pursue each of these strategies, but the one that affects us today is the need to prevent any reduction in research and development.

This evening, we are dealing with the question of to what extent we fund research and development in this essential area of computer technology. The amendment I have offered addresses this need by restoring full funding for necessary DOD research activities in the highly critical computer technology area.

Mr. President, I urge the adoption of this amendment. I thank the Senate.

Mr. GLENN. Mr. President, I rise in strong support of this amendment. I think that if we look back on what has made this Nation great, it goes back to the education system we set up for all the people of this country in trying to get a situation where every young person could get as much education as he possibly could take. The other area we have stressed in this Nation which has helped us into a world supremacy has been that of putting money into basic fundamental research. We have learned the new things first. We have provided the jobs, the technology, the business, the employment through our emphasis on research.

The distinguished Senator from New Mexico, my good friend [Mr. BINGAMAN], has put his finger on something here that fits right into that mold of high tech and technology for the future, that fits in with the long history of this Nation of doing research that has kept us ahead of every other Nation.

These are cutting-edge technology programs, as he said. These are programs that, if his advice and counsel are followed, while they are being developed by the military would have a tremendous spinoff potential.

The strategic computing program, as he says, is designed to produce our so-called intelligent weapons in the 1990's. It is also going to deal with what the Japanese and all the computer technologists all over the world call the fifth-generation computer effort, something the Japanese are devoting tremendous resources to in an effort to leapfrog our efforts and get a world leadership in computer technology.

The second one, the distinguished Senator from New Mexico mentioned is the VHSIC circuit program, very-high speed integrated circuit program,

now entering its phase II effort to develop submicron chips.

Mr. President, I was out on the west coast about 1 year ago this August and we visited one of the firms out there making some of these VHSIC chips. I was given one that was an old-style chip. It is in a Lucite bottle in my office on the credenza behind my desk, a little tiny three-eighths of an inch square chip. With the little connectors that come out of that central core of this thing, it has a capacity of providing for 17,000 switching functions, electronic switching functions, in that little tiny three-eighths of an inch square. You combine that with some of the new computer memory chips, random access memory chips that, in not too many years, will be commonplace with 1 million bits per chip, on chips about that same size, about three-eighths of an inch on a side.

You gain that with this VHSIC, very-high speed integrated circuitry, it does not take any genius to figure out what we can begin to do with things like cruise missiles, where you can store information, the nap of the Earth, as it is called, tracts of targets. We can combine all that memory circuit with a very-high speed integrated circuitry to literally take care of supersonic cruise missiles, at very low altitudes, with a very high input of information, comparative circuitry is giving guidance to that missile. The more input data you can put in with geographic information, that we can get with our satellites, mapping or whatever, the more you begin to see a capability militarily that is almost frightening. You can decide which window in the office you want that missile to fly into. We are beginning to see that kind of technology possibility for the future from the very programs that the distinguished Senator from New Mexico [Mr. BINGAMAN] has indicated in his excellent remarks.

Another one he mentioned was the Software Engineering Institute. I was very sorry we were not able to get that in Ohio. We tried very hard; we did not win that one. But it is going to be a tremendous effort on the part of our military to cut some of the ballooning costs. Software costs now are rising to some $9 billion a year in DOD, as was pointed out, maybe as high, by one estimate, as $30 billion a year by 1990. We are making tremendous strides in computer hardware, but this means we have to make double that effort in computer software. How are we going to use all this million-bit chip technology and this VHSIC technology?

The computers are only as good as the software that we have put into them. So the Software Engineering Institute, I think, will be an excellent showcase software factory which, as the distinguished Senator from New Mexico has said, I think can lead us into how we are going to use the new technologies, the new capability we are developing.

One other thing. Programs such as this in the past have been the sources of spinoffs that we have used in our civilian industry. What we have in the way of computer technology in this country has come largely because of the NASA and DOD efforts at developing computer technologies and software technologies. Some of those areas are now being cut back. The Senator pointed out in his remarks and his "Dear Colleague" letter that the proposal has been to freeze the budgets of the National Science Foundation and NASA. Who is going to pick up the slack, Mr. President, if we are to, indeed, maintain world leadership as we come under increasing pressure from the Japanese, the Germans, the French, and others, in computer technology areas, particularly the Japanese. They are putting a tremendous effort into this area.

I cannot think of any better way to maintain the kind of lead that we have had in the past, the kind of lead that this country should have because of our technological superiority, than to pass the amendment of the distinguished Senator from New Mexico. I back it completely. I am afraid that if we ever lay down our lead in computer technology to another nation we will spend generations getting it back. So I urge my colleagues to support the amendment suggested by Senator BINGAMAN, and I hope that it passes.

Mr. KENNEDY. Mr. President, I am pleased to cosponsor this important amendment that will restore cuts in four computer research programs that are not only vital to our national security, but also critically affect our ability to maintain our advantage in computers, software and artificial intelligence. The funds go to the kind of basic research that is too often neglected in our focus on specific weapons systems, but in the long run provides the greatest force multipliers of all. Anyone who examines the development of our weapons over the last two decades cannot fail to be astounded at the extent to which computers have become essential to our defenses. And the next decade promises even more dramatic developments. These are the areas where we have the greatest advantage over the Soviet Union—5 to 10 years according to DARPA. To shortchange these activities would undermine this important edge. These programs—unlike our dubious expenditures on wasteful and dangerous systems like MX—can truly strengthen our national security. Over the past 4 years I have had an opportunity to meet with many of the scientists and educators involved with this research—both from our great universities and from the private sector. They are enthusiastic and optimistic about the future. But modern computer research requires adequate funding. And small investments now will produce great payoffs in the not-too-distant future. Conversely, even modest cuts can delay the introduction of new technology by 2 to 4 years.

Let me say just a brief word about the specific programs involved in this amendment.

The strategic computing program is at the heart of the U.S. effort to maintain pace with 5th generation computers. Cuts in the program will have an impact on defense programs, such as SMART conventional weapons. Many of the invaluable commercial spinoffs—such as time sharing, packet switching and machine intelligence—which came from earlier DARPA efforts—will be delayed or lost. Exciting new technologies—such as the parallel multiprocessor—which have made great strides in recent years—will be crippled. I ask unanimous consent that a list of potential impacts compiled by DARPA be included after my statement.

The Software Engineering Institute is a new initiative designed to help address the explosive costs and serious delays attendant to the development of software for modern computer systems. More and more it is software rather than hardware which is the long pole in the development tent. And the problem is likely to grow over time. We need to find new ways to write and produce software—not only for our military, but also for commercial needs. This is an effort that cannot be achieved without Government support and assistance.

I hope my colleagues will support this very valuable amendment. It will not add to the cost of the bill, but rather redirects our priorities in this essential component of basic research.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER [Mr. TRIBLE]. The Senator from Arizona is recognized.

Mr. GOLDWATER. As members of the committee will remember, we debated this at quite some length in the committee, and it was rejected. It comes down really to a matter of budget priorities at the zero level of real growth. Most of the program would have been funded at 3 percent.

Now, we take no particular issue with the merits of these programs. The cuts were made for budgetary reasons, although in each case the administration's request represented significant real increases over fiscal year 1985 levels.

Mr. President, we have discussed this on this side. The chairman of the subcommittee has just returned from a meeting, and I think that the majority side would be willing to take this amendment. I do not know what the

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minority side will want to do. I ask my friend from Georgia.

Mr. NUNN. I agree with the Senator from Arizona. This is an amendment that Senator Bingaman has worked on a good bit. He knows a great deal about this area. The Senator from Ohio [Mr. Glenn] also is an expert in this area. I think they make a strong case. Also, the amendment does not add anything to the bill. It is an addition in one place and a deduction in another place. Am I correct in that interpretation?

Mr. BINGAMAN. That is correct, Mr. President. It is a net-even amendment in that sense.

Mr. NUNN. I recommend that we accept the amendment.

Mr. HEINZ. Mr. President, I am very pleased to join my distinguished colleague from New Mexico as a cosponsor of this very important amendment which restores $107 million for a four critical computer-related programs of the Department of Defense without increasing overall research and development funding. Software presently costs the Department of Defense over $9 billion each year and projections show that software spending by the Department of Defense is estimated to reach $30 billion by 1990.

Since 1973, the Department of Defense has been concerned over the military establishment's inability to realize the advantages of America's current lead in software research. In recent years, we have begun to see the tremendous importance of software on the success of our leading weapons systems. A recent Air Force study noted that:

> It is well recognized programmable digital electronics are one of the U.S.'s most significant technological edges in its defense posture—Air Force examples are the B-1, MX and DSP, all impossible without advanced digital electronics.

Indeed, as our defense systems become more sophisticated, the computer software mission is growing rapidly in size, complexity and costs. The tremendous growth in the demand for software and our inability to meet the demand has resulted in an ever-increasing software deficit that can be brought under control only through the dedicated efforts of able minds equipped with the best technologies.

The growing software deficit has attracted the attention of intelligent research and development leaders at the Defense Department. In order to meet the growing demand, these individuals along with many at the military services have undertaken several programs including the Software Engineering Institute, the DARPA Strategic Program, the Very High Speed Integrated Circuit Program and the Army's software initiative. Each program is designed to enable the Defense Department to utilize the cutting edge of software technology to create the most effective military programs.

The President requested over $399 million for these four programs for fiscal year 1986. The Armed Services Committee recommended a $107 million cut in the President's request. In my opinion, this cut is not in the long-term best interests of an effective military. I am personally familiar with the severe impact such cuts would have on the Software Engineering Institute. This institute is less than 7 months old and the proposed $5 million reduction would mean that some of the best software minds in the Nation would be turned away to return to lucrative jobs in private industry. We cannot put a price tag on the loss of brilliant researchers nor can we underestimate the savings that would accrue from more effective software designs.

As an example, the software costs for a present defense program can reach as much as $100 million. The STARS program, which suffers a $20 million reduction in the armed services recommendations, is designed to reduce that $100 million expenditure to $10 million producing a savings of $90 million.

Gentlemen, the amendment before us will enable the military establishment to make a downpayment on our software deficit. It does not increase overall research and development funding since it requires an offsetting undistributed reduction in the $35.7 million authorization for research, development, test and evaluation included in the bill. I am convinced our amendment deserves your support.

Mr. GOLDWATER. I thank the Senator. I happen to be a little bit biased toward computers. I use them myself.

Mr. President, we will take the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. WILSON. Mr. President, I rise to support Senator Bingaman's amendment. I wish there were more money in the defense bill than there is. His amendment is revenue neutral. It will take $107 million from other research and development efforts and expend it for the purpose that he has set forth very clearly in the amendment and his exposition of it on the floor. I only want to say that I commend him and agree this is a priority worthy of the reallocation of the resources that are all too scarce. We cannot afford to fall behind in our computer capability, and I think that the floor aspects he has addressed will prevent us from doing so. So I will support him. In fact, I would be pleased if he will add me as a cosponsor of his amendment. I think this is an effort that does deserve our attention. It is penny wise and pound foolish if we fall behind in the kind of software capability particularly that has become increasingly a part of sophisticated modernization in weapons. I thank the Chair.

Mr. BINGAMAN. Mr. President, I thank the Senator from California for his comments. I thank the Senator from Pennsylvania, the Senator from Ohio, and especially the Senator from Massachusetts, who has taken a leadership position with regard to preserving necessary funding levels in these important research areas. I very much appreciate their support for the amendment.

I ask unanimous consent that Senator Wilson and Senator Specter be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I gather, since the amendment is acceptable to both sides, there is no reason to have a rollcall vote on the question. I urge my colleagues to support the proposal.

The PRESIDING OFFICER. Is there further debate? If not, the question is——

Mr. GLENN. Mr. President, does that have to be voted on if both sides have accepted it?

Mr. WARNER. We see no requirement for the vote—in fact, a voice vote.

The PRESIDING OFFICER. The Senate must vote on all amendments.

Is there further debate? If not, the question is on agreeing to the amendment of the Senator from New Mexico.

So the amendment (No. 182) was agreed to.

Mr. GLENN. I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, at this time it is the understanding of the majority side and the managers that we will now have an amendment by the Senator from Ohio.

Mr. President, there is a technical requirement which I understand the minority agreed to. I ask unanimous consent that the Nunn amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Ohio.

AMENDMENT NO. 183

(Purpose: To restore reductions in the maximum amounts authorized to be obligated into the Department of Defense Military Retirement Fund and to modify the requirements relating to the contents of the report of the Secretary of Defense proposing changes to the military retirement system)

Mr. GLENN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio [Mr. Glenn] proposes an amendment numbered 183.

On page 62, beginning on line 10, strike out all through page 64, line 6.

On page 64, line 12, beginning with ", in" strike out all through line 23, and insert in lieu thereof a period and the following:

(2) The proposed changes shall include changes which, if enacted into law, would result in reductions in the amount required to be paid by the Secretary of Defense into the Department of Defense Military Retirement Fund pursuant to section 1466(a) of title 10, United States Code, during fiscal year 1986 equal to (A) 10 percent, (B) 20 percent, and (C) 30 percent less than the amount requested in the budget for payment of military retirement accrual costs for fiscal year 1986.

Mr. GLENN. Mr. President, the retirement system as it is operated now is very costly, and we all are aware of that. We have a lot of people in the service, a lot of people who served for many years, who have earned their retirement. Most of those people do not look at retirement as some luxury they did not earn. In fact, most of the people I know who are retired from the military have looked at their military retirement as deferred income that they fully earned.

Back in the days when I was still in the military, we were putting up with a considerably lower pay scale than our civilian counterparts, and we always hung on, we always put up with less for our families, because we figured that retirement was deferred income. We were earning it. We would get it someday.

Mr. President, we cannot change that commitment. I realize that the military retirement system is very costly, and we are probably going to have to change it, but it should be prospective; it should be for those coming in. How do we change the retirement system for them so that maybe they will not get as much on retirement? But they will know that the day they sign up. They will know that coming in.

You cannot break faith. This whole retirement system is something the services watch very closely. When we debated this in the past, even when we had it in committee and subcommittee, under the chairmanship of the distinguished Senator from California [Mr. Wilson] it resulted in immediate major articles in the service publications. This is not something the services take lightly and just look at and say, "Well, that's the Senate up there, doing their thing again." They follow this very closely, because changes in the military retirement system will have a very major impact on recruiting and retention and all those things that go into having a military, plus the morale of the military forces of the United States. You do not get that easily. You build that up over a long period of time because people have faith in their Government. They believe in that flag behind the Presiding Officer, and they believe in the United States, and they believe that the United States believes in them. They do not want to see that faith broken.

Mr. President, I do not want to diddle around with the retirement system. If we are going to make changes, we should make them after very careful study—very careful study—on what the impact is going to be on retention and morale and recruitment for our armed services.

That is the reason why I objected very strenuously in committee to just arbitrarily, just off the top of our heads with no studies whatsoever, saying we will cut $1.8 billion out of the accrual retirement fund that is supposed to be sent in every year.

You cannot fool around with military retirement systems on that basis. I do not believe that.

Where did the $1.8 billion come from? What was magic about that? What was magic about it was that we were supposed to put $18 billion this year into that accrual account. So, with a little shot across the bow, the military will not mind cutting defense expense because we need the money for some other things.

What a message that sends to the personnel of the Armed Forces who are depending on us, depending on their retirement system.

It shows that we are not really serious about keeping faith with our military, in all due respect. We are willing to fiddle around with it, and I do not think we should do it on that basis. When we start making changes in our military retirement system, it should be only after we have very, very carefully considered what the impact of those cuts or changes are going to be.

If we are going to change military retirement, do we change the pay scales, do we change the benefits, do we change all transfer benefits, which I talked about earlier, on which the distinguished chairman of the committee, Mr. Goldwater, indicated he is going to join in making a complete study? I thought those were appalling figures I mentioned earlier, which Mr. Penner of CBO put together. He and his staff did an excellent job in a short time, as did Mr. Lyles of of our committee staff.

I do not want to see us fooling around with anything as sacrosanct as retirement unless we consider it carefully.

Having said that, I do not object to the military retirement system being changed. I think it is due to be changed, but let us do it only after we study it very carefully. We cannot do it by just deciding in committee and on the floor, "We need some money, so let's take it out of military retirement. Those folks won't mind, We will hack away their 10 percent, $1.8 billion."

In the House, they have gone further. They proposed $4.0 billion. That is a 22-percent cut.

The Senate bill directs DOD to report by December 1, 1985, how it will affect the savings. The House bill requires no specified date. The Senate bill, if passed, would require additional legislation prior to September 30, 1985, to effect the required dollar reduction.

In order to get on with the job of military retirement reform in an orderly manner—I repeat, an orderly manner, not deciding off the top of our head to cut, and find out later what effect it had—in order to do this in a more orderly manner is why I have proposed the amendment.

What I propose with this amendment is straightforward. I would strike the committee's provision which deletes $1.8 billion from the 1986 budget requested in military retirement accrual costs. That does not mean that I am against changes in the retirement system, as I said. So what I propose to do is to require the Secretary of Defense to submit to Congress, no later than September 1, 1985, a report, including draft legislation, proposing changes in the military nondisability retirement system that hits three different levels—a 10-percent cut, a 20-percent cut, or a 30-percent cut lower than the amount originally requested in the 1986 budget for military retirement accrual costs. The report must include a discussion on assessment of the effect on recruiting and retention at each level of reduced funding.

The amendment would retain full grandfathering of benefits for those currently on active duty and those already retired. It would not propose changes for them.

We have already seen proposed here the 10-percent cut. In the House, they have proposed a cut that totals some 22 percent. So we think that to encompass all the possibilities of how this will affect recruiting, retention, and retirement in dealing fairly with our people, we had better run this whole gamut of 10 percent, 20 percent, and 30 percent cuts before we take out the $1.8 billion or any other amount and send all the wrong signals to our people out there who watch these changes in their retirement like a hawk.

We saw that from just the discussions we had in subcommittee when we were marking up this bill. We saw big articles in the service papers about how we were beginning to mess around with their retirement and whether it was going to be fair.

So we already have created a lot of doubt about what we have done, and I think it is too bad, because morale in the Armed Forces is hard enough to come by. It is a tough life. Now we are adding to it with our $1.8-billion cut.

I know that a lot of things we did in the last markup depended on that $1.8 billion. I think it is the wrong place to do it, for all the reasons I have stated.

I hope I have the agreement of the distinguished floor managers of the bill, and at the appropriate time I will ask for the yeas and nays.

Mr. WILSON. Mr. President, I regret that I cannot give assent to the proposal made by my good friend from Ohio as he just expressed the hope that those of us on the floor managing the bill would. The reason very simply is that we have been compelled by other action of this body that zeroed real growth for defense spending to make cuts that many of us did not wish to make.

The Senator from Ohio has correctly pointed out that the chairman of the House Armed Services Committee, the former subcommittee chairman having to do with retirement, has offered the most stringent cut. He has correctly identified it as a reduction of 22 percent, $4 billion, Mr. President, and what the chairman of the Armed Services Committee in the House of Representatives has done is said to the Secretary of Defense, "This is the level of the cut you must achieve in military retirement. Come back to us with your proposal for how you will achieve it."

The Senator from Ohio has expressed a view which all on this floor share and that is that we not prejudice the ability of the Armed Forces in a time when all-volunteer forces are to achieve the quality through recruitment and retention that all of us desire, and let me first of all address that concern.

The proposal that he seeks to amend is one which already instructs the Secretary of Defense that in coming back to us with a proposal he in no way prejudices the existing rights of any on active duty or any who are presently in retirement. It would, or course, be unfair to do so and that is not proposed by the pending authorization legislation.

So let us have done with that argument.

What the bill proposes is that prospectively beginning in fiscal year 1986 those entering the services will experience a different retirement system but this in no way changes the retirement of those now on active duty or those presently military retirees.

The Senator from Ohio asks that there be a study conducted. He says he does not oppose changing military retirement. Indeed, one of his alternatives is to propose no 10 percent, as this legislation does, but perhaps 20 percent which is pretty near what he deplores on the part of the House Armed Services Committee, and then exceeds even that by suggesting a possible 30 percent cut.

What is proposed in the pending authorization measure is a 10-percent reduction, $1.8 billion.

When the Senator from Ohio called for a study, Mr. President, there have been 10 studies at least in recent years, and we are requiring not a study but an actual proposal from the Secretary of Defense on how he will achieve it.

What is different about this proposal is that it will require the Secretary of Defense with that number in mind to come back with a specific proposal for a prospective change in military requirement.

We all, I hope, are concerned with the ability of the armed services to recruit and retain an all-volunteer force of quality. But the time has come, Mr. President, when we can no longer be satisfied with what the Senator from Ohio has referred to as a deferred compensation system.

Indeed, earlier today Senator KENNEDY and I offered a program that we think will address the reality of today's Army, Navy, Marine Corps, and Air Force. It is a family situation. We are no longer dealing with the traditional single man or woman as we have in earlier times.

There is a need perhaps to be realistic about how we compensate that family man so that we do not defer his compensation and if we give him more, as indeed this pending legislation seeks to do with the $1.8 billion that we have reduced retirement, we have as a result of that made it possible in this legislation to bring about improved permanent-change-of-station allowances for personnel and families to the extent of about $270 million. We have enhanced special pays and incentive pays to the tune of approximately $100 million.

The $1.82 billion reduction in military retirement accrual charge funding permits Congress to fund other portions of the pension system which puts more more money into the hands of military personnel and their families when they need it the most which is while they are on active duty.

Mr. President, I will not go on. I think the point is clear. The amendment is unnecessary, if what we are seeking to do is to protect the rights of those now on active duty and those on retirement. It is prospective. The pending authorization bill is prospective, prospective in its application, and, Mr. President, this is not pleasant, it is not fun, but it is a necessity and what we have said to the Secretary of Defense is, don't just come back with an exercise on paper; beginning in fiscal year 1986, you, sir, must change retirement and we in Congress when we receive your proposal will give it the care which it deserves, the care which will assure that as we change our compensation of the military and give them more at the time of need while on active duty and less in the way of deferred compensation, we do succeed in continuing an All Volunteer Force of quality, recruitment, and retention, which are an essential responsibility of those who plan for military manpower.

This legislation is not irresponsible. The House measure goes too far, takes too much, and indeed the alternatives which my friend from Ohio has proposed contradict his own stated purpose in offering this amendment.

Mr. President, I cannot conscientiously support the amendment. I urge its defeat.

The PRESIDING OFFICER. Is there further debate,

The Senator from Ohio.

Mr. GLENN. Mr. President, I appreciate the comments of the distinguished Senator from California, my subcommittee chairman, on the Manpower Subcommittee.

In his opening statement he said that we were compelled to vote because of Budget Committee sanctions placed upon us.

I disagree with my distinguished colleague from California in that regard. I know that they are supposed to set guideline limits for us, and so on. But I can tell my distinguished colleague that I do not have any regret at all or any compunction when it comes to defense matters that I think are going to affect the potential security of this country in disagreeing with the Budget Committee.

I do not think they are omniscient. They may have their own view of this. But we may have a different view and where we feel that they are doing wrong and are likely to hurt the morale and the recruiting and the retention in our armed services by something that they do or something that they are "compelled" to do to us on the Armed Services Committee, then I do not feel any restriction about disagreeing with them.

My point is this, if we continue this $1.8 billion cut we are proposing we are getting the cart before the horse. We are making the cut without knowing what is going to happen. That is my main point.

I challenge the distinguished Senator from California to tell me what effect this 10 percent cut is going to have on recruitment, retention, or morale of the Armed Forces. We do

not have studies that tell us that specifically in today's environment. I do not know what affect it will have.

The reason that I proposed the studies at 10, 20, and 30 percent was not that I propose these cuts as was alluded to by the Senator from California. I do not propose those cuts. But when I see things coming over from the House of Representatives where a 22-percent cut has already been proposed by the head of the House Armed Services Committee, then I want to get some service estimate, some Pentagon estimate of what is going to happen if we plan to make a cut that falls between 20 and 50 percent.

I repeat, I am not proposing such a cut, but I want information in advance of making the cut, whether it is $1.8 billion, $2.8 billion, or $20.8 billion.

I would like to see these studies and see what effect the services feel that various cuts will have on recruiting, retention, and morale in their services if we make cuts of any kind, whether it is $1.8 billion or ones that are up in the higher brackets. That is the reason I am proposing what I am proposing.

Mr. LEVIN. Mr. President, it is with great reluctance that I will vote to table the amendment by my colleague Senator GLENN, which would restore the $1.8 billion which the committee bill has cut from military retirement accrual funding.

The committee has included language requiring the Department of Defense to recommend legislation to the Congress by September 1, 1985, which would achieve these savings by changing the retirement system available to new recruits only. I am afraid only this kind of action will force the Pentagon to finally give serious consideration to how economies in the retirement system which do not have disastrous effects on retention can be achieved. Despite numerous past studies, the services have consistently refused to recommend any changes in the present system, which has now reached the awesome level of almost $18 billion for fiscal year 1986.

Reaching agreement in the Congress on adjustments to the retirement system before October 1 of this year could be more than problematic, however. I would only note here that without changes in the retirement system, I believe the Congress would be legally and morally obligated to make good on its commitment to pay retirement benefits as they are presently structured and this $1.8 billion cut would be restored by payments from general revenues.

Again, by its own terms, this cut in military retirement cannot affect current retirees' benefits or the benefits of current members of the armed services who have not yet retired.

Mr. GLENN. Mr President, I am prepared to yield the floor here and get on with the vote, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, I move to table the amendment of the Senator from Ohio and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to lay on the table the amendment of the Senator from Ohio.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr President, I take this minute simply to ask the distinguished chairman, Mr. GOLDWATER, what he sees for the rest of the evening after the rollcall vote.

Mr. GOLDWATER. If the amendment is tabled, it will be the last vote. If it is not, it might be the last vote.

[Laughter.]

Mr. BYRD. I thank the Senator.

Mr. ARMSTRONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. With out objection, it is so orded.

The question is on agreeing to the motion of the Senator from Arizona to lay on the table the amendment of the Senator from Ohio.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. PACKWOOD], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. BOREN] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote.

The result was announced—yeas 85, nays 9, as follows:

[Rollcall Vote No. 88 Leg.]

YEAS—85

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Evans
Exon
Goldwater
Gore
Gorton
Gramm
Grassley
Harkin
Hatch
Hatfield
Hawkins
Hecht
Heflin
Heinz
Helms
Humphrey
Inouye
Johnston
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Laxalt
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
McClure
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Pell
Proxmire
Quayle
Rockefeller
Roth
Rudman
Sarbanes
Simon
Simpson
Specter
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Zorinsky

NAYS—9

Bingaman
Ford
Garn
Glenn
Hart
Hollings
Leahy
Riegle
Sasser

NOT VOTING—6

Boren
East
Packwood
Pressler
Pryor
Stafford

So the motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia [Mr. NUNN] be temporarily put aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 184

(Purpose: To modify the requirements relating to the contents of the report of the Secretary of Defense proposing changes to the military retirement system)

Mr. GLENN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 184.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dipensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 65 line 13 insert after the word "Forces." the following: "The Secretary shall also submit proposed legislation which, if enacted, would result in reduction in the amount required to be paid by the Secretary of Defense into such fund if the reductions resulting from the fundings limitation specification in section 541 of this Act were two and three times larger than those required by that section. Such legislation shall comply with the conditions set forth in paragraphs (1), (2), and (3) of this subsection and in subsections (b), (c), and (d) of this section.

Mr. GLENN. Mr. President, we discussed earlier that if my previous amendment failed, which would have restored the $1.8 billion, I would ask for an amendment which would require the Pentagon in their study to include not only the effects of a 10-percent cut but also the effects on morale, recruitment, and retention of cuts also at 20 and 30 percent. I do this for two reasons. One, I think we should have quite a spectrum to evaluate, plus the House has already proposed a 22-percent cut. So we wish to cover these areas so we have some idea what these cuts may mean.

This is in no way to be interpreted that I favor these cuts. It is just that I want to know what we are doing before we propose cuts in the future, whether they are 10, 20, or 30 percent.

I repeat, I do not propose those cuts. I just want them evaluated so we have information on whatever cuts we may eventually make.

I understand that the distinguished floor managers of the bill on both sides of the aisle are willing to accept this amendment. I move adoption of the amendment.

Mr. GOLDWATER. Mr. President, the Senator from Ohio is so correct. We really do not know what we are doing when we are talking about amending the retirement of military people. We have been conducting a study on this for over 3 years. It gets more exasperating every day that we study it. I am very glad that my friend from Ohio has offered this amendment, and the majority is willing to accept it.

Mr. WILSON. Mr. President, briefly, I join my colleague from Ohio. What he is offering is consistent with the pending legislation. It is an effort to determine what the impact will be of cuts in retirement at varying levels. I think he has said quite clearly that he does not favor the cuts; he simply wants to know what the impact will be. I join him in wishing to know that.

I ask unanimous consent that the Senator from Ohio add Senator WARNER and myself as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. I thank the distinguished Senator from California.

The PRESIDING OFFICER. Is there further debate?

Mr. DOMENICI. Mr. President, I do not oppose the amendment. I just wonder if either the chairman, or the ranking member, or the sponsor of the amendment could answer a question from the Senator from New Mexico.

Mr. GOLDWATER. I will be happy to try.

Mr. DOMENICI. Mr. President, let me ask a question. I have heard a lot of discussion about this authorizing bill being bound by the budget. I know everybody knows it is not bound by any budget resolution because only the appropriation bills are bound by it. I am sure the distinguished Senator from Arizona would like very much for the bill to come within the budget so that defense policies are decided by the authorizing committee, and I understand that. But this bill reduces the budget authority by $1.8 billion, and I assume that in meeting the zero real growth target you have used the $1.8 billion in savings. Is the Senator from New Mexico correct?

Mr. GOLDWATER. That is correct.

Mr. DOMENICI. But we do not know whether we are going to get $1.8 billion in savings. We do not know whether we are going to get $1.8 billion from military reform or not because we do not know what the military reform is going to be. Is that correct?

Mr. GOLDWATER. That is a very correct assumption. It will probably be a year, or two, or three before we know whether we will get $1.8, $2, $3, $4 billion benefits from it. We just do not know.

Mr. DOMENICI. I gather that in some of the assumptions on what kind of program you would like DOD to give you the facts on, the one fact which is very significant is that you want it to affect only new members of the military?

Mr. GOLDWATER. In all of the bills that have been offered on this particular subject, we have grandfathered everybody, and the only people that will be affected will be a man who puts on a uniform tomorrow.

Mr. DOMENICI. Has anybody suggested that we can really save $1.8 billion in the pension system by applying it only to new recruits after the effective date?

Mr. GOLDWATER. No; that is the reason the Senator from Ohio asked for the study. The only study that has been made on this is one that is in progress now in the Armed Services Committee. It has been for about 3 years. There are studies made downtown by some of the organizations who either like to promote the military or cut it. What the Senator from Ohio asked for is a proper approach to this.

Now, $1.8 billion happens to be 10 percent of the total bill of $18.3 billion. So we took 10 percent, because the House has taken $4 billion, and we know that is way, way too much. We do not know whether $1.8 is too small or too much. But if we can follow through on what the Senator from Ohio has asked, I think we are starting to make some progress.

Mr. DOMENICI. I thank the Senator. I should like to make this point for the RECORD. Tomorrow I will state just a little bit more about this. I do not want to take the time this evening. But I want everybody to understand that as this authorization bill proceeds through the legislative process, if, as a matter of fact, there are not savings consistent with the budget practices of the U.S. Government, not some actuarial findings dictated by the bill language. If there is not $1.8 billion in savings, then the appropriators are going to have to find $1.8 billion worth of savings from other programs. That is the only point I want to make, because I do not think anybody should be assuming that since this bill takes $1.8 billion out of military retirement accruals, it necessarily means that these savings will actually occur. This, in turn, raises a question about how many of the other programs are going to fit into a 0-3-3 budget. If, as a matter of fact, we do not save this, then the appropriators will have to find other cuts.

I only offer it so nobody will have any misunderstandings. I do not oppose it. I do not object to it. In fact, I support reform of the military retirement system. But the authorizing committee and the authorizing legislation is not bound by the budget.

Mr. GOLDWATER. If the Senator will yield, the Congressional Budget Office has set forth the $1.8 billion in savings, but I have to say again it was only a percentage of the total amount in there for personnel—$18.3. But if the Senator wants to find $1.8 billion that we could use, go ahead and do it.

Mr. DOMENICI. I am just saying that, even if this provision passes, additional cuts will have to be found to meet the budget targets.

Mr. GOLDWATER. I do not care who finds it.

Mr. DOMENICI. It will not be found if you do not save it, and the Congressional Budget Office has no alternative but to find it. When you ask them what is 10 percent of $18.8 billion, they will tell you $1.8 billion.

That is not the issue. The issue is, will the reform legislation save $1.8 billion under normal budget practices? I know of no one who has suggested that you will find $1.8 billion if you only take it from new recruits.

So I laud what the Senator is doing. He can leave it in, and I have no objection. I'm simply saying that the full savings will not happen; and when they do not happen other cuts to weapons systems will have to be made in the appropriations process, I just want to call it to your attention so everyone will be aware of the situation.

Mr. GLENN. I think I understand what the Senator is saying, in that this accrual account is based on actuarial tables. This $18.2 billion, as I understand it, was the best estimate now of what that account would be. I might vary. Ten percent of that is a real figure; it is not a fictitious figure. That amount of $18 billion is in there to be contributed to the accrual account in the new budget. It will be a real appropriation to that budget, as I understand it.

Mr. NUNN. Mr. President, will the Senator yield for a question?

Mr. DOMENICI. I yield.

Mr. NUNN. I think what the Senator is saying is that the accrual account is sitting here. We put the money in it; but, as with all trust funds, it is available to be borrowed, and it is not an outlay.

Mr. DOMENICI. The Senator is correct.

Mr. NUNN. What we have done is taken $1.8 billion out of budget authority. The $1.8 billion is not going to be taken out of outlays, and we probably have things in the bill that are not going to be reflected in outlays.

I think the Senator's point is valid. That does not mean this is not real savings. It is real savings, but it will not reflect itself in outlays until approximately 20 years from now.

Mr. DOMENICI. I will respond this way, and tomorrow I will try to have a colloquy with the chairman.

I do not oppose this. Maybe the best way to say this is that the accepted system of scoring budgetary savings is not the procedure found in section 542 of this bill. Furthermore, scoring of bills that provide spending authority is the jurisdiction of the Budget Committee and we are not bound by the system of savings mandated in this bill. Maybe that is the best way to say it, and I will leave it at that.

Mr. GLENN. Mr. President, I think there is an agreement on both sides.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 184) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, as I understand it, the pending business now is the Nunn amendment. I ask unanimous consent that it be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 185

Mr. DODD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] proposes an amendment numbered 185.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert:

SEC. (a) The Congress finds and declares that a direct threat to the security interests of the United States in the Central American region would arise from several developments including, but not limited to, the following:

(1) The stationing, installation, or other deployment of nuclear weapons or the delivery systems for such weapons in the Central American region.

(2) The establishment of a foreign military base in the Central American region by the government of a Communist country.

(3) The introduction into the Central American region of any advanced offensive weapons system by the government of a Communist country if such system is more sophisticated than such systems currently in the region.

(b) If any development described in paragraphs (1) through (3) of subsection (a) arises, the Congress intends to act promptly, in accordance with the constitutional processes and treaty commitments of the United States, to protect and defend United States security interests in the Central American region and to approve the use of military force, if necessary, for that purpose.

(c) Notwithstanding any other provision of law, the prohibition contained in section 8066(a) of the Department of Defense Appropriation Act, 1985, as enacted by the Act of October 12, 1984 (Public Law 98-473), which applies to funds available during the fiscal year 1985 to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities shall apply to the same extent and in the same manner with respect to any such funds available during any fiscal year beginning on or after October 1, 1985. For purposes of the application of this subsection, the reference in such section 8066(a) to the fiscal year 1985 shall be deemed to be a reference to the fiscal year in which such funds are available.

(d) There are authorized to be appropriated to the President $14,000,000 for the fiscal year 1985 to be available only to achieve—

(1) the safe and orderly withdrawal from Nicaragua of all military and paramilitary forces which were supported by the United States before October 12, 1984; and

(2) the relocation of such forces, including members of the immediate families of individuals serving in such forces.

(e)(1) There are authorized to be appropriated to the Secretary of State $10,000,000 which shall be used only as may be necessary to assist the negotiations sponsored by the Contadora group and to support through peacekeeping and verification activities the implementation of any agreement reached pursuant to such negotiations.

(2) For purposes of paragraph (1), the term "Contadora group" refers to the governments of Colombia, Mexico, Panama, and Venezuela.

(f) Nothing in this Act shall be construed as granting any authority to the President with respect to the introduction of United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances which authority he would not have had in the absence of this Act.

(g) For purposes of this Act—

(1) the term "Central American region" refers to the geographic region containing Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; and

(2) the term "Communist country" has the same meaning as is given to it by section 620(f) of the Foreign Assistance Act of 1961.

Mr. DODD. Mr. President, as I understand it, this amendment will be the pending business tomorrow when the Senate reconvenes.

THE MX MISSILE

Mr. SIMPSON. Mr. President, it seems that the tough debate surrounding the MX missile is still with us. Many of the same arguments we heard today are ones we have heard during the many past votes on appropriations for the MX program. One crucial fact has remained the same: It is that this administration is making good-faith efforts at arms control negotiations in Geneva. As long as that effort goes forward, Congress should resist all attempts to "micro-manage" strategic defense policy. Congress must try to work with this administration to allow the maximum flexibility that is possible in the strategic decision-making process. We can ill afford to tie the hands of those of our countrymen negotiating in Geneva, at least not as long as those talks go forward.

All of us here today are well aware that we need to reduce the Federal deficit while at the same time providing a strong national security for all of our citizens. However, I am not certain that Congress should be specifying the number of missiles to be deployed while the success or failure of arms control negotiations remains uncertain. It is of primary importance now for us to maintain a comprehensive view of the entire issue and to understand that some thoughtful deference must be given to President Reagan on this issue. I hunch that a ceiling on the deployment of a given number of MX missiles is highly attractive to some Members of this body. I trust that these same Members have weighed the full ramifications of carrying out such a restriction.

During the past 5 years we have heard from many experts and technical witnesses who have argued about the window of vulnerability. President Reagan has been intent on correcting that situation and has taken the first steps to do so. Soon, deployment of the first Peacekeeper missiles will begin to occur on the high plains of Wyoming. With this deployment we will begin to see U.S. vulnerabilities diminish. If we are to continue to ensure that the United States has a credible deterrent, we must ask ourselves if today we want to lock the United States into a given deployment level. It seems most reasonable that we keep our options open. For this reason, I opposed Senator Hart's amendment to cut all fiscal year 1986 funding for the MX missile and I have very serious reservations about Senator Nunn's proposal to cap the number of deployed MX missiles at 40. I do not think that any person can say now just what the final level of deployment of the MX should be.

We must necessarily save that decision for another day.

Mr. KENNEDY. Mr. President, the defense authorization bill before us today is a dramatic example that less can be more. Although this legislation contains ostensibly $10 billion less spending for defense than the original bill reported by the committee, it will actually make a greater contribution to our national security. Although many serious flaws remain in the legislation, it is a significant improvement in several important respects.

A little over 1 month ago the Armed Services Committee marked up its bill, with 3 percent real growth for defense. During that markup, I offered an amendment to report the bill at zero real growth, which was defeated. Several weeks later, the Senate debated a similar motion on the budget resolution, which was adopted by a vote of 51 to 48, and was included in the final budget resolution. The opponents of that motion argued that it would threaten our national security and the administration itself termed those who would cut below 3 percent "irresponsible." Yet within 24 hours of that first Senate vote, the administration itself had identified over $4 billion in savings—enough to cover almost half of the difference between zero percent and 3 percent—without cutting a single bullet—much less eliminating a single program. It is indeed curious that the administration couldn't find the savings when it would undercut their argument for 3 percent real growth, but in less than 1 day's work, the savings should be uncovered to bail out and protect wasteful and dangerous programs like the MX and star wars. Each year the administration tells us that cutting even $1 will harm national security, yet when it comes down to the final result, we find that dramatic reductions can be made with only marginal effects on the planned program.

What happened this year when the committee sat down to reduce spending from 3 percent to zero percent? We extended the pay raise, we funded certain permanent change of station initiatives and special pay provisions that were previously unfunded, we added back funds for advance procurement of 120 M1 tanks. What did we cut?

We reduced SDI by an additional $450 million—still leaving an increase of over 100 percent last year—far more than can be absored profitably. We cut 2 mine countermeasure ships and 6 SH2-F helicopters, 197 field artillery ammunition support vehicles, 88 fast attack vehicles, and 70 bulldozers. Some reductions were made in a variety of R&D accounts, and a few MILCON projects were cut. A 10-percent reduction was made in retirement with full protection to all retired and current active military. Any fair reading of the committee's work dramatically demonstrates that what cuts were made can hardly be said to threaten our national security—and in some cases our readjustment actually improved national security. This is a credit to the committee—which declined to play the Washington Monument game and cut popular, necessary programs to create the illusion that the cuts were harmful.

Overall, the committee did an extremely conscientious job of meeting our national security objectives within the funds available. Nonetheless, there are a number of key provisions, particularly in the area of strategic systems, which should be modified during our floor consideration of this bill.

I continue to oppose any funding for the MX missile program. The rationale for this missile shifts almost as frequently as its proposed basing modes. The MX is vulnerable, wasteful, and dangerous. It threatens to drain needed funds from necessary strategic and conventional programs. If, however, the Congress continues with MX, it is vital that we place a firm limit both on the continued rate of production and on the number and rate of deployment of the missiles. By capping the program, we can limit the destabilizing effects of the missile, opening the door to potential arms control solutions and keep pressure on for more desirable strategic systems, like the single warhead mobile missile.

The $2.9 billion authorization for the strategic defense initiative—coupled with yet another nearly $400 million in funding through the department of energy—is wholly unjustified in terms of sound investment in research, and the program itself represents a dangerous gamble with our security. We do need an appropriate level of research into defensive technologies, to keep abreast of state-of-the-art developments which may have broad applicability and to hedge against a Soviet breakout from the ABM Treaty. But as former Secretary of Defense James Schlesinger testified before the committee, increases of more than 35 percent in research funding are unlikely to be put to productive use; yet, the committee mark represents over a 100-percent growth. Moreover, the program is laden with costly demonstrations designed more for generating headlines than for genuinely advancing research. These demonstrations are not only wasteful, but also are unnecessarily provocative efforts to test and in some cases, exceed the line between permitted research and prohibited development and testing under the ABM Treaty. I therefore welcome the committee's explicit recognition of the need to conform SDI research to the ABM Treaty.

Any decision to deploy defensive systems would necessitate modification or abrogation of the ABM Treaty and would be a serious threat to nuclear stability. In our pursuit of this research we must not unwittingly commit ourselves to a course that kindles new arms races in offensive and defensive weapons, thus bringing the world closer to, not further from the brink of nuclear war. Let there be no illusion: the possibility of making nuclear weapons obsolete through star wars technology is wildly unrealistic, and the role of deterrence is too important to be abandoned in pursuit of the phantom of a foolproof space defense. In the years to come, Congress must provide leadership to assure that the reality of mutual deterrence is not lost in star wars visions of laser weapons and particle beams.

For the third time in 4 years this committee has approved funds for the production of new chemical weapons. On two previous occasions, the Senate's action was overturned by the conference committee. Last year this committee itself declined to fund new production of chemical weapons.

The issue of chemical deterrence is a serious one. Just as we know that our ability to deter against a nuclear attack depends on the enemy's knowledge of our ability to retaliate, so, too, a retaliatory capability is essential to chemical deterrence. We cannot depend on protective gear or other defensive measures alone to deter an enemy from initiating the use of chemical weapons. Moreover, it would seriously disadvantage our forces if they were forced to fight in highly restrictive chemical defensive equipment while our opponents were not so encumbered.

But having acknowledged those facts, the case for producing new binary weapons has not been made. Despite repeated assertions by both uniformed and civilian DOD officials, there has been no retraction of comments by Secretary Weinberger and

others just a few years ago that our current stockpile is adequate for deterrence at present. Indeed, for some of the new munitions, the administration's plan is to substitute them for older unitary rounds on a 1-for-1 basis. This may arguably improve safety, but it does not improve deterrence.

A second concern is the issue of where these new munitions will be deployed. Our European allies have failed to express any willingness to consider forward deployment of the new munitions on their soil. It is difficult to understand the deterrent value of a weapons system that is not readily available and will be difficult to deploy in a timely and effective fashion. The claimed urgency of the need for the new munitions is obviously undermined by our allies' lack of enthusiasm, since they too are facing the same threat. Finally, the recent statement by the GAO concerning the inadequacy of our chemical defense program raises serious questions as to whether the administration has explored all avenues short of new offensive weapons in maintaining an adequate deterrent.

The United States took the lead in unilaterally establishing a moratorium on chemical weapons production under President Nixon. It has offered a treaty in Geneva to ban all production of chemical weapons. Any move now to resume chemical production in these circumstances would be an abandonment of our historic leadership to end chemical warfare, and should only be taken under the most compelling showing of threat to our national security. This showing has not been made—and Congress should continue the current moratorium.

The committee also voted to authorize funds for continued testing of the U.S. antisatellite weapons system. I regret this action, because I believe that the United States has a unique opportunity to take advantage of the de facto moratorium on ASAT testing by both the United States and the U.S.S.R. to reach an interim agreement to ban or limit these weapons. Given the importance or our communications, command, and control, early warning, reconnaisance, navigation and weather satellites, effective limits on ASAT's are surely in our interest. In the appropriation bill last year, Congress made clear its interest that the administration pursue the strictest ASAT limits possible through negotiations.

I also oppose the committee's support for new nuclear weapons programs for the Navy—particularly the interceptor missile SM-2(N). The Navy has failed to make any convincing argument for the military utility of these systems, and the request is contrary to our efforts to raise, rather than reduce the nuclear threshold. During our consideration of this bill, I intend to offer an amendment to strike the funds for SM-2(N).

In the area of compensation the revised committee bill represents a significant improvement over the original committee bill. I am particularly pleased that the committee has finally adopted the proposal offered by myself and Senator Cohen to provide the 3 percent pay raise for the full fiscal year. Even with this pay raise, military pay will continue to fall behind comparability. In fact an 11.6 percent pay raise would be required in October 1985 to make up the shortfall that comes about as a result of the pay caps of the last 3 years. The Army has estimated that, with the committee's original proposal of a 3 percent pay raise delayed to January 1, 1986, 15,000 to 20,000 careerists would be lost.

I am also pleased that the committee has included all six improvements in permanent change of station reimbursement proposed by the administration. Our original bill included three provisions—increased household goods weight allowances, increase in the temporary lodging expense; and the mileage allowance for dependents under 2 years of age—and in our revised bill we have added the remaining three—increased mileage from 15 cents per mile to 20 cents per mile; elimination of the $75 limit for each day in travel status and increased per diem for dependents over 12 years. The committee also adopted my amendment to double the family separation allowance, which has remained unchanged for over 20 years, as proposed by the administration.

These provisions are crucial to our ability to recruit and retain the skilled professionals we need in today's modern Armed Forces. Although the quality of our service personnel is high now, there are danger signs appearing. The Army has been falling short for almost 2 years in meeting its goals for both quality and quantity in the delayed entry program. Unless we maintain our vigilance, these warning signs could translate into real problems for the readiness of our forces.

The committee also voted to reduce the funds for the military retirement trust fund by 10 percent—with directions to the Department to develop a proposal for the reform of the military retirement system, with the assurance that no benefits be reduced for retired or current members of the armed services. I support this prospective—only approach to military retirement reform, to keep faith the commitments we have made to our current personnel. I also support giving DOD the first opportunity to draft a reform package, but reserving the right of Congress to determine the actual provisions. The Armed Services Committee will have a particular obligation to ensure that any reform package will promote—not hinder—the recruiting and retention of the kind of men and women we will need to maintain our security in the future.

The contribution and sacrifice of a military career is not limited to the men and women in uniform, but extends to their families as well. Recently I introduced legislation, S. 1163, the Military Family Act of 1985, that would address some of the pressing needs of military family members. During our consideration of the authorization bill, I intend to offer several provisions from this legislation which have already been adopted by the House Armed Services Committee, and hope that my colleagues will give them favorable consideration.

In closing, Mr. President, I want to extend my thanks to the chairman, Senator Goldwater and ranking minority member, Senator Nunn, who have handled the business of our committee with diligence and professionalism. I also want to commend the majority and minority staff for their fine work. In particular, I want to thank Arnold Punaro, John Hamre, David Lyles, Jeff Smith, Russ Miller, and Patty Watson of the minority staff, and Carl Smith, who handles the tactical warfare issues for the majority, for all their assistance in our consideration of the complex and difficult issues facing the committee.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 10:45 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSALS FOR REFORM OF JOINT CHIEFS OF STAFF

Mr. HOLLINGS. Mr. President, there has been much discussion recently throughout the Congress and by various self-styled defense experts outside the Government about the need to reform the Joint Chiefs of Staff. There appear to be as many proposals for reform as there are points of view. The ultimate position we will find ourselves in will likely be total chaos.

I would suggest that the Congress act in great deliberation before getting involved in even more management—or overmanagement—of the DOD. One view of the problems of a revised JCS system was recently presented by the former Chairman of the JCS, Adm. Tom Moorer. His views deserve to be heard and I ask unanimous consent that a recent article by Admiral Moorer in the spring 1985 issue of the Wings of Gold be printed in the Record.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AN OPPOSING VIEW

(By Admiral T. H. Moorer, Ret.)

Spring has arrived in Washington. The Easter tourist season is on, the Budget Battle rages on Capitol Hill, and the robins and cherry blossoms have returned.

So has another idea—an idea which reappears nearly every year, like the swallows returning to Capistrano—to reorganize the Defense Department and the Joint Chiefs of Staff.

The present JCS/DOD system goes back to the National Security Act of 1947—38 years ago—and we've had more than 20 plans, commissions or studies to change the two organizations since then.

Well, like the country boy said, "if it ain't broke, don't fix it."

This year, the latest study originates—most surprisingly—in that citadel of conservatism, the Georgetown Center for Strategic and International Studies (CSIS). I work at CSIS and know it well, so my amazement at how this study ever reached the light of day is beyond comprehension. Like many of its predecessors, it makes many of the same mistakes of past studies, plus a few new ones.

This one says it is aimed at the correction of many defects of the DOD organization with emphasis on the structure of the Joint Chiefs of Staff. Like most of the others, this newest study supports the first steps toward a major reorganization either through ignorance or intent which if followed up, would ultimately result in a single Chief of Staff, plus an elite group of staff officers with little or no experience in combat operations. Those who prepared the CSIS report have not carefully studied the inputs not only by senior members of Congress, but also by senior officials in the Executive branch with experience in World War II who developed the National Security Act of 1947.

The CSIS report consists essentially of two broad recommendations:

(1) Recommendations for actions and procedures which are already in place and which do not require statutory sanction, and

(2) Recommendations based upon allegations and opinions which are not supported by fact and for which no proof is offered.

The main thrust of the JCS study is aimed toward giving additional authority to the Chairman while at the same time degrading that of the Service Chiefs. It recommends action which would establish an elite staff whose promotion and tenure would be controlled by one single individual. The Congress on frequent occasions has expressed its view that such a concept is anathema. In my opinion, the Chairman already has all the power and authority he needs. A good Chairman does not require the additional statutory support envisioned in the CSIS report. A bad Chairman could possibly use it to break down civilian control of the military and generate dissatisfaction and concern among the Service Chiefs. In other words, the proposals in the CSIS report will not eliminate "interservice rivalry", but will expand it.

Today the Chairman is already the principal military adviser to the President, the Secretary of Defense, and the National Security Council by virtue of the fact that he attends the National Security Council meetings and is the first one contacted by the President or the Secretary of Defense in their search for information and advice. As far as staff support is concerned, the Chairman already has a Chairman's Staff Group which is adequate to serve the requirements of the Chairman in the development of his position.

I agree fully that the chairman of the Joint Chiefs of Staff should attend all National Security Council meetings dealing with military matters of any kind. This in no way threatens civilian control over the military forces.

The fear about a "man on horseback" rises and falls periodically. Personally, I've never taken seriously the concept that the American political system could be overridden by a military dictator. The idea is exaggerated and manipulated for other purposes. The opposite worry—that in times of conflict military opinion will either be unsought or ignored—is more likely. It wasn't too long ago—President Johnson's term in office—when direction of the Vietnam conflict was delegated by the President to Secretary McNamara. "Let Bob handle it", he told the JCS. Well, Bob handled it. Our history reveals how Bob's analysts ran the war, neglecting military counsel (and even scoffing at it). On many of Secretary McNamara's trips to Vietnam, he took none of his military chiefs with him, and on return, executed programs and plans without consulting his JCS and service chiefs.

During my tenure as Chairman of the Joint Chiefs of Staff, which occurred during the difficult period of Vietnam under President Nixon, I attended many National Security Council meetings, night and day. Without exception, President Nixon always asked for the Joint Chiefs of Staff's position. If this position was not unanimous, I very carefully advised the President as to who, including myself, opposed a given position and why they took another position. Upon my return to the Pentagon from the NSC meetings, I made it a habit to call the members of the Joint Chiefs and inform them what had taken place.

In my view, this procedure is entirely adequate and permits not only the Chairman, but any member of the JCS to make certain that his views are made known. The current single Service veto over joint positions alleged in this report simply does not exist. Each member of the Joint Chiefs of Staff can be sure that the Chairman gives his position. In addition, if he so desires, he can communicate directly with the Secretary of Defense or the President.

It should be understood that the Joint Chiefs of Staff deal with two types of issues. First, planning and procedural issues which can be studied and discussed not only with the members of the Joint Chiefs, but also the Unified Commanders and, when desirable, the Secretary of Defense. these issues naturally take time and, in addition, do not always result in a unanimous position. Indeed, it would be very surprising and a matter of much concern if five officers with a service in peace and war spanning a total of 180 years were to agree on each and every subject. And if one individual, namely the Chairman, were in a position to control all Chiefs, this could indeed prove to be very dangerous—since he might be wrong. The effective way to handle the decision-making process in those cases where the JCS do not agree is clearly set forth in the "Joint Chiefs of Staff Memo" issued by Secretary Gates on 29 December 1959. It was this memo regarding JCS disagreements which brought a quick solution to the nuclear planning procedures, and which has served as a basis for presenting and settling "splits" ever since.

The second type of issues dealt with by the JCS are those that are time-sensitive. Since U.S. forces are deployed worldwide, such issues can arise quickly, 24 hours a day, and they demand an immediate decision. It is under such circumstances, particularly in wartime, that the Chairman can and does take action after consultation with the Secretary of Defense and the White House, if necessary. He notifies the Chiefs of such action at the first opportunity. I used this procedure during the Vietnam war, the Israeli-Arab war, and the India-Pakistan war without any difficulty.

The CSIS report gives great support to a proposal which not only gives the Chairman of the Joint Chiefs of Staff authority to select and manage the Joint Staff, but to the notion that all personnel would find joint staff duty more rewarding and career enhancing. In other words, each Service would establish a "Joint Specialty." The idea is nothing more than the old and discredited German General Staff concept wearing a new coat. This concept is the best way to ensure that the United States will have a group of staff officers who know little or nothing about operations and combat. During this century, the Germans tried the General Staff System twice and their box score is: won 0, lost 2.

Insofar as the selection of the members of the Joint Staff is concerned, the Chairman now approves each and every assignment. No Service Chief would insist that the Chairman accept individuals other than those he felt could contribute to Joint Staff activities.

The CSIS proposal that a Deputy Chairman be established at the four-star level chosen from a different Service from the Chairman is simply another unnecessary layer which would permit the same two Services to alternate the Chairmanship back and forth leaving the remaining two Services completely out of the high-level decision-making process for an extended period of time. The present system of designating a member of the Joint Chiefs of Staff as substitute for the Chairman during an absence has worked extremely well. In addition, it has the advantage of training those officers who might subsequently become the Chairman.

In discussing strategic planning, the CSIS study says that the JCS staff find it impossible to take a balanced view of force levels and budget priorities, and are therefore unable to make cross-service force structure recommendations. The CSIS report solves this allegation by assigning such a responsibility to a strengthened Chairman and thereby providing civilian decision-makers with professional military advice. If "interservice rivalry" is so rampant, why then would the Chairman, who has been drawn from one of the Services and most often has already been a member of the Joint Chiefs of Staff, suddenly change his position and produce the all-knowing balanced force structure to which he was unable to contribute prior to this assignment as Chairman?

One of the most unworkable ideas of the CSIS report is a proposal to give the Unified and Specified Commanders (CINC's) a separate budget as well as "more authority" over the Component Commanders. The Unified Commanders are too busy in peacetime and would certainly be too busy in wartime to become involved in the manipulation of the defense budget. Let that merry-go-round continue with the Defense Department, the

OMB, and the Congess. Involving the CINC's would only divert them from their key responsibility of running a war.

Furthermore, I am unaware of any situation where a CINC was not supported fully by his Component Commanders and their Service Chiefs. Nor am I aware of any case where the Service ordered an individual to the staff of a CINC over his objection. Any CINC worthy of his assignment would not tolerate for five minutes the alleged difficulties he faces as described in the CSIS report. This allegation reflects gross misunderstanding by the CSIS group of how the present system actually works. It is an example of still another effort to establish a single Chief of Staff structure and create an elite planning staff.

Still another recommendation the CSIS report makes concerns the chain of command. It is proposed that the Chairman of the JCS replace the corporate Joint Chiefs of Staff in the operational chain of command as the transmitter of orders from the National Command Authority and the Unified and Specified Commanders. This recommendation is unnecessary since the Chairman of the Joint Chiefs of Staff already releases all messages which transmit orders from the National Command Authority to the Unified and Specified Commanders. So far as I know, my predecessors as well as my successors have taken the same action.

To make certain that the Secretary of Defense thoroughly understood and approved such orders, it was my procedure that the Secretary of Defense personally initial the original message before I released it. This is a foolproof safeguard of the principle of civilian control as well as a protection of the integrity of the Chairman. In addition, this procedure ensures that the military commanders receive straightforward orders in professional and understandable terms.

Another recommendation of the CSIS study is one I doubt will be greeted by enthusiasm by an Secretary of Defense. It proposes a complex realignment of responsibilites in his office. While I agree that the office of the Secretary of Defense is overmanned, just as the Joint Staff is overmanned, the CSIS recommendations will probably increase rather than decrease personnel requirements. I particularly take issue with the establishment of a *third* Undersecretary of Defense with responsibilities for readiness and other operational needs of the Unified and Specified Commands. This proposal is a spill-over from the Fitzhugh Blue Ribbon Panel of 1969 which recommended a second Deputy Secretary of Defense for operations. Pushing readiness and operational matters from the services up into the office of the Secretary of Defense will not only create another unnecessary layer of extra personnel, but will divide responsiblity and bury accountability.

In every executive pyramid in the business world, the President or CEO organizes his staff to respond to his method of control. So should the Secretary of Defense. Any reorganization of the Secretary of Defense Staff should be left to the Secretary himself.

With respect to the Congress and budgeting in general, I agree fully that biennial budgeting would not only provide greater stability to weapon programs; but also significantly reduce the unit cost of weapon systems.

In summary, the current organization of the Joint Chiefs of Staff, although subject to some administrative alteration, is the best that can be devised for a democracy such as we have in the United States and for a nation which has worldwide deployments. I am confident that the Secretary of Defense and the Joint Chiefs of Staff currently in office support this view. There is no perfect system to cover all scenarios and there never will be. The assignment of good people, both civilian and military, and a clear-cut designation of authority, responsibility, and accountability will ensure the best performance. So far, over 20 studies have been made concerning the reorganization of the Defense Department and I am sure there will be many more.

Today the system works and works well, and changing telephone numbers and rearranging desks will not result in improvement in such a complex environment.

FINANCIAL STATEMENT OF SENATOR DOLE

Mr. DOLE. Mr. President, as has been my practice in the last several years, I would like to make available to the public a summary of pertinent information concerning my 1984 Federal and State income tax returns.

My 1984 income included a Senate salary of $72,600, honoraria of $115,931, $14,985 from weekly radio programs, and $5,241 in interest income. Other smaller items included a share of income from my mother's estate and rental income from my house in Russell, KS.

In keeping with my longstanding policy, no honoraria were accepted, or will be accepted, which might create the appearance of a conflict of interest either for myself or for my wife, Department of Transportation Secretary Elizabeth Dole. And of the $115,931 in honoraria received, $95,581, or 82.44 percent, was donated to charity. An itemized list of these charitable donations is attached, and I request that it be included as a part of this statement. Total contributions to charity in 1984 increased by $16,698 over 1983, to a total of $109,124.

The returns show that on taxable income of $80,398, $31,127 was paid in income taxes for 1984, including $23,722 in Federal and $7,405 in Kansas and North Carolina taxes. Taxable income was substantially lower in 1984, principally as a result of the following factors: first, a decline in honoraria received; second, increased retirement savings; third, no capital gain from the sale of property—in 1983 Mrs. Dole had a one-time gain from the sale of inherited real property; and fourth, increased interest expense related to a real estate investment owned by Mrs. Dole.

Mr. President, I ask unanimous consent that a table summarizing and comparing my taxable income for 1983 and 1984 be incorporated in the RECORD at this point as a part of my statement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ROBERT J. DOLE, SUMMARY OF INCOME TAX INFORMATION

	1984	1983
Senate salary	$72,600	$65,231
Honoraria	115,931	188,917
Less honoraria donated to charity	(95,581)	(82,250)
Net honoraria	20,350	106,667
Radio fees	14,985	5,691
Interest income	5,241	3,931
Miscellaneous (rental income, estate, State tax refund)	441	457
Office account reimbursement	5,237	0
	118,854	181,977

1984 honoraria contributed to charity—Senator Bob Dole

Charity	*Amount*
The Dole Foundation	$10,000
Kansas Association for the Deaf, Inc	3,333
Foundry Methodist Church	13,333
Leukemia Society of America, Kansas Chapter	2,500
Kansas Children's Service League	3,083
Lakemary Center, Inc	6,000
American Heart Association, Kansas Affiliate, Inc	3,333
Institute of Logopedics, Inc	3,666
National Easter Seal Society	2,000
Kansas University Endownment Association—Vietnam Memorial Fund	2,000
United Negro College Fund	6,666
Russell City Hospital Fund	1,333
Trinity United Methodist Church	2,000
American Lung Association of Kansas	3,001
Kansas Foundation for the Blind	5,500
American Institute of Applied Politics	2,000
Agriculture Hall of Fame	1,334
Kansas Wesleyan College	1,333
Academy of Mount St. Scholastica	2,000
Mid-American All-Indian Center	667
William A. Steiger Congressional Fellowship	667
Fellowship of Christian Athletes	1,333
El Centro	667
Kansas Society for Crippled Children	2,667
Kansas Chapter, Society for Autistic Children	3,333
Kansas Association for Mental Health	3,833
United Cerebral Palsy of Kansas	3,333
Kansas Association of Retarded Children	2,000
Kansas Masonic Home	1,333
Capper Foundation for Crippled Children	1,333
Total	95,581

FOREIGN AID TO TURKEY AND CYPRUS

Mr. D'AMATO. Mr. President, we will all have to be voting in the near future on the amount of foreign aid for Turkey and Cyprus. In preparation for this vote, I would like to call my colleagues' attention to a matter which occurred recently affecting the island of Cyprus.

You may have read recently that Turkish Cypriots approved a constitu-

tion for the illegal Turkish independ- vision and video recorders, pornogra- As far as criminal behavior is con-

Deanne Tilton, president, California I. THE "MILLER" TEST A CENSORSHIP tion for the illegal Turkish independent state in the occupied area of northern Cyprus. What you most likely didn't read, because it was omitted from news reports, is that a majority of Turkish Cypriots refused to vote for such a constitution. Rather, the support for the constitution came from Turkish citizens who had been sent to reside in occupied Cyprus after the Turkish troops invaded the island 11 years ago. These Turkish citizens were allowed to cast ballots and supported the constitution.

We in the Senate have to ask ourselves what this vote or lack of vote from the Turkish Cypriots means. Does it mean, as many have suggested, that the Turkish Cypriots, like the Greek Cypriots, oppose efforts to partition their country—the Republic of Cyprus? Does it mean that the Turkish Cypriots, like the Greek Cypriots and the American Congress, find repugnant the maintenance of Turkish occupation soldiers on the Republic of Cyprus?

We in the Senate must ask ourselves some additional questions. Given the severe problems in the Turkish economy, would Turkey spend the more than $200 million a year it costs to maintain their troops on Cyprus, were it not for the nearly $1 billion in foreign aid that is provided by the United States? Would Turkey have been able to successfully invade Cyprus and to maintain its military stronghold, were it not for the hundreds of millions of dollars worth of American armaments that we provided?

In light of these new developments on Cyprus and in light of the budget deficit problems that we are having in our own country, which are causing sacrifices by our own people, shouldn't we reevaluate our policy of sending hundreds of millions of dollars through Turkey to its occupation troops in Cyprus?

THE ATTORNEY GENERAL'S COMMISSION ON PORNOGRAPHY

Mr. ARMSTRONG. Mr. President yesterday, the Attorney General of the United States named 11 people to a commission to study the effects of pornography, and to make recommendations about its regulation. The commission will undertake the first national review of pornography in 15 years.

"Re-examination of the issue of pornography is long overdue," Mr. Meese told a news conference. "The content of pornography has radically changed" since the earlier study "with more and more emphasis on extreme violence."

"Moreover, no longer must one go out of the way to find pornographic materials," the Attorney General continued. "With the advent of cable television and video recorders, pornography now is available at home to almost anyone—regardless of age—at the mere touch of a button or at the mere dialing of a telephone."

Mr. President, the Attorney General is to be commended for this initiative. Pornography is an international malignancy that consumes our children, spawns violence, and corrupts the hearts and minds and morals of civil society.

Perhaps it is unfashionable in modern times to speak of corruption of hearts, and minds, and especially morals. After all, it is said, aren't these the terms of moralists, bluenoses, victorians, and censors? Well, perhaps, but I use the terms unapologetically: A civil society cannot—and this constitutional democracy need not—leave the pornmongers free to peddle their vile wares. When a people's hearts, minds, and morals are at stake, their vision of justice, liberty, decency, and family is at stake. The stakes are too high for apology or equivocation.

In 1970, the President's Commission on Obscenity and Pornography concluded that:

> If a case is to be made against "pornography" * * * it will have to be made on grounds other than demonstrated effects of a damaging personal or social nature. (The Report of the Commission on Obscenity and Pornography, page 139.)

The President repudiated his Commission's conclusion, as did the Senate: On October 13, 1970, the Senate passed Senate Resolution 477 which rejected the Commission's major findings and recommendations by a vote of 60 to 5. Subsequent research has been no more friendly to the 1970 Commission than the Senate was, and the new data offer adequate justification for today's Commission. To take one example, Prof. Jennings Bryant of the University of Houston and Prof. Dolf Zillmann of Indiana University have shown that persons exposed to pornography come to view rape as a relatively trivial offense. In the Bryant-Zillman study, men and women were exposed to pornographic movies once a week for just 6 weeks. Three weeks after the exposure had ended, those who had been exposed to the pornographic movies favored jail sentences for rapists that were from 40 percent to 50 percent shorter than the jail sentences recommended by the control group which had been shown innocuous films.

In another study, Bryant and Zillmann have shown that individuals viewing pornography tend to hold marriage and the family in lower esteem, tend to show more tolerance for premarital and extramarital sex, express more dissatisfaction with their sexual partner, and expect that they will be less faithful to their spouse if opportunities for extramarital sex arise.

As far as criminal behavior is concerned, David Scott, the author of the recent, "Pornography: Its Effects on the Family, Community, and Culture," seems to sum it up by saying that pornography "is the literature of the sex offender."

Even in the face of the evidence of demonstrable harm, this Commission was chosen to "carefully balance the need to control distribution of this material and the need to protect first amendment freedoms." This balance between license and regulation is not inconsistent with a free society as the civil libertarians seem to think; indeed, it is essential to a free society. Furthermore, it is a balance that can be struck. Legal control of obscenity does not imply a police state.

Obscenity is not now protected by the Constitution of the United States—and it never has been. Writing for the Court, Chief Justice Burger has said:

> (T)o equate the free and robust exchange of ideas and political debate with commercial exploitation of obscene materials demeans the grand conception of the First Amendment and its high purpose in the historic struggle for freedom. * * * The First Amendment protects works which, taken as a whole, have serious literary, artistic, political, or scientific value, regardless of whether the government or a majority of the people approve of the ideas these works represent. "The protection given speech and press was fashioned to assure unfettered interchange of ideas for the bringing about of political and social changes desired by the people." * * * But the public portrayal of hard-core sexual conduct for its own sake, and for the ensuing commercial gain, is a different matter. *Miller* v. *California*, 413 U.S. 15, 34-35, rehearing denied, 414 U.S. 881 (1973).

Miller remains the leading case on the law of obscenity and the first amendment.

The Attorney General's Commission will be chaired by Henry Hudson, Commonwealth's Attorney for Arlington County, VA. The other members of the Commission are:

Judith Veronica Becker, associate professor of clinical psychology, Columbia University.

Diane D. Cusack, vice major of Scottsdale, AZ;

Park Elliot Dietz, professor of law and behavioral medicine, University of Virginia;

James C. Dobson, founder and president of the syndicated radio program "Focus on the Family;"

U.S. District Judge Edward J. Garcia;

Ellen Levine, vice president, CBS Magazine Division and editor-in-chief, Woman's Day;

Tex Lezar, former Assistant Attorney General;

Father Bruce Ritter, founder and president of Covenant House;

Frederick Schauer, professor of law, University of Michigan; and

Deanne Tilton, president, California Consortium Against Child Abuse.

The Attorney General is to be congratulated for this initiative. He has my support and the support of millions of Americans. The Commission's findings and recommendations will be of interest and importance to the State legislatures and to Congress, and I extend my best wishes to the Commissioners as I await their report.

Mr. President, at my request, the staff of the Republican Policy Committee prepared a background memorandum which describes the legal principles of the Supreme Court's major obscenity cases. The memorandum sets out the Miller test which describes the boundaries of the current constitutional requirements for obscenity. The memo also discusses some of the questions raised by Miller such as whether child pornography is legally distinct from other types of pornography (answered in Ferber versus New York), whether books without photographs can be legally obscene (answered in Kaplan versus California), whether "soft core" materials may be held obscene (answered in Jenkins versus Georgia), and so on. The memorandum outlines five important themes that always surface is discussions of pornography, namely censorship, consenting adults, free will, privacy, and legislation based on unprovable assumptions. Attached to the memorandum is an appendix that lists and summarizes the major Federal obscenity statutes.

I ask unanimous consent that the memorandum and appendix prepared by the Policy Committee be included in the RECORD so that readers may have the benefit of this information.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
REPUBLICAN POLICY COMMITTEE,
RUSSELL SENATE OFFICE BUILDING,
Washington, DC, February 22, 1985.

To: Senator Armstrong.
From: Lincoln Oliphant.
Re: The Substance of the Supreme Court's Obscenity Test.

On June 21, 1973, The United States Supreme Court handed down a series of decisions redefining the relationship of obscene materials and the First Amendment. The Court reaffirmed its decades-old holding that obscene material is not protected by the First Amendment, and it set out, in the leading case of *Miller* v. *California*, 413 U.S. 15, *reh. den.*, 414 U.S. 881 (1973), a new test for determining obscenity. The *Miller* test remains the law of the First Amendment, although often by the narrowest of margins.

As of mid-1982, thirty-seven States and the District of Columbia had, either by legislative enactment or judicial construction, adopted the *Miller* test. Four States had retained the earlier test. The remaining States (except for Alaska which had no obscenity statutes) had laws which did not fall into either category. *Ferber* v. *New York*, *infra* Part III.J., at 755 n. 7.

I. THE "MILLER" TEST

Miller is important for two primary reasons: First, it reaffirmed the 1957 holding of *Roth* v. *United States*, 354 U.S. 476 (1957) that "Obscenity is not within the area of constitutionally protected speech or press." (Opinion by Justice Brennan, who has since changed his mind.) Second, *Miller* abandoned the *Memoirs* v. *Massachusetts*, 383 U.S. 413 (1966), test which, among other things, required that an allegedly obscene work be found to be "*utterly* without redeeming social value." (Plurality opinion, emphasis in original.)

The new *Miller* test was set out specifically by Chief Justice Burger, writing the first majority opinion in an obscenity case since *Roth*:

". . . We acknowledge . . . the inherent dangers of undertaking to regulate any form of expression. State statutes designed to regulate obscene materials must be carefully limited. As a result, we now confine the permissible scope of such regulation to works which depict or describe sexual conduct. That conduct must be specifically defined by the applicable state law, as written or authoritatively construed. . . .

"The basic guidelines for the trier of fact must be: (a) whether 'the average person, applying comtemporary community standards' would find that the work, taken as a whole, appeals to the prurient interest . . .; (b) whether the work depicts or describes, in a patently offensive way, sexual conduct specifically defined by the applicable state law; and (c) whether the work, taken as a whole, lacks serious literary, artistic, political, or scientific value. . . . If a state law that regulates obscene material is thus limited, as written or construed, the First Amendment values applicable to the States through the Fourteenth Amendment are adequately protected by the ultimate power of appellate courts to conduct an independent review of constitutional claims when necessary."

Miller at 23-25 (footnotes and citations omitted.) (See Part III for a discussion of some of the questions raised by *Miller*.)

In *Roth*, Justice Brennan turned to Webster who defined prurient as ". . . Itching, longing; uneasy with desire or longing; of persons, having itching, morbid, or lascivious longings; of desire, curiosity, or propensity, lewd. . . ." *Roth* at 487 n. 20. He also referred to the 1957 draft of the Model Penal Code: ". . . prurient interest, i.e., a shameful or morbid interst in nudity, sex, or excretion. . . ." Id.

This week, the Supreme Court heard oral argument in a case presenting the question of whether "prurient" can be defined to mean "that which incites lasciviousness or lust." The 9th Circuit held that inciting to "lust" was constitutionally protected activity. *Brockett* v. *Spokane Arcades, Inc*, Nos. 84-28 & 84-143 (U.S.S. Ct.), *sub nom.*, *J-R Distributors, Inc.* v. *Eikenberry*, 725 F.2d 482 (9th Cir. 1984).

II. FIVE FIRST AMENDMENT THEMES

In reaching the result in *Miller*, its companion cases, and subsequent cases, the Supreme Court majority has adopted certain positions of philosophy and jurisprudence and rejected others. Since an understanding of the Court's results depends in part on a knowledge of its premises, the majority's treatment of some of the more important foundational issues is set out in this part which consists in its entirety of excerpts from Chief Justice Burger's opinions for the court:

A CENSORSHIP

"The dissenting Justices sound the alarm of repression. But, in our view, to equate the free and robust exchange of ideas and political debate with commercial exploitation of obscene materials demeans the grand conception of the First Amendment and its high purpose in the historic struggle for freedom. . . The First Amendment protects works which, taken as a whole, have serious literary, artistic, political, or scientific value, regardless of whether the government or a majority of the people approve of the ideas these works represent. 'The protection given speech and press was fashioned to assure unfettered interchange of *ideas* for the bringing about of political and social changes desired by the people.' [Quoting *Roth*, emphasis added.] . . . But the public portrayal of hard-core sexual conduct for its own sake, and for the ensuing commercial gain, is a different matter."

Miller at 34-35 (footnotes and citations omitted).

B. CONSENTING ADULTS

"We categorically disapprove the theory . . . that obscene, pornographic films acquire constitutional immunity from state regulation simply because they are exhibited for consenting adults only. . . . The States have a long-recognized legitimate interest in regulating the use of obscene material in local commerce and in all places of public accommodation, as long as these regulations do not run afoul of specific constitutional prohibitions. . . .

"In particular, we hold that there are legitimate state interests at stake in stemming the tide of commercialized obscenity, even assuming it is feasible to enforce effective safeguards against exposure to juveniles and to passersby. Rights and interests 'other than those of the advocates are involved.' . . . These include the interest of the public in the quality of life and the total community environment, the tone of commerce in the great city centers, and, possibly, the public safety itself. The Hill-Link Minority Report of the Commission on Obscenity and Pornography indicates that there is at least an arguable correlation between obscene material and crime. Quite apart from sex crimes, however, there remains one problem of large proportions aptly described by Professor Bickel:

"'It concerns the tone of the society, the mode, or to use terms that have perhaps greater currency, the style and quality of life, now and in the future. A man may be entitled to read an obscene book in his room, or expose himself indecently there. . . . We should protect his privacy. But if he demands a right to obtain the books and pictures he wants in the market, and to foregather in public places—discreet, if you will, but accessible to all—with others who share his tastes, *then to grant him his right is to affect the world about the rest of us, and to impinge on other privacies.* Even supposing that each of us can, if he wishes, effectively avert the eye and stop the ear (which, in truth, we cannot), what is commonly read and seen and heard and done intrudes upon us all, want it or not' [Citation omitted; emphasis added by the court.]

"As Mr. Chief Justice Warren stated, there is a 'right of the Nation and of the States to maintain a decent society. . .'."

Paris Adult Threatre I v. *Slaton*, 413 U.S. 49, 57-60, *reh. den.* 414 U.S. 881 (opinion of Burger, C.J.). See also, at 68-69.

C. FREE WILL

"It is argued that individual 'free will' must govern, even in activities beyond the protection of the First Amendment and other constitutional guarantees of privacy, and that government cannot legitimately impede an individual's desire to see or acquire obscene plays, movies, and books. We do indeed base our society on certain assumptions that people have the capacity for free choice. Most exercises of individual free choice—those in politics, religion, and expression of ideas—are explicitly protected by the Constitution. Totally unlimited play for free will, however, is not allowed in our or any other society. We have just noted, for example, that neither the First Amendment nor 'free will' precludes States from having 'blue sky' laws to regulate what sellers of securities may write or publish about their wares. . . . Such laws are to protect the weak, the uninformed, the unsuspecting, and the gullible from the exercise of their own volition. Nor do modern societies leave disposal of garbage and sewage up to the individual 'free will,' but impose regulation to protect both public health and the appearance of public places. States are told by some that they must await a 'laissez-faire' market solution to the obscenity-pornography problem, paradoxically "by people who have never otherwise had a kind word to say for laissez-faire,' particularly in solving urban, commercial, and environmental pollution problems. . . .

"The States, of course, may follow such a 'laissez-faire' policy and drop all controls on commercialized obscenity, if that is what they prefer, just as they can ignore consumer protection in the marketplace, but nothing in the Constitution *compels* the States to do so with regard to matters falling within state jurisdiction. . . ."

Paris Adult Threatre at 63–64 (citations omitted).

D. PRIVACY

". . .This Court has, on numerous occasions, refused to hold that commercial ventures such as a motion-picture house are 'private' for the purpose of civil rights litigation and civil rights statues. . . .

"Our prior decisions recognizing a right to privacy guaranteed by the Fourteenth Amendment included 'only personal rights that can be deemed "fundamental" or "implicit in the concept of ordered liberty" . . . .' This privacy right encompasses and protects the personal intimacies of the home, the family, marriage, motherhood, procreation, and child rearing. . . . Nothing, however, in this Court's decisions intimates that there is any 'fundamental' privacy right 'implicit in the concept of ordered liberty' to watch obscene movies in places of public accommodation.

". . . Conduct or depictions of conduct that the state police power can prohibit on a public street do not become automatically protected by the Constitution merely because the conduct is moved to a bar or a 'live' theater stage, any more than a 'live' performance of a man and woman locked in a sexual embrace at high noon in Times Square is protected by the Constitution because they simultaneously engage in a valid political dilogue."

Paris Adult Theatre at 65–67 (citations omitted). Note: See the section on privacy in the home at Part III.I, below.

E. LEGISLATION BASED ON "UNPROVABLE ASSUMPTIONS"

"[I]t is argued [that] there are no scientific data which conclusively demonstrate that exposure to obscene material adversely affects men and women or their society. It is urged . . . that, absent such a demonstration, any kind of state regulation is 'impermissible.' We reject this argument. It is not for us to resolve empirical uncertainties underlying state legislation, save in the exceptional case where that legislation plainly impinges upon rights protected by the Constitution itself. . . .

"From the beginning of civilized societies, legislators and judges have acted on various unprovable assumptions. . . . On the basis of these assumptions both Congress and state legislatures have, for example, drastically restricted associational rights by adopting antitrust laws, and have strictly regulated public expression by issuers of any dealers in securities, profit sharing 'coupons' and 'trading stamps,' commanding what they must and must not publish and announce. . . . Understandably those who entertain an absolutist view of the First Amendment find it uncomfortable to explain why rights of association, speech, and press should be severely restrained in the marketplace of goods and money, but not in the marketplace of pornography.

"Likewise, when legislatures and administrators act to protect the physical environment from pollution and to preserve our resources of forests, streams, and parks, they must act on such imponderables as the impact of a new highway near or through an existing park or wilderness area. . . . The fact that a congressional directive reflects unprovable assumptions about what is good for the people, including imponderable aesthetic assumptions, is not a sufficient reason to find that statute unconstitutional.

"If we accept the unprovable assumption that a complete education requires the reading of certain books . . . and the well nigh universal belief that good books, plays, and art lift the spirit, improve the mind, enrich the human personality, and develop character, can we then say that a state legislature may not act on the corollary assumption that commerce in obscene books, or public exhibitions focused on obscene conduct, have a tendency to exert a corrupting and debasing impact leading to antisocial behavior? 'Many of these efforts may be intangible and indistinct, but they are nonetheless real.' . . . Mr. Justice Cardozo said that laws in Western civilization are 'guided by a robust common sense. . . .' The sum of experience, including that of the past two decades, affords an ample basis for legislatures to conclude that a sensitive, key relationship of human existence, central to family life, community welfare, and the development of the human personality, can be debased and distorted by crass commercial exploitation of sex. Nothing in the Constitution prohibits a State from reaching such a conclusion and acting on it legislatively simply because there is no conclusive evidence or empirical data."

Paris Adult Theatre at 60–63 (citations and footnotes omitted). *See also*, *Roth* v. *United States* at 500–502 (Harlan, J., concurring and dissenting).

III. ELEVEN DETAILS OF THE "MILLER" TEST

In the year following *Miller*, the Court has undertaken an explanation of the test's elements. Some major questions have been settled (for now), and eleven of these are examined in this part. The test itself, set out in Part I above, can be accurately understood only when read in conjunction with the Court's additional explanations. For example, below in subpart G it is explained that the trier of fact does *not* have unbridled discretion in determining what is obscene for the local community. This result was, I believe, implicit in *Miller*, but not entirely clear within the four corners of the test itself, at least not to Georgia state courts.

A. THE COMMUNITY

A judgment that an item is legally obscene depends (in part) on whether the material offends community standards. But is the "community" the nation, the state, the city, or the neighborhood? The answer to this question is closely linked to the question of whether the First Amendment operates differently in different communities, e.g., where a certain magazine is unconstitutionally obscene in jurisdiction A but legal and for sale in jurisdiction B.

In *Miller*, the Supreme Court held that state standards meet the requirements of the Constitution. A national standard was expressly rejected. A state need not, however, provide that the community be defined as the state. A jury may be instructed to apply "contemporary community standards" without being instructed on the definition of the community. *Jenkins* v. *Georgia*, 418 U.S. 153, 157 (1974).

The state legislatures, while not foreclosed from legislating with respect to community standards, *cannot define* the contemporary community standard of appeal to prurient interest or patent offensiveness.

"A juror is entitled to draw on his own knowledge of the views of the average person in the community or vicinage from which he comes for making the required determination, just as he is entitled to draw on his knowledge of the propensities of a 'reasonable' person in other areas of the law."

Smith v. *United States*, 431 U.S. 291, 302, (1977), quoting *Hamling* v. *United States*, 418 U.S. 87, 104–05, *reh. den.* 419 U.S. 885 (1974).

The policy against a state's defining the community standard is especially compelling when the defendant is charged with violating a *federal* statute. *Smith* at 303.

The geographical community may be the state or it may be not specified, but who resides in this "community"? Children are not to be included, since a jury striving to define the community's standards might reach an impermissibly "low" standard if children are included. However, all adults are to be encompassed in the community, including "sensitive persons." The jury may not focus its attention exclusively on "sensitive persons," but they are to be included within the general community. *Pinkus* v. *Rosslyn News* Co., 436 U.S. 293 (1978).

(The early leading standard of obscenity allows a work to be judged by the effect of isolated passages on the most susceptible persons in the community. *Regina* v. *Hicklin*, [1868] L.R. 3 Q.B. 360.)

The question of a community-based First Amendment was dealt with in depth in *Miller* at 30–34, see especially n. 13. In sum, the Court said,

"Under a National Constitution, fundamental First Amendment limitations on the powers of the States do not vary from community to community, but this does not mean that there are, or should or can be, fixed, uniform national standard of precisely what appeals to the 'prurient interest' or is 'patently offensive.' . . . To require a State to structure obscenity proceedings around evidence of a *national* 'community standard' would be an exercise in futility."

Miller at 30.

B. SEXUALLY DEVIANT GROUPS

In general, the effect of the material on the *average person* within the community is the important inquiry for the trier of fact. However, it is not error for the jury to be instructed to consider the prurient appeal of the material to a deviant sexual group. *Pinkus* at 301–03, *Hamling* v. *United States*, 418 U.S. 87, 127–30 (1974), *Mishkin* v. *New York*, 383 U.S. 502(1966).

C. EXPERT WITNESSES

Expert witnesses are not required to testify on the alleged obscenity of material. In rare cases, where the material is "directed at a bizarre deviant group that the experience of the trier of fact would be painly inadequate to judge whether the material appeals to the prurient interest," expert witnesses may be required. *Paris Adult Theatre* at 56 n. 6.

When the materials are placed in evidence, they are their own best evidence of what they represent. The materials are sufficient in themselves. "Simply stated, hard core pornography . . . can and does speak for itself." *Id.* (quoting the 2nd Cir.).

D. PANDERING

Pandering concerns not the materials themselves, but their circumstances of production, sale, and publicity. "The sordid business of pandering" has been defined as "the business of purveying textual of graphic matter openly advertisted to appeal to the erotic interest of their customers." *Ginzburg* v. *United States*, 383 U.S. 463, 467 (1966) quoting *Roth* at 495–96 (Warren, C.J., concurring).

Pandering itself can be made a crime. The circumstances of advertising and distribution also can be used by the trier of fact in judging obscenity as long as the constitutional definition is applied. *Hamling* at 130.

In *Splawn* v. *California*, 431 U.S. 595, 597–98 (1977), the following jury instructions were approved:

"In determining the question of whether the allegedly obscene matter is utterly without redeeming social importance, you may consider the circumstances of sale and distribution, and particularly whether such circumstances indicate that the matter was being commercially exploited by the defendants for the sake of its prurient appeal. Such evidence is probative with respect to the nature of the matter. . . .

"Circumstances of production and dissemination are relevant to determining whether social importance claimed for material was in the circumstances pretense or reality. . . ."

See also, *Pinkus* at 303–04.

E. HARD CORE MATERIALS

Obscene material must depict or describe *sexual* conduct. *Miller* at 24. The sexual conduct must be depicted or described in a "patently offensive 'hard core' " manner. *Id.* at 27. Examples of hard core materials include:

"Patently offensive representations or descriptions of ultimate sexual acts, normal or perverted, actual or simulated.

"Patently offensive representations or descriptions of masturbation, excretory functions and lewd exhibition of the genitals."

Id. at 25.

States and localities are not free to define non-hard core matter as obscene. This restriction is treated in subsection G.

18 U.S.C. 1461 which speaks in terms of "obscence, lewd, lascivious, indecent, filthy or vile . . . matter" falls within the *Miller* requirements, and is not impermissibly vague, although it does not list particular depictions that Congress forbids. *Hamling* at 110–116. Defendants had constitutionally adequate notice of the type of behavior that was forbidden. *Accord*, *Ward* v. *Illinois*, 431 U.S. 767 (1977) (state obscenity statute).

F. WORDS WITHOUT PICTURES

Books containing words, but no pictures, can be constitutionally obscene. *Kaplan* v. *California*, 413 U.S. 115, 118–22, *reh. den.* 414 U.S. 883 (1973).

"Because of a profound commitment to protecting communication of ideas, any restraint on expression by way of the printed word or in speech stimulates a traditional and emotional response, unlike the response to obscene pictures of flagrant human conduct. A book seems to have a different and preferred place in our hierarchy of values, and so it should be. But this generalization, like so many, is qualified by the book's content. As with pictures, films, paintings, drawings, and engravings, both oral utterance and the printed word have First Amendment protection until they collide with the long-settled position of this Court that obscenity is not protected by the Constitution."

Kaplan at 119–20 (citation omitted).

G. LOCAL DISCRETION

"Even though questions of appeal to the 'prurient interest' or of patent offensiveness are 'essentially questions of fact,' it would be a serious misreading of *Miller* to conclude that juries have unbridgled discretion in determining what is 'patently offensive.' " *Jenkins* v. *Georgia*, 418 U.S. 153, 160 (1974) (Rehnquist, J.) (The entire court agreed with the result.)

Jenkins was convicted by a Georgia jury, under a statute that incorporated the *Memoirs* test, of showing an obscene motion picture, "Carnal Knowledge." The U.S. Supreme Court reversed, holding that the movie "could not, as a matter of constitutional law, be found . . . outside the protection of the First and Fourteenth Amendments because it is obscene." *Id.* at 161. Juries are constitutionally prohibited from finding materials "obscene" unless they are "hard core." Examples of what consists hard core materials can be found in subpart E.

"Carnal Knowledge" was critically acclaimed and earned at least one Academy Award nomination. The Court viewed the film, and Justice Rehnquist described it this way:

"While the subject matter of the picture is, in a broader sense, sex, and there are scenes in which sexual conduct including 'ultimate sexual acts' is to be understood to be taking place, the camera does not focus on the bodies of the actors at such times. There is no exhibition whatever of the actors' genitals, lewd or otherwise, during these scenes. There are occasional scenes of nudity, but nudity alone is not enough to make material legally obscene under the *Miller* standards."

Id.

"It would be wholly at odds with . . . *Miller* to uphold an obscenity conviction based upon a defendant's depiction of a woman with a bare midriff, even though a properly charged jury unanimously agreed on a verdict of guilty."

Id.

H. SCIENTER

The term generally refers to a defendant's "guilty knowledge" of the nature of his conduct. Within the context of obscenity trials, it has been argued that a defendant cannot be convicted of, e.g., knowingly using the mails to send nonmailable materials such as pornography, unless the defendant himself had knowledge that the materials were obscene. This reasoning has been rejected by the Supreme Court.

"The inquiry under the statute is whether the paper charged to have been obscene, lewd, and lascivious was in fact of that character, and if it was of that character and was deposited in the mails by one who knew or had notice at the time of its contents, the offence is complete, although the defendant himself did not regard the paper as one that the statute forbade to be carried in the mails. Congress did not intend that the question as to the character of the paper should depend upon the opinion or belief of the person who, with knowledge or notice of its contents, assumed the responsibility of putting it in the mails of the United States. The evils that Congress sought to remedy would continue and increase in volume if the belief of the accused as to what was obscene, lewd, and lascivious was recognized as the test for determining whether the statute has been violated."

Hamling at 120–21, quoting *Rosen* v. *United States*, 161 U.S. 29, 41–2 (1896).

The general rule does not require knowledge that the material is obscene, but it does require knowledge of the character of the material. In *Smith* v. *California*, 361 U.S. 147 (1959), a statute was struck down as unconstitutional where booksellers were held absolutely liable criminally for books in their possession that were later determined to be obscene even if the sellers had no knowledge whatsoever of the contents of the books.

"[C]riminal responsibility may not be imposed without some element of scienter," *Ferber* at 765, but a knowledge that the material is obscene is not required.

I. PRIVACY

Private possession of obscene materials within the privacy of one's own home cannot be made a crime. Such materials, in such places, are protected by the First and Fourteenth Amendments. "If the First Amendment means anything, it means that a State has no business telling a man, sitting alone in his own house, what books he may read or what films he may watch." *Stanley* v. *Georgia*, 394 U.S. 557, 565 (1969).

The hope of some on the Court (and off) that *Stanley* would be read to imply a right to order and receive obscene materials as well as possess them was denied in *United States* v. *Reidel*, 402 U.S. 351, *reh. den.*, 403 U.S. 924 (1971). (The district court had struck down the federal law prohibiting the mailing of obscene materials reasoning that "if a person has the [*Stanley* v. *Georgia*] right to receive and possess [obscene] material, then someone must have the right to deliver it to him." The Supreme Court rejected this reasoning.)

Stanley's zone of privacy does not extend beyond the home.

There is no constitutional right to transport obscene material by private carrier even for private use. *United States* v. *Orito*, 413 U.S. 139 (1973).

There is no constitutional right to import obscene material whether for commercial use, *United States* v. *Thirty-seven Photographs*, 402 U.S. 363, *reh. den.*, 403 U.S. 924 (1971), or for private, personal use, *United States* v. *12 200-Ft. Reels of Film*, 413 U.S. 123 (1973).

J. CHILDREN

In *Ferber* v. *New York*, 458 U.S. 747 (1982), the Court held that a state may prohibit the production and distribution of materials showing children in sexually explicit activity whether or not the materials are legally obscene. This result was joined by all members of the court; there remained disagreement about materials having a serious literary, scientific, or educational value.

Materials which do not involve children in live performances or photographic depictions of live performances, and not otherwise obscene, retain their First Amendment protection. *Id.* at 765.

For the following reasons the Court was persuaded that states are entitled to "greater leeway" in the regulation of child pornography:

"*First.* It is evident beyond the need for elaboration that a State's interest in 'safeguarding the physical and psychological well-being of a minor' is 'compelling.'

"*Second.* The distribution of photographs and films depicting sexual activity by juveniles is intrinsically related to the sexual abuse of children. . . .

"*Third.* The advertising and selling of child pornography provide an economic motive for and are thus an integral part of the production of such materials, an activity illegal throughout the Nation.

"*Fourth.* The value of permitting live performances and photographic reproductions of children engaged in lewd sexual conduct is exceedingly modest, if not *de minimis.*

"*Fifth.* Recognizing and classifying child pornography as a category of material outside the protection of the First Amendment is not incompatible with our earlier decisions."

Ferber, passim.

For child pornography, the *Miller* test is "adjusted in the following respects: A trier of fact need not find that the material appeals to the prurient interest of the average person; it is not required that sexual conduct portrayed be done so in a patently offensive manner; and the material at issue need not be considered as a whole. *Id.* at 764.

K. AVAILABILITY OF SIMILAR MATERIAL

Alleged pornographers have attempted to show that their own materials cannot be found to offend community standards because similar materials are widely available in the community. This attempt is unavailing.

Quoting the 2nd Circuit with approval, the Supreme Court has said, "Mere availability of similar material by itself means nothing more than that other persons are engaged in similar activities.'"

In *Hamling,* the trial court refused to admit similar materials which had already been determined to be nonobscene and the defendant alleged error. The Supreme Court's answer was, "A judicial determination that particular matters are not obscene does not necessarily make them relevant to the determination of the obscenity of other materials, much less mandate their admission into evidence." *Id.*

[Appendix: To accompany Republican Policy Committee memorandum of February 22, 1985, "The Substance of the Supreme Court's Obscenity Test"]

MAJOR FEDERAL OBSCENITY STATUTES LISTED IN NUMERICAL ORDER, BY TITLE AND SECTION OF THE UNITED STATES CODE (1982)

TITLE 18, CRIMES AND CRIMINAL PROCEDURE

18 USC 552 forbids any officer, agent, or employee of the United States to knowingly aid in a violation of any statute that prohibits the importing, advertising, dealing in, exhibiting or sending or receiving by mail of any obscene or indecent publications "or other articles of indecent or immoral use." (up to $5,000 or 10 years, or both)

Chapter 71 of Title 18, comprising sections 1461-1465, is titled "Obscenity"

18 USC 1461 defines nonmailable matter as, inter alia, "Every obscene, lewd, lascivious, indecent, filthy or vile article, matter, thing, device or substance . . ." and prohibits knowingly using the mails to transport such materials. (up to $5,000 or 5 years, or both, for first offense, and up to $10,000 or 10 years, or both, for subsequent offenses) Held constitutional in *Smith* v. *United States,* 431 U.S. 291 (1979), *Hamling* v. *United States,* 418 U.S. 87 (1974), *United States* v. *Reidel,* 402 U.S. 351 (1971), and *Roth* v. *United States,* 354 U.S. 476 (1957).

18 USC 1462 prohibits importing or knowingly transporting in interstate commerce by common carrier any obscene, lewd, lascivious, or filthy book, pamphlet, picture, motion-picture film, paper, letter, writing, print, or other matter of indecent character . . ." or any obscene phonographic recording. (penalty, identical to sec. 1461) Held constitutional in *United States* v. *Orito,* 413 U.S. 139 (1973).

18 USC 1463 requires otherwise mailable matter to be sent in covers or wrappers that are not obscene or indecent. (up to $5,000 or 5 years, or both) The section is constitutional, *United States* v. *Keller,* 259 F.2d 54 (3rd Cir. 1958) (but construing "indecent" to mean "obscene").

18 USC 1464 reads in its entirety, "Whoever utters any obscene, indecent, or profane language by means of radio communication shall be fined not more than $10,000 or imprisoned not more than two years, or both." For possible sanctions against stations violating this section, see 47 USC 312 (license revocation) and 47 USC 503 (forefeiture penalty). *See also,* 47 USC 303(m)(1)(D). (The FCC is forbidden to censor, 47 USC 326.) The section is constitutional, *United States* v. *Smith,* 467 F.2d 1126 (7th Cir. 1972) and *Tallman* v. *United States,* 465 F.2d 282 (7th Cir. 1972) (scienter requirement read into the statute in both cases). See also, *Federal Communications Commission* v. *Pacifica Foundation,* 438 U.S. 726 (1978) (plurality opinion) (sec. 1464 as the basis for F.C.C. regulation of broadcasts which are indecent without being obscene—very narrow holding).

18 USC 1465 prohibits transporting obscene material in interstate or foreign commerce for sale or distribution; possession of 2 or more copies of any one publication or possession of 5 or more publications or articles in total shall create a rebuttable presumption that the articles were intended for sale or distribution; provides for confiscation and disposal of such materials. (up to $5,000 or five years, or both) Section 1465 is constitutional, *United States* v. *Marks,* 520 F.2d 913 (6th Cir. 1975), rev'd on other grounds, 430 U.S. 188 (1977), and *Friedman* v. *United States,* 506 F.2d 511 (8th Cir. 1974), *cert den.,* 421 U.S. 1004 (1975), *reh. den.,* 423 U.S. 885 (1975).

Chapter 83 of Title 18, comprising sections 1691-1738, is titled "Postal Service"

8 USC 1735 prohibits mailing sexually oriented advertising in violation of 39 USC 3010 or its regulations and prohibits unauthorized use of a mailing list authorized by 39 USC 3010. (up to $5,000 or 5 years, or both, for first offense, and up to $10,000 or 10 years, or both, for subsequent offenses) See, Anno. 15 A.L.R. Fed. 488, "Validity, Construction, and Application of Provision of Postal Reorganization Act of 1970 (18 USC 1735-1737; 39 USC 3010,3011) . . . ."

18 USC 1736 prohibits the use of materials provided in compliance with 39 USC 3010 from being used in any criminal proceeding, except one with respect to furnishing false information.

18 USC 1737 provides a penalty for the printer or manufacturer of any obscene items intending or knowing that such items will be deposited in the mails in violation of 39 USC 3008 or 3010 or their regulations (penalty, same as sec. 1735)

Chapter 96 of Title 18, comprising sections 1961-1968, is titled, "Racketeer Influenced and Corrupt Organizations" [RICO]

18 USC 1961(1), *as amended,* Public Law 98-473, chapter X, sec, 1020, Oct. 12, 1984, 98 Stat. 2143, defines racketeering activity as, inter alia, "dealing in obscene matter." RICO provides both civil remedies (e.g., divestiture, investment restrictions, disolution of an enterprise; treble damages and attorney's fees for persons injured by RICO violations) and criminal penalties (up to $25,000 and 20 years, or both; forfeiture to the United States). Wire taps and "bugs" can be obtained to provide RICO evidence, 18 USC 2518. RICO and other provisions of the Organized Crime Control Act of 1970 were enacted to "seek the eradication of organized crime in the United States by strengthening the legal tools in the evidence-gathering process, by establishing new penal prohibitions, and by providing enhanced sanctions and new remedies to deal with the unlawful activities of those engaged in organized crime." See, 18 USC 1961 nt. RICO has been construed frequently; its constitutionality seems established: e.g., *United States* v. *Ruggiero,* 726 F.2d 913 (2nd Cir. 1984), cert. den. sub nom., *Rabito* v. *United States,* 105 S. Ct. 118 (1984), United States v. *Riccobene,* 709 F.2d 214 (3rd Cir. 1983), cert. den. sub nom., *Ciancaglini* v. *United States,* 104 S.Ct. 157 (1983).

Chapter 110 of Title 18, comprising sections 2251-2255, is titled "Sexual Exploitation of Children"

18 USC 2251-2255, *as amended and added,* Public Law 98-292, May 21, 1984, 98 Stat. 204, prohibit any person to "use, persuade, induce, entice, or coerce" (and prohibit any parent or guardian to knowingly permit) any minor to engage in sexually explicit conduct for the purpose of producing a visual depiction of such conduct, if the product or will move in interstate or foreign commerce, or the mails. Shipment, distribution, or receiving such products are also prohibited. The age of majority for purposes of the statute is raised from 16 to 18 years. Violations are punishable by fines up to $100,000, or imprisonment up to 10 years, or both. For subsequent violations, up to $200,000 and 15 years, but not less than 2 years, or both. Civil and criminal forfeitures are provided; wire tap and "bugging" authority is granted. The provisions are constitutional, *United States* v. *Fogarty,* 663 F.2d 928 (9th Cir. 1981) (statute not unconstitutionally vague). *Ferber* v. *New York,* 458 U.S. 747 (1982) held that child pornography may be prohibited even if not obscene under the *Miller* test. ("Sexual abuse or exploitation" of a minor by one responsible for the child's welfare is defined as "child abuse and neglect" for purposes of the Child Abuse Prevention and Treatment Act, 42 USC 5102.)

Chapter 117 of Title 18, comprising sections 2421—2424, is titled "White Slave Traffic"

18 USC 2421-2424 are directed at prostitution primarily, however "debauchery" and "other immoral practices" are also prohibited. Section 2424 prohibits transporting minors in interstate commerce for the purpose of prostitution or "prohibited sexual conduct" that will be commercially exploited by any person. Prohibited sexual conduct includes "lewd exhibition of the genitals."

TITLE 19, CUSTOMS DUTIES

19 USC 1305 prohibits the importing of any obscene book, picture, etc, and provides for customs seizure awaiting a detemination of the district court; allows for importing the "so-called classic or books of recognized and established literary or scienific merit" but only for noncommerical purposes, See, 19 CFR 12.40 12.41 & 145.51 Held constitutional, *United States* v. *12 200-ft. Reels of Film,* 413 U.S. 123 (1973) and *United States* v. *Thirty-seven Photographs,* 402, U.S. 363 (1971), *reh. den.* 403 U.S. (1971) (statue constued to require 14 days from seizure to begin judical proceeding and 60 days from filing for a final decision of the district court).

TITLE 39, POSTAL SERVICE

39 USC 3001 defines nonmailable matter as, inter alia, matter the mailing of which is punishable under 18 USC 1416 and 1463 and provides for its disposition. But *see, Boler,* v. *Youngs Drug Product,* — U.S. —, 103 S.Ct. 2875 (1983) (all justices concurring in the result) in which section 300(e)(2) was held unconstitutional as applied to defendant's mailings of advertisements for contraceptives. *See also, Associated Students* v. *Attorney General,* 368 F.Sup. 11 (C.D. Cal. 1973) in which the statute's Prohibition against "advertisements" was held to be limited to the commerical sense of the term.

[39 USC 3001 nt sets out sec. 307 of Public Law 87-793 which requires the Postmaster General to inform the public that the mails may contain obscene and indecent material and to allow any addressee to have indecent mail detained and returned to the sender without cost to the addressee.]

39 USC 3006 allows the postal department to refuse to deliver mail to any person obtaining or attempting to obtain money for obscene or indecent things sent through the mail and to refuse to cash any postal money order drawn to the order of such distributor of obscene material. The ealier and idential version of this section (30 USC 4006 (1964)) was held unconstitutional in *Blount* v. *Rizzi,* 400 U.S. 410 (1971) (all justices concurring) because the administrative censorship lacked adequate safeguards against abridgement of protected speech.

39 USC 3007 allows detention of mail for temporary periods in proceeding under sections 3006, *supra,* and 3005 (false representation). *Blount* v. *Rizzi, supra,* held an earlier and identical version of this section (39 USC 4007 (1964)) unconstitutional in sec. 3006 obscenity actions, but the section is constitutional for sec. 3005 actions for fraud, *Outpost Development Corp.* v. *United States,* 414 U.S. 1105 (1973), *aff'g* 369 F.Supp. 399 (C.D.Cal. 1973).

39 USC 3008 prohibits the use the mails for delivery of pandering advertisements and establishes a method for the addressee to stop delivery of such advertisements which "the addressee in his sole discretion believes to be erotically arousing or sexually provocative. See, 39 CFR, Part 119, "Rules of Practice in Proceedings Relative to Violations Under 39 USC 3008." The earlier and identical version of this section (39 USC 4009 (1964, Supp. IV)) was upheld in *Rowan* v. *Post Office Dept.,* 397 U.S. 728 (1970).

39 USC 3010 requires the Postal Service to establish a list of persons desiring not to receive sexually oriented advertising and forbids any person to mail such material to persons on the list; allows the Postal Service to require "such mark or notice" as it may prescribe to be placed on the envelope or cover of sexually oriented advertising. This section was upheld as applied in *Pent-R-Books, Inc.* v *Postal Service,* 328 F.Supp. 297 (E.D.N.Y. 1971) ("mark or notice" not required on envelopes to persons who have requested sexually oriented material).

[39 USC 3010 nt sets out sec. 14 of Public Law 91-375 regarding Congressional findings and determinations about unsolicited and indiscriminate dissemination of sexually explicit advertising through the mails.]

39 USC 3011 establishes a method of judicial enforcement against persons allegedly violating 39 USC 3010. This section was held constitutional when applied to persons on the post office list, but not to other persons, *United* v. *Treatman,* 408 F.Supp. 944 (C.D.Cal. 1976).

TITLE 47, TELEGRAPHS, TELEPHONES, AND RADIOTELEGRAPHS

47 USC 223, *as amended,* Public Law 98-214, sec. 8, Dec. 8, 1983, 97 Stat. 1469, prohibits obscene or indecent telephone calls in interstate or foreign communication; prohibits "any obscene or indecent communication for commercial purposes to any person under eighteen years of age or to any other person without that person's consent . . ."; provides a defense to prosecution for limiting access to the prohibited communication to persons age 18 or over in accordance with procedures to be prescribed by the FCC within 180 days of enactment.

The FCC's proposed rules requiring access to "dial-a-porn" numbers only by credit card or between the hours of 9 pm and 8 am Eastern Time, 49 Fed. Reg. 24996, 25003 (June 19, 1984) were struck down as being not the least restrictive means available for complying with the statute, *Carlin Communication, Inc.* v. *F.C.C.,* 749 F.2d 113 (2nd Cir. 1984). The Commission is expected to consider new rules on March 1, 1985.

The unamended statute had been upheld in *United States* v. *Lampley,* 573 F.2d 783 (3rd Cir. 1978) (harassing, but not obscene, call). See, Anno. 50 A.L.R.Fed. 525, "Prohibition of Obscene or Harassing Telephone Calls in Interstate or Foreign Communications Under 47 USC 223."

47 USC 558, *as added,* Public Law 98-549, sec. 2, Oct. 30, 1984, 98 Stat. 2801, provides that nothing in the new Cable Communications title of the Communications Act of 1934 "shall be deemed to affect the criminal or civil liability of cable programmers or cable operators pursuant to the Federal, State, or local law of libel, slander, obscenity, incitement, invasions of privacy, false or misleading advertising, or other similar laws . . . ." However, there are exceptions for operators carrying programs on educational and certain other channels.

47 USC 558, *as added,* Public Law 98-549, sec. 2, Oct. 30, 1984, 98 Stat. 2801, reads in its entirety: "Whoever transmits over any cable system any matter which is obscene or otherwise unprotected by the Constitution of the United States shall be fined not more than $10,000 or imprisoned not more than 2 years, or both." The FCC has issued proposed rules and has taken the position that the criminal provisions quoted here supersede prior Commission rules. The Commission proposes, therefore, to delete the section of its rules concerning cable broadcasts of obscene or indecent material. 49 Fed. Reg. 48765, 48772 (Dec. 14, 1984).

In addition to the major statutes listed above, the following sections also regulate obscene conduct:

8 USC 1182(a)(13) prohibits "Aliens coming to the United States to engage in any immoral sexual act" and forbids their obtaining a visa. Persons importing aliens for immoral purposes are subject to fines up to $5,000 and imprisonment of up to 10 years. 8 USC 1328. (Prostitution is treated separately, 8 USC 1182(a)(12), 1251(a)(12) & 1328.)

15 USC 1692d forbids a debt collector from using obscene or profane language.

26 USC 5723(d) prohibits indecent or immoral pictures on cigarette products or packages.

27 USC 205(f) prohibits any distiller, brewer, importer, or wholesaler of alcoholic beverages to publish or broadcast any advertisement which is calculated to induce sales in interstate or foreign commerce or the mails unless such advertisement is in conformity with Treasury regulations as will prohibit "false, misleading, obscene, or indecent" statements.

49 USC App. 1359(b)(5)(C) requires the FAA administrator to promulgate regulations governing solicitations in airports by nonprofit groups. An application may require that persons soliciting do not "engage in the use of indecent or obscene remarks or conduct."

Research note: "Major Federal Obscenity Statutes" was compiled by the Senate Republican Policy Committee staff. Although some discretion was exercised in deciding which U.S. Code sections to include and which to omit, we believe this listing is comprehensive. We have attempted to cite all major U.S. Supreme Court cases, but case citations are not comprehensive.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

AGREEMENT BETWEEN THE UNITED STATES AND FINLAND ON PEACEFUL USES OF NUCLEAR POWER—MESSAGE FROM THE PRESIDENT—PM 48

The Presiding Officer laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to section 123 d. of the

Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(d)), the text of the proposed Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Finland Concerning Peaceful Uses of Nuclear Energy and accompanying annexes and agreed minute; my written approval, authorization and determination concerning the agreement; and the memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary of the provisions of the agreement, and the views and recommendations of the Members of the Nuclear Regulatory Commission and the Director of the United States Arms Control and Disarmament Agency are also enclosed.

The proposed revised agreement with Finland has been negotiated in accordance with the Nuclear Non-Proliferation Act, which sets forth certain requirements for new agreements for peaceful nuclear cooperation with other countries. In my judgment, the proposed agreement for cooperation between the United States and Finland, together with its accompanying agreed minute, meets all statutory requirements.

The proposed agreement reflects the desire of the Government of the United States and the Government of Finland to confirm and refine a framework for peaceful nuclear cooperation between our two countries in a manner which recognizes both the shared non-proliferation objectives and the friendly and harmonious relations between the United States and Finland. The agreement will in my view further the non-proliferation and foreign policy interests of the United States.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution.

Under current law, this agreement may be brought into force upon the completion of 60 days of continuous session of the Congress. However, the pending Export Administration Act reauthorization bill would revise the procedures in sections 123 and 130 of the Atomic Energy Act for bringing the agreement into force. If these amendments are enacted in their current form before the completion of the 60-day period provided for in current law, this agreement will not be brought into force until an additional 30 days of continuous session has passed, in keeping with the intent of the proposed amendments. In that case, this submittal shall constitute a submittal for purposes of both section 123 d. of the Atomic Energy Act and section 123 b. as it is proposed to be amended. The Administration is prepared to begin consultation with the Senate Foreign Relations and House Foreign Affairs Committees on the proposed agreement immediately.

RONALD REAGAN.

THE WHITE HOUSE, *May 21, 1985.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1162. A communication from the Director of the Federal Mediation and Conciliation Service, transmitting, pursuant to law, the thirty-fifth annual report of the Service covering fiscal year 1982; to the Committee on Labor and Human Resources.

EC-1163. A communication from the Director of the Federal Mediation and Conciliation Service, transmitting, pursuant to law, the thirty-sixth annual report of the Service covering fiscal year 1983; to the Committee on Labor and Human Resources.

EC-1164. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report on the proposed use of research and development funds for the design and construction of an extension to the runway on Easter Island in the South Pacific Ocean; to the Committee on Appropriations.

EC-1165. A communication from the Assistant Secretary of State (Legislative and Intergovernmental Affairs) and the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, the seventh annual report in response to the human rights section of the International Financial Institutions Act; to the Committee on Foreign Relations.

EC-1166. A communication from the Secretary of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1167. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Annual Audit of the Washington Convention Center for Fiscal Year 1984"; to the Committee on Governmental Affairs.

EC-1168. A communication from the Secretary to the Council of the District of Columbia, transmitting, pursuant to law, a copy of Council resolution 6-118, adopted by the Council on April 30, 1985; to the Committee on Governmental Affairs.

EC-1169. A communication from the Executive Secretary, Office of the Secretary of Defense, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for October and November 1984; to the Committee on Small Business.

EC-1170. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a listing of supplemental contract award dates for the period June 1 to June 30, 1985; to the Committee on Armed Services.

EC-1171. A communication from the Director of the Federal Emergency Management Agency and the Secretary of Transportation, transmitting, pursuant to law, a report on the evaluation of training programs for incident prevention and response; to the Committee on Commerce, Science, and Transportation.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-225. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Foreign Relations.

"HOUSE RESOLUTION 316

"Whereas, recent Defense Intelligence Agency reports list 700 first hand live sighting of possible American POWS in Southeast Asia; and

"Whereas, while the figures fluctuate because of reclassifications or rare releases of remains, the number of POW-MIAs is around 2,500; and

"Whereas, the State of Hawaii has eleven sons on the POW-MIA list; and

"Whereas, the remains of Americans are being withheld by foreign governments who use them as bargaining chips to obtain money or concessions from the United States; and,

"Whereas, while positive identification of remains has become more conclusive due to advances in technology, the passage of time will only make those identifications more difficult; now, therefore,

"Be it resolved by the House of Representatives, State of Hawaii, Thirteenth Legislature, that Congress conduct further public hearings to assure that there are no more POWs in Southeast Asia being held against their will, and that all remains be returned; and

"Be it further resolved that those hearings be conducted until such time as the problem is deemed to be resolved; and

"Be it further resolved that certified copies of this resolution be transmitted to Congress and the Governments of the Republic of Viet Nam, Cambodia and Laos and to: the President of the United States, the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate and members of Hawaii's congressional delegation."

POM-226. A resolution adopted by the Senate of the State of Alaska; to the Committee on Foreign Relations.

"SENATE RESOLVE NO. 3

"Be it resolved by the Senate:

"Whereas the Interim Convention on Conservation of North Pacific Fur Seals between the United States, Japan, Canada, and the U.S.S.R. is now before the United States Senate for ratification; and

"Whereas, since the fur seal treaty has been in effect, the fur seal population has increased from 300,000 in 1911 to well over 1.2 million; and

"Whereas the fur seal treaty, the fur seal harvest, and the welfare of the Pribilof Aleut people are inextricably tied together in very complex ways, both culturally and economically; and

"Whereas the fur seal harvest on the Pribilof Islands has been taking place since the late 1970's; and

"Whereas the fur seal harvest remains the main source of income for the residents of the Pribilof Islands while efforts are made to diversify the local economy; and

"Whereas the fur seal harvest is no longer subsidized by the federal government and will be conducted privately on a self-supporting basis; and

"Whereas reputable scientists agree the fur seals are not an endangered species; and

"Whereas the treaty provides for a carefully studied, scientifically controlled harvest of two-year-old subadult nonbreeding males only; and

"Whereas there is no scientific evidence to indicate the current level of the commercial harvest of subadult male seals contributes to any decline in the fur seal population, but to the contrary, evidence suggests that culling subadult males contributes to the overall health of the fur seal herd; and

"Whereas cooperative and strengthened research, education, management and enforcement programs are the keys to the conservation of the North Pacific fur seal and these activities can best be carried out through the fur seal treaty; and

"Whereas the National Audubon Society, a respected conservation organization with more than a half-million members, has endorsed the renewal of the fur seal treaty; and

"Whereas a national campaign, featuring misleading and inaccurate information, has been launched by various wildlife groups to convince the United States Senate to reject the treaty; and

"Whereas a hearing before the Foreign Relations Committee will afford the representatives of the Pribilof Islands an opportunity to refute the misleading charges made by the treaty opponents, and to present, under oath, substantiated, scientific information in support of the continuation of the fur seal treaty; and

"Whereas not to provide for fair hearing on this issue would be disastrous for the Aleut people and would open the way for special interest groups to attack other essential subsistence activities, such as trapping, whaling, and fishing;

"Be it resolved by the Senate that the United States Senate Committee on Foreign Relations is respectfully requested to hold prompt hearings on the Interim Convention on Conservation of North Pacific Fur Seals; and be it

"Further resolved that the United States Senate is respectfully requested to ratify the Interim Convention on Conservation of North Pacific Fur Seals.

"Copies of this resolution shall be sent to the Honorable George Bush, Vice-President of the United States and President of the U.S. Senate; to the Honorable Robert Dole, Majority Leader of the Senate; to the Honorable Richard G. Lugar, Chairman of the Senate Committee on Foreign Relations; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, members of the Alaska delegation in Congress."

POM-227. A resolution adopted by the Commission of the city of Miami, FL, supporting the trade embargo against the government of Nicaragua imposed by President Reagan; to the Committee on Finance.

POM-228. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on the Judiciary.

"SENATE JOINT RESOLUTION NO. 10

"Whereas, The grand jury is the only integral part of the federal system of criminal justice which has not been reviewed under the current judicial notions of fairness and due process; and

Whereas, Federal grand juries conduct their work in secret and without close judicial scrutiny; and

"Whereas, There is an apparent absence of procedural safeguards which protect accused persons and persons under investigation from the unbridled power of overzealous prosecutors; and

"Whereas, Many cases have demonstrated that the current statutes and rules are not adequate to ensure that federal grand juries still serve the dual purposes—a shield for the innocent, a sword for the government—that our founding fathers contemplated; and

"Whereas. Enactment of the principles developed by the American Bar Association would help prevent future abuse of federal grand juries and restore the respect this nation had for this institution which is deeply rooted in the American system of justice; now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada, jointly, That the Nevada legislature urges the Congress to enact legislation which incorporates the American Bar Association's principles for the reform of federal grand juries; and by it further

"Resolved, That a copy of this resolution be prepared and transmitted by the legislative counsel to the Vice President of the United States as President of the Senate, the Speaker of the House of Representatives and each member of the Nevada congressional delegation; and be it further

"Resolved, That this resolution becomes effective upon passage and approval."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 991. A bill to provide authorization of appropriations for certain fisheries activities (Rept. No. 99-67).

By Mr. STAFFORD, from the Committee on Environment and Public Works, with amendments:

S. 1030. A bill to authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1986 (Rept. No. 99-68).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 259. A bill to protect the public interest in stable relationships among communities, professional sports teams, and leagues and in the successful operation of such teams in communities throughout the Nation, and for other purposes (with minority views) (Rept. No. 99-69).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GOLDWATER, from the Committee on Armed Services.

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the attached listings of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of May 15 and May 20, 1985, at the end of the Senate proceedings.)

1. *Lt. Gen. John L. Piotrowski, U.S. Air Force, to be general. (Ref. No. 261)

2. *Gen. Larry D. Welch, U.S. Air Force, to be reassigned. (Ref. No. 262)

3. *Gen. Bennie L. Davis, U.S. Air Force, (age 57) to be retired. (Ref. No. 263)

4. *Gen. Roscoe Robinson, Jr., U.S. Army, (age 56) to be placed on the retired list; and

5. *Lt. Gen. Jack N. Merritt, U.S. Army, to be general. (Ref. No. 264)

Total 5.

1. *Lt. Gen. Robert D. Russ, U.S. Air Force, to be general. (Ref. No. 276)

2. *Maj. Gen. Merrill A. McPeak, U.S. Air Force, to be lieutenant general. (Ref. No. 277)

3. *Lt. Gen. Bernard P. Randolph, U.S. Air Force, to be reassigned. (Ref. No. 278)

4. *Maj. Gen. William E. Thurman, U.S. Air Force, to be lieutenant general. (Ref. No. 279)

5. *Lt. Gen. Charles J. Cunningham, Jr., U.S. Air Force, to be reassigned. (Ref. No. 280)

6. *Vice Adm. Earl B. Fowler, Jr., U.S. Navy, (age 59) to be placed on the retired list. (Ref. No. 281)

7. **In the Air Force Reserve there are 18 promotions to the grade of colonel and below (list begins with Charles B. Christian, Jr.) (Ref. No. 282)

8. **In the Army Reserve there are 250 promotions to the grade of colonel and below (list begins with Richard E. Chaffin). (Ref. No. 283)

9. **In the Air National Guard there are 27 promotions to the grade of lieutenant colonel (list begins with Reginald C. Ameele). (Ref. No. 284)

10.**In the Army there are 8 promotions to the grade of lieutenant colonel and below (list begins with James L. Brazell). (Ref. No. 285)

11.**In the Marine Corps Reserve there are 73 permanent appointments to the grade of colonel (list begins with Clarence L. Baer). (Ref. No. 286)

12.**In the Marine Corps and Marine Corps Reserve there are 249 appointments to the grade of major (list begins with Shauna E. Ahlers). (Ref. No. 287)

13.**In the Navy there are 469 promotions to the grade of commander (list begins with Clinton E. Adams). (Ref. No. 288)

14.**In the Navy there are 2 promotions to the grade of lieutenant commander (list begins with Jo Ann Landacre). (Ref. No. 289)

15.**Lt. Gen. Robert F. Coverdale, U.S. Air Force, (age 54) to be placed on the retired list. (Ref. No. 295)

16.**In the Air Force Reserve there are 18 appointments to the grade of major general and below (list begins with Wess P. Chambers). (Ref. No. 296)

17.**In Navy Reserve there are 1,305 appointments to the grade of captain and below (list begins with Chase Dee Anderson). (Ref. No. 297)

Total 2,406

By Mr. HATCH, from the Committee on Labor and Human Resources:

John D. Crawford, of Illinois, to be Member of the Railroad Retirement Board for the term of five years from August 29, 1983.

(The above nomination was reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. McCONNELL:

S. 1174. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide States with assistance to establish or expand clearinghouses to locate missing children; to the Committee on the Judiciary.

By Mr. BYRD:

S. 1175. A bill to waive certain requirements of section 103a of the Internal Revenue Code of 1954 with respect to certain veterans' mortgage obligations; to the Committee on Finance.

By Mr. HEINZ:

S. 1176. A bill to amend the Railroad Retirement Act of 1974 to provide additional annuity eligibility; to the Committee on Labor and Human Resources.

By Mr. MELCHER:

S. 1177. A bill to establish a special magistrate with jurisdiction over Federal offenses within Indian country and to authorize tribal and local police officers to enforce Federal laws within their respective jurisdictions, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. DOLE (for Mr. EAST (for himself and Mr. HELMS)):

S. 1178. A bill to extend for 5 years the existing temporary duty-free treatment of double-headed latch needles; to the Committee on Finance.

By Mr. COHEN:

S. 1179. A bill for the relief of Richard C. Rianhard of Bar Harbor, Maine; to the Committee on the Judiciary.

By Mr. D'AMATO:

S. 1180. A bill to provide for waiver of the requirement that proof of actual use be furnished within three years after the date an article is entered, and for reliquidation of certain entries of tubular tin products; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. HEINZ, Mrs. HAWKINS, Mr. STAFFORD, and Mr. BRADLEY):

S. 1181. A bill to establish a program for the provision of home and community based services to elderly individuals; to the Committee on Labor and Human Resources.

By Mr. MURKOWSKI:

S. 1182. A bill to amend title III of the Federal Property and Administrative Services Act of 1949 and chapter 141 of title 10, United States Code, to require Federal Government contractors to employ local residents in areas of high unemployment; to the Committee on Labor and Human Resources.

By Mr. ROTH:

S. 1183. A bill to amend the Internal Revenue Code of 1954 to allow penalty-free withdrawals from individual retirement accounts for certain institutional care expenses; to the Committee on Finance.

By Mr. HATCH:

S.J. Res. 139. Joint resolution to designate the week of December 1, 1985 through December 7, 1985, as "National Home Care Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. COHEN:

S. Res. 172. Resolution to refer S. 1179 entitled "A bill for the relief of Richard C. Rianhard of Bar Harbor, Maine" to the Chief Judge of the United States Claims Court for a report thereon; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCONNELL:

S. 1174. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide States with assistance to establish or expand clearinghouses to locate missing children; to the Committee on the Judiciary.

(The remarks of Mr. McCONNELL and the text of the legislation appear earlier in today's RECORD.)

By Mr. BYRD:

S. 1175. A bill to waive certain requirements of section 103(a) of the Internal Revenue Code of 1954 with respect to certain veterans' mortgage obligations; to the Committee on Finance.

WEST VIRGINIA VETERANS' MORTGAGE BONDS PROGRAM AND REFERENDUM

Mr. BYRD. Mr. President, today I introduce a bill to correct a provision of the Deficit Reduction Act of 1984 relating to West Virginia's Veterans' Mortgage Bonds Program.

On March 9, 1984, the West Virginia Legislature acted to authorize a referendum item on the November general election ballot with respect to veterans' mortgage bonds. The Deficit Reduction Act provides for termination of such programs under certain conditions, but excluded those programs that had been modified by State governments by providing transition rules for various States.

The bill I am introducing provides such an exclusion for a State that adopted a resolution relating to the Veterans' Mortgage Bonds Program on March 9, 1984, and that ratified such a resolution in 1984.

This change reflects the result of the West Virginia referendum that was held in 1984, and in which the Veterans' Mortgage Bond Program was overwhelmingly approved.

This legislation will encourage housing construction in West Virginia, which still suffers from the highest unemployment in the United States. The bill will also provide the possibility of homeownership to the more than 200,000 veterans in my State.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1175

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. QUALIFIED VETERANS' MORTGAGE OBLIGATIONS AUTHORIZED BY 1984 STATE REFERENDUM.

Subsection (o) of section 103A of the Internal Revenue Code of 1954 (relating to additional requirements for qualified veterans' mortgage bonds) is amended by adding at the end thereof the following new paragraph:

"(7) SPECIAL RULE FOR A STATE PROGRAM AUTHORIZED BY 1984 STATE REFERENDUM.—Paragraphs (2) and (3) shall not apply to any obligation which would (but for such paragraphs) be a qualified veterans' mortgage bond if—

"(A) such obligation is issued pursuant to a resolution—

"(i) adopted by a State legislature on March 9, 1984, and

"(ii) ratified in a State referendum held in 1984, and

"(B) such obligation could have been issued pursuant to such resolution as in effect on the date of the ratification described in paragraph (A)(ii).".

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply with respect to obligations issued after the date of the enactment of this Act.

By Mr. HEINZ:

S. 1176. A bill to amend the Railroad Retirement Act of 1974 to provide additional annuity eligibility; to the Committee on Labor and Human Resources.

RAILROAD RETIREMENT IMPROVEMENTS ACT

● Mr. HEINZ. Mr. President, today I am introducing a package of legislative changes to reform and improve upon the railroad retirement system. The basic purpose of the legislation is to provide certain benefits to railroad retirees and their dependents that would normally be paid under Social Security, and to remove from the law some arcane, outdated provisions that serve only to disadvantage railroad workers, retirees, and their families. I am proud to be joined in this legislation by Congressman OBERSTAR, who has introduced a companion package in the House.

Since 1974, when the railroad retirement system was reorganized, Congress has gradually attempted to make the tier I portion of the railroad retirement benefit identical to Social Security, and to make the tier II portion similar to an industry pension. This legislation extends this concept to a number of areas that have been left out, and will provide railroad retirees and their families with the same protections afforded to other workers under Social Security, ERISA, and the Retirement Equity Act [REA].

The groups that would benefit from this legislation are among the most economically vulnerable in our society—widows, divorced spouses, the disabled, veterans, and older workers who took severance pay during the recent downturn in the railroad industry. The legislation is not expensive—in fact, many of the provisions are cost-neutral or save money—and the solvency of the railroad retirement trust fund achieved in 1983 will not be negatively affected.

I ask that a summary of the provisions of the legislation be printed at this point.

SURVIVOR'S BENEFIT FOR RETIREES WITHOUT A CURRENT CONNECTION

Under the railroad retirement system, an employee becomes vested after 10 years of employment. Upon retirement, he is eligible for a benefit made up of tier I (Social Security equivalent—covers both rail and nonrail work) and tier II (industry pension equivalent—covers just rail employment). The worker's spouse is eligible for a benefit equaling 50 percent of tier I and 45 percent of tier II. Upon the death of a worker who retired directly from railroad work, the surviving spouse is entitled to 100 percent of the tier I benefit and 50 percent of the tier II benefit.

If on the other hand a worker dies who had retired from nonrailroad employment, (and thereby lost his "current connection" to the railroad retirement system), the spouse is eligible for only the tier I benefit. No tier II survivors' benefit is available. This situation would not be allowed for private pensions under ERISA and REA.

This legislation brings the railroad retirement system into line with private pension law by stipulating:

(1) Widows of non-current connected workers who die before retirement will be paid both tier I and II benefits by the railroad retirement board;

(2) All non-current connected survivors will be eligible for survivors' benefits, financed by a reduction in retiree and spouse benefits; and

(3) Consent of both retiree and spouse will be required to waive survivors' benefits.

LAST PERSON SERVICE RULE

One of the anomalies of the railroad retirement system is that neither tier I nor tier II benefits can be paid until work has been terminated with the employee's last employer. Individuals can change jobs and receive benefits (subject to the earnings test in Social Security); however, no benefits can be paid if a worker chooses to stay with a current employer, even on a part-time basis. This requirement to sever current employment applies not only to workers retiring directly from the railroad, but also to spouses, divorced spouses, and workers who may have left the railroad years before. It has the most serious impact on divorced spouses who may not be able to afford to completely leave the labor market.

This bill provides that a tier I benefit, subject to the Social Security earnings limit, will be payable to an individual without regard to the Last Person Service Rule. It will be paid by Social Security, as would normally be the case in any occupation other than railroad employment.

DIVORCED SPOUSES

The Social Security Amendments of 1983 gave divorced spouses the option of retiring at age 62 if their former spouses were eligible to retire (under prior law, benefits could not be paid until the former spouse had actually retired). The railroad retirement system was not amended, and presently a divorced spouse must wait until his or her former spouse retires to collect benefits.

This bill brings the railroad retirement system into conformity with Social Security by removing the barrier to divorced spouses receiving benefits at age 62 if their former spouses have not actually retired.

CURRENT CONNECTION

In 1981, Congress stipulated that a worker who left railroad employment after 25 years of service would not lose his current connection with the railroad unless he was released for cause, failed to accept an offer of reemployment, or left, voluntarily. Since enactment, acceptance of severance pay has been interpreted as "voluntary" separation.

Since 1981, the railroad industry has suffered a major recession. Many workers with over 30 years of service accepted severance pay with the understanding they would become entitled to unreduced "60/30" benefits at age 60. The 1983 Railroad Retirement Solvency Act, however, phased out 60/30 benefits, and imposed a 20-percent reduction on tier I benefits for workers retiring before age 62. Workers who would otherwise find a new job and delay retirement until age 62 are precluded from doing so as accepting non-railroad employment will cause forfeiture of tier II survivors' benefits for their widows.

This provision would allow workers with 25 or more years of service to work for a non-railroad employer and not lose their current connection to railroad retirement.

DISABLED WORKERS, EARNINGS TEST AND TRIAL WORK PERIOD

Disabled workers under railroad retirement are subject to a monthly earnings limit of $200, and an annual limit of $2400. No allowance is made for disability-related work expenses. Further, the earnings test starts in the first month of work—there is no 9-month trial work period, as there is under Social Security.

The earnings limit is outdated, and without a trial work period, many disabled employees are discouraged from trying to return to work for fear of the consequences of failing. In the past five years, Congress has shown a willingness to make it easier for the disabled to return to work, and I think this effort should be extended to the railroad retirement system.

This legislation would double the monthly and annual earnings limitations ($400/month, $4,800/year), and allow for impairment-related work expenses to be deducted. Also, this bill conforms railroad retirement to Social Security by providing for a 9-month trial work period.

DISABLED SPOUSES OF ANNUITANTS

Spouses of annuitants are entitled to benefits upon reaching retirement age. Younger spouses not caring for young children are expected to work. This expectation is unrealistic if the spouse is so severely disabled as to not be able to work.

This provision provides benefits, regardless of age or child-in-care, to a disabled spouse of a railroad worker receiving retirement or disability benefits. This provision also provides a spouses benefit if the retired or disabled worker is in need of constant aid and attendance.

YEARS OF CREDIT FOR MILITARY SERVICE

Railroad retirement credit for military service is limited to workers who are drafted or enlist after war has been declared. As a result, workers who enlisted between World War II and the Korean War and subsequently returned to rail employment are denied credit, whether or not they actually served in combat. Had they worked for the Federal government or any private employer, it would violate Federal law to deny them work credit for such military service.

This bill removes the requirement that workers must have been drafted or enlisted during "wartime" in order to earn credit for military service. The legislation also limits the period of service that can be credited for military service, and generally conforms the railroad retirement system to Veterans' reemployment rights law.

UNEMPLOYMENT INSURANCE AND SICKNESS BENEFITS

The Railroad Unemployment Insurance Act requires that unemployment and sickness benefits be reduced dollar for dollar by any "other social insurance" the railroad worker is receiving. Generally, this means that a railroad worker who gets Veterans disability compensation or workers compensation has his unemployment benefits reduced. As a result, railroad workers with other sources of compensation for lost earnings capacity have little or no protection against loss of their railroad wages.

The Railroad Unemployment Compensation Committee (chaired by former Social Security Actuary Robert J. Myers), in its report last year recommended legislation to eliminate this offset, and thereby bring the Railroad Unemployment system into line with State and Federal unemployment insurance programs.

This bill would eliminate the offset for other social insurance.

Mr. President, I ask unanimous consent that the text of the legislation I am introducing today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1176

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Railroad Retirement Improvements Act of 1985".

SEC. 2. SURVIVOR ANNUITY ELIGIBILITY AND RELATED COMPUTATION MODIFICATIONS.

(a) IN GENERAL.—Section 2(d) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(d)) is amended by adding at the end thereof the following:

"(5) Notwithstanding subdivision (1) of this subsection, a survivor described in subdivision (1)(i) of this subsection "(i) is the survivor of a deceased employee who did not have a current connection with the railroad industry at the time of his death, but

"(ii) would otherwise be entitled to an annuity under this subsection,

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shall nevertheless be entitled to such annuity, unless the person (who may become such survivor upon the death of such employee and such employee jointly waive the future right to such annuity under this subdivision. Such waiver must be made at the time the employee files an application for an annuity under subsection (a) (if the employee and such person are married at that time), or, in the case of an employee who filed an application for an annuity under subsection (a) prior to the date of the enactment of this subdivision, within 6 months after such date of enactment. If the employee and such person marry after the date on which the employee filed an application for an annuity under subsection (a), such person shall have the future right to an annuity under this subdivision if the employee and such person jointly elect such future right prior to the twelfth month beginning after the date of their marriage, but the right to such annuity shall not begin until such twelfth month. If such waiver is not made, or if such election is made, the annuity of the employee and the spouse's annuity of the person who may become such survivor shall be reduced, starting at the time that the future right to an annuity under this subdivision begins, in such amount as the Board determines is necessary to provide the resources to pay additional survivor's annuities which may become payable by reason of such future right. Such reduction shall be based on the actuarial values of the annuities involved. If such reduction takes place, it shall cease on the last day of the last month before the date of the death of the person who may become such survivor. The waiver of rights under this subdivision may be made by the employee without the consent of such employee's spouse if the employee establishes to the satisfaction of the Board that such spouse's whereabouts cannot be determined or that, due to exceptional circumstances, requiring the employee to seek such spouse's consent would otherwise be inappropriate.".

(b) Conforming Amendment.—Section 18(2)(ii) of the Railroad Retirement Act of 1974 (45 U.S.C. 231(2)(ii)) is amended by inserting "(other than a benefit for a person receiving an annuity under section 2(d)(5) of this Act)" after "benefits" the first place it appears.

(c) Effective Date.—The amendments made by this section shall become effective and apply with respect to any annuity—

(1) for which application is made on or after the date of the enactment of this Act; and

(2) payable with respect to an employee whose death occurs on or after the date of enactment of this Act.

SEC. 3. EXEMPTION OF TIER I BENEFITS FROM CERTAIN REQUIREMENTS

(a) Exemption of Individual's Tier I Annuity From Compensated Service Cessation Requirement.—Section 2(e)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(e)(1)) is amended by striking out "an annuity under subsection (a)(1)" and inserting in lieu thereof "any portion of an annuity under subsection (a)(1) of this section, other than the portion of such annuity computed under section 3(a) and payable to an individual who has attained age 62,".

(b) Exemption of Tier I of Individual's Annuity From Right to Return Requirement.—Section 2(e)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(e)(2)) is amended by striking out "An annuity under subsection (a)(1)" and inserting in lieu thereof "Any portion of an annuity under subsection (a)(1) of this section, other than the portion of such annuity computed under section 3(a) and payable to an individual who has attained age 62,".

(c) Exemption of Tier I of Individual's Annuity From the Last Employer Requirement.—Section 2(e)(3) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(e)(3)) is amended by striking out "an annuity under subsection (a)(1)" and inserting in lieu thereof "any portion of an annuity under subsection (a)(1) of this section, other than the portion of such annuity computed under section 3(a) and payable to an individual who has attained age 62,".

(d) Exemption of Tier I of Spouse's or Divorced Wife's Annuity From Certain Requirements.—Section 2(e)(5) of the Railroad Retirement Act of 1974 is amended to read as follows:

"(5) Any portion of the annuity of a spouse or divorced wife under subsection (c) of this section, other than that portion computed under section 4(a) and payable to a spouse or divorced wife who has attained age 62, shall, with respect to any month, be subject to the same provisions of this subsection as that portion of the individual's annuity which is not computed under section 3(a). In addition, that portion of the annuity of a spouse or divorced wife under subsection (c) of this section which is not computed under section 4(a), shall not be payable for any month if that portion of the individual's annuity under subsection (a)(1) of this section which is not computed under section 3(a) is not payable for such month by reason of the provisions of this subsection.".

(e) Exemption of Tier I of Survivors' Annuities From Certain Requirements.—Section 2(g)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(g)(1)) is amended in subdivision (1), by inserting ", other than that portion of an annuity which is computed under section 4(f)," after "No annuity".

(f) Application of Social Security Work Deductions to Tier I of Individuals', Spouses', and Divorced Wives' Railroad Retirement Annuities.—Section 2(f)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(f)(1)) is amended—

(1) by striking out "on the basis" and all that follows through "and self-employment under the Social Security Act"; and

(2) by striking out ": *Provided, however,*" and all that follows through the end of such subdivision and inserting in lieu thereof a period.

(g) Application of Social Security Work Deductions to Tier I of Survivors' Annuities.—Section 2(g)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(g)(2)) is amended—

(1) by striking out "payments" and inserting in lieu thereof "amounts paid (to the extent such amounts are computed under section 4(f)"; and

(2) by striking out "such survivor's annuity under that subsection" and inserting in lieu thereof "that portion of such survivor's annuity under subsection (d) as is computed under section 4(f)".

(h) Effective Date.—The amendments made by this section shall apply with respect to annuity amounts for months beginning after the date of the enactment of this Act.

SEC. 4. ANNUITIES FOR CERTAIN DIVORCED WIVES.

(a) In General.—Section 2(c)(4) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(c)(4)) is amended by striking out "if" the first place it appears and all that follows through "shall, subject to" and inserting in lieu thereof "if such divorced wife would be entitled to a benefit under section 202(b) of the Social Security Act as the divorced wife of such individual if all of such individual's service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act, shall, subject to".

(b) Effective Date.—The amendment made by this section shall become effective on the first day of the first month beginning after the date of the enactment of this Act.

SEC. 5. CURRENT CONNECTION FOR WORKER HAVING 25 YEARS OF SERVICE.

(a) In General.—Section 1(o) of the Railroad Retirement Act of 1974 (45 U.S.C. 231(o)) is amended by striking out "if, after completing twenty-five years of service" and all that follows through "service." and inserting in lieu thereof "after completing twenty-five years of service.".

(b) Effective Date.—The amendment made by this section shall apply with respect to annuities accruing in months beginning after the date of the enactment of this Act.

SEC. 6. INCREASE IN EARNINGS LIMIT FOR RECIPIENTS OF CERTAIN DISABILITY ANNUITIES.

(a) In General.—Section 2(e)(4) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(e)(4)) is amended—

(1) by striking out "$200 in earnings" and inserting in lieu thereof "$400 in earnings (after deduction of disability related work expenses)";

(2) by striking out "$2,400" each place it appears and inserting in lieu thereof "$4,800 (after deduction of disability related work expenses)";

(3) by striking out "$200" each place it appears and inserting in lieu thereof "$400"; and

(4) by striking out "$100" and inserting in lieu thereof "$200".

(b) Effective Date.—The amendments made by this section shall apply with respect to months in calendar years beginning after the date of the enactment of this Act.

SEC. 7. TRIAL WORK PERIOD FOR DISABLED WORKERS.

(a) In General.—Section 2(e)(4) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(e)(4)) is amended by adding at the end thereof the following: "Neither the limitation on the payment of an annuity to an individual contained in this subdivision, nor any other limitation imposed by this Act on such an annuity by reason of work or employment, shall apply with respect to that portion of such annuity as is computed under section 3(a) of this Act, to the extent that a trial work period in which such individual is engaged would, if such individual were receiving insurance benefits under the Social Security Act, not limit the receipt by that individual of those insurance benefits. The Board and the Secretary of Health and Human Services shall enter into such agreements and take such action as shall be necessary to carry out the purposes of this subdivision as it relates to trial work periods.".

(b) Effective Date.—The amendment made by this section shall apply with respect to months beginning after the date of the enactment of this act.

SEC. 8. BENEFITS FOR CERTAIN DISABLED SPOUSES OF RAILROAD EMPLOYEES AND FOR CERTAIN SPOUSES OF DISABLED RAILROAD EMPLOYEES.

(a) Disabled Spouses.—Section 2(c) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(c)) is amended by adding at the end thereof the following new paragraphs:

"(5) The spouse of an individual who is entitled to an annuity under subsection (a)(1), if such spouse has a permanent and medically determinable physical or mental condition that is such as to be disabling for any substantial gainful activity, shall be entitled to a spouse's annuity, if such spouse has filed application therefor, in the amount provided under section 4 of this Act. The provisions of subsection (a)(3) of this section as to the proof of disability shall apply to determinations with respect to disability under this subdivision.

"(6) The spouse of an individual who is entitled to an annuity under subsection (a)(1)(iv) or (a)(1)(v) and who needs constant care and attendance shall be entitled to a spouse's annuity, if such spouse is providing (in whole or major part) such care and attendance and has filed application for such annuity, in the amount provided under section 4 of this Act.".

(b) Spouses of Disabled Employees.—Section 5(c)(3) of the Railroad Retirement Act of 1974 (45 U.S.C. 231d(c)(3)) is amended by adding at the end thereof the following new sentence: "The entitlement of a spouse of an individual to an annuity under subdivision (5) of section 2(c) shall end on the last day of the second month following the month in which that individual ceases to be disabled as provided for purposes of such subdivision, and the entitlement of a spouse of an individual to an annuity under subdivision (6) of section 2(c) shall end on the last day of the month preceding the month in which such individual no longer needs constant care and attendance or in which such spouse no longer provides (in whole or in major part) that care and attendance.".

(c) Effective Date.—The amendments made by this section shall apply with respect to annuities that first begin to accrue with respect to any month beginning after the date of the enactment of this Act.

SEC. 9. CREDIT FOR MILITARY SERVICE.

(a) In General.—Section 3(i)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(i)(2)) is amended—

(1) by striking out "The 'years of service' of" and inserting in lieu thereof "(A) Except as provided in clause (B) of this subdivision, the 'years of service' of";

(2) by striking out ", during any war service period: *And provided further*, That an individual" and all that follows through "entered such military service"; and

(3) by adding at the end thereof the following:

"(B) In the case of an individual who acquires, after the date of the enactment of this clause, the right to employment in a position as an employee by reason of chapter 43 (relating to veterans' reemployment rights) of title 38 of the United States Code, unless such person fails to exercise such rights, such individual's 'years of service' shall also include his voluntary or involuntary military service which occurs during the period that begins on the date such person acquires such right and ends on the date such person exercises such right.".

(b) Conforming Amendments.—Section 1(g) of the Railroad Retirement Act of 1974 (45 U.S.C. 231(g)) is amended by striking out paragraph (2), (3), and (4).

(c) Effective Date.—The amendments made by this section shall apply with respect to annuities accruing for months beginning after the date of the enactment of this Act.

SEC. 10. LIMITATION ON REDUCTION IN UNEMPLOYMENT AND SICKNESS BENEFITS ON ACCOUNT OF OTHER SOCIAL INSURANCE PAYMENTS.

(a) In General.—Section 4(a-1)(ii) of the Railroad Unemployment Insurance Act (45 U.S.C. 354(a-1)(ii)) is amended by striking out "any other social-insurance payment under any law" and inserting in lieu thereof "any other social insurance payment under any law if the service of the employee for any employer affects eligibility for, or increases the amount of, such social insurance payment".

(b) Effective Date.—The amendment made by this section shall become effective on the first day of the first month beginning after the date of the enactment of this Act.●

By Mr. MELCHER:

S. 1177. A bill to establish a special magistrate with jurisdiction over Federal offenses within Indian country and to authorize tribal and local police officers to enforce Federal laws within their respective jurisdictions, and for other purposes; to the Select Committee on Indian Affairs.

INDIAN RESERVATION SPECIAL MAGISTRATE AND LAW ENFORCEMENT ACT

● Mr. MELCHER. Mr. President, today I am introducing the Indian Reservation Magistrates Act, directing the President to appoint special magistrates with jurisdiction over certain offenses committed on Indian reservations as well as jurisdiction in civil matters. The bill also provides that for each special magistrate appointed, the Attorney General shall appoint an Assistant U.S. Attorney whose primary responsibility shall be the prosecution of crimes and offenses before such magistrate.

Mr. President, this country has had a history of Indian treaties and acts of Congress, but there are yet to be found ways of closing the blank-spots in the U.S. law concerning authorities and jurisdictions of the Federal and State Governments and Indian tribes and Indian reservations.

Through my own experience years ago, I knew what the situation was on the Pine Ridge Reservation in South Dakota regarding law enforcement. That was during the late 1930's and early 1940's, and at that time, through the cooperative efforts of the Bureau of Indian Affairs and the Oglala Sioux Tribe, there seemed to be no conflicts of either State or Federal jurisdiction. But times have changed, and that situation has changed, and apparently conflicts are there now, as they are on most reservations.

There does not seem to be any clear Federal jurisdiction over what is to be done on the Indian reservation, except with the major crimes, and that is through the FBI and the Federal courts. Only a few States have been granted authority by Congress for criminal jurisdiction on reservations, and that was under Public Law 83-280. Alaska, California, Minnesota, Nebraska, Oregon, and Wisconsin were given that authority by Congress.

Now, apparently under Public Law 280, other States, which were called optional States, do have the authority to assert jurisdiction under certain conditions.

Tribal jurisdiction on a reservation through a tribe's constitution and counsel is limited. And the Oliphant decision in the State of Washington a few years ago ruled that the tribal police officers are not allowed to arrest non-Indians on a reservation. Therefore there is no clear method or process at the present time to enforce even the most basic law and order procedures on reservations, unless there are cooperative agreements between tribal, county, State and Federal officials that are unchallenged or that go unchallenged in court.

That seems to be sort of a good faith means of maintaining the peace and assuring justice in a no man's land that can break down on almost any given day when someone or some group challenges the legality of whatever seems to be the system of cooperative law and order enforcement.

Mr. President, although there are many problems that are confronting the relationship between the Indian tribes and non-Indians, either on the reservation or adjacent to the reservation, we have to start somewhere in meeting the challenge posed by these unsolved questions of rights. Maintaining law and order is basic, and this bill seeks to find a solution.

This bill was first introduced in June 1980, and hearings were held on the bill in Billings, MT, in August 1980. Additionally, the Select Committee on Indian Affairs held a 3-day hearing in March 1980 on Indian jurisdiction issues, and testimony was taken on the concept of an Indian magistrate system. The Senate took no action on the bill during the 96th Congress, and I reintroduced it as S. 3092 in the closing days of the 98th Congress so that we could have hearings on it and determine whether there is a consensus that this approach is a constructive step toward solving many of the problems that arise on Indian reservations.

The Select Committee on Indian Affairs held a hearing on S. 3092 in Great Falls, MT, on January 3, 1985. Based on the testimony taken at that hearing I have added a section to the bill providing for the appointment of an additional Assistant U.S. Attorney to prosecute crimes and offenses before a special magistrate on Indian reservations.

The bill deals primarily with broadening the powers of the Federal court system by establishing special Federal

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magistrates on Indian reservations with clear jurisdiction to utilize county, State, Federal and tribal law enforcement officers in warrants, summonses, arrests and trial procedures on Indian reservations.

Mr. President, while it should be obvious that something of this nature is necessary for ordinary law and order procedures, it may also be necessary with respect to tort and other civil matters. A recent dispute arising from the injury of a youngster on the playground of the Lodge Grass School on the Crow Reservation is now before the U.S. Supreme Court to determine proper jurisdiction. I am not in any way attempting to interfere or prejudge that court decision, but I believe whatever the Supreme Court will find in that matter will not resolve the basic issues of jurisdiction between tribal courts and Federal and State courts unless Congress acts to establish by statute what the proper procedures are.

The process through the special Federal magistrates on an Indian reservation to funnel into Federal district courts is one method and may be acceptable as a correct method.

Mr. President, I hope that the Select Committee on Indian Affairs will conduct hearings on this bill as soon as possible and will report out a bill that will be acceptable to the Senate, House of Representatives, and to the people living on or near Indian reservations throughout this country.●

By Mr. D'AMATO:

S. 1180. A bill to provide for waiver of the requirement that proof of actual use be furnished within 3 years after the date an article is entered, and for reliquidation of certain entries of tubular tin products; to the Committee on Finance.

WAIVER OF PROOF OF ACTUAL USE REQUIREMENT

● Mr. D'AMATO. Mr. President, I rise today to introduce a bill that would provide for waiver of the requirement that proof of actual use be furnished within 3 years after the date an article is entered, notwithstanding any provision of the Tariff Act of 1930, as amended, or any other provisions of the law to the contrary.

Mr. President, I urge my colleagues to join me in passing this legislation and I ask unanimous consent that the full text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Notwithstanding any provision of the Tariff Act of 1930, as amended, or any other provisions of the law to the contrary, the Secretary of the Treasury shall reliquidate, as free of duty under item 911.12 of the Appendix to the Tariff Schedules of the United States which was in effect at the time of entry, the entries numbered 00329493 (dated March 16, 1979), 00329494 (dated March 16, 1979), 00329495 (dated March 28, 1979), and 00330003 (dated March 21, 1979), made at New York, New York, and covering tubular tin products, if a copy certificate of actual use (remelt certificate) for the products covered by the four entries is submitted to the U.S. Customs Service at the port of entry within 120 days from the date of enactment of this Act.●

By Mr. HATCH (for himself, Mr. Kennedy, Mr. Heinz, Mrs. Hawkins, Mr. Stafford, and Mr. Bradley):

S. 1181. A bill to establish a program for the provision of home and community based services to elderly individuals; to the Committee on Labor and Human Resources.

HOME AND COMMUNITY BASED SERVICES FOR THE ELDERLY ACT

Mr. HATCH. Mr. President, I am today introducing the "Home and Community Based Services for the Elderly Act of 1985." This legislation will create a new health block grant to enable States to better address the needs of our growing elderly population.

This bill is intended to fill in some well-recognized gaps in current entitlement programs—benefits our elderly now receive under the Medicare and Medicaid Programs. The foremost result would be a wider availability of a range of services which would allow elderly individuals who are at risk of institutional care to stay at home. Not only is this the preferred kind of care, much desired by our elderly, but alternatives to institutionalization are moneysavers. It is also my hope that this new authority will generate the information we will so desperately need over the next 15 years to continue making our national long-term policy people-sensitive as well as efficient.

Within our Nation's elderly community, we face a demographic explosion, set to take off before the end of the next decade. While America's health care resources are at best expected to grow arithmetically, the number of senior citizens who will need health care for chronic and acute ailments is growing geometrically.

At present there are an estimated 26 million elderly citizens, approximately 12 percent of our population. By the year 2000 at least 17.3 percent of our citizens will be over 65 years of age. The aging of our Nation is not unique to the United States, and, in fact, many other countries in the Western World share our concerns about how to best provide for our elderly without depleting national resources.

The problems raised by growing numbers of elderly people are complex and difficult. The answers are not easy to come by, particularly in light of current budgetary concerns. Perhaps, as a result, I feel we have tended to retreat from our responsibility to invest in solutions. Improved home care and community services, as envisioned by this legislation, will pay for itself. I am convinced of that. But the savings will not equal the cost in the first year and maybe not even in the second. However, concerns about the budget impact of health care policies are never going to go away—and the time to start doing something about 1990's cost is today.

If we shy away from our responsibility to provide humane and economic health care services for our elderly citizens in the privacy and safety of their homes, then we will eventually be forced to cope with far greater and more costly problems. We must not cower in the corner, be intimidated by the budget deficit monster, but have, instead, the courage to act now to provide for our elderly citizens' basic needs. The Home and Community Based Services for the Elderly Act of 1985 is appropriate policy for now and represents a desperately needed investment in long-term cost saving.

The bill I am introducing today will establish a block grant to provide funds for States to: First, coordinate all community and home health services currently provided through a myriad of local, State, and national Government programs; second, identify ways of assisting elderly individuals or groups at risk of institutionalization in order for them to stay at home and in their communities; third, educate public, medical, and social work professionals about the services available to the elderly; fourth, encourage involvement of families, voluntary, religious, and community organizations; fifth, provide basic home and community services determined necessary to keep those at risk of institutional care in their homes, and sixth, provide information to the Secretary of HHS for use in developing an analysis of cost effective methods in providing home and community services.

This will provide the funds and flexibility States need to develop effective and efficient home health programs. No services that are currently provided under Medicare or Medicaid will be funded by this legislation, although I am confident that if this new block grant is available to our States there will be less demand for costly institutional care.

Mr. President, In conclusion, I urge my colleagues to look carefully at this home health care block grant bill. I am confident they will find it worthy of their support.

I ask unanimous consent that the complete text of this legislation and a section by section summary be printed in the Record at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1181

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Home and Community Based Services for the Elderly Act of 1985".

Section 2. (a) Part A of title XIX of the Public Health Service Act is amended by adding at the end thereof the following:

"Subpart 2—Home and Community Based Services

"AUTHORIZATIONS OF APPROPRIATIONS

"Sec. 1910. For the purpose of allotments to States to carry out the activities described in section 1910C, there are authorized to be appropriated $100,000,000 for fiscal year 1986, $100,000,000 for fiscal year 1987, and $100,000,000 for fiscal year 1988.

"ALLOTMENTS

"Sec. 1910A. (a)(1) Except as provided in paragraph (2), the Secretary shall allot to each State for each fiscal year from the amounts appropriated under section 1910 for such fiscal year an amount equal to the product of—

"(A) the total amount appropriated for such fiscal year, multiplied by

"(B) the ratio (stated as a percentage) that the total number of elderly individuals residing in the State bears to the total number of elderly individuals residing in the United States, multiplied by

"(C) the quotient of—

"(i) the ratio (stated as a percentage) that the total number of elderly individuals residing in the State bears to the total population of the State, divided by

"(ii) the ratio (stated as a percentage) that the total number of elderly individuals residing in the United States bears to the total population of the United States.

"(2) Notwithstanding paragraph (1)—

"(A) the total amount of the allotment for each of the several States, the District of Columbia, and Puerto Rico for each fiscal year shall not be less than one-half of 1 percent of the total amount appropriated under section 1910 for such fiscal year;

"(B) the total amount of the allotment for each of the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands for each fiscal year shall not be less than one-fourth of 1 percent of the total amount appropriated under section 1910 for such fiscal year; and

"(C) the total amount of the allotment for each of American Samoa and the Commonwealth of the Northern Mariana Islands for each fiscal year shall not be less than one-sixteenth of 1 percent of the total amount appropriated under section 1910 for such fiscal year.

"(3) For purposes of this section, the term 'elderly individual' means an individual who has attained the age of 65 years.

"(b) To the extent that all the funds appropriated under section 1910 for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

"(1) one or more States have not submitted an application or description of activities in accordance with section 1910D for such fiscal year;

"(2) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(3) some State allotments are offset or repaid under section 1906(b)(3) (as such section applies to this subpart pursuant to section 1910D(e));

such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year without regard to this subsection.

"(c)(1) If the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this subpart be provided directly by the Secretary to such tribe or organization, and

"(B) determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this subpart,

the Secretary shall reserve from amounts which would otherwise be allotted to such State under subsection (a) for a fiscal year the amount determined under paragraph (2).

"(2) The Secretary shall reserve for the purpose of paragraph (1) from amounts that would otherwise be allotted to such State under subsection (a) an amount equal to the amount which bears the same ratio to the State's allotment for the fiscal year involved under subsection (a) as the total number of elderly individuals in the tribe during such fiscal year bears to the total number of elderly individuals residing in the State during such fiscal year.

"(3) The amount reserved by the Secretary on the basis of a determination under this subsection shall be granted to the Indian tribe or tribal organization serving the elderly individuals for whom such a determination has been made.

"(4) In order for an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe.

"PAYMENTS UNDER ALLOTMENTS TO STATES

"Sec. 1910B. (a) For each fiscal year, the Secretary shall make payments, as provided by section 6503(a) of title 31, United States Code, to each State from its allotment under section 1910A (other than any amount reserved under subsection (c) of such section) from amounts appropriated for that fiscal year.

"(b) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"USE OF ALLOTMENTS

"Sec. 1910C. (a)(1) Except as provided in subsections (b) and (d), amounts paid to a State under section 1910B from its allotment under section 1910A for any fiscal year may be used to provide home and community based services to elderly individuals. Such services may include activities to (A) identify and locate elderly individuals eligible for such services, (B) plan and manage services to be provided to such individuals, (C) educate the public and medical, and social service professionals concerning the availability of such services, (D) encourage and enhance the participation of families and voluntary organizations in the provision of such services, (E) train personnel to provide such services through the use of model curricula which include proper standards and quality assurance mechanisms for such training, and (F) coordinate long-term care services provided to elderly individuals by public and private institutions and voluntary organizations in order to eliminate duplication in the provision of such services and the provision of services under this subpart and to maximize the use of funds provided under this subpart and other Federal laws.

"(2) A State may use amounts paid to it under section 1910B to provide home and community based services to elderly individuals through grants to eligible organizations who have entered into contracts under section 1876(g) of the Social Security Act for projects to demonstrate the cost effectiveness of providing home and community based services to elderly individuals as part of comprehensive health care services provided by such organizations. As a condition of receipt of a grant under this paragraph, a State shall require an eligible organization to use amounts provided under such grant only for the provision of home and community based services to elderly individuals.

"(b) Of the amounts paid to a State under section 1910B—

"(1) not more than 50 percent of such amounts may be used by the State in fiscal year 1986 to plan services and activities to be provided under this subpart; and

"(2) not more than 10 percent of such amounts may be used by the State in any fiscal year beginning after fiscal year 1986 to plan such services and activities.

"(c) The Secretary, if requested by a State, shall provide technical assistance to the State in planning and operating activities to be carried out under this subpart.

"(d) A State may not use amounts paid to it under section 1910B to—

"(1) provide inpatient services;

"(2) make cash payments to intended recipients of services, except that a State may use amounts paid to it under section 1910B to establish a system under which—

"(A) the State provides vouchers to elderly individuals which may be used by such individuals to pay providers of home and community based services for such services; and

"(B) such providers present such vouchers to the State for redemption for cash payments for the provisions of such services;

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

"(5) provide services under this subpart to an individual if the total cost to the Federal Government of providing such services would exceed the total cost of institutionalization of such individual.

The Secretary may waive the limitation contained in paragraph (3) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this subpart.

"APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

"Sec. 1910D. (a)(1) In order to receive an allotment for a fiscal year under section 1910A each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require.

"(2) Each application required under paragraph (1) for an allotment under section 1910A for a fiscal year shall contain assurances that the State will meet the requirements of subsection (b).

"(b) As part of the annual application required by subsection (a) for an allotment for any fiscal year, the chief executive officer of each State shall—

"(1) certify that the State agrees to use the funds allotted to it under section 1910A in accordance with the requirements of this subpart;

"(2) provide assurances that such chief executive officer will establish an appropriate plan and mechanism to coordinate activities of State agencies which administer programs relating to health, welfare, rehabilitation, and the elderly with the provision of home and community based services by State and local agencies and public and private institutions and organizations;

"(3) provide assurances that such chief executive officer will designate or establish a State agency to administer funds provided under this subpart and the plan developed under paragraph (2) in a manner which will insure, to the maximum extent feasible, that services provided to elderly individuals under this subpart will not duplicate services to elderly individuals provided under other provisions of Federal law;

"(4) certify that the State will coordinate the provision of home and community based services with funds provided under this subpart with activities conducted to provide such services by voluntary, religious, and community organizations and local governments;

"(5) provide assurances that the State will make reasonable efforts to provide services under this subpart through agencies and providers rendering services under the State's medicaid plan approved under title XIX of the Social Security Act;

"(6) provide assurances that the State will, to the maximum extent feasible, provide home and community based services under this subpart to elderly individuals who are low income individuals and who are not receiving equivalent home and community based services under the State's medicaid plan approved under title XIX of the Social Security Act;

"(7) provide assurances that, for any period in which a waiver is in effect in the State under section 1915(c) of the Social Security Act, funds paid to the State under section 1910B will be used to provide home and community based services which do not duplicate services provided pursuant to such waiver; and

"(8) certify that the State agrees that Federal funds made available under section 1910B for any period will be so used as to supplement and increase the level of State, local and other non-Federal funds that would in the absence of such Federal funds he made available for the programs and activities for which funds are provided under that section and will in no event supplant such State, local, and other non-Federal funds.

"(d) The chief executive officer of a State shall, as part of the application required by subsection (a) for any fiscal year, also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1910B for the fiscal year for which the application is submitted, including information on the programs and activities to be supported and services to be provided. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this subpart, and any revision shall be subject to the requirements of the preceding sentence.

"(e) Except where inconsistent with the provisions of this subpart, the provisions of section 1903(b), section 1906(a), paragraphs (1) through (5) of section 1906(b), and section 1907, 1908, and 1909 shall apply to subpart 1 of this part.

"(f) Each report submitted by a State to the Secretary under section 1906(a)(1) (as such section applies to this subpart pursuant to subsection (e) of this section) shall include an analysis of the cost effectiveness of providing home and community based services to elderly individuals under this subpart.

"DEFINITIONS

"Sec. 1910E. For purposes of this subpart:

"(1) The term 'elderly individual' (other than for the purposes of section 1910A) means an individual who has attained the age of 65 years and who—

"(A) resides at home and is at risk of institutionalization because of limitations on the ability of such individual to function independently;

"(B) is a patient in a hospital who is at risk of prolonged hospitalization, and who could be cared for in long-term care institution or who could return to the community if home and community based services are available; or

"(C) is a patient in a skilled nursing facility or an intermediate care facility who could return to the community if home and community based services are available.

"(2) The terms 'Indian tribe' and 'tribal organization' have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.".

(b) Such part is further amended—

"(1) by striking out the heading of such part and inserting in lieu thereof the following:

"PART A—PREVENTIVE HEALTH, HEALTH SERVICES, AND HOME AND COMMUNITY BASED SERVICES";

(2) by inserting after the heading of such part the following:

"Subpart 1—Preventive Health and Health Services"; and

(3) by striking out "this part" and inserting in lieu thereof "this subpart" each place it appears in sections 1902(d)(1)(A), 1902(d)(1)(B), 1904(a)(1), 1904(a)(3), 1904(b), 1905(c)(1), 1905(c)(3), 1903(c)(5), 1905(c)(8), and 1905(d).

Sec. 3. This Act and the amendments made by this Act shall take effect on October 1, 1985.

SECTION-BY-SECTION SUMMARY

THE HOME AND COMMUNITY BASED SERVICES FOR THE ELDERLY ACT OF 1985

A bill to establish a program for the provision of home and community based services to elderly individuals.

Sec. 1910—"Authorization of Appropriations":

Authorization of appropriation levels are $100,000,000 for fiscal year 1986, $100,000,000 for fiscal year 1987 and $100,000,000 for FY 1988.

The formula for allocating funds to the States reflects the proportion of a State's population that is elderly. Funds are allocated to the States on the basis of the ratio of the total number of elderly residing in a State to the total number of elderly in all States multiplied by a weighting factor of the proportion of a State's population that is elderly compared to the proportion of the Nation's population that is elderly.

Any excess funds not used by a State shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year.

Sec. 1910B—"Payments under Allotments to States":

Any amount paid to a State for a fiscal year and remaining unused at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

Sec. 1910C—"Use of Allotments":

Home and community based services to elderly individuals include activities to: 1) identify and locate elderly individuals eligible for such services, 2) plan and manage services to be provided to such individuals, 3) educate the public and medical and social service professionals concerning the availability of services and 4) encourage the participation of families and voluntary organizations in the provision of such services, 5) train personnel to provide such services through the use of model curricula which include proper standards and quality assurance mechanisms for such training, 6) coordinate long-term care services provided to eldery individuals by public and private institutions and voluntary organizations in order to eliminate duplication in the provision of such services.

Services may be provided through grants to eligible organizations who have entered into contracts for projects to demonstrate cost-effectiveness of providing home and community-based services to elderly individuals.

Of the amounts paid to the State, 1) not more than 50 percent may be used in fiscal year 1986 to plan for services and activities to be provided, 2) not more than 10 percent may be used in any fiscal year beginning after fiscal year 1986 to plan such services and activities.

A State may not use amounts paid to it to: 1) provide inpatient services, 2) make cash payments to intended recipients of services (the State may provide vouchers to pay for services), 3) purchase or improve land purchase, construct and permanently improve any building or purchase major medical equipment, 4) satisfy and requirement for the expenditure of non-federal funds as a condition for receipt of federal funds, 5) provide services to an individual if the total cost of providing such services would exceed the total cost of institutionalization of the individual.

Sec. 1910D—"Application and Description of Activities; Requirements":

Applications shall contain assurances that the State will meet the requirements regarding allotments.

With funds provided, States shall coordinate home community based services with services provided by voluntary, religious and community organizations.

States may provide home and community based services to the elderly who are not eligible for such services under the State's Medicaid plan under Title XIX of the Social Security Act.

A description of the intended use of the payments received by each State is required including information on activities and programs to be provided.

Sec. 1910E—"Definitions":

An "elderly individual" is 1) 65 years of age, 2) lives at home but is at the risk of being institutionalized because of inability to perform certain functions, 3) is in a hospital at the risk of prolonged hospitalization and could be cared for in a long term care institution or could return to the community if home and community based services are available, and 4) is a patient in a nursing facility who could return to the community if home and community based services are available.

This Act and the amendments made by this Act take effect on October 1, 1985.

● Mr. KENNEDY. Mr. President, I rise today to cosponsor the Home and Community Based Services for the Elderly Act of 1985.

This bill will provide funds to develop and coordinate community, based health services for the frail elderly. Medicare has made a significant difference in access and availability of medical services for the elderly during periods of acute illness. Medicaid offers institutional, long-term care services to the poor, sick elderly. Community-based health and social services to help the elderly remain in their homes, however, are largely unavailable.

This gap in our health service sector not only forces senior citizens into nursing homes when they would prefer to remain at home, but it unnecessarily raises the cost of care in many cases. The current configuration of services is both inhumane and wasteful.

The relatively modest amount of money in this bill is a small start in redressing our misplaced health priorities. It will encourage states to begin to develop cost-effective alternatives to the institutional bias built into current health financing programs.

This bill will not only provide funds for States to develop and deliver critically needed services, but will also require that projects be evaluated so that the most effective models can be replicated on a national basis.

The unmet health needs of the frail elderly are one of our Nation's most pressing concerns. Not only are the elderly the most rapidly growing segment of the population, but we will soon have two-generation elderly—those over 65 and their parents over 85. This means that even willing family caregivers will often, themselves, be elderly.

Home and community-based health services are not only humane, they are cost effective. Minimal and relatively inexpensive support services can often prevent costly and debilitating episodes of illness and hospitalization. Even higher intensity health services can often be rendered less expensively in the home than in institutions. It is both wrong and wasteful to require people to enter nursing homes to get the health care they need simply because alternatives are unavailable or because financing arrangements make noninstitutional solutions infeasible.

This bill, therefore, is doubly attractive. We can decrease the costs of illness while providing services that will increase the quality of life of our elderly citizens. I strongly encourage all of my colleagues to support this legislation.●

By Mr. MURKOWSKI:

S. 1182. A bill to amend title III of the Federal Property and Administrative Services Act of 1949 and chapter 141 of title 10, United States Code, to require Federal Government contractors to employ local residents in areas of high unemployment; to the Committee on Labor and Human Resources.

LOCAL HIRING PREFERENCE IN PUBLIC CONTRACTS

● Mr. MURKOWSKI. Mr. President, today I am introducing legislation to ensure residents in States with unemployment rates higher than the national average benefit from employment opportunities generated from Federal civilian and defense contracts.

This legislation amends the Federal Property and Administrative Services Act of 1949 and 41 United States Code to require contractors employ local residents to the extent that qualified personnel are available or can be quickly trained.

This legislation is designed to give hiring preference to residents of areas in the country with high unemployment. For purposes of this legislation, local residents are State residents at the time the contract is awarded. Contractors are required to hire local residents as long as the residents possess the required skills. If locals do not possess needed skills, and the required skills may be acquired quickly through on the job training or at a training facility, contractors would be required to give preference to local workers.

The benefits of local hire are many. Jobs and experience will go to those who reside in a community. A contractor does not need to locate housing for workers. Local residents have knowledge of the area and its unique circumstances. Wages paid will stay within the community or State, thereby boosting local economies.

There are court rulings on the constitutionality of State and municipal local hire laws. The Supreme Court in Hicklin versus Orbeck found an Alaska local hire statute unconstitutional. But more recently, State of Wyoming versus Antonich found a Wyoming local hire law constitutional.

My legislation is drafted to avoid constitutional law problems. As a general proposition, the Federal Government has broader authority than the States to require local hire and this legislation addresses that difference.

Mr. President, I ask unanimous consent that a legal analysis by the Congressional Research Service on the constitutionality of local hiring preference requirements in public contracts be printed in the Record at the end of my statement.

This legislation does not contain such legally objectional provisions as a "durational residency" requirement and a requirement that local residents be hired regardless of qualifications. Moreover, the legislation addresses a specific social and economic concern—high unemployment.

In Alaska, the situation has occurred repeatedly where Federal contracts are awarded to outside contractors. Workers are brought into the State for the project. Prices of goods and services are increased, and the workers return to their home States upon completion of the project leaving behind only a higher cost of living.

This situation is alarming, especially in States with high unemployment rates. Alaska is not the only State with an unemployment rate higher than the national average. Others include: Alabama, Arkansas, California, Illinois, Indiana, Kentucky, Louisiana, Michigan, Mississippi, Nevada, New Mexico, Ohio, Oregon, Pennsylvania, Tennessee, Washington, and West Virginia.

Mr. President, there are many elaborate programs intended to stimulate local economies. This bill is a simple and cost-effective way to ensure that local residents benefit from local employment opportunities afforded by the Federal Government. I urge my colleagues to support this legislation, and I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill and analysis mentioned earlier were ordered to be printed in the Record, as follows:

S. 1162

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by adding at the end thereof the following new section:

"EMPLOYMENT OF LOCAL RESIDENTS IN HIGH UNEMPLOYMENT AREAS

"Sec. 311. Each contract awarded under this title that is to be performed in whole or in part in a State which has an unemployment rate in excess of the national average rate of unemployment, as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing the contract in that State, individuals who, on the date the contract is awarded, are residents of the State and, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills.".

(b) The table of contents of such Act is amended by inserting after the item relating to section 310 the following:

"Sec 311. Employment of local residents in high unemployment areas.".

Sec. 2. (a) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2406. Employment of local residents in high unemployment areas

"Each contract awarded under chapter 137 of this title that is to be performed in whole or in part in a State which has an unemployment rate in excess of the national average rate of unemployment, as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing the contract in that State, individuals who, on the date the contract is awarded, are residents of the State and, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"2406. Employment of local residents in high unemployment areas.".

Sec. 3. The amendments made by the first section and section 2 shall take effect with respect to contracts awarded on or after the date of enactment of this Act.

Constitutionality of Local Hiring Preference Requirements in Public Contracts

This report sets forth the constitutional issues that would be raised by laws which would require that contractors and subcontractors accord some kind of preference to local residents as a condition of receiving a public contract. Such provisions have been included in city ordinances and executive order and in state statutes, and have been proposed as federal law. For example, Federal legislation has been suggested which would require each contract that is to be performed in whole or in part in a State which has an unemployment rate in excess of the national average rate of unemployment, as determined by the Secretary of Labor, to include a provision requiring the contractor to employ, for the purpose of performing the contract in that State, individuals who, on the date the contract is awarded, are residents of the State and, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills. Proposed legislation of this type would confer statutory authority on the Federal Government to require its contractors, as a condition of doing business with the Government, to hire residents of the State in which the work is to be performed; such residents would have to possess or be able to acquire promptly the necessary skills for any craft or trade employed under the contract.

It would appear that this legislation would be within the constitutional power of Congress under the Commerce Clause, or the Spending Clause, or both. The Commerce Clause grants Congress the power to regulate commerce among the several states. U.S. Const., art. I, sec. 8, cl. 4. The Spending Clause grants the power to pay the debts and provide for the common defense and general welfare of the United States. U.S. Const., art. I, sec. 8, cl. 1.

In *Fullilove* v. *Klutznick*, 448 U.S. 448 (1980), the Supreme Court sustained the constitutionality of the minority business enterprise set aside provisions of Federal public works contracts. The provisions required that 10 percent of Federal funds granted for local public works projects must be used by the State or local grantee to procure services or supplies from businesses owned by minority group members. The plurality opinion of Chief Justice Burger noted that Congress had employed an amalgam of its specifically delegated powers to enact the set-aside program. The public works program, by its very nature, was primarily an exercise of the Spending Power; the power to provide for the general welfare has been recognised as an independent grant of legislative authority, distinct from other broad congressional powers. "Congress has frequently employed the Spending Power to further broad policy objectives by conditioning receipt of Federal moneys on compliance by the recipient with Federal statutory and administrative directives. This Court has repeatedly upheld against constitutional challenge the use of this technique to induce governments and private parties to cooperate voluntarily with Federal policy." 448 U.S. at 474. Chief Justice Burger also noted that Congress may choose to draw upon the Commerce Clause to regulate the practices of prime contractors on federally funded public works projects. 448 U.S. at 475; *Katzenbach* v. *McClung*, 379 U.S. 294 (1964); *Heart of Atlanta Motel, Inc.* v. *United States*, 379 U.S. 241 (1964).

Assuming the proposed legislation is within the constitutional power of Congress, the question then arises whether it would contravene any of the specific limitations on congressional power in the Constitution. It would appear that potential constitutional challenges would be based on either the Equal Protection Clause or on the right to travel.

Under the Fourteenth Constitution, no State may deny to any person within its jurisdiction the equal protection of the laws. U.S. Const., amend. XIV. The fifth amendment provides that no person may be deprived of life, liberty, or property without due process of law. U.S. Const., amend V. While the fifth amendment contains no equal protection clause, it does forbid discrimination by the Federal Government that is so unjustifiable as to be violative of due process. *Shapiro* v. *Thompson*, 394 U.S. 618, 641–42 (1969); *Schneider* v. *Rusk*, 377 U.S. 163, 168 (1964); *Bolling* v. *Sharpe*, 347 U.S. 497 (1954).

Thus the Federal Government, like the States, must govern impartially under the concept of equal justice under law. Although both the fifth and fourteenth amendments mandate equal protection, the two protections are not always coextensive, since there may be overriding national interests which justify selective Federal legislation that would be unacceptable for an individual State. On the other hand, when a Federal rule applies to only a limited territory such as the District of Columbia, a territory, or an insular possesion, and there is no special national interest involved, then the Due Process Clause of the Fifth Amendment has the same significance as the Equal Protection Clause of the fourteenth amendment. *Hampton* v. *Mow Sun Wong*, 426 U.S. 88, 100 (1976).

Under the equal protection provisions of the Constitution, statutory clasifications are evaluated by the courts under at least two standards. Where the statute utilizes an inherently suspect classification, such as race or allenage, or impinges a fundamental constitutional right, such as the right to vote or to travel, the courts will subject the law to strict scrutiny and will sustain it only if it serves a compelling public interest. Absent an invidious classification or fundamental right, the courts exercise only a limited review, and will sustain such social and economic legislation if it classifies the persons it affects in a manner rationally related to legitimate governmental objectives. *Schweiker* v. *Wilson*, 450 U.S. 221, 230 (1981); *San Antonio School District* v. *Rodriquez*, 411 U.S. 1 (1973).

In *Shapiro* v. *Thompson*, *supra*, the Supreme Court held that State laws which denied welfare assistance to persons who had not resided within their jurisdiction for a year created a classification which denied equal protection of the laws. The Court held that the Constitution guarantees the right of interestate movement, the right of citizens to be free to travel throughout the length and breadth of the country uninhibited by statutes, rules, or regulations which unreasonably burden or restrict this movement. Any classification which penalizes the exercise of that right is unconstitutional unless it is shown to be necessary to promote a compelling governmental interest. 394 U.S. at 634 (emphasis in original). The Court thus struck down residency requirements enacted both by the States and by the Congress (for the District of Columbia).

Several States had argued that Congress had expressly approved their waiting period requirements. The Court held that even if it were assumed for the sake of argument that Congress had approved the waiting period, it was the responsive State legislation which infringed constitutional rights. 394 U.S. at 640–41 (emphasis by Court).

The equal protection aspect of the Fifth Amendment does apply to the Federal Government. It would appear, however, that an equal protection challenge to a Federal law granting hiring preferences, on the basis of a non-durational residency requirement, would be subject to relaxed scrutiny by the courts. If the legislation did not establish suspect classifications, based on factors such as race or alienage, and did not infringe such basic rights as the rights to vote and travel, it would also be subjected to relaxed scrutiny and would be sustained if supported by a rational basis.

Turning from Federal laws to State laws or municipal ordinances, the State legislation must pass muster under two further constitutional provisions which do not restrict the Federal Government. These provisions are the Privileges and Immunities Clause and the Commerce Clause.

The Privileges and Immunities Clause of Article IV, section 2 of the Constitution provides that the "citizens of each State shall be entitled to all privileges and immunities of citizens in the several States." The clause establishes a norm of comity that is to prevail among the States with respect to their treatment of each other's residents. *Hicklin* v. *Orbeck*, 437 U.S. 518, 524 (1978). (The theory that the clause is a species of equal protection clause binding on the national government, although it has received some recognition in the past, is obsolete today, since the Due Process Clause of the Fifth Amendment now imposes equal protection standards on the Federal Government. Constitution of the United States of America: Analysis and Interpretation, Sen. Doc. No. 92–82, 92d Cong., 2d Sess. 831 (Killian, ed. 1973)).

In *Hicklin* v. *Orbeck*, 437 U.S. 518 (1978), the Supreme Court held that the "Alaska Hire" statute, which gave preference to state residents under all Alaskan oil and gas leases, was unconstitutional under the Privileges and Immunities Clause.

Although the act purported to reduce unemployment in the State, the Court found that the unemployment was not due to the influx of nonresident jobseekers, but rather to the residents' lack of education and job training or their geographical remoteness from job opportunities. Moreover, the Court ruled that Alaska's ownership of the oil and gas was an insufficient justification for the act, since it reached employers who had no connection with the States' oil and gas, performed no work on State land, had no contractual relationship with the State, received no payment from the State, and performed no extraction of oil and gas. The only limit was the requirement that the activity which generated employment in the distribution and refining of State oil and gas take place inside the State. The Court held that Alaska's ownership of the oil and gas simply constituted insufficient justification for the Act's pervasive discrimination against nonresidents.

The Commerce Clause of the Constitution provides that the Congress shall have power "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes." U.S. Const., art. I, sec. 8, cl. 3. Since this clause grants the power to regulate commerce to Congress, State legislation which affects interstate commerce is sometimes challenged because it is inconsistent with or interferes with the Federal regulation of commerce.

In *White* v. *Massachusetts Council of Construction Employers*, 460 U.S. 204 (1983), the mayor of Boston issued an executive order requiring all construction projects funded in whole or in part by city funds to be performed by a work force at least half of which were bona fide residents of the city. The constitutionality of the order was challenged on the grounds that it conflicted with the powers of Congress to regulate commerce. The Supreme Court upheld the order, ruling that when a state or local government enters the market as a direct participant, expending its own funds, it is not subject to the restraints of the Commerce Clause. Inquiry under the Commerce Clause into the impact of the order on non-residents is only relevant when the city or state is regulating the market rather than participating in it.

The Court thus sustained the Boston executive order even though it had struck down the Alaska hire law. The Court distinguished *Hicklin* v *Orbeck*, because that case had involved a state regulatory statute which had required local employment in all work connected with oil and gas leases to which the state was a party. The Court viewed the Alaska Act as "an attempt to force virtually all businesses that benefit in some way from the economic ripple effect of Alaska's decision to develop its oil and gas resources to bias their employment practices in favor of the state's residents." 460 U.S. at 211, quoting *Hicklin* v *Orbeck*, 437 U.S. 518, 531 (1918).

The executive order at issue in *White* also applied to projects funded by Federal funds which the city had authority to administer. The Court sustained the order on this point, finding from an examination of the applicable statutes that the Federal programs had been intended to encourage economic revitalization, including improved opportunities for the poor, minorities, and unemployed. The Federal regulations for each program affirmatively permitted the type of parochial favoritism expressed in the city's executive order. If a State or local government's action is specifically authorized by Congress, then it is not subject to the Commerce Clause even if it interferes with interstate commerce, because Congress is not limited by the Commerce Clause. 460 U.S. at 212–13. The Court thus held that, insofar as the mayor's executive order was applied to projects funded in part with funds obtained from Federal programs, the order was affirmatively sanctioned by the pertinent regulations of programs. 460 U.S. at 215.

In the *White* case, Justice Blackmun dissented from the Court's holding that the city executive order was valid as applied to projects funded entirely out of city funds. He joined the Court's opinion, however, with respect to the order as applied to projects funded in part with Federal revenues, noting that Congress unquestionably had the power to authorize State and local discrimination against interstate commerce that otherwise would have violated the Commerce Clause. 460 U.S. at 215 (Blackmun, J., joined by White, J., dissenting).

The city executive order had required, for each covered project, that the worker hours on a craft-by-craft basis be performed (1) at least 50 percent by bona fide Boston residents, (2) at least 25 percent by minorities, and (3) at least 10 percent by women. The Federal programs administered by the city included Urban Development Action Grants (UDAG), Community Development Block Grants (CDBG), and Economic Development Administration Grants (EDAG). An examination of the applicable statutes persuaded the Court that these Federal programs were intended to encourage economist revitalization, including improved opportunities for the poor, minorities, and unemployed. Examination of the Federal regulations implementing each program revealed that the type of parochial favoritism expressed in the city's order was affirmatively permitted.

The UDAG regulations had required the project to alleviate economic distress by helping the poor, minorities, and unemployed. 24 C.F.R. § 570. 458(c). The regulations had provided that "to the greatest extent feasible opportunities for training and employment arising in connection with the planning and carrying out of any project assisted under any such program be given to lower income persons residing in the area of such project." 24 C.F.R. § 135.1(a)(2)(i) (emphasis added by the court). Similarly, CDBG regulations had required that "opportunities for training and employment be given to lower-income residents of the project area." 24 C.F.R. § 570.307*m). EDAG regulations required contractors to employ "qualified persons who regularly reside in the designated area where such project is to be located." 13 C.F.R. § 305.54(a).

The *White* case had left open the question whether a municipal ordinance requiring the hiring of local residents would violate the Privileges and Immunities Clause of Article IV, section 2 of the Constitution. 460 U.S. at 214 n.12. That issue, however, was reached in 1984 in *United Building and Construction Trades* v. *Mayor of Camden*, No. 81–2110, Feb. 21, 1984, the most recent Supreme Court case on the issue of local hiring preference. The city had adopted an ordinance requiring that at least 40 percent of the employees of contractors and subcontractors working on city construction contracts be city resident. The ordinance was challenged as violative of the privileges and immunities of residents of other states.

In the *White* case, *supra*, the Court had not decided the issue whether the city's executive order offended the Privileges and Immunities Clause of article IV, section 4, since the issue had not been resolved by the court below. The lower court had reasoned that the preference in the order was for inhabitants of the city, and that its negative effect was felt in significant part by other citizens of the Commonwealth of Massachusetts, as well as by residents of other states. "In such circumstances," the Court stated, "it may be more difficult to find a violation of the privileges and immunities clause because the discrimination adversely affects citizens of the Commonwealth as well." 384 Mass. 466, 478, 425 N.E. 2d 346, 354 (1981), quoted, 460 U.S. at 214 N. 12. Because it disposed of the case under the Commerce Clause, the Massachusetts court did not resolve this issue. The question was not, to any great extent, briefed or argued in the Supreme Court; the Court did not grant certiorari in the issue, and remanded the case without passing on its merits. 460 U.S. at 214–15 n.12.

In the *Camden* case, the ordinance originally contained a 1-year durational residency requirement for city residents. Although the New Jersey supreme court had sustained this requirement, it was later dropped from the ordinance, thereby mooting an equal protection challenge. The State court had also sustained the ordinance against a Commerce Clause Challenge, because the State was acting as a market participant rather than as a market regulator. This issue was subsequently resolved, in favor of the ordinance, by the U.S. Supreme Court's decision in *White*.

The sole issue left before the *Camden* Court, then, was whether the nondurational city residential requirement violated the Privileges and Immunities Clause. The Court initially found that the Clause applies to municipal laws as well as State laws, and to municipal residency requirements as well as State residency requirements. The Court then stated that application of the Privileges and Immunities Clause to a particular instance of discrimination against out-of-States residents entails a two-step inquiry. The Court must first decide whether the ordinance burdens one of those privileges and immunities protected by the Clause, and, if so, whether there is "substanital reason" for the discrimination against citizens of other states. The Supreme Court found that the opportunity to seek employment with private contractors and subcontractors engaged in public works projects was sufficiently basic to the livelihood of the Nation as to fall within the purview of the Privileges and Immunities Clause, even though the pressure to lure city residents may not itself be violative of the Commerce Clause.

In order to demonstrate a substantial reason for discrimination against citizens of other States, the city was required to show that it ordinance was necessary to counteract grave economic and social ills, and that the discrimination practiced in the ordinance was carefully tailored to alleviate those ills without unreasonably harming nonresidents. The Supreme Court remanded the case to the State courts to determine whether the 40 percent municipal residency was carefully tailored to alleviate the evils of unemployment, declining population, loss of business, and urban decay, without harming nonresidents, who still had access to 60 percent of available positions.

The city had argued that it was merely a market participant rather than a market regulator. The Court rejected this argument, saying that while the distinction between participant and regulator disposed of the challenge under the Commerce Clause, it did not control under the Privileges and Immunities Clause, which has different aims and different standards for state conduct. The Court, therefore, required the city to show a "substantial reason" for the difference in treatment, and to demonstrate that nonresidents "constitute peculiar source of evil at which the statute is aimed."

Several general principles emerge from the foregoing discussion. It is clear, from the *Hicklin* and *Camden* cases, that the States, or their subdivisions, may not enact legislation granting hiring preference to their own residents under public contracts unless they demonstrate "substantial reason" for the discrimination against citizens of other States, and show that the law is carefully tailored to the particular situation. While the *White* case permits a State or locality to grant preference to local residents when expending its own money on publicly funded projects without violating the Commerce Clause, the legislation must nevertheless pass muster under the stricter standards of the Privileges and Immunities Clause.

In *White*, the Court also approved, unanimously, several Federal statutes and their implementing regulations which had required the granting of preferences to local residents as a condition for receiving Federal funds. If the Federal Government may require local hiring preferences indirectly, through State or local administration of Federal funds, it would follow that it may do so directly, as a condition for the receipt of funds under direct Federal contracts or grants. Neither the Commerce Clause nor the Privileges and Immunities Clause acts as a limitation on the Federal Government.

The suggested Federal legislation discussed at the beginning of this report does not appear to infringe the constitutionally protected right to travel, since it imposes no waiting period or durational residency requirements on persons seeking employment on Federal projects, and would not classify any persons by race or status as aliens. It would appear likely that the courts could find a reasonable relationship between the legislative objective (reducing unemployment) and the selected method of means (hiring preference for state residents in States with higher than national average unemployment).

With regard to potential objections based on the Commerce Clause, the Supreme Court unanimously approved Federal legislation which authorized local hiring preferences in the *White* case. Assuming the courts find a rational basis for the local hiring preference, this legislation would in all likelihood be held constitutional by the courts.

In conclusion, legislation by a State or subdivision granting hiring preference to local residents under public contracts would not be violative of the Commerce Clause, but could be found violative of the Privileges and Immunities Clause unless supported by a "substantial reason" for the discrimination against residents of other States. Federal legislation granting hiring preference to local residents under Federal contracts could be authorized under the Commerce Clause or the Spending Power, and if challenged under the principle of equal protection, would be subjected to relaxed scrutiny by the courts and probably be sustained if the means of local hiring preference bore a reasonable relationship to the legislative objective of reducing unemployment. Federal legislation would not be violative of the Privileges and Immunities Clause, which applies only to the States, not to the Federal Government.●

By Mr. ROTH:

S. 1183. A bill to amend the Internal Revenue Code of 1954 to allow penalty-free withdrawals from individual retirement accounts for certain institutionalized care expenses; to the Committee on Finance.

PENALTY-FREE WITHDRAWALS FROM IRA'S FOR CERTAIN INSTITUTIONALIZED CARE EXPENSES

● Mr. ROTH. Mr. President, I rise today to introduce a bill designed to assist some families with the cost of long-term institutional care. My bill will allow penalty-free withdrawals from IRA's [individual retirement accounts] to pay for family members expenses in a long-term care institution.

When a chronic illness strikes, most older Americans find that the long-term care services they need are not covered by Medicare, other public programs, or private medigap insurance. As a consequence, many elderly persons and their families pay the full cost of their care out of pocket.

In 1984, there were about 8.8 million persons in the 75 to 84 age group and almost 2.6 million persons age 85 and over. It is this age group where there is the greatest potential for the need for long-term care services. In 1985, there will be 1.4 million older Americans living in nursing homes, about twice as many as 20 years ago. The nursing home population is expected to increase by 80 percent to 2.2 million persons in the year 2000 and will more than triple to 5.4 million persons by the middle of the next century. These statistics do not include the many, many children and young adults who, because of illness or disability, must be confined to long-term care institution.

An estimated 80 Federal programs contribute directly or indirectly to long-term care, but these publicly financed programs are not really designed to meet the long-term care needs of most older Americans. Medicare, Medicaid, the Older Americans Act, the social services block grants each support some long-term care services, but only for varying population groups.

While the public programs which cover long-term care services are restrictive, private long-term care insurance is virtually unobtainable. Many insurance companies are only now beginning to develop such plans, and in many cases the cost is prohibitive for the average person.

The price of 1 year in a nursing home ranges from $12,000 to $50,000; the cost at even the low end of this range is beyond the resources of most older Americans. Thus many elderly people must spend their entire savings and thereby become eligible for medicaid soon after they enter a nursing home. Currently, between one-quarter and two-thirds of the nursing home patients who enter as private paying patients subsequently spend down their resources and become eligible for Medicaid.

For those persons who have no other alternative but institutionalization, and who have family which can help with the costs, my bill may make it a little easier. Family members bear a great financial burden for institutional costs, and my bill will allow them to withdraw savings from their IRA, if they choose to do so, with no penalty for the premature withdrawal of funds. The Joint Committee on Taxation estimates that this legislation will reduce revenues by less than $10 million per year.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1183

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

(a) section 408(f) of the Internal Revenue Code of 1954 (relating to additional tax on certain amounts included in gross income before age 59½) is amended by adding at the end thereof the following new paragraph:

"(4) INSTITUTIONALIZED CARE.—Paragraphs (1) and (2) do not apply if the amount paid or distributed, or the disqualification of the account or annuity under subsection (e), is attributable with respect to the taxpayer to expenses for—

"(A) care at a skilled nursing facility (as defined in section 1861(j) of the Social Security Act (42 U.S.C. 1395x(j)), and

"(B) care at an intermediate care facility (as defined in section 1905(c) of such Act (42 U.S.C. 1396d(c)).".

"(C) any other licensed long-term care facility which provides nursing or custodial care.

(b) The amendment made by this Act shall apply to expenses paid in taxable years beginning after December 31, 1984.●

By Mr. HATCH:

S.J. Res. 139. Joint resolution to designate the week of December 1, 1985, through December 7, 1985, as "National Home Care Week"; to the Committee on the Judiciary.

NATIONAL HOME CARE WEEK

Mr. HATCH. Mr. President, I solicit the support of my colleagues for a joint resolution I am reintroducing today, "National Home Care Week." This would be the fifth year that Americans would be devoting a week to this cause.

Our country is now facing a crisis of major proportions, due to the steadily growing population of older Americans in need of long-term health care. Back in 1900, 1 in every 25 Americans was 65 years or over. Today, the proportion is 1 in 10. By the turn of this century, in the year 2000, it promises to be 1 in 8.

Meanwhile, it is becoming more evident every day that our Nation cannot depend alone on nursing homes and institutionalized hospital care. To provide care for our elderly and infirm friends and family members, new and innovative arrangements are being devised. All of these are in one way or another based on the concept of home and community based health care.

Home health care organizations and programs-proprietary and nonprofit, freestanding, associated with nursing homes, and hospital-based have shown that they can provide quality, cost-effective care. Most important of all, they help older people remain in their own homes or apartments, where they often desparately wish to stay.

National Home Care Week" will honor home health organizations and the professionals who provide this most vital service. It is especially appropriate during this month when we honor the family and its traditions, that we highlight the work of those who help our growing population of senior citizens preserve their home lives and independence.

I'd like to urge my distinguished colleagues to join with me in sponsoring this Joint Resolution, and expeditiously approving it when it comes before the Senate for consideration. I would also ask unanimous consent that the letter from the National Association for Homecare to be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION FOR
HOME CARE,
Washington, DC, May 17, 1985.

Hon. ORRIN HATCH
U.S. Senate Washington, D.C.

DEAR SENATOR: On behalf of the 3,000 members of the National Association for Home Care, I would like to thank you for your support in creating National Home Care Week. We were most grateful to you for having introduced this resolution last year. National Home Care Week proved to be a tremendous success in raising public awareness of home care as a cost-effective and humane health care option.

We greatly appreciate your asking Congress to once again designate the week after Thanksgiving as "National Home Care Week" and warmly endorse this measure. We stand ready to assist you in this effort.

Best regards,
Sincerely,

VAL J. HALAMANDARIS,
President.

ADDITIONAL COSPONSORS

S. 84

At the request of Mr. INOUYE, the name of the Senator from Georgia [Mr. MATTINGLY] was added as a cosponsor of S. 84, a bill to incorporate the Pearl Harbor Survivors Association.

S. 154

At the request of Mr. INOUYE, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 154, a bill to amend the Internal Revenue Code of 1954 to provide a mechanism for taxpayers to designate $1 of any overpayment of income tax, and to contribute other amounts for use by the U.S. Olympic Committee.

S. 235

At the request of Mr. THURMOND, the names of the Senator from New Hampshire [Mr. HUMPHREY], the Senator from North Carolina [Mr. EAST], the Senator from California [Mr. WILSON], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of S. 235, a bill to amend title 5, United States Code, to prohibit employment in civil service positions in the executive branch of any individual required to register under the Military Selective Service Act who has not yet registered.

S. 418

At the request of Mr. GRASSLEY, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 418, a bill to amend the Internal Revenue Code of 1954 to exclude certain net capital gain of insolvent taxpayers from the alternative minimum tax.

S. 419

At the request of Mr. GRASSLEY, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 419, a bill to amend the internal Revenue Code of 1954 to allow a deduction for one-half of the expenses paid by a self-employed taxpayers for individual health insurance premiums.

S. 426

At the request of Mr. WALLOP, the names of the Senator from Arkansas [Mr. BUMPERS], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 426, a bill to amend the Federal Power Act to provide for more protection to electric consumers.

S. 452

At the request of Mr. BRADLEY, the names of the Senator from Michigan [Mr. LEVIN], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 452, a bill to enact the Gifted and Talented Children's Eduction Act.

S. 467

At the request of Mr. ROTH, the names of the Senator from Alabama [Mr. HEFLIN], and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 467, a bill to amend title 10, United States Code, to authorize the President to award prisoner of war medals in appropriate cases.

S. 508

At the request of Mr. BRADLEY, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 508, a bill to provide a program of planning grants, demonstration grants, and formula grants to assist local educational agencies to improve the basic skills of economically disadvantaged secondary school students, and for other purposes.

S. 777

At the request of Mr. HEINZ, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponosr of S. 777, a bill to amend the Tax Equity and Fiscal Responsibility Act of 1982 to extend hospice benefits under the medicare program for an additional 3 years.

S. 861

At the request of Mr. WALLOP, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 861, a bill to amend the Internal Revenue Code of 1954 to treat deductions for research and experimental expenses attributable to activities conducted in the United States as allocable to income from sources within the United States.

S. 881

At the request of Mr. KENNEDY, the names of the Senator from Colorado [Mr. HART] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 881, a bill to extend title X of the Public Health Service Act for 3 years.

S. 885

At the request of Mr. KERRY, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Connecticut [Mr. DODD], the Senator from Hawaii [Mr. INOUYE], the Senator from Oregon [Mr. HATFIELD], the Senator from New Jersey [Mr. LAUTENBERG], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of S. 885, a bill to establish a moratorium during the fiscal years 1985 and 1986 on the testing of antisatellite weapons against objects in space.

S. 962

At the request of Mr. COHEN, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 962, a bill to amend chapter 30 of title 38, United States Code, to provide for educational assistance for apprenticeship or other on job-training under the All-Volunteer Force Educational Assistance Program.

S. 974

At the request of Mr. WEICKER, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Ohio [Mr. METZENBAUM], the Senator from Massachusetts [Mr. KERRY], the Senator from Hawaii [Mr. INOUYE], the Senator from North Dakota [Mr. ANDREWS], the Senator from Illinois [Mr. SIMON], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Michigan [Mr. LEVIN], and the Senator from Tennessee [Mr. SASSER] were added as cosponsors of S. 974, a bill to provide for protection and advocacy for mentally ill persons.

S. 996

At the request of Mr. CHILES, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 996, a bill to amend Public Law 96-350 to further define the customs waters for the purposes of certain drug offenses.

S. 1039

At the request of Mr. Cranston, the name of the Senator from Hawaii [Mr. Matsunaga] was added as a cosponsor of S. 1039, a bill entitled the "Ocean Incineration Research Act of 1985."

S. 1047

At the request of Mr. Chiles, the name of the Senator from Minnesota [Mr. Durenberger] was added as a cosponsor of S. 1047, a bill to reform the laws relating to former Presidents.

S. 1048

At the request of Mr. Denton, the name of the Senator from Pennsylvania [Mr. Heinz] was added as a cosponsor of S. 1048, a bill to amend title 18 of the United States Code and the Adoption Reform Act.

S. 1171

At the request of Mr. McClure, the name of the Senator from Arizona [Mr. Goldwater] was added as a cosponsor of S. 1171, a bill to amend the Small Reclamation Projects Act of 1956, as amended.

SENATE JOINT RESOLUTION 47

At the request of Mr. Cranston, the name of the Senator from Massachusetts [Mr. Kennedy] was added as a cosponsor of Senate Joint Resolution 47, a joint resolution designating the week beginning November 10, 1985, as "National Women Veterans Recognition Week."

SENATE JOINT RESOLUTION 122

At the request of Mr. Bradley, the name of the Senator from South Dakota [Mr. Abdnor] was added as a cosponsor of Senate Joint Resolution 122, a joint resolution to authorize the President to proclaim the last Friday of April each year as "National Arbor Day."

SENATE CONCURRENT RESOLUTION 20

At the request of Mr. Cranston, the names of the Senator from New Jersey [Mr. Lautenberg], the Senator from Massachusetts [Mr. Kennedy], and the Senator from Pennsylvania [Mr. Heinz] were added as cosponsors of Senate Concurrent Resolution 20, a concurrent resolution expressing the sense of the Congress that payments by the Veterans' Administration to veterans as compensation for service-connected disabilities should remain exempt from Federal income taxation.

SENATE CONCURRENT RESOLUTION 41

At the request of Mr. Armstrong, the name of the Senator from Minnesota [Mr. Boschwitz] was added as a cosponsor of Senate Concurrent Resolution 41, a concurrent resolution expressing the sense of the Congress that corporate income tax rates should remain graduated.

SENATE RESOLUTION 81

At the request of Mr. Armstrong, the name of the Senator from Montana [Mr. Melcher] was added as a cosponsor of Senate Resolution 81, a resolution to establish regulations to implement television and radio coverage of proceedings of the Senate.

SENATE RESOLUTION 112

At the request of Mr. Cohen, the name of the Senator from Tennessee [Mr. Gore] was added as a cosponsor of Senate Resolution 112, a resolution relating to bilateral discussions between the United States and the Soviet Union to ban chemical weapons.

SENATE RESOLUTION 148

At the request of Mr. Zorinsky, the names of the Senator from Nebraska [Mr. Exon], the Senator from Iowa [Mr. Harkin], the Senator from Hawaii [Mr. Inouye], and the Senator from Illinois [Mr. Simon] were added as cosponsors of Senate Resolution 148, a resolution commemorating the 50th anniversary of the Rural Electrification Administration.

AMENDMENT NO. 158

At the request of Mr. Hart, the names of the Senator from New York [Mr. Moynihan] and the Senator from Michigan [Mr. Riegle] were added as cosponsors of amendment No. 158 proposed to S. 1160, an original bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

SENATE RESOLUTION 172—TO REFER S. 1179 TO THE CHIEF JUDGE OF THE UNITED STATES CLAIMS COURT

Mr. COHEN submitted the following resolution; which was referred to the Committee on the Judiciary.

S. Res. 172

Resolved, That S. 1179 entitled "A bill for the relief of Richard C. Rianhard of Bar Harbor, Maine" now pending in the Senate, together with all the accompanying papers, is referred to the chief judge of the United States Claims Court. The chief judge shall proceed according to the provisions of sections 1492 and 2509 of title 28, United States Code, and report back to the Senate, at the earliest practicable date, giving such findings of fact and conclusions that are sufficient to inform the Congress of the nature and character of the demand as a legal or equitable claim against the United States or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant.

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1986

NUNN (AND OTHERS) AMENDMENT NO. 159

Mr. NUNN (for himself, Mr. Byrd, Mr. Gore, Mr. Boren, Mr. Chiles, and Mr. Bentsen) proposed an amendment to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes; as follows:

On page 10, line 2, strike out "$9,584,900,000" and insert in lieu thereof "$9,234,900,000".

On page 11, between lines 8 and 9, insert the following new section:

LIMITATIONS ON MX MISSILE PROCUREMENT AND DEPLOYMENT

Sec. 107. (a) It is the sense of the Congress that—

(1) not more than 40 MX missiles should be deployed in existing Minuteman silos; and

(2) after procurement of 40 missiles for deployment, further procurement of MX missiles should be limited to those necessary for the MX missile reliability testing program and as spares within the logistics system supporting the deployed MX missile force.

(b) Notwithstanding any other provision of law, none of the funds appropriated pursuant to an authorization of funds in this or any prior Act may be used—

(1) to deploy more than 40 MX missiles in existing Minuteman silos;

(2) to modify, or prepare for modification, more than 40 existing Minuteman silos for the deployment of MX missiles;

(3) to acquire basing sets for more than 40 MX deployed missiles; or

(4) to procure long-lead items for the deployment of more than 40 MX missiles.

(c) All MX missiles acquired by funds appropriated pursuant to the authorization of funds in this division may only be used to support the MX missile reliability testing program or as spares within the logistics system supporting the deployed MX missile force.

INOUYE (AND MATSUNAGA) AMENDMENT NO. 160

Mr. INOUYE (for himself and Mr. Matsunaga) proposed an amendment, which was subsequently modified, to the bill S. 1160, supra; as follows:

At an appropriate place, insert:

(a) Notwithstanding any other provision of law, including but not limited to section 809 of the Military Construction Authorization Act, 1968, section 807(d) of the Military Construction Act, 1984, or any provision of an annual Appropriation Act restricting the use of funds for the sale, lease, rental, or excessing of any portion of land currently identified as Fort DeRussy, Honolulu, Hawaii, the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to sell and convey, at the appraised fair market value as determined by the Secretary, all right title and interest of the United States in up to 45 acres of land and improvements northeast of Kalia Road comprising a portion of Fort DeRussy, Hawaii, to the City and County of Honolulu or the state of Hawaii, or their designated agencies, upon such terms and conditions as are acceptable to the Secretary. The exact acreages and legal descriptions of the property to be sold under this section shall be determined by surveys which are satisfactory to the Secretary. The cost of any such surveys shall be borne by the buyer.

(b) The Secretary is authorized to acquire land and design and construct such facilities as are necessary to replace those on the land to be sold pursuant to subsection (a). The Secretary is also authorized to relocate activities currently located at Fort DeRussy to such replacement facilities.

(c) The proceeds of the sale authorized to be conducted pursuant to subsection (a) shall be available without fiscal year limitation to acquire land and replace facilities authorized to be acquired or constructed pursuant to subsection (b) and to pay associated relocation costs. The remainder of the proceeds shall be converted into the Treasury as miscellaneous receipts.

(d) Any action under this section shall insure adequate parking for the Hale Koa Hotel.

KENNEDY AMENDMENT NO. 161

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1160, supra; as follows:

At the appropriate place in the bill, insert the following sections:

BILATERAL NEGOTIATIONS BETWEEN THE UNITED STATES AND THE GOVERNMENT OF NICARAGUA

Sec. —. It is the sense of Congress that the United States should resume bilateral negotiations with the government of Nicaragua.

LIMTATIONS ON INTRODUCTION OF ARMED FORCES INTO EL SALVADOR AND NICARAGUA FOR COMBAT

Sec. —. (a) Notwithstanding any other provision of law, none of the funds appropriated pursuant to an authorization in this or any other Act may be obligated or expended for the purpose of introducing Armed Forces of the United States into or over the territory or waters of Nicaragua for combat.

(b) As used in this section, the term "combat" means the introduction of Armed Forces of the United States for the purpose of delivering weapons fire upon an enemy.

(c) This section does not apply with respect to an introduction of the Armed Forces of the United States into or over Nicaragua for combat if—

(1) the Congress has declared war or has enacted specific authorization for such introduction pursuant to the War Powers Resolution; or

(2) such introduction is necessary—

(A) to meet a clear and present danger of hostile attack upon the United States, its territories or possessions; or

(B) to meet a clear and present danger to, provide necessary protection for, the United States Embassy; or

(C) to meet a clear and present danger to, and to provide necessary protection for and to evacuate, United States Government personnel or United States citizens.

WILSON AMENDMENT NO. 162

Mr. WILSON proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place insert the following. Nothwithstanding any other provision of law, funds received by the Navy from its license agreement with the Oxnard Harbor District covering use of water front facilties on an as-available basis at the Naval Construction Battalion Center, Port Hueneme, California, may be used for operation and maintenance of waterfront facilities at the installation.

HOLLINGS AMENDMENT NO. 163

Mr. HOLLINGS proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following new section:

REPORT ON FEASIBILITY OF DRUG TESTING PROSPECTIVE RECRUITS

Sec. . (a) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than October 1, 1985, a report on the feasibility of implementing a program designed to detect drug use by persons who have been accepted for entry into the Armed Forces but who have not become members of the Armed Forces.

(b) The Secretary shall include in the report required by subsection (a)—

(1) an explanation of how such a program would operate;

(2) the Secretary's assessment of the value of such a program;

(3) a discussion of any problems that might complicate the administration of such a program;

(4) the advantages and disadvantages of instituting such a program;

(5) an estimate of any savings that the United States might realize by detecting illegal drug use by a person before such person becomes a member of the Armed Forces; and

(6) such recommendations for legislation as the Secretary considers necessary or appropriate to establish such a program.

WARNER AMENDMENT NO. 164

Mr. WARNER proposed an amendment to the bill S. 1160, supra: as follows:

At the end of Division B, Title VIII, insert the following:

Sec. . Upon the relocation of the Army Intelligence and Security Command and other Defense activities from Arlington Hall Station to new quarters, the Secretary of the Army shall transfer approximately 72 acres of the tract of land known as Arlington Hall Station, together with improvements thereon, to the Secretary of State, without reimbursement, to be used as a center for training foreign affairs, as authorized by chapter 7 of the Foreign Service Act of 1980, as amended (2 U.S.C. 4021–4026), and for other purposes as deemed appropriate by the Secretary of State.

WILSON AMENDMENT NO. 165

Mr. WILSON proposed an amendment to the bill S. 1160, supra: as follows:

At the appropriate place, insert:

Notwithstanding any other provision of law, the department of defense is hereby authorized to lease 12 UH-1F helicopters to the State of California, Department of Forestry for the purpose of firefighting, vegetation control and Search and Rescue missions.

DeCONCINI (AND OTHERS) AMENDMENT NO. 166

Mr. DeCONCINI (for himself, Mr. Chiles, Mr. Abdnor, Mr. Cochran, Mr. Specter, Mr. Ford, Mr. Mattingly, Mr. Long, Mr. Murkowski, Mrs. Hawkins, Mr. Denton, Mr. Lautenberg, and Mr. Wilson) proposed an amendment to the bill S. 1160, supra; as follows:

At the end of title III of division A, add the following new section:

OPERATION AND MAINTENANCE OF DRUG LAW ENFORCEMENT ASSISTANCE ORGANIZATIONS OF THE DEPARTMENT OF DEFENSE

Sec. 306. (a) There are authorized to be appropriated to the Department of Defense for fiscal year 1986 such sums as may be necessary for the establishment and the operation and maintenance of one or more Reserve Forces Airborne Surveillance and Detection units in the Department.

(b) There are authorized to be appropriated to the Department of Defense for fiscal year 1986 such sums as may be necessary for the operation and maintenance of the Directorate of the Department of Defense Task Force on Drug Law Enforcement.

(c) Not later than September 30, 1965, the Secretary of Defense shall transmit to the Committees on Armed Services of the Senate and the House of Representatives a report on the manner in which the Department of Defense plans to oligate and expend funds appropriated or expected to be appropriated pursuant to an authorization contained in this section. The report shall include a description of—

(1) actions or proposed actions to establish, operate, and maintain Reserve Airborne Surveillance and Detection units.

(2) actions and proposed actions to utilize appropriate aircraft of the Department of Defense to furnish, commensurate with military readiness, optimal support to civilian law enforcement agencies for the purpose of carrying out drug interdiction missions and for other operational activities of such agencies relating to the enforcement of drug laws; and

(3) actions and proposed actions to promote dual utilization of Department of Defense aircraft and other Department of Defense resources available to civilian law enforcement agencies by providing for the utilization of such aircraft and resources by Reserve Forces Airborne Surveillance and Detection units and by such agencies.

WILSON (AND GOLDWATER) AMENDMENT NO. 167

Mr. WILSON (for himself and Mr. Goldwater) proposed an amendment to the bill S. 1160, supra; as follows:

At the end of Part D, Title V, Division A, insert the following:

Sec. . Section 688 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) A retired member ordered to active duty under this section may be ordered to active duty in a grade not higher than the highest permanent grade held by such member while on active duty. However, a retired member ordered to active duty under this section may serve in the grade of general or admiral or lieutenant general or vice admiral if the President assigns such a member during that tour of active duty to a position of importance and responsibility and appoints that member to such a grade by and with the advice and consent of the Senate pursuant to section 601 of this title. A member so assigned and appointed shall hold such a grade while on active duty in accordance with the provisions of section 601(b) of this title, but in no case beyond such officer's release from the tour of active duty to which ordered under this section.".

BYRD (AND HEFLIN) AMENDMENT NO. 168

Mr. BYRD (for himself and Mr. HEFLIN) proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place in the bill, insert the following:

"(a) Recognizing the vital role that ferroalloy products have in industries crucial to the national defense, the Department of Defense shall undertake a study to determine what effect the loss of all domestic ferroalloys production capacity would have on the defense industrial base and on industrial preparedness."

"(b) Such study shall include an evaluation of the impact of loss of production capacity for ferrochrome, ferromanganese, ferrosilicon (all grades), silicon manganese, chromium metal, and other militarily critical ferroalloy products. The study shall be conducted by the Undersecretary for Defense Policy in cooperation with the Federal Emergency Management Agency and the Department of the Interior. A report of the findings shall be made to the Congress within 180 days after enactment of this statute and shall, to the extent possible, be unclassified."

SIMON AMENDMENT NO. 169

Mr. SIMON proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following new title:

TITLE X—MODIFICATION OF RETIREMENT PROGRAM FOR PERSONS WHO ENTER UNIFORMED SERVICES AFTER DATE OF ENACTMENT OF THIS ACT

SHORT TITLE

Sec. 1001. This title may be cited as the "Uniformed Services Retirement Act of 1985".

PART A—GENERAL

AUTHORITY TO ORDER MEMBERS OF THE RETIRED RESERVE TO ACTIVE DUTY

Sec. 1002. The first sentence of section 688(a) of title 10, United States Code, is amended by striking out "has completed at least 20 years active service" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed at least 20 years of active service or who first became a member of a uniformed service after the date of the enactment of such Act and has completed at least 25 years of active service".

RETENTION OF OFFICERS AFTER COMPLETION OF PRESCRIBED YEARS OF SERVICE

Sec. 1003. (a) Subsection (a) of section 1006 of title 10, United States Code, is amended—

(1) by striking out "If on the date prescribed for the discharge or transfer from an active status of a reserve commissioned officer he" and inserting in lieu thereof "(1) If on the date prescribed or his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer"; and

(2) by inserting at the end thereof the following new paragraph:

"(2) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer is entitled to be credited with at least 24, but less than 25, years of service computed under section 1332 of this title, he may not be discharged or transferred from an active status under chapter 337, 361, 363, 573, 837, 861, or 863 of this title or chapter 21 of title 14, without his consent before the earlier of the following dates—

"(A) the date on which he is entitled to be credited with 25 years of service computed under section 1332 of this title; or

"(B) the third anniversary of the date on which he would otherwise be discharged or transferred from an active status.".

(b) Subsection (b) of such section is amended—

(1) by striking out "If on the date prescribed for the discharge or transfer from an active status of a reserve commissioned officer he" and inserting in lieu thereof "(1) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer"; and

(2) by adding at the end thereof the following new paragraph:

"(2) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer is entitled to be credited with at least 23, but less than 24, years of service computed under section 1332 of this title, he may not be discharged or transferred from an active status under chapter 337, 361, 363, 573, 837, 861, or 863 of this title or chapter 21 of title 14, without his consent before the earlier of the following dates—

"(A) the date on which he is entitled to be credited with 25 years of service computed under section 1332 of this title; or

"(B) the second anniversary of the date on which he would otherwise be discharged or transferred from an active status.".

SEPARATION PAY UPON INVOLUNTARY DISCHARGE OR RELEASE FROM ACTIVE DUTY

Sec. 1004. Section 1174 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out "who has completed five or more, but less than twenty, years of active service immediately before that discharge or release" and inserting in lieu thereof "who (1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or release, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or release";

(2) in subsection (b), by striking out "who has completed five or more, but less than twenty, years of active service immediately before that discharge or separation" and inserting in lieu thereof "who (1) first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or separation, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or separation"; and

(3) in subsection (c), by striking out "who has completed five or more, but fewer than 20, years of active service immediately before that discharge or release" and inserting in lieu thereof "who (1) first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or release, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or release".

RETIREMENT OR SEPARATION FOR PHYSICAL DISABILITY

Sec. 1005. (a) Clause (3) of section 1201 of title 10, United States Code, is amended—

(1) by striking out subclause (A) and inserting in lieu thereof the following:

"(A) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title;";

(2) by redesignating subclause (B) as subclause (C); and

(3) by inserting after subclause (A) the following new subclause (B):

"(B) the member first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 1208 of this title; or".

(d) Clause (1) of section 1203 of such title is amended to read as follows:

"(1) the member first became a member of a uniformed service (as defined in section

1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title;".

(c) Clause (4) of section 1204 of such title is amended—

(1) by striking out subclause (A) and inserting in lieu thereof the following:

"(A) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title;";

(2) by redesignating subclause (B) as subclause (C); and

(3) by inserting after subclause (A) the following new subclause (B):

"(B) the member first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 1208 of this title; or".

(b) Clause (1) of section 1203 of such title is amended to read as follows:

"(1) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title;".

(e) Section 1209 of such title is amended by striking out "has at least 20 years of service computed under section 1332 of this title" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) and has at least 20 years of service computed under section 1332 of this title or first became a member of a uniformed service on or after such date and has at least 25 years of service computed under section 1332 of this title".

(f)(1) Subsection (d) of section 1210 of such title is amended by striking out "if he has at least 20 years of service computed under section 1208 of this title" and inserting in lieu thereof "if he first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title or if he first became a member of a uniformed service on or after the date of the enactment of such Act and has at least 25 years of service computed under section 1208 of this title".

(e) Section 1209 of such title is amended by striking out "has at least 20 years of service computed under section 1332 of this title" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) and has at least 20 years of service computed under section 1332 of this title or first became a member of a uniformed service on or after such date and has at least 25 years of service computed under section 1332 of this title".

(f)(1) Subsection (d) of section 1210 of such title is amended by striking out "if he has at least 20 years of service computed under section 1208 of this title" and inserting in lieu thereof "if he first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title or if he first became a member of a uniformed service on or after the date of the enactment of such Act and has at least 25 years of service computed under section 1208 of this title".

(2) Subsection (e) of such section is amended by striking out "if he has less than 20 years of service computed under section 1208 of this title" and inserting in lieu thereof "if he first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or if he first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title".

MINIMUM SERVICE REQUIREMENTS FOR NONREGULAR SERVICE RETIREMENT PAY

Sec. 1006. Clause (2) of section 1331(a) of title 10, United States Code, is amended to read as follows:

"(2) he first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has performed at least 20 years of service computed under section 1332 of this title or he first became a member of a uniformed service on or after such date and has performed at least 25 years of service computed under section 1332 of this title;".

COMPUTATION OF RETIRED PAY

Sec. 1007. Section 1401 of title 10, United States Code, is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.";

(2) by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1 of the table contained in such section; and

(3) by adding at the end the following new subsection:

"(b)(1) Except as provided in paragraph (2), the monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1333 of this title (if retired under section 1331 of this title) or under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formulas numbered 4 and 5).

"(2) The monthly retired pay of a person described in paragraph (1) who is retired under section 1201, 1202, 1204, or 1205 of this title is computed, as the member elects, as follows: Multiply the monthly retired pay base (as computed under section 1407(b) of this title) by—

"(A) 2 percent for each year of service, but not more than 30, credited to the member under section 1208 of this title; or

"(B) the percentage of disability of the member on the date on which he retired, but not more than 60 percent.

"(3) Before applying the percentage factor under paragraph (1) or (2), credit each full month of service that is in addition to the number of full years of service creditable to the member as one-twelfth of a year and disregard any remaining fractional part of a month.".

ADJUSTMENT OF RETIRED PAY AND RETAINER PAY TO REFLECT CHANGES IN CONSUMER PRICE INDEX

Sec. 1009. Subsection (b) of section 1401a of title 10, United States Code, is amended to read as follows:

"(b) Each time that an increase is made under section 8340(b) of title 5 in annuities paid under subchapter III of chapter 83 of such title, the Secretary of Defense shall at the same time—

"(1) in the case of a person who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, increase the retired or retainer pay of such member or former member of the armed forces by the same percent as the percentage by which annuities are increased under such section; and

"(2) in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act, increase the retired or retainer pay of such member or former member by applying the same percentage referred to in clause (1) to the retired pay base (as provided for in section 1407(b) of this title) of such member or former member.

Increases in the retired or retainer pay of a person referred to in clause (2) of the preceding sentence shall be cumulative and may not be compounded.".

RECOMPUTATION OF RETIRED OR RETAINER PAY TO REFLECT LATER ACTIVE DUTY

Sec. 1009. (a)(1) Section 1402a of title 10, United States Code, is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "September 7, 1980," each place it appears.

(2)(A) The section heading for such section is amended by adding at the end thereof the following: ", but before the date of the enactment of the Uniformed Services Retirement Act of 1985".

(B) The table of sections at the beginning of chapter 71 of such title is amended by striking out the period at the end of the item relating to section 1402a and inserting in lieu thereof the following: ", but before the date of the enactment of the Uniformed Services Retirement Act of 1985.".

(b)(1) Chapter 71 of title 10, United States Code, is further amended by inserting after section 1402a the following new section:

"§ 1402b. Recomputation of retired or retainer pay to reflect later active duty of members who first became members on or after the date of the enactment of the Uniformed Services Retirement Act of 1985

"(a) A member of an armed force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985, who has become entitled to retired pay or retainer pay, and who thereafter serves on active duty (other than for training), is entitled to recompute his retired pay or retainer pay upon his release from that duty on the basis of the monthly retired or retainer pay base under section 1407 of this title which he would be entitled to use if (1) he were retiring upon release from that active duty, or (2) he were transferring to the Fleet Reserve or the Fleet Marine Corps Reserve upon that release from active duty multiplied by 2 percent for each year of service, but not more than 30, that may be credited to him in computing his retired or retainer pay.

"(b) A member of an armed force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985, who has been retired other than for physical disability, and who while on active duty incurs a physical disability of at least 30 percent for which he would otherwise be eligible for retired pay under chapter 61 of this title, is entitled, upon his release from active duty, to retired pay computed under subsection (d).

"(c) A member of an armed force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who—

"(1) was retired for physical disability under section 1201 or 1204 of this title or any other law or whose name is on the temporary disability retired list;

"(2) incurs, while on active duty after retirement or after his name was placed on the temporary disability retired list, a physical disability that is in addition to or that aggravates the physical disability for which he was retired or for which his name was placed on that list; and

"(3) is qualified under section 1201, 1202, 1204, or 1205 of this title;

is entitled upon his release from active duty, to retired pay under subsection (d).

"(d) A member of an armed force covered by subsection (b) or (c) may elect to receive either (1) the retired pay to which he became entitled when he retired, increased by any applicable adjustments in that pay under section 1401a of this title after he initially became entitled to that pay, or (2) retired pay computed, as the member elects, as follows: Multiply the monthly retired base pay of the member under section 1407(b) of this title by—

"(A) 2 percent for each year of service, but not more than 30, credited to the member under section 1208 of this title; or

"(B) the highest percentage of disability attained while on active duty after retirement or after the date when his name was placed on the temporary disability retired list, as the case may be, but not more than 60 percent.

"(e) Before applying the percentage factor in subsection (a) or (d), credit each full month of service that is in addition to the number of full years of service creditable to the member as one-twelfth of a year and disregard any remaining fractional part of a month. The amount computed under such subsection, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1402a the following new item:

"1402b. Recomputation of retired or retainer pay to reflect later active duty of members who first became members on or after the date of the enactment of the Uniformed Services Retirement Act of 1985.".

ANNUITIES BASED ON RETIRED OR RETAINER PAY

SEC. 1010. Section 1431 of title 10, United States Code, is amended—

(1) in subsection (b)—

(A) by striking out "nineteen years of service" and inserting in lieu thereof "19 years of service, in the case of a person who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act,"; and

(B) by striking out "nineteen years of that service" and inserting in lieu thereof "19 years of that service, in the case of a person who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of that service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act"; and

(2) in subsection (c), by striking out "nineteen years of service" and inserting in lieu thereof "19 years of service, in the case of a person who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act".

MISCELLANEOUS CONFORMING AMENDMENTS

SEC. 1011. (a) Section 1403 of title 10, United States Code, is amended by striking out "1401" and inserting in lieu thereof "1401(a)".

(b) The matter before clause (1) in section 1405 of such title is amended to read as follows: "For the purposes of section 1401(a) (formulas 4 and 5), 1401(b)(1), 3991(a) (formula A), 3991(b), 3992 (formula (B)), 6151(b), 6323(e), 6325 (a)(2), (b)(2), and (d), 6330(c)(1)(B), 6383 (c)(1)(B) and (c)(2), 8991(a) (formula A), 8991(b), or 8992 (formula B) of this title, the years of service of a member of the armed forces are computed by adding—".

PART B—ARMY

SEPARATION OR TRANSFER TO RETIRED RESERVE

SEC. 1021. Section 3850 of title 10, United States Code, is amended by inserting ", in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "20 years of service".

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 1022. (a)(1) Section 3911 of title 10, United States Code, is amended to read as follows:

"§ 3911. Minimum years of service for retirement

"The Secretary of the Army may, upon the officer's request, retire a regular or reserve commissioned officer of the Army who—

"(1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 3926 of this title, at least 10 years of which have been active service as a commissioned officer; or

"(2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 3926 of this title, at least 10 years of which have been active service as a commissioned officer.".

(2) The table of sections at the beginning of chapter 367 of such title is amended by striking out the item relating to section 3911 and inserting in lieu thereof the following:

"3911. Minimum years of service for retirement.".

(b) The first sentence of section 3914 of such title is amended to read as follows: "Under regulations to be prescribed by the Secretary of the Army, an enlisted member of the Army who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 20, but less than 30, years of service computed under section 3925 of this title, or an enlisted member of the Army who first became a member of the armed forces on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 25, but less than 30, years of service computed under section 3925 of this title, may, upon his request, be retired.".

(c)(1) The first sentence of section 3991 of such title is amended to read as follows:

"(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.".

(2) The table contained in such section is amended by inserting "but after the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

(3) Such section is further amended by adding at the end thereof the following new subsections:

"(b)(1) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formula A) or section 3917 of this title (if retired under section 3914 or 3917 of this title).

"(2) The Secretary of the Army may increase the monthly retired pay of a person described in paragraph (1) who is retired under section 3914 of this title by 10 percent for extraordinary heroism in line of duty. The Secretary's determination as to extraordinary heroism is conclusive for all purposes.

"(c) The amount computed under this section, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(d)(1) The first sentence of section 3992 of such title is amended to read as follows: "An enlisted member of the Army who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is advanced on the retired list under section 3964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Army so advanced who first became a member of a uniformed service before such date is entitled to recompute his retired pay under formula B of that table.".

(2) The table contained in such section is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

PART C—NAVY AND MARINE CORPS

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 1031. (a) Subsection (c) of section 6322 of title 10, United States Code, is amended by inserting "first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and" after "who" in the material preceding clause (1).

(b) Section 6322 of such title is further amended by adding at the end thereof the following new subsection:

"(d) The monthly retired pay of an officer referred to in subsection (a) who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount equal to 60 percent of the monthly retired pay base of the officer (as computed under section 1407(b) of this title).".

MINIMUM YEARS REQUIRED FOR RETIREMENT

SEC. 1032. (a) Subsection (a) of section 6323 of title 10, United States Code, is amended to read as follows:

"(a)(1) In the case of an officer of the Navy or Marine Corps who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who applies for retirement after completing more than 20 years of active service, of which at least 10 years was service as a commissioned officer, may, in the discretion of the President, be retired on the first day of any month designated by the President.

"(2) In the case of an officer of the Navy or Marine Corps who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who applies for retirement after completing more than 25 years of active service, of which at least 10 years was service as a commissioned officer, may, in the discretion of the President, be retired on the first day of any month designated by the President.".

(b) Subsection (e) of such section is amended—

(1) by inserting "(1)" after "(e)";

(2) by inserting "who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985" after "this section" in the material preceding clause (1);

(3) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively; and

(4) by adding at the end the following new paragraph:

"(2) Unless otherwise entitled to higher pay, an officer retired under this section who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay in an amount determined by multiplying the monthly retired pay base of the officer (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, that may be credited to him under section 1405 of this title.".

RETIRED GRADE AND PAY OF OFFICERS

SEC. 1033. (a) Subsection (a) of section 6325 of title 10, United States Code, is amended by striking out "subsection (b) or" in the text preceding clause (1) and inserting in lieu thereof "subsections (b) and (d) and".

(b) Subsection (b) of such section is amended by striking out "Each" at the beginning of such subsection and inserting in lieu thereof "Except as provided in subsection (d), an".

(c) Such section is further amended by adding at the end thereof the following new subsection:

"(d) An officer referred to in subsection (a) or (b) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay at the rate of 2 percent of the monthly retired pay base of the officer (as computed under section 1407(b) of this title) multiplied by the number of years of service that may be credited to him under section 1405 of this title, but the monthly retired pay so computed may not be more than 60 percent of the monthly retired pay base.".

COMPUTATION OF RETIRED PAY FOR ENLISTED MEMBER WITH 30 OR MORE YEARS OF SERVICE

SEC. 1034. Section 6326 of title 10, United States Code, is amended—

(1) in subsection (c), by striking out "Each" and inserting in lieu thereof "Except as provided in subsection (d), a"; and

(2) by adding at the end thereof the following new subsection:

"(d) The monthly retired pay of an enlisted member referred to in subsection (a) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount equal to 60 percent of the monthly retired pay base of the member (as computed under section 1407(b) of this title).".

MINIMUM SERVICE TO QUALIFY FOR TRANSFER TO THE FLEET RESERVE OR THE FLEET MARINE CORPS RESERVE

SEC. 1035. (a) Subsection (b) of section 6330 of title 10, United States Code, is amended to read as follows:

"(b)(1) An enlisted member of the Regular Navy or the Naval Reserve who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 20 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Reserve. An enlisted member of the Regular Marine Corps or the Marine Corps Reserve who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 20 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Marine Corps Reserve.

"(2) An enlisted member of the Regular Navy or the Naval Reserve who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 25 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Reserve. An enlisted member of the Regular Marine Corps or the Marine Corps Reserve who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 25 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Marine Corps Reserve.".

(b) Subsection (c)(1) of such section is amended—

(1) by striking out "Each" at the beginning of such subsection and inserting in lieu thereof "(A) Except as provided in subparagraph (B), a";

(2) by redesignating clauses (A) and (B) of paragraph (1) as clauses (i) and (ii), respectively; and

(3) by adding at the end thereof the following new subparagraph:

"(B) A member who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve under this section is entitled, when not on active duty, to monthly retainer pay in an amount determined by multiplying the monthly retired pay base of the member (as computed under section 1407(b) of this title) by 2 percent for each year of active service in the armed forces, but not more than 30.".

COMPUTATION OF PAY OF CERTAIN MEMBERS INVOLUNTARILY RETIRED

SEC. 1036. (a) Subsection (c) of section 6383 of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(c)";

(2) by redesignating subclauses (A) and (B) of clause (2) as subclauses (i) and (ii), respectively;

(3) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively;

(4) by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in subclause (ii) of clause (B), as redesignated by clause (2) of this section; and

(5) by adding at the end thereof the following new paragraph:

"(2) An officer retired under subsection (a) or (b) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay in an amount determined by multiplying the monthly retired pay base of the member (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, that may be credited to him under section 1405 of this title.".

(b) Subsection (i) of such section is amended by inserting "in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or beyond 26 years, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "24 years of commissioned active service," in the second sentence.

ELIMINATION FROM ACTIVE SERVICE OF CERTAIN OFFICERS WHO HAVE TWICE FAILED OF SELECTION FOR PROMOTION.

SEC. 1037. Subsection (c) of section 6389 (c) of title 10, United States Code, is amended—

(1) by striking out "20 years" in the table under the heading "Total commissioned service" and inserting in lieu thereof "20 years (in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years (in the case of an officer who first became a member of a uniformed service on or after such date)"; and

(2) by striking out the period at the end of the fourth sentence and inserting in lieu thereof ", in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or if the officer can complete at least 25 years of service as computed under section 1332 of this title during the period of such deferment, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act."

PART D—AIR FORCE

SEPARATION OR TRANSFER TO RETIRED RESERVE

SEC. 1041. Section 8850 of title 10, United States Code, is amended by inserting ", in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "20 years of service".

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 1042. (a)(1) Section 8911 of title 10, United States Code, is amended to read as follows:

"§ 8911. Minimum years of service for retirement

"The Secretary of the Air Force may, upon the officer's request, retire a regular or reserve commissioned officer of the Air Force who—

"(1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 8926 of this title, at least 10 years of which have been active service as a commissioned officer; or

"(2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 8926 of this title, at least 10 years of which have been active service as a commissioned officer.".

(2) The table of sections at the beginning of chapter 867 of such title is amended by striking out the item relating to section 8911 and inserting in lieu thereof the following:

"8911. Minimum years of service for retirement.".

(b) The first sentence of section 8914 of such title is amended to read as follows: "Under regulations to be prescribed by the Secretary of the Air Force, an enlisted member of the Air Force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 20, but less than 30, years of service computed under section 8925 of this title, or an enlisted member of the Air Force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 25, but less than 30, years of service computed under section 8925 of this title, may, upon his request, be retired.".

(c)(1) The first sentence of the text preceding the table in section 8991 of such title is amended to read as follows:

"(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.".

(2) The table contained in such section is amended by inserting "but after the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

(3) Such section is further amended by adding at the end thereof the following new subsections:

"(b)(1) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formula A) or section 8925 of this title (if retired under section 8914 or 8917 of this title).

"(2) The Secretary of the Air Force may increase the monthly retired pay of a person described in the preceding sentence who is retired under section 8914 of this title by 10 percent for extraordinary heroism in line of duty. The Secretary's determination as to extraordinary heroism is conclusive for all purposes.

"(c) The amount computed under this section, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(d)(1) The first sentence of section 8992 of such title is amended to read as follows: "An enlisted member of the Air Force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is advanced on the retired list under section 8964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Air Force so advanced who first became a member of a uniformed service before such date is entitled to recompute his retired pay under formula B of that table.".

(2) The table contained in such section is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

PART E—COAST GUARD

RETIREMENT UPON FAILURE FOR SELECTION FOR PROMOTION

SEC. 1051. (a) Clauses (3) and (4) of section 283(a) of title 14, United States Code, are amended to read as follows:

"(3) if, on the date specified for his discharge in this section, the officer has completed at least 20 years of active service (in the case of a member who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or at least 25 years of active service (in the case of a member who first became a member of a uniformed service on or after the date of the enactment of such Act) or is eligible for retirement under any law, be retired on that date; or

"(4) if, on the date specified for his discharge in clause (1), the officer has completed at least 18 years of active service (in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985) or at least 23 years (in the case of an officer who first became a member of a uniformed service on or before the date of the enactment of such Act), be retained on active duty and retired on the last day of the month in which he completes 20 years of active service (in the case of a member who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years of active service (in the case of a member who first became a member of a uniformed service on or after the date of the enactment of such Act), unless earlier removed under another provision of law.".

(b) Clauses (1) and (2) of section 285 of such title are amended to read as follows:

"(1) if the officer—

"(A) has completed at least 20 years of active service, in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or at least 25 years of active service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act, or

"(B) is eligible for retirement under any law on June 30 of the promotion year in which his second failure of selection occurs; be retired on that date; or

"(2) if ineligible for retirement on the date specified in clause (1), be retained on active duty and retired on the last day of the month in which he completes 20 years of active service, in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of active service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act, unless earlier removed under another provision of law.".

(c) Section 289(g) of such title is amended by striking out "twenty years of active service" and inserting in lieu thereof "20 years of active service, in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of active service, in the case of an officer who first became a

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member of a uniformed service on or after the date of the enactment of such Act".

MINIMUM YEARS OF SERVICE FOR VOLUNTARY RETIREMENT

SEC. 1052. (a) Section 291 of title 14, United States Code, is amended by striking out "twenty years' active service" and inserting in lieu thereof "20 years of active service (in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years of active service (in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act)".

(b)(1) The section heading of such section is amended to read as follows:

"§ 291. Minimum years of service for voluntary retirement".

(2) The table of sections at the beginning of chapter 11 of such title is amended by striking out the item relating to section 291 and inserting in lieu thereof the following:

"291. Minimum years of service for voluntary retirement.".

VOLUNTARY RETIREMENT

SEC. 1053. Section 355 of title 14, United States Code, is amended by striking out "has completed twenty years' service" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 20 years of service or who first became a member of a uniformed service on or after the date of the enactment of such Act and has completed 25 years of service".

RETIREMENT OF ENLISTED PERSONNEL

SEC. 1054. Section 357 of title 14, United States Code, is amended—

(1) in subsection (a), by striking out "have twenty years service," in the first sentence and inserting in lieu thereof "first became members of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and have 20 years of service or who first became members of a uniformed service on or after the date of the enactment of such Act and have completed 25 years of service,";

(2) in subsection (b), by striking out "has completed twenty years' service" and inserting in lieu thereof "first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 20 years of service or who first became a member of a uniformed service on or after the date of the enactment of such Act and has completed 25 years of service,"; and

(3) in subsection (c), by striking out "retired by reason of twenty years' service," and inserting in lieu thereof "who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has 20 years of service, or who first became a member of a uniformed service on or after such date and has completed 25 years of service,".

COMPUTATION OF RETIRED PAY

SEC. 1055. Subsection (b) of section 423 of title 14, United States Code, is amended—

(1) by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)"; and

(2) by adding at the end thereof the following new subsection:

"(c) The monthly retired pay of a person entitled to retired pay under this title who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is 2 percent of the monthly retired pay base of the person (as computed under section 1407(f) of title 10) multiplied by the number of years of service that may be credited to him under section 1405 of title 10, but the retired pay so computed may not be more than 60 percent of such monthly retired base.".

SPECTER AMENDMENT NO. 170

Mr. SPECTER proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place, insert:

Since relations between the United States and the Union of Soviet Socialist Republics are currently characterized by considerable tension;

Since the strategic (START) and intermediate-range nuclear force (INF) reduction negotiations did not achieve satisfactory results, and in the new negotiations or nuclear and space arms the positions of the two parties remain far apart;

Since a carefully prepared summit could facilitate the accomplishment of the objectives of these negotiations and lead to a reduction in the risk of nuclear war;

Since a carefully prepared summit could also lead to progress in resolving other major issues troubling relations between the two superpowers;

Since both President Reagan and Soviet General Secretary Gorbachev have indicated their willingness in principle to participate in such a carefully prepared summit;

It is the sense of the Senate that the President of the United States and the President of the Union of Soviet Socialist Republics should meet at the earliest practical time following thorough preparation to discuss major issues in U.S.-Soviet relations and to work for the realization of mutual, equitable and verifiable reductions in nuclear arms.

KENNEDY (AND WILSON) AMENDMENT NO. 171

Mr. KENNEDY (for himself Mr. WILSON and Mr. THURMOND) proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place in the bill add the following new sections.

SECTION 1. SHORT TITLE:

This Act may be cited as the Military Family Act of 1985.

SECTION . OFFICE OF FAMILY POLICY.

(a) There is hereby established in the Office of the Secretary of Defense an Office of Family Policy. The office shall be under the Assistant Secretary of Defense for Manpower, Installations and Logistics.

(b) The office shall coordinate programs and activities of the military departments to the extent that they relate to military families and shall make recommendations to the Secretaries of the military departments with respect to programs and policies regarding military families.

(c) The office shall have not less than 5 professional staff members. The staff of the office shall be in addition to any statutory or administrative limit on the number of employees that may be assigned or detailed to the Office of the Secretary of Defense.

SEC. . TRANSFER OF MILITARY FAMILY RESOURCES CENTER.

The Military Family Resource Center of the Department of Defense is hereby transferred from the Office of the Assistant Secretary of Defense for Health Affairs to the Office of the Assistant Secretary for Manpower, Installations and Logistics.

SEC. 301. PREFERENCE IN DOD CIVIL SERVICE POSITIONS.

(a) The Secretary of Defense shall provide that spouses of members of the Armed Forces be given preference in hiring for any position in the Department of Defense above grade GS-7 (or the equivalent) if the spouse is among those determined to be best qualified for the position.

(b) A spouse of a member of the Armed Forces may not, by reason of subsection (a), be given preference in hiring over an individual who is a preference eligible.

(c) CONDITIONS FOA PREFERENCE.—(1) Preferential hiring under this section for the spouse or other dependent of a member of the Armed Forces—

(A) shall be accorded only for positions in the same geographic area as the area within which the permanent duty station of the member is located; and

(B) shall terminate as of the date on which such spouse or other dependent is appointed to a position referred to in subsection (a).

(2) Preferential hiring under this section for an individual who has previously received a preferential appointment under subsection (a) shall be restored if such individual subsequently relocates to another geographic area pursuant to a change in the permanent duty station of the member involved.

(d) The Director of the Office of Personnel Management shall prescribe regulations necessary to carry out this section after appropriate consultation with the Secretary of Defense.

SEC. . CHILD-CARE FACILITIES

OPERATION OF CHILD-CARE FACILITIES.—The Secretary of Defense shall provide that child-care facilities that are operated by the Department of Defense on military installations be operated on a 24-hour-a-day basis when necessary to meet mission requirements.

SEC. . REPORT ON EMPLOYMENT OF SPOUSES IN CHILD-CARE FACILITIES.

Not later than one year after the date of the enactment of the Act, the Secretary shall submit a report to Congress making recommendations for ways to improve opportunities for spouses of members of the Armed Forces to obtain employment at child-care facilities. Such recommendations shall address both hiring practices at child-care facilities operated by the Department of Defense and training programs for spouses.

SEC. . YOUTH SPONSORSHIP PROGRAM.

(a) The Secretary of Defense shall direct that there be established at each military installation a youth sponsorship program to facilitate the integration of dependent children of members of the Armed Forces into new surroundings when moving to that military installation as a result of a parent's permanent change of station.

(b) Such a program shall provide, to the extent feasible, for involvement of dependent children of members presently stationed at the military installation.

SEC. . STUDY ON NEED FOR ASSISTANCE TO DE-

tion as the Secretary considers appropriate

"(1) only cost and pricing data which were

PART B—RENEGOTIATION ACT AMENDMENTS

SEC. . STUDY ON NEED FOR ASSISTANCE TO DEPENDENTS ENTERING NEW SECONDARY SCHOOLS.

Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report which makes recommendations for any administrative and legislative changes necessary to assist families of members of the Armed Forces making permanent change of station so that a dependent child who transfers between secondary schools with different graduation requirements does not undergo unnecessary disruptions in education or have inequitable or unduly burdensome or duplicative education requirements imposed.

THURMOND (AND HOLLINGS) AMENDMENT NO. 172

Mr. THURMOND (for himself and Mr. HOLLINGS) proposed an amendment to the bill S. 1160, supra; as follows:

On page 163, between lines 2 and 3, insert the following:

LAND CONVEYANCE, NAVAL WEAPONS CENTER, CHARLESTON, SOUTH CAROLINA

SEC. 2194. (a) Subject to subsections (b) through (g), the Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Westvaco Corporation (hereinafter in this section referred to as "Westvaco") all right, title, and interest of the United States in and to approximately 47.83 acres of improved land comprising that portion of the Naval Weapons Station, Charleston, South Carolina, located at Remcunt Road and Virginia Avenue, in the City of North Charleston, South Carolina.

(b) In consideration for the conveyance authorized by subsection (a), Westvaco shall pay—

(1) all costs for the construction of facilities necessary to replace those on the land to be conveyed to Westvaco under subsection (a) and the cost of relocating personnel and equipment to the replacement facilities; and

(2) an amount equal to the excess, if any, of the fair market value of the land and improvements conveyed under subsection (a) over the sum of the construction costs of the replacement facilities and the cost of relocating personnel and equipment to the replacement facilities.

(c) The replacement facilities referred to in subsection (b)(1) shall be constructed by the Navy on the Naval Weapons Station referred to in subsection (a) on a site to be selected by the Secretary.

(d) The Secretary is authorized to receive, obligate, and disburse funds received from Westvaco to cover design, construction, relocation, and related costs specified in a memorandum of understanding agreed to by the Secretary and Westvaco, dated April 17, 1985.

(e) Upon completion of the replacement facilities referred to in subsection (b)(1) and the payment by Westvaco of all agreed upon costs the Navy shall promptly vacate and convey to Westvaco the property referred to in subsection (a).

(f) The exact acreage and legal description of any land to be conveyed under this section shall be determined by surveys that are satisfactory to the Secretary. The cost of such surveys shall be borne by Westvaco.

(g) The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interests of the United States.

THURMOND (AND OTHERS) AMENDMENT NO. 173

Mr. THURMOND (for himself, Mr. NICKLES, Mr. DENTON, Mr. EAST, Mr. GRAMM, Mr. HELMS, Mr. HUMPHREY, Mr. MATTINGLY, Mr. STEVENS, Mr. WARNER, Mr. JOHNSTON, Mr. WILSON, Mr. HOLLINGS, Mr. SYMMS, and Mr. MURKOWSKI) proposed an amendment to the bill S. 1160, supra; as follows:

At the end of title IX of division A, add the following new section:

PROHIBITION ON CIVIL SERVICE EMPLOYMENT OF PERSONS WHO FAILED TO REGISTER UNDER THE MILITARY SELECTIVE SERVICE ACT

SEC. . (a) Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 3328. Selective Service registration

"(a) Any individual who was born after December 31, 1959, and is or was required to register under section 3 of the Military Selective Service Act (50 U.S.C. App. 453) and who is not so registered or did not so register before the requirement terminated or became inapplicable to the individual shall be ineligible for appointment to a position in an executive agency of the federal government.

"(b) The Office of Personnel Management, in consultation with the Director of the Selective Service System, shall prescribe regulations to carry out this section.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3327 the following new item:

"3328. Selective Service registration.".

ROTH AMENDMENT NO. 174

Mr. ROTH proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following:

TITLE X—PROCUREMENT COST CONTROL

SHORT TITLE

SEC. 1001. This title may be cited as the "Defense Procurement Program Integrity Act of 1985".

PART A—UNALLOWABLE CONTRACT COSTS

COST AND PRICING DATA

SEC. 1011. (a)(1) Subsection (f)(1) of section 2306 of title 10, United States Code, is amended by inserting "and are allowable in accordance with the requirements of law and applicable regulations and in accordance with such cost principles as the head of an agency makes applicable to the costs under such laws and regulations" after "current".

(2) Subsection (f)(2) of such section is amended by inserting "or were not allowable in accordance with the requirements of law and applicable regulations or in accordance with such cost principles as the head of the agency makes applicable to the costs under such laws and regulations" after "noncurrent".

(b) Section 2306 of such title is further amended by adding at the end thereof the following new subsections:

"(i) In any administrative or judicial proceeding to adjust the price of a contract under subsection (f)—

"(1) only cost and pricing data which were inaccurate, incomplete, or noncurrent when furnished with respect to the contract under subsection (f) and are higher than the accurate, complete, and current cost and pricing data which should have been furnished shall be considered for the purpose of determining an adjustment in the price of the contract;

"(2) it shall be conclusively presumed that the Government relied on all cost and pricing data furnished by the contractor or subcontractor under subsection (f); and

"(3) it shall not be a defense to an adjustment of the price of the contract that—

"(A) the price of the contract would not have been modified if accurate, complete, and current cost and pricing data had been furnished by the contractor or subcontractor because the contractor or subcontractor was the sole source of the property or services procured;

"(B) the price of the contract would not have been modified if accurate, complete, and current cost and pricing data had been furnished by the contractor or subcontractor because the contractor or subcontractor was in a superior bargaining position with respect to the property or services procured;

"(C) accurate, complete, and current cost and pricing data with respect to the contract were submitted to an officer or employee of the Government other than the contracting officer of the Government;

"(D) the contracting officer of the Government should have known that the cost and pricing data in issue were inaccurate, incomplete, or noncurrent even though the contractor or subcontractor furnishing the data took no affirmative action to bring the character of such data to the attention of the contracting officer;

"(E) the contract involved sales of military equipment to a foreign government;

"(F) the subcontractor furnished the cost or pricing data in issue on the contract or on a change or modification to the contract after the conclusion of an agreement between the Government and the prime contractor on such contract, change, or modification;

"(G) the contract was based on an agreement between the contractor and the Government about the total cost of the contract, and there was no agreement about the cost of each item procured under such contract; or

"(H) the prime contractor or subcontractor did not prepare and submit a certificate of cost and pricing data relating to the contract as required under subsection (f).

"(j)(1) In the case of an overpayment to a prime contractor or subcontractor by the United States Government by reason of the submission of inaccurate, incomplete, or noncurrent cost or pricing data under subsection (f), interest shall be charged on the amount of the overpayment. Interest shall be computed for the period beginning on the date of the overpayment and ending on the date the Government is reimbursed the amount of the overpayment or an adjustment under subsection (f) takes effect. Any adjustment in the price of the contract to the Government under subsection (f) shall include an adjustment for the amount of interest due the United States Government on the overpayment.

"(2) For the purposes of this subsection, the rate of interest charged for any period shall be the annual rate of interest established under section 6621 of the Internal Revenue Code of 1954 (26 U.S.C. 6621) for such period.".

PART B—RENEGOTIATION ACT AMENDMENTS

SHORT TITLE

SEC. 1021. This part may be cited as the "Renegotiation Act Amendments of 1985".

CONTRACTS SUBJECT TO RENEGOTIATION

SEC. 1022. Section 102 of the Renegotiation Act of 1951 (50 U.S.C. App. 1212) is amended by adding at the end thereof the following:

"(f) CERTAIN AMOUNTS RECEIVED AFTER OCTOBER 1, 1976.—Notwithstanding subsection (a), the provisions of this title shall not apply to contracts with Departments, or related subcontracts, to the extent of the amounts received or accrued by a contractor or subcontractor during the period beginning on October 1, 1976, and ending on October 1, 1985.".

TERMINATION DATE

SEC. 1023. The last sentence of section 102(c)(1) of the Renegotiation Act of 1951 (50 U.S.C. App. 1212(c)(1)) is amended to read as follows: "For purposes of this title, the term 'termination date' means September 30, 1988.".

METHOD OF RENEGOTIATION

SEC. 1024. Section 105(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(a)) is amended by inserting after the sixth sentence thereof the following: "In renegotiating contracts and subcontracts under this title, the Board shall renegotiate the contracts and subcontracts by division and by major product line within a division of the contractor or subcontractor.".

MINIMUM AMOUNT SUBJECT TO RENEGOTIATION

SEC. 1025. Section 105(f) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(f)) is amended—

(1) in paragraph (1), by inserting ", or $5,000,000 in the case of a fiscal year ending after the date of the enactment of the Renegotiation Act Amendments of 1985" after "June 30, 1956" each place it appears;

(2) in the second sentence of paragraph (3), by inserting "the $5,000,000 amount," after "the $1,000,000 amount,"; and

(3) in the last sentence of paragraph (3), by striking out "$1,000,000" each place it appears and inserting in lieu thereof "$5,000,000".

APPOINTMENTS TO RENEGOTIATION BOARD

SEC. 1026. Not later than October 1, 1985, the President shall appoint the members of the Renegotiation Board created by section 107(a) of the Renegotiation Act of 1951.

AUTHORIZATION

SEC. 1027. There is authorized to be appropriated to the Renegotiation Board referred to in section 666 for fiscal year 1986, $10,000,000, to carry out the functions of the board under the Renegotiation Act of 1951.

TRANSFER

SEC. 1028. All property (including records) of the Renegotiation Board that was transferred to the Administrator of General Services pursuant to Public Law 95-431 (92 Stat. 1043) and is available shall be transferred to the Renegotiation Board.

EFFECTIVE DATE

SEC. 1029. The amendments made by sections 1022, 1023, 1024, and 1025 shall take effect on October 1, 1985.

PART C—ACCOUNTING STANDARDS BOARD

SHORT TITLE

SEC. 1031. This part may be cited as the "Cost-Accounting Standards Board Amendments of 1985".

COST-ACCOUNTING STANDARDS BOARD AMENDMENTS

SEC. 1032. (a) Subsection (a) of section 719 of the Defense Production Act of 1950 (50 U.S.C. App. 2168(a)) is amended to read as follows:

"(a)(1) There is established a Cost-Accounting Standards Board which shall consist of—

"(A) the Comptroller General of the United States who shall serve as Chairman of the Board; and

"(B) four members to be appointed by the President of the United States, by and with the advice and consent of the Senate.

"(2) Of the members appointed to the Board—

"(A) two, of whom one shall be particularly knowledgeable about the cost accounting problems of small business, shall be from the accounting profession;

"(B) one shall be representative of industry; and

"(C) one shall be from a department or agency of the Federal Government.

"(3)(A) The term of office of each of the appointed members of the Board shall be four years, except that any member appointed to fill a vacancy in the Board shall serve for the remainder of the term for which his predecessor was appointed.

"(B) A vacancy on the Board shall be filled in the same manner in which the original appointment was made.

"(4) Each member of the Board appointed from private life shall receive compensation at the rate of one-two-hundred-sixtieth of the rate prescribed for level IV of the Federal Executive Salary Schedule for each day (including traveltime) in which he is engaged in the actual performance of duties vested in the Board.".

(b) The first sentence of subsection (g) of such section is amended to read as follows: "The Board may promulgate, from time to time, cost-accounting standards designed to achieve uniformity and consistency in the cost-accounting principles followed by defense contractors and subcontractors under Federal contracts.".

(c)(1) Subsection (h)(1) of such section is amended—

(A) in the first sentence, by inserting "interpret," after "amend,"; and

(B) by striking out the third sentence and inserting in lieu thereof the following: "The interest rate applicable to the price adjustment shall not exceed a rate determined by the Secretary of the Treasury, taking into consideration current long-term Federal Government borrowing rates. Such interest shall accrue from the time payments of the increased costs were made to the contractor or subcontractor to the time the price adjustment is effected.".

(2) Subsection (h)(3) of such section is amended to read as follows:

"(3)(A) Cost-accounting standards promulgated under subsection (g) and rules and regulations prescribed under this subsection shall take effect not earlier than the expiration of the first period of ninety calendar days of continuous session of the Congress following the date on which a copy of the proposed standards, rules, or regulations is transmitted to the Congress.

"(B) For purposes of this paragraph, in the computation of the ninety-day period there shall be excluded the days on which either House is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die.

"(C) The provisions of this paragraph do not apply to modifications of cost-accounting standards, rules, or regulations which have become effective in conformity with those provisions.".

(d) Subsection (k) of such section is amended to read as follows:

"(k) The Board shall report to the Congress not later than one year after the date of enactment of the Cost-Accounting Standards Board Amendments of 1985, and annually thereafter, with respect to its activities and operations, together with such recommendations as it deems appropriate.".

(e) Such section is further amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following:

"(l) All cost-accounting standards, interpretations, modifications, rules, and regulations promulgated or issued by the Cost-Accounting Standards Board established by this section shall remain in effect unless and until amended, superseded, or eliminated by the Board pursuant to the authority of this section.".

PART D—MISCELLANEOUS AMENDMENTS TO TITLE 10, UNITED STATES CODE

CONTRACTOR PROFIT STUDIES

Sec. 1041. (a) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section 2406:

"§ 2406. Contractor profit studies

"(a) The Secretary of Defense, on a regular periodic basis, shall carry out studies of profits made by contractors under Department of Defense contracts to determine whether the level of such profits is reasonable. The Secretary shall carry out the studies at least once each 4 years.

"(b) A study under subsection (a) shall include (1) the profits made by contractors under Department of Defense contracts, (2) a comparison of the level of profitability of defense contractors under such contracts with the level of profitability of contractors under nondefense contracts and with the general level of profitability of businesses in the private sector, and (3) whether variations between the levels of profitability are reasonable under the circumstances, (4) the impact of cost allowability on pricing and profits, (5) the relationship of contract pricing to capital investment, (6) the use of pricing to motivate cost efficiency, and (7) the relationship of payment policy and contract pricing.

"(c) The Secretary of Defense shall transmit the findings resulting from a study under subsection (a) to the Congress, the Comptroller General of the United States, and the Renegotiation Board established by section 107(a) of the Renegotiation Act of 1951.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

2406. Contractor profit studies.".

LIMITATION ON CONTRACT CLAIMS

SEC. 1042. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section 2324:

"§ 2324. Limitation on contract claims

"(a) A claim submitted by a contractor requesting or demanding payment in connection with a contract entered into by the Department of Defense, including a claim for an equitable adjustment, may not be paid unless the claim is submitted as provided in subsection (b).

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"(b) A claim referred to in subsection (a) medal;" after "distinguished-service oner and held captive by a hostile opposing "(b) A claim referred to in subsection (a) shall be submitted to the appropriate contracting officer of the Department of Defense within 18 months after the date of the event on which the claim is based, shall include the certification required by section 6(c)(1) of the Contract Disputes Act of 1978, and shall include such documentation as the Secretary concerned may prescribe in regulations.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"2324. Limitation on contract claims.".

(b) The amendments made by subsection (a) shall take effect with respect to contracts entered into on or after the date of enactment of this Act.

ROTH-GOLDWATER AMENDMENT NO. 175

Mr. ROTH (for himself and Mr. GOLDWATER) proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following:

PRISONER OF WAR MEDAL

SEC. 917. (a)(1)(A) chapter 357 of title 10, United States Code, is amended by inserting after section 3743 a new section as follows:

§ 3743a. Prisoner of war medal: award

"The President may award a prisoner of war medal of appropriate design, with ribbons and appurtenances, to any person who, while serving in any capacity with the Army, has been taken prisoner and held captive by a hostile opposing armed force—

"(1) while engaged in an action against an enemy of the United States;

"(2) while engaged in military operations involving conflict with an opposing foreign force; or

"(3) while serving with friendly forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party.".

(B)(i) Section 3744(a) of such title is amended by striking out "or distinguished-service medal" and inserting in lieu thereof "distinguished-service medal, or prisoner of war medal".

(ii) Subsections (b), (c), and (d) of section 3744 of such title are each amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(iii) The catchline of such section is amended by striking out the colon after "distinguished-service medal" and inserting in lieu thereof a semicolon and the following: "prisoner of war medal:".

(C)(i) Section 3745 of such title is amended by striking out "and distinguished-service medal," and inserting in lieu thereof "distinguished-service medal, and prisoner of war medal".

(ii) The catchline of such section is amended by striking out the colon after "distinguished-service medal" and inserting in lieu thereof a semicolon and the following: "prisoner of war medal:".

(D)(i) Section 3747 of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(ii) The catchline of such section is amended by inserting "prisoner of war medal;" after "distinguished-service medal;".

(E)(i) Section 3748 of such title is amended by inserting "3743a," after "3743,".

(ii) The catchline of such section is amended by inserting "prisoner of war medal;" after "distinguished-service medal;".

(F) Section 3752(a) of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(2) The table of sections at the beginning of such chapter is amended—

(A) by striking out the items relating to sections 3744 and 3745 and inserting in lieu thereof the following:

"3743a. Prisoner of war medal: award.
"3744. Medal of honor; distinguished-service cross; distinguished-service medal; prisoner of war medal: limitation on award.
"3745. Medal of honor; distinguished-service cross; distinguished-service medal; prisoner of war medal: delegation of power to award."; and

(B) by striking out the items relating to section 3747 and 3748 and inserting in lieu thereof the following:

"3747. Medal of honor; distinguished-service cross; distinguished-service medal; prisoner of war medal; silver star: replacement.
"3748. Medal of honor; distinguished-service cross; distinguished-service medal; prisoner of war medal; silver star: availability of appropriations.".

(b)(1)(A) Chapter 567 of title 10, United States Code, is amended by inserting after section 6243 a new section as follows:

"§ 5243a. Prisoner of war medal

"The President may award a prisoner of war medal of appropriate design, with ribbons and appurtenances, to any person who, while serving in any capacity with the Navy or Marine Corps, has been taken prisoner and held captive by a hostile opposing armed force—

"(1) while engaged in an action against an enemy of the United States;

"(2) while engaged in military operations involving conflict with an opposing foreign force; or

"(3) while serving with friendly forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party.".

(B) Section 6247 of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(C) Subsections (a) and (b) of section 6248 of such title are each amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(D) Section 6251 of such title is amended by inserting "the prisoner of war medal," after "the distinguished-service medal,".

(E) Section 6253 of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(F) Section 6254 of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6243 the following:

"5243a. "Prisoner of war medal.".

(c)(1)(A) Chapter 857 of title 10, United States Code, is amended by inserting after section 8743 the following new section:

"§ 8743a. "Prisoner of war medal: award

"The President may award a prisoner of war medal of appropriate design, with accompanying ribbons and appurtenances, to any person who, while serving in any capacity with the Air Force, has been taken prisoner and held captive by a hostile opposing armed force—

"(1) while engaged in an action against an enemy of the United States;

"(2) while engaged in military operations involving conflict with an opposing foreign force; or

"(3) while serving with friendly forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party.".

(B)(i) Section 8744(a) of such title is amended by striking out "or distinguished-service medal" and inserting in lieu thereof "distinguished-service medal, or prisoner of war medal".

(ii) Subsections (b), (c), and (d) of section 8744 of such title are each amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(iii) The catchline of such section is amended by striking out the colon after "distinguished-service medal" and inserting in lieu thereof a semicolon and the following: "prisoner of war medal:".

(C)(i) Section 8745 of such title is amended by striking out "and distinguished-service medal," and inserting in lieu thereof "distinguished-service medal, and prisoner of war medal".

(ii) The catchline of such section is amended by striking out the colon after "distinguished-service medal" and inserting in lieu thereof a semicolon and the following: "prisoner of war medal:".

(D)(i) Section 8747 of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(ii) The catchline of such section is amended by inserting "prisoner of war medal;" after "distinguished-service medal;".

(E)(i) Section 8743 of such title is amended by inserting "8743a," after "8743,".

(ii) The catchline of such section is amended by inserting "prisoner of war medal;" after "distinguished-service medal;".

(F) Section 8752(a) of such title is amended by inserting "prisoner of war medal," after "distinguished-service medal,".

(2) The table of sections at the beginning of such chapter is amended—

(A) by striking out the items relating to sections 8744 and 8745 and inserting in lieu thereof the following:

"8743a. Prisoner of war medal: award.
"8744. Medal of honor; Air Force cross; distinguished-service medal; prisoner of war medal: limitation on award.
"8745. Medal of honor; Air Force cross; distinguished-service medal; prisoner of war medal: delegation of power to award."; and

(B) by striking out the items relating to sections 8747 and 8748 and inserting in lieu thereof the following:

"8747. Medal of honor; Air Force cross; distinguished-service cross; distinguished-service medal; prisoner of war medal; silver star: replacement.
"8748. Medal of honor; Air Force cross; distinguished-service cross; distinguished-service medal; prisoner of war medal; silver star: availability of appropriations.".

(d) The time limitations applicable to the prisoner of war medal prescribed by sections 3744(b), 6243(a), and 8744(b) of title 10, United States Code (as amended by subsection (a)(1)(B)(ii), subsection (b)(1)(C), or subsection (c)(1)(B)(ii)), shall not begin to run until the date of enactment of this Act in the case of any member or former member of the Armed Forces of the United States captured and held captive by an enemy force on or after April 6, 1917, and released from prisoner of war status prior to the date of enactment of this Act.

ROTH AMENDMENT NO. 176

Mr. ROTH proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place insert the following:

It is the Sense of the Senate that in 1986, the U.S. Postal Service should issue a postage stamp commemorating the 350th anniversary of the establishment of the U.S. National Guard.

GLENN AMENDMENT NO. 177

Mr. GLENN proposed an amendment to the bill S. 1160, supra; as follows:

On page 53, between lines 13 and 14, insert the following new section:

TRAVEL AND TRANSPORTATION ALLOWANCES IN CONNECTION WITH PERMANENT CHANGE OF STATION

SEC. 515. (a)(1) Notwithstanding any other provision of law, under uniform regulations prescribed by the Secretary of Defense, the travel and transportation allowances payable for travel performed or to be performed by members of the uniformed services and their dependents under orders for a permanent change of station shall be equivalent to the travel, transportation, and subsistence allowances payable to civilian officers and employees of the Federal Government under chapter 57 of title 5, United States Code, in connection with assignments to an official station for permanent duty.

(2) In prescribing regulations under paragraph (1), the Secretary of Defense shall consult with the Secretaries of Commerce, Transportation, and Health and Human Services.

(b) Not later than February 1, 1986, the Secretary of Defense shall transmit to the Congress a report on the actions taken to implement subsection (a). The report shall include recommendations for legislation to amend title 37, United States Code, so as to reflect the changes required by subsection (a)(1).

(c) In this section, the term "uniformed services" has the same meaning as provided in section 101(3) of title 37, United States Code.

BINGAMAN-DOMENICI AMENDMENT NO. 178

Mr. BINGAMAN (for himself and Mr. DOMENICI) proposed an amendment, which was subsequently modified, to the bill S. 1160, supra; as follows:

On page 132, between lines 14 and 15, insert the following new section:

SPECIAL IMPACT ASSISTANCE TO CERTAIN SCHOOL DISTRICTS

SEC. 2136. The Secretary of the Air Force may use not more than $50,000 of the funds appropriated to the Air Force for fiscal year 1986 for land acquisition for expansion of the Melrose Air Force Range, New Mexico, to provide assistance, by grant or otherwise, to school districts in communities near the Melrose Air Force Range for purposes of mitigating any adverse impact on the schools in such districts determined by the Secretary to result from expansion of the range.

GLENN (AND BUMPERS) AMENDMENT NO. 179

Mr. GLENN (for himself and Mr. BUMPERS) proposed an amendment to the bill S. 1160, supra; as follows: On page 100, between lines 2 and 3, insert the following new section:

TRANSFER OF DEPARTMENT OF DEFENSE FUNDS TO THE GENERAL FUND OF THE TREASURY

SEC. 917. (a) There is hereby transferred to the General Fund of the Treasury from funds available for obligation by the Department of Defense the sum of $4,023,000,000.

(b) The accounts of the Department of Defense to be reduced to reflect the transfer made by subsection (a) and the amount of the reduction to be made in each such account shall be determined by the Secretary of Defense with the approval of the Director of the Office of Management and Budget.

MURKOWSKI AMENDMENT NO. 180

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill S. 1160, supra; as follows:

At the appropriate point in the bill, insert: chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"SEC. 2406. EMPLOYMENT OF LOCAL RESIDENTS IN HIGH UNEMPLOYMENT AREAS

"(a) Each contract awarded under chapter 137 of this title that is to be performed in whole or in part—

"(1) in a State which has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing the contract in that State, individuals who, on the date the contract is awarded, are residents of the State and, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills.

"(b) The Secretary of Defense may waive the requirements of subsection (a) and the application of any provision included in a contract pursuant to subsection (a) in the interest of national security.

The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"2406. Employment of local residents in high unemployment areas."

This amendment shall take effect with respect to contracts awarded on or after the date of enactment of this Act.

GOLDWATER AMENDMENT NO. 181

(Ordered to lie on the table.)

Mr. GOLDWATER submitted an amendment intended to be proposed by him to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following new section:

REPORT ON EXCESS FUNDS

SEC. . Not later than 30 days after the date of the enactment of this Act and within 45 days after the end of each quarter thereafter, beginning with the first quarter which begins after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing an estimate of the amount of funds in each Department of Defense appropriations account that, at the time of the report, is available for obligation and is in excess of the amount needed to carry out the program for which the funds were appropriated. The estimate shall include amounts attributable to inflation savings, foreign currency savings, excess working capital fund cash, and all other savings.

BINGAMAN (AND OTHERS) AMENDMENT NO. 182

Mr. BINGAMAN (for himself, Mr. HEINZ, Mr. GLENN, Mr. KENNEDY, Mr. DANFORTH, Mr. HOLLINGS, Mr. DOMENICI, Mr. SIMON, Mr. WILSON, and Mr. SPECTER) proposed an amendment to the bill S. 1160, supra; as follows:

On page 11, after line 25, insert the following:

(c) Of the amount authorized in subsection (a) for the Army, $52,000,000 shall be available only for the Software Initiatives (STARS) program.

(d) Of the amount authorized in subsection (a) for the Air Force—

(1) $198,776,000 shall be available only for the Very High Speed Integrated Circuit program; and

(2) $11,742,000 shall be available only for the Software Engineering Institute.

(e) Of the amount authorized in subsection (a) for the Defense Agencies, $142,000,000 shall be available only for the Strategic Computing Initiative.

GLENN AMENDMENT NOS. 183 AND 184

Mr. GLENN proposed two amendments to the bill S. 1160, supra; as follows:

AMENDMENT No. 183

On page 62, beginning on line 10, strike out all through page 64, line 6.

On page 64, line 12, beginning with ", in" strike but all through line 23, and insert in lieu thereof a period and the following;

(2) The proposed changes shall include changes which, if enacted into law, would result in reductions in the amount required to be paid by the Secretary of Defense into the Department of Defense Military Retirement Fund pursuant to section 1466(a) of title 10, United States Code, during fiscal year 1986 equal to (A) 10 percent, (B) 20 percent, and (C) 30 percent less than the amount requested in the budget for payment of military retirement accrual costs for fiscal year 1986.

AMENDMENT No. 184

On page 65, line 13, insert after the word "Forces," the following: "The Secretary shall also submit proper legislation which, if enacted ,could result in reduction in the amount required to be paid by the Secretary of Defense into such Fund if the reduction resulting from the fundings limitation specified in section 541 of this Act were two and three times larger than those required by that section. Such legislation shall comply with the conditions set forth in paragraphs (1) (a) and (b) of this subsection and in subsections (b), (c), and (d) of this section.

DODD AMENDMENT NO. 185

Mr. DODD proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place in the bill insert:

SEC. . (a) The Congress finds and declares that a direct threat to the security interests of the United States in the Central American region would arise from several developments including, but not limited to, the following:

(1) The stationing, installation, or other deployment of nuclear weapons or the delivery systems for such weapons in the Central American region.

(2) The establishment of a foreign military base in the Central American region by the government of a Communist country.

(3) The introduction into the Central American region of any advanced offensive weapons system by the government of a Communist country if such system is more sophisticated than such systems currently in the region.

(b) If any development described in paragraphs (1) through (3) of subsection (a) arises, the Congress intends to act promptly, in accordance with the constitutional processes and treaty commitments of the United States, to protect and defend United States security interests in the Central American region and to approve the use of military force, if necessary, for that purpose.

(c) Notwithstanding any other provision of law, the prohibition contained in section 8066(a) of the Department of Defense Appropriation Act, 1985, as enacted by the Act of October 12, 1984 (Public Law 98-473), which applies to funds available during the fiscal year 1985 to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States invovled in intelligence activities shall apply to the same extent and in the same manner with respect to any such funds available during any fiscal year beginning on or after October 1, 1985. For purposes of the application of this subsection, the reference in such section 8066(a) to the fiscal year 1985 shall be deemed to be a reference to the fiscal year in which such funds are available.

(d) There are authorized to be appropriated to the President $14,000,000 for the fiscal year 1985 to be available only to achieve—

(1) the safe and orderly withdrawal from Nicaragua of all military and paramilitary forces which were supported by the United States before October 12, 1984; and

(2) the relocation of such forces, including members of the immediate families of individuals serving in such forces.

(e)(1) There are authorized to be appropriated to the Secretary of State $10,000,000 which shall be used only as may be necessary to assist the negotiations sponsored by the Contadora group and to support through peacekeeping and verification activities the implementation of any agreement reached pursuant to such negotiations.

(2) For purposes of paragraph (1), the term "Contadora group" refers to the governments of Colombia, Mexico, Panama, and Venezuela.

(f) Nothing in this Act shall be construed as granting any authority to the President with respect to the introduction of United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances which authority he would not have had in the absence of this Act.

(g) For purposes of this Act—

(1) the term "Central American region" refers to the geographic region containing Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; and

(2) the term "Communist country" has the same meaning as is given to it by section 620(f) of the Foreign Assistance Act of 1961.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that on May 28 and 29 the Senate Small Business Committee will hold two field hearings in Montana on the impact of the Tax Code and tax reform proposals on the small business community. The hearing on May 28, 1985, will be held at the Sheraton Hotel in Missoula, MT, convening at 1 p.m. The hearing on May 29, 1985, will be held at the Northern Hotel, in Billings, MT, and will begin at 9 a.m. For further information, please call Stewart Hudson, of the committee staff at 224-5175, or Bob Buzzas of Senator BAUCUS' office at 224-2651.

Mr. President, I would like to announce that on June 3, 1985, the Senate Small Business Committee will hold a hearing in Boston, MA, on the impact of tax reform on small business. The hearing will be held at the John F. Kennedy Federal Office Building, room 2003 and will begin at 9:30 a.m. For further information, please call Larry Dalsin of the committee staff, at 224-5175 or Jim Brenner of Senator KERRY's staff at 224-2742.

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Subcommittee on Labor will hold an oversight hearing on July 25, 1985, regarding the impact of the Supreme Court's ruling in *Garcia* v. *San Antonio Metropolitan Transit Authority*, vol. 471 U.S. ——, 53 U.S.L.W. 4135 (1985) on the coverage of State and local government employees under the Fair Labor Standards Act. The hearing is scheduled for 9:30 a.m. in room 430 of the Dirksen Senate Office Building.

Persons wishing to testify should submit a written request to Chairman DON NICKLES, Subcommittee on Labor, 428 Dirksen Senate Office Building, Washington, DC 20501 by June 14. If you have questions concerning the hearing, please contact Rick Lawson, on the subcommittee staff, at 202-224-5546.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Committee on Agriculture be authorized to meet during the session of the Senate, until the hour of 12 noon, on Tuesday, May 21, 1985, in order to mark up S. 616, the farm bill, and related measures.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet today during the session of the Senate for a closed executive session to discuss intelligence authorizations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BETTER BUYERS BETTER WEAPONS

● Mr. GOLDWATER. Mr. President, on May 20, the Senate spent most of the day arguing about the subject of procurement. Questions were asked relative to the acceptance by the services of the need for better trained people in the procurement business. The magazine, Military Logistics Forum, had a very good article appearing in their May issue and, because of the pertinence of this writing to what we are doing in the Senate these days, all wrapped up in getting better attention to the details of procurement, I ask that it be printed in the RECORD.

The article follows:

BETTER BUYERS, BETTER WEAPONS

(By Jeffrey Denny)

Maj. Larry Rohloff says he studied program management at the "school of hard knocks."

Now the program manager for the U.S. Air Force's P-46 flight simulator at Wright-Patterson Air Force Base in Ohio, Major Rohloff believes he could have avoided some of the lumps he has taken managing the relatively small program if he had had more training and experience with weapons acquisition.

"I was familiar with things once we got on contract," says Rohloff, who once served as a deputy program manager for another flight simulator. "But there's a whole 'nother world called 'getting on contract.' I had not had any formal training in this, nor had I gone through it as a deputy to see how somebody else would have handled it. So a few things sort of blind-sided me."

Rohloff's experience is not unique. Program managers and other officers who are assigned to the hundreds of weapon system acquisition offices across the country may not have the tools to handle what has become a specialized task, observers in and out of uniform say. And now the Defense Department (DOD) and Congress are turning their attentions to the quality of procurement officers as part of the overall reform of the procurement process.

The intent is to improve the background, training and career incentives for defense acquisition personnel, who many believe may be partly to blame for the recent rash of missiles that misfire, combat vehicles that fail operational tests and simply spare parts with Fifth-Avenue prices.

"You find people with little significant acquisition backgrounds serving as program managers," says Sen. Dan Quayle of Indiana, chairman of the Senate Armed Services new defense acquisition policy subcommittee. "An efficient acquisition system in DOD largely depends on the people—both military officers and civilians—charged with managing it."

The spotlight now is on the program manager, a team leader in charge of meeting the user's requirements and coordinating contract management, research and development, logistics follow-up, engineering, testing, configurations and financing for his system. There are about 350 program managers now working on new and existing systems, large and small. Each is the point man who draws kudos or criticism if his system either proves successful or hits cost overruns, delays or failed tests. A program manager is usually a commissioned officer, ranging from the rank of 0-5 up to major general or rear admiral. A few are civilians.

Despite a program manager's responsibilities and authority, he or she faces numerous institutional barriers that make it difficult to do the job well, according to a preliminary analysis of the acquisition work force by the General Accounting Office (GAO). The report, based on a review of 16 different weapon system programs and interviews with program managers and industry officials, found that the military's quick turnover rotation policies and a career path that "lacks structure, provides insufficient training and experience and offers few incentives for career commitment" has undercut some programs. The report also highlighted a number of external forces that can cause problems for even the most savvy and veteran program manager.

Those same problems affect a program's contracting officer, who is responsible for writing the contract with industry, the report finds.

Acquisition has never drawn much attention from either end of the overall armed forces chain of command, and only recently has anybody considered "professionalizing" the field. The reasons largely are entrenched in the traditional concept of military service:

Commissioned officers are supposed to be flexible and mobile. Where experience fails, "can-do" spirit takes over.

Many junior officers look askance at what seems to be a desk-bound, moribund career that mirrors that of a civilian businessman in a three-piece suit.

There is a perception that any intelligent officer with a modicum of procurement training can manage all or part of a program. Indeed, there is relatively little formal training available; the only exclusive program management schooling available is a 20-week course at Defense Systems Management College (DSMC) at fort Belvoir, Virginia. And its waiting list is long.

Even though the services and DOD now buy more than $100 billion a year in weapons and equipment, the procurement process has always been considered a peripheral task, according to J. Ronald Fox, a former assistant secretary of the Army, deputy assistant secretary of the Air Force, and now chairman of the Harvard Business School's general business area.

"For years we have treated many of the jobs in the acquisition process as if they could be handled adequately by people whose primary training and experience has been in operational command," Fox says. "The people are probably very good military officers, but they have not had the extended training and progressive assignments necessary to carry out the difficult ongoing negotiations that are required to manage large weapon system programs."

The Pentagon acknowledges that acquisition managers have shortcomings. "Sure, there's very definitely a need to do everything we can to improve the professionalism of the procurement work force," says John Smith, director of major systems acquisition for the Office of the Secretary of Defense (OSD). The Pentagon's contract administration office is working on several projects that would increase the number of classes available to train military and civilian acquisition managers, identify those who need more training, and make sure that people assigned to weapon system programs have at least some knowledge of the procurement system before they start their jobs.

Efforts to improve the quality of program managers are also coming from several congressional quarters. Sens. William Roth of Delaware and William Cohen of Maine, who initiated the GAO study, believe that many of the overpriced spares and shoddy weapons that surfaced in recent months could have been avoided if the armed forces treated acquisition management more seriously. The systemic procurement reforms will not guarantee better, cheaper weapons built quicker without better people running the programs, they say.

"It seems like every procurement problem we get into is a people problem," says Jeffrey Minsky, Cohen's defense aide. "Often it's not the system, but the people working the system."

Roth and Cohen are waiting for the final GAO report to make any specific recommendations, their staffers say. But the newly formed Senate Armed Services defense acquisition policy subcommittee has some recommendations of its own. The subcommittee wants each military service to establish minimum education, training and prior experience standards for program managers as well as flap officers who head the three materiel commands. The subcommittee also wants an officer to have at least four years of acquisition experience before he is named program manager and annual reports made by the secretary of defense on DOD's goals, plans and progress in improving the acquisition work force.

Quayle, the subcommittee chairman, has proposed the most controversial change. Quayle believes there is not much incentive for young officers to choose acquisition management as a career field. In fact, the senator believes, there is a perception that the desk-bound jobs may actually slow advancement or close the door to three- and four-star slots later on.

In attempt to counter this, Quayle included in his Defense Procurement Act of 1985 requirements that at least one in five officers chosen for flag rank has a program manager stint in his background, and improved training for program managers. The Act was tentatively approved by the subcommittee on March 27.

These improvements, Quayle believes, could attract junior officers to acquisition, thereby creating a seasoned corps of program managers and contract officers. The approach, Quayle says, should be: "How can we strengthen career paths to get people in there and get them to stay there?"

The House has not taken any formal steps on this matter, but Rep. Bill Nichols of Alabama suggested at a recent Armed Services investigations subcommittee hearing that if Navy procurement officials were higher-ranking and more savvy in contract negotiations, they could have kept better tabs on General Dynamics Corp. and avoided some of the company's alleged contractural abuses.

The services are taking wait-and-see approach, although officials who oversee the weapons acquisition system say they agree with some of the congressional initiatives. "The response so far has been something along these lines: 'We realize in the past we haven't provided career opportunities for program managers and maybe for other acquisition personnel and we're trying to do something about it,'" says Bernie Toon, Quayle's defense aide.

The armed forces' policy of rotating officers from post to post every other year gives the officers versatility. But the rotation policy also undercuts their experience in any one field. The policy is good for an officer's career and, ultimately, his or her paycheck. Promotion to a large extent is a function of how diversified an officer's background is; the well-rounded officer, not the career specialist, is most likely to move up, all other things being equal. An officer who spends more than two years at a time or more than half his career in acquisition might as well be frozen in time.

But the rotation policy is bad for the acquisition work force, Harvard Professor Fox says. "Lack of continuity is a problem in this field," he wrote in the *Harvard Business Review* last year. "Because military officers rotate job assignments frequently, turnover in government program offices is high; tenure is often less than two years.

"In contrast, project chiefs in the defense industry are trained and retrained through successive assignments to positions of progressively greater responsibility. Only after years of relevant experience are industry managers given the responsibility of directing large defense programs," Fox wrote.

The typical military program manager may have spent less than 10 years in acquisition management before becoming head of a program office.

Col. Michael Butchko, who oversees the F-15 fighter programs at Wright-Patterson, says that junior officers he assigns to his program may not be ready for the challenges.

"We have an awful lot of lieutenants in the system acquisition field these days. Most are straight out of school. Since they're the only people I've got, I have to assign them to very important programs. They go up against folks who have been in contracting and negotiating for the contractors for 25 years."

Program managers at Martin Marietta Corp., on the other hand, spend at least 20 years in acquisition, senior Vice President Caleb Hurtt told a Senate panel. The program managers for most NASA systems remain with their programs for a lifetime.

Put a seasoned defense contractor across the bargaining table from a uniformed program manager who has gleaned most of his experience off the cuff and the result is defense contractors "running roughshod" over the program manager, says Sen. Barry

Goldwater of Arizona, chairman of the Armed Services Committee.

The quick turnover policy not only leaves a program manager relatively inexperienced, it also can hurt an individual program. The typical tour of duty in a program office has been two years. Legislation sponsored by Sen. Sam Nunn of Georgia last year doubled that, but even four years may be too short. Programs now under way have had many leaders—the Army found that 'in its Viper, Multiple Launch Rocket System, Hellfire and Patriot missile programs, managers changed an average of four times over seven years.

Major Rohloff, the flight simulator program manager at Wright-Patterson, says this can create severe repercussions. "The key to a successful acquisition is leaving at least the program manager in place from the time he gets his program management directive until he delivers his first unit, whether that's three years, five years, seven years, no matter what," he says. "That way he or she is accountable. We switch horses in midstream at the worst point in a program, and there's definite impact not only on the progress of a program, but the things you've done before. A different manager's style may cause him to drive the program in a different direction."

This he says, "confuses the contractor and increases costs."

Rohloff was assigned to the P-46 simulator program shortly after its inception in July 1983. His tour of duty at Wright-Patterson ends this July, even though his project is not scheduled to be completed until September 1987. Would he like to stay on with his program until then?

"Absolutely," he says.

But Rohloff was offered another position in Florida, and with his career in mind he cannot pass it up, he says.

"If I put on my program manager hat, I'd say, 'Boy, I'd sure like to stay here,'" Rohloff says. "But I've got another hat that's called a 'career hat.' If I put that one on, I'd say this other job expands my capabilities, provides a very critical input to our business. So it makes a lot of sense to do that, too."

That career hat Rohloff speaks of also may never be embroidered with the gold or silver that signifies flag officer and other higher ranks if an officer remains loyal to his program. These top positions are still widely perceived as being out of the reach of a career acquisition manager. Indeed, of the 90 Army officers promoted to brigadier general last year, only 11 were in acquisition; 10 out of 44 Air Force officers promoted to that rank had acquisition backgrounds. Of the 30 Navy officers promoted to flag officer, four had been program managers at one time in their careers. Even Adm. James Watkins, chief of naval operations, called the Navy's system for advancing procurement officers "tragically flawed."

"It was almost impossible for naval officers in uniform to come up to an acceptable level of business management in the modern industrial world," he said at a recent briefing, as quoted by The Washington Post. "We simply were naive, not well-prepared, and we didn't stick to it long enough."

The Navy has taken the first publicized step—though considered symbolic by some—to acknowledge this flaw. Navy Secretary John Lehman announced the creation of a new "materiel professional" field that will allow 100 commanders and higher-ranking officers to compete for four-star billets as acquisition specialists. Those billets up to now have been reserved for ranking officers who have spent a lifetime at sea. Officers chosen for this field will be offered business management courses at the Naval Postgraduate School at Monterey, California; Harvard; the University of Pennsylvania's Wharton School of Business and others.

While the other services may follow suit, some ranking officers believe that the system produces program managers with plenty of experience to run a successful program. Program managers, they argue, do not need to be experts on every aspect of acquisition. Their main task is to surround themselves with knowledgeable, experienced and creative people, military and civilian. They are ultimately responsible for the quality, cost and reliability of a system but, as Gen. Lawrence Skantze, commander of the Air Forces Systems Command (AFSC), testified recently, "The program manager is not the only element. A program office team is made up of specialists in program management, testing, contracting, quality assurance, logistics, manufacturing and many other areas."

Adm. Steven White, chief of naval materiel, Gen. Richard Thomspon, commander of the Army Materiel Command (AMC) and General Skantze described to the Senate Armed Services acquisition subcommittee recently what they felt were well-defined career paths and good grooming available for their respective acquisition officers. Improvements are on the way, they said.

The Navy trains its program managers and other senior acquisition personnel through its Weapon System Acquisition Management program (WSAM), which was launched in 1975. WSAM is the career path that leads to program management, with operational tours interspersed with tours in program offices and materiel commands. All 46 Navy "key" weapon system programs are headed by offices who have taken the WSAM path.

The Navy, however, recognizes that WSAM is not enough, Admiral White said. Only 60 percent of the non-major weapon system program managers have attended the 20-week course at DSMC, although the fiscal 1986 defense budget will provide the money to send them all. The Navy also plans to start a special graduate degree program for junior officers in systems acquisition management at the Naval Postgraduate School. Other courses in business and financial management are available.

The Army's acquisition work force is set up in a similar manner. The Army now has about 2,611 officers in its Research, Development and Acquisition (RDA) program; all have degrees in engineering, physical science or business. RDA officers' duties range from coordinating government and industrial development of weapons to their test and evaluation. Training includes courses in acquisition management, contracting and the DSMC course.

Officers with an acquisition bent can now enter the Army's Materiel Acquisition Management program (MAM) after their sixth year. They will be assigned an acquisition slot after attending a MAM course at the Army Logistics Management Center at Fort Lee, Virginia; after two more acquisition assignments, and certification by the Army's MAM board, these officers are made assistant program managers, product managers or assigned slots on the Army staff. With this and usually 16 years of service, a MAM specialist is ready to head a program office, according to General Thompson, commander of AMC.

General Skantze, commander of AFSC, outlined the "typical" development of an Air Force program manager during the March 12 Senate Armed Services subcommittee hearing. Starting off with a bachelor's degree in engineering, computer science or pure science, an officer targeted as a future program manager is first assigned an operational tour, perhaps with a fighter wing. During this time, he is encouraged to study business administration at the Air Force Institute of Technology. His next assignment would be at an AFSC field office for duty at a laboratory, test center or program office. From this point—usually the 12th year of service—the future program manager will be assigned to at least two more program offices and will attend the DSMC program manager course. The next logical step is another assignment with AFSC or Air Force command headquarters. Now he is ready to head his own program office.

Perry Stuart, Army chairman of DSMC's executive institute, says the Air Force has the best career path for acquisition officers, for they are usually given only one or two operational tours, which are early in their careers. From then on they remain in the AFSC work force. The Army, he says, tends to switch officers from acquisition to operations throughout their careers. The Navy falls somewhat in between; acquisition specialists are given only a few tours at sea to "get their feet wet," but they are not required to become "waterlogged," Stuart says.

General Skantze, General Thompson and Admiral White each said they agreed with the spirit of most of the congressional initiatives—except the one favored by Senator Quayle to create a separate and distinct career field for acquisition managers free from intermittent operational tours.

The armed forces generally oppose channeling officers into acquisiton because they believe a program manager can only be effective if he has extensive service in the field. A program manager must procure weapons that he knows will work in the field as well as on the drawing board, some officials believe.

Others see the switching from operations to acquisition as bad for the future program manager. "In the program-manager world they're required to switch gears so quickly in many cases," says Toon, Quayle's defense aide. And it may have the tendency to chase talented acquisition managers out of the field. "I'm convinced that there are many people out there in the world who'd like to get out of operations and get behind a desk," Senator Goldwater said.

The operations-acquisition seesaw causes another problem: The "management" in program management must be a major facet of the job. A program manager must be able to juggle a range of people and talents. Officers who have spent most of their careers leading the troops are used to managing by command. This does not necessarily work when half a program manager's office is staffed by civilians who have not been programmed to take orders.

Major Rohloff believes all officers should have some operational experience, but that "jumping back and forth between the flying world and the acquisition world is not productive. After a certain break point in his career, the pilot has to decide, 'I want to be in acquisition management,'" he says.

Quayle's desire to channel officers into either operational or acquisition careers exclusively provoked the strongest response from the assembled materiel commanders at the Senate subcommittee hearing. "A career path that permits the proper mix of Navy operational and acquisition experience early in an officer's service will enhance our cadre of senior dedicated acquisition professionals," Admiral White said in a prepared statement. "It would be a mistake to deprive the service secretaries of the flexibility they need to tailor their programs in terms of education, experience and grade levels."

General Skantze echoed this statement. "People can be schooled in leadership, but a person must actually develop this essential characteristic by gaining experience working at various levels of responsibility and in different environments," he told the panel.

The notion that a military officer should take up acquisition as a career also runs counter to the reason why many join the armed forces in the first place, says Stuart.

"Several years ago when I worked with the Air Force I was lamenting to a senior guy about the loss of people we had in acquisition management that would reach 20 years of service and take retirement at an age when they're probably able to contribute the most," Stuart recalls. "He pointed out to me: 'Hey, people went into the military service because they wanted to be a pilot, a naval ship commander, an armored infantry battalion commander—they never entered to become some pseudo-replica of IMB.' And I think his point is pretty good. It would be very dangerous to put uniformed officers strictly over into what is a business environment for their entire careers."

There's another worry: Suppose war breaks out. If a share of the military's top billets were shifted from occupations to acquisition, will the weapons buyers be able to assume command of a bomber squadron, a guided-missile destroyer or an infantry? Sen. John Glenn of Ohio worries that they may not be able to.

"If a war started, it would be highly unlikely [a program manager] would go into combat," Glenn said at the subcommittee hearing. "I doubt whether he'd be a good corps commander. The acid test is when we go into combat."

Having acknowledged that Congress may be right about the questionable quality of the work force, DOD's approach to making improvements is through more and better training.

The best schooling for program managers today is a 20-week course at DSMC. Considered the cornerstone of DSMC's curriculum, the program management course provides simulation exercises, case studies and lectures by seasoned acquisition managers. Most attendees already have some experience; most range in the 0-5 to 0-6 level.

Attendance in the program management course has jumped from 65 in 1971 to an expected 270 by 1987. The increase, says Stuart, is because of a change in focus "to recognize that acquisition management is a career field in both the military and civilian community, and that it does require some knowledge, training, background, education and continuing emphasis on change."

But some officials complain that there are not enough seats in existing schools to accommodate all who need the extra training. Classes are full; waiting lists are long. Col. Gerald Blake, who oversees the flight simulator programs at Wright-Patterson, says that of the dozen program managers under his wing, "we're lucky to get one or two slots a year" in the DSMC program.

Robert Barnes, director of contract administration for OSD, agrees this is a problem. "We've had more people to train then we've had slots to train them in," he says.

But Barnes says there are a number of ways the Pentagon is moving to expand the available training.

To supplement the acquisition management courses now offered by the DOD and services schools, Mary Ann Gilleece, deputy undersecretary for research and engineering, has asked 78 colleges and universities across the country to develop undergraduate and postgraduate programs and degrees in this field. The programs would draw business or economics oriented students who graduate and join either the federal work force or the military through the various Reserve Officers' Training Corps programs.

The federal government is also working to update civilian personnel records to identify employees who have not finished prescribed courses, those who should take new courses, or increase their training overall. It is also working to review and certify local college courses nationwide to determine if they are equivalent to military acquisition schools. Since 1976, the number of courses deemed equal or better than those already in the DOD system increased from 30 to 300, Barnes says.

Even if these improvements are made, the new and improved program managers and other acquisition officers still face problems and contradictions in the weapon system procurement process. The GAO study calls these problems "external influences," and they can stem from pure politics to a lack of communication. Congress may provide insufficient up-front or unstable year-to-year funding. The services themselves may be somewhat non-commital about a certain program or ambiguous about requirements because of changing whims in the chain of command. The services and Congress may decide to meddle with how a program is run, effectively usurping a program managers' authority.

It takes a well-trained and thick-skinned program manager to stand firm when his customer, who's also in uniform and may outrank him, tries to slap unrealistic design goals on a weapon system or tinker with it midprogram. Without the confidence of his convictions, a program manager is practically powerless: "He says, 'yes sir'—he becomes the executioner of other people's decisions," says Robert Burt Hall, who is leading the GAO study team.

"The successful program managers are the ones who can say: 'Look, you're not doing this right,'" Goldwater said.

GAO's preliminary report (the final report is due this month) cites several ongoing weapon system programs that have been marred by these influences as early as the design competition stage. The Air Force's new jet trainer system program suffered low funding because the program was a relatively low priority. The new joint-service vertical lift aircraft had too little technology available even before the program began. The Navy's anti-submarine standoff missile suffered from wavering requirements, weak commitment by its agency, the Navy Sea Systems Command, insufficient up-front funding and efforts by the services and Congress to run the program. "Competition was underfunded at the beginning, then challenged within the agency and cut repeatedly thereafter," the GAO report states. With problems like these a program manager's usual problems are exacerbated or relegated to the back burner.

Other problems abound. The program manager's role often is unclear, his responsibilities in certain procurement matters ambiguous, and his authority is "hampered by late appointment, little say in staff selection and dependence on functional groups whose authority is ill-defined," the report says. The contracting officer on the program faces similar problems, it adds.

While DOD and the services appear to be acknowledging that there are problems within the procurement system's work force, Harvard's Professor Fox warns that an overall change of perception is needed.

"We are unlikely to have the commitment made to developing training experienced managers until there is a wide perception throughout the senior levels of the services that there is a very serious problem that requires a professional commitment that goes well beyond where we are today," Fox says. "There's no doubt in my mind that there are differences in opinion on that. But the differences of opinion have led to the kind of problems we had in the past and continue to have today."

ACQUISITION MANAGEMENT: DEAD-END JOBS?

Why would a junior officer with stars—or "chickens"—in his eyes want to spend years behind a desk buying weapon systems, parts and components when it may slow his rise to the top?

The answer is that acquisition management is no longer a dead-end field, the commanders of the U.S. Army, Navy and Air Force agencies that procure most of the services' weapons told a Senate Armed Services subcommittee recently.

But Sen. Barry Goldwater of Arizona, chairman of the Armed Services Committee, argued that the perception persists that spending time as a program manager or in other acquisition posts instead of in the field is bad for your career.

"The manager doesn't know whether he can keep up with his class, make his star or get his chickens," Goldwater said, referring to the brass symbols flag officers pin on their shirts, symbols usually sported by those who have spent their careers using, not buying, weapons. Topmost in many acquisition managers' minds, Goldwater said, is the question: "'Am I going to get ahead? Because if I don't, I want to get the hell out of this job and get back out into the field.'"

The Armed Services' defense acquisition policy subcommittee, formed in early March and chaired by Sen. Dan Quayle of Indiana, focused its first hearing on how to "professionalize" weapon system procurement and result in cheaper and better weapons, equipment and supplies.

Quayle announced early this year that he may propose legislation requiring the Defense Department to ensure that officers get enough experience and formal training before they become program managers, referred to as PMs. The subcommittee also touched on the possibility of turning most weapons procurement over to seasoned civilians. But most of the discussion turned on the notion that a career officer must "punch his ticket" in several different commands—mostly operational—in order to advance at a steady pace. If he stays in acquisition long enough to become knowledgeable and effective, rising to higher ranks becomes difficult, subcommittee members argued.

"Fundamentally, if there is a limitation, it is the amount of time they spend at it," Quayle said of program managers' relatively short stints in acquisition. "For some, it's a short stop."

Senator Quayle said he wants the services to create two separate but equal career paths—one for operations and one for acquisition—in order to obtain and retain a corps of skilled program managers. These days, even officers with an acquisition bent spend as little as one-quarter of their time in acquisition.

The procurement agency commanders—Gen. Richard Thompson of the Army Materiel Command, Gen. Lawrence Skantze of the Air Force Systems Command and Adm. Steven White, chief of naval materiel—generally agreed that improvements are needed. Each indicated, however, that their respective services already are making progress.

The defense industry sees its own program management and career opportunities differently. Caleb Hurtt, senior vice president of Martin Marietta Corp., told the subcommittee that nearly all the corporation's senior officers have been program managers at one time or another. In fact, he said, many junior employees, including engineers, are under the impression that unless they hold a program management position sometime in their careers, they may never get to the top.

"Our PMs clearly run our business," Hurtt said.

Skantze suggested another tack to improve an officer's experience in acquisition management: a stint in a Washington weapon system program office. Tenure in such an office, Skantze said, would teach a valuable lesson on how the "turbulence and complexity" of the political climate can shape a weapon system.

This idea provoked a response from Sen. Jeff Bingaman of New Mexico. "It's hard to believe that being connected with this 'turbulence and complexity' is good for anybody's career," he said.

THE BENEFITS OF OPERATIONAL EXPERIENCE

Some officials believe that officers should choose a career of either weapon system acquisition or operational duty. U.S. Air Force Col. Michael Butchko and U.S. Navy Commodore Richard Gentz, who each oversee a handful of large weapon system program offices, believe the two are not mutually exclusive.

"Operational experience, the decisions you have to make as a vice wing commander or a wing commander, is very similar to program management," says Butchko, systems director for the F-15 fighter aircraft at Wright-Patterson Air Force Base in Ohio. "The difference is that the decision you might make as a wing commander might result in somebody not getting themselves killed, where in program management the decision you make probably won't have fruition for another couple of years."

Commodore Gentz, program director for all of the Navy's tactical aircraft such as the F-18, A-6 and F-14 at the Pentagon, echoes this sentiment. "What I'm doing is not really different than trying to manage a flight deck on an attack aircraft carrier or trying to run a squadron. My primary responsibilities are every bit as difficult as, say, responsibility for conducting safe operations."

The careers of Butchko and Gentz are too far along to benefit much from the recent initiatives proposed by Congress and eyed by the Defense Department to professionalize the acquisition work force.

Butchko and Gentz, however, look back over their years in the service and find that their stints outside acquisition have helped them in the field.

"I'm familiar with aviation," Butchko says, "which I think is vital to someone who is in an aircraft acquisition program. If you don't speak the language, you don't have the credibility, and you don't know how to ask the right questions."

Butchko's career tutored him in that language, he says. From his graduation from the Air Force Academy in 1962 and a year of pilot training at the former Webb Air Force Base in Texas, Butchko flew KC-135s in Arkansas, RC-135s in Nebraska and EB-66s in Thailand. After test pilot school at Edwards Air Force Base in California, where he then taught, and a year at the Armed Forces Staff College in Norfolk, Virginia, the colonel became the original B-1 bomber program's deputy for development, test and evaluation at Edwards. His next assignment was at Air Force headquarters at the Pentagon in its research and development office; from there he attended the service's war college at Maxwell Air Force Base in Alabama.

Butchko then returned to the Pentagon to spend a year as the weapon system division's legislative liaison, working with the House Armed Services Committee on weapons acquisition matters. He again returned to Edwards to become a test vice wing commander; his next duty station was at Wright-Patterson as deputy director of the B-1 program office. Last September, Butchko was assigned to head all the F-15 fighter programs.

During those years, Butchko attended the 20-week program manager course at the Defense Systems Management College at Fort Belvoir, Virginia, as well as its three-week executive refresher course.

Butchko, now 45, is satisfied that his career has given him the tools to successfully manage the F-15 program and the 200 uniformed and civilian personnel assigned to the office full and part time. Still, "there are some technicalities that maybe I wish I had a better grasp on at times," he says. "But I know where to go to get the information I need. I also depend on my people."

Gentz's career is equally varied. After graduating from the Naval Academy at Annapolis, Maryland, in 1957 and a year of flight training at the Naval Air Station at Pensacola, Florida, Gentz flew S-2F trackers for a carrier-based squadron stationed at Norfolk. He then attended the Navy's Postgraduate School at Monterey, California, where he received his master's degree in aeronautical engineering and electronics. From there he was assigned another carrier-based squadron, this time at Quonset Point, Rhode Island; his next duty was aboard the newly commissioned aircraft carrier USS *John F. Kennedy* as its first flight officer. Following that, Gentz taught flight deck engineering performance at the Naval Academy and later became chairman of the aerospace engineering department. While at the academy, he received his master's degree in administration and systems management at George Washington University. From there Gentz became executive officer and later commander of an E-2C squadron based in Norfolk.

After a year in the Sixth Fleet (Mediterranean) anti-submarine warfare office, Gentz came to the Pentagon in 1977. Since then, he has worked for the deputy chief of naval operations for air warfare as a cost and analysis specialist, and accountant and budgeteer, and a planning and programming specialist. He then became program manager for the E-2C and C-2A aircraft; his next step, after being named flag officer in 1984, was to head the tactical aircraft programs.

This career, says Gentz, who is now 50, gave him a "great deal" of acquisition experience, although he admits that he has only about a year of pure acquisition.

"A lot of things have served me more through serendipity than any thing else," he says. "The two years that I first spent at the Pentagon were probably the best training."

Butchko questions one of the recently legislated "improvements" in the aquisition work force: that program managers stay with their programs at least four years. In smaller programs this might not be a problem; in larger programs it can be a strain on the manager and can bring staleness to a program.

"On a major program, the demands of that program, both physically and emotionally, are quite high," he says. "And while, yes, I'm thoroughly loyal to the program, there are appropriate times to make transitions."

Gentz said he sees nothing revolutionary about the efforts to improve the weapon acquisition system by concentrating on the quality of the work force. Its time has come, he says.

"I think it's been an evolving type of thing, and the system as we know it today is not all that old," he says. "It's now gotten to the point where it's structured enough that we can take the next step to make it more professional."●

THE ASSOCIATION OF JUNIOR LEAGUES

● Mrs. HAWKINS. Mr. President, many of the 262 member leagues of the Association of Junior Leagues have taken an active part in promoting child safety in their communities. The association is an international volunteer organization with 252 leagues in the United States representing more than 160,000 individual members. Junior Leagues also are located in Canada, Mexico, and Great Britain.

In the 2-year period from 1982 to 1984, 46 Junior Leagues reported involvement in 52 child safety programs. These projects involved approximately 425 Junior League volunteers and more than $160,000 in Junior League contributions. Twenty-eight of the 52 projects reported to the association address the issue of car seat restraints and school bus safety. Eleven focus on fire prevention, fingerprinting children, and crime prevention. Following are a few examples of these Junior League safety efforts.

CAR SEAT RESTRAINTS/SCHOOL BUS SAFETY

The Junior League of Fairmont (WV) recycles and distributes car seats to parents of newborns for a nominal fee. League members purchased infant car seats through a local car dealership, prepared and distributed informational brochures and arranged for a car seat distribution site. Future plans include the purchase of car seats for toddlers.

The Junior League of Fairmont also reported having a public affairs project in conjunction with this community program. League members

worked to educate the community on State legislation regarding car safety standards for children.

The Junior League of St. Joseph (MO) has a program designed to save lives and reduce injuries to children riding in automobiles. Efforts to accomplish this goal include:

The promotion of long-term automobile safety habits beginning with infants and continuing through adulthood;

The establishment of an infant car seat rental program in collaboration with the Methodist Medical Center;

A public awareness campaign to promote infant and child passenger safety as well as car seat and safety belt use.

Junior League volunteers provide group and individual education, handle rental procedures and deliver the seats to new parents.

Members of the Junior League of St. Joseph also lobbied for the passage of legislation requiring the use of car seat restraints for children.

The Junior League of High Point (NC) developed a public affairs project which was designed to educate the league membership about schoolbus safety. League volunteers have gathered information and statistics concerning this issue.

FIRE PREVENTION PROGRAMS

The Junior League of Long Beach (CA) has produced and distributed a fire prevention manual designed for preschool chidren.

The issue of self extinguishing or fire-safe cigarettes was by the Junior League of San Francisco. That league was joined by the State public affairs committee of the Junior Leagues of California and other interested organizations. The coalition has succeeded in having legislation introduced and passed by Congress. After 5 years of lobbying, the Cigarette Safety Act was passed by Congress in 1985 and signed by President Reagan. In addition to lobbying on the Federal level, the Junior Leagues of California are also working toward passage of a similar bill in their home State.

The Junior Leagues of Fresno, Long Beach, Los Angeles, Monterey County, Oakland-East Bay, Pasadena, Riverside, Sacramento, San Francisco and San Jose have all participated in State legislative activities regarding the self-extinguishing cigarettes including educating league and community members about the status of the State bill monitoring and supporting legislation, contacting the State fire marshall to request that a study be conducted on the manufacture of self-extinguishing cigarettes, organizing letter writing campaigns, advocating and lobbying for the bill's passage and coordinating State and Federal efforts with other groups.

GENERAL SAFETY PROGRAMS/HOME SURVIVAL SKILLS

The Junior League of Central Westchester (NY) sponsored Child Safety Awareness Day for 250 children and their parents.

The Junior League of Great Falls (MT) runs a course which acquaints children between the ages of 8 and 10 with skills needed to manage time at home alone. The course is team taught in eight, 1-hour segments and includes first aid, back-up systems, nutrition, use of appliances, personal feelings and home rules.

FINGERPRINTING/IDENTIFICATION PROGRAMS

The Junior League of Mobile (AL) assists the Mobile Police Department in setting up a fingerprinting program in the Mobile schools.

The Junior League of Reno (NV) provides free and voluntary fingerprinting and identification to all school age children and aids parents in compiling identification information about their children which would be beneficial in an emergency situation. League volunteers contacted 42 elementary schools and fingerprinted the qualified children.

CRIME PREVENTION

The Junior League of Los Angeles has a program which aids the police department in reducing crimes against children by informing and educating children in crime prevention using printed materials. The league is also involved in designing and implementing a peer program.

The Junior League of Newport Harbor (CA) provides quality child safety programs to sixth grade children in the Newport Mesa School District. League members review existing educational materials and programs on the topic and advocate to obtain the support and consent of parents, school boards, parent/teacher organizations and principals for programs to prevent child molestation.●

CBW: THE POOR MAN'S ATOMIC BOMB

● Mr. GOLDWATER. Mr. President, I would like to bring to the attention of the Senate a do-it-yourself booklet for chemical and biological weapons published by the Institute for Foreign Policy Analysis entitled, "CBW: The Poor Man's Atomic Bomb. The most disturbing portion of this publication outlines how easy it is to obtain the materials for crude but effective chemical and biological weapons.

Unfortunately, we regulate access to marijuana more stringently in the United States than we control access to deadly biological cultures and toxins. For a mere $35, you can order Bacillus anthracis specimens which can be used to produce anthrax.

Additionally, Mr. President, many research laboratories that deal with deadly pathogens have inadequate physical security and conduct very little background screening of personnel. One has little difficulty imagining the damage that could be done by a terrorist posing as a graduate student or medical researcher.

Mr. President, the most interesting section of this booklet is entitled, "How Easy Is It To Build a C/B Weapon?", and I ask that it be printed in the RECORD.

The excerpt follows:

HOW EASY IS IT TO BUILD A C/B WEAPON?

According to a recent study by the BDM Corporation, the *ideal* requirements for manufacturing a fairly sophisticated biological weapon include one microbiologist with knowledge of disease processes, one engineer, one vegetative bacterial pathogen, an equipped microbiology laboratory, a bottle production plant, a sterilizer capacity for the bottle production plant, and shop space and equipment. In addition, accurate formulas are needed, a dispersing device, and a detailed plan of attack.

While even these requirements are not particularly formidable, knowledgeable experts say that a resourceful terrorist group could cut corners and build a "no frills" weapon even more easily. They note that only a minimum of space is needed and that fairly rudimentary tools will suffice. Nearly everything that cannot be bought can be improvised. The laboratory could be easily concealed and the actual manufacture of weapons would be unlikely to attract attention. Small-scale testing could be undertaken with minimum risk, although large-scale testing would be another matter. Whereas chemical weapons require a "moderately advanced chemical technique," the raw materials for a biological weapon are readily accessible in most countries and should present little difficulty to terrorists.

While the acquisition of fissionable material would be an extremely formidable challenge to anyone seeking to build a clandestine nuclear weapon, a subculture of a pathogenic agent needed to manufacture a biological weapon could be obtained from a variety of sources. Many pathogenic agents—including those which produce anthrax, the plague, brucellosis, tularemia, and smallpox—can be isolated from natural sources which, of course, are ultimately the source of all such agents. In the northern United States, corn is an excellent source of tricothecene mycotoxin, and in the south, aflatoxin can be produced from peanuts. Ricin toxin, which is four or five orders of magnitude more potent than the most advanced nerve agents, can be made from simple castor beans.

To grow his own pathogens, the would-be terrorist simply needs to know where to look; a suitable growth medium is required as are basic safety measures, and some testing must be provided for. The literature describing various toxins and biological poisons is unclassified and amply detailed, and to a knowledgeable person the procedures required to obtain strains or cultures of very dangerous toxins and diseases and to produce them in sufficient quantities are about as complicated as manufacturing beer and less dangerous than refining heroin. Viral and rickettsial agents could be grown in fertilized hen eggs, for example. While ignoring the delivery problem, the statement in one study, "Theoretically, using a dozen chicken eggs in this fashion, enough psittacosis virus could be produced to infect everyone on earth," provides a good description of the rather small production necessities.

The creation of a production capability that could produce large, harvestable amounts of many agents is time-consuming, but not technologically demanding. The drying and processing of the agent, and the development of dispersal devices, are more sophisticated tasks, but by no means prohibitively difficult. According to the World Health Organization study, some agents like smallpox virus "can be produced and used as weapons with relatively simple techniques."

For example, to obtain a potent mixture of tricothecene mycotoxins, the terrorist need only make a slurry of corn meal, add contaminated corn or a strain of the appropriate fungus, and put this together with nutrients and an antibiotic such as streptomycin to increase the growth rate and yield. Then, he just sits back and lets the toxin-producing mold grow. At the appropriate time, the mixture is dried, ground, and the tricothecenes extracted with alcohol. The alcohol is then permitted to evaporate. The residue is a potent mixture of a wide variety of tricothecene mycotoxins, more potent than any one individual strain by itself. It is nearly as potent as a nerve agent if aflatoxin, made from peanuts, is added. Indeed, this is one of many advantages of toxins: purity is not desired. The unpurified mixture that may contain up to 37 different mycotoxins is more potent than a pure strain. And the only protections required in the manufacturing process are surgical gloves and a mask.

But terrorists need not go to all the trouble of isolating pathogenic agents from natural sources. A number of shortcuts exist, the most obvious being the theft of deadly cultures from a university or research foundation engaged in either medical or biological research. A terrorist posing as a graduate student or medical researcher involved in the field of epidemiology would likely have access to numerous pathogenic cultures which could be stolen with little effort or fear of exposure. Medical and research personnel could also be blackmailed into turning pathogens over to terrorist cells. Most laboratories engaged in biological or related medical research have inadequate physical security, and little screening of personnel is routinely conducted.

The alarming fact is that marijuana is more closely regulated in the United States than access to and distribution of most deadly biological cultures. Cultures of most biological agents can be obtained from commercial medical supply laboratories. There is some control: a permit is required, but this is largely a formality to ensure that the recipient or laboratory is equipped to handle the material. Moreover, a U.S. Department of Agriculture permit rather than a Public Health permit is required since the principal concern is that of plant or animal infestation. To obtain a permit, it is only necessary to describe the recipient facility, and if it meets the test of respectability, the bugs or fungi are available for a nominal fee.

A terrorist group could easily steal or forge a letterhead or develop a fictitious one capable of deceiving the personnel at one of the culture collection institutes or medical supply laboratories. Virtually any bacillus can be ordered from laboratories listed in the American Type Culture Collection of Rockville, Maryland, including the Bacillus anthracis (anthrax) and the bacillus that produces botulinal toxin. And the cost of most of the specimen cultures is less than the cost of a hand gun. Bacillus anthracis specimens cost about $35.00. One supply house offers five sample toxins, including T2 toxin (the so-called yellow rain in Afghanistan), for less than $100.00.

There are no controls over the use of the bugs by the recipient researcher or institution, except those that are self-imposed. The only federal controls are those associated with animal or human testing. There are some containment requirements for high-risk experiments in the area of genetic engineering, but in general no one really knows what anyone else is doing, or is particularly concerned. There should be little problem for a graduate student conducting "research" to obtain cultures from a supply house or from other researchers. Culture swapping is a common practice, and largely uncontrolled.

Similarly, university laboratories conducting research with dangerous cultures are self-policing and standards vary greatly from one university to another. Because of the suspicion of law-enforcement authorities characteristic of many academics, it is questionable whether thefts or misuse of pathogens would be reported. According to the BDM study, Dr. C. Don Cox, Chairman of the Public Affairs Committee of the American Society of Microbiology, expressed his belief that university personnel would probably not report to law-enforcement officials improperly documented requests for deadly cultures. Furthermore, American laboratories are not the only source of extremely dangerous viruses and bacteria. Scientists throughout the world conduct research utilizing highly infectious and deadly microbes often under even less secure conditions than in the United States.

And if terrorists could not obtain deadly microbes by means of more conventional routes, they could turn to patron nations for help. There is concern that this may already be happening, and, if so, this must be regarded as a serious and frightening threat to Western security.●

THE LINE-ITEM VETO

● Mr. BOSCHWITZ. Mr. President, with today's deficits, it is a wonder to me why the concept of giving the President a line-item veto is not adopted by acclamation—particularly when offered on the basis of a 2-year trial as suggested by Senator MACK MATTINGLY. Senator MATTINGLY has been pursuing the goal of a line-item veto since he's come to the Senate and has done so with force, good grace, and considerable humor—all of which characterize him. All these elements have to be combined if the Congress is ever to give up such a substantial element of power—not a popular thing up here on Capitol Hill.

But if anyone can pull it off it is MACK MATTINGLY. I ask that a May 14 article from the Wall Street Journal on the subject be printed in the CONGRESSIONAL RECORD.

The article says MACK is making progress. I hope it is so. He sure has my vote.

The article follows:

[From the Wall Street Journal, May 14, 1985]

THE LINE-ITEM VETO COULD SPEED BUDGET PROCESS BUT SUBSTANTIALLY INCREASE THE PRESIDENT'S POWER

(By David Shribman)

WASHINGTON.—More than a century ago, in the early days of the Civil War, the founders of the Confederacy bestowed upon their new nation a tool of government known as the line-item veto. Now, President Reagan, like nearly all of his predecessors in the White House, wants it, too.

This month, for the first time since Reconstruction, legislators are mounting a serious effort to permit the president to veto specific items in appropriations bills. Even its opponents acknowledge that such power might help trim the federal budget deficit a little, but lawmakers already are expressing worries over how it would alter the traditional relationship between the legislative and executive branches of government.

When the framers of the Constitution, chastened by their experiences with the British in Colonial days, gave presidents the right to veto legislation, they forced them to accept or reject bills without changes. The line-item veto, which President Ulysses Grant said would "protect the public against the many abuses and waste of public moneys," would permit a president to pick and choose among elements of an appropriations bill, retaining funding for a national park here, cutting out money for a rapid-transit subsidy there, and perhaps striking out a water project elsewhere.

"It's not a panacea,' says Republican Sen. Mack Mattingly of Georgia, the leader of the modern-day movement to win approval of the line-item veto. "But it's one of the tools that ought to be used in the budget process."

In his landmark commentary on American government, Lord Bryce said the line-item veto was "desired by enlightened men" and would "save the millions of dollars a year." Now 43 of the nation's 50 governors have that tool, and Mr. Mattingly's effort to win a two-year trial for it on the federal level may have enough support to be approved in the Senate, though its prospects in the House are less bright.

"We need to try it," says Sen. Mattingly. "If the president doesn't abuse it, Congress might want to extend it. If it's misused, we'll revoke it. There's nothing to lose."

The issue, however, defies the customary divisions on Capitol Hill. Sen. Ernest Hollings, a former Democratic governor of South Carolina, is a staunch advocate. Sen. Dale Bumpers, a former Democratic governor of Arkansas, calls it "a terrible idea." Many young conservatives, such as Rep. Newt Gingrich (R., Ga.), support it, but its most vocal House opponent is Rep. Mickey Edwards (R., Okla.), another young conservative who often sides with Mr. Gingrich on other issues.

"I can't conceive of why a conservative would support a line-item veto," says Mr. Edwards. "Conservatives think government ought to be limited and that power should not be concentrated. If you want to make the point that Congress is at fault for excessive spending, this is the worst way to do it."

REAGAN URGES CONGRESS

In both his State of the Union address and his recent speech on budget issues, President Reagan has urged Congress to give him the power he used as governor of California to reduce the legislature's spending by 2%. "Then I'll make the cuts," he vowed on television late last month. "I'll take the responsibility—and the heat."

Although one of Mr. Reagan's predecessors, Gov. Hiram Johnson, used the line-item veto to cut California spending by 15% in 1913, many experts agree that the results on the federal level would be considerably more modest. In fact, with items such as entitlements and interest on the debt accounting for a large chunk of the federal budget, most of the budget would be invulnerable to a presidential line-item veto. Cutting 2% from the items that would be vulnerable would shave only about $7.7 billion from the deficit of $213.3 billion projected for the current fiscal year.

"The majority of the money he could veto would be defense," said Rep. Willis Gradison (R., Ohio), a member of the House Ways and Means Committee. "Is it wise to create a system where future presidents could so easily cut defense spending?"

LONG-TERM EFFECTS

But the Heritage Foundation, a conservative research organization, argues that the long-term effects of a line-item veto could be substantial. If American presidents had used the veto to trim the "controllable" elements of federal spending by 2% each year since 1974, the group argues, the cumulative effect would have been a $49 billion reduction in this year's deficit.

Under current rules, lawmakers routinely wrap favored spending programs into appropriations bills that they know the president won't veto. With the line-item veto, the time-honored techniques of pork-barrel legislation and logrolling would change considerably, and the items the president singles out for a veto would then have to win approval of two-thirds of both houses.

"The line-item veto," says Sen. John Chafee, a former Republican governor of Rhode Island who didn't have the line-item veto, "would give the president the power to go after excessive spending items and force the Congress specifically to approve them."

The principal opposition to the line-item veto comes from lawmakers and experts who believe it would grant too much power to the president in exchange for too little benefit. "It's a Trojan horse," says Sen. Lawton Chiles of Florida, the ranking Democrat on the Senate Budget Committee. "There'd still be a budget problem with the line-item veto. The President isn't going to cut the defense spending. All that would be left are the programs that we've cut time after time after time.

THE HISTORIC BALANCE

These opponents argue that the historic relationship between the legislative and executive branches, fashioned in two centuries of struggle over checks and balances, would be jeopardized.

"Under the separation-of-powers doctrine, we've been much more careful than the states to make sure the powers of the executive are circumscribed," says former Republican Rep. Barber Conable of New York, now a senior fellow at the American Enterprise Institute here. "I don't think Congress is going to give a significant legislative power to the president. Most of the people advocating the line-item veto would not be advocating it if Walter Mondale were president and if the defense appropriations bill were at issue."

Many experts think it would require a constitutional amendment to give the president this power. And like many constitutional questions, much of the debate on the line-item veto is being conducted over the views and motives of men who can't be consulted, the founding fathers themselves. They left few specific hints on this issue.

"The founding fathers didn't anticipate the kind of problems we have today," says Judith Best, a political scientist at the State University of New York at Cortland. "If they were here now, they'd favor it. They were very much in favor of internal controls on government."●

MALAWI AGRICULTURE

● Mr. BOSCHWITZ. Mr. President, if people are allowed a reasonable return on what they produce, they will produce more and all will benefit. This basic tenet of free enterprise is so often misunderstood—but not by President Banda of Malawi. Some assume that free enterprise means a collection of large corporations. It certainly does not. It means opportunity and access—that all who wish may produce and achieve. In the midst of Africa and the host of problems found there, is Malawi—an Oasis in a Contient's Agricultural Desert.

Mr. President, I ask that an article with that title be placed in the CONGRESSIONAL RECORD and I wish to publicly acknowledge President Banda's far-sighted agricultural developmental policies.

The article follows:

[From the Wall Street Journal May 15, 1985]

MALAWI: OASIS IN A CONTINENT'S AGRICULTURAL DESERT

(By Sam Levy)

The evening news, featuring the swollen bellies and glazed expressions of African children, has impressed upon Americans the horrors of famine in Africa. Experts intone solemnly that, extrapolating from current trends in population growth and food production, at least 80 percent of all Africans will be living (and dying) below the poverty line by century's end. But Africa is not monolithic, nor are the barriers to agricultural self-sufficiency, even for the poorest of the continent, insuperable. The remarkable case of Malawi demonstrates how much can be accomplished through pragmatic policies and a commitment to economic growth.

Malawi is a small, landlocked nation, about the size of Pennsylvania, in south-central Africa. It was classified by the United Nations in 1980 as a member of the "Fourth World," the poorest of the poor countries that exist at or below the margin of subsistence. Unlike many of its well-endowed neighbors such as Zambia and Tanzania, it has no significant mineral resources or fabulously fertile land to attract investor and generate foreign exchange. Until recently, Malawi's traditional export had always been labor. At independence in 1964, Malawi seemed among the least viable of the new nations in Africa. But while per-capita food production in the rest of sub-Saharan Africa has fallen 0.45 percent a year since the early '60s, in Malawi it has risen 1.15 percent annually in the same period. "Fourth World" Malawi is agriculturally self-sufficient and even exports food to its wealthier, hungry neighbors.

The not-so-secret formula of Malawi's success in feeding itself when others are starving consists largely in giving its farmers a fair deal. In much of the developing world, rural areas are badly discriminated against by central governments, whose power bases lie in the cities. In order to forestall the political disaffection of urban consumers, shaky Third World governments subsidize food at the expense of the farmers, who may legally sell their crops only to a government marketing board at a fixed, low price. Services such as hospital care and education are provided to urban residents, and are provided to urban residents, and are often free even to those who could pay for them, while rural taxpayers go without. The wages of select urban groups are kept artificially high. Consequently, cities become magnets for rural migrants, who often end up languishing there in subsidized unemployment. The farmers who remain are forced to bear an even heavier burden, and are sometimes forced onto state collective farms. With taxes high and prices low, many simply stop producing for exchange, and return to a subsistence pattern of cultivation. Hence the need for massive food imports.

In Malawi, however, the individual farmer on his traditional private holding is the focus of development efforts. Taxes are not confiscatory, and there is no coercion to participate in government agricultural schemes. In contrast to systems where a farmer must fill a government quota at a fixed, low price, Malawians can and do trade through private channels on the rate occasions they don't like the prices offered by Admarc, the state marketing board.

Elsewhere in Africa, poorly run state-owned companies pay farmers with worthless company scrip, and gouge them on the inputs they make available. There are always incentive goods available in free-market-oriented Malawi, and Admarc operates more than 1,000 temporary, low-overhead rural markets in the harvest season. Most of the "marketing bureaucracy," which in other countries often hinders timely and honest distribution, consists in Malawi of local people seasonally hired. And where others have ignored rural transport needs and spent small fortunes to build a few miles of superhighway outside the capital. Malawi has concentrated on cheap, feeder roads to get the crops to market. It was to Malawi that EEC buyers ran for emergency food aid for Zambia (with three times Malawi's per-capita income) in 1984.

While there is no collectivist pressure in Malawi, neither is there a *laissez aller* indifference to rural progress. For example, credit in rural areas is granted by a well-trained agricultural extension agent, who encourages and demonstrates innovative practices in his double capacity as a loan officer. As a result, innovation takes hold more quickly, and the credit recovery rate for groups is 95 percent. Elsewhere in Africa, where the cultivator must deal with separate, uncoordinated bureaucracies for his various needs, a credit recovery rate of 60 percent is considered good.

What makes tiny Malawi's achievements all the more noteworthy is that the country has succeeded in swimming against the socialist tide that has swept many of its neighbors under. The collectivist currents that filled so many volumes of speeches and carried off for relocation millions of unwilling families never touched Malawi. Much of the credit for the tenacity with which the country has held fast to its free-enterprise convictions belongs to President Hastings Kamuzu Banda. While other leaders, attempted to coerce their societies to conform to their ideological predilections, Mr. Banda introduced new opportunities for profit to the traditional small-holder sector. Farmers responded; rural income grew and farm clubs and credit groups, formed voluntarily, grafted easily onto traditional rural cooperative groups.

In foreign policy as well, Mr. Banda has proven to be the consummate pragmatist. He established diplomatic relations with South Africa in 1967, and has since used those ties to achieve greater economic independence from South Africa by diversifying trading partners and cutting down on labor migration. Unlike more flamboyant, globe-trotting Third World heads of state, Mr. Banda attends assiduously to local problems. "It is wrong to be concentrating on international issues when there's nothing to eat and no houses to sleep in," remarked a Malawian diplomat.

Ironically, it is precisely Mr. Banda's leadership that troubles observers concerned for Malawi's future. The "Life President" is at least 79 years old. Succession is an absolutely taboo subject in the country, and since Malawi is a one-party state there is no democratic mechanism by which to select new leadership. To engage in political activity outside the Malawi Congress Party or to criticize the president's regime is to court summary and prolonged detention. However firm his grip is now, nothing ensures that Mr. Banda's genuinely popular economic legacy will remain the order of the day after his death.

Malawi still faces immediate difficulties. The guerrilla war in neighboring Mozambique has cut off Malawi's most cost-efficient trade routes. As in much of Africa, the terms of trade for its exports have deteriorated, and it needs to reduce its foreign debt and rate of population growth. But Malawi began with higher population density, lower income and fewer resources than any of its neighbors. That it has outdistanced them in per-capita food production and became agriculturally self-sufficient testifies to the power of market incentives and pragmatic political leadership to feed the hungry in the rest of the continent.●

CAN A TREATY ELIMINATE GENOCIDE?

● Mr. SYMMS. Mr. President, yesterday's Washington Times carried a fine editorial by Peter Wehner on the Genocide Treaty titled "Can a Treaty Eliminate Genocide?"

The Genocide Treaty has not stopped genocide since its inception. Hitler was not prevented from committing genocide by moral posturing or by meaningless pieces of paper. The Third Reich was halted by protracted, but decisive military action. The Genocide Treaty, unless it is amended to include political genocide in its definition, remains a sham, and an insult to present-day victims of genocide. As the author of this article states:

> * * * Should its passage act as a substitute for present responsibilities, then we will have committed a far greater sin than in rejecting it.

Mr. President, I ask that this article be included in the Record.

The article follows:

[From the Washington Times, May 20, 1985]

Can a Treaty Eliminate Genocide?

(By Peter Wehner)

Whether or not the United States votes to ratify the genocide treaty, we can be certain of one thing: the debate will generate far more heat than light.

The heat is sure to come from self-righteous senators who want to go on record as courageously "opposing genocide."

The light, we can hope, will come from serious individuals who will not permit the discussion of a non-binding document to distract us from the real tragedies in our midst which we so often and easily ignore.

Wholly apart from the merits of the treaty itself (which are intrinsically limited), one thing is clear: the signature of the United States on a genocide treaty will not stop genocide. At best, it will be a positive moral statement. It may even be good. But it is mostly irrelevant. And should its passage act as a substitute for present responsibilities, then we will have committed a far greater sin than in rejecting it.

Most people cannot see how ratifying a treaty against genocide carries any moral ambiguity. The issue takes on new meaning, however, in light of recent American history, particularly where the conflict between rhetoric and reality, rationalism and pragmatism, was most evident: the U.S. involvement in Southeast Asia.

Throughout the 1960s and early '70s, antiwar protesters had seemingly monopolized the moral ground, constantly pitting moral responsibility against national security interests almost as if they were, by definition, mutually exclusive terms. They argued that a U.S. presence in Vietnam subordinated the former to the latter. And hence, our hands were stained with the blood of an unwanted war.

Peace, their reasoning went, would result from a U.S. disengagement. Disengagement was morally correct; U.S. involvement promoted terror and cost lives; and if we only would withdraw and let events take their natural course, all would be right with the world once more.

But these illusions have been shattered by the deaths of millions. America did leave. We left Southeast Asia to the "indigenous agrarian reformers" and "nationalist leaders" who supposedly were the driving force of the Vietnamese revolution.

And now the objective realities have turned out to be a tragedy we can scarcely comprehend: the extermination of between one-third and one-half of the Cambodian population, mass deportation, slave labor, "re-education" camps, and a terrorized people risking their lives to escape another Marxist paradise. It is now a region free of U.S. involvement, and it is a region at war with its people.

Where are the cries for justice now? Where is the anguish? What has happened to the advocates? But Americans, by and large, are no longer concerned. We have left Southeast Asia to live in splendid isolation. Come Home, America.

This romantic assessment of Asian communism was a myth eventually swept away by the rivers of blood that habitually follow the establishment of Stalinist regimes. The actions of the Viet Cong, the North Vietnamese army, and the Khmer Rouge reinforce what men like Alexander Solzhenitsyn have long understood: that there are certain qualities that will forever remain intrinsic to communist systems. "Rulers change," he wrote "but the Gulag Archipelago remains."

This issue cannot simply be cast aside, or turned into an intellectual debate between "liberals" and "conservatives." It is a profound moral issue involving human life and human worth, an issue of absolute mortality—that uses human lives as a means of supporting a preordained political ideology.

Now we hear it said again—this time in Central America—that the United States is responsible for an escalation of tensions. The United States is charged with pursuing military confrontation instead of political dialogue and of running against the tides of history.

Of course, the terror will not stop if the United States leaves Central America, anymore than it did when we left Southeast Asia, even if our sense of moral responsibility will. How many times, one wonders, must this tragic drama unfold before we see the true nature of the struggle?

Whatever the answer, it should now be self-evident that real peace is not the product of moral rhetoric, or even noble human aspirations. And surely, no one can now argue that abdication can serve as a substitute for responsible policy. History has shown it, and millions of lives have been lost proving it.

Henry Kissinger once said that the difference between freedom and totalitarianism is not transient or incidental; it is a moral conflict, of fundamental historical proportions, which gives the modern age its special meaning and peril. The United States, therefore, is compelled to act: to act first, and after much thought and reflection, to define its principles and to translate those principles into effective action. That can only be achieved by selective involvement, not by unilateral disengagement.

Perhaps the United States will sign the genocide treaty. But to give the question much importance is to miss the heart of the matter. A piece of paper signed by 90 countries during the 1970s, as Cambodians were being systematically and brutally exterminated, will not stop genocide. Only a nation willing to engage in the battle can stop the march of evil.

"All that is necessary for evil to succeed," Edmund Burke wrote, "is that good men do nothing." Today, in a dark world, we condemn human rights abuses. We argue about "outlawing" genocide. We free our conscience by disengaging ourselves, and then we build memorials to the dead. And throughout, we continue to watch the people die.

"Never again"—and seemingly forever.●

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 9:30 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stand in recess until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. DOLE. Mr. President, I ask unanimous consent that following the time for the two leaders under the standing order tomorrow, there be a special order in favor of the Senator from Wisconsin [Mr. Proxmire] for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, following the special order for the Senator from Wisconsin on tomorrow, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond 10 a.m., with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, following routine morning business on tomorrow, the Senate will resume consideration of S. 1160, the DOD authorization. Pending will be the amendment just offered by the distinguished Senator from Connecticut [Mr. Dodd] relating to Nicaragua, and it is my understanding that there will not be a great deal of debate on the amendment.

Following that, it might be possible to take up the amendment of the distinguished Senator from Massachusetts [Mr. Kennedy].

During that time, we will be working with the Senator from Georgia to see if there is some way to resolve some differences of opinion on amendment No. 159, concerning the MX missile.

I suggest to my colleagues that it is still the hope of the managers of the bill to complete action by late, late Thursday or Friday evening.

It is my understanding that we have disposed of some 20 amendments today. They have made good progress. There are probably four or five rather significant amendments remaining. If we can dispose of two of three of those tomorrow, we will be making progress. There may be five or six significant amendments. So that is the hope.

The distinguished manager of the bill, Senator Goldwater, reminded me as he left that we did not stay very late tonight. Tomorrow, we hope to get in a full night. So I caution my colleagues accordingly.

RECESS UNTIL 9:30 A.M., TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 9:30 a.m. tomorrow, Wednesday, May 22.

The motion was agreed to; and at 10:27 p.m., the Senate recessed until tomorrow, Wednesday, May 22, 1985, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 21, 1985:

Department of State

Paul Julian Hare, of the District of Columbia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zambia.

National Foundation on the Arts and the Humanities

Alice Wright Algood, of Tennessee, to be a member of the National Museum Services Board for a term expiring December 6, 1989, reappointment.

In the Army

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Vaughn O. Lang, 188-20-6157, U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Bennett L. Lewis, 002-16-8027, age 58, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John F. Wall, 251-44-7177, U.S. Army.

EXTENSIONS OF REMARKS

PRODUCT LIABILITY ACT OF 1985

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. SHUMWAY. Mr. Speaker, American manufacturers and consumers are facing a nightmare of legal limbo—and one without an end—unless we do something about it. This nightmare is the unnecessary burden created by the great disparities in product liability standards applied throughout the country, which creates uncertainty, unpredictability and unfairness for judging the safety or effectiveness of products.

Never before has product quality commanded the attention of American manufacturers as it does now. Aside from the fact that a company's sales and reputation are on the line, overseas competition has upped the ante for quality and price superiority. Yet, we have also recognized that we must balance our country's competitive needs with the concomitant need of protecting the consumer from defective products. Indeed, the enactment—at both the Federal and State level—of certain minimal standards for product quality and safety reflects this balance.

Unfortunately, the principles underlying the rules of product liability have been so distorted by the rapid course of legal change that the balance among the differing needs has become distorted and, in fact, threatens to destroy the very safety and competitive efforts they were designed to foster. As the laws are presently written, everyone loses—manufacturers, consumers, plaintiffs, and defendants.

The blame for the present situation lies squarely on our system of law. Now set at the State level, we have 50 different standards for evaluating product liability. Product liability law varies widely from one jurisdiction to the next. In fact, only 32 States even have product liability statutes. Yet, no two of these statutes are alike and most of them fail to address the principal issues that arise in product liability. The effects of this legal mishmash are devastating not only to businesses but also to consumers.

A State-by-State system invites litigation, simply because 70 percent of all products produced in any one State leave it and enter nationwide commerce. This means that many American manufacturers face the impossible task of meeting 50 different statutes and judicial opinions setting product liability standards. The variety and inconsistency make it almost impossible for a manufacturer to meet his obligation and make a product that won't eventually face litigation or present possible liability.

Since 1974, the number and cost of product liability suits has increased nearly 500 percent. The blame can't be attributed to manufacturers. Certainly, there are no more defective products on the market now than there were in 1974. As a matter of fact, there are probably fewer. No, the current State-determined standards for a national market have produced this aberration because they encourage plaintiffs to sue on the basis of jurisdiction rather than on the real merits of the case.

What have been the effects on business? Businesses, particularly the small-scale operations which are the backbone of our economy, are threatened by the staggering costs of product liability litigation. These suits affect not only manufacturers but retailers and distributors as well. Because of the great cost, many businesses have a difficult time paying for the defense of a product liability suit. The mom and pop companies often find this cost insurmountable to continuing to do business as usual. Even if they are not found liable, the businesses may still pay heavily in legal fees.

Equally as important is the fact that the cost of product liability insurance has escalated at the same rate. Product liability insurance rates are set on a nationwide basis, in contrast with the way other liability insurance rates are set, such as medical malpractice or automobile insurance. However, because of nonuniform, unpredictable and unfair State standards, product liability insurers cannot reasonably assess the relationship between the true risk of the product and the cost of the insurance. Hence, their calculation of rates is not done on a rational basis, but rather by guesswork and panicky hedging "against the worst case scenario." What this means for business is that the cost of insurance has skyrocketed to the point that many companies cannot—or will not—produce certain products.

The system's effects do no end with businesses. Indeed, it isn't fair to consumers either as the tangle of State laws may provide harsh results for individuals who should be compensated for their injuries. For example, given the same set of facts, an injured person may recover damages in one State, but not in others. Statutes of limitation also vary, providing the right to pursue recovery for injuries in one State, but not others, depending on the amount of time elapsed between purchase and injury. In some States, injured persons cannot recover if they contributed to the injury. In others, the law provides for equitable distribution of fault and damages. How can consumers understand what their rights or the obligations of manufacturers are in the absence of a uniform, predictable and reasonable product liability law? Federal guidelines would provide clear standards as well as promote prompt resolution of claims.

Beyond this, a number of features of the present variegated system work against the best interests of consumers. In California and New York, for example, design improvements made by a manufacturer after an accident can be introduced in court as evidence that the original product was defective. This has a chilling effect on efforts to make products safer through use of new knowledge and advanced technology. Companies in these States run the risk of being punished for improving the safety of their products. Federal guidelines for product liability will eliminate disincentives for making products safer.

Further, the costs of product liability—through increased litigation and insurance expenses—are passed on to each of us as consumers in the higher prices we pay for goods. Uniform Federal guidelines would benefit consumers by removing a large part of these transaction costs and unnecessary expenditures on legal determinations from the system. More importantly, national standards will also ensure that a larger part of the product liability dollar will be delivered to victims of product-related injuries.

Uniform Federal guidelines are also needed to reverse the inexorable drift in product liability law away from the traditional notions of liability and toward a judicially created tort system of risk distribution and no-fault compensation. For example, the highest court in New Jersey ruled that a company can be held liable for product-related injuries even though scientific knowledge at the time of the product's manufacture and sale could not have established any danger. And courts in several States have held that a manufacturer may be liable for injuries without proof that the company actually made the product. This trend toward absolute liability—which holds manufacturers liable for defects in product design or inadequate warning even though reasonable care was taken—unduly punishes many businesses. More importantly, it erodes all of the well-established and legally sound tort law principles on which our product liability system is based. Federal guidelines would establish uniform liability concepts against which manufacturers can assess their products in light of set standards for responsible conduct and strive toward a safe harbor—a protection against liability.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

While a manufacturer which sells a defective product or fails to provide adequate warnings should be liable when at fault, increasingly, manufacturers are held accountable for irresponsible actions by the product user. In Maryland, for example, a laundry dryer exploded when two men stuffed a hot air balloon into the machine. In spite of their reckless use of the dryer, the men were awarded $855,000.

Finally, a national product liability law will help to restore America's competitiveness in the international marketplace. There is little doubt that the present product liability system places American manufacturers at a disadvantage with foreign competitors who are free from excessive product liability costs in their home markets. If unchecked, product liability may jeopardize a major portion of the American manufacturing community.

Product liability is a growing concern. Indeed, product liability reform is long overdue. Congress can and should bring some order to the situation.

I am pleased, therefore, to introduce a bill to establish clear Federal standards for product liability cases.

My bill, the Product Liability Act of 1985, was first introduced in the 97th Congress and reintroduced in the 98th Congress. It is the product of extensive counsel by product liability authorities and technical advice from the entire spectrum of the manufacturing community. This bill would provide federally preemptive rules that make sense, in place of the chaotic patchwork that exists now.

The bill would also place responsibility on the person in the best position to avoid harm. By providing that manufacturers would be liable when they are at fault, the bill encourages the design, manufacture, and distribution of safe and improved products. In a number of States, product liability law neither properly allocates responsibility nor provides incentives for accident prevention.

During his term in office, President Carter proposed uniform guidelines for product liability to bring consistency to the courts across the Nation. And now, President Reagan has voiced his support for a Federal product liability law.

I urge my colleagues to join me in support of this bill that would replace the current system with Federal guidelines to insure consistency, promote product safety, reduce transaction costs, and provide fair compensation for injured persons.

I commend to the atttention of my colleagues the following section-by-section summary of my legislation:

SECTION-BY-SECTION EXPLANATION OF THE PRODUCT LIABILITY ACT 1985

§ 1. Title. Product Liability Act of 1983.

§ 2. Findings and Purposes. Provides findings and purposes underlying need for legislation.

§ 3. Definitions.

(1) Commerce. Defines to apply full Commerce Clause authority.

(2) State. Defines to include possessions, territories, etc.

(3) Person. Defines very broadly and includes any Federal, State or local governmental entity.

(4) Product. Defines to include any "object or substance." Expressly excludes human tissue, organs, or blood and its components.

(5) Product liability action. Defines to include any claim or action brought by a claimant against a product seller for harm caused by a product. Includes, but is not limited to, actions, previously based on strict liability in tort, negligence, breach of warranty, misrepresentation, concealment, or non-disclosure "(whether intentional, negligent or innocent)," manufacturer's liability, products liability, or otherwise.

(6) Claimant. Defines to include persons harmed and their legal representatives.

(7) Harm. Defines to include damage to property (other than product itself), and personal physical injuries (including death), pain or mental harm suffered by claimant resulting from personal physical injuries. Expressly excludes commercial loss.

(8) Manufacturer. Defines to include any wholesaler, distributor or retailer who "plays a significant role" in designing, producing, altering, modifying, etc. the aspect of the product which injures claimant. Excludes one who distributes a product, and who also assembles, prepares, etc. the product in accordance with instructions, etc. of manufacturer.

(9) Product seller. Defines broadly. Excludes sellers of realty (except if the person is engaged in the mass production and sale of standardized dwellings), providers of professional services, and persons acting only in a financial capacity who are not manufacturers, wholesalers, distributors or retailers.

(10) Representation. Defines to mean an explicit statement, affirmation of fact, promise or description.

(11) Feasible. Defines to mean practicable and reasonable within generally acceptable technical and scientific knowledge, which is available, adequately demonstrated and economically reasonable for use and sale, at time of manufacture.

(12) Preponderance of the evidence. Defines to provide a more probable than not standard.

(13) Clear and convincing evidence. Defines to require proof necessary to produce firm conviction as to allegations sought to be established. States that requisite proof is greater than preponderance of evidence, but less than beyond a reasonable doubt.

(14) Known/Knowledge. When imputed to a person other than an individual, defines to mean that a natural person in a reasonable position to assess the significance of information is aware of that information.

§ 4. (a) Preemption. Supersedes federal and state law to the extent such law is inconsistent with the Act.

(b) Federal Jurisdiction. Does not vest subject matter jurisdiction in federal district courts.

§ 5. Standards of Responsibility for Manufacturers.

(a)(1) Generally. For liability to obtain against a manufacturer, trier of fact is required to find by preponderance of evidence that—

The product was unreasonably dangerous in construction;

The product was unreasonably dangerous in design;

The product was unreasonably dangerous because of a failure to provide adequate warnings or instructions; or

The product was unreasonably dangerous because it did not conform to manufacturer's representation, and that the unreasonably dangerous aspect of product was the proximate cause of harm; and that the defendant manufactured the product.

(a)(2) Collateral Estoppel. No offensive collateral estoppel.

(a)(3) Expert Testimony. Expert testimony is sufficient evidence only if corroborated by substantial objective evidence based on generally accepted scientific or technical knowledge.

(b) Constructon Defects. To establish a construction defect, the product must be shown to deviate (1) from design or performance standards or (2) from otherwise identical units, and that the deviation created an unreasonable risk of harm.

(c) Design Defects. To establish a design defect, an alternative design must be shown to have been available, which on balance would have been "better" than the chosen design (defined to mean less likely to cause harm both as to the alleged hazard and as to overall protection from harm; neither more expensive nor less useful or desirable unless warranted by the added protections from harm; and not in violation of statutes, regulations, or mandatory safety standards), and which would have been capable of preventing claimant's harm.

A manufacturer shall not be liable for harm caused by uses other than those expected of an ordinary person; by alterations or modifications other than those expected of an ordinary person; or by aspects of a product not feasible of being made safe.

(d) Failure to Warn. To establish liability for failure to warn or instruct, it must be shown that danger or safety information was available to the manufacturer, was "reasonably necessary" (which is defined to refer to information concerning significant dangers which would be useful to persons likely to use the product other than information with respect to obvious or known dangers, unimportant dangers, uses other than those that would be reasonably expected of an ordinary person, or uses associated with alteration of modifications that would not be expected of an ordinary person); was not effectively provided to an "appropriate person" (defined to mean the product user, if feasible; a person reasonably expected to pass them on to the product user; in the case of certain products, an expert legally authorized to use them; in the case of products used in a workplace, the employer or person having custody of the product; in the case of components, raw materials or bulk products, the manufacturer's immediate vendee); and if provided, the warnings would have prevented the claimant's harm. Similar rules apply in case of post-manufacture duty to warn, except the manufacturer will not be liable if it made reasonable efforts to provide information to an appropriate person.

(e) Representation. To establish liability for non-conformance with a representation, claimant must show reliance on, and the untruth of, the representation. Negligence or fraud need not be shown.

§ 6. Standards for Product Sellers (Other Than Manufacturers).

(a)(1)–(2) General. Seller may be liable only if preponderance of evidence shows that product was proximate cause, that product seller failed to use reasonable care with respect to product, and that product seller sold the individual product unit involved. Seller must have known of danger that harmed claimant or have had an opportunity to inspect which would have revealed danger.

(b) Representations. Seller may be liable for its representations.

(c) Exception for Liability. Seller may be liable if manufacturer cannot be located or is not subject to process or if court determines that a judgment against manufacturer will probably be unenforceable.

(d) Collateral Estoppel. No offensive collateral estoppel.

§ 7. Government Standards and Contract Specifications.

(a)(1) Use by Claimant—Design Standards. If product seller did not comply with mandatory federal government standards, the product will be considered unreasonably dangerous unless it is proved by clear and convincing evidence that failure to comply was reasonably prudent conduct under circumstances.

(a)(2) Use by Manufacturer—Design Standards. If product seller proves compliance with mandatory federal government standards, product will not be considered unreasonably dangerous unless claimant proves by clear and convincing evidence that standards were unsound.

(b) Mandatory Government Contract Specifications. Substantial compliance with mandatory federal, state, or local government contract specifications for design or instructions protects product seller from liability, unless the product was available commercially.

(c) Warnings or Instructions. Warnings or instructions are included within conduct covered by subsections (a) and (b).

§ 8. Evidence of Post-Manufacturing Improvements. Evidence of precautionary measures taken after date of manufacture is not admissible, except when used to impeach a witness who denies the feasibility of precautionary measures or when offered by the person who took the measure.

§ 9. Comparative Responsibility/Misuse or Alteration. Provides for pure comparative responsibility. Trier of fact determines the total amount of damages, and apportions responsibility among all persons responsible, including claimant. A de minimis rule excepts persons with insignificant responsibility from apportionment. Provides a special apportionment rule for responsibility of employers and co-employees. Comparative responsibility includes product misuse, alterations or modifications, improper maintenance, and use of a worn-out product. Judgment to be entered severally against parties liable; upon motion of claimant, obligations uncollected for pecuniary reasons may be reallocated only among joint tortfeasors.

§10. Effects of Workers' Compensation Benefits. Provides that damages otherwise recoverable are to be reduced by workers' compensation benefits. No subrogation, indemnity, contribution or lien from product seller unless agreed to. Provision for adjustment where products liability action decided prior to workers' compensation claim. No third-party action ever against employer. Does not affect indemnity agreements. Repeals "duel capacity" doctrine.

§11. Puntive Damages. After a determination of the product seller's liability for actual damages and the amount thereof, on motion, the court may determine whether punitive damages should be awarded, and the amount thereof. Punitive damages shall be awarded only if a product seller acted with "reckless disregard," defined as a flagrant indifference to consumer safety indicating an extreme departure from accepted practice. A choice among competing designs or warnings when made in the ordinary course of business does not constitute reckless disregard. In determining punitive damages, the court shall consider the likelihood that serious harm would arise; the extent of the product seller's awareness of such likelihood; the profitability of the misconduct; the duration of the misconduct and any concealment thereof; the attitude and conduct of the product seller's officers upon discovery of the misconduct; the financial condition of the product sellers; the total effect of other punishment imposed on the product sellers; and whether claimant acted in reckless disregard of his own safety. Punitive damages for any one claimant shall not exceed twice the amount of actual damages and in no event shall exceed $1 million. With respect to all claimants, punitive damages and prior fines shall not exceed the lesser of $5 million of net worth.

§12. (a) Statute of Limitations. Claims must be brought within two years of the time they were discovered or should have been discovered.

(b)-(d) Statute of Repose. Provides a 10-year statute of repose which commences on the date of first sale. However, in the event that the manifestation of the harm is delayed, or in the event of intentional misrepresentation by a product seller, a 15 year statute of repose is applicable. Also, a product seller may extend these time limitations in writing These time limits are not applicable to actions for contribution or indemnity.

§13. Miscellaneous. Severance clause.

§14. Miscellaneous. Effective 60 days after enactment, applying to all actions commended on or after that date. Notwithstanding the foregoing, all claimants able to bring an action on the effective date under prior law may commence an action under the Act within one year of its effective date.●

THE NEED TO PRESERVE THE JOB CORPS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. HAWKINS. Mr. Speaker, later this week the House is expected to consider the first budget resolution in which education and training programs including the Job Corps are funded at fiscal year 1986 current policy levels. Although many of my colleagues have expressed their strong support for the Job Corps programs over the last few months, I would like to call to their attention to a policy statement of the National Council for Employment Policy entitled, "The Need to Preserve the Job Corps." The National Council on Employment Policy is a private, nonprofit organization of academicians, administrators, and policymakers with a special interest and expertise in the area of employment and training. This statement represents the combined judgment of the members. Despite divergence of opinions on details, the members agreed on the sense of the discussion without indicating individual exceptions.

I believe that the council's policy statement in defense of the Job Corps is worthy of consideration by my colleagues and I urge them to join with me in reaffirming their commitment to save this vital program.

NATIONAL COUNCIL ON EMPLOYMENT POLICY URGES CONTINUATION OF JOB CORPS

As part of its fiscal 1986 deficit reduction package, the Reagan administration has proposed termination of the Job Corps program. The National Council on Employment Policy, after careful review of the record and achievements of Job Corps, believes that this proposal would unjustifiably eliminate cost-effective training and assistance for America's most disadvantaged youth. Based on available evidence, the Council urges its continuation.

The proposal to terminate Job Corps is contradicted by the administration's own findings. In 1983, an independent evaluation sponsored by the Department of Labor concluded that Job Corps is "a worthwhile public investment" and "an economically efficient use of resources in the sense that the program provides greater value to society than the value of the resources it uses up." Upon the 20th anniversary of the founding of Job Corps last year, the Labor Department further praised the program as "the last, best hope [for some disadvantaged youth] to join the societal mainstream." President Reagan marked the occasion by calling the Job Corps "A vital program . . . in keeping with the American spirit of helping others to reach their full potential. . . ."

The impressive performance of Job Corps has given the program broad, bipartisan support in Congress. Senator Orrin Hatch (R-UT), chairman of the Senate Labor and Human Resources Committee, succinctly summarized the basis for his commitment to Job Corps as follows:

"I studied most of the reports on the effectiveness of the program and the long-term success of its students. . . . It was clear that the Job Corps was not a handout program at all, but a hand-up program designed to give youth a chance to learn lifetime skills.

"In short, I support the Job Corps because it works. We can count the results, measured by those young people who become full, contributing members of our society. . . ."

Senator Alan Cranston (D-CA) has echoed these sentiments, stating, "Against the background of unacceptably high unemployment among youths, especially minority youths, it is nonsensical to eliminate the one program proven effective in dealing with hard-core youth unemployment."

These strong endorsements of Job Corps stem from repeated and careful assessments of the program's impact on disadvantaged youth. As documented by the Labor Department's recent evaluation, participation in Job Corps:

Increases employment and earnings by an estimated $500 annually in comparison to control groups;

Raises threefold the likelihood of earning a high school diploma or equivalent;

Enables 5 percent of participants to go on to college, as compared to none in control groups;

Decreases dependence on public assistance and unemployment insurance benefits by annual averages of three weeks and one week respectively;

Reduces costs associated with criminal activities among disadvantaged youth by an average of more than $2,100 per participant; and

Diminishes the likelihood of out-of-wedlock births.

Most importantly, past research demonstrates that aggregate societal benefits derived from Job Corps exceed the overall costs of the program. An exhaustive study by Mathematica Policy Research found that Job Corps yields $1.45 in benefits for every dollar of investment.

Given its record of accomplishment, the Council is surprised and dismayed by the Office of Management and Budget's proposal to terminate Job Corps. Upon close examination, we find OMB's arguments regarding Job Corps to be inaccurate, misleading, and fundamentally flawed.

The Office of Management and Budget's rationale for terminating Job Corps places great emphasis on the program's relatively high training costs—$15,200 per annual training slot. This comparison with JTPA training ignores the fact that the Job Corps is a 24-hour residential program offering, at least, 40 hour weekly education, training, and work activities, while JTPA classroom training slots usually average less than 20 hours weekly. To defend its claim that the cost of Job Corps is excessive by drawing irrelevant comparisons with the cost of attending Harvard or Stanford, ignores the vast differences in the young people which Job Corps and institutions of higher education attempt to serve. A former Job Corps director dramatized this point early in the program's history by offering to pay tuition from his own pocket for any Job Corps enrollee Harvard was willing to accept. The challenge never cost him a dime, and Job Corps remains targeted on youth who generally have nowhere else to turn for assistance.

Job Corps serves a highly disadvantaged population: eight of every ten participants are school dropouts, 40 percent of new enrollees have prior arrest records, 25 percent fail to meet the minimum entrance requirements of the armed forces, and 100 percent come from households with incomes below the poverty level. It is neither surprising nor damning that a program designed to provide intensive skills training and job counseling to such "hard-core" unemployed youth would require substantial expenditures per participant and fail to meet the needs of every participant. The key issue is whether Job Corps produces positive returns on public investments, and whether repeated evaluations document that the program passes this test with flying colors.

OMB also has misconstrued the record of Job Corps in areas of remedial education, training, and job placement. By focusing solely on the 35 percent of participants who reach the highest skill levels in Job Corps remediation, OMB fails to note that many others exit the program at intermediate skill levels to seek work in appropriate fields.

OMB further misrepresents the post-program employment inputs of Job Corps by manipulating outcome statistics to stress the negative. In the past the Job Corps was criticized for reporting inflated placements by counting only terminees contacted who were not in school, raising families, or incarcerated. The Job Corps stopped reporting these counts. Yet OMB has resorted to these questionable statistics by asserting that all terminees not followed up or documented as placed represented program failures when, in fact, most were in school, the military, or in jobs but not contacted. We find it baffling that OMB chooses to consider enlistment in the armed forces or return to school as "non-positive" activities.

In seeking to abolish Job Corps, OMB argues that disadvantaged youth could be more effectively and appropriately served under the Job Training Partnership Act. This claim fails to note that current funding for JTPA programs is already inadequate to meet the broader employment and training needs of both youth and adults, and as a result most JTPA initiatives are reaching only the least disadvantaged among the unemployed who can be quickly placed in private sector jobs. In 1984, the Job Corps enrolled 57,000 minority school dropouts compared with 42,000 in all JTPA programs excluding summer participants. While eight of every ten Job Corps enrollees are school dropouts, 10 percent of JTPA participants fall into this category. Extensive evaluations by Grinker, Walker & Associates have shown that many JTPA programs are experiencing great difficulties in mounting even basic training efforts for youth and rarely attempting to target services on the most disadvantaged. If Job Corps were terminated and responsibility "transferred" to JTPA as OMB proposes, the result almost certainly would be that the unemployed youth most in need of assistance would go unserved.

Ironically, OMB attributes the presumably greater strength and performance of JTPA to "active private business sector involvement." OMB neglects to mention that 77 of 107 Job Corps centers are operated by private companies, including major corporations such as RCA, Singer, ITT, and Teledyne. The Job Corps pioneered the development of partnerships among government, business, and the voluntary sector long before JTPA or its predecessor CETA were enacted.

With a track record of more than 20 years, Job Corps is a program that has proven its worth. After countless evaluations and reviews, the evidence clearly demonstrates that Job Corps expenditures are a sound investment of taxpayers' dollars, returning societal benefits nearly 1½ times greater than the costs of the program. The task of helping highly disadvantaged youth is far from easy, but Job Corps has proven that it can be done.

Nothing in the record of Job Corps warrants or justifies its termination. The National Council on Employment Policy urges continuation of this essential program.●

EDUCATIONAL EXCELLENCE: AN INVESTMENT IN AMERICA'S FUTURE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. SOLARZ. Mr. Speaker, recently the Subcommittee on Post Secondary Education of the Education and Labor Committee held a hearing in New York City concerning the administration's proposal to cut back loans to college students.

This proposal is unwise, unfortunate, and unconscionable.

Rather than speak to this issue myself, I am honored to place into the RECORD the testimony of Ms. Mary Boyle.

Mary is a 1985 magna cum laude graduate of Georgetown University. She is exactly the kind of young American that has benefited by the availability of federally guaranteed student assistance. Mary combined several years of working part-time in my offices in Brooklyn and Washington with loans to pay the tuition at Georgetown. Without Federal aid Mary, and countless other students, would be denied access to quality educational opportunities.

I'm proud of Mary. I'm also proud to be part of a Congress that supports education and realizes that these loans and grants are an investment in the future of America.

TESTIMONY OF MARY T. BOYLE

Mr. Chairman, I would like to thank you for presenting me with the opportunity to testify before your subcommittee on an issue of great importance—the future of higher education in this country.

I am a senior at Georgetown University in Washington, D.C. and will be graduating next week with a degree in English literature. As I reflect upon the past four years, I am filled with a deep sense of gratitude for having had the opportunity to attend Georgetown. My college experiences have allowed me to grow in countless ways as I was exposed to new ideas and new worlds. In Washington, I had the opportunity to meet people from very diverse backgrounds and was, as a result, frequently challenged to examine critically different values and beliefs. I will forever treasure my time at Georgetown. I hope that others like me will be fortunate enough to be given the choices that were available to me four years ago, for I would not have had the privilege of attending Georgetown had it not been for the assistance I received from the Federal Government.

My choice to attend a private university was not made lightly as I had to be prepared to fully accept the struggle and hardship that the decision would involve. I am the fifth of six children, all of whom have completed at least their undergraduate degrees at private universities. The financial burden of our schooling would have taken its toll on virtually any family. It was particularly difficult, though, for my family because my mother has been our sole provider for the last fifteen years since my father's death. While the sacrifices are many, they pale in comparison to the future investment we are making.

Just as I have made an investment in my future, the government makes an investment in our nation's future by ensuring that its young people receive the best possible education through facilitating wider choice in the selection of a university. The government does not offer a free ride through these programs and it has not been my experience that students are trying to get something for nothing when they borrow money or participate in work study. Rather, they are seeking an opportunity to achieve. Many students hold one, and in some cases two, jobs to help finance their education and keep up with the high cost of living. They would not willingly accept these burdens if they were not serious and dedicated students who intended to fulfill their responsibility to repay the government.

Throughout my four years at Georgetown I have worked at least twenty hours per week and have, during this past semester, worked full time. Later this month, I will be graduating with honors for my academic achievement. For me, attending college has been a serious undertaking and not merely a time for play. I fully realized the responsibility I was accepting and was prepared to act on that responsibility, What is more, I am not alone. Given the cost of attaining a college education today, the vast majority of students simply cannot afford to waste their time while in school. Georgetown's tuition is $8500 per year. Coupled with the cost of books, living and traveling expenses, the burden becomes almost unbearable.

To meet the costs of one year at Georgetown, for example, I had to borrow the maximum GSL amount of $2500. I also received approximately $2400 in PELL and SEOG awards as well as an additional $2400 in the form of a university scholarship. I met the remaining costs with substantial financial and moral support from my mother and by working as many hours as possible.

Mr. Chairman, the crux of the issue is choice. Through loans, Pell grant awards and work study, I was given the privilege of choosing a university that suited my personal and career goals and not just the size of my pocketbook. There are certainly many fine public institutions which provide a stimulating academic environment. However, the choice of a school is a very individual one and should not be dictated primarily by economic concerns. The university's academic program, its location and size are all significant factors which should be taken into account.

I have dedicated many long and often trying hours to my academic pursuits and am eternally grateful that my dreams have been realized. I graudated from Nazareth high school, in Brooklyn New York, as the Valedictorian of my class in 1981. I eagerly wanted to attend Georgetown and was not denied this opportunity. Having now completed my four years there, I believe more than ever that these government programs are viable ways of sustaining educational excellence for all those who aspire to achieve. I must stress that students are fully cognizant of the fact that this is a two way street. They realize that there is no room for abuse and lack of academic commitment since their futures are at stake.

I realize that I have been exceedingly fortunate in being able to freely pursue my dreams and would be more than willing to do anything that I could to ensure that students from backgrounds similar to mine be granted this same freedom in the future.

The proposed cuts to the higher education program would seriously diminish opportunities for countless number of students whose choices would be narrowed by economic restraints. America is supposed to be the land of opportunity. Is this simply rhetoric which sounds appealing but is not backed by substance?

The cost of attending a private university is skyrocketing without a commensurate rise in student assistance. It is possible that these institutions will become places exclusively for those from upper income families causing a sharp line between the haves and the have nots in our schools. Not only will there be societal implications, but the educational quality at our private schools will be seriously hampered as the exchange of ideas will be limited largely to those who share similar viewpoints and backgrounds. It is essential that our universities remain havens for innovation and growth. Limiting participation to those of the same socio-economic background is in direct opposition to the very idea of a university.

Sacrifices need to be made and feasible alternatives should surely be explored. Private universities, for example, should be encouraged to investigate ways to bring their soaring costs under control. Furthermore, lines of communication between the school and banks which administer student loans should be clearly established. This will enable the collection of loans to be implemented more smoothly. The population of recent graduates is a fluid one and an improved communication system will aid the banks in locating students in order to begin repayment procedures.

Mr. Chairman, my youngest brother is scheduled to begin attending NYU in the fall. He is counting on having the same opportunities that his four brothers and sister have had. I very much hope that your committee will continue to support the students assistance programs so that he and other young men and women will be able to realize their dreams.●

CONRAIL SALE QUESTION

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. FOGLIETTA. Mr. Speaker, last week a group of 24 investors organized by Morgan Stanley & Co. released the details of a proposal to purchase the Federal Government's 85-percent interest in Conrail.

This is a significant development on the Conrail-sale question, and I want to insert the executive summary of this new sale proposal for the review of all Members.

EXECUTIVE SUMMARY

A group of investors organized by Morgan Stanley & Co. Incorporated proposes to purchase the U.S. Government's 85% interest in Conrail, one of the six largest railroads in the United States, and return it to the private sector as a viable, independent enterprise through a series of public offerings. The transaction has a value to the government of approximately $1.8 billion, including $1.2 billion in cash and an incremental $600 million (present value) in additional tax revenues to the government when compared to the Norfolk Southern offer. In addition, the Morgan Stanley proposal would permit the government to share in any appreciation of the price of Conrail's stock, through the issuance of purchase warrants for 1 million shares of Conrail common stock.

The proposal also contains public interest covenants the same or equivalent to those negotiated between the Department of Transportation and Norfolk Southern, including provisions relating to cash balances, dividends and capital expenditures. The covenants under which Conrail will operate were originally designed in contemplation of a sale to a corporate purchaser. In normal circumstances it would not be advisable for a publicly held corporation to operate under such constraints. The Congress should carefully consider whether such covenants are appropriate for an independent, publicly held Conrail, as they inhibit management prerogatives.

Under the proposal, Conrail will agree to surrender cumulative net operating loss and investment tax credit carryforwards and to return Conrail's "excess cash" to the government both of which are consistent with the Norfolk Southern offer.

The proposal reflects firm cash commitments from a diverse group of institutions and professional investors, including pension funds, universities, money managers, investment companies and corporations (see Section 2 for List of Investors). The group also includes CSX Corporation, whose stock interest will be placed in trust to assure that it will not participate in the management or control of Conrail, as required by statute.

The commitments of the investor group represent the strongest testimony to the economic viability of Conrail and to its future as a major independent rail carrier. The investors' $1.2 billion offer includes none of Conrail's cash, and the transaction will not add to Conrail's debt or involve the issuance of preferred stock. In fact, the Conrail balance sheet will be stronger and have more equity after the transaction than after a sale to the Norfolk Southern and Conrail will have access to capital markets on the same basis as other publicly held railroads.

Over a period of time, not to exceed five years following the purchase, the investor group will resell to the public a majority of its interest in Conrail through one or more public stock offerings. The government will clear no market risk associated with future sales of Conrail stock. At the conclusion of such offerings, the investor group will own no more than 40% of an independent, financially secure Conrail, with no single investor owning more than 10%. For a five-year period no person will be permitted to acquire or increase its ownership to more than 10% of Conrail common stock.

Overall, the Morgan Stanley proposal will provide taxpayers with a superior return for their investment in Conrail and, at the same time, preserve effective rail competition in the northeast and midwest without creating any complex antitrust issues requiring legislative resolution. If accepted, the proposal will result in a financially strong and independent Conrail, this ensuring long-term employment opportunities for Conrail workers. It also will provide more attractive financial terms for employees. The proposals will not "force-out" the ownership interest of the thousands of current and former employees who are beneficiaries of the existing Conrail ESOP. Rather, they will be offered a flexible, voluntary and equitable plan to realize the value of their investment in Conrail.

The Morgan Stanley proposal offers a number of important advantages over the competing offer to purchase Contrail by Norfolk Southern.

Better financial return to taxpayers. The Morgan Stanley proposal exceeds the Norfolk Southern offer by approximately $600 million because of the elimination of the tax losses to the government resulting from the Norfolk Southern offer. In addition, it offers the government an opportunity to participate in any appreciation in the future value of Conrail through ownership of stock purchase warrants. (See Schedule A)

Preservation of rail competition. An independent Conrail will preserve effective rail freight competition in the northeast and midwest and connecting routes in the south and west. By substantially reducing or eliminating such competition on the major east-west corridors and on connecting routes, a Norfolk Southern-Conrail combination will lead to significantly higher costs to shippers and, ultimatly, to increased prices to consumers. Preserving Conrail's independence will also avoid the need for untried and complex divestiture arrangements with small regional railroads which cannot provide effective competiton to a dominant Norfolk Southern-Conrail combination.

Better treatment for Conrail employees. The Morgan Stanley proposal recognized the significant sacrifices made by Conrail employees in returning the railroad to profitability. It offers a comprehensive financial package valued at approximately $440 million reflecting added value to the ESOP as well as cash payments to employees. This compares to $375 million contained in the Norfolk Southern offer. The Morgan Stanley proposal offers:

Preservation of the Conrail ESOP with a valuation of its underlying shareholdings amounting to approximately $210 million, as opposed to the Norfolk Southern offer which would liquidate the ESOP shareholding.

An opportunity for individual ESOP holders to participate in an offer to sell a portion of their shares to Conrail based on the same $48 price received by the government.

$200 million to agreement employees and approximately $30 million to non-agreement employees. Employees would have the option of using these payments to share in Conrail's future by participating in the investor group and purchasing common stock at $48 per share.

Fair labor protection arrangements.

Agreement employees a voice in Conrail's future by providing for two labor representatives on the Conrail Board of Directors.

By preserving Conrail as an independent entity, the Morgan Stanley proposal would avoid the job losses associated with inevitable consolidation of facilities by Norfolk Southern. An independent Conrail's commitment to its current Philadelphia headquarters and to major maintenance facilities in Altoona, Pa. is a real one and not illusory.

By returning ownership of Conrail to public shareholders, the Morgan Stanley proposal provides the most effective assurance of Conrail's long-term viability. Conrail's performance over the past several years has shown it to be a formindable competitor for freight traffic within its services areas.

The Morgan Stanley proposal will better meet the interests of taxpayers, Conrail current and former employees, shippers and consumers. It satisfies the financial and public interest factors identified by Secretary Dole in establishing a process for the sale of Conrail under the Northeast Rail Service Act of 1981. As such, it represents a logical outgrowth and culmination of that process.

SCHEDULE A. TOTAL VALUE TO GOVERNMENT OF MORGAN STANLEY AND NORFOLK SOUTHERN OFFERS

	Morgan Stanley	Norfolk Southern
Investor cash	$1.2 billion	$1.2 billion.
Conrail "excess cash"	Government will receive "excess cash".	Same.
Sharing with Government	Government will receive warrants for 1 million Conrail shares.	None.
Elimination of tax losses arising from Norfolk Southern offer (present value).	$600 million	
Total value to Government	$1.8 billion plus value of warrants.	$1.2 billion.●

SUMMER JOBS EFFORT MATCHES EMPLOYERS AND WORKERS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. UDALL. Mr. Speaker, Congress this week will consider a wide range of budget cuts. One of these is the Job Training Partnership Act, which was established as a public/private effort to help meet the needs of the economically disadvantaged and long-term unemployed. The administration has proposed cuts of $665 million for summer youth employment and $100 million for dislocated workers. Both of these programs have been very successful in my district in southern Arizona and I would be disappointed to see such a successful program's effectiveness cut.

I would like to commend the Job Training Partnership Act program for the fine results it has attained in my State of Arizona. The benefits to the people of my State have been very cost effective.

I would like to include here an article from "WorkAmerica," published by the National Alliance of Business, which gave national recognition to Yuma, AZ's, summer youth program, which was funded under the Job Training Partnership Act of 1982.

SUMMER JOBS EFFORT MATCHES EMPLOYERS AND WORKERS

A late start did not keep the Yuma, Arizona, private industry council from initiating a business-oriented approach to its 1984 summer youth jobs program that owed much of its success to a partnership with local educators.

Although Yuma's previous summer efforts had concentrated on jobs in the public sector or in private, non-profit agencies, last year the council gave equal emphasis to placing young people in private sector jobs. The result: of 319 summer placements, just about half were in private businesses.

Tryout employment seemed the logical approach for a private sector-oriented summer program, according to Joan Davis, who is with Yuma County's administrative services office for the Job Training Partnership Act. Nearby Arizona Western College, which had experience working with private employers in placing its students and graduates, was selected to run this segment. It consisted of up to 29 hours of classroom training in pre-employment skills and 221 hours of training and on-site work for young people at private companies—all at no cost to the employer. The Yuma council provided compensation in lieu of wages to the young workers.

To further stimulate business involvement and investment, employers were asked to sign an agreement stipulating that they would hire the young people for 70 hours of work following the subsidized tryout period. Only two employers decided not to retain their young employees, and one offered to pay the young worker's wages any way.

"It takes more effort to find jobs and retain them in the private sector than in the public sector," explains Moses Camarena, an Arizona Western counselor and director of the college's summer employment contract. "In the private sector there's no such thing as a common mentality; employers aren't willing to take or keep an employee just because it's a good thing to do."

The Yuma council recognized that finding, filling and monitoring private sector jobs would be more difficult than handling public sector youth employment, and its contract with Arizona Western allowed the college to place a smaller number of participants and spend more per placement. At its peak, the program enrolled about 146 young people and between 130 and 140 employers.

The effort was hampered by a rather late start. "We didn't begin until the end of May," Camarena notes, "and a lot of the job sites opened up as late as July." This caused two problems the program operators hope to avoid this year: A number of young people missed the 29 hours of pre-employment training, and the staggered start also made it more difficult to match employers and employees.

"There were mismatches in terms of the total program," he adds, and not every employer who was interested in taking a young employee got one.

Recruitment was another major chalenge: Nearly 80 percent of the participants were Hispanic, many from migrant worker families. "We really canvassed the outlying areas," Camarena explains, "and hit them door-to-door with flyers describing the program. We found that there were plenty of eligible people out there, but they are less likely to know about employment programs or to take advantage of them than people who are less disadvantaged."

Recruiting employers was just as important. Camarena's staff used direct mail to tout the benefits of the tryout employment program and auxiliary programs such as the Targeted Jobs Tax Credit. They also worked through local service groups and business organizations such as the Kiwanis and the Chamber of Commerce.

Employer reaction to the program was positive. While many of the employers expected less of "disadvantaged" youth in the beginning of the tryout period, program counselors noticed marked changes in their attitudes as the summer progressed, according to Camarena. And when a placement did not work, most employers took a second employee—a good indication of their commitment to the effort.

Even though the summer jobs effort had significant obstacles to overcome—transportation in rural, outlying areas, for example—the Yuma County Job Training Partnership Act administration and the private industry council both consider the first-time results a success. And Arizona Western, which met its goal with a 60 percent success rate, considers its efforts rewarding and important enough to plan to seek the contract again this year.●

JOHN PAUL HAMMERSCHMIDT: "A NAME TO TAKE YOUR HAT OFF TO"

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. MONTGOMERY. Mr. Speaker, this past weekend, I was privileged to participate in a tribute to one of this Nation's truly outstanding leaders—a man who stands as a grand example of the standards that each of us should seek to achieve, a man who continuously reinforces our faith in our own abilities to get the job done, a man who has never once forgotten the people who sent him to Washington. Our distinguished colleague John Paul Hammerschmidt is a true success story.

On Sunday, in a tremendous outpouring of appreciation, the people for whom and with whom he has worked told John Paul Hammerschmidt that they are proud to have him as their Representative and as their friend.

Sunday, May 19, 1985, was "John Paul Hammerschmidt Appreciation Day" in his hometown of Harrison, AR. More than 2,000 people turned out to honor their distinguished native son, now in his 19th year of representing and serving the Third Congressional District of Arkansas.

A plaza and 16-foot fountain were dedicated in John Paul's honor at North Arkansas Community College.

The dedication address was delivered by the Vice President of the United States, the Honorable George Bush, a friend of John Paul's since they began serving as Congressmen on the same day in 1967. In his remarks, the Vice President said that leaders with John Paul's experience and knowledge are assets Americans should nurture. Through his willingness to take time out of a hectic schedule to participate in the dedication, the Vice President told us all of his admiration for the honoree.

In addition to Vice President Bush, the list of dignitaries that attended this tribute is strong testament to the high esteem in which this great American and his works are held. In attendance were seven other congressional colleagues of John Paul: Gene Taylor of Missouri, Hon. Andy Ireland of Florida, Hon. Arlan Stangeland of Minnesota, Hon. Eldon Rudd of Arizona, Hon. Stump of Arizona, Hon. William F. Clinger, Jr., of Pennsylvania, and Hon. Bob McEwen of Ohio; former Arkansas Representative Ed Bethune; Secretary of the Army John O. Marsh, Jr.; Harry N. Walters, Administrator of Veterans' Affairs; Jim Burnett, Chairman of the National Transportation Safety Board; more than 70 State, regional and local officials, and former Arkansas Governor Orval Faubus.

As a senior member of the Public Works and Transportation Committee John Paul has brought to his home State and to the Nation many improvements in our highway system and water resources. As ranking minority member of the House Veterans' Affairs Committee, and as a highly decorated veteran of World War II, he has shown sensitivity and concern for our veterans and their families. Many of the veterans' benefits and services that are now on the books are largely due to his efforts. As an original member of the Select Committee on Aging, he has shown the same concern for the elderly citizens of our country, working to improve the Federal programs that serve them.

John Paul came to the Congress, the only elective office he has ever sought or held, from a third-generation family owned lumber business. He brought with him the hopes and the support of a great constituency. During what will soon be 20 years of service, he has never let his constituency down.

Mr. Speaker, I know that my colleagues will want to join me in congratulating John Paul for the manner in which he has earned the trust and respect of the people of the Third District of Arkansas and the Nation, as well as those of us who are fortunate enough to work with him.

To John Paul and to the lady that has contributed so much to his success, his lovely wife Virginia, we extend our appreciation and best wishes for continued success.

John Paul Hammerschmidt. In the words of the Vice President: "That's a name to take your hat off to."●

POST-TRAUMATIC STRESS DISORDER

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. EDGAR. Mr. Speaker, in the April 1985 issue, the magazine of the Disabled American Veterans, called the "DAV," contained an article by the DAV's National Chaplain, Father Patrick T. Devine. The article concerns post-traumatic stress disorders [PTSD]. The DAV has long been interested in PTSD, and has contributed considerable effort in dealing with this problem. Father Devine's article follows.

[From DAV Magazine, April 1985]

A New Dimension to PTSD Healing Process

(At the heart of every emotional problem is a religious problem—Carl Jung.)

Among the many terrors in retired Vice Admiral Jim Stockdale's account of life as a POW in Vietnam is his attempt to smuggle out a letter to his wife containing lists of prisoners' names, important Hanoi targets, and statistics about torture. The door to his cell flies open. The guard orders him against the wall, face first. Here is the admiral's expression of agony:

"I press my nose into that wall and pray like I've never prayed before. I hear them ransacking the room. They're talking excitedly in Vietnamese. I'm saying the Lord's prayer silently, my head swimming. This can't be happening. This is curtains! What is that thing I see? My God, I haven't thought of that for years! It's the face of Christ in the big stained-glass window behind the altar of the Naval Academy Chapel. He's looking right into me just like He used to when I was a plebe sitting before Him at mandatory chapel every Sunday morning, praying that I could make it at Annapolis. What is this, a religious experience? I just don't have those! What does it mean? That I am going down the tubes? That he is welcoming me aboard in heaven?

People react in different ways in moments of stress. Yet, there seems to be one common trait. They fall back on strength learned from past experiences. For Jim Stockdale, DAV, in addition to the passage quote above, his early training as a young Navy lieutenant at Stanford University's Master's Program in philosophy allowed him to cultivate intellectual and moral values, enabling him to survive and to become a leader in Hanoi's Hoa Lo Prison.

His heroism, which earned him the Medal of Honor, illustrates that a struggle for freedom and for growth is a contest over values.

Indeed, early acquired values are so strong, deep, and long lasting that even people suffering Post-Traumatic Stress Disorders (PTSD) find themselves struggling to maintain and interpret their spiritual meaning. For there is a spiritual side to PTSD: a struggle to live with unresolved guilt.

Presently, there are a tremendous number of treatment methods that range from transcendental meditation to the most sophisticated forms of psychotherapy. An exhaustive search of PTSD studies by authorities in the field, however, reveals no systematic approach to the spiritual dimension.

Hard questions are being asked about the role of religion and the role of the veteran's belief system in his/her recovery. True, VA medical centers have chaplains who are pioneering for attention to this spiritual reality.

It would appear, therefore, that no treatment method would be complete without chaplain involvement. In practice, aspects of therapy produce religious overtones. Issues of guilt and blame, for example, bring into play ethics and a psychology of religion. Practices like transcendental meditation, contemplation, meditation, and prayer evoke pleas for forgiveness, acceptance, and reconciliation with self, God, and others.

Thus, a need exists for addressing a moral dimension in treatment. Talk therapy brings to the surface content that frequently requires absolution or the assurance thereof before complete and lasting healing can take place. Causal factors of PTSD are overladen with guilt and a need for forgiveness.

Interestingly enough, the diagnosis of PTSD (1980) has universal benefit. We have learned, for example, that illnesses in WWI labeled "shell shock" and classified in WWII and the Korean War as "battle fatigue" could now be easily termed Post-Traumatic Stress Disorders.

A few VA chaplains have pioneered in this area. We would like to see this pioneer effort of chaplains' participation in the healing process of PTSD be the vanguard for a program to fully use "sky pilots" in the treatment and care of our worthy disabled veterans. For in a time of peace or war, both personal and national values need to be renewed in the light of God's teaching.●

ILLING JUNIOR HIGH SCHOOL OF MANCHESTER, CT, CELEBRATES 25TH ANNIVERSARY

HON. BARBARA B. KENNELLY

F CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mrs. KENNELLY. Mr. Speaker, Illing Junior High School of Manchester, was established to serve the young people of the community 25 years ago, in 1960.

The enthusiasm with which its students and faculty are celebrating this anniversary clearly reflects their pride in the school and in its accomplishments through the years.

This pride is well founded. For a quarter century Illing Junior High School has enriched the lives of the youth of Manchester. The administration and faculty have demonstrated professional competence and unselfish dedication to the education of the students entrusted to them. They have provided information and instilled values, challenging their students to grow strong intellectually, morally, and physically.

National recognition is evidence of the success of the school in its effort toward goals of excellence. Responsibility, concern for others, patriotism are characteristic of the school community. Its contribution to Manchester is notable and appreciated.

Mr. Speaker, I ask the Congress to join me in extending to the administration, faculty, students, and alumnae of Illing Junior High School our sincere congratulations on this 25th anniversary, and our wish for continued success for many more decades.●

A TRIBUTE TO FATHER HUGH CASSIDY

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. DURBIN. Mr. Speaker, on June 3, Father Hugh Cassidy of Blessed Sacrament Church in Springfield, IL, will celebrate the 40th anniversary of the day he was ordained as a priest. This remarkable man, who happens to serve my parish, has compiled a record of service to his church and community that stands as a shining example for all, regardless of their faith.

I would like to insert into the Record this tribute to Father Cassidy that outlines his years of service and accomplishment. I strongly recommend this to my colleagues as an example of service in the highest form.

We in Springfield are fortunate to have Father Cassidy in our service and the Nation is enriched by having such dedicated churchmen of all denominations working to make our communities better places to live and raise our families.

Father Hugh P. Cassidy

Hugh P. Cassidy was the second child born to John and Margaret Bartley Cassidy in Chicago, Illinois. He was born on February 27, 1922. Hugh had one sister, the late Marian Cassidy Kennedy.

Young Hugh was baptized, received his first communion, was confirmed and later said his first mass in the same church—Thomas the Apostle on Chicago's southside.

From 1935 to 1940, he attended Quigley Preparatory Seminary. He then attended the St. Louis Preparatory Seminary and Kenrick Seminary also in St. Louis from 1940 to 1945. On June 3, 1945, he was ordained in the priesthood for the Springfield Diocese.

His first assignment was at St. Peter's in Quincy. Father Cassidy served there until 1950 when he was assigned to Springfield's Blessed Sacrament Church. He served here at Blessed Sacrament as assistant pastor until January, 1958.

Upon leaving Blessed Sacrament, Father Cassidy was named pastor of Sacred Heart Church in Franklin. While at Franklin he also served the missionary churches of St. Sebastian in Waverly and Holy Rosary in Palmyra. From 1959 to 1970, he served as Director of the Rural Life Conference.

In February, 1969, Father Cassidy was assigned as pastor of St. Margaret Mary's Church in Granite City.

On December 1, 1970, Father Cassidy became pastor of Blessed Sacrament Church. He also was appointed Dean of the Springfield Deanery in 1970 and remains in that position. Father Cassidy has also served as consultor in the Diocese and a member of the Priest's Senate. He has served two terms as president of that body.

Under Father Cassidy's pastorship, much has been done at Blessed Sacrament.

As Pastor, he has guided the spiritual life of the parish. He is prominently involved in the heart of our parish, our grade school. Working with the nuns and teachers, he has guided countless students through those halls toward a richer and more valuable life. Blessed Sacrament has always been viewed as one of the best elementary schools in Springfield, public or private. But the success of the Blessed Sacrament School under Father Cassidy's leadership goes beyond academic achievement. The students not only perform well on tests, they carry with them through their lives the spiritual imprint of his work.

He started the pre-school program for Sunday mornings. Father Cassidy also worked with other priests to start a program at Blessed Sacrament for exceptional children.

Father Cassidy meets with the child and parents before reception of First Communion. He also personally interviews each child before Confirmation. Father Cassidy started the Day of Adoration of the Blessed Sacrament in 1975.

A pastor's responsibility goes beyond the spiritual to very basic human needs and Father Cassidy has served as an effective administrator of the physical plant of Blessed Sacrament Parish. Time and again he has turned to the parish and asked for help and his leadership has created a spirit of giving which has always met the needs. Today the buildings of Blessed Sacrament Parish stand as a tribute to the frugality and determination of Father Cassidy. When parishioners recount the many projects which he has undertaken, they realize how difficult it must have been to rally the parish time and again for these needs. But when Father Cassidy called his parish stood behind him.

The many projects range from tuck pointing and new entrances for the school to major remodeling of the church to construction of a library addition to a new roof for the school and numerous remodeling and renovation projects for all the parish's buildings.

Under Father Cassidy's leadership, the people of the parish have not only kept the parish going, but they have been generous in helping others beyond the confines of the parish. Father has given of his time to serve on many committees whose main objective is helping others.

Several years ago the Catholic high schools in Springfield faced a real crisis. Increased costs forced them to consider whether Catholic secondary education would be able to survive. Then-Bishop McNicholas made a decision to initiate a campaign to raise funds and save our high schools. To no one's surprise in Blessed Sacrament Parish, he turned to Father Hugh Cassidy for help.

Father Cassidy worked tirelessly to rally support for the high school fund drive and his efforts met with great success. Much credit belongs to Father Cassidy for the fine job which our Catholic high schools continue to do today because of his devotion and determination.

Whenever Griffin High School has a fundraiser; Ursuline Academy needs help with their Advisory Board; or Sacred Heart Academy needs a friend, Father Hugh Cassidy's name is on the top of the list. He has earned the respect of the religious and lay teachers at the high schools, as well as countless parents, who realize that his work has helped to keep these great institutions as a vital part of Catholic life in Springfield.

Father Cassidy is a member of the editorial board of Time and Eternity and the Calvary Cemetery Board. He also has been a member of the Ecumenical Commission of the Diocese and he has been a past president of Churches United Organization of Food Pantries. Father Cassidy has been President of the Care Center of Springfield and has been active in Friends of St. John's Breadline.

A large part of the narrative of Blessed Sacrament Parish today centers around Father Cassidy. He has been a spiritual leader as pastor, but has not hesitated to pick up the baton to lead the race when a parish or Diocesan project needs to be completed.

Certainly, his work has made Blessed Sacrament Parish a living testimonial to God. Our lives have been enriched by his fine service to his parish, his community and his faith.●

BEST COPY AVAILABLE

ONE MORE ARGUMENT FOR TAX REFORM

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. STARK. Mr. Speaker, this can be the best year ever for tax reform.

In case anyone needs any more ammunition, I am reprinting below an ad which appeared in a California newspaper in the last few days. It was sent to me by a very angry constituent.

I left off the name of the company and its address. Frankly, I don't know if the deal is legitimate or not—but I do know that the Federal tax law, coupled with the State of California's generous tax credits, is much, much too sweet.

It is time to let these credits expire. I do want to assure the alternative energy industry that I also will fight to end tax breaks for the traditional, fossil fuel industries of oil, gas, coal, and for nuclear energy. Let the marketplace work; let there be a level playing field. Under these conditions, I have no doubt that good clean, alternative energies ideas will prosper.

The current law is only fuel for taxpayer anger.

This offer good only through May 31, 1985:

$8,000.00 Cash Down Payment

Plus Financed Balance of Purchase Price Will Allow You To: Reduce Your Income Taxes By:

$74,063.00

Assuming a 50% Income Tax Rate—Includes a Recapture of up to:

$15,625.00 IN BACK TAXES

Up to 3 years of Federal Taxes, plus 30 years of income projected from the energy produced from your Wind Turbine. (The above tax savings represent 50% ownership of 1 Wind Turbine.)

FREE—WIND FARMING—FREE

Information Seminar: Tues. May 14, 1985—7:00-9:00 p.m.—Red Lion Inn, Airport—San Jose.

For reservations or information call.●

SOUTH WEST AFRICA (NAMIBIA) TRANSITIONAL GOVERNMENT

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. DORNAN of California. Mr. Speaker, the 1984 Republican Platform promises that "The Reagan-Bush Adminstration will continue its vigorous efforts to achieve Namibian independence and the expulsion of Cubans from occupied Angola." A promise made is a debt unpaid.

But getting Cuban troops out of Angola is a remote hope. Russia ferried 20,000 Cuban soldiers to Angola in 1975 to support a Soviet-sponsored "liberation" group—the MPLA—in its campaign to seize power after the Portugese pulled out. Now the MPLA is a Soviet puppet which has ignored its promise to hold elections. Instead, Angola with its Cuban troops, supports SWAPO, another Soviet-surrogate "liberation" group, in SWAPO's terrorist campaign to seize power in Namibia.

Since then the number of Cuban troops in Angola has been increased to 31,000, and thousands more have been trained and redeployed in other areas of Africa such as Ethiopia and Mozambique.

Independence for South West Africa has been delayed by Soviet and Angolan refusal to send the Cubans home and close the SWAPO terrorist bases in southern Angola the Cubans help protect.

Recent news reports indicate that the people of South West Africa—Namibia—have been given the right of self-government by the Republic of South Africa. Discouraged by U.S. efforts to gain independence of Namiba by inflexible adherence to United Nations Resolution 435 (1978), the people on Namibia acting through their elected political party leaders, formed a political coalition of all groups who wished to join under the umbrella of a multi-party conference [MPC]. South Africa has granted the MPC's request for autonomous local self-government pending independence.

Instead of encouraging the multiparty conference, Secretary Shultz has proclaimed it has no standing to represent the people of Namibia in independence negotiations, and that the transitional government is mere rhetoric. It is difficult to understand our Department of State. Whose side are the bureaucrats on? Are they for the pro-West people of Namibia, or for the Marxist-Leninist terrorists of SWAPO? As a member of The House Africa Subcommittee, I think a genuinely independent Namibia is vital to U.S. national security. That country, twice the size of California with a population of only 1 million people, divided into 12 population groups who speak 8 different languages and 29 dialects, has the largest uranium mine in the world, the largest gem diamond mine in the world, and new gas discoveries with reserves over 8,000 times the annual $1 billion South West Africa—(Namibia)—annual budget. Is the United States dumb enough to let SWAPO add Namibia to the Soviet-bloc, when its transitional government is a pro-West alternative? The following article reviews some of the background on this problem:

[From the Truth (Plymouth, NH), spring 1985]

SWAPO VICTORY, A DISASTER FOR WEST: FREE NAMIBIA SEEN VITAL TO U.S. INTERESTS

In an article prepared for the Lincoln Review in the Fall of 1983, Carl Shipley, President of the US-South West Africa/Namibia Trade and Cultural Council, stresses the role that South Africa has played in maintaining the independence of Namibia and protecting the country from SWAPO (South West Africa Peoples Organization), the terrorist front which seeks to seize power with the help of the Soviet Union.

"SWAPO is a Soviet-sponsored terrorist group based in southern Angola. Armed, trained and advised by the Soviets, SWAPO, once a local liberation group, is now a Soviet surrogate, serving as a proxy terrorist force to murder and abduct Namibian citizens in a campaign to seize control of Namibia as the next target in the Soviet 'resource war' to cripple the US industrial base.

"Namibia is not only the gateway to further military penetration of southern Africa by the Soviets, but it is also a rich mineral storehouse. It has the largest uranium mine in the world, and vast resources of minerals. Many of these minerals are critical in supplying the military, industrial, and defense needs of the US during a national defense emergency."

SOVIETS SEEK TO EXTEND INFLUENCE

Shipley points out that Soviet surrogates in Angola and Mozambique, MPLA and FRELIMO are dictatorships which have oppressed the people of those lands while following orders from the Kremlin. The assumption of SWAPO to power in Namibia would be a further extension of Soviet influence.

"Most Americans are unfamiliar with Namibia, and have little knowledge of the strategic importance this far away land has for them. They do not comprehend that Soviet control means that ultimately the Soviets or their SWAPO and other surrogates will control all of southern Africa and the mineral resources there."

The Cubans would be able to move into Namibia, according to Shipley, and would soon have control of the country. "Control of Namibia's deep water seaports on its Atlantic coast would give the Soviets virtual command of the sea lanes from the Middle East around the Cape of Good Hope, across the South Atlantic, and up Africa's west coast to Europe. Once Namibia is firmly in the grasp of SWAPO, neighboring Botswana will be easy prey, and the final assault on the rest of southern Africa itself, the central Soviet target, can begin."

Shipley emphasizes that the U.S. cannot let this happen, since South Africa would fall and America would be deprived of mineral deposits vital to its defense, such as chrome, manganese, vanadium, fluorspar, titanium, zirconium, etc. South Africa's strategic position should also not be overlooked. 25,000 ships pass the Cape yearly, carrying 90% of Europe's oil and 70% of its strategic minerals.

REDS HAVE BROUGHT MISERY

The prosperity of all southern Africa has been seriously undermined by Soviet intervention and destabilization through SWAPO, FRELIMO, MPLA, ANC and other surrogates. Most of the area is in misery and despair.

"More than 50% of the population in Africa lives below the so-called basic human needs line. Since 1956, 70 government leaders in 29 African states have been eliminated by assassins, purges, coups, . . . 32 African states are ruled by one-party dictatorships," wrote Shipley.

Since there is a lack of democratic tradition and an over-riding insistence on tribal prerogatives, self-government is most difficult. "Into these troubled waters, the Soviets have cast their hook. SWAPO has promised the people an end to the droughts, a chicken in every pot, a Mercedes in every garage, and a college degree without study." However, the people aren't biting. Namibia's leaders have said they will not participate in any election "rigged" by the United Nations as a cosmetic device to install SWAPO government in Windhoek.●

A TRIBUTE TO KEN COGSWELL

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. PURSELL. Mr. Speaker, on behalf of Ken Cogswell's many friends in education, including my wife Peggy who is a teacher in Livonia, I am pleased to honor Ken with an article in the U.S. House of Representatives, CONGRESSIONAL RECORD.

As an Army officer, I was taught a definition of "leadership" which is very appropriate to Ken Cogswell.

"You are a true leader only when you are ratified in the hearts of your fellow men."

Ken is respected and appreciated by his colleagues, the community of Livonia and most of all, by the young students who have passed his way.

The article follows:

PROFESSIONAL CAREER

Kenneth E. Cogswell, a native Michiganite, was born on July 8, 1925. He is a 1943 graduate of Niles High School. He pursued his educational development at Western Michigan University and received his bachelor of arts degree from that institution in 1950. The following year, Ken earned his master of arts degree from the University of Michigan.

In the fall of that year (1951) Kenneth began his employment with the Livonia Public Schools as a language arts and social studies teacher at Bentley High School. For the next six years Ken worked on two goals: earning a building administrator's position and an advanced educational degree. In 1956, he was appointed to the assistant principal's position at Whitman Junior High School and in 1957, he received a specialist's degree from Eastern Michigan University.

Kenneth's career continued to unfold. In 1960, he became the principal at Bryant Junior High School. His interest and dedication to the concept and development of an integrated curriculum led him to seek and receive a position as a curriculum coordinator. In this position he has earned admiration and respect as an authority in the fields of language arts and curriculum development.

Kenneth has maintained the philosophy that curriculum development requires not only investigation of content but of process as well. Therefore, Ken has provided growth opportunities in the skills of instruction, classroom management organization and planning, team learning and development of effective skills. As a coordinator, he has unobstrusively but effectively supported innovation in the "what" and the "how" of education.

PERSONAL QUALITIES

Kenneth E. Cogswell, a man of strong opinions, has demonstrated an unfailing respect for the ideas and values of others. This openness has earned him the respect of the Livonia staff as a man who was always approachable. His willingness to listen verified the esteem and appreciation he has for the difficult and diverse responsibilities of the classroom teacher.

Perhaps Ken's ability to bring out the best in people will be the quality for which he will be best remembered. His almost intuitive sense of an individual's strengths and the trust and faith he demonstrated in the skills and abilities of others made it possible for them to become more competent, more skilled and more able with his support, encouragement and facilitation.

If Ken's career and contributions were to be summarized in one word, that word would be growth: He actively sought professional development for himself, for his colleagues and for the children of the Livonia Public Schools.

A SERVICE TO THE COMMUNITY

Kenneth Cogswell's dedication to perfecting the writing process skills and developing young authors in the Livonia School District has been an outstanding and lasting contribution to the youth of this community.

Kenneth's persevering drive to incorporate effective education in the Curriculum has permanently benefitted the children of the Livonia School Community.●

JACOB HIATT: A LIFETIME OF COMPASSION AND COMMITMENT

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. SOLARZ. Mr. Speaker, I'm pleased to bring to the attention of my colleagues some of the outstanding accomplishments of a man I am proud to call my friend, Jacob Hiatt, who recently received the Isaiah Thomas award from the city of Worcester, MA.

The Isaiah Thomas award is presented every 2 years to an outstanding citizen who has volunteered time and efforts to improve the quality of life in the city of Worcester. In honoring Jack Hiatt with this award, there is no doubt that Worcester is recognizing a truely great citizen and benefactor.

Rabbi Hillel said, "If I am not for myself, who is for me? If I care only for myself, what am I? If not now, when?" It is in the spirit of Hillel, as the Brandeis University community and many others can readily testify, that Jack's energies, scholarship, and philanthropy have been so evident and have extended well beyond the boundaries of his hometown.

Jacob Hiatt is a founder and patron of Brandeis University, the Jacob and Frances Hiatt Institute in Jerusalem, the Jacob and Frances Hiatt Chair in European History at Clark University, and the Frances L. Hiatt Scholarship Program.

Jack began a distinguished academic career when he earned his bachelor of law degree from the University of Lithuania. He served as a circuit judge of the court of Lithuania, before emigrating to the United States.

After obtaining a master of arts in history and international relations at Clark University, Dr. Hiatt's order of excellence was recognized as he was endowed with several honorary degrees: doctor of humanities—College of the Holy Cross; doctor of law—Clark University; doctor of humane letters—Brandeis University; doctor of humane letters—Worcester State College.

The outstanding work on behalf of education which Jack contributed has been recognized frequently over the years. He has been a recipient of the CASE Award from the Council for the Advancement and Support of Education, as well as the Community award of the Worcester Chapter National Conference of Christians and Jews in 1978.

Dr. Hiatt is a life trustee of Clark University; a trustee of Brandeis University; an Honorary trustee of the Worcester Art Museum; an honorary member of the American Jewish Historical Society Executive Council; a member of the Visiting Committee of the History of Science, Harvard University; and a Council of the American Antiquarian Society.

The care and devotion to the many civic and religious affiliations which Jack has is reflected in his membership in the Worcester Jewish Federation Executive Committee where he served on the board of directors. He was also the federation president from 1954 to 1957. Besides being an honorary life member of the Temple Emanuel Board of Trustees, Jacob Hiatt is a delegate to the Easter Seal Society.

Jacob Hiatt has had numerous affiliations in business and industry. He has been chairman of the board of Rand-Whitney Corp., as well as president of Jacob Hiatt Income Trust. He is a director of Guaranty Bank & Trust Co., and formerly was the director of the Bank Leumi of Israel, and the Worcester Business and Development Corp.

Worcester, Brandeis, and I are all enormously proud of Jacob Hiatt and his generous contributions to the educational, cultural, and business life of his community and country, and I am happy to be able to share this with you today.●

NEW SS WREATHS, OLD ANTI-SEMITISM

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. LEHMAN of Florida. Mr. Speaker, President Reagan's visit to the Bitburg military cemetery was made, he said, in the name of reconciliation. Instead, this visit—as well as the President's faltering attempts to justify it—became a misguided and unfortunate mistake.

A recent article in the New York Times by Marvin Kalb points out the onerous result of the Bitburg visit. It seems that the President's "photo opportunity" has reopened the Pandora's box of Nazi anti-Semitism.

New SS Wreaths, Old Anti-Semitism

(By Marvin Kalb)

Washington.—The controversy over the Reagan visit to Bitburg is receding, no longer a front-page embarrassment. But do you hear an echo from the past?

I visited the cemetery the morning after President Reagan and Chancellor Helmut Kohl placed wreaths of reconciliation in front of its chapel. For years, the cemetery had been largely ignored; now, it was an instant shrine, a focus of political debate. Small flower pots marked many flat graves, 49 of them honoring Waffen SS troops. By the end of my visit, many hundreds of Germans and occasional Americans from the nearby Air Force base paused before the wreaths. Some took pictures. Mothers hushed children. A religious air seemed to saturate the scene.

But look and listen: all around there were the sights and sounds of the new Germany—and old. Six feet to the left of the President's wreath stood an equally impressive one. Across its banner: "To the Waffen SS who fell at Leningrad." No more than a foot to the right of the Chancellor's was another wreath: "For the fallen comrades of the Waffen SS."

These two wreaths had been placed in the chapel, out of sight, hours before the President arrived. They were restored to their original places of honor only hours after he left. In the ensuing tranquility, the Waffen SS could again be honored in the springtime sun.

A middle-aged visitor from Nuremberg said the Waffen SS were simply soldiers—young conscripts doing their duty. "Let them rest in peace. For us, a dead soldier is a dead soldier, not a hero."

A native of Bitburg, who looked to be in his 20's, expressed a view I was to hear with disturbing regularity. "We Germans and Americans had been cooperating very well"—he lowered his voice—"until the Jews began to make trouble."

Another Bitburg zeroed in on Elie Wiesel. "Imagine the nerve of a Jew lecturing President Reagan. I saw him on television, making trouble the way they all do."

An old woman complained that Mr. Reagan had spent only eight minutes at the cemetery. "You know why the visit had to be cut back? Because of the Jews." She stalked away to join a group of friends nodding in agreement.

A man with a cane stopped and said: "If they don't like it here, the Jews, let them go away. We were better off without them in Germany." There are only 28,000 left, he was reminded. "Too many," he replied.

The people of Bitburg are pleased that Mr. Reagan came to visit, that he didn't yield to pressure. But its clear they resent their new notoriety—and equally clear whom they consider responsible for the unwelcome change: the Jews and the media. The Jews are seen as a group separate from Germans and Americans—an indigestible lump, a foreign body. The media are seen as intrusive and irresponsible and, somehow, controlled by the Jews.

So it went. A few days later, a Munich newspaper editor explained that anti-Semitism is an "anthropological phenomenon" in Germany. The controversy seems only to have uncorked the venom once again. There is a sad irony. Bitburgers consider themselves remarkably enlightened. In 1933, when Hitler won a critical election, this conservative Catholic town voted overwhelmingly against him.

Is Bitburg an aberration? It is impossible to judge and dangerous to generalize. But a number of leading West German politicians and professors—several close to Mr. Kohl—think anti-Semitism was on the rise even before Bitburg. "The Jews were geting too impertinent," one politician said, citing, among other things, their opposition to West German tank sales to Saudi Arabia. "We've listened to them much too long. It's enough."

The pursuit of reconciliation by way of Bitburg has been a failure. What should have been obvious from the beginning is that reconciliation is a long process—not a single photo opportunity, an event, a moment frozen in time. Bitburg, exposing clumsiness and poor political judgment in Bonn and Washington, in the process lifted the scab on dark corners of recent German history. There is a time to know when to leave well enough alone.

As I entered the cemetery, I noticed a sign: "Please do not disturb the peace and rest of the dead." Too late.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. MONTGOMERY. Mr. Speaker, this week the House will make major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in East Orange, NJ:

Veterans Administration
Medical Center,
East Orange, NJ, January 29, 1985.

Howard Green, M.D.,
Chief of Staff (11),
Verterans Adminsitration Medical Center,
White River Junction, VT.

Dear Howard: In response to your recent letter VAMC, East Orange, NJ has 876 authorized beds and is an affiliated hospital.

Our Fiscal Officer, on the basis of the request of our various control points, projected a deficit of 1.2-1.5 million dollars for FY 1985.

As a result we have taken the following actions:

1. We requested the Regional Director to reduce our FY 85 level by 25.0 FTEE as compared to FY 84. We reluctantly reduced both clinical and administrative staff in all services to meet this need. This reduction saved approximately $625,000 and obviously must have an adverse effect on patient care as well as maintenance of buildings and grounds, housekeeping and supporting services.

2. Pharmacy Service was funded $580,000 less than requested. Pharmacy inventory levels were reduced, increased monitoring of antibiotics and other expensive medications was instituted, staff was instructed and encouraged to order less expensive medications, etc. New pharmaceuticals were controlled for specific indications, and could be ordered only by specific staff (Infectious Disease staff). Attempts were also made to reduce the number of prescriptions for "over the counter" drugs.

3. Surgical Service was reduced $280,000 below their requested levels. Limitations were placed on the number of Open Heart procedures, joint replacements and Intraocular lens implants. We do not have a waiting list for open heart surgery and do not keep a record of backlogs in joint replacement and lens implants. Limitations have been initiated in the use of surgical staplers and staples, to reduce the cost of individual surgical procedures.

4. There has never been enough money for equipment whether it be additional or replacement. As a result it has became necessary to keep repairing equipment until declared to be beyond repair. In many cases we are using equipment that is no longer "the state of the art" and cannot purchase additional equipment such as laser for surgery, and other items.

5. We have become more stringent with regard to beneficiary travel. Reimbursement is limited to .11 cents per mile for travel by other than public transportation unless the medical staff indicates that the patient cannot travel by public transportation. More attention is paid to the criteria for eligible patients, particularly the non-service connected veteran.

6. Although we have not limited the number of outpatient non-service connected visits per patient, our staff is reviewing the folders and are discharging more patients than in the past. In many cases the frequency of visits has been reduced in both non-service connected and service connected patients.

Mark, in his letter, stated that "we are no longer able to render the best of care to all eligible veterans." This should not come as a

surprise to anyone. You may remember that at the NAVACOS meeting in 1983, the words "acceptable medical care" and "adequate medical care" were used by several members of central office staff.

This change of attitude, although I'm sure it was made with great reluctance, should have alerted us to the future.

I trust that the above information will be of some value to you and to any effort to increase the funding of the VA program.

Sincerely,

Oscar Serlin, M.D.,
Chief of Staff.●

REPRESENTATIVE DON J. PEASE ON NICARAGUA

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. SEIBERLING. Mr. Speaker, a few weeks ago, the House rejected the President's request for $14 million in military aid to the Contras—guerrillas seeking to overthrow the Sandinista government in Nicaragua.

This was not an easy vote for any Member of the House, made even more difficult by the innuendoes that Members who voted against the President were somehow being soft on communism, and that a vote against the $14 million was a vote in favor of the methods and ideas of the Sandinistas. Nothing, of course, could be further from the truth. The reality is that many Members voted against the aid request because we were convinced that the administration's policy of military intervention only strengthened the Sandinistas' hand, and propelled them still further into the Soviet sphere of influence. And regardless of our personal—and very real—distaste for the Sandinistas, the fact is that many of us who voted against the President's aid request did so because we could not countenance a policy which, at its core, violated the basic principles of respect for international law and diplomacy on which this Nation was founded.

My friend and colleague from Ohio, Representative Don J. Pease, has written a thoughtful analysis of the real issues in Nicaragua, published in the May 15 Akron Beacon Journal. As Represenative Pease notes, it is "a gross exaggeration to say that a national emergency exists in the United States because leftists are in charge of an impoverished Central American nation of 2.5 million people. The claim is ludicrous."

Moreover, the administration's attacks on the substance of Sandinista leadership are hardly consistent with the administration's friendliness with the Governments of Chile, South Africa, and Guatemala, all of whom engage in basic repressions of human rights and political freedom, precisely the issues about which the Reagan administration expresses its deep concern over the Sandinistas.

As Representative Pease points out, the Congress is not a fan of Mr. Ortega and his government. But the reality is that some in the United States are once again beating the drums of war in an effort to build domestic support for a hardline anti-Communist policy which is poorly thought out, poorly directed, and unclear in its objectives. But as Congressman Pease notes:

> There was a time 20 years ago when in another place Americans were asked to suspend common sense in the name of fighting communism, when the domino theory was used to justify U.S. military intervention in a foreign land. The country was Vietnam, and 58,000 U.S. servicemen died there. The Vietnam-Central America analogy is not exact, but it should nonetheless serve to make us cautious.

Mr. Speaker, I agree, and I commend Representative Pease's article to the attention of the House. The full text follows:

Emergency Claim at Odds With Reality

(By Representative Don J. Pease)

Washington.—I am not an admirer of Daniel Ortega, head of the ruling Sandinista junta of Nicaragua, so perhaps I shouldn't be giving him helpful advice. But if I were he, I would be advertising for a villa in some nice, safe, neutral nation.

For it is perfectly plain that the Reagan administration will not rest until Ortega and his fellow Sandinistas have been deposed.

If Ortega hasn't been run out of Nicaragua during the next three years, I will be very surprised. One way or another, the Reagan administration will see to it that Ortega goes.

The latest sign of this sure bet is the economic sanctions which President Reagan last week imposed on Nicaragua. No trade will be allowed. No Nicaraguan planes will be permitted to fly to the United States.

To impose the sanctions, President Reagan had to invoke the International Emergency Economic Powers Act, which requires a declaration of a national emergency.

It is a gross exaggeration to say that a national emergency exists in the United States because leftists are in charge of an impoverished Central American nation of 2.5 million people. The claim is ludicrous.

But the "national emergency" claim is only the latest of a series of distortions by the Reagan administration, which has consistently exaggerated the faults of the Sandinista regime, the degree of Soviet-Cuban military presence in Nicaragua, the size of the Nicaraguan army, the flow of arms from Nicaragua to El Salvador, the threat to other nations.

The administration has used those exaggerations to justify its secret CIA-backed war against Nicaragua, its large-scale military exercises in Honduras, and continued requests for military aid to the rebels seeking to topple the Sandinistas.

Two weeks ago, the U.S. House of Representatives refused the administration's request for $14 million in additional military aid for the rebels. But the Reagan administration will come back to Congress again and again in the coming weeks until it gets the money.

Why is Nicaragua getting so much attention?

It's not because the present government is a dictatorship. The administration tolerates far greater tyrants like President Pinochet of Chile.

It's not because the Sandinistas violate human rights. The administration opposes sanctions against South Africa, which officially oppresses 80 percent of its population. It embraces Guatemala, a nation where human-rights violations are rampant.

It's not solely because the Sandinistas provide support to the rebels in neighboring El Salvador. Only weeks ago, President Reagan welcomed to the White House Algeria's President Bendjedid, who assists the rebel Polisario front in its fight against a U.S. friend, Morocco.

The reason, of course, is that the Sandinistas are Marxists who have allied themselves with the Cubans and Russians. That is their unpardonable sin.

In and out of Congress, criticism of the Reagan administration's policy (and the exaggerations used to justify it) are muted for three reasons.

First, the Sandinistas are hardly a bunch of Boy Scouts. If the Reagan administration exaggerates their faults, the faults nonetheless do exist. No one feels very comfortable defending the Sandinistas. About the most you can say is that whether we like them or not, they are a sovereign government which we have no legal jusitification trying to topple.

Secondly, the Sandinistas are indeed Marxists, and expansionism is a tenet of Marxism. While clearly not a threat to the U.S. that could justify a declaration of a national emergency, a Marxist Nicaragua is a potential mischief-maker we'd just as soon not have in Central America.

Thirdly, there's nothing politicians fear more than being called "soft on communism." It's been a political kiss of death ever since the red-baiting days of Sen. Joe McCarthy in the 1950s. Superpatriots are quick to jump to the conclusion that you must be a "pinko" if you question even the most extreme, counterproductive steps against a Marxist regime. That lack of subtiety is intimidating.

But there was a time 20 years ago when in another place Americans were asked to suspend common sense in the name of fighting communism, when the domino theory was used to justify U.S. military intervention in a foreign land.

The country was Vietnam, and 58,000 U.S. servicemen died there. The Vietnam-Central American analogy is not exact, but it should nonetheless serve to make us cautious.

Pease, D-Lorain, represents the 13th District of Ohio.●

INTRODUCTION OF LEGISLATION FOR EXEMPTION OF PROLONGED RESPIRATORY CARE UNITS FROM MEDICARE PROSPECTIVE PAYMENT SYSTEM

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. VENTO. Mr. Speaker, today my colleagues, Congressmen Tim Penny and Bill Frenzel, are joining me in introducing legislation to amend Title 18 of the Social Security Act to permit a hospital to exempt a prolonged respiratory care unit that is a distinct unit of a hospital from the Medicare prospective payment system.

The Bethesda Lutheran Medical Center in St. Paul, MN, established a prolonged respiratory care unit [PRCU] in 1979. This 30-bed unit has proven to be invaluable for many patients suffering from chronic long-term respiratory disorders. For many of these patients, modern technology has significantly improved the quality of their lives and has enabled them to live longer than they otherwise would. Many of the patients in Bethesda's PRCU are covered under Medicare or Medicaid. Unfortunately, however, the Medicare reimbursement rates which are mandated under the prospective payment system of diagnostic related groups [DRG's] are wholly inadequate to cover the actual costs of delivering this specialized type of care.

In the first 5 months of 1984, Bethesda absorbed some $50,000 in charges for its PRCU patients in Medicare. Since that time, unrecoverable costs have been piling up for Medicare patients who cannot be moved or placed in nursing home facilities. In 1983, Bethesda had contacted the Health Care Financing Administration [HCFA] region V office in Chicago attempting to obtain an exemption from the prospective payment system. Bethesda was later notified that it did not meet the established criteria for exclusion from the new Medicare prospective payment system. The current law does provide an exemption for rehabilitation hospitals and certain types of hospital units—for example, burn units within a hospital—although there is no specific exemption in the law which covers prolonged respiratory care units.

The legislation which I am introducing today would create an elective exemption for hospitals operating prolonged respiratory care units from the prospective payment system. The exemption from the prospective payment system would only apply to the unit and not the entire hospital. This legislation authorizes the Secretary of Health and Human Services to establish the procedures whereby a prolonged respiratory care unit may be exempted. Furthermore, this legislation would require that any hospital which maintains a prolonged respiratory care unit must act within 60 days after the enactment of this legislation if it wishes to obtain this exemption. Finally, to provide for a uniform accounting standards for those hospitals which may qualify for this exemption, it is made to apply to cost reporting periods beginning on or after January 1, 1985.

Mr. Speaker, it is my understanding that there are only a few units anywhere else in the United States similar to Bethesda's PRCU and that the cost implications of this legislation would be marginal. It has become clear that this hospital and perhaps others which are similarly affected will not be able to continue to absorb these financial losses. I hope that my colleages will join me in sponsoring this limited exemption for prolonged respiratory care units affected by the Medicare prospective payment system.

H.R. 2572

A bill to amend title XVIII of the Social Security Act to permit a hospital to exempt a prolonged respiratory care unit that is a distinct unit of the hospital from the prospective payment system.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ELECTIVE EXEMPTION OF PROLONGED RESPIRATORY CARE UNIT FROM PROSPECTIVE PAYMENT SYSTEM

SECTION 1. (a) ELECTIVE EXEMPTION.—Section 1886(d)(1)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)), relating to the definition of hospitals covered under the DRG-related prospective payment system, is amended by inserting before the period at the end the following: "and does not include, at the election of a hospital, a prolonged respiratory care unit of the hospital which is a distinct part of the hospital (as so defined)".

(b) ELECTION OF SPECIAL TREATMENT.—(1) The amendment made by subsection (a) only applies to a unit for which a hospital had made an election in a form and manner approved by the Secretary of Health and Human Services.

(2) Such an election is not revocable.

(3) In the case of a prolonged respiratory care unit which is a distinct unit of a hospital as of the date of the enactment of this Act, such an election must be made not later than (60) days after the date of the enactment of this Act.

(c) EFFECTIVE DATE.—(1) The amendment made by subsection (a) applies, except as provided in paragraph (2), to cost reporting periods beginning after the date of an election under subsection (b).

(2) In the case of an election made not later than (60) days after the date of the enactment of this Act, the election may provide that it (and the amendment made by subsection (a) applies to cost reporting periods beginning on or after January 1, 1985.●

TAX REFORM BILL ERODING: SAY IT ISN'T SO, MR. PRESIDENT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. STARK. Mr. Speaker, one of the major areas of unfairness and questionable tax deals lies in the use of the limited partnership device. There can be no successful tax reform without major reforms in this area.

The initial Treasury proposal made dramatic reforms in this area—but that area of reform seems to be slip sliding away.

Following is an article describing the situation from the May 21 Washington Post. What is ironic is that in the paper, following the article, is a typical ad for a tax shelter. I called the number in the paper—it is, of course, a limited partnership device.

What better advertisement for reform of the limited partnership law.

The article and the ad follow:

TAX PROPOSAL ELIMINATED FOR PARTNERSHIPS

(By Anne Swardson)

The Reagan administration has eliminated one of the principal anti-tax-shelter provisions of its tax simplification plan, administration sources said yesterday.

Unless last-minute changes are made, the president's revised proposal will not call for taxing limited partnerships with more than 35 members as if they were corporations, as the Treasury Department did in its original version.

The change was suggested initially because the large partnerships—operating principally in oil, gas and real estate—have in recent years become widely used tax shelters that, unlike corporations, permit tax benefits to be passed along to each partner.

In the case of real estate in particular, the benefits are substantial because members of the partnership, or syndication, can write off tax losses greater than the amount of cash they have actually invested.

The benefits are less generous for oil and gas, but nonetheless significant. They spring from the fact that, in any partnership, tax losses can be passed through to all investors and written off against income from other sources. As a result, investors in limited partnerships can get substantial benefits even though they do not have a share in management decisions and are not liable for the debts of the partnership.

Corporate stockholders, on the other hand, have limited liability but can't take the tax breaks because they belong to the corporate entity. And members of a general partnership are liable for whatever debt or losses the entity has.

Limited partnership tax shelters have attracted billions of dollars seeking short-run tax benefits. A report by the Ralph Nader-founded Public Citizen earlier this year said that money invested in public tax shelter partnerships rose from $785 million in 1976 to more than $13 billion in 1983. According to Treasury figures, partnerships with more than 35 partners have about 2.7 million members.

"In short, the limited partnership vehicle offers many of the investment and legal characteristics of a corporation, yet under current law is treated for tax purposes as a partnership," says the original Treasury proposal.

The effect of the growth has been to divert funds from investment in the corporate sector to investment in partnerships, while undermining the general tax-law principle that only active investors should be able to take tax losses on their investments, the document says.

The issue was the subject of heavy lobbying at Treasury by real estate, oil and gas and Wall Street firms. Most of them contended that the original Treasury proposal was unfair because it would have permitted large, wealthy investors to continue to be limited partners while those with less money to put up would be excluded.

"It is difficult to understand why the proposal would permit 35 millionaires to conduct a multimillion-dollar business as a limited partnership, whereas 350 small investors who wish to conduct the same enterprise must either use a corporate vehicle or face the additional business risk . . . as general partners," according to a report prepared for the Oil Investment Institute. It was written by G. David Glickman, a former Treasury deputy assistant secretary who lobbied against the proposal.

Department of Housing and Urban Development officials said earlier that the administration had relaxed the proposal only for limited partnerships in the low-income housing business. But Treasury officials said yesterday the decision to do away with the limitation entirely had been made some time ago.●

MARCEY FEIGENBAUM: A DEDICATED AND DYNAMIC COMMUNITY LEADER

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. SOLARZ. Mr. Speaker, Marcey Feigenbaum, dynamic Democratic district leader in the 46th Assembly District, was born and raised in the oceanfront community. She has given a lifetime of community service, both professionally and as a volunteer.

As special assistant to Brooklyn's Borough president Howard Golden, she is the director of Brooklyn's 18 community boards, Brooklyn's Borough Board, and Brooklyn's Borough Service Cabinet. She also supervises and coordinates the complaint bureau. She was founder of boroughwide senior citizen advisory committee to borough president Sebastian Leone. This group was the forerunner of today's boroughwide interagency council of senior citizens. Marcey continued her work on behalf of seniors participating in the planning and development of Scheuer Houses, Brighton House, and she is a present member of the board of directors of Friendset Houses.

Marcey's housing background is known throughout the city of New York when almost 20 years ago she headed Organized Tenants Inc., representing 250,000 members and affiliates. This group was described in newspapers and by elected officials as the only efficient and effective voice on behalf of tenants' rights. She was heard, among others, on WABC's special documentary, "The Great Apartment Hunt," Barry Gray, Barry Farber, John Nebel, channel 13 and television's "Women on the Move," hosted by Kitty Carlisle. In 1960, her organization had created one of the first tenant rent clinics and was responsible for many changes in the laws which strengthened code enforcement, rent control, and rent stabilization; was instrumental in the creation of a department of relocation, as well as department of aging. In addition, she helped draft the Spiegel Law, as well as legislation pertaining to Mitchell-Lama housing. She was sworn in to a first advisory committee on rent and rehabilitation by Mayor Robert Wagner. Subsequently, under the Lindsay administration, she participated in the writing of the first tenants bill of rights, and created, at each rent office in the city of New York, a program of volunteers to aid small property owners as well as tenants. Marcey served on the advisory committee and subsequently on the board of directors of Trump Village.

Marcey was the founding vice president of Oceanview Chapter of B'nai B'rith, serves on and is actively involved with the Brighton Neighborhood Association, 60th Precinct Council, Action for Russian Immigrants, Deborah Hospital Kidney Foundation, Karen Silverman Leukemia Foundation, Fight for Sight, Mitchell-Lama Council, National Association of Housing and Redevelopment Officials, Temple Beth Abraham, Brighton Beach Hadassah, Jewish Center of Brighton Beach, and Foundation of Jewish Philanthropies. She gave substantial input to the new emergency room at Coney Island Hospital.

Marcey Feigenbaum participated in the creation of the Oceanfront Development Corp. and the Brighton Beach Revitalization Program. The 400 new single-family homes in Coney Island are a direct result of her involvement and expertise. She has received honors from the Sea Gate Association, the Jewish National Fund, United Jewish Appeal, and she works closely on behalf of the Metropolitan Council of Jewish Poverty. She is also the co-chairman of a task force run by the 60th Precinct for a Drug Free Shorefront Community. On behalf of the youth in the community, she helped advance the appointment of a youth coordinator in each community board, and she works closely with Community School Board No. 21.

Marcey was the first president of the Shorefront Vacations and Community Services for the Blind, and it is with great pleasure that we choose to honor this dedicated outstanding citizen on our 10th anniversary.●

LETTERS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. BONKER. Mr. Speaker, during the past several weeks there has been some confusion concerning the business community's position on the Reagan administration's proposal to terminate the Export-Import Bank's direct loan program. To clarify this matter I would like to submit for the RECORD a letter from Alexander Trowbridge, president of the National Association of Manufacturers, to Budget Committee Chairman BILL GRAY. Accompanying this letter is another letter from Mr. Trowbridge to Eximbank Chairman William Draper.

As these letters demonstrate, the business community is fully committed to the preservation of Eximbank's direct loan program and the rejection of the administration's I-Match substitute. This provision is responsibly reflected in the budget resolution that has been reported by the Budget Committee.

I urge my colleagues to read these letters and support the Budget Committee's bill.

NATIONAL ASSOCIATION OF MANUFACTURERS,
Washington, DC, May 16, 1985.

Hon. WILLIAM H. GRAY,
Chairman, Committee on Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I want to draw your attention to the enclosed letter I sent to Eximbank's President Draper outlining our views on the Administration's so-called I-match proposal. While the final Senate version of I-match is somewhat different from the Administration's proposal, the basic message of my letter still holds. As you can see, we find great deficiencies in the I-match program.

In our view the best way to establish a positive trade program in this country is to maintain a strong Exim direct loan program, certainly at least until such time that an international agreement can be reached which genuinely and demonstrably restricts official credit practices of other nations. As the enclosed letter indicates, we do not think that time has arrived.

We strongly supported the compromise budget package in the Senate, despite the fact that it included I-match, because this seemed the only way to reach a final and effective deficit reduction compromise. We hope it is possible to work out a more sensible approach to Eximbank funding in the House by reducing the Exim budget authorization by perhaps 25 percent which at least would leave intact our ability to assist exporters to some degree.

The reduction of the federal budget is of paramount importance in dealing with the high value of the dollar. But the U.S. Government is kidding itself if it thinks that this nation's international competitiveness problems will be solved simply by a lower dollar exchange rate. We should have learned that lesson in the late 1970s when the dollar was in fact weak, but our export of big ticket capital equipment items did not rebound adequately.

Foreign firms are not likely to give up markets they have gained over the past four years without a fight. In fact, in the event that exchange rate realignment helps to close the competitive gap between U.S. and foreign firms, we can expect to see greater, not less, foreign reliance upon export financing to maintain market positions. To give up the proven Eximbank direct loan program, which is universally understood and accepted by domestic and foreign users, for an unknown and questionable program such as I-match, makes no sense in either the long or short term.

I would be glad to discuss our views on this subject in more detail at any time, and hope that your Committee will be able to develop a credible deficit reduction package which includes Exim as an active participant in keeping America competitive.

Sincerely,

Alexander B. Trowbridge,
President.

National Association
of Manufacturers,
Washington, DC, May 8, 1985.

Mr. William H. Draper III,
President and Chairman of the Board, Export-Import Bank, Washington, DC.

Dear Bill: I am writing to you concerning our view of the I-match proposal which has been adopted by the Administration as a replacement for the Exim direct loan program. As you know, NAM is activitely working to support the compromise budget package in the Senate which includes the I-match proposal. That does not mean, however, that we are happy with this situation or that we would support I-match by itself.

We have reviewed the I-match proposal in considerable detail and have identified a number of reasons why it gives us real problems compared to Exim's direct loan program:

(1) I-match is a more costly way for Exim to support U.S. exports against the official financing programs of other industrial nations. Exim officials have admitted this point in testimony before Congress. A GAO report in 1982 reached the same conclusion concerning a program similar to I-match. Exim estimates the plan would cost $42 million more annually than the direct loan program. Others estimate that I-match could cost the U.S. government $75 to $150 million more per $1 billion in exports over a 10-year period, depending upon interest rate trends.

(2) I-match will drawdown Exim reserves and eventually deplete these funds. A plan specifically based on the inevitable elimination of Exim reserves is bound to lead to a shift in Congressional views and support for Eximbank and call into question the long-term commitment of the U.S. to meeting the competition in official financing. Such a development would have serious implications not only for international negotiations to limit official credits but also for corporate decisions on whether to source overseas sales from the U.S.

(3) A major objective of I-match is to attract commercial bank lending and to create bidding process to determine the placement of I-match's subsidized export loans within the commercial sector. A survey of commercial banks conducted by The Boeing Company in February at the request of Senator Domenici turned up almost no interest in such a proposal. A wide range of major banks identified a number of serious problems with I-match, ranging from the availability of funds to the transferability of Exim guaranteed notes in secondary markets.

(4) The lack of interest by commercial lenders in I-match forces the proposal to rely almost completely on the Private Export Funding Corporation (PEFCO), a small financial institution owned by a group of banks and exporting firms, with a charter to supplement Exim's direct lending. I-match would shift the bulk of Exim's direct lending to PEFCO, a clearly more expensive source of financing as noted in the first point above. By forcing PEFCO to assume such a central role, I-match increases the costs and uncertainty surrounding official financing for U.S. exports. It also risks overwhelming the corporation with more business than it has ever handled before, and thereby jeopardizes the useful role PEFCO now plays as a supplementary source for export credit.

. (5) I-match does not provide any means for the U.S. to respond to the increasingly aggressive use of mixed credits by other nations such as France and Japan. U.S. negotiators returned from the OECD talks on mixed credits last month to report that no progress was made toward limiting this type of financing. This outcome is especially surprising considering the optimistic statements made by U.S. officials a few months ago concerning the progress of these talks. One cannot help but wonder whether other nations are waiting to see if the U.S. unilaterally withdraws from this particular credit war, thereby eliminating the need for any concessions at the bargaining table.

(6) Finally, the budget savings the Administration claims to achieve through eliminating Exim direct loans and substituting I-match are very questionable. To claim that the budget deficit is reduced by substituting I-match for Exim direct loans is to take advantage of an accounting phenomenon which does not provide a true measure of the impact of the Bank on the federal budget (see enclosed Trade & Industry reprint pp. 2-3). You recognized this same point in your March 20 testimony before the Senate Appropriations Subcommitte on Foreign Operations when you stated: "My feeling is that the Eximbank direct loans should never have been in the budget in the first place because they are authorizations of loans that collect interest . . ."

On top of these specific problems with I-match, we are not nearly as encouraged as Administration officials seem to be that our economic interests are being protected in the OECD talks on export credits. Just last month Secretary of Treasury Baker in Paris talked about the "remarkable progress" of the OECD credit group. In reality, however, these negotiations have succeeded in restricting only the terms, not the amount of official credits being offered.

The latest official statistics available to us from the U.S. Government indicate that official finance support as a percentage of manufactured exports in Japan averages around 35-40% each year, in France 25-30%, in the United Kingdom 40-50%, in West Germany 11% and for the United States 10%. In light of these support levels, U.S. manufacturers view the progress made in the OECD negotiations with caution and more than a little skepticism.

It is important to distinguish here between quality and quantity. The OECD negotiations have indeed helped restrict competition in the "quality" (e.g. terms) of official financing by closing the interest rate gap between official credits and market rates for government securities—thereby reducing the subsidy element of official financing. However, the "quantity" of financing offered by our competitors in support of their manufactured exports has hardly been brought under control. When you examine the figures noted above, it is no exaggeration to say that U.S. firms often compete against the treasuries of Britain, France, and Japan.

We are especially surprised by the degree to which Japan continues to provide official financing for manufactured exports. While most of this may be short-term credit, it nonetheless is precisely this type of policy which "guides" the Japanese commercial system toward exporting. Such support might have been more understandable in the 1970s when Japan faced increasingly costly natural resource imports. But that has not been the situation in the 1980s and it is puzzling that Japan, with large trade surpluses, has not cut back on export credits. One would expect Japanese officials to see the potential that withdrawing government support in this area represents: An opportunity to relieve some of the strain on the international trading system. Was this point covered in the OECD export credit talks? Has it been raised in Bonn?

I have been very candid with you, Bill, in providing our assessment of U.S. official export financing right now. Obviously, I would be glad to hear your comments and views on the points raised in this letter. If we have real misconceptions about the I-match proposal, I hope you can clarify them for us.

Sincerely,

Alexander B. Trowbridge,
President.●

INFANT MORTALITY UNACCEPTABLY HIGH

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. WOLPE. Mr. Speaker, I want to call the attention of my colleagues to a recent Detroit News article that reports on a new study of the U.S. Public Health Service that describes infant mortality in our country as "a cause for concern." The study highlights the especially high infant mortality rate of blacks in my State of Michigan.

Mr. Speaker, I am keenly aware that we must make cuts in Federal spending if we hope to bring down the massive budget deficits. However, why is this administration so reluctant to attack the real waste in the Federal budget—the Pentagon cost overruns, the wasteful Synthetic Fuels Corporation, the tax loopholes that benefit wealthy individuals and corporations? Why does the administration instead target its budget cutting zeal at the poor and disadvantaged by proposing cuts in such low-income programs as maternal and child health care, programs that could—with adequate funding—help alleviate the unacceptably high rate of infant mortality in our country?

Mr. Speaker, I submit the following article from the Detroit News for inclusion in the Congressional Record.

State Baby Death Rate Alarms U.S.

(By Dwight E.M. Angell)

Michigan has a serious infant death problem that is a "cause for concern", according to the first state-by-state study by the Reagan administration.

But state officials were not surprised by the findings, citing their attempts to convince officials in Washington that the problem is serious.

The study by the U.S. Public Health Service, which was made public yesterday, called infant mortality nationwide a "cause for concern." It said nine states, including Michigan, suffer from "adverse trends" that could not be explained by "random fluctuations."

The study said there was "particular concern" over the infant mortality rate of blacks in Michigan.

The drop in the black infant mortality rate was "significantly slower" in Michigan between 1968 and 1977 than in the rest of the country and showed "essentially no change" during the next five years.

In 1982, Michigan had the 12th highest infant mortality rate in the country.

According to the Michigan Department of Public Health, the black infant death rate in 1983 was 23.1 per 1,000 live births compared to 24.6 a year earlier. In Detroit, the rate was 23.1 in 1983 and 26.9 in 1982.

"We tried to tell the federal government three years ago when they were issuing denials," said Jeffrey Taylor, former head of the maternal and infant health division of the state health department. "We were attacked by (budget director David) Stockman as 'alarmists.'"

Taylor said when state officials testified at congressional hearings in Washington, "We were met with pretty strong resistance by the federal government. They could have helped Michigan in 1982 and 1983."

.Taylor now heads the health department's research division.

Rick Cole, press secretary for Gov. James Blanchard', said yesterday, "It's not news to us but certainly many people in the administration who work in the area will be pleased to see the federal concern for it. Whether that translates into the reversal of some of the policies of the Reagan administration, which will make it more difficult to address infant mortality, is another question."

Michigan's infant mortality rate in 1983 was 11.8 deaths per 1,000 live births while Detroit's rate was 19.6.

The U.S. rate in 1982 was 11.5, based on final figures. Last year's rate was 10.6, down from 10.9 in 1983, based on provisional data.

Infant mortality is defined as death between birth and the baby's first birthday.

The study said the United States would not reach its goal of reducing the mortality rate of black babies by 1990 if the current trend continues.

"The infant mortality rate is still declining but the rate of decline has slowed down," according to the study.

The study, reported in the Sunday editions of the New York Times, was done at the request of Congress. The Reagan administration recently rejected a proposal by the Public Health Service to study whether federal spending cuts have had any effect on infant mortality, as some Democrats have charged.

THE AIDS EPIDEMIC

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. WAXMAN. Mr. Speaker, as I reported last week, more than 5,000 Americans have died of AIDS. Medical researchers estimate that 15,000 more will die by the end of 1986.

These statistics are tragic in themselves. But today I would like to invite my colleagues to put aside this week's budget materials for a moment and to look at the economic impact the epidemic has already had on this country. As part of our budget and appropriations deliberations, we must think about the disastrous costs that we will have to face, both in Government and in the private sector, if we do not adequately fund research into the prevention and cure of AIDS.

At the recent international conference on AIDS that was held in Atlanta, several researchers presented studies of the cost of AIDS to the United States. One presentation, made by Dr. Ann Hardy of the Centers for Disease Control, attempted to describe both the direct costs of health care services and the indirect costs to society of lost productivity.

Looking only at the first 9,000 cases of AIDS, the cost of hospitalization was estimated to be over $1¼ billion. A conservative estimate of outpatient costs adds another $3 million. These estimates do not include home health care, outpatient lab costs, outpatient medication, or outpatient counseling.

The indirect costs of the disease to people with the disease and to society at large are even more devastating. The study estimated the losses in much the same way that an insurance company or a trial court would: For disability losses the calculation involved the disability rate, the amount of time disabled, an estimate of the percent of those in the work force and the average annual American income; for premature death losses, the researchers figured the potential earnings lost, discounting the earnings to their present value.

The result of this second calculus is an estimate that the first 9,000 cases of AIDS will result in $161 million disability losses and almost $4¼ billion in mortality costs. The total social loss of indirect costs is almost $4.4 billion. As my colleagues will see, this number is especially large and especially tragic because the disease kills so many people who are young and in the prime of their productive years.

The total direct and indirect costs of the first 9,000 cases are estimated to be more than $5.6 billion.

This in itself is an astonishing loss of American resources. Let me remind my colleagues also that it is a loss that is compounding more quickly than any economic indicator: In a year and a half, if the epidemic continues there will be 40,000 cases, which will represent a social loss of $25 billion. By early 1988, the annual losses due to AIDS will equal almost 1½ percent of the total GNP.

Clearly not all of these losses are Federal losses: Some patients have adequate private health insurance, others will not live to qualify for Medicaid, Medicare, or Social Security. Many of the indirect losses are losses to the productivity of the private sector alone. But a significant portion of the direct medical bills will be borne by Federal programs or local, public hospitals. And, however one looks at lost productivity, it at least represents taxes lost.

During this week of macro-economic discussions in the House, I hope that my colleagues will note the growing portion of the economy that is completely lost to this new disease. We cannot afford to scrimp on research on the prevention and treatment of AIDS.

Mr. Speaker, I submit the following statistics for the Record:

Acquired Immune Deficiency Syndrome [AIDS], weekly surveillance report, May 20, 1985—U.S. cases

Reported cases:	
Adult/adolescent	10,280
Pediatric (under 13 at diagnosis)	120
Total	10,400
Reported deaths:	
Adult/adolescent	4,978
Pediatric (under 13 at diagnosis)	86
Total	5,064
Age of AIDS patients:	
Under 13	120
13 to 19	56
20 to 29	2,199
30 to 39	4,921
40 to 49	2,163
Over 49	943
Total	10,400
Residence:	
New York	3,836
California	2,411
Florida	70
New Jersey	636
Texas	516
Pennsylvania	215
Illinois	203
Massachusetts	180
Georgia	159
District of Columbia	157
Puerto Rico	123
Maryland	122
Connecticut	112
Louisiana	111
Washington	108
Virginia	91
Colorado	75
Michigan	67
Ohio	67
Missouri	51
Arizona	46
North Carolina	45
Hawaii	35
Oregon	34
Indiana	33
Minnesota	25
Wisconsin	25
South Carolina	24
Kentucky	23
Alabama	21
Oklahoma	16
Nevada	15
Delaware	14
Rhode Island	14

Acquired Immune Deficiency Syndrome [AIDS], weekly surveillance report, May 20, 1985—U.S. cases—Continued

Tennessee	12
Utah	11
Other States (12)	63
Total	10,400●

TOURISM WORKS FOR AMERICA

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. BADHAM. Mr. Speaker, at a time when the deficit is so threatening, I am honored to remind you of the tremendous benefits the Travel and Tourism Industry has brought to our economy. It seems appropriate, therefore, that the chosen theme for this year's National Tourism Week is "Tourism Works for America."

The Travel and Tourism Industry provides 6.8 million jobs in the United States. It is the second largest private employer in the country and supplies a $5.7 billion payroll in California alone.

Over 800,000 foreign visitors a day spend $21,714 every minute in the United States. In 1983, that totaled $11.4 billion, while domestic and international travelers combined spent $210 billion. This industry contributed 6.4 percent of the U.S. GNP in 1983, and it is growing at a rate faster than the GNP itself.

Of great importance in light of the deficit is the outstanding sum of tax revenues generated by this diverse industry which ranges from transportation to lodging to sports and recreation plus much more. The Federal Government receives $1,392 in taxes every minute from foreign visitor spending. Local governments receive over $2 billion in tax revenue every year from the Travel and Tourism Industry. In 1983, the industry generated $8.7 billion in State tax revenues and a whopping $13.8 billion in Federal tax revenues.

Obviously, tourism is essential for our economic survival, yet we cannot overlook the vital role it plays in our social lives as well. It expands the mind and invigorates the soul. It brings lands and peoples closer together. As vice chairman of the Congressional Travel and Tourism Caucus, I urge my colleagues to join me in paying tribute to the many benefits of the tourism industry for all regions of the country and for Americans in all walks of life. I, personally, am proud to celebrate the Travel and Tourism Industry during this week of recognition, and I urge the people of the United States to join me.●

COUNTY COUNCIL OF HARFORD COUNTY, MD: CHESAPEAKE BAY RESOLUTION

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. DYSON. Mr. Speaker, as a member of the Merchant Marine and Fisheries Subcommittee on Fisheries and Wildlife, I would like to share with my colleagues a resolution adopted by the County Council of Harford County in Maryland's First District. The council is concerned with the Reagan administration's proposed 67-percent reduction in funding of the USDA Soil Conservation Service. The resolution they adopted urges the President to reconsider this proposal, and to instead reduce the Soil Conservation Service budget by only 10 percent so that services vital to the environmental protection and economic stability of the Chesapeake Bay can be maintained.

I share the Harford County Council's desire to restore our nation's most bountiful estuary, and believe that Federal assistance is essential if we are to repair the damage caused by decades of pollution. Funding for the Chesapeake Bay is included in H.R. 8, and I strongly urge my colleagues to support this important legislation.●

PERSONAL EXPLANATION

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. SCHUETTE. Mr. Speaker, on Tuesday, May 21, I was unavoidably absent during rollcall vote No. 120. Had I been present, I would have voted "yea."●

OLDER AMERICANS MONTH

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. COATS. Mr. Speaker, the month of May is traditionally observed as Older Americans Month. It is a time when we can look at the valuable contributions older Americans make to each of our communities. In special recognition of our senior citizens this month, we should not only focus on their accomplishments, but also commit, as a nation, to protect their rights and enhance their opportunities.

Senior citizens are part of the fastest growing segment of our population. It is estimated that one out of nine Americans are elderly. As more and more Americans live longer and play prominent roles in our society, we should take special note of their concerns. Age creates no philosophical barriers and draws no philosophical lines, unless we choose to construct those barriers and draw those lines. We should choose to learn from the matured wisdom that older Americans possess because that is a valuable resource we cannot afford to ignore.

In the Fourth District of Indiana, and I believe it is true across the country, senior citizens are particularly alert as to what the Federal Government is doing, especially as it relates to them. A fine example of someone who is sincerely interested in this process is Frank Seith. Frank is serving as my senior intern in the Congressional Senior Internship Program. I am proud of Frank and all of America's senior citizens. Our older Americas are entitled to be singled out special recognition and I applaud the month of May as Older Americans Month.●

1986 BUDGET RESOLUTION

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. BONKER. Mr. Speaker, as we begin consideration of the fiscal year 1986 budget resolution, it is important that we not lose sight of the other deficit: America's $123 billion trade deficit.

Cutting the budget deficit is the first and most important step we in the Congress can take to bring the inflated dollar back down to Earth and reduce our unprecedented trade imbalance. But budget cutting alone is not enough; we must also ensure that our export-promoting programs remain competitive and that our trade law enforcement agencies remain strong.

The President's budget plan strikes at the heart of the Federal Government's trade program. Deep cuts have been proposed for the Customs Service that would dangerously weaken our ability to protect American consumers and producers from unfairly or illegally traded goods. The proposed elimination of the Export-Import Bank's direct loan facility would cripple many U.S. exporters, adding billions of dollars to our bloated trade deficit and thousands of workers to the unemployment lines.

The Democratic Trade Task Force, which was appointed by the Speaker in April to develop and coordinate Democratic positions and initiatives on trade, has unanimously endorsed two policy statements relating to the fiscal year 1986 budget. The first statement recommends that the President's proposed reductions in Customs personnel

be turned back and that 800 additional positions be created to beef up enforcement of our customs and trade laws. The second statement recommends that Eximbank's direct loan window be retained and that efforts to gut or terminate other export financing programs be rejected.

It is important to note that the administration's proposed cuts in the Customs Service and our export financing programs will do nothing to decrease the budget deficit; in fact they will cause net expenditures to rise.

Through its collection of tariffs and fines, the Customs Service is a revenue-raising agency. By cutting the Service's inspection and enforcement capabilities the administration would also cut Customs collections. The additional expense of 800 new positions would be more than offset by the resulting increase in tariff and fine revenues.

Export financing programs have historically made money for the Treasury through the collection of fees and interest. Moreover, these programs support exports that would otherwise be lost to foreign producers armed with generous export credit subsidies, which keeps American workers employed and expands the tax base.

The Budget Committee has reported a resolution that responsibly restrains spending while protecting these vital trade programs from extinction. As chairman of the Democratic Trade Task Force, I urge my colleagues to support the committee bill.

At this time I would like to submit for the RECORD two policy statements of the Democratic Trade Task Force concerning the fiscal year 1986 budget for U.S. trade programs.

RECOMMENDATION OF THE DEMOCRATIC TRADE TASK FORCE ON THE FISCAL YEAR 1986 BUDGET FOR THE CUSTOMS SERVICE

The President's budget once again proposes a large cut in the U.S. Customs Service. For Fiscal Year 1986, 887 positions are to be eliminated. Such a reduction would be good news to drug traffickers and importers of counterfeit merchandise, but would not reduce the budget deficit. In fact, the proposed cuts of inspectors, agents, and commodity specialists would increase the deficit because there is a direct relationship between the number of inspections of imports and the duties collected. The same relationship holds true for discovering smuggling, false description of goods, undervaluation, and other forms of fraud.

The President's proposal is a triumph of ideology over common sense, in which the overall objective of reducing the size of government is illogically applied to a money-making law enforcement agency.

In addition to collecting revenue, the Customs Service is the first line of defense against illegal and unfair imports. For example, the Customs Service helps protect consumers against imports of counterfeit products and adulterated food. Customs enforcement actions also help preserve jobs for American workers and markets for American manufacturers.

The increase in drug smuggling and unfair trade practices comes on top of a steadily rising volume of legitimate trade. Despite continuing efforts to improve efficiency, the Customs Service has not been able to keep up with these increased burdens. A significant increase in Customs personnel is long overdue.

We propose to restore the President's cuts and add 800 positions to the depleted front lines of our Customs Service. These positions shall be allocated among inspector, import specialist, patrol officer, and special agent positions and be dedicated to the enhanced enforcement of our customs and trade laws, the collection of import duties owed to the Government, and the protection of the public from illegal and unsafe imports. The cost of this increase in staffing will more than be offset by increased revenues resulting from better enforcement of our laws.

RECOMMENDATION OF THE DEMOCRATIC TRADE TASK FORCE ON THE FISCAL YEAR 1986 BUDGET FOR EXPORT FINANCING PROGRAMS

The Reagan administration has proposed terminating the Export-Import Bank's direct loan facility, currently authorized at $3.85 billion a year. In place of direct lending, the administration has proposed an interest-rate subsidy program called "I-Match." I-Match would directly subsidize commercial lenders in order to counter foreign government export credits. The subsidy payment would equal the difference between the officially-supported foreign interest rate and prevailing market rates. The administration is asking for $136 million for the subsidy plan to support a maximum of $1.8 billion in private export financing.

The I-Match proposal has been uniformly condemned by the banking and exporting communities as an inadequate substitute for direct lending—and with good reason. I-Match will not be able to provide financing that is competitive with foreign direct credits, primarily because commercial banks are either unable or unwilling to offer long-term, fixed-rate financing similar to that presently available through Exim's direct loan program—even with an Eximbank subsidy and guarantee.

What's more, I-Match will be more expensive than direct lending. According to the administration's own calculations it will cost the Bank over $40 million more to provide interest-rate subsidies on $1.8 billion of private lending than it would cost if Eximbank made the loans itself. Whatever budget savings the administration claims are purely on paper; actual expenditures for Eximbank will increase with I-Match.

The administration's Eximbank scheme is a double disaster: it will undermine the Bank's effectiveness while costing the taxpayers more money.

Other export financing facilities are threatened with extinction by the Reagan budget. In 1985 the Commodity Credit Corporation (CCC) will lend over $300 million to support the export of American farm products. If the administration has its way, CCC's export credit program won't lend a penny in 1986. CCC's $5 billion export-credit guarantee program would be devastated by the Reagan budget, which calls for the imposition of prohibitive orgination fees. In proposing to kill the Small Business Administration (SBA) the President is also proposing to end SBA export loans and guarantees. In 1984 SBA loaned $450,000 to small exporters and guaranteed $16.5 million worth of commercial export financing.

Export financing by Eximbank, CCC, and SBA are cost-effective mechanisms that ensure some measure of fairness for U.S. exporters, large and small, who confront foreign competition armed with subsidized export credits. Moreover, these programs create jobs and generate new tax revenues. In a time of record trade deficits, unprecedented budget deficits, and persistent unemployment on the farms and in the factories, it is irresponsible and counterproductive to cripple our most effective export promoting programs.

We urge the President to revise this budget request for the Export-Import Bank to provide for the continuation of the direct credit program. Failure to do so would unilaterally disarm the United States in the area of trade credit subsidies at the very time we are suffering from record trade deficits

We strongly recommend that Eximbank's direct loan facility continue to be the backbone of the federal government's export financing efforts. Additionally, we encourage Eximbank and the other agencies to be a nurturing ground for innovative programs that will enhance the competitiveness of our export industries.

While recognizing that no part of the budget can be spared from the necessity of spending restraint, we recommend that the Republican proposals to gut or terminate our export financing programs be strongly opposed.●

NEW JERSEY'S MISSING SONS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. COURTER. Mr. Speaker, the New Jersey chapter of the American Legion held a vigil in Phillipsburg on May 4 and 5 for Americans who are prisoners of war or missing in action. Being unable to attend, I sent my regrets, and some few remarks, by letter to the director of the ceremony. I now wish to respectfully place the letter before my colleagues.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 25, 1985.

Hon. HAROLD O. BAKER III,
785 Pursel Street, Alpha, NJ.

DEAR MR. BAKER: You have asked, in writing to me, whether I would honor you with my presence at the vigil in Phillipsburg. The honor would be mine. But I am not free to accept it, because the press of business has been too great.

I ask you to forgive my absence, and I ask you that fully confident that it is absence that matters today, but not mine.

My thoughts, at least, will be with you all through this service. They are with you, and they are with William Konyu, Bruce Lawrence, James Suydam, and New Jersey's other missing sons.

None of these are men I know personally. But I honor them, in part because they fought for me, an American citizen. And I hold them in my mind today, because—who can tell—tomorrow I might meet them

Suydam, Lawrence, Konyu: These names are badges of honor and symbols of hope. Each means so much, all by itself. These names remind me of a small book of poems, by Bryan Alec Floyd, who fought beside good men in Vietnam. Each of Bryan Floyd's poems is for a Marine, and is titled simply with a name, a rank, and the initials of the U.S. Marine Corps. Each Marine, unknown to us, is alive in his poem.

All these men suffered, some of them died, some returned home like Bryan Floyd. Most came as close to tragedy, to nobility, to terror, as they ever will, or would ever want.

The stories of some take many verses to tell. But the poem for Private Joseph Plainview, U.S.M.C., is among the most affecting. It's only three letters long: M.I.A. The whiteness of the remainder of the page is hard to reckon with.

Today, at least, it is together that you do your reckoning, about all that Vietnam still holds, and still represents. Together reckon. Together hope. Together you are strong against the fearsomeness of the unknown. If you stay together, then the cynics, who say that it was all for nothing, can never touch you.

They never touched Sergeant Jules Beaumont, another friend, another poem, to Bryan Alec Floyd. Beaumont was a hardened man, a silent man, who stayed the stranger. He was, the simple free verse says,

"A professional Marine
A former drill instructor
And a posthumous winner
Of the Congressional Medal of Honor.
He hated nothing and no one.
He had his doubts and disbeliefs about the war . . .
"Just before his platoon was sent out
On Operation Hastings, where he died,
He gave to the Chaplain his own epitaph
Which today is written on a small rock slab
That marks his grave in Arlington:
'For those of us who fought and died for them,
Peace and Freedom have a flavor
That fascists and communists
Will never know.'"

Today, in Phillipsburg, you meet not for those who fought and died, and are a memory, but for those who fought and may yet live, and are a presence. Surely, for them, before all others, "Peace and Freedom have a flavor that fascists and communists will never know." Surely nothing else must seem so sweet to these good American Men.

We cannot know where they are, or what they face. But I think this is what they teach: Their willingness to go to battle means that if all of us wanted only Peace, none of us would have Freedom. Their absence now, amidst this crowd, means that as long as any of us are not Free, none of us can be at Peace.

May God be with you.

JIM COURTER,
Member of Congress.●

A TRIBUTE TO THE STUDENTS OF BELCHERTOWN JUNIOR/SENIOR HIGH SCHOOL

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. CONTE. Mr. Speaker, I rise today to pay tribute to the students of Belchertown Junior/Senior High School. Belchertown High recently received the title of All State Energy Champions by winning the National Energy Education Day Youth Award for Energy Achievement Competition. This event is especially noteworthy because it is the third year in a row which Belchertown has achieved this distinction. Over 100 ninth grade students undertook the monumental task of researching, documenting, and producing more than 1,000 energy projects. The students who participated were aided by Mr. Shaun Bresnahan and other adult supervisors who were willing to volunteer their time and efforts. The principal credit for the success of this venture must go to the students. It was their hard work and devotion which made this event successful.

The students have learned much from this effort, but they are not the only ones who have benefited. The community, on the whole, has gained from this program. The students' work has had an important impact on families and businesses in the Belchertown area. Over 600 families received energy packets with important conservation tips, and the students visited area stores and businesses and offered ideas on how they could cut energy consumption.

The work of these students is particularly important if one remembers some recent history. A few years back, the United States, in fact almost the entire world, was in the midst of a serious energy crisis. It was not too long ago that lines at gas stations went on for miles, energy prices soared and many people could not afford to drive their cars or heat their homes. At that time most Americans were seriously concerned about this country's energy future. It was this atmosphere which gave birth to creative and imaginative ideas about alternative energy sources, and ways to conserve energy resources. Recently, however, a worldwide energy glut has caused energy supplies to be plentiful and prices to drop. Unfortunately, this has also resulted in many people forgetting about the not too distant past. Many of the important strides that were made in conservation and research have been forgotten or ignored. The students of Belchertown, however, know differently. They realize that the good times of today should not overshadow the valuable lessons of yesterday. It is because of students like these that there is hope for the energy future in the United States.●

DON'T SEIZE THE MOMENT: A POLICY THAT MUST CEASE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. HYDE. Mr. Speaker, one of the biggest problems facing the United States today is our relative inability to counter effectively the covert political and paramilitary activities of the Soviets and their surrogates around the globe. This is especially true in the Third World. Being prepared to fight World War II again is just not enough as these days conquests are occurring by subversion and wars of liberation supported and controlled from without but occurring from within. We seem paralyzed in our efforts to deal with this reality.

Nicaragua is a case in point. In the years leading up to Somoza's overthrow in July 1979, the CIA's covert action capability was reduced significantly. Consequently, little, if any, effort was made to challenge Fidel Castro's clandestine support of the Sandinistas which included arms and training.

The Carter administration essentially stood by, providing no discreet assistance to the broad coalition of moderate Nicaraguan businessman, non-Communist labor leaders, and Catholic Church leaders who, through strikes and demonstrations, were insisting that Somoza step down in favor of a democratically elected government. The United States did associate itself with an Organization of American States [OAS] effort to bring about a plebiscite, but when Somoza rejected this idea, little else was done by the Carter administration to combat Castro's backing of the Sandinistas.

Particularly relevant retrospective reading on this period can be found in a 1980 book—authored by Cord Meyer, nationally syndicated columnist—entitled "Facing Reality: From World Federalism to the CIA." Meyer, a knowledgeable and now retired intelligence officer, who for a number of years served as the No. 2 man in the operations directorate of the CIA, pointedly observed that:

> * * * When Somoza was finally forced to abdicate in July, the Sandinistas were in a strong position to influence the successor regime, while the moderate democratic opposition had been decimated and disorganized by the months of civil war. A timely decision in January to lend discreet financial assistance to these moderates, and to encourage dissident elements within the National Guard to break with Somoza, might well have forced Somoza to accept a plebiscite and would have avoided the radicalization of the country that Castro was able to exploit. In their refusal to accept the results of a peaceful ballot, the Sandinistas would have isolated themselves as an extremist minority and would no longer have been able to rally popular support against the deposed dictator. The long-term consequences of this missed opportunity may prove serious indeed in the form of increased Cuban influence throughout Central America. It is a dramatic example of how costly the absence of a covert action capability can be in a situation where the Soviets and their allies are prepared to intervene covertly and decisively.

These prescient words were written 5 years ago, but they must be borne in mind today as we contemplate our next vote on whether we should renew our assistance to the Contras. Luckily, we still have a chance of positively influencing events in Nicaragua and Central America—provided this time around we seize the moment rather than ignore it.●

SCHOLARSHIP DIPLOMACY PROGRAM DEVELOPED BY AID AND ARKANSAS BUSINESSMAN

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. HAMMERSCHMIDT. Mr. Speaker, I would like to bring to the attention of my colleagues a novel scholarship diplomacy program just announced yesterday, which is being instituted by a businessman from the Third District of Arkansas and the U.S. Agency for International Development.

Sam Walton of Bentonville, AR, founder of the Wal-Mart Discount Stores chain, has joined with AID to start a fund which will pay for the college education of needy Central American students at three Arkansas colleges. Sam Walton is contributing $3.6 million to the program, which will be matched by $3 million in AID funds.

The United States must increase the number of scholarships for Latin American students to offset educational recruiting in that area by the Soviet Union and its allies. According to the General Accounting Office, in 1982 the Soviet Union and its allies provided over 9,000 scholarships to Latin American and Caribbean students. The United States provided only 2,580 scholarships. Sam Walton has realized this, and is taking steps to do something about it.

The scholarship diplomacy program will give 1,000 students from all Central American countries except Nicaragua, a chance to understand the American principles of democracy and free enterprise by interacting with the people here and learning the values on which the United States is founded. The Central American students would attend one of three fine institutions in Arkansas: College of the Ozarks in Clarksville, John Brown University in Siloam Springs, or Harding University in Searcy.

In addition, AID has said it is possible that it would add more money to the program if other private individuals make donations. Economically and socially disadvantaged students who show promise of leadership, from all Central American nations except Nicaragua, would be eligible to apply for the scholarships.

Mr. Speaker, Sam Walton is not only a highly successful businessman, but also a fine example of a committed American, who is finding ways to involve the private sector in promoting democracy and working to make life better for these Central American students who have seen so much turmoil in their home countries. I am proud to have him as a constituent and a friend.●

SOVIETS CONTINUE TO PERSECUTE AND ISOLATE PENTACOSTALS AT CHUGUYEVKA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. GILMAN. Mr. Speaker, in January of this year, I had the opportunity to travel with a delegation of my congressional colleagues to the Soviet Union. During that visit, I learned of the case of the aproximately 170 Pentacostals living in Chuguyevka, a small community in the Soviet Far East. To this community of Christians who have sought basic religious freedoms, such as worship services and religious education for their young, the Soviets have responded with unbridled and unrelenting suppression and intolerance. All efforts by this group of ethnic Germans to emigrate have been unsuccessful.

During my discussions with several Pentacostals I was told how on Saturdays they visit the Moscow synagogue of their Jewish friends who faced a similar fate under the thumb of Soviet persecution. They explained that they found a helping hand in those visits and that in times of trouble the Jews and Christians were able to come together to share their despair, while all too often during better times they stood apart.

Even when confronted with the arrests and convictions of its leaders, midnight searches and interrogations, and the very precarious economic situation they face because they are not permitted employment, the Pentacostals at Chuguyevka remain steadfastly committed to their beliefs. Their greatest struggle is in response to Soviet threats to remove the children from parental custody. Only the Soviets could initiate such an appalling and inhumane policy. The community announced its intention to withdraw their children from State schools where they faced atheist indoctrination and teacher-led taunting of the little fascists and praying mantises.

Mr. Speaker, the plight of those at Chuguyevka is a vivid example of Soviet oppression and callous disregard for basic human freedoms. It stands in marked contrast to Soviet officials who continue to insist—indeed, these practiced and outlandish performances are a paean to twisted reasoning—that their government respects and guarantees fundamental human rights.

So that we may better understand the desperate situation of those at Chuguyevka, I commend to the attention of my colleagues, the following recent Washington Post article "Soviets Trying Members of Pentacostalist Sect," and ask that the article be inserted in full at this point in the RECORD:

[From the Washington Post, May 4, 1985]

SOVIETS TRYING MEMBERS OF PENTECOSTALIST SECT

EFFORTS TO EMIGRATE ARE UNSUCCESSFUL

(By Celestine Bohlen)

MOSCOW.—Several members of a small Pentecostalist community in the Soviet Far East have been put on trial recently on charges that stem from their defiance of Soviet laws on religion and education.

According to reports reaching Moscow, the pastor of the community, Viktor Walter, 34, was sentenced April 9 to five years in a labor camp after he was convicted of violating laws regulating the separation of church and school, of anti-Soviet slander and conducting illegal religious services.

Walter's conviction at the end of a week-long open trial came after eight families in the 170-member community decided last winter to take their children out of Soviet schools where, they said, they were victimized both because of their religion and their German background.

The community of ethnic Germans had moved to the town of Chuguyevka, near Vladivostok on the Sea of Japan, from central Asia several years ago to get away from what they said was religious harassment.

Since then, they have applied to emigrate to West Germany, joining the estimated 130,000 ethnic Germans within the Soviet Union now trying to leave to join relatives in the West.

Most of the Germans, whose families have lived in Russia for several generations, now live in central Asia where they were moved during World War II.

The number of ethnic Germans getting visas to leave has been steadily declining this year, although there was a slight trend upward in April.

The peak year in German emigration was in 1976, when 9,626 left. Last year the number was 864.

Last week, a member of the Chuguyevka community burst into the West German Embassy, seeking help in his effort to emigrate.

He left the embassy the same day, apparently with assurances that his case and others from the community will be pursued diplomatically.

Meanwhile, according to the reports, problems for Pentecostalists in Chuguyevka have increased. After Walter's conviction, another eight leaders of the community were expected to stand trial April 23, on charges stemming from their participation in a demonstration Dec. 27 protesting Walter's arrest two weeks earlier.

No word has reached Moscow on the outcome of the April 23 trial.

In February, three community members were convicted of not having proper documents. One was sentenced to one year, while the other two were tried again on the separate charges of participating in the demonstration.

The entire group had sent their Soviet passports to Moscow in 1984, when they made their second application to emigrate.

Three times since September 1983, the group has gone on a mass month-long hunger strike. The last was in February of this year, while the first trial was taking place.

Since the beginning of this year, no member of the community has had a job. The group lives on livestock and food they have raised themselves, and whatever they can earn from selling milk and produce, according to its members.

Members of the community now fear that more charges will be brought against them. After they took 27 of their children out of school, their homes were searched, and Bibles and pictures were seized.

The Pentacostalists in Chuguyevka have not registered as such with the government, which puts their church in a precarious position with Soviet authorities. The estimated number of Pentacostalists in the Soviet Union ranges from 125,000 to 300,000, of whom 33,000 have registered with the state.●

CONGRESSIONAL SALUTE TO THE HONORABLE JOHN A. MANZ OF FRANKLIN LAKES, NJ ESTEEMED EDUCATOR, COMMUNITY LEADER AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. ROE. Mr. Speaker, on Thursday, June 13, the residents of Franklin Lakes, my congressional district and State of New Jersey will join together in testimony to a most esteemed educator and good friend—the Honorable John A. Manz—who is retiring from his high office of public trust as superintendent of schools of the Borough of Franklin Lakes, NJ. I know that you and our colleagues here in the Congress will want to join with me in extending our deepest of appreciation to Superintendent Manz and share the pride of his good wife, Betty; sons, John C. and Joseph; daughter Melinda and her husband Jay Freid; and grandchildren, Christie, Courtney, and Justin Freid upon this milestone of achievement in their family endeavors.

Mr. Speaker, when you reflect upon the fact that the cultural, historical, and economic achievements—even the basic health, well being, and longevity—of a state and nation depend in large measure upon how well we educate each generation charged with the trust of carrying out its responsibilities and traditions, we can indeed be proud of John Manz' outstanding contribution to the quality of life and way of life for all of our people.

Mr. Manz has indeed earned the highest respect and esteem of all of us for his leadership and standards of excellence in seeking to improve the quality of education for our people. His personal commitment, diligence and endeavors as an educator and school administrator have brought excellence to the students and State and national recognition to the schools of Franklin Lakes where he was the first and only superintendent to serve in the school district.

Mr. Speaker, John Manz has served our people and our country with distinction. There is much that can be said of his 36 years of outstanding service to the Borough of Franklin Lakes and the 4½ years he served in the United States Air Force during World War II.

He has served as a trustee of the Franklin Lakes Library and was instrumental in establishing a public library system and library in the community. Superintendent Manz also aided in establishing a recreation program in Franklin Lakes. He is a member, Franklin Lakes Chamber of Commerce; Most Blessed Sacrament Church, Franklin Lakes; and Knights of Columbus, Council 1736, Ridgewood, NJ.

As the dean of school administrators in Bergen County, he has held all offices including president of the Bergen County Superintendents Association. He has been an active member of the New Jersey Association of School Administrators, the American Association of School Administrators, and the Bergen County Audio-Visual Commission. He is a charter member and past chairman of the Northwest Bergen Region for Special Education and has been a pioneer in special education establishing one of the first classes in our State of New Jersey to serve the neurologically impaired child.

Under his direction the school district has expanded its facilities to provide a substantive learning experience for our young people attaining the prestigious recognition of being included in the New York Times' directory of outstanding schools. He was responsible for the building of High Mountain Road, Colonial Road, and Woodside Avenue schools, as well as four additions to the Franklin Avenue Middle School and the development of the present offices of the board of education. His work and efforts impacted the lives of thousands of students. The school district of Franklin Lakes was recognized by the Middle Atlantic States as a charter member and cited as being among the first elementary school districts in the Nation to be certified by the Middle Atlantic States Assembly of Schools.

John Manz is the son of Jane and Karl Manz, one of 12 children (6 boys and 6 girls). He spent his early life in Saddle River, NJ, and is a graduate of St. Lukes Elementary and Secondary Schools in Hohokus, NJ. He received his B.S. degree from Seton Hall University in 1948, and a masters degree in administration and supervision from Montclair College in 1952. He also pursued post-graduate studies at William Paterson College and Rutgers the State University.

His teaching career commenced in September 1949 in Franklin Lakes where he became vice principal 3 years later. He was appointed chief school administrator in 1958. It is interesting to note that the Franklin Lakes school system at that time consisted of one building and nine staff members.

Shortly after Superintendent Manz began his administration, the Borough of Franklin Lakes began to grow. Under his direction the concept of neighborhood schools was established. With all grades and overcrowding at Franklin Avenue School, plans were developed for the High Mountain Road School. It was completed and opened in 1962, housing grades kindergarten to fifth grade. The Colonial Road School followed in 1965. An addition of library, home arts and home economics was added to Franklin Avenue School in 1969 and was designated a middle school with grades 7 and 8. Woodside Avenue School was completed in 1971. As need for space continued, a much-needed addition was built at Franklin Avenue School in 1982.

Franklin Lakes school system, its buildings, students and staff have brought a great sense of pride and have been a source of joy to John Manz. Through the efforts of the members of the board of education and community, the school system and its programs have gained a reputation for excellence in our State and Nation. The quality of leadership and sincerity of purpose that Superintendent Manz has imparted to our people are mirrored in his many accomplishments and have been captured in the prominent biographical publications of "Who's Who in New Jersey" and "Who's Who in Education in America." He is especially proud of the Bergen County Superintendents Service Award that he received for the school years 1977-1978.

Mr. Speaker. Superintendent Manz is an outstanding administrator, educator, and good friend whose richness of wisdom and expertise in his daily pursuits have touched the lives of many, many people. As we gather together on June 13 in tribute to his leadership endeavors and personal commitment dedicated to the education of our young people, we do indeed salute an esteemed educator, outstanding community leader, and great American—the Honorable John A. Manz of Franklin Lakes, NJ.●

TROUBLED BY THE CURRENT PRIORITIES OF OUR GOVERNMENT

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. WOLPE. Mr. Speaker, I would just like to take a moment to share with my colleagues a few letters I recently received from students in a U.S. Government class at Loy Norrix High School in Kalamazoo, MI. I cannot tell you how deeply moved I was by the words of these students who are troubled by the current priorities of our Government. The sincerity and profound thoughtfulness evident in each note is most impressive and demands our close attention. For these are our young people speaking. I urge my colleagues to read the following letters and to hear their message.

DEAR MR. WOLPE, I am a senior at Loy Norrix High School in Kalamazoo, Michigan. And my grades are not the greatest, but that is a different story when it comes to me in Tracy Beauty Academy. I really enjoy and work hard at learning Cosmetology for my future trade. Though this may be, it's not exactly the easiest to pay for. I know they say there is financial aid, but I'm also told I have to move out of my parent's house first. Well, neither of us are ready for me to leave just yet. No, I'm not writing you to get help as far as money for my schooling. What I am writing for is to tell you my feelings on military spending.

I just can't understand why the government must spend so much on defense. Especially when that money could and should be spent on more important things like the elderly people and struggling people who need food or money to accomplish something in life. We shouldn't be spending so we kill people. We should spend more on the basis of saving and helping in making better human beings for all of our futures. If I had the money, I would help instead of worrying about spending money on things that wouldn't help us, but most likely help us in ending up dead.

Sincerely,

DAWN NUFER.

DEAR MR. WOLPE, My name is Joe Goodrich. I am a student at Loy Norrix High School in Kalamazoo, Michigan. I would like to express my thoughts on nuclear arms spending.

I feel that we need to drop our arms spending quite a bit. The United States already has enough nuclear arms to blow the whole world up several times over. In the event that we went into all out war, there would be no winner. Einstein made a statement that said, "If there is a world war four, it will be fought with sticks and stones". I would not like to have it that way.

If all that the United States is trying to do is impress everyone with how much arms we have, I think that we have well overdone it. We, the United States, should show everyone how much we want peace and quit making nuclear arms. This would help to show everyone that we don't want war. It would also help our economy very much. We could use the money for better uses, such as new places for the old to live cheaply. Or we could just lower the taxes by loads. There are more things to better spend our money on than nuclear arms.

Thank you for your time to read this letter and I hope it was worth your while.

Sincerely,

JOSEPH GOODRICH.

DEAR CONGRESSMAN WOLPE, I am writing to you in the hopes that you can have some kind of influence over the amount of money that is being spent on so-called "defense" spending in America.

Every day on the national news and in the newspaper I see and read about important social programs that are being cut time and again so that President Reagan can fund more MX missiles. Right here in the United States there are people going without food tonight because Ronald Reagan believes in war not people. Unemployment benefits, Social Security and welfare benefits to needy families are more important than being the toughest kid on the block. If Ronald Reagan had his way we will be in a World War before he is out of office. I prefer that my tax dollars be used for humane purposes rather than the inhumane purpose of "war toys", such as the MX missile.

I hope you will do all you can do to gather support in Washington for the people of our nation.

Sincerely,

RICH MILLS.

DEAR CONGRESSMAN WOLPE, as a concerned citizen of the United States, I feel military spending should be decreased to a minimum. Yes, I know we must keep up with Russia's advancements, but with the supplies we currently possess we could destroy Russia anytime. If it comes down to a nuclear war, both ourselves and Russia will be hopeless cases in the end anyway. So why spend billions of dollars on a hopeless cause?

Don't get me wrong, I feel it is necessary to spend money for defense, but spending $400 on a hammer is a bit ridiculous. It seems that the defense budget contains too much money to know what to do with. I feel some of the budget money should fund other problems of our country, such as senior citizens, medical research and college funding.

In closing, I'd like to say thanks for taking the time to listen.

Sincerely,

JAMIE PRICE.

DEAR CONGRESSMAN WOLPE, I am writing to tell you how pleased I am that the defense budget is finally at a point in which we are prepared to combat any sort of foreign oppression that we may face in the future.

However, I feel that unnecessary waste in the defense program must be cut down. The spending level of the tax dollar is wasted unnecessarily by the Pentagon's military contracts. Once again, I feel that the defense budget is appropriate to defend the dreams of the people.

Sincerely,

JIM MCCOY.

DEAR HONORABLE HOWARD WOLPE, I am writing to you in response to the latest developments in the Pentagon's overspending on defense weapons and military parts.

I'm tired of all this overspending. I know that it is important to have these weapons and parts, but look how much money the United States is spending on these weapons and parts. Billions and billions of dollars are wasted because of Reagonomics. President Reagan wants to keep up with the Soviets. I know it is to protect the U.S. in its defense in time of war, but spending billions of dollars on weapons and space projects is terrible.

All of these billions of dollars wasted could have been used to help the unemployment in the United States and create new jobs to put some thousands of Americans back to work.

I am really concerned about this waste of money.

Thank you for taking the time to read this letter. I wish you good luck in the future and God bless you.

In closing, also think about the people who are starving in the United States. If we are willing to help other countries, why can't we even help our own country?

Sincerely,

DWIGHT BECHTEL.

DOUBLE STANDARD

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. EDWARDS of California. Mr. Speaker, our colleague, the distinguished chairman of the House Judiciary Committee, PETER W. RODINO, Jr., has written an article which should be required reading for every Member of this body.

Published in the Baltimore Sun on May 20, the article examines the unsettling reluctance of the Department of Justice to investigate and prosecute alleged fraudulent defense contractors.

Slashing domestic programs in the name of eliminating waste and fraud has become something of a national past time under the current administration. Unfortunately, it appears that the administration's zeal for ferreting out corruption does not extend to the rampant fraud in defense contracts.

Yet, as Chairman RODINO's article points out, it has been estimated the "Pentagon waste and procurement fraud nearly equals all the Federal money spent on the major programs for the needy, which are under attack by this administration for being too wasteful."

As we take up the budget resolution this week, and later authorization and appropriations bills for the Department of Defense, I hope my colleagues will bear in mind the insightful comments contained in the article that follows:

[From the Sun (Baltimore), May 20, 1985]

Double Standard

(By Peter W. Rodino, Jr.)

WASHINGTON.—When President Reagan came to Washington, he vowed to eliminate government waste and corruption. His social policy and spending cuts would, he said, root out the welfare cheats and trim excess fat in government.

But while the president has gone after so-called welfare "freeloaders" with great rhetorical gusto, the administration has been considerably less eager to prosecute the biggest government boondoggle of all—defense procurement fraud.

Consider the enormity of the Defense budget. We are now in the midst of an unprecedented eight-year peacetime defense buildup of $2.3 trillion, in which the Pentagon is spending, on the average, $428 million every hour, 24 hours a day, 7 days a week.

Consider, too, that the largest welfare fraud case in U.S. history—$377,000 of fraud spread over 10 years—is small change compared with the almost $1 billion in cost overruns recently alleged in the General Dynamics case, or the $800,000 General Electric billed the government for work never done.

Yet the Reagan Justice Department has been reluctant to go after alleged fraudulent defense contractors—even ones that the Pentagon itself uncovers. This administration has sent a message that when it comes to defense, there is a different standard of accountability—or non-accountability.

By now, the defense fraud stories are all too familiar. Most Americans have heard of the $9,600 allen wrench, the $7,600 coffeemaker, the $5,096 pliers, and the $640 toilet seat.

A recent Pentagon audit of 218 defense contracts showed 10 percent to be fraudulent. If this is a valid sample, it means that of the 15 million defense contracts entered into this year, upwards of 1.5 million could be fraudulent. Some critics estimate that Pentagon waste and procurement fraud nearly equals all the federal money spent on the major programs for the needy, which are under attack by this administration for being too wasteful.

The taxpayer has every right to be alarmed, and many are angry: Polls indicate diminished confidence in the Pentagon's use of our money.

Yet, despite the establishment of a defense procurement fraud unit two years ago at the Department of Justice, only 20 convictions have been won. Indeed, the Justice Department has been criticized for not taking on major defense fraud cases, but only for going after smaller companies with less complex cases—and that only after Congress or the press raises the particular case.

Recently, an FBI special agent revealed that the Justice Department put off action in a two-and-a-half year investigation of Pratt & Whitney, even though sufficient evidence exists to bring charges against the company for more than $1 million in questionable billings on defense contracts, including $266,293 to lease luxury cars for company executives who later were allowed to purchase them at discount prices.

Of the major cases that Department of Justice prosecutors do pursue, critics—including Republican Senator Charles Grassley—contend that they often settle too quickly because of an unwillingness to bring them to trial.

In one case against Sperry Corpo ration—which is one of the top 20 military contractors and receives more than $1 billion a year in contracts—the Justice Department settled for an $850,000 penalty even though the judge in the case cited audits showing that Sperry had overcharged the taxpayers more than $3.3 million. In another case, against Rockwell, the Justice Department settled for $1.5 million ($500,000 to the government and $1 million invested in a computer for Rockwell to ward off future abuses) even though as much as $4 million was overcharged. And Rockwell never had to admit wrongdoing.

In an unsettling comment last September, the Pentagon's inspector general noted that Justice Department prosecutors are often reluctant to undertake defense fraud cases because of their length and complexity, but that he was able to persuade them to take on more of these cases by appealing "to their patriotism."

Just as the Department of Defense must be held responsible for faulty procurement practices, the Department of Justice must be held accountable for prosecuting defense fraud and wrongdoing. In a government of laws and not men, law enforcement should not depend upon extra-legal appeals to prosecutors' "patriotism." We cannot, as a nation, countenance a double standard of justice—one for defense fraud and another for all other misconduct.

In the case of defense fraud, with so much taxpayer money at stake, selective law enforcement can only serve to undermine public confidence in our system of justice and, ultimately, erode public trust in our nation's military.

That would be an awfully big price to pay—even more costly, in the long run, than any cost overrun could ever be.●

GOODYEAR JOINS THE FIGHT TO CURB THE DEFICIT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. SEIBERLING. Mr. Speaker, when Ronald Reagan became President in 1981 and rammed his spending budget and tax cut bill through the Congress, those Members who, like myself, opposed his program stated at the time that we did not believe it possible to make such large tax cuts and such huge increases in defense spending, preserve the safety net for those in need, and balance the budget, all at the same time. Subsequent events have demonstrated the validity of our concern. President Reagan's program took all the savings from cuts in civilian programs and simply used them to expand the defense program. At the same time, by drastically reducing the Federal Government's revenue base, he produced the huge deficits that have become the trademark of his administration.

Many in and out of Congress have been increasingly concerned about the impact that the deficit, and the resulting overpriced dollar, has had on American business. It has been the major cause of the unprecedented trade imbalance, which has cost millions of American jobs and is costing hundreds of thousands more jobs each year.

The public as a whole appears to understand this. Both this year and last year, respondents to my annual survey of residents of my congressional district cited reducing the Federal deficit as the national priority they believe to be most urgent. Furthermore, 76 percent of the 9,000 respondents to my most recent survey favored freezing defense spending at current levels as a way to help solve the deficit problem, while 61 percent opposed more cuts in domestic social programs.

Mr. Speaker, in every one of the years since the first Reagan budget was submitted to Congress, I have supported alternative budget amendments which, if they had been adopted, would have produced far lower deficits than either the President's budget or the one finally adopted by Congress. As the time for adopting a budget resolution is again at hand, it is with no little gratification that I welcome the entry of the largest corporation in my district, The Goodyear Tire & Rubber Co., into the battle to get the deficit under control. Goodyear's weekly publication for all of its employees and retirees, "The Wingfoot Clan," in the edition of May 9, 1985, contains as its lead article, a full page devoted to urging all employees to write their Senators and Representatives demanding that the budget deficit be brought under control. The company is even making preprinted postcards available to employees for mailing to the President and to Members of Ohio's congressional delegation.

In its article, Goodyear quotes President Reagan in behalf of cutting the deficit by reducing spending rather than raising taxes, as follows: "The simple truth is, no matter how hard you work, no matter how strong this economy grows, no matter how much more tax money comes to Washington, it won't amount to a hill of beans if Government won't curb its endless appetite to spend." Of course, the President is right about curbing Government's endless appetite to spend, but what he fails to mention is that he has contributed to the spending appetite more than any other President by feeding the insatiable military industrial complex.

In recent months, we have had one after another outrageous example of Pentagon and defense contractor waste, and even fraud. The final straw has been the admission by Defense Secretary Caspar Weinberger that he had just found over $4 billion of surplus funds in the Pentagon's swollen bank account, after insisting for months that the defense of the United States could not endure a single reduction below the $288 billion it was seeking for the coming fiscal year.

We have also been treated to the spectacle of numbers of the Nation's leading corporations enjoying zero or even negative income taxes despite huge profits. Surely it is time to ask them, as well as the Pentagon, to make some contribution to deficit reduction before we start taking it out of human safety net programs, the preservation of healthy environment, or the education of our youth.

As a matter of general interest, I am offering for inclusion in the RECORD following these remarks the entire article from Goodyear's "Wingfoot Clan." In addition, I am offering for inclusion in the RECORD a column which I have written on the Federal deficit in the newsletter being mailed to all residents of my district this week. The column is entitled "The Federal Deficit: A Time for Action." Both articles follow these remarks:

Halt the Deficit!

(By Hank Ruppel)

Alarmed by the rocketing federal budget deficit, groups all across the nation are mounting campaigns to let Congress and the president know there is popular support for cutting spending to bring the red ink under control.

Goodyear is one of the newest participants in this "Halt the Deficit—Write Now!" effort which makes the point that it is the underlying cause of American industry's declining competitiveness at home and abroad, and a threat to this country's economic well-being and standard of living.

As its part, the company is making preprinted postcards available to employees for mailing to President Ronald Reagan, Senators John Glenn and Howard Metzenbaum and their Congressman (John Seiberling or Ralph Regula).

The postcards and an accompanying letter from Chairman Robert E. Mercer will be on the desks of all salaried personnel in the Akron complex on Friday morning, May 10. Hourly workers also will receive the material from supervisors at that time.

Employees need only sign the cards, write in the names of the Senators and appropriate Congressman, affix 14-cent stamps and mail.

DEFICITS KEEP INTEREST RATES HIGH

Government borrowing to make up its deficits (this year's is estimated at $220 billion) has helped keep interest rates high—attracting foreign investment and strengthening the dollar in relation to the currencies of other major trading countries.

The result: sales of foreign-made goods have increased at the expense of American goods, widening this country's international trade deficit to a record $123.3 billion in 1984.

As industries have had to halt or cut back output of products that compete with foreign goods, an estimated two million U.S. jobs have been lost—and that number could double by the end of the decade.

At the same time, high interest rates have discouraged capital spending at many companies, threatening the very expansion and modernization of U.S. industry that is needed to help competition.

WHY ARE WE IN THIS SITUATION?

The government is spending more than it takes in. It now is borrowing 23 cents of every dollar that it spends, and 33 percent of its tax take is used to pay interest on the national debt, which is approaching $2 trillion.

The Business Roundtable, an organization of corporate executives taking stands on public issues, believes that now, with the economy strong, is the time to do something about government spending, and it is acting as the catalyst for the "Halt the Deficit" movement.

If all Americans give a little, it argues, the pinch will be minimal and an economic future of low inflation and steady growth will be ensured.

There are some who argue, however, that spending programs should be continued at present levels and taxes increased to reduce the deficit to manageable size.

In a recent address to the nation in defense of spending cuts to reduce the deficit by $52 billion, President Reagan summed up the argument against higher taxes this way:

"The simple truth is, no matter how hard you work, no matter how strong this economy grows, no matter how much more tax money comes to Washington, it won't amount to a hill of beans if government won't curb its endless appetite to spend."

EMPLOYEES HAVE BIG STAKE IN EFFORT

Because tires are one of the hardest hit by imports, Goodyearites have a big stake in reducing the deficit and thereby improving the competitive posture of U.S. industry.

The inflow of foreign-made tires is at a record level. If it continues to expand, imports will account for 29 percent of the U.S. auto tire replacement market this year—triple their 1980 share. Similar import gains are apparent in truck and other types of tires.

Coincidentally, the U.S. tire industry is confronted with a flight by its original equipment customers to offshore plants.

Goodyear has turned to overseas sourcing, often from plants less efficient than those in this country, as a counter-measure, and this trend can be expected to grow if the dollar retains its present strength.

TIRE IMPORTS GREW IN 1980

As a result, the company imported 600,000 more tires than it exported last year—the reverse of 1980 when it recorded a net export balance of 1.2 million units.

Another offsetting move by Goodyear is the recent arrangement under which Toyo of Japan will manufacture all of the company's earthmover tires for the Pacific Rim market, with Topeka earthmover tire operations being scaled back to serve only North American needs.

Goodyear had to make these moves even though it is spending more on research and development than the rest of the U.S. tire and rubber industry combined and has been making record outlays to update its manufacturing system and improve efficiency.

Production costs in the company's newer facilities have been reduced an impressive 33 percent, but this has not been able to offset the devastating impact of the strong dollar. The industry is losing ground to imports of a frightening rate.

By cutting the dollar down to size, reduction of the federal budget deficit would restore the competitiveness of American-made tires in the global market.

That's why Goodyear is participating in the "Halt the Deficit" movement—and why employees have a vested interest in calling for spending reductions by Congress by mailing the postcards being provided.

Comment—By Representative John Seiberling

THE FEDERAL DEFICIT: A TIME FOR ACTION

Last month, in a televised appeal on behalf of the Senate Republican leaders' budget plan (his plan having been rejected by his own party), President Reagan acknowledged that the huge federal deficit presents an enormous threat to our nation's future. Now running $200 billion a year, the deficit is dangerously out of control. Further delay in dealing effectively with the deficit will only deepen the danger that our economic recovery will collapse, plunging us into a deep economic recession or even a depression.

One need not agree with the President's latest approach for reducing the deficit to congratulate him for bringing this message to the public. However, his message was weakened by his astonishing effort to present the deficit problem as though he and his own policies had no role in bringing about this dangerous state of affairs. The fact is that since he took ofice, Congress gave the President the two things he wanted that kicked off this trillion deficit: the 1981 tax cuts and the unprecedented peacetime defense spending binge.

After Ronald Reagan became President in 1981, those Members of Congress who, like myself, opposed his tax and budget programs, did so because we did not believe that the President could make large tax cuts for the wealthy and the nation's corporations, huge increases in defense spending, preserve the "safety net" for those most in need of federal help, and still balance the budget, all at the same time. Subsequent events have demonstrated the validity of our concern.

The first result was the recession of 1982, as the Federal Reserve tightened the money supply to prevent the deficit from kicking off another huge round of inflation. The "demandside" effect of the huge deficits, of course, produced the economic boom of 1983–1984. This, plus the "supply-side" tax cuts of 1981, produced the overpriced dollar. This, in turn, is the major cause of the appalling U.S. trade imbalance which has cost millions of American jobs, and is costing hundreds of thousands more jobs each year. The deindustrialization" of America is continuing at a faster and faster pace.

The federal deficit would have already crowded American business out of the pool of available investment capital if it were not for the fact that foreign investors have been financing half the federal deficit at the rate of about $100 billion a year. Paradoxically, these investments have been attracted by the high real interest rates and low corporate tax rates produced by the Reagan deficit and tax policies. However, I know of no responsible, informed person who believes that we can expect foreigners to finance the federal deficit much longer at this rate. Nor do I know any who believe that it would be a good idea, even if it were possible.

I believe it is possible to make some major reductions in the deficit by freezing defense spending at its current (and still too high) level and freezing the overall level of federal domestic spending. This could be done without making cuts in social security and other human safety net programs, and without eliminating essential federal services. Unfortunately, the President so far has refused to accept a freeze on defense spending.

As part of a much needed and long-overdue comprehensive tax reform, which would cut tax rates while closing loopholes, Congress could, by also imposing a minimum tax on all corporate net income, produce sufficient additional revenue to preserve the "safety net" and reduce the deficit. In so doing, it could end the current situation that has allowed many profitable corporations to enjoy zero or even negative income taxes. Unfortunately, President Reagan first endorsed, then repudiated his own Treasury Department's tax reform proposal, and it is doubtful that Congress will be able to put together a fair and meaningful tax reform bill without cooperation from the White House.

As an elected official, I am acutely aware that proposing a tax increase is definitely a losing proposition, politically speaking. Nevertheless, I recently introduced legislation in the House to increase the federal excise tax on gasoline by 10 cents-per-gallon, earmarking the $10 billion in annual anticipated revenue from this tax to the U.S. Treasury General Fund for deficit reduction.

Whatever the outcome, it seemed to me that a 10 cent increase in the federal gasoline tax ought to be put on the table for consideration. In thinking about such an increase, I noted that gasoline prices have declined some 20 cents-per-gallon over the past four years. Moreover, because of the current world oil glut and the intense market competition, I believe that the full amount of the tax, which would be applied to gasoline producers, would not all be passed on to consumers.

A gasoline tax is simple and easily collectible. There are no hidden loopholes. In conjunction with a balanced plan to reduce spending, it would ribute significantly to deficit reduction. It would also have the important additional benefit of encouraging greater fuel conservation, thereby helping forestall a return of the kind of gas shortages we experienced just a few years ago.

If it does nothing else, my proposal may have some "shock value," focusing attention on the increasingly desperate situation confronting the American economy. The reality is that $200 billion deficits year after year, and the increased billions in interest payments which result, impose a direct "tax" on all Americans, and are undermining the health of our economy and the future our children will inherit. That danger demands action before it is too late.●

TRIO SUCCESS STORIES

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. FORD of Michigan. Mr. Speaker, the Subcommittee on Postsecondary Education, which I chair, recently held a hearing on the reauthorization of the Higher Education Act at Eastern Michigan University. One of the witnesses was Ms. Karen Glaser, director of educational opportunity programs at Sienna Heights College in Adrian, MI. Ms. Glaser testified about the TRIO Programs which provide financial aid information, assistance with college applications, basic skill instruction, academic counseling, and other services to high school and college students who are low income or first generation in college. These programs complement the student financial aid programs by assisting students in overcoming nonfinancial barriers to access and retention in postsecondary education.

Usually testimony on student aid programs deals in aggregates of millions of students and hundreds of millions of dollars that are often difficult to grasp. Ms. Glaser, in addition to providing the broad overview of the TRIO Programs, also included in her testimony some examples of the impact of the TRIO Programs in terms of the changes they have fostered in the lives of some individual students in Michigan. These human examples of the benefits of the TRIO Programs in Ms. Glaser's imaginary tour of the State of Michigan provide a powerful argument for sustaining and expanding the Federal investment in TRIO. The relevant excerpt from Ms. Glaser's testimony follows:

> It is commendable that the committee has chosen to conduct hearings in the field to more closely examine the impact of educational opportunity programs. However, in order to most accurately take that measurement, one needs to study the programs in human terms. I wish, for example, that you could travel to the Upper Peninsula of Michigan to Big Bay, a town of 500 on the edge of Lake Superior (the site of the infamous crime which prompted "Anatomy of a Murder.") I wish you could talk with Tammy Meyers who lived in an old tiny trailer with her parents and three other children. Isolated in the northern woods, Tammy was recruited for the Upward Bound program at Northern Michigan University. In the harshly cold winters, Tammy wore a sweatshirt because she had no winter coat. With her father disabled, she and her mother worked in a gift shop during the summer tourist season. She entered the program with a poor school attendance record and failing grades. Now she is completing her sophomore year at Michigan State University in pre-med, maintaining a 3.0 grade point average.
>
> Drop south to the western part of the state and talk to Eduardo and Rebecca Perez, Cuban refugees who couldn't speak English when they enrolled in the Special Services Program at Grand Rapids Junior College. The parents of two children, Mr. and Mrs. Perez, at 28 and 25 years of age, had resorted to welfare in 1981. In 1984, through developmental classes, tutoring, and counseling, they acquired their citizenship papers and graduated with associate degrees. Mr. Perez majored in automotive engineering, maintained a 3.0 average, and is a diesel mechanic with General Motors. Mrs. Perez earned her associate degree in business with an emphasis on data processing and is pursuing further education at Grand Valley State Colleges while she works as a bilingual aide in the public school system.
>
> Travel to Lansing, our state capital, and spend an hour with Karl Dahlke. Blind since birth, Karl participated in the Michigan State Special Services program from 1979–1982, graduating with a masters degree in computer science. While in school, he devised a "talking computer" terminal with a disc drive to interface with the Apple computer providing rapid verbal access to printed data. He is now working as a computer programmer with Bell Laboratories.
>
> Cross over to inner city Detroit and talk with Philip Frederick, a Vietnam era veteran, who was unemployed in 1973 when he sought help through the Veterans Upward Bound program at Wayne State University. He went on to earn his Juris Doctorate at Wayne State and is practicing law in New York.
>
> Visit the wealthy northern suburb of Bloomfield Hills where the highly selective Cranbrook Educational Community is located. Cranbrook has hosted Horizons Upward Bound for twenty years, first funded with a seed grant from the Ford Foundation. Learn about the Reverend Dr. James Evans who came from the lower east side of Detroit and enrolled in the program in 1965. At the end of two years, he won a scholarship for Cranbrook's regular session, went on to the University of Michigan, to Yale, to Union Theological Seminary, earning his Doctor of Philosophy degree in systematic theology. He is the Martin Luther King Professor of Theology at Colgate-Rochester Divinity School.
>
> Finally, come to the southwest corner of Michigan to Siena Heights College in Adrian, located in a county where only 7% of the adult population hold college degrees and where only 11% of Hispanic adults have graduated from high school. Hear about Jesus Solis, a naturalized citizen, who was born in Mexico and traveled the migrant stream with his parents and ten brothers and sisters. When his family settled in Adrian, he was enrolled in school. As a Spanish-dominant student, his education was confusing and dismaying. I remember when he asked me why, when his name was "Jesus", his teachers insisted on calling him "Jesse." (Jesus in Mexico is a prideful name but very difficult for anglo teachers to say "the English way;" thus, they "anglicize" it.) In December, Jesus will be graduating from Eastern Michigan University with a degree in Bilingual Education. He claims that "without Upward Bound he would still be working in the fields."●

TERRORISM AND THE EASTERN BLOC

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. BROOMFIELD. Mr. Speaker, the Soviets and some Eastern bloc countries use terrorism as an instrument of foreign policy. To them, terrorism is one of the many tools to be used against the free world.

The recently revealed Romanian plan to bomb Radio Free Europe and Radio Liberty in Munich is the latest in a long string of terrorist operations directed against Western interests. In 1981, unknown attackers bombed the same building and did extensive damage. Eastern European intelligence services are suspect in that attack. The station's transmitting tower in Portugal was also recently bombed. Who can forget the attempted assassination of the Pope and the obvious "Bulgarian connection." Who knows what the future will bring as these Eastern European intelligence

services become more aggressive in their use of terrorism? Fortunately, the administration is doing all that it can to work with our allies around the world in a joint effort to counter terrorism.

With these concerns in mind, I recommend the following New York Times article to my colleagues in the House.

> BONN TELLS OF RUMANIAN PLAN TO BOMB RADIO
>
> (By John Tagliabue)
>
> BONN, May 9.—The West German Government, in an unusual description of purported criminal activity by Soviet bloc diplomats, today disclosed details of a planned bomb attack on the Munich headquarters of Radio Free Europe.
>
> The planned attack, described in the Interior Ministry's annual report on extremist activities, was never carried out. But it led Bonn to demand the recall of five Rumanian diplomats in November.
>
> In February 1981 the station's headquarters, on the edge of a park near Munich's center, was torn apart by a bomb blast. There have been no arrests or convictions in the case, but the amount and type of explosive used have led some police officials to believe that a Soviet bloc government was responsible.
>
> This week, a bombing attack was carried out on a transmitting tower operated by the station in Glória, in northern Portugal. No arrests have been made in connection with the blast, which occurred only days before President Reagan's visit to Lisbon.
>
> DIFFERENT APPROACHES IN BONN
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> The disclosures here illustrate differing approaches to such matters in the Bonn Government. Friedrich Zimmermann, the Interior Minister and a member of the conservative Christian Social Union, has consistently sought to divulge full details of Soviet bloc espionage, while the Foreign Ministry has tended to play it down in what appears to be an attempt to avoid spoiling ties with Eastern Europe.
>
> The 308-page report by the Interior Ministry describes three cases of purported criminal activity involving Rumanian diplomats, who it said were foiled because of information supplied by a Rumanian defector in 1984.
>
> At a news conference, Mr. Zimmermann said the report contained specific cases for the first time to make it "more vivid."
>
> The report said three Rumanian diplomats were involved in plans to attack the headquarters building of Radio Free Europe, the American-financed station that broadcasts to Eastern European countries, including Rumania. It identified them as Constantin Ciobanu, the embassy counselor, who it said was chief of Rumanian intelligence here; Dan Mihoc, a second secretary, and Ion Constantin, a third secretary.
>
> The plan, it said, was designed by the External Intelligence Service in Bucharest.
>
> REPORT ON STATION'S LAYOUT
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> According to those plans, the Interior Ministry said, Mr. Constantin prepared a 13-page report of the station's layout. That report was discussed along with two others at a meeting in Bucharest in December 1983.
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> Further reports were submitted throughout 1984, it said. Then, last November, Bonn demanded that the three men, plus two first secretaries, Ioan Lupu and Ion Grecu, be recalled. All five have returned to Rumania.●

CONSIDERATION OF THE TAX TREATMENT OF IMPUTED INTEREST ON DEFERRED PAYMENT SALES

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. MATSUI. Mr. Speaker, the amendments to the imputed interest rules adopted by Congress in the 1984 Deficit Reduction Act were part of a series of modifications to the Internal Revenue Code designed to account more properly for the time value of money. A principal motivation for these changes was to address perceived abuses by tax shelters.

The 1984 act made two basic modifications to the Federal income tax treatment of imputed interest. First, the act attempted to correct deficiencies in the then-existing imputed interest rules by providing that the amount of imputed interest would be determined by reference to an interest rate tied to the yields on U.S. Treasury obligations, instead of a fixed rate set by the Treasury Department. Under the 1984 act, if interest is not stated at a rate at least 110 percent of the average yield on Treasury obligations, then interest is imputed into the transaction at a rate equal to 120 percent of the Federal rate. The effect of imputing interest income into the transaction is not to increase the amount paid by the buyer to the seller, but to recharacterize a portion of the payments—designated as principal by the parties—as interest for Federal income tax purposes.

Second, the 1984 act expanded the rules dealing with original issue discount to cover many deferred payment obligations arising from the sale of property. The purpose of this change was to ensure that interest deductions taken by the buyer during a year do not exceed the interest income reported by the seller during that year.

In response to concerns expressed about the potential impact of the new rules, Congress passed stopgap legislation at the end of the 98th Congress. Under the stopgap legislation, the test rate on the first $2 million of borrowed amounts is 9 percent on sales or exchanges of property occurring before July 1, 1985.

For many years, the ability and willingness of owners to finance sales of residences, farms, multifamily dwellings, and businesses at affordable interest rates has enabled people to continue to do business in spite of unaffordable rates charged by third-party institutional lenders. This is especially true during high or rising interest rate periods. For example, during the high interest rate recession of 1982, 34 percent or approximately 800,000 homes sales nationwide involved seller financing and 41 percent of all farm sales involved seller financing at an average 11.8 percent interest rate. Seller financing was an equally important financing mechanism for commercial office buildings and multiple structures.

Seller financing has played a critically important role in the California resale housing and real estate market since 1980. In fact, during 1981 and 1982, sellers became the primary source of real estate mortgage financing as a result of the virtual withdrawal of institutional mortgage lenders from the marketplace. In residential transactions, sellers provided the bulk of this financing at interest rates substantially below that which otherwise would have been required under the imputed interest rules included in the prior legislation. In the absence of those rules, sellers were able to provide the only source of affordable financing for hundreds of thousands of households during the recession when institutional mortgage interest rates were in the range of 16 to 17 percent.

These sellers do not provide financing for tax avoidance purposes for which the legislation was originally proposed. Instead, the mortgage loans they provide address the critical housing affordability problems that California homebuyers face and thus, merely, facilitate the sale/purchase of a home. Nor do sellers receive substantially higher prices for homes they finance. Previous studies by economists at the Bank of America, University of California at Berkeley, and other researchers have shown that below-market seller financing enhanced aggregate California home prices by a margin of only 3 to 5 percent during 1980 through 1982.

On May 8, 1985, the Committee on Ways and Means, of which I am a member, approved a permanent solution to the tax treatment of imputed interest on deferred payment sales of property.

As a leading member of the task force set up within the Committee to resolve this issue, I feel that this legislative solution, which was formulated on a bipartisan basis, thoughtfully addresses the legitimate concerns raised by last year's legislation.

The Ways and Means Committee's legislation would provide that seller-financed amounts of $2 million or less have an imputed interest rate of the lesser of 9 percent or 100 percent of the Federal rate. For seller-financed amounts between $2 million and $4 million, a dollar-for-dollar reduction of the 9 percent rate would apply. For seller-financed amounts of $4 million and over, the imputed interest rate would equal 100 percent of the Federal rate. In addition, the $2 million threshold amount will be indexed for inflation beginning after 1988.

Both parties in seller-financed transactions under $2 million may elect to use the cash method of accounting, with certain restrictions. In addition, these imputed interest rules will not apply to assumptions. Because this proposal produces a moderate revenue loss, the committee lengthened the recovery period for real property—other than low-income housing—from 18 years to 19 years, effective for property placed in service after May 8, 1985. By doing so, the legislation adopted by the committee will not add to the Federal deficit.

I rise today to urge my colleagues in the House of Representatives to support his bill and resolve the controversy surrounding this issue.●

HOUSE OF REPRESENTATIVES—*Wednesday, May 22, 1985*

The House met at 10 a.m.

The SPEAKER. Today we have the opportunity of hearing from an old friend and a guest of many times, the Reverend Dr. Edward L.R. Elson, the former Chaplain of the U.S. Senate.

The Reverend Dr. Edward L.R. Elson, former Chaplain, U.S. Senate, offered the following prayer:

Almighty God, we thank Thee for this new day: with its fresh aspirations and its high hopes. And we thank Thee for this good land which Thou hast given us for our heritage. Endue us now with an abiding sense of Thy presence that what we do here may begin, continue and end in Thee. Make us faithful stewards of a great heritage and worthy successors to that great procession of patriots who in peace and in war, in adversity and in prosperity have brought us to this hour.

Guide by Thy higher wisdom the President and all whom we have put in authority over us. Give us grace to live bravely, to act wisely and to trust in Thee eternally.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

APPOINTMENT AS MEMBERS OF THE COMMITTEE ON THE HOUSE RECORDING STUDIO

The SPEAKER. Pursuant to the provisions of 2 U.S.C. 123b, the Chair appoints as members of the Committee on the House Recording Studio the following Members:

Mr. ROSE of North Carolina;
Mrs. BOGGS of Louisiana; and
Mr. BADHAM of California.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces there will be no 1-minutes prior to business today.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1986

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 177 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 177

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause (1)(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 152) revising the congressional budget for the United States Government for the fiscal year 1985 and setting forth the congressional budget for the United States Government for the fiscal years 1986, 1987, and 1988, and the first reading of the resolution shall be dispensed with. All points of order against the consideration of the concurrent resolution are hereby waived. After general debate, which shall continue not to exceed four hours, with not to exceed two hours to be equally divided and controlled as provided in section 305(a)(2) of the Congressional Budget Act of 1974 (Public Law 93-344), and not to exceed two hours to be equally divided and controlled under the provisions of section 305(a)(3) of the Congressional Budget Act of 1974, the concurrent resolution shall be considered as having been read for amendment under the five minute rule. No amendments to the concurrent resolution shall be in order except as specified in this resolution. It shall be in order to consider the following amendments, which shall be considered only in the following order, which shall be considered as having been read, which shall not be subject to amendment, which shall be in order any rule of the House to the contrary notwithstanding, and which shall be in order even if a previous amendment in the nature of a substitute has been adopted: (1) the amendment in the nature of a substitute printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Dannemeyer of California, which shall be debatable for not to exceed one hour, to be equally divided and controlled by Representative Dannemeyer and a Member opposed thereto; (2) the amendment in the nature of a substitute printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Pursell of Michigan, which shall be debatable for not to exceed one hour, to be equally divided and controlled by Representative Pursell and a Member opposed thereto; (3) an amendment in the nature of a substitute printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Leland of Texas, which shall be debatable for not to exceed one hour, to be equally divided and controlled by Representative Leland and a Member opposed thereto; and (4) an amendment in the nature of a substitute printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Latta of Ohio, which shall be debatable for not to exceed one hour, to be equally divided and controlled by Representative Latta and a Member opposed thereto. If more than one of the amendments in the nature of a substitute made in order by this resolution has been adopted, only the last such amendment which has been adopted shall be considered as having been finally adopted in the Committee of the Whole and reported back to the House. After disposition of said substitutes, it shall then be in order to consider the following amendments to H. Con. Res. 152, as amended, and which shall be considered only in the following order, which shall be considered as having been read, which shall be in order even if previous amendments to the same portion of the concurrent resolution have been adopted, which shall not be subject to amendment and which shall be in order any rule of the House to the contrary notwithstanding: (A) the amendment printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Leath of Texas, which shall be debatable for not to exceed one hour, to be equally divided and controlled by Representative Leath and a Member opposed thereto; and (B) an amendment printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Oakar of Ohio, which shall be debatable for not to exceed thirty minutes, to be equally divided and controlled by Representative Oakar and a Member opposed thereto. The concurrent resolution and amendments made in order by this resolution shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. It shall also be in order to consider the amendment or amendments provided in section 305(a)(6) of the Congressional Budget Act of 1974 necessary to achieve mathematical consistency. At the conclusion of the consideration of the concurrent resolution for amendment, the Committee shall rise and report the concurrent resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the concurrent resolution and any amendment thereto to final adoption without intervening motion. If at least one of the amendments in the nature of a substitute designated (1) through (4) has been adopted, and at least one of the amendments designated (A) or (B) has been adopted, separate votes in the House on such amendments shall take place in the order in which such amendments were adopted in the Committee of the Whole, and separate votes on amendments (A) or (B), if adopted in the Committee of the Whole, shall be in order even if one of the amendments in the nature of a substitute has been adopted in the House.

☐ 1010

The SPEAKER. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from Ohio [Mr. LATTA], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 177 is a modified open rule providing for consideration of House Concurrent Resolution 152, the first concurrent

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☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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resolution on the budget for fiscal year 1986. The rule provides for 4 hours of debate on the budget resolution. Two hours of general debate will be equally divided and controlled by the majority and minority parties in the House, and 2 hours of debate will be devoted to economic goals and policies pursuant to section 305(a)(3) of the Budget Act. The rule also waives all points of order against consideration of the first budget resolution.

Mr. Speaker, House Resolution 177 makes in order four amendments in the nature of a substitute: First, a substitute to be offered by Representative Dannemeyer, of California; second, a substitute to be offered by Representative Pursell, of Michigan; third, a substitute to be offered by Representative Leland, of Texas; and fourth, a substitute to be offered by Representative Latta, of Ohio. The substitutes must be offered in this order, and each may be offered even if a previous substitute has been adopted.

These four substitutes must have been printed in the Congressional Record of May 21, 1985. Each is debatable for 1 hour and they are not subject to amendment. The time for debate on each substitute will be equally divided between the Member offering the amendment and a Member opposed thereto. The rule also waives all points of order against the substitutes.

Mr. Speaker, this rule employs a procedure for consideration of these substitutes which is sometimes referred to as the king-of-the-mountain procedure. In fact, this same procedure was utilized in the rule providing for consideration of legislation considered in the House yesterday, the Anti-Apartheid Act of 1985. The procedure protects the rights of all Members proposing amendments in the nature of a substitute by allowing each substitute to be offered notwithstanding prior House action on another substitute. This procedure is necessary because the rules of the House preclude the offering of any additional amendments once an amendment in the nature of a substitute has been adopted. Under this procedure, only the last substitute to be adopted in the Committee of the Whole will be considered to have been finally adopted.

In addition, Mr. Speaker, this rule also makes two additional amendments in order after disposition of the four substitutes: First, an amendment to be offered by Representative Leath, of Texas; and second, an amendment to be offered by Representative Oakar, of Ohio. These amendments must be offered in this order. The Leath amendment shall be debatable for 1 hour, and the Oakar amendment shall be debatable for 30 minutes, with the debate time on each to be equally divided between the Member offering the amendment and a Member opposed thereto. These amendments are not subject to amendment.

The Leath and Oakar amendments shall be in order to House Concurrent Resolution 152 as amended; that is, as amended by one of the four substitutes mentioned above if one of those substitutes has been adopted. And as already noted, if more than one substitute has been adopted, House Concurrent Resolution 152 will be considered to have been amended only by the last substitute adopted. This procedure allows the House to consider all the major alternatives, and once that procedure is completed, the House may then consider the important policy options embodied in the Leath and Oakar amendments.

Also, House Concurrent Resolution 152 and the amendments made in order by House Resolution 177 shall not be subject to a demand for a division of the question. This will provide expeditious consideration of the budget resolution by precluding the possibility of numerous, time-consuming votes on the various parts of the amendments. The rule also makes in order amendments necessary to achieve mathematical consistency in the budget resolution.

Finally, Mr. Speaker, the rule provides that if both a substitute and one or both of the perfecting amendments made in order are adopted in the Committee of the Whole, a separate vote can be obtained in the House on the substitute and the perfecting amendments, with those votes occurring in the order in which the amendments were considered in the Committee of the Whole.

Mr. Speaker, while I know there are Members who are disappointed that certain amendments were not made in order, this rule allows the House to work its will on the key issues involved in the budget debate. There were a number of thoughtful amendments proposed dealing with narrow programmatic issues, but it is imperative that the House focus on the broad policy questions facing us and conclude consideration of the first budget resolution so that a conference committee may be appointed to resolve the differences between the House and Senate budgets.

Mr. Speaker, I've explained how this rule will provide for expeditious consideration of the budget resolution, but since I am privileged to serve on the Budget Committee as well as the Rules Committee, I would like to offer a few comments on what we are trying to accomplish with this budget.

The overriding responsibility we have before us is to substantially reduce the deficit and continue our country on the path of economic growth and opportunity. We must reduce Federal spending and diligently work toward the goal of a balanced Federal budget so that we, as a nation, can move forward and maintain the quality of life we have come to expect and desire for our children and grandchildren.

House Concurrent Resolution 152, as drafted by the Budget Committee, is fair, balanced, and in my opinion, the most responsible ever put forth by the committee. It would reduce the deficit $56.2 billion in fiscal year 1986 through reductions in spending. Over 3 years, it would reduce the deficit by about $264 billion. It will send a powerful message that the House of Representatives is serious about deficit reduction and controlling Federal spending. And this reduction is accomplished without tax increases.

We all agree that a primary responsibility of government is to provide for the common defense. This resolution will maintain a strong and capable defense. This plan allows $15 billion in additional Pentagon spending for next year. And, over 3 years, this resolution allows funding of $941 billion for the Defense Department. No programs or contracts are terminated or canceled. It will encourage efficiency in Pentagon spending so that we can get a dollar's worth of defense for a dollar's worth of spending.

It does not cut Social Security or alter our contract with the elderly. It protects those less fortunate by providing inflation adjustments for means-tested entitlements and other low-income programs. Otherwise, it assumes a freeze on domestic spending at last year's level and in some programs reduces spending below the freeze level. In addition, this resolution maintains our Nation's commitment to the future by providing reasonable funding levels for programs in education, science, research, and development.

It is essential that we act now to substantially reduce the deficit. The budget resolution before us will move our Nation confidently forward. I urge the adoption of this rule and subsequently the adoption of the Budget Committee proposal.

Mr. Speaker, I yield to the gentleman from Mississippi [Mr. Whitten].

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON BILL MAKING SUPPLEMENTAL APPROPRIATIONS, 1985

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes.

Mr. CONTE reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I might surprise you. I am not going to talk about this budget or any of the substitutes. I know they are all masterpieces, but I am not going to speak about them during this debate on the rule. I would just like to say that I concur in the rule. I think that the Rules Committee has, for all practical purposes, made about as good a determination on the rule as they possibly could. They have made various substitutes in order. But they did, in my humble judgment, err in one respect: They did, as the gentleman has already pointed out, make in order the so-called Oakar amendment. Mr. Speaker, as you know, this matter came before the Democratic caucus, and it pertains to a matter dealing with tax policy, and particularly a matter of a minimum tax. The Republican leader, the gentleman from Illinois, requested that the Rules Committee make in order an alternative to this proposal and, after considerable debate within the Democratic chairman's room, the Democratic members of the Rules Committee came out very slowly. The chairman later announced a vote that the Republican leader's alternative would not be made in order.

□ 1020

Mr. Speaker, I think in all fairness if you had anything to do with this determination, I think it was an error. The Republican leader's alternative should have been made in order. As a matter of fact, there is not too much difference in the proposals; I think it is probably a matter of "politics" in dealing with the matter of a minimum tax.

Let me just read you two portions, one from the Oakar so-called substitute amendment, and the Michel amendment. Paragraph C of the Oakar amendment reads as follows:

> Revenue total raised by such legislation should be at the very least not less than the total revenue produced by provisions in the President's tax proposal which eliminate or reduce items of tax preference.
>
> Revenues derived from such legislation shall be applied to either a rate reduction or deficit reduction or both.

As I understand from the sidelines, this was a compromise within the Democratic caucus. The Michel amendment would provide for a sense-of-Congress resolution that tax legislation should be enacted to provide for payment of minimum taxes by corporations and individuals on the broadest feasible definition of income to assure that all of those with economic income will pay tax, and that the resulting revenues be used to reduce individual income tax rates, and to increase the threshold amounts for tax payments by individuals in connection with consideration of comprehensive tax reform legislation.

Mr. Speaker, they are quite similar, but the amendment of the gentleman from Illinois is somewhat different in one respect. So I think that we should have had an opportunity to have debated his differences.

He is here now, Mr. Speaker, to speak on his own behalf, and I would like to yield 5 minutes to the gentleman from Illinois, our minority leader, Mr. Michel.

Mr. MICHEL. Mr. Speaker, I must apologize to my colleagues on the other side of the aisle, apparently, I instilled fear in their hearts with what I thought was a simple, nonbinding amendment preventing the use of tax increases for deficit reduction.

I am told there was a secret caucus of the majority on the Rules Committee to decide what to do with my amendment. The decision was to bar any floor consideration.

What was made in order was the Oakar amendment. It reminds me of the scarecrow character in the "Wizard of Oz." He couldn't make a decision. In search of the wizard, he would say you can go this way, or you can go that way, and you could go both ways.

That's what this amendment does. It goes every which way, just like the Democrat majority's budget proposal. There is no reason to it. No logic to it. No policy to it. No sense to it.

The Oakar amendment says we should impose a minimum tax on rich corporations, but it says nothing about rich individuals. They could be included and then again they could not.

It says we can use the revenues to reduce income tax rates, or we can use them to cut the deficit, or we can do both. It can be a budget amendment or it can be a tax reform amendment, or it can be both. We can do this way, we can go that way, or we can go both ways. We should put the amendment to music and create a little soft shoe step for it.

My amendment would have made it the sense of the Congress that a minimum tax ought to be a part of tax reform not budgeting, and that the tax ought to apply to both corporations and individuals who pay no taxes, but can afford to do so.

My amendment said the revenues ought to be applied to further tax rate reduction and getting lower income Americans off of the tax rolls. Simple, consistent, workable.

So what is there to be afraid of? Unless you're the scarecrow in search of the political wizard, with all his smokescreens, magic, and sleight of hand. We learned a long time ago, just like little Dorothy Gail, that such wizardry makes for good electioneering, but it doesn't change the real world and it doesn't make for good fiscal policy.

I'm disappointed that my amendment was not made in order.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. Stangeland].

Mr. STANGELAND. I thank the gentleman for yielding me this time.

Mr. Speaker, I would like to begin by saying that I think the Rules Committee has brought out a reasonably fair rule. But I am going to oppose it because I think the rule is deficient. Unlike my leader, Mr. Michel, I am going to ask my colleagues to defeat the previous question, and I am going to do it because I have a proposal that I presented to the Rules Committee. I presented that proposal 2 years ago when we reformed Social Security, and I presented it again yesterday, and I have been denied the right to bring that proposal to the floor.

One of the big considerations and concerns that we have when we write a budget and when we pass laws is, What are we going to do with Social Security COLA's? Everyone is concerned about our senior citizens, as well we should be, and how we address the COLA question.

We are all, as well, concerned about what we do with the deficit. How do we address the deficit and how do we address it responsibly? Do we grant a full COLA and continue to increase that deficit or do we freeze COLA's and be punitive toward our senior citizens who depend on that cost-of-living adjustment to keep themselves current with inflation?

My response and my answer is that it is time to reform the system. It is time to move to a flat-rate dollar COLA for all recipients. It is totally unconscionable to use a 4-percent COLA adjustment; grant some Social Security recipient who receives $600 a month $24 a month COLA, while someone receiving $300 a month only receives $12. The cost of living does not go up twice as much for a person at the $600 level.

What I propose to do is very simple, and perhaps what I propose to do is too simple. It is too simple for us to understand, and everyone looks for a hooker. Everybody looks for a bogeyman in a simple solution. It seems that we all want to address any problem that we have with extremely complex solutions; a lot of verbiage; a lot of fancy words; a lot of things that just confuse the general public.

What I propose to do with my flat-rate COLA is take a recipient of Social Security at the 20th percentile, apply the CPI to his monthly annuity. In this case, it would be $268. The COLA then would be $11.77 a month.

A recipient at the 20th percentile is at the top of the lower one-fifth of our recipients. So if you start at one, the lowest, and go to 100, the highest, the 20th percentile is the top of that lower one-fifth.

□ 1030

What the $11.77 flat rate COLA means is that those recipients in the lowest 20 percent would receive more under my system and they are the ones who need more. But they would receive more than we do under the current system, and the upper 80 percent, those who need less, would receive less, but they would still receive the $11.77 per month.

It is eminently fair if you perceive that a cost-of-living adjustment is a basic cost of living, and everyone's basic cost of living goes up the same. What the reform does is stop the disparity and the broadening of the range between the high and the low. It stops enhancing the highs while taking care and maintaining the lower end.

In an interview with the National Journal, I was asked, "Congressman Stangeland, you are a Republican. Why are you proposing this? It sounds like a Democrat proposal."

My response was, "It is a Democrat proposal. It is a proposal in the true tradition of the Democrat Party, but it is a good proposal; it is a fair proposal. Whether it is a Democrat proposal or a Republican proposal, if it is fair, if it is equitable, and if it saves money, it ought to be adopted."

As I say, the proposal would save $9 billion over the next 3 years, more than the Senate proposal of freezing for the first year and granting full COLA's for 1987 and 1988. The Social Security actuary says, over the next 5 years, it would save $48 billion in social security. This flat rate of $11.77 can be applied to every civil service retiree, every military retiree, and every railroad retiree, and it would save dollars in every one of these programs.

In the long run, it will save money every year that we have a Federal retirement or pension System, or Social Security System, and yet it will be eminently fair. It is the one solution to the sanctity and the integrity of the Social Security and the retirement system.

I encourage my colleagues to support me in voting down the previous question.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. Gephardt). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. STANGELAND. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 255, nays 159, not voting 20, as follows:

[Roll No. 122]

YEAS—255

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Boggs
Boland
Boner (TN)
Bonior (MI)
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Callahan
Carper
Carr
Chappell
Chappie
Clay
Coleman (TX)
Collins
Conyers
Cooper
Coyne
Daniel
Darden
Daschle
Daub
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
English
Evans (IL)
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hertel
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jenkins
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCurdy
McDade
McHugh
McKernan
Meyers
Mica
Miller (CA)
Mineta
Mitchell
Moakley
Mollohan
Montgomery
Moody
Morrison (CT)
Mrazek
Murphy
Murtha
Natcher
Neal
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Parris
Pease
Pepper
Perkins
Pickle
Price
Quillen
Rahall
Rangel
Ray
Reid
Richardson
Robinson
Rodino
Roe
Rose
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Savage
Scheuer
Schroeder
Schumer
Seiberling
Sharp
Shelby
Sikorski
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Snowe
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sundquist
Swift
Tallon
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wright
Wyden
Young (MO)

NAYS—159

Archer
Armey
Badham
Bartlett
Barton
Bateman
Bereuter
Bilirakis
Billey
Boehlert
Boulter
Broomfield
Brown (CO)
Broyhill
Burton (IN)
Campbell
Carney
Chandler
Cheney
Clinger
Coats
Cobey
Coble
Coleman (MO)
Combest
Conte
Courter
Crane
Dannemeyer
Davis
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Eckert (NY)
Edwards (OK)
Emerson
Evans (IA)
Fawell
Fiedler
Fields
Fish
Franklin
Gallo
Gekas
Gingrich
Goodling
Gregg
Grotberg
Gunderson
Hall, Ralph
Hammerschmidt
Hansen
Hartnett
Hendon
Henry
Hiler
Hillis
Hopkins
Horton
Hunter
Hyde
Ireland
Jacobs
Jeffords
Johnson
Kemp
Kindness
Kolbe
Kramer
Lagomarsino
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lujan
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCain
McCollum
McEwen
McKinney
McMillan
Michel
Miller (OH)
Miller (WA)
Molinari
Monson
Moore
Moorhead
Morrison (WA)
Myers
Nelson
Nielson
O'Brien
Oxley
Packard
Pashayan
Penny
Petri
Porter
Pursell
Regula
Ridge
Rinaldo
Ritter
Roberts
Roemer
Rogers
Roth
Rowland (CT)
Rudd
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Siljander
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snyder
Solomon
Spence
Stangeland
Strang
Stump
Sweeney
Swindall
Synar
Tauke
Tauzin
Thomas (CA)
Walker
Weber
Whitehurst
Whittaker
Wortley
Wylie
Yates
Young (AK)
Young (FL)
Zschau

NOT VOTING—20

Bentley
Biaggi
Bonker
Coelho
Coughlin
Craig
Crockett
Erdreich
Frenzel
Gilman
Hall, Sam
Holt
Jones (NC)
Lowery (CA)
McGrath
Mikulski
Rostenkowski
Solarz
Vander Jagt
Yatron

□ 1050

Mr. MOORE and Mrs. JOHNSON changed their votes from "yea" to "nay."

Mr. CALLAHAN, Mr. DAUB, and Mrs. VUCANOVICH changed their votes from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. STANGELAND. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 273, nays 141, not voting 20, as follows:

[Roll No. 123]

YEAS—273

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews

Annunzio
Anthony
Applegate
Aspin
Atkins
Barnard
Barnes
Bates
Bedell
Beilenson
Bennett
Bereuter
Berman
Bevill
Boggs
Boland
Boner (TN)
Bonior (MI)
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carper
Chappell
Chappie
Clay
Clinger
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coyne
Daniel
Darden
Daschle
Daub
de la Garza
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
English
Evans (IL)
Fascell
Fazio
Feighan
Fiedler
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Hatcher
Hawkins
Hayes
Hefner
Hertel
Horton
Howard
Hoyer
Hubbard
Huckaby
Hutto
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
Lantos
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lipinski
Livingston
Lloyd
Long
Lowry (WA)
Lujan
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McKernan
McKinney
Meyers
Mica
Miller (CA)
Mineta
Mitchell
Moakley
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Mrazek
Murphy
Murtha
Natcher
Neal
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Parris
Pease
Pepper
Perkins
Pickle
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Robinson
Rodino
Roe
Rose
Roukema
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Sharp
Shelby
Shuster
Sikorski
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Snyder
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sundquist
Swift
Tallon
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wright
Wyden
Wylie
Yates
Young (AK)
Young (FL)
Young (MO)

NAYS—141

Archer
Armey
AuCoin
Badham
Bartlett
Barton
Bateman
Bilirakis
Billey
Boehlert
Boulter
Broomfield
Brown (CO)
Broyhill
Burton (IN)
Callahan
Campbell
Carney
Carr
Chandler
Cheney
Coats
Cobey
Coble
Combest
Courter
Crane
Dannemeyer
Davis
DeLay
DeWine
DioGuardi
Dornan (CA)
Dreier
Eckert (NY)
Edwards (OK)
Emerson
Evans (IA)
Fawell
Fields
Franklin
Frenzel
Gallo
Gekas
Gingrich
Goodling
Gregg
Grotberg
Hall, Ralph
Hansen
Hartnett
Heftel
Henry
Hiler
Hillis
Hopkins
Hughes
Hunter
Hyde
Ireland
Jacobs
Jeffords
Johnson
Kindness
Kolbe
Kramer
LaFalce
Lagomarsino
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Loeffler
Lott
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCain
McCandless
McCollum
McEwen
McMillan
Michel
Miller (OH)
Miller (WA)
Molinari
Monson
Moorhead
Morrison (WA)
Myers
Nelson
Nielson
Oxley
Packard
Pashayan
Penny
Petri
Porter
Ridge
Rinaldo
Ritter
Roberts
Roemer
Rogers
Roth
Rowland (CT)
Saxton
Schaefer
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Siljander
Skeen
Slaughter
Smith (NH)
Smith, Denny
Smith, Robert
Solomon
Spence
Stangeland
Strang
Stump
Sweeney
Swindall
Synar
Tauke
Tauzin
Thomas (CA)
Vander Jagt
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wortley
Zschau

NOT VOTING—20

Bentley
Biaggi
Bonker
Coughlin
Craig
Crockett
Erdreich
Gilman
Guarini
Hall, Sam
Hendon
Holt
Lowery (CA)
McGrath
McHugh
Mikulski
O'Brien
Rostenkowski
Solarz
Yatron

□ 1110

The Clerk announced the following pairs:

On this vote:

Ms. Mikulski for, with Mr. O'Brien against.

Mr. Biaggi for, with Mr. Lowery of California against.

Mr. Erdreich for, with Mrs. Holt against.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 177 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, House Concurrent Resolution 152.

□ 1107

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 152) revising the congressional budget for the United States Government for the fiscal year 1986 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988, with Mr. Moakley in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to House Resolution 177, the first reading of the concurrent resolution is dispensed with.

Under the rule, the gentleman from Pennsylvania [Mr. Gray] will be recognized for 1 hour and the gentleman from Ohio [Mr. Latta] will be recognized for 1 hour.

After opening statements by the chairman and ranking minority member of the Committee on the Budget, the Chair will recognize the gentleman from California [Mr. Hawkins] and the gentleman from Ohio [Mr. Latta] for 1 hour each to control debate on economic goals and policies. After this 2 hours of debate has been consumed or yielded back, the Chair will recognize the chairman and ranking minority member of the Committee on the Budget to control the remainder of their 2 hours of debate.

The Chair recognizes the gentleman from Pennsylvania [Mr. Gray].

Mr. GRAY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Budget Committee of the House has reported a budget resolution that provides $56.2 billion in deficit reduction in fiscal year 1986 while protecting programs for the needy and cost of living adjustments for retirees.

We are proud of that resolution and the manner in which it was worked out in committee. It merits the support of every Member. Our goal was deficit reduction in the magnitude suggested by the President and approved by the Senate but with greater balance and fairness. We reached that goal.

Adoption of this budget resolution this week will put our country on the path of annual reduction in the staggering deficits facing our Nation. We believe this will help interest rates come down and provide the flexibility for monetary policy required for the economy to expand. This will reduce the rate of unemployment, which has not fallen for a year and is still much too high. It also should bring the dollar down to a more realistic level, enabling us to compete effectively in both U.S. and foreign markets and reduce the dangerous trade deficit and unprecedented borrowing from abroad.

I believe that all of us should be proud that the budget resolution we have reported protects all low-income programs from inflation and maintains a solid commitment to the future by providing adequate funding levels for education, science, and research.

Put simply, this budget does six major things:

First, it reduces the 1986 deficit by $56.2 billion, $200 million more than the Senate and almost $6 billion more than the President sought. It provides a 3-year deficit reduction of $259 billion.

Second, it provides full cost of living benefits for Social Security retirees, military, civil service, and other retirees.

Third, it protects low-income Americans.

Fourth, this budget freezes defense budget authority for 1 year and provides 3 percent real growth in 1987 and 1988. Military outlays would increase by $15.1 billion in 1986 over 1985.

Fifth, non-defense discretionary programs are frozen, with selective programs reduced even beyond a freeze.

And sixth, it provides for no revenue increase beyond the level requested by the President.

The recommendation freezes Pentagon budget authority in fiscal year 1986 at the fiscal year 1985 appropriated level. Even with this budget authority freeze Pentagon outlays would increase by $15.1 billion over the fiscal year 1985 estimated level. While budget authority is frozen in 1986, the committee recommends 3 percent real growth in 1987, and 1988. The funding assumed for fiscal year 1987 and 1988 represents 3 percent above inflation each year. The committee recommendation provides for Pentagon funding of $292.6 billion in budget authority and $267.1 billion in outlays for fiscal year 1986, $312.7 billion in budget authority and $285.2 billion in outlays for fiscal year 1987, and $335.4 billion in budget authority and $303.9 billion in outlays for fiscal year 1988.

The recommendation is based on the premise that the United States exists in a dangerous and unstable world and must maintain a strong, viable military capability. While funding for many Federal programs has been reduced significantly for several years, the recommendation provides for increased defense spending for fiscal year 1986 and increases it further in the outyears.

The recommendation reflects the belief of many, both in and out of Congress and of both parties, that the time has come to significantly slow the growth of Pentagon funding. So, while the recommendation would adequately provide for our defense needs, it would encourage the Pentagon to manage more effectively and efficiently as it realizes that the days of the "blank check" are over. A more restrained Pentagon spending level is justified in light of the recent analysis and conclusion by the chairman of the House Armed Services Committee that outlays can be reduced by $8–9 billion in fiscal year 1986, based on a slowdown in Pentagon spending.

The recommendation assumes that the Pentagon will take aggressive actions to reduce contracting out in a manner consistent with the recommendation for non-defense agencies. This area of spending has increased significantly since 1980 during a time when the Pentagon's civilian work force increased by almost 100,000. With advancements in automation as well as management improvements, these actions should not impair quality performance.

The committee recommendation assumes deficit reductions of $12.5 billion or 9 percent for non-defense discretionary programs and $16.2 billion for other non-defense programs in fiscal year 1986. Over the 3 years, 1986–1988 spending for domestic programs would be reduced by over $121 billion. Between 1982–1985 legislative changes have reduced domestic spending by over $167 billion.

The recommendation for domestic spending reflects the goal of the committee to develop a deficit reduction plan which accomplished significant spending reductions, while maintaining a fair and balanced distribution of these cuts. The committee established priorities for funding based on a consensus about high priority national needs. Savings assumed for domestic programs result from the assumption that most non-defense discretionary and non-means-tested entitlement programs would be maintained at or below 1985 funding levels.

The committee recommendation assumes that all means-tested entitlement and low-income programs will be maintained at current services level for the 3 years, 1986–88. The recommendation provides $3.5 billion in budget authority over the 1985 level. Significant reductions have occurred in these programs over the past 4 years. The committee believes that any further reductions in these programs which aid low-income and disadvantaged persons would result in a continuation of hardship among the neediest persons. Major low-income programs include Medicaid, food stamps, subsidized housing and supplemental security income [SSI].

The committee recommendation provides full funding for cost-of-living adjustments for Social Security, civilian and military retirement, veterans benefits and other retirement programs. The committee believes that a significant share of recipients of these programs are low-income and should be sheltered from the effects of inflation.

The committee recommendation provides funding at or above the 1985 program levels for a number of programs which support activities directed toward productive investments for the future. These include some education and training programs, general science, space and technology programs and administration of justice programs. The committee believes that it would be counterproductive to reduce funding significantly in 1986 for programs which, in the long term, contribute to the development of a healthy economy.

The President's budget included a variety of revenue recommendations including revenue-gaining items that total $1.4 billion in fiscal year 1986, $1.7 billion in 1987, and $3.1 billion in 1988. These recommendations included added superfund taxes and a projection of higher revenues from improved tax enforcement. The committee's recommendation is for increased revenues on the same scale as the President's increases.

The committee encourages the Ways and Means Committee to take steps to correct disproportionate references within the Tax Code for both profitable corporations that pay little or no taxes and higher income individuals to ensure that all such taxpaying entities pay a fair share of taxes.

The House Budget Committee recommends that the House of Representatives give immediate consideration to enterprize zone legislation designed to give special incentives to poverty-stricken urban and rural areas to generate more opportunity, jobs, and economic growth.

Mr: Chairman, no one can deny that the United States is currently borrowing its way toward economic debacle. Most Americans agree that it is essential to reduce the deficit.

I would ask all Members of the House to unite behind this budget as we battle together to protect our economy from the threat of vast, unending deficits.

□ 1120

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield to the gentleman from New York.

Mr. KEMP. I appreciate the gentleman yielding and thank him for his remarks about many of the problems that our country faces.

The gentleman mentioned that one area in which we might find some bipartisan support beyond just trying to get the deficit down is to try to bring down the tragic high levels of unemployment, both nationally and in those parts of the inner city in which minority unemployment, as the gentleman well knows, coming from North Philadelphia, is exceedingly high; in the high teens.

In my area of western New York it is probably close to 20 percent. Nationally, black unemployment is 15.5.

Now, does this Budget Committee resolution urge the Congress to move on enterprise zones? Is it the belief of the gentleman that our Budget Committee's message to the Committee on

Ways and Means and to the Congress will have an impact upon the consideration of an issue that the gentleman from Philadelphia and the gentleman from western New York have agreed upon for a number of years? What is the hope that we can get something done to get jobs into the inner city which also has a favorable impact upon the deficit? Because every 1 percent drop in unemployment will drop the deficit by $25 to $30 billion. What assurances can the gentleman give me, with whom I have worked so long on this issue?

Mr. GRAY of Pennsylvania. Certainly I think it was the intention of the committee to urge the appropriate committees of the House, primarily the Committee on Ways and Means, to look at this issue of urban enterprise zones and hopefully to move forward expeditiously and report legislation with regard to urban enterprise zones.

I share the concern of the gentleman from New York, and as we have discussed on many occasions, as we talk about the recovery which has been applauded, the gentleman from New York knows that in many areas, that recovery has not come to fruition.

That is why we are all concerned about deficit reduction. We may have disagreements about how to reach the goal, but I think that this House and the entire Budget Committee was absolutely committed to reaching a goal of strong deficit reduction, to continue economic growth, because we recognize that it is vitally important.

When it comes to certain areas of the country, certain regions, we know that that recovery has not occurred. Particularly in the minority community where, over the last 2 months, black adult unemployment has gone not down, but it has gone from about 14.5 to 16.3 percent; it has actually gone up.

Certainly another arrow in the quiver of attacking the problems of urban America and the massive unemployment in the inner city could be the urban enterprise zone concept, and so the committee has included that in the language of the bill, urging the appropriate committees in the House to move expeditiously forward on that, so that hopefully we will be able to see that the recovery moves into all areas.

Mr. KEMP. May I ask the gentleman one more question?

Mr. GRAY of Pennsylvania. Yes, I yield to the gentleman.

Mr. KEMP. Mr. Chairman, I was the author of the enterprise zone amendment to the Budget Committee, and I want to publicly state that the gentleman from Philadelphia, our chairman, was very supportive, as was the gentleman from Texas, the majority leader, JIM WRIGHT, for which I am very grateful. There has been strong bipartisan support on this effort over the years.

Mr. RANGEL is interested; Mr. GARCIA from the South Bronx; there are supporters in urban areas and rural areas all over the country. I just hope that the strong statement that the gentleman has made, the chairman of our committee, will send a message to those interested leaders of both of our parties that the hour is very late to make a favorable impact upon the lives of inner city and unemployed people in terms of creating jobs. We cannot get the fiscal condition of this country in balance, in equilibrium, until we have got the economy at a high level of employment. That requires that we take some extraordinary compensatory efforts in the inner city and those rural areas that have been left outside the recovery.

So I hope the gentleman is here during the debate on Humphrey-Hawkins, because I plan to be here to make my annual comments about full employment without inflation, and the gentleman has a strong contribution to make as well.

Mr. GRAY of Pennsylvania. I assure the gentleman from New York that the chairman of the Budget Committee will be here throughout this debate, and I want to compliment the gentleman for his contributions to the committee, particularly in this area of urban enterprise zones, and also his continued concern for economic growth.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAY] has consumed 18 minutes.

The Chair now recognizes the gentleman from Ohio [Mr. LATTA].

□ 1130

Mr. LATTA. Mr. Speaker, I have listened to the opening remarks of the gentleman from Pennsylvania, our esteemed chairman of the Budget Committee, and I agree with most of what he has to say about the need for doing something in this budget about deficit reduction this year. I do not believe I have seen any budget proposal which does not freeze nondefense items, with the exception of Social Security and means-tested programs. We have seen various proposals which would even freeze defense at the 1985 levels without regard to inflation. This is one of the main objections I have to the proposal that the chairman and the Democrats are putting forth. Everybody realizes that we will have about a 4-percent and perhaps a little higher inflation rate in fiscal year 1986. If this happens, and if the conference committee and this Congress would finally agree on the figures now being put forth on the Democratic side of the aisle for defense, it would actually mean a reduction—a reduction—in the defense effort of this country for fiscal year 1986. Nobody can deny that. Nobody does deny that.

And let me say that at a time when we have the Russians at least talking in Geneva, brought about by the fact that during the last 4 years we have seen a buildup of our defense forces in this country which were sorely lacking prior to this administration, the question must be asked whether or not they will return to those tables to negotiate seriously if this House and this Senate, when the time comes to agree on a conference committee report to a reduction, an actual reduction, in fiscal year 1986 in our defense forces.

Sure, I am the first to admit that the high-priced toilet seats, the high-priced wrenches, overcharges by various companies, have had their toll on the defense establishment not only in this body but with the American people; but we cannot overlook the fact that the Defense Establishment itself, through its auditing, has found those items that I mentioned and reported them and attempted to correct them and are now going forth with actions in courts of law, and on their own part, to recover some of those overcharges.

The question, however, remains: Is the threat to our security now and in the future removed by the fact that we have had some overcharges in the Pentagon? No. The threat remains. The threat remains. And certainly we have to take cognizance of this fact and do something, more, perhaps, than we have been doing, in seeing that these things do not occur in the future.

So I think you are going to find that, as this debate unfolds, the issue is going to be whether or not we should take 53 percent of the cuts out of defense.

Should we be penny-wise and pound-foolish? I think not.

We just had a President reelected carrying 49 of the 50 States, promising the American people a continuation of a strong defense for this Nation. And now a few months after the election, are we about to say that those people in 49 States were wrong and that we should reduce the defenses of this country by 4 percent in 1986? I think not.

Mr. Speaker, let me say one of the things that disturbs me most of all about reducing our defenses is that in the process we will be weakening our efforts to protect America from a nuclear attack.

We have all heard what the press has called the Star Wars Program, without ever pointing out to the American people what it is all about; namely, a space defense initiative. Defense is what we are talking about for the American people against nuclear warfare. It is not an offensive system. What is happening and it is happening now in the Armed Services Committee, this Congress is in the process of cutting down by approximately one-third the $4 billion request for research on a system to be designed solely for the defense of this country against nuclear warfare.

I was privileged to be with the Speaker and the minority leader just recently in the Soviet Union where we talked with various leaders. And let me tell you that the first item of discussion, wherever we went, was SDI [space defense initiative]. They do not want us to proceed with it. They do not want us to have any defense against their nuclear weapons.

Now, are we going to be playing into their hands if you please, if we cut one-third out of that program? I think that we ought to stop and consider what we do here, because certainly they will be watching what we do. We do not want to play into their hands. We want to see something accomplished in Geneva. That can only be accomplished by showing strength not weakness. We have made some progress in this area, and we must continue that progress.

Laying aside defense for just a moment, let me say we almost had an agreement on the Republican side and on the Democratic side in our committee on a budget resolution. This Member would have liked to have seen an agreement that we could have perhaps gone to conference together on a budget resolution for the first time, but that did not occur. Hopefully, we know where the votes are, we know how the votes are going to be case in this House, we know that when we get to conference the final product will be somewhat different. And what comes out of this House, I pray will not come out of conference on the matter of defense.

On domestic matters, let me say—and laying all fears aside—nothing in the proposal being put forth on the Republican side by this gentleman will make any reductions in COLA's. This means no COLA freeze for social security, veterans, Federal retirees, military retirees, et cetera, none will be reduced by my proposal.

Let me also say on those means tested programs, they will not be reduced. We will show during general debate, however, that unless we do something to slow the growth of some of our programs that the deficit problem is not going to evaporate. We must start to terminate some of these programs we could not afford in the first place as they are now eating us up from a budgetary standpoint.

So, hopefully, we will have a good discussion and we will think about some of these programs during this debate. It is serious, and I am glad that on both sides of the aisle they recognize the seriousness of this situation, that when we are confronted in 1986 with 230 billion dollars' worth of new debt, unless we do something about it, it is serious. It is serious. When 15 cents out of every dollar coming into the Treasury from your taxes is now going to go to service the debt, as opposed to 7 cents out of the dollar in the mid-1970's, it is serious. When you look at the total debt we have of $1.7 trillion, which will go to $1.8 trillion in September, it is serious and cries out for action. This Congress will be asked to raise the debt ceiling beyond $1.8 trillion just to pay bills unless we do something.

□ 1140

This is serious business we are talking about. Yes, we have got to do something, and do it quickly.

Mr. Speaker, I have a couple of requests for time under Humphrey-Hawkins, and I will yield to the other side.

Mr. **HAWKINS**. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it has been over 6 years since the Full Employment and Balanced Growth Act became law. The high hopes that the Federal Government would turn away from its fragmented, ad hoc approach to economic policymaking and instead embark on a comprehensive and coordinated program of achieving full employment, maximum production, and price stability have not been realized.

In 1979, the first year after President Carter signed the Humphrey-Hawkins Act, despite the mandates of law to the contrary, the Government began its run toward a more restrictive fiscal and monetary stance. The brief recession of 1980 resulted. Then, in 1981, upon the election of President Reagan, and the misguided determination of the Federal Reserve Board to fight inflation no matter what the cost, there was an outright flight to monetarism. The stage was set for an economic tightening of the screws that deliberately induced the worst recession since the Great Depression of the 1930's.

Anyone can wring inflation out of the economy by reducing growth and throwing millions of people out of work. It is the ultimate test of a just and fair government to reject such harsh policies and work instead to simultaneously achieve low inflation and full employment. It is these goals which were set forth in the Full Employment and Balanced Growth Act of 1978. That is why we have time set aside today, before we begin general debate on the first concurrent budget resolution, to talk about the policies necessary to achieve full employment and price stability, and how the spending and revenue targets of the Federal budget could enable us to reach these goals.

Year after year, we seem to find ourselves in the same unenviable predicament. Due to political posturing, testing of waters, or faulty interpretation of where we think our problems lie, each spring we embark on an annual ritual of determining our budget priorities without due regard to the proper role the Federal budget plays in implementing our national goals and aspirations.

Five years ago, we were stampeded into adopting an economic package based on reducing taxes; slashing growth in domestic spending while recklessly increasing defense outlays; at times indiscriminate deregulation; and sharply restrictive money policy.

What were the results of this conflicting mix of loose fiscal policy and tight money?

Current and projected deficits are at the highest levels in our history. The politicians who 5 years ago declared deficits of under $60 billion the scourge of American society, have saddled us with back-breaking imbalances exceeding $200 billion.

The most severe recession in 50 years which has weakened our social fabric by creating a new class of homeless and increased the ranks of the long-term unemployed.

A startling decline in our ability to compete.

The self-inflicted deep recession of 1981–82 is still taking an enormous toll. But, through slick public relations, clever misuse of the facts, and at times the charisma of the President, the administration has clearly pulled off an economic "sting" of enormous and tragic proportions. One might think that Reaganomics has given us 5 years of prosperity and growth.

Unfortunately, that is just not the case.

From 1979 to 1984, growth has averaged only 2.1 percent.

After more than 2 years of so-called recovery, we still have unemployment levels today that approximate those at the beginning of the 1981 recession.

The number of Americans unemployed in April represented an increase of 355,000 over the number of persons out of work when the administration took office. Excluding the exceptionally high levels reached during the last 4 years, the level of unemployment in April was the highest since May of 1975.

The number of persons working only part time due to economic reasons held steady at 5,664,000 in April, more than 31 percent higher than the number of such workers when the administration took office.

In the first quarter of 1985, there were more than 1.2 million people too discouraged to look for work because they did not think opportunities were available.

Manufacturing continued to be one of the hardest hit sectors of the economy in April. Unemployment among manufacturing workers surged to 1.8 million. As a result, since the end of 1984, unemployment within the manufacturing sector has risen by 172,000—an increase of more than 10 percent in only 4 months.

When we add together the official rates of overall unemployment, those working part time for economic reasons, and the discouraged, a more accurate reflection of the slack in the labor market would be that over 15 million people are jobless.

But, even if we examine only the current official rate, one would expect that an unemployment rate of 7.3 percent, with more than 8.4 million Americans out of work, to be a cause of concern. The administration, however, seems to accept an unemployment rate of over 7 percent as a fact of economic life. This year's Economic Report of the President makes almost no mention of continued high unemployment as a serious national problem. And the person who authored that report, then Council of Economic Advisers member William Niskanen, has stated: "We're not satisfied with 7 percent unemployment . . . but we accept it."

This cynical attitude is intolerable and defies the mandate of law.

If the overall unemployment rate is bad, the youth unemployment rate is clearly a national disgrace. The unemployment rate for 16 to 19 year olds in April was 17.7 percent, and the official unemployment rate of black teenagers was 39 percent, while the white teen rate was 14.9 percent, a continuation of the substantial gap between the two groups

This is evidence that the private market cannot accommodate all those who want to work without the assistance of the Federal Government. It should also be clear that this administration has not provided that assistance. Since 1980, Federal funding for employment and training programs has declined by 67 percent in real terms. The budget that was passed by the other body has incorporated additional cuts in the Job Training Partnership Act.

We must always remember that we are not merely talking about statistics. Joblessness is a human tragedy. It affects a person's self-esteem; the stability of the family; the viability of communities. Recent studies have documented a relationship between unemployment and increased deaths, higher suicide rates, admissions to mental hospitals and prisons, and more alcoholism and drug abuse.

Even if we have been spared unemployment we all suffer from the declining standard of living of the average American family.

The 1981 recession was so deep and so prolonged that even though family income was 3 to 4 percent higher in 1984 than in 1980, the rise was less than half the average gain experienced over comparable periods during the last 30 years. According to the nonpartisan Urban Institute, had no recession occurred, the average person would have accumulated more than $1,000 in additional income between 1981 and 1983. Each American household would have been $3,300 richer.

Census Bureau data for family incomes also show that the share of families in the middle class declined from 1968 to 1982.

The data clearly show that the middle class is declining at the expense of the upper class and the lower classes. In 1969, the middle class—defined as those earning between 100 to 160 percent of median income—amounted to 27 percent of the population. In 1982, it was only 23 percent. This change is largely the result, as CBO data has shown, of the income shift brought about by administration tax and spending policies.

In addition to this income erosion on a national scale, we are seeing the gradual pauperization of work in America.

We need to measure not only the number of jobs, but their quality. A high proportion of the new jobs created have been relatively low wage, increasingly part time, service sector jobs.

A Bureau of Labor Statistics [BLS] study of 5.1 million workers whose jobs were abolished or plants shutdown between January 1979 and January 1984 revealed that one out of every four displaced workers was unemployed and looking for work; one out of every seven had left the labor force, and nearly one out of every two of those workers who had found full-time jobs were earning less in their new jobs than in the ones they had lost. Altogether 11.5 million workers aged 20 and over lost jobs during the time period due to a plant closing or relocation, slack work, or the elimination of a position or shift.

Many of the workers who did gain new employment had to take jobs that were part time or that paid less than their old jobs. While we should appreciate the number of jobs created, we should not be fooled into believing that job creation is an end in itself. What we want, and need, to create are productive jobs with wage levels that will continue to allow all Americans to improve their standards of living.

In the meantime, we continue to limit our discussion of our national goals and aspirations. Instead we focus on how we can wring out another 1 billion bucks from the domestic side of the budget.

We have allowed ourselves to be sold the bill of goods that says deficit reduction for its own sake should dominate all of our considerations.

We have lost sight of the forest for the trees.

It is worth remembering that the explosion in the deficit since fiscal year 1982 is not the result of increased domestic spending. According to CBO, tax cuts have lowered revenues by $117 billion in 1985 and by $323 billion for the period 1982–85. The defense build up added $36 billion to the deficit in 1985 and $79 billion for the years 1982–85—compared with a baseline policy of 3 percent real growth.

These actions were only partially offset by nondefense spending cuts of $192 billion between fiscal years 1982–85. The net effect of these policies—combined with $30 billion in higher interest costs resulting from them—raised the deficit by $112 billion in fiscal year 1985—to $195 billion—and by $240 billion for the fiscal years 1982–85 period.

Our budget deficit also contributes to our increasingly large trade deficit.

In 1978, the Humphrey-Hawkins Act stated that "trade deficits are a major national problem requiring a strong national export policy." None of us could have imagined that in only 7 years, America would become an international debtor instead of a creditor.

In 1980, the United States owned $120 billion more in assets abroad than foreign investors owned here. If present trends continue according to some experts, the United States will accumulate a net foreign debt in excess of $1 trillion by 1990.

According to the economic forecasting firm Data Resources, Inc., "measured by relative costs, market shares, or productivity levels, the United States is far less competitive today than at any time in the postwar period."

One major cause of this problem is the overvalued dollar, a result of unbalanced monetary and fiscal policies.

The dollar has appreciated more than 40 percent since 1980 against major currencies;

American agriculture is being devastated; and

This rise has cost the United States approximately 2 million jobs, about 1.4 million of them in manufacturing.

If the dollar had been more or less in balance—

GNP would have been 4 percent higher;

Industrial production would have been 9 percent higher; and

The Federal budget deficit, and the trade deficit, would have been $60 to $70 billion lower.

While I have been focusing primarily on fiscal policy, it is important to remember that this debate is supposed to provide us with a comprehensive view of how the budget can fit into our overall economic policy. Monetary policy, a critical part of any policy mix, remains largely beyond our control. The Humphrey-Hawkins Act states that:

> An effective policy to promote full employment * * * should: (1) Be based on the development of explicit economic goals and

priorities involving the President, the Congress, and the Board of Governors of the Federal Reserve System * * *.

Instead, the administration has no goals. Its assumptions are merely statistical devices to reduce its deficit estimates.

The Federal Reserve Board Chairman has held us hostage to his deficit reduction demands. If the Congress meets some vague goal, or if there is a threat to the financial system, the Chairman says he will reduce interest rates. The events of the last few days and the apparent drop in interest rates are welcome, but this is not a substitute for the coordination and consulation called for by the Full Employment and Balanced Growth Act.

Repressive money policy was a primary cause of the recession; it continues to be a major problem. In the name of fighting inflation, the Fed, has sacrificed GNP growth, jobs, and human welfare for so-called price stability. Yet, inflation has risen over 20 percent since 1980. It is still rising.

The Urban Institute ran an economic simulation of what would've happened between 1981–84 had the Fed been committed to fighting unemployment, as mandated by the Humphrey-Hawkins Act, instead of putting its pincer-like grip on the American economy and creating the worse recession in 50 years.

The simulation found that had the Fed reversed the course set in 1979 and increased the supply of money, beginning in 1981, the economy would've experienced some slack, but no recession. Unemployment would have risen only slightly from its 1981 base of just over 7 percent. Inflation would have fallen, but more slowly and would have ended up only a percentage and a half more than under Reagan policy.

The point, here, of course, is had Mr. Volcker and his colleagues on the Open Market Committee, chosen to offset the drop in spending that was occurring, the 1981–82 recession could have been avoided, or at a minimum been less severe.

But, the Fed is held as a sacrosanct entity and is not accountable to anyone. It makes no sense for a small group of unelected people to have such a critical control over the economy in a democracy like ours. No other industrialized country allows such unfettered operation of a central banking authority.

We, as elected representatives of the American people, have the responsibility to reassert our policy control over the Federal Reserve Board. It must be remembered that it was the Congress who first created the Fed. It was the President, over 30 years ago, who laid the groundwork for the Fed's current position of having no accountability to anybody but its own narrow interests. So, it must be the Congress and the President again who must act to rein in this loose cannon that is shellshocking the American economy and the American people.

The Humphrey-Hawkins Act required the Fed to spell out how monetary policy affects the achivement of lower unemployment rates. Yet, the Fed has refused to do so.

I believe it is time for Congress to take decisive action to let Mr. Volcker and his colleagues know what coordinated economic policy decision making is all about.

Tomorrow we will vote on a budget resolution for the 3 fiscal years 1986–88. As budget resolutions go, the committee's proposal is a welcome alternative to the resolution passed by the other body. It establishes some priorities. Most importantly, it protects low income Americans from inflation. While it doesn't help them out of their difficult status, at least it doesn't hurt them further. The committee resolution may prevent additional people from falling below the poverty line, if their economic assumptions hold up under reality, but it will do little to lift someone out of poverty.

Let's not lose sight that the resolution does not provide additional funds to meet pressing national social problems like illiteracy, high unemployment, or lack of adequate job training—23 million Americans are functionally illiterate and another 40 million are borderline illiterates. The committee resolution allows no new efforts to aid this large group of our population. Nor does it adequately fund programs that improve our deteriorating physical infrastructure, or provide for initiatives in the public services sector.

Despite 2½ years of so-called recovery, poverty has actually increased and now stands at a shameful 15.2 percent of the population. Over 3.4 million additional people became officially defined as poor between 1981–83.

The bottom line is that we are fighting an ideological battle. Does the Government have a proper role to play in determining the health and well-being of our economy and our citizens? The policymakers who have the deficit reduction fever are the same people who feel the free market can and should take care of the economic and social ills of our society. This deficit reduction talk is nothing more than a thinly veiled attempt to dismantle the proper and desirable role of the National Government.

When their feisty ideological rhetoric failed to capture the political imagination, they turned to deficit reduction as a means for achieving their desired end. Now these life-long ideological types have even convinced some of the colleagues from this side of the aisle that we should only play the game by the deficit reduction rules.

Well, I for one, refuse to partake in such an exercise. I was sent here to represent the goals and aspirations of people, not to be an accountant, concerned only with the bottom line of a ledger sheet. I believe the budget is the major tool we have for meeting our national needs and priorities and we should use it as such.

What we need is a policy that sustains growth and achieves full employment with reasonable price stability. Recent economic data strongly suggest that the economy is slowing down. First quarter growth was a mere 0.7 percent. A new term—"growth recession"—has been introduced into the lexicon of public policy. In a growth recession, economic expansion continues but occurs at too low a level to accommodate those seeking jobs for the first time, let alone those who have lost jobs and are looking for new ones. The U.S. economy must grow between 4 and 4.5 percent once full employment has been reached, just to maintain reasonably full production and employment.

Deficit reduction, by itself, will not solve our problem. In fact, simply cutting spending will further reduce expansion, leading to higher deficits and higher unemployment. Deficit reduction will be for naught if it is not accompanied by lower interest rates.

Fiscal and monetary policies must be coordinated to enhance productivity and growth. The Fed's policies must be adjusted to maximize growth and to bring the value of the dollar back into line.

Addressing these issues is, I believe, worthwhile because we should be in the business of expanding opportunity, reducing dependency, and creating a climate conducive to individual, as well as economic, growth. It is also worthwhile because we pay a terrible price in lost productivity for illiteracy, unemployment, and poverty, when we fail to pursue proper economic policies.

It is far better to spend our resources on productive programs that over time actually will reduce the deficit, than to box ourselves into a corner by refusing to use the tools at hand which will meet our goals. It defies common sense to freeze, cut back, or eliminate programs which have proven to be cost effective and successful in their mission. We should not be killing the goose that lays the golden egg, but moving ahead to adequately fund programs like education and employment and training, that are national investments that pay rich economic and social dividends.

Through a combination of fiscal and monetary policy designed to enhance overall growth and with adequate support for structural programs which promote self-sufficiency and reduce dependency we can meet our national

goals of full employment and price stability.

☐ 1200

The CHAIRMAN. The gentleman from California [Mr. HAWKINS] has consumed 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, this is the part of the Budget Act which customarily receives little attention by the Members, this portion of the debate is devoted to the Full Employment Act; otherwise known as Humphrey-Hawkins, half of the name coming from our distinguished colleague, the gentleman from California, who has just spoken.

Today, however, this portion of the debate has become more important. It is obvious that full debate on our budget has been severely restricted by the rule just adopted. There will be many Members like myself who have to take advantage of this time to be able to participate at all in the budget discussions.

I think, Mr. Chairman, that nearly everyone will agree that nothing is more important to our overall economy, to full employment and balanced growth, or more important to a raising of our standard of living than the adoption by this Congress of a responsible Deficit Reduction Act.

Most observers of our economic scene would say that if there is any area of our economy that has been mismanaged over the past several decades, it is fiscal management. Fiscal policy, of course, is controlled by the Congress of the United States.

Year in and year out we have appropriated excessively. We have created a series of increasing deficits which have caused this country increasing economic distress. There is no place to hide, no one to whom to pass the buck. The enemy is Congress.

Not only do deficits indicate improper management of our resources, they do lots of terrible things. First, they cause us to borrow heavily. In this budget, in excess of 15 percent of the total outlays in the coming fiscal year will be spent on interest. That is, there will be a payment for past excesses for which we were unwilling to tax ourselves but which we thought we could forgo.

Second, the heavy borrowing cuts into private-sector use, crowding out homeowners, consumers, small business people, big business people, and, in short, everybody. It drives up the cost of money for all of us. The Government gets in there firstest, with the mostest. It borrows everything in sight for whatever cost is demanded. That squeezes other borrowers out, and the cost of interest goes up.

Third, the cost of U.S. products, because of the value of the dollar, becomes dear in foreign markets, and foreign products become cheap in our markets.

So not only do we have a large debt and heavy interest to pay, but also we are building inflation into our economy. On top of that we have a high-dollar situation which exacerbates whatever other trade problems exist in our economy. In short, there is no way to have full employment and balanced growth in our present environment of congressional fiscal mismanagement.

Most economists also agree that the rate of taxation in our economy is not going to vary greatly over the years. Congress is not going to raise it very much. Our problem is overspending, not undertaxation. So those who believe they can solve our fiscal problems simply by higher levels of taxation have only to look at the history books. When that magic 20-percent number is approached or exceeded, it would be well to remember that only one President did, and he was promptly relieved of his duties in the next election.

So what Congress must now confront is the absolute essential, reduction of our spending here and now. We have been advised, first of all, by the Chairman of the Fed that a $50 billion reduction from the baseline deficit was the least the country could tolerate. Following that, the President embraced that number by coming in with a budget that called for about that amount of reduction from the baseline deficit, including no new taxes.

With respect to monetary policy, I think it is probable that the Fed has loosened its policy in response to slow demand, to slow growth, and in fact to the Budget possed already by the Senate which claimed reductions of $50 billion.

Monetary policy will not, unless imprudently managed, be expansive at a time of monstrously expansive fiscal policy. Stated another way, the Fed must react with its monetary policy to our wanton, high deficit fiscal inebriation. Only when Congress adopts a rational fiscal policy can the Fed carry out a more expansive monetary policy without disasterous results.

Spenders may scream for the Fed to gun the money supply. Fortunately monetary policy has been managed rather well by the Fed. If Congress would do the same, the Fed would have, and presumably would demonstrate more flexibility.

Again most observers inside and outside the Congress believed that the President's budget was defective in that it sought to make all those cuts, the $50 billion from baseline, in a very narrow sector of our budget, that is, about a third of it, with, of course, interest being exempt, Social Security being declared sacrosanct, and defense being declared at lease semisacrosanct.

So the President's budget did not fare very well here. Yet the Senate went ahead and did the best it could under its unique circumstances. It presented at least the first budget resolution, which jerked the House out of what one can only charitably describe as inactivity. It has also been described as lying on the floor in a fetal position, hoping that the Senate would not pass a bill.

That Senate budget was not perfect. It has got fluff in it, primarily in the economic assumptions. That fluff; of course, was then adopted by our House Budget Committee in what must be described, when compared to reality, as the rosiest scenario yet.

Our Budget Committees have made our President look like a pessimist. They are predicting a 4-percent economic growth in fiscal year 1986. Then they predict 4 percent growth for the next 2 years, as well. I wish that it could be true. We would all love to see that kind of growth. Nonetheless, it is highly unlikely that we will see that kind of growth. I, personally, do not believe that optimistic growth level is a responsible estimate.

The Rules Committee has not given us enough choices to do the job. None of our options are adequate to solve the problem. The House Budget Committee, under instructions from the House majority leadership provided for us a variety of alternatives, none of which can do the proper job.

If one looks at the House Budget Committee's work, one first concludes that there has got to be at least 10 billion dollars' worth of unachievable savings because of optimistic assumptions on the growth side.

If one looks a little further, one can find over $10 billion of spending savings which are unachievable because they are unreconcilable. I do not say that they are impossible. I will only say they are likely not to be achieved. The major unachievables are: $5 billion, in offshore oil; about $4 billion in savings on contracting out; and over $1 billion in interest savings which are inexplicable.

Somehow the House Budget Committee decided that in spending about the same amount of money, it is going to spend less on interest than the Senate. I do not know the reason for it. My guess is that it is, like a lot of other numbers facing us today, highly questionable.

So in the committee budget we find at least $10 billion that we are not going to save. Then we find about $10 billion too much in growth.

Then, as Members of this House know, we have a procedure called reconciliation by which we try to make our budget come true. We have never used reconciliation very effectively.

The best we have ever done was in 1981, when we perhaps achieved about a 75-percent reconciliation.

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So if you take out $10 billion for excessive growth assumptions, and then take out another $10 billion on spending cuts which are likely not to be made or cannot be made and then you take out another reconciliation slippage factor, you have not got the $50 billion you started with. In fact, you will be lucky if you have got $20 billion in deficit savings.

So, Mr. Chairman, the only budget alternative that comes to us that saves enough money to come close to $50 billion in savings is the budget recommendation of our friend, the gentleman from California [Mr. Dannemeyer]. I think most Members would recognize now that this budget is not going to be passed.

On the other hand, in sum total of savings I think most Members, at least in quiet, would admit it is the only one that comes close to doing the job. I make that admission, and will vote for it despite the fact that it provides $10 billion too much in defense budget authority.

Some of its cuts are too severe. It is not my budget. But my vote for it is a recognition that it offers the best hope for real savings.

I think the Rules Committee really did a lousy job in presenting alternatives to us. In my judgment, the best alternative was the one developed by the gentleman from Florida [Mr. Nelson], the gentleman from Illinois [Mr. Porter], and the gentleman from Minnesota [Mr. Penny], which produced about $73 billion in savings in the first year and $330 billion in total.

Those savings were not without fluff. They incorporated bad assumptions and unreal savings from the resolutions of House and Senate Budget Committees. But they took the lowest figures available in all categories of each budget. That added more savings, real savings, principally in defense and in COLA's, when compared to either the House or Senate budget.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. LATTA. Mr. Chairman, I yield 2 additional minutes to the gentleman.

The pity of our situation here and now in the House is that we are not considering what is needed. We will not be able to vote on a budget that gives the House a real choice, or on one that is a bipartisan budget suggestion. Thanks to the Rules Committee, we will not have that necessary opportunity today.

For that reason, I am unlikely to support the final budget recommendation of the House, no matter which of the alternatives are presented.

I believe the Republican substitute of my good friend who has just yielded to me the gentleman from Ohio [Mr. Latta] provides excessive budget authority to the Defense Department. My best judgment is that the Defense Department is going to get appropriated budget authority in the end that is going to be the same as 1985. I see no reason why the budget that this House passes should not acknowledge that.

Nor does it cut as deeply as the Dannemeyer budget. The Latta budget gives no chance for improvement in conference committee. Therefore I am unlikely to vote for it except as a protest against the enfeebled Budget Committee effort.

I think, Mr. Chairman, that the House now recognizes the budget problem from a political standpoint only. Members do want to reduce the deficit projection. I do not think that awareness, has an economic base, or carries a high priority with many Members.

If Congress had any real appetite to cut deficits, all of the budgets presented to us would have called for far deeper cuts than those that are now pending before us.

It is going to be a very difficult choice for me to make a decision between the options that are before us, because none of them are adequate to the chore. Compared to anything reasonable, I would vote against any option because we should do much more. I suppose we should be pleased that something is being done.

In conclusion, I like none of the budgets on which the House will vote. All are flawed. However, in voting, all must be compared against the standard which is the Budget Committee proposal. Since it is the second worst proposal, I will vote for some alternatives, not because I like them, but because they are less worse than the committee budget.

Mr. HAWKINS. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Texas [Mr. Gonzalez].

Mr. GONZALEZ. Mr. Chairman, I thank the distinguished chairman for giving me this opportunity and inviting me to participate.

Mr. Chairman, as we enter into this budget debate, we must keep a proper perspective. The budget is more than a mass of numbers; it is also a reflection of national needs and priorities. The budget is only part of a larger economic policy. Assumptions about what the economy will or will not do, and assumptions about such things as interest rates, play a critical role in what a good budget is. And overarching the whole thing is the inescapable truth that these numbers, these priorities, and these assumptions, all end up helping or hurting the people of this country. Unless we understand the economic setting, and specifically the role of monetary policy and the Federal Reserve, the whole debate is without meaning, purpose, or effect.

Monetary policy, for example, will largely determine what interest rates are, and those rates will in turn cause the rate of economic activity to go up or down—making the deficit numbers we assume in this budget valid or invalid. Those interest rates will, more than anything else, dictate how many millions of Americans are at work or unemployed. They will determine whether housing production is to boom or bust. They will determine how many automobiles are produced and sold, how many businesses grow or shrivel, how many farmers can stay in business or go broke, how many banks and savings institutions will prosper or fail.

Unless we understand the role and impact of monetary policy, this budget debate will take place in an intellectual vacuum, removed from all reality and removed from all practicality.

Is our goal to reduce the deficit? That can only happen if monetary policy and economic growth take place in the way that we assume.

Is our goal to reduce unemployment? That, too, will depend largely on monetary policy.

And monetary policy is, unfortunately something that we do not control at all. That policy is in the hands of the Federal Reserve, which changes course at its wish and whim, and with its wish and whim changes the course of the Nation.

For example, we have been told time and again, ad infinitum, that interest rates can go down only if the Federal deficit goes down. But in fact, deficits have gone up by incredible, astonishing amounts in these past 4 years, and yet interest rates have drifted in the opposite direction. This is something akin to defying the law of gravity, if you believe in the old-time religion of the Fed. The fact of the matter is that the Federal Reserve decided in its infinite wisdom that Ronald Reagan should be blessed with lower interest rates—and so he has been. Previously, it had decided that Jimmy Carter should be cursed with the highest interest rates of modern times, though his economic policies were pristine, in comparison to the profligacy of the Reagan administration—and so Jimmy Carter was indeed cursed by high interest rates, rates that contributed mightily to his subsequent defeat.

The Federal Reserve has the power to set off wild frenzies in the stock market, by its manipulations of monetary policy. Witness this past few days: merely by dropping the discount rate half a point on Friday afternoon, the Fed created on Monday a 19-point rally in the stock market, leaving it at the highest level in history. Why? This did not happen because the Fed wanted to reward Ronald Reagan and the Congress for reducing the deficit, for neither he nor we had done so. But they did it because they want the economy to grow faster than it is, faster than even the Reagan deficit can drive it, because they want prosperity at this time. If the Fed wanted growth to disappear and unemployment to shoot skyward, they could have done that, too.

What Congress has sought, through the Humphrey-Hawkins Act, is an explicit recognition and linkage between what the Fed does and what the people of this country must live with. The Fed seems to think that about 7.5 million people out of work is a fine thing—and so we have asked them to provide information on how their monetary policy affects employment. This they have failed to do.

We have sought also to have the Fed to adopt policies that are more stable and steady in their nature. And this they have also failed to do. Instead, the Fed has choked the economy to death under Jimmy Carter, and lashed it into life and movement under Reagan. If the Fed wants taxes to rise, they will merely let interest rates rise, and tell us that the rates will come down when taxes go up—as, indeed, they did to force Congress to abandon half the tax cuts that Reagan had called for and we had enacted. If anyone here doubts the power of the Fed, just recall that the recession melted away after Congress took back some of the Reagan tax cuts and further slashed domestic spending. Those actions did not reduce the deficit—indeed, the deficit went up. But interest rates went down, the economy began to grow, and the panic eased, because the Fed had heard us all say uncle. The Fed clearly made its point, and both we and the President knuckled under.

Those who come before us with their arrays of charts and economic assumptions do not want to admit their powerlessness. But they know the truth: The economy will perform as the Fed wants it to. And as the economy goes, so goes the deficit, so goes employment, and so goes business and industry all across the land.

The truth is, we can enact all those cuts that are being demanded and recommended, and we would still face the same deficit—or worse—next year, if that is what the Fed decides is good for the economy. The Fed—not us, and not the President—will determine how well the economy performs, and therefore how well the assumptions behind this budget will work out.

But we will hear little of that in these coming hours. We will not hear about how things really work; we will only hear that we must make these cuts—which will create disaster for hundreds of thousands of the poor, the weak, and the powerless—in order to make things better. It is a little like making blood sacrifices. For this budget is in fact an act of sacrifice that its sponsors hope will propitiate the economic gods at the Federal Reserve. Will the Fed be happy with our sacrifice? Will they want more blood next year? When, in fact, will we wake up and realize, as my distinguished friend, Chairman Hawkins, has, that all this budget jiggery-pokery is only as good or as bad as the Federal Reserve permits. He knows, and has tried to make Congress realize through the Humphrey-Hawkins Act, that unless we make that connection, this budget process is only a mumbo-jumbo no more meaningful and no more effective or purposeful than the Aztec sacrificial rites; for we do not need to propitiate some unknown gods; we need only to control the Federal Reserve.

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Mr. LATTA. Mr. Chairman, I yield 11 minutes to the gentleman from New York [Mr. Kemp].

Mr. KEMP. I thank the gentleman for yielding.

I hope the gentleman from Texas [Mr. Gonzalez], my friend who was just talking about the Federal Reserve Board, will listen to my remarks because I found his very interesting. In this part of the debate on the Humphrey-Hawkins bill, I would like to share my perspective and concur very strongly with the statement made by the gentleman from Texas.

Mr. Chairman, there is no doubt of the truth of what has been said here by the gentleman from Texas [Mr. Gonzalez]. The Fed moved in 1984 to slow down the economy because they were afraid that unemployment was dropping too quickly, that too many people were going back to work, and that the growth in the economy would force up wages and prices. So they did raise interest rates.

The gentleman made another very interesting observation. He said that the state of the economy determines what our budget looks like.

The reason I always enjoy getting up and speaking on the Humphrey-Hawkins time is because I appreciate the fact that the gentleman from California [Mr. Hawkins], and Mr. Humphrey back in the 1970's told this country the harm that we would be doing to untold millions of people in this country and to the rest of the world by this insane tradeoff between inflation and unemployment. I do not remember the exact words of the gentleman from California [Mr. Hawkins] back in the 1970's. But I do remember him saying that unemployment is no answer to inflation. He also said that price stability has to be the goal of economic policy in America.

It seems to me that all those who told us that inflation solved unemployment and unemployment solved inflation did a great disservice not only to the American people and to the Third World countries, who probably have been following some of that bad advice over the years, but they have done terrible things to the budget disequilibrium. We have a central bank in the United States that believes that if the economy grows faster than 3 or 4 percent that somehow too many people are going to be going to work, that they will bid up the prices and inflation will be set off.

The gentleman from Texas was talking about the Reagan tax cut. Irrespective of the debate of whether it was good or bad, the Fed, 3 months before we moved to pass that tax cut, when the deficit was 2 percent of GNP, $57 billion in 1981, they raised the discount rate to 14. This country has never had a 14-percent discount rate in the history of the Federal Reserve.

The Federal funds rate, which is the overnight cost of money to member banks of the Federal Reserve, the shortest term interest rate that there is, was raised to 19. The prime rate, as the gentleman from Texas points out, was 20 or 21.

They thought they were offsetting a loose fiscal policy by tightening up on monetary policy and, frankly, I would say to my colleagues, it was not until the Third World economies and the debt service rose so much for Mexico, Argentina, Brazil, Caribbean countries, and other debtor nations that they decided that the cost was too much. In August 1982, they allowed the discount rate to come down. The Federal funds rate came down and the prime rate came down. The recovery in the United States began, coupled, I think, I would say to my friend from Texas, with the tax cut.

But again I do not want to get just into a narrow debate over that. But I do want to suggest that the Federal Reserve Board has tried to micromanage the economy. It has kept it at less than its potential. There is the cause of your deficit.

Spending is too high, to be sure. The deficits reflect too much spending, too much taxing. But it also reflects the fact that this economy is not performing anywhere near its potential.

Let me give you some statistics. The Nation's industry is producing about 80 percent of its capacity. That is generally across the board. Steel and machine tools are about 70 percent of their capacity. Energy, oil, gas, mining, and agriculture are around 70 percent of our capacity. Exports are far below over capacity.

That is keeping over 8 million Americans unemployed. I do not know what the figures are among the Hispanic community but I am sure the gentleman from California [Mr. Hawkins] will remind us that minority unemployment among blacks is close to 16 or 15 percent.

Now you take those types of unemployment figures, both across the board nationally and in many of our urban areas, and some of our rural areas, and take the industrial utilization figures. There is the cause of your deficit. We are operating at a half a trillion dollars below our capacity, $500 billion below our capacity.

What would that mean if we had another half a trillion dollars of GNP? It means about $125 billion of Federal revenues. It means another 3 points off the unemployment rate. I think it was the gentleman from California [Mr. Hawkins] or the gentleman from Pennsylvania [Mr. Gray] who told us, and I agree with this, a couple of years ago, that every percent drop in unemployment drops the deficit by $25 billion to $35 billion.

We should have a budget that aims not just at cutting spending and deficits but one that cuts unemployment rates and interest rates. The budget should send a sharp signal to the central bank that we want this economy to grow as quickly and at as fast a rate as possible without inflation.

How do you measure inflation? You do not measure it by people working. You do not measure it by GNP, as the Fed seems to be trying to do. You measure it by the harbingers of inflation: prices, commodities, spot prices, the dollar on foreign exchange markets. Those are not signaling inflation, they are signaling incipient deflation.

Someone said to me the other day: "Kemp, you keep talking so optimistically, you think this economy can rise to full employment without inflation." Well, let me give you an example.

There is an economy operating right now in the world with full employment and no inflation. They are operating at 97 percent of capacity. Japan. I do not want to debate trade policy for just a moment. I am not suggesting their markets are as open as our markets. They are not. I am not suggesting there are not things they should be doing, such as allowing American telecommunications equipment, American agriculture, and American autos to compete in their markets. But they are operating at 97.5 percent of capacity and with 1 percent unemployment.

Their deficit, I would say to my friends, is as big as a percent of their economy as ours. Their prime rate is 6.

What do you think, my friends, would happen to this economy if our prime rate were 6, or 7, or 8? What would happen to housing? We would be at 2½ million starts a year, not 1.8.

What would happen to domestic autos in Michigan? We would be selling close to 10 million domestic autos, not 5, or 6, or 7.

We would be exporting.

Mexico. Mexico would get $1½ billion of debt service reduced for every 200 basis points off our prime rate. We would help our Third World allies; we would help neighbors in Central and Latin America. We would help the housing, auto, machine too, manufacturing, export industries.

It would have a favorable impact upon unemployment, I would say to my friend from California. I agree with the gentleman from Texas. This is probably the single most important thing that we can say here today, that we want a monetary policy that will allow the most efficient, effective output, employment, and growth in this economy, without inflation.

I would say to all my friends who worry that I want to go out, and just print dollars, and drop them over the shopping markets of America to stimulate spending, that is not what Mr. Kemp is talking about. I am suggesting that when the dollar is rising inexorably against every strong currency in the world, when spot prices and commodities are below the price of producing the commodities in Idaho, or New Mexico, or Arizona, when the price of aluminum and copper is 50 cents a pound in New Mexico and Arizona, that does not, that does not signal inflation. And when the gentleman from California [Mr. Hawkins] and the gentleman from Texas [Mr. Gonzalez], and the gentleman from Pennsylvania [Mr. Gray], talk about full employment, the Republican Party ought to be standing up there and saying: "Hey, that is the single most important way to bring down the deficit." Every 1 percent growth in the economy, spread out over the length of this budget, 3 years, every 1 percent growth in the economy spread out over the length of this budget will drop the deficit by more than $125 billion.

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Every 1 percent drop in interest rates will drop the deficit in 3 years by $45 billion. When the Fed in 1984 slowed the economy from 10½ percent in the first quarter to less than 1 percent in the first quarter of 1985, they cost us more in deficit reduction savings than the total amount of deficit savings being debated on the floor of this House. That is what happens. Now I will yield in a moment to my friend from Michigan [Mr. Pursell], but I want to conclude by suggesting that our goal should be bringing down spending. But we ought to have our eye on monetary policy to bring down interest rates. We ought to have our eye on tax rates. This tax system in America is not a tax system on the wealthy of America. They find ways to escape paying taxes. This tax system is a tax on the poor who want access to wealth. We do not want a tax system in America that redistributes the wealth, we want a tax system that creates wealth. We cannot create wealth when we punish savings, and working, and investing in our economy. We can't sustain an economic expansion when we have a central bank that believes that too much growth is bad for the American people.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to my friend from Michigan.

Mr. PURSELL. I thank the gentleman for yielding.

Mr. Chairman, I congratulate the gentleman from New York for an outstanding statement. We are here today to reduce our spending, hopefully to reduce tax rates so that we can get this economy moved up to that great potential that this Nation can provide.

So I congratulate the gentleman on an outstanding statement. I am encouraged with his remarks.

Mr. KEMP. I thank my friend from Michigan, and I appreciate his very important contribution to this budget debate and particularly his leadership in helping fashion a budget with such broad appeal as the 92 Group has. We all owe him and the rest of 92 Group a real vote of gratitude for an immense contribution to this Nation's budget priorities.

Mr. HAWKINS. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. Perkins].

Mr. PERKINS. I thank the chairman.

Mr. Chairman, I come before you today, distinguished colleagues, in an effort to spotlight something about which I do not hear a great deal of debate. It is what is going on in rural areas such as I represent or areas represented by my distinguished colleague from Illinois, an urban area. I come from a rural area. Some 27,000 people are the most we have in any city. After that we drop down to 5,000 people. We have an area that does not have people who do not want to work. Our people want to work. But structurally within the area there are not the jobs available for these people to work. Just like in urban areas, you have people who want to work but the jobs are not available for these people to work.

When you are talking about the economy and you are talking about a means of trying to deal with the deficit, and unemployment, as the distinguished gentleman from New York said, is indeed the chief problem with which you have to deal.

In trying to deal with that problem in areas that are depressed, such as my area, where we have 20, 30, 40 percent unemployment, the thing that has to be done is to get people to work.

You know, I would much rather have someone working for the Federal Government on a jobs program as opposed to sitting at the house and drawing a welfare check. I think that everyone would agree that private industry is the first option that we all want to look at. Everyone would prefer to see private industry provide the jobs that have to be provided for the people to provide an adequate standard of living.

But when we are talking about people who want to work and you have people calling you—and you know the definition of unemployment is people who are out of work, are those who are seeking employment—if you are dealing with these people, you have to be able to provide some sort of opportunity for them.

Mr. Chairman, what I would submit to you today that we have got to be looking at is a future economic policy in this country which provides jobs, provides training, provides education, and provides the sorts of infrastructure that we need to be able to compete on a worldwide basis and also provide jobs to people who want to work rather than continue to allow these people to sit in their present state of affairs. Today, Mr. Chairman, what we are doing is allowing these people to become forgotten. To allow them to have taken a place where America seemingly has forgotten that they exist and we do not realize that you have a problem in this country where poverty has increased by over 3 percentage points in the last 4 years and where today you see poverty at a greater level than at any time since 1960. The poverty rate the greatest at any time since shortly after 1965.

Distinguished colleagues, Mr. Chairman, what we have got to do here in this country is to provide jobs so that people who want to work have that opportunity. Education is the means that they have that opportunity; you have to have someone who is educated and trained in an area before they are able to go out and get a decent paying job in today's world and in the 21st century.

What we need is to have jobs available in those areas and for those people who will work. We are not asking for some sort of welfare, we are asking for jobs. We are pleading for American citizens, who want to become part of the American dream, to have that opportunity.

Mr. Chairman, I submit that this is what we have got to be looking at in terms of this budget, people who are concerned about people; Americans who want to work have got to be looking at the employment question for the future.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman from from Kentucky has expired.

On this matter, the gentleman from California [Mr. Hawkins] has 30 minutes remaining, and the gentleman from Ohio [Mr. Latta] has 37 minutes remaining.

The Chair recognizes the gentleman from Ohio [Mr. Latta].

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. Rudd].

Mr. RUDD. Mr. Chairman, I rise in opposition to House Concurrent Resolution 152 as reported by the committee.

This legislation signals a dangerous retreat from the necessary rebuilding of our Nation's defenses. It ignores a Soviet threat as great as we have ever known by freezing defense budget authority for fiscal year 1986 and not even allowing an adjustment for inflation. Defense outlays would fall a total of $137.3 billion below the baseline over the next 3 years, representing more than half the total savings claimed by the committee.

National defense is the prime responsibility of our Federal Government. Without a strong and credible defense, we put our people's rights and precious freedoms at risk.

We can mistakenly cut defense spending and hope the Soviets will not take advantage. But let's not forget that we are dealing with an adversary that shoot down unarmed civilian airliners with hundreds of innocent persons abroad and brazenly promises to do it again in similar circumstances; a country which consistently violates its international agreements; one which has demonstrated time and again its expansionist ambitions in Eastern Europe, Afghanistan, Central America, Africa, and Southeast Asia. Let's not forget the progress the Soviets made during the Carter years when our defenses were seriously neglected. Let's not forget their support for tyranny and repression in Central America today.

We can slash defense spending and hope for the best, but the more prudent course is to be prepared for proven Soviet aggression.

The President has already compromised on defense spending, having endorsed the Senate's proposal allowing only growth for inflation. I have serious doubts about that compromise. But cutting the totals even further is simply irresponsible and dangerous.

While slashing defense, the resolution fails to check continued overspending on domestic programs. It attempts to apply a freeze, but in doing so, fails to weed out unnecessary programs, allowing only revenue sharing to expire at the end of the fiscal year.

Last November, the American people handed President Reagan an historic 49 State victory. Some of our colleagues in this House would like to forget that mandate.

This is a dangerous budget resolution. It threatens our Nation's security to pay off special interests with continued overspending. I urge my colleagues to oppose it.

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The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Hawkins].

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. Leland].

Mr. LELAND. Mr. Chairman, distinguished colleagues, as a member of this honorable body and as chairman of the Congressional Black Caucus, I rise in full support of the Humphrey-Hawkins Full Employment and Balanced Growth Act.

Our Nation set sail on the correct course when we enacted the Employment Act of 1946 which attempted to achieve and maintain "maximum employment, production, and purchasing power." The Humphrey-Hawkins Act further defined the course mandating much needed changes in the formulation and application of our national policies.

It is unconscionable that in late 20th century America, there still exists vast unemployment, and severe gaps of employment between men and women, among nonwhites, and among our great Nation's future—teenagers.

Until the grave disparities of employment among our Nation's people disappear, we have an economic and moral obligation to expend any and all energy necessary to achieve full employment.

There is no question over the fact that our Nation has to concretely strive for full employment. The Humphrey-Hawkins Act reflects our efforts to achieve full employment for all capable and willing to work.

The economic and psychological consequences of unemployment are too horrendous to describe to someone who has not actually experienced unemployment. Unfortunately, more and more people today are experiencing these horrendous consequences.

This body should never let up on efforts to achieve full employment. Particularly, in the realm of the work done on the budget which affords us the best opportunity to end the national tragedy of unemployment.

No time or effort expended to reach the goal of full employment should ever be considered a waste. Our Nation cannot survive with increased unemployment. The Humphrey-Hawkins Act is a major positive step towards full employment. And I sincerely support it.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. Pursell].

Mr. PURSELL. I thank the chairman for yielding to me.

Mr. Chairman, on behalf of the 92 Group; some 35 Republicans who have spent probably 1,000 person-hours putting together what David Stockman called the best professional budget that he has seen come from a group of Members since he came to Washington, and as the Budget Task Force chairman of that group, we are happy today that we will present our budget proposal as an amendment in the nature of a substitute during our hour debate later on today, under the rule.

Concerning the course of discussion on Humphrey-Hawkins and our economic assumptions: we used the baseline of both the Senate and the House Budget Committee in respect to economic assumptions, which are OMB's economic assumptions, and then used CBO budget numbers in respect to the functional categories within the budget document for technical reestimates.

We are the only group presenting a budget—including the House Budget Committee, to have had CBO completely analyze our budget proposals.

We introduced our proposal last week, and, to my knowledge, it is the only one introduced in the House on time. I think it is appropriate and of the utmost importance that Congress respect budget deadlines, and I think it is appropriate that this group, reflecting the integrity of the Budget Act, would present a budget on time for the House. I will say that the House over the years has been very timely in presenting a budget, much better than the Senate in respect to getting the budget completed, both on the Democratic and Republican sides.

This budget was put together by our task force of about 17 members. We started back in January. We had about 16 budget sessions. We included CBO all the way, with approval from our leadership. We crunched our numbers. When we say "crunching" our numbers, we mean that every number in every program that we evaluated, around 75 programs that we went through categorically in the domestic and defense side, the CBO staff, which, I might add, is extremely professional, analyzed and re-analyzed every individual proposal to determine the accuracy of outlay savings, so that I think that I can categorically say today that of all the budgets presented, ours comes closest to being the most professional effort put together by any group from the House.

I congratulate the 92 Group, its task force, its members and its steering committee for putting together the document that we will present later today.

During the course of the last 4½ months, we thought it would be appropriate to take some time and make a presentation on our first draft to the Senate Members, our colleagues in the Senate, so they might share in some of our early recommendations and our development of constructive policy efforts, to give to the majority leader, Senator Dole, Senator Domenici, Senator Simpson and others, a presentation so that we had some constructive, complementary effort with the Senate, our colleagues in the other body.

I think it is important that when you participate in a budget process, that you do it in a complementary and constructive way. I have been of the opinion over the years, and as a former military officer, obviously that when you have at your disposal only one course for a mission and only one course to accomplish your objective, you could make some serious tactical mistakes.

I think it is appropriate in budget policy and in other decisions made legislatively here in the Halls of Congress that we should have various choices and policy decisions to make in respect to the budget. We will have those before us in the next few days, the Latta proposal from our side, the Group 92 proposal from the Republicans, the Dannemeyer proposal from our side. We have three substitute alternatives for us to look at and compare in terms of hard numbers and professional work.

On the other side of the aisle, we have the Gray budget plus amendments to the Gray proposal which reflect the House Budget Committee effort.

So we really have four budget alternatives to look at in this Nation for fiscal year 1986, and I suggest when you compare all those budget numbers, when you look at defense and you look at the domestic side, our goal of achieving $50.9 billion in fiscal year 1986 outlays savings was met with respect to evenness, in an evenhanded manner.

So I suggest today that we will make our presentation in the spirit of good work and complement the House in its effort to reach real deficit reduction. That can be done best, it is clear, through voting for the Pursell amendment, the 92 Group budget proposal. Thank you.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from California [Mr. Hawkins] has 28 minutes remaining and the gentleman from Ohio [Mr. Latta] has 28 minutes remaining.

The Chair now recognizes the gentleman from California [Mr. Hawkins].

Mr. HAWKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. Mitchell].

Mr. MITCHELL. Mr. Chairman, I am pleased to join my friend and colleague, the chairman of the Committee on Education and Labor, to express my views on the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978.

Mr. Hawkins and I are members of the Joint Economic Committee, which recently transmitted its Annual Report to Congress, pursuant to the Employment Act of 1946. The Report contained Democratic views on the Full Employment and Balanced Growth Act of 1978. The views conclude that the President's 1985 Economic Report failed to include short-term or medium-term goals with respect to unemployment.

The Humphrey-Hawkins Act, when enacted, required the President to develop a 5-year timetable to reduce the rate of unemployment to 4 percent (3 percent for individuals 20 and over). True, there have been dramatic changes in the labor force, an increase in the number of new jobs, as well as more persons in the labor force, but unemployment is still too high. At the end of 1984, more than 15 million persons were either unemployed, underemployed, or discouraged workers.

The policies implemented by this administration have had little to do with reducing unemployment to an acceptable level. The combination of tax cuts, excessive military expenditures and reduced spending on most social programs has produced uneven growth. Rather, the real credit for the economic recovery and improvements in the economy should go to the Federal Reserve. In the absence of its conduct of monetary policy, we would not have witnessed overall economic growth of 7.1 percent for the 18 months prior to July 1984. Evidence of this is characterized by the fact that the Federal Reserve tightened monetary policy during 1983 to offset the effects of the misguided fiscal policy of the administration. The Federal Reserve's policy, which did not accommodate the credit demands of the Federal Government or business, contributed to higher interest rates, an overvalued dollar and high foreign capital inflows.

For example, in April 1984, the Federal Reserve raised the discount rate to 9 percent, and lowered it to 8.5 percent by the end of November. The growth of the money supply grew at an annual rate of 4.3 percent, compared to the target range of 4 to 8 percent. The other monetary aggregates, M2 and M3, grew at rates of 7.5 and 10.0 percent respectively. The target range for M2 and M3 was 6 to 9 percent. Just recently the Federal Reserve lowered the discount rate from 8 percent to 7.5 percent. The Federal Reserve's action was taken because of concern over lagging output in the industrial sector. The overall growth rate for the first quarter of 1985 was 0.7 percent.

As former chairman of the Subcommittee on Domestic Monetary Policy of the House Banking, Finance and Urban Affairs Committee, I have always argued that monetary policy

must play an important role in whatever economic policy mix that is implemented, in general. But, the role of monetary policy cannot, by itself, create employment, reduce the trade deficit or the budget deficit. This is the job of the President and the Congress.

A cursory review of the impact of the administration's fiscal policy is evidence that although we have experienced growth, we have done so at the expense of various segments of the labor force and certain sectors of the economy.

Black unemployment for 1984 of 15.9 percent was still twice as high as the Nation's average of 7.5 percent. The unemployment rate for black youth at the end of 1984 was 41.9 percent. The $123 billion trade deficit cost the American economy approximately 3 million manufacturing jobs, many which were held by blacks. For every dollar that Americans spent during 1984 for goods, 20 cents went for imports. Real interest rates which averaged 1.6 percent for the period from 1970 to 1979, averaged 7.25 percent in 1984.

The "Humphrey-Hawkins" Act recognizes that the ultimate objective of economic policy is to reduce unemployment and inflation. The Federal Reserve has played a balancing act between the two. However, the current state of the economy should force the Congress to live up to the goals of the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978, and develop policies that will make them achievable. Economic growth alone will not reduce unemployment or the trade deficit. Moreover, it will not eliminate our structural problems. I submit that the administration's "high-risk growth game" has been played long enough. Ask any one of the 15 million persons who is unemployed, discouraged or an involuntary part-time worker.

Mr. HAWKINS. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. Eckart].

Mr. ECKART of Ohio. I thank the chairman of the Committee on Education and Labor, my chairman, for yielding to me at this time.

Humphrey-Hawkins, a name, a bill, a law, almost a legend, I suppose.

□ 1250

Let me quote to you what that act says, in part:

> To translate into political reality the right of all Americans who are able, willing and seeking to work, the full opportunity for useful paid employment.

Mr. Chairman, a budget is in fact a compilation of numbers that reflect philosophy, economics, but it also is people and faces.

The Humphrey-Hawkins part of this debate is designed to focus not simply on numbers or economic or philosophical posturing but what it is that we are doing to the people who comprise this Nation.

In my part of northeastern Ohio, a part that I share with my colleague from Ohio [Mr. Traficant], we have not yet shared in the blessings of whatever this national recovery is. In fact, in Mr. Traficant's district and mine we are fully 1½ times higher than the national level of unemployment in northeastern Ohio. And in one county, Ashtabula, we have 14.6 percent unemployment, in the most recent statistics. We are still waiting to be trickled down on, Mr. Chairman.

Legislation that is part of this budget, from displaced workers to Mr. Hawkins' Community Renewal Employment Act, to requirements of educational opportunities for senior workers, in effect a job bill of rights, are important and must be important components of this budget today. To focus on numbers alone denies to us the true opportunity to do what a budget is supposed to do, that is, help people and set priorities for this Nation.

Mr. Chairman, let me simply conclude by focusing on the displaced workers and job training legislation that would be part of this; 2.3 million displaced workers have been discovered in a recent survey by the Department of Labor in the Northeast-Midwest part of the United States. Displaced, out of work, that is a fancy term for being unemployed with no job for over 3 years. Sixty percent of them are reemployed but at a substantially lower rate. Twenty-five percent are still out of work and looking, and almost a million of them have disappeared.

Mr. Chairman, they have not gone into a black hole, they have not become part of some number somewhere. They are searching, they are scratching, they are hoping and waiting for a budget from this House and from this deliberative body that is more reflective of their needs.

We talk a lot about defense, Mr. Chairman, but I submit to you that you will never have a first-rate military with a third-rate economy. My constituents do not want a dole. They want the dignity of a job. The priorities of the Gray committee budget resolution before us are more reflective of the needs of my constitutents and, I believe, the Nation as a whole.

Mr. LATTA. Mr. Chairman, I yield 5½ minutes to the gentlewoman from Connecticut [Mrs. Johnson].

Mrs. JOHNSON. I thank the gentleman for this opportunity to speak to the very important legislation that the gentleman from California has been associated with for so many years and which has enabled this Nation to focus on the importance of developing national policies that will faster a strong economy capable of providing employment to all.

Critical, however, to achieving the important goals of my colleague from California, the Honorable Mr. Hawkins, is reducing the Federal deficit and thereby assuring continued growth. For that purpose I rise today to express my disappointment in the budget recommendation that has come from the House Budget Committee, because it fails to achieve in my estimation, one very, very important goal. By eliminating virtually no programs except over a period of years, general revenue sharing, it fails to face the most significant challenge that I believe we face in this present budget process. It does not begin the difficult process of restructuring our laws so that the commitments that they obligate us to in the future are affordable commitments. It does not begin that difficult process of differentiating between those programs that have proved to be valuable and effective and those that either didn't fulfull expectations or are no longer needed, differentiating between those of high priority, and those of low priority. Indeed, if we are to continue the recovery that has been so important to the lives of the working men and women of American, if are to fulfill the dream in this Nation of continued economic growth and achieve full employment, then we must in the next few days, adopt a budget that honestly addresses the awesome deficit that endangers our own growth and our own future. To do this we must begin this difficult process, very hard in a democracy, to choose between those programs of priority and those of lesser priority, those that have made a difference in people's lives and those that have not.

So I hope that in the course of the days' debates and through the conference committee process, we will be capable of mobilizing the will to adopt a budget over the course of the next month that does in fact eliminate certain low-priority programs.

I am disappointed, for example, that the Democratic budget proposal does not eliminate the Synfuels Corporation, surely something that with a $200 billion deficit we could do without.

I would ask, also, that in the course of the budget debate those who are advocates of the committee budget take upon themselves the challenge of enlarging our understanding of those many unspecified savings that they point to as possible, because to recommend for example cutting Medicare by $1 billion and use the terminology of "unspecified savings" but specify that savings must not endanger benefits, does not move forward the thinking of the Members of this body, does not enable them to grapple with the substance of a deficit reduction plan, yet we must come to a specific agreement if we are to reduce the deficit and achieve the goals of full employment that are so important not only to the working men and women of today but to their children of tomorrow.

So I would hope that we would not adopt a budget that asks for $1 billion in Medicare savings without a specific understanding of how those savings are to be achieved. I would hope that we would not adopt a budget that asks for $1.5 billion in savings in housing, of which there is not an awful lot left anymore, without a good understanding of how those $1.5 billion in savings are to be achieved.

It is not helpful to adopt a budget that has a good bottom line but whose interior is hollow. So while we have some fruitful structures to debate and amend over the course of the next few hours, we will not achieve our goal unless our debate be realistic, be honest and deal with the tough issues. We must make those tough choices that we who are part of the 92 Group who have been meeting for 4 months, have gone through the crucible of choice-making, of priority-setting, that does in the end at least yield an honest, CBT rectified budget proposal.

Mr. HAWKINS. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. Hayes].

Mr. HAYES. Mr. Chairman, might I say at the outset that I intend to do just exactly in my remarks what the gentlewoman from Connecticut suggested, be honest and as factual as possible in dealing with what I consider to be a very critical problem.

I want to say I completely support the Humphrey-Hawkins legislation, and I am glad it is being resurrected as a part of our discussion on the budget.

□ 1300

And as we proceed to try to find a way to reduce this huge $200 billion deficit, we should reflect on what I think is one of the best ways to do it. That is to deal with the problem of increasing the Government's revenue by putting people to work. I think this is what Humphrey-Hawkins tries to do.

Mr. Chairman, today, after an uneven upturn that has meant prosperity for some and misery for many more, the official unemployment of about 7.3 percent is higher than where it was in either 1979 or 1980. And for January 1985, the number of people officially reported as unemployed reached 8.4 million. That is the "seasonally adjusted" figure. The actual figure, without seasonal adjustment, was a little over 8.1 million.

To this huge figure, however, we must add other data that—as the distinguished chairman of the Education and Labor Committee, Representative Hawkins, has often pointed out—the Government collects but does not publicize. That data indicates that about 5 million part-time workers actively seeking more hours of work but not finding it, and another 5 million or so who want jobs but, for one reason or another, have not been actively seeking them and are therefore not counted in the labor force. Add these 3 figues together and you get not 8.4 or 8.1 million, but 18.4 or 18.1 million jobless people. In the technical jargon of Federal statisticians, they may not be "unemployed," but they desperately need employment opportunities. That is why Representative Hawkins argues that this larger total should be officially published instead of being hidden among the fine print. Indeed, this could be done without disturbing the official total, which might be labeled "U-1." Then the larger figure—now ranging from 18.4 to 18.1 million—could be called "U-2." The nonemployed or simply the "jobless."

With joblessness among women, young people, ethnic minorities, immigrants, and senior citizens in areas which have suffered disproportionately from industrial decline, reaching well over twice the national average, it is obvious that new and innovative strategies and a new spirit of cooperation between Federal, State, and municipal governments and the private sector are needed in order to attack this critical problem and restore the lost hopes of millions of Americans.

Employment in the steel, textile, leather, and petroleum and coal products industries has shown no gain at all even after 26 months of recovery. This is why, Mr. Chairman, I have introduced H.R. 1398, the Income and Jobs Action Act of 1985.

Late in 1978, President Jimmy Carter signed into law the Full Employment and Balanced Growth Act, which among other things, set a 4-percent unemployment target by 1983. The lowest the unemployment rate got was 5.8 percent in 1979; last year, it was 7.5 percent. To achieve the unemployment goal, the President is required to develop a detailed economic plan and appropriate programs for achieving the goals and timetables in the economic plan. To date, no detailed economic plan has been developed. Both President Carter and President Reagan chose a single objective—reduced inflation—as their major goal. This was done in spite of specific language in the Full Employment and Balanced Growth Act that prohibited the achievement of reduced inflation at the cost of increased unemployment. The fight against inflation has caused us to stray far from the original 4-percent unemployment target.

My bill reformulates for the 1980's the spirit embodied in the economic bill of rights of President Franklin D. Roosevelt in the 1946 Employment Act and the Full Employment and Balanced Growth Act of 1978: That every American citizen is entitled to a good job at decent wages, or, in the absence of the above, an income adequate to insure a decent standard of living.

Mr. Chairman, the Income and Jobs Action Act is overall policy legislation. It sets up no new agencies. Instead, it establishes policies to help coordinate the fragmented activities of existing agencies.

The measure provides no additional rules or regulations governing business, labor, voluntary organizations, and other private sectors. Rather, it establishes a policy framework for open debate on whatever additional incentives may be needed for local, regional, and national partnerships.

The measures set forth no new procedures. Instead, it strengthens the existing legal procedures governing the presentation of Presidential programs to the Congress and their consideration by the appropriate committees of the Congress.

The measure authorizes no additional Government spending or borrowing. Rather, in the spirit of the Employment Act of 1946, it mandates a Presidential program that would make more effective use of whatever Government outlays are authorized or which are appropriate under other legislation. Let us never forget that a large part of the Federal deficit results from the revenues lost when people who would otherwise pay taxes are unemployed, and the outlays incurred by transfer payments to the unemployed. The Congressional Budget Office estimates that for every additional million people moving from unemployment to employment, these two factors alone would decrease the deficit by $24 billion in fiscal year 1985, $40 billion in fiscal year 1986, and $46 billion in fiscal year 1987. So, if official unemployment were to be cut by only 3½ percent in fiscal year 1986, the effect on the Federal deficit would be a reduction of $120 billion.

Mr. Chairman, there is a place for legislative action on details of administrative structures, rules, and procedures—just as there is for sustained congressional oversight of action or inaction by executive agencies. There is even a greater role for policy legislation to advance American progress in such crucial fields as education, job training, labor relations, health, housing, trade relations, and fiscal, monetary, and military policy.

In conclusion, Mr. Chairman, it is the responsibility of Congress to provide a mechanism by which the hard core unemployed can become gainfully employed before this society labels them as "expendables." It would be so easy to transfer a meager 1 percent of the billions of dollars spent each year for military armaments on programs which benefit people; programs to provide jobs for the jobless, food for the

hungry, homes for the homeless, hope for small businesses and family farmers, and an end to inflation causing deficits.

Parents are now faced with the awesome tragedy that their children may never have the opportunity to attend college even with Government assistance.

Our great country cannot afford to embark on such an excursion. Nor can we afford to overlook the opportunity to create an environment where our society is working at its fullest potential. I believe the Jobs and Income Action Act of 1985 is the vehicle to achieve that goal. To all my colleagues who truly believe in the American work ethic—who truly believe in full employment and the desire of the American public to have gainful employment—I call on you to join with me and our 25 colleagues in cosponsoring H.R. 1398 and working for its enactment.

Thank you.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentlewoman from Maine [Ms. Snowe].

Ms. SNOWE. I thank the gentleman for yielding me this time.

Mr. Chairman, later in this debate I will join with the gentleman from Michigan, in offering a budget alternative on behalf of the 92 Group. As cochair of the group, I want to draw the House's attention to the collective effort we have made on this budget since January, and commend my colleagues for their diligence.

When the 92 Group first turned to the budget, we charted a course guided by fairness and equity. The budget that resulted reduces the budget in fiscal year 1986 by $51 billion, by $263 billion over 3 years, and does so in a straightforward, well-documented manner.

At the core of our budget is a freeze on Government spending in fiscal year 1986 at fiscal year 1985 levels. Beyond that, we made cuts, terminations, and other changes in some 75 programs throughout the Federal Government. Many of these programs were of great importance to members of the 92 Group, but we recognized that a budget, making selective changes would not be the fair and equitable document we desired.

That was characteristic of our process. The 92 Group did not assemble a package of regional or ideological priorities. Many of us are supporting a package that contains programs on whose behalf we have fought hard in past Congresses. Instead, we focused on the most meaningful deficit reductions possible in an effort to preserve and build upon a vibrant economy.

The fairness that guided our approach mandated that the domestic savings be balanced with savings in defense, and the 92 Group is convinced that defense spending can be frozen in fiscal year 1986 without endangering our vital national security interests.

Even with this 1-year budget freeze, actual defense expenditures in fiscal year 1986 will still rise by $15 billion. Because of previous years' budget authority approved by the Congress, Joshua Epstein of the Brookings Institute estimates that over $106 billion already lies unspent in the defense pipeline.

As a result, we have seen the drawbacks. We have seen a severe loss of quality control in the procurement system, reflected by the 45 contractors currently under investigation; a lack of competition, leading to ever-escalating cost overruns; and a lack of precision and attention paid to each procurement decision made in the Armed Forces. Frankly, a department which requires 16 pages of specifications for a simple whistle must face a serious reexamination of its spending policies and priorities.

Our 1-year freeze on defense outlays will prod the Department to review those practices, and to develop spending policies that begin to restore the faith of the American people in the competence and integrity of our national security system.

The 92 Group's goal of $51 billion in savings is met without imperiling the Social Security cost-of-living adjustment. This was done with the understanding that because of the overwhelming importance of this issue, individual House Members should have the opportunity to express their concerns on Social Security separately, rather than addressing the issue in the context of an overall budget package.

This budget of the 92 Group has its roots in the belief in equity which brought us together last January and which steeled us through difficult budget negotiations.

We realized that the times demand a reasonable and balanced approach to the budget deficit. It became our belief that this country deserved a constructive budget proposal that struck a balance between the need to cut the deficit and the Government's commitment to those who cannot yet achieve personal independence.

We felt as well a responsibility to our own consciences and constituencies to develop our own proposal. To remain silent, or to criticize others efforts at this crucial juncture without offering constructive solutions would have represented an abandonment of our elected responsibility to govern. We were elected to govern, not to spectate.

With this understanding, how does the 92 Group's budget stand apart in this debate?

First, and this is perhaps the clearest of distinctions, our proposal will actually achieve the savings stated in the budget document. This is the only proposal before the House that has been verified by the Congressional Budget Office. Soft numbers can produce a budget that passes the Congress, but will not produce a budget that passes the test of fiscal responsibility or effectiveness.

The 92 Group is making a comprehensive proposal. This is not a quick hit, designed for immediate passage and almost as immediate, abandonment. We felt that the succeeding years were as vital as fiscal year 1986, since the fragile economic budgetary framework in this Congress needs the structural integrity offered by a long-range plan.

So, Mr. Chairman and my colleagues, the 92 Group is offering you a budget that is fair; that reduces the deficit significantly; that strives to meet our national needs; and that has been proven to do just what we say it will.

I would urge my colleagues to examine this budget in the spirit of fairness in which we developed it, and hope you will give it your support.

Mr. HAWKINS. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. Owens].

Mr. OWENS. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the principles expounded in the Humphrey-Hawkins full employment policy. That policy calls for a definition of reasonable unemployment at 4 percent. We are already officially at 7 percent, and as my colleague, Mr. Hayes from Illinois pointed out earlier, when you add the discouraged people and the part-time people, we are talking about an unemployment rate of nearly 18 percent.

The figures alone are alarming enough in a time of great prosperity, and a time when the economy is booming, we have unemployment at this high a level. That is enough cause for alarm.

□ 1310

Of greater cause for alarm is the fact that the unemployment is concentrated very much in a few places. It is very much concentrated in areas where black people live, where Hispanic people live, and in rural areas.

About 100 congressional districts have unemployment above the national average of 7 percent. About 60 districts are way above 10 percent. The 60 congressional districts where you find the unemployment above 10 percent are the 60 congressional districts where you find the black population is greater than 30 or 35 percent.

In other words, we have a concentration of unemployment, a concentration of poverty, which should be looked at closely. That is cause for great alarm because what we have is a cancer, a cancer eating away at the economy at a time of great prosperity.

If we have a recession or a depression, these figures will increase geometrically, probably. They will double.

We have a situation where the 60 districts which have the highest unemployment have the largest black concentrations. It constitutes a policy of triage, the lack of a policy to deal with the fact that we have these concentrations of unemployment. It constitutes a policy of triage. We are saying, in essence, that these are people who can be dumped overboard. If we do not have any programs to take care of them in times of great prosperity, we certainly are not going to be able to take care of them later on, so just dump them overboard. The Government's official policy is do not deal with it.

That is an inhumane policy. That is a policy that we cannot possibly tolerate. It is a policy that will being great problems to our economy in the future. Other problems result from the fact that in the black communities across this Nation, in the 60 congressional districts where the black community lives, you have the greatest concentration of unemployment. The top 10 of those districts are in the largest cities of our Nation.

There are no programs proposed except in the alternative budget proposed by the Congressional Black Caucus, where you have again the Community Renewal Act, and you have again an increase in the amount of money for the Job Corps and a couple other programs that would result in increased opportunities, a more vigorous Federal policy to deal with unemployment.

The failure to have this kind of policy means that we have to continue the problems that we are facing right now, where the poor are getting poorer all the time, the cancer is increasing at a time when we have great prosperity, and we are dumping overboard people who we cannot afford to lose.

There are no policies at the same time and no increase in this budget, no initiatives being taken in the area of education and job training, the education and job training which would allow many of the people who live in these same areas to qualify for jobs that would be created. In New York City, for example, 70,000 jobs were created last year in the city. However, most of those jobs did not go to residents of New York City. The people who live in those congressional districts, the 4 congressional districts which are among the top 10 poorest districts in the country did not receive those jobs that were created.

The CHAIRMAN pro tempore (Mr. Murtha). The time of the gentleman from New York [Mr. Owens] has expired.

Mr. HAWKINS. Mr. Chairman, I yield 1 additional minute to the gentleman from New York.

Mr. OWENS. I thank the gentleman for yielding this additional time to me.

Mr. Chairman, most of those jobs went to people who came from the suburbs, young people in many cases, who had a better education, and I am not talking about high technology education. I am talking about education which allowed them to deal with modern office machinery, which allowed them to handle computers and word processors. The lack of an educational and job training program, coupled with the fact that these areas suffer from extreme discrimination, results in a continuous compounding of the problem of triage, where we are dumping overboard, leaving our young people without any hope, leaving our communities without any hope of sustenance.

We need a policy which returns to the Humphrey-Hawkins bill's policy. We need a policy which at least recognizes that full employment should be a part of our economic policy, and full employment should not be defined as 7 percent. It ought to be defined as 4 percent, with the necessary job training programs and the necessary job creation programs to bring it down to that level.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. Porter].

Mr. PORTER. I thank the gentleman for yielding this time to me.

Mr. Chairman, the American people want three things done with our budget deficit: They want it cut sharply, they want it cut fairly, and they do not want to raise taxes.

None of the budgets before the House offers these three elements. The Budget Committee would increase COLA's and apply a soft hand to domestic spending. The 92 Group would do much the same thing. The Republican alternative would increase COLA's and increase defense. The Dannemeyer budget would increase defense and give half a COLA.

The only budget that holds the line on both defense and domestic spending is that of the gentleman from Texas [Mr. Leath] but that one raises taxes.

There is one budget, Mr. Chairman, which would freeze defense, freeze COLA's, and make significant cuts in domestic spending and would not increase taxes. That is the bipartisan budget build-down plan that Congressmen Penny, Frenzel, Nelson, and I proposed earlier this week.

Our plan would cut the deficit by $70 billion next year, and by $331 billion over 3 years without raising taxes. It does so by taking the lowest of the three elements, the budget approved by the Senate, the budget approved by the House Budget Committee, or a budget freeze at fiscal 1985 levels, in each of the major categories of spending.

Unfortunately, the Democratic majority on the House Committee on Rules denied the House a chance to vote on this proposal, and I think they did so because it just might have passed.

In my judgment what is going to happen now is that the House is going to adopt the House Budget Committee's proposal, and we will then have the House standing for a freeze on defense spending but raising Social Security COLA's and other domestic spending. We will have the Senate, on the other hand, proposing to raise defense spending and holding down Social Security COLA's and other domestic spending. And the conferees will then sit across the table from one another with different priorities, and the moment of truth for the American people and the budget deficit will come when we see whether it will be business as usual, where each side says, "You get yours if I get mine and our children get the bill," as they have been sent the bill for the last 30 years in America—because they're the ones who are going to have to pay for these deficits—or whether we are going to have some fiscal responsibility in the Congress.

It is time for House Members to pledge that when they send a budget resolution to conference, they will insist that it comes back with every major category of spending held at or below last year's level—that regardless of their own personal spending priorities, they pledge to think of our children and grandchildren first and insist that every beneficiary of the Federal budget contribute fairly to dramatic reductions in the deficit.

Mr. HAWKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. Traficant].

Mr. TRAFICANT. I thank the gentleman for yielding this time to me.

Mr. Chairman, I want to commend the chairman for the efforts he has taken to try and help people in America who are not part of the second industrial revolution. Unfortunately, I have to announce here today that my district is probably one of the most severely impacted upon by the policies and structures of the current administration as anywhere else.

A Youngstown State University study compared the Bureau of Labor Statistics that showed a 15.7-percent unemployment rate in the city of Youngstown, the largest city in my district, the 10th largest city in Ohio. Youngstown State, in looking at the different elements of structural unemployment, produced a figure of 29.6 percent, which was double the standards of the Bureau of Labor Statistics. The Bureau of Labor Statistics stops when an individual is unemployed and runs out of unemployment compensation. It does not really go into the fact that there are millions of Americans who do not show on these statistical unemployment rates of this country.

If something is not done, this will be the most serious problem that faces America, more serious than a foreign missile. But I am not here today just to stand in support of your efforts and commend those efforts. I watched on television a Member from the other side of the aisle come up and discuss the Reagan "mandate" in America, 49 States, and I want to talk about that. I want to talk about the past election and what it means as far as unemployment and this budget is concerned.

□ 1320

This President promised the small business people that he would help this country grow fiscally so the small businessman would prosper. This President said that he would aid and would make sure that no Social Security recipients would pay more premiums or would have their COLA's touched. This President further promised the farmer that the farmers would not only do well but would begin to gain back their entry into foreign markets and improve their lives.

Mr. Chairman, let me say this to the Members. The President has turned his back on those constituents who put him in office with this so-called 49-State mandate. What we are dealing with today is not a false sense of security from the past election but the realities now, where most of those small businessmen, who did not support me, and most of those farmers, who did not support me, are now coming into my office and asking me to do something. And I have voted on behalf of their best interests each time.

What I am telling the farmer in America to do today and what I am telling the small businessman in America today is: "Go and see the President. You put him in." The Democrats in this budget have protected their interests. But no one is really saying that, and I think it is about time it is said, and they come to know it.

The President lied to us, and I think any change in his stand on Social Security is an indictment of his party and the stand they had taken at election time, with their promise, without question. I will not stand for any changes or tampering with the Social Security cost-of-living allowances for those people who definitely and so desperately need them.

Let us look at UDAG and revenue sharing funds, the 503 moneys. What will we do to our small businessman who depends on that?

Now, let us go to the specifics of this particular measure. If we do not deal with unemployment in America, this bomb will ultimately destroy us. This country is reaching the record level of the 1960's for poverty. As we look back and reflect on the 1960's, what is the general tenor of the newspaper articles being written today? Bombings and student unrest. When have we seen so much social disruption in the last 15 years?

Mr. Chairman, is it any wonder that there is such unrest? People are hurting. If the President's budget would have been enacted as per his recommendations earlier in the administration years, my area, the Greater Youngstown-Warren metropolitan area, would have been decimated. They would have written us off the map. When I hear someone talk about a 30-percent unemployment rate in Nicaragua, Mr. Chairman, we have a 30-percent unemployment rate in the city of Youngstown (Good Old America), and I think it is time now that we stop it. We hear philosophical talk about Japan from Members who really do not help us with their vote when unfair trade practice legislation comes from this side of the aisle.

My position is quite clear. I want to recommend and commend our committee chairman, the gentleman from Pennsylvania [Mr. Gray], on the budget process that has been brought forward so far. I want to stand here and commend him for the stand he has taken when so many poeple have been able to take shots at him and call him a big spender when he has been concerned about people. Perhaps those facts are not being brought forward.

Finally, Mr. Chairman, there is one other thing I would like to say. These deficits are the President's, absolutely. This House passed a balanced budget amendment 2 years ago, and if we are so intent on hearing about balancing the budget and adopting a constitutional amendment—and now we are hearing about this Deficit Reduction Act—why did the President not take a stand then, and why did the Senate not enact that legislation that was acted on by the House?

Mr. Chairman, I commend the chairman of the committee Mr. Gray and Mr. Hawkins and I thank them for the opportunity to be heard today.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. Gunderson].

Mr. GUNDERSON. Mr. Chairman, I thank my leader for giving me this time.

Mr. Chairman, as we consider this budget and since the gentleman who preceded me talked about the plight of agriculture, I would like to suggest to him that if he is so concerned about agriculture, he might want to look at the 92 Group budget. This budget provides more funding for agriculture than any of the other budgets that are in front of us today. That is really what I would like to address, because we have to answer a couple of questions here.

The first question is whether or not we are going to be willing to govern, because that is really our responsibility. When you set aside the campaign and the political rhetoric, when you have got to govern, you have got to do two things. You have got to look at the big picture, you have got to look at the deficits in this country, and you have got to recognize that something must be done about them. I think everyone agrees with that, and I think we need to commend the President for setting the agenda for guiding us on this overall budget, even if we do not like some of his specifics.

Our second responsibility is to be sensitive and responsible to the particular problems that exist in this country. I come from one of the larger rural areas in the United States, and I will tell the Members that we do have our problems in rural America. In regard to Humphrey-Hawkins, I will concede to my colleagues in the big cities that we also have some problems in our urban areas.

This is not the time to say that government ought not to exist but, rather, that government ought to be efficient and it ought to target our resources in the proper direction.

I would like to focus for just a few seconds, if I might, on the agricultural side. The fact is, if you look at the four budgets which we are going to consider this afternoon, the budget which does the best job to respond to the challenges of agriculture is the 92 Group budget. Why do I say that? No. 1, because it spends $500 million more in authority and $700 million more in outlays than the House Democratic Budget Committee's proposal in 1986. It provides $1.5 billion more than the Latta proposal and $1.9 billion more than the Senate-passed budget.

The problem with most of these budgets is that they are going to suggest that in agriculture you can make all these savings in 1986. What they fail to recognize is that the crop that is affected by the 1986 expenditures is already in the ground. It is going to be harvested after October 1. That is the beginning of the new fiscal year, and you cannot make changes in those crops and you cannot make changes in those programs guided by the 1981 farm bill. So it is "funny money." They are talking about savings that are not going to happen.

Our budget is the honest budget that says you cannot cut the Commodity Credit Corporation in 1986, but we make significant cuts in 1987 and 1988.

Our savings in 1986 are really directed more to one particular area. We take a number of the credit programs under Farmers Home and we convert 40 percent of those from direct loans

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to guaranteed loans, and by virtue of doing that we save $800 million. Above and beyond that, we make the decision to phase out Federal crop insurance, and make various administrative savings at USDA.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. Gunderson] has expired.

Mr. HAWKINS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. Lundine].

Mr. LUNDINE. Mr. Chairman, I welcome the opportunity to participate in that portion of the budget debate which is reserved for the discussion of economic policy and budget priorities. The decision the House of Representatives makes this week with its choice of budget resolutions will have a significant impact on the economic health of our Nation and consequently on our ability to meet the goals of the Humphrey-Hawkins Full Employment Act.

The basic point must be made that we currently have a budget director who has convinced the administration that economic development programs do not create anything and merely influence the redirection of resources at the local level.

In my view, this position ignores the fact that the Nation is faced by severe economic competition. In this environment, we must not only examine new proposals for improving our competitive position. We must also retain the tools that are currently available and have contributed to our ability to compete.

Elmira, NY, provides an excellent example of how certain economic development programs have made the difference. A new joint venture between Westinghouse and Toshiba to manufacture high density cathode ray tubes for computers in Elmira, NY, would have gone to Canada without the help of a $7 million UDAG grant.

It would be wrong to eliminate economic and industrial development programs that provide the public financing and investment which is needed to stimulate major commercial, neighborhood, and industrial development that would not otherwise occur in communities nationwide.

I strongly support the retention of programs such as the Community Development Block Grant Program and other economic development resources in the budget resolution. Certainly, I am supportive of efforts to improve these programs in instances where improvement is necessary. However, that is the role of the authorizing committees and not the job of the budget resolution. Likewise, I am also concerned that CDBG not be watered down, becoming another general revenue sharing by another name. We must continue to ensure that these programs are targeted for the purpose for which they were intended, providing the needed catalyst for private investment.

Finally, the purpose of the Humphrey-Hawkins debate is to assess the budget in terms of the overall economy. The point must then be made that if the economy is as good as it is going to get and the question is whether or not it will slow down to a recession or continue to drift, then it is critical to this debate that we take note of the fact that at the height of this expansion, unemployment never got below 7 percent. To allow 7-percent unemployment to become the new equivalent of full employment is a repudiation of everything the Humphrey-Hawkins Act stands for and must not be permitted.

The challenge before us is to take budget action to enhance capital investment and our international competitiveness. For this reason, we must retain economic development tools that can help create and save jobs in local communities across the Nation. We need to improve this capacity, not destroy what we already have.

□ 1330

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. Tauke].

Mr. TAUKE. Mr. Chairman, I thank the gentleman for yielding time. I want to commend him and all of our colleagues on the Budget Committee for the work that has been done over the past year to attempt to achieve a solid fiscal policy in the country. During the course of this period of discussion, we are focusing on the desirability of reaching full employment in the country.

I represent a State which has been struggling over the past couple years. In my own congressional district, I have had communities with unemployment over 20 percent and communities that have not felt the benefits of the recovery because unemployment has remained high. In some areas it has grown. In part, because of that and because of the analysis that has been done by so many about the causes of unemployment, we know that monetary policy and fiscal policy have a great deal to do with it. We do not have much role in setting monetary policy, although a lot of us have ideas about it, but we do have an impact on fiscal policy through the budget process.

It seems to me that there has been something of a consensus developing in Congress. That consensus is that if we are going to be able to deal honestly with those we represent and hold out any hope for full employment and hold out hope that we can do away with unemployment, it is by having a responsible fiscal and monetary policy. A responsible fiscal policy obviously means some reduction in the deficit, and during times of economic growth we cannot continue to spend more than we take in. When we do, we pull money away from the private sector and pull money out of the credit markets that could help finance growth in the agricultural sector of the economy, in the manufacturing sector of the economy, in the new service sector, in the high-tech sector.

The budget offered by the 92 Group is the budget which I believe best accomplishes that goal of holding down spending in a fair and reasonable way. Unlike the other alternatives that are before us, our proposal has been costed out by the Congressional Budget Office. We do not have any unspecified claims of savings. We do not have any savings that are phony and unproven. Instead, we have savings that have been justified by the Congressional Budget Office. Our budget is fair and balanced. It achieves the goal of significant savings. It should be adopted.

The CHAIRMAN pro tempore (Mr. Murtha). The time of the gentleman has expired.

Mr. HAWKINS. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. Montgomery].

Mr. MONTGOMERY. Mr. Chairman, I would certainly like to thank the gentleman from California, my very close friend, for yielding me part of his time today to talk about another subject. I appreciate very much the chairman doing that. He has always been kind, warm, and thoughtful to this individual in the well.

I would also like to commend the chairman of the Budget Committee and the members of the committee for having been fair to the veterans in function 700, which is the veterans programs.

The Budget Committee has asked for a savings of $300 million in the veterans categories.

Mr. Chairman, in my opinion, we can find these savings without really cutting back on our basic veterans' benefit and services programs, such as medical care, compensation, pension, and housing.

In the last 5 years, and I want to make a strong point here, veterans have taken their licks in finding savings of well over $1 billion. In fact, to find these savings, we reduced some benefits and eliminated some programs. We have cut back on the educational programs. We terminated the Flight Training Program, reduced burial benefits, we established a user fee for VA home loans. So you certainly cannot say that veterans have been sacred cows. We have taken our licks just like everyone else.

The budget resolution passed in the Senate pertaining to veterans, if adopted, in my opinion, Mr. Chairman, would be a disaster for veterans' programs. The Senate recommended $1 billion savings in the veterans' account. $300 million has been recommended by the House Budget Committee.

The thing that worries me most about the Senate Budget Committee recommendations is a 3.5-percent user fee to be added to the 1-percent user fee now in effect on GI home loans. Now, the veteran who goes in and gets a GI home loan is a veteran that really does not come to the VA very often. We do not usually see them in the veterans' hospitals. They do not have compensation and pensions. They have jobs. They get these GI home loans because as young veterans, they are usually first-home buyers and they cannot afford a large downpayment. The VA loan is a little bit better than other loans. If you add 3.5 percent to the user fee to these GI home loans, you are going to eliminate the program. We can't allow that.

The House Budget Committee does not make this recommendation.

Again I commend the committee for its work. We can live with the proposal made for veterans' programs.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 3 minutes to the gentleman from Maine [Mr. McKernan].

Mr. McKERNAN. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, H.L. Mencken once said: "Every complex problem has a simple solution, and it is usually wrong." Well, he might have been thinking about how we are ever going to reduce this Federal budget deficit, but I think today is really a red letter day in congressional history. For the first time it seems that all of us on both sides of the aisle agree that we need to cut the budget deficit by $50 billion.

I believe, also, contrary to what some of my colleagues on the other side of the aisle have said, that the President deserves a great deal of credit for initiating this discussion; initiating this dialog; this debate; and forcing all of us to address this deficit issue in terms that are going to provide for meaningful reductions in the deficit.

The President was the first one to say that we needed to cut $50 billion out of the deficit.

To the credit of the Senate, which has already acted, to the credit of the House Budget Committee and its chairman, the gentleman from Pennsylvania [Mr. Gray], to the credit of our ranking Republican member on the Budget Committee, the gentleman from Ohio [Mr. Latta], to the credit of the 92 Group and the others who are going to be presenting budgets here today, everyone has taken up that cause and said that we need to find $50 billion in deficit reductions for 1986.

Well, why is that important? That is important because for the first time in my memory, anyway, especially since the Budget Act was passed in 1974, Congress has set some parameters. That is good news for our constituents, because for the first time we will be addressing an issue and discussing what I believe is the proper debate in this body. How do we arrive at our goal? What is the proper mix, as opposed to trying to decide what the actual goal ought to be.

□ 1340

It is good news not only to our constituents and taxpayers, it is good news to those of us who support a balanced budget amendment or a pay as you go budget; those of us who feel that Congress does not seem to have the institutional will to set parameters and to work within certain limits.

Today we have established the beginning of a debate. What is the proper way to have a fair and balanced approach to the budget? What is the fair and equitable way to cut domestic spending as well as to cut defense spending? That is where the debate ought to take place.

I hope that this is not just a one year approach; but, rather, is going to be the beginning of an ongoing annual debate that is going to set parameters within which we as elected Representatives argue and debate over what the priorities ought to be in this country.

That is what this body is for, and today marks the beginning of a long ongoing process.

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume so that we may just simply take this time to extend our appreciation to the chairman of the Budget Committee, the gentleman from Pennsylvania [Mr. Gray], and the ranking Republican member, the gentleman from Ohio [Mr. Latta], for the extension of this time to us.

I think the Members have constructively engaged in a debate on the question of policy as it pertains to the Full Employment and Balanced Growth Act. And I think that the debate has been both fruitful and on target.

We certainly want to extend to all of those who participated our sincere appreciation of the manner in which they have conducted the debate.

I yield back the balance of our time.

● Ms. OAKAR. Mr. Chairman, the budget that is finally approved must take a significant step toward reducing the deficit. We must eliminate wasteful and fraudulent spending in all programs, while insuring that everyone pays a fair share for the maintenance of our society. The policy of spend, spend, and borrow, borrow is not sustainable and must be reversed. Equally important as the bottom line on the budget, however, is the impact of the budget on individual Americans, on our society and our country's future.

The budget is a powerful engine, providing our citizens with a great variety of necessary Government services and setting the course for our country for years to come. The budget establishes our priorities and reflects our values.

Above all else, we Americans value our freedom and independence. All of our subsequent choices flow from our will and our capacity to defend ourselves and fulfill our obligations to our allies. There can be no doubt about America's commitment to our defense. The defense budget today is double what it was in 1979. Unfortunately, that precipitous increase in spending has been characterized by scandalous fraud and waste. After 4 years of $7,000 coffeemakers, $600 toilet seats, and $300 screwdrivers, the American people have a right to question whether they are getting a dollar's worth of defense for every dollar they invest. They know that just throwing money at the problem of defense is not going to give us more national security. In fact, every dollar wasted on the military weakens our national security, because national security, though it does depend on military might, depends on a great deal more than that.

Our national security begins with our economic vitality; on our capacity to produce steel, glass, plastic, and every other material a modern society needs. It depends on our ability to assemble machines and systems, on our inventiveness, our collective wisdom, and the quality of our leadership. Our military is essential, but we must spend only as much as we need and no more. The military consumes wealth. We must also pursue a policy that creates wealth. If we're pouring concrete for a missile silo to house a weapon everyone agrees is not needed, we are consuming wealth and eliminating the possibility of using those resources and human energies in a productive way. They cannot be applied to building laboratories, or libraries, for buying books, or paying teachers.

Our national security depends on an annual investment in education to prepare a new generation of Americans to some day take the place of today's mechanics, teachers, pilots, doctors, sailors, truckdrivers, dockworkers, secretaries, librarians, astronauts, engineers, and every other occupation that makes our country hum. Preparing young people to assume these positions requires everything from the 3 R's to advanced postdoctoral programs. A responsible budget takes account of these responsibilities.

We have to prepare a budget that recognizes not only the cost of programs, but also their value. Cuts that deprive our young people of a quality education leave our country weaker. Cuts that permit our roads and bridges to deteriorate, limit our ability to move goods and people, and leave us economically weaker, and that hurts our national security. Cuts that renege on our Social Security contract we made with our mothers, fathers, and grandparents drive hundreds of thousands of our elderly into poverty. That kind of policy undermines our moral fiber and that weakens our national security.

Money invested in job training for a dislocated worker increases our pool of human resources and that makes our Nation stronger. Loans made to an entrepreneur to start a new business creates jobs and relieves society of the burdens of unemployment. Eventually, the loan is paid off and we are able to help another citizen start his own business. This kind of policy enhances our national vitality and that makes us stronger as a nation.

Mr. Chairman, as we consider the fiscal year 1986 budget, we must keep a careful eye on the bottom line so that significant progress will be made on reducing the deficit. That action will certainly help our economy and that will make us stronger. As we do so, however, we must not only consider the cost of programs, we must also consider their value. I commend Chairman Hawkins, a champion for our young, our elderly, our families, our unemployed. He is the eminent author of the full employment bill to which we as a country should always aspire.●

Mrs. MARTIN of Illinois. Mr. Chairman, I yield back the balance of our time under the Humphrey-Hawkins portion of the debate.

The CHAIRMAN pro tempore (Mr. Rahall). The gentleman from North Carolina [Mr. Hefner] has 42 minutes remaining and the gentlewoman from Illinois [Mrs. Martin] has 49 minutes remaining.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. Walker].

Mr. WALKER. I thank the gentlewoman for yielding me this time.

The question that I have as we approach the budget debate is whether or not we are really serious about doing something on the budget or whether or not we are going to go through another exercise of numbers as we have in the past.

The problem is that these budgets have been fairly meaningless documents because we have no will in this body to enforce the documents once we have passed them. What we have seen over the last 5 years in budget years since fiscal 1981 is a steady trend toward overspending our own budgets. We have overspent our own budgets in this body by more than $150 billion over the last 5 years.

The question is if that is the pattern then what are we doing here? Regardless of what budget we adopt, what are we really doing if we are determined to overspend everything we come up with anyhow?

I would say to you that the fact we are here debating this issue today may be symbolic of the fact that that is exactly what we intend to do in the future. Following right after we make a decision on the budget, whatever it is, we have a supplemental appropriations bill to follow, a supplemental appropriations bill that will exceed the budget figures for 1985. In other words, after going through this exercise headed toward 1986, we come right back and exceed what we did last year on the budget process at that time.

Are we serious? I mean consistently we have rules come out of the Rules Committee that have budget waivers in them. What are we saying? We are waiving the very process we are going through here and consistently what we get is letters out of the Budget Committee approving the waivers on the rules that are being adopted. And so everybody says, "Well, that is OK."

And beyond that, then we have supplemental appropriation bills that come to the floor constantly which are by definition budget busters. And yet we always say, "Well, that is to meet emergency needs."

But the fact is what we go through is a process whereby the Appropriations Committee sets things up in a way to violate the budget in the first place. For instance, we say in the budget that you have to fund food stamps at a certain level. Well, in the original appropriation bill they come out and they fund food stamps at that level except it is only for a 9-month period. And then later on they come back with a supplemental appropriation bill and they say this is an emergency need.

Then we wonder why we overspend our own budgets by $150 billion. We are overspending our own budgets by $150 billion because we will it that way.

So my question is really this: Regardless of what numbers are in these budgets, and an awful lot of them have an awful lot of flim and an awful lot of flam in them, regardless of what the numbers are, regardless of what savings, are we really going to maintain them? And I really have a question about the House budget figures when out of the House Budget Committee they only want to reconcile a small portion of the moneys that are in there.

In others words, they do not want to submit to the real test of reconciliation their budget cuts. They want to come out here and they want to go through an exercise which is questionable at best, given our record of performance.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. Obey].

Mr. OBEY. I thank the chairman for the time.

Before I say what I want to say I would like to respond to a comment that the gentleman from Minnesota, [Mr. Frenzel] made earlier in the debate. The gentleman from Minnesota [Mr. Frenzel] suggested that the economic assumptions that the Budget Committee was using somehow would make the President look like a pessimist.

I want to make the following three points:

First, the assumptions that the Budget Committee is using in putting together its budget are precisely the same assumptions being made by the President of the United States. They are the President's assumptions, they are not ours. And to the extent that they are erroneous, it is because we are following the President's base and no one else's.

Second, he said that the optimistic assumptions reduced the size of the dificit reduction package by $10 billion. That is simply wrong. The assumptions will affect the baseline deficit and the bottom line deficit. They do not significantly affect the size of the package.

Third, he said that the interest outlays in the Budget Committee resolution are cooked because they are lower than the Senate's. I think it is important to point out that that is also wrong. He simply has not done his homework. The debt service savings are the same as in the Senate and the total interest numbers differ because the other body's cut in credit programs reduces interest offsets collected by the Treasury, and I think it is important to point that out.

I am here today to support the resolution proposed by the Budget Committee and I do so for one very fundamental purpose. The President indicates in his television speeches to the country that somehow if you pass his budget, that we will be reducing the deficit.

□ 1350

The fact is that is simply not true. The President's budget does not reduce the deficit. The President's budget does not reduce interest payments, either as a percentage of the Federal budget or the percentage of GNP before 1988. If we adopt the President's budget everyone understands, I hope, that that means that interest payments will continue to rise both as a percentage of the economy and as a percentage of the budget at least through 1988, and I personally believe through at least 1990.

I want to make clear what the President's budget is actually doing and I think the two charts beside me will demonstrate to some extent what he is doing.

The President is basically suggesting that we cut about $40 billion in domestic programs from old baselines. He does not suggest we do that to cut the deficit. He suggests that we do that in order to provide a very large increase in military spending and a very large increase in interest payments. He suggests that cutting a wide variety of programs, for instance, such as education; NIH research grants. He suggests eliminating programs like revenue sharing, senior citizen housing, Job Corps, small business loans, UDAG, community service, work incentives, the whole gamut.

That might be tolerable if the President were in fact by his domestic reductions actually reducing the deficit. But the fact is he is not. As I have said, all that he is doing is really shifting spending patterns and I wanted to spend a little time to show you how he is shifting those patterns.

These two charts beside me indicate what tax dollars went for in 1980 versus his 1986 fiscal year budget request.

All the Reaganomics means, except for additional interest payments and additional debt, all that Reaganomics means is some add up in these two charts. These charts demonstrate that in 1980, programs that went for defense and foreign affairs made up 25 cents on the dollar; today in the President's budget request they make up 31 cents out of every dollar. As you can see, all the programs that went to fund the needs of the elderly and the disabled in 1980 made up 37 cents out of every dollar in 1980.

Today they make up precisely the same percentage, 37 cents out of the dollar.

As you can see, some things have grown in addition to defense. Interest, for instance; interest in 1980 made up 9 percent or 9 cents out of every dollar. Under the President's budget request interest payments make up 15 cents on the dollar in 1986. That is a 60-percent increase directly traceable to the growth in this budget.

I know that people make the assumption from time to time that if you just eliminated welfare or eliminated welfare waste, fraud, and abuse you could balance the budget. I think this chart indicates that is nonsense.

As you can see, there was about 7 percent, 7 cents out of the dollar in 1980 went to programs that provide direct support to the nonelderly poor. Under the President's budget recommendation for 1986, the programs that support the nonelderly poor, is shrunk from 7 cents to 5.7 cents out of every dollar.

The main impact from the President's budget can be found in the remaining piece of the budget.

In 1980, 21 cents out of every dollar went to the "remainder" portion of the budget. That portion contains essentially two categories. One is the amount of money that we provide to keep the Government running by paying for Customs, paying for the FBI, paying for the courts, paying for the operation of EPA, all of the things that are necessary simply to function on a day-to-day basis.

The second thing that this portion of the budget represents is the investment portion of the budget. It is the investment we make in our Nation's future. It is what we invest in infrastructure through payment for highways and bridges, through payment for sewage treatment plants and the like, the things that enable our communities to grow. It also represents what we invest in people, what we invest in kids by way of education, what we invest in health by way of health research, what we invest in workers by way of worker training.

As you can see, that remainder portion of the budget, that investment portion of the budget under Reaganomics would be cut precisely in half from 21 cents on the dollar in 1980 to 11 cents on the dollar if we were to pass the President's 1986 budget.

That is why the President's budget is a threat to the future. The President's budget does two things: It continues to increase the amount of money that we pay for debt service every year. That does not help the country. That helps put us at a competitive disadvantage in world markets because of what happens to our interest rates and what the cost of the dollar does to our ability to compete in world markets.

But even more importantly at home it affects our ability to invest in the future. It squeezes our ability to provide investments in this society through any device but the Tax Code and we all know how riddled that is with ripoffs for people who are using that money not for legitimate investments but actually simply to avoid taxation.

And that is the message I bring you. That is why it is essential to support the Budget Committee resolution. I wish I could say that the Budget Committee resolution turns this trend around. It does not.

It simply, on the edges, reduces the shrinkage in the investment portion of the budget. It leaves a little bit more for investments in infrastructure and in people; it leaves a little bit less for military increases; it leaves the budget share for the elderly and the disabled relatively unchanged, and I think it in the end will make better progress than the President's original budget in reducing interest payments long term.

I think in the interest of equity and social justice, in the interest of preserving the kind of investments necessary to make us a competitive society, in the interest of providing a better deal for people all across the board in this society and making us a more competitive society it is a far better budget than any other budget before us today and on that basis I urge its adoption.

Mr. SLATTERY. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I surely do.

Mr. SLATTERY. I thank the gentleman for yielding.

Mr. Chairman, I for one just greatly appreciate the gentleman's effort in preparing these graphs and charts to demonstrate to the American public the severity of the problem we are facing. And beyond that I think especially if the focus was on the 1986 request, I think it is just absolutely critical for all of us in this Congress to understand that if we are going to be absolutely intellectually honest with ourselves and with the American public we have to understand the basic arithmetic of this graph. And when we look at it we can clearly see that when you combine the amount of money that we are currently spending on defense, on the elderly and disabled with the interest payment on the debt we are looking at a figure of about 83 percent of our total Federal budget.

Mr. OBEY. That is right.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. Obey] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield an additional 30 seconds to the gentleman.

Mr. SLATTERY. Mr. Chairman, will the gentleman yield to me?

Mr. OBEY. I yield to the gentleman.

Mr. SLATTERY. The point that I would make is that even if we totally eliminated everything else in the budget, coupled with all the welfare, if you want to call it that, for the assistance to the nonelderly poor and paid for the defense budget, paid for the Social Security and the other elderly and disabled programs and paid the interest on the national debt, wiped everything else out, we would still have a deficit. I think that point has to be made. I think that demands that we deal with defense, deal with entitlements and ultimately we are going to have to deal with the revenue issue.

□ 1400

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 6 minutes to the gentleman from Pennsylvania [Mr. Goodling].

Mr. GOODLING. Mr. Chairman, I have to preface my remarks. I have had a directive from my leader. In committee, the gentlewoman from Illinois had agreed with the chairman that as a matter of fact, we won the charts display, but I understand she is now willing to concede that perhaps today they have won the charts display on the floor. So that is one victory.

Let me preface my remarks, first of all, by saying that my first year on the Budget Committee was not the most challenging. It was very interesting prior to Easter, but Easter had a new meaning to me this year; it was something that was different.

Prior to Easter, we had an opportunity to participate, because prior to Easter we went all over the country having hearings, and that was enjoyable, but when Easter came, all of a sudden the minority was cut out. So as I said, Easter had a new significance.

Now I will indicate that the chairman said that we can offer all the amendments that we want to offer. We began to do that, and, of course, one gentleman on their side was very fair when he said, "But I'll guarantee you none of them will be accepted because we've already decided that."

I did get one accepted, which probably makes Congresswoman Oakar's amendment today not necessary; because the amendment that I offered indicated practically the same as she, that we should take away the excuse the public has when they point their finger at someone with money or some corporation with money who has not paid taxes, and I indicated that the Committee on Ways and Means should do something about that.

Monday morning, while driving to the Army War College, I heard a news commentator, and he said: "It would appear that the House committee's budget is more palatable and more acceptable to the public than that of the Senate."

I thought, What a brilliant statement that was. It really took a lot of brilliance to make a statement like that; there is no pain in our budget that has come out of our committee for anybody to suffer, so why would it not be much more palatable?

But the problem that I see is, the real tragedy of what we are doing today—the fact that neither the House nor the Senate has really seriously attacked the problem that we are confronted with. We heard the Humphrey-Hawkins discussion. That dream can never become a reality if we do not do something about deficits.

Now I am sure that both the Senate Members and the House Members, if they were behind closed doors, would basically say that we do not have any $56 billion saving. If you take the smoke and the mirrors away, the best we are going to do is 40, when you look at the different assumptions that are being used; whether you look at contracting out, whether you look at 4 percent growth; whatever it may be.

Furthermore, we have just read in today's paper that the appropriations committee is now talking about a $13.4 billion supplemental that will be coming before us. Where are the allowances, for supplementals in the budget that we are talking about?

The chairman—and I can quote this not directly, but I can say it because he said that he has said it publicly many times—the chairman said in our committee, as a matter of fact, that we can looking at $400 billion deficits down the pike with this budget if, as a matter of fact we are not looking at increased revenue coming to the Treasury of the United States.

I believe the chairman when he says that. Both with the Senate budget and the House budget, that is the kind of thing we are looking toward.

You see, when you talk about 30 percent coming from defense, 25 percent from COLA's, 15 percent for debt service, that is 70 percent. If on the House side we say you cannot touch COLA's and on the Senate side they say you cannot do anything differently than we have done in defense, you have eliminated 55 percent of anything to talk about when you are talking about trying to reduce the deficit.

The other 15 percent we can only get at, the debt service part of it, if as a matter of fact we do something about reducing the deficit.

Now we are going to conference when we are finished here today, and we really do not have anything to go to conference about that is going to improve the situation as far as reducing the debt. Because if we both say; the House says you cannot touch COLA's, the Senate says you cannot touch the military, what is there to touch?

Or if they both give in and go halfway, as we normally do, how do we save anything? The House goes halfway on defense, the Senate goes halfway in COLA's, and we are back to the same old boat, probably about $40 billion in reductions if, we do not have a recessionary period.

When you look at less than 1 percent growth in the first quarter, you have to have some concern.

Now keep in mind, this is what we have done in a nonelection year. If that is the best we can do in a nonelection year, what in the world are we going to do next year, faced with an election, when it will really take courage?

That is what I really fear. If we, as a matter of fact, are going to do anything about unemployment; if we are going to do anything about getting the economy moving again, then it seems to me no matter what side of the aisle you may sit on, you are going to have to do something seriously about the deficit problem facing us.

My hope is that somehow, and I do not know how you can do that in conference, that a larger reduction in spending will become a reality. Perhaps there will be some changes made today, some different things that will be adopted, that as a matter of fact we can reduce the deficit further.

So if there is anything we can do, it would be my hope that we can make a better shot at the reduction of this deficit than the Senate has done and that the Budget Committee of which I am a member has done.

If we do not, then the end result will be economic disaster, and our way of life will be gone, as has happened to every other great civilization that has gone before us.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. Weaver].

Mr. WEAVER. Mr. Chairman, I am going to state some rather strong things, but first I want to say that Chairman Gray and the Budget Committee has done the best job, a heroic job, within the political realities.

We have begun on the last stage toward economic collapse; a result of living on borrowed money. Personal and business borrowing in the trillions, Government debt nearing $2 trillion. We do not, in this country, our citizenry does not have the courage nor the will to live within our means.

Let us not blame the politicians; they simply reflect our citizenry. Everyone is greedy; everyone wants to get more. I have heard on this floor today that our constituents do not care about the deficit, so therefore we cannot make the difficult choices to try to cut it.

That is the proof that we lack discipline or even the understanding of our problems.

President Reagan is not the cause; he has just made it much worse. The cause is four decades of affluence; we have become, through affluence, lax, the greed pervasive, everyone wants theirs; we have already over extended ourselves with borrowing and inefficiencies.

You know, we were a great country, and can still be; we used to export tons of goods; now we have become an importer of goods. We have become lax, sloppy, so affluent we think we can afford anything, even to let other nations do our producing.

Our primary industries are eroding before our eyes: Agriculture, textiles, minerals—in my district—timber all are in deep depression. Our farmers have been living off capital; borrowing on their land, going bankrupt selling grain too low, and now what do they want to do? They want to sell even cheaper. That is insanity out of desperation.

If we cannot act to impose discipline on ourselves, the economy is going to do it for us. We are living in a paper economy, making money with money, and those of us who make our livings passing paper between ourselves, standing tall over a void, are about to fall into that vacuum. The bubble is about to burst.

Even a cut of $56 billion is a drop in the bucket. The madness of military spending and many other kinds of spending, coupled with tax cuts has brought us to the very peak of insolvency. There will be one last surge in the stock market, my friends. The Dow will go to 2000 this summer; bond prices will soar, but soon, sooner than most of us think, the collapse will come.

The foreigners will stop pretending they will pay their staggering debt, and our big banks will fail, and not even the Federal Reserve Board will be able to rescue them.

The effects of this financial panic will crack through our economy until a deep depression will be upon us. It is probable that it is too late to prevent this catastrophe. But even if it were not, there is no evidence that anyone is willing to take the difficult steps which are necessary, certainly the budget resolution shows no sign of such willingness.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. Denny Smith].

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Mr. DENNY SMITH. Mr. Chairman, I think we are here today in a very unusual situation. We have been here in session now since the third day of January, minus a few days off, and the Budget Committee has held very few meetings. We have held hearings around the country. We held a couple of days' worth of effort last week and an unprecedented closed executive session. I need to thank and to congratulate the chairman of the committee. I think Mr. Gray did an absolutely superb job of moving this piece of legislation through the committee very rapidly. I think there was a real effort to try and put together a budget that all of us could support, and those of us who were in executive session, which was an unprecedented attempt to try to get at the politics of the problem of the budget, know that there was a real effort made. Unfortunately, by the time we got through or could not agree on the tough decisions, we were in a position where a budget was rushed through very rapidly. It was not that we coordinated and cooperated to try to get this document to the floor. We again have no way of kidding ourselves. We do not have a very good package of real concern here to try and reduce the amount of spending in the Federal Government's budget? We are up about $400 billion in spending the 4½ years that I have been here in the Congress. We should have a balanced budget today on this floor. Unfortunately, we do not seem to be able to pull together enough courage to do that which would be the best thing for the future of this country.

I think that what we need is some kind of a fair, evenhanded, across-the-board fashion. I think that had we taken the five functional accounts and the present Budget Committee alternative, or the Gray budget, we would have in fact, done the most good for the American public. The COLA's should have gone, the military spending should be frozen. I agree with the budget in that instance. I think that what we really come down to, though, is the fact that every single budget plan offered today has some kind of a sacred cow, one way or the other we probably are not going to be able to muster support for these projects. One of the alternatives that was not allowed should have been.

I think that I would like to support the chairman's budget. Mr. Gray has done a good job. But it does allow entitlement growth, it allows continuation of the COLA's, and I do not think that is something I could support.

Congressman Dannemeyer's budget does a great deal. The gentleman from California has been a good voice of fiscal sanity here in the Congress for the past 6 or 7 years, and I think that I stand normally with him, but his plan does allow some entitlement growth and allows for some military spending growth. I do not think I can vote for that.

Congressman Pursell's plan and his 92 Group have done a very good job of putting together a thought-out approach. However, they do allow entitlement spending to grow, and I think that I am going to have to vote "no" on that plan also.

The Latta substitute has been put together very quickly, once we understood we could not, in fact, get a bipartisan approach to the budget problem that faces this country. It does contain some spending cuts that I think are appropriate. However, it does allow for the increase in defense spending. I think the military should have to put up with a freeze. I think we would get better management out of the Pentagon and out of the budget process by putting them on notice that it is important to control spending in the Pentagon.

I am especially incensed about the Pentagon situation, since we had Cap Weinberger right behind this microphone a week ago today in a GOP conference. He and the Joint Chiefs came over to talk to us about the defense budget at 9 o'clock in the morning. He said that he could not find any more spending reductions without going into the bone. That very afternoon he went across to the other body and said to the gentlemen in the other body, in a subcommittee hearing, that he had found $4 billion. I would like to ask the Secretary of Defense what the truth is. The fact of the matter is, I think if we are going to get better management in the Department of Defense we are going to have to control the purse strings more tightly than we have.

The Leath amendment I think makes some difficult choices, and other than the revenue raising I am in favor of this proposal. I am afraid, however, by the time you add the tax increase, we are liable to get caught in the same trap we were in 1982. We got the changes in the tax law but not in the spending proposals, and I think that is a real tragedy that we cannot allow to repeat in 1985.

The unfortunate situation here is that the best of all of the trends in spending would have been offered by Mr. Porter, Mr. Frenzel, and Mr. Penny. The Rules Committee chose not to allow them to present that substitute here on the floor, and I think that is for the American taxpayer the most unfortunate thing about this budget process.

I do believe that we have to do more than just cosmetic changes to the budget process, and I have not decided whether I will support the Leath amendment to the Gray budget. I do think that it is important that we make the maximum number of dollars change in our spending habits.

I don't doubt that the Budget Committee's plan will be passed this week by the House.

As a supporter of an across-the-board freeze, it's my strong hope that when the House and Senate meet during conference, they will reach a compromise that reduces spending for both military and entitlement spending back down to a freeze level.

If that can be accomplished, then we'll have a budget plan before this House that I can support.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. Moore].

Mr. MOORE. I thank the gentlewoman for yielding. I want to explain, at the outset, why I was the only Republican on the Budget Committee that voted for the budget that is on the House floor today.

I want to compliment the chairman of that committee, the distinguished gentleman from Pennsylvania. He and I happen to share the same hometown in Louisiana. I think he did an outstanding job. He brought to this floor today the first budget from a Democratic controlled Budget Committee since the Budget Act started that really tries, in my humble opinion, to get at spending cuts. He really did the best he could within the workings of his committee, and I think that is worthy of somebody on my side of the aisle standing up and saying, "We agree with what you have tried to do and we are going to support you and try to help you with it." That is why I voted for it, because he tried to cut spending, and he has. And there are several barometers of that. He was asked by the President of the United States not to bring us any tax increases, and this is the first Democrat budget I have seen in a long time that does not. There are no tax increases in it. Second, he was asked to bring us something in the neighborhood of $50 to $52 billion in deficit reduction. He brought us $56 billion. It will reduce interest rates as will the one on the other side, in the other body. And, more importantly, it also will reduce the amount of private capital in this country or private savings being consumed by the Federal Government, by just as much as he was asked by the administration to do in its plan back in April.

So based on those things, it is not a bad budget. It is worthy of our support. Having said that, there are going to be some substitutes offered here today that ought to be considered. There are going to be some that I vote for and some that I vote against. I think this budget can be further improved. I do not think it is as good as perhaps the Senate budget, but I say again it is the best this House has seen come out of its Budget Committee. It is worthy of being supported.

Let me point out to you we have got a real problem. The problem is deficit spending. But why is that a problem? What are we trying to do? We are trying to reduce deficit spending because we believe that will reduce interest rates. I share that belief. I think there is a direct correlation. This budget will reduce interest rates 3.5 percentage points over the next 2 to 3 years, just like the one in the other body will reduce interest rates 3½ percent over the next 2 to 3 years.

If you look at what is going on in this country, we have seen in the decade of the 1960's only 7 percent of private savings in this country consumed by the Federal Government's borrowing. Then it grew in the 1970's to 28 percent, and then in 1981 it hit 39 percent. Last year it was 60 percent. This year it is 64 percent. You can see what is happening. There is not any money left in this country to fund private enterprise and to fund farmers and consumers and families in this country unless we back off the Federal borrowing. That is what this budget does. That is what some of the substitutes do better. That is what the Senate budget does. That is why this ought to be approved today so we can get on a conference and get on with our business of budget cuts.

This budget will reduce borrowing by 1988 down to 30 percent of the private capital in this country. That is the figure that the President asked us in his April 15 White House compromise. He proposed we get down to 30 percent, and this does it. I submit if we can reduce Federal borrowing of private savings in this country from the current 64-percent level back down to 30 percent, then we have done something for consumers and families in America, we have done something to lower interest rates, and that is what this is all about. It is a much bigger issue than Republican or Democrat. I do not think the people back home really give a darn where this budget comes from, they just want to see us pull together and get something done. And that is what is before the House today.

I would urge my colleagues to keep their eyes on the ball and to keep in mind the fundamentals of what we are trying to accomplish. We are trying to reduce interest rates, we are trying to reduce the amount of money the Federal Government is borrowing, taking it out of our private savings, and that, I submit, is the best program we can pass for the American people. If you want to help farmers, if you want to help home builders, small business people, if you want to help consumers, if you want to help people who are debt laden, if you want to help families in America, reduce interest rates, reduce interest rates and then reduce interest rates.

□ 1420

And the way you do it is by cutting Federal spending and allowing private capital once again to go into the private economy instead of to the Federal Government.

So I close as I began: This budget is worthy of support; I support it; I will support it on final passage. There are substitutes, I think, that can improve it, and I will support them as well.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. I thank the gentlewoman for yielding me this time.

Mr. Chairman, I think this is one of the most important debates we will have this year. Most Americans feel the number one issue now facing the Nation is the size of the Federal deficit. They feel that way despite the fact that the present economic situation is quite good, and our economic recovery of the last 28 months is very impressive by historical standards.

I attribute much of the credit for the Nation's economy and its strong performance over the last 28 months to President Reagan's strong leadership on national economic issues. Our challenge now, though, is to steer a course on fiscal policy that will help continue us on the road to expanding economic opportunity. The gentleman who preceded me in the well mentioned very well why I think we need to reduce the size of the Federal deficit. That is, to maintain and keep interest rates coming down, and to reduce the size of the deficit which must be managed by the Federal Treasury in the way that the national debt is managed, and in the process crowd out credit in the marketplace, which would cause economic woes in the long term, in my opinion.

I regard the greatest obstacle to sustained economic growth the size of the Federal deficit. So I am pleased to be here today supporting at least one of the six proposals, and I might support more than one, to reduce the deficit by more than $50 billion in fiscal year 1985, and about $300 billion over 3 years. That figure is important because it is one that has been agreed to by President Reagan and is most frequently mentioned by the Chairman of the Federal Reserve Board, Mr. Volcker, as the one absolutely necessary to maintain strong economic growth.

Now, others feel the same way, especially people who invest their money in the future of our economy, and when the other body passed its budget deficit reduction bill, the stock market went up; it reacted favorably. When the Budget Committee reported its budget out on last Thursday, the stock market reacted favorably and within 2 days it went over the 1,300 mark.

Whereas I have generally favored an across-the-board freeze as a starting point, where everyone would suffer equally, and no group would feel that they were being singled out to be the brunt of budget reductions, it seems to me that any of these budgets which we have before us today is a step in the right direction.

Defense is the biggest single item in the budget. So we must take a look at that as a starting point. I would like to commend President Reagan for having an attitude of compromise in an effort to come to a budget reduction of $50 billion and reducing his defense request in the process.

So I would like to commend Chairman GRAY for his thoughtful hard work in bringing us here today, and two, would like to commend Mr. LATTA for his thoughtful and hard work. I plan to vote for a bill which will reduce the budget deficit by, at least, $50 billion.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY of New York. I thank the gentleman for yielding me this time.

Mr. Chairman, when this budget comes up, I have no doubt in my mind that the substitutes will be defeated and that the budget will pass. The reason that this budget is going to pass and pass easily, which is a departure from budgets of the past, is because we have done our job. The driving economic consideration in this country is reducing the debt; we've proposed to do that.

We have not only proposed to reduce the debt to a level that is important, $50 billion plus, but we have managed to keep the frayed social safety net without putting any additional holes in it. We have managed to realistically deal with the question of defense, and, and probably most important, when our colleagues vote on this budget, they will be sending a signal to the people who voted for them in 1984 to keep the cost-of-living increase for Social Security alive; that they are prepared to do that.

Let me deal, first of all, with the COLA. There is no doubt that it is expensive to maintain, but it is politically wise to do so. However, there are more important reasons to keep it. First of all, the fact remains that no one is getting rich on a cost-of-living increase in Social Security. The average recipient makes about $400.

No one is freezing their utility bills; no one is freezing their property taxes; they continue to go up. In order to meet the demands of higher utility bills and higher property taxes, this Congress has said we are prepared to make Social Security recipients whole with respect to the cost-of-living increase.

There is another important reason to give the cost-of-living increase that has nothing to do with monetary need of the individuals in the system. That is, over the last few years we have talked about tampering with and have tampered with Social Security. The problem with tampering with it is that it begins to undermine the confidence the people have in the system.

If you take a look, for instance, at the young people in this country in a high school and ask them if they believe Social Security will be there for them, they almost universally say they do not think it will. Part of the reason they have lost confidence in the system is because we constantly talk about changing Social Security when in fact we should be providing cost-of-living increases without constantly making the system a political football.

The other reason this budget is a realistic and a good one is we have addressed the question of defense spending. Now, over the last 4 years, we have spent $1.1 trillion on defense. Three hundred and thirty billion of which is real growth. The American people are skeptical, and that is to put it mildly, that we are getting our money's worth. Forty-five of one hundred major defense contractors are currently undergoing criminal investigation. If you picked up the paper, if you have been anyplace other than in a time capsule the last 2 months, you will have read about scandal after scandal about waste, fraud, and abuse in the Defense Department that needs to be tackled.

Now, procurement clearly must be improved and changed in a dramatic way. I hope that that happens. But more importantly, what we are saying to the Reagan administration and to the country, and here in the Congress we are uniquely creatures of public opinion, is that we hear your message about getting a handle on defense spending. We understand that we live in a dangerous and hostile world, that the Soviet Union is a committed adversary and that we have to remain strong. But simply throwing money at the problem is not going to solve it, and that has been clearly what we have been doing in defense.

We have force fed over the last few years the Department of Defense. They cannot spend this money well; they have not spent it all very well. We see that Mr. ASPIN, just the other day, indicated that there is a reserve and cushion so that procurement, even with our budget authority freeze will continue at 1985 levels, and we will not see any diminution or slowdown in weapons that we purchase.

So we have dealt with defense for this year and for the next few years where we provide real growth. We have laid out a pattern that makes sense.

Lastly, the social safety net. Over the last few years, 700,000 children have lost compensatory education. We have seen literally hundreds of thousands of children eliminated from the WIC Program. We are saying in the House with this budget that we can save money and not hurt the poor. We can save money and be responsible not only to our friends on Wall Street, but to the people in this country who need our help.

This budget says that government can remain an agent for good; it can remain an agent to help people who to be help. This budget will make sure that the social safety net is not torn to shreds. I am convinced, Mr. Chairman, that it will pass. It will pass because of your good work and the committee's good work.

□ 1430

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. MCKINNEY].

Mr. McKINNEY. I thank the gentlewomen for yielding this time to me.

Mr. Chairman, today the Rules Committee came out with a rule on the first concurrent budget resolution which makes four substitutes and two amendments in order. One of those substitutes, House Concurrent Resolution 153, was carefully prepared by the 92 Group and a vote is expected on it sometime later today. The following are reasons we as a group believe ours is the most responsible package with the most realistic numbers and should receive the vote of our colleagues: 92 Group budget saves $51 billion in fiscal year 1986 and $264 billion over 3 years; 92 Group budget freezes defense spending at fiscal year 1985 levels with the belief that it is time for the Department of Defense to share in reducing the budget deficit; 92 Group budget does not contain revenue raising measures; 92 Group allows full Social Security COLA's; 92 Group budget was the only package, with every number analyzed by the Congressional Budget Office [CBO] and approved as correct: 92 Group budget freezes budget authority in each function at fiscal year 1985 appropriation levels and makes recommendations for 75 other program reforms; and 92 Group contains flexible reconciliation instructions thereby allowing committees to determine the best places for savings to occur.

Early in May, the 92 Group released its proposal and we as a group are pleased to see the number of recommendations we made used in other proposals. However, we feel that first, the House Budget Committee proposal has unattainable numbers in areas such as commodity price supports; small business disaster loans; public housing; veterans' non-health programs; general revenue sharing; workforce attrition; Outer Continental Shelf receipts; and oil overcharges. Many of these proposals are in our CBO run package and the savings that the Budget Committee claims are just simply, unfortunately, are not there.

Second, the Latta proposal also contains many similarities with the 92 Group proposal; however, the increase in defense spending and the reconciliation instruction, make it absolutely and totally unacceptable. As you know, committees work hard and long hours to report out responsible authorization and appropriation bills. The budget process is not the place to mandate changes and not the way this organization runs, but rather to make recommendations and offer a structured guideline. We feel that our reconcilation instructions mandate the necessary dollar savings, make responsible recommendation, while allowing flexibility for the Authorization and Appropriations Committees.

Finally, the other proposals contain revenue raising measures. We as a group strongly feel that spending reductions must come before any revenue raising legislation and therefore, cannot support mixing the two.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1½ minutes to the gentleman from Illinois [Mr. RUSSO] for a colloquy.

Mr. RUSSO. I thank the gentleman for yielding this time to me.

Mr. Chairman, I have a question regarding the provision under function 950 relating to oil overcharge funds. I am aware of at least two overcharge cases currently pending in the courts. In one case, U.S. versus Exxon Corp., a

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Federal District Court has ordered

our national security, and yet when we

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Federal District Court has ordered that restitution be effectuated by distribution of overcharge funds to the States to use in energy programs benefiting the overcharged consumers. That case is now on appeal. In another case, In re. DOE Stripper Well Exemption Litigation, a final judgment on liability has been entered by the district court and all appeals have been exhausted. The district court now has before it proposals to also accomplish restitution through the States.

My State of Illinois has over $100 million at stake in these cases. I have been informed by Illinois Attorney General Neil Hartigan that the Commonwealth of Pennsylvania also stands to receive in excess of $100 million to benefit consumers from these two pending cases. I know many of my colleagues share my view that indirect restitution through the States is a desirable and appropriate way for distributing the funds when it is not possible to identify the overcharged customers.

Mr. Chairman, am I correct in my understanding that the budget provision under function 950 is not intended to affect these or other pending cases in the courts?

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. The gentleman from Illinois is correct.

Mr. RUSSO. I thank the committee chairman.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. Boulter].

Mr. BOULTER. I thank the gentlewoman for yielding this time to me.

Mr. Chairman, with the utmost personal respect for our Budget Committee chairman, the gentleman from Pennsylvania, Bill Gray, I do rise in opposition to the 1986 budget resolution reported out of the House Budget Committee, on which I serve.

Many of us here today were sent to this body for one major reason, and that is to help reduce our national deficit. The people in my part of Texas understand that the national debt, the annual deficits and just the present level of Government spending constitute a direct threat to the small businessman, to the farmer, to our families, and to our children's future, and they want to do something about it.

I was elected, as many of my colleagues were, to help cut our Nation's budget and eventually bring it into balance. But this budget simply does not do that, or even get a real start at doing that.

Instead of real structural reforms that would provide a more efficient management system in our Government, this is a budget which, over the next 3 years, will achieve approximately two-thirds of its real savings from our national security, and yet when we look to the domestic side of the budget we see only poorly defined out-year savings which, in the opinion of most, are unlikely ever to be achieved.

Reform should be a key word in this budget, Mr. Chairman, but it really does not even appear. For instance, this budget freezes defense spending without any provision for inflation. That is going to have the effect of cutting into badly needed weapons systems which are currently in the research phase. For example, strategic defense initiatives and other systems are vital to the proper defense of this country. The kind of freeze which does not even allow for inflation that we have imposed upon defense is irresponsible because the most important duty of any government is to protect its citizens.

This budget proposal does not allow for what I consider to be an adequate national defense, and I predict that eventually international events are going to overrun the proposed budget authority for defense in this budget. As the Soviet Union continues to build up its military and continues its misbehavior worldwide, the people are eventually—and I know people are down on defense right now—but people are eventually going to look to see what this Congress has done to provide a secure defense.

We all know that Soviet aggression will continue to evidence itself in Third World nations by absorbing those nations, by absorbing legitimate uprisings, and then eventually take over the whole movement. The Soviets have never backed away from their stated goal of world domination. They consider this world to be their battleground between their system and ours, and above all other goals, they have methodically and patiently continued their global acquisitions all in an effort to militarily close in on the Free World, and the United States in particular.

I offer the final point as to defense. Some of the finest speeches I have heard on the floor of this House have come from southern Democrats, and some of these gentlemen, my colleagues, have suggested that southern Democrats are going to be "flat dead" if they are perceived as being soft on defense. I challenge my colleagues on the Democrat side of the aisle that if they want to be flat dead, then vote for this antinational security defense budget. I do believe reforms are necessary in defense. I believe savings can really be achieved, but our defense needs are driven simply by the nature of the Soviet threat, and we cannot have real savings and real security simply by slashing defense expenditures to below inflation. That represents a 4-percent real cut in the purchasing power of defense.

□ 1440

Quickly, looking beyond defense, I think what this country needs the most and what our economy needs the most is capital. Our economy and our business community does not lack the entrepreneurial spirit, we do not lack inventive ideas, and we certainly do not lack social programs in this country. What we do lack is capital. But this budget does not correct that problem because too many of those budget savings will never come to fruition. Perhaps as much as $10 billion or so is just paper fiction.

We need total cuts and terminations of some of these programs. The President originally suggested 17; the other body, I believe, presented 13; the Republican alternative is going to present 10; the Democratic budget presents only 2 terminations. What my colleagues on the Democratic side of the aisle are really saying is that there is no program in effect which has failed to serve its intended purpose and no program is so inefficient or no program is such a luxury in terms of budget deficits that it needs to be curtailed. That is what the American people perceive the Democratic Party to be saying.

I just think that the day of reckoning has come. All the easy choices have already been made. Now we have to make hard, hard decisions, but this budget does not do that. Instead, it cuts muscle from our military without first attacking fat, and it continues to allow a spending decadence on domestic programs that we clearly can no longer afford.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas [Mr. Robinson].

Mr. ROBINSON. Mr. Chairman, I rise today to voice my strong support for House Concurrent Resolution 152—the budget resolution as reported by the House Budget Committee.

Since I took office on January 3, I have received a lot of mail on a wide variety of issues. But of all the noteworthy subjects that I have heard about from my constituents in the second district of Arkansas, all have been eclipsed by the overriding concern about the budget deficits.

People wrote to me about the MX—and mentioned the need to bring down the $200 billion deficits. People wrote to me about the IRS logging requirement—and mentioned the need to do away with the $200 billion deficits. People wrote to me about aid to the Contras—and took the time to voice their dismay over the $200 billion deficits.

Concern over the staggering budget deficits has moved from being an election year "boogeyman" to a problem very much on the minds of the average American. People are beginning to

understand that the budget deficits have an impact on their lives and their families.

My phone has been ringing off the wall this week. People want to know what Congress as a whole and I—as their representative—are planning to do about dealing with the deficits. And I want you to know what I have been telling them.

I am telling all callers that Congress is serious about dealing with the deficit. There is no Member that is unconcerned about the effect of these uncontrolled shortfalls on the short-term future of this Nation—or the long-term future of this Nation. Members on both sides of the aisle, Members from all parts of the political spectrum, Members from rural and from urban districts share this concern.

Where we differ is in exactly what is the best way to slay the deficit dragon. The variety of budget proposals that we have before us is an indication of that.

After careful scrutiny of each of the proposals, I have come to the conclusion that the budget resolution as crafted by the House Budget Committee best accomplishes this body's purposes.

First of all, we show the American public that we are serious about making that first important step away from disaster and toward a balanced budget by achieving a deficit reduction package of $56 billion in fiscal year 1986.

And the way that reduction is achieved keeps faith with the promises we have made to the American people.

The word from the American public is no more for the Pentagon. This House Budget Committee's resolution—freezing military spending at fiscal year 1985 levels—accomplishes that while maintaining our unwavering commitment to a strong national defense.

The word from the American public is don't balance the budget on the backs of this Nation's elderly. The House Budget Committee's resolution respects that cry by maintaining the COLA for those receiving Social Security benefits at a time when the trust fund is running at increasingly large surpluses.

The word from the American public is make tough choices. The House Budget Committee's resolution does that by—with few exceptions—imposing a 1-year freeze on nondefense discretionary programs. Yet these tough choices don't come solely at the expense of safety-net programs targeted to the low-income people—programs such as Medicaid, food and nutrition programs and low-income housing, and lastly, we protect our educational programs so important to our young people.

Mr. Chairman, I urge my colleagues, on both sides of the aisle, to support the House Budget Committee's budget resolution for fiscal year 1986 and keep faith with the American people.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. Brown].

Mr. BROWN of Colorado. Mr. Chairman, I would like to commend the chairman and the ranking member of the Budget Committee for their hard work. They sincerely tried to put a budget together that could be supported on both sides of the aisle. That did not happen this time, but I think we have laid the groundwork for the coming years. There is not a member of that committee that does not have the utmost respect for the leadership on both sides of the aisle.

I would like to address some comments concerning the budget document as it has come out to my colleagues. I hope that as they look at that document, they will view that figure of $56 billion in supposed cuts with a jaundiced eye. The budget does not provide those cuts. Those who think we are taking meaningful action to control the deficit will unfortunately be disappointed. The fact is that we do not have anything like that $56 billion in savings. That is not a commentary on the good intentions of the people involved; that is a commentary on the reality of the numbers.

Let me suggest that anyone who is sincerely interested in doing something about the budget deficits of this country must vote for some amendments to that budget. I would suggest that if we adopt the budget as it has come out of committee, we will not see that enormous reduction in spending and deficits, but, No. 1, we will have an increase in spending, and No. 2, we will have deficits that will approach $200 billion next year and rise in years beyond that. What we are talking about with this budget is a program for economic stagnation. It is a budget that proposes no net capital formation for this Nation.

Why would I say that? First of all, take a look at the assumptions that underlie that budget. What we have done is to try to assume away our problems.

In 1980 we made forecast for the 1982 budget. We projected that the 1982 budget would turn out to be a $33 billion surplus; it turned out to be a $110 billion deficit.

In fiscal 1981 we projected for 1983 that it would be a $39 billion surplus; it turned out to be a $195.4 billion deficit.

In 1982 we projected a surplus. It turned out to be a deficit of $175.4 billion. In 1983 we projected a $60 billion deficit for 1985; it is now projected to be a $214 billion deficit.

The fact is that the assumptions we put into these budgets bear little relation to reality. They make us feel better, but I say to the Members, please do not hold that out to your constituents that this is a sincere, effort to control the problems of this country. It is not.

This budget is smoke and mirrors. This budget is founded upon assumptions that are simply not there. If you are sincerely interested in bringing the deficits of this country into line, you have got to vote either against this budget or for amendments that improve it.

If you want to take a look at that budget and expect any results, take a look at some of the items in it. One of the items proposes to save $4 billion by restrictions on contracting out. Now, you have to look back at what the terms are for contracting out. To begin with, contracting out is done because it should save money. If you eliminate $4 billion in contracting out, you are not going to save money; you are going to increase costs.

Of course, you can always go back and identify functions that do not need to be done, and I would hope that we will do that. But that is not what is included in the budget. The $4 billion, is not there.

If you are interested in bringing this budget into line, look at the reconciliation packages that are parts of the budget. The simple fact is that the Budget Committee's work is woefully short when it comes to reconciliation.

□ 1450

In making your determination of which budget will do the most for this country, look at that part, because that is the major factor in any budget that we come up with.

We cannot let this time pass without noting with some sadness that many of the alternatives that would have meaningfully cut the deficit are not before us today.

Let us make no mistake about it. The fact is that the efforts that could have meaningfully reduced spending have not been allowed to be offered. An effort to eliminate the Small Business Administration loan program, an effort that most small business people support, is not even permitted to be considered.

The fact is that we are spending in this budget before us $2.1 billion more than was in the 1985 budget for international affairs. We have not even addressed those areas.

I would suggest to my colleagues that we need to do far better than this budget.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. Dorgan].

Mr. DORGAN of North Dakota. Mr. Chairman, I thank the gentleman for yielding that time.

I recall about 4 years ago when we were on the floor of this House debating this new fiscal roadmap that was sent down here by the White House, it was kind of an unusual program. It said, "What I want you to do, American people, is really screw up as much courage as we can get out there and support 3 years of tax cuts, and if you will summon the courage to support 3 years of tax cuts, we will also at the same time dramatically expand our military spending at record peacetime levels, which is the biggest item in the budget. Then, when we finish all of this, we will have a budget that is in balance and an economy that is healthy."

Well, of course, now we have discovered that we ran into some economic quicksand and we are running Federal budget deficits of $180 billion to $200 billion a year.

I know some families that do that. They just spend a lot more than they have. They go out and borrow the money. They just spend it and they have got new cars in the driveway and they have got all the newest tools and take all the biggest vacations. It is not very long before they are not making it anymore, because it was all borrowed money and false prosperity. What families cannot do, the Federal Government cannot do.

But now, we have a President that again this year sends us a budget that is far out of balance and we have a Budget Committee that tries to make some sense of that, tries to sort it out.

I commend the chairman and the ranking member and others who have worked very hard to try to make some sense of this budget puzzle, but let me say this. You cannot solve a puzzle if you have a couple pieces missing. We have all tried to put a puzzle together a time or two and discovered at the end there are a couple pieces missing.

We have a signal caller here on our Federal team, a quarterback who has decided to sit on the budget bench. The White House quarterback has said, "Well, I'm not going to play in this game," and he has also said that part of the solution here is something we cannot consider.

We need not only spending restraint, and dramatic spending restraint, but we also have to have increased revenues. It is just that simple. We have got scandalous tax avoidance. We have a burgeoning growing tax shelter industry in America. We have got serious budget problems, in part, because of the lack of revenue.

We cannot solve the puzzle without having all the pieces of the puzzle there.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. Jones].

Mr. JONES of Oklahoma. Mr. Chairman, I am delighted to speak on this issue. The first thing I want to do is to commend wholeheartedly the work of the Budget Committee chairman, the gentleman from Pennsylvania [Mr. Gray] and the members of the committee.

I think I know a little something about how difficult it is to put together a budget resolution that commands a majority in this Congress. All of us know that in the privacy of our own rooms we can put together the perfect budget that solves all the problems; but one person's perfect budget is another person's unfair budget and it is very difficult to get a majority to support one budget.

The budget that came out of the Budget Committee is a good budget. It is one that I intend to support. You will hear from me tomorrow saying that it did not go far enough and I will be supporting an amendment offered by the gentleman from Texas [Mr. Leath] to try to improve the deficit reduction package by making the budget a truly across-the-board freeze approach; but this budget is a good budget. This budget is going to pass for a couple reasons.

First of all, there is the recognition among virtually every one of us in this body that these huge Federal deficts of $200 billion plus a year are going to be the downfall of this economy and they cannot be tolerated.

Coupled with that are the instincts of political self-preservation. Members of Congress are not going to abdicate doing something about these deficits and then face the prospects of a recession in 1986 for which they will have to be held responsible in the next election. So that is the first reason the budget is going to pass.

Second, the choices have now become very few on how to deal with these deficits. Those who in the past played games with the budget process and tried to convince the American people that some magic smoke, such as eliminating, waste, fraud, and abuse, or growing our way out of this problem and that will solve the problem, with no sacrifice being asked, those people are not able to sell that kind of snake oil again.

We recognize that we have to cut spending and ultimately we are going to have to recognize that those essential elements of Governent spending are going to have to be paid for by revenues.

The beauty of this particular budget is that it attacks the problem through spending cuts alone and dispels the charge that we are afraid to cut spending.

The CHAIRMAN pro tempore (Mr. Torres). The time of the gentleman from Oklahoma has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. JONES of Oklahoma. Now, anyone can take some gratuitous shots at weaknesses in this budget or any other budget. Clearly, there may be some economic assumptions and some cuts that are soft, but the one signal that is going out to the financial markets after this budget passes is that this is a real budget, with real reductions on the order of $50 billion a year.

The fact is if we continue and pass this, it will probably mean that this economy can rock along in some semblance of growth for the next couple years. It will mean that Paul Volcker and those operating our monetary policy will be able to harmonize monetary and fiscal policy to help ensure that economic growth; so it is a real budget.

I would ask tomorrow that we augment this real budget with the amendment of the gentleman from Texas [Mr. Leath], because then we can put our economy and recovery in high gear by reducing that deficit, not $55 billion, but $75 billion and getting that budget by 1988 well below the magical $100 billion mark, but that is something for discussion tomorrow.

In the meantime, I think we owe a debt of gratitude and appreciation to Bill Gray and members of the Budget Committee for producing a very credible, a very necessary and a very timely document. It is critical that we pass it and keep this economic recovery somewhat on track and keep this economy from going into a nosedive.

Mr. LATTA. Mr. Chairman, I yield 4½ minutes to the gentlewoman from Illinois [Mrs. Martin].

Mrs. MARTIN of Illinois. Mr. Chairman, I thank the chairman of the committee and the ranking member.

It is also a pleasure to see the gentlewoman from New York, Ms. Ferraro, back on the floor of the House, because she assures me that there is an answer to that question which has had the hearts and minds of each Member of Congress waiting and that is, Is there life after Congress? Indeed, there is. It is nice to see her back.

Since she was a member of the Budget Committee, it is appropriate that she is here while we look at frankly some of the smoke and mirrors that surround each budget. They surround budgets from both sides of the aisle.

I think it is appropriate that we look for a second at some of the supposed savings that will be in the chairman's budget.

Now, first of all, there are some savings and I think that deserves commendations; but let us look at some of them. First, international affairs; no cut, no cut.

Energy: No savings, no savings, no recommendation.

Natural resources: On user fees, no recommendation.

Public land acquisition: No recommendation.

Soil and water conservation: No cuts.

Reclamation: No savings.

Maps and charts: No savings.

Park Service: No recommendation.

This goes on in every single domestic category, no cuts, no savings, no recommendations.

Indeed, in defense there are huge savings, but we do not know how they are going to be achieved. And if all savings are in defense, then we have problems.

☐ 1500

This morning, as a member of the Armed Services Committee, controlled by the Democrats, there was a chance to reprogram a defense system. Now if you think this is just Democrat bashing, wait, for it is not.

That reprogramming would have saved a considerable amount of money and it came under specific recommendation from the Department of Defense. But one Representative from each side of the aisle, and I might tell you they were both women, worked like crazy to make sure that there would not be a reprogram. They acted as Representatives are supposed to act. They represented their States and their districts.

The chairman of the Armed Services Committee and the ranking member both voted to reprogram so it is not party lines involved at all. And do you know what? The committee did not reprogram. We said, in effect, we do not care about saving money. We said to the Defense Department, "You tried to save it; too bad." And if it had been my district, I will have to admit I would probably have done the same thing. We all would have, and that is the real problem.

Maybe it is because I have been here a little longer, but now what matters to me is not so much the vote on this budget or the Latta budget.

But how do we finally get the savings we all claim we are going to get in any of the budgets? In Defense, in which the Democrats say we have to save the most in, we cannot even get out of Armed Services Committee a small amount of savings.

What are we going to do when we try to save the big stuff?

So I tell you this: whatever we pass today it will be the Hall of Mirrors at Versaille unless later we pass the reconciliation and the authorization and the appropriation bills to match.

Whatever budget passes, we must agree that we are then going to achieve the savings we claim. Let us have the kind of instructions that are needed to pressure both sides of the aisle to produce the reality, not just to give the ability meaningful speeches about the deficit.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3½ minutes to the gentleman from New York [Mr. Manton].

Mr. MANTON. Mr. Chairman, at the outset I would just like to welcome my predecessor from the Ninth Congressional District from New York, Geraldine Ferraro, who is here in the Chamber.

Mr. Chairman, I rise in support of the committee's budget resolution. I commend the distinguished chairman of the Budget Committee for his leadership in crafting a fair and responsible budget for fiscal year 1986 that equitably distributes the burden of reducing the Federal deficit.

In February, President Reagan sent to Congress his budget plan for the next fiscal year. He called it a budget freeze. But, in fact, it was a harsh, cruel proposal that would have robbed roughly $30 billion from vital domestic programs to pay for a $32 billion increase in the Pentagon budget—an increase of 6 percent above inflation. Health care for the elderly, housing programs, veterans benefits, education and training, and almost every other program designed to promote economic development and assist those most in need would have suffered greatly under the administration's plan.

I believe in a strong national defense. But defense spending must be based on a sound and consistent policy which maintains our ability to defend vital national interests. Furthermore we must make certain that every defense dollar is spent wisely. Clearly, the administration's defense policy has failed on all counts.

Under the first 4 years of the Reagan administration, the Pentagon spent close to $1 trillion. That means the Pentagon has been spending an average of $28 million every hour, 24 hours a day, 7 days a week. Despite the largest peacetime defense buildup in U.S. history, the readiness of our military forces has been seriously questioned. At the same time, billions of dollars have been wasted on unnecessary and destabilizing weapons systems, and billions have been wasted on sole source procurement policies and the unscrupulous practices of defense contractors like General Dynamics.

While the contractors who cheats the taxpayers are guilty of gross violations, the Pentagon must take much of the blame. Because it is the defense establishment's inefficient purchasing practices that encourages cost overruns and pays for the contractor's mistakes.

Mr. Chairman, the committee budget slows the staggering defense buildup while protecting programs that provide for the health and welfare of our Nation's less fortunate. The deficit will be reduced by $56 billion next year. However, unlike the administration's plan, the Budget Committee adopts a balanced approach toward deficit reduction; 51 percent of the savings would come from nondefense areas and 49 percent of the savings would come from the Pentagon budget. Under the committee's plan most domestic programs are frozen or reduced below last year's level. Programs targeted to the poor would be funded at levels necessary to retain current service levels. And the Defense Department would be asked to contribute its fair share to the deficit reduction effort.

Under the committee budget, budget authority for defense would be frozen at the fiscal year 1985 level. Opponents of this reasonable approach contend the budget authority freeze will cripple our national defense. But nothing could be farther from the truth. No major weapons systems will be eliminated under the committee budget. In fact, due to the unprecedented defense buildup over the past 4 years, actual defense outlays will increase in fiscal year 1986 by more than $15 billion. Between 1982 and 1985 the Pentagon has squirreled away $110 billion in its procurement account. In addition, the Pentagon has been overcompensated for inflation by more than $30 billion.

This budget will not undermine our national defense capabilities. To the contrary, by calling for reforms that will make the Pentagon's procurement practices more efficient and competitive, the United States will get far more for its defense dollar. Furthermore, the top 13 defense contractors whose combined profits topped $122 billion last year will stop gaining at the expense of the taxpayer and at the expense of a strong defense.

Finally, Mr. Chairman, this budget will achieve a meaningful reduction in the Federal deficit which has more than tripled under the Reagan administration without resorting to the draconian cuts in domestic programs proposed by the President. Social Security COLA's for the most vulnerable sector of our society will be fully provided under this budget while programs targeted for Americans most in need will receive a 3-percent inflation adjustment. Other domestic programs will be frozen or cut, but preserved. Defense spending will be frozen. In short, this budget adopts across the board fiscal restraint in a fair and responsible manner.

Mr. Chairman, I congratulate the chairman of the House Budget Committee bringing this fair and equitable budget package to the floor of the House in such an expeditious manner. I urge the members to support the committee's budget resolution.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. Callahan].

Mr. CALLAHAN. Mr. Chairman, I wish to ask the gentleman from Pennsylvania [Mr. Gray] about an item of interest to the State of Alabama.

Included in the budget resolution, Mr. Chairman, being debated here today, you include Outer Continental

Shelf revenues that, while helping to achieve a greater reduction in the deficit, distributes to the Federal Treasury 73 percent of the $6.7 billion currently being held in reserve or in an escrow account commonly known as 8(G) oil moneys and distributes 27 percent of the $6.7 billion to several States, including $70 million to the State of Alabama.

While the State of Alabama welcomes the $70 million and needs the $70 million, let me remind the gentleman that negotiations and discussions between the State and the Department of the Interior have been going on for several years, and the latest discussions were that the State of Alabama and the other States involved were negotiating at a 37-percent level for these moneys. The legislation that established the 8(G) moneys clearly, very clearly defined that the State should receive a fair and equitable share of the moneys generated from the 8(G) areas.

Let me ask: Is it the intent of the committee to include royalties in addition to the 27 percent that you have offered in your budget? Because royalties is an issue that is being discussed in the settlement between the States and the Department of the Interior.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. There is no prejudice at all on the royalty issue included in the committee's recommendation.

Mr. CALLAHAN. Mr. Chairman, then you would hopefully I think suggest to the Interior and Insular Affairs Committee, and hopefully to the Merchant and Fisheries that they would address the royalty issue in the request that you send through this budget.

Mr. GRAY of Pennsylvania. Certainly that is something the committees of jurisdiction could do I would say to the gentleman from Alabama, with regard to the jurisdictional question, House precedent says that that is the prerogative of the Parliamentarian and we make no determination in our resolution as to jurisdiction. That will be determined by the Parliamentarian.

Mr. CALLAHAN. Certainly then it is not your intent to circumvent the historical committee that has been negotiating and handling the 8(G) moneys, which is the Merchant Marine and Fisheries Committee.

Mr. GRAY of Pennsylvania. It is not our intent to circumvent any committee.

Mr. CALLAHAN. I thank the gentleman.

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Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, Over 20 years ago when I first came to the Congress the first bill I introduced was a balanced budget constitutional amendment. I had come from the Texas Legislature and we operated in Texas under a balanced budget. I felt that if it was good enough for Texas it ought to be good enough for the good old U.S.A.

Well, at that time few were interested and less cared.

We worked the process eventually to where we got a Budget Committee. We began the necessary discipline several years ago toward having a legislative congressional budget. I think today is an historic day because we are almost near fulfillment of that discipline that we began several years ago.

I want to extend my commendation and gratitude to the chairman of the Committee on the Budget and to the ranking minority member in the areas where they cooperated, but mostly to my chairman and the members who have worked so diligently to get us to this spot.

Now, agriculture, let me tell you, my dear friends, we in agriculture, in spite of the very drastic situation in which rural America finds itself, we have done our share. In the past four or five sessions we have reduced almost $30 billion, working with the Budget Committee. This year we were allocated $1.8 billion which we shall meet, gladly, even though we have a very difficult situation out there in the hinterlands.

I have looked at the alternate proposals, at the substitutes. They are no better than the administration's which decimates and dismantles programs of rural America. We cannot do that because without that base that we have of what is the greatest production capacity in the world—yes, we have problems; yes, sometimes we have surpluses, but that is because of the technology and the ingenuity of the American producer—but in the budget process the worst suffering of the American producer, the farmers, is the deficit, the strength of the dollar, and the area where interest impacts, and all of the other matters that impact beyond our control.

This is one way to help the farmers and to help rural America, not by taking away rural water supply, not by taking away conservation, not by taking away farmers' loans but by seeing that we reduce, as we have done in our committee, with a scalpel. We have done it, we have done it quietly. You do not make headlines when you do the right thing and the proper thing. You do not get on the 6 o'clock news when you are doing the right thing.

But we have done it, and I want to very sincerely thank this chairman.

I want to thank this chairman because he has allowed us that privilege. He has come to us and said: "I need this money," and we will give it to him. But he has allowed us to do the cutting. We will do that. We will comply with his request.

Now, why should we help agriculture? Well, when I joined the Navy I saw signs which said: "Join the Navy and see the world." Well, I never got to sea.

Then when I came to Congress, we had the liaison people to come and visit with us and say: "Come and visit with us, you have the privilege of visiting aboard ships." Eventually I worked my way up to a submarine. I went on the submarine and two things happened. One, that submarine had enough megatonnage to destroy the world, an awesome feeling.

Second, the submarine underwater, undetected, to protect the United States of America. I asked the commander of the submarine: "How long can you keep the sub underwater undetected"? He let me take a guess, so I said 7 years.

Well, he told me: "I can keep this submarine underwater undetected as long as I have food for my crew."

So who is running the defense of this country? Who is running the U.S. Navy? The farmers of America are running the defense of this country and those who would dismantle their programs are wrong because it is in the national interest, the national security.

We are the best fed people in the world, not that we do not have problems, but they are never the fault of the farmer.

Something else went wrong; they do not have a job; we did not help with the program; we did not distribute. Never the fault of the farmer.

So, Mr. Chairman, I commend you and your committee.

We will give the chairman the necessary savings he calls for from agriculture. We will suffer and it will hurt, but we will do it because the chairman is along the right track and we will support his budget because he has done us justice and equity. He has treated agriculture and rural America with sensitivity and compassion.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. DAUB].

Mr. DAUB. Mr. Chairman, I do not have all the time I would like, but I want to hold up this piece of currency. Some of you cannot see it, but it is a 1 million peso note, sent to me by an agricultural specialist from Texas with a letter in January of this past year. He said that this particular currency which you and I could take to the Republic of Argentina and spend, it is legal tender there right now, was worth $769,230.77 in 1962. Now, many would ask, of course, and he knew the answer, and he told me in the letter:

"Congressman, what do you think it is worth today"? He said, "$2.50."

With nearly $1 trillion deficit when this President took office, with deficits having doubled under the previous administration and now they have doubled again under this administration, with deficits approaching $2 trillion, and by 1989 those deficits could be $3 trillion, and with the interest costs, the carrying charge, not just one-ninth of our Federal budget, but approaching one-fifth of our Federal budget by 1989.

Mr. Chairman, we are in the process of debating the course of our Nation's economic future. The issue is clearly stated and the will of the American taxpayer is obvious. The question is not whether to cut spending, it is not even a question of how much to cut spending. The question before this Congress is soley the method by which to achieve the proposed spending cuts, using the Senate figures as a guideline.

During the last Presidential election, Americans were offered two simple choices. In the case of the majority party of this House, the alternative was, as always, to raise more taxes to fund more runaway spending. More of the Democratic money machine. The Republican alternative was to instead dramatically cut spending and hold the line on any new taxes. The people spoke with a united voice in a landslide victory of 49 States for President Reagan. The people who pay our salaries and turn over their hard-earned wages to fund this Government spoke out in a dramatic fashion, offering the most significant mandate in history.

Yet, even with this clear statement from the taxpayers, several of my Democratic colleagues are proposing to raise additional revenues through new taxes in lieu of making the tough spending decisions which we are obligated to make? Have these Members been asleep at the wheel the last 5 years or is it a case where they simply cannot let go of the traditional tax-and-spend mentality. Let me make it clear for the record—certain Members of the other side of the aisle and their leadership are wrong, dead wrong on this issue.

I am very much aware of the fairness questions which currently surround our tax system. As a new Member on the Ways and Means Committee, I was recently labeled as nothing short of an "evangelist" for tax reform. Indeed, I intend to actively support Chairman ROSTENKOWSKI in his effort to achieve some real reforms to our tax system during this Congress. That is the appropriate forum for dealing with the minimum tax issue, not in the context of a budget resolution.

Chairman ROSTENKOWSKI is to be praised for his leadership on this issue when the leadership on the other side of the aisle is simply out of touch. There is a question of fairness which permeates our tax system and we do need massive reforms. But to quote the gentleman from Illinois, "Only fundamental tax reform goes to the heart of the fairness issue; the minimum tax, even an expanded minimum tax, is at best a minimal response to the gross inequities in our current system."

The integrity, credibility, and accountability of this body will be questioned if it proceeds upon the path of a minimum tax in the course of this budget resolution. A minimum tax does nothing but put off the critical spending decisions which must be made. More importantly, a minimum tax within the budget process is poor precedent for tax reform and threatens to scuttle any chance for real reforms this year. In the final analysis, the American taxpayer will have to view a vote for a new minimum tax in this forum as a vote for special interests. The minimum tax proposals may at first blush appear attractive, but clearly such proposals are intended solely to avoid the tough questions to be addressed on spending and tax reform. It takes more demagoguery than political courage to raise these proposals.

Let's talk about the fairness issue, however. Recently, I shared a podium with a member of a big eight accounting firm, who had analyzed the Schumer-Russo alternative minimum tax proposal. Based upon the analysis of this firm let me share with you some results of that proposed minimum tax on individuals.

First, at a level of $100,000 in alternative minimum taxable income, the effective rate of tax for an individual taxpayer will be 83.3 percent. Add a 10- to 20-percent State tax liability and the taxpayer approaches or exceeds a 100-percent tax on income. Is this fair?

Second, at a level of $95,000 to $100,000 of alternative minimum taxable income, the marginal rate on each new dollar of income is 104.2 percent. In other words, we would be taxing the taxpayer in excess of the income earned. Is this fair?

I do have to praise authors for one thing, however; these gentlemen had the courage to put together a proposal for evaluation on its merits. These members did not try to finesse new taxes through the budget process by simply calling for new revenues with no specific direction as to what new taxes would be involved. The clear implication in the amendments offered by Mr. LEATH and Ms. OAKAR are more subtle, but no less dangerous than an up-front proposal. Indeed, these proposals are the Trojan horse of this debate—innocent in appearance and disastrous in terms of their consequences.

New taxes in this context would undoubtedly mean additional corporate minimum taxes and or an increase in excise taxes. Where do the Members think this tax money comes from and who pays for it. In the end, Joe Lunchbucket pays these taxes through higher prices for consumer goods.

Tax revenues do not grow on trees and corporations are not islands of themselves, they have to pass through their costs when corporate America is in trouble—as was the case with Boeing and Chrysler in the not so distant past—we seem to realize that these corporations are made up of people—of jobs and services to the American people. When corporate America appears healthy, we lose sight of this fact. Why, when corporate America is fighting the tough battle against competition from overseas, would we seek to add another substantial cost of doing business? What kind of economic policy is this?

The deficit problem is not the result of taxes being too low, it is the result of spending being too high. I would ask the majority leader who has taken a special interest in this issue, when is your party going to change with the times and begin to take responsible actions to find real spending and tax reforms to solve our deficit problem?

● Mr. WEISS. Mr. Chairman, I rise in support of House Concurrent Resolution 152, the first concurrent resolution on the budget for fiscal year 1986.

This is not the best of all possible budgets we can offer the American people. An alternative will be offered that would better serve the overall needs of our citizens, better ensure the security of our Nation, and better aid the growth of our economy. However, in an era of failed Presidential leadership, dangerously distorted priorities and broken promises, it is urgent that we act to preserve the programs that best serve the needs of our citizens and moderate the ill-conceived proposals of those who are intent on dismantling the progressive achievement of the last 50 years.

We have in office a President who is hellbent on destroying what is best about our American system. He has accelerated a polarization of our society into rich and poor by embracing an inequitable tax structure; he has threatened the future of our economy with massive, destabilizing military expenditures and sky-high deficits; and he has sought to convince us that the only way to deal with the impending deficit crisis is to eliminate those programs that invest in the future of our Nation and that allow for equal opportunity in our society. The President's policies are not only morally catastrophic, but they seriously endanger the future of our Nation.

The President's fiscal year 1986 budget proposal in no way departed from this heartless and irresponsible strategy. After spending more than $1 trillion on the military during his first term, the President requested an increase of 10 percent for the coming fiscal year. Overall, the President's budget asked for an outright shift of $32 billion from very essential domestic programs to the Department of Defense. Draconian budget reductions were requested in a wide range of domestic programs.

Action in the Senate somewhat moderated the President's approach. But in the end, the budget that was pushed through the Senate by its Republican majority exemplifies the same inhumane approach. The gross inequity of the Senate plan is most starkly revealed by the fact that it would allow defense spending to rise for inflation, but would freeze Social Security payments. Again and again, the burden of deficit reduction is placed on those who have already made difficult and burdensome sacrifices, even though the dificits are not of their making.

While it is far from perfect, the budget drafted in the House of Representatives is significantly more responsible than those proposed by the President or the Senate. For the first time since Ronald Reagan was elected, the House proposes to take away the gold-plated credit card with which he has engaged in a military spending spree on a scale previously unknown to this Nation. Amidst a growing recognition that tax dollars are being squandered through unnecessary spending and outright fraud and abuse, the destabilizing acquisition of more and more weapons of destruction will be reined in. This is an encouraging development.

Moreover, the President's cynical proposal, endorsed by Republicans in the Senate, to throw hundreds of thousands of our elderly citizens into poverty by eliminating their Social Security cost-of-living adjustment [COLA] has been forcefuly rejected by the House. The President's proposal to freeze the COLA was a blatant violation of his campaign promise never to tamper with Social Security, and I can think of no other instance in which he has more clearly demonstrated his contempt for the American people than in violating this solemn pledge. Also rejected are substantial spending cuts proposed by President Reagan in the Medicare Program, which would have forced the elderly to pay more in out-of-pocket expenses for desperately needed health care.

The rejection of any cuts in Social Security sends a strong message to the American people that the House of Representatives will not stand for a policy of balancing the budget on the backs of the elderly. Our elderly citizens have been asked again and again to sacrifice for the sake of reducing the national debt. But their Social Security benefits in no way contribute to that debt. On the contrary, the Social Security trust funds are expected to show substantial surpluses well into the next century.

The House has once again refused to acquiesce to drastic new cuts in programs that help low- and middle-income citizens invest in their own future, by allowing most of these programs to remain funded at the current services level. For instance, medicaid, child nutrition, subsidized housing, the Job Corps, and student financial aid will all receive full adjustments for inflation under the House plan. Further, the House resolution recognizes the severity of our Nation's most urgent health crisis, acquired immune deficiency syndrome [AIDS], by increasing funding for Federal efforts to combat this tragic epidemic.

And importantly, the House plan will reduce the monstrous Federal budget deficit by $56 billion in fiscal 1986, for a total of $259 billion in deficit reductions by fiscal 1988. These deficit reductions are much larger than those called for by the President in his initial fiscal 1986 budget request, resulting in a 1988 deficit that is $20 billion less than the President's.

The need to bring the deficit down in urgent. In the short run, ballooning deficits will encourage high interest rates and a new recession. In the long run, the economy will be crippled as more and more resources are committed to servicing the national debt, rather than to production. Moreover, the ability of the Federal Government to fulfill its obligations to the American public is also threatened by enormous deficits.

An analysis of spending priorities under the Reagan administration demonstrates conclusively that Reagan budget policies—including his massive military buildup and his tax giveaways for corporations and the wealthy—are to blame for the deficit crisis. Logic dictates that the solution to the deficit crisis should address the causes. And this means that continued drastic cuts in programs of importance to low- and middle-income Americans should not form the basis of any deficit-reduction package.

The budget resolution before us today recognizes this crucial fact. It seeks to bring deficits down without unfairly targeting those who are least able to shoulder the burden. And it calls for a halt in the rapidly escalating military expenditures that have accounted for much of our increased debt. These aspects of the plan make it worthy of our strong support.

However, it must not go unsaid that there are major flaws in the House resolution. A fully responsible alternative to the twisted priorities of the Reagan administration should involve both an equitable and simplified tax policy that forces all corporations and individuals to pay their fair share of taxes and a substantial reduction in excessive Pentagon expenditures that distort our economy and bring us closer to a confrontation with the Soviet Union.

The House budget does not in any way address the urgent need to restore to our National Treasury the tax payments that are rightly owned by individual and corporate tax dodgers who have found comfort and encouragement in the Reagan tax policy. Further, it continues to target many domestic programs that are of crucial importance to our Nation's development as a whole and that are crucial to the well-being of cities in particular. And it fails to acknowledge that halting military expenditures at their current levels must be only the first step in a program to eventually reduce military spending by substantial amounts. The simple fact of the matter is that we cannot place our Nation back on the path of long-term security and prosperity unless we drastically reorder our current budget priorities.

The deficit crisis will not be solved until the Treasury receives additional revenue. However, the inevitability of a revenue increase should in no way foreshadow new and burdensome taxes on lower and middle income taxpayers, most of whom are already shouldering a disproportionate burden under the current tax system. Rather, a program of comprehensive tax simplification and reform should be initiated that will demand the corporate and individual tax dodgers pay their fair share. The current myriad of corporate tax loopholes, exemptions, and preferences that perforate the Tax Code should be completely eliminated. Once these revenue-losing holes—many of which were devised by the Reagan administration—are plugged, the code will no longer operate as a sieve through which potential revenue drains. Instead, tax fairness will be reestablished, and the tax burden on average Americans will be significantly reduced.

The extent of the revenue drain from unpaid corporate taxes is not wholly known to many Americans. Many profitable corporations are paying zero or less in taxes. Together, losses to the Treasury as a result of the investment tax credit [ITC] and accelerated cost recovery system [ACRS], the two biggest corporate tax giveaways, will total more than $60 billion in fiscal 1986 alone. There is absolutely no reason why this "aid for dependent corporations"—or any other giveaway to corporations—should be considered out of bounds to those who are seeking to cut the deficit.

Another major failing of the House resolution is its treatment of a series of domestic programs that are truly an

investment in our Nation's future and should not be subject to further cuts. While the resolution generally subjects most domestic programs to a 1-year freeze, certain programs are subject to additional reductions beyond the freeze. Amongst the programs slated for further reductions are: Programs aimed at preserving our natural resources and protecting the environment, which will be cut by $1.85 billion over 3 years; transportation programs, including a 10-percent reduction below fiscal 1985 levels for Amtrak and a freeze on vital mass transit funding in fiscal 1986; community and regional development programs, which will be cut by 10 percent; and assistance for small businesses.

The proposed 25-percent reduction of the general revenue sharing program embodied in the House resolution is particularly misguided. As chairman of the authorizing subcommittee, I am working to assure full funding for GRS in 1986 and beyond.

In 1983, when the program was reauthorized for 3 years through September 30, 1986, President Reagan declared: "The Federal Government never spent money more wisely than by devoting it to general revenue sharing." Yet, only a year later, this program which benefits over 39,000 local governments and the people they serve is targeted for elimination.

The loss of GRS funds will deal a severe blow to thousands of local governments which are already straining from the loss of billions of dollars of Federal aid. Because GRS supports essential services, the elimination of the program will leave many local governments with limited options to respond to a revenue reduction: either cut services or raise taxes.

Revenue sharing is a program which works because it allows local governments to decide their own priorities with a minimum of red tape. For this reason, the Reagan administration supported the program's reauthorization in 1983. The needs of local governments in meeting their obligation to provide essential services have increased, not diminished.

I am hopeful that the Budget conference report will restore full funding for this vital program.

Finally, the House budget resolution is deeply flawed in its approval of 3 percent real growth in defense appropriations in both fiscal 1987 and fiscal 1988. While it is true that the halt in further growth of defense appropriations for fiscal 1986 represents somewhat of a landmark, the full resolution amounts to one step forward followed by two steps back.

The President has suggested that the resolution's levels for defense are unacceptably low. But the levels of defense spending called for in the House resolution are more than double the levels that prevailed in 1980. Even under the proposed freeze, actual outlays for defense will rise by $15 billion next year, as a result of previously appropriated—but unspent—funds in the Department of Defense budget.

The continued rapid increase of wasteful military spending at the expense of programs that serve vital human needs is a dangerous and unacceptable path for our Nation. The decision to freeze defense appropriations in fiscal 1986 should be followed in the next year and beyond with substantial reductions in spending for programs, such as the dangerously destabilizing D-5 missile and the fabulously expensive star wars system, that contribute nothing to our national security. Careful monitoring of defense outlays is also necessary, in order to reduce the waste of tax dollars by the purchase of small parts for exaggerated prices and by outright cheating by defense contractors.

In every way, the resolution before us today should be considered a first step. It is a first step toward controlling runaway military spending. It is a first step toward preserving vital human services programs. And it is a first step toward controlling the ballooning Federal deficit.

Our support for the resolution should therefore be strong, but it should also be conditional. It must be conditioned on future action by this body to substantially reduce military spending, to restore needed funding for programs that invest in the future of our people, and to put a permanent end to the deficit crisis by creating a fairer Tax Code.

It is perhaps true that substantial progress on such an agenda for the future will not be achieved under the current leadership in the executive branch, which is ideologically committed to the destruction of this century's progressive achievements. But if that is the case, we must persevere until that leadership is changed. Above all, we must not lose sight of our most important goals. The American people will be the ultimate beneficiaries of our persistent demands for full employment, economic opportunity, income security, tax fairness, and above all, peace.●

● Mr. AuCOIN. Mr. Chairman, today we'll begin working on a budget resolution to set spending targets over the next 3 years. Without a doubt, this debate will be one of the most important, and difficult, Congress will have this session.

Clearly, we can't afford to continue down the road of $200 billion annual budget deficits. For that reason, I'm supporting an across-the-board budget freeze with additional cuts.

However, where we make these cuts is as important as the bottom line on our budget ledger. While 1960's social spending is clearly not the wave of the future or the answer to all our problems, certain programs that have paid their way should be spared the budget ax. One of these is the community service block grant.

The community services block grant provides funding to States to provide essential social services such as child care, emergency shelter, and feeding programs. Over the years, I've had the opportunity to see firsthand how this program works in Oregon, and how well.

There are close to 3,000 homeless people sleeping on the streets or in dilapidated skid row housing in Portland, OR—the heart of my congressional district. Close to 50 percent of these people suffer from alcoholism. Nearly 1,400 are women and children fleeing situations of domestic violence.

According to a recent study by Multnomah County, OR, most of these individuals do not qualify for public assistance. Most are hungry—for decent food, housing, and an opportunity to work.

The State of Oregon is working to meet the needs of the homeless in innovative new ways, such as a Housing Voucher Program. Local governments are struggling to meet increased demands. Despite these efforts, there is still a gap in support services. A gap that has been partially filled thanks to the community services block grant.

The Portland Community Action Agency, which administers CSBG funds in Portland, has used this money to start a health care clinic for uninsured low-income residents. Community services block grant funds account for only 10 percent of the total operating budget of this clinic. However, these dollars have leveraged $80,000 in independent contributions and $15,000 in donated medical services and supplies.

In Yamhill County, OR, where unemployment is still far too high, CSBG funds are used to collect and distribute 150,000 pounds of salvageable food from local merchants every year.

In The Dalles, OR, where unemployment is between 16 and 19 percent, the Mid-Columbia Community Action Council is the only provider of social services in the entire community.

The community services block grant more than pays its own way in Oregon. The $2.7 million the State receives is used to leverage $50 million in services to the poor.

The Community Services Block Grant Program saves society countless dollars—not to mention the indignity of poverty—by solving economic problems before they get worse. Continued support of this program is a demonstration of prudence as well as compassion.●

● Mr. BROWN of California. Mr. Chairman, late last month, the President went on television before the

American public to express the importance of passing the administration endorsed Senate fiscal year 1986 budget compromise. He emphasized the need for Americans to make sacrifices in order to reduce the deficit. Ostensibly these sacrifices—$56 billion worth—would insure economic prosperity for all Americans. But I ask: at what cost?

Not only does the Senate budget package require older Americans to forgo cost-of-living increases in Social Security and other pension programs, but it would also increase Medicare part B premiums paid by beneficiaries from 25 to 30 percent. Other Senate reductions cut at the very heart of our economic development programs. The Senate package totally eliminates 12 programs, including revenue sharing, urban development action grants, Economic Development Administration, Work Incentive Program, rental development grants, section 312 rehabilitation housing loans, Export-Import Bank direct loans, community services block grant, and trade adjustment assistance for firms, among others. I am not convinced that this is a fair approach to reducing the deficit.

The proposal now before the House is, in my opinion, a far superior document. Not perfect by any means, but by far more compassionate, far more equitable for all Americans. It, too, reduces the deficit by $56.2 billion, but not through unnecessary sacrifices by the elderly or poor. The Social Security system, for example, is self-financed and is, in fact, at present running a substantial surplus in anticipation of greater obligations in the future. After the sacrifices we requested of Social Security beneficiaries in 1983, how can we ask further sacrifices of them now?

The House budget would also provide an increase to compensate for inflation for programs to aid low-income individuals and for means-tested entitlements. The Senate proposal, however, would generally freeze most domestic programs at the fiscal year 1985 budget authority level, or cut them below that level. We have asked these same programs to make sacrifices year after year.

The House Budget Committee understood the importance not only of reducing the deficit—a laudable goal in itself—but it also understood the importance of developing an economic philosophy beyond that of reducing the deficit. This budget maintains a solid commitment to America's future by providing adequate funding levels for education, science, and research. Without these vital components, no amount of deficit reduction will guarantee our children's economic future.

The major criticism of this budget will be the decision to freeze defense budget authority at the fiscal year 1985 level. But this is not the catastrophe some would contend. The fiscal year 1986 defense budget would still be double that of fiscal year 1980, and would still mean that an additional $15 billion in outlays will be spent next year because of previously obligated funds. In addition, this budget proposal provides for real increases above inflation of three percent in fiscal year 1987, and again in fiscal year 1988.

In fact, our national security will not be threatened by this modest interruption in the President's extraordinary peacetime defense buildup. The nearly $300 billion defense budget would be reduced by only $6 billion in fiscal year 1986 and $3.4 billion in fiscal year 1987 below the amount needed to keep up with the inflation. But by fiscal year 1988, it would not be cut at all; rather, it would be increased by $2.4 billion. When defense spending cuts are measured on the same basis as nondefense cuts, nondefense reductions outweigh defense reductions by a factor of 4 to 1 in fiscal year 1986, and by more than 12 to 1 over the next 3 years.

A long time ago, Secretary of Defense Caspar Weinberger understood the importance of balancing defense and nondefense programs. In 1972, when he was Director of the Office of Management and Budget, he said:

> The identification of a threat to security does not automatically require an expenditure in the defense budget to neutralize it. The Nation's total resources being limited, it is necessary to consider what is being given up to meet the threat. Some may feel it more important to invest money in education or health than to provide against what they consider remote contingencies in the national security field. The defense budget, in short, must be seen not only in terms of what we must defend ourselves against but what we have to defend.

This is a balanced and equitable budget proposal for which the House Budget Committee should be commended. It was more than a difficult task; it was a necessary one. The committee made some hard decisions which were necessary in order to reduce the staggering deficits. This, in turn, should allow interest rates to come down and the economy to expand in a way that will reduce the rate of unemployment, which is still far too high. But the committee also showed compassion to those Americans who suffer most in our society—the elderly and the low-income. And it commits our Nation to the future by adequately funding education, science, and research programs. In essence, this budget is a budget which may be—and should be—endorsed by each of us. Thank you.●

● Mr. YOUNG of Florida. Mr. Chairman, it's encouraging to me today to hear an increasing number of my colleagues express their concern about the Federal deficit and national debt.

Throughout my 25 years of service as a public official, I have consistently supported policies of restrained State and Federal Government spending and balanced budgets. Unfortunately, as a member of the minority party during all 25 years, not enough of my colleagues supported these policies, and as a result, we are faced with Federal deficits projected to exceed $200 billion this year and a national debt approaching $2 trillion. Many of us have warned for years that we would one day reach a day of reckoning when the Congress would be held accountable for the endless years of spending more money than it had available. We have reached that day of reckoning and now must pay the price which includes a $200 billion annual interest payment on the national debt, one of the largest components of the budget resolution we consider today.

There can be no denying that the growing Federal deficits and mounting national debt have seriously impaired our economy. Exorbitant Federal borrowing to finance the national debt has driven up the cost we must pay to borrow money to build and buy homes, cars, and businesses. It has increased the cost of credit for businessmen seeking to expand and create more jobs. And it has contributed to our Nation's record trade deficit by raising the price of American made goods, increasing demand for foreign imports and decreasing the demand on foreign markets for U.S. produced items.

There are no easy solutions to regain control and ultimately balance the Federal budget, although many of my colleagues advocate proposals to juggle the books by using Social Security trust fund surpluses to reduce the General Treasury deficit. As I have said so many times this year and in the past, the Social Security system is not the cause of our budgetary dilemma. In fact, the trust fund surplus is projected to increase to as much as $45 billion next year.

The Social Security system was established 50 years ago as an autonomous, self-supported program funded by employee and employer contributions. Unfortunately, as budgetary pressures have increased over the years, Congress has too often sought to alter the Social Security system to achieve short-term budgetary savings instead of a long-term strengthening of the system. Once again this year, some of my colleagues propose freezing or reducing Social Security cost-of-living adjustments to lower the Federal deficit. This is simply a phony issue because the Social Security trust fund surplus, no matter how large, cannot be used to fund national defense, agriculture, or education programs, build roads and bridges, or even pay the interest on the national debt. It's wrong to suggest otherwise and I will continue to oppose any attempts this year or in the future to effect false budgetary savings at the expense of our Nation's 36 million Social Security recipients.

Instead, we must first understand the cause of our mounting budget deficits before we can address the solution. The major cause for sharply rising Federal spending is the creation of countless new programs by Congress in the past without regard for how to pay for these commitments, let alone whether or not they were needed or workable. For more than a generation, a majority of the Members of Congress voted to support any program that had a good title without worrying about the cost to the American taxpayers. Over time, new programs have been created and others have expanded and become entrenched to the point where Congress finds it virtually impossible to eliminate or reduce funding.

To finance these obligations, Congress has had little recourse but to raise taxes and borrow more money. Taxes and borrowing increased so much by the end of the last decade that our Nation's economy was on the brink of disaster. Inflation, unemployment, and interest rates soared to the point that economic growth was choked off. It wasn't until the current administration set in place an economic plan to reduce taxes and cut Federal spending that our economy recovered and grew at a record pace. Our economic recovery will be short circuited, however, if we do not remain committed to achieving further budgetary reductions while resisting tax increases.

President Reagan is to be commended for his leadership in setting a national agenda that will prolong economic growth. It's ironic, however, that many of the same people who supported the programs that have contributed greatly to our budget deficits, now criticize President Reagan for those deficits. The truth of the matter is that no President can appropriate a single dollar that Congress has not first appropriated. So if anyone is looking to place blame for our almost $2 trillion debt, it is Congress that must shoulder the responsibility.

In President Reagan's case, he did not have the opportunity to start with a clean slate. He inherited a $1 trillion national debt and annual interest payments on that debt which have risen from $117 billion to $200 billion per year.

From fiscal year 1982, when President Reagan submitted his first budget, through the fiscal year 1986 budget proposal we consider today, the President has had no choice but to request and spend $778.9 billion just to pay the interest on the national debt he inherited. The truth is, that of the $932.2 billion increase in the national debt for President Reagan's five budgets, $778.9 billion, or 83.5 percent, went to pay the interest on the national debt he inherited. So to blame President Reagan for the huge increase in the national debt is a bad rap. In fact, had it not been for his determined leadership in reducing the rate of spending increase, we would be in an even worse condition than we are today.

Clearly, the responsibility as well as the solution to our budgetary problems rests with Congress. Ultimately we must make the difficult decisions to set our economic house in order or our Nation will collapse under the weight of outstanding obligations to cover the national debt. Reducing or limiting Social Security benefits is not the answer to our problem. Instead, we must look to the many programs Congress created over the years. The day of reckoning has arrived and the time is now to do something about the economic future of our great Nation.●

● Mr. JEFFORDS. Mr. Chairman, agriculture has received a good deal of attention in the last 3 years. While the budget for the commodity programs has grown considerably in that time, I want to point out that the projected cost for the commodity programs for fiscal 1986 will amount to no more than 1 percent of the entire Federal budget. Remember that these are the programs that ensure that America has enough to eat, that stabilize the largest single industry in our economy, and allow us to help those less fortunate than us around the world. I would suggest that the relatively small amount that we spend to sustain our capacity to provide food is the most effective insurance payment that we can make to assure ourselves that we, unlike so many others, shall not go hungry.

I want to examine briefly one particular commodity and discuss the contributions that it has already made to our efforts to reduce the deficit. In November 1983, the President enacted a dairy bill that had been the subject of some controversy. Its supporters had argued that the farmer funded milk diversion that the bill contained would reduce Government purchases of surplus dairy products and the outlays that must be made by the Commodity Credit Corporation. To be specific, the Agriculture Committee projected that the legislation that it was offering the House would save approximately $1 billion over the previous year's costs.

Was the committee correct? Well, Government purchases of surplus dairy products fell to only half of what they had been in the previous year. As a result, outlays for this important program were reduced by $1 billion. I might add as an aside that, if we had been as successful in reducing the costs of the many other programs which contribute so much more to the deficit, we would not be here today wringing our hands over the terrible costs that that deficit is creating.

Why do I raise this now historical point? Simply because the Agriculture Committee will, later this year, be bringing to you a comprehensive farm bill. Just as we did with the dairy bill in 1983, we shall bring you a responsible bill—one that balances the need to make reductions in the outlays for the agricultural programs with the need to ensure our capacity to produce an abundant and, therefore, affordable supply of food.

Dairy farmers pitched in to reduce the cost of the Federal budget in 1984 by $1 billion. They financed an industrywide effort to reduce milk production, an effort that succeeded. Contrary to what this rather unique accomplishment might suggest, they are not back this year trying to hold the line. They are developing another self-help plan to further reduce Government purchases and outlays. I hope that, when the Agriculture Committee brings this program to the floor for your consideration, you will recognize the success of last year's self-help diversion and endorse the benefits that such a program offers to both the Federal budget and the dairy industry.

Mr. Chairman, each year as we consider the budget resolution, there is general agreement that the issue at hand is one of critical importance. What is different this year is that I think that most of us also understand that we are faced with serious decisions that may reshape the role of the Federal Government as well as try to reduce the overwhelming deficit figures.

This watershed situation comes about in part due to the deficit, but it also is present because we are starting to look toward the 21st century and questioning what kinds of programs will best serve us then. What direction should we take? Who will these programs serve? What types of services will be needed? How do we mold programs that will encourage people to plan for their futures—their education, their children's education, their own retraining for the rapidly changing marketplace, and their retirement? Can we really anticipate what the future needs will require?

Much of what should be known in order to plan for the future is already available. We know what the demographics of the population will be. People are living longer, and we know the numbers of those already in the various age cohorts. We are aware of the increasing numbers of women in the work force. In addition, data show that 700,000 young people leave school each year, yet schooling continues to be the one factor which is highly related to earnings and productivity. Those youngsters in kindergarten today are our productive work force into the middle of the next century. The numbers of people entering the work force in the early 1990's will be less than half the number that entered in the late 1970's.

What does all of this information mean? Groups historically not well served by our schools are those who in the near future will constitute the majority of our population. There will be fewer young people entering the labor market over the next few years, making critical the need to provide a quality education and to try to retain a greater portion of our youth in school through the high school years. Finally, a smaller labor force will form the basis of the retirement income support for a much larger group of retiring workers.

As ranking Republican member on the Education and Labor Committee, I cannot ignore these data. Although I am seriously concerned about the budget deficit and its effect on our overall economy, I am also concerned about being shortsighted and short-termed in our thinking, focusing only on numbers and forgetting what lies behind them.

For example, at the same time that we are calling for budget cuts in education programs, we are proposing significant reductions to the revenue-sharing program. In addition, it is highly likely that the tax reform proposals that will be considered by the Congress will suggest repeal of the State and local tax deductions. These two actions taken together have the potential of casting a burden of approximately $40 billion back to State and local governments; about half of which will be borne by education. Looking at the whole picture as such, we are forcing State and local governments to shoulder the burden for education while at the same time making it more difficult to raise revenue. I have serious reservations about the overall effect of these proposals taken together, yet when examined alone, each proposal saves dollars toward budget reduction.

Given this perspective, I would like to focus my remarks on a few programs which come under the jurisdiction of the Education and Labor Committee. Until the final budget savings are agreed to by both the House and the Senate, it is difficult to assess their overall effect. My interest is to work toward a responsible budget package that strives to reach the required savings without doing irreparable damage to vital programs. If budget savings must be achieved, fair alternatives must be developed so that individuals served by these programs are not overlooked.

First, in the area of guaranteed student loans [GSL], it appears that Congress has the opportunity to achieve reasonable savings without harming the program or denying assistance to qualified students. Among the various suggestions and alternatives that have been discussed over the past several months a consensus appears to be developing that certain reforms may contribute to both the long-term health of the GSL Program as well as the overall economic well-being of the Nation. However, I should also add that a complex program such as GSL's does not lend itself to short-term quick fixes. For example, one proposal which was estimated to save approximately $177 million in fiscal year 1986 is the recall of Federal advance funds to State guarantee agencies. The impact in a number of States of such a provision would be devastation. In Vermont alone, $914,000 of the $1.5 million statutorily mandated reserves come from Federal advance funds. An immediate recall of this magnitude would quite simply mean that the State would have to immediately replace the lost Federal advances—an unlikely prospect. In essence such a move would terminate the GSL Program in Vermont. Certainly such an unintended consequence would be unacceptable. That is why we must avoid the short-term quick fix proposals and concentrate on true reform which has a cumulative, sustained, and realistic impact on the budget deficit without causing serious disruption in the basic programmatic services provided by the legislation.

Along these lines one basic reform that must be tackled is the definition of independent student in the determination of eligibility for a GSL. It should be noted that the administration has outlined 11 options for tightening the existing definition of financial independence. The requirements used by some States and institutions in administering their own funds are already more stringent than those used in Federal programs. The Postsecondary Education Subcommittee hearing records also reveal that, for various reasons, college officials, too, are dissatisfied with the current definition of student financial independence. Under current Federal law, financial aid applicants are deemed financially independent of their parents if they satisfy three criteria:

First, a residence criterion—may not have lived with parent or guardian for more than 6 weeks per year.

Second, an income tax deduction criterion—may not have been claimed as a dependent by parent or guardian for Federal income tax purposes.

Third, a financial support criterion—must not have received more than $750 in a year from parents or guardians.

As the college board noted in subcommittee testimony, the current definition of independent student raises at least three concerns. The first is whether the three criteria in the current definition are sufficient to determine when students and parents have severed significant economic ties. The second concern is whether the criteria used to establish financial independence can be verified. A third concern is whether the current definition gives incentives to students and their families to change from dependent to independent status in order to obtain a layer public subsidy for educational expenses.

In terms of savings to the Federal Government, I have received informal estimates from the Congressional Budget Office on four of the various proposed changes in the definition of an independent student. Although the projected savings for fiscal year 1986 are minimal—ranging from $1 to $4 million depending on the proposal—the long-term results are impressive—ranging from $30 to $80 million by fiscal year 1990 depending on the proposal. This is an example of the potential for true reform—and significant responsible action aimed at controlling government spending over the long term.

Furthermore, these estimates are based on a very conservative staff analysis by CBO which overlooks the experiences in several States which suggests that savings could be much higher. For example, OMB projects that if the definition of independent student were tightened and applied to all student aid programs, the savings could be as high as $192 million in fiscal year 1986 alone.

Other such reforms might include items such as a universal needs analysis, reduction in the special allowances paid to lenders, mandatory multiple disbursements by lenders, and reduction in the reinsurance provisions for State guarantee agencies.

Second is child nutrition programs. Children are unable to benefit from an education program if they are hungry. These programs were established to assure that children from low-income families would not go hungry during the schoolday, and therefore fall behind. Economy of scale though made it evident that the program would have to serve more than just the economically disadvantaged in order to have a sufficient base from which to operate.

Considering the Senate budget recommendations, savings may have to be achieved in this program. I am concerned that our action in this area not precipitate large scale reduction in the number of school-based nutrition programs. I believe that savings can be achieved without destroying the current structure of the School Lunch Program. Specifically, a 1-cent reduction in the section 4 cash support for the so-called paid student and a 1-cent reduction in commodity assistance are possible. Together these reductions total approximately $38 million in savings without creating the likelihood of large-scale reduction in participation in the School Lunch Program by school districts across the Nation.

An additional $200 million can be saved by requiring documentation of a family's primary source of income with the submission of application for free and reduced price school lunch benefits. This provision insures that only those children from eligible families will be served free and reduced price meals.

A final suggestion would be to freeze all reimbursement rates for all Child Nutrition Programs effective July 1, 1985, through June 30, 1986. This provision would provide approximately $160 million in savings for fiscal year 1986. These recommendations preserve the integrity of the program while striving for reasonable levels of assistance.

Various budget recommendations have been put forth in the area of employment and training programs. Many may believe that with the improved economy and fairly stable unemployment rates that this is an area that can absorb significant budget reductions. It is true that since December 1982 the economy has created 8.1 million new jobs and the unemployment rate has remained fairly level at 7.3 percent. Unfortunately, this recovery has not been evenhanded with respect to some areas of the country and with respect to youth. There are pockets of unemployment, even in States that have overall unemployment figures near the national rate, that reach 30 to 40 percent. Youth make up one-fifth of the civilian population and labor force, but account for about two-fifths of all civilian unemployment.

The suggested budget reduction of 32 percent to the Employment Services Program does not make sense. To eliminate funding to States that have worked to reduce their unemployment rates, penalizes them for achieving one of the goals of a labor exchange program. In the Job Training Partnership Act we amended the underlying statute for the Employment Services to account for relative unemployment in the distribution of funds. Those States with lower relative unemployment already receive less funding than those with greater need. The proposals put forth assume that below a certain overall State unemployment rate that there is no need for employment services, labor exchange services, and job search assistance. I do not agree with this basic premise. To assume that an effective and efficient program can be operated from one year to the next, not knowing whether or not funding will be received is unreasonable. Employment Service programs are being placed in double jeopardy by proposing to trigger their funding on a specific level of unemployment.

The youth unemployment situation poses different problems. Recommendations include reducing both the Job Corps Program and the Summer Youth Employment Program. In both instances we are working with disadvantaged youth who are at risk of dropping out of school or who are already unemployed. Specifically, with Job Corps, educational and vocational services are provided to the hardest to serve youth. Job Corps is the only residential Youth Training Program and throughout its history it has enjoyed broad-based business and labor support. Participation in Job Corps is often the last chance for these disadvantaged youth. Without the program many face joblessness, welfare dependency, or incarceration. The question that can be posed is what would the cost be to society if the Job Corps program did not exist? Proposals to reduce the budget for these programs should be carefully reviewed. For each of these programs reasonable funding levels should be assured. The youth of today are the productive, working, taxpaying citizens of our future.

The budget proposals we make should be based on clear understandings of the programs and the people they effect. Decisions on budget priorities should not be made in a vacuum, instead they should be made by viewing the budget as a whole. Every effort should be to preserve the integrity of effective programs while sharing the burden of achieving necessary budget reductions. Although none of the budget proposals before the House reduces any of the programs I have discussed dramatically, we must keep in mind constructive alternatives to maintaining effective programs as we look forward to a conference with the Senate.●

● **Mr. STARK.** Mr. Chairman, I would urge all my colleagues to support the committee's budget resolution. A document this massive by necessity has items in it each of us can find fault with, but all-in-all it is as good a package as we are likely to devise.

Compared to the Senate package, the resolution shifts funds away from the Pentagon and into the domestic sector. And I would like to take a few minutes under the Humphrey-Hawkins portion of the debate to say that additional years of disinvestment in the social side of our society really threatens to destroy the future opportunities of our children. By starving the social side of our society, we are creating future bottlenecks that will distort and stiffle our economic growth.

All too often, it seems that OMB knows the cost of everything and the value of nothing.

The House budget tries to reverse this destruction of the future of America, by restoring some investment in the greatness of our people and our resources.

The Joint Economic Committee has noted that while military and entitlement spending have grown substantially, the one category of the budget that has experienced significant cuts is the "everything else" portion of the budget, which has been slashed in real dollar terms by $25 billion between 1980 and 1985 and would be cut by an additional $34 billion in the President's February budget.

What is the everything else category? It is basically two types of programs: One keeps the Government running on a day-to-day basis: the courts, the INS, Customs, the FBI, the IRS, and so forth. The other type of program is the investment portion of the budget. It includes investment to train people, to educate people, to cure disease, and everything that includes investment in the basic tools of economic growth: highways, usable water, soil conservation. But as a percentage of total Federal spending, the investment portion of the budget has been cut almost in half. It would have declined from 21 percent of Federal outlays in 1980 to 11 percent in the President's February budget. In terms of our physical infrastructure—ports, highways, air safety—you name it—our real per capita expenditure will have declined 40 percent between 1965 and 1984. We are using up our Nation's capital base; we are, if you will, consuming the seed corn and leaving our children with a Nation of wornout facilities and rising debt.

There are endless examples of how we are neglecting our investment in the future. U.S. engineering schools produced only 60,000 of the 100,000 engineers demanded by business and industry in 1983, and many of those were foreign citizens. Japan, by contrast, produced 73,000 engineering graduates that year, yet she has only half our population. Hundreds of thousands of relatively high-skilled manufacturing jobs are being lost each year, and those workers—instead of being retrained upward—are slipping into lower paid, lower skill service jobs. The middle class is eroding because of our lack of good retraining services.

We are failing to invest in the jobless youth of our cities. The Joint Economic Committee reports that under the Job Corps Program, Treasury receives $1.45 in additional taxes paid and reduced welfare costs for each $1 invested in the program. Yet the President would have eliminated this window of opportunity. Under these figures, we should be expanding this investment in people—not debating whether to kill it. The Job Training Partnership Act is an investment in training—but serves only 4 percent of the eligible population.

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I could go on, but the point is that Federal spending on social programs is not a throwaway. It is an investment. The Senate's bill is investment poor; it sows the seeds of future shortages and wasted opportunities. The House committee's bill is far from perfect—but it slows the erosion of destruction of the future.

Finally, I would just like to note that the House budget is much more in line with what the people of my congressional district hope will be the direction of the country. In February, I sent a poll to the Ninth District, which provided a table of all the major spending and tax categories, the amount of money the President was requesting in each category, and the change in the amount from the previous year. I then asked constituents to tell me what changes they would make in the President's budget. About 3,000 people answered that really rather time-consuming, mathematical questionaire.

About 95 percent of the people of my congressional district wanted arms spending cut by $51 billion from the President's request. The House bill, by freezing new arms budget authority for 1 year, moves in that direction—particularly when compared to the Senate bull.

Social spending cuts were also supported, but not nearly in the amount or with the unanimity of the desire for cuts in arms spending. For example, the President has requested a total of $41.6 billion for all education and housing aid. The Ninth District would support, on the average, a further tightening in this area of $1.55 billion. Under the President's February budget, Social Security and Medicare outlays would rise $12 billion, to $269.4 billion. The average Ninth District response would slow that rise by $6 billion, although many letters indicated that people are on the razor's edge between really grinding old-age poverty and a decent existence. I suspect that if those who wanted large cuts in Social Security could read some of these letters from their neighbors, they would have some second thoughts.

Again, compared to the Senate bill, the House proposal moderates cuts in social spending yet does indeed continue the process of tightening up and seeking efficiencies. It is more in line with the poll results from the Ninth Congressional District.

People were also willing to consider tax increases to help reduce the deficit. They supported an average increase in personal taxes of $9 billion. Corporate tax reform was strongly supported, with the average increase in corporate taxes being $34 billion. Excises on cigarettes in particular and then on gasoline and other products were also supported, and resulted in an average increase of $14 billion. While neither the Senate nor the House committee bill provide these type of tax changes, the commitment to undertake tax reform allows us a great opportunity, by the time of the second budget resolution, to provide some combination of tax reform, rate reduction, and revenue increases through loophole elimination.

In conclusion, Mr. Chairman, I urge passage of the committee's proposal.●

● Mr. BEILENSON. Mr. Chairman, I hope that by tomorrow we will have taken the first important step this year toward addressing the Federal budget deficit by passing a budget resolution. However, I also hope that we recognize that neither the House Budget Committee resolution not any of the substitutes we are considering even come close to resolving the deficit problem. Adopting any of the budget plans before us is better than no action at all, but we should recognize that no matter what plan we approve in the next 2 days, we will still have a long, long way to go toward getting the deficit to a manageable size, to a point where a balanced budget is in sight.

There are two fundamental problems with the budget plans we are considering. First, all of the plans are based on Office of Management and Budget [OMB] economic projections, which are widely believed to be overly optimistic. If indeed this is the case, we will not have reduced the deficit nearly so much as any of the budget plans project. Moreover, because the defense baseline that is being used is unrealistically high, the defense reductions appear greater than they really are.

Second, none of the plans before us, with the exception of the Leland substitute and the Leath amendment, include a tax increase. And, the fact is, we are not going to make real progress toward eliminating the deficit until revenues are raised.

I do not fault the House Budget Committee or any of the budget substitute sponsors for using OMB economic projections, since those are the projections the executive branch and the Senate have used. There is no question that it helps to use common economic assumptions in comparing competing plans.

However, consider the OMB projections on which deficit reduction claims are being calculated: 4 percent economic growth over the next 4 years, a slow decline in the unemployment rate, inflation ranging from 3.8 to 4.4 percent, and interest rates falling from 9.5 in 1984 to 5.9 percent in 1988. The Congressional Budget Office and virtually all private economists believe that these assumptions are far too optimistic. Already we are witnessing an unexpected slowdown in the economy, which grew by only 0.7 percent in the first quarter of this year and, according to the Washington Post, the number of economists who now believe that a recession will occur sometime in 1986 is rising.

Economic projections are a critically important factor in our budget deliberations because, to the extent that actual performance of the economy falls short of the assumptions on which the budget resolution is based, the budget deficit will be higher than stated in the resolution—even if the resolution is fully adhered to. The point is that because we are basing deficit reduction projections on unrealistic economic projections, we are not being honest with ourselves or with the American people about just how much the deficit is really going to be reduced by our actions this year.

Similarly, the "rose garden" defense baseline that is being used falsely enhances deficit reduction claims. The defense baseline measures defense cuts from the large increases agreed to by the President and the Senate last year, rather than from the level of spending required to keep services at their current level—the way nondefense reductions are measured. Because the reduction in defense—and consequently, a large part of reduction in the deficit—is being measured from an inflated level, we are not cutting spending so much as it might appear.

But, most importantly, even if by some miracle we succeed in reducing the deficit as much as our resolution promises, we will still have made little progress toward bringing spending and revenues into balance because we have almost completely ignored the revenue side of the ledger. And the hard truth of the matter, which we all know, and which all the economists and political observers know, is that we are not going to reduce the deficit to an acceptable level without a big increase in taxes. In fact, we are probably never going to be able to balance the budget without at least an additional $100 to $150 billion revenues each year.

Furthermore, the longer we delay approving a tax increase, the larger the increase will have to be. The enormous budget deficits are contributing to further growth of each year's deficit because larger and larger expenditures are required to pay interest on the Federal debt which is growing as rapidly as our annual borrowing. Martin Feldstein, the President's former chief economist, has predicted that by 1989, nearly half of the income taxes people pay will be used solely to finance interest payments on the Federal debt.

As with the use of OMB economic assumptions and the Rose Garden defense baseline, I do not fault the House Budget Committee for not recommending additional revenues. Members of Congress are understandably reluctant to vote to approve a tax increase that the President has said he will veto.

But we cannot wait for the President to exercise the kind of leadership that is necessary to solve the deficit problem. If the President won't tell the American people the truth, then Congress must. And the truth is that there is no way to find more than $60 billion or $80 billion in annual program cuts that any group of fair-minded, middle-of-the-road Americans would approve. That leaves us with an annual deficit of at least $120 billion and the only way to erase that remaining deficit is by raising taxes.

Most of us believe that the deficit is the most serious problem confronting our Nation and that solving it should be Congress' highest priority. For all of our claims, and those of the Senate and the President, the deficit reduction budget resolution Congress will ultimately approve this year will do little more than chip away at the deficit. If we are to make any meaningful progress toward controlling our budget deficits, we must limit the growth of entitlement programs and defense spending more than is done in any of the budget alternatives before us—and we must raise taxes.●

● Mr. SCHAEFER. Mr. Chairman, today, as we begin debate on the budget for fiscal year 1986, we are faced with a budget that makes major changes in programs that some view as traditional functions of the Federal Government. Several of these programs, such as community development block grants, Social Security, Amtrak, and revenue sharing, are near and dear to us and our constituents. However, many of these programs were never intended to become permanent fixtures of Federal benevolence, and were started during a time when $200 billion deficits were unimaginable.

Deficits of $200 billion are now here and are threatening our Nation's economic well being. I recently read that in order to eliminate the national debt, every man, woman, and child in this country would have to contribute $7,200, and this staggering figure is growing at a rate of $1,000 per person per year. As a result, many programs must be evaluated with the knowledge that the Federal Government cannot fund every program imaginable, no matter how meritorious some of their goals may be.

Today, I invite each and every one of my colleagues to accept the challenge of sacrificing, for the benefit of future generations, some of these long protected programs. We must protect the generations that are too young to appreciate the gravity of the current deficits facing this country—generations that are too young to thank us for our forethought in deficit reduction efforts.

Two weeks ago our colleagues in the other body accepted this challenge. They can proudly claim to have made the single largest deficit reduction effort ever undertaken by either body. Now it is our turn. It is my hope that we can act with the same courage.

An editorial appearing in this week's U.S. News & World Report superbly describes the task before us. Mr. Chairman, I ask that this editorial be printed following my statement.

Thank you Mr. Chairman.

THE DEMOCRATS AT BAT

(By Mortimer B. Zuckerman)

As the Democrats get set for this week's budget vote in the House of Representatives, the count is 3 and 2—prime time for a sorry strikeout or a dramatic hit.

Politicans, pundits, the public and Paul Volcker, the Federal Reserve chairman, have come to agree that the federal deficit is the greatest obstacle to prosperity facing the United States.

The deficit is not just a single year's gap between revenues and outlays. It has come to mean deficits "as far as the eye can see." Most forecasts predict that it will remain at around 200 or 300 billion dollars a year for as many years as the projections run. This meets Oscar Wilde's test for a marvel. When he was asked to regard Niagara Falls as one of the world's geat wonders, he remarked, "It would be more wonderful if the water didn't fall, don't you think?"

During the Reagan administration, this Niagara of spending has continued to flow at a rate even faster than during the Carter years.

Today, the national debt is $7,200 per person and growing at the rate of $1,000 per person per year. Treasury borrowing will absorb an astonishing 78 percent of net private savings.

As a result of all this, today's interest rates are very high. We are attracting money from around the world, sparing the United States some of the pain of financing a large part of the government's cash needs but creating the super-dollar, with the effect of devasting our export industries and losing the United States in excess of 1½ million jobs.

It has taken a long enough time for the prospect of an economic hanging to concentrate minds, but the Senate Republicans, with the help of only one Democratic senator, have done it. They have touched the untouchables with a budget that cuts the deficit by 56 billion dollars in fiscal 1986 and 295 billion dollars over the next three years. And President Reagan has bitten the bullet. He endorsed the Senate package, though it includes a freeze on defense spending authority after inflation and breaks his election promise not to touch Social Security.

Enter, left, Democrats swearing defiance? That would have been the usual scenario. But the House Democrats seem to have absorbed the mood and message of the 1984 national election. The Democratic-controlled House Budget Committee, in a historic reversal, has come up with a 56-billion-dollar ax for the first year and about 250 billion dollars over three years.

It is true the House cuts are not the Senate cuts. The House budget contains 9.4 billion of blue-smoke-and-mirrors savings and extra revenues that are unlikely to be realized, and the legislature must be called on that. The House bill cuts more from defense, the Senate more from domestic programs. The Senate tries to contain costly benefit-entitlement programs, such as expensive cost-of-living adjustments—the House does not.

Over, all, the Senate package is better, and certainly over three years where it envisages cutting the deficit in half by 1988 to about 104 billion compared with a deficit of 124 billion in the House version. The key to the success of any budget will be the gumption not to add on a Rube Goldbergian set of extras.

The Democrats maintained in the 1984 election that the country supported them on the issues. But the electorate voted overwhelmingly for a Republican who, they trusted, would keep government spending under control whatever the status of individual programs. Raising taxes was clearly rejected.

The House package offers a certain hope and an opportunity to the Democratic Party and, carried far enough, to the country. The Democrats must face down part of their philosophical heritage as well as the special-interest groups gathered about them.

If the Democrats fail on this critical issue, they will wander in the political wilderness without a national policy.

If the Democrats succeed, we can resurrect the wisdom of Casey Stengel, who put it well: "They said it couldn't be done, but that doesn't always work."

(Mortimer B. Zuckerman is Chairman and Editor-in-Chief of U.S. News & World Report.) ●

● Mr. FORD of Michigan. Mr. Chairman, I rise in strong support of House Concurrent Resolution 152, the first budget resolution for fiscal year 1986. I want to commend Chairman GRAY and the members of the Budget Committee for reporting to the House a budget that makes significant reductions in the deficit in a fair and balanced manner. The committee budget generally freezes both military and domestic spending while protecting programs for low-income children and families and retaining the cost-of-living adjustment [COLA] for Social Security and other retirement programs.

When the President took office, the annual budget deficit for fiscal year 1981 stood at $59.6 billion. The President's program featured a $1 trillion increase in military spending over a 5-year period coupled with a tax bill that provided massive tax cuts for corporations and the wealthy but only minimal reductions for the middle class. The net result was an average annual revenue loss of over $100 billion over each of the last 3 years. In addition, profitmaking corporations such as General Electric, Du Pont, and Boeing have not paid a single penny in Federal income tax over the last 3 years. Even while economists in the White House pointed out the need for serious deficit reduction, the President continued to contend that we could grow out of the deficit. However, even though the economy has improved since 1982, most of the increase in economic growth escapes taxation and provides little revenue to the Treasury. Supply-side economics has failed miserably at deficit reduction.

In his proposals for lowering the deficit, the President has sought wholesale reductions in and elimination of domestic programs that have done little to contribute to our current deficit. The President's laundry list of cuts included programs of vital importance to my constituents such as job training for dislocated workers and student financial assistance. At the same time, the President continues to request excessive after-inflation increases in appropriations for the Pentagon. House Concurrent Resolution 152 rejects the misplaced spending priorities of the Reagan administration.

The committee budget directly addresses the deficit problem by reducing the deficit by $56.2 billion in the upcoming fiscal year—$6 billion more than the President's target—through spending cuts and without a tax increase. Over 3 years, this budget plan will reduce the deficit by a total of $259 billion. Adoption of this budget is an important first step in reducing the deficit to a more manageable level.

In marked contrast to the President's latest budget plan, House Concurrent Resolution 152 will provide a full COLA to Social Security recipients, veterans, and Federal and military retirees. The elimination of the fiscal year 1986 COLA would plunge an additional 500,000 of our Nation's elderly into poverty. The committee budget simply ensures that the President keeps the promise that he made to seniors last year that he would not make any cuts in Social Security. The Reagan administration's budget would hit seniors doubly hard by increasing Medicare premiums and copayments. Although House Concurrent Resolution 152 achieves savings of $3.45 billion in Medicare, all of these savings are to be achieved without increasing the out-of-pocket expenses of Medicare beneficiaries.

This budget freezes military budget authority for the upcoming fiscal year at the current level while allowing for an after-inflation increase in spending of 3 percent in fiscal year 1987 and fiscal year 1988. Under this budget, Pentagon spending will still be double the fiscal year 1980 level. The committee budget strikes a fair balance between military and domestic spending reductions. Unless Pentagon spending is included in a budget package, meaningful deficit reductions simply cannot be achieved.

This budget plan also generally freezes nondefense discretionary spending at the current level. This plan rejects the devastating cuts sought by the President in domestic programs such as education and job training while reducing spending below the freeze level in selected domestic programs. For example, this budget includes a 20-percent cut in SBA loans, and a 10-percent cut in CDBG, UDAG, and EDA. While these programs are scaled back to reduce the deficit, these important economic development programs are continued.

As my colleagues well know, low income children and families have already borne the brunt of the President's budget cuts. House Concurrent Resolution 152 allows for inflation adjustments in a limited number of programs that benefit the needy such as Supplemental Security Income, Medicaid, and child nutrition.

The $56 billion reduction in the deficit should ease the pressure on financial markets and result in a decline in interest rates. I am hopeful that this, in turn, will assist in picking up the lagging economy and help crucial interest sensitive industries such as auto manufacturing and housing.

As the late Hubert Humphrey once said,

> The moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life—the sick, the needy and the handicapped.

Mr. Chairman, this budget, unlike the President's plan, passes this test and simultaneously exceeds the deficit reduction goal set by the President. I urge my colleagues to support this plan.●

● Mr. RODINO. Mr. Chairman, I rise in support of the Budget Committee's resolution.

A budget is more than a fiscal document full of abstract numbers that have no impact on the lives of individual Americans. No, a budget touches many lives—it is the most tangible expression of the social compact between the Government and its citizens.

The Budget Committee's resolution fulfills this social compact—within budgetary limits—and still reduces the deficit by $56 billion. Unlike the version in the other body, this budget keeps our promise with the elderly—and keeps 600,000 old people out of poverty—by rescuing the integrity of Social Security benefits from the budget ax. Our national commitments to low-income Americans, to cities, to rural communities, to mass transit, and to small business are also maintained. And defense is kept tough, lean, and ready—with money in the pipeline for new technology, not for cost overruns or expense accounts.

Mr. Chairman, this budget preserves our national pledge of fairness, yet takes a significant bite out of the deficit. For the common good and the general welfare, I urge that we pass it.●

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The CHAIRMAN. The gentleman from Ohio [Mr. LATTA] has 2½ minutes remaining; the gentleman from Pennsylvania [Mr. GRAY] has 4 minutes remaining.

The Chair recognizes the gentleman from Ohio [Mr. LATTA] for 2½ minutes.

Mr. LATTA. Mr. Chairman, I think this has been a good debate, and as we prepare to go into the amendment stage, I think that we ought to keep in mind just a couple things.

I do not believe any of these budgets are worth the paper they are written on unless they really reconcile, mandate this Congress to take action, so I urge you to take a look at the various proposals as to what they are going to mandate this Congress to reconcile.

Let me just for your own benefit point out that the Senate-passed resolution reconciled in fiscal year 1986 $29.4 billion; 1987, $47.2 billion; and 1988, $59 billion, for a total of $135.6 billion.

I am sorry to say that none of the resolutions before us come close to the reconciliation figures of the Senate. It is one of the reasons for going to conference, to see if we cannot get together.

First of all, let me point out that the House Democrat leadership plan calls for a reconciliation of $11 billion in 1986, reconciliation in 1987 of $10.5; 1988, $10.5, for a total of $32 billion.

The House Republican leadership plan, which I will offer in the first year, is $16.4 billion; 1987, $16.9; and in 1988, $22.2, for a total of $55.5 billion.

The so-called 92 Group reconciled 8.4 in 1986, 13.3 in 1987, and 16.1 in 1988 for a total of 37.8.

So as this debate continues, and the amendments and the substitutes are offered, I would urge the Members of this Congress who are really interested in reducing the deficit to pay attention to the reconciliation figures that will be presented.

Let me also say that we have heard much about defense, and we will hear a lot more about defense during this debate. David Stockman, who is now the head of OMB, has really never been as strong an advocate as perhaps the gentleman now speaking for the defense establishment; but in analyzing the Democrats' plan, he states:

> It does not cut across the budget in a fair way, but achieves 53 percent of its savings by slicing national defense—30 percent of the Federal budget is our country's highest priority.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. LATTA] has expired.

The Chair recognizes the chairman of the committee, the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield our remaining time, 4 minutes, to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, first of all, I want to commend the chairman of the Budget Committee and the members of the Budget Committee on both sides who have worked in producing this budget resolution. Having been a member of the Budget Committee, this is not an easy task.

It is difficult; there are differences to work out and compromises to be made in trying to arrive at an acceptable budget resolution that can pass the House of Representatives and be a basis on which to go to conference and negotiate an acceptable conference report with the Senate.

I think the committee has done that job, and I commend them and commend the chariman for the job that has been done.

The challenge of the budget, the challenge of trying to deal with this huge deficit that faces this country and faces our future is the issue of our times, in conjunction with arms control.

I think there are two principal issues that face our generation: First, the ability to control and discipline an arms race; and second, the ability to control and discipline a runaway budget.

Why is the issue of the budget so important for the future? It is important because it relates to resources, and resources relate to priorities. Our ability to direct priorities and invest in the future of this country is being undermined by the deficit. The prospect is that by 1989, we face right now, if we do nothing, 43 cents out of every taxpayer's dollar going for nothing else but interest on the national debt.

We are on a collision course in this country. The collision between our ability to invest and focus on important priorities for the future of this Nation, and our ability to pay for those priorities. We are on that kind of collision course.

That is why it demands a serious effort, to try to get a handle on this deficit. We have been trying to make that effort over the last 5 years. In reconciliation alone, we have achieved $360 billion in savings in implementing reconciliation.

The fact is that we have achieved these savings in reconciliation and yet, the deficit has continued to escalate, and so it demands again another serious effort to get to get a handle on this problem.

There are four keys that you need to get a budget resolution adopted—four keys. One is that it does have to be fair, and that the poorest in our society are not asked to bear the largest sacrifice in trying to achieve savings in the budget resolution; and this budget resolution does protect the poorest of the poor; those who are unable to survive on their own.

Second, it must be balanced, involving a cross-section of those in our society. I think there are improvements that can be made. For example, I feel very strongly that revenues and greater reductions on entitlements ought to be a part of this package, and I will have that opportunity to express myself on an appropriate amendment; but the fact is that looking at the broad cross section of our society, that balance is largely achieved.

Third, it achieves significant budget savings with $56 billion in this budget resolution; but more importantly, and this is the fourth element: It is enforceable. We are not just talking about a number that is hanging out there. It is enforceable because the committee and the chairman have agreed that this is a number that can be achieved through reconciliation and through the appropriations process.

Churchill said, "If we open a quarrel between the past and the present, we shall find that we have lost the future." Hopefully, we will not engage in that constant battle of the present and the past as to who is to blame for the situation that we are in.

Hopefully, this will be an opportunity for us to join hands in this resolution, and face the challenge that has to be faced for the future, and try to get a handle on this budget, but more importantly, try to provide some hope for this country in the future.

Mr. Chairman, we are at a familiar crossroads on the Federal budget debate. For the past 4 years, we have confronted enormous Federal deficits and developed budgets to address those deficits. By and large, we have made a good-faith effort to get spending down and raise some revenues to reduce the deficit. Using the budget reconciliation process alone, we have cut some $360 billion from Federal deficits over the past 5 years.

But we have also played a "let's wait until next year" game. In 1982 and 1983, our excuse was the brutal recession; we couldn't cut Government programs and raise taxes at the depths of the recession in 1982 and in 1983 while the economy was recovering. Last year, we were held back by election year politics and did not make the tough choices.

This year, frankly, we have run out of excuses. The economy is strong; we have the election behind us. This year, with the healthy American economy, we have a once-in-a-lifetime opportunity to abandon the political posturing, if only for the one brief moment, in order to resolve the deficit crisis once and for all. We have the priceless option of setting the budget on a course that will shrink deficits, that will preserve this Nation's economic health, and allow us to get off this annual merry-go-round of budget cuts and tax increases and to do something positive and creative about the Federal Government and the long-term challenges that face the United States.

Failure to make the tough choices this spring will have extremely serious consequences for the economy; in fact, the stage will be set for economic disaster. We can bunt on the deficit question and hope for the best, or we can swing for the fences in a bold attempt to eliminate our budget deficit problems for the rest of this century.

DEFICIT CRISIS

Let me review the critical situation we are in with regard to Federal budget deficits. The Congressional Budget Office projects that deficits will climb to the $300 billion level by the end of the decade if we fail to act to reduce spending or to raise revenues. CBO also projects that the public debt will climb to $2.8 trillion by 1990 if we fail to take action on meaningful deficit reductions.

And these projections are not—I emphasize, are not—based on gloom and doom economic conditions. Here is what they are based on: Real GNP growth of 3.4 percent through the rest of this decade, inflation of 4.2 percent, unemployment falling to 6.2 percent, and interest rates on 3-month T-bills of 8.2 percent through the rest of the decade. In other words, CBO uses what by anyone's standards are very optimistic economic assumptions when it tells us that deficits will climb to $300 billion by the end of the decade.

And what if we should fall into a recession at some point during the next few years? A CBO analysis tells us that if the economy fails to grow, then we run the risk of deficits in the $400-billion range by 1990. And what would we do about those deficits? We would be in a catch-22 situation. No one is going to cut Government expenditures in a recession just when people need Federal aid, and no one is going to raise taxes in a recession for fear that an economic recovery would be undermined. We will be between a rock and a hard place and, frankly, neither the President or the Congress will do much of anything about deficits.

What makes our task so difficult this year is the general good health of the economy and the difficulty of looking into the future for economic danger signals. Almost all the major indicators are strong: Unemployment is down, inflation is moderate, and interest rates are falling. But there are danger signs: The unemployment rate has not dropped as far as we expected it to, interest rates are still high in real terms, in trade the overvalued dollar is devastating businesses that depend on exports, and the major commercial forecasters are projecting lower growth than was previously expected for this year. These forecasts are backed by yesterday's report that real GNP growth was only 0.7 percent for the first quarter of 1985. This is in contrast to CBO projections that real growth will be 3.5 percent for the year.

Furthermore, in a survey released just this Tuesday by the National Association of Business Economists, 58 percent of the economists polled believed that the United States would experience a recession in 1986. The president of the association explained that the forecast was based on the high trade deficit and the budget imbalances.

Whatever the current economic conditions, and whatever anyone is forecasting, failure to deal with the deficit this year is an enormous gamble that exposes the Nation to a number of potential threats: Continued upward pressure on already high interest rates, pressure on the Federal Reserve to increase the money supply to finance the deficit, thereby heightening the risk of greater inflation, and growing trade deficits as the deficit creates an overvalued dollar.

Large deficts also have an impact on our choices for the future of the Federal Government. New policy initiatives involving investment in education, research, and development and infrastructure will be impossible to pass because of pressure to avoid new, deficit-increasing expenditures, and there will also be pressure to cut existing, worthwhile Federal programs to reduce the deficit.

Finally, the increase in interest costs we risk if the deficit is not lowered is startling. CBO projects that interest costs will rise from $130 billion in fiscal year 1985 to $230 billion in fiscal year 1990 if no action is taken. By 1990, interest on the national debt will be equivalent to what we will be paying out in Social Security. What these staggering interest payments mean is that for the rest of this decade, we will have to cut spending or increase taxes by $20 billion a year just to offset the increase in interest payments on the public debt. That is a heavy price to pay for just treading water.

Yes; we can debate whether large deficits will lead to a ruined economy; you still find some brave souls who say they don't. What we have to ask ourselves is, how much we are willing to gamble that deficits don't and won't matter? I feel strongly that the risk of doing nothing or not enough is unacceptable and that the time to act is now.

The good economic news is not the only obstacle in our quest to reduce the budget deficit. In the Presidential campaign, President Reagan promised that we would not have to make tough choices on the budget and that economic growth would eliminate the deficit. But in the months following the election, the President has revealed that there are no easy answers when it comes to deficit reduction. His fiscal year 1986 budget recommended $50 billion in deficit reductions, including the termination of many programs, massive cuts in other programs, and even cuts in programs targeted at the poor. His budget recognized that tough choices would have to be made.

He has also retreated from his promise to reject reductions in Social Security by supporting the Senate's proposal to freeze Social Security COLA's. Finally, the President promised no tax increases. But I promise you he will end up accepting tax increases; the only question is whether it will be sooner or later.

So the current economic climate—the President's unwillingness to educate the public on the deficit crisis and to acknowledge the hard choices that have to be made create a difficult atmosphere for us to work in.

But I think we can overcome these roadblocks, focus on the advantages of acting now and making the tough choices that will solve the deficit problem. The healthy economy, the terrible economic risk of the growing deficit, and the fact that the next elections are 18 months away should give us all the incentive we need to vote for a substantial deficit reduction package here today.

WHAT SORT OF REDUCTION PACKAGE IS NEEDED?

Any budget the Congress is asked to consider must pass four key tests. It must be fair, it must propose a balanced deficit reduction plan, it must reduce deficits to acceptable levels, and it must be enforceable.

The President did not make the tough choices, he was not fair, his budget was unbalanced. It could not even pass the Republican-controlled Senate. The Senate package is only marginally better, recognizing the need to cut defense further, but cutting too deeply into domestic programs and refusing to address the need for new revenues.

The House Budget Committee did an excellent job of developing a fair and enforceable budget plan. But in my opinion, the committee did not go far enough in reducing deficits. It does not require each part of the budget—defense, entitlements, discretionary spending, and revenues—to share in the deficit reduction effort, and the Budget Committee package resolution does not go far enough in reducing Federal deficits, leaving a $124-billion deficit in fiscal year 1988.

Fortunately, we have a chance to improve the House Budget Committee's budget by voting for an amendment offered by Representatives LEATH, MACKAY, and SLATTERY. Approval of the amendment will result in the Budget Committee's resolution meeting all four of the tests I have outlined.

It is a fair budget. It adopts the House Budget Committee's decision to protect all programs targeted at low-income Americans, plus on the proposed COLA freeze it provides $1.7 billion to protect those recipients near the poverty line.

It is a balanced package. It asks for deficit reduction contributions from the key components of the Federal budget—defense, domestic discretionary spending, entitlements, and revenues.

It reduces deficits to acceptable levels—to $154 billion in fiscal year 1986, $133 billion in fiscal year 1987, and $85 billion in fiscal year 1988.

Finally, the resolution is enforceable. The levels for defense spending and for domestic discretionary programs are achievable. The reconciliation process will be used to enforce the cuts in entitlement programs, and I have faith that our committees will comply, as they have consistently over the past 5 years, with any reconciliation instructions contained in the budget resolution. Finally, I am confident that the Ways and Means Committee will be able to increase revenues by $12 billion next year without raising taxes on the individual taxpayer. This number represents a small 1.5-percent increase over current revenue levels, and is equal to the revenue increases passed by both the House and Senate and signed into law by the President in both the 1982 and 1984 tax bills.

SUMMARY

Today, this body will make a crucial decision on one of the greatest threats to our future—the Federal budget deficit. We can let past battles paralyze us, we can keep playing political games and chip away at the deficit, or we can say enough is enough and vote against gambling with the economy and for a deficit reduction plan that will make our future more promising and secure.

In the past few years, we have always pledged that next year we would do something about the budget deficit; next year we will make the tough choices. Well, next year is here and we have got to face up to our responsibilities, as painful as they might be. If we fail, and the economy falters, and the deficits rise to even greater levels, threatening irreversible economic damage, we will all be blamed, Presidents, Republicans and Democrats, Senators and Representatives—and rightly so. Our excuses about the political advantages of protecting defense spending or entitlement programs or not increasing taxes and the difficulty of making people care about the deficit while the stock market was soaring will fall on deaf ears when we have an economic recession and $400-billion deficits eating up our Nation's financial resources. Now is the time to act.

The CHAIRMAN. All time having expired on general debate, pursuant to House Resolution 177, the concurrent resolution is considered as having been read for amendment under the 5-minute rule.

The text of the concurrent resolution is as follows:

H. CON. RES. 152

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is hereby revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is hereby established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are hereby set forth:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,050,000,000.

Fiscal year 1986: $794,100,000,000.

Fiscal year 1987: $866,000,000,000.

Fiscal year 1988: $955,600,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.

Fiscal year 1986: $1,450,000,000.

Fiscal year 1987: $1,700,000,000.

Fiscal year 1988: $3,100,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,800,000,000.

Fiscal year 1986: $51,000,000,000.

Fiscal year 1987: $56,100,000,000.

Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,150,000,000.

Fiscal year 1986: $200,700,000,000.

Fiscal year 1987: $216,850,000,000.

Fiscal year 1988: $248,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,039,100,000,000.

Fiscal year 1986: $1,051,500,000,000.

Fiscal year 1987: $1,125,700,000,000.

Fiscal year 1988: $1,205,300,000,000.

(3) The appropriate levels of total new budget outlays are as follows:

Fiscal year 1985: $941,000,000,000.

Fiscal year 1986: $959,100,000,000.

Fiscal year 1987: $1,022,450,000,000.

Fiscal year 1988: $1,073,650,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $205,600,000,000.

Fiscal year 1986: $165,000,000,000.

Fiscal year 1987: $156,450,000,000.

Fiscal year 1988: $118,050,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,857,400,000,000.

Fiscal year 1986: $2,089,700,000,000.

Fiscal year 1987: $2,320,700,000,000.

Fiscal year 1988: $2,536,500,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $33,600,000,000.

Fiscal year 1986: $232,300,000,000.

Fiscal year 1987: $231,000,000,000.

Fiscal year 1988: $215,800,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $51,950,000,000.

(B) New primary loan guarantee commitments, $68,800,000,000.

(C) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $38,050,000,000.

(B) New primary loan guarantee commitments, $74,600,000,000.

(C) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1987:

(A) New direct loan obligations, $37,000,000,000.

(B) New primary loan guarantee commitments, $73,000,000,000.

(C) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $36,450,000,000.

(B) New primary loan guarantee commitments, $76,900,000,000.

(C) New secondary loan guarantee commitments, $68,250,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $291,550,000,000.

(B) Outlays, $252,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $267,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $312,700,000,000.

(B) Outlays, $285,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $335,400,000,000.

(B) Outlays, $303,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:

(A) New budget authority, $24,950,000,000.

(B) Outlays, $17,500,000,000.

(C) New direct loan obligations, $10,050,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $20,050,000,000.

(B) Outlays, $18,100,000,000.

(C) New direct loan obligations, $10,350,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $19,950,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $10,750,000,000.

(D) New primary loan guarantee commitments, $10,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $20,400,000,000.

(B) Outlays, $16,800,000,000.

(C) New direct loan obligations, $11,000,000,000.

(D) New primary loan guarantee commitments, $11,200,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $9,050,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $9,050,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, −$2,900,000,000.

(B) Outlays, $2,850,000,000.

(C) New direct loan obligations, $2,650,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $3,350,000,000.

(B) Outlays, $3,200,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $4,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $3,650,000,000.

(B) Outlays, $3,150,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $3,000,000,000.

(B) Outlays, $3,000,000,000.

(C) New direct loan obligations, $2,150,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $13,000,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $13,400,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $13,650,000,000.

(B) Outlays, $13,200,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $22,550,000,000.

(B) Outlays, $18,950,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $14,650,000,000.

(B) Outlays, $13,150,000,000.

(C) New direct loan obligations, $13,900,000,000

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $16,150,000,000.

(B) Outlays, $15,550,000,000.

(C) New direct loan obligations, $12,150,000,000.

(D) New primary loan guarantee commitments, $5,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $14,400,000,000.

(B) Outlays, $14,050,000,000.

(C) New direct loan obligations, $11,800,000,000.

(D) New primary loan guarantee commitments, $5,750,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $2,950,000,000.

(C) New direct loan obligations, $6,550,000,000.

(D) New primary loan guarantee commitments, $26,450,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1986:

(A) New budget authority, $6,150,000,000.

(B) Outlays, $2,650,000,000.

(C) New direct loan obligations, $5,900,000,000.

(D) New primary loan guarantee commitments, $27,100,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1987:

(A) New budget authority, $6,050,000,000.

(B) Outlays, $2,650,000,000.

(C) New direct loan obligations, $6,150,000,000.

(D) New primary loan guarantee commitments, $28,650,000,000,

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1988:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $2,800,000,000.

(C) New direct loan obligations, $6,650,000,000.

(D) New primary loan guarantee commitments, $30,450,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,350,000,000.

(B) Outlays, $26,200,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $28,400,000,000.

(B) Outlays, $26,450,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $30,450,000,000.

(B) Outlays, $28,950,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $31,300,000,000.

(B) Outlays, $29,500,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $7,850,000,000.

(C) New direct loan obligations, $1,750,000,000.

(D) New primary loan guarantee commitments, $150,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,750,000,000.

(B) Outlays, $7,500,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $150,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $7,250,000,000.

(B) Outlays, $7,600,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,350,000,000.

(B) Outlays, $7,350,000,000.

(C) New direct loan obligations, $1,950,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $32,650,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $1,150,000,000.

(D) New primary loan guarantee commitments, $8,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $32,050,000,000.

(B) Outlays, $31,150,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,050,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $33,000,000,000.

(B) Outlays, $32,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,350,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $33,700,000,000.

(B) Outlays, $32,950,000,000.

(C) New direct loan obligations, $1,150,000,000.

(D) New primary loan guarantee commitments, $9,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,550,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $36,100,000,000.

(B) Outlays, $35,600,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $38,600,000,000.

(B) Outlays, $38,300,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $41,150,000,000.

(B) Outlays, $40,800,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,750,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $81,950,000,000.

(B) Outlays, $68,250,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $91,550,000,000.

(B) Outlays, $75,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $95,550,000,000.

(B) Outlays, $84,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $160,500,000,000.

(B) Outlays, $129,250,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $158,250,000,000.

(B) Outlays, $121,800,000,000.

(C) New direct loan obligations, $1,850,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $167,400,000,000.

(B) Outlays, $127,850,000,000.

(C) New direct loan obligations, $2,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $175,800,000,000.

(B) Outlays, $133,900,000,000.

(C) New direct loan obligations, $1,750,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $207,200,000,000.

(B) Outlays, $200,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $224,750,000,000.

(B) Outlays, $214,050,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $264,650,000,000.

(B) Outlays, $228,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,400,000,000.

(B) Outlays, $26,500,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $27,450,000,000.

(B) Outlays, $26,800,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $17,650,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,650,000,000.

(B) Outlays, $27,350,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $18,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $28,050,000,000.

(B) Outlays, $27,800,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,650,000,000.

(B) Outlays, $6,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $7,150,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $5,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $5,450.000,000.

(B) Outlays, $5,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,650,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $1,950,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $2,100,000,000.

(B) Outlays, $2,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,950,000,000.

(B) Outlays, $129,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $140,950,000,000.

(B) Outlays, $140,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $150,950,000,000.

(B) Outlays, $150,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $153,850,000,000.

(B) Outlays, $153,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$4,900,000,000.

(B) Outlays, −$4,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$4,600,000,000.

(B) Outlays, −$4,250,000,000.

(C) New direct loan obligations, −$700,000,000.

(D) New primary loan guarantee commitments, −$1,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$3,450,000,000.

(B) Outlays, −$3,150,000,000.

(C) New direct loan obligations, −$1,300,000,000.

(D) New primary loan guarantee commitments, −$1,800,000,000.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,350,000,000.

(B) Outlays, −$32,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$39,750,000,000.

(B) Outlays, −$39,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$36,550,000,000.

(B) Outlays, −$36,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$39,750,000,000.

(B) Outlays, −$39,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

UNIFIED AND OFF-BUDGET TOTALS

SEC. 2. (a) The following budgetary levels reflecting both the unified budget and off-budget transactions are appropriate for the fiscal years beginning on October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1986: $794,100,000,000.

Fiscal year 1987: $866,000,000,000.

Fiscal year 1988: $955,600,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1986: $1,450,000,000.

Fiscal year 1987: $1,700,000,000.

Fiscal year 1988: $3,100,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1986: $51,000,000,000.

Fiscal year 1987: $56,100,000,000.

Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1986: $200,700,000,000.

Fiscal year 1987: $216,850,000,000.

Fiscal year 1988: $248,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1986: $1,062,900,000,000.

Fiscal year 1987: $1,134,300,000,000.

Fiscal year 1988: $1,212,800,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1986: $967,250,000,000.

Fiscal year 1987: $1,028,500,000,000.

Fiscal year 1988: $1,080,000,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1986: $173,150,000,000.

Fiscal year 1987: $162,500,000,000.

Fiscal year 1988: $124,400,000,000.

(b) The appropriate levels of budget authority and budget outlays for fiscal years 1986 through 1988 reflecting both the unified budget and off-budget transactions for each major functional category are:

(1) National Defense (050):

Fiscal year 1986:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $267,100,000,000.

Fiscal year 1987:

(A) New budget authority, $312,700,000,000.

(B) Outlays, $285,200,000,000.

Fiscal year 1988:

(A) New budget authority, $335,400,000,000.

(B) Outlays, $303,900,000,000.

(2) International Affairs (150):

Fiscal year 1986:

(A) New budget authority, $21,750,000,000.

(B) Outlays, $18,600,000,000.

Fiscal year 1987:

(A) New budget authority, $20,550,000,000.

(B) Outlays, $16,900,000,000.

Fiscal year 1988:

(A) New budget authority, $20,600,000,000.

(B) Outlays, $16,200,000,000.

(3) General Science, Space and Technology (250):

Fiscal year 1986:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,900,000,000.

Fiscal year 1987:

(A) New budget authority, $9,050,000,000.

(B) Outlays, $8,900,000,000.

Fiscal year 1988:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,950,000,000.

(4) Energy (270):

Fiscal year 1986:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $5,750,000,000.

Fiscal year 1987:

(A) New budget authority, $6,050,000,000.

(B) Outlays, $5,350,000,000.

Fiscal year 1988:

(A) New budget authority, $5,150,000,000.

(B) Outlays, $4,650,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1986:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $13,000,000,000.

Fiscal year 1987:

(A) New budget authority, $13,400,000,000.

(B) Outlays, $12,800,000,000.

Fiscal year 1988:

(A) New budget authority, $13,850,000,000.

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

Fiscal year 1986:

(A) New budget authority, $18,550,000,000.

(B) Outlays, $15,800,000,000.

Fiscal year 1987:

(A) New budget authority, $17,950,000,000.

(B) Outlays, $16,950,000,000.

Fiscal year 1988:

(A) New budget authority, $15,700,000,000.

(B) Outlays, $15,000,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1986:

(A) New budget authority, $8,850,000,000.

(B) Outlays, $4,600,000,000.

Fiscal year 1987:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $5,000,000,000.

Fiscal year 1988:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $6,700,000,000.

(8) Transportation (400):

Fiscal year 1986:

(A) New budget authority, $28,400,000,000.

(B) Outlays, $26,450,000,000.

Fiscal year 1987:

(A) New budget authority, $30,450,000,000.

(B) Outlays, $28,950,000,000.

Fiscal year 1988:

(A) New budget authority, $31,300,000,000.

(B) Outlays, $29,500,000,000.

(9) Community and Regional Development (450):

Fiscal year 1986:

(A) New budget authority, $7,550,000,000.

(B) Outlays, $8,150,000,000.

Fiscal year 1987:

(A) New budget authority, $7,800,000,000.

(B) Outlays, $8,050,000,000.

Fiscal year 1988:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $7,950,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1986:

(A) New budget authority, $32,050,000,000.

(B) Outlays, $31,150,000,000.

Fiscal year 1987:

(A) New budget authority, $33,000,000,000.

(B) Outlays, $32,100,000,000.

Fiscal year 1988:

(A) New budget authority $33,700,000,000.

(B) Outlays, $32,950,000,000.

(11) Health (550):

Fiscal year 1986:

(A) New budget authority, $36,100,000,000.

(B) Outlays, $35,600,000,000.

Fiscal year 1987:

(A) New budget authority, $38,600,000,000.

(B) Outlays, $38,300,000,000.

Fiscal year 1988:

(A) New budget authority, $41,150,000,000.

(B) Outlays, $40,800,000,000.

(12) Medical Insurance (570):

Fiscal year 1986:

(A) New budget authority, $81,950,000,000.

(B) Outlays, $68,250,000,000.

Fiscal year 1987:

(A) New budget authority, $91,550,000,000.

(B) Outlays $75,550,000,000.

Fiscal year 1988:

(A) New budget authority, $95,550,000,000.

(B) Outlays, $84,600,000,000.

(13) Income Security (600):

Fiscal year 1986:

(A) New budget authority, $158,250,000,000.

(B) Outlays, $121,750,000,000.

Fiscal year 1987:

(A) New budget authority, $167,400,000,000.

(B) Outlays, $127,800,000,000.

Fiscal year 1988:

(A) New budget authority, $175,800,000,000.

(B) Outlays, $133,850,000,000.

(14) Social Security (650):

Fiscal year 1986:

(A) New budget authority, $207,200,000,000.

(B) Outlays, $200,800,000,000.

Fiscal year 1987:

(A) New budget authority, $224,750,000,000.

(B) Outlays, $214,050,000,000.

Fiscal year 1988:

(A) New budget authority, $264,650,000,000.

(B) Outlays, $228,300,000,000.

(15) Veterans Benefits and Services (700):

Fiscal year 1986:

(A) New budget authority, $27,450,000,000.

(B) Outlays, $26,800,000,000.

Fiscal year 1987:

(A) New budget authority, $27,650,000,000.

(B) Outlays, $27,250,000,000.

Fiscal year 1988:

(A) New budget authority, $28,050,000,000.

(B) Outlays, $27,800,000,000.

(16) Administration of Justice (750):

Fiscal year 1986:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

Fiscal year 1987:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $7,000,000,000.

Fiscal year 1988:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $7,150,000,000.

(17) General Government (800):

Fiscal year 1986:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,300,000,000.

Fiscal year 1987:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,200,000,000.

Fiscal year 1988:

(A) New budget authority, $5,450,000,000.

(B) Outlays, $5,450,000,000.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1986:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,650,000,000.

Fiscal year 1987:

(A) New budget authority, $1,950,000,000.

(B) Outlays, $2,900,000,000.

Fiscal year 1988:

(A) New budget authority, $2,100,000,000.

(B) Outlays, $2,100,000,000.

(19) Net Interest (900):

Fiscal year 1986:

(A) New budget authority, $140,950,000,000.

(B) Outlays, $140,950,000,000.

Fiscal year 1987:

(A) New budget authority, $150,950,000,000.

(B) Outlays, $150,950,000,000.

Fiscal year 1988:

(A) New budget authority, $153,850,000,000.

(B) Outlays, $153,850,000,000.

(20) Allowances (920):

Fiscal year 1986:

(A) New budget authority, −$4,900,000,000.

(B) Outlays, −$4,400,000,000.

Fiscal year 1987:

(A) New budget authority, −$4,600,000,000.

(B) Outlays, −$4,250,000,000.

Fiscal year 1988:

(A) New budget authority, −$3,450,000,000.

(B) Outlays, −$3,150,000,000.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1986:

(A) New budget authority, −$39,750,000,000.

(B) Outlays, −$39,750,000,000.

Fiscal year 1987:

(A) New budget authority, −$36,550,000,000.

(B) Outlays, −$36,550,000,000.

Fiscal year 1988:

(A) New budget authority, −$39,750,000,000.

(B) Outlays, −$39,750,000,000.

RECONCILIATION

SEC. 3. (a) Not later than 30 calendar days after final action on this resolution, the House committees named in subsection (b) through (k) of this section shall submit their recommendations to the House Budget Committee. After receiving those recommendations, the Committee on the Budget shall report to the House a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

(b) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $1,000,000,000 and outlays by $1,000,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,800,000,000 in budget authority and $1,800,000,000 in outlays in fiscal year 1987; and requires decreases of $4,100,000,000 in budget authority and $4,100,000,000 in outlays in fiscal year 1988.

(c) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce outlays by $300,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of outlays by $300,000,000 in fiscal year 1987; and requires decreases of outlays by $300,000,000 in fiscal year 1988.

(d) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce outlays by $3,423,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in further years requires decreases of outlays by $4,277,000,000 in fiscal year 1987; and requires decreases of outlays by $5,145,000,000 in fiscal year 1988.

(e) The House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $1,712,000,000 and outlays by $926,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $5,387,000,000 in budget authority and $4,100,000,000 in outlays in fiscal year 1987; and requires decreases of $5,639,000,000 in budget authority and $5,457,000,000 in outlays in fiscal year 1988.

(f) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $4,000,000,000 and outlays by $4,000,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires increases of $1,504,000,000 in budget authority and $1,504,000,000 in outlays in fiscal year 1987; and requires increases of $1,029,000,000 in budget authority and $1,029,000,000 in outlays in fiscal year 1988.

(g) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $50,000,000 and outlays by $50,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $50,000,000 in budget authority and $50,000,000 in outlays in fiscal year 1987; and requires decreases of $50,000,000 in budget authority and $50,000,000 in outlays in fiscal year 1988.

(h) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $145,000,000 and outlays by $445,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $145,000,000 in budget authority and $145,000,000 in outlays in fiscal year 1987; and requires decreases of $154,000,000 in budget authority and $154,000,000 in outlays in fiscal year 1988.

(i) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee sufficient to reduce outlays by $100,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $500,000,000 in outlays in fiscal year 1987; and requires decreases of $600,000,000 in outlays in fiscal year 1988.

(j) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1987; and requires decreases of budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1988.

(k) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $473,000,000 and outlays by $4,196,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $493,000,000 in budget authority and $5,070,000,000 in outlays in fiscal year 1987; and requires decreases of $513,000,000 in budget authority and $5,958,000,000 in outlays in fiscal year 1988.

AUTOMATIC SECOND BUDGET RESOLUTION

Sec. 4. (a) Effective October 1, 1985, this concurrent resolution shall be deemed to be the concurrent resolution on the budget for the 1986 fiscal year required to be reported under section 310(a) of the Congressional Budget Act of 1974, for the purposes of the prohibition contained in section 311 of such Act.

(b) Section 311(a) of the Congressional Budget Act of 1974, as made applicable by subsection (a) of this section, shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would not cause the appropriate allocation for such committee of new discretionary budget authority or new spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 made pursuant to section 302(a) of such Act for fiscal year 1986 to be exceeded.

(c)(1) If any legislation is enacted which would cause budget authority and outlays for "off-budget" spending programs to be included in the unified budget, and to be included in the budget totals for budget authority and outlays, the budget authority and outlays for such programs shall not be included in determining whether legislation violates section 311(a) of the Congressional Budget Act of 1974 as made effective by subsections (a) and (b).

(2) This subsection shall only apply to legislation providing for the inclusion in the unified budget authority and outlays associated with such programs (and the amount of budget authority and outlays associated with such programs) designated in the accompanying report.

(d) The provisions of this section shall cease to apply when Congress completes action on a subsequent concurrent resolution on the budget for fiscal year 1986 pursuant to section 304 or 310 of the Congressional Budget Act of 1974.

WIC FUNDING

Sec. 5. It is the sense of the Congress that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agency Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

INTERNATIONAL MONETARY CONFERENCE

Sec. 6. It is the sense of the Congress that the Administration should call for the convening of an international monetary conference this year with the express purpose of exploring options to stabilize currency exchange rates, reduce interest rates, promote maximum domestic and world economic growth, and help assure domestic price stability.

TAX REFORM

Sec. 7. (a) The House of Representatives finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalties;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the House of Representatives that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives—

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

LIMITATION ON BENEFITS TO ALIENS

Sec. 8. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of Social Security benefits paid to illegal and nonresident aliens. It is assumed that the Ways and Means Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of the wage-earner's contribution plus interest, unless the wage earner is a citizen of a country with which the United States has a treaty or totalization agreement. This provision would apply to individuals becoming eligible on or after January 1, 1986.

COMMITTEE REVIEW OF THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

Sec. 9. It is the sense of the House of Representatives that—

(1) each of its standing committees should review and study, on a continuing basis, those portions of the President's Private Sector Survey on Cost Control affecting subjects within its jurisdiction;

(2) each of its standing committees should, in its consideration of any bill or joint resolution of a public character within its jurisdiction, review those portions of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution; and

(3) each report of any such committee on a bill or joint resolution of a public character should contain—

(A) an identification of each recommendation of the President's Private Sector Survey on Cost Control implemented in such bill or resolution and the estimated dollar amount of program cost savings or revenue enhancement as a result of the implementation of each such recommendation; and

(B) a statement setting forth each recommendation of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution, the disposition of each such recommendation, and the reasons for such disposition.7

The CHAIRMAN. No amendments are in order except the following amendments, which shall be considered only in the following order, shall not be subject to amendment, shall be considered as having been read, shall be in order even if a previous amendment in the nature of a substitute has been adopted, and shall be debatable as specified in House Resolution 177:

The amendment in the nature of a substitute printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Dannemeyer;

The amendment in the nature of a substitute printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Pursell;

The amendment in the nature of a substitute printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Leland;

An amendment in the nature of a substitute printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Latta.

After disposition of these substitutes, it shall be in order to consider the following amendments to the concurrent resolution, as amended, which shall be considered only in the following order, shall not be subject to amendment, shall be considered as having been read, shall be in order even if previous amendments to the same portion of the concurrent resolution have been adopted, and shall be debatable as specified in House Resolution 177:

An amendment printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Leath; and

An amendment printed in the Congressional Record of May 21, 1985, by, and if offered by, Representative Oakar.

It shall also be in order to consider the amendment or amendments provided in section 305(a)(6) of the Congressional Budget Act of 1974 necessary to achieve mathematical consistency.

The Chair now recognizes the gentleman from California [Mr. Dannemeyer].

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AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Chairman, pursuant to the rule, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. Dannemeyer: Strike everything after the resolving clause and insert in lieu thereof the following:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986 and October 1, 1987.

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,200,000,000.
Fiscal year 1986: $793,000,000,000.
Fiscal year 1987: $865,600,000,000.
Fiscal year 1988: $953,900,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $300,000,000.
Fiscal year 1987: $1,300,000,000.
Fiscal year 1988: $1,400,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,055,300,000,000.
Fiscal year 1986: $1,050,900,000,000.
Fiscal year 1987: $1,117,400,000,000.
Fiscal year 1988: $1,194,900,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $949,800,000,000.
Fiscal year 1986: $961,300,000,000.
Fiscal year 1987: $1,001,900,000,000.
Fiscal year 1988: $1,051,400,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $213,400,000,000.
Fiscal year 1986: $168,200,000,000.
Fiscal year 1987: $136,300,000,000.
Fiscal year 1988: $97,600,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,849,300,000,000.
Fiscal year 1986: $2,086,500,000,000.
Fiscal year 1987: $2,312,700,000,000.
Fiscal year 1988: $2,525,200,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $25,500,000,000.
Fiscal year 1986: $237,200,000,000.
Fiscal year 1987: $226,200,000,000.
Fiscal year 1988: $212,600,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987 are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $51,700,000,000.

(B) New primary loan guarantee commitments, $68,400,000,000.

(C) New secondary loan guarantee commitments, $53,500,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $22,300,000,000.

(B) New primary loan guarantee commitments, $74,600,000,000.

(C) New secondary loan guarantee commitments, $51,100,000,000.

Fiscal year 1987:

(A) New direct loan obligations, $20,400,000,000.

(B) New primary loan guarantee commitments, $76,100,000,000.

(C) New secondary loan guarantee commitments, $51,800,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $17,500,000,000.

(B) New primary loan guarantee commitments, $81,700,000,000.

(C) New secondary loan guarantee commitments, $52,100,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $252,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $302,500,000,000.

(B) Outlays, $273,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $325,400,000,000.

(B) Outlays, $294,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $349,900,000,000.

(B) Outlays, $316,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (15):

Fiscal year 1985:

(A) New budget authority, $24,900,000,000.

(B) Outlays, $18,100,000,000.

(C) New direct loan obligations, $11,100,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $17,900,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $6,600,000,000.

(D) New primary loan guarantee commitments, $12,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $17,800,000,000.

(B) Outlays, $14,600,000,000.

(C) New direct loan obligations, $6,800,000,000.

(D) New primary loan guarantee commitments, $12,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $18,100,000,000.

(B) Outlays, $13,900,000,000.

(C) New direct loan obligations, $6,700,000,000.

(D) New primary loan guarantee commitments, $12,200,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $8,800,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $8,900,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $8,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, $1,900,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,500,000,000.

(B) Outlays, $5,500,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $4,700,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $4,100,000,000.

(B) Outlays, $3,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $11,000,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitment, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $11,100,000,000.

(B) Outlays, $11,000,000,000.

(C) New direct loan obligation, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $11,300,000,000.

(B) Outlays, $11,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $21,000,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $18,800,000,000.

(B) Outlays, $16,100,000,000.

(C) New direct loan obligations, $8,900,000,000.

(D) New primary loan guarantee commitments, $8,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $17,400,000,000.

(B) Outlays, $16,300,000,000.

(C) New direct loan obligations, $8,200,000,000.

(D) New primary loan guarantee commitments, $8,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $5,800,000,000.

(D) New primary loan guarantee commitments, $8,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $5,600,000,000.

(C) New direct loan obligations, $6,500,000,000.

(D) New primary loan guarantee commitments, $27,000,000,000.

(E) New secondary loan guarantee commitments, $53,500,000,000.

Fiscal year 1986:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $2,600,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $30,700,000,000.

(E) New secondary loan guarantee commitments, $51,100,000,000.

Fiscal year 1987:

(A) New budget authority, $4,000,000,000.

(B) Outlays, $100,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $30,800,000,000.

(E) New secondary loan guarantee commitments, $51,800,000,000.

Fiscal year 1988:

(A) New budget authority, $4,400,000,000.

(B) Outlays, $2,100,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $32,900,000,000.

(E) New secondary loan guarantee commitments, $52,100,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,300,000,000.

(B) Outlays, $26,000,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $25,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $22,800,000,000.

(B) Outlays, $24,300,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $23,800,000,000.

(B) Outlays, $29,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $8,400,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,300,000,000.

(B) Outlays, $7,800,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,400,000,000.

(B) Outlays, $7,400,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $31,600,000,000.

(B) Outlays, $30,200,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $7,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,400,000,000.

(B) Outlays, $29,100,000,000.

(C) New direct loan obligations, $900,000,000.

(D) New primary loan guarantee commitments, $7,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $28,400,000,000.

(B) Outlays, $27,700,000,000.

(C) New direct loan obligations, $900,000,000.

(D) New primary loan guarantee commitments, $7,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $28,700,000,000.

(B) Outlays, $28,000,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $7,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,600,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $34,200,000,000.

(B) Outlays, $34,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $35,800,000,000.

(B) Outlays, $35,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $37,500,000,000.

(B) Outlays, $37,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1985:

(A) New budget authority, $71,800,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $81,600,000,000.

(B) Outlays, $68,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $91,000,000,000.

(B) Outlays, $76,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $95,000,000,000.

(B) Outlays, $85,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $163,100,000,000.

(B) Outlays, $128,800,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $156,300,000,000.

(B) Outlays, $119,100,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $168,500,000,000.

(B) Outlays, $123,200,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $175,400,000,000.

(B) Outlays, $128,600,000,000.

(C) New direct loan obligations, $600,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social security (650):

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $207,300,000,000.

(B) Outlays, $197,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $225,300,000,000.

(B) Outlays, $206,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $265,900,000,000.

(B) Outlays, $216,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,300,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $26,800,000,000.

(B) Outlays, $26,400,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $15,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,000,000,000.

(B) Outlays, $26,700,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $17,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,400,000,000.

(B) Outlays, $27,200,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $20,100,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $8,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,700,000,000.

(B) Outlays, $5,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $5,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $5,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $6,200,000,000.

(B) Outlays, $6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $1,600,000,000.

(B) Outlays, $2,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $1,700,000,000.

(B) Outlays, $1,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $1,700,000,000.

(B) Outlays, $1,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,700,000,000.

(B) Outlays, $129,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $140,300,000,000.

(B) Outlays, $140,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $149,600,000,000.

(B) Outlays, $149,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $151,000,000,000.

(B) Outlays, $151,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$2,400,000,000.

(B) Outlays, −$800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$1,700,000,000.

(B) Outlays, −$500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$500,000,000.

(B) Outlays, $400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,400,000,000.

(B) Outlays, −$32,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$35,100,000,000.

(B) Outlays, −$35,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$38,200,000,000.

(B) Outlays, −$38,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$41,500,000,000.

(B) Outlays, −$41,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the House committees named in subsections (b) through (q)(1) of this section shall submit their recommendations to the House Budget Committee. After receiving these recommendations, the Committee on the Budget shall report to the House a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

(b) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $4,200,000,000 and outlays by $4,200,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $9,500,000,000 and outlays by $9,500,000,000 in fiscal year 1987; and requires decreases of budget authority by $12,000,000,000 and outlays by $12,000,000,000 in fiscal year 1988.

(c) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $500,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $900,000,000 in fiscal year 1987; and requires decreases of budget authority by $0 and outlays by $1,100,000,000 in fiscal year 1988.

(d) The House Committee on Banking, Finance, and Urban Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $3,000,000,000 and outlays by $1,800,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $3,700,000,000 and outlays by $2,500,000,000 in fiscal year 1987; and requires decreases of budget authority by $4,800,000,000 and outlays by $2,800,000,000 in fiscal year 1988.

(e) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 410(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $1,500,000,000 and outlays by $1,500,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years

requires decreases of budget authority by $2,500,000,000 and outlays by $2,500,000,000 in fiscal year 1987; and requires decreases of budget authority by $2,700,000,000 in fiscal year 1988.

(f) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $3,500,000,000 and outlays by $3,500,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $4,900,000,000 and outlays by $4,900,000,000 in fiscal year 1987; and requires decreases of budget authority by $6,000,000,000 and outlays by $6,000,000,000 in fiscal year 1988.

(g) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $200,000,000 and outlays by $100,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $300,000,000 and outlays by $100,000,000 in fiscal year 1987; and requires decreases of budget authority by $300,000,000 and outlays by $100,000,000 in fiscal year 1988.

(h) The House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $2,300,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $4,700,000,000 in fiscal year 1987; and requires decreases of budget authority by $0 and outlays by $5,000,000,000 in fiscal year 1988.

(i) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1987; and requires decreases of budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1988.

(j) The House Committee on the Judiciary shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $0 in fiscal year 1987 and requires decreases of budget authority by $0 and outlays by $0 in fiscal year 1988.

(k) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $900,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $900,000,000 in fiscal year 1987; and requires decreases of budget authority by $0 and outlays by $1,000,000,000 in fiscal year 1988.

(l) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $1,200,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $3,200,000,000 in fiscal year 1987; and requires decreases of budget authority by $0 and outlays by $3,100,000,000 in fiscal year 1988.

(m) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $400,000,000 and outlays by $400,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $400,000,000 and outlays by $400,000,000 in fiscal year 1987; and requires decreases of budget authority by $500,000,000 and outlays by $500,000,000 in fiscal year 1988.

(n) The House Committee on Science and Technology shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $0 and outlays by $0 in fiscal year 1987; and requires decreases of budget authority by $0 and outlays by $0 in fiscal year 1988.

(o) The House Committee on Small Business shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $200,000,000 and outlays by $200,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $800,000,000 and outlays by $800,000,000 in fiscal year 1987; and requires decreases of budget authority by $1,200,000,000 and outlays by $1,200,000,000 in fiscal year 1988.

(p) The House Committee on Veterans Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $200,000,000 and outlays by $200,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $600,000,000 and outlays by $600,000,000 in fiscal year 1987; and requires decreases of budget authority by $900,000,000 and outlays by $900,000,000 in fiscal year 1988.

(q) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section (401)(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $2,300,000,000 and outlays by $5,500,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $4,000,000,000 and outlays by $9,200,000,000 in fiscal year 1987; and requires decreases of budget authority by $5,600,000,000 and outlays by $11,400,000,000 in fiscal year 1988.

(r) The Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $1,900,000,000 in budget authority and $1,800,000,000 in outlays, to reduce spending for the fiscal year 1987 by $5,000,000,000 in budget authority and $5,900,000,000 in outlays, and to reduce spending for fiscal year 1988 by $4,200,000,000 in budget authority and $7,600,000,000 in outlays;

(s) The Senate Committee on Armed Services shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $0 in budget authority and $500,000,000 in outlays, to reduce spending for the fiscal year 1987 by $0 in budget authority and $900,000,000 in outlays, and to reduce spending for fiscal year 1988 by $0 in budget authority and $1,100,000,000 in outlays;

(t) The Senate Committee on Banking, Housing, and Urban Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $3,000,000,000 in budget authority and $1,800,000,000 in outlays, to reduce spending for the fiscal year 1987 by $3,700,000,000 in budget authority and $2,500,000,000 in outlays, and to reduce spending for the fiscal year 1988 by $4,800,000,000 in budget authority and $2,800,000,000 in outlays;

(u) The Senate Committee on Commerce, Science, and Transportation shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $2,300,000,000 in budget authority and $2,300,000,000 in outlays, to reduce spending for fiscal year 1987 by $2,600,000,000 in budget authority and $2,600,000,000 in outlays, and to reduce spending for the fiscal year 1988 by $2,800,000,000 in budget authority and $2,800,000,000 in outlays.

(v) The Senate Committee on Energy and Natural Resources shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $2,100,000,000 in budget authority and $2,100,000,000 in outlays, to reduce spending for the fiscal year 1987 by $2,200,000,000 in budget authority and $2,200,000,000 in outlays, and to reduce spending for fiscal year 1988 by $2,200,000,000 in budget authority and 2,200,000,000 in outlays;

(w) The Senate Committee on Environment and Public Works shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $0 in budget authority and $0 in outlays, to reduce spending for the fiscal year 1987 by $0 in budget authority and $0 in outlays, and to reduce spending in the fiscal year 1988 by $0 in budget authority and $0 in outlays;

(x) The Senate Committee on Finance shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $2,300,000,000 in budget authority and $8,700,000,000 in outlays, to reduce spending for the fiscal year 1987 by $4,000,000,000 in budget authority and $15,600,000,000 in outlays, and to reduce spending for fiscal year 1988 by $5,600,000,000 in budget authority and $19,500,000,000 in outlays;

(y) The Senate Committee on Foreign Relations shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $200,000,000 in budget authority and $100,000,000 in outlays, to reduce spending for the fiscal year 1987 by $300,000,000 in budget authority and $100,000,000 in outlays, and to reduce spending for the fiscal year 1988 by $300,000,000 in budget authority and $100,000,000 in outlays;

(z) The Senate Committee on Governmental Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $0 in budget authority and $1,200,000,000 in outlays, to reduce spending for the fiscal year 1987 by $0 in budget authority and $3,200,000,000 in outlays, and to reduce spending for fiscal year 1988 by $0 in budget authority and $3,100,000,000 in outlays;

(aa) The Senate Committee on the Judiciary shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $0 in budget authority and $0 in outlays, to reduce spending for the fiscal year 1987 by $0 in budget authority and $0 in outlays, and to reduce spending for the fiscal year 1988 by $0 in budget authority and $0 in outlays;

(bb) The Senate Committee on Labor and Human Resources shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $1,300,000,000 in budget authority and $1,300,000,000 in outlays to reduce spending for the fiscal year 1987 by $2,400,000,000 in budget authority and $2,400,000,000 in outlays, and to reduce spending for fiscal year 1988 by $2,500,000,000 in budget authority and $2,500,000,000 in outlays;

(cc) The Senate Committee on Small Business shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $200,000,000 in budget authority and $200,000,000 outlays, to reduce spending for the fiscal year 1987 by $800,000,000 in budget authority and $800,000,000 in outlays, and to reduce spending for fiscal year 1988 by $1,200,000,000 in budget authority and $1,200,000,000 in outlays;

(dd) The Senate Committee on Veterans' Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1986 by $200,000,000 in budget authority and $200,000,000 in outlays, to reduce spending for the fiscal year 1987 by $600,000,000 in budget authority and

* * * * *

The CHAIRMAN. Pursuant to House Resolution 177, the amendment in the nature of a substitute is considered as having been read.

The gentleman from California [Mr. DANNEMEYER] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I would like to begin my presentation on behalf of this budget by quoting one of our forefathers, who said:

> A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largesse from the public treasury. From that moment on, the majority always votes for the candidates promising the most benefits from the public treasury, with the result that a democracy always collapses over loose fiscal policy, always followed by a dictatorship.
>
> The average age of the world's greatest civilizations has been two hundred years. These nations have progressed through this sequence: From bondage to spiritual faith; from spiritual faith to great courage; from courage to liberty; from liberty to abundance; from abundance to complacency; from complacency to apathy; from apathy to dependence; from dependence back again into bondage.

Those words were penned by Prof. Alexander Tytler over 200 years ago when we were still a British Colony.

This is my seventh year here in the House. It is a unique experience because this is the first time in my service in this body that the issue is not whether we are to cut but how much and where. I think the taxpayers and future generations of this country should take comfort in that because perhaps the words of Professor Tytler will not necessarily come true, at least in this decade, if we have the courage to follow through on some of the budget resolutions that are now pending before the body.

The budget resolution that this Member presents to the House today sets a figure for defense that is consistent with what the Senate budget resolution adopted; namely, outlays of $273 billion in fiscal year 1986. That is an identical figure. That happens to be the highest of the figures for defense outlays for fiscal year 1986 of any of the alternatives.

I agree with our President that that figure should be higher, but out of a sense of compromise I have reduced it to this level because I believe it presents a grounds for reasonable compromise.

I might point out to my colleagues that the budget that I am privileged to present to the House today was produced by the Republican Study Committee which began working on this last year, spent many hours of work in its preparation, many Members were involved in working and putting it together, and we believe that it is the best alternative of those that are offered to the House today.

One consideration that we hear time and again is that we are spending too much on defense. The budget document that we all received from OMB shows one thing clearly. If you compare spending over the last 20 years and then adjust spending in constant 1972 dollars, you find that in fiscal year 1985 defense spending is up to 26 percent over what we spent 20 years ago and social program spending is up 325 percent.

I will repeat that: Social program spending in the last 20 years is up 325 percent, defense spending is up 26 percent.

We are in this fiscal mess not because we are spending too much on defense but because we are spending too much on social programs. The alternative that is being presented to the House today produces the lowest deficit for 1986 of any that is presented, which is $168 billion after being implemented. I wish it were lower than that, but that is the total we have come up with and the figure that we will live with.

The total budget deficit reduction over 3 years totals $313 billion. That is the highest budget deficit reduction of any of the plans except for the Black Caucus. Theirs is $343 billion, but I think they get there through the medium of taking the meat ax to defense spending.

The rationale for how this Republican Study Committee budget gets to the lowest deficit reduction for 1986 is that we have identified 78 programs totaling some $28 billion in specific reductions that are the work product of OMB, CBO, SBC, which is the Senate Budget Committee, the Grace Commission, and the Heritage Foundation.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to my friend.

The CHAIRMAN. The time of the gentleman from California [Mr. DANNEMEYER] has expired.

Mr. DANNEMEYER. Can the gentleman give me some additional time?

Mr. GRAY of Pennsylvania. I yield an additional 2 minutes to the gentleman from California.

Mr. DANNEMEYER. I thank my friend.

The CHAIRMAN. The Chair will inform the gentleman from Pennsylvania that the gentleman at the microphone has his own time.

Mr. DANNEMEYER. If I understood, Mr. GRAY has given me 2 minutes of his time.

Mr. GRAY of Pennsylvania. Mr. Chairman, the gentleman asked me if I would yield additional time, and that is why I yielded. I know it is his time. The gentleman asked for additional time.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAY] has not yet been recognized as being opposed to the amendment.

Is the gentleman opposed to the amendment?

Mr. GRAY of Pennsylvania. Yes, I am opposed to the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAY] is recognized for 30 minutes and yields 2 minutes to the gentleman from California [Mr. DANNEMEYER].

Mr. DELLUMS. Mr. Chairman, will the gentleman yield to me?

Mr. DANNEMEYER. I yield to my friend, the gentleman from California.

Mr. DELLUMS. I thank my colleague for yielding. I certainly did not want to interrupt the flow of my colleague's presentation before the body. But I simply wanted to take objection to the gentleman's statement that the Congressional Black Caucus took a meat ax to the military budget. What I want to say to my colleague was that we dealt with the military budget in a very thoughtful and rational and coherent fashion, that we developed our military budget on the basis of policy considerations that we will enumerate in very specific detail at the time the Department of Defense budget comes to the floor of the House because we have obtained a rule that will allow us to offer that military budget as an amendment in the nature of a substitute at the appropriate time.

So this gentleman simply wanted to take objection to the gentleman's loose characterization that we took a meat ax to the budget. We took our brains to the budget and we took our spirit to the budget, and we came to a rational conclusion that this country could live with a much lower military budget if we perceive peace as our ultimate objective and not waging war in the world and taking the world away from the brink of themonuclear war and not moving us across the abyss of thermonuclear war.

So we did not take a meat ax. As I said, we were very calculative and we were very thoughtful, and I think we have presented a productive budget that did not take some meat ax with some percentage cut across the board. We tried to grapple with the great policy considerations of our time. The great tragedy of this body is that we tend to look at the military budget not within the framework of broad policy but weapon system by weapon system, which I think is a flawed way to view the budget. I simply wanted to take objection to the gentleman's characterization.

Mr. DANNEMEYER. I thank my colleague for his observation. One man's scalpel is another man's meat axe. The Black Caucus has the lowest figure for defense of all of the alternatives, $261 billion, and when you consider that we are spending $252 billion this year, that increase of only $9 billion in this humble Member's opinion, sir, is the inflation of a meat axe. You can call it what you like.

Mr. DELLUMS. If the gentleman will yield briefly to me, if the gentleman did not study the Congressional Black Caucus budget, if the gentleman is not aware of the assumptions upon which we based the budget, then I am saying that the gentleman is very callous in making that kind of characterization. Now, if you had studied our budget and you came to that conclusion, then, fine, you state what you want to state. But if you did not read it, I think that is gross irresponsibility.

Mr. CHAIRMAN. The time of the gentleman from California [Mr. DANNEMEYER] has expired.

Mr. DANNEMEYER. Mr. Chairman, I yield myself an additional 2 minutes.

Mr. Chairman, I would hope that today, rather than go through the trauma of identifying specific spending reductions, which is very difficult for a lot of us, that we could, as a part of this budget process, deal with the economic assumptions that are basic to anything that we are doing. In other words, each of the budget alternatives, of course, must conform to the basic economic assumptions that the CBO has provided, and they are for 1986 GNP growth of 4 percent. We hope it will be that.

I might add, for my colleagues' interest, that if the GNP is 1 percent higher than what we have postulated over the next 3 years, and interest rates are 1 percent lower, we would reduce the deficit that is projected for the 3rd year by some $85 billion; in other words, by raising GNP by 1 percent, lowering interest rates by 1 percent from what is projected, the budget would be essentially in balance at the expiration of 3 years with this plan. Indeed, those changes in economic assumptions would redound to the benefit of any of the plans. Sooner rather than later I think the body should begin to talk about understanding what happens when we deal with the third largest item in the budget; namely, interest expense and what it would take in the way of a policy change to reduce interest expense currently estimated to be about $150 billion in 1986. That is to remove the inflation premium from the lending rate, and the way I think we can do that is once again give this country honest money, restoring the historic relationship between the dollar and gold.

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If we have the courage to take that step, we can reduce the cost of servicing the national debt by about 7 points on a trillion and a half dollars which is the outstanding debt, or it comes to about $100 billion. That is the policy step we should be talking about today.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise as the chairman of the Budget Committee and representing the Budget Committee's resolution in opposition to the substitute. During the process of the substitutes that will all be coming forth this evening and tomorrow, my position will be primarily to explain what is in each one of those substitutes, and thus, as chairman of the Budget Committee, remain in control of the time.

I would just like to point out to the Members of the House on both sides of the aisle that the Dannemeyer substitute has a 2-percent cut in the cost-of-living adjustment for 3 years; no offset is provided for the poorest and the needy who will be severely affected.

Also in defense, the defense level is inflation for 1986, and in the outyears, 1987 and 1988, 3 percent real growth. I would also point out that the substitute of Mr. DANNEMEYER assumes the elimination of the following programs:

Food for Peace (title I); Exim direct loans; AID population planning; SPRO; synfuels and other nonnuclear commercial energy development; public land acquisition; FmHA; rural housing; SBA business and disaster loans; UDAG's; EPA; ARC; Community Service Block Grant; National Endowments for the Arts and Humanities; Job Corps; WIN; health professions training; trade adjustment assistance; Legal Services; general revenue sharing; and the Davis-Bacon Act.

The substitute also includes major user fees, including inland waterways; deep draft; NOAA; recreation; grazing; Coast Guard; and general aviation.

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield to the gentleman.

Mr. BREAUX. I thank the chairman for yielding. I thank the chairman for many other things also, and for his good work and guidance and leadership on the budget.

May I ask the chairman of the Budget Committee a question? It is my understanding that the budget package before us contains no instructions regarding changes in the Sport Fish Restoration and Boating Enhancement Fund—commonly known as the Wallop-Breaux fund—passed in 1984. Is that correct?

Mr. GRAY of Pennsylvania. Yes, that is correct.

Mr. BREAUX. My question arises because the administration's fiscal year 1986 budget proposal called for a repeal of the automatic and permanent appropriation provisions which now apply to this user-fee-funded program and for a reduction in the level of funding for fiscal year 1986. The administration proposals on Wallop-Breaux were specifically rejected by the Senate in its budget resolution. Are we giving any support to this poorly conceived administration initiative?

Mr. GRAY. No, the budget resolution before us neither directs nor recommends any changes to the automatic and permanent appropriations provisions of this trust fund and to the funding available. It thus provides for the use of these boating and fishing user fees for boating and fishing enhancement purposes.

Mr. BREAUX. I thank the chairman for this clarification and for the commitment he shares with so many others in the Congress to treat America's boaters and fishermen fairly. They agreed to the special fees and taxes covered by this fund to assure adequate funding for boating and fishing programs, and we need to keep faith with these fine people.

I would also like to thank the 159 cosponsors of House Resolution 165, which calls on the administration to honor its commitment to America's 150 million boaters and fishermen.

Mr. DANNEMEYER. Mr. Chairman, I yield 6 minutes to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the Dannemeyer substitute to the House Budget Committee recommendation that is before us. I would like to point out that as we debate these various budget alternatives today and tomorrow, there is not a single one of them that actually balances the budget.

Currently before this Congress there are somewhere in the neighborhood of 30 to 40 balanced budget amendments, and the number of cosponsors to these various budget amendments total well over 218. Yet, there is not one budget before us that actually has a balanced budget for fiscal year 1986.

The year that we are in, fiscal year 1985, will mark the 17th consecutive year that this country has run a budget deficit. This is a record. The previous record was 16 years beginning in the Great Depression and ending in 1946. I call your attention to table 24 in the budget document presented to this Congress by the President in January of this year.

This year will mark the 26th year out of the last 27 that we have run a budget deficit; the last year that we had a surplus was 1969. I would also like to point out that spending is getting worse instead of better. In fiscal year 1976, approximately 67 percent of the Federal budget was listed as uncontrollable. The estimate for fiscal year 1986 is that 76.6 percent, or almost 77 percent, of the Federal budget is now listed as uncontrollable. Table 18 of the President's budget document confirms this unfortunate fact.

TABLE 18.—CONTROLLABILITY OF BUDGET OUTLAYS, 1976–86

[In billions of dollars]

	Actual										Estimate	
	1976	TQ	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals:												
Social security and railroad retirement	74.7	20.4	86.0	94.5	105.0	120.0	141.2	157.8	171.8	179.3	192.0	203.4
Federal employees' retirement and insurance	21.2	5.7	24.0	26.7	29.9	34.7	40.5	44.8	47.3	49.0	49.9	54.1
Unemployment assistance	18.5	3.3	14.2	10.8	9.7	16.8	18.2	22.1	29.7	16.9	15.4	14.8
Medical care	25.1	6.7	30.1	34.3	39.9	47.2	57.2	65.5	73.5	79.9	91.9	96.8
Assistance to students	5.7	.8	3.8	3.9	3.7	3.9	4.7	5.1	4.4	4.8	4.9	4.6
Food and nutrition assistance	1.9	.4	2.8	2.7	3.0	3.5	3.5	3.0	3.3	3.6	3.9	4.1
Public assistance and related programs	14.0	3.5	15.0	15.8	15.5	17.5	19.3	19.5	20.9	21.0	21.9	22.4
All other relatively uncontrollable payments for individuals	1.9	.4	1.9	1.9	2.6	3.0	3.0	2.9	2.9	2.9	2.9	2.9
Subtotal, payments for individuals	162.9	41.2	177.9	190.6	209.5	246.6	287.6	320.1	353.8	357.4	382.7	403.1
Net interest	26.7	6.9	29.9	35.4	42.6	52.5	68.7	85.0	89.8	111.1	130.4	142.9
General revenue sharing	6.2	1.6	6.8	6.8	6.8	6.8	5.1	4.6	4.6	4.6	4.6	4.6
Farm price supports (CCC)	1.1	.5	3.8	5.7	3.6	2.8	4.0	11.7	18.9	7.3	15.0	12.3
Other open-ended programs and fixed coss	−.3	−.2	−2.0	−.5	−2.6	2.0	2.3	−1.4	−2.3	−1.6	−3.6	−4.0
Total, open-ended programs and fixed costs	196.6	50.0	216.4	238.1	259.9	310.7	367.8	419.9	464.8	478.8	529.1	558.9
Outlays from prior-year contracts and ovligations:[1]												
National defense	17.9	7.7	18.5	28.2	30.9	36.5	41.4	56.9	68.3	79.5	91.3	109.2
Civilian programs	35.8	13.4	40.3	48.7	54.4	66.7	67.2	64.5	60.4	65.8	75.7	78.0
Total, outlays from prior-year contracts and obligations	53.7	21.1	58.8	76.9	85.3	103.2	108.6	121.5	128.7	145.3	167.0	187.1
Total, relatively uncontrollable outlays	250.3	71.1	275.2	314.9	345.3	413.8	476.4	541.4	593.5	624.1	696.1	746.1
Relatively controllable outlays:												
National defense	53.8	8.9	56.9	55.9	61.9	67.6	90.5	120.8	149.6	147.8	162.4	176.3
Civilian programs	72.1	17.1	80.9	91.0	98.0	111.0	108.2	86.0	76.4	95.2	115.1	78.8
(Administrative expenses of relatively uncontrollable payments for individuals)	(3.9)	(1.0)	(4.3)	(4.6)	(4.9)	(5.2)	(6.0)	(6.6)	(7.2)	(7.3)	(7.9)	(8.1)
(Other)	(68.2)	(16.1)	(76.7)	(86.4)	(93.2)	(105.8)	(102.2)	(79.4)	(69.2)	(87.9)	(107.2)	(70.7)
Total, relatively controllable outlays[2]	125.9	26.0	137.8	146.9	159.9	178.7	198.7	206.8	226.0	243.0	277.5	255.1
Off-budget under current law[3]	7.3	1.8	8.7	10.4	12.5	14.2	21.0	17.3	12.4	10.0	12.5	1.5
Undistributed employer share, employee retirement[4]	−11.7	−2.9	−12.5	−13.5	−14.2	−15.8	−17.9	−19.9	−23.5	−25.3	−27.0	−29.0
Total budget outlays	371.8	96.0	401.2	458.7	503.5	490.0	678.2	745.7	808.3	851.8	959.1	973.7
Memorandum—Percent of total outlays												
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals	43.8	43.0	43.5	41.6	41.6	41.7	42.4	42.9	43.8	42.0	39.9	41.4
Other	9.1	9.1	9.4	10.3	10.0	10.8	11.8	13.4	13.7	14.2	15.3	16.0
Total open-ended programs and fixed costs	52.9	52.1	52.9	51.9	51.6	52.6	54.2	56.3	57.5	56.2	55.2	57.4
Outlays from prior-year contracts and obligations	14.4	21.9	14.4	16.8	17.0	17.5	16.0	16.3	15.9	17.1	17.4	19.2
Total relatively uncontrollable outlays	67.3	74.0	67.2	68.7	68.6	70.0	70.2	72.6	73.4	73.3	72.6	76.6
Relatively controllable outlays	33.9	27.1	33.7	32.0	31.8	30.2	29.3	27.7	28.0	28.5	28.9	26.2
Off-budget under current law[3]	2.0	1.9	2.1	2.3	2.5	2.4	3.1	2.3	1.5	1.2	1.3	0.2
Undistributed employer share, employee retirement[4]	−3.2	−3.0	−3.1	−2.9	−2.8	−2.7	−2.6	−2.7	−2.9	−3.0	−2.8	−3.0
Total budget outlays	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Excluding prior year contracts and obligations for activities shown as "open-ended programs and fixed costs."

[2] In addition to amounts provided under current law, includes the effect of proposed legislation as follows: for open-ended programs and fixed costs, −$0.2 billion in 1985 and −$12.2 billion in 1986 (all of which is for civilian programs); and for other relatively controllable programs, $1.0 billion in 1985 and −$1.3 billion in 1986 (of which $0.6 billion in 1985 and $0.2 billion in 1986 is for national defense and $0.4 billion in 1985 and −$1.5 billion in 1986 is for civilian programs).

[3] Proposed to be included on-budget. These amounts are not identified by the controllability classification.

[4] Includes −$0.7 billion in 1986 from proposed legislation.

TABLE 24.—BUDGET RECEIPTS AND OUTLAYS, 1789–1990[1]

[In million of dollars]

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (—)
1789–1849	1,160	1,090	+70
1850–1900	14,462	15,453	—991
1901–1905	2,797	2,678	+119
1906–1910	3,143	3,196	—52
1911–1915	3,517	3,568	—49
1916–1920	17,286	40,195	—22,909
1921–1925	20,962	17,323	+3,639
1926	3,795	2,930	+865
1927	4,013	2,857	+1,155
1928	3,900	2,961	+939
1929	3,862	3,127	+734
1930	4,058	3,320	+738
1931	3,116	3,577	—462
1932	1,924	4,659	—2,735
1933	1,997	4,598	—2,602
1934	3,015	6,645	—3,630
1935	3,706	6,497	—2,791
1936	3,997	8,422	—4,425
1937	4,956	7,733	—2,777
1938	5,588	6,765	—1,177
1939	4,979	8,841	—3,862
1940	6,548	9,468	—2,920
1941	8,712	13,653	—4,941
1942	14,634	35,137	—20,503
1943	24,001	78,555	—54,554
1944	43,747	91,304	—47,557
1945	45,159	92,712	—47,553
1946	39,296	55,232	—15,936
1947	38,514	34,496	+4,018
1948	41,560	29,764	+11,796
1949	39,415	38,835	+580
1950	39,443	42,562	—3,119
1951	51,616	45,514	+6,102
1952	66,167	67,686	—1,519
1953	69,608	76,101	—6,493
1954	69,701	70,855	—1,154
1955	65,451	68,444	—2,993
1956	74,587	70,640	+3,947
1957	79,990	76,578	+3,412
1958	79,636	82,405	—2,769
1959	79,249	92,098	—12,849
1960	92,492	92,245	+247
1961	94,388	97,723	—3,335
1962	99,676	106,821	—7,146
1963	106,560	111,316	—4,756
1964	112,613	118,528	—5,915
1965	116,817	118,228	—1,411
1966	130,835	134,532	—3,698
1967	148,822	157,464	—8,643
1968	152,973	178,134	—25,161
1969	186,882	183,640	+3,242
1970	192,812	195,649	—2,837
1971	187,139	210,172	—23,033
1972	207,309	230,681	—23,373
1973	230,799	245,707	—14,908
1974	263,224	269,359	—6,135
1975	279,090	332,332	—53,242
1976	298,060	371,779	—73,719
TQ	81,232	95,973	—14,741
1977	355,559	409,203	—53,644
1978	399,740	458,729	—58,989
1979	463,302	503,464	—40,161
1980	517,112	590,920	—73,808
1981	599,272	678,209	—78,936
1982	617,766	745,706	—127,940
1983	600,562	808,327	—207,764
1984	666,457	851,781	—185,324
1985 est	736,859	959,085	—222,226
1986 est	793,729	973,725	—179,996
1987 est	861,676	1,026,625	—164,949
1988 est	950,376	1,094,761	—144,385
1989 est	1,029,934	1,137,390	—107,456
1990 est	1,107,673	1,190,030	—82,357

Data for 1789–1939 are for the administrative budget: data for 1940 and all following years are for the unified budget.

In calendar year 1976, the Federal fiscal year was converted from a July 1–June 30 basis to an Oct. 1–Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976.

[1] Includes outlays (and deficits) that are off-budget under current law and proposed to be included on-budget. These transactions began in 1973.

MEMORANDUM: COMPONENTS OF THE BUDGET

Fiscal year	Off-budget under current law	On-budget under current law	
	Outlays	Outlays	Surplus or deficit (—)
1973	60	245,647	—14,849
1974	1,447	267,912	—4,688
1975	8,088	324,245	—45,154
1976	7,307	364,473	—66,412
TQ	1,785	94,187	—12,956
1977	8,700	400,504	—44,945
1978	10,359	448,370	—48,630
1979	12,467	490,997	—27,694

MEMORANDUM: COMPONENTS OF THE BUDGET—Continued

Fiscal year	Off-budget under current law	On-budget under current law	
	Outlays	Outlays	Surplus or deficit (—)
1980	14,245	576,675	—59,563
1981	21,005	657,204	—57,932
1982	17,331	728,375	—110,609
1983	12,357	795,969	—195,407
1984	9,966	841,815	—175,358
1985 est	12,459	946,626	209,767
1986 est	1,501	972,224	178,495
1987 est	—3,240	1,029,865	—168,189
1988 est	—4,334	1,099,095	—148,719
1989 est	5,307	1,142,698	—112,764
1990 est	6,764	1,196,795	—89,122

At some point in time this Congress is going to have to bite the bullet; it is going to have to begin to make some difficult choices about where our spending priorities are. The Dannemeyer substitute is the only budget alternative that actually begins to make some of those difficult choices.

Over the 3-year period beginning in fiscal year 1986 and going through fiscal year 1988, the Dannemeyer substitute has a total budget savings of $313 billion. This is almost $58 billion more than the House Budget Committee proposal that is before this body. Fifty-eight billion dollars is a significant additional increase in savings.

How are these saving derived; where do they come from? First, I would like to point out that the Dannemeyer substitute does allow a COLA increase for Social Security. It is a 2-percent COLA increase this cost-of-living increase, in light of the fact that we are looking at $200 billion deficits is, I think, a fair compromise, between those that want no COLA and those who want an unlimited COLA.

The Dannemeyer substitute also allows defense to increase for inflation this year, with 3-percent real increase in fiscal years 1987 and 1988.

What does the Dannemeyer substitute eliminater? The chairman of the Budget Committee, the Honorable Congressman GRAY of Pennsylvania, stated that the Dannemeyer substitute does terminate some programs. It is my impression that he thought these program eliminations were a negative aspect of the Dannemeyer proposal. I think these program eliminations are a positive step the right direction. We must terminate some programs if we are ever to get our budget in balance.

We have spent too much, too long, for too many without making decisions to raise the necessary revenues, for all the various programs. It is now time that we begin to eliminate some of these programs. The Dannemeyer alternative reduces funding for the United Nations, it stops funding for the strategic petroleum reserve, it imposes a moratorium on acquisition of additional public lands, it terminates the Small Business Administration, it phases out UDAG grants, it terminates the Economic Development Agency, it terminates the NEA, the National Education Agency, and it terminates the Job Corps.

It terminates Legal Services; it phases out general revenue sharing grants. These are all programs that are good programs, and in times of budget surplus, the should be funded. However, we are not in a budget surplus situation, we do not have the money to fund them at the Federal level, and we should, therefore, not be continuing these programs.

The Dannemeyer budget also contains several beneficial reforms. It includes a provision that welfare recipients participate in some sort of a work fare program. This is a good idea. It modifies Davis-Bacon; it modifies the personnel and property management procedures of the U.S. Government.

In summary, the Dannemeyer budget is a combination of ideas and proposals that have been approved and suggested by such groups as the Heritage Foundation, the Grace Commission, and the Office of Management and Budget. It saves more money than all of the proposals except for the Congressional Black Caucus, which obtains the majority of its savings by deeply cutting defense. Dannemeyer makes some tough decisions; it does have some modifications and some reforms that are desperately needed in the Federal Government. We should vote for Dannemeyer today and then next year, go further and try to get a balance budget amendment before this Congress. We could then begin to make the even tougher decisions that are going to have to be made in order to get our budget under control.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FROST].

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Mr. FROST. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to the Dannemeyer budget. There is no question that Mr. DANNEMEYER has been sincere in his efforts to draft a budget. This is one of a number of budgets that he has presented to Congress in succeeding years.

This budget, however, is extreme as presented before us. It really does not attempt to make reductions in the way either the way the House Budget Committee made them or the way the Senate Budget Committee made them, and we need only look at a few examples.

Take, for example, the General Revenue Sharing Program, a program that the House committee would cut by 25 percent this year. The Senate, on the other hand, would fund it at full funding for this year, and then eliminate it in the following year, to at least give local governments, cities and

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counties, an opportunity to adjust to either the cut or the reduction in its program.

You need also look only at things like the Small Business Administration. This budget would totally eliminate the Small Business Administration at a time when small business, is, in fact, under great pressure.

It would eliminate a number of other programs. But perhaps the most difficult part of the Dannemeyer budget is the 2-percent COLA reduction for cost of living for all retirees. This, in fact, if carried out over a 3-year period, would be worse than a 1-year freeze and, in fact, would force 650,000 Americans, most of them elderly, into poverty over the next 3 years.

Again, there is no challenge to Mr. Dannemeyer's sincerity to his effort to reduce the deficit. However, the approach that he has taken simply is too extreme, is simply too sharp, and would not work, would be unfair, and is much sharper than even that considered by the other body.

Mr. DANNEMEYER. Mr. Chairman, I yield 6 minutes to the gentleman from Pennsylvania [Mr. Walker].

Mr. WALKER. I thank the gentleman for yielding this time to me.

Mr. Chairman, it is an interesting contention to suggest that the Dannemeyer budget is extreme. The question here is whether or not we need to take some extreme measures to deal with an extreme problem.

We have heard an awful lot on the floor in recent months about the size of the deficit. Now, do we really mean all of that talk? Do we really want to do something about deficits, or do we not? That is not to say that I agree with every item in this budget. Mr. Dannemeyer has come up with some things in his budget that I do not agree with, but the fact is that the one thing that he does is that he gets serious about reducing spending, and that is what we really need to do around here.

Of all of the budgets with which we are going to be presented, Mr. Dannemeyer reconciles more of his spending cuts than anybody else. What does that mean? That means that you are going to force the committees of this Congress to actually do what we say we are going to do in this budget.

If you take a look at the House Budget Committee proposal, the one that we have heard a majority of people so far say that they are going to support, they only reconcile $11 billion out of their $56 billion in cuts. What does that say? That says that there is about $45 billion that is not reconciled. What that means is that we probably will not get them.

Under the Dannemeyer budget, at least 22.4 percent, or twice what the House reconciles, is going to get reconciled under the Dannemeyer budget. In other words, we are going to get some real savings.

So the people who call this extreme are the people who are saying we really do not want to save the money. Here is a chance to save some real money.

There are a lot of people around the country who believe very thoroughly that the Grace Commission has come up with some reforms that need to be taken in the Federal Government in order to save us some money. Here is the budget that has the Grace Commission savings in it. Many, many of the ideas that the Grace Commission came up with in terms of saving money are what are included in the Dannemeyer budget. So if you really do believe that we have to have efficiency and effectiveness in Government, fine, here is the budget that you want to support.

We have heard some complaints already in this debate about the fact that Mr. Dannemeyer terminates some programs. There are a couple of terminations in there that I have a problem with. I happen to be a firm supporter of general revenue sharing. There are a number of programs around here that Members can talk about that they are great supporters of. But the fact is that terminations lead to real savings; that if you are not willing to terminate anything, if what you do is cut back a little bit in all these programs, you are not going to get any savings.

The Dannemeyer budget at least is honest, at least goes through and is honest in its presentation and says we have got to wipe out some of these programs in order to save the money; that flim-flamming the American people by saying we are taking 10 percent off here and 10 percent off there, they know what our record has been on that. We say that in the budget and then we come back with supplemental appropriations later on that overspend our own budgets. As I pointed out here earlier today, we have overspent our own budgets in this place over the last 5 years by $150 billion. We have done that by promising savings and then not living up to them.

That is what the Dannemeyer budget gets around. It says you have to reconcile this. It says that you have to terminate some programs. It says you have to save some real money. That is the reason why I am supporting it. As I say, there are some things in this budget that give me heartburn. They are in practically all the budgets that we have around here. I do not know any of them that do not have some things in them that I do not like, and I assume every Member of Congress can say the same thing.

But the question becomes whether or not you are serious about doing something on the deficit, or whether or not this is just another act of gamesmanship where we try to convince the American people that the budget deficits are a serious problem that we are going to face up to and that we are treating them seriously, when, in fact, we know we are not.

Here is a serious budget proposal that attempts to deal with the budget deficit problem in a serious way. I think Mr. Dannemeyer should be roundly congratulated for having brought forth a budget that at least puts us on line one way or the other.

Mr. Chairman, I would like to, if I could, ask the gentleman about one item in his budget with regard to the Social Security increases that he has. The gentleman does increase Social Security in his budget.

Would the gentleman's proposal not allow for something that the House refused to even consider along the lines of the Stangeland amendment that would being the process of allowing lower income people to get a little bit more money while we take it away from some of the people in the higher income groups? Would that not be possible under the approach that the gentleman has here?

Mr. DANNEMEYER. That would be dependent upon the action of the Policy Committee, but it certainly would be permitted within the framework of this budget because this budget does permit Social Security COLA's to grow by 2 percent over the next 3 years.

Mr. WALKER. So under the gentleman's proposal, we could actually end up with a program, providing we got the Policy Committees to agree, where your 2-percent increase would actually give the proverty level people more money than they would get under the 4-percent COLA's that are included in some of the other proposals around here; is that not right?

Mr. DANNEMEYER. Mr. Stangeland eloquently presented that proposal before the Committee on Rules yesterday when I was there, and I am just sorry the Committee on Rules did not permit that to be in order so we could express ourselves.

Mr. WALKER. I am, too, but I think it is extremely important to understand that under the gentleman's proposal that that would be possible and that we would begin the needed kind of reform that, No. 1, begins to lower the spending level, but does so in a way that treats low income people fairly in the country.

I congratulate the gentleman for his proposal.

Mr. DANNEMEYER. I thank the gentleman for his comments.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. Schumer].

Mr. SCHUMER. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to the Dannemeyer substitute. I think, ladies and gentlemen, if someone would have asked us in January could this House produce a budget that reduced the deficit by over $50 billion, that saved Social Security, and that was basically balanced between defense cuts and domestic cuts, people would have said we were crazy; the House Democrats, the House as a whole, will never produce that budget.

Now we have produced it. It looks like it is going to pass, and we have many people saying, "Well, it ought to change one way or the other."

I think the one thing about the Dannemeyer amendment is that it does not have a consensus support in this House. It does not have the support for one basic reason.

To leave defense spending at the level that he leaves it and eliminate so many programs is a dramatic reprioritization of American values, of the American budget; and this budget, make no mistake about it, is probably the best ideological measure of where the American people are, at least on domestic policy, and the idea of keeping defense growing and eliminating so many programs, as the President did, will be roundly rejected in this House.

☐ 1600

We have a deficit problem. There is unanimous agreement from virtually the far right to the far left that we have to deal with that problem, but there is almost equally unanimous agreement that to totally change the fabric of America by eliminating many of the programs that indeed work is not within the possibility of what we want to do.

Let us take an issue like UDAG, which is eliminated in this budget. Most people regard UDAG as a very workable program—as an important program that creates jobs. It has the support of not just liberal Democrats but of people all across the spectrum. The UDAG program does the things that many of our Republican colleagues have taught us programs should do.

The CHAIRMAN. The time of the gentleman from New York [Mr. Schumer] has expired.

Mr. DANNEMEYER. Mr. Chairman, may I inquire, how much time does each side have?

The CHAIRMAN. The gentleman from California [Mr. Dannemeyer] has 11 minutes remaining and the gentleman from Pennsylvania [Mr. Gray] has 20 minutes remaining.

The Chair recognizes the gentleman from Pennsylvania [Mr. Gray].

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. Coleman].

Mr. COLEMAN of Texas. Mr. Chairman, I thank the chairman of the committee for yielding this time to me.

I want to quote something that the gentleman from Pennsylvania [Mr. Walker] said a minute ago. He suggested that the gentleman from California [Mr. Dannemeyer] "gets serious about reducing spending." Yes, but he does not get serious about dealing with the deficit.

I want the Members to look at the numbers he provides us in terms of his spending priorities. Let us view his budget for just a minute in terms of what he does with those people on Social Security. Over the next 3 years they are going to get a total of a 6-percent increase. That is not real growth like we talk about when we refer to defense growth. That is everything they will receive—6 percent versus inflation of 13½ percent. Yes, but we are going to do something special for defense, as far as he is concerned. He is going to provide a 4½ percent increase in 1986, and he is going to have a 7½ percent increase in 1987, and also a 7½ percent increase in 1988. Over the next 3 years, in other words, those senior citizens in America will receive 6 percent while defense is receiving 19½ percent. I think fairness should be what this budget is all about, and this substitute is not fair. It cuts Social Security increases in half.

I want to commend the chairman of the Democratic Budget Committee, the gentleman from Pennsylvania [Mr. Gray], for truly giving us a fair budget, one that does not try to balance the budget on the brittle bones of those senior citizens all across America. I think it is time that all of us stood up and started calling these kinds of substitutes what they are—without compassion and plain unfair.

Mr. Chairman, I yield back the balance of my time.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. Williams].

Mr. WILLIAMS. Mr. Chairman, I thank the committee chairman for yielding this time to me.

Mr. Chairman, I rise in opposition to this substitute.

The interesting thing about this substitute may be that it is symbolic of the mainstream of the Republican Party. Although the gentleman from California [Mr. Dannemeyer] is the sponsor, he tells us that this substitute was prepared by the Republican Study Group, which is a mainstream research group within the House of Representatives controlled by the Republican Party. Now, given the fact that this may be the mainstream Republican budget, let us see how it sets with the mainstream of American thinking.

The American people do not want to cut Social Security benefits, but with this substitute the Republicans do. The American people overwhelmingly do not want to give the Defense Department the authority for $25 billion—that is with a "b," billion dollars—more next year than they get this year and pretend it is a freeze. Yet this mainstream Republican budget wants to do that. That is $25 billion more for the Pentagon. I do not think the American people want to continue, while giving money to the Pentagon, to cut the poor. Yet this mainstream Republican budget cuts the poor.

I offered an amendment, which the committee chairman, the gentleman from Pennsylvania [Mr. Gray], and the Budget Committee accepted, which provided an inflation increase—no more than that—an inflation increase to all those programs that try to help our low-income citizens in this country. That is what is in the House committee budget, an inflation increase only, a little bit more than a freeze. But this mainstream Republican budget cuts programs to low-income folks and eliminates help for small business people who need loans to get started and eliminates the Economic Development Administration.

The CHAIRMAN. The time of the gentleman from Montana [Mr. Williams] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1 additional minute to the gentleman from Montana [Mr. Williams].

Mr. WILLIAMS. Mr. Chairman, it is very difficult for me to believe that the mainstream of America wants to end the public's help to the National Endowment for the Arts. I think folks understand that the arts probably should not receive an increase at a time when America is looking for ways to save money. But should we kill public help to the arts in America? That is what this mainstream budget of the Republican Party wants to do.

I think the American people have to ask themselves if they want their poorest neighbors to go without legal services, to go without lawyers, simply because they do not have the money to pay for them. The Democratic budget under the committee chairman, the gentleman from Pennsylvania [Mr. Gray], protects legal services and says, yes, everybody in the country has a right to go to court. But this mainstream Republican budget eliminates that; it does not cut it, I say to my friends. It eliminates it; it kills it. It says that from now on justice is blind when it comes to the poor. It is going to lift the blindfold only when it comes to the rich. The poor cannot even get into court to get a hearing.

The CHAIRMAN. The time of the gentleman from Montana [Mr. Williams] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. Glickman].

Mr. GLICKMAN. Mr. Chairman, first of all, I would like to pay a compliment to the gentleman from California [Mr. Dannemeyer]. He has given us a clear ideological test on this budget resolution. He has clear ideological convictions. You never really have to ask where Bill Dannemeyer stands on issues, and I think, to his credit, he has given us a resolution which offers us, the clearest ideological test to date. Certainly it comes closest to the Reagan budgets, whichever one you want to pick that the President presented to Congress.

I urge the rejection of this substitute for a lot of reasons that have been talked about before, but I want to talk about something that ought to be near and dear to the heart of the gentleman from California [Mr. Dannemeyer] because he comes from the great State of California, which is a very large aviation State.

This amendment probably does more to hurt aviation than any of the other budget resolutions that have come down before us or will come before us today.

I was one of the founders, along with members of both parties, of the Congressional Aviation Forum. Aviation, next to agriculture, is our largest export item. I want to bring to the attention of my colleagues two things that this budget does. First, it creates significant general aviation user fees.

Now, let me say that this industry, general aviation, sold fewer airplanes last month than it did at any time since 1951. It is hurting badly because of the lack of sales. Imposing several hundreds of millions of dollars of general aviation user fees could be the nail in the coffin of this industry. Those of you who are dependent on general aviation, whether you are from rural areas or whether you produce airplanes like I do, must understand that a vote for this amendment would be a vote to basically terminate this very important industry.

The second thing has to do with the Export-Import Bank Direct Loan Program. We face a very competitive world where we have European countries and Japan subsidizing their exports. We have a dollar that keeps going up in value and makes it harder to sell products like aircraft and aircraft parts overseas.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. Glickman] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 30 additional seconds to the gentleman from Kansas [Mr. Glickman].

□ 1610

Mr. GLICKMAN. Doing the kind of job on the Export-Import Bank that this amendment proposes will make it much more difficult for our manufacturers to sell items overseas and compete with the Japanese, compete with the Western Europeans, particularly in an era of a very strong dollar.

So for a variety of reasons, I urge that we reject this budget, not only because of the specifics that the gentleman from Montana [Mr. Williams] and others have talked about, but if you are at all interested in the future of the American aviation industry, there is a good reason to support that industry and vote against this budget amendment.

Mr. GRAY of Pennsylvania. Mr. Chairman, I reserve the balance of my time.

Mr. DANNEMEYER. Mr. Chairman, I yield 5 minutes to my colleague, the gentleman from Illinois [Mr. Crane].

Mr. CRANE. Mr. Chairman, I thank my distinguished colleague, the gentleman from California, for yielding me this time, and rise in support of his substitute.

I want to take this opportunity to congratulate him for the many hours of labor that he has devoted, not just this year, but in previous years to addressing this critical problem of unbalanced budgets. I know of no other individual on our side of the aisle who has invested more time on this question than the gentleman from California. While most of that time has indeed been a wheel-spinning exercise, it is useful, nevertheless, to join into this very serious debate as to how we attempt to deal with the unbalanced budgets that in all the years except one that I have served in this body have plagued us.

To put this problem into historical perspective, I think one has to get a handle on the magnitude of indebtedness that we are prepared to pass on to the backs of our children and our grandchildren unto the last generation. I say unto the last generation because it took us 154 years of this Republic, to 1943 to be exact, before we reached the level of $100 billion of conventional national debt.

Then we went another 32 years, to 1975, before we got to $500 billion of conventional national debt. I was here when we crossed that threshold.

It took us only 6 years beyond that to double that figure and go to $1 trillion. Then it took us only another 3 years, 1984, to get to $1.5 trillion and we just got the report that the $1.8 trillion conventional national debt limit will be reached probably by September of this year and it suggests that by 1986 we will go over $2 trillion.

Peter Grace did some extrapolations looking to the year 2000 based on our past performance. If you average the past 20 years of Federal spending increases and project to the year 2000, by the year 2000 we will be running annual budgets in the neighborhood of $7.6 trillion and running $2 trillion national deficits.

Mr. Chairman, it is difficult for any of us to understand what these figures mean, because we can only deal with the digits on our hands. We can talk about 2 or 5 or 10 of this or that, whether it is thousands, millions, billions, or trillions.

Certainly Everett Dirksen made a point when he stated that a billion here, a billion there, begins to add up to real money. We can now say that a trillion here, a trillion there, begins to add up to real money.

If you started a business at the time of Christ and you lost $1 million in that business every day, 7 days a week, it would take you another 700 years before you could lose a trillion dollars. Yet that is the magnitude of increased conventional national debt between the years 1981 and 1986.

The question then gets to who is responsible for this increase in debt? We here in this Chamber must answer that question because this is where the spending starts. From the beginning of the Republic, all general appropriation bills have always originated in the House of Representatives. As a result, the responsibility falls first and foremost on our shoulders to deal with this problem.

I was brought up to believe in the concept of stewardship and stewardship meant inheriting something that was beautiful beyond belief, namely, being an American citizen, even growing up in the Depression years on the south side of Chicago and leaving something better. We enjoyed more opportunity and more liberty in this country than people anywhere on the face of this Earth. For all of the apparent disadvantages under which we grew up, and we had to read about them afterwards because we did not realize how disadvantaged we were then, we were incurable optimists as kids and we anticipated that when we turned 50 that we would be able to reflect back and say it was infinitely better for us than it had been for our parents at that same point in life.

When I turned 50, one of the comforts I discovered was that I could reflect back and say that if I died that day, it was a full and complete and unbelievably rewarding experience for me and infinitely better than anything my parents had known. As a result, anything beyond 50, and I will turn 55 this fall, is frosting on the cake to me.

I happen also, to be the father of eight children. We had a large family because we wanted a large family. One of the things that concerns me is that when my kids somewhere in that 21st century reach the mid-century point in their lives and look back, are they going to be able to make the same boast that I did, that at the half-century mark it was already a full and complete life?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DANNEMEYER. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. CRANE. Mr. Chairman, I thank the gentleman for yielding. I think the question that we have to address, and we are not addressing it seriously because so much of this whole enterprise is posturing on our part, anyway, because we pass budgets and then we do not abide by our own budgetary guidelines is: when we get to the component parts of the budget, namely, the appropriation bills, they come through this chamber in excess of what we arrived at in the way of decisionmaking when we passed a budget, whether we take the budget of the gentleman from Pennsylvania [Mr. Gray] or whether we take the budget of the gentleman from California [Mr. Dannemeyer], or any combination of any budget proposals. The fact of the matter is that we are not imposing the discipline upon ourselves that is requisite if we are going to address this problem in a serious way.

That is the appeal I make to you and it is an appeal that goes also to those seniors that we are talking about and the people who are going to be limited, maybe, to a 2-percent increase in the cost-of-living adjustment, but who must be brought to recognize that since 1965 when the consumer price index went up 225 percent, their benefits went up 296 percent.

We are asking that everyone share in a little bit of restraint, a little bit of belt-tightening, so that we can achieve the goal, hopefully by the end of this century, of living within balanced budgets and guaranteeing that our children will sometime in that 21st century when they reach my point in life be able to look back and make the same boast that I have made here.

God willing, all of you will be eligible for Social Security at that time, too.

Mr. DANNEMEYER. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from Idaho [Mr. Craig].

Mr. CRAIG. Mr. Chairman, I would like to thank my colleague, the gentleman from California, for yielding.

Mr. Chairman, I stand in support of the Dannemeyer substitute in the very critical debate that is going on here on the floor today and will continue tomorrow as we decide at which level we are going to fund this Government; but way beyond that, at the course of direction that we are going to send the economy of this country for the next decade.

There is no question that this document, the Republican Study Group document, the Dannemeyer substitute, whatever you wish to call it, is no more perfect than the House Budget Committee's effort or the GOP alternative or the 92 Group; but it does something that I think is significant in the overall examination of those budgets that we are considering here today. It does bring down deficits to a level that I think will send the kind of critical signal that we must not fail to send in this budget cycle here in the Congress to the economy of this country, to the working men and women, to the poor and to the elderly, that we are responsible for our economy and that we are going to take for the first time since I have served in this body responsible action in controlling deficits and providing for a much more favorable economic sector outside of government's long arm and creating the kinds of jobs that everyone is searching for and creating the kind of stable economy that our elderly are looking for and creating an economy of opportunity that our poor are crying for.

No, I do not necessarily like to single out one COLA group over another. I have said that I would not do that and that is an area that I tend to disagree with here.

I do not necessarily like the timeframe and some of the areas within agriculture, but if I dare do that and not stand today, I am guilty of what nearly every other individual in this body is now guilty of and that is, "Don't touch my little special area, because my little special area is unique, unique to a group within my State or within my constituency."

I do not think any of us dare say that anything is special today, except the economy of this country.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman for California [Mr. Dellums].

□ 1620

Mr. DELLUMS. I thank the gentleman for yielding me 3 minutes.

Mr. Chairman, earlier in the debate when our distinguished colleague from California [Mr. Dannemeyer] was presenting his budget proposal, he suggested that in the Congressional Black Caucus military budget we had taken a meat-ax approach.

But I would simply like to try to place the entire military budget in proper context. It is estimated that actual expenditures for fiscal year 1985 will reach $250 billion. If we freeze the budget, no real growth in fiscal year 1986, fiscal year 1987, and fiscal year 1988, hear me, if we freeze the military budget for those 3 years, the military budget will still increase by approximately $52 billion. Even if we freeze it, it will go from $250 billion to $302 billion.

Let me state it a different way. The Armed Services Committee just passed its Department of Defense authorization for fiscal year 1982. In the category of procurement, Mr. Chairman, which is the category that allows us to purchase all of these weapons, that committee authorized a figure of $99.4 billion. It is suggested actual expenditures in fiscal 1986 in that category of procurement will reach $82 billion.

Interesting point. Only $10 billion of that goes for any new procurement.

Stated a different way, if the Armed Services Committee had presented a Department of Defense authorization to this Congress with a zero in the category of procurement, a zero, not one penny of American taxpayers' money spent to authorize procurement, the Appropriations Committee would still have to appropriate $72 billion.

Now, why does the military budget escalate at this level even with a freeze? That is because this administration front-loaded the military budget so that we are now caught up in prior year commitments.

Most people do not realize that we purchased all of these weapons systems several years ago in the early years of the Reagan administration, and even if you freeze the budget you are not reducing it; you are simply reducing the wish list, and even with a freeze, I say to the gentleman from California [Mr. Dannemeyer] the military budget will escalate $52 billion over the next 3 years.

I think that it is important to put the discussions of the military budget in the proper context. And if we are going to talk about what raises, what lowers, what elevates, what reduces, then let us do so within the framework of reality.

In fiscal year 1985 $250 billion, even with a freeze, and in 1988 it will go to $300 billion.

I thank the gentleman for yielding.

Mr. GRAY of Pennsylvania. Mr. Chairman, we have no further requests for time, and I yield back the balance of the time.

The CHAIRMAN. The gentleman from California [Mr. Dannemyer] has 2 minutes remaining.

Mr. DANNEMEYER. Mr. Chairman, I yield myself the remaining time.

The gentleman from Montana [Mr. Williams] in his comments said that this alternative that I am presenting would increase the defense budget authorization by $25 billion next year. That is an incorrect statement. It increases it by the rate of inflation, which is about $9.7 billion. I think the figures will speak for themselves on that point.

Also some of the comments that were made in opposition, I think the gentleman from Kansas [Mr. Glickman] made some reference to the Export-Import Bank, that we would eliminate it, and he did not get it right. We would eliminate the direct loans but we would continue the Guaranteed Loan Program, and that is a very important distinction. We continue the Guarantee Loan Program which means we would still be able to assist those industries that have to compete with Government subsidizing, or our competitors around the world. But we do it in a different way, in the manner that I have described.

With respect to the other observations that my colleagues have made in opposition, I can only say that this is a day when the buck stops here. The bromide has been uttered before, "Do not cut you, do not cut me, cut that guy behind the tree." You have to finally come to the reality. If you want to cut the deficit by cutting spending, which is what 85 percent of the American public, the taxpayers, want to happen, we who are representing those people here have to have the courage to do that. And I think this program is a responsible way.

This particular budget picks up reductions of $28 billion that are specified that are the work product of the OMB, the CBO, the Senate Budget Committee, the Heritage Foundation, and the Grace Commission.

I happen to believe that those are responsible sources. Sure, some of them are controversial, but it strikes me that this is what the taxpayers of the country are asking us to do and I ask your "aye" vote.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. DANNEMEYER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 39, noes 382, not voting 13, as follows:

[Roll No. 124]

AYES—39

Armey
Badham
Bartlett
Barton
Brown (CO)
Cheney
Craig
Crane
Dannemeyer
DeLay
Dornan (CA)
Dreier
Eckert (NY)
Franklin
Frenzel
Goodling
Gregg
Hansen
Hartnett
Kindness
Kramer
Lewis (CA)
Livingston
Lujan
Lungren
Marlenee
Moorhead
Nielson
Packard
Rudd
Schaefer
Schulze
Sensenbrenner
Shumway
Siljander
Smith (NH)
Strang
Vander Jagt
Walker

NOES—382

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Applegate
Archer
Aspin
Atkins
AuCoin
Barnard
Barnes
Bateman
Bates
Bedell
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chappie
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Daniel
Darden
Daschle
Daub
Davis
de la Garza
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Loeffler
Long
Lott
Lowry (WA)
Luken
Lundine
Mack
MacKay
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Saxton
Scheuer
Schneider
Schroeder
Schuette
Schumer
Seiberling
Sharp
Shaw
Shelby
Shuster
Sikorski
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)
Young (MO)
Zschau

NOT VOTING—13

Anthony
Bentley
Bilirakis
Crockett
Hall, Sam
Ireland
LaFalce
Lowery (CA)
McGrath
Solarz
Sweeney
Wolf
Young (AK)

□ 1640

Messrs. SWINDALL, WHITEHURST, WHITTEN, and MILLER of Ohio changed their votes from "aye" to "no."

Mr. GREGG and Mr. DORNAN of California changed their votes from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. PURSELL

Mr. PURSELL. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. PURSELL: Strike out all after the resolving clause and insert in lieu thereof the following:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $50,900,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,200,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,400,000,000.
Fiscal year 1987: $216,800,000,000.
Fiscal year 1988: $248,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,055,500,000,000.
Fiscal year 1986: $1,060,000,000,000.
Fiscal year 1987: $1,129,100,000,000.
Fiscal year 1988: $1,209,300,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $949,300,000,000.
Fiscal year 1986: $970,800,000,000.
Fiscal year 1987: $1,021,600,000,000.
Fiscal year 1988: $1,074,400,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $213,100,000,000.
Fiscal year 1986: $176,600,000,000.
Fiscal year 1987: $155,600,000,000.
Fiscal year 1988: $120,200,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,857,400,000,000.
Fiscal year 1986: $2,089,700,000,000.
Fiscal year 1987: $2,320,700,000,000.
Fiscal year 1988: $2,538,500,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $33,600,000,000.
Fiscal year 1986: $232,300,000,000.
Fiscal year 1987: $231,000,000,000.
Fiscal year 1988: $215,800,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $51,937,223,000.

(B) New primary loan guarantee commitments, $68,805,405,000.

(C) New secondary loan guarantee commitments, $41,251,800,000.

Fiscal year 1986:

(A) New direct loan obligations, $34,258,541,000.

(B) New primary loan guarantee commitments, $74,036,665,000.

(C) New secondary loan guarantee commitments, $43,107,900,000.

Fiscal year 1987:

(A) New direct loan obligations, $34,376,759,000.

(B) New primary loan guarantee commitments, $76,966,574,000.

(C) New secondary loan guarantee commitments, $44,964,200,000.

Fiscal year 1988:

(A) New direct loan obligations, $34,172,944,000.

(B) New primary loan guarantee commitments, $81,175,571,000.

(C) New secondary loan guarantee commitments, $46,861,800,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $252,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $293,500,000,000.

(B) Outlays, $269,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $313,700,000,000.

(B) Outlays, $285,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $336,400,000,000.

(B) Outlays, $304,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:

(A) New budget authority, $25,200,000,000.

(B) Outlays, $18,100,000,000.

(C) New direct loan obligations, $10,066,025,000.

(D) New primary loan guarantee commitments, $10,310,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $19,600,000,000.

(B) Outlays, $17,300,000,000.

(C) New direct loan obligations, $7,564,006,000.

(D) New primary loan guarantee commitments, $12,310,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $19,500,000,000.

(B) Outlays, $16,200,000,000.

(C) New direct loan obligations, $7,789,027,000.

(D) New primary loan guarantee commitments, $12,323,200,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $19,900,000,000.

(B) Outlays, $15,600,000,000.

(C) New direct loan obligations, $7,953,407,000.

(D) New primary loan guarantee commitments, $12,336,877,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $8,800,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $8,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, $1,900,000,000.

(B) Outlays, $6,900,000,000.

(C) New direct loan obligations, $2,668,400,000.

(D) New primary loan guarantee commitments, $84,970,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,900,000,000.

(C) New direct loan obligations, $2,672,500,000.

(D) New primary loan guarantee commitments, $80,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,100,000,000.

(C) New direct loan obligations, $2,722,858,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $4,200,000,000.

(B) Outlays, $3,400,000,000.

(C) New direct loan obligations, $2,761,383,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $68,500,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $12,300,000,000.

(B) Outlays, $12,600,000,000.

(C) New direct loan obligations, $63,529,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $12,500,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $65,770,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $12,500,000,000.

(C) New direct loan obligations, $68,014,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $21,000,000,000.

(C) New direct loan obligations, $13,790,000,000.

(D) New primary loan guarantee commitments, $5,706,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $19,100,000,000.

(B) Outlays, $16,500,000,000.

(C) New direct loan obligations, $13,324,000,000.

(D) New primary loan guarantee commitments, $6,812,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $17,800,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $12,127,000,000.

(D) New primary loan guarantee commitments, $6,891,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $17,400,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $11,744,000,000.

(D) New primary loan guarantee commitments, $6,970,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $5,600,000,000.

(C) New direct loan obligations, $6,528,415,000.

(D) New primary loan guarantee commitments, $26,448,753,000.

(E) New secondary loan guarantee commitments, $41,251,660,000.

Fiscal year 1986:

(A) New budget authority, $7,900,000,000.

(B) Outlays, $4,200,000,000.

(C) New direct loan obligations, $4,838,865,000.

(D) New primary loan guarantee commitments, $28,218,966,000.

(E) New secondary loan guarantee commitments, $43,107,900,000.

Fiscal year 1987:

(A) New budget authority, $8,300,000,000.

(B) Outlays, $4,100,000,000.

(C) New direct loan obligations, $5,024,316,000

(D) New primary loan guarantee commitments, $29,930,344,000.

(E) New secondary loan guarantee commitments, $44,964,200,000.

Fiscal year 1988:

(A) New budget authority, $7,600,000,000

(B) Outlays, $4,900,000,000.

(C) New direct loan obligations, $5,474,282,000.

(D) New primary loan guarantee commitments, $31,616,951,000.

(E) New secondary loan guarantee commitments, $46,861,800,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,300,000,000.

(B) Outlays, $26,000,000,000.

(C) New direct loan obligations, $296,502,000.

(D) New primary loan guarantee commitments, $308,882,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $27,000,000,000.

(B) Outlays, $25,300,000,000.

(C) New direct loan obligations, $167,500,000.

(D) New primary loan guarantee commitments, $309,299,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $29,200,000,000.

(B) Outlays, $26,800,000,000.

(C) New direct loan obligations, $139,807,000.

(D) New primary loan guarantee commitments, $309,708,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $30,000,000,000.

(B) Outlays, $27,200,000,000.

(C) New direct loan obligations, $117,013,000.

(D) New primary loan guarantee commitments, $310,098,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $8,400,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $1,734,817,000.

(D) New primary loan guarantee commitments, $189,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $7,300,000,000.

(B) Outlays, $8,200,000,000.

(C) New direct loan obligations, $1,391,735,000.

(D) New primary loan guarantee commitments, $169,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $7,600,000,000.

(B) Outlays, $8,100,000,000.

(C) New direct loan obligations, $1,893,361,000.

(D) New primary loan guarantee commitments, $176,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $8,000,000,000.

(C) New direct loan obligations, $2,115,983,000.

(D) New primary loan guarantee commitments, $182,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $31,600,000,000.

(B) Outlays, $30,300,000,000.

(C) New direct loan obligations, $1,168,966,000.

(D) New primary loan guarantee commitments, $8,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $30,600,000,000.

(B) Outlays, $30,400,000,000.

(C) New direct loan obligations, $1,091,966,000.

(D) New primary loan guarantee commitments, $8,250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $31,600,000,000.

(B) Outlays, $30,400,000,000.

(C) New direct loan obligations, $1,095,757,000.

(D) New primary loan guarantee commitments, $8,415,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $32,300,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $1,079,881,000.

(D) New primary loan guarantee commitments, $8,590,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,600,000,000.

(B) Outlays, $33,400,000,000.

(C) New direct loan obligations, $7,000,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $35,000,000,000.

(B) Outlays, $35,100,000,000.

(C) New direct loan obligations, $7,236,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $37,200,000,000.

(B) Outlays, $36,900,000,000.

(C) New direct loan obligations, $7,547,000.

(D) New primary loan guarantee commitments, $264,422,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $39,500,000,000.

(B) Outlays, $38,900,000,000.

(C) New direct loan obligations, $7,698,000.

(D) New primary loan guarantee commitments, $278,845,000.

(E) New secondary loan guarantee commitments, $0

(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,800,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $81,600,000,000.

(B) Outlays, $68,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $91,100,000,000.

(B) Outlays, $75,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $95,200,000,000.

(B) Outlays, $85,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $163,100,000,000.

(B) Outlays, $128,700,000,000.

(C) New direct loan obligations, $14,306,040,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $157,900,000,000.

(B) Outlays, $121,000,000,000.

(C) New direct loan obligations, $1,825,280,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $166,400,000,000.

(B) Outlays, $126,100,000,000.

(C) New direct loan obligations, $2,295,208,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $175,100,000,000.

(B) Outlays, $132,100,000,000.

(C) New direct loan obligations, $1,758,570,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650).

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $207,200,000,000.

(B) Outlays, $200,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $224,800,000,000.

(B) Outlays, $214,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $264,600,000,000.

(B) Outlays, $228,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,300,000,000.

(C) New direct loan obligations, $1,302,518,000.

(D) New primary loan guarantee commitments, $16,777,800,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $27,000,000,000.

(B) Outlays, $26,400,000,000.

(C) New direct loan obligations, $1,311,924,000.

(D) New primary loan guarantee commitments, $17,642,400,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,100,000,000.

(B) Outlays, $26,700,000,000.

(C) New direct loan obligations, $1,216,108,000.

(D) New primary loan guarantee commitments, $18,756,900,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,500,000,000.

(B) Outlays, $27,200,000,000.

(C) New direct loan obligations, $1,092,213,000.

(D) New primary loan guarantee commitments, $20,890,800,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,700,000,000.

(B) Outlays, $5,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments $0.

Fiscal year 1988:

(A) New budget authority, $5,500,000,000.

(B) Outlays, $5,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments. $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $3,500,000,000.

(B) Outlays, $4,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $3,400,000,000.

(B) Outlays, $3,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $2,700,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net interest (900):

Fiscal year 1985:

(A) New budget authority, $129,700,000,000.

(B) Outlays, $129,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $140,800,000,000.

(B) Outlays, $140,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $150,800,000,000.

(B) Outlays, $150,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $153,500,000,000.

(B) Outlays, $153,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$700,000,000.

(B) Outlays, −$800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$100,000,000.

(B) Outlays, −$100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $1,300,000,000.

(B) Outlays, $1,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,400,000,000.

(B) Outlays, −$32,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$35,100,000,000.

(B) Outlays, −$35,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $37,600,000,000.

(B) Outlays, −$37,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$40,600,000,000.

(B) Outlays, −$40,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than * * * 1985, the House committees named in subsections (b) through (f) of this section shall submit their recommendations to the House Budget Committee. After receiving those recommendations, the Committee on the Budget shall report to the House a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

HOUSE COMMITTEES

(b) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to reduce authority by $0 and outlays by $0 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,616,000,000 in budget authority and $1,616,000,000 in outlays in fiscal year 1987; and requires decreases of $2,132,000,000 in budget authority and $2,132,000,000 in outlays in fiscal year 1988.

(c) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $12,000,000 and outlays by $613,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $16,000,000 in budget authority and $941,000,000 in outlays in fiscal year 1987; and requires decreases of $17,000,000 in budget authority and $1,098,000,000 in outlays in fiscal year 1988.

(d) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $675,000,000 and outlays by $844,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $840,000,000 in budget authority and $1,007,000,000 in outlays in fiscal year 1987; and requires decreases of $1,057,000,000 in budget authority and $1,270,000,000 in outlays in fiscal year 1988.

(e) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $1,135,000,000 and outlays by $1,117,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,590,000,000 in budget authority and $1,588,000,000 in outlays in fiscal year 1987; and requires decreases of $2,105,000,000 in budget authority and $2,097,000,000 in outlays in fiscal year 1988.

(f) The House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $2,667,000,000 and outlays by $2,000,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $3,077,000,000 in budget authority and $2,974,000,000 in outlays in fiscal year 1987; and requires decreases of $4,005,000,000 in budget authority and $3,772,000,000 in outlays in fiscal year 1988.

(g) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $335,000,000 and outlays by $335,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $324,000,000 in budget authority and $324,000,000 in outlays in fiscal year 1987; and requires decreases of $333,000,000 in budget authority and $333,000,000 in outlays in fiscal year 1988.

(h) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $70,000,000 and outlays by $791,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $602,000,000 in budget authority and $1,113,000,000 in outlays in fiscal year 1987; and requires decreases of $656,000,000 in budget authority and $1,234,000,000 in outlays in fiscal year 1988.

(i) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $345,000,000 and outlays by $310,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $420,000,000 in budget authority and $419,000,000 in outlays in fiscal year 1987; and requires decreases of $428,000,000 in budget authority and $426,000,000 in outlays in fiscal year 1988.

(j) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $876,000,000 and outlays by $3,135,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,011,000,000 in budget authority and $4,200,000,000 in outlays in fiscal year 1987; and requires decreases of $1,081,000,000 in budget authority and $4,705,000,000 in outlays in fiscal year 1988.

SENATE COMMITTEES

(k) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $391,000,000 and outlays by $364,000,000 of fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $2,044,000,000 in budget authority and $2,041,000,000 in outlays in fiscal year 1987; and requires decreases of $2,602,000,000 in budget authority and $2,599,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $12,000,000 and outlays by $613,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $16,000,000 in budget authority and $941,000,000 in outlays in fiscal year 1987; and requires decreases of $17,000,000 in budget authority and $1,098,000,000 in outlays in fiscal year 1988.

(m) The Senate Committee on Energy and Natural Resources shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $335,000,000 and outlays by $335,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $321,000,000 in budget authority and $324,000,000 in outlays in fiscal year 1987; and requires decreases of $333,000,000 in budget authority and $333,000,000 in outlays in fiscal year 1988.

(n) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $3,843,000,000 and outlays by $5,619,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $4,728,000,000 in budget authority and $8,020,000,000 in outlays in fiscal year 1987; and requires decreases of $8,156,000,000 in budget authority and $9,778,000,000 in outlays in fiscal year 1988.

(o) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $70,000,000 and outlays by $791,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $602,000,000 in budget authority and $1,113,000,000 in outlays in fiscal year 1987; and requires decreases of $656,000,000 in budget authority and $1,234,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $284,000,000 and outlays by $318,000,000 in

fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $412,000,000 in budget authority and $407,000,000 in outlays in fiscal year 1987; and requires decreases of $587,000,000 in budget authority and $604,000,000 in outlays in fiscal year 1988.

(g) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $5,280,000,000 and outlays by $8,350,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $8,546,000,000 in budget authority and $13,265,000,000 in outlays in fiscal year 1987; and requires decreases of $10,779,000,000 in budget authority and $16,072,000,000 in outlays in fiscal year 1988.

AUTOMATIC SECOND BUDGET RESOLUTION

SEC. 3. (a) Effective October 1, 1985, this concurrent resolution shall be deemed to be the concurrent resolution on the budget for the 1986 fiscal year required to be reported under section 310(a) of the Congressional Budget Act of 1974, for the purposes of the prohibitions contained in section 311 of such Act.

(b) Section 311(a) of the Congressional Budget Act of 1974, as made applicable by subsection (a) of this section, shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report; would not cause the appropriate allocation for such committee of new discretionary budget authority or new spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 made pursuant to section 302(a) of such Act for fiscal year 1986 to be exceeded.

(c) The provisions of this section shall cease to apply when Congress completes action on a subsequent concurrent resolution on the budget for fiscal year 1986 pursuant to section 304 or 310 of the Congressional Budget Act of 1974.

SECTION 302(b) FILING REQUIREMENT

SEC. 4. (a) It shall not be in order in the House of Representatives to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1986;

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1986; or

(3) direct loan authority, primary loan guarantee authority, or secondary loan guarantee authority for fiscal year 1986;

within the jurisdiction of any committee which has received an allocation pursuant to section 302(a) of the Congressional Budget Act of discretionary budget authority or new spending authority, as described above, for such fiscal year, unless and until such committee makes the allocation or subdivisions required by section 302(b) of the Congressional Budget Act, in connection with the most recently agreed to concurrent resolution on the budget.

(b) The prohibition contained in subsection (a) shall not apply until twenty-one days of continuous session, as defined in section 1011(5) of the Impoundment Control Act of 1974, after Congress completes action on this concurrent resolution.

The CHAIRMAN. Pursuant to House Resolution 177, the amendment in the nature of a substitute is considered as having been read.

The gentleman from Michigan [Mr. PURSELL] will be recognized for 30 minutes and a Member in opposition will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Michigan [Mr. PURSELL].

□ 1650

Mr. PURSELL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, today we offer on behalf of the 92 Group what we consider to be a magnificent document. We think it is the only document that should be approved by this body today and tomorrow, in light of the careful, 4½ months of budget discussions and work we've put into it and the careful analysis of it by CBO. It is the first document that was introduced into the House and, to my knowledge, it is the only document that was introduced on time.

We have had it completely crunched, so far as the numbers, by CBO, and we know Members of both parties, both the Budget Committee and the Republican alternative presented by Mr. LATTA, have utilized most of our homework. So we are proud of our work. We have spent 3 months at it, 16 members on a task force, with about 30 to 40 other Republicans leading the charge in terms of what we consider a fair, balanced budget proposal for 1986.

We will have subsequent speakers on various subjects today as we allocate time, but, first, we think we have a fully credible savings plan and a thorough professional budget proposal for you to review. The 92 Group is proud of its document. It is the only proposal fully analyzed and costed out by CBO throughout the entire development of our project. There is a $50.9 billion deficit reduction in fiscal year 1986 without a tax increase. The comprehensive freeze, including defense, in 1986 budget authority represents an over $32 billion deficit reduction. There is an additional deficit reduction beyond the freeze for over 75 programs that we looked at carefully and analyzed, making difficult but necessary policy judgments. Those additional 75 programmatic changes represent an additional $19 billion deficit reduction beyond the freeze.

Our proposal's Defense freeze provides for no inflation increase or real growth in fiscal year 1986. It allows for inflation plus 3 percent real growth in fiscal years 1987 and 1988.

In fiscal year 1986, the $50.9 billion deficit reduction package includes $23.9 billion in nondefense programs, $24.6 billion in defense programs, and $2.4 billion in interest savings.

Our fiscal year 1986 deficit is $176.5 billion, representing a reduction of $50.9 billion. Our fiscal year 1987 deficit is $155.7 billion, representing a reduction of $89 billion. And our fiscal year 1988 deficit is $120.3 billion, a reduction of $123.3 billion.

Our total 3 year deficit reduction is $263.3 billion.

Mr. Chairman, these numbers represent real savings. If you want our budget—this Nation's budget—to be a document under which real savings can be achieved, you should vote in favor of the Pursell amendment, the 92 Group budget proposal, "A Blueprint for Balance."

Mr. Chairman, I yield 3 minutes to the gentlewoman from Maine [Ms. SNOWE] for an overview.

Ms. SNOWE. Mr. Chairman, as cochair of the 92 Group, I rise in support of the budget alternative offered by the gentleman from Michigan and I would like to commend my distinguished friend from Michigan for his tireless work and all the members of the 92 Group for their commitment to this effort.

Mr. Chairman, I believe that the fiscal year 1986 budget finds us at a high point of public acceptance for budget action, just as 1981 was a rare convergence of public, executive, and congressional sentiment on the overwhelming need to reduce spending.

There is a difference in attitudes, however, between that spirit of 1981 and the spirit of 1985, and our ability to pass an effective budget rests upon our recognition of that difference.

In 1981, the American people saw a government that had indulged itself on spending programs while sliding down a road of neglect in defense, and the Congress responded by enacting a strong program of defense increases and broad spending reductions.

Now, however, the Nation is poised at a different crossroads. The Congress is faced with new demands and new opportunities. This House is charged with building the bridge that will carry the United States into the next century with a strong and solid economy.

We cannot risk falling behind in our twin responsibilities to the American people: fairness for the individual; prosperity for the economy.

The 92 Group has delivered to our colleagues a program that lives up to that mandate. Our budget reduces the deficit by $51 billion in fiscal year 1986, and by $262 billion over the next 3 years, without either raising taxes or reducing Social Security COLA's. These savings are achieved first through freeze on Government spending in fiscal year 1986 at the fiscal year 1985 levels, and second, through reductions and terminations made in 75 programs governmentwide.

Clearly, no $1 trillion budget package will be 100 percent acceptable to all Members; however, we are willing to accept these proposals because they are part of a package that is rooted in fairness and equity.

We have asked no one to shoulder the entire burden; we ask instead that everyone share equally in it.

The even-handed freeze package we propose lends itself convincingly to providing a sense of equity in Congress' development of a budget. The 92 Group saw a clear need to include defense in this freeze that is at the core of our Blueprint for Balance.

Concurrently, we saw an equally clear need to allow members to express their individual concerns on Social Security. Because of the singular importance of this program, the House must address Social Security separate from the economic and political forces that embroil a budget debate.

We approached this budget with one overriding principle: fairness.

This means fairness to future generations; it means fairness to the American taxpayers.

And it means fairness to those people who must rely on the Federal Government, for their nutrition assistance, their trade readjustment assistance, their crop subsidies, the rebuilding and development of their communities, and for the hundreds of other ways in which the Government intervenes for the common good.

Without effective deficit reduction, the money that provides for these programs will quickly diminish.

Without fair deficit reduction, the will to pay for them evaporates.

Without credible deficit reduction, they will fall victim to the wholesale budgetcutting that looms on the horizon in the absence of meaningful action today.

Mr. Chairman, I appeal to my colleagues to carefully examine the numbers we bring to them today. Analyze them. Dissect them. Study them. Focus your most careful scrutiny upon the $51 billion we save, and the numbers will not crumble. They are real and they live up to our responsibilities to the American taxpayers to protect and extend our economic recovery now and beyond.

But let me urge you then to look past these numbers. For behind these budget functions and categories lies the food, the medicine, the shelter, and the education of millions of Americans. Our responsibility with them lies in shaping a government with faith and compassion, so they may build their own lives with the dreams that can only be envisioned in an America with a strong and vibrant economy.

Those responsibilities are met, proudly and clearly, in this 92 Group budget, and I again urge my colleagues to support it.

□ 1700

Mr. GRAY of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. Gray] is recognized for 30 minutes.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Mrs. Boxer].

Mrs. BOXER. I thank the gentleman for yielding me this time.

Mr. Chairman, first I would like to very much thank my colleagues on the other side of the aisle for the work they put into this particular alternative. I have a real problem supporting it, and I would like to go over the reasons why.

The first point, and a very important one, is that the deficit reduction in this alternative is the smallest reduction of all the alternatives that are put before us. It comes in at about a $50.9 billion level; the Democratic budget is $56 billion. That is a problem.

Second, when you look at this budget, although it is sold to us as an across-the-board freeze, upon examination it is really not. There is no freeze in defense spending in actuality. There is higher defense spending in this budget above the freeze. Frankly, it cuts very deeply into certain programs that I think the American people strongly support. I would like to go into those.

Mr. TAUKE. Mr. Chairman, will the gentlewoman yield?

Mrs. BOXER. I yield to the gentleman.

Mr. TAUKE. I thank the gentlewoman.

If the gentlewoman examines the document, she will note that we do have a defense spending freeze in budget authority which accommodates the increase in pay that was given during the current year. So we asked CBO for a freeze in budget authority at current budget authority levels, and this is the level that CBO has given us.

Mrs. BOXER. If I could reclaim my time, I would like to say that our numbers clearly show that your numbers in this so-called freeze are almost $1 billion higher than the numbers in our freeze, and we find that to be problematical.

Now, I would like to go into some of the programs that I think are very badly hit in this particular alternative. I just have time to talk about a couple of these.

First of all, the question of Social Security is totally ducked in this particular alternative. You do not take a stand either for the COLA or against the COLA. There are many senior citizens out there who I think deserve to know where you stand on that particular issue.

I think it is time to be counted. I think that our senior citizens expect to get that cost-of-living adjustment; it was promised to them, and in this particular alternative, you were silent on that particular issue. I think that is a problem.

I would like to point out another serious flaw in this particular alternative. In the limited time that I have available, I want to talk about a couple of other problems I see in the budget. One of them involves the issue of the Superfund. We have a major problem with toxic waste in this country. This budget, in our analysis, is silent on that issue. I think again it is another issue that you cannot duck; you have to stand up and be counted. We do not want to see toxic waste being dumped across our Nation. I think this is another flaw in the budget.

Mr. PURSELL. Mr. Chairman, I yield 30 seconds to my distinguished leader, the gentleman from Massachusetts, Mr. Silvio Conte.

Mr. CONTE. I thank the gentleman for yielding to me.

Mr. Chairman, I rise in support of the Pursell amendment offered on behalf of the 92 Group. I wish the Congresswoman who just took the floor would correct the Record tonight.

Mr. Chairman, I rise in support of the Pursell amendment, offered on behalf of the 92 Group.

This budget plan is a good start. It combines the concepts of an across-the-board budget freeze with deeper cuts in 75 selected programs. My concern over some of these cuts leads me to only reluctantly support this substitute.

First, the substitute cuts Amtrak funding by 20 percent in fiscal year 1986, and provides inflation-only increases in 1987 and 1988. Such a cut would bankrupt Amtrak—pull the rug right out from under them as they are attempting to move toward financial stability.

Why the mad scramble to cut Amtrak? Ever since 1972, when Amtrak began operations, there has been slow but steady improvement in service, on-time performance, and ride quality. It's important to remember that if Amtrak goes under, we can forget about ever restoring rail passenger service in our lifetimes. Once Amtrak starts selling off its cars and pulling up the track, we wouldn't be able to change our minds if the budget situation improved in a few years. Elimination of Amtrak service would add enormously to air and highway congestion, requiring additional billions of dollars to be spent on airports and highways.

I also am not happy with the provision of the substitute which calls for the elimination of small business investment centers. Now, I have been on the Small Business Committee for 27 years, and I have never heard of this program. I'm afraid that what it means is that it would do away with small business development centers, a tremendously beneficial counseling service to small businesses in 41 States.

Eliminating SBDC's will not save much money. In fact, it could cost money when small businesses go under because they don't have access to proper counseling services. It also will harm States, who by law must provide up to 50 percent of SBDC's funding, and may have to make up for the loss of Federal dollars. The administration no longer supports elimination of SBDC's. A much better idea would have been to privatize small business investment companies, which could raise over $1 billion.

Fortunately, the reconciliation instructions in this substitute leave the authorizing committees with broad discretion. Therefore, while I commend Mr. Pursell, Mr. Tauke, and Ms. Snowe, and other members of the 92 Group for their efforts, I would urge the Energy and Commerce Committee to reject a 20-percent cut in Amtrak funding. And, I would urge that the Budget Committee look closely at the other body's actions in this area. Finally, I can assure my colleagues that the Small Business Committee will not support elimination of the Small Business Development Center Program.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 6 minutes to the gentleman from California [Mr. Torres].

Mr. TORRES. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to the Pursell substitute amendment.

All of us today will vote knowing that we recommend funding cuts in programs that are popular to our constituents.

We all have received letters pleading with us to cut the deficit, but to save EDA or Amtrak. We are told to cut the deficit, but do not take money away from veterans or small businesses.

Mr. Chairman, we cannot cut the budget without hurting someone.

We can, however, approve a budget that is sensitive to the neediest while still making a major reduction in the deficit.

I commend the Budget Committee members and, in particular, its chairman, the gentleman from Pennsylvania, for recommending reductions that are equitable and fair.

Mr. Chairman, I oppose the Pursell amendment because on general revenue sharing the amendment assumes a reduction of $2.65 billion in budget authority and $2 billion in outlays in fiscal year 1986 for general revenue sharing. This represents a reduction of 58 percent in budget authority and 44 percent in outlays from the baseline and is 2.3 times the budget authority and outlay reduction assumed in the committee reported resolution. The program impact of the proposal will be particularly severe on localities in fiscal year 1986 since many localities operate on an April, May, or July fiscal year and most localities will have already enacted budgets that assume fiscal year 1986 full funding for general revenue sharing.

I will support the Budget Committee's recommendations even though general revenue sharing will be cut by 25 percent in fiscal year 1986.

Cutting revenue sharing hurts the cities I represent. It hurts my constituents that receive excellent police services because of revenue-sharing money. It hurts my constituents whose fire services are supported with revenue-sharing money.

Let me say unequivocably, I do support revenue sharing. I know its importance to local governments. It is very difficult for me to vote for a budget resolution that would tamper with revenue sharing. Especially the devastating effects of the Pursell amendment. Thus, I must support the committee's recommendation that funding for the program be reduced by 25 percent.

If we are to cut spending for defense, mass transit, community development, agriculture and small business assistance—then we must cut other worthwhile programs, such as revenue sharing.

If we are to maintain the cost-of-living increase for Social Security beneficiaries, then we also must reduce funding for local governments. And if we are to maintain health care programs for the elderly, then we must cut the budget even if it hurts revenue sharing.

Quite frankly, I wish we did not have to make this decision. We are hurting the one Federal grant-in-aid program that is simply administered, is efficient, and is equitable.

We are cutting one of the Nation's best jobs program. A jobs program that enables local governments to retain the essential workers—the police officers, the firefighters, and the sanitation employees.

Mr. Chairman, while we must cut revenue sharing today, let us not terminate the program tomorrow. I disagree with the committee's recommendation to end this valuable program after fiscal year 1986.

To eliminate revenue sharing forever is to place our local governments in a vice that will squeeze out their vitality, their quality services, and their workers.

We simply cannot expect local governments to shoulder our efforts to balance the budget. Already we have drastically reduced categorical assistance to local governments.

Already, we are hearing the President's proposal to eliminate the Federal deduction for State and local taxes.

We cannot bankrupt local governments. We must not eliminate revenue sharing entirely.

How will our local governments survive? How can the communities in my congressional distict continue basic services as their revenue base shrinks?

How do our cities raise money when their ability to increase taxes is restricted by law?

The cities in my congressional district in Los Angleses County do not use revenue sharing frivolously.

Small cities like Artesia, Industry, La Puente, Santa Fe Springs, and South El Monte use revenue-sharing money to pay half the cost of their police services.

For these cities, revenue sharing is doing exactly what it was intended to do.

It allows local officials to decide what their specific community needs are and how best to address those needs.

The larger cities in my district like Baldwin Part, Norwalk, Pico Rivera, and West Covina use money to hire police and fire officers, and to support community organizations. The community groups that are supported fight drug abuse and family violence.

For these cities, revenue sharing is used for essential services. Each community uses the funds to meet its highest priority needs.

Mr. Chairman, first and foremost, we must reduce the deficit. But, in our effort to cut the budget, let us not cripple our local governments.

Revenue sharing must be reauthorized for 5 more years. Yes, we should cut funding for revenue sharing until we have reduced the deficit. But we also must maintain a streamlined but effective revenue-sharing program.

Mr. Chairman, I again commend the members of the Budget Committee for their proposed budget resolution. Nevertheless, I urge my colleagues not to termiante general revenue sharing.

I urge my colleagues to reduce the deficit without forcing local governments to layoff key personnel and cut essential services.

□ 1710

Mr. PURSELL. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. Gunderson].

Mr. GUNDERSON. I thank the gentleman for yielding this time to me.

Ladies and gentlemen, listen up. I do not believe what I have heard this afternoon. Let me point out what the people over here are saying, which is incorrect.

First of all, the gentlewoman from California gets up and tells us our budget does not cut the deficits. CBO tells us that in 3 years, the 92 Group budget reduces the deficit by $263 billion. The House Budget Committee over 3 years only reduces it by $259 billion. Ours is $4 billion better over 3 years. That is certified by CBO.

The last speaker then gets up and has the gall to tell us that we are doing something wrong because we cut revenue sharing. The fact is, our proposal phases out revenue sharing over 3 years. The House Budget Committee cuts revenue sharing, terminates it in 2 years.

Who is doing the better job?

Now I would like to get on and talk about agriculture, which is why I am here.

The fact is that if you are concerned about agriculture in this country, you ought to take a good look at this budget because it does more for agriculture than any other budget proposal in front of this Congress today.

The fact is that the House Budget Committee cuts $1.8 billion in agriculture in fiscal year 1986. We cut $1.3 billion, $500 million less than the House Budget Committee. Over 3 years, the House Budget Committee cuts $9.7 billion; we cut $7.9 billion, $1.8 less than the House Budget Committee does over 3 years.

We recognize the problems in American agriculture and we are trying to deal with them in an honest, fair way. The problem with the House Budget Committee is that they try and cut $1.8 billion in agriculture through the Commodity Credit Corporation in fiscal year 1986. You cannot do it. The crops are already in the ground. You are already obligated for the deficiency payments. You are already obligated for the loan programs.

There are only two ways to do it, which is to kill the 1987 wheat and feed grain programs, advance deficiency payments or to take it all out of the other programs such as dairy.

Mr. Chairman, we have the only honest agriculture budget, and by the misfacts that are being presented over here, apparently we have the only honest budget here in town.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. I thank the gentleman for yielding this time to me.

Mr. Chairman, I am not going to have time to yield, but I do want to tell my friends on the Republican side that I do not think anyone on our side denigrates the effort that has been put forth over here. This product that the Pursell group had produced is a responsible effort to reduce deficits, and I think we all realize that.

I simply think there are some flaws that need to be addressed, and one that I simply cannot avoid bringing to the attention of my colleagues is the Medicaid cap, which is included in the health provision that the 98 Group provided us with.

They propose cutting Medicaid over the next 3 years by an additional $2 billion. That is on top of a 3-percent cut in 1982, a 4-percent cut in 1983, a 4.5-percent cut in 1984. We are talking now about the poorest of the poor, the people that we really need to be protecting. Medicaid growth has been slowed considerably, from 14 percent annual rate between 1972 and 1982 to a current growth rate of about 8.5 percent.

This is the program that serves over 22 million poor Americans, most of whom are children. Forty percent of the Medicaid dollars are spent on health care for elderly poor who have no other provision for health care other than Medicaid. That is the major source of funds for nursing home care for these individuals. I do not think any of us want to be associated with further cuts in Medicaid.

The House Budget Committee resolution does not make reductions of any further nature. We freeze Medicaid at current services and permit the fact that these people are growing as a percentage of our total health care population to be reflected in our budget priorities.

I must also indicate my opposition to the COLA approach. Once again, all of those groups with weak political constituencies, Federal employees, and military retirees, are given a COLA freeze in your proposal, while the language on Social Security COLA's must, I think, under anybody's analysis, remain nebulous. It appears that you are saying that you would accept, perhaps if it were the will of the body, a Social Security freeze. But whether you meant to freeze Social Security, you are certainly willing to apply this limitation on cost-of-living adjustment to the rest of the defenseless in the political system. That is inequitable and unfair.

Mr. PURSELL. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut [Mr. MCKINNEY].

Mr. McKINNEY. I thank the gentleman for yielding this time to me.

Mr. Chairman, I just want to touch on two general things about the 92 Group budget.

One, it is the absolutely, only budget you are going to consider that has had every single figure gone over by CBO, checked by CBO, at least twice.

There are some real fog smokescreens in the Democratic Committee budget. For instance, they say that we will save $1,500 million on the financing of public housing by tax-free bonding. There is no responsive counterloss on the other side of the ledger for tax revenues that will not come in.

They state that we will save a great deal of money in contracting. How? Where?

On the other side, if we look at the Latta budget, what do we see? We see programs destroyed and we see the suggestion that in the budget process we eliminate Federal programs. Why, if we are going to do that in the budget process, do we have authorizing committees or appropriations committees or anything else?

We in the 92 Group are very careful in reconciliation. We say these figures are correct. Here is how you can do it if you want, but we leave the ultimate authority with the authorizing committee that handles the subject.

I think there is a very important issue here. Are we, in fact, going to play with figures that smoke, so that by the time we get to the authorizing process every single bill that comes onto this floor has to have a waiver of the Budget Act? That is how, in essence, we got where we are.

Are we, in fact, going to have the Budget Committee tell the authorizing committees which programs they will approve and which ones they will not? No.

What you have in the 92 Group budget is a budget that is very similar to Mr. GRAY's budget, a budget that was thought out with suggestions as to how things can be done. But we do not have the temerity to tell any authorizing committee how it must be done, and I think that is important. And we also do not have the temerity to use incorrect figures.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. I thank the gentleman for yielding this time to me.

Mr. Chairman, I, too, would like to compliment the 92 Group on their budget. It is a good budget. It is so good, in fact, that it is very close to the budget that we have proposed on the Democratic side, and I would hope that this is the beginning of the time when moderate Republicans and Democrats work together, as they used to before 1980.

I would like to point out that there are differences in the areas of senior citizens, and differences that do, indeed, make a difference.

First, while the COLA is kept by the 92 Group—I do not want to create a misimpression—in their literature they are saying, "We believe that Social Security must be addressed by the full House apart from this budget plan." I think that leaves open the view that in the future it might be OK to cut Social Security.

I, for one, and I think many of my colleagues on this side, do not want to

keep putting the senior citizens, and the young people—who doubt whether Social Security will exist by the time they are ready to retire—through the continued trauma that we proposed potential cuts, create, particularly now when Social Security is running a surplus and there seems to be a fairly broad consensus on both the Republican and Democratic side that the COLA should be kept.

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The second issue deals with the non-Social Security COLA's. The freeze that is in the 92 Group budget would apply to disabled, elderly, and low-income veterans, for instance. How can we tell those people they should not get their COLA's? These are veterans who have fought for this country, who subsequently became disabled, who are elderly, and who need that extra money just so they can continue to live in dignity, and that is cut by this 92 Group budget.

The third difference between the budgets is the reduction in Social Security system of 17,000 employees. In my district and in districts throughout the country, people have to wait in line for hours to get their Social Security needs handled. This would terribly exacerbate the problem and probably lead to the closing of a very high percentage, maybe 25 percent to 30 percent, of all Social Security offices.

The CHAIRMAN pro tempore (Mr. TORRES). The time of the gentleman from New York [Mr. SCHUMER] has expired.

Mr. PURSELL. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. JEFFORDS].

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I rise in support of the substitute amendment offered by the gentleman from Michigan [Mr. PURSELL] on behalf of myself and other members of the 92 Group.

The 92 Group budget proposal is the most balanced and responsible blueprint for deficit reduction which the House will consider. The $51 billion deficit reduction this budget plan would achieve in fiscal year 1986—$275 billion over 3 years—is based on a realistic set of economic assumptions and projections.

This budget imposes a comprehensive spending freeze with the exception of Social Security COLA's which would be allowed in full. Approximately half of the deficit reduction is the result of freezing defense spending while the other half is achieved through freezing or reducing nondefense spending.

As a longtime champion of mass transportation programs, I am especially concerned about the impact of any budget resolution on this area. The 92 Group budget rejects the administration's initial budget proposal to terminate funding for Amtrak and proposes only a 20-percent reduction in operating subsidies. This reduction is fully consistent with Amtrak's policy of increasing the share of its budget which is financed with Amtrak revenues. Amtrak will continue to meet our nationwide rail passenger needs under the 92 Group budget plan.

With respect to mass transit assistance, the 92 Group budget rejects the 70-percent cut in funding initially sought by the administration. Instead, the 92 Group proposes only a 15-percent reduction in mass transit discretionary grants. These are grants used for new starts so the 92 Group budget plan would allow the continued operation of mass transit facilities which are so vital to many areas of the country.

The 92 Group budget has been carefully thought out to ensure its fairness and reliability. It does not rely on the kind of savings that are more apparent than real which the Budget Committee has used to reach its deficit reduction total. The committee, for example, has assumed a savings from financing public housing through tax-exempt bonds rather than through capital grants. Although there would be a savings in outlays under the Housing Function with this proposal, the committee has not subtracted the revenue losses to the Treasury from the tax-exempt bonds. There are other similar examples of the Budget Committee's overestimation of savings which cast some doubt on the resolution it reported to the House.

The 92 Group budget is solid, fair, and realistic. It represents a true moderate budget course and I urge Members to support it.

Mr. JEFFORDS. Mr. Chairman, I rise obviously in support of the 92 Group budget.

I think our only problem is that ours is so good that people are trying to figure out how to do something about it. As has been pointed out, ours is the only one that is CBO-certified all the way down the line. We do not buy you any air or sell you any air. It is all there.

Let me talk again for just a minute about agriculture. The previous speaker covered some of it; I want to cover the rest. There are significant differences in agriculture in the three remaining proposals, and you ought to be aware of them if you represent agricultural interests.

First of all, as has already been pointed out, our budget does not affect commodities this year. That means that we will not be impacting the serious problems in the Midwest and other areas with respect to changes in commodity programs. The House budget does it by a bookkeeping entry. Yes, for 1 year they will do it. They just flip things over by making a bookkeeping change, but they do not give any real savings nor do they do anything to save or help programs.

In the conservation area, we, as in the House budget, do freeze the conservation program. The Latta proposal cuts it back by 15 percent.

In the credit area, where there is a significant difference between ours and the Latta budget, we do something which we believe will have no significant impact on the farmers of this country in the very difficult and important area of credit. We shift from a direct loan program to a guaranteed loan program, suggesting that we should obviously have adequate guarantees to protect those that need to be protected. This is where the bulk of our savings comes from, about $1 billion. We do not, therefore, impact, as the other programs would, on commodities. We would be willing to try to modify those in the future.

Mr. Chairman, the big difference is simply this: We do not impact anyone in the agricultural area significantly this year. We do it through legitimate changes in programs, with nothing serious which will harm our farmers.

The CHAIRMAN pro tempore. The time of the gentleman from Vermont [Mr. JEFFORDS] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I rise in opposition to the Pursell amendment.

Like some of my colleagues, I think this is a good-faith effort. There are some good features in this, but since we come from different parts of the country, the House Budget Committee attempted to take into consideration all of the various factors, because what is important to one part of the country is not so important to another part of the country.

In my very limited time, let me point out a couple of things. The Appalachian Program is extremely important to about 13 States. The highway program is totally eliminated. In my particular district we have that about 50 percent complete. That would be eliminated in its entirety. That is the wrong approach.

In the TVA nonpower area, which is extremely important to several States in economic development, it is reduced in the House budget report, the draft report, but the Pursell amendment totally eliminates that.

In user fees for meat and poultry, there are changes. This is the only place where this happens; it is not in the Senate bill and it is not in the House bill. What this does is to place Federal employees who have the responsibility of declaring whether or not meat is wholesome under the employ of the company that owns the processing plant. That is a terrible direction for this House to go because we are placing a burden upon this Federal inspector, a burden that he cannot overcome. The consumer ought to be concerned about this provision in this particular amendment offered by the gentleman from Michigan [Mr. Pursell]. That is the wrong direction for this House to go if we want to maintain independent and wholesome meat inspectors across this country.

On timber and mineral receipts, let me give one example of what will happen. I have one county with 70 percent of the land owned by the Federal Government. This one provision will totally eliminate the biggest part of the revenue this little county has.

Mr. Chairman, I ask my collegues to oppose this amendment.

Mr. PURSELL. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. Chandler].

Mr. CHANDLER. Mr. Chairman, I am here to talk about defense, but first I would like to respond to something the gentleman from New York said about Social Security. He said we do not have to worry about it because it has a surplus. That is exactly the kind of thing that led us to the bill that we passed in 1983 to save Social Security, and if you think you are protecting people who are working today and who want to retire in the early 21st century by continuing to give away more and more benefits, then you are just kidding yourself because the demographics are absolutely against you.

Now, on the point about defense, we freeze defense and we do it in an honest way, recognizing, as the gentleman from Iowa pointed out, the pay raise that was granted for three-fourths of the year in 1985. But we are freezing the budget authority at $293.5 billion, obviously a very high level. Just 6 years ago the budget authority was $143 billion, and since then that same spending authority has humped 50 percent. We have had a substantial defense buildup already. Our defense budget is one that freezes at a high level, a realistic level. We are not crippling defense, nor do we intend to.

Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Chairman, I would like to associate myself with the gentleman's remarks.

I think it is important to note that with respect to the budget freeze on the defense issue, we really have brought everything under the fairness umbrella. We have heard stories of $280 billion backlogs in defense, we have heard stories of $18 billion inflation factors, and I think this is the time to pause and reflect.

Mr. Chairman, in many respects today's debate is a remarkable event. Just a few short weeks ago, political observers, and I suspect the financial markets as well, thought it pure fantasy to believe that Congress would seriously propose a budget resolution that contained the $50 billion reduction the President had called for, and do it without raising taxes. But, the fantasy is about to become reality.

Today, the Congress is responding, not with one, but with five separate budget proposals, each of which contains a deficit reduction level of over $50 billion. The fact that all of the alternatives contain this level of reduction represents a strong commitment by this Congress to address the problem of overwhelming deficits. In this sense, I am encouraged. However, make no mistake there are significant differences between the various proposals. Some of their parts are better than others.

Any proposal, to be accepted by the American people, must be balanced and fair. It must also be realistic and practical. This Republican 92 Group budget package titled a "Blueprint for Balance" achieves $51 billion in savings by employing an across-the-board freeze in all programs and real reducdions in 75 selected ones. While no budget package is perfect, the 92 Group budget comes closer to equity than any of the alternatives fashioned to date. It brings all spending under the fairness umbrella.

The foundation of this "Blueprint for Balance" is a budget authority freeze on all spending including the Department of Defense [DOD]. Pentagon spending has increased nearly 70 percent in the past 4 years while spending in most domestic areas has seen marginal growth, a budget freeze or real reduction. Additionally, there are indications that DOD has developed record backlogs in its spending; $280 billion by some estimates. Further reports indicate the Pentagon may have collected in excess of $18 billion in inflation adjustments over the past 5 years. Given the almost-daily reports of defense contractors' overcharges, there is clearly a degree of waste, fraud, and abuse in the Pentagon that this Congress cannot tolerate.

Yet, this Congress has considered handing DOD an inflation-adjusted spending increase for fiscal year 1986. Is this equity? Is this rational when we are extracting reductions in most domestic areas?

Clearly, now is the time to step back and reexamine our defense policies and practices and establish priorities. Equity demands that this Nation's defense spending must be subjected to the same high level of accountability and scrutiny as other Federal programs and agencies.

Again I say, no budget package is perfect. However, the 92 Group's "Blueprint for Balance" is the best alternative we have before us. We must recognize that the budget resolution is an imperfect instrument, and that all compromises, by definition, leave unmet desires by those affected. In this case, I have objections to the treatment of certain programs crucial to this Nation's senior citizens.

While most of the public debate has focused on the Social Security cost-of-living adjustment, I also believe there is another issue of equal importance that is being lost in the budget debate; that is the matter of affordable, quality health care for our Nation's senior citizens.

We have all received letters from our constituents in recent months recounting stories of early releases from hospitals, increased out-of-pocket expenses, and the concern that quality health care is slipping away from the elderly. Indeed we must continue to use all prudent means to curb excessive medical costs. Implementation of the DRG system has already demonstrated some success.

However, we delude ourselves if we think that huge savings in Medicare and Medicaid can be achieved without restructuring some portions. In my opinion, each of the budgets goes too far in targeting savings and I am confident that during the appropriations process we will take a long look at the programs and not sacrifice essential quality medical care in the name of deficit reduction.

While we must continue to effect savings in this program, many of which can be obtained by curbing abuses, we must implement true reform in this area. We must investigate alternative methods of care for our elderly, expand delivery of home health care, revise reimbursement rates for services, and continue coverage for hospice treatment. I am committed to this cause and will urge my colleagues to join me in this effort.

In conclusion, I think the Members of this body, regardless of the concerns they have with individual programs in this budget, will find that, the 92 Group budget represents the most rational, fair and balanced approach. This substitute is the most worthy of the support of the Members of this body.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. Barnes].

Mr. BARNES. Mr. Chairman, I want to commend the chairman of the Committee on the Budget for what I think has been outstanding leadership in bringing to the floor a budget proposal that probably none of us in this

Chamber thought 30 days ago or 60 days ago we would see. I think that the gentleman from Pennsylvania [Mr. Gray] has provided just really remarkable leadership in pulling together what I believe will be the majority of the House in support of an extraordinarily responsible budget recommendation. As a new member of the committee, I am very pleased to have this opportunity publicly to state what many of us have stated privately to our chairman, and that is that we have been very proud to work under his leadership.

I am opposed to all of the alternatives to the budget that has been brought to the floor by the gentleman from Pennsylvania [Mr. Gray] and by our committee. The one that we have before us now has, as has been indicated, a lot of positive aspects to it, but it has some extremely negative aspects to it as well.

I do not represent Baltimore City. That is not a part of my district in Maryland. But I have had the opportunity to talk to the mayor of Baltimore City, Mayor Schaefer, in the last few days about the various budget alternatives and the impact of them, and if the budget that is proposed by the gentleman from Michigan [Mr. Pursell] is adopted by the House, I can tell the Members that the city of Baltimore will have to lay off policemen and will have to lay off firemen.

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There is just no doubt of that. The reason that that is true is that Pursell budget proposal cuts 58 percent, almost 60 percent out of revenue sharing in the next fiscal year.

As Mayor Schaefer said to me the other day on the telephone, revenue sharing is the key program for his city in terms of whether or not he is going to be able to finance police and fire protection for the next fiscal year.

So I strongly urge a "no" vote on the Pursell substitute.

Mr. PURSELL. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. Ridge].

Mr. RIDGE. Mr. Chairman, I would just like to comment that there is a distinction between the two budget alternatives when it comes to revenue sharing. Indeed, we do phase it out, but instead of over a 2-year period, we do it over a 3-year period and in that process we also give these same communities that the gentleman is so concerned about an additional $1 billion to ease the burden of phasing it out. I think we ought to be aware of that fact.

Mr. Chairman, I would like to commend my colleague, the gentleman from Michigan, for his untiring effort in support of this budget alternative. Specifically, I would address the concerns raised by some of my colleagues regarding the defense budget freeze, which is clearly an essential component of our spending reduction efforts.

During the past 4 years Congress has provided for unprecedented growth in the Department of Defense. There has been nearly a 40-percent growth in current dollars and a 22-percent growth in constant dollars during this period of time.

To place the current debate in a different and perhaps more meaningful perspective, in constant dollars we have spent more during the past 4 years for peacetime defense than we did during the four most costly years of either the Korean war or the Vietnam war.

We all recognize our responsibility to provide for the defense of this country. We should also recognize that more money neither guarantees nor automatically generates better defense.

In this budget alternative, we freeze defense spending at $293.5 billion at a time when most Americans, including myself, do not believe we are either purchasing the quality or getting the value we deserve. We are not freezing to be punitive; but when I trace a pair of pliers sold by a manufacturer in my district for less than $6 and discover the same pliers on a Pentagon pricing list at $748, perhaps we should.

We are not freezing permanently, because in this budget resolution we provide for real growth in the out years. We freeze because we believe that the defense industry can absorb the modest inflation we have all experienced in the past several years.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. Russo], a member of the committee.

Mr. RUSSO. Mr. Chairman, I, like my colleagues on the Democratic side of the aisle, want to compliment my colleagues on the Republican side for coming up with an excellent budget, but when you are discussing the better of the two budget resolutions, it is important to point out what we think are glaring differences between the two budgets and let the House work its will. If you look at the Pursell substitute, it reduces mass transit by 20 percent. That would involve both operating and capital grants. This reduction would significantly impact urban systems, particularly the large cities with very old systems, such as Chicago, Philadelphia, New York, and Cleveland; but it would also impact newer systems in cities with all bus systems. Replacement vehicles, system maintenance and operating subsidies could be affected by this amendment. Reduction would impact severely on low-income and minority users of mass transit, which comprise 40 percent of the ridership.

The House Democratic budget report assumes a freeze level.

The Pursell substitute reduces highway obligations by $1.55 billion below what we do in our particular amendment.

Just to clarify the point about general revenue sharing, I understand that you phase it out over 3 years, but we all know that the big battle in revenue sharing takes place next year on reauthorization; so no matter what you put in the budget for the 2 outyears, if they do not reauthorize it the following 2 years, it does not do us any good, anyway. We give a lesser cut in general revenue sharing of about 25 percent.

The Pursell substitute also reduces community service block grants by 30 percent, compared to what we do, which is current policy. This reduction would reduce available funds for important social service programs at a time when communities are still trying to recover from the recession.

The Pursell substitute reduces child nutrition programs by $364 million, compared with our budget resolution.

Reductions in reimbursement rates for school lunches and other program reimbursements will be reflected in either reduced program levels, that is, less needy children served, and/or transfer costs to local government.

So there are glaring differences. We need to debate fully what those differences are and allow the House to work its will.

I hope in the final analysis that the House of Representatives will reject the Pursell amendment and vote for the House budget resolution passed out with the help of the great chairman, the gentleman from Pennsylvania, [Bill Gray].

Mr. PURSELL. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. Boehlert].

Mr. BOEHLERT. Mr. Chairman, the deficit is indeed at crisis proportions—we're spending $265 million a day just in interest on the national debt. That's more than a crisis, it's obscene. We intend to do something about it. The good news, for all Americans, is that there is bipartisan agreement here in Congress that we must significantly reduce the projected deficits, not just a "one shot" deal, but over several years, $51 billion the first year, $264 billion through fiscal year 1988.

Earlier in the day, during debate on Humphrey-Hawkins we focused—and rightly so—on another serious problem in America; unemployment. Make no mistake, the two are related. Every 1 percent increase in unemployment adds $30 billion to the national debt. Move in the opposite direction, by expanding job opportunities, and the deficits are reduced.

That's what this exercise is all about: Reducing the deficits while not abandoning important Federal partnership programs to expand job opportunities. This proposal does just that.

We preserve the vital UDAG Program, which permits private-public sector partnerships to create more job; we maintain the Economic Development Administration Programs, programs designed to preserve existing jobs while creating new job opportunities; we continue the Community Development Block Grant Program, to enable local governments to help build better communities, and we continue the operating subsidies for mass transit systems.

In short, Mr. Chairman, we recognize the moral imperative of a job opportunity for all in this, the greatest and most productive nation on Earth. We prove, with this proposal, that we can be both fiscally responsible and socially responsible. We appreciate on the other side of the aisle your compliments we ask you for your votes.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. Wolpe].

Mr. WOLPE. Mr. Chairman, I rise in support of the budget resolution reported by the House Budget Committee and in opposition to that which has been offered by my distinguished colleague from Michigan [Mr. Pursell]. But having said that, I want to join in the tribute that has been paid by Members on my side of the aisle to the work that has gone into the budget resolution offered by our Republican colleagues.

In many respects, the resolution that has been offered by the gentleman from Michigan [Mr. Pursell] is very similar to the resolution offered by the House Budget Committee. Both resolutions reflect a very severe discomfort with the priorities of the administration. Both resolutions restrain the growth in Pentagon expenditures and spread the burden of necessary budget reductions in a much more fair and equitable fashion.

I commend my colleagues for the time and the attention they have given to their effort in reordering the priorities of the Federal budget.

Having said that, it also needs to be said that there are some very significant differences between the two budgets that lead me to the conclusion that the budget that was developed by the House Budget Committee is a superior budget that warrants the support of this body.

Mr. Speaker, the budget reported by the House Budget Committee is tough, but it is fair. It not only exceeds the President's goal for deficit reduction, but more fairly spreads the burden of sacrifice throughout the budget. This resolution makes great strides in moving us toward a balanced budget, but does so without raising taxes, cutting Social Security, compromising national defense, or asking additional sacrifices from our Nation's most vulnerable citizens.

Clearly, our ability to sustain this Nation's economy recovery will be determined by our capacity to come to terms with the crisis of the Federal deficit. If enacted, this budget will cut anticipated deficits by 25 percent in fiscal year 1986 and 50 percent by fiscal year 1988. Of the 1986 savings, 51 percent comes from cuts in domestic spending, while 49 percent comes from slowing the growth of Pentagon spending.

As I said, this is a tough budget. In writing it, we began by freezing budget authority for all discretionary spending—both domestic and Pentagon.

On the domestic side of the ledger, we then cut numerous programs below the freeze level. I have thus been forced to support cuts in programs that are vital to my region of the country, such as urban development action grants, rural housing, the Small Business Administration, and Amtrak. But by spreading the burden of sacrifice widely, we were able to avoid the wholesale elimination of vital programs that would occur if the Senate budget resolution were to be enacted.

However, I would point out that the committee was careful to protect a handful of domestic programs from these cuts. We protected programs that are directed toward productive investment in the future strength of America, such as some education and training programs, research and development, child nutrition, and drug enforcement. In our view, it would be very short-sighted to deeply cut programs that, in the long-run, contribute to the maintenance of a strong America.

I am also very proud of the fact that we were able to identify over $28 billion in domestic spending cuts in fiscal year 1986 without breaking our commitment to our Nation's senior citizens on Social Security. As a result of the 1983 bipartisan compromise, the Social Security system is now running a healthy surplus. Revenues from the Social Security payroll tax more than cover payments to Social Security recipients. While I cannot deny that cutting Social Security would reduce Federal spending and therefore reduce the deficit, it must be understood that the Social Security system itself is not contributing a single dime to the $200 billion deficits that we face.

While I am very proud of this budget resolution, I would like to briefly express my disappointment with the way in which our resolution addresses two issues.

First, I am not personally satisfied with our committee's decision to cut the General Revenue Sharing Program by 25 percent in fiscal year 1986. While it is obvious that the Federal Government has no excess revenue to share, in my view it is simply irresponsible to so deeply cut this program with so little notice to the local units of Government that depend upon it. This 25 percent cut will have a particularly severe impact upon local government in my region of the country. Unfortunately, the substitute offered by Mr. Pursell would cut revenue sharing by 50 percent.

As the authorization for this program expires at the end of fiscal year 1986 anyway, I believe that we should freeze this program in fiscal year 1986 at fiscal year 1985 levels and leave decisions concerning the outyears to be decided during the reauthorization process in 1986. It is my hope, therefore, that the House will recede to the Senate position of freezing revenue sharing in fiscal year 1986 when we go to conference.

Second, I am disappointed that the resolution does not include the abolition of the Synthetic Fuels Corporation. I am convinced that the SFC is the most outrageous example of waste in the entire Federal budget. Allowing the SFC to waste $8 billion will not contribute to energy security. I believe that it would make great sense in terms of both fiscal policy and energy policy to abolish the SFC as soon as possible and reestablish a strong synfuels development program at the Department of Energy. I can assure this House that this course of action will be vigorously pursued in the coming months during the authorization and appropriations process.

Moving to the Pentagon side of the ledger, it must be emphasized that due to the nature of Pentagon budgeting, our freeze on fiscal year 1986 budget authority will not result in an actual freeze in defense spending. In fact, our budget actually provides a $15 billion increase in Pentagon outlays over fiscal year 1985 levels. But by freezing fiscal year 1986 budget authority, we will send a strong message to the Pentagon that the days of the blank check are over and it is time to tighten management practices so as to eliminate the scandalous procurement abuses of recent years:

Before concluding, I would like to briefly comment on the regional impacts of the House Budget Committee resolution as cochairman of the northeast midwest congressional coalition. From a regional standpoint, our budget resolution is a great improvement over the President's February budget proposal. In that budget, the President proposed a 10-percent increase in defense spending, which, due to the tilt of Pentagon spending, greatly benefits the South and the West. At the same time, the President proposed to totally eliminate a number of economic development programs that seek to promote long-term economic revitalization in our region of the country. The resolution before

us is much more fair from a regional perspective. It freezes budget authority at the Pentagon, while preventing the termination of essential economic development programs that are vital to the future of our region.

In closing, I would like to focus for a moment upon the importance of moving away from the partisan bickering that has characterized the budget debate in recent years. The budget crisis that threatens the Nation's economic health is too serious to allow party politics to stand in the way of effective bipartisan problem solving.

While our flirtation with a bipartisan budget fizzled in the Budget Committee this year, I hope that will not prevent such action in the future. On that note, I would like to close by once again offering my sincere congratulations to Mr. Pursell and to those other Members on the Republican side who worked so hard to put their own budget proposal together. It is my hope that the similarity of our two budgets will be the harbinger of an emerging bipartisan consensus within the Congress regarding the critical need both to bring down these huge Federal deficits and to do so in the most equitable manner possible.

Let me say, finally, that genuine praise is due my Budget Committee chairman, Mr. Gray, for the truly extraordinary leadership he has provided these past several months. The excellence of the resolution reported by the House Budget Committee is directly attributable to the efforts of the gentleman from Pennsylvania [Mr. Gray].

□ 1740

Mr. PURSELL. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. Johnson].

Mrs. JOHNSON. Mr. Chairman, today is a day to focus on the reality of tomorrow, not the rhetoric of today.

To create the reality of a reduced deficit tomorrow we must take specific and decisive actions today. I would say in that regard the 92 budget proposal is much more specific and decisive than is the House Budget Committee proposal.

There are two problems with the latter. In areas where the two proposals make similar recommendations, frequently the House budget proposal overestimates the savings. In other areas where the House budget proposal makes estimates as to the savings of its initiatives, those savings proved to be, when reviewed by the CBO, significantly exaggerated.

For example, specifically, in oil overcharges where the 1986 House Budget Committee estimate of savings is $1 billion, the CBO estimates the savings from that item at $30 million. In contracting out, one of the Democratic House Budget Committees major recommendation, the estimated savings is $3.9 billion, a very significant figure. Yet the CBO says most studies have assumed savings would result from increasing, not decreasing contracting out. In public housing where the estimated savings is $1.5 billion, again a large saving in public housing, the CBO claims that the refinancing proposal made by the committee will save nothing.

This is CBO I am quoting. This is not my judgment. These are not my figures. They are those of the budget office we rely on as Members of Congress.

That is why I point out to you today that the issue here is not rhetoric, it is not the rhetoric of today's debate; it is the reality of tomorrow's economy. The issue is do we or do we not take the kinds of specific and decisive actions that will result in reducing the deficit and restoring the vitality of our economy.

I urge my colleagues to support this budget, a balanced, fair, specific, and honest deficit reduction package.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. Frank].

Mr. FRANK. I thank the chairman for yielding and I welcome this initiative from some of my friends across the aisle. I wish there were more of them.

I did not know what the 92 Group meant. I thought it meant that there were 92 moderate Republicans left in America, and I thought they had taken that money out of the Superfund and put it into the Endangered Species Act to sort of protect themselves. But I am still glad they are here.

I think they have been a bit harsh, however, in their attack on the official budget of the Republican side because they have announced that they are the only one that is CBO certified, which is apparently the new Good Housekeeping Seal of Approval.

I thought they were a bit harsh in the way they emphasized again and again that the budget that represents the dominant position on the minority side, supported by the gentleman from Ohio, is not CBO certified.

I do not know why the gentleman from Ohio did not get himself certified, or approved, or made kosher for Passover, but I hope he will explain.

I do have to vote against the 92 Group and although they are good friends, because they are going to spend more money for military and less on Medicare, more money on agriculture and less money for public transportation, and I think those are not good priorities. They are better than the other side has got.

But I do have to address a question to my friend, the chairman of the Budget Committee, because I know that he is a fair type of a person, and I am a little bit worried here because we have a President of the United States and we have another body which is what we call the Senate, and they made a budget, and we have on the other side, we have the budget of the gentleman from California, and we have the 92 Group budget and we have the official budget, and we do not have before us the budget that represents the viewpoint of the United States.

I want to know what happened to that budget. Did the gentleman from Pennsylvania refuse to our friends on the other side the chance to align themselves with their party on the other side?

We have the Senate majority leader, the Vice President phoning in from Arizona to break a tie, and we have a man brought out of the hospital, and we have a majority over there, and then we have a President, and they made this budget that cuts Social Security and does a few other things, and we are not even given a chance to vote on it.

I would like to ask, and I will even ask for unanimous consent and request that my friends on the other side of the aisle—it seems to me that the President said there is a much better budget in the Senate, and why have we not given these people a chance, and do not the Republicans want a chance to vote on their party's budget?

Mr. PURSELL. Mr. Chairman, I yield 2 minutes to the gentlewoman from Rhode Island [Mrs. Schneider].

Mrs. SCHNEIDER. Mr. Chairman, our budget has held up very carefully, under scrutinous looking on the part of the Congressional Budget Office. It is not inflated. Our numbers are not approximated. There are no cuts in programs that we are asking other people to fund. There are no smoke and mirrors.

We have made difficult budgetary choices in a very responsible manner. that are accurate and honest numbers. Take, for example, Medicare budget functions. There are savings of $295 million in fiscal 1986 by introducing home health care copayments after the 20th visit, and the House Budget Committee, on the other hand, proposes savings over three times as much with no solid proposals about how they are going to accomplish this.

This is not a responsible budget and not a responsible approach.

Also we are recommending for third party reimbursement by private insurers for certain VA Medicare expenses which result in $182 million in savings. Our friends on the House Budget Committee save two times that amount in unspecified discretionary VA programs.

When our budget is enacted, with the cooperation of many of my Democratic colleagues, we will not have the CBO telling us later what we thought was a $50 million reduction is now $40 billion or $30 billion in reductions. Our cuts are the most evenhanded, they are the most honest, and I think this is the most responsible budget in addressing our Nation's needs and addressing the reduction of our deficit. It is the most fair in its treatment of all groups.

The Democrats have commended us on our efforts, but I sincerely believe that actions speak louder than words, so that those Democrats that do not vote for the 92 Group budget are putting partisanship above responsible representation.

Mr. PURSELL. Mr. Chairman, I yield 1½ minutes to the gentleman from Maine [Mr. McKernan].

Mr. McKERNAN. Mr. Chairman, there is an old Maine saying that "you cannot get there from here." Believe me, when you try to run these numbers through the CBO you are going to think that is true, because, as you have heard today, the 92 Group has been back to the CBO two or three times. Every time we thought we had over $50 billion in savings we found out we did not. It happened two or three times.

What I want everyone to understand is that the rest of these budgets that have not been to the CBO are going to find the same problem. That is why the CBO-approved 92 Group budget is so important if you are serious about deficit reductions.

Let me give you some examples. On a budget freeze on authority for defense, the CBO comes up with figures that are $2.8 billion less than that included in the Democratic Budget Committee budget. On income security, a freeze on income security, there is $2.4 billion in savings according to the Budget Committee, and only $1.5 billion according to the CBO. In the health functions, $1.5 billion in savings from a freeze, according to the Budget Committee, and $225 million in savings for the 92 Group through the CBO.

If you go down through public housing, oil overcharges, agriculture, the unspecified savings in Medicare of $1 billion, OCS and contracting out, and you run those through the CBO, you have $18.5 billion less than is stated in the Budget Committee's budget: that comes to $18 billion less than the $56 billion claimed. That leaves under $40 billion in deficit savings for 1986.

Mr. FAZIO. Will the gentleman yield?

Mr. McKERNAN. If I have any time left I will be happy to yield.

Mr. FAZIO. I am pleased that the gentleman would yield.

I think the committee fully understands your effort to have a more accurate economic future predicted.

The CHAIRMAN pro tempore. The time of the gentleman from Maine [Mr. McKernan] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 30 seconds to the gentleman from Maine [Mr. McKernan].

Mr. FAZIO. The committee felt very constrained, however, to work within the same figures that the administration used and that the Senate committee used. And I think we understand that it would be positive, that perhaps the conferees could do some reestimating based on the new economic data that is showing a decline in GNP growth and all of the other things that trouble us about the outyears of the Reagan deficit.

Mr. McKERNAN. If I can reclaim my time, because it is going to expire, and your chairman can yield more time if he is willing to, that is why we went to the CBO. You are correct. Both of the Republican alternatives to be offered and the Senate figures as well as the House Budget Committee figures are not CBO certified. They are overstated, and we feel that the budget figures ought to be more accurate.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield to myself such time as I may consume.

I would like to enter into a colloquy with the gentleman from Michigan [Mr. Pursell] because the question has come up over and over and I think it might be interesting if we could just have a moment together.

☐ 1750

It has been mentioned over and over again that you have been to CBO and this is CBO-certified. Could the gentleman explain to the Committee what he means by having gone to CBO and it has been certified, all of the numbers? Have they given the gentleman a document saying that every number in his budget is absolutely correct? What does the gentleman mean by certification? Could the gentleman clarify?

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield to the gentleman from Michigan.

Mr. PURSELL. I thank the gentleman for yielding.

Mr. Chairman, I would be happy to respond to that. Several months ago we started with approval of the leadership, and with a letter specifically requesting CBO to go through our subsequent policy decisions. They sat with us in each meeting and had certification and approval of substantive numbers within the expenditure side.

So we have used House and Senate budget numbers in response to assumptions, but we used CBO on all functional categories on the expenditure side, both accurate and correct.

Mr. GRAY of Pennsylvania. Let me just continue the colloquy I have with the gentleman from Michigan.

When the gentleman went to them and asked for their review of his policy assumptions and the numbers that come from those assumptions, what baseline did he use?

Mr. PURSELL. We used the Senate Budget Committee, the same as the Senate.

Mr. GRAY of Pennsylvania. The gentleman used the Senate Budget Committee?

Mr. PURSELL. Right.

Mr. GRAY of Pennsylvania. Which used the same baseline as the President and the OMB; is that correct?

Mr. PURSELL. The same as the gentleman's committee.

Mr. GRAY of Pennsylvania. All right. And what economic assumptions did you use?

Mr. PURSELL. OMB economic assumptions, the same as the gentleman.

Mr. GRAY of Pennsylvania. You used the OMB economic assumptions?

Mr. PURSELL. And the CBO technical assumptions is what we used.

Mr. GRAY of Pennsylvania. All right. I just want to point out to the gentleman that when he talks about certification, CBO does not give certification other than to look at your numbers and align it with your economic assumptions. We used the same baseline as the gentleman did, OMB; we used also the same economic assumptions that he uses. So I guess that would mean that we would qualify for the certification as well.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield to the gentleman.

Mr. TAUKE. I thank the gentleman for yielding.

Mr. Chairman, I think it is good that we have had this colloquy because I think that it is important to understand we are all operating off the same economic assumptions; we are all operating off the same inflation rate, growth rate and baselines. That is true. The difference arises in the following: That we have submitted each policy change to the CBO and gotten an estimate of the savings from that policy change for those numbers. And the policy changes that have been made by the committee and by the other budgets that there are before us carrying with them estimates of savings which do not match the estimates of savings that CBO told us those policy changes would bring about.

So, for example, if you say you are going to take a step in Medicare or in agriculture or in some other program, the question is, How much savings do you get out of that? We have used the CBO figures for how much savings

you get out of it and the other budgets have not done so.

Mr. GRAY of Pennsylvania. Well, I just want to thank the gentleman because we have heard this throughout the debate and we have also been in touch with CBO. We used the same economic assumptions, we used the same baseline and, CBO, for instance, has not taken into consideration, as I understand it, the Secretary of Defense's figures. CBO did not take into consideration the Secretary of Defense's recent change in defense progress payments. So therefore that would not be in your consideration necessarily.

I just wanted to point that out, and if we want to continue on this vein, we can. But I just want everyone to know that we are talking about the same economic assumptions and the same baselines.

I think the 92 Group has done a very good job. In fact, I would like to ask the Chair how much time we have.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. Gray] has 1 minute remaining, and the gentleman from Michigan [Mr. Pursell] has 6½ minutes remaining.

Mr. PURSELL. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. Bereuter].

Mr. BEREUTER. Mr. Chairman, in my few minutes I would like to appeal specifically to three groups, to Republicans, to people concerned about agriculture, and to conservative and moderate Democrats. First of all, I say to my Republican colleagues that we do have a balanced approach, we are fair on defense, we base it on an across-the-board freeze with the exception of the COLA for Social Security retirees. We get $32.1 billion there.

There will be some concern about voting for the Republican alternative. Well, more Republican hours went into this one than any other. And I hereby claim that this is the Republican alternative.

Now, for those of you who are not enthused about voting for the Latta substitute on my side of the aisle, for those of you who do not want to vote for the Democratic Budget Committee alternative, what option do you have? What are you going to support? Well, this is it.

I would say to the people concerned about agriculture that the 92 Group is the best alternative of all. It cuts less out of agricultural areas than any other, particularly in crop supports and in this year, fiscal year 1986 upcoming, the change is even more significant. We cut even less out of a very difficult year.

Now, finally, to the conservative and moderate Democrats, I would remind you of these facts: One, we are not too far apart with the House alternative on defense spending, but we do in fact spend $1 billion more in budget authority in fiscal year 1986. It is better for agriculture. We cut $1.2 billion less out of agriculture over a 3-year period of time.

Furthermore, we are not afraid to make equitable reductions in domestic spending where those items are essential. This is a construction that really does deserve bipartisan support. Call it whatever you will, but this is the one you ought to vote for.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. Bereuter] has expired.

Mr. PURSELL. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. Henry], a distinguished young freshman and an outstanding colleague of mine.

Mr. HENRY. I thank the gentleman.

May I address myself specifically to the distinguished chairman of the Committee on the Budget, because he raised a very intriguing and fundamental question in this debate. Yes, there are many in our group who agree that you cannot balance the budget with smoke and mirrors and, yes, we would agree there is too much smoke coming out of the White House numbers. But what we are concerned about is we do not counter with mirrors on the other side and continue the fiscal deficit problem that we have.

Now, let me, by function, go through some of the differences and show you where billions and billions of dollars of difference between our proposal and the House Budget Committee proposal come out, with this scrutiny.

Let us just take international affairs; the gentleman from Michigan rose a little while ago and it was that same gentleman who fought so hard for the Africa aid and relief bill and the supplemental money. Nowhere does the House Budget Committee put in the nearly half billion dollars that CBO says is necessary to put that in as a line item.

In agriculture, 2 months ago we fought on this floor over what was right and fair for agriculture. We detail our cuts, we specify where they are coming from.

The congressional budget, the House Budget Committee, simply gives us $1.8 billion unspecified cuts.

Let me give you some other examples: SBA disaster loans, CBO estimates the complete elimination of the program and saves only $60 million.

The Budget Committee proposal reduces the program only 20 percent and yet it claims $100 million savings. Where did the extra money come from when you are only taking away 20 percent of the program?

Function 550, Federal employee health benefits, you do not save a dime but you only shift $30 million out of the reserves of the operating carriers and put it into operations of the Government. It is Chinese bookkeeping, except that I do not want to insult the Chinese.

Function 570, Medicare, you attack us because we detail our savings on Medicaid. You have $1 billion of unspecified cuts in Medicare.

☐ 1800

Mr. PURSELL. Mr. Chairman, I yield 2½ minutes to the gentleman from Iowa [Mr. Tauke].

Mr. TAUKE. Mr. Chairman, I suspect that at this point in the debate, most Members are very confused, with all the numbers that have been thrown around and all of the discussion about who is saving how much.

I urge those Members to pick up the budget resolution and look at how much money we spent. Do not pay any attention to how much money we say we saved, instead look at how much money we spend.

The gentlewoman from California led off the debate by saying that our budget saved less than any of the budgets before us. I do not know whether or not that is true, but I can tell you this; we spend less than any of the other budgets before us, which would lead me to believe that we save more.

Look at the budget authority figure. For fiscal year 1986 we have a budget authority figure of $1,060 million. The House Budget Committee has a budget authority figure of $1,062.9 million; almost $3 billion more. The Latta substitute has $1,064.9 billion; almost $5 billion more.

The bottom line is that we have not only indicated that we will save more, but we have also shown you in detail how we do it. Nobody else has done that, either.

It seems to me that it is important for Members to recognize that this budget is one that is solid; they know what they are getting when they vote for it; there are no unspecified savings. At the same time it is equitable and it is fair. It starts with an across-the-board freeze, including defense and all other programs except Social Security.

It then details the budget savings that are achieved by terminating 6 programs and by making reductions in reforms in some 70 others.

We do not have any phony savings in it; we do not say, for example, we are going to cut down contracting out and somehow achieve savings from that; instead we have in there, detailed, specified ways in which we can hold the line on Government spending.

So if you believe as I do that our mission in this body is to fairly and equitably figure out how we can bring down the deficit, hold down spending in order to bring down interest rates, improve our balance of trade, provide jobs for our people, and bring growth to our economy, then I urge you to

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join with us in supporting this budget, a budget which we believe is a blueprint for balance.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield the remaining time, 1 minute, to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, let me first of all commend the 92 Group for their hard work. I just wish I could support their product.

Let me give you three good reasons for not supporting it. No. 1, they reconcile less—let me stress that, less—than do the Democrats in fiscal year 1986. The Democrat proposal reconciles $11 billion, and they only reconcile $8.4. We know that is where the action is.

On the matter of defense, they would cut from budget authority $40.1 billion from the rose garden baseline in 1986; $58.2 in 1987, $85 billion for a total of $167.9 billion from the baseline in defense.

Let me also point out that as has been pointed out here before, that they freeze COLA's with the exception of Social Security and the veterans' pensions. They freeze veterans' compensation, they freeze military retirement, civil service retirement. We should consider these facts before we vote.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Michigan [Mr. PURSELL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PURSELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 87, noes 335, not voting 12, as follows:

[Roll No. 125]

AYES—87

Bartlett
Bereuter
Boehlert
Broomfield
Brown (CO)
Carper
Chandler
Cheney
Coats
Coleman (MO)
Conte
Cooper
Coughlin
Craig
Daub
Davis
Eckert (NY)
Edwards (OK)
Fawell
Fish
Frenzel
Gingrich
Goodling
Gradison
Green
Gregg
Gunderson
Hammerschmidt
Hartnett
Henry
Hiler
Hillis
Hopkins
Horton
Jeffords
Johnson
Kasich
Kindness
Kolbe
Lent
Lewis (CA)
Lott
Lowry (WA)
Lujan
Madigan
Martin (IL)
Martin (NY)
McCain
McEwen
McKernan
McKinney
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Nielson
Packard
Petri
Pursell
Regula
Ridge
Rinaldo
Ritter
Roberts
Roukema
Rowland (CT)
Schneider
Schroeder
Schuette
Sensenbrenner
Siljander
Skelton
Smith (NE)
Smith (NJ)
Snowe
Spence
Stangeland
Tauke
Thomas (CA)
Vander Jagt
Walker
Whittaker
Wortley
Wylie
Young (AK)

NOES—335

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
Badham
Barnard
Barnes
Barton
Bateman
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Bliley
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carr
Chappell
Chapple
Clay
Clinger
Cobey
Coble
Coelho
Coleman (TX)
Collins
Combest
Courter
Coyne
Crane
Daniel
Dannemeyer
Darden
Daschle
de la Garza
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fazio
Feighan
Fiedler
Fields
Flippo
Florio
Foglietta
Foley
Ford (MI)
Fowler
Frank
Franklin
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gray (IL)
Gray (PA)
Grotberg
Guarini
Hall (OH)
Hall, Ralph
Hamilton
Hansen
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Hertel
Holt
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kemp
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Luken
Lundine
Lungren
Mack
MacKay
Manton
Markey
Marlenee
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McHugh
McMillan
Mica
Mikulski
Miller (CA)
Mineta
Mitchell
Moakley
Mollohan
Monson
Montgomery
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Pickle
Porter
Price
Quillen
Rahall
Rangel
Ray
Reid
Richardson
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schulze
Schumer
Seiberling
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Sisisky
Skeen
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NH)
Smith, Denny
Smith, Robert
Snyder
Solarz
Solomon
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wright
Wyden
Yates
Yatron
Young (FL)
Young (MO)
Zschau

NOT VOTING—12

AuCoin
Bentley
Bilirakis
Conyers
Crockett
Ford (TN)
Gordon
Hall, Sam
Leach (IA)
Lowery (CA)
McGrath
Roth

□ 1820

Mr. RICHARDSON and Mr. SWEENEY changed their votes from "aye" to "no."

Mr. LOWRY of Washington changed his vote from "no" to "aye."

PERSONAL EXPLANATION

Mr. AuCOIN. Mr. Chairman, I was absent and failed to vote on rollcall No. 125. Had I been here and voting, I would have voted "no" on that vote.

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LELAND

Mr. LELAND. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. Leland: Strike out all after the enacting clause and insert:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is hereby revised and replaced, and first concurrent resolution on the budget for fiscal year 1986 is hereby established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are hereby set forth:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,050,000,000.
Fiscal year 1986: $816,100,000,000.
Fiscal year 1987: $914,600,000,000.
Fiscal year 1988: $1,018,500,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $27,700,000,000.
Fiscal year 1987: $59,400,000,000.
Fiscal year 1988: $84,800,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,200,000,000.
Fiscal year 1986: $51,000,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,150,000,000.
Fiscal year 1986: $200,700,000,000.
Fiscal year 1987: $216,850,000,000.
Fiscal year 1988: $248,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,026,100,000,000.
Fiscal year 1986: $1,056,500,000,000.
Fiscal year 1987: $1,118,050,000,000.
Fiscal year 1988: $1,197,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $939,950,000,000.
Fiscal year 1986: $989,350,000,000.
Fiscal year 1987: $1,039,800,000,000.
Fiscal year 1988: $1,092,300,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $203,900,000,000.
Fiscal year 1986: $173,250,000,000.
Fiscal year 1987: $125,200,000,000.
Fiscal year 1988: $73,800,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,039,100,000,000.
Fiscal year 1986: $1,051,500,000,000.
Fiscal year 1987: $1,125,700,000,000.
Fiscal year 1988: $1,205,300,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $33,600,000,000.
Fiscal year 1986: $232,300,000,000.
Fiscal year 1987: $231,000,000,000.
Fiscal year 1988: $215,800,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:
(A) New direct loan obligations, $51,950,000,000.
(B) New primary loan guarantee commitments, $88,800,000,000.
(C) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1986:
(A) New direct loan obligations, $38,050,000,000.
(B) New primary loan guarantee commitments, $74,600,000,000.
(C) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1987:
(A) New direct loan obligations, $37,000,000,000.
(B) New primary loan guarantee commitments, $78,000,000,000.
(C) New secondary loan guarantee commitments, $88,250,000,000.

Fiscal year 1988:
(A) New direct loan obligations, $36,450,000,000.
(B) New primary loan guarantee commitments, $76,900,000,000.
(C) New secondary loan guarantee commitments, $68,250,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:
(A) New budget authority, $278,550,000,000.
(B) Outlays, $250,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $259,250,000,000.
(B) Outlays, $261,550,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $270,150,000,000.
(B) Outlays, $262,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $282,050,000,000.
(B) Outlays, $265,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:
(A) New budget authority, $24,950,000,000.
(B) Outlays, $17,500,000,000.
(C) New direct loan obligations, $10,050,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $23,050,000,000.
(B) Outlays, $17,350,000,000.
(C) New direct loan obligations, $10,350,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $22,350,000,000.
(B) Outlays, $18,200,000,000.
(C) New direct loan obligations, $10,750,000,000.
(D) New primary loan guarantee commitments, $10,750,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $22,750,000,000.
(B) Outlays, $18,200,000,000.
(C) New direct loan obligations, $11,000,000,000.
(D) New primary loan guarantee commitments, $11,200,000,000.
(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $9,150,000,000.
(B) Outlays, $9,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $9,350,000,000.
(B) Outlays, $9,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $9,650,000,000.
(B) Outlays, $9,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:
(A) New budget authority, −$2,900,000,000.
(B) Outlays, $2,850,000,000.
(C) New direct loan obligations, $2,650,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $3,750,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $4,100,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $3,800,000,000.
(B) Outlays, $3,500,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $3,450,000,000.
(B) Outlays, $3,350,000,000.
(C) New direct loan obligations, $2,150,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:
(A) New budget authority, $13,000,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $12,800,000,000.
(B) Outlays, $12,500,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $13,100,000,000.

(B) Outlays, $12,600,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $13,400,000,000.

(B) Outlays, $12,850,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $22,550,000,000.

(B) Outlays, $18,950,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $14,700,000,000.

(C) New direct loan obligations, $13,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $17,850,000,000.

(B) Outlays, $17,250,000,000.

(C) New direct loan obligations, $12,150,000,000.

(D) New primary loan guarantee commitments, $5,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $18,100,000,000.

(B) Outlays, $17,800,000,000.

(C) New direct loan obligations, $11,800,000,000.

(D) New primary loan guarantee commitments, $5,750,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $2,950,000,000.

(C) New direct loan obligations, $6,550,000,000.

(D) New primary loan guarantee commitments, $26,450,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1986:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $2,850,000,000.

(C) New direct loan obligations, $5,900,000,000.

(D) New primary loan guarantee commitments, $27,100,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1987:

(A) New budget authority, $6,650,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $6,150,000,000.

(D) New primary loan guarantee commitments, $28,650,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1988:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $3,250,000,000.

(C) New direct loan obligations, $6,650,000,000.

(D) New primary loan guarantee commitments, $30,450,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,350,000,000.

(B) Outlays, $26,200,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $31,100,000,000.

(B) Outlays, $28,350,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $32,050,000,000.

(B) Outlays, $30,350,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $33,150,000,000.

(B) Outlays, $31,650,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $7,850,000,000.

(C) New direct loan obligations, $1,750,000,000.

(D) New primary loan guarantee commitments, $150,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $8,250,000,000.

(B) Outlays, $7,750,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $150,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $8,950,000,000.

(B) Outlays, $8,200,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,350,000,000.

(B) Outlays, $8,900,000,000.

(C) New direct loan obligations, $1,950,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $32,650,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $1,150,000,000.

(D) New primary loan guarantee commitments, $8,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $38,300,000,000.

(B) Outlays, $37,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,050,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $39,600,000,000.

(B) Outlays, $38,500,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,350,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $41,050,000,000.

(B) Outlays, $39,950,000,000.

(C) New direct loan obligations, $1,150,000,000.

(D) New primary loan guarantee commitments, $9,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,550,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $38,500,000,000.

(B) Outlays, $38,050,000,000.

(C) New direct loan obligations, $50,000,000

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $41,350,000,000.

(B) Outlays, $40,850,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $44,400,000,000.

(B) Outlays, $43,750,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,750,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $82,000,000,000.

(B) Outlays, $71,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $90,600,000,000.

(B) Outlays, $79,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $93,350,000,000.

(B) Outlays, $89,050,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority $160,500,000,000.

(B) Outlays, $129,250,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority $164,350,000,000.

(B) Outlays, $129,000,000,000.

(C) New direct loan obligations, $1,850,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority $173,550,000,000.

(B) Outlays, $135,900,000,000.

(C) New direct loan obligations, $2,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority $183,850,000,000.

(B) Outlays, $142,650,000,000.

(C) New direct loan obligations, $1,750,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1985:

(A) New budget authority $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority $206,300,000,000.

(B) Outlays, $200,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority $221,600,000,000.

(B) Outlays, $213,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority $258,450,000,000.

(B) Outlays, $228,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,400,000,000.

(B) Outlays, $26,500,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $28,000,000,000.

(B) Outlays, $27,300,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $17,650,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $28,500,000,000.

(B) Outlays, $28,050,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $18,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $29,000,000,000.

(B) Outlays, $28,750,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,650,000,000.

(B) Outlays, $6,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $7,150,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $5,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $5,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,050,000,000.

(B) Outlays, $5,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $6,250,000,000.

(B) Outlays, $6,250,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,750,000,000.

(B) Outlays, $6,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,950,000,000.

(B) Outlays, $129,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $143,900,000,000.

(B) Outlays, $143,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $154,750,000,000.

(B) Outlays, $154,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $165,100,000,000.

(B) Outlays, $165,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $900,000,000.

(B) Outlays, $900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $2,100,000,000.

(B) Outlays, $2,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $3,600,000,000.

(B) Outlays, $3,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,350,000,000.

(B) Outlays, −$32,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$35,500,000,000.

(B) Outlays, −$35,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee, commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$38,050,000,000.

(B) Outlays, −$37,050,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$40,950,000,000.

(B) Outlays, −$40,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

AUTOMATIC SECOND BUDGET RESOLUTION

Sec. 2. (a) Effective October 1, 1985, this concurrent resolution shall be deemed to be the concurrent resolution on the budget for the 1986 fiscal year required to be reported under section 310(a) of the Congressional Budget Act of 1974, for the purposes of the prohibitions contained in section 311 of such Act.

(b) Section 311(a) of the Congressional Budget Act of 1974, as made applicable by subsection (a) of this section, shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resoluton, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would not cause the appropriate allocation for such committee of new discretionary budget authority or new spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 made pursuant to section 302(a) of such Act for fiscal year 1986 to be exceeded.

(c) The provisions of this section shall cease to apply when Congress completes action on a subsequent concurrent resolution on the budget for fiscal year 1986 pursuant to section 304 or 310 of the Congressional Budget Act of 1974.

SECTION 302(b) FILING REQUIREMENT

Sec. 3. (a) It shall not be in order in the House of Representatives to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1986;

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1986; or

(3) direct loan authority, primary loan guarantee authority, or secondary loan guarantee authority for fiscal year 1986;

within the jurisdiction of any committee which has received an allocation pursuant to section 302(a) of the Congressional Budget Act of discretionary budget authority or new spending authority, as described above, for such fiscal year, unless and until such committee makes the allocation or subdivisions required by section 302(b) of the Congressional Budget Act, in connection with the most recently agreed to concurrent resolution on the budget.

(b) The prohibition contained in subsection (a) shall not apply until twenty-one days of continuous session, as defined in section 1011(5) of the Impoundment Control Act of 1974, after Congress completes action on this concurrent resolution.

The CHAIRMAN. Pursuant to House Resolution 177, the amendment in the nature of a substitute is considered as having been read.

The gentleman from Texas [Mr. Leland] will be recognized for 30 minutes and the gentleman from Ohio [Mr. Latta] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. Leland].

Mr. LELAND. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is a privilege and an honor to be here on behalf of my colleagues in the Congressional Black Caucus to present the Congressional Black Caucus alternative budget. This marks the fifth year the caucus has produced an alternative budget. In light of recent events, it is clear this alternative is needed.

In developing our alternative budget, the caucus sought to be fair and equitable to all Americans, not just the politically and economically powerful. Historically the CBC alternative budget has been called the constructive alternative budget, this year a more appropriate title is the compassionate alternative budget. In putting our budget package together, we have sought to preserve or restore our national commitment to fair treatment for urban and rural America, the elderly, students, small business men and women, middle-income wage earners, and the economically disadvantaged.

Massive deficits in our national budget appear to be the order of the day. The Congressional Black Caucus decries these massive deficits and proposes a budget that significantly reduces the effect of the administration's unprecedented peacetime military buildup.

The deficit reductions proposed by the other body, the House Budget Committee, and the Congressional Black Caucus are approximately $172 billion for fiscal year 1986. However, the CBC proposal significantly reduces the deficit to $125.19 billion and $73.8 billion in fiscal years 1987 and 1988, respectively. This results in a lower deficit than either the other body's or House Budget Committee proposals.

The major factor contributing to the expansive national debt is our unbridled defense spending. The basic concept of the CBC budget is "freeze minus." Rather than continue along the upwardly spiraling path of increased expenditures for unnecessary nuclear armaments we limit outlay in 1986 to $261.5 billion. Although we increase funding for new procurement by $63.7 billion we realize budget authority savings of $286 billion and $172 billion in outlays for the next 3 years. Some of these savings are realized by eliminating new procurement of the MX, Trident II, Pershing II, and cruise missiles. Our opposition to these weapons reflects our opposition to the nuclear arms race.

Much of the responsibility for our current deficits rests with our inequitable tax policies. Many of which will only be exacerbated by proposed administration policy. Corporations and

high-income wage earners should pay their fair share. Our budget squarely places an equitable tax burden on corporations and individuals with incomes above $70,000 and $100,000 for joint returns. Tax indexing is delayed until 1989 under the CBC proposal and results in an increase of $48.7 billion over 3 years.

Tax relief for low- and moderate-income families is a key element of the CBC budget. By increasing the zero bracket amount to $7,800, a family of four would pay no tax until their income exceeded $11,800. These and other changes in tax policy results in a net increase of $171.4 billion over 3 years.

As our towns and cities experience increased hunger, unemployment, and homelessness, we must assist them in meeting the human needs of our citizens and the infrastructure needs of our urban centers. The CBC budget restores many of the domestic programs that the Reagan administration seeks to eliminate or cripple.

Millions of elderly Americans rely on Social Security for their basic human needs. They depend on their Governments' promise that it will protect their investment. The CBC budget protects this investment and provides a full cost-of-living adjustment for Social Security recipients.

Over 8.5 million people were unemployed at the end of 1984, many of whom have never held jobs nor have a possibility of obtaining a steady job without training. The budget provides $3.5 billion in support of H.R. 670, the Community Renewal Employment Act. This vital legislation will provide 400,000 new jobs for the jobless. Jobless teenagers must be the primary target of any effort to reduce unemployment. H.R. 671, a new training program for youth aged 16 to 19, would receive $2 billion in funding. Continued funding of the Job Corps Program at a level of $644 million will also benefit our unemployed teens. Overall the CBC budget provides $12.1 billion in budget authority for unemployment and training programs.

Many of you have heard the United States College Fund's logo: "A mind is a terrible thing to waste." The CBC adheres to this statement and is adamantly opposed to the administration's proposed 25 percent cut in student aid. The CBC budget also restores $340 million in cuts slated for elementary and secondary school programs. America must continue to invest in the education of all its youth.

Adequate funding for health care services for the elderly, children, pregnant woman, and disadvantaged Americans must be guaranteed. The CBC opposes any cuts in Medicaid, Medicare, and other health programs and proposes $38.5 billion in budget authority and $38.1 billion in outlays for fiscal year 1986.

Mr. Chairman, in considering the various budget proposals, substitutes, and amendments before the House today, we are confronted with the fundamental question of fairness. Is it fair to ask our senior citizens to sacrifice their COLA's, while we pour millions of dollars into defense? Is it fair for Congress to cut or freeze the Jobs Corps, housing for the elderly and handicapped, the women, infants and children's program, and other social programs? We must answer these questions at a time when the Secretary of Defense can discover $4 billion he "did not know he had".

There have been many calls in this body for a freeze in spending on domestic programs. Such a freeze will cause hypothermia among our neediest citizens. They have already been battered by the ill-considered, misguided, and cruel budget cuts of the Reagan administration.

If anything, we must begin a thaw: A budgetary thaw that puts all Americans back to work and creates true opportunity in our society; that begins to repair our central cities and addresses the problems of the American farmer; that protects the interest of women, children, workers, students, and retirees.

We must not abandon those members of our society who truly need assistance from Government programs.

The Congressional Black Caucus compassionate alternative budget reflects the traditional values of the Black Caucus. Moreover, it reflects the traditional values of this body and the American people. The CBC budget proves to be truly compassionate and the only rational alternative before us. It protects the elderly's investment in our society; calls for fiscal responsibility in defense expenditures, reduces the deficit substantially, and proposes a fair, rational and equitable tax policy. I ask my colleagues to join the Black Caucus in supporting the compassionate alterntive.

☐ 1830

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield to me?

Mr. LELAND. I would be glad to yield to the gentleman from Texas.

Mr. GONZALEZ. I thank my distinguished colleague and dear friend from Texas for yielding.

Mr. Chairman, I rise to second and signify my approval of everything the gentleman has said here in support of the compassionate Black Caucus budget. I support the last as well as this one because, honestly and truthfully, I feel it is the only real, responsive budgetary enactment that we could actually adopt in responsibly trying to represent the people that we are charged with representing.

So I want to thank the gentleman and his colleagues for giving us this opportunity to vote on this amendment.

Mr. LELAND. I thank the gentleman from Texas.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. LELAND. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Chairman, I am very pleased to once again support the Black Caucus budget. I think it is the most sensitive budget offered. It cares about people. It is concerned with creating jobs and educating our young, and fairness to women and minorities, and compassionate to the elderly, and has all those facets and other good things about it.

It is just superb, and I commend all of you for the great leadership that shows that you care about the American people, and we are not going to retrench in our efforts to support them, particularly those who need us the most in Government.

So I want to commend the gentleman and all of our colleagues who are responsible for this fine budget.

Mr. LELAND. On behalf of my colleagues in the Congressional Black Caucus, I would like to thank the gentlewoman for her consistent support of the Congressional Black Caucus budget.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Texas [Mr. Leland] has consumed 12 minutes.

The gentleman from Ohio [Mr. Latta] is recognized for 30 minutes.

Mr. LATTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me say I have to oppose this substitute, and for very obvious reasons. The Black Caucus proposed would reduce budget authority for defense in 3 years by a total of $315.6 billion. In 1986, they would reduce defense budget authority by $74.4 billion, in 1987 they would reduce defense budget authority by $101.8, in 1988 by $139.4 billion, for a total of $315.6 billion.

I think that is much, much too deep.

In outlays, they would reduce defense budget outlays in 1986 by $33 billion, in 1987, $67.9 billion, in 1988 $102.8 billion, for a total in 3 years in reductions of $203.7 billion.

So for very obvious reasons, I must oppose this substitute.

Mr. Chairman, I reserve the balance of my time.

☐ 1840

Mr. LELAND. Mr. Chairman, I yield 9 minutes to the gentleman from New York [Mr. Rangel].

Mrs. BURTON of California. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentlewoman from California.

Mrs. BURTON of California. Mr. Chairman, I want to compliment the Black Caucus. I think the members of the Black Caucus have done a splendid job. This is a budget for the people, and I say, hooray.

Mr. RANGEL. Mr. Chairman, I thank the gentlewoman for her statement, and I thank my colleagues for giving me this opportunity to speak.

We hear so much today about President Reagan's budget, which is going to bring simplicity, reform, and equity into the tax system, and sometimes I am shocked and surprised, because when I see most all of the inequities that have been placed into the system, I wonder where all these inequities came from. How did we get all of this $24 billion into the tax system? How did we find that the poorest of the poor had this burden? Never in the history of the Republic have we ever asked them to carry the burden of paying income taxes. And how did we find the richest of the rich not having any tax liability and find those individuals who are making over a hundred thousand dollars enjoying over 80 percent of the tax shelters, and seeing some of our largest corporations, especially those involved in defense contracts, having no tax liabilities? And yet it is this President of the United States who says that he is for equity, justice, fair play, and simplification.

I might submit that it was this Congressional Black Caucus that came to this Congress each time we had a budget, and the only thing we asked for was fair play for everybody. If indeed we can have a tax decrease, it just seemed to us that everyone should be able to enjoy some of the benefits of it.

But is it not remarkable, with $750 billion to work with, this administration somehow felt that it was not time for the poor to enjoy those benefits, because the working poor of today—and I say to my colleagues on the other side of the aisle that we are not talking about welfare recipients; we are talking about the working poor of today—are carrying a heavier tax liability than the richest part of the population of this great land.

So I assume that nobody is surprised that here we come again. We come before this Congress and ask for equity and fair play. We ask you to take a look at some of the loopholes that are in the tax law, and we ask you to remove them.

We think that perhaps because so many people have lost confidence in the system, maybe we ought to have what is called a one-time amnesty just to give somebody an opportunity to pay those back taxes. It has worked in California, it has worked in Massachusetts, and it is worth $8.2 billion. If the name of the game is to raise some money, let us do it, because it is right and it is equitable.

Let us take a look and see what happened between Treasury I and Treasury II. Is it not true that Treasury I looked like something that was exciting, that accelerated depreciation, and that was something that distorted how people spent their money? Did they not say the investment tax credit was something that perhaps is overused, that it is time it should not be in the Tax Code? Were they not talking about the oil depletion allowance being something that we really did not need?

Well, I do not know about your constituents, but obviously the President's constituents got to him and these things are now deleted. We say that if the President was talking about reform in Treasury I, we are talking about it in the Congressional Black Caucus budget and we ask for repeal of these things, not just because it is equitable but because it raises $80.2 billion in the next 3 years.

Then we are talking about indexing. Is it reform? Yes. Is it just? We do not know. Do we have to raise money? How can we do it without hurting the working people?

We think by delaying the indexing until January 1, 1989 that we will be able to raise some $48.7 billion.

Everyone is talking about a minimum tax. Some people want to do it to decrease the deficit, other people want to do it because it is equitable, and others want to restore the services. Let us do it now because we have an opportunity to do it and we do not have to get involved in partisan fights or leadership fights.

All you have to do is give us a vote on this and you will be imposing a 25-percent minimum tax on corporations and individuals earning more than $100,000 for joint filers and $70,000 for single filers. We will raise the marginal tax rates 5 percent for couples earning more than $100,000, and we will repeal the percentage depletion allowance expenses for intangible drilling and exploration costs.

These things the President had adopted. If it was good for Treasury I, it seems like it would be good for the Congressional Black Caucus budget.

We will limit capital gains on productive assets and limit interest deductions for one home and limit nonbusiness interest for deductions to $5,000, and this would raise $3.3 billion all in 3 years.

Some of you may say, "I have heard that before." You have heard it twice before. You heard it from the Congressional Black Caucus in 1981, and you heard it from the Congressional Black Caucus in 1982. Then you heard it from the President of the United States in Treasury I, but you are not hearing this from the President of the United States in his next tax reform bill.

Let us take a look now at something that has never happened to us before, and that is what we are doing to our poor folks. One of the worst things in the world, I would think, is what happens to a person who has been designated as poor by the Federal Government. This is not someone who says he has been designated because he looks poor, not someone who is acting poor, but someone who Stockman's office has evaluated. They really do not make enough money not to be rich but to sustain themselves. How do they do it, I ask the gentleman from Ohio [Mr. LATTA]? What they do is find out, what does it take really in order for a person to sustain himself? What is the cost of that?

So we are not talking about clothes or luxuries. This is determined not by us but by the Office of Management and Budget. Once they have declared somebody poor, does it not make a heck of a lot of sense that these people should not be paying taxes, and indeed if you increase their taxes, are you not pushing more and more people to be poor? And if a person has to make a decision whether to be poor receiving a welfare check or to be poor carrying a part of the Government, which richer people and wealthier people and more affluent people are not doing, is this not morally wrong?

The Congressional Black Caucus says not only is it wrong, we can do something about it. What do we do? We increase the zero-bracketing amount from $3,400 to $7,800, and when this is combined with the $1,000 personal exemption, we are able to say that between $7,400 and $11,800 these people will be dropped, completely dropped from any tax liability.

This is the way it was intended to be. The income tax system was never established to tax the working poor, and we would start out with something that is basically neutral.

One thing that the President did not do when we had Social Security increases in taxes and when we had unemployment increases in taxes is to say, "Who does it really affect?" Sure, we complained when we got into the Social Security System, but the guys and the people that it really cripples are those working poor families. For that reason, we would increase the earned income tax credit at least to make these people harmless.

The last thing we would try to do is to keep these people working. After all, this is a country that believes that instead of just providing income, it brings a lot of dignity and pride to people to be able to say they have a job. So we would encourage the private sector by giving incentives, the same type of incentives that the President had approved for the rich some years ago, to provide jobs for those people who are disadvantaged, to provide jobs for those people who lack the skills, and to provide jobs for young people who find themselves being raised in communities that are economically disadvantaged.

For these reasons, the Congressional Black Caucus reauthorizes the targeted jobs tax credit in order to encourage more job training and in order to encourage more jobs. We believe that if you believe that the President was right when he first came out with reform, you now have an opportunity to find out where the Congressional Black Caucus came from in 1982 and in 1983, and so we are giving you an opportunity to vote for a tax package of which you can be proud.

Mr. Chairman, it is equitable, it is fair, it is reform, it is simple, and this is something that I think will be historic because we can say that we did it first and did not wait for the initiative to come from the other branch of Government.

☐ 1850

Mr. LELAND. Mr. Chairman, I yield such time as he may consume to the Delegate from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Chairman, I obviously rise in support of the substitute amendment offered by the gentleman from Texas [Mr. LELAND], the Congressional Black Caucus compassionate alternative budget. As I do, I first want to commend my colleague, the gentleman from Texas [Mr. LELAND] for the excellent leadership he has given us in the Caucus and particularly to Congressman CHARLES RANGEL, who as the third ranking member of the Ways and Means Committee has given us and the Nation outstanding leadership in focusing upon the basic problems confronting this Nation, problems that just happened to be reflected most acutely in the black experience. I am particularly moved by his presentation only a moment ago in which he demonstrated that the Congressional Black Caucus is really not a budget simply for black people, but for all Americans. He has demonstrated that even in our tax policies here, we have sought to inject the kind of fairness that was missing in the Economic Recovery Tax Act of 1982.

We have seen how he has recognized the fact that the top 5 percent income earners in the country got 35 percent of all the individual tax relief out of ERDA, while the poorest of the poor had their tax rates increased effectively by 56 percent. So we are so grateful to him for setting the context for our Congressional Black Caucus budget discussion here this evening.

Mr. Chairman, since 1981, the Congressional Black Caucus has offered the Congress and the Nation a constructive alternative budget which provides both a compassionate and disciplined approach in shaping our fiscal policies. The Congressional Black Caucus this year offers an approach to solving our Nation's fiscal problems that should be palatable to Members on both sides of the aisle who have serious reservations about the Reagan budget and the Reagan deficit.

Those concerned that the Reagan budget is too short on compassion for the poor, on income support for the elderly, and on investments in our young to prepare them for the jobs of the future, will be comforted to know that the CBC budget not only holds spending levels for the poor harmless from the Reagan ax, but also increases assistance to those who have been bypassed by the "deficit fueled recovery" that is now struggling to maintain itself with increased borrowing from foreign creditors.

Those concerned about the $1.8 trillion deficit level to which the Reagan big spending has brought us will be comforted by the fact that the CBC budget reduces the deficit over a 3-year period by $336.55 billion, by $93 billion more than the Reagan budget would and $47 billion more than the Senate passed budget would.

Those concerned about tax equity will be comforted to know that we are able to reduce the deficit by that much because we close up some of the egregious loopholes created by ERTA for the wealthy few at the same time that we relieve the tax burden for the poorest of the unmoneyed many.

Those concerned that our Nation have a strong defense will be comforted to know that the CBC budget has a "freeze minus" approach that enables us to reduce defense spending by $70 billion below the Reagan baseline by reducing waste, fraud, and cost overrunning by reducing the number of our troops stationed in Europe and Asia; and by lessening the threat of nuclear war.

In short, the CBC fiscal year 1986 constructive alternative budget presents compassionate and responsible policies in four key areas: First, deficit reduction, second, fair tax policy, third, domestic priorities, and fourth, defense spending.

The 1988 CBC constructive alternative budget proposes $1,056.44 billion in budget authority and $989.3 billion in outlays. Revenues are projected at $816.10 billion for a deficit of $183.2 billion.

During the next 3 years, the CBC plan would reduce the deficit by $336.5 billion from the Congressional Budget Office [CBO] baseline, as compared to $259.1 billion proposed by the House Budget Committee and $295.2 billion approved by the Senate.

The CBC budget proposes to increase the efficiency and equity of the tax code through a series of loophole closings and by eliminating tax shelters. At the same time, it ensures that those at or near the poverty line would no longer be subject to taxes. The CBC proposes to remove from the income tax rolls those who earn less than the poverty line by increasing the zero bracket amount [ZBA] from $3,400 to $7,800. This would mean a family of four would not be taxed until they earned $11,800—four persons multiplied by $1,000 personal exemption plus ZBA of $7,800 equals $11,800. To offset recent increases in the social security tax, the CBC proposes to raise the earned income tax credit to 16 percent of the first $5,000 of income for a maximum credit of $800. The credit would be phased out between $11,000 and $16,000 at a 16-percent rate.

Mr. Chairman, the CBC takes heart in reminding the Nation, and the Congress, that many of the revenue enhancement provisions included in the Tax Equity and Fiscal Responsibility Act of 1982 were taken from the first CBC constructive alternative budget presented in 1981. Others have included previous CBC tax reform suggestions in their proposals. For the CBC fiscal year 1986 budget, these include:

First, minimum corporate tax—25 percent from CBC—now included in the "Schumer-Russo" proposal.

Second, raising marginal tax rates 10 percent on incomes in excess of $100,000 for joint filers and $70,000 for single filers. This provision is included in the Congressional Budget Office proposal.

Third, repeal of the percentage depletion allowance for oil and gas well, coal mines, and gravel quarries; now included in the Treasury Department and Congressional Budget Office proposals.

Fourth, repeal of the investment tax credit and adoption of the constant rate depreciation system; included in the CBO and the "Bradley-Gephardt" proposals.

Mr. Chairman, I would also like to emphasize to my colleagues the need for a minimum corporate tax. A recent report by our own Congressional Budget Office, entitled "Revising the Corporate Income Tax," highlights the decline in the significance of the corporate income tax as a revenue raiser. The report states the following:

First, in the early 1950's, corporate taxes accounted for 30 percent of total Federal receipts. In 1965, they were 22 percent of revenues, and by 1975, only 13 percent. The current (1984) share is about 7.6 percent.

Second, revenues from other Government taxes, such as the individual income tax and the payroll tax, have grown in the last 30 years, while the Congress has periodically reduced the tax burden of corporations.

Third, in the early 1950's, corporate tax receipts accounts for around 5 percent of GNP and around 10 percent of corporate net product. By 1980, corporate taxes had declined to about 2 percent of GNP, and about 4 percent of corporate net product. Real corporate taxes—adjusted for price level changes—have declined from $72.7 billion—1984—in 1953 to $53.6 billion in 1984.

What is obvious, is that corporations have enjoyed numerous tax breaks, while individuals, especially the poor, have carried the tax burden. Last October, the Citizens for Tax Justice pointed out that from 1981 to 1983, some 65 corporations payed no tax while making a profit. These inequities must end.

The CBC tax equity package would cost $102.7 billion over the next 3 years. Thus, the combination of $274.1 billion in revenue enhancements and $102.7 billion in tax equity provisions means that the CBC tax proposals would result in a deficit reduction of $171.4 billion over the next 3 years.

DOMESTIC PRIORITIES

For fiscal year 1986, the CBC budget not only holds domestic programs harmless, but increases assistance to those who have been by-passed by the "deficit fueled recovery." This recovery is struggling to maintain itself with increased borrowing from foreign creditors; and, just recently the United States became a debtor nation. Programs of interest in the CBC budget include:

First, agriculture: limited benefits for large farms and targeted assistance for small and medium size farms, as well as minority farmers.

Second, community and regional development: an increase of $1 billion for community development block grants.

Third, transportation: support for Amtrak; and continued support for mass transit programs.

Fourth, health: continued support for Medicaid; and funds are provided for improved health care for women, infants and children, and two-parent income families.

Fifth, social security: the CBC includes the full amount required for cost-of-living adjustments—COLA; and full support for Medicare.

Sixth, housing and commerce: 16.6 percent increase for section 202 housing—elderly and the handicapped; and continuation of the Small Business Administration.

Seventh, employment and training: $644 million for Job Corps; $287 million for the Work Incentive Program; $3.5 billion for the Hawkins Community Renewal Employment Act; and $2 billion for a new youth training program.

Eighth, human and social services: increased funding for Head Start; and restoration of funds in social services programs.

Ninth, education: continued support for black colleges and universities; increased support for postsecondary education student assistance; and funding for the Effective Schools Development in Education Act, which would assist local schools that have adopted specific school improvement programs.

DEFENSE

The debate on the defense budget in recent years has focused on the total amount of military spending and the rate of "real" growth in that spending. The CBC believes this is an incorrect focus. National defense must be analyzed in terms of U.S. foreign and military objectives.

"Freeze minus" is the basic premise of the CBC's fiscal year 1986 budget. For most function 50 subfunctions, fiscal year 1986 budget authority is first frozen at the fiscal year 1985 level. For fiscal years 1987 and 1988 the fiscal year 1986 levels are then maintained in real terms. From the frozen levels, various adjustments are then made. The major themes of the CBC proposal are:

First, to lessen the threat of nuclear war through support for a nuclear freeze and for arms control initiatives leading to major weapons reductions;

Second, a noninterventionist conventional (nonnuclear) national security policy;

Third, a reduced U.S. military role in Europe and Asia;

Fourth, a redirection of procurement policies to reduce waste, fraud, abuse, and massive cost overruns; and

Fifth, a stronger national security through a policy of conversion to an economy which is less dependent on military spending.

Mr. Chairman, those who would charge the CBC with damaging our Nation's defense should note that the Pentagon has a surplus of $30 to $50 billion dating back to 1982. These funds are the result of the Defense Department over estimating the inflation rate.

Finally, the CBC budget proposes decreases in foreign military assistance. The budget continues the CBC policy of providing increased funds for African food, refugee, and economic assistance, as well as aid for Israel and Egypt.

CONCLUSION

Mr. Chairman, I believe that the Congressional Black Caucus alternative budget for fiscal year 1986 is the only budget presented that addresses the realities of economic recovery and deficit reduction. Our budget injects compassion for disadvantaged and working Americans, at the same time, it is fiscally responsible in terms of defense spending, provides for tax equity, controls inflation without increasing unemployment, funds effective jobs programs, focuses on domestic needs, and results in a lower deficit than the House Budget Committee and Senate budgets.

I want to thank the gentleman from Texas [Mr. Leland] for extending me this much time.

I ask all you in the name of justice, in the name of fairness and equity, to support the Leland substitute, the Congressional Black Caucus alternative budget.

The **CHAIRMAN**. The gentleman from Texas [Mr. Leland], has 1 minute remaining.

Mr. **LELAND**. Mr. Chairman, I would like to reserve that 1 minute.

The **CHAIRMAN**. The gentleman from Ohio [Mr. Latta] has 28 minutes remaining.

Mr. DELLUMS. Mr. Chairman, will the gentleman from Ohio yield some time to the gentleman from California?

Mr. LATTA. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. Dellums].

Mr. DELLUMS. Mr. Chairman, it is with some sense of sadness and pain that I rise this evening, because as I look around in this body, including even into the press gallery, that at the time the Congressional Black Caucus offers its budget is break time, time to chat, time for the press to get a cup of coffee, read a newspaper, engage in conversation.

Why? This gentleman is not known to engage in gratuitous comments on this floor. I choose not to do so. I choose to be one of these people who are willing to engage in a significant debate on the critical issues of our time, so I am making a racist argument; but I am suggesting that there is a very challised view of the diligent work that we have attempted to engage in, in bringing an appropriate alternative to this body, to bring a budget to this body that reflects a set of human priorities and values that we feel are realistic and compassionate.

☐ 1900

But why is it a time for breaks, chatting, conversation, whatever? Well, the 20 black Members of Congress are nice people but they are fanciful. They are bringing an unrealistic budget to the floor of Congress.

I challenge that assertion, Mr. Chairman, that it is fanciful, all this money for social programs and what have you. But even more realistic, Mr. Chairman, is what the Congressional Black Caucus is advocating by way of the military budget.

It is that point that I choose to focus upon in the remainder of the time that I have.

It is suggested that we are unrealistic, fanciful, because we offer a freeze minus approach to the military budget. Let me answer that question. Members across both sides of this aisle, across race, across ideology,

across party, have all now begun to embrace the notion of the freeze of the military budget. And here is a group of people with the fanciful, unrealistic audacity to offer a freeze minus approach.

But let us put this discussion in some proper context, Mr. Chairman; and make knowledgeable those Members who are not knowledgeable about what this military budget is really all about.

In fiscal year 1985 it is estimated that the actual spending will be $250 billion. Some of you heard me give this argument. It is tragic that we have to continue to give it, but I must do so. It is now an imperative. Our integrity has been challenged and we respond.

We have $250 billion in fiscal year 1985 actual expenditures on the military budget. I doubt very seriously if many Members of this body understand that even if you freeze the military budget, freeze it, Mr. Chairman, in fiscal years 1986, 1987, and 1988, even a freeze—now, most lay people would assume that if you freeze the military budget at the 1985 levels your actual expenditures are $250 billion, people would think you froze that $250 billion in 1986, in 1987, and in 1988. But let me give you an interesting revelation, Mr. Chairman. Even with 3 years of freezes, the military budget will rise on its own by $52 billion. Even with 3 consecutive years of freeze, Mr. Chairman, the military budget in fiscal 1988 will exceed $300 billion.

You might ask how can this happen. This seems irrational, illogical, but it is not, because based upon prior year commitments and the way we stretch out procurements, the military budget is going to rise even with a freeze because we have already purchased these weapons, we have already made these commitments.

So beating our collective breasts that suddenly we have made a progressive step to freeze the military budget because of our concern for the budget deficit still is not going to reduce the budget. It is going to increase anyway. So we are the one group of people who do not come here fanciful. We come here on very hardnosed reality oriented terms because we are saying that if the military budget is not to consume this economy, then it is not simply a question of freezing the budget, Mr. Chairman. These people front-loaded the budget several years ago.

If you are really going to bring down the military budget so that these expenditures do not consume us all, then you must go beyond the freeze. You must begin to challenge weapons systems.

Even our humble effort here is $9 billion to $10 billion more than the actual expenditures of $250 billion in fiscal year 1985. We could not come down lower because these commitments have already been made. The budget is driven by prior year commitments, so we are saying that one must have the audacity and the boldness and the courage to begin to challenge weapons systems.

But not with a meat ax, but based upon intelligent and rational policy considerations that my distinguished colleague from the District of Columbia already enumerated. And then in the outyears, Mr. Chairman, the budget can begin to come down in very significant terms. And we can then make a significant dent in the budget deficit, No. 1; and, No. 2, we can begin to, in a realistic and compassionate fashion address the human misery of people in our country.

Last night I watched television and I realized that there are over 60 million adult people who cannot read an elementary newspaper, 20 percent of America cannot read enough to even function on a daily basis. And we talk about freedom fighters, but we are not prepared to educate people in a nation that considers itself free.

So you have to go beyond the freeze. Are we the black fanciful people that you can go to lunch on, have a conversation about "Oh, that's those black cats offering the idealistic, unrealistic budget"?

I would suggest, Mr. Chairman, members of the press, the American people, we are the realistic people. This military budget is consuming us all and the freeze is the latest liberal alternative, the latest establishment statement. We are saying you must go beyond the freeze, bring this military budget down. We have human misery that must be addressed and we are not taking a meat ax to the military budget.

We say that if your policy consideration is to move us back from the brink of thermonuclear war then look at this budget. What weapons systems bring us nuclear war? What weapons systems are destabilizing? You can cut them out.

If you agree with me that we should have learned something in Vietnam, that an interventionist militaristic foreign policy does not bode well for us as we flow through the decade of the 1980's, and that we must embrace the notion of peace, then why do you need a 13-, 14-, 15-carrier task force? Is it to engage in a struggle with the Soviet Union? Absurdity, Mr. Chairman. It is to engage in Third World adventurisms.

We do not need these resources.

Look at the newspaper every day and you see American corporations ripping off the Government, ripping off the Pentagon. Why?

And we talk about not throwing dollars to solve social problems, illiteracy, poverty, hunger, disease, but we throw billions of dollars at the Pentagon and what was the response; we got ripped off.

And, Mr. Chairman, the gentleman from Wisconsin, Chairman Les Aspin, then found $18 billion to $50 billion just lying over there in the Pentagon.

So who is fanciful, who is unrealistic with $18 billion to $50 billion sitting in the Pentagon because of mistakes in calculations, corporations ripping us off because of miscalculations, inappropriate purchasing procedures, and what have you?

We challenge that abuse. We challenge the fact that we have not engaged in significant, intelligent, and rational policy considerations with respect to the nature of the threat in the world, and what our role and responsibility is to it.

Are we the fanciful people because we believe in peace? Are we the fanciful people because we believe nuclear war is insane? Are we the fanciful people because we believe that we must sit down across the table and negotiate back from the brink of disaster? Are we the unrealistic people because we believe that a tenacious clinging to the concepts of the cold war continuing to masquerade as American foreign policy is folly? Are we the unrealistic people who say freeze is not the answer, freeze plus is the approach?

If people began to look at us in other than racial terms, if they began to look at us in other than fanciful, idealistic, overly optimistic terms, and begin to deal with the fact that we are rational minds in this Congress, and that the nature of our skin color is irrelevant, the ideas must be addressed, then this body would be full of our colleagues. We would not simply have an hour to march in the well and give you our fanciful budget, but we would engage in challenges with each other because we believe that our budget is indeed competitive.

☐ 1910

It is not unrealistic, it is not fanciful.

Mr. Chairman and Members of this body, I would suggest to you that some day before I leave this body and before the 20 of us leave this body, that some day I hope that we will march into the well and present the Congressional Black Caucus' budget and the gallery of press people will be filled and the body will be filled and the budget will be open for amendment, and we will engage in intelligent and rational discourse. At that point this will be America at its finest, at its greatest hour when you realize that we are not fanciful people, that we are hardnosed reality-oriented human beings.

Mr. Chairman and Members of this body, we are advocates of peace. We suggest challenging the military budget. We believe we have profound obligation to address the misery of our people in this country, to assist in addressing the misery of people in the world.

Finally we have a responsibility to turn this planet over to our children and to our children's children in the name of peace.

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the Delegate, my colleague, from the District of Columbia [Mr. Fauntroy].

Mr. FAUNTROY. I thank the gentleman for yielding.

Mr. Chairman, I simply want to thank the gentleman for pointing up how realistic the Congressional Black Caucus budget has always been. The fact is that 3 years ago when we began this process the Congressional Black Caucus became a brooding figure out there, waiting for the world to catch up. A year later, Mr. Rangel will tell you, the Senate Finance Committee looked into the Congressional Black Caucus in 1982 and lifted $51.9 billion in tax foreclosings and said it is time for us to catch up with the Congressional Black Caucus. The gentleman has pointed out that those who have been thrilled by the Grace Commission's exposures of things that can be done to cut out waste and fraud and inefficiency in the Pentagon are really paying tribute to the kind of leadership that the gentleman and members of the Congressional Black Caucus have given over the years and which he had included in this budget. If they want to cut out the fraud and waste and the public welfare that major corporations have been on in the military budget, they can vote for the Congressional Black Caucus. It is realistic. I am pleased that Congressman Rangel pointed out that after 4 years, Treasury I, has caught up with the Black Caucus and is now saying: Why not eliminate the oil depreciation allowance, why not eliminate accelerated depreciation, why not eliminate those loopholes that have been created in the past 4 years.

I am grateful to the gentleman for saying forthrightly that the Congressional Black Caucus has been waiting in the distance but now the Nation is catching up.

I tell you if the people of this country understood what is in that Congressional Black Caucus budget, it would be passed on this floor tonight.

Mr. DELLUMS. I thank my colleague very much.

Mr. Chairman, in the remaining moments that I have I simply want to underscore the fact that my opening comments in no way were meant to be gratuitous. But we have a responsibility to respect ourselves and if one does not respect one's self, one cannot respect other people or assume that they would respect you.

We respect ourselves. We have worked very hard. We are not on the fringes of this body. It is time for people to realize that we are not the fringe element in this body; we are an integral part of this body politic and our eyes and ears can see lightning and hear thunder as clearly as any other human being. It is my hope that this alternative will be considered thoughtfully and seriously and I think anyone who has compassion in one's heart and has long-term vision that they will join us and embrace us as we attempt to pass the Congressional Black Caucus' budget.

I thank the chairman for the time.

The CHAIRMAN. The time of the gentleman from California [Mr. Dellums] has expired.

Does the gentleman from Ohio [Mr. Latta] have any further requests for time?

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman form Wisconsin [Mr. Moody].

Mr. MOODY. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support also of the Black Caucus budget. I do so for several reasons, the most important to me is that it is a significant reduction in the deficit. It is $93 billion greater deficit reduction than the administration; it is $47 billion greater reduction in deficit than the Senate, and it is even greater than the House Budget Committee. It is not a frivolous or fanciful exercise, it is a very serious exercise and it goes as far as any effort in this body to really deal with deficits.

If I were to poll the Members of this House without their looking at the papers that we have all now looked at and ask them who had the least budget deficit cuts, who did the most to not cut the deficit, they would probably guess it was the Black Caucus. In fact, it is the other way around. The Black Caucus budget has done the most to cut deficits. I think many of us are at a point now where the bottom line is more important than the details. I think Mr. Leath who comes at this from a very different point of view is also to be commended for making serious and deep cuts in the budget, not only in this year because those are not so important, but in the outyears when it is going to be truly serious.

There are also other reasons to support the Black Caucus budget. No. 1, in addition to the deep deficit cuts, it courageously tackles the issue of revenues. How many Members in this body, Mr. Chairman, do not recognize in their heart that we are going to have to have revenues before it is all over? How many people seriously still cling to the notion that we can solve the deficit with cuts alone? We cannot.

The Black Caucus budget courageously tackles the revenue issue as Mr. Rangel has so ably pointed out.

Another reason to embrace the Black Caucus budget is that it courageously refuses to be stampeded to cuts in domestic programs which in fact are cost-effective, which in fact do help the less fortunate, which is our due, which is our responsibility, and in fact do increase or sustain investments in people, in education, in job training.

The Youth Conservation Corps is funded, elderly handicapped housing is funded, Amtrak is fully funded, community development block grants are increased, current services are kept for education, job training is increased, medicare cuts are rejected, income security is fully funded as is revenue sharing.

In fact, the Black Caucus budget, all for all, is the most fiscally responsible, the most fiscally courageous, and in terms of domestic cuts is almost the most courageous and humane.

Finally in the defense area, the Black Caucus budget has the courage to tackle the issue of weapons which we all know are probably not cost-effective such as the MX and the freeze-minus approach while difficult is indeed to be commended.

So, Mr. Chairman, I would simply summarize to say that the Black Caucus budget is humane, in its domestic priorities; it is courageous in the sense that it tackles revenues; and it is the most of all the budgets in terms of fiscal responsibility, in terms of the head-on tackling that it is willing to take on with the bottom-line number, the deficit.

Mr. Chairman, I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

Mr. LATTA. Mr. Chairman, I yield back the balance of my time.

● Mr. CONYERS. Mr. Chairman, the Federal budget is more than a document comprised of numbers. It also suggests what the Nation's fundamental priorities are.

Early this year, the President, as required, submitted a budget to the Congress which basically subscribed to the same philosophy reflected in his past budgets—deep cuts in domestic programs and huge increases in military spending. That philosophy didn't cut mustard with the President's own party as the Republican-controlled Senate declared his budget "dead on arrival." The Senate proceeded to write its own budget which was subsequently rejected by the President because it froze defense spending.

Then a Senate leadership/White House budget was developed which was suppose to sail through the Senate after the President's televised appeal to the American public to be like Charlie Brown and trust him to hold the football one more time. That budget was passed by one vote after a Senator was wheeled into the Senate

Chambers from his hospital bed in the late hours of the night.

I don't know about you, but in response to the President's plea, I got about a dozen letters or telephone calls from constituents regarding the budget, and half of those were in opposition to the President's budget. This is in stark contrast to 4 years ago when my office was swamped with thousands of calls and letters in support of Mr. Reagan's budget.

As we look back, the budget road is littered with broken promises, unfairness, military waste and abuse, and millions of citizens who have been dragged into poverty as the result of our budget action over the past 5 years.

I remind you that in 1981, we were told by Mr. Reagan that if the Congress enacted his budget cuts and tax cuts, we would have a balanced budget by 1984 and a surplus in 1985. Instead, we stand here today considering various budget proposals which will reduce the President's annual deficit from $227 billion to approximately $173 billion next year. Among the different budget plans is one which was developed by the Congressional Black Caucus.

I am very proud to take part in this debate today on the Congressional Black Caucus [CBC] constructive alternative budget for fiscal year 1986. This marks the fifth year that the caucus has introduced this important budget, and in light of the priorities manifested in the administration's initial budget proposal and the various other proposals now being considered by the House, it is clear that this alternative is greatly needed.

The caucus budget is the most far-reaching reform proposal under consideration by the House because it is built on the premise that President Reagan's budget policies must be reversed and not reinforced by freezing them in place as the other proposals seek to do.

In developing this budget, the caucus has sought to preserve our national commitment to fair treatment for urban and rural America, the elderly, the economically disadvantaged, students, the disabled, and small businesspersons. Our alternative proposal boldly challenges existing fiscal policies which have created the enormous mismatch between huge increases in military spending, on the one hand, and major reductions in human resource programs on the other.

The Reagan administration, in a reprise of the mean-spirited and short-sighted budget cuts of its first term, had sought to transfer $32 billion more from domestic programs to the military. And although the Senate has voted to restore some of the vital programs that Reagan had initially proposed to cut or eliminate, the budget proposal that it has approved still falls far short of what is needed to bring the concepts of fairness, equity, and compassion to our Federal economic agenda.

The CBC constructive alternative budget for fiscal year 1986 proposes $989.3 billion in outlays and $816.1 billion in revenues. This will produce a deficit of $173.2 billion for fiscal year 1986, an amount virtually equal to that produced by the House Budget Committee proposal. However, over the next 3 years, through a combination of military spending cuts and revenue increases, the CBC budget plan would reduce the deficit by $336.55 billion, an amount significantly greater than what would be achieved through either the Senate's [$295.2 billion] or the Budget Committee's [$259.1 billion] plan.

The caucus was able to reach this level of spending reduction by adopting a freeze minus position in the area of defense. This means that for fiscal year 1986, military spending will be held at the fiscal year 1985 level with no increase allowed for inflation. For fiscal year 1987 and fiscal year 1988, spending is maintained at that same level but with an adjustment upward for inflation.

We have rejected the wasteful excess in military expenditures by eliminating funding for such destabilizing weapons systems as the MX, Trident II, Pershing II, and cruise missiles. In addition, the caucus budget proposes a reduction in the number of troops stationed in Europe and Asia, changes in procurement policies which will reduce military waste and abuse, and a lessening of the threat of nuclear war through the support of a nuclear freeze and other arms control initiatives.

With respect to domestic program areas, the caucus budget represents the best hope for our country, our communities, and our people for a budget policy which requires sacrifices of all, not just some. The Reagan administration's systematic retreat from its obligation to insure economic and social justice for all citizens makes the approval of this alternative an imperative if we are to improve the quality of life of those who are least able to provide for themselves.

In that regard, it is significant to note that a 4.1-percent cost-of-living adjustment [COLA] for Social Security benefits is provided in the caucus proposal. This is not the case in the Senate/White House budget. That budget proposal eliminates the COLA for Social Security and other Federal retirement pensions, and demonstrates once again that President Reagan cannot be trusted to keep a promise he made to the American people.

Our budget proposal does not put the Nation's 36 million senior citizens on "diet COLA."

With respect to other domestic program areas, the caucus budget seeks to repair the "safety net" for the economically disadvantaged which has been ripped apart by the President's budget reduction policies. The caucus budget proposes to retain Medicaid and Medicare at current service levels and provides an additional $350 million for the implementation in fiscal year 1986 of improved health care services to pregnant women, children, and two-parent low-income families. A 17-percent funding increase is proposed for elderly and handicapped housing. The caucus budget restores funding for all educational programs targeted for reduction. And in an effort to reduce the high rate of unemployment, the CBC has included in its budget $3.5 billion to fund the Community Renewal Employment Act, which would create 400,000 new jobs.

This budget also proposes to increase the efficiency and equity of the current Tax Code by eliminating various loopholes and tax shelters. At the same time it ensures that those at or near the poverty line would no longer be subject to taxes. Our tax proposal will raise $27.7 billion in additional revenues in fiscal year 1986, $59.4 billion in fiscal year 1987, and $84.3 billion in fiscal year 1988.

The Congressional Black Caucus budget is the one budget which, across America, is perhaps the most popular budget of all. It would find favor with more Americans than the Republican or Democratic budgets if America's citizens had a chance to vote on it.

One of the greatest misconceptions about the caucus budget is that it is a budget which only serves the interests of black America. This is not true. It's a budget for everybody, designed to maintain the integrity of our national defense, propose significant tax reform, and maintain an effective level of funding for domestic programs. This budget is a carefully crafted and fiscally sound plan and I urge all of my colleagues to support it.●

● Mr. COYNE. Mr. Chairman, I rise in strong support of the Congressional Black Caucus budget resolution offered by Mr. Leland.

This is the fairest budget proposal by far of several under consideration by the House. It would reduce the deficit in the next fiscal year by the same amount as the Budget Committee proposal. But it does more than that. The Black Caucus budget provides a progressive alternative for economic growth for the Nation.

The CBC budget reduced the deficit through a combination of increases and reductions in military spending.

Some 30 proposals would raise more than $274.1 billion in revenue over the next 3 years.

In addition to freezing military spending in fiscal 1986 at the level for fiscal 1985, the CBC alternative makes further reductions. It would eliminate funding for such weapons systems as the MX missile, the B-1B bomber and the Pershing II missile. This would result in $33.4 billion in additional savings when compared to the Budget Committee resolution.

By making these spending reductions and by providing for revenue increases, the Black Caucus alternative allows for a net increase in domestic spending over the next 3 years even as the budget deficit is reduced.

The increase in domestic spending would reverse the unfortunate shift we have witnessed in the last few years in which Federal resources are concentrated on military spending programs or tax breaks for the well to do. Social Security cost-of-living adjustments would be protected.

The Black Caucus alternative provides $250 million for the Youth Conservation Corps. The Small Business Administration would be funded fully in fiscal 1986 and receive a 5-percent increase over inflation in fiscal 1987.

Community development block grants, scheduled for a 10-percent decrease in funding in other budget proposals, would receive a $1 billion increase in funding. Urban development action grants would be funded at current levels.

To help rebuild our Nation's infrastructure, and to provide jobs for the unemployed, $5 billion is allocated for a new National Development Bank which would make low-interest loans to rebuild public infrastructure.

A new community renewal employment program would be funded at $3.5 billion. A youth employment program would receive $2 billion.

The CBC budget takes a positive approach to Government rather than a negative one. It concentrates on what the Government should be doing in the areas of jobs or community development, devises programs to meet those needs, and makes sure there is enough revenue to pay for the programs.

In so doing, I believe this budget alternative reflects a realistic view of our current economic situation. The CBC budget recognizes that reducing the deficit may not be enough to produce ecnomic growth if, for example, the economy slides toward recession. A growth economy in this period requires a significant commitment by the Government in several areas. This budget makes that commitment while exercising fiscal responsibility.

I commend the Congressional Black Caucus for offering this alternative, and I urge a yes vote on the Congressional Black Caucus budget.●

● Mr. DYMALLY. Mr. Chairman, I rise in support of the Congressional Black Caucus alternative budget. As the Washington Post noted this morning, this is the only budget alternative which can be described as liberal. That is, it is the only alternative that, while attempting to save money as the other budgets also attempt to do, does not lose sight of those areas of spending that are most important to preserve. The CBC budget places people first, and aims to preserve those Federal programs that make possible a decent life for those in our society who are in need.

I want to talk about two aspects of the CBC budget: that portion dealing with science and the portion dealing with civil service employee pay, benefits, and retirement.

The CBC budget would fund civilian science efforts at the CBO baseline figures of $9.152 billion in authority and $9.070 billion for actual outlays. This is a steady state budget for science in that it allows only for inflation. Within the budget, we make a very slight shift in where money will be allocated. A mere $427,500 within the NSF budget would be reprogrammed to stimulate efforts to bring greater numbers of women and minorities into the science labor force. The programs that attract women and minorities into the sciences are inevitably passed over for increases when other programs receive such increases. We consider this shortsighted because it neglects to tap into the major portion of the potential talent pool for the sciences. That is, it neglects to tap into the pool of women and minorities who together make up well over half of the potential labor pool for science.

Our proposal in the general science, space and technology area is aimed at supporting three policy objectives. First, we believe the Federal Government should take the lead role in ensuring that the Nation will have highly skilled and qualified scientists and engineers to maintain scientific world leadership and preeminence; second, we believe the education of scientists and engineers should be maintained at a rate consistent with the proliferation of new advanced technologies in the fields of space and general sciences; and third, we consider it essential to the future of science to promote education of minorities, women, and the physically handicapped at all academic levels. I believe our proposal for science funding is both fiscally responsible and supportive of the one major element that makes advances in science possible: properly trained scientists. I urge your support of this proposal.

Let me turn now to benefits for Federal and postal employees and retirees. Mr. Speaker, in its budget for fiscal year 1986, the administration decided once again that pay and benefits for Federal and postal employees and retirees were an easy target for large cuts. After all, the President tells us, Government workers are overpaid, overcompensated, and unproductive. We could easily reduce the budget by a few billion dollars with some changes in the retirement system, he said, and who's going to say anything except for undeserving Government workers themselves?

Well, the Congressional Black Caucus believes that something must be said to set the record straight about our Federal and postal employees. As a member of the Committee on Post Office and Civil Service, I can vouch for the fact that the administration's characterization of the Federal work force is far from the truth. The figures are clear: Pay for Federal employees lags behind pay in the private sector by an average of 10 percent; Federal health benefits are worth 2.2 percent less than private sector health benefits; and civil service retirement benefits are comparable with overall plans offered by private companies.

Therefore, the administration's proposals to cut pay, retirement and health benefits for Federal and postal employees and retirees are simply unwarranted. Instead of a cut in pay of 5 percent, Federal employees should receive a fair pay increase of 4 percent in October 1985. Instead of reducing health benefits, the Congress should consider pending legislation to strengthen the Federal employee health benefit plan. There should be no changes in the current structure and financing of the Civil Service Retirement System or the payment of benefits which Federal and postal workers have worked for and deserve. And finally, Federal and postal retirees should receive their scheduled cost-of-living adjustment next year, just as Social Security recipients will.●

● Mr. MOODY. Mr. Chairman, I rise today in support of the Congressional Black Caucus [CBC] Federal budget for fiscal year 1986. I do so for several reasons; the most important to me is that this budget presents a significant reduction in the deficit. It is a $93 billion greater deficit reduction than the administration's budget; it is a $47 billion greater reduction in the deficit than the Senate budget, and it is even greater than the House Budget Committee proposal. The CBC budget is not a frivolous or fanciful exercise, it is a very serious exercise and it goes as far as any effort in this body to really deal with the Federal deficit.

If I were to poll the Members of the House and ask them which budget proposed the least budget deficit cuts—which did the most to not cut the Federal deficit—many would probably guess it was the Congressional Black Caucus budget. In fact, it is the other way around. The CBC budget would cut deficits the most. I believe many of us are at a point now where

the bottom line is more important than the details.

There are also other reasons to support the CBC budget. First, in addition to the deep deficit cuts, it addresses the issue of revenues. How many Members in this body, Mr. Chairman, do not recognize in their heart that we are going to have to have revenues before the budget process is completed? How many people seriously still cling to the notion that we can solve the deficit with cuts alone? As Mr. RANGEL has so ably pointed out, the Black Caucus budget tackles the revenue issue.

The second reason to embrace the CBC budget is that it refuses to be stampeded into cuts in domestic programs which, in fact, are cost-effective. These programs do help the less fortunate and do increase or sustain investments in people, in education and in job training.

This budget would fund the Youth Conservation Corps, elderly handicapped housing, Amtrak, community development block grants, job training, revenue sharing, and income security. The CBC budget also would maintain current services for education and Medicare.

Indeed, the Black Caucus budget, all for all, is the most fiscally sound and, in terms of domestic cuts, the most humane.

Finally, the CBC has the courage to cut spending for numerous weapon systems which are expensive and are of questionable utility.

So, Mr. Chairman, I would simply summarize by saying that the Congressional Black Caucus budget is courageous in the manner in which it tackles the revenue issue; it is humane in its domestic priorities; and it is the most fiscally responsible in trimming the waste in the defense budget. The CBC is willing to take on the bottom-line number, the deficit.

Mr. Chairman, I thank the gentleman.●

Mr. STOKES. Mr. Chairman, I rise with pleasure to support the Fifth Copngressional Black Caucus Alternative Budget. I am proud to offer this plan to Congress so that we will have the real opportunity to consider an economic agenda which will strengthen both our domestic sector and our defense posture. The plan submitted by the Congressional Black Caucus accomplishes both of these goals.

Since February, we have had a chance to review the budget which President Reagan submitted to Congress for approval. That budget stated his priorities for the country in 1986 and beyond. That budget arrived on Congress "dead on arrival." When we read that document, we saw a blueprint which did not downsize the role of the Federal Government but drastically restructured it. Federal programs providing benefits to both the middle class and the working poor wer emasculated. Coupled with the elimination of these programs was the termination of many other vital programs which redistributed tax revenue among municipalities and fostered the rehabilitation of the cities and rural communities.

However, not all sectors of Government shared equally in the draconian budget cuts under the President's budget. While Health and Human services programs would be slashed, the Defense Department would be allocated an increase of $29 billion in budget authority, Military might was revealed to be the first priority of Government. It did not matter how large the sacrifice the demestic agenda had to make, the military sector would be allowed to grow in order to finance space weapons such as star wars research gadegtry of $3.7 billion, $4 billion on 48 MX missiles, and $6.2 billion on 48 B-1 bombers. Coupled with these expenditures on military gadgetry, there was an additional 20 percent to be allocated to the research budget to design new weapons.

The Balck Caucus refuses to accept the President's misstatement of priorities for the United States. The caucus believes that America can feed schoolchildren, house its citizens indecent housing, and provide social services, while maintaining a strong defensive posture. The caucus budget which I offer for your consideration contains a fiscally sound plan designed to meet these objectives. The CBC alternative budget proposes $989.3 billion in outlays, and $816.1 billion in revenues, for fiscal year 1986. The CBC deficit of $173.2 billion is lower than both President Reagan's proposal by $7 billion and the White House-Senate compromise by $5 billion. Under the CBC budget proposal, the deficit would decline to &73.8 billion by fiscal year 1988.

The budget accompishes those goals by proposing $58 billion in revenue enhancements. The 23 proposals for revenue enhancement cover areas which have been responsible for the tremendous loss of needed income from the Treasury. Among these proposals is the imposition of a 25-percent tax on income in excess of $100,000 for joint filers and corporation. The imposition of the 25-percent minimum tax on the wealthiest of Americans will insure that everyone contributes an equitable amount.

The CBC budget would also initiate serveral urgently needed tax provisions to benefit low and moderate-income taxpayers.

Some of the other highlights of the budget include the full payment of the Social Security 4.1-percent cost-of-living allowance scheduled for January 1985, the provision of a 16.6-percent increase in the section 202 housing program, the addition of $35.8 billion in budget authority for health care programs, and the rejection of the cuts proposed by the Reagan administration in social service programs.

For defense the caucus recommends "freeze minus" as its basic premise. For fiscal year 1986, the budget authority is frozen at th e1985 fiscal year level. The implementation of the freeze would achieve 3-year savings of $286 billion from 1986 to 1988. These savings are sufficient both to reduce the Regan administration deficits and to make resources available for selective increases in social spending.

In closing, Mr. Chairman, I would like to say that the CBC alternative budget would continue to move this Nation forward on the path to economic prosperity while restoring a sense of human compassion and caring in or Federal policies. CBC budget maintains essential dollars for defense preparedness and channels for excess into productive job-creating programs in housing and community development, and into maintaining the health and welfare of our citizens.

This budget deserves your careful and thoughtful consideration. I urge you to support the CBC alternative budget because it is the best hope for our communities, our country, and our people.●

The CHAIRMAN. The gentleman from Texas [Mr. LELAND] is recognized for 1 minute.

Mr. LELAND. I thank the Chairman.

Let me once again thank the members of the Congressional Black Caucus, all those who support the Congressional Black Caucus position on this budget. I would like to particularly publicly thank the chairman for the task force of the Congressional Black Caucus, the Delegate from the District of Columbia [Mr. FAUNTROY].

I would also like to say, Mr. Chairman, if I can, that the Congressional Black Caucus does not ask any favors at this time for the Congressional Black Caucus itself, but rather to do America a favor, support the Congressional Black Caucus compassionate alternative budget not because it is ours but rather because it is fair, it is just, and it is responsible.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. LELAND].

RECORDED VOTE

Mr. LELAND. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 54, noes 361, answered "present" 1, not voting 18, as follows:

[Roll No. 126]

AYES—54

Ackerman
Addabbo
Akaka
Alexander
Bates
Beilenson
Berman
Bonior (MI)
Boxer
Burton (CA)
Clay
Collins
Conyers
Coyne
Dellums
Dixon
Dymally
Early
Edwards (CA)
Ford (TN)
Frost
Garcia
Gonzalez
Hawkins
Hayes
Hoyer
Kastenmeier
Kildee
Leland
Lowry (WA)
Markey
Mineta
Mitchell
Moody
Natcher
Oakar
Oberstar
Owens
Perkins
Rahall
Rangel
Richardson
Rodino
Roybal
Savage
Schroeder
Seiberling
Stark
Stokes
Towns
Weaver
Weiss
Wheat
Yates

NOES—361

Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Barnard
Barnes
Bartlett
Barton
Bateman
Bedell
Bennett
Bereuter
Bevill
Biaggi
Bliley
Boehlert
Boland
Boner (TN)
Bonker
Borski
Boucher
Boulter
Breaux
Broomfield
Brown (CO)
Broyhill
Bruce
Bryant
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Cheney
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Combest
Conte
Cooper
Coughlin
Courter
Craig
Crane
Daniel
Darden
Daschle
Daub
Davis
de la Garza
DeLay
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dyson
Eckart (OH)
Eckert (NY)
Edgar
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Flippo
Florio
Foglietta
Foley
Ford (MI)
Fowler
Frank
Franklin
Frenzel
Fuqua
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Goodling
Gordon
Gradison
Gray (IL)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kemp
Kennelly
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Lott
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Monson
Montgomery
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Neal
Nelson
Nichols
Nielson
Nowak
O'Brien
Obey
Olin
Ortiz
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Petri
Pickle
Porter
Price
Pursell
Quillen
Ray
Regula
Reid
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Roemer
Rogers
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Rudd
Russo
Sabo
Saxton
Schaefer
Scheuer
Schneider
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stenholm
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

ANSWERED "PRESENT"—1

Gray (PA)

NOT VOTING—18

Bentley
Bilirakis
Boggs
Bosco
Brooks
Brown (CA)
Chappie
Crockett
Dannemeyer
Fish
Hall, Sam
Hillis
Long
Lowery (CA)
McGrath
Rostenkowski
Stangeland
Thomas (CA)

☐ 1930

The Clerk announced the following pair:

On this vote:

Mr. Crockett for, with Mrs. Long against.

Mrs. MARTIN of Illinois changed her vote from "aye" to "no."

Mr. MANTON changed his vote from "no" to "aye."

Mr. MANTON changed his vote from "aye" to "no."

☐ 1940

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

(Mrs. BOGGS asked and was given permission to address the House for 1 minute out of order.)

Mrs. BOGGS. Mr. Chairman, I was on the Senate side on some business, and my beeper apparently did not function properly, and I missed the vote on rollcall No. 126, just recently completed.

Had I been in the Chamber, I would have voted in favor of the amendment.

Mr. GRAY of Pennsylvania. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. FOLEY] having assumed the chair, Mr. MOAKLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 152) revising the congressional budget for the U.S. Government for the fiscal year 1986 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by one of its clerks, Mr. Saunders, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1195. An act to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child.

PERMISSION FOR SUBCOMMITTEE ON MERCHANT MARINE OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT TOMMOROW DURING 5-MINUTE RULE

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee in Merchant Marine and Fisheries be permitted to sit at 10 a.m. on Thursday, May 23, 1985 for the purpose of holding a hearing on H.R. 2485 and H.R. 2550—relating to the repayment of construction-differential subsidies.

The ranking minority member of the committee, the gentleman from New York [Mr. LENT] and the ranking minority member of the subcommittee, the gentleman from Kentucky [Mr. SNYDER] have been apprised of the hearing date and time and are in accord with this request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. CARNEY. Mr. Speaker, reserving the right to object, I know my colleague knows it would be hard for me to object.

Has this been cleared with our side?

Mr. BIAGGI. If the gentleman would yield, I would say that I spoke with the gentleman from New York [Mr. LENT] and the gentleman from Kentucky [Mr. SNYDER] who are ranking members of the subcommittee and

full committee and they are in complete accord with this request.

Mr. CARNEY. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL EXPLANATION

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I was unable to cast my vote earlier today because I was in attendance at the graduation ceremonies at West Point. Had I been present, I would have voted "no" on rollcall No. 122, ordering the previous question on House Resolution 177, the rule providing for consideration of the budget resolution. I also would have voted "yea" on rollcall No. 123, relating to the adoption of the rule.

REQUEST FOR PERMISSION FOR SUBCOMMITTEE ON WHEAT, SOYBEANS AND FEED GRAINS OF COMMITTEE ON AGRICULTURE TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Wheat, Soybeans and Feed Grains of the Committee on Agriculture be permitted to sit tomorrow during the 5-minute rule in the Committee of the Whole.

The SPEAKER pro tempore (Mr. HAYES). Is there objection to the request of the gentleman from Washington?

Mr. FRANKLIN. Mr. Speaker, reserving the right to object, we would just like to ask if this has been cleared with the minority?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. FRANKLIN. I yield to the gentleman from Washington.

Mr. FOLEY. I would say to the gentleman that I have not had an opportunity to clear it with the minority. Unfortunately, there is no one on the floor at the present time to clear it with.

Mr. FRANKLIN. Mr. Speaker, further reserving the right to object, could I ask that this be withheld until it is cleared by the ranking member of the Agriculture Committee and subcommittee that is appropriate?

Mr. FOLEY. Mr. Speaker, I withdraw my request.

The SPEAKER pro tempore. The gentleman from Washington [Mr. FOLEY] withdraws his request.

REPRESENTATIVE BENNETT INTRODUCES AMENDMENTS TO DEFENSE AUTHORIZATION BILL

Mr. BENNETT. Mr. Speaker, today I am introducing several amendments to the Defense authorization bill.

The most important one, perhaps, is my amendment to authorize the transfer of $4 billion to the procurement of conventional weapons. This refers to the $4 billion that Secretary Weinberger recently identified or found at the Pentagon.

We have been repeatedly and publicly advised last year and this year by Gen. Bernard Rogers, who heads our NATO forces in Europe, that we cannot prevent the Soviets from winning a conventional war in Europe. As he and the Scowcroft Committee reported, we would be forced to go to nuclear weapons almost immediaely to stop a Soviet invasion. Nobody can win a nuclear war. Yet even the President has said that it is our policy to go to nuclear weapons in the face of a conventional Soviet attack.

A study presented to the NATO defense ministers at their meeting in Brussels this week criticizes NATO's conventional abilities. There are critical deficiencies in ammunition stockpiles, equipment, and the availability of forces that can be mobilized for combat, according to the study.

We must put ourselves in a position to win a conventional war in Europe or at least stretch out the time before we are confronted with the deadly decision to go to nuclear weapons. Our own security and the security of the West depends on how we meet this challenge. We should get on with it.

LETTERS FROM CONSTITUENTS WHO FEEL ABORTION IS THE ONLY SUITABLE ALTERNATIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. MCKINNEY] is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, today I submit to the House, as part of the National Abortion Rights Action League's "Silent No More" activities, the stories of women from my home State of Connecticut who have been in some way touched by one of the most difficult decisions anyone can face—whether or not to terminate a pregnancy. I believe that their words speak eloquently of the need to ensure that this decision is made with the option of safe, legal abortions available for women who decide that terminating their pregnancy is the only suitable alternative.

Thus, I enclose portions of their letters, in the hope that it will shift our focus in this difficult discussion back onto the men and women who must make this decision, and the reasons why we must uphold the constitutional right of choice.

The text that follows is taken directly from the letters of Connecticut residents:

"I strongly support the right to choose. I am thirty years old and know from personal experience what it is like to be denied the right to choose. You see, I am childless, but not by choice . . . Although I have an 'empty cradle' in my home, I would not want it filled because some young woman was forced to carry a pregnancy to term . . . no one should have to carry through with an unwanted pregnancy. I live every day knowing what it is like to not have the freedom to choose. I do not support any attempts to abridge the rights and freedoms of others through trying to ban abortions or by making them more difficult to obtain."

"I am a 42 year-old single parent . . . Two years ago while experiencing a traumatic post-divorce, although I used contraceptives, I became pregnant. I choose abortion over the disastrous consequences and turmoil another child would have undoubtedly caused myself and my family. When my doctor questioned my emotional health afterward, I replied that it was a safe, simple and humane procedure and that if I had access to it in the past, it would have made an incredible difference in my life."

"I am a 26 year-old single, working woman. I became pregnant one year after completing my Masters degree. I could not support a child emotionally or financially. I chose to have an abortion . . . While I strongly believe every individual has the right to an opinion, I do not believe that anyone has the right to impose their opinion or views on another . . . In conclusion, I and all women have the right to choose . . . government legislation that impedes this is unjust."

Five years ago a very close friend of mine chose to have an abortion. She was 16 years old and a junior in high school. When she told her boyfriend he turned away and avoided her . . . She felt abandoned and alone . . . The best choice for "Karen" at this point in time was to abort. The accessibility of legal abortion clinics enabled "Karen" to have safe medical care.

I'm 23 years old and still not ready to have a child. I learned my lesson at 15, and thanks to an abortion my life has fullness rather than misery . . . Had I a child at fifteen, I never would have been happy. Would you?

I thank the Speaker for allowing me this time to share these letters with my colleagues in the House.●

THE BUDGET RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. RAY] is recognized for 5 minutes.

Mr. RAY. Mr. Speaker, I have been concerned about the massive Federal deficit ever since the first day I came to Congress. I had hoped that the

Congress would finally address this problem in a serious manner this year.

I have spent a lot of time talking and listening to the people of the Third District, and indeed across America and I am convinced that they are ready to make the sacrifices necessary to get our budget under control as long as those sacrifices are fairly and evenly spread throughout our whole society.

I think the concept of basic fairness is absolutely critical if we are going to make a dent in this terrible deficit which is saping away the fiscal strength of America. And we have to make progress this year. I believe that we are at the crossroads—we are a debtor nation.

I know that my colleagues on the House Budget Committee have labored long and hard on this budget. I have a great deal of personal respect for my colleague, Bill Gray who has headed up this effort.

But I honestly feel that the Budget Committee missed the mark on the fairness question.

Mr. Speaker, it is well known that I support a strong national defense. But I have been on record for some time now as being willing to go so far as to support a nominal freeze of defense at the fiscal year 1985 levels, which would not even allow for inflation if we can get the issue of fairness into the picture.

But I can only support such a proposal if all other sectors of our economy share in that cut. This has simply not been accomplished in the House Budget Committee version. They have reported out a budget that would cut defense by $37 billion more than the Senate version, which I don't think is a very good budget either. At the same time, it would cut the deficit by $38 billion less than the Senate version.

Mr. Speaker, this means that the House Budget Committee version would spend $75 billion more on domestic programs than the Senate Budget Committee would.

I want to be clear that I have nothing against domestic programs, or against some of the entitlement programs that are not even touched in the House Budget Committee version. But I do think that they are going to have to share in these cuts along with everyone else.

Mr. Speaker, I think that the amendment which will be introduced by Congressmen Leath from Texas, Slattery from Kansas, and MacKay from Florida, comes closer than anything else to reaching the level of fairness that we need, and I urge my colleagues to support it.

Their amendment makes some minor adjustments in the version reported out by the Budget Committee, But its main contribution is the fact that it reaches out and includes the entitlement programs.

Mr. Speaker, this is going to take some courage. None of us wants to cut COLA's. But we all have to realize that we have miles to go before we are going to get this Federal deficit under control. What we are debating is no more than the first step.

I don't think any of us seriously thinks that we can get all the way through this process without touching the entitlement programs. So we might as well start off with a fair package and then continue that philosophy throughout the coming months and years as we grapple with this problem.

Mr. Speaker, I want to point out that the Leath, Slattery, MacKay amendment also provides protection to those people covered by the entitlement programs who would be hurt the worst.

It allows up to 20 percent of the money saved by the cuts to be plowed back to help those people who are pushed below the poverty level by these spending cuts.

It also allows the House Ways and Means Committee to raise up to $12 billion in extra revenues. But this can only take place after the spending cuts are passed. Furthermore, the extra revenue cannot be raised through any increases in personal income taxes on the backs of people.

Overall, Mr. Speaker, the Leath, Slattery and MacKay amendment would cut $75.6 billion dollars from our Federal deficit during the next fiscal year.

This is exactly the action we need to take. The economy is hovering on the edge right now trying to decide whether to move forward or slip back into a recession. It needs a strong signal from us that we are finally willing to take the actions that are necessary.

Tomorrow, we are going to cast a critical vote in this whole budget process. It will decide whether we will launch it on a fair and evenhanded note, or whether we will yield to the temptation to cut where it is politically easiest. I hope we will choose the course of fairness.

□ 1950

TRIBUTE TO SAM B. HALL, JR.

The **SPEAKER** pro tempore (Mr. Hayes). Under a previous order of the House, the gentleman from Pennsylvania [Mr. Goodling] is recognized for 5 minutes.

● Mr. **GOODLING**. Mr. Speaker, in the near future one of our colleagues, Representative Sam B. Hall, Jr., will be completing a fine career of service in the House of Representatives. He has established an exemplary record in support of his constitutents' interests in the First District in Texas.

In succeeding a well-respected Member of this Congress, Representative Wright Patman, he has established his own record as a hard-working and effective legislator. As chairman of the Judiciary Committee's Subcommittee on Administrative Law and Governmental Relations he has undertaken as difficult and technical jurisdiction subcommittee jurisdiction as exists in the House, and relished in the challenge.

Now Representative Sam Hall is leaving this body to further serve his State of Texas as a Federal judge in its eastern district. He will thus continue his fine career in law, first as a lawyer, then as a lawmaker, and now as a Federal justice.

As Representative Hall leaves this body we should wish him well and rest confident that he will serve the courts of Texas as well as he has served us all here in Congress.●

REGIONALIZATION OF THE SPR

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Rhode Island [Mr. St Germain] is recognized for 5 minutes.

● Mr. **ST GERMAIN**. Mr. Speaker, today I am introducing legislation expressing the sense of the House that hearings should be held to review the implementation of Federal laws designed to ensure that each region of the United States has an adequate reserve of crude oil, residual fuel oil, and refined petroleum products. Coming from New England where we continue to import a high percentage of our residual oil, my own experience with the chronic fear of disruption of those supplies has convinced me that the psychological benefit alone that could be drawn from having a portion of our strategic petroleum reserve located closer to our region or within it, makes the argument for its regionalization even more attractive. As I have said on a number of occasions in the past, the reserve is a bit like an insurance policy. You hope you never have to use it, but you sleep better just knowing it is there. Regionalization of a portion of that reserve makes very good sense if you consider the following:

First, along the east coast (and in New England in particular), we import an average of between 50 to 60 percent of our residual oil. Under existing law, we are qualified for regional storage, yet those provisions have never been fully implemented.

Second, any oil shortage brought on by interruption of imports would have a devastating effect upon the Eastern United States, and especially upon the six-State region of New England. Our electrical power generation systems and our industrial production base rely very heavily on imported residual fuels. Loss of those oil sources (now largely from the Mideast) would result in further widespread unemployment, increased probability of power outages, and chaotic economic dislocation.

Third, Mr. Speaker, is the fact that we, no less than our colleagues in all other regions of the Nation, must be able to drawdown on the current SPR, refine it, transport it, and relocate it in the product form we need, and we must be able to do this in the necessarily short period of time we would have between disruption and cutoff of our supplies from other sources. From New England's viewpoint, that means assurance that SPR oil will be there and will be accessible when we need it, especially in view of the fact that it might take upward of 45 days to get SPR oil from Louisiana to New England.

Mr. Speaker, this administration does not appear to be disposed to undertake or support the regionalization of the SPR. Their argument is classic in form: The effect of additional outlays on the budget far outweighs the national security advantages to be gained. This, coupled with their message that the private sector will assume a share of the cost and the responsibility for emergency preparedness, suggests but one thing to me: Regionalization of the SPR will require a congressional initiative.

That is the problem as I would see it.

That is the underlying task of the Congress—a task that can begin through congressional review of the implementation of Federal laws designed to ensure that each region has an adequate reserve.

I urge the interest and support of all my colleagues in the furtherance of this objective.●

YOUNG ASTRONAUT PROGRAM MEDAL ACT INTRODUCED

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. Annunzio] is recognized for 5 minutes.

● Mr. **ANNUNZIO**. Mr. Speaker, today I am introducing legislation authorizing the U.S. Mint to strike medals in commemoration of the Young Astronaut Program. The medals would be sold by the Young Astronaut Council to raise money to help fund the program.

The Young Astronaut Program is designed to address and correct the shortcomings in training in mathematics and science of United States students. We trail other industrial nations in our relative lack of emphasis, curricula, and teaching of science and math. The National Institute of Education has concluded that the United States has less higher-skilled manpower than an information-based and high-technology nation requires for the future.

To help solve this problem, the Young Astronaut Program is designed to use the excitement of the United States Space program to increase student interest and skills in math and science through a comprehensive program in elementary and junior high schools. This program will cover all elementary and junior high schools in the Nation—urban and rural, gifted and handicapped, public and private. It will establish curricula, activities, contests and awards for scientific and space-based materials. The Young Astronauts Program will generate much-needed interest in our high-tech future.

This September, the council will launch its "Decade of Discovery". Already more than 20,000 schools have responded to the program. The council estimates every elementary and junior high school in the Nation will be signed up for the program by the beginning of the next school year.

The program will enable America to enter the "Decade of Discovery" and prepare to meet the challenges and opportunities of today's emerging technology. It will assure that America maintains its position as the world leader in science and technology.

To assist the council, and commemorate the "Decade of Discovery," the Young Astronaut Program Medal Act will authorize the United States Mint to strike up to 750,000 gold, silver, and bronze medals for the council to sell to raise money for this exciting educational endeavor. The council will pay the mint the cost of manufacture plus a 10-percent surcharge. Furthermore, the council will be required to post satisfactory security to assure full payment of the cost of manufacturing the medals.

Finally, the Comptroller General will have the right to examine the councils' books to assure that the funds raised through the sale of the medals are used in furtherance of the Young Astronaut Program.

Mr. Speaker, under the rules of the Subcommittee on Consumer Affairs and Coinage no medal bill may be considered unless it is cosponsored by at least 218 Members of the House. I urge my colleagues to join with me in cosponsoring this worthwhile legislation. Members who wish to cosponsor the legislation should call the subcommittee at extension 6–3280.●

PERSONAL EXPLANATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. Pepper] is recognized for 5 minutes.

● Mr. **PEPPER**. Mr. Speaker, I was unavoidably absent on Tuesday afternoon, May 14, 1985, following the approval of the Journal. Had I been present, I would have responded to the quorum call, roll No. 109. I was absent as well for roll No. 110, a sense-of-the-Congress amendment offered by Mr. Walker. Had I been present, I would have voted "no." On roll No. 111, the perfecting amendment offered to the amendment offered as a substitute for the amendment offered as modified, I would have voted "no."

I would have voted "aye" for roll No. 112 on the engrossment and third reading of H.R. 1157. I would have voted "aye" as well on roll No. 113, the Social Security Minor and Technical Changes Act of 1985 and "aye" once again on roll No. 114, providing for consideration of H.R. 1555, International Security and Development Cooperation Act of 1985.

On May 15, 1985, I was unavoidably absent for roll No. 115 approving the Journal. Had I been present, I would have voted "aye." I would have voted "no" on roll No. 116, the vote rejecting the motion to adjourn. On roll No. 117 on the rule for Department of Defense authorization, I would have voted "aye."

On May 16, 1985, I would have responded to the quorum call, roll No. 118, had I been present.●

FAIRNESS AND EFFICIENCY IN THE U.S. TAX COURT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California [Mr. Panetta] is recognized for 5 minutes.

● Mr. **PANETTA**. Mr. Speaker, I am today reintroducing legislation I first proposed in the 98th Congress to permit certified public accountants and enrolled agents to practice before the U.S. Tax Court in small tax cases without taking the stringent examination now required of them. This measure was adopted by the House as part of H.R. 4170, the Tax Reform Act of 1984, but it was removed from the bill by the House-Senate conference committee.

This legislation is needed to provide fairness to taxpayers who have disputes with the Internal Revenue Service over cases involving $10,000 or less. Current law denies them an opportunity for the least expensive, most effective possible representation before the Tax Court in these cases.

Current law prevents the Tax Court from denying admission to practice before it to any individual on account of his "failure to be a member of any profession or calling." However, the law does not prevent the court from establishing rules making it more difficult for members of a particular profession to qualify.

The Tax Court has established separate qualifying rules for attorneys and nonattorneys. Attorneys qualify for practice through a relatively simple procedure. But nonattorneys, including certified public accountants and enrolled agents authorized to practice before the IRS, must take a difficult written examination which emphasizes court procedures as well as tax law. How difficult is this examination? Between 1978 and 1982, a total of 18 out of 240 professionals who took the test passed it.

For large tax cases, it makes sense to require a knowledge of both tax law and courtroom procedures for practice before the Tax Court. CPA's and enrolled agents have already proven knowledge of tax law in order to qualify for their particular licenses. But they have not had to display any knowledge of courtroom procedures, and such knowledge could be crucial to their ability to represent clients.

But small tax cases, those involving amounts of under $10,000, are different. Section 7563 of the Internal Revenue Code establishes a less formal procedure for the handling of these cases. Normal court procedures are thrown out the window, and an effort is made to air the facts of the case in a direct manner. The court tries cases under section 7563 only at the request of the taxpayer.

In cases tried under this informal process, there is no need for knowledge of courtroom procedures. Yet CPA's and enrolled agents, who have a demonstrated knowledge of tax law, still may not represent clients before the Tax Court in these cases unless they have demonstrated, through the written examination, extensive knowledge of those procedures.

It is the taxpayer who is hurt most by this restriction. Most taxpayers who obtain outside assistance for preparation of income tax returns employ CPA's or enrolled agents. But if they become involved in a dispute with the Internal Revenue Service, they must hire an attorney to take their case before the Tax Court or find one of the few nonattorneys who have qualified to practice. In small cases, it is very costly for the taxpayer to hire an attorney who is completely unfamiliar with the case and must be paid just to catch up on the details. In addition, many attorneys are not even interested in representing taxpayers in small tax cases. The result is that many smaller taxpayers are unable to gain representation, and many who do obtain representation hold up the work of the Tax Court because their attorney or other representative is not familiar with their case.

Enabling the taxpayer to make use of the individual who helped prepare his return would greatly expedite many small cases before the Tax Court. And this is increasingly important as the backup of cases before the court is severe. The Chief Counsel of the IRS has stated that "we have to develop procedures for more efficient handling of cases."

This legislation would promote both fairness and efficiency in small cases before the Tax Court, and I hope my colleagues will join me in supporting this measure.

H.R. 2592

A bill to amend the Internal Revenue Code of 1954 to provide that certified public accountants and enrolled agents may represent taxpayers in certain Tax Court cases involving $10,000 or less

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7463 of the Internal Revenue Code of 1954 (relating to disputes involving $10,000 or less) is amended by adding at the end thereof the following new subsection:

"(g) REPRESENTATION OF TAXPAYER.—In any case in which the proceedings are conducted under this section, any person who is—

"(1) a certified public accountant, or

"(2) an enrolled agent authorized to practice before the Internal Revenue Service,

shall be allowed to represent the taxpayer."

(b) The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.●

ABORTION RIGHTS: SILENT NO MORE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 60 minutes.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mrs. SCHRODER. Mr. Speaker, today I am reserving an hour for a special order to focus on the personal decisions and individual circumstances of the women faced with the abortion decision.

The National Abortion Rights Action League [NARAL] has organized a series of events during this week which is being called "Abortion Rights: Silent No More." The point of the campaign is to shift the abortion debate back where it belongs—on women and their personal decisions.

Women from all 50 States have been participating in this campaign, telling their stories. Tonight several members of Congress will read some of the letters from women in their States.

Many Members will be putting letters from their different States in the RECORD, and because of the late hour some could not stay to read them, but some did stay to read them, Mr. Speaker, so I would like to yield to those who are here at this time before I read mine from Colorado.

I first would like to yield to the gentleman from Missouri [Mr. WHEAT].

Mr. WHEAT. I thank the gentlewoman not only for having this special order to give us the opportunity to read letters from our constituents, but for her leadership on this issue over the years.

Mr. Speaker, normally when a constituent writes me I can guarantee that that constituent will have their letter treated with every confidence. But this constituent wrote me with the idea in mind of having me share this letter with my colleagues in the House of Representatives. So, Mr. Speaker, I would like for just a few minutes to share this very personal story. This letter is written by a lady named Marsha, in Kansas City, MO.

APRIL 4, 1985.

MISSOURI NARAL,
393 North Euclid No. 310, St. Louis, MO.
To Whom It May Concern:

This is hard for me to tell as I have very recently had an abortion. I apologize for not signing my name but I'm not ready to be harassed by the anti-choice people.

I am 40 years old. I married late and had my three children very close together. I have had some health problems over the past couple of years. During my last complete pregnancy I had kidney problems throughout the whole pregnancy. When my birth control method failed and I found myself pregnant I knew I couldn't follow through with it. I felt terrified about my physical condition. My concern was for the three children I have and the quality of their lives should I not survive.

It was with great sadness that I had this pregnancy terminated. I love my children more than I can possibly express. It makes me mad that no one in the anti-choice movement cares about us women. We are seen only as the mechanical apparatus that houses the fetus. We have (in their view) no minds, no hearts and no morality.

I feel I made a moral choice to take care of the young children I already have and to take care of my husband and myself.

I feel government efforts to ban abortion are ridiculous. It angers me that women who are making one of the hardest choices of their lives are being harassed by people who profess to be morally superior.

Birth control methods fail. Women are human beings and make mistakes. These mistakes should not be compounded by forcing women to bear children they are unable to support either financially, emotionally or healthwise. That is immoral. Placing more importance on a fertilized egg than a woman with a family is immoral.

Sincerely,

MARSHA.

Mr. Speaker, I do not suppose reading this letter will make the decision to have an abortion any easier for the many, many women who must face that personal decision but, Mr. Speaker, I hope it makes it clear that it is, in fact, just that—a personal decision—and the U.S. Government has no role to play in making that decision.

Mrs. SCHROEDER. I thank the gentleman from Missouri for his very touching reading of the letter.

Mr. Speaker, I now yield to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. I thank the gentlewoman from Colorado first for her leadership not only in scheduling this special order, but also repeatedly on this issue that can be so difficult for Members of this House, to take the leadership that is necessary to see to it that the rights of women to choose are, in fact, defended as best we can defend them in this body.

I have to comment in particular that I am proud and pleased to have the opportunity to read one letter from a woman in Connecticut, and to insert other letters in the RECORD, women speaking about this issue and the difficulty of choice.

I find far too often that I hear men talking about what they would do and what the proper thing to do is with respect to this very difficult and very personal choice when they, in fact, do not face most of the problems of the choice. I think it is rather presumptuous of my fellowmen, how sure they are to know what the right thing is to do and how the Government, oftentimes run by men, is put in the position of second-guessing and imposing itself in this choice that is very much a woman's choice

I would like to read this letter from a woman in Connecticut by the name of Zeneida Northcott. She writes:

ZENEIDA NORTHCOTT,
May 1, 1985.

TO NANETTE FALKENBERG,
Executive Director, National Abortion Rights Action League.

I am 66 years old. We were very poor growing up. My parents were immigrants. For years my twin sister was the only playmate that I had since we lived on the outskirts of town.

On rainy days, for want of something better to do, we would take out family photographs and look at them. There was a photograph of a beautiful woman in a coffin! There was also a photograph of a grieving man standing next to a gravestone as tall as he was, with a picture of a lovely woman on the stone.

One Saturday afternoon a little boy, about 5 years old, was dropped off at our house. My sister and I played with him. We were told he was staying with us while his father went to the cemetery that afternoon. Years later, when we grew up, my sister told me that the little boy spent a whole summer with us and we had to play with him.

When I grew up I found out that the beautiful woman in the coffin died from an illegal abortion. Psychologically, she could not face another pregnancy.

The suffering and pain that her husband and child had to endure was engraved on my consciousness. I don't think I was more than 7 years old at the time.

I am grateful that I can afford to support your work today. I pray we can keep abortion legal for those who need it.

Sincerely yours,

ZENEIDA NORTHCOTT.

☐ 2000

I think that those who say that we should abolish abortion would agree with me that we would all like to avoid the circumstances where women would have to choose an abortion. But no one can be so foolish as to think that by passing a statute, we can abolish abortion. Abortion has been with us for all of history.

The question is, is it going to be safe and legal for those who find themselves in a position where they must choose it, or is it going to be illegal and threaten many, more lives, as it did threaten the life of this one individual referred to here? I hope that issue is not lost as we consider these questions, because in fact these are lives at stake as well, very precious lives that are also lost.

Mr. Speaker, I thank the gentlewoman for yielding and I include in the RECORD letters from other women in Connecticut, as follows:

APRIL 24, 1985.

DEAR PRESIDENT REAGAN: I am writing you in support of my right to choose. I am 37 years old and a married music teacher. Five years ago, before I was married, I became pregnant despite using an I.U.D. I did not want to become a single parent, working full time and not tending sufficiently to a child. I was terribly upset by the prospect of having to cross picket lines of harassers to have the abortion I decided to have after a great deal of inner anguish.

Five years later, happily married and productively employed, I have no doubts that I made the right choice. Banning abortions would only make such personal decisions more difficult and would lead to illegal and unsafe operations.

Sincerely yours,

VIRGINIA,
New Haven, CT.

NEW HAVEN, CT,
April 22, 1985.

DEAR PRESIDENT REAGAN: I am writing to you because I support a woman's right to choose whether or not she has an abortion.

I am a 44 year old psychologist, employed by Yale University. I have seen several young women this year who have become pregnant, not from irresponsibility, but from contraceptive failure. One of them is a first year medical student. Another is only 18, and plans a career in law. These women are the future leaders of our country. They should not be forced to interrupt their educations, or to seek dangerous illegal abortions. Both want to be mothers someday—when they are ready to provide proper care.

I am appalled by governmental efforts to ban abortions or make them more difficult to obtain. Such actions will put women right back where they were: invisible members of society, second-class citizens once more.

Sincerely yours,

ELLEN COLE, Ph.D.

NEW HAVEN, CT,
April 15, 1985.

President RONALD REAGAN,
The White House, 1600 Pennsylvania Avenue, Washington, DC.

DEAR PRESIDENT REAGAN: As a woman who has experienced abortion, "close calls", pregnancy and motherhood, I am affronted by your lack of empathy for the concerns of women, and your blatant alliance with those who claim to defend the rights of the unborn. That you and your "right to life" colleagues pay slight regard to the women whose bodies bear the fetuses is only affirmation of the hollow mission you pursue.

My abortion occurred when I was a married adult woman. I simply had not fully dealt with the role of motherhood, and how it might impact upon the rather new career path which I was pursuing. I was not raped. I do not think that I carried a deformed fetus. I was not a teenager. I was simply a woman who believed that her uterus was her own, as was the decision as to when or if it would bear a child.

Several years subsequently, I again was pregnant, and, feeling quite differently, bore a wonderful son, who is a delight to me and my husband. Whatever pain or emotional suffering that I would have or do experience following my abortion, are borne today by me alone. Whatever pleasure or pain I reap from the life of my son, or future children, I also bear, although fortunately with a spouse. The fact is, that neither you nor your "prolife" associates are prepared to assist me in dealing with my offspring in life; thus you have no right to dictate to me or other women the how, when or why of our motherhood.

Regardless of its legality, there will aways be women choose abortion, by whatever means necessary, rather than motherhood, at some point in their lives. If you and your "right to life" friends prevail, I hope that you will be personally prepared to deal with the consequences of illegal abortion—the self-inflicted deaths of the women whose rights have been curtailed by your hand.

Sincerely,

SUSAN LLOYD YOLEN.

DEAR PRESIDENT REAGAN: I am writing this letter because I would like you to understand why, at a particular time in her life, a woman might choose to have an abortion. I hope this will help you to understand the importance of preserving our legal right to safe abortion.

I am 34 years old, and a working mother. When I was 19 and in college, I became pregnant. Like many young women then and now, I had very little information about sex, reproduction, or contraception. Not understanding conception or contraception, it was easy to become pregnant. Abortion was illegal at that time in the state in which I lived, and I was terrified because I felt in no way ready to become a mother. My education was being financed by scholarships, and I feared that if I interrupted it to raise a child I might never be able to return. Fortunately, I was able to find out about a clinic in a nearby state where abortion was legal, and I somehow got there and had an abortion.

Being a mother is the most challenging, demanding, and exhausting thing I have ever done in my life. I know that I would not have had the ability to do it well at 19. I have often wondered what direction my life would have taken had I been forced to continue that pregnancy. I don't think that I could have accepted the sacrifices without resentment, or gone through the hours of daily drudgery which is part of raising a baby without anger. The frustration I surely would have felt would not have made me a caring, nurturing, or loving mother.

Because I was physically abused as a child, I know the effects which frustration and resentment can have in a parent's relationship with his or her child. And because I wanted to be a better parent, I wanted to become a mother only when I felt ready to love and choose my child. Five years ago I felt ready to become a mother, able to give what I felt a child needs to grow well and healthy. Because parenthood came by my choice when I was ready for it, it has been a wonderful experience, and my child is well

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loved and thriving. Now that I know the reality of the demands of motherhood, I am all the more thankful that I was able to have an abortion at a time when I could not have given a good life to either myself or a child.

The experiences of my life have convinced me that a woman is the best judge of whether and when she should bear a child, and that her right to choose must not be abridged. This right must be available to all women, and covered by Medicaid for women whose financial situation would otherwise take that choice away.

I hope that you will listen to the voices of women and understand the urgency of protecting our right to make the choices which define the circumstances of our lives.

Sincerely,

JANE ROE.

MADISON, CT.

DEAR PRESIDENT REAGAN: Six years ago my sister became pregnant at the age of 17. She was bright and talented and only a senior in high school. Her boyfriend was the same age and totally unable to support a family. After a long period of indecision she decided to have an abortion. This was not an easy choice, but she knew that she could not give a baby what it deserved. My sister went on to college and is now happily engaged. Her life would have been very different if she had had that child.

I am asking you to think about what the right to a safe, legal abortion means to a woman. It means she has control over her own body and her life. Please, do not take this right away from us.

Sincerely,

JEAN.

THE MILL HOUSE,
Coventry, CT, April 7, 1985.

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I stand appalled by the Presidential endorsement of the "Christian Nation Movement" and your disregard of Constitutionalism by support of such possible issues as a Human Life Amendment into our Constitution.

I am a 42 year old single parent. Artist by profession and actively involved in several community organizations as well as Connecticut National Abortion Rights Action League.

Two years ago while experiencing a traumatic post-divorce, although I used contraceptives, I became pregnant. I chose abortion over the disasterous consequences and turmoil another child would undoubtedly caused myself and my family. When my doctor questioned my emotional health afterward, I replied that it was a safe, simple and human procedure and that if I had access to it in the past, it would have made an incredible difference to my life.

In retrospect, marriage was the only option given to me when pregnant as a teenager many years earlier. Ignorance, fear of an abusive husband and underdevelopment contributed to two premature babies who died after birth and a miscarriage, all before the age of 20 years. I was a baby myself. Through counseling, I was able to escape this abjection by separating and moving to another state. Lack of education as well as financial and social resources made survival very difficult, however, I gradually managed to gain control of my life in spite of family beliefs and religious conflicts.

Victimized by rape a few years later, I became pregnant again. Abortion was prohibited by law. I chose to give my birth daughter up for adoption rather than face the further demoralization of social victimization, welfare aid and loss of access to further personal development. Nothing silences the agony of this separation!

My achievements, priorities and goals went well rewarded over the course of the eight years that followed. Well balanced, financially independent and reasonably well accomplished, I proudly married "Prince Charming" on the main altar of St. Patricks Cathedral in New York. With the slip of a ring and the birth of our son, my value diminished by the tyranny and assault by my husband. Fortunately, social programs were available to me this time. With the help of psychiatrists, a Rape Crisis Center and Shelter for Battered Women, help was within my realm. Rape is not limited to sexual intercourse, however, and responsibility of my son threw me into the horrors of our legal system. Although separated for two years and divorced for over three, we are still in mediation and therapy over ongoing conflicts and my son is being treated for extreme trauma described as similar to shell shock.

Psycho-therapy has helped me to deal with the denial of initial child abuse and in breaking relative patterns for the sake of my child, myself and future generations. Once again, I start out fresh with renewed hope and energy!

My attitude would undoubtedly be quite different today had I been further abused by terrorizism outside that abortion clinic a few years back or for that matter denied legal access to a safe and dignified procedure. Although I do not advocate abortion, social and religious dogma does create a nurturing dilemma which sometimes makes this a necessary choice, along with other health issues.

The desire to ban abortion as a personal choice for women suggests further degradation of motherhood in our society and throughout the world. This is a personal moral and health issue which belongs on a religious pulpit and not in the oval office. Mortification of women who have chosen or will choose abortion as a salvation for personal health, security and prosperity is an outrage. Christian doctrine was consciously and creatively excluded from our Constitution by our forefathers. This is clearly an assault on the integrity of women and men as well as the very foundation of which this country is based.

We all share a common cause against hunger, disease, illiteracy, rampert population growth, nuclear anxiety and psychic defense mechanisms. I suggest we set aside our ideological differences and collectively work on a non-prejudiced interaction toward a more creative solution to this moral dilemma.

Humanely,

BARBARA DE CEW.

ROWATON, CT,
April 12, 1985.

DEAR PRESIDENT REAGAN: Five years ago a very close friend of mine chose to have an abortion. She was 16 years old and a junior in high school. When she told her boyfriend he turned away and avoided her for 2 months. She felt abandoned and alone. She told her mother who then supported "Karen" emotionally as well as financially. The best choice for "Karen" at this point in time was to abort. The accessibility of legal abortion clinics enabled "Karen" to have safe medical care. "Karen" is now a junior in college and is doing very well. Having the choice to make decisions concerning her own body has given "Karen" a great many opportunities for her future.

JUDIE ARROYO.

STORRS, CT,
May 1, 1985.

PRESIDENT REAGAN, I was fifteen years old when I became pregnant, and now I'm a college senior who has studied abroad in London, will study abroad in Tel Aviv, and works at my college radio station supplying UCONN students and other listeners with public-information programs I co-produce.

I look forward to a bright future, and everyday of my life gets better. Further, my enthusiasm about what I'm doing spreads to other people.

President Reagan, I'm 23 years old now and still not ready to have a child. I learned my lesson at fifteen, and thanks to an abortion my life has fullness rather than misery.

I am changing this world via mass media channels. You may hear my name again in the future. Had I had a child, this may not have been possible. Having an abortion has allowed me to learn a valuable lesson about growing up and responsibility, while giving me a chance to live a happy life.

Had I have had a child at fifteen, I never would have been happy. Would you?

Sincerely,

SUSAN H. SMITH.

EASTFORD, CT.

DEAR PRESIDENT REAGAN: I am writing to you because I strongly support the right to choice. I am 30 years old and know from personal experience what it is like to be denied the right to choose. You see, I am childless, but not by choice.

In your State of the Union address this past January, you referred to all the "empty cradles" in many American homes. Although I have an "empty cradle" in my home, I would not want it filled because some young women was forced to carry a pregnancy to term. Adoption should remain an option, but no one should have to carry through with an unwanted pregancy.

I live every day knowing what it is like not to have the freedom to choose. I do not support any attempts to abridge the rights and freedoms of others through trying to ban abortions or by making them more difficult to obtain.

Sincerely yours,

SHAWN GRUNWALD.

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22 APRIL 1985.

To whom it may concern:

I am writting this letter for two reasons: One, to support my own individual right to choose what happens to my body and ultimately, my life and two, on behalf of the female population who believe in and have opted for choice. This means neither pro-abortion or anti-abortion. Simply, it means a choice of destination.

I am a 26 year old, single, working women. I became pregnant one year after completing my master degree. I could not support a child emotionally or financially. I chose to have an abortion.

One of the most difficult times that I had was when I arrived at the Clinic—only to be greeted by boisterious, uncaring and insensitive pro-life activists.

These people taunted and harassed each individual who went in.

While I strongly beleive every individual has a right to an opinion—I do not agree that anyone has the right to impose their

opinion or views on another. There are many other ways these individuals can voice their concerns, but certainly not at such an emotional or important time.

In conclusion, I and all women have the right to choose and make decisions. Current government legislation that inpedes this is unjust. Furthermore, limiting Blue Cross to life-threatening situations is discriminatory.

This discrimination would indorse "Black-market" abortions. Check the Statistics!

Any attempt by the government to outlaw abortions is Constitutionally wrong as well as a violation of personal rights.

Signed,

"JANE DOE."

SOUTH WINDSOR, CT.

PRESIDENT REAGAN: I am writing to you regarding the abortion issue many pro-abortion arguments focus on pregnancy precipitated by rape or incest. They endorse abortion to end a pregnancy when diagnostic tests have shown massive congenital anomalies of the fetus. What these people often neglect to argue is that women have the right to choose abortion under *all* circumstances.

I have supported a friend through her abortion. She had not been raped. The fetus was not known to have anomalies. She had the abortion because she could not stop her life for nine months and have the baby. She could not afford it—financially, physically, or emotionally. As I stated earlier, I *supported* my friend through her abortion. I did that because I know that if I were to become pregnant at this time in my life (despite efforts to the contrary), I would seek an abortion. Many women, Mr. President, are in my position. They too would seek an abortion with an unwanted pregnancy.

Now, abortion is legal. Because it is legal, it is that much safer. If abortion were illegal, it would still be practiced, but the horrible conditions under which it was once performed would return. I, and all women, need to have legal abortion as a choice. Do not, Mr. President make abortion an illegal choice.

Sincerely,

LYNN MORSARTY.

HARTFORD, CT, *April 10, 1985.*

DEAR CONGRESSWOMAN KENNELLY: It's hard for me to begin to say why I am pro-choice and why I believe that every woman should have the choice to decide whether or not to become a parent. My father had 13 siblings, my mother had 4. Their parents had no choice. My paternal grandmother could not choose to limit her family and she died because of it . . . not in an illegal abortion, she died from overwork and poverty. She died overworking herself trying to feed and clothe 13 children. Her husband, my grandfather, was not much help—he never had a steady job and died of diabetes. I never met these 2 people, but I have seen pictures. At a young age, my grandmother looked shrivelled and sick—she had to survive to care for her children. There was not enough food so she often went without. There was not adequate housing, clean water, health care, etc., so her life was lost.

I would have liked to have known my grandmother. I'm sure she would have limited her family if that had been an option. Her life was miserable.

Today contraception is available, but not foolproof. So, today women are still suffering from poverty, but if they can scrape together the money, they do have the choice to terminate a pregnancy. They don't have to be like my grandmother, and suffer in silence. They can choose when to have children and their children will be happier and healthier for it.

Please support abortion rights and medicaid funding for abortion.

DIANE MARTELL.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman from Connecticut for his very eloquent reading of the letters and for participating in the "Silent No More" campaign.

I, like the gentleman, have trouble in a way reading these letters because we must feel that letters to us should be ananymous, and yet during the "Silent No More" campaign these are women who feel they definitely want to let people know who they are and what their circumstances were because they can afford to be silent no more.

One of the letters that I have from Colorado says this:

> At 17, I became one of the many teenagers who found myself pregnant. The "father" beat a hasty retreat. My parents were strict fundamentalists who abused their own children. I was compeletely alone and terrified of having a child I was not emotionally, intellectually or physically prepared to care for. I was even more terrified at the thought that I, like my own parents, would become an abuser. I saw having a child at that time in my life as the ruination of it. Any future I though I had with the man I loved had just been removed. My dream of a college education and a decent career had just been shattered, and I was alone without the support of my family.
>
> I saw only two choices available to me—abortion or suicide. I sought counseling from an obstetrician and local Planned Parenthood. An agonizing, conscious decision was finally made to have an abortion, and after years of self-punishment, I knew I had made the right choice. Had I been forced by legislation to bear a child I did not want, I most assuredly would have become a suicide statistic. The abortion literally saved my life.
>
> I believe any woman has an inherent right to choose whether or not she wishes to bring a pregnancy to term, based on the perception of her own need, and not on the "fetal supremacy;" ideology of the fundamentalists. To deny her the right to terminate her pregnancy legally and safely is to deny her not only the freedom of choice, but perhaps her life as well.

I have many other letters that have come from many different places. One of them that I think is very interesting is one that is put in an historical context. This woman writes:

> Back in the dark ages, when abortion was illegal in Washington, D.C., the daughter of a close friend came to me, frightened, desperate, but determined to end an unwanted pregnancy. She was leaving an abusive husband . . .

This woman already had children, and she felt there was no way she could handle the problem, nor did she even feel she could go to her own mother with the problem.

The letter continues, as follows:

> I did everything possible to dissuade the young woman, even offering to take the baby myself. And I thought I had convinced her that an abortion during those sad days could be a dreadful experience, emotionally and physically.
>
> A week later I received a call from the young mother, her voice barley audible. I hurried to her apartment and found her bleeding profusely. That morning I'd read a newspaper story of a venetian blind installer who had performed some 75 abortions for fees of $25 and up.

The letter states that many of this man's patients had died and he had been picked up by the police.

The letter concludes as follows:

> My young friend recovered. I don't believe her mother ever learned of the abortion. And since then I've prayed that this country would never again go back to those awful days when a woman's only recourse—unless she was financially secure—was the back-alley butcher.

I think again putting it in that historical context is very important, because that young woman had started out being totally against abortion and is probably still against abortion, but she understood that someone else may want another choice.

Let me read one more letter that I think is also representative of the whole group of letters that we have received. This one is from a 29-year-old woman, and she writes this:

> I am a 29 year old woman who is fortunate enough to have never had an unwanted pregnancy.
>
> But my sister is not that fortunate.
>
> My friends Jeanne and Marcia and Patricia and Megan and Debbie are not that fortunate.
>
> My aunt is not that fortunate.
>
> In the early 1950's, she became pregnant for the fourth time. She had extremely high blood pressure. The doctor told her that having a child would kill her. She had three small children at home. * * *
>
> Our mothers, sisters, aunts, friends, neighbors and co-workers have all had abortions.
>
> These are women who value human life. These are women who know the pain that being unwanted, unloved or abandoned cause a child—pain that continues to cut and scar the adult.
>
> May we always live in a country that treats women and mothers with fundamental respect. * * *

Mr. Speaker, I think allowing women to make their own decisions, with their religious beliefs, with their medical advice, and with their families and their spouses all around them, is really what this country is about. I hope that these letters and the many other letters that will be put in the RECORD by other Members who have submitted them will make people stop and think that the choice is not quite as simple as so often it has been portrayed to be. It really is a problem in that it is not one life, it is two lives or more, and it is very difficult for the Federal Government to decide in all cases that one life has the ultimate right to exist.

No one would ever, ever wish anybody would have to be in this position. The position of having to make these kinds of decisions must be agonizing, and these women have to deal with their decisions the rest of their lives. Nevertheless, these women have come forward and have painfully related that process by telling their stories. I only hope that we listen to them before we so rapidly decide to make value judgments.

Mrs. JOHNSON. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentlewoman from Connecticut.

Mrs. JOHNSON. Mr. Speaker, I am pleased to join my colleague, Representative Pat Schroeder, and other Members of Congress here this evening, in this campaign to redirect public attention to the very difficult, very personal choices involved in the decision whether or not to have child.

The letters we will be reading tonight are from constituents who have personally experienced the anguish of an unintended pregnancy, or who have been very close to someone who has been faced with that situation. These individuals have chosen to have an abortion.

Experience proves that the choice to have an abortion will continue to be made, regardless of whether or not it is outlawed. Therefore, the real issues are: First, whether abortion is legal and safe or illegal and dangerous; second, how to encourage family planning and shared responsibility so that this decision may be avoided.

The role of government in a democracy is not to mandate "truth" in matters that we have debated for centuries, but to preserve the right to live in harmony with one's conscience.

Summit Women's Center West,
West Hartford, CT, March 7, 1985.

President Ronald Reagan,
The White House,
Washington, DC.

Dear President Reagan: I have put off writing this letter long enough. In the past, I have written my Congressman and other elected officals and always receive the courtesy of at least a postcard of acknowledgement. I have written to you several times and got discouraged since I never knew if you get to hear about mail that you may not agree with.

I'm writing as a woman, a mother and the administrator of a women's clinic. Abortion is one of the many services we provide. We also do counseling, family planning, gynecology, free pregnancy tests and talks in the schools.

Let me tell you about a woman who comes to our clinic for an abortion. Each one receives objective counseling. We make sure that they are firm in their decision, that they understand the risks of the surgery, that they understand that there are options and that they have a support system to help them deal with this hard decision. We have referrals available for the woman who decides to continue her pregnancy.

I read that you cried during "Silent Scream". Abortion is not a pretty thing. Dr. Nathanson's commentary, however, makes the film degrading to the woman and is filled with subjectivity. A fetus at twelve weeks can not scream. It doesn't have the neurological capability to perceive pain much less express it. On the other hand, a pregnant woman can scream. A woman who has experienced illegal abortion, who has been raped, who has been a victim of incest, who has had her welfare benefits cut, who has several children already and whose birth control method has failed . . . these women can experience pain and I've seen them cry with the pain of knowing they can't continue this pregnancy. Would you cry with them?

You've talked to "Right-to-Lifers", people who are truly concerned for the life of the fetus, but not the life of the woman or the quality of life the unwanted child will have. I challenge you to talk to women who've had to make the decision to terminate a pregnancy. None of them take the decision lightly. Talk to some of these people and try to understand why the majority of Americans are pro-choice. We are not pro-abortion or anti-life. We are simply believers in the woman's right to choose an abortion if that is the decision she feels she must make.

Our clinic is picketed every Saturday. We've received three bomb threats, one requiring that the mall we're in close down for two hours. The person making the threat, prevented twenty women from obtaining birth control and caused 40 or so businesses to close for two hours and lose clients.

One of the picketers accosted a woman shopper who was eight months pregnant and called her a murderer, upsetting her and her five year old daughter. She didn't even realize that our clinic was nearby. I told the leader of the picketing group, Father Looney about the incident and he said it just must have been an over-zealous picketer. He didn't offer to do any education on the fact that our clinic only performs abortions until the twelfth week of pregnancy and a visibly pregnant woman wouldn't be coming here. He wasn't even shocked by the story.

One more example. A patient of ours called directory assistance for our number. The operator asked her for her name and number, which the patient gave, thinking there was a phone problem. The operator then started to tell her not to come to Summit. The patient was 17 and feared that the operator could call her at home. She might have been calling to ask a question or for any other reason. The phone company says that they can't identify the operator.

Are these things right? Are they really pro-life? Abortion will not be legislated away. It will decrease with better education, better birth control and more responsibility on the part of both woman and man for contraception. We doing all of these things as womens' clinics. What are the anti-choice groups doing?

Father Looney shows graphic, anti-abortion, misleading films to his eighth grade Catholic school students without parental consent. He won't tell them about birth control though. Many anti-choice groups are protesting a sex education law in Connecticut saying it will encourage kids to have sex. There were 5,000 teenage pregnancies in Connecticut last year. They're already having sex.

I wish you could understand what some of the women feel who come here. We've seen an 11 year old raped by her father, a 40 year old who was told that the pregnancy would kill her (her priest told her to continue it anyway), a mother of 6 with a seven month old and a pregnant 15 year old. Would you say the life of the fetus is more important than that of the mother in these circumstances?

I am a mother after three surgeries and infertility treatment. I know the joy of a wanted child. I know the agony of six year adoption lists. I also know that I can't force someone else to go through an unwanted pregnancy. Abortion won't disappear. It never has. It just becomes unsafe, futive and discussed less openly.

Please read the enclosed literature. I understand why "Silent Scream" moved you, but the stories of living, breathing women and children should concern you more. Please take the advice of the subcommittee on civil rights and stop the harassment of abortion and family planning patients. Don't cut the federal spending for programs that help poor women and children in this country. We are twelfth in infant mortality in all industrialized countries. We need to help these children by ensuring adequate food and medical care. How can we bring more unwanted children into this situation?

Thank you for your time.

Sincerely,

Laura S. Minor.

P.S.—I sincerely hope that the contents of this letter, if not the letter itself will reach you or Mrs. Reagan.

Canton, CT.

Dear President Reagan: I am a very caring, good mother of three children. I can be a good mother because I could choose the number of children I could adequately raise. More children may have led to divorce, bitterness, welfare dependence, ill health, unhappiness, and dispair. It is my right to choose whether or not I need an abortion, is is *not* the role of the government. As I choose, I am a more effective citizen, parent, worker, wife, and person. Attempts to ban abortion' by your administration are a direct attempts to abridge my right to choose.

Sincerely,

Judi Friedman.

To Whom It May Concern:

I am writting this letter for two reasons: One, to support my own individual right to choose what happens to my body and ultimately, my life and two, on behalf of the female population who believe in and have opted for choice. This means neither pro-abortion or anti-abortion. Simply, it means a choice of destination.

I am a 26 year old, single, working woman. I became pregnant one year after completing my masters degree. I could not support a child emotionally or financially. I chose to have an abortion.

One of the most difficult times that I had was when I arrived at the clinic—only to be greeted by boisterous, uncaring and unsensitive pro-life activists.

These people taunted and harassed each individual who went in.

While I strongly believe every individual has a right to an opinion—I do not agree anyone has the right to impose their opinion or views on another—there are many other ways these individuals can voice their concerns—but certainly not at such an emotional or important time.

In conclusion, I and all women have the right to choose and make decisions. Current government legislation that impedes this is unjust. Furthermore, limiting Blue Cross to life-threatening situations is discriminatory.

This discrimination would endorse "Black-market" abortions—Check the Statistics!

Any attempt by the government to outlaw abortions is constitutionally wrong as well as a violation of personal rights.

Signed,

Jane Doe.

☐ 2010

Mrs. SCHROEDER. Mr. Speaker, I thank the gentlewoman from Connecticut and I really want to thank her for her leadership. She has been very helpful in putting this whole special order together. I truly appreciated this. I am sorry that I did not have my glasses on. I am getting older, but I thank her. She has been a real leader and I thank her so much for helping.

Mr. Speaker, I yield to the gentleman from New York [Mr. Weiss].

Mr. WEISS. Mr. Speaker, I thank the gentlewoman from Colorado for yielding to me. I want to commend her for taking this time.

I want to commend also the gentlewoman from Connecticut. Hers was really marvelous and eloquent testimony.

I had occasion, I guess almost 30 years ago now, to head up a bureau in the New York County District Attorney's Office. This was before abortions had been legalized. There were people out there who were committing abortions of the nature that nobody would ever want to put their own lives or the lives of their loved ones into their hands, people who for the most part had no medical training at all. If they had medical training, they had long since lost the capacity to utilize it; so the maiming and the torture and the death that occurred was something so awful that none of us should ever want to go back to those days again.

I have had a number of my constituents submit correspondence that they have sent, copies of correspondence that they have sent to President Reagan, that they requested me to put into the Record and I am pleased to do so.

I would like to read a few excerpts, if I may with the permission of the Congresswoman from Colorado. One is from a constituent who lives on West 85th Street in Manhattan. She says:

> All my life, I have loved children and been involved with children. I have always looked forward to the day when I could have a family of my own. But to have had a child because I had no other choice, to deny that child the love, the opportunities, the attention that it deserved because I didn't have the time or the means, seemed illogical. Shouldn't we have children because we want them?

Next from another constituent who lives on West End Avenue. She says:

> Let's not reduce life to abstract principles. Let's look at the faces—consider the humanity of women who have to make this painful but correct decision. Let's look around us at the children we all know or have seen, here not out of love, but out of fear, ignorance or despair.

Another from a constituent, addressed again to President Reagan, care of the New York State National Abortion Rights Action League:

> So the abortion let me pursue my career, earn my living, and marry when I chose to. I desperately needed to have that control over my body, rather than it controlling me. Now, happily married and working, we are planning when to have a child, so that we can give that child more of what life has to offer.
>
> Mr. President, I am a Jewish, middle-class woman who strongly believes in work and family values. For me, having an unwanted baby would have ruined my life. For me, welfare was not the answer. For me, abortion was the choice I made, and I made it twice.
>
> Women will continue to have abortions as they have always done, legal or not. Don't make us go back to knitting needles and back-alley doctors. Our government should protect our freedoms, including the choice to have a child or not to.

Then finally from a distinguished feminist leader in my district, Letty Cottin Pogrebin:

> I do not mourn the fetus of that aborted pregnancy. I celebrate the three healthy, wanted, beloved children I was able to have with my husband years later when I—and he—were ready to give them the lives all children deserve.

Again I want to express my appreciation to the gentlewoman from Colorado for taking this special order.

Mr. Speaker, I ask unanimous consent to have all these additional letters submitted into the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The letters are as follows:

Page McBrier,
New York, NY, May 3, 1985.

Dear President Reagan: My husband and I are eagerly anticipating the arrival of our first child in September. It is a decision that we made together, when we felt that our lives were emotionally and financially secure. It was not something that we were forced to do, or something we did because we had no other choice.

Several years ago, my lifestyle was not as secure as it is today. I was not involved in a stable relationship and was barely earning a living as a waitress. Although I was careful about birth control, I became pregnant twice during this period. For me to have had a child would have been disastrous. I had no family to turn to, no income, and no means of support. To bring a child into the world at that time would have been cruel to both of us.

All my life, I have loved children and been involved with children. I have always looked forward to the day when I could have a family of my own. But to have had a child because I had no other choice, to deny that child the love, the opportunities, the attention that it deserved because I didn't have the time or the means, seemed illogical. Shouldn't we have children because we want them?

How can we expect our children to be the leaders of tomorrow if we can't offer them the love and support that is rightfully theirs? Let the choice be ours, Mr. President. Who knows? Maybe the child we chose to have will grow up to be the next president!

Sincerely,

Page McBrier Morrison.

New York, NY, *May 13, 1985.*

Dear Mr. President: Living with two teenagers, enjoying their bursting intellectualism, witnessing their joy for life, I experience deep love and pride. I'm proud that these two healthy, emotionally stable young people are the result of years of love and mutual responsibility for their care and well being shared with my husband. They are children of choice, here because my husband and I were mature and excited about parenthood when our first child was born.

I first became pregnant when I was in my late teens, unmarried, uncertain about my own life's decisions, unprepared for the responsibility of caring for a new life when my own life still seemed so new and undefined. I had an abortion. And at that time, abortions were not legal. The movie image of back alleys—dark airless rooms—shifty-eyed doctors was all true. The doctor believed he was doing something useful but knew he was in danger. It was a frightening experience, risky but necessary. What wasn't necessary was the terror and the humiliation created by the illegality of the experience.

I had weighed the seriousness of the decision and made a choice that was the smartest decision at that moment. To give birth when I was unprepared emotionally and financially would have been to cheat two human beings of the possibility of a fulfilled life.

Let's not reduce life to abstract principles. Let's look at the faces—consider the humanity of women who have to make this painful but correct decision. Let's look around us at the children we all know or have seen, here not out of love, but out of fear, ignorance or despair.

Sincerely,

Vivian Bower.

New York, NY, *May 8, 1985.*

c/o New York State National Abortion Rights Action League.

Dear President Reagan: Bearing a child is not a joke, Mr. President. It is a decision that involves love, commitment, time, money, sacrifice, dedication and hard work. The unwanted child whose parents do not have these attributes, grows up at risk of being resented, neglected and abused.

I was an 18 year old college freshman when I became pregnant, the result of an IUD failure. I was horrified to be the "statistic", the 1 or 2 out of each 100 women whose IUD's fail to work. Had I not been able to obtain a fast, safe and inexpensive abortion, I would have jeopardized my college education in order to bear a child I never wanted. And no, Mr. Reagan, I did not think of the adoption alternative. No woman wants to go through the discomfort and pain of pregnancy and labor, only to give away the product, and wonder forever, "Where is my child now?"

Several years later, after other birth control methods caused medical difficulties for me, I was advised to use another type of IUD, supposedly more effective than the original. For four years I was effectively protected from pregnancy, during which time I completed college, went to graduate school and began my career as a social worker. Once again, at age 26, I found myself pregnant, despite the IUD's presence. I had to make a painful but necessary decision to have an abortion. I was not ready to marry the baby's father and could not afford to stop work and raise the baby myself.

So the abortion let me pursue my career, earn my living, and marry when I chose to. I desperately needed to have that control over my body, rather than it controlling me. Now, happily married and working, we are planning when to have a child, so that we can give that child more of what life has to offer.

Mr. President, I am a Jewish, middle class woman who strongly believes in work and family values. For me, having an unwanted baby would have ruined my life. For me, Welfare was not the answer. For me, abortion was the choice I made, and I made it twice.

Women will continue to have abortions as they have always done, legal or not. Don't make us go back to knitting needles and back-alley doctors. Our government should protect our freedoms, including the choice to have a child or not to.

Yours truly,

Leslie R.

New York, NY, *March 29, 1985.*

Dear President Reagan: I consider myself a deeply responsible and loving mother. My husband and I have raised three children who are now in their late teens: two are in college doing extraordinarily well; one is in high school.

We are fortunate in being able to give all three children the educations that are capable of benefiting from and I expect they will each grow up to be spirited, intelligent citizens.

Fortunately, too, whenever they were sick, we were able to pay for first rate care for them. This included one hospitalization per child in their early adolescent years for various problems.

Finally, we are also fortunate that we were able to carefully plan our lives so that we could balance our work and our nurturing responsibilities. We have been able to spend substantive time with our children, guiding them, enjoying them, sharing the experiences that insure that childhood is a time of growth and happiness.

None of this would have been true had I been forced to bring to term a pregnancy that was the result of ignorance of birth control when I myself was a teenager. I do not mourn the fetus of that aborted pregnancy. I celebrate the three healthy, wanted, beloved children I was able to have with my husband years later when I—and he—were ready to give them the lives all children deserve.

Sincerely,

Letty Cottin Pogrebin.

New York, NY, *May 13, 1985.*

Mr. Ronald Reagan,
President of the United States, The White House, Washington, DC.

President Reagan: I am a thirty year old professional woman. I come from a good and loving family where children are important and cherished.

Ten years ago I had to make the very awful, difficult decision to have an abortion. I did it for reasons that are my own; it was a personal choice and an extremely painful one. If I had to do it over again, I would make the same decision. At the time, if I had given birth, the baby's life would not have been a happy and secure one.

I want children very much and I will have them. They will be wanted, cherished and cared for.

It is extremely presumptuous of you and the Moral Majority to believe for one second that this was an easy decision reached with happiness. But as painful as it was, it was and is my choice and my choice alone.

It is bad enough that you threaten all of our lives with your nuclear bombs and Star Wars, making it an insecure prospect that any child coming into this world will survive into their adulthood, but you compound this terror with a Big Brother mentality that threatens to control our minds and our bodies.

This is America. Our whole history stems from freedom of choice. You owe it to the American people to live up to and defend this heritage.

Respectfully,

Ellen Spier.

New York, NY,
May 8, 1985.

Dear N.A.R.A.L.: At the age of ten I saw a girl lower herself on a sharp metal fence which surrounded the neighborhood church. She bled to death. I later found out that she was 15 years old and pregnant.

I strongly support safe, legal abortions!!

Larry Scher.

New York, NY.

President Reagan,
White House, Washington, DC.

Dear President Reagan: You, like I, must remember the back-room, kitchen table abortions—no anesthesia, no medication, pay first, don't make a sound—when abortions were illegal. Abortion never was or is a picnic under the best of circumstances.

I have been there, not once, but twice, with women close to me. In neither case was the male involved interested in assisting the woman or in taking any responsibility. In one case, the male was an ex-husband who already had deserted his wife and first child, in the second, a rape. Both of these women love children and found the decision to abort agonizing, but neither had the funds or familial support that would have enabled them to parent a child. These women were lucky to have had friends to gather the $500 (in the 1940s and 1950s, a lot of money) needed. Many women were not that fortunate.

The affluent will always have the means to go where abortion is medically safe. If abortion is excluded from insurance policies and/or de-legalized, it will be the poor who will be victimized as in days past. They will be back in the alleys or producing children they don't want and society resents paying for.

I urge you not to succumb to the pressures of those who see women not as people but as factories.

Sincerely,

Lee Naiman.

New York, NY.

Dear Mr. President: As a woman—a mother of three sons—I get a sense of despair when I realize that all the advances for women and children are being dissolved by your anti-abortion rhetoric—

When I was a young woman in the "forties" being unmarried and pregnant was more fearful than death. Even worse, was the prospect of an abortion in a dirty trailer or a tenement administered illegally by butchers—and at great expense. My roommate in college pawned her mother's ring for $500 and went off in the night to a strange, dangerous place to be aborted—she risked her life and the chance to have a wanted baby. Is this what women in America must return to.

I hate hypocrisy! You don't mind sending 18 year olds to die in El Salvador or Lebanon. You cut all social programs for birth control and education, child care, nutrition programs for young mothers and expand your funds for prisons to house these unwanted, poor children when they reach adulthood—

No woman who seeks an abortion does so frivolously—when her situation makes abortion the last resort, she should have access to legal and medical expertise, and she shouldn't have to be rich to get a safe abortion.

I am disgusted with your complete lack of sensitivity.

Sincerely,

Mrs. Lia Nickson.

New York, NY,
April 30, 1985.

Dear Mr. President: I am 41 years old, have been committed to various social issues throughout my life, have contributed to a variety of causes, and have demonstrated on several occasions. But never have I been sufficiently motivated to write a letter to the President (or anyone else, primarily because of my dislike of writing when not absolutely necessary) before. I break with my past practice because of the importance of this issue to me.

A number of years ago, I was in a position where I had to have an abortion. I would have had the abortion whatever the cost—in dollars or danger—whether it had been legal or illegal. I was so grateful that I was able to do it legally, under safe conditions. I was at the far end of the spectrum—both in terms of age and socio-economic level—of the group that received counseling with me at the clinic I went to. I could only imagine what would have become of those at the other end of the socio-economic and age spectra had they not had the relatively inexpensive, safe and dignified facility available to them.

I ask you, on behalf of myself and the others who may be even more reluctant to take up pen and paper than I am, to do what you can to ensure that the choice remains with us.

Very truly yours,

Nan Basls.

New York, NY.

Dear Mr. President: I have wanted children my whole life. Part of that vision has been that my children are entitled to a father who is there and responsible, as well as a degree of economic security. Since I always believed that having children is one of the most responsible acts we do; I always took birth control, to ensure that I would only have children when I was married and economically stable.

Unfortunately, twice in my life, birth control has failed. At neither time were the men able to be fathers, to take responsibility for our child. I also wasn't—I was a student for the first one, and unemployed for the second. It is because I take my responsibilities as a parent so seriously that I made the extremely painful decision not to have them. I was not able to give them a father, nor a stable home, and thus, not the life they deserved.

If you really want there to be less abortions, then educate young people about birth control and the responsibilities of parenthood—so that they will behave in a more

responsible manner, and the children will have better lives. To ruin a woman's life by forcing her to have a child she does not want and cannot take care of, that is criminal. Let us decide what is best for us—and for our children.

Jackie.

New York, NY,
April 21, 1985.

I am a 41 year old woman, the mother of a 12 year old boy. Thirteen years ago, I wanted very much to have a child, and was overjoyed at becoming pregnant. Bringing up my son has been perhaps the happiest experience of my life. About 23 years ago, when I was 18, I had also become pregnant. At that time though, still a child myself, I was panicked and terrified. The thought of getting married and having a baby seemed so unreal and impossible to me; I couldn't grasp it or think about it. My boyfriend, also 18, was as frightened and bewildered as I was. I wanted to have an abortion. But it was 1963, and abortion was illegal. I "couldn't" tell my parents, or so it seemed to me at the time, and I had no sympathetic adults to turn to for help or advice. Somehow, through the friend of a friend, we got hold of the name of someone in New Jersey who would "do" an abortion. I remember how scared we were and how hard it was to get together the hundreds of dollars it would cost. I remember waiting on a street corner in New Jersey (that's all I remember of the location), getting into a car with a complete stranger, thinking I might be killed and no one would know were I was. The man took me to an apartment, and told me he would give me something to make me abort at home—I suppose it was a "saline" abortion.

I remember him driving me back to my waiting friends; I was so glad to be alive and feeling good. But then I began to feel very ill, and for the next twelve hours or so I was in terrible pain, wondering if I was dying, but of course too frightened (I had broken the law) to go to a hospital. Although I emerged from this experience healthy and whole, I still remember how frightening and painful and degrading it was.

If abortion were to become illegal, the kind of situation I went through would once again become part of the American scene, with variations—some women would die, some would suffer irresponsible physical harm, some would have unwanted children or undertake unwanted marriages, and would have their plans and dreams changed forever.

It is so wonderful that today no woman has to be made to feel like a criminal simply because she doesn't want, at a particular point in her life, to undertake the awesome responsibility of taking care of a child for years to come. It is so wonderful, although it should be commonplace, that the long arm of the state is not dictating to people—men—women, how they should live their lives.

Beth Pessen.

□ 2020

Mrs. SCHROEDER. I thank the gentleman from New York. I think that as I stand here with a native American necklace on, I think of what the native Americans say so often, and that is that the most difficult thing to do is wear someone else's moccasins.

I think what we are trying to get across and what they are trying to get across all across the country as they do this "Silent No More" campaign is that it is very difficult to wear someone else's moccasins and let us not rush to judge. I think it is very easy to assume that women had no feelings and they just do these things, and they are all doing it because they do not want to have any responsibility, et cetera.

I think no one can read those letters and come away with that feeling anymore because you realize that it is a very difficult thing; they grappled with it long and hard. We may come down on one side or the other, but do they not have the right to exercise that freedom? That to me is what America is about. America is about tolerance, it is about acceptance, it is about educating people about what the choices are.

But when we start mandating one person's morales on another, it becomes very difficult, especially when you are talking about a variety of lives being involved.

So I think everyone that has participated and certainly all of us, before we rush to judgment, should slow down and think about what it would be like wearing someone else's moccasins and not be quite so smug and remember what the surveys have shown us over and over again about us as an American character. One of our characteristics is whenever asked a moralistic question we are always very quick to say yes or no, but when we give specifics, we all become very compassionate and say, "Oh, but maybe in that case * * *"

The examples have been given over and over again that no one in America thinks easy divorce is a good idea. No one in America thinks abortion is particularly a good idea. No one in America thinks a lot of things are a good idea, but when you have specific facts the people say, "Oh, well, that is a little different."

We as lawmakers have to realize you cannot write laws that are tailor made and are like a prescription for every single set of facts that come up. Therefore a part of it is when you become an adult you bear a lot of responsibility and we as a society bear a lot of responsibility for educating people to hope that they make those right decisions with all of the factors out there. That is what the "Silent No More" campaign is all about, and I certainly hope people listen, and I hope people really stop and think about this all over the country.

I thank all of my colleagues for participating.

The letters previously referred to follow:

Colorado Springs, CO,
April 13, 1985.

Abortion Rights—"Silent No More",
C/O NARAL, Washington, DC.
To Whom It May Concern:

As a pro-choice activist in conservative Colorado Springs, it is comforting to know women are joining together as champions of safe and legal abortion.

At 17, I became one of the many teenagers who found myself pregnant. The "father" beat a hasty retreat. My parents were strict fundamentalists who abused their own children. I was completely alone and terrified of having a child I was not emotionally, intellectually or physically prepared to care for. I was even more terrified at the thought that I, like my own parents, would become an abuser. I saw having a child at that time in my life as the ruination of it. Any future I thought I had with the man I loved had just been removed. My dream of a college education and a decent career had just been shattered, and I was alone without the support of my family.

I saw only two choices available to me—abortion or suicide. I sought counseling from an obstetrician and local Planned Parenthood. An agonizing, conscious decision was finally made to have an abortion, and after years of self-punishment, I knew I had made the right choice. Had I been forced by legislation to bear a child I did not want, I most assuredly would have become a suicide statistic. The abortion literally saved my life.

I believe any woman has an inherent right to choose whether or not she wishes to bring a pregnancy to term, based on the perception of her own need, and not on the "fetal supremacy" ideology of the fundamentalists. To deny her the right to terminate her pregnancy legally and safely is to deny her not only the freedom of choice, but perhaps her life as well.

Sincerely,

(Ms.) Darlene Pullin.

April 18, 1985.

I am a 59 year old mother, grandmother, and Registered Nurse. Forty years ago I had an illegal abortion, I was then 19 and midway through 3 years of nursing school at a time when nursing students were not allowed to marry. I was able to borrow money and travel to San Francisco (without my family's knowledge) where I had an abortion illegally performed by a Medical Doctor whose office was located on Market Street in the heart of the city. I was very frightened about the operation and also because I had to spend one nite totally alone in a "ghetto hotel" (all I could afford) but I did receive medically safe care—and even then I had an acute awareness of what my condition might be if that were not so because I had already seen many victims of criminal abortion during 2 years of nursing in a large county hospital.

I finished my training, married, and had 3 children. Eight years later my husband (A.F. Major Willard F. Lind) was killed in an aircraft crash when our children were 5, 4, and 6 months old. I have often wondered how I could possibly have reared and educated them without my profession.

My background as a child was that of a very poor farm family. My mother was married at 15 and had five loving children, several stillbirths, many related illnesses, and (as I discovered much later in life) one illegal dangerous abortion which almost caused her death when she was the young mother of four small children. The condition of her life and health and my observation of the terrible consequences of unwanted, unplanned, and most often multiple pregnancies upon poor women in the county hospital made a lifelong impression on me.

I have now been a Registered Nurse for 38 years and during that time I have not personally encountered one woman whose health was damaged by a medically safe legal abortion. I have, however, cared for many women whose health and/or psyches were damaged terribly by bungled attempts at self induced abortion or by those attempted by inept practitioners (who are always illegally available) or by having to continue a pregnancy in spite of desperate circumstances. I have also cared for many of the child victims of such pregnancies—their plight often ranges from rejection and deprivation of love to physical neglect and abuse and is nothing less than heartbreaking.

My 3 children are now adults—a lawyer, a physicist, and an engineer and I believe they are responsible citizens. I have never once doubted the wisdom or morality of my decision to have an abortion and finish my nurses training—therefore I am dedicated to preserving that same choice for other women.

I do not require anonymity.

Jane Lind Timmermans, R.N.

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Denver, CO,
April 15, 1985.

Dear President Reagan: Thirty-five years ago I was pregnant—my baby had died in 4th month of pregnancy but because of abortion being illegal I couldn't have an abortion—I had to carry that dead child for 5 months until I finally aborted it myself. I carried that child for 5 agonizing months knowing I was carrying a dead child—Please legalize abortion—it must be pro choice.

Sincerely,

Maurine M. Ruddy.

—

To the Congressmen of the United States:

In May of 1984 I terminated a pregnancy that was the result of a faulty diaphragm. Raising a child was not a possibility for me at that time for several reasons. My income was less than $8000 a year, and I could not have supported a child on that income. I am single, and am involved with several organizations that I do not want to give up my involvement with. The time involved in raising a child would not allow me to maintain activities that I am not willing to sacrifice. I chose abortion rather than adoption because I was not prepared to deal with the physical stress of an unwanted pregnancy. I have had no regrets concerning my abortion, and have never felt that I made the wrong decision.

I feel that it is important that abortion remain legal to provide women with a safe alternative to pregnancy. The choice to abort will always be ours to make, as it has been for hundreds of years. The legalization of abortion freed women from the dirty clinics and butcher abortionists of the past. It has saved countless women from illness and death as a result of these butcher abortions. It is up to the government to maintain the option of safe clinics.

Sincerely,

Ann Norton.

—

April 19, 1985.

President Reagan: As a woman and a voter, I am giving you the benefit of the doubt; that you may be a compassionate and caring human being. And so I will tell you some of my experiences so that you may consider them also in this women vs fetus propaganda machine.

And yes, I am a registered voter and no, I did not vote for you.

Eleven years ago when I was in college a roommate told me of her sister's abortion. They lived in Illinois and her sister had to go to New York City. By the time her sister and friends raised the money for the round-trip ticket and the price of the abortion it was past the first trimester and she had to have a saline injection abortion. What would you have said to her, President Reagan? When she called her sister from New York City—she was all alone in labor—she was only 15 years old!

Fifteen years ago there were legal abortions in Colorado. If you had the money—otherwise you went to Colorado General and appeared before a panel of three doctors to get permission—But that's the last step. First if you were 18 years old, like my best friend, you had to first, tell your mother that you were pregnant, and second, that the father was your mother's husband.

No this is not how I want things to be in this world—But they are—Bad things happen to good people (such as rape, incest) and birth control is not 100 percent effective.

In Colorado, again, legal abortions are available—if you have the money. Insurance does not cover it, thanks to you, for people like myself when I worked at the Postoffice.

I have never had an abortion but people close to me have, and believe me, it is a time of regret, emotional trauma, pain and anguish. If you have ever been around someone that is contemplating having or just had an abortion, then you already know that.

If not, then I certainly hope that you read this letter.

Women have the right to safe abortions for as long as contraception is not 100 percent effective and there is rape and incest and sexual harassment and unequal rights for women.

We have the right to choose our destiny and control our bodies.

Please—delegate this responsibility to the human beings who will be affected by them—not men who will not as they cannot have children or be raped.

No more hangers or back street abortions—please!!

Cindy A. Shortridge Grainger.

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Dear Pat Schroeder: I recently saw you speak up for the right of free choice. I was very moved by what you said. I found myself in a similar situation. Thank God, my two children were born healthy after months of premature labor. I could never have carried another baby long enough for it to develop enough to live. I couldn't have physically or emotionally faced carrying a baby long enough to become attached to the idea of a new baby only to have Mother Nature take it away. If I had become pregnant again I would have chosen an abortion.

If there is one thing I have learned in my life it is the wisdom of the old saying: "Walk a mile in my shoes." It is so unfair for people to judge another person's situation as we can never truly know how another person feels. I feel it is so important for each woman to have the right to help guide her own destiny. I hope we can always keep our dignity and not suffer unwarranted guilt for the choices we must each make.

Thank you for your support.

Sincerely,

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Kirkwood, MO.

To NARAL: Two years ago, my husband and I were living in California. We had been married for less than two years. We were both working—he as a sales manager, and I as a teacher in a parochial school. Our combined salaries provided enough to cover our outrageous mortgage on a tiny, one-bedroom condo, and allowed us the luxury of starting our IRA plans.

In early April I realized I was pregnant. I was terrified and nervous. I took a home pregnancy test, which was positive. When I told my husband, he reacted very slowly. He then told me that he had been fired from his job. Two days later, I was told by the school that my contract would not be renewed.

Because of our ambivalence, unemployed status, and lack of room we decided to have an abortion. Both of us were frightened, regretful—but determined. We went through with it three weeks into the pregnancy.

Less than a year after that, I became pregnant again, but miscarried at 5 weeks.

If we had not been able legally to obtain an abortion, we'd have gone to Mexico and had it performed there. Our love has grown stronger and more honest because we had the legal right to choose parenthood. If and when we decide to become parents, it will be of our volition, not the state's or anyone else's.

Abortion must remain available and legal in this country. I will oppose strongly any movement to ban or restrict abortion, and I will not vote for any politician who supports such bans or restrictions.

Ann.

—

New York, NY,
May 2, 1985.

I am writing this in favor of women's choice to have safe, legal abortions. Last year, my younger sister became pregnant. She was only 15 years old. As a sophomore in high school, she was not financially or emotionally ready to assume the responsibility of having a child. She was single and did not have the support of the father of the baby.

After careful consideration, my sister chose to have an abortion. Fortunately, she had the support of our mother. My sister knew, however, that if she chose to keep the baby, she would be alienated in her community, singled out as having made a "tragic mistake" of getting pregnant. My sister felt that adoption was not a choice for her. Her schooling would have been interrupted and difficult to make up if she chose to bring the baby to term and keep it. Since our parents could not have assumed the role as primary childcare providers, other costly childcare arrangements would have had to be made. This would have been financially burdensome and would have caused much strain.

My sister felt that abortion was the best alternative—a decision not made lightly. Knowing it was her choice, her right, she terminated her pregnancy which was in very early stages. She has since taken birth control precautions.

My fear is that if Roe vs. Wade is overturned, women like my sister will still obtain abortions—abortions which will not be safe. I fear that women will once again be subjected to pain, injury, and death because they were not permitted to exercise control over their bodies in a safe, legal manner. We must not return to the time of dangerous, illegal abortions. Abortions will always exist; it is the manner in which they are performed that changes. Let's keep abortions

safe and legal. Women must have the right to control their bodies.

Tricia.

—

Tallahassee, FL.

Back in the "dark ages," when abortion was illegal in Washington, D.C., the daughter of a close friend came to me, frightened, desperate, but determined to end an unwanted pregnancy. She was leaving an abusive husband; she had a baby boy. There was no way that she could go to her mother with the problem.

I did everything possible to dissuade the young woman, even offering to take the baby myself. And I thought I had convinced her that an abortion during those sad days could be a dreadful experience, emotionally and physically.

A week later I received a call from the young mother, her voice barely audible. I hurried to her apartment and found her bleeding profusely. That morning I'd read a newspaper story of a venetian blind installer who had performed some 75 abortions for fees of $25 and up. He'd used a metal spike of some sort and his operating room was an abandoned house with a kitchen table. One of his patients had died, and he was picked up by the police.

My young friend recovered. I don't believe her mother ever learned of the abortion. And since then I've prayed that this country would never again go back to those awful days when a woman's only recourse—unless she was financially secure—was the backalley butcher.

Mary.

—

May 5, 1985.

Last August my girlfriend and I had a big decision to make. My girlfriend had become pregnant but we both knew that we would be unable to have a child in this stage of our lives—I am a recent college graduate and my girlfriend is in her final year of undergraduate study.

I was glad that we were able to come to a decision together. Somehow, though, I didn't really feel like I had any right to tell her what to do. Fortunately, we both felt the same way, but had we not, I am not sure what would have happened. Of course her getting pregnant involved both of us and her/our ultimate decision would involve and affect both of us, but when you come right down to it, she was the one who was pregnant and she as the one who would have to go through/experience and live with the abortion. And although I was right there by her side the entire time, that is also how I felt, like I was just "by her side" and not a lot more. I felt guilty that I was unable to more tangibly partake of our "mutual" decision. Yet I entirely agree with and believe in our decision, which leads to my final point:

Thank God that the right of abortion was available to us. Had it been out-lawed, where would we be now? Whose life would have been protected? Mine?, Hers?, the childs? I firmly believe that none of us; me, her, nor the child would have stood a decent chance in life whereas at the right time in the right place we would all go forward with at least a fair shot at life. So, while I'm happy about the decision we made and while I'm happy that that decision was available to us, it has not been an easy, simple one—just the right one—one that should remain available to all should the need ever arise.

Alan.

Oakland, CA,
April 25, 1985.

I am a 29 year old woman who is fortunate enough to have never had an unwanted pregnancy.

But my sister is not that fortunate.

My friends Jeanne and Marcia and Patricia and Megan and Debbie are not that fortunate.

My aunt is not that fortunate.

In the early 1950's, she became pregnant for the fourth time. She had extremely high blood pressure. The doctor told her that having a child would kill her. She had three small children at home.

All of these women had abortions.

Our mothers, sisters, aunts, friends, neighbors and co-workers have all had abortions.

These are women who value human life. These are women who know the pain that being unwanted, unloved or abandoned cause a child—pain that continues to cut and scar the adult.

May we always live in a country that treats women and mothers with fundamental respect, allowing women to make their own decisions on the most private and painful of issues, and allowing mothers the freedom to give birth out of joy instead of coercion.

Marjorie.

● Mr. MORRISON of Connecticut. Mr. Speaker, I rise today to call to the attention of my colleagues some compelling testimony presented at a recent Judiciary Subcommittee on Constitutional and Civil Rights hearing on the issue of abortion clinic bombings. The testimony, submitted by Dr. Joan Babbott, executive director of Planned Parenthood of Connecticut, describes the fear and anxiety that her staff members and patients face as a result of numerous acts of violence and harassment. Unfortunately, I think it expresses the concerns of many family planning clinics around the country.

The material follows:

Planned Parenthood
of Connecticut, Inc.,
New Haven, CO.

My name is Joan Babbott, and I am the Executive Director of Planned Parenthood of Connecticut. I am a physician. Planned Parenthood of Connecticut is a private, nonprofit agency, one of the largest of the 186 Planned Parenthood affiliates in the United States. We have a 35 member Board of Trustees, 200 staff and 19 clinics around the state. We see 46,000 individual patients a year and offer comprehensive reproductive health services, including the complete range of contraception. We have a vasectomy clinic and do first trimester abortions at three of our clinic sites. About six percent of our patients have abortion procedures.

Along with other family planning agencies in the state, we work hard to see that people in Connecticut have access to contraception regardless of age, race, ability to pay or place of residence. Our fee scale slides to zero. We use private dollars, Title X moneys and social service block grant moneys to defray the cost of low-income and poverty patients.

During 1984, Planned Parenthood of Connecticut experienced 74 incidents of picketing and harassment, five incidents of hate mail, three bomb threats, five incidents of vandalism, 17 incidents of harassing phone calls and one burglary. The phoned bomb threats are recent ones. We are now getting excellent cooperation from the police and the Bureau of Alcohol, Tobacco and Firearms, but when a threat gets phoned in, everything we are doing is completely disrupted and we clear the building and do not return until the police bomb squad and their dogs have been through it. The last time we were threatened, we were in the midst of an abortion clinic. The procedures that had been started were completed and, by prearrangement, these patients were transferred to a nearby clinic for their recovery period. We asked other patients to leave for an hour and then return, which they did.

We find that staff get both angry and scared. Their families question whether they should work at Planned Parenthood. When we have a bomb threat as often as once a week, staff stay pretty tense. I think staff get angry as do I when examinations and minor surgical procedures have to be interrupted. That is not good health care. As the executive, I worry about losing staff, including some of our physicians, who wish to work quietly, without interruption and without publicity.

I have other concerns. Will patients be frightened away and stop coming even for contraception? Ready access to contraception is a major deterrent to unwanted pregnancy. Another concern is additional costs. Minor costs of broken windows, broken signs, broken lights and light fixtures begin to add up. Security measures are costly. We worry both about the dollar costs of security measures (many of which are beyond our means) and about security measures that negate our open, welcoming, friendly approach to people and patients. Another major cost is insurance. Because of bomb threats we have taken out "loss of business" insurance which is expensive. We are worried about whether we will be able to purchase insurance at all if the fire bombings and threats continue. Lastly, in addition to the concerns already stated, I am worried about the support of our volunteer board and many volunteers who help us in other ways. For many of them their personal privacy and security has to come before their commitment to our agency. If threats continue, they may leave us.●

● Mr. MOODY. Mr. Speaker, I would like to take this opportunity to draw my colleagues' attention to some moving letters written by women of Wisconsin. These letters, which deal with the personal and often extremely painful issue of abortion, were clearly difficult for them to write. However, these brave women feel that it is so imperative that their stories be told, that the least I can do is help. There is a reason for their coming forward at this time—so much attention has been drawn lately to the emotional side of this issue by the antichoice groups, that it has become incumbent upon women whose lives have benefited by choice to remind others of the pre-choice era, a bleak world where botched abortions crippled the reproductive lives of women, if they survived at all.

I applaud these women and their efforts.

The letters follow:

MILWAUKEE ATHLETIC CLUB,
Milwaukee, WI, April 6, 1985.

To Whom It May Concern:

Before we moved to Wisconsin 12 years ago, we lived in Illinois. This was before abortion was legal in Illinois and a small group of people through the Clergy Consultation Service, informed persons of the places where abortions could be obtained legally in other states, the farthest away being New York, as I recall. We took turns being on call and the woman and sometimes the involved man would come to our homes for information on the procedures used and numbers of call for appointments. I got into the program rather late and only saw between 15 and 20 women. In only one case did I feel perhaps with some sacrifice they could have had the child. The other cases were truly desperate. They were loving people, truly caring about children, so caring that they could not see themselves giving up a child for adoption. Most had families and for those that did, the abortion was, in their eyes, absolutely necessary for the maintenance of their family. Not one took the procedure lightly. All had given it a great deal of thought. They knew the risks and were willing to travel at quite a lot of inconvenience and, for them, great expense in order not to have another child. Most had tried to control their childbearing but had used methods which had failed.

One woman in particular I remember in detail. Perhaps it is because I was raised a Catholic and could easily identify with her plight. She had several children. And, she had had several pregnancies that were either stillborn or not carried to term. Her doctor had stressed the danger to her of having another pregnancy. Yet, here she was pregnant. She wept. Her doctor was Catholic. Her husband was Catholic. Her confessor was her Priest. They assured her there was only one moral method of contraception—the rhythm method. And, she had tried. But, her husband often wanted sex in the wrong times. His physical strength was such that she could not put him off. So now she was pregnant and felt there was a vast conspiracy being carried out against her by her closest advisors. She felt absolutely powerless to have any control over her life. She had the feeling of and the appearance of something less than an independent human being. As a last resort, as her only hope, she turned to strangers for help. The problem was, she had to act without the knowledge of her husband and he gave her very little independence in terms of money or time to undertake such action. All I could do was listen to her plight and give her the number of the nearest legitimate facility we knew. To add to her troubles, it had taken her some weeks to muster the courage to come to us so she was well into her pregnancy and only a hospital would perform the abortion. She was looking at a greater distance and a higher cost.

I don't know what happened to her. We gave them forms to fill out on the facility they visited but they were returned anonymously. We used these to keep an on going evaluation of the services offered. I tried to figure out which one she was, but never did.

The feelings expressed on the evaluation sheets were ones of thanks and relief. I feel that for doing so little I had rendered these women a great service. I felt, and still do feel, that they had the right to decide whether or not to carry the fetus until it became a child in its own right and that only they knew what was right for them. Given the responsibility of the woman for childcare after birth and her undeniable solo roll in the nine months of pregnancy, I felt and still feel that it should be her decision alone finally that counts. I could have it no differently in my own life.

Abortion must be kept legal and available. If at all possible, it should be funded for the poor. There is no more private decision or right than if, when, and what number of children to bring into this world. It is certainly too important to be left to groups who do not care for you and can't appreciate your dignity and worth as a decision making person or to be left to politicians, mainly men. Let anyone against it talk to these women. That should be enough.

Most sincerely,
(A 46-year-old mother of 2 and happily married in Wisconsin.)

MILWAUKEE, WI.

To Whom It May Concern:

I am writing this letter to state why I support the Pro-Choice movement. I am not a political activist and to tell you the truth this is the very first time I've even sat down to write down my beliefs on this matter.

I'm 23 years old, working full-time and attending graduate courses. I am self-sufficient, and feel pretty capable of handling my life. I have never had to borrow money or get Federal or state assistance, or even student loans. I'm stating these things because I am proud of where I am and I have high goals which I am presently striving to attain . . . ON MY OWN.

All of this probably would not be if I hadn't made a certain decision four years ago when I was a Junior in college, working, maintaining a 3.5 GPA, and discovering I was pregnant. I was careless and made a mistake. I had no intentions of getting married at that time in my life and had I chosen to have the baby, I suspect I would currently be on AFDC, very unhappy, perhaps even to the point of being extremely depressed. I can't even speculate about the multitude of problems that might have evolved from making the wrong choice for that time in my life. I love children and expect to have some of my own one day, however that would not have been the right time for me. I keep in mind at all times, that I made the right decision for that time in my life. My abortion has brought me no regrets at all. I know many women who regret not having an abortion when they had an unexpected pregnancy to deal with. I'm just glad that I had a choice during a difficult time and that other women were very supportive of me during the process.

I would hate to see other women in my predicament and not be given a choice to make about their own bodies and lives. Abortion should be a woman's right. Just as a woman has a right to make a decision to go to school or choose a certain career, this can be affected by her right to choose what to do with a pregnancy. I really hope the pro-lifers don't take away this right and create numerous other problems. I would like to hear what a pro-lifer would do if he/she were in my shoes four years ago. How would they take care of all the unwanted babies, the abused children, the depressed and dependent women of these children? I'm content with knowing that I and other women have a right to choose.

Sincerely,

CARLA.

MILWAUKEE, WI.

At sixteen years old I was raped by an aquaintance, a person I had to deal with daily. 3 months later, as hard as I tried to ignore it, I knew I was pregnant. I was living in a foreign country with my parents and had just begun my first year in the University. I had skipped 2 years of high school due to changing school systems in different countries and was far too young and naive to be in the University. I knew I couldn't have the baby, but I had always been told abortions were immoral. . . But I was just a child myself. . .

Finally a friend convinced me to tell my mother who had no doubts about what had to be done . . . she borrowed $300.00 to pay for an abortion. The country I was in did not have legalized abortions, however being an overpopulated country abortion was common. The methods were not quite primitive but close, and I was administered Ether to sleep, had an alergic reaction and almost died. At the time I wished I'd had died instead of dealing with the experience. . . It took me years and a lot of patients on the part of one man to begin to feel trust for anyone. . . Instead of letting it devistate me as it could easily had, I used that experience to fight strongly to keep abortion safe and legal. Making abortion a criminal act will not end abortions, only kill more women because the methods used will certainly not be as safe and sanitary as is required in ligitimate hospitals.

I've worked politically around the issue, as well as counseled women in abortion clinics. Every woman who chooses to abort a pregnancy has her story and reason. It is never an easy or light decision but one she must have the choice to make. I'd have certainly committed suicide if I couldn't have had the abortion, and I'd rather be killed than raped again.

This is my story, let it educate those who want to criminalize abortion that women must have the choice because often becoming pregnant isn't our choice. Let use raise children in a nurturing environment and only then.

N. MARISEER.

MILWAUKEE, WI, *May 9, 1985.*

DEAR NARAL: After reading in the May issue of "Ms. Magazine" that you wanted women who've been thru an abortion to write you about their experience, I felt compelled to write.

In 1978, at age 22, after just being accepted to graduate school, I found myself pregnant. I had been using a diaphragm faithfully. I chose to terminate that pregnancy because the relationship was going sour and he also wanted nothing to do with a baby. We were both students living on loans & financial aid. I had no medical insurance. I terminated the pregnancy at 7 wks. gestation and received excellent counseling and support at the clinic I went to. They even allowed me to pay in 3 payments since I didn't have all the money and did not want to wait until I was 12 wks. along. I had no complications, finished my masters degree in social work in 1980 and married a man who is now the father of our 3 yr. old son that same year.

I feel had I continued that 1st pregnancy I would never had completed school or met the wonderful man who is now my husband and an excellent father. I would probably now be a single, *bitter*, mother on welfare if abortion had been illegal.

In 1981, while pregnant with my son, I got a job as counselor at the same abortion clinic where I terminated my 1st pregnancy 3 yrs. earlier. It was my 1st job out of college in my field and they hired me when I

was 4 months pregnant, provided me with full health insurance and gave me a paid leave of absence when I gave birth. (How many private companies would have done that for a pregnant woman—yet an "abortion" clinic did!) While working there I counseled hundreds of desperate women and saw first hand what women really go through before they make a decision as serious as terminating a pregnancy. In the 3 years I worked there, I can remember only 5 women who really didn't care and seemed to use abortion as their birth control. Only 5 out of about 500+. One woman's story I must tell you because it still sticks with me. She was a 23 yr. old woman who came in with her husband. They were from northern Wisconsin and had driven all night to make their scheduled 8:00 a.m. appointment. because there is only 1 clinic up there and they were afraid to go there for fear someone would "find out."

They had 5 children (1 set of twins) all under 5 yrs. old. He had a vasectomy and they thought they were "safe" yet she conceived. They explained how she was unable to work due to the phenomenal cost of day care and how he worked at a non-unionized factory and earned only $14,000/yr. for seven people! They both broke down in tears when they explained that they just couldn't handle any more children and felt they could not relinquish a child of theirs for adoption. They also explained how they never even go out because no one will babysit—not even their parents—for 5 children that small. She terminated her pregnancy with myself and her husband at her side and tears running down her cheeks. The tears were not from pain. When it was over, she hugged the doctor and said "Thank you, please continue to help women like me".

I now work at the main county welfare department as a social worker and have referred many women in desperate situations back to that clinic.

I wish legislators would understand that most women seeking abortions truly have no other feasible alternative and that for most abortion is the last resort after every other option was seriously considered. Women do have a right to choose the course of their lives and that choice must remain if we want our children to be truly wanted and properly cared for in this country.

MARY LOU.●

● Mr. TORRICELLI. Mr. Speaker, today, thousands of men and women from across the Nation will be making their voices heard on the individual circumstances surrounding their decision to choose abortion. The choice is a personal and often troubling one, as documented by the thousands of letters presented to Members of Congress today.

The letter written to President Reagan by Rabbi Shira Stern and her husband, Rabbi Donald Weber, is an example of the stories told today. Theirs is an especially poignant story which I would like to share with my colleagues in the House.

MORGANVILLE, NJ,
May 13, 1985.

President RONALD REAGAN,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: It is time to talk about the human element in the abortion issue. Enough of the graphic demonstrations on the part of so-called "pro-lifers"; enough of the so-called experts pointing dramatically to ultrasound pictures of a "silent scream."

We, too, are screaming—but not so silently anymore. A year ago, on the eleventh anniversary of Roe vs. WADE, we made the most difficult decision of our lives. In our fifth month of pregnancy, the happy promise of new life was shattered by several ominous sonograms and diagnostic tests. We went for second, third and fourth opinions. For advice we sought out our families, our clergy, our consciences. We were desperate to hear of even a glimmer of hope from the doctors, but it was not to be. Finally, after many days of deliberation, we declined to abort the pregnancy.

On the night we spent in the hospital, we turned on the television and heard you, our President, addressing a group of Christian broadcasters and attacking the "inhuman murderers who callously destroy thousands of unborn babies." Mr. President, no human being who has not undergone this procedure can understand what goes on in the minds and hearts of those who have. For whatever reasons we elect to end a pregnancy, the trauma we feel is pervasive, searing, and—very human. The doubts and questions we weigh against certain facts produce enough anguish to last a lifetime, and we certainly need no violent reminders.

If the protestors and domestic terrorists would put down their placards and their bombs, they might look us in the eye and see a vastly different picture than they expected. They would see frightened, saddened, caring souls, frustrated beyond endurance with this constant intrusion into the most private parts of our lives.

You don't have to show us pictures of fetuses in jars—we held our own shortly after the abortion. Don't talk to us of their pain: We worked for five years as volunteer chaplains on the Pediatrics floor of Memorial-Sloan Kettering Cancer Center, and watched countless children die in agony. The lucky ones survived, enduring a torturous cure. Our baby would have died at birth, with pain sensors much more sophisticated at its full gestational age than at the sixteen weeks when we aborted our pregnancy.

What solace we found came from our family, friends, and the support of a wonderful hospital staff. Doctors and nurses, trained to soothe and to heal, understood that we were the patients, and cared for us accordingly. We will never forget them. Moreover, the procedure was lengthy: had the proper medical facilities not been available, Shira might have died from blood loss, and the reality of women's nightmares of the past might have been ours as well.

It has been over a year since the abortion, and we are now in our seventh month of new pregnancy. We have no guarantees that this child will live to a ripe old age, or will be without faults or blemishes. We never asked for guarantees, and we never demanded a "perfect" baby. All we want is for it to have a chance: a chance to feel pleasure as well as pain, a chance to know life before it faces death. This is the choice we have made, and we thank God we had the right to make that choice.

If you do not approve, we do not ask that you follow in our footsteps. But don't tell us that we do not understand the issue or the tragedy: we pray that no one in your family will ever need to understand as fully and as personally as we do now.

Mr. President, we, too, are screaming—but no longer will we scream in silence.

Sincerely,

Rabbi SHIRA STERN.
Rabbi DONALD A. WEBER.●

● Mr. KOLBE. Mr. Speaker, I submit for the RECORD personal letters written by women of the Fifth District of Arizona who have faced what must have been the most difficult decision of their lives: Whether or not to have an abortion. That is, and must be, a private decision. It is, when all is said and done, a decision that can be made only by a woman, together with her family, her physician, and her God. When a private matter becomes a subject of legislation, emotions run high on both sides of the issue. The Federal Government should not interfere in this most difficult and personal of choices. The resolution to this issue must be found in individual decisions, not in Federal laws that result in dangerous and sometimes fatal consequences for our citizens.

TUCSON, AZ,
May 10, 1985.

DEAR MEMBER OF CONGRESS: I would like to take this opportunity to relate how abortion affected someone very close to me. That person was my adoptive mother.

In 1928 she became pregnant. She was 14 years old. Since her family was fairly affluent, they could afford the very best. At that time the very best was an illegal procedure which nearly cost my mother, a child herself, her life.

For 17 days the doctors didn't know if she would live. Fortunately she did, but the effects lasted a lifetime. The butchery performed on a 14 year old child subsequently caused her to be unable to carry a pregnancy to term for the remainder of her life. The damage was not only psychological but physical.

Abortion is an emotional trauma to every woman. Should it also be life threatening to her, who has so much yet to give? For illegalizing abortion will not stop the procedure. It will simply take it back to the unqualified abortionist who demands sums far greater than the procedure (under the circumstances especially) would warrant. The average woman would be unable to pay.

The best that money can buy? This was only one case. How many have lost their lives? How many will lose their lives, at the hands of the best?

Sincerely,

STEPHANIE LACORTE-ANASTASIA.

To Whom It May Concern:

It happened in the sixties, but surely it will happen again if the pro-lifers have their way.

When my children were little, I had a baby sitter, the sister of my son's classmate in grammer school. She was then sixteen, a gentle girl, from a respected family above reproach. She went on to Cornell, on a scholarship, and when she came home for the holidays, she often baby sat for us. One day I was shocked to read of her sudden death in the local paper. Later I heard the cause. She had become pregnant, and knew that her studies could not continue, nor could she tell her family who would have been crushed. The boy was a young immature student, not suitable as a husband, and apparently, the birth control devices had failed. As abortion was illegal, she went to a back alley abortionist in Albany, N.Y., and had died of septicemia. One can imagine the impact on the family and the town. It was then that I decided that abortion must be legalized, in spite of the fact that I had been brought up as a Catholic, and completely against the idea.

A year later, a similar event took place in New York to the daughter of a friend of mine. The girl had an apartment in the city, a good job, and a successful career. The same chain of events took her to an abortionist, and she hemorrhaged to death on the way to the hospital. Another young life cut down by the prejudices of society. The tabloids had a field day, with all the lurid details, and the family, prostrated by grief, had to suffer the ignominy of breach of privacy.

If restrictions are passed on necessary abortions, who will answer for the massacre that will follow, and is sure to happen?

D. SPENCER.●

● Mr. SWIFT. Mr. Speaker, I have received letters from my constituents concerned that a part of the equation is being omitted in the national debate on abortion rights. All the attention seems to be focused on the fetus to the exclusion of the women and their families who are directly affected when decisions must be made regarding an unwanted pregnacy. In an effort to bring balance to the debate, pro-choice organizations have mounted a campaign to inform the American people just what it means to women and their families to have legal abortion as an option. I am pleased to submit a letter from a woman in my district whose story is representative of those that many women throughout the Nation could tell.

To Whom It may Concern:

In my opinion, it is imperative the right to an abortion remain legal.

A friend of mine had an illegal abortion years ago. The story she tells would make your skin crawl. I had a legal abortion in 1971 and can't tell you how thankful I was that I didn't have to go through what she did. Mine was performed in a sterile setting by a competent staff.

One hears about all the serious mental and emotional problems suffered, by some, after an abortion. I can honestly say, none of that occurred in my case.

I am the mother of three children and have a great respect for life. It's obvious that abortion is not for everyone and certainly not a method of birth control. In my case, it was a necessity.

The choice must remain with the individual.

Sincerely,

CLAUDIA CAMPBELL.●

● Mr. YATES. Mr. Speaker, I am pleased to participate in this special order and to have this opportunity to support the right of American women to choose safe, affordable, and legal abortions. A very eloquent letter that I received from a constituent of mine describes the very personal and emotional elements that are involved in this issue and I ask that her letter be included at this point in the RECORD:

CHICAGO, IL,
May 6, 1985.

Congressman SIDNEY YATES,
230 S. Dearborn, Chicago, IL.

DEAR CONGRESSMAN YATES: I am writing to you because I am concerned about the present limits on access to abortion and the threats to the existence of abortion as a choice for women. But more than that I am concerned about the lack of educational, job and career opportunities for young women today which channel them into motherhood as their only means of self-validation and self-fulfillment.

I had an illegal abortion in 1967, just before my 19th birthday. I was a freshman at the University of Illinois in Champaign-Urbana. I was very lucky in that one of the other women in the residence where I lived had just had an abortion and was able to refer me to a well-known physician in Chicago who acted as a front for an abortionist. I was also very lucky that my life savings was just equal to the $500.00 price of the abortion—a lot of money 18 years ago.

I knew other women who were not so lucky. When I was looking for an abortionist I was told there had been an abortionist in Danville, a nearby small industrial city, but he had gone out of business because one of the women who had used his services had died.

My friend who referred me to the abortionist had not had the cash for her abortion. She had had to quit school and work. By the time she earned the necessary $500 she was six months pregnant. An abortion in an apartment, performed by an unknown person with no medical backup services was not safe for her, but she chose to have it anyway.

My own abortion was uneventful. I made up my mind that this was what I needed to do and I did it. I had no physical ill-effects. the psychological effects of having no one to talk to about how I felt, of not allowing myself to be afraid, I still bear.

I did get in touch with some of my fear two months later when I went with an acquaintance to have her abortion. As I handed her over to strangers at the outside door of the apartment building where the abortion was to be performed, then met the mysterious contact in the park who carefully counted the money, and then waited, waited and waited, I realized how totally at the mercy of unknowns and unknowables my friend was, and I had been.

Having an illegal abortion was not easy nor was it safe. Why did we take these risks. We took them because we were young and brave. We had our whole lives ahead of us. We had many options. We didn't want to tie ourselves to the option of motherhood without exploring others.

Myself, I grew up on a farm, went to high school in a small farming community. I was eager for the chance to meet different kinds of people, expose myself to different ideas, change the world.

Like most young women today, I never thought seriously of giving my baby up for adoption. I did think about keeping the child. Though I feared my parents shock at my pregnancy, I was confident they would love the baby and help me care for it. But I also knew my own sense of responsibility would lead me to spend all my free time with my child and to settle into the most immediately promising career path. And I was not ready. I had a world to explore.

Today I see young women who don't have that feeling of having a world to explore, who don't see any options for their self-fulfillment. High schools leave them unprepared to find work. They haven't the support—monetary, familial or social—to go on to college and a career. The possibility of changing he world is no longer a vision.

Their desire to contribute to the world, to achieve something, to validate themselves can only be achieved through motherhood.

I hope you will join me in working for the day when young women once more see options for their lives and can choose motherhood freely or abortion freely.

Sincerely,

MARYON GRAY.●

● Mr. AuCOIN. Mr. Speaker, today, women from every State in the country are here to share their personal experience with legal—and illegal—abortion with ther elected representatives in the Senate and in the House. For all of them, it must take a great deal of strength and courage to go public with such a private matter. Many of these women have never even discussed their decision to have an abortion with their families and close friends. Their willingness to tell their stories shows how strongly committed they are, because of what's happened in their own lives, to maintaining the right to choose safe and legal abortion.

I urge my colleagues to take a few minutes to read the letters they sent you and the ones that appear here in the RECORD. You'll find that these women come from all walks of life. They are urban and rural mothers with big and small families. They are teachers, businessowners, students, homemakers, and grandmothers. Many are deeply religious. They are all women who have had an abortion at some point in their lives. And they all have a unique story to tell about why they reached that decision, what it meant to them and their families, and how their lives are different than they might have been had abortion not been an option for them. Below are two letters from women in my district. One was a young student from a strong Irish Catholic family in 1968 when abortion was illegal. The other is a woman who already had two children, but had an abortion in 1978, 10 years later than the first woman, when abortion was legal. I thank them both for sharing such a personal part of their lives with us.

In the Spring of 1978, despite my use of a diaphragm, I became pregnant. My son was 8 years old; my daughter was 4½. My husband was an alcoholic and had lost his job because of his illness. Over the past three years, he had been in and out of alcohol treatment programs, and had been often hospitalized for medical problems.

I was attending law school and was to graduate in June, take the bar examination in July, and begin work in August. I had made the decision to go back to school and get a law degree when I realized that due to my husband's illness. I would have to support him and my children.

All our savings and borrowing resources had been depleted by uninsured medical treatment expenses and tuition and day care. We were getting food stamps, and had only enough resources to barely make it until August, when I would start work and bring home a paycheck.

I was devastated by the pregnancy. I was already an emotional wreck, trying to hold my family together under the circumstances. If I carried the pregnancy to term, I would have lost my job. We had no more money for medical expenses. Because my husband was supposedly capable of working, we could not get welfare help. I was barely able to take care of the needs of my two living children, my very sick husband, and myself, much less another baby. I weighed all the alternatives, and decided that the four people who were alive came first. It was not an easy decision to make, but I had an abortion. I was very lucky. A friend loaned me the money, the clinic staff was wonderful; the doctor was gentle and caring. I was treated with respect and understanding, which I desperately needed at the time.

My husband died less than a year later of complications of alcoholism. He was 26 years old. My two children and I are getting along alright. I have a good job and have been able to manage financially, although being a single working mother has not been easy.

I have never regretted my decision to have an abortion. It was the only possible choice at the time. I am thankful that a safe and legal abortion was a choice that was available to me.

Sincerely,

SUSAN W.
APRIL 1985

In the summer of 1968, I was a nice Irish Catholic girl dating a nice Irish boy from Queens. Both of us knew nothing about birth control, but were just beginning to learn about sex. By the Fall, I was pregnant. I was just completing my first year of full-time employment at a magazine in New York. I was just starting out—but, in many ways, just waking up. That Fall, when my body started doing "weird" things, I'd asked my girl friend about being pregnant. She wasn't sure—so we grabbed the only "health" book we could find—and sure enough, I had all the classic symptoms. Since I'd never had a vaginal examination (I'm not at all sure I knew what a gynecologist was!)—my friend made an appointment for me at doctor on Long Island. Several days later, we both went. He led me to the exam room, and after only a minute or so, announced that he was "99% sure." "Of what," I replied. "That you're pregnant." I couldn't believe my ears. I dressed, and sat in tears in his office while he sat smiling opposite me. I remember his last comment: "What are you crying for. You're a very attractive girl. You're going to have a very lovely baby."

I was still in tears as I left his office. All I knew at the moment was that my life was over and it was just getting started. After all those years of Catholic School, of the screaming at home, of battling with my parents, I was now on the threshold of becoming an adult and it was all over.

As I sat in the waiting room crying, a young nurse approached and asked if the bad news she suspected was true. Then, she said that she might be of some help and asked that I call her at home that night. She passed along her phone number. When I called in the evening, she said that she had had several friends in my predicament and knew a man in Manhattan who had arranged abortions. Several days later, I made contact with him (Scott). He explained to me that the doctor he knew was not in New York—but was in Alabama. I realized that was not really an option, and decided to pursue any local possibilities.

Dorre, the woman I worked for at the magazine, seemed like a wizened person. She was an older, single working woman who lived a very "first class" existence in Manhattan. While we weren't good friends, I felt that I could trust her. (The 60's were a wonderful time for many of us—but being unmarried and pregnant was, even then, not a topic for open discussion.) Dorre arrived the next day with the name of a doctor written on a scrap of paper. She handed it to me—and that was the end of the conversation. Later, I noticed that the doctor's address was 125th Street in Harlem. The note below the address added that I needed "small bills." The following Saturday, I went for a drive to check out the address. I knew the location was less than desirable, but when I saw that dark tenement, I realized that there was no way I could go through with it. All those memories of photos in the Daily News came flooding back to me—pictures of the disheveled bloody bodies of dead women found in alleys and butcher's rooms. For a few minutes, this was an option.

I was now 8 weeks pregnant. I called Scott and asked for details on the Birmingham possibility. Scott explained that he himself was from the South, that he grew up there and still had lots of friends in that area, including a doctor who performed abortions: Since Harlem was out, and time was short, and this was relatively cheap (only $200 excluding airfare!)—I told Scott to make the arrangements, provided, of course, I could get someone to go with me. After much pleading, my good friend, Millie, agreed to scrape up the money for the airline ticket to keep me company. The next morning, I was at Kennedy airport, but no Millie. A few minutes later, I was on my way to Atlanta with a changeover to Birmingham.

When I arrived, the airport was mobbed with George Wallace campaigners wearing straw hats and waving banners. My instructions were to contact a woman named Sandy when I reached the motor lodge on the outskirts of the city. After checking in, I kept trying to reach Sandy, but no answer. I finally received a call around midnight. The caller announced that Sandy would be by to pick me up in a few minutes. When she arrived, we made awkward introductions; I was in the car and we were off to another suburb. The car had barely pulled away from the curb—when I realized I should be reaffirming the details of this "deal". When I repeated that I understood the abortionist to be a doctor, she stopped the car and said that he was not. She added that a friend of hers had used his services and things worked out okay—but he wasn't a doctor. Then she asked me if I wanted to go through with it. Well, there I was, over eight weeks pregnant in Birmingham, Alabama, with no options. I stayed in the car.

About a half hour later, we arrived at a sprawling ranch house in what looked like a new housing development. Sandy took me inside and introduced me to the two men who sat on the couch in the living room. Both of them stood and shook my hand, and one led me away to the bedroom. He asked me to get on the bed and put, what looked like, a miner's hat on—a helmet with a light in front. He then explained the procedure to me. He was about to insert gauze (what seemed like yards of it) into my uterus—and the body, being a dependable organism, would, at sometime within the next 48 hours, reject the gauze, pulling with it the fetus. The procedure took only a few minutes. As he was finishing, he mentioned that he had had a 16 year old daughter who had died at the hands of an abortionist and from that point on, had decided to help women in trouble. He left the room and I finished dressing. It was the most incredible feeling—to be alive. There was intense cramping in my stomach and legs, but I was alive! I thought the worst must surely be over.

Sandy led me to the car and we were on our way. She pulled in front of the motel and dropped me off. Once inside, my labor started. I was getting sick all over the room and felt delirious. The room was spinning. I'm not sure how many hours I was like that when I started making long-distance calls to friends at home, begging for help. David, the father, knew about the Birmingham abortion, but when I called, said there was no way he could leave to help me. Millie couldn't come (She had company for the weekend). I couldn't impress upon her or anyone else that it was critical. Finally, I reached Scott and told him what was happening. He gave me the phone number of his brother, who lived in the next town. Soon, the brother and another friend arrived at the motel and spent the next day or so with me. They walked me about, cleaned up my mess, and ordered food for me. Meanwhile, the gauze continued slowly oozing out of my vagina and would periodically have to be cut with a scissor. I felt certain that I would die in that motel room. I hadn't aborted yet and I don't ever remember being so sick in my life. The pain was intense, and I was exhausted and wanted to sleep—but I was sure that if I closed my eyes, I would die right there in that cheap motel room. These kind men, whose names I can't remember, insisted that I stay awake and walk around the room, but I could barely stand. It was early the next morning and still no abortion. I begged them to take me to the airport.

I can imagine the sight I must have been, walking up the stairs to the plane. The stewardess nearly carried me to my seat—and brought me all the "in-flight" comforts ever invented. David met me at Newark airport that afternoon. From there, I was whisked away to a basement apartment in Astoria where the labor continued until the next morning. Then it was over.

When I returned to my parents' and dropped off my car (where it stayed on weekends), they asked me about my supposed trip to Pennsylvania. I reported that it was "okay." When they began to grill me about which highways I took to get there, I excused myself from the room. Several days later, I returned to the local gynecologist who had made the original pregnancy diagnosis to learn if I was okay. After examining me, he announced "Lady, you're a mess." I took my prescription for ampecillan and left, never to return again.

I am now 37 years old with two younger sisters, whom I love and many dear friends. The idea that any one of them could or would have to go through such pain, loneliness and humiliation—and danger—just to declare their lives their own is beyond all reason and humanity. The Right to Choose is the only sane option that a loving people can offer.

KATE CLINTON.●

● **Mr. McKERNAN.** Mr. Speaker, today, May 21, 1985, is a special day. Today, all across our country, women are speaking out—telling the personal stories and circumstances which brought them to the choice of abortion as part of the "Silent No More" campaign.

From my home District in Maine, I have received six letters from women relaying very different stories about the circumstances which led to their choice. Some of these stories are good stories, about women who had the attention and counsel of a caring and competent physician. Others convey the fear and risk associated with illegal abortions occurring before 1972. All of these letters, however, share two messages: First, they demonstrate a careful decisionmaking process; second, each of these women—many of whom have had subsequent happy, healthy pregnancies—emphasizes the importance of her right to have made that choice herself.

Now, more than ever, as we read the words of these women as they share their stories with us, we must protect the right to chose in matters of reproductive freedom as essential and undeniable.

The letters follow:

MAY 12, 1985.

To Whom It May Concern:

The full page ad in this weekend's paper prompted a special response from me.

I have recently had to make the most difficult decision of my life and have had an abortion. I am 33 years old and the mother of 3 young children. My husband and I have recently separated.

These past few weeks have been very difficult for me but I was extremely grateful that "the choice" was mine to make. I was able to see a caring and competent physician and she and her staff helped to make this traumatic experience as easy as they possibly could.

Had I been faced with pressure from anyone questioning my right to make this choice, on trying to increase my feelings of guilt, I know I would have suffered a great deal more.

I know I will have to deal with the feelings of having terminated this pregnancy all my life, but I firmly believe the choice was mine to make, and it was the right one for me. No one has the right to take that away!

MAINE 04011.

To Anti Choice Voters:

My story is very undramatic but also very common. Five years ago I got pregnant. I was not financially or emotionally ready for motherhood. I have since accidentally gotten pregnant again but the situation was so changed that I could happily accept my pregnancy. I now have a wonderful baby girl who has a loving home with parents who can take on the responsibilities of parenthood. I am so thankful that I had the choice each time and I have never regretted either decision. Let us not go back to the times where, as my sister experienced, woman get abortions in dirty back rooms without proper medical attention. Abortions will always be available, let us keep them in medically sound and supportive atmospheres.

ANN,
Maine 03904.

To Whom It May Concern:

As a 26 year old woman who had an abortion at age 20, I'm grateful for this opportunity to share my experience in the effort to protect a woman's right to choose.

My decision to have an abortion was a result of having the knowledge to think the options through and make the decision based on careful thought.

When I became pregnant I had just graduated from college and was doing well as a hospital nurse on my own. I knew what kind of a future I wanted for myself and knew that having a child and being a single parent at age 20 were not in my plans.

In the six years since my abortion I have never regretted having it done. Nor do I think that I ever will.

As a result of being able to make the choice I did, I have grown to be happy with my life and an active and productive member of society. I now work as an administrator of a National Child Health program in a community health agency which deals mainly with low income children and families. I am personally and professionally involved in programs and planning to help meet the needs of this multiple needy population. Had I not had the right to choose, I may have been "on the other side of the fence." I'm very thankful I had the right to choose.

Life is a very difficult endeavor. The world is full of problems. Children who are not wanted should not be brought into this world.

Where would all of us be without choices? Please consider this question carefully. Thank you

Sincerely,

BARBARA,
Portland, ME.

MAY 13, 1985.

Back in 1973, just months before abortion was legalized, I became accidentally and unwillingly pregnant. I already had 4 nearly grown children. My marriage of 19 years was very shaky, and I was barely keeping our financial heads above water juggling 2 jobs plus raising the family. Abortion wasn't a whim for me at the time, it was a necessity. It was legal in Massachusetts, but almost impossible to obtain because of the dominance of the church. Even though my brother-in-law was a doctor, he could not get me one. I was truly desperate when my doctor put his career on the line to provide me with an abortion. I shall be forever grateful to that generous man, and I have never regretted making that painful decision.

Abortion has to remain a legal option for all women until birth control is perfect.

I cannot sign my name for fear of implicating my doctor, so I remain.

JANE,
Brunswick, ME.

KINGFIELD, ME,
April 16, 1985.

ABORTION RIGHTS: SILENT NO MORE,
c/o *Naral,*
Washington, DC.

DEAR NARAL AND CONGRESSPERSONS: At the time when I terminated my pregnancy by having an abortion, I was living with the man I loved, the man who also loved me. He was unable, at that time, to get a legal divorce in the state where he lived, even though his wife was hospitalized permanently. He had two children who had been kicked around for several years after her hospitalization, one housekeeper after another, with no consistency or security in their lives except what he could provide them alone. He was a hard-working man, and did the best he could under the circumstances until I came on the scene with my then two-year-old.

But I got pregnant almost immediately after starting to share his life. Abortion was illegal then, but I had two alternatives. Have an abortion and stay with him, to make a life for his children and mine as well as we could under the circumstances (this would affect five people's lives), or leave him to have the baby alone. His children would again know no mother, and I, unskilled, would have to try to bring up two babies all alone. The latter was more than I could face, so I chose abortion and stayed with him.

I was fortunate in that he found a reliable abortionist so that I could have it done at home. I did not have a sneak around in back alleys or resort to knitting needles. I did not have to endure the kind of horror story one of my closest friends, a most dignified and talented woman, told me afterwards. I was lucky.

And I made the right choice. By making that choice, I was able to keep a viable family intact and give them what they needed to feel solid as a family. I have never regretted that choice, and I feel very strongly that all women should have the option for abortion if they need one. They should have the option for clean, LEGAL abortion without terror or harassment from those who would impose their standards on the rest of the population.

Thank you for giving me the opportunity to be heard.

Sincerely,

M.B.W.

YORK, ME,
May 6, 1985.

DEAR SISTERS: When I fill out a form that asks what methods of birth control I've used, I look like a real consumer, 'cause I check them all! And I've always been careful about protecting myself. Ironically, since I've been with my husband I've had the most serious problems with birth control failure.

Before we were married we moved to New England from the West. As we were travelling I figured my late period was due to the travelling and some high altitude climbing we were doing I had a Copper 7, and was very happy with it. I'd had it just over two years, and had been told to have it replaced at 3 years. So when I finally became concerned at the severe cramps and light spotting (untypical) I was having, I was really unprepared to be told I was pregnant.

We had no place to live yet, no jobs, no friends, little family in the area, I had a second test, also positive, and started being frightened about how ill I was feeling. I was scared of a perforated uterus. I made arrangements for an abortion in Boston, and we spent most of our savings on it. It wasn't a great experience, but in many ways, it was remarkably freeing. I had read that pregnancy with a Copper 7 in place was not recommended, so a hard decision was out of my hands. I knew a woman who'd gone to Japan to have an abortion, and I only had to drive 70 miles south.

Still, it was a sad and scary time. My husband (then fiance) and I were sad to think of the lost baby. I felt betrayed by a trusted method of birth control. It was hard to hear the stories of women being denied by boyfriends, or know that we had become part of an unfortunate statistic.

The decision to have an abortion should never be easy, but the opportunity to have that decision be a personal one should never be denied. The baby I have now is my own personal affirmation of the rightness of that abortion.●

● **Mr. LEVINE of California.** Mr. Speaker, I am pleased to have this opportunity to share with my colleagues several letters from my constituents telling about their abortion experiences. These letters, and the letters other Members are presenting here today, powerfully document that women must have the right to make the decisions that control their lives, including the decision to terminate pregnancy. It is my hope that these women's stories will serve as a reminder of how important it is to preserve the right to reproductive freedom.

APRIL 28, 1985.

To Those Who Want To Restrict Choice on Abortion:

I feel to the depth of my being that every women is entitled to be in control of her body. Specifically, she must have the right to obtain a safe and legal abortion if she needs that. I also believe that every child has the right to be wanted by parents who can and will care for him or her.

I am a lawyer and have always been a person living by society's rules. A veritable pillar of middle class society with one exception: I have had two illegal abortions. There were no legal ones available at the time. So I went to Mexican abortionists. Fortunately, there was a network to give me the name of a place considered safe. Fortunately, I was able to get the money. The experiences were frightening and expensive but less so than the alternative. The inability to control one's life and body is the most frightening of all. It is enslavement.

The first abortion was in 1962. My first baby was a few months old. I was depressed and feeling trapped. My husband was a student. The doctor in Los Angeles told me he could help me only if my life or sanity were endangered, but perhaps I would suffer a miscarriage. I was again fortunate that my husband accompanied me to Tiajuana and that the doctor there was competent.

After that I began taking birth control pills but quit because of the side effects I experienced. Reports were rife in the press that women were dying due to the pill. I suffered clotting and menstrual irregularities for years attributed to the ten months of use.

The second abortion was in 1968. My husband and I were separated. My daughter was living with me. This time I flew to Texas alone and crossed the border to meet a particular taxi driver. I felt afraid and conspicuous. Apparently I was, and only one of many who came, because an unsolicited taxi driver offered to take me to a doctor he knew. I came home safe after vomiting from the anesthesia. The operation and plane trip cost several hundred dollars.

My daughter, at age 14, became pregnant, one of the epidemic of teen pregnancies. This time the choice was legal, the abortion was done at a local medical facility for a fraction of the cost of those 15 years before. I regret she experienced that need. We are grateful the choice was there. She is now a college student. She is gaining the ability to support herself and the maturity to make a better choice of spouse when she is ready.

Another relative became pregnant at age 14 at about the same time. Shelley had the baby at age 15. She lived at home. The disruption this caused her parents and the other children is hard to imagine. She did not finish high school. Shelley married early, had a second child and was left by her husband. At age 22, she can hold only menial, low-paying jobs and, with a six year old and a three year old, child care take a huge bite from income. Even with help, she and her children lead a difficult life.

The fear and anger I feel at the thought that the right to choice would be restricted is impossible to express. I remain anonymous because I do not wish to identify the other involved.

MAY 13, 1985.

NOW for Abortion Speakout.

DEAR NOW: In 1977, while married and living in New Zealand, I became pregnant with our second child. My husband threatened to leave our son and me if I continued the pregnancy. In order to keep the father for one child rather than lose the father for two, I had a legal abortion.

I waited in the clinic waiting room with my girlfriend, Ms. Astrid Stewart, mother of 3, and an avid pro-choice advocate, a published writer to magazines and newspapers on the subject. Astrid noticed a fervent public anti-abortion speaker in the room, sitting next to a young girl. She approached this woman in front of the 25–30 women sitting in the waiting room, and loudly asked what brought her here. This pro-SPUC (Society for the Protection of Unborn Children) official was there to attain an abortion for her 13-year-old daughter!

Is this hypocracy?

F. G.

EL SEGUNDO CA.

My sister-in-law had an abortion. Her father, a good Catholic, was superintendent of schools in a medium size eastern town. The abortionist black-mailed her into giving him sexual favors for a year or he threatened to make public her abortion. How many others have been black-mailed for money or sex or god-knows-what?

N. N.

APRIL 22, 1985.

Mr. RONALD REAGAN,
President of the United States, c/o NARAL,
Santa Monica, CA.

DEAR MR. PRESIDENT: "Freedom of choice by definition means there must exist more than one option." My heart and my soul so cries.

I am not an activist and have never been one. I consider myself a peace abiding person who has a strong moral upbringing and conviction for community responsibility, family and the love of God. I am an American with strong ties to this land; my family ancestors on both sides fought in the American Revolution. I am a Certified Public Accountant with ten years of experience in the area of taxation and will graduate from law school this May.

I enjoy children, although I have consciously chosen not to be a mother. Parenthood is an important responsibility that should not be taken lightly. To be a good mother requires a lot of giving and dedication to raising and caring for a child. I am not that kind of person. I feel the demands of motherhood are an infringement on my freedom.

We often cannot not have it all and must therefore make choices. For each of us, the choice must be our own, for no one else can weigh and assess the trade-offs required in making these life decisions. The variables involved in assessing the trade-offs are very personal and totally subjective and intangible. What is important to/for my sister or brother, may not be important to/for me. And vice versa.

MY STORY

I'm one of the lucky ones. I was not raped nor a victim of incest. It was 1983 and I was very much in love. I had found the "love of my life." The only man I would have wanted to father a child of mine. But this man did not want to be a father. And I wasn't sure I wanted to be a mother. I was 32 and secure in a professional career which was paying very good money. I could afford to support another human being and I felt no social stigma about being an unwed, single mother. But the question was, did I want the child and could I be there for it? Did I want to be a mother? The answer was, I couldn't honestly say yes.

This was my first (and only) pregnancy and it was an accident. I had been on birth control pills for a long time and was concerned about my health. I considered my alternatives which included the IUD, the diaphram, and the sympto-thermal method, all of which I had tried in the past.

In 1972, I participated in the testing phase of the IUD, "the Copper 7" (at that time it was a Copper T). After 2–3 years I developed severe pains in my uterus and the IUD had to be removed. My memory of the pain is still with me today. I then tried the diaphram, but my husband at the time complained he could feel the edges and it interferred with our sexual relations. I also had trouble keeping the diaphram in—it kept popping out and I was afraid I would get pregnant.

I then tried a new experimental program called the sympto-thermal method (a sophisticated rhythm method). This method uses a thermometer and the presence of vaginal discharge to determine when I was fertile. I kept a chart tracking the daily changes in my temperature and the absence or presence of vaginal discharge. When I was in my fertile phase, I had to abstain from sexual intercourse. This method requires a very understanding male sexual partner for a woman's fertile phase can run between 15–20 days each month.

I was using the sympto-thermal method in 1976, when my husband and I separated. I then returned to birth control pills because they gave me the best protection. I was 27 years old.

I met David in 1977 and we are still together and very much in love. While we both wanted a monogamous relationship, we did not want marriage. We each had our own set of scars and fears from past marriages. David was always very clear about his attitude toward children. He didn't want them. He was the oldest of five, he said, and he had already raised one family.

As for me, I have never felt that comfortable with children. When I was married at 21, my husband and I talked of having children, he very much wanted them. I thought I would out grow my discomfort. I never did.

We finally divorced after 7 years because I realized that if I were to have a child with my husband, he would fight me through the courts for custody of the child and I would lose. I still felt uncomfortable about having children. And I could not honestly say that I wanted custody of the child more than my husband. He didn't feel this discomfort I felt. He didn't feel this deep sense of loss of freedom that comes over me when I think of motherhood. And yet, I knew I could not face society as a mother not in custody of her child.

It was sometime in 1982 that I decided to stop using birth control pills and to use the sympto-thermal method. It worked well with David and I until my birthday in January, 1983. I guess I miscounted or fell in the grey area of my fertile phase, for I got pregnant. I was furious.

I knew in my bones that this was the "love of my life". I knew that this was the only man who I would want to father my child. And yet, I couldn't say I wanted to be a mother. But I must be willing to be a mother if I'm going to have a baby. And if I was to decide not to be a mother, it meant I must kill the only child I would ever want. The torment I felt at having to make this decision was endless.

My heart poured out in anguish. This was not the kind of decision I wanted to have to make. I didn't like any of the alternatives available to me. If I kept the child, I knew I would make a good mother and the child would have a good, loving home with a good upbringing. But did I want to be a mother? I had to be honest with myself and accept the reality that I treasured my freedom too much to be able to accept the demands of motherhood without resenting the child. I knew I would make a great mother. But that's not really the question here. The question is do I want the job?

Adoption was out of the question. Everyone must deal with this question based on their own set of emotional responses. For me, I would never want to be an adopted child. For no matter how loving the adoptive family may be, it can never take away the knowledge that the natural parents did not want the child. The feeling of rejection created just by virtue of the fact of adoption, must always exist for that child at some level.

This was not the choice I wanted to have to make.

But I had to make a choice. And some of the decisions effected not just me but also the child. If I kept the child, would my great need for freedom disappear? I knew my old discomfort toward children never disappeared. And I could not face my life knowing I had permitted a child to come into this world to be adopted.

And yet there was one decision which would not effect the child. If the child never is born, it does not know what it is missing.

My choice was made. If the child is never born, I can not cause him/her to feel unwanted by resenting my loss of freedom. If the child is never born, I can not cause him/her to feel rejected by giving him/her up for adoption. If the child is never born, it will not know what it is missing.

I loved my child so much, I didn't have it.

After the abortion, I felt like a butterfly suddenly released free. My body sighed a great relief and I shouted with joy. I breathed deeper. I noticed the blue sky. I felt free again. It was then that I suddenly realized how trapped I must have felt by the baby. For me the choice had been the right one.

My abortion was my alternative to motherhood. It was my choice and my choice alone. I had a right to choose motherhood. And I had a right to not choose motherhood. I'm only grateful I had a choice.

In the fall of '83 I decided to have a tubal ligation. My abortion confirmed to me that motherhood was not for me.

CONCERN FOR MY COUNTRY:

Isn't the real essence of America having the freedom to choose? If that answer is not in the affirmative, then my parents, teachers and Sunday school teachers all lied to me. Or is the real issue here the question of who decides from what options we can choose from.

But if I am the one who must select one option over another, must I accept the options defined and selected by another? How can that other person know what is best for me? How can that individual weigh and assess the subjective and intangible tradeoffs I must make?

Deciding to have an abortion is a personal decision and for many of us it is not an easy decision. For outsiders not involved it may seem like a simple matter. But remember, you only see the outside of the person.

I believe in America. I believe America stands for freedom of choice for the individual, for the community and for the nation as a whole. I believe that democracy and capitalism are the best combination to ensure this freedom. But democracy requires first and foremost that the individual be able to participate in defining and selecting the options from which to choose from. Options defined by the individual as being important to that individual. Not options defined as important by a select few or by the government. And for sure, not the total elimination of all options.

If our government can define and limit the options from which the individual can choose, how is our government any different from the Soviet Union or Castro's Cuba? Isn't America different? Don't we believe that the Soviets are terrible for limiting the options available to their people to speak out, to travel outside their country, to practice a religion, to immigrate and to farm and manufacture whatever they want. The Soviet people must accept the options defined and selected by another, their government.

And America shouts with dignity about how terrible the Soviet Union is for not letting their people have freedom of choice. But what is America doing when it tells a woman she can not choose to have an abortion but must give birth to an unwanted child. She can not prevent but must give birth to a child that will be deformed for life (both her life and the child's) with mongolism. Or the victim of rape or incest, she must be reminded continuously for nine months of that terrifying event. And the child of rape or incest must come into this world knowing he/she exists only because of a terrible harm done to his/her mother. Is this really what democracy and freedom in America means?

I believe democracy stands for choice. But freedom of choice does not exist where there is an option of one.

Sincerely,

J.B.●

● Mr. FAZIO. Mr. Speaker, it is with satisfaction that I take part in the national campaign to humanize the dilemma faced by many of our constituents who must make the almost impossible choice of having or not having an abortion. I excerpt from a letter from a constituent of mine. She shows clearly that governmental intrusion into this most personal matter leads to less life, not more, and less happiness for the living, not more.

There were eleven of us that morning at Kaiser scheduled for abortions. The only bad moment was when a young doctor came in to the recovery area where we all were and announced very self-righteously that he didn't like abortions and we'd better be careful and not need one again. I felt like hitting him and was especially angry that he made some of the other women feel guilty. I never felt guilty at all—not for one second.

I guess my clear attitude and understanding of my right to govern my own body came from the fact that I could easily talk to my mother and boy friend about this. My mother had told me that her mother had had three illegal abortions before in Ohio when all birth control was illegal for women. My grandmother had given birth to 10 children before her first abortion at about age 37. I also knew that another one of my female relatives had had an illegal abortion years before.

I felt confident about my right to decide about my body, glad that the Supreme Court agreed, and angry that my grandmother and relative had had to have illegal abortions.

A few years ago my boy friend and I were married. We now have two beautiful children. We feel very responsible about our sexuality. Two weeks ago my husband had a vasectomy.●

● Mr. EDGAR. Mr. Speaker, abortion is one of the most volatile and debated matters I have faced during my time in Congress. As a Methodist minister, I have a great respect for the value of human life, and I can understand and respect the views of those who oppose abortion. However, when I served as chaplain of Drexel University in the late 1960's, I often rode with the police-clergy unit in Philadelphia. It was through this experience that I first witnessed the human tragedy of illegal, backroom abortion, and came to the belief that although abortion is an unhappy alternative, it is an alternative that the Federal Government should not deny.

No one supports abortion; however, many see it as a necessary option in a complicated world. I believe that the best way for government to deal with the issue is to fight its causes. I look forward to a day when abortion is no longer necessary, when America has reached a stage where poverty, ignorance, and sexual violence can be eliminated.

To this end, I would like to insert a letter written by Ramonita Johnson of Pittsburgh, PA. I think that it speaks for itself.

The letter follows:

MAY 15, 1985.

DEAR PRESIDENT REAGAN: I was born in Puerto Rico, and I grew up and went to school there. When I was a young woman, I came to the United States to live and work, and shortly after that I was married. I have had three children, and two of them—both boys—are still living; they are in their twenties. They are very, very nice children and well behaved. Nonetheless, I worry. There is

in me a constant fear that they will turn to drugs. For me, the danger is especially frightening, because their father is a heroin addict.

When I found out that I was pregnant, quite a few years ago, I had my two boys to care for, and Norma, a baby girl. I already had all that I could handle, because the third child, our daughter, was a spina bifida baby, and I had made a promise to myself, when she was born with this condition, that I would take care of her until the end. I knew that such a baby will live two or three years at the most and I had a choice: I could place Norma in a hospital, or I could take care of her at home. I felt that I owed it to my special baby to see that she had the care she needed.

Norma lived to sixteen months and it was not an easy time, but I will always be glad that, with God's help, I was able to keep the promise I made.

Spina bifida babies have spines that are not completely closed. They are born with a sac of spinal fluid attached to their backs. They must be in an upright position at all times so that this fluid cannot go into the lungs and cause pneumonia, or smother the baby to death. They cannot be permitted to fall on the sac, and it must be cleaned with sterile procedures once or twice a day.

My life was limited in that time, but it had its rewards. I knew what had to be done for her, and I knew that I could do it. At the same time, I was trying desperately to find out if this deformity was my fault—was there something wrong with me? Or could it have been caused by her father's drug addiction?

I talked to doctors and read a lot of medical books about genetics and I got enough answers to convince me that such a problem could have something to do with a parent's heroin habit.

One day he showed up again. With addicts, that is how it is * * * I told him he could not stay with us anymore * * * I could not get him to leave. He said that he was my husband, and had rights * * * He would wait until I was really exhausted * * * and then he would rape me. Finally he disappeared again. Three or four weeks later I realized that I was pregnant.

First, I was shocked, and then I became very, very angry * * * with him, this husband who had never done anything for me or his children. And how could I take a chance of having another baby with deformities?

I decided that I must seek an abortion. I did not know anything about how you would do this * * * It would be complicated, it would be expensive. And it was, of course, illegal.

I did a lot of praying * * * Even though I knew it was supposed to be a wrong thing—a taking of life, and all—at no time did I have feelings of guilt. Just this great sense of peace.

It took me about a month to get the money together and work everything out.

The abortion itself was a hard thing, a cold thing. There was no way to prepare yourself for the way it was then. Who was this you were putting yourself into the hands of? What was their experience, their credentials? You could not know; you could not ask. You could only take it or leave it.

I was there about twenty minutes. She put a catheter through my uterus—one big, sharp pain—then packed the vagina with gauze, and told me to get up and go home. She told me to make sure that the afterbirth came out. She did not say what to do if it didn't * * * Never once did she look me in the eyes.

I stayed in bed for about a week, on and off the bed, and just doing the necessary things for Norma. After about two weeks, most of the bleeding stopped, and then slowly my strength came back.

When I look back now, I think I was pretty lucky. I was not dead. My children are lucky, too, that they grew up with me and not in a foster home somewhere. That is what counts.

If I had not had that abortion, I would have been pregnant at the time I buried Norma, and then I think I would have gone to pieces.

A few months after the abortion, a day came when Norma had been feeling a little bit bad. All of a sudden, her temperature went up and she started breathing hard. There was a funny noise in her chest. When I picked her up and I took her to the hospital, I knew that she was going to die that day. After it was all over—they had really tried, but she could not be saved—they called me into the room, and I kissed her. When I lost Norma, I did not need a long time of mourning. I look back on that time, and I am still amazed at the feeling of peace that came after she died.

Slowly your point of view changes. But the faith does not leave you. I did not believe that it was God's intention that I should have that fourth child, because I knew that it would break me, and my family too.

Sincerely,

RAMONITA JOHNSON.●

● Mrs. BOXER. Mr. Speaker, I recommend to my colleagues this brief but articulate letter, written by a medical doctor, a pediatrician in my district. She cherishes life. Please heed her counsel.

MAY 14, 1985.

DEAR CONGRESSWOMAN BOXER: I am writing on behalf of the women of our state who desire the freedom of choice. Many of these women will not write because of age—teenagers, because of illiteracy—the poor and underprivileged or because they assume this right will be available to them when they need it—days, weeks, months or years from now.

As a pediatrician, I care for and counsel these women every day. They are the teenagers who are still learning about the world, not yet ready to nourish and teach their own offspring. They are the overburdened young mothers whose incomes, strength and patience are not ready for yet another child. And they are the educated, anxious middle class parents of a child with a problem who are not ready for another child, with or without that problem.

These are the women of the state of California on whose behalf I write. They and their lives depend on the right to choice. Please consider this when contemplating and voting on the right to consider abortion an option—these women depend on that right and your support of them.

Thank you very much.

Sincerely,

JEAN C. HAYWARD, M.D.●

U.S. POLICY IN MOZAMBIQUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SILJANDER] is recognized for 60 minutes.

Mr. DORNAN Mr. Speaker, will the gentleman yield?

Mr. SILJANDER. I will be happy to yield. I am here to talk about the issue dealing with the administration's policy in Mozambique, but for my dear, good friend from California, who I have grown to know and love, I will be more than thrilled to yield any part of my time to him.

Mr. DORNAN of California. I thank the gentleman for yielding. And as I serve on the Africa Subcommittee of the Foreign Relations Committee with the gentleman who is the distinguished ranking minority member on that Africa Subcommittee, I would like to participate in the discussion in Mozambique.

Since the administration is Republican and avowedly anticommunist, I am rather shocked that we are considering giving a Marxist government aid and I know the gentleman has done as much or probably more research on this than any Member sitting in Congress today.

ABORTION

However, in coming over to join the gentleman on this special order I could not help but listen with fascination to the prior special order. And although I have respect for the Members involved, I would like to make a few observations on that, and maybe the gentleman would, too.

In relating the agony about abortion, and it certainly is a national agony, and I believe a national disgrace, the taking of human life to the rate of a million and a half innocent children in their mothers' wombs, in trying to address this issue some of our very distinguished and thoughtful Members do not realize how many times in supporting abortion they use the word "baby" and the word "child."

Now, I would like to discuss what is usually referred to as a moment of joy in the life of people, in the life even of some unwed people, the birth of a healthy little boy or girl. If it is twins or triplets, it is double or triple the joy.

In the city of Orange in the county of Orange that I represent in Congress there was a magnificent moment of joy within the last few days. We are now at the critical day and one-half point of 3 days, which is the critical period of survival of six children, sextuplets, out of seven that were born.

Four boys and two girls have survived so far. The seventh child was born stillborn.

There is no known case of seven children surviving one single birth anywhere in the world. There are, however, six sets of sextuplets. This is the first American, God willing they all survive, set of sextuplets in the history of the United States of America.

Mr. SILJANDER. I would ask the gentleman how many months old were the infants?

Mr. DORNAN of California. They were born prematurely in the seventh month.

Mr. SILJANDER. Seven months. I thank the gentleman.

Mr. DORNAN of California. There is one other sibling, a son, in the family, so now the family, as of this moment, has seven children with the six surviving children.

Now, all of the children of the six surviving, and we are all praying as a team of 40 doctors and nurses are fighting for life, fighting to keep these children alive, every one of them is under 2 pounds. As a matter of fact, the largest of the six children is only 1 pound 13 ounces and the smallest is 1 pound 1 ounce.

Now, here is what is the tragic side of this for the United States of America. All across this country last year, and at a horrendous rate for 12 years, children by the tens of thousands, babies, are being killed in their mothers' wombs at a pound and a pound and an ounce, and yes, more than 2 pounds, because the Supreme Court decision, for all of the discussion that we have had here in Congress, has allowed abortion through all 9 months of pregnancy. And in the one or two cases where doctors have been found to have suffocated children, or said, "I don't want that little S.O.B. to survive the abortion," and I am thinking of one in my county of Orange, there has not been one conviction, and very few cases, and the legal authorities have virtually given up. In other words, it is 9 months, go for broke, all abortions approved, and tens of thousands out of the million and a half are killed with either saline solution injections or all sorts of other ways to abort living children in their mothers' wombs at the life cycle of these six surviving children that 40 doctors are trying to save.

One of the things that kept coming to me during the prior special order is that there were more illegal abortions in the United States during all 12 years since the Supreme Court decision than there were prior to the Supreme Court decision.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. DORNAN of California. I will in one second. I will be glad to. I did not interrupt the gentlewoman's special order.

Mr. SILJANDER. If the gentleman would yield, it is my time and my special order. I have 1 hour and I am going to consume a lot of that on Mozambique. As the ranking Republican I have yielded to the gentleman.

Mrs. JOHNSON. Would the gentleman, however, recognize that had he spoken during our special order when we controlled the time we would have had a chance to at least correct an issue of fact that he is mistaken in.

Mr. SILJANDER. I think I control the time, Mr. Speaker.

The SPEAKER pro tempore. The time is controlled by the gentleman from Michigan [Mr. Siljander].

Mr. SILJANDER. I am not going to get into an hour of debate.

Mrs. JOHNSON. I appreciate that the gentleman does not want to have his time infringed upon.

Mr. SILJANDER. I still control the time, Mr. Speaker.

I am not going to get into a discussion here or a debate on abortion. On some night, if you would like to come down here to the floor, I am sure that the gentleman and I would be more than thrilled to engage in that hour, if it is thereby assigned. And we did not interrupt you.

Mrs. JOHNSON. But you gave the courtesy to him and not to me, and I think that is unfortunate.

Mr. SILJANDER. I control the time and I am yielding some of my time and have allowed the gentleman to speak for a couple of minutes on whatever he wanted to speak on. He is speaking on something that motivates him, that touches his heart, as your hearts were touched. And when he is completed I intend to proceed on Mozambique.

If you would like to discuss Mozambique, I would be more than thrilled at that time to have a discussion on Mozambique.

I yield back to the gentleman from California [Mr. Dornan].

Mr. DORNAN of California. Let me conclude, out of fairness to the frustration of our distinguished Members who had their special order, that there will be opportunity later in this year to discuss this during earlier days, earlier hours of coverage, prime time, you name it. And I can predict to them with absolute certainty that for the rest of their lives, whatever God gives them on this planet, they will have opportunities to discuss this because the pro-life movement is now in the ascendency, it is not receding.

□ 2030

And it is in its ascendancy because of groups like WEBA—Women Exploited By Abortion.

Now, for all of the letters that were written and read here tonight, I have letters written by women who suffered grievously because they were shuffled into this abortion process and after the fact realized one stunning, simple conclusion: That is a baby in that womb. And it has life. And if you believe in God, as I do, it has a God-given immortal soul that will exist for eternity. And we are sending these God-created infants back to their Creator without his permission. And this holocaust which we choose to call it is going to exist for all of our lives and we will have ample opportunity to discuss it in depth for the 99th Congress, the 100th Congress, and as many Congresses as our Creator gives us for the rest of time.

If the gentleman would like to now discuss our Africa Subcommittee, I appreciate him yielding this time. I am ready to sit and listen to his observation on the factfinding trip to Mozambique and where we are going with our Africa Subcommittee and particularly I want to be informed on this administration sending military aid to a Marxist government in a small country loaded with Cuban mercenaries and KGB and East German secret police and Soviet military advisers.

I turn back to the gentleman.

Mr. SILJANDER. I thank the gentleman for his comments.

I did agree with the gentle lady that I would yield 1 minute; 1 minute 60 seconds.

Mrs. JOHNSON. I thank the gentleman very much. I appreciate the gentleman from Michigan yielding.

I agree it is not the time to get involved in a debate on the subject of abortion. I do wish that the gentleman had joined in the special order that Representative Schroeder and I had earlier so that we could have controlled the time and responded. But it is very important that Representative Schroeder clear up a matter of fact that he has misstated. I yield to her.

Mr. SILJANDER. I remind the gentlewoman that I control the time.

Mrs. JOHNSON. Just a matter of fact. It will be 1 second.

Mrs. SCHROEDER. Will the gentleman yield?

Mr. SILJANDER. I will yield to the gentle lady for the remainder of her 1 minute.

Mrs. SCHROEDER. All I wanted to state is I think it is important to point out what the Supreme Court decision did say, and that is, it breaks it into the three trimesters and abortion uncontrolled is in the first 3 months. We keep getting that mixed up in the debate. It is very, very important to point that out.

Second, if any child is born alive under the terms that you are talking about and were killed, that is murder in any State in the Union and those people should be prosecuted, and we would all agree with that.

Mr. DORNAN of California. It happens all the time; they beat the rap; they get hung juries.

Mr. SILJANDER. I will regain my time. The gentle lady, both gentle ladies, had an opportunity to respond to the gentleman from California. I would like to proceed with my special order.

Does the gentleman wish to respond? If so, I will give him 1 minute, the gentleman from New Jersey.

Mr. SMITH of New Jersey. I thank the gentleman from Michigan for

yielding. I just have a couple of comments I would like to make.

Mr. Speaker, of the over 1.5 million abortions performed each year in the United States it is estimated that well over 150,000 second and third trimester babies are legally terminated in this country. According to the Centers for Disease Control in Atlanta, GA, approximately 500 babies actually survive this procedure and go on to be adopted. Thousands more survive momentarily but receive no treatment whatsoever and therefore die.

Clearly the unborn child is a pathetic victim whose right to life is predicated solely on whether or not he or she is wanted. What is becoming increasingly clear is that they are not the only victims. I listened carefully to some of the comments made a little earlier by the gentlewomen and some of the other Members of that special order. And Nancyjo Mann, a founder of the group known as WEBA, which stands for Women Exploited By Abortion, last year in an article in the Washington Times of August 3, 1983, explained very clearly how she and members of her organization became involved. They had an abortion, came to regret it, and then they now are going out to abortion clinics and doing a lot of sidewalk counseling trying to persuade other women not to make that same mistake.

I would like to share with this body some comments that Ms. Mann made in describing her abortion. I know we heard some letters or heard some letters described here before about that decision. It obviously is a very tough and difficult decision, but it is not the kind of decision, the kind of matter that it is described as. There is a victim involved, there is a baby, and there is a great deal of trauma attendant to each and every abortion.

What we are trying to do in this Congress, and there is a growing movement, is to addresss the actual violence of abortion, the fact that the methods that are employed by the abortionist, whether it be the D and C method which is literal dismemberment; whether it be the suction method, which is literal dismemberment; whether it be a saline abortion which involves the injection of a high concentrated salt solution that literally pickles alive that baby in a salt, saline solution, a toxic material, a chemical poisoning, or the other methods incuding just allowing the child to die due to exposure like in a hysterotomy abortion, when a child is aborted at a later term and left to die due to exposure.

Nancyjo Mann, the founder of WEBA, and there are as of this writing over a year ago over 10,000 members, women, all of whom have had an abortion who came forward and are now saying that they deeply regret it, she writes, and I quote: "I went in and I asked 'What are you going to do to me?' All they did was look at my stomach and say, 'I'm going to take a little fluid out, put a little fluid in, you'll have severe cramps and expel the fetus.' I said, 'is that all?' He said 'That's all.' It didn't sound too bad. But what that doctor described to me was not the truth. I went to the hospital and 60 CC's of amniotic fluid were drawn out and a saline solution injected. Immediately the needle went through the abdomen, I hated Nancyjo. I hated myself. With every ounce of my being I wanted to scream 'Please, stop, don't do this to me.' But I couldn't get it out. Once they put in the saline there is no way to reverse it, and for the next hour and a half I felt my daughter thrash around violently while she was being choked, poisoned, burned and suffocated to death. I didn't know any of that was going to happen. And I remember talking to her and I remember telling her I didn't want to do this, I wished she could live. And yet she was dying and I remember her very last kick on her left side. She had no strength left.

"I have tried to imagine us dying that kind of death, a pillow put over us, suffocating. In 4 minutes we would pass out. We would have that gift of passing out and then dying. But it took her 1½ hours just to die.

"Then I was given an intravenous injection to help stimulate labor and I went into hard labor for over 12 hours. And at 5:30 a.m. on the October 31 I delivered my daughter whose name is now Charmaine Marie. She was 14 inches long, she weighed over a pound and a half. She had a head of hair and her eyes were opening.

"I got to hold her because the nurses didn't make it to the room in time. I delivered my girl myself. They grabbed her out of my hands and threw her, threw her, into a bedpan. After they finished and took her away in the bedpan, they brought a lady in to finish her last hour of labor lying next to me. She had a healthy baby boy. That was tough.

"I liked Nancyjo, I liked me prior to the abortion. But shame and remorse and guilt set in. I mean when you get ahold of your own daughter and you see what you did. She was not a fetus. She was not a product of conception. She was not a tissue adhering to the uterine wall. She was my daughter and I got to hold her, at only 5½ months, 22 weeks. So those are cheap, inhuman words to use around me."

She goes on to say throughout the course of this article many people have, many women are coming forward, not just writing letters but speaking out and trying to advise other women not to advise this same tragic mistake.

Mr. SILJANDER. If the gentleman will yield, how many women belong to the WEBA organization? Does the gentleman have any idea?

Mr. SMITH of New Jersey. The number exceeds 10,000.

Mr. SILJANDER. 10,000?

Mr. SMITH of New Jersey. Yes.

Mr. SILJANDER. These are women who have had abortions?

Mr. SMITH of New Jersey. Yes.

Mr. SILJANDER. That are now opposing abortions because of emotional and physical stress they personally suffered?

Mr. SMITH of New Jersey. The gentleman is correct. And one of the stories that so many of them tell is the fact that they were literally sold a pack of lies about the life they carried within them. They were not told the truth. They were not told what inherent violence the actual procedure entails. Saline solution abortions, I think if more people in this country were to focus on the methods utilized by the abortionists, injections of high concentrated salt solutions, it is painful. The child feels pain.

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It would be very similar if you or I were to be injected with salt solutions. We would die, and it would be a very traumatic way of dying, of expiring, and this is what we are doing to the unborn child at phenomenal rates.

I know of several women; I know one in New Jersey who, when it was fully explained to her what the saline would do to her baby, decided not to have that abortion.

A couple of years back in the State of New Jersey, we tried to pass what was called an informed consent bill that would provide that a woman prior to submission to an abortion would have to be made aware of what the abortion entailed. The pro-choice groups objected vigorously to this kind of imparting of information, and I could never understand why. Why are they afraid of the truth? I think that that is what this issue is all about.

There was a time in our society when we looked at the black person in our Constitution, and the Supreme Court in the Dred Scott decision upheld the fact that, according to them, that blacks were nonpersons, a total abomination; and slavery was sustained that much longer.

Now we have a situation where all of the empirical evidence proves beyond a shadow of a doubt that the unborn are every bit as human as you or I, deserving of basic, fundmental human rights, the most fundamental of which is the right to life, and that we need to provide basic protection via the law; whether it be through Supreme Court reversal or through action in this body.

So I just want to conclude by asking all of those who perhaps are tuning in tonight, perhaps may read this

RECORD, to look carefully, deliberatively at what abortion does to the baby and what it does to the other victim, the mother.

The newspaper article follows:

[From the Washington Times, Aug. 3, 1983]

WOMEN FORM WEBA TO FIGHT ABORTIONS

(Nancyjo Mann on the horror of having an abortion, and of the mission of Women Exploited By Abortion.)

Every year for the past 10 years, 1.5 million women have had an abortion. For many, according to Nancyjo Mann, founder and president of Women Exploited By Abortion (WEBA), having an abortion only began their problem. Mann was interviewed by Washington Times staff writer and columnist Tom Diaz.

Q: Tell us about your experience with abortion and its consequences.

A: My experience goes back to 1974, the month of October, 30th day—the day that I killed my baby girl. It was a second trimester abortion. I was 5½ months pregnant.

I went to the doctor because family members had pressured me, had encouraged me. There was no "Nancy maybe you should reconsider," because it was not my idea in the first place, it was theirs.

My husband had walked out the door and deserted us. The responsibility of three children was just too much for him. I went to my mother and my brother and asked, "What am I going to do?" And my mother said "It's obvious, Nancy, no man's going to want you with three children, let alone the two you already have. You're probably not going to amount to a hill of beans and you're probably going to be on welfare the rest of your life."

And following those three positive, uplifting statements, she said "You're going to have to have an abortion." Then she called one of the leading ob/gyns in the Midwest, and he said, "Absolutely, no problem. Bring her on in."

Q: Did he know at the time how far you were along?

A: Absolutely. He does all kinds of second trimesters, no problem.

I went in and I asked, "What are you going to do to me?" All he did was look at my stomach and say, "I'm going to take a little fluid out, put a little fluid in, you'll have severe cramps and expel the fetus."

I said, "Is that all?" He said, "That's all."

It didn't sound too bad. But what that doctor described to me was not the truth.

I went to the hospital and 60 ccs of amniotic fluid were drawn out, and a saline solution injected. Immediately the needle went through the abdomen I hated Nancyjo, I hated myself. With every ounce of my being I wanted to scream out "Please, stop, don't do this to me." But I couldn't get it out.

Once they put in the saline there's no way to reverse it. And for the next hour and a half I felt my daughter thrash around violently while she was being choked, poisoned, burned and suffocated to death. I didn't know any of that was going to happen. And I remember talking to her and I remember telling her I didn't want to do this, I wished she could live. And yet she was dying and I remember her very last kick on her left side. She had no strength left.

I've tried to imagine us dying that kind of death, a pillow put over us, suffocating. In four minutes we'd pass out. We'd have that gift of passing out and then dying. But it took her an hour and a half just to die.

Then I was given an intravenuous injection to help stimulate labor and I went into hard labor for 12 hours. And at 5:30 a.m. on the 31st of October I delivered my daughter whose name is now Charmaine Marie. She was 14 inches long. She weighed over a pound and a half. She had a head of hair and her eyes were opening.

I got to hold her because the nurses didn't make it to the room in time. I delivered my girl myself. They grabbed her out of my hands and threw her, threw her, into a bedpan. After they finished and took her away in the bedpan, they brought a lady in to finish her last hour of labor lying next to me. She had a healthy baby boy.

That was tough.

I liked Nancyjo, I liked me, prior to the abortion. But shame and remorse and guilt set in—I mean when you get a hold of your own daughter and you see what you did. She was not a "fetus." She was not a product of conception." She was not a "tissue adhering to the uterine wall." She was my daughter and I got to hold her, at only 5½ months, 22 weeks. So those are cheap, inhuman words to use around me.

I chose to be sterilized because I couldn't cope with the idea that I could possibly kill again. It was too devastating. It was not something you go around telling people, that you just killed your baby, no problem. I was ashamed, totally ashamed.

Q: But some people would say that although this experience obviously had a great impact on you, it is not characteristic of most other women who have abortions. Is your case unusual?

A: No, my case is not unusual at all. People want to say "Oh, but Nancy, you're the extreme," That's not true. In fact there are so many more of us than there are the other. The emotional hurt is so deep. You do not discuss your abortion, the suction machines and the needles and everything else, over a cup of tea and a cookie. Women just don't do this. The pain is just too deep and too great.

I'm sure there are women out there who are never fazed, never, by their abortion. But I would say that 98, 99 percent of them are fazed, whether it's for a small period of time or for the rest of their life, whether they suffer only a small degree or die from their abortions.

Q: How did WEBA—Women Exploited By Abortion—get started?

A: About one year ago I was talking to another recording artist who was pro-life. I asked what pro-life meant and he said he was anti-abortion. I said "Hank, I had an abortion in 1974. I was 5½ months pregnant. It hurt so bad for so long.

He just about drove the car off the road. And he said, "Nancy, you've got to tell the story." So, a year ago, I went public, founded WEBA.

Q: How many members do you have?

A: I'm a 10-month-old corporation and in 10 months I've gone from being two people, my vice president and myself, in two states, Virginia and Iowa, to now having 34 states with approximately 10,000 women in my group.

Q: What are some of the effects of abortion on women?

A: I have women who cannot vacuum their carpets. They have to have the neighbor or their husbands do it while they're at the grocery store, because of the suction sound. You see, the suction machine (used in many abortions) makes that sucking sound—it's 29 times more powerful than the vacuum we use in our home. The majority of the women aren't put to sleep. It's done without being put to sleep. It's heartbreaking to me that they can't run a vacuum cleaner—that's a deep wound.

One psychological effect we see almost all the time is guilt. Others are suicidal impulses, a sense of loss, of unfulfillment. Mourning, regret and remorse. Withdrawal, loss of confidence in decision-making capabilities. They feel that maybe they've made a wrong decision, maybe they can't make another decision right in their life. Lowering of self esteem. Preoccupation with death. Hostilities, self-destructive behavior, anger and rage. You can lose your temper quickly. A despair, helplessness, desire to remember the death date which is really weird but you do that. You remember these dates very strongly. A preoccupation with the would-be due date or due month. My daughter was due in early March, so in early March it's there.

An intent interest in babies but a thwarted maternal instinct. Women really are interested in babies, but I have many members who can't hold children. A hatred for anyone connected with abortion. Lack of desire to enter into a relationship with a partner, loss of interest in sex, an inability to forgive self, feeling of dehumanization, nightmares, seizures and tremors, frustrations, feeling of being exploited. And child abuse. We see a lot of child abuse.

I want you to understand that I do not come from any right to life organization. We are connected with no one. We remain neutral. But we are the ones they are all arguing about and discussing and debating. We are the voice of experience.

I told Congressman (Henry A.) Waxman, D-Cal., at a recent hearing, "Have you ever had your cervix dilated and the womb ripped open? Have you ever had tubes stuck inside of you and everything sucked out? Have you ever had needles stuck through your abdomen? Have you ever felt your baby thrash around and die? Have you ever had hard labor, delivered and held your baby? Because if you haven't, sir, you can't intelligently talk to me about this. We are the voice of experience. We've all had this done to us."

And that's a fact. So we hold our own ground, our own turf, our own territory.

Q: What is it that your organization does as a voice of experience?

A: We are a support group for those women who hurt—physically, emotionally, mentally and spiritually—from their abortions. We are there when the phone rings at 3 in the morning and someone is suicidal because maybe it was four years ago on that day and they still can't cope with it. We cry with them and talk with them. We are a support group. We also are a political group. I am classified as that, and I guess the strongest thing of what I intend to do—I intend to shut the abortion industry down. I intend to shut the abortion-on-demand industry down.

We also have rape victims and incest victims among our members—the other 3 percent (not abortion-on-demand). And every one of them is getting ready to go public, to speak very publicly—their full names, ages, everything. They're not ashamed. They know what happened to their lives. They became victims of an industry that is making lots of money, that was supposed to be a quick answer.

And now they're under psychiatric care, psychological care. Because of the abortion, not the rape and incest. They overcame the rape and the incest. Sure they needed help, but they overcame that. But they have had

a very difficult time overcoming killing that innocent baby.

They heard of WEBA and they contacted us. And two of them were so brutally beaten they couldn't make it to the hospital in time. Pure rapes, I'm not talking about just a strong sexual aggressiveness. I'm talking about women who were brutally beaten, true rape victims.

Q: You talked about political activity. What's been your experience here in the Congress?

A: I testified two weeks ago before Rep. Waxman, Barbara Mikulski and a few other congressmen. It was a stacked hearing—14 to 1 doesn't sound very balanced to me. But I went in very open and honest with them, they sat very intently and very amazed at the story I had to tell about my organization, myself and my constituency, WEBA.

Barbara Mikulski said "I've never heard this side." I said, "No, Pandora's box got opened up 10 years ago and now you're just starting to see it." I predict that in five years we will see an epidemic of mental and nervous breakdowns among the women of this country. People are not going to know why and I'm going to be able to tell you why: because they've had an abortion, that's why.

It's a quick solution. Abortion is not an ending of problems, it's the down payment for a whole new set of problems. That's what it is. It doesn't get rid of them.

Q: Have congressmen been exposed to your view, the voice of experience?

A: No, I hear time and time again, "I've never heard this side before." "Are there many more like you? they ask. And my answer is this. Take the 15 million of us who have, by legal abortion-on-demand, killed our babies, I will give 2 million or 3 million to Planned Parenthood, NOW or whoever they want. I will give another 2 million or 3 million who have two or three abortions without open remorse.

And justification to oneself is important here, by the way. I don't know how many women I told to go have abortions. Justification. It's like, if you can have a few more, go do what you did and kind of justify it, it makes it better. It makes it not quite so bad.

That still leaves 9 million of us who've been hurt in one way, shape or form or the other—psychologically, physically, emotionally or spiritually.

Q: So you believe that there are—by conservative estimate—perhaps 10 million women who suffered as you did?

A: I beleive by very conservative there's 8 million who have been hurt.

Q: Where can they write or call? Or what can they do if they need somebody, such as your organization?

A: They can call or they can write. The address is WEBA, 1553 24th St., Des Moines, Iowa 50311. Or they can reach me at 515-255-0552, my business phone. If they hurt, if they're at a certain state, I may have a state representative where a girl can be with them and talk with them. I get so many women who have written me to say, "Thank God, there is somebody that I can now finally pour the whole thing out to."

And I'm thankful that I am a Christian because I couldn't carry that load. If you could read my mail . . . It started off where I'd get two and three letters a day and now they're wrapping it in bundles to bring to me. And I get mail from all over the world.

Q: Within 10 months this has happened?

A: In 10 months. There is such a need. No one thought 10 years ago of the aftermath. We're the aftermath.

Mr. SILJANDER. I thank the gentleman for his comments, and as I start looking at my notes on Mozambique and whether or not the United States should participate in military and economic aid, I see how minute indeed this issue is, relative to the issue of life and death, dealing with millions of human beings.

I just wanted to thank both the gentleman for placing forth their ideas, their thoughts, and their hearts as did the two ladies and gentlemen in the former special order expressed their point of view; a quite different point of view, their thoughts on this matter.

Tonight I am here to discuss the issue of the U.S. plans to assist the Marxist totalitarian government of Mozambique in Africa in military and economic ways.

I serve on the Committee on Foreign Affairs, Subcommittee on Africa. I am the ranking Republican. So I take the well because I consider this part of my duty and responsibility, and having visited the country very, very briefly recently, I have come home with the profound impact on me that that country in the middle of devastation and crisis, is in that condition not because of democracy and freedom, but because of their totalitarian, Marxist-Leninist-Socialist form of government; economically, socially and politically,

I would like to read from an article from the Washington Times dated April 8, 1985, and this sets the tone well, I think, for my presentation.

It says, and I quote from the article:

> Would the United States militarily or otherwise support a totalitarian, Communist dictatorship against pro-U.S., anti-Soviet liberation forces?
>
> Such a question would elicit immediate and resounding hoots of laughter and ridicule. After all, Communist regimes are the antithesis of America's political system with its free elections, freedom of speech, religion, and assembly, a free press and multiparty system.

As ridiculous as it may sound, my colleagues, it is a reality that the Ronald Reagan administration, whom I support in the vast majority of their efforts, is considering—in one small element, indeed, of their foreign policy but I think a crucial, important element in foreign policy development globally, do we as a nation decide to support a Marxist regime not only with food aid, which I do not object to; I supported the Ethiopian Assistance Relief Act, spoke up on behalf of it because we were helping human beings—but do we transcend beyond that to other types of economic assistance and, incredibly enough, a form of military assistance as well? I think that is what is at issue with Mozambique.

Even South Africa has recently signed the Nkomati accords, with Mozambique, who are now urging the United States to assist Mozambique in various ways, even the South African Government itself refuses to assist them militarily.

The Soviets are involved in Mozambique, so much so that they have issued what they call the M 124 assault helicopters. They have a crew of four, they fly 320 kilometers per hour, low flying, they are used in Africa right now, and the Soviets have used them in Afghanistan quite extremely. They are piloted by either Bulgarian, Cuban, or Soviet pilots.

The third point, and I have nine points briefly; the President of that country, Samora Machel, was quoted in the New York Times article—he was not quoted, but I am quoting a New York Times article—as a "fanatical Maoist."

In 1984, the article went on to say, that later on he changed from Maoist to an avowed Marxist-Leninist. He was trained in China, Algeria, and has stated publicly that his hero is Mao Tse-tung.

Now the issue is, that we are sold the bill of goods that, well, Machel really is not a Communist; he is really, deep down inside, in his heart, pro-West, and he is more than thrilled to be weaned away from the Soviet Union and the East bloc countries toward us if we give him a chance.

I find that hard to believe, considering his past. Considering the fact, the fourth point, that the SNASP, which is the acronym for their secret police, have been trained by East Germans, and in their actions, thoughts, and needs and function and role are very similar to the KGB in the Soviet Union.

The fifth point, there is no freedom of religion, speech, press, or assembly in Mozambique; is this the kind of country that we should contribute millions of dollars to? That $40 million of economic assistance and $3 million in economic assistance to?

The sixth point I bring from former Ambassador to the United Nations, Jeane Kirkpatrick.

She says, and I quote: She said this, incidentally, March 19, 1985, at a speech to the Committee for a Free World, meeting in London.

She says: "The United States approved food aid and $10 million in supplementary military assistance to Mozambique in the same week that 17 Mig fighters arrived in Maputo," which is the capital of Mozambique.

Jeane Kirkpatrick ought to know; she was our Ambassador to the United Nations, that this approach is inconsistent, illogical, and I think irrational.

The Bulgarian Ambassador to Mozambique said, February 27, 1985: "That there is a new upsurge in Mozambique in Bulgarian cooperation since the fifth session of their cooperation of their cooperative engagement"—they have sessions periodically, of the two countries.

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Is this demonstrating a weaning away from the East Bloc? It does not seem so. The Soviets are heavily involved; the Bulgarians are involved; in fact, 250,000 tons of crude oil is delivered by the Soviets each and every year to Mozambique.

Mozambique is militarily tied, economically tied to the East bloc countries.

Now in 1975, the United States gave $10 million to help refugees; they were flooding into Mozambique from the then-destabilized country of Rhodesia.

Later on, however, we cut off development aid because the human rights violations were so incredible. In 1980 there was a signed document by the Secretary of State that these human rights violations that we are so concerned about had improved, and we should therefore be more than willing to contribute more aid to Mozambique.

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According to Amnesty International, public executions and floggings are continuing, and the 1984 Human Rights Report of this House exposes clearly the extent of human rights abuses in the country of Mozambique.

So have human rights problems improved? According to the Congress, it has not. According to very moderate, at best, and impartial Amnesty International, it has not at all.

The Marxist-Leninist sphere, my colleagues, is too big now in Africa. It is in Ethiopia, Angola, Madagascar, Zimbabwe, Algeria, Liberia, Mozambique, and other countries are coming under the influence of the Marxists. At present, Mozambique has kept in power, through the help of about, some say, 18,000 Cuban, East German, Tanzanian, North Korean, Zimbabwean, and Soviet troops and advisers. Now, is that a country that is leaning away from the East and to the West? Their leaders use brutality and fear as their tactics. Mozambique has been one of the most vocal critics in the United Nations. Are they are friend there? They are not. They have the worst voting record in the United Nations, from our standpoint. Mozambique voted with the United States zero percent of the time on 10 key issues compiled by the U.S. mission in 1983. But do you know what the argument is? "Now, wait a minute, they are coming our way. Their voting record has changed." That is the argument. Since 1983 their voting record has changed. They still vote with us zero percent of the time, but they have abstained three or four times when we thought it was important to do so.

Even Romania, one of the strongest, staunch Marxist totalitarian dictatorships in East Europe has done more than that in the United Nations for us. Yet they claim a couple meaningless abstentions that really did not count in the overall vote anyway means a break from this deep, imbedded, rooted support from the East. It is also believed by some reports—and I want to emphasize this is hard to verify, but I think it is important that when you look at this in the total context it is not too hard to believe—that between 200,000 and 300,000 Mozambicans are imprisoned in so-called reeducation camps. And some reports claim that 79,000 have already died over the last 9 years in those camps.

A local Washington newspaper recently reported that Mozambique has sent 12,000 children to work in slave labor mines in factories in East Germany, and some say this is because they want to help pay off the debt to East Germany and this is one way they can help doing that without hard currency.

Now, when I presented this case when I was in Mozambique, do you know what my response was? "Oh, they are there on education scholarships;" 200,000 Mozambicans are starving while Mozambique allows the Soviet Union to take all the fish out of its waters and sells inferior fish back to the Mozambican Government. They take all their fish, higher quality, let me repeat, and resell them lower quality fish from their own shores. Renamo is a prodemocratic force. It is a freedom fighting force that is opposing the Marxist Machel government. They are 18,000 strong. They are operating in all 10 Provinces of Mozambique.

So what are we doing considering supporting the Government of Mozambique? We ought to be considering supporting pro-West, prodemocratic freedom fighters.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. SILJANDER. I yield to the gentleman from California.

Mr. DORNAN of California. Last year I was not in the Congress. I had been gerrymandered out. And I went to San Diego, I think it was June 2, almost a year ago, to the World Anti-Communist League. It is a yearly meeting. There is a United States chapter that is headed by retired Army Gen. Jack Singlaub. And at that meeting in San Diego the President of the United States sent a welcoming telegram, and I had the honor of being there at the opening ceremony and I heard Jack Singlaub read the telegram, and the telegram from our President said—and I think accurately—that there are eight nations where forces inside those nations are offering their lives on the altar of freedom as freedom fighters, and he mentioned Nicaragua. We have discussed that much in this Congress and will continue to discuss it. He mentioned Afghanistan. And, of course, the support in this House seems to be on both sides of the aisle for that one because it involves a direct Soviet invasion. Once it is covert, they seem to get confused in the majority party in the House. Then he mentioned six other countries. Three of them are joined by contiguous borders—Cambodia, Laos, and Vietnam. In spite of our pull-out and the communist conquest, it appears that freedom fighters are fighting in each of those countries. And that group that is easiest to support, Cambodia, the freedom-fighting forces of Son Sann, even someone who has generally been opposed to any type of covert activity to freedom fighters—and my good friend and very distinguished colleague on Foreign Affairs, STEVE SOLARZ, has suggested we give $5 million of aid to those freedom fighters in Cambodia—so now we have Nicaragua, Afghanistan and three nations together, Indochina, Cambodia, Laos, and Vietnam. Then President Reagan, in his letter, mentioned Angola. I know the gentleman has become an expert on this. The forces of Jonas Savimbi control more than two-thirds of the country. We even have problems with corporate America, like Gulf Oil, helping out the Cuban mercenaries in the capital city of Luanda. And then the President mentioned Ethiopia. And here it becomes really difficult to House Members because while we are encouraging private support of food to stave off massive starvation, it appears we are getting back mixed reports about what is happening in the provinces of Eritrea and Tigre, that there may be a government policy of allowing some people to starve to death because of the freedom fighters there.

But then here is my point: Of the eight countries, the President mentioned, then, the eighth, Mozambique. He talked about freedom fighters in Mozambique being worthy of our support. Because of the President's introductory telegram welcoming the world Anti-Communist League to the United States—they have usually met outside, in countries around the world—this group, for the first time, passed an action program. Jack Singlaub, who is the American head of the American branch of the World Anti-Communist League, said all we do is meet, eat, and retreat. This has been the pattern since Harry Truman came up with the excellent policy of containment of communism. But where is rollback of communism anywhere until Grenada? Jack Singlaub said WACL, World Anti-Communist League, must have an action program to actively help the freedom fighters in the eight countries where young men and lots of young women are willing to die and then maybe we can look at Cuba and other countries where people are willing to fight, but it appears this country cut them off at the legs, groups like Alpha-66.

Now, I ask the gentleman: How did we get into this position, where less than a year ago the Presient is suggesting that all freedom-loving people support freedom fighters inside Mozambique and suddenly, under his administration and in this House, we are being presented with language in bills to send money to a country where there are thousands of Cuban mercenaries? Could the gentleman tell me, as I do not know the figure, how many Cubans are assigned against their parent's will I am sure, to live out part of their young lives on the east coast of Africa, in an old Portuguese colony that the freedom-loving people of Mozambique thought they were getting rid of the presence of foreign troops, how many Cubans are there?

Mr. SILJANDER. Well, in Angola, there are 35,000, some say up to 40,000 there, but that is the west side. But on the east side, in Mozambique, according to an article by Jack Wheeler, there are 6,000 to 7,000 Cubans. According to the State Department, there are 500 to 600. According to another article by another author, there are 1,000. So we see between 500 and 7,000 seems to be the range.

I would probably guess there are probably right near 1,000, and there likely could be more. But keep in mind Maputo is a stone's throw from South Africa. South Africa has the seventh largest army in the world. South Africa, if they will not let SWAPO in the north of Namibia, how in the world they allow an excessive amount of Cubans or any other excessive amounts—I mean tens of thousands, as there are in Angola—right near their own borders. They have already chased the African National Congress [ANC], into Mozambique and wiped many of their guerrilla camps out. So I think the only reason that there would not be tens of thousands of Cuban troops there now is because the South African Army is keeping a sincere check on that. But they are sneaking, I am sure, squeezing as many as they possibly can without overly irritating the South African military. Needless to say, if the Cubans took over the government totally in Angola, they would allow the ANC to operate freely, and that would not be condoned or approved or even tolerated by the South African Government.

Mr. DORNAN of California. Well, are we driving toward one of the most peculiar situations in the world where in North Yemen, San'a, Yemen, the capital city of San'a, we have an American military effort and a Communist military effort down on the Red Sea, Soviet instructors are teaching young Yemenese to fly Mig's while we are trying to teach a handful of them to fly F-5's up on the plateau, and the same thing is going on in the same country, with two military efforts, ours, of course, much smaller, like a few dozen men, compared to 900 on the Soviet side, while the whole area of South Yemen, with the capital of Aden, is the first contradiction in the Arab world of a Marxist-Moslem state, God and Karl Marx, Allah and Karl Marx somehow existing together?

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Is this what we are driving for in Mozambique? The gentleman will remember in 1982, when President Reagan correctly decided not to count doctors and medical personnel against our arbitrary off-the-wall figure of 55 advisers, teachers, instructors, whatever they want to call them in El Salvador. That some of the liberal Members of this body walked around dyspeptic; they had expressions on their faces like they had deep stomach disorders at the thought of us adding 2 or 3 more doctors or 25 medical personnel and keeping our 55 figure, with 5 people in the pipeline back and forth; 10 working in the Embassy; about 35 out in the field. Thirty-five American advisers fired if they are caught carrying an M-16. We get upset over 35, but we are going to add American money, economic and military to Mozambique to help relieve whatever the Soviet responsibility is to feed their East German Secret Police and these thousand Cubans, because Castro is not feeding them. They are racking up $9 million a day in Cuba just to keep that vassal state afloat.

So it is the Soviets that are paying for the Cuban kids there who would rather be home in Cuba where their parents would rather have them, and we are going to send economic aid? I am really confused. I think this is the prime issue of our Africa Subcommittee.

Mr. SILJANDER. I think the gentleman should also keep in perspective the fact that we have already sent food aid and economic aid to Mozambique and there are many serious validated accusations that they were using them to feed the Mozambican troops. The same is true in Ethiopia, where we have sent hundreds of millions of dollars in food aid. Now, I am not opposing the food aid.

Mr. DORNAN of California. Nor am I.

Mr. SILJANDER. I think the issue is are we subsidizing with our food aid the Soviet Union and/or Cuba which would otherwise have to feed their own troops.

Mr. DORNAN of California. As the Republican leader on our committee you have solutions to this, correct?

Mr. SILJANDER. I do. I think that it would be reasonable in the case of Mozambique for example that we certainly should not, and I hope as we develop these arguments others will agree, should not contribute military aid to Mozambique, period.

No. 2, I think we should not contribute economic aid, other than food aid now, excluding food aid, unless the Cubans, Russians, East Germans, North Koreans are limited to 55, as we are in El Salvador.

Mr. DORNAN of California. That is an excellent idea.

Mr. SILJANDER. If they are down to 55, and we can confirm that by our intelligence reports, then by all compassionate reasons we should be more than willing to consider other economic aid, other than food aid.

Mr. DORNAN of California. Which might include tractors and economic assistance to farmers.

Mr. SILJANDER. Yes; that sort of thing. To help them become a self-sustaining economy. Now, I also think that food aid in all cases be it Ethiopia, the Sudan, Egypt, be it in Mozambique, should not be used to feed military troops whether they are foreign troops in that country or their own domestic troops, but should be used for the reason of helping the needy, the starving civilians of those countries. The taxpayers of America, I do not believe, would support and condone the United States giving our food free to governments when they us it for their troops or let along foreign troops or let alone Marxist troops.

We are saying that aid should be to help children, women, and men who are starving and in need. Not to help Marxist troops.

Mr. DORNAN of California. If the gentleman would yield, I would like to make a final comment and then I am going to go over this special order carefully and help you with any legislation I can.

I am glad that you are the ranking member on that Africa Subcommittee. I know that you and I are the only two Republicans on Foreign Affairs that have three committee responsbilities, and I think that one of the great tragedies of our lifetime is that the Continent of Africa, which used to be referred to in sort of a paternalistic way by Europeans as the "Dark Continent," really could have been a breadbasket to the world; not a cauldron of starvation.

This continent, when we were younger, was a net exporter of foodstuffs, is now not only a net importer, but they cannot import enough to stave off starvation. That thousands of babies will die during the course of the Congress just over today's session.

I would like to tell anybody who is listening to do a little geographical exercise that I stumbled on when I was in grade school when my parents got me my first globe. There are two stunning things about the globe that I discovered as a young person, and that I still like to show young people when they come to my office.

One is, we truly are the water planet. There is very little land on this planet; it appears as a blue-green jewel to our astronauts because the land masses are so small in relationship to the water covering this planet. Every little piece of square earth, even the desert areas, I believe with man's ability, if we can stay out of wars, will be properly irrigated and used some day.

The second stunning fact, after you look at the amount of water covering our planet, is the size of the Continent of Africa. Even compared to South America or the Eurasian land mass. When you look at the amount of history, most of it warfare and killing that has taken place with all the royalties and empires of Europe, I tell young people to do this with their fingers, but it is even more graphic if you take a little piece of notepaper and just rip out roughly the shape of Europe, from Spain to Poland. then take that little cutout of Europe, no matter what size your globe is, and lay it on the Continent of Africa, and the whole expanse of Europe, with all that history of England and Ireland and Spain and Germany and Italy and France up to Poland, disappears into the center of this gigantic land mass of Africa.

The agony on this continent, particularly in this area of one of the most basic needs of families on the planet feeding themselves; this suffering of these young children which I am going to witness this week myself, it is just something that should not be taking place in a modern world.

Yes, I believe there is a burden, and it is a burden on not just the United States, but all the industrialized countries of the world. Yes, it is a burden on one of the most selfish superpowers that has ever existed, the Soviet Union. To make our best effort first, to get these people fed. When these countries that cannot feed themselves are sending 707 aircraft to Edinboro, Scotland to bring back scotch by the casefull; bottles of Pinch; Chivas Regal; Johnny Walker; to celebrate their Marxist revolutions, when all Marxism and Leninism and Communism brings is utter starvation, then something is really wrong in that Continent of Africa.

When it was exploding into the sunlight of its history during the 1960's, with one democracy being started after another, to see it truly revert back to a dark continent is sad.

Again, I congratulate the gentleman for taking out this special order and look forward to a very productive 99th Congress working with you on trying to help these suffering people of Africa first feed themselves, and then, at the same time, hopefully, develop the political freedoms that we take so for granted in Western Europe and in the United States.

Mr. SILJANDER. I thank the gentleman from California. We like too often to pat each other on the back unnecessarily but I do mean this sincerely: I appreciate the fact that we serve together on the Subcommittee on Africa. I do look forward indeed in working with you in the ensuing months and year toward resolving some of these issues on that continent.

I think it certainly is a challenge to us all indeed. I would like to move on with a couple of comments regarding Mozambique, and whether or not the policies of this administration, Congress, ought to include military and nonfood economic aid.

One of the arguments I heard too while I visited Mozambique and as I communicate with our various administration officials, they tell me that they are really moving toward the West, as I alluded to earlier, and the Soviets hate it. We are just grinding into the backbone of the Soviet Union. Well, I am not so sure that that is an accurate statement. In fact, talk about accords, the South African Government to have signed the Knomati accords with the country of Mozambique, both sides are complaining that they are not complying.

Now, if they cannot even maintain a simple accord with South Africa, a democratic, racist government, how in the world can they hope to apply any fair play and consistency with the United States and the West?

□ 2110

Another point. Samora Machel, the president of that country, could not move toward the West if he wanted to. Now let us face some realities. His bodyguards are practically East Germans and Cubans. Yes, they have AK-47's pointed at any potential assassin, but those AK-47's are also pointed at the back of his head. When he flies, who are his pilots? His pilots are Libyans.

The Soviets will allow them only so much room in the U.N., as we talked about earlier, and only so much room of independence as they have allowed Romania and the East. If that is necessary to tape into the economic resource of the West, the Soviet Union is more than willing to let them flex a little bit.

But if Samora Machel was not a Marxist, as they claim internally, which I think is nonsense, and he really wanted to go the way of the West, he cannot, because of just simply those who are protecting him and those who are around him. In fact, a CIA report has recently exposed that in Angola, if the Marxist regime of Angola continues to attempt to negotiate with UNITA, the democratic freedom fighters, that the Soviets would have them assassinated. This is an analysis done by our CIA. I think that would certainly be even more applicable to Mozambique as well.

Another point: Are they really moving toward the West? Ten days after President Reagan signed the request for military aid, there was a communique with Mongolia. This communique is rather incredible. Does this sound like a country moving toward the West, when both sides briefed each other on development of the building of a Socialist society in their respective countries, and exchanged a number of views about bilateral relations in international relations, and having noted common viewpoints about the issues that were raised?

Does this sound like a country leaning away from the East and to the West as the parties and governments of the two nations have continuously been developing based on the principles of Marxism, Leninism, and proletarian internationalism? Does that sound like a government coming our way?

They said Mongolian people and the government are building a Socialism in the MPR, the party in power in Mozambique, and he stressed that the successes have been attained as a result of the wise leadership of the party and the selfish effort of the Mozambican people. He reiterated the constant support of the Mozambican people and the Government of Mongolia's people's struggle to build Socialism in that country.

On and on and on, talking about Socialism and Marxism, and then, if that is not enough, they are criticizing the policies in the Western Sahara. They were patting the Soviets on the back and the Government of Afghanistan, the puppet Soviet government of Afghanistan on the back, saying what a wonderful thing it is, the liberation that is happening in Afghanistan.

They also talked about the PLO as a legitimate representative of the Palestinian people, constantly criticizing imperialist forces in the world, obviously alluding to us in the United States, criticizing the deployment of the INF in Europe and began patting on the back the Sandinistas in Nicaragua in their fight for freedom against imperialist forces, namely us helping the Contras in Nicaragua.

Does this all sound like a country moving toward the West?

There is strong opposition, according to our sources, opposition against détente, any type of attempt at détente by the military in Mozambique, the military that controls the guns in that country. But I think the reality is that Mozambique is trying to achieve the best of both worlds. They are a chronic Marxist state, a one-party state, that is receiving help from the Soviets, and that is ideologically where they fit?

By the same token, they can act a little bit in the United Nations. through abstentions as though they are coming our way, from a zero voting record to a zero voting record with abstentions, and they can receive economic aid, food aid, military aid, load aid from the West, and a little from the Soviets. They are having it both ways, and practically so, and if I were Samora Machel in that country, if I were Samora Machel and I saw my major market, the capital city of Maputo, had no more than four or five merchants where there were 1 day thousands, a city as one flies into Maputo, the capital, one sees rising skyscrapers and beautiful buildings and cranes, as though there is a big, rapid boom, an expansion, until the reality hits when one lands and sees that those buildings are empty and only half built and construction.

The country is utterly, unequivocally devastated. Yet we want to help shore up that government because they are coming our way. They said economic aid, which is their other argument, is necessary to help Mozambique, and I say why? Are we there to help fill in for the Soviets so the Soviets, rather than helping one of their satellite countries, can transfer those funds and continue the plight of the Afghanistan people?

Why should we pay for the president of that country, Machel's, tailored London suits and uniforms? Oh, I know why they need economic aid, because he has to keep his two pink Rolls Royces in operations, and he has to keep his cases of Scotch whiskey, which he consumes at an extreme rate, in ample supply. I know why he wants economic aid. He wants to shore up that devastated economy because Socialist-Marxist-Leninist policies have failed.

But we should be willing to contribute food aid to help the weak and the needy, and not military aid or further economic aid.

Another argument: If the situation worsens in that country and Renamo, the pro-West freedom fighters, gain more control, they will call in Soviets and Cubans and there will be another Angola which will have 35,000 to 40,000 Cubans, rather than 500 to 1,000, thousands of Soviets, and we will have another major bastion of East troops through the Soviets and Cuban troops in the now western part of the southern part of Africa. That is nonsense. That is about the least palatable argument of them all.

No. 1, the South African Government has the seventh largest army in the world. Do you think for one moment that if they chased the Africa National Congress, the guerrillas against South Africa, into Mozambique, up and through Maputo, the capital of Mozambique, and cleared them out, went over to Namibia and then right into Angola to chase SWAPO terrorits out, that they would allow 35,000 Cuban troops or Soviet troops within a stone's throw of their border? They could easily annihilate any Cuban presence in Mozambique, and the Soviets, I do not believe, and neither do any of the intelligence reports, would dare risk a serious embarrassment under the hands of the South African Government.

Another argument: Renamo is responsible for the starvation, not really the government. Granted, Renamo has engaged in economic attacks. What about the floods, the drought, economic bondage, the Bulgarian fertilizers that they import into their country and brought in the East experts that burend up the soil so they could produce no food? The Bulgarians unfortunately did not evaluate the agricultural soil properly. Is it their fault?

What about the forest resettlements, the state owned and operated farms that have failed, the Soviet exploitation of the copper, the coal, fish, and other resources? Could that not have something to do with their starvation and plight?

□ 2120

Is it all Renamo's fault? Well, they argued that they signed the Nkomati accords, and this is sure proof, certain proof that they are moving our way.

You know something? That is ridiculous, too. The Nkomatix accords, while they were fine for South Africa, said that the guerrillas against South Africa—the ANC, the African National Congress—could not operate in Mozambique. In turn, South Africa would not continue to fund the freedom fighters in Mozambique, the guerrillas against that government of Renamo.

Understand now, there is a joint agreement, but the truth is that Mozambique had no choice but to sign those agreements. Their economy is devastated. The insurgency of Renamo in that country already controls 10 provinces. They needed to do something to stop the major upsurgence of the insurgency in support that that Renamo, pro-West, democratic, freedom-fighting organization was having in the country. They were there to attempt to do anything they can to stop it, plus they did not have Western military aid at the time.

That is why they are asking for it. I would ask for military aid, too, if my entire country was surrounded with insurgencies.

Let me make another point. I am nearly finished. Oh, they are participating in the World Bank, in the IMF, the International Monetary Fund. That means they are for the West? That is ridiculous. Of course, if your country was devastated and you could squeeze money out of the West in terms of loans, why not? I fail to see how that means they are being weaned away from the East and supporting the West because they are making use not only of our military funds, our economic funds, and our food funds, but they are also making use of our loan moneys.

After all, somebody has to pay back the Soviets for all their military contracts that they are bound to. The way they are written, these contracts are unbreakable.

So what are they doing? They are using the West's money to pay back the Soviets for their military goods. This is an absurd argument, and obviously and pragmatically they are taking advantage of the West again.

The last point is this: It has been suggested that this military aid is very limited. It is only $3 million, and it is just symbolic anyway. Of course, for now it is symbolic. Granted $3 million is not a lot of money, but what are their intentions after the symbolism is over? It started at $1 million. Now it is $3 million. Now it is for training, and new requests could come at any moment for more funds.

Mr. Speaker, I hope that this makes the issue very clear that our policy in Mozambique for military aid and economic aid is an unwise move indeed.

Food aid? We have that. That is our obligation out of compassion and human concern. We continue that, but I would urge the membership to consider in the authorization, when the foreign aid bill comes up, support for my amendments to bring foreign policy in that part of Africa under reasonable control.

GENERAL LEAVE

Mr. SILJANDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on House Concurrent Resolution 152, which was considered earlier today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FRANKLIN) to revise and extend their remarks and include extraneous material:)

Mr. McKinney, for 5 minutes, today.

Mr. Goodling, for 5 minutes, today.

Mr. Swindall, for 45 minutes, May 23.

Mr. Leach of Iowa, for 60 minutes, May 23.

(The following Members (at the request of Mrs. Schroeder) to revise and extend their remarks and include extraneous material:)

Mr. Ray, for 5 minutes, today.

Mr. St Germain, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Pepper, for 5 minutes, today.

Mr. Panetta, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Weiss, in the general debate on the budget resolution (H. Con. Res. 152).

Mr. AuCoin, following vote on rollcall No. 125.

Mrs. Boggs, following the vote on rollcall No. 126.

(The following Members (at the request of Mr. Franklin) and to include extraneous matter:)

Mr. Frenzel in two instances.
Mr. Shumway.
Mr. Parris.
Mr. Hillis.
Mr. Hansen.
Mr. Schaefer.
Mr. Saxton.
Mr. Kindness.
Mr. Gekas.
Mr. Crane.
Mr. Lent.
Mrs. Vucanovich.
Mr. Broomfield in two instances.
Mr. Courter.
Mr. McKernan.
Mr. Kolbe.
Mr. Schuette.
Mr. Roth.
Mr. Franklin in two instances.
Mr. Dannemeyer.
Mr. Crane in two instances.
Mr. Michel in two instances.
Mr. Lagomarsino in three instances.
Ms. Snowe.

(The following Members (at the request of Mrs. Schroeder) and to include extraneous matter:)

Mr. Dorgan of North Dakota.
Mr. Montgomery in two instances.
Mr. Wise.
Mr. Coelho.
Mr. Brown of California.
Mr. Stokes in two instances.
Mr. AuCoin.
Mr. Dymally.
Mr. Towns.
Mr. Moody.
Mr. Mrazek in two instances.
Mr. Skelton.
Mr. Tallon.
Mr. Florio.
Mr. Feighan.
Mr. Lipinski in two instances.
Mr. Ackerman.
Mr. Morrison of Connecticut in two instances.
Mr. Edwards of California.
Mr. Lundine.
Mr. Waxman.
Ms. Mikulski in three instances.
Mr. Mineta.
Mr. Schumer.
Mr. Boland.
Mr. Vento in two instances.
Mrs. Schroeder.
Mr. Rodino.
Mr. Borski.
Mr. Udall.
Mr. Kostmayer.
Mr. Torres.
Mr. Conyers.
Mr. Ford of Tennessee.
Mr. Hubbard.
Mrs. Boxer.
Mr. Fauntroy.
Mr. Jones of Tennessee.
Mr. Torricelli.

ADJOURNMENT

Mr. SILJANDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Thursday, May 23, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1348. A communication from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1985 and amendments to the request for appropriations for fiscal year 1986, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-72); to the Committee on Appropriations and ordered to be printed.

1349. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-21, "Pregnancy Anti-Discrimination Act of 1985," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1350. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-19, "Council Record Reproduction Fee Authorization Act of 1985" and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1351. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-20, "Advisory Neighborhood Commission Boundaries Act of 1983 Amendment Act of 1985," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1352. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-22, "Utility Regulatory Assessment Clarification Act of 1985," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1353. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-23, "Rental Housing Act of 1985," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1354. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by Paul J. Hare, Ambassador-elect to the Republic of Zambia, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FUQUA: Committee on Science and Technology. Supplemental report on H.R. 1798 (Rept. No. 99-54 Pt. II ordered to be printed.

Mr. WHITTEN: Committee on Appropriations. H.R. 2577. A bill making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes (Rept. No. 99-142). Referred to the Committee on the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

[Omitted from the Record of May 21, 1985]

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2092. A bill to amend the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1986 and 1987, and for other purposes; with an amendment; referred to the Committee on the Judiciary for a period ending not later than July 8, 1985 for consideration of such provisions of section 4 of the amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation as fall within the jurisdiction of the Committee on the Judiciary pursuant to clause 1(m), rule XI (Rept. No. 99-121, Pt. III. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MINETA (for himself, Mr. Howard, Mr. Young of Missouri, and Mr. Pashayan):

H.R. 2575. A bill to preserve international air transportation by U.S. air carriers; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. WIRTH (for himself, Mr. Waxman, and Mr. Florio):

H.R. 2576. A bill to control toxic releases into the air, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WHITTEN:

H.R. 2577. A bill making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes.

By Mr. ANNUNZIO:

H.R. 2578. A bill to provide for the striking of medals to commemorate the Young Astronaut Program; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ASPIN (for himself and Mr. Dickinson) (by request):

H.R. 2579. A bill to amend title 10, United States Code, to provide for more efficient and expeditious disposal of lost, abandoned, and unclaimed property in the custody of the military departments; to the Committee on Armed Services.

By Mr. BROWN of California:

H.R. 2580. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to better protect the public from the hazards of pesticides, and for other purposes; to the Committee on Agriculture.

By Mr. BRUCE (for himself and Mr. Glickman):

H.R. 2581. A bill to amend the Agricultural Act of 1949 to modify the producer reserve program to ensure appropriate levels of orderly marketing of stored wheat and feed grains; to the Committee on Agriculture.

By Mr. BRYANT:

H.R. 2582. A bill to require foreign persons to register their investments in the United States, to provide for reciprocity in international investment policy between the United States and foreign countries, and for other purposes; jointly, to the Committees on Energy and Commerce and Banking, Finance and Urban Affairs.

By Mr. DANNEMEYER:

H.R. 2583. A bill to amend the Federal Food, Drug, and Cosmetic Act to define the authority of the Secretary of Health and Human Services with respect to regulating food as drugs; to the Committee on Energy and Commerce.

By Mr. FLORIO:

H.R. 2584. A bill to amend the Housing Act of 1949 to require the Farmers Home Administration to establish escrow procedures that require borrowers to make periodic tax and other payments in connection with their mortgage loan payments and to alleviate the burden of delinquent property tax payments on Farmers Home Administration loans; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FORD of Tennessee (for himself and Mr. Rangel):

H.R. 2585. A bill to amend titles IV, XVI, and XVIII of the Social Security Act and chapter 1 of the Internal Revenue Code of 1954 to reverse the present upward trend in the poverty rate, particularly among children and the elderly; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. MICA:

H.R. 2586. A bill establishing certain requirements for United States assistance to Haiti to ensure that the Government of Haiti is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti, and for other purposes: to the Committee on Foreign Affairs.

By Mr. PANETTA:

H.R. 2587. A bill to amend the Internal Revenue Code of 1954 to provide that certified public accountants and enrolled agents may represent taxpayers in certain Tax Court cases involving $10,000 or less; to the Committee on Ways and Means.

By Mr. PARRIS:

H.R. 2588. A bill to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war; to the Committee on House Administration.

By Mrs. SCHROEDER (for herself, Mr. Wolpe, Mr. Clay, Mr. Conyers, Mr. Crockett, Mr. Dellums, Mr. Dixon, Mr. Dymally, Mr. Fauntroy, Mr. Frank, Mr. Gray of Pennsylvania, Mr. Leland, Mr. Garcia, Mr. Mitchell, Mr. Owens, Mr. Savage, Mr. Towns, and Mr. Weiss):

H.R. 2589. A bill to prohibit the exploitation of any natural resources from the territory of Namibia without the permission of the United Nations Council for Namibia; jointly, to the Committees on Foreign Affairs and Ways and Means.

By Mr. SCHUMER:

H.R. 2590. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

By Mrs. VUCANOVICH (for herself, Mr. Bonior of Michigan, Mr. Kasich, Mr. Daschle, Mr. Bilirakis, and Mr. Evans of Illinois):

H.R. 2591. A bill to award special congressional gold medals to Jan Scruggs, Robert Doubek, and Jack Wheeler; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BILIRAKIS:

H.J. Res. 292. Joint resolution to designate October 1985 as "Phobia Awareness Month;" to the Committee on Post Office and Civil Service.

By Mr. LEVIN of Michigan (for himself, Mr. Daschle, and Mr. Horton):

H.J. Res. 293. Joint resolution to designate June 12, 1985, as "Anne Frank Day;" to the Committee on Post Office and Civil Service.

By Mr. McEWEN:

H.J. Res. 294. Joint resolution to designate the visitors center located at Caesar Creek Lake, OH, as the "J.E. Carnahan Visitors Center;" to the Committee on Public Works and Transportation.

By Mr. ROWLAND of Georgia:

H.J. Res. 295. Joint resolution to designate July 16, 1985, as "National Atomic Veterans Day;" to the Committee on Post Office and Civil Service.

By Mr. HILLIS:

H. Res. 178. Resolution establishing a temporary commission composed of political scientists and other persons from private life, to study the precedents of the House relating to election contests and to recommend to the House nonpartisan procedures for resolving such contests; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

139. The SPEAKER presented a memorial of the Legislature of the State of Arizona, relative to commercial homework; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. PANETTA introduced a bill (H.R. 2592) for the relief of Althea Williams Self McQueen; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

[Omitted from the Record of May 21, 1985]

H.R. 2201: Mr. Lagomarsino, Mr. Roe, Mr. Coble, Mr. Young of Missouri, Mr. Mitchell, Mr. LaFalce, Mr. Saxton, Mr. Thomas of Georgia, Mr. Porter, Mr. Martinez, Mrs. Lloyd, Mr. Horton, Ms. Snowe, Mr. Stenholm, Mr. Conyers, Mr. McCurdy, Mr. Owens, Mr. Brown of Colorado, Mr. Rahall, and Mr. Craig.

[Submitted May 22, 1985]

H.R. 8: Mr. Moody, Mr. Visclosky, Mr. Atkins, Mr. Lightfoot, Mr. Perkins, Mr. Gray of Illinois, Mr. Wise, Mr. de Lugo, Mr. Rowland of Georgia, Mr. Borski, Mr. Valentine, Mr. Molinari, Mr. Bosco, Mr. Shaw, Mr. Rahall, Mr. Lipinski, Mr. Hammerschmidt, Mr. Kolter, Mr. Sunia, Mr. Towns, Mr. Traficant, Mr. Young of Missouri, Mr. Nowak, Mr. McEwen, Mr. Sundquist, Mr. Packard, Mrs. Bentley, Mr. Callahan, Mr. Gingrich, Mr. Clinger, Mr. Breaux, and Mr. Shuster.

H.R. 27: Mr. Clinger, Mr. Williams, Mr. Howard, Mr. Torricelli, and Mrs. Kennelly.

H.R. 43: Mrs. Schroeder and Mr. Lantos.

H.R. 154: Mrs. Boxer and Mr. Weaver.

H.R. 155: Mrs. Boxer and Mr. Weaver.

H.R. 157: Mrs. Boxer and Mr. Weaver.

H.R. 158: Mr. Gray of Pennsylvania, Mrs. Boxer, and Mr. Weaver.

H.R. 159: Mrs. Boxer and Mr. Weaver.

H.R. 160: Mrs. Boxer and Mr. Weaver.

H.R. 370: Ms. Mikulski, Mr. Frank, Mr. Fazio, Mr. Weiss, Mr. Kolter, Mr. Conte, and Mr. Rahall.

H.R. 375: Mr. Clinger, Mr. Williams, Mr. Bedell, Mr. Howard, Mrs. Boxer, and Mr. Torricelli.

H.R. 512: Mr. Gunderson.

H.R. 622: Mr. Bonker.

H.R. 825: Mr. Coyne, Mr. McMillan, and Mr. Fazio.

H.R. 840: Mr. Neal.

H.R. 841: Mr. Neal and Mr. Torricelli.

H.R. 933: Mr. Lehman of Florida, Mr. Stark, and Mr. Torricelli.

H.R. 1031: Mr. Roybal, Mr. Mitchell, and Mr. Seiberling.

H.R. 1032: Mr. Roybal, Mr. Mitchell, and Mr. Seiberling.

H.R. 1050: Mr. Burton of Indiana, Mr. Bevill, Mr. Sunia, Mr. Mollohan, and Mr. Martinez.

H.R. 1059: Mr. DeLay.

H.R. 1060: Mr. Wolpe.

H.R. 1123: Mr. Archer, Mr. Bilirakis, Mr. Brown of California, Mr. Burton of Indiana, Mr. Evans of Iowa, Mrs. Holt, Mr. Kolbe, and Mr. Petri.

H.R. 1136: Mr. Monson, Mr. Ford of Tennessee, Mr. Henry, and Mr. Sisisky.

H.R. 1142: Mr. Chandler.

H.R. 1146: Mr. Owens, Mr. Savage, Mr. Stark, Ms. Kaptur, and Mr. Martinez.

H.R. 1205: Mr. Fauntroy, Mr. Young of Florida, Mr. Coelho, Mr. Traxler, Mr. Chappell, Ms. Oakar, Mr. Conte, Mr. Parris, Mr. Florio, and Mr. Kolter.

H.R. 1284: Mr. Beilenson, Mr. Seiberling, Mr. Coleman of Texas, Mr. Grotberg, Mr. Fauntroy, Mr. Mrazek, Mr. Rangel, Mr. Perkins, Mr. Bryant, Mr. Jones of Oklahoma, Mr. Morrison of Connecticut, Mr. Brown of California, Mr. Barnes, and Mr. Dymally.

H.R. 1294: Mr. Walgren, Mr. Waxman, and Mr. Neal.

H.R. 1307: Mr. Gekas, Mr. Matsui, Mr. Nielson of Utah, Mrs. Bentley, Mr. Coleman of Texas, Mr. Traficant, Mr. Mazzoli, and Mr. Guarini.

H.R. 1324: Mr. Siljander, Mrs. Martin of Illinois, Mr. Nielson of Utah, Mr. Hall of Ohio, and Mrs. Collins.

H.R. 1327: Mr. Dreier of California, Mr. Mitchell, Mr. Frank, Mr. DioGuardi, Mr. Dornan of California, Mr. Valentine, Mr. Volkmer, and Mr. Porter.

H.R. 1335: Mr. Gejdenson, Mr. Dymally, Mr. McHugh, Mr. Richardson, Mr. Coelho, Mr. Fuster, Mr. Fauntroy, and Mr. Moody.

H.R. 1353: Mr. Bartlett.

H.R. 1507: Mr. Hall of Ohio, Mr. Mrazek, and Mr. Wortley.

H.R. 1526: Mr. Kastenmeier, Mr. Sabo, Ms. Kaptur, Mr. Ford of Tennessee, Mr. Fazio, Mr. Clay, Mr. Wilson, and Mr. Crockett.

H.R. 1535: Mr. Dymally and Mr. Lantos.

H.R. 1536: Mr. Dymally and Mr. Lantos.

H.R. 1562: Mr. Bryant, Mr. McKinney, Mr. Bates, Mr. Clinger, Mrs. Kennelly, Mr. Moody, Mr. Traficant, Mr. Stump, Mr. Staggers, Mr. DioGuardi, Mr. Ortiz, Mr. Davis, Mr. Edwards of California, Mr. MacKay, Mr. Chappie, Mr. Richardson, Mr. Reid, Mr. Stenholm, Mr. Strang, Mr. Hamilton, Mr. Andrews, Mr. McCain, Mrs. Holt, Mr. Gekas, Mr. Pursell, Mr. Scheuer, Mr. Hillis, Mr. Schuette, Mr. Gallo, Mr. Gonzalez, Mr. Lewis of Florida, Mr. Rudd, Mr. Crockett, Mr. Lantos, Mr. Wylie, Mr. Saxton, Mr. Latta, Mr. Lundine, and Mrs. Schneider.

H.R. 1612: Mr. Hopkins, Mr. Synar, and Mr. Lightfoot.

H.R. 1644: Mr. Morrison of Washington.

H.R. 1650: Mr. Kanjorski, Mr. Kolbe, and Mr. Mrazek.

H.R. 1674: Mr. Mitchell, Mr. Martinez, Mrs. Collins, Mr. Fauntroy, Mrs. Lloyd, and Mr. Skelton.

H.R. 1716: Mr. Green, Mr. Frenzel, and Mr. McMillan.

H.R. 1763: Mrs. Martin of Illinois, Mr. Solomon, and Mr. Rogers.

H.R. 1769: Mr. Stenholm and Mr. Sweeney.

H.R. 1770: Mr. Fazio, Mr. Rangel, Mr. Hughes, and Mr. Madigan.

H.R. 1857: Mr. Wheat.

H.R. 1858: Mr. Wheat.

H.R. 1859: Mr. Wheat.

H.R. 1860: Mr. Wheat and Mr. Durbin.

H.R. 1918: Mr. McCollum.

H.R. 1926: Mr. Vento, Mrs. Lloyd, Mr. Seiberling, Mr. Jeffords, Mr. Evans of Illinois, Mr. Martinez, Mr. Ford of Michigan, Mr. Mitchell, Mr. Williams, Mr. Matsui, Ms. Kaptur, Mr. Levin of Michigan, Mr. Bedell, Mr. Yatron, Mr. Frost, Mr. Guarini, Mr. Stokes, Mrs. Collins, Mr. Frank, Mr. Rahall, Mr. Edgar, and Mr. Conte.

H.R. 1945: Mr. Foglietta.

H.R. 1966: Mr. Weiss and Mr. Barnes.

H.R. 1985: Mr. Skeen, Mr. Feighan, and Mr. Edgar.

H.R. 2034: Mr. Dymally, Mr. Matsui, Mr. Downey of New York, and Mr. Edwards of California.

H.R. 2042: Mr. Biaggi, Mr. Kolter, and Mr. Mrazek.

H.R. 2076: Mr. Manton, Mr. Dymally, Mrs. Collins, Mr. Bennett, Mr. Dornan of California, Ms. Kaptur, Mr. Roe, Mr. Gilman, Mr. Parris, Mr. Rangel, and Mr. Towns.

H.R. 2119: Mr. Thomas of California and Mr. Zschau.

H.R. 2120: Mr. Wilson and Mr. Goodling.

H.R. 2124: Mr. Kolter, Mr. McHugh, Mr. Yates, and Mr. Markey.

H.R. 2142: Mr. Glickman.

H.R. 2186: Mr. Schuette and Mr. Boehlert.

H.R. 2211: Mr. Bustamante, Mr. Morrison of Washington, and Mr. Robinson.

H.R. 2216: Mr. Vento, Mr. Studds, Mr. Seiberling, Mr. Kolter, Mrs. Schroeder, and Mr. Conyers.

H.R. 2266: Mr. Weaver.

H.R. 2270: Mr. Nichols, Mr. Bevill, Mr. Shelby, Mr. Flippo, Mr. Dickinson, and Mr. Erdreich.

H.R. 2389: Mrs. Collins, Mr. Matsui, Ms. Kaptur, Mr. Daub, Mr. Levine of California, Mr. Wyden, and Ms. Oakar.

H.R. 2397: Mrs. Kennelly, Mr. Bustamante, Mr. Grotberg, Mr. Panetta, Mr. Kostmayer, Mr. Courter, and Mr. Spratt.

H.R. 2427: Mr. Schaefer.

H.R. 2443: Mr. Waxman, Mr. Downey of New York, Mr. Hertel of Michigan, Mr. Solomon, Mr. Smith of Iowa, Mrs. Schneider, Mr. Mineta, Mr. Fazio, Mr. Towns, Mr. Anderson of California, Mr. Owens, Mr. Fascell, Mr. Price, Mr. Brown of California, Mr. Kostmayer, Mr. Dixon, Mr. Mavroules, Mr. Lehman of Florida, Mr. Matsui, Mr. Weiss, Mr. McMillan, Mr. Studds, Mr. Barnes, Mr. Hutto, Mr. Seiberling, and Mr. de Lugo.

H.R. 2502: Mr. Rangel and Mr. Nichols.

H.R. 2525: Mr. Towns, Mr. Fuster, Mr. Fauntroy, and Mr. Dymally.

H.R. 2526: Mr. Hansen, Mr. Beilenson, and Mr. de Lugo.

H.J. Res. 87: Mr. Bartlett.

H.J. Res. 174: Mr. Feighan, Mr. Matsui, Mr. Studds, Mr. Sunia, Mrs. Holt, Mr. Davis, and Mr. Fauntroy.

H.J. Res. 175: Mr. Skelton, Mr. McKernan, Mr. Young of Missouri, Mr. Bartlett, Mr. Schaefer, Mr. Lowry of Washington, Mr. Gonzalez, Mr. de la Garza, Mr. Fields, Mr. Wirth, and Mr. Frost.

H.J. Res. 193: Mr. Stallings and Mr. Craig.

H.J. Res. 243: Mr. Coehlo, Mr. Berman, Mr. Ackerman, and Mr. Reid.

H.J. Res. 251: Mr. Ackerman, Mr. Addabbo, Mr. Akaka, Mr. Alexander, Mr. Anderson, Mr. Annunzio, Mr. Applegate, Mr. Archer, Mr. Aspin, Mr. AuCoin, Mr. Barnard, Mr. Barnes, Mr. Bates, Mr. Beilenson, Mr. Bennett, Mr. Berman, Mr. Bevill, Mr. Biaggi, Mr. Bilirakis, Mrs. Boggs, Mr. Boland, Mr. Bonior of Michigan, Mrs. Boxer, Mr. Breaux, Mr. Brooks, Mr. Broomfield, Mr. Brown of California, Mr. Brown of Colorado, Mr. Bryant, Mr. Burton of Indiana, Mrs. Burton of California, Mr. Bustamante, Mrs. Byron, Mr. Carr, Mr. Chappell, Mr. Clay, Mr. Coelho, Mr. Coleman of Missouri, Mr. Coleman of Texas, Mrs. Collins, Mr. Conyers, Mr. Daniel, Mr. Daschle, Mr. Daub, Mr. de la Garza, Mr. Dellums, Mr. Derrick, Mr. Dickinson, Mr. Dicks, Mr. Dingell, Mr. Dixon, Mr. Dorgan of North Dakota, Mr. Dornan of California, Mr. Downey of New York, Mr. Duncan, Mr. Durbin, Mr. Dwyer of New Jersey, Mr. Early, Mr. Eckart of Ohio, Mr. Edgar, Mr. Edwards of California, Mr. Edwards of Oklahoma, Mr. English, Mr. Fascell, Mr. Fauntroy, Mr. Fawell, Mr. Fazio, Ms. Fiedler, Mr. Fields, Mr. Fish, Mr. Florio, Mr. Foley, Mr. Ford of Michigan, Mr. Frank, Mr. Frenzel, Mr. Frost, Mr. Garcia, Mr. Gaydos, Mr. Gejdenson, Mr. Gephardt, Mr. Gibbons, Mr. Gilman, Mr. Gingrich, Mr. Glickman, Mr. Gonzalez, Mr. Gradison, Mr. Gray of Illinois, Mr. Gray of Pennsylvania, Mr. Green, Mr. Grotberg, Mr. Guarini, Mr. Sam B. Hall, Jr., Mr. Hall of Ohio, Mr. Hammerschmidt, Mr. Hansen, Mr. Hartnett, Mr. Hawkins, Mr. Hayes, Mr. Hefner, Mr. Heftel of Hawaii, Mr. Horton, Mr. Hoyer, Mr. Hughes, Mr. Hutto, Mr. Hyde, Mr. Jacobs, Mr. Jeffords, Mr. Jenkins, Mr. Jones of Tennessee, Mr. Jones of North Carolina, Ms. Kaptur, Mr. Kastenmeier, Mr. Kemp, Mrs. Kennelly, Mr. Kildee, Mr. Kolter, Mr. Kostmayer, Mr. Lagomarsino, Mr. Lantos, Mr. Latta, Mr. Evans of Illinois, Mr. Fuqua, Mr. Lehman of California, Mr. Lehman of Florida, Mr. Leland, Mr. Levin of Michigan, Mr. Levine of California, Mr. Lewis of California, Mr. Lipinski, Mr. Livingston, Mr. Loeffler, Mr. Lott, Mr. Lowry of Washington, Mr. Lujan, Mr. Luken, Mr. Lundine, Mr. McCandless, Mr. McDade, Mr. McHugh, Mr. Madigan, Mr. Markey, Mrs. Martin of Illinois, Mr. Matsui, Mr. Mazzoli, Mrs. Meyers of Kansas, Mr. Mica, Mr. Michel, Ms. Mikulski, Mr. Miller of Ohio, Mr. Miller of California, Mr. Mineta, Mr. Moakley, Mr. Morrison of Connecticut, Mr. Mrazek, Mr. Murphy, Mr. Murtha, Mr. Myers of Indiana, Mr. Natcher, Mr. Neal, Mr. Nichols, Mr. Nielson of Utah, Ms. Oakar, Mr. Oberstar, Mr. Obey, Mr. O'Brien, Mr. Owens, Mr. Packard, Mr. Panetta, Mr. Pease, Mr. Pepper, Mr. Perkins, Mr. Pickle, Mr. Porter, Mr. Price, Mr. Rangel, Mr. Regula, Mr. Richardson, Mr. Rinaldo, Mr. Ritter, Mr. Rodino, Mr. Roe, Mr. Roemer, Mr. Rose, Mr. Rostenkowski, Mr. Roybal, Mr. Rudd, Mr. Russo, Mr. Sabo, Mr. Scheuer, Mrs. Schroeder, Mr. Schulze, Mr. Schumer, Mr. Seiberling, Mr. Shaw, Mr. Shumway, Mr. Sisisky, Mr. Skeen, Mr. Skelton, Mr. Smith of Florida, Mr. Smith of Iowa, Ms. Snowe, Mr. Snyder, Mr. Solarz, Mr. Spence, Mr. Stratton, Mr. Taylor, Mr. Thomas of Georgia, Mr. Thomas of California, Mr. Torricelli, Mr. Traficant, Mr. Traxler, Mr. Udall, Mr. Vander Jagt, Mrs. Vucanovich, Mr. Walgren, Mr. Walker, Mr. Watkins, Mr. Waxman, Mr. Weaver, Mr. Weber, Mr. Weiss, Mr. Whitley, Mr. Whitten, Mr. Williams, Mr. Wilson, Mr. Wirth, Mr. Wolf, Mr. Wolpe, Mr. Wright, Mr. Wyden, Mr. Wylie, Mr. Young of Florida, Mr. Young of Alaska, and Mr. Young of Missouri.

H. Con. Res. 26: Mr. Lagomarsino.

H. Con. Res. 69: Mr. Chappell, Mr. DeLay, and Mr. Grotberg.

H. Con. Res. 99: Mr. Burton of Indiana, Mr. Vento, Mr. Wolpe, Mr. Stangeland, Mr. Moody, Mr. Daschle, Mr. DeLay, Mr. Stenholm, Mr. Hayes, and Mr. Rahall.

H. Con. Res. 146: Mr. Mollohan, Mrs. Collins, Mr. Gallo, Mr. AuCoin, Mr. Boehlert, Mrs. Johnson, Mr. Leland, Mr. Carper, Mr. Horton, Mr. Frost, Mr. Martinez, Mr. Bustamante, Mr. McHugh, Ms. Kaptur, Mr. Hamilton, Mr. Kildee, Mr. Lundine, Mr. Dorgan of North Dakota, Mr. DioGuardi, Mr. Gregg, Mr. Studds, Mr. Rangel, Mr. Frank, Mr. Lowery of California, Mr. Craig, Mr. Crockett, Mr. Sharp, Mr. Kostmayer, Mr. Bedell, Mr. Weber, Mr. Manton, Mr. Kleczka, Mrs. Bentley, Mr. Neal, Mrs. Roukema, Mr. Williams, Mrs. Kennelly, Mr. Dixon, Mr. Edwards of California, Mr. Jones of Oklahoma, and Mr. Sikorski.

H. Res. 21: Mr. Feighan and Mr. Gonzalez.

H. Res. 132: Mr. Martinez and Mr. Nielson of Utah.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1555

By Mr. FORD of Tennessee:

—Page 154, after line 24, insert the following new section:

SEC. 1206. REDUCTION IN AUTHORIZATIONS.

Notwithstanding the amounts specified in other sections of this Act—

(1) each authorization of appropriations provided by this Act (including the authorization for the second replenishment for the International Fund For Agricultural Development),

(2) each earmarking of a specific dollar amount of funds for a particular country, organization, or purpose, and

(3) the annual aggregate ceilings on foreign military sales credits,

shall be the amount which is 10 percent less than the amount specified.

H.R. 1872

By Mr. BENNETT:

—At the end of title I, add the following new section:

Section III. Authorization for transfer of funds for conventional forces.

From funds appropriated in years prior to 1986 for defense purposes but not now required for the specific purposes originally designated, there is hereby authorized to be transfered to and merged with funds appropriated for fiscal year 1986 $4,000,000,000 to be used for the acquisition of defense articles for the conventional forces of the Army, Navy, and Air Force. The funds transferred shall be equally divided between the Army, Navy, and Air Force. Funds transferred pursuant to this provision may be used for the acquisition of conventional weapons, including but not limited to the following items: ammunition, ships, tanks, vehicles, and planes.

—Strike out part E of title VI (page 118, line 5 through line 12 on page 122) and redesignate the succeeding parts and sections accordingly.

—Page 13, line 15, strike out "$9,039,500,000" and insert in lieu thereof "$6,921,700,000."

At the end of title I, add the following new sections:

SEC. III. PROHIBITION OF MX MISSILE PROCUREMENT.

None of the funds appropriated or otherwise made available for fiscal year 1986 for procurement of missiles for the Air Force may be obligated or expended for the MX missile program.

SEC. 112. CONVENTIONAL FORCES IMPROVEMENT PROGRAMS.

There is hereby authorized to be appropriated to the Secretary of Defense for fiscal year 1986 in the amount of $2,117,800,000 for procurement of defense articles for the conventional forces of the Army, Navy, and Air Force.

—At the end of the bill, add the following new section:

SEC. . DRUG-INTERDICTION ASSISTANCE TO CIVILIAN LAW ENFORCEMENT OFFICIALS.

(a) In General.—Section 374 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) The Secretary of Defense, upon request from the head of a Federal agency with jurisdiction to enforce the Controlled Substances Act (21 U.S.C. 801 et seq.) or the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), may assign members of the armed forces under the Secretary's jurisdiction to assist drug enforcement officials of such agency in drug searches, seizures, or arrests outside the land area of the United States (or of any territory or possession of the United States) if—

"(1) that assistance will not adversely affect the military preparedness of the United States;

"(2) the Attorney General verifies that the drug enforcement operation may not succeed without assistance by members of the armed forces; and

"(3) Federal drug enforcement officials maintain ultimate control over the activities and direction of any drug enforcement operation.".

(b) Conforming Amendment.—Section 375 of such title is amended by inserting "(other than under section 374(d))" after "under this chapter".

—At the end of title VIII (Procurement Policy) add the following new section:

Sec. —. Limitations on Conflicts of Interest in Defense Procurement.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Defense Procurement Conflict of Interest Act".

SEC. 2. CONFLICT-OF-INTEREST IN DEFENSE PROCUREMENT.

(a) Limitations on Acceptance of Compensation.—(1) An individual who is a former officer or employee of the Department of Defense or a former or retired member of the Armed Forces who, during the two years preceding the individual's separation from Government service, had significant responsibilities for a procurement function with respect to a Government contractor may not accept compensation from that contractor for a period of two years following the individual's separation from Government service.

(2) Whoever knowingly violates paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than one year, or both

(3) Any individual who knowingly offers, tenders, or grants any compensation to an individual the acceptance of which is or would be in violation of paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(b) Limitations on Contractors.—(1) Each contract for procurement of goods or services entered into by the Department of Defense shall include a provision under which the contractor agrees not to provide compensation, during the period described in paragraph (2), to an individual who is a former officer or employee of the Department of Defense or a former or retired member of the Armed Forces who, during the two-year period preceding the individual's separation from Government service, had significant responsibilities for a procurement function with respect to that contractor.

(2) The period referred to in paragraph (1) is the two-year period beginning on the date of the individual's separation from Government service.

(3) Such a contract shall also provide that if the contractor knowingly violates a contract provision required by paragraph (1) the contractor shall pay to the United States, as liquidated damages under the contract, an amount equal to the greater of—

(A) $100,000; or

(B) three times the compensation paid by the contractor to the individual in violation of such contract provision.

(c) Reports.—(1)(A) Each contractor subject to a contract term described in subsection (b) shall issue an annual report listing the name of each individual (together with other information adequate for the Government to identify the individual) who is a former Department of Defense officer or employee, or a former or retired member of the Armed Forces, who—

(i) had significant responsibilities for a procurement function during the individual's last two years of Government service;

(ii) was separated from Government service within the previous two years; and

(iii) was provided compensation by that contractor after leaving Government service.

(B) Each such listing shall—

(i) show each agency in which the individual was last employed or served on active duty during the last two years of such individual's service in the Government;

(ii) show the individual's job titles during the last two years of such individual's service in the Government;

(iii) contain a full and complete description of the duties of the individual during the last two years of such service; and

(iv) contain a description of the duties that the individual is performing on behalf of the contractor.

(C) A copy of each such report shall be sent to the Inspector General of the Department of Defense.

(2) The Secretary of Defense shall review each report under paragraph (1) to assess the report for accuracy and completeness and for the purpose of identifying possible violations of subsection (a) or (b) or paragraph (1). The Secretary shall report any such possible violations to the Attorney General for prosecution.

(3) Whoever fails to file a report required by paragraph (1) shall be fined not more than $10,000.

(d) Review by Director of Office of Government Ethics.—The Director of the Office of Government Ethics shall have access to the reports submitted under subsection (c)(1) and shall conduct an annual random survey of the reports to check for violations of subsections (a), (b), and (c)(1). The Director shall submit an annual report to Congress on the operation of this section, including the findings of the Director based on the examination of such reports.

(e) Exclusion.—This section does not apply—

(1) to a contract for an amount less than $100,000; or

(2) to employment by an individual with an entity that did not have a Department of Defense contract in excess of $100,000 at the time the individual had significant responsibilities for a significant procurement function with respect to a contract with that entity.

(f) Covered Procurement Functions.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense—

(A) shall identify the procurement functions covered by this section and the organizational positions currently performing such functions; and

(B) shall provide a list of such functions and positions to Congress.

(g) Advisory Opinions From Office of Government Ethics.—(1) An individual who is considering the propriety of accepting compensation that might place the individual in violation of subsection (a) may, before acceptance of such compensation, apply to the Director of the Office of Government Ethics for advice on the applicability of this section to the acceptance of such compensation. Any such application shall be made jointly by the individual and the contractor which proposes to provide the compensation.

(2) An application under paragraph (1) shall contain—

(A) a full and complete description of the duties of the applicant during the last two years of the applicant's service in the Government;

(B) any official responsibility the applicant exercised with regard to any procurement contract in which an interest is or was retained by the contractor who proposes to provide such compensation; and

(C) a description by the contractor of any prospective services that the applicant will perform on behalf of the contractor.

(h) Definitions.—For purposes of this section:

(1) The term "compensation" includes any payment, gift, benefit, reward, favor, gratuity, or employment valued in excess of $100 at prevailing market price, provided directly, indirectly, or through a third party.

(2) The term "contractor" means any person, partnership, corporation, or agency (other than the Federal Government, the independent agencies thereof, or the District of Columbia) that agrees or otherwise contracts to supply the Department of Defense with goods, services, or supplies. Such term includes any parent, subsidiary, or affiliate thereof.

(3) The term "procurement function", with respect to a contract, means any acquisition action relating to the contract, including negotiating, awarding, administering, approving contract changes, costs analysis, quality assurance, operation and developmental testing, technical advice or recommendation, approval of payment, contractor selection, budgeting, auditing under the contract, or management of the procurement program.

(4) The term "Armed Forces" means the Army, Navy, Air Force, and Marine Corps and includes the Coast Guard when the Coast Guard is operating as a service in the Navy.

(i) Separation of Members of Armed Forces.—For the purposes of this section, a member or former member of the Armed Forces shall be considered to have been separated from Government service upon such member's discharge or release from active duty.

(j) Transition.—This section does not—

(1) preclude the continuation of employment that began before the effective date of this section or the receipt of compensation for such employment; or

(2) apply to any officer or employee whose service with the Department of Defense terminated before the effective date of this section.

(k) Effective Date.—This section shall take effect on January 1, 1986.

(1) The provisions of section 3623 of title 18, United States Code, shall not apply to the maximum fines applicable under subsections (a)(2), (a)(3), and (c)(3).

SENATE—*Wednesday, May 22, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. Thurmond].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Gracious Father in Heaven, we pray for those of our Senate family who are ill. Be with Senator Exon and Senator East, their wives, families, and staffs. Grant them speedy recovery and strength for the great responsibilities which await them here. We thank You for the full recovery of Senator Wilson. Help him to remember his obligation to himself and his family as he reenters normal activities. We continue to pray for the total recovery of Tom Kimmitt. Be with his father and mother and the rest of the family in their deep concern. May they be comforted and encouraged in Your grace.

In such a large family, loving Lord, there are probably others not known to us who are hurting. We commend them to You and pray for Your loving response to whatever their need may be. Be with those who are lonely, who suffer physical or emotional difficulty, those who are discouraged or threatened by the loss of their job. Be with those who are frustrated and tired—those for whom monotony has made their tasks meaningless. Whatever the need may be, we cover it with our prayers and trust You, patient, forgiving God of all comfort, to restore and bless. In the name of the great Physician. Amen

RECOGNITION OF THE ACTING MAJORITY LEADER

THE PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

Mr. RUDMAN. Thank you, Mr. President.

SCHEDULE

Mr. RUDMAN. Mr. President, under the standing order the two leaders will each have their leadership time of 10 minutes each, which I will reserve in behalf of the majority leader.

There will be a special order in favor of the Senator from Wisconsin [Mr. Proxmire], for not to exceed 15 minutes.

Routine morning business will not extend this morning beyond the hour of 10 a.m. with statements limited therein to 5 minutes each.

Following routine morning business, the Senate will resume consideration of S. 1160, the DOD authorization bill.

The pending business is the Dodd amendment No. 185. Also pending is amendment No. 159, the Nunn amendment concerning MX missiles.

The leadership states that rollcall votes can be expected throughout the day and late into the evening, quite possibly later than on Tuesday's session.

I do not see the distinguished Democratic leader here.

It is my understanding that the Senator from Idaho wishes some time at this moment?

Mr. SYMMS. I thank the Senator, if I could have time.

The PRESIDING OFFICER (Mr. Andrews). Under the previous order, the Democratic leader is recognized.

Under the previous order, the Senator from Wisconsin [Mr. Proxmire] is recognized for not to exceed 15 minutes.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 10 a.m. with statements therein limited to 10 minutes each.

The Senator from Idaho is recognized.

Mr. RUDMAN. Mr. President, before the Senator from Idaho is recognized, I assume the Chair is reserving the time for the Democratic leader and majority leader until such time as they wish to use it.

The PRESIDING OFFICER. The Chair certainly is.

The Chair wanted to get into morning business so he could recognize the Senator from Idaho.

Mr. RUDMAN. Very well.

Mr. SYMMS. Mr. President, I thank the Chair for this expeditious recognition this morning, and I thank my colleagues for the opportunity to make a few comments this morning.

RUSSELL LONG

Mr. SYMMS. Mr. President, last Tuesday, May 14, I called to the attention of my colleagues an article in the Washington Times—a very excellent newspaper, I might add—on page D-1, written by former Secretary of the Treasury Mr. William Simon.

I wish to make a point that I had the privilege, coming into the Senate in 1981, to be assigned to the Finance Committee. The ranking minority member of that committee was Senator Russell Long, our dear colleague, in my view, a Senator with extraordinary insight and wisdom and knowledge. He has certainly been a pleasure and a privilege to know not only as a friend but as a colleague on that committee. He surely will be missed in this body by all of us, and especially by this Senator.

Mr. President, I shall ask unanimous consent to have printed in the Record this very excellent article at this point about our distinguished colleague, Senator Long, who has enormous talents that he has offered to this country in these past many, many years that he has been a Member of the Senate and as chairman of the Finance Committee for many years. His efforts are there daily. People who are familiar with the Finance Committee know that one of the most regularly attended Senators is Senator Long who often offers insight and wisdom to matters that are very important and always the dedication to his country. Foremost in his thoughts are what would be good for the economy of this country and the people of this country.

I wish to offer my salutation to him for his excellent service to the United States of America.

Mr. President, I ask unanimous consent that this article by William A. Simon be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Times]

Russell Long's Legacy

(By William A. Simon)

When the 100th Congress arrives in Washington in 1987, one man will be conspicuously absent. After 38 years in the Senate, Russell Long, the senior senator from Louisiana, will retire. Those who, like myself, have had the privilege of working with Mr. Long can only consider this something of a minor tragedy.

In the media over the years, Mr. Long's name has most often been associated with resistance to civil-rights legislation in the 1960s, the advocacy of the agricultural and shipping interests of Louisiana, and, especially, his defense of tax provisions beneficial to the petroleum industry. And it's true that in his 14 years as chairman of the Senate Finance Committee, and now as its ranking Democrat, Mr. Long has taken care of those interests well.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

But Mr. Long deserves to be remembered for far more than merely looking out for the citizens and industries of his state. He was one of the first to understand that the structure of our tax laws was strangling the capital formation so indispensable to sound economic growth.

Unable to persuade Congress to restructure the tax code to spur investment generally, Mr. Long did the next best thing. He pried open enough loopholes to keep the patient alive until public opinion was ready to accept a genuine cure. For that he took a lot of flack, but it ought to be clear now that what he did was a great public service.

But perhaps the most important reason why Americans should remember this great man with gratitude is that for many years, without much publicity, Mr. Long has been a dedicated and effective champion of expanding the distribution of private property ownership among the people of the United States.

The early statesmen of this country thought deeply about how a free republic could be maintained. Considering the experience of Europe, they argued that concentrated power is ever the enemy of liberty. Power follows property; thus, the concentration of property in the hands of a few would necessarily lead to either revolution or servility. James Madison observed that in the former instance, "The rights of property and public liberty would not be secure," and in the latter, those without property would become "the tools of opulence and ambition."

But the case for a widespread distribution of property ownership did not rest entirely on the need to protect republican liberty. It was also clear that the opportunity to acquire and enjoy private property was a strong motivating factor in economic growth. In addition, the fact of ownership had a powerful positive effect on an individual's self-image. It encouraged him or her to take part in civic affairs, engage in works of charity and improvement, and stand in the front rank of patriots in time of war.

This emphasis on the importance of helping as many citizens as possible to become owners carried on in our political tradition until the days of the New Deal. Then, except for some continuing interest in promoting home ownership, it pretty much vanished.

The New Deal's interest lay in organizing capitalism, taxing away its profits, and redistributing them among the poor and propertyless.

The idea of expanding the ownership so that all might participate as owners in a free economic system was not of interest to Franklin D. Roosevelt and his Brain Trust. And except for the efforts of former President Richard Nixon and his secretary of commerce, Maurice Stans, to assist minority enterprise in the first Nixon term, the idea of expanding ownership largely receded from public discussion.

Then came Mr. Long, son of Huey Long—The Kingfish, as he was called—the populist governor and then senator from Louisiana, whose slogan was: "Every man a king."

Mr. Long instinctivly grasped the importance of widespread property distribution. He saw clearly the benefits it would bring. And he recognized that the continual taxing and controlling of concentrated wealth to support the propertyless would in due course destroy the American economy.

Mr. Long set out to build a backfire against this trend. His best-known handiwork is the Employee Stock Ownership Plan (ESOP). Largely through his efforts an obscure technical provision in the tax code was widened and generalized to offer real incentives for the owners of corporations to share ownership with their employees.

Today, hundreds of American companies have created ESOPs to give their employees a stake in the business. Among the best known of these are People Express, Quad Graphics, Science Applications, Lowe's Stores, and Weirton Steel.

Since ESOPs became popular, the National Center for Employee Ownership has catalogued a number of studies that illuminate the economic consequences of expanding a firm's ownership to its employees. Without exception, these studies have shown that employee-owned firms show a higher growth in productivity better ability to weather recessions, bigger returns on investment, and the creation of more jobs than similar firms that are not employee-owned. The reasons are not always clear, but from personal experience I can testify that employee-owned campanies typically have fewer problems with inventory control, absenteeism, and labor relations. A realistic opportunity for workers to become owners has a powerful positive effect on employees' productivity, enthusiasm, commitment, and pride in their company.

ESOP refinancing has also been used frequently in recent years as part of rescue efforts for companies facing shutdowns. It is not a miracle cure by any means, but in many cases the productivity gains and positive attitudes flowing from employee ownership have made a viable business out of one that was marginal at best, to the great benefit of both the workers and their communities.

In introducing major ESOP legislation in late 1983, Mr. Long observed that, "If we want this private property system of ours to succeed, we simply must ensure that as many Americans as possible have an opportunity to earn an ownership stake in that system . . . the goal is to provide incentives for financing to be structured in such a way that, in the future, more Americans will have a chance to accumulate a capital estate."

It is a tribute to the power of this concept, as well as to Mr. Long's persuasive powers, that 46 other senators of both parties cosponsored his legislation, including conservatives like Sens. Laxalt, Hatch, and Denton, and liberals like Sens. Kennedy, Tsongas, and Pell. Most of that legislation was signed into law in 1984.

The idea of expanding the nation's capital-ownership base is a powerful one. But unlike so many ideas that capture the voters' minds—ideas like industrial policy, full employment, and price controls, to name a few—expanding ownership has demonstrable advantages for the American economy.

Whatever course his career may take after he leaves the Senate, Mr. Long's voice will doubtless continue to be heard on this subject. It's a voice that presidents and Treasury secretaries ought to be listening to, and there's no reason to wait until 1987 to begin.

HENRY HYDE

Mr. SYMMS. Mr. President, I had the privilege to be in the House of Representatives for 8 years before coming over to the Senate, and one of those privileges was to make many, many friends in the House of Representatives. One of the most outstanding Members of the House of Representatives that I had the privilege to know was a Congressman by the name of HENRY HYDE.

In yesterday's Washington Times on Capital Life, page B1, is an article "On the Go with Rep. Henry Hyde."

I know many people who have not had the privilege to meet this very distinguished Congressman may often associate him with the famous Hyde amendment, but he is actually anything but a single-issue Congressman. He, in my view, is one of the foremost authorities on a strong foreign policy in either body in Congress. I certainly salute him and recognize him as a valued friend and as a valued Member of Congress who I think represents a point of view that the American people believe in and share.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington Times entitled "On the Go With Representative Henry Hyde" by Diana West of the Washington Times.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON THE GO WITH REPRESENTATIVE HENRY HYDE

"How are you at walking?" asked Rep. Henry J. Hyde, as he pushed open a glass door leading into the subterranean labyrinth that links Rayburn House Office Building with the House of Representatives.

"It's my only exercise," the 61-year-old congressman explained. "I figure it's about four votes to the mile," he cracked, striding past the congressional subway car that was filling up with soberly dressed yet garrulous representatives on their way to a vote on the floor.

After 11 years in Congress, the big Republican from Illinois has covered many miles of congressional territory.

Since first gaining national attention as the author of the Hyde amendment, a 1976 amendment prohibiting the use of Medicaid funds for abortion except in cases when the mother's life is endangered, Mr. Hyde has become the political hero of the right-to-life movement, a cause he fervently believes in.

But he is by no means a one-issue congressman. As a member of the House Foreign Affairs Committee (as well as the House Judiciary and the House Intelligence Committees) Henry Hyde is recognized as a knowledgeable and articulate proponent of a conservative foreign policy. In fact, a U.S. News and World Report survey of House members judged Mr. Hyde to be the leading Republican authority on foreign affairs. And in the continuing debate over Nicaragua, Mr. Hyde has emerged as an eloquent spokesman for the president's foreign policy objectives.

But that's not all. The neoliberal magazine, The Washington Monthly, included Mr. Hyde among the six best congressmen in their latest roundup of "The Best and the Worst of the House of Representatives."

The open subway car, now crammed with congressmen, zoomed down the tracks toward the House, looking rather like a Disneyland monorail car that had somehow strayed into this unexpected tunnel beneath

Capitol Hill. Not the most dignified mode of transportation for the nation's legislators en route to cast their votes on the weighty affairs of state.

But this was not the most monumental bill that had compelled these representatives to desert sundry meetings, briefings, and lunches. As Henry Hyde explained it over his shoulder, this vote related to Republican objections to the way the Congressional Record printed debates on the controversy over the seating of a representative from Indiana.

"It's just harassment," Mr. Hyde said of the vote, as he came to halt before a crush of congressmen waiting for an elevator. "Everyone's just mad about [Richard] McIntyre and slowing the place down," he explained, referring to the still-simmering dispute over Indiana's 8th District congressional seat that had been awarded to Democrat Frank McCloskey.

The elevator door opened, and congressmen inside it traded places with congressmen outside.

"That was a great picture of you and Jane Fonda," Mr. Hyde said to a young Republican colleague leaving the elevator. "It'll look great on your campaign posters," he added. Was he merely joking, or was there a paternally chiding note in this tone?

"That was a freshman congessman from central Illinois," Mr. Hyde explained after the younger man had disappeared down the corridor. "And I don't think Jane Fonda'd go over too big there."

A couple of minutes was all it took for the congressman to vote against the motion (which did pass) and begin the trip back to his office.

"And another thing . . . !" Rep. Lawrence J. Smith, D-Fla., shouted to Mr. Hyde from across the congressional subway tracks, his face creased in a grin, his index finger stabbing the air. Mr. Hyde smiled back and continued walking, neither man missing a step.

All morning long—or rather, all the long morning—these two representatives had met with the rest of the House Judiciary Committee to "mark up" (or polish) a bill authorizing funds for the Justice Department. At least that was what the schedule said the Judiciary Committee was going to do. Instead, the committee had become enmeshed in a partisan snarl over a single amendment about . . . well, never mind what it was about. More notable than the arcane issue itself was the party politics it had revealed.

"You got in some good lines this morning, Henry," said one colleague rushing toward the House to vote.

Of course, Rep. Smith had not thought so at the time. "Humor is not a replacement for dialogue," he had said in response to one of Mr. Hyde's famous witticisms, a metaphor advising his Democratic colleagues not "to cure dandruff by decapitation."

But that had all been in a morning's work, and now it was the afternoon. Time for lunch in the office, a steaming plateful of Lean Cuisine Chicken Chow Mein and a dry but intellectually nutritious briefing to go with it.

"Wasn't it Pepsi that Ferraro did the commercial for?" asked Mr. Hyde before the briefing began, skeptically eyeing a can of Pepsi-Lite that his aide had placed on top of his immense, paper-strewn desk.

"Yes," she said, "and while they were filming it I hear that the camera crew . . ."

"That's not my point," he said, interupting her imperiously. "I don't like to support Pepsi."

"It's the best of that kind of drink," she replied undaunted.

As the congressman munched on his meal (and sipped his Pepsi), a minority staff consultant to the House Foreign Affairs Committee filled him in on a resolution seeking to urge the president to negotiate with the Soviet Union on a comprehensive nuclear test ban treaty. Later in the afternoon a House foreign affairs subcommittee would meet for a hearing on this measure.

"You're usually pretty good with the jargon, Mr. Hyde," said the staffer to start things off. "Are we clear on what TTB stands for? PNE? LTB?"

"Threshold test ban," recited Mr. Hyde flawlessly. "Peaceful nuclear explosion, and limited test ban."

As the briefing went on, Mr. Hyde questioned the consultant, extracting as many details as he could about the nuances of the resolution, as well as about the strengths and weaknesses of the different witnesses who would be testifying during the afternoon hearing.

"Do you mind if I smoke?" asked the congressman at one point, pulling a cigar from a drawer in his desk. "They're one of my few vices," he said, pricking a hole in one end of it.

"Are they Havana cigars?" he was asked playfully.

"No, they're worse," he replied with a laugh, showing a quick glint of silver caps. "Nicaraguan. I got them in Managua when I was there a few weeks ago. $10 a box. And these," he said, his eyes lingering over his stogie, "are the last ones. Pre-embargo cigars," he added, puffing.

With his white hair swept back to reveal a prominent, sculpted profile fit for Mount Rushmore, his mammoth girth, and the lapis lazuli and gold carved ring he wears on his pinkie, Henry Hyde looks like a bigtalkin', back-roomin', old-time Chicago politician. But of course, they were all Democrats.

"W.C. Fields had a famous line," said Mr. Hyde later, explaining how a middle-class Irish Catholic boy from Chicago could ever become a Republican. "He said it was a woman who drove him to drink—and he never found her to thank her. Well, it was a woman who made a Republican out of me, and that woman was Eleanor Roosevelt. And I really mean that."

While studying law at Chicago's Loyola Law School during the years following World War II, Mr. Hyde also worked as a proofreader for a local paper. There, we would meticulously proofread Mrs. Roosevelt's columns.

"And frankly she was a catalyst, I would say, to my disenchantment with the Democratic Party during those days." And what he describes as his "conservative biases and tendencies and learnings" emerged, in part, from his study of Marxism during—of all times—World War II on days when his Navy ship was idle in the South Pacific.

"It was a time when you'd do two things," he recalled. "You'd read a lot, and then you'd listen to the news on the ship's radio to see whether this war was getting any closer to termination."

While he cast his first vote for Harry Truman, he had changed parties by 1948, citing his disaffection with Democratic liberalism, as well as with Chicago's Democratic machine politics.

During a quiet moment in his office a few days after the lunchtime briefing, Mr. Hyde cited the Threshold Test Ban Treaty resolution—which had passed in the foreign affairs committee earlier in the day—as an example of what makes him a fierce critic of the way Congress tries to make "foreign policy on an ad hoc basis."

In simple terms, the resolution asks the president to submit the already negotiated Threshold Test Ban Treaty to the Senate and tells the president that he should immediately propose to the Soviets that a separate comprehensive threshold test ban treaty be negotiated.

"To tell the president now that Ambassador Kampelman and our team is over in Geneva with an agenda that has been worked out painstakingly with Mr. Gromyko, that suddenly we the Congress," Mr. Hyde said, gesticulating with mock solemnity, "in our great wisdom, are going to help them change their agenda and immediately propose a comprehensive test ban treaty . . . it interrupts an orderly flow of negotiations.

"Can't we leave something to the professionals?" he asked with a rhetorical flourish.

"I'm not saying that a comprehensive test ban treaty ought not to be negotiated, but it ought to be within the context of substantial and mutual reduction in nuclear weapons. And it ought to follow that substantial and mutual reduction. If it precedes that negotiated reduction, the Soviets lose their incentive to reduce.

"Somewhere, we arms control experts, and Kremlinologists, and foreign policy geniuses ought to leave something to the entity that the Constitution says should make foreign policy, and that's the president," he said, his voice edged with sarcasm. "Five hundred thirty-five hands on the steering wheel of the Ship of State is a great way to go in a circle."

How do you address that situation?

"You try each day, as you can, to appeal to a sense of statesmanship," said Mr. Hyde doggedly. "The loss of bipartisanship in foreign policy is a major flaw, is a major defect in our posture toward the rest of the world. That happened after Vietnam. The Senator Vandenbergs and the Speaker Rayburns are long gone, and every congressman's understanding of history now commences with Vietnam."

Mr. Hyde attributes, at least in part, the loss of bipartisanship to the erosion of the seniority system. "It has made committee chairmen fearful that if they don't adjust themselves to the leftward center of gravity in the Democratic Party, they won't retain their chairmanships.

"Dante Fascell [D-Fla.], as chairman of the Foreign Affairs Committee, is a very intelligent, knowledgeable, balanced legislator. But I hasten to add that he did not take the floor and debate on the Contra issue.

Why not?

"You might have to ask him," he said. "But I suspect he didn't want to get himself in the cross hairs between the leftist Democratic caucus and his own understanding of what ought to be done. So he just gently did not involve himself in perhaps one of the major foreign policy issues of our time.

"You see [Majority Leader] Jim Wright [D-Texas], who aspires to be speaker. You see Tom Foley [D-Wash.], who is the whip and aspires to be majority leader. At one time, they supported the MX [missile], and their views of foreign policy were much more mainstream, as I would describe it, much more sensitive to the Soviet threat.

"But all of a sudden, the ruling clique within the Democratic caucus is much more liberal and more opposed to what we're doing in Central America, and opposed to a strong defense, and you see Mr. Wright and Mr. Foley accommodating themselves to that drift. Instead of leading, they are following—and they must if they are to attain the high leadership positions within their party.

"That's fine for their personal careers," he added ironically, "but in my humble opinion that's not so hot for foreign policy."

A long-distance phone call came in for the congressman. "It's Irv Kupcinet," he said while waiting to be connected with the Chicago Sun-Times columnist. "He calls in every week."

"Irv! How are you?" said Mr. Hyde into the telephone. "Let's see, let's see, let's see," he said, his eyes scanning the ceiling above him for inspiration. What followed was a congressional roundup and discussion of Washington affairs.

"Here's something you might think about," said Mr. Hyde at one point. "There is a rumor afloat that Nancy Reagan would very much like—no, she's not pregnant!" he said breaking into a hearty laugh, "—would very much like Ronald Reagan to win the Nobel Prize. And therefore, if you see some moderating influences there, that might be at the seat of it. Nancy's every bit as important as Rosalynn was with Jimmy," he added.

"If anything exciting occurs, I'll call you. Thanks, Kup," he said, hanging up the phone.

Mr. Hyde is one of the most loyal supporters of the president, whose framed pictures and letters outnumber anyone else's on the walls of the congressman's office. Nevertheless, Mr. Hyde is thoughtful in his response to the question of whether or not the president is succumbing to "some moderating influences."

"There is a manifest streak of pragmatism during the administration, as distinguished from the ideological presentation during the campaign," he observed. "And that's not necessarily a bad thing. But I think the president—and I'm one of his greatest admirers. I think America ought to thank God every night for Ronald Reagan—but I think that he has damaged his credibility and his stature by his precipitous retreat on the defense budget.

"It may well be that we'll only get a freeze on defense—or maybe not even that when the House gets through with it. That may be political reality," he said with a wave of his hand. "But having insisted that 6 percent real growth was the only reasonable course, and 3 percent was unreasonable, to sign off on no-growth is such a fast backpedaling that it has to weaken his credibility seriously.

"In addition, you can argue that, when he said we will never cut Social Security, he wasn't talking about cost-of-living increases, but I think that's semantic nonsense. I think that when you campaign that you're never going to cut Social Security, you're hard-pressed to justify cutting it for whatever reason," he said.

But as for the president's foreign policy, Mr. Hyde deemed it to be "superb."

"Not flawless," He quickly added, citing the tragic events in Lebanon. "But the hard line with the Soviets has been the right one. Getting NATO to deploy the Pershing II and the cruise missile in the face of an all-out peace offensive in Europe is a major accomplishment. Grenada was perhaps the most therapeutic thing in the last 15 years, showing that this country's capable of using force effectively, notwithstanding the bleats of other countries who don't quite understand decisive action by an American president."

And Central America?

"I think his policy in Central America has been a tough one, but I think it's the right one. History's going to prove this," he added. "You ought to understand that Nicaragua by itself isn't a threat to the United States," he said. "But a communist Central America can be. And the Marxist-Leninist revolutionaries in control of Nicaragua are not content to impose communism on their own people. They are intent on being evangelists for Marx and Lenin. They say so, and they're acting that way by exporting subversion and revolution to their neighbors who are in the first embryonic throes of democracy.

"In addition," he continued, poking the air with his silver reading glasses, "there's about 100 million people from the Rio Grande to the Panama Canal; and communists, whether they're Cuban or North Vietnamese or any other kind, make refugees better than anybody else in the world. And we'll see a tidal wave of refugees if Central America goes the way of Nicaragua.

"We ought to anticipate these things, we ought to control them, and not always react to them—especially when they get out of hand," he said emphatically.

"But we don't have to send troops down to Central America," he asserted. "We don't have to go to war with Nicaragua. But we can make it awfully hot for them down there because there are people there who are willing to put the pressure on the Sandinistas, willing to fight to recapture their revolution."

And the mood on the Hill in the wake of Nicaraguan President Daniel Ortega's trip to Moscow?

"The Democrats are embarrassed and the Republicans are saying 'I told you so,' " he said.

"I think sadly, tragically, that the fortuitous stupidity on the part of Daniel Ortega will eventually fade into the mists as KAL 007 has, as Major Nicholson will in due course; and people will be vaguely uncomfortable about 'those communists' down there.' But the outrage, the embarrassment, the emotional reaction that is a necessary prelude to action, I think, will dissipate," he concluded, referring to any renewed efforts to vote for aid to the Nicaraguan rebels.

"Now I may be wrong. I hope I'm wrong," he added a little wistfully. "I hope I'm wrong."

The door to the office opened, and his appointments secretary, Ann Kelly, appeared in the doorway and noiselessly pointed to the clock. His cloudy blue eyes followed her finger, with only the merest fraction of a second passing before he realized what was significant about 1 p.m.

Leaping to his his feel with the surprising agility of a former athlete, Henry Hyde was on the move again, this time headed for the House steps. There, among the masses of American schoolchildren visiting the Capitol, were high-school students from *his* district, waiting to pose for a picture with *their* congressman.

"From saving the judiciary, to Western civilization, to high-school kids," he said, speeding along the twisty congressional corridors. "And it's early yet," he added with a grin.

HUBERT HUMPHREY

Mr. HATFIELD. Mr. President, the 27th of May will be the 74th anniversary of the birth of one of our most distinguished colleagues, Hon. Hubert H. Humphrey.

Mr. Humphrey had a unique political style that touched millions of people across America, a style undergirded by a vibrant religious faith. Mr. Julian Hartt was one of Hubert Humphrey's closest childhood friends. In his article, "Hubert Humphrey and the Pieties of the Prairie," Mr. Hartt sheds light on the foundation on which Hubert's faith developed. In fact, Mr. Humphrey's exuberance and vitality can be attributed in part to the work of Mr. Hartt's father who was the pastor of the Senator's hometown church in Doland, SD, and to the inspiration of Hubert Humphrey, Sr.

From those days in South Dakota, Hubert Humphrey embraced the richness of spiritual life as it manifested itself in God's many creations.

For the many lovers of Hubert Horatio Humphrey, and for the many citizens in this country who respected his faith, intellect, and wisdom, this article is a fitting commemorative. I ask unanimous consent that excerpts of this fine article be printed in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GROWING UP IN DOLAND

Senator Hubert H. Humphrey's 74th birthday falls on May 27, 1985. His continuing relevance for understanding the American way of life through the origins of our public servants can be appreciated through the following excerpts from the article, "Hubert Humphrey and the Pieties of the Prairie," published in the Summer, 1984 issue of Dialog under the authorship of Julian N. Hartt of the University of Virginia who shared a childhood with Senator Humphrey in Doland, South Dakota where Hartt's father, a Methodist minister, and Hubert Humphrey Sr., the pharmacist influenced both their lives.

The reminiscence by Hartt echoes elements of one of Senator Humphrey's last great addresses for the Smithsonian Institution symposium, "Kin and Communities," in 1977, still available on audiotape at the Smithsonian.

Few persons in public life in this country have made so much of their home towns as Hubert H. Humphrey. Over and over he claimed that Doland, South Dakota provided the decisive formative influences of his early years. He returned to it many times in the flesh and many more in speeches, in correspondence, and in conversation. He made a triumphal appearance there in June 1976. The occasion was a reunion of all the graduating classes of Doland High School. The Senator, Valedictorian of the class of '29, gave the address of the evening to an audience of over a thousand invited guests. For almost an hour he talked about his career. He made only brief mention of his decision, announced only the week before, not to make another run for his party's nomination for the presidency. Much of his address was a tribute to the people of Doland who had given him his vision of the proper ends of public service. What we heard that night was in part an exercise in nostalgia. But his

discourse evinced a piety sturdier than mere nostalgia.

Humphrey's persistent version of life in a small Dakota town during the 'twenties was a profoundly sentimental one. What is offered here is a supplementry account of life in that place at that time. And at the end a question is raised. Why did he love it so?—for love it he did. For these purposes the only advantage I have over his biographers is that I was there. Doland was my hometown during those years.

. . . That life was a fabric of pieties commonly understood to be at once truly Christian and American. It made little of the historic dogmas of Christianity, though these were not explicitly questioned. The central business of religion was the ordering of practical life, personal and social. For this great end piety provided moral constraints upon egoistic impulses and ambitions; it offered also a vision of a universal human brotherhood. Thus the dominant strands in the religious fabric were the piety of the church and the piety of the nation.

Significant elements of this perfectionistic strain stayed with Humphrey throughout his career. Many of his speeches are a civic versions of the call to holiness: summons to people of goodwill and loving hearts to work together in behalf of justice and freedom for all. For Humphrey that proved to be the fundamental Christian commitment and the historic covenant of the nation. This piety's essence is the will to press a relentless attack on the social evils which deprive multitudes of their rightful inheritance as the children of God and Americans. Such a faith is sublimely optimistic: what God demands is something that can and must be done. To delay is bad faith; to lose hope is to sell out to false gods.

We ought not lightly call this piety populist. It did indeed manifest great confidence in the moral health and true spirituality of the people. But it did not conjure apocalyptic visions of diabolic forces seeking to dominate America—Eastern bankers, foreigners, Jews, etc. Every worthy religious sentiment and aspiration was to be harnessed to the creation of the good society, the Kingdom of God on earth. Somewhere along the line Humphrey learned to screen out the paranoid elements in populist piety. The passion was preserved, supernaturalistic magnitudes were filtered out.

Through the years of his public life lots of people had lots of fun with Humphrey's "gee whiz" and "by golly" expletives. Perhaps they thought that he was a largely unwitting prisoner of the inhibitions and repressions of evangelical moralism. Or perhaps they thought he was merely playing up to the prejudices of the simple folk out there on the prairie. It would be much nearer the mark, I suspect, to say that Humphrey never found a sufficient reason for abandoning a native principle of decorum in public discourse. It would be very difficult to show that those restraints built into the piety of character ever had a crippling or depressing effect on his exuberant soul or on his unwearying tongue.

To do one's part was a clear and weighty imperative of the piety of the nation. True, there was a degree of tension between the vestigial spirit of the frontier, which urged us to be self-creators, and the doctrine of the covenanted nation which required everybody to contribute to the common good. But we did not feel that tension very keenly in Doland during the 'twenties. We understood that the ideal required us to be hard workers, the immediate community which needed our concern for the common good was of course the family. By the time you had reached middle adolescence you were expected to earn the money to buy your clothes. For young Humphrey that meant long hours in the drugstore.

The public school was fully committed to the promulgation of the reigning pieties. Teachers were supposed to be exemplars of sound Christian character.

The athletic coach was the teacher and paradigm of a special virtue of the civil piety: sportmanship. Of course you play to win; but winning without honor is a hollow victory. Cheating corrodes the moral fabric and depresses the morale of the team. Such were the prime precepts of the good coach.

Coach was also a protagonist and a preceptor of discipline. Here again the playing field was supposed to be a paradigm of moral experience. An athlete, whether or not he would become a star, trains, trains not only to achieve competence of muscle, nerve and wit, but also to be able to endure pain manfully. Pain is an essential part of a divinely ordained scheme of things; preacher and coach made the same point. So "crybaby!" was supposed to be a moral astringent, meant to sting, and produce amendment of character.

Young Humphrey was not a star athlete even by Doland's standards. But to every game he played he brought absolute fidelity to its code of honor and inexhaustible enthusiasm. He was the joy of every sound coach's desiring: a born and dedicated morale officer.

The Boy Scout movement handsomely served the conjoint pieties of church and civil society. It was an important link in the school of character.

High school provided another training ground forensics. Like Scouting this was deemed good because it involved a lot of hard work; "discipline" here too was one of the magic words. And here too we managed to have a lot of fun.

We had an instructive experience after a tournament debate that we had won on a split vote of the three judges. One of these men came up to us after the debate and said, "Boys, you are a fine team, but don't worry so much about the facts." The gentleman who offered us this sage counsel became in due course a Senator from South Dakota.

We had heroes in the political realm, a hierarchy: Lincoln, Washington, Teddy Roosevelt. Lincoln unarguably headed this hierarchy. He was the first martyred President—and martyred in so great a cause! But, not least, he was the greatest rhetorician ever to have graced the public forum.

On the supremacy of Lincoln, the Druggist and the Preacher were in full accord. The Druggist included Woodrow Wilson in the hierarchy—or pantheon—of political heroes. The Preacher did not, not in the Doland years. But, then, the Druggist was a Democrat and was noted for other eccentricities as well.

Take Humphrey, the Druggist. To start with, I do not remember any dull moments around the Druggist, in the store or at home or at the church. He loved to talk, and he had a great reserve of it in case other people ran dry. He was ready for any topic a decent and sensible person could produce. He read a lot, and it was all fuel for talk. His reading was much more eclectic than the Preacher's. One night he sent me home with a copy of Emil Ludwig's "Napoleon," and I fell to it promptly and in great anticipation, knowing that in the early future, very likely around the Humphrey supper table, the Druggist would start grilling me about Austerlitz and Jena and Waterloo—just as one night out of the blue he asked me what I knew about Confucius. But the Druggist was at his best on politics, past, present and future, and preferably American, though if necessary he would have followed with unswerving attention a discussion of politics in Inner Mongolia, and eventually he would have supplied an argumentative opinion on the situation there.

The interwoven pieties of church and civil society had a great deal to say about being poor. To be poor was not in itself a disgrace. We were given every encouragement to believe that among the poor there were many admirable people, victims of circumstance rather than of defects of character. Thus the pious and morally stalwart poor were commended for their patience and fortitude; they were never to be diminished by calling attention to shabby clothes, run-down houses, and dilapidated out-houses. Given any kind of a break, the honorable and proud poor would strain to the uttermost limit to better their lot; in the meantime, however protracted and bleak it might be, they did not want handouts, either of pity or of material goods.

In the ballroom of the Shoreham Hotel in Washington in the spring of 1968 * * * was the moment the Vice President took to announce as his presidential campaign motif, "The Politics of Happiness!" The politics of happiness: the happy childhood and adolescent years in Doland remembered; the good community projected out of Doland; nostalgic images transformed into a political vision fusing many strands of piety . . .

Thus early and late and to the end Humphrey was a sentimentalist and an idealist. His sentimentality sometimes slipped off into banality, and it did that night in June 1976. But in the end, as in the great passages of his career, the idealism triumphed. The Doland of the Senator's life-long remembrance may never have existed outside it. Such is the power of memory: creative when infused with ideality, and then trained faithfully, wisely and resolutely upon the actualities of the great world. So the Senator will have served us far beyond his own dreams and self-recognitions if he lives in our memory as Doland lived in his. Something like that, and only something like that, is the proper civil piety of this nation.

REMEMBER LAOS

Mr. HATFIELD. Mr. President, my great fear is that the recurring persisting tragedy in Southwest Asia will be forgotten as the public's focus on the 10-year anniversary commemoration of the end of the Vietnam war diminishes. For while the weekly periodicals and the daily newspapers divert their attention elsewhere, the plight of refugees in the region continues to worsen.

Roger Winter, director of the United States Committee for Refugees, recently wrote an editorial entitled "Remember Laos." The tens of thousands of Laotians who are either huddled together along the Thai border in makeshift camps, or are living in reeducation camps or in intolerable conditions, are our forgotten allies. Many cast their lot with the U.S. Government during the war and for 10 years have been paying the price for their allegiance to freedom and to our promises of support.

And now I see that the United States is planning to send $5 million to the Khmer resistance fighters along the border who are fighting the Vietnamese occupation. Who will end up dying in the bloodshed which always follows in the wake of military assistance? Civilians, of course. Those who advocate for a resumption of U.S. military assistance in the region to fight the Vietnamese would be well advised to "remember Laos," and to read the following editorial so titled. I ask unanimous consent to have printed in the Record Mr. Winter's thoughtful observations.

There being no objection, the article was ordered to be printed in the Record, as follows:

Remember Laos

Ten years ago today U.S. forces withdrew from the Southeast Asian country of Laos. The event was overshadowed by the fall of neighboring South Vietnam and Cambodia, and today Laos is still a country ignored. Yet per capita it leads on many of the indices of suffering.

It is controlled by Vietnam with all the trappings of satellite status: Soviet and Vietnamese advisers and perhaps 40,000 Vietnamese troops, more per capita than Cambodia.

There are still political prisoners in Laos, more per capita than in the re-education camps of Vietnam.

The Hmong and other highland people of Laos are still targets of repression, though the systematic military suppression measures are decreasingly needed to keep the hill people at heel.

The Pathet Lao communist government—and in particular the Vietnamese presence, which is seen by Lao and hill people as proof of the irreversibility of the regime—has generated more refugees per capita than have come from any of the other Indochinese countries.

In January Thailand instituted a policy of interdicting and pushing back newly arriving Lao asylumseekers including Hmong. Thai officials state the lessened willingness of the United States and other Western nations to resettle refugees leaves them little choice, given their many serious problems, and that many Lao now entering Thailand are economic migrants.

Refugee advocates have pressured Thailand, the Reagan administration and others to ensure implementation of a valid screening process, removed from the Mekong River and with U.N. participation, to make certain that real refugees, such as those recently out of "reeducation," are not pushed back to jeopardy in Laos, but rather are provided at least temporary refuge in Thailand.

Despite promises from various officials, as of now no such screening process is in place. Target dates for implementing such a process have been repeatedly postponed. There is no detailed agreement as to how screening will be done and by whom, nor how the safety of those "screened out" will be ensured if they are returned to Laos. All in all, U.S. officials, working with U.N. and Thai counterparts, have not satisfactorily resolved the issue.

One of the most important reasons for remembering Laos 10 years later is to promote understanding about the refugees from that country—about 150,000—in the United States. The Hmong and other highland refugees (as well as the relatively small number of Lao in the secret forces) arrived in the United States assuming their fighting role would be known and appreciated. Instead they encountered the final irony of the secret war: their unique contribution has gone unknown and unheralded.

Recently I visited a town in California with a substantial Hmong community. There was also an Air Force base near town. Nobody there I talked to realized the Hmong had formed the on-the-ground rescue net for the Air Force flyers during the war years.

Ten years ago, when they were forced out of Laos, the Hmong and other highlanders sought to settle together on the land in Southeast Asia or elsewhere. Disoriented and dispersed across the United States despite their desire to remain together, the Hmong and other highlanders who come here should receive better support. The first step is improved recognition of their role during the war years.

One of the best ways to demonstrate recognition of that role is to ensure that the Hmong and other real refugees from Laos again have access to asylum in Thailand.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized.

STAR WARS FUNDING MUST INCLUDE FEASIBILITY STUDY

Mr. PROXMIRE. Mr. President, in the year and a half since President Reagan announced his proposal for an antimissile defense system or star wars, has the administration ever provided any analysis of the feasibility of the system? No. Mr. President, there has not been one word of administration analysis.

Now, to be sure, there has been a ton of feasibility analysis of star wars by outside critics. And what have they concluded? Outside critics have been vociferous in their challenge of the President's proposal. Many scientific experts such as Richard Garvin have said it will not work. One of the country's most respected arms control negotiators, Gerard Smith, who negotiated the Anti-Ballistic Missile Treaty has severely challenged the program. He has argued that it would obviously destroy the ABM Treaty. Smith should know. He was the U.S. chief negotiator on the ABM Treaty. One of the brightest and most knowledgeable public officials who has ever served this country, former Secretary of Defense Robert McNamara has detailed exactly why the star wars will not work.

It seems that the only expert supporters of the treaty are in the administration and therefore speak under the discipline and control of the President or are actively employed in the defense contracting industry that would benefit immensely from this biggest spending project in our Nation's history. And oh how we need a feasibility analysis of this propsal that has been lambasted from pillar to post by highly competent critics, but pushed with smug assurance by the administration.

Now, Mr. President, what should the Congress do when faced with a program that is this controversial? How do we decide whether to give the President the immense increase in funding he is requesting for this year, or whether to provide no increase, a lesser increase or simply to kill the program? Anything is possible. Maybe the President is right. But it is very possible his critics are right.

The Secretary of Defense has asked for Congress to fund an increase in this research for SDI that would break all historical records for increasing research in a single project in history. He has argued that we will not know whether this star wars will operate until we give it a chance.

This Senator has been a vigorous critic of star wars. But I recognize the wisdom of continuing funding enough research so that the Congress can determine with more assurance whether any missile defense, however extensive or limited, might be feasible. But, Mr. President, such research should help us determine whether SDI can meet the standard advanced by Paul Nitze that the cost of missile defense must be less than the cost to the Soviet Union of overcoming it.

Mr. President, a special report by the Center for International Security and Arms Control at Stanford University makes a helpful suggestion in this respect. The Stanford study consisted of experts on both sides of the issue. Some favored proceeding vigorously with SDI. Some opposed it. But they agreed on a number of suggestions to make the program as efficient as possible. One of the most vital suggestions was the establishment of what they called "the Red Team." Here is the way they describe its functions:

> . . . to provide analysis of the offense and of countermeasures and to evaluate the offense's cost effectiveness in defeating the defense. This Red Team should have a charter independent of the management of defensive weapons R&D. A close connection should be established between the Red Team and the intelligence agencies, for their mutual benefit. The Red Team would thus receive more realistic and detailed accounts of Soviet capabilities; the intelligence community would be assisted in focusing its efforts on U.S. needs for intelligence on what the Soviet Union is doing both in defensive and offensive countermeasures.

The purpose of the Red Team would be to answer the logical question posed by Paul Nitze in his pronouncement speaking as the senior arms control adviser to the President that the star wars project would only proceed if it were found to be less costly than the development, production, and deployment of a technology capable of defeating it. That standard is reasonable, and who advanced it? It was advanced by the administration that supports star wars enthusiastically. This Senator as a critic of star wars is willing to accept that administration standard. But how do we make the standard mean more than a salesman's rhetoric?

The Congress is in the position of an auto buyer who is told by an automobile salesman that he would not sell him a super high priced car if it did not cost less to operate and maintain than a competitive car. Do you or as an auto buyer take the salesman's assertion that he would not sell you or me the car if it did not cost less than the competitor's auto? Not this auto buyer. I want to know what the competing auto firm has to say. If it is different—and it probably is—then I want an independent, unbiased, expert judgment. I want honest, reliable, expert judgment and the facts that expert judgment is based on. This is precisely what the Red Team can provide. This would be their job.

One of the prime criticisms of the Star Wars Program is that it was announced by the President with virtually no consultation with the Defense Department. At no point since then has star wars been subject to the kind of objective and critical appraisal that would give us in the Congress that must appropriate the money to pay for it, an independent, expert determination of star wars feasibility. Will it work? And will it work at a cost that would be less than the cost of overcoming it? The administration has told us they will not press ahead with star wars unless the answer to those questions is yes. In funding the star wars research, we must insist on providing an investigative group that will give us a competent and reliable answer to these questions.

THREE EGGS

Mr. PROXMIRE. Mr. President, there are many stories people recall when they describe their experiences during the Holocaust. Some are stories of family and friends being taken away, other stories are of losing their homes or jobs, and other stories are of hiding from the Nazis. These stories span the spectrum of emotions from sorrow and horror to joy and relief. Many of these stories speak of feelings associated with the Holocaust.

One such story is told by Newsweek editorial photographer, Bernard Gotfryd in the April edition of Midstream magazine. His article, "Three Eggs," tells how three eggs came to be associated with a feeling of guilt stemming from the pain and death of others. Guilt is something many survivors feel because they lived when so many others did not.

There were three episodes in his life involving eggs. The first episode came when he was a young man. Living in the ghetto of Radom, he and three others were taken to the Szkolna labor camp to pick up potatoes for the ghetto. While the truck was leaving the camp, he saw his father among a work crew. His father saw him and threw him an egg. Mr. Gotfryd was unable to catch the egg and it fell to the ground and broke. He watched helplessly as his father was beaten for his actions.

The second episode occurred a year later after he had been taken to a labor camp to work in a salt mine. While descending down into the mine, a fellow miner gave him an egg, and without saying a word walked away. At the first break, Mr. Gotfryd found a secluded spot and was about to eat the egg when a woman came up and asked him to share the egg with her sick sister. He decided the woman and her sister would benefit more from the egg and gave her the entire egg. On his way out of the mine he saw the woman laying among the dead bodies piled up near the mine's entrance. Believing he had given her a bad egg, he blamed himself for her death.

The third episode occurred many years later while Mr. Gotfryd was competing in an egg toss with his son at a Cub Scout picnic. After a few tosses back and forth, Mr. Gotfryd threw the egg to his son and the egg broke in his son's hands. The son blamed Mr. Gotfryd for the breakage; Mr. Gotfryd wondered if his father also blamed him for the first broken egg.

A flashback to a painful scene in a Nazi concentration camp resulted from a simple game of egg toss for Bernard Gotfryd. Mr. President, often survivors suffer when seemingly minor events cause them to recall the horrors of the concentration camps and the loved ones who had not survived. We must take action so no future generation must live with such pain. The Senate's positive action on the Genocide Convention would help ensure the end of such painful feelings for future generations. Mr. President, I urge support for the Genocide Convention.

HERBERT CLARK HOOVER

Mr. HATFIELD. Mr. President, when my good friend Barry Goldwater gave me the May 1985 Smithsonian, which included the article "Which of These Men Is the Real Herbert Hoover," I was reminded of Herbert Hoover's dedication to preserving the sanctity of life. We are ever-mindful of the moments in history when human dignity has been denigrated and where human lives have been casually dismissed. Global starvation and the ugly treadmill of death on which hundreds of millions of human beings stand, point to the need for all of us to elevate the value placed on human life by society and by government. In this light, Hoover can be seen as perhaps the preeminent figure of the century in saving lives.

As a young engineer in China, Herbert Hoover became an important figure in the protection of the Chinese during the Boxer Rebellion. With other westerners fleeing from the uprage, Mr. Hoover and his wife unselfishly built barricades, fought fires, and moved men and equipment. Those people who see Herbert Hoover as a stiff-necked executive who lacked the qualities of a leader, obviously do not remember the leadership shown by Hoover during the attacks on Tientsin. John Garrity, the author of this article, shapes the real Herbert Hoover by reminding us of his courageous deeds. The humanitarian efforts that marked Hoover's life began by administering food aid to the victims of the Boxer Rebellion.

Many times during war it is the civilian population which suffers the most. In 1914, as the farmlands of Europe became the battlegrounds of war, and as farmers became soldiers, food production decreased. This in turn caused hunger to spread across Europe. Eighty out of every hundred civilian war deaths were caused by starvation or disease. As hunger increased, our allies turned to the breadbasket of the world, the United States, for relief. However as we see today in Ethiopia, the logistical complications of food distribution can be an almost insurmountable stumbling block in the fight against hunger. To overcome that obstacle, a great leader with humanitarian instincts was needed, and at that point in human history, Herbert Hoover stood tall. During World War I, Mr. Hoover delivered, to people or groups in Europe, $22 million worth of food purchased in America. He headed the American Relief Committee which lent assistance to some 120,000 Americans stranded in Europe. Later as head of the Commission for the Relief of Belgium, he distributed 34 million tons of American food, clothing, and supplies valued at $5.2 billion. In the aftermath of the horror of World War I, Hoover immediately expanded his efforts, in his capacity as head of the American Relief Administration, to the entire European Continent, feeding over 10 million people per day.

Herbert Hoover's relief efforts continued during World War II and later when, at President Truman's request, he coordinated the food supply for 38 nations during the World Famine of 1946–47. He conducted a study of food and economic conditions in Germany and Central Europe. And as a result of that study, Hoover recommended the United States allot $475 million to supply food, seed, and other products to German civilians. Herbert Hoover assisted Germany in a manner similar to our current effort in Africa's Green Revolution. Mr. Hoover's concerns for the quality of life throughout the world distinguished between people and politics.

Even though the injustices of politics wounded Hoover's humanitarian philosophy, his appetite for good works continued. Mr. Hoover had a strong belief that private charity was more effective than government bailouts. With those thoughts in mind, he gave freely of his time to the Boys Club of America, United Nations Emergency Fund, and CARE.

Thoughts of Mr. Hoover are particularly relevant as chronic malnutrition and poverty take the lives of 40,000 children every day. For every one of those children, six more struggle to survive in hunger and disease. In our tireless efforts to solve world hunger, we can look to the example of Herbert Hoover for assistance and inspiration.

Mr. President, it is with great admiration that I stand before this body in recognition of Mr. Hoover. At this time I ask unanimous consent that the above-mentioned article be printed in the RECORD in its entirety. It is my desire that this article serve as a reminder to us of the unselfish characteristics, enduring wisdom, and world vision of the Great Humanitarian, Herbert Clark Hoover.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHICH OF THESE MEN IS THE REAL HERBERT HOOVER?

(By John Garrity)

The American Presidency as often leaves its mark on the man as vice versa and there is no crueler example than that of Herbert Hoover, a prophet of prosperity who was destined to preside over the greatest depression this country has ever seen. More than half a century after his humiliating rejection in the 1932 Presidential election, few remember Hoover as one of the towering Progressives of the Wilsonian era, as "the Great Humanitarian" who fed Europe's starving masses, or as the statesman British economist John Maynard Keynes once praised as a "weary Titan." Instead, his name is still associated with bitter memories of breadlines, soup kitchens and "Hooverville" shacks. His image remains that of an austere ideologue, a grim self-made man who posed stiffly in high collars and preached governmental restraint at a time when the nation cried out for massive federal assistance.

It is not easy now to picture a much different Hoover—a young college student who pushed an ore cart on the night shift in the California goldfields, for example, or a bearded mining engineer who traveled by camel across the arid wastes of Western Australia. Yet there was, in fact, such a Hoover, an intrepid adventurer who, in the words of biographer Gene Smith, "never wore a white collar, who was dirty, ate wherever he could, went down into the mines and slept on the desert floor."

Like a pre-Hollywood adventurer, this Hoover—a ruggedly handsome fellow whose youth was camouflaged by a drooping mustache—explored northern China in search of mineral riches at the head of a long column of Chinese cavalry, orderlies, grooms, pack mules, ponies and carts. He crossed the Gobi Desert as far north as Urga (Ulan Bator), the Mongol capital, where he had an audience with the Hutuku, who was the third-ranking Lama of Tibetan Buddhism. And at the age of 25, this Hoover managed to survive a harrowing siege during China's bloody Boxer Rebellion, serving, in effect, as a civilian leader among the embattled defenders.

Few people today have even heard of the siege at Tientsin, a bustling river city located 70 miles southeast of Peking, but 85 years ago it was a major news story. During a month of heavy shelling and fanatical Boxer attacks, Bert Hoover demonstrated a capacity for valor and compassion that, by rights, should have confounded those of his critics who, years later, sought to portray him as a callous technician incapable of exercising effective leadership. He shouldered the responsibility for building barricades, fighting fires, maintaining provisions and ammunition, moving men and equipment. He ventured out into Boxer territory at night to fetch water and, time and again, he propped up the sagging morale of his beleaguered charges.

Subsequently, Hoover did not attempt to exploit his heroism for personal or political gain. As a result, the Tientsin episode remains an obscure chapter in Hoover's long (he died in 1964 at the age of 90) and extraordinary career.

Modesty was a common virtue among Midwesterners of Hoover's generation and religious background. He was born in a tiny cottage in West Branch, Iowa, in 1874, one of three children of a poor Quaker blacksmith. He was orphaned at the age of eight and raised by relatives in Iowa and Oregon. He worked his way through Stanford University, graduating as a member of new institution's first class in 1895. A capable but not brilliant student, Hoover was tall, muscular and shy. "He had mouse-colored hair, as stubbornly straight as an Indian's," one student recalled, "and hazel eyes so contemplative that they seemed dreamy." Even then, the journalist Will Irwin said of their days together at school in Palo Alto, Hoover's acquaintances "began to lean on his sane and unruffled judgment."

Hoover was trained as a geologist at Stanford and his first job after graduation was pushing a mining car for the night shift at the Reward Mine in the California goldfields. Through the sponsorship of Louis Janin, a respected San Francisco mining engineer, he then landed a job with the London firm of Bewick, Moreing and Company, managing Coolgardie, a gold mine in the desert of Western Australia. Coolgardie was a cluster of crude buildings on a waterless, treeless wasteland where the temperature held to 100 degrees at midnight and travel was by camel. So successful was Hoover at this thankless job that his British employers asked him to take on a challenging new assignment, at the then-formidable salary of $20,000 a year. His destination was China.

China's emperor, Kuang-hsü, was a young potentate who dreamed of ending decades of foreign domination by modernizing China along Western lines. The exploitation of the Celestial Kingdom's natural resources demanded a thorough exploration of the country to identify mineral deposits, and rapid development of railroads, harbors, riverways, telegraphs and mining facilities.

Hoover accepted the Chinese assignment and immediately cabled a marriage proposal to Miss Lou Henry back in Monterey, California. Lou Henry, Hoover's special friend at Stanford, was herself a geologist, a skilled horsewoman, a gifted linguist and an exceptionally self-reliant woman. She accepted Hoover's proposal and the two were married in California on February 10, 1899. On the next day, the newlyweds set sail for Peking.

The Hoovers rented a house in the International Settlement at Tientsin. This community was home to a military, diplomatic and trading community of Germans, Italians, Russians, British, Americans and Japanese. Lou Henry Hoover studied Chinese while Herbert struggled with palace intrigue in Peking.

The so-called Hundred Day Reform under Kuang-hsü had ended with his house arrest by his aunt, the Empress Dowager. It was no longer clear that Hoover had a mandate for his work, but he proceeded to explore China as few Westerners had since the days of Marco Polo. At times accompanied by Lou, he traveled by horseback with a hundred Chinese cavalrymen. In keeping with Manchu custom, his small party was preceded everywhere by heralds and followed by rear guards. (Less pomp, he was told, would involve a serious loss of face). He visited Manchuria, and Shantung, Shansi and Shensi provinces, examining mines being milled by mules walking circles, as they had for centuries. He stood on the Great Wall, and met with warlords and Christian missionaries. Hailed as the "great foreign mandarin . . . who could see through the ground and find the gold," Hoover saw his progress retarded by throngs of villagers eager to see and touch an American. "It was impossible to push this caravan more than 20 miles a day," Hoover recalled, "so that the journey spread out interminably."

Lou Henry Hoover's occasional descents into mine shafts sometimes provoked volleys of firecrackers, wild wails and drum beating. An ancient Chinese belief, she was told, held that a wake of evil spirits trailed all women; they were not allowed to go in the mines lest catastrophe follow.

In the course of their travels, Hoover and his men discovered what he believed to be the world's largest anthracite coalfield. But in the winter and spring of 1900, Hoover began to receive disturbing reports of a violent new secret society named I-ho ch'üan, or the Mailed Fist. Westerners called the radicals "Boxers" because they practiced certain boxing rituals. "Their avowed purpose was to expel all foreigners from China," Hoover later wrote in his memoirs, "to root out every foreign thing—houses, railways, telegraphs, mines—and they included all Christian Chinese and all Chinese who had been associated with foreign things."

In May, Hoover called in his mining staff and made a hasty trip to Peking to confer with Chang Yenmao, the Director-General of Mines for Chihli Province. By the time he returned to Tientsin, armed and uniformed Boxers patrolled the streets of Peking by the thousands. On June 13, the Boxers in Peking set fire to a mission compound occupied by 200 Chinese Christian converts, "so that between sword and

flames," the North China Daily News reported, "the whole lot of those unfortunate converts were either ruthlessly slain or burned to cinders."

In Tientsin, the foreign settlement seethed with what Hoover called "rumors and rumblings of Boxer attacks." Protected only by an estimated 1,100 sailors and marines of various nationalities—plus a force of 1,700 Russian infantrymen preparing to march to Peking—the settlement occupied a strip of land about a quarter-mile wide and a mile long beside the Pai River. It was extremely vulnerable to attack. Close to 5,000 foreign-trained Imperial troops were on hand—supposedly to offer protection from the Boxers—but on Sunday afternoon, June 17, they commenced an artillery barrage on the settlement. An alarm bell tolled frantically, instead of attacking the almost defenseless settlement, however, the Imperial troops and a force of 25,000 Boxers held back, confusion in their ranks.

With massacre seemingly imminent, the settlement's highest-ranking foreign officer, a Russian colonel, asked Hoover and his engineers to oversee the construction of barricades. "In hunting material for barricades," Hoover wrote, "we lit upon the great godowns [warehouses] filled with sacked sugar, peanuts, rice and other grain. Soon we and other foreigners whom I enlisted had a thousand terrified Christian Chinese carrying and piling up walls of sacked grain and sugar along the exposed sides of the town and at cross streets."

The first assault came the next morning at the railway station, which, thanks to Hoover's efforts, was now heavily barricaded. Repulsed by marines and sailors at the station, the red-sashed and turbaned attackers circled and charged the opposite end of the settlement. Again they were driven back. The Boxers believed that they were invulnerable to foreign bullets, but their faith, it turned out, was badly misplaced.

Monday turned to Tuesday, Tuesday to Wednesday, and still the Boxers rushed the barricades, never breaching the line, but nevertheless sapping the energies of the defenders and depleting their ammunition. The Hoovers found shelter in the home of the American Commissioner of Customs, Edward Drew, whose house was shielded somewhat by surrounding warehouses. "The acute danger," according to Hoover, came from two sources, "the first the possibility of overwhelming mass attack, the second, the incessant and ferocious artillery fire." To escape the second danger, the problem "was to keep in the lee of walls" the best one could. Mrs. Hoover, he observed admiringly, "became expert in riding her bicycle close to the walls of buildings to avoid stray bullets and shells, although one day she had a tire punctured by a bullet."

Finally, on June 22, a messenger got through with a report that relief armies would arrive the following day. Indeed, the next morning the Chinese guns suddenly stopped their pounding of the settlement, while a distant cannonading indicated an engagement some miles to the south. "We climbed on the roof of the highest warehouse to get a glimpse," Hoover recalled. "We saw them coming over the plain. They were American Marines and Welsh Fusiliers. I do not remember a more satisfying musical performance than the bugles of the American Marines entering the settlement as they played 'There'll Be a Hot Time in the Old Town Tonight.' "

Unfortunately, the "relief armies" proved to be a mere 1,500 men. Almost immediately, the Boxers and Imperial troops attacked the settlement with renewed vigor. Their ranks had swollen to perhaps 300,000, with 80,000 Chinese troops providing support—an overwhelming superiority undermined, it was later learned, by quarreling over strategy.

"Most of us made it a business not to think or discuss the possibilities," Hoover remembered. "We did have one dreadful person who periodically wanted to know if I intended to shoot my wife first if they closed in on us." From the settlement rooftops, the occupants of Tientsin could see hundreds of corpses bobbing in the brown waters of the Pai River.

On the other side of the world, the Boxer uprising was sensational news. Herbert C. Hoover and Other Stanford Alums in Peril From Boxers, the San Francisco Chronicle trumpeted. One paper went so far as to print Lou Henry Hoover's obituary. But the newspapers did not exaggerate the peril. Foreign casualties at Tientsin would be greater than those for the longer and more celebrated siege of Peking. Dispatches from that city and elsewhere—most of them grossly exaggerated—reported that the Boxers were taking no prisoners, that foreigners and foreign-tainted Chinese were being tortured, shot, decapitated and sometimes burned alive.

Somehow the Hoovers managed to carry on almost as if the siege were an adventure staged to further their education. The young engineer seemed absorbed in logistics, "coursing the streets at the double quick," according to one witness, "nervously jingling coins or keys in his pocket and seeming to be chewing nuts without shucking them." Once he was observed walking deep in thought while bullets were flying around him.

His wife was equally unflappable. Frederick Palmer, the foreign correspondent, recalled the evening that an artillery shell crashed into the Hoover's house and detonated on a newel post, leaving shell fragments scattered on the floor and embedded in the walls. Fearing the worst, Palmer raced to the living room door. "I saw Mrs. Hoover in the fog of dust from disintegrated plaster keeping right on with a game of solitaire she had started, although I noted that some of the cards had been dropped on the floor by the shock. 'I do not seem to be getting this,' she said, looking up with a smile."

The defenders suppressed morbid thoughts by keeping busy. Hoover fought the endless fires, repaired barricades, and hauled food and water. At night, he and his staff, escorted by a British patrol, sneaked outside the barricades to the Municipal Water Plant, where they boiled water to be distributed each day in street-sprinkling carts. Mrs. Hoover went out daily, carrying a .38-caliber automatic Mauser pistol for protection, to manage a dairy herd and to nurse the wounded lying on the floors of an improvised hospital. "The fact that I should have been quite willing to have done my share of actual gunwork" does not mean that I did, she recalled later.

Hoover's efforts on behalf of the hundreds of Chinese under his care were not always appreciated by other Westerners in the settlement, who suspected the refugees of treachery. When a British navy captain named Bayly hauled some of the Chinese before a kangaroo court to be tried as traitors, Hoover was summoned to rescue them. "I rushed to the place," Hoover remembered, "to find a socalled trial going on under torchlights with Bayly, a pompous judge and various hysterical wharf-rats testifying to things that could never have taken place." Hearing that some people had already been executed on the riverbank, Hoover tried to intervene, but was ordered out by Bayly. Hoover then sped on his bicycle to Russian headquarters and returned with a Russian platoon, which broke up the drumhead trial and turned the Chinese back over to Hoover for protection.

The trial of the Chinese reflected the tension that gripped the settlement as stifling summer heat and unceasing battle began to wear on the besieged. Smoke and heat from the many fires made matters worse, and there was the ever-present stench of death: the ground outside the barricades was littered with rotting bodies from the first Boxer charge.

The situation, though, no longer seemed quite so hopeless. By early July, an army of about 20,000 Russian, American, English and Japanese troops had fought upriver from Taku, lifting the siege long enough for the settlement's women and children and some civilian men to be evacuated by steamer. Mrs. Hoover, however, had refused to leave Tientsin despite her husband's arguments that she flee; he, in turn, would not depart until he had arranged for the safe evacuation of the Chinese refugees under this care. Afterward Mrs. Hoover wrote: "The most difficult task he had to do during the Boxer troubles . . . was to stand by these people as their lives would have been worth very little if Bert had gone away and left them alone."

Thus they were still in Tientsin on July 11 when the Boxers made their last frenzied attack along the railroad line. Driven off by a now well-armed defense force, the Boxers limped back to their camps, where many were savagely machine-gunned under orders of a vengeful general. Daybreak found the Pai River choked with not hundreds, but thousands of corpses.

In his Memoirs Hoover tells how he accompanied the American Marines as "a sort of guide" when the Allied Armies finally took the offensive on July 13. The plains around Tientsin were flat and treeless and this action subjected Hoover to heavy rifle fire. "I was completely scared," he confesses, "especially when some of the Marines next to me were hit. I was unarmed and I could scarcely make my feet move forward." True to his strict Quaker upbringing, Hoover had survived 28 days of pitched battle without ever carrying a weapon, but now his confidence was shaken. "I asked the officer I was accompanying if I could have a rifle. He produced one from a wounded Marine, and at once I experienced a curious psychological change for I was no longer scared, although I never fired a shot. I can recommend that men carry weapons when they go into battle—it is a great comfort."

Of even greater comfort was the fact that the attack, the climatic event of the entire ordeal, was successful. The Boxers were scattered and the siege of Tientsin was lifted. There was no band playing "There'll Be a Hot Time in the Old Town Tonight," but there was music in the one-word cable that Hoover sent to his father-in-law, Charles Henry, at Monterey, California: SAFE.

Soon after the siege ended, Hoover plunged back into his mining career and it was not long before his reputation and fortune were secure. In a tough, critical profession, one biographer wrote, "Hoover was an incandescent name." By the time he was 40, he was widely regarded as the greatest mining engineer and administrator in the business. First as a partner with Bewick, Moreing and Company, later as an independent consultant, he helped start up new enterprises and resuscitate old ones. Perhaps a million men were employed in Hoover mining projects that stretched from Canada to Australia, from Russia and Europe to the Middle East and Burma. He girdled the globe eight or ten times, nonchalantly maintaining a hectic pace that would have killed many a lesser man. For his troubles, he was billed as "the highest-paid man of his age in the world."

With the outbreak of World War I, Hoover made a spectacular transition from business to public life. He administered the Belgian Relief Commission to feed the hungry and sick in occupied Belgium. He directed the post-war European food relief program and accompanied President Woodrow Wilson to the Paris Peace Conference. As Secretary of Commerce under both Warren G. Harding and Calvin Coolidge, Hoover was effusively praised as the most dynamic and brilliant Cabinet member of his time.

Not until after he achieved the highest office in the land did the great engineer taste the bitter ashes of defeat. As President of a nation beset with seemingly insurmountable economic difficulties, Hoover time and again called upon Americans to summon the same unselfish sense of an imperiled community that had worked a miracle in China three decades earlier. Increasingly, however, Hoover was perceived as an uncaring man who would not lead the country out of the Depression. To his everlasting dismay, the survivor of Tientsin found himself trapped in yet another siege and it was one that did not end until he was turned out of office, perhaps the most vilified President in history. But he still had plenty of loyal supporters at his beloved alma mater.

The night that he conceded defeat, a group of Stanford students demonstrated outside the Hoovers' Palo Alto home. While he and Mrs. Hoover stood on the terrace, the young people sang college songs. Smoke from flares swirled up into the sky. After one final cheer, Herbert Clark Hoover thanked the crowd and turned away. "It would not have been like him," the historian Gene Smith observes, "to let them see the tears running down his face."

U.S. FOCUSES DRUG BATTLE ON PRE-TEENS

Mrs. HAWKINS. Mr. President, in the Miami Herald recently there was a particularly informative article on efforts of drug control education focused on grade school students.

Mr. President, as unbelievable as it is, it is a fact that directing drug education efforts at children younger than 12 years old is necessary. Dr. Carlton Turner, chief of the administration's drug prevention and education programs is quoted as saying:

> We're going down to a very early age. Twelve is too old. If you're going to try to educate them at 12 and above—forget it. You've lost the war.

Numerous agencies and individuals of the Federal Government have been involved in this effort. The Department of Education has sent education supplies to more than 50,000 elementary schools across the country, introducing an estimated 3 million fourth, fifth, and sixth graders to the dangers of drug abuse. The National Institute on Drug Abuse recently issued findings indicating that many children begin experimenting with drugs at 11, and that most are exposed to adult drug users years earlier. The First Lady has been extraordinary in her commitment to ensuring adequate drug abuse information to grade schoolchildren, as she has already logged 60,000 miles visiting schools and drug rehabilitation centers in 44 cities. She remains determined in her goal to protect children from the horrors of drug abuse. As she is quoted as saying:

> It (strikes) me as odd to see little boys in Cub Scout uniforms and little girls in jumpers learning about drugs that many adults haven't even heard of . . . the scene was both terrifying and encouraging.

Individuals and groups in the private sector are also joining in this effort, among them numerous celebrities. Their influence can be enormous. As the Rev. Jesse Jackson pointed out during a speech before a junior high school group, movie stars, athletes, and rock 'n' roll singers should be urged to join in the antidrug campaign. "If Mr. Prince and Mr. Stevie Wonder and Mr. Boy George go a certain way, they're going to take a lot of people with them," said Reverend Jackson.

Mr. President, I commend these individuals, these groups, and all those who continue to try to prevent the destruction of our children by illicit narcotics.

In the universal war against drug abuse, it has become necessary to form a new frontline—to educate grade schoolchildren to the dangers of drugs. As chairman of the U.S. Senate Subcommittee on Children, Family, Drugs and Alcoholism, I, too, will continue in efforts to eradicate drug abuse in our Nation.

Mr. President, I ask unanimous consent that the Miami Herald article entitled "U.S. Focuses Drug Battle on Pre-Teens," be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD.

U.S. FOCUSES DRUG BATTLE ON PRE-TEENS

(By Rick Bowers)

WASHINGTON.—Faced with a high level of drug use among children, the federal government is focusing its anti-drug education efforts at grade-school students.

"Sixteen- and 17-year-old kids in treatment centers have said to us, 'Look, I started when I was 10.'" said Dr. Carlton Turner, the chief of the administration's drug prevention and education programs.

"We're going down to a very early age. Twelve is too old. If you're going to try to educate them at 12 and above—forget it. You've lost the war," he added. The Department of Education has sent education supplies to more than 50,000 elementary schools across the country, introducing an estimated three million 4th, 5th and 6th graders to the dangers of drug abuse.

The anti-drug comic books, work books and posters urge pupils to stand up to peer pressure and explain the health risks of using "pot, hash, hash oil [and] PCP."

Characters like Wonder Girl, Kid Flash and a half-man, half robot named Cyborg are in the front lines of the drug prevention campaign.

The administration's efforts stem from recent findings by drug abuse experts that children are exposed to marijuana, cocaine and other drugs at increasingly young ages.

The government-funded National Institute on Drug Abuse recently found that many children begin experimenting with drugs at 11 and that most are exposed to adult drug-users years earlier.

The findings have spurred school districts to launch early drug-education programs, have led parents to form more drug awareness groups and have sent celebrities on speaking tours to schools across the country.

GAINING GROUND

Dr. Donald MacDonald, chief of the Health and Human Services Department's alcohol and drug abuse program, said the education efforts appear to be gaining ground.

MacDonald told President Reagan last week that teen-agers are increasingly aware of drug-related health risks, more opposed to legalizing drug use and less likely to cave in to peer pressure than in the past.

MacDonald said marijuana use among teen-agers appears to be declining, although cocaine use is still "dangerously high."

First Lady Nancy Reagan has logged an estimated 60,000 miles visiting schools and drug rehabilitation centers in 44 cities as part of a campaign to enlist celebrities in the drug education effort.

Mrs. Reagan once asked a third-grade drug education class how many pupils had been offered drugs, and more than half the children raised their hands. She said the experiences shocked her and made her "redouble my efforts to visit elementary schools."

"It [strikes] me as odd to see little boys in Cub Scout uniforms and little girls in jumpers learning about drugs that many adults haven't even heard of," Mrs. Reagan said. "The scene was both terrifying and encouraging."

During a recent speech at a suburban junior high school outside Washington, D.C., the Rev. Jesse Jackson urged 11-, 12- and 13-year-olds who use drugs to admit their problem by joining him on stage.

About 70 students responded to the appeal. And when Jackson asked students who drink alcohol to come forward, two-thirds of the student body walked to the front of the auditorium.

CELEBRITIES

"What good is opening the doors of opportunity, if they're too high or too drunk to stagger through it?" Jackson asked. Jackson is urging movie stars, athletes and rock 'n' roll singers—"those who set the rhythm for our society"—to join in the anti-drug campaign. "If Mr. Prince and Mr. Stevie Wonder and Mr. Boy George go a certain way, they're going to take a lot of people with them," he said.

Since the state Legislature passed a 1984 law encouraging high schools to set up programs, Florida has expanded its drug education and prevention programs.

The state estimates that 93 percent of its high schools have anti-drug programs and counties such as Broward, Brevard and Pinellas have set up programs in the lower grades.

A commission established by Gov. Bob Graham to study the drug problem is pressing for new legislation mandating comprehensive drug prevention and education programs at the elementary and junior high school level as well.

"We really have to start young, before they're in high school," said John Daigle, executive director of the Florida Association of Alcohol and Drug Abuse and a commission member. "We have to reach them when they're making these decisions."

JOHN HUME'S COMMENCEMENT ADDRESS AT THE UNIVERSITY OF MASSACHUSETTS

Mr. KENNEDY. Mr. President, yesterday in Boston, the University of Massachusetts awarded an honorary degree to one of the greatest statesmen and patriots in Ireland's long, distinguished, and often tragic history—the founder and current leader of the Social Democratic and Labor Party in Northern Ireland, John Hume.

In the 16 years since the current strife began in Northern Ireland, many of us in Congress have come to know John Hume, to admire the eloquence and insight of his leadership, and to respect his extraordinary commitment to nonviolence as the only acceptable path of change for the minority Catholic community in Northern Ireland.

In his commencement address at the University of Massachusetts, Mr. Hume reaffirmed his strong commitment to peace, and provided a thoughtful and moving analysis of the search for justice and reconciliation in Northern Ireland and the inspiration he has drawn from the civil rights movement in the United States.

Mr. President, I commend the University of Massachusetts for honoring John Hume in this way, and for granting this well-deserved tribute to his leadership and his cause. I believe that his address will be of interest to all Americans who share his commitment to peace and a settlement of the conflict in Northern Ireland, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY JOHN HUME, COMMENCEMENT EXERCISES, UNIVERSITY OF MASSACHUSETTS IN BOSTON, MAY 19, 1985

It is a great honour for me to be selected as the first non-American to give a commencement address at the University of Massachusetts, a University of ever growing stature and reputation in a state which is deservedly renowned throughout the world for its institutions of education. It is a particular pleasure to come from Ireland where I live to this city which has so many strong associations with Ireland, indeed which many would regard as Ireland's second capital and which I have certainly come to regard as my second home. It is furthermore a rare privilege for me to have this opportunity to address a group of young Americans, many of whom are—as I believe you are—from a minority tradition and to tell you something of the experience of my own minority and the problems it faces.

In Ireland, and more precisely in that part of Ireland which is under British sovereignty—Northern Ireland—I serve as an elected representative and the leader of a political party, the Social Democratic and Labour Party. But I speak first today as someone who was once a teacher and whose friends still accuse of being a teacher at heart. I am flattered by the accusation. For at their best, education and politics, have as their purpose the same high goal of excellence; the search for excellence in the individual provides in turn the basis for the broader quest for excellence in society as a whole. As the son of poor parents which I am, and coming from a minority as I do, I have learned to appreciate the great value of education—and above all higher education—not simply as the means to social progress which it has been for many but as a door to the liberation of the mind through which minorities can redress their grievances and can enlarge the worth of the greater society to which they belong.

This Commonwealth of Massachusetts has been a gateway to the New World for generation after generation of immigrants. From the first sighting of the great Plymouth rock it has been at the centre of all the momentous events which shaped this republic. It has been a meeting point for many races who became in turn minorities within the United States—Irish, Italian, Black, Hispanic, Greek and Jew. Many arrived as refugees, others as slaves and bondsmen but all of whom have seen the opportunity in education to struggle from their desperate circumstances and build their future in this great society. It is no accident, that Massachusetts, which has so cherished education, which is so endowed in its centres of learning, should have made a contribution to the political and cultural life of the United States for above any State of comparable size or resources. Through the enlightenment of its schools and colleges, through the hard work and the imagination of its present minorities, this Commonwealth can continue to provide great leaders for the benefit of all Americans.

Your generation is now about to engage in the shaping of your society. It is your opportunity to build on the achievement of all who preceded you. It is also your responsibility never to forget from where you come and to remember those whom you have left behind and who have yet to commence on the road to progress. This is above all true for those of you who are from the minorities of this State and who have had to struggle harder than others to obtain the advantages of education who may indeed be the first from their family and from their street, as I was, to go to college. Your commitment in particular must not falter.

Within nations, minorities have a special role and indeed a special responsibility because they are frequently asked to carry the burden of the imperfections of the society as a whole. But because they have emerged through their own talent and know their own greatness and because they have experience of the intolerance and imperfections of others, they have the capacity and the moral authority, through constructive engagement, to change society and to move it ahead for the benefit of majority and minority alike.

"The hope of the world is still in dedicated minorities," wrote Martin Luther King. "The trailblazers in human academic, scientific and religious freedom have always been in the minority. . . . It will take a small committed minority to work unrelentingly to win the uncommitted majority. Such a group may well transform America's greatest dilemmas into our most glorious opportunity."

The words I quoted from Dr. Martin Luther King were spoken over twenty years ago when I was a high school teacher, living, as I still do, in a small depressed industrial city in the North of Ireland, part of a minority which know all the ravages of unemployment and all the grievance of the denial of basic civil rights. The dream which Dr. King proclaimed of a glorious opportunity for a new America, transformed by the moral energy of its minorities, was and for me and others of my generation in Northern Ireland the inspiration for our search for justice and equality within a transformed society. Your generation is about to build on the achievements of Dr. King and other great Americans like John F. Kennedy who preceded you and whose struggle and whose sacrifices have provided the basis for your opportunity. My generation in Northern Ireland has yet to find the basis for the advancement in peace and dignity of present generations and of generations yet to come.

I want to tell you now about the background to the problems of my society whose turmoil is so frequently and tragically a headline in the newspapers of your country. I do this not because the problems we face are immediately similar to yours. But I think you will find in its story that striving for dignity, that search for security, that drive for equality which is common to minorities everywhere. I hope by it you will also see that when those of any minority, in their impatience for change or in the passion of their rage, pursue the path of violence, they inflict a great injustice on their people and make more difficult the regeneration of society as a whole. Though an aggrieved minority knows full well the nature of its oppressor and its oppression, the pursuit of justice and equality demands the liberation of the oppressor no less than the victim.

The story of Northern Ireland is the story of a conflict—not I must explain a religious conflict, even though the two communities who live there draw much of their character and their coherence from their religious traditions. It is rather a conflict between the aspirations of ordinary men and women—600,000 Nationalists, 900,000 Unionists—who have been trapped by a tragic error of history which saw their hopes and fears as mutually exclusive and irreconcilable within an Irish state but which obliged them nonetheless to live and compete side by side in one small corner of Ireland. These two communities in Northern Ireland, Catholic and Protestant, Nationalist and Unionist, both behave like threatened minorities and only by so regarding them and only by removing the fears which they both feel can a just and durable solution be found.

Northern Ireland was born out of the insecurity of the Protestant-Unionist minority in Ireland. Fearful of becoming a minority in the Irish State then emerging sixty years ago, distrustful of the intentions of their fellow Irishmen, zealous to protect the advantages they believed they had under Brit-

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ish rule, the leadership of the Unionist community sought and achieved, through threat of force, the acquiesence of Britain in the creation of a new political territorial and artificial entity in Ireland wherein they hoped they could shape their own destiny as part of the United Kingdom. But the new self-governing political entity thereby established, called Northern Ireland, was neither secure nor homogeneous. Caught within its boundaries was a substantial Catholic and nationalist minority, which felt itself Irish, and which did not cease to be Irish simply because legislators elsewhere had drawn a line in a map and declared that henceforth they were British. Thus Northern Ireland, which was designed as part of a settlement to end the conflict between the British and the Irish interest in Ireland, served only to extend and aggravate this conflict by compressing the clash of majority and minority within an even more narrow and more rigid territorial, economic and social confine.

For over fifty years the Unionist majority sought to entrench their position through political gerrymander and discrimination. Though inexcusable, it was inevitable that they should have acted in this fashion—as other majorities have at times acted—since their inheritance was not a land of promise but a policy of insecurity. It was inevvitable also that each attempt they made, at the expense of their neighbours, to strengthen their role and protect their privileges should have served only to disrupt the structures of society as a whole and to create new tensions and insecurities. This was the case also in the deep south of the United States not too many years ago where an insensitive and insecure white majority held sway. It was inevitable also that in Northern Ireland a new and highly educated generation should have emerged from the nationalist minority, as it also emerged from the black minority in the south, which would not accept intolerance and disadvantage and inequity as their legacy and the legacy of their children.

The American civil rights movement gave birth to ours. The songs of your movement were also ours. Your successes were for us a cause of hope. We also believed that we would overcome most importantly, the philosophy of non-violence which sustained your struggle was also part of ours. Our own history and our own circumstances gave a special power to the counsel of Rev. Martin Luther King that violence as a way of achieving justice is both impractical and immoral:

"It is impractical because it is a descending spiral ending in destruction for all. The old law of an eye for an eye leave everybody blind. It is immoral because it seeks to humiliate the opponent rather than win his understanding; it seeks to annihilate rather than to convert. Violence is immoral because it thrives on hatred rather than love. It destroys community and makes brotherhood impossible. It leaves society in monologue rather than dialogue. Violence ends by defeating itself. It creates bitterness in the survivors and brutality in the destroyers."

Can anyone looking at divided societies in the world today like Lebanon, Cyprus, and Ireland doubt the wisdom of these words of Martin Luther King?

The world responded with sympathy to our non-violent movement for civil rights as it did to yours. But whereas in the United States the structures of your democracy were resilient enough to encompass the challenge of civil rights, in the unstable political environment of Northern Ireland, our struggle was perceived as a threat to the very survival of the society itself and as such was resisted by the institutions of the State.

In the ensuing clash, the unionist majority, through the imposition of direct rule from London, lost their local parliament which they had come to regard as the symbol of their independence and as the guarantor of their heritage. Though many would still wish to regard Northern Ireland as their exclusive homeland, they lack the power and indeed the freedom to shape their destiny as they had once hoped. Though they dominate the security institutions of the State, they have not found security as a people.

In the ensuing clash, the philosophy of non-violence was rejected by a minority in my own community who followed the old law of an eye for an eye, who were inevitably brutalised by the process in which they engaged, who in their savage anger have come to reflect all of the hatred and sectarianism they had sought to overthrow and who, in their pursuit of violence, demeaned the cause we hold dear and lost us many good allies. Sustained by their violence this group is beset by the illusion that they can, one day, impose their will on the island of Ireland as a whole.

In the ensuing clash, Britain once again became directly embroiled in Ireland and once again became a major participant in the conflict, destined to repeat time and again all the tragic errors of its past.

For my own community, the nationalist minority, Northern Ireland remains a society still dominated, in its institutions, its security system and its cultural assumptions, by an ethos which they see as hostile to their interests and aspirations so that many have now withdrawn for all practical purposes from any commitment to engagement within the society as it now stands.

I would quote Martin Luther King again:

"When an individual is no longer a true participant. When he no longer feels a sense of responsibility to his society, the content of democracy is emptied . . . when the social system does not build security but induces peril, inexorably the individual is impelled to pull away from a soulless society. This produces alienation—perhaps the most pervasive and insidious development in contemporary society."

Although a consequence of the injustice of others, alienation is a desperate and dangerous development within minorities because it weakens their coherence, erodes their faith in progress and gives terrorism the opportunity to take root.

When a society produces alienation in the individual, when it cannot provide for the equality and the differences of its citizens, "when the social system does not build security but induces peril," that society must be reshaped and transformed through new institutions which accommodate diversity and promote equality for minority and majority alike and thus provide the basis for reconciliation. Reconciliation can be the only solution in my country as integration has been the goal in yours. Reconciliation is the reversal of alienation. Like true integration, it does not entail the suppression of difference; it involves the legitimization of difference which is the essence of mutual respect. Yours is a nation, sustained by its pluralist institutions, which is not only learning to tolerate but which is coming to see the intrinsic worth of racial and cultural difference within society. You have realized that the essence of unity is the acceptance of diversity. We must strive yet to establish in Ireland and between Britain and Ireland the institutions which will allow all the traditions on our island to grow and flourish in full respect for the valid differences that exist and with full commitment to a new unity of purpose within which all in society can prosper.

The cause of minority rights and the achievement of civil rights gave to the United States a new sense of its own history and a new meaning to the concept of its nationhood. The history of America is now seen to be inseparable from the history of its minorities and the measure of the nation has become the opportunity and the prosperity it affords to its minorities. We must yet in Ireland find the true meaning of our own history and learn the full measure of our nationhood. Northern Ireland is a society overawed by its own polarisation, overpowered by constricting group loyalties and outdated views of State and nation and overwhelmed by the burden of its history and the narrow view of the history which prevails there. No society can afford to ignore its history or argue it away or wish it otherwise. If we do so we are doomed to repeat our failures. But we can not in any society, majority or minority alike, allow ourselves to be dominated by the bitterness of our past so that the past becomes the tyrant of the present. Nor can those in a divided society allow the blinding glare of their own narrow animosities to turn their eyes away from the search for progress. When society is paralysed by its successive failures, it must look beyond its own limiting obsessions and seek courage and example in the achievements of others.

Earlier this month, while attending the European Parliament in Strasbourg, I observed a range of events commemorating the defeat of Nazism—that most evil of all racist philosophies—and the ending of the second world war in Europe. Their purpose was to exorcise the bitter ghosts of history which lurk still in the dark reaches of the memory of those terrible times. Within Western Europe, former adversaries have left behind the narrow doctrines of sovereignty and statehood which brought them to war many times in the past and have constructed a community to entrench their reconciliation and to advance their cooperation. Ireland and Britain are both members of this European Community; both the minority and the majority in Northern Ireland benefit from involvement in this community. I do not think it is too much to ask, in the light of all of this, that Britain should set about its reconciliation with Ireland so that those two countries can both exorcise the ghosts of their past which still haunt the narrow streets of Northern Ireland.

In seeking to rebuild their future together, the Irish can also look to the experience and the history of this nation, a nation which has so many close ties to their own. Your greatest successes as Americans have been in accommodating the ethnic and cultural diversity of all who made America their home and in structuring around this a single nation dedicated to the progress of the individual. Your society may at times have faltered in meeting that challenge of accommodating diversity and of acknowledging difference. But you have also shown the capacity to rise to the challenge, to revitalize your democracy, to reconcile the discontented and to hold out the hope of partnership and participation for all who may still knock at the door.

The Irish experience, no less than the American, can admit of no rigid or exclusive doctrine of nationhood. Ireland throughout its long history, like your country over three hundred years, has accommodated many different cultures and peoples. Our history, however, unlike yours, has also been one of fragmentation and dispersal. We have been a nation of emigrants, emigrants from both the Protestant and the Catholic traditions, who made their home on many shores and in particular on the shores of America. More than in any other part of the world, here in the United States, where over forty million people look to Ireland, a land of five million, as the country of their heritage, the Irish can come to recognize that the nation is greater than the territory and that the doctrine of territory should not be nurtured to the neglect of the nurturing of the people. Those who would seek to base their future in Ireland on some narrow sectional interest and allegiance or on a purist and selective interpretation of race limit their potential as a people and do injustice to their own history and the history of the Irish diaspora. A people as varied in heritage as the Irish, as loyal to their traditions as the Irish, a widespread in their dispersal as the Irish, can draw courage from your history and from their part in that history in reaching for a new doctrine of nationhood around which they can construct a new society founded on reconciliation.

We all know from experience that we cannot overnight change the minds of men and women, or hope to better their circumstances, or end their fears or ease their anxieties or remove their prejudices with legislation alone. But we also know only when democratic institutions are shaped which are responsive to the needs of minorities, and only when intolerance is outlawed and only when full opportunity is provided can the basis for healing in society begin. In this nation just over twenty years ago, John F. Kennedy had the wisdom and the courage to embrace the vision of Dr. Martin Luther King and to maintain the march of the nation by laying the basis for equality and justice. In the same spirit, I would call on the political leadership in Britain and in the Unionist Community to join with Irish nationalists in creating a framework for the reconciliation of the turbulent and polarized society of Northern Ireland so that the men and women who live there can look, not to the divisions of the past or to any limiting group allegiance, but to a new Ireland of the future which secures them in the protection of the law, gives them confidence in the recognition of their identity, assures them in the respect of their tradition and gives them equal access to all the benefits of partnership within a single community of interest.

The words of Martin Luther King are again relevant:

"Human progress is neither automatic nor inevitable. Even a superficial look at history reveals that no social advance rolls in on the wheels of inevitability. Every step toward the goal of justice requires sacrifice, suffering, and struggle; the tireless exertions and passionate concern of dedicated individuals. Without persistent effort, time itself becomes an ally of the insurgent and primitive forces of irrational emotionalism and social destruction. This is a time for vigorous and positive action."

For your generation entering into the world, this is a time for vigorous and positive action. For all who seek peace and reconciliation in Ireland, we must ensure that now is the time for vigorous and positive action.

WORLD TRADE WEEK

Mr. DOLE. Mr. President, the week of May 20 is World Trade Week, an occasion for commemorating the importance of international commerce in the economic growth and development of all countries. Trade plays a fundamental role in binding the destinies of the world's nations and peoples together. This effort is particularly important in light of the relatively small percentage of global economic activity reflected in international commercial transactions.

Trade is the yardstick that measures the mood and direction of global political and economic development. When the reading is toward the high end, conditions permit greater liberalization and open access to imports from other countries. At the low end, concern over slow economic growth and unemployment crowds out open trade with import protectionism.

I would only take a minute, Mr. President, to review where I think we are on this scale. It has become commonplace to describe the current situation as verging on a collapse of the post-war trading system. The General Agreement on Tariffs and Trade [GATT], we are told, is tottering on the edge of extinction after years of abuse, neglect, and evasion by its member countries. Its failure, we are told, would trigger an unparalleled wave of protectionism and retaliation, plunging the world into an economic abyss deeper than the worst years of the Great Depression.

I certainly agree that the present outlook for open trade among Western nations poses a great challenge to those of us who must deal responsibly with the issue. The proliferation of nontariff barriers since completion of the Tokyo round of the GATT in 1979 has undercut that agreement's basic purpose—to establish a uniform basis for gradually phasing out the import restrictions of all nations. Evasion of this principle through the use of nontariff barriers has become pervasive today. A recent report by the so-called committee of wise men, which includes the distinguished Senator from New Jersey, Senator BRADLEY, called for setting up a balance sheet listing all present forms of import protectionism as a way to get back to a common benchmark again. I believe this proposal may have merit if a new GATT round is launched in the near future.

With regard to a new GATT round, I strongly support the administration's call for negotiations starting as soon as a specific agenda can be prepared. It is manifest that existing rules and safeguards are doing little to prevent tariff reductions from being replaced by a plethora of indirect import barriers. It is also obvious that the subsidies code adopted as a means of introducing responsibility in the trade of primary products, particularly agricultural commodities, has failed its test and must be overhauled and replaced. Finally, the United States has a growing interest in regularizing the trade of services and high technology products in a new GATT round.

While these are all worthwhile objectives, it is not clear whether they can be incorporated into one agenda with the different goals of our trading partners, including developing countries. And I am concerned that, without an agenda that is specific on these points, various economic interests in the United States will not have the patience required for another 7- or 8-year negotiation.

Before closing, Mr. President, I would only mention two issues that may need to be addressed as we search for ways to encompass the diverse interests in world trade within some new framework. First, a growing share of world trade is taking place under some form of bilateral arrangement. The effect of such long-term, closed-contract, nation-to-nation agreements is to make the so-called free market correspondingly thin and volatile, and to expand the role of government and parastatal agencies in the commercial process. In the absence of a conceptual breakthrough in a new GATT round, the multilateral trading process may well need to take account of expanding bilateral trade.

A second and related issue we should consider is the continuing isolation of one quarter of world trade from the GATT process. Trade within the East bloc, and between Western nations and nonmarket economy countries, constitute an increasingly important factor in the global trading environment. It may not be possible to bring the Soviet Union and its allies entirely into the GATT process due to the strategic and political nature of their relationship. We could, however, consider setting up some regular consultative process or standard for mutually acceptable practices as a first step toward a more stable and balanced global trading system.

Thank you, Mr. President.

EXECUTIVE SESSION

(The following proceedings occurred later and are printed at this point in the RECORD by unanimous consent.)

Mr. GOLDWATER. Mr. President, with the permission of the minority leader, I ask unanimous consent that the Senate go into executive session to consider the following nominations on the Executive Calendar, all nominations under "New Reports," except Calendar No. 198, and all nominations placed on the Secretary's desk.

There being no objection, the Senate proceeded to the consideration of executive business.

The **PRESIDING OFFICER**. The nominations will be stated.

Mr. **GOLDWATER**. Mr. President, I ask unanimous consent that the nominations just identified be considered en bloc and confirmed en bloc.

Mr. **BYRD**. Mr. President, reserving the right to object, will the distinguished Senator add to his request that the Senate remain in executive session no longer than 1 minute at the most and that at the close of that minute it go back to legislative session.

Mr. **GOLDWATER**. That is the understanding, yes.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Without objection, the nominations are confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. John L. Piotrowski, 378-28-6898FR U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Gen. Larry D. Welch, 514-32-7932FR, U.S. Air Force.

The following-named officer for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Gen. Bennie L. Davis, 444-20-0242FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Robert D. Russ. 537-28-9188FR U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Merrill A. McPeak, 554-44-2858FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Bernard P. Randolph, 434-48-9726FR U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. William E. Thurman, 401-38-5817FR U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Charles J. Cunningham, Jr., 197-26-1874FR, U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Robert F. Coverdale, 277-26-0316FR, U.S. Air Force.

The following-named officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of sections 593, 8218, 8373, and 8374, title 10, United States Code:

To be major general

Brig. Gen. Wess P. Chambers, 527-34-7817FG, Air National Guard of the United States.

Brig. Gen. Charles S. Cooper III, 079-26-7743FG, Air National Guard of the United States.

Brig. Gen. Glenn W. Osgood, Jr., 380-26-8509FG, Air National Guard of the United States.

Brig. Gen. Robert W. Schaumann, 055-26-8223FG, Air National Guard of the United States.

To be brigadier general

Col. Wayne B. Adams, Jr., 530-18-4052FG, Air National Guard of the United States.

Col. John A. Almquist, Jr., 211-26-7898FG, Air National Guard of the United States.

Col. Charles R. Barnes, 315-32-2506FG, Air National Guard of the United States.

Col. William D. Bates, 559-36-7920FG, Air National Guard of the United States.

Col. LeRoy R. Crane, 378-24-5617FG, Air National Guard of the United States.

Col. Charles J. Gebhart, 410-38-8260FG, Air National Guard of the United States.

Col. Robert E. Harris, 183-26-9611FG, Air National Guard of the United States.

Col. Karl K. Kramer, 284-30-8720FG, Air National Guard of the United States.

Col. Darrell V. Manning, 519-30-7079FG, Air National Guard of the United States.

Col. Paul N. Maxwell, 516-32-2739FG, Air National Guard of the United States.

Col. Pere W. Saltzgiver, 034-24-2060FG, Air National Guard of the United States.

Col. Richard A. Stich, 503-28-6779FG, Air National Guard of the United States.

Col. Stewart W. Timmerman, 118-24-2991FG, Air National Guard of the United States.

Col. Milton H. Towne, 539-22-1029FG, Air National Guard of the United States.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. Roscoe Robinson, Jr., 495-28-6662, age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Jack N. Merritt, 446-22-2608, U.S. Army.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Earl B. Fowler, Jr., 266-26-8820/1440, U.S. Navy.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning Charles B. Christian, Jr., and ending James D. Samuels, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Air Force nominations beginning Maj. Reginald C. Ameele, and ending Maj. David B. Pierce, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Army nominations beginning Richard E. Chaffin, and ending Jerry N. Waltman, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Army nominations beginning James L. Brazell, and ending Richard A. Cooper, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Marine Corps nominations beginning Clarence L. Baer, Jr., and ending Jack B. Zimmermann, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Marine Corps nominations beginning Shauna E. Ahlers, and ending Steven M. Zimmeck, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Navy nominations beginning Clinton E. Adams, and ending Dennis Samuel Curry, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Navy nominations beginning Jo Ann Landacre, and ending Kevin Stewart Kennedy, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Navy nominations beginning Chase Dee Anderson, and ending Jack Frank Lake, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 1985.

Mr. **GOLDWATER**. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. **BYRD**. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **GOLDWATER**. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. **GOLDWATER**. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **RUDMAN**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **GOLDWATER**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. Kasten). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER**. Is there further morning business? If not, morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

The **PRESIDING OFFICER**. The clerk will report the pending business.

The bill clerk read as follows:

> A bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Nunn Amendment No. 159, to impose certain restrictions on the MX missile program.

(2) Dodd Amendment No. 185, to provide funds for United States security interests in Central America.

Mr. **GOLDWATER**. Mr. President, I hope that the Senator from Connecticut is handy, because we are about 20 minutes late starting.

I just want the Senate to be informed of the fact that the intention is to go late tonight, and late could be past midnight. I want to finish this bill by sometime Thursday night.

So if the Senator from Connecticut can hear me, I implore him to drag it in here and let us get going.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. **NUNN**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **NUNN**. Mr. President, what is the pending business?

The **PRESIDING OFFICER**. The pending question is amendment No. 185, offered by the Senator from Connecticut [Mr. Dodd].

Mr. **NUNN**. Mr. President, I will not ask that that amendment be set aside, but I will proceed to explain my position on another important matter, and I hope we can take this matter up at the appropriate time today. I am going to try to intersperse it so that we do not waste time.

I see that the Senator from Connecticut has entered the Chamber. Is the Senator prepared to go forward now? I have another amendment. If the Senator is not quite ready, I could go ahead with it, or, if he is prepared, I will yield to him.

Mr. **DODD**. I should like 5 minutes or so.

NATO

Mr. **NUNN**. Mr. President, I will not ask that the Dodd amendment be set aside, but I should like to address myself to the subject of NATO.

Mr. President, last year during the Senate consideration of the fiscal year 1985 defense authorizations bill, I introduced an amendment on the subject of improving NATO's conventional defenses. That amendment challenged our European allies to make good on a series of long-promised actions, without which much of what the United States contributes to NATO's coalition defense is wasted or meaningless. If the allies failed to respond positively, my amendment proposed to recognize that a delayed tripwire to nuclear escalation is all that the Europeans want or are prepared to invest in. In that case, the U.S. contribution of men and material for conventional defense in NATO should be sharply reduced, and the U.S. forces remaining in Europe should be restructured to constitute a true nuclear tripwire force.

Mr. President, I declared then and I state again today that I, myself, do not support a nuclear tripwire strategy. I think the element of risk is too high, that such a posture is not as credible a deterrent to Soviet actions as we need, since the Soviet Union already enjoys clear superiority in theater and tactical nuclear weapons in Europe, and has achieved parity with the United States in strategic nuclear forces. I support a more robust conventional defense capability, one designed to make clear to the Soviet Union that our conventional defenses would be able to fight, and fight well, without early resort to nuclear war. I am quite conscious of European concerns about "World War II refought" across their homelands, and I am not proposing conventional capabilities geared to fight for months or years. I believe that if NATO confronts the Warsaw Pact with a robust defense capability adequate for significant forward defense for a period of several weeks, that defense will never be put to the test because it will be a credible and believable deterrent.

NATO must correct a variety of war stoppers, a collection of Achilles' heels. Despite NATO outspending the Warsaw Pact year after year, these war stoppers would still lead to the collapse of effective NATO conventional defense in, to use Gen. Bernard Rogers' own words, "days, not weeks." I want us to reverse that situation. I want General Rogers to be able to assure us he can fight for "weeks, not days" before he would have to request nuclear release.

My amendment identified several of these war stoppers. Chief among them is the serious shortfall of ammunition among our allies in the center region. This, in General Rogers view, is the principal reason why he must request nuclear release authority within days, not weeks. The United States has about triple the days of supply of our allies, yet we plan to spend more than $50 billion over the next 5 years on more munitions for our forces in Europe. Another war stopper was the lagging program to provide needed facilities at NATO air bases to assure that the 1,500-odd first-line tactical aircraft the United States has committed to send to NATO early on can be refueled and rearmed. A third war stopper is the virtual total absence of aircraft shelters for these 1,500 first-line U.S. tactical aircraft. Without shelters, this multibillion dollar investment by the U.S. taxpayer becomes cannon fodder once the shooting starts.

There are other serious defense problems in NATO—lack of a common IFF capability, inadequate chemical weapons defenses and retaliatory capabilities to deter Warsaw Pact use of these awful weapons, lack of jam resistant, interoperable C3 capabilities—the list of deficiencies is a lengthy one. But the factors described above are clearly war-stoppers, are clearly part of previously agreed remedial programs which our allies have repeatedly failed to implement, and are clearly areas where the United States cannot correct the war stoppers through its own unilateral efforts. To improve NATO's collective defenses, all the allies must march to the same beat.

I emphasize again that these are not "burdensharing" arguments—correcting the wars stoppers is mandatory for NATO's agreed military strategy to make sense. Morever, the cost of fixing them is only a tiny fraction of the current defense budgets of our NATO allies.

What good does it do for the two U.S. corps areas to have enough munitions to fight for many weeks and be building to a level to fight for months, if the allies in the other six corps areas will run out in days, not weeks? We cannot transfer our excess U.S. munitions all across the front even if we had full interoperability with the allies—which we do not—and the United States cannot hold the center region by itself, once our allies run out. Moreover, building excess U.S. munitions stocks may be counterproductive, since it may lead our European allies to think we really do want to fight a conventional "World War II" all over again. Paradoxically a 60- to 90-day U.S. supply of ammunition may make it less likely that our allies ever achieve a 30-day supply.

Why should the U.S. taxpayer continue to buy the tactical aircraft, to be able to send 1,500 U.S. fighters to Europe witin 10 days, and buy the airlift to move their maintenance and logistics support, and buy the bombs and missiles with which to arm them, if the facilities to refuel and rearm them on European bases do not exist and there are no aircraft shelters in place to protect them? This is an unanswered question.

Why should the U.S. taxpayer continue to fund tanks and jeeps and howitzers and all the other weapons of war for six U.S. divisions, all to go into Pomcus warehouses, so we can airlift the troops and have six divisions ready to reinforce the alliance early on, if the allies will have run out of ammunition before these U.S. troops can even make it to the front line? Truly, for the alliance to work, we must all march to the same beat.

These are the fundamental, underlying motivations for my amendment last year. As most of my colleagues will remember, my amendment was vigorously opposed by the administration, even though those opposed to it were unable to refute in the slightest the facts of the matter that were recited—that the allies had repeatedly promised to undertake specific measures necessary to allow major U.S. reinforcements to be militarily effective in the conventional defense of NATO, but that they had repeatedly failed to implement these pledges. In the meantime, the U.S. Defense Department had continued on its merry way to carry out its existing program, buying tanks and planes and bombs and missiles to carry out its part of the bargain, even though those assets would have no value unless the European allies lived up to their promises. In summary, my amendment required nothing new, nothing additional; it merely required our European allies to begin to carry out what they had already repeatedly promised to do.

The strong lobbying opposition by the President ultimately prevailed, as the amendment was defeated by 55 to 41. I am also persuaded that, were I to introduce that amendment again this year, it would have increased support. I do not know whether it would pass or whether it would come close, but I know the suppport has increased. In the intervening months since last June, however, I believe that several major changes in NATO have occurred that persuade me to withhold offering my amendment again for the time being. I believe that 1985 can serve as a test of allied intentions, and I must report that there are some encouraging signs.

First and foremost, I commend the new Secretary-General, Lord Peter Carrington; he has campaigned tirelessly, since he took over, for the allies to develop concrete programs to redress the main deficiencies in NATO's defense posture, and his energy and enthusiasm seem to have begun to permeate NATO's sluggish bureaucracy.

Second, I must note and commend the substantial contributions of our Ambassador to NATO, David Abshire, and of the Supreme Allied Commander, General Rogers, for their untiring efforts to lead, persuade and cajole the Allies into doing more for conventional defenses.

Third, I note the constructive efforts of a number of our allies that have been reported to me, and, in particular, note the persuasive powers of both the United Kingdom Defense Minister, Mr. Michael Heseltine and the Federal Republic of Germany Defense Minister, Mr. Manfred Woerner. Both have outlined to me the substantive plans to which they are committed, to include substantial increases in munitions acquisitions.

Finally, I note the actions of the NATO defense ministers at their December meeting including the leadership of Secretary Weinberger at that meeting, in pledging to build munitions stocks rapidly to the 30-day level, and in committing the alliance to a substantially larger infrastructure program over the next 6 years, one that, if fully implemented, will provide during this period all of the facilities and some two-thirds of the aircraft shelters needed for the U.S. tactical aircraft reinforcements.

I am also assured by Defense Minister Woerner that the longstanding impasse over a common, NATO-wide system for IFF is close to being resolved. This in my judgment, is an important and commendable step forward. These and other measures strongly suggest to me a positive change in attitudes among our allies since my amendment was defeated last year.

Having paid these compliments—and I do sincerely applaud these very promising agreements on both sides of the Atlantic—I must point out that these are still largely words, not deeds; they are promises and programs, not achievements. Not one extra artillery shell or bomb has yet been delivered, not one extra aircraft shelter has yet been started. I do not suggest that the necessary deeds will not occur, but the history of past NATO pledges that have not been fulfilled cannot help but cast a dark shadow over mere words and promises, until the bright light of deeds and accomplishments drives away those shadows.

There are those who are saying that the zero real growth U.S. defense budget undercuts our ability to get our allies to carry out their commitments. I might remind my colleagues that the NATO 3-percent agreement is measured in outlays, not budget authority, and U.S. defense outlays will exceed 3 percent real growth for the next several years, even with real growth limited to zero in budget authority. I also remind my colleagues that the United States has not only met the 3-percent goal each year but exceeded it by a cumulative total of $120 billion over the last 4 years. We have gone over 3 percent by $120 billion. So certainly there should be no complaints from our allies on that score.

Some people both here and abroad may interpret this decision not to reintroduce last year's amendment as the end of the crisis; a signal that it is OK to return to business as usual. That would be a very serious misreading of the situation in this country and in Congress. I have characterized my amendment as not about burdensharing, but rather about fixing some long-standing warstoppers. I wish to make this plain, I am concerned about equitable sharing of the burdens of security, but I am more concerned about developing a credible NATO deterrent in an era of nuclear parity. I am concerned about the equity of the burdens of the common defense; it is just that the warstoppers problems were of higher priority than burdensharing issues. However, with our own U.S. defense budget for next fiscal year set at zero real growth and facing a defense budget outlook for the next several years that has 3 percent real growth as the maximum upper limit, the question of priorities will assume far greater importance in our own defense planning process.

It is in that context, of the need for establishing our own priorities in a period of real defense austerity following several years of dramatic, and in retrospect, too rapid, growth in defense spending, that we must revisit the burdensharing issue. It is clear to anyone who would read carefully the Secretary of Defense's latest Burdensharing Report that the inclusion of Japan, with its woeful performance on virtually all burdensharing measures is the only factor that allows the Secretary to dare to suggest that the non-United States NATO allies as a group appear to be shouldering roughly their fair share of the NATO and Japan defense burdern. In other words, by throwing Japan into the equation, it makes our NATO allies look much better. If you leave Japan out with their dismal performance, it is a totally different kind of measure.

In the past decade, U.S. troop levels stationed in Europe in peacetime have grown by some 75,000, to a level of 326,414, while allied forces have grown hardly at all. The United States has also committed itself to provide massive early reinforcements of both tactical aircraft—some 1,500 planes—and heavy Army divisions—which has required us to purchase six complete extra sets of combat equipment to be put into POMCUS warehouses, so we need only airlift our troops to Europe where they match up with our equipment already there.

Mr. President, as I have listened to the parade of witnesses this year, I have been struck by the extent to which our defense planning process can be characterized by the old adage more money than brains. I say this not to castigate the Defense Department, although it is clear that even after 5 years, they have no strategy worthy of the name. Why on Earth we would buy thousands of tactical aircraft 5 to 10 years before the facilities and shelters needed to use them effectively are built is unexplainable. Why we would buy and ship to Europe enough munitions to allow our forces to fight three to four times as long as any of the armies of our allies is equally incredible. Why we plan to continue to do this is astounding, yet we do plan to spend some $50 billion on munitions for our forces in Europe over the next 5 years. I think we have to readjust in some of those crucial aspects.

In a period of serious budget austerity, we in Congress will have to take a much harder look at our forces and our commitments. At near-zero real growth for the next several years, can we do all of the following:

Can we expand the number of Army divisions to 17, and can we afford to equip and train 5 different kinds of divisions?

Can we expand the tactical air force from 36 to 40 wings, all while developing new and improved capabilities like the ATF, that are likely to be even more expensive?

Can we expand the Navy to 600 ships, buy enough attack submarines, and enough Tridents and still modernize naval aviation on a substantial scale, including the ATA?

Can we afford the development of a new airlift transport, a new VTOL aircraft, a new series of utility helicopters and other major new starts, when the requirements for these are far from clear, and our ability to fund them is dubious?

Can we afford to continue to fence all of the President's ongoing strategic modernization program, treating it as our highest priority undertaking? And we will be debating that subject later on today on the MX.

I must say I do not believe that all of these programs that the DOD has in its outyears plans are realizable as we look to the years ahead. Yet in our own committee deliberations we continued our process of approving funding wedges for all of these new programs, while making the budget dollars fit by stretching ongoing production programs still further, and increasing their costs. In my view, next year will be a year or reckoning, a year when there is not enough money to sustain those plans. I hope the Defense Department can continue to find that money in those places over in the Pentagon, and I congratulate them on doing that. I hope we can work out a procedure, and I know the chairman is going to take the lead in that, with Senator Dixon, so that we will be able to account for those savings if they occur as, hopefully, they will, as soon as possible.

If I were a European, I would be a little nervous about whether this year of reckoning that is going to have to come next year and the year after, will renew questions about why the European NATO allies, with a collective GNP nearly half the size of the United States, and greater population, 40 years after the end of World War II, still require major U.S. ground and air force commitments to have even their present level of security; about why year after year the United States has spent 2 to 4 percentage points more on its GNP for defense than have our allies; about why, despite NATO investing more in defense than the Warsaw Pact each year, the pact, over the last decade, has produced 2½ times as many tanks as NATO, three times as many armored fighting vehicles as NATO, five times as many rocket launchers and artillery pieces as NATO, and 1½ times as many tactical aircraft as NATO.

With these statistics, Mr. President, the taxpayers of this country ought to be asking tough questions, and the taxpayers of the European countries also should be asking tough questions.

I do intend to offer this year a modest amendment to promote selected aspects of the "two way street," because I am convinced that the alliance cannot continue indefinitely to spend more and get less than the Warsaw Pact. I will also require some careful reporting by DOD on U.S. plans and programs in support of NATO if my amendment is approved.

Many of us in the Congress and in the country will be monitoring the progress of the alliance toward improved conventional defenses very carefully. If all the words of change, of improvement, turn out to be merely words without substance, merely a way for the Europeans to appease "those crazy Americans" for another year or so, I feel that our Nation must substantially alter its NATO policy and its defense strategy. I will not continue to support the expenditure of some $180 billion each year from the U.S. Defense budget in order to carry out our part of a strategy that cannot work without the Europeans doing much more.

During a dark hour in Europe's past, Winston Churchill said:

> It is no use saying "we are doing our best." You have got to succeed in doing what is necessary.

I commend the words of this true leader from the past to the current leadership of the alliance—stop telling us "We are doing our best;" you have got to succeed in doing what is necessary.

Mr. WARNER. Will the Secretary yield for a question?

Mr. NUNN. I am delighted to yield.

Mr. WARNER. Mr. President, I am very anxious to be present at the time when the distinguished Senator from Georgia addresses his NATO concerns. Does he have any anticipation when that might be?

Mr. NUNN. Mr. President, I am going to work with the chairman to try to bring those amendments up, which the Senator from Virginia cosponsored, I am very proud to say. Those amendments will be interspersed here so that we may avoid losing time. I will be delighted to notify the Senator when we bring them up.

Mr. WARNER. I thank the Senator.

Mr. NUNN. Senator Roth is also a cosponsor of those amendments. So this is a broad bipartisan effort on our part.

Mr. President, I yield the floor.

Mr. DIXON. Mr. President, there has been considerable discussion about the $4 billion that the Department of Defense found in connection with the final markup of the Armed Services Committee on the DOD authorization bill this year. I have prepared an amendment which would require some pretty strict reporting provisions for the Department of Defense in the future. My distinguished colleague, the distinguished chairman of the Armed Services Committee, has an amendment, as well.

I had proposed at this time, Mr. President, to send my amendment to the desk. I would not call it up now with the understanding that we will be conferring throughout the day and that it is my intention to withdraw this amendment at the appropriate time if agreeable language can be adopted with the distinguished chairman of the committee during the course of discussions.

Mr. GOLDWATER. Mr. President, the Senator from Illinois and I have discussed this amendment and this approach at some length. His staff is now reviewing the language of my amendment. I think we are very close together. When both staffs are satisfied that we have something that we feel could be an approach to this problem, we will call it up as an amendment.

During the few hours following the disclosure by the Secretary of Defense, I made the announcement that the Armed Services Committee would appoint a special committee to look into this. Since that time, we have decided that the entire committee would be that special committee. I believe we have called a meeting as soon as possible after the recess to get at this.

I do not think it is going to take any elaborate language. We pretty much get down to a quarterly type of report. But I think the fact that it becomes mandatory, through whatever language the Senate decides on, will impress upon the Secretary of Defense that we are a little fed up with learning about this money the morning that we are going to markup.

I thank my friend from Illinois for being willing to go along with me on this. At the appropriate time, after due discussion, we will call the amendment up.

Mr. DIXON. Mr. President, I thank the distinguished chairman of the Armed Services Committee for the usual courtesy that he accords members of the committee and every Member here and assure him that we will work diligently throughout the day with him and his staff to arrive at a common understanding. I am deeply appreciative of his courtesy on this occasion.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, if I can have the attention of the Senator from Connecticut and the Senator from Arizona for just a moment, before I ask unanimous consent, I want to make sure that it meets with their approval. I will ask unanimous consent that we temporarily lay aside the Dodd amendment, and then take up three NATO amendments. I hope we can get approval, and then we can come back to the Dodd amendment.

Mr. DODD. Mr. President, if my distinguished colleague from Georgia will yield, I have no objection at all to that. I appreciate the Senator's courtesy. We will consider the NATO amendment, and then we will come back to the Dodd amendment that will still be the pending business.

Mr. NUNN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the amendment of the Senator from Connecticut [Mr. Dodd].

Mr. NUNN. Once that is disposed of, what is the pending business?

The PRESIDING OFFICER. It will be the amendment numbered 159, the amendment of the Senator from Georgia [Mr. Nunn].

Mr. NUNN. Mr. President, I ask unanimous consent that the amendment be temporarily set aside for the purpose of taking up an amendment on NATO, and then when this amendment is completed we revert to the Dodd amendment; and, that the Nunn amendment remain the pending business after the Dodd amendment is disposed of.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 187

(Purpose: To improve cooperation in research, development, and production of military equipment among NATO nations)

Mr. NUNN. Mr. President, in a speech a few minutes ago, I outlined the problems of the alliance in some detail. I explained why Senator Roth and I do not plan to submit this year an amendment similar to last year's amendment on NATO which did have certain significant sanctions, and certain significant incentives relating to the troop levels in Europe.

Mr. President, at this time, I send an amendment to the desk on behalf of myself, and Mr. Roth, Mr. Warner, and Mr. Glenn, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. Nunn], for himself, and Senator Roth, Senator Warner, and Senator Glenn, proposes an amendment numbered 187.

Mr. NUNN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title II of division A of the bill, insert the following new section:

IMPROVED COOPERATION IN RESEARCH, DEVELOPMENT, AND PRODUCTION OF MILITARY EQUIPMENT AMONG NATO NATIONS

Sec. 204. (a) The Congress hereby finds—

(1) that for more than a decade the member nations of the North Atlantic Treaty Organization (NATO) have provided in the aggregate significantly larger resources for defense purposes than have the member nations of the Warsaw Treaty Organization;

(2) that, despite this fact, the Warsaw Treaty Organization member nations have produced and deployed many more major combat items such as tanks, armored personnel carriers, artillery pieces and rocket launchers, armed helicopters, and tactical combat aircraft than have the member nations of NATO; and

(3) that a major reason for this discouraging performance by NATO is inadequate cooperation among NATO nations in research, development, and production of military end-items of equipment and munitions.

(b) The Congress, therefore, urges and requests the President, the Secretary of Defense, and the United States Representative to the North Atlantic Treaty Organization to pursue diligently opportunities for member nations of NATO to cooperate in research and development on defense equipment and munitions and in the production of defense equipment, including coproduction of conventional defense equipment by the United States and other member nations of NATO and production by United States contractors of conventional defense equipment designed and developed by other member nations of NATO.

(c)(1) Of the funds appropriated pursuant to the authorization in section 201(a) for research, development, test, and evaluation, the sum of $200,000,000 shall be available, in equal amounts, to the Army, Navy, Air Force, and Defense Agencies only for NATO cooperative research and development projects as provided in this section.

(2) As used in this section, the term "cooperative research and development project" means a project involving joint participation by the United States and one or more other member nations of NATO under a memorandum of understanding or other formal agreement to carry out a joint research and development program on conventional defense equipment and munitions, or to modify existing military equipment to meet United States military requirements.

(d) A memorandum of understanding or other formal agreement to conduct a cooperative research and development project may not be entered into unless the Secretary of Defense determines that the proposed project enhances the ongoing multinational effort to improve NATO's conventional defense capabilities through the application of emerging technology. The Secretary of Defense may not delegate the authority to make such determination except to the Deputy Secretary of Defense or the Director of Defense Research and Engineering.

(e) In order to assure substantial participation on the part of other member nations of NATO in approved cooperative research and development projects, funds made available under subsection (c) for such projects may not be used to procure equipment or services from any foreign government, foreign research organization, or any other foreign entity.

(f) The Secretary of Defense shall encourage other member nations of NATO to establish programs to the one provided for in this section.

(g)(1) In order to ensure that opportunities to conduct cooperative research and development projects are considered during the early decision points in the Department of Defense's formal development review process in connection with any planned project of the Department of Defense, the Director of Defense Research and Engineering shall prepare a formal arms cooperation opportunities document for review by the Defense Systems Acquisition Review Council at its formal meetings. The Director shall also prepare an arms cooperation opportunities document for reviews of new projects for which a Justification of Major Systems New Start document is prepared.

(2) The formal arms cooperation opportunities document referred to in paragraph (1) shall include the following:

(A) A statement indicating whether or not a project similar to the one under consideration by the Department of Defense is in development or production by one or more of the other NATO member nations.

(B) If a project similar to the one under consideration by the Department of Defense is in development by one or more other member nations of NATO, an assessment by the Director of Defense Research and Engineering as to whether that project could satisfy, or could be modified in scope so as to satisfy, the military requirements of the United States project under consideration by the Department of Defense.

(C) An assessment of the advantages and disadvantages with regard to program timing, developmental and life cycle costs, technology sharing, and Rationalization, Standardization, and Interoperability (RSI) of seeking to structure a cooperative development program with one or more other NATO member nations.

(D) The recommendation of the Director of Defense Research and Engineering as to whether the Department of Defense should explore the feasibility and desirability of a cooperative development program with one or more other member nations of NATO.

(h)(1) It is the sense of the Congress that the Department of Defense should perform more side-by-side testing of conventional defense equipment manufactured by the United States and other member nations of NATO and that such testing should be conducted at the late stage in the development process when there is usually only a single United States prime contractor.

(2) In addition to any funds appropriated for activities of the Director of Defense Test and Evaluation pursuant to section 201(a), $50,000,000 shall be available to the Director, from any other funds appropriated pursuant to an authorization in this division, to acquire items of the type specified in paragraph (2) manufactured by other member nations of NATO for side-by-side comparison testing with comparable items of United States manufacture.

(3) Items that may be acquired under paragraph (1) by the Director of Defense Test and Evaluation include, but are not limited to the following:

(A) Submunitions and dispensers.

(B) Anti-tank and anti-armor guided missiles.

(C) Mines, for both land and naval warfare.

(D) Runway-cratering devices.

(E) Torpedoes.

(F) Mortar systems.

(G) Light armored vehicles and major subsystems thereof.

(H) Utility vehicles.

(I) High-velocity anti-tank guns.

(J) Short-Range Air Defense Systems (SHORADS).

(K) Mobile air defense systems and components.

(4) The Director of Defense Test and Evaluation shall notify the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives of his intent to obligate funds under this subsection not less than 30 days before such funds are obligated.

(5) Not later than February 1, 1986, and annually thereafter, the Director of Defense Test and Evaluation shall provide to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives a report on the systems, subsystems, and munitions produced by other member nations of NATO that were evaluated during the previous fiscal year by the Director and on the obligation of any funds under this subsection during the preceding fiscal year.

Mr. NUNN. Mr. President, in a speech earlier today, I went into considerable detail about why Senator Roth and I do not plan to reintroduce an amendment like last year's amendment this year, and why we will be watching and waiting in 1985 to determine whether that type amendment should be renewed next year. Certainly, we would reserve that right. We may very well be forced into that posture. I hope not. This next year needs to be a year of waiting and watching—waiting to see specific programs develop and implemented both by NATO and by our European allies, and watching for evidence of real changes to show up in this year's defense planning questionnaire responses which will be available in the fall of 1985.

The alliance has clearly committed itself to major changes in the seriousness with which it will pursue solutions to several longstanding problems. These are of such magnitude that they are rightly called "warstoppers". The allies have committed themselves to move vigorously to build up their munitions stocks; they have agreed to fund a major increase in the infrastructure fund, which is the mechanism that funds aircraft shelters and other needed facilities for U.S. reinforce tactical aircraft at other countries airbases, the so-called Colocated Operating Bases, or in Pentagon language, COB's. And, in an important breakthrough, it appears that NATO is finally on the verge of agreeing to a common IFF system. This is vitally important, as NATO's ground-based air defenses are being improved with Patriot, Roland, Rapier, and so forth, and NATO's air superiority fighters are about to receive new, long-range air-to-air missiles. Without a common IFF, none of these improvements could be used to full effectiveness. So, these are hopeful signs, although I once again must caution that these are largely words not deeds; goals, not accomplishments.

However, Mr. President, NATO has another kind of problem that is not addressed by any of the changes I have discussed. The dimensions of that problem can be seen by opening Defense Secretary Weinberger's posture statement to page 17. On that page, there is a chart that gives selected weapons production data for NATO and for the Warsaw Pact, covering the 10-year period 1975 through 1984. I should like to recite the figures therein, to underscore to my colleagues the seriousness of the problem.

The first category is tanks; during the decade, NATO produced 10,990, but the Warsaw Pact produced 25,500 during the same period, or nearly 2½ times as many tanks.

In other armored vehicles, NATO produced 18,230 during the decade, but the pact produced 54,600, or just about exactly 3 times as many as NATO.

In the category of mortars, field artillery, and rocket launchers, NATO produced 4,500 during the decade, but the pact produced 24,500, over 5 times as many as NATO.

In the area of tactical combat aircraft—supposedly NATO's ace-in-the-hole—NATO produced 6,730 during the decade, but the pact produced 9,400, or 40 percent more than NATO.

In attack submarines, NATO produced 61 during the decade, but the pact still out-produced us, adding 65—and if you're about to think diesel subs, let me hasten to add that only 28 of NATO's 61 were built in the United States, so you know what most of the rest of NATO's attack submarines are.

Finally, in the sixth category, major surface warships, we get to the "good news"—over the decade NATO produced 192 major surface ships (85 of which were ours) while the pact only produced 107 major surface ships, but 90 of those were Soviet. I assume the major difference here is the "NATO Frigate" program, which turned out a lot of escorts during this period.

Now, before I leave the statistics behind, let me address one final point—the figures I have cited covered the period 1975 to 1984, and I suppose it is possible that someone, somewhere might think "Aha, but the first part of that period was Jimmy Carter's administration, while the second part is Ronald Reagan's administration, so we must at least be closing the gap on the various deficiencies in NATO's posture that are so clear." Unfortunately, that is a wrong perception. From this year's Soviet Military Power document we find 1984 production data on both ground force equipment and tactical aircraft, the first four categories I cited above.

In 1984 tank production in NATO was 1,760; but in the pact, it was 3,650, or over twice as many as NATO.

For 1984 production of other combat vehicles, NATO turned out 2,230, but the pact turned out 5,000, again, well over twice NATO's production.

For artillery and rocket launcher production in 1984, NATO produced 745, but the pact produced 3,850, or more than 5 times as much as NATO.

In tactical aircraft production in 1984, NATO produced 525 fighters, but the Soviet Union alone produced 900, or nearly double NATO's production.

In other words, Mr. President, what is abundantly clear is that we have had 4 years of very large defense expenditures in this country, and I think we needed to do some catching up, without any doubt. The problem is we have not caught up. We have not turned around the trends that were so evident in the seventies and that were complained about so much during the 1980 campaign. Those same trends are still evident today. As recently as last Sunday, I heard Secretary Weinberger on television citing the tank production disparities between NATO and the Warsaw Pact. Those disparities still exist. The Secretary was using that as justification for a higher defense number this year. In some part, he may be correct in that, but you have to ask the question: If, after 4 years, NATO's production rates are nowhere near what the Warsaw Pact production rates are and those 4 years have contained about as strong peacetime defense buildup as this Nation has ever known, then what is going to change in the future? What is going to change those trends? I have heard nothing that would indicate those trends are going to be changed by current plans.

Indeed, Mr. President, one of the little-known facts about President Reagan's plan to restore our defense plans is that, despite the huge increases in the defense budget during the first 4 years of the Reagan administration's tenure, the Defense Department managed to buy exactly 250 fewer tactical combat aircraft than were bought in the 4 years of the Carter administration and even fewer are planned to be bought in the second term. That was before the Congress decided it could not afford a defense budget growth in the 6 to 8 percent range. This means something is wrong in our NATO Alliance and certainly in our U.S. defense budget.

Mr. President, I point this out not in an effort to score debating points, but to underscore the seriousness of the fix we and our allies are in. For over a decade, we've been out-produced by a wide margin. But even when we look at last year—1984—we are still being outproduced by the pact by margins ranging from 2 to 1 to 5 to 1. And last year in terms of input, of defense expenditures, was probably the alliance's collective high-water mark. The U.S. defense budget got its last sizable increase in fiscal year 1984, and it probably will peak in 1985, since many think fiscal year 1986 will see a real decline. I hope that is not the case, but it remains a question. Outlays, of course, will continue to rise for several more years, irrespective of what the Congress does to budget authority. Moreover, in 1984, the non-U.S. NATO allies collectively reached the goal of a 3-percent real increase in outlays for defense; but, as they see the U.S. defense budget declining, some forecast that our allies will be all too glad to let their defense spending slip as well. In sum, Mr. President, NATO did not begin to catch up to the pact during the 1975 to 1984 decade, it did not begin to catch up to the pact in terms, again, of quantitative measurement over the last 4 years, despite the well-heralded rebuilding of our defense; it did not begin to close the gap even last year with a defense budget twice as big as President's Carter's last one. I see nothing that would suggest a narrowing of this production gap in the near future, nor do I see anything in the overall plans of NATO.

Now, NATO has argued that we need not match the pact gun-for-gun, tank-for-tank, fighter-for-fighter; that there are certain advantages to being the defender rather than the aggressor, and that NATO's equipment has been generally qualitatively superior to that of the Warsaw Pact. Mr. President, I can accept all of that as true, but serious questions remain. Is NATO's equipment so much better than that of the pact, and are the advantages of defending so substantial that NATO can tolerate numerical inferiority on a scale ranging from 2 to 1 at the low end to 4 or 5 to 1 at the upper end? I am not comfortable with that assumption, but then I am not a military expert. What I can tell you is that General Rogers, our SACEUR—who is a military expert—doesn't feel at all comfortable with those assumptions, and has been saying so, for many years.

Mr. President, to my kind there is only one realistic way to try to improve this bleak outlook. The problem will not be solved by more inputs. NATO already outspends the Warsaw Pact on defense, and has done so throughout the last decade, as everybody who follows the defense budget knows. Yet NATO somehow manages to get less output than the pact from more input, and generally, by a wide margin. Nor is the reason hard to find—the alliance does a much poorer job of coordinating the development and production of major military end-items than does the Warsaw Pact. As an example, look at tanks. The Warsaw Pact produces tanks to a standard Soviet design, while NATO produces a multitude of different tanks—in the United States, the M-1; in the United Kingdom, the Challenger; in the Federal Republic of Germany, the Leopard; and, of course, the French have their own tank. Of course, the sovereign nations of the alliance will not accept many of the institutional and organizational methods by which the pact secures its efficiencies and they need not do so and I certainly do not advocate that. There is clearly enormous room for improvement without adopting anything like Soviet-style regimentation on procurement on research and development. We must, however, as an alliance of sovereign nations, work harder at two-way street issues, and develop ways to pool our efforts more often to meet similar military requirements.

Mr. President, I believe this is an area in which America can lead by example. For that reason, I have introduced today an amendment, along with Senator Roth, Senator Glenn, and Senator Warner to improve cooperation in research, development and production of military equipment among NATO nations. I am pleased to announce that this amendment is also supported by the Department of Defense.

My amendment consists bascially of three parts. The first part fences the sum of $50 million of RDT&E funds in each of the Army, the Navy, the Air Force, and defense agencies, which can only be spent as part of cooperative development projects with one or more of our allies. In order to insure that any such projects are relevant to NATO's agreed efforts to improve conventional defense capabilities through the application of emerging technologies, the Secretary of Defense must review and approve all such projects before the services obligate any funds. This will ensure that the services remain responsive to the broad cooperative efforts underway both within NATO, and through such other entities as the Conference of National Armaments Directors [CNAD], and the Independent European Programme Group [IEPG]. We do require the Secretary to determine that the Europeans are prepared to cooperate with us to a significant extent, using their own funds. And I underscore those words. Finally, we call upon the Secretary and U.S. Ambassador Dave Abshire to work with our major allies to seek to have them institute reciprocal procedures for cooperative projects abroad that could involve U.S. industrial contractors.

The second part of the amendment would establish a formal mechanism for consideration of such cooperative projects with our allies at the early stages of the DOD acquisition process. It requires preparation of an analysis of arms cooperation possibilities as an input to the so-called DSARC meetings and as a companion to the "justification of a major system new start" document that currently is the checkpoint for a major system new start. As such, my plan does not require cooperation; it merely requires consideration of that possibility on major weapons system. The specific language calls for DOD's analysis to review the following:

Whether a similar project or program is in development or production by one or more of our NATO allies; whether that project or program could satisfy, or could be modified in scope so as to satisfy, the military requirements to be met by the U.S. program under consideration; an assessment of the advantages and disadvantages with regard to program timing, developmental and life cycle costs, technology sharing, and rationalization, standardization, and interoperability [RSI] of seeking to structure a cooperative development program with one or more of our NATO allies, and, finally, a recommendation to the Secretary of Defense as to whether or not to ex-

plore the possibility of a cooperative development program with one or more of our NATO allies.

The third part of this amendment is a slightly expanded version of a provision that was in last year's Nunn/Roth amendment, which was defeated; however, this provision was retained in the Cohen/Nunn/Roth provision incorporated into law. That provision gave the Director of Defense Test and Evaluation—the office then unfilled—the authority to reprogram up to $50 million in order to conduct side-by-side comparative testing of U.S. systems, subsystems, and munitions with similar items manufactured by our European NATO allies. I believe this can introduce a valuable element of competition late in the weapons acquisition cycle, at a time when there is usually only a single U.S. prime contractor. For example, there are a number of European "DIVAD-like" systems out there, which we all know have had so much difficulty. Wouldn't it be nice to have tested some of them along with the DIVAD? We might discover that none of them are very good at shooting anything but latrine fans, or that it does not matter who makes the gun; our distinguished senior Senator from Illinois can break any of them within a few minutes. On the other hand, we might find a system that is better.

Mr. President, this is a serious problem area for NATO. I would not for a moment suggest that this amendment is a panacea, a brilliant and complete solution to a complex and longstanding problem. We are not going to solve the problem with one amendment. It is at best a first step down a long and difficult path. No one knows more about this subject than Mr. Thomas Callaghan. He has been pointing out for some years that NATO has serious structural problems and impediments to greater rationalization of defense production.

Mr. President, I ask unanimous consent that Tom Callaghan's most recent article on this subject entitled "The Structural Disarmament of NATO" be printed in the Record. I encourage my colleagues to read its grim message which serves as a challenge to all of us in the democratic assemblies of the Western Alliance.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Structural Disarmament of NATO

(By Thomas A. Callaghan, Jr.)

In the following article, the author, addressing the phenomenon of more and more money producing fewer and fewer weapons, explains why this situation has arisen, and what the consequences are for the Alliance.

Mr. Callaghan is the author of "US/European Economic Co-operation in Military and Civil Technology", a report produced in 1974 which did much to stimulate discussion leading to renewed Alliance efforts to pool its defence industrial resources through co-operation, competition and military trade on a two-way street.

Structural disarmament is both a diagnostic and a prescriptive term. It describes what happens when a nation's defence budget, plus exports, provide too small a market to bring armament development and production costs down to a politically affordable level. Even when governments are spending more money to rearm, disarmament occurs. As unit costs go up, fewer and fewer weapons can be procured. This particular type of unilateral disarmament will continue (indeed accelerate) until NATO governments establish an intercontinental market structure for the production and exchange of armaments.

Every country in the Alliance—including the United States—has succumbed to structural disarmament. The causes are political. The needed solutions are also political.

Structural disarmament has its roots in the technological revolution which followed World War II. It triggered an exploding universe of technological options for the commercial and military product planner. In the commercial area, the products of this exploding technology became ever more affordable, and ever more widely disseminated. Just the opposite happened in the military area. Orders-of magnitude increases in weapons costs soon exceeded the resources of any one nation-state, including (as will be seen) the United States. Why did military and commercial product costs travel in different directions?

In the commercial area, credit must be given to the vision of the creative architects of the post-war world. Through IMF, GATT, the European Community and OECD, they established structures and rules (by no means perfect, but workable) whereby every international economic need in the Western World could be met by freer and ever-expanding trade in goods, capital, technology and services.

The division of labour required to sustain efficient high technology industries was encouraged by competitive makets that were continental, intercontinental and even global in scale. High volume production drove down unit costs. So did competition. Commerical high-tech prpducts moved across national borders with relative ease. Customers in countries that could not afford to develop or produce aircraft, computers, satellite and other communications, and a myriad of electronic products could nonetheless afford to buy, use and enjoy them. Despite the buffeting this commercial trading structure has taken from oil crises, recession, inflation, high interest rates unemployment and increasing recourse to protected domestic markets, it is still in place and functioning, albeit not as well as it might.

This trading tradition did not carry over into the defence field. True, the GATT structure could never govern military co-operation, competition and trade. But no alternative structure (no "military GATT") was ever established. The North Atlantic Treaty called forth a collective military strategy, but made no provision for efficiently and equitably developing, producing and exchanging the weapons and equipment needed to give effect to that strategy. The Treaty simply ignored the need for a "resources strategy" (to use American NATO Permanent Representative David M. Abshire's perceptive phrase).

The government-funded markets for military technology and products became a thing apart—often with "No Trespassing" and "Keep Out" signs rimming their perimeter. Weapons were produced in low volume, with ever higher unit costs. International competition was rare. Military high-tech weapon systems could only cross Allied borders one at a time, and then only after protracted diplomatic negotiations, often involving heads of govenments. Armaments co-operation at the project level, as Rene' Foch, former chief adviser, European Community Delegation to the OECD, observed years ago, involves "methods of management which have more in common with the Congress of Vienna than the Harvard Business School".

Countries that could not develop and produce major weapons systems could not earn the foreign exchange to buy them from the counties that did. They were essentially excluded from the high-tech weapons market as both producers and consumers. To rectify the situation, they soon learned to trade market access for domestic content (coproduction or licensed production) and technology transfer, or 100% offsets to be satisfied either by military or commercial purchases by the "seller". This is an equitable solution that eliminates the need for foreign exchange, provides jobs, and some measure of technological progress. But it is also an inefficient solution (barter, to give it its proper name) that further increases the cost of NATO's armaments. The same blending of equity and inefficiency takes place in co-operative development projects, leading Sir George Edwards, former Chairman of British Aircraft Corporation, to make the wry comment that "the beauty of two counties co-operating on a weapons project and sharing everything 50-50, is that it only costs each two-third".

It is all too easy to criticize the methods NATO nations use to exchange sophisticated weapons as primitive. They are. But that misses the point. The point is that the project is the *only* structure available for weapons exchange. The Alliance has no over-arching structure that would balance efficiency and equity over many projects, so that weapons could be exchanged at politically affordable costs.

UK WAS PREDOMINANT MILITARY TECHNOLOGICAL POWER

We can learn much about the toll that structural disarmament exacts on NATO's conventional capabilities by examining the post-war history of British and American armaments efforts. Throughout NATO's 35 years, Great Britain and the United States devoted a higher percentage of GNP to defense than any other Ally; funded a broader range of weapons systems; spent more on defense research and development than any other NATO nation. Each pursued autarkic defense-industrial policies. Each declined to be dependent upon any other Ally for weapons development and production. For about two decades the British—and for nearly three decades the Americans—seemed immune to structural disarmament.

Few Americans—and possibly not many Britons—are aware of the fact that Great Britain (and not the United States) was the predominant military technological power in the years 1945–50. It was a British historian who observed that "in the late 1940s, when German industry was being dismantled, when the American Army and war machine were being hastily demobilized, and when Russian defense production was still struggling to recover from the ravages of the war, Britain may have had for a brief while the strongest military production system of any of the powers; certainly for the first few years after the war she was the largest exporter of military equipment and aircraft."

The scope of Britain's defence efforts once paralleled that of the superpowers in both nuclear and conventional areas. Chronic economic weakness has tended to mask Britain's great technological strength and her once highly productive (and still extensive) defence industrial base. In the early 50s, when I was in the Navy Department, I recall the Assistant Secretary of the Navy (for Air) returning from the annual Farnborough Air Shows lauding the outstanding technological achievements of British aircraft designers, and questioning why we Americans could not keep pace.

In the late 40s and early 50s, the British sought competitive tenders for three heavy bombers, and developed, produced and deployed them. These are the famous V-Bombers (VALIANT, VICTOR and VULCAN), two of which saw service in the Falklands. Today, Britain does not have the resources to develop a single combat aircraft by itself.

As weapons costs rose, the British first stretched out development and production. This brought lower annual costs, but much higher total and unit costs. Technological building blocks were sloughed off. Readiness was slighted, and war reserves run down. But still weapons costs increased, for the British were working at the frontiers of technology. Eventually their defence budget was overwhelmed. Stretched projects now had to be cancelled, including two ballistic missiles, six different interceptor aircraft developments, five transport aircraft, and a number of aero-engine projects. Not one of the new aircraft developments begun in 1950–55 entered service. What had happened to cause this disarmament? In 1979, Alan Lee Williams, a former Member of Parliament, explained:

"The tragedy of Britain's post-war defence policy is that Britain came out of World War II with a near superpower defence industrial base. Only a continental-scale defence market could have sustained that base. Two options were available: co-operation with the United States, or co-operation with Europe. The tragedy is that Britain, regardless of party, did neither.

"It was not until after the 1964 Plowden Report on the British aircraft industry that Britain officially recognised that if it were to sustain healthy defence industries, it needed a defence market far larger than its own national market. Following the Plowden Report, Britain did pursue cooperation, but on a project-by-project basis, rather than on a continental scale. Thus, economies of scale were lost pursuing [cooperation] within a single project."

The Plowden Report put an end to Britain's defence-industrial autarky by demonstrating that the country could not afford to go it alone. The Report concluded that the United States could (and would) go it alone "for many years," but added, "We believe that, in the long run, the pressure of rising defence equipment costs must affect even the United States". It has.

In 1973 (nine years after the Plowden Report) the US Defense Department testified to the House Armed Services Committee that:

"Technology has multiplied and remultiplied the unit costs of weapons. . . . Quantity cutbacks cannot go on indefinitely. Having cut aircraft quantities from 1,800 to 500 over roughly the past decade, we have substantially run out our string."

A year later, the Senate Armed Services Committee expressed its concern that the escalating cost of weapon systems buys fewer weapons with each passing year. And by 1977 (see figure 1) the same Committee concluded the defense department was undertaking twice as many projects as could reasonably be funded. The United States was now following the British practice of stretching-out projects to reduce annual budget costs.

It is important to understand the relevance of "stretching" to structural disarmament. Optimum weapon system funding means providing the *minimum* amount of money required to produce the *maximum* number of units on one eight-hour shift, five-days a week. Optimum funding covers both recurring (or fixed) costs such as plant, equipment and other overheads, and nonrecurring costs such as the labour and material costs directly related to each unit produced. By reducing the number procured per year (stretching-out the schedule) nonrecurring costs are reduced, but the fixed costs are now spread over *fewer* units each year, increasing both unit and total costs—even though annual costs are reduced.

In 1980, in a somewhat exasperated tone, the House Armed Services Committee expressed its concern with less than optimum funding in the following terms:

"The reasons given by Department of Defense witnesses for these and other examples [of procurements that permit no economies of scale] is, "we cannot afford to buy everything at the most efficient rate". The committee is sympathetic with this point of view, with several reservations. The inability to procure all things at a most efficient rate does not mean that everything should be procured at a very, very inefficient rate."

FIGURE 1—TOO MANY PROJECTS INADEQUATELY FUNDED

There are strong indications that the Department of Defense tries to keep twice as many projects alive as can reasonably be funded at a full level of effort. The result is that many programmes crawl at such a slow rate that they are obsolete well before they are deployed to the forces, or are overtaken by subsequently developed technologies—US Senate Armed Services Committee, 1977.

LITANY OF ADVERSE CONSEQUENCES

If the reader wishes to get a better understanding of this problem, he should take the time to read the 1980 reports of the US House and Senate Armed Services and Appropriations Committees. These reports recite example after example of the impact of procurement "at a very, very inefficient rate" on the entire American defence posture—on increased unit and total costs, on extended delivery times, on reduced quantities to be procured, on systems prematurely phased out, on production lines being shut down, on vendors by the thousands quitting the defence business, on inadequate readiness, and on limited combat sustainability. The reports are a litany of the consequences of structural disarmament.

Structural disarmament in the United States, as in Britain, was a long time in the making. The consequences of too many projects and too litle money can be fended off for a while. But by 1980 the long term effects of inadequate project funding, and insufficient money for combat readiness and sustainability were apparent to all. The Reagan Administration was well aware of these trends, and moved vigorously to reverse them. Procurement funds were increased by 63% in just 3 years. It was not enough. Structural disarmament proved to be a much more intractable problem, as the following examples (and there are many more) from recent Congressional Committee reports indicate:

Eight of the 13 production lines building Navy aircraft are turning out fewer than 20 planes a year. three of these lines will produce only six aircraft, causing "exorbitant unit costs and wasted resources". (1982)

Last year there were 13 production lines: this year 16, and next year there will be 20. This increase in Navy production lines results in higher unit costs, and slower deliveries of new aircraft to the fleet. (1983)

At the current rates of aircraft procurement and modernization, the Navy will enter the decade of the 1990s procuring 1960s technology aircraft. (1983)

The proposed reduction of 135 M-1 tanks to be procured this year will stretch-out procurement an additional two years and add about $473 million to the total programme cost. (1983).

The most economically efficient production rate for the TOW II missile is 1,800 per month. The Army's five-year plans make no provision for ever reaching the 1,800 per month production rate. (1983).

Annual procurements (see figure 3) are not even maintaining a tactical aircraft force structure at an acceptable average force age. (1983).

FIGURE 2—STRUCTURAL DISARMAMENT FORETOLD IN 1977 TESTIMONY

Chairman Jack Brooks. What do you see as a long-term consequence of the continued failure to develop a unified and coherent NATO military [industrial] structure?

Mr. Callaghan. I think if present trends continue, without a North Atlantic defence market structure, the United States, providing 20 percent of NATO's forces, will be spending more and more money developing a full range of military systems, inadequately funded—as the Senate Armed Services Committee recently pointed out—and produced in ever smaller numbers, in a vain attempt to achieve qualitative superiority over the massive conventional forces of the Warsaw Pact.

Europe providing 80 percent of NATO's collection of forces, will fail to organize its defence procurement effort on a united and collective basis, so the time will not be too distant when the 12 armed nations of Europe will lack the resources, either to develop and produce economically themselves—or to procure from the United States—weapons which can compete in quantity and quality with those of the Warsaw Pact.

This is a formula for the unilateral disarmament of NATO, sometime in the next 5 or 10 years, bringing us face to face with the danger President Kennedy warned against: surrender, or nuclear war—Hearings Legislation and National Security Subcommittee, Government Operations Committee, U.S. House of Representatives, 21 July 1977.

FIGURE 3—NOT REPLACING TACTICAL AIR FLEETS

To maintain our current Tactical Air Command force structure (excluding Air Defence units) at an acceptable average force age, the Air Force must procure approximately 234 tactical fighter aircraft per year. In fiscal 1982, 176 aircraft were procured (20 A-10s, 36 F-15s, 120 F-16s) in fiscal year 1983 there were 159 (39 F-15s, 120 F-16s) and in fiscal year 1984, 168 have been requested (48 F-15s, 120 F-16s). The inevitable result of these inadequate production rates is the steady aging of the

force which translates into reduced capability and rising support costs—US Senate Armed Services Committee, 1983

Structural disarmament is not just spending more and more money producing fewer and fewer weapons. That is the highly visible consequence. There are also what one might call the "defence invisibles" such as the effect on combat readiness and combat sustainability; technological building blocks (largely abandoned in Europe) which reduce the risk and cost of weapon developments; multiple approaches and backups (once quite common in the United States) to reduce technical risk, but now seldom used on either side of the Atlantic; and reduced competition, a problem in the United States, and an even bigger problem in Europe. There is also the all too human tendency to try to offset fewer numbers by greater capability, thus making of structural disarmament a vicious circle. British Defence Minister Michael Heseltine explained in *Jane's Defence Weekly:*

"We're going through this exercise now with the latest frigate class. It started off designed to achieve a certain weight, a certain crew number and a certain cost in order to get the numbers we wanted for the projected budget. Then what happens? The Naval Staff start looking at it and . . . Before you know where you are, the purpose you started off trying to achieve—which was larger numbers—has been eroded and you're back with gold plating: you're back with a much better ship but you haven't got so many of them. There is a need for self-discipline and a need to recognize that numbers in themselves can be as much a priority as the weapon systems of the ship."

As an American defence industrialist once remarked, "Quantity has a quality all its own!"

CHALLENGE TO ALLIED LEADERS

The attempt to escape structural disarmament has had another somewhat untoward result. The inability to secure the larger markets the governments and industries need to reduce unit costs within the Alliance becomes a spur to competitive military export activities to OPEC and Third World countries. We will never know what this costs in Third World instability, or what contribution this may have made to the large portfolios of problem loans in the hands of American and European bankers. Suffice it to say that with the oil glut, and with the Third World in economic difficulties, this avenue for reducing weapon unit costs through exports will be diminished. Most important of all, structural disarmament means the NATO nations will find it increasingly difficult to mount a credible, collective conventional deterrent. In time, all of NATO's military options may have to be nuclear (see figure 2).

Structural disarmament is no small problem, so it won't yield to small measures. Nor is it the kind of problem that Allied political and military leaders can ignore, for the simple reason that it won't ignore them. It will continue inexorably, decimating NATO's conventional capabilities, with or without their attention.

The lessons of structural disarmament are these: no one country can provide a large enough domestic market to develop and produce weapons at a politically affordable cost, no one country can develop and produce every weapon all by itself— there must be a division of labour: unnecessary duplication of defense industrial effort makes matters worse; necessary duplication (competitive prototypes, multiple approaches and backups) makes matters better.

The challenge to Allied Heads of Government and to Allied parliaments, is to provide the same creative vision and leadership in establishing a military trading structure within the Alliance, as the post-war architects did in creating the commercial trading structure. There is this one significant difference, already recognized in Europe; economies of scale will require a two-pillar and not a multilateral structure. A European Defence Industrial Community (built on one or more existing institutions) will have to be established which will insure the participation of all 13 armed European members of the Alliance.

This Community must first be capable of producing weapons and equipment efficiently, and to an intercontinental scale. Second, there must be a division of labour between Europe and North America. Third, subcontractors in Europe and North America must be able (indeed encouraged) to bid to prime contractors on either side of the Atlantic. Fourth, there must be agreement that all unnecessary duplication of defence industrial effort will be eliminated. Fifth, there must be agreement that the financial burdens and economic benefits (jobs and technological pride and progress) of NATO's defence, will be shared equitably and efficiently. Sixth, there must be a reasonable period for the European governments to make the full transition from 13 national markets to one continental market. Seventh, interim intercontinental projects must be undertaken during the transition period.

As in the commercial world, free trade must always be the goal. But there must also be the recognition that, just as in that real commercial world, compromise must determine the politically attainable goal. The political balance will probably be struck between the equitable solutions the Europeans will want in return for sharing NATO's financial burdens, and the efficient solutions the Americans will want in return for sharing the economic benefits.

This is a challenge every bit as daunting as that which faced the founding governments of the Alliance 35 years ago in Washington. They joined together then (as we must now) because no one country could do the job. The collective security agreed then requires agreement today to a collective defence industrial effort. If this Alliance, with all its resources, its political experience, and its political skills cannot find its way to structural rearmament then the time will come when there will have to be total reliance on nuclear weapons.

Mr. NUNN. This same Tom Callaghan delights in reminding audiences that, at the founding ceremonies for the North Atlantic Treaty Organization, the band in attendance at the ceremonies played two then-very-popular tunes by the American composer George Gershwin. The first was "I've Got Plenty of Nuthin" and the second was "It Ain't Necessarily So." Although the first of these tunes might well have been NATO's theme song during much of its existence, I would like to hope that we are on the verge of a new era in cooperation with the allies in meeting NATO's security needs, so that Gershwin's second tune can be prophetic. The amendment we are offering today is a small contribution to that process; I urge its adoption by my colleagues.

Mr. President, the Senator from Delaware has just returned from a NATO defense conference that was held in Germany this last weekend. He went there to discuss some of these ideas with the parliamentary members of our fellow democratic nations in the Western Alliance. I am delighted that he had that opportunity. I have not had an opportunity to discuss with him extensively the feedback from that dialog he had this last weekend, but I am grateful for Senator Roth's leadership in this area, and his continued outstanding contributions to making more effective and efficient expenditures in this country and in the NATO alliance. I am pleased that he is on the floor.

I also wish to thank my friend from Virginia. He has been extremely helpful in this area. He has taken a lead, long before he arrived in the Senate, in trying to achieve a better cooperative attitude with our allies and moving forward toward effectiveness and efficiency. I am pleased that both Senator Warner and Senator Roth are sponsors of this amendment.

Mr. President, I also ask unanimous consent that Senator Kennedy be added as a cosponsor to the amendment.

The PRESIDING OFFICER (Mr. Trible). Without objection, it is so ordered.

Mr. NUNN. Mr. President, I ask unanimous consent that a table comparing production rates of U.S. tanks and Warsaw Pact tanks, armored vehicles, and other combat vehicles be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Production by year	1976	1977	1978	1979	1980	1981	1982	1983	1984
United States and NATO tanks	500	500	600	400	400	760	1,100	1,650	1,760
U.S.S.R. and Warsaw Pact tanks	3,300	3,300	3,300	3,800	3,800	2,500	3,100	3,250	3,650
United States and NATO armored vehicles	100	150	250	250	350	960	1,000	2,280	2,230
U.S.S.R. and WPACT armored vehicles	6,300	6,400	7,200	7,100	7,800	6,500	5,900	5,800	5,000
United States and NATO attack helos	175	200	175	175	200	210	180	190	125
U.S.S.R. and WPACT attack helos	200	300	200	200	200	300	300	300	300
United States and NATO submarines	3	8	9	5	6	10	7	8	8
U.S.S.R. and WPACT submarines	11	12	12	13	13	11	8	10	9

Production by year	1976	1977	1978	1979	1980	1981	1982	1983	1984
United States/NATO maj surf combatants	11	6	20	10	15	20	20	25	19
U.S.S.R./WPact maj surf combatants	13	12	11	11	11	14	13	13	9
United States/NATO minor surf combatant	3	17	13	21	25	40	25	30	34
U.S.S.R./WPact minor surf combat's	100	90	70	70	80	65	60	55	55
United States/NATO TACAIR	375	425	425	525	700	900	600	675	525
U.S.S.R./WPact TACAIR	1,350	1,350	1,450	1,450	1,450	1,370	1,120	970	1,070

Mr. WARNER. Mr. President, at this time I see my distinguished colleague from Delaware, a cosponsor of this amendment, and I shall defer my remarks until after he has had an opportunity to speak.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I appreciate the courtesy of the distinguished Senator from Virginia.

As Senator Nunn pointed out, I have just returned from the spring meeting of the NATO Interparliamentary Assembly. I think there is no matter of greater importance to that conference than the question of arms cooperation. Thanks to the leadership of Senator Nunn—and I am happy to join him as a principal Republican cosponsor—they are now also very much concerned about the question of burden-sharing.

I think both of these matters—which really are opposite sides of the same coin—must continue to be discussed at these assembly meetings. I am happy to say that in the rather limited discussions I did have on some of the proposals contained in this amendment, the reaction was very favorable. For that reason, as well as my personal support, I am happy to be a principal sponsor of this amendment.

Many Americans believe, falsely, that NATO does not disburse funds for the common defense at the same level as does the Warsaw Pact. In fact, as clause 1 of this amendment points out, the very reverse is the case. NATO spends more on defense than does the Warsaw Pact. Unfortunately, this high level of spending is not reflected in enhanced defense, particularly in the conventional area. The disparity between NATO's defense spending and its actual defense effort can be ascribed largely to the NATO allies' failure to establish a genuinely cooperative defense effort. All too often, NATO's defense effort resembles nothing so much as a confusing plethora of overlapping and occasionally contradictory programs.

As our Ambassador to NATO, Dr. David Abshire, has pointed out so forcefully, if NATO is to remain effective into the 1990's, its members must establish a new, resources strategy, whereby its various members will collectively utilize their vast industrial, financial, and technological superiority over the nations of the pact to achieve greater value for their defense outlays.

The value of such cooperation must be obvious to us all. Cooperation in the procurement field will enable the allies to achieve long production runs and new economies of scale in arms production, thereby holding down prices for all members of the alliance. I would go further and assert that unless we establish a truly cooperative NATO effort, we will never be able to implement the new deep strike strategy which, supposedly, lies at the center of our future plans for the defense of Europe. The new generation of emerging technology weaponry which this strategy will require will prove extremely expensive and probably will not be procured by all the allies unless we can achieve price containment through cooperation. Yet, this weaponry is vital if we are to raise the nuclear threshold in Europe and reduce our dangerously heavy reliance on nuclear weapons in that theater.

Let me point out, in addition, that the Senator from Georgia and I have been at great pains to persuade our European allies to increase their spending on conventional defense. Recently, as I pointed out a few minutes ago, I headed the Senate delegation to the spring meeting of the NATO Interparliamentary Assembly in Stuttgart. I can say, confidently, that the Nunn-Roth amendment of 1984 certainly has arrested the attention of our European allies and they are endeavoring to respond to those concerns raised in the amendment. However, in all honesty, I must observe that our allies are unlikely to engage in a sustained response to our initiatives if such a response can be equated with a call to "Buy American." A sustained improvement in NATO's conventional defense capability will be undertaken only in a full cooperative atmosphere.

Cooperation in the manufacture and procurement of weaponry is in the interests of all members of the NATO alliance, including the United States. I hope that my colleagues will join us in supporting this vital piece of legislation.

Mr. WARNER. Mr. President, I commend the distinguished principal sponsors of this amendment, Mr. Nunn and Mr. Roth, and am privileged to join them.

I felt that the efforts on their behalf last year, while provocative, were in some sense misinterpreted because their intentions were positive, and I think the aftermath has proven this to be the case. This initiative on this particular bill is a further attempt to broaden the foundation on which we hope to build a stronger alliance.

I am pleased to cosponsor the amendment introduced by the Senator from Georgia [Mr. Nunn] whose exceptional expertise in NATO defense affairs is well known to all Members of this body.

The North Atlantic Alliance has been the cornerstone of our defense relationships for over 35 years.

One cannot help but be impressed with the success of this alliance.

Indeed, never in modern history has there been a period of such duration during which all our peoples have been able to pursue their lives free from aggression or domination by a foreign power.

The NATO alliance is the shield behind which this era of peace has endured.

However, if this successful record is to continue, we must not be complacent and allow ourselves to rest on our laurels.

There are problems the NATO alliance must confront.

The unprecedented buildup of Soviet military power over the past two decades is presenting NATO the most serious challenge that it has ever faced.

If we are to maintain the credibility of our deterrence, we must face this challenge head-on in concert with our allies.

We must take the time periodically to look critically at the result of the efforts of our alliance.

Our adversaries in the Warsaw Pact have been able to produce greater numbers of tanks, planes, howitzers, and other items of war over the past few years with less expenditure of resources.

Through the domination of the Warsaw Pact nations by the Soviet Union, the Warsaw Pact is able to more effectively optimize the use of their resources.

The Soviet Union, by directing the efforts of the nations of the Warsaw Pact ensures that this is so.

The free nations of NATO must strive for the same effectiveness through cooperation to ensure that increased expenditures will lead to increased security.

Our record on this score in the past has been very poor.

It is essential that we obtain the optimum military capabilities for the resources we are expending on defense.

Clearly, we need to work more closely and cooperate more deliberately with our NATO allies to ensure that the efforts of each nation are more

fully optimized in the collective pursuit of maintaining the peace.

The provisions in this amendment provide increased opportunities for cooperation in research, development and production of military equipment and munitions among member nations of NATO; $200 million is made available from the research, development, test and evaluation accounts of the Army, Air Force, Navy and defense agencies only for NATO cooperative research and development projects.

In addition, $50 million is made available to acquire weapons systems subsystems and munitions manufactured by one or more of our NATO allies for side-by-side testing with comparable U.S. items.

Mr. President, I am hopeful that through this amendment we can widen greatly the scope of our cooperative efforts in our NATO alliance and that the results of the initiative we are taking here today will be evident and measurable in the years to come with greatly increased military capabilities of our alliance through the wiser allocation and use of our resources.

Mr. President, I ask unanimous consent to have printed in the Record, a letter received this morning from the Deputy Secretary of Defense, addressed to Senator Nunn, in which he, on behalf of the Department of Defense, strongly endorses this amendment.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Deputy Secretary of Defense,
Washington DC; May 20, 1985.

Hon. Sam Nunn,
U.S. Senate,
Washington, DC.

Dear Sam: Thank you for the outline of the NATO amendment we discussed the other day. I strongly support your initiative in this area which, I believe, will provide a valuable and needed tool to facilitate collaboration on conventional defense improvements within our NATO Alliance. It will also send a strong signal to our European partners that the U.S. is serious in its determination to improve NATO defense capabilities through Transatlantic Cooperation. We here, in conjuction with our colleagues in U.S. Mission NATO, are prepared to move forward with implementation as soon as your amendment is passed. My staff will work with your office to iron out any necessary details.

I would again like to emphasize the importance I assign to your proposal. I am prepared to proved whatever assistance is necessary to carry through with this most promising effort.

Sincerely,

William H. Taft IV.

Mr. WARNER. Mr. President, I believe the distinguished manager of the bill, the Senator from Arizona, is prepared to accept the amendment on this side. Of course, it is sponsored by the ranking minority member on the other side.

Mr. GOLDWATER. Mr. President, the majority side finds nothing wrong with this amendment. It seems to be very good and we will accept it.

Mr. WARNER. Mr. President, I have consulted with Mr. Nunn, and they accept it on that side.

Mr. GOLDWATER. Mr. President, I am informed by the Senator from Virginia that Senator Nunn is in agreement, and the minority side will accept the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Georgia.

The amendment (No. 187) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, the bill is open to further amendment. The amendment by the Senator from Connecticut [Mr. Dodd], relative to Nicaragua, was the pending amendment this morning. Does the Senator care to proceed now?

Mr. DODD. Mr. President, if the distinguished manager of the bill will yield, if we might have a couple of minutes for a quorum call, it may be possible that we can hold off on this. There has been some discussion off the floor, and I do not know the results of those discussions. So if we might take a couple of minutes, it is conceivable that we might avoid debate on this issue.

I know that the chairman is anxious to proceed, and I am willing to accommodate him in that regard. But there is a possibility that we might move on to other matters.

Mr. GOLDWATER. Will it be a matter of a few minutes?

Mr. DODD. Just a few minutes.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, parliamentary inquiry. What is the present order of business?

The PRESIDING OFFICER. Amendment No. 185 offered by the Senator from Connecticut [Mr. Dodd] is pending.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the amendment of the Senator from Connecticut be temporarily laid aside so that the Senator from Nebraska may proceed with an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I thank the Chair and I thank my friend, the chairman of the Armed Services Committee.

Mr. President, since my arrival here in the Senate I have been an active advocate for a strong national defense. In the years that I have been a member of the Senate Armed Services Committee, the Congress has shared my belief that the Soviet Union poses a serious challenge to our national interests and security and, accordingly, authorized and appropriated large increases in defense spending.

I still believe there is need to pay close attention to our national security needs. The threat from the Soviet Union and its allies has grown; it exists; it must be countered.

This does not mean that we have to match this threat missile for missile, tank for tank, or ship for ship. The Soviets may be 6 feet tall, but that does not mean that they are 10 feet tall. They have weaknesses and disadvantages that our policies, strategies, and weapons can exploit and thereby provide tremendous balance and leverage. We have advantages in such areas as high technology, geography, and overall economic productivity.

I am convinced, however, that our greatest defense asset is the will of the American people to provide for a strong defense. Of course, in the face of such tangible, widely received and experienced things as education, transportation, housing, medical care, and Social Security, it is always difficult to spend large sums of money for national security. We all drive on highways, send our kids to school, and want to help those neighbors less fortunate than us. But how many of us daily stop and think about what the Armed Forces do for us. Few of us do. That is not surprising; we do not directly feel or witness what it is that our defense dollars buy us. Defense is really only felt when it is suddenly found to be inadequate or deemed prohibitively expensive.

Yet this country has generally been willing to make sacrifices and provide adequate levels of defense spending. The American people are not antimilitary; but they are largely unmilitary. This is as it should be; we are not an aggressive nation. We do not seek to impose our beliefs on other people. We believe that people should be free to determine their own future. We believe that military force should be used only as the last resort; indeed our defense strategy of deterrence is largely one of war avoidance.

Unfortunately, many other nations do not share these views. That is difficult for us to understand but we have seen the need to take action to discourage wars of any type and when they have occurred despite our best efforts, we have sought to limit them.

The last several decades have seen a tremendous Soviet arms buildup across the spectrum of military capabilities. This strengthened power in conjunction with an aggressive Soviet foreign policy is very worrisome. The Vietnam years and our sincere desire for arms control and reductions made us more hesitant to take larger and more active measures to respond to this challenge. In recent years, however, we have been willing to increase our defense spending by tremendous amounts. The United States has modernized its Armed Forces and strengthened our security posture. We have bought greater measures of protection and insurance, but the Soviets are still charging ahead and a threat remains. Although we would prefer a static situation of equivalence, the Soviets are bent on conventional and nuclear superiority. Such things may not exist but they seem to think that they do. Unfortunately, we have to live with that perception for it influences their armed forces and foreign policy behavior. This is not going to change for the foreseeable future.

With this sad reality in mind, we are going to have to continue to spend large amounts of national security in the years ahead. This is going to require the support of the American people. I believe that they will be more willing to do this if—I emphasize if—our future economy is sound. But this will not be the case unless we can reduce the dangerous deficit we now face. Reducing this deficit is what we must now do and to demonstrate our seriousness in doing so, all areas of Federal spending will have to make a contribution. This includes defense spending.

This is the reason I have favored no real growth in defense spending this year, followed by 3 percent real growth in fiscal years 1987 and 1988. I am convinced that a 1-year limitation on growth in defense spending and then a moderate level of increased spending will provide an adequate defense. It will also help us reduce the deficit, improve the economy, and thereby maintain the public support that will be critical for large defense spending in the years ahead. The President would prefer 5.9 percent but subsequently agreed to 3 percent and has now come to my position of zero real growth in fiscal year 1986. I emphasize here that that real growth allows for inflationary pressure that continues on our defense buildup. I was concerned that for the sake of saving less than $20 billion in a defense budget over $300 billion that we would threaten our future security by weakening the economy and the vital necessary public support.

This is why I voted against the original Defense authorization bill of 3 percent real growth. The bill did try to deal realistically with both our national security needs and limited available funding. I regret that it was not more successful in its attempt. A defense budget that allows militarily questionable programs like the MX to go forth at a rapid rate, and reduces needed growths in active duty military endstrength while adding to the fleet a fourth manpower-intensive battleship does not address this problem to the degree necessary. Furthermore, this bill emphasizes hardware at the expense of our servicemen, servicewomen, and their families. Instead of spending billions on the MX, which does not add to our deterrent because it is already vulnerable to a Soviet first strike, we should be ensuring that our service personnel and their families receive pay and benefits equal to their personal sacrifice.

We simply must take a harder look at the years ahead of us. It is a fact that there will not be enough money available for all the defense programs we may want. The Senate will have to be very careful and selective in determining priorities. This requires looking especially hard at programs in the research and development stage, for once unneeded weapons acquire a constituency of their own it becomes impossible to stop them.

Unless defense spending is better controlled and monitored in the years ahead, we will lose what is our greatest national security asset—the determination and will of the American people to adequately provide for the defense of our Nation.

(Mr. HUMPHREY assumed the chair.)

Mr. EXON. Mr. President, with those opening remarks on the matter before us, in particular the defense authority bill, I am going to offer an amendment that I think would strike right at the heart of what I see as a lack of will, a lack of resolve to make the critical decisions that we must make with regard to what we can afford, what we need, what are the proper priorities, and how we best go forward to improve further the national security of this great Nation of ours.

Mr. President, I shall be offering an amendment to transfer $53.5 million in advance procurement funding contained in this bill for the reactivation of a fourth battleship toward the purchase of additional naval munitions. We come down to the situation, those of us who have classified briefings which we cannot go into on the floor of the U.S. Senate, that we should realize and recognize that naval munitions and conventional readiness in general continues to suffer because, Mr. President, we do not set the priority standards that I think we must set.

This amendment will also prohibit any reprogramming request for the activation of this battleship unless there is a national emergency. My intent is to end the battleship reactivation program with three ships already in service or about to enter service. I am pleased that Senators BUMPERS and KENNEDY are cosponsoring this amendment with me.

The Navy presently has two battleships, the U.S.S. *Iowa* and the U.S.S. *New Jersey*, operational and will shortly receive the U.S.S. *Missouri*. My amendment would not affect the status of these three ships. It would only deny the addition of the fourth battleship.

As the Navy already has three battleships, my amendment would not deny a military capability it believes to be critical. An entire weapon program would not be ended. Instead, I am seeking to conclude a program that has reached the peak of its cost effectiveness, and transfer the funds toward our efforts to overcome our serious munitions shortfalls.

There are several sound reasons for doing this. First, three battleships is the optimum number to support the forward deployment of a battleship. Granted, four would be nicer but three battleships will allow for a normal overseas deployment cycle of one ship forward, one recently returned, and one working up for deployment. As the first deployment of the *New Jersey* ably demonstrated, the battleships have tremendous range and endurance. Their surge capability in time of crisis is impressive. To many, the battleship highlights the heightened offensive spirit of the fleet. But a fourth battleship is not needed. With the tight budgets we are facing, an additional battleship makes no sense.

Battleships are tremendously expensive to reactivate. This year's request for $53.5 million is not much compared to the billions we will spend on the MX or the strategic defense initiative or tactical aircraft. But next year, the budget request for the reactivation of the fourth battleship is expected to be $422 million—hardly small change in any year's defense budget. In essence, today, we are being asked to make a $53 million "downpayment."

There are other high costs. For example, the Navy claims that the daily operating cost of a battleship is $220,000. Let me repeat that, Mr. President: The Navy says that the daily operating cost of a battleship is $220,000. That is a day.

There are other high costs. For example, the Navy claims that the daily operating cost of a battleship is $200,000. This is about two and one-half times the comparable costs for a cruiser and four and one-half times the figure for a frigate. While the battleship provides an incomparable amount of naval gunfire, the smaller and less expensive cruisers, destroyers,

and frigates have the air defense and anti-submarine capability lacking in the battleship. These ships can also carry the long-range cruise missiles carried onboard the battleships.

Furthermore, the cost of providing the battleship's naval gun firepower is high in terms of manpower, by far the most costly part of the defense budget. To illustrate this, each of the *Wisconsin's* three triple 16-inch gun turrets requires a team of over 230 men each-day, every day. That is nearly enough men to crew a frigate. In fact, the 1,588 men in a battleship's crew could provide enough manpower to crew five new DDG-51 destroyers or four new Aegis cruisers.

In the Manpower Subcommittee, we hear time and time again about the challenging needs of all the armed services, especially the Navy. It seems to me that a commitment to a fourth battleship after we have already approved three is an unnecessary expenditure of money and a waste of manpower when in the future we think we are going to have critical manpower and womanpower needs.

The defense authorization bill provides for only 10,730 of the 15,000 new personnel requested by the Department of Defense. There are some Senators who would like to not only deny any increase but also reduce the size of the existing force. I do not share this view, but who here can deny that manpower is increasingly a critical issue?

In short, Mr. President, a fourth battleship is not a wise investment. The funds are sorely needed in other parts of the defense budget. My amendment would simply transfer the $53.5 million from the battleship reactivation to naval weapons procurement.

I do not believe there is a single Member of the U.S. Senate who can get up on this floor and say that we do not need improvement in naval weapons procurement.

The defense bill, as reported by the Armed Services Committee, fully funded the Navy's request for munitions. In fact, the committee was able to add funding for 150 much-needed captor mines. However, no one can deny that our stocks of missiles, mines, torpedoes, gun ammunition, and sonobuoys are not close to our actual wartime requirements.

According to Navy statements before the Subcommittee on Seapower and Force Projection on March 14, 1985, even if the entire request for naval munitions originally requested at the 5.9 percent real growth level had been approved, we would still be only halfway to meeting our overall munition war fighting requirements. Although the specific sizes of our naval weapons inventories are classified, some generalities illustrate this. For example, we are only about halfway to acquiring the required number of standard medium range surface-to-air missiles. The figures for the standard medium range surface-to-air missiles. The figures for the extended range version of this missile are even less encouraging. Although it takes several years from the point at which missiles and torpedoes are funded to the point at which they reach the fleet, our progress in overcoming our serious munition shortfalls is less than it should be.

I suspect that even the established munition inventory goals are less than we would actually need in time of war. History has repeatedly proven this true. Accordingly, my amendment redirects $53.5 million toward munitions procurement. The actual numbers and types of munitions purchased with these funds would be left up to the Navy.

Everyone agrees we should get everything we can out of each dollar we spend on defense. It is in this spirit that I offer this amendment. A fourth battleship is not a wise investment in the face of spending constraints, manpower limitations, and serious munitions shortages. We simply must begin to address what the priorities are and have the courage to stand up and say: "This has more priority than that."

I think there is little question, at least in the mind of this Senator, that a fourth battleship is not a high priority item.

All that said, Mr. President, let us get to the heart of the matter. This debate is really more concerned with politics than naval warfighting capability, I fear. I personally am greatly upset that I have not been approached by the Secretary of the Navy to have a battlewagon home-ported, in Omaha, NE. Omaha, NE, is one of the ports that is not being considered as of now for the positioning of the *Wisconsin* when it goes afloat. The Secretary of the Navy has done an amazing job of keeping a whole bunch of balls up in the air as to where this vessel will be home-ported when and if it is placed in service.

That juggling act by the Secretary of the Navy has enlisted. I suggest, Mr. President, unusual interest and strength to get this battleship afloat, because I recognize that wherever this battleship goes it is going to mean a significant improvement in the home port of this battleship. It means dollars. It helps the economy of those particular areas.

I mentioned Omaha, NE, facetiously, of course, because there is no chance it will be home-ported there. I suspect that our harbor just might not accommodate that large a ship. If it is ported in Omaha, NE, it will be a sitting duck, as it would be in Phoenix, AZ.

Mr. HART. Will the Senator yield?

Mr. EXON. I am delighted to yield.

Mr. HART. I was dismayed, frankly, that Omaha had been stricken from the list. The last I heard Denver was still a possibility.

Mr. EXON. I say to my friend from Colorada that I think Denver, CO, might be an even better place to locate that battleship because there would be some defense protection from the mountains around Denver. I suspect, though, that the Platte would be a most difficult stream to navigate for that size battleship, but we could try it. I would not be surprised if the Secretary of the Navy might tell the Senator from Colorado that Denver has been stricken from the list. I simply say that I do not want this homeported in Omaha, NE, despite the fact it would be good for our economy, because I do not think it is a good use of American taxpayer dollars.

Mr. HART. It would sure create a lot of jobs dredging out the river and building a port in Omaha.

Mr. EXON. It would certainly create a lot of jobs and would be good for the economy of Nebraska, Iowa, and Colorado that are suffering very much these days. I appreciate the comments of my friend from Colorado.

Mr. HART. A lot of the farmers from Nebraska who lost their farms might be put to work creating that port.

Mr. EXON. That would be one reason to put it in Omaha, NE, but I am still opposed to it.

I am personally greatly upset that the Secretary of the Navy continues to keep all of these balls up in the air to continue to hold out hopes of every city that has a port, holding out the hope that somehow, someway, it might just be the home port and would that not be good for the local economy.

As the ranking member of the Seapower Subcommittee, I believe that my State should not be a prime candidate, so therefore I speak with no colloquialism whatsoever when I suggest it would be wise to adopt the amendment that I will be offering.

We must continue to search for ways to cut unnecessary waste and fat from the defense budget. We must have the courage to say no, even though I can imagine that a large head of steam has already been built up on the *Wisconsin* to get it approved, because it certainly is a good way to show the flag.

I suspect that my subcommittee chairman, the Senator from Maine, may be equally slighted at not having his State actively considered as a base for the 1980's version of Teddy Roosevelt's "Great White Fleet."

As I understand it, the U.S.S. *New Jersey* is now homeported in southern California. The U.S.S. *Iowa* will eventually be based at Staten Island, NY; that is, after we build the base for it in a couple of years. The U.S.S. *Missouri* will be homeported in either Hawaii or northern California, depending on which State can offer the Navy the best deal. The fourth dreadnought, the U.S.S. *Wisconsin* and the one we are discussing today, is scheduled to be based "somewhere on the gulf coast of the United States."

I suspect that we are going to see some rather heated arguments on the floor of the Senate today by many of my closest colleagues and supporters, that we all need this *Wisconsin*, that especially we needed it because it is scheduled to be somewhere on the gulf coast of the United States.

The lottery has begun, Mr. President. Let us all get on board. This is the concept of strategic dispersal. That is quite a lofty-sounding concept. What I think it really means is, "Let's get as many Members of Congress and States involved in this vulnerable program as we can—hold out as many carrots as we can—to ensure that the votes remain on Capitol Hill to keep it going, to keep it afloat. The Secretary of the Navy—whose deftness, maneuvering and skill I admire—has been masterful at running this lottery of sorts. If you buy a $5 ticket, you have a change at a $500 million prize.

However, I think the Navy has overlooked a few viable candidates.

How about Alaska? You cannot get any closer to "Mother Russia" than that. Maybe we should base the future U.S.S. *Wisconsin* there. Then we could add money to the military construction bill to rebuild the base at Attu or Kiska in the Aleutians, since we won those strategic locations back during World War II.

Why limit the homeport search to Texas, Louisiana, Mississippi, Alabama, and Florida on the Gulf of Mexico? Why not the Great Lakes? Perhaps a battlewagon could stem the tide of Canadian hog imports, which the Senate unanimously urged the President to do just last week. Let us put some teeth—and 16-inch shells—behind our new get tough trade policy.

Mr. President, I personally like Wyoming. What better function for a World War II battlewagon—since it is supposed to be so survivable—than to guard our totally defenseless MX missiles. Now, there is a no-lose proposition.

Mr. President, I hope this discussion sheds some light on the way we sometimes make decisions here in Washington. When the defense budget rises as it has during the last 5 years, individual decisions become less important because they are part of a bigger and bigger picture. We need to take stock of what we are doing and keep our decisions in perspective by sticking with our goals.

We are debating our national security today. We are not debating economic development or any other worthy, but unrelated, matter.

Let us stop today what most of us know deep in our hearts is a real turkey. Let us get more ammunition, missiles, mines and torpedoes in the hands of our men at sea who will have to do the real fighting if, God forbid, that day every comes. It has already been brought to the attention of the Senate today that the United States and NATO are woefully short of munitions, which could lead hostilities to possibly become a nuclear engagement because of our conventional weaknesses.

Mr. President, let us not just talk about the "right stuff." Let us do the right thing.

Mr. President, I have an interesting story that came across the AP wire just a few minutes ago. It is a short story, and I should like to read it. It fits in with the whole point I am trying to make. We are not addressing in proper perspective the readiness of our forces. I think the following AP story of today highlights this better than anything I might say. The story reads:

> BRUSSELS, BELGIUM (AP).—NATO Defense Ministers reached rapid agreement today on the alliance's major weaknesses and pledged a stronger effort to remedy them, a senior NATO official said.
>
> In the opening session of a 2-day strategy meeting, the Ministers also reaffirmed a longstanding goal of increasing military spending by 3 percent a year, the official said during a break in the talks. Few NATO nations have consistently met that target.
>
> The official briefed reporters on the closed-door discussions on the condition that he not be identified by name or nationality. None of the Ministers was available for interviews.
>
> He said the Ministers accepted an internal NATO report that said the alliance is poorly prepared to deal with a conventional Warsaw Pact attack because of inadequate "standing" ground forces and reserves, insufficient stocks to sustain a conventional defense, lack of facilities to receive and protect reinforcing aircraft and inadequate ability to identify enemy aircraft.

Mr. President, this part of that story simply says, again, what I have been saying over and over again. Let us get on with the matter of setting priorities.

We have three battleships. We are going to put them afloat, and there may be a need for them, but this Senator has questioned them in the past.

I am saying, let us take this $53 million and put it to better use in the munitions field, where we are woefully lacking today.

AMENDMENT NO. 188

(Purpose: To eliminate funds for the battleship reactivation program and increase funds for naval munitions)

Mr. EXON. Mr. President, I send to the desk an amendment which would transfer the funds for the battleship Wisconsin as authorized in the matter before us.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

> The Senator from Nebraska [Mr. EXON] proposes an amendment numbered 188.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 6, line 25, strike out "$5,470,200,000" and insert in lieu thereof "$5,523,700,000".
>
> On page 6, line 26, strike out "$9,926,200,000" and insert in lieu thereof "$9,872,700,000".
>
> On page 11, between lines 8 and 9, insert the following new section:
>
> LIMITATION ON FUNDS FOR THE NAVY
>
> SEC. 107. None of the funds appropriated pursuant to the authorization of funds in this or any other Act may be used for the purpose of carrying out a battleship reactivation program in connection with any battleship for which funds have not been provided for reactivation before the date of the enactment of this Act.

Mr. EXON. Mr. President, I think the amendment speaks for itself. I have adequately outlined what I am attempting to do.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COHEN. Mr. President, I rise in opposition to the amendment by the Senator from Nebraska which would delete $53.5 million in long-lead funding for reactivation of the fourth battleship, U.S.S *Wisconsin.* We began this battleship reactivation program back in 1981. It was a sound program then, and it still is.

I was surprised to hear the Senator from Nebraska say, "We have three; why pay for a fourth?" We have always planned to reactivate four. That was the original plan in 1981.

Two of the battleships, U.S.S. *New Jersey* and U.S.S. *Iowa* have already rejoined the fleet, where they are performing magnificently. Both have conclusively proven their value during extended deployments to the Middle East and Central America. The third ship, U.S.S. *Missouri*, is presently being reactivated in a naval shipyard.

WHY NAVAL GUNFIRE IS NEEDED

In an age of satellites and missiles, some might question whether we still need more guns in the fleet. Do not be misled. Naval gunfire remains very important for several reasons.

First, naval gunfire support is one of a very few ways in which a fleet can bring force to bear on the land. In fact, when you must strike targets ashore, you can either fly planes, launch missiles, land the marines, or shoot naval guns. Each of these force projection methods has its own advantages.

Several very important ones are unique to naval gunfire. For example, no other method can respond so quickly as naval guns. A battleship on station can fire shells within 60 to 90 seconds after receiving an urgent request for help. Naval guns are also highly flexible. In the heat of battle, they can change ammunition and shift targets more quickly than either tactical aircraft or cruise missiles. Unlike most aircraft, the battleship's guns can fire day or night, in any weather. Naval gunfire is also enduring. Gunfire can be continuously applied for days at a time, in contrast to air strikes, which require longer intervals between attacks. And naval gunfire is relatively cheap. The battleship's 16-inch projectiles cost less than either missiles or aircraft. Moreover, there are thousands of those rounds already in storage which were bought and paid for years ago.

Finally, naval gunfire broadens our military options, especially in a crisis response role. The battleship's 16-inch guns can strike targets miles inland without the need to put American troops ashore. Further, no one will ever shoot down a 16-inch projectile and hold its American pilot hostage.

WHAT DO WE GET WITH A BATTLESHIP

What will we get for our money when U.S.S. *Wisconsin* rejoins the fleet? Let me illustrate with this side-by-side comparison with a *Virginia* class cruiser.

The table shows that the battleship is superior in virtually every category of combat capacity.

I ask unanimous consent that it be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BATTLESHIP VERSUS CRUISER CAPABILITIES COMPARISON

New Virginia class cruiser	Reactivated USS Wisconsin battleship
Full load displacement: 9–10,000 tons.	50–58,000 tons.
Propulsion: 2 nuclear reactors/2 engines and shafts.	8–600 PSI steam boilers, 4 engines and shafts.
Endurance: Unlimited	14,500 nautical miles.
Speed: 30+ knots	30+ knots.
Cruise Missiles:	
10 Tomahawk (potential)	32 Tomahawk.
8 Harpoon	16 Harpoon.
Guns: Two 5"/54 guns	Nine 16"/50 guns, and twelve 5"/38 guns.
Anti-Air: Tartar guided missile system.	4 Phalanx weapons systems.
Command and Control: NTDS	NTDS-receive.
Survivability:	
½" steel hull. No armor	12" armor belts. Up to 17" steel hull armor.
Double bottom	Triple bottom.
Excellent damage control	Excellent damage control.
Medium engineering redundancy.	High engineering redundancy.
Aluminum superstructure with no armor.	Steel superstructure with heavy armor.
Future growth capability: Constrained by physical characteristics.	Expanded aviation fac., vertical launching systems, cruise or other missiles, area AAW.
Cost (fiscal year 1986): $1,500–$1,900 million.	$476 million.

Let's review what we get with a battleship. Endurance, for one thing. They have a range of over 14,000 miles. They have speed, too; over 30 knots. And because of their fuel capacity, they can refuel smaller ships.

We get longevity as well. Despite her chronological age, *Wisconsin* is a young ship. She served only 11 years before decommissioning and has more than 20 years of useful life remaining. This is a ship which will serve our Nation's needs into the 21st century.

The *Wisconsin* is also survivable. Built to withstand the impact of mach 3, 1-ton projectiles, the battleships have 12-inch armor belts and up to 17 inches of steel hull armor. Their bottom is three layers thick and they have a heavily armored steel superstructure. There is a high degree of engineering redundancy, as well. They have state-of-the-art electronic warfare equipment, and four Phalanx weapons systems. With the exception of the nuclear aircraft carriers, these battleships have more survivability features than any ship in the fleet.

Finally, there is their unmatched firepower. *Wisconsin* will sail with 32 long-range Tomahawk cruise missiles, capable of attacking targets ashore or afloat, with either conventional or nuclear warheads. She will also carry 16 antiship Harpoon cruise missiles, with ranges in excess of 60 miles. And then there are the guns. As a secondary battery, *Wisconsin* will have twelve 5-inch naval guns, where other ships have one or two. Her main battery, will consist of nine 16-inch guns. Those guns can fire projectiles weighing 2,700 pounds—that is more than a Volkswagen—over 22 miles. Shells like that can penetrate 30 feet of reinforced concrete. No conventional cruise missile warhead today can come close to matching that performance.

In short, there is no other major combatant ship we can build for the cost of reactivating this battleship. Indeed, there is no ship in the world that has the all-around capability of this battleship at any cost.

GUN ACCURACY

Questions have been raised concerning the accuracy of the battleship's guns following *New Jersey*'s deployment off Lebanon. During those operations, there were no observers ashore in position to provide realtime corrections to *New Jersey*'s fire. Weather and tactical considerations also prevented postmission surveillance of gun damage. Nevertheless, an independent study by GAO found that *New Jersey* made an effective contribution to the U.S. naval presence off Lebanon and that in every case *New Jersey*'s gunfire silenced hostile fire. In fact, after the firing of February 8, 1984, there was a lull in fighting for over a week. No heavy fire was ever received from that target area again. In summary, the study found there was solid intelligence to indicate that *New Jersey* had a deterrent effect during her Lebanon operations.

To further improve 16-inch accuracy, the Navy has replaced older propellant charges in its inventory. During an accuracy demonstration conducted last year by the *Iowa*, the Navy was able to pinpoint the fall of shot fired at a range of 18 miles. Airborne and ground spotters with special instrumentation were used to determine the impact of each projectile. The results proved beyond a doubt that the 16-inch guns hit what they aim at with devastating accuracy and effectiveness.

WHY A FOURTH BATTLESHIP

With three battleships already, why should we reactivate this fourth and final one? There are at least two good reasons.

First, we need to redress the shortage of naval gunfire support capability in the fleet. There is a well-documented, continuing shortage of naval gunfire to support our forces ashore. Battleships are the quickest, cheapest way to reduce that shortage.

Second, as a global maritime power we have vital interests spread over three of the world's oceans. Only by the addition of this fourth battleship can we assure that at least one is always available on both coasts.

In the 2½ years since *New Jersey* rejoined the fleet, the battleships have repeatedly demonstrated their ability as an alternative to a carrier under a variety of threat conditions. Both *New Jersey* and *Iowa* have been employed in Central American operations. But perhaps the best example of the battleship's usefulness was *New Jersey*'s short notice, 11-month deployment from the Pacific, through Central America, to the eastern Mediterranean. Clearly, the Navy's flexibility to respond to future crises will depend in large measure on the availability of battleships on both coasts.

PRIORITY FOR MUNITIONS

Like the Senator from Nebraska, I attach a very high priority to improving near-term readiness and sustainability. As I indicated to my colleagues last Friday, the Seapower and Force Projection Subcommittee afforded missiles, torpedoes, and gun ammunition a very high priority during our review of the defense budget this year.

I am pleased to report that we made no reductions in ammunition requests. Not a single bullet, torpedo, or missile requested was denied. Moreover, we actually added nearly $60 million to the Pentagon's request in order to buy 150 additional antisubmarine mines.

We authorized a total of more than $2 billion for shipboard ammunition, including more than 1,400 surface-to-air missiles and over 600 antisubmarine missiles.

Because of our efforts to support readiness and sustainability, this ammunition account actually increased by more than 22 percent over the 1985 amount. By contrast, the Navy's shipbuilding account, which this amendment would further reduce, is already 15 percent below that authorized last year.

In sum, the Navy's shipboard ammunition account has already been carefully protected and even augmented. To do that, we cut the shipbuilding account by more than $1.3 billion thereby reducing it by nearly 20 percent in real terms.

For those who share the Senator from Nebraska's and my interest in improving near-term readiness and sustainability, I again remind the Senate of one important fact: Nothing in the Navy's 1986 budget request, no plane or missile or mine, will provide more real combat capability quicker than the U.S.S. *Wisconsin.*

Because of production lead times, it will be 2 or more years before any of the ammunition which the Senator from Nebraska's amendment would authorize actually reaches the fleet. Some of it will take even longer. Consequently, U.S.S. *Wisconsin,* which will join the fleet in January 1989, will already be in service before some of the new ammunition we authorize this year is even delivered. Moreover, *Wisconsins* gun magazines will be full of existing ammunition paid for years ago.

If one wants improved readiness in the near term, there is no better answer than reactivating the *Wisconsin.*

BUDGET CONSIDERATIONS

I should point out that I have no parochial interest in this issue. No battleship is going to be home ported in Maine. Rather, I support completing the four ships because the administration's request to reactivate the *Wisconsin* is militarily sound and economically attractive. Both previous reactivations have been completed on time and below budget. U.S.S. *New Jersey* was delivered $1 million under projected cost and U.S.S. *Iowa* is expected to be about $5 million under costs.

Congress has firmly supported the battleship reactivation program in past years. Now, in today's fiscally constrained environment, the battleships make more sense than ever before. Faced with the need to hold down defense costs, we all want to do more with less. One could not find a better example of that than the battleships. *Wisconsin* will add great combat capability to the fleet at little more cost than a new frigate. Manning costs are reasonable as well. In fact, the *Wisconsin* will have a lower skill mix of sailors than a new frigate, yet will have the highest ratio of firepower to manpower of any surface ship afloat.

In closing, let me emphasize the case for reactivating the battleship *Wisconsin* is a strong one. No other program in the President's shipbuilding request offers such an immediate return on investment as does the *Wisconsin's* reactivation. I urge my colleagues to oppose this amendment, which would delete the long-lead funding for reactivation of the fourth battleship.

Mr. President, I yield to the Senator from Florida.

Mr. CHILES. Mr. President, I thank the distinguished Senator from Maine.

Mr. President, I rise today to speak out in opposition to the amendment which would delete $53.5 million in long-lead funds to reactivate the fourth and final battleship, U.S.S. *Wisconsin,* from the fiscal year 1986 Department of Defense authorization bill.

Much of the impetus for battleship reactivation was generated by the traumatic events in the Middle East—specifically, the seizure of the American Embassy in Iran, the Soviet invasion of Afghanistan, and the crisis in Lebanon. Congress has firmly supported the battleship reactivation program in the past, because reactivation is a quick, economic, and substantive way of demonstrating both renewed U.S. policy resolve and increased military capability.

Reactivation of the *Wisconsin* makes sense economically as the cost will be one-third to one-fourth the cost of building a new *Virginia* class cruiser. The U.S.S. *Wisconsin* will serve as the centerpiece for the newly conceived gulf coast "Surface Action Group" and its deployment will certainly help to counter the buildup of Soviet Naval Forces.

The *Wisconsin's* 16-inch guns will be capable of accurately hitting and destroying targets 10 to 20 miles away, as evidenced by the U.S.S. *New Jersey's* action during the Vietnam conflict. This type of firepower is needed to support Marine amphibious operations. Besides the big 16-inch guns, the *Wisconsin* will carry antiship Harpoon cruise missiles and surface-to-surface Tomahawk cruise missiles capable of hitting land targets up to 1,500 miles away. Battleships have been called the most survivable ships in the Navy with their heavy armor and new Vulcan Phalanx close-in weapons system capable of throwing out 3,000 rounds of 20 mm cannon ammunition per minute.

In his testimony before a House committee in 1981, Vice Adm. Robert L. Walters, the former Chief of Naval Operations for Surface Warfare commented about the battleships ability to "show the flag":

> The phenomenon of naval presence is difficult to qualify, but it's clear the ability to operate naval forces around the world is an effective political and diplomatic tool. In this role the battleship will be impressive and intimidating.

Two *Iowa* class battleships have already joined the fleet and a third ship, the U.S.S. *Missouri,* is presently being reactivated. With the future reactivation of the U.S.S. *Wisconsin* the Navy will be able to deploy two of these ships on both east and west coasts of the United States.

The reactivation of four battleships provides us with a very economical, quick-fix boost to our naval war-fighting capabilities, and I urge my colleagues in the Senate to oppose this amendment which deletes funding for the *Wisconsin's* reactivation.

Mr. THURMOND. Mr. President, I rise in opposition to this amendment. I think it would be a great mistake to delete this $53½ million in long-lead funds for reactivation of the fourth battleship, U.S.S. *Wisconsin.* We have already reactivated the *Missouri,* the *New Jersey,* and the *Iowa.* This fourth battleship then will provide availability with two ships on each coast.

Several years ago, when the matter came up about reactivating these battleships, I led the fight here in the Senate to reactivate the *New Jersey.* We had a tough fight here to do it, but the Senate was convinced it was the wise thing to do.

A ship can be reactivated like the *Wisconsin* here for about a total of $475.9 million. Only $53½ million, as I said, is being asked for at this time. A new ship like this, though, would cost between $2½ billion and $3 billion.

These are ships that were built so well then that they can be reactivated today and be better than new ships. The iron is heavier, they are thicker, they are stronger, they are more impressive. These ships have been used in various parts of the world, and everywhere they have been taken they have made a fine impression on the people, and they carry with them prestige, carry with them strength, and carry with them power. I think it is very important that we go forward with this.

These battleships offer a low-cost way to relieve the pressure on the overworked aircraft carriers, too. The battleships *New Jersey* and the *Iowa* have already proved their worth in deployments to the Middle East and Central America, and others have proved their worth, too. The manning costs here are reasonable and justified. There is a lower skill mix than an FFG-7, frigate, but the highest ratio of firepower to manpower of any surface ship. Let me reemphasize that. It has the highest ratio of firepower of any surface ship.

Battleship adds great combat capability, and on them you have the Tomahawk, which is a cruise missile, and you have the Harpoon, the antiship missile, and you have 16-inch guns.

You have all these on this particular battleship and at a comparatively low cost, less cost than a frigate.

In my opinion, we would make a great mistake to delete this ship. I would just remind the Senate again that the Soviets are building up every day and they are not only building up their own power, they are spreading and expanding throughout the world. This battleship is needed.

I hope the Senate will kill this amendment. In my opinion it would be for the best interests of the country.

Mr. BUMPERS. Mr. President, many of my colleagues know that I was offering amendments similar to the one the Senator from Nebraska is offering today years ago when we first embarked on this crazy idea of reactivating battleships.

First, I want to tell my colleagues a little interesting human interest story. The idea of bringing World War II battleships out of mothballs did not originate with the U.S. Navy, nor did it originate with the Armed Services Committee of either body. The idea originated with a lobbyist who was looking for some business for some of his clients. And he came upon the idea one day simply because he saw a battleship in mothballs. He thought, "Now, this will be a great idea. If I could sell the Navy Department on this, I will get these ships reactivated and my clients will get the business."

Now, that is hardly a justification for us continuing a bad idea that some lobbyist was able to sell the Navy on.

I know that all the arguments have been made here that I have made in the past. And I know the Senator from Nebraska is going to lose on this amendment. But I can tell you one thing. I intend to vote with the Senator from Nebraska this year, next year, and every other year that we continue to waste money on a weapons system when the money could be so much more effectively spent on many other ways.

First of all, the life of this ship is 15 years, compared to a CGN class cruiser, say, of 35 years.

The Senator from Maine says if this were just for the 16-inch guns on this ship, he would not vote for it. I would not, either. We saw in Beirut the accuracy of those 16-inch guns. Big blunderbuss guns that could not hit anything. It took forever for the Navy to release statistics showing just how inaccurate those 16-inch guns were.

Now, they do a lot of damage wherever the shell happens to hit, but in Beirut they had no idea where they were going to hit when they fired them. And a lot of innocent people, incidentally, were killed in the use of battleships off the coast of Lebanon.

I do not know whether it has been corrected or not, but I do know this: I know that on the test runs of the first battleship, the *New Jersey,* in the sea trials, they found that all the sophisticated electronic gear went out and became absolutely useless after they fired the 16-inch guns because the vibration was so great it took all the calibrations off and they had to the take the ship back in. I do not know whether it has been corrected yet or not, but I know they had to take all the equipment out and put rubber shocks around all of it so it could absorb the shock of a 16-inch gun being fired.

Now, you and I know that in this day and time of guided missiles, a 16-inch gun still shoots about 23 miles. You should bear in mind that if you sent that battleship into battle with nothing but 16-inch guns, you would be doing a lot of mamas and papas a grave disservice putting their sons on board that ship because I promise you it is a sitting duck. The Soviet Union has all kinds of surface-to-surface missiles that are a lot longer range than 23 miles. And if that is all the battleship has to defend itself with, it would not last until the water got hot.

No. 2, if you are not retrofitting the ship at a cost of roughly $½ billion, if you are not retrofitting it to get the advantage of the 16-inch guns—and that is quite often the rationale for it—and you are really building it because it is going to carry the cruise missile, the Tomahawk, and the Harpoon missile, you could build a platform for $100 million that has a life expectancy just to carry those two missiles, those two weapons. Why would we spend $0.5 billion on a rust bucket that we are bringing out of mothballs, World War II vintage, as a platform to carry those weapons on, when you can build a brand new platform to do nothing but carry those weapons for a lot less and get a 35-year life rather than a 15-year life, which is what this battleship has?

I can remember going down to Newport News, where my wife was the ship's sponsor, to christen the U.S.S. *Arkansas,* a magnificent nuclear-powered guided missile cruiser, probably the most lethal weapon we have other than our aircraft carriers.

And an admiral that day said, "Senator, do you see that ship right there, and that ship right there?" I said, "Yes." He said, "Those ships have been tied up here for 6 months because we do not have the manpower to put them to sea." That has been 5 or 6 years ago. And I said, "Why do you want a 600-ship navy when you cannot even man the 375 ships you have?" He said, "That is a very good question. We do not think we are ever going to get the 600 ships anyway, and we are hoping that enlistments will go up and that someday we can man these ships."

What does it take to man the *Wisconsin* or the *New Jersey* or any of the other ships that are retrofitting? Fifteen-hundred eighty-eight men. Do you know what a CGN carries? One-third of that. Five hundred men is what it takes to man the second most lethal ship of the U.S. Navy. That is the reason the Senator from Nebraska has correctly and wisely pointed out to this body that they cost over $2,000 a day to keep this ship going. You put the pencil to it from an economic standpoint, considering the 15-year life, the requirement of 1,500 men, and compare it with a much more costly ship such as the CGN, the manpower and the 35-year life expectancy—do not even consider the firing power, the lethality of the two ships, just from an economic standpoint—this makes no sense.

Do you know what this ship is? This ship is exactly like the B-1 bomber and the MX missile. Everything takes on a life of its own around here and it becomes just like Rasputin, you cannot kill it. I do not care how many times you shoot at it. It does not make any difference whether it ever made any sense in the beginning or not. Once you build the first one, the cat is out of the bag, and you cannot stop it in the U.S. Senate. And we cannot stop it here today. I do not know why I am talking. I guess I want historians somewhere down the pike to read that at least I stood up against palpable nonsense in the U.S. Senate.

What are we going to do with it? It is going to become the centerpiece of a battle task group. Right now we use the carrier as the centerpiece of our battle groups. Why would we not? The *Nimitz* class carrier not only carries 100 airplanes with it, but it has tremendously modern electronically controlled weapons to defend it. There is not one single air defense weapon on board this battleship or any other battleship. If you can hit an airplane flying 700 or 800 miles an hour with one of those 16-inch blunderbusses, be my guest. Incidentally, those shells only cost $5,000 to $10,000 each. Lord knows that is a lot of money for something that you just aim in the general direction of your target. But you cannot defend that battleship because there is not one antiaircraft weapon on board it. So what do you do with it? You take the mistake that we are ratifying today and you surround it with a bunch of other ships—about nine other ships which do have an antiaircraft weapons systems, and you are trying to defend an obsolete rust bucket from 1940 and 1945 with nine good ships surrounding one battleship, the same kind of complement that we use correctly to surround an aircraft carrier.

So, Mr. President, I will not belabor my arguments. I just want to say that this ship is the fourth in a line of miserable mistakes—the fourth battleship to be reactivated. This is a $53 million long-lead procurement item, but make no mistake about it, we will be back here next year and add another $400 million or $450 million—whatever it takes—to rebuild it because the lobbyists in this city had the idea about how they could get some business for cli-

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ents. And we talk about $435 clawhammers being wasteful.

I mentioned last night in a meeting that there has been great bipartisan support for modernizing our strategic weapons. There has been great bipartisan support for building the 600-ship navy. There has been good bipartisanship for trying to create a lean, mean, efficient military apparatus, and despite our best efforts there is still unbelievable waste with toilet seats, coffeemakers, clawhammers, Allen wrenches, and you name it. But I am going to tell you something: In my book, as deplorable as that is, it pales compared to the waste of money for one of these ships.

I yield the floor.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I rise in opposition to the proposed amendment that would delete $53.4 million in funds targeted for the reactivation of the U.S.S. *Wisconsin* battleship. Currently, all 12 aircraft carriers in the U.S. Navy are desperately overworked. The reactivation of the *Wisconsin* offers a low cost, yet effective way to ease the burden on these carriers.

The restoration of the *Wisconsin* would include the most state-of-the-art communication equipment, as well as the most advanced missile systems available. This, along with the proven speed and flexibility of the *Iowa* class ships make the *Wisconsin* a welcomed addition to any fleet. Both the U.S.S. *New Jersey* and the U.S.S. *Iowa* were reactivated in recent years, and they have demonstrated their value during extended deployments to the Middle East and Central America.

The construction time of a new battleship averages 5 to 8 years, while the full restoration of the *Wisconsin* can be completed in about 2 years. The cost of new construction of a compatible vessel is estimated at well over $1.5 billion, where less than one-third of this price is needed for a complete overhaul of the *Wisconsin*.

In past years Congress has been adamantly committed to the reactivation of battleships like the *Wisconsin*. Consequently, the reinvestment in these *Iowa* class ships has proven to be one of the few bright spots in recent defense spending. It is a rare occasion when we have such a golden opportunity to improve the defenses of the United States at such a sensible cost. Today, more than ever, responsible fiscal practices are indeed a major concern. Everyone is trying to cut cost while maintaining quality; I see no better chance to do this than through the reactivation of the U.S.S. *Wisconsin*.

Secretary Lehman has stated that the *Wisconsin* will be part of the Navy's strategic homeporting concept, which will be placed somewhere on the gulf coast. I feel that because of the ongoing problems throughout Central America the placement of the *Wisconsin* will help stabilize this area and discourage further Soviet interdiction.

I urge my fellow Members of the Senate to oppose the amendment which would terminate funds for the *Wisconsin*'s restoration. Some feel we cannot afford to invest more money in an old battleship. However, Mr. President, I feel we cannot afford not to.

Thank you, Mr. President.

Mrs. HAWKINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mrs. HAWKINS. Mr. President, I rise in opposition to this amendment. In answer to the critics, it is my observation that the Senate should never make "the perfect" the enemy of "the good." There are good intentions here. But, if we had listened to the arguments against refurbishing these battleships over the last 4½ years during which I have been a Member of this body, we would not have had a battleship to send to Lebanon when we needed it. If we do not need them, as the supporters of this amendment suggest, why are the *New Jersey* and *Iowa* in constant demand? We need to give this President, in contrast to the previous President, more bang for the buck. I read that every day, especially as this defense argument wages on and on and on.

Mr. President, we need to increase our flexibility in a world that is increasingly unpredictable. In this uncertain world, we need to make sure our President has the tools he needs to act in the national defense.

I have heard it said today there is going to be regional debate on the *Wisconsin* because all the Gulf States are going to come running over to the floor and make all kinds of impassioned pleas that we have this battleship reactivated, because it may come to Florida, or Texas, or Louisiana. I know one thing, it is not going to Arkansas.

Mr. COCHRAN. Mr. President, do not forget Mississippi.

Mrs. HAWKINS. It may go to Mississippi. I heard that argument. It caught my ear while I was on my way someplace else.

But I want the record that these historians are going to pore over, according to some of my colleagues, to show that I have supported from the beginning the restoration of the battleship as a cost-effective means of significantly enhancing fleet capability.

The *Wisconsin* could be a real lifesaver for our men if, God forbid, we ever need to protect them in an amphibious assault. I know the Marines would like to have this big battleship behind them when they are called in to save freedom someplace, somewhere, in an uncertain world. I would like as much emotion, I would like the air to be charged with viewpoint of the people from my State. The majority of them came from other States and we welcome them to our State. But I must tell my colleagues that the voices that want to be heard in my State want to be ready. They want to be protected. That is our responsibility as U.S. Senators, not regional Senators.

I voted every time to support the reactivation of the *Iowa*-class battleships, regardless of where these ships were going to be stationed. It would be very wise if the Secretary put it in Florida. We are the closest to the action, and we get reaction on a daily basis. That is up to the Secretary to make that decision, and up to the communities that make these proposals to the Secretary, again to save money in a cost-cutting environment.

But the first things we have to do, Mr. President, is give this President of the United States the tools he needs to make sure that we are ready in an uncertain world, and the *Wisconsin* is one of those tools. I hope my colleagues will oppose this amendment and that we shall preserve the funding for the *Wisconsin*.

Mr. CHAFEE and Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I rise to support the amendment of the Senator from Nebraska. What we have here is a classic case not of the military-industrial complex working but of the military-political complex working: Spread these ships around and you will pick up enough votes everywhere; put one in a base that has never been before, Staten Island, and then you will get all the votes of New Yorkers. Now we are tantalizing the South, the gulf coast. Is it going to be Mississippi or it might be Louisiana.

I received a letter yesterday from the two Senators from Louisiana urging support of this battleship and I thought, "Now, what in goodness' name are these Senators from Louisiana doing with all this deep concern about a battleship, a 1943 battleship?"

Then, slowly, it dawned on me. Why, where are they going to put it? Is it New Orleans? I thought, that is a little far up the river, but by golly, if we can get some votes from Illinois, they will put it in the Great Lakes. And they have some more. Is it not too bad there are only four of them?

We started with that old hulk, the *New Jersey*, that they took out of action in the Vietnam war. Where, if ever, could you use a battleship in the Vietnam war? We commissioned it and they found it just did not do its task and they took it out.

But suddenly they discovered the judicious placement of ships gets votes. So it is, put it here—this is a tantalizing one because they have not given their decision. And that gives a lot of latitude. I wonder how many States they are playing to? They are going to get Texas, and certainly there is a good chance for Mississippi. New Orleans—Louisiana we have heard from. Florida is a possibility. Where is Alabama? Have we heard from Alabama? First in the rollcall. I hope Alabama is going to have a shot at this vessel, too, because clearly, they ought to be in there.

Now, I do not know, Mr. President. There are only four of these *Iowa*-class vessels, but they will find some more to bring out. Indeed, the *Constitution* lies there available for recall to active duty. And where will we place it? Well, we have to place it someplace where we are not quite sure of the votes.

But let us see, there are only 50 States. Can we not get ships in every State? Kansas presents problems. But I think if the Department of the Navy works at it as successfully as they have worked at this battleship business, there will be a ship in Kansas.

There has been discussion about the effectiveness of these ships. I just heard it said how effective they were in Lebanon. Well, the record shows that those ships were tried in Lebanon and they called it off, it was such a disaster. They could not hit what they were trying to hit.

That is true of these vessels. They should be scrapped and cut up and we ought to spend our money not on what is needed for 1985 but what is needed for 1990 and the year 2000. There is plenty of demand for the money that is going to be invested in this vessel.

The Senator from Arkansas and I have been up and down this hill four times—this is the fourth time. I just hope that the Congress, the Senate, will realize this is not money prudently spent. It is not building a Navy for the future, it is resurrecting something from the past, vessels that have proven themselves vulnerable.

We all know what happened in World War II. These vessels never shot at another vessel. What we are doing, dragging them out of mothballs at this time—imagine, a 1943 vessel. Or was it 1942? I will not argue about a year. All we know is it is over 40 years old, and every other vessel that was built in that period has been scrapped. Indeed, you talk with the Secretary of the Navy and he will tell you the maximum life of a vessel is 30 years, and he does not want them to last that long. He wants them 25 years. Indeed, the submarines are not for that long.

So we are hauling this old behemoth out of the mothballs. It is a dinosaur. It is a relic that should not survive. You can dress it up with all these things—the pitch now is we are getting it for something cheap—fairly inexpensive, not cheap. The analogy was given of how much it would cost to build a new one. No one in his right mind has ever suggested building a new battleship because they are not useful in today's modern environment.

So I support with enthusiasm and commend the Senator from Nebraska and hope others will join us, even though I suspect we will not get many votes from the gulf coast.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question?

Mr. CHAFEE. I shall be glad to yield.

Mr. GOLDWATER. Mr. President, I keep hearing this gulf coast brought up. I have been thinking—Arizona is a Gulf State, the Gulf of Lower California. I think we could dredge a pretty good port at Yuma, AZ. Would that satisfy the Senator?

Mr. CHAFEE. Mr. President, I am sure if he keeps at it, he will get a vessel there. But I do not think the Navy is that fussy about dredging up there. They will get it in there somehow and leave it there available for the defense of the Nation. I think if the Senator is getting one, clearly Utah should get one, too. After all, what is the Salt Lake for? And who knows where marauders are going to come from?

So I commend this to the Secretary of the Navy, that he respond to the call and place a vessel there as well as one in Yuma.

I thank the Chair very much.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, our witty and dear colleague from Rhode Island has entertained us all about suggestions that the *Constellation* and the *Constitution* be brought out of mothballs. But the relevant point here, Mr. President, is that we do not have a history of reactivating weapons. We have a history of building new weapons when old weapons would do. Look at the lifespan of American weapons as compared to the Soviets. The Soviets continually refit, rework, and make do. The Soviets continually upgrade their weapons. That is in stark contrast to the American experience, which is never make something do if you can build something new instead. The fact that this Congress in the case of the battleship overcame the bias for the new versus the old, for the expensive versus the cheap, tells me that there has been a consistent, solid case for reactivating the battleship.

Now, Mr. President, I do not need to go back through the lengthy comparison between the *Virginia* class cruiser. That is not a new battleship. That is the most modern weapon system that we are currently building in terms of a large ship, but I think I need to make several points in light of all the statements that have been made.

First of all, the *Wisconsin* is as fast as the *Virginia* class cruiser. No. 2, in terms of armament, there is no comparison. And I am not talking about 16-inch guns, although I am going to answer those statements about 16-inch guns with facts, not assertions. But I am talking about Tomahawk cruise missiles, I am talking about Harpoons. If we build another *Virginia* class cruiser at $1.9 billion, it would carry 10 Tomahawks and eight Harpoons. We are talking about retrofitting the finest hull that has ever been built on a ship, a hull that in terms of defensive capacity is beyond all comparison to the new weapons systems that are being built. We are talking about 10 Tomahawks versus 32, 8 Harpoons versus 16.

We still are putting guns on our ships. That suggests to me that they are not irrelevant. In fact, in terms of close support of landings—I remind my colleagues that we still have the Marines. In fact, we are raising their end strength in this authorization bill—we are talking about nine 16-inch guns versus five 5-inch guns on a *Virginia* class cruiser.

In terms of survivability, we have heard the figures before but when we are talking about something being outmoded in the age of the Exocet missile, we are talking about on the *Virginia* class cruiser a half-inch steel hull; we are talking about 12 to 17 inches on a battleship; we are talking about a triple bottom instead of a double bottom, and I could go on and on and on. The point is we are talking about the fourth battleship to be deployed on the gulf for potential use in Central and South America. Do we not want to have the capacity not to send in young pilots but to send in 16-inch shells? They do not get captured. They do not become the center of political controversy. In fact, they hit the ground and clear the area for miles around.

Now, we have heard assertions about the *New Jersey*: Who would use it except in Vietnam? Well, I hope to God we never have another Vietnam, but I would like to have the *New Jersey* in case we do, and I suspect having it may help us prevent it. But in terms of the *New Jersey*, in Lebanon, we have had an independent study by the GAO that found the *New Jersey* made an effective contribution to the U.S. naval presence off Lebanon and that in every case *New Jersey's* gunfire silenced hostile fire. In fact, after the firing on February 8, there was a lull in the fighting for over a week. Nobody wanted to fire at our Marines when we were shooting back with 16-inch shells.

Now, our colleague from Arkansas would have us believe that we stopped shooting because there was political opposition. Had we done more shooting with 16-inch guns, we would have had our Marines more protected. I want to be sure that, if they are ever sent in anywhere again, we have the 16-inch guns there and that we use the ammunition that we have.

Now, we had a statement made by our colleague from Arkansas that people should be fearful if their sons were assigned to this outmoded ship. Let me assure you, Mr. President, nobody's son is going to be assigned to this outmoded ship. People in the Navy take reductions in pay and grade to serve on a battleship. They have no problem getting people to serve on a battleship. They have waiting lists of people who are willing to drop down in grade and pay to get an opportunity to serve.

The truth is that while it has a certain political sex appeal to build a new weapon, we have in the case of these four *Iowa* class battleships, ships that have hulls that cannot be replicated given the current skill level and given the current technical capacity of the Nation. These hulls make them safer against the Exocet missile that would be fired by Third World nations and by the Soviet bloc if we ended up in a shooting war than any ship currently afloat.

They have the capacity for ground support that no other ship has. Go out and look at a nuclear cruiser. As effective as it is in the fleet in protecting the nuclear aircraft carrier, it is relatively ineffective for ground support, whereas the battleship has the capacity with quick turnaround to lay down a deadly barrage of fire to clear out the enemy and allow an amphibious landing.

And finally, the economics. We are talking about taking a ship and totally rebuilding it for less than a half a billion dollars—a ship that we do not want a hundred of but we want two of on each coast to give us capacities that we do not have with any other ship. That cost is roughly one-third to one-fourth what it would cost us to build another *Virginia* class cruiser. Now, we need cruisers in battleship task forces that involve nuclear carriers, but we do need these four ground support ships that have capacities that no ship in the modern Navy has. They also have a capacity not only to carry tremendous numbers of cruise missiles but they have the capacity because of their sheer size to see that number expanded.

So I would like to remind my colleagues in closing that it is always easy to argue for the new versus the old. I ask my colleagues to look at the consistent bias in the Congress toward building a new ship, toward replacing an aircraft. Look at our opposition to retrofitting and upgrading, something the Soviets do every day, and they do it well at our peril.

Given that bias against an old weapon and upgrading that weapon and looking back at the debate we have now had since 1981 on these battleships, were the facts not overwhelming for their renovation, there is no way that they could have survived the bias against retrofitting as compared to building a new weapons system that represents a new production line, that represents a new political base.

We have heard a lot of talk about the basing of the ship. I personally was happy to hear our colleague from Florida say that she would support it even if it were put in Texas. I hope to see it put in Texas. We have things in Texas worth protecting. But I am for this ship because it represents a good development and it has a fire-power capacity that based on the gulf coast would give us the ability to project force in Central and South America if we ever need to do it. That is why I am for this ship. I would be for it if it were being put in Rhode Island. I urge my colleagues to vote down this amendment and allow us to complete this program which is cost-effective and which gives us more fire power per dollar than any other weapon system that we are buying for the Navy.

Mr. DENTON. Mr. President, I missed some of the debate on this amendment, but I respect the opinion of the Senator from Nebraska [Mr. EXON]. I think I went around the track before on this question with the Senator from Arkansas [Mr. BUMPERS], who is no longer in the Chamber. My interest in the matter has nothing to do with home porting. My previous defense of the battleship took place in 1981 before the home port issue was in sight, on the horizon, or even in concept, so I divorce myself from a special interest in that regard.

I want to reiterate one critical point. It was a mistake, recognized belatedly by the Navy, to do away with battleships altogether in the first place. There was a feud between battleship admirals and carrier admirals, who had become prominent during World War II, with the carrier admirals prevailing. With the remarkable results obtained from the aircraft carriers in that war, there was a little overkill, going so far as to do away with all the battleships.

It was the carrier admirals who later recognized their error and, along with those who were submarine champions, represented the U.S. Navy, and U.S. Navy expertise in making the decision to reactivate some battleships.

The battleship *New Jersey* was notably valuable in Vietnam. I was personally involved in the activation of the *New Jersey* while I was a student at the Naval War College in 1963–64. We were required to write a thesis on operational matters, the best five of which would be forwarded to the Chief of Naval Operations. Mine was to reactivate the battleships. I was not the only advocate in the Navy for doing that, but my thesis was chosen and did go to the CNO.

While in prison in North Vietnam, I was complimented by the men in the small prison camp with me who remembered that, at the Naval War College I had advocated reactivation of the battleships. That was when we heard on the propaganda news that the *New Jersey* was off the coast of North Vietnam, and the North Vietnamese were not fond of her. They were making many noises about what the *New Jersey* was doing to them, and she was doing excellent work.

I understand that criticism was registered about the accuracy of the battleship *New Jersey* in firing against a target in Beirut.

I offer to the Senators who have criticized the battleship's accuracy on that occasion, my version, the best understanding I have, of what was going on at that time.

We had some marines on shore and some naval ships off the shore, and they were not engaged in hostilities. There were command and control questions, which are familiar to this body, about what our units were supposed to do if this and that happened. Finally, a general decision was made that we would fire against units which we knew to have fired against our units. I belive that was the general situation.

On a given day, let us call it day 1, an enemy unit opened fire on an American target. We did not know precisely where that unit was. Air reconnaissance on that day found and took some shots, and it was concluded that a certain unit had conducted the bombardment.

On a subsequent day, the *New Jersey* was told to open fire on that location, the area from which that battery, which was a mobil battery, had been firing. The *New Jersey* had a number of disadvantages in the situation.

First, the mobil battery could have moved. Second she was firing at a general area, and a map coordinate, and without exact knowledge of where her target was. Because of weather, there was no reconnaissance that day to show precisely where the battery was.

Third, the *New Jersey* had no spotting available.

If you are able to climb the mast of a battleship and use a simple telescope, you can, on the surface of the sea or on flat terrain, know where your shots are falling, and you can give spots in mils to the battery officer to correct and error. When the adjustment is made, the target is bracketed and destroyed.

Over there, the mast of the *New Jersey* was not high enough to see over the hills between her and her target. There was no aircraft or artillery observers to spot the fall of shot. An error of, say, in one mil might result in a shell hitting a mile short of its target because of the ridge sticking up into the line of flight. So there were a number of difficulties involved in that firing mission.

It is simple enough to prove that a battleship can do very accurate firing at 8 or 10 miles, and accurate firing at longer range. In many situations it is better than using aircraft. I do not think that we should generalize too much on the example offered with respect to Beirut.

We can look at targets in Vietnam that were close enough to the coast to be reached by battleship. Those targets were destroyed by the *New Jersey* after she got there, whereas previously we had lost many expensive aircraft that were designed, in the first place, to carry nuclear weapons not conventional ones. Very small attack aircraft of the Navy and fighter bombers of the Air Force, as well as fighters from the Navy, were used to deliver conventional weapons against various targets, a mission for which they were not really suitably designed.

A battleship there from the beginning could easily have taken care of many of those targets, and we would have saved hundreds of lives and many hundreds of millions, perhaps billions of dollars in terms of the airplanes and equipment that we lost.

Granted, the firepower of a battleship cannot reach very far inland. You can use surface-to-surface missiles, and on the battleships involved we will have missiles. I am going to concentrate simply on the 16-inch guns on the battleships.

On the battleships of the class we are talking about, the main battery is 16-inch guns. The *Wisconsin*, the *Iowa*, the *New Jersey*, and the *Missouri* can carry 1,100 rounds each of 16-inch ammunition.

Each of the high-explosive rounds, called HE, weighs about 1,900 pounds. Each of the nine guns can fire 2 rounds per minute, 18 rounds per minute for the ship as a whole.

If the battleship fired all 1,100 rounds and all those rounds were high-explosive, it would take about an hour to deliver 2,090,000 pounds of high-explosives on target without having a pilot exposed to the danger of delivering them with somewhat similar accuracy on a bombing run. If he had a lot of flak and was not certain exactly where the target was the battleship gives a lot more accuracy and safety for the personnel involved.

As the Senator from Texas [Mr. GRAMM] pointed out, the battleship is by far the most economical way, in terms of dollars and lives, to get at very many targets.

It is not a battleship advocate group that called for the ships. It is the U.S. Navy, which, I believe, knows a good bit more about its needs than any Senator in this Chamber, including myself. I would defer to them. I did however, spend 34 years in that organization, and I have personal knowledge that the battleship does have the capability to justify its being placed back onto active duty, rather than building new ships. You have a tremendous saving there.

I do not know whether the Senators are attacking the battleships as part of a general effort to reduce the size of our defense authorization but, like my chairman, Senator GOLDWATER, like the other members of that committee who bipartisanly voted overwhelmingly for an increase in defense of 3 percent real growth, I believe we should take particular regard of one fact. I ask this in good will of the Senators who disagree, particularly the Senator from Nebraska.

If I could have Senator EXON's attention, may I offer one point on the subject of the Navy, not just a battleship but the effort on the part of the President to build back to a 600-ship Navy.

I think one comparison will suffice, if the Senator will just follow this: The United States, with oceans on three sides, in two wars proved its dependence upon the seas for commerce during emergency. Tremendous battles raged in World Wars I and II on the Atlantic and Pacific, particularly the Atlantic, in which were arrayed against us a few hundred submarines that just about rendered us incapable of continuing sufficient transport to sustain a war.

Now consider this situation: We are comparing the Soviet and United States Navies, keeping in mind that Soviet Russia is a landlocked nation with land commerce sufficient to sustain itself and with no need to range across the oceans of the world to defend itself. In 1960, the Soviet Navy had roughly a 10th as much time, a 10th as many deployed days, at large on the seas of the world as we had U.S. Navy.

By the year 1979, that one-tenth had become equal. In other words, the U.S. Navy had been deflated in size and the Soviets had built almost hysterically up to the point where the trend lines crossed; the United States and Soviets had at sea about the same number of ship days deployed in the oceans of the world, but the United States was dependent not only upon the air but upon the sea for its commerce, in peace and war.

That situation hardly seems to me a demonstration of our fulfilling our mandate to provide for the common defense, for our interests. It is too obvious that we cannot have a situation as that and prevail in an argument about whether we are providing for common defense.

The Soviets could interdict easily with a force equal to the U.S. Navy because interdiction at sea is not nearly as hard as controlling it and being able to transport great masses of supplies around the world, the supplies that we would need to protect our interests, our NATO commitments and other commitments around the world.

Our President decided to build the Navy back up. The Navy had already chosen earlier to reactivate a battleship, the *New Jersey*. That logic was good, but we decommissioned her as part of what were, in my view, imprudent reductions in the Navy.

The Navy is wholeheartedly behind the reactivation of the battleships. I hope that Senators could respect that and believe that. They should be humble in believing that the Navy is correct that battleships can save lives. They are effective, and with 16 and 17 inches of armor, in many situations of conventional warfare they are practically impregnable to attack by weapons which could destroy airplanes or smaller ships.

We can think of Nicaragua, which is a relatively narrow country in parts and which has many vulnerable and important targets. We might have to engage down there or to oppose a threat down there as a deterrent to activities which were being undertaken against our interests.

The President has already made a gesture in that direction, as you know, with the stationing at one time of a carrier task force on one side and a battleship task force on the other. We might have to do that again. I do not want us to, but I hope we will at least have the capability to do it.

I hope that we will provide for the four battleships that our Navy has called for, and that we will not remove from the surface of the seas the most powerful ships that we have.

We would not have the capacity to sit invulnerably offshore and knock out a bridge, like the Thanh Hoa bridge in Vietnam which was the target of many aircraft attacks that resulted in no significant damage to the bridge. Such a bridge would be blown to pieces by a battleship over there.

So there are good reasons for battleships, and I hope that Senators will not indulge in making fun of them. It is not a funny matter. Battleships may be old but so is the rifle and so is the bayonet, and you would not recommend that we do away with rifles. I hope that the Senators supporting the amendment will not persist because I am afraid that they could succeed in doing away with something that I believe, if they knew a bit more or studied a bit further, they would find it in the crucial interests of our Nation to maintain.

I do support the reactivation of those battleships, particularly the *Wisconsin*, which is the one under attack, just as I support her sister ships, because it is in our national interest to do so. Whether it goes to Texas, Alabama, Florida, Mississippi, or Louisiana, could not matter less to me. I made generally the same speech as this back before there was any chance whatever that there would be a battleship ported on the gulf coast.

I urge my colleagues to reconsider their amendment. If they persist, then I urge the rest of my colleagues to reject the amendment.

Thank you, Mr. President,

The PRESIDING OFFICER (Mr. Nickles). The Senator from Texas.

Mr. BENTSEN. Mr. President, since he is a former admiral in the Nebraska navy and one who understands the flats sometimes look like the Sahara, I can understand my friend from Nebraska not being enthusiastic about naval seapower.

Here what we are talking about is a rather modest increase in cost to bring an old standby, up to modern status, with 16 Harpoon antiship missiles aboard, and 32 Tomahawk cruise missiles.

My distinguished friend, the Senator from Alabama, has been talking about the 16-inch guns and the 5-inch guns, which are certainly important and deliver quite an explosive force when they are fired. But when you measure those up against these new missiles that have been put aboard, you have really moved substantially forward with a technological advance that is terribly important. You have been able to do all of that at less than the cost of a frigate.

So we are talking about a real return on the taxpayers' money. The reactivation program of the battleships has succeeded and has proven its worth because you can send a vessel that is of immense power and immense stature, and we have been doing that in the Middle East. We have done that in Central America. And I think it is important that you have something like that stationed along the gulf coast.

Obviously, I have a parochial interest, too, in that I would like to see it on the Texas coast. That may not come to pass. Regardless of whether it does or does not, I am going to support this particular reactivation of the *Wisconsin*.

You then would have two major ships of that size on both coasts, and one would be continuously available from each coast.

Obviously, a battleship does not replace an aircraft carrier, but it can take some of the pressure off that aircraft carrier and give us much more flexibility in our actions.

I hope very much that the Senator from Nebraska, who I have the utmost respect for, does not prevail in this. I understand his interest in the taxpayer, but this is one instance that I think gives a real payoff for the taxpayer. We are not talking about a brand new weapon system. But we are upgrading it to where it is an effective tool that can be used to show the strength of this country and to help support its diplomacy and to try to assist our foreign policy to benefit all of our country.

Mr. LONG. Mr. President, it was my privilege to vote to reactivate those three battleships which are presently operating in the defense of this country, and those three battleships were not home ported on the gulf coast, so I trust I will be pardoned for supporting the fourth one which has been in the program all the time, and which would be home ported in the gulf, not knowing which gulf coast State that might be.

Mr. President, the Senator from Louisiana was a part of the amphibious force in World War II and had the opportunity to take troops ashore against enemy resistance on occasion.

Mr. President, I had the opportunity to see what a battleship could do.

I can recall so well how the battleships in support of our landing operations totally obliterated most of the defenses that were organized and put in place in concrete and steel well fortified to defend against our landing forces.

Mr. President, I am also familiar with the extreme accuracy of Navy gunfire, particularly battleship gunfire. There has been some discussion here about the fact that perhaps the accuracy was not as much as some might have hoped in Lebanon because, in large part, of lack of spotters in the right positions to see where the shells were falling. Most operations I had a chance to observe were situations where there was a spotter, a forward spotter, to see where the shells were falling and reported back to the gunnery officer on the battleship where the corrections were immediately made and the targets knocked out.

But the reports I have seen about the effect of the *New Jersey* in Lebanon were much more favorable than those who are speaking at least for the amendment here today. They indicate even under the limitation that existed in Lebanon the *New Jersey* was able to silence enemy opposition in that area.

Mr. President, our defense requires a variety of weapons. We have seen situations since World War II in which we had to fight in Korea, Vietnam, Lebanon, and Grenada, just to mention a few. In not all situations did our enormous inventory in missiles, billions upon billions of dollars in atomic bombs, do us any good. It was not considered wise to use those atomic bombs and other atomic weapons in those situations. And all that enormous investment was useless to us at that point. That was not the weapon we wanted for that particular occasion. We found that batteships were useful, proven to be useful, in the World War II-type situations. Nor was our enormous investment in submarines of particular value to us in those situations. That was not the right weapon for that particular type situation.

Strangely enough, the old World War II-type weapons tended to be more useful for the problems that faced us and the problems in which we have been engaged than many of the others. So we will find that these reactivated battleships, properly equipped, can render a very great national service. They have done it since World War II. Given the opportunity, they will continue to do so.

That is not saying we do not need the other weapons. It has been my privilege to vote for the other weapons, and I will continue to do so.

I am not seeking any addition in spending. I am merely advocating that we should do what the Navy is asking in this case, and that is that out of the funds available for the naval defense of the United States that we should reactivate the fourth battleship that was in the program all the time. I hope very much my colleagues will vote against the amendment.

Mr. JOHNSTON. Mr. President, I would like to associate myself with the remarks of the distinguished Senator from Louisiana, as well as the remarks of the distinguished Senator from Texas, Mr. Bentsen.

Very briefly, Mr. President, I think the case has been made very strongly and very persuasively for the battleship. As my distinguished colleague said, we have a heightened interest in the battleship on the gulf coast now because while we do not know in which of the States this battleship will be stationed, we have our hopes that we will get part of the action there.

But, Mr. President, I was a strong supporter of the battleship long before they ever talked about homeporting a battleship on the gulf coast. I was a strong supporter and remain a strong supporter because it seems to me that this is the lowest cost fire power we can get in the Navy.

It adds tremendous combat capability with the *Tomahawk* and *Harpoon*. And it is much less costly than a frigate. There is no other platform that is more survivable than the battleship. There is no better way to show the flag than with the battleship. And, when it gets to defense, Mr. President, it is showing the flag and the appearance of strength as much as the actual use of that strength that is important to this Nation. And there is no better way to do that than with a battleship.

The battleships *New Jersey* and *Iowa* have proved their worth in deployments both in the Middle East and in Central America. And it is a very good way to relieve the pressure on the already overworked aircraft carriers.

Mr. President, I think it makes good defense sense, I think it makes good economic sense, and I think it is a good deal for this Nation. I hope we will reject the amendment and keep the fourth battleship.

Mr. STENNIS. Mr. President, this debate, I think, as a whole has been splendid. I recall back in the days when the Senate Armed Services Committee had men like the late Senator Russell of Georgia, and the late Senator Saltonstall, of Massachusetts, this matter came up about the possible reactivation of the battleships. It was new to all of us, but I remember those two took a particular interest in it, and some others. And with amazing rapidity the light started shining on the possibilities of a useful purpose there for a ship that had been considered as belonging to the past ages and remote and no longer a value in actual service.

But circumstances changed, and the ship was carried into action to a very limited degree. Circumstances changed, and the problem moved off and nothing more was done then.

Now, when the matter about Lebanon, the recent trouble there, I was doubly interested and followed, with the utmost interest, the developments there. I got the details on it. I considered it highly important and highly successful, the influence that our battleship had there as to those conditions.

I will just sum it up by saying this: When this battleship fired, the enemy stopped firing at our Marines. Just right off. This did not fail a single time. So just the presence and the limited amount of activity made the difference there.

I have been strengthened, too, in my conclusion, to hear the Senator from Alabama, who has been given an admiralship by the Navy and has earned it many times over. With all of his experience, he knows what he is talking about. He is not a man who is careless with what he says. So those things he said have tremendous meaning.

Now, I have been in contact with this enough that when this proposal was made for a 600-ship Navy—a 600-ship Navy, that is what we have been shooting at appropriating the money for. It is now well on its way toward completion. The idea of placing a battleship there at the head of a group of ships, the activity around this battleship, I was very much pleased because it was the substitute in many ways, for a carrier, a carrier force. And we have more now than then, but we had some shortage then, a few years ago.

So I think the biggest point about the whole story of the four reworked, remodeled battleships is the fact that they can head up a naval force at sea, and be a threat within themselves, offensively and defensively. The four of them can go to any part of the world—the four of them. We are building every day further and further toward the pattern of operation where we can go to any point in the world and go with great rapidity and with firepower, supplies, and everything else. We are designing now and starting off research and development on additional cargo planes, at great cost. But the matter here is of the ship that we already have. This sounds like big money. There is no one here that is more of a tightwad than I am. I do not like to spend a lot of tax money—money that is taken away from someone else through taxation. But this I think will be a bargain, considering everything—the cost of carriers, the cruisers, and destroyers that have to go with carriers. The fact that we have this tremendous power, something makes it seem complete to me. I have been highly pleased but not surprised that after we got into the subject matter of these four battleships, and their purposes, they have ridden along through the Congress without almost a ripple. The more you learn about them, the more you learn about the purpose, and see the possibilities the more convinced you are of the wisdom of this plan, although God forbid if we ever have to use them on a broad scale.

I think the morning papers, Mr. President, every day now are giving pictures and stories of these serious trouble spots all over the world. That is the strongest possible argument that can be made to us, and for us, as I see it, to be sure that we have the wherewithal, that we have the power without overdoing it, and also the variety of weapons. I hate for us to have to have so many men in the service, but you have plenty of the right kind of trained manpower to do the job, whatever needs to be done. That within itself is the best preparedness, and the best defense that we can possibly put up.

As I know human nature, you cannot tell me it does not do good to have one of these powerful warships—we used to call them down in the country—toward our friends in Central America, to the east, to the west, an entire area of the world. We shall have four in all, one for the other three major areas of the world.

By the way, this wise legislative request from the Navy, the President, and administrations has already been consummated largely. This is the fourth one of these battleships. The House committee—those Members know what they are doing—they have already approved this fourth battleship for being remodeled, rebuilt, and have provided the money. So this is the last step for the last ship to be taken by our two bodies.

I want to say this, Mr. President. I have dealt with many capable men as they came before the Armed Services Committee, and civilians that have headed up the Department of Defense. I remember such men as Secretary Schlesinger and Secretary Harold Brown, each of whom has served as Secretary of Defense. I have had the benefit of their counsel. I do not swallow it just because it comes from someone in uniform or with a title but men like General Marshall, men like General MacArthur, and General Ridgeway, and those have been before and with our committee since I have been there, and a whole host of others. I tell you, when you get down to the rock bottom, I do not think they are guilty of shenanigan, the conniving—not to the degree that some would try to make you believe. I have never found among those that I named one that I thought excelled our present Secretary of the Navy. He has done nothing for me. I have never asked him to, and never will. But he is a remarkable man. He does one of the finest jobs that is being done in the Pentagon, and he is one of the best officers that I have ever known.

So I would not let pass unnoticed an inference here that he was playing ball of some kind about this matter. This is just not true in any sense whatever.

I do not want to detain the Senate too long. I know this, though. I certainly would not want to be in Senate wherever one did not have the right, the authority, and privilege of speaking as he or she saw fit. But, those that criticize this plan, none have come up with an alternative. No one has denied the seriousness, nor the gravity of world affairs, and no one has a better plan or an alternative plan of preparedness. Of course, any of them are going to cost money. But it is necessary, but it is preventive.

So I am glad to rest this case. I think the debate has been a good debate. For my part, I am ready to rest this case with the judgment of the membership. I wish more who are not familiar with facts could have been here. But I repeat that the more you get into this matter of these battleships, their invincibility, their strength, their power, their protection, and their mission the more you value them. I was amazed at the mission they have beyond what I thought in the beginning. The more you get into it, the more you are convinced of the wisdom of putting them in the active fleet. I am happy to see the day come when this plan looks so promising and encouraging.

Mr. President, I support this battleship and its position as a major weapon and hope that this motion to defeat the weapon shall be defeated over 2 to 1.

Mr. D'AMATO. Mr. President, I would like to provide some important facts on the firepower battleships such as the *Wisconsin* will provide to the fleet and also why funding for the *Wisconsin* is essential.

Two battleships, the *New Jersey* and the *Iowa*, are now with the fleet. These battleships each have nine 16-inch guns which provide umatched firepower in support of our amphibious forces. The 16-inch guns can deliver intense firepower up to 25 miles inland while the ship remains safely offshore.

This shore support capability provides tremendous morale boost to our ground forces—both Marines and Army—in event they were engaged in a hostile coastal area conflict. No other ship or weapon system can project the volume of firepower to match the battleship's support of amphibious forces. The mere presence of one of our battleships in an area of potential conflict may well discourage hostile activity.

The *Wisconsin* will also carry 32 Tomahawk cruise missiles each with a striking range of over 1,300 nautical miles. An additional 16 Harpoon missiles provide antiship capability up to 70 miles. Additionally, each battleship carries 8 SUBROC launchers and modern radar, sonar, and communications equipment to detect and destroy enemy submarines.

The battleship is the most capable surface combat ship in the Navy's fleet. It can hold selected targets ashore at risk at a long range. In moderate to low threat environments, the battleships can relieve the aircraft carrier battle group. In high threat areas, the battleship can augment the aircraft carrier battle group with a significant firepower.

Finally, cost: The cost of reactivation of a battleship is about equal to the new construction of a fast frigate (FFG). However, there is no comparison in firepower and survivability. The battleship has steel plating 17 inches thick below the waterline which provides excellent antitorpedo protection. As a mobile launching platform, the battleship can fire cruise missiles deep into enemy territory.

Mr. President, the battleship is very essential to the fleet's force projection plan. We need the *Wisconsin* to meet the hostile threat which increases daily on the oceans of the world.

Seventy-five percent of the Earth's surface is covered by water. The Navy needs all four battleships to meet its worldwide mission. We need the *Wisconsin* reactivation advance procurement in fiscal year 1986, in order that its essential capability can be added to the fleet as planned.

Mr. CHILES. Mr. President, this attempt to forestall the reactivation of the battleship U.S.S. *Wisconsin* is clearly not in the interest of national security for a number of important reasons. First, the battleship has proven over the last 40 years to be a vital demonstration of national resolve and power projection. In World War II, Korea, and Vietnam, the battleship played a key role in the support of ground troops as they seized vital beachheads in North Africa, Europe, and the South Pacific.

Second, today the battleship is the most efficient and effective platform for modern and highly accurate sea-launched cruise missiles. Most importantly, the stationing of this battleship on the gulf coast will ensure that a rapid and determined response can be made to any threat in the highly volatile region of Central and South America. Mr. President, Secretary Lehman's decision to reactivate the battleships is another example of the assertive and enlightened leadership he has shown in his stewardship of the U.S. Navy for the past 4 years. I urge my colleagues to support his request to reactivate the U.S.S. *Wisconsin*.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I ask unanimous consent that Senator BUMPERS, Senator KENNEDY and Senator CHAFEE be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, about 3 hours ago when we started this debate, I advised the chairman of the Armed Services Committee that I would be perfectly agreeable to an hour equally divided. I was ready to enter into that. As far as I know, there is no one on this side or the other side that wishes to debate this further. But obviously, the South has risen today. The South has risen in unity like it seldom is. I want to make sure that if there is anyone from the South, Democrat or Republican, that feels he or she is missing out of anything here, this is the time to come over because I believe we have had almost unanimous support for the fourth battleship from the South.

Having said that, I would say, Mr. President, that if we had all the money in the world for defense, which we do not have, then even this Senator might agree, OK, let us, just for safety's sake, buy one more of these things and put them into service. With three, I think we have the firepower to deal with anything anyone can envision in the near future. One of the things that amazes me is despite the fact that we have had a very distinguished former Secretary of the Navy, the distinguished Senator from Rhode Island [Mr. CHAFEE] get up and give what I thought was a very well-reasoned speech about the inadvisability of this, and the Secretary of the Navy should know about firepower and so on—he joined with us in saying this is not a high priority expenditure of money.

It has been said that we did make a commitment to increase commissions for the Navy. I agree with that. If the Chair will remember, I pointed that out specifically in my opening remarks. I am not saying that just because we met what the Navy wanted, we have added thereto, we have met what I think is a reasonable level of initiative. But good people can differ on what we should have in that area.

Much of the argument today has been based on the proposition that a battleship is interchangeable with a carrier. I have listened to some of the debate with a great degree of amazement because I think it is fundamental that a battleship and a carrier are not interchangeable. I do not think there is any question that a carrier has much more of a projection of a force possibility than does a battleship. We have three of them; the question is do we need the fourth one.

I emphasize once again that I have not talked about the age of the battleship, but since it has been mentioned, I might say there are also the *Monitor* and the *Merrimac* from the Civil War lying around someplace. If we want to go into reactivation of battleships, why not make it six instead of four?

I am simply saying this is a matter of priorities, in my opinion, Mr. President. I think this is not a wise expenditure of money. I certainly appreciate the fact that when this was mentioned in the first instance, I heard some cries of anguish. I wanted to bring this up yesterday. In fact, Senator GOLDWATER asked me to bring this up yesterday. I was here prepared to bring this up. I was requested by others that they wanted the day to prepare for opposition. Trying to be fair, I agreed with that and agreed to put it aside until today. I see today a very stalwart effort on the part of those who oppose this to come to the floor and make sure the amendment does not pass.

I go into this vote not expecting to win. In fact, I would be the most surprised person on the floor of the U.S. Senate if this amendment were to prevail. But sometimes we can move along in a speedier fashion than I think we have here today to make a case, make a point, make a record that we are still not making the hard choices I think we have to make.

When I hear some of the talk about the weakness of the U.S. Navy vis-a-vis the Soviet Union, I think maybe we ought to straighten that out a little bit. I cannot do it today because I want to cut down on time. I am ready to go to a vote. I simply say that all should recognize that the Soviet Union does not have a single battleship. All should recognize the Soviet Union does not have a single aircraft carrier. And all should recognize that every military expert I have talked to, including the highest-level Navy officers, including civilian and military people in the U.S. Navy, say they would not for a minute think about trading the strength of our great U.S. Navy for that of the Soviet Union. Yes, they are improving, but to say we are going to make a great step forward by commissioning this fourth battleship, in my estimation, simply does not square with the facts.

Madam President, I simply close by saying I hope that if any who feel in their right mind they can support the amendment I have offered, I think eventually, it will be recognized as a good one regardless of what happens in the upcoming vote.

Have the yeas and nays been ordered, Madam President?

The PRESIDING OFFICER (Mrs. KASSEBAUM). The yeas and nays have been ordered.

Mr. EXON. I know of no further speakers on this side for or against. I am prepared to go to a vote if it is the will of the chairman of the committee.

Mr. GOLDWATER. Madam President, we are ready to vote.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Madam President, I rise in opposition to the amendment. I feel that our recent experience with the battleship reactivation program and the use of these vessels in the Mediterranean and providing us a new means of supporting amphibious operations indicate quite clearly that the carrying out of the reactivation of the fourth battleship is a wise investment.

It is clear to me that we save money in the long run by reactivating all four of these battleships. We already have the work done on two of them, and the third is in the yard now.

Several of us who are supporting the reactivation of the U.S.S. *Wisconsin* delivered a letter 2 days ago to all Senators explaining why the completion of this battleship program was so important.

Mr. President, I ask unaminous consent that a copy of that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, May 21, 1985.

DEAR COLLEAGUE: We ask you to join us in opposing an amendment which would delete $53.5 million in long-lead funds to reactivate the fourth and final battleship, U.S.S. *Wisconsin*, from the Fiscal Year 1986 Department of Defense Authorization Bill.

Since World War II, the U.S. fleet has been frequently involved in containing crises and deterring the spread of conflict. From the Korean Peninsula to the Persian Gulf, naval forces have been a symbol of U.S. resolve to friends and foes alike. But increasing commitments have stretched our existing naval forces to the limit.

To partly alleviate this problem, in 1981 the Administration embarked on a program to reactivate and modernize four *Iowa* class battleships. With the addition of modern weapons and sensors, these unique ships offered a relatively quick and inexpensive way to relieve some of the pressure on our overworked aircraft carriers, their crews and families.

Two of the battleships, U.S.S. *New Jersey* (BB 62) and U.S.S. *Iowa* (BB 61) have already rejoined the fleet where they are performing magnificently. Both have conclusively proven their value during extended deployments to the Middle East and Central America. The third ship, U.S.S. *Missouri* (BB 63), is presently being reactivated in a naval shipyard.

Congress has firmly supported the battleship reactivation program in past years. Now in today's fiscally constrained environment, the battleships make more sense than ever. Faced with the need to hold down defense costs, we clearly need to do more with less. One couldn't find a better example of that than the battleships. Each adds great combat capability (Tomahawk and Harpoon missiles, and 16" guns) at little more cost than a new frigate. Manning costs are reasonable as well. In fact, the *Wisconsin* will have a lower skill mix of sailors than a new frigate, yet will have the highest ratio of firepower to manpower of any surface ship afloat.

The administration's request to reactivate the *Wisconsin* is militarily sound and economically attractive. When *Wisconsin* rejoins the fleet there will be 2 battleships on each coast, thereby assuring continuous availability of these highly capable warships. As for cost, both previous reactivations have been completed on time and below budget. U.S.S. *New Jersey*, for example, was delivered $1.0 million under projected cost and U.S.S. *Iowa* is expected to be about $5.0 million under cost.

We urge that you support *Wisconsin's* reactivation and oppose any amendment to delete funding for this urgently needed addition to our fleet.

Mr. GOLDWATER. Madam President, I believe that is all the discussion on the amendment. We are ready to vote.

Mr. HEFLIN. Madam President, I have previously spoken on this but I did want to make some more remarks. It was said the idea of reactivating was an idea of lobbyists and that therefore this was a bad idea. But the issue of who originated the idea is not the point. The point is that studies have been made, the various cost savings that can occur are well known and, the utilization has been studied. All of these factors would indicate that whosever idea it was, it was a good idea. Whether that person was male or female or black or white, whenever an idea comes up that has merit and is checked out, then it is valid.

In these days in which we have massive cost overruns I think it is wise to point out that the U.S.S. *New Jersey*, for example, was delivered for $1 million under its projected cost, and that the U.S.S. *Iowa* is expected to be delivered for about $5 million under its projected cost. These are examples of where there have been careful studies made and programs have been efficiently managed. In my judgment, our previous experiences with these battleships substantiate that reactivating the *Wisconsin* is a good idea that has been well tested. I think we ought to defeat this amendment.

Mr. GOLDWATER. Madam President, I believe that is all. May we have the vote?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senate from Nebraska. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. HEINZ] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 30, nays 68, as follows:

[Rollcall Vote No. 69 Leg.]

YEAS—30

Baucus
Bingaman
Boren
Bradley
Bumpers
Burdick
Chafee
Cranston
Eagleton
Exon
Gore
Harkin
Hart
Kennedy
Kerry
Lautenberg
Leahy
Levin
Melcher
Metzenbaum
Mitchell
Nunn
Pell
Proxmire
Pryor
Riegle
Roth
Sarbanes
Sasser
Simon

NAYS—68

Abdnor
Andrews
Armstrong
Bentsen
Biden
Boschwitz
Byrd
Chiles
Cochran
Cohen
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Ford
Garn
Glenn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins
Hecht
Heflin
Helms
Hollings
Humphrey
Inouye
Johnston
Kassebaum
Kasten
Laxalt
Long
Lugar
Mathias
Matsunaga
Mattingly
McClure
McConnell
Moynihan
Murkowski
Nickles
Packwood
Pressler
Quayle
Rockefeller
Rudman
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Zorinsky

NOT VOTING—2

East
Heinz

So the amendment (No. 188) was rejected.

Mr. GOLDWATER. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Madam President, I think while we have so many Members in the Chamber I would wish, as chairman of the committee, to make an announcement. We will be open for amendments at any time following the recess, but I wish to announce that following the disposition of the MX question we will take up chemical warfare. That is just an announcement.

Mr. DOLE. Will the Senator yield?

Mr. GOLDWATER. Yes.

Mr. DOLE. Madam President, we are in the process of putting together a unanimous-consent request which would dispose of or postpone consideration of any of the Nicaraguan issues until Wednesday, June 5. We will have that ready to submit to the distinguished minority leader in just a few moments.

What it would do, in effect, would be to indicate that they would not be offered on the DOD authorization bill but they would be offered—well, they will be offered on June 5, and hopefully we will have disposed of this bill by then. If not, we will be on the State Department authorization bill. It is my understanding that, if we can reach that agreement, there will be a part of that agreement that there is a willingness to let us vote on the Dodd amendment, the Kennedy amendment, the Nunn-Lugar-Boren amendment, and whatever other amendments that would be disposed of on that date dealing with Nicaragua. So I will have that available in just a few moments. I will give copies to the principals. If we can get the agreement, we will do that very quickly.

Madam President, I have discussed this bill with the chairman of the committee. It is his inclination to go late, late this evening in an effort to wrap this bill up by tomorrow evening or Friday evening or early Saturday morning. So if there are amendments that can be offered, they should be offered, and he has indicated the chemical weapons amendment would be the one he would move to.

ORDER FOR RECESS BETWEEN 3 AND 4 P.M. TODAY

Mr. DOLE. Madam President, I ask unanimous consent that the Senate stand in recess between the hours of 3 and 4 p.m. for the purpose of a secret briefing on the DOD authorization bill at 3 p.m. today in room S-407 in the Capitol. Senators only are invited. No staff.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

Mr. BUMPERS. Will the majority leader yield for a question?

Mr. DOLE. I am happy to yield to the Senator from Arkansas.

Mr. BUMPERS. I thought I heard him say something about Friday and Saturday, but I am sure my ears deceived me.

Mr. DOLE. No.

Mr. BUMPERS. Since we are going to be carrying the bill over to accommodate the Nicaraguan amendments and anything else that may be pending——

Mr. DOLE. No, that was not my intent. Maybe I did not make it clear.

If, in fact, we do not conclude action on the DOD authorization bill, we will be considering on the 5th the State Department authorization bill. So whichever bill might be pending on that date we would agree that the Nicaraguan amendments would be offered. It is my hope we will have finished with this proposal and that we would be considering the State Department authorization bill.

Mr. GOLDWATER. Will the Senator yield?

Mr. DOLE. I yield.

Mr. GOLDWATER. Madam President, relative to the leader mentioning about finishing this bill, I want to announce that we are going to finish this bill and we are going to be here all night tonight, if that is required, and we will be here all night tomorrow night, if that is required, and if you are talking about Friday, we will stay in all night Friday night. I want to get people over here to offer amendments. Let us quit fooling around. Let us pass this piece of legislation. Then we can go home for the recess. Otherwise, we are going to recess right here. [Laughter.]

Mr. DOLE. If there are any additional questions, I suggest you submit those to the chairman of the committee.

CHEMICAL WARFARE

Mr. GOLDWATER. Madam President, some time today or tomorrow, we will undoubtedly bring up the chemical warfare portion of the Defense authorization bill and, to stress the urgent importance of this, I ask unanimous consent that a letter I have received from our commander in Europe, Gen. Bernard Rogers, dealing with this subject, be printed in the Record at this point in my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. European Command,
APO New York, May 21, 1985.

Hon. Barry Goldwater,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

Dear Mr. Chairman: I believe that we both are of the opinion that the U.S. ultimate goal should be the complete and verifiable ban of chemical weapons. However, the achievement of such a goal is far downstream. Meantime, a critical deficiency in our national defense posture is the lack of a credible chemical warfare deterrent capability.

I was pleased to learn that your committee supported the production of a modern chemical retaliatory capability. However, inasmuch as further progress in the Congress on this matter will be difficult, I want to present some thoughts you might find useful.

A number of arguments are offered by persons who oppose procuring a modern chemical retaliatory capacity. Some believe a strong chemical defensive posture will of itself be adequate to deter chemical use by an aggressor. Although strong defensive capabilities are necessary to assure survival of our personnel in a chemical environment, our experiences indicate even the best defense would not by itself assure the ability to sustain effective operations during protracted chemical warfare. A force operating in a defensive—and thereby degraded—posture would be at a distinct and possibly decisive disadvantage facing a force not so encumbered. All our recent investment to modernize conventional forces would then have been for naught. We must be able to threaten a potential initiator of chemical warfare with having to operate under similar degraded conditions on the battlefield.

Some believe our current chemical stockpile is sufficient to pose a significant threat to an enemy and thus deter his use of chemicals. It is not. We have no chemical delivery system with which to strike effectively in the enemy's rear areas, whereas the Warsaw Pact can strike our rear areas at will. We have enough short range chemical munitions to last only a few days; the Pact can sustain chemical operations for several weeks. Except for a few days supply of short range munitions stored in Europe, the U.S. chemical stockpile is positioned where effective use in Europe would be delayed; Pact munitions are positioned where they could be employed on short notice.

It is also argued that CW modernization is not appropriate because none of our NATO allies have indicated a willingness to accept new CW munitions. As I have stated publicly, there are—and should be—no plans for stationing new binary CW munitions on European soil, so I consider this argument inappropriate. Official NATO strategy calls for a CW retaliatory capability in all regions and there have been no indications that our allies wish to change that strategy.

The President's FY86 Defense Budget presents a program for providing an adequate chemical retaliatory capability which will contribute significantly to deterring chemical warfare and should, at the same time, strengthen our efforts to negotiate a chemical weapons ban. It will initiate acquisition of a survivable, deep-strike, persistent agent, delivery capability now absent from our present stockpile. It will provide sufficient quantities of short range munitions. Finally, because the program will result in binary munitions which are inherently safe to store and handle, it offers potential deployment options, short of placing chemical agents on foreign soil, which could enhance the timeliness of our retaliatory response.

I seek your support, and that of the members of your committee, in convincing your colleagues in the Senate of the need to start producing binary chemical munitions of the appropriate types.

With gratitude for your support and all good wishes,

Sincerely,

Bernard W. Rogers,
General, U.S. Army,
Commander in Chief, Europe.

"NAVY BUSINESS AS USUAL WITH GENERAL DYNAMICS"

Mr. PROXMIRE. Madam President, yesterday, Navy Secretary John Lehman announced a series of actions against General Dynamics for pervasive misconduct with respect to its Navy contracts.

The trouble with Secretary Lehman's actions is that they are all bark and no bite.

FAILURE TO IMPOSE PERSONAL ACCOUNTABILITY

He has failed to impose any personal accountability against the officers of the corporation which has bilked the Navy and the taxpayers out of tens and perhaps hundreds of millions of dollars.

BUSINESS-AS-USUAL

There is nothing surprising in Secretary Lehman's business-as-usual announcement. A rigid pattern has been followed by the services in these kinds of cases. Small contractors who are caught committing questionable or wrongful acts are pinned to the wall. Small companies have been put out of business and officials of small contractors have been indicted and prosecuted.

THE PENTAGON'S DOUBLE STANDARD

Large contractors, typically, are slapped on the wrist at most. Officials of the giant firms are almost never penalized. I cannot recall a single instance in 27 years in the Senate when even one high official of one of the giant contractors had been prosecuted for wrongful activities by the main Justice Department. If the Navy has ever recommended such action, it is one of the best kept secrets in Washington. The Navy itself has refrained from exercising its own authority to penalize high corporate officials of the giant firms.

THE NAVY'S INABILITY TO POLICE ITSELF

Secretary Lehman's decisions are further proof of the Navy's inability to police itself and crack down on waste, mismanagement, and corruption in defense contracting.

Secretary Lehman reportedly said, in his press conference yesterday, that he decided against singling out the top individuals of General Dynamics who have been implicated in alleged wrongdoing because of a "pervasive corporate attitude" that exists throughout the defense community, and because of the pending Justice Department's criminal investigation. This explanation is filled with more hot air than substance.

THE NAVY PASSES THE BUCK

The Navy, in essence, has passed the luck to the Justice Department. Justice has been investigating General Dynamics for 10 months since reopening an earlier investigation and I see no end to this phase of the inquiry so far. Even if Justice eventually decides to prosecute one or more individuals in this case, the Navy is giving the foxes a long time to romp around the chicken coop.

Secretary Lehman has refused to act positively on the Pentagon Inspector General's recommendation that the three individuals in question be suspended from participating in Navy contracts. Thus, these three officials, who have been involved in questionable actions, to say the least, will be allowed to continue doing what they have been doing, namely, participating in Navy contracts. In other words, as far as they are concerned, it is business as usual.

LEHMAN'S ACTIONS INEFFECTIVE

Secretary Lehman has announced that two of General Dynamics' divisions will not obtain new contracts until it repays $75 million in overcharges and satisfies certain conditions. These conditions include the adoption of a code of ethics for its employees.

Whether the Navy actually recovers $75 million in real money from General Dynamics remains to be seen. In the past, such announcements by the Pentagon have amounted to little more than bookkeeping manipulations.

The requirement that the company adopt a code of ethics is nonsensical. Who will enforce such a code when the chairman of the board and two of his top executives are the ones implicated in the alleged wrongdoing?

DAVID LEWIS RESIGNS

According to press reports today, David Lewis, chairman of the board of General Dynamics, will retire no later than January 1, 1986. If true, Mr. Lewis is being allowed a leisurely and graceful exit from a gigantic and scandalous mess.

If Lewis' stepping down was part of a deal between General Dynamics and the Navy to get anyone off the hook of ultimate responsibility, it will not work. The company has not yet rendered a full accounting for its questionable and wrongful activities. No individual has been made responsible. The Navy is still not protecting the taxpayer.

ACTION AGAINST RICKOVER A TRAVESTY

While Secretary Lehman has tapped the company on the wrist, Admiral Rickover has been hit with a baseball bat.

The action taken against Admiral Rickover is a travesty. It says more about the Pentagon's double standard with respect to giant defense contractors on the one hand and retired heroes on the other than about the admiral.

Rickover will be known as the "Father of Nuclear Submarines" and an indomitable fighter against defense contract abuses long after the petty figures who now run the Department of Defense and the Navy are forgotten.

Mr. PROXMIRE. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. QUAYLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 4 P.M.

The PRESIDING OFFICER. Under the previous order, the hour of 3 p.m. having arrived, the Senate will stand in recess until the hour of 4 p.m.

Thereupon, the Senate, at 3 p.m., recessed until 4 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. Gorton].

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Connecticut [Mr. Dodd] No. 185.

Who seeks recognition?

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending business is the amendment of the Senator from Connecticut [Mr. Dodd].

Mr. NUNN. Mr. President, we have been in negotiations over the MX now for the last day-and-a-half and have not reached any agreement. I do not preclude the possibility of reaching an agreement, but the ball is now in the court of the administration.

I am prepared to go forward with my amendment in the next few minutes, although I think the Dodd amendment is now pending and it is possible there will be a unanimous-consent agreement on that to delay until after the recess all Central America matters. Having discussed it with the chairman, the Senator from Arizona [Mr. Goldwater], I think I shall go ahead and give my views on the Nunn amendment, which will be the pending amendment once the Dodd amendment is disposed of.

AMENDMENT NO. 159

Mr. President, for over a decade, successive Congresses have had to deal annually with the MX Program. I would suggest that few national security issues have commanded as much of the time and attention of this body.

The first consideration by the Congress of the MX by that name occurred in connection with the fiscal year 1976 budget request. In his fiscal year 1976 annual Defense Department report, which was sent to the Congress a little more than a decade ago, then Secretary of Defense James Schlesinger said:

> For the long term (mid-1980's and beyond) we can provide an option to develop an entirely new ICBM, namely what has now been desginated the MX.

Secretary Schlesinger went on to add, more than a little bit prophetically, as it turns out:

> Given the many problems that still have to be resolved, we now propose advanced development of an ICBM that could be deployed interchangeably in the existing Minuteman silos, in a land-based shelter or random deployment mode, or in an airmobile mode.
>
> The MX could be deployed in the existing Minuteman silos, since that is the least expensive mode, until such time as the threat to those silos has been definitely ascertained. At that point, we could commence deployment of the missile in one of the mobile modes.

Mr. President, there we have it in a nutshell. At the point when, in Dr. Schlesinger's words, the threat to Minuteman silos had been "definitely ascertained," we would "commence deployment in one of the mobile modes." However, a funny thing seems to have happened on the way to implementing this sensible plan. The Nixon and Ford administrations continued the development of the MX missile and continued the research on alternative basing modes. President Carter did the same, and with the aid of a thorough review by the Defense Science Board, selected a system of multiple shelters as the preferred MX basing mode. However, once the Reagan administration took office, the wheels started to come off of this sensible bipartisan approach, due primarily to campaign promises, at least in my view.

First, the President's campaign emphasized the so-called window of vulnerability created by the Soviet counterforce threat to our Minuteman silos. Second, the President made what many regard as an ill-advised decision to abandon the multiple-aim-point or deceptive basing system on which so much research had already been accomplished under three previous administrations. In place of this approach, the Reagan administration proposed three new basing approaches, of unproven technical merit—deep underground basing of MX, a point ballistic missile defense of MX in silos, and carrying the MX on continuously patrolling aircraft. Within a few months the technical and political problems with each of these were readily apparent even to the President's own expert review group, and, in desperation, at least as I view it, the administration turned to yet another last-minute scheme—the "dense-pack" basing mode.

At that point, only the appointment of the Scowcroft Commission could save the MX from extinction, and then only at an enormous sacrifice of the military utility of the system. In order to reach any degree of consensus, the Scowcroft Commission proposed that we halve the planned deployment, from 200 MX missiles to 100, and it had to recommend basing the MX in vulnerable Minuteman silos, because there were no other timely basing options that would have been more survivable than Minuteman silos except—and this is a big "except"—for the multi-aim-point basing system which the President had already publicly rejected. That system involved the elements of mobility and deception.

Those two elements are the key, and I think remain the key, to MX basing. Thus the Scowcroft Commission could only call for "additional" research on survivable basing modes, which might offer the MX more survivability at some later point.

Thus, Mr. President, we find ourselves in the following regrettable position today—the MX missile, which, as Dr. Schlesinger's decade-old words make clear, from the beginning was designed as a mobile missile, will be deployed in silos, not in a mobile mode. Moreover, the MX will be deployed in those very same vulnerable Minuteman silos about which then-President Carter was assaulted for having allowed such a "window of vulnerability" to open.

Mr. President, I have been a consistent supporter of the MX through all these twists and turns because I have wanted to keep survivable land-based ICBM's as part of the strategic triad. In March, I voted with the majority of the Senate to remove the restrictions on the procurement of 21 MX missiles during fiscal year 1985, for two main reasons.

First, in light of the willingness that has been shown by our NATO allies to make the difficult decision to accept the deployment of Pershing II and ground launched cruise missiles on their own soil, a vote by the Congress to cancel the MX Program before any deployments had occurred would have raised questions as to out own psychological readiness to accept risks that allied governments already have accepted, under great political pressure.

Second, without the MX, it goes without saying that there would be less incentive in the near term for the Soviets to negotiate in earnest with respect to moving the strategic balance in the direction of greater stability. I think this is still an important ingredient, though I will say in a few minutes where I view it on a scale of importance.

Finally, zero MX's would leave no strategic land-based missile production line in place during the critical early years of the Geneva talks on nuclear and space arms. A warm strategic missile production line, I think, is important as a hedge against a complete breakdown in Geneva followed by a significant expansion of Soviet strategic forces. And I might also add that if we do have a breakdown in Geneva, I think without much doubt that the SALT II limitations are going to be disregarded by both sides. In that case, I do not want us to find ourselves without a warm production line for ICBM's.

Thus my vote this spring to unfence 21, continue the production line, and my vote yesterday not to kill the production line in the Hart amendment.

These are my reasons for voting as I have in the last 6 months. It is also important to restate what my votes did not represent.

My vote was not a vote to support a deployed force of 100 MX missiles in Minuteman silos or a total production run of 223 missiles.

Many people, I think, today have a misimpression of this program, because the program is viewed too often as 100 missiles, but it has never been 100 missiles.

It has been 100 deployed missiles; 223 total missiles; every missile program has to have test and spare missiles. In the case of the MX, the number is 123 spare and test missiles.

I have said for the last 2½ years and I say again today, I do not support putting an MX force of anywhere near that size in a vulnerable position. I said that to the President a year ago and I talked about that extensively with members of the Reagan administration when the so-called bipartisan "gang of six" was negotiating with the President about the MX, arms control, and the build-down.

Nor did my vote indicate that I think the MX is our highest priority strategic program. I do not rate the MX in vulnerable silos as being anywhere nearly as important, for instance, as the advanced cruise missile, which is now underway. I do not rate the MX in vulnerable silos as being nearly as important as the advanced technology bomber, the so-called Stealth bomber. These improvements in the air-breathing leg of our triad are important for a number of reasons, including denying the Soviets a reload, refire capability for their ICBM silos.

I might add, with respect to the Stealth bomber and the advanced cruise missiles, that these programs give us tremendous economic leverage on the Soviet Union; much, much more than you can possibly envision with the MX in vulnerable silos. The reason I say that is the Soviets have already invested several hundred billion dollars in air defenses to defend against our present bomber force and probably anticipating to a considerable degree the B-1, which is now being produced. No one has ever argued that it is impossible for them to defend against the Stealth technology. But what is abundantly clear is that the Soviets would have to very substantially revamp their entire air

defense system if they are serious about getting to the same kind of capability against the Stealth bomber that they now have against the B-52. And the same can be said for the air launched cruise missile and the advanced cruise missile which will greatly complicate their defense problems. So they are going to have a tremendous decision to make if they are going to go forward with defending their own airspace from the air-breathing leg of our triad, provided we continue to modernize that triad. If they do so, you can estimate the cost at somewhere between $500 billion and $1 trillion to upgrade their air defenses against these advanced technologies, just to get back to where they are today.

So the element of defense in strategic programs is not only measured in pure military terms but also in my view must be measured in economic terms, and I have been a very strong supporter of Stealth technology for that reason.

I rate these two programs not just more important than the MX but much, much more important than the MX. I believe it will be a good sign for the world if we do not reach arms control agreements—and I hope we do, but if we do not, I believe it would be a good sign for the Soviet Union to embark on a spending program of $500 billion to $1 trillion to try to defend against our advanced bombers and cruise missiles. These Soviet resources then would be diverted away from the conventional armaments that put so much of the world into jeopardy from the Soviet general purpose forces—including Europe, the Persian Gulf, and Southwest Asia. Again, I repeat, I would much prefer to reach arms control agreements so that neither super power continues to go through the futility of some of the defense expenditures that are underway. But if that fails, I think we have to look at not just military equations but also economic trade-offs between the two nations which can have profound economic consequences.

I believe that all of these programs including the Trident D-5 missile have a higher priority than the MX and now, particularly with the budget deliberations on the Senate floor a week ago, we are really getting down to serious cases. The Senate has approved zero real growth in defense. It is no longer a question of whether or not you philosophically support the MX. We are getting down to the point of whether the MX is more important than these other programs. We have already seen in the House Armed Services Committee the way the MX is going to be paid for even if we only fund 21 is to slow down the other programs which I have enumerated which I believe are a much greater priority: Slowing down programs like the advanced technology bomber, slowing down the advanced cruise missile, and slowing down the Trident Program. I will not vote to slow down these programs to pay for the MX in a vulnerable silo.

Mr. President, I am now at the end of the line on the MX as long as it is being deployed in the fixed Minuteman silos, and I underscore that point.

For these reasons, I have an amendment pending at the desk—and I hope to offer it today—to limit the total number of MX's deployed in vulnerable Minuteman silos, and I underscore again that deployment method, to 40 missiles. The amendment provides basing sets and support funds sufficient to deploy 40 missiles but no more. The amendment specifies that, beginning with fiscal year 1986, the only missiles authorized for production shall be a minimum number needed for reliability testing or spares. For 1986, the amendment would provide for the production of 12 spare missiles, and I anticipate that if we continue at 12 per year, if this amendment passes, I anticipate we will continue to produce MX's at 12 per year for the next several years. Of course, if we accelerated production on tests and spares, then we could complete the program for tests and spares sooner than that.

The news media has talked extensively about 100 missiles, but the MX program, as I mentioned, is not 100 missiles, it is 223 missiles. The Air Force intends to buy an extra 123 missiles for testing and spares. Whatever number we deploy, whether it is 40 or more, we are going to have to have many more missiles than that if we are going to have a viable program. Each year as they do in the existing Minuteman Program, and have done for years, the Air Force removes a certain number of operational missiles from the silos to test them at the test range. They put spare missiles in those silos to take the place of the missiles they go out and test. We are going to have to do that with the MX whether we deploy 40 or whether we deploy 50 or whether we deploy more. I do not accept the Air Force's argument that even for a force of 40 MX's, 123 spares are needed. If we get into full-scale debate on MX, we will hear a lot of numbers bounced around, and one of the assumptions the Air Force makes in these numbers is that even if you deploy 40, you still need 123 tests and spares. I do not agree with that. I know that you need some tests and spares. No one knows precisely in my view, including the Air Force, exactly how many are needed. My guess if, if we limit the deployment to 40 or 50 missiles, we will need 60 to 80 spares rather than 123 spares.

These restrictions are to be contained in the fiscal year 1986 defense authorization bill, and the missiles and spares will have to be addressed not only in that bill but we will have to address the spares in the years to come. I do not know the precise number that is correct now. I believe if this amendment passes we will get a much better figure from the Air Force in the coming months.

Congress could, of course, discontinue or renew the restrictions in this amendment in future years depending on the administration's own program. For instance, if the administration submitted a new basing mode program for the other missiles that they would be precluded from deploying by my amendment, that is, the other 60, I would be willing to take another look at that. What I am speaking of is a limitation on putting MX's in vulnerable Minuteman silos but not necessarily a limitation on the overall MX Program, depending on the administration. The ball will be in their court.

Another contingency we would have to watch is a breakdown in the Geneva talks followed by a Soviet expansion of their strategic missile forces. As I mentioned yesterday evening, if the administration seeks to portray this amendment as a threat to the Geneva talks, then that will mean the administration is basically taking the position that they are going to continue to be locked in concrete on the basing mode because this amendment does not bar future MX's in a different basing mode. It bars a continued deployment of MX missiles in a vulnerable basing mode. So the question as to how this will be perceived in Geneva is largely a question of how the administration itself will describe this amendment. If they describe it accurately, if they quote what I had said here on the floor and what other cosponsors have said, then this will not have any erosive effect in Geneva, particularly if they say that they are willing to go back and take another look at mobility and deception, if the President is willing to say, "Yes, that was a statement I made in the campaign in 1980 but now is 1985, I have been President for 5 years, I see the difficulties that are posed in different basing modes. I see the importance of relative invulnerability in land-based missile basing and I am willing to forget the past and go forward."

If he takes that position and has an open mind and instructs the Pentagon not to rule out mobility and deception and not to rule out other possible combinations, then it seems to me that this will be a plus in Geneva, because he would be telling the Soviets, "We are not going to continue to watch you build SS-18's while we build mobile missiles. We are not going to continue watching you build your SS-18's, more accurate, and put them in vulnerable positions as you have done."

If the administration takes that view, there will be no erosive effect in Geneva.

If, on the other hand, the administration says: "This kills the program, it does the program in, and we are no longer going to be able to have MX's," then what the administration is really saying is that we are still stuck on a 1980 campaign promise, that we are not going to change, we are going to continue down that road, and we are going to rule out certain basing elements which are enormously important.

So the ball is in the administration's court. If they take the latter position, any damage that may be done in Geneva will be as a result of their locked-in position, rather than the position of the Senate, and their own words could become self-fulfilling prophecies. That is the way I see the Geneva situation.

How does this recommended program square with the 1983 Scowcroft Commission report?

First, the amendment recognizes, as did the Commission, that the imbalance in hard-target kill capability must be redressed, at least in part, if the Soviets are to have incentives either to move toward mobility on their own or to do so under a negotiated arms control regime.

Second, it recognizes, as did the Scowcroft Commission, that a warm production base for a large throw-weight missile is useful to hedge against and constrain a Soviet strategic forces breakout.

Third, it acknowledges, as did the Commission, that the failure to deploy the MX would send a wrong signal to the Soviets and to the world with regard to our national will.

The real difference between my proposal and that of the Scowcroft Commission is with respect to the total number deployed. And I would certainly acknowledge that it is a significant difference. Why 40 instead of 100? I believe that 100 MX's deployed in vulnerable silos would raise problems that could be minimized or averted by a smaller deployment of only 40 missiles. Let me cite two or three reasons for that view:

First, 100 MX's deployed in this manner, in my view, would exacerbate the problem of a hair-trigger launch by both sides. These 100 MX missiles, if we put them all in vulnerable silos, would be a very tempting target for Soviet planners in any kind of confrontation. They would also be seen as such an important asset by our side that our own authorities would be extremely loath to risk losing them in an effort to ride out a Soviet attack, to be certain that we were not making any miscalculation or mistake in terms of a real attack.

I think that is enormously important. It has to be considered. It has been on my mind a long time. Many people who have opposed the MX have brought it up over and over again. I think that is a real argument, a legitimate argument, not a fictitious argument, and I believe that both superpowers are moving inexorably toward that position; and that is the position the Scowcroft Commission warned us against. If we do move in that direction, it would move "launch on warning" from being a "back burner" option to an option squarely on the front burner of our strategic policy. I do not believe that bodes well for our national security or world security, and I certainly do not believe that we should do anything that would encourage that kind of development.

Second, limiting the MX deployment to 40 missiles or 400 warheads would have another advantage. It would bring some finality to the program and give the Air Force the incentive to move forward vigorously on the Midgetman missile and its basing mode. I would contend now, human nature being what it is, that the Air Force does not have that incentive. They almost have a reverse incentive on the Midgetman as long as we have the 100 MX's being debated vigorously each year.

I might add one other point: I believe that if we are able to adopt this amendment and if it survives in conference, we will largely remove the MX from the debate on military strategic programs for at least another year or two. That will depend on the administration, what they do with the basing mode. But I believe that a number of Senators, if they know that we have a cap on deployment, will be willing to vote the missile necessary for testing and spares for a viable MX program.

This amendment would have the additional advantage of causing the Congress to focus on Midgetman, and I believe Congress has not done that. We have a lot of people in Congress who are looking at the Midgetman as a panacea, saying "Bring on the Midgetman; kill the MX. The Midgetman will save us. The Midgetman will produce stability." Well, all of those things may be true, and I hope they will be. I am very favorable toward the Midgetman and the concept set forth for it by the Scowcroft Commission, particularly if we can reach an arms control agreement with the Soviet Union. But I do know there is no such thing as a panacea with land-based missiles. I know that the Midgetman basing mode is going to be very tricky, and it depends to a considerable degree on what kind of arms control agreement we get in Geneva. If you postulate an unlimited Soviet MIRV'd missile capability, deploying the Midgetman becomes a very difficult matter and it could be very expensive. It could be very manpower intensive, given security problems, the interface with the public, and so forth. I think the Midgetman program has not yet come under full public scrutiny, and it will run into considerable debate. Again, I stress that I hope it will end up being a viable program. I think its virtues as well as its drawbacks need to be considered by Congress while we still have the MX production line warm.

I do not believe we should kill the MX Program, certainly not until we have Midgetman debate, which we have not yet had, and we know which way that program is going. I believe that this amendment will have the effect of accelerating both the Midgetman program in the Pentagon as well as the Midgetman debate in Congress.

Last, but most important, I again cite the budget. At the time the Scowcroft Commission drafted its report, the full implications of the massive Federal deficit had not yet come to bear on the defense budget. What was realistic in the expectation of a 6- or 7-percent real increase in defense spending is simply not feasible in the context of zero defense growth. Holding the MX Program to 40 deployed missiles would help ease the budgetary pressures on other higher priority strategic programs including those that I have mentioned: the advanced cruise missile, the advanced technology bomber, and the Trident D–5 missile. I emphasize that these strategic programs were also strongly endorsed by the Scowcroft Commission report. Contrary to popular recollection, it was not just a report on the MX. Nobody ever asked the Scowcroft Commission what would happen if you had to cut the ATB or the advanced cruise missile or slow down the Trident Program in order to put 100 MX's in vulnerable silos. That question was never posed or addressed by the Scowcroft Commission, so far as I know.

In closing, let me quote from an Air Force report to Congress dated February 1982. It will be recalled that the President's original decision on MX was to deploy 40 of these missiles as an interim solution until a permanent solution could be found. This happened prior to the Scowcroft Commission. I quote from that 1982 Air Force report:

> The initial deployment of 40 MX in existing silos will be sufficient to hold the most threatening Soviet silo sanctuaries at risk. However, it is not sufficient to pose a destabilizing threat of a disarming first strike. With ten highly accurate warheads each, the 40 operational MX missiles will counterbalance 308 Soviet SS–18s and threaten a few "superhard" control centers. However, neither MX by itself, nor MX combined with 900 Minuteman III Mark 12A warheads can deliver a crippling blow to the total of the approximately 1,400 Soviet silos. This will provide sufficient fire-power on line in a timely manner to allow the U.S. to pursue further basing options without fear of Soviet coercion.

I must say that I continue to find this Air Force logic very compelling. Clearly, 40 MX's is well short of the coverage necessary for the Soviets to view the MX as a first-strike weapon. Moreover, since we know that the MX will only be used in retaliation, we do not need to have enough re-entry vehicles to cover all the Soviet silos for one very good reason—large numbers of those Soviet silos will be empty by the time our MXs would be launched.

This does not mean we do not need hard target kill capability. We do have that coming on, not only in the MX, we have it coming on in the Trident II missile which will also have the great advantage of being relatively invulnerable.

We need to persuade the Soviets, and we must, that we can rapidly retarget and launch the MX toward their silos that contain withheld ICBM's and 400 warheads.

Contrary to some who have described it as a fig leaf, if you think about 400 nuclear warheads many times more powerful than Hiroshima being described as fig leaf, it tells us how far we have gone down the nuclear road. That is one heck of a fig leaf.

To those who regard this as inadequate, let me remind them that in a scant few years, the Trident II missile with substantial hard-target kill capability will be here. Within a short period of time we will backfit this missile into the first 10 Trident submarine—thus greatly multiplying our prompt hard-target kill capability. This capability—the Trident II—will have one key attribute that MX lacks—the Trident II is a survivable counterforce missile.

I further add that the small ICBM, which is also to be an accurate missile, will be available hopefully, particularly if this amendment has the effect of accelerating the program, in the early 1990's, and I remind my colleagues that this amendment does not close the door to further MX deployments, if—and I stress "if"—a more survivable basing mode is proposed which is feasible in the view of the administration and Congress.

I urge my colleagues to consider the merits of this proposal. In capping the MX deployment, we provide a degree of finality to this most controversal and wearying program.

We further send the Air Force and Pentagon a message that they need to hear, and that is that we expect them to be serious and we expect them to move prudently down the road of the small ICBM and to take another look at survivable basing modes, because Congress is not going to continue to go down the road forever on the MX missile in Minuteman silos.

The amendment, incidentally, will save a significant amount of money, $1.3 billion, from the President's request, and $350 million more than the committee recommendation. That is in 1986 dollars. We will save about $6 billion more in fiscal year 1987 and beyond if we limit the total number of spares for the program to 60 missiles, and again that is unknown. It may take a few more than that. I certainly would reject any indication it would take 123.

As to the arguments about the effect of this amendment in Geneva, it has been beyond our power to use the MX as a very big bargaining chip, and I emphasize "big." It has some value, since the administration devalued the MX by cutting its numbers in half and abandoning any semblance of survivability.

By these actions the MX was rendered less militarily valuable and less of a bargaining vehicle, though it does retain some military value and it does retain some bargaining potential.

Mr. WARNER. Mr. President, will the Senator yield for questions?

Mr. NUNN. I yield.

Mr. WARNER. Mr. President, if I might pose a question to the Senator from Georgia, in listening carefully he made the statement that this amendment would not prejudice the ultimate size of the program if it were the decision of the administration to go above 50. Is that my understanding?

Mr. NUNN. I am sorry. I am hearing two conversations here. Would the Senator mind repeating?

Mr. WARNER. The question is, does the Senator's amendment rule out the possibility that the program could eventually reach a level of 100 missiles deployed?

Mr. NUNN. No, this amendment would not do that, but it does make it clear that that would not be acceptable in the existing basing mode.

Mr. WARNER. So the burden is then put on the administration and others to submit to Congress alternatives for basing that Congress would have to approve.

Mr. NUNN. That is correct, regarding the MX, and the other alternative would be to accelerate the Midgetman Program and to move forward on that one rapidly, so I do not say just the MX. I am in favor of an updated land-based missile system, and I hope we could find either an acceptable basing mode for the MX or we could accelerate the Midgetman, or perhaps some combination of both.

Mr. WARNER. Mr. President, I in the past several years have been a member of the Subcommittee on Strategic Systems, which received the testimony relating to this program for several years. To the best of my recollection, including the testimony that was supplied to the subcommittee this year, no witness has been forthcoming that there is a possibility of an alternative basing mode, the one possible exception being some concept employing a BMD. So my question would be, does the Senator have any knowledge of the existence of a possible viable basing mode, other than the silos, that might eventually be acceptable to Congress?

Mr. NUNN. I say to my good friend from Virginia there is no way that I can spell out the basing mode that would be viable and acceptable to Congress, acceptable in terms of economic, military, and so forth, here on the floor of the Senate, but I do know what happens in the Pentagon when the President takes the position that a particular basing mode is out of order in a campaign and later that position is reiterated to the various commissions studying the basing mode. They have a very clear understanding, in my view, that certain elements were ruled out because they were so similar to a past proposal. So I am saying a fresh start is necessary with clear instructions from the President and from the Secretary of Defense that all basing modes should be examined and we would not rule out elements like mobility and deception, perhaps deception combined with some ballistic missile defense, perhaps channeling some of the SDI Program further into the shortrun protection of our deterrent rather than the long run more esoteric research program.

So all these things are possibilities, if the Pentagon is given kind of a clear signal that the administration could give it and that this amendment attempts to give it.

Mr. WARNER. Given the interpretation of the amendment that it does not cap further deployments beyond 40, are there other alternatives?

Mr. NUNN. I would not agree with that. It does cap. It does cap further deployments beyond 40 in the Minuteman basing mode. It does not rule out further deployments in other basing modes. Of course, they would have to be approved by Congress, proposed by the administration.

Mr. WARNER. I understand that quite clearly. But are there other options or other alternatives that might arise that would enable the administration to come forth and seek from Congress the authority to go forward with additional deployments? Suppose the Soviets had a breakout. Suppose they converted some of their existing systems to have more MIRV'ing. Suppose it was a more substantial imbalance than we already know, and in the judgment of this Senator the imbalance is quite substantial now when you compare their building program for this type of missile to this coming fiscal year's and ours.

Mr. NUNN. With regard to comparison on land-based missiles, the Senator, I think, is correct. The Soviets have a very vigorous and robust program. We have a rather robust program in other areas. I think the Senator would agree. I think to get an overall picture of the balance you have to consider not just the U.S. land-based versus Soviet land-based missile comparison. Also you have to consider submarines, you have to consider accuracy, you have to consider communications, and you have to consider the very robust air-launch Cruise Missile Program that we have underway, the B-1, the Stealth bomber, and other programs.

But as far as the more narrow comparison of land-based versus land-based there is no doubt that the Soviets have a more robust program going than we do. In fact, I said, and really not very facetiously, that the Soviets seem to have read the Scowcroft report much more carefully than we have because they are with their SS-25 moving forward very vigorously with a mobile single warhead program, and they are moving forward with their SS-24 with a MIRV Program that will also be mobile, while we are at the same time here in effect voting and debating on an SS-18 type missile in an SS-18 type silo, admittedly with somewhat more accuracy.

Mr. WARNER. Perhaps I can phrase this in another way.

Mr. NUNN. But I would say to the Senator I think the Senator's question is a pertinent one and a very important question. If the Soviets were to go out and break out of Geneva, break out of SALT II, start further MIRV'ing their 18's and heavy missiles, which they are capable of doing, I think we would have to take another look at all elements of our program and I think the MX would have to be looked at again.

Mr. WARNER. So then we have the alternatives of additional MX deployment other than in the existing silos, a deterioration in the Geneva progress, and quite possibly a Soviet breakout over and beyond the projections of all systems that we now are estimating for the purposes of Geneva and our present planning of the strategic program.

So when this amendment is viewed, it should not be viewed just in the context of putting an absolutely squeezed grip on the silo system alone, but, in fact, there are several options that might cause us to go back and readdress the deployment of our MX in the Minuteman silos.

Mr. NUNN. I think the Senator is correct. I think we have to reserve certain flexibility and options. This amendment is not drafted as a permanent part of law. It is drafted and applies for 1 year in terms of de jure application, and in terms of de facto to the sense of the Senate expressed here that we do not deploy more than 40 missiles in the fixed-base silos, the Minuteman silos. But the MX production line is kept open for just the purposes the Senator has enumerated.

We do not know what is going to happen in Geneva. We do not know what is going to happen to the Soviets in terms of breaking out and going with further MIRV'ing. We do not know what is going to happen in Midgetman. I think it is important, until some of these things are resolved, that we have an ongoing production line open and we keep our options open, but a clear intent here is expressed by Congress.

Mr. WARNER. This is my last question, and then I will yield to others who may wish to enter into this colloquy.

My concern is very great with regard to the impact that this amendment would have with respect to the Geneva talks. Last night the Senator and I had the opportunity to talk to our former colleague, Senator Tower. I think he can best express his reservations about this proposal elsewhere.

But I am not certain the Senator took into consideration the impact of this amendment, and the possible adoption by the Senate, on these talks. I wonder if he might expand on that and his reasoning.

Mr. NUNN. I think that is very important. My friend from Virginia is correct. I have considered that at length. As a matter of fact, I have given the MX every benefit of doubt, and the doubts have been considerable for the last couple of years based not only on the Geneva talks that are now going on, but the hoped-for Geneva talks back a few years ago. I think it is an important element.

I believe the question of the effect on Geneva, if the amendment were to pass, is largely in the hands of the White House.

You have heard the parable about the fellow who asked the question: "I have a small bird in my hand. Is the bird alive or is it dead?"

Obviously, the person who had the bird in the hand could have made the answer wrong either way by squeezing or releasing.

The administration can play this one of two ways. They can say that this is a clear indication from Congress that the basing mode in the MX has run its course and they are going to take a fresh look and eliminate any past preconceived notions about limitations on flexibility. They can say they are going to move vigorously on the Midgetman and all of this together is going to make us stronger and have a more robust, planned base system program in the future. If it is stated that way, then I believe the effects in Geneva will be positive.

If, on the other hand, the White House says:

> The Nunn amendment has now greatly diluted our prospects in Geneva. We have been robbed of a great bargaining chip and a militarily valuable program. The MX is now dead.

If they say that, then it could become a self-fulfilling prophecy because the White House words are heard all over the world. My words are heard sometimes within this Chamber, but even that is on rare occasions.

I think it depends on how they play it. It is clear what the amendment does. It is clear what it does not do, as the Senator has elicited with his very pertinent questions.

So I think it is in the White House hands. It depends on how they would like to categorize this.

I hope that their description and reaction, if the amendment were to pass, would be a positive reaction and not a negative reaction. But, again, that is beyond my control.

Mr. WARNER. I thank the Senator from Georgia.

Mr. HART. Will the Senator from Georgia yield for a question?

Mr. NUNN. I would be delighted to take other questions, but I am being called off the floor now by the fellow with the bird in his hand. [Laughter.]

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. GOLDWATER. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield?

Mr. DIXON. I yield to the distinguished chairman of the Armed Services Committee.

Mr. GOLDWATER. Parliamentary inquiry. What is the pending business?

The PRESIDING OFFICER. The pending business is the amendment of the Senator from Connecticut, Mr. Dodd.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that that amendment be laid aside temporarily so that the Senator from Illinois can offer an amendment in which I will participate.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? Hearing none, it is so ordered.

The Senator from Illinois.

AMENDMENT NO. 189

(Purpose: To require quarterly reports to the Congress on any funds in excess of those required to carry out the program for which they were appropriated)

Mr. DIXON. Mr. President, on behalf of myself and the distinguished chairman of the Armed Services Committee, Senator GOLDWATER, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Illinois [Mr. DIXON], for himself and Mr. GOLDWATER, proposes an amendment numbered 189.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 100, between lines 2 and 3, insert the following new section:
>
> REPORT ON EXCESS FUNDS
>
> SEC. . Not later than 30 days after the date of the enactment of this Act and within 30 days after the end of each quarter thereafter, beginning with the first quarter which begins after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing an estimate of the amount of funds in each Department of Defense appropriations account that, at the time of the report, is available for obligation and is in excess of the amount needed to carry out the program for which the funds were appropriated. The estimate shall include amounts attributable to inflation savings, foreign currency savings, excess working capital fund cash, and all other savings. This report shall also identify unanticipated cost increases resulting from adverse economic trends.

Mr. DIXON. Mr. President, I thank my distinguished colleague and friend, the chairman of the Armed Services Committee, for his cooperation in connection with this amendment. The situation is that I had an amendment here on file, and the chairman did as well, addressing the problem that has occurred with respect to the Department of Defense and the situation that took place recently at the time that we were on the markup of the DOD authorization bill when the Secretary of Defense, through his associates, suggested to us that they had found an additional $4 billion which would address many of the problems that occurred as a consequence of the zero real growth mark adopted through the budgetary process here on the floor.

Mr. President, I really appreciate the cooperation of the chairman of the committee in connection with this amendment and the work done by both sides, including the distinguished ranking member, Senator NUNN, to accomplish the amendment that is now before us.

I understand it is acceptable to the majority, to the distinguished chairman of the committee, to the ranking member, and others.

The purpose of the amendment is simply to require prompt reporting on a quarterly basis of funds that are no longer required by the Department of Defense. The amendment in question would require the DOD to report regularly on the kind of savings that were identified recently when they found the $4 billion of unneeded funds. The kind of funds that would be contemplated, of course, would be savings that are produced by lower inflation, savings produced by currency fluctuations, contract savings, and things of that kind.

This amendment, which has been agreed to by the majority and minority staffs and the distinguished chairman and the ranking member and myself, would require the Department of Defense to report within 30 days following the end of each quarter on potential savings. I suggest that the amendment would put an end to the midnight surprises. It would facilitate congressional oversight, it would lead to better stewardship of the taxpayers' dollars, and in the long run would help us to do a better job in this place. And I need not remind my colleagues of the fact that the Congress has the power of the purse.

So let me stress that this is not a partisan issue. It is an issue regarding the responsibility of this Congress. I want to express my appreciation to the chairman for his cooperation and to say to my colleagues that I believe this is a very useful and helpful result that will obtain when this amendment is adopted to see to it that in the future when we deal as we do with these difficult challenges, we have been trying to provide an adequate defense for this great Nation with limited funds. In the work of the authorizing committee, the Armed Services Committee and later here on the floor when we consider DOD authorization legislation, we will have this useful tool by which the Department of Defense will be required 30 days within the end of every quarter to provide to us the important and essential information so that we can know the financial conditions and respond accordingly in our work.

I want to again express my appreciation to the chairman. Perhaps he would like to indicate, as I have already publicly done, that this is acceptable on the majority side.

I notice that the ranking member is absent at this point. But I can represent to the body that I have the assurance of this side that the amendment is acceptable.

Mr. President, I see my warm friend, the distinguished Senator from Ohio, here who has done exceptional work in the committee and on the floor on this question. I believe he may be interested in being heard as well.

Does the chairman of the committee wish to indicate anything about this amendment, may I ask?

I have concluded my remarks. I have indicated that this is acceptable, and the distinguished chairman and myself are the principal sponsors of the amendment. It is acceptable to the ranking member on the minority side.

Mr. GOLDWATER. I believe the Senator from Ohio would like to make a few remarks. Then I will answer.

Mr. GLENN. Mr. President, I ask the distinguished chairman. I am a little bit uncertain as to exactly what has happened to this $4 billion that we talked about because it is my understanding in talking to staff that much of that $4 billion has now been eaten up in things that we restored in one way or another, such as the $1 billion set-aside for base closure. We put back in the 120 M-1 tanks that had been cut; the F-15 was restored from 42 to 48; 3 more AV-8B's were restored, 3 F-14's and I do not know what else goes on that list.

I am not certain exactly when and how that was done and whether there is any more of that $4 billion yet to be allotted that the Pentagon had said was surplus and wanted it applied to these different systems.

So I ask the distinguished floor manager, our chairman, whether he has any figures on that or whether we can get those so we will know whether any of the $4 billion is still left over there. I am not in favor of leaving any slush funding over at the Pentagon in effect for them to play around with. If we, in our own allocations, have used up the money—which is what I have been told by staff—if that is correct, then we may have eliminated much of the $4 billion here. It would be a futile gesture for me to go ahead with the amendment that I originally proposed yesterday and temporarily withdrew; an amendment which would have proposed that they return the $4 billion to the general fund. Can the distinguished floor manager of the bill spread a little light on this for me here?

Mr. GOLDWATER. Mr. President, it will take a little time. But I will be very happy to try to help my friend from Ohio. The reductions up to date when that disclosure was made were about $3.4 billion. There was some additional reductions that were refunded, under strategic, the space launch support, $85 million; the B-25 modifications, $75 million; the advanced tactical bomber, $100 million; small ICBM, $200 million; the DOE programs, $65 million. That totals $525 million in the strategic account.

We get to the tactical account. There have been reductions of $4 million up to that point. The defense research sciences, $30 million; Army aircraft spares, $50 million; M-1 tank, $260 million; M-1 tank advance procurement, $40.8 million; Navy research and development, $20 million; AV-8B aircraft, $45 million; F-14 aircraft, $80 million; the C-20 aircraft, $22 million; the VH-60, $42.8 million; Navy aircraft spares, $32 million; U.S. Marine Corps Reserves, $20 million; JSTARS, $20 million; the F-15, $150 million; the F-16, $80 million; the MC-130H, $30.6 million; and the T-46, $68 million, for a total of $1034.2 million.

We get to the Manpower Subcommittee, to delay the military pay raise to offset that and reinstall it, $471 million. Under Seapower, additional, TAO, $164 million; LCAC, $44 million; TACS, $27.5 million; the SM-2(MR), $32.7 million; the SM-2(ER), $25.3 million; and the RAM, $5 million; a total of $298.5 million.

Under military construction, hospital additions, $140 million; occurring in Washington, Connecticut, and California. Family housing, new construction, in California and New Jersey, $140 million; training facilities at Cecil Field, Florida; Fort Campbell, Kentucky; Wright-Patterson, Ohio; Fort Leonard Wood, Missouri, and the National Defense University in the District of Columbia, that was a total of $80 million; operations facilities, homeporting, Washington and New York, $36 million, for a total of $396 million.

Preparedness Subcommittee, industrial fund, $15 million; investment transfer, $10 million; asset capitalization, $170 million; BOS consolidation, $15 million; other logistics activities $90 million, for a total of $300 million; which came to a total of $3.247 billion. We did take another $1 billion as the Senator will recall out of this fund to establish a base fund for base closures which we hope can be used wherever we find it necessary to close bases. That comes to a total of a little over $4 billion—$4.237 billion.

To make this better accessible to Members, I ask unanimous consent that the exact list, in case I misstated it, be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Programs restored with $4.0 billion

[In millions of dollars]

Strategic Subcommittee:	
Space launch support	$85.0
B-52 MOD's	75.0
ATB	100.0
Small ICBM	200.0
DOE programs	65.0
Total	525.0
Tactical Subcommittee:	
Defense research sciences	30.0
Army aircraft spares	50.0
M-1 tank	120/260.0
M-1 tank Adv. Proc.	120/40.8
Navy R&D	20.0
AV-8B	3/45.0
F-14	3/80.0
C-20	22.0
VH-60	4/42.8
Navy aircraft spares	32.0
USMC Reserves	20.0
JSTARS	20.0
F-15	6/150.0
F-16	80.0
MC-130H	1/73.6
T-46	23/68.0
Total	1,034.2
Manpower Subcommittee: Military pay raise in October 1986	471.0
Seapower Subcommittee:	
TAO	1/164.0
LCAC	2/44.0
TACS	1/27.5
SM-2(MR)	54/32.7
SM-2(ER)	37/25.3
RAM	12/5.0
Total	63/298.5
Military construction:	
Hospital additions (Washington, Connecticut, California)	140.0
Family Housing new construction (California, New Jersey)	140.0
Training facilities (Cecil Field, Florida; Fort Campbell, Kentucky; Wright-Patterson, Ohio; Fort Leonard Wood, Missouri; National Defense University, D.C.)	80.0
Operations facilities (homeporting) (Washington, New York)	36.0
Total	396.0
Preparedness Subcommittee:	
Industrial fund, refund	15.0
Investment, transfer	10.0
Asset capitalization	170.0
BOS consolidation	15.0
Other logistics activities	90.0
Total	300.0
Total program restorations.	3,024.7
Base closure fund	1.000.0
Total	4,024.7

Mr. GOLDWATER. Did that answer my friend's question?

Mr. GLENN. Yes. I thank the distinguished floor manager and the chairman of the committee for that analysis. As I understand it, it comes right up to our $4 billion—almost identical with the $4 billion that the Pentagon had. I understand these programs have been added back from the zero level that we marked up to. Is that correct?

Mr. GOLDWATER. The disposition of the $4 billion as I described was done in the full committee by the action of the committee.

Mr. GLENN. Was this done after they announced the availability of the $4 billion?

Mr. GOLDWATER. Yes, Mr. President, it was money actually added back. Otherwise, the items and the amounts that I have read would have been in the minus column. We use that fund of $4 billion to offset the reduction in the budget that we took as a result of the 0-3-3 decision of the Senate.

Mr. GLENN. Mr. President, we were operating under duress in the committee, if you will. But as I understand it, if I put through my amendment to restore the $4 billion that the Pentagon had said they had surplus, it would, in effect, knock out once again all of these things that the distinguished chairman just read into the RECORD. Is that correct?

Mr. GOLDWATER. The Senator is absolutely correct.

Mr. GLENN. I am pleased to hear that, Mr. President, because as the chairman knows, I did not favor going clear to the zero level anyway. I thought that on some of these programs and some of the ones the Senator has mentioned here, when we cut back too far in committee on some of these, we were going to stretch out those purchases and make the per-unit cost higher than they should be and 3 or 4 years later, we were going to wind up with the same amount of defense but at a higher cost per unit.

I do not disagree with restoring these. So with regard to these matters now, I shall withdraw permanently my proposal to require that the $4 billion surplus be returned to the Treasury, since it has been used, as I understand it, for the purpose of restoring some of these programs that would otherwise have been stretched out.

The purpose of the amendment of Senators GOLDWATER and DIXON, of course, is to require prompt reporting on a quarterly basis of funds no longer needed by DOD. I think that will give us a better handle on following some of these surpluses or deficits—either one—if they report regularly to us on the kind of savings that were identified recently when they found the $4 billion of unneeded funds.

I am glad we have been able to restore some of these funds to a more efficient production basis, which is what we are doing, basically. As I understand it, the kinds of funds that will have to be reported are savings produced by reason of less inflation, savings produced by currency fluctuations, and savings that come from new contract procedures or whatever in contract savings.

The amendment, as I understand it, also requires DOD to report within 30 days following the end of each quarter on these potential savings. The amendment will put an end, we hope, to midnight surprises. It can facilitate congressional oversight and lead to better stewardship of taxpayer dollars.

I do not see this as any partisan issue, as the chairman has said. It happened in too many instances in years past and he gave some pretty good examples last night of hangars and runways in Arizona and wherever, that I found very interesting.

This is something on which I think the time has come. With the things that have come to light and what I view as a cavalier attitude taken by the Defense Department in regard to our Senate Armed Services Committee. They did not even tell us about this surplus when they knew we were going through all the pangs of trying to mark up a defense budget bill over here at three different levels.

I am pleased to join with the distinguished chairman and Senator DIXON in sponsoring this amendment. We

want to follow this on a quarterly basis.

Mr. President, I withdraw my amendment regarding the return of the $4 billion.

Mr. GOLDWATER. I thank my friend from Ohio. I would like to commend him briefly on a statement that he made that is so, so true; that is, as we cut back on the purchase rate, the only place these prices are going is up, up, up. We have told the tank manufacturer—that, I must say, changes from year to year—that we were going to buy about 9,000 tanks. We are buying them roughly at the rate of 740 to 840 a year. If we cut that tank purchase back 100 each year, the cost of a tank is going to go up, and over 25 years that I have watched the development of this tank, it has gone from $600,000 to over $1.1 million. This experience will continue; it will happen in all of our aviation contracts.

As my friend knows, we are trying to promote multiyear contracts so we can buy these things at a lesser price. Yet, even if we are successful in that, if we then have to tell the manufacturer, "We are sorry but the Budget Committee tells us we can only spend so much this year so we have to eliminate the number" of aircraft or tanks or trucks or whatever it is that we are buying, the cost goes up.

I would like to hear that told more and more, because many of my colleagues get the idea that all we have to do is just chop it off.

Let me make one more point that I have tried to make before. In this whole budget, this whole thing that we are discussing on the floor, in this year, there is one, only one, new item. That is a communications system for the Army and the Air Force that totals about $40 million. So we could scratch that and we would be really back to zero as far as the increase of this year. I hope we can keep that in mind. I hope the Budget Committee would keep that in mind and I hope the Pentagon would keep it in mind.

I yield to the Senator.

Mr. GLENN. I have just one comment, Mr. President. I appreciate the Senator's yielding for a brief comment.

I am willing to join at any time on this multiyear budgeting thing. I think the sooner we get going with that, the better off we are going to be. We go through this drill every year, up and down, up and down; contracts on, contracts off; we chop and expand, chop and expand. There is no way for this thing ever to be done on an efficient basis unless we do it on multiyear contracting, as I see it.

Just to expand on what the distinguished floor manager was saying a moment ago about the tanks: the proposed cutback in tanks would add to the cost of each tank about $100,000 in the overall buy, because we would be changing the production rate just when we had it at a good efficient production rate. That same thing would apply across the board—F-14's, F-15's, and all the other things the distinguished chairman announced a moment ago.

I am glad we are getting back to a more efficient rate on these things. I am glad this $4 billion that they supposedly found surplus over there suddenly, after we voted zero growth, can now be used to make a more efficient rate. I think since that is the case, I am happy to cosponsor the amendment that the floor manager and Senator DIXON proposed. I hope that this results in better accounting and better comptrolling over at the Pentagon than we have been seeing in recent days.

Mr GOLDWATER. Mr. President, I thank my friend, and before I yield to the Senator from Illinois, let me say I was just sitting here the other day thinking about the problems as we entered into this discussion. It may be the problem of inflation, and sometimes we sit here and forget that we have had inflation in all fields. I remember a house I built many, many years ago. I paid $17,000 for it. That house sold for $1.5 million the other day. It is not worth it, but it brought $1.5 million. That is quite a bit of inflation.

I have an automobile that is 20 years old. It runs beautifully. I paid $3,000 for it. Today they are $18,000. That is about a 600-percent increase. All of us men, I do not have to remind my colleagues of the days we could walk into a tailoring establishment, a real fine tailoring establishment and get a handmade suit for $150. Today they are about $1,500. So when we talk about tanks and airplanes and guns, we have to remember back to the problem of inflation that this country suffered. That is the real source of our trouble. I hope that we never have to live through it again.

Mr. President, as to the amendment that has been offered, I have some comments.

Mr. President, the amendment I offer, with the Senator from Illinois [Mr. DIXON] to the fiscal year 1986 national defense authorization bill would require the Secretary of Defense to report to Congress on a quarterly basis the level of both estimated savings and funding deficiencies in the defense budget. This amendment would require the Secretary of Defense to submit a report, not later than 30 days after the end of each fiscal quarter, which provides an estimate of the funds in each appropriations account that are in excess of the amounts required to execute congressionally approved programs or which fall short of requirements.

Early last week, the Department of Defense identified slightly more than $4 billion in savings which the Armed Services Committee has applied to fund high priority programs in the fiscal year 1986 budget. Included in the $4 billion were unobligated balances from fiscal year 1985, savings resulting from inflation reestimates from fiscal year 1983-85 and in fiscal year 1986 request, savings anticipated from procuring O&M items through local commands, and savings resulting from excess receipts in the industrial and stock funds. Like my colleague from Ohio, I am not at all pleased that DOD chose to wait until the last possible moment to tell us about these savings, and my amendment is intended to prevent surprises like this in the future.

But we must keep in perspective our mutual interest in providing for our national security. If we had not used these funds, we would have been forced to cut deeper into high priority defense programs. The fact is that we need these savings to fund an adequate defense program.

And I remind my colleagues that we have all seen, and approved, this sort of transaction before—in every defense appropriations bill that comes before this body. All that is unusual about this procedure is that these savings are not usually identified in time for inclusion in an authorization bill. Ordinarily, the Pentagon is not able to identify savings from inflation reestimates and unobligated balances just 6 months into the fiscal year. But because the Senate adopted a zero real growth defense budget level in the First Concurrent Budget Resolution, the Secretary of Defense offered the savings identified to date and urged their use to offset further program reductions.

Mr. President, the amendment we have offered will ensure that, during every phase of the defense budget review process, Congress will have the benefit of timely information regarding potential savings and funding deficiencies in the defense budget. I urge my colleagues to adopt this amendment.

Mr. President, we went over this before, but I have completed a study of the surplus or deficits that are experienced by the Defense Department from year to year, and I recited the tale to my friend from Ohio of what happened to me back during the days of Harry Truman and how much money I accomplished for my little National Guard unit. But I am back to 1960 now, and I find in that year they had $212 million; in 1967, $221 million; it went along like that, never got into what you would call the big stuff until 1981, or 1980 when it was over $1 billion, and every year since then it has been over $1 billion.

Now, I ask unanimous consent that these figures be placed at this point in my remarks so my colleagues will have a better idea of the problem that we are discussing.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

SUMMARY OF DOD LAPSES

[In millions of dollars; and fiscal years]

	1960	1961	1962	1963	1964	1965	1966	1967
Army	$49,204	$18,425	$17,440	$60,022	$7,582	$18,893	$17,610	$115,675
Navy	74,348	33,504	36,114	27,699	22,531	21,963	1,207	60,343
Air Force	53,995	3,908	25,294	370	1,806	1,183	2,599	16,008
Def agen/Def wide	35,448	5,264	27,948	13,389	23,866	31,445	25,546	29,850
Total DOD lapses	212,995	61,101	106,796	101,480	55,785	73,484	46,962	221,876

SUMMARY DOD LAPSES

[In millions of dollars and fiscal years]

	1968	1969	1970	1971	1972	1973	1974	1975	1976
Army	$42,666	$30,974	$19,482	$9,463	$28,932	$163,562	$83,105	$58,219	$447,823
Navy	11,420	24,765	7,508	14,997	26,566	217,516	145,652	440,516	387,563
Air Force	15,612	38,887	703	18,781	4,989	180,535	49,435	55,457	144,694
Def agen/Def wide	4,533	19,178	6,916	15,685	20,422	66,009	25,793	13,749	44,093
Total DOD lapses	74,231	113,804	34,609	58,926	80,909	627,622	303,985	567,941	1,024,173

SUMMARY OF DOD LAPSES

[In millions of dollars and fiscal years]

	1977	1978	1979	1980	1981	1982	1983	1984
Army	$475	$208	$257	$180	$226	$301	$475	$522
(Reappropriations)				(63)	(24)	(42)	(198)	(182)
Navy	195	341	406	755	1,001	957	932	1,751
(Reappropriations)				(241)	(30)	(137)	(65)	(362)
Air Force	126	161	270	280	301	308	525	804
(Reappropriations)			(49)	(130)	(43)	(103)	(220)	(399)
Defense Agencies/Defense-Wide	86	32	30	123	244	94	281	198
(Reappropriations)				(37)	(39)	(2)		(23)
Total DoD lapses	882,000	742,000	963,000	1,338,000	1,772,000	1,660,000	2,213,000	3,275,000
(Total reappropriations)			(49,000)	(471,000)	(136,000)	(284,000)	(483,000)	(966,000)

Note.—Summary of DoD Lapses (dollars in millions): Amounts shown in the above tables represent amounts which reverted to the treasury in each fiscal year and were, therefore, removed from the DoD budget. Beginning in fiscal year 1979, amounts shown in parentheses represent the portion of lapsing funds which were reappropriated by Congress before the expiration of their appropriations life.

Mr. DIXON. Will the Senator yield just momentarily for one question?

Mr. GOLDWATER. Yes.

Mr. DIXON. I would suggest that the Senator might want to permit me to withdraw my amendment previously filed similar to this one so that the RECORD is clear on that and would want to suggest that perhaps the Senator from Arizona would want to do the same since we both had an amendment earlier similar to the final amendment we now have before us.

Mr. GOLDWATER. No, Mr. President, the amendment by the Senator from Illinois is almost word for word my amendment, and I am very happy to ask him to allow me to be a cosponsor. I think it is a good amendment, and as I say we are going to accept it. However, we are not through with this problem just with this amendment. I have already announced that we will hold committee meetings on this problem, not as a subcommittee but as a full committee, where we can bring the accountants, the auditors, and everybody else over from the Pentagon and tie this amendment down even more tightly so that we can know from quarter to quarter just where we are. Now, I have said that we will accept this amendment, but I want to yield to my friend from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I thank our distinguished chairman for yielding. I would like to make two points. First of all, cost overruns and cost underruns are nothing new. In fact, in the whole quarter era our problem was exactly the opposite. We have historically had a report from the Pentagon between the authorization-appropriation processes where roughly on a 12-month basis they have assessed the spend-out rate and assessed whether we were coming up long or short. In the period where the inflation rate was building up, of course, we always came up short and we ended up passing supplemental appropriations that were 2 or 3 percent of the overall budget for DOD.

We had the happy occurrence this year that we came up long of about 1⅓ percent.

The two points I would like to make basically are these: No. 1, there was nothing unusual about the procedure, the reestimate, except that the Pentagon truncated the process, reduced the amount of time that they analyzed existing data by about a month in order to come out with a reassessment that would allow us to write the savings into the authorization bill rather than allowing them to be written into the appropriation bill after this authorization was completed. So, far from holding back any information concerning money that was available by truncating the process, they actually speeded it up and brought the money in for our use in this bill.

But the second point I would like to make is that while I applaud this effort to have a quarterly report, it is important that we remember what we are going to be getting. We have a lot of long-term contracts, many of them running as long as 10 years. We are going to be estimating on a 3-month basis what is happening to spending in those contracts. In the process we are going to be getting a very short-term projection and a lot of those projections are going to have bigger errors in them. It is going to be roughly equivalent to asking your family at the end of 1 week to estimate what their shortfall or what their buildup of cash balances will be at the end of the month. By going to a 1-week basis rather than a monthly basis in projection, we are going to have a lot of errors.

The point I want to make is that it is important we understand that when we try to use this data to either supplement it or to add to spending on existing programs, when you drop from a 12-month experience where you are accumulating data and projecting for the next 12 months down to a 3-month period of experience where you are projecting for 1 year on that basis, we are simply going to compound our errors. And if we take these projections literally we are going to make a lot of mistakes. So I think it is important that we get the data on a timely basis. I think it is appropriate that we have it for use in the authorization rather than having it fall between the authorization and the appropriation. But I do want to make note of the fact that when you go down to a quarterly report you are getting more information but because you are projecting on a shorter time base the information is not going to be as reliable.

Mr. GOLDWATER. I thank my friend from Texas. Mr. President, the majority finds no trouble with this amendment, and I am told that the minority will accept this amendment.

Mr. NUNN. This amendment is a good amendment, and we would certainly accept and urge our colleagues to do likewise.

Mr. GOLDWATER. Mr. President, we will accept this amendment.

So the amendment (No. 189) was agreed to.

Mr. GOLDWATER. I move to reconsider the vote by which the amendment was agreed to.

Mr. DIXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, the pending business is still the amendment of the Senator from Connecticut?

The PRESIDING OFFICER. The Senator is correct.

Mr. GOLDWATER. I ask unanimous consent that that amendment be temporarily laid aside so that we might receive an amendment from the Senator from Delaware.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Delaware is recognized.

AMENDMENT NO. 190

(Purpose: To establish a Commission on Defense Procurement)

Mr. ROTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 190.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 66, between lines 16 and 17, insert the following:

COMMISSION ON DEFENSE PROCUREMENT

SEC. 612. (a)(1) There is hereby established a commission to be known as the Commission on Defense Procurement (hereinafter in this section referred to as the "Commission") to review all available evidence, studies, reports, and analyses on defense procurement and to recommend to the President and to the Congress ways to improve the organization and management of the defense procurement process.

(2) Members of the Commission shall be appointed by the President and shall be chosen without regard to their political affiliation.

(3) Members of the Commission shall be professionally respected persons recognized for their experience and expertise in the defense procurement process.

(b) Not later than 180 days after the date of enactment of this Act, the Commission shall report its findings and recommendations to the President and the Congress and shall transmit a copy of the report to the Secretary of Defense and the Comptroller General of the United States.

(c) The Secretary of Defense shall consider the Commission's findings and recommendations. Not later than 90 days after the date the Commission transmits the report to the President under subsection (b), the Secretary shall transmit to the Congress a report on his views and planned actions in response to the report of the Commission.

(d) The Comptroller General of the United States shall review the Commission's findings and recommendations. Not later than 90 days after the date the Commission transmits the report to the Congress under subsection (b), the Comptroller General shall transmit to the Congress a report on his views and recommendations on the report of the Commission.

Mr. ROTH. Mr. President, I know my colleagues are as concerned as I am about the numerous recent reports and studies critical of the organization and operation of the Defense Department. These reports come from a wide range of sources including the Defense Department's inspector general, the General Accounting Office, the Heritage Foundation, and the prestigious Center for Strategic and International Studies, to name just a few. My Committee on Governmental Affairs has done an extensive amount of work as well on the management of defense procurement which has touched on many of the same problems identified by these organizations and agencies.

Taken together, these reports suggest that the problems we face in managing our defense dollars are far deeper than many may have suspected. A report just released by the Center for Strategic and International Studies suggests that major structural reforms in the Defense Department's procurement systems and organization will be necessary to improve management and assure greater cohesion and coordination among the various elements of the Defense Establishment. A bipartisan group of six former Defense Secretaries endorsed, in its essentials, the CSIS study and they concluded:

> In our view, the public's concern (with ineffective defense management) is well-founded; there are serious deficiencies in the organization and managerial procedures of the U.S. defense establishment.

My concern is not just about the waste of taxpayers' money that these reports and studies suggest. As a supporter of a strong military, I am also worried that these problems are seriously undermining the public support so necessary for the continued strengthening of our Armed Forces. Just as we cannot afford to squander our defense resources, we cannot afford to squander the public's trust and support.

The problems in our Defense Establishment did not start with this administration. Both the Congress and Secretary of Defense Caspar Weinberger have been making efforts to tighten management and improve the efficiency and effectiveness of the defense procurement process. But serious underlying problems still remain in the management of defense procurement.

I believe the current problems in the defense procurement process present the Congress and the administration with the perfect opportunity to institute the major changes necessary to solve these problems and ensure continued improvement for our defense programs in the future. The criticisms of the Defense Department can be used in a positive way to press for appropriate and necessary reforms.

Mr. President, I am convinced that the fundamental changes which are needed cannot be achieved unless the Congress, the President, industry, and the civilian and military leaders in the Defense Department reach a consensus to make those changes together. Given the long history of the military services and the diversity and size of the Pentagon, such a consensus will be difficult to reach, but it is not impossible.

The amendment is intended to provide a mechanism to help all of the various actors in the defense procurement process combine their talents and energies in order to reach a real consensus for defense procurement reform. It provides for the establishment of a high-level blue ribbon commission, the purpose of which is to review the conclusions and recommendations of groups which have critically examined the structure, organization, and operation of the Defense Department. The Commission would assist the Congress and the President to assess the procurement problems facing the Department and develop a comprehensive series of recommendations for reform, including draft legislation where appropriate.

A genuinely bipartisan commission, headed by well-respected leaders could

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ensure that needed improvements are developed in a coordinated and comprehensive manner. It would, for the first time since the 1970's blue ribbon panel report written at the direction of then Secretary Melvin Laird, ensure a broad, across-the-board look at where the Department's management problems are, what has caused those problems, how laws and regulations interact to compound the difficulty of managing programs and what organization and structural rigidities have arisen over the years that need to be changed or eliminated.

The blue ribbon commission would not restudy the issues. I see no need for commission members and staff to initiate an extensive effort to research and document, anew, problems with the defense procurement process, when there is already a wealth of evidence in the form of reports, studies, and other analyses by respected public and private organizations on the shortcomings of that process. Instead, I feel we would be better served by having the commission sift through that information which is already available along with the numerous recommendations for improvement, decide what the primary problems are affecting the procurement system and develop a blueprint for reform that will address the defects in the system in a comprehensive and integrated manner. The end result, I hope, will be a package of procurement improvements that will provide a firm basis for further review and consideration by Congress and the President. Ultimately, I think this approach is the only realistic means we have of avoiding the continued piecemeal approach to reform that both the Defense Department and the Congress have used over the past 4 years.

I believe the commission I am proposing should review the Department of Defense with two goals in mind:

To provide combat-effective weapons for U.S. forces, and to ensure that our defense dollars are spent in the most economical and efficient manner.

In my view, the specific agenda items the commission would review would be varied but it might include such things as strengthening the testing process; improving the experience and training of the acquisition work force; encouraging greater contractor investment and productivity; developing ways to reduce cost growth; improving the accuracy of cost estimates; ensuring that contract payment procedures and financing policies are appropriate; developing methods to more closely monitor and prevent excessive and unearned contractor profits; and finally considering the development of a civilian acquisition agency within the Department of Defense.

The problems with our defense procurement process have been studied repeatedly and extensively, and numerous, well-developed recommendations have been made, and are waiting to be acted upon. There is no need now to duplicate the work that has already been developed for us. This commission should instead take advantage of such work, so that it can provide us with a quality product in the least amount of time necessary. That will not only help ensure that we get our defense procurement process on track, but that we get it on track in a timely manner.

Mr. President, the distinguished Senator from Arizona [Mr. DeConcini], also has a proposal for a similar commission. He and I have gotten together and worked out the differences between our two proposals. I understand he has amendments he will offer to my proposal that will reflect our agreement.

The essence of our agreement is:

A 21-member commission that will work for 6 months to review all available reports, studies and analyses on defense procurement and recommend to the President and the Congress ways to improve the management and organization of the defense procurement process.

Thirteen of the members are appointed by the President. They will consist of representatives of DOD, contractors, and knowledgeable experts not affiliated with any particular company or the Government.

Four of the members shall be from the House of Representatives and four from the Senate, evenly chosen from both political parties.

The Secretary of Defense as well as the Comptroller General will be required to review and respond to the report after it is transmitted to the President and the Congress.

I very much appreciate the interest and work by the distinguished Senator from Arizona and fully support the compromise agreement between our two proposals.

Finally, I ask unanimous consent to have printed in the Record a letter on this subject that I recently sent to the Secretary of Defense.

There being no objection, the letter was ordered to be printed in the Record, as follows:

United States Senate,
Committee on Governmental Affairs,
Washington, DC, March 27, 1985.

Hon. Caspar Weinberger,
Secretary of Defense, Department of Defense,
The Pentagon, Washington, DC.

Dear Cap: I appreciated the opportunity to meet with you last week to share my concerns about our defense program.

I know you are as concerned as I am about the reports critical of the organization and operation of the Defense Department. These reports come from a wide range of sources including the Defense Department's Inspector General, the General Accounting Office, the Heritage Foundation, and the prestigious Center for Strategic and International Studies, to name just a few. My Committee's own work has touched on many of the same problems identified by these organizations and agencies.

Taken together, these reports suggest that the problems we face in managing our defense dollars are far deeper than many may have suspected. The report just released by the Center for Strategic and International Studies suggests that major structural reforms in the Defense Department's procurement systems and organization will be necessary to improve management and assure greater cohesion and coordination among the various elements of the defense establishment. A bipartisan group of six former defense secretaries endorsed, in its essentials, the CSIS study and they concluded, "In our view, the public's concern (with ineffective defense management) is well-founded; there are serious deficiencies in the organization and managerial procedures of the U.S. defense establishment.

My concern is not just about the waste of taxpayers' money that these reports and studies suggest. As a supporter of a strong military, I am also worried that these problems are seriously undermining the public support so necessary for the continued strengthening of our armed forces. Just as we cannot afford to squander our defense resources, we cannot afford to squander the public's trust and support.

The problems in our defense establishment did not start with this Administration, but this Administration is in a perfect position to solve them. Your commitment to a strong defense is well known. Over the last four years, the Department has prospered. Our military is receiving more attention and resources due to your efforts.

But serious underlying problems still remain in the management of defense programs. I believe you have the perfect opportunity to institute the major changes necessary to solve these problems and ensure continued improvement for our defense programs in the future. The criticisms of the Defense Department can be used in a positive way to press for appropriate and necessary reforms or it can continue to result in uncoordinated and overly specific management changes instituted both by the Congress and by officials in the executive branch. I believe we must choose the route of fundamental reform.

It seems to me that the fundamental changes which are needed cannot be achieved unless the Congress, the President, industry, and the civilian and military leaders in the Defense Department reach a consensus to make those changes together. Given the long history of the military services and the diversity and size of the Pentagon, such a consensus will be difficult to reach, but it is not impossible.

I would suggest that a high-level advisory committee reporting to you be appointed to review the conclusions and recommendations of groups which have critically examined the structure, organization, and operation of the Defense Department. The committee should assist you in assessing the problems facing the Department and help you in implementing reforms including draft legislation where appropriate. In my view, one of the key areas to which the committee should direct its attention is the management of our acquisition workforce. As you know, I wrote to you concerning my proposal to establish a civilian acquisition agency which would develop and produce weaponry for the services. I believe this idea has merit and is one of the proposals which the committee I am suggesting should actively study.

A genuinely bipartisan committee, headed by well-respected leaders such as David Packard and Melvin Laird, could dramatically strengthen your hand in instituting fundamental reforms.

I believe the committee I am proposing should review the Department of Defense with three goals in mind:

To promote the combat effectiveness and coordination of U.S. forces;

To ensure that our defense dollars are spent in the most economical and efficient manner; and

To ensure coherent overall direction of defense policy that is responsive to civilian control.

In my view, the specific agenda items the committee should review include:

1. Improvements in the effectiveness of the acquisition process—

Strengthening the testing process;

Improving the experience and training of the acquisition workforce;

Encouraging greater contractor investment and productivity;

Reducing cost growth;

Improving the accuracy of cost estimates;

Ensuring that contract payment procedures and financing policies are appropriate; and

More closely linking contractor risk to profit levels.

2. Improvements in interservice cooperation—

Strengthening the role of the Chief of the Joint Chiefs of Staff and making that organization better able to provide advice and coordinate interservice programs and strategies;

Strengthening the role of the unified and specified commanders-in-chief in the budget process; and

Encouraging greater standardization of procurement policies and procedures among the services.

3. Improvements in the effectiveness, efficiency, organization, and management of the Department of Defense—

Review of the interrelationship and operations of the defense agencies, the military services, and the Joint Chiefs of Staff particularly as they affect the Department's mission, performance, decision-making process, the Department's command and control functions and its relations to other departments and agencies.

Opportunities to reduce costs by eliminating unnecessary or duplicative staffs among the services and between them and the Office of the Secretary; and

Potential means of increasing accountability for performance among defense agencies.

4. The effectiveness of the defense research and development efforts from the standpoints of mission fulfillment, cost, organization, and interrelation with the scientific and industrial community.

I believe your support of such a panel would be essential. I stand ready to assist you in this effort in any way that I can and hope that you will give this proposal serious consideration.

Sincerely,

William V. Roth, Jr.,
Chairman

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ROTH. I yield.

Mr. GOLDWATER. Mr. President, my colleague, Senator DeConcini, is unavoidably detained, but I have studied his amendment, and we are willing to take his amendment as an amendment to Senator Roth's amendment and accept both, without any other process.

Mr. ROTH. Mr. President, on behalf of the Senator from Arizona, I will send his amendment to the desk, which I accept as part of my proposed amendment.

Mr. GOLDWATER. I thank the Senator. Both will be accepted.

The PRESIDING OFFICER. The amendment is modified, as requested.

The modified amendment is as follows:

On the first page, beginning on line 7, strike out "review" and all that follows through "procurement" on line 8 and insert in lieu thereof "make a comprehensive study and review of those reports, studies, and analyses on defense procurement which it considers appropriate".

On the first page, line 9, insert "eliminate, waste, fraud, and abusive practices in, and to" before "improve".

On the first page, line 10, insert a comma after "of".

On page 2, strike out lines 1 through 6, and insert in lieu thereof the following:

(2) The Commission shall be composed of 21 members as follows:

(A) Seven private citizens appointed by the President from among persons who are well qualified to serve as members of the Commission by reason of their education, training, and experience and who are not employed by or otherwise connected with firms doing business with the Department of Defense.

(B) Three members appointed by the President from the defense industry.

(C) Three members appointed by the Secretary of Defense from the Department of Defense.

(D) Four members appointed by the President pro tempore of the Senate, two upon the recommendation of the majority leader and two upon the recommendation of the minority leader of the Senate.

(E) Four members appointed by the Speaker of the House of Representatives, two upon the recommendation of the majority leader of the House of Representatives and two upon recommendation of the minority leader of the House of Representatives.

(3) The President shall designate one member of the Commission appointed under paragraph (2)(A) to serve as Chairman of the Commission.

(4) Eleven members of the Commission shall constitute a quorum for the transaction of business, but the Commission may establish a lesser number as a quorum for the purpose of holding hearings, taking testimony, and receiving evidence. The Commission shall meet at the call of the Chairman.

(5) A vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(b)(1) All members of the Commission shall be appointed not later than 60 days after the date on which funds are made available for the operation of the Commission.

(2) The Commission shall hold its first meeting not later than 30 days after the date on which the last member is appointed to the Commission.

On page 2, line 7, strike out "(b)" and insert in lieu thereof "(c)".

On page 2, beginning on line 7, strike out "date" and all that follows through "'Act" on line 8, and insert in lieu thereof "first meeting of the Commission".

On page 2, line 9, insert "the Commission" before "shall".

On page 2, line 12, strike out "(c)" and insert in lieu thereof "(d)".

On page 2, line 15, strike out "(b)" and insert in lieu thereof "(c)".

On page 2, line 18, strike out "(d)" and insert in lieu thereof "(e)".

On page 2, line 21, strike out "(b)" and insert in lieu thereof "(c)".

On page 2, after line 24, add the following:

(f)(1) The Commission may (without regard to section 5311(b) of title 5, United States Code) appoint an executive director, who shall be paid at a rate not to exceed the rate of basic pay payable for level IV of the Executive Schedule.

(2) The Commission may appoint such additional staff as it considers appropriate, subject to the availability of appropriations. No such personnel shall be paid at a rate in excess of the rate of basic pay payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(3) The executive director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the executive branch and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(4) The Commission may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

(g)(1) Members of the Commission appointed from private life may each be paid at a rate equal to the daily equivalent of the rate of basic pay payable for level IV of the Executive Schedule for each day (including traveltime) during which they are engaged in the actual performance of the business of the Commission. Other members of the Commission shall receive no additional pay by reason of their service on the Commission.

(2) All members of the Commission shall be reimbursed for travel, as authorized by section 5703 of title 5, United States Code, subsistence, and other necessary expenses incurred in the performance of the duties of the Commission.

(h)(1) The Commission or, on the authorization of the Commission, any subcommittee thereof or any member authorized by the Commission may, for the purpose of carrying out its functions hold such hearings as may be required for the performance of its functions.

(2) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances of witnesses so summoned under authority conferred by this section shall be paid from funds appropriated to the Commission.

(3) The Commission is authorized to secure directly from any officer, department, agency, establishment, or instrumentality of the Government such information, suggestions, estimates, and statistics as the Commission may require for the purpose of this section, and each such officer, department, agency, establishment, or instrumen-

tality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the chairman.

(4) Upon request of the Commission, the head of any Federal agency is authorized to make any of the facilities and services of such agency available to the Commission or to detail any of the personnel of such agency to the Commission, on a reimbursable basis, to assist the Commission in carrying out its duties under this section unless the head of such agency determines that urgent, overriding reasons will not permit the agency to make such facilities, services, or personnel available to the Commission and so notifies the chairman in writing.

(5) No officer or agency of the United States shall require the Commission to submit any report, recommendation, or other matter to any such officer or agency for approval, comment, or review before submitting such report, recommendation, or other matter to the Congress and the President.

(i) Fifteen days after the date the reports required by subsections (d) and (e) are transmitted to the Congress, the Commission shall cease to exist.

(j) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

Mr. ROTH. Mr. President, if I understand correctly, the chairman is willing to accept the Roth-DeConcini amendment.

Mr. GOLDWATER. That is correct.

The junior Senator from Arizona is in the Chamber now.

Mr. ROTH. I yield to the Senator from Arizona.

Mr. DeCONCINI. Mr. President, I regret being a little late. I know that the distinguished chairman would like to finish sometime tonight or tomorrow.

I thank the distinguished Senator from Delaware for offering this amendment. Senator ROTH has worked long for the establishment of a bipartisan commission in the hearings he has held in the Governmental Affairs Committee. He has brought to the attention of this body and to the public the need for something to be done now.

My amendment, which is a perfecting amendment, would make some changes that I have already discussed with the Senator from Delaware, and I should like to describe the structure and powers of the commission.

Mr. President, I thank the distinguished Senator from Delaware for offering his amendment. Senator ROTH and I have worked closely together to establish a bipartisan commission to study the issues involved in defense procurement. The perfecting amendment that I am offering describes in detail the structure and powers of the commission. The commission would be composed of 21 members and would be required to report its recommendations to the Congress and the President not later than 180 days after its first meeting. Of the 21 members of the commission, 7 would be appointed by the President as independent and well-qualified experts on the subject of contracting with the Defense Department. Three members would be appointed by the President to represent the interests of defense contractors. An additional three members would be appointed from the Defense Department by the Secretary of Defense. The remaining eight commissioners would be Members of Congress, four appointed by the President pro tempore of the Senate based on recommendations by the majority and minority leaders, and four appointed by the Speaker of the House of Representatives, also on the recommendation of the majority and minority leaders.

The commission will be tasked with making a comprehensive study and investigation of all aspects of waste, fraud, and abuse within the Defense Department procurement system, including issues such as overbilling by defense contractors, cost overruns, poor quality control practices, and excessive costs for spare parts. In other words, the commission is designed to take an objective look at the problems of waste and quality control in the Department of Defense procurement system that we have been reading about every day in virtually every major newspaper in the United States, and to make recommendations on how to eliminate existing abuses and to improve the management and organization of the defense procurement system.

I think all of these would make some improvement, but indeed there is some reluctance sometimes of knowing whether or not they are going to work.

I see no reason to review in detail all of the problems that we have gone through and heard from over the last few days. They have already been discussed in detail during debate on this bill. We all agree that there are major problems with virtually every component of the defense procurement system, and we all agree that it is past time for these problems to be resolved. Piecemeal approaches have proved to be inefficient and ineffective. What we need is a comprehensive and independent investigation of the procurement process. That is what this commission is all about.

Mr. President, all of us appreciate the work that the Armed Services Committee has done in trying to deal with the now well publicized issues in the defense procurement process. The efforts of Senators PRYOR and GRASSLEY as well as others who have sought passage of other amendments designed to rectify these costly problems are also seeking to accomplish a very worthy goal. A huge body of data on the problems with the defense procurement system has already been developed. The Armed Services Committee has held hearings, and they have delved into it in great length. However, I believe a more comprehensive and independent overview of the procurement process which can draw upon this data is essential to get a handle on the problems involved. And if we do not have a comprehensive treatment of this problem, we will continue to face this time and time again.

Frankly, I believe that our last hope for getting a handle on the massive problems of waste, fraud and abuse in the Defense Department's procurement system is through the recommendations of this bipartisan commission.

Our procurement problems go beyond the issue of dollars and cents. Mismanagement, cost-overruns, and shoddy workmanship reduce our ability to secure the Nation's defense.

The precedent for utilizing high-level commissions to explore complex and important national problems has been well established in the last 4 years. The Scowcroft Commission on Strategic Forces, the Kissinger Commission on Central America, and Social Security Commission have all played critical roles in analyzing and putting forth options for the deliberation of both Congress and the President. I strongly believe that the use of a bipartisan commission such as the one which we are proposing today is the only means to put to rest the issue of waste, fraud, and abuse in the Defense Department.

So I thank the Senator from Delaware, Senator ROTH, with whom I worked closely, and his staff at the time, as well as my staff, Jane Green and Mary Hawkins.

Mr. President, Senator ROTH and I have worked very closely together to construct this commission. I urge my colleagues to support us in this bipartisan effort to reach useful and definitive options to deal with these broadly discussed problems. I urge the adoption of the amendment.

Mr. ROTH. Mr. President, as I indicated, I am happy to accept the amendment of the distinguished junior Senator from Arizona.

I myself appreciate working with him in this most important matter. I think his proposal will help strengthen the commission.

I say to the chairman I think we are ready for the vote.

Mr. GOLDWATER. I believe Senator QUAYLE has a question.

Mr. QUAYLE. Mr. President, I rise in support of this amendment, and I wish to offer my sincere congratulations to both the authors of this, the Senator from Delaware and the Senator from Arizona.

I think the Senator from Delaware put his finger on it during his statement, and that is that what we really need to do is to build this consensus. We have to establish a consensus on

where we are going to go in defense procurement and try to get an enhancement of management and efficiency.

There has been a lot of publicity about some of the inefficiencies. We have to get into this and we what we can do to improve the system.

When this blue ribbon commission was discussed, I was one of those who was a little bit reluctant to say here we go again on another commission. I think the amendment of the Senator from Delaware is timely.

Looking at it on reflection, we have not had a very real serious attempt of looking at defense procurement by itself since 1972 when we had the commission on Government procurement that came forth back in 1972. That was about 13 years ago.

A lot of things have happened since then. I think we will find out that a lot of issues that were discussed back in the 1972 commission are applicable today and we will find many of the same things.

But I do believe it is a timely amendment, one that I support. I think that the membership is balanced on our defense subcommittee of acquisition and policy.

I look forward to continuing in this area to working with the chairman of the Governmental Affairs Committee and both Senators from Arizona, and anyone else who is interested in this issue.

I think it is of vital importance that we do get this consensus, the consensus of Congress with the executive branch, with the defense contractors, and also with the taxpayers, and I think that is the point that I wish to stress and to go on record in congratulating the Senator from Delaware for a thoughtful and timely amendment.

I think the time is right now to get on with this, and I think that his approach is one that is balanced. I look forward in my capacity as the chairman of that subcommittee to continue working with him and others on this issue.

Mr. GOLDWATER. Mr. President, the minority side has already indicated that this amendment, as amended, is acceptable. It is certainly acceptable to the majority side.

So we accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment, as modified, is agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROTH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I yield to the majority leader.

Mr. DOLE. Mr. President, I indicate that we still are planning a lengthy evening. I also wish to inquire of the distinguished managers of the bill if there would be a possibility of a window between the hours of, say, 7 p.m. and 8:30 p.m., wherein we could assure Members there would be no votes during that period. We could be taking up amendments.

I indicate that the reason, there is a reception honoring our negotiators in Geneva, Ambassadors Kappelman, Tower, and Glickman, and many Senators, particularly those Senate observers and others, would very much wish to attend that function.

It is sort of a semiofficial function, and we hope that if that were to happen that there would not be any bells ringing in the Chamber. There may be bells ringing somewhere else.

Mr. GOLDWATER. Mr. President, I say to my leader I certainly do not want to stand in the way of anyone's social enjoyments, but it is my understanding we are back here to pass legislation, and while I have the greatest respect for the members of the team in Geneva I think it is more important for SAM NUNN to get his amendment up-or-down, and if someone wants to take a chance on sneaking out they might miss a vote. I have missed a few in my life and it has not hurt too much.

I would not want to declare a window. We have already had an hour's recess. I want to get this bill finished. Now, if the leader will tell me that he will stay as late as we have to tonight and as late as we have to tomorrow night and the next night, because I want to get this finished, I might reconsider my social unobjectivity.

Mr. DOLE. Mr. President, I say to the distinguished chairman of the committee I do my best work after midnight here, and I am perfectly prepared to.

Mr. GOLDWATER. So do I, but not standing up.

Mr. MATHIAS. Vote. [Laughter.]

Mr. DOLE. So I would just indicate for the record that we do want to finish this bill.

I also indicate that we are still negotiating on the MX. There has been nothing resolved. The President feels very strongly about this.

There was a rather extensive speech made at 4 p.m.

But it is still our hope that we can resolve a minor difference that remains in that effort.

The MX is pending. I guess the Dodd amendment is pending.

There are a number of Members on our side who wish to speak in opposition to the Nunn amendment. I am certain that would take several hours, probably more than the window we are talking about, and of those Members, one Member is present and there are other Members in the group. I think thare are eight or nine who feel that the Nunn amendment should not be accepted. So there are a number of speakers.

It is our hope that we can still work out some agreement on that amendment, pass it yet tonight, and go on to chemical weapons, and there apparently could be a 2-hour time limit on this in the works.

Mr. GOLDWATER. We have already worked something out.

Mr. President, I would not agree to any recess for that window.

Mr. DOLE. I am not talking about a recess.

Mr. GOLDWATER. But I can promise my leader that during the period of—7:30 to 8:30?

Mr. DOLE. Seven to 8:30.

Mr. GOLDWATER. Seven to 8:30, I will use whatever powers I have to keep votes from occurring.

Mr. DOLE. We will assist the Senator in that.

Mr. GOLDWATER. I figured the majority leader would.

Mr. DeCONCINI. Mr. President, will the distinguished chairman yield?

Mr. GOLDWATER. Yes.

Mr. DeCONCINI. I appreciate the chairman's willingness to accommodate someone's social activities. I just wanted everybody to know that my mother is going to be here and I hope the good majority leader would help me so that I may have a couple of hours off while I take her to dinner one of these nights.

Mr. DOLE. If we could work it out. This involves about 15 of our colleagues on both sides. If the Senator has a big enough dinner and invites us all, I think we can work something out.

Mr. BYRD. Will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield to the minority leader.

Mr. BYRD. I do not want to see the majority leader take all the heat here. I have no doubt that Mr. GOLDWATER could apply plenty of heat to both of us.

But there are Members on both sides of the aisle who are involved in this buffet dinner tonight which is being given by the distinguished Senator from Alaska [Mr. STEVENS] for our negotiators. There are Members on this side and Members on the other side.

I wish to express my appreciation to Mr. GOLDWATER for his willingness to accommodate these Members. I think it should be said for the record it is not just Members on that side of the aisle. It is Members on this side of the aisle, including the one now speaking, who, in this instance, would like to see a window. I am not one who usually engages in many social activities or parties, but this is one I feel obligated to attend. I thank the Senator.

Mr. WARNER. Mr. President, while we have the attention of our two distinguished leaders, I know the Senator from Arkansas and myself and the Senator from Colorado have come to a conclusion that we can package the chemical issue in an approximate period of 2 hours. If the Senator could give us some indication as to when that might occur, it would be most helpful. Ambassador Stoessel is here, and Ambassador Fields and others, who are willing to have consultations with Members who might seek their views.

It seems to me there are two options. One is that we embark on the MX at about 8:30, at the conclusion of the window. That could well take a period of perhaps 1½ or 2 hours, in my judgment, based on what I have learned thus far. The chemical amendment could follow or it could be laid down as the first order of business in the morning.

Mr. DOLE. Mr. President, I wonder if it would be possible and satisfactory to the Senator from Georgia, because I know he wants to complete his amendment or at least get on it tonight, one way or the other, if we might lay down the chemical weapons amendment now, or between now and 6:30, and that debate could be ongoing while those who needed to be absent were absent and we could vote on that when we returned, and then be back on the MX?

Mr. NUNN. As long as there is a time agreement on the chemical amendment.

Mr. DOLE. I understand there would be 2 hours.

Mr. PRYOR. I have talked with the distinguished Senator from Virginia and the minority leader and the Senator from Colorado, Senator HART, and others.

Mr. WARNER. Mr. President, I might also mention, if the Senator will yield, that the Senator from Ohio is interested in this.

Mr. PRYOR. Yes, and Senator GLENN.

We have had a discussion on this, and I think it is a general conclusion that if we had 2 hours, equally divided, then we could dispose of the chemical warfare amendment at the end of the 2 hours.

Mr. WARNER. Mr. President, in discussing this, if the managers indicated there would not be any window opening much before 6:30, I am fearful some of the participants will have attended other matters. Therefore, it would be my judgment that the earliest we could get on the chemical would be about 7 o'clock.

Mr. PRYOR. Mr. President, this Senator would prefer, if we are going to do it tonight, to move on it at 6:30.

Mr. GOLDWATER. That is perfectly all right.

Mr. PRYOR. I wonder, by the way, if Senator STEVENS has a squawkbox in his house. We want all of them to hear our arguments, pro and con, on this amendment.

Mr. NUNN. I suspect that there will be more debate on the MX out there than there is on the chemical amendment here.

Mr. DOLE. I am prepared, if there is no objection, to ask unanimous consent that the Pryor amendment be made the pending business at 6:30; that there be 2 hours, equally divided, with the time to be under the control of the author of the amendment and the manager of the bill on this side. The vote would not come until 8:30.

Mr. WARNER. Mr. President, after consulting with the Senator from Arkansas, this is a very controversial issue, the binary system—and how well we remember the closeness of these votes—I think there are a number of Members of the Senate who would like to either participate or be in a position to listen to this debate. I do not think we do justice to the seriousness of this subject if we were to schedule it at a period when we all recognize now there is going to be a window and Senators most likely would be attending to matters other than the floor debate.

I am sorry to be disruptive on that, but I feel strongly on this issue, and I think the Senator from Arkansas shares that view.

Mr. PRYOR. I do share the view that it is a very serious and emotional issue. But I do not know how many new arguments are going to be made tonight that most of the Members of this body have not heard previously in previous debate.

So if the Senator from Virginia wants to go forward at 6:30 and vote at 8:30, the Senator from Arkansas would be very pleased to do so. Otherwise, I will do it in the morning.

Mr. WARNER. The preference of this Senator would be to lay it down in the morning as the first order of business.

Mr. DOLE. Mr. President, if we are going to lay everything down in the morning, we are going to be laying it down Friday morning and Saturday morning—I guess not Saturday morning.

I do not know of any new arguments. There may be some new arguments. Senators will be listening. They can listen in their offices.

Mr. WARNER. If I might make a further suggestion, we can bring it up right at the conclusion of the MX, which, as I understand it, will start this evening. We can do it tonight.

Mr. WALLOP. If the majority leader will yield, I do not think there is going to be a conclusion of the MX this evening unless there is something worked out.

Mr. DOLE. I suggest we go from maybe 6:30 to 9 and then Members will be back and they will hear the resounding speeches in the final 30 minutes. I am certain that would have a big impact.

Mr. PRYOR. Stranger things have happened around here.

Mr. DOLE. Would there be any objection to my amending my unanimous-consent request making it 2½ hours, equally divided, and the vote to come not before 9 p.m.?

Mr. NUNN. Would the Senator include in his request that the Nunn amendment be temporarily laid aside so it is clear that it will be the pending business?

Mr. DOLE. Yes, both the Dodd and the Nunn amendments will be temporarily laid aside.

Mr. PRYOR. The amendment that I with other of my colleagues intend to offer is simply a striking amendment, to strike roughly $160 million out of the nerve gas production. So it is a simple striking amendment eliminating dollars, for the Senator's information.

Mr. DOLE. I am advised by the distinguished Senator from Virginia that he knows of no amendment to the striking amendment.

Mr. WARNER. Mr. President, I do not presume to be the manager of this particular amendment. I will take an active role in it, but there are many who are interested in it. I am concerned that there may not be some available until about 7 o'clock. I would petition the leadership again to amend this from 6:30 to 7 as the starting time. Then I am comfortable that I will have the opportunity to notify others who are interested in this amendment to be present.

Mr. WALLOP. Mr. President, if I may respond, if it is—and I have no reason not to believe that it would be otherwise—simply a striking amendment, I withdraw my objection.

Mr. PRYOR. I thank the Senator.

Mr. NUNN. Mr. President, who has the floor?

The PRESIDING OFFICER. The majority leader has the floor.

Mr. NUNN. Will the majority leader yield for a question?

Mr. DOLE. Yes.

Mr. NUNN. In trying to plan the schedule, I think the Senator from Wyoming said something that may be very important to all of us here. He said that if there is not an agreement on the MX there would not be a vote on the MX tonight. Certainly, the Senator has that right. The amendment will be pending following the disposition of the chemical amendment. It is a debatable amendment, as well it should be. So if that is the case, then I think we all have to reexamine our options. I know the Senator from Arizona would probably be reluctant to debate the MX all night. But we may. I am perfectly willing to stay here and debate the MX all night. Whatever the outcome of the Pryor amendment, it looks like we are being told that we are going to have an extended debate on the MX. I think that puts a different light on all of the amendments, the time agreement, and so forth.

From my perspective, if we are going to have an amendment that is germane to the bill—that is an important element of our national security, and that is going to be in effect subject to extended debate—then I would want to consult with my colleagues on this side of the aisle about any timeframe because what the Senator from Wyoming is in effect saying is either agree with the White House on the MX or you will not get a vote. That is fine. That is fine with me. That is the privilege of the Senator from Wyoming. I want to let everybody know that we are going to be here for a long, long time because that amendment is not going to go away. We are going to have to deal with it. I am very reluctant to start talking about time agreements on everbody else's amendment when I have been negotiating for approximately 18 hours in good faith on the MX but am told either agree or face extended debate, which again is the Senator's privilege.

I respect the rules of the Senate. I respect the Senator from Wyoming. But I do think that has a very strong bearing on what else I would be willing to either bring up or agree to, and maybe the Senator would like to clarify his position.

Mr. WALLOP. It is kind of the Senator from Georgia to allow me to speak for myself, and not he speak for me. That is not what I said. I did not say agree with the White House or else. I may not agree with the White House. I do not know what they are cooking up, but I have very strong feelings about the seriousness of the amendment the Senator from Georgia is offering as he correctly characterized it as a serious issue of national defense. It happens to be the position of the Senator from Wyoming that it is a terribly misguided amendment. I think that I share that with a few others here.

It is not a threat to do it forever. But it is a promise to do it thoroughly because I think that it is wrong for our country. I do not intend to be limited to 1½ hours suggested by somebody else on an issue as serious as that.

Mr. NUNN. I do not think anyone suggested a time limit on the MX. But the Senator said, if I heard him correctly, there will not be a vote tonight. That is a long time. That takes in a lot of hours.

I just want to be clear about where we are going because if we are not going to get a vote on the MX at some point during this deliberation, that affects the overall bill, I think, in a very important way.

The Senator from Wyoming is entirely correct. It is an important matter. The Senator has a right to be heard.

Mr. WALLOP. I say to the Senator from Georgia that I have control of speaking for myself.

Mr. NUNN. Correct.

Mr. WALLOP. I do not have control over all night.

Mr. NUNN. All I heard the Senator say is there will not be a vote on the MX tonight. Maybe the clerk's record will reflect that. That is what the Senator said.

Mr. WALLOP. The Senator from Wyoming said there may not be a vote tonight. I have no idea. Again, I cannot speak for colleagues.

Mr. NUNN. The record will reflect. But I heard "will," If it is "may," then we have another window here.

Mr. GOLDWATER. Will the Senator yield?

Mr. DOLE. I am happy to yield.

Mr. GOLDWATER. Mr. President, as far as the chairman of the Armed Services Committee is concerned, I think that the Senator from Georgia has spent nearly 20 hours in consultation with people who feel that there should be another approach to this. I frankly think we are ready to listen to the arguments of the Senator from Georgia. I think we can vote tonight. I think between now, midnight or later, we have plenty of time to listen to his discussion and then vote. I think we can also accommodate the discussion on chemical warfare. I have indicated my willingness to allow people to go someplace and eat. We are going to try to protect them. But let us not disrupt this whole process because of a cocktail party.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I still hope we can get an agreement. I do not know if you can characterize what we are doing anyway you wish. That seems to be everybody's prerogative. That is not the purpose of the request that we have from 7 to 8:30 but it is my understanding that there has been the 2-hour agreement reached on binary weapons. I thought we might as well get it out of the way. We are still negotiating on the MX. It may not satisfy every Senator, but it may satisfy 85 Senators. That is my hope in any event. So I renew my request. We believe we have made good progress on this legislation. This is a big amendment. If we can dispose of the chemical weapons amendment, then you have the MX. You are getting down to where you can count the big ones on one hand. If there is some disposition to conclude action on this bill tomorrow night or Friday evening, then I hope that we can proceed starting at 6:30 until 9 o'clock, the time equally divided on the Pryor amendment, which is the motion to strike figures from the bill, but no amendments or no motions in order on that amendment.

Mr. PRYOR. Would a motion to table not be preferred by your side?

Mr. DOLE. It is up to the manager of the bill.

Mr. BYRD. Mr. President, reserving the right to object, first, I want to thank the distinguished majority leader for doing what he said he was trying to do earlier today; that is, to set out a window for the convenience of some Senators who have the commitment.

I reserve the right to object, and ask only that the distinguished majority leader ask that in view of the fact that if this is a motion to strike that no amendment would be offered to the language proposed to be stricken, and that no motion to recommit would be in order. That is satisfactory with me.

I do that only to protect all Senators from the offering of an amendment when the last minute is taken by the clock. Nobody can come in with an amendment to the underlying language regardless of how far-reaching it might be or irrelevant or nongermane and get a vote on that amendment without debate.

The PRESIDING OFFICER (Mr. DENTON). Is there objection?

Mr. DOLE. Mr. President, I have cleared the additional request with the distinguished manager of the bill. The chairman of the committee has no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I thank the distinguished minority leader, the distinguished Senator from Arkansas and the Senator from Virginia. We will proceed to that amendment at 6:30 and not vote until 9 o'clock. That will protect whoever needs to be notified.

I thank the distinguished chairman.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The President pro tempore is recognized.

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. There is an amendment pending which must be set aside.

Mr. THURMOND. Mr. President, I ask unanimous consent that the amendment of the Senator from Colorado and the amendment of the Senator from Georgia [Mr. NUNN] be set aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 191

(Purpose: To authorize the Secretaries of the military departments to enter into long-term contracts for certain purposes and under certain conditions.)

The PRESIDING OFFICER. The amendment of the Senator from South Carolina will be stated.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND] proposes an amendment numbered 191.

On page 163, between lines 2 and 3 insert the following new section:

"TEST OF LONG-TERM FACILITIES CONTRACTS

"SEC. —. (a)(1) The Secretary concerned may enter into contracts for the construction, management, and operation of facilities on or near a military installation in the United States for the provision of child care services, industrial waste water treatment or depot supply activities in cases where the Secretary concerned determines that the facilities can be more efficiently and more economically provided under a long-term contract than by other appropriate means.

"(2) Each contract entered into under subsection (a) shall be awarded through the use of competitive procedures as provided in chapter 137 of this title.

"(3) A contract under this section may be for any period not in excess of 20 years, excluding the period for construction. A contract under this section shall include a provision that the obligation of the United States to make payments under the contract in any fiscal year is subject to the availability of

"(4) A contract may not be entered into under this section until—

"(A) the Secretary concerned submits to the appropriate committees of the Congress, in writing, a justification of the need for the facility for which the contract is to be awarded and an economic analysis (based upon accepted life cycle costing procedures) which demonstrates that the proposed contract is cost effective when compared with alternative means of furnishing the same facility; and

"(B) a period of 21 calendar days has expired following the date on which the justification and the economic analysis are received by the committees.

"(b) Each Secretary concerned may enter into not more than five contracts under the authority of subsection (a) of this section, other than contracts for child care centers.

"(c) The authority to enter into contracts under this section shall expire on September 30, 1987, but shall not affect the validity of any contract entered into under the authority of this section prior to that date."

Mr. THURMOND. Mr. President, I rise to offer an amendment which will allow the concerned service Secretary to enter into long-term agreements with private sector contractors for the construction and operation of facilities on or near military bases under a pilot program.

Long-term authority is needed to stimulate private sector investment in these facilities which can often be provided by the private sector at great savings to the Government.

This authority was requested by the administration, but it was not supported in committee because of our concern that the authority would be used, and possibly abused, without congressional oversight. This amendment addresses the committee's concern by requiring an economic analysis and justification to the Congress whenever it is used. Similar legislation already gives the Secretary this authority for family housing and utility plants. The committee deleted several projects, such as child care centers, from this bill and directed that the Department seek third-party financing. The legislation is needed to provide the Department the necessary authority.

I urge that this amendment be accepted. With oversight provisions included, there is very little risk involved and a great deal to be gained.

In brief, Mr. President, the amendment does this:

It allows DOD to contract for facilities on a lease of not more than 20 years for a 2-year pilot program of no more than five contracts per service.

It allows for private investment and construction of necessary facilities where cost effective and justified.

It supports committee direction on approach to providing waste water treatment plants, supply depot activities, and child care centers.

It allows congressional oversight by 21-day notice and wait provision to House and Senate Committees on Armed Services.

It allows rapid acquisition by leasing from private enterprise.

The leasing will be subject to annual appropriations of Congress.

The approach is similar to other lease arrangements.

The Department of Defense supports this provision as drafted. It is supported by the administration. It is supported by the Senate Committee on Armed Services now. I understand that it is acceptable to both sides and to the distinguished Senator from New Mexico [Mr. BINGAMAN], who is the ranking member on the Military Construction Subcommittee. He and I have been working together. We feel that we now have made changes that will meet his objections and other objections we have received. I hope that the Senate will promptly adopt this amendment.

Mr. BINGAMAN. Mr. President, I ask the senior Senator from South Carolina if he will yield for a question on the amendment?

Mr. THURMOND. Mr. President, I shall be very pleased to yield.

Mr. BINGAMAN. The question concerns the first two or three lines of the amendment which allows the concerned Secretary authority to enter into contracts for the construction, management, and operation of facilities.

It is my understanding, and maybe the Senator from South Carolina can clarify this, that the intent here is that each contract which might be entered into would be for all three of those activities—that is, construction, management, and operation—and we would not be authorizing the Secretary to enter into contracts merely for the operation of a facility or some other particular aspect of it.

Mr. THURMOND. Mr. President, in response to the able Senator from New Mexico, I say that that is the intent of the provision.

Mr. BINGAMAN. Mr. President, I thank the senior Senator from South Carolina. With that clarification, I shall not object to the amendment as offered.

Mr. THURMOND. Mr. President, I move the amendment be adopted.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 191) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1195—TO REQUIRE INCLUSION OF PHOTOGRAPH AND BIOGRAPHY OF MISSING CHILDREN ON GOVERNMENT MAILINGS

Mr. METZENBAUM. Mr. President, I am today introducting, along with Senators ROTH, EAGLETON, SPECTER, SIMON, MCCONNELL, BUMPERS, DENTON, BIDEN, HELMS, GORE, HATCH, and FORD, legislation to authorize the printing of pictures and biographies of missing children on Government mailings.

I can think of nothing more devastating than the disappearance from home of a young child.

Yet this is something that happens in our country—and happens with frightening regularity.

According to the National Center for missing and exploited children, at least 1,500,000 children are missing from their homes each year.

Of these, approximately 1 million are runaways and "throwaways."

The children come from small towns in rural America and from our largest cities. They come from all racial and ethnic backgrounds. They've grown up in upper class neighborhoods, in the suburbs, and in the inner cities.

And no matter how the disappearance occurs, the impact on the child's family is devastating.

Another large group of children—numbering perhaps in the hundreds of thousands—are taken away by noncustodial parents.

And finally, it is estimated by the national center that between 20,000 and 50,000 children are taken each year by strangers, never to be seen again by their parents.

But we are not defenseless.

States and localities are fighting back:

In some areas, local authorities are automating their missing person files and fingerprinting and videotaping children.

In New York, the thruway authority has begun distributing pictures of missing children with their toll tickets. And soon its 27 service areas will display posters of missing children.

Private companies are also contributing to this effort:

Dairies are printing faces of missing children on milk containers;

Grocery bags bear their likenesses;

Utility companies are including such pictures and biographies on monthly bills;

Faces of missing children are flashed 32 times a day on the electronic Times Square billboard.

Mr. President, these efforts are working.

After NBC aired pictures of 51 missing children, 11 were found.

In California a picture on a milk carton brought home a runaway girl.

Since these efforts began, telephone calls to the National Center for Missing and Exploited Children have more than doubled.

Mr. President, these public-spirited companies have done a real service. They have raised our consciousness about a tragedy that has for too long been ignored.

The bill I am introducing today would require 50 percent of all Federal agency mail and 75 percent of all congressional mail to include a picture and biography of a missing child. It does not provide any additional money for such activity because there is little if any expense involved.

According to the Government Printing Office the cost of adding a picture to the front of an envelope will be between $4 and $5 dollars for every printing run made. That means that if an agency prints 500 or 5,000 or 50,000 envelopes the total additional cost would be no more than $5. Alternatively, it is possible to enclose a card containing the required information, or to print the information on the face of a document already being copied in quantities. In no case would the costs be substantial.

Mr. President, if this measure returns only one child it will be worth the effort. But I believe that it will return many more than that. And it will certainly increase the awareness of Americans of a tragic and heartrending national problem.

Mr. President, I ask unanimous consent that a copy of our bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) effective 90 days after the date of enactment of this Act—

(A) 75 per centum of the official mail transmitted by the Senate and the House of Representatives; and

(B) 50 per centum of the official mail transmitted by any agency, department, or bureau of the United States

shall contain a photograph and appropriate biographical information of a missing child.

(2) The Secretary of the Senate, the Clerk of the House of Representatives, and the head of each agency, department, or bureau of the United States shall take such actions as are necessary to implement the provisions of this Act.

(b) For purposes of this Act, the term "missing child" shall have the meaning given such term in section 403(1) of title IV of the Juvenile Justice and Delinquency Prevention Act of 1974, as added by section 660 of Public Law 98-473.

(c) The costs of implementing this Act shall be paid out of existing appropriations available for administrative expenses.

Mr. METZENBAUM. Mr. President, if the majority leader has no problem with it—and I do not think he does, because I believe it has been cleared—I ask unanimous consent that the bill be placed on the calendar at this point.

Mr. DOLE. Mr. President, reserving the right to object—and I shall not object—I had a conversation with the distinguished Senator from Ohio earlier today. I think this is an excellent idea, and I will support an early effort to remove it from the calendar, pass it, and send it to the House tomorrow morning or even later this evening.

Mr. METZENBAUM. I appreciate very much the cooperation of the majority leader.

Saturday is Missing Children's Day. I have been in touch with the leadership of the House, and there is a chance that it will be passed there. But I hope we can pass it tonight or tomorrow morning in the Senate.

Mr. DOLE. Mr. President, I say to the distingusished Senator from Ohio that if there is an opportunity to do it this evening, we will. I will have to check all the procedural factors.

Mr. METZENBAUM. The Senator from Ohio is prepared. He just wants to be certain that Senator ROTH, who is a cosponsor, or anyone else who is interested in the bill and wants to be present has an opportunity to do so.

Mr. DOLE. I understand that, and I would certainly clear it with Senator ROTH and others.

Saturday is Missing Children's Day. It is being recognized in many States, including Kansas, Delaware, Ohio, and probably every other State. In my view, this would be an appropriate indication not only of our interest but also actually doing something very constructive.

Mr. METZENBAUM. I am very grateful for the support and assistance of the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later the following occurred:)

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Mr. President, I rise for a unanimous-consent request.

Mr. GOLDWATER. Mr. President, I yield 2 minutes to my friend from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I am about to make a unanimous-consent request that has been cleared by the majority leader, minority leader, ranking member of the appropriate committee, and the chairman of the committee having jurisdiction.

MISSING CHILDREN LOCATION ACT

Mr. President, I ask unanimous consent that the pending measure be set aside for a period not in excess of 2 minutes, that it retain its place on the calendar as if there has been no intervening business, and that Senate bill 1195, the Missing Children Location Act, be called up for immediate consideration.

Mr. GLENN. Mr. President, reserving the right to object, and I will not object. Could we also include in that unanimous-consent request that it does not detract from the time on the current debate, which is under a time limitation.

Mr. METZENBAUM. Mr. President, I add that to the request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

A bill (S. 1195) to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child.

The Senate proceeded to consider the bill.

Mr. ROTH. Mr. President, I am cer- representing businesses that had sig- eventual safe return of that child to

Mr. ROTH. Mr. President, I am certain that every one of my colleagues is aware of the grave situation concerning missing children in this country. We have all heard far too many tragic accounts of youngsters who were last seen walking home from school or playing in a neighborhood park, only to vanish without a trace.

I can think of few experiences worse than that of a parent who must face the trauma of a missing child. For those parents whose children have been missing for days, weeks, and sometimes even years, there is an added burden. On top of the anger and grief, there is also the feeling of tremendous frustration—the realization that despite the aid of the authorities, their child is still missing.

It is from those feelings of frustration that numerous individuals and groups have directed their efforts to locating missing children. Recently, these efforts have evolved into a nationwide campaign to locate these children, and to educate the public about this serious situation. Many business and community organizations provide information on how to safeguard children from strangers, and it is now common to see the faces and histories of missing children on the backs of milk cartons.

Mr. President, this bill provides another method for educating many more of us to the plight of missing children. It designates that certain portions of material mailed by Members of both the Senate and House and the executive branch agencies contain the photographs and biographies of missing children. In this way, Government joins forces with the many private groups and individuals who are directing their efforts to locate missing children.

It is critically important that every possible means be used to locate the thousands of children missing in this country today. We all share a responsibility to make people aware of this agonizing problem.

Mrs. HAWKINS. Mr. President, I am delighted to join my distinguished colleague from the State of Ohio, Mr. METZENBAUM, in cosponsoring this legislation.

Earlier today I submitted a rather lengthy list of businesses and corporations who had made a significant contribution to improve or search for missing children. These businesses are just a representative sample of the hundreds of organizations that have given of their time, talent, and resources to help locate missing children.

Tomorrow I will chair a hearing in my Subcommittee on Children, Family, Drugs and Alcoholism to review the progress that has been made in the search for missing children since my original hearing 3½ years ago. I wanted to have a panel representing businesses that had significantly contributed their time, talent, and resources to help find missing children. I asked my staff to compile a list of those organizations, and I was not only amazed at the length of the list, but at the innovative methods that these businesses and organizations were going to spread the message about missing children and the great extent of their contribution. Since I couldn't invite every organization to testify, I decided that we should celebrate Missing Children Day this year by honoring the businesses, corporations, and organizations that have made that significant contribution.

We even had to move the site for our breakfast, because the list of private and public organizations that have contributed significantly to the search for missing children kept on growing. Even so, I couldn't find a room in the Senate that was large enough to accommodate every business and organization that has joined us in our search for missing children. The list of participating dairies alone was in the hundreds. I had to limit the invitations to organizations that had made a significant, national contribution to the search for missing children.

You range from a restaurant in Troy, MI, whose proprietor raised $17,000 for the National Center out of gratitude for their help in the safe return of his daughter, Betsy, to corporations like Texize, Bekins Van Lines, and Commtron who have literally contributed hundreds of thousands of dollars to aid in the search for missing children.

I am amazed at the innovative ways in which I have seen pictures and posters of missing children displayed. They have been displayed on pizza boxes, milk cartons, inserts in direct mail advertising and utility bills. We in Congress should join our colleagues in the private sector in disseminating pictures of missing children. I believe that the legislation that Senator METZENBAUM is offering will be worthwhile. We have already seen the successes.

The success stories range from the runaway who returned home after seeing her picture on a pizza box. She said that seeing her picture made her realize how much her parents must love her to go to those kind of lengths to find her. Or the parental kidnaping victim who saw his picture displayed after the showing of "Adam" who called home to let his mother know we was alive and safe. His father had told him that his mother didn't want him. Or the Rhode Island State police who credit passage of the Missing Children Act and publicity about the national crime information computer in their successful utilization of the computer. They linked a car involved in an accident to its owner who had been a suspect in a child abduction and saw the eventual safe return of that child to his family. Or the ordinary citizen, who risked being labeled a "nosey neighbor" by persistently pursuing her suspicions about a young frightened child in the company of an elderly neighbor. Her suspicions were well founded, the child had been snatched from her parents in California so long ago that they couldn't positively identify her until after blood tests were performed.

It is through the efforts of private and public corporations that missing children are being located and returned to the safety of their homes. I urge my Senate colleagues to join me in supporting this legislation.

Mr. SPECTER. Mr. President, I commend my colleague from Ohio, Senator METZENBAUM, for introducing S. 1195, legislation to assist national efforts in locating missing children. This bill, which I cosponsor, requires that photographs and information on missing children be reproduced on 75 percent of all congressional mail and 50 percent of all Federal Government agency mail. This important action can be undertaking with existing appropriations—no additional Federal funding is required. This effort, when viewed in conjunction with the considerable initiatives shown by the private sector and the business community, will lend further support to the ongoing efforts to end the national tragedy and heartbreak of the disappearance of more than 1.5 million children each year.

This morning, the Senate Subcommittee on Juvenile Justice, which I chair, held another in a series of hearings on missing children. This hearing focused on private sector initiatives to assist in finding missing children, and the dangers of fraud and abuse in the burgeoning missing children's industry. Many corporations, such as Wawa Dairy Products and the Trailways Corp., have responded swiftly to address the plight of missing and abducted children.

This use of the Government mail will help focus nationwide attention on the tragic cases of missing children. I believe another extremely important step toward this goal would be an undertaking by the television networks to air pictures of missing children as part of their regular programming, and to help publicize the National Center's hotline and information services. The National Center for Missing and Exploited Children was established pursuant to the Missing Children's Assistance Act, which I introduced in the 98th Congress, and which President Reagan signed into law on October 12, 1984. Senator HEINZ and I have contacted our colleagues in the Senate, and asked them to join us in urging the major television networks to undertake these steps. Mr. President, I am pleased to report that 83 Members of the Senate, including Senator METZENBAUM, have joined Senator HEINZ and me as signatories to this letter, which was sent to the Nation's major broadcasting companies on May 20, 1985.

I have pledged, and will continue to pledge, my tireless efforts to end this heartbreaking situation, and the bill which I cosponsor today contributes further to these efforts.

The cosponsors of the amendment are: Mr. METZENBAUM, for himself, Mrs. HAWKINS, Mr. ROTH, Mr. DOLE, Mr. EAGLETON, Mr. SPECTER, Mr. SIMON, Mr. McCONNELL, Mr. BUMPERS, Mr. DENTON, Mr. BIDEN, Mr. HELMS, Mr. GORE, Mr. HATCH, Mr. FORD, Mr. MOYNIHAN, and Mr. BRADLEY.

Mr. METZENBAUM. Mr. President, I believe we are prepared to act on the bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1195) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, I want to express my appreciation to the chairman of the committee, my good friend, Senator GOLDWATER, and to the other Members who wish to speak on this very important subject who are on the floor at this time.

(Conclusion of later proceedings.)

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

The Senate continued with the consideration of the bill (S. 1160).

The PRESIDING OFFICER. Under the previous order, the Senate is advised that the Senator from Arkansas is to be recognized at 6:30 p.m., which is 1 minute off.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

It is my understanding that the distinguished Senator from Florida has an amendment that is going to be accepted or there is a possibility of being accepted, and at this point, Mr. President, I yield to the distinguished Senator from Florida.

AMENDMENT NO. 192

(Purpose: To amend title 10, United States Code, to require the Attorney General of the United States to conduct regular programs on military cooperation with civilian law enforcement officials)

Mrs. HAWKINS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Florida [Mrs. HAWKINS], for herself, Mr. HATCH and Mr. LUGAR proposes an amendment numbered 192.

Mrs. HAWKINS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following new section:

MILITARY COOPERATION INFORMATION PROGRAMS FOR CIVILIAN LAW ENFORCEMENT OFFICIALS

SEC. . (a) Section 373 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "The"; and

(2) by adding at the end thereof the following new subsections:

"(b)(1) At least once each year, the Attorney General of the United States, in consultation with the Secretary of Defense, shall conduct a briefing of law enforcement personnel of each State, including law enforcement personnel of the political subdivisions of each State, regarding information, training, technical assistance, and equipment and facilities available to civilian law enforcement personnel from the Department of Defense.

"(2) Each briefing conducted under paragraph (1) shall include—

"(A) an explanation of the procedures for civilian law enforcement officials—

"(i) to obtain information under section 371 of this title, use of equipment and facilities under section 372 of this title, and training and advice under subsection (a); and

"(ii) to obtain surplus military equipment;

"(B) the types of information, equipment and facilities, and training and advice available to civilian law enforcement officials from the Department of Defense; and

"(C) a current, comprehensive list of military equipment which is suitable for law enforcement purposes and is available to civilian law enforcement officials from the Department of Defense or is available as surplus property from the Administrator of General Services.

"(c) The Attorney General of the United States and the Administrator of General Services shall—

"(1) establish or designate an appropriate office or offices to maintain the list described in subsection (b)(2)(C) and to furnish information to civilian law enforcement officials on the availability of surplus military equipment; and

"(2) make available to civilian law enforcement personnel nationwide, tollfree telephone communication with such office or offices.".

(b) The amendments made by subsection (a) shall take effect January 1, 1986.

Mrs. HAWKINS. Mr. President, I wish to offer an amendment to the Department of Defense authorization legislation directing the Department of Justice to establish military cooperation information programs for civilian law enforcement officials.

Mr. President, the call for a war on drugs is not new. The drug fight has for years been couched in military terms. But the war was, for the most part, just rhetoric.

More recently, however, the proposal has been made that a real war be waged on drug smugglers—fought with military strategies, military precision, and utilizing military equipment.

In response to the pleas of the civilian law enforcement community, virtually overwhelmed by drug traffickers who were able to penetrate America's borders at will, the 97th Congress revived the 100-year-old posse comitatus statute to clarify the use of military equipment, personnel, and facilities under civilian supervision.

This insertion of massive military support has not stopped the flow of foreign-produced illicit drugs into our country. But we have made impressive progress toward establishing a foundation for a still greater drug enforcement effort in the next few years.

I have become aware, however, of a major stumbling block which remains in the way of fully implementing this program. Since the military has been freed to join the war against drugs, I have met with numerous State and local law enforcement officials to determine how they can best be assisted by the Department of Defense. Without exception, these brave men and women indicated a lack of knowledge about what kinds of help were available from the military.

They were aware that help could be obtained. They knew they had the ability to ask the military for help if they needed it. But they didn't know what kind of equipment, training or intelligence support was there for the asking. In fact, most of them didn't even know how to ask.

Mr. President, with the enactment of this amendment, the Department of Justice can provide that information.

My amendment calls for the Department of Justice to hold annual seminars for the benefit of State and local law enforcement officials. There, officials would learn of training, intelligence, and surplus equipment available from DOD and how to ask for them.

My amendment would require the Department of Justice to provide an up-to-date list of available surplus equipment and would establish a toll-free 800 number where State and local officials can call to find out about the equipment available.

The war on drugs is not new. When we came here in 1981 as a freshman class we were all able to amend the Posse Comitatus Act which allows the military to cooperate with local law enforcement. But as illegal drugs mount on our streets we all know this is an increasing problem and what I find traveling throughout the United States is that the local law enforcement agencies do not understand what the military can do; how they may do it, and what equipment is available. They absolutely have no idea how to get it, how to get training, how to get intelligence support, the very basics that we need to work with.

Gen. R. Dean Tice, commander of the DOD Task Force on Drug Control has indicated that in 1984, the military provided more than 100 million dollars' worth of support to local law enforcement agencies. They provided aircraft, night vision equipment, and communications gear. They also provided trainers and experts in logistics and command and control on a full and part-time basis.

I am sure my colleagues would agree that we have an impressive potential force. And it can be activated effectively. All we have to do is shepherd it along in the right direction. We need to make sure that everyone is talking to everyone else and that when they are, that everyone knows the right questions to ask.

We owe it to the brave men and women on the front line in our war on drugs to make sure they are as well equipped and well informed as possible. They deserve our total support. And with the establishment of military cooperation information programs for the civilian forces, we are indeed fulfilling our commitment.

I ask for the yeas and nays, but I first ask the manager of the bill if this has been accepted.

Mr. WILSON. Mr. President, the majority has no objection. We see Senator Hawkins' amendment as consistent with the efforts being made to integrate efforts on the part of the armed services with those of law enforcement agencies in the war against drug abuse. We have no objection.

Mr. BINGAMAN. Mr. President, the minority also has no objection, and we commend the Senator from Florida for offering this amendment.

Mrs. HAWKINS. I thank the majority and minority and especially the Senator from Arkansas who yielded his time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WILSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BINGAMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 193

(Purpose: To promote an international ban on the production and stockpiling of lethal binary chemical weapons)

Mr. PRYOR. Mr. President, at this time I have an amendment to send to the desk. Tonight I submit this amendment on behalf of myself, Senator Hart, Senator Simon, Senator Sarbanes, Senator Leahy, Senator Burdick, Senator Danforth, Senator Kennedy, Senator Kerry, Senator Mitchell, Senator Proxmire, and Senator Hatfield. I send the amendment to the desk at this time and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Arkansas [Mr. Pryor] for himself, Mr. Hart, Mr. Simon, Mr. Sarbanes, Mr. Leahy, Mr. Burdick, Mr. Danforth, Mr. Kennedy, Mr. Kerry, Mr. Mitchell, Mr. Proxmire, and Mr. Hatfield proposes an amendment numbered 193.

Mr. PRYOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the end of title IX of division A insert the following new section:
>
> LETHAL BINARY CHEMICAL WEAPONS
>
> Sec. . (a) The amount authorized by section 101(a) for procurement of ammunition for the Army is reduced by $163,000,000.
>
> (b)(1) Notwithstanding any other provision of this or any other Act, no department or agency of the Federal Government may obligate or expand any funds after the date of enactment of this Act for the procurement of lethal binary chemical munitions or retaliatory equipment relating to such munitions.
>
> (2) As used in paragraph (1), the term "lethal binary chemical munitions" shall have the same meaning as provided in section 818(b) of the Department of Defense Authorization Act, 1976 (Public Law 94-106; 50 U.S.C. 1519).
>
> (c) It is the sense of the Congress—
>
> (1) that the President should intensify ongoing efforts to achieve an agreement with the Government of the Union of Soviet Socialist Republics and the governments of other countries establishing a mutual and verifiable ban on the production and stockpiling of chemical weapons; and
>
> (2) that the Secretary of Defense should, on a priority basis, improve the capabilities of the Armed Forces to detect the use of chemical weapons and to protect members of the Armed Forces against the use of such weapons.

Mr. PRYOR. Mr. President, one of the prime coauthors of this amendment which is now before the Senate, I understand, is on his way to the Chamber, and when he comes, I will be glad to yield to Senator Hart, of Colorado, so that he may make an opening statement on this amendment. Until he arrives, I will proceed to attempt to detail exactly what the opponents of chemical weapons production will attempt to put before this body. There are 10 basic arguments that we will attempt to make here tonight.

The arguments in brief, detailed much later, will attempt to show the Senate that first, the current stockpile of chemical weapons is sufficient to deter a Soviet chemical weapons attack.

Second, the opponents of resuming nerve gas production by our country will attempt to show that a decision by the United States to resume production would undermine the U.S. position in Europe.

The third argument that we will attempt to prove tonight is that technical and testing problems continue to plague the new binary chemical weapons.

Our fourth point is that renewed production will undermine chances for an agreement in Geneva to bar all chemical weapons.

Our fifth point we will attempt to prove is that the United States decision to resume production of nerve gas weapons will encourage proliferation of chemical weapons to other countries.

Our sixth point is that chemical weapons will kill civilians, not soldiers, and are, therefore, especially repugnant.

Our seventh point is that Congress should remain consistent with the position against nerve gas production that it has taken in the past 3 years.

Our eighth position, Mr. President, is that binary chemical weapons production is a waste of the taxpayers' money.

Our ninth point is that the chemical weapons have little military utility.

And our tenth and final point, Mr. President, that we will attempt to show tonight to our colleagues is that enhancing U.S. and allied protective measures against chemical warfare is the very best deterrent to a chemical attack, not the further production of chemical weapons.

Mr. President, these are the 10 points that the opponents of the resumption of nerve gas will attempt to show to our colleagues this evening.

It is my understanding that the Senator from Colorado has not arrived in the Chamber and at this point, Mr. President, I yield the floor.

If the Senator from California will allow me one further statement, the amendment that we proposed tonight is a striking amendment. It is to strike $163 million which would be used for the production of chemical weapons. It would be used to strike $163 million from the Department of Defense authorization bill.

It is my understanding that we will have a vote some time around 9 p.m. We do look forward to a good debate on this issue, Mr. President, and at this point I yield the floor.

Mr. WILSON. Mr. President, am I correct in my understanding that under the time agreement the time is to be divided equally and such quorum calls that occur will be charged equally to both sides?

The PRESIDING OFFICER. The Senator is correct.

Mr. WILSON. Mr. President, I rise to speak in opposition to the amendment that is offered by my good friend from Arkansas, along with Senator Hart. The United States does not possess a credible deterrent today to chemical attacks against the United States or allied troops. This lack of a credible chemical deterrent is probably the single most serious deficiency in our conventional defense posture. It forces us to resort, in the opinion of several of our present military leaders, to a premature use and an otherwise unnecessary use of a nuclear deterrent.

This amendment would block plans to produce modern binaric chemical munitions, which are far safer than the deteriorating stockpile which presently threatens American civilians, as well as being an ineffective counter to the threat we face from the Soviet Union. This amendment would prevent the development of a credible U.S. chemical deterrent and would prevent the modernization and the safety that would result from that modernization.

Opponents of this important modernization program argue that the U.S. stockpile of chemical weapons today is adequate. Well, there is a very serious difference of opinion expressed about that view by those to whom we have entrusted the conduct of military affairs on the part of this Nation.

To begin with, the Chief of Naval Operations, Adm. James Watkins, has said:

> I no longer consider our 25-year-old stockpile of unitary chemical weapons a credible deterrent. Today's stockpile is as much a liability as an asset. Were it not all that we had, I cannot think of a single item in it I would wish to retain. In comparison to the Soviet's offensive chemical warfare capability, our posture almost invites the use of such weapons against us.

This view is shared by all of the Joint Chiefs of Staff.

By undermining the multibillion dollar investment we are making to improve our conventional forces, the lack of a credible chemical deterrent increases the likelihood that we will have to resort to an early use of nuclear weapons. According to Gen. Charles Donnelly, the commander in chief of the U.S. Air Forces in Europe, "The gross imbalance that presently exists, in their favor, effectively negates our conventional force improvements, and places dangerously inappropriate reliance on our nuclear forces."

Opponents of this program also argue that we can address the chemical warfare threat through defensive measures alone. However, I would like to remind my colleagues that 74 percent of the funding for the chemical deterrent program this year, $936 million, is associated with protective measures like defensive clothing. However, this is no substitute for an effective retaliatory capability. It is not a deterrent. According to Gen. Fred Kroesen, the former commander in chief of the U.S. Army in Europe, "* * * there is no defensive measure that alone can do anything more than delay the success of the enemy, not prevent it."

Finally, I would like to address the notion that we should not modernize our chemical deterrent, and rely instead on arms control to eliminate the chemical threat to our forces and innocent civilians around the world. The United States has consistently taken a leading role in seeking effective chemical disarmament. In February 1984, Vice President Bush tabled a U.S. draft proposal for a complete ban on chemical weapons before the Committee on Disarmament in Geneva. The Soviets summarily rejected this proposal, and absent congressional approval of modern binary chemical munitions, it is very unlikely that any progress will be made in these negotiations, because they have no incentive to negotiate. They enjoy not a preponderant advantage but one so overwhelming that one wonders why they have not been tempted to make use of it already.

Well, the fact is they have made use of it. They have made use of it through surrogates against defenseless civilians, peasants in Southeast Asia, and against a defenseless populous in Afghanistan.

Mr. President, I hope that all my colleagues would understand that the arms control for which we hope is not a realistic hope unless the Soviets see an incentive to negotiate, and they will see none if we maintain our present disability.

I hope that my colleagues would avail themselves of the intelligence information regarding Soviet capabilities and preparations to wage chemical war. In addition, intelligence information pointing to the proliferation of chemical weapons in other countries reminds us of the need to be able to deter chemical warfare in various theaters.

The members of the Senate Armed Services Committee have received extensive intelligence briefings on this subject. They leave only one conclusion, and that is that the work that the Soviets are doing in the area of chemical and biological weapons is frightening and the pace is accelerating.

I urge my colleagues who offer these amendments with the best of good intentions to support the production of a modern U.S. chemical deterrent so that our forces can deter chemical attacks against them. History is full of evidence that where there is some balance of forces with respect to all weapons, and in particular, chemical weapons, the availability to one side has been a deterrent against the use by the other side of chemical warfare.

So I urge my colleagues to, instead, support the production of a modernization so that the United States will have an effective chemical deterrent, because defense alone will prove inadequate, and so that our forces can deter chemical attacks against them and against defenseless civilians.

The planned stockpile of binary chemical munitions will not only be much safer than the existing stockpile of lethal chemical weapons, it will also bring about a reduction in the size of that total inventory.

Mr. President, I will not take more time at this particular point. I think that the brief statements that I have quoted from military leaders and the Joint Chiefs, those who have been charged with the conduct of the defense of Europe and in other theaters, makes clear their understanding that the most significant threat in their opinion that we are facing is this imbalance in chemical forces. It is time that we modernized for the safety of our own civilian populace and it is time that we modernized to present an effective deterrent. This amendment goes precisely in the wrong direction. It sends the wrong signal. But beyond that, it has far more than symbolic value. It places us at a dangerous disability.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I yield myself 10 minutes.

Mr. President, I oppose the amendment of my friend from Arkansas. I do it rather reluctantly. But having served on the Intelligence Committee for quite a few years, having heard repeated testimony about the improving ability of the Soviets in the field of chemical warfare, I have heard testimony before the Armed Services Committee which further strengthens my belief that if I were to be asked to pick one single feature of this armed services bill that I thought should be passed, I would pick chemical warfare. I know politically it is a hot potato. I know the American people find the thought of chemical warfare very abhorrent, distasteful. But the proof of the matter is, Mr. President, in World War I where our side did not have chemical warfare, the Germans used it. In World War II, where both sides had it, the Germans did not use it.

Now what do we see? We see the Soviets having used chemical warfare in Southeast Asia. We see them repeatedly having used it in Afghanistan.

Mr. President, if this was just the ordinary kind of chemical warfare that we have sort of grown up with, there might not be so much urgency to it. But, Mr. President, some of the chemical warfare that the Soviets have developed—and I am not at liberty to go into great detail in discussing it tonight, but I can only say some of their warfare will allow them to attack, and we have absolutely no protection against it.

The United States does not possess a credible deterrent to chemical attacks against United States and allied troops today. This lack of a credible chemical deterrent is probably the single most serious deficiency in our conventional defense posture.

According to the Chief of Naval Operations, Adm. James Watkins:

> I no longer consider our 25-year old stockpile of unitary chemical weapons a credible deterrent. Today's stockpile is as much a liability as an asset. Were it not all that we had, I cannot think of a single item in it I would wish to retain. In comparison to the Soviet's offensive chemical warfare capability, our posture almost invites the use of such weapons against us.

By undermining the multibillion dollar investment we are making to improve our conventional forces, the lack of a credible chemical deterrent increases the likelihood that we will have to resort to an early use of nuclear weapons.

According to Gen. Charles Donnelly, the Commander in Chief of the U.S. Air Forces in Europe:

> The gross imbalance that presently exists, in their favor, effectively negates our conventional force improvements, and places dangerously inappropriate reliance on our nuclear forces.

One day General Donnelly was testifying before the Armed Services Committee, and I asked him this hypothetical question: "General, if you had the choice of using nuclear tactical weapons or chemical weapons against a Soviet airfield, which would you choose?" He thought a moment. He said, "I would take chemical warfare because I could destroy the ability of every man on the Soviet field to perform" not necessarily killing them, but rendering them incapable of movement.

The 74 percent of the administration's request for the chemical deterrent program this year, $936 million, is associated with protective measures like defensive clothing. However, this is no substitute for an effective retaliatory capability. According to Gen. Fred Kroesen, the former Commander in Chief of the U.S. Army in Europe:

> . . . there is no defensive measure that alone can do anything more than delay the success of the enemy, not prevent it.

The United States has consistently taken a leading role in seeking effective chemical disarmament. In February 1984, Vice President Bush tabled a U.S. draft proposal for a complete ban on chemical weapons before the Committee on Disarmament in Geneva. The Soviets summarily rejected this proposal, and absent congressional approval of modern binary chemical munitions, it is unlikely that any progress will be made in these negotiations.

The current U.S. stockpile of unitary chemical weapons is not adequate for deterrence. The vast majority of the chemical weapons in our stockpile today are either obsolete, or in the form of munitions for which we have no means of delivery.

According to the independent National Academy of Sciences:

> About 90 percent of the inventory of chemical agents and nearly as much of munitions inventory has little or no military value and will require disposal regardless of future decisions regarding the binary weapons program.

According to Ambassador Stoessel, the Chairman of the Chemical Warfare Review Commission:

> We found that the stockpile is old, the munitions and agents in the stockpile are 20 or 40 years old. It is deteriorating. The bulk of the stockpile is militarily useless. A small fraction of the stockpile does have deterrent value. All of the munitions and agents in the stockpile are hazardous to handle.

The Commission recommended that the portion of our stockpile that is not usable, 72 percent, be destroyed regardless of the decision to proceed with binary munition production. It also recommended the accelerated destruction of the entire stockpile if the Congress approves the production of binary munitions.

The Blue Ribbon Panel on Chemical Stockpile Status concluded that:

> . . . it would appear that by 1990 decomposition of the agents could be as little as an additional 5 percent, or so great as to render the munitions almost useless.

It should be noted that this panel reviewed the condition of our stockpile, not its military effectiveness. A munition that is in good condition may still be useless, that is, 105mm artillery shell or 4.2-inch mortar.

In our stockpile of unitary chemical weapons today: 61 percent is stored in bulk form, for which there is no means of delivery; 11 percent is unrepairable and/or obsolete; 25 percent is serviceable, but of limited military value; and only 3 percent is currently militarily useful.

In view of this, failure to modernize our stockpile will be tantamount to unilateral chemical disarmament.

That $936 million, or 74 percent of the funds provided for the chemical deterrent program, are designated for protective equipment like defensive clothing. However, this is no substitute for a deterrent in the form of an effective chemical retaliatory capability.

Gen. Fred Kroesen, the former Commander in Chief of the U.S. Army in Europe, stated in testimony before the Armed Services Committee last year;

> . . . no defensive measures can begin to redress the operational imbalance that occurs if one side can employ chemicals and the other cannot.

Gen. Charles Donnelly, the Commander in Chief of the U.S. Air Force in Europe, stated that:

> Chemical defensive improvements by themselves will not enable us to deter the initiation of chemical warfare, to sustain operations on the contaminated battlefield, or to terminate chemical warfare early if initiated. We must have an improved retaliatory capability as well.

The Chemical Warfare Review Commission concluded that:

> The expectation that protective measures alone can offset the advantages to the Soviets from a chemical attack is not realistic. Even if defensive equipment works, it severely handicaps personnel who must wear it. Without a retaliatory capability, this leads to an overwhelming military advantage for the attacker armed with chemical weapons.

The degradation in battlefield effectiveness that results when soldiers are forced into a chemical defensive posture is estimated to be 50 percent, and it can rise to as much as 80 percent.

As a result of this degradation, the one-sided use of chemical weapons—even against a well protected defender—can be decisive in battle.

The United States inadequate chemical deterrent posture means that we will likely be forced to resort to an early use of nuclear weapons in response to a chemical attack.

Gen. Bernard Rogers, whom we just approved today to be reappointed the Supreme Allied Commander in Europe, has stated that "binary chemical weapons will have a deterrent effect even if they are stockpiled in the United States."

At this point I should explain the difference between unitary and binary. The unitary is a chemical that is stored in a container and used from that container. A binary shell, such as we advocate, is of no value at all as a weapon until the shell is put together. There is a projectile, and the shell. This being the fact, this type of weapon can very safely and very easily be transported, and there is no great objection to that type of weapon by the citizens in Europe, although I have to admit that there is some concern that has been expressed by our friends in NATO—the citizens—about the possession of any chemical warfare. But binary is safe, easy to use, and of no danger at all to anybody except the enemy.

One of the conclusions of our Chemical Warfare Commission was that, "The Commission does not consider peacetime deployment of binary munitions in foreign countries to be essential, because of the safety and speed with which these munitions can be transported."

In view of the improved safety and handling features of binary munitions, they can be deployed on surface ships—including aircraft carriers. The unitary munitions in our stockpile today can not.

It would be safer to move binary munitions from the United States to the theater than it would be to move existing unitary munitions within the theater.

It would be premature for the United States to ask its allies to deploy binary chemical weapons in Europe before the Congress approves the production of these munitions.

We should have learned this lesson with the neutron bomb. In that case, the United States asked its allies to announce their willingness to stockpile these weapons in Europe, and then canceled production. This was politically very damaging to our allies.

In addition, the proliferation of chemical weapons in Third World countries highlights the requirement to deter chemical attacks against U.S. and allied forces in various regions of the world. The use of chemical weapons in the war between Iran and Iraq illustrates this point.

Mr. President, I might point out, and this is not classified to a high extent, the little country of Iraq, a very small country, has one of the largest factories or production facilities of chemical warfare of any country in the world. We have already seen the use of these chemicals against Iran. We are likely to see more of it. We are likely to see this chemical warfare spread throughout that part of the world.

That does not mean that we should follow their example as the only reason. It just indicates, Mr. President, that the world is aware of the fact that we have chemical agents today that can do irreparable harm to a human.

As I have stated, some of these weapons can go through any protective clothing that we know of. To put on the present protective gear that an infantryman has to wear would take an experienced sergeant about 10 to 11 minutes and the new recruit would probably never get into it.

The equipment that a pilot has to wear to protect against chemical warfare leaves the whole of the underpart of his jaw and neck exposed to the chemical and if the field is attacked by any type of nerve chemical, the pilot, even if he is sitting in the cockpit, finds it impossible to take the aircraft off.

So, Mr. President, we in the Armed Services Committee decided, while not unanimously in agreement with those people who testified before us, that we would be on the side of wisdom if we include in our budget money for chemical warfare.

I have before me a letter from Bernard W. Rogers, who is commander in chief in Europe, pointing out his strong belief in the need for these weapons. I ask unanimous consent that this be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Headquarters, U.S. European
Command, Office of the Commander-in-Chief,
APO, New York, May 21, 1985.

Hon. Barry Goldwater,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

Dear Mr. Chairman:

I believe that we both are of the opinion that the U.S. ultimate goal should be the complete and verifiable ban of chemical weapons. However, the achievement of such a goal is far downstream. Meantime, a critical deficiency in our national defense posture is the lack of a credible chemical warfare deterrent capability.

I was pleased to learn that your committee supported the production of a modern chemical retaliatory capability. However, inasmuch as further progress in the Congress on this matter will be difficult, I want to present some thoughts you might find useful.

A number of arguments are offered by persons who oppose procuring a modern chemical retaliatory capacity. Some beleive a strong chemical defensive posture will of itself be adequate to deter chemical use by an aggressor. Although strong defensive capabilities are necessary to assure survival of our personnel in a chemical environment, our experiences indicate even the best defense would not by itself assure the ability to sustain effective operations during protracted chemical warfare. A force operating in a defensive—and thereby degraded—posture would be at a distinct and possibly decisive disadvantage facing a force not so encumbered. All our recent investment to modernize conventional forces would then have been for naught. We must be able to threaten a potential initiator of chemical warfare with having to operate under similar degraded conditions on the battlefield.

Some believe our current chemical stockpile is sufficient to pose a significant threat to an enemy and thus deter his use of chemicals. It is not. We have no chemical delivery system with which to strike effectively in the enemy's rear areas, whereas the Warsaw Pact can strike our rear areas at will. We have enough short range chemical munitions to last only a few days; the Pact can sustain chemical operations for several weeks. Except for a few days supply of short range munitions stored in Europe, the U.S. chemical stockpile is positioned where effective use in Europe would be delayed; Pact munitions are positioned where they could be employed on short notice.

It is also argued that CW modernization is not appropriate because none of our NATO allies have indicated a willingness to accept new CW munitions. As I have stated publicly, there are—and should be—no plans for stationing new binary CW munitions on European soil, so I consider this argument inappropriate. Official NATO strategy calls for CW retaliatory capability in all regions and there have been no indications that our allies wish to change that strategy.

The President's FY86 Defense Budget presents a program for providing an adequate chemical retaliatory capability which will contribute significantly to deterring chemical warfare and should, at the same time, strengthen our efforts to negotiate a chemical weapons ban. It will initiate acquisition of a survivable, deep-strike, persistent agent, delivery capability now absent from our present stockpile. It will provide sufficient quantities of short range munitions. Finally, because the program will result in binary munitions which are inherently safe to store and handle, it offers potential deployment options, short of placing chemical agents on foreign soil, which could enhance the timeliness of our retaliatory response.

I seek your support, and that of the members of your committee, in convincing your colleagues in the Senate of the need to start producing binary chemical munitions of the appropriate types.

With gratitude for your support and all good wishes,

Sincerly,

Bernard W. Rogers,
General, U.S. Army,
Commander in Chief, Europe.

Mr. GOLDWATER. Mr. President, similar communications have been given to us from every commander of every force. We have heard from our NATO allies, those we visited with, and they consider this to be of prime importance.

I repeat what I said before. If I were asked what part of our budget I thought we could not live without, I would have to say chemical warfare, because we have absolutely no ability. Our troops have no protection. And the Soviets have developed this skill to a far greater, more dangerous degree than any country in history.

Mr. President, I shall probably have more to say on this later if that is required. I yield the floor.

Mr. HART addressed the Chair.

The PRESIDING OFFICER (Mr. Danforth). The Senator from Colorado is recognized.

Mr. HART. Mr. President, I ask the distinguished manager of the amendment on our side, the Senator from Arkansas [Mr. Pryor], if he will yield no more than 10 minutes.

Mr. PRYOR. I shall be glad to yield 10 minutes or whatever time the Senator from Colorado needs on this amendment, and I am very proud that he is chief cosponsor of the amendment we offer tonight.

Mr. HART. I thank the Senator from Arkansas.

Mr. President, each year since this administration has been in office, President Reagan has asked Congress to support the production of binary chemical weapons.

Each year, Congress has carefully evaluated the military requirements for a U.S. chemical deterrent and weighed the costs and benefits of breaking a 16-year moratorium on the production of these weapons.

Each year, we have rendered the same judgment: The production of new binary chemical munitions will not enhance U.S. or allied security and is a waste of scarce defense resources.

Mr. President, this year, the Reagan administration has asked that we approve $163 million as a down payment on a major new chemical weapons initiative. And once again, I ask my colleagues to join Senator PRYOR and myself in voting to delete funds for new chemical weapons, and instead to make the improvement of U.S. defensive capabilities against chemical attack the first priority of the Department of Defense.

As in the past, there are four key reasons why chemical weapons production is not in this Nation's interest:

First, the United States already possesses a large and usable chemical stockpile, one which is more than adequate to meet our essential military requirements.

Continued protests by the Department of Defense that the existing arsenal is deteriorating, hazardous to handle, and of insufficient quantity to provide a credible deterrent do not hold up under careful scrutiny.

The most recent report of a blue ribbon panel commissioned by the Secretary of Defense to study the status of the existing stockpile concluded that it was in good condition. Even Secretary Weinberger has testified that the procurement of additional chemical artillery shells is not needed to redress existing military deficiencies.

The Department of Defense states time and time again that only a small portion of the overall chemical stockpile is militarily useful. What they do not readily admit is that the overall arsenal is so enormous that even the small fraction they claim as militarily significant is more than sufficient to force Soviet forces into protective gear for 60 days of continual engagement.

Second, Mr. President, any new binary chemical weapons would have to be stored in this country far from theaters of critical military operations. Our NATO allies are not willing to accept new deployments of chemical weapons on their soil. The domestic political hostility to the introduction of any new American weapons systems will preclude such deployments. Pressing our allies on this issue will only exacerbate political difficulties we already face with our allies over defense issues. In times of crisis, binary chemical weapons would need to be air- or sea-lifted to the appropriate locale thus competing for space with other, more important kinds of military equipment.

Third, binary chemical weapons have never been tested in the field. American combat forces should not be asked to stake their lives on untested munitions.

The technical problems which have plagued the development of the Bigeye bomb since the program's inception have only exacerbated our concerns about the reliability to these new weapons, and increasingly called into question the wisdom of basing our deterrent upon them.

Fourth, the production of binary chemical weapons will be expensive. Cost estimates run as high as $2 to $3 billion over the next decade. In light of budgetary constraints, we must make every effort to insure that all defense expenditures can be justified as necessary and essential to the national defense. Chemical weapons satisfy neither requirement. Surely we can find other, more productive ways to spend our defense dollars.

Mr. President, the Soviet program in chemical warfare represents a serious threat to our troops and to the troops of our allies not because of an offensive force deficiency, but rather because we are so ill prepared to deal with a chemical weapons attack on the battlefield and to conduct military operations in a contaminated environment. As long as Soviet forces are better prepared to fight once chemical weapons have been used, our troops will constitute an inviting target on the field. This is a deficiency that new additions to our chemical arsenal cannot redress.

The only way to meet this Soviet challenge is to dramatically improve American capabilities to defend against chemical attack. We can do so by meeting our existing goals for improvements in defensive measures, developing new and more effective protective equipment, enhancing early warning capabilities, and improving the training of our troops to cope with operations in a chemical environment.

Our amendment expresses our concern that defensive measures must receive a higher priority from the Department of Defense. For in spite of indications that the Army is extremely concerned about the Soviet advantage in the field of chemical weapons, surprisingly little has been accomplished with respect to the defensive components of our deterrent.

According to a recent study by the Government Accounting Office, U.S. defensive capabilities remain woefully inadequate:

There are no combat vehicles in the field with cooling devices, even though heat stress is one of the most significant factors in degrading military performance in a chemical environment.

There are no combat vehicles in the field with overpressure systems which permit crew members to operate in a contaminated environment without wearing protective gear, although the Soviet Union apparently posseses such capabilities.

Chemical medical training, practice, and facilities in all services are lacking and almost nonexistent.

And the list goes on.

In all fairness, Mr. President, the report does indicate that the Army is better off now that it was 3 years ago in defending against chemical attack. But if the DOD pursued the advancement of these defensive capabilities with the same dedication they exhibit to increasing our stockpile, I daresay our forces would be far better protected than they are today.

Mr. President, the issues we are debating are extremely controversial. For years, Congress and the administration have gone back and forth on the questions we are touching on today—from the status of our existing capabilities to the attitude of our allies regarding deployment of new weapons.

Each year, we hear a litany of claims about the need for new chemical weapons and a list of conflicting facts and figures from experts within the scientific and military communities which do little to help us reach a lasting consensus on this issue.

As a result, last year, Congress mandated the creation of a Presidential Chemical Warfare Review Commission to study the issues surrounding the production of binary chemical weapons and to produce an authoritative examination of the technical and political issues in question; a report which, at a minimum, would provide the basis for more informed debate in Congress.

Unfortunately, the Commission did not fulfill its mandate. Instead, it seems to have undertaken an effort to justify the production of additional chemical weapons and sell its position to Congress and the American people.

Instead of analysis, the Commission has so far provided the Armed Services Commission three pages of unsupported conclusions. The report was, by congressional mandate, to have been completed by April 1. As far as I know, their final document has not yet been circulated.

Instead of constituting a bipartisan, balanced panel, the administration appointed a Commission, a majority of which already held the view that additional chemical weapons should be produced. Then it staffed the Commission with members of the Department of Defense's chemical corps.

Instead of granting the request of two distinguished Members of the House of Representatives to include former Congressman Bethune from Arkansas—an informed skeptic of chemical production—the administration chose not to seek one single Member that expressed any public opposition to renewed production.

Instead of conducting a careful thorough review of issues which have been

subject to years of honest dispute, the Commission took little more than 1 month to conduct its study and begin drafting a report.

Instead of providing a definitive analysis of the issues which would stand on its own merits, the Commission felt the need to hire expensive public relations consultants to sell its product to the Congress and the public.

Mr. President, while we still await the final report, I must say that the approach this Commission has taken to addressing these extremely important issues has not inspired a great deal of confidence.

In truth, I believe this Congress should not even consider additional requests for the production of binary chemical weapons until the administration constitutes the type of balanced panel we in Congress, expect, and the American people deserve. And until that Commission takes the time to do a fair and credible analysis of the issues surrounding the production of binary chemical weapons.

As it stands, we, in Congress, find ourselves faced with the task of assessing essentially the same information we have had in past debates. And on the basis of that data, I trust the conclusion of the Congress will be precisely the same as it has been; we will not waste our defense resources on chemical weapons we do not need.

Mr. President, I hope my colleagues will join Senator PRYOR and myself in supporting this amendment to delete funds for the production of binary chemical weapons and to call upon the Department of Defense to place the highest priority on the improvement of U.S. capabilities to defend against chemical attack.

Mr. President, the issue before the Senate is quite simple: whether this country will break a 16-year moratorium on the production of chemical weapons and embark on a major new chemical weapons initiative. That issue has been considered by the Congress on a number of occasions in the past several years and on each occasion, Congress has rightly said no. This administration seems bent, has been for the last 5 years, on reversing that 16-year moratorium. It seeks to do so at a time when our other defense needs are not being met.

The Senator from Colorado took note of a story in the New York Times this morning. This bill, according to the testimony of some of our senior commanders, does not contain sufficient funds to operate and maintain this Nation's conventional forces.

What does that mean, Mr. President? It means that while the bill contains more than $150 million for chemical weapons production and launches us on a mad and dangerous chemical warfare arms race with the Soviets, we are not adequately financing the operation and maintenance of our ships, our planes, our tanks, or our personnel.

What does that mean? It means if we spend the $2 billion or $3 billion it will cost over the next decade for a new generation of chemical warfare agents, we might not have the ships and planes to move those weapons to the theater where they might be needed.

It is the understanding of the sponsors of this amendment that the supporters of this administration's position do not argue that once produced, these agents will be deployed anywhere outside the continental United States. They do not make the argument that they will be deployed anywhere else because we do not have an agreement from our allies, particularly our NATO allies, that they will accept these chemical agents. So let us hypothesize that we build this vast array of new and dangerous chemical warfare agents and they are stored or maintained here in the United States.

A crisis occurs or a conflict occurs, and it is determined that we need them in the theater. Immediately, those chemical warfare agents—shells, and bombs, and other munitions—will be competing for precious space onboard ships and airplanes with combat personnel, and combat equipment, and resupplies, and ammunition, and medical equipment. And we do not have infinite capacity, either air or sealift capacity, to move infinite amounts of these materials and these personnel to anywhere in the globe they may be needed.

Therefore, Mr. President, we are setting ourselves up for a situation in which during a crisis, competition exists between chemical warfare agents and vitally needed supplies and personnel for a limited amount of air and sealift capacity.

Mr. President, it has been argued, I think particularly by the Senator from California, that defensive equipment alone is not sufficient to offset Soviet production of chemical agents. I do not know of anyone who has argued that it is. What proponents of this amendment have argued for many years with some success is that it makes no sense to produce a new generation of chemical agents if your own troops would not survive in a combat theater where these munitions would be used. The Senator from Arizona himself has just testified to the fact that our own forces are not equipped to survive in a chemical combat environment.

Mr. President, does anybody seriously believe that we can use chemical agents in a combat environment and not expose our own forces to the possible lethal effect of these chemcial agents? Of course not. Winds blow in all directions. Winds shift. These are airborne agents. And to think that somehow we can lob artillery shells or drop bombs in a conflict and not expose our own forces to the possible effects of those agents is just patent nonsense. And we all know our own forces are not equipped right now to operate in that environment.

So the argument of the proponents of this amendment not that defensive equipment for our forces, our personnel, and our vehicles alone is enough to deter, but, rather, without it—and we are without it—that it makes no sense to be prepared to fight, a chemical warfare environment. Our own troops are liable to be gassed in just about equal numbers with those of our opponents.

What about the other part of the deterrent? Mr. President, as the Senator from Arkansas and others of us have argued for many years, we do have a chemical warfare deterrent. We have vast tonnages of it, vast tonnages of it, and it is, some of it, deployed in what we euphemistically call the theater. The new generation would not be deployed overseas as I have already indicated.

Opponents of our amendment have indicated that vast quantities of existing chemical agents are not operable. Well, I cannot account for that. The Defense Department will have to do that, since it has been in their keep and not that of the U.S. Senate. If it is not operable today, it is their fault; they should have maintained it. They could have. They apparently chose not to. There is no reason why it could not have been maintained in an operable condition.

Nevertheless, Mr. President, we are not talking about using tons, and tons, and tons of chemical agents to kill a lot of troops. Our arsenal contains extremely, extremely volatile chemical agents. Mere droplets properly deployed or properly diffused in the atmosphere will kill hundreds, thousands, or even tens of thousands of forces.

The Senator from Colorado speaks with some experience since some of these munitions were stored at the Rocky Mountain Arsenal on the very outskirts of Denver, the hometown of the Senator from Colorado. Luckily, happily, after years of trying, we finally got the Army to move them away from a dangerous location at the end of the runways of an international airport to a less densely populated environment in a neighboring State.

Nevertheless, during the period of moving these agents, we discovered that you do not have to pour gallons of this stuff on an individual soldier to kill him. It taks a fragment of a drop. It takes less than a pinhead. It takes a fraction of that to kill one soldier. And the 20,000 tons of more that we have in military useful munitions could kill just about every Soviet soldier that existed if it were properly dispersed in the environment.

So, Mr. President, even if this chart was correct—and there is no reason to believe it is absolutely correct—there is more than enough in our present arsenal to deter the Russians from any possible use of chemical warfare agents.

In fact, any fragment of our existing arsenal deployed in the theater, is an awful lot more of a deterrent than a new generation of binary weapons kept here in the United States.

Mr. President, I think the Soviets will be convinced we are serious when we begin to protect our own troops and equipment against the possible use of chemical agents. If they know that if they use these agents and we can survive in that atmosphere, that is about as powerful a deterrent as I can think of, plus the fact that we already have deployed a sufficient amount of this material, this highly deadly, highly toxic material to do just about any job we want.

You do not need an awful lot of this, President—you certainly do not need 20,000 tons, and you certainly do not need the amount that the administration is requesting in this bill.

Mr. President, finally, the Congress in its effort to resolve this question once and for all asked for a so-called blue-ribbon commission, a device that has come into some favor in this administration, to study the problem and report back to Congress. We do that quite often. This commission, after a delay of months, and months, and months, even though it was under a statutory deadline, was finally appointed, and what was it? It was not any blue-ribbon, unbiased commission. It was composed of people, most of whom were already on record as favoring the chemical warfare agents and the binary weapons contained in the administration's request. Further, the staffing for this commission was done by the Chemical Warfare Corps of the Pentagon, and not one person who had evidenced any interest in dissenting from the administration's point of view was able to penetrate that commission and serve on it and bring a more unbiased view to its conclusions.

And finally, even though under a statutory deadline to report, the blue-ribbon commission failed in that mandate and, rather, issued a three-page, unsupported list of conclusions, essentially rubberstamping the administration's requests.

I hope that no one in this debate will seriously argue that that Commission in its so-called report contained any unbiased or credible support for the administration point of view.

Mr. President, I hope the Senate in its wisdom will see fit to put our priorities where they ought to be, that is, the proper maintenance of our existing chemical deterrent, a very important crash program to prepare our own forces to operate in a chemical warfare environment and, most importantly, serious negotiations to try to forge a mutual and verifiable ban on the production and stockpiling of these horrible weapons.

Mr. President, I yield the floor.

Mr. WILSON. Mr. President, I yield to the distinguished Senator from Ohio such time as he may need.

Mr. GLENN. Mr. President, we are confronting the issue of whether to modernize, repackage our inventory of chemical weapons. Now, I would ask the proponents of this amendment if they think there is such a thing as deterrence in warfare. I do not know whether they feel that deterrence is still a factor in warfare or whether we can unilaterally disarm as we see fit. The Soviets will just say, "Well, they are nice fellows over there. They are disarming, so we dare not attack."

I know they would not agree with that. I know the distinguished Senator from Arkansas would not agree with that, or the Senator from Colorado. I am certain that they do, indeed, feel that when the Soviets have nuclear arms, our stockpiles of nuclear weapons should not be reduced to a point where we feel that we are vulnerable.

What about conventional weapons? Should we say, "Well, the Soviets are well ahead. They have *x* number of divisions, *x* number of equipment, all of these things, and we should not modernize. We should not try to have any equivalent. We should not have parity. We should just let them go ahead and build up, waste their money, and it won't make any difference; they are good fellows and they would never dare attack the United States of America."

We are in the process of building up some 600 ships. I know the Senator from Colorado is very concerned about the 600 ships, whether we build up our seapower or not. He has made that an area of special elation. I understand that. And I am sure he sees that as a balance against the Soviet Union. But whether it is in nuclear power, conventional power, or seapower, we go ahead and we say, "OK, it is important that we do in fact let the Soviet Union know that we are not going to be second best; that we are not going to be putting ourselves in a position where we are going to be second best and be subject to attack because we are so weak that we know that they might want to attack us."

Now, it defies description to me, Mr. President, why, when we get to the issue of chemical weapons, we suddenly assume a different stance. As the distinguished Senator from Arizona said just a little while ago, we have records that we cannot bring out on the floor, but we have all had these briefings from the Intelligence Committee and the Armed Services Committee, and so on, where we know what the Soviets are doing. They have a tremendous chemical weapons capability. They have been developing this for a long time.

Suddenly, we say, "That's all right; that's different. We know they will be nice fellows. They wouldn't dare use it." So, instead of having deterrence in this particular area, we will forswear this, because it is nasty; it is not nice. Warfare is not very nice. Those in this Chamber who have been in active warfare will agree it is not nice. It is never pleasant, whether nuclear, conventional, on the sea, in the air, or wherever it is. Chemical weaponry can join the list of other means we have that makes war unpleasant.

We are talking about modernizing America's inventory of chemical weaponry—not new types or anything like that.

If it is a deterrent, will it be safe for our people to handle? Is chemical warfare going to be a deterrent against the Soviets ever using their chemical weapons? If you say we need that deterrence, then the second question is, How do we make it safe for our own people to handle? How do we make it safe to be transported through our own communities? How do we make it safe for use in the field? That is the question. Is it a deterrent, and how do we make it safe for our own people to handle? Those are the two items.

I know that this question is controversial, and it inspires very emotional debate. I understand that because war is hideous, and chemical warfare is very hideous. Before this emotional outpouring begins anew, we should be clear on what the issue is as well as what the issue is not.

No. 1: The issue is not whether America should or should not have chemical weapons. We already have them. This is nothing new. So do the Soviets have them. We all pray that a treaty can be negotiated for a complete and verifiable ban on all chemical weapons. That is an initiative that all the opponents of this amendment support fully. We want to see a verifiable ban on all chemical weaponry.

However, we also believe very fervently that few Americans would favor a policy of unilateral disarmament in this area. That is what we are talking about, because some of our existing stockpiles of unitary gas weapons are reaching the stage where they are leaking or are in danger of leaking. They are becoming old. We are taking them out of stock. As they are removed from inventory, as they leak or are in danger of leaking, then we unilaterally disarm, while the Soviets build, because we are not replacing those leakers. We are not doing anything to even replace them. So we are unilaterally disarming in this area.

No. 2, the second issue is not whether to develop a new type of chemical weapon or a more lethal one. At present, our chemical deterrent is either stored in bulk or is deployed in what are called unitary munitions. Let me describe that.

It means that the toxic chemical materials are already mixed, already toxic, already lethal, and then loaded in these shells. If there is a leak and anyone breathes that, they are dead. It is a unitary shell already mixed. It is ready to go. But if it breaks or leaks, the people around there will die.

What is a binary shell? A binary shell takes these elements that are in the unitary shell—they are separated, not yet combined. Separately, they are not dangerous. They are kept in two separate containers in that shell. You could take them on this carpet in front of me, and I could pour them on this platform separately and nothing would happen. If I poured the same amount of the unitary material, which is already mixed, on the floor of this Chamber, everyone here would be dead in a matter of minutes. It is that toxic.

So it is a danger for our own people, our own troops. I keep stressing that. Unitary shells are a danger for our own people who have to handle them, and that is what we are trying to correct. That is the difference between unitary shells and binary shells. Unitary shells are inherently dangerous, since any accidents or leakage from them could easily result in a major catastrophe, not only for the military personnel handling them but also for nearby communities and civil populations as well.

I wish the distinguished Senator from Colorado were still on the floor. Perhaps he will read the RECORD in the morning, or his staff can tell him of what I am going to say now.

I happen to be familiar with Denver, which he pointed out is his hometown. I am also familiar with Rocky Mountain Arsenal. One of these days, we might have to transfer some of these shells in the Rocky Mountain Arsenal on the interstate highway out of Denver, to put them on an airplane, to take them somewhere.

About a year ago, as I recall, we had some munitions being transferred through Denver. U.S. 50 goes through the middle of Denver, and U.S. 70 runs north and south. I have been through that intersection many times, driving up the mountains, where my daughter lives, west of Denver. That is an interstate intersection.

About a year and a half ago, a load of torpedoes was going through that section and the truck overturned. Nobody knew the status of those torpedoes. Not the police or anyone else. There was considerable concern about the danger to downtown Denver.

I share that concern about downtown Denver, but let me ask a question. What if that was nerve gas coming out of Rocky Mountain Arsenal and some of the shells were broken and they had a cloud of nerve gas drifting over Denver? You have trouble. You have big danger for a lot of people. If those shells were being transported and were in a wreck and were broken, people would die.

In the binary shells, the materials are separate. They are not lethal; they are not toxic. That is what we are talking about. What we are talking about is this: Is this a deterrent to the Soviets, and can we make it safe for our own people and the communities and the civilian populations around those storage areas?

The issue we are facing is deciding whether to keep our chemical deterrent in the old and increasingly dangerous unitary cannisters or to put it in the new and safer binary shells. That is all this argument is about. Do not believe it is anything else.

I listened to what the Senator from Colorado said, and I made some notes. He said that we are in a chemical warfare arms race with the Soviet Union. I do not agree.

"A new generation of chemical warfare agents." That is not so.

"Vast array of new chemical warfare agents." I think the CONGRESSIONAL RECORD tomorrow, after I have stated this, will bear out that these were his statements.

Another one: "A new generation of chemical agents."

Another one: "A new generation, not deployed."

He talked about existing stockpiles not maintained in operating condition. I know of no way the services could have maintained those stockpiles any better than they have.

I also take issue with the degree of lethality. It is a very lethal agent. Properly applied, fractions of a drop can kill a person; but sprayed in a combat area—I have been briefed on the exact amount it takes to cover a certain area, and it is a considerable amount. It is not just a drop or two that is going to kill everybody over several square kilometers. It is not that toxic. So it requires a much greater amount than that, although it is extremely lethal.

He said the stockpiles we have could kill every Russian soldier, or something to that effect. Well, if every Russian soldier would lie down end to end and we put the proper amount up each nostril, I am sure we could kill every soldier in the Russian Army—not that Russian soldiers are going to be that cooperative, if we ever get into conflict with them.

But it is lethal. I will not quarrel with that. I do not agree at all that this is a new generation that we somehow are embarking on—a new type warfare with some capability that we have not had in the past. That is just not the case.

Another common misconception is that by moving to binary munitions those munitions safer for our own people, not anyone else, but our own people. That by moving to those safer weapons we would be increasing our stockpile of chemical weapons. In fact, just the opposite is true, because under the Armed Services Committee proposal for every binary weapon added to our inventory, the equivalent of four unitary weapons will be destroyed. In other words, not only would we have a safer deterrent, but we would reduce the size of our chemical stockpile by 75 percent in the bargain.

In the past, some have argued that possessing chemical weapons provides no real deterrence. I just believe history indicates otherwise.

You go back to World War I and the Germans had chemical weapons. We did not. They used them. Fortunately, the British and the French had small stockpiles, and they used them in return on the Germans, and they were never used again in that war. It was a standoff at the time.

In World War II, both sides had chemcial weapons and neither used them. In Korea both sides had them and neither used them. In Vietnam, Laos, yellow rain. So we see chemical weapons used for the first time in a long time. In Afghanistan we have pretty good proof of what the Soviets have been doing in Afghanistan. Why? Because they have no one on the other side to fire chemcial weapons back at them.

I think that experience back through history of World Wars I and II, Korea, Vietnam, and Afghanistan to me makes a very strong case that the chemical weapons do provide a deterrence, very strong evidence indeed.

If hostilities should ever break out in Europe, no one can say with certainty that the Soviets would use chemical weapons against the United States or our allies. But in our view, my view, that is a gamble. Why on Earth take that gamble? It is simply not worth taking, especially since we might have to go to a quick escalation in nuclear weapons if we lost that bet.

A final argument often advanced against modernizing our chemical weapons is that doing so would seriously hinder our efforts to reach an agreement for their abolition. That was already mentioned by the proponents, as we were asked to not upset this thing with the Soviets so we can get on with negotiating to get some sort of a chemical weapons agreement. But this argument, Mr. President, ignores the fact that the Soviets summarily dismissed the draft treaty we proposed at Geneva last year on this subject, and it also ignores the one other very important fact: That America has had a self-imposed unilateral moratorium on chemical weapon production for 16 years. For 16 years we have not built any chemical weapons. Our newest ones are 16 years old, and there has not been one reciprocal action by the Soviet Union. In fact, just the opposite. The Soviet Union has been building and expanding their chemical weapons capability all during that period.

Now, it also ignores the historical truth that the Soviets negotiate seriously only when there is no advantage for them to do otherwise. We are not suggesting that modernizing our chemical weapons would be a bargaining chip. I would not propose that. But it might well be a bargaining catalyst, and that alone would make the effort worthwhile.

We are very keenly aware that the position we advocate entails a very clear political risk for those who support this position. I have been down that track, believe me, over the last few years in the position I have taken on this because I believe the position I have taken is right for the country. I believe it is a right position both from the standpoint of our chemical weapons providing a deterrence against the Soviets and safety for our own people.

When the safety and the security of the American people are at stake, we believe it is necessary to take politically unpopular stands on occasion.

So I summarize again, Mr. President, the question is, is this a deterrent? We say that nuclear arms provide a deterrent against the use of nuclear arms on the other side. Our conventional weapons match their conventional weapons. We are in a big building process because we finally believe that this is a deterrent. We are expanding our sea power because we see the Soviets come out ahead of us if we are not careful, and we do not want to give them that kind of advantage.

But yet when you get to chemical weapons you say this is too hideous, we cannot countenance this in war, so we are going to unilaterally disarm because that is what is happening. As these shells become older and older and have to be taken out of service it means that we unilaterally disarm because the Soviets are not doing the same thing. All we ask in this is no new weapons development. It is not a new weapon. We are not developing any new kind of gas, any new kind of chemical weapons whatsoever. It is taking the same old kind of gas weapon in unitary shells, recognizing they are getting old, and what we want to do is repackage them.

This is a repackaging effort. That is what we are doing. That is all it is. There is no new type. This is no increase in numbers of shells. In fact we have a three-quarter decrease in the inventory of shells.

So if you believe that there is a deterrence by us matching the Soviets in a small way in chemical weapons, if that is a deterrent, then the question becomes, How can we safely handle these ourselves for our own people? That means we retire the unitary shells that leak and cause trouble. Luckily we have not had more problems than we have because these are old shells. The very newest are 16 years old.

So, what we need is a binary shell that is safe. The toxic elements are not mixed. They are kept separate on the shell and they are not combined until after the shell is fired and is on the way to the target and has made so many revolutions and has been armed. It is a safe package we propose.

So for all those reasons, Mr. President, I rise against this amendment. I feel very strongly about this, obviously, because I do not want to see this Nation of ours become vulnerable by unilaterally disarming. I want to see us have a deterrent against the Soviets. I think that means we need to continue existing kinds of weaponry, no new types of gas, no new hideous things that we are trying to put into the inventory at all—nothing like that. All we are saying is let us have packaging that is safe—truth in packaging, if you will. Let us make it safe for our own people, and this is all this is.

So for all those reasons, Mr, President, I yield back the floor here and reserve the remainder of our time on the side of the opponents of this measure.

Mr. WARNER. Mr. President, I yield to myself such time as may be necessary.

Mr. President, I compliment the distinguished Senator from Ohio, who is a modest man, who has one of the most distinguished records of any Member of the Senate today or indeed in the past. When he speaks of the fact that he steadfastly kept to his principles for 2 years, it may have cost him heavily, but he stuck to his guns, and we all admire him for that for many reasons.

Mr. President, I rise in strong opposition to the amendment offered by my colleagues from Colorado and Louisiana, Senators HART and PRYOR. This amendment would delete funding from the committee bill for the initial production of modern binary chemical munitions. Plans to modernize the U.S. chemical weapons stockpile with binary munitions have been one of the most controversial aspects of the defense program over the past several years. Despite the controversy, this is one of the most important national security programs that the Congress will consider this year.

Today, the United States does not possess a credible deterrent to chemical war. In my judgment, this is the most serious deficiency in the U.S. conventional defense posture. The lack of a credible chemical deterrent undermines the enormous investment we are making in modernizing our conventional weapons, since our forces will be unable to use these modern weapons effectively in a chemical environment. The likely result of a determined chemical attack on U.S. Forces is an early resort to the use of nuclear weapons.

As the U.S. Army Chief of Staff, Gen. John Wickham has stated:

> Our nation's defense posture and the recent improvements in our total military readiness could be jeopardized by a single factor on the modern battlefield—the lack of a credible chemical deterrent.

In acting on the fiscal year 1986 Department of Defense authorization bill, a strong bipartisan majority of the Committee on Armed Services supported funding for the initial production of modern binary munitions by a vote of 15 to 3. Before the Senate acts on this important issue, I would like to address some of the most persistent misconceptions about this program.

The first misconception is that the current U.S. stockpile of chemical weapons is adequate to deter chemical attacks on United States and allied troops. The U.S. chemical weapons stockpile does not pose a credible deterrent to chemical warfare. The vast majority of the weapons in our stockpile are either obsolete or in the form of munitions for which we have no means of delivery. The unitary chemical weapons in our stockpile today are between 16 and 37 years old, and there are signs that they are deteriorating. Because they contain lethal chemical agent, they pose a potential hazard to our own service personnel who must handle them.

The inadequacy of our current stockpile of chemical weapons was confirmed by the independent National Academy of Sciences in their December 1984 report entitled "Disposal of Chemical Munitions and Agents." In the preface to that report they state that:

> About 90 percent of the inventory of chemical agent and nearly as much of the munitions inventory has little or no military value and will require disposal regardless of future decisions regarding the binary weapons program.

The second misconception about this issue is that the United States can address the chemical warfare threat with defensive measures—that is, protective clothing—alone. This claim is also not correct. The protective clothing designed to save their lives of troops subject to chemical attack is bulky, and it severely degrades the ability of our pilots and ground forces to perform their battlefield tasks effectively. In addition, our defensive equipment is designed to be effective against known

chemical agents. In Afghanistan, the Soviets have used some new agents against which the effectiveness of our defensive equipment is not known.

The degradation in performance that troops experience in a chemical defensive posture is 50 percent, and can rise to as much as 80 percent. This is likely to be decisive in battle. As Gen. Fred Kroesen, the former commander in chief of the U.S. Army in Europe, stated last year:

> * * * No defensive measures can begin to redress the operational imbalance that occurs if one side can employ chemicals and the other cannot.

Opposition to this important modernization program is also based on the assertion that the United States should not modernize its chemical stockpile until our allies announce that they will deploy them on their soil. The deployment in theater of binary chemical weapons is desirable, but it is not essential for deterrence. Gen. Bernard Rogers, Supreme Allied Commander in Europe, has stated that binary chemical weapons will have a deterrent effect, even if they are stockpiled in the United States. In view of the improved safety features of the binary weapon, it is far easier and safer to transport them from the United States to the theater, than it is to move within the theater the deployed unitary munitions in our stockpile today.

It would be premature for us to ask our European allies to announce their acceptance of these weapons before the Congress approves their production. The administration should consult with our allies on possible deployment arrangements after the Congress approves the production of modern binary munitions. In addition, the use of chemical weapons in the war between Iran and Iraq serves as a reminder that central Europe is not the only region in which our troops face a potential chemical threat.

Finally, opponents of this modernization program argue that the United States has not yet exhausted all reasonable efforts to achieve a verifiable ban on all chemical weapons, and that moving ahead with production of binary weapons will further complicate this task.

The United States has consistently taken a leading role in seeking effective chemical disarmament. Most recently, in April 1984, Vice President BUSH tabled a draft treaty before the Committee on Disarmament in Geneva calling for a complete ban on chemical weapons. The United States unilateral moratorium on the production of chemical weapons has continued now for 16 years without any reciprocal restraint on the part of the Soviet Union. Given this situation, it is not surprising that the Soviets have shown little interest in giving up the advantage they currently enjoy.

History clearly demonstrates that the Soviets negotiate seriously only when it is in their interest to do so. In the absence of favorable action by the Congress approving production of modern binary munitions, and thus providing the Soviets with meaningful incentives to negotiate seriously, it is unlikely that any progress in these negotiations will be made. The lack of response by the Soviets to U.S. proposals to date confirms this view.

Mr. President, we must not forget the lessons of history regarding chemical warfare. In World War I, the Allies began producing chemical weapons only after the Germans initiated their use on a massive scale. In World War II, Hitler refrained from using chemical weapons even in the final days of the Third Reich for fear of retaliation from the Allies who were known to possess retaliatory capabilities of their own. If we are to ensure that chemical weapons are not used against our troops or those of our allies in the future, then we have a responsibility in the Congress to provide them with a credible deterrent capability. I recognize that this is a very emotional and politically unpopular issue. However, the importance of the modernization of the U.S. chemical deterrent for our national security far outweighs its relatively modest budgetary implications.

In my judgment, the basic issue here is one of fairness. The questions that we must ask ourselves are these: Is it fair of the Congress to send our troops in harms way without the capability to deter chemical war, or to defend themselves against it? Is it fair for us to ask these volunteer troops to deploy in forward areas without our also giving them the means to insure their own safety and survival? I think not, Mr. President. It is for this reason of basic fairness that I urge my colleagues to oppose the amendment before the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD, the summary of findings and conclusions from the President's Chemical Warfare Review Commission, chaired by the distinguished former career officer and Ambassador Walter J. Stoessel, one-time U.S. Ambassador to Germany, and many other distinguished posts on his commission with former Secretary of State Alexander Haig, former National Security Adviser Zbigniew Brezezinski, two former Members of Congress, and several other distinguished Americans.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Chemical Warfare Review Commission]

SUMMARY OF FINDINGS AND CONCLUSIONS

This Commission was directed by the Congress to review the overall adequacy of the chemical warfare posture of the United States. The Commission began by considering United States policy with respect to chemical weapons. That policy has three elements:

Arms control.—The United States will actively pursue the achievement of a multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons.

Deterrence.—Until such a ban is achieved and in effect, the United States will retain the capability to deter chemical attack by other powers.

No first use.—The United States will never use chemical weapons except in retaliation for the use of chemical weapons against the United States or its allies.

The Commission found that the policy as stated continues to be appropriate.

The Commission was directed by the Congress to consider four specific questions: [1]

1. The relationship of chemical stockpile modernization by the United States with the ultimate goal of the United States of achieving a multilateral, comprehensive, and verifiable ban on chemical weapons;

2. The adequacy of the existing United States stockpile of unitary chemical weapons in providing a credible deterrent to use by the Soviet Union of chemical weapons against the United States and allied forces;

3. Whether the binary chemical modernization program proposed by the Department of Defense is adequate to support United States national security policy by posing a credible deterrent to chemical warfare; and

4. The ability of defensive measures alone to meet the Soviet chemical warfare threat and the adequacy of funding for current and projected defensive measure programs.

The following are the Commission's findings on each of the four points it was directed to address:

THE EFFECT OF MODERNIZATION ON ACHIEVING A CHEMICAL WEAPONS BAN

The Commission believes that modernization would likely increase the chances of achieving a mulilateral, verifiable ban on chemical weapons. The Commission notes that in the 16 years since the unilateral renunciation by the U.S. of production of chemical munitions, the Soviet Union has not progressed toward acceptance of such a ban; on the contrary, it has continued its intensive program of production and research and development for chemical munitions.

ADEQUACY OF THE EXISTING STOCKPILE TO DETER

The Commission has found that:

The existing U.S. store of chemical weapons dates from the 1940's through 1960's and is in deteriorating condition. The bulk of it is militarily useless; a small fraction of the stockpile has deterrent value. All of it is potentially hazardous to handle.

Soviet chemical warfare capability is sizeable and increasing.

A more credible U.S. chemical retaliatory capability is needed in order to prevent either quick defeat or early escalation to a nuclear exchange in the event chemical weapons are used by the adversary.

Failure to acquire an effective chemical retaliatory capability could leave the United States with only nuclear retaliation to deter chemical attack.

The current stockpile should be destroyed at an accelerated rate.

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[1] These four questions were incorporated into the three tasks of Executive Order 12502, dated January 28, 1985.

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THE BINARY CHEMICAL PROGRAM

The Commission has found that:

The proposed binary program will provide an adequate deterrent capability to meet our present needs and is necessary because of the deteriorating condition of the current stockpile.

The great advantage of the proposed binary munitions is safety.

The projected binary munitions program will not produce a more lethal generation of weapons. It provides, rather, a safer, separate packaging of nonlethal chemicals that combine to form lethal agents only when launched. The agents which would be formed after launching are identical to the lethal agents already produced and stored in the U.S. stockpile.

Substitution of these safer binary weapons for existing U.S. munitions filled with lethal nerve agent will provide much greater safety for U.S. personnel and will simplify transport and handling. In addition, effective elimination of potential environmental hazards will be far easier and less expensive.

DEFENSIVE MEASURES

The Commission has found that:

The expectation that protective measures alone can offset the advantages to the Soviets from a chemical attack is not realistic.

Even if defensive equipment works, it severely handicaps personnel who must wear it. Without a retaliatory capability, this leads to an overwhelming military advantage for the attacker armed with chemical weapons.

ADDITIONAL CONCLUSIONS

The Commission in the course of its deliberations has also arrived at these additional conclusions:

Deployment.—The Commission does not consider peacetime deployment of binary munitions in foreign countries to be essential, because of the safety and speed with which these munitions can be transported.

Research and Development.—The Commission believes that research and development efforts on both defensive items and detection equipment, as well as on retaliatory chemical agents and munitions, should be accelerated, both in order to deter the Soviet Union from using new agents and in order to develop countermeasures.

Intelligence.—The Commission believes that U.S. intelligence gathering and analysis regarding chemical warfare activities of the Soviet Union and other countries should be greatly improved.

Mr. WARNER. Unequivocally, they reached the conclusion, after extensive hearings, of the need to proceed in precisely the manner as directed by the bill now before the Senate.

Mr. President, I do not see in the Chamber—he was here moments ago—the distinguished Senator from South Dakota, but he wished to enter into a colloquy. I do not see him here at the moment and our time is rapidly slipping by here.

Does the distinguished Senator from Arkansas wish to seek recognition at this time? I understand he controls practically an hour. I would like very much to hear his points of rebuttal to the historical precedents cited by the distinguished Senator from Ohio, namely, the effective deterrence of this weapons system in World War II.

As a matter of fact, I bring to the attention of my colleagues, particularly the Senator from Ohio, I have done a lot of research in this area, and there is one record in the history of the German High Command when they went to Hitler and suggested incorporation of a form of chemicals in the desperate waning days of the war to strike against the United Kingdom in buzz bombs, and Hitler overruled it for fear they would be retaliated in the crisis in Berlin.

Another chapter in a history that is replete with the effect of deterrence when both sides have a comparable capability.

Mr. President, I yield the floor to my colleague from Arkansas.

Mr. PRYOR. Mr. President, to add just a little bit about Adolph Hitler, it is this Senator's understanding that the possibility that Adolph Hitler himself was gassed during World War I is very evident. I think there is evidence to prove that. Maybe that is what was wrong with him. I do not know.

But whatever the case, we are glad that he did not decide to use gas of any nature during the final hours of World War II.

Mr. President, this debate is going on. We have about another hour and 20 minutes. I do not see any speakers on our side. We do have four speakers, I believe, who will be coming to the floor at the appropriate time.

I say to my friend from Virginia that it is my understanding that the distinguished occupant of the Chair at this time is a cosponsor of this particular amendment to ban further production or future production of nerve gas. I understand that the occupant of the Chair, Senator DANFORTH, may make the necessary arrangements at this stage during the debate to take his place at his seat and ask for the opportunity to say a few words on the matter of nerve gas.

I do see the distinguished Senator from Missouri and I am happy to yield to him at this time, if he has any pertinent statements, and then I will continue after he is finished.

(Mr. WARNER assumed the chair.)

Mr. DANFORTH. Mr. President, if the Senator from Arkansas will yield me time in support of the amendment, I would very much appreciate it.

Mr. PRYOR. I am glad to yield to the Senator any time that he needs.

Mr. DANFORTH. Mr. President, I am pleased to join with Senators PRYOR, COCHRAN, and HART in offering this amendment to prevent the resumption of chemical weapons production. Congress has wisely refused to support the effort to reenter the chemical weapons race, and we should continue that opposition today.

Two years ago Congress denied the administration's request for $54 million for the procurement of binary chemical artillery shells and bombs. The Pentagon has asked for $163 million in production and procurement funds for these weapons this year. This amount, though, is only the first installment in a weapons program that will ultimately cost $2.3 billion.

The United States has for the past 16 years refrained from producing these most abhorrent weapons. To begin production of new nerve gas munitions would be an unfortunate reversal of a wise policy.

We must, of course, remain prepared for chemical warfare. The Soviet Union has invested heavily in a variety of chemical weapons systems and shown a willingness to use them. What does not follow is that the resumption of chemical weapons production in this country is therefore the best deterrent to their use. While our defensive measures still need improvement, the armies of today are well protected against the effects of chemical weapons. Their real military utility is to harass and slow down opposing forces, not to kill them. When chemical weapons are used, it is civilians who are the chief victims. The production of binary munitions and additional means of delivering chemical weapons only increases the threat to the densely populated regions surrounding potential battlefields in Europe.

In an era of increasingly precise and discriminating weapons, chemical weapons are a dangerous leap in the opposite direction. Instead of maximizing damage to opposing armies, chemical weapons directly threaten unprotected civilian populations far more than military forces. The vagaries of wind and weather ensure that the use of these weapons on a European battlefield would generate tremendous civilian casualties with little permanent damage to armies. Is this the direction our policy should lead? Would our interests not be better served with more accurate, discriminating, and effective conventional weapons, weapons deadlier against armed forces? Some $2.3 billion worth of tanks, planes, and other conventional arms would provide a much greater deterrent to any attack, conventional or chemical, than the chemical munitions now proposed.

I join my colleagues in supporting efforts to improve the protective measures we provide our troops. The bill before us, for example, provides $936 million for worthwhile protective programs. Our amendment would not affect these critical programs. This defensive capability is especially important in view of the Soviet Union's continuing testing, production, and apparent use of toxic weapons.

Proponents of chemical weapons production argue that in order to deter their use we must be prepared to respond in kind. We must not forget, though, that the United States already possesses an enormous stockpile of chemical munitions. Indeed, Secretary Weinberger has acknowledged

that these weapons are not needed to address any numerical shortfall.

The costs of resumed production extend far beyond the monetary expense. Our allies in Western Europe have expressed their categorical opposition to the development of new chemical weapons on their soil. These governments and our alliance have already been strained by the deployment of Pershing II and ground-launched cruise missiles. Any attempt to deploy these weapons will be a political and diplomatic disaster. The administration has acknowledged this fact and has no plans for peacetime deployment.

But to be of any value as a deterrent, the proposed binary stockpile must be deployed where it is to be used. A weapon that is not readily available, that will require a substantial drain on our already overburdened airlift and sealift capabilities, and that will delay the delivery of other materiel is simply not a positive addition to our forces.

Further costs accompany the production of chemical weapons. The United States has undertaken a major initiative to stop the spread of chemical weapons to nations around the world. Production of new chemical weapons on our part would undercut these efforts and weaken our condemnation of chemical weapons and their use around the world.

In addition, I recognize that the seemingly intractable obstacle of verification has thus far frustrated U.S. efforts to conclude a satisfactory treaty with the Soviet Union. But to commence production of chemical weapons now is to abandon the agreement process and to invite a chemical weapons race. Some contend that in order to reach an agreement we need binaries as a bargaining chip. I submit that the United States' best course is the restraint it has demonstrated in the ugly business of producing lethal nerve gas weapons, binary or otherwise.

In short, Mr. President, little has changed since the last time the Congress debated this issue. We have heard the arguments recast in new terms, but the issues remain the same.

Mr. President, I do not purport to be any great expert on military strategy. I do not serve on the Armed Services Committee. I do not have the distinguished record of military service that the Senator from Ohio has. But it seems to me that chemical weapons is one area where we just really do not have to progress.

The first thing to be said about the present plan to move to the binary chemical weapons is that, while it is cloaked as just a repackaging of chemical weapons, it is a step forward in chemical weaponry. Chemical weapons which are binary weapons, not mixed, can be used in bombs and dropped from planes. It is my understanding that the unitary weapons cannot be and that they are not acceptable on ships.

The chemical weapons that have been proposed now in this bill have a much greater utility as a practical matter than the present state of affairs. So it is a step in the direction of chemical warfare. It would seem to me that that is a step which we as a country should not take.

Now the point was made by the Senator from Ohio that this is a necessary deterrent. I am all for deterring the Soviet Union. I do not like them a bit. I do not think we can trust them. I think we have to maintain strength. I have voted for all kinds of weapons systems from the MX missile to the B-1 bomber. I have opposed efforts on the floor of the Senate to gut the defense budget. I think we have to deter other countries, and we have to deter particularly the Soviet Union, a country which is so different in its approach to world affairs from the United States and really a bad actor on the world stage.

But I cannot imagine that our possession of chemical weapons is going to deter warfare with the Soviet Union. It is not chemical weapons that will deter warfare with the Soviet Union. It is nuclear weaponry and conventional weaponry that will deter warfare. So I just do not understand how this particular system is going to prevent war.

My reason for opposing a step forward in chemical warfare is that it seems to me the whole concept that is involved here is abhorrent not only to what we want to believe as a country, but to what Western values have been from as far back as Thomas Aquinas.

The basic theory, as I understand it, of just warfare is to maintain a principle of noncombatant immunity. That does not mean that noncombatants are going to be totally immune from being killed or injured at a time of war. But it does mean that the main tactic of warfare, the main tactic of the use of force, is to use force against combatants and to target force in such a way that its primary thrust is against combatants, not against noncombatants.

Now the problem, as I see it—granted I am an amateur in this area—the problem as I see it is that the combatants, the military people, are equipped with masks and uniforms and equipment to prevent the gas from hitting them. And, therefore, if this is used in any area where there are civilians as well as military, by the very nature of chemical warfare it is the military people who are saved, and it is the civilians who are killed or injured. So it seems to me to be a matter or principle, a matter of basic concept, and one concept that is very important to hold onto.

So, Mr. President, for those reasons in addition to the reasons more extensively set forth in my statement, I am pleased to be a cosponsor of the amendment of the Senator from Arkansas, and I urge its adoption in the Senate.

Mr. PRYOR. Mr. President, I sincerely thank the distinguished Senator from Missouri for those very, very splendid statements. Once again, he has hit the issue, I think, right on target, if I may use that expression. He has stated what this issue is all about, and he has done it more eloquently than this Senator could ever do.

Mr. President, at this point, I yield 5 minutes to the distinguished Senator from Maine.

(Mr. DANFORTH assumed the chair.)

Mr. MITCHELL. Mr. President, I rise to support the amendment offered by my colleague from Arkansas, Senator PRYOR.

This amendment will prohibit the expenditure of funds for the production of binary chemical weapons, call upon the President to intensify international efforts to achieve a ban on the production of all chemical weapons, and provide for the security of our own troops to operate on a battlefield where chemical weapons are being used.

Binary weapons represents a new generation of lethal chemical weaponry. These new weapons would be composed of two separate and sealed containers of harmless, nontoxic chemicals which, when in flight in an artillery shell or bomb, mix to form a toxic nerve gas. Present stocks of chemical weapons consist of lethal nerve gas mixed and contained in a single unit.

This amendment is necessary because the administration now is requesting $207 million for a retaliatory chemical weapons capability, despite the fact that Congress has repeatedly rejected the production of such weapons in the recent past.

I oppose this administration request. President Reagan's proposal to manufacture chemical weapons would end a 16-year-old moratorium on the production of such weapons, initiated by President Nixon and supported by Presidents Ford and Carter.

It is imperative that the United States continue our discussions with the Soviet Union on a comprehensive chemical weapons ban and continue our search for other international remedies that will aid in this effort.

Since the horror of chemical weapons became apparent in the trenches of France during the First World War, the international community has made strenuous efforts to curb the use of nerve gas and other lethal chemical and biological weapons. These efforts led to the Geneva Protocol of 1925 which prohibits, in effect, the first-use in war of "poisonous, asphyxiating or other gases." There are now, I believe, 118 parties to the protocol including the Soviet Union and the United States, which ratified the agreement in 1975. In 1976 President Ford launched bilateral negotiations with the Soviet Union on a comprehensive chemical weapons ban. These talks had made considerable progress in 1980 when both sides accepted the principle of onsite inspection. The present administration, however, let the talks lapse and it has indicated no serious intention to pursue them seriously.

The administration has, however, indicated some interest in multinational discussions on this subject and I commend the administration for the constructive steps that it has taken in that regard.

Passage of this amendment would encourage the administration to continue these and other international efforts to develop a comprehensive ban on the development, production, and possession of chemical weaponry.

Mr. President, there are several reasons for opposing the production of new chemical weapons in the United States.

First, I believe that our varied array of existing weapons systems provides a formidable deterrent to any Soviet use of chemical warfare against us or our allies. Included in this array is our present stockpile of chemical weapons, stored across the country and in other parts of the world.

The second reason is based on the fact that the production of binary weapons could affect the stability of the NATO alliance. Western Europe would be the major potential battlefield for chemical weapons. Many of our European allies have firmly rejected deployment of new chemical weapons. NATO's North Atlantic Assembly passed a resolution in 1981 warning that "proposals to deploy new offensive chemical weapons in Europe would provoke strong reaction among European public opinion." A controversy over the use of chemical weapons would detract from more pressing NATO concerns.

The third reason for my opposition to the manufacture of these weapons concerns the likelihood that such manufacture could precipitate a chemical weapons arms race that could spread throughout the world. Chemical weapons are relatively cheap and easy to make. If the United States decides to engage in producing binary weapons, what would prevent other nations, even those that are small and poor, from following our example? A 1978 study by the Carnegie Foundation, entitled "Chemical Weapons and Chemical Arms Control," cautioned that the nonproliferation thus far of chemical weapons was largely attributable to the fact that the United States, the weapons trend setter for the world, has eschewed these weapons.

A chemical arms race between the Soviet Union and the United States would certainly be more likely if the United States commences to manufacture a new chemical weapon. The two nations have made considerable progress on a preliminary agreement to halt their production of these dangerous products.

These are the principal reasons for my opposition to the manufacture of binary weapons in the United States. Congress must prevent the expenditure of millions of dollars on chemical weapons that stir fear in the minds of people throughout the world. Instead of appropriating money to produce these weapons of dubious military value—and as the Senator from Missouri just pointed out, to be used most likely against civilians—Congress should encourage the President to achieve a verifiable ban on chemical weapons.

Mr. President, I support the funds requested in this bill for the protection of our troops against the effects of chemical attack and for the cleanup and disposal of existing stocks of dangerous chemical weapons. But I cannot and will not support the resumption of chemical weapons production. I urge my colleagues to support this amendment.

I thank the Senator from Arkansas for the time and I yield the floor.

Mr. PRYOR. I thank the distinguished Senator from Maine for his comments and for his very dedicated concern for this particular cause that it is now before the Senate.

Mr. GOLDWATER. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. How much time is left on each side?

The PRESIDING OFFICER. The Senator from Arizona has 28 minutes and the Senator from Arkansas has 41 minutes.

Mr. GOLDWATER. I yield myself about 3 minutes, Mr. President.

The present occupant of the chair has made a very interesting comment about why he opposes, and I can say I understand it. There is nothing in this world more abhorrent, more uncalled for, more disastrous than war. I do not care whether it is using gas, bullets, bombs, bows and arrows, or rocks. It is basically wrong in my opinion to have to kill people to settle arguments. But unfortunately, that is true. We have had them. In the 7,000 years of history of man, there have been 14,000 wars. That is about two wars a year. We have had a total of 20 years in this whole period of man's history on Earth when there has been peace.

I remember one comment that the Senator in the chair made about the devastating effect upon civilians. He is so right. I have been sitting here trying to think back through my memory of warfare, and I really believe the only war civilians did not suffer more than the military forces was our own war between the States. But the millions of people who were killed in the battle on Leningrad, and the Holy War against Russia by the Germans, the people that we killed with our bombs, and civilians for no reason at all—what we are talking about here is a weapons system that we do not have. If we have the weapons system, I think the proof has been that the enemy is not liable to use their similar weapons system. They have used this weapons system in Southeast Asia because there was no way of retaliating. They are using it in Afghanistan because there is no way for the Afghans to retaliate.

So I do not look on this as something we are going to run out and use. I think if we have it, just like if we have a superior capability to bomb, the chances are they are not going to bomb us. The great motto of the Strategic Air Command is "We have peace through force."

I think the dropping of the atomic bomb on Japan and all the uproar that it caused—I do not think we generally know that there were twice as many people killed by the dropping of ordinary fire bombs preceding that raid. So when you single out a system like chemical warfare and say it is devastating, yes, it is devastating. But I might say too, in response to my friend who just spoke, that we do not have adequate protective equipment to deter. The Soviets, we have every reason to believe, have chemical agents now that are toxic in nature that will penetrate any suit or mask that we have.

I just want to bring those points out, Mr. President. The people who really suffer in wartime are the civilians. The safest place to be in a war is in uniform.

Mr. PRYOR. Mr. President, the distinguished chairman of the Committee on Armed Services, a gentleman I have so much respect for, has just stated we do not have any protective equipment. Here we have spent $1 trillion—$1 trillion—in the past 4 years, and we find we do not have any protective equipment. Now we have started buying some protective equipment, we have started buying some gas masks, from a sole-source contract, $6,504 for each mask. We have spent, according to a memorandum of August 1, 1984, to Representative Fascell on the House side, somewhere in the neighborhood, if I am not mistaken, of $7 billion or $8 billion in the area of chemical defense expenditures.

Mr. GLENN. Will the Senator yield?

Mr. PRYOR. Yes, Mr. President.

Mr. GLENN. What was that figure per mask, again? I am not sure I heard.

Mr. PRYOR. It was $6,504 per mask, Mr. President. Of course, that was without competition, no right for small businesses to compete, typical business as usual. But I am not going to get on that. I am just going to talk for a few moments about some of the points that have been raised tonight.

Mr. President, we strongly and sincerely believe that the current stockpile of chemical weapons is sufficient. In 1983, a blue ribbon panel that has already been quoted, that was established by the Pentagon, confirmed that the stockpile continues to be reasonable. We have huge amounts of nerve gas weapons. The current stockpile consists of literally hundreds of thousands of nerve gas artillery rounds, thousands of nerve gas bombs which can be used. And these bombs and artillery shells in our current inventory serve, in the estimation of this Senator, as a credible deterrent against the Soviet Union.

Mr. President, I feel somewhat like the Senator from Missouri when he told us at least two or three times during his eloquent statement a few moments ago that he was not an authority on military strategy. I can say without reservation that the least of all authorities in this Chamber on military strategy is the Senator from Arkansas—myself. But I do believe and I do feel strongly, Mr. President, that the supply today of our nerve gas artillery shells is adequate. Even Dr. Thomas J. Welch, the Assistant to the Secretary of Defense for Chemical Matters, appeared February 28, 1985, before the Armed Services Committee. He, himself, reaffirmed the viability of our artillery shell stockpiles. If I may, let me quote from that transcript. Our good friend and colleague [Mr. Glenn] asked this question of Thomas Welch:

> "Senator Glenn: I am talking about existing shells ready to go in weapon systems. What percent of those would be usable?"
>
> Welch: "You are talking about the artillery shells, sir?"
>
> Glenn: "Yes."
>
> Welch: "We can fire them all."
>
> Glenn: "Those are the ones you had to take out of service because they are leaking or in danger of leaking?"
>
> Welch: "No sir, those are not leakers. The leakers are in M-55 rockets."

Mr. President, in the same hearing, in response to a question from Senator Kennedy, Mr. Welch stated, "There is no issue on the delivery system. We can fire those rounds."

The Pentagon also established recently a blue ribbon panel to see if the existing stockpile of chemical weapons and militarily useful munitions remain in usable condition.

In 1983, Mr. President, that particular panel appointed by the Pentagon on September 27, 1983, stated: "Leakers are isolated" and "the fraction of leakers is small (less then 6 per 10,000 artillery projectiles)."

The panel concluded:

> In general the components of the munitions appear to be in good shape, except for rare instances of imperfections in the brazed joints . . . these appear to be related to manufacture, rather than to aging.

Mr. President, half of the existing nerve gas supply is in bulk storage, which, if needed, could be used to fill munitions in addition to the already existing containerized nerve gas bombs and shells.

I quote:

> The principal alternative to the binary route of U.S. nerve gas rearmament is the filling of existing supplies of nerve gas—from bulk stocks or current munitions—into new munitions. If all the bulk agent were to be filled into munitions, the total supply would increase to around 400,000 tons.

The source? Dr. Julian Perry Robinson, Great Britain's greatest authority on chemical warfare and related activities.

Mr. President, we feel today that a decision by the United States to resume production of chemical weapons would undermine the U.S. position in Europe. Our European allies have yet to express any willingness, any desire to place U.S. chemical weapons in their territory. Our allies have expressed no willingness. The West Germans, in particular, have indicated that it would be politically impossible to accept new U.S. deployment of binary weapons.

Interestingly, Mr. President, on April 17, 1985, Mr. Stanley, a member of the Parliament, responding for the Thatcher Government, stated: "There are no such facilities being used or designated for this purpose, nor are there plans to store United States chemical weapons in Great Britain."

Mr. WARNER. Mr. President, will the Senator entertain a question?

Mr. PRYOR. If the question will be allocated to the time of the Senator from Virginia.

Mr. WARNER. We will accept the time, Mr. President.

This question is raised time and time again about the fact that our allies at the present time are expressing a reluctance to permit storage in Europe. So that means that if there were a chemical attack on our forces today, we would have to fly them over. Am I not correct in that assumption?

Mr. PRYOR. We have chemical weapons stored in several sites across the world, as the Senator realizes.

Mr. WARNER. Well, that is a matter of utmost sensitivity which we cannot take up here.

Mr. PRYOR. We will not discuss those sites, of course, Mr. President.

Mr. WARNER. I ask the Senator again to picture the scenario where our Armed Forces are attacked. Chemical weaponry is employed by the Warsaw Pact. We have to respond in kind, given that there may be some repository of a limited amount. We would shortly thereafter have to resupply, is that not correct?

Mr. PRYOR. Again, I think it would depend upon how long that particular warfare would last.

Mr. WARNER. Well, that is correct. We do not know how long it would last. But if our military command were required to retaliate in kind, in all likelihood, they would have to be transported from the United States. The question I raise is would it not be safer for the people on this side of the ocean handling those munitions, the people who have to fly them, the people who have to service them, the people who have to transport them to the forward line, would it not be better for them to have the binary system in that transportation mode than to rely on this archaic system we now have?

Mr. PRYOR. I will respond by quoting from Dr. Matthew Meselson of Harvard University who calculates that to transport 10,000 agent tons of artillery nerve gas projectile in binary nature to Europe would take 4,200 C-141B flights using the entire fleet for 4 weeks, because it takes four times as much space to store the binary agents because of the way that they are constructed, the fact that you need two agents rather than one.

Mr. WARNER. Mr. President, I conclude my question simply with the observation that in fairness, fairness to the men and women of the Armed Forces of the United States who have to deal with these weapons, I think it is the obligation of the Senate to provide them with the safest system available by means of our technology today.

Mr. PRYOR. The Senator from Arkansas wants to provide them with a safe system. We are not taking funds out for defensive equipment, for gas masks and protective clothing, et cetera. Certainly we want them not only to be safe, but we want them to be educated in their use and how to defend themselves in an attack.

Mr. WARNER. I have to withdraw from this colloquy simply because we do not have sufficient time remaining on this side.

Mr. PRYOR. Mr. President, one of the issues that we are involved with in this debate relates to the deliverability of a new binary system. We look then at the Bigeye bomb. The Bigeye bomb is one of those areas under debate right now, its deep strike capability.

Mr. President, the Bigeye bomb has been in research and development for 20 years. To the best of the knowledge of this Senator—and I have attempted to find in evey way that I could information about the Bigeye bomb—the Bigeye bomb still does not work to deliver this binary system for which the President is seeking $163 million. This Bigeye bomb, Mr. President, still, to the best of my knowledge, does not work.

In October 1983, the GAO disclosed very serious problems, namely that high temperatures in the planes were causing the bombs to come apart inside the aircraft. The Navy acknowledged that this was true and, as of 1984, the GAO said this problem still had not been corrected.

So the Navy goes back, and they redesign the Bigeye bomb so that the mixing of the two agents would take place outside rather than inside the aircraft.

The GAO said further that:

> The delivery method designed by the Navy where the aircraft flies low and then quickly climbs from 200 feet to 700 feet and lofts the bomb reduces the danger of the pilot and the aircraft being exposed to the nerve agent. But, we believe that the new delivery technique may cause the aircraft to be more vulnerable to enemy anti-aircraft fire.

As of this year, Mr. President, the Navy said that finally the problems really had been solved, and a number of us were convinced that this may have been true. Now some new information has come to us that indicates that very serious and very dangerous problems still remain with the Bigeye bomb. It comes from an analyst at the General Accounting Office.

This is no formal report, Mr. President. I want to make that clear.

This particular person is not prepared to take an official position on this issue at this point, until this study is completed. But a number of very serious issues on the Bigeye have been raised.

> We have not conducted 38 or 39 developmental tests for the Bigeye bomb. It is my understanding that of tests 21 through 36, all but one have failed. Test 37 was successful, but mixing was done at an unrealistically low temperature, 30 degrees. Mixing at higher temperatures has not been successful. We must be able to mix at those high temperatures because the aircraft will be flying low enough to avoid radar.

Mr. President, this is only one of the questions that we have about the Bigeye bomb and about its use in rendering us capable of a deep-strike capability in delivering the new binary nerve gas system. The Department of Defense decided to defer procurement on the chemical Bigeye weapon as of 1984 in order to solve several technical problems, and we submit tonight that the Bigeye bomb is not yet a successful system, nor has it been tested.

Tests only started on the new round for tests in April of this year, just a few weeks ago. Those tests will not be completed until some time in September. I think it represents commonsense that we should not start pouring all this money into a system that is going to be delivered by a bomb that perhaps will not work. In some respects it is like the MX missile. We may be creating a new weapon without a home.

Mr. President, we also believe that renewed production will continue to undermine chances of an agreement in Geneva to bar all chemical weapons.

> A couple of recent initiatives toward a chemical weapons treaty with a renewed push to reduce binary tends to weaken rather than enhance our diplomatic leverage.

That source was a letter to Congress in May 1984, signed by Thomas Davies, former Assistant Director of the Arms Control and Disarmament Agency, and other people, other individuals who have participated in those particular proceedings.

Mr. President, also, the Congressional Research Service, in an April 1984 report to Congress, did cautiously conclude that U.S. production of binary chemical weapons could encourage proliferation of chemical weapons to other countries.

> The chemistry of binary weapons makes them easier to produce than unitaries, although still somewhat less easy than some have suggested.

This comes from a report "Binary Weapons: Implications of the U.S. Chemical Stockpile Modernization Program for Chemical Weapons Proliferation," by the Congressional Research Service in a report of April 24, 1984.

Mr. President, our sixth point tonight is that chemical weapons kill civilians and not soldiers. The Senator from Missouri and others have already brought this matter to our attention, so I do not think it is necessary to dwell on it. It has been estimated that in a chemical war 20 or more civilians could be killed for every military casualty. Use of nerve gas in Europe could be as deadly as a nuclear exchange killing millions of civilians.

During a Navy briefing held at the Philadelphia Naval Shipyard in March 1985, Navy officials admitted that studies show that up to 12 million civilians would be killed in only 24 hours of chemical war and military casualties might be negligible.

Mr. President, we think Congress should remain consistent with its position against nerve gas production, a position it has taken in the last 3 years. There is no new fact which has come before the Congress, nor that has come to the attention of this body, that should alter our course of saying we do not want to go back into the production of chemical weapons, or nerve gas. Nothing has changed in 1985 to reverse those correct decisions made in 1982, 1983, and 1984.

The eighth point, Mr. President, binary chemical weapons is a waste of the taxpayers' money. At the time of huge budget deficits, Congress can save $163 million tonight and at least $2.3 billion over 5 years and probably more if we continue to say that we do not want chemical warfare or nerve gas produced.

The ninth position that we take tonight, Mr. President, is that chemical weapons have very little to do with military utility.

Chemical weapons are less effective as a military weapon than conventional high explosives. We know that well-protected soldiers can totally protect themselves from chemical attack but not from accurate high explosive weapons. The use of chemical weapons in history has provided effective evidence of their lack of decisiveness in battle.

Once again, reading from the Congressional Research Service report:

> Binaries would share the same inefficiencies of all chemical weapons, the primary one being that their effect on the battlefield is difficult to predict insofar as they may be carried by winds or dissipated rapidly by the elements.

On April 24, 1984, in the same report:

> The chemical weapons positions are hard to control, and their effectiveness is difficult to predict. The outcome of the chemical weapons used is difficult to predict, and their use may endanger friendly forces as well as those of the enemy.

Mr. President, as our final point, we sincerely ask the Senate tonight to consider this position against the renewed production of chemical warfare in nerve gas.

Mr. President, we may have other speakers on this subject. I understand that the distinguished Senator from Oregon [Mr. HATFIELD] is on his way to the Chamber at this point.

I reserve the remainder of my time, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. I yield myself 3 minutes.

Mr. President, to correct some of the remarks that were made, we have priced a gas mask. It is a terribly high price. It is $124 not $6,500, as stated by the Senator from Arkansas earlier. It is a very debilitative piece of equipment. Whoever made it should go out of the business. We have tried to keep men in this mask for more than 4 hours at a time, and they cannot do it.

Mr. President, in our stockpile of unitary chemical weapons today 61 percent is stored in bulk form for which there is no means of delivery. Eleven percent is not repairable and/or obsolete. Twenty-five percent is serviceable, but of limited military value. Only 3 percent of our stockpile is currently militarily useful.

So, in effect, we have no reserve of chemical weapons. In fact, I know that it used to be manufactured in my friend's State, and I believe all the facilities have been closed down.

The PRESIDING OFFICER. Who yields time?

Mr. PRYOR. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Arkansas has 22 minutes and 55 seconds. The Senator from Arizona has 19 minutes.

Mr. WARNER. Mr. President, I ask the distinguished chairman of the Armed Services Committee to yield such time as may be necessary to conduct a brief colloquy with the Senator from South Dakota.

Mr. GOLDWATER. I yield.

Mr. PRESSLER. Mr. President, I should like to address a series of questions to my colleague about our NATO allies.

At present, as I understand it, only Germany has unitary chemical weapons. Is that correct? Is it classified?

Mr. WARNER. We are on a borderline situation. There is a general understanding that at certain locations there are chemical weapons, small amounts available to our deployed troops, At this time, I do not wish to acknowledge where they might be.

Mr. PRESSLER. Within the NATO countries, has a movement developed for binary chemical weapons?

Mr. WARNER. So far as this Senator knows, there is no effort to manufacture a binary system.

Mr. PRESSLER. Recently, it was my pleasure to accompany the majority leader on a visit to Europe; and, quite openly, many of the European leaders expressed a desire to see the United States move forward in this area. I am trying to find ways in which our NATO allies could be more involved.

Would there be any chance that if we did develop this binary weapon, there would be a storage facility for binary weapons, or would it be appropriate for the President to open talks about storing some of the binary weapons in one of the NATO countries?

Mr. WARNER. I think the Senator has hit on the solution to this problem, and that is that at this time our NATO allies do not wish to enter into this debate in this country, a debate which has been going on for several years. However, informally, in conversations I have had and in which a number of members of the Armed Services Committee have joined, there is a strong desire on the part of the military commanders in NATO to see some forward movement in this whole area of thinking.

It is my opinion that if this issue is resolved by the Congress of the United States, we will see the President shortly thereafter, in an informal way, begin discussions on the possible future of deployment—that is, the NATO countries.

However, I wish to draw the Senator's attention to a letter dated May 21, 1985, from General Rogers, a gentleman well known to the Senator, in which he stated as follows:

> It is also argued that CW modernization is not appropriate because none of our NATO allies have indicated a willingness to accept the new CW munitions.
>
> As I have stated publicly, there are—and should be—no plans for stationing new binary CW munitions on European soil, so I consider this argument inappropriate. Obviously, NATO strategy calls for a CW retaliatory capability in all regions, and there have been no indications that our allies wish to change that strategy.

Mr. PRESSLER. In the judgment of the Senator—he has had vast experience on the Armed Services Committee—if we did have an engagement in which we utilized binary weapons, it would probably be in Europe. Would that not be true?

Mr. WARNER. In the course of our hearings on this subject and during the course of hearings conducted by the Chemical Warfare Review Commission, it was brought out that there is an increasing proliferation of these weapons and the capability to manufacture them throughout the world. In view of the fact that our troops are deployed in many places other than NATO, it is the judgment of our military commanders that we should have this safe, transportable binary system in the event of a contingency requiring the retaliatory use elsewhere in the world.

For that reason, there is unanimous opinion in the Department of Defense to go forward with this system, not only for the NATO arena but also for other places in the world.

Mr. PRESSLER. It certainly would be our responsibility to store this weapon and to handle it, if we build it. But what I am trying to drive at is this: Is there a long-range plan to store some of it in Europe or offshore, because the chances of using it are the greatest in Europe? Does the administration or the Senate envisage seeking an agreement with some of the European allies to store it or to have it on hand in what would probably be the area where it is most likely to be used?

I might go on and ask this: Do the Soviets have a similar type weapon stored in East Germany?

Mr. WARNER. So far as we know in open discussions there is no evidence that the Soviets have the binary system. They do not need it. They have so many other systems. Their approach to the handling of this is quite different than the obligation we feel to our young men and women in uniform, and as such we know of no effort on their behalf to go forth with a binary system because they have more than adequate supply of a variety of these weapons.

Where we would deploy these weapons in a forward mode at this time I am not prepared to respond. I do know that Ambassador Stoessel has stated, "Deployment of binaries in foreign countries would not be necessary. Binaries are safe and easily transportable. They could be positioned on aircraft carriers and ships for rapid delivery when required."

And that is the binary system, I emphasize, because our Navy has many restrictions on the transportation of the existing inventory of weapons.

Continuing Ambassador Stoessel's observation:

"General Rogers—SACEUR—agrees with this and concurs that production of binaries and storage in United States in peacetime would constitute a strong deterrent."

Mr. PRESSLER. If the Soviets were to use chemical weapons in Europe how would these weapons be delivered? Would they be by missile, bomber, or in what form?

Mr. WARNER. The Senator is correct. It could be anywhere from artillery shells to air delivery to rocket delivery.

Mr. PRESSLER. So it would be in our interest to have some of our binary weapons as close as possible or in fact stored in Europe? Would that not be an objective?

Mr. WARNER. At the time, General Rogers, the supreme allied commander, is of the opinion that retaining the binary system in the continental United States is adequate for his military contingency plans. Should the President be successful in negotiations with our allies at some future date it may well be that a subsequent allied supreme commander would be of the view that he would like to have storage capacity both in the continental United States and forward deployed in NATO.

Mr. PRESSLER. So the present plan would be to store the weapon in the United States and transport it to Europe at the time it was needed. Is that the present plan?

Mr. WARNER. That is the present plan.

Mr. PRESSLER. There are no plans to store it in Europe.

If the weapon is approved, are there any plans to request that it be stored in Europe, or that it be offshore?

Mr. WARNER. There are no plans that I have knowledge of, and I conducted all the hearings on this subject, with the Senator from Arizona chairing on many occasions, but I was present.

Mr. PRESSLER. Are the NATO allies again in the process of modernizing their chemical weapons that they do possess?

Mr. WARNER. The answer is no, generally our allies do not posess chemical weapons.

Mr. PRESSLER. Would it be a desirous thing if they would from our position?

Mr. WARNER. That is a matter to defer to the judgment of our Ambassador to NATO and, indeed, to the military commanders in that area. I would not presumptive enough to make a reply.

Mr. PRESSLER. Is that what they said in the hearings?

Mr. WARNER. That question was not raised, we only addressed our own moderization plans.

Mr. WARNER. I thank the Senator.

Mr. PRESSLER. I thank my colleague.

Mr. DIXON. Mr. President, I wonder if my distinguished friend from Virginia will yield.

The PRESIDING OFFICER. Who yields time?

Mr. DIXON. I wonder if my distinguished friend from Virginia will yield for a question or two in line with what has already been discussed.

Mr. WARNER. My attention was momentarily diverted. I will accept the question. I must ask that it be charged to the Senator's time since we are very short of time.

Mr. GLENN. He is on our side.

Mr. WARNER. I see. Thank you.

Yes, indeed, go right ahead. I yield.

Mr. DIXON. Mr. President, may I ask my distinguished friend from Virginia who was present in the same hearings I attended of the Armed Services Committee on this subject matter. I appreciate the fact that those hearings were classified and I am sure he will have good judgment about what kind of responses he can make. I wish to approach it in a very cautious way.

But I wonder, have we adequately demonstrated in the discussion here—I have heard what my distinguished friend from Ohio said—he touched upon this at some length—that the binary system does not involve any question of increased lethality. It is not in any way a more deadly type of weapon. It is simply a safer weapon. Is that point well established here?

Mr. WARNER. The binary system is regarded to be equivalent in its military capability to the existing——

Mr. GLENN. But safer.

Mr. WARNER. But much safer, as the eminent Senator from Ohio pointed out not once, not twice, but a dozen times, and that is the key issue before the Senate tonight. Will we supply the men and women of our armed services—out of a sense of respect to them—a more safely transportable system?

Mr. DIXON. And my friend from Virginia has stated before I vote we have a very large supply of unitary bombs and artillery shells, and what we are talking about here is a safer type of binary system. We are not talking about more dangerous chemicals. We are talking about a safer system.

Mr. WARNER. The Senator is correct, but I might question one word and that is a "large" supply. I do not know what "large" refers to. But there has been a considerable amount of discussion tonight with respect to the current inventory being in large proportion either useless, ineffective, or dangerous to transport. So while the statistics may have a graph showing the United States has, shall we say, title, legal possession to a large stockpile, much of that stockpile, as the Senator from Ohio pointed out, is utterly useless.

Mr. DIXON. I thank my friend from Virginia.

The PRESIDING OFFICER. Who yields time?

Mr. PRYOR. Mr. President, I yield 10 minutes to the distinguished Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, I call attention to an editorial which appeared in the Washington Post yesterday. It is entitled "Chemical Weapons: The Real Issues." It is written by Senators GLENN, GOLDWATER, NUNN, and WARNER. It is intended to advance the case for renewed production of nerve gas weapons. However, I believe, Mr. President, that it performs a service which is precisely the opposite. This is why I have chosen to address my remarks at this time to this article.

Mr. President, this article represents the combined intellectual resources of four of the most highly respected Members of the Senate. The total genius power represented by Senators GLENN, GOLDWATER, NUNN, and WARNER is unquestionably a formidable force to be reckoned with. This is what is so fascinating. In producing what is probably the best effort attainable in a small newspaper article, our four respected colleagues unfortunately have no case at all.

But, alas, their sales pitch does provide the perfect springboard into the annual nerve gas reruns. Here we are. Back again. Every year without fail, we are subjected to this bad commercial for a product which is even worse. I cannot speak for the authorizing committees, but I can tell you that we do not appropriate moneys on the basis of perseverance. The Army Chemical Corps gets a A+ for perseverance and imagination, but that is about all they have going for themselves on this issue.

Now the Washington Post article purports to discuss the real issues of this debate. We are first instructed that the central question is whether to modernize America's inventory of chemical weapons. "Modernize"—this is a very interesting term. It has been used, of course, many times in the past. It is intended to assure anyone who suspects that something new is about to occur that it is not really new at all. Actually, the four Senators, while assuring us that we are not about to buy a new product, are suggesting instead that it is a familiar product; but that it is new and improved. New and improved nerve gas.

Next we are told that the issue "is not whether America should or should not have chemical weapons." Rather, our colleagues, quite correctly, inform us that we already have chemical weapons, as do the Soviets. According to them, everyone except unilateral disarmers believes that we should have chemical weapons. Let me say for the record that there are military experts who have appeared before our Appropriations Committee who question the utility of possessing chemical weapons under any circumstances. But my colleagues do not explore this area, and so for purposes of brevity, neither will I. I will instead turn to contradictions.

Contradiction No. 1 comes in the third paragraph. We are told that the issue is not "whether to develop a 'new type' of chemical weapon or a more lethal one." Anyone who believes that is obviously misguided. No—what we must understand, according to the authors, is that the current arsenal is inherently dangerous and prone to accidents or leakage: inviting catastrophe. This flies in the face of the evidence, but that is not what I find particularly interesting. It is the selling technique which I find interesting. It emerges in the following paragraph. It is the classic salespitch in which we are rescued—liberated—from our helpless dependence on a necessary, but repulsive, messy, and distasteful product. We should all feel so much better now because, as the article states: "Fortunately, another kind of chemical shell is available." Thank God. One wonders how we have existed this long without it. This is not a major policy debate, it is a gathering to decide—and again I quote: "whether to keep our chemical deterrent in the old and increasingly dangerous unitary canisters or whether to put it in the new and safer binary shells." New and improved!

Mr. President, I suppose all of America should feel a little less jittery about this nerve gas debate. They now know that the issue is not the resumption of nerve gas production, but rather a simple matter of safety and modernization. I think I am beginning to understand now. This is no different than trading in that old oven for a self-cleaning one or putting a new set of tires on the family station wagon.

If the issue, as the authors suggest, is "whether to keep our chemical deterrent in the old and increasingly dangerous unitary canisters, or whether to put it in the new and safer binary shells," it begs the question: Are the proponents of this program suggesting that only good guys like new and improved products? That only we will be in the market for new and improved nerve gas? What about the bad guys? If we think these new shells are so terrific, what makes you think that Colonel Qaddafi will not think they are

terrific, or the Ayatollah Khomeini, or the North Koreans, or the Vietnamese? If the world's leader in military technology thinks that clean and safe nerve gaas is so terrific, why wouldn't any terrorist government also be attracted to these weapons? And if they cannot quite get their hands on nuclear weapons the temptation will be that much greater.

Now, Mr. President, the only thing I do not understand about the marketing technique my colleagues have embraced is why they have not given this new and improved product a new name? There is no point stopping at the halfway mark. Let us go all the way. Look what a new name did for the missile experimental. We all know what peacekeeper has done to improve the image of that dismal program. So I would like to volunteer a new name for the so-called binary modernization program, Mr. President—"Peace gas." Peace gas. Or how about "Love gas?" When we invaded Okinawa, we called it L-Day, or Love Day. New and improved peace gas, brought to you by the same folks who gave us the dead sheep in Utah and experiments with live agents in the New York subway system.

The next paragraph contains the most specious argument of all. The authors refer to this as the "bargain." The bargain is that for every binary weapon added to our inventory, the equivalent of four unitary weapons will be destroyed. The key lies with the term "equivalent." That, simply stated, means that as we destroy the large, bulk canisters which we cannot use anyway, we will replace them with only one-fourth as much new nerve gas in binary shells. In the final analysis, so the authors claim, we will reduce the size of our nerve gas stockpile by 75 percent. It is the old builddown charade resurrected to justify the new peace gas program. With nuclear missiles it is simply a matter of trading in beatup, old Volkswagens for new Rolls Royces, but in this instance the tradeoff is even more absurd—it is like trading gold for garbage.

The so-called 75-percent reduction of the chemical stockpile raises another interesting contradiction. On the one hand, it is hoped that we will be soothed by this supposed reduction in quantity of nerve gas, yet on the other hand we are told that the binary program is necessary to ensure that the Soviets will negotiate with us seriously. Let me say, first of all, that I do not buy the bargaining-chip theory at all. I reject it. I reject it despite the rather desperate attempt in the Washington Post article to distinguish the binary weapon from a bargaining chip by calling it a bargaining catalyst—whatever that is. I have never seen a bargaining chip or, to borrow the authors' term, a "bargaining catalyst" bargained away. Once built, it remains.

All that aside, the contradiction is that we are led to believe that we will reduce the arsenal by 75 percent and yet this reduction is now a bargaining catalyst.

Perhaps we are supposed to conclude that even though the quantity of the arsenal is reduced, the Soviets will come running to the bargaining table simply because the new binary weapon is safer and easier to handle. This is truly bizarre.

Finally, the authors raise the age-old arguments about hostilities breaking out in Europe and, once again, they skew the facts. Recall that we are told earlier in the article that the issue is not whether America should or should not have chemical weapons. We are reminded that we already have them. And yet, we are subjected to this irrelevant scenario in which the Soviets attack Europe because we do not have any chemical weapons to deter them. All of the historic examples used to support the arguments of the proponents revolve around situations in which nations processing chemical weapons use them against nations which do not. Yet, as the authors correctly state, the debate has nothing to do with having or not having chemical weapons because we already have them. In fact, it was suggested by an expert before my committee that the existing supply of U.S. chemical weapons would allow us to fire our artillery pieces at a rate of one nerve gas shell for every 20 shells fired, continuously, for 8 months.

Mr. President, that is the deterrent, if it is looked upon as a deterrent.

I, therefore, would say that it is my hope that this Senate will vote down this proposition of the nerve gas and maintain the moratorium that President Nixon placed on the production of nerve gas in one of his very foresighted actions during his Presidency.

The PRESIDING OFFICER. Who yields time?

Mr. PRYOR. Mr. President, I yield to the distinguished Senator from South Carolina 3 minutes from our time. I am not implying I have won a convert on our side. I think they are out of time on their side, so I yield 3 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I hope this amendment will be defeated.

I happened to have been in World War II. The Germans had chemical weapons. We had chemical weapons. If we had not had chemical weapons, in my judgment, the Germans would have used chemical weapons. But they knew that we could respond, and, therefore, it was a deterrent to the Germans to use chemical weapons, and they never did use them during World War II.

Mr. President, I am convinced that it is important that we go forward and not delay. I had the pleasure of visiting with Gen. Fred Kroesen, the commander in chief of the U.S. Army in Europe, sometime ago when I visited over there. He recently made this statement:

> No defensive measures can begin to redress the operational imbalance that occurs if one side can deploy chemicals and the other cannot.

The Soviets have chemical weapons.

Now, there is a general who knows what he is talking about. If we have chemical weapons, then we do not think they will use them.

Now, Gen. Charles Donnelly, the commander in chief of the U.S. Air Forces in Europe, made this statement recently:

> Chemical defensive improvements by themselves will not enable us to deter the initation of chemical warfare, to sustain operations on the contaminated battlefield, or to terminate chemical warfare early if initiated. We must have an improved retaliatory capability as well.

Now, Mr. President, I am convinced that the United States is inadequate in its chemical deterrent posture. That means we will likely be forced to resort to an early use of nuclear weapons.

If we should get in a war with the Soviets and they use chemical weapons and we cannot defend against it, then there is no alternative. It means that then the nuclear war begins. I think it would be a great mistake.

It is just like providing bulletproof vests to our soldiers and not giving them the bullets.

Mr. President, I want to say, too, that Gen. Bernard Rogers testified some time ago before the Armed Services Committee. I happened to have been there. He is the Supreme Allied Commander in Europe. He said that the binary chemical weapons will have a deterrent effect.

Now, here is every military commander we have who says chemical weapons will have a deterrent effect.

If we can deter war by having these chemical weapons, why do we not go forward with it? It would be premature, I think, for this country to ask its allies to deploy binary chemical weapons in Europe unless the Congress approves the production of them first.

I say, too, that chemical weapons were provided by the Soviets when the Vietnamese used them against Cambodia and Laos. Who provided them? The Soviet Union provided them. The Soviets used them against Afghanistan.

We should have learned this lesson with the neutron bomb. In that case, the United States asked its allies to announce their willingness to stockpile these weapons in Europe, and then canceled production. This was politically very damaging to our allies.

In addition, the proliferation of chemical weapons in Third World countries highlights the requirement to deter chemical attacks against U.S. and allied forces in various regions of the world. The use of chemical weapons in the war between Iran and Iraq illustrates this point.

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. Parliamentary, inquiry, Mr. President: How much time do we have left?

The PRESIDING OFFICER. Six minutes and twenty-seven seconds.

Mr. GOLDWATER. How much time does the other side have?

The PRESIDING OFFICER. Six minutes and sixteen seconds.

Mr. GOLDWATER. Mr. President, I yield to my friend from Ohio the balance of my time.

Mr. GLENN. Mr. President, I hope I do not use all of that time. Let me go through this very rapidly.

There are two main points to be made, I think.

One, are chemical weapons in our stockpiles valuable as a deterrent? I do not see how we can say that our nuclear stockpile is a deterrent against their nuclear stockpile, our conventional a counter to their conventional, our seapower to their seapower, but when we come down to chemical weapons, somebody changed our mind and said this is not a deterrent because it is so hideous, and it is horrible stuff.

War is horrible. There is no doubt about that. Anybody that has been in war knows it is not good for your health. That is true whether you get into a nuclear war, a conventional war, a seapower war, or chemical war. It is going to be no different.

First, while the issue is very emotional, there are several things to consider. The issue is not whether America should or should not have chemical weapons because we already have them. So do the Soviets have them. Until the treaty can be negotiated—and I certainly support that effort to have a treaty with a verifiable ban on all chemical weaponry—we believe few Americans favor a policy of unilateral disarmament. That is what we are talking about.

We have already had some of these shells that have been taken out of service because they have been leakers or suspected they are going to reach that status very shortly.

So the issue is not the development of a new type of chemical weapon or a more lethal one. What we are talking about is repackaging the same old stuff. You would produce exactly the same formula of gas as that which we have right now. It is stored right now in unitary munitions, those which have the toxic material already mixed. It is in the shell. If there is leakage in the bunkers, transportation, or a wreck on the highway such as happened with torpedoes in Denver a year-and-a-half ago. Then the community could have lethal gas coming down across their community. It is highly toxic. That happens if there are unitary shells.

If we approve the production which is in this bill, we would produce binary shells in which the toxic materials are kept apart. They are not lethal. You can take those units and pour them out right here in this Chamber. Nobody would die. But if we combined those units in here, everybody in this Chamber would be dead probably within a very few minutes. So our shells are safer for our own people.

No. 1, is it a deterrent? I think it is. We believe it is on our side of this argument. No. 2, how do we make these shells as safe as possible for our own people? Fortunately, binary shells are safe. It is the same material, and not new gas. It is not a new development, and nothing except repackaging the same stuff over again.

The issue is whether we will decide to keep our chemical deterrent in the old and increasingly dangerous unitary canisters or whether we put them in a new and safer binary shell.

Another common misconception is that by moving to binary we would be increasing our stockpile of chemical weapons. In fact, just the opposite is true. Under our Armed Services Committee proposal, for every binary weapon added to our inventory the equivalent of four unitary weapons will be destroyed as we destroy the bulk that has not been put into the weapons so far.

In other words, not only would we have a safer deterrent, but we would reduce the size of our chemical stockpile by 75 percent.

In the past, some have argued that possessing chemical weapons provides no real deterrent. That if the enemy had them like Germany in World War I, they used them. The British and French then put their limited supplies in of chemical weapons. It was never used again during that war. During World War II both sides had it, and neither side used it. In Korea, both sides had it, but neither side used it. In Vietnam, again in Afghanistan, and only one side has had it—the Soviets, and they have used it.

So I think the record is very, very clear as to what the deterrent effect of these chemical weapons is. I think unilateral disarmament in this area just does not make any sense to me. It does not make any sense at all. The gamble is not worth taking. I do not want to see us get into the position where if chemical weapons were used, and we had none to reply with, that a quick escalation of nuclear weapons might be the most tempting way to go.

The final argument often advanced against modernizing our chemical weapons is that in doing so we would seriously hinder our efforts to reach an agreement. But this argument, Mr. President, ignores the fact that the Soviets summarily dismissed the draft treaty that we proposed at Geneva just last year on this subject. It ignores the fact that Americans have imposed unilateral moratorium on chemical weapons production that has lasted for 16 years without any reciprocal action by the Soviet Union. It ignores the historical truth that the Soviets negotiate seriously only when there is no advantage for them to do otherwise.

So we are not suggesting that modernizing our chemical weapons would be a bargaining chip but I would say that it might well be a bargaining catalyst. That alone would make the effort worth while.

So we are keenly aware that the position we take is not something that is not without its clear political risk because this is an emotional issue. But we also believe that our position is the right position from the standpoint of safety and security for the United States of America.

When the safety and security of the American people are at stake, we believe it is sometimes necessary to take politically unpopular stands, although it may be very, very difficult.

To summarize once again, Mr. President, what we are talking about is, first: No. 1, are chemical weapons a deterrent against the Soviets if they are using theirs? I think there is a clear record on that. I think it is obvious that it is a deterrent.

No. 2, how can we have that deterrent and make it safe for our own people, our own soldiers, our sailors, our airmen, and marines to use if they ever have to use it? We know some of the unitary shells are dangerous to our own people. They are not safe. Binary shells will be safe, and we oppose this amendment.

I thank the distinguished floor leader.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas has 8 minutes remaining.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

Mr. President, this has been, I think, a constructive debate this evening on one of the key issues that is contained in the Defense Department authorization bill.

Mr. President, my very good friend—and a man that I admire greatly, Senator GLENN of Ohio—has on several occasions tonight accused us, if we do not pass this particular appropriation of $163 million for nerve gas production, of "unilaterally disarming."

Mr. President, in 1977, in a publication by the American Chemical Society entitled "Chemical Weapons and Public Policy," was the following statement: "Our existing stockpile of nerve gas contains enough lethal doses to kill every human being on Earth 5,000 times." Source—American Chemical Society, 1977.

Mr. President, I do not consider that unilaterally disarming, nor do I consider that to be a retreat from our responsibilities, of our challenges, nor a failure to fulfill our goals of obtaining a strong national security. We have talked about a deteriorating stockpile tonight, Mr. President. I would quote once again from the Pentagon's own blue ribbon panel of 1983 which was asked to see if existing stockpiles of chemical weapons remains in usable condition: September 27, 1983:

> Leakers are isolated and the fraction of leakers is small, less than 6 per 10,000 artillery projectiles.

The distinguished panel concluded, Mr. President:

> In general the components of the munitions appear to be in good shape except for rare instances of imperfections in the brazed joints.

Mr. President, there has been another issue raised tonight. That issue is World War I and World War II, Korea, and all of the wars when both sides possibly have had the benefit or the opportunity to use chemical warfare or lethal nerve gas. The truth of the matter tonight, Mr. President, is this is not an issue this evening of whether or not we protect ourselves any further. The issue is how much surplus we have—enough to kill every man, woman, and child in the world 5,000 times, over, according to the American Chemical Society.

No, Mr. President, tonight that issue is much greater. That issue tonight simply boils down, in my opinion, to two things: One, there is no way that we can justify this expenditure economically or militarily. There is no way that we can justify this departure from our 16-year-old position of public policy, of not manufacturing nerve gas any longer.

There is no evidence whatsoever that has been placed before this body tonight to make us change those past decisions against further production of nerve gas. I strongly urge that we support this particular amendment, which would deny $163 million of production funds.

Mr. President, we conclude our argument at this point. We hope that our colleagues will seriously consider the importance and the magnitude of the vote we are about to cast.

Mr. President, I suggest the absence of a quorum.

I withhold that.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. PRYOR. I yield, Mr. President.

Mr. GOLDWATER. I believe the Senator has 1 minute left.

The PRESIDING OFFICER (Mr. MATTINGLY). The Senator has 2 minutes remaining.

Mr. GOLDWATER. I ask that the Senator yield 1 minute to the Senator from Mississippi who wants to make a statement.

Mr. PRYOR. Certainly, Mr. President.

Mr. COCHRAN. Mr. President, I have given much thought in recent weeks to the question of whether or not we should go ahead and begin production of binary chemical weapons. This is not an issue that I have considered lightly during the past few years. In fact, it is a matter that I have been concerned about as far back as my early years of service in the House.

I believed then, and still believe today, that our goal as a nation should be the elimination of these horrible weapons from the face of the Earth. Previous administrations have worked toward negotiating a ban on chemical and biological weapons.

However, in the last few years there has been no real progress toward that goal. So where does that leave us in terms of vulnerability?

There is no question about whether we have a credible deterrent. We do not have any capability to respond in kind to a chemical attack. I have come to believe, and in fact am convinced, that while we have worked toward a goal of banning and eliminating chemical weapons, our potential adversary has taken advantage of our good efforts and unilateral decisions not to produce a credible chemical weapons deterrent. It has continued to make large investments in the development and deployment of chemical weapons and training to fight a chemical war.

The information that I have received in recent weeks, on the subject of our ability to deter the use of chemical weapons against our forces in the early stages of armed conflict, has caused me to reconsider my previous position on the question of producing a new binary weapon.

I have had reservations regarding the question of whether or not they could ever be deployed effectively to serve as a deterrent. I am now convinced that deployment is no longer a limitation on their deterrent capability.

Therefore, the issue comes down to whether or not our efforts in the arms control arena, and our unilateral restraint in developing new chemical weapons have done anything to reduce the likelihood of chemical weapons being used against our NATO forces. I have concluded that neither effort has brought about any change in the attitude of the Soviet Union.

We seem no closer to the goal of banning chemical weapons through negotiations than we were when we first exercised restraint. But, perhaps of more significant to the soldier on the front line in Europe, the Soviet Union has worked hard and with success to develop even more exotic and deadly chemical and biological weapons.

Mr. President, I will vote against the amendment tonight, but still hold out hope that there will come a time when we can bring the Soviets to the table and work toward elimination of chemical weapons from the face of the Earth.

Mr. KENNEDY. Mr. President, if Congress approves the administration's request for $163 million in funding for the production of new chemical weapons, it will mean the end of a 16-year moratorium on the production of chemical weapons by the United States. I believe that Congress should not lift that moratorium in the absence of a very strong showing that to do so is essential to our national security. After careful study in the Armed Services Committee, I am convinced that there is no compelling reason to resume production of this most lethal and indiscriminate weapon. For this reason, I am pleased to cosponsor Senator PRYOR's amendment to delete this funding.

There are many reasons why the administration's request should be rejected:

First, proponents of new production have failed to demonstrate that our existing stockpiles of chemical munitions is inadequate. As the Secretary of Defense acknowledged in February, 1983:

> The U.S. possesses a stockpile of chemical nerve agent artillery shells . . . The quantity is in the range of sufficiency (at least for U.S. forces) and actually is higher than the planned acquisition quantity for the binary projectile.

Second, binary weapons are untested, unreliable, and inefficient. Three distinguished defense experts—Robert S. McNamara, Cyrus Vance, and Vice Adm. John M. Lee—have stated:

> We believe that the proposed binary chemical munitions may actually be militarily inferior to the unitary weapons in our existing stockpile.

The proposed binary gas artillery shell has never been field tested with live agents, and without such tests, there is no way that these weapons can ever be certified to be battle-ready. According to the Army's Field Artillery School, "binary shells are 33-percent less effective than existing chemical munitions," and the former Director of the Army's Chemical Systems Laboratory, Dr. Saul Hormats, has estimated that between 25 percent and 30 percent of the binary shells—and 50 percent of the bombs—will be duds as compared to less than 1 percent of existing shells and bombs. Moreover, GAO continues to question whether the Bigeye bomb, under development for years, has been demonstrated to be an effective, workable system.

Third, our NATO allies have shown no willingness to accept any new or additional deployments of U.S. nerve gas in Europe and have also indicated that they would not agree to permit any such new or additional chemical weapons to be stored in Europe. There is no question that, if the United States goes forward with deploying new chemical weapons, we will create serious divisions within the alliance. Since February 1982, when President Reagan announced his plan to produce binary weapons, political leaders in Britain, The Netherlands, Norway, Sweden, Denmark and West Germany have all stated their unwillingness to accept any new or additional deployments of binary weapons on their soil. Thus, even if the United States were to go forward with the production of these weapons, they would have to be stored out of theater, far away from where they would have to be used in the event of a conflict.

In an effort to avoid controversy, the administration has tried to divide the issue of production of binary weapons in the United States from the issue of deploying such weapons in Europe. The administration claims that out-of-theater storage will suffice. But the administration has failed to develop or demonstrate a credible operational plan for delivery and distribution of chemical weapons in time of crisis or war from the United States or from offshore ships.

Fourth, renewal of U.S. production could seriously exacerbate the problem of proliferation of chemical weapons, particularly to the Third World. Many experts believe that the U.S. moratorium has had a positive effect in limiting proliferation, and CRS has identified the particular danger for proliferation from binaries. This is not to minimize our deep concern about the current level of proliferation, but it is certainly a powerful argument against further production.

Fifth, for the United States to break the 16-year voluntary moratorium on the production of chemical weapons would undermine prospects for progress in negotiations for control of chemical weapons. The idea that binary weapons are important to the United States as a bargaining chip in these negotiations is seriously flawed. Two distinguished and experienced American Ambassadors—former negotiators for the United States on the issue of chemical arms control—have stated that binary weapons production by the United States at this time would probably destroy what progress that has been made and seriously impede all prospects for an agreement for the foreseeable future. This, standing alone, is reason enough to oppose this program.

Finally, this $163 million would be better used to enhance U.S. chemical defensive capabilities. We know that Soviet and Warsaw Pact forces are well-equipped to operate in a chemically contaminated environment. And a recent GAO study has demonstrated the serious shortcomings in our defensive efforts. Instead of building these dangerous weapons of dubious value, we should first improve the capacity to protect our own troops in the event of chemical war. More work needs to be done in this area, and in the area of antidotes.

The administration's failure to pursue an adequate chemical defense program undermines the credibility of its contention that new offensive weapons are the only way to maintain our deterrent.

The administration's request that Congress grant $163 million in funding for the production of binary chemical weapons is unfortunate, unnecessary, unsafe and uneconomical. Renewed production of chemical weapons will not enhance our security, nor will it lead to a chemical weapons agreement with the Soviet Union. Instead, it threatens to undermine what hope we have for achieving an agreement to control the production, deployment, and use of chemical weapons in the future and can only lead to a particularly gruesome arms race. The administration should be commended for tabling a chemical weapons proposal in Geneva; we should not now negate it by approving our new production which is directly contrary to the spirit of that proposal. I call upon my fellow Senators to join in support of this amendment to stop this program before it begins.

Mr. CRANSTON. Mr. President, I am a cosponsor of the amendment to delete funding for the production of binary weapons. I have consistently opposed the efforts of the Pentagon to reinstitute production of chemical weapons. I do not believe that it improves our national security, and it undermines our efforts to eliminate the use of chemical weapons. Although the Congress has rejected the request to begin production of binary chemical weapons for three consecutive years, the President has again asked for funding for the binary chemical weapon program.

The Pentagon claims that the United States needs to produce binary chemical weapons to upgrade existing stockpiles. The purpose of the current stockpile is to provide part of U.S. deterrent capability. The present stockpile is adequate to perform this function. The other element of the deterrent capability—the defensive chemical warfare program—is not adequate. The General Accounting Office [GAO] just released a report citing numerous deficiencies in training, doctrine, procurement, cost, waste, and readiness in the U.S. chemical warfare program.

Despite congressional directives to improve our defensive capabilities and additional funding to do so, the Pentagon has failed to take the necessary steps. The Joint Chiefs of Staff have not put into effect any of the recommendations for chemical warfare defense made in 1981 by the Defense Science Board. Other serious deficiencies that the report noted include the fact that the Army has no medical products in the field for chemical casualty care and no noncorrosive decontaminants to use on equipment. The protective boots and gloves we give to our soldiers are highly flammable. The study goes on to cite inadequate training and insufficient numbers of officers and doctors. The GAO report is particularly distressing given the emphasis that the Congress has placed on improving our defense capability.

Even though the Pentagon has failed to make the necessary improvements in our defensive capabilities, it has come back to the Congress to ask for $163 million this year—a downpayment on a multibillion-dollar program—for offensive chemical weapons that we do not really need. The Pentagon's skewed priorities are a serious mistake because they undermine our primary objective—to eliminate the use of chemical weapons. As experts in the field of chemical weaponry have noted, a well-protected soldier is the best defense against chemical weapons. A well-protected soldier, invulnerable to chemical attack, erodes the military efficiency of chemical weapons, thus reducing the possibility of their use.

The most sensible, responsible step we can take to reduce the likelihood of using chemical weapons is to provide the best defensive chemical warfare possible. This is what the Pentagon should be concentrating on—not a new round of offensive weapons.

There are other serious implications of the Defense Department's insistence on restarting a chemical weapons program. Our European allies have made it abundantly clear that they will not allow deployment of the new chemical weapons on their soil. Without having instantly available chemical weapons, which we cannot have since they must be stored in the United States, whatever limited military value they had is further eroded.

The United States has also taken the lead in calling for a multilateral agreement banning chemical weapons. Beginning production of a new chemical weapon would sabotage our own initiative.

In 1969 President Nixon concluded that continued production of chemical weapons was not in the national interest of the United States. He ended production of the weapons. Nothing has occurred in the last 16 years to alter dramatically his conclusion. The United States should continue its work to improve its defensive capabilities. We should continue our efforts to reach a multilateral agreement banning the use of chemical weapons. To that end I have also cosponsored a resolution with Senators Cohen and Biden urging bilateral discussions with the Soviet Union on this matter. Unless the two superpowers reach an understanding on this issue, there is little likelihood that we can reach an effective multilateral agreement. These steps give us the best hope of achieving our goal—effectively deterring the use of chemical weapons. Producing a new round of the arms race in chemical weapons will not.

Mr. GORE. Mr. President, my vote for the Pryor amendment, to delete funds for the production of binary chemical munitions, is based on no particular faith that an act of continued U.S. restraint in this area will constructively influence other countries. It manifestly has not influenced Iraq in its war with Iran. It has not, for 16 years, influenced the Soviet Union. They continue to delay progress in negotiations, where by an act of political will they might otherwise resolve problems of verification and move to an agreement. I am also not impressed by arguments to the effect that chemical munitions are of no military value and that we might better respond to their use against us with other options, including the employment of tactical nuclear weapons. In other words, I do not associate myself with an attitude that rejects the possession of a U.S. chemical weapons capability under any and all conditions.

But I also am not prepared to accept that the most necessary measures the United States needs to undertake concerning chemical weapons is to manufacture binary chemical munitions. The most necessary measures we need to undertake are:

First, to pursue and complete on an urgent basis, a major upgrading of the defensive capabilities of U.S. and allied NATO forces. Until this is done, the Soviet Union cannot merely cause disorder in western lines but mass casualties; whereas we could cause disorder in Warsaw Pact lines, but not mass casualties, by virtue of the far superior state of pact defensive capabilities. It is, in other words, the assymetry in defensive, rather than offensive capabilities that we need to redress as a first priority.

Second, to arrange for the expeditious and safe detoxification of that portion of the U.S. national chemical weapons stockpile which is no longer militarily useful or safe. We have vast storage complexes in this country, originally far from human habitation, which have been encroached upon by suburban development. The potential for a disaster exists in some areas. Detoxification, however, of just about half of the stockpile—and the National Academy of Sciences says much more should really go—would take a decade and cost between $4 to $10 billion.

Third, that portion of the stockpile which is viable and deliverable should be segregated and made more ready for use than it presently is. Although the percentage of such munitions relative to the total stockpile may be low, the absolute tonnage is a very respectable backup to chemical weapons already forward deployed abroad.

Fourth, facilities should be constructed for the filing of bulk chemical agents into munitions, and mothballed. As the National Academy notes, "there is no presently operable facility for loading toxic chemical agents from bulk containers into munitions in the United States;" and "The time required to synthesize a new bulk agent is likely to be less than the time required to build a plant to load such agent into munitions."

These, Mr. President, are all obvious and necessary steps that should take precedence over the production of new chemical munitions, particularly in a tight defense budget. They are, in fact, all steps that have their own, quite substantial price tags. But I would be very content to support those expenditures, precisely because I do think the subject of chemical weapons needs to be taken seriously. As for binary chemical munitions, they are, in my opinion, not needed for the present. And as for arms control, I say, let us continue to urge the Soviets to settle their differences with us, declare their stocks and detoxify them.

And, if they will not do so, and we have meanwhile undertaken these other measures, there is time to revisit the questions of new chemical munitions—and there would then be a more compelling case for them.

Mr. SIMPSON. Mr. President, for roughly the past 16 years, the United States has chosen to impose on itself a unilateral freeze on the production of chemical weapons. The legacy of that unilateral action is that we now have nerve gas shells and bombs languishing at various military bases which are beginning to leak their horrid and terrible toxic contents. The incident at Bohphal, India was so tragic and distressing, and yet try to imagine what could could occur if we continue to allow our chemical warfare stockpiles to deteriorate. It would be appalling.

Chemical weapons are ghastly weapons. They should never be used on the battlefield. However, history has shown us that when one adversary in a conflict possesses chemical weapons and the other does not, the potential for their use is much more likely. We now have clear new evidence that the Kremlin has totally ignored the unilateral American freeze on these awsome products. It is most plausible that Moscow is now far ahead of the United States in this deadly field of endeavor.

President Reagan clearly recognized the seriousness of this situation and appointed a commission to report on the extent of Soviet chemical warfare plans and capabilities. This commission is chaired by retired diplomat Walter Stoesel and other prominent luminaries. The commission has issued a grim warning concerning the failure of the United States to modernize its chemical weapons. The commission has advised us that in the event of a conflict the United States will face either swift defeat or early escalation to a nuclear exchange if our existing chemical weapons are not disposed of and new ones constructed. We can not let this occur.

Not only do we require new chemical weapons that are safer to store and use, we should begin to focus more clearly on developing defensive techniques to counter a possible Soviet use of these awful weapons. We need new and more effective decontamination equipment, better protective suits for the foot soldier and better means of detection of chemical and biological agents upon the battlefield. If the United States is to have a credible chemical deterrent, defensive measures should be receiving at least as much emphasis as the production of new binary weapons.

Congress should approve a new chemical weapons program while we have this opportunity. This is the time for action, we must not wait for another political year. It is time to approve these new weapons and advance our own national security and the security of central Europe. We can no longer afford to wait and see what the Soviets might do if we continue to pursue this unilateral neglect. Soviet intentions are obvious, they have continued to build up their entire chemical weapons arsenal and in all probability are now developing even more ghastly biological weapons. We must send vigorious signal to the Soviets that they will not be able to employ these potent chemical weapons on any theater battlefield without expecting the same retatiatory action from our NATO allies. I urge my colleagues to resist efforts to reduce the funding for these current critical chemical programs.

Mr. PRYOR. Mr. President, if there are no more requests for time, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, on the pending amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PRYOR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, have the yeas and nays been ordered?

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. GOLDWATER. Then the rollcall should begin.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. PRYOR]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Vermont [Mr. STAFFORD] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Louisiana [Mr. JOHNSTON] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 50—as follows:

[Rollcall Vote No. 90 Leg.]

YEAS—46

Andrews
Baucus
Biden
Boren
Bradley
Burdick
Chafee
Cranston
Danforth
DeConcini
Dodd
Durenberger
Eagleton
Evans
Ford
Gore
Grassley
Harkin
Hart
Hatfield
Heinz
Inouye
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Mathias
Matsunaga
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Packwood
Pell
Proxmire
Pryor
Riegle
Roth
Sarbanes
Sasser
Simon
Specter
Weicker

NAYS—50

Abdnor
Armstrong
Bentsen
Bingaman
Boschwitz
Bumpers
Byrd
Chiles
Cochran
Cohen
D'Amato
Denton
Dixon
Dole
Domenici
Exon
Garn
Glenn
Goldwater
Gorton
Gramm
Hatch
Hawkins
Hecht
Heflin
Helms
Hollings
Humphrey
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
Murkowski
Nickles
Nunn
Pressler
Quayle
Rockefeller
Rudman
Simpson
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Zorinsky

NOT VOTING—4

East
Johnston
Stafford
Stennis

So the amendment (No. 193) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The VICE PRESIDENT. The Chair recognizes the majority leader.

Mr. DOLE. Mr. President, if I could have the attention of my colleagues maybe we can——

The VICE PRESIDENT. The Senate will be in order.

Mr. DOLE. Mr. President, I understand the pending amendment is the Dodd amendment and behind that is the Nunn amendment.

We were hopeful earlier on and still am hopeful that we can work out some agreement as far as Contra aid was concerned so that would not be on the DOD authorization bill. We hope we could dispose of all of the amendments on Wednesday, June 5.

I am advised by the distinguished minority leader that in addition to the three amendments we were aware of there may be or are two additional amendments.

Mr. BYRD. At least.

Mr. DOLE. At least two additional amendments, so it may not be possible to complete action on all of the amendments on 1 day.

But it was my hope that we could still get an agreement to have complete action on the Dodd amendment, the Kennedy amendment, and the Nunn-Boren-Lugar amendment on Wednesday, and any other amendments might go over to the following day.

I understand the Senator from Delaware might have an amendment and the Senator from Iowa might have an amendment.

Mr. BIDEN. Mr President, if the majority leader will yield, I do have an amendment. I tell him now I would be willing to agree to a time agreement of an hour or less for my amendment.

Mr. DOLE. Maybe we can dispose of that one on Wednesday.

Mr. DODD. Mr. President, will the majority leader yield?

Mr. DOLE. I yield.

Mr. DODD. I think we are relatively close to reaching that agreement. I have had discussions with all of the interested parties and there is even some willingness to reduce the amount of time that would be necessary for consideration of some of the amendments. I know I feel that way. I do not need 2 hours myself. So I think there is a good possibility of coming to an agreement on that issue.

I do not see any major obstacles at all. It is just a question of making sure everyone who wishes to be heard on that matter have an opportunity.

Hopefully, we can do it one day. If not, I wish to hear the majority leader's suggestion. Maybe we could go with a few others the following day.

Mr. DOLE. I hope to complete action on Wednesday, June 5, on all the amendments. That was sort of an inspiration to move it off the DOD bill and on to the State Department authorization. Senator LUGAR believes he wishes to have it. He believes it should be properly on the measure and should be managed by the Foreign Relations Committee chairman and ranking minority member.

I yield to the Senator from Iowa.

Mr. HARKIN. Mr. President, I will not require more than a hour at most with my amendment. I think some people are agreeable with that also.

Mr. DOLE. That is very helpful. Probably, if I can get together with the minority leader and see which ones are to offer the amendments, we could still do all of this on Wednesday, if we are talking about a hour on each amendment, or an hour-and-a-half on some.

I yield to the Senator from Oklahoma.

Mr. BOREN. Mr. President, I thank the leader. Those of us involved with the Lugar-Nunn-Boren amendment, and others, would also, I think, be willing to enter into an agreement, so I think there would be a good prospect of just getting on on Wednesday.

Mr. DOLE. Let me circulate a modified agreement or suggested agreement with the distinguished minority leader, but if we can, having indicated that, get back to the pending measure, which is the DOD authorization bill, and if we can dispose of the Dodd amendment by postponing it to June 5, then the pending amendment is the Nunn amendment on the MX, and I understand the Senator from Georgia is prepared to proceed on that amendment now.

There are Members on this side who wish to discuss it at length, and there is still some chance, which at least I hope there is some chance, of reaching some agreement on that amendment that might shorten the debate.

But I am not in a position to indicate to Members whether there will be any additional votes. I may be in a position to do that by 10 p.m.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DOLE. I am happy to yield.

Mr. GOLDWATER. It would be very helpful if the majority leader would allow Senator NUNN to proceed with his amendment. If we can dispose of that tonight I think there is a very good chance of our being to recess tomorrow night, and I do not think there is anyone here who objects to staying another few hours.

Mr. DOLE. I do not object to staying another 2 hours, but I am still advised by a number of Senators on this side of the aisle that they will not vote at the end of those 2 hours and they may want to debate at some length, and if we are not going to have any votes, I do not see any real need in staying up just to prove we can stay up late every night.

Mr. GOLDWATER. I do not, either. But that is what we get paid for.

Mr. DOLE. We do not get paid for staying up too late. [Laughter.]

Mr. GOLDWATER. Last week we got paid for staying up until quarter to 4.

Mr. DOLE. Well, we have not gotten paid yet. [Laughter.]

Let us proceed with the Nunn amendment.

Mr. GOLDWATER. We have two very quick amendments to accept, then we will be ready to go on the Nunn amendment.

Mr. BUMPERS. Will the majority leader yield for a question?

Mr. DOLE. Yes.

Mr. BUMPERS. Will the majority leader tell us now what time he intends to start tomorrow?

Mr. DOLE. Well, I hope to be able to advise the Senator at 10 o'clock. Much will depend on if we stay in much later. We have to adjust the clock in the morning, at least we hope we will. We can go home earlier and come in earlier or stay later and come in later. It is sort of six in one, half a dozen in the other.

What time would the Senator like? [Laughter.]

I am serious about it. Probably at about 10 o'clock we will be on the bill.

Mr. BUMPERS. I just wanted to say that I would like to present the interim restraint amendment sometime early tomorrow. I think it is one of the more important amendments we need to get rid of. I would be happy to get started on it as soon as we convene tomorrow, if it is OK with the managers.

Mr. DOLE. The interim restraint amendment is a matter of some importance. I would rather discuss that with a number of Members on both sides before we brought it to the floor. It may be that we can not resolve that except to have a prolonged debate.

Mr. BUMPERS. Of course, anyone would be perfectly welcome to offer any amendments to it that they would like to. I would be happy to try to work them out. I have not been approached by anybody on that side. I keep waiting for somebody to tell me what they want to offer, but I have not heard from anybody yet.

Mr. DOLE. Let me assure the Senator from Arkansas that there are those of us on this side who are trying to put something together so we can then get the entire group together. But I was not present at the last meeting. The distinguished majority whip, Senator SIMPSON, had a meeting with a number of Members on this side who do not want to go forward with that particular amendment. I understand one or two of those may offer some language yet this evening. I will be happy to discuss that with the Senator from Arkansas. I know Senator STEVENS and Senator NUNN are working on amendments.

Mr. NUNN. That is correct. Senator STEVENS and I are working on several amendments. We have been in contact with the Senator. I think the Senator from Arkansas is aware of our amendments.

Mr. BUMPERS. I am aware of them and agreeable with the one I have seen.

Mr. DOLE. I hope there is some way to resolve it. It is a sense-of-the-Senate resolution. It is something I hope that can be resolved, but I am not prepared to say we are there yet.

Mr. PRESSLER. Will the leader yield?

Mr. DOLE. Yes.

Mr. PRESSLER. I have an amendment that has been agreed to on both sides. I would like to proceed to that before the Nunn amendment, if I could.

Mr. DOLE. I yield the floor.

Mr. GOLDWATER. Mr. President, what is the pending business?

The VICE PRESIDENT. The amendment of the Senator from Connecticut [Mr. DODD] is the pending business.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that further consideration of that amendment be set aside because we have an amendment from Senator PRESSLER. We have looked this amendment over, and I think I speak for both sides in saying we will be glad to accept it.

The VICE PRESIDENT. Is there objection to the request?

Mr. NUNN. Reserving the right to object, we do not know whether we are cleared on this amendment yet.

Mr. GOLDWATER. Mr. President, may we have order?

The VICE PRESIDENT. The Senate will be in order.

Mr. GOLDWATER. Mr. President, the minority has agreed to this amendment, and the majority agrees to it. We accept the amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona? Without objection, it is so ordered.

AMENDMENT NO. 194

(Purpose: To require that the President initiate discussion of overall NATO chemical deterrent capability with allies, and report to the Congress on these efforts)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 194.

Mr. PRESSLER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following new section:

LIMITATION ON THE PROCUREMENT OF CHEMICAL MUNITIONS

SEC. 1. The funds appropriated pursuant to an authorization contained in this Act for the procurement of chemical munitions may be expended with the understanding that the President initiate discussions with NATO allies on the overall alliance capability to deter the use of chemical weapons in Europe. Such discussion should urge the European NATO allies to

(1) embark upon a program to provide key civilian workers at any European military support facilities with personal and collective protection equipment and the training required for its use; and

(2) embark upon a program to upgrade the chemical reconnaissance, decontamination and protective capabilities of each's military forces to a level adequate to meet the chemical threat identified in NATO intelligence estimates; and

(3) initiate a NATO-wide study of measures required to protect ports, airfields, logistics centers, and command and control facilities against chemical attack; and

(4) initiate a NATO-wide study of equitable and efficient task sharing with regard to deterring use of chemical weapons in Europe.

SEC. 2. The President shall report to the Congress not later than 1 October, 1986 on the status of those discussions, the progress made by NATO in enhancing the chemical deterrent, and on any future alliance plans in this regard.

Mr. GOLDWATER. Mr. President, we accept the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment (No. 194) was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to:

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HART. Mr. President, reserving the right to object, can we find out the content of this amendment?

Mr. GOLDWATER. Does the Senator want to find out what it was or what it is?

Mr. HART. What it was.

Mr. GOLDWATER. It is up at the desk.

Mr. HART. I think the Senate deserves to know what the amendment was.

Mr. GOLDWATER. I will ask the Senator to explain it.

Mr. PRESSLER. Mr. President, this amendment is an effort to ensure that the President initiates discussions with NATO allies on the overall alliance capability to deter the use of chemical weapons in Europe.

Earlier this evening, I had a discussion with Senator WARNER regarding this amendment. We did clear it with both the minority and majority sides.

Mr. HART. I appreciate that, but I would like to know the content of the amendment.

Mr. PRESSLER. It urges the President to initiate discussions with our NATO allies to embark upon a program——

Mr. NUNN. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. MATTINGLY). The Senator will please withhold. Staff will please move to the rear of the Chamber.

The Senator may proceed.

Mr. PRESSLER. Mr. President, this year we are once again considering the administration's request to modernize our chemical weapon capability with binary munitions. We must put aside any emotional arguments surrounding this issue and consider the real security aspects involved. I shared and share the abhorrence we all feel for this form of warfare. In the past I have hoped that a comprehensive, verifiable, worldwide ban on chemical weapons would obviate the need for yearly Senate debate on this issue. Unfortunately, that hope has not come true. Therefore, this evening, I intend to participate in the debate by raising some questions which I have about our best course of action. I have developed these concerns as chairman of the Arms Control Subcommittee, and more recently as chairman of the Subcommittee on European Affairs of the Foreign Relations Committee. Later this evening I intend to submit an amendment which addresses the concerns I am about to raise.

I am convinced that the possible use of chemical weapons in a war in Europe is one of the most critical threats facing NATO. This is a conclusion reached by all of our commanders in Europe. It is described graphically in a study conducted by our former European Commander, Gen. Frederick Kroesen. Most recently, this conclusion was reached by the Chemical Warfare Review Commission. The fact is that a chemical attack in Europe would be a disaster for which we—NATO—are ill-prepared.

Chemical weapons could be used against rear service areas such as ports, airfields, and command and control facilities, such targets are vital to defend against an attack, and to receive supplies and reinforcements. In the forward areas, an early use of chemical weapons would force Western troops into debilitating chemical protection gear. While such protective gear may preserve human life, it would make continued functioning as a military unit difficult, and eventually impossible.

The long and the short of this is that use of chemicals in Europe must be deterred. I am now convinced that deterrence is based on two interrelated capabilities: retaliation and protection. We are discussing tonight the retaliatory aspect, but it must be pointed out that the two cannot be separated.

I have studied the issue, particularly as it relates to Europe. I have also listened with interest to the arguments of Senator NUNN and others about the need to rationalize NATO's approach to defense. As the Senator from Georgia pointed out just this morning, it makes little sense to pre-position American equipment to Europe if European forces have run out of ammunition before American reinforcements arrive. Unfortunately, the situation with regard to chemical weapons is another case in point.

It is my hope that some of our NATO allies will embark upon an offensive chemical weapons program. However, even if they do not, they most certainly should have a comprehensive protective capability.

What sense does it make to procure airlift capabilities if European airfields have been incapacitated by an attack with persistent chemicals? What sense does it make to sealift equipment if Europe's dock workers are unable to unload the ships? Indeed, what sense do any NATO force modernizations make if troops are decimated by a chemical attack in the forward area? Or, going right to the point, what sense does modernization of the retaliatory capability of our deterrence make if Europe's ability to defend is halted by a massive chemical attack? The answer, Mr. President, is that it makes no sense.

Just as I have become convinced that protection alone is insufficient, I am convinced that we must not be deluded that binary modernization along with NATO's current level of protective activity is sufficient.

Now, there are encouraging signs. The German Bundeswehr has made considerable strides in chemical protection. Germany has produced chemical reconnaissance and decontamination vehicles which exceed any others in the world. Still, much remains to be done.

Europe depends on its ports and airfields. As in America, these European facilities depend, for the most part, on civilian workers. These people are a vital military capability. NATO must begin to equip and train them to operate in a contaminated environment. They need masks, suits, collective protection shelters for rest and medical care, and of course, the training to make these effective.

While NATO's overseas allies reinforce with troops and supplies, the forces on the ground today will have to repel an attack. The Bundeswehr has made great strides by creating an impressive chemical defense corps, and procuring excellent equipment. Unfortunately, not all the forces charged with the first line defense of Europe are as well prepared to meet the threat. It is imperative that all European NATO forces undertake a serious program to equip and train their forces. They must have vehicles and sensors to detect chemical weapons, the capability to mark contaminated areas, to decontaminate ground and equipment, and to operate in a contaminated environment.

The time to embark on all this in now.

Let me also add that it is important to the people of the United States that Europe do its fair share. If we are going to accept responsibility for the retaliatory aspect of deterrence, Europe must go an extra mile on the protective side. Therefore, it would be most productive if NATO would initiate a study of aspects of chemical protection which European nations could undertake for all of NATO. Some ideas which leap to mind would be host nation responsibility for protection of command and control facilities, logistics points and airfields. When an American aircraft lands a Rhein-Main air base outside Frankfurt, it should find that aerial port in working order. The host nation should insure this, decontaminate the aircraft, and protect American civilians being evacuated. Perhaps the military protective capabilities which exist, or will be developed, could be turned to the protection of all NATO airfields. These are just a few ideas, and I'm sure there would be more. Of course, each will present problems, particularly of cooperation among different national forces. But NATO already does this so well, and I believe it could rise to the occasion.

In conclusion, Mr. President, I have concluded that an improved NATO protective capability is vital to overall chemical deterrence. It is the sine qua non of the capability which we have heard eloquently defended here this evening. My amendment will ask the President to raise these issues with our allies, and to report to the Congress on his efforts and progress.

Mr. President, the amendment urges that the President initiate discussions with NATO allies on the overall alliance capability to deter the use of chemical weapons in Europe. Such discussions should urge the European NATO allies to embark upon a program to provide key civilian workers at European military support facilities with personal and collective protection equipment, and the training required for its use; to embark upon a program to upgrade the chemical reconnaissance, decontamination, and protective capabilities of each military force to a level adequate to meet the chemical threat identified in NATO intelligence estimates; and initiate a NATO-wide study of measures required to protect ports, airfields, logistics centers, and command and control facilities against chemical attack; and initiate a NATO-wide study of equitable and efficient tasksharing with regard to deterring use of chemical weapons in Europe.

It asks the President to report to the Congress not later than October 1, 1986, on the status of those discussions, the progress made by NATO in enhancing the chemical deterrent, and on any future alliance plans in this regard.

Mr. HART. Will the Senator yield for a question?

Mr. PRESSLER. Yes.

Mr. HART. Would the amendment in any way affect the willingness of our allies to accept the deployment of chemical agents on their soil?

Mr. PRESSLER. No; it does not. We did discuss that earlier this evening, but no, this amendment does not.

Mr. WARNER. In fairness here in this discussion, the amendment would call for a study which, in turn, might reveal certain facts and information which, in turn, might influence their judgment. We want to be candid with our colleague.

Mr. NUNN. The closest thing to that is paragraph 4, if the Senator will yield for a brief observation, which says the President should:

> initiate a NATO-wide study of equitable and efficient task sharing with regard to deterring use of chemical weapons in Europe.

That is a general provision, not specific, but I think it could cover all the subjects that relate to both offense and defense in terms of the discussion.

Mr. HART. Mr. President, if the Senator from South Dakota will yield further, does the amendment require that the report be issued to the President or to the Congress, or both?

Mr. PRESSLER. It is to the Congress for the President.

Let me say my overall objective here is to get the NATO allies to do more. This amendment is a mild urging that they take some steps in the protective area. It does not ask them to go into offensive chemical weapons. But it has been my feeling—indeed, I was a supporter of the Nunn amendment a year ago which was on a much different basis—to do this. I do not mean to relate the two. But I am constantly trying to prod our NATO allies to do a bit more. This is a mild effort in that direction.

Mr. HART. I thank the Senator.

Mr. GOLDWATER. Mr. President, we have another amendment from the Senator from Ohio. I think the Dodd amendment is still pending.

I ask unanimous consent that the amendment of the Senator from Connecticut be laid aside so that we may proceed to an amendment of the Senator from Ohio.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 195

Purpose: To promote improvement of the personnel classification and pay systems for civilian employees of the Department of Defense.

Mr. GLENN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 195.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The amendment is as follows:

At the end of part D of title V of division A, add the following:

MODIFICATION AND STUDY OF DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL CLASSIFICATION AND PAY SYSTEMS

SEC. 535. (a) Section 5102(c) of title 5, United States Code, is amended—

(1) by striking out "or" at the end of clause (26);

(2) by striking out the period at the end of clause (27) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new clause:

"(28) civilian members of the faculty of the Air Force Institute of Technology whose pay is fixed under section 9314 of title 10.".

(b)(1) Section 9314 of title 10, United States Code, is amended—

(A) by inserting "(a)" before "When"; and

(B) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary of the Air Force may employ as many civilian faculty members at the United States Air Force Institute of Technology as is consistent with the needs of the Air Force and Department of Defense personnel limits.

"(2) The Secretary shall prescribe regulations determining—

"(A) titles and duties of civilian members of the faculty, notwithstanding the provisions of chapter 51 of title 5; and

"(B) rates of basic pay of civilian members of the faculty, notwithstanding chapter 53 of title 5, but subject to the limitation set out in section 5308 of title 5.".

(2)(A) The section heading of such section is amended by striking out ": degrees".

(B) The item relating to section 9314 in the table of sections at the beginning of chapter 901 of such title is amended by striking out ": degrees".

(C) Section 5102(c)(28) of title 5, United States Code (as added by subsection (a)) and section 9314(b)(2) of title 10, United States Code (as added by subsection (b)(1)(B)) shall not apply to any person who, on the date of enactment of this Act, is a civilian member of the faculty of the United States Air Force Institute of Technology, is paid a rate of basic pay under the General Schedule, and elects, under procedures prescribed by the Secretary of the Air Force, to continue to be paid under the General Schedule.

(d) The Secretary of Defense shall provide to the Congress not later than December 31, 1985, an evaluation of the effects of the pay and classification systems applicable to civilian employees of the Department of Defense on recruitment and retention of scientists, engineers, technicians, and other highly skilled personnel in scientific and engineering organizations in the Department.

Mr. GLENN. Mr. President, this amendment has been gone over by the floor managers on both sides, and the committees that have jurisdiction over this. It provides for giving the Air Force Institute of Technology in Dayton, OH, the same status as the U.S. Naval Academy, the U.S. Naval War College, the Naval Post-Graduate School, the U.S. Coast Guard Academy, and the U.S. Merchant Marine Academy. It places them on the same basis. There is no money involved in this bill.

Mr. President, the purpose of this amendment is to exempt civilian faculty members of the Air Force Institute of Technology from the general schedule classification and compensation provisions and to grant the Secretary of the Air Force the authority to establish compensation schedules for the civilian faculty.

The Air Force Institute of Technology [AFIT] is a degree-awarding academic institution authorized by section 9314 of title 10 of the United States Code. It is accredited by the North Central Association of Colleges and Schools and by the Accreditation Board for Engineering and Technology.

AFIT civilian faculty are currently appointed, selected, classified, and administered under Federal personnel provisions of title 5 and Federal Personnel Manual requirements. Under this system, the positions must be classified under the general schedule [GS]. Recruitment of candidates is by GS grade and occupational series, and candidates are rated against minimum qualification standards for the grade and position. Faculty members are compensated on the GS salary range under pay administration rules. They are also awarded academic rank from instructor, assistant professor, associate professor, to professor.

According to the AFIT administration, it is difficult and duplicative to try to conform both to a position grading system where there are well defined duties and responsibilities and to the traditional academic rank system where a faculty member attains rank based on educational accomplishment, experience, stature, and other related academic and professional performance accomplishments. Also, the use of the position grading and compensation system does not permit the flexibility to award and recognize individual faculty members according to their academic rank because of the narrowly defined actions that may be accomplished under that classification and compensation system.

The amendment has been formally submitted to the Congress by the Department of Defense, and would authorize the Secretary of the Air Force to prescribe a flexible compensation structure following academic models and patterns of similar Federal institutions, subject to the limitation that no salary could exceed that of a person at executive level V. A comparable system has been authorized for other Federal degree granting institutions: the U.S. Naval Academy, the U.S. Naval War College, the Naval Postgraduate School, he U.S. Coast Guard Academy, and the U.S. Merchant Marine Academy.

If the amendment is adopted, the proposed civilian faculty rank and compensation system for the AFIT will be closely patterned on that in effect at the Naval Postgraduate School [NPS] and other comparable Federal institutions. The administrative processes, procedures, and controls which will be used at AFIT will closely follow existing systems at NPS. A given in this system is that the faculty as a group will not accrue benefits in excess of the total associated with a comparable group administered under the GM/GS system. In other words, total faculty compensation costs at AFIT under the new system will not exceed faculty compensation costs under the current system. This is a no-cost amendment.

Beyond the immediate conversion of the compensation system at AFIT, there is also considerable concern that the current serious problems in recruitment and retention of DOD civilian scientists, engineers, and technicians may be caused at least in part by the existing classification and pay system.

Accordingly the last section of the amendment directs the Secretary of Defense to evaluate this problem and report his findings to the Congress not later than December 31, 1985.

Mr. President, I move adoption of the amendment.

Mr. GOLDWATER. Mr. President, this will have an overall budget impact. It will result in better personnel management because we are doing the same thing with the academies.

Mr. President, this has been discussed with the minority staff, and with my staff. We agree with the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Ohio [Mr. GLENN].

The amendment (No. 195) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NUNN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Dodd amendment is the pending business.

Mr. NUNN. Mr. President, I ask for regular order.

Mr. President, what is the pending business?

The PRESIDING OFFICER. The amendment of the Senator from Georgia.

AMENDMENT NO. 196

(Purpose: To impose certain restrictions on the MX missile program)

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN] proposes an amendment numbered 196, to amend amendment numbered 159, as modified.

Strike out all after the word "Notwithstanding" and insert in lieu thereof the following: The language on page 10, line 2, providing "$9,584,900,000" only "$9,234,900,000" is deemed to be authorized.

Mr. NUNN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

LIMITATIONS ON MX MISSILE PROCUREMENT AND DEPLOYMENT

SEC. 107. (a) It is the sense of the Congress that—

(1) not more than 40 MX missiles should be deployed in existing Minuteman silos; and

(2) after procurement of 40 missiles for deployment, further procurement of MX missiles should be limited to those necessary for the MX missile reliability testing program and as spares within the logistics system supporting the deployed MX missile force.

(b) Notwithstanding any other provision of law, none of the funds appropriated pursuant to an authorization of funds in this or any prior Act may be used—

(1) to deploy more than 40 MX missiles in existing Minuteman silos;

(2) to modify, or prepare for modification, more than 40 existing Minuteman silos for the deployment of MX missiles;

(3) to acquire basing sets for more than 40 MX deployed missiles; or

(4) to procure long-lead items for the deployment of more than 40 MX missiles.

(c) All MX missiles acquired by funds appropriated pursuant to the authorization of funds in this division may only be used to support the MX missile reliability testing program or as spares within the logistics system supporting the deployed MX missile force.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Mr. BYRD. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. NUNN. Mr. President, I made a rather long speech this afternoon, and a rather lengthy presentation this afternoon when we had a break between amendments. And I would not repeat that at this hour of the evening but I assume we are going to be debating this amendment for some period of time, which is perfectly acceptable to me.

I will repeat a general summary of it. The amendment expresses the sense of the Senate that no more than 40 MX's will be deployed in vulnerable Minuteman silos. The amendment restricts the fiscal year 1986 funds by law to not more than 40 deployed missiles and 40 basing sets. The amendment restricts the production of MX missiles with fiscal year 1986 funds to 12 missiles, by limiting the procurement funds. The amendment does not have a binding effect in law beyond fiscal year 1986, but it does express the sense of the Senate that the further deployment of MX missiles beyond 40 in Minuteman basing mode would not be permitted. This is a matter of consideration for the Senate and the House in further years. The Senator from Virginia and I had a lengthy dialog this afternoon as to the meaning of the amendment, and the intention of the authors. Certainly, I am willing to have a dialog with other people tonight. There are a lot of different points to be made in the debate. The Senator from Colorado has already debated the MX at length and has many reasons for wanting to strike the MX. We voted on his amendment. As a matter of fact, I was interrupted today and had to leave the Chamber just as the Senator from Colorado was about to pose some questions. So I will be delighted to save some time this evening and simply stand on the statement that I made, and invite anyone who wishes to have a dialog with me.

Mr. HART. Will the Senator yield?

Mr. NUNN. I am delighted to yield.

Mr. HART. Mr. President, as I understand the intent of the amendment by the Senator from Georgia, his reasoning behind this amendment has to do less with the need for modernization of our traditional land-based leg of the triad, than with the basing mode proposed for the MX. Is that correct?

Mr. NUNN. The Senator is absolutely correct. In fact, the amendment does not kill the MX. The amendment does not purport to kill the MX. It should not be so interpreted. It simply says to the President, the administration, the Department of Defense that we are not going to continue to have MX's deployed in the minuteman silos as they are doing now. Then the ball is in their court. If they want to come up with a different basing mode, a different scheme, of course they can do so. They can also accelerate development of the Midgetman missile, which I hope that will do. So the Senator is correct on that.

Mr. HART. If the Senator will yield further for a question, is not the logic behind the amendment the sense that to make the land-based leg of the triad truly a deterrent, that it must be survivable, and to make it survivable we must find some other basing made besides fixed silos, for our ICMBs?

Mr. NUNN. The Senator is correct.

Mr. HART. So the Senator's amendment would leave totally open to the administration a variety of options as to how many MX's in toto to build and where those should be deployed, leaving only the criterion that they must be based in a less vulnerable basing mode?

Mr. NUNN. The amendment itself does not say they must be less vulnerable. That is the intent of all of the authors, that—as far as our votes are concerned—we are not going to continue putting the MX missiles in vulnerable silos. I have said this over and over again. For a couple of years, I thought the administration was seriously working on alternative basing propositions. The Scowcroft Commission report strongly recommended that. Several times, a couple of years ago, they talked about this being an interim basing scheme. It seems to me that it has now become a permanent basing scheme.

I came to the conclusion that as long as we in this Congress continue to fund the MX and continue to allow it to be put in the minuteman silos, that is exactly the program we are going to have.

We are not going to have an alternate basing mode, in my opinion. We are not even going to have a reexamination of alternate basing modes by the Pentagon, the executive branch, or anyone else.

I do not know if the deployment program for MX will continue. It may be that the Secretary of Defense and others will choose to say that this is the end of the deployment of the MX. If they do, it will be entirely their decision. It will not be a decision that was brought about by this amendment, or by a vote on this amendment if the amendment passes. It will be the President deciding that he does not want to open up a basing mode review again. It will be the President deciding that he does not want to look at mobility and deception, or some combination of mobility and deception, that he does not want to look at some combination of perhaps protecting silos that have the element of deception and mobility with some form of ballistic missile defense.

I hope that is not the President's decision. I hope the President will take this as a good-faith strong signal from the Senate of the United States, if it passes, that we are not going to continue to put those missiles in those silos that are vulnerable, that we all know are vulnerable, that were vulnerable 4 years ago; but that we are willing, at least a large number of people here are willing to take a fresh look, an objective look, at any kind of basing mode that he proposes that makes sense.

That is the way that I hope the President will interpret the amendment. If he interprets it that way, then it can be and should be interpreted as an amendment which strengthens our hand at Geneva, because, it sends a signal to the Soviet Union that we are not going to continue to put missiles in vulnerable, fixed positions which they have had targeted for years, but we are going to change our path. We are going to do what the Scowcroft Commission said. That is, we are going to try to find a way to make these missiles less vulnerable.

In fact, we might even take a look at what the Soviet Union is doing with the SS-24's and SS-25's, because it is apparent that what they are doing is making their missiles less vulnerable, making them mobile. They are even developing a single-warhead missile, the SS-25, making it mobile, which is what the Scowcroft Commission recommended for us. I say to my friend from Colorado, not facetiously, that it seems the Soviets have read the Scowcroft Commission report more carefully than our own Government.

Mr. HART. Mr. President, will the Senator yield for one more question?

Mr. NUNN. Yes.

Mr. HART. The question may arise of how we arrived at the number 40. Is that a figure that Air Force studies have indicated? Having served with the distinguished Senator from Georgia on the Armed Services Committee, my recollection was that there was data that justified that number.

Mr. NUNN. The memory of the Senator from Colorado is correct. There was an Air Force report, which I have here, that was delivered to the Congress, prepared by the Air Force and dated February 18, 1982. I quote from that report:

> The initial deployment of 40 M-X in existing silos will be sufficient to hold the most threatening Soviet silo sanctuaries at risk; however, it is not sufficient to pose the destabilizing threat of a disarming first strike. With 10 highly accurate warheads each, the 40 operational M-X missiles will counterbalance 308 Soviet SS-18s and threaten a few "superhard" control centers. However, neither M-X by itself nor M-X combined with the 900 Minuteman III MK 12A warheads can deliver a crippling blow to the total of approximately 1400 Soviet silos.

Continuing the quote:

> This will provide sufficient firepower on line in a timely enough manner to allow the U.S. to pursue future basing options without fear of Soviet coercion.

I am not saying there have not been any changes since that date. This was before the Scowcroft Commission report. Certainly, there have been some changes in Soviet force posture, but I would say the basic premise of this report remains very accurate today.

Mr. McCLURE. Will the Senator yield for a question?

Mr. NUNN. The Senator from Colorado has the floor.

Mr. HART. Let me just finalize this for those of us who have opposed the silo-based deployment of the MX all along. I think the amendment presents us with a certain quandary—at least it does for the Senator from Colorado. But I think the Senator from Georgia has demonstrated tremendous leadership in coming forward with this amendment. I congratulate him on it.

Mr. WARNER. Mr. President, I rise in strong opposition to the amendment. I go directly to the last point raised by the distinguished Senator from Georgia with respect to an Air Force report. I have portions of that report before me, some classified, some unclassified. It is quite clear that a premise in that report is as follows: That the 40-missile discussion number was always based on an assumption of a further deployment of MX to satisfy the requirement of the strategic modernization program.

Mr. President, while the distinguished Senator from Georgia has left open in his amendment the option for the administration to come forward with alternative basing modes, I have been present, I think, throughout most of the testimony on this subject for the past several years. I know of no witness that has come before the Armed Services Committee or subcommittee and indicated that there is a possible option at this time for an alternative basing mode. Therefore, I think we can deduce, although technically, we can deduce from this effort a clear move to stop further production of the MX with respect to deployment units.

I understand the Senator leaves open the possibility of going forward in further authorization and appropriation bills to acquire such missiles as may be necessary for the testing program. Of course, that number remains undetermined at this time.

But going more specifically to a point that concerns me the most, we are on the eve of our delegation's returning to Geneva for a second round of negotiations. Our former distinguished colleague, Senator Tower, now an Ambassador with a responsibility for negotiating in this area, has advised us informally—indeed, I think formally if you look at the testimony in a closed session of the Armed Services Committee—that in his judgment, it is essential that the Congress at this time continue to support the President at a funding level of 21 production models.

The amendment as proposed by the Senator from Georgia, by virtue of the dollars in there, would reduce production funds by $350 million. That would result in authority to proceed with only 12 missiles.

The Senator refers to the amendment as a sense-of-the-Senate amendment, but I am sure he agrees that there is a notwithstanding portion in it which would have the effect of law if adopted by the Senate and eventually the House.

Mr. NUNN. The Senator is correct. I intended to make that clear and I thought I had made that clear this afternoon. There are two parts of it, one a sense-of-the-Senate, talking about future deployment of the MX. The other is specific law that is binding this year, which prevents any more than 40 missiles being deployed or 40 basing sets.

Mr. WARNER. If the Senator would be kind enough to remain on his feet for purposes of further question, that would in effect reduce the production level this year to 12 units.

Mr. NUNN. The Senator is correct.

Mr. WARNER. I question the Senator as to the efficiency of such a production line, given the fact that in the two previous fiscal years, Congress has approved a level of funding for 21 missiles a year. In addition to the other consequences of the amendment, it seems to me to impose upon the Department of Defense an inefficient production line and therefore a loss of dollars.

Mr. NUNN. The Senator is correct in the sense that the unit cost will go up by cutting the production number down. The overall cost, however, of this amendment will save a great deal of money. First of all, it saves $350 million this year, as the Senator has already observed. And it will save, depending on one's assumption about the numbers of tests and spares, and assuming 60 to 80 as about the right number—we will have to solve that over a period of time—it will save some $3 to $4 billion. So it is overall very much of a cost saving if the President decides to continue the present basing mode. If he came up with another basing mode, that would be a different situation altogether.

I might add, though, my good friend from Virginia moved in the committee for the last 2 years, I believe, to cut the number down from 48 to 21, and I supported that. That move cost a good deal in per-unit production inefficiency also. I think the number is about $15 million per copy. So when you move down on the production scale, you do increase the cost. That is one of our overall problems in procurement. And I may say more about that during the course of this bill. However, the MX is not primary motivated by cost. That is a factor, but primarily we have to look at the overall program. And when you look at the overall program, this amendment saves a great deal of money.

Mr. WARNER. Will the Senator be kind enough to return to the earlier part of the question of the Senator from Virginia. In view of the fact that our negotiators are about to return to Geneva and the eyes of the world are upon these talks with hopes and prayers that they may result in some substantial reduction in nuclear weapons down to a verifiable and equitable

level, it seems to me that this would, in effect—and I use this word—undercut the efforts of our negotiators at this critical time.

Mr. NUNN. The Senator for Virginia could be correct on that. It depends on how the White House and the President interpret this amendment to the public. If the President of the United States says, "This is an amendment which undercuts us at Geneva," in my opinion it would become a self-fulfilling prophecy. If, on the other hand, he says, "This is a challenge to this administration to take another look at the basing mode, the Senate of the United States wants us to have a stronger national security because the Senate of the United States wants us to have virtually invulnerable missiles, they do not want to stick those MX's out there where the Soviets have been targeting for years, before the MX is even deployed they have been targeted," if he interprets it this way and says, "This is a challenge to this administration," and if he gets Cap Weinberger and says, "Cap, remember what I said in the 1980 campaign about not doing anything that was so foolish as a Carter basing mode? Well, I have been President now for 5 years, and I have taken a look at that old basing mode. And the more I look at it, the better it looks. And now I am more concerned about national security. I know more about it. I know how important Geneva is. I know how important it is not to have vulnerable missiles out there. I know something about a hairtrigger, and we are going to follow the challenge the Senate has given us. Go back and open up those studies. Nothing is ruled out, Mr. Secretary. Let's look at mobility. Let's look at deception. And even if it comes out looking something like the Carter basing mode, we are going to do it if it is in our national security interests"—if he says that, it will greatly strengthen our hand in Geneva.

Mr. WARNER. Mr. President, I point out to my distinguished colleague from Georgia that the facts will speak for themselves, and a logical conclusion can be drawn by many other than the President as to the consequence of this amendment. We cannot just look at this particular amendment in isolation from other actions taken with respect to our national defense program, beginning with the Senate, which for reasons of budgetary constraints has had to remove 19-plus billion dollars from the President's request. And within those reductions there are, for example, substantial reductions—and the Senator is correct. This Senator as chairman of the subcommittee did make motions to reduce the funding in SDI by $750 million.

Mr. NUNN. And I supported him.

Mr. WARNER. I understand that. I did move to reduce the number of MX missiles, but that was done for reasons of budgetary constraints, not, on the part of this Senator, any lack of confidence in the military necessity for this program. But when you add up in the aggregate the action by the Senate with respect to the totality of our defense budget, the SDI Program, the MX Program, and then this further constraint on MX, it sends a signal which, in my judgment, is detrimental to the overall efforts of our negotiators.

Mr. HART. Will the Senator from Virginia yield for a question?

Mr. WARNER. I am happy to yield.

Mr. HART. The Senator from Virginia in his opening remarks said there was no other basing mode available.

Mr. WARNER. That he, the Senator from Virginia, was aware of.

Mr. HART. All right. In that connection and in connection with what the Senator from Georgia just said, can the Senator from Virginia recollect in the late 1970's any military reasons why the multiple aim point mobile basing mode for the MX was rejected?

Mr. WARNER. I recall being present here in my early years in the Senate when that subject was actively discussed. It seems to me that in conclusion it was the judgment of not only the military commanders but those trying to render judgment in the Congress that we should not proceed with that system. While I do not have at my disposal at this time the papers to back it up, I have that recollection.

Mr. COHEN. Will the Senator yield?

Mr. HART. Will the Senator yield?

Mr. COHEN. I recall those discussions very well. As I recall, it was under the Carter administration that the original. Air Force recommendation was to put it in multiple protective shelters. It was during the arms control negotiations that the Carter administration decided it did not want to go with MPS, and shifted to various forms of race tracks, some with zipper roofs, some with sun roof, quonset hut theories, and so forth. It was not anyone in this Congress who objected to it. It was the administration itself that could not decide upon whether it was MPS or the race track.

Mr. HART. The question of the Senator from Colorado had nothing to do with MPS.

Mr. COHEN. The Senator is the one who raised the issue about MPS.

Mr. HART. No, I did not say MPS. I said multiple aim point. That is not MPS.

If I may have the attention of the Senator from Virginia, the reason why the multiple aim point race track system was rejected by the Reagan administration was not based upon military considerations. It was local, domestic, environmental, and political considerations, period. There is another basing mode for this missile. The record is very clear. I do not think there is a document or a word of testimony on recorded by the Air Force or anyone else that said the race track, multiple aim point system was not a viable military basing mode for the MX.

Mr. WARNER. Do I understand the Senator from Colorado suggests that that be an alternative reexamined?

Mr. HART. I certainly suggest, in answer to the statement of the Senator from Virginia that there is no other available basing mode for the MX, that there is that technology.

Mr. WARNER. The statement of the Senator from Virginia was that he had no knowledge of another system.

I recall that system. But when I questioned in the last 6 months witnesses on the record and off the record, those who are entrusted with the daily decisions with respect to the MX program, no one could come forward and indicate to me that there was a viable alternative to the hardened MX silo.

Mr. DOLE. Mr. President, will the Senator yield to me?

Mr. WARNER. Yes.

Mr. DOLE. Mr. President, I understand the managers would like to discuss this at least another 20 or 30 minutes. But I can now announce to the Members there will be no more votes this evening. We will be back on the bill, hopefully by 9:30 a.m., come in at 9 and be back on the bill at 9:30.

Mr. NUNN. Will the majority leader yield just for a brief inquiry? I understand the lateness of the hour, and I understand there are people who are not going to permit this to be voted on tonight, and that is within their rights. I would like to inquire as to whether there is a possibility of a vote tomorrow morning on this, whether we can get some time limitation.

As the Senator from Arizona said, we have worked very hard to get this bill moving. I think we ought to have a reasonable debate on this. But if we do have a chance of getting a time agreement, I think it would be very helpful to have it. Otherwise, we are certainly not going to get through this bill because it is not my intent to draw down this amendment now. It is my intent to dispose of it up or down, one way or the other. And I am sure that the majority leader would like to move it along. But does he have any indication of when we can get a vote on the amendment?

Mr. DOLE. I think what I might do is check in the morning to see how many people want to speak. No one in opposition has spoken yet, so I do not think they are delaying anything. There has not been a single person speak in opposition to the amendment.

Mr. NUNN. The majority leader announced there would be no more votes tonight. If that is not a delay, that is the most effective mechanism I have ever heard. You do not have to delay if you just announce you are going to have no votes tonight. If the majority leader says, "Let's go home," that is it.

Mr. DOLE. The distinguished Senator from Virginia has engaged in colloquy to clarify some areas, but we are going to start on it again at 9:30 in the morning.

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Mr. NUNN. Why can't we vote tonight, then, may I ask the majority leader? I know the Senator from Arizona is prepared to vote tonight. I am prepared to vote tonight. The Senator from Virginia is not delaying. He is asking perfectly legitimate questions, very pertinent questions. We had a dialog this afternoon. So if nobody is delaying, why can't we vote tonight?

Mr. DOLE. I think there is a difference between delay and debate. The President of the United States happens to have an interest in this, as well as the Senator from Georgia.

Mr. NUNN. I understand that.

Mr. DOLE. He wants his point of view discussed. You may have the votes, but he has an interest.

Mr. NUNN. I am not sure I have the votes. The only thing I am asking the majority leader is why we cannot vote tonight, if nobody is delaying. I am prepared to vote. I am prepared to go around the clock, if necessary.

Mr. DOLE. I have indicated that there will be no more votes this evening.

Mr. WARNER. Mr. President, I should like at this time to permit others to take an active role. I have had two opportunities today to express my opposition to this amendment, and when I return to the floor on this amendment, I will have the information in response to the inquiry of the Senator from Colorado.

Mr. McCLURE. Mr. President, I suggested a moment ago to the Senator from Georgia that if he wanted us to debate, if he would sit down and let us debate, we would get at it. I am delighted to see he has done that, and now maybe we will have a chance to say something.

Mr. NUNN. I am delighted to hear from you.

Mr. McCLURE. I am delighted that you are still here.

I think the Senator from Georgia is too cute by half when he suggests that we are going to put a limit on this and then blame the administration if there is a failure in policy. That is clever, I will say, but it will not wash, I say to my friend, because the Senate, by this amendment, is going on record as saying you cannot do it with the present basing mode.

The Senator from Colorado suggests that indeed there is another basing mode, but he refuses to say that he is in favor of it, which is exactly how we got to this in the first place.

Mr. HART. Mr. President, will the Senator yield, since he mentioned my name?

I did not say I was in favor of it. I did not get a chance to answer.

Mr. McCLURE. All I can say is that we can get the record and read it back. The Senator, if he wishes to, can go on record and be in favor of the racetrack if he wishes to, but the fact is that racetrack was debated for months around this place and was finally abandoned.

Mr. HART. Why was it abandoned? Because of the Senators from Utah and Nevada, who did not want it in their States.

Mr. McCLURE. That is not necessarily the whole reason, and I hope the Senator from Colorado understands that that is not the whole reason.

However, let us also get on the record clearly tonight, while the memories are still fresh, about what was said, that the Senator from Georgia said this amendment is not going to limit the production of MX missiles ultimately but it is going to save money. How are you going to save money if you build all the missiles ultimately? It will cost more. The Senator knows that is true.

Mr. NUNN. Does the Senator want an answer?

Mr. McCLURE. Just a moment. I will get back to that.

The Senator indicated that we are not going to limit, just change the basing mode, but it is going to save money. The Senator cannot have it both ways. You either are not going to save money and it is going to cost more, or you are going to reduce the ultimate number of missiles that are built.

There is an argument over deployment. There has been an argument over deployment, over years, on the basing mode.

The question is not now, in my judgment—and I will have more to say about this later—simply a question of whether we are going to argue about basing mode again. The question is whether we are going to take away from the negotiators at Geneva 600 warheads with no compensation at all from the other side. That is unilateral disarmament. That is the issue.

You cannot pass that buck to the President of the United States by voting tonight and saying that, somehow, in the future the President will be responsible for that result if he does not take certain action. That will be the result of the vote of the Senate, if the Senate votes for the Nunn amendment.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. NUNN. I say to the Senator that his arithmetic is good. If you do not let them deploy but 40, you cut the program from 100 to 40. It will be up to the President to decide.

Mr. McCLURE. No; it is not up to the President. You are trying to pass the buck to the President, but you are causing the result of the amendment.

Mr. NUNN. That is right.

Mr. McCLURE. So that you could avoid the responsibility for that yourself, and you are the one offering the amendment, and that will not wash.

Mr. NUNN. Let me say to my colleague and friend that he talks about giving away 600 warheads. Who gave away 1,000 warheads? Do you know what the program was when the President came in office? It was 200 MX's in a relatively invulnerable basing mode. It is now 100.

Mr. McCLURE. Will the Senator vote to put it back in?

Mr. NUNN. Will the Senator answer the question?

Mr. McCLURE. Will the Senator vote to put it back in?

Mr. NUNN. I would be delighted to support the MX program as it was originally. That had a broad, bipartisan consensus, including the chairman of the Armed Services Committee.

Mr. CHILES. You can sign me up on that.

Mr. McCLURE. Who will sign it?

Mr. NUNN. Mr. President, who has the floor? If I do not, I will sit down; but if I do, I would like it.

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. NUNN. I will sit down. [Laughter.]

Mr. McCLURE. That is an improvement.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. McCLURE. Let me finish what I was going to say tonight, and I will not go further.

I want one other thing clear on the record, because the Senator from Georgia indicated that we can respond as the Russians are by building two new systems. The Russians are building the SS-24 and the SS-25, and we have the option of doing that.

As a matter of fact, everybody in this Hall knows that the SS-24 and the SS-25 are violations of the agreements now in force either as treaties or political commitments. In order for us to have the same latitude to do what the Russians are contemplating and preparing to do, we have to be prepared to violate treaties or political commitments.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. NUNN. Is the Senator familiar with the Midgetman program?

Mr. McCLURE. What about it?

Mr. NUNN. Is the Senator familiar with it?

Mr. McCLURE. Yes.

Mr. NUNN. It is a second type, if we have to go forward with it. Is that correct?

Mr. McCLURE. That is correct.

Mr. NUNN. Is the Senator familiar with the Scowcroft report?

Mr. McCLURE. Yes.

Mr. NUNN. Does the Senator know that General Scowcroft said that if SALT II is allowed to block a single warhead mobile missile on either or both sides, that will stand arms control on its head?

Mr. McCLURE. The Senator from Georgia may well be in favor of scrapping SALT II, as indeed the Senator from Idaho may well be.

Mr. NUNN. No, the Senator believes that the second type, if it is a single warhead mobile missile, should be an exception in SALT II, and the amendment should be properly adjusted. The Senator is correct that the Soviets are developing two types.

Mr. McCLURE. And they are in violation of the current political commitments and current treaties. Is that correct?

Mr. NUNN. We can agree to that, but is it relevant to this debate?

Mr. McCLURE. Of course it is.

Mr. NUNN. I am going to debate SALT II tomorrow. How is it relevant to this debate?

Mr. McCLURE. I believe it is relevant to the debate because the implication, to the hearing of many at this point, is that we still have taken no action with respect to not respecting all of the limits of SALT II and of the political commitments under that and other treaties.

Mr. NUNN. I agree to that.

Mr. McCLURE. I know the Senator's interest in that. I look forward to working with him, to take appropriate action to make certain that we do not hamstring ourselves in those developments. But until the Senate has done that, it is wrong to suggest that there is an easy fix readily available to us, because it requires affirmative action with respect to those political commitments and treaties.

Mr. NUNN. If in any part of my dialog I indicated that I think it is an easy fix to the MX, I should like to go back and correct it in the RECORD. I never indicated that. The MX and everything about it is tough. The basing mode is tough. If it were not tough, we would not be here tonight.

Mr. McCLURE. I am talking about what the Senator from Georgia has suggested was the alternative for us. Should we follow in the pattern that the Russians are now following in the deployment of the SS-24 and the SS-25?

Mr. NUNN. The Senator is not suggesting that we hold up on the Midgetman, is he?

Mr. McCLURE. The Senator is making no suggestion at all with respect to the Midgetman at this time.

Mr. NUNN. The Senator from Idaho and the Senator from Georgia are in complete accord on that.

Mr. McCLURE. I am not certain that I would agree that we ought to move forward. I think we should be in a position where we are allowed to do so if we find it to be cost-effective and a good military system.

Mr. NUNN. I certainly agree with that. We are in complete agreement on that.

Mr. McCLURE. I agree with the Senator. The only point I am trying to make is that you should not hold out to this body that there is a readily available alternative to the MX, until we have taken the action on the relevant amendment or legislative action that will deal with the question of interim compliance with the unratified SALT II Treaty.

(Mr. DURENBERGER assumed the Chair.)

Mr. NUNN. We will be doing that tomorrow.

Mr. McCLURE. I hope we will.

Mr. NUNN. I do not think——

Mr. McCLURE. And I look forward to working with the Senator on that.

Mr. NUNN. I do, too. I do not believe we are going to solve that question tomorrow. I do not believe we are going to solve the MX debate.

Mr. McCLURE. I did not suggest it would. It is not unrelated to the question we are debating tonight as to whether or not there is a readily available alternative to the MX system.

Mr. NUNN. Let me say this: we may agree on that, too. I do not think that Midgetman is going to be the panacea. I think it is going to have some real difficulties. If we do not have an arms control regime the Midgetman basing will not be impossible, but it will be difficult. I am for the program and moving for it rapidly, as we might have a manpower intensive Midgetman.

I think the Midgetman debate should have already occurred and there should be a lot of people looking at the Midgetman and talking about it, and it should be an integral part of this debate.

Mr. McCLURE. I am sure the Senator knows far more than I about the Midgetman. I think the Senator will agree there are also a lot of hurdles to overcome before the Midgetman can be deployed.

Mr. NUNN. Exactly.

Mr. McCLURE. As a matter of fact, because of that, it is no real alternative to the MX in the short run. It may be 15 or 20 years from now. Maybe it is something we have to explore, but I would think, I think the Senator would agree with me, that you have environmental questions, and that is one of the questions I wanted to respond to the Senator from Colorado about, with respect to the racetrack system. It was not simply the opposition of two political figures with respect to a basing mode, the ones from Nevada and Utah. There was a whole host of environmental considerations that were raised and not yet answered nor overcome. I think that is a fact.

Mr. HART. That is why in my question to the Senator from Virginia, I stressed the question of whether there were military reasons. There were no military reasons.

Mr. McCLURE. But the Senator inferred from the statement, if he was not explicit, that the only reason it was not done was the political reason, and all I am trying to suggest to the Senator from Colorado, in the context of this debate there was far more than just political opposition to the racetrack system.

Mr. HART. There certainly was not any military opposition.

Mr. McCLURE. But there was an environmental concern. There was question about the water requirements, the impact upon the region, the environmental concern.

Mr. HART. I thought we were supposed to do what was in the country's national security interest.

Mr. McCLURE. Excuse me. I do not think I heard what the Senator said.

Mr. HART. I said I thought we were supposed to be doing what is in this country's national security interests.

Mr. McCLURE. I hope we are.

But it seems to me that for us to suggest that the Midgetman is an alternative brushes under the rug a whole host of problems with respect to Midgetman. To suggest that the racetrack basing mode, which some in this body may indeed prefer—others would not prefer—was subject to a whole host of problems, not just the political opposition of a couple of political figures.

Mr. NUNN. Mr. President, will the Senator yield for a brief observation?

Mr. McCLURE. Of course, I yield without losing my right to the floor.

Mr. NUNN. I stipulate in this debate any basing mode on the MX is going to be difficult, any basing mode is going to have political objection, any basing mode for Midgetman is going to be difficult, and any basing mode for it is going to have political objection.

I am "basing" that, more than putting it in the fixed stationary silos. We are going to raise environmental questions. There is going to be a political price to be paid for having a survivable land-based missile system. This administration has not been willing to pay that price. I am not willing to continue to move toward what I consider to be a hair-trigger situation, because the administration is not willing to pay that price.

Mr. McCLURE. I understand the Senator's position. All I am suggesting and all I have attempted to suggest here, without debating the merits of the MX system or its basing mode in detail, is to lay to rest the notion that somehow there is a readily available alternative to the basing mode. I do not think the Senator from Colorado would vote for a suspension of the NEPA provisions on the racetrack basing mode. I do not believe that the—does the Senator care to respond?

Mr. HART. That is not the issue.

Mr. McCLURE. That is an issue, not the issue.

Mr. HART. The Senator from Georgia has very adequately answered that there will be major issues associated with any proposed basing scheme. The question is where it makes the most sense.

Mr. McCLURE. Is the Senator saying it makes the most sense to put it in a racetrack basing mode? He will vote for NEPA suspension?

Mr. HART. The issue is not NEPA. If it makes more sense for the security interests of this country to put it in a racetrack, the answer is "yes," the Senator from Colorado voted in favor of such a basing system throughout the 1970's. We are here debating this issue tonight because of Ronald Reagan. This Congress and Senate supported MX up to 1980. It was this President who shattered that consensus and decided not to put that missile on the racetrack for political reasons which brought us to this very point tonight, period. It had nothing to do with NEPA.

Mr. McCLURE. The Senator is entitled to his position and opinion, but this Senator is entitled to his, too. And the Senator from Idaho knows, if the Senator from Colorado does not, that there was severe environmental questions with respect to the racetrack basing mode. Those issues were not resolved. They have not been resolved. They would take considerable time to resolve and in the meantime we are doing nothing with respect to the imbalance of military security forces between the United States and the Soviet Union.

Do not ask the Senator from Idaho to say that the basing mode of choice today is the best, is a perfect system. But the racetrack was not either. The dense pack was not either. And it may be that we will want to go back and take another look at dense pack, and I am perfectly willing, along with others, to take that look.

But the question I think we should ask ourselves is whether or not we should stop the program while we take the look and say to the negotiators in Geneva we have decided to take 600 warheads away from the mix without getting anything in return from the Soviet Union while we look.

Mr. NUNN. Mr. President, will the Senator yield a second?

Mr. McCLURE. That is the way I see the issue. Others may see it differently.

Mr. NUNN. Will the Senator say what we get when we went from 200 to 100 MX's?

Mr. McCLURE. We did not get anything, and I was not in favor of it.

Mr. NUNN. Nor was I. I would like to say——

Mr. McCLURE. I thought the Senator said he voted with the Senator from Virginia when he did that.

Mr. NUNN. That was on the 21 and the permanent fixed silos.

Mr. McCLURE. I did not vote for that.

Mr. NUNN. What was that?

Mr. McCLURE. I did not vote to reduce MX.

Mr. NUNN. If the Senator wants to go to 200 in fixed-base silos, then the Senator will have to find 49 other Senators to vote with him because I will not.

Mr. McCLURE. I understand that. That does not mean I am wrong.

Mr. NUNN. No, it does not.

Mr. McCLURE. And as I indicated earlier, the Senator from Georgia is entitled to his opinion. I hope I am entitled to mine.

Mr. NUNN. The Senator certainly is. I am listening to it.

Mr. McCLURE. I appreciate that.

Mr. NUNN. But the Senator obviously is not concerned about the vulnerability about the missile.

Mr. McCLURE. Of course I am concerned about the vulnerability of the missile system. It was vulnerable in racetrack. It was vulnerable in dense pack. What the Senator is really saying is because we cannot find an invulnerable system let us not build them, and that is my concern because that is the bottom line, as I see it.

Mr. NUNN. No; the system we have now, the logic of that is since we do not have a perfectly invulnerable system let us make one perfectly invulnerable.

Mr. McCLURE. No; it is not perfectly invulnerable. That is cute but inaccurate. It is certainly more vulnerable than I wish it to be. No weapons system that we have is invulnerable totally. There are degrees of vulnerability. All I am trying to urge here is that we do not try to delude ourselves or others into the belief that there are readily available different basing modes or readily available different missile systems for the land-based leg of the triad because the truth of the matter is neither is true. You can talk about it but neither is true.

The bottom line comes down to the fact that you believe that since we cannot guarantee invulnerability or reasonable levels of invulnerability, let us cut the system, and that is the way it will be read by the Russians.

We do not hear the Russians today worrying much about the MX. We are taking care of that for them. They are more concerned about SDI because we have not yet decided to take care of that for them.

Mr. WALLOP addressed the Chair.

Mr. NUNN. I will state the last comment. The Soviets are worried about something, or they would not be spending all this money to go mobile.

Mr. McCLURE. Sure.

Mr. WALLOP. Mr. President, if my heart were not so heavy, I would be listening to this debate with some amusement. It is totally disingenuous to claim that the Senator from Georgia is sincere in his amendment that limits production of MX's to 40 and at the same time claim that he really would prefer 200. If he were sincere, Mr. President—and I say this looking at the Senator from Georgia—his amendment would not be to limit the production of MX's. Rather, his amendment would be to authorize funds for the 200 he says he wants. The Senator from Georgia claims he is driven by concern about vulnerability. But vulnerability is a hogwash issue here, because he and others on his side have voted to limit the SDI. They have voted and acted to cut out of SDI the real things that we could do right now to protect both American missiles and American people. There are technical capabilities we can build into protective weapons now.

It is utter hogwash, Mr. President, to say that if the President interprets passage of Senator NUNN's amendment as the end of the MX missile, the end of MX will be entirely the President's fault. Make no mistake about it. It is the decision of the Democratic Party and their spokesmen on defense that the MX shall come to an end. There is no route around that. No amount of cute talk can hide the Senator's responsibility by saying "Well, I would be for something else if only somebody would propose it."

Well, propose that something else. Propose it tonight. Propose to build 200 MX's, and propose to base them on the racetrack, and see where the sentiments are. Propose it. Do not propose cutting MX while claiming to be for building it up.

What has the U.S. Senate done? We have been sitting in here cutting the defense budget down from a needed real growth, to a growth only for inflation. Finally we will agree with the House on something less than zero growth. We have done nothing but cut weapons. SDI is going down. Do you want to take care of the vulnerability of our missiles? Build SDI now. Let us at least go back to the Spartan-Sprint ABB, by which at one time we knew how to shoot down missiles. Let us fund other protective weapons that we can build today. Let us propose on this floor the things that can deal with the problem. But no, what do we propose? To cap MX at 40.

If this amendment passes, tonight or tomorrow the Democrats who have been trying to achieve the death of MX are going to succeed. That yoke will be around your necks and around those of however many Republicans will follow you. But the death of MX is being proposed by the senior spokesman of the Democratic Party on defense.

Mr. NUNN. I am glad the Senator made it bipartisan.

Mr. WALLOP. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. WALLOP. Mr. President, the Senator from Wyoming would appreciate not being interruped. The Senator from Georgia has had all afternoon and several other occasions to speak on this issue.

If this amendment passes, the MX will cease to exist, even prospectively. It will cease to be a factor in America's strategic posture. At the level that we are talking about today, it is an irrelevancy, 40 MX's are irrelevant to the Soviet threat we face.

What are we facing? The Soviet Union now has two prompt-counterforce warheads for every hard target in the United States; two for every one.

But there are about 7,000 hard targets in the Soviet Union, among which are at least—and we do not know for a certainty—2,500 strategic nuclear delivery vehicles ready to shoot at the United States.

If this amendment passes, we will have no more than 400 prompt-counterforce warheads to shoot at that target set of 7,000. This renunciation of the goal of an American counterforce capability is the ultimate embrace of the doctrine of mutual assured destruction. Forget the hard target capability represented by 400 MX warheads friends, it is useless to a task the size of the one we face. Go back to MAD. Make the dirtiest nukes you can make and target them at the cities. Forget Presidential Directive 59. This amendment kills it because it is impossible to implement it with only 400 MX warheads. Presidential Directive 59 is the one solid strategic thing that came out of the Carter administration. And if this amendment passes it is totally dead.

Four hundred of our counterforce warheads against a target set of 7,000, which can fire some 6,000 counterforce warheads against us will not do much. What deterrent effect is there in that? Who will claim there is a deterrent effect in that? For all we know there may be even more Soviet warheads aimed at us given the Soviets' reload capacity. Where is the Democratic Party going to lead us in this issue?

Mr. HART. Will the Senator yield for a question?

Mr. WALLOP. No, I will not.

Mr. HART. The Senator was asking.

Mr. WALLOP. The Senator will not yield.

It strikes me that the arguments about unit costs are irrelevant. The cost is not the issue here, friends and colleagues and Americans, the survival of this country is the issue—totally, completely, irrevocably. That is the issue.

One billion dollars for the survival of the country? Three billion dollars for the survival of the country? Who in this room would not say that that was worth the price? Who would say that? And yet, we are not considering survival, and give price as the excuse for not doing so.

The promise that we can solve the problem of our insufficiency in missiles at some later time with some fanciful concept called Midgetman is fraudulent. Who in this room is going to tell me that we are going to spend the money for a proper number of Midgetmen, from 1,000 to 5,000 when we are reducing the cost of defense every time we come to the budget process? Moreover, each Midgetman is going to have to have the inertial guidance system of the MX, which is the most expensive part of the MX.

How about deployment? Is the Senator from Connecticut going to want 8 or 10 of those Midgetman units in Connecticut? Where in the heck are we going to base that mobile missile? If you are having a hard time basing this missile in a State like Wyoming, which is reasonably agreeable to the prospect, where are you going to put it? In San Francisco? Are you going to put it in the Senator from Colorado's State, in Denver? He has been worrying about them in Wyoming. In Detroit? Boston? Atlanta? Where are you going to put thousands of these things?

If Senator NUNN's amendment was sincere, it would propose an alternative now. Senator NUNN favors using mobility and deception, but in general terms. That is good. But is he willing to put missiles on the railroad cars? Some groups are now demonstrating in front of trains moving the Trident warheads around the country. Is he willing to take them on?

This amendment is fraudulent and its backers know it. You know dead well that it is fraudulent. You are killing MX and proposing nothing in its stead. Nor are you prepared to go to where its stead would have to be. Nor are this amendment's backers prepared to commit to a large, definite number of Midgetmen. Nor are this amendment's backers prepared to accelerate SDI. Rather they are working hard to postpone it.

They want to postpone SDI into the mid-nineties so some other President at some other time can face some other Congress with as weak a will as this one.

They want to study whether it is possible to defend against ballistic missiles. But we are studying what we already know. We know how to defend against ballistic missiles. But will the backers of this amendment let us do it?

I also fault the administration on that. They too speak of defense against ballistic missiles as some kind of never-never land, as though it were some mystical thing that was not within our capabilities now. Yet I point out that the Soviet Union has the capability for antimissile defense now in the SA-12, the SH-4, and SH-8 and flat twin engagement radar. We know the Soviet Union has the six Pechora class radars for battle management, in violation of the SALT treaty. But act as if we did not know how to defense against missiles, as if nobody in the world knows whether it can be done This is bizzarre. We are sitting here with the Soviets own admission that next year they are going to fly a chemical laser in orbit. Some in our intelligence agencies doubt that that has any strategic relevance. But what happens when it turns out to be very relevant? Who is going to measure it, and with what? I assure you that our national technical means cannot measure the beam quality, or the jitter, or its ability to shoot down boosters. We will find out some day when we need to send into space something important to the American people and we find out it was shot down.

This amendment does not deal with the real world. It is Alice in Wonderland, friends. It has nothing to do with the strategic needs of the United States. We are sitting here talking about 12 missiles instead of 21 missiles, 40 instead of 100 missiles, and 100 instead of 200 missiles. Nobody is talking about what these missiles have to do, and how many and what kind will be needed to do it. And is it any wonder that the head of the Strategic Air Command comes down here and says, "Oh, God, we got to impose a little restraint on the Soviets through the SALT process because the political will of the Congress won't let us confront the strategic needs of the United States?" Surely the political intellect of the Congress is not able to do it. We do not talk realistically about this issue and about what we can and cannot do.

We are willing to talk about abstract numbers and to try to make fanciful concessions with the White House as to whether we have 50 instead of 40, about whether we will build 18 instead of 21. But this talk is irrelevant to the survival of this country. What is relevant to us is what we can do with what we have. We have to decide whether to do it, or not. It is fun to talk now about Midgetman, is it not? Because nobody has to vote on whether or not to buy and base 5,000 of them. It is fun to talk about it because it does not cost anything to talk about it. Here is this Congress talking about we do not have enough money to take care of the defense needs that we have on the table now, and they are talking about something that is going to cost 10 times as much.

The Senator from Georgia is talking about going back to 200 MX's and the racetrack. You will recall the figure for that in 1980 dollars—$46 billion. Is he willing to put out that kind of money for that kind of a resource today. Oh, no.

Well, the world is too large a place for such posturing.

Let me read a couple of indications of how hard it is, because we tend to sit in this Chamber and say, well, there is never going to be a war anyway. We have all bought this dogma that we have enough to kill each other 100 times over, and that therefore war is not going to happen. So we think we can afford to lie belly up and say to the Russians, "You know you can shoot us. But if you shoot us, we are going to kill a bunch of people in your cities, and you will not like that. So you will not shoot us."

They think otherwise. Listen to this.

> We cannot be intimidated by fables that in the event of a new world war, civilization will perish.—Pravda, 1955.
>
> . . . the launching of the first massed nuclear attack acquires decisive importance for achieving the objectives of war.—MARSHAL K. S. MOSKALENKO, Deputy Minister of Defense, 1969.
>
> . . . the armed forces, the population, the whole Soviet nation, must be prepared for the eventuality of nuclear rocket war.—S. S. LOTOTSKY, describing in the magazine called "The Soviet Army," 1971.

Get a load of this one:

> There is profound error and harm in the disorienting claims of bourgeois idealogues that there will be no victor in a thermonuclear world war.—Col. V. F. Khalipov, in Milovidov, et al., Editors, The Philosophical Heritage of V. I. Lenin and Problems of Contemporary War.

written in the middle of the last decade.

> Nuclear war . . . (has not) . . . ceased to be an instrument of politics, as is claimed by the overwhelming majority of representatives of pacifist, anti-war movements in the bourgeois world.

And on and on and on go these statements out of the mouths and pens of Soviets saying that there is going to be nuclear war. What is the Democratic Party heaping on us? The Democratic Party is diminishing our capability to counter it in any way.

This is no silly little amendment that is taking care of a budget problem. This is taking care of the problem of the survival of the United States. It is not going to get over because of a vote that is taken tomorrow.

Mr. President, I hope that there are some who may think about this tonight, because I will have more to say tomorrow on the same subject. We are in trouble. This amendment places us directly in harm's way. It cannot be viewed otherwise. It must be viewed precisely for what it is. It is the death knell of MX, it is the death knell of the counterforce capability of this country, it is the death knell of our future in missilry, and it is coupled with the death knell of SDI by the budget that this Senate has already passed.

I yield the floor.

EARMARKING FUNDS FOR CERAMIC VALVE DEVELOPMENT IN MILITARY ENGINES

Mr. BOSCHWITZ. Mr. President, I am concerned about an important ongoing test and development effort being conducted for the U.S. Army's Tank-Automotive Command. The R&D project uses a new ceramic element for rotary valves that would be used in automotive and other engines in the military. This project involves new technology designed to greatly increase the efficiency and reliability of combat vehicle engines. With rising concern on the part of Congress and the American public for more efficient use of our defense dollars, I believe this project is clearly one example of how we are doing just that.

Mr. President, this R&D effort has been funded for the last 2 years. The defense appropriations bill directs the Army to use $500.000 from the Army development and employment activity. This funding level was appropriated in 1985 with the recommendation that the Army aggressively pursue the current contract to complete the first phase of this project, which includes tests on single-cylinder engines.

The real value and greater potential for wider range military application of this project, however, will be realized in moving from testing the single-cylinder model to testing a multiple-cylinder model. I am informed that while the phase one tests on the single-cylinder have been delayed—final findings were expected in June but are now delayed until December 1985—test results to date are positive particularly with respect to follow-on applications. So, there is every reason to believe that follow-on phase II tests for the multicylinder engine application should and can proceed immediately thereafter.

Because of the potential value of this technology, Senator Symms and I sponsored an amendment last year requesting the Army to earmark $860,000 of R&D funds for this project. Even though the conferees felt that funding for a potential follow-on effort for multiple-cylinder engine tests was premature, I am confident that sufficient progress has been made in the project even with the delays that warrant follow-on funding in this fiscal year.

Mr. President, I am a member of the Budget Committee and a supporter of a strong defense. I am one who has diligently strived to reduce the growing deficit and felt compelled to support 0-3-3 mark in defense to get our fiscal house in order. I know this position has required that this defense authorization bill reflect a no-growth mark and I am very sensitive to the need to hold the line on defense spending.

Despite the fact that I believe this project will, in the long run, save the taxpayers money, I am persuaded not to offer an amendment to earmark moneys for the $860,000 needed. It is my understanding, however, that such an amendment will be included in the House bill. So, I would ask the distinguished chairman and the distinguished minority floor manager to give judicious consideration during conference to the need for the phase-II R&D funding this fiscal year for ceramic valves in multicylinder engines.

Mr. GOLDWATER. Mr. President, I thank the Senator from Minnesota for his remarks. I am confident his view on this matter accurately reflects the importance of this project, both in terms of its dollar savings and in advancing an important technology that can increase the efficiency and reliability of our military's vehicles. The Senator's record on a strong defense is well known and his concern for the need to cut the deficit is shared by this Senator. In any case, I appreciate his bringing this R&D project to our attention. It has merit and I believe we will be able to work out something in conference to earmark funding for the follow-on phase of its development.

Mr. BOSCHWITZ. Mr. President, I thank the chairman for his kind remarks and his understanding and assurances with regard to my request.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

THE U.S. AND THE WORLD ECONOMY REPORT FROM THE ASPEN INSTITUTE

Mr. BRADLEY. Mr. President, it is my honor to introduce a report by William Eberle, Richard Gardner, and Ann Crittenden of the Aspen Institute entitled "The Next Four Years: The U.S. and the World Economy." The report is a blueprint for integrating our policies into a world economy whose demands have been forced on us suddenly by an increasingly interdependent trading system and the rapid integration of world capital markets. Although the report touches on diverse issues such as international debt, long-term development, and the importance of international policy cooperation, let me highlight the authors' prescriptions for U.S. macroeconomic policy and international trade.

The report describes budget deficit reduction as a prerequisite for accomplishing almost all of our major economic objectives. Both the trade deficit and high interest rates propped up by expected inflation and Government borrowing are seen to follow from the administrations' uncontrolled fiscal policy. The authors write:

> The longer Americans continue to consume more than they produce, the longer they and their children will have to consume less than they produce.

They propose tax reform including: First, the elimination of nonmortgage interest payment deductions; second, the imposition of a modest oil import fee and gasoline tax; and third, narrowing the scope of the accelerated depreciation and investment tax credits presently allowed.

In trade, the authors call for a new round of multilateral trade negotiations as well as rules for GATT to oversee bilateral trade agreements. These measures are especially important as the world drifts toward a second-best solution of bilateral balkanization of the trade system. The GATT should further be strengthened to prohibit damaging industrial policies that discourage trade and head us toward a "no-win, everyone lose" scenario. Perhaps most importantly, the report calls for us to recommit ourselves to meaningful trade adjustment assistance for dislocated workers to spread the burden of trade disruptions while embracing the challenges of productive change.

The theme running throughout the report is that we must stop making economic policy as if our economy were closed from the rest of the world. What better proof of how close to the mark the authors are, than the present prospect of economic stagnation filtering inward from our beseiged trade sector? The report and its international outlook demand serious thought and prompt action.

Mr. President, I ask unanimous consent that the report be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

The Next Four Years: The U.S. and the World Economy

(By William D. Eberle, Richard N. Gardner and Ann Crittenden)

INTRODUCTION

The next four years present unprecedented challenges of economic policy-making to the second Reagan Administration. It faces the urgent need to reduce large and continuing budget deficits, to bring greater stability to international finance, to strengthen a seriously threatened world trading system, to manage a still precarious international debt situation, and to help meet the critical capital requirements of the developing countries.

Answers to these questions cannot be further evaded or postponed without threatening the welfare of the United States and the cooperative international economic order established at the end of the Second World War. We are living on borrowed money and on borrowed time. For the United States and for other countries, an economic moment of truth has arrived.

The way in which the Administration handles these issues will affect the world economy for years to come. For if one thing is still as true as it was forty years ago, it is that the United States, with the strongest economy and the strongest currency in the world, is still at the center of the international economic system. Its internal economic decisions, for better or for worse, are the greatest single influence on that system. The United States is no longer in a position to write the rules of the international economic game, but it still shapes the economic environment in which everyone else must play.

Although the United States is the key factor, other nations have major policy responsibilities. Europe, Japan and the developing countries have not sufficiently faced up to the hard economic choices essential to their own well-being and that of the global economy. Part of the new reality is that international economic responsibilities will have to be better shared in the future than they have been in the past.

There is also a crying need for greater cooperation among the international economic institutions, among economic policymakers in different countries, and among financial, trade and development ministries within countries. The linkages between nations and between policy sectors are now too close for piecemeal management by fragmented jurisdictions.

What is most urgently needed now, as we confront 1985, is not a set of new *international* initiatives, but fundamental changes in the *domestic* policies of the key economic players. Unless these domestic changes are made, whatever international order still exists is in jeopardy. And paramount among these policy shifts has to be the assertion of strong leadership on the part of the United States.

This report is designed to clarify public thinking on the economic issues facing the new Administration and other governments. We maintain that an essential first step in dealing with any of these issues—and the most pressing economic decision facing the second Reagan Administration—is the need for the United States to restore a balanced domestic economic policy.

We therefore propose, as our first recommendation, that the President, as soon as possible, convene a meeting with the leaders of the House and the Senate of both parties to produce a bi-partisan deficit reduction package. The reduction of the deficit is not a panacea. But it is a prerequisite for restoring order to an international economic climate that is increasingly characterized by fragmentation and drift. With American leadership putting its own house in order, the outlook is still optimistic. Without it, we risk an economic crisis of global dimensions. That is the opportunity, and the danger, of the four years ahead.

In the following pages, we offer proposals in the four areas of finance, trade, debt and development. None of these issues can be dealt with in isolation. Without improved domestic economic policies in the United States, Europe and Japan, the world will continue to suffer from high real interest rates, destabilizing capital flows, and volatile and misaligned currency relations. Without a more orderly and rational set of exchange rates, the postwar system of multilateral trade will eventually collapse under protectionist pressures. And without lower interest rates, more open markets, and larger international capital flows, the Third World Nations will be unable to service their debt and meet minimum development goals necessary for the fulfillment of basic human needs and the survival of democratic institutions.

I. The U.S. Deficit, the Dollar, and the International Monetary System

The single greatest threat to international financial stability today is the present unsustainable course of the U.S. economy. The Congressional Budget Office (CBO) estimates that even assuming a continuation of the current recovery at approximately 3 to 3½ percent real growth over the next five years, and even assuming a 2 percent drop in real interest rates, Federal budget deficits will rise from $182 billion in fiscal 1985 to $263 billion in fiscal 1989. Using CBO projections Martin Feldstein, former Chairman of President Reagan's Council of Economic Advisers, further estimates that even with a 5 percent rate of real growth for the next five years—a record of economic performance we have never come close to achieving—we would still have a deficit of more than $150 billion in fiscal 1989. There is thus no chance whatever that we can "grow out of the deficit," unless we make fundamental changes in our tax and spending policies.

Indeed, due to the recent economic slowdown, the Reagan Administation's Office of Management and Budget now estimates the deficit for fiscal 1985 at $210 billion—more than the CBO forecast of $182 billion cited above. Thus the CBO deficit projection seems unlikely to prove too pessimistic. And this projection tells us that with the continuation of present policies our national debt, which has already doubled from $700 billion in 1981 to over $1400 billion today, will double again to about $2800 billion by 1989. Annual interest payments on that debt, which were as little as $75 billion in 1960 and $96 billion in 1981, will be $181 billion in this fiscal year.

Our unprecedented deficits reflect a combination of the significant tax reduction of 1981, the explosion in defense spending, the dramatic rise in debt interest payments, and the automatic increases in Congressionally-mandated social programs. Payments on debt interest, defense and Congressionally-mandated entitlements now account for more than 80 percent of the Federal budget. By fiscal 1989, according to the CBO projections, these three items will exceed revenues by $64 billion. This means we will have a deficit even if we eliminate the entire apparatus of national civilian government.

These figures reflect a nation living beyond its means and failing to build for its future. In the verdict of the financial markets, these deficits will eventually be monetized by increasing the money supply. The markets also foresee half of our domestic savings used just to finance our deficits, leaving insufficient savings available for the needs of the private sector. Such expectations contribute to high interest rates and to lower levels of private investment, less housing, lower productivity gains, and ultimately to lower growth.

The U.S. budget deficit has serious international ramifications as well. It is being financed by huge capital flows from abroad, money which is needed to help revive the sagging economies of Western Europe and the Third World. The inflow of foreign funds stimulated by high interest rates has pushed up the value of the dollar, with devastating effects on American export industries. The strong dollar has helped produce a staggering trade deficit of more than $130 billion in 1984 which could reach $150 billion in 1985, has already generated protectionist responses and built up tremendous pressure for additional protectionism. Even when service transactions and unilateral transfers are taken into account, our deficit on current account is over $100 billion in 1984 and figures to be near $120 billion in 1985. In short, we are now borrowing $100 billion or more each year from other countries.

Within the next few months, the United States will become a net debtor nation for the first time since 1914. If we continue to borrow from other nations as a result of rising domestic deficits, we will have a net foreign debt in three years greater than that of Mexico, Brazil and Argentina combined—well over $300 billion. We will no longer, as in the past, be able to count on net internal investment earnings to finance our trade deficits. On the contrary, we shall have to accept future reductions in our consumption standards to serve our growing indebtedness of foreign nations. In a very real sense, present policies are placing a mortgage of the lives of future generations.

In plain language, the longer Americans continue to consume more than they produce, the longer they and their children will have to consume less than they produce. While we tell the heavily indebted developing countries to "put their houses in order," the fact is that under present policies we could not ourselves qualify for a loan from the I.M.F. And we are manifestly violating our obligations under the Fund's Articles to cooperate with other countries to lessen the extent and duration of imbalances in the international balance of payments.

The present rate of U.S. foreign borrowing, in our view, is unsustainable. It has been wryly remarked that selling bonds abroad has become a major American export industry. Now this has been supplemented by massive borrowing abroad by U.S. banks. But will foreigners be willing to finance indefinitely this huge amount of U.S. borrowing? It is misleading to argue that the large amounts of foreign money now in U.S. securities and banks "have no place else to go"—some of that money will begin to move elsewhere if confidence in U.S. economic management is shaken and investors seek to avoid large losses from an anticipated fall in the dollar. Moreover, a run on the dollar could be precipitated if foreigners become saturated with dollar holdings and become unwilling to go on lending us $100 billion a year of new money. A cessation or even a sharp reduction of our present large inward capital flows would trigger a liquidity crisis, drive up U.S. interest rates and precipitate a collapse of stock and bond prices.

We are not predicting that such a frightening scenario is about to come to pass. At the moment, confidence in the United States and in the dollar remains high, and prospects for a "run on the dollar" seem remote. But a central characteristic of international finance today is its extreme unpredictability and volatility. Literally anything can happen in a "world monetary system," as Helmut Schmidt has said, which "does not deserve the name." We are also concerned with the political implications of large and continuing U.S. external deficits, which will aggravate Alliance relations and erode the willingness of the American people to bear their share of NATO defense costs and international development financing. We wonder, in short, whether a nation going deeper and deeper into debt to other countries can also remain the world's strongest political power and the leader of the world's democratic forces.

As a crucial first step toward restoring equilibrium in the international financial system, we urge the President to seek a bipartisan consensus with the Congress on a four-year deficit reduction package. Such a package will necessarily require compromise from the leadership of both political parties. Among the main elements we suggest slowing the rate of real increase in the defense budget to 5 percent, reducing civilian spending through health cost containment and the trimming of farm subsidies, and increasing tax revenues through such devices as the following: eliminating the deduction of interest payments except for mortgage interest payments on principal residences up to a ceiling; imposing a modest oil import fee and a gasoline tax (e.g., $4 per barrel and 20¢ per gallon); narrowing the scope of the accelerated depreciation and investment tax credits presently allowed; and some form of minimum tax on the economic income of corporations;

We estimate that these tax measures and expenditure reductions could yield between $100-$120 billion per year between now and fiscal 1989. More will have to be done, but this would represent a reasonable beginning.

Quite apart from its value in raising additional revenue, we consider the first of our tax proposals of special importance for policy reasons. The present deductibility of all interest payments (a feature virtually unique to U.S. tax law) artificially stimulates borrowing and raises U.S. and world interest rates; while the deductibility provision cuts the effective rate of interest for wealthy U.S. individuals and corporations, foreign borrowers, including the heavily-indebted developing nations, bear the full brunt of the resulting higher interest charges. Elimination of deductibility (except for mortgage interest payments on principal residences up to a ceiling) would help restore better balance to both the U.S. and the world economy.

The second of our tax proposals—the modest oil import fee and gasoline tax—by offsetting recent and likely future declines in world oil prices, would maintain pressures for energy conservation (and provide a modest encouragement to domestic production) without raising U.S. energy costs significantly compared to those prevailing a few months ago.

At the same time, other nations need to set in motion complementary policies aimed at restoring some balance to international financial flows. The Western European countries are beginning to recognize that they need to provide more opportunities for productive investment in their own economies—by encouraging enterpreneurship; by permitting the transformation of obsolete industries; by loosening up rigid labor market; by reducing the role of government in their economies; and in some cases, by easing monetary or even fiscal policy to promote faster growth and more jobs.

Japan needs to relax still further the restrictions on its imports and its capital markets. Stimulation of Japanese internal demand is also essential if Japan is to reduce its huge trade surpluses that have produced so much of the recent protectionist surge in the United States and the rest of the industrialized world. Large-scale international borrowing by Japanese government agencies and private firms would also be encouraged to achieve a better balance of international financial flows and exchange rates.

The developing countries, for their part, will need much more responsible and imaginative economic management than they have had in the past, if they are to adjust to a world of more limited capital flows. This includes better incentives for industrial and agricultural production, more realistic exchange rates, the reduction of public sector deficits and more effective means of keeping what capital they have from leaving the country.

With the increased interdependence which exists today, including the high degree of capital mobility among nations unforseen at Bretton Woods, it is even more essential that countries adjust their domestic economic policies with a view to maintaining a mutually beneficial world economic system. It is no longer possible to have complete national policy autonomy and maintain an open international system of trade and capital flows. If we wish to preserve the latter we shall have to accept some limitation on the former.

At the 1982 Economic Summit meeting in Versailles, it was decided that Finance Ministers from the key currency countries would meet quarterly with the Managing Director of the International Monetary Fund to discuss coordination of macroeconomic and exchange rate policies. This decision was reffirmed at the Williamsburg Summit. Unfortunately, however, there is little evidence to suggest that these dicisions have led to a meaningful process of international policy coordination. To have any practical result the key currency countries, including the United States, must demonstrate the political will to take seriously international factors in their domestic policy decisions. We believe the United States should now lead in the establishment of an improved system of multilateral surveillance to review the domestic fiscal and monetary policies of the key currency countries. This is an essential step towards achieving more stable currency relationships in better relation to underlying competitive conditions—an objective as much in the interest of the United States as of its economic partners.

The instrument for such multilateral surveillance, in our view, should be a group such as the Interim Committee of the International Monetary Fund, or possibly the smaller Group of 10. The world is not ready, obviously, for supranational control of national economic policies, nor even, perhaps, for "target zones" of key currencies maintained by a combination of national policy commitments. But we believe a group of Finance Ministers and their deputies should now meet at least every three months, and in special session when circumstances so require, to seek consensus on the changes that are needed in national policies in the interest of international monetary stability. Rules of procedure such as the formal recording of decisions and process of follow-up monitored by the IMF staff could provide a discipline in the current surveillance process that is presently lacking.

Intervention in the exchange markets will be of limited value if domestic policies are not better coordinated. If a more meaningful system of multilateral surveillance is established, however, the G-10 countries could, in appropriate circumstances, undertake cooperative exchange market intervention to restore more orderly exchange market conditions and exchange rates more reflective of purchasing power parities.

The importance of establishing international cooperation in the formation of domestic policies cannot be overstated. Financial flows now dwarf trade flows: some $20 to $30 trillion in capital flows now cross the foreign exchange markets in a year, compared with roughly $2 trillion in goods and services. With exchange rates responding to international capital movements and often bearing little relation to trade competitiveness, great pressure is developing to divorce the exchange rates in the capital and goods markets. This separation of rates can be achieved by two means: import restrictions and export subsidies which permit a country to maintain international competitiveness despite an overvalued currency; or taxes and other limitations on free capital movements which dilute the impact of interest rate differentials on the exchange rate. However, either method would undermine the progress which has been made towards an open international trade and investment system, and run the risk of political manipulation and economic inefficiency. It would be far better to avoid the need for restrictions through pursuit of more internationally-oriented fiscal and monetary policies within the key trading nations.

II. International Trade, the GATT System, and Adjustment Policies

The overwhelming trend in international trade today is the steady drift toward more managed trade. By one estimate, as much as 50 percent of world trade is under some form of management by governments. A multitude of restrictive trade agreements have sprung up outside the framework of GATT, producing a new climate of uncertainty that is impeding the growth of trade and investment. These bilateral export restraint agreements now cover textiles, steel, autos, shoes, and numerous agricultural products, all in violation of the normal trading rules set forth in the GATT. In addition, countries have inceasingly adopted "industrial policies," using direct and indirect subsidies, government procurement policies, foreign investment incentives, export performance requirements and the like. As a result, the concepts of multilateralism and open markets embodied in GATT which have served the world well are in danger of being abandoned barely forty years after their adoption.

Even the United States, which was firmly committed in the postwar era to the principle of open multilateral trade, has been turning recently to regional and bilateral trade agreements—the Caribbean Basin Initiative, a free trade agreement with Israel, and a sectoral free trade arrangement now under discussion with Canada. Similar bilateral arrangements have been explored with Saudi Arabia and the ASEAN countries of Southeast Asia. These kinds of agreements may serve a useful purpose provided they are brought within the multilateral framework, which means making them compati-

ble with GATT rules of phasing them out after a fixed time period. But if the process of Balkanization of trade continues, it is not an overstatement to suggest that the GATT could become as obsolete as the old Bretton Woods system of fixed exchange rates.

Thus trade policy is at a crossroads. In our view, the U.S. should take the lead in renewing the industrialized nations' commitment to reducing trade barriers in a multilateral framework. It should propose that GATT be updated to face the challenge of bilateral agreements and industrial policies, subjecting both to a multilateral process of notification and surveillance, while it also develops new rules to cover service trade and trade-distorting investment practices.

In specific terms, we recommend:

1. A new round of multilateral trade negotiations to extend the GATT's effective mandate to cover bilateral restraint agreements, industrial policies, services, agriculture, and trade-distorting investment practices.

2. The parties to GATT should work out procedures and rules for the administration of bilateral restraint agreements. The GATT should be prenotified of their formation and be given authority to exercise surveillance over them, including the monitoring of their impact on all parties. An adjustment plan should be drawn up for the industry or region affected by each agreement and a date set for its termination. The GATT should undertake to review each pact periodically to see that the necessary adjustments are taking place on schedule.

3. The GATT should establish a new surveillance committee on trade-distorting domestic policies, whether called industrial policies or otherwise. Countries adversely affected by the trade-distorting domestic policies of other GATT members could question these policies and seek changes, even where no specific violations of existing GATT rules are involved. The committee could seek to develop agreement on which industrial and other domestic policies are consistent with the letter and spirit of the GATT and which are not.

4. The United States should practice the economic efficiency it preaches abroad, by granting protection only under specific conditions. Any company or industry seeking import protection from the International Trade Commission or the White House should be required to submit an adjustment plan showing how it will restructure in order to restore competitiveness or get out of the business in question. The plan could include commitments to increase investment in modernized plant and equipment, restrain wage increases and executive compensation, or shift into new lines of production. After a given time period (e.g., 5 years), the protection would automatically expire and not be renewable.

5. The United States should strengthen its adjustment assistance program for workers displaced by imports, which has been severely reduced in recent years. The revitalized program should put its main emphasis on worker training and retraining rather than the simple income and maintenance that was the main feature in past years.

6. The United States should embark on a comprehensive national program to enhance its international competitiveness. In addition to a better macroeconomic policy leading to lower interest rates and a properly aligned dollar, this primarily means developing our neglected human capital—preparing the skilled work force we shall need in future years through more investment in education at all levels, particularly in math, science and engineering. It means encouraging more spending on civilian research and development through tax incentives and government support to universities. It means an anti-trust policy that permits the pooling of research by companies in the same industry. It means tax incentives focused more effectively on promoting new investment in plant and equipment. And it means a strengthened Export-Import Bank that assures American exporters credits and credits insurance fully competitive with that provided by other countries.

In the controversy over whether or not the U.S. should have an "industrial policy," it is often forgotten that our government is already intervening like a brain-damaged octopus. The challenge is to move from random, politically-motivated actions and subsidies that frequently impede industrial adjustments to more limited and rational interventions that enhance the competitiveness of the United States. It has been estimated that Washington presently dispenses some $100 billion a year to industry directly and in the form of "tax expenditures" without any priorities and virtually no consideration of how these various subsidies combine to affect to a given industry or the economy as a whole. For example, the United States spends five times more in research and development in commercial fishing than on research and development in the steel industry. The government provides a special $500-$600 million annual tax benefit to the timber industry, but no such special tax advantages for semi-conductors. It is doubtful whether any national interest is served by the haphazard allocation of national resources that results from this hodgepodge of policies.

7. Accordingly, we recommend an immediate effort by the Council of Economic Advisers to determine exactly how existing government programs of direct and indirect subsidy affect specific industries and the economy as a whole, with a view toward rationalizing the government's already massive intervention in the economy and promoting national competitiveness.

III. International Debt

To the surprise of many observers, the Third World debt situation is no worse today than two years ago, when the Mexican and Brazilian payments crises first erupted. The recent successful rescheduling of the Mexican debt has provided breathing space, and similar reschedulings may soon be negotiated with other countries. Such reschedulings are useful, but they do not "solve" a crisis that will be with us for decades.

Between $800 and $900 billion of debt is still owed by developing nations; about $400 billion of it by Latin countries alone. The situation in some of the major debtors—notably Argentina—is extremely problematic, and elsewhere borrowers such as the Philippines will clearly have grave difficulty in servicing their foreign debts in this decade.

There is a limit to which the major debtors will be willing to maintain austerity policies that sacrifice domestic growth and standards of living for the sake of repaying foreign creditors. Most governments will find it politically and economically impossible to maintain the present adjustment process unless private and official capital flows combined with expanded export opportunities are available beyond the amounts that are presently foreseeable.

A key issue is where the additional capital is going to come from in the near term, pending the restoration of economic growth. The commercial banks—the principal source of the past decade—have made it abundantly clear that they will not be increasing substantially their exposure in the Third World. In 1983, according to World Bank figures, net financial transfers from banks to the developing countries were actually negative by an amount of $11 billion, and in 1984 bank lending to less developed countries has recovered only slightly. Even debtor nations who have continued to service their obligations have been hurt by the widespread resistance to new bank lending abroad.

Some means of restoring the long-term credit available to these countries, and to debtors undergoing major adjustments, must be found. The World Bank estimates, for example, that if the debtor nations are to maintain adequate growth, export and debt service performances they will need an annual growth in current debt of about 4.5 to 5%.

It is in the interests of the United States and other industralized countries to find ways of making this capital available. The economic costs of debt defaults shaking the stability of our banking system or of vanishing developing country markets for our exports are obvious. Largely because of the economic contraction in developing countries, the U.S. alone lost $18 billion of exports between 1980 and 1982, which, according to the Overseas Development Council, eliminated approximately 600,000 jobs. Between 1982 and 1983, industrial countries' exports to developing ones dropped by $43 billion. It has been estimated that growth rates in the developed world would have been one half of one percent higher in 1983 if those exports had remained at their 1982 levels.

We therefore recommend:

1. A doubling of the capital of the World Bank or, alternatively, the establishment of a Bank subsidiary with a higher "gearing ratio" than that of the Bank itself—i.e., the ability to make loans greater than its total capital.

2. Greater coordination between the IMF and the IBRD in devising growth-oriented policies for the debtor countries. Much as a troubled industry needs a long-term adjustment plan to put it back on track, these countries need long-term growth strategies, backed by Bank funds, as well as the Fund's traditional short-term stabilization policies.

3. A more active role by the World Bank in co-sponsoring new loan syndications with commercial banks to debtor countries as a means of keeping private capital flowing.

4. The World Bank, the industrialized countries, and the heavily indebted countries should cooperate in creating new incentives for direct private investment in the developing countries, including investment insurance and possibly some means of converting debt into equity.

5. The GATT, working with the World Bank and IMF, should seek significant trade barrier reductions on behalf of developing countries.

IV. Long-Term Development

In their relations with Third World countries, the United States and other developed nations face both short-term questions of debt repayment and long-term questions of economic growth and political stability. As we move to deal with the former we should not lose sight of the latter.

The real victims of the international economic forces at work today are, as always, the weakest: the poorest countries who perenially bear the heaviest burdens of adjustment. The debt burden, the high interest rates, the costly dollar, deteriorating terms of trade and protectionism have combined to erase many of the gains made during the 1960's and 1970's. Current economic forecasts envisage a recovery in Latin America so slow that the per capita income of 1980 will be barely regained by 1990. For sub-Saharan Africa, the World Bank foresees that, without action, per capita income in the year 2000 will actually fall below the level of 1960.

Harsh cuts in virtually every Third World budget have produced sharp declines in spending on health, family planning, education and research, all at the expense of these societies' futures. Similarly, much of the progress in servicing the international debt has come at the cost of many countries' long-term well-being, as they have stripped their forests, depleted their mineral reserves, and preempted their agricultural lands to produce commodities for needed foreign exchange.

With so many of the forces buffeting these countries beyond their control, the international community has a moral obligation to provide some capital transfers back into their economies. Moreover, such assistance is in the industrialized countries' own economic self-interest. The developing countries are among the best customers of the industrialized world—as much as 35-40 percent of the exports of the developed countries are purchased by the developing countries. As the last three years have demonstrated, when growth lags in the South, the factories in the North are among the first to feel it.

Moreover, the collapse of democratic forces in countries like Mexico would create a more hostile world environment and threaten vital U.S. interests.

We therefore urge the following measures:

1. The industrial nations should increase the resources and lending programs of the World Bank and the IMF above the levels presently authorized. Fund conditionality should be made more flexible and more oriented toward long-term structural adjustment.

2. The industrial nations should maintain, in real terms, their past levels of support for the International Development Association, the chief source of concessional development finance for the poorest countries. This would require a change in U.S. policy in favor of a $12 billion IDA replenishment, instead of the current U.S. insistence on a replenishment of $9 billion. The current U.S. policy saves the U.S. less than $250 million per year but costs IDA $750 million annually from other donors.

3. The industrialized countries should expand their bilateral assistance programs, particularly those that are targeted toward improvements in agricultural productivity, management capabilities, and meeting the basic needs of the poor, including education, health and family planning.

4. Even though we urge an expansion of World Bank and IDA lending, we also urge that these two agencies look more carefully at the market criteria of their loans, to be sure that they are not financing the production of products already in world surplus.

5. Both developed and developing countries must devote more attention and resources to helping reduce Third World rates of population growth. If present trends continue—and they are likely to do so in the absence of greater action—Africa's half a billion people will grow to almost 3 billion, India's 700 million to more than 1.2 billion, Mexico's 70 million to 200 million, before stabilizing some time in the next century. Such increases will almost certainly be accompanied by higher rates of abortion and female infanticide and will destroy any hope of economic progress and political stability.

In the final analysis, the developing countries' futures will depend upon their own policies. As Paul Hoffman remarked at the beginning of the Marshall Plan, "only the Europeans can save Europe." The developing countries must get their own economic houses in order, and only their own commitment to wealth-creating strategies, to incentives for industry and agriculture to improved savings rates, to better managed public projects, and to more responsive bureaucracies, can assure them a decent future—no matter what the United States and the industrialized world do.

6. The industrialized countries should therefore support efforts by the more successful newly industrializing countries, such as South Korea, to share their experiences with other developing countries. South-South international development exchanges should be greatly expanded, for they offer a depoliticized, collegial setting for the transmission of expertise on economic development. They can provide an attractive alternative to the more paternalistic assistance models of the past.

V. International Policy Cooperation and International Institutions

There is a widespread sense of disillusionment with existing institutions, and little enthusiasm for establishing new ones. Yet as our previous discussion suggests, there is no way that American interests can be advanced without a greater effort to strengthen the International Monetary Fund, the World Bank, and the GATT, and to get them to work together more effectively. This should be a high priority both for the United States and other countries.

There is also a pressing need for some forum where the interrelated problems of exchange rates, trade, debt and development can be discussed and negotiated among nations. We believe that this can only be accomplished at the highest level, among heads of government, who have the authority to make the critical tradeoffs that will inevitably be necessary.

We therefore urge that:

1. The industrialized nations should revitalize the summit process, which in recent years has degenerated into an annual media extravaganza, long on photo opportunities and short on substance. The summits now need to be used to put the stamp of approval on package deals or policy trade-offs in which the seven summit countries take real commitments to modify their policies in the general interest. To help assure the follow-up of these agreements, a small prestigious group of private individuals should be appointed to issue a frank and public report to governments, evaluating their post-summit performance of agreed obligations—a report card, in effect, that could inject some discipline into what has become a superficial and even cynical process.

2. The United States should develop a new mechanism to integrate economic decision-making within the United States government, so that domestic economic management, trade policy, international debt and international development policy are all shaped in harmony with a full understanding of their interrelationships. We stronly urge a bold Presidential initative to integrate all domestic and international economic policy-making in the White House, under the authority of a senior Presidential advisor working with the appropriate Cabinet officers.

In conclusion, we repeat our appeal for more effective leadership on the part of the United States. Today, as never before, American economic policies have a global impact, and the international consequences of those policies reverberate on the U.S. economy in ways we need to take more seriously. In such a world, the U.S. must act, above all, to reduce its unprecedented budget deficits.

Clearly, the U.S. has an obligation, both to itself and to the rest of the world, to manage its economic affairs in ways that strengthen, not weaken, the international financial and trading system. So do other nations. This will require not only more balanced domestic policies but a greater degree of international cooperation in which every sovereign nation makes its fair contribution to a needed economic adjustment.

For too long, American economic policy has been made as if the rest of the world did not exist. That is an illusion which this country no longer has the luxury to entertain. The next four years will require American leadership that is at once more realistic, more consensual, and more sensitive to our domestic responsibilities, than we have ever seen.

Other countries could not reasonably ask for more, and we cannot reasonably settle for less.

FRIENDS OF LUBAVITCH OF BERGEN COUNTY

Mr. BRADLEY. Mr. President, I would like to draw my colleagues' attention to an exemplary group of citizens from my home State of New Jersey. Indeed, this group of fine citizens serves as a model for those who know of their contribution to our community.

Mr. President, I would like to congratulate the Friends of Lubavitch and its volunteers on their efforts to provide much-needed comfort and friendship to the terminally ill and to those in long-term nursing care. These dedicated volunteers visit six area hospitals, as well as five nursing homes in the northern New Jersey are, each and every Friday to bring a lovely carnation and a warm smile to those who need it the most—those who are least able to help themselves.

The Friends of Lubavitch have a long history of community involvement. Indeed, the Friends of Lubavitch of Bergen County have been active in New Jersey for the last 8 years sponsoring many religious, educational, and social welfare activities, only one of which is the Jewish Visitation Program.

In conclusion, Mr. President, I congratulate the Friends of Lubavitch and its volunteers for their efforts to provide lasting support and friendship to needy members of the community. I wish the Friends of Lubavitch continued success in all their endeavors.

COMMENCEMENT SPEECH BY MARY ROEBLING

Mr. BRADLEY. Mr. President, at this year's commencement exercise at Marymount College of Virginia, the graduation speaker and recipient of an honorary L.H.D. degree was one of New Jersey's most distinguished citizens, Mary G. Roebling of Trenton.

Mrs. Roebling delivered some very inspiring remarks to the graduates. I believe that her words are good advice for all young Americans. I therefore ask unanimous consent that her remarks be included in the CONGRESSIONAL RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

COMMENCEMENT ADDRESS BY MARY G. ROEBLING

I have been asked today to talk, at least in part, about my philosophy of life. I am not sure that my approach to life is vastly different from that of many other people. I certainly am not sure that it is much better. All I can be sure of is that it has served me extremely well for many years, and if you can benefit from hearing about it, I am most happy to share it.

It goes something like this: "Each day I seek to preserve my physical health, to grow in my mental strength, to allocate my time wisely to the most important things, to serve God and my church, to love all human beings, whatever their needs and wherever they may be, to take pride in my homeland and in my community, and to work for their best interests; to be a dutiful daughter, a wise parent, a kind sister, a good neighbor, an efficient banker, and a more tolerant, more generous and more ideal American woman."

I think the origin of these ideas goes way back to my childhood and to a close relationship I had with my wise and caring father. I must have been about 10 years old. I was very eager to become an adult and very eager to accomplish things, and I asked my father how I could grow faster. He laughed and said: "Mary, right now you are growing fast enough, but there is a thing you should remember for the future, and that is that you can never grow without other people. Your family and friends and work associates are imperative for your growth. You should reach out to other people, always in a kind way, and they will help you grow. If you should ever shut yourself off from people, you will stop growing."

All of this was a sizeable bite for a 10-year old, and although I always remembered my father's words, I was nearly grown, I guess, before I understood their full implications.

The scientists tell us that mankind's overwhelming drive is to survive, that survivial is more important than anything else. And that strikes me as pretty obvious, because without survival we do not have anything.

But after survival, or perhaps as a part of survival, what's next? To me, the answer must be growth. I do not mean just physical growth. I am talking of mental growth—the acquisition of knowledge and how to use that knowledge. I am talking about emotional growth, emotional stability, and a sense of balance and priorities in our emotions. I am talking also about spiritual growth—the realization of God in everything from the way a flower grows, to the story of the good Samaritan to flights in outer space, and the way each person is bound to everyone else. I am also talking about moral growth—the acceptance of and the obedience of those rules of behavior we have been taught in our religions, and that are always common sense, to help each of us get along more safety and productively.

We really do not have a great deal of choice about growth, because of the requirements of survival. If we were able to avoid growth, and there are some people who seem to succeed in this, we would be in trouble as those people are in trouble. For most of us, God and nature have done some planning for us, and, in a way, have made things a little easier for us. They have made growth a requisite for survival. They have made us so that we must continue to learn all of our lives, so that we know how to recognize the good and evil around us, so that we can tell the difference between progress and backsliding, so that we can absorb and utilize the hundreds of thousands of bits of information so important to our physical health, mental strength, emotional well-being and our spiritual and moral perceptions and conduct.

I have 2 points to make about this growth. The first comes from my father. And that is that it is our relationships with other people that make our growth possible and speed it along. The second point is my point. It is to help the growth along consciously. Give some thought every day, if possible, to what you are learning from other people and about other people, and give some thought to the way you are stimulated to learn still more things, and some thought to the way this growth is helping you in your life.

Can you imagine a world without any other people in it? It is difficult, but it is not nearly so difficult as it would be if there were indeed no other people out there—no parents, no family, no boyfriends or girlfriends, nobody else in the churches, no movies or TV, no radio, nobody to wait on you in the libraries or to maintain the museums and art galleries, no policemen or teachers or telephone operators, no bosses or employees, nobody in the grocery stores or hardware stores or department stores, no busses or trains or planes. No doctors, or preachers, or priests, or rabbis.

It is people who make this world go round. Notwithstanding man's great architectural and scientific accomplishments, from the pyramids to space travel, it has all come about because of people, because of the billions of individuals who have passed this way, and continue, thank God, to pass this way, since the beginning of time.

And you sitting out there, you are one of them, you are one of the male or female contributors who make this world what it is. Thus you are brother or sister to all the others.

By recognizing your place in the family of mankind, and by taking advantage of it, by doing your part, you can grow and continue to grow. And what is the reward of this growth? It is the realization and enjoyment of the riches of this earth. If there is, in the entire universe, any place any richer and more beautiful than this world, then it has to be heaven. The soul of mankind, the mind of mankind and the creativity of mankind, beginning 25,000 years ago, have turned the earth into a magnificent museum of inspiring art works and writings, delightful buildings and structures, and hear-moving thoughts and feelings. The most beautiful of all these creations, the most intricate, the most sophisticated, is mankind itself. We also are blessed with power, absolutely immense power. Scientists tell us that the human mind is the most powerful instrument ever created; and the thing that human beings developed, called love, is the most powerful force ever created.

With growth you can derive a degree of joy never thought possible. You will grow because of other people, you will grow by, with and through other people, and your reward will be appreciation and understanding of the world's most beautiful offerings, namely, people and the things they have created.

The human experience, my friends, is it. The human experience is where it is at. And for yourself, you can make this experience precious beyond all other types of wealth by investing yourself in, and by appreciating your relationships with, other people. Without them, no growth is possible. With them, growth is perhaps unlimited. And I do not mean only your family loved ones. I mean the landlord, and the blind man wo sells newspapers, the school janitor, the kid who writes dirty words on the wall, the clerk in the shoe store, the teller in the bank, and so on and on. Each day you progress or backslide, depending on how you interrelate with these people, and they progress or back-slide, depending on how you interrelate with them.

Since time immemorial, the world's most brilliant and successful people have been those who took the time to learn about other people, to learn how important those people were to them, to learn how to contribute to the growth of those people and to learn how to learn from those people.

These are some of the reasons behind Mary Roebling's philosophy. It is not only acceptable philosophy and it is not original. Some of its ideas can be traced to Socrates and Confucius as well as religious leaders. It recognizes—and this is important—that I am inescapably a part of a species known as mankind. I can call this a problem if I want to, in which case I will really have some problems; or I can welcome the blessing that it truly is, because it gives me all of the incredible benefits of being a thinking, feeling and creative creature on the greatest of all possible worlds. This blessing can give me knowledge and spiritual uplift and happiness and perception and satisfaction of almost undreamed of majesty and richness if I will accept my needs for other people, if I will give them the interest and concern I want them to give me, and if I will spend a little time each day *thinking* about my learning and growing process.

Today you are being born. You think you were born 18 or 20 or 22 years ago. But today is, literally, your commencement, and it should be a grand and beautiful feeling. If you cannot remember anything else I have said today, try to remember this: we profit from this life to the extent that we appreciate and learn from other people, love other people, and give them a profit.

God bless you.

THANKS TO THOSE WHO ASSIST IN FINDING MISSING CHILDREN

Mrs. HAWKINS. Mr. President, in the 4 years that I have been fighting to increase the public's awareness of the plight of millions of missing children in this country, I have been overwhelmed by the support our efforts have received from almost every corner of society. Today I would like to take a moment to thank all of those whose donations of time, money, and other resources have been instrumental in the joyful reunions of long-separated parents and children.

I am hosting a breakfast this Friday, May 24 to thank these businesses and coporations for their contributions in behalf of missing children. This breakfast is just my way of saying thank you for their unselfish efforts and dedication to the plight of children. But I know that the real satisfaction they receive is in knowing that they have helped locate a missing child and returned that child to the safety of his family. And these efforts have been successful. Our success stories range from the runaway who returned home after seeing her picture on a pizza box. She said that seeing her picture made her realize how much her parents must love her to go to those kinds of lengths to find her. Or the parental kidnapping victim who saw his picture displayed after the showing of "Adam" who called home to let his mother know he was alive and safe. His father had told him that his mother didn't want him, or the Rhode Island State Police who credit passage of the Missing Children Act and publicity about the National Crime Information Computer in their successful utilization of the computer. They linked an accident to its owner who had been a suspect in a child abduction and saw the eventual safe return of that child to his family. Or the ordinary citizen, who risked being labeled a "nosey neighbor" by persistently pursuing her suspicions about a young frightened child in the company of an elderly neighbor. Her suspicions were well founded, the child had been snatched from her parents in California so long ago, that they couldn't positively identify her until after blood tests were performed.

Mr. President, this spirit of cooperation is so pervasive, so far-reaching, that I am unable to give recognition to each and every business that deserve our thanks. But I would like to take this opportunity to applaud the efforts of a few of them, people whose contributions have been felt throughout our Nation.

At the memorial service for Adam Walsh, his friends delivered a poignant eulogy, a eulogy that bears repeating here:

> If his song is to continue, we must do the singing.

Mr. President, these are the people who sing the loudest:

Abarta—Pittsburgh, PA.
Acacia Group—Washington, DC.
The Action Agency—Washington, DC.
Advanced Transformer Company—Elk Grove Village, IL.
American Highway Carriers Cerritos, CA.
American Business Network—U.S. Chamber of Commerce, Washington, DC.
ASN Television—Orlando, FL.
Bekins Van Lines—Hillside, IL.
Burger King—Miami, FL.
Centers for Excellence—Williamsburg, VA.
The College of American Pathologists—Skokie, IL.
Commtron Corporation—Des Moines, IA.
E.M. Cornell Trucking—Rothway, NJ.
C&S Wholesale Grocers—Brattleboro, VT.
Dynamark Security Centers—Charlottesville, VA.
Dynamic Solar Systems Corporations—Tavernier, FL.
Duro Paper Bags—Ludlow, KY.
Eckerd Drugs—Clearwater, FL.
F.R.S. Industries—Fargo, ND.
Federal Bureau of Investigations—Washington, DC.
Fundraiser Products, Inc.—Tampan, NY.
Good Morning America—New York, NY.
Greyhound—Phoenix, AZ.
Guardian Photo, Inc.—Northville, MI.
Carol Holt—St. Louis, MO.
IBM—Washington, DC.
Jamesway—Secaucus, NJ.
Jedco Paper Corporation—Red Lion, PA.
Jim Walters Papers—Jacksonville, FL.
K-Mart Corporation—Troy, MI.
Lawson's—Cuyahoga Falls, OH.
Louisiana Power and Light Company—New Orleans, LA.
Marfred Industries—Sun Valley, CA.
Marta—Atlanta, GA.
Metromedia WTTG-Channel 5—Washington, DC.
Mobil Oil—Washington, DC.
National Broadcasting Corporation—New York, NY.
National Council of Juvenile and Family Court Judges—Reno, NV.
National Education Association—Washington, DC.
National Sheriff's Association—Washington, DC.
New Jersey Transit—Newark, NJ.
North Yonkers Preservation and Development Corporation—Yonkers, NY.
Nicki's Dining and Cocktail—Troy, MI.
Noble Inc. (National Organization of Black Law Enforcement)—Washington, DC.
Pepsi Cola Bottling Company of Fargo—Fargo, ND.
Perry-Austen Bowling Products Des Moines, IA.
Playhouse Video—New York, NY.
Printing Industry of Metropolitan Washington—Washington, DC.
Randall Stores—Eau Claire, WI.
Round's Inc.—Wauwatosa, WI.
Springfield Sugar and Products Company—Windsor Licks, CT.
Sun Carriers Express—Philadelphia, PA.
Sun Coast Group Venice, FL.
Supermarket Communications—New York, NY.
Texize—Greenville, SC.
Thurston Motors—Charlotte, NC.
Trailways—Dallas, TX.
Trinity Paper and Plastics New York, NY.
Truxad—Pittsburgh, PA.
Turner Broadcasting System, Inc. Atlanta, GA.
U.S. Army, Office of the Provost Marshal, Ft. Sill—Ft. Sill, OK.
Winston Network, Inc.—Cleveland, OH.
F.W. Woolworth Company—New York, NY.
World Airways—California.
Worlds of Wonder—California.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:54 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1408. An act to amend the Emergency Veterans' Job Training Act of 1983 and title 38, United States Code, with respect to certain veterans' employment programs;

H.R. 1534. An act to convert the temporary authority to allow Federal employees to work on a flexible or compressed schedule under title 5, United States Code, into permanent authority;

H.R. 2343. An act to amend title 38, United States Code, to make certain improvements in veterans' compensation programs, and for other purposes; and

H.R. 2344. An act to amend title 38, United States Code, to make improvements in the National Cemetery System and in the Veterans' Administration program that provides assistance to certain disabled veterans in acquiring specially adapted residences, and to express the sense of the Congress with respect to the Veterans' Administration home loan origination fee.

The message also announced that pursuant to section 204 of Public Law 98-459, the Speaker appoints Mr. Oscar P. Bobbit of Austin, TX, as a member of the Federal Council on the Aging.

* * *

At 5:29 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1010. An act for the relief of Audrey O. Lewis and Emerson R. Vereen;

H.R. 1529. An act for the relief of Gerald M. Hendley;

H.R. 1783. An act for the relief of Mary E. Stokes;

H.R. 1997. An act to make certain technical and conforming amendments to the Library Services and Construction Act, and for other purposes;

H.R. 2456. An act to amend the Arms Control and Disarmament Act in order to increase the authorization of appropriations for the fiscal year 1985, to extend the authorization for appropriations for the fiscal years 1986 and 1987, and for other purposes; and

H.R. 2475. An act to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of section 1274 and 483, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 142. A concurrent resolution welcoming the Prime Minister of India, Rajiv Gandhi, on the occasion of his official visit to the United States.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1010. An act for the relief of Audrey O. Lewis and Emerson R. Vereen; to the Committee on the Judiciary.

H.R. 1408. An act to amend the Emergency Veterans' Job Training Act of 1983 and title 38, United States Code, with respect to certain veterans' employment programs; to the Committee on Veterans' Affairs.

H.R. 1529. An act for the relief of Gerald M. Hendley; to the Committee on the Judiciary.

H.R. 1534. An act to convert the temporary authority to allow Federal employees to work on a flexible or compressed schedule under title 5, United States Code, in permanent authority; to the Committee on Governmental Affairs.

H.R. 1783. An act for the relief of Mary E. Stokes; to the Committee on the Judiciary.

H.R. 2343. An act to amend title 38, United States Code, to make certain improvements in veterans' compensation programs, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2344. An act to amend title 38, United States Code, to make improvements in the National Cemetery System and in the Veterans' Administration program that provides assistance to certain disabled veterans in acquiring specially adapted residences, and to express the sense of the Congress with respect to the Veterans' Administration home loan origination fee; to the Committee on Veterans' Affairs.

H.R. 2475. An act to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of section 1274 and 483, and for other purposes; to the Committee on Finance.

MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 2456. An act to amend the Arms Control and Disarmament Act in order to increase the authorization of appropriations for the fiscal year 1985, to extend the authorization of appropriations for the fiscal years 1986 and 1987, and for other purposes.

SEQUENTIAL REFERRAL OF S. 259

Pursuant to the order of May 14, 1985, the following bill, which was reported on May 21, 1985 from the Committee on Commerce, Science, and Transportation, was referred to the Committee on the Judiciary for a period of not to exceed 45 calendar days:

S. 259. A bill to protect the public interest in stable relationship among communities, professional sports teams and leagues and in the successful operation of such teams in communities throughout the Nation, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, without amendment.

S. 958: A bill to provide authorization of appropriations for activities under the Magnuson Fishery Conservation and Management Act (Rept. No. 99-70).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with amendments.

S. 959: A bill to amend the Coastal Zone Management Act of 1972 to provide authorization of appropriations, and for other purposes (Rept. No. 99-71).

S. 990: A bill to consolidate and authorize program support and certain ocean and coastal programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce (Rept. No. 99-72).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:.

Marshall B. Babson, of Connecticut, to be a Member of the National Labor Relations Board for a term expiring December 6, 1989;

Wilford W. Johansen, of California, to be a Member of the National Labor Relations Board for a term expiring August 27, 1988; and

Rosalie Gaull Silberman, of California, to be Member of the Equal Opportunity Commission for a term expiring July 1, 1990.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SPECTER:

S. 1184. A bill to promote the public welfare by protecting dependent children and others from institutional abuse; to the Committee on the Judiciary.

S. 1185. A bill to promote the public welfare by protecting institutionalized children from abuse; to the Committee on the Judiciary.

S. 1186. A bill to promote the public welfare by removing juveniles from adult jails; to the Committee on the Judiciary.

S. 1187. A bill to amend title 18, United States Code, including the Child Protection Act, to create remedies for children and other victims of pornography, and for other purposes; to the Committee on the Judiciary.

S. 1188. A bill to establish standards governing the preventive detention of juveniles; to the Committee on the Judiciary.

S. 1189. A bill to authorize incarceration in Federal prisons of convicts sentenced to life imprisonment under the habitual criminal statute of a State; to the Committee on the Judiciary.

S. 1190. A bill to require States to assure that prisoners have training in a marketable job skill and basic literacy before releasing them on parole; to the Committee on the Judiciary.

S. 1191. A bill to provide capital punishment for murders committed by prisoners serving a life sentence; to the Committee on the Judiciary.

By Mr. WILSON (for himself and Mr. Cranston):

S. 1192. A bill to implement the Coordinated Operation Agreement; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS:

S. 1193. A bill to convey certain lands at Fort William H. Harrison, Montana to the State of Montana for a Montana State Veterans Cemetery; to the Committee on Armed Services.

By Mr. MOYNIHAN:

S. 1194. A bill to amend titles IV, XVI, and XVIII of the Social Security Act and chapter 1 of the Internal Revenue Code of 1954 to reverse the present upward trend in the poverty rate, particularly among children and the elderly; to the Committee on Finance.

By Mr. METZENBAUM (for himself, Mrs. Hawkins, Mr. Roth, Mr. Dole, Mr. Eagleton, Mr. Specter, Mr. Simon, Mr. McConnell, Mr. Bumpers, Mr. Denton, Mr. Biden, Mr. Helms, Mr. Gore, Mr. Hatch, Mr. Ford, Mr. Bradley and Mr. Moynihan):

S. 1195. A bill to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child; considered and passed.

By Mr. MATTINGLY:

S. 1196. A bill to permit family farmers who have obtained loans made by the Farmers Home Administration or the Small Business Administration to occupy temporarily the principal resident and adjoining land pledge as collateral for such loans after foreclosure, bankruptcy, or voluntary liquidation; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BRADLEY (for himself and Mr. Lautenberg):

S. 1197. A bill entitled the "Lead Free Drinking Water Act"; to the Committee on Environment and Public Works.

By Mr. WILSON (for himself, Mr. Sarbanes, Mr. Matsunaga, Mr. Moynihan, Mr. Chaffee, Mr. Laxalt, Mr. Pell, Mr. East, Mr. Durenberger, Mr. McClure, Mr. Nunn, Mr. Metzenbaum, Mr. Cranston, Mr. Bentsen, Mr. Cochran, Mr. Thurmond, Mr. Hollings, Mr. Lugar, Mr. Domenici, Mr. Stennis, Mr. Boschwitz, Mr. Inouye, Mr. Bumpers, Mr. Leahy, Mr. Burdick and Mr. D'Amato).

S.J. Res. 140. Joint resolution designating the week of June 2 through June 8, 1985 as "National Theatre Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. KASTEN (for himself, Mr. Specter, Mr. Wallop and Mr. Hatch):

S. Res. 173. Resolution expressing the sense of the Senate that any tax reform measure enacted by Congress should restore the value of the personal exemption by increasing it to a minimum of $2,000 and indexing it to prevent further erosion of its value; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPECTER:

S. 1184. A bill to promote the public welfare by protecting dependent children and others from institutionalized abuse; to the Committee on the Judiciary.

DEPENDENT CHILDREN'S PROTECTION ACT

Mr. SPECTER. Mr. President, I am today introducing the "Dependent Children's Protection Act of 1985," which would prohibit the commitment of any juvenile nonoffender or "status offender," to any detention, treatment, or correctional facility.

This legislation is substantially identical to S. 520, which I introduced in the opening days of the 98th Congress. S. 520 arose from hearings before the Juvenile Justice Subcommittee, which I chair, which uncovered disturbing administrative practices and abuses at juvenile detention facilities in Oklahoma, a State which at the time was not a participant in the Juvenile Justice Act. Our hearings disclosed that of the 617 juveniles in the secure custody of that State's department of human services on a particular day, 300 were locked up for no criminal offense whatsoever. Statewide, 53 percent of all institutionalized juveniles were nondelinquents, locked up only because they were abandoned, neglected, or physically and sexually abused by their families. We also learned that these young nonoffenders often were being held in the same institutions as adjudicated delinquents and that many were jailed or locked up with adults for some periods of time. These circumstances often led to serious problems of physical abuse by fellow inmates and sometimes guards.

Since the time of our hearings, Oklahoma has become a participating State in the Juvenile Justice Act and the situation there has improved markedly. However, four other States—North Dakota, South Dakota, Nevada, and Wyoming—have not as yet decided to participate in the deinstitutionalization goals of the act. In those States, very significant problems of inappropriate confinement persist. For example, in Wyoming, a report of the Governor's Committee on Troubled Youth estimated that roughly 4,159 of the 6,420 juveniles arrested in 1982 were held in adult jails.

Moreover, as we are made painfully aware every year, problems persist even in participating States. The U.S. General Accounting Office, in a report issued March 22, 1983, examined juvenile detention practices in five States which are participating under the Juvenile Justice Act, and found "questionable detention practices" in all five States. The report concluded that only slight progress appears to have been made in reducing the use of secure detention and that many questionable detentions still occur. It found that juveniles were detained for long periods of time; that juveniles committed for treatment were held in detention facilities where treatment was not provided; that standards for juvenile detention facilities were not met; and that some methods used to separate juveniles from adults were inadequate or created isolation. The report, which suggested ways that the Federal Government could help States improve their detention practices, also noted questionable detention practices by the Federal Government itself—for example, in the operations of the Bureau of Indian Affairs and the Immigration and Naturalization Service.

Furthermore, by the administration's own figures, as contained in the budget materials prepared by the Office of Juvenile Justice and Delinquency Prevention for fiscal year 1986, some 22,000 juveniles remain in "inappropriate institutional confinement" in participating States. Nevertheless, the administration asserts that the goals of deinstitutionalizing status offenders "have been met" and seeks the complete elimination of funding for OJJDP, which stands at a fiscal year 1985 level of $67.3 million.

I am pleased that these proposals have been roundly and unhesitatingly rejected at every stage of the Senate budget process to date. On March, 1, 1985, as chairman of the Juvenile Justice Subcommittee, I wrote to Chairman THURMOND urging that the full Judiciary Committee, in formulating its views and estimates on the fiscal year 1986 budget under section 301(c) of the Budget Act, reject the administration's proposal to phase out OJJDP funding. On March 4, the full Judiciary Committee recommended continued funding for OJJDP at the current fiscal year 1985 level. This is the level which has been incorporated into both the Budget Committee version of Senate Concurrent Resolution 32 and the Dole substitute.

In these actions, and in reauthorizing last year the Juvenile Justice and Delinquency Prevention Act of 1974, the Congress has recognized that much remains to be done. This is true not only with regard to the deinstitutionalization objectives of the Juvenile Justice Act, but also with regard to developing satisfactory alternatives to detention. This point is tragically illustrated by the recent case of an 11-year-old boy who was arrested in connection with what now appears to have been a playground accident, and was incarcerated in a District of Columbia courthouse cell. While in detention, he was brutally raped by two older juveniles charged with serious crimes. Clearly, the method of custody in this case was entirely inappropriate and the risk was obvious. When an incident such as this can occur even in one of the more enlightened jurisdictions, it strongly suggests that it is not yet the time to "phase out" OJJDP's responsibilities regarding juvenile detention practices.

To the contrary, I believe that it is time for Congress to act decisively to remove the last of these unfortunate children from inappropriate secure detention. Currently, participation in the Juvenile Justice Act is purely voluntary and discretionary on the part of the States. The bill which I am introducing today would mandate that all noncriminal juveniles be removed from secure detention throughout the United States, and would provide a civil remedy, in the form of an individual civil rights action, for any person aggrieved by an inappropriate detention.

This legislation's predecessor, S. 520, underwent extensive scrutiny before the Judiciary Committee. On June 21, 1983, at a hearing before the Juvenile Justice Subcommittee, extensive testimony was received from private as well as public witnesses, including Paul Mones, director of an organization called Juvenile Advocates; Ira M. Schwartz of the Humphrey Institute of Public Affairs at the University of Minnesota; Arnold Sherman, national executive director of Campfire Inc.; Gregory L. Coler, director of the Illinois Department of Children and Family Services; Carole J. Verostek, of the Western Wyoming Juvenile Justice Project; and W. Donald Reader, a juvenile court judge from Ohio serving as chairman of the Legislation and Governmental Regulation Committee of the National Counsel of Juvenile and Family Court Judges. S. 520 was then marked up by the subcommittee to reflect certain recommendations made at the hearing.

Subsequently, on June 14, 1984, at a hearing before the Constitution Subcommittee, to which S. 520 had been jointly referred, further testimony was received from Alfred S. Regnery, Administrator of OJJDP; Father Bruce Ritter of Covenant House in New York City; Detective Warren McGinniss of the New York City Police Department's Runaway Division; Mark I. Soler, executive director of the Youth Law Center in San Francisco, CA; Barbara Fruchter, of the Juvenile Justice Center of Pennsylvania; and Paul DeMuro, of the Division of Youth Services in Essex County, NJ. The Constitution Subcommittee took no action on the bill.

One issue deserving special comment, because it was considered in some detail at the Constitution Subcommittee hearing last year, is the relatively rare case of a juvenile manifesting such extreme self-destructive behavior that some form of limited but intensive detention may be necessary. Father Bruce Ritter of Covenant House provided the subcommittee with five compelling examples of cases in which a child's behavior was so self-destructive as to seriously endanger his or her mental or physical health, and where placement in a nonsecure setting already had been tried and had failed—cases most often involving drugs or prostitution. As Father Ritter noted with regard to these children: "If we forbid coercive intervention by the State, we are effectively consigning them to gradual suicide."

I ask unanimous consent that the description of those cases provided by Father Ritter be included in the RECORD at the conclusion of my remarks.

This problem has led me to undertake an intensive investigation of possible alternatives to traditional secure detention which might be appropriate in dealing with these rare cases. One of the approaches under consideration is so-called staff secure detention, in which detention is accomplished by means of around-the-clock supervision by trained staff, rather than by architectural restraints such as the barred windows and locked doors traditionally used in detention. Because so little is known about the scope and effectiveness of this concept, however, Senators DENTON, METZENBAUM, and I have written to the General Accounting Office requesting a detailed survey of existing staff secure facilities, including a review of their effectiveness and

the potential for abuse. This survey is now well underway.

I ask unanimous consent that our letter to the GAO be included in the RECORD at the conclusion of my remarks.

In connection with this matter, I note with some dismay that OJJDP issued proposed regulations on February 13, 1985, which propose to make staff secure detention permissible under the Juvenile Justice Act. Clearly, such a step is premature at this time. Physical restraint—whether by bars and locks or by burly staffers grappling with children—can be unnecessarily coercive and damaging. Many questions on this subject remain to be answered.

Mr. President, the time is ripe to take this important step to protect the welfare of juvenile nonoffenders in this country. I urge my colleagues to join me moving for prompt passage of this important legislation.

I ask unanimous consent that the text of the bill be printed at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, THAT THIS ACT MAY BE CITED AS THE "DEPENDENT CHILDREN'S PROTECTION ACT OF 1985".

SEC. 2. (a) The Congress hereby finds that—

(1) deprived, neglected, and abused juveniles and juveniles who present noncriminal behavior problems are frequently assigned to the care and custody of the States; and

(2) the placement of these juveniles in secure detention, or correctional facilities constitutes punishment because such placement—

(A) imposes unnecessary burdens on the junveniles' liberty;

(B) unnecessarily endangers the juveniles' personal safety;

(C) abridges the juveniles' right to care and treatment;

(D) interferes with the juveniles' right to family integrity and further exacerbates the juveniles' alienation from family, peers, and community;

(E) increases the probability that these juveniles will later engage in delinquent or criminal behavior; and

(F) stigmatizes the juveniles by associating them with criminal behavior.

(b) The Congress declares that the constitutional rights of juveniles guaranteed by the fourteenth amendment to the Constitution of the United States shall be enforced by prohibiting the punitive detention of juveniles who have not been adjudicated or charged to have committed any offense that would be criminal if committed by an adult.

SEC. 3. Chapter 21 of title 42, United States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER XI—JUVENILE NONOFFENDERS IN SECURE DETENTION

"Sec. 2000j-1. Prohibition against secure detention.

"No State shall assign a juvenile nonoffender committed to its care or custody to any secure detention or correctional facility.

"Sec. 2000j-2. Definitions.

"For purposes of this subchapter—

"(a) the term 'juvenile nonoffender' means any person under age eighteen, who has not been adjudicated to have committed an offense that would be criminal if committed by an adult, unless that person is lawfully in detention pending trial of charges relating to an offense that would be criminal if committed by an adult.

"(b) the term 'secure detention or correctional facility' means any public or private residential facility which—

"(1) includes construction fixtures designed to restrict physically the movements and activities of juveniles or other individuals held in lawful custody in such facility; and

"(2)(A) is used for placement, prior to or after adjudication and disposition of any juvenile who has been charged with delinquency, or for holding a person charged with or convicted of a criminal offense; or

"(B) is used to provide medical, educational, special educational, social, psychological, and vocational services, corrective and preventative guidance and training, and other rehabilitative services designed to protect the public. *Provided, however,* That nothing contained in this Act shall be interpreted to prohibit any State from committing any juvenile to any medical facility in accordance with applicable law and procedures.

"(c) the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"Sec. 2000j-3. Civil actions.

"Any person aggrieved by a violation of this subchapter may bring a civil action under this chapter for damages and equitable relief.".

SEC. 4. The table of sections for chapter 21 of title 42, United States Code, is amended by adding at the end the following:

"SUBCHAPTER XI—JUVENILE NONOFFENDERS IN SECURE DETENTION

"2000j-1. Prohibition against secure detention.

"2000j-2. Definitions.

"2000j-3. Civil actions.".

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, February 11, 1985.

Mr. CHARLES A. BOWSHER,
Comptroller General of U.S. General Accounting Office, Washington, DC.

DEAR MR. BOWSHER: We are writing to request that the GAO conduct a survey and evaluation of staff secure juvenile detention programs across the country.

During the course of consideration of the 1984 reauthorization of the Juvenile Justice and Delinquency Prevention Act of 1974, particular consideration was given to the relative merits of secure versus staff secure detention of certain juvenile status offenders. Ultimately, the issue was left unaddressed in the legislation (signed into law on October 12, 1984, as title II, chapter VI, division II, subdivision A of Public Law 98-473), due to various concerns about the scope and effectiveness of the staff secure concept.

In using the term "staff secure," we are referring to detention which is accomplished by means of around-the-clock supervision by trained staff, rather than—as in the case of traditional means of secure detention—by architectural restraints, such as barred windows and locked doors. The concept has sparked a considerable amount of intensive intervention—such as juveniles whose way of life actively endangers their safety—and who would not otherwise be appropriate for secure detention by virtue of having been found delinquent or in violation of a valid court order. But concerns have been raised that the precise nature, scope, and purpose of the concept have never been clearly delineated, and that such ambiguity might lead to overzealous application by judges and excessive physical restraint by staff.

We request that, in conducting your survey of existing staff secure facilities, you also consult with individuals knowledgeable in and familiar with the staff secure concept, and that you seek to determine the appropriate uses, purpose, most effective form, and optimum duration of staff secure detention. Your report should appraise its effectiveness, as well as its advantages and disadvantages relative to other forms of detention, and should include a proposed legislative definition of the concept which would afford maximum effectiveness and minimum potential for abuse.

Some existing facilities utilizing staff secure detention for status offenders are the following: The Juvenile Justice Center, at 5738 Thomas Avenue in Philadelphia, whose very knowledgeable executive director, Mrs. Barbara Fruchter, may be reached at (215) 735-4948; Aunt Martha's Youth Service Center, run by Ethel Mull, at (312) 747-2701, who also heads the Task Force of State Providers, located in Illinois; Youth Care, located in North Carolina, Director, Randy Dale, (919) 378-9109; Seabury Barn, Stony Brook, N.Y., Director, Jimmie Green, (516) 751-1411; Monroe County Youth Shelter, Bloomington, Indiana, contact: Anne DeBlasi, (812) 335-7429; the Open Inn, Tuscon, Arizona, contact: Yvette Citizen, (602) 296-5437; Family Crisis Intervention Unit, San Francisco, California, contact: Dennis Sweeney, (415) 731-5740; and Youth Shelter of Galveston, Texas, contact: Mary Cooper, (409) 763-8861.

General contacts: Jim Oleson, former director of the Alphine Mental Health Center in Colorado, at (303) 453-2757; also Ellen Greenberg, American Psychological Association, Washington, D.C., (202) 955-7742.

We greatly appreciate your prompt attention to this request. Please keep us and the staff of the Juvenile Justice Subcommittee informed of your progress.

Sincerely,

JEREMIAH DENTON,
HOWARD METZENBAUM,
ARLEN SPECTER,
Chairman.

CASE HISTORIES

Angela, age 16, came to Under 21 after she fled from her pimp in a Southern state. He had threatened to kill her for disobedience; she had been assaulted by his associates in the past. Angela's mother was a prostitute; she was raped by her stepfather at age 10, and began working the streets at 12. She was placed in foster care as a neglected child, but repeatedly ran away and went back to the streets. Angela was severely infected with V.D., and was advised that a hysterectomy was necessary, but never remained in placement long enough for treatment. In Angela's state, PINS jurisdiction went to age 17, but no child could be held in a locked placement on a PINS. Angela's social worker informed Under 21 that he believed only one course of action was open to him to attempt to help her: to ask the court to emancipate her, and then have her arrested and locked up as an adult. A protective, secure PINS placement could provide an alternative to such a course. Angela ultimately agreed to return to her home state, but fled the bus before arriving. Her current whereabouts are unknown.

Kathy, age 14, ran away from her Florida home and began working the streets in NYC. After falling deeply in debt to her pimp, she fled to Under 21 and agreed to go home. When her mother came to take her away, however, Karen ran from the bus station back to the streets. She became affiliated with a brothel and was arrested several times for prostitution, both as a juvenile and as an adult. On one occasion she was adjudicated a PINS and remanded by Family Court to a group home; on another she was placed in a group home pending trial for robbery and larceny; on both occasions she quickly left her placement. She also had frequent contacts with Under 21 staff, whose efforts to convince her to leave the streets were futile. She finally fled the brothel and went to fetch clothes from the apartment of 2 prostitutes she had previously known. They tried to force her to work for them, and when she resisted, they bound her to a chair and later tortured her. She escaped and landed in a hospital, and after a period of recovery she went back with her mother to Florida. Soon thereafter she stole money and suitcases from her mother and set out again for NYC, but she was intercepted on the way and has been placed in a psychiatric clinic in Florida.

Beth, age 12, was temporarily placed at Under 21 by the NYPD Runaway Squad pending her return home. She had been picked up for prostitution, and had agreed to testify against her pimp, who had kidnapped her. However, she told an Under 21 attorney that she had been kidnapped from another pimp. She did indeed want to testify against the second, "bad" pimp, but then she wanted to return to her first pimp, who is "good" and "nice" to her. She stated that she intended to escape from the Runaway Squad and return to the streets.

Margarita, age 14, ran away from an abusive uncle to live with a 21-year-old "boyfriend". Both her parents were deceased. She quit school and became involved in drugs. Her 18-year-old brother, concerned by her lifestyle and two drug overdoses, notified BCW of her case as an abandoned child. A case was opened, but Margarita refused to meet with a social worker or accept placement. She remains on the streets.

Pete first ran away from home at the age of 14. He dropped out of school in the 7th grade and began "working" a couple of girls. Later he became a stripper in a male burlesque joint, and combined that with high priced hustling. He got into trouble with the law for selling stolen goods. The staff at Under 21, during his numerous fruitless visits, found him to be suicidal. His present whereabout are unknown.

By Mr. SPECTER:

S. 1185. A bill to promote the public welfare by protecting institutionalized children from abuse; to the Committee on the Judiciary.

JUVENILE DETENTION EMPLOYEES CLEARANCE ACT

Mr. SPECTER. Mr. President, I am today introducing a bill, entitled the "Juvenile Detention Employees Clearance Act of 1985," designed to offer Federal assistance to the States in order to facilitate thorough background record checks before individuals are hired to work with young people in official custody. That such checks are not being made is plain and is unacceptable. The Subcommittee on Juvenile Justice, which I chair, has received striking testimony on the frequency of prior criminal records among persons charged with abusing young people.

In order for detention of juveniles to be a rehabilitative rather than a hardening experience, we must insure that young people in trouble are not subjected to physical attacks or sexual assaults by their custodians, and are not preyed upon by common criminals who are inappropriately hired for official responsibilities.

The American Correctional Association's Commission on Accreditation for Corrections has long deemed it essential that there be criminal record checks of new employees, in order to determine whether they previously have committed criminal acts that have a specific relationship to job performance:

> While policy should not automatically preclude the employment of whole classes of persons, such as ex-offenders, the facility or parent agency administration should be aware of any criminal conviction(s) which would preclude working with juveniles in a detention setting.

Similarly, President Reagan's Task Force on Victims of Crime has recognized that, while most of those who work with young people desire to help and educate them, there are those who seek to victimize children. The task force recommended that:

> School authorities should check the arrest and conviction records for sexual assault, child molestation, or pornography offenses of anyone applying for work in a school, including anyone doing contract work involving regular proximity to students, and make submission to such a check a precondition for employment.

The bill I am introducing today is based upon S. 521, which I introduced in the 98th Congress. It is designed to strengthen the incentive for State authorities to utilize all available identification services, whether they are the Federal Government's criminal justice information services, such as the computerized criminal history system and fingerprint service of the FBI, or State exchanges of information such as those now being facilitated through the interstate identification index. Consistent with the recommendations of the Attorney General's Task Force on Violent Crime, the Federal Government is providing an index of States having criminal histories of certain individuals so that interested States can then communicate directly regarding the contents of those criminal histories.

By whatever means proves most effective, we must insure the availability of accurate criminal history information for confidential use in evaluating individuals seeking jobs which would place them in contact with troubled youths.

Mr. President, although S. 521, the predecessor to this bill, failed to pass in the 98th Congress, the Congress did make strides in the direction of protecting children through criminal record checks. At my urging, a provision patterned after S. 521 was included in the fiscal year 1985 continuing resolution late in the 98th Congress. That provision provides $25 million in Federal financial assistance to States which voluntarily establish procedures for nationwide criminal record checks of all employees who have regular contact with children. Such record checks should be mandatory rather then voluntary.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Juvenile Detention Employees Clearance Act of 1985".

SEC. 2. (a) The Congress hereby finds that—

(1) Governing agencies operating juvenile detention, correction, care and treatment facilities may employ a former criminal offender because they are not aware of criminal backgrounds and convictions in other jurisdictions;

(2) employing former criminal offenders convicted of violent, assaultive conduct or sexual-related offenses to work in juvenile facilities exposes juveniles committed to official custody to abuse and mistreatment;

(3) before hiring former criminal offenders or assigning them inappropriate employment opportunities working with juveniles committed to official custody. Government agencies should conduct criminal record checks to ascertain whether they committed criminal acts that bear on specific work responsibilities.

SEC. 3. Add to chapter 21 of title 42 the following new section:

"SECTION 1. (a) No person shall be employed at a facility maintained for the detention, correction, care or treatment of juveniles unless a nationwide criminal record check has been conducted to ascertain whether the individual has engaged in criminal acts that have a specific relationship to job performance and whether he poses a significant danger of abuse or mistreatment of the juveniles.

(b) The Attorney General shall assist State governments in their efforts to conduct criminal record checks on persons seeking employment at facilities maintained for the detention, correction, care or treatment of juveniles by furnishing criminal identification and criminal history information on a confidential basis and facilitating the exchange of such information through a national index of State records, such as the Interstate Identification Index.".

By Mr. SPECTER:

S. 1186. A bill to promote the public welfare by removing juveniles from adult jails; to the Committee on the Judiciary.

JUVENILE INCARCERATION PROTECTION ACT

Mr. SPECTER. Mr. President, I am today introducing the "Juvenile Incarceration Protection Act of 1985", to provide for removal of all juveniles from adult jails and lockups in this country.

This bill is derived from S. 522, which I introduced at the start of the 98th Congress. S. 522 was the subject of extensive hearings before the Judiciary Committee, and the legislation I

am introducing today reflects certain changes made by the Juvenile Justice Subcommittee in markup last year, as well as certain technical changes. Hearings were conducted before the Juvenile Justice Subcommittee on February 24, 1983, in the context of an inquiry into the reauthorization of the Juvenile Justice and Delinquency Prevention Act of 1974, with a particular emphasis on the act's prohibitions regarding the detention of juveniles in adult jails and lockups. Testimony was received from a broad range of private and public witnesses, including Mark Soler, executive director of the Youth Law Center in San Francisco, CA; John Masters, deputy warden of the Chester County Prison in Westchester, PA; Robert Shepherd, director of the youth advocacy clinic at the University of Richmond School of Law; and James Brown, director of the Community Research Center at the University of Illinois.

At a subsequent hearing before the Constitution Subcommittee on June 14, 1984, testimony was received from Alfred S. Regnery, the Administrator of the Office of Juvenile Justice and Delinquency Prevention in the Department of Justice; Father Bruce Ritter, of Covenant House in New York City; Detective Warren McGinniss, of the New York City Police Department's Runaway Division; Barbara Fruchter, of the Juvenile Justice Center of Pennsylvania; Judith Johnson, of the National Coalition for Jail Reform; and Paul DeMuro, of the Division of Youth Services, Essex County, NJ. Particular attention was given in these hearings to exploring and affirming the constitutional basis for the civil rights actions which would be authorized by this legislation.

In 1980, the Juvenile Justice and Delinquency Prevention Act was amended to require that all juveniles be removed from adult jails and lockups by 1985. According to Justice Department statistics, however, there are still approximately 300,000 children locked up in adult jails each year throughout the country. And according to a 1983 University of Illinois report for the Justice Department, only about 10 percent of these children are held for serious crimes. That same study also found that almost 10 percent of these children are 13 years old or younger; that almost one-quarter are accused of committing no crime at all or of something that would not be a crime if done by an adult, such as truancy; that thousands are neglected, disturbed, retarded, handicapped, or abandoned children, the victims of abuse and neglect by others; and that jailed juveniles commit suicide at five times the rate of other juveniles.

The abuses that result from this situation are many and they are well documented. Not only do many jails subject juveniles to a risk of beatings and sexual abuse, but they also have proven to be distressingly effective places for impressionable youngsters to learn the sordid business of crime.

In one case, Jeff, age 16, had caused his mother worry because of alcohol and marijuana use. His mother sought help for her reluctant son through the West Virginia court system. Jeff eventually was placed on probation, adjudged truant, and sent to an adult jail. While in jail, Jeff was brutally stomped and kicked to death by two adult men who were awaiting trial for armed robbery, arson, and burglary.

In another case, John, age 17, was one of 4,000 youths between the ages of 14 and 18 sent to adult jails in Virginia each year. John, who was mentally retarded, was locked up for having written a $17 bad check. The jail guards, who referred to John as "fresh meat," threw him into a cell with four others, some of whom had been convicted of the rape of another young inmate 2 months earlier. John was beaten, gagged, tied up, and repeatedly raped.

Often, it is the victims who are victimized. A 15-year-old girl was raped at home by her half-brother in Virginia. After making only a cursory attempt to find emergency shelter, authorities committed her to the Norfolk County Jail overnight. The distraught girl was taken to court the next day in handcuffs and leg irons, as though she were the accused. And in Ohio, a 15-year-old female honor student, with no previous arrest record, was held in jail for using her parents' car without their permission. She was sexually assaulted by the jailer and two 20-year-old male prisoners.

In August 1982, in *D.B.* v. *Tewksbury,* 545 F.Supp. 898 (D. Ore. 1982), the U.S. District Court for the District of Oregon held that the constitutional rights of juveniles are violated by confinement in adult jails. The court went on to state that attempts to separate juveniles from the adult population in these lockups left the juveniles without "work, exercise, education or recreation," without "privacy when showering, using toilets or maintaining feminine hygiene," and without "staff supervision to protect children from harming themselves" or others.

In *Gary W.* v. *State of Louisiana,* 437 F.Supp. 1209 (E.D. La. 1976), the U.S. District Court for the Eastern District of Louisiana held that the involuntary confinement of a child is a "curtailment of liberty since it stigmatizes those confined and may at times exceed even criminal incarceration in its destructive impact on an individual's personal freedoms." Accordingly, the court held that such confinement unnecessarily endangers the juvenile's personal safety and violates the juvenile's 14th amendment right to fundamental fairness.

Other courts have held that inappropriate incarceration of juveniles also violates the eighth amendment. In Swansey against Elrod, the court held that, under the eighth amendment, children implicated in a crime may not be subjected to devastating psychological and physical conditions. According to the court, evolving standards of decency require that a higher standard of care be provided for juvenile detainees than for adults.

Mr. President, the problem of incarcerating juveniles in adult facilities has been with us for hundreds of years. In the past we were ignorant of the consequences of jailing juveniles with adults. We did not realize that this particular attempt to control children and their delinquent behavior was, to the contrary, exacerbating the situation. As long ago as 1899, with the founding of the first juvenile court in Chicago, knowledgeable citizens, youth workers, correctional officials, and political leaders have called for the complete removal of juveniles from adult jails. In 1961 the National Council on Crime and Delinquency declared:

> The answer to the problem is to be found neither in writing off the sophisticated youth by jailing him, nor in building separate and better designed juvenile quarters in jails and police lockups. The treatment of youthful offenders must be divorced from the jail and other expensive "money saving" methods of handling adults.

Since then, dozens of national organizations have taken similar positions, including the American Bar Association, the American Correctional Association, the National Urban League, the American Public Health Association, the National Association of Counties, the National League of Cities, and perhaps most significantly, the National Sheriff's Association. These organizations and dozens more have joined together to form the National Coalition for Jail Reform. Such a wide-ranging coalition was in large part responsible for convincing Congress to move, in the 1980 amendments to the Juvenile Justice and Delinquency Prevention Act, beyond the sight-and-sound separation requirements in the 1974 act to the more exacting standard requiring actual removal of most juveniles from adult jails.

At the Constitution Subcommittee hearing last year, Father Bruce Ritter of Covenant House in New York City stated:

> Whatever one thinks of the need to bring some coercive power to bear on certain juveniles, no benefit whatsoever, to either the child or the public, can result from his or her incarceration with adults. The only "beneficiaries" of jailing children will be the adult inmates, who will thereby have virtually unlimited opportunities to exercise dominion in every dimension over their young comrades—from simple psychological tyranny, to pedagogy in every fine point of the criminal life, to constant, devastating sexual subjugation. Because an extraordinary number of states—27 by the last count I have seen—refuse to end this practice on their own, creation of a federally enforceable civil right seems to me necessary and critically important.

To Father Ritter's statement, I should add that the 27 States to which he refers are not necessarily in noncompliance with the requirements of the Juvenile Justice Act. The act's various limitations and exceptions—for example, it need not apply in low-population rural areas—are broad enough to permit the jailing of hundreds of thousands of juveniles every year.

Mr. President, the treatment of youthful offenders must be severed from the adult system. The absolute prohibition of housing juveniles in adult jails is a necessary step toward achieving this goal.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1186

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Juvenile Incarceration Protection Act of 1985".

SEC. 2. (a) The Congress hereby finds that—

(1) juveniles account for nearly 20 per centum of the arrests for crimes in the United States today;

(2) an estimated four hundred and seventy-nine thousand juveniles are held in pretrial detention in adult jails and lockups each year;

(3) the holding of juveniles in adult jails may encourage delinqency and criminal behavior; and

(4) delinquency results in enormous annual cost and immeasurable loss of human life, personal security, and wasted human resources.

(b) The Congress further finds that the holding of juveniles in adult jails and lockups constitutes punishment, violates the juveniles' due process right to fundamental fairness and unnecessarily endangers the personal safety of juveniles. Congress declares that the constitutional rights of juveniles guaranteed by the fifth and fourteenth amendments to the Constitution of the United States shall be enforced by prohibiting the detention of juveniles who are not charged with or convicted of crimes as adults in jails and lockups also used for adults.

SEC. 3. Chapter 21 of title 42, United States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER X—JUVENILE INCARCERATION

"Sec. 2000i-1. Prohibition against juvenile incarceration.

"Except as provided in Section 2000i-2 below, after December 8, 1987, no juvenile as defined by the law of any State except those juveniles charged or convicted as adults shall be detained or confirmed in any jail or lockup for adults, except that the Attorney General shall promulgate regulations that—

"(A) recognize the special needs of areas characterized by low population density with respect to the detention of juveniles; and

"(B) shall permit the temporary detention in adult facilities of juveniles charged with serious crimes against persons where no existing acceptable alternative is available and where the juveniles so detained shall have no regular contact with adult persons incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges.

"Sec. 2000i-2. Exception: likelihood of harm to other juveniles.

"Where the court finds, upon application of the prosecuting authority, that the detention in a juvenile facility of a juvenile adjudicated as a delinquent may pose a significant likelihood of harm to other juveniles so detained, the court may order that such juvenile be detained in an adult facility.

"Sec. 2000i-3. Civil actions.

"Any person aggrieved by a violation of this subchapter may bring a civil action under this chapter for damages and equitable relief.".

SEC. 4. The table of sections for chapter 21 of title 42, United States Code, is amended by adding at the end the following:

SUBCHAPTER X—JUVENILE INCARCERATION

"2000i-1. Prohibition against juvenile incarceration.
"2000i-2. Exception: likelihood of harm to other juveniles.
"2000i-3. Civil actions.".

By Mr. SPECTER:

S. 1187. A bill to amend title 18, United States Code, including the Child Protection Act, to create remedies for children and other victims of pornography, and for other purposes; to the Committee on the Judiciary.

PORNOGRAPHY VICTIMS PROTECTION ACT

Mr. SPECTER. Mr. President, I am today introducing a bill, the "Pornography Victims Protection Act of 1985," which would represent a major step forward in the campaign against sexual exploitation of children and women.

This bill is substantially similar to S. 3063, which I introduced in the 98th Congress. It would allow victims of child pornography and adults who are coerced, intimidated, or fraudulently induced into posing or performing in pornography to institute Federal civil actions against producers and distributors. If they prevail, such child or adult victims would recover treble damages and their costs of suit. In addition, victims could obtain injunctions to prevent further production and distribution of the pornography. Furthermore, the bill authorizes the Attorney General to seek $100,000 in civil penalties from any person violating Federal child or adult pornography statutes.

The bill also includes new criminal sanctions against coerced adult pornography. Criminal prohibitions on production and interstate distribution of such pornography would be incorporated into current child pornography statutes. Any person who forced another to perform in pornography to be distributed interstate would be subject to 10 years imprisonment and $100,000 in criminal fines.

This legislation results from extensive hearings before the Subcommittee on Juvenile Justice, at which I explored new approaches to combating pornography. The subcommittee has heard from many witnesses, including victims of sexual exploitation, experts on the harm caused by involvement in pornography and the connection between violent pornography and sexual aggression, women advocating broad civil remedies, and the American Civil Liberties Union, which expressed concern that some remedies being proposed may violate the first amendment.

The factual and legal issues surrounding pornography clearly are difficult and complex. Witnesses disagreed sharply about the general social effects of such materials. Of course, even if one accepts that pornography has deleterious effects, legislation in this area must be crafted carefully in light of the Constitution's protection of the right of free speech.

Testimony before the subcommittee provided substantial evidence that many individuals are forced to perform sexual acts suggested by pornographic materials, and suffer serious harm as a result. These harms are especially severe when children are the victims of pornographers. Adult women and men often are brutalized through rapes, beatings and threats to coerce them into sexually explicit performances. Pornographic films are replete with scenes in which victims are beaten, dismembered, bitten, and cut, with blood and wounds graphically shown. In movies known as snuff films, victims sometimes are actually murdered.

People are coerced into performing in pornography largely because a huge national market exists for such materials. Consumers have spent hundreds of millions of dollars to see these magazines, films, and video tapes. Given the enormous profit potential of such productions, elimination of this type of coercion will require Government action. The Pornography Victims Protection Act of 1985 therefore criminalizes the production of sexually explicit materials through coercion, intimidation or fraudulent inducement, if the defendant knows that the materials will be shipped interstate. It also prohibits the interstate distribution of such materials if a defendant knows they were produced against the will of the person depicted.

As a supplement to the criminal sanctions, the legislation gives eligible victims a direct civil action against pornographers and against those who knowingly distribute child or coerced adult pornography. Such civil actions will help ensure that pornography victims will be compensated by their exploiters. Under the bill, victims would receive three times their actual damages, and the costs of bringing suit. In addition, victims could seek injunctions to prevent further distribution of material produced against their will.

It is important to note that such injunctions will never constitute a prior restraint of speech. The bill makes clear that no injunction may be issued prior to a full adversary proceeding and a final judicial determination that the material constitutes child or coerced adult pornography.

In addition to providing monetary and injunctive relief to victims, direct civil actions will facilitate enforcement of related criminal statues. Current enforcement of these laws is seriously inadequate. This is due, in part, to the difficulties prosecutors face in discovering those who produce child and coerced adult pornography. Investigations of these cases generally are difficult, expensive and time consuming, and victims frequently cannot be identified. Furthermore, prosecutors simply have not given child pornography cases high priority, often on the grossly mistaken assumption that this is a victimless crime. Such attitudes seem to be changing, but there remains an urgent need for alternative protective mechanisms.

Civil causes of action represent a valuable new tool for enforcing Federal prohibitions on child and coerced adult pornography. Since the burden of proof is far less stringent in civil proceedings, legal attacks on pornographers would be greatly facilitated. In addition, evidence obtained in the course of a civil proceeding often would be available for later use in criminal prosecutions.

The Pornography Victims Protection Act of 1985 provides one further mechanism for deterring sexual exploitation and compensating victims. Under the bill, the Attorney General is authorized to seek $100,000 in civil penalties from child and coerced adult pornographers. If the Government prevails, it is authorized to distribute the penalty money among all of the identified victims in the case. Like a direct action for victims, a Government action for civil penalties will be subject to a lower burden of proof than in a criminal prosecution, and this should facilitate action against pornographers. Unlike direct actions, however, victims would not be required to come forward publicly. This is an especially valuable benefit in child pornography cases, since many child victims are unwilling or unable to endure the severe traumas of courtroom testimony.

In addition to establishing several new civil and criminal remedies, this bill expands the scope of Federal child pornography laws in one further way. Currently, these statutes are limited to situations in which child pornography producers know or should know that the pornographic materials will be disseminated interstate. This bill would expand Federal law by creating civil remedies where children or adults themselves are transported interstate for the purpose of producing pornography, even if no interstate distribution can be established.

I believe the Pornography Victims Protection Act of 1985 will effectively combat much sexual exploitation in the United States, while giving victims the opportunity to recover significant compensation for their injuries. As I have noted, it is based upon discussions with a broad range of experts and interested parties, and upon numerous hearings before the Juvenile Justice Subcommittee. Because of the complex nature of the issue, including its possible first amendment impact, more hearings will be held, and further revisions to the bill may result. What is important now is that we continue to move ahead in our search for an effective and fair means of combating the national tragedy of child pornography and sexual exploitation.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1187

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pornography Victims Protection Act of 1985".

SEC. 2. Section 2251 of title 18, United States Code, is amended—

(1) in subsection (a), by striking out "subsection (c)" and inserting in lieu thereof "subsection (d)" and by inserting before the period at the end thereof the following: "or if such person knows or has reason to know that the minor was transported in interstate or foreign commerce for the purpose of producing any such visual depiction of such conduct";

(2) in subsection (b), by striking out "subsection (c)" and inserting in lieu thereof "subsection (d)" and by inserting before the period at the end thereof the following: "or if such person knows or has reason to know that the minor was transported in interstate or foreign commerce for the purpose of producing any such visual depiction of such conduct";

(3) by inserting immediately after subsection (b) the following:

"(c)(1) Any person who coerces, intimidates, or fraudulently induces an individual 18 years or older to engage in any sexually explicit conduct for the purpose of producing any visual depiction of such conduct shall be punished as provided under subsection (d), if such person knows or has reason to know that such visual depiction will be transported in interstate or foreign commerce or mailed, if such visual depiction has actually been transported in interstate or foreign commerce or mailed, or if such person knows or has reason to know that the individual 18 years or older was transported in interstate or foreign commerce for the purpose of producing any such visual depiction of such conduct.

"(2) Proof of one or more of the following facts or conditions shall not, without more, negate a finding of coercion under this subsection:

"(A) that the person is or has been a prostitute;

"(B) that the person is connected by blood or marriage to anyone involved in or related to the making of the pornography;

"(C) that person has previously had, or been thought to have had, sexual relations with anyone, including anyone involved in or related to the making of the pornography;

"(D) that the person has previously posed for sexually explicit pictures for or with anyone, including anyone involved in or related to the making of the pornography at issue;

"(E) that anyone else, including a spouse or other relative, has given permission on the person's behalf;

"(F) that the person actually consented to a use of the performance that is changed into pornography;

"(G) that the person knew that the purpose of the acts or events in question was to make pornography;

"(H) that the person signed a contract to produce pornography; or

"(I) that the person was paid or otherwise compensated.";

(4) in subsection (c), by striking out "(c)" and inserting in lieu thereof "(d)"; and

(5) by amending the heading to read as follows:

"§2251. Sexual exploitation".

SEC. 3. (a) Section 2252(a)(1) of title 18, United States Code, is amended by adding at the end thereof the following:

"(C) the producing of such visual depiction involved the use of an adult who was coerced, intimidated, or fraudulently induced to engage in sexually explicit conduct and the person knows or has reason to know that the adult was coerced, intimidated, or fraudulently induced; and

"(D) such visual depiction depicts such conduct; or".

(b) Section 2252(a)(2) is amended by—

(1) striking out "and" and the semicolon in clause (A) and inserting in lieu thereof "or the production of visual depiction involved the use of an adult who was coerced, intimidated, or fraudulently induced to engage in sexually explicit conduct and the person knows or has reason to know that the adult was coerced, intimidated, or fraudulently induced; and".

(c) The heading for section 2252 is amended to read as follows:

"§2252. Certain activities relating to material involving sexual exploitation".

SEC. 4. (a) Chapter 110 of part I of title 18, United States Code, is amended by redesignating section 2255 as section 2261.

(b) Chapter 110 of part J of title 18, United States Code, is amended by inserting after section 2254 the following:

"§2255. Civil remedies.

"(a) The district courts of the United States shall have jurisdiction to prevent and restrain violations of section 2251 or 2252 by issuing appropriate orders, including—

"(1) ordering any person to divest himself of any interest, direct or indirect, in any legal or business entity;

"(2) imposing reasonable restrictions on the future activities or investments of any person including prohibiting such person from engaging in the same type of legal or business endeavor; or

"(3) ordering dissolution or reorganization of any legal or business entity after making due provision for the rights of innocent persons.

"(b) The Attorney General or any person threatened with loss or damage by reason of a violation of section 2251 or 2252 may institute proceedings under section (a) and, in the event that the party bringing suit prevails, such party shall recover the cost of the suit, including a reasonable attorney's fee. Pending final determination, the court may at any time enter such restraining orders or prohibitions, or take such other actions, including the acceptance of satisfactory performance bonds, as it shall deem proper. For purposes of this section, a violation of section 2251 or 2252 shall be determined by a preponderance of the evidence.

"(c) Any victim of a violation of section 2251 or 2252 who suffers physical injury, emotional distress, or property damage as a result of such violation may sue to recover damages in any appropriate United States district court and shall recover threefold the damages such person sustains as a result of such violation and the cost of the suit, including a reasonable attorney's fee. For purposes of this section, a violation of section 2251 or 2252 shall be determined by a preponderance of the evidence.

"(d) A final judgment or decree rendered in favor of the United States in any criminal proceeding brought by the United States under this chapter shall estop the defendant from denying the essential allegations of the criminal offense in any subsequent civil proceeding.

"(e) Nothing in this section shall be construed to authorize any order restraining the exhibition, distribution or dissemination of any visual material without a full adversary proceeding and a final judicial determination that such material contains a visual depiction of sexually explicit conduct, as defined by section 2261 of this chapter, engaged in by a minor or by a person who was coerced, intimidated, or fraudulently induced to engage in such sexually explicit conduct.

"§ 2256. Civil penalties.

"(a) Any person found to violate section 2251 or 2252 by preponderance of the evidence shall be liable to the United States Government for a civil penalty of $100,000 and the forfeiture of any interest in property described in section 2254. The Attorney General may bring an action for recovery of any such civil penalty or forfeiture against any such person. If the Attorney General prevails he may also recover the cost of the suit, including a reasonable attorney's fee.

"(b) If the identity of any victim of an offense provided in section 2251 or 2252 is established prior to an award of a civil penalty made to the United States under this section, the victim shall be entitled to the award. If there is more than one victim, the court shall apportion the award among the victims on an equitable basis after considering the harm suffered by each such victim.

"§ 2257. Venue and process.

"(a) Any civil action or proceeding brought under this chapter may be instituted in the district court of the United States for any district in which the defendant resides, is found, has an agent, or transacts his affairs.

"(b) In any action under section 2255 or 2256 of this chapter in any district court of the United States in which it is shown that the ends of justice require that other parties residing in any other district be brought before the court, the court may cause such parties to be summoned, and process for that purpose may be served in any judicial district of the United States by the marshal of such judicial district.

"(c) In any civil or criminal action or proceeding under this chapter in the district court of the United States for any judicial district, a subpoena issued by such court to compel the attendance of witnesses may be served in any other judicial district except that no subpoena shall be issued for service upon any individual who resides in another district at a place more than one hundred miles from the place at which such court is held without approval given by a judge of such court upon a showing of good cause.

"(d) All other process in any action or proceeding under this chapter may be served on any person in any judicial district in which such person resides, is found, has an agent, or transacts his affairs.

"§ 2258. Expedition of actions.

"In any civil action instituted under this chapter by the United States in any district court of the United States, the Attorney General may file with the clerk of such court a certificate stating that in his opinion the case is of general public importance. A copy of that certificate shall be furnished immediately by such clerk to the chief judge or in his absence to the presiding district judge of the district in which such action is pending. Upon receipt of such copy, such judge shall designate immediately a judge of that district to hear and determine the action. The judge designated to hear and determine the action shall assign the action for hearing as soon as practicable and hold hearings and make a determination as expeditiously as possible.

"§ 2259. Evidence.

"In any proceeding ancillary to or in any civil action instituted under this chapter the proceedings may be opened or closed to the public at the discretion of the court after consideration of the rights of affected persons.

"§ 2260. Limitations.

"A civil action under section 2255 or 2256 of this chapter must be brought within six years from the date the violation is committed. In any such action brought by or on behalf of a person who was a minor at the date the violation was committed, the running of such six-year period shall be deemed to have been tolled during the period of such person's minority.".

SEC. 5. (a) The section analysis for chapter 110 of part I of title 18, United States Code, is amended to read as follows:

"CHAPTER 110—SEXUAL EXPLOITATION

"Sec.
"2251. Sexual exploitation.
"2252. Certain activities relating to material involving sexual exploitation.
"2253. Criminal forfeiture.
"2254. Civil forfeiture.
"2255. Civil remedies.
"2256. Civil penalties.
"2257. Venue and process.
"2258. Expedition of actions.
"2259. Evidence.
"2260. Limitations.
"2261. Definitions for chapter.
"2262. Severability.".

(b) The chapter analysis for part I of title 18, United States Code, is amended by striking the item relating to chapter 110 and inserting in lieu thereof the following:

"110. Sexual Exploitation .... 2251".

SEC. 6. Chapter 110 of title 18, United States Code, is amended by inserting after section 2261 the following:

"§ 2262. Severability.

If the provisions of any part of this Act or the amendments made by this Act, or the application thereof, to any person or circumstances is held invalid, the provisions of the other parts of this Act or the amendments made by this Act and their application to other persons or circumstances shall not be affected.

By Mr. SPECTER:

S. 1188. A bill to establish standards governing the preventive detention of juveniles; to the Committee on the Judiciary.

JUVENILE PREVENTIVE DETENTION STANDARDS ACT

Mr. SPECTER. Mr. President, I am today introducing a bill, entitled the "Juvenile Preventive Detention Standards Act of 1985," to ensure that decisions to detain juveniles are guided by clearly defined legal standards in light of the decision by the Supreme Court of the United States in the case of Schall versus Martin. This bill is substantially the same as S. 2854, which I introduced in the 98th Congress and which was the subject of hearings before the Juvenile Justice Subcommittee.

The issue of preventive detention is one which has been considered extensively in the criminal law field and has been debated extensively on the floor of the U.S. Senate in a variety of contexts. The presumption of innocence, one of the most fundamental protections in the criminal law, customarily requires that those charged with crime be admitted to bail prior to the determination of guilt.

There are, however, limited circumstances in which it is necessary that this principle give way, such as where there is a habitual criminal whose demonstrated tendencies indicate that pretrial release would subject the community to a high risk of repeat crime. Standards governing most preventive detention situations were established in the omnibus crime bill passed by this body last year.

The detention of juveniles prior to adjudication or disposition of their cases is one of the most serious problems in the administration of juvenile justice. Some experts estimate that up to 1 million juveniles are detained each year. Many of these youths are held under harsh conditions at a high cost to themselves and the taxpayers. As a result of being detained, many experience a variety of harmful and lasting psychological effects.

In Schall versus Martin, the Supreme Court upheld as constitutional the preventive detention of juveniles. In my judgment, preventive detention of juveniles should occur only subject to exacting standards. The standards upheld in Schall versus Martin have been roundly criticized. This bill defines standards for preventive detention of juveniles in a way that will protect the interests of the community and at the same time protect the rights of juveniles.

On June 19, 1984, the Subcommittee on Juvenile Justice, which I chair, held hearings to consider preventive detention of juveniles. Many witnesses testified about the need to ensure that decisions about pretrial detention are guided by clearly enumerated standards. Among those expressing this sentiment was Judge Margaret Driscoll, the distinguished jurist and former chairperson of the Subcommittee on Standards of the National Advisory Committee for Juvenile Justice and Delinquency Prevention. Judge Driscoll noted the enormous potential for arbitrariness and unfairness if judges are not provided with criteria by which to make pretrial detention decisions. Today, such decisions often are based on extremely limited information, and are made after only a few minutes of deliberation. Under such circumstances, the welfare of juveniles may be seriously imperiled.

The costs of detaining juveniles can be exceedingly high. Based on my experience as district attorney of Philadelphia, and as chairman of the Senate's Juvenile Justice Subcommittee, I am convinced that detained juveniles often sustain very serious impacts from such incarceration. At a minimum, juvenile detainees are stigmatized. As Justice Marshall noted in Schall versus Martin:

> The impressionability of juveniles may make the experience of incarceration more injurious to them than to adults: all too quickly juveniles subjected to preventive detention come to see society at large as hostile and oppressive and to regard themselves as irremediably "delinquent."

Given the problems that may result from improper detention of juveniles and given the great risk of improper detention absent meaningful standards, it is essential that pretrial detention procedures be conducted according to predetermined legal criteria. This bill would accomplish that goal.

The bill stipulates that any State in which State or local law enforcement programs receive Federal financial assistance, including aid received pursuant to the Juvenile Justice and Delinquency Prevention Act or any other provision of law, must not detain a juvenile who has not been found guilty of an offense which would be criminal if committed by an adult, unless certain procedural requirements are met.

Under the bill, a juvenile could not be detained unless a petition for delinquency were filed within 24 hours of arrest. An adversary hearing would then be held within 24 hours of filing. The juvenile would have a right to counsel at this hearing.

Before ordering preventive detention, the State would have to establish that the juvenile is a fugitive from another jurisdiction, an official of which has formally requested that the junvenile be placed in detention or, alternatively, that there is probable cause to believe that the juvenile has committed a serious crime of violence which in the case of an adult would be punishable by a sentence of 1 year or more and which, if proven, is likely to result in commitment to a secure detention facility.

In the later situation, the State would have to establish one of three additional factors in order to detain the juvenile: first, that there is a substantial probability that the juvenile, if released, would commit a serious crime of violence; or second, that the juvenile is an escapee from an institution or other placement facility to which he or she was sentenced under previous adjudication of criminal conduct; or third, that the juvenile has a demonstrable recent record of adjudications for willful failure to appear at juvenile proceedings.

The bill also provides that a juvenile may be detained only if no adequate, less restrictive alternative is available. All decisions to detain a juvenile must be explained by the responsible official or judge in an explicit written statement of the reasons for rejecting any less restrictive form of release.

At every stage in the proceedings, the State would bear the burden of establishing by clear and convincing evidence any relevant facts necessary to detain a juvenile. Under this standard, the State would be required to prove its case by more than the "preponderance of evidence" customarily required in a civil proceeding, but by less than proof "beyond a reasonable doubt," as would be necessary for a criminal conviction. In addition, the bill makes clear that the State need not detain a juvenile simply because detention would be permitted under these guidelines. No category of alleged conduct or background, in and of itself, would be determinative of whether a juvenile should be detained. Rather, the responsible authority would be charged with an obligation to exercise discretion, and to release a juvenile where, notwithstanding the presence of the above-mentioned factors, release is consistent with the interests of the community and of the juvenile.

I believe that this legislation represents a balanced approach to the problem of inadequate standards in preventive detention cases. While ensuring that decisionmaking will be principled, the bill leaves officials with needed flexibility to evaluate individual circumstances in specific cases. In this way, the Juvenile Preventive Detention Standards Act is a sound step toward further improving our juvenile justice systems and ensuring that our Nation's young people are accorded fair treatment in the eyes of the law.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Juvenile Preventive Detention Standards Act of 1985".

SEC. 2. Part D of title II of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended by adding at the end thereof the following:

"JUVENILE PREVENTIVE DETENTION

"SEC. 264. (a) The Attorney General shall withhold Federal financial assistance, including payments under this Act, for the law enforcement programs of any State or local government unless the law of such State or local government provides that a juvenile who is charged with a crime but who has not been adjudicated to be guilty of committing an offense which would be criminal if committed by an adult may only be detained in a secure detention facility subject to the following conditions:

"(1) No juvenile shall be detained for the purpose of—

"(A) punishing, treating, or rehabilitating the juvenile,

"(B) allowing parents to avoid their legal responsibilities,

"(C) satisfying demands by a victim, the police, or the community,

"(D) permitting more convenient access to the juvenile, or

"(E) facilitating further interrogation or investigation.

"(2) No juvenile shall be detained unless a petition for delinquency is filed within 24 hours of arrest.

"(3) No juvenile shall be detained unless the juvenile is accorded an adversary hearing in court within 24 hours of the filing of the petition for delinquency. The hearing shall be held subject to the following requirements:

"(A) the juvenile, the parents of the juvenile, and their attorneys shall be given notice of the hearing immediately upon an intake official's decision that the juvenile will not be released prior to the hearing;

"(B) the juvenile shall be represented by an attorney and accompanied by the juvenile's parents, if they choose to attend; and

"(C) the juvenile and the attorney shall have full access to all information and records upon which a judge relies in refusing to release the juvenile from detention, or in imposing conditions of supervision.

"(4) No juvenile shall be detained unless a court of competent jurisdiction determines within 24 hours of the hearing required by paragraph (3), that there is probable cause to believe that the juvenile—

"(A) has been verified to be a fugitive from another jurisdiction, an official of which has formally requested that the juvenile be placed in detention; or

"(B) has committed a serious crime of violence which in the case of an adult would be punishable by a sentence of one year or more, and which if proven is likely to result in commitment to a secure detention facility, and one or more of the following additional factors is present:

"(i) there is a substantial probability that the juvenile would, if released, commit a serious crime of violence based upon a finding that the juvenile has a demonstrable recent record of adjudications for violent conduct resulting in physical injury to others;

"(ii) the juvenile is an escapee from an institution or other placement facility to which he or she was sentenced under previous adjudication of criminal conduct; or

"(iii) the juvenile has a demonstrable recent record of adjudications for willful failure to appear at juvenile proceedings.

"(5) No juvenile shall be detained before or after a hearing unless there is no less restrictive alternative that will reduce the risks of flight or of serious harm to the physical safety of the juvenile or others. All decisions to detain a juvenile must be explained in a written statement by the responsible official or judge that explicitly states the reasons for rejecting any less restrictive form of release.

"(6) At every stage of the proceedings the State will bear the burden of establishing by clear and convincing evidence any relevant facts necessary to detain a juvenile.

"(7) A juvenile who is excluded from mandatory release shall not automatically be detained. No single category of alleged conduct or background in and of itself shall justify a failure to exercise discretion to release.

"(b) For purposes of this section, the term 'serious crime of violence' means criminal homicide, forcible rape, mayhem, kidnapping, aggravated assault and robbery.".

By Mr. SPECTER:

S. 1189. A bill to authorize incarceration in Federal prisons of convicts sentenced to life imprisonment under the habitual criminal statute of a State; to the Committee on the Judiciary.

CAREER CRIMINAL INCARCERATION ASSISTANCE ACT

Mr. SPECTER. Mr. President, I am today introducing the "Career Criminal Incarceration Assistance Act of

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1985." This bill is based upon S. 58, which I introduced in the 98th Congress. In the last Congress, I authored the Armed Career Criminal Act of 1983, which made the commission of a felony involving use of a firearm a Federal offense if the defendant had three prior felony convictions, was signed into law by President Reagan as part of the Comprehensive Crime Control Act on October 12, 1984.

The bill I introduce today is an equally important part of our effort to deal with the plague of career criminals—those 10 percent of criminals who are responsible for 70 percent of all serious crime.

The bill grants the Attorney General authority to incarcerate in Federal facilities persons convicted and sentenced to life imprisonment in State courts under State habitual offender statutes.

Permitting these persons to be transfered to Federal prisons will encourage more prosecutions under State career criminal statutes. These statutes normally allow judges to sentence habitual offenders for significant periods in order to keep them from engaging in further criminal activity. Often, local district attorneys have task forces specially created to target career criminals. Unfortunately however, long-term incarceration of these criminals is nearly impossible due to already crowded conditions in State prisons. Indeed, State prisoners sometimes are set free early to make room for the continuing stream of newly convicted persons.

By holding persons sentenced to life imprisonment under States' career criminal statutes, the Federal Government would reduce the burden of such sentences on States, and encourage them to actively seek long sentences for career criminals under such statutes.

Recent statistics show that State prison populations continue to increase at an alarming rate. In 1984, 24,281 prisoners were added to the prison rolls in the States and the District of Columbia. During the same period, 2,337 prisoners entered the Federal prison system. The number of inmates sentenced to State prisons for more than 1 year grew by 6.2 percent, whereas the comparable population in Federal prisons grew by only 4.8 percent. Even these statistics do not tell the full story. At the end of 1984, State prison systems were operating at approximately 110 percent of capacity. There was a backlog in local jails of more than 11,000 prisoners; overcrowding accounted for the early release of more than 17,000 inmates in 14 States. Overcrowding also resulted in the operation of the entire prison systems of six States and the District of Columbia under a court order or consent decree. At least one major prison was being operated under court order or consent decree in 25 other States. The prison populations in States without court intervention increased at 9.2 percent compared to a 2.9-percent increase in State systems entirely under court order.

The States need help from the Federal Government to reduce overcrowded prison conditions. Society needs States to actively utilize existing career criminal statutes. This bill serves both those goals, by allowing special targeting efforts to be directed at career criminals by States without adding to their crowding problems.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1189

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Congress finds that—

(1) career criminals commit a large percentage of the violent and major felonies afflicting society, causing immeasurable physical injury to innocent persons and damage, destruction, or loss to their property estimated at billions of dollars annually, thereby terrorizing lawabiding citizens, disrupting the community, and undermining respect for law;

(2) the continuing criminal activity of career criminals adversely affects interstate commerce;

(3) despite prior convictions for serious offenses, many repeat offenders are placed on probation or sentenced to unduly short terms of imprisonment by State judges, to the detriment of public safety;

(4) many repeat offenders cannot reasonably be rehabilitated and, unless incarcerated for life, will commit further felonies;

(5) many States have "habitual criminal" statutes providing for life sentences for repeat offenders, upon subsequent felony convictions;

(6) many State prison systems are severely overcrowded, understaffed, and unable to confine convicts sentenced to life imprisonment under such statutes in a safe, secure, and humane manner;

(7) State judges may be deterred by the lack of sufficient prison space, staff, and funding from imposing life sentences for repeat offenders as provided by State law, and the legislatures in those States without habitual criminal statutes may be dissuaded by such considerations from enacting such statutes;

(8) the interests of justice and public safety would be served if State authorities felt free to impose life sentences for repeat major offenders unrestrained by such considerations;

(9) the Federal Bureau of Prisons sometimes has empty cells available and can make additional space available by consolidating inmates, consistent with suitable standards, and ultimately can open additional institutions and cells, without great cost or delay, in certain Federal facilities, including abandoned military facilities and Public Health Service Hospitals; and

(10) the Federal Bureau of Prisons has an outstanding record in safely, effectively, and humanely confining inmates sentenced to life imprisonment.

(b) The Congress declares that the purpose of this Act is to remove undue restraints on States imposing life sentences on repeat major offenders by authorizing the Federal Government to assume custody of prisoners sentenced under State habitual criminal statutes to imprisonment for life, without cost to the State.

Sec. 2. (a) Upon request by a State pursuant to section 3, the Federal Bureau of Prisons of the Department of Justice shall promptly arrange and accept custody of convicts who are sentenced to life imprisonment under the habitual criminal statutes of a State, to the extent that space is or can be made readily available in the Federal prison system. The Federal Bureau of Prisons shall confine such convicts until certification to the Attorney General by appropriate authorities of the state that the sentence of a transferred prisoner has been terminated by parole, pardon, or otherwise as provided by state law, or, absent such certification, for the natural life of the prisoner.

(b) This Act shall apply only to the incarceration of persons sentenced to imprisonment for life under the State habitual criminal statutes after the date of enactment.

Sec. 3. (a) All applications for Federal incarceration under this Act shall be subject to approval by the Attorney General of the United States and shall include a certification by the State that the prisoner to be transferred has been sentenced to life imprisonment under a State habitual offender statute.

(b) The Attorney General shall have the authority to review the nature and circumstances of the offenses committed by any prisoner who is proposed for transfer and the existing capacities of the State prison system from which transfer is sought. The Attorney General may reject any application for Federal incarceration based upon such considerations and upon the availability of space in the federal prison system. The decisions of the Attorney General under this subsection shall not be subject to review by Federal or State courts.

By Mr. SPECTER:

S. 1190. A bill to require States to assure that prisoners have training in a marketable job skill and basic literacy before releasing them on parole; to the Committee on the Judiciary.

CRIMINAL REHABILITATION IN STATE PRISONS

Mr. SPECTER. Mr. President, I am today introducing a bill to encourage criminal rehabilitation in State prisons by providing prisoners with training in a marketable job skill and basic literacy.

We must impose tough sentences on tough criminals, particularly career criminals. At the same time, however, we must make a realistic effort at rehabilitation where possible.

As district attorney of Philadelphia, I visited all of the prisons of Pennsylvania, and I have had occasion for more recent visits to Pennsylvania prisons as a Senator. These experiences have shown me that many convicts are routinely released as functional illiterates without a skill or trade. It is not surprising that many of these convicts return to the streets and commit more crimes.

This bill requires that States make a good-faith effort to ensure that prisoners released after a term of imprisonment of 2 years or more have had training in reading, writing, and a basic job skill. In this way, such prisoners will be able to earn their way lawfully on the outside without resorting to a life of crime.

The Chief Justice of the U.S. Supreme Court repeatedly has emphasized the need for making educational and vocational training available to prisoners. In his year end report for 1984, Chief Justice Burger states:

> Prisoners must be given the opportunity to learn marketable skills, both to repay the government some of the costs of confinement and to train them for life after release.

Mr. President, this bill is derived from S. 59, which I introduced in the 98th Congress. It has been revised in light of concerns expressed by the Department of Justice, the American Bar Association, and other groups that have been consulted during its drafting. I believe that the present bill would greatly serve the national interest, by providing our inmates a way out of recidivism. Without the education and training in a marketable vocation that this bill would encourage, these prison inmates stand little chance of leaving crime behind and leading productive, law-abiding lives.

I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1190

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That (a) the prison authority of a State shall have an obligation to provide prisoners with training in a marketable job skill and basic literacy, and the parole authority shall not release a prisoner sentenced under the law of the State to a term of two years or more prior to the expiration of his sentence unless the State has made reasonable efforts to meet such obligation. The State shall be deemed to have met its obligations under this section if the prisoner already has such training, the prisoner refuses to accept such training, or the Attorney General concurs in the State's judgment that provision of such training would be unreasonably costly in a particular instance; provided, however, that the Attorney General shall not exempt a State generally from its obligations under this section on the basis that compliance would be unreasonably costly.

(b) On or before one hundred and eighty days before the effective date of this Act, the Attorney General of the United States shall, after consultation with the State Prison Vocational Skills Advisory Council, promulgate such regulations as are necessary to carry out the purposes of this Act including a determination of what constitutes a "marketable job skill and basic literacy".

Sec. 2. (a) Notwithstanding any other provision of Federal law, any State desiring to receive any grant, contract, award, or other assistance paid for from Federal funds for use in its prison programs, shall certify to the Attorney General that it is in compliance with the provisions of this Act.

(b) Except as provided in subsection (c), any State which fails to comply with this Act shall be ineligible to receive any Federal funds for its prison programs until such time as the State can certify to the Attorney General that it is in compliance with the provisions of this Act.

(c)(1) If the Attorney General determines that a State has made a good faith effort to comply with the provisions of this Act the Attorney General may grant such State probationary status for one year during which time the State shall be eligible for any Federal funds for prison programs, notwithstanding subsection (a).

(2) No State shall be eligible for probationary status under paragraph (1) for more than two years.

Sec. 3. (a) There is established the State Prison Vocational Skills Advisory Council (hereinafter in this Act referred to as the "Council") which shall advise the Attorney General of the United States regarding regulations necessary to carry out the provisions of this Act. The Council shall be composed of—

(1) The Associate Attorney General, who shall serve as its chairman;

(2) the Director of the Federal Bureau of Prisons;

(3) the Under Secretary of Labor; and

(4) six representatives from State and local prison systems, each from a different State, to be selected by the Attorney General.

(b) It shall be the duty of the Council to advise the Attorney General in formulating regulations as provided in section 1(b).

Sec. 4. Nothing in this Act shall be—

(1) construed to reflect the intent of Congress to invalidate or modify any State law except insofar as it may be directly inconsistent with this Act, or

(2) construed as creating any right in any State prisoner.

Sec. 5. This Act shall become effective one year after the date of the enactment of this Act.

By Mr. SPECTER:

S. 1191. A bill to provide capital punishment for murders committed by prisoners serving a life sentence; to the Committee on the Judiciary.

CAPITAL PUNISHMENT FOR MURDER BY FEDERAL PRISONERS

Mr. SPECTER. Mr. President, I am today introducing a bill designed to protect all persons associated with our Federal prison system from violent death at the hands of prisoners serving life sentences for other crimes. The bill is based upon S. 1565, which I introduced in the 98th Congress. It would permit the death penalty for the murder of any person—such as a prison official, a prison guard, a visitor, a lawyer, a reporter, or a fellow inmate—by a convict already serving a life sentence. Violent and hardened prisoners already serving life sentences far too often feel they have nothing to lose by killing someone in prison, and this legislation is sorely needed to deter such violence.

The level of violence in our prisons today is truly appalling. According to the Federal Bureau of Prisons, 146 inmates have been killed by other prisoners in the Federal prison system alone in the past 10 years. Eight Federal prison guards have been murdered in the same time period. Equally disturbing are the nearly 2,300 violent assaults on Federal correctional employees and nearly 3,400 assaults by inmates on other inmates during this time.

Unfortunately, the Federal prison system is only the tip of the iceberg. Nationwide, 421 inmates were brutally murdered by other State prisoners from 1980 to 1983, according to the National Institute of Corrections. During the same period, 11 correctional officers were killed in State prisons. Mr. President, this frightening level of barbarism and brutality must be stopped.

This legislation will apply to those prisoners already beyond redemption or rehabilitation—those already sentenced to life imprisonment for their prior heinous crimes. There currently is no provision in the Criminal Code that effectively deters these prisoners from striking again while in prison.

This bill will provide such deterrence, by allowing the jury or court to impose a sentence of death, after consideration of numerous relevant factors, including whether the murder occurred during an escape attempt, a kidnaping, a prison riot, the taking of hostages, a sexual assault, or as a result of drug dealing, or by use of a firearm.

Without a more severe punishment for such murders than merely an additional sentence of life imprisonment, assaults and killings by lifers undoubtedly will increase along with our growing prison population. Our Nation's correctional officers and, indeed, our prisoners have the right to be protected from the violence of the most dangerous inmates. No prisoner ever should feel immune from further punishment for his violent acts. We, as lawmakers, must act now to remedy this unjust and tragic situation. I therefore urge my colleagues to pass this important legislation.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 51 of title 18 of the United States Code is amended by adding the following new section after section 1117:

"§ . Murder by Federal prisoners

"(a) Whoever, while confined in a Federal correctional institution under sentence for a term of life imprisonment, murders another shall be punished by death or by life imprisonment without the possibility of parole.

"(b) For purposes of this section—

"(1) 'Federal correctional institution' means any Federal prison, Federal correctional facility, Federal community program center, or Federal halfway house;

"(2) 'term of life imprisonment' means a sentence for the term of natural life, a sentence commuted to natural life, an indeterminate term of a minimum of at least fifteen years and a maximum of life, or an unexecuted sentence of death;

"(3) 'murders' means committing first-degree murder or second-degree murder as defined by section 1111 of this title.

"(c) A person shall be subjected to the penalty of death under this section only if a hearing is held in accordance with this section.

"(d) Notice by the Government.—Whenever the Government intends to seek the death penalty under this section, the attorney for the Government, a reasonable time before trial or acceptance by the court of a plea of guilty, shall sign and file with the court, and serve upon the defendant, a notice (1) that the Government in the event of conviction will seek the sentence of death, and (2) setting forth the aggravating factors or factors which the Government will seek to prove as the basis for the death penalty. The court may permit the attorney for the Government to amend this notice for good cause shown.

"(e) HEARING BEFORE COURT OR JURY.—When the attorney for the Government has filed a notice as required under subsection (d) and the defendant is found guilty of or pleads guilty to an offense under this section, the judge who presided at the trial or before whom the guilty plea was entered, or any other judge if the judge who presided at the trial or before whom the guilty plea was entered is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. The hearing shall be conducted.

"(1) before the jury which determined the defendant's guilt;

"(2) before a jury impaneled for the purpose of the hearing if—

"(A) the defendant was convicted upon a plea of guilty;

"(B) the defendant was convicted after a trial before the court sitting without a jury;

"(C) the jury which determined the defendant's guilt has been discharged for good cause; or

"(D) after initial imposition of a sentence under this section, redetermination of the sentence under this section is necessary; or

"(3) before the court alone, upon the motion of the defendant and with the approval of the Government.

A jury impaneled pursuant to paragraph (2) of this subsection shall consist of twelve members, unless, at any time before the conclusion of the hearing, the parties stipulate with the approval of the court that it shall consist of any number less than twelve.

(f) PROOF OF AGGRAVATING AND MITIGATING FACTORS—Notwithstanding rule 32(c) of the Federal Rules of Criminal Procedure, when a defendant is found guilty of or pleads guilty to an offense under this section, no presentence report shall be prepared. In the sentencing hearing, information may be presented as to any matter relevant to the sentence and shall include matters relating to any of the aggravating or mitigating factors set forth in subsections (i) or (j) or any other mitigating factor. Where information is presented relating to any of the aggravating factors set forth in subsection (j), information may be presented relating to any other aggravating factor.

"Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial. Any other information relevant to such mitigating or aggravating factors may be presented by either the Government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials, except that information may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issue, or misleading the jury. The Government and the defendant shall be permitted to rebut any information received at the hearing and shall be given fair opportunity to present argument as to the adequacy of the information to establish the existence of any of the aggravating or mitigating factors, and as to the appropriateness in that case of imposing a sentence of death. The Government shall open the argument. The defendant shall be permitted to reply. The Government shall be permitted to reply in rebuttal. The burden of establishing the existence of any aggravating factor is on the Government, and is not satisfied unless established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless established by a preponderance of the information.

"(g) RETURN OF FINDINGS.—The jury, or if there is no jury, the court, shall consider all the information received during the hearing. It shall return special findings identifying any mitigating factors, and any aggravating factors set forth in subsection (j) found to exist.

"(h) IMPOSITION OF SENTENCE.—Upon a finding that a sentence of death is justified, the court shall sentence the defendant to death. Otherwise the court shall impose a sentence, other than death, authorized by law.

"(i) MITIGATING FACTORS.—In determining whether a sentence of death is to be imposed on a defendant, the following mitigating factors shall be considered but are not exclusive: age at the time of the crime;

"(2) the defendant's capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired, but not so impaired as to constitute a defense to the charge;

"(3) the defendant was under unusual and substantial duress, although not such duress as constitutes a defense to the charge;

"(4) the defendant is punishable as a principal (as defined in section 2(a) of this title) in the offense, which was committed by another, but his participation was relatively minor, although not so minor as to constitute a defense to the charge; and

"(5) the defendant could not reasonably have foreseen that his conduct in the course of the commission of murder, or other offense resulting in death for which he was convicted, would cause, or would create a grave risk of causing, death to any person.

"(j) AGGRAVATING FACTORS.—The following aggravating factors shall be considered but are not exclusive:

"(1) the defendant committed the offense during the course of seizing, confining, inveigling, decoying, kidnapping, abducting, carrying away, holding hostage, or holding for ransom or otherwise any person;

"(2) the death or injury resulting in death occurred during the commission or attempted commission of, or during the immediate flight from the commission or attempted commission of, an offense under section 751 (escape by prisoner in custody of institution or officer);

"(3) the defendant committed the offense during the course of perpetrating or attempting to perpetrate a sexual assault on any person;

"(4) the defendant committed the offense during the course of, on account of, or as a result of any transaction concerning or distribution of any controlled substance as defined by schedules I, II, III, IV, and V of section 812 of title 21;

"(5) the defendant committed the offense while armed with, or having readily available, a firearm, as defined in section 921(a)(3) of this title;

"(6) the defendant committed the offense during the course of inciting, organizing, promoting, encouraging, participating in, carrying out, or aiding or abetting any person in inciting, participating in, or carrying on a riot as defined in section 2102 of this title;

"(7) the defendant has been convicted of another Federal offense, or a State offense resulting in the death of a person, for which a sentence of life imprisonment or a sentence of death was authorized by statute;

"(8) the defendant has previously been convicted of two or more State or Federal offenses punishable by a term of imprisonment of more than one year, committed on different occasions, involving the infliction of, or attempted infliction of, serious bodily injury upon another person;

"(9) in the commission of the offense the defendant knowingly created a grave risk of death to one or more persons in addition to the victim of the offense;

"(10) the defendant committed the offense in an especially heinous, cruel, or depraved manner;

"(11) the defendant procured the commission of the offense by payment, or promise of payment, of anything of pecuniary value;

"(12) the defendant committed the offense as consideration for the receipt, or in the expectation of the receipt, of anything of pecuniary value; and

"(13) the defendant committed the offense after substantial planning and premeditation to cause the death of a person.

"(k) INSTRUCTION TO JURY ON RIGHT OF THE DEFENDANT TO JUSTICE WITHOUT DISCRIMINATION.—In any hearing held before a jury under this section, the court shall instruct the jury that in its consideration of whether the sentence of death is justified it shall not consider the race, color, national origin, creed, or sex of the defendant. The jury shall return to the court a certificate signed by each juror that consideration of race, color, national origin, creed, or sex of the defendant was not involved in reaching his or her individual decision.

"(l) APPEAL FROM SENTENCE OF DEATH.—In any case in which the sentence of death is imposed under this section, the sentence of death shall be subject to review by the court of appeals upon appeal by the defendant. Notice of appeal must be filed within the time prescribed for appeal of judgment in section 2107 of title 28 of the United States Code. An appeal under this section may be consolidated with an appeal of the judgment of conviction. Such review shall have priority over all other cases.

"On review of the sentence, the court of appeals shall consider the record, the evidence submitted during the trial, the information submitted during the sentencing hearing, the procedures employed in the sentencing hearing, and the special findings returned under this section.

"The court shall affirm the sentence if it determines that: (1) the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; and (2) the information supports the special finding of the existence of any aggravating factor, or the failure to find any mitigating factors as set forth or allowed in this section. In all other cases the court shall remand the case for reconsideration under this section. The court of appeals shall state in writing the reasons for its disposition of the review of the sentence.

"(m) IMPLEMENTATION OF A SENTENCE OF DEATH.—A person who has been sentenced to death pursuant to the provisions of this section shall be committed to the custody of the Attorney General until exhaustion of the procedures for appeal of the judgment of conviction and for review of the sentence. When the sentence is to be implemented, the Attorney General shall release the person sentenced to death to the custody of a United States marshal, who shall supervise implementation of the sentence in the manner prescribed by the law of the State in which the sentence is imposed. If the law of such State does not provide for implementation of a sentence of death, the court

shall designate another State, the law of which does so provide, and the sentence shall be implemented in the latter State in the manner prescribed by such law. A sentence of death shall not be carried out upon a woman while she is pregnant.

"(n) USE OF STATE FACILITIES.—A United States marshal charged with supervising the implementation of a sentence of death may use appropriate State or local facilities for the purpose, may use the services of an appropriate State or local official or of a person such an official employs for the purpose, and shall pay the costs thereof in an amount approved by the Attorney General.".

By Mr. WILSON (for himself and Mr. CRANSTON):

S. 1192. A bill to implement the "Coordinated Operation Agreement"; to the Committee on Energy and Natural Resources.

COORDINATION OPERATION AGREEMENT

Mr. WILSON. Mr. President, today I am introducing a bill which represents the culmination of years of hard work and is possibly the most important water legislation for California in this decade. This bill authorizes the Secretary of the Interior to execute and implement what is known as the Coordinated Operation Agreement. The COA, as it is referred to, is a recently concluded agreement between the State of California and the U.S. Bureau of Reclamation which provides for the coordinated operation of California's State water project and the Bureau of Reclamation's Central Valley project—a massive water resource project wholly located within California. It is for the purpose of authorizing the Federal portion of this agreement that I am introducing this bill today.

The COA is critical to California for a number of reasons. First and foremost, by providing a framework for the coordination of the huge State and Federal water projects in California, we can be assured that scarce water—perhaps the most precious natural resource in California—will be conserved and allocated in the most efficient manner possible. In a State like California that is reliant on a complex system of dams, reservoirs, and canals to capture and distribute much of its water supply, it makes sense to have the Federal and State governments work together as a team in managing their respective water systems. With only a limited supply of water to go around, we cannot afford anything less.

Let me review a few of the highlights emerging from this landmark agreement:

For the first time since the congressional authorization of the California Central Valley project [CVP] more than 50 years ago, the Secretary of the Interior will be authorized to operate the CVP to meet State water quality standards in the San Joaquin/Sacramento river delta. This is welcome news to all of us who are dedicated to preserving the fragile ecology of the delta and maintaining a high water quality standard for agricultural and urban delta water consumers.

After a 7 year moratorium on new sales of water to potential Central Valley project consumers, the Secretary of the Interior will now have up to 1 million acre-feet of additional water to market to authorized users. This newly available water will go a long way in meeting pent-up demands throughout the State. New CVP contracts were previously suspended in 1979 pending the completion of the coordinated operation agreement.

A key component in providing for the more efficient management of the State's water resources is article 10 of the coordinated operation agreement which provides for a wheeling and exchange agreement to be negotiated between the State and the Bureau of Reclamation. To simplify a very complex situation, it can be said that the Bureau's CVP project presently has enough water, but lacks all the facilities it needs for distribution to potential consumers. The State, on the other hand, has the conveyance facilities, but is short on water to meet existing demands. The natural solution to this dilemma is to coordinate the operation of these two systems, and this is exactly what article 10 of the COA authorizes.

The coordinated operation agreement has been agreed to by negotiators for both the Federal and State governments, and all that needs to be done now is for Congress to authorize the Federal portion of this agreement. This bill has no budgetary impact and it does not authorize any new water projects. I am not aware of any opposition to this bill.

In closing, I would like to commend the representatives of both the Bureau of Reclamation and the State of California for a superb job in putting the coordinated operation agreement together. I would only hope that this fine example of Federal/State cooperation can be extended to other areas of mutual interest.

I ask that the text of the bill be printed in full at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1192

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

The Secretary of the Interior is hereby authorized and directed to execute and implement the "Agreement Between the United States of America and the Department of Water Resources of the State of California for Coordinated Operation of the Central Valley Project and the State Water Project" (dated May 8, 1985).

By Mr. BAUCUS:

S. 1193. A bill to convey certain lands at Fort William H. Harrison, Montana, to the State of Montana for a Montana State Veterans Cemetery; to the Committee on Armed Services.

MONTANA STATE VETERANS CEMETERY

Mr. BAUCUS. Mr. President, today I am introducing a bill that would establish a veterans cemetery at Fort Harrison, near Helena, MT.

Montana is proud of our State's contribution to this Nation's national security.

Our State's communities—like towns and cities all over America—have sent some of their finest young men to fight and die to preserve our freedom.

When the call for volunteers came, Montana gave more than its expected share.

Congress has recognized the special commitment made by our veterans. We have provided special benefits and privileges in our attempt to repay our debt to these courageous Americans.

A veterans cemetery is one of those special privileges.

However, despite their brave and willing service in defense of our country, Montana's veterans have been denied this special honor.

Since January, 1978, our State's only veterans cemetery—Custer National Cemetery near Miles City—has been full.

No other National Cemetery sites are located or planned for Montana.

The Veterans Administration estimates that 37,000 Montana veterans will die in the next 20 years. Between 1,800 and 2,000 veterans are dying a year in Montana, and that number is expected to increase steadily.

The State of Montana recognizes the need for a new cemetery. The State has selected a site—an area adjacent to the Fort William H. Harrison Veterans Hospital near Helena.

The Montana State legislature appropriated $25,000 to establish a new cemetery. And the appropriate surveys have been conducted.

This site is centrally located in Montana. Eighty-five percent of Montana's veterans live within a 200 mile radius. The necessary utilities are located on the site.

The site currently is leased by the Montana National Guard, but it is not in use. It is very close to the VA Regional Office.

My bill would take the final step needed to establish the new cemetery. My bill would transfer ownership of the potential site from the Federal Government to the State of Montana.

Montana's veterans deserve an additional cemetery. They have paid the price for this honor.

I urge the Senate to adopt my bill.

Mr. President, I ask unanimous consent that a letter to MG James Duffy, adjutant general, Montana Department of Military Affairs and the text of the bill be printed in the RECORD.

S. 1193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1a. Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey, without monetary consideration, to the State of Montana all right, title, and interest of the United States in and to 65.4 acres of unimproved land located in the southeast corner of Fort William H. Harrison, Montana, and presently under license to the State of Montana for National Guard use.

b. (1) The conveyance authorized by subsection (a) shall be subject to the condition that the real property conveyed be used to establish a Montana State Veterans Cemetery.

(2) If the property conveyed pursuant to subsection (a) is not used for the purposes described in paragraph (1), all right, title, and interest in and to such property shall revert at no cost to the United States, which shall have the right of immediate entry thereon.

(3) The Secretary shall reserve to the United States a water line easement for use by the Veterans Administration Hospital.

c. The exact acreage and legal description of the property to be conveyed under subsection (a) and of the easement to be reserved under subsection (b)(3) shall be determined by surveys that are satisfactory to the Secretary. The cost of any such survey shall be borne by the State.

d. The Secretary may require such other terms and conditions with respect to the conveyance as the Secretary considers appropriate to protect the interests of the United States.

DEPARTMENT OF MILITARY AFFAIRS,
HELENA, MT,
May 10, 1985.

Subject: Veterans Cemetery, Fort Harrison, MT.

MG JAMES W. DUFFY,
The Adjutant General, Department of Military Affairs, Helena, MT.

1. Reference:

a. DOD Corps of Engineers License DA(S)45-108-ENG-1382 with Amendments 1-7.

b. Survey Report, General Services Administration, dated 24 Dec. 1984, subject: Survey Fort Harrison, Montana.

c. Certificate of Survey, Ditto Surveying, dated 19 Dec. 1984, describing 65.4 acre tract for a Veterans Cemetery at Fort Harrison, Montana.

2. Reference a, above authenticates the legal ownership of the parcel of land known as Fort William H. Harrison to be the Corps of Engineers, Department of the Army. The Corps has licensed that tract to the State of Montana for the purpose of conducting training as directed. The license runs for the period of intended use and is renewed every 5 years.The plot of land proposed for the Veterans Cemetery is part of the Fort Harrison land mass and is subject to the conditions of the license.

3. The 1984 survey conducted by the General Services Administration in compliance with Executive Order 12348 identifies portions of Fort Harrison that they consider to be under utilized and in excess of the required needs of the users/owners. The report further identifies the excess land to be a 400 acre portion of the parcel of land on the northern boundary of the reservation known as the Head Ranch. The proposed cemetery plot as depicted in the Certificate of Survey is not identified as excess by the Report of Survey.

4. The parcel of land intended to be used as the Veterans Cemetery plot appears to have no encumbrances attached and can be utilized as you may direct within the guidelines of the Corps of Engineers license.

MICHAEL E. BOLIN,
LTC, MT ARNG.
Facilities Management Officer.

By Mr. MOYNIHAN:

S. 1194. A bill to amend titles IV, XVI, and XVIII of the Social Security Act and chapter 1 of the Internal Revenue Code of 1954 to reverse the present upward trend in the poverty rate, particularly among children and the elderly; to the Committee on Finance.

FAMILY ECONOMIC SECURITY ACT

● Mr. MOYNIHAN. Mr. President, I rise today to introduce the Family Economic Security Act, comprehensive legislation to reverse the current, and deeply troubling, worsening trends in poverty, particularly among children. Today my good friends and very able colleagues, Congressman HAROLD E. FORD and CHARLES B. RANGEL, are introducing companion legislation in the House of Representatives.

Mr. President, the matter can be put simply: A country that fails to put its children first, finishes last. This is the challenge we face today. Probably for the first time in the history of this country, children are far more likely to be poor than are older persons.

Advancing age was always associated with poverty; Social Security has changed that. Just a generation ago, it would not have been imagined that the time would come when the elderly, as a group, would experience a poverty rate below that of the entire population. It surely would not have been imagined that the time would come in America when a 3-year-old would be more likely to be poor than someone who had lived to be three score and ten. Yet, in 1983, that was precisely the situation we experienced. In 1959, the poverty rate for children was about one-fourth less than that of the aged. By 1983, it was almost one-half above the 1983 poverty rate for the aged.

According to the CBO, there are 13.8 million children under age 18 living in poverty in our country today; the poverty rate among children—22.2 percent—is higher today than at any time since 1962.

The Congressional Budget Office provides this perversely inverted triangle of the 1983 poverty rates: 23 percent of preschool children lived in poverty; 21 percent of school aged children lived in poverty; 14 percent of the elderly lived in poverty; and 12 percent of non-elderly adults lived in poverty.

Our response to poverty has compounded this situation. We provide a working system of income supports for the elderly and disabled through Social Security and supplemental security income—all with certain minimum benefit standards and indexed for inflation—but nothing of the sort of children. Taking into account the market value of the in-kind support we provide elderly persons, the Census Bureau estimates that the poverty rate for elderly Americans was but 3.3 percent in 1983. Applying the value of in-kind benefits to the poverty rate among preschool children, their 1983 poverty rate dropped to only 18.2 percent. That is to say, the rate of poverty among the very young in the United States has become nearly six times as great as the rate among the old. We have allowed such to happen, and we must take steps to correct it.

The Family Economic Security Act seeks to address this situation, by restoring the value of the assistance we provide poor families and dependent children and taking the steps to maintain this support in the future. First and foremost, this legislation would establish a national standard for AFDC payments, which is to say a uniform, minimum benefit level. Such a uniform standard would establish a genuine national concern for children. Its absence is the clearest example we have of a national family policy that, in effect, denies policy.

It did not begin as such. Fifty years ago, Congress approved the Social Security Act and, within it, title IV. Title IV permits each State to define the needs of poor children in its jurisdiction and set benefit levels accordingly. A half-century later, an AFDC family of four in Mississippi can receive no more than $120 a month; an equally poor family in Vermont receives five times as much, $622 a month. By permitting this do we not say that, as a nation, we are content that children should be valued differently in the different States of the Union?

Nor have we demonstrated any awareness, or caring, about the impact of inflation on poor children. Nationally, between 1970 and 1985, the real value of AFDC benefits declined 37 percent. During this same period, we indexed nearly every benefit that come out of our social insurance arrangements in this country—those for the aged, for the disabled, for the veterans, for the civil servants, for the retired—save those for children. Only the children have been left out.

This legislation would restore the lost purchasing power of AFDC benefits and mandate regular benefit increases to keep pace with inflation in the future. The measure would mandate a minimum benefit level such that combined AFDC and food stamp benefits would equal at least a specified percentage of the poverty level, beginning at 55 percent and rising to 70 percent over 5 years. According to CBO, this minimum benefit standard would increase monthly AFDC benefits for an estimated 2.3 million families already receiving benefits and make another 300,000 families newly eligible.

Similarly SSI benefits—for the most needy blind, elderly and disabled persons—would be increased $20 per month for individuals and $30 per month for couples.

The Family Economic Security Act would also mandate AFDC coverage for needy two-parent families, and require all States to have AFDC-unemployed parent programs. According to CBO, the provision for low-income

two-parent families would enable 450,000 more poor families to qualify for AFDC; extending the AFDC-UP Program in all States would assist an additional 100,000 poor families.

The Family Economic Security Act also addresses the serious economic, social and health consequences of adolescent child bearing. A child born to a teen mother is at far greater risk of a large range of health, social, emotional and economic problems, than is a child whose mother is 20 years or older. The National Institute of Child Health and Human Development has examined the social, emotional, and intellectual development of children born to teen-age parents. The Institute found that children born to parents age 18 and younger scored lower on standardized tests of cognitive development, than did children born to parents ages 18 and 19. These children were also more likely to be living in single-parent homes in high school, and to score lower on academic aptitude tests in their teens.

As expected, serious economic consequences are associated with early childbearing. Most teen mothers fail to finish high school, and consequently increase their prospects of finding themselves on welfare. Today, more than 60 percent of all women on AFDC were teenagers when they had their first child.

It is quite clear that adolescent parents are not only more likely to require welfare assistance, but also more likely to be dependent on welfare for a longer time, than are more mature parents. This is a recent finding by Mary Jo Bane and David Ellwood of Harvard University. In "The Dynamics of Dependency: The Routes to Self-Sufficiency," Bane and Ellwood examined the characteristics of those on welfare for long periods of time. They found:

> There are dramatic differences in the length of AFDC spells among different groups of recipients. Women who become a female head by having a child, nonwhites, high school dropouts, mothers with many children, and those without previous earnings all have longer spells of AFDC.

They also found that three-fourths of all spells on AFDC began when a woman became head of a family, while only 12 percent began when a woman with children lost her job. The CBO estimates that reducing the birth rate of teenagers—under age 20—by one-half would, of itself, reduce AFDC costs 25 percent by 1990.

The Family Economic Security Act contains two provisions to help States reduce pregnancies among teenagers and provide the services young mothers need to complete their educations and prepare for employment. States could apply for Federal moneys to help support comprehensive services for teenage mothers, to help them remain in school or find jobs. These funds could also be used to support the range of services that are essential components of any effort to avert long-term welfare dependency—child care, employment training, job placement and academic and vocational education. The Family Security Act also would provide AFDC coverage to any eligible women from the time her pregnancy is confirmed.

Any progress toward meaningful welfare reform must strengthen work incentives and assist AFDC recipients attain job skills. The Family Economic Security Act recognizes this, and would permanently authorize both the Work Incentive Program [WIN] and the WIN Demonstration Program.

The Family Economic Security Act would also increase block grant funds to the States for innovative work programs, including supported work and grant diversion programs. The lasting benefits of supported work programs have recently been demonstrated by an extended demonstration and research project conducted by the Manpower Demonstration Research Corp. [MDRC]. MDRC examined the results of training programs for hard-to-employ people—older women, AFDC mothers, ex-offenders. For 27 months, an experimental group of 1,600 AFDC mothers received jobs, training, and special supervision—supported work environments. The women in the supported work program worked more and earned more than those in the control group, and these differences remained significant after the program ended. The program reduced welfare dependency: by the last 9 months of the program, participants were twice as likely to have left the welfare rolls as those in the control group. Those who needed the most help made the most gains—older AFDC women—age 36-44—those with no previous work histories, and those with the longest AFDC histories.

The Family Economic Security Act, by making more funds for such available to the States, will encourage the implementation of successful work programs such as the supported work concept.

Tax burdens for low-income families would also be lessened by this legislation. The Family Economic Security Act would gradually increase the earned income tax credit [EITC] over the next 3 years from its current maximum level of $550 to $800, and index its provisions to inflation thereafter. CBO estimates that this provision will extend the EITC to 3.7 million more low-income working families. The Family Economic Security Act further would increase the zero bracket amount for heads of households, to that of married couples filing jointly. This would substantially reduce the tax burden for low-income single-parent households. This provision, when combined with the increase in the EITC, will make the Tax Code substantially more equitable for millions of working single-parent families—many of them headed by women. For example, a woman with two children, poverty level earnings and no day care expenses—as a result of these two changes—would pay $81 in Federal taxes. That comes to $677 less than under current law.

In closing, Mr. President, may I say a few words about the costs of this proposal, for many will say it would cost too much. CBO has not yet completed a final cost estimate for the legislation, but we know that the costs will not be insubstantial. Remember, the costs of allowing more and more children to slip into poverty will also be high. The situation of 14 million children living in poverty in this country did not happen by itself; we allowed it to happen by neglecting to maintain the value of our public assistance programs. And we must respond before the situation worsens further. We certainly do not expect the Family Economic Security Act to be enacted overnight; we offer it as the future reform agenda for this country's welfare system.

I urge my colleagues support of the Family Economic Assistance Act. Our children deserve no less.

I ask unanimous consent that the full text of the bill and the attached summaries be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1194

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE; TABLE OF CONTENTS.

This Act may be cited as the "Family Economic Security Act of 1985".

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Sec. 17. Amendments to targeted jobs credit.
Sec. 18. Zero bracket amount for heads of households.
Sec. 19. Mandatory medicaid coverage for SSI recipients.
Sec. 20. General effective date.

SEC. 2. PURPOSE.

It is the purpose of this Act to reverse the upward trend in the poverty rate which has been developing over the past several years, particularly among children, by—

(1) mandating a minimum AFDC benefit standard and encouraging the States to improve and maintain the purchasing power of their AFDC and SSI supplementary benefits;

(2) strengthening AFDC work incentives and encouraging the States to operate a variety of special work programs to reduce welfare dependency;

(3) making AFDC protection available to low-income two-parent families, creating a safety net for long-term unemployed persons and their families;

(4) reducing poverty among elderly persons, particularly elderly widows age 80 and above; and

(5) reducing the Federal tax burden for working families below the poverty level.

SEC. 3. ENCOURAGEMENT OF SUPPORTED WORK PROGRAMS AND OTHER PROGRAMS TO REDUCE WELFARE DEPENDENCY.

(a) ELECTIONS BY STATES TO CONDUCT SPECIFIED DEMONSTRATION PROJECTS IN LIEU OF PARTICIPATION IN WIN PROGRAM.—(1) Section 402(a)(19) of the Social Security Act is amended by striking out "provide—" and inserting in lieu thereof the following: "provide that the State will have in operation at any time, at its election, either the work incentive programs established for the State under section 432 or a demonstration project or projects established by the State under section 1115(b) (with provision for the effective coordination of such programs or such project or projects with other employment programs in the State, especially those authorized by the Job Training Partnership Act); and further provide (to the extent consistent with an appropriate for such election, as determined in accordance with regulations of the Secretary)—".

(2) Section 432(a) of such Act is amended—

(A) by inserting "(1)" after "(a)"; and

(B) by adding at the end thereof the following new paragraph:

"(2) Each State shall be required to participate in and carry out the programs established under paragraph (1), in accordance with this part and subparagraphs (A) through (H) of section 402(a)(19), except during periods for which it has elected instead (in accordance with such section 402(a)(19)) to have in operation one or more demonstration projects under section 1115(b).".

(3) Section 1115(b) of such Act is amended by striking out paragraph (6).

(b) GRANTS TO STATES FOR PROGRAMS TO REDUCE WELFARE DEPENDENCY.—Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"GRANTS TO ENCOURAGE PROGRAMS DESIGNED TO REDUCE WELFARE DEPENDENCY

SEC. 416. (a) The Secretary, from sums appropriated therefor, shall make annual grants as provided in this section to each State which has a plan approved under section 402(a).

"(b) Grants under this section shall be for the purpose of, and shall be used by the recipient States in carrying out, special programs, projects, and experiments designed to reduce the dependency of individuals and families who are eligible for aid to families with dependent children, including—

"(1) a supported work or grant diversion program for long-term adult recipients of such aid and other persons who have particular difficulty in finding and obtaining employment;

"(2) work experiments aimed at easing the transition of such individuals and families to jobs in the private sector; and

"(3) other programs, projects, and experiments which are likely to assist in reducing the dependency of such individuals and families and in achieving the purpose of this part.

Grants to any State under this section shall be made only on the basis of a plan, submitted to the Secretary by such State and approved by the Secretary, setting forth in general terms the manner in which the proceeds of such grants are to be used in carrying out the objectives and purposes of this section; but the particular programs, projects, and experiments to be carried out by any State with the proceeds of such grants shall be determined by that State.

"(c)(1) Subject to paragraph (2), the grant under this section to any State for any fiscal year shall be in an amount equal to 2 percent of the Federal share (under section 403(a) or 1118) of the total amount expended during such fiscal year as aid to families with dependent children under the State's plan approved under section 402.

"(2) The percentage to be used under paragraph (1) in determining the amount of the grant under this section to any State for any fiscal year after the first fiscal year of the program under this section shall be the percentage so used for the preceding fiscal year, increased by 1 percentage point (unless such increase is disapproved by the Secretary on the basis of his or her evaluation of the State's use of its grant for such preceding fiscal year under subsection (d)(3)); but such percentage shall in no case exceed 7 percent.

"(d)(1) Prior to expenditure by a State of any grant payments made to it under this section for any fiscal year, the State shall report to the Secretary on the intended use of such payments; and such report shall be revised from time to time throughout the fiscal year involved if and to the extent that there are significant changes in such use.

"(2) Each State, at the close of any fiscal year for which it received a grant under this section, shall submit to the Secretary a full and complete report on the activities carried out with the proceeds of such grant. The report shall be in such form and contain such information as may be necessary to provide an accurate description of such activities, to provide a complete record of the purposes for which the grant funds were spent, to indicate the extent to which such funds were spent in a manner consistent with the report or reports submitted under paragraph (1), and to indicate the extent to which the expenditure of such funds succeeded in accomplishing the objectives for which the grant was made.

"(3) The Secretary, on the basis of the reports submitted by a State under paragraphs (1) and (2) for any fiscal year and of such additional information as may come to his or her attention, shall evaluate the use by such State of the grant made to it under this section for that year in the light of the objectives for which the grant was made and the purposes of this section. If as a result of such evaluation the Secretary determines that the grant was used in a manner inconsistent with such objectives and purposes or if such reports were insufficient to indicate whether or not the grant was so used, the Secretary shall notify such State of his or her disapproval, and the grant to such State for the succeeding fiscal year shall not be increased as otherwise provided in subsection (c)(2).

"(e)(1) Grant payments to a State under this section for any fiscal year—

"(A) shall be used (subject to paragraph (2)) only to assist individuals and families eligible for aid to families with dependent children, and may not be used to replace funds otherwise available for the assistance of such individuals and families;

"(B) may be made on an estimated basis in advance of the determination of the exact grant amount under subsection (c), with appropriate subsequent adjustments to take account of any error in the estimates; and

"(C) shall be expended by such State in that fiscal year or in the succeeding fiscal year.

"(2) A State may transfer up to 10 percent of the grant payments made to it under this section for any fiscal year for use in that year under section 417 in carrying out programs to prevent teenage pregnancies and to assist pregnant individuals and mothers of young children in achieving self-sufficiency. The State shall inform the Secretary of any transfer of funds made under this paragraph.".

SEC. 4. MANDATORY MINIMUM AFDC BENEFIT LEVEL; ENCOURAGEMENT OF STATES TO MAINTAIN AFDC BENEFIT LEVELS.

(a) MANDATORY MINIMUM BENEFIT LEVEL.—(1)(A) Section 402(a) of the Social Security Act is amended—

(i) by striking out "and" after the semicolon at the end of paragraph (38);

(ii) by striking out the period at the end of paragraph (39) and inserting in lieu thereof "; and"; and

(iii) by adding after paragraph (39) the following new paragraph:

"(40) provide—

"(A) that the State agency shall make monthly payments to each family with dependent children in an amount determined (for any month in a particular calendar year) by subtracting, after the application of paragraph (7), (8), and (13), the monthly income of the family for the month involved (other than amounts provided under this part) from its monthly cash need standard for such month (which shall be equal to one-twelfth of the annual cash need standard for such calendar year as established by the State under subparagraph (B) of this paragraph) or, at the option of the State, from its payment standard for such month (which shall be equal to one-twelfth of the annual payment standard for such year as so established); and

"(B) that, with respect to any calendar year, the State shall establish for any family with dependent children—

"(i) an annual cash need standard, and

"(ii) an annual payment standard specifying the amount of aid to families with dependent children that the family would receive for months in such year under the plan (regardless of whether it does) if it had no other income,

such that, in the case of any such family with no income other than income under this part (and reducing such income only by the applicable standard deduction for months in such year as specified in section 5(e) of the Food Stamp Act of 1977), each of such standards (whether or not they are the same), when added to the total value of the monthly allotments of food stamp coupons for months in such year under the Food Stamp Act of 1977, will equal an amount that is not less than the applicable percentage (as determined under subsection (f)) of the poverty level for such year (as so determined) for a family with the same number of members as such family, or that is not less than the amount determined under

clause (II) (in the matter which follows) in the case of a family to which such clause applies; except that (I) the total value of the monthly allotments of food stamp coupons in the case of any family shall be considered to be the total value of the allotments which such family would receive if it were considered a household with no income (except under this part) for purposes of the Food Stamp Act of 1977 (whether it is actually living alone or with one or more other persons or families), and (II) in the case of a family which includes one or more dependent children but in which there is no adult whose needs are taken into account in determining the amount of aid payable (unless the application of this clause would result in a larger amount of aid for such family than the amount of aid which would be paid to a family of the same size and income which includes one or more such adults), the annual cash need and payment standards established by the State shall be such that each such standard (without taking into account the value of any monthly allotments of food stamp coupons) will equal an amount that is not less than the applicable percentage (as determined under subsection (f)) of the difference between the poverty level for such year (as so determined) for a family with three members and the poverty level for such year (as so determined) for a family with a number of members equal to three plus the number of such dependent children;".

(B) Section 402 of such Act is further amended by adding at the end thereof the following new subsection:

"(f) For purposes of subsection (a)(40)(B)—

"(1) the term 'applicable percentage' (with respect to any calendar year) means—

"(A) 55 percent in the case of the calendar year 1986 (and with respect to the last three months of 1985),

"(B) 58 percent in the case of the calendar year 1987,

"(C) 61 percent in the case of the calendar year 1988,

"(D) 64 percent in the case of the calendar year 1989,

"(E) 67 percent in the case of the calendar year 1990, and

"(F) 70 percent in the case of the calendar year 1991 and any subsequent calendar year; and

"(2) the Secretary shall determine and promulgate the poverty level to be effective in each State with respect to months in any particular calendar year no later than October 1 of the preceding year, basing such determination on the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) most recently prescribed for the forty-eight contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively, but updating the poverty line as so defined and prescribed to take account of projected inflation through the month of June of the particular calendar year involved.".

(2) Section 402(a)(1) of such Act is amended to read as follows:

"(1) provide that the plan shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; except that the State, in accordance with the Secretary's regulations, may vary its cash need standards or its payment standards or both (but not below the minimum established under paragraph (40)) with respect to families with dependent children so as to take into account differences in the cost of living in different geographical regions of the State, but—

"(A) the State may take into account no more than six levels of such cost with respect to such families, and

"(B) the cash need standards and the payment standards must each be the same for all families with dependent children which are of the same size and are living within the same geographical region of the State;"

(3)(A) Subject to the succeeding provisions of this paragraph, the amendments made by this subsection shall be effective October 1, 1985.

(B) Notwithstanding the date specified in section 402(f)(2) of the Social Security Act (as added by paragraph (1)(B) of the subsection) for the determination of the poverty level with respect to months in any particular calendar year, such determination with respect to the last three months in 1985 may be made after the date of the enactment of this Act and shall be made (in the manner provided in such section) as soon as possible after such date.

(C)(i) Notwithstanding section 402(a)(1) of the Social Security Act, as amended by paragraph (2) of this subsection, a State plan for aid and services to needy families with children shall not be regarded as failing to comply with the requirements imposed under part A of title IV of such Act if such plan—

(I) provides that, with respect to a family that received aid for September 1985 under such plan, the payment standard as defined in clause (ii) which was applicable to the determination of the amount of aid payable to such family may continue to apply and be treated as the monthly payment standard established pursuant to the amendments made by this subsection (but only if and for so long as it is greater than the applicable monthly payment standard established pursuant to such amendments) for that period of consecutive months during which such family is continuously eligible for such aid, and the expenditures resulting from the application of such standard shall be considered expenditures for aid to families with dependent children under such plan; or

(II)(A) takes into account, for no more than 48 months following the effective date of this subsection, a greater number of levels of cost of living in different geographical regions of the State than would be permitted under the amendment made by paragraph (2), but only if the State, by an amendment approved by the Secretary of Health and Human Services to its plan approved under part A of title IV of such Act, demonstrates that it is making substantial progress in reducing the number of such levels so that, by the expiration of such 48 months, it will comply with the amendment made by paragraph (2); or

(B) takes into account a greater number of levels of cost of living in different geographical regions of the State than would be permitted under the amendment made by paragraph (2), but only to the extent that such greater number is approved by the Secretary of Health and Human Services upon a finding that good cause exists for the continued use under the plan of such State of such greater number of levels.

(ii) For purposes of clause (i)(I), the term "payment standard" with respect to a family that received aid to families with dependent children for September 1985 means the amount of such aid that such family would have received (regardless of whether it did) for such month if it had no other income.

(b) MAINTENANCE OF BENEFIT LEVELS.—(1) Section 403 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(k)(1) In the case of any State which, after May 22, 1985, increases the level of the aid to families with dependent children which is payable under its approved State plan (with respect to all families or only with respect to families of one or more specified sizes), the percentage of the total amount expended during any quarter as aid to families with dependent children under such plan which is payable to the State as the Federal share of such expenditures under subsection (a)(1) or (2) (with or without the application of section 1118), to the extent that the total amount so expended is attributable to such increase, shall be determined as follows:

"(A) The percentage of the State share of the expenditures attributable to such increase, as it would be determined by the application of subsection (a)(1) or (2) without regard to this subsection, shall be reduced by 30 percent, and

"(B) the Federal share of the expenditures attributable to such increase shall be 100 percent minus the reduced State share as determined under subparagraph (A);

and the resulting net Federal share of the total amounts expended during such quarter as aid to families with dependent children under the State plan (including both the expenditures to which this paragraph applies and the expenditures to which it does not) shall be determined as provided in paragraph (2).

"(2)(A) Whenever a State (after May 22, 1985) increases the level of the aid to families with dependent children which is payable under its approved State plan, the Secretary shall determine with respect to each particular size of family separately specified under the plan (assuming for this purpose that no family has any other income)—

"(i) the level of such aid (expressed as a monthly dollar amount) immediately before such increase becomes effective;

"(ii) the level of such aid (expressed as a monthly dollar amount) immediately after such increase becomes effective;

"(iii) the dollar amount of the increase (if any) in such level; and

"(iv) the percentage of the State's total AFDC caseload (i.e., of the total number of families receiving aid under the plan) which is represented by families of that particular size.

"(B) The Federal share of the expenditures which are made as aid to families with dependent children under the State plan with respect to families of any particular size during any quarter beginning with the first quarter in which the increase is effective, and which (if any) are attributable to such increase, shall be a percentage equal to—

"(i) the sum of (I) the level determined under subparagraph (A)(i) for such families multiplied by the net Federal percentage determined under subsection (a) (1) or (2) or section 1118 without regard to this subsection, and (II) the amount of the increase (if any) determined under subparagraph (A)(iii) for such families multiplied by the percentage of the Federal share of the expenditures attributable to such increase as determined under paragraph (1)(B),

divided by—

"(ii) the level determined under subparagraph (A)(i),

with the resulting quotient multiplied by—

"(iii) the percentage of the State's total AFDC caseload which is represented by families of that particular size as determined under subparagraph (A)(iv).

"(C) The net Federal share of the total amounts expended during the quarter involved as aid to families with dependent children under the State's approved plan for purposes of subsection (a) (1) or (2) shall be a percentage equal to the sum of the percentages determined for all family sizes by the application of clauses (i), (ii), and (iii) of subparagraph (B) to families of each such size separately; and the percentage of such net Federal share as so determined shall be in lieu of the percentage which would otherwise be applied under subsection (a) (1) or (2) or under section 1118.

"(3) This subsection shall not apply in the case of an increase by a State in its level of aid to families with dependent children except to the extent that the level of such aid, after such increase, exceeds 55 percent of the poverty level (as determined under section 402(f)(2)) for the year in which such increase becomes effective.".

(2)(A) Section 403(a) of such Act is amended by striking out "an amount equal to" in paragraphs (1) and (2) and inserting in lieu thereof in each instance "an amount (subject to subsection (k)) equal to".

(B) The first sentence of section 1118 of such Act is amended by inserting "(subject to section 403(k))" after "be determined".

SEC. 5. MANDATORY PROGRAM OF AFDC FOR NEEDY CHILDREN IN TWO-PARENT FAMILIES NOT OTHERWISE ELIGIBLE.

(a) IN GENERAL.—Section 402(a) of the Social Security Act (as amended by section 4(a)(1) of this Act) is further amended—

(1) by striking out "and" after the semicolon at the end of paragraph (39);

(2) by striking out the period at the end of paragraph (40) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (40) the following new paragraph:

"(41) provide that payments of aid will be made under the plan with respect to dependent children in two-parent families not otherwise eligible, in accordance with section 407.".

(b) AMENDMENTS TO PROVISIONS RELATING TO AID FOR CHILDREN IN TWO-PARENT FAMILIES.—(1) Section 407(a) of such Act is amended by striking out "shall" and all that follows down through "who is living" and inserting in lieu thereof the following: "shall include a needy child who (though not deprived of parental support or care by reason of the death, absence, or incapacity of a parent as otherwise required by section 406(a)(1)) meets the requirements of section 406(a)(2) and is living".

(2) Section 407(b) of such Act is amended by striking out "(b) The provisions" and all that follows down through "(2) provides" and inserting in lieu thereof the following:

"(b) In providing for the payment of aid under the State's plan approved under section 402 in the case of families which include dependent children within the meaning of subsection (a) of this section, as required by section 402(a)(41), the State's plan—

"(1) may establish such work requirements and related registration and training requirements (subject to paragraph (2)) as the State deems appropriate, except that (whether or not the plan establishes such requirements)—

"(A) if either of the parents is required to register for manpower services, training, employment, and other employment-related activities under section 402(a)(19) or would be required to so register but for clauses (i), (iii), (v), (vi), and (viii) of subparagraph (A) of such section, at least one of them——

"(i) must register for manpower services, training, employment, and other employment-related activities in accordance with such section (without regard to the exemptions otherwise provided by clauses (i), (iii), (v), (vi), and (viii) of subparagraph (A) thereof), and

"(ii) must participate actively (in accordance with regulations prescribed by the Secretary) in job search and training or in a workfare, grant diversion and work supplementation, or other program established by the State,

"(B) any work which is required to be performed in a public service employment program, community work experience program, or other work program established by the State, or allowed by the State to be performed on a voluntary basis in connection with such a program, must be compensated at a rate no lower than the applicable Federal minimum wage,

"(C) If both parents in the family are required to work, adequate day care for the child or children must be provided or arranged for, and

"(D) at least 8 hours a week must be set aside for job search in the private sector; and

"(2) shall provide".

(3) Section 407(b)(2) of such Act is amended by striking out "parent described in paragraph (1)(A)" each place it appears and inserting in lieu threof "parent who is the principal earner".

(4) Section 407(c) of such Act is amended—

(A) by striking out "(i) for any part" and all that follows down through "and (B)" and inserting in lieu thereof "for any period during which the parent fails to satisfy any requirements imposed under subsection (b)(3), and (B)"; and

(B) by striking out "subsection (b)(2)" and inserting in lieu thereof "subsection (b)(4)".

(5) Section 407(d) of such Act is amended—

(A) by striking out paragraphs (1), (2), and (3);

(B) by striking out "any child" in paragraph (4) and inserting in lieu thereof "any dependent child within the meaning of subsection (a)"; and

(C) by striking out "on the basis of the unemployment of a parent" and "on that basis" and inserting in lieu thereof in each instance "with respect to such child".

(c) INCREASE IN AMOUNT OF PAYMENTS TO STATES.—(1) Section 403 of such Act (as amended by section 4(b) of this Act) is further amended—

(A) by striking out "(subject to subsection (k))" in paragraphs (1) and (2) of subsection (a) and inserting in lieu thereof in each instance "(subject to subsections (k) and (l))"; and

(B) by adding at the end thereof the following new subsection:

"(l) To the extent that a State's expenditures during any quarter as aid to families with dependent children under the State plan are made with respect to families that include one or more dependent children within the meaning of section 407(a), the payment to which the State is entitled for such quarter under paragraph (1) or (2) of subsection (a) shall be in an amount equal to 75 percent of such expenditures instead of the amount otherwise determined under such paragraph, if the application of this subsection (taking into account only expenditures which would otherwise be included in determining the amount of such payment, and applying any maximums on the dollar amount per recipient which may be counted under such paragraph) would increase the amount of such payment.".

(2) The last sentence of section 1118 of such Act is amended to read as follows: "As used in the preceding sentence, the term 'Federal medical assistance percentage' means 75 percent (instead of the percentage otherwise determined under section 1905)—

"(1) for purposes of determining the portion of any Federal payment to a State under paragraph (1) or (2) of section 403(a) which is attributable to expenditures made as aid to families with dependent children, under a State plan approved under part A of title IV, with respect to families that include one or more dependent childen within the meaning of section 407(a), but only if the application of this sentence for such purposes would increase the amount of such payment; and

"(2) in the case of Puerto Rico, the Virgin Islands, and Guam.".

SEC. 6. GRANTS TO REDUCE THE RATE OF TEENAGE PREGNANCY AND TO ASSIST PREGNANT INDIVIDUALS AND MOTHERS OF YOUNG CHILDREN IN ACHIEVING SELF-SUFFICIENCY; AID TO PREGNANT WOMEN FROM DATE ON WHICH PREGNANCY IS CONFIRMED.

(a) ESTABLISHMENT OF GRANT PROGRAM.—Part A of title IV of the Social Security Act (as amended by section 3(b) of this Act) is further amended by adding at the end thereof the following new section:

"GRANTS FOR PROGRAMS TO PREVENT TEENAGE PREGNANCIES AND TO ASSIST PREGNANT INDIVIDUALS AND MOTHERS OF YOUNG CHILDREN IN ACHIEVING SELF-SUFFICIENCY

"SEC. 417. (a)(1) From the sums appropriated therefor, the Secretary shall make grants in accordance with this section to assist States and localities in establishing and carrying out programs—

"(A) to reduce the rate of teenage pregnancies in AFDC families; and

"(B) to help pregnant individuals and mothers of young children in such families, who might otherwise become long-term recipients of aid to families with dependent children, in achieving self-sufficiency.

Any State may provide for the establishment and carrying out of one or more such programs.

"(2) The State agency administering or supervising the administration of the State's plan approved under section 402 shall be responsible for administering or supervising the administration of the State's programs described in paragraph (1) for which grants under this section are made. Such grants shall be made directly to the State agency, and may be—

"(A) used by such agency for the purpose of conducting and providing in accordance with this section (directly or under contracts with others) the activities and services required to carry out the program or programs involved; or

"(B) paid by such agency to local school districts or to other local agencies or public or private nonprofit entities meeting the requirements of this section, under arrangements made with such districts or (through such districts) with such other agencies and entities, for use by such districts, agencies, or entities in conducting and providing in accordance with this section (directly or under contracts with others) the activities and services required to carry out the program or programs involved.

"(3) In order to qualify for grants under this section with respect to a program described in paragraph (1) in any State, the State agency must submit to the Secretary, in such manner and form as the Secretary may prescribe, a full and complete description of the program together with satisfactory assurances that the program will be operated in an effective and efficient manner and will otherwise meet the requirements of this section.

"(4) Grants made under this section shall be in addition to any amounts payable to States under section 403, and shall supplement and not replace any other funds which may be available for the same general purposes, or for the provision of services of any kind to needy individuals, in the localities involved.

"(b)(1) In carrying out the purpose described in subparagraph (A) of subsection (a)(1), it shall be the objective of each program under this section (subject to the availability of funds) to—

"(A) conduct and provide all possible activities and services which may help to reduce pregnancies among teenage male and female individuals, targeting such activities and services to children who are eligible for aid to families with dependent children, in order to assure that such individuals will not be prevented from achieving self-sufficiency by family responsibilities imposed upon them before they reach adulthood;

"(B) identify and address all of the factors which may play important roles in determining teenage sexual activity and contraceptive use;

"(C) encourage active participation by the parents of the children involved in the activities and services being conducted or provided under the program; and

"(D) encourage the children involved to develop believable education and employment goals for the future, combining new and existing resources to assist such children in achieving those goals and encouraging such children to postpone sexual activity and child bearing and assume responsibility for family planning in order to achieve them.

"(2) To the maximum extent appropriate and feasible, the activities conducted and services provided in carrying out the purpose described in subparagraph (A) of subsection (a)(1) shall include the services which are made available to pregnant indivduals and mothers with young children under the program as more specifically decribed in subsection (c).

"(c)(1) In carrying out the purpose described in subparagraph (B) of subsection (a)(1), it shall be the objective of each program under this section (subject to the availability of funds) to help achieve self-sufficiency for individuals under the age of 25 who are eligible for aid to families with dependent children, who (at the start of their participation in the program) are pregnant or are mothers with children under the age of 6, and who voluntarily elect to participate in the program, by—

"(A) requiring such individuals to seek a high school diploma or its equivalent or to take part in appropriate training,

"(B) providing each participant with academic or vocational training, job counseling, employment readiness, and job placement services,

"(C) integrating and coordinating services otherwise available to participants, and

"(D) providing each participant with other services and assistance designed to meet such objective, including an individualized assessment and plan, as more particularly described in subsection (c).

"(2) Participation in program activities conducted and services provided with the objectives specified in paragraph (1) shall be limited to individuals under the age of 25 residing within the area covered by the program who are pregnant, or who are mothers of dependent children under the age of 6 and are caring for such children, and shall include any such individual only if (at the time of her initial participation in the program)—

"(A) she is eligible under the preceding provisions of this part (individually or as a member of a family) for aid to families with dependent children under the State's plan approved under section 402, or the child for whom she is caring is eligible for such aid,

"(B) she has not graduated from high school or its equivalent, and

"(C) she voluntarily elects to participate.

"(3) A program described in subsection (a)(1) meets the requirements of this section only if the activities conducted and services provided with the objective specified in paragraph (1) include—

"(A) provision for the assignment to each participant of an agency staff person who, utilizing the case management approach and in coordination with the participant, will establish an individualized program, based on an individualized assessment of need and set forth in an individualized written plan, to meet the health needs of the participant and her dependent (or unborn) child, and to ensure the provision and coordination (on behalf of such participant and child) of such other services as the State determines to be necessary or appropriate to carry out the objective of this section, including, at a minimum, academic and vocational services, training in parenting skills, job counseling, employment readiness, job placement, transportation, and child day care;

"(B) provision for the integration and coordination of services which are otherwise available at the local level to individuals under age 25 who are pregnant or are mothers with children under age 6 and which are offered under this part, under parts B and C of this title, under title V, under title XX, under the Job Training Partnership Act, and under other Federal and State programs which would assist in achieving the objective of the program under this section;

"(C) provision for the coordination (with the local school system) of academic and vocational programs leading to a high school diploma or its equivalent, with a requirement of active participation in an educational program leading to a high school diploma or its equivalent, or in an appropriate training program, as a condition of participation in the program under this section;

"(D) provision for job counseling, training, employment readiness, and job placement and relevant supportive services independently or in conjunction with one or more programs of employment and training under part C of this title, under the Job Training Partnership Act, or under another Federal or State law;

"(E) provision of child care at the program site or of other child day care services which have been contracted for on a reimbursable basis, to the extent necessary for mothers to participate effectively in the program, with a requirement that such care and services meet applicable State and local standards and with emphasis upon services that are compatible with the goal of achieving self-sufficiency;

"(F)(i) assurances that all such child care and services, and any transportation to and from work which is necessary for a mother or pregnant individual to participate effectively in the program, will be provided or arranged for without any charge to such mother or individual while she is participating in any phase of the program, and

"(ii) assurances that such care, services, and transportation will be provided or arranged for on a sliding scale basis (with charges based on ability to pay) during at least the first 6 months of work after the mother or pregnant individual has completed her participation in the program, in order to ensure a smooth transition into the workforce;

"(G) provision for variations in the selection and offering of services to individual participants to the extent necessary to take account of differences in the needs of such participants and in their age, family composition, cultural background, and geographic location;

"(H) assurances that, in order to encourage participants to take advantage of the full range of services offered, as many of such services as possible will be provided at a single site, with program and activities being conducted in the local schools to the maximum extent feasible;

"(I) provision for the establishment of peer groups of participants, led by experienced group counselors, to meet and discuss program-related problems and issues, to share their common concerns, and to serve as a medium for the communication and dissemination of relevant information; and

"(J) provision for the establishment of an outreach program designed to attract pregnant individuals and mothers of young children who would be eligible to participate.

Program activities conducted and services provided with the objective specified in paragraph (1) must include but need not be limited to the services and assistance set forth in the preceding provisions of this paragraph, and may provide such other health, family planning, educational, training, and social services as may be needed to achieve such objective in cases where the necessary funding is not available from other sources.

"(4) In the case of a mother participating in program activities conducted or services provided with the objective specified in paragraph (1), absences from her child for the purpose of attending a secondary or post-secondary school or participating in other education or training activities as a part of the program shall not be considered 'absences from the child' in determining whether she is exempted under clause (v) of section 402(a)(19)(A) from the requirement of registration under that section.

"(d)(1) Subject to paragraph (2), total grants under this section to any State for any fiscal year shall be in an amount equal to 2 percent of the Federal share (under section 403(a) or 1118) of the total amount expended during such fiscal year as aid to families with dependent children under the State's plan approved under section 402.

"(2) The percentage to be used under paragraph (1) in determining the amount of the grant or grants under this section to any State for any fiscal year after the first fiscal year of the program under this section shall be the percentage so used for the preceding fiscal year, increased by 1 percentage point (unless such increase is disapproved by the Secretary on the basis of his or her evaluation of the State's use of its grant or grants for such preceding fiscal year under subsection (e)(3)); but such percentage shall in no case exceed 7 percent.

"(e)(1) Prior to expenditure by a State of any grant payments made to it under this section for any fiscal year, the State shall report to the Secretary on the intended use of such payments; and such report shall be revised from time to time throughout the fiscal year involved if and to the extent that there are significant changes in such use.

"(2) Each State, at the close of any fiscal year for which it received a grant under this section, shall submit to the Secretary a full and complete report on the activities carried out with the proceeds of such grant. The report shall be in such form and contain such information as may be necessary to provide an accurate description of such activities, to provide a complete record of the purposes for which the grant funds were spent, to indicate the extent to which such funds were spent in a manner consistent with the report or reports submitted under paragraph (1), and to indicate the extent to which the expenditure of such funds succeeded in accomplishing the objectives for which the grant was made.

"(3) The Secretary, on the basis of the reports submitted by a State under paragraphs (1) and (2) for any fiscal year and of such additional information as may come to his or her attention, shall evaluate the use by such State of the grant or grants made to it under this section for that year in the light of the objectives thereof and the purposes of this section. If as a result of such evaluation the Secretary determines that any such grant was used in a manner inconsistent with such objectives and purposes or if such reports were insufficient to indicate whether or not the grant was so used, the Secretary shall notify such State of his or her disapproval, and the amount of the grant or grants to such State for the succeeding fiscal year shall not be increased as otherwise provided in subsection (d)(2).

"(f)(1) Grant payments to a State under this section for any fiscal year—

"(A) shall be used (subject to paragraph (2)) only for the specific purposes described in this section;

"(B) may be made on an estimated basis in advance of the determination of the exact grant amount under subsection (d), with appropriate subsequent adjustments to take account of any error in the estimates; and

"(C) shall be expended by such State in that fiscal year or in the succeeding fiscal year.

"(2) A State may transfer up to 10 percent of the grant payments made to it under this section for any fiscal year for use in that year under section 416 in encouraging programs to reduce welfare dependency. The State shall inform the Secretary of any transfer of funds made under this paragraph.

"(g) Notwithstanding any other provision of this title, payments made and services provided to participants in a program under this section, as a direct consequence of their participation in such program, shall not be considered as income or resources for purposes of determining their eligibility (or the eligibility of any other persons) for aid under the State's plan approved under section 402, or for purposes of determining the level of such aid.

"(h) There are authorized to be appropriated, for the fiscal year 1986 and each subsequent fiscal year, such sums as may be necessary for grants under this section.".

(b) AID TO PREGNANT WOMAN FROM DATE ON WHICH PREGNANCY IS CONFIRMED.—(1) Section 406(b) of the Social Security Act is amended by striking out "or, at the option of the State" and all that follows down through "and includes" in the matter preceding clause (1) and inserting in lieu thereof "or a pregnant woman (from and after medical verification of the pregnancy) in any case where the child would be eligible for aid to families with dependent children in the month of payment if such child had been born and was living with her in that month, and includes".

(2) Section 406(g) of such Act is repealed.

(3) Section 402(a)(19)(A)(ix) of such Act is amended by striking out "if it has been medically verified" and all that follows and inserting in lieu thereof "if the pregnancy has been medically verified at the time such registration would otherwise be required;".

(c) REPEAL OF RELATED PROVISION.—Section 402(a)(39) of such Act is repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 7. DISREGARDING OF UNEARNED INCOME.

(a) IN GENERAL.—Clause (vi) of section 402(a)(8)(A) of the Social Security Act is amended to read as follows:

"(vi) shall disregard the first $100 (or, if greater, the amount determined under subsection (g)) of any unearned income received in such month by any child, relative, or other individual specified in clause (ii), including payments of benefits under title II, payments of unemployment benefits, and child suppoort payments with respect to the dependent child or children in the family (including support payments collected and paid to the family under section 457(b));".

(b) INDEXING OF DISREGARDABLE AMOUNT.—Section 402 of such Act is amended by adding at the end thereof (after the new subsection added by section 4(a)(1)(B) of this Act) the following new subsection:

"(g) Whenever dollar amounts under section 1611 (a) and (b) are increased by any percentage effective with any month under section 1617(a)—

"(1) the dollar amount under subsection (a)(8)(A)(vi) of this section (as specified in such subsection or as previously increased under this subsection) shall be increased by the amount (if any) by which the dollar amount that would have been in effect under such subsection (a)(8)(A)(vi) for the preceding month but for the rounding of such amount pursuant to paragraph (2) of this subsection exceeds the dollar amount in effect for such preceding month; and

"(2) the amount obtained under paragraph (1) shall be further increased by the same percentage as that used under section 1617(a)(2) in increasing such amounts under section 1611 (a) and (b) (and rounded, when not a multiple of $1, to the next lower multiple of $1), effective with the same month as the increase in dollar amounts under section 1611 (a) and (b).".

SEC. 8. PERIODIC REEVALUATION OF STATE NEED STANDARDS.

Section 402(a)(23) of the Social Security Act is amended to read as follows:

"(23) provide that the amounts used by the State to determine the needs of individuals, and any maximums imposed by the State on the amount of aid paid to families, will be periodically reevaluated by the Senate in order to determine whether the amounts and maximums currently in effect adequately reflect any changes in the cost of living (particularly those involving the cost of essentials for daily living) which may have occurred since such amounts and maximums were established;".

SEC. 9. CONTINUED ELIGIBILITY FOR MEDICAID AFTER LOSS OF AFDC ELIGIBILITY.

(a) IN GENERAL.—Section 402(a)(37) of the Social Security Act is amended to read as follows:

"(37) provide that any family which has ceased to receive aid under the plan shall be considered for purposes of title XIX to be receiving aid to families with dependent children under the plan—

"(A) for a period of 12 months after the last month for which the family actually received such aid, and

"(B) for an additional period of up to 12 months at the option of the State;

except that if at any time during the period specified in subparagraph (A) or during an additional period specified under subparagraph (B)—

"(i) the family ceases to include a child who is (or would if need be) a dependent child, or

"(ii) any member of the family (within the meaning of paragraph (8)(B)) terminates his employment or reduces his earned income without good cause or refuses without good cause to accept employment, as described in paragraph (8)(H) (i) or (ii), or fails to cooperate with the State in establishing paternity or obtaining support or other payments as required by paragraph (26)(B),

such period of additional period shall automatically end (at the close of the last month in which the family included such a child or at the close of the month in which such termination, refusal, or failure occurred).".

(b) CONFORMING AMENDMENTS.—(1) Section 406(h) of such Act is repealed.

(2) Section 1902(a)(10)(A)(i)(I) of such Act is amended by striking out "or 406(h)".

(3) Section 1902(e)(1) of such Act is amended by striking out "in at least 3 of the 6 months" and all that follows and inserting in lieu thereof ", and which ceases to receive aid pursuant to such plan, shall be considered to be receiving such aid (and shall remain eligible for assistance under the plan approved under this title) for the period or periods specified in or under section 402(a)(37).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to families which cease to receive aid to families with dependent children (within the meaning of section 402(a)(37) of the Social Security Act, as amended by subsection (a) of the this section) on or after October 1, 1985.

SEC. 10. LIBERALIZATION OF AFDC ASSET RESTRICTIONS.

(a) INCREASE IN DOLLAR LIMIT.—Section 402(a)(7)(B) of the Social Security Act is amended by striking out "exceeds $1,000" and all that follows and inserting in lieu thereof the following: ", determined in accordance with subsection (g), exceeds $2,250 or, in the case of a family consisting of two or more persons one of whom is age 60 or over, exceeds $3,500; and".

(b) SECRETARY TO PRESCRIBE TYPES AND AMOUNTS OF ALLOWABLE RESOURCES.—Section 402 of such Act is further amended by adding at the end thereof (after the new subsection added by section (7)(B) of this Act) the following new subsection:

"(h) The Secretary shall prescribe for purposes of subsection (a)(7)(B) the types and allowable amounts of resources (liquid and nonliquid assets, but not including as a resource for such purposes a home owned and occupied by the family or any member thereof) which a family may own while eligible for aid. In prescribing inclusions in and exclusions from resources for such purposes, the Secretary shall follow the regulations governing inclusions in and exlusions from financial resources under section 5(g) of the Food Stamp Act of 1977, and in any case—

"(A) shall include in resources any boats, snowmobiles, and airplanes used for recreational purposes, any vacation homes, any mobile homes used primarily for recreational purposes, any licensed vehicles (other than one which is used to produce earned income or which is necessary for transportation of a physically disabled family member and any other property, real or personal, which is directly related to the maintenance or use of such vehicle) to the extent that the fair market value of each such vehicle exceeds $5,500, and, regardless of whether there is a penalty for early withdrawal, any savings or retirement accounts (including individual accounts);

"(B) shall exclude from resources, under regulations prescribed by the Secretary, burial plots (one for each child, relative, and other individual in the family) and funeral agreements; and

"(C) shall exclude from resources, for such period or periods of time as the Secretary may prescribe, real property which the family is making a good-faith effort to dispose of, but any aid payable to the family for any such period shall be conditioned upon such disposal, and any payments of such aid for that period shall (at the time of the disposal) be considered overpayments to the extent that they would not have been made had the disposal occurred at the beginning of the period for which the payments of such aid were made.".

SEC. 11. MODIFICATION OF EARNINGS DISREGARDS.

(a) IN GENERAL.—Section 402(a)(8) of the Social Security Act (as amended by section 7(a) of this Act) is further amended to read as follows:

"(8) provided that, in making the determination under paragraph (7) with respect to any month, the State agency—

"(A) shall disregard all of the earned income of each dependent child receiving aid to families with dependent children who is (as determined by the State in accordance with standards prescribed by the Secretary) a full-time student, or a part-time student who is not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment (and for purposes of this subparagraph and all of the succeeding provisions of this paragraph the term 'earned income' means gross earned income, prior to any deductions for taxes or for any other purposes);

"(B) shall disregard from the total earned income of any child who is claiming aid to families with dependent children, any relative who is claiming such aid, and any other individual (living in the same home as such relative and child) whose needs are taken into account in making such determination, the first $100 (or, if greater, the amount determined under subsection (g)) of such total earned income for such month;

"(C) shall disregard from the total earned income of the persons specified in subparagraph (B) not already disregarded under that subparagraph an amount equal to the cost of care in such month for a dependent child, or an incapacitated individual living in the same home as the dependent child, receiving aid to families with dependent children and requiring such care for such month, except that the amount disregarded under this subparagraph may not exceed $160 for any one such child or incapacitated individual or $320 for all such children and incapacitated individuals in the family;

"(D) shall disregard from the total earned income of the persons specified in subparagraph (B) an amount equal to one-fourth of the amount of such earned income not already disregarded under subparagraph (B) or (C);

"(E) may disregard the income of any dependent child applying for or receiving aid to families with dependent children which is derived from a program carried out under the Job Training Partnership Act (as originally enacted), but only in such amounts and for such period of time (not to exceed six months with respect to earned income) as the Secretary may provide in regulations;

"(F) shall disregard the first $100 (or, if greater, the amount determined under subsection (g)) of any unearned income received in such month by any child, relative, or other individual specified in clause (ii), including payments of benefits under title II, payments of unemployment benefits, and child support payments with respect to the dependent child or children in the family (including support payments collected and paid to the family under section 457(b)); and

"(G) may disregard all or any part of the earned income of a dependent child who is a full-time student and who is applying for aid to families with dependent children, but only if the earned income of such child is excluded for such month in determining the family's total income under paragraph (18); except that if a child who is one of the persons specified in subparagraph (B) is also included under subparagraph (A), no income of such child to which subparagraph (A) applies shall be taken into account in applying subparagraph (B), (C), or (D); and except that (with respect to any month) the State agency—

"(H) shall not disregard, under subparagraph (B) or (D), any earned income of any one of the persons specified in subparagraph (B) if such person—

"(i) terminated his employment or reduced his earned income without good cause within such period (of not less than thirty days) preceding such month as may be prescribed by the Secretary;

"(ii) refused without good cause, within such period preceding such month as may be prescribed by the Secretary, to accept employment in which he is able to engage which if offered through the public employment offices of the State, or is otherwise offered by an employer if the offer of such employer is determined by the State or local agency administering the State plan, after notification by him, to be a bona fide offer of employment; or

"(iii) failed without good cause to make a timely report (as prescribed by the State plan) to the State agency of earned income received in such month; and

"(I) shall not disregard, under subparagraph (B) or (E), any income derived from participation in a project maintained under the programs established by section 432(b) (2) and (3);".

(b) CONFORMING AMENDMENTS.—(1) Section 402(a)(17) of such Act is amended by striking out "paragraph (8)(A) (i) or (ii)" in the matter preceding subparagraph (A) and inserting in lieu thereof "paragraph (8) (A) or (B)".

(2) Section 402(a)(18) of such Act is amended by striking out "paragraph (8)(A)(v)" and inserting in lieu thereof "paragraph (8)(E)".

(3) Section 402(g) of such Act (as added by section 7(b) of this Act) is amended—

(A) by striking out "the dollar amount under subsection (a)(8)(A)(vi)" in paragraph (1) and inserting in lieu thereof "each of the dollar amounts under subsections (a)(8)(B) and (a)(8)(F)";

(B) by striking out "as specified in such subsection" in paragraph (1) and inserting in lieu thereof "as specified in such subsections";

(C) by striking out "such subsection (a)(8)(A)(vi)" in paragraph (1) and inserting in lieu thereof "such subsection (a)(8)(B) or (a)(8)(F)"; and

(D) by inserting "with respect to each such subsection" after "the amount obtained under paragraph (1)" in paragraph (2).

SEC. 12. MEASURES TO INCREASE PARTICIPATION IN AFDC, SSI, AND FOOD STAMP PROGRAMS.

(a) IN GENERAL.—The Secretary of Health and Human Services shall take such steps as may be necessary—

(1) to notify all recipients of and applicants for benefits under title II of the Social Security Act who may be eligible for supplemental security income benefits under title XVI of such Act of the availability of the supplemental security income benefit program,

(2) to notify all recipients of and applicants for supplemental security income benefits under title XVI of the Social Security Act, and all recipients of and applicants for aid to families with dependent children under a State plan approved under part A of title IV of such Act, of their potential eligibility for assistance under the Food Stamp Act of 1977,

(3) to notify all recipients of unemployment compensation benefits of their potential eligibility for assistance under the Food Stamp Act of 1977 and (in appropriate cases) for aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, and

(4) to notify all recipients of assistance under the Food Stamp Act of 1977 of their potential eligibility for aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act;

and shall encourage such recipients and applicants to contact the appropriate Social Security district office, State agency, or food stamp agency. The notifications required by paragraphs (1) and (2) shall also be made to all recipients of and applicants for the benefits involved with the notification made with respect to their eligibility for supplementary medical insurance.

(b) CONFORMING AMENDMENT.—Section 405 of the Social Security Amendments of 1983 is repealed.

SEC. 13. SPECIAL INCREASE IN SSI BENEFIT STANDARD.

Section 1617 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) Effective January 1, 1986—

"(1) each of the dollar amounts in effect under subsections (a)(1)(A) and (b)(1) of section 1611, as previously increased under this section, shall be increased by $240 (and the dollar amount in effect under subsection (a)(1)(A) of section 211 of Public Law 93-66, as previously so increased, shall be increased by $120); and

"(2) each of the dollar amounts in effect under subsections (a)(2)(A) and (b)(2) of section 1611, as previously increased under this section, shall be increased by $360.".

SEC. 14. ELIMINATION OF ACTUARIAL REDUCTION FOR ELDERLY SURVIVORS UNDER OASDI PROGRAM.

(a) IN GENERAL.—Section 202(q) of the Social Security Act is amended—

(1) by inserting "(subject to paragraph (12))" after "any subsequent month" in paragraph (1); and

(2) by adding at the end thereof the following new paragraph:

"(12) No widow's or widower's insurance benefit otherwise payable to any individual under subsection (e) or (f) shall be reduced under this subsection (or under section 202(e)(2)(D) or 202(f)(3)(D)) for any month ending after such individual attains age 80 (but the application of this paragraph in the case of an individual who is also entitled to another monthly insurance benefit under this section or section 223 shall have no effect upon the amount of such other benefit).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to benefits for months after December 1985.

SEC. 15. ENCOURAGEMENT OF STATES TO MAINTAIN SSI SUPPLEMENT LEVELS.

Section 1618 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(f)(1) In the case of any State which makes supplementary payments of the type described in section 1616(a) (including payments pursuant to an agreement entered into under section 212(a) of Public Law 93-66) and which, after May 22, 1985, increases the level of such payments (with respect to eligible individuals, with respect to eligible spouses, with respect to essential persons as defined in section 211 of Public Law 93-66, or with respect to any combination thereof), the Secretary shall pay to the State for each month in which the increase in the level of such supplementary payments is in effect, in advance on the basis of estimates or by way of reimbursements (with appro-

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priate adjustments to the extent that any under any State or local program financed place it appears and inserting in lieu thereof priate adjustments to the extent that any such estimates were greater or less than they should have been), an amount equal to 30 percent of the portion of the total dollar amount of the supplementary payments made by the State in such month which is attributable (as determined by the Secretary under regulations) to such increase. For purposes of the preceding sentence, in the case of a State which makes such supplementary payments for the first time after May 22, 1985, the State shall be deemed to have been making such payments in an amount equal to zero prior to that date (and the full amount of such payments shall accordingly be treated as an increase in the level thereof).".

SEC. 16. INCREASE IN EARNED INCOME CREDIT; TREATMENT OF CERTAIN PAYMENTS.

(a) INCREASE IN CREDIT.—Subsection (a) of section 32 of the Internal Revenue Code of 1954 (relating to earned income credit) is amended by striking out "11 percent" and inserting in lieu thereof "16 percent".

(b) PHASEOUT BETWEEN $11,000 AND $16,000.—Subsection (b) of section 32 of such Code (relating to limitation) is amended to read as follows:

"(b) LIMITATION.—The amount allowable as a credit under subsection (a) to any taxpayer for any taxable year shall be reduced by an amount equal to 16 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $11,000."

(c) GOVERNMENTAL PAYMENTS TO BE DISREGARDED FOR PURPOSES OF SUPPORT AND MAINTENANCE OF HOUSEHOLD TESTS.—Section 2 of such Code (relating to definitions and special rules) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) GOVERNMENTAL PAYMENTS DISREGARDED IN DETERMINING SUPPORT AND MAINTENANCE OF HOUSEHOLD.—

"(1) IN GENERAL.—For purposes of this title, whenever it is necessary—

"(A) to determine the extent to which the support of an individual is provided by such individual, by a taxpayer who has the same principal place of abode as the individual (including determinations under sections 152 and 1303(c)), or by the parents of the individual for purposes of section 152(e), or

"(B) to determine whether a taxpayer furnishes over half of the cost of maintaining a household during any period (including determinations under subsections (a) and (b) of this section and under sections 21 and 143(b)),

any needs-based governmental benefit used for the support of the individual or for maintenance of the household shall not be taken into account.

"(2) NEEDS-BASED GOVERNMENTAL BENEFIT.—For purposes of paragraph (1), the term 'needs-based governmental benefit' means any benefit which—

"(A) is not includible in gross income,

"(B) is provided under any Federal, State, or local governmental assistance program, and

"(C) is based on need."

(d) DISREGARD OF CREDIT.—

(1) IN GENERAL.—Notwithstanding any other provision of law, any refund of Federal income taxes made to an individual by reason by section 32 of the Internal Revenue Code of 1954; and any payment made by an employer under section 3507 of such Code, shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

(2) REPEAL OF SECTION 402 (d) OF THE SOCIAL SECURITY ACT.—Subsection (d) of section 402 of the Social Security Act is hereby repealed.

(e) COST-OF-LIVING ADJUSTMENTS.—

(1) IN GENERAL.—Section 32 of such Code is amended by adding at the end thereof the following new subsection:

"(h) COST-OF-LIVING ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1986, this section shall be applied by increasing each dollar amount contained in subsections (a), (b), and (f) by the cost-of-living adjustment for such calendar year.

"(2) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year (as defined in section 1(f)(4)), exceeds

"(B) the CPI for calendar year 1985 (as so defined),

"(3) ROUNDING.—Any increase determined under paragraph (1) shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10)."

(2) EARNED INCOME ADVANCE AMOUNT.—Subsection (c) of section 3507 of such Code is amended by adding at the end thereof the following new paragraph:

"(3) COST-OF-LIVING ADJUSTMENTS.—In the case of any calendar year after 1986, paragraph (2) shall be applied by increasing each dollar amount contained therein by the cost-of-living adjustment for such calendar year (as determined under section 32(h)(2)). Any such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10)."

(f) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 32(f) of such Code is amended—

(A) by striking out "$11,000" each place it appears and inserting in lieu thereof "$16,000", and

(B) by striking out "$6,500" and inserting in lieu thereof "$11,000".

(2) Paragraph (2) of section 3507(c) of such Code (relating to earned income advance payment amount) is amended—

(A) by striking out "11 percent" each place it appears and inserting in lieu thereof "16 percent",

(B) by striking out "$6,500 and $11,000" and inserting in lieu thereof "$11,000 and $16,000", and

(C) by striking out "$3,250 and $5,500" and inserting in lieu thereof "$5,500 and $8,000".

(g) EFFECTIVE DATES.—

(1) Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1985.

(2) The amendments made by subsections (d) and (e)(2) shall take effect on January 1, 1986.

SEC. 17. AMENDMENTS TO TARGETED JOBS CREDIT.

(a) EXTENSION.—Paragraph (3) of section 51(c) of the Internal Revenue Code of 1954 (relating to termination) is amended by striking out "December 31, 1985" and inserting in lieu thereof "December 31, 1990".

(b) INCREASE IN AMOUNT OF WAGES FOR WHICH CREDIT ALLOWABLE.—

(1) IN GENERAL.—Paragraph (4) of section 51(b) of such Code (relating to only first $6,000 of wages per year taken into account) is amended by striking out "$6,000" each place it appears and inserting in lieu thereof "$10,000".

(2) CONFORMING AMENDMENTS.—Paragraph (1) of section 51(h) of such Code (relating to special rules for agricultural labor and railway labor) is amended—

(A) by striking out "$6,000" in subparagraph (A) and inserting in lieu thereof "$10,000", and

(B) by striking out "$500" in subparagraph (B) and inserting in lieu thereof "$834".

(c) DEFINITION OF MEMBERS OF ECONOMICALLY DISADVANTAGED FAMILIES.—Paragraph (11) of section 51(d) of such Code (defining members of economically disadvantaged families) is amended by striking out "70 percent" and inserting in lieu thereof "80 percent".

(d) FOOD STAMP RECIPIENTS TREATED AS MEMBERS OF TARGETED GROUP.—

(1) Paragraph (1) of section 51(d) of such Code (defining members of targeted group) is amended by striking out "or" at the end of subparagraph (I), by striking out the period at the end of subparagraph (J) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(K) a food stamp recipient."

(2) Subsection (d) of section 51 of such Code is amended by redesignating paragraphs (13), (14), (15), and (16) as paragraphs (14), (15), (16), and (17), respectively, and by inserting after paragraph (12) the following new paragraph:

"(13) FOOD STAMP RECIPIENT.—The term 'food stamp recipient' means any individual who is certified by the designated local agency as—

"(A) having attained age 18 before the hiring date, and

"(B) having been a member of a household (as defined in the Food Stamp Act of 1977) which received benefits under such Act for each of the most recent 3 calendar months ending before the hiring date."

(3) Subparagraph (C) of section 51(d)(12) of such Code is amended by striking out "paragaph (14)" and inserting in lieu thereof "paragraph (15)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after the date of the enactment of this Act in taxable years ending after such date.

SEC. 18. ZERO BRACKET AMOUNT FOR HEADS OF HOUSEHOLDS.

(a) IN GENERAL.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed on individuals) is amended by adding at the end thereof the following new subsection:

"(g) INCREASE IN ZERO BRACKET AMOUNT FOR HEADS OF HOUSEHOLDS FOR TAXABLE YEARS BEGINNING AFTER 1985.—In carrying out subsection (f) with respect to taxable years beginning after 1985, the Secretary shall treat the following table as if it were the table contained in paragraph (3) of subsection (b):

"If taxable income is:	The tax is:
Over $3,400	No tax.
Over $3,400 but not over $5,500.	11% of the excess over $3,400.
Over $5,500 but not over $7,600.	$231, plus 12% of the excess over $5,500.
Over $7,600 but not over $9,800.	$483, plus 14% of the excess over $7,600.
Over $9,800 but not over $12,900.	$791, plus 17% of the excess over $9,800.
Over $12,900 but not over $16,100.	$1,316, plus 18% of the excess over $12,900.
Over $16,100 but not over $19,300.	$1,894, plus 20% of the excess over $16,100.
Over $19,300 but not over $24,600.	$2,534, plus 24% of the excess over $19,300.
Over $24,600 but not over $29,900.	$3,806, plus 28% of the excess over $24,600.
Over $29,900 but not over $35,200.	$5,290, plus 22% of the excess over $29,900.
Over $35,200 but not over $45,800.	$6,906, plus 35% of the excess over $35,200.
Over $45,800 but not over $61,700.	$10,896, plus 42% of the excess over $45,800.
Over $61,700 but not over $82,900.	$17,374, plus 45% of the excess over $61,700.
Over $82,900 but not over $109,400.	$26,914, plus 48% of the excess over $82,900.
Over $109,400	$39,634, plus 50% of the excess over $109,400.

(b) CONFORMING AMENDMENTS.

(1) Clause (i) of section 6012(a)(1)(A) of such Code (relating to persons required to make returns of income) is amended by inserting "is not a head of a household (as defined in section 2(b))," after "section 2(a)),".

(2) Clause (ii) of such section is amended by inserting "or who is a head of a household (as so defined)" after "who is a surviving spouse (as so defined)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 19. MANDATORY MEDICAID COVERAGE FOR SSI RECIPIENTS.

Section 1902(f) of the Social Security Act is repealed.

SEC. 20. GENERAL EFFECTIVE DATE.

Except as otherwise specifically provided, this Act and the amendments made by this Act shall become effective January 1, 1986.

FAMILY ECONOMIC SECURITY ACT OF 1985—SHORT SUMMARY OF PROVISIONS

1. Encourage supported work and other programs to reduce welfare dependency.

The proposal would create a new block grant for States to fund special employment programs (including supported work and grant diversion) targeted to hard-to-place workers such as young mothers and long-term adult AFDC recipients. In addition, States would be granted permanent authority to operate WIN programs.

Work programs require a short-term financial investment, but offer the potential for long-term welfare savings.

2. Provide a minimum AFDC benefit that is indexed to inflation and encourage States to maintain their AFDC benefit levels.

The proposal would mandate a minimum AFDC benefit level such that combined AFDC and food stamp benefits equal a percentage of poverty, rising from 55 percent to 70 percent over five years. States would be encouraged to increase AFDC benefits by raising the Federal contribution for such benefit increases.

Between 1970 and 1984, real AFDC benefits declined by approximately one-third. According to the CBO, the minimum benefit of 70 percent of poverty would increase monthly AFDC benefits for an estimated 2.3 million families already receiving benefits and make another 300,000 families newly eligible.

3. Provide AFDC protection for low-income, two-parent families and mandate the AFDC-Unemployed Parent (UP) program in all States.

The proposal would mandate AFDC coverage for low-income, two-parent families; one parent would be required to register to work and participate in a state work program. The Federal matching rate for two-parent families would be raised to 75 percent for all States. Additionally, all States would be required to operate AFDC-UP programs.

Currently, many needy two-parent families are not eligible for AFDC protection. According to the CBO, the provision for low-income two-parent families would allow 450,000 new families to qualify for AFDC; extending the AFDC-UP program to all States would assist an additional 100,000 families.

4. Encourage efforts to prevent teenage pregnancy and reduce long-term welfare dependence by teenage mothers.

The proposal would authorize funds for States to: 1) operate teenage pregnancy prevention programs and 2) provide comprehensive services to help young parents complete their education and obtain job skills. AFDC would be available to first-time pregnant women to help assure adequate nutrition, shelter and pre-natal care.

Although some States have developed special programs to assist teenage families, comprehensive prevention and service programs do not exist in each State. The CBO estimates that reducing the birth rate of teenagers (under age 20) by one-half would lead to a 25 percent reduction in AFDC costs by 1990.

5. Disregard the first $100 of unearned income.

The proposal would disregard the first $100 of monthly unearned income including Social Security (OASDI) benefits, unemployment benefits and child support payments. This disregard would be adjusted for inflation in the future.

6. Require States to reevaluate the adequacy of their AFDC need standards.

The proposal would require States to reevaluate their current need standards for changes that have occurred since 1969 in the cost-of-living.

A State's need standard is supposed to reflect the minimum income necessary for subsistence living, but many States have not regularly adjusted their need standards since Congress last required it in 1969.

7. Mandate one year of Medicaid coverage for all families who leave AFDC without private health insurance.

The proposal would replace the current law patchwork of Medicaid extensions with a blanket one-year of Medicaid eligibility for all families leaving AFDC without health insurance. States would be permitted to extend this coverage for one additional year.

8. Establish an AFDC resource policy that is identical to that under the food stamp program (as recommended by President's Task Force on Food Assistance).

The proposal would increase the current restrictive AFDC assets limit from $1,000 to $2,500; the limit for elderly and disabled households would be $3,500. The limit on the value of a car would be increased from $1,500 to $5,500.

9. Restore work incentives and simplify earned income disregards.

The proposal would replace the current disregards with a standard deduction of $100 (to cover work-related expenses) plus 25 percent of remaining earnings. There would be no time limit on this disregard and it would be adjusted for inflation in the future. The deduction for child care costs would remain the same except that it would be capped at $320 per family.

10. Expand outreach efforts.

The proposal would require the Secretary of HHS to notify AFDC and SSI participants of their potential eligibility for food stamps. Similarly, food stamp recipients would be notified of their possible eligibility for AFDC. Those who receive unemployment compensation would be notified about AFDC and food stamps.

11. Increase SSI benefits.

The proposal would increase the basic SSI benefit for an individual by $20 per month and for a couple by $30 per month.

This provision would help to lessen poverty among the elderly and disabled poor.

12. Eliminate actuarial Social Security reduction for elderly survivors.

The proposal would eliminate the actuarial reduction of the survivor portion of the social security benefit for survivors upon attaining age 60.

The poverty rate for single aged women was 24 percent in 1982. Poverty among the very aged is especially elevated. For these groups, Social Security tends to be the only source of income. Private pensions often are unavailable to survivors because either spouses were not covered under such plans or, if they were covered, the worker did not elect survivor protection. As the survivor ages, the actuarial reduction can assume increasing significance. This provision would alleviate the poverty experienced by many advanced-age survivors.

13. Encourage States to maintain their State SSI supplements.

The proposal would provide a Federal matching of 30 percent for all State SSI supplement increases after May 22, 1985. This is designed to encourage States to maintain the purchasing power of their SSI supplements.

14. Mandate Medicaid coverage for aged, blind and disabled SSI recipients.

The proposal would require all States to provide Medicaid benefits to persons receiving cash assistance under the SSI program. States currently have the option to extend Medicaid to SSI eligible persons or to apply their own more stringent eligibility standards.

15. Increase and index the Earned Income Tax Credit (EITC).

The proposal would gradually increase the maximum credit over three years. During this period, the credit would rise from $550 to $800 with a phase-out occurring between $11,000 and $16,000. In the third year, the maximum credit and the phase-out thresholds would be indexed.

Under current law, families with children receive a refundable income tax credit equal to 11 percent of the first $5,000 of earned income for a maximum credit of $550. CBO estimates that this provision will extend the EITC to 3.7 million new families.

16. Reauthorize and increase the Targeted Jobs Tax Credit (TJTC).

The proposal would reauthorize the credit for five years and increase the TJTC to 50 percent of wages paid up to $10,000 in the first year and 25 percent of wages paid up to $10,000 in the second year. This provision is designed to increase the incentive to employers to hire disadvantaged youth and general assistance recipients.

Under current law, employers who hire individuals from certain target groups receive a credit against their taxes of 50 percent of wages paid up to $6,000 per year in the first year and 25 percent of wages up to $6,000 in the second year.

17. Increase the Zero Bracket Amount for Heads of Households.

The proposal would increase the zero bracket amount for heads of households to that of married couples filing jointly. This would substantially reduce the tax burden for low-income single-parent households.

This provision, when combined with the increase in the earned income tax credit, will create a tax code which is more equitable for millions of working single-parent families—many of them headed by women. For example, a woman with two children, poverty line earnings and no day care expenses, as a result of both these changes, would pay a total of $81 in Federal taxes—$677 less than under current law.

DETAILED DESCRIPTION OF THE FAMILY ECONOMIC SECURITY ACT OF 1985

PURPOSE OF THE BILL

The purpose of this comprehensive family economic security bill is to reverse the upward trend in the poverty rate over the past four years, particularly among children, by:

Mandating a minimum benefit standard for AFDC and encouraging States to improve and maintain the purchasing power of their AFDC and SSI supplementary benefits;

Strengthening AFDC work incentives and encouraging States to operate a variety of special work programs to reduce welfare dependency;

Making AFDC protection available to low income two-parent families, creating a safety net for long-term unemployed persons and their families;

Reducing poverty among elderly persons, particularly elderly widows age eighty and above; and

Reducing the Federal tax burden for working families below poverty.

SPECIFIC PROVISIONS

The above goals are accomplished through the following provisions:

1. Encourage supported work and other programs to reduce welfare dependency.

Work and training programs are an increasingly important component of our nation's welfare system. Over the past few years, States and localities have tested a number of new approaches to finding work for welfare recipients: job search, alone or in groups; community work experience progams (CWEP, known as workfare); WIN demonstrations; and supported work programs (sometimes called grant diversion or work supplementation).

These programs have been targeted to short and long term welfare recipients as well as young parents. They require a short term financial investment with the potential for long term savings and welfare avoidance. The legislation would build on the experience of States and research organizations across the country and create a single comprehensive employment strategy that could be applied to the diverse individuals and families who must for a time rely on public assistance.

Briefly, the legislation would continue to encourage innovative State work programs by granting States permanent authority to:

Operate WIN through either the labor or human services agency. States would be required to coordinate their WIN or WIN demonstration programs with other employment programs in the State, especially those authorized by the Job Training Partnership Act.

Create a new block grant to fund special employment activities for AFDC recipients. One such activity would be a supported work and/or grant diversion program targeted to long term adult AFDC recipients and otherwise hard to place workers.

Created in 1967 to help welfare recipients to find work, the WIN program has never had the resources needed to provide the comprehensive services envisioned by its enabling legislation. Complicated program rules and a confusing administrative structure (the program is jointly administered by the Department of Labor and the Department of Health and Human Services with a similar structure at the State level) led Congress to authorize WIN demonstration projects in the Omnibus Budget Reconciliation Act of 1981. These projects are testing single agency administration and give States more flexibility to use the limited WIN resources to help AFDC recipients to find and keep a job. Although not yet complete, these demonstrations are showing promising results: more welfare recipients are becoming an active part of the labor force—training for work, constructively looking for work or actually working.

The legislation would build on this WIN demonstration experience, giving States permanent authority to operate WIN demonstrations or to elect the current WIN program. Under either approach, all States would continue to register employable AFDC recipients for work and conduct initial screenings and assessments. States could also after group and individual job search opportunities, operate a community work experience program (CWEP) statewide or in portions of the State, provide short term supportive services such as day care, transportation, uniforms or other items needed by employable welfare recipients, offer other training and education services, and operate a grant diversion or supported work program for hard to place welfare recipients.

Supported work has four components: close supervision; peer group support; gradually increasing performance expectations; and most importantly, grant diversion (contributing a portion or all of the AFDC benefit as wages until the recipient becomes a regular employee). States could operate a simple grant diversion program, offer the additional components available under supported work and/or create a new program of State design.

These programs would be financed through a block grant for each State equal to 2 percent of Federal AFDC benefits gradually increasing by 1 percent each year up to 7 percent to be used for specified projects. The monies would flow to the State upon submission of a plan (which would be subject to the approval of the Secretary) in accordance with regulations published by HHS. The funds could be used only for AFDC eligible individuals and could not replace funds otherwise allocated for this purpose. States would be permitted, however, to transfer up to 10 percent of these funds to the teenage pregnancy prevention and services block grant discussed below.

2. Restore the purchasing power of AFDC benefits and encourage benefit increases.

Under current law, States have complete flexibility in determining AFDC benefit amounts. However, between 1972 and 1984, the purchasing power of combined AFDC and food stamp benefits declined by nearly 22 percent. The maximum decline was 36.6 percent in Michigan; the smallest drop (1.1 percent) was in Maine. In no State did real AFDC and food stamp benefits increase. Furthermore, in 22 States the current AFDC plus food stamp benefit is less today (in real terms) than AFDC alone was in 1960 before food stamps was created. Between 1970 and 1984, inflation-adjusted AFDC benefits declined by roughly 37 percent.

The proposed legislation would:

Mandate a minimum AFDC benefit level such that combined AFDC and food stamp benefits equal a percentage of poverty, rising from 55 percent to 70 percent over five years; and

Reduce the State match by 30 percent for any AFDC benefit increases made by a State needed to maintain a combined benefit level of 55 percent of poverty or above.

The Secretary of HHS would utilize the OMB poverty guidelines published in April of each year (pertaining to the previous year) and promulgate regulations by October 1 specifying the dollar amounts which equal the percentage of poverty in place for the following year. The States would set their AFDC payment standard accordingly. When fully implemented and combined benefits are set equal to 70 percent of poverty, four-person AFDC benefits would increase in 41 States.

The proposed legislation would also decrease State matching requirements by 30 percent for all AFDC benefit increases after the date of introduction. For a State with a 50/50 match, the Federal matching rate for increases after May 22, 1985 would be 65 percent. For a State with a Federal match of 60 percent (a State match of 40 percent), the new Federal match would be 72 percent. This is calculated as the old State match times .3 plus the old Federal match (.40 × .3 + .60 = .72). Administratively, the overall Federal match would be a weighted average of the Federal portion of the AFDC benefit level for each family size with zero income. The weights would reflect the composition of the caseload by family size. No case by case computation of the matching rate would be required.

The additional Federal matching would not apply to increased expenditures which result from mandating AFDC for needy two-parent families. It could, however, be used to finance a portion of the minimum benefit once a State had raised benefits to 55 percent of poverty using the normal matching rate. The improved match would also apply to increases above the final minimum benefit level of 70 percent.

3. Promote family stability.

It is currently a State option to aid needy two-parent families with an unemployed principal earner. Only twenty-four States now provide this assistance. In the States without a two-parent program, intact families cannot receive AFDC or must split up in order to qualify for assistance. Even in States with a UP program, aid is only paid if the principal earner is unemployed.

The legislation would mandate two-parent coverage based only on need and under circumstances that are identical to the single-parent AFDC program (i.e., eliminate the 100 hour rule and quarters of work requirement). In all States, the Federal matching rate for benefits paid to two-parent families would equal the higher of 75 percent or the current law matching rate.

Under the new two-parent program, one parent in the family would be required to register for work and eligibility would be conditioned on active participation in: (1) job search; and (2) training or a State work program (workfare, grant diversion/work supplementation and/or a work program of State design). If the work program is a public service employment program or community work experience program, any work performed in lieu of benefits must be paid at the minimum wage or higher; if a recipient volunteers to work more hours than required given the benefit level, the work must be compensated at the minimum wage or higher. At least 8 hours per week, in most instances, would be set-aside for private sector job search.

The States currently without a two-parent AFDC program are the following: Alabama, Alaska, Arizona, Arkansas, Florida, Georgia, Idaho, Indiana, Kentucky, Lousiana, Maine, Mississippi, Montana, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia and Wyoming.

4. Encourage efforts to prevent teenage pregnancy and reduce long term welfare dependence by teenage mothers.

Studies show that half of all AFDC expenditures go to households in which the mother had her first child as a teenager. Although some States have developed special programs to assist teenage families, comprehensive prevention and service programs do not exist in each State. In addition, as a result of the Omnibus Budget Reconciliation Act of 1981, States may not extend AFDC to pregnancy. Medicaid coverage is available from the date the pregnancy is confirmed.

Briefly, the legislation would: Authorize a grant program to permit the State AFDC agency to operate a two part teenage pregnancy program. One component would be a prevention program for AFDC families. This program would be targeted to male and female children in AFDC families and would include active parent participation. The program would address several factors which have been shown to play important roles in determining teenage sexual activity and contraceptive use. These include low self-esteem and aspirations, ignorance about pregnancy and contraception, fear or embarrassment about contraceptive use, and concern about the effect of sexual abstinence or contraceptive use on the relationship.

Children would be encouraged to develop believable education and employment goals for the future and States would combine new and existing resources to assist them to achieve those goals. Such programs would also use various techniques to encourage children to postpone sexual activity and child bearing in order to achieve these goals; taking responsibility for family planning would also be stressed.

The second component would be a comprehensive service program for teenage AFDC mothers designed to help these parents complete a high school (or equivalent) education and obtain the job skills needed for self-sufficiency.

This new program would be financed through a block grant to each State equal to 2 percent of Federal AFDC benefits, gradually increasing by 1 percent each year up to 7 percent to be used for specified projects. The monies would flow to the State upon submission of a plan in accordance with regulations published by the Secretary of HHS. The plan would have to be approved by the Secretary, the monies could only be used for AFDC eligible individuals, and could not replace funds otherwise allocated for this purpose. States would be permitted, however, to transfer up to 10 percent of these funds to the new work activities block grant described above.

Eliminate the requirement for counting the income and resources of the parent of a minor mother when determining AFDC eligibility and benefits.

Require States to provide AFDC to otherwise eligible first time pregnant women from the date the pregnancy is confirmed. This will help insure that pregnant women, including expectant teenagers, have adequate nutrition, shelter and prenatal care.

5. Disregard the first $100 of unearned income.

Under current law, the State is required to include the income and needs of any parent(s) in the home and all minor related children when determining AFDC eligibility and benefits. This policy is known as the "standard filing unit" and was established in the Deficit Reduction Act of 1985. Title II and unemployment benefits are included as family income, however, the first $50 of child support income is disregarded.

The legislation proposes to retain the standard filing unit provision enacted as part of the Deficit Reduction Act (except as amended above for minor mothers) but disregard the first $100 of monthly unearned income including Title II benefits, child support payments and unemployment benefits received by a family. The new unearned income disregard would replace the current $50 disregard and would be adjusted for inflation.

6. Require States to periodically reevaluate the adequacy of their AFDC need standards.

In the AFDC program, the need standard is intended to reflect the minimum amount a family of a given size needs for subsistence living. In most States, however, the need standard has not been regularly adjusted to reflect changes in inflation or the cost of essentials for daily living. Congress last required that States update their standard of need in July of 1969. Under current law, the AFDC gross income limit is based on the need standard. This means that families with gross income above 185 percent of the need standard are not eligible for AFDC.

Under the proposed legislation, the AFDC gross income limit would be retained but States would be required to periodically reevaluate the need standard for changes that have occurred and which are not now reflected in the need standard. This would include reassessing the cost of items included in the need standard as well as considering the effect of inflation on purchasing power. Although States would be required to reevaluate the need standard, the statute would not stipulate that revisions be made.

7. Mandate one year of Medicaid coverage for all families who leave AFDC without private health insurance.

The Deficit Reduction Act and other recent legislation have assured that certain families who lose AFDC eligibility retain Medicaid coverage for a limited period of time. Basically, this health coverage is available under three circumstances: (1) families who leave AFDC due to an increase in earnings are eligible for 4 months of Medicaid; (2) families who become ineligible for AFDC due to the termination of the earned income disregard after four months, receive 9 months of Medicaid with State option for an additional 6 months; and (3) families who become ineligible for AFDC due to increased collection of child support are also eligible for 4 months of Medicaid. Any other families who become ineligible for AFDC are not certain of health coverage when they leave assistance.

The legislation proposes to replace the patchwork of Medicaid extensions in current law with a blanket one year of Medicaid eligibility for all families who leave AFDC without adequate health insurance. In three circumstances families would be ineligible for this coverage: (1) in cases in which there is no longer a dependent child (i.e., eligibility ended because the youngest child is now 18); (2) in cases where eligibility terminated due to fraud; and (3) in cases in which eligibility is due to the imposition of a sanction. For eligible families, States would be permitted to extend this coverage for one additional year.

8. Establish an AFDC resource policy that is identical to food stamps.

The AFDC program has an extremely strict asset policy: allowable resources may not exceed $1,000 and the value of a car is limited to $1,500 (equity value). This makes many unemployed families with children ineligible for AFDC once they exhaust their unemployment compensation checks.

The proposed legislation would, for AFDC, use the food stamp resource policy as recommended by the President's Task Force on Food Assistance. Allowable assets in AFDC could not exceed $2,250 for non-elderly and non-disabled households or $3,500 for households with elderly or disabled members. The limit on the fair market value of an automobile would be set at $5,500. The change, in addition to setting a more reasonable limit in AFDC, would establish identical policies in AFDC and food stamps, thus simplifying administration.

9. Restore the work incentive and simplify the earned income disregards.

In the Omnibus Budget Reconciliation Act of 1981, the treatment of earnings for purposes of computing an AFDC check was dramatically changed. Some 300,000 families lost AFDC and Medicaid eligibility as a result of these changes. The average loss per family was roughly $1,700 per year. Although Congress made several changes in the earned income policy in the Deficit Reduction Act of 1984, restoring some of the cuts made to the program, a serious disincentive to work still remains. In addition, the current policy is both complicated and error prone.

The current law policy for counting earned income is as follows: the first $75 is disregarded for work expenses, child care costs of $160 per month per child are deducted, then a standard $30 deduction for 12 months followed by a deduction of ⅓ of remaining earnings for 4 months. The net result of these policies is that by the fifth month of work, the family has no financial incentive to continue working.

Under the proposed legislation, these disregards would be replaced with a standard deduction of $100 (to cover work-related expenses) plus 25 percent of remaining earnings. The disregard would not be time limited and would be adjusted for inflation annually. Day care costs would continue to be deducted as under current law however a family maximum of $320 per family per month would be established. All of these disregards would apply to both initial eligibility determination and to benefit computation.

The example on the following page illustrates how the earnings disregards under the proposal compare to current and prior law. The family used in the example is a mother with two children working full-time at the minimum wage. The need and payment standard are assumed to be $420 per month, roughly equivalent to the payment level in a high benefit State or $324 per month, the average payment level for a family of three in 1984.

10. Expand outreach efforts.

In the Social Security Amendments of 1983, the Secretary of Health and Human Services was required to notify, on a one-time basis, all elderly OASDI beneficiaries who are potentially eligible, of the availability of SSI and encourage them to contact their district offices.

CALCULATION OF BENEFITS FOR A FULL-TIME MINIMUM WAGE WORKER UNDER PRE-OBRA, OBRA, CURRENT LAW AND PROPOSED LAW

	Pre-OBRA	OBRA		DEFRA			Proposed law
		First 4 months	After 4 months	First 4 months	After 4 months	After 12 months	
Income:							
Gross earnings	581	581	581	581	581	581	581
EITC		+32	+32				

CALCULATION OF BENEFITS FOR A FULL-TIME MINIMUM WAGE WORKER UNDER PRE-OBRA, OBRA, CURRENT LAW AND PROPOSED LAW—Continued

	Pre-OBRA	OBRA		DEFRA			Proposed law
		First 4 months	After 4 months	First 4 months	After 4 months	After 12 months	
Gross income	581	613	613	581	581	581	581
Disregards:							
Initial disregards [1]	30	105	-75	-105	-105	-75	-100
One-third of rest	-194	(²)	(²)	(²)	(²)	(²)	(²)
Child care	-100	-100	-100	-100	-100	-100	-100
One-third of rest	(²)	-136	0	-125	0	0	[4] -95
Other expenses [3]	-70	(²)	(²)	(²)	(²)	(²)	(²)
Total disregards	394	341	175	330	205	175	295
Net countable income	187	272	438	251	376	406	286
AFDC benefits:							
$420 payment standard	233	148	0	169	44	14	134
$324 payment standard	137	52	0	73	0	0	38

[1] Pre-OBRA: $30 disregard. OBRA: Standard work expense deduction of $75 plus $30 in first 4 months. DEFRA: Standard work expense deduction of $75 plus $30 disregard in first 12 months.

[2] Not applicable.

[3] Itemized work expenses, including payroll deductions and transportation.

[4] One-fourth of remaining earnings is deducted under the proposed law.

The proposed legislation would require the Secretary of Health and Human Services to notify all current SSI and AFDC recipients on a one-time basis and all new SSI and AFDC participants of their potential eligibility for food stamps. In addition, all unemployment compensation beneficiaries would be notified of their potential eligibility for food stamps and AFDC and all food stamp recipients would be notified of potential eligibility for AFDC.

11. Increase SSI benefits.

Under current law, the regular Federal SSI benefit standard for 1985 is $325 per month for an individual and $488 for a couple. Most States supplement the regular Federal SSI benefit standard. Although SSI benefits are adjusted each year for changes in the cost of living, the only real SSI benefit increase in the twelve year history of the program occurred in July of 1983.

The proposed legislation would increase the basic SSI benefit for an individual in January, 1986 by $20 per month and for a couple by $30 per month. This would be in addition to the inflation increase provided under current law.

12. Eliminate the actuarial reduction for elderly survivors under the OASDI program.

Under present law, monthly benefit amounts payable are subject to an actuarial reduction for many recipients. Data have shown that there is a much higher incidence of poverty for the very aged. This is due in part to the fact that benefit amounts are adjusted only for increases in the Consumer Price Index after initial receipt of benefits and do not take account of increases in the general standard of living.

The bill eliminates the actuarial reduction in an individual widow(er)'s benefit upon attainment of age 80. This would include any reduction attributable to the present law widow(er)'s limit. In many instances, this reduction was taken many years previously and was the result of decisions made by someone other than the elderly survivor.

Many surviving spouses under age 65, especially women, have limited earning capacity because of lack of skills, age, ill health, or other factors—hence many rely wholly or in part on Social Security for support. Private pension benefits often are unavailable because their spouses were not covered under such plans or, if they were covered, the plan did not offer survivor's protection or the worker did not exercise the option to provide it. As this group grows older, the actuarial reduction in their benefit can assume increasing significance.

13. Encourage States to maintain their State SSI supplements.

Under current law, the purchasing power of State SSI supplements has declined significantly. For example, in New York, the State SSI supplement adjusted for inflation has declined by 46 percent. One of the primary reasons is the interaction between food stamps and State SSI supplements. As is the case in AFDC, when States increase SSI supplements, food stamp benefits decline by $.30 for each dollar increase. To place an additional $10 of buying power in the hands of elderly poor individuals, the States must spend $14.29. This amount multiplied by the food stamp benefit reduction rate of 30 percent yields $4.29 which when subtracted from the SSI grant increase of $14.29 leaves $10.00 for the elderly SSI recipient. This interaction discourages States from increasing SSI supplements.

The legislation provides for a Federal matching rate of 30 percent for all State SSI supplement increases after May 22, 1985. This would simply mean that if a State spent $10 on a benefit increase it would be assured that $10 would be received by an SSI recipient.

14. Mandate Medicaid coverage for aged, blind and disabled SSI recipients.

Under current law, States have the option of extending Medicaid coverage to persons who are eligible for SSI, or of applying their own more stringent eligibility standards. Fourteen States have chosen to apply their own standards, leaving many SSI recipients with no medical coverage whatsoever.

The proposal would require all States to provide Medicaid benefits to persons receiving cash assistance under the SSI program.

15. Increase and index the earned income tax credit (EITC).

Under current law, families with children receive an income tax credit equal to 11 percent of the first $5,000 of earned income for a maximum credit of $550. The credit is refundable—eligible taxpayers receive a check back from the Treasury for the amount that their qualified earned income tax credit exceeds Federal income tax liability. For families with adjusted gross income above $6,500, the EITC phases down until it reaches zero at $11,000 of adjusted gross income.

The legislation proposes to gradually increase the maximum credit over three years. In calendar year 1986 the credit would rise from $550 to $800 by increasing the credit to 16 percent of the first $5,000 of earned income. The credit would be phased out at a rate of 16 percent for incomes between $11,000 and $16,000. In calendar year 1987 and thereafter, the maximum credit and the phaseout thresholds would be indexed.

The legislation also stipulates that for purposes of determining support or the maintenace of household test, benefits from Federally funded means tested programs will not be taken into account. In addition, the credit would not be counted in determining AFDC or SSI eligibility or benefits.

16. Reauthorize and increase the targeted jobs tax credit [TJTC].

Under current law, employers who hire individuals from certain target groups receive a credit against their taxes of 50 percent of wages paid up to $6,000 per year in the first year and 25 percent of wages up to $6,000 in the second year. The employer's deduction for wages is reduced by the amount of the credit. The credit applies to wages paid to eligible individuals from one or more of the target groups.

The TJTC was enacted in 1978 to encourage employers to hire individuals with special employment needs. Prior to 1978, the tax law contained provisions giving tax credits to employers for simply expanding their employment rosters, regardless of whom they hired. This general program proved to be very expensive and provided no incentive to hire persons from groups with extremely high unemployment rates. Congress decided in 1978 to encourage employers to hire from targeted groups. These groups have remained generally unchanged and include: vocational rehabilitation referrals; economically disadvantage youth, Vietnam-era veterans, cooperative education students, and ex-convicts; SSI recipients; general assistance recipients; eligible work incentive employees; involuntarily terminated CETA employees; and qualified summer youth employment employees. As is readily apparent, the credit encourages employers to "take a chance" on one of these persons regardless of the associated higher training costs and employment risks.

The legislation would increase the targeted jobs tax credit to 50 percent of wages paid up to $10,000 in the first year and 25 percent of wages paid up to $10,000 in the second year. In addition, the pool of eligible individuals would be increased by including all food stamp recipients who recieved food stamps for three months. The credit would be reauthorized for five years and would help to reduce long-term welfare dependency.

17. Increase the zero bracket amount.

Under current law, for 1985, the standard deduction, or zero bracket amount is $2,390 for heads of households and $3,540 for married couples filing jointly. The difference in these amounts is the primary reason that Federal income taxes for a married couple with two children are considerably smaller than a mother and three children with the same level of wages. For example, a mother with three children who earned poverty level wages in 1984 owed Federal taxes of $1,209 of 11.4 percent of income. This family owed $134 more than a husband, wife family with two children even though their earning capacity was presumably less and their child care needs greaters.

The legislation would increase the zero bracket amount for heads of households to that of married couples filing jointly. The tax rate schedule for heads of households would not change. This provision, when combined with the increase in the earned income tax credit, will create a tax code which is more equitable for the millions of poor working women. A woman with two children, poverty line earnings and no day care expenses would, as a result of these changes, pay a total of $81 in Federal taxes—$677 less than under current law. The following table illustrates the effect of the proposed changes:

HEAD OF HOUSEHOLD AND TWO CHILDREN POVERTY LINE EARNINGS

	Current law		Proposed law
	1978	1986	
Wages	$5,201	$8,973	$8,973
Payroll tax	315	642	642
Federal income tax	0	365	239
EITC (— indicates refund)	-200	-248	-800
Total taxes paid	35	758	81
Taxes as a percent of income	0.7	8.5	0.9

Several provisions of the Family Economic Security Act of 1985 were simulated for a mother and two children, at various earnings levels in each State. These simulations are presented in the following two tables. The provisions simulated are the mandating of a minimum benefit and encouraging States to maintain the purchasing power of AFDC benefits (2); the simplification of the earned income disregards (9); the increase in the earned income tax credit (15); and the increase in the zero bracket amount (17).

The minimum benefit is shown in 1986 dollars and is for the final year of the proposal (70 percent of poverty). The methodology is described on pages 537-539 of Ways and Means Committee Print 99-2.

The projections of AFDC benefit levels for 1986 assume States will continue to increase their benefit levels to compensate for inflation in accord with the historical pattern in a given State. The proposal which reduces the State match for benefit increases assumes the State would spend the same amount of dollars in 1986 under the proposal as under current law. Consequently, AFDC benefits are increased to a greater extent under the proposal. Actual State behavior may differ from the assumption.

As shown in the following table, disposable income increases by 16 percent for a mother with no income, by 23 percent for a mother earning wages at one-half of poverty and by 9 percent for a family with poverty level earnings as compared to current law. The federal tax burden for a family with poverty level earnings is reduced by $748.

When fully implemented, the average State benefit for a mother and 3 children will increase from 65 percent under current law compared to 76 percent under the proposal. Families with poverty level earnings will have their disposable income increased above poverty as opposed to the current situation where the family is taxed into poverty and disposable income falls below poverty.

COMPARISON OF THE AVERAGE AMOUNT OF DISPOSABLE INCOME AND AS A PERCENTAGE OF THE POVERTY THRESHOLD AMONG STATES FOR A MOTHER WITH THREE CHILDREN WITHOUT DAY CARE EXPENSES WITH DIFFERENT WAGE AMOUNTS: 1972 AND 1984, AND PROJECTIONS FOR 1986 UNDER CURRENT LAW AND THE FAMILY ECONOMIC SECURITY ACT

	Wages (as a percent of poverty threshold)				
	0	50	75	100	125
1984 dollar equivalent	0	5,305	7,958	10,610	13,263
Average disposable income (in 1984 dollars):					
1972	8,894	11,546	12,468	13,361	14,310
1984	6,949	8,255	9,179	10,372	11,487
Percentage change: 1972–84	-21.9	-28.5	-26.4	-22.4	-19.7
1986 current law	6,903	8,316	9,201	10,326	11,428
1986 FESA [1]	8,036	10,212	10,579	11,263	11,845
Difference	1,133	1,896	1,378	937	417
Percentage increase	16.4	22.8	15.0	9.1	3.6
Disposable income as a percentage of poverty thresholds:					
1972	83.8	108.8	117.5	125.9	134.9
1984	65.5	77.8	86.5	97.8	108.3
1986	65.1	78.4	86.7	97.3	107.7
1986 FESA [1]	75.7	96.2	99.7	106.2	111.6
Number of States which supplement wages with AFDC:					
1972	(²)	49	47	44	36
1984	(²)	21	5	0	0
1986	(²)	21	6	0	0
1986 FESA [1]	(²)	49	49	6	1
Number of States with disposable income above poverty:					
1972	7	30	43	49	49
1984	0	0	0	0	49
1986	0	0	0	0	49
1986 FESA [1]	0	7	10	49	49

[1] FESA: Family Economic Security Act.

[2] Not available.

Note.—Disposable income is AFDC and food stamps plus wages less Federal taxes. The Family Economic Security Act mandates a minimum AFDC and food stamp benefit. The minimum benefit is 55 percent initially, rising to 70 percent over a 5-year period. The simulations in this chart assume full implementation of the 70 percent benefit floor. The act also increases the earned income tax credit for all low income workers, increases the zero bracket amount for heads of households, reinstates earned income disregards for AFDC and encourages States to increase AFDC benefits. The average is weighted (by population) across States. Alaska and Hawaii are excluded from the analysis. Thus 49 is the maximum number of jurisdictions.

COMPARISON OF THE TOTAL INCOME FOR A MOTHER WITH THREE CHILDREN WITH DIFFERENT WAGE AMOUNTS: 1972 1976, 1980, 1984, AND 1986

[Constant 1984 dollars]

	1972	1976	1980	1984	1986	1986 FESA
No earnings:						
AFDC	7,048	6,503	5,398	4,780	4,716	6,331
Food stamps	1,846	2,240	2,088	2,169	2,187	1,705
Total income	8,894	8,743	7,486	6,949	6,903	8,036
Wages (50 percent of poverty):						
Wages	5,305	5,305	5,305	5,305	5,305	5,305
AFDC	5,576	4,470	3,073	734	842	3,213
Food stamps	940	1,512	1,511	2,071	2,041	1,335
Federal taxes	-275	221	206	145	128	359
Total income	11,546	11,508	10,095	8,255	8,316	10,212
Wages (75 percent of poverty):						
Wages	7,958	7,958	7,958	7,958	7,958	7,958
AFDC	4,284	3,143	1,862	83	144	1,242
Food stamps	640	1,207	1,238	1,598	1,583	1,271
Federal taxes	-414	199	92	-460	-484	108
Total income	12,468	12,507	11,150	9,179	9,201	10,579
Wages (100 percent of poverty):						
Wages	10,610	10,601	10,610	10,610	10,610	10,610
AFDC	2,907	1,888	1,026	0	0	197

COMPARISON OF THE TOTAL INCOME FOR A MOTHER WITH THREE CHILDREN WITH DIFFERENT WAGE AMOUNTS: 1972 1976, 1980, 1984, AND 1986—Continued

[Constant 1984 dollars]

	1972	1976	1980	1984	1986	1986 FESA
Food stamps	395	854	829	971	973	915
Federal taxes	−551	254	774	1,209	−1,257	459
Total income	13,361	13,098	11,691	10,372	10,326	11,263
Wages (125 percent of poverty):						
Wages	13,263	13,263	13,263	13,263	13,263	13,263
AFDC	1,914	1,129	487	0	0	6
Food stamps	180	488	365	0	0	1
Federal taxes	−1,047	−1,118	1,612	1,776	−1,835	1,425
Total income	14,310	13,762	12,503	11,487	11,428	11,845

Note.—Weighted average across States.●

By Mr. MATTINGLY:

S. 1196. A bill to permit family farmers who have obtained loans made by the Farmers Home Administration or the Small Business Administration to occupy temporarily the principal residence and adjoining land pledged as collateral for such loans after foreclosure, bankruptcy, or voluntary liquidation; to the Committee on Agriculture, Nutrition, and Forestry.

FAMILY FARM HOMESTEAD PROTECTION ACT

Mr. MATTINGLY. Mr. President, I rise to introduce a bill which I feel will offer at least some relief for those farm families in this country who simply have no chance whatsoever of salvaging their farming operation. I refer to this measure as the "Family Farm Homestead Protection Act of 1985" and I would like to discuss the provisions of the bill and the rationale behind it for a few brief minutes.

I could stand here today and recite the well-known statistics about the current distressed economic situation which faces many of our agricultural producers in America, but that would only repeat what each of us already knows. In a recent news story, even Secretary of Agriculture Jack Block admits that nearly 5 percent of our 2.3 million farmers cannot survive the present credit crisis in agriculture. He freely acknowledged that nothing short of a massive, vastly expensive bailout would help save these earnest laborers who till the soil for the benefit of us all. Even without a $200 billion deficit a rescue mission of this magnitude would not likely gain political approval or public acceptance.

Present farm programs have a wealth of detractors and the media would have us believe that many farmers are nothing more than greedy, shiftless leeches feeding on the Federal Treasury. The news stories which do not emphasize the costs of the farm programs go to the other extreme in trying to pin the blame for current financial stress on the administration. Of course they generally fail to talk about the past mistakes in Government policy which have served to drive the costs of production sky high. They don't tell the tale of the inflation during the last 3 years of the 1970's which pushed double digit upper limits and interest rates in excess of 20 percent. Saddled with such tremendous increases in land and operating costs, it is no wonder that farming in this decade has become almost financially impossible. Add to these factors other policies which openly encouraged expansion and production and then slammed shut the door on major export markets. Considering these adverse economic elements which were exacerbated by speculative lending binges in the commercial credit markets, and fueled to an even hotter flame by misguided Government credit programs, one has to wonder that things aren't even worse than they actually are.

The administration now talks about making farm programs more "market oriented." They insist that such changes in farm policy would allow American produced commodities and products to move in export trade more freely to the financial gain of the farmer. But this myopic view totally ignores the fact that this country has failed to formulate and implement a comprehensive, cohesive trade policy. We have failed to do those things necessary to ensure our own producers of the opportunity to take advantage of our inherent competitive advantage in agricultural production. For the past 5 years, Congress has been unable to summon the political courage necessary to forcefully address the predatory tactics of foreign competitors. We have been totally unwilling to say to our world trading partners that the day has come when their excessive production and export subsidies must end. We have waffled on the issue of demanding an end to their tariff and nontariff barriers which prevent the free flow of American goods and products into their countries.

So, Mr. President, I would urge my colleagues in the Senate to consider this modest proposal which I offer to help the most severely affected members of our farm population. But even more I would also offer my sincere support of any and all efforts to strengthen the linkage between free and fair international trade rules and the orderly development of a long-term farm policy for this Nation's producers.

The family farm homestead protection bill which I urge the Senate to consider is certainly not intended to solve any underlying problems facing American agriculture. Rather, it is a small—but meaningful—indication of the esteem in which the Congress holds those who have devoted their time, talents, and energies to feed and clothe their fellow countrymen and women, and indeed much of the world.

This legislation which I introduce is designed to help ease the pain currently experienced by those farm producers who simply will not survive the present crisis. Much of the personal and community shock which results from farm failures could be tempered if we could provide the farmer and his family some time to readjust their lives.

What I am suggesting today for your consideration is a plan which would allow a bona fide family farmer to retain possession and occupancy of the family homeplace for a reasonable amount of time so that he can make the financial and emotional adjustments necessary to carry on a normal lifestyle in what will most likely be a different occupation.

The legislation would provide that a farmer who had occupied the family homeplace for at least 5 years and who had actually depended on farming for a livelihood could retain possession of the "homestead" residence and up to 10 acres of land for a period of 5 years following any bankruptcy, foreclosure or liquidation necessitated by his inability to pay farm indebtedness. During this grace period he would pay Farmers Home Administration or the Small Business Administration, as the case may be, a percentage not in excess of 20 percent of the family income as rent for the occupancy and use of the property. If, by the end of the fifth year, the family could show repayment ability then they would be allowed to redeem the family homestead residence and the small amount of adjacent acreage.

Mr. President, this is such a reasonable approach to helping smooth the transition which some 120,000 farm producers will face if Secretary Block's estimates are correct. I think that we in Congress would be callous and cruel if we didn't at least offer some type of escape valve for those who have devoted their best efforts only to see hopes and dreams of a lifetime dashed upon the rocks of faulty Government policies and stranded upon the reefs of unfair foreign trade tactics. I would

suggest that this is probably the least we should do for these who have given in good faith their productive talents to the benefit of our country.

I have asked Congressional Research Service and the Congressional Budget Office to prepare cost estimates for this measure. These are not yet in my possession. But let me suggest that there should be little or no cost to the Treasury as a result of this proposal. In all probability the properties we are talking about would bring only a very small fraction of their book value if placed on today's depressed farm real estate market under forced sale. If held for 5 years they will certainly not bring any less should the family be unable to redeem the homestead. They might even bring more then due to stabilization and improved economic conditions in the agricultural sector. During the grace period the Government would be receiving payments in the form of rent which would further increase the Treasury's recovery of the original loan.

I have a great deal of confidence in the Members of the Senate and their knowledge about and concern for farm producers in this land. I simply urge constructive consideration of this suggestion. I will work with all of my concerned colleagues in every way possible to see this small flame of hope and opportunity kept alive for those in this distressed sector of our economy.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 1197. A bill entitled the "Lead Free Drinking Water Act"; to the Committee on Environment and Public Works.

LEAD FREE DRINKING WATER ACT

Mr. BRADLEY. Mr. President, today I am introducing legislation to reduce the consumption of lead by unsuspecting Americans who may be drinking contaminated water.

As my colleagues know, lead is a dangerous substance that seriously threatens public health; there is substantial medical evidence detailing the problems associated with elevated lead levels in the blood.

A study by the University of Michigan Medical School, which was reported in a recent issue of the Journal of the American Medical Association, concluded that a direct relationship exists between blood lead levels and high blood pressure. The report goes on to say that the effect was found even at blood lead levels less than the current toxic definition. In addition, medical evidence indicates that exposure to lead is particularly hazardous to our children. The Harvard Medical School reported in a March 1979 issue of the New England Journal of Medicine, that exposure to lead can result in learning disabilities; in fact, this damage can occur at the very early stages of exposure. More recently a joint effort by the University of Pittsburgh School of Medicine and the Harvard University Graduate School of Public Health looked into the relationship between prenatal exposure to lead and birth defects. The group reported that the greater the intake of lead, the higher the risk of birth defects.

We have long known of some of the dangers of lead poisoning. I remind my colleagues of the damage we have seen in children who have eaten peeling lead-based paints. But more problems are being uncovered daily as studies are concluded. We are only beginning to learn of the full health hazards associated with lead as newer medical findings are uncovered.

The risk of elevated blood pressure in adults, impairment of the central nervous system, retardation of learning ability in children, and birth defects all argue for prompt action to reduce the level of lead in our environment.

Most of the recent public attention has focused on the lead content of gasoline as a principal source of environmental contamination. While this issue must be addressed, another source of lead merits our attention as well—that of lead in our drinking water. In fact, a survey conducted in the Boston area by the EPA, Harvard University, and the New England Medical Center's Pediatrics Department, found a direct correlation between drinking water lead levels and levels of lead in blood.

The EPA has concluded that lead enters drinking water primarily as a result of the corrosive action of water on pipes, fittings, and solder. Several factors come into play. Two of the more important being the age of the plumbing system and the corrosiveness of the water. The highest levels are found in new systems, with corrosive water that is allowed to stand for several hours. For example, the first several draws of water in the morning would be most contaminated. However, levels in excess of the maximum contaminent level are not restricted to such circumstances. In my home State of New Jersey, preliminary work by the U.S. Geological Survey, in conjunction with our State department of environmental protection, has confirmed that lead is leaching into drinking water in Ocean County and several towns along our coastal plain in amounts exceeding the EPA standard. If EPA reduces the level of lead which is acceptable in water, as they are expected to do, the number of communities which have a contamination problem will probably increase.

This problem of lead contamination in water is not confined to Massachusetts, New Jersey, or even the Northeast. It is widespread throughout our Nation. The States of Oregon, Wisconsin, and Delaware have banned the use of lead solder and lead pipes in water distribution systems. Areas of Long Island and the city of Seattle have passed similar legislation. The States of Minnesota, California, and New York are actively considering legislation to prohibit the use of lead in drinking water systems; and, I add, these States have confidently predicted passage of such legislation. Other countries have taken similar action. Denmark, West Germany, Great Britain, and The Netherlands all prohibit the use of lead in water supply systems.

My bill is a simple and effective vehicle for dealing with this problem. It would, first, ban the use of lead solder and lead pipes in any new construction of water distribution systems. We are not asking anyone to rip up old plumbing systems. Rather, we focus only on preventative steps. Second, it would require a warning label on the sale of all lead solder to protect unknowing homeowners who opt to perform some simple plumbing tasks on their own.

Alternatives to lead solder exist which are equally if not better able to provide an effective seal without adverse health effects. In light of the known medical dangers there is not one good reason to continue using lead. Using alternatives will not result in any appreciable increase in costs to either homeowners or tenants. I ask my colleagues to consider that, since only 1 pound of solder is required for drinking water plumbing in the average home, costs will only rise from roughly $5 to $50 dollars per home. This amount is negligible compared to the overall costs of the home and certainly a small price to pay to avoid the adverse health effects that could result from drinking lead-contaminated water.

The logic is overwhelming to pursue this course of action. We place great emphasis, as a nation, on safe drinking water. Frequently, this requires expensive measures such as anticorrosive chemicals and fancy purification methods. What I am proposing today is a simple, inexpensive preventative step which we can take to prevent further contamination of our drinking water supplies.

I remind my colleagues that often the biggest problems are encountered in new homes. These homes are usually owned by young couples with young children—children who are particularly susceptible to the adverse effects of lead. I hope my colleagues will join me in supporting this effort to free our water supplies of further contamination.

Mr. LAUTENBERG. Mr. President, I am pleased to join my colleague from New Jersey, Senator BRADLEY, in introducing the Lead Free Drinking Water Act today. This legislation is intended to complement the Safe Drinking Water Act Amendments of 1985 which the Senate passed last week. The Safe Drinking Water Act serves to protect the public against contaminants in their drinking water. Our bill seeks to assure that water cleansed of contaminants is not despoiled by lead while being transported to water taps.

BEST COPY AVAILABLE

Two and a half years ago, EPA determined that the largest sources of lead in drinking water comes from the corrosion of pipes that carry water supplies. What this means is that no matter how much lead is taken out of drinking water by water supply companies, tap water will be contaminated as lead from lead pipes and lead solder connecting pipes is dissolved in drinking water on its way to the tap.

This problem may be exacerbated by acidified sources of drinking water. The low pH of the water—its acidity—makes the water more "aggressive" and thus more likely to corrode lead from pipes. New York, Minnesota, and parts of eastern Canada already warn residents to run their water before using it, and advise pregnant women against its use altogether.

Mr. President, numerous studies have demonstrated that infants and young children are especially susceptible to lead. Lead causes nervous disorders, learning disabilities, and weakens tolerance to disease. In addition, exposure to high levels of lead can cause cancer and birth defects.

It is clear that we must do everything possible to cut back on human exposure to lead, whether it is in drinking water, automobile exhausts, or in paint and other products.

The bill that we are introducing today is a positive step forward in accomplishing that goal. It prohibits the use of lead pipes or lead solder in repairs and installation of drinking water systems. Within 2 years, States are to implement this prohibition in their State building codes. Any State that fails to comply with the requirements of this act will be subject to having Federal grants to States for supervision of public water supply systems withheld.

In addition, the bill requires that public water supply systems notify users of their system of the adverse health effects of lead and the means by which users can reduce the lead in their water supplies. The bill also requires notification through the use of labeling on lead pipes or lead solder sold in retail establishments. Labels are to inform the public that the use of lead in drinking water systems is prohibited under Federal law.

Mr. President, this is an eminently reasonable bill. It does not call for the retroactive removal of lead pipes or pipes containing lead. It simply requires that new pipes or pipes that are repaired do not contain lead.

Mr. President, this is an issue of great concern to me. In New Jersey, lead from solder in drinking water pipes has been identified as the No. 1 source of exposure to lead. The second source is the more widely advertised problem of lead from automobile emissions along major highways. The preliminary findings of a report by the New Jersey Department of Environmental Protection indicate that the problem is extensive: Of 590 wells tested in Beachwood, NJ, 220 showed lead above the 50 μg/L maximum contaminant level set under the Safe Drinking Water Act. This pattern is repeated in many other areas of the Northeast and the Northwest.

Action has been taken to ban lead solder in Oregon, Wisconsin, Washington, Delaware, areas of Long Island, Denmark, West Germany, Great Britain, and The Netherlands. Minnesota, New York, and several other States are considering bans. This is not a new problem.

Mr. President, the Environment and Public Works Committee, of which I am a member, will hold a hearing on our bill tomorrow. The committee will hear from the New Jersey Department of Environmental Protection and numerous other State officials who have had experience in developing and implementing programs banning lead in drinking water pipes. It is my hope that the Senate will have the opportunity to consider this bill at the earliest possible time.

By Mr. WILSON (for himself, Mr. Sarbanes, Mr. Matsunaga, Mr. Moynihan, Mr. Chafee, Mr. Laxalt, Mr. Pell, Mr. East, Mr. Durenberger, Mr. McClure, Mr. Nunn, Mr. Metzenbaum, Mr. Cranston, Mr. Bentsen, Mr. Cochran, Mr. Thurmond, Mr. Hollings, Mr. Lugar, Mr. Domenici, Mr. Stennis, Mr. Boschwitz, Mr. Inouye, Mr. Bumpers, Mr. Leahy, Mr. Burdick, and Mr. D'Amato):

S.J. Res. 140. Joint resolution designating the week of June 2, 1985, through June 8, 1985, as "National Theatre Week"; to the Committee on the Judiciary.

NATIONAL THEATRE WEEK

● Mr. WILSON. Mr. President, during the last Congress, it was my pleasure to introduce commemorative legislation focusing attention on this Nation's dynamic theatre community. This legislation designated June 3 through June 9, 1984, "National Theatre Week."

Reflecting the support which this designation attracted, I am today introducing legislation that would designate a similar "National Theatre Week for 1985." I am pleased that some 25 of my colleagues are joining me in this effort as original cosponsors.

Mr. President, the National Theatre Week movement continues to grow—in a fashion which reflects the health of the theatre community in our country. Attendance at theatrical productions at every level has been growing as new segments of the population become exposed to this important art form.

It was my pleasure last year to attend the 1984 Tony Awards Presentation in New York. It was a particular pleasure to see firsthand this national recognition of professional theatre. The goal of National Theatre Week is to emphasize not only the importance of Broadway—generally recognized to be the home of some of the world's greatest theatrical productions—but also to bring attention to the other professional, semiprofessional, and amateur productions which make the spirit of theatre vital across the Nation.

While this resolution promotes the work of theatre across America, I do want to note in a special way the contribution of Washington Hall in San Francisco to the development of theatre in my home State of California. The theatre was recently recognized by the San Francisco Board of Supervisors by its designation as a Historic Point of Interest. The site of the theatre, which opened in 1850, is remembered as the home of one of California's first legitimate theatres.

Mr. President, I am pleased to introduce this resolution and hope that it will receive the swift and firm support of my colleagues and this body.

Mr. President, I ask unanimous consent that the joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 140

Whereas many Americans have devoted much time and energy in advancing the cause of theatre; and

Whereas the theatres of America have pioneered the way for many performers and have given them their start in vaudeville and stage; and

Whereas theatre is brought to Americans through high schools, colleges, and community theatre groups as well as through professional acting companies; and

Whereas the citizens of America have been called upon to support the theatre arts in the Nation's interest; and

Whereas many individuals and organizations are hailing the strength and vitality of the theatres of America: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of June 2 through June 8, 1985, shall be proclaimed as "National Theatre Week" throughout the country and that the President of the United States is authorized to issue a proclamation calling upon the citizens to support this effort with assistance to threatres throughout the country.●

● Mr. D'AMATO. Mr. President, I am pleased to rise today as an original cosponsor of a joint resolution introduced by my distinguished colleague from California to designate June 2 to 8, 1985, as "National Theatre Week."

Theatre captures the vitality and the spirit of every person whether he or she plays the leading role in a Broadway musical, sings in the chorus in a high school performance, or sits in the last seat in the audience at the Schubert Theatre. Each of these individuals receives a great deal of joy simply knowing that he or she is a part of the show.

The theatre has been a vehicle by which men, women, and children have been able to express themselves and to share their talents with thousands of others. It has provided the springboard by which many have achieved stardom and fame. It is an industry that grows every year.

It is only fitting, therefore, that we have a "National Theatre Week" so that we can honor those who have touched all of our lives.

Mr. President, I urge my colleagues to adopt this joint resolution.●

ADDITIONAL COSPONSORS

S. 361

At the request of Mr. Moynihan, the name of the Senator from Pennsylvania [Mr. Heinz] was added as a cosponsor of S. 361, a bill to amend the Internal Revenue Code of 1954 to make permanent the deduction for charitable contributions by non-itemizers.

S. 395

At the request of Mr. Specter, the name of the Senator from Pennsylvania [Mr. Heinz] was added as a cosponsor of S. 395, a bill to provide an additional 10 weeks of unemployment compensation for individuals participating in a job training program for dislocated workers under title III of the Job Training Partnership Act.

S. 412

At the request of Mr. Goldwater, the name of the Senator from Nebraska [Mr. Zorinsky] was added as a cosponsor of S. 412, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 620

At the request of Mr. Bradley, his name was added as a cosponsor of S. 620, a bill to make permanent the authority to establish and administer flexible and compressed work schedules for Federal Government employees.

S. 637

At the request of Mr. Zorinsky, the name of the Senator from Tennessee [Mr. Sasser] was added as a cosponsor of S. 637, a bill to amend the Railroad Retirement Act of 1974 to allow a worker to be employed in any nonrailroad employment and still qualify for an annuity, subject to current deductions in the tier 1 benefit on account of work and new deductions in the tier 2 benefit if the employment is for his last nonrailroad employer.

S. 657

At the request of Mr. Thurmond, the name of the Senator from Florida [Mrs. Hawkins] was added as a cosponsor of S. 657, a bill to establish the Veterans' Administration as an executive department.

S. 944

At the request of Mr. Helms, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor of S. 944, a bill to amend title II of the Social Security Act to restrict the payment of benefits to certain aliens.

S. 1009

At the request of Mr. Grassley, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor of S. 1009, a bill to increase the membership of the Advisory Board on Missing Children.

S. 1010

At the request of Mr. Grassley, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor of S. 1010, a bill to require the Attorney General to report to Congress regarding changes in Federal criminal law and procedures which would facilitate the participation of child witnesses in cases involving child abuse and sexual exploitation.

S. 1012

At the request of Mr. Grassley, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor of S. 1012, a bill to amend title 18, United States Code, to provide mandatory minimum sentence for offenses involving the sexual exploitation of children.

S. 1013

At the request of Mr. Grassley, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor of S. 1013, a bill to require the Attorney General to modify the FBI offense classification system to provide more specific information concerning offenses involving the sexual exploitation of children.

S. 1018

At the request of Mr. Gorton, the name of the Senator from Maryland [Mr. Mathias] was added as a cosponsor of S. 1018, a bill to amend the National Labor Relations Act to clarify the meaning of the term "guard" for the purpose of permitting certain labor organizations to be certified by the National Labor Relations Board as representatives of employees other than plant guards.

S. 1060

At the request of Mr. D'Amato, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor of S. 1060, a bill to amend title II of the Social Security Act to protect the benefit levels of individuals becoming eligible for benefits in or after 1979 by eliminating the disparity (resulting from changes made in 1977 in the benefit computation formula) between those levels and the benefit levels of persons who became eligible for benefits before 1979.

S. 1147

At the request of Mr. Hatch, the names of the Senator from North Dakota [Mr. Andrews], and the Senator from Ohio [Mr. Glenn] were added as cosponsors of S. 1147, a bill to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws.

S. 1174

At the request of Mr. McConnell, the name of the Senator from Kentucky [Mr. Ford] was added as a cosponsor of S. 1174, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide States with assistance to establish or expand clearinghouses to locate missing children.

SENATE JOINT RESOLUTION 73

At the request of Mr. Grassley, the name of the Senator from Indiana [Mr. Lugar] was added as a cosponsor of Senate Joint Resolution 73, a joint resolution to designate the week of September 15, 1985, through September 21, 1985, as "National Independent Free Papers Week."

SENATE JOINT RESOLUTION 88

At the request of Mr. Levin, the names of the Senator from Texas [Mr. Gramm], and the Senator from West Virginia [Mr. Byrd] were added as cosponsors of Senate Joint Resolution 88, a joint resolution to designate the week beginning September 8, 1985, as "National Osteopathic Medicine Week."

SENATE JOINT RESOLUTION 98

At the request of Mr. D'Amato, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor to Senate Joint Resolution 98, a joint resolution condemning the passage of Resolution 3379, in the U.N. General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all appropriate actions necessary to erase this shameful resolution from the record of the United Nations.

SENATE JOINT RESOLUTION 101

At the request of Mr. Levin, the names of the Senator from New Jersey [Mr. Bradley], the Senator from Florida [Mr. Chiles], and the Senator from Tennessee [Mr. Gore] were added as cosponsors of Senate Joint Resolution 101, a joint resolution to designate April 24, 1985, as "National Day of Rememberance of Man's Inhumanity to Man."

SENATE CONCURRENT RESOLUTION 41

At the request of Mr. Baucus, the names of the Senator from Michigan [Mr. Levin], and the Senator from Oklahoma [Mr. Boren] were added as cosponsors of Senate Concurrent Resolution 41, a concurrent resolution expressing the sense of the Congress that corporate income tax rates should remain graduated.

SENATE RESOLUTION 112

At the request of Mr. Cohen, the name of the Senator from West Virginia [Mr. Rockefeller] was added as a cosponsor of Senate Resolution 112, a resolution relating to bilateral discussions between the United States and the Soviet Union to ban chemical weapons.

AMENDMENT NO. 173

At the request of Mr. Thurmond, the name of the Senator from Utah [Mr. Garn] was added as a cosponsor of Amendment No. 173 proposed to S. 1160, an original bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

SENATE RESOLUTION 173—RELATING TO THE PERSONAL EXEMPTION

Mr. KASTEN (for himself, Mr. Specter, Mr. Wallop, and Mr. Hatch) submitted the following resolution; which was referred to the Committee on Finance:

S. Res. 173

Whereas the personal exemption for the taxpayer, the spouse, and each dependent was last increased in 1979 to $1,000 from $625;

Whereas inflation has significantly reduced the real value of the exemption, so that the $1,000 personal exemption is now only worth $330;

Whereas for a median income family in 1950, the personal exemption was 18 percent of the family income, and in 1983, the personal exemption was 4 percent of the family income;

Whereas during the decades that the value of the personal exemption was shrinking, the cost of living was increasing;

Whereas between 1950 and 1983 the effective federal tax rate for a median family income increased by 300 percent while the value of the personal exemption decreased by 70 percent; and

Whereas the recently enacted indexing of the personal exemption will only prevent any future erosion in the real value of the personal exemption: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) any tax reform measure enacted by Congress should restore the value of the personal exemption by increasing it to a minimum of $2,000; and

(2) indexing of the personal exemption should be retained in order to prevent future erosion of its value to the American taxpayers.

Mr. KASTEN. Mr. President, I rise to propose a resolution that will affect every taxpayer, spouse, and dependent in this country. My resolution expresses the view that any tax reform measure enacted by Congress include the restoration of the value of the personal exemption. This should be done by increasing it to a minimum of $2,000 each, and indexing it to prevent further erosion of its value.

Mr. President, I believe that this is one of the most crucial issues in the coming debate on tax reform. The personal exemption is something that benefits all taxpayers, their spouses, and dependents.

It is an integral part of every tax reform measure introduced so far, and there's a good reason for that. The personal exemption is one of the few ways to protect the low-income taxpayer and his family from paying taxes on income that goes to basic family needs.

Under the current tax law, even though the poverty level is $11,101, a family of four would begin paying taxes after the first $8,936 in income. I think it is outrageous that Americans below the poverty level pay taxes. Under my tax reform plan—the Kemp-Kasten fair and simple tax plan—this is not the case. In FAST, we increase the personal exemptions to $2,000, provide an earned income exclusion, and increase the standard deductions. The result is that no one below the poverty level will pay Federal income tax. A family of four, for example, will pay no tax on the first $14,125 of income.

Doubling the personal exemption will also protect taxpayers from the loss of specific deductions as a result of base broadening. Take, for example, a Milwaukee family of four with $25,000 in income and deducting $1,024 in State and local income and sales taxes. Under FAST, these taxes are no longer deductible, but the same family will pay $557.50 less in total Federal income taxes.

Mr. President, I ask unanimous consent that the complete example be printed in the Record at this point.

There being no objection, the example was ordered to be printed in the Record, as follows:

MILWAUKEE FAMILY OF 4—$25,000 ITEMIZER

	Current law	FAST
Income:		
Salary	$24,250	$24,250.00
Interest	750	750.00
Exclusions:		
Dividends		
Wages		−4,850.00
Adjusted gross income	25,000	20,150.00
Itemized deductions:		
Mortgage	4,000	4,000.00
Charity	250	250.00
State/local income tax	760	
Sales tax	264	
Property tax	1,602	1,602.00
Total	6,876	5,852.00
Standard deduction	3,400	3,500.00
Excess itemized deductions	3,476	2,352.00
Personal exemptions	4,000	8,000.00
Taxable income	17,524	9,798.00
Federal income tax	2,132	1,574.50
Reduction of tax due to FAST		−557.50

Note: Example based on the typical Milwaukee taxpayer in the Advisory Commission on Intergovernmental Relations (ACIR), Staff Study 3R, August 1984

Mr. KASTEN. Mr. President, in 1917, the personal exemption was $200 for each dependent. In part, the personal exemption came from the belief that taxpayers should not be taxed on the portion of income that went to basic costs of living. And, in 1917, $200 per dependent was a significant amount.

The personal exemption had increased to $400 in 1940, and doubled to $1,000 40 years later, but unfortunately, its real value had declined. In fact, in 1980, the $1,000 exemption was only worth $410. So in real terms, the personal exemption was worth only $10 more than it was in 1940.

Mr. President, in 1950, the median income for all families was $3,319, and the personal exemption of $600 amounted to 18 percent of the family income. In 1983, the median income for all families was $24,850, and the personal exemption of $1,000 amounted to 4 percent of the family income.

And, it isn't that the median income for all families has increased astronomically over the years. During the decades that the value of the personal exemption was declining by 70 percent, the cost of living was increasing. For example, over the same period—1950 to 1983—the effective Federal tax rate for the median income family increased by 300 percent.

I believe that raising the personal exemption to a minimum of $2,000 is in order. Although this will not make up for the years of the erosion in the value of the exemption, I believe that it will be a good start.

Mr. President, this attention to increasing the personal exemption to $2,000 has a broad base of support. In fact, 10 interested individuals and groups ranging from public citizen to the Fund for a Conservative Majority have sent a letter to Secretary of the Treasury Baker calling for a personal exemption of $2,000 to be included in any tax reform measure. I ask unanimous consent that the letter be included in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

May 10, 1985.

Hon. James A. Baker,
Secretary of the Treasury, Department of the Treasury, Washington, DC.

Dear Secretary Baker, we represent a broad range of citizen support for comprehensive tax reform to promote fairness and economic growth.

We urge the Administration to submit a plan that, like the November proposal, would eliminate loopholes and preferences in order to broaden the base of taxable dollars. This would allow the plan to preserve the reduction in tax rates as originally proposed. In turn, this would ensure that all individuals and businesses contributed their fair share in taxes and that economic resources were allocated in a much more efficient and productive manner and not according to the dictates of the tax code.

To guarantee fairness and economic growth for individual taxpayers and families, especially single-parent families maintained by women and all families with children, the proposal should provide for a reduction in rates for individuals similar to that proposed in the November plan, retention of the commitment to assure that those below or near the poverty line will be dropped from the tax rolls and retention and expansion of the proposal's benefits for low- and middle-income taxpaying families. We are particularly—though not exclusively—concerned that the plan retain the proposed increase of the dependency deduction to $2,000, that it retain, if not expand, the proposed increases in the zero-bracket amounts and that it increase, as well as index, the earned income tax credit at least to offset increases in the Social Security tax. It is critical to us that the provisions of the original plan that would benefit individuals, families and low-income people, not be sacrificed for the sake of preserving loopholes and preferences for businesses and corporations.

Virtually every group represented here objects to at least one element or another of the original plan. However, each realizes that in order to succeed in genuine, comprehensive reform, the effort must begin with a recognition of the favorable common ground on which the broad support for tax reform stands.

The plan that you are scheduled to submit to Congress and the public this month will define the debate, if not the outcome, on tax reform. It is imperative that this proposal focus that debate on the common ground of shared interests which tax reform represents. For the citizens that we represent, the Treasury proposal's concept of broadening the tax base of personal and corporate taxation and its reduction of marginal rates for individuals, corporations, and families, especially families with dependents, represent that common ground. That is why it is critical that the new proposal preserve those key provisions of the original proposal.

We believe that by retaining these provisions in the proposal, you will ensure an honest, constructive national dialogue on tax policy and will enhance the prospects for successful tax reform.

Very Truly Yours,

Public Citizen, Nancy Drabble, Director, Joseph Goffman, Staff Attorney, Congress Watch; Hon. Richard D. Lamm, Governor of Colorado, Chair, Tax Policy Committee, National Governors' Association; Environmental Action, Alden Meyer, Executive Director; Environmental Policy Institute, Louise C. Dunlap, President; Center for Rural Affairs, Fern Norris, Chair of the Board; Committee for Fairness to Families, Gerald P. Regier, Chair; Consumer Federation of America, Gene Kimmelman, Legislative Director; League of United Latin American Citizens, Jose Trevino, Executive Director; United Church of Christ, The Reverend Yvonne V. Delk, Executive Director, Office for Church and Society; Fund for a Conservative Majority, Robert C. Heckman, Chair.

Mr. KASTEN. Mr. President, since the decline in value of the personal exemption has been the result of inflation over the years, it is essential that any further erosion be prevented by retaining the recently enacted indexing of the personal exemption. This resolution calls for that indexing to be retained in any tax reform measure.

Today, the personal exemption is worth $330, and it's time we did something to restore its value. To fully restore its full value, we would have to increase the personal exemption to $3,300. In fact, some of my distinguished colleagues have offered legislation to do so. Given the overall context of tax reform—lower tax rates and increased standard deduction, I think that the American taxpayers would be adequately protected with an increase in the personal exemption to $2,000.

I am, however, concerned that some may think that increasing the personal exemption to $2,000 is inappropriate at this time. As we consider our options, we must come down on the side of maintaining the value of the personal exemption to each and every American taxpayer and their families—not cave to the narrow concerns of special interests. I believe that is a mistake.

Mr. President, that is why I am offering this resolution here today. I strongly hope that any reform measure enacted by Congress restore the value of the personal exemption by increasing it to at least $2,000, and that indexing should be retained in order to prevent further erosion of its value to the American taxpayers and their families.

AMENDMENTS SUBMITTED

DIXON AMENDMENT NO. 186

(Ordered to lie on the table)

Mr. DIXON submitted an amendment intended to be proposed by him to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes; as follows:

On page 100, between lines 2 and 3, add to the following new section:

SUBMISSION OF DEFENSE BUDGET INFORMATION TO CONGRESS

Sec. 917. (a) The Congress finds that—

(1) the Constitution of the United States of America grants the power of the purse to the Senate and the House of Representatives;

(2) Congress needs timely and accurate information from the Department of Defense to properly exercise the constitutional duty and responsibility to establish defense budgets;

(3) Congress has a particularly urgent need for timely and accurate information during this era of very high Federal Government deficits, including a budget deficit that will exceed $200,000,000,000 in fiscal year 1985;

(4) there has been a substantial amount of controversy over the proper level of growth in the defense budget for fiscal year 1986;

(5) the failure of the Department of Defense to furnish timely and accurate information to the Congress has impaired the ability of the Senate to determine appropriate budget levels for defense during consideration of the first concurrent resolution on the budget for fiscal year 1986, and also has impaired the ability of the Committees on Armed Services of the Senate and House of Representatives, committees responsible for oversight of national defense, to set defense authorization levels that meet defense needs in a fiscally prudent manner; and

(6) it is vital that the Congress, particularly the committees of the Congress which have jurisdiction of defense authorizations and appropriations, receive accurate information on any savings and surpluses that occur in the Department of Defense.

(b) It is the sense of the Congress that—

(1) the Department of Defense should have revealed the $4,000,000,000 in savings and surpluses (announced by the Department on May 13, 1985) to the appropriate committees of the Congress earlier in the budget cycle;

(2) the announcement of the $4,000,000,000 in savings and surpluses on May 13, 1985, impaired the credibility of the Department of Defense and tended to create an adversarial relationship between the Department and the Congress instead of the cooperative relationship that should exist.

(c) The Secretary of Defense shall report to the Congress not later than April 15 and July 20 on the status of execution of the appropriations for the current fiscal year. The report shall include, but not be limited to;

(1) The projected costs or savings derived through application of the same updated economic assumptions as contained in the budget reestimates submitted by the President to the Congress on April 10 and July 15;

(2) funds projected to be available from prior year appropriations no longer required for the original purpose of the appropriations, or determined to be excess to the current estimate of funds required to execute the original purpose of the appropriation, or available because the original program cannot be executed as planned.

(3) an estimate of that portion of the unexpended balances and unobligated balances available to the Department of Defense which are projected as necessary to cover the current forecast of inflation;

(d) No reprogramming request made to the Congress will be considered in order until the first report mandated by (c) is delivered and 15 days have expired, except if the request for reprogamming is certified by the Secretary of Defense as essential for the continuation of urgent activities or programs of the Department of Defense which would otherwise have to cease operation by April 25.

NUNN (AND OTHERS) AMENDMENT NO. 187

Mr. NUNN (for himself, Mr. Roth, Mr. Warner, Mr. Glenn, and Mr. Kennedy) proposed an amendment to the bill S. 1160, supra; as follows:

At the end of title II of division A of the bill, insert the following new section:

IMPROVED COOPERATION IN RESEARCH, DEVELOPMENT, AND PRODUCTION OF MILITARY EQUIPMENT AMONG NATO NATIONS

Sec. 204. (a) The Congress hereby finds—

(1) that for more than a decade the member nations of the North Atlantic Treaty Organization (NATO) have provided in the aggregate significantly larger resources for defense purposes than have the member nations of the Warsaw Treaty Organization;

(2) that, despite this fact, the Warsaw Treaty Organization member nations have produced and deployed many more major combat items such as tanks, armored personnel carriers, artillery pieces and rocket launchers, armed helicopters, and tactical combat aircraft than have the member nations of NATO; and

(3) that a major reason for this discouraging performance by NATO is inadequate cooperation among NATO nations in research, development, and production of military end-items of equipment and munitions.

(b) The Congress, therefore, urges and requests the President, the Secretary of Defense, and the United States Representative

date the Commission transmits the report to the North Atlantic Treaty Organization to pursue diligently opportunities for member nations of NATO to cooperate in research and development on defense equipment and munitions and in the production of defense equipment, including coproduction of conventional defense equipment by the United States and other member nations of NATO and production by United States contractors of conventional defense equipment designed and developed by other member nations of NATO.

(c)(1) Of the funds appropriated pursuant to the authorization in section 201(a) for research, development, test, and evaluation, the sum of $200,000,000 shall be available, in equal amounts, to the Army, Navy, Air Force, and Defense Agencies only for NATO cooperative research and development projects as provided in this section.

(2) As used in this section, the term "cooperative research and development project" means a project involving joint participation by the United States and one or more other member nations of NATO under a memorandum of understanding or other formal agreement to carry out a joint research and development program on conventional defense equipment and munitions, or to modify existing military equipment to meet United States military requirements.

(d) A memorandum of understanding or other formal agreement to conduct a cooperative research and development project may not be entered into unless the Secretary of Defense determines that the proposed project enhances the ongoing multinational effort to improve NATO's conventional defense capabilities through the application of emerging technology. The Secretary of Defense may not delegate the authority to make such determination except to the Deputy Secretary of Defense or the Director of Defense Research and Engineering.

(e) In order to assure substantial participation on the part of other member nations of NATO in approved cooperative research and development projects, funds made available under subsection (c) for such projects may not be used to procure equipment or services from any foreign government, foreign research organization, or any other foreign entity.

(f) The Secretary of Defense shall encourage other member nations of NATO to establish programs similar to the one provided for in this section.

(g)(1) In order to ensure that opportunities to conduct cooperative research and development projects are considered during the early decision points in the Department of Defense's formal development review process in connection with any planned project of the Department of Defense, the Director of Defense Research and Engineering shall prepare a formal arms cooperation opportunities document for review by the Defense Systems Acquisition Review Council at its formal meetings. The Director shall also prepare an arms cooperation opportunities document for reviews of new projects for which a Justification of Major Systems New Start document is prepared.

(2) The formal arms cooperation opportunities document referred to in paragraph (1) shall include the following:

(A) A statement indicating whether or not a project similar to the one under consideration by the Department of Defense is in development or production by one or more of the other NATO member nations.

(B) If a project similar to the one under consideration by the Department of Defense is in development by one or more other member nations of NATO, an assessment by the Director of Defense Research and Engineering as to whether that project could satisfy, or could be modified in scope so as to satisfy, the military requirements of the United States project under consideration by the Department of Defense.

(C) An assessment of the advantages and disadvantages with regard to program timing, developmental and life cycle costs, technology sharing, and Rationalization, Standardization, and Interoperability (RSI) of seeking to structure a cooperative development program with one or more other NATO member nations.

(D) The recommendation of the Director of Defense Research and Engineering as to whether the Department of Defense should explore the feasibility and desirability of a cooperative development program with one or more other member nations of NATO.

(h)(1) It is the sense of the Congress that the Department of Defense should perform more side-by-side testing of conventional defense equipment manufactured by the United States and other member nations of NATO and that such testing should be conducted at the late stage in the development process when there is usually only a single United States prime contractor.

(2) In addition to any funds appropriated for activities of the Director of Defense Test and Evaluation pursuant to section 201(a), $50,000,000 shall be available to the Director, from any other funds appropriated pursuant to an authorization in this division, to acquire items of the type specified in paragraph (2) manufactured by other member nations of NATO for side-by-side comparison testing with comparable items of United States manufacture.

(3) Items that may be acquired under paragraph (1) by the Director of Defense Test and Evaluation include, but are not limited to, the following:

(A) Submunitions and dispensers.

(B) Anti-tank and anti-armor guided missiles.

(C) Mines, for both land and naval warfare.

(D) Runway-cratering devices.

(E) Torpedoes.

(F) Mortor systems.

(C) Light armored vehicles and major subsystems thereof.

(H) Utility vehicles.

(I) High-velocity anti-tank guns.

(J) Short-Range Air Defense Systems (SHORADS).

(k) Mobile air defense systems and components.

(4) The Director of Defense Test and Evaluation shall notify the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives of his intent to obligate funds under this subsection not less than 30 days before such funds are obligated.

(5) Not later than February 1, 1936, and annually thereafter, the Director of Defense Test and Evaluation shall provide to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives a report on the systems, subsystems, and munitions produced by other member nations of NATO that were evaluated during the previous fiscal year by the Director and on the obligation of any funds under this subsection during the preceding fiscal year.

EXON (AND OTHERS) AMENDMENT NO. 188

Mr. EXON (for himself, Mr. BUMPERS, Mr. KENNEDY, and Mr. CHAFEE) proposed an amendment to the bill S. 1160, supra; as follows:

On page 6, line 25, strike out "$5,470,202,000" and insert in lieu thereof "$5,523,700,000".

On page 6, line 26, strike out "$9,926,200,000" and insert in lieu thereof "$9,872,700,000".

On page 11, between lines 8 and 9, insert the following new section:

LIMITATION ON FUNDS FOR THE NAVY

SEC. 107. None of the funds appropriated pursuant to the authorization of funds in this or any other Act may be used for the purpose of carrying out a battleship reactivation program in connection with any battleship for which funds have not been provided for reactivation before the date of the enactment of this Act.

DIXON (AND GOLDWATER) AMENDMENT NO. 189

Mr. DIXON (for himself and Mr. GOLDWATER) proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following new section:

REPORT ON EXCESS FUNDS

SEC. . Not later than 30 days after the date of the enactment of this Act and within 30 days after the end of each quarter thereafter, beginning with the first quarter which begins after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing an estimate of the amount of funds in each Department of Defense appropriations account that, at the time of the report, is available for obligation and is in excess of the amount needed to carry out the program for which the funds were appropriated. The estimate shall include amounts attributable to inflation savings, foreign currency savings, excess working capital fund cash, and all other savings. This report shall also identify unanticipated cost increases resulting from adverse economic trends.

ROTH AMENDMENT NO. 190

Mr. ROTH proposed an amendment to the bill S. 1160, supra; as follows:

On page 66, between lines 16 and 17, insert the following:

COMMISSION ON DEFENSE PROCUREMENT

SEC. 612. (a)(1) There is hereby established a commission to be known as the Commission on Defense Procurement (hereinafter in this section referred to as the "commission") to review all available evidence, studies, reports, and analyses on defense procurement and to recommend to the President and to the Congress ways to improve the organization and management of the defense procurement process.

(2) Members of the Commission shall be appointed by the President and shall be chosen without regard to their political affiliation.

(3) Members of the Commission shall be professionally respected persons recognized for their experience and expertise in the defense procurement process.

(b) Not later than 180 days after the date of enactment of this Act, the Commission shall report its findings and recommendations to the President and the Congress and shall transmit a copy of the report to the Secretary of Defense and the Comptroller General of the United States.

(c) The Secretary of Defense shall consider the Commission's finding and recommedations. Not later than 90 days after the

date the Commission transmits the report to the President under subsection (b), the Secretary shall transmit to the Congress a report on his views and planned actions in response to the report of the Commission.

(d) The Comptroler General of the United States shall review the Commission's findings and recommendations. Not later than 90 days after the date the Commission transmits the report to the Congress under subsection (b), the Comptroller General shall transmit to the Congress a report on his views and recommendations on the report of the Commission.

DECONCINI MODIFICATION TO ROTH AMENDMENT NO. 190

Mr. DECONCINI proposed a modification to amendment No. 190 proposed by Mr. ROTH; as follows:

On the first page, beginning on line 7, strike out "review" and all that follows through "procurement" on line 8 and insert in lieu thereof "make a comprehensive study and review of those reports, studies, and analyses on defense procurement which it considers appropriate".

On the first page, line 9, insert "eliminate, waste, fraud, and abusive practices in, and to" before "improve".

On the first page, line 10, insert a comma after "of".

On page 2, strike out lines 1 through 6, and insert in lieu thereof the following:

(2) The Commission shall be composed of 21 members as follows:

(A) Seven private citizens appointed by the President from among persons who are well qualified to serve as members of the Commission by reason of their education, training, and experience and who are not employed by or otherwise connected with firms doing business with the Department of Defense.

(B) Three members appointed by the President from the defense industry.

(C) Three members appointed by the Secretary of Defense from the Department of Defense.

(D) Four members appointed by the President pro tempore of the Senate, two upon the recommendation of the majority leader of the Senate and two upon the recommendation of the minority leader of the Senate.

(E) Four members appointed by the Speaker of the House of Representatives, two upon the recommendation of the majority leader of the House of Representatives and two upon the recommendation of the minority leader of the House of Representatives.

(3) The President shall designate one member of the Commission appointed under paragraph (2)(A) to serve as Chairman of the Commission.

(4) Eleven members of the Commission shall constitute a quorum for the transaction of business, but the Commission may establish a lesser number as a quorum for the purpose of holding hearings, taking testimony, and receiving evidence. The Commission shall meet at the call of the Chairman.

(5) A vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(b)(1) All members of the Commission shall be appointed not later than 60 days after the date on which funds are made available for the operation of the Commission.

(2) The Commission shall hold its first meeting not later than 30 days after the date on which the last member is appointed to the Commission.

On page 2, line 7, strike out "(b)" and insert in lieu thereof "(c)".

On page 2, beginning on line 3, strike out "date" and all that follows through "Act" on line 6, and insert in lieu thereof "first meeting of the Commission".

On page 2, line 9, insert "the Commission" before "shall".

On page 2, line 12, strike out "(c)" and insert in lieu thereof "(d)".

On page 2, line 15, strike out "(b)" and insert in lieu thereof "(c)".

On page 2, line 18, strike out "(d)" and insert in lieu thereof "(e)".

On page 2, line 21, strike out "(b)" and insert in lieu thereof "(c)".

On page 2, after line 24, add the following:

(f)(1) The Commission may (without regard to section 5311(b) of title 5, United States Code) appoint an executive director, who shall be paid at a rate not to exceed the rate of basic pay payable for level IV of the Executive Schedule.

(2) The Commission may appoint such additional staff as it considers appropriate, subject to the availability of appropriations. No such personnel shall be paid at a rate in excess of the rate of basic pay payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(3) The executive director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the executive branch and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(4) The Commission may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

(g)(1) Members of the Commission appointed from private life may each be paid at a rate equal to the daily equivalent of the rate of basic pay payable for level IV of the Executive Schedule for each day (including traveltime) during which they are engaged in the actual performance of the business of the Commission. Other members of the Commission shall receive no additional pay by reason of their service on the Commission.

(2) All members of the Commission shall be reimbursed for travel, as authorized by section 5703 of title 5, United States Code, subsistence, and other necessary expenses incurred in the performance of the duties of the Commission.

(h)(1) The Commission or, on the authorization of the Commission, any subcommittee thereof or any member authorized by the Commission may, for the purpose of carrying out its functions hold such hearings as may be required for the performance of its functions.

(2) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances of witnesses so summoned under authority conferred by this section shall be paid from funds appropriated to the Commission.

(3) The Commission is authorized to secure directly from any officer, department, agency, establishment, or instrumentality of the Government such information, suggestions, estimates, and statistics as the Commission may require for the purpose of this section, and each such officer, department, agency, establishment, or instrumentality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the chairman.

(4) Upon request of the Commission, the head of any Federal agency is authorized to make any of the facilities and services of such agency available to the Commission or to detail any of the personnel of such agency to the Commission, on a reimbursable basis, to assist the Commission in carrying out its duties under this section unless the head of such agency determines that urgent, overriding reasons will not permit the agency to make such facilities, services, or personnel available to the Commission and so notifies the chairman in writing.

(5) No officer or agency of the United States shall require the Commission to submit any report, recommendation, or other matter to any such officer or agency for approval, comment, or review before submitting such report, recommendation, or other matter to the Congress and the President.

(i) Fifteen days after the date the reports required by subsections (d) and (e) are transmitted to the Congress, the Commission shall cease to exist.

(j) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

THURMOND AMENDMENT NO. 191

Mr. THURMOND proposed an amendment to the bill S. 1160, supra; as follows:

On page 163, between lines 2 and 3 insert the following new section:

"TEST OF LONG-TERM FACILITIES CONTRACTS

"SEC. . (a)(1) The Secretary concerned may enter into contracts for the construction, management, and operation of facilities on or near a military installation in the United States for provision of child care services, industrial waste water treatment or depot supply activities in cases where the Secretary concerned determines that the facilities can be more efficiently and more economically provided under a long-term contract than by other appropriate means.

"(2) Each contract entered into under subsection (a) shall be awarded through the use of competitive procedures as provided in chapter 137 of this title.

"(3) A contract under this section may be for any period not in excess of 20 years, excluding the period for construction. A contract under this section shall include a provision that the obligation of the United States to make payments under the contract in any fiscal year is subject to the availablity of appropriations for that purpose.

"(4) A contract may not be entered into under this section until—

"(A) the Secretary concerned submits to the appropriate committees of the Congress, in writing, a justification of the need for the facility for which the contract is to be awarded and an economic analysis (based upon accepted life cycle costing procedures) which demonstrates that the proposed contract is cost effective when compared with alternative means of furnishing the same facility; and

"(B) a period of 21 calendar days has expired following the date on which the justification and the economic analysis are received by the committees.

"(b) Each Secretary concerned may enter into not more than five contracts under the authority of subsection (a) of this section, other than contracts for child care centers.

"(c) The authority to enter into contracts under this section shall expire on September 30, 1987, but shall not affect the validity of any contract entered into under the authority of this section prior to that date.".

HAWKINS (AND OTHERS) AMENDMENT NO. 192

Mrs. HAWKINS (for herself, Mr. Hatch, and Mr. Lugar) proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following new section:

MILITARY COOPERATION INFORMATION PROGRAMS FOR CIVILIAN LAW ENFORCEMENT OFFICIALS

Sec. . (a) Section 373 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "The"; and

(2) by adding at the end thereof the following new subsections:

"(b)(1) At least once each year, the Attorney General of the United States, in consultation with the Secretary of Defense, shall conduct a briefing of law enforcement personnel of each State, including law enforcement personnel of the political subdivisions of each State, regarding information, training, technical assistance, and equipment and facilities available to civilian law enforcement personnel from the Department of Defense.

"(2) Each briefing conducted under paragraph (1) shall include—

"(A) an explanation of the procedures for civilian law enforcement officials—

"(i) to obtain information under section 371 of this title, use of equipment and facilities under section 372 of this title, and training and advice under subsection (a); and

"(ii) to obtain surplus military equipment;

"(B) the types of information, equipment and facilities, and training and advice available to civilian law enforcement officials from the Department of Defense; and

"(C) a current, comprehensive list of military equipment which is suitable for law enforcement purposes and is available to civilian law enforcement officials from the Department of Defense or is available as surplus property from the Administrator of General Services.

"(c) The Attorney General of the United States and the Administrator of General Services shall—

"(1) establish or designate an appropriate office or offices to maintain the list described in subsection (b)(2)(C) and to furnish information to civilian law enforcement officials on the availability of surplus military equipment; and

"(2) make available to civilian law enforcement personnel nationwide, tollfree telephone communication with such office or offices.".

(b) The amendments made by subsection (a) shall take effect January 1, 1986.

PRYOR (AND OTHERS) AMENDMENT NO. 193

Mr. PRYOR (for himself, Mr. Hart, Mr. Simon, Mr. Sarbanes, Mr. Leahy, Mr. Burdick, Mr. Kennedy, Mr. Danforth, Mr. Kerry, Mr. Mitchell, Mr. Proxmire, and Mr. Hatfield) proposed an amendment to the bill S. 1160, supra; as follows:

At the end of title IX of division A insert the following new section:

LETHAL BINARY CHEMICAL WEAPONS

Sec. . (a) The amount authorized by section 101(a) for procurement of ammunition for the Army is reduced by $163,000,000.

(b)(1) Notwithstanding any other provision of this or any other Act, no department or agency of the Federal Government may obligate or expend any funds after the date of enactment of this Act for the procurement of lethal binary chemical munitions or retaliatory equipment relating to such munitions.

(2) As used in paragraph (1), the term "lethal binary chemical munitions" shall have the same meaning as provided in section 818(b) of the Department of Defense Authorization Act, 1976 (Public Law 94-106; 50 U.S.C. 1519).

(c) It is the sense of the Congress—

(1) that the President should intensify ongoing efforts to achieve an agreement with the Government of the Union of Soviet Socialist Republics and the governments of other countries establishing a mutual and verifiable ban on the production and stockpiling of chemical weapons; and

(2) that the Secretary of Defense should, on a priority basis, improve the capabilities of the Armed Forces to detect the use of chemical weapons and to protect members of the Armed Forces against the use of such weapons.

PRESSLER AMENDMENT NO. 194

Mr. PRESSLER proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place in the bill, insert the following new section:

LIMITATION ON THE PROCUREMENT OF CHEMICAL MUNITIONS

Sec. 1. The funds appropriated pursuant to an authorization contained in this Act for the procurement of chemical munitions may be expended with the understanding that the President initiate discussions with NATO allies on the overall alliance capability to deter the use of chemical weapons in Europe. Such discussion should urge the European NATO allies to—

(1) embark upon a program to provide key civilian workers at any European military support facilities with personal and collective protection equipment and the training required for its use;

(2) embark upon a program to upgrade the chemical reconnaissance, decontamination and protective capabilities of each's military forces to a level adequate to meet the chemical threat identified in NATO intelligence estimates;

(3) initiate a NATO-wide study of measures required to protect ports, airfields, logistics centers, and command and control facilities against chemical attack; and

(4) initiate a NATO-wide study of equitable and efficient task sharing with regard to deterring use of chemical weapons in Europe.

Sec. 2. The President shall report to the Congress not later than October 1, 1986, on the status of those discussions, the progress made by NATO in enhancing the chemical deterrent, and on any future alliance plans in this regard.

GLENN AMENDMENT NO. 195

Mr. GLENN proposed an amendment to the bill S. 1160, supra; as follows:

At the end of part D of title V of division A, add the following:

MODIFICATION AND STUDY OF DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL CLASSIFICATION AND PAY SYSTEMS

Sec. 535. (a) Section 5102(c) of title 5, United States Code, is amended—

(1) by striking out "or" at the end of clause (26);

(2) by striking out the period at the end of clause (27) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new clause:

"(28) civilian members of the faculty of the Air Force Institute of Technology whose pay is fixed under section 9314 of title 10.".

(b)(1) Section 9314 of title 10, United States Code, is amended—

(A) by inserting "(a)" before "When"; and

(B) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary of the Air Force may employ as many civilian faculty members at the United States Air Force Institute of Technology as is consistent with the needs of the Air Force and Department of Defense personnel limits.

"(2) The Secretary shall prescribe regulations determining—

"(A) titles and duties of civilian members of the faculty, notwithstanding the provisions of chapter 51 of title 5; and

"(B) rates of basic pay of civilian members of the faculty, notwithstanding chapter 53 of title 5, but subject to the limitation set out in section 5308 of title 5.".

(2)(A) The section heading of such section is amended by striking out ": degrees".

(B) The item relating to section 9314 in the table of sections at the beginning of chapter 901 of such title is amended by striking out ": degrees".

(c) Section 5102(c)(28) of title 5, United States Code (as added by subsection (a)) and section 9314(b)(2) of title 10, United States Code (as added by subsection (b)(1)(B)) shall not apply to any person who, on the date of enactment of this Act, is a civilian member of the faculty of the United States Air Force Institute of Technology, is paid a rate of basic pay under the General Schedule, and elects, under procedures prescribed by the Secretary of the Air Force, to continue to be paid under the General Schedule.

(d) The Secretary of Defense shall provide to the Congress not later than December 31, 1985, an evaluation of the effects of the pay and classification systems applicable to civilian employees of the Department of Defense on recruitment and retention of scientists, engineers, technicians, and other highly skilled personnel in scientific and engineering organizations in the Department.

NUNN AMENDMENT NO. 196

Mr. NUNN proposed an amendment to amendment No. 159 proposed by him and subsequently modified, to the bill S. 1160, supra; as follows:

Strike out all after the word "Notwithstanding" and insert in lieu thereof the following: The language on page 10, line 2, providing "$9,584,900,000", only "$9,234,900,000" is deemed to be authorized.

LIMITATIONS ON MX MISSILE PROCUREMENT AND DEPLOYMENT

Sec. 107. (a) It is the sense of the Congress that—

(1) not more than 40 MX missiles should be deployed in existing Minuteman silos; and

(2) after procurement of 40 missiles for deployment, further procurement of MX missiles should be limited to those necessary for the MX missile reliability testing program and as spares within the logistics system supporting the deployed MX missile force.

(b) Notwithstanding any other provision of law, none of the funds appropriated pursuant to an authorization of funds in this or any prior Act may be used—

(1) to deploy more than 40 MX missiles in existing Minuteman silos;

(2) to modify, or prepare for modification, more than 40 existing Minuteman silos for the deployment of MX missiles;

(3) to acquire basing sets for more than 40 MX deployed missiles; or

(4) to procure long-lead items for the deployment of more than 40 MX missiles.

(c) All MX missiles acquired by funds appropriated pursuant to the authorization of funds in this division may only be used to support the MX missile reliability testing program or as spares within the logistics system supporting the deployed MX missile force.

GORTON (AND OTHERS) AMENDMENT NO. 197

(Ordered to lie on the table.)

Mr. GORTON (for himself, Mr. Warner, Mr. Sasser, and Mr. Evans) submitted an amendment intended to be proposed by them to the bill S. 1160, supra; as follows:

On page 14, between lines 2 and 3, insert the following new section:

USE OF PRIOR YEAR FUNDS FOR THE SIMPLIFIED MUNITIONS LIFT TRAILER PROGRAM

Sec. 204. Not to exceed $3,800,000 of any funds appropriated to the Air Force for research, development, test, and evaluation for fiscal year 1985, or any prior fiscal year, and which remain available for obligation shall be available to the Secretary of the Air Force to enter into a contract for the development of the Simplified Munitions Lift Trailer with the winner of the competition, which was mandated by section 112 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2507), to determine the contractor best qualified to carry the Simplified Munitions Lift Trailer program.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, I would like to announce for the information of the public that the Select Committee on Indian Affairs will be holding a field hearing on S. 400, the Indian Health Promotion and Disease Prevention Act of 1985. The hearing will be held on June 1, 1985, from 10 a.m. [DST] until 3 p.m. in the Kennedy Middle School Auditorium, 600 South Boardman, Gallup, NM.

Those wishing to additional information should contact June Tracy of Senator DeConcini's office at 224-4521 or Faith Roessel of Senator Bingaman's office at 224-5521.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Wednesday, June 12, 1985, at 9:30 a.m., in SR-301, Russell Senate Office Building, to receive testimony on the nomination of Ralph E. Kennickell, Jr., to be Public Printer of the United States. Mr. Kennickell was appointed to this position by President Reagan during the last recess of the 98th Congress on December 11, 1984. On January 3, 1985, Mr. Kennickell's nomination as Public Printer was sent to the Senate and referred to the Rules Committee.

Members of Congress and other interested organizations and individuals who wish to testify before the committee or submit a statement for the hearing record are requested to contact Mr. Gerald Gereau of the Rules Committee staff on 224-0286.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, May 22, 1985, to receive testimony concerning the nomination of J. Frederick Motz, of Maryland, to be U.S. district judge for the district of Maryland.

The PRESIDING OFFICER. Without, objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, May 22, for the purpose of hearing testimony on S. 797, the Youth Employment Opportunity Wage Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FAMILY FARM

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Subcommittee on Family Farm of the Committee on Small Business be authorized to meet during the session of the Senate on Wednesday, May 22, to hold a hearing on small issue industrial development bonds as a source of financing for small business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 22, 1985, in order to hold a hearing on the U.S. policy toward South Africa.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, May 22, to conduct a business meeting to consider S. 979, the Energy Policy and Conservation Amendments Act of 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CIVIL SERVICE

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Subcommittee on Civil Service, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Wednesday, May 22, 1985, in order to conduct a hearing on the GAO report, "Pay Equity Study."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL RELATIONS

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, May 22, to hold a hearing on S. 765, the Great Lakes Management Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

KENNEBUNK BOY SCOUTS SAVE LIFE OF SCOUTMASTER

● Mr. MITCHELL. Mr. President, I rise today to honor 11 members of the Kennebunk, ME, Boy Scout troop who put their knowledge and skills to the ultimate test and saved the life of their scoutmaster.

On Saturday, April 20, 1985, 11 members of the Kennebunk Boy Scout troop were on an overnight hike in the White Mountains of New Hampshire when their leader, Peter Burr, fell 75 feet from a ledge and rolled to the bottom of a ravine. The scouts, ranging in age from 12 to 17, provided mouth-to-mouth resuscitation and cardiopulmonary resuscitation in an attempt to revive their leader.

The troop then began to apply tourniquets made from their T-shirts and pant legs to control the profuse bleeding from a deep wound in Burr's back that had punctured his kidney. Two of the boys ran more than 3 miles down the mountain to get help, while the remainder of the troop continued to work to control the scoutmaster's bleeding.

Peter Burr was taken to a nearby hospital where doctors on duty credited the troop for saving the life of their leader.

Mr. President, I am proud to honor these outstanding young men from Maine who were confronted with the supreme test any person could face in a lifetime and who, because of their training, skills, and devotion to their leader, succeeded in saving a life precious to them.

I would like to add my name to many others in Maine in honoring Darell Eaton of Cape Porpoise, Doug Carter, Bill Seegel, David Eagleson, Josh Nadeau, Rob Hunt, Mike Perry, Mike Crimmins, Rob Zdunczyk, Roger Kendrick of Kennebunk, and Liam Crotty of Kennebunkport, ME, for their outstanding efforts which saved the life of their scoutmaster, Peter Burr.

Mr. President, I also ask that the full text of a newspaper article from the *Biddleford-Saco Journal Tribune*, describing in detail the ordeal of Peter Burr and the quick and effective techniques used by the troop to save his life, be printed in the Record following my statement.

The article follows:

Scouts' Training Saves Life of Scoutmaster

(By Ged Carbone and Joel Barrett)

Kennebunk.—Peter Burr had spent long hours teaching the 50 members of his Boy Scout troop everything they would need to know to save a man's life.

He hoped he had also given them the courage to carry it out if they were put to the ultimate test.

Saturday, at the bottom of a remote cliff in the White Mountains, 11 of Burr's scouts passed the test as they breathed life back into Burr's body following his 100-foot fall into a ravine.

"When I first came to him he wasn't really breathing, he was just shaking," said 17-year-old Eagle Scout Liam Crotty of Kennebunk. "His mouth was shut. He was trying to breath but he was just shaking."

Burr was the lone adult leading 11 scouts on an overnight hike when he fell 75 feet from a ledge on Mount Paugus near North Conway, NH.

"We had come to a big cliff, a big rock, and we were waiting," said Crotty. "He (Burr) and another kid (Mike Perry) were looking for a safe way to go around it. We were just waiting for him to come back."

"We saw some rocks come down the cliff," said 14-year-old Josh Nadeau, who is also an Eagle Scout from Kennebunk. "Then we saw (Burr) come down and tumble."

"He was just rolling," said Crotty. "I wasn't sure how severe it was at first. I didn't know how out of control he was. Then he just kept rolling. It was a long way. It was a long, long way."

Crotty told the other scouts, ranging in age from 12 to 17, to stay put while he ran into the ravine to check Burr's condition.

"He was just shaking," said Crotty. "While I realized I needed help I called Josh (Nadeau) to come down."

Nadeau slid into the ravine and helped with the cardio-pulmonary resuscitation.

"The first thing we're supposed to do is provide mouth-to-mouth (resuscitation) but his mouth was clamped shut," said Crotty. "The next thing we're supposed to do is nose-to-mouth. You're supposed to arch his head back but I didn't dare to do that because I wasn't sure if he had back or neck injuries."

While Crotty blew into Burr's nose Nadeau gently pumped the 38-year-old scoutmaster's chest.

"Slowly his mouth started to open," said Crotty. "Then I started mouth-to-mouth. After a minute or so—it wasn't too long, it just seemed to be a long time—he started mumbling."

"The next thing you have to do is stop the bleeding," said Nadeau "Otherwise he'll just bleed to death."

Crotty and Nadeau shouted for other scouts to bring down some T-shirts so they could apply the cloth as a pressure tourniquet over a deep gash in Burr's back.

Crotty then left Nadeau in charge as he and Perry ran 3½ miles down the mountain for help. Help was a long time coming as rescue workers had to bring supplies over the rugged mountain terrain.

"People were in shock and everything," said Nadeau. "They got sick sometimes because it was so bloody. But we all knew what we had to do."

The scout troop kept Burr alive by ripping up T-shirts and pant legs to use as pressure tourniquets to prevent Burr from bleeding to death. "Without training I don't know what we would have done," said Nadeau. "The doctor said that we did save his life. Because he was really pretty badly hurt."

Burr was taken to North Conway Memorial Hospital for initial treatment, before he was transferred to Maine Medical Center.

"I feel like I went 10 rounds with Marvin Hagler," Burr said from his hospital bed this morning.

"When they reached me I was unconscious and they started CPR right away and brought me back to where I was stable. I can't say enough for them—for what they did," said Burr, who is also a selectman.

"You couldn't ask for a better scoutmaster," said Crotty. "He provides the weekend trips, it's not just the weekly meetings."

Burr said that he fell when "I went to grab a birch tree. I made the classic mistake—I didn't test it first."

When Burr grabbed the tree its roots gave way and Burr found himself falling four or five feet to the ledge he had just come from. When he hit it, his body then spun outward and dropped off the ledge.

"The last thing I remember was twisting my body so I wouldn't injure anything (vital)," he said.

Once past the ledge, Burr estimates he fell another 65–75 feet before slamming into the ground. After the impact, Burr said he continued to "plow along" another 25–30 feet.

Burr suffered a puncture wound to his back that laid his left kidney wide open. He also felt a momentary paralysis. "He said he couldn't feel his left side," said Nadeau. "That was hurting him. And he said his chest hurt some.

"He said we did all the right things," Nadeau said. "There was not much else we could do."●

THE TRAGIC STORY OF JEWS IN NICARAGUA

● Mr. ARMSTRONG. Mr. President, of all the talk about the Communist government in Nicaragua, there has been little discussion on the anti-Semitic activity of that regime.

That the so-called Sandinista or Communist government of Nicaragua is anti-Semitic should come as no suprise. Repression of Jews is a common trait of Communist governments around the world.

The tragic story for Jews in Nicaragua is well told in the following statement from the National Jewish Coalition. Property confiscated; lives threatened; synagogues burned; families forced to flee; anxiety and fear while living in exile in nearby countries. How many times do we have to hear that story before we wake up to the nature of these regimes. How many times?

I submit for the Record a statement from the National Jewish Coalition on Nicaragua.

The article follows:

NJC Statement on Nicaragua

In the months of civil war that preceded the overthrow of the Somoza government in Nicaragua, the country's small Jewish community found itself, for the first time, the target of violent and frequent anti-Semitic attacks. Conditions became so dangerous for Jews in Nicaragua, that within a few months of the Sandinista revolution, the entire community fled the country fearing for their lives.

One of the first attacks came on a Friday evening in 1978. While members of the community were gathered in Managua's synagogue for Sabbath services, a fire-bomb was thrown at the building setting it aflame. "We tried to escape from the fire," says Mrs. Sarita Kellerman, a member of the congregation, "But when we reached the door, masked gunmen forced us at gunpoint back into the synagogue. They wanted to burn us along with the building. When we asked who they were, they told us they were Sandinistas and they were doing this for 'their friends—the PLO.' "[1] The congregants were saved from being burned alive in the synagogue when the fire department arrived and chased the gunmen away.

Mrs. Kellerman, a native Nicaraguan, now resides in the United States with her husband, Oscar. Together, the Kellermans have spoken of their experiences to groups at the White House, on Capitol Hill and to political and religious groups in this country.

The fifty or sixty Jewish families who lived in Nicaragua continued to be terrorized both during the revolution and after. Anti-Semitic graffiti and threatening phone calls became commonplace, as did more serious attacks. Mrs. Kellerman's experience was typical: "They (the Sandinistas) used to come to our house every day. They held me at gunpoint and took me from room to room as they searched and looted the place."[2]

After the Sandinistas came to power, the persecution of Nicaraguan Jews became more formal and systematic. "They told us to get out," says Oscar Kellerman, who had come to Nicaragua after fleeing from Nazi-occupied Czechoslovakia in 1940, "The they confiscated our property under new laws, claiming that we had abandoned it or were unable to manage it. Within a few months, the whole Jewish community had left. When they tell you that you either lose your property or your life, there is really no choice."[3]

Having been forced to leave their country, Nicaragua's Jews sought refuge in other parts of the region, including El Salvador and Costa Rica, as well as in the United States. While the Sandinistas claim that several Jews remain in the country and that some even serve in the government, the three people they name appear never to have identified as Jews or been affiliated with the former Jewish community in Managua.

Despite their experiences, though, the Kellermans and other Nicaraguan Jews do not believe that the majority of Nicaraguans are anti-Semitic. "Before the revolution there was no anti-Semitism—none" says Sarita Kellerman. "The Sandinistas got rid of us because of the PLO. The PLO helped and trained the Sandinistas for years before the revolution. Persecuting us was a way for the government to pay the PLO back."[4]

THE PLO IN NICARAGUA

Indeed, the ties between the Sandinista government and the PLO are strong. The PLO works alongside East Germans, Bulgarians and Cubans in training the Nicaraguan security forces. In exchange, the Sandinistas have allowed the PLO to maintain a fully-accredited embassy in Managua.[5] The only other country in the western hemisphere to allow the PLO such a privilege is Cuba. "We say to our brother Arafat," Tomas Borge, the Sandinista Commandante, told the PLO leader, "That Nicaragua is his land and the PLO cause is the cause of the Sandinistas."[6]

In addition to providing the PLO with diplomatic facilities in Nicaragua, the Sandinistas have proved true to their commitment to the PLO cause. Since 1979, the Nicaraguan government has pursued an anti-Israel policy, joining Israel's Arab enemies in regu-

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Footnotes at end of article.

lar protests against the Jewish state at the United Nations. In 1983, the Nicaraguan foreign minister accused Israel of "mass genocide" in Lebanon of the sort that had "not been seen since Hitler."[7] This support came at a crucial time for the PLO, whose extensive network of bases and facilities in Lebanon had been destroyed by the Israeli army. After the PLO was finally forced to withdraw from Lebanon completely, the Sandinistas helped replace those lost facilities. For example, whereas members of the PLO had previously traveled on Lebanese passports, they now carry those of Nicaragua.

NICARAGUA AND INTERNATIONAL TERRORISM

The close relationship between the Managua government and the PLO is consistent with the "internationalist" ideology espoused by the Sandinistas. Their revolutionary sympathies have led the Sandinistas to open their doors to revolutionaires from all over the world, making Nicaragua a haven for international terrorists. So popular is Nicaragua with left-wing terrorists—many of them fugitives from justice in Europe and Latin America—that it has been described by one as "a winter barracks for over-repressed guerillas."[8]

Members of European terrorist groups such as the Irish Republican Army, the Basque separatists, ETA, the Italian Red Brigades and the West German Baader-Meinhof group are welcomed by Nicaragua and sheltered in the name of international solidarity. Latin American groups including the Salvadoran rebels, the Tupamaros of Uruguay and Argentina's Montoneros, as well as others from Costa Rica, Honduras, Guatemala and Colombia, often receive training and financial support in addition to political sanctuary.[9]

THE NICARAGUAN THREAT IN CENTRAL AMERICA

The Sandinistas' willingness to harbor and support such groups has given rise to concern among its Central American neighbors. The small democracy of Costa Rica, for instance, is concerned about threats from left-wing guerrilla groups based across its border with Nicaragua. A recent Gallup group poll revealed that more than half of all Costa Ricans believed that Nicaragua was trying to destabilize the Costa Rican government.[10]

Costa Ricans and others in Central America are even more worried about the threat posed by the growing Nicaraguan armed forces.[11] These forces, which numbered fewer than 10,000 under Somoza, have grown to 125,000 today and are projected to double in size before reaching full strength.[12] According to Sandinista Commandante, Tomas Borge, Nicaragua needs these soldiers for a "revolution without borders" in which the unarmed Costa Rica is considered the "dessert."[13]

The fate suffered by Nicaragua's Jews at the hands of the Sandinistas makes the prospect of left-wing subversion elsewhere in Central America particularly troubling for the 10,000 Jews still living in the region. A leading member of the Costa Rican Jewish community has spoken out on the subject in the United States. Dr. Jaime Darembium is an American-educated professor at the University of Costa Rica and a prolific writer on the subject of left-wing subversion in Central America. He is a regular contributor to the pages of Costa Rica's foremost newspaper, La Nacion, and has recently published a book entitled: "Central America: Conflict and Democracy."

In an address at the White House, Dr. Daremblum called on the United States and the western democracies to recognize the dangers facing the peoples of Central America: "Costa Rican, Salvadoran, Panamanian and Guatamalan citizens, and even more those of the Jewish faith, are rightly concerned. We all look to the United States, a sanctuary of the most cherished values of the West * * * to fulfill its duty as the most important member of the democratic community that we would all like to see survive in this hemisphere."[14]

A government that persecutes its own citizens—Jews, Miskito Indians and others alike—and abuses human rights is anathema to the people of the United States. When such a government sponsors terrorism and supports the subversion of its neighbors, it becomes a threat to the very security of the United States.

The Sandinista government in Nicaragua provides shelter and assistance to organizations that today are targeting NATO installations in western Europe. Other groups supported by the Sandinistas seek to undermine the fledging democracies that are becoming established in Argentina, Brazil, Uruguay and El Salvador.

A government that sponsors terrorism—be it Libya, Iran or Nicaragua—pursues interests that are hostile to those of the United States. The National Jewish Coalition, therefore, urges the Congress of the United States to aid those in Central America who seek to establish and uphold democracy in the region. The NJC believes that to pledge support to rebels in Afghanistan and Cambodia while denying it to the anti-Sandinista guerrillas in Nicaragua represents an inconsistency in U.S. foreign policy that threatens the security of the United States and our allies throughout this hemisphere.

FOOTNOTES

[1] Interview with Sarita Kellerman; Mar. 22, 1985.

[2] Ibid.

[3] Interview with Oscar Kellerman; Mar. 24, 1985.

[4] Sarita Kellerman, op. cit.

[5] Tamayo, Juan O: "World's Leftists Find a Haven in Nicaragua" *The Miami Herald*, Mar. 3, 1985.

[6] Bryen, Shoshana: "The Sandinistas and the Jews" Wall Street Journal, Aug. 24, 1983.

[7] Rosenthal, Morton M: "There is Nothing Jewish about Nicaragua" Sh'ma: A Journal of Jewish Responsibility 15/283, Dec. 14, 1984.

[8] Tamayo, Juan O, op. cit.

[9] Ibid.

[10] "The Soviet Cuban Connection in Central America and the Caribbean" U.S. Department of State and Department of Defense, March 1985.

[11] Ibid.

[12] Address by Robert R. Reilly, Special Assistant to the President, to the White House Outreach Working Group on Central America, Mar. 14, 1985.

[13] Dreifus, Claudia: "Playboy Interview: The Sandinistas" Playboy, September 1983.

[14] Daremblum, Jaime: "The Jews and the Nicaraguan Issue"; Address to the White House Outreach Working Group on Central America, Mar. 14, 1985.●

SOVIET SUPPRESSION OF RELIGION

● Mr. DODD. Mr. President, we as Americans have the good fortune to be guaranteed a number of inviolable rights. Yet we must not be indifferent to the serious responsibilities that accompany our precious rights. Along with our right to uncensored information comes the responsibility to make ourselves fully aware of the plight of those in other countries who do not enjoy the rights we do and speak out for them so that they will not feel abandoned in their predicament.

One basic right that we cherish is the right to profess and practice a religion. So we cannot ignore the abridgement of that right in other lands, such as the U.S.S.R. The Soviet Government creates well-orchestrated displays of religious freedom for western cameras. But it is our responsibility to be aware of the truth that lies beyond these make-believe events.

In an article in the Hartford Courant of May 16, Prof. Stanislaus A. Blejwas, of Central Connecticut State University, explained the true status of religion in the Baltic States occupied by the Soviet Union. I highly recommend this excellent brief essay to my colleagues' attention. I ask that Professor Blejwas' article be printed in the Record.

The article follows:

[From the Hartford Courant, May 16, 1985]

Religious Liberty Is a Stranger in Lithuania Under Soviet Rule

(Stanislaus A. Blejwas)

While visiting the Soviet Union in May 1982 to attend a Soviet-sponsored peace conference, the evangelist Billy Graham was allowed the rare privilege of preaching in a handfull of Moscow churches. Graham later remarked at a press conference: "It would seem to me that the churches that are open, of which there are thousands, seem to have liberty to have worship services."

Graham's comment was not well received in the West, and may have surprised Russian Baptists and Jews, the Uniate Catholics of the Ukraine, and the Protestants and Catholics of the Baltic states of Lithuania, Estonia and Latvia.

This summer marks the 45th anniversary of the forcible incorporation of the small, independent states into the U.S.S.R. It is appropriate, therefore, to scrutinize the fate of one Baltic religious group—the Catholics of Lithuania—to see if their experiences as citizens of a soviet socialist republic reflect Graham's perceptions.

The Soviet seizure of Lithuana was the result of a 1939 agreement between Nazi Germany and the U.S.S.R. The occupation and incorporation was carried out the following summer when 200,000 Soviet soldiers—10 times Lithuania's army—invaded. Rigged elections were held, and more than 34,000 political, cultural, military and business leaders who were said to be opposed to the socialist order were packed into railroad cars and deported. Deportations were resumed after World War II and continued until 1953, by which time an additional 350,000 Lithuanians had been banished.

The Soviet occupation meant the confiscation of parish lands, the nationalization of private schools, the banning of the teaching of religion, the closure of two seminaries, the confiscation of Catholic printing plants and the burning of religious books. The Soviets also arrested and deported religious leaders.

In 1940, 85.5 percent of Lithuania's 3.2 million inhabitants were Roman Catholic. There were 708 churches, 314 chapels, 73 monasteries, 1,863 bishops, priests and monks, four seminaries with 470 students and 85 convents with 950 nuns.

By 1947 all monasteries and convents were closed and their members scattered; all monastic institutions outlawed; and 90 churches and all chapels closed. By the mid-1970s the clergy had been reduced in number to 772. Symptomatic of the state of affairs is the plight of the bishop of Viknius, Julijonas Stepanovicius, who since 1960 has been barred from administering his see.

The Lithuanian legal system now conforms to Soviet norms. Neither parishes nor dioceses have the legal status of a person, and therefore are deprived of protection or access to the courts for redress of grievances. Parishes cannot organize youth activities not related to "the performance of religious rites," nor can they organize mutual aid societies to assist their members. Under the criminal code, the organization and systematic teaching of religion to minors is a criminal act punishable by imprisonment of up to three years. Moreover, the code makes it illegal to petition to change such laws.

Pastors are forbidden, without the permission of the commissar for religious affairs, to invite other priests to perform religious services in their parishes, a restriction which causes breaks in religious services in already understaffed parishes, 130 of which are without priests.

Prayer books in Lithuanian have not been published since 1940, and both priest and lay church activists have been imprisoned for catechetical work. The KGB tries to intimidate seminarians in the one remaining seminary into its service. Participants in religious processions are questioned by the secret police, while high school students who openly practice their religion are barred, because of "anti-state" activity, from taking graduation exams.

It would appear that in the U.S.S.R. a distinction is made between the privilege extended to a few foreigners to preach in a handful of Moscow churches and the ordinary citizen's human right to practice his religion.

Graham's aides in 1982 said that the evangelist was cautious in his remarks in the Soviet Union because he did not want to jeopardize the possibility of being invited back to the U.S.S.R. to conduct a traditional Graham crusade.

I hope the evangelist will be invited back, and that he will insist that his itinerary include Lithuania and meetings with Lithuanian believers.●

COST ESTIMATE FOR S. 1146

● **Mr. PACKWOOD.** Mr. President, on behalf of the Committee on Finance, on May 15 I filed S. 1146 with an accompanying report, No. 99-59. S. 1146 is a bill to authorize appropriations for fiscal year 1986 for the U.S. International Trade Commission, the Office of the U.S. Trade Representative, and the U.S. Customs Service. The bill was filed in compliance with the May 15 Budget Act deadline.

Ordinarily, rule XXVI(11)(a) requires committee reports for authorizing bills to contain cost estimates prepared by the Congressional Budget Office [CBO]. In the case of S. 1146, I regret that the CBO was unable to prepare such an estimate in time for it to be included in the report. The report thus was filed without the estimate, in order to meet the deadline.

Although the committee found it necessary to file the report without the estimate, I appreciate the CBO's efforts to prepare the estimate while responding to numerous similar requests in the days prior to May 15. I now have received the estimate, and I ask that it be printed in the RECORD.

The material follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, May 15, 1985.

Hon. BOB PACKWOOD,
Chairman, Committee on Finance,
Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for a bill to authorize appropriations for the United States International Trade Commission, the United States Customs Service, and the Office of the United States Trade Representative for fiscal year 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

C.G. NUCKOLS
(for Rudolph G. Penner.)

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 15, 1985.

1. Bill number: Not yet assigned.

2. Bill title: A bill to authorize appropriations for the United States International Trade Commission, the United States Customs Service, and the Office of the United States Trade Representative for fiscal year 1986.

3. Bill status: As reported by the Senate Committee on Finance, May 7, 1985.

4. Bill purpose: This bill authorizes 1986 appropriations of no more than $28.9 million for the International Trade Commission (ITC), $754.2 million for the salaries and expenses of the U.S. Customs Service, and $13.6 million for the Office of the U.S. Trade Representative (OUSTR). In addition, the bill requires that the Congress be notified 90 days in advance of any Customs Service reorganization. The bill also makes several changes in the Customs Service's authorization to collect user fees to cover the costs of providing customs services at small airports. The bill increases from 4 to 20 the number of airports at which the Secretary of Treasury can collect user fees. The Secretary of Treasury is also authorized to use the fee receipts only to pay for expenses incurred by the Customs Service at the small airports. Under current law, the fees are available for expenditures only as provided in appropriation acts. The bill removes the appropriations requirement.

The 1985 appropriation for the Customs Service is currently $687.9 million, and the President has requested $707.6 million for 1986. The President's budget also includes a request of $28.9 million for the ITC and $11.4 million for OUSTR.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1986	1987	1988	1989	1990
Authorizations—require appropriations action:					
ITC (function 150)	28.9				
Customs Service (functions 750 and 800)	754.2				
OUSTR (function 800)	13.6				
Permanent Appropriations: Customs Service—small airports (function 800)	0.5	0.6	0.8	0.9	1.1
Receipts	−0.5	−0.6	−0.8	−0.9	−1.1
Total	796.7				
Estimated outlays:					
ITC (function 150)	26.7	1.8	0.4		
Customs Service (functions 750 and 800)	647.2	77.0	15.0	15.0	
OUSTR (function 800)	11.6	2.0			
Customs Service—small airports (function 800)	0.5	0.6	0.8	0.9	1.1
Receipts	−0.5	−0.6	−0.8	−0.9	−1.1
Total	685.5	80.8	15.4	15.0	

Basis of estimate: CBO assumes that the bill will be enacted and that the full amounts authorized will be appropriated for 1986. The estimated outlays are based on historical spending patterns for the programs authorized by this bill.

6. Estimated cost to state and local governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: None

9. Estimate prepared by: James Hearn.

10. Estimate approved by: Robert A. Sunshine, for James L. Blum, Assistant Director for Budget Analysis.●

FANNIE MAE SLOWLY RESTRUCTURES

● **Mr. DODD.** Mr. President, David O. Maxwell, Chairman and Chief Executive Officer of Fannie Mae, the Federal National Mortgage Association, on May 18 told the corporation's stockholders' meeting that Fannie Mae will "have a good chance to earn a profit" in 1985.

This is excellent news indeed, not only for the stockholders but for the real estate, home building, and mortgage lending industries which rely so heavily on Fannie Mae to provide a secondary market for mortgage loans.

Fannie Mae, the third largest corporation in the Nation and our largest supplier of mortgage credit, has been the object of much attention and some concern in the Senate Banking Committee on which I serve. The administration, too, has singled out Fannie Mae for much attention, not all of it welcomed by the corporation.

Fannie Mae was created by the Congress in 1968 as a federally chartered, privately owned corporation to facilitate the supply of mortgage credit by buying loans from primary lenders. By selling loans to Fannie Mae, mortgage bankers, savings and loans, and commercial bankers then have fresh capital to lend for housing.

Fannie Mae has performed its role excellently, supplying mortgage credit for 1 out of every 10 loans in the Nation. It has a $90 billion loan portfolio and controls an additional $40 billion in mortgage backed securities. Unfortunately, in the late 1970's interest rates rose sharply, catching Fannie Mae and a host of other portfolio lenders in the middle. The corporation has lost money 3 of the last 4 years. While daily performing its congressional charge of buying loans and providing liquidity to the mortgage market, Fannie Mae's management, with David Maxwell in the lead, has introduced new products and business procedures to restructure the corporation and get it financially healthy.

As Maxwell's speech last week notes, the corporation will turn the corner this year and return to profitability. In the short run interest rates more than any other phenomenon will determine the corporation's continued profitability, but the changes and innovations that management has achieved will mean Fannie Mae can continue its central role in the mortgage finance chain, and earn a profit for its shareholders just as Congress envisioned.

I recommend Mr. Maxwell's remarks to my colleagues and ask that this speech be printed in the RECORD.

The speech follows:

REMARKS PREPARED FOR DELIVERY BY DAVID O. MAXWELL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, THE FEDERAL NATIONAL MORTGAGE ASSOCIATION

Fellow Shareholders: Fifteen years ago, George Romney, then Secretary of Housing and Urban Development, attended this meeting and signed a letter that officially made Fannie Mae a private corporation.

The shareholders of Fannie Mae had bought out the remaining Federal government interest in the corporation for $216 million.

It was the beginning of an important experiment in American enterprise that Secretary Romney hailed as a way to accomplish public policy in housing by encouraging "maximum private effort."

For their part in the experiment, Fannie Mae's shareholders agreed to invest in a corporation that was, and would continue to be, restricted to the purpose for which Congress created it: to supply financial and information services that enhance the efficient flow of private capital to America's housing markets.

For its part in the experiment, Congress granted Fannie Mae various statutory privileges that enable the company to borrow more money at slightly lower rates than other private companies—a benefit our corporation passes along to American home buyers.

It is appropriate for us today to consider how well the experiment is working as we celebrate the 15th anniversary of the private Fannie Mae.

Consider this:

Fannie Mae's purchases of mortgages alone have helped house more than four million low- and middle-income families over the past 15 years. Today, the corporation's portfolio and Mortgage-Backed Securities businesses finance one out; of every ten mortgages outstanding in the United States.

Fannie Mae, as a private corporation, has not cost American taxpayers a single penny. On the contrary, the company pays corporate taxes.

Fannie Mae's stock is one of the most actively traded on the New York and other stock exchanges. Today, approximately 30,000 shareholders own 73 million shares of common stock, including the 7 million shares issued in our highly successful offering this month.

This is solid evidence that the experiment is working.

Granted, the seas on which Fannie Mae has sailed over the past 15 years have not always been calm, especially over the past five years.

It is appropriate on this occasion to give a brief description of the voyage thus far, especially as we can then understand better where we are headed.

To get to where we are today, it has taken two Fannie Maes—the old and the new.

The old Fannie Mae sailed steadily on the calm seas of a regulated financial environment and stable interest rates for almost ten years. Using a bi-weekly auction of commitments, it purchased one product—the 30-year, fixed-rate, assumable mortgage. It relied chiefly on one customer base—America's mortgage bankers.

In the ten years between 1970 and 1980, the corporation earned a total of $1.2 billion; purchased $63 billion worth of mortgages to help 2.5 million American families buy homes; paid its shareholders a total of $357 million in dividends. The old Fannie Mae deserves full credit for delivering on the promises made in 1970.

Then, in the late '70s, the calm seas turned cruel. Financial turmoil—volatile interest rates, deregulations a recession—rocked the Fannie Mae ship.

Weighed down with those assumable, low coupon, long-term mortgages from the calm '70s, the ship began to take on water. But Fannie Mae was not alone. The ships of other mortgage portfolio investors were in similar distress.

Faced in 1981 with losses of $1 million a day, the company began an effort to rescue itself. Nothing less than new survival strategies would keep Fannie Mae afloat.

Today, that self-help rescue effort is working. A new seaworthy Fannie Mae has emerged—a company strong enough to weather rough seas.

With losses three out of the past four years, including the $57 million loss in 1984, how can I make this statement? How can I say the rescue effort is working? And when can the shareholders who have stuck with the ship expect to be rewarded for their constancy?

To begin to answer those questions, let me first outline five broad concentrations of management activity:

First: Management of our three major business segments and our administrative expenses;

Second: Control of loan quality and management of credit risk;

Third: Cultivation of customers through marketing of our products and services;

Fourth: Development today of new technology for tomorrow's secondary mortgage market;

Fifth: Communication of a better understanding of Fannie Mae to our major audiences, especially our governmental audience.

I shall concentrate my remarks on how we manage our basic business segments and our communications. Dr. Riedy will discuss the other topics—loan quality, technology, customer service, and control of administrative expenses.

To manage our business, we divide it into three major segments: new investments, Mortgage-Backed Securities, or MBS; and the mortgage portfolio.

Our first segment, new investments, is the business of selling new commitments and purchasing new mortgage loans. For this we earn commitment fees and income from the spread between the yield on the newly purchased mortgages and the debt used to purchase them. To reduce our sensitivity to changes in interest rates, we seek to match closely the likely lives—durations—of mortgages and debt. We reject the strategy of borrowing short and lending long, even though spreads would be wider, because the risk is unacceptable in the long run. Moreover, we use sophisticated hedging techniques both to lock in debt costs to ensure a favorable spread and to give our customers the option to deliver mortgages at fixed prices for up to five months.

How is the new investment segment doing?

This segment earned $89 million after tax in 1984. We narrowed the duration gap between new assets and new liabilities to about one year.

In 1985, we plan to purchase a mix of assets with a duration of approximately four years. The mix will consist of about one-third adjustable-rate and second mortgages, one-half long-term fixed-rate loans, and one-sixth intermediate-term loans. The duration of the debt used to purchase these loans will be matched to within six months of the duration of the assets.

We expect this segment to be more profitable in 1985. In the first quarter, commitment fees were earned at an annualized rate of $166 million. Spreads were 166 basis points.

The second segment of our business is Mortgage-Backed Securities or MBS.

In 1984, the MBS business generated $52 million in profit, after tax, on an average balance of securities outstanding of $31 billion.

We started this year with an MBS balance of $36.2 billion. During the first quarter the balance increased to $39.4 billion. Even if that balance does not grow any more this year, our MBS business would generate a profit of more than $60 million, after tax. We expect the balance to keep growing. Consequently, we expect an improvement in this segment as well.

The third business segment—management of our portfolio—is the corporation's problem child. We lost $138 million in this segment last year. It is chiefly the problem of our so-called "block of granite"—those low coupon loans purchased in the '70s that almost sank the ship in the early '80s.

Our portfolio management strategy is to reduce both negative spread and the gap between the maturity of debt and assets.

Using this strategy, we have managed to narrow the portfolio duration gap from three years at the end of 1980 to about two-and-one-third years by the end of 1984. The negative spread was reduced to 63 basis points, and it's getting better each month. We have reduced risk and improved return—a very difficult task in today's financial markets.

Another measure of improvement in our portfolio segment is the increased responsiveness to interest rates. In 1981, we had about $2.1 billion of mortgages that were repaid or repriced. That represented 3.6 percent of our assets.

In 1985, we expect about $14 billion of mortgages to be repaid or repriced. That represents 16 percent of our assets. Clearly, the portfolio is much more responsive to interest rates now than it was four years ago. This responsiveness gives us a much better balance of yield on assets with cost of new debt than we had in 1981.

Obviously, interest rates remain the key to the successful management of the portfolio problem. In 1985, Fannie Mae has $31 billion of debt maturing with an average cost of 11.60 percent. The rollover of our maturing debt in the first quarter at lower cost will save Fannie Mae approximately $75 million of interest margin for the year, after tax. We are optimistic that maturing debt will be replaced by lower-cost debt during the remainder of 1985.

The collective results of Fannie Mae's strategies for its three major business segments show clearly that the corporation is, once again, on a firm course. The $141 million in after-tax profits from the new investments and MBS segments in 1984 more than offset the $138 million loss from the portfolio segment. This offset was not enough to cover administrative expenses and the loss associated with our one-tme addition to the allowance for conventional loan losses.

As chief operating officer of the company, Dr. Riedy will address the subject of administrative expenses.

As chief executive officer, I assure you that administrative expenses are under tight control. They reflect the necessary investment in high-quality staff and the new technology we need to compete in the secondary mortgage market. I am proud that we have a lean, efficient operation. Our administrative expenses rank among the lowest in the financial industry.

Dr. Riedy also will address the problems associated with delinquencies and foreclosures that contributed to our 1984 loss. This is a matter that has commanded close attention by your top management. We do not intend to permit credit risk to replace interest-rate risk as a threat to the financial soundness of our company. At my personal direction, we have formed a "Strike Force" to dispose of foreclosed properties. And we are reviewing with great care our underwriting policies. Maintaining the good reputation of the American home mortgage is vital to Fannie Mae's business. We will spare no effort to do so.

In closing my comments on our business segments, I am pleased to report that the signs of restoring Fannie Mae to financial well-being are beginning to show. Last year I had to tell my fellow shareholders to anticipate the possibility of a loss in 1984. This year, I am pleased to say we have a good chance to earn a profit.

Turning now from business and financial strategies, I want to discuss briefly Fannie Mae's regulatory environment. Our company, like all financial institutions, is quite properly subject to governmental regulation. In our case, the Congress, having chartered us, exercises oversight through periodic hearings and other inquiries. Our chief regulators in the executive branch are the Treasury Department and HUD.

As I think you know, this oversight and regulation of Fannie Mae is close and continuous. It is also understandable. We are, after all, the third largest corporation in America, and we perform a vital public mission. On both counts, the Congress and the executive departments need to know what and how we are doing.

Given Fannie Mae's uniqueness and visibility, your management regards our duty to work with our regulators and to keep them informed as one of the most important aspects of our corporate responsibilities. In fact, I spend a substantial part of my own time on this job, as well as on other strategic and external issues, leaving Dr. Riedy and other line officers free to concentrate on the day-to-day business of the company. Moreover, we have forged an excellent, small team of people devoted entirely to governmental relations. The purpose of this activity, as in everything else we do at Fannie Mae, is to advance the interests of our shareholders and the American home buyer.

I am pleased to report good results on the legislative and regulatory fronts. With the staunch support of our friends in the housing industry, and on Capitol Hill, we have accomplished several key legislative objectives. Among them are codification of our authority to buy second mortgages, increased dollar limits and loan-to-value ratios for purchases of multifamily loans, and the addition of three shareholder-elected directors. Obviously, we do not get everything we want in legislation affecting us, but we don't have such unreasonable expectations, and our batting average to date has been good.

We also have enjoyed a healthy relationship with HUD. As a former state insurance commissioner, I understand the fine line between stifling the creative energies of a private company and neglecting one's duty to regulate that company in the public interest. In my view, Secretary Pierce and his staff have walked that line skillfully and fairly. They have given Fannie Mae the flexibility we needed within the Charter Act to put the company back on a sound footing. At the same time, they have been tough and demanding in requiring clearly articulated and soundly based explanations for our actions. In many cases, they have asked hard questions or made specific recommendations that have substantially improved our own proposals. This is the essence of good regulation. True, it has taken almost daily contact with them, and there were times of mutual exasperation along the way, but the results in new products and financial improvement speak for themselves: mortgage-backed securities, second mortgages, multifamily mortgages, to name a few crucial examples.

Recently, we have been occupied with two new challenges in the governmental arena. First, in response to congressional requests, the General Accounting Office, or GAO, an agency of the Congress, has conducted an extensive inquiry into Fannie Mae and issued a lengthy report. When this inquiry began last Fall, I directed the formation of a steering committee and the assignment full-time of one staff person to work with the agency. We provided an enormous amount of material to GAO, including several papers.

Read in its entirety, the report is generally a balanced and fair overview of Fannie Mae's business and the environment in which we operate. It finds no fault with the basic business strategy we have pursued in turning the company around. Nevertheless, the report does put a good deal of emphasis on the risk to the government in Fannie Mae's size as related to its federal ties. The authors' solution is to increase governmental regulation of the company.

Because our shareholders may have seen press accounts of this GAO study, I want to make a few brief comments about it here. First, on the subject of risk, the government's exposure in Fannie Mae has been dramatically reduced since 1981. Indeed, the authors acknowledge this may be the case.

Second, despite our federal ties, I fail to see how Fannie Mae's risk to the government differs from any other large financial institution in this country. Does anyone have any lingering doubt that the government cannot let large financial institutions go under? So what is so special about Fannie Mae in this respect?

Third, the proposed cure is worse than the disease. After four years of our recovery program, Fannie Mae is soundly positioned to weather any economic storm and move ahead. Unwarranted regulatory interference could only impede that progress.

Moreover, it is completely uncalled for. By creating Fannie Mae as a private corporation, Congress gave management the incentive to conduct its affairs prudently and profitably. Our reputations and careers are on the line. That's the way the system works. That's what enables Fannie Mae to do its job better than a government Bureau would do it—at no cost to the taxpayers.

The other governmental matter which has occupied time and attention in recent months is the Administration's proposal for a so-called "user fee" on our borrowing. At first, this was a wolf in the sheep's clothing of deficit reduction, but the proposal has been so modified to date that it is patently absurd to speak of it as such. For example, in 1986, it would yield $8 million against a prospective Federal deficit of more than $200 billion. The Federal government spends $8 million in less time than it takes to say this sentence; they don't even bother to round for $8 million.

Nevertheless, this proposal must be taken seriously. It constitutes another salvo in a war against any kind of federal support for housing—even when that support costs the taxpayers nothing. It is an attempt by its proponents to breach the covenant between Fannie Mae's shareholders and the Federal government whereby shareholders confine themselves to a single business in return for lower borrowing costs.

As I wrote in the 1984 Annual Report, we will vigorously oppose this proposal. I am hopeful the Congress will reject it.

Let me assure you that your management will continue to deal forcefully with these public issues, but we also will do more than simply react to the initiatives of others. We will persevere in our efforts to educate our wide-ranging audiences on the critical role Fannie Mae plays in housing the American people.

An exciting era lies ahead for your company. The secondary mortgage market should reach approximately $750 billion by the end of the next five years. Our current strategies will put us at the center of this market. Already we are:

A major market maker for the variety of products and services the new era of mortgage finance requires;

An innovator of ways to attract new sources of housing capital in both domestic and international financial markets; and

A leader in the development of new technology that holds the key to the future of our industry.

This report to my fellow shareholders would be incomplete without an expression of our debt to the directors and employees of Fannie Mae.

Our directors have been a plumb line through all the twists and turns of our fortunes over the last four years. Our employees bring skill and dedication to their work on your behalf. I feel very lucky to have the privilege of working with such people as chief executive officer of your company.

During the last 15 years, this corporation has proved the ingenuity of the Congress in creating a private sector engine that can respond to changing housing market challenges with speed and flexibility. We'll continue to do so in the years ahead, always with the aim of making Fannie Mae a premier and rewarding investment for our shareholders. We do not forget it was our shareholders who made the Fannie Mae experiment possible 15 years ago, and who keep it vibrant today.●

PARTNERS 2000

● Mr. QUAYLE. Mr. President, today I would like to draw attention to PARTNERS 2000, a summer youth employment program in my home State of Indiana that recently received national recognition for its inventiveness, in WorkAmerica, a publication of the National Alliance of Business.

PARTNERS 2000, Indianapolis' answer to solving high unemployment among its teenagers, has turned out to be a great cause, earning support from the entire community. "PARTNERS 2000—today's youth are tomorrow's economic future" has become a rallying cry everyone can relate to. The goal last year was to get 2,000 pledges for jobs from local businesses to put 2,000 in-school youth to work during the summer months. Ultimately, about 2,700 jobs were created.

The Job Training Partnership Act [JTPA], which authorizes funds for summer youth employment programs, passed Congress in 1982. JTPA establishes a unique public/private partnership to address the employment and training needs of the economically disadvantaged and long term unemployed. JTPA gives authority to State and local elected officials, in partnership with private sector employers, to tailor training and placement opportunities to meet local labor market needs.

As one of the chief authors of that legislation, I am delighted that a program in my home State has received special recognition for its creative approach. The overall success of JTPA depends primarily on the creativity and leadership of the public and private partners.

I want to join others in giving well earned praise and recognition to the Indianapolis Private Industry Council, particularly to its former chairman, Earl Harris, who was a key figure in promoting PARTNERS 2000, and to the Indianapolis Alliance for Jobs, Inc., which administers the program. I would also like to single out for recognition Marsha Oliver, president of the alliance, and Julian Peebles, vice president, for their dedication and hard work in making PARTNERS 2000 a success.

Continuing the long list of those who deserve recognition for their hard work and dedication, I must emphasize the important point that PARTNERS 2000 is a broad community effort involving many organizations. Accolades should also go to the Indianapolis Chamber of Commerce, the Greater Indianapolis Progress Committee, the Indiana Employment Security Division, the city of Indianapolis, Indianapolis Public Schools and the Marion County School System. I congratulate those organizations for making PARTNERS 2000 a success.

PARTNERS 2000 highlights the potential for using JTPA as a cornerstone for building communitywide action. This is what makes JTPA a model for other programs dealing with community problems.

Finally, the National Alliance of Business [NAB], an independent, business-led, nonprofit corporation whose mission is to promote the goals of the act, should be recognized for its role in highlighting JTPA success stories. Showcasing innovative JTPA programs nationwide is an effective means of sharing new ideas and serves a vital information exchange function. Therefore, I commend NAB for exercising initiative in taking on the role of communicating ideas that work throughout the country.

As NAB reported, PARTNERS 2000 does work. Last summer, I saw this unique program in action. I look forward to the continuing success of PARTNERS 2000 this summer.

I ask to have inserted in the RECORD the feature article on PARTNERS 2000 from the February issue of NAB's WorkAmerica.

The article follows:

BUSINESS RALLIES TO PROVIDE SUMMER JOBS FOR TEENS

PARTNERS 2000, the 1984 summer employment campaign of the Indianapolis Private Industry Council, found jobs for 2,657 young people—an amazing 90 percent of the city's disadvantaged students. And more than 700 worked for 257 private businesses which previously had few high school employees.

Strong private sector support and involvement was no accident, says Julian Peebles, vice president of Indianapolis Alliance for Jobs and director of PARTNERS 2000. "The idea of bringing business people into the program had never been tried here," he says. "The year before 1983 the city had 10 to 15 business employers for the summer jobs program, so a lot of people were skeptical when we decided to try this. But in 1984, 251 businesses hired young people for unsubsidized jobs."

The success of PARTNERS 2000 was guaranteed when 500 business volunteers agreed to solicit job pledges from more than 2,000 companies. This "JobNet" operated much the way other membership drives do. The volunteers called on the 2,500 Chamber of Commerce members to explain the program and try to get commitments to hire young people for the summer. PARTNERS 2000 staff contacted another 2,000 companies that do not belong to the chamber.

Indianapolis Alliance for Jobs, Inc., which functions as the Indianapolis Private Industry Council, administered the PARTNERS 2000 project and recruited disadvantaged in-school youth early last spring. Before students were referred for job openings, they attended a half-day workshop to prepare them for meeting and marketing themselves to employers.

Business people and staff members conducted the no-nonsense sessions, held on Saturdays at a local high school. "This was one of the most important things we did," explains Peebles. "The show rate increased every week. These sessions gave us hand-on experience with kids, and the mock interviews were highlights for the young people." Business volunteers interviewed participants during the eligibility verification process, when the young people got interview experience and the program obtained information useful for the job referral process.

Afterwards, complete student profiles helped match suitable people and jobs. No longer was the luck of the draw operable, a characteristic that, in past years caused employers and employees alike to seek other options. "Young people were given the opportunity to get a job, not be given a job", says Peebles. "Employers understood the interview and selection process. Some took the first referral; others interviewed more students."

LONG-TERM RESULTS

Those involved with PARTNERS 2000 predict it will have a profound effect on local education, social services and the Indianapolis economy in years to come. Because the program is aimed at in-school youth, it encourages them to see the value of completing their education.

And PARTNERS 2000 was able to utilize its high profile to show the community that it costs less to employ and train a young person than it does to support him using social service and welfare systems.

Marsha Oliver, president of Indianapolis Alliance for Jobs, Inc., sums it up: "To Indianapolis, PARTNERS 2000 is the difference between developing our disadvantaged into people with combined potential buying power of $140 million over the next 10 years, or spending $230 million on community services and other aid to support them. That's the bottom line argument business understands."

Indianapolis Alliance for Jobs, Inc. will run the program in much the same way this year. "We're fine-tuning now," says Peebles. Because of last year's staggered enrollments, not all participants received the half-day employment training, which he would like everyone to have this year.

"We also want PARTNERS 2000 to become a year-round program eventually," he adds. "We're gradually adding specialized youth programs such as 'O.J. Teen,' an on-the-job training program for young people. Getting started earlier and having last year's experience will improve the program."

Another characteristic unique to PARTNERS 2000 was an on-going attempt by the staff to encourage employers to retain graduated seniors and students who needed part-time work during the school year. Again the response was heartening—about 100 young workers received permanent job offers.●

MINORITY FELLOWSHIP PROGRAM

● Mr. INOUYE. Mr. President, the Center for Studies of Minority Group Mental Health within the National Institute of Mental Health awarded grants for a Minority Fellowship Program, as a joint venture with five professional associations representing the mental health disciplines of psychiatry, psychology, sociology, social work, and nursing. The basis for the Minority Fellowship Programs was to meet the increasingly pressing mental health needs of ethnic minorities, who have remained underserved in spite of the expansion of mental health services in recent decades.

The grants awarded to the American Nurses' Association have been under the direction of Dr. Hattie Bessent since 1977. Dr. Bessent, a psychiatric nurse, was a member of the President's Commission on Mental Health, Manpower Task Force in 1977 and 1978.

The American Nurses' Association funded its first 10 fellows in 1975. Since that time, 136 nurses have been awarded doctoral traineeships from the two American Nurses' Association fellowship programs, which support the research and clinical areas of expertise for these psychiatric nurses. Since the beginning of this program, I have had nurses from these programs placed in my office for varying lengths of time as legislative interns to provide them with an opportunity to observe and participate in the legislative process. I have found them to be most impressive professionals—the true leaders of tomorrow.

The American Nurses' Association Registered Nurse Fellowship Program [RNFP] for Ethnic/Racial Minorities has supported nurses enrolled in behavioral and social science doctoral studies and who had engaged in or demonstrated an interest in conducting research relative to the racial/cultural influences on mental health care delivery systems in ethnic minority communities.

In 1977 the American Nurses' Association Clinical Fellowship Program [CFP] for Ethnic/Racial Minorities was established so that nurses can pursue doctoral studies in the area of psychiatric and mental health nursing. The program assists nurses in their preparation for supervision and consultation in the delivery of psychiatric and mental health nursing, particularly to ethnic and racial minority groups. Although the two fellowship programs differ in focus, one is for essentially advanced clinical preparation at the doctoral level and the other is for preparation for research in mental health. Both programs have a common objective—to improve the delivery of mental health care to ethnic/racial minority persons by increasing the pool of minority nurse researchers, and leaders who assume roles as practitioners or administrators.

Today, 66 minority nurses have completed their doctoral education—half of the fellows funded to date. Over 50 institutions of higher learning across the country have been involved in the doctoral training of these fellows in the last decade. These nurses represent the four major ethnic minority groups in the United States: the black Americans; the Asian Americans: the American Indians; and the Hispanic Americans.

It is evident from the research contributions of these fellows, and from the postdoctoral employment patterns of the graduates, that these minority nurses are making an impact on the formation of health care policy by the three ways envisioned by the proponents of these programs: that is, the fellows, as researchers, can lay the foundation for innovations and policies based on their research findings; as health care leaders, they can implement policies reflecting sensitivity to cultural differences in the patient population; and finally, as role models in nursing and mental health disciplines, they can demonstrate to neophytes and colleagues in the profession that minority nurses with such expertise and knowledge are needed and effective.

The nursing profession has made major strides in ensuring that there is an adequate supply of minority nurses who are prepared at advanced levels, but there is more to be done. The 1983 edition of the American Nurses' Association's Facts about Nursing reported that less than 7 percent of the total registered nurse population who hold doctorate degrees are ethnic or racial minorities. This is in contrast with the 1980 U.S. Bureau of Census report which indicated that ethnic racial minorities make up 14.1 percent of the U.S. population. These statistics support the Institute of Medicine's 1983 report on nursing and nursing education that outlined the need for the addition of nurses of ethnic/racial minority backgrounds who hold advanced degrees.

Members of the Nation's minorities continue to experience problems in mental health, alcohol abuse, and drug abuse in excess of their proportionate numbers. A recent report of the Institute of Medicine entitled "Research on Mental Illness and Addictive Disorders: Progress and Prospects" emphasized that for the general population, mental illness and addictive disorders "already account for a large and steadily increasing portion of the total burden of illness in the United States, whether the index used is mortality, morbidity, human suffering, or economic cost." Additionally, the Surgeon General's report "Healthy People" indicated that 50 percent of the mortality from the 10 leading causes of death in the United States is due to lifestyle. These central concerns of the mental health disciplines are critical for minority populations who have higher morbidity rates and shorter life expectancies than the general population.

As the Minority Fellowship Programs observes their 10th anniversary of the first awards, the American Nurses' Association can view with pride the greatest accomplishment of the fellowship programs over the past decade—66 minority nurses with doctorates. These are nurses making important contributions to the profession who might never have attained the highest academic credential, had not the Minority Center at the National Institute of Mental Health awarded these training grants to the American Nurses' Association. As for the next decade, there are presently 70 minority fellows "in the wings" who are in various stages of completing their doctoral programs. These fellows constitute a significant cadre of nurse researchers and clinicians whose training and experience will enable them to work on solutions for better health care for persons of all colors and ethnicity.

Mr. President, I would like to take this opportunity to commend the American Nurses' Association and the National Institute of Mental Health for their efforts in ensuring that the unique mental health needs of the Nation's minorities are addressed. I would also urge that the Minority Fellowship Programs continue to receive high priority from the National Institute of Mental Health.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in two of the covering letters are available to Senators in the office of the Foreign Relations Committee, SD-423.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., May 21, 1985.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-32 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to the United Kingdom for defense articles and services estimated to cost $64 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST, *Director.*

[Transmittal No. 85-32]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: United Kingdom.

(ii) Total Estimated Value: Major Defense Equipment[1], $39 million; other, $25 million; total, $64 million.

(iii) Description of Articles or Services Offered: Ten MK 15 PHALANX Close-In Weapon Systems (CIWS), spare parts, and engineering support.

(iv) Military Department: Navy (LEZ and LFH).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending June 30, 1984.

(viii) Date Report Delivered to Congress: May 21, 1985.

POLICY JUSTIFICATION

UNITED KINGDOM—MK 15 PHALANX CLOSE-IN WEAPON SYSTEMS

The Government of the United Kingdom (UK) has requested the purchase of ten MK 15 Phalanx Close-In Weapon Systems (CIWS), spare parts, and engineering support at an estimated cost of $64 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the United Kingdom; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

The sale of these ten additional Close-In Weapon Systems would significantly enhance the close-in anti-aircraft warfare capability of UK ships. The UK has the military assets to utilize these systems effectively.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the General Dynamics Corporation of Pomona, California.

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[1] As defined in Section 47(6) of the Arms Export Control Act.

Implementation of this sale will require the assignment of one additional U.S. Government employee for four months and four contractor representatives for four months to the United Kingdom.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, May 21, 1985.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-33 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to the United Kingdom for defense articles and services estimated to cost $33 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST, *Director.*

[Transmittal No. 85-33]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: United Kingdom.

(ii) Total Estimated Value: Major Defense Equipment,[1] $28 million; other, $5 million; total, $33 million.

(iii) Description of Articles or Services Offered: Thirty-one UGM-84D Harpoon missiles, five discharge verification rounds, capsule assemblies, spare parts, and containers.

(iv) Military Department: Navy (AFD).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 30 September 1983.

(viii) Date Report Delivered to Congress: May 21, 1985.

POLICY JUSTIFICATION

UNITED KINGDOM—UGM-84D HARPOON MISSILES

The Government of the United Kingdom (UK) has requested the purchase of thirty-one UGM-84D Harpoon missiles, five discharge verification rounds, capsule assemblies, spare parts, and containers at an estimated cost of $33 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the United Kingdom; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

The United Kingdom plans to install these missiles on nuclear submarines to improve the combat effectiveness of their submarine force.

The sale of this equipment and support will not effect the basic military balance in the region.

The prime contractor will be the McDonnell Douglas Astronautics Company of St. Louis, Missouri.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to the United Kingdom.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

ABORTION RIGHTS: SILENT NO MORE

● Mr. PACKWOOD. Mr. President, today I was greatly privileged to hear a brave and intelligent woman tell a very personal story. Kate Clinton traveled all the way from Portland, OR, to make public what had been until now a secret kept from all but her closest friends: Her tragic tale of an illegal abortion she had long ago. Kate has asked me to place her letter to President Reagan describing her experience in the CONGRESSIONAL RECORD. Kate believes that by sharing her experience with the American public, she will contribute to the fight to keep the right to an abortion safe and legal. I applaud Kate and the hundreds of other strong women who have shared their lives to help the lives of all of us.

I ask that at the conclusion of my remarks, I may insert into the RECORD, letters from several Oregon women describing their abortion experiences.

The letters follow:

DEAR PRESIDENT REAGAN: In the summer of 1968, I was a nice Irish Catholic girl dating a nice Irish boy from Queens. Both of us know nothing about birth control, but were just beginning to learn about sex. By the Fall, I was pregnant. I was just completing my first year of full-time employment at a magazine in New York. I was just starting out—but, in many ways, just waking up. That Fall, when my body started doing "weird" things, I'd asked my girlfriend about being pregnant. She wasn't sure—so we grabbed the only "health" book we could find—and sure enough, I had all the classic symptoms. Since I'd never had a vaginal examination (I'm not at all sure I know what a gynecologist was!)—my friend made an appointment for me at a doctor on Long Island. Several days later, we both went. He led me to the exam room, and after only a minute or so, announced that he was "99% sure". "Of what" I replied. "That you're pregnant". I couldn't believe my ears. I dressed, and sat in tears in his office while he sat smiling opposite me. I remember his last comment: "What are you crying for. You're a very attractive girl. You're going to have a very lovely baby."

I was still in tears as I left his office. All I knew at that moment was that my life was over and it was just getting started. After all those years of Catholic School, of the screaming at home, of battling with my parents, I was now on the threshhold of becoming an adult and it was all over.

As I sat in the waiting room crying, a young nurse approached and asked if the bad news she suspected was true. Then, she said that she might be of some help and asked that I call her at home that night. She passed along her phone number. When I called in the evening, she said that she had had several friends in my predicament and knew a man in Manhattan who had arranged abortions. Several days later, I made contact with him (Scott). He explained to me that the doctor he knew was not in New York—but was in Alabama. I realized that was not really an option, and decided to pursue any local possibilities.

Dorre, the woman I worked for at the magazine, seemed like a wizened person. She was an older, single working woman who lived a very "first class" existence in Manhattan. While we weren't good friends, I felt that I could trust her. (The 60's were a wonderful time for many of us—but being unmarried and pregnant was, even then, not a topic for open discussion.) Dorre arrived the next day with the name of a doctor written on a scrap of paper. She handed it to me—and that was the end of the conversation. Later, I noticed that the doctor's address was 125th Street in Harlem. The note below the address added that I needed "small bills". The following Saturday, I went for a drive to check out the address. I new the location was less than desirable, but when I saw that dark tenement, I realized that there was no way I could go through with it. All those memories of photos in the Daily News came flooding back to me—pictures of the disheveled bloody bodies of dead women found in alleys and butcher's rooms. For a few minutes, this was an option.

I was now 8 weeks pregnant. I called Scott and asked for details on the Birmingham possibility. Scott explained that he himself was from the South, that he grew up there and still had lots of friends in that area, including a doctor who performed abortions. Since Harlem was out, and time was short, and this was relatively cheap (only $200 excluding airfare)—I told Scott to make the arrangements, provided, of course, I could get someone to go with me. After much pleading, my good friend, Millie, agreed to scrape up the money for the airline ticket to keep me company. The next morning, I was at Kennedy airport, but no Millie. A few minutes later, I was on my way to Atlanta with a changeover to Birmingham.

When I arrived, the airport was mobbed with George Wallace campaigners wearing straw hats and waving banners. My instructions were to contact a woman named Sandy when I reached the motor lodge on the outskirts of the city. After checking in, I kept trying to reach Sandy, but no answer. I finally received a call around midnight. The caller announced that Sandy would be by to pick me up in a few minutes. When she arrived, we made awkward introductions; I was in the car and we were off to another suburb. The car had barely pulled away from the curb—when I realized I should be reaffirming the details of this "deal". When I repeated that I understood the abortionist to be a doctor, she stopped the car and said that he was not. She added that a friend of hers had used his services and things worked out okay—but he wasn't a doctor. Then she asked me if I wanted to go through with it. Well, there I was, over eight weeks pregnant in Birmingham, Alabama, with no options. I stayed in the car.

About a half hour later, we arrived at a sprawling ranch house in what looked like a new housing development. Sandy took me inside and introduced me to the two men who sat on the couch in the living room. Both of them stood and shook my hand, and one led me away to the bedroom. He asked me to get on the bed and put, what looked like, a miner's hat on—a helmet with a light in front. He then explained the procedure to me. He was about to insert gauze (what seemed like yards of it) into my uterus—and the body, being a dependable organism, would, at sometime within the next 48 hours, reject the gauze, pulling with it the fetus. The procedure took only a few minutes. As he was finishing, he mentioned that he had had a 16 year old daughter who had died at the hands of an abortionist and from that point on, had decided to help women in trouble. He left the room and I finished dressing. It was the most incredible feeling—to be alive. There was intense cramping in my stomach and legs, but I was ALIVE! I thought the worst must surely be over.

Sandy led me to the car and we were on our way. She pulled in front of the motel and dropped me off. Once inside, my labor started. I was getting sick all over the room and felt delirous. The room was spinning. I'm not sure how many hours I was like that when I started making long-distance calls to friends at home, begging for help. David, the father, knew about the Birmingham abortion, but when I called, said there was no way he could leave to help me. Millie coundn't come (She had company for the weekend!). I couldn't impress upon her or anyone else that it was critical. Finally, I reached Scott and told him what was happening. He gave me the phone number of his brother, who lived in the next town. Soon, the brother and another friend arrived at the motel and spent the next day or so with me. They walked me about, cleaned up my mess, and ordered food for me. Meanwhile, the gauze continued slowly oozing out of my vagina and would periodically have to be cut with a scissor. I felt certain that I would die in that motel room. I hadn't aborted yet and I don't ever remember being so sick in my life. The pain was intense, and I was exhausted and wanted to sleep—but I was sure that if I closed my eyes, I would die right there in that cheap motel room. These kind men, whose names I can't remember, insisted that I stay awake and walk around the room, but I could barely stand. It was early the next morning and still no abortion. I begged them to take me to the airport.

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[1] As defined in Section 47(6) of the Arms Export Control Act.

I can imagine the sight I must have been, walking up the stairs to the plane. The stewardess nearly carried me to my seat—and brought me all the "in-flight" comforts ever invented. David met me at Newark airport that afternoon. From there, I was whisked away to a basement apartment in Astoria where the labor continued until the next morning. Then it was over.

Several days later, I returned to the local gynecologist who had made the original pregnancy diagnosis to learn if I was okay. After examining me, he announced "Lady,. you're a mess". I took my prescription for ampecillan and left, never to return again.

I am now 37 years old with two younger sisters, whom I love and many dear friends. The idea that any one of them could or would have to go through such pain, loneliness and humiliation—and danger—just to declare their lives their own is beyond all reason and humanity. The Right to Choose is the only sane option that a loving people can offer.—Kate Clinton

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APRIL 16, 1985.

Concern for my daughter and son-in-law grew daily as I watched with anxious eyes the friction and discord develop between them during a period when they were temporarily living with us. The situation did not improve even after they found a pleasant place of their own, as we had hoped it would. Finally the decision was made to dissolve the marriage. Shortly thereafter, my daughter found that she was pregnant. There was no possibility of reconciliation; too many harsh words had been said, too many unforgettable accusations had been made and the distance between them had widened considerably. More days of anguish followed plus discussion of all possible alternatives. The resulting decision was for an abortion which was shortly carried out. Since that time both my daughter and now former son-in-law have married someone else and are living satisfactory, happy and worthwhile lives.

My daughter, Janet Griffin, has given me permission to write of her experience as well as to offer it for publication in your Abortion: Silent No Longer campaign.—Priscilla.

DEAR SILENT NO MORE: When I was sixteen, I got pregnant. I was inexperienced in most matters of life, but I was aware that I was not financially or emotionally ready to be a good parent.

I considered the option of adoption, but decided against it. I was on my own for the first time and could not afford a full term pregnancy. I saw no reason to bring another child into an already over populated world.

I had an abortion. I have no regrets what so ever. If my younger sister were to get pregnant now, I would suggest that she get an abortion too. I am very glad that this option is available to me, even though I am on the pill!

When this issue comes up in Congress, I will check the voting records of my congressmen. I will not vote in 1986 for a pro-life congressman or senator.

Why bring an unplanned child into a world where there are already so many children who are in need of food, shelter, clothing and love?—Maria.

PORTLAND, OR, *April 10, 1985.*

To whom it concerns:

I write this letter as testimony of my own experience of abortion. I see abortion as a necessary option in women's lives.

In June of 1980, my husband and I became pregnant with our second child. Our first child was 2½. Neither of us had planned on another child—our birth control method was found to be unreliable. I had devoted myself to our daughter's early years and was ready to have some time now to give to myself. I was becoming involved with fashion modeling as a possible career. Any woman who has mothered knows the extent to which ones life changes when a child arrives. I was definitely not ready to re-enter that stage again—especially at that point.

When I realized I was pregnant, I had no question as to keep the child or not—I had an abortion. Luckily, this was fairly soon—about 3-4 weeks. My husband supported my decision and he and my daughter sat in the waiting room through the abortion process.

If I wouldn't have had a doctor to perform this for me, I would have found some way to abort on my own. I would have been scared to do it, but I knew I was not ready to have another child.

The abortion I had was not physically painful. It was tramatic in the way that it involved going from a pregnant state to a non-pregnant state with a matter of minutes. I went through an emotional phase of cying and depression for 2 weeks. My husband was very supportive through all of this.

It has been 5 years since my abortion. I am now a single parent and have been for 4 years. I have never regretted my decision to have an abortion. It was what I needed to do to make my life the best I could.

Being a single parent is difficult enough with one child. I have put myself through college over the past 3 years and am currently going through graduate school. Childcare costs are high and often not available. Nursing is expensive also. I see single parents with two or more children and see that it is so difficult financially, emotionally, and physically.

Sincerely,

NAYANO.●

FEDERAL EMPLOYEES FLEXIBLE AND COMPRESSED WORK SCHEDULES ACT

● Mr. BRADLEY. Mr. President, I rise today to cosponsor S. 620, a bill which seeks to permanently authorize the Federal Employees Flexible and Compressed Work Schedules Act.

The original legislation, which in 1978 authorized this program on an experimental basis, has permitted over 325,000 Federal employees to establish work schedules which are better synchronized with their personal and family lives. Flexitime is a scheduling alternative which allows employees to stagger their arrival and departure hours, within certain constraints. The compressed work week allows employees to extend the length of their average workday, thereby compressing the workweek.

In the words of Rosabeth Moss Kanter, a noted organizational sociologist, "family events and routines are built around work rhythms, at least more generally than the reverse." That rhythm is the 8-hour day, 5-day, 40-hour workweek, and it is a rhythm that is not in step with the family lives and circumstances of many Americans.

We are all aware of the demographic shifts which have changed the nature of family and work life for many of our citizens. Between 1960 and 1980 participation in the labor force among mothers in two-parent families nearly doubled. More than half of all married women with children under 18 years of age are in the labor force. The number of single mothers and fathers in the work force has also increased rapidly. These changes represent a subtle revolution, and the Flexible and Compressed Work Schedules Act represents a positive recognition of and response to them.

Mr. President, the benefits of alternative work schedules are many. Some Federal agencies have been able to extend their hours, thus giving the public increased access to Government services and facilities. Tardiness has been greatly reduced, as has been the use of sick time. The greatest benefits, however, stem from the fact that these scheduling innovations have a considerable humanizing effect in the workplace. The flexible scheduling alternatives offered under this legislation allow workers the opportunity to better juggle their work and personal responsibilities. This is particularly true for working parents, who under normal conditions often find it exceedingly difficult to cope with child care arrangements, doctors' appointments for sick children, and appointments with their children's teachers. Reducing these sources of stress eases the minds of working parents and contributes to higher levels of job satisfaction and performance.

There are no losers in this legislation. Federal employees, employers, children, and the public all stand to benefit.

Mr. President, the sunset provision in the original legislation will result in the repeal of this law if action is not taken before July 1, 1985. This bill has the support of every major group representing civil servants. It has received

the support of the Office of Personnel Management. The House passed this bill on May 20. I strongly urge my colleagues to support this legislation and recommend that the Senate take action on this matter as soon as possible.●

THE GENOCIDE CONVENTION

● Mr. DODD. Mr. President, the Foreign Relations Committee yesterday once again reported the Genocide Convention to the Senate. I would be very pleased by this development had the committee not attached a series of conditions to the resolution of ratification that seriously undermine the benefits of the committee's action.

Since 1970 the committee has reported the convention five times prior to yesterday's action, always with the same three understandings and one declaration that were rational and noncontroversial. A majority of the committee yesterday decided to break with this practice and attached conditions to the treaty that are either inane or they seriously erode the value of our prospective ratification.

I am particularly opposed to the reservation that excludes the jurisdiction of the International Court of Justice in disputes concerning the convention with respect to the United States unless the United States specifically consents to such a jurisdiction in the given dispute. This reservation, of course, makes article IX of the convention practically void with respect to the United States and nullifies the whole treaty relationship vis-a-vis those contracting parties who find such reservations incompatible with the objectives of the treaty. Among the latter are some of our closest allies.

To repair at least in part the damage such a reservation will do to the effect of our ratification I proposed an amendment to the reservation that would have restricted the effect of the reservation to our treaty relationships with those countries who themselves excluded the effect of article IX by some sort of reservation or who specifically agreed to ours. The effect of my amendment would have been to maintain a full treaty relationship with the largest possible number of other parties, including those countries who otherwise find an article IX reservation incompatible with the treaty.

On the other hand, my amendment would still fully protect us against those countries, including all the Communist states that themselves excluded the effect of article IX. My proposal insures that neither the Soviets nor anybody else can take advantage of us in terms of the article IX provision.

Mr. President, I am afraid, by yesterday's action, the Foreign Relations Committee damaged its professional reputation. It is my intention in the coming floor debate to suggest the removal of all conditions from the resolution of ratification with the exception of the original three understandings and one declaration. Failing to remove the reservation to article IX I will again introduce the amendment I introduced yesterday to at least limit the damage that pernicious reservation would do to our adherence to the Genocide Convention.

Mr. President, I hope my colleagues will thoroughly educate themselves with respect to the Genocide Convention. There is nothing ideological about it, nothing that ought to divide honest, patriotic Americans of any political views within the broad American mainstream. Sheer ignorance and a malicious campaign to add to that ignorance is what stands in the way of ratification. I hope my colleagues will recognize this and we can finally pass the convention without any crippling conditions.●

THE 70TH ANNIVERSARY OF MIDDLESEX COUNTY VOCATIONAL-TECHNICAL SCHOOLS

● Mr. BRADLEY. Mr. President, the first county vocational school in the Nation was established in Middlesex County, NJ, in 1914-15. This year, the Middlesex County Vocational-Technical Schools are celebrating their 70th anniversary.

The programs of Middlesex County Vocational-Technical Schools are recognized nationally for having motivated, encouraged and prepared thousands of youths and adults for careers. The graduates of these programs have become leaders in labor and industry throughout New Jersey, and have contributed significantly to the development of Middlesex County, the State of New Jersey, and, by extension, the United States.

Mr. President, the nature of the workplace has changed dramatically in the past two decades. The demands of the high technology industrial sector for workers trained in new skills has made the cooperation between labor, the industrial/business community, and the education community imperative. The Middlesex County Vocational-Technical Schools have been highly successful in meeting this challenge. I commend them today for their 70 years of contributions to the people of Middlesex County and New Jersey.●

ORDERS FOR THURSDAY

Mr. DOLE. Mr. President, while we are going to recess in a minute until 9 o'clock in the morning, and be back on the bill at 9:30, this will be the pending amendment. I am not at liberty to indicate now when a vote may come if at all tomorrow. But we hope to find out sometime 9:30 and 11:30 a.m.

ORDER FOR RECESS UNTIL 9 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate convene tomorrow at 9 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I ask unanimous consent that after the recognition of the two leaders tomorrow, under the standing order, that the Senator from Wisconsin, [Mr. PROXMIRE] be recognized for not to exceed 15 minutes on special order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. DOLE. I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 9:30 a.m. with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. DOLE. It is the intention at 9:30 a.m. to turn to the consideration of the DOD authorization bill, S. 1160; the pending amendment will be the Nunn amendment.

RECESS UNTIL 9 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 9 a.m. tomorrow morning.

The motion was agreed to, and at 10:59 p.m., the Senate recessed until 9 a.m., Thursday, May 23, 1985.

NOMINATIONS

Executive nominations received by the Senate May 22, 1985:

DEPARTMENT OF THE TREASURY

Robert Michael Kimmitt, of Virginia, to be general counsel for the Department of the Treasury, vice Peter J. Wallison, resigned.

DEPARTMENT OF JUSTICE

Anton Ronald Valukas, of Illinois, to be U.S. attorney for the northern district of Illinois for the term of 4 years, vice Dan K. Webb, resigned.

THE JUDICIARY

Richard A. Levie, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years, vice John F. Doyle, retired.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for appointment to the grade of rear admiral:

Edwin H. Daniels.
Clyde T. Lusk, Jr.
James C. Irwin.
Bobby F. Hollingsworth.

IN THE AIR FORCE

The following officer for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of sections 525, 8362, 8373, and 8380, title 10 of the United States Code:

To be brigadier general

Col. Shirley M. Carpenter, 226-50-0291FV, Air Force Reserve.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Robert H. Forman, 527-26-8742, U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. James M. Lee, 246-20-1593, age 58, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Charles W. Bagnal, 247-44-8391, U.S. Army.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform duties indicated with grade and date of rank to be determined by the Secretary of the Air Force provided that in no case shall any of the following officers be appointed in a grade higher than that indicated:

MEDICAL CORPS

To be colonel

Bocian, Edward S., Jr., 082-38-0062
Kershaw, Charles H., III, 036-24-9608
Mitchell, Bennett E., 244-68-6242

To be lieutenant colonel

Baghdassarian, H. Jack, 131-44-0002
Dickerson, Michael J., 270-46-2339
McCarthy, Geoffrey W., 074-32-2378
McCluskey, Patrick L., 350-44-5027
Yob, Edward H., 185-36-4543
Zimmerman, Donald A., 395-48-88369

IN THE AIR FORCE

The following-named officers for permanent promotion in the U.S. Air Force, under the provisions of section 628, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force:

MEDICAL CORPS

To be lieutenant colonel

Plummer, Jon K., 563-50-6678

To be major

Breisblatt, Warren M., 072-42-8437
Deering, Joseph A., 029-40-6169
Diasio, Robert A., 066-40-8366
Ervin, Warren D., 533-58-1813
Keenan, Barbara F., 166-44-4766
Kent, Virginia L., 484-68-3846
Khalifa, Atef A., 454-39-3016
Martinez, Mariano M., 264-70-7701
Spiegel, William A., 508-62-4261

DENTAL CORPS

To be major

Roemig, Irvin J., 191-42-1596

IN THE AIR FORCE

The following-named officers for permanent promotion in the U.S. Air Force, under the appropriate provisions of section 624, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force:

DENTAL CORPS

To be colonel

Altschuler, Bruce R., 126-36-4111
Antolin, Carlos M., 063-40-3624
Boggs, David E., 291-40-6487
Booker, Brooks W., III, 226-58-8280
Farhood, Vincent W., 549-70-1347
Hawley, Richard J., 506-56-0441
High, Curtis L., 300-38-8202
Joyner, Harry N. III, 461-62-5822
Knight, James S., III, 243-74-0379
Lauder, Keith F., 025-32-9788
Matis, Bruce A., 528-56-7683
Millar, Leslie C., 574-14-0146
Munford, Arthur G., 451-66-8952
Murray, Gary H., 462-84-2413
Ness, Charles F., 055-34-0213
Nilsson, Dennis E., 477-50-0239
Robison, Stephen F., 142-34-6455
Stormo, Gary C., 504-44-7340
Swan, Richard H., 262-76-5102
Sykes, Norman J., Jr, 254-70-1843
Tebrock, Otto C., 073-36-3694
Thurmond, John W., 505-56-0155
Watkins, John F., III, 422-58-2515

MEDICAL CORPS

Anderson, John D., 456-66-3792
Anthracite, Raymond F., 153-34-1661
Arnold, Fredrick S., 227-70-5889
Attar, Nasseem A., 062-46-7567
Bartlett, Richard A., 016-24-7260
Baskaran, Thanesseri S., 070-42-7272
Beck, William R., 226-60-8948
Belasco, Marvin S., 436-64-4476
Biggers, Robert D., 562-62-6551
Blumberg, Lawrence B., 559-62-4194
Bocian, Edward S., Jr., 082-38-0062
Boike, David E., 369-46-8981
Boswell, Richard N., 252-68-9582
Brandon, Gary K., 521-50-6873
Breuder, Andrew J., 140-38-5851
Brown, Cary D., 212-44-1400
Broz, John S., 723-03-6896
Burns, Robert R., 451-52-7224
Calderon, Daniel A., 584-14-8598
Chaves, Ignacio A., 489-48-8005
Chevalier, Jimmy E., 507-54-2841
Coles, Cleo P., Jr., 260-58-9764
Colimon, Jean, 134-46-8723
Collier, James R., 410-70-2916
Corman, Larry I., 213-44-8274
Crawford, George E., 546-70-4348
Dennis, Gerald H., II, 278-32-1905
Desantis, James P., 075-38-0222
Dyer, Morgan C.D., 498-46-2453
Floyd, John L., Jr., 458-70-3298
Foster, Jerry J., 266-34-3352
Frank, Denis J., 138-34-1271
Freda, Angelo J., 087-34-9068
Gangitano, John L., 551-66-5008
Garrison, James E., III, 240-74-8185
Gaver, William R., 217-50-8952
Gillis, Howard II., 356-38-3835
Girard, Charles M., 455-70-5100
Grandjean, Richard L., 451-78-3933
Grassman, Eric D., 521-52-4873
Green, Rufus Jr., 526-74-3096
Griffin, Robert P., 427-36-7409
Heck, Elmer H., 362-30-4404
Hinman, Craig G., 536-48-4257
Hobbs, Edmund R., 458-74-3223
Hoefle, Harold H., Jr., 566-26-1621
Hucker, John A., 489-46-3198
Jaeger, Warren P., 524-66-7433
Joganic, Edward F., Jr. 527-72-7702
Johnson, Frank L., 373-50-7105
Jones, Edward R., 208-34-6181
Kershaw, Charles H., III, 036-24-9608
Kharod, Upendrakumar J., 164-40-3035
Kimbrough, John L., 544-52-6473
Kotchmar, George S., Jr., 206-34-9810
Kramer, Thomas N., 314-46-1231
Laws, Harry F., II, 363-50-8379
Leach, Christopher L., 158-38-2781
Leibrecht, Murl E., 536-42-0878
Martin, Michael E., 524-62-8430
Matthews, Roy C., 455-54-9784
McKeown, Craig A., 355-42-9734
McNish, Thomas M., 244-66-4190
Mitchell, Bennett E., 244-68-6242
Moore, Michael A., 441-52-3524
Moulton, John P., 532-42-8159
Muehlberger, Gerald L., 486-48-3860
Myers, Joseph W., 545-72-8676
O'Berg, Lance G., 506-58-1748
Oppenheimer, Robert G., 025-34-7337
Perocieraguirre, Camille, 583-07-8681
Perucca, Philip J., 561-64-6834
Peterson, Charles D., 478-50-2628
Randolph, Leonard M., Jr., 578-58-3223
Richardson, Joseph B., 254-34-3188
Robacker, Elbert C., 505-64-7492
Royal, Louis R., 510-48-1600
Shore, John W., 003-32-2154
Smith, Gary L., 432-80-5858
Springberg, Peter D., 394-38-8133
Stoller, Richard H., 495-48-7422
Suchoski, John P., 533-38-6884
Taylor, Steven L., 510-50-3407
Trent, William G., 414-66-5904
Trujillo, Joel, 509-46-0354
Tuggle, Allen Q., 430-74-7084
Ursano, Robert J., 228-62-6596
Washington, James A., 577-60-8908
Wetzler, Harry P., 566-64-8807
Whiteley, Andre B., 446-40-1845
Wiedeman, Geoffrey P. Jr., 559-72-2483
Yoder, James E., 467-86-3650
Yu, Percy P. C., 135-42-8769
Zilveti, Carlos B., 078-32-9031

IN THE AIR FORCE

The following-named officers for permanent promotion in the U.S. Air Force, under the appropriate provisions of section 624, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force:

DENTAL CORPS

To be lieutenant colonel

Anderson, John A., 261-86-3103
Bachand, Stephen M., 395-48-3494
Bailey, Thomas S., Jr., 454-76-9051
Bakke, Joseph C., 466-80-0858
Ballesteros, Tomas J., 584-22-8623
Balzer, Richard R., 397-42-2090
Barham, Travis, P.G., 219-58-3200
Barrus, Barry D., 519-54-4317
Bell, Marvin D., 419-64-5036
Berwanger, Donald E., 302-46-3695
Boytim, Thomas E., 160-40-8264
Bullard, David E., 328-44-9428
Drane, Joe B. III, 466-78-7711
Drongowski, Frank S., 296-36-1410
Drum, Deryl W., 465-78-7206
Duke, Edward S., 530-36-5700
Feeley, John P. II, 561-64-3001
Gall, Edward D. III, 501-56-3890
Granda, Francisco M., 583-07-3221
Hancock, Allan F., 409-86-9757
Hansen, Paul A., 508-68-8718
Harmon, Frank W., 435-74-8646
Helbert, Thomas F., 394-50-5300
Hemmig, Stephen B., 219-50-3380

Higgins, James R., 532-46-5727
Humbert, Lewis A., 484-56-9836
Jordan, Charles J., 475-60-9772
Kaufman, Herschel B., 249-54-3583
Lasho, David J., 476-52-4033
Malloy, Charles M., 215-52-7826
Mandel, Edward B., 064-42-9732
Marr, James E., 536-42-6318
Marttala, Warren H., 537-32-8507
Moore, Timothy C., 366-52-5605
Naegeli, David G., 472-54-8011
Nolan, Frederick F., Jr., 451-84-3076
Otis, David B., 501-48-4262
Pitek, Francis M., 197-40-0009
Potter, Michael T., 371-54-2717
Pratt, Gregory F., 365-52-8599
Prezkop, Glenn C., 042-38-7012
Proctor, James L., 341-34-1040
Rudd, Robert W., 461-88-0398
Shurtz, John D., 533-42-4232
Slater, Leland J., 545-80-3018
Smith, Roger K., 512-56-9673
Stein, David F., 384-46-0871
Vaughan, James J., 307-54-5669
Weaver, Timothy J., 546-74-2081
Wheeler, Rommie G., 420-66-3082
Winternheimer, Keith C., 311-54-5068

MEDICAL CORPS

Arnold, Anthony C., 560-70-8957
Arnold, Roy M., 511-50-9273
Asthana, Sushil K., 056-58-5551
Baghdassarian H. Jack, 131-44-0002
Baisden, Clinton E., 441-46-9309
Ballard, Thomas W., 566-78-1987
Barile, Luisa F., 261-94-4358
Barson, Aaron V., Jr., 528-66-7698
Barton, David H., 553-72-0103
Bayubay, Reynaldo B., 547-11-3211
Beato, Ubaldo P., Jr., 563-19-0048
Bhowmick, Samar Kumar, 172-50-0385
Birdson, William M., 266-60-7756
Bonillasantiago, Jamie, 583-26-2929
Boulter, Michael J., 521-72-1580
Bourne, Carl W., 577-70-2732
Bueno, Jose B., 277-64-8055
Buttino, Louis, Jr., 059-40-9425
Calero, Mildred NMN, 584-28-3871
Casford, Brant, 436-80-5774
Chandy, Laila E., 026-50-3084
Currie, Randall B., 587-42-7812
Dahle, Michael G., 530-40-0510
Daniels, Herbert A., 540-46-9260
Daryanani, Laxmichand K., 127-52-2534
Deas, Thomas M., Jr., 435-68-1618
Deleon, Randolfo, 579-74-5779
Dickerson, Michael J., 270-46-2339
Durkee, Gardner R., 516-56-8103
Evans, David M., 504-56-9854
Ficke, Albert J., 475-44-3641
Flemming, Albert B.C., II, 236-68-7574
Fohlmeister, Uwe Walter, 469-48-6585
Gaede, Gary L., 311-56-9366
Gagnier, James M., 215-52-5542
Garrett, Leland E., Jr., 249-82-0984
Gordon, William H., 258-74-8074
Graham, Raymond L., 452-76-6289
Hammer, David L., 385-38-3708
Harbison, Richard W., 576-56-6031
Harris, Curtis, Jr., 108-38-4847
Hiss, Glen A., 529-70-1172
Huber, Stanford J., 215-42-8462
Humphreys, David J., 355-42-8651
Imm, Richard E., 507-52-5215
Jackson, Joseph W., 417-60-1681
Jaituni, Sudhir A., 483-78-4183
Jimenea, Serafin G., 384-70-2387
John, Donald H., 467-84-0705
Jones, Richard F., 395-42-5119
Kahle, William K., 227-68-0055
Keeton, Robert E., 227-62-2698
Kelley, Joseph E., 337-48-2386
Kiley, Vincent A., 182-40-4200
Kirk, Harry L., III, 438-64-0705
Kring, Roy M., 181-40-1613
Kruyer, William B., 440-48-3252
Latimer, John S., 026-40-9138
Levrault, Thomas E., 151-40-6603
Mareth, Thomas R., 462-78-8602
Markellos, David N., 266-84-7786
Martin, Bruce G., 253-88-2318
McCarthy, Geoffrey W., 074-32-2378
McCarthy, Michael J., 289-44-0299
McCluskey, Patrick L., 350-44-5027
McMahan, Howard A., 241-74-7167
McQueen, William J., 281-40-8173
Meredith, Keith S., 378-56-9607
Metz, Karl W., 148-40-5169
Montgomery, William J., 263-82-4050
Mreyoud, Namir, 318-56-3356
Narayanaswamy, Trichinipoly, 452-25-4249
O'Neil, Terrence J., 566-80-5892
Parekh, Ranjan H., 158-58-5555
Range, David R., 396-50-1528
Reddy, Ramasahayam A., 123-48-1560
Rhodes, Timothy A., 430-78-5626
Rigdon, David T., 425-96-1227
Rodgers, Lee P., 439-82-4461
Roudebush, James G., 508-62-9187
Savage, Patrick J., 429-92-7243
Schacht, Lawrence R., 520-56-5436
Seaworth, John F., 501-58-6257
Sellers, Alfred O., 484-62-5551
Senechal, Peter K., 223-74-8607
Senjalia, Govind P., 100-54-6459
Simmons, Willis M., Jr., 369-54-7712
Slaysman, Michael L., 231-70-0936
Surratt, Jay C., 375-32-2459
Tengelsen, Clifford L., 090-22-7013
Theodoridis, Dimitrios, 244-04-4083
Thode, Henry P., III, 521-64-0917
Tornow, John J., 504-58-2769
Uddin, Mohammed S., 281-66-5595
Urriquia, Esthela M., 277-48-0021
Vieyra, George R., 449-76-0104
Villacis, Bernardo F., 113-48-4212
Wicks, Roland E., 527-70-7483
Wile, Charles H., 066-38-4918
Williams, Marion Q., Jr., 248-74-3432
Winn, Richard E., 026-42-0061
Wirjosemito, Salimi A., 199-48-2782
Yob, Edward H., 185-36-4543
Zimmerman, Donald A., 395-48-8836

IN THE AIR FORCE

The following-named officers for permanent promotion in the U.S. Air Force, under the appropriate provisions of section 624, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force.

DENTAL CORPS

To be major

Alston, Richard D., 243-94-8905
Beadnell, Steven., 540-68-1699
Bertino, Jeanne L., 112-42-6559
Blanchard, Steven B., 369-48-5746
Blood, James E., 316-62-2854
Brassard, Kathleen A., 531-50-8853
Briley, John B., 412-88-0958
Brittain, Alice T., 208-46-7161
Brown, Stephen C., 226-80-6382
Butler, Mark E., 353-46-7251
Callanan, Karen M., 179-38-2510
Camacho, Joseph D., 505-64-5872
Canney, Gregory B., 047-50-3050
Castro, George W., 387-64-6386
Cavallo, Joseph P., 234-62-6700
Cobb, Ronald M., 237-94-7078
Cober, Dan D., 261-11-9421
Craig, Robert A., 513-48-9002
Crooks, Pearl A., 546-90-1423
Cullum, Paul E., 410-84-5333
Daniels, Robert W., 563-82-7227
Dean, Charles H., Jr., 271-58-6681
Dickerson, Herman S., 435-76-5860
Dougherty, Rick M., 117-38-3154
Dowd, Dennis J., 027-44-3114
Duckworth, E. Michael, 297-46-5851
Edgin, Wendell A., 463-96-4057
Eschler, Bradford M., 376-58-2766
Evans, Douglas B., 179-38-6538
Ewig, Jon R., 205-46-8151
Fegley, Donald J., 206-34-5616
Fegley, Faye M., 474-52-5307
Fisher, William C., 476-66-7213
Floryshak, Vincent P., 171-42-1019
Frost, Ron A., 528-78-2274
Gammage, Daniel D., 416-66-0171
Gates, Gregory R., 520-60-5300
Gilman, Terry J., 309-50-8307
Gimlin, Dennis R., 442-54-6868
Gross, Wendell A., 031-44-8042
Grover, William M., 451-92-6729
Gutierrez, Jose M., III, 463-98-4417
Haines, Lynn F., 276-52-0186
Halik, Lynne G., 061-50-1123
Hamilton, Daniel C., 306-52-1437
Hancock, Raymond H., 372-56-3119
Hanegan, Robert J., 346-38-9990
Hansen, Steven R., 567-92-9587
Hardy, Patrick G., 456-13-9496
Hartgerink, Dale V., 380-68-0122
Heddens, Heather B., 485-56-7698
Hess, Donald C., 462-74-8885
Hession, Timothy J., 060-48-3590
Himmelberg, Douglas L., 557-72-9981
Hofman, John W., 514-44-9292
Hoyt, Richard A., 214-56-6465
Huoni, James M., 425-96-8933
Johnson, Lynn M., 479-56-4949
Juel, Brian L., 534-52-1042
Kane, James J., 090-42-6846
Keir, Daniel M., 537-48-2501
Kielt, Laurence W., 154-46-8591
Koch, Kenneth A., 101-42-5104
Kolodny, Carter L., 461-94-6557
Kramer, Eric W., 213-66-3263
Krause, Kelvin K., 504-56-5927
Kretzschmar, James L., 052-40-5668
Lauder, Alfred B., 128-42-9134
Leonard, Daniel L., 243-74-0428
Lewis, Bernard A., 267-96-9760
Lewis, John F., 261-84-6451
Liang, John J., 181-44-6061
Love, Gregory K., 274-44-2735
Macdonald, Barry I., 564-90-6092
Maeder, Christian L., 545-66-0444
Malis, Anthony G., 363-60-7551
Marchese, Joseph A., Jr., 284-54-3103
Maurice, Sebastian C., 334-42-6833
Mayhew, Donnie E., 231-66-0728
McCann, John W., Jr., 461-11-0201
McCracken, William D., 406-68-9156
McLendon, William J., 253-02-3397
Metzler, Randy S., 510-60-1889
Miller, William B., 258-92-4204
Minke, Christopher M., 400-80-2686
Mitnitsky, Edward F., 237-86-0515
Molina, David G., 553-88-4485
Murakami, Earl T., 566-64-9186
Murchison, David F., 576-52-1307
Panfely, Charles, 459-02-4948
Paulsen, Joseph R., 325-48-9828
Paxton, Mark C., 539-60-7084
Peterson, Darrell J., 517-64-1632
Pfirrman, Dean A., 283-54-4479
Probst, Dale A., 318-50-0878
Rausch, Bradley E., 279-42-0210
Richardson, Bruce W., 528-68-7539
Rockwood, Douglas P., 290-46-9468
Rodriguez, Joran F., Jr., 267-76-5347
Roth, Thomas E., 547-84-3100
Rubens, Brian C., 536-54-9637
Rutledge, Richard E., 308-54-8000
Salamander, Maurice R., 488-58-6656
Sameshima, Glenn, 563-94-6255
Schiller, Valerie, 084-46-4136
Schneider, Ronald E., 147-44-5430
Scoville, Ronald K., 528-68-8467
Sears, Rodger S. R., 218-58-1696
Semba, Scott E., 568-94-3659
Shaffer, Randy A., 585-46-5122

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Clegg, Thomas J., 457-08-4959

Lindodrusch, Nancy, 486-64-3684

Sheetrum, Larry D., 527-92-7465
Smith, Ronald T., 529-72-8379
Snyder, Joseph A., 585-70-7373
Stephens, Daniel L., 321-48-6753
Strampe, William E., 391-56-9822
Streck, Daniel S., 557-88-6747
Supple, Robert S., 085-48-4714
Swierenga, Donald J., 376-48-5291
Thompson, Gregory A., 003-44-2671
Trump, John T., 364-64-8988
Urbanek, Richard A., Jr., 286-56-1272
Weinbach, Jonathan R., 495-48-6926
Weyrauch, Curtis D., 476-54-1821
Wilkinson, Carl C., III, 263-35-3745
Woodard, Maurice G., 261-74-0906
Young, Benjamin W., 570-84-4005
Znamirowski, Timothy M., 214-46-0583

MEDICAL CORPS

Alexander, John E., 238-02-9726
Allison, Ardis K., 508-70-7313
Allnutt, Richard A., III, 402-76-7302
Alvarez, Raul, 131-44-6826
Alyea, Alan D., 153-44-7134
Anderson, Donald E., 183-46-9598
Anderson, Richard M., 344-46-4109
Anglin, David L., 410-74-8737
Angstadt, Joann, 209-48-7079
Arbutina, David R., 176-46-9631
Armstrong, Ross E., 089-46-2387
Ashby, Kermit B., 226-80-1458
Babbel, Robert W., 518-64-2192
Balgowan, Dennis, 149-50-3208
Balogh, Roger J., 278-50-7555
Baltzer, Jeffrey W., 164-46-0946
Banias, Bruce B., 228-68-9817
Banta, Paul E., 495-60-3601
Barber, Ted E., 275-42-1805
Bares, Harold R., 475-60-1001
Barohn, Richard J., 489-64-4918
Bass, Harriston L., 337-50-6458
Bauer, Paul E., 568-86-6914
Baybick, Jeffrey H., 150-48-8180
Becker, Frederick L., Jr., 190-42-5302
Beer, Gregory S., 299-52-2983
Beitsch, Leslie M., 409-80-4529
Bellovin, Neil M., 075-46-9003
Benitez, Jose L., 584-62-0192
Berger, Robert S., 082-48-5859
Bisson, Roger U., 011-44-9886
Biuso, Thomas J., 113-46-3345
Blais, Kendrick D., 507-76-3691
Blevens, Kimberly T., 404-80-2523
Bombard, Allan T., 199-38-7715
Booth, Robert P., 253-82-9385
Bowen, Anne N., 219-64-1518
Bowers, Gary J., 267-04-5736
Boyko, Michael J., 155-38-2458
Boyle, Kevin M., 172-42-3410
Bozzuto, Thomas M., 189-36-2617
Bradshaw, Elizabeth C., 465-11-4629
Bradshaw, Robert D., 548-98-5018
Brakora, Mathew J., 400-72-1409
Brem, Alfred F., 450-86-9213
Bremer, Richard A., 308-60-6426
Brenton, Gerald E., 524-56-9328
Brodston, John A., 505-66-4862
Broman, Jerry H., 339-50-0461
Brownlee, John R., 284-58-8103
Brownstein, Arthur H., 571-68-5273
Butler, James W., 340-42-6105
Butler, Randy H., 240-88-6118
Butler, William P., 224-72-6858
Callaghan, Daniel J., Jr., 198-44-3666
Campbell, Charles W., Jr., 138-52-0799
Campos, Minerva D., 456-88-4095
Carrier, David A., 344-44-7332
Carter, Shelby H., III, 052-42-5014
Carver, Thomas R., 044-52-1815
Casbon, John M., 513-52-0809
Castro, William H., 583-80-2926
Cavazos, Daniel R., 457-90-5098
Caverly, Ola G., 261-33-9801
Child, Douglas D., 528-76-9609
Childs, Joseph F., 585-84-0606
Clegg, Thomas J., 457-08-4959
Close, Caroline G., 556-02-5871
Cochran, Casey G., 511-56-1712
Collins, Joseph C., 160-38-3370
Colosimo, George T., 572-84-2223
Conte, Frederic A., 169-40-0908
Cook, Guy L., 361-36-8495
Cook, Jeffrey N., 451-82-6869
Cortina, Pablo G., 455-90-2462
Cox, Jack L., 587-82-2920
Cranfield, Robert L., 417-80-9106
Crawford, Paul G., 433-02-6586
Cross, Bruce A., 484-72-5910
Cummings, Daniel R., 559-90-4908
Dantonio, Richard G., 215-48-2721
Davis, Timothy E., 250-90-4553
Decotis, Anthony, 145-44-7442
Dedic, John K., 485-64-7149
Deeter, Jane A., 226-66-2580
Demoya, Jose F., 211-58-6279
Derdak, Stephen, 102-42-6172
Desrosier, Kenneth F., 264-15-7874
Dey, Manjushree, 062-62-8042
Dillman, Darryl G., 226-68-1925
Dillon, Terry P., 560-78-8830
Dixon, Frederick E., 260-74-9795
Donaldson, David J., Jr., 435-90-0722
Donnelly, Timothy A., 516-66-7674
Downes, John M., 361-46-8112
Doyle, Kalli J., 379-64-5089
Doyle, Michael S., 380-60-0269
Driscoll, Paul E., 212-68-5419
Duchamp, Philip J., 465-92-2253
Duke, Lee M., 223-82-4405
Dunlop, Richard W., 027-40-7057
Dunn, Luckey M., 263-90-5051
Dunn, William J., 527-94-6802
Easton, Dean C., 277-54-0045
Ebbert, Paul J., 507-74-2864
Eckert, Richard R., 151-42-7918
Ellen, Michael R., 566-96-3557
Ellerbe, Dwight M., 224-62-2480
Ellis, Kent R., 558-74-5890
Emmel, Alfred C., 043-48-6527
Epstein, Brad L., 324-48-0622
Evans, Mark H., 273-56-5103
Eyolfson, Michael F., 217-68-2819
Facelle, Joan E., 174-46-5534
Facelle, Thomas L., 121-42-8782
Fain, George D., 587-50-9862
Janda, Jerome W., 351-42-5899
Jennings, Thomas J., III, 078-44-2720
Johnson, Bradley F., 394-54-4445
Johnson, David B., 520-56-0967
Johnson, Loren M., 227-60-7546
Johnson, Miers C., III, 204-38-4127
Kellogg, Scott K., 348-44-4420
King, Charles T., 145-44-7759
Kingsborough, Debra L., 489-70-1502
Kirkham, Charles R., 449-06-9271
Kirkham, Richard D., 576-68-3780
Kleinsmith, Christopher R., 378-64-3524
Kline, Albert L., 301-48-8721
Kloss, William H., 465-78-5187
Knautz, Michael H., 396-64-7830
Kolesnik, Robert J., 563-74-8424
Kono, Donna A., 557-86-6459
Korte, Charles H., 497-54-5764
Kreckel, Dieter, 178-38-3277
Kretsinger, Frankie C., 482-74-6076
Kuehn, Donald N., Jr., 399-56-1350
Lally, Kevin P., 091-46-3897
Lally, Richard E., 023-36-9661
Landes, Robert C., 277-52-5957
Landmann, Dwight D., 040-54-4205
Lanham, Gary R., 254-82-1447
Lattanzi, Charles A., 062-42-0893
Layman, Michael A., 517-56-0224
Leach, Robert W., 387-58-1425
Lee, Carol A., 579-74-8418
Lefkowitz, David M., 079-44-3584
Lerner, Lauren L., 030-46-4279
Li, Augustine F., 504-84-6637
Libow, Lester F., 065-48-9394
Lindodrusch, Nancy, 486-64-3684
Lindquist, Carl M., 340-48-5787
Lindsay, William D., 261-27-5748
Lischak, Michael W., 073-46-9631
Livingston, Robert D., Jr., 298-42-0231
Lorenz, Frederick S., 392-58-1748
Ludlow, David E., 528-80-8845
Luppino, Mark F., 273-46-4448
Lusk, David P., 154-46-0165
Maring, Rayna, 500-66-0010
Markushewski, Edward J., 240-84-7261
Martin, David F., 245-76-9581
McCarthy, James A., 507-62-2245
McCue, Michael J., 019-46-8158
McElroy, John B., 488-50-1720
McGhee, Judith E., 446-58-5486
McKenna, James P., 577-74-5702
McLaughlin, Glenn W., 275-44-9137
McLaughlin, Raymond S., 159-48-5270
McManigle, John E., 187-42-1109
Fain, Kathy J., 587-74-6054
Fain, Michael A., 286-86-8641
Farb, Perry G., 263-11-4041
Feehan, Patrick E., 531-56-8772
Feldman, Darryl F., 223-76-0596
Fleenor, Michael R., 226-78-7213
Flyer, Jerrold N., 058-46-7862
Foelsch, James M., 494-58-8074
Francois, David T., 537-56-7577
Frank, Lawrence S., 127-42-2382
Freeman, Theodore M., 563-84-1489
French, Harold G., 552-94-0758
Friederich, Richard, 333-44-8330
Fuller, Wayne T., 224-66-4181
Gannaway, Jay K., 447-54-3260
Gaputis, Charles A., 015-40-7182
Garner, Stuart J., 256-90-7647
Geeze, Donald S., 313-52-5487
George, Lawrence M., 563-88-6667
Giguere, Jeffrey K., 317-48-4572
Gil, Kevin M., 129-38-6483
Giovanetti, Penny M., 567-88-4209
Goldes, Jeffry A., 208-42-2580
Gosen, Richard B., 474-66-0233
Graham, Dennis N., 464-78-3698
Graham, Paul A., 540-70-8865
Gray, Jerry L., 443-58-4805
Grogan, Wendell A., 105-48-1728
Grow, Connie R., 003-36-3696
Guerreroduby, Sara F., 275-54-1317
Harris, Robert B., Jr., 249-96-2692
Harryman, Douglas T., II, 228-80-4419
Hart, Avery S., 158-46-9229
Hartel, Walter C., 154-46-5427
Hattrup, Leo M., 515-48-3263
Havens, Glen H., 248-84-9562
Heritage, Charles K., 244-98-3332
Hicks, Loretta E., 250-02-9927
Hidlebaugh, Dennis A., 537-58-9732
Higginbotham, Thomas W., 273-54-6919
Higgs, Jay B., 383-56-5287
Hinkin, Daniel T., 513-60-5219
Hinton, Thomas R., Jr., 585-50-7599
Hobbs, Jan D., 390-44-4228
Hoftiezer, Michael D., 325-50-5024
Hogandann, Colleen M., 354-46-8092
Holubec, Deborah M., 461-06-5911
Hopkins, Charles T., Jr., 254-74-6386
Horton, Marshall L., III, 587-62-7707
Houglum, David D., 470-72-3062
Houston, Charles S., 414-96-0811
Hrncir, David E., 449-06-8682
Hudlin, Irving C., 490-64-9112
Hymel, Kent P., 335-50-2097
McPherson, Scott A., 507-80-2815
McRae, Thomas D., 251-02-6374
Miedema, Brent W., 501-68-0867
Minto, Meredith L., 533-62-9409
Monastero, Joseph P., 181-40-9012
Money, Nolan B., 528-82-8568
Montgomery, Gary L., 305-62-6573
Moomaw, Ronald C., 279-42-9384
Morehead, John M., 459-94-4804
Moreno, Paul J., 583-62-6408

Morgan, Edward L., 434-72-3175
Morgan, Willie E., Jr., 310-56-8049
Morris, Harry A., 152-46-5441
Morris, Ronald R., 537-48-6436
Morton, Charles T., 265-21-6481
Moss, Audrey A., 224-86-1744
Mountcastle, Elizabeth A., 424-72-9188
Murphy, Brian P., 577-62-0530
Murphy, Thomas M., 225-80-3720
Nielsen, Mark A., 461-80-2066
Noel, Michael L., 308-60-0044
Nolan, Charles R., III, 521-76-7651
Noonan, Daniel J., 339-50-1863
Norman, Donald A., 373-60-1437
O'Byrne, Brian E., 169-46-4300
O'Gorzalek, Jeffrey M., 184-46-2777
O'Malley, Martin J., 264-13-8200
Orihel, Timothy S., 439-92-4818
Ostrander, James E., 556-80-5837
Owen, Jerry B., 456-06-8716
Pancoast, Charles H., 508-64-3230
Patefield, Arthur J., 388-60-5917
Pennock, John C., 064-44-9196
Perez, Fernando, Jr., 255-78-3387
Peters, Paul L., 507-70-0886
Peterson, James C., 485-72-5175
Phillips, Matthew, 111-48-4470
Philpot, Edward E., 585-26-6857
Pierce, Douglas K., 458-06-0992
Pineirocarrero, Victor M., 583-58-0331
Pond, Charles G., 585-48-8061
Pratt, George L., 004-50-2725
Pribyl, Charles R., 477-66-3752
Prochnow, Ross F., 507-60-7479
Protzer, William R., 092-44-2832
Provost, Randall P., 257-88-9818
Purcell, Stephen M., 155-48-2572
Reasner, Charles A., II, 557-04-3634
Reaves, Ricky L., 463-90-1777
Reece, Karen L., 467-17-9410
Reed, Thomas J., 486-64-3881
Reeves, Ernest E., 500-48-4020
Rhodes, Charles W., W., 244-86-8596
Richards, Charles A., 518-62-6179
Richardson, Marion L., III, 439-86-0509
Rigilano, John C., 158-46-7683
Robinson, Donald R., 254-96-1231
Robinson, Michael J., 528-78-5549
Rodino, Kenneth L., 327-54-8090
Rodriguez, Angel A., 266-25-5265
Rodriguez, Jose H., 584-58-4407
Rogers, Clifford W., 519-64-6961
Rogers, Kathleen S., 449-88-6646
Rogers, William M., 217-62-5280
Rosadodechristenson, Melissa, 584-70-174
Roth, Rudolf R., 559-84-6882
Roukema, James E., 522-74-9380
Royster, Robert M., 254-92-9462
Rozich, John D., 322-50-1812
Rubinsak, James R., 587-56-7277
Rudge, Frederick W., 152-46-4734
Ruh, Steven F., 548-72-3497
Ryan, Kevin P., 040-52-0118
Sadoff, Theresa R., 156-48-7263
Santiagomojica, Jose A., 583-56-9532
Sanville, Michael T., 470-56-6032
Saxey, Roderick, 543-64-7684
Schutt, Lindsey S., 112-46-9747
Scott, Weston P., 429-08-2985
Shultzaberger, Richard Z., 064-44-3701
Simms, David M., 261-13-9290
Smerud, Michael J., 475-68-1134
Smith, Curtis S., 539-56-0649
Smith, Miles T., Jr., 264-13-0066
Smith, Steven R., 505-78-3070
Smith, William C., 267-88-8354
Smothers, Joe L., 448-44-1738
Snedden, Michael H., 177-46-6684
Solomon, Glen D., 136-48-4037
Stacey, Darrell R., 529-70-6111
Stahlman, Richard L., 522-64-3409
Stanford, Georgie K., Jr., 419-78-4005
Stasic, Andrew F., 356-46-9789
Steinour, Thomas A., 162-46-4378
Stewart, Charles S., III, 060-48-3672
Strollo, Diane C., 421-80-3064
Strollo, Patrick J., 154-48-4216
Stump, John R., 159-46-3330
Sucher, John D., 085-40-5213
Sullivan, Christopher M., 349-46-6579
Sullivan, William M., 579-68-2597
Susi, Joseph A., 199-44-1069
Taylor, Gary C., 185-46-3735
Taylor, James R., 538-56-5331
Teaford, Harry G., III, 537-62-3552
Teague, Linda G., 454-90-5617
Thomas, Bruce J., II, 213-66-9818
Thorne, Willes M., 529-76-5038
Thornton, William P., 258-96-7297
Todd, Frederick D., II, 450-96-7919
Tonetti, John E., 224-62-1281
Torrent, John R., 265-19-2180
Toussaint, Gregory J., 397-60-4032
Trettin, John C., 390-62-1870
Trifilo, Richard D., 569-94-5127
Vanevery, Marvin J., 108-48-0723
Vansyoc, Daniel L., 480-58-8704
Vanzandt, Keith B., 153-48-9053
Varnau, Judith A., 289-42-2271
Varvel, John R., 506-76-4709
Vedder, Jeanne S., 396-60-8943
Vorhease, James W., 429-96-6717
Wade, Gary L., 531-60-1265
Walker, Stanford L., 491-62-1746
Walsh, Jean M., 450-08-7282
Walts, Michael J., 493-60-4402
Weiss, Thomas R., 333-46-8886
Wiedeman, James E., 350-50-0401
Wilkinson, John R., 395-48-8445
Wilson, Robert V., 489-58-9555
Wiseman, Dana, 067-38-1464
Wittpenn, Gregory P., 140-56-1838
Wyatt, Rhonda A., 382-58-1670
Yun, Thomas W., 223-76-0559
Zabbo, August, 038-36-5813
Zenthoefer, Peter, 543-72-8648
Zipper, Marc S., 176-46-3318
Zompa, Joseph M., 036-34-8157
Zwart, Benton P., 049-48-0219

CONFIRMATIONS

Executive nominations confirmed by the Senate May 22, 1985:

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. John L. Piotrowski, 378-28-6898FR, U.S. Air Force

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Gen. Larry D. Welch, 514-32-7932FR, U.S. Air Force

The following-named officer for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Gen. Bennie L. Davis, 444-20-0242FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Robert D. Russ, 537-28 9188FR, U.S. Air Force

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Merrill A. McPeak, 554-44-2858FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Bernard P. Randolph, 434-46-9726FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. William E. Thurman, 401-38-5817FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Charles J. Cunningham, Jr., 197-26-1874FR, U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Robert P. Coverdale, 277-26-0316FR, U.S. Air Force.

The following-named officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of sections 593, 8218, 8373, and 8374, title 10, United States Code:

To be major general

Brig. Gen. Wess P. Chambers, 527-34-7817FG, Air National Guard of the United States.

Brig. Gen. Charles S. Cooper III, 079-26-7743FG, Air National Guard of the United States.

Brig. Gen. Glenn W. Osgood, Jr., 380-26-8509FG, Air National Guard of the United States.

Brig. Gen. Robert W. Schaumann, 055-26-8223FG, Air National Guard of the United States.

To be brigadier general

Col. Wayne B. Adams, Jr., 530-18-4052FG, Air National Guard of the United States.

Col. John A. Almquist, Jr., 211-26-7898FG, Air National Guard of the United States.

Col. Charles R. Barnes, 315-32-2506FG, Air National Guard of the United States.

Col. William D. Bates, 559-36-920FG, Air National Guard of the United States.

Col. LeRoy R. Crane, 378-24-5617FG, Air National Guard of the United States.

Col. Charles J. Gebhart, 410-38-8260FG, Air National Guard of the United States.

Col. Robert E. Harris, 183-26-9611FG, Air National Guard of the United States.

Col. Karl K. Kramer, 284-30-8720FG, Air National Guard of the United States.

Col. Darrell V. Manning, 519-30-7079FG, Air National Guard of the United States.

Col. Paul N. Maxwell, 516-32-2739FG, Air National Guard of the United States.

Col. Pere W. Saltzgiver, 034-24-2060FG, Air National Guard of the United States.

Col. Richard A. Stich, 503-28-6779FG, Air National Guard of the United States.

Col. Stewart W. Timmerman, 118-24-2991FG, Air National Guard of the United States.

Col. Milton H. Towne, 539-22-1029FG, Air National Guard of the United States.

In the Army

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. Roscoe Robinson, Jr., 495-28-6662, age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Jack N. Merritt, 446-22-2608, U.S. Army.

In the Navy

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Earl B. Fowler, Jr., 266-26-8820/1440, U.S. Navy.

In the Air Force

Air Force nominations beginning Charles B. Christian, Jr., and ending James D. Samuels, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Air Force nominations beginning Maj. Reginald C. Ameele, and ending Maj. David B. Pierce, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

In the Army

Army nominations beginning Richard E. Chaffin, and ending Jerry N. Waltman, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Army nominations beginning James L. Brazell, and ending Richard A. Cooper, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

In the Marine Corps

Marine Corps nominations beginning Clarence L. Baer, Jr., and ending Jack B. Zimmermann, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Marine Corps nominations beginning Shauna E. Ahiers, and ending Steven M. Zimmeck, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

In the Navy

Navy nominations beginning Clinton E. Adams, and ending Dennis Samuel Curry, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985. Navy nominations beginning Jo Ann Landacre, and ending Kevin Stewart Kennedy, which nominations were received by the Senate and appeared in the Congressional Record of May 15, 1985.

Navy nominations beginning Chase Dee Anderson, and ending Jack Frank Lake, which nominations were received by the Senate and appeared in the Congressional Record of May 20, 1985.

EXTENSION OF REMARKS

CONGRESSIONAL SALUTE TO MSGR. CARL J. WOLSIN, FOUNDING PASTOR, OUR LADY OF CONSOLATION CHURCH, WAYNE, NJ, UPON THE 40TH ANNIVERSARY OF HIS ORDINATION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. ROE. Mr. Speaker, on Sunday, June 2, residents of my Eighth Congressional District and State of New Jersey will join the parish community of Our Lady of Consolation Church at a liturgy of thanksgiving and testimonial dinner in honor of one of our most distinguished members of the clergy and good friend, Msgr. Carl J. Wolsin, in celebration of the 40th anniversary of his consecration into the sacrament of holy orders.

Mr. Speaker, the faith and devotion of our people in a full communion of understanding—ever caring and respecting the individual religious beliefs of our fellowman has been the lifeline of our democracy—ever inspiring our people with hope and urging the individual on to great achievements and purpose in pursuing the fulfillment of his or her dreams and ambitions. The exemplary leadership and outstanding efforts of our citizens so important to our quality of life are in the vanguard of the American dream and today we express our appreciation to Msgr. Carl J. Wolsin whose esteemed dedication and unselfish devotion in promulgating spiritual guidance, goodwill, fellowship, and brotherhood in service to God have truly enriched our community, State, and Nation.

Monsignor Wolsin has maintained the highest standards of excellence throughout his lifetime and we are pleased to share the pride of his family, many, many friends, and parishioners in hs distinguished achievements, so unselfishly dedicated to the betterment of mankind. There is so much that can be said of the love, affection, and reverence with which Monsignor Wolsin is held by all who have had the good fortune to know him. He was born in Denville, NJ, the son of Bertha and Andrew Wolsin.

Mr. Speaker, we are so proud to have Monsignor Wolsin with us in Wayne, NJ. He is the founding pastor of Our Lady of Consolation Church. The parish was established on October 15, 1963, by Bishop James J. Navagh. The church, school, rectory, and convent buildings were completed within 4 years. There are now more than 1,500 families in the parish.

Prior to his appointment to Our Lady of Consolation Church, Monsignor Wolsin was pastor of St. Simon Church in Green Pond, NJ, from 1961 to 1963. Immediately preceding his pastorate at St. Simon, his ecclesiastical duties were fully committed for 17 years as associate pastor at St. Agnes Church in Paterson, NJ.

His diocesan responsibilities included an editorial position on the staff of the Advocate, the Newark archdiocesan newspaper that served the diocese of Paterson before the Beacon began publication and an assignment as assistant superintendent of schools. In addition, he taught theology to students at St. Joseph's Hospital and Seton Hall University in Paterson, NJ. He was also a member of the Art and Architectural Commission of the diocese.

Monsignor Wolsin completed his theology studies for the diocese of Paterson at Catholic University in Washington, DC, where he was awarded a licentiate in sacred theology. He was ordained in St. John's Cathedral, Paterson, NJ, by Bishop Thomas McLaughlin on February 24, 1945. His personal commitment, to the Almighty and to our people have earned him the respect and reverence of all of his parishioners.

Mr. Speaker, I appreciate the opportunity to present this brief profile of a distinguished man of God who has dedicated his life's purpose and fulfillment to helping others and guiding them in their pathway of life. The quality of his leadership is mirrored in the security and dignity that his parishioners have found in the comfort and aid he unselfishly and willingly gives to those in need and those who seek his helping hand and spiritual guidance.

Mr. Speaker, as Monsignor Wolsin celebrates the 40th anniversary of his ordination to the priesthood I know that you and all of our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations for the excellence of his service to his church, our Nation, and all mankind. We do indeed salute an esteemed pastor, exemplary clergyman and great American—Msgr. Carl J. Wolsin, pastor of Our Lady of Consolation Church, Wayne, NJ.●

DR. E. WYMAN GARRETT HONORED

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. RODINO. Mr. Speaker, I have been given the distinct privilege of serving as honorary chairman of a scholarship fund dinner in honor of Dr. E. Wyman Garrett, one of the outstanding leaders in my home community. This special tribute to a special person will be held at the Meadowlands Hilton on June 1.

Dr. Garrett has been and continues to be a vital force in our community. A product of the Newark school system, he went on to graduate first in his class from Morgan State College with a degree in chemistry. His academic achievements at Morgan State were matched only by his prowess on the basketball court, and he turned down a lucrative offer from the Harlem Globetrotters to pursue a career in medicine.

After receiving his medical degree from Howard University in 1961, Dr. Garrett became the first black resident in obstetrics and gynecology at Martland Medical Center. Despite the demands of an outstanding professional career, he has found the time and energy to devote to countless civic activities. The list of Dr. Garrett's achievements and awards includes: life member of the NAACP and former member of its executive board; diplomat in the American College of Obstetrics and Gynecology; recipient of the National Achievement Award from the Boy's Club, and the Community Achievement Award from the Grace Church; and member of the Omega Psi Phi fraternity.

Most important, however, is Dr. Garrett's incredible influence over young people in our community. He has inspired hundreds of young black students to pursue a medical career, and has helped them to gain admission to the New Jersey College of Medicine and Dentistry. He serves as an unofficial advisor to black medical students and helps them deal with difficult personal and professional problems. He organized the Hopers in 1968, a group of young men who had troubled pasts, who, with Dr. Garrett's inspirational guidance, have turned their lives around and become productive members of the community.

Dr. Garrett does not give up—he continues to work selflessly to improve the quality of life of those he cares for. And that includes all people, from all walks of life. He is the epitome of a humanitarian, and we are very fortunate in the Newark area to have him as a doctor, as a citizen, as a role model, and—most important—as a friend.●

ORDERLY PAYBACK OF MERCHANT VESSEL CONSTRUCTION SUBSIDY

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. JONES of North Carolina. Mr. Speaker, I have today introduced H.R. 2550, a bill to provide for the payback of construction subsidy by owners of dry bulk vessels and tankers. The bill is directed toward resolving the long-standing dispute between those who built U.S.-flag ships without subsidy for service dedicated to the U.S. domestic trade and those who, with the aid of construction subsidy, built ships destined to compete with lower cost foreign-built ships in the foreign commerce of the United States.

As foreign trade for U.S. tankers and bulkers fell off in recent years, a concerted effort was made to find employment for these vessels in the booming Alaska oil trade. The device employed or proposed was the repayment of subsidy, in a lump sum, and the immediate entry of previously restricted vessels into the domestic commerce. The most recent action by the Department of Transportation was the promulgation of a rule permitting allcomers to payback and enter the domestic trade on the condition that the subsidy payback be completed within 1 year after the rule takes effect. It is assumed that the rule becomes effective on or about the June 6, 1985.

The concern of many, inside and outside the Congress, has been that the unrestricted entry of large numbers of vessels, each having great capacity, would drive present operators out of the trade. Worse, these present operators would have no other employment and their disappearance would be detrimental to our sealift capacity, since many of these vessels are the very type most useful to the Navy in time of national emergency. On the other hand, the inability to find employment for the vessels wishing to repay subsidy might result in massive defaults on the debt service on these vessels, further exacerbating a very serious problem that has developed in the Nation's maritime loan guarantee program, title XI.

The bill introduced today employs a waiver device that has been in place for some time that allows the Secretary of Transportation to allow a subsidy-built vessel to repay a proportionate amount of the subsidy and enter the domestic trade for a period not greater than 6 months out of every 12. This bill merely allows extension of the 6-month period if the Secretary finds that the continued operation of that vessel would not constitute unfair competition for the nonsubsidized vessel(s) in the trade, and if the vessel continues to repay proportionately its construction subsidy. Protests may be lodged by Jones Act operators, but not more frequently than every 6 months. At the end of 3 years of continuous operation in the domestic commerce by a subsidy-built vessel, the balance of the subsidy may be repaid, and the vessel is at that point a permanent Jones Act vessel.

I believe this bill constitutes a workable and orderly method for providing for the repayment of construction subsidy, while maintaining the integrity of the traditional Jones Act fleet.●

FINANCIAL STATEMENT 1984

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. STUDDS. Mr. Speaker, I would like to submit my 1984 personal financial statement for publication in the CONGRESSIONAL RECORD. This statement is a complete disclosure of my 1984 income, assets, and liabilities, which I have done every year since entering office in 1973.

CONGRESSMAN GERRY E. STUDD'S 1984 FINANCIAL STATEMENT

PART I—INCOME 1984 (SUMMARY)

Salary	$72,367
Dividends (See part II for detailed explanation)	1,242
Interest (See part III for detailed explanation)	3,793
Total income	77,402

PART II—DIVIDEND INCOME 1984

Security (shares):	
Burlington Industries (40)	$66
Exxon (347)	1,161
Tucker, Anthony Cash Management Fund	15
Total	1,242

PART III—INTEREST INCOME 1984

Security (bonds):	
Loew's Theaters 6⅞ debenture ($3,100)	$213
U.S. Treasury 12%, 5/15/87 ($3,333)	400
Bank accounts:	
First National Bank of Boston (NOW)	38
American Security Bank (NOW and MMA)	2,873
Seamen's Savings Bank (NOW and MMA)	269
Total	3,793

PART IV—ASSETS

1. Beatrice Studds Irrevocable Trust—My brother, Colin A. Studds, my sister, Mrs. Howard Babcock, and I have placed the following securities—owned jointly by the three of us—in an irrevocable trust for our mother, Beatrice Studds, with my brother as trustee. All income from these securities goes to our mother for as long as she shall live. My brother, my sister, and I each own one-third of the securities—and they will revert to us upon the dissolution of the trust at our mother's death. The following represents my one-third interest in the trust:

COLIN A. STUDDS, III, TRUSTEE BEATRICE STUDDS, IRREVOCABLE TRUST, UNDER AGREEMENT DATED AUGUST 1, 1973

Security (shares):	*Value*[1]
U.S. Treasury 13.875 note, due November 15, 1986 (5,000)	$5,000
Common stock (shares):	
West Point Pepperell (133)	4,800
W.R. Grace (67)	2,747
Middle South Utilities (100)	1,400
General Motors (50)	3,450
IBM (33)	4,333
Detroit Edison (167)	2,797
Munford (112)	2,584
Park Electro-Chemical (250)	3,750
Rogers Corporation (167)	4,175
Allied Stores (67)	3,650
General Motors "E" Stock (2.3)	170
Tucker Anthony Money Market Fund	4,769
2. I own the following securities:	
Security (bonds):	
Loew's Theaters 6⅞ debenture ($3,100)	$2,325
U.S. Treasury 12 percent, May 15, 1987 ($3,333)	3,333
Common stocks (shares):	
Burlington Industries (40)	1,000
Exxon (347)	17,333
PBA (200)	450

[1] Market value as of May 10, 1985.

3. Our family home in Cohasset, Massachusetts, with an estimated market value of approximately $240,000 is owned jointly by my brother, my sister and me. My interest in the home, therefore, is roughly	80,000
4. Bank accounts (cash):	
a. NOW account, First National Bank of Boston	669
b. NOW account, American Security Bank	1,500
c. Money Market Account, American Security Bank	16,000
d. NOW account, Seamen's Savings Bank	100
5. 2-bedroom house in Provincetown, MA, estimated market value	300,000
6. 1981 Chevrolet Caprice.	
7. 1985 Jeep Wagoneer.	
8. IRA—Fidelity Magellan Fund	6,000
(Condominium Apartment, Provincetown, MA, sold, 1984 for $135,000).	

PART V—LIABILITIES 1984

Mortgage, two bedroom house, Provincetown, MA, New Bedford Institution for Savings, approximately	209,000

PART VI—1984 TAXES PAID

Federal income tax	18,145
Massachusetts income tax	8,018
Local property taxes	2,361
Total taxes	28,524●

BUDGET PROPOSAL DESERVES SUPPORT

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. FORD of Michigan. Mr. Speaker, I rise to commend the House Budget Committee for its dedicated efforts under extremely difficult conditions.

The economic dilemma we face today after 4 years of unprecedented and dangerous budget deficits leaves us with precious few options in dealing with the present fiscal crisis.

This budget resolution is a far, far better way of dealing with that crisis than the proposals from the administration or the Senate. It is eminently more fair and more realistic.

While I am not completely satisfied with all of the parts of this complex solution, I recognize the constraints under which the committee worked to produce it. And, on the whole, I am satisfied it is the best that could be hammered out at this time.

The budget resolution achieves savings on the postal and civil service sides without the draconian steps proposed by the administration—measures that would have further destroyed the morale of a Federal work force that has been under attack for 4 years.

The resolution assumes full COLA's will be provided for civil service and military retirees.

It ignores the administration's proposal to cut civil service pay by 5 percent and instead assumes a pay freeze for fiscal year 1986 and an increase of 3.8 percent in January 1987. This clearly is a stopgap measure and we must now work to develop programs that ensure the Federal workers are fairly paid.

It deals with work force reductions through normal attrition and not through unnecessary and damaging reductions in force.

Importantly, the resolution does not do the kind of permanent and reckless damage to Federal retirement that the administration proposed.

In the postal area, the resolution assumes full funding of the appropriations for revenue forgone, thus preventing hardship for a number of unfortunate citizens and nonprofit organizations and the future of the Postal Service as well.

Given the circumstances—including a $200 billion deficit and all that horrendous figure implies—I am pleased with the work of the committee and voice my support for the resolution.●

STATES SHOULD REQUIRE REGISTRATION OF ALL FIREARMS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. TRAFICANT. Mr. Speaker, today I am introducing legislation to encourage States to require that owners of firearms register those firearms with their local law enforcement agency. My bill would encourage the States to make it a criminal penalty not to register such firearms and make it a criminal penalty to obliterate, remove, or alter the serial number on any firearm.

Mr. Speaker, if one examines the statistics on handgun crime in this country and compares it with similar statistics in countries that require registration of firearms or licensing to purchase/possess a firearm; then one will see that legislation of this nature is long overdue. To give an example of how serious a problem handgun crime has been and continues to be in this country, I would like to cite some statistics on handgun homicides. These statistics are from 1980 and reflect the number of people killed by handguns in various countries—including the United States. Except for the United States, all of the countries cited have either a ban on private ownership of handguns, or licensing permit requirements for the purchase and possession of a handgun. The statistics for handgun homicides for 1980 are as follows: 77 in Japan; 8 in Great Britain; 24 in Switzerland; 8 in Canada; 18 in Sweden; 23 in Israel; 4 in Australia; and 11,522 in the United States. I find it greatly disturbing that there were 11,522 handgun homicides in the United States during 1980. The only country that came close was Japan with 77. These figures are outrageous. In 1983, the FBI reported that there were 9,014 handgun homicides—a drop since 1980—but still disturbingly high.

Another disturbing fact is that in the peak 7 years of the Vietnam War there were over 40,000 U.S. troops killed. In that same period there were 50,000 American civilians killed by handguns. And the situation hasn't gotten much better. As a former sheriff, I can attest to the grave problem of handgun crime—as well as crimes committed by other firearms. The time has come for the Congress to take some positive action in addressing this problem. I feel my bill is a feasible approach that will not in any way overstep the boundaries of State law and will no way infringe upon the rights of law-abiding citizens to bear arms.

My bill would amend the title I of the Omnibus Crime Control and Safe Streets Act of 1968 by withholding Criminal Justice Block Grants to those States that do not require the registration of all privately owned firearms with the local law enforcement agency. States would also have to make it a criminal penalty not to register such firearms, in order to become eligible for such grants. The term firearm is defined based upon the definition in chapter 44 of title 18 of the United States Code—except that it also includes all antique firearms, as defined in that same chapter. States would also have to make it a criminal penalty to remove, obliterate or alter the serial number on a firearm.

I feel that this bill is a solid approach to addressing the tragic and serious problem of firearm-related crime in this country. My bill would serve as an incentive for States to enact their own firearm registration laws—however they see fit. Such laws would greatly assist both the law enforcement community and local prosecutors in apprehending criminals and convicting them. It would also ensure that firearms remain in the hands of law-abiding citizens. The statistics show that the number of homicides in this country committed by firearms is disturbingly high. The time has come to face up to the statistics and take action. My bill is a viable and necessary first step in battling street crime. I urge all of my colleagues to examine this legislative initiative and support the nationwide fight to keep the streets of America safe.●

HENRY'S FORK RIVER

HON. RICHARD STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. STALLINGS. Mr. Speaker, today I am introducing H.R. 2569 to amend the Wild and Scenic Rivers Act to designate a segment of the Henry's Fork River in the State of Idaho for potential addition to the National Wild and Scenic Rivers System.

As far back as 1970, the Henry's Fork of the Snake River was identified as a potential wild and scenic river. Its pristine resource and scenic values were made evident to me personally while floating this, one of Idaho's most spectacular rivers, in August 1984.

Because of a recent flurry in planning hydropower projects on this stretch of the Snake River, I feel the time has come to formally study the river's potential for addition to the National Wild and Scenic Rivers System. This legislation will mandate study of a 31-mile reach of the river from Island Park Dam downstream to its confluence with Warm River.

The resource values and uses of the Henry's Fork are varied and in my mind unparalleled. The Henry's Fork has a national reputation as one of the best fishing streams in the country. The river also receives some of the heaviest fishing use in Idaho. Any hydropower development would have adverse impact on both migratory and resident fish populations.

Furthermore, the upper reaches of the river contain essential bald eagle habitat. The area also supports ideal wintering habitat for the trumpeter swan. The continued survival of both of these magnificent birds will require special management attention that can be assured under this legislation. Other important fish and wildlife resources in the area include elk, moose, river otter, osprey, and geese.

In addition, the Henry's Fork area supports two popular recreational and scenic attractions. Harriman State Park has been heralded the "crown jewel" of the Idaho park system. Upper and Lower Mesa Falls are spectacular landmarks and must be protected for the public's enjoyment.

Undoubtedly, the myriad of recreational opportunities in the area attract important tourist dollars into eastern Idaho. Tourism and recreation are a viable and growing industry and make an important contribution to the region's economic well-being. If the river is substantially altered by further development, the dollars generated by this public resource will decrease.

By the same token, the Snake River serves as the lifeblood of the State's agricultural industry. In recognition of that importance, any future decision to designate the Henry's Fork as a wild and scenic river must ensure that existing water rights are protected.

The study mandated by this legislation should also address the need to protect other existing uses such as grazing and outfitting and guiding which are important local industries and are critical to the local tax base.

By introducing this legislation, I am calling on the Forest Service to immediately proceed with a study on the Henry's Fork potential as a wild and scenic river. I believe there should be adequate opportunity for all interested citizens to identify important resource issues and management concerns through this study process.

I also strongly believe that we must make every effort to ban further development of and motorized travel on this scenic river. The State and the country as a whole can ill afford to destroy the unsurpassed beauty of this river.

Mr. Speaker, the text of the bill follows:

H.R. 2569

A bill to amend the Wild and Scenic Rivers Act to designate a segment of the Henry's Fork River in the State of Idaho for potential addition to the Nation to the national wild and scenic rivers system

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STUDY OF HENRY'S FORK.

(a) STUDY.— Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1271-1287) is amended by adding the following new paragraph at the end thereof—

"(91) Henry's Fork, State of Idaho.—The segment of approximately 31 miles from Island Park Dam downstream to the confluence with Warm River.".

(b) COMPLETION DATE.—Section 5(b)(3) of such Act is amended by adding the following at the end thereof: "The study of the river named in paragraph (91) of subsection (a) shall be completed not later than 2 years after the date of the enactment of this sentence.".

(c) AUTHORIZATION OF FUNDING.—The first paragraph (4) in section 5(b) of such Act is amended by adding the following at the end thereof: "There are authorized to be appropriated for the purpose of conducting the study of the river named in paragraph (91) such sums as may be necessary.". The second paragraph (4) in such section 5(b) and paragraph (5) in such section 5(b) are redesignated as paragraphs (5) and (6) respectively.●

NATIONAL TOURISM WEEK

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. ROTH. Mr. Speaker, "Tourism Works For America" is this year's slogan for National Tourism Week, May 19-25. I cannot think of a more fitting and proper banner to honor the millions of small businessmen and entrepreneurs who have made tourism the second largest private employer in our Nation. This week we take time to recognize their contributions to both our culture and economy.

The economic impact of tourism is often underestimated since, as one person said, "The travel industry is a collection of diverse products sold by a fragmented industry to segmented markets through a complex distribution chain." It is not then surprising that the public has to a large extent not grasped the scope and significance of travel away from home and the industry that has developed to serve it.

The situation is brought into a clearer perspective through specific examples. Tourism provides 6.8 million jobs and it contributed to 43 percent of the new jobs created in 1983. Tourism is the third largest retail industry in the United States, just behind food stores and automobile dealers. The industry contributed 6.4 percent to the U.S. gross national product in 1983. Tourism generated $25.3 billion in Federal, State, and local tax revenues.

And tourism is an export. With a staggering $123 billion trade deficit last year, we must remember that attracting foreign tourists to the United States contributes positively to our export trade. Thirty-nine foreign visitors arrive in the United States every minute, spending $361 every second. Tourism is the second largest export industry in terms of receipts, exceeded only by chemicals. In 1983, 20.4 million foreign visitors spent $11.4 billion in the United States, directly supporting 257,000 jobs.

In my home State of Wisconsin, where tourism is the second largest employer, the travel industry generated 105,000 jobs and $154 million in State tax revenues. I am pleased to report to the brewers that in 1983 foreign visitors consumed over 5,600,000 cases of beer; and to the dairy farmer, that foreign visitors consumed over 19,900,000 gallons of milk, nearly 20,400,000 gallons of ice cream, and 18 million pounds of cheese. In other words, when tourism is the business, all Americans can share in a piece of the pie.

The cultural contribution of tourism cannot be estimated in dollars and cents; it is invaluable. Travel stretches our minds. When Americans take off on their 2 weeks' vacation, leaving their home environs and setting off about the country, the broadening experience provides the individual with a deeper awareness of his heritage, his environment, and the culture to which he belongs. Travel serves to remind us that we are a diverse nation, made up of many peoples, sharing a common history. Our history is a binding force, and you feel that when you stand with visitors from all over the country at the scarred walls of the Alamo, wander through the hallowed ground at Gettysburg, or overlook the Fox River from Heritage Hill. When the Wall Street stockbroker meets the Wisconsin dairy farmer, when the Philadelphia lawyer meets the Texas rancher, it cannot but help improve the communication and understanding of the various citizens of this Nation.

Likewise, America's tourism industry has the important duty of showing to visiting foreigners what the United States means. This is both a learning and a teaching experience, where both sides benefit from direct contact. We entrust our tourism industry with the important task of displaying with pride what is best about America, including its scenic beauty, its industrial might, and its innovative people.

As a steering committee member of the U.S. Congressional Travel and Tourism Caucus, I have long sung the praises of the benefits of tourism to our economy and national character. Caucus efforts were essential in getting the Canadians to eliminate their tax on travel literature from the

United States. The free flow of such literature is key in attracting our northern neighbors down for a visit.

The caucus played a key role in revamping and invigorating the U.S. Travel and Tourism Administration. Now we have an energetic and professional agency that is aggressively competing to regain America's fair share of the international market. Although there are efforts being made to eliminate USTTA in the name of deficit reduction, I cannot think of a worse misrepresentation. USTTA is a revenue-generating agency. Its promotional efforts provide, at minimal cost, nationwide economic stimulation. With trade deficits reaching their highest levels in the history of our country, it should be recognized that tourism is one of the major sectors contributing positively to the balance of trade.

This week I encourage my colleagues to recognize the important contributions the tourism industry has made to our Nation's economy and culture, and spread this awareness to your constituents. Also, we must begin thinking of the future role of tourism as the industry continues its rapid growth. To serve tourism best, we must devise ways to take advantage of the opportunities afforded the United States. I would encourage my colleagues to share their views and ideas with the U.S. Congressional Travel and Tourism Caucus and together we can mold a national tourism policy to meet America's booming needs.●

HOUSE BUDGET COMMITTEE PROTECTS AMERICAN VETERANS

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. WOLPE. Mr. Speaker, it gives me great pleasure to report on the House Budget Committee's recommendations for Veterans' Benefits and Services. I am sure that most of our colleagues heard, as I did, from constitutents deeply concerned about proposals suggesting that we tax compensation benefits for service-connected disabled veterans and dramatically modify other important Veterans' Administration programs.

No one disputes the fact that cuts in Federal spending are absolutely necessary if we hope to reduce the size of the massive Federal deficits that are now projected for the balance of this decade and beyond. And, as a member of the House Budget Committee, I am keenly aware of just how important that task is. However, I do not believe that any deficit reduction package should place a disproportionate burden on those who are most in need of vital services and—as in the case of our Nation's veterans—to whom so much is owed.

The House Budget Committee has demonstrated that we can simultaneously cut Federal spending, reduce Federal deficits, and adhere to the fundamental principles of fairness and equity. The committee's recommendations for Veterans' Benefits and Services clearly reflects this balance of priorities. While the committee assumes a 1-year budget freeze at 1985 levels, this freeze would not apply to means-tested entitlement or low-income programs. Furthermore, the committee assumes that full cost-of-living adjustments will be provided in VA compensation and pension payments. Finally, the committee's recommendation assumes that all VA hospital and medical care will be maintained at current levels.

Our Nation owes a tremendous debt to its veterans—Americans who made incredible sacrifices to protect our freedom and our democracy. I believe the Budget Committee's recommendations are sensible, fair and honor this most important debt.●

PUBLIC SCHOOL 163 IN QUEENS, NY, CELEBRATES ITS 50TH ANNIVERSARY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. ACKERMAN. Mr. Speaker, I rise today to bring to the attention of my colleagues in the U.S. House of Representatives this year's 50th anniversary celebrations of the opening of Public School 163 in Queens County, NY.

Mr. Speaker, Public School 163's principal, Helen S. Kurzban, and the fine teachers at this elementary school have reason to celebrate their school's 50th anniversary this spring and summer. Since its opening half a century ago, Public School 163 has given the children of Queens the guidance, knowledge, and skills they need to go on to further academic achievements and bright career opportunities.

Mr. Speaker, we all know how important education is to our children's futures, and to the future of our Nation as a whole. As a former student at Public School 163, I know how privileged we in Queens have been in the quality of teachers, principals, and administrators who have served at this school throughout the years. Generations of students have benefited from the creative teaching methods, caring teachers, and challenging curriculum offered at this elementary school.

Teachers and students have planned an array of activities to mark their school's 50th anniversary, including publishing a golden jubilee edition of the school magazine, a fair of children's projects from the 1930s to the present, held on May 29 and 30; and a parade through the neighborhood starting at the school at 9 a.m. on May 31; and a carnival in the schoolyard May 31 and June 1. The activities will culminate in a gala reception and concert in the auditorium on June 4.

This occasion is a proud one for all of us in Queens County, and I would like to take this moment to ask all of my colleagues in the U.S. House of Representatives to join with me now in celebrating with Public School 163 its 50th anniversary.●

PRAISE FOR FATHER PETERSON

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. ST GERMAIN. Mr. Speaker, each May we see thousands of college students put their backpacks into final storage and wave goodbye to their alma maters with diplomas in hand.

There are many goodbyes. A goodbye to a friend who was always willing to share his hot pot. A goodbye to a professor who gave that extra bit of energy to make even physics seem bearable. Yes, even a goodbye to those all-night typing sessions that turned soda drinkers into coffee aficionados.

Yesterday's 67th graduating class of Providence College said a very special goodbye. It was a sad goodbye to a modest man who has influenced the lives of so many individuals in this college community.

Yesterday, 856 young men and women said goodbye to the Very Reverend Thomas R. Peterson, O.P.

After 13 years of leadership, Father Peterson has announced his resignation as Providence College's ninth president.

Mr. Speaker, it is hard to put into words everything Father Peterson has contributed to this fine school during the past decade and a half. I am afraid that a complete listing would require even more pages that this Government can print in a single day.

But to the students, faculty, and neighbors of Providence College, Father Peterson's contributions are no secret.

In 1971, the school had 2,370 students, including its first enrollment of 318 women. It operated on a budget that year of $10 million.

Today, Providence College has 3,700 students of which 1,863 are men and 1,864 women. It expects to spend $32.4 million this year.

Not only has Providence College dramatically increased its enrollment under Father Peterson's tenure, its campus has doubled in size and its aca-

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nation more damaging than in gaining

a degree of doctor of laws from South

THE WIT AND WISDOM OF

lion dollars for the whole country was the

of Congress, and every American needs to demic programs have been widely expanded.

Father Peterson himself was a Providence College graduate in 1951. He was ordained to the priesthood in the Dominican order in 1956.

He received his licentiate and lectorate in Sacred Theology from Immaculate Conception College in Washington, DC, his M.A. degree from St. Stephen College in Dover, MA, and his Ph.D. from Aquinas Institute of Philosophy in River Forest, IL.

Father Peterson joined the Philosophy Department at Providence College in 1957 and was named assistant dean of the college in 1962. In 1968 he became dean of the college and assumed the presidency in July 1971.

The efforts of Father Peterson will be remembered for a long time. Though this year's class is already headed home in their convoy of moving vans and station wagons, they will take with them the very special memory and influence of a man who shaped their school's character for years to come.

I am proud to have attended this same school that has benefited so much from Father Peterson's dedication.●

EQUAL ACCESS TO BUSINESS CREDIT

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. MITCHELL. Mr. Speaker, I am happy to join my colleagues today to support an issue of the utmost importance, the achievement of economic parity by all Americans.

As chairman of the House Committee on Small Business, I am very pleased that the economic equity action package [EEA] includes my bill, H.R. 1575, which contains provisions that would help to identify and prevent discrimination in business and commercial lending transactions. H.R. 1575, which I introduced for myself and Mrs. Boggs, extends the protections available to consumers under the Equal Credit Opportunity Act [ECOA] to those persons who apply for business credit as well. This badly needed measure has been included in the EEA package to ensure that the American dream remains available to all segments of our society who wish to achieve economic independence by owning their own businesses.

In spite of progress in the struggle for economic equity, and in spite of continuing efforts to eradicate unfair and unreasonable practices, women and minorities still face subtle discrimination in business activity that is difficult to identify and even more difficult to prove. Nowhere is this discrimination more damaging than in gaining access to business and commercial credit. Legislation is needed to ensure that objectivity and fairness will prevail in the evaluation and disposition of loan requests just as they govern consumer credit, mortgage loans, and other types of credit transactions.

The Equal Credit Opportunity Act [ECOA] prohibits discrimination in credit transactions on the basis of race, color, national origin, sex, or marital status, or age. Under Federal Reserve Board regulations, however, all business and commercial credit transactions are exempt from provisions of the act relating to: First, notification of adverse action regarding a loan application, including a written statement of reasons for the adverse action; second, retention of records, including information used in evaluating the credit applications; and third, information concerning marital status.

H.R. 1575 would amend the Equal Credit Opportunity Act of 1974 [ECOA] by eliminating the current exemption for business credit except for truly justifiable and narrowly defined classes or distinctions. Such distinctions would be made by formal procedures. In this manner, exemptions will be subject to careful scrutiny, public comment, and due process.

I believe strongly that H.R. 1575 can contribute, in a significant way, to the achievement of economic parity for a large segment of our population. The bill is necessary to overcome those practices that unfairly restrict access to business credit so vital to the achievement of success. The economy needs successful businesses. Our Nation needs the wealth that can be generated by the entrepreneurial skill and business talent resident within women and minorities. I enlist the support of my colleagues in this worthy endeavor.●

IN HONOR OF LESLIE NELSON SHAW, SR.

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. DYMALLY. Mr. Speaker, it is with a sense of great privilege that I am introducing legislation today which will designate the new postal facility being built in Los Angeles, CA, as the Leslie Nelson Shaw, Sr. General Mail Facility. I am joined in this effort by my distinguished colleagues, Mr. Hawkins, Mr. Dixon, Mr. Clay, and Mr. Leland.

It is with great sadness that the Los Angeles community mourned the passing of Leslie Nelson Shaw on March 7, 1985. Born in Columbus, OH, in 1922, Mr. Shaw was educated in Ohio, Italy, and California, and was honored with a degree of doctor of laws from South Bay University. He served his country in World War II as a highly decorated soldier with the all black 371st Regiment Combat Team, 92d Infantry Division, in the European Theatre-Italian Campaign. Mr. Shaw began a distinguished career in the savings and loan business in 1949, eventually becoming a vice president and director of community development for Great Western Financial Corp., and Great Western Savings and Loan Association, a position he held for 15 years.

It was Mr. Shaw's service as Postmaster of the city of Los Angeles which I believe makes this legislative effort a fitting tribute to his many accomplishments. Appointed by President John F. Kennedy in 1963, Mr. Shaw became the first black Postmaster of any major U.S. city. In this capacity, he was responsible for operations of the third largest Post Office in the country, with a complement of 15,000 employees and 92 stations and branches. Since 1969, when Mr. Shaw retired from his position as Postmaster, postal operations in Los Angeles have expanded tremendously.' So much so, in fact, that the U.S. Postal Service has begun its plans to construct a new facility for the area. It will include a general mail facility, vehicle maintenance facility, and warehouse and will span 75 acres. According to the Postal Service, the project is a model for the future.

Mr. Shaw's contributions to the Los Angeles community went far beyond his career. He was active in numerous civic and charitable organizations in such diverse areas as education, health, equal employment opportunity, and youth services. Mr. Shaw also served on the boards of several organizations and businesses, including the National Urban League, the Braille Institute, the United Way, Community Television of Southern California, and Lockheed Corp. In 1981, Mr. Shaw was selected by Mayor Tom Bradley to be chairman of the Los Angeles Private Industry Council.

Leslie Nelson Shaw will be dearly missed by the many people with whom he shared his time and knowledge so unselfishly. As the U.S. Postal Service prepares to face the ever-growing communications needs in the Los Angeles area, I believe that dedication of the new Los Angeles postal facility in Mr. Shaw's memory will allow us to give proper recognition to his valuable contributions and achievements to his community and the Nation.●

THE WIT AND WISDOM OF HENRY HYDE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. MICHEL. Mr. Speaker, our esteemed Illinois colleague, Henry Hyde, recently spoke on foreign policy and other matters to the Annual Judicial Conference of the U.S. Court of Appeals for the Federal Circuit. It is a speech that is vintage, Hyde, filled with wit, and wisdom, and uncommon common sense. I commend it to all our colleagues, especially those who in recent years have confused their own role with that of the Secretary of State.

At this point I wish to insert in the Record "Congressional Intervention in Foreign Policy," a speech by Representative Henry Hyde before the Annual Judicial Conference of the U.S. Court of Appeals for the Federal Circuit, in Washington, DC, May 17, 1985.

CONGRESSIONAL INTERVENTION IN FOREIGN POLICY

(By Representative Henry J. Hyde)

Theodore White has said that the problems of society can be placed within three categories: war & peace, black & white, and bread & butter. it seems to me that our country's growing problem of immigration doesn't fit very neatly into Mr. White's list, and believe me, this problem has explosive potential.

While immigration has always fueled this country with diversity and vitality, and while America is and ought to be a haven for those fleeing oppression, we have always exercised control over our borders—until recently. Most Americans don't realize that 270,000 people immigrate legally to the U.S. every year. Another 190,000 relatives of citizens legally enter, plus about 70,000 refugees fleeing political persecution and another 5,000 people who are granted asylum every year. Now add to these numbers, how many illegal aliens each year? Half a million? A million? Nobody knows, but it is a formidable number. How long can we accept such numbers without serious impact on our relatively integrated, mobile society?

If both legal and illegal immigration continues unabated, with its intensifying demand for bilingualism, it will soon be accompanied by deep political divisions among those already here. We can then expect the erosion of public support for any immigration at all.

We thought we had the problems solved last year with a legislative trade-off of amnesty for a large group of illegals in exchange for imposing criminal sanctions on employers who make a practice of hiring illegal aliens. But the proposal foundered on the amount of Federal reimbursement the States most seriously impacted by this amnesty would require. A large number of illegal aliens would be expected to come out of the closet now that they had legal status, and the added welfare and social service costs could not be even remotely predicted.

California, for one State, didn't want to take the chance without a reasonable chance of Federal reimbursement. One billion dollars for the whole country was the best the administration would offer, and so the whole legislative enterprise just shut down. We're trying to revive it, but the problems remain and the practical solutions still elude use.

The problem immigration is immediately linked with is foreign policy—particularly in Central America. Our new Ambassador to the United Nations, Vernon Walters has called Cuba the biggest country in the world: Its Government is in Havana, but its administration is in Moscow, its Army is in Angola, and its population is in Miami!

Communist nations don't produce very much for export—but they do manufacture refugees better than anybody in the world, and if Central America goes Communist, we can expect a tidal wave of refugees from south of Texas—and they won't be boat people either. There are 100 million people from the Rio Grande to the Panamanian Border—ten percent is the rule of thumb when it comes to refugees fleeing communism. In 1956, over a million people fled North Vietnam and headed South, in the early 1960s, over a million fled Cuba—and they needed boats—so we can expect literally millions headed north towards Texas and California. If this ever happens, one of the important goals of Soviet foreign policy will be accomplished—the diversion of our resources and attention from the Middle East and NATO, and concentration on our own hemisphere. This reality hasn't yet dawned on those who deprecate our policy towards Nicaragua—but then they didn't approve of Grenada either.

An interesting quirk of human nature is our penchant for judging others by our own standards and values. This is called "mirror imaging." Americans by nature are trusting people who like to believe other people always mean what they say. Unfortunately, modern history burgeons with instances of Communist nations rewarding this trust with treachery, much to the sorrow and suffering of those numberless victims caught in the political crossfire.

For example, Averill Harriman, while serving as our Ambassador to Moscow during World War II, cabled Washington on August 1, 1944, to report a conversation that he had had with Stanislaw Mikolajczyk, the then Polish Prime Minister, about Soviet plans for Poland. "In some detail," Harriman said, "I explained to him the evidence that satisfied me that the Soviet Government had no intention of communizing Poland." That analysis helpe explain why the United States made some of the mistakes it did in Europe during the 1940's. Now hardly a day goes by without some graphic reminder of the on-going tragedy of a communized Poland.

Some years later, a charismatic Guerrilla leader marched into Havana and was celebrated by the American media as the George Washington of Cuba. We eventually realized what Fidel Castro stood for, but by then it was again too late.

In 1973 Henry Kissinger returned from Paris with a peace treaty signed by the North Vietnamese. Most Americans breathed a sigh of relief. Two years later, Saigon fell with desperate Americans anxiously airlifted from our embassy rooftop, leaving behind the out-stretched hands of abandoned Vietnamese whose fatal mistake was to trust us. I doubt, however, Mr. Kissinger undertook those treaty negotiations as trustingly as it might appear, because in his book, "White House Years," He teaches a lesson that every diplomat, every member of Congress, and every American needs to learn. Kissinger writes: "From Lenin to Stalin . . . to Brezhnev and whoever succeeds him, Soviet leaders have been partly motivated by a self proclaimed insight into the forces of history and by a conviction that their cause is the cause of historical inevitability. Their ideology teaches that the class struggle and economic determinism make revolutionary upheaval inevitable. The conflict between the forces of revolution and counter-revolution is irreconcilable. To the industrial democracies peace appears as a naturally attainable condition, it is the composition of differences, the absence of struggle. To the Soviet leaders, by contrast, struggle is ended not by compromise but by the victory of one side. Permanent peace, according to Communist theory can be achieved only by abolishing the class struggle, and the class struggle can be ended only by a Communist victory."

Despite a dreary record of Communist betrayal, Jimmy Carter declared during a May 22, 1977 Presidential commencement address at Notre Dame that " . . . We are now free of that inordinate fear of communism." It took the brutal Soviet invasion of Afghanistan to change his mind in late 1979 when he told the late Frank Reynolds of ABC-TV's World News Tonight broadcast team that " * * * This action of the Soviets has made a more dramatic change in my own opinion of what the Soviets' ultimate goals are than anything they've done in the previous time I've been in office." A certain amount of on-the-job training is to be expected of any President during his first term, but it ought not to involve such a fundamental issue as the nature and extent of the Soviet threat to freedom.

Nearly six years ago a band of seemingly patriotic Sandinista revolutionaries overthrew the Somoza dictatorship in Nicaragua and promised the Organization of American States that they would hold free elections and establish a democratically pluralistic society.

Proving that hope usually triumphs over common sense, a majority of my colleagues voted in 1979 for millions of dollars of assistance to help the Sandinistas implement their revolution. I was one who joined in that hope with my vote. My learning period was accelerated in the few months following that vote. Some of my colleagues are still hoping—a hope that events ought to have dashed a long time ago. History indeed does repeat itself and our trust and starry eyed idealism has been exploited time and time again. So far we have survived our blunders. Not so some of our allies. How many more misjudgments we will be permitted without mortally wounding freedom is a question I hope never has to be answered.

With the rapid advancement of weapons technology, and all this implies, a serious safety factor has been lost, and this is the "margin for error." In 1941 we had time to gear up the military industrial complex, only then we called it the arsenal of democracy. I can recall seeing volunteers drilling in Chicago's Grant Park with broom handles for rifles. The luxury of time can no longer be counted on.

All the more reason then, why a clearly defined an effective foreign policy—one that can anticipate the twists and turns of international relations—a policy that can influence events, not merely respond to them, is increasingly essential in a dangerous world.

Traditionally and constitutionally the conduct of foreign policy is a function of the chief executive. Since Congress controls the appropriations process its ultimate control over everything that costs money is clear. However, since Vietnam Congress has developed an enthusiasm for micromanaging foreign policy that inherently is counterproductive. A democratic Congress imposed the War Powers Act on a Republican President, and one can argue both sides of this controversy in an age of nuclear weapons. A significant issue today is whether that act is constitutional, and since we'll never know unless there is a case or controversy before the court, this presents a very grey area for both the President and Congress. The constitutional question has not inhibited Congress from seeking to limit the President's authority as Commander in Chief as we are now dealing with the so called Foley amendment which bars the use of American troops "in and above Nicaragua" unless we are directly attacked. Thus, do we become enforcers of the Brezhnev doctrine de jure as well as de facto?

B ` Congress also has mandated a long series of duties on the President, including certifications, human rights reports on every other state in the world, intelligence oversight (consisting of separate House and Senate Intelligence Committees, each with appropriate staff) which in practice becomes far more than mere oversight and is bipartisan on some matters and extremely partisan on others like Nicaragua, restrictions on the sale of military equipment and a host of other intrusions—some useful, some not. One clear result is a lack of secrecy, where sometimes secrecy is essential, and a lack of flexibility and ability to promptly respond.

While we are on the subject of intelligence, let me comment that some sense of realism is missing from the blizzard of criticism consistently heaped on the Central Intelligence agency. I am not uncritical of some egregious mistakes the agency has made, but "going public" on every one may get a politicians name in the newspaper but the loss of confidence in an essential agency can sometimes be a very high price to pay. For example, just consider the enormous difficulty facing the CIA in Lebanon, where the only way to effectively anticpate and deal with rampant terrorism is to penetrate some of these groups. This requires people willing to risk their lives and who are assimilable into these terrorist groups. I can assure you Clark Kent or even Admiral Stansfield Turner wouldn't make it past the front door! You work with whom and what is available and hope for the best. From our safe and secure Washington offices it is mighty easy to throw stones—it's not so easy to catch them.

One vital ingredient of an effective foreign policy has been missing from our politics for about twenty years—and that is bipartisanship. If it's your administration you deplore the sniping and carping of what you laughingly call the "loyal opposition"! But if it's not your administration you insist that your incessant barrage of criticism is only "democracy in action," and besides, it is constructive criticism.

But the fact is that since Vietnam and Watergate, there has been a crisis of confidence in the Office of the President that has been downright harmful to our national interests.

Our Congress is peopled by many Members whose historical perspective began at Vietnam and then shut off shortly thereafter. These Members ran on anti-establishment platforms and it became a part of the culture to question authority—especially Presidential authority.

With the proliferation of staff, every Congressman developed the capacity to run his office as a mini-State Department and some of them do just that. For example, May 16th's Washington Post reports that after Congress defeated all aid to the Contras the other day, Representative Michael Barnes (D-MD), chairman of the House Subcommittee on the Western Hemisphere, set up a meeting in his office with the Nicaraguan Ambassador to the United States. In his op-ed column, Philip Geyelin said: "Barnes laid down three demands: Lift censorship; grant Robelo and another Contra leader, Artuo Cruz, safe passage back to Nicaragua and the right to state their case; announce a readiness to negotiate regional safeguards with the so-called Contadora group. The Ambassador would see what he could do." Heady stuff for one Congressman!

I suppose the classic case of fantasizing oneself as Secretary of State occurred March 20, 1984 when 10 of the most prestigious Democratic Congressmen wrote Daniel Ortega their famous "Dear Commandante" letter. Signatories included majority leader Jim Wright, the aforesaid Mr. Barnes, the deputy whip Bill Alexander, the then chairman of the permanent select committee on Intelligence Edward Boland, the chairman of the Subcommittee on Asian and Pacific Affairs, the well-traveled Stephen Solarz, the chairman of the Subcommittee on Europe and the Middle East (and present chairman of the Intelligence Committee) Lee Hamilton and four others. In this historic letter to this Marxist-Leninist head of state they said: "We have been, and remain, opposed to U.S. support for military action directed against the people or Government of Nicaragua." After commending the Commandante for "taking steps to open up the political process in your country" (something that would surprise the editors of La Prensa, the heavily censored daily paper in Nicaragua) and urging further liberalizations, they then "pledge our willingness to discuss these or other matters of concern with you or officials of your Government at any time."

As we grapple with the budget, it seems we really don't need our expensive State Department; all we need to do is let all 535 Members of Congress keep their hands on the wheel of the ship of state and "away we go!"

Lest you think the "Dear Commandante" letter was an abberation, please recall that on January 11, 1985, 13 Members of Congress led by Ron Dellums of California, Ted Weiss of New York, Pat Schroeder of Colorado, William Gray of Pennsylvania (chairman of the Budget Committee) wrote Prime Minister Wilfried Martins of Belgium commending him on his Government's delay in its initial deployment of cruise missiles and asking that he seriously consider formally extending this pause! They also said they expected the Prime Minister to ask the Soviet Union for a "similiar demonstration of responsible restraint concerning the further deployment of their theater nuclear weapons . . ." The key words in this letter are "initial deployment" as it applies to Belgium, and "further deployment" as it applies to the Soviet Union. By that time the Soviets had 350 SS 20's in place, Belgium had none—so guess who this proposed pause favored!

But the merits of the letter aren't the point—the letter itself is enough. Evans and Novak report on May 15, 1985 that two Democratic Congressmen flew to Nicaragua as Ortega was in Moscow, and according to diplomatic cables, they were seeking help from the Sandinistas in calming the "congressional uproar" over Ortega's tell-tale trip. A Democratic leader is quoted as feeling that "their weekend in Managua brought them 'dangerously close to negotiations'." What must our allies and our adversaries think of us? We spend most of our time negotiating with ourselves! Just two days ago we passed out of the House Foreign Affairs Committee House Joint Resolution 3, which requires the President to submit the threshold Test Ban Treaty to the Senate for ratification (the same treaty that was withdrawn by President Carter when the Soviets invaded Afghanistan) and requiring the President to immediately propose a comprehensive Test Ban Treaty to the Soviets. Never mind that we have serious verification problems and the Soviets have shown not the slightest interest in cooperating to solve these problems—never mind that Ambassador Kampleman and Foreign Minister Gromyko have their agenda all determined—never mind that a comprehensive test ban should only be negotiated within the context of overall substantial and mutual reductions in nuclear weapons—never mind the many reasons why this attempt to micro-manage the ongoing arms control talks in Geneva is similar to performing brain surgery while wearing boxing gloves. The urge to legislate, to intervene in complicated matters that we dimly understand is irresistible.

More fundamental than the raw partisan politics involved is the absence of historical perspective to help our legislators approach an understanding of where we are and how we extricate ourselves.

As Zbigniew Brzezinski tells us, the logical extension of a lack of interest in history is a preoccupation with personalities and personal infighting. And clearly it is easier to take positions on issues if they are identified with a personality on a political party than you support or oppose. No analysis is required. Simply the identification of the idea or issue with the object of your support or opposition. Thus to many congressional Democrats, if President Ronald Reagan asserted that it was midnight there would be a resolution with broad Democratic sponsorship insisting it was high noon. Where domestic issues are involved, the harm from reflex opposition can be managed. Where foreign policy is concerned this is not often possible.

We don't speak anymore of American foreign policy, but rather of Reagan's foreign policy, or Carter's, all of which underscores the discontinuities that hobble us and not our adversaries. We need bi-partisanship more than ever, but not since the very early days of Lyndon Johnson's administration have we seen a genuinely bi-partisan foreign policy. The breakdown of the seniority system in the House, the rise of the Democratic caucus has weakened House leadership to where it can more accurately be called "followship." I need only cite the last few MX votes as proof of this.

There are so many other difficult problems we must resolve if we are to survive—I sometimes wonder if a liberal democracy such as we enjoy—and open society—can ever "keep a secret"? We need to have some secrets, we need to have effective and nonpartisan oversight of our intelligence agencies, but all that said, are we capable of keeping a secret? Foreign intelligence sources watch us with fear and dismay. The frequency of disclosures of classified information does not instill confidence in them

that they will be protected if they cooperate with us.

I fear these remarks have been mostly depressing—and that's no way to spend your lunch hour; getting depressed. There surely is a bright side to many foreign policy issues—for example, there are those that describe Italy as generally Marxist, but more Groucho than Karl.

Let me leave you with the events of January 31, 1979, when Deng Xiaoping, the Vice Premier of China, visited Lincoln's memorial in Washington and the Illinois delegation was invited to witness the ceremony. I attended, even though I thought it a supreme irony that the head of the greatest slave state in history was to place a wreath on the statute of the Great Emancipator. As I watched this very small, sprightly elderly man, I realized he represented one billion people and 6000 years of culture and tradition. What did he want from us—an upstart country barely 200 years old, made up of Poles, Greeks, Irish, Bohemians, Germans and an array of ethnic, racial and religious diversity—what did he want from us? He wanted food, technology, he wanted us to help pull his nation two centuries forward into the modern age. And why, I asked myself, do we have these things, and his great country does not? And the answer came to me in a word—freedom.

In America there are no walls around the human mind—no barricades around the human spirit—and we share a legal system designed to protect the weak from the strong.

To the extent that we lawyers help make that system work, we belong in the company of the vital few who preserve and nurture freedom and justice. No small achievement!●

CELEBRATING ISRAELI INDEPENDENCE DAY IN BALTIMORE, MD

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. DYSON. Mr. Speaker, on Sunday May 19, Jewish groups throughout Maryland joined in celebrating the State of Israel's 37 years of independence at the Israel walk celebration in Baltimore. It is with great pleasure that I join these groups in saluting the people of Israel on the occasion of their 37th anniversary.

Throughout its short but spectacular history, Israel has weathered many a storm that threatened its existence. Time and time again, this small nation exerted itself forcefully and captured the admiration of much of the world with its resourcefulness, vitality, and courage. Israel has succeeded, thank, to an indomitable spirit, a sense of destiny, and a unity of purpose during her struggle for survival.

At the same time, the land of Israel has successfully transformed an arid desert into a thriving agricultural and technological economy. Its five institutions for higher learning have also produced many of the world's finest scholars in physics and medicine, and numerous internationally respected artists and writers.

The democratic State of Israel has certainly succeeded against the greatest odds in becoming a prosperous nation. I am honored to salute this nation which has become a source of encouragement and inspiration to people throughout the world who continue their search for freedom and democracy.●

ON AWARENESS OF HISTORY AND GENOCIDE

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. JEFFORDS. Mr. Speaker, I would like to draw the attention of my colleagues to an article in today's Washington Post entitled "When the Horrors of History Are Forgotten." Susan Morse's article is very relevant in light of recent events: the President's visit to Bitburg, passage of the House resolution urging ratification of the Genocide Convention, and postponement of consideration of House Joint Resolution 192, National Day of Remembrance of Man's Inhumanity to Man.

As Raul Hilberg of the University of Vermont points out, as a society, "a massacre can be forgotten in its entirety." We must insure that this does not happen. I wish to read this article to my colleagues, and ask you to reflect on the role of education and societal awareness in the prevention of the reoccurrence of genocide.

[From the Washington (DC) Post, May 21, 1985]

WHEN THE HORRORS OF HISTORY ARE FORGOTTEN

(By Susan Morse)

Who controls the past controls the future; who controls the present controls the past.—George Orwell, 1984

A presidential visit to a German military cemetery sets off protests and charges of distorting history. The ritual, intended to divert attention from painful events of 40 and more years past, temporarily focuses on them more clearly. Interest in the Holocaust is for the time being, at an all-time high.

Almost concurrently, elderly survivors of an earlier massacre meet in Washington for what some say is likely to be the last time. Armenians who witnessed the mass slaughter of family and friends in Turkey from 1915 to 1923 voice the fear, common to all survivors, that their story will die with them. The fear is made more poignant by these survivors' ages and their adopted government's failure to acknowledge the recalled genocide. Public attention is comparatively brief.

What do the two episodes say about the way historical events, particularly traumatic ones, are transmitted? Is an eventual forgetting or at least blurring of the disasters inevitable?

Historians, psychologists and sociologists tend to agree there can be a kind of remembrance, given a conscious commitment and a continued perception of relevance. How much recalled events resemble actual history, however, is questioned.

Those who are more optimistic count on documentation, on written eyewitness accounts, on government ritualization, or on religious and cultural tradition to cement memories—at least within a particular group.

Yael Danieli, a clinical psychologist who directs the Group Project for Holocaust Survivors and their Children in Manhattan, points to the strong role commemoration plays in Jewish tradition. "We still celebrate Passover and Hanukah, don't we? We still have a day for the destruction of the [first] Temple . . . Different cultures believe more in memory. Others," she says in a reference to American society, "believe more in being young."

The more pessimistic point to the natural human reluctance to confront pain, the contemporary bombardment with and consequent inurement to repeated crises, the constant reconstruction of memory to suit present needs, and our highly selective consciousness of catastrophic events.

Raul Hilberg, a prominent Holocaust historian who teaches at the University of Vermont, recalls: "I remember I had an Armenian girl 20 or so years ago in my class. We talked about the massacre. She came up after class and said, 'Oh, I heard all about this jazz'—that was her phrase—'from my grandmother.' One should not fool oneself. All this remembrance fades. As a social scientist I'm well aware that a massacre can be forgotten in its entirety."

"It's possible," agrees psychiatrist Dr. Robert Jay Lifton, who's written extensively about the Holocaust, nuclear war and the bombing of Hiroshima. "An event can lose its power for us. That's why survivors of the Holocaust and Hiroshima have a common fear that when they die out, memory will die out with them."

Danieli concedes the difficulty in getting people to confront pain. She remembers a conference planned in Israel a few years ago on the subject of memory. It was cancelled, she says, because of low attendance. She laughs. "They were really afraid of it."

The same principle also accounts in part, for survivors' frequent difficulty in transmitting their experiences to their children.

Amitai Etzioni, professor of sociology at George Washington University, describes an experiment in which children were given three messages to induce them to brush their teeth. First, he says, they were told their teeth would look more beautiful if they brushed every day. Second, they were told they would get cavities if they didn't. Third, he says, they were told their jaws would drop off if they didn't brush.

"Children totally forgot the third message . . . By and large a negative message was ineffective, especially when it was horrendous. There's an attempt to try to get away from it."

"There's the same tendency about events like the Civil War or, more recently, Vietnam, for the public at large to go back and edit them and try to diminish the pain," says Etzioni. "The Civil War has been turned into nostalgia. People buy Confederate flags. People collect memorabilia about it. It's all an attempt to make it something more comfortable.

"The Soviet Union . . . had a celebration of [the end of the seige of] Leningrad. It's now celebrated as a moment of great achievement—'our finest hour.' Finest hour, hell! It was starvation and betrayal and the murder of millions of people.

"Memory persists but in a very pale and sweetened way . . . We haven't forgotten the Civil War but we've changed its meaning. It was a trauma. Now we've turned it into something fought with tin soldiers on a playing field. It's natural. Look, if you had a terribly traumatic surgery, you wouldn't reenact it, would you?"

Without memory, the risk of repetition mounts. "Who knows," says Richard Hovannisian, history professor at UCLA and the son of an Armenian survivor, "if the Armenian genocide had been acknowledged, maybe the Holocaust wouldn't have occurred."

According to psychologists, the transmuting of events begins not after a certain lapse of time but almost immediately.

For survivors of disasters, it fills a critical need. In her book "Memory," University of Washington professor Elizabeth Loftus writes: "Another aftermath of a disaster is that people need to understand why it occurred and what it means. Thus, people talk a lot about it among themselves. Disasters are largely shared experiences; the conversations participants have with one another can influence one another's memories. The offshoot of this is that it becomes very difficult to get a completely unbiased, accurate account of a disaster from survivors."

In fact, reconstruction of events is a universal human occurrence.

"The memory," says Lifton, "is never literal, but rather a combination of what happened and what we make of it. We have to construct memory . . . Even an event one has lived through is reconstructed. That's the way the mind works. We don't receive anything nakedly—that's both the glory and the susceptibility of the human mind. We reconstruct it according to our present situation, our individual experience, what [we are] struggling with."

This poses a dilemma for historians. "I've worried about this problem for a long time," says Hilberg. "Cultural memory is created by people like me . . . Ironically, if I'm halfway successful . . . in publishing books that will be read, plagiarized, cribbed from, used as a source—does not one usurp history itself, take the place of what happened? People remember not what happened, but what they read. It's a basic philosophical problem."

Yet, the creation of symbols—monuments, renderings, recreations—maintains consciousness and promotes healing., Danieli, who believes government has a responsibility to preserve history, points to the Vietnam memorial recently unveiled in New York City: "People come there to touch it as if they're touching their sons and fathers . . . Think about the statue of Iwo Jima, when you go to Arlington. Doesn't it still move the hell out of you?"

Lifton argues that individual and social awareness of painful events swells and subsides periodically. The fluctuation of public interest, he says, can be documented in the aftermath of events like Hiroshima and the Holocaust.

According to Lifton, the memory of Hiroshima diminished after an initial period of intense expression because of "resistance to that memory and efforts of many leaders to move away from those memories. Americans weren't proud of their use of the bomb; the Japanese were not proud of being victims.

But, he says, "in the last five years there've been new writings, survivors have made visits to other countries and told their accounts, books have been reissued . . . This revival has to do with contemporary nuclear fear. Even though we recognize Hiroshima was devastated by a tiny bomb by present standards, and therefore it can't be a model in any way for the kind of destruction that would occur with our present stockpiles of weapons . . . people recognize Hiroshima has something to tell us. I never address the subject of nuclear threat without addressing Hiroshima . . . I believe it to be a source of memory that informs *all* our history."

But what if an event's relevance is less apparent? Hilberg recalls the disconnection he felt listening, as a graduate student in 1948, to an elderly professor: "He said, 'Well now, the trouble with the North is they don't understand war. The South, *they* understand war.' You could tell what *he* was referring to."

In the case of the Holocaust, historian Raul Hilberg says there is more publicity now than 20 years ago: "Between 1950 and 1975 there were almost conscious attempts to obliterate the event altogether, not to bring it up . . . A number of communities including the Jewish community attempted not to display it . . . Colleges and universities under Jewish auspices did not teach the Holocaust. They hardly gave it any mention in the curriculum. They did not have articles about the Holocaust in their journals. There were a few exceptions—some pieces in Commentary—but on the whole, this was back-burner stuff."

"Then," says Hilberg, "something happened. After Vietnam, it began to look like a pristine issue, where there was a clear definition of right and wrong, where you could take sides . . . unlike Vietnam, which was blurry. Consequently, the Holocaust began to have appeal. There was an attempt to bring World War II back almost as a good war that was clear-cut, black and white, in which Jews were the consummate victims . . ."

David Wyman, author of *The Abandonment of the Jews*, credits the 1967 Arab-Israeli War with triggering the change. "Many American Jews felt abandoned on this issue," he says, especially after the growing acceptance they felt in the 1950s, which saw the breakdown of housing restraints and other forms of anti-Semitism. "It rekindled attitudes about the Holocaust."

Interest spread out from mostly Jewish circles, he says. "The next watermark was 1978 with the [television] mini-series 'Holocaust,' which . . . got through to millions of people the rudimentary information that millions of people were killed."

Another reason for the delayed outpouring material on the subject, he says, is the lag time of 25 to 30 years needed after almost any historic event to obtain government documentation.

But revived interest in the Holocaust has also prompted new distortions. Says Hilberg, "As soon as the Holocaust began not to go away, the 'me-too people' came along—the homosexuals, the antiabortionists," also laying claim to the term 'Holocaust.'

Says Etzioni, "We tend to cheapen these things. People talk about the 'Holocaust' in Nicaragua. We call people we don't like 'Nazis' . . . There's the danger in diluting the term to the point where it loses all bite."

Hilberg, who sits on the U.S. Holocaust Memorial Council, talks about the "politics of remembrance." "There's a representative of Polish background, an Armenian, a Ukrainian, they even asked me at some point if I could think of some non-Jewish person from Europe. There's an attempt peculiar to American life to have broad representation . . . It's not illegitimate, but once you bring the word 'Holocaust' before the American public, once you want to have it in some way for future generations, at that point you've got an obscuring of the original event. We don't make the distinctions that Israel always makes: that while there were other victims, not all the other people were victims as Jews were."

The president's honorary visit to the site of some SS graves in Bitburg was seen by many as a more critical distortion. As "a ritual, a way of reasserting a shared view of historical or cultural memory," says Lifton, Bitburg offended because it involved a "fuzzing and covering over and ultimate elimination of moral distinctions." In its wake, he says, officers at an SS reunion expressed "a sense of historical legitimation," claiming "We never killed anybody or knew anybody who killed anyone."

"It was the worst example of moral *Realpolitik* (the sacrificing of morality for political ends)." says writer and survivor Jerzy Kosinski, who lost most of his family in the Holocaust.

Yet, for all the revival of interest in the Holocaust, the issue was widely misunderstood.

History professor Charles Strozier, a leader of a psychologically oriented school of historians, teaches a course on Nazi Germany to students at Sangamon State University in Springfield, Ill. Of his students, he says:

"I'm amazed at the sheer level of ignorance. They have no knowledge of Naziism in Europe. Well, not *no* knowledge, but often so little, they don't have any consciousness of the moral issues involved. Therefore, they have to be informed before they can react in some meaningful way to the kinds of issues involved in Bitburg. Once they understand, they're aghast at what's being said by some members of Congress about it; that the Jews are stirring up a fuss."

Others believe the same kind of issue is raised by the State Department's refusal to label Turkey's killings of Armenians earlier this century as deliberate and systematic.

Revisionist history uses deliberate 'forgetting' to serve a political end. In his new book *Vital Lies, Simple Truths* ($17.95, Simon and Schuster), psychologist Robert Goleman cites this anecdote:

"In 1974, the poet Yevgeny Yevtushenko told of his dismay when, around a campfire in Siberia, an 18-year-old girl proposed a toast to Stalin. Hadn't she heard how many people were arrested and murdered during his rule? Maybe 20 or 30, she replied. Says Yevtushenko:

"And then I suddenly understood as never before that the younger generation really does not have any sources nowadays for learning the tragic truth about that time, because they cannot read about it in books or in textbooks. Even when articles are published about heroes of our Revolution who died in the time of the Stalinist repressions, the papers fall silent about the cause of their deaths . . . The truth is replaced by silence, and the silence is a lie.' "

Similarly, writes Goleman, "American textbooks rarely portray the occupation of Indian lands by 'pioneers' as having even the least tinge of injustice. American invasions of Canada, Russia and Mexico are glossed over, while in the textbooks of those countries those invasions are major events . . ."

To people like author Jerzy Kosinski, who says he is now left without family members of any kind, Bitburg smacks of the same dangerous revisionism.

"The issue is really fear," he says, "fear that it will happen again. The problem is how to incorporate the past in a way that it will guard you . . . What bothered me is not that I want to avenge the fact that he may have forgotten my murdered relatives. I want him to remember my potential children."●

A TRIBUTE TO EAGLE SCOUT DENNIS J. LYZNIAK, JR.

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. LIPINSKI. Mr. Speaker, I rise today to recognize an outstanding young man from the Fifth Congressional District of Illinois, Dennis J. Lyzniak, Jr. I am pleased to bring Dennis to the attention of my colleagues since he has been chosen for promotion to the rank of Eagle Scout at a ceremony on June 1, 1985, at Our Lady of Good Counsel Church in Chicago.

After advancing through Cub Scouts and obtaining the Arrow of Light, Cub Scouting's highest achievement, and the Parvuli Dei, Cub Scouting's religious award for Catholic Scouts, Dennis joined Troop 414 at its inception in October 1980. In earning the rank of Eagle Scout, Dennis has obtained nine skill awards, 28 merit badges, and numerous other Scouting honors, including election into the Order of the Arrow. For his Eagle service project, Dennis organized and conducted a trail rehabilitation project at the Little Red Schoolhouse Nature Center of the Cook County Forest Preserve District consisting of hedge and tree trimming, bench construction, and culvert cleaning and replacement. During his tenure with the troop, Dennis has attended three summer camps at the Owasippe Scout Reservation; two high adventure trips at the Philmont Scout Ranch in Cimmaron, New Mexico, and at the Florida Sea Base in Islamorada, FL; has attended numerous hikes, campouts and other Scouting activities and this summer will participate in a high adventure canoe trip out of Ely, MI.

Dennis is presently serving as the troop's Assistant Senior Patrol Leader and has also served in various leadership positions in the troop including Patrol Leader, Troop Quartermaster, and as a member of the troop's Leadership Corps. A fine and active student at Quigley South High School, Dennis is considering entering college at the U.S. Air Force Academy.

Mr. Speaker, I deem it a great honor to join with the residents of the Fifth Congressional District in congratulating Dennis J. Lyzniak, Jr. on the occasion of his obtaining the rank of Eagle Scout. Dennis has demonstrated that he is an outstanding Scout, community member, student, and American citizen. I ask my colleagues to please join with me in wishing him every success in the future.●

A SALUTE TO DOMINIC VIRGALLITO, JR.

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. KOLTER. Mr. Speaker, today I rise to salute Mr. Dominic Virgallito, Jr., of Butler, PA.

Mr. Virgallito is being honored by the Broad Street Patriots Marching Unit for his years of devotion to serving the community. With your permission, Mr. Speaker, I would like to share some information about Mr. Virgallito with our colleagues.

Mr. Virgallito was born on July 2, 1927 in Sharon, PA. After graduating from Sharon High School in 1945, Mr. Virgallito served in the U.S. Army for 2 years. Upon completing his tour of duty, he attended and graduated from the School of Education at Clarion State College in 1951. This marked the real beginning of his service to the Butler area.

Since completing his formal education, Mr. Virgallito has either been a teacher or principal at several schools in the Butler area for over 25 years. Presently, he is serving as principal at the Broad Street Elementary School in Butler. One of the reasons the Broad Street Patriots seek to honor Mr. Virgallito is the fact that for over 10 years he has been willing to assist them by allowing the Patriots to use the school gymnasium for practice sessions. But their esteem transcends this prolonged evidence of kindness and cooperation. Mr. Virgallito serves as a fine role model for these youngsters as well as for the thousands of lives that he has touched during his career as a public educator.

Mr. Speaker, I ask that you join our colleagues, the Broad Street Patriots, his wife Rose, and their son Lt. Comdr. Larry Virgallito in saluting Dominic Virgallito.●

AREA AGENCY ON AGING LAUDED FOR CONTRIBUTION TO FLORIDA SENIORS

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. SMITH of Florida. Mr. Speaker, I rise today on the occasion of the 20th anniversary of the Older Americans Act to pay tribute to one of the Nation's first planning bodies for senior citizen services. The Area Agency on Aging [AAA] of Broward County, Florida's first senior citizens planning body, began with only two programs serving a small group of older Americans. Today, more than 30,000 Broward residents participate in one or more of the 17 projects planned and funded by this organization.

Broward's Area Agency addresses the problems faced by Florida's fast-growing elderly population by providing a variety of essential programs for senior citizens.

The agency recently initiated two weekend Alzheimer Daycare Programs to meet the critical need for services for both the victims and families of those suffering from this ravaging disease.

The organization's expanded senior daycare, homemaker, and home repair programs are designed to help seniors live independently in their home environment. The agency serves meals to 2,200 participants daily at their congregate meal sites and delivers meals to an additional 2,000 homebound clients.

Moreover, the AAA has worked to secure HUD funding for three 202 housing projects in Broward County, where over 7,000 senior citizens currently are in need of affordable living facilities. Committed to serving the elderly population, the group continues to seek more dollars for federally subsidized housing for the aged.

In an effort to reach out to the minority senior citizen population, Broward's Area Agency has developed a minority coalition and is establishing programs to answer the special needs of minority seniors.

Furthermore, each May the agency sponsors an aging network conference for professionals, retirees, community advocates and students of all ages to commemorate Older Americans Month. This year, over 500 Broward residents are expected to participate in this event, scheduled for May 21–22 at the Broward Community College central campus.

The agency also has developed a coordinating committee, made up of Broward Social Service Agencies and representatives from Broward municipalities. Encouraging cooperation and understanding between the different county participants, this group meets monthly to share concerns and accomplishments, solve mutual problems and avoid duplication of services.

One of the AAA's greatest dreams is to witness the establishment of a mobile medical unit staffed by volunteer retired physicians, nurses, and social workers. A group of volunteers, under the auspices of Broward's Elderly Interest Fund, Inc., is working with local organizations and businesses to raise funds to make this dream a reality.

As the focal point for all aging programs in Broward County, no salute to the area agency on aging would be complete without mention of its executive director, Candy Rechtschaffer. With an entire career devoted to human services, Candy serves as a role model for other area agency directors. Further recognition is due to her staff, the agency board, and its president, Vicki Coceano, and a myriad of fine agency volunteers.

On the 20th anniversary of the Older Americans Act, let us honor the Area Agency on Aging of Broward County along with the other 600 area agencies on aging nationwide that have brought hope and accomplishment to our older Americans and to all Americans past, present, and future.●

TRIBUTE TO THE MEMORY OF DR. CLARK DORMAN WILLIAMS

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. SHELBY. Mr. Speaker, Alabama's State Board of Education suffered a great loss recently with the death of Dr. Clark Dorman Williams. It is my privilege today to offer a tribute to the memory of this wonderful man. Following is a resolution adopted by the board that I would like to share with my colleagues in the House of Representatives:

Whereas, Dr. Clark Dorman Williams, Budget Officer for the Alabama State Department of Education, after an extended illness, passed away on Wednesday, April 3, 1985; and

Whereas, Dr. Williams served education both as a teacher and as an administrator and devoted his entire career to education; and

Whereas, Dr. Williams, a native of Greensboro, Alabama, was educated in the public schools of Alabama, receiving his BA Degree from Huntingdon College, his MST Degree from Middle Tennessee State University and his Ed.D. Degree from the University of Alabama, was truly a devoted educator whose first love and concern was for the school children of this State; and

Whereas, his quiet confidence and assurance and expertise will be sorely missed both in the Department and throughout the State of Alabama; and

Whereas, Dr. Williams served for several years in the State Department of Education in administering Federal Programs as well as most recently serving as Departmental Budget Officer:

Now, therefore, be it resolved, That the Alabama State Board of Education hereby expresses its deep sorrow and concern to members of Dr. Williams' family in their bereavement and pays tribute to this outstanding member of the State Department of Education for his many contributions to the Department of Education in Alabama, and

Be it further resolved, That copies of this resolution be sent to Dr. Williams' widow and sons to know that the Alabama State Board of Education is saddened by the tragic loss of this dedicated young man.

Not many people achieve the measure of admiration and respect that Dr. Williams enjoyed. His life and work should serve as a memorial to him for all time in the State of Alabama because he truly loved serving the people. He left many fond memories, and I am sure that this fine, outstanding gentleman will never be forgotten.

IT'S COSTLY WHEN JUDGES LEGISLATE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. FIELDS. Mr. Speaker, long ago, many Federal judges took it upon themselves to write law, not interpret it as the Constitution had intended. This tendency among some Federal judges has concerned many Americans—including the editors of a great newspaper in my district, The Baytown Sun in Baytown, TX.

On April 25, there appeared in The Baytown Sun an editorial entitled, "It's Costly When Judges Legislate." I commend it to the attention of my colleagues.

The editorial points out that Federal judges should interpret, not legislate. Unelected Federal judges, with life tenure, all too often have overridden the wishes of citizens and elected officials alike in ordering massive busing plans, so-called "affirmative action" hiring policies, massive and costly prison reforms, etc. Actions such as these are not interpretations of law. Instead, they are a form of judicial activism never envisioned by the Founding Fathers who wrote our Constitution. And quite frankly, life tenure all too effectively insulates Federal judges from public opinion.

I commend the editors of the Baytown Sun for their excellent editorial on this most pressing problem. And I hope all the Members of this body will take a moment and consider this editorial.

Thank you, Mr. Speaker.

[From the Baytown Sun, April 25, 1985]

IT'S COSTLY WHEN JUDGES LEGISLATE

Harris County and the state are in trouble with two federal judges whose decisions have already cost taxpayers millions of dollars and will call for greater expenditures before court battles end.

Judge William Wayne Justice of Tyler has been in a running argument with state officials over prison reform for several years, and has now ordered the Texas Department of Corrections to initiate special programs for mentally retarded inmates.

Judge Carl Bue of Houston is threatening to hold the sheriff and members of Commissioners Court in contempt for failing to carry out his order to hire 300 new jail guards.

Judge Justice told TDC officials it is "patiently unacceptable" for the state to tie the mentally retarded programs to increased funding from the Legislature. He rebuked state officials for saying full implementation of the programs depends upon whether the Legislature provides funding for them.

Judge Justice should tell the state how to put these programs in effect without funding. He indicates he believes it can be done.

Several weeks ago, Judge Bue ordered Commissioners Court to hire 300 more guards for the new county jail, which he forced the county to build, within 60 days from the date of his order.

Now he is saying he wants the guards hired, regardless of whether there is any money to pay them. Because commissioners have not acted on his order, they are likely to be held in contempt. This means more expensive litigation will result as commissioners appeal. They might even wind up in jail.

How long are federal judges going to continue to legislate before they are stopped? The people should challenge their authority to rewrite laws in violation of state and federal Constitutions.●

JADIN WONG

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. MINETA. Mr. Speaker, I would like to ask you and our colleagues in the House of Representatives to join me in recognizing the achievements of Jadin Wong, an American of Asian ancestry who has greatly contributed to the cultural enrichment of our country.

For many years, Jadin has brightened the lives of people all over the world with a variety of performances. Whether on screen or stage, whether in dance or comedy or drama, she has always been the true professional—giving an exciting performance no matter how large the crowd.

And while Jadin has entertained us, she has been making history. Jadin was one of the first Americans of Chinese ancestry to break the racial barriers that severely limited the opportunities of Asians in the American entertainment industry. Whereas before Asians could only get jobs in the industry in stereotypical roles, portraying coolies, cooks, and servants, Jadin was recognized for her talents as a dancer and an actress. She danced for the San Francisco Opera Ballet and appeared in several major Broadway plays, including "The King and I" and "The World of Suzie Wong."

Throughout her career, Jadin has always been willing to give her time and talents in the service of her country. She has logged over 2,000 hours entertaining U.S. troops here and in Europe and Asia, including Vietnam. Lest we think this was an easy task taken lightly, I would like to tell my colleagues that on her way to entertaining troops in Europe she had to bail out of a military transport aircraft.

Jadin Wong is a true entertainer. She is a true professional. Her long career reflects her professional and cultural accomplishments and a strong commitment to her profession, her heritage, and her country.

Mr. Speaker, this week, on the occasion of her birthday, I ask my colleagues in the House of Representatives to join me in recognizing Jadin Wong and in congratulating her for her accomplishments.●

SPEECH OF MR. JACK McMURRAY AT THE INAUGURATION OF THE PHILIPPINE AMERICAN REPUBLICAN FORCE, FRIDAY, MAY 17, 1985

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. DORNAN of California. Mr. Speaker, I had the honor to speak at the kick off dinner of a new political organization, the Philippine-American Republican Force. The statements made by Mr. Jack McMurray at the inaugural dinner were truly impressive and I submit them for our historical record.

Mr. Presiding Officer, distinguished guests and friends, fellow Republicans, ladies and gentlemen: it is indeed heartwarming to see so many distinguished and dear friends here tonight. And so many Kababayans, my fellow Filipino Americans. You honor us highly with your presence. You have made this occasion a most auspicious and worthy undertaking. Your fellowship is most deeply appreciated. I thank you, from the bottom of my heart, for your sharing this historic evening with us.

We are gathered here tonight to bear witness to and to celebrate the emergence of, or the birth of, if you will, of a new movement by, of, and for the Filipino Americans in southern California.

This movement, which we have named Philippine American Republican Force, is founded upon the firm belief and conviction that every Filipino American must actively participate in the ongoing processes of improving his/her community, developing more effective government instrumentalities, and a better, stronger American society. In short, this movement proposes to provide a practical avenue by which Filipino Americans can be actively involved in the noble and worthy task of nation-building. For such, in fact, is the duty of every American, regardless of origin or ethnic background.

To put things in perspective, let me turn to a little bit of history.

When Admiral George Dewey sailed into Manila Bay in 1898 and defeated the Spanish fleet, the lives and fortunes of the Filipinos, our forefathers, and every generation thereafter, became inextricably entwined with America. The fiercest freedom fighters of Aguinaldo were also conquered, not so much in the field of battle, as they were by the American ideals of freedom, liberty and justice. To make a long story short, Filipinos soon adopted, as their own, the American system of government, American social and economic institutions, and American system of education—how many of you can recall, as students, having to recite from memory Lincoln's Getteysburg Address and the Preamble to the Declaration of Independence and stanza after stanza of Henry Wadsworth Longfellow's poems? Remember? .In short, Filipino adopted the American way of life. Did you know that the Philippines, with a population of over 50 million, is the 3rd largest English-speaking country in the world? Only the U.S. and Great Britain have more English-speaking people.

It is a fact of history that the commitment of the Filipinos to the ideals of American democracy and the American way of life is lasting and complete. It is nothing short of amazing that this transformation had taken place in less than half a century. But it did. It was tested time and time again in the battlefields of Bataan and Corrigidor and Korea. Side by side, Filipinos and Americans fought and died to defend and reserve freedom and the ideals of democracy they shared. Such is the unique friendship and relationship between Filipinos and Americans, unparalleled in history. Some years back, a petition for statehood for the Philippines—to become the 51st State of the Union—was circulated in the islands. An overwhelming four and a half million Filipinos signed the petition. One thousand or so local politicians opposed it. And the rest had no opinion one way or the other.

It is also a fact of history that Filipino immigrants regarded America as a land of opportunity. America is a place where hard work and perseverance are fully rewarded. In the fields of Hawaii and California, to the factories of the East and the Midwest, to the fishing fleets and canneries of Alaska, those early immigrants went and labored and worked and sacrificed and persevered. Others studied at the great American universities: Harvard, Yale, MIT, University of Michigan, University of Chicago, Stanford, University of California and others. There were laborers and farmers, doctors, nurses, teachers, businessmen, community workers, and others. They were honest, hardworking and law-abiding.

Filipino Americans today comprise the largest Pacific Asian ethnic community in California. If my extrapolation of population data is correct, there are nearly half a million Filipino Americans in this State. Large concentrations of this ethnic population are found in Los Angeles County and in Orange County. Professionals, entrepreneurs and skilled workers, Filipino Americans today make a significant contribution to the economic and cultural growth of California communities, especially in southern California. They also represent a political force of major proportions.

Given these numbers, given our heritage of American democratic institutions, are Filipino Americans doing their duty as citizens by active participation in the political process of their communities today? Are we actively involved in preserving and strengthening the institutions of freedom and democracy in our society? Are we being recognized, being given ample and meaningful participation in the political processes that shape public policy and dictate programs of government that often affect all of us?

Sad to say, Filipino Americans today are very much underrepresented at practically every level of the political process and government instrumentalities. In this respect, and in proportion to their numbers, Filipino Americans pale in comparison to other ethnic minorities. Are we willing to let things continue as they are? Are you satisfied being under-represented? Are you satisfied being under-recognized? Are you willing to stand by the wayside as spectators rather than as active participants and leaders in the political processes taking place in your community? In our State? In our country? I say, no! The time has come for us to actively participate. To be duly recognized. To be amply and meaningfully represented.

The Philippine American Republican Force, which we inaugurate tonight, is a tangible and dynamic expression of the desire of Filipino Americans to be involved and to participate actively in the political processes of this nation. Its main objective is to develop unity of purpose among Filipino Americans and to establish an ongoing program of citizenship education and meaningful participation in the political processes at all levels. It will provide a forum through which Filipino Americans can manifest their concerns and interest in matters involving political issues and public policy. Due recognition and acceptance of Filipino American political leadership shall be a major goal. It will seek to insure that Filipino Americans are amply represented and duly recognized at all levels of government instrumentalities.

The Filipino American Republican Force is a compelling ideal. Its time has come. Its goals are clear. Its challenges are manifold. Its opportunities are unlimited. Let us resolve, therefore, to insure its success.

Thank you.●

WORLD TRADE WEEK

HON. ALBERT G. BUSTAMANTE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. BUSTAMANTE. Mr. Speaker, I would like to endorse many of the statements made in the interest of stimulating small business exports. Because this is World Trade Week—and because the observance of such a week inevitably reminds us of our current trade deficit of $200 billion—we must get involved in exploring ways to improve our ability to export.

There are many trade barriers confronting small businesses wishing to export. Overcoming the obstacles is not easy—it will require a committed determination to succeed. Currently, small businesses consider exporting tremendously risky. Intimidated by the consequences of failure—of having to do without guarantees—small businesses have not responded aggressively to the challenge to export. That reluctance, however, is no excuse for government to withdraw from its responsibility to counsel small businesses and to encourage them to seek out new markets for what they produce. Government must continue to foster small business export potential. International trade and the maintenance of a reasonable trade balance are responsibilities of the Federal Government, secured under the Constitution. Our policy, then, must aim at educating small businesses to the possibility of foreign trade and at developing strategies for competition abroad. Supportive services are needed to provide up-to-date demand projections in foreign capitals. Government participation in the form of risk reduction is also warranted.

Small businesses are innovative. The products and processes they offer are unique and often more specialized than what is available from larger firms. They possess lower administrative costs, do not require enormous amounts of venture capital and can pass on savings in inventory management to buyers.

These advantages, which explain so much of the success of small business in domestic markets, are applicable abroad.

We should not forget the enormous potential for job creation an introduction to foreign markets would entail. And with our large trade deficit, no prospective exporter should be discouraged or ignored. Small businesses in a position to export—numbering 20,000 as estimated by the General Accounting Office—deserve the Government's support.●

CUBAN INDEPENDENCE DAY

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. SMITH of Florida. Mr. Speaker, on May 20 we celebrated the 83d anniversary of a free Cuba. In 1902, the United States granted Cuba its independence since the island had been an American protectorate after the Spanish-American War. Cuban Independence Day is a symbol for the possibility of democracy and freedom in Latin America.

Cuba today unfortunately does not enjoy the benefits of democracy and freedom. The people of Cuba live under a repressive totalitarian government led by the Communist Fidel Castro. The Cuban people are denied the freedom of press, assembly, and religion for which they fought and which they deserve.

Jose Marti and other patriots devoted their lives to ending Spanish colonial rule in Cuba. These courageous individuals fought to bring about a government with democratic principles. Today all Cubans who share the hope for a free and democratic Cuba either have been forced to flee the island or are imprisoned by the brutal Castro regime.

The United States salutes these brave Cuban patriots who fought to bring democracy to their nation by commemorating the independence of Cuba.●

IMPORTANT BANKING CONCERNS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. HUBBARD. Mr. Speaker, I would like to share with my colleagues the April 25, 1985, letter that I received from Mr. Chris Gilson, director of an industrial bank in the Commonwealth of Kentucky, which I believe will be of great interest.

Mr. Gilson of Lexington, KY, has written to me about his concerns regarding legislation that is pending before the House Committee on Banking, Finance and Urban Affairs and which will be brought to the full House for debate and a vote.

Mr. Gilson's views about the importance of industrial banks are timely, and his letter follows:

April 25, 1985.

Re: Bank Definition Act/H.R. 20.

Hon. Carroll Hubbard,
U.S. House of Representatives, Washington, DC.

Dear Congressman: I am writing as a Director of an industrial bank in Kentucky to bring your attention to the subject legislation, currently pending before the House, which would have a detrimental effect on the safety and soundness of industrial banks.

HR 20 would redefine "bank" for purposes of the Bank Holding Company Act to include any FDIC-insured institution. Such a redefinition would require industrial banks owned by out of state bank holding companies to either divest themselves of FDIC insurance or be classified as a bank.

This is particularly untimely legislation. Without the authority to offer FDIC insurance, industrial banks would be forced to rely on the private deposit insurance system. Considering the uncertainties surrounding state insurance funds in the wake of the collapse of the Ohio Deposit Guarantee Fund, it would be unwise to further burden that system.

Furthermore, this legislation comes just three years after Congress enacted legislation (The Garn-St Germain Act of 1982) which authorized FDIC insurance for industrial banks as a means of providing competitive equity with other state-chartered financial institutions. At that time, industrial banks acted in good faith to provide such insurance to the public.

Industrial banks play a vital role in supporting the economy of our state and many of them are owned by out-of-state bank holding companies that have invested heavily in Kentucky's economy. These industrial banks provide many benefits as financial intermediaries and also are sources of employment and state and local taxes. Enactment of any proposal which would expand the definition of "bank" to include FDIC insured institutions would have a negative impact on your state's residential and business communities.

I understand that the growth of "nonbank banks" is an issue of great concern to Congress. However, it would be both unwise and unfair to pass legislation denying industrial banks the authority to offer FDIC insurance to their customers.

I hope you agree that this issue deserves careful consideration and that legislation can be enacted in the 99th Congress that preserves the viability of industrial banks.

Sincerely,

Chris Gilson,
Lexington, KY.●

TRIBUTE TO DEBRA SCHATZ

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. LELAND. Mr. Speaker, today I am introducing legislation to rename the Westheimer Station Post Office in Houston, TX, the "Debra Sue Schatz Post Office Building." Miss Schatz was a letter carrier who was brutally murdered on duty, June 7, 1984, as she delivered mail. Here was a young woman, only 23 years old, who had volunteered to complete the route of another carrier. As she enterd a home in the affluent Memorial section, she was attacked, shot several times and her body dumped in a wooded area.

The Debra Schatz case attracted national attention and so galvanized the Houston area, that her murder trial was moved several hundred miles away from Houston. Miss Schatz' accused killer was recently convicted and has been sentenced to 75 years in prison.

However, that is not the end of this case. Letter carriers are still haunted by the specter of this tragedy. They are fearing for their safety and concerned about measures to prevent this type of tragedy from occurring again. In an effort to forge ahead—but not to forget—the letter carriers at the Westheimer Station, where Miss Schatz worked, have planned a memorial garden in her honor. I would like to go one step further and rename the Westheimer Station in her honor. My efforts come at a time when postal and Federal employees are frequently maligned and used as scapegoats by the Reagan administration. Too little is said in support and praise of these dedicated men and women. Naming the post office in honor of one such dedicated professional would go a long way toward healing the wounds left by Miss Schatz' shocking death and would be a lasting tribute not only to Miss Schatz, but to all letter carriers who day in and day out devote their lives to serving the citizens of their communities.

I urge my colleagues to support this legislation.

Thank you, Mr. Speaker.●

PUT A HUMAN FACE ON FEDERAL BUDGET

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. FRANK. Mr. Speaker, recently a very eloquent and thoughtful letter about the Federal budget appeared in the Attleboro Sun Chronicle, written by Rev. Maurice Proulx. As we begin our consideration of the Federal budget, I hope my colleagues will be moved by the logic and compassion that motivates Father Proulx and I ask that his letter be printed here.

[From the Sun Chronicle, May 7, 1985]

Put a Human Face on Federal Budget

To the Editor:

As the national debate continues over the deficit, we are amazed that most of our members of Congress have not seriously considered deep cuts in military spending.

Defense spending will rise dramatically in FY 1986, by $31.2 billion, if the Administration budget proposal is accepted.

It is equally amazing that there are $280 billion of unobligated funds sitting in the bank for the Pentagon to spend, an increase from $92 billion in '80.

Defense outlays are at a 39-year peak. Not since 1946, including the years of the Korean and Vietnam wars, have military outlays been so high.

The administration is asking Congress to approve for the Pentagon $313.7 billion for 1986, a $29 billion increase over 1985.

Unanswered questions abound. Why are 2.1 million military personnel required? A study some years ago demonstrated that 1.6 million would suffice—with a saving of at least $30 billion. Why are old battleships being renovated? Is there a defensible plan to spend the $4.9 billion that will be requested for "Star Wars" in 1987?

At the same time, the proposed administration budget will cut housing for the elderly and handicapped, entitlement programs for the poor and jobs programs—the only hope for those caught in the cycle of poverty.

Our community needs health care in general, home health care in particular, housing, food for the hungry. All call for attention, compassion and our tax dollars.

We urge our city council and state legislators to speak up and pressure our congressional delegation to put a human face on the federal budget.

National priorities must shift from military waste, over-spending, and unnecessary weapons to addressing human suffering, both at home and abroad. Think what creative initiatives could be launched to help Africa cope with famine, on the price-tag of the MX missile or military cost over-runs?

Rev. Maurice Proulx.●

A SALUTE TO SEVENTH DISTRICT GRADUATES

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. MYERS of Indiana. Mr. Speaker, during the month of May over 6,900 seniors will graduate from high school in the Seventh Congressional District in Indiana.

In a letter I sent to each graduate I reminded them that Thomas Jefferson once said:

> Young people are not afraid to follow the truth, wherever it may lead, nor to tolerate any error so long as reason is left free to combat it.

We, as a people and a nation, must never be completely satisfied with things as they are today. We must always search for a better way and a better life. Examine the problems and then reach out to find constructive solutions to these problems, always building on those values and truths that have proven worthy.

We are fortunate to live in a great country. It needs all of us working together to keep it free and protect our great resources for future generations.

In Indiana's Seventh District, these high schools have graduated the following number of seniors:

	Graduates
Benton Central High School	181
Attica High School	78
Covington Community High School	81
Fountain Central High School	101
Tri-West High School	104
Brownsburg High School	251
Avon High School	200
Danville High School	137
Plainfield High School	222
Cascade High School	114
North Montgomery High School	165
Southmont High School	138
Crawfordsville High School	150
Monrovia High School	106
Eminence High School	41
Martinsville High School	360
Mooresville High School	257
Oven Valley High School	176
Rosedale High School	50
Montezuma High School	46
Rockville High School	75
Turkey Run High School	51
South Putnam High School	88
North Putnam High School	135
Cloverdale High School	75
Greencastle High School	137
Union High School	39
North Central High School	74
Sullivan High School	157
Central Catholic High School	58
Jefferson High School	540
McCutcheon High School	265
Harrison High School	280
West Lafayette High School	150
North Vermillion High School	63
South Vermillion High School	151
North Vigo High School	549
South Vigo High School	475
West Vigo High School	180
Seeger High School	98
Northview High School	244
Clay City High School	63

I congratulate the class of 1985 and wish that their futures will be filled with unlimited success and lasting happiness.●

A TRIBUTE TO MR. SAUL WAXLER

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. KOLTER. Mr. Speaker, I would like to take this opportunity to recognize the service, devotion, and good will of Mr. Saul Waxler on behalf of this community and synagogue in Indiana, PA. As a result of his generous service to the Indiana area, family, and friends have come to Saul's aid in his time of great need.

Mr. Waxler is indeed an admirable illustration of a civil-minded individual. Mr. Waxler, a retired businessman, maintained a successful clothing store in Indiana noted for its quality of service and customer satisfaction. Throughout his business years, Mr. Waxler was an active member of the Indiana County Chamber of Commerce, and the Downtown Indiana Businessmen's Association. Mr. Waxler was always the vanguard of many undertakings designed to benefit Indiana County's commercial enterprises.

Moreover, Mr. Waxler has contributed his valuable time and professionalism to numerous other organizations in Indiana County. Mr. Waxler has unselfishly provided skillful administration for:

Indiana Lions Club (past president); Indiana Hospital (board member); Indiana Volunteer Fire Association (honorary member); Indiana Fair Association; Indiana Cancer Association; Homer City Bank (board of directors); Quartermaster Corps, World War II (captain); and the President's Committee of the Indiana University of Pennsylvania.

Likewise, Mr. Waxler has been an extremely active member of the Beth Israel Congregation in Indiana. Some of his many activities at Beth Israel Congregation include:

Twice president of Beth Israel Congregation; served as general chairman of the United Jewish Appeal; member of the Tri-State Israel Bond Committee.

Mr. Waxler has always been known for his kindness and helpfulness for others less fortunate in society. A close friend recently said:

> If Saul Waxler can be described in a summation, it would be that if all could live and do as he has, there would be no need for laws and legal enforcement of any type.

It is an honor to present to you Mr. Speaker a shining constituent, whom I am very proud of along with many other members of my district, Mr. Saul Waxler.●

THE FEDERAL ROLE IN CLEAN COAL

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. WALGREN. Mr. Speaker, I would like to bring to the attention of my colleagues an especially significant statement by our colleague, Marilyn Lloyd of Tennessee, urging Government involvement in the demonstration of new energy technologies. Congresswoman Lloyd emphasized the necessity of Government involvement through cost sharing and cooperative planning if we are to develop technology to burn coal cleanly in hearings before the Committee on Science and Technology.

I share Mrs. Lloyd's concern that the Government moratorium on project demonstration has hindered the rate of commercialization of badly needed new clean coal technologies. To simply expect that free market forces alone will bring these technologies to the marketplace is, I believe, a shortsighted approach to our energy future.

I recommend Mrs. Lloyd's statement to all Members who have an interest in a balanced energy program:

DOE Report on Emerging Clean Coal Technologies

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to provide my views on this hearing topic. I also believe that this hearing is both timely and important. The subject of accelerating technology integration and development by cost-shared government demonstrations of clean coal technologies is critical. In recent years we on the Committee have seen the budgets for civilian energy research and development decline drastically, bringing some of these important R&D programs to termination and others to a barely viable level of research activity. Together with the constant reductions in the civilian research and development budgets, including fossil energy base technology efforts, the Administration has also implemented a moratorium on government-funded technology development at any meaningful scale placing the entire burden for pilot-plant or semiworks demonstration projects on the private sector.

The private sector has responded to this challenge by coming forth with a multitude of high quality proposals in response to the recent Administration solicitation for cost-shared demonstration proposals. (This recent solicitation was admittedly in response to a Congressional mandate.) From the published responses to the DOE solicitation in the November 27, 1984 Federal Register, it is apparent that the private sector is keenly interested in the development of clean coal technologies but cannot make the large financial commitment necessary to definitely prove the feasibility of these emerging technologies.

The recently published Department of Energy report to the Congress on Emerging Clean Coal Technologies contains the stunning statement that "Federal incentives will not accelerate commercialization of the technologies and will be counterproductive to their development." How the DOE can substantiate this sweeping conclusion is beyond any knowledgeable observers of coal R&D. The statement is based on the Department's a prior conclusion that only free market forces should be allowed to work in the selection of the most appropriate advanced technologies for coal use. I am aware of one project which involves significant EPRI funding, the Atmospheric Fluidized Bed Combustion (AFBC) project being developed jointly with TVA, DOE and the Commonwealth of Kentucky in Paducah, Kentucky. However, I am at a loss to name a specific technology presently being readied for commercialization at the same scale without federal funding. I would also remind my colleagues on the Committee that while "soft" oil prices and temporary "gluts" buy us time, they should nevertheless provide even stronger incentives for federal involvement.

Curiously, while the Department does not recommend that federal funds be used for demonstration, it does recommend that the DOE channel its resources into, or "concentrate on", coal R&D. What appears paradoxical here is that when we take a look at the DOE budget request for the past few years for fossil R&D, we see that it has steadily declined under OMB pressure.

In direct contrast to DOE's stated position and optimistic, yet unfounded, belief in free market forces, the report contains a project proposers' list of the needs for federal assistance to bring their projects to commercializaiton. The most common justifications for federal assistance were listed as follows: (1) the private sector does not have the required resources; (2) the proposed projects are high technological risks; and (3) federal support is required for commercialization of processes that address a national need. It appears that the private sector does, indeed, take a quite different view of commercialization than the Department. It is also evident from the lack of new commercial clean coal technologies entering the marketplace, that federal incentives are necessary.

Ironically, the DOE's own Energy Research Advisory Board (ERAB) panel report makes a strong case for federal involvement in commercializing technologies when the ultimate user cost-shares the project on at least a 50% basis. The panel, in fact, concludes that the current policy of no federal funding for commercialization should be changed. The consensus was that the absence of federal involvement past the proof-of-concept stage has resulted in abandonment of promising technologies because of the significant risks attendant to scaling-up, integrating large systems, etc. A federal role in these cases would have been anything but "counterproductive."

Another problem described in the ERAB report was the Department of Energy's rather poor track record in sustaining its contractual obligations with the private sector. This was a common concern of our private sector witnesses during the ERP subcommittee hearings on the FY 1986 DOE authorization. The outside witnesses expressed their frustration at the "sometime" partnership they encountered with the Department and the disruptive influence on their research efforts of uneven financial support for the projects.

I believe it is even more important to provide some government funding for demonstration projects in light of the recently released Office of Technology Assessment (OTA) report on offshore oil and gas reserves. The OTA report concludes that the 1981 Department of Interior estimates of offshore oil and gas reserves were over stated by a wide margin. Recent explorations have been disappointing in terms of discovery of additional reserves. Also, the costly development of some of these reserves is a factor to be considered when we attempt to plan for our future energy security. To have the "supply-oriented" Administration announce these pessimistic prospects is compelling evidence to dispel the illusions cast by today's "glut" and "soft" prices.

I understand that the Department is under some contraints imposed on it by the Office of Management and Budget (OMB) regarding any implementation of the Congressional directive to fund clean coal technology demonstration projects. Unfortunately, the Department's lack of interest in fulfilling the spirit of Congressional mandate is so great that relative technical assessments and any ranking of the projects are completely lacking. I am disappointed with the quality of this first effort and hope to see much improvement in the DOE's promised supplemental assessment. I would hope that the enthusiasm shown in the private sector's response will be sustained at a high level until the Department chooses to implement the spirit of the Congressional mandate.

In order to work around inadequacies and inconsistencies in Departmental policy, I would like to recommend two courses of action which I believe would give the Department more certain guidance for developing clean coal research programs. This is the type of policy directive which the Congress itself has attempted to provide for the past several years. My first proposal is to transfer some additional funds from the SFC Energy Security Reserve fund and provide it to the Department of Energy for use in complementary projects for clean coal technology development including small coal conversion pilot plants. This money would be a supplement to any other funding authorized for fossil R&D for use by the Department. The beleaguered Synthetic Fuels Corporation still has $7.9 billion remaining in already appropriated monies, but I'm afraid that it is very likely that some of this funding will never be utilized for its intended purpose. The changing public perception and unfortunate perceived lack of urgency with respect to our national energy needs are all part of the changing climate for the federal development of synfuels in the private sector and in the Congress. These factors, albeit regrettable, are pointing toward a further reduction in the SFC's already reduced resource base even though there is a mix of projects before the Corporation which merit some funding. It thus makes sense to me to redirect up to $1 billion in funding into the companion clean coal technology development and demonstration program now before us in the likely event that the SFC certainly will not commit the entire $7.9 billion.

I do plan to introduce a modified version of my Clean Coal Technology Development and Utilization Act, a bill which I originally proposed in the 98th Congress. In fact, the proposal I just outlined, which is similar to the transfer provisions of the earlier version, will be included in the updated version of the bill.

My second proposal deals with the $750 million provided for clean coal technology development in last year's continuing resolution on Interior Appropriations. I suggest that our Committee take a positive approach by passing a generic authorization bill which would delineate the categories of projects which should be funded by the Department and provide some carefully crafted yet broad guidelines for their implementation. In the past I have taken the position that it is inappropriate to micromanage the Department and I still believe that. However, realizing that we have limited resources, I think that a cautious, cost-shared development plan between the Department of Energy and the industrial performers will be money well spent for our energy future. I also believe that we should not abrogate our responsibility as an authorizing committee to appropriations. If the Congress must act because DOE refuses to come forward with criteria for project selection in terms of technological maturity, etc., we should "bite the bullet."

Finally, I would like to comment on the demonstration of emerging clean coal technologies within the context of acid precipitation. I have been an outspoken advocate of the need to intensify our research effort into cause-effect relationships in "acid rain" chemistry. Therefore, it is reassuring that the request for this research program received a substantial increased in FY 1986; it is still the sole avenue to any reasonable cost/benefits analysis.

In concert with this focused acid rain research program, I believe we also need to continue our work on developing clean coal technologies and bringing them into the marketplace. Whether our research results show that sulfur dioxide is determined to be the major factor in acid precipitation or not, we do need to utilize this important natural resource in an environmentally sound manner. This relatively small investment in our energy future will surely serve as an insurance policy for a healthy future energy supply.

We have the opportunity to lay out a DOE clean coal technology program which complements a limited SFC program on diverse synfuel technologies. We must ignore the illusory supply circumstances which obscure our long-term liquid fuels problem. We are running out of gas and oil and we must burn coal cleanly to complement nuclear energy for a balanced supply of both electricity and related industrial process heat.

It would require an extended discussion to adequately document the difficulties which have faced the synfuels programs in the SFC, but two points are worth stating: First, the Administration's ambivalency and ineptitude in handling SFC matters, aggravated by Congressional obstructionism and meddling on the part of SFC opponents, have diverted industry resources which might have better been devoted elsewhere. This is particularly true on the unproductive case where the Corporation withdrew solicitations after project teams were already hard at work and considerable efforts were made in developing proposals and supporting activities to refine designs. Second, although, in this deficit climate it is particularly easy for Members to support the "sham cut" in the Energy Security Reserve (since virtually no outlays are involved), we cannot wish away our long-term liquid fuels problems. We have not even achieved technical confidence in converting coal to oil and gas at significant scale, no less improved the economics of these schemes. Since lead times of interest are certainly a decade or more for these technologies, we can now project our synfuels uncertainty into the end of the next decade. We simply must identify the most promising conversion processes now so that we can have clean coal technologies by the late nineties because the oil and gas route will become a "dead end" early in the next century.●

TRIBUTE TO TOADY JONES' GENERAL STORE

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. SHELBY. Mr. Speaker, I would like to share with my colleagues in the House of Representatives a delightful story that appeared in the Montgomery Advertiser written by Dale Wilson of the paper's staff. It is a wonderful account of Toady Jones' general store in Fosters, AL.

Following is the enjoyable story:

Toady Jones' General Store Captures Country Flavor

Fosters.—"Pop" Booth pulled up in his pickup truck, stretched his legs a bit and sauntered over to Toady Jones' general store.

"This where Toady Jones lives?" he said in a casual, country drawl. "Yeah, Pop, come on in ta th' house," Toady answered.

Booth sat down opposite Jones and the two were silent for a while.

"Your lights go out last night?" Jones asked Booth. Booth said yes. Toady said his did, too—must have been something wrong with the electricity—and a good conversation had begun.

Booth stayed 15 minutes or so, long enough to drink a cola and share the local news with a couple of other customers. Then he said his goodbyes, climbed into his truck and drove off. Toady left his seat only when a customer came up and asked if he had any Cannonball plug tobacco.

It's that way most every morning around Toady Jones' general store, the heart of downtown Fosters and communications center for most of the area.

Want to know if the fish are biting today? Where the pulpwooders are cutting? Who's hiring in the county and who isn't? Who's down in the bed and who's up and about? Hang around Toady's, the quintessential Alabama county store. You'll find out.

Toady Jones—yes, that's a nickname; Emmett's his real one, but he's been called Toady all his life. He's run this tin-roofed, two-gas-pump place on the side of State Road 11 just south of Tuscaloosa for the past 13 years.

Before that a fellow named Burns had it, and before that . . . well, who knows. Owners' names tend to get lost when a store like this one is at least 120 years old.

"Oh yes, at least, and maybe 150 years old," Jones says. "It was a doctor's office once, and a schoolhouse once—Mrs. Chippy Smith taught in it; back then they didn't have grades, only books.

"It's been moved three times. Used to be right across the road over there. People have lived in it, and it was once the Fosters Post Office. Really, ain't no tellin' what all it's been."

From what the Oliver family, the ones who owned the store until recently, call tell, Toady Jones' store was built for Dr. David Foster and his partner, a Dr. Nichols, who had a partnership before and during the Civil War. Then it turned into the local school and finally a general store and small post office, complete with three rooms in back and a hole cut in the front that served as a letter drop.

The new Fosters Post Office across the street from the store, looking as freshly scrubbed as a kid going to Sunday school, took away some of the store's duties, but that hasn't hurt Toady's business any. He's sold enough gasoline, colas, worms and canned goods to raise his kids and put his wife, Gaynell, through college.

Weatherbeaten and footworn would be a nice way of describing the store.

The outer coat of paint is peeling and the sign that was painted on one side of the tin roof has been obscured by sun, rain and time. The other side has a sign that reads, "See Beautiful Rock City World's 8th Wonder," and it is holding up nicely.

It looks so old-time country that a Hueytown artist named Frank Andrus set up his easel in the gravel parking lot one day and captured the store's image in pen and ink. A print now hangs in the Fosters Post Office, and Gaynell bought Toady one for a Christmas present.

Inside the store, the original floors have been covered by at least two layers of plywood, and it's still wearing through in spots where people stand and pay. The floor leans here and there and creaks and groans when you walk over it.

Today's inventory includes the necessities—bread, canned and frozen goods, sugar, cereal and the like, but no meat or fresh vegetables—plus the stuff that only a good country store should carry.

Like inside the drink box, where you'll find I.B.C. root beer, Buffalo Rock ginger ale, Sun Crest peach drink and other colas. On top are cartons of worms and "Charlie Blood B's" catfish dough bait. Nearby are fishing lures, lines, hooks and floats, cigarettes, motor oil, hats, tin buckets, chewing tobacco, cane poles and candy—but no beer. "Don't drink it and don't believe in it," Jones says.

Then there's the real country stuff. Along one wall are scrub boards for washing, ax handles, tubs and lard cans, even plow lines for mule teams. Country stuff you'd expect to find only in a store like Toady's.

There's a couple of other stores up the road, but "this is the only country store around," Jones says, and no one in Fosters doubts his word.

Jones lifted the brim of his maroon and white "Roll Tide" cap to show where doctors had to put in a plate 17 years ago. "Gave me up for dead," he said. "This carload of drunks pulled in front of me, hit me head-on, totaled my pickup. They didn't even get hurt."

After he recovered, he sold the service station he'd bought in Tuscaloosa and leased the grocery store that would soon carry his name.

He knew it well. "I worked here as a kid, on Saturday," he said. He learned about its history over the years, sitting on the front porch and talking to the old-timers of Fosters.

Toady figures he knows 95 percent of the 2,600 people who live around the town, and his greeting to the ones he knows best—his regulars—is personable and just for them.

"Hey, O.J., go inside and get yourself a cold drink," he'll say to O.J. Gast.

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"T, I got some sweet-potato cakes over there. Better get you some before they're all gone," he says to T.O. Blackmon.

"How many fish you caught, L.A. Two? Well, that's two more'n I caught," he'll tell L.A. Jacobs.

His store has yielded profits other than money, too. One time a man came to the store pushing a motorcycle.

"He took his helmet off and threw it into the dumpster, than his tag. I said, 'What's wrong?' The man replied, 'Blown head gasket. How much will you give me for this?'

"I said, 'I don't have much. How 'bout $10?' He said, 'OK, it's yours.' It was an '82 model. He was from Michigan, heading for an oil rig in New Orleans.

"All that was wrong with it was a blown fuse and a dead battery. I fixed it up and kept it for a while, but couldn't get a tag to save me. He didn't give me a title. Ended up givin' it to my daughter-in-law's son for parts."

It gives me the greatest of pleasure to share this story with my colleagues in the House. I always enjoy stopping and visiting with Toady when I am in the area having town meetings and community visits. Stories such as Toady's are truly a rich part of this Nation's history. I am honored to know a man such as Toady Jones and certainly wish him the very best in all future endeavors.●

GRADUATE MEDICAL EDUCATION

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. TAUKE. Mr. Speaker, last week, I joined my distinguished colleague on the House Aging Committee, the gentleman from Ohio [Mr. REGULA], in introducing legislation to amend Medicare's direct reimbursement of clinical education. I wish to commend Congressman REGULA for his leadership in developing reforms for graduate medical education funding under Medicare. Our bill would discontinue the current passthrough of approved hospital expenses for residents-in-training while retaining the passthrough arrangement for Nursing and Allied Health Care Training Programs. Our bill, H.R. 2501, empowers the Secretary of Health and Human Services to make direct grants to teaching hospitals in carrying out their approved graduate medical education programs. The total grant program amount would be limited to $1.015 billion. Each fiscal year the cap amount would be adjusted by the Consumer Price Index to reflect the varying economic conditions of our Nation. Institutions are given an incentive to function cost effectively, and for the first time, a system of controlled spending is established. Participants under the program are provided the opportunity to have input into the administration of the grants. This bill is a composite solution of both public and private design. I am confident it is a remedy to a very difficult problem—the issue of providing quality health care at a cost-effective price.●

HISTORICAL OBLIGATION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. DORNAN of California. Mr. Speaker, by denying the President's request to support the Democratic Resistance Forces in Nicaragua in their struggle to bring freedom, plurality, and self-determination back to that embattled nation, Congress has opened a flood gate of national support for the Nicaraguan people. It is support that opponents of the President's policy chose to ignore—much to their embarrassment. This support is becoming more and more evident as private groups take up the gauntlet and call upon their membership to join the crusade against communism on our very continent and support those who are fighting to restore the now-betrayed goals of the 1979 Sandinista Revolution. This support for the freedom fighters is well defended in a recent editorial in La Voz Libre—the Voice of Freedom—I submit, Mr. Speaker, this editorial for our historical record.

As soon as President Reagan returns from his trip to the Old World, we are certain that there will be an update in developments regarding the position of the United States and its relationship to the Nicaraguan regime, by accentuating the firm position that the White House took to confront the blatant challenging and aggressive attitude of the Sandinistas.

Undoubtedly, these new developments will be important, and will not only affect the highest strata of the government, but the legislative areas as well.

There is no doubt that those in the House of Representatives who were responsible for denying 14 million dollars in aid to the Contras fighting the Maxist regime in Nicaragua, will have to reflect on recent events pertaining to this situation.

In the first place, these representatives are now faced with the challenge launched by the Washington Times on Sunday, in which they have requested the American public to raise the 14 million dollars that Congress refused the Contras.

As the editor of the Washington Times, Arnaud Borchgrave said, the attitude of the House of Representatives is "shameful" for the United States as the leader of the Free World. This calls for reparative action, such as the Washington newspaper has already initiated.

The freedom fighters cannot continue to be victimized by the consequences of disorientation evident in certain American political sectors, that have been deceived by growing disinformation. We must recognize the fact that this is being ably manipulated by the Sandinistas and their spokesmen.

As expected, this deceit could not continue indefinitely, and Daniel Ortega, by his recent visit to Moscow and European communist centers, has openly demonstrated the dependency of his regime on Marxist strength.

Also, there is no doubt, as it has been repeatedly proved, that the Nicaraguan people are being victimized by a system that has absolutely no concern for their wellbeing, and who are only concerned in keeping them oppressed, hungry, and with no hope for the future.

For those empowered in Managua, the important thing is to strengthen their armaments, and to distort the minds of children and young people, by indoctrinating them with sick ideologies that negate individual rights and destroy freedom.

For this reason, if those who are fighting to recuperate their homeland are abandoned, definitely, the hopes of these suffering people will be abandoned simultaneously, and they will be condemned to an indefinite term of slavery.

All Americans, regardless of their positions, pertaining to the government, as legislators, or as a part of the multitudinous legion of men and women who make up this nation, should be fully aware of the truth in this situation, and should not allow secondary interpretations of any kind to be kindled.

This is the essence of definite decision that must be completely supported.

How can one remain apathetic while Moscow blatantly, and directly intervenes in the internal affairs of a continental nation and at the same time puts obstacles in the way of the United States government when it attempts to aid those sacrificing their blood, and even their lives to contain Marxist expansionism?

The example of the Washington Times demonstrates the reactionary strength of American society, when combined, with one of their journalistic mediums. The Washington Times is the vanguard of what must become a crusade in this country to defend, not only national security, but the hemispheric security that, each day, runs a greater risk of being destroyed.

This should also serve to alert those legislators who, by making the wrong move, have created an extremely difficult situation that, undoubtedly, will be judged historically with the same cold attitude that they used to make their decision. This error demands immediate rectification!●

H.J. RES. 192

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. HANSEN. Mr. Speaker, I would like to address briefly House Joint Resolution 192, which refers the tragedy which befell Armenians in Turkey from 1915 to 1923. On first glance, this is an appropriate commemorative resolution dealing with a historical event which the resolution's sponsors maintain is an undisputed fact. Therefore, they say, the resolution must be passed, even though its charge of genocide may do great damage to our relations with Turkey.

Anyone who has studied this question knows that many horrors and

massacres were perpetrated in eastern Turkey during that period. However, I would like to submit for the record an article which appeared in the Washington Post on Sunday, May 19 1985, which demonstrates that this is a complex, historical issue, the facts of which are not as clear or well defined as they are sometimes represented to be in presentations to this House. The article raises a serious question as to whether the tragic events we have been asked to comment upon can, in justice, be labled a genocide. Those who signed this article are 69 American scholars from all across the country who specialize in Turkish, Ottoman, and Middle Eastern studies.

[From the Washington Post, May 19, 1985]

ATTENTION, MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES

The undersigned American academicians who specialize in Turkish, Ottoman, and Middle Eastern studies are concerned that the current language embodied in House Joint Resolution 192 is misleading and/or inaccurate in several respects.

Specifically, while fully supporting the concept of a "National Day of Remembrance of Man's Inhumanity to Man," we respectfully take exception to that portion of the text which singles out for special recognition:

". . . the one and one half million people of Armenian ancestry who were victims of genocide perpetrated in Turkey between 1915 and 1923 . . ."

* * * * *

Our reservations focus on the use of the words "Turkey" and "genocide" and may be summarized as follows:

From the fourteenth century until 1922, the area currently known as Turkey, or more correctly, the Republic of Turkey, was part of the territory emcompassing the multi-national, multi-religious state known as the Ottoman Empire. It is wrong to equate the Ottoman Empire with the Republic of Turkey in the same way that it is wrong to equate the Hapsburg Empire with the Republic of Austria. The Ottoman Empire, which was brought to an end in 1922, by the successful conclusion of the Turkish Revolution which established the present day Republic of Turkey in 1923, incorporated lands and peoples which today account for more than twenty-five distinct countries in Southeastern Europe, North Africa, and the Middle East, only one of which is the Republic of Turkey. The Republic of Turkey bears no responsibility for any events which occurred in Ottoman times, yet by naming "Turkey" in the Resolution, its authors have implicitly labeled it as guilty of the "genocide" it charges transpired between 1915 and 1923;

As for the charge of "genocide," no signatory of this statement wishes to minimize the scope of Armenian suffering. We are likewise cognizant that it cannot be viewed as separate from the suffering experienced by the Muslim inhabitants of the region. The weight of evidence so far uncovered points in the direction of serious inter-communal warfare (perpetrated by Muslim and Christian irregular forces), complicated by disease, famine, suffering and massacres in Anatolia and adjoining areas during the First World War. Indeed, throughout the years in question, the region was the scene of more or less continuous warfare, not unlike the tragedy which has gone on in Lebanon for the past decade. The resulting death toll among both Muslim and Christian communities of the region was immense. But much more remains to be discovered before historians will be able to sort out precisely responsibility between warring and innocent, and to identify the causes for the events which resulted in the death or removal of large numbers of the eastern Anatolian population, Christian and Muslim alike.

* * * * *

Statesmen and politicians make history, and scholars write it. For this process to work scholars must be given access to the written records of the statesmen and politicians of the past. To date, the relevant archives in the Soviet Union, Syria, Bulgaria and Turkey all remain, for the most part, closed to dispassionate historians. Until they become available the history of the Ottoman Empire in the period encompassed by H.J. Res. 192 (1915–1923) cannot be adequately known.

We believe that the proper position for the United States Congress to take on this and related issues, is to encourage full and open access to all historical archives, and not to make charges on historical events before they are fully understood. Such charges as those contained in H.J. Res. 192 would inevitably reflect unjustly upon the people of Turkey, and perhaps set back irreparably progress historians are just now beginning to achieve in understanding these tragic events.

As the above comments illustrate, the history of the Ottoman-Armenians is much debated among scholars, many of whom do not agree with the historical assumptions embodied in the wording of H.J. Res. 192. By passing the resolution Congress will be attempting to determine by legislation which side of a historical question is correct. Such a resolution, based on historically questionable assumptions, can only damage the cause of honest historical enquiry, and damage the credibility of the American legislative process.

SIGNATORIES TO THE STATEMENT ON HOUSE JOINT RESOLUTION 192 ADDRESSED TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES

Rifaat Abou-el-Haj, professor of history California State University at Long Beach.

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Madeline Zilfi, associate professor of history, University of Maryland.

[Institutional affiliations are noted for identification purposes only.]●

NEW JERSEY: A VACATIONER'S PARADISE

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. SAXTON. Mr. Speaker, New Jersey and you are perfect together. And the most recent travel and tourism statistics attest to it.

From the Delaware River to the Jersey shore, from the Meadowlands through the Pine Barrens to Cape May, New Jersey truly is a vacationer's paradise. And the word is out.

Last year, a record number of visitors came to New Jersey to visit our historic sites, swim in the ocean, tour Great Adventure, test their luck in Atlantic City, and to just plain enjoy the many beautiful and interesting attractions in the Garden State.

This week is National Tourism Week. As a member of the travel and tourism caucus, I am proud to report that tourism does work for us in New Jersey.

As the State's largest employer, nearly 300,000 New Jerseyites last year earned their livings from the tourism industry. In addition, the tourism industry makes the second largest contribution to New Jersey's economy, and is a $9.5 billion industry.

Tourism is a vital industry to New Jersey. And New Jersey is the perfect place for tourism.●

BETTER SPEECH AND HEARING MONTH

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BROWN of California. Mr. Speaker, I would like to bring to the attention of my colleagues that the month of May has been designated as "Better Speech and Hearing Month." In my home district, the city of Ontario has already declared May as "Better Speech and Hearing Month" by official proclamation. The Keywanettes Club of Chaffey High School, in association with the speech and language pathologists in the Chaffey Joint Union High School District in Ontario, CA, have been very active in participating in activities to make full use of this recognized month. Their efforts are to be commended.

Chaffey and Etiwanda High Schools are sponsoring poster contests to promote May as "Better Speech and Hearing Month." The theme chosen by the Chaffey campus is "Hear ye', hear ye!"; and at Etiwanda, "No speech, no hearing—no song, no dance." Businesses such as Radio Shack, Coco's Restaurant, Security Pacific Bank, Music Plus, and Round Table Pizza have donated generous prizes. Winning posters will be displayed at local hospitals, libraries, schools, and businesses. The Chaffey theme will also be made into badges to be worn by Chaffey Keywanettes and Peer Counselors during the month of May.

In addition to the poster contests, the speech and language department at Chaffey Joint Union High School has organized a speakers network. During the month of May, it will provide speakers to community service organizations such as the Kiwanis. Topics may include adolescent language disorders, developing pragmatic conversational skills, stuttering, language development, and much, much more.

Our colleagues, Mr. GUARINI of New Jersey and Mr. BONIOR of Michigan, introduced legislation to nationally designate May as "Better Speech and Hearing Month," House Joint Resolution 169. Senator HOWARD METZENBAUM introduced a companion bill in the Senate. Unfortunately, this bill does not have the required number of cosponsors for passage of this commemorative in the House, and we are already halfway through May. I urge my colleagues to not delay in cosponsoring House Joint Resolution 169.

Over 15 million Americans suffer from some kind of hearing impairment, ranging from mild hearing loss to total deafness. Over 10 million Americans have speech or language impairments originating from neuromotor diseases, congenital malformations, orthodontic conditions, vocal cord cancer, strokes, and language-based learning disabilities.

New advances, such as closed captioned television, telecommunications devices for the deaf [TDD], speech synthesizers, and the electronic ear implant enable those with hearing, speech or language impediments to fulfill their individual potentials. There is much to be done to make these devices available to all those who need them.

I would like to include in the CONGRESSIONAL RECORD the following fact sheet prepared by a constituent of mine, H.K. Denetrion Boatright. Her insight and thoroughness in preparing this document is praiseworthy.

The material follows:

FACT SHEET ON COMMUNICATIVE DISORDERS

An estimated 22.6 million Americans or about 10% of the population, suffer from speech, language, or hearing handicaps.

Communicative disorders are the nation's most prevalent handicaps.

Studies indicate that more people suffer from speech, language and hearing impairments than from heart disease, paralysis, epilepsy, blindness, cerebral palsy, muscular dystrophy, and multiple sclerosis COMBINED.

Most people with communicative disorders can be helped. Rehabilitation for these impairments include: medical and surgical treatments, amplification, and speech and language therapy.

Annual loss in earning power among the communicatively handicapped is estimated at $1.75 billion.

An estimated five million Americans suffer from both speech and hearing handicaps.

About $21 million is spent annually on research into the prevention and treatment of communicative disorders.

Professionals specifically trained to treat the communicatively handicapped are speech-language pathologists and audiologists.

HEARING LOSS ONLY

An estimated 17 million Americans suffer from hearing loss, accounting for 6-7 percent of the population.

Hearing loss is most common among the elderly. Almost half of all those needing help are over 65 years old; this translates to one out of every four senior citizens, a total of approximately 6 million people.

An estimated three out of every 100 school children are affected by hearing impairments.

More than 11.5 million Americans suffer from UNCORRECTED hearing handicaps.

Deafness affects an estimated 1.9 million persons.

Permanent hearing loss can result from repeated exposure to loud noise. Noise in excess of 85 to 90 decibels is considered hazardous. Noises which frequently exceed the danger level are those from rock music, rush hour traffic, jet airplanes, some kitchen appliances, factory machines, lawn mowers and power tools.

Annual deficits in earning power among the hearing handicapped, including the deaf, are estimated at $1.25 billion.

SPEECH AND LANGUAGE IMPAIRMENTS ONLY

An estimated 11.3 million Americans suffer from speech or language disorders, accounting for five percent of the population.

Approximately three million (25%) of those with speech and language problems are between the ages of 5 and 21.

More than 50 percent of all handicapped children enrolled in Head Start programs are reported to have a language or speech impairment.

Articulation disorders, difficulties with the way sounds are formed and strung together, constitute the most numerous of all speech disorders. About three out of five speech and language disorders are related to articulatory problems.

Stuttering, one of the most widely recognized speech disorders, affects more than one million Americans, half of whom are children.

Annual deficits in earning power among persons with speech and language disorders are estimated at $750 million.●

NAMIBIAN INDEPENDENCE: THE TIME IS RIGHT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. CRANE. Mr. Speaker, the 1984 Republican platform states:

> The Reagan-Bush administration will continue its rigorous efforts to achieve Namibian independence and the expulsion of Cubans from occupied Angola.

I believe that this plank of the 1984 platform is important for two reasons: First, it signals an end to the previous U.S. policy of turning a blind eye on United Nations designation of SWAPO [South West African People's Organization], the Soviet-backed and directed terrorist group trying to seize control of Namibia, as the sole and authentic representative of the Namibian people. Second, it will eventually lead to genuine independence for the people of Namibia through U.N. supervised elections.

The Government of South Africa has granted the recent request of the Multi-Party Conference of South West Africa, Namibia, for autonomous local self-government pending implementation of U.N. Resolution 435, the Namibia independence plan agreed upon for the United States, Great Britain, France, West Germany, and Canada in 1978. Thus, the transitional government of Namibia will take office in June of this year. This transitional government represents a viable and necessary alternative to the SWAPO terrorists who have waged a long and insidious campaign of violence to gain control of Namibia. I am convinced that we should support this transitional government in its efforts to bring independence to the beleaguered Namibians.

The multiparty leaders have pledged continued support for the United Nations independence plan, provided that Cuban combat troops leave Angola, where they support the Soviet-sponsored terrorist campaign of SWAPO. SWAPO, of course, seeks to gain control of Namibia before an election can take place, because the great majority of Namibians are not only anti-Soviet but strongly pro-Western. SWAPO knows that open elections mean an end to any claim to legitimacy they might have, and therefore will do all in their power to thwart such an occurrence. I believe that it is incumbent upon us here in the West to not only monitor events in Namibia in the coming months, but to publicly express our approval of the process occurring there.●

RESPONSIBLE WATER DEVELOPMENT

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. DORGAN of North Dakota. Mr. Speaker, there is one way that the Federal Government can begin to help our Nation's farmers that will be more than the standard short-term, band-aid farm program. By begining to seriously develop our Nation's water resources for the purposes of irrigation, we can take some of the gamble out of farming that continues to make it one of the riskiest businesses around.

My colleague from South Dakota, Mr. DASCHLE, has long been recognized in Congress as a vocal and capable advocate of responsible water development. In recent testimony before the House Subcommittee on Energy and Water Development appropriations, Mr. DASCHLE presented some persuasive arguments in favor of water development projects in South Dakota that I think are well worth repeating today. The partial text of that testimony follows:

> I am fully aware of the serious budgetary problems that we as a nation face. The nation is looking to Washington to reevaluate the spending priorities that have led to a budget deficit in excess of $185 billion. As a member of Congress, I have always been interested in identifying those expenditures which are frivolous or unproductive, and eliminating them. The challenge Congress faces is to distinguish between those expenditures which are unproductive and squander the taxpayer's dollar and those which are productive and prudent. I sincerely believe that every one of the projects represented today can make the case that the expenditures they are requesting are not only productive and prudent, but are essential to the preservation of rural America as we know it today.
>
> The crisis that American agriculture currently faces has come to the forefront during this Congress. The Congress has shown that they will not ignore the crisis, and are willing to try to solve the problems with short term and long term measures. The family farmer is dependent on a consistent water source. Mother nature cannot always provide such a source, particularly in the semi-arid regions of South Dakota. South Dakota is more economically dependent on agriculture than any other State in America, and our agricultural economy is dependent on water. Quite simply, if the supply of water remains unpredictable, the agricultural economy is going to remain unpredictable and volatile. While water development is not a panacea for rural America's economic woes, it is an important step in helping to take some of the gamble out of farming and injecting some much needed stability into the agricultural economy.
>
> I wish to remind the Subcommittee that South Dakota is not asking for a handout. We are asking that the federal government fulfill its longstanding commitment to develop South Dakota water resources as set forth in the Flood Control Act of 1944. As a result of the construction of the four main stem dams on the Missouri River in South Dakota, downstream states have enjoyed a ten-fold increase in annual commercial shipping tonnage, enormous revenues from the generation of hydroelectric power, and the avoidance of billions of dollars in flood damage. I ask that the Subcommittee remember that there was a cost associated with these many benefits. More than 520,000 acres of rich bottomland was forever lost from production with the construction of these dams. South Dakota accepted this loss because of a commitment from the federal government that Pick-Sloan power would some day be used to irrigate 961,210 acres of South Dakota farmland. Unfortunately, the federal government has not made good on that commitment. Mr. Chairman, we are not asking for a gift, we only ask that the federal government keep its promise to South Dakota and allow water development to move forward rapidly.
>
> The administration has recommended an appropriation of $19,733,000 for the continued development of the WEB Rural Water System in fiscal year 1986. I strongly urge this Subcommittee to give favorable consideration to that recommendation. The project sponsor's spokesman, Mr. Morris Curle, will also explain to you the need for an additional $7 million that the project has the capacity to use in fiscal year 1985 to help accelerate their construction schedule. If the construction schedule is allowed to be accelerated now and in the future, a significant reduction in total construction costs may very well be realized at savings to the federal taxpayer. The purchasing power of the construction dollar is currently much greater than was expected. If, however, construction costs were to increase appreciably in the next year or two, the overall cost of the project would needlessly increase. WEB currently has the capacity to accelerate their construction schedule while the costs are down. I urge the Subcommittee to allow them the extra funding to do so.

Not included in the Administration's budget proposal for the next fiscal year is a request for continued funding for the rehabilitation and betterment of the Belle Fourche Irrigation Project. Congress saw fit to authorize the rehabilitation and betterment of this project in 1983 so that it can continue to serve the people of South Dakota as it has for the past eighty years. The administration budget pretends that this project is a newly started project to be included in a freeze on new starts. Last year, the Subcommittee in its wisdom appropriated the first $700,000 for the rehabilitation to begin. The Bureau of Reclamation's own schedule calls for funding of $2.4 million for fiscal year 1986. I ask that the Subcommittee approve this amount and keep rehabilitation work on schedule. This project, first built in 1906, has been called the "Granddaddy of Bureau of Reclamation Projects." Only David Stockman could be creative enough to now categorize this project as a new start after eighty years of service. This ploy simply will not work. This is an existing federal project that is desperately in need of repair and I urge that the Subcommittee see the wisdom in inserting an appropriation, as you did last year, so that the rehabilitation can continue as Congress intended.

The administration has also failed to request an appropriation for the operation and maintenance and construction of streambank protection structures along the 59 mile stretch of the Missouri River designated as the Missouri National Recreational River. Last year, the Congress saw fit to insert an appropriation of $200,000 for the operation and maintenance of existing streambank protection structures. It was not until about a month ago that the Corps of Engineers agreed to expend that appropriation. I am extremely displeased that this delay occurred. I urge that this Subcommittee provided another $200,000 for the next fiscal year for the operation and maintenance of existing streambank protection structures. I would also urge that $2.5 million be appropriated for the funding of the Missouri National Recreation River project which Congress has authorized. In so doing, we can begin to take the first big step in halting the rapid and tragic erosion of our land along the Missouri River.

The Bureau of Reclamation has recently completed its Planning Report and Draft Environmental Statement on the Lake Andes-Wagner Irrigation Project. That report is very encouraging indeed, and we are looking forward to holding hearings very soon to secure authorization of that project. The Lake Andes-Wagner Project Chairman, Mr. Marc Goldhammer, will explain the need for $990,000 to be appropriated this year, subject to authorization. If authorization for Lake Andes-Wagner is swiftly secured, as we hope it will, there will be a need for seed money to get the project under way. Lake Andes-Wagner is a well thought out plan that would provide much needed irrigation for 45,000 acres in Charles Mix County. I urge the Subcommittee to approve the requested appropriation subject to authorization.

The Administration has proposed that the budget include a $1,775,000 appropriation for advanced planning and $50,000 for general water delivery studies for the Central South Dakota Water Supply Project (CENDAK). Hopefully the Bureau of Reclamation can complete the long awaited Advanced Planning Report for CENDAK in the next couple of weeks and authorization hearings can be scheduled in the very near future. CENDAK enjoys a great deal of local support and will provide for the staged development of state-of-the-art sprinkler irrigation for 474,000 acres in Hughes, Sully, Hyde, Hand, Faulk, Spink, and Beadle Counties. I urge that this Subcommittee approve the budget recommendation made by the Bureau of Reclamation so that CENDAK can move forward as scheduled.●

CELEBRATING 100 YEARS OF UKRAINIAN IMMIGRATION

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Ms. MIKULSKI. Mr. Speaker, today we celebrate 100 years of Ukrainian immigration to the United States. It is estimated that nearly three-quarters of a million Americans are of Ukrainian descent. It is obvious that these people have made many contributions to our Nation.

One of these contributions is self-determination. The Ukrainians are a symbol of determination to all of us who take freedom for granted. The Ukrainians have been unwillingly subjected to Soviet oppression. However, in the face of this oppression they have continually fought to maintain their language, their religion, and their nationalistic spirit. I am very proud to have such a determined people as a part of our society and I honor and encourage their perseverence for freedom.●

DIRECTOR CASEY ON THE SANDINISTA STRATEGIC BLUEPRINT

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. COURTER. Mr. Speaker, I would like my colleagues to see the best, most comprehensive review of Marxist-Leninist political strategy in foreign countries to appear in the public prints in some time. It is the text of a speech CIA Director William Casey made to the World Business Council in San Antonio, TX, on May 18.

Ranging over such strategic indicators as military aid, the presence of advisers, political cultivation of the young, propaganda, and efforts to discredit the moral and spiritual authority of the Catholic Church, the address by Mr. Casey serves, from one standpoint, as a veritable checklist of the ways in which the new Nicaraguan Government is reproducing old Marxist-Leninist patterns of taking and consolidating power.

The text which follows is reprinted from the Washington Times.

SANDINISTAS HAVE "BLUEPRINT FOR SUBVERSIVE AGGRESSION"

Today, I would like to tell you about the subversive war which the Soviet Union and its partners have been waging against the United States and its interests around the world for a quarter of a century or more. This campaign of aggressive subversion has nibbled away at friendly governments and our vital interests until today our national security is impaired in our immediate neighborhood as well as in Europe, Asia, Africa and Latin America.

This is not an undeclared war. In 1961, [Nikita] Khrushchev, then leader of the Soviet Union, told us that communism would win not through nuclear war which could destroy the world or conventional war which could quickly lead to nuclear war, but through "wars of national liberation" in Africa, Asia, and Latin America. We were reluctant to believe him then. Just as in the 1930s we were reluctant to take Hitler seriously when he spelled out in "Mein Kampf" how he would take over Europe.

Over the last 10 years, Soviet power has been established:

In Vietnam, along China's border and astride the sea lanes which bring Persian Gulf oil to Japan.

In Afghanistan, 500 miles closer to the warm-water ports of the Indian Ocean and to the Straits of Hormuz. Through which comes the oil essential to Western Europe.

In the Horn of Africa, dominating the southern approaches to the Red Sea and the southern tip of the Arabian Peninsula.

In Southern Africa. The source of minerals which we and other industrial nations must have.

And in the Caribbean and Central America, on the very doorstep of the United States.

This is not a bloodless war. Marxist-Leninist policies and tactics have unleashed the four horses of the apocalypse—Famine, Pestilence, War and Death. Throughout the Third World we see famine in Africa, pestilence through chemical and biological agents in Afghanistan and Indochina, war on three continents, and death everywhere. Even as I speak, some 300,000 Soviet, Vietnamese, and Cuban troops are carrying out savage military operations directed at wiping out national resistance in Afghanistan, Kampuchea, Ethiopia, and several other countries.

In the occupied countries—Afghanistan, Cambodia, Ethiopia, Angola, Nicaragua—in which Marxist regimes have been either imposed or maintained by external forces, there has occurred a holocaust comparable to that which Nazi Germany inflicted in Europe some 40 years ago. Some four million Afghans, more than one-quarter of the population, have had to flee their country. The Helsinki Watch tells us that they have fled because "the crimes of indiscriminate warfare are combined with the worst excesses of unbridled state sanctioned violence against civilians." It cites evidence of "civilians burned alive, dynamited, beheaded; crushed by Soviet tanks; grenades thrown into rooms where women and children have been told to wait."

In Cambodia, two to three million people, something like one-quarter of the pre-war population, have been killed in the most violent and brutal manner by both internal and external Marxist forces.

In Ethiopia, a Marxist military government, supported with extensive military support from Moscow and thousands of

Cuban troops, by collectivizing agriculture and keeping food prices low in order to maintain urban support, has exacerbated a famine which threatens the lives of millions of its citizens. It has exploited the famine by using food as a weapon to forcibly relocate people fighting an oppressive government in the north hundreds of miles to the south where there is no preparation to receive them. In urban areas, food rations are distributed through party cells.

In Nicaragua, the Communist government killed outright a minimum of 1,000 former Somoza national guardsmen during the summer of 1979. In 1982, it forcibly relocated some 15,000 Miskito Indians to detention camps, forced many more to flee to refugee camps in Honduras, and burned some 40 Indian villages. Last month, the Sandinistas forcibly moved 60,000 campesinos from areas close to the Honduran regions, burning their houses and killing their cattle.

What is the purpose of all this carnage, this creeping imperialism? In my view, there are two primary targets—the oil fields of the Middle East which are the lifeline of the Western Alliance, and the Isthmus between North and South America. Afghanistan, South Yemen, Ethiopia, as well as Cam Ranh Bay in Vietnam, and Mozambique and Angola in southern Africa, bring Soviet power astride the sea lanes which carry those resources to America, Europe and Japan.

Capabilities to threaten the Panama Canal in the short term and Mexico in a somewhat longer term are being developed in Nicaragua where the Sandinista revolution is the first successful Castroite seizure of power on the American mainland. They have worked quietly and steadily toward their objectives of building the power of the state security apparatus, building the strongest armed forces in Central America, and becoming a center for exporting subversion to Nicaragua's neighbors.

The American intelligence community over recent months unanimously concurred in four national estimates on the military buildup, the consolidation and the objectives of the Soviets and the Cubans and the Sandinistas in Nicaragua. If I were to boil the key judgments of those estimates down to a single sentence it would be this: The Soviet Union and Cuba have established and are consolidating a beachhead on the American continent, are putting hundreds of millions of dollars worth of military equipment into it, and have begun to use it as a launching pad to carry their style of aggressive subversion into the rest of Central America and elsewhere in Latin America.

Let me review quickly what has already happened in Nicaragua. The Sandinistas have developed the best equipped military in the region. They have an active strength of some 65,000 and a fully mobilized strength including militia and reserves of nearly 120,000. These forces are equipped with Soviet tanks, armored vehicles, state of the art helicopters, patrol boats and an increasingly comprehensive air defense system. This gives the Sandinistas a military capability far beyond that of any other Central American nation and indeed all Central American nations put together.

In addition to the considerable military hardware, there are now an estimated 6,000 to 7,500 Cuban advisers and several hundred other communists and radical personnel in Nicaragua assisting the regime in its military buildup and its consolidation of power.

The Communist government under Cuban direction and guidance has been essential in helping the regime establish control over the media create propaganda mechanisms and neutralize the effectivenss of those who oppose the Sandinista totalitarianism.

Today, we see Nicaragua becoming to Central and Latin America what Beirut was to the Middle East for almost 15 years since 1970 when Lebanon became the focal point for international and regional terrorists. Managua's support for training of Central American subversives is well documented—they support Salvadoran communists, Guatemalan communists, radical leftists in Costa Rica, and are attempting to increase the number of radical leftist terrorists in Honduras. More recent evidence indicates Nicaraguan support for some South American terrorist groups and growing contacts with other international terorist groups.

Yet, just last week the American congress refused to approve $14 million for people resisting communist domination of Nicaragua, on the very day that a Soviet ship unloaded more than $14 million worth of helicopters, East German trucks, and other military cargo at Corinto, the principal port in Nicaragua.

On the very next day, [Daniel] Ortega, the Nicaraguan communist dictator, traveled to Moscow to ask the Soviet Union to make $200 million available to him to consolidate a Leninist communist dictatorship across a stretch of land which separates South America from North America.

This development in our immediate neighborhood should not be viewed in isolation but as a part of a worldwide process which has already worked in Europe, Africa, Asia and Latin America.

Let me now give you an insight on how all this happens. In early 1981, I had a talk with Bob Ames, our CIA Middle East expert, who died at the hand of a terrorist attack in Beirut in 1983. Stationed in Aden, South Yemen, in 1967, he met and befriended the young revolutionary Abd'al Fatah Ismail, who became president of South Yemen and is now back in Aden after being exiled briefly to the USSR. Abd'al Fatah told Bob of his experience in the higher Komsomol school which the Soviets maintain for training young revolutionaries from non-communist countries. He explained that he had been taught in Moscow that he needed 20 years, a generation, to consolidate his revolution.

He would have to control the education of the youth and to uproot and undermine and ultimately change the traditional elements of society. This meant undermining the influence of religion and taking the young away from their parents for education by the state. He was taught that to control the people he would have to establish block committees as a powerful secret police. Finally, Abd'al Fatah spoke in impassioned terms of a need to export revolution to carry out his mission as a dedicated Marxist-Leninist and to ensure that attention was focused on neighboring countries thus diverting attention from his own country and allowing it to consolidate its revolution.

Bob Ames said that as he looked back, Abd'al Fatah—with Soviet Bloc help—had done as he said he would. He captured and subverted a legitimate war of liberation. He killed or drove into exile those members of the movement who believed in democracy and then went about the work of consolidating a communist regime and began armed subversion against Oman and North Yemen.

In Ethiopia, Angola, Afghanistan, and Grenada, dedicated Marxist-Leninist revolutionaries followed this Soviet blueprint with only slight modifications.

Our analysts have studied this blueprint for taking over a government and consolidating a totalitarian regime as it has been exemplified in seven totalitarian regimes; six Marxist-Leninist in Cuba, South Yemen, Ethiopia, Angola, Grenada, Nicaragua, and the Islamic revolutionary government of Iran. They have identified 46 indicators of the consolidation of power by a Marxist-Leninist regime. These indicators measure the movement toward one-party government, control of the military, of the security services, of the media, of education, of the economy, the forming or takeover of labor or other mass organizations, exerting social and population control, curbing religious influence and alignment with the Soviet bloc.

Of the 46 indicators, Nicaragua in five and one-half years has accomplished 33. They have established control of the media, taken over radio and TV, censored the broadcasts of Sunday sermons of the Archbishop of Managua, and subjected the only free newspaper, La Prensa, to a brutal daily censorship. They have taken control of the education system. Nicaraguan textbooks now teach Marxism. They attack the tenets of Western democracy. They attack traditional religious teachings and encourage children to maintain revolutionary vigilance by watching for signs of ideological impurities in their neighbors, friends and relatives. The Sandinistas have taken control of the military. They have taken control of the internal secret police and have established a Directorate of State Security. That directorate, according to our reports, has 400 Cubans, 70 Soviets, 40-50 East German and 20-25 Bulgarian advisers. There are Soviet advisers at every level of the secret police. In fact, it is safe to say that it is controlled by the Soviet Union and its surrogates. Block committees have been established to watch and control the people. The church has been persecuted.

Witness the campaign mounted by the Directorate of State Security to harass and embarrass Pope John Paul II during his 1983 visit to Nicaragua. They have used political mobs (similar to the Red Guards of Soviet and Chinese revolutionary history) to attack democratic politicians, union members and religious leaders. And finally, just as Abd'al Fatah told Bob Ames what he must do, and following Hitler and Khrushchev, the Sandinistas have told the world that they would spread the example of Nicaragua beyond El Salvador to Honduras, Guatemala, and the entire region.

An integral part of this blueprint for subversive aggression is deception and disinformation to manipulate and influence public opinion and policies in western countries. This takes many shapes and forms.

A worldwide propaganda campaign has been mounted and carried out on behalf of the Sandinista regime and Salvadoran guerrillas which would not have been possible without the capabilities, the contacts, and the communication channels provided by the Soviet bloc and Cuba. The Sandinistas themselves have shown remarkable ingenuity and skill in projecting disinformation into the United States itself. Perhaps the best example of this is the systematic campaign to deceive well-intentioned members of the western media and of western religious institutions.

There are many examples of Nicaraguan deception. The Sandinista press, radio and government ministry have put out claims that the United States used chemical weapons in Grenada, that the United States was supplying Nicaraguan freedom fighters with drugs, and that the United States might give the opposition bacteriological weapons.

The debate in the Congress disclosed few who think that what is happening in Central America is a desirable state of affairs or that it is compatiable with avoiding a possibly permanent impairment of our national security and a serious deterioration in the American geopolitical position in the world.

There are some who will be content with an agreement that the Nicaraguans will now forego further aggression. Our experience in Korea and Indochina provides some lessons on the value of agreements with communist governments. Korea started to violate the Korean Armistice within days of the truce signing.

Under the 1973 Paris Accords, North Vietnam agreed to cease firing in South Vietnam, withdraw its forces from Cambodia and Laos, and refrain from introducing additional troops and war materiel into South Vietnam except on a one-for-one replacement basis. North Vietnam never observed the cease-fire and troop withdrawal requirements, and within little more than two months after it had signed the peace agreements it had already infiltrated some 30,000 additional troops and over 30,000 tons of military equipment into South Vietnam.

We believe the Sandinistas' main objectives in regional negotiations are to buy time to further consolidate the regime. History and the record and purposes of Marxist-Leninist regimes in general and the Sandinistas in particular lead us to believe that unless Nicaragua has implemented a genuine democracy as required by the Organization of American States such assurances could not be adequately verified and would not be complied with. Cuban officials have urged the Salvadoran communist guerrillas to slow down their attacks against the Duarte government in order to fortify and consolidate the Nicaraguan revolution. We believe that Cuba has assured the Salvadoran communists that it might take as long as five to 10 years, but as long as the Sandinista regime in Nicaragua remains, that country will serve as a base for communist expansion in the area and the Salvadoran insurgency will be renewed once the Sandinistas have been able to eliminate the armed resistance.

What does this mean for America's future? Should Central America fall under communist control, it could mean a tidal wave of refugees into the U.S.

Every country that has fallen under communist control since World War II has sent refugees streaming over the borders—first Eastern Europe, then Cuba, and more recently Vietnam and Afghanistan—and the potential influx from Central America is even higher than from any of these. Since 1980, some 200,000 Salvadorans fleeing the communist-initiated violence in their own country have entered the U.S. illegally. Illegal movement from Mexico has increased, with some one million Mexicans illegally entering this country in 1983 alone. In 1984, the Bipartisan Commission on Central America warned that a communist Central America would likely be followed by the destabilization of Mexico and that this could result in many millions of additional Mexicans fleeing into the United States.

Today, the Cuban and Nicaraguan military forces are together four times the size of those of Mexico and are equipped with vastly superior weapons. Today, with armed forces larger and better equipped than the rest of Central America put together, Nicaragua could walk through Costa Rica, which has no army, to Panama, and Cuba can threaten our vital sea lanes in the Caribbean.

The insurgency is a major obstacle to Sandinista consolidation in that it encourages the erosion of active support for the Sandinistas by creating uncertainties about the future of the regime; by challenging its claims of political legitimacy; and by giving hope to the leaders of the political opposition.

The largest anti-Sandinista insurgent group, the FDN, is still providing strong military resistance despite cutoff of United States aid almost a year ago. Popular sympathy for the insurgents appears to be increasing in the countryside, and the FDN continues to receive significant numbers of new recruits.

That opposition can increase the pressure until the Sandinista support has eroded sufficiently to leave them no option other than modification of their rejection of internal reconciliation. The objective is to allow for the same process of democratization that is taking place in the rest of Central America to occur in Nicaragua.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. MONTGOMERY. Mr. Speaker, today the House will begin debate on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the Chiefs of Staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the VA Medical Center in Kansas City, MO:

Veterans Administration,
Kansas City, MO, January 29, 1985.

Howard H. Green, MD.
Chief of Staff (11), Veterans Administration Medical Center, White River Junction, VT

Dear Doctor Green: The Kansas City VA Medical Center is a tertiary care facility of 401 operating beds. We have no nursing home care, intermediate, or domiciliary beds. We are affiliated with the University of Kansas Medical School as our primary medical school relationship. In addition, we have a variety of affiliations in allied health programs. There are approximately 1,000 residents and trainees rotating through the hospital each year.

As we began our budgeting for fiscal year 85, we documented a 1.3 million dollar deficit in our supply accounts and a funding deficit equivalent to approximately 13 FTEE in personal service dollars. The impact of the dollar deficit has meant that we have been under ceiling so far this fiscal year and have no indication as to when we might begin to bring on employees to fill those slots. Every position is reviewed by the Manpower and Budget Committee before a vacancy is allowed to be filled. Action to eliminate a number of positions, particularly some nursing clinical specialists, and the nurse recruiter has been completed. Other positions in a variety of areas have been held semipermanently from recruitment. The impact on our supply budget is that each control point was underfunded for fiscal year 85.

Although some money was targeted for stocking in late fiscal year 84 to offset this underfunding, it is generally acknowledged that stocking had minimal impact on alleviating future needs. There a number of control points that have no funding presently available. That funding must come on an as-needed basis from a small reserve. There has been no impact on our equipment account to this point. The backlog of patient surgery has been primarily due to the lack of personnel to perform procedures and maintain the operating room. The Ophthalmology Service is scheduling now for 6 months away. Other services have a backlog of anywhere from 2 to 6 weeks of cases to be completed. This backlog, of course, has caused the most urgent and emergent cases to take priority, all of which increases the acuity level within the facility and generates more cost.

Solutions for these problems have been hard to come by. Many of them have already been identified by Dr. Wolcott in his letter to you. We are attempting to reinstitute a stricter review of the OPT-NSC patients in the hope that this review will add some measure of control of the Pharmacy costs which have risen by leaps and bounds. Pharmacy costs for this facility are approaching four million dollars annually. Beneficiary travel is approaching one million dollars annually, despite careful review and limitations on mileage within the city limits. We have also undertaken a variety of measures locally for review of patterns of medical practice such as abolishing routine admission test batteries. We have an active Pharmacy and Therapeutics Committee that carefully screens and places restrictions on certain categories of drugs. Yet, it appears to me that action on a broader scale is required. Perhaps it will be important for there to be Congressional action to restrict beneficiary travel, to restrict access to the system, to require copayment by veterans toward their drugs or medical supplies, or some other mechanism to relieve the system's stress. Without such comprehensive and uniform action, individual hospitals will constantly skate along a thin line between practicing inadequate medicine because of shortage of staff and supplies or illegally restricting access to veterans.

Sincerely,

Daniel H. Winship, MD,
Chief of Staff.●

REMARKS OF RABBI JOY D. LEVITT

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday May 22, 1985

● Mr. MRAZEK. Mr. Speaker, the recent commemorations of the end of both World War II and the Vietnam war have generated serious soul-searching in more than a few of us. As we seek answers to the causes and ultimate meanings of war, we could do little to choose two more contradictory examples from which to draw our conclusions.

Recently, I had the chance to hear another perspective on the lessons of these great conflicts. Rabbi Joy D. Levitt of the B'nai Keshet Montclair Jewish Center in Montclair, NJ, spoke to a gathering at the Reconstructionist Synagogue of the North Shore in my district and offered a powerful synopsis of the dichotomy created between two generations of soldiers and civilians by two very different wars.

Rabbi Levitt is the first to admit that she harbors a view of the world that includes a certain pessimism. Yet her remarks that day imparted a sense of the positive from so much carnage and waste. I offer her observations for the consideration of my colleagues as we approach another Memorial Day:

Driving home last week, listening on the radio to the account of the ticker-tape parade honoring the Vietnam Veterans ten years after the end of that tragic war, there were tears in my eyes. Not so much because of the emotionalism of the moment, although it was emotional; not even, as one man said, because we feel so guilty for waiting so long to honor these brave vets, guilty though we may be for delaying a proper welcome for our fighting men and women. We are guiltier still for letting them go in the first place. Try as we did and do to feel proud and grateful to our veterans, we do not and cannot feel proud and grateful for the war they fought, and that strikes me as sad and somewhat significant for my generation, especially in light of that other war whose 40th anniversary we too commemorate this week. Reading and listening to those whose war that was, I sense the pride, the gratitude that must come from being good, facing evil, finding the courage and strength to fight it at great cost, and, in the end, winning. I'm not sure what the implications are exactly, for that generation to know they have fought a just war, but I do know what it means for a generation who has not. It means in part never knowing what is worth fighting for, not even being sure if we have what it takes, that courage and strength. At first, when I read the accounts and learned the songs that were written right after V-E Day, I was struck, in my post-Vietnam, post-Cambodia, post-Nuclear proliferation cynicism, by how utterly naive it all was. Not only had good triumphed at the time—it had triumphed for all time.

We know better. But still we remember that fight and that victory to-night, even with our cynicism, because naivete might in fact be wonderful optimism, and maybe some of it will rub off on us.●

MAINTAIN FEDERAL ASSISTANCE TO AMTRAK

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. FLORIO. Mr. Speaker, the administration has proposed the elimination of all Federal funding for Amtrak, our national railroad passenger system. The practical affect of this proposal would be the end of all Amtrak service on October 1.

The Secretary of Transportation has stated that either State or local governments or the private sector would assume many of Amtrak's lines. However, the Association of American Railroads and the Northeast Corridor Commuter Rail Authorities Committee have already announced that their members are either unwilling or unable to assume operation of any Amtrak lines. Now, Governor Robert Orr of Indiana, chairman of the National Governors Association Committee on Transportation, Commerce and Communications, has stated that the notion that Federal support for Amtrak can be replaced by subsidies from the States is fanciful.

Governor Orr has expressed his thoughts to me both at a hearing on Amtrak before my subcommittee and in a recent letter. I would like to share the letter with my colleagues while asking for their support in maintaining Federal assistance to Amtrak.

The letter follows:

Office of the Governor,
Indianapolis, IN, April 25, 1985.

Hon. James J. Florio,
Chairman, Subcommittee on Commerce, Transportation and Tourism, U.S. House of Representatives, Washington, DC.

Dear Congressman Florio: It was a pleasure to appear before you, Congressmen Coats and Sharp from Indiana, and the other members of your Subcommittee on Commerce, Transportation and Tourism on April 23, 1985.

You chaired the hearing with impressive insight into the current debate over Amtrak's future. The implication that federal support for Amtrak could be replaced by subsidies from the states is a notion best described as fanciful. The states do not have enough time to consider providing this funding. It would balkanize the national rail system; and it would be difficult to secure agreement among the states on routes and scheduling.

The Amtrak system is so interlocked that discontinuance of some trains would have an adverse domino effect on the remainder of the system; and, in my opinion, labor protection liability amounting to more than $2 billion cannot be ignored.

Congress should challenge Amtrak management to develop proposals which, over time, would reduce the reliance on Congressional appropriations for operating expenses. They should seek financing from alternative sources of income for intermediate and long-term capital needs. Urge them to develop their own plan with genuine innovation.

Amtrak needs and deserves your support.

Sincerely,

Robert D. Orr,
Governor.●

FIFTY YEARS OF REA

SPEECH OF

HON. PAT ROBERTS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. ROBERTS. Mr. Speaker, this week we are celebrating the 50th anniversary of the Rural Electric Administration. This event brought rural America from darkness into light and marks the rural passage from the age of kerosene into the age of Edison. For rural residents this meant an end to the drudgery of life without the conveniences that folks in town took for granted. It meant the possibility of a better and more productive life and the opportunity for increased efficiency and greater happiness.

Electricity is now taken for granted by nearly all Americans, both urban and rural. It is hard to believe, however, that this was not the case only a generation ago. Then, only city dwellers had access to the benefits of electricity.

The Rural Electric Administration marks 50 years of successful cooperation between Government and its rural citizens. Participation of the people themselves made the program work. Farmer-owned cooperatives led the fight to bring the lines to their homes and farms, thereby transforming rural America.

Mr. Speaker, as the rural electric movement begins its second half century of service, we cannot forget the unparalleled accomplishments it has achieved throughout rural America. We must look to the future with the same optimism, dedication, and foresight of the people who made the system work and forever changed the face of rural America.●

KILDEE HONORS TOMMY LOOMIS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. KILDEE. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues an outstanding youth from Genesee County, MI.

Ten-year-old Tommy Loomis proved that heros still exist in today's society by his actions in saving the life of a schoolmate. I am pleased to enter into the Record an article that appeared in the Flint Journal concerning Tommy's compelling story and offer my best wishes to Tommy and thank him for his great act of bravery:

Kearsley Pupil Credited With Saving Boy's Life

(By James M. Miller)

Genesee Twp.—Ten-year-old Tommy Loomis said it was "pretty scary" when he pulled a young schoolmate and neighbor from the path of a speeding car.

Kearsley School District officials are calling Tommy a hero, saying he probably saved the life of 6-year-old John Hartwell.

Donald L. Bostwick, principal at Buffey Elementary School, said the boys' school bus was stopped on E. Pierson Road, heading east, with its warning lights flashing when the incident occurred Wednesday afternoon.

Students .were getting off and crossing in front of the bus, when Tommy looked up and saw a car approaching fast—"at 50 or 70 miles an hour," according to Tommy's estimate.

John Harwell was almost across the westbound lane of Pierson when Tommy saw that the oncoming car was not going to stop, but was going off the road, onto the shoulder, Bostwick said.

"John was about two or three feet ahead of me, and I heard a car coming," Tommy said. "The bus driver opened the window and said, 'Watch out!' I grabbed (John) and pulled him back, but he still got hit."

Tommy pulled John back from the shoulder of the road, onto the pavement, and the car flashed past, clipping off a post with several mailboxes.

The car brushed the younger boy, spinning him around, then went back on the road and continued west, toward Branch Road. John told township police he was struck in the head by the car's mirror.

Genesee Township police are still searching for the hit-a-run driver.

The bus driver and Tommy took John to his home, paramedics were called and the boy was taken to the hospital and released.

John, a first-grade student at Buffey Elementary, is the son of Rawleigh and Donna Hartwell. Tommy is a fourth-grader at Buffey, and the son of Richard Loomis, a teacher at Kearsley High School, and Sandra Loomis.

Donna Hartwell said her son does not remember much about what happened.

"He said he heard a horn, felt a rush of wind and then had a sore head. He wasn't in the road, then he was in the road," she said. "He's a little sore, with some cuts and bruises, but he's OK.

"He was very lucky. We just thank God how lucky we were."

Sandra Loomis said her son was still shaken by the incident. "He's been a little bit scared since it happened," she said. "It hit him that they could've both been killed."

Richard Loomis said he was proud of his son's actions. "Of course, any father will tell you this, but my son is capable of doing that."

After talking to several witnesses and inspecting the scene, police are looking for a large, older car, medium green in color, with some damage to front end.

And the Kearsley Board of Education is planning to give Tommy a hero's honors at its next meeting.●

TRIBUTE TO DON BOURNE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. COELHO. Mr. Speaker, last Sunday, the community of Dos Palos, CA, lost one of its most outstanding citizens, and I lost one of my best friends. Mr. Don Bourne was a teacher, counselor, principal, and superintendent for my high school alma mater, Dos Palos Union High School. And I know he had a profound influence on the hundreds of students that he came into contact with, because he served as an inspiration to me from my days as a high school student through my days as a Member of Congress.

I can still recall stopping by Don's office every morning and seeking his advice on just about every problem a high school student could face. I was late for many a first-period class, but it was time well spent, for Don would use those opportunities to encourage me to go on to college, and to open my eyes to the world which existed beyond my parents' dairy farm. Even after I went away to college, it was Don Bourne who I would seek out for guidance, spending many evenings visiting with he and his wife Olive.

Later, after I had graduated from college, and my epilepsy was diagnosed, I went through a long period of personal turmoil. But Don Bourne was there again for that crisis in my life too, just as he always was—that time, encouraging me to come to Washington DC, and I wound up as a congressional staff member.

If every young person had a Don Bourne to serve as his or her friend, confidant, supporter, and guardian angel, our lives would be much happier. I am just thankful that I had Don Bourne. I will miss him, and my thoughts and prayers are with his wife Olive and daughter Bev.●

TRIBUTE TO HOME TOWN SAVINGS & LOANS

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Ms. MIKULSKI. Mr. Speaker, my home State of Maryland is currently experiencing a savings and loan crisis. Caught in the middle of this crisis are the small, home town savings and loans. These are the S&L's that have not ventured far from home. These are the S&L's that bring stability and trust to the community.

I am particularly aware of the importance of local S&L's to the community. My uncle Pete is the president of the Kosciuszko Permanent Loan & Saving Association in Baltimore. This S&L was founded by my grandfather and other immigrants and has been serving our community for nearly 100 years. The simple fact that no lines were forming outside of this S&L, as they were at the larger institutions, is evidence that the neighborhood trusts and respects their community S&L.

In the uproar of the present crisis, I think it is important that we do not forget the little guys, like my uncle Pete and my uncle Ed at the Kodernik Saving & Loan, who are providing security and stability to many communities. I believe that Dan Rodricks of the Baltimore Evening Sun best summarized this in his article of May 17:

Little-Fish Savings and Loans Gobbled Up by Big Boy's Troubles

(By Dan Rodricks)

As of yesterday morning, the Kosciuszko Permanent Loan and Saving Association had not gone uptown. Its board had not hired a public relations director or approved a loan on a Florida land deal. Its president had not purchased a Rolls-Royce. There were no lines forming at the door, either. All things considered, the savings and loan at 1635 Eastern Ave., next to the Polish National Alliance, appeared safe and sound.

It has been pretty much that way for nearly 100 years, which is all people ever wanted it to be.

The president, Peter Kutz, sat at a desk in the back. He wore a yellow short-sleeve shirt and a tie with an eye-boggling pattern. "Let me show you something," he said.

He went into a room and pulled out a huge photograph, taken in the earliest light of this century, of 13 stately gentlemen in dark suits and bow ties. "This is the old board of directors," Kutz said.

He pointed at the serious faces in the photograph.

"This is my father here," Kutz said. "He had a grocery store, at Fleet and Patterson Park. This one had a tavern. This gentleman was a worker somewhere. This gentleman was a cabinet maker. The man in the middle was associated with building and loans. This one was a dentist. This gentleman was in insurance. This man was a shoemaker. This gentleman was a barber. This was the attorney. And this gentleman here used to have a tavern at Bond and Eastern Avenue. He helped the Polish immigrants when they came in, sort of an overseer, you know?"

That was the role of the Kosciuszko Permanent Loan and Saving Association when men named Wasowicz and Twardowicz and Miksinski founded it in 1894. They were all immigrants—and they helped immigrants.

"That's how they started," Kutz said. "They were a bunch of friends, a bunch of cronies who got together and played cards and had a couple of shots of bootleg. And someone would say, 'So-and-so wants to buy a house, so let's put up some money and help him out.' That's how this started. That's how a lot of savings and loans started, in the back room of some saloon."

And that's pretty much how things have stayed at Kosciuszko, an old neighborhood thrift that people in East Baltimore have counted on for years. Compared to a savings and loan like Old Court, it is one of the little guys, with assets of about $4.3 million.

"We're here to help a person like you get on his feet and buy his first house," Kutz said.

Which means Kosciuszko has not gone uptown. It offers 8 percent interest on a regular passbook savings account. With 20 percent down, you get a mortgage—with no points charged. And that's all. No certificates of deposit. Not even a checking account. If you're nice, maybe you get a pen.

"The only thing we give away," said Edward Kowalski, the treasurer, "is our pledge for honesty."

The board, which is made up of the sons of previous board members, has kept things simple: two tellers and no hours on Wednesday. Probably as a result of such simplicity, Kosciuszko has kept the confidence of its customers—even through the current savings and loan crisis.

"This," said Kutz, speaking of the problems now confronting Maryland's savings and loans, "is with the big boys. Even though we're in good shape, we're getting pushed behind the blackball."

Like all savings and loans, Kosciuszko is currently prohibited, by order of the governor, from allowance withdrawals of more than $1,000. When the run on Old Court started last week, Kutz received a few phone calls from customers. "They wanted to know, 'Are you federally insured?'"

And, of course, Kosciuszko was not. Like at many savings and loans, its deposits were insured by the Maryland Savings-Share Insurance Corp.

"So, I had to explain that ours is not a speculative business. We don't venture around the country. We don't advertise in the Wall Street Journal. We have mortgages in Anne Arundel County and Baltimore County, some in Carroll County. But that's as far as we go. We make some business loans, but they're all well secured.

"People have confidence in us," Kutz said. "We had deposits on Tuesday of $22,000. A few made withdrawals [after the $1,000 limit went into effect]. But there, you see it, it's dead." He gestured toward the small lobby, which was empty at noon.

Over at La Corona Building & Loan, another small East Baltimore thrift with a board composed of the sons of immigrants, Dorothy Rutkowski, the vice president, worries about public confidence, which is everything in this business.

"It's like a family around here," she said. "I know these families. The savings and loans originated for people to deposit their money and for the savings and loan to make loans to home buyers. That was the primary function. Today, some of these savings and loans are almost like commercial banks.

"I've been in this business 40 years. I worked to build up good will among customers. The big institutions are tearing that good will down. I want to stay in the neighborhood. I don't want 60 million in deposits."

As of Dec. 31, La Carona had assets of about $5.5 million. It offers 10 percent interest on savings, 11 percent on a 30-month certificate, retirement accounts, checking, savings bonds.

Rutkowski and her two tellers even handle utility bills. And, of course, they make loans to home buyers. That's all. Nothing real fancy. Nothing too far uptown. Nothing that can get you into trouble. Trouble is for the big boys. Problem is, the troubles of big boys are visited upon the little guys, and someone should watch out for them.●

ANOTHER VIEW: NICARAGUA

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. EDWARDS of California. Mr. Speaker, President Reagan's intentions against the current Government of Nicaragua are quite well known, and have only been made clearer by his recently announced trade embargo against that country. His constant efforts to cause the demise of the Nicaraguan Government have only succeeded in pushing Nicaragua further into the waiting arms of the Soviets, and in driving a larger wedge in the ever-widening rift between the United States and our allies who do not support our policies in Central America.

In addition, the President's sanctions against Nicaragua seem to suggest that Sandinista mismanagement of the economy is to blame for that country's hardships, and that these sanctions will be the crowning blow to an already tremulous economic situation, thereby causing the downfall of the Ortega-Sandinista regime. The administration has even implied that Managua had acted irresponsibly in dealings with U.S. companies, and that private business in Nicaragua is being strangled by a movement toward a state-controlled economy.

Mary E. King, a senior official in the Carter administration, who is now a senior research fellow at the Council for Hemispheric Affairs, recently completed a report on her research on the status of U.S. business in Nicaragua. I am enclosing a copy of her report for the Record. I would encourage my colleagues to read this report:

Another View: Nicaragua

(By Mary E. King)

Behind the recently announced trade embargo against Nicaragua lies another claim by the Reagan administration: that Nicaragua is strangling private business and moving toward a state-controlled economy. In fact, in the few instances where nationalization has occurred, it has been in the area of natural resources, such as extractive minerals, which many thriving democracies around the world prefer to control.

On Sept. 28, 1983, on conclusion of negotiations between Rosario Mining of Nicaragua, a subsidiary of Amax, Inc., and the Nicaraguan government, which had announced its intent to take over the country's gold and silver mining, Colin S. Brooks, Rosario's president, actually presented a silver ingot to the government to acknowledge the "amicable resolution" of the nationalization process.

Brooks had surprisingly warm words for the Nicaraguan officials. "The agreements are testimony to the good faith of both sides and your ability to engage in reasonable dialogue," he told them, and praised the "patience, honesty and professionalism" of the government negotiating team. The agreements call for $8.8 million to be paid in compensation over six years.

Documents signed in 1982 with ASARCO, the other American company active in precious metals in the country, provided for payment of $6 million over six years.

The government has faultlessly honored its agreements with these two American mining companies.

The Standard Fruit Company, a subsidiary of Castle & Cooke, is the only American company that has voluntarily left Nicaragua since the revolution. Its move was decided on economic terms rather than on the political grounds it later professed.

The company had arranged for exclusive purchase agreements guaranteeing a cheap source of bananas for 10 years from locally-organized production associations on the west coast of Nicaragua. When a glut in the world banana market prompted the firm to consider leaving, Managua was anxious, for reasons of its image abroad, that it remain.

The Sandinistas dispatched officials to San Francisco, where, in January 1981, a five-year agreement was signed for the fruit company to become the exclusive purchaser of all of Nicaragua's bananas at prices proposed by the company.

But in the autumn of 1982, when the world banana market dropped sharply, the company departed. It told the government, and was quoted in its own corporate reports, that it was leaving for economic reasons because of the market downturn.

The following year, however, Standard Fruit filed a formal indemnification request with the U.S. Overseas Private Investment Corporation, a quasi-governmental agency, claiming that it had to leave because of government intervention and expropriation. The claim has thus far not been honored.

Up to the latest crisis in U.S.-Nicaragua relations, Managua has received far more economic aid from the countries of Western Europe and Latin America over the last five years than it has from the socialist bloc and Libya. This aid has come from Mexico, Venezuela, Holland, Belgium, Argentina, Brazil, Canada, Ecuador, France, Finland, Spain and Sweden, with Italy now joining the list. Mexico is currently a prime source of funds and Peru has opened a line of credit, as has Colombia, for the purchase of machinery. Brazil has extended a line of credit and made funds available for buses and transportation. Some new short-term loans have come from Scandinavia, with Sweden now being the second-largest supplier of foreign exchange to the Sandinistas.

Determined to strangle the Sandinista government economically, and fulfill its thesis that Nicaragua's economy is in shambles, the Reagan administration, even before the trade embargo, had single-mindedly devised a strategy, which can only drive the country into the hands of the Soviets. It has used its preponderant voting strength in the World Bank and Inter-American Development Bank (IDB) to block all soft loans. Angry that the IDB in November 1983 signed an agreement with Nicaragua for a $30.4-million financing of a fishing industry, Secretary of State George Shultz initiated a private campaign to torpedo an IDB loan of more than $100 million to the private agricultural sector in Nicaragua, the very activity that it said it hoped to preserve inside that country.

The Sandinistas inherited $1.6 billion in external indebtedness from the previous Somoza dictatorship. Approximately half this sum was owed to commercial banks, and the other half to multilateral institutions. The new government never repudiated a financial burden that was not of its own making, and has restructured its indebtedness in order that it wouldn't have to enter into default.

Today, between 57 and 60 percent of the Nicaraguan economy remains in private hands. While not impeding the private ownership of land, the government admittedly regulates wages, and prices and closely oversees its international trade, as well as some aspects of industrial production. There also exists tacit pressure on the entrepreneur to increase profits by improving planning, training and production techniques.

Since the revolution, 266,960 hectares of land has changed hands—most of it formerly owned by the Somoza family and large landholders. Last year, approximately 54 percent of Nicaragua's agricultural land remained in private ownership, approximately 22 percent was in cooperatives, five percent belonged to individual peasants, and 19 percent—land formerly owned by the Somozas and officers of the National Guard—was under state control.

Humayun Gauhar, publisher of South magazine, has observed from London, "No one believes Nicaragua is a Marxist country when its private sector is larger than that of Britain under Margaret Thatcher."

Predictably, the overheated policies of the Reagan administration have increased the economic role of Eastern Bloc nations and Cuba in Nicaragua, but also have resulted in the Sandinistas seeking new friends throughout Latin America and Western Europe in a desperate effort to make up for the dangerous gap caused by the cutoff of trade with the United States.

EDITOR'S NOTE.—Mary E. King was a senior government official in the Carter administration and is Executive Director of Young Ideas, Inc., and a Senior Research Fellow of the Council on Hemispheric Affairs, both Washington-based nonprofit public-policy organizations. She visited Nicaragua last year to look at the long-term economic climate.●

ELMIRA, NY, CELEBRATES MARK TWAIN DAY

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. LUNDINE. Mr. Speaker, I am pleased to inform my colleagues that in honor of the anniversary of Samuel Clemens' 150th birthday, May 17, 1985, was Mark Twain Day in New York State. Twain who is famous for such works as "Huckleberry Finn," "Tom Sawyer," "A Connecticut Yankee in King Arthur's Court," and "The Prince and the Pauper," was a summer resident in my congressional district for 20 years.

Shortly after the Civil War ended, Twain was married to Olivia Langdon in New York City, and the two summered with Langdon's parents who resided in Elmira. Literary historians at Elmira College maintain that "Tom Sawyer," "Huckleberry Finn," and "Life on the Mississippi" were written during the 20 summers Twain spent with the Langdons. Twain had a study shaped like a Mississippi riverboat pilothouse outside the Langdon family manse, Quarry Farm, and there he would write all day. Quarry Farm is now the Center for Mark Twain Studies, and a replica of the pilothouse has been moved to the Elmira College campus.

In honor of the anniversary of Twain's 150th birthday, the city of Elmira, where Twain spent 20 summers, has planned 5-months' worth of festivities. Friday, I was in Elmira to march in the Mark Twain Day Parade. I urge my colleagues and their constituents to take a trip up to Elmira this summer to enjoy this festival which will include parades, concerts, plays, and other activities highlighting several aspects of Twain's life.

It is curious to speculate as to how Twain would have felt about all this hoopla on behalf of his 150th birthday. Perhaps the best answer to this query can be found in one of his notebooks where Twain wrote, "What ought to be done to the man who invented the celebrating of anniversaries? Mere killing would be too light."

I hope my colleagues will join me in celebrating Mark Twain Day, and that all Americans will read or reread Twain's books this year in order to recapture a part of Americana dear to us all, as well as to enjoy some of the finest literature ever written by an American author.●

A TRIBUTE TO RABBI JACOB M. OTT

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. WAXMAN. Mr. Speaker, on May 21, 1985, Rabbi Jacob M. Ott was honored at the "Salute of the State of Israel" to the Sephardic community of Los Angeles and was accorded the Torch of Freedom Award. The award was presented by the Honorable David Levy, Deputy Prime Minister of the State of Israel.

Rabbi Ott earned his master of arts degree in international law and relations from the University of Chicago and was ordained at the Hebrew Theological College of Chicago. Following his ordination in June 1942, he was assigned to the 83d Infantry—Thunderbolt—Division as the youngest Jewish combat chaplain in the military. He served with distinction and accompanied the 83d Division during the invasion of France on D-day. Rabbi Ott was awarded the Bronze Star Medal with Oak Leaf Cluster and five Battle Stars for his service with U.S. forces on their drive from Omaha Beach, Normandy to the Elbe River. He attained the rank of major before returning to civilian life.

Rabbi Ott's witnessing of the Holocaust horror and his work with concentration camp survivors profoundly influenced the direction of his life. He has received special recognition from Dr. Stephen S. Wise and the American Jewish Congress for his dedicated work with survivors and his writings on the Holocaust.

Rabbi Ott continues to serve in many ways. He has been the spiritual leader of Sephardic Temple Tifereth Israel in Los Angeles for 25 years and holds numerous other official positions. He is a long-time member of the interfaith team of the National Conference of Christians and Jews. He has served as president of the Western States region of the Zionist Organization of America, president of the California Branch of the Alliance Israelite Universalle, national vice president and Los Angeles president of the American Zionist Federation, and member of the Israel Affairs Committee of the Board of Rabbis of Southern California.

Rabbi Ott's activities on behalf of the Jewish Federation Council of Los Angeles deserve special mention. He is a board member and cochairman of the Middle East Commission, chairman of the advisory cabinet of the Jewish National Fund, and the first Rabbi and nonattorney to hold the post of chairman of the Community Relations Committee.

As a State of Israel Torch of Freedom honoree, Rabbi Ott symbolizes the courage, determination, and democratic spirit on which Israel was founded. I ask all Members of the House of Representatives to join me in saluting Rabbi Ott on this distinctive occasion and expressing gratitude for his great contribution to the well-being of people everywhere.●

KOREAN WAR VETERANS MEMORIAL

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. PARRIS. Mr. Speaker, a great disservice has been done to a very large segment of our population—a group of 5.7 million American citizens who served in the Armed Forces of the United States during the Korean war. I am proud to be a member of this distinguished group as, I am sure, are many of my colleagues in this Chamber.

In that war, Mr. Chairman, 54,236 Americans made the ultimate sacrifice for their country and the ideals of freedom and self-determination—the ideals which form the foundation upon which this Nation rests and from which it gets its sustenance. In addition to those who gave their lives during the Korean war, 103,248 were

wounded and 5,178 were either captured or were missing in action.

Mr. Chairman, it is incredible to note that there is not a memorial in the Nation's Capital to the veterans of the Korean war. The only group of war veterans not to be so honored.

The disservice done to these fine Americans has been permitted to go unremedied for over 30 years, and I have introduced legislation to see to it that it is not permitted to go on any longer.

The legislation which I have introduced seeks to authorize the erection of a memorial by the American Battle Monuments Commission to honor all those who served in the Korean war; particularly those who were killed in action, listed as missing in action, or were held as prisoners of war.

Mr. Chairman, this brave group of Americans has been leapfrogged by time and it is up to those of us serving in Congress to rectify the situation. I would, therefore, urge my colleagues to join in support of this very important resolution.●

A TRIBUTE TO CAPT. LEO BERGER

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. LENT. Mr. Speaker, on June 9, the North Shore Synagogue Committee for Soviet Jewry, in conjunction with the Long Island Committee for Soviet Jewry, will honor Capt. Leo Berger of Old Westbury, NY. Leo Berger has been a good friend and supporter of mine for many years, and I can think of few individuals more deserving of this recognition. It is a great honor for me to join his family, his many friends and colleagues in paying tribute to this outstanding American whose impressive record of accomplishments in his chosen field is surpassed only by his dedication and compassion for his fellow man.

Throughout his life, Leo Berger has demonstrated commitment to the American ideals of liberty, equality, and opportunity for all men. An active member of the Long Island Committee since it was founded in 1977, Leo Berger has worked tirelessly in the campaign to restore human rights and freedom to Soviet Jews. His generous—and often unobtrusive—support has enabled countless Russian Jews to become citizens of the free world.

Capt. Leo Berger was born in Hungary in 1920. His family emigrated to the United States and settled in New York City in 1928. Leo attended New York City public schools, and he later worked his way through all 4 years of college at Cornell University. In 1942, he entered the U.S. Merchant Marine Academy at Kings Point. He eventually received his master's license in 1948 while working for Triton Shipping, Inc., a large Greek shipping concern.

In 1950, Captain Berger entered Cornell University Law School. However, he interrupted his studies a year later to serve his country at sea during the Korean war conflict. Captain Berger returned to Cornell, where we were classmates together, to earn his juris doctorate degree in 1956, and was admitted to the New York State Bar in 1957.

Captain Berger is widely recognized, and highly respected, as a giant in the U.S.-flag coastwise and international merchant trade. The Avon Steamship Co., Inc., formed by Captain Berger and his partner, Mr. Peter Constas, was one of the first bidders for Federal construction and operation subsidies.

As a result, the first nine subsidized U.S. tankers were constructed and the first chapter in the Berger Group's U.S.-flag involvement was written. In addition, Avon has operated as many as 25 foreign-flag vessels in the international trade.

The entrepreneurial success of the Berger-Constas partnership has grown substantially to include many associated, affiliated, and subsidiary companies, known as the Berger Group. The Berger Group is the largest privately owned independent operator of U.S.-flag vessels engaged in both the coastwise and foreign trades of the United States. Captain Berger has made invaluable contributions toward developing a modern, efficient, and competitive U.S.-flag merchant fleet, with about 2 million deadweight tons in the Berger Group fleet.

The hallmark of Leo Berger's career is a standard of excellence few can hope to achieve. Yet it is his generosity of spirit and goodwill which have earned him the respect and admiration of so many people.

On behalf of his family and friends, I extend my warmest personal congratulations to Capt. Leo Berger on this memorable occasion. And I offer my most sincere gratitude and appreciation for his remarkable contributions toward securing peace and freedom for his fellow man.●

WORLD TRADE WEEK

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. GEPHARDT. Mr. Speaker, this week is World Trade Week, and it could not have come at a more appropriate time. We are all aware of our trade problems. This year's trade deficit will almost certainly surpass last year's record $123 billion. More industries will locate abroad, and more jobs will be lost.

Our present problems have begun to strain our ties with allies. World Trade Week gives us the opportunity to think about how we can improve the situation in a positive way. One constructive solution lies in improving the export capacity of small businesses.

America's small businesses play an integral role in our economy. They create 80 percent of our new jobs. They create many of our innovations and inventions.

But generally they do not export. Over 90 percent of America's firms sell only here, although over 90 percent of the world's population is outside the United States.

The opportunities are immense. The Commerce Department estimates that at least 20,000 small businesses not now exporting could do so. If even a fraction of these businesses became exporters, we could create 40,000, 50,000 or even more new American jobs.

The barriers to increased exports are also immense, and many American firms are often reluctant or unable to explore export markets on their own. Language and custom barriers inhibit marketing, as do troublesome details such as metric conversion. And there are the problems of the overvalued dollar and the weak economic conditions of many other countries.

We need to reduce the budget deficit and get the dollar down. But we should also target more resources into helping capable American businesses compete better. The International Trade Administration, the Small Business Administration, and the Export-Import Bank are among the existing vehicles we can use to accomplish this end.

Some progress has been made, as the Export-Import Bank's case shows. In 1982, 3 percent of its funds were used to finance small business exports. Now the figure is 13 percent, well above previous targets.

These are commendable improvements, but more can be done. We should continue our support of small business and of programs that effectively help small businesses compete in the world marketplace. Confronting these barriers will not be easy. The rewards, however, are there and worth the effort.

Thank you, Mr. Speaker.●

SOVIET JEWRY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 21, 1985

● Mr. ROE. Mr. Speaker, I rise to add my voice to those in the Congress who are protesting the continued persecution and mistreatment of the Jews of the Soviet Union.

The religious freedom that is taken for granted in America is nonexistent, for the Jewish people at least, in the Soviet Union. They are not free to worship as they please, as we are. They are not free to instruct their children in the tenets of their religion, as we are. They are not free to teach their children the language of their ancestors, as we are. In short, the Jews of the Soviet Union are denied every means to preserve their Judaism and its rich and illustrious heritage.

On top of being denied the ability to preserve their religion, they are almost prohibited from emigrating from the Soviet Union to be able to practice their religion elsewhere, whether in Israel, Europe, or the United States and Canada. Jews who apply to emigrate are persecuted, harassed, put in jail, and forced to lose their employment. The jobs that they are given once fired from their positions are menial and barely enough to feed their families. Employment opportunities are closed to them once they apply to emigrate.

In the last year, Jewish emigration from the Soviet Union was at an all time low. The Soviet authorities are trying their hardest to discourage emigration, yet the Jews who remain in the Soviet Union are deprived of the ability to practice Judaism. There are very few rabbis in the Soviet Union, and few are being trained. Hebrew teachers have been arrested and Hebrew books are confiscated. The Soviet authorities are trying to eradicate Judaism and the Jewish people from the Soviet Union.

Another part of this effort has been the appearance of Government sponsored anti-Semitism. Films depicting Jews and the State of Israel in the worst possible settings have appeared. Zionist activities have been likened to the Nazis, and Jews have even been accused of participating and cooperating with the Nazis in the Holocaust.

These Soviet actions compel us to rise up and speak out against the vicious diatribes that the Soviet authorities have launched against the Jews of Russia. We must protest the Soviet efforts to forcibly assimilate the Jews of the Soviet Union, and call attention repeatedly to the Russian authorities' prohibition of emigration from the Soviet Union.

It is a sign of the times that we must speak out in this special order. I would gladly trade this speech for the right of the Jews of Russia to be able to practice their religion and to be able to emigrate, should they choose to do so. But we must speak out before it is too late and another Jewish civilization, like the ones destroyed in the Holocaust, will disappear. We can do no less.●

CONGRATULATIONS TO JOSEPH OSHETSKI

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. GEKAS. Mr. Speaker, I would like to take this opportunity to pay tribute to Joseph Oshetski for the courage he showed in using his knowledge of lifesaving techniques, learned in high school cardiopulmonary resuscitation class, by saving the life of Mrs. Donna Wolfe.

On June 16 of last year, Joseph was attending a barbecue in Sunbury, PA, and noticed that Mrs. Wolfe, who was sitting nearby, was having difficulty breathing. After approaching Mrs. Wolfe and determining she could not breathe because of a food particle lodged in her throat, Joseph immediately proceeded to perform the Heimlich Maneuver, a series of back blows and abdominal thrusts designed to dislodge a foreign substance from a choking victim's throat. Soon, Mrs. Wolfe was breathing freely again. Without a doubt, the quick reaction on Joseph's part saved Mrs. Wolfe's life.

This meritorious action by Mr. Oshetski, a senior at Shikellamy High School, exemplifies the highest ideals of the concern of one human being for another. I would like to commend Joseph for his quick thinking and we together in the House of Representatives issue a joint congratulations to this fine young man.●

STUDY COMMISSION PROPOSED TO REMEDY CLOSE ELECTIONS

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. HILLIS. Mr. Speaker, I rise today for the purpose of introducing a resolution which would establish a study commission to recommend procedures for resolving contested House elections in a nonpartisan atmosphere.

While we may never again witness an election as close as the Indiana Eighth race, I think it behooves us to be prepared if ever again this House is called upon to recount a congressional election.

In January, necessity required us to put a task force together quickly. Since there were few precedents to follow, the task force was forced to pave new ground under glaring publicity and sometimes vitriolic partisanship.

Now that the immediate issue has been resolved, I believe we have a responsibility to examine the way we handled this difficult and most complex situation.

The decisions made in the Indiana Eighth case should be studied so that the manner in which we act in our constitutional capacity as the final arbiter of congressional elections can be improved.

As much as possible, we should strive to protect future recount efforts from the destructive partisanship which clouded the Indiana Eighth situation.

The study commission I am proposing today would recommend a framework of procedures which the House could use if ever again circumstances arose that required a House-sponsored recount.

The recent controversy over the Indiana Eighth recount demonstrated how unprepared the House is to deal with its duty under article I, section 5 of the Constitution to "be the judge of elections, returns and qualifications of its own Members."

I urge my colleagues on both sides of the aisle to join in support of this resolution whose work can ensure that future Houses will be spared from the confusion and divisive partisanship which accompanied last month's debate.●

INFRASTRUCTURE SYMPOSIUM

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. MINETA. Mr. Speaker, I recently had the opportunity to participate in an important symposium on our national infrastructure problem sponsored by Nickerson, Ingram, Vento & Associates. Several of my colleagues joined in these discussions, which were far ranging and useful.

John H. Ingram, one of the organizers of the session, has prepared a summary of our conversations, and I am attaching that summary for Members information.

INFRASTRUCTURE: A CRISIS OF OUR OWN MAKING?

(By John H. Ingram)

"Our infrastructure (our roads, bridges, sewers, water supply systems, waterways, ports, railroads and mass transit systems) is to the nation as arteries and veins are to the human body. It provides sustenance. But, our infrastructure is different from the human body because it cannot heal itself.

The infrastructure needs an infusion of capital." (John W. Sroka, The Associated General Contractors of America, Washington, D.C.)

What I have to say about the issue of infrastructure will concede the importance and magnitude of the problem and focus instead on those solutions that reflect the realities of today's political climate.

In order to encourage a serious national dialogue, Nickerson Ingram Vento & Associates, Inc. (NIVA) sponsored a National Symposium on U.S. Infrastructure: Problems, Priorities and Financing Alternatives. For those who were unable to attend this event, I will take this opportunity to summarize the Symposium's conclusions.

Reflecting a belief that government alone will never be able to fully respond to the total infrastructure need which confronts our nation, the Symposium, which was sponsored entirely by the private sector without government funding, allowed national leaders in the fields of communications (Hill & Knowlton), industry (the Associated General Contractors), finance (Merrill Lynch and Shearson Lehman/American Express) and government an opportunity to focus their combined attention on the infrastructure issue. However, instead of trying to decide whether the need is $1 trillion or $3 trillion, the Symposium attendees focused on reaching agreement on a coordinated plan to get on with the building of needed projects.

INDUSTRY'S VIEWPOINT

John W. Sroka, executive director for the occupational services division of the Associated General Contractors of America (whose quote leads this article), made it quite clear that if politicians at all levels of government could ever reach consensus that our infrastructure must be upgraded, then the private sector is ready to get on with the process of building the individual projects. It was estimated that for each $1 billion of investment, 56,000 construction and construction-related jobs would be created. Over a 10-year period, a $1 trillion spending effort would create six million jobs.

THE GOVERNMENT VIEWPOINT

Representing the government viewpoint at a panel discussion of the federal role in infrastructure financing were: Congressman Jim Howard (D-NJ), Chairman of the House Public Works & Transportation Committee; Congressman Glenn M. Anderson (D-CA), Chairman of the Surface Transportation Subcommittee; Congressman Robert A. Roe (D-NJ), Chairman, Water Resources Subcommittee; Congressman Norman Y. Mineta (D-CA), Chairman, Aviation Subcommittee; Congressman Bud Shuster (R-PA), Ranking Republican Member of the Surface Transportation Subcommittee; and Congressman Arlan Stangeland (R-MN), Ranking Republican of the Water Resources Subcommittee.

Chairman Howard commented on the lack of public awareness of the infrastructure problem.

"We forgot to look at what we had built, and we need to get into re-construction," the Chairman began. "Two-thousand miles of interstate highway each year need major repairs; one bridge every two days collapses; and forty-five percent (45%) of all bridges need either replacement or repair. The water system of New York City is so antiquated that it wastes more water than London consumes," the Chairman added.

Mr. Howard concluded his remarks by advising the attendees that the Public Works Committee intends to make the 99th Congress "the Infrastructure Congress."

While noting that funding for the reconstruction of the nation's Interstate highway program has increased ten-fold since he became Surface Transportation Chairman in 1981, Congressman Anderson charged that during the 1970s, America had allowed its transportation infrastructure to deteriorate to a point that even the current spending levels are insufficient to bring it up to standard.

"In 1976, it would have cost $11.2 billion to return Interstate, arterial and collector roads to their 1975 condition. By 1981, that price tag had escalated to $119 billion," Congressman Anderson stated. "Likewise, thirty percent (30%) of our public bus fleet has already reached its life expectancy," Anderson concluded.

Chairman Roe urged the attendees to go out into the marketplace and start talking about the capital base of the country.

"We have to rebuild the internal dynamics of America in order to compete overseas," the Congressman commented. "In 1965, five percent (5%) of our Gross National Product (GNP) was invested in infrastructure. In the 1970s we invested only .7 of one percent. By contrast, Japan annually spends five percent (5%)," he added.

Chairman Mineta of the Aviation Subcommittee then joined Representatives Shuster and Stangeland in documenting the extent of need in the aviation, surface transportation and water areas. Chairman Howard and his colleagues then announced the introduction and Committee hearing schedule of H.R. 5948, the National Infrastructure Act. This legislation would make 20-year interest free loans available to states based upon a population formula. The fund would allocate $3 billion per year for ten years.

During the course of the panel discussion, it was made clear, however, that even if H.R. 5948 should manage to clear a path through the maze of competing congressional committees in the House, little hope was expressed that the Republican-dominated Senate would respond in kind. This fact was highlighted by Chairman Roe who stated that the House during June of 1984 had increased the funding for sewage treatment plants to $19 billion over four years (H.R. 3282), had attempted to spend an additional $400 million collected annually by the penny-a-gallon tax for mass transit (H.R. 5504), and had created an $800 million a year loan program for municipal water supply systems (H.R. 3678).

"We are still waiting for the Senate to act on all of those bills," Congressman Roe stated. Given that the Senate adjourned for the November elections without approving any of these bills, each must now begin anew its perilous trip through the congressional process.

Those attending the Symposium commented that even if the Congress had enacted all the aforementioned bills, including H.R. 5948, the money may still not be enough. Indeed, the need may be greater than anyone expects if the disaster in 1983 involving a 100-foot section of a Connecticut bridge is any indication. The State's transportation department had found that very bridge "not to be in need of major repair" nine months before it collapsed!

Even if we should concede that a certain part of our "infrastructure crises" is politically motivated and that we should ask our government authorities to do a better job rather then merely doing a more expensive job of managing public works projects, the magnitude of the dollar need confronting us is nevertheless staggering.

One piece of legislation that did win final approval prior to the adjournment of the 98th Congress was S. 1330 creating a National Council on Public Works Improvement. This new law will no doubt lead to a sorting-out of public works projects that either have or don't have sufficient "federal interest" to justify federal funding.

THE COMMUNICATIONS VIEWPOINT

Lawrence R. Walsh, Vice President of Hill & Knowlton and a sponsor of the Symposium, focused on "Why Infrastructure Projects Fail".

Mr. Walsh cited political inertia, the tendency to put-off things until problems are overwhelming, as the chief reason for the lack of enthusiasm for rebuilding infrastructure.

"Americans traditionally have had a reluctance to face things that are not at a crises stage," Mr. Walsh began. "We just don't have the public resources to throw a $100 billion, let alone $1 trillion, at a program like the nation's infrastructure and expect a quick fix," he added.

Mr. Walsh then commented on the difficulty of solving problems while the current focus in Washington is budget-cutting.

"Clearly, many politicians would prefer to delay public works spending rather than communicate the seriousness of the problems to their constituents," Walsh concluded.

THE FINANCIAL COMMMUNITY'S VIEWPOINT

While the need to increase public facility investments has grown, the financial representatives at the Symposium commented on the increasing difficulty of arranging such financing over recent years because of high and variable interest rates on municipal debt and such disincentives as federal "strings" on grants and certain provisions of the federal tax code.

The recent recommendations of the Treasury Department on ways to "reform" the federal tax code may further complicate and add to the high cost of infrastructure financing. However, since these recommendations will result in lengthy discussion here in Washington by the congressional tax writing committees, an opportunity now exists for us to call for the elimination of those sections of the tax code which discourage public/private partnerships in the building of such badly-needed facilities as water resource systems, solid waste/resource recovery, and toxic waste management/disposal systems, among others.

And while most observers of the Congress feel that few of the Treasury's more dramatic proposals such as the elimination of accelerated cost recovery system deductions, (ACRS) will be adopted any time soon, the attendees at the Symposium cited the following as contributing factors to the high cost of infrastructure finance and expressed hope that the Congress would recognize that:

The demand has increased for tax-exempt debt by such traditional institutional investors as banks and insurance companies. This is chiefly due to their shrinking profit margins.

The 1981 Economic Recovery Tax Act's lowering of tax rates of individual high income taxpayers not only reduced their appetite for tax-exempt income but also created several tax-exempt investment options such as IRS's and All Saver's Certificates—

both of which increased competition for funds in the tax-exempt market.

The past mistakes of a few tax-exempt issues such as New York City, Cleveland, and the Washington Public Power Supply System, have frightened some individual investors of an increased risk associated with some tax-exempt issues.

The creditworthiness of governmental issues has now become a concern to many potential private sector partners in infrastructure finance. If we look at the erosion taking place of traditional state and local revenue sources when tax and debt limitation initiatives pass, we can understand why the creditworthiness issue now exists. Even in those states where limitations have failed, the threat they posed has led to a mood of caution by the governmental units. Furthermore, the on-going demographic shift from cities to suburbs has had the effect of contracting the general tax base, particularly for the older cities which often have the most acute infrastructure needs.

Thomas H. Cochran, Vice President for Public Finance for Shearson Lehman/American Express, urged officials to "stop spending our children's inheritance" by recognizing that when it comes to our infrastructure, we can either pay for it now or we will pay for it later.

Merrill Lynch's Managing Director of their Municipal Finance Department, Daniel H. Harman III, presented a basic primer course in municipal finance. He began by reviewing the desirability of self-supporting financing for highway, bridge, airport, mass transit, water supply/distribution, wastewater collection/treatment, and resource recovery projects. He then moved on to a discussion of the characteristics of revenue bond financing for projects which by their nature do not lend themselves to self-supporting financing. During this part of his presentation, he listed the requirements for a successful revenue bond issue and highlighted the implications of an insufficient revenue stream).

Both Mr. Cochran and Mr. Harman stressed that there is no magic wand which government can wave to make the infrastructure problem go away.

THE REBUILDING PROCESS

To conclude the Symposium, Dr. John E. Petersen, director of the Government Finance Research Center of the Government Finance Officers Association, led a panel discussion on "Securing Project Funds." As the discussion progressed, it became quite clear that cost-effective and innovative financing alternatives for states, localities and the private sector exist.

Having reached agreement on how best to secure the actual financing, the panel then turned its attention to the steps required to build the local coalition (comprising representatives from government, the construction industry, and the communications, financial, and legal communities) necessary to actually secure the financing. Such a coalition, again, built at the local level, would coordinate the steps necessary to begin the rebuilding process.

This rebuilding process has two basic steps:

Step one

Identify and then build a coalition that will be charged to develop an integrated program to rehabilitate a specific infrastructure system.

Step two

This step, by far the most complex and time consuming of the two, requires the development of a community capital investment strategy. To do this, a complete inventory of the general state of the infrastructure to be rehabilitated must be compiled. Likewise, a projection of federal, state, and local aid in each infrastructure area must be produced. Once this inventory and funding projection is available, the next phase of the strategy calls for an assessment of priority of need in each infrastructure area according to criteria which members of the coalition have approved. Such criteria might include (A) health and safety, projects that remove hazards for residents; (B) essentiality, projects which serve as vital links in providing services to residents; (C) economic development, projects critical to gaining or retaining industry and the jobs that go with them; (D) cost-effectiveness, projects which reduce current maintenance expenditures and thus avoid costly future rehabilitation; and (E) legal mandates, projects clearly required as a result of court action or government regulation.

Once the coalition's capital investment strategy is developed to this point, an evaluation of potential financing alternatives is in order. Now the discussion turns to questions like: (A) Would a rate increase support a revenue bond or should we change the rate to better reflect the true cost of upgrading the service being provided? (B) Should we raise existing taxes to support a general obligation bond and earmark the revenue for public transit? (C) Can we be more aggressive in obtaining discretionary funds, going after less traditional program funds, or should we instead divert resources from other accounts? (D) Should we institute a new motor license fee and earmark the income to bridge maintenance and a truck weight fee earmarked for road maintenance?

With these questions decided, the coalition now moves to build an environment for economic growth. This is accomplished by clearly stating in understandable terms the individual costs and benefits to be derived by the implementation of the strategy. This might require members of the coalition to use quite simple statements like: (A) "For what you all spend on a tank of gasoline, we will fix the following 58 bridges . . . " (B) "Twenty-five percent of our water is lost through cracks in the system." (C) If we fix the water system, you'll get more pressure and less brown stuff."

CONCLUSION

Those attending the National Symposium on Infrastructure already knew that our nation's public resources, these valuable assets, must not be allowed to deteriorate further. They knew that such action would ultimately shackle our continued economic growth.

A strategy was developed for renewing our infrastructure by encouraging, indeed forcing, government officials to recognize this threat before the already staggering costs become even more of a terrible burden on our children. Our failure to move forcefully across the country implementing this strategy will surely stall the continued progress of our various communities.

Should we allow this to happen, we will have infrastructure as a Crises of Our Own Making.

(Mr. Ingram, President of Nickerson Ingram Vento & Associates, Inc., a government policy consulting corporation headquartered in Washington, D.C., was formerly chief legislative assistant to Congressman Glenn M. Anderson, federal representative of the State of California, and chief lobbyist for the American Public Transit Association.)●

A TAXPAYERS BILL OF RIGHTS

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. TALLON. Mr. Speaker, I continually hear of incidences of Internal Revenue Service harassment of taxpayers. No one questions the necessity for the IRS to collect taxes owed to the U.S. Treasury, but the IRS is allowed to operate with too much latitude in discharging its tax collecting responsibilities. The result has been flagrant violations of the rights of American citizens perpetrated by IRS employees.

During the recent computer snafu in Philadelphia, 26,000 corporate taxpayers received mistaken delinquency notices. Several businesses received threats to attach their property, and five had their assets improperly impounded.

Unfortunately, the problem is not confined to this well-known incident. There are many other similar cases of the IRS inaccurately assessing taxpayers and then employing draconian collecting methods.

Mr. Fred G. Bradley of Grand Rapids, MI, was notified that he owed $520.92 in taxes for the years 1978 and 1980. This figure was not derived from an audit. In fact, Mr. Bradley was never informed why the IRS thought he owed the money. Nonetheless, Mr. Bradley was told that he had to pay the $520.92 within 10 days. He was informed in a letter that the following actions would be taken against him if he did not pay:

> Seizing your entire paycheck, if you are employed. Filing liens on your real or personal property (which can affect your credit rating and is a public record). Seizing your assets (such as motor vehicles or bank accounts).

Another case of IRS abuse occurred with the assessing of fines against taxpayers who comment on their returns. 5,000 taxpayers were fined $500 or more for writing on their returns what the IRS considered to be derogatory comments. One such taxpayer is Donna Todd of Billings, MT, who wrote on her return that she was paying $35 on less than $3,000 of income only because she had to. The IRS not only fined her $500, but also seized the $140.06 in her bank account and filed a lien against her house.

These incidences are just a few examples of abusive activity by the IRS, but they are representative of the types of problems which thousands of law-abiding citizens face each year.

Mr. Speaker, H.R. 831, the Taxpayer Bill of Rights, will remedy many of

the problems created by capricious IRS conduct. It provides procedures for the taxpayer to redress grievances against the IRS, and it would prevent the IRS from going beyond its legal jurisdiction.

By improving internal procedures at the IRS, and by providing independent oversight over the agency, the Taxpayers Bill of Rights will make the reforms needed to prevent IRS abuses.

This legislation would require the Secretary of Treasury to prepare a public statement outlining taxpayer rights and obligations, including such problem areas as: Questionable tax enforcement practices; the appeals process for adverse IRS decisions; the prosecution of refund claims, and the filing of taxpayer complaints. The General Accounting Office would oversee the administration of tax laws by establishing an ongoing program to audit and investigate the activities of the IRS.

Taxpayers who prevail in an appeal before the tax court would be awarded a judgment of costs, including attorney's fees, accountant's fees, and clerical expenses. Another provision would enable the taxpayer to take legal action against an IRS officer or employee who causes the taxpayer to be deprived of any rights, privileges, or immunities secured by the Constitution and laws.

Mr. Speaker, the extraordinary discretion provided the IRS has resulted in that agency taking actions threatening to citizens' rights. Such behavior erodes confidence in the tax system. It must be stopped.

The Taxpayers Bill of Rights will guarantee due process for the taxpayer and help restore confidence in the tax system. I urge the passage of this measure by the 99th Congress.●

PRODUCT LIABILITY CHAOS

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. SHUMWAY. Mr. Speaker, yesterday I introduced the Product Liability Act of 1985, legislation designed to protect consumers and manufacturers by bringing order to the existing chaos of product liability law.

Coincidentally, the Washington Times carried an editorial this week entitled "Product Liability Chaos" which make a clear case for passing this legislation. The article refers in particular to a measure pending in the Senate, the "Kasten bill," which, regrettably, died in committee last week. While I am extremely disappointed with the current situation vis-a-vis the Senate measure, I believe there is even greater need to make known the examples which have resulted from a lack of uniformity in product liability law.

At the present time, no two States have similar laws in this regard. Since most of our commerce is interstate, this morass of confusion has a chilling effect on industry. However, make no mistake—it is the consumer who foots the bill in the end, in more ways than one. Excessive legal and insurance costs are passed right along to those doing the buying, and consumers face a helter-skelter maze of laws when confronted with injuries themselves. An injury sustained with a particular product in one State may result in just compensation, while in another State no compensation may be available at all.

In short, the time is long since past for responsible action. I commend the following article to my colleagues attention, and I strongly urge that they endorse my legislation.

[From the Washington Times, May 20, 1985]

PRODUCT LIABILITY CHAOS!

(By Stephen Green)

A recent poll of some of the nation's major trade associations has produced results that might be considered surprising.

The issue of most concern to the associations is not the federal budget deficit, the negative balance of payments, nor the overvalued American dollar.

Instead, product-liability reform heads the associations' priority lists, far outweighing any other legislative concern.

Soaring and unpredictable legal costs incurred in defending product-liability suits have added significant costs to manufacturing. Liability insurance has become extraordinarily expensive and, in some cases, difficult to obtain.

Given these circumstances, corporate America's obsession with product liability is understandable. Nonetheless, it is highly paradoxical.

In recent years, American manufacturers sharply increased emphasis on quality control by necessity. Growing foreign competition forced improvements in domestic goods.

At the same time, a revolution in tort law resulted in a dramatic increase in product-liability suits—a 500 percent jump in eight years.

Thus, the increase in litigation does not stem from the sale of defective goods. If anything, today's products probably are the safest ever manufactured.

A major cause of the litigation explosion is found in new interpretations of law. Many judges now tend to de-emphasize the traditional question of negligence. They have held manufacturers liable for virtually any injury incurred in the use of their products.

Compounding the problem is the fact that each state has separate and conflicting product liability standards.

The result has been judicial chaos and legal disarray:

An overweight man who suffered a heart attack when attempting to start the engine of a lawn mower won a $1.75 million judgment against Sears, Roebuck & Co. He complained in court that the starter rope was too difficult to pull.

The judge whose prodding resulted in the $180 million Agent Orange class action settlement has admitted no factual connection had been shown to link the chemical with diseases suffered by the plaintiffs.

A national shortage of whooping cough vaccine occurred when a manufacturer stopped production because it could not obtain liability insurance at a reasonable price. The vaccine causes side effects in a few children.

The New Jersey Supreme Court found that manufacturers of asbestos products were liable for failing to warn of asbestos's dangers even if the manufacturers had not known of the hazards when the products were sold.

The rules of product liability litigation have become so hazardous to business that manufacturers now routinely hesitate to make their goods safer. Courts in some states have ruled that safety improvements are evidence the product previously was hazardous.

Inasmuch as the states have been unable to agree on uniform standards or to curb the excesses in product liability. Congress clearly has a responsibility to act.

Once again, many corporations have lined up behind a reform bill authored by Sen. Robert W. Kasten, R-Wis. Previous attempts to enact the Kasten bill have failed. But modifications of the measure may have satisfied all but extremists on both sides of the issue.

Under the Kasten bill, a product could be proved defective if it were unreasonably dangerous in the way it was manufactured or designed, if adequate safety warnings were not provided, or if it failed to conform to its warranty.

Such criteria appear fair and at least provide Congress a place to start in adopting uniform national standards.

Consumer groups and businesses may continue to quibble over details of the legislation. But only one powerful lobby—the Association of Trial Lawyers of America—is battling reform outright.

The trial lawyers, of course, have a vested interest in the present system. Lawyers typically retain a third of a product liability award.

The Kasten bill would lighten the pockets of attorneys. But it would be a start toward providing equitable legal treatment of corporations while retaining protections for consumers.●

BILL CASEY TALKS ABOUT SOVIET STRATEGY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BROOMFIELD. Mr. Speaker, on a worldwide basis, the Soviets and their surrogates are aggressively subverting our allies and America's vital national interests. This effort is made possible through direct Soviet and Cuban help.

In a recent speech before the World Business Council in San Antonio, TX, CIA Director, William Casey, clearly spelled out what Soviet-Cuban strategy is and why the stakes are very high in Central America.

In one of the clearest hard-hitting presentations that I have seen on the subject of Soviet subversion, the CIA

Director presented a convincing argument for why our Government must continue to support the democratic freedom fighters in Nicaragua. Let us hope that the Congress will see the light of day and do something positive to support the resistance in Nicaragua.

We have ignored the facts long enough. We have made enough mistakes. I don't want more Cubas, Afghanistans, South Yemens or Ethiopias slipping into the Soviet camp. Let us all wake up and look out for the interests of democracy in this world.

With these thoughts in mind, I commend the following extracts from Mr. Casey's speech to my colleagues in the Congress. It is food for thought.

[From the Washington Times, May 17, 1985]

SANDINISTAS HAVE "BLUEPRINT FOR SUBVERSIVE AGGRESSION"

Following is the text of a speech prepared for delivery by CIA Director William Casey to the World Business Council in San Antonio, Texas, tomorrow. A copy of the speech was obtained by the Washington Times.

Today, I would like to tell you about the subversive war which the Soviet Union and its partners have been waging against the United States and its interests around the world for a quarter of a century or more. The campaign of aggressive subversion has nibbled away at friendly governments and our vital interests until today our national security is impaired in our immmediate neighborhood as well as in Europe, Asia, Africa and Latin America.

This is not an undeclared war. In 1961, [Nikita] Khrushschev, then leader of the Soviet Union, told us that communism would win not through nuclear war which could destroy the world or conventional war which could quickly lead to nuclear war, but through "wars of national liberation" in Africa, Asia, and Latin America. We were reluctant to believe him then. Just as in the 1930s we were reluctant to take Hitler seriously when he spelled out in "Mein Kampf" how he would take over Europe.

Over the last 10 years, Soviet power has been established.

In Vietnam, along China's border and astride the sea lanes which bring Persian Gulf oil to Japan.

In Afghanistan, 500 miles closer to the warm-water ports of the Indian Ocean and to the Straits of Hormuz. Through which comes the oil essential to Western Europe.

In the Horn of Africa, dominating the southern approaches to the Red Sea and the southern tip of the Arabian Peninsula.

In Southern Africa. The source of minerals which we and other industrial nations must have.

And in the Caribbean and Central America, on the very doorstep of the United States.

In the occupied countries—Afghanistan, Cambodia, Ethiopia, Angola, Nicaragua—in which Marxist regimes have been either imposed or maintained by external forces, there has occurred a holocaust comparable to that which Nazi Germany inflicted in Europe some 40 years ago. Some four million Afghans, more than one-quarter of the population, have had to flee their country. The Helsinki, Watch tells us that they have fled because "the crimes of indiscriminate warfare are combined with the worst excesses of unbridled state-sanctioned violence against civilians." It cites evidence of "civilians burned alive, dynamited, beheaded; crushed by Soviet tanks; grenades thrown into rooms where women and children have been told to wait."

In Nicaragua, the Communist government killed outright a minimum of 1,000 former Somoza national guardsmen during the summer of 1979. In 1982, it forcibly relocated some 15,000 Miskito Indians to detention camps, forced many more to flee to refugee camps in Honduras, and burned some 40 Indian villages. Last month, the Sandinistas forcibly moved 60,000 campesinos from areas closed to the Honduran regions, burning their houses and killing their cattle.

What is the purpose of all this carnage, this creeping imperialism? In my view, there are two primary targets—the oil fields of the Middle East which are the lifeline of the Western Alliance, and the Isthmus between North and South America. Afghanistan, South Yemen, Ethiopia, as well as Cam Ranh Bay in Vietnam, and Mozambique and Angola in southern Africa, bring Soviet power astride the sea lanes which carry those resources to America, Europe and Japan.

Capabilities to threaten the Panama Canal in the short term and Mexico in a somewhat longer term are being developed in Nicaragua where the Sandinista revolution is the first successful Castroite seizure of power on the American mainland. They have worked quietly and steadily toward their objectives of building the power of the state security apparatus, building the strongest armed forces in Central America, and becoming a center for exporting subversion to Nicaragua's neighbors.

Let me review quickly what has already happened in Nicaragua. The Sandinistas have developed the best equipped military in the region. They have an active strength of some 65,000 and a fully mobilized strength including militia and reserves of nearly 120,000. These forces are equipped with Soviet tanks, armored vehicles, state of the art helicopters, patrol boats and an increasingly comprehensive air defense system. This gives the Sandinistas a military capability far beyond that of any other Central American nation and indeed all Central American nations put together.

In addition to the considerable military hardware, there are now an estimated 6,000 to 7,500 Cuban advisers and several hundred other communists and radical personnel in Nicaragua assisting the regime in its military buildup and its consolidation of power.

Today we see Nicaragua becoming to Central and Latin America what Beirut was to the Middle East for almost 15 years since 1970 when Lebanon became the focal point for international and regional terrorists. Managua's support for training of Central American subversives is well documented—they support Salvadoran communists, Guatemalan communists, radical leftists in Costa Rica, and are attempting to increase the number of radical leftist terrorists in Honduras. More recent evidence indicates Nicaraguan support for some South American terrorist groups and growing contacts with other international terrorist groups.

Yet, just last week the American Congress refused to approve $14 million for people resisting communist domination of Nicaragua, on the very day that a Soviet ship unloaded more than $14 million worth of helicopters, East German trucks, and other military cargo at Corinto, the principal port in Nicaragua.

On the very next day, [Daniel] Ortega, the Nicaraguan communist dictator, traveled to Moscow to ask the Soviet Union to make $200 million available to him to consolidate a Leninist communist dictatorship across a stretch of land which separates South America from North America.

In Ethiopia, Angola, Afghanistan, and Grenada, dedicated Marxist-Leninist revolutionaries followed this Soviet blueprint with only slight modifications.

Our analysts have studied this blueprint for taking over a government and consolidating a totalitarian regime as it has been exemplified in seven totalitarian regimes; six Marxist-Lenenist in Cuba, South Yemen, Ethiopia, Angola, Grenada, Nicaragua, and the Islamic revolutionary government of Iran. They have identified 46 indicators of the consolidation of power by a Marxist-Leninist regime. These indicators measure the movement toward one-party government, control of the military, of the security services, of the media, of education, of the economy, the forming or takeover of labor or other mass organizations, exerting social and population control, curbing religious influence and alignment with the Soviet bloc.

Of the 46 indicators, Nicaragua in five and one-half years has accomplished 33. They have established control of the media, taken over radio and TV, censored the broadcasts of Sunday sermons of the Archbishop of Managua, and subjected the only free newspaper, La Prensa, to a brutal daily censorship. They have taken control of the education system. Nicaraguan textbooks now teach Marxism. They attack the tenets of Western democracy. They attack traditional religious teachings and encourage children to maintain revolutionary vigilance by watching for signs of ideological impurities in their neighbors, friends and relatives. The Sandinistas have taken control of the military. They have taken control of the internal secret police and have established a Directorate of State Security. That directorate, according to our reports, has 400 Cubans, 70 Soviets, 40–50 East German and 20–25 Bulgarian advisers. There are Soviet advisers at every level of the secret police. In fact, it is safe to say that it is controlled by the Soviet Union and its surrogates. Block committees have been established to watch and control the people. The church has been persecuted.

A worldwide propaganda campaign has been mounted and carried out on behalf of the Sandinista regime and Salvadoran guerrillas which would not have been possible without the capabilities, the contacts, and the communication channels provided by the Soviet bloc and Cuba. The Sandinistas themselves have shown remarkable ingenuity and skill in projecting disinformation into the United States itself. Perhaps the best example of this is the systematic campaign to deceive well-intentioned members of the western media and of western religious institutions.

We believe the Sandinistas' main objectives in regional negotiations are to buy time to further consolidate the regime. History and the record and purposes of Marxist-Leninist regimes in general and the Sandinistas in particular lead us to believe that unless Nicaragua has implemented a genuine democracy as required by the Organization of American States such assurances could not be adequately verified and would not be complied with. Cuban officials have urged the Salvadoran communist guerrillas to slow down their attacks against the Duarte government in order to fortify and consolidate the Nicaraguan revolution. We believe that Cuba has assured the Salvadoran communists that it might take as long as 5 to 10 years, but as long as the Sandinista regime in Nicaragua remains, that country will serve as a base for communist expansion in the area and the Salvadoran insurgency will be renewed once the Sandinistas have been able to eliminate the armed resistance.

Every country that has fallen under communist control since World War II has sent refugees streaming over the borders—first Eastern Europe, then Cuba, and more recently Vietnam and Afghanistan—and the potential influx from Central America is even higher than from any of these.

The insurgency is a major obstacle to Sandinista consolidation in that it encourages the erosion of active support for the Sandinistas by creating uncertainties about the future of the regime; by challenging its claims of political legitimacy; and by giving hope to the leaders of the political opposition.

The largest anti-Sandinista insurgent group, the FDN, is still providing strong military resistance despite cutoff of United States aid almost a year ago. Popular sympathy for the insurgents appears to be increasing in the countryside, and the FDN continues to receive significant numbers of new recruits.

That opposition can increase the pressure until the Sandinista support has eroded sufficiently to leave them no option other than modification of their rejection of internal reconciliation. The objective is to allow for the same process of democratization that is taking place in the rest of Central America to occur in Nicaragua.●

THE SECOND ANNUAL WORLD TRADE WEEK DINNER

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BONKER. Mr. Speaker, last night, the Export Task Force, which I chair, held its second annual World Trade Week dinner in conjunction with Trade Net. The purpose of this annual event is to bring together Members of Congress and the business community in recognition both of the importance of intenational trade and of a particular Member of the House of Representatives who had shown true leadership in this field. At the first dinner, the honoree was Congressman SAM GIBBONS, the distinguished chairman of the Ways and Means Subcommittee on Trade. This year's guest of honor was Congressman BILL FRENZEL, a respected member of the House Administration and Ways and Means Committees, and an undisputed leader in the House on trade matters.

In his 14 years in this body, BILL FRENZEL has proven his mettle. As an articulate, thorough, and knowledgeable advocate of freer trade, BILL FRENZEL has been something of a conscience in the House when it comes to trade issues. When the rest of us are feeling the pressure from local interests, BILL remains upright. When our view is out of focus on economic and trade matters, he provides clearsighted and proper direction on how to deal with unfair trade practices.

I am truly pleased that we were able to honor BILL FRENZEL at this year's annual dinner and I look forward to working with him in the years to come.●

RECOGNIZING ANNE AND EDWARD METKE ON THEIR 50TH WEDDING ANNIVERSARY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. LIPINSKI. Mr. Speaker, I rise today before my colleagues to recognize a significant achievement by two residents of the Fifth Congressional District of Illinois which I am privileged to represent. Anne and Edward Metke will celebrate their 50th wedding anniversary on May 26, 1985.

The 50 years together is certainly a worthy accomplishment. It has provided them with one son, Milton, and four grandchildren, two boys and two girls.

The Metkes have resided in the Brighton Park district of Chicago all their married life, spending 37 years at their present address. Mr. Metke worked for the Chicago Transit Authority a total of 37 years while Mrs. Metke worked for 23 years at Western Electric. They are both now retired.

Mr. Speaker, it gives me great pleasure to salute this fine couple and I join the residents of the Fifth Congressional District in sending congratulations to Edward and Anne Metke on this joyous occasion.●

WHAT THE FLAG MEANS TO ME

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. SKELTON. Mr. Speaker, the Lions Club of Jefferson City recently held an essay contest among the fourth graders of Jefferson City on "What the Flag Means to Me." Twelve schools participated in the contest and there were many good essays submitted for consideration. The essays prove that the flag and the patriotism it represents are well understood by the fourth graders of Jefferson City. I ask that the first and second place essays be printed in the record.

WHAT THE FLAG MEANS TO ME

(By Marya Koenigsfeld)

What the flag means to me is freedom to the country. Caring, hoping, trusting, happiness, a community of love, sharing, treating everyone equal. It doesn't matter if they're wide, thin, short, tall, black, white, crippled, special, blind, deaf, etc. It means wisdom for soldiers that fight for their country to save families, their kids and wives and people they love. It means helping the poor. Believing what wonderful lives they have. Believing in God and their country. It means consideration for everyone, it helps remember how they are and what they are. It helps people to grow in love, and peace, and happiness. It helps people to care for each other. It helps people understand to care for rich and poor. It makes you know to judge by how they are inside not how they are outside, you don't judge by how popular they are or how poor, you judge by how nice they are. It means peace between America and other countries. Somethimes the flag teaches you so much you think its real. It teaches you to be brave, loving, trusting, caring. Its like a teacher it teaches you how to respect each other. It teaches you important things. It teaches you to share. It lets you know you're someone special. It lets you know you're important. The flag teaches us to be happy and proud without talking. We should still learn even without hearing. I love this country we all do and we should keep this country the best.

WHAT THE AMERICAN FLAG MEANS TO ME

(By Derek Hearst)

The American flag to me means justice, liberty, freedom, courage, trust, and truth. When you look at the flag and say the pledge you can just feel the goodness and freedom of America. When you look at what the flag has been through like the Revolutionary War when our flag still stood there nice and tall it makes you just want to say God Bless America! The flag can also show how we fell too. When the 250 soldiers were killed in Beirut the flag was put lower than usual. On great days like the Fourth of July our flag is high up. You should think of the flag more than just a piece of cloth, but think the flag is America. Without the flag we wouldn't even be America. The flag stands for everybody from the smallest child to the biggest adult. Without the flag we would not be free. The flag seems like it sings a song every time it waves. It sings America the beautiful, America, the free. For fifty great States the flag stands. We take for granted the flag and our freedom. But when you look back at the flag and you see what it has survived through, you see that many people have died for the flag to give us freedom. We can give a present to the flag every day by saying The Pledge of Allegiance and meaning it, in the song it says the Stars and Stripes Forever and the flag is here forever. And that is what the American flag means to me.●

A TRIBUTE TO STUDENTS OF SCARBOROUGH HIGH SCHOOL

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. McKERNAN. Mr. Speaker, today I am proud to pay tribute to nine studens from Scarborough High School, in Scarborough, ME, who contributed to that school's excellent performance in the 1985 U.S. Academic Decathlon.

Entering the competition for the first time, the school finished a strong 15th out of 35 competitors from throughout the Nation.

The nine members of the Scarborough High School's U.S. Academic Decathlon Team are, Jeff Christy, Diane Daley, Stephen Douglas, Arthur Drisko, Dawn-Marie Grubb, Brenton Lane, Margaret Logan, Michael O'Reilly, and Kathi Webber. They competed against other high school juniors and seniors in mathematics, economics, social science, and the fine arts, in addition to three public speaking events, and a final "super quiz" competition.

The Scarborough team was the first to represent Maine in this competition, and its members unusually proficient despite a lack of competitive experience. The team prepared for the event in Los Angeles with many hours of practice and study. Dr. Sharon Hennessy, the school principal served as their advisor.

One noteworthy member of the all-star team was Art Drisko. A 16-year old junior, he won gold medals in the toughest division of the mathematics and English events, a silver medal in economics, and a bronze medal in science. For his outstanding performance, Art was awarded a $2,000 scholarship.

The academic decathlon competition has taken place for the past 5 years. It attempts to bring the same excitement and enthusiasm that accompanies sporting events to academic competition. It has succeeded admirably.

I applaud the success of not only the Scarborough, ME, team, but all of the competitors in the U.S. Academic Decathlon competition. Education in America today is of the highest priority. Our public education system is under close scrutiny, and the dedication of both the students and teachers to academic excellence through this program is most uplifting. It is encouraging to find students throughout the country intrerested enough to give so much of their time.

Once again, congratulations to the members of the Scarborough High School Decathlon team. We in Maine are proud of your achievement.●

A SALUTE TO MRS. ARDELIA B. DIXON

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. STOKES. Mr. Speaker, as you know, May is National Senior Citizen Month. May also marks the beginning of our Annual Congressional Senior Citizen Intern Program which will be held May 20–24, 1985. At this time, I would like to salute an outstanding senior from my congressional district who is serving as one of my congressional senior citizen interns for 1985—Mrs. Ardelia Bradley Dixon.

Mrs. Dixon has lived in the Cleveland area for over 50 years. Through the years, she has become an integral part of our community.

Mrs. Dixon has worked with the Phillis Wheatley Association for over two decades. She currently serves as second vice president of the board of trustees and secretary to the board of the Phillis Wheatley Association Development Corp. Mrs. Dixon also serves on the Cleveland Public Library Board of Trustees. She is an active member of the Alpha Omega Chapter, Alpha Kappa Alpha Sorority. She is also a longtime member of the Antioch Baptist Church.

Mr. Speaker, Mrs. Dixon has received numerous citations and awards for her community service. She was cited for outstanding community service by the Cleveland Club and the National Association of Business and Professional Women Clubs. She was chosen to coauthor "Blacks of Ohio," which was published by New Day Press in 1976.

Despite these outstanding achievements, Mrs. Dixon has not rested on her laurels. She maintains a leadership role in the fight for critically needed programs to assist seniors. She is an advocate for the seniors in the 21st Congressional District of Ohio and throughout the State.

There is a poem which epitomizes the character and spirit of Mrs. Ardelia Dixon. The poem reads in part:

WHAT I LIVE FOR

I live for those who love me,
  Whose hearts are kind and true;
For the heaven that smiles above me,
  And awaits my spirit too;
For all human ties that bind me,
For the task by God assigned me,
For the bright hopes yet to find me,
  And the good that I can do.

—George L. Banks.

Mr. Speaker, I deem it an honor to have the House join me in saluting Mrs. Ardelia Dixon.●

NATIONAL BOWHUNTER'S WEEK

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. KINDNESS. Mr. Speaker, I have introduced House Joint Resolution 250, to designate the week beginning July 8, 1985, as National Bowhunter's Week, and in urging my colleagues support and cosponsorship for this measure, I submit the following message from Ted Groth, president of the International Bowhunting Organization, for your consideration.

INTERNATIONAL BOWHUNTING
ORGANIZATION OF U.S.A.,
Middletown, OH.

GENTLEMEN: Bowhunting dates back to a time which can only be related to through the studies of Ancient History and the Bible. The Art of Bowhunting and the degree of skill of the individual often determined the amount of food available to feed their family.

This skill and knowledge holds true in todays world of modern technology, however not to the degree necessary to provide food for our families. Bowhunters today are a unique group of individuals whose primary concern is not necessarily the taking of game, but rather an opportunity to merge with nature, to become an integral part of, and not an intruder in the forest. The modern day bowhunter is greatly concerned about conservation, game management and education.

Bowhunting provides the opportunity for the family to participate and observe nature and its creatures in their own environment, the personal satisfaction of watching the woods come alive at dawn. The wonderment of nature in all its glory and beauty is there for all to partake.

Bowhunters have done much through personal commitments and license fees to aid in Wildlife Management, Education and the better understanding of nature itself.

A brief look at the Advisory Council of the International Bowhunting Organization would point out that the individuals involved such as World renown archer, innovator and hunter Mr. Fred Bear, Olympic Gold Medalist Mr. Darrell Pace, Wildlife Biologist Dr. Dave Samuel and many other well known and respected people have given their support to what they feel is indeed a much needed organization, one which represents all bowhunters.

Bowhunters make up 60% of all archers, yet we have no National recognition. We would like to have a National Bowhunters Week to recognize these people who have contributed so much for so little.

Respectfully,

TED GROTH,
President.●

BOY SCOUTS OF AMERICA CELEBRATE 75TH ANNIVERSARY; DIAMOND JUBILEE PLANNED IN QUEENS COUNTY, NY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to the Boy Scouts of America, which this year is celebrating its 75th anniversary of service to our Nation.

Mr. Speaker, there are more than 13,000 Boy Scouts in my home of Queens County, NY, and many of these youngsters are gathering in Flushing Meadows Park on June 1 to participate in the Boy Scout Diamond Jubilee that marks this momentous occasion.

The Boy Scouts in Queens have made all of us proud. From the 7- and 8-year-olds in Cub Scouts to the 14- to

21-year-old Explorers, these fine young people and their troop leaders have made an outstanding contribution to our community. The Boy Scouts of America makes it possible for children of all walks of life, ethnic origins and religions to learn cooperation, tolerance, giving, and purpose. It is impossible to count the number of youngsters throughout this Nation that have benefited from the friendship and guidance offered by the Greater New York Councils of the Boy Scouts of America.

Mr. Speaker, as a father and former school teacher in the New York City school system, I know that children are greatly influenced by their peers. As an Eagle Scout myself, I know that the Scouting provides an atmosphere in which youngsters are exposed to ideals of good citizenship, community involvement, and service to others. They learn from dedicated troop leaders who give of their time and themselves, and they learn from each other.

In Queens, Diamond Jubilee Chairman Mitch Morgenstern has done a tremendous job in organizing the day-long celebration on June 1. The Pinewood Derby, a miniature auto race; arts and crafts exhibits, competitions, parades, music, and games will be enjoyed by the entire community. I would like to congratulate Mr. Morgenstern and the Queens Council of the Boy Scouts of America for giving Queens residents this opportunity to see first-hand what Scouting is all about. Mr. Speaker, I ask all of my colleagues in the U.S. House of Representatives to join me now in celebrating with the Boy Scouts of America their 75th anniversary.●

TOURISM WEEK

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mrs. VUCANOVICH. Mr. Speaker, next week is Travel and Tourism Week, the time when we take time as a nation to reflect on the importance of tourism to our economy.

Few States are more aware of this than my State of Nevada.

Tourism in Nevada ranks as the single most important source of revenue in the State.

Gaming alone generates more than 48 percent of the State's tax revenues.

Tourism is Nevada's No. 1 employer, and is No. 1 in the Nation in terms of the percent of total jobs provided by tourism.

From the heights of the Sierra Nevada to the shores of breathtaking Lake Tahoe to the glitter of the casinos of Reno and Las Vegas to the awesome scenery of Nevada's 21 State parks, hundreds of thousands of tourists are drawn to visit our beautiful State every year.

I feel that it is only fitting to recognize the tremendous contributions of tourism by giving it our attention during National Travel and Tourism Week.

I hope that all Members will join me in commending the tourist industry and wishing it continued growth, not just in my State, but throughout this great country.

Thank you, Mr. Speaker.●

A SALUTE TO MR. ALBERT C. GILBERT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. STOKES. Mr. Speaker, it is a pleasure for me to salute Mr. Albert C. Gilbert, one of my congressional senior citizen interns for 1985. Mr. Gilbert is here this week participating in the Congressional Senior Citizen Intern Program. At this time, I would like to share information on Mr. Gilbert with my colleagues.

Mr. Gilbert has lived in the Cleveland metropolitan area for over 35 years. From 1950 until his retirement in 1983, he worked for the Continental Can Co. During his tenure, he became the first black manager for Continental. During his last 9 years with Continental, he served as a special sales representative.

In addition to his successful career with Continental Can, Mr. Gilbert has been a strong advocate for the young and old in our community. As a 12-year member of the East Cleveland Board of Education, he was instrumental in expanding the reading program in East Cleveland. Additionally, through his efforts, foreign language instruction was brought to the elementary school level. He served 2 years as president of the school board and chaired the committees on education, finance and buildings and grounds.

Mr. Gilbert's involvement and commitment to the elderly in the 21st Congressional District is worthy of the highest praise. He is a member of the Nela-Noble Senior Citizen Center; the Kiwanis Club of East Cleveland; the Shaw High School Boosters Club and the League of Women Voters of East Cleveland. Mr. Gilbert is the recipient of the Ralph Perk Mayor's Award and he received a special citation from the department of aging for his work with seniors. In 1974, his alma mater, Morgan State College, inducted Mr. Gilbert into the Morgan College Hall of Fame.

Mr. Gilbert is married to the former Iris Boswell and they are the parents of five children: Brenda, Richard, Walda Ann, Albert III, and Charles. He is a member of First Presbyterian Church.

Subscribing to the philosophy, "Seniors are people, too, and should not be considered second-rate citizens," Mr. Gilbert has been a champion for the senior citizens in the Cleveland metropolitan area. He is an outstanding individual and I am proud to have him serve as my congressional senior citizen intern for 1985.

Mr. Speaker, I deem it an honor to have the House join me in saluting Mr. Albert C. Gilbert.●

LAW ENFORCEMENT—A PROUD PROFESSION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BIAGGI. Mr. Speaker, now that we have closed out National Police Week (May 12–18), an annual event that dates back to 1963, I want to review the progress that has been made on behalf of our law enforcement community and the work that still lies ahead.

Clearly, the law enforcement profession is at a critical juncture in its proud history. I make this observation as a 23-veteran of the New York City Police Department. On the one hand, the law enforcement community is beginning to receive more of the recognition and respect that is clearly deserved. On the other, we are reminded by recent events that it only takes a few isolated incidents to undue much of the good that has been accomplished.

Some may disagree, but there is a higher standard that police officers must adhere to both in terms of enforcing and upholding the law. When a police officer falls short of that standard the entire profession is harmed. This is the result, but this fact of life need not necessarily be condoned.

When there is wrongdoing within the police ranks, it must be dealt with swiftly and with certainty. However, such wrongdoing should not serve as an indictment against all of law enforcement. That would be terribly unjust, since there are countless thousands of dedicated people in law enforcement who perform the job admirably, for every one that abuses the privileges of the profession.

For example, in preparing for National Police Week I requested the Congressional Research Service to provide me with news articles discussing acts of police heroism. I expected a few. I received reams and reams. Here are some examples:

(Texas) Two men carrying a fake bomb inside a briefcase robbed Rose Capital Bank and took an employee hostage, but police

BEST COPY AVAILABLE

arrested the suspects moments later and rescued the woman.

(Los Angeles) Police Capt. Bob Medina and Sgt. Jerry Rilling finally persuaded Bob Baker, who threatened a 185-foot suicide plunge, to come down and give life another chance following an all-night drama above the main Los Angeles Harbor Channel.

(Chicago) Two police officers just making the rounds Sunday rescued 12 people—eight of them children—from a burning building.

(Massachusetts) Blinding wind-driven snow caused more than 60 cars to smash up Friday at the state's largest highway interchange, injuring more than a dozen people including an infant who stopped breathing for a time. The infant was saved by a state trooper who administered mouth-to-mouth resuscitation as he drove a police cruiser, rushing mother and child to the hospital.

These and countless other feats of police heroism and selflessness have resulted in some significant gains for the law enforcement community in recent years—some subtle, some not so subtle.

Consider, for instance, yesterday's fourth annual National Peace Officer's Memorial Day ceremony in Senate Park. Four years ago the organizers of that event, the Grand Lodge Ladies Auxiliary of the Fraternal Order of Police, were met with total disinterest from the media and little more from others they contacted about the event. In fact, only 125 people gathered in Senate Park for the First National Memorial Service held on May 15, 1982. This year, much had changed. The media was out in force; U.S. Attorney General Edwin Meese delivered the keynote address; and thousands of people, including police survivors from across the country, crowded into Senate Park to participate in the very moving tribute to the 156 law enforcement officers who died in the line of duty in 1984. I am proud to also note that Members of Congress were well represented at the ceremony, unlike past years.

While many talented people contributed a good deal of time and effort to planning this year's Memorial ceremony a special mention must go to: The Grand Lodge Ladies Auxiliary of the Fraternal Order of Police; their president, Trudy Chapman; their secretary, Suzie Sawyer; the Fraternal Order of Police; their president, Richard A. Boyd; their secretary, Dorothy A. Woods; and Tom Singleton who produced this year's Memorial Service. Most of these people have been working on the National Memorial Service for the entire 4 years of its existence and their tireless efforts are greatly appreciated by all of us, especially the police survivors.

Legislatively, the law enforcement community has also fared much better during recent years. In 1976, I was proud to play a major role in the successful effort to establish a $50,000 lump sum Federal death benefit for the survivors of police officers and firefighters killed in the line of duty. But, in subsequent years the police officers of our Nation did not fare well at all on Capitol Hill. That is, until last year.

Thanks largely to an increased presence in the Halls of Congress, the law enforcement community succeeded in getting three very important laws enacted on their behalf. The first expanded the $50,000 Public Safety Officers Death Benefit Program to include Federal law enforcement officers and firefighters. The second, provided millions of dollars in direct assistance to State and local law enforcement agencies. The third, allowed a National Law Enforcement Heroes Memorial to be built in Washington, DC.

Perhaps more than any other, the police memorial achievement exemplified the changing and improving attitude toward our Nation's law enforcement community. As the author of the police memorial law I know I was impressed by this fact. When I first proposed a national police memorial in 1975, the idea received very little attention. In 1984, the legislation was cosponsored by a majority of House and Senate Members, and it passed both bodies by a unanimous vote. I am proud to announce that efforts are now underway to raise the necessary funds to erect the National Law Enforcement Heroes Memorial.

The legislative gains are continuing for law enforcement in 1985. The House has already approved legislation that would prevent take-home police vehicles from being taxed, and the Senate is expected to complete action on the same measure very soon. In addition, House hearings have already been held on my bill (H.R. 4) to outlaw armor-piercing "cop killer" bullets, which can penetrate the bullet resistant vests worn by more than half of our Nation's 570,000 law enforcement officers. Controversies surrounding this issue appear to be waning and final congressional action on this vital police protection issue is close at hand.

Clearly, Mr. Speaker, these legislative achievements could not have occurred without a major push from our Nation's law enforcement community. The following national police organizations deserve special credit for promoting law enforcement concerns here in Congress. They include the Federal Law Enforcement Officers Association; the Fraternal Order of Police; the International Association of Chiefs of Police; the International Brotherhood of Police Officers; the International Union of Police Associations/AFL-CIO; the National Association of Police Organizations; the National Sheriff's Association; the National Troopers' Coalition; the Police Executive Research Forum; and the United Federation of Police.

Yet, while important law enforcement advances have been made recently, legislatively and otherwise, there is still much more that needs to be done to improve police welfare and performance. While it is obvious that our law enforcement personnel, as the front line of defense against crime, are largely responsible for a 3-year decline in our Nation's crime rate, many law enforcement budgets around the country are being cut. We must not forget that there is a direct relationship between the number of quality of our police officers and the amount of crime in our Nation. Budget decisions should reflect that fact.

Better protective measures for our police personnel is also essential. Currently, slightly more than half of our Nation's police officers have been furnished with bullet resistant vests. Those vests have saved an estimated 600 to 700 police lives since they first started being used around 1974. So many more lives would be saved if all of our police officers had a vest to wear. Through a combined effort on the part of the public and private sector this is a goal that can be easily accomplished. Efforts to keep these protective vests out of the hands of criminals are also necessary, and I will soon be reintroducing my legislation to deter criminals from obtaining and using bullet resistant vests.

Improved police benefits are also necessary in order to attract the most qualified men and women for the job and to keep morale at optimum levels. If salaries cannot be raised sufficiently, other alternative inducements should be provided. For example, I have authored a bill (H.R. 2071) to exclude police retirement benefits from Federal taxation. Similar approaches can be taken at both the State and local levels.

There is also a critical need for stiffer criminal penalties. Police lives are endangered and police morale is lowered when violent criminals are arrested one day and then released virtually the next. New York City Police Officer Thomas Ruotola was shot and killed last year by a paroled criminal whose own sister said had no business being let out of jail. Mandatory penalties are absolutely necessary for crimes of violence.

When a police officer is murdered, the harshest penalty of all—the death penalty—should be applied. It is grossly unfair to ask our Nation's law enforcement personnel to sacrifice their lives and then turn around and spare the lives of their killers. The death penalty is not only just punishment, but it is also an effective deterrent.

The recent cold blooded murder of Westchester County, NY, Police Officer Gary Stymiloski—shot and killed during a routine traffic stop—is a perfect illustration of this dangerous injustice. New York, like 15 other States and the District of Columbia, have no death penalty for those who murder

police officers. Whose to say that Officer Stymiloski would not still be with us today if his killer had known there was a death penalty to contend with. Simply put, it is a travesty of the highest order when a cop killer can walk the street again, a free man.

Finally, Mr. Speaker, we must do more to deal with the personal tragedy that is associated with a police officer's death. The death benefit passed in 1976 and expanded last year was a significant step in the right direction. However, costs have soared since 1976, especially in the area of education. That is why I will soon be reintroducing my bill to establish a separate scholarship fund for the surviving children of law enforcement officers who are killed in the line of duty. This educational assistance is particularly needed in light of the significant cuts in Federal student aid that is being promoted by the administration.

However, we must also recognize that a police officer's death affects far more than the surviving family's finances. It is a devastating emotional and psychological blow as well. In recognition of this fact, the Grand Lodge Ladies Auxiliary of the Fraternal Order of Police formed a support group for police survivors during the past year. The group, which is the first national police survivors organization of its kind, is appropriately called the Concerns of Police Survivors. As its name implies, COPS seeks to address the broad spectrum of problems encountered by police survivors, and by all accounts this year's 2-day seminar that preceded the National Peace Officers Memorial Ceremony was a huge success in easing the tremendous burdens borne by the approximately 150 police survivors who attended. The president of COPS, Lynn BeBeau, and the executive director, Suzie Sawyer, deserve special credit for providing this vital service.

Let me conclude, Mr. Speaker, by saying that the future for our Nation's law enforcement community appears to be a bright one. Yet, as we ponder the future, we must also remember the past, especially the thousands of law enforcement officiers who have made the supreme sacrifice in the name of public safety. Consider, for example, that some 1,600 law enforcement officers have died in the last 10 years, with 156 of those deaths occurring in 1984. National Police Week, and particularly National Peace Officers Memorial Day, which took place on May 15, provided us with a well deserved opportunity to honor those brave men and women. But, it is not enough to simply reflect on that sacrifice 1 day, or even 1 week out of the year. That is why I am so very pleased that we will soon have a National Law Enforcement Heroes Memorial in Washington, DC, which will serve as a day-to-day reminder of this supreme sacrifice, as well as the critical need to better protect those who continue to protect us.

At this time, Mr. Speaker, I am deeply honored to pay a very personal tribute to those 156 law enforcement officers who died in the line of duty during 1984. This "Roll Call of Heroes—1984" lists those courageous men and women by the State they served:

Roll Call of Heroes—1984

Alabama: David W. Campbell, Simmie L. Jeffries, Marcus L. Reid, Sharon K. Robinson and William O. Wilson.

Alaska: Troy L. Duncan.

Arizona: Kenneth E. Campbell, Kevin W. Forsythe, Errol C. Hawkins, Robert L. Polmanteer and John A. Robertson.

Arkansas: Charles E. Barnes, Sr., Roy M. Brewer, Louis P. Bryant, Leonard E. Cross, William R. Gilham, Joseph Hutchins, Herman E. Jones, Sr., Robert W. Klein, Roy L. Leon, Jr., William T. Mills and Boyce Norwood.

California: Edward J. Burch, Beauford L. Brooks, Ronald H. Fuller, David Holquin, Howard S. W. Huang, Duane C. Johnson, Arthur W. Koch, Michael W. McClung, Morley L. Miller, Errol J. Rogers, Timothy J. Ruopp, Chesley A. Stephens, Kimberly S. Tonahill and William C. Whitty.

Colorado: Edgar B. Rains, Jr. and Clifton Browning, Jr.

Florida: Joel V. Broome, Mark C. Caperton, Jose R. DeLeon, Robert D. Edwards, Frederick J. Groves, Jr., Donald B. Kramer, Margaret E. Park, Eric B. Streeter, William A. Wilkerson and Anthony Yanniello.

Georgia: Thomas M. Bowen, Lee A. Crews, Stacy M. Fuller, James C. Haupfear and Ronald E. O'Neal.

Illinois: Curtis Baker, Dorelle C. Brandon, Martin P. Clarke, John J. Collins, Fred Eckles, Jr., Bryan A. Keeney, Martin S. Murrin and Robert C. Reimann, Jr.

Indiana: Ernest J. Malatinka and Harold L. Rogers.

Iowa: Bret N. Sunner.

Kansas: James L. Reynolds.

Kentucky: Carnie F. Hopkins, Anthony E. Jansen and Donald R. Williams.

Louisiana: Harland M. Bonner, Carl R. D'Abadie, Warren Narcisse, Jr., Noel A. Smith, Edward Toefield, Jr. and Sherman R. Walker.

Maine: Donald E. Davey.

Maryland: Robert J. King and Marcellus Ward.

Massachusetts: Robert P. Dana and John H. Gilbert.

Michigan: President Hinton, Jr., James S. Johnson and Robert J. Mihalik.

Mississippi: Jerry Bryant, Steven K. Gardner, William E. Lott, Jr., Jacquelyn K. Sherrill and James S. Wood.

Missouri: William H. Givens and Kenneth Koch.

Montana: Allen L. Kimery.

Nebraska: Robert J. Chab.

Nevada: George T. Rice.

New Jersey: William L. Carroll, Jr., Edward R. Errickson, Anthony J. Garaffa, Robert S. Heacock, Carlos M. Negron and Daniel J. Smith.

New Mexico: Lowell D. Howard, Bruce A. Richard and David M. Smith.

New York: Juan E. Andino, Angelo E. Brown, James W. Carozza, Jr., John C. Hawley, Irma Lozada, Thomas P. Ruotolo, Ronald J. Siver and Richard B. Snyder.

North Carolina: William K. Horne and Dennis L. Sheffield.

Ohio: Thomas E. Bryant, Ralph J. DeSalle, Jr., Jerry E. Dragosin, Stephen M. Kovach, Phillip J. Pence and Larry J. Safreed.

Oklahoma: Mark O. Harris, Guy D. Nalley and Kenneth W. Stump.

Oregon: David Foster and Robert L. Talburt.

Pennsylvania: George R. Banfield, Delbert R. Flowers, Ernest J. Gray, Jr. and Carl H. Whippo.

Rhode Island: Doreen A. Tomlinson.

Tennessee: James K. Kennedy.

Texas: Ruben T. Almanza, Alfred F. Burden, Robert L. Cormier, Randy L. Davis, John E. Hollingsworth, Richard M. Latham, Victor P. Serna, James C. Taylor and James R. Wulf.

Utah: Charles H. Dickey, Jr. and Rodney W. Schreurs.

Virginia: James L. Biggs, George M. Brown, Sr., Douglas E. Drye, Lonnie L. Freeman, Robert T. Hicks, Donald A. Stillman and John C. Thomas, III.

Washington: Nicholas N. Davis, Winfield S. Edie, Terry L. Hoffer and Michael L. Raburn.

West Virginia: Harry G. Lucas, Jr.

Wisconsin: Stuart J. Searles.

District of Columbia: Christopher S. Eney.

Puerto Rico: Carlos J. Andaluz Mendez, Dario Figueroa Rodriguez and Hilarino Silva Rosario.

CONSUMER CONCERNS ABOUT BANKING LEGISLATION

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. SCHUMER. Mr. Speaker, on May 20, 1985, my colleague, Fernand St Germain, chairman of the House Banking Committee, delivered a speech at the Federal Reserve which focused on the need to address consumer concerns about banking legislation. He called on the financial institutions to get off the free marketplace bandwagon and perform. During his tenure as chairman of the Banking Committee, Mr. St Germain has championed many consumer causes, most recently by introducing legislation requiring prompt availability of funds deposited by check.

Consistent with the chairman's call for legislation, when Congress returns, I will be introducing a comprehensive consumer banking bill. My legislation will contain seven titles, including strict limitations on the holding of checks, lifeline banking for low-income customers, truth in depositing, strengthening of the Community Reinvestment Act, and support for the establishment of financial consumer associations. I urge all of my colleagues to read Chairman St Germain's cogent remarks and to consider supporting proconsumer banking legislation.

The text of his speech follows:

Drawn as you are from 20 countries, some of you gathered here today will find my discussion of financial deregulation somewhat "foreign." Others, visiting from countries which have recently embarked on deregulation, will know of what I speak. I am hopeful, however, that all of you will appreciate my concern that deregulation go hand in hand with consumer protections.

Facing stiff competition from private money market firms offering high-yielding mutual funds, the banking industry's future looked bleak indeed during the late 1970s. Congress rushed to its rescue in 1980 by gradually phasing out the interest rate ceilings on deposits and creating money market deposit accounts which gave many in the industry a second chance. Congress again took the initiative in 1982 when soaring deposit interest rates coupled with large portfolios of low-interest long-term mortages proved a combustible combination for thrifts. The Garn-St Germain Depository Institutions Act allowed healthy thrifts to expand into consumer and commercial loans, and both ailing thrifts and banks to merge across state borders, despite the federal ban on interstate banking.

Today, however, some financial institutions appear to be taking advantage of the Congress' beneficence. Turning their attention to financing windmill firms, fast food restaurants and oil drilling operations, these institutions are forgetting the consumer who has served them well. No longer are they acknowledging consumer demands for affordable services, access to their deposited funds, uniform disclosure of interest paid on savings accounts, compliance with consumer laws, and a commitment to reinvest in the local community.

New York and California made history in 1984 when they became the first states to mandate that financial institutions free up funds from a deposited check in as little as one business day. Montana, New Jersey, Oregon and my own state of Rhode Island are now considering legislative proposals of their own for imposing ceilings on just how long a bank or thrift can hold a customer's check. With this growing movement among the states, you might ask why Congress feels the need to mandate a check hold policy on the federal level?

The reason is simple. Unfortunately, not everyone in the financial industry chooses to abide by these state laws. Take New York's law which says that banks can hold a customer's check no longer than 6 days, and which extends the hold period slightly for thrifts and credit unions, so as not to inflict undue hardship on these industries. New York learned the hard way that federally chartered thrifts, under the direction of the Federal Home Loan Bank Board, could choose to ignore a state law if they so wish. Thus while state-chartered thrifts boasted "100 percent" compliance with its law, 23 of 59 federally chartered thrifts did not. So, the New York Superintendent of Banks testified last year before my Financial Institutions Subcommittee.

Following the FHLBB's lead, the National Credit Union Administration earlier this year fashioned a rule preempting state initiative such as those in New York and California. This rule not only involved access to deposited funds, but also included disclosure, service fees and charges, and other matters.

While I concur with the FHLBB's argument that a state banking regulator lacks the authority to impose requirements on a federally chartered financial institution, I nevertheless deplore the lack of creativity, the lack of action, the lack of concern which could make the preemption issue moot in this instance.

Though the situation in New York and California is encouraging, consumers in the rest of the country face outrageously long periods of delay in clearing and crediting checks. A recent study by a national consumer group reveals that over that half of the 669 banks and savings and loans surveyed in 10 places hold on local checks of 3 to 5 business days. And, two or three week delays are not uncommon. More striking still, are reports that Social Security and military paychecks are being held longer than checks issued by private concerns. It used to be that our government's checks were considered "good as gold."

To assure that consumers gain quick access to their funds, I have just introduced my "Expedited Funds Availability Act." This bill parallels one I introduced last year to deal with the delayed funds problem and which incorporates important safeguards reflected in New York and California's laws. Last year, 129 of my House colleagues cosponsored my bill. I am confident the figure will be matched—or exceeded—this year. Few can object to a bill which gives customers access to their funds within one to eight business days, which requires that interest begin to accrue on the business day on which a deposit is made into an interest-bearing account, and which requires depository institutions to disclose their check clearing policies to their customers in writing and by posting notices prominently within their lobbies.

I have requested the Federal Reserve to develop a check hold system which will eventually reduce the hold period to just 1 to 3 business days. I have also asked the Fed to consider, among other things, establishing a uniform endorsement standard, direct notification of nonpayment of checks for over $250, and a system for expedited notice of nonpayment of a check to the receiving depository institution.

Soaring service charges are also a matter of concern. Consumers today are besieged by charges for checks, check cashing, certified checks, stop payment orders, insufficient funds checks, monthly maintenance charges, and other basic services. Between 1979 and 1983, the cost to the average American household for banking services rose from $90 to $180. This an increase of 100 percent during a period when the rate inflation was 37 percent!

The Federal Reserve official sitting by your side will tell you that check processing costs dropped from 78 cents in 1974 to 38 cents today. Yet, bounced checks costs rose from an average of $5.07 in 1979 to $9.46 in 1983. He will also tell you that only 1 percent of all checks bounce and that the average bounced check is written for $25. Yet, in anticipation of the small number of checks that actually bounce, banks hold all checks for days and weeks on end. In the meantime, the customer goes ahead and writes his or her rent or a car payment check, only to be charged $10, $15 or $20 when the check is returned marked "insufficient funds."

Unfortunately, skyrocketing service fees is just one of the problems facing today's banking customer. The number of bank services requiring fees has also increased. Teenagers unable to meet minimum balance requirements watch as monthly service charges eat away at their small savings accounts, conscientious customers trying to balance their checkbook are charged when inquiring about their account, housewives withdrawing cash from an Automatic Teller Machine at their local supermarket are charged for the privilege of using this "cost-effective" machine which banks hope will one day replace live tellers.

There are a few bright spots, however. On both coasts, savings institutions are keeping service fees and minimum-balance requirements low despite the widely held belief that higher interest rates justify keeping financial services out of the reach of the poor and the elderly. Here in Washington, two of the eight thrifts included in Public Citizen's recent survey of 31 DC-area financial institutions impose no monthly service fees, while all eight require minimum balances of under $500 for free checking. In contrast, the banks surveyed generally required $1,000 minimum balances.

Out in California, the 21 thrifts surveyed in December by San Francisco Consumer Action offered lower rates or terms on loans, service fees and minimum balance requirements than the 39 banks included in the study.

I have a difficult time building a case for the argument advanced by the Fed, however, that bank costs have risen as rapidly as fees, and that fee increases have not harmed customers, particularly low income and the elderly. This is why I have asked Chairman Volcker to undertake a new study of the costs of banking services to financial institutions—taking into account profit gained from interest earned on deposits and from consumer credit, or loans.

I believe the new Fed report will conclude, as I have, that banks can remain profitable without besieging consumers with new service charges, and without increasing those that already exist.

Service fees aren't the only negative offshoot of deregulation. "Demarketing," the new buzzword for the deregulation crew, means serving the affluent at the expense of the less affluent. It means not letting senior citizens cash their Social Security checks because they don't have the funds to open a checking or savings account. It means closing branches in poor neighborhoods and offering red carpet treatment in the affluent areas. It means ATMs for the masses and personal tellers for the privileged, a succession of service fees for low-balance accounts and free checking for those with large balances.

Simply put, some financial institutions have decided that deregulation means having the freedom to select their customers. Yet, the industry itself has tongue in cheek when it talks about "deregulation." No one in the industry, to my knowledge, has come in the front door demanding a removal of the subsidies and protections provided by the Federal and state governments.

What other industry can ask the government to swallow its bad loans, arrange mergers with healthy institutions, or provide low cost injections of cash? And what other industry can boast the "full faith and credit" of the United States behind it?

Since the government bestows every advantage on the financial industry, isn't it fair to expect the financial industry to serve the entire community in return?

One way financial institutions can do this is by voluntarily disclosing key elements of their savings instruments so consumers can make a reasoned and informed choice when selecting an Individual Retirement Account or a Certificate of Deposit. An industry standard for compounding interest will go a long way in simplifying the calculations required when comparing one institution's interest rates to another. For this reason, I am co-sponsoring the "Truth in Savings Act", recently introduced by my colleague from California, Richard Lehman, which provides for the uniform disclosure of interest rates payable on savings accounts.

The financial industry, long credited with making the United States a nation of homeowners, should not rest on its laurels. It must continue to assure that mortgages are made to all creditworthy customers, no matter where they reside. I strongly support the Home Mortgage Disclosure Act, which Congress passed in 1975 to counter the practice of "redlining," or discriminating against customers because of their place of residence, and the Community Reinvestment Act, the 1977 law which stipulates that thrifts and banks first prove their financial commitment to a community before gaining regulatory approval for expansion.

Unfortunately, all too often our federal and state regulators give depository institutions a passing mark, a "go to the front of the class," when in reality, they have not been serving the entire community. Pushing for the upgraded enforcement of these consumer laws is one of my priorities this session of Congress.

Without waiting for Congress to strengthen these consumer laws, some financial institutions are taking the initiative in meeting the community head on to work out complaints. A group of New York residents recently complained to state authorities that a neighborhood savings bank was not serving their community's needs. Taking the advice of the New York State Superintendent of Banks, the savings bank is currently embarking on discussions with the aggrieved community group. Similar meetings are taking place around the country.

But this is only a start. Financial institutions must get off the "free marketplace" bandwagon and perform, to a degree, as public utilities. No longer is the man with a million to be favored while the middle-income consumer is left holding the service-fee bag, and the poor and elderly are left out in the cold. Not if deposit insurance is to continue to be made available.

The 99th Congress is almost certain to make certain major decisions which will shape the structure, function and relationship of the United States' financial system for decades to come. These decisions will have major domestic and international ramifications. But these decisions can only be made in concert with consumer banking legislation.

Deregulation is no longer an American phenomenon. I am told that credit cards are catching on in West Germany and money market funds in France. The United Kingdom has begun to offer consumer checking accounts, while Australia's "Building Societies," or thrifts, are acting more and more like commercial banks. Japan is considering deregulating its interest rates over the next few years, while the Scandanavian countries recently deregulated their banking system.

As in the United States, however, you will be faced with the delicate task of balancing the needs of the financial industry with those of the consumer. Let us hope we all come as close as possible to achieving this proper balance.●

DIFFICULT DECISIONS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. FRENZEL. Mr. Speaker, pro-choice advocates in my district are in the process of compiling thousands of letters from women who have had abortions. The intent is not to persuade that abortions are necessarily the right choice in any given situation, but to communicate to us how difficult the decision is to have an abortion.

Samples of the kinds of letters I have received follow.

Unfortunately, the saddest tales will never be told—those of the many women who died of complications caused by illegal abortions.

I would urge my colleagues to read these and other similar letters which may be published in the RECORD today:

When I was nineteen and completing my first year of college, I found myself in a state of confusion about many things. I made a mistake with one person in my effort to broaden my circle of friends. He turned out to be a drug pusher and unbeknownst to me, drugged me at a party and raped me. I have absolutely no memory of this and only pieced the facts together when I later discovered myself to be pregnant. Abortion was illegal in Ohio in 1971, so I flew to New York. It was in some ways not the most difficult decision—because there was no love, no maturity or readiness in me, and even to my knowledge no sexual encounter with this man. I wanted many things for myself at that time and a baby at age nineteen was not one.

Today I am 33 and pregnant with my second child. I completed undergraduate school and a masters in social work. I work as a counselor helping others to realize their feelings and choices about their lives. I thank God I had the choice to make what was for me a very responsible decision when I was 19—to have an abortion.

CAROL.

A number of years ago I discovered that at age 37 I was expecting a baby. My husband at that time was not working and we had recently moved into a rather expensive home which we were having a difficult time paying for. My children were nearly grown and it was not realistic to bring another child into the world.

Shortly after making a decision to have an abortion my husband walked away from his family. Had I not made this choice I would have found my self alone, with no financial support trying to raise a new born plus two older children. I could not have survived.

It was a most difficult decision but I'm extremely grateful that this choice was offered to me.

BARB.

At almost age 40, I found out I was pregnant. As I had been using birth control consistently, no one was more surprised than I was. I had been having allergy injections and regularly taking medication for sinus headaches—both contraindicated for a healthy fetus. My children were 8 and 11; my husband's employment history poor; and I was developing a career to help support us. Having a baby was considered risky (another caesarean at age 40) and the child may have had some deformities because of my medication usage.

I decided to have an abortion after much discussion with my husband and two physicians. I did not want to bring a child into the world only to put it in day care full time. I couldn't deprive this child of the love and affection that my other children received. I knew I didn't have the patience, tolerance and stamina to devote to a third child after working all day—I couldn't bear a child who might be resented and neglected—I didn't feel it was fair.

I chose to have the abortion, although my husband would have supported either decision. Although I think about what life would be like, and make conjectures about this child and its stages of development as the years go on, I know I have made the right decision. Friends who aren't working and have had wanted babies at 40 are having a hard time. Their children's behavior reflect the ambivalence and inadequacies they feel as parents to young children. They get sitters constantly with complaints about tantrum and tyrannical behavior their children are loved, but resented.

I am appreciative that the option of abortion was open to me. I went to a safe, clean clinic; had supportive, informative counselling; and had a gynecologist who cared enough to refer me to the Meadowbrook Clinic and follow me over the rough emotional spots that occurred after the abortion (although he, himself does not perform abortions) keeping abortion an option enables lives of mothers to be saved, counselling at the drive provides the opportunity for responsible decision making, and provides a bridge from the shame and remorse of terminating the potential for life and the opportunity to see that abortion can be the right decision in special instances.

Abortion is a painful choice for most every woman that I've talked to. The decision is not made flippantly or impulsively. Unless every law maker has had the experience of having to choose in the case of an implanned pregnancy, they cannot disallow the rights of other women to choose. Banning or making abortions difficult to come by may increase the infant population, however, unloved and unwanted—but will definitly decrease the adult mothers who may die or become ill in their attempts to obtain illegal abortions. There will be more abused children, and many now on the welfare rolls, in courts, and in therapy not every mother I see that as the trade-off.

Abortion must remain a woman's right without Government intervention or prohibition. Please continue to allow this choice.

NANCY.

I support your effort to keep abortion legal. I believe every woman has the right to decide whether or not she wants to terminate a pregnancy.

I became pregnant when I was 19. It was during a time in my life when I was very confused about my boyfriend, my parents, my career, my sexuality and in general, myself. I was not using any form of birth control. The decision to go to a doctor and obtain something for birth control was a decision I somehow was not able to make. But when I learned I was pregnant, I was desperate and afraid. My family would have been horrified and angered.

Thankfully, my boyfriend was able to pay for my abortion. I will never forget the sense of relief I felt when it was over. The abortion enabled me to complete my college education. It saved me from having to make the weighted decision between raising a child or giving it up for adoption. It saved me from having to live with the consequences of dealing with my parents in a very tragic experience. To this day I wonder if my pregnancy would have caused many bitter family fights. I am relieved that I did not have to pass through that experience. Abortions must stay legal!

ROXASS H.●

WALTER CAMP STAMP

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, today I am pleased to introduce a resolution recommending that the U.S. Postal Service issue a postage stamp commemorating Walter Camp, the father of American football.

Walter Camp revolutionized football, creating the game as we know it. He introduced, among other things, the 11-man team, the idea of downs, the line of scrimage, the T-formation, and, most importantly, the forward pass. These innovations have become so much a part of the game that sometimes we fail to appreciate that someone had to think them up. Who could imagine football without the influence of Walter Camp?

Walter Camp's interest in the game of football began when he was an undergraudate student at Yale University, which is in my Congressional district. At Yale, he was a member of every varsity team—track, swimming, tennis, and rowing—and was captain of the football and baseball teams. Twice he was selected to the all-American football team. Later, as Yale University's first football coach he led the university to national prominence. In addition, he edited the official Handbook of Football for over 40 years.

Each year at Yale University, Walter Camp is honored by the Walter Camp Foundation, which helps to perpetuate the name of Walter Camp with an annual dinner in his memory. The dinner honors the Walter Camp All-American Football Team, as well as a designated player of the year, coach of the year, and distinguished man of the year. The proceeds from the dinner, which came to over $40,000 this year, go to charity.

Our country can thank Walter Camp by issuing a commemorative stamp celebrating his extraordinary achievements and his great contribution to one of America's most popular sports. I hope my colleagues will join me in honoring Walter Camp by recommending that the Postal Service issue this postage stamp on his behalf.

A copy of the resolution follows:

H. RES.—

Resolution expressing the sense of the United States House of Representatives that the United States Postal Service should issue a postage stamp honoring Walter Camp, the organizer of the game of football in the United States

Whereas the innovations Walter Camp introduced into the game of football were responsible for its survival and its development into the sport that is played in the United States today;

Whereas Walter Camp was instrumental in the establishment of the Official Football Rules Committee, and chaired such committee from its creation in 1905 until 1911;

Whereas Walter Camp was a member of the American Intercollegiate Football Rules Committee when such committee adopted innovations, including the forward pass, that increased the popularity of the game of football in the United States and ensured its survival;

Whereas Walter Camp was a member of every football legislature, intercollegiate football convention, and football committee from 1878 until his death on March 14, 1925;

Whereas Walter Camp edited the Official Handbook of Football for 42 years;

Whereas Walter Camp was the first football coach at Yale University, and served in such position without pay;

Whereas Walter Camp, as a Yale undergraduate student, was a member of every varsity team, including the track, swimming, tennis, and rowing teams, and was captain of the football and baseball teams;

Whereas Walter Camp was selected for two all-American football teams, in 1910 and in 1915;

Whereas Walter Camp initiated the substitution of scrimmage for rugby style scrummage and the adoption of the system of downs, two innovations that revolutionized the basic structure of the game of football;

Whereas Walter Camp initiated many other innovations in the game of football, including the numerical scoring system, the tackle below the waist, the eleven-man team, and the T-formation;

Whereas Walter Camp initiated several innovations that decreased the violence of the game of football, including the use of a neutral zone between the lines of the opposing teams, and a ban on flying wedges and other dangerous tactical devices;

Whereas Walter Camp was responsible for introducing good sportsmanship into the game of football;

Whereas Walter Camp is honored annually at Yale University by the Walter Camp Foundation; and

Whereas Walter Camp, after his death in 1925, was recognized by the American Intercollegiate Football Rules Committee as the father of American football: Now, therefore, be it

Resolved, That it is the sense of the United States House of Representatives that the United States Postal Service should issue a postage stamp honoring Walter Camp, the organizer of the game of football in the United States. The United States Postal Service shall determine the denomination, design, and period of provision and sale of such postage stamp issue.●

TRIBUTE TO ANDREW R. MAFFEI, PAST CHAIRMAN OF THE CONGRESS OF ITALIAN-AMERICAN ORGANIZATIONS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BIAGGI. Mr. Speaker, today I would like to pay tribute to Andrew R. Maffei, a personal friend and constituent of mine, Andrew Maffei is to be honored on June 14 by the Congress of Italian-American Organizations of Yonkers, NY, an association dedicated to the moral and educational advancement of the Italian-American community. The Congress of Italian-American Organizations [CIAO] consists of the following associations with which I have worked closely throughout my career in Congress. The Club Pugliese; Columbus League Inc., Italian-American Unity Club, Italian City Club, Italian National Club, S. Vito Martire Association. Palenese Club, St. Anthony Club, St. Donato Society, St. Francesco DiPaola Society, Tagliacozzo Club, Villa Volturno Club, and the Colle DiMezzo Social Club Inc.

As the son of Italian Immigrants, Mr. Maffei continues to be involved in Italian culture and heritage. After graduating from St. John's University Law School in 1938, Mr. Maffei attended the University of Siena, Italy in 1939 for special studies in the language and science of governmental operations. His interest in and concern about conditions in Italy led him to sponsor fund raising drives for disaster relief for the 1976 Italian floods in northeast Italy, and for a vocational school in the Province of Avellino, city of Antripaldo. Mr. Maffei made two personal visits to Italy for site inspections and supervision of the building of this vocational school.

A community leader, Mr. Maffei has served in Yonkers, NY with the same ambition and unselfish effort as he has displayed through his involvement in Italian-American affairs. He has served his community by holding such positions as the president of the City Club of Yonkers and as president of the Yonkers Society for Prevention of Cruelty to Animals. Decorated for his achievements in World War II, Mr. Maffei continues to serve his country through his involvements to Veterans activities, among these as past county vice commander, Westchester County American Legion. Through these community and veteran activities, Mr. Maffei has gained the respect and admiration of many.

Mr. Maffei deserves commendation for dedication to both his community and to his Italian-American heritage. It is this type of involvement that improves the quality of life for all those

around him. Mr. Speaker, I salute and thank Mr. Andrew R. Maffei for his outstanding personal accomplishments and his unselfish contributions to his heritage and his community. It is my pleasure to share in this proud moment with Andrew, his wife, Vincentella and his three lovely children, Rosemary, Gabrielle, and Andrew Jr., and I wish him many more such happy occasions.●

1977: TWELVE YEARS BEFORE AND FIFTY YEARS AFTER

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. CRANE. Mr. Speaker, 12 years from now the fate of the people of Hong Kong will be handed over by the British to the Chinese Communist regime. While this may not be of great concern to many Americans, I can assure you that it has ominous overtones to the 5.5 million people of Hong Kong.

I have submitted for my colleague's attention the following paper on the Hong Kong transition written by Dr. Han Lih-wu, workd renowned scholar and participant in Chinese and For Eastern affairs. Educated in China, England, the United States, and the Philippines, Dr. Han is viewed as one of the world's foremost experts on Chinese affairs.

Forced to flee his homeland when the Communists overtook mainland China in 1949, Dr. Han is all too familiar with the tactics and motives of the People's Republic of China. As the secretary-general of the Asian Peoples Anti-Communist League he is actively working to protect the freedoms and rights of the people of the Far East.

I urge my colleagues to carefully consider the points made by Dr. Han in his paper on the fate of Hong Kong.

1997: TWELVE YEARS BEFORE AND FIFTY YEARS AFTER

1997 is the fateful year when Hong Kong will be handed over by the British to the Chinese Communist regime. Since the leased portion occupies the major part of Hong Kong and Kowloon, it is understandable for the British to return the whole territory, as any independent administration of the ceded portion would be impracticable. Nevertheless, when Mrs. Thatcher first went to Peking, she did make a distinction between the leased and ceded territories in terms of sovereign rights. Moreover, it could be argued that the handing over of the leased and ceded portions had better be done at separate times so that the British would be able to use the ceded portion as a watchtower to see how Communist China administers the leased portion for a number of years. This might have been of immense help to the Hong Kong people, at least psychologically. This, however, is out of the question now, and it might be added that the general principle of the return of the whole of Hong Kong after expiration of the lease was agreed upon in 1943 when the Republic of China signed a treaty with the United Kingdom on the abrogation of unequal treaties.

TWELVE YEARS TO GO

The turnover date is twelve years from now. It is nearly half a generation. But Communist China is anxious to strike an agreement with the British for the turnover at the earliest possible date for obvious reasons, the primary being to strive to stem further deterioration. 1977 is an omnious D-year for the 5.5 million Hong Kong people. The anxiety of the Hong Kong people in the last couple of years is in no small measure due to impatient and oftentimes conflicting assertions of sovereignty on the part of Chinese Communist authorities. To avoid further confusion, Tèng Hsiao-ping sought to limit the number of spokesman on Hong Kong first to three and then to five. However, the harm is being done, and it will take time and prudence, which they notably lack—possibly because of their touchy pride—to heal.

Current indications are that such a turnover agreement reached before the end of last September would be formalized soon as hoped by Communist China. The British probably would have preferred more deliberations and consultations among their own interested parties, including the Parliament and the Hong Kong people, and a more detailed accord. But the British apparently are submitting in exchange for the Communist China compromise on a more substantive statement of intentions after 1997 instead of the Communists' original goal of a loosely-worded agreement of general principles.

The worries and anxieties of the Hong Kong people about their future, particularly after they come under Communist China's rule, are well-founded. The whimsical struggles of power and sudden shifts of policy on mainland China in the last thirty-six years have left deep impressions on the mainland people and the outside world that stability is sorely lacking there. The Chinese Communist regime has succeeded in one thing: it has dissipated whatever confidence the mainland people may have had in the regime, in the future and even in themselves.

The reality is that the authorities, as good Communists, thrive on giving orders and controlling people and things. Freedom of thought and action is alien to Communism. Just the other day—it was actually July 25, 1984, it was reported from Hong Kong that when a delegation of Macao publishers and editors called on Chi Peng-fei, director of the so-called Hong Kong-Macao Office in the Peoples Hall on July 12, 1984, Chi admonished the Macao delegation saying that Macao papers had published too much about the Hong Kong issue which, according to Chi, "is not good for Macao people and that Hong Kong does not concern Macao." This reminds me that one of the fond wishes of Hong Kong people is that Communist China should guarantee freedom of the press after 1997.

FAIR DRAFT AGREEMENT

There are at least four main reasons that prompt Communist China to arrive at a prima facie acceptable agreement on the future transfer. First, there is everything to gain and nothing to lose to adopt a generous policy toward the proposed agreement. After all, there are thirteen years to go and generous promises do not cost much. Second, the Chinese Communists are anxious to arrive at a formula that they could proclaim to the world would be a pattern for Taiwan—not the Republic of China, of course—to adopt when it "returns to the fold of the mother country." Third, Communist China would stand to lose face if the worries and uncertainties in Hong Kong should result in accelerated flight of people and capital from that sensitive business and financial center. Fourth, Communist China could always find ways of tightening its control over Hong Kong once it is taken over, by, for instance, giving different interpretations to the terminologies used. To give an obvious example, they could give a qualification to the term "people" to limit them to "patriots" who accept the Communist ideology. They could even prescribe that candidates for public offices must be "patriots" and all this could be initiated and done by their own agents locally. Indeed, they are sending hundreds to Hong Kong to become Hong Kong residents with local ID cards after staying seven years; in some cases, special permission to hold ID cards is being given at the requests of the Chinese Communists without having to stay for seven years. They are also selecting, training and indoctrinating young Hong Kong residents to be future cadets in the Hong Kong government.

FIFTY YEARS TO COME

Chinese Communist authorities, realizing their words command little respect, often resort to making long term promises. Regarding unification with Taiwan, they used to say that they were patient and that they could wait for ten, fifty or even a hundred years. When they were hoping for diplomatic relations with the United States, they tried to hide their anxiety by saying that they could wait for a hundred years. It is to be noted that as Teng Hsiaoping is becoming older, he is also becoming more impatient. He is currently saying that the unification with Taiwan should be worked out in the 1990s.

However, as the assurance of fifty years was included in a written agreement, more weight should be given to it. Of course, the agreement is not exactly a treaty, and it would be much too bold for anyone to predict what would happen on mainland China and its policies regarding one of its territories fifty plus thirteen years from now. Besides, it is a glaring fact that Communist China's constitution, a supposedly sacred document, has been changed four times in the thirty-five years of its existence. The changes, it may be added, often involved essential elements relating to government structure, individual rights, etc.

The above analysis is not intended to damn the draft agreement right away. To the contrary, while we may feel disheartened that the five and a half million people are destined to come under Communist rule after 1997, still we do hope that their post-1997 lives will be more tolerable then those of people on mainland China.

A good deal will depend, of course, on the nature of the Basic Law for Hong Kong, which has still to be drafted and promulgated by the Chinese Communist regime. Even more important in how the Basic Law is going to be interpreted and practised after 1997.

At this stage, I have two suggestions to the British. First, they need to be more demanding on listing more detailed guarantees of the freedoms of the people in future talks. Second, while I think it was a mistake to agree to the establishment of a joint liaison group to watch the carrying out of any agreement, the British should be prepared to stand up against the Chinese Communists on any question that may arise when the group is working. In fact, since the British agreed to a joint liaison group twelve years before the return, they could have asked that the life of the liaison group be extended to 2,046 instead of to 2,000 A.D.

However, I have a hunch that the British, being realists, do not wish to put up a fight for what is essentially a losing cause. So while I think that the Hong Kong people should put relentless pressure on the British to bear more responsibility, I would say to the people of Hong Kong: do not give up, you have twelve years to go, and this is a golden opportunity for free men to show to the Chinese Communists and the whole world how they strive to unite to maintain their future freedom. Organize yourselves, as some Hong Kong Community leaders are beginning to do, into small and big groups as men of freedom and for freedom. Educate the common people and lead them. Put up strong candidates for future elections for the various levels of assembly and government. A fairly good beginning has been made in the March 1985 elections of district boards, the first step toward a more representative government. But take care of Chinese Communist secret agents in future elections.

Interest friends abroad and promote clubs and associations in America, Europe, Africa, Asia and everywhere, that aim at rendering moral help to the maintenance of freedom in Hong Kong. You can count on help from people in the Republic of China. We will welcome to Taiwan as many as conditions permit. We will not negotiate with the Chinese Communists for unification—unless they accept freedom and democracy, which we know they cannot accept. We had plenty of painful experience cooperating or negotiating with the Chinese Communists and the example of Tibet is there for everybody to see and remember.

In the case of Hong Kong after 1997, I am ready, for the sake of the majority of people who cannot afford to leave, to give the Chinese Communists the benefit of a doubt for once. While doing that, my message to the people of Hong Kong is that you yourselves should not give up but face the future with determination and best effort. It is a case and a cause well worth trying.●

DON'T TAX COMPANY EMPLOYEE BENEFITS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. HUBBARD. Mr. Speaker, I received an excellent May 1 letter from J. David Grissom, chairman and chief executive officer of Citizens Fidelity Corp., of Louisville, KY, which I believe is certainly worthy of our consideration.

Mr. Grissom, a longtime friend of mine with whom I graduated from University of Louisville Law School in 1962, is chairman of a corporation whose employees total 2,000. He writes in their behalf in opposition to the proposed tax plans that will place a tax on certain company employee benefits, such as health insurance, life insurance, and pension and retirement savings programs.

I agree with his concerns and urge my colleagues to read his timely comments. Upon reflection, I am hopeful that any plan to tax company employee benefits will be dropped.

The letter from J. David Grissom follows:

CITIZENS'S FIDELITY CORP.,
Louisville, KY, May 1, 1985.

Hon. CARROLL HUBBARD,
Rayburn House Office Building,
Washington, DC.

DEAR CARROLL: I am writing to you on behalf of the 2,000 employees of Citizens Fidelity Corporation to express our serious reservation about the various proposals affecting the taxability of employee benefits such as health insurance, life insurance, and pension and retirement savings programs which are currently before the Congress. Taxation of these and other employee benefits could have significant negative consequences for virtually all of our employees who depend upon these benefits for their financial security.

When we added the 401(k) option to our Profit Sharing/Thrift Plan in January of 1984, 80 percent of the eligible participants elected to save an average of 4 percent of their pay via payroll deduction. Those funds are redeployed in stocks, bonds, and money market accounts, thereby building the capital resources of this country. To eliminate this option by repealing or severely restricting the 401(k) provision in the tax code would surely reduce the aggregate level of savings among working people and increase their dependency upon government for retirement income. Such a move would be contrary to the policy of stimulating national growth through the encouragement of retirement savings. We sincerely believe that the tax-preferred treatment afforded savings plans under existing laws effectively promotes financial self-discipline and a greater sense of independence among employees of all ages and at all income levels. We are vigorously opposed to any changes in these provisions.

We are also concerned about those proposals that would treat company costs for such fundamental benefits as health, life and disability insurance as taxable income to our employees. The requirement that we withhold the taxes due on these non cash benefits would force them to choose between lower take home pay and doing without the benefits. Many of those who are young and/or have relatively low incomes will drop their benefits and assume the risk of no insurance. The expected additional tax revenues will be lost, and so will the positive health effects of the preventive care features built into most policies now. Such a move is contrary to sound national policy and it will have its most detrimental impact upon those who are least able to provide for themselves.

The private sector has responded to the incentives provided by the enlightened tax-preferred treatment of existing employee benefit legislation and the job is getting done with dispatch. To dismantle this process would be tantamount to harvesting our seed corn. We urge you to look at these employee benefit proposals long and hard as you decide what course our nation will take in the years ahead. Thank you for your consideration.

Sincerely,

J. DAVID GRISSOM,
Chairman and CEO.●

VOTING RECORD

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. UDALL. Mr. Speaker, it has become my practice from time to time to list my votes in the CONGRESSIONAL RECORD. I strongly believe that the people of the Second Congressional District of Arizona have a right to know where I stand on the issues decided by this body, and I have found that printing my record here is the best way to provide that information.

This is not an all inclusive list. I have omitted noncontroversial votes such as quorum calls, motions to resolve into the Committee of the Whole House, and motions to approve the Journal of the previous day.

The descriptions are necessarily somewhat short, and I am sure that some of my constituents will have additional questions about the issues described here. So I invite them to write me for more specifics.

The votes are described as follows:

KEY

1. Rollcall Number;
2. Number of the bill or resolution;
3. Title of the bill or resolution;
4. A description of the vote;
5. The outcome of the vote;
6. The vote total;
7. My vote, in the form Y=yes, N=no, and NV=not voting;
8. The vote totals of the Arizona delegation (yes-no-not voting); and
9. The date.

351. H.R. 3336. Insanity Defense Revisions. Conyers, D-Mich., motion to suspend the rules and pass the bill to revise the insanity defense to make it more restrictive. Motion rejected 225-171: Y(2-3-0), Sept. 18, 1984.

352. H.R. 5658. Dangerous Drug Diversion Control. Hughes, D-N.J., motion to suspend the rules and pass the bill to curb the diversion of prescription drugs from medical channels to the black market. Motion agreed to 392-1: Y(5-0-0), Sept 18, 1984.

353. H.R. 5959. Safe Drinking Water. Waxman, D-Calif., motion to suspend the rules and pass the bill to set deadlines for establishing federal standards on contaminants in drinking water, to revise program enforcement and other authorities, to establish new groundwater protection programs, and to authorize $216 million annually for fiscal years 1986-89 for federal safe drinking water programs and the new groundwater programs. Motion agreed to 366-27: Y(2-3-0), Sept 18, 1984.

354. H.R. 5290. Compassionate Pain Relief. Hughes, D-N.J., amendment to increase penalties for illegal diversion of diacetylmorphine (heroin) authorized for medicinal use, to require physician peer review of decisions to prescribe the drug and to otherwise strengthen protections against illegal diversion of the drug from its intended purpose of relief of intractable pain in dying patients. Rejected 178-232: Y(2-3-0), Sept 19, 1984.

355. H.R. 5290. Compassionate Pain Relief. Passage of the bill to authorize the federal government to provide diacetylmorphine (heroin) to hospital and hospice pharmacies for doctors to prescribe, with certain limits, for treatment of intractable pain in dying patients. Rejected 55-355: N(0-5-0), Sept. 19, 1984.

356. H.R. 5164. Central Intelligence Agency Information Act. Boland, D-Mass., motion to suspend the rules and pass the bill to allow the CIA director to close certain operational files from search-and-review provisions of the Freedom of Information Act. Motion agreed to 369-36: Y(5-0-0), Sept 19, 1984.

357. H.R. 3082. Wetlands Resources. Adoption of the rule (H Res 579) providing for House floor consideration of the bill to increase revenues for the Migratory Bird Conservation Fund, authorize a new Wetlands Conservation Fund at $75 million annually, accelerate the National Wetlands Inventory, and authorize use of certain federal lands for a jetty construction project at Oregon Inlet, N.C. Adopted 398-0: Y(5-0-0), Sept. 19, 1984.

358. H.R. 3755. Social Security Disability Amendments. Adoption of the conference report on the bill to overhaul the Social Security disability review process and to provide for the continuation of benefits for individuals thrown off the rolls who decide to appeal. Adopted (this cleared for the president) 402-0: Y(5-0-0), Sept. 19, 1984.

359. H.R. 3082. Wetlands Resources, Seiberling, D-Ohio, amendment to strike Title IV, authorizing use of lands within the Cape Hatteras National Seashore and the Pea Island National Wildlife Refuge for the Manteo Bay jetty project at Oregon Inlet, N.C. Rejected 194-203: NV(2-1-2), Sept. 20, 1984.

360. H.R. 3082. Wetlands Resources. Passage of the bill to increase revenues for the Migratory Bird Conservation Fund, authorize a new Wetlands Conservation Fund at $75 million annually, accelerate the National Wetlands Inventory, and authorize use of certain federal lands for a jetty construction project at Oregon Inlet, N.C. Passed 351-45: NV(2-1-2), Sept. 20, 1984.

361. H.R. 5585. Railroad Safety Improvement Act. Adoption of the rule (H Res 562) providing for House floor consideration of the bill to authorize $55.4 million in fiscal 1985 and $57.7 million in fiscal 1986 for safety programs of the Federal Railroad Administration. Adopted 389-2: NV(3-0-2), Sept. 20, 1984.

362. H.J. Res. 648. Continuing Appropriations, Fiscal 1985. Adoption of the rule (H Res 586) providing for House floor consideration of the bill to provide interim funding for agencies and programs included in the nine regular fiscal 1985 appropriations bills that have not been signed into law. Rejected 168-225: NV(2-1-2), Sept. 20, 1984.

363. H.J. Res. 658. Continuing Appropriations, Fiscal 1985. Long, D-La., motion to order the previous question (thus ending debate and the possibility of amendment) on the rule (H Res 588) providing for House floor consideration of the joint resolution to provide interim funding for agencies and programs included in the nine regular fiscal 1985 appropriations bills that have not been signed into law. Motion agreed to 218-174: Y(2-3-0), Sept. 25, 1984.

364. H.J. Res. 648. Continuing Appropriations, Fiscal 1985. Adoption of the rule (H Res 588) providing for House floor consideration of the joint resolution to provide interim funding for agencies and programs included in the nine regular fiscal 1985 appropriations bills that have not been signed into law. Adopted 257-135: Y(3-2-0), Sept. 25, 1984.

365. H.J. Res. 648. Continuing Appropriations, Fiscal 1985. Roe, D-N.J., amendment to include provisions of HR 3678, authorizing $18 billion for 300 water resource projects. Adopted 336-64: Y(5-0-0), Sept. 25, 1984.

366. H.J. Res. 648. Continuing Appropriations, Fiscal 1985. Williams, D-Mont., amendment to prohibit the federal government from contracting with private companies to administer 30 Job Corps civilian conservation centers that are now administered by the Agriculture and Interior departments. Adopted 242-162: Y(2-3-0), Sept. 25, 1984.

367. H.J. Res. 648. Continuing Appropriations, Fiscal 1985. Brown, R-Colo., amendment to reduce by 2 percent all funding levels for foreign assistance programs, except for funds earmarked for Egypt and Israel. Adopted 273-134: Y(5-0-0), Sept. 25, 1984.

368. H.J. Res. 648. Continuing Appropriations, Fiscal 1985. Frenzel, R-Minn., amendment to reduce by 2 percent all discretionary spending levels in the joint resolution for programs covered by the Labor, Health and Human Services and Education fiscal 1985 appropriations measure. Rejected 122-284: N(3-2-0), Sept. 25, 1984.

369. H.J. Res. 648. Continuing Appropriations, Fiscal 1985. Miller, D-Calif., amendment to provide $50 million to states to train child-care facility staff and parents of attending children in the prevention of child abuse. Adopted 369-37: Y(3-2-0), Sept. 25, 1984.

370. H.J. Res. 648. Continuing Appropriations, Fiscal 1985. Lungren, R-Calif., motion to recommit the joint resolution to the Committee on Appropriations with instructions to attach the provisions of H.R. 5963, the Comprehensive Crime Control Act of 1984. Motion agreed to 243-166: N(3-2-0), Sept. 25, 1984.

371. H.J. Res. 648. Continuing Appropriations, Fiscal 1985. Passage of the joint resolution to provide interim funding for agencies and programs included in the nine regular fiscal 1985 appropriations bills that have not been signed into law. Passed 316-91: Y(4-1-0), Sept. 25, 1984.

372. S. 2603. Older Americans Act Amendments. Adoption of the conference report on the bill to authorize $4 billion over fiscal years 1985-87 for programs of the Older Americans Act. Adopted 393-2: NV(4-0-1), Sept. 26, 1984.

373. H.J. Res. 653. Interim Continuing Appropriations, Fiscal 1985. Passage of the joint resolution to provide interim funding, until midnight Oct. 3, for programs and agencies under the nine appropriations bills not enacted into law by Oct. 1. Passed 240-79: Y(3-1-1), Oct. 1, 1984.

374. H. Con. Res. 280. First Budget Resolution, Fiscal 1985. Jones, D-Okla., motion that the House concur in the Senate amendment and adopt the first budget resolution for fiscal 1985. The resolution sets fiscal 1985 spending and revenue ceilings as follows: budget authority, $1.021 trillion; outlays, $932 billion; revenues, $750.9 billion; it also projects a fiscal 1985 deficit of $181.1 billion. Motion agreed to 232-162: Y(2-2-1), Oct. 1, 1984.

375. H.R. 5361. Group Legal Services Exclusion. Rostenkowski, D-Ill., motion to suspend the rules and pass the bill to extend for one year, through 1985, the current law allowing employees to take advantage of employer-provided group legal service benefits without declaring the benefits as income. Motion agreed to 300-87: Y(2-2-1), Oct. 1, 1984.

376. H.R. 5538. Preventive Health Care. Waxman, D-Calif., motion to suspend the rules and pass the bill to authorize $701 million for fiscal years 1985-87 for preventive health programs, including childhood immunization, veneral disease and tuberculosis control, and for preventive health block grants. Motion agreed to 368-18: Y(2-2-1), Oct. 1, 1984.

377. H.R. 6299. Social Security Cost-of-Living Adjustment. Rostenkowski, D-Ill., motion to suspend the rules and pass the bill to provide a cost-of-living adjustment equal to the rate of inflation in January 1985 to Social Security, disability and Supplemental Security Income beneficiaries and instructing the Social Security Administration to conduct a study of the cost-of-living adjustment. Motion agreed to 417-4: Y(5-0-0), Oct. 2, 1984.

378. H.R. 5790. Amusement Park Safety Act. Waxman, D-Calif., motion to suspend the rules and pass the bill to restore some federal oversight of amusement rides at fixed-park sites. Motion agreed to 300-119: Y(2-3-0), Oct. 2, 1984.

379. H.R. 4712. Water Project Law Enforcement. Kazen, D-Texas, motion to suspend the rules and pass the bill to authorize the interior secretary to make cooperative agreements with state and local governments for law enforcement at federal water projects, to extend the service area of the San Luis Unit of the Central Valley Project to include the Pleasant Valley Water District, and authorize the energy secretary to enter into an agreement with respect to the Eklutna Lake hydropower project in Alaska. Motion rejected 19-402: N(0-5-0), Oct. 2, 1984.

380. H.R. 4684. Nutritional Monitoring and Related Research Act. Fuqua, D-Fla., motion to suspend the rules and pass the bill to authorize $2 million in fiscal 1985 for a new, interagency "directorate" to coordinate nutrition surveys and research; and also to authorize $3 million annually for nine years to carry out the group's recommendations on coordinating national nutritional status monitoring, and grants for nutrition-related research. Motion rejected 265-157: Y(2-3-0), Oct. 2, 1984.

381. H.R. 6300. Balanced Budget. Jones, D-Okla., motion to suspend the rules and pass the bill to require both the president and congressional budget committees to submit balanced budgets, starting in fiscal 1986. Both also may propose budgets that do not show balance. Motion agreed to 411-11: Y(5-0-0), Oct. 2, 1984.

382. H.R. 5690. Anti-Crime Act. Hughes, D-N.J., motion to suspend the rules and pass the omnibus anti-crime bill to revise federal sentencing procedures, permit pretrial detention of dangerous suspects, increase penalties for drug violations, tighten, the insanity defense, create a program of anti-crime grants to states, establish a victims' compensation fund and make other changes in criminal law. Motion agreed to 406-16: Y(5-0-0), Oct. 2, 1984.

383. H. Res. 599. Small Business Procurement. Mitchell, D-Md., motion to suspend the rules and adopt the resolution providing that the House concur in the Senate amend-

ment to HR 4209, a bill to increase competition in federal procurement and enhance small business participation in the process, with an amendment, sending the bill back to the Senate. Motion agreed to 416-0: Y(4-0-1), Oct. 2, 1984.

384. H.R. 2848. Service Industries Commerce Development. Hall, D-Ohio, motion to order the previous question (this ending debate and the possibility of amendment) on the rule (H Res 595) providing for House floor consideration of the bill to establish a program in the Commerce Department to assist service industries, such as banking and insurance, doing business overseas. The effect of the motion was to prevent Republican members from attaching a balanced-budget constitutional amendment to the bill. Motion agreed to 238-179: Y(2-3-0), Oct 3, 1984.

385. H.R. 5377. U.S.-Israel Free Trade Area. Passage of the bill to authorize the president to negotiate an agreement establishing duty-free trade between the United States and Israel. Passed 416-6: Y(5-0-0), Oct. 3, 1984.

386. H.R. 6301. Steel Import Stabilization. Passage of the bill to request that the president negotiate a voluntary agreement with steel-producing nations to limit shipments to the United States to 17 percent of the U.S. market. The agreement would be contingent on domestic steel producers' willingness to modernize plants and aid unemployed or laid-off workers. The bill also would extend for two years the Trade Adjustment Assistance Program, which provides government help to workers whose jobs are eliminated because of foreign competition. Passed 285-134: Y(3-1-1), Oct. 3, 1984.

387. H.R. 3795. Wine Equity and Export Expansion. Conable, R-N.Y., motion to recommit the bill to the Ways and Means Committee with instructions to remove the part of the measure that would extend import protection to grape growers. Motion rejected 178-239: N(1-3-1), Oct. 3, 1984.

388. H.R. 6023. Generalized System of Preferences Renewal Act. Gephardt, D-Mo., amendment to remove Taiwan, Hong Kong and South Korea from the list of countries eligible for duty-free treatment under the generalized system of preferences. Rejected 174-233: NV (0-2-3), Oct. 3, 1984. (The bill subsequently was passed by voice vote.)

390. H.R. 5492. Atlantic Striped Bass Conservation. Bateman, R-Va., amendment to give the Secretary of Commerce greater discretion in carrying out the bill to reduce the annual catch of Atlantic striped bass by 55 percent in each Atlantic coastal state north of South Carolina. (The amendment would have made discretionary, instead of mandatory, a striped bass fishing moratorium to be imposed by the secretary on non-complying states.) Rejected 98-307: N(0-4-1), Oct. 4, 1984.

391. H. Res. 603. Committee Ratios. Foley, D-Wash., motion to table (kill) the privileged resolution offered by Dannemeyer, R-Calif., requiring that membership on each House subcommittee should be proportionate to the membership of the two political parties on each House committee. Motion agreed to 251-158: Y(2-2-1), Oct. 4, 1984.

393. S. 607. Public Broadcasting Authorizations. Dannemeyer, R-Calif., amendment to the Oxley, R-Ohio, substitute, to limit increases in authorized funding for the Corporation for Public Broadcasting to 5 percent a year in fiscal 1987 through 1989. Rejected 68-328: N(1-2-2), Oct. 5, 1984.

394. S. 607. Public Broadcasting Authorizations. Oxley, R-Ohio, substitute to reduce the authorized funding for the Corporation for Public Broadcasting to $186 million in fiscal 1987, $214 million in fiscal 1988 and $246 million in fiscal 1989; and to reduce the authorized funding for the Public Telecommunications Facilities Program to $14 million in fiscal 1985, $16 million in fiscal 1986 and $18 million in fiscal 1987. Rejected 167-233: N(2-1-2), Oct. 5, 1984.

395. S. 607. Public Broadcasting Authorizations. Passage of the bill to authorize for fiscal 1987-89 funding of $775 million for the Corporation for Public Broadcasting: $675 million for operations in fiscal years 1987-89 ($200 million in fiscal 1987, $225 million in fiscal 1988 and $250 million in fiscal 1989) and $100 million for construction under the Public Telecommunications Facilities Program in fiscal 1985-87 ($25 million in fiscal 1987, $35 million in fiscal 1988 and $40 million in fiscal 1989). Passed 308-86: Y(3-0-2), Oct. 5, 1984.

396. H.R. 6163. Semiconductor Chip Protection/Trademark Clarification. Kastenmeier, D-Wis., motion to concur in the Senate amendments to the bill to grant 10 years of copyright-style legal protection to makers of semiconductor chips, clarify trademark definitions, establish a State Justice Institute to help state judicial systems, sharply reduce the types of civil cases entitled to speedy court action, revise a 1980 patent law designed to help educational and small business organizations, make technical corrections to a 1982 law creating the U.S. Court of Appeals for the Federal Circuit, and to establish new sites for holding federal court in certain states. Motion agreed to 363-0: Y(5-0-0), Oct. 9, 1984.

397. H.R. 999. American Conservation Corps. Seiberling, D-Ohio, motion that the House concur in the Senate amendment to the bill to authorize $225 million over three years for a new program to provide jobs for unemployed youths on conservation projects. Motion agreed to 296-75: Y(2-3-0), Oct. 9, 1984.

398. S. 2565. Human Services Amendments. Passage of the bill to reauthorize Head Start, Low-Income Energy Assistance, Community Services Block Grants and other social services through fiscal 1986, and to establish state block grants to help expand child-care services and several new programs to promote excellence in education. Passed 376-6: Y(4-1-0), Oct. 9, 1984.

399. H.R. 3398. Tariff and Trade Act. Adoption of the conference report on the bill to alter tariffs and customs on more than 70 items, broaden the president's authority to respond to a wide range of unfair trade practices by foreign competitors, renew for eight and a half years duty-free treatment of exports from developing countries, enforce the president's voluntary restraints on steel imports, and aid the domestic shoe, copper and wine industries. Adopted 386-1: Y(5-0-0), Oct. 9, 1984.

400. S. 2574. Health Professions and Services. Waxman, D-Calif., motion to suspend the rules and pass the bill to reauthorize health professions programs, community and migrant health centers, the National Health Service Corps and certain other health programs. Motion agreed to 363-13: Y(3-2-0), Oct. 9, 1984.

401. H.R. 6027. Local Government Antitrust Act. Edwards, D-Calif., motion to suspend the rules and adopt the resolution (H Res 613) providing for agreeing, with an amendment, to the Senate amendment to the bill to protect local governments from monetary damage awards in antitrust lawsuits. Motion rejected 220-160: Y(4-1-0), Oct. 9, 1984.

402. H.R. 6028. Labor, Health and Human Services, Education Appropriations, Fiscal 1985. Adoption of the conference report on the bill to appropriate $93,514,124,000 for the Labor Department, the Department of Health and Human Services, the Education Department and related agencies in fiscal 1985, and $11,050,769,000 in advance funding for fiscal 1986-87 for certain programs. The bill continued to bar Medicaid funding for abortions except when the mother's life is endangered. Adopted 313-70: Y(3-2-0), Oct. 10, 1984. The president has requested $99,685,346,000 in new budget authority.

403. H.J. Res. 648. Continuing Appropriations, Fiscal 1985. Molinari, R-N.Y., motion to concur in the Senate amendment establishing a fund to be used to retire $33 million in past interest debt owed to the Treasury by the Kennedy Center for the Performing Arts, with an amendment to require higher repayments. Motion rejected 178-185: N(3-2-0), Oct. 10, 1984.

404. H.J. Res. 648. Continuing Appropriations, Fiscal 1985. Yates, D-Ill., motion that the House recede from its disagreement and concur with the Senate amendment to establish a fund to retire $33 million in past interest debt owed to the Treasury by the Kennedy Center for the Performing Arts. Motion agreed to 166-163: Y(2-3-0), Oct. 10, 1984.

405. H.R. 4230. Export Administration Act. Adoption of the rule (H. Res. 615) providing for House floor consideration of the bill reauthorizing for five years government authority to control U.S. exports to protect national security, promote foreign policy and prevent shortages of important commodities. Adopted 226-124: NV(0-2-3), Oct. 11, 1984.

406. H.R. 4230. Export Administration Act. Fascell, D-Fla., motion to concur in the Senate amendment with an amendment to ban U.S. commercial bank loans to the government of South Africa. Motion agreed to 269-62: NV(1-1-3), Oct. 11, 1984.

407. H.R. 6027. Local Government Antitrust Act. Wilson, D-Texas, motion to strike from the conference report on the bill a provision restoring the authority of the Federal Trade Commission to seek injunctions against local governments for alleged antitrust violations. Such authority had been severely curbed in the appropriations law (PL 98-411) funding the agency for fiscal year 1985. H.R. 6027 amended antitrust law to give local governments immunity from monetary damage awards in antitrust lawsuits. Motion rejected 36-298: NV(1-1-3), Oct. 11, 1984.

408. H.R. 6027. Local Government Antitrust Act. Adoption of the conference report on the bill to give local governments immunity from monetary damage awards in antitrust lawsuits. Adopted 310-0: NV(1-0-4), Oct. 11, 1984.●

THE RIGHT TO CHOOSE

HON. ROBERT E. WISE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. WISE. Mr. Speaker, an often overlooked aspect of the abortion debate is the difficulty facing women who must decide whether or not to have an abortion. I would like to submit for inclusion in the CONGRESSIONAL RECORD a letter written by one of my constituents which illustrates well the problems involved in deciding on abortion, and which emphasizes the reason for protecting a woman's right to choose.

The letter follows:

DEAR UV-NARAL: The right to a safe and legal abortion has been very important to me and to the women that I consider my closest friends. I grew up in a time when abortion was not a safe, legal procedure and I knew women who would leave the area for a few days and return silently because they had had to sneak to who knows what kind of person to have an unwanted pregnancy "taken care of".

When I married, abortion became a safe and legal procedure just a few years later. My husband and I tried for over a year to start our family. Finally, our dreams were realized and I became pregnant and delivered our first child—a son. Several years went by, and once again, we decided to have another child. We tried for almost a year, but at the same time I was experiencing a great deal of severe stomach pain. Finally, I was in such constant pain, that I was admitted to a hospital where they discovered gall stones and had to operate. It took several days of tests involving x-rays and of course the surgery where I was completely put to sleep. After the surgery, I was continued on pain killers to ease my recuperation period. After two weeks, I was allowed to go home. Six weeks later, I discovered that I was pregnant. My husband and I desperately wanted a second child, but we also realized that if I was pregnant during the surgery, it could create severe damage to the fetus. We discussed the situation and decided that if the surgery would in any way cause a problem with the pregnancy that I would have an abortion. We wanted a second child, but also one that could be a part of our family—not one that would create hardship on our other child and the time and love we shared with him. Luckily, our story has an ending that allowed me to deliver a healthy, lovely baby girl. But, if the option for a safe and legal abortion had not been there, it would have been a difficult situation for us to have had to go through.

My best friend, who I will call Jane, has three lovely children and had just had her third for only nine months when she found herself pregnant for the fourth time. Her physician felt that she could not physically endure another delivery and she and her husband decided to have the abortion performed. I can't even begin to tell you the difficulty this woman went through in deciding to terminate her pregnancy. She is the most loving, caring, unselfish mother I have ever known. I know how much her children mean to her, but she made this decision to have an abortion. Jane doesn't even talk about it, but she knows it was the only choice she had. I respect her and others like her who must make difficult decisions. I resent the anti-choice people who say that it's only for convenience or to get rid of a bother. They don't know Jane and they don't know me, and they don't know how difficult these decisions are. I hope that the government does not go back in time to making women sneak off to unsafe, illegal backalley rooms where we will see women again begin to lose their lives.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. MARVIN LEATH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. LEATH of Texas. Mr. Speaker, today the House will begin debate on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the Olin E. Teague Veterans' Center in Temple, TX:

VETERANS' ADMINISTRATON
OLIN E. TEAGUE VETERANS' CENTER,
Temple, TX, January 30, 1985.

PRESIDENT,
National Association of Veterans Administration Chiefs of Staff (11), VA Medical Center, White River Junction, VT.

Subject: Questionnaire, your letter dated January 2, 1985.

1. As requested, we are submitting the following information:

A. SIZE OF HOSPITAL

Currently we operate the following programs:

	First quarter fiscal year 1985—		
	Operating bed	Budget plan	Actual workload
Surgical Beds	196	135	93.7
Medical Beds	275	215	217.2
Psychiatric Beds	90	77	66.2
Total Hospital	561	427	377.1
NHCU	120	114	109.4
Domiciliary	528	483	474.8
Outpatient Workload		19,367	24,089
SC			12,700
NSC and all other			11,389

B. AFFILIATION

Our facility is affiliated with Texas A&M University College of Medicine. We have 31 residents and 20-25 medical students in our facility at any time. Additionally, we are affiliated with 24 universities and colleges in 61 Allied Health Programs having some 350 students on our grounds at any time.

C. PROJECTED DOLLAR DEFICIT

(1) In FY 1982, 1983, and 1984, we experienced severe budget problems early in the year necessitating personnel freezes, impoundment, and withdrawal of services; fund control points. Fortunately in each case, year-end VA Central Office funding was sufficient to allow us to finish the year without anti-deficiencies.

(2) Anticipating a tight budget for FY 1985 and beyond, and based on political rhetoric, our management deliberately held FTEE and expenditures to budget plans for the first quarter of FY 1985. Also, we have experienced an unanticipated decrease in census for the first quarter of FY 1985. Together, these factors allowed us to enter January 1985, without a financial deficit. We do not have sufficient staffing in many areas to carry out programs as dictated by VA Central Office. A SERP visit in November 1984 noted insufficient staffing and resources in several services.

D. IMPACT OF DOLLAR DEFICIT

(1) By achieving the lack of a dollar deficit, our facility has had to do only those minimally essential functions. Administrative documentation in many areas has had to suffer but we have still tried to maintain a high level of direct hands-on care. This approach will ultimately lead to deterioration of care unless we receive additional resources.

(2) Fortunately, we are in the midst of a Clinical Expansion Project which has allowed us to replace or add a large portion of our equipment. For the moment we are in reasonably good shape in this area.

(3) For the most part, we do not have a backlog of surgery. We have experienced an approximate 10 day delay in Orthopedics due to staff vacancies, but this is expected to be eliminated now that the new Chief, Orthopedic Section has entered on duty. Currently, we are scheduled for 60 days in advance for Opthalmology procedures. Additional staff and resources would definitely diminish this backlog to more acceptable limits.

E. SOLUTIONS

We feel that the actions we have taken could be some short-range solutions to temporary resource problems. However, ultimately the national leadership will have to establish priorities and make tough decisions as to what programs should be adequately funded and those to be discarded. To continue to tell local managements to do all the mandated functions while not supplying commensurate funding will just hasten our descent to mediocrity.

J.H. ACKER, M.D.,
Chief of Staff (11).●

ENERGY INDEPENDENCE

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. DORGAN of North Dakota. Mr. Speaker, in recent months this Congress has been single minded in its determination to reduce the Federal deficit. We have labored hard to develop a fair and defensible budget which eliminates certain Government activities while protecting the welfare of the Nation and its citizens. We were required to make difficult and, at times, even painful choices, but I know I speak for all my colleagues in saying that none of us could ignore the implications of continued trillion dollar deficits on the well-being of future generations of Americans.

I rise today to direct my colleagues' attention to an equally dangerous threat to the Nation's well-being. According to the Washington Post, the U.S. Geological Survey and the Department of the Interior have released recently revised estimates of oil supplies. What they have found leaves little room for doubt that the Nation is facing an energy supply crisis far greater than those experienced in the 1970's.

Researchers at the U.S. Geological Survey have estimated that, at current utilization rates, the world has only a 60-year supply of oil. Most of the world's known oil reserves are in the Middle East, and as we deplete our own domestic reserves, we will once again be forced to rely on the Persian Gulf nations for the bulk of our vital oil supplies.

At the same time USGS warns of quickly diminishing world supplies, the Interior Department has lowered its earlier estimates of recoverable oil in our domestic offshore areas by more than 50 percent. Most alarming, Interior's estimate of oil and gas reserves off Alaska—and area once believed to be the Nation's next energy frontier—had dropped nearly 75 percent.

Mr. Speaker, just as future Americans will benefit from the actions we have taken recently to reduce the Federal deficit, they will surely benefit from our efforts today to reduce the Nation's dependence on foreign oil and develop secure, domestic sources of energy. Clearly, the need to move ahead with alternative energy development, including development of our synthetic fuels resources, is obvious.

Mr. Speaker, I ask unanimous consent that an editorial of April 15, 1985, from the Washington Post, "Oil Trouble Ahead," and an article from the Washington Post of May 9, 1985, be included in the Record at this point.

[From the Washington Post, Apr. 15, 1985]

Oil Trouble Ahead

The world is now burning up its oil at a rate of 900 billion gallons a year. The reserves still underground are vast, but at this rate they aren't going to last long. You have heard a lot about the current glut in the oil market and the possibility that prices will fall further. Neither the glut nor the falling prices are likely to continue forever.

The U.S. Geological Survey has been taking an inventory of worldwide oil resources, including estimates of the oil that remains to be discovered in the future. Using these estimates, scientists at the USGS arrive at two conclusions. First, the world has already burned about one-fourth of the recoverable oil that existed when the first well was drilled just over a century ago. Second, exploration has already found about two-thirds of the oil that it will ever discover. There will still be large and valuable discoveries in the years ahead, but it's not likely that any will be large enough to change this analysis significantly.

It means that, at the present rate of consumption, the world has roughly a 60-year supply of oil remaining. By the middle of the next century, for most uses, it must shift to other fuels.

But there's another implication here that will affect Americans long before the middle of the next century. It's spelled out in a recent paper by Charles D. Masters of USGS who, with his colleagues there, has been compiling these estimates. Most of the world's known oil reserves, he points out, are in the countries that touch the Persian Gulf, and the research at USGS indicates that future discoveries aren't likely to change that reality.

Most of the countries with oil—such as the United States and the Soviet Union—are producing it as fast as they can. The exceptions are OPEC countries, most of them in the Persian Gulf region. Iran and Iraq are constrained by their endless war. The others are holding down production deliberately, as a matter of national policy, to keep prices up and conserve supply. As the other countries rapidly consume their reserves, Mr. Masters of USGS points out, what's left of the world's oil will increasingly be concentrated in the Persian Gulf countries.

Americans would be imprudent to assume that the Saudis and OPEC have lost forever their influence over the oil market. The United States now accounts for one-fourth of the world's oil consumption, but has less than one-tenth of its oil reserves. It needs to move faster toward the alternatives to oil. Leaving this transition wholly to the market in the Reaganite manner is too perilous; the market, with its falling prices, is currently—temporarily—sending out misleading signals. For any period beyond the next several years, geology provides a more realistic guide to the ultimate limits of the resources.

[From the Washington Post, May 9, 1985]

Interior Department Cuts Estimate of Offshore Oil, Gas Supply—Troubling Rise in Imports Predicted

(By Cass Peterson)

The Interior Department, after four years of dry holes and disappointing exploration, has lowered its estimate of recoverable oil in the nation's offshore waters by more than half.

The new calculations, not publicized although they were completed more than three months ago, indicate that 55 percent less oil and 44 percent less natural gas are beneath the sea than was estimated in 1981.

In the so-called "frontier" areas off Alaska, where the massive Prudhoe Bay discovery once fueled hopes of almost limitless domestic supplies, the estimates dropped even more precipitously.

"What's happened in Alaska is very discouraging," Interior Secretary Donald Hodel said in an interview yesterday. Citing "unsuccessful drilling ventures in highly prospective areas," Interior has lowered its sights off Alaska by 73 percent for oil and 78 percent for natural gas.

The findings suggest that offshore energy production, which Interior officials predicted four years ago would supply as much as 40 percent of the nation's future oil needs and 30 percent of its natural gas, will not meet expectations despite the Reagan administration's aggressive leasing policies.

"This changes people's minds about the nation's energy future," said William D. Bettenberg, head of the department's Minerals Management Service. "I can't say that there's anything very encouraging."

Interior's new estimates were revealed yesterday in an Office of Technology Assessment report warning that the nation may be heading for more trouble as oil imports rise and domestic reserves dwindle.

"Oil imports, which have declined in recent years, are expected to gradually increase and may again reach the high levels of the 1970s," when imports peaked at more than 9 million barrels a day, the congressional agency said. It said imports of that magnitude "would make the country more vulnerable to supply interruptions and would increase the trade deficit."

The report was prepared for a House Merchant Marine and Fisheries subcommittee hearing today on federal leasing law, and a panel aide called it "a little bit earth shattering."

The OTA researchers also said they were "astounded" by Interior's new estimates, forwarded last February when the report was still being prepared.

"When we were talking about revisions [to offshore leasing law] in 1973, industry was talking about these grand resources offshore," said James W. Curlin, who directed the OTA project. "The assumption was that our domestic resources were simply there for the taking. Now we had better start looking at the alternatives."

But industry representatives discounted the new calculations, contending that the department did not consider data from recent deep-water discoveries in the Gulf of Mexico and off California.

"If these figures were reflective, companies would not be acquiring leases and accelerating exploration," said Steve Chamberlin of the American Petroleum Institute.

He acknowledged, however, low industry interest in once-promising frontier areas. "That's because they haven't found anything yet," he said. "They are going where they can realize a return on their investment sooner—the Gulf and California."

Although the findings appear certain to trigger new debate on energy policy, opinions were sharply divided yesterday over what the pessimistic estimates mean for the administration's controversial offshore leasing policy.

That program has been under attack since 1981, when then-Interior Secretary James G. Watt launched a campaign to put as much as 1 billion acres of the outer continental shelf under lease by 1987.

In view of Interior's new projections, "some people are going to say 'why bother?'" Hodel said. But he and other Interior officials contended that the findings underscore the need to speed development of offshore areas, especially those of known productivity.

"If there's oil out there, we need to know about it," Bettenberg said. "If not, we also need to know that."

Interior's new estimates are likely to increase pressure on California, where state officials' concern about environmental impact of unrestrained energy development has been largely successful in blocking large leases.

According to Interior's new analysis, "the greatest petroleum potential for the Pacific region" is off southern California. California is the site of the only major offshore oil field discovery since the government accelerated exploration in the wake of the oil embargoes of the 1970s.

The OTA report also recommended more intensive exploration, especially in the Arctic and deepwater areas. But it also noted that low oil prices and the high costs

of extracting oil from such areas may require federal policy changes that "shift more of the economic risks to the government."●

PRIVATE BILL FOR THE RELIEF OF ALTHEA McQUEEN

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. PANETTA. Mr. Speaker, I am reintroducing a private bill for the relief of Ms. Althea Williams Self McQueen. Ms. McQueen is a constituent of my congressional district who in 1949, as an employee of a private construction firm on Guam, was hurt by an Army truck driven by an Army corporal who was off duty and alleged to have been intoxicated. As a result of this accident, medical determinations have concluded that injuries caused by the accident have left her with a disability limiting her to light activities and have caused difficulty using and manipulating her left hand because of residuals of a cerebral concussion.

Since the occurrence of the accident on Guam, Ms. McQueen has pursued legal remedies through the courts. However, no relief has been provided. Also, Ms. McQueen has received some workman's compensation, but much less than what has been required to simply cover her medical treatments.

Therefore, Mr. Speaker, it is my hope that with the adoption of this private measure, Ms. McQueen can begin to be repaid for some of the physical and emotional damage she has suffered since the accident on Guam in 1949. I trust that this measure will be approved.

Following is the text of this measure:

H.R. —

A bill for the relief of Althea Williams Self McQueen

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to Althea Williams Self McQueen of Monterey, California, the sum of $100,000 in full settlement of all claims of Althea Williams Self McQueen against the United States arising out of the injuries suffered by Mrs. McQueen as a result of being struck by a vehicle operated by United States Army personnel in Agana, Guam, on March 3, 1949.

Sec. 2. No amount in excess of 10 percent of the payment authorized in the first section of this Act shall be transferred or received by any agent or attorney for services rendered in connection with such payment. Any person violating this section shall be fined not more than $1,000.●

HOW UNCLE SAM ROBBED AMERICA'S POOR

HON. WEBB FRANKLIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. FRANKLIN. Mr. Speaker, last week I received the following letter, signed by seven employees of the Bolivar County, MS, Welfare Department.

Dear Representative Franklin: I am an eligibility worker in the Bolivar County Welfare Department. I feel that I must bring this article to your attention. There is a tremendous amount of fraud in our welfare system, plus it encourages immorality. As a person who sees this problem from the inside, I thought I must get this information to the people who can change things.

Could we have this article printed and put on the desk of every Congressman? We are ready to help change things in whatever way is best.

Thank you for your attention in this very important matter.

Mr. Speaker, on behalf of these concerned individuals, I would like to call this article to the attention of my colleagues.

How Uncle Sam Robbed America's Poor

A COMPREHENSIVE, COMPELLING NEW STUDY OF THE WORKING-AGE POOR SHOWS THAT THE WELFARE REFORMS OF THE 1960'S DID NOT WORK. THERE WERE NO VICTORS—ONLY VICTIMS—IN AMERICA'S WAR ON POVERTY

(by Eugene H. Methvin)

"I'm beginning to wonder about government programs that suppress people's will to do better," says State Representative Barbara Ulichny, a liberal Democrat representing Milwaukee County, Wisconsin. Despite nearly two years of steady economic expansion, the number of families in Milwaukee County receiving federally funded Aid to Families with Dependent Children (AFDC) jumped 21 percent, people on general public welfare 19 percent and food-stamp cases nearly 30 percent.

In Washington, D.C., a divorced mother of three explains she could actually raise her income by quitting her job and collecting welfare. Why doesn't she? "There's such a thing as pride," she replies. "But so many young women today are doing it."

An angry welfare caseworker of Griffin, Ga., writes his Congressman to protest that healthy young men and women are living off welfare checks. He has a case where 13 people live in one house. The father and three grown daughters get welfare payments totaling over $1,000 a month in tax-free income plus $452 in food stamps. Four of the man's sons, ages 23 to 27, live with them. "No one works," fumes the caseworker. "Why is one part of society having to support the other?"

These diverse voices reflect growing doubt about the nation's welfare system, through which more than five million professionals deliver $109 billion yearly to some 42 million working-age beneficiaries and their children—*one in every five Americans.* Now a powerful new book, *Losing Ground: American Social Policy, 1950-1980,* hurls a defiant challenge at the entire system. Author Charles Murray argues a simple thesis: with the best of intentions, Uncle Sam adopted a social policy in the 1960s that has worked out to be destructive for the very people it was designed to help.

Murray was born and raised in Iowa. He graduated from Harvard and got his doctorate at the Massachusetts Institute of Technology in political science, specializing in quantitative analysis and political development. Murray joined the Peace Corps, spent five years in Thailand, then eight years with the American Institutes for Research in Washington, D.C., before embarking on his massive analysis of U.S. social programs.

His conclusions are explosive: in the Great Society years of 1964-67, American social policy took a disastrous turn. The Johnson Administration, Congress and the Supreme Court rewrote the basic rules for getting ahead by installing a new welfare system designed to uplift America's poor. But, in fact, their programs trapped millions of young men and women, a disproportionate number of them blacks. The War on Poverty became America's domestic Vietnam, and we are still mired in it.

Worlds Apart. The government programs destroyed a social system that in the preceding 15 years had produced astonishing progress for the working-age indigent. In 1959 about 21 percent of the people fell below the poverty line. Their numbers dropped to a low of 11 percent in 1969, just as War on Poverty funding was skyrocketing. Thereafter the number of poor began to increase again, up to 14 percent by 1980.

What went wrong? By changing the rules for making a living, Uncle Sam in effect made it profitable for millions of poor to behave in shortterm ways that are self-destructive in the long run.

To illustrate, Murray tells us to imagine an unmarried working-class couple—call them Harold and Phyllis—graduating from high school in 1960 and expecting a baby. In 1960 Harold had only one choice—to get a job. Phyllis' welfare check would not support the three of them, and if she got a job, she would lose benefits on a dollar-for-dollar basis. Meanwhile, the "man in the house" rule meant that if Harold lived with Phyllis, she would lose her AFDC benefits.

Typically, Harold would take a job, probably at minimum wage, and try to work his way up to something better. Phyllis could support herself, go on welfare or marry Harold. Marriage usually seemed the most sensible choice.

Compare the post-1970 choices; Harold can live with Phyllis and the baby without marriage, and his income will not count against her benefits! Her welfare check is bigger than it was in 1960 and when combined with rent subsidies, food stamps and medical care, adds up to more than Harold can earn at his minimum-wage job. If she works, she can keep the first $30 she makes and $1 of every three above that. Harold is free to work when they need extra income, then quit and live off accrued unemployment benefits. Economically, getting married is dumb, for it would cut Phyllis' welfare checks substantially.

In 1960 Harold and Phyllis' probably would have gotten married. Harold would eventually have found a better job. But with the welfare reforms, Uncle Sam robbed them and many other young people of the opportunity to escape poverty and achieve independence. Expanded welfare programs made it economically rational for women to have children out of wedlock, for fathers to desert wives and children. By 1970, the package of welfare, food stamps, Medicaid and housing subsidies provided a gross income higher than many working people earned. Small wonder that a sizable number chose the world of welfare.

Devastating Effects

Many observers were quick to recognize that welfare giveaways caused people to work less and marry less often. But the Great Society architects set out to prove these popular assumptions wrong. In 1968 they launched an ambitious ten-year study that involved 8700 people in both rural areas and big cities in seven states. The government guaranteed sufficient payments for three, five or ten years to several thousand poor people to bring their income roughly up to the official poverty line, while a "control" group got only the normal welfare benefits of the period. The results, however, were just what popular wisdom had predicted. The dole reduced work effort substantially. In Denver and Seattle, for example, the "desired hours of work" of those receiving a guaranteed stipend 9 percent for husbands and 20 percent for wives. Many older men quit the labor market while young men simply never looked for work.

As the researchers dug deeper, they found that the groups who showed the most pernicious effects were those likely to cause the most long-term damage to the goal of reducing poverty. Historically, wives in poor families have been a vital source of marginal income to help hoist the families out of poverty. They worked to educate children or help husbands to upgrade skills. Thus the 20-percent work reduction among wives represented a significant abandonment of families' efforts to improve their lot.

The guaranteed dole also crippled young males who were at a critical stage in their lives if they were to escape poverty. Their hours of work per week fell 43 percent for those who remained unmarried, 33 percent for those who married. A third group harmed were those who lost jobs while on the guaranteed income: the husbands took 27 percent longer finding new jobs, wives took 42 percent longer, and single female family heads took 60 percent longer.

An even more shocking finding was the dole's impact on family relationships. The test showed that not the strains of poverty but welfare itself undermined poor families. The guaranteed income increased marriage dissolutions 36 percent among whites 42 percent among blacks.

The free-money experiment made a shambles of Uncle Sam's expectations. After 15 years, these devastating effects are evident:

1. FAMILY BREAKDOWN

Two indicators of deep family pathology which had been reasonably stable—illegitimate births and families headed by single females—exploded during the mid-1960s. This problem was most acute among blacks, where the proportion of intact husband-wife families dropped, in 15 years, from 73 percent to 59 percent in 1980. Illegitimate births rose from 28 percent to 48 percent of all black births over the same period. The trouble lay not just in the numbers but in who was having the babies: teenagers. By 1980, 82 percent of all births among black women ages 15 to 19 were illegitimate.

In many states, a teen-ager who bears a child out of wedlock can put together a welfare package—AFDC, housing allowances, Medicaid, food stamps, fuel subsidies—that greatly exceeds what many young fathers can earn. Thus many young women, in order to maximize benefits, refuse to marry the fathers of their babies. But alone, these young mothers are unable to impart to their youngsters the education, discipline and diligence they need to get ahead. "In New York City, half the school dropouts, half the juvenile delinquents and half the young drug users are from families receiving AFDC," reports New York's former welfare commissioner, Blanche Bernstein, in her book *The Politics of Welfare.*

2. JOBS

In the 1950's, black males approached whites in what economists call labor-force participation, LFP. Black youths had a participation rate close to that of whites. But in the late 1960s black males began to drop out of the labor market in droves. By 1976 blacks fell nearly eight percent behind whites in LFP. The phenomenon was generational: younger black males born after 1950 dropped out while their older brothers and fathers kept working.

What happened? Periodic unemployment had become profitable in the short term. Young black males drifted in and out of the labor force, living on welfare, accrued unemployment compensation or the underground economy at precisely the time it was vital to acquire skills, work habits and a steady employment record. Many thereby forfeited their futures as independent adults. Ironically, they gave up just when it was really possible to get ahead: job discrimination was decreasing, and educational opportunities were greater.

3. EDUCATION

Before 1964, education for blacks was improving in terms of enrollment, test scores, and economic rewards that better education was yielding. Then Congress voted the first major increase in federal aid to education for the disadvantaged in 1965 and over the next 16 years targeted more than $60 billion. This investment bought nothing discernible. A single factor may account for most of the failure: *disorder.* Federal bureaucrats dispensing aid opposed suspension and expulsion as "discriminatory." The Supreme Court made suspension and expulsion subject to federal-court hearings and trials. Teachers and administrators found themselves targets of federal lawsuits for using discipline that had been taken for granted for generations.

In the early 1960s shcool disorders were infrequent and minor. Thereafter, they exploded. Streetwise punks converted inner-city schools into bedlams of dope and disarray where achievers were jeered.

Still, more youngsters stayed in school and got diplomas worth less because the pupils learned less. Results from a national sample of youths taking the Armed Forces Qualification Test in 1980 showed that the scores of white high-school graduates averaged 5 points above the mean (57.32), while those for black graduates were 14 points below.

Thanks to welfare reforms, it became easier to support illegitimate children, get along without a job, ignore education. In the end, these behavior changes were traps. Anyone reaching his mid-20s without a good work record is probably stuck for life. A teen-ager who has children and must rely on welfare to support them has struck a devil's bargain with the system that will keep her in poverty the rest of her days.

What to Do. Murray's book has stirred hot debate. "It is dead wrong in much of its factual base and in many of its policy prescriptions," says social commentator Ben Wattenberg, who nevertheless agrees it has "a solid core of redeeming thought worth pondering." University of Wisconsin poverty researcher Sheldon Danziger accuses Murray of "scapegoating welfare" and says despite the negative side effects, "it was worth it."

But *Losing Ground* is "a thoughtful, well-reasoned and in many ways deeply disturbing book," says *Washington Post* columnist William Raspberry. While not in full agreement with Murray, *Newsweek* columnist Robert J. Samuelson adds, "We desperately need a new debate about poverty. The existing one has degenerated into name-calling. On matters of who's in poverty and how they escape, Murray is essentially correct."

Murray says his prescriptions are not likely to be adopted soon, but hopes his book will lead to a change. His major proposals are offered "as a device for thinking about policy, not as a blueprint for policy":

1. TRUE EQUALITY

We need to return to the equal-opportunity principle embodied in the 1964 Civil Rights Act and repeal every law and court decision that encourages differential treatment according to race. Quotas are a form of racism as disabling and vicious, in the long run, as anti-black discrimination. By vigorously enforcing the 1964 law's prohibitions on racial discrimination, we will ensure at last that America fulfills her promise to blacks and to everyone else.

2. EQUALIZE EDUCATION

Teachers must be given full authority to maintain order in schools. The teacher's only obligation is to teach those who want to learn, not to babysit those who want to disrupt the class.

We should establish a voucher system, the single most powerful method available to us to improve education for the disadvantaged. It would give parents a government voucher that would pay for their child's schooling at an institution of their choice. Most poor parents thus empowered to select education will place their children in schools that demand performance. A voucher system will almost certainly produce a substantial convergence of black and white test scores in a single generation.

3. JUNK FEDERAL WELFARE FOR WORKING AGE PERSONS

These benefits include food stamps, subsidized housing, workers' compensation and the rest, except unemployment insurance. Working-age persons would have no recourse except the job market, family and locally run services. This may sound draconian, but evidence is powerful that the lives of large numbers of poor people would change radically for the better. Immediate beneficiaries will be the huge majority of low-income people who have been doing things right along, only to be derided and punished for it: the young man who takes responsibility for his wife and child, the single mother who works full-time and forfeits her right to welfare, the parents who set an example for their children even as Washington's rules taught the children the example is outmoded. For these millions, the instantaneous result would be to regain the pride and independence that are rightfully theirs.

For hardship cases—the ill, the physically and mentally disabled, those unsuccessfully seeking employment—state and local programs will provide an effective safety net. America is still honeycombed with volunteer charitable agencies, employment services, legal services, health clinics and the like. Local and state systems leave more room for everyone, donors and recipients alike, to exercise free choice about the kind of system they live under. The federal government

must inherently use very crude, inaccurate rules for deciding who gets what, with demonstrable awful results. Applying the same set of standards to rural Iowa and the South Bronx simply has not worked.

Charles Murray sums up our welfare predicament today:

"There was an excuse for those who created the 1960s welfare revolution: they did not know better. No one would have predicted a huge proportion of the younger generations of blacks would leave the labor force, form huge number of single-parent families and experience soaring rates of crime, illegitimacy.

"Yet that is exactly what happened. Today we know it—and by examining the record of the last three decades, we know why. There is no excuse for us to continue the policies that have created so much human misery."●

AL RAWLS—MAN WITH A VISION

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. JONES of Tennessee. Mr. Speaker, I rise today to bring to the attention of my colleagues one of my constituents, Mr. Al Rawls, of Brownsville, TN. Al Rawls is a dedicated man, a civic leader, and a successful businessman. He helped start an insurance company many years ago that has grown to become the 17th largest among black insurance companies.

The idea of establishing that company came from the same motivation that has guided much of Al's life: His desire to help his fellow man and serve his community. The insurance company is a testament to his business ability. His life is a testament to his deeply held dedication to serving those around him.

He has been straightforward with those with whom he did business and he has helped his community confront and resolve its problems. His decision over the years to keep his insurance company and its payroll in a town the size of Brownsville, TN, is an indication of his desire to see the community progress.

I would like to take this opportunity to place into the Record, a copy of a story about Al Rawls which appeared recently in the Brownsville States Graphic.

Al Rawls—Man With a Vision

(By C.T. Smith)

Little Brownsville—beloved home and gem of West Tennessee—is also the home of a national insurance company. In fact, no other insurance company in the United States is located in a town as small as Brownsville, TN.

The company is the Golden Circle Life Insurance Company and, fittingly, during National Insurance Week the spotlight should be on Brownsville's contribution to the insurance world and the author of Golden Circle's remarkable success, Al Rawls.

It was a difficult project for a young black man, born in 1907 and living in Haywood County during hard times. Young Al Rawls graduated from high school in 1929 and went to St. Louis looking for employment. He worked through the summer for Judge Mix at the 5-acre Portland Garage, returning to Brownsville in the fall and enrolling in the school of Mortuary Science in Nashville in September of 1929. After finishing the six-month course and returning for the state exam, Mr. Rawls began work with the Colored Mercantile Association and grocery store on Jackson Ave. in Brownsville. In those days, very little was available to help the county's low income black population with funeral expenses. Mr. Bob Martin, Sr., carried the burial insurance for many of the black families at Martin and Cook Funeral Home.

In October of 1935, Mr. Martin transferred 2500 members of the Colored Mercantile Association providing a "temporary shot in the arm" to the Association. However, many people still couldn't afford a decent burial "in their most crucial hour," said Mr. Rawls, and he began seeking alternatives to help them. The Association changed from an assessment to a fixed rate of $3 per year and began an annual drive to establish membership.

Mr. Rawls says that there were members in the association from Crockett, Madison, Lauderdale, and Fayette Counties as well as Haywood. "It did something to me to see loved ones going to Potter's Fields in a pine box," he says. He remembers primitive attempts to embalm the dead by putting a saucer of salt on their chest. In fact, he says he's "seen a lot of things go and come." But his determination to change conditions for the people of Haywood and surrounding counties resulted in the organization of the Sons and Daughters of the Golden Circle in July of 1950. By this time the association had 33,000 members on its books but still was without adequate capital to assure a stable financial outlook.

Mr. Rawls contacted the Department of Insurance and Banking to seek a charter to develop a cash benefit fraternal organization. The charter was received and thirty-three units were organized. As Mr. Rawls wrote on the occasion of Golden Circle's 25th anniversary, "Through faithful performance, diligence and punctual services, this small group became a successful organization. At this time there was no premium tax on fraternal orders and we were able to use the finance that came into our hands profitably. We were able to make loans which helped save farms and homes throughout the various communities."

By 1958, the Department of Insurance and Banking decided that the progressive company should be paying premium tax and suggested that it convert from a fraternal order to an Old Line Legal Reserve Stock Life Insurance Company. That conversion was accomplished over a very busy weekend and Mr. Rawls credits Frank Chapman, who was president of Brownsville Bank at the time, with the vision to see what the company was going to accomplish and the arrangement for the issuance of treasury bonds to capitalize the new venture.

It took brave, wise men to foresee that the fledgling insurance company would move from nothing to the 17th ranked company among 32 black insurance companies, with assets totaling $6,218,000. But what really distinguished the Golden Cricle was that the "members of the organization shared each others' burdens." Sometimes, says Mr. Rawls, they would sit up all night with a sick member, making poultices or helping any way they could. Also, some of the members carried insurance with the fraternal organization for 10 years without ever being issued a policy—a real commitment of faith.

Al Rawls is one of eleven children of Ned and Texanna Love Rawls. His values are based squarely on principles he has developed over a lifetime of experience. Of the progress of the business which bears the stamp of his personality and vitality so strongly he says, "I had to fight every step of the way—both the black and the white communities." He also says that it would be "impossible" to start the business now, that there is "no chance" it could succeed in the current environment. He's of the belief that you have to "work a dollar hard. It won't work itself." Because of the difference he sees now in the attitude toward work, he doesn't believe he could generate the support he did when he started.

Al Rawls' contributions to Haywood County go far beyond the company he founded, which banks in Brownsville and turns over its large payroll here. He has been a part of every step of the improvement in the quality of life along the way. When there has been race friction, he has been at the center of the solutions. In 1960, he joined an 18-member bi-racial committee organized by J. T. Haynes, Sr., to resolve the issue of black voting. What does he say of the progress? "Things are not what they ought to be, but thank God they're not what they were." He remembers the dark times, such as when the whistle blew on Saturday nights and blacks had to clear the streets. "You had to fight if you should dream", But he says that Haywood County is a better place now for blacks to live than Shelby County.

What does Al Rawls, who bound a group of people together in a golden circle to fight a united battle of faith, say to young people whose battles are just beginning? "Fight your own fight, carry you own load. Don't depend on others to feed you." The man who says he has never minded being used for the causes he hopes to further says, "It isn't the height we've attained, but the depth from which we came."

He hopes to keep Golden Circle right here and together after he's gone. Those following after will have a lot to answer for if their commitment is any less deep, their determination any less strong than the man who has been "used" to create a better future for all Haywood Countians.●

EL SALVADOR: BACK FROM THE BRINK

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I had the honor today of hosting in my office the President of El Salvador Jose Napoleon Duarte. As the first democratically elected President of his country in 50 years, President Duarte has demonstrated leadership qualities that have impressed his followers and adversaries alike. Most people acknowledge the tremendous communications skills of President Reagan; but, I believe President Duarte comes close also in being "a great communicator."

His skills in convincing Congress of the need to support his country with economic and military aid following his election as President paid off not only in passage of the administration's aid request for El Salvador but also in confirmation that President Duarte was committed to improving the human rights conditions in his country, in turning around the economic crisis and in strengthening the democratic structure of his country. Furthermore, he has taken bold and sincere steps to seek dialog with the armed opposition forces in his country, who are supported by the international Communist movement.

A recent article in the Reader's Digest by David Reed, entitled "El Salvador: Back From the Brink," clearly describes the life and accomplishments of this American-educated statesman. I urge my colleagues to read this article and reflect on how much has changed in El Salvador in the past 6½ years compared to what has happened in Nicaragua during the same time period.

El Salvador: Back From the Brink

(By David Reed)

March 1972.—He had just been elected president of El Salvador. But the army, which ran the country, prevented him from taking office. He was arrested, blindfolded, beaten savagely, eventually exiled. With that, the Salvadoran generals concluded that they were rid of José Napoleón Duarte forever.

They were wrong. After seven years of exile, Duarte returned to El Salvador. On June 1, 1984, he became only the second democratically chosen civilian president ever to take office in that Central American country

Under Duarte's direction the Salvadoran army, now reorganizd and retrained by U.S. military personnel, is making great strides against El Salvador's cocksure communist guerrillas. After five years of laying waste to the country, the guerrillas are, as one American adviser puts it, "looking over their shoulders and sleeping in their boots."

If the Salvadoran army continues to make progress against the guerrillas, as most knowledgeable observers predict, the consequences will be profound. El Salvador was targeted years ago by the commnunist world for an armed takeover. At Moscow's direction, Cuba and Nicaragua provided the Salvadoran guerrillas with arms, ammunition, training and political backing. The Soviets counted on victory in El Salvador as the first round in a concerted campaign to turn Central America and the Caribbean, regions that lie on our doorstep, into Marxist strongholds.

ASTOUNDING CHANGE

Recent visitors to San Salvador, the capital of El Salvador, can scarcely believe that a war is going on. Situated on the slopes of a volcano, bathed in dazzling tropical sunshine yearround, San Salvador is one of the most pleasant cites in Central America. Its tranquillity is usually shattered only by tumultuous soccer matches that draw tens of thousands of wildly excited fans.

To those who knew San Salvador in 1980, when the insurgency was getting into high gear, the change is astounding. The guerrillas operated openly in the capital then, carrying out assassinations, kidnapping businessmen for ransom, murdering residents who refused to contribute to their cause.

A military dictatorship that had lasted nearly 50 years was toppled in October 1979, in a coup d'etat staged by reform-minded officers. They set up a military-civilian junta that Duarte, back from exile, eventually headed. But it was a government that had virtually no control over its incompetent and corrupt army. Thus the guerrillas roamed unchallenged across much of the nation, destroying crops in the field and crippling the economy. Half a million Salvadorans were driven from their homes in the fighting, and unemployment soared to an estimated 40 percent. Nicaragua had fallen to the pro-Soviet Sandinista guerrillas the year before, and many Salvadorans feared that their country would be next.

EBBING TIDE

U.S. military aid eventually blunted the guerrilla onslaught, although the Administration had to squeeze every last dollar from a Vietnam-mesmerized Congress that preferred to ignore the Soviet-Cuban threat. From 8000 men five years ago, the Salvadoran army has expanded to nearly 30,000. Corrupt and inept officers have been retired; younger men, many trained in service schools in the United States, have taken over. In 1980 the Salvadoran army had, at any one time, only two or three helicopters in flying condition. Today it has 36 UH-1 "Huey" helicopters that can airlift crack units into combat within minutes.

In late 1983, when I was in northern Morazan Province, the military commander there told me that the entire region to the north of the Torola River was a guerrilla stronghold. A year later, when I returned, government forces had crossed the river and retaken all of the towns formerly occupied by the guerrillas. Helicopter mobility had made it possible.

The guerrillas were once able to mass 1000 men routinely for assaults on isolated towns or garrisons. Now, as a result of the army's improved performance and its new air capability, the guerrillas generally are forced to break up into groups of 25 to 30, constantly on the move to stay alive. Intelligence sources report that the guerrilla high command wanted to stage offensives in the spring and fall of 1984, but that they simply did not have the strength to do so. Salvadoran officials anticipate that the guerrillas, now that they are on the run in the countryside, may attempt to revive terrorism in the cities.

But more and more, the guerrillas are seen by the Salvadoran people as losers, the worst fate that can befall a guerrilla. Durate's election came as another setback. While the guerrillas could claim in the past that they were fighting a military dictatorship, they now are seeking to destroy a democratic government.

"OUR KIND"

A short, powerfully built man with a craggily handsome face, the 59-year-old Duarte, known as Napo to his friends, is one of the world's toughest heads of state. For most of his political career, he has lived in constant danger of assassination—by communists on the left and by fanatics on the right. His enemies describe him as a "bombastic egomaniac," and even his friends concede that he is not lacking in self-confidence.

Duarte grew up in the slums of San Salvador. When he was a teenager, his father, an often-unemployed tailor, won $16,000 in a lottery. The money enabled the father to send his son to the University of Notre Dame in Indiana. Young Duarte supported himself there by working as a waiter, dishwasher and window cleaner, quickly picking up English in the process. Graduating with a bachelor's degree in civil engineering in 1948, he returned home and got a job as an engineer with an architectural firm.

Later, as a partner in the firm, Duarte supervised the construction of many buildings in San Salvador. And soon the one-time slum kid was prosperous. Plunging enthusiastically into civic work, he headed El Salvador's Boy Scouts and gladhanded his way through Central America, organizing service clubs. He also found time to help set up El Salvador's volunteer fire association, be active in the Red Cross and teach structural calculus at the University of El Salvador.

A practicing Catholic, Duarte was one of the founders, in 1960, of El Salvador's Christian Democratic Party, which presented itself as an alternative to communism in seeking reforms by peaceful means. Duarte served three two-year terms as mayor of San Salvador, where he built a new central market and introduced street lighting in low-income neighborhoods.

Then, in 1972, he won the presidential election as a centrist-coalition candidate. After the military installed its own candidate in his place, a group of officers attempted a counter coup, and asked Duarte to assume the presidency. But the coup failed.

For seven years, Duarte lived in exile in Caracas, Venezuela. Once again he prospered, becoming general manager of a construction company. He hurried home after the coup in 1979, and eventually became president of a military-civilian junta preparing for a return to democratic rule.

The junta scheduled elections for a constituent assembly that would write a new constitution. The guerrillas ordered the public to boycott the elections and threatened to kill those who went to the polls. Nonetheless, some 85 percent of eligible voters cast their ballots. The guerrillas also tried to disrupt the presidential elections in March 1984, but about 75 percent of the electorate turned out. As Duarte failed to receive a majority, a runoff was held in May, with an estimated 80-percent turnout. Duarte won 54 percent of the vote and was sworn in as president.

On a visit to Washington after the election, Duarte charmed U.S. Congressmen, many of whom had previously opposed military aid to El Salvador. "I'm putting my life on the line," he told them. "Don't leave me standing alone." Won over, Rep. Clarence Long (D., Md.), then chairman of the House Appropriations Subcommittee on Foreign Operations and a skeptic on Salvadoran aid, paid Duarte the supreme compliment: "He's our kind of man." The result: Duarte persuaded Congress to approve $62 million in additional assistance for his country.

FACING THE PROBLEMS

When Duarte took office, many wondered if he could gain control of the army, which had always run the country. A test came four weeks after his inauguration. Guerrillas attacked the country's largest dam and hydroelectric station at Cerrón Grande. Duarte appeared at the army's operations center, the first time in memory that a civilian leader had dared venture into the inner sanctum of the military. He demanded a briefing, then ordered: "Take the dam back right away." Six hundred airborne troops, flown to the dam by helicopter, turned back

the guerrillas before they could seriously damage the facilities.

A further test of the army's loyalty came last October. During a speech to the United Nations General Assembly in New York, Duarte surprised everyone by announcing that he was willing to meet guerrilla leaders to discuss peace. Some army officers objected that he was foolishly giving the enemy legitimacy by appearing with them in public. But a majority of officers supported the president.

On the appointed morning, Duarte arrived by car at the village of La Palma in a contested area about 45 miles north of the capital. With him were his defense minister and three civilians. By agreement with the guerrillas, the men were unarmed, and had no bodyguards. There to greet Duarte were thousands of his countrymen.

In a five-hour meeting in the village church, Duarte offered the guerrillas amnesty if they would lay down their guns. And he assured them that they could organize a political party to work for change within the system. The guerrillas flatly rejected the offer, showing that they are not much different from other Marxist-Leninist totalitarians who want to shoot their way into power. While both sides seem willing to continue talks, no date has yet been set.

Having gained the confidence and cooperation of the army, Duarte tackled one of his most difficult problems: the *ecsuadrones de la muerte*, or death squads. These right-wing groups, operating with the tolerance or guidance of high-ranking army officers, are believed to have assassinated thousands of civilians. In an effort to root them out, Duarte disbanded the 110-man intelligence unit of the Treasury Police, widely regarded as being involved in such practices. He fired more than 100 soldiers and police believed to be responsible for abuses, and placed under a single command the Treasury Police, National Police and National Guard, which had functioned as laws unto themselves. Duarte also gave orders that the International Red Cross was free to talk with El Salvador's prisoners any time it chose.

Death squads still operate, but killings of civilians by security personnel have fallen dramatically. Says Duarte: "I'm trying to convince the army and society that we're all worse off if we use violence to solve our problems."

One area where Duarte gets only a passing grade, if that, it his attitude toward El Salvador's business community. Duarte needs the cooperation of businessmen to revive the depressed economy, but relations are mutually cool. Says a knowledgeable American in El Salvador: "He hasn't done enough to make businessmen confident enough to invest. Until he does, the economy won't recover." Duarte's party may also suffer election reverses that could hamper his ability to move the country toward his goals.

Nonetheless, El Salvador has come a long way from those dark days in 1980 when it looked as if it was about to fall to a Soviet-orchestrated onslaught. Salvadoran guerrillas still have fight left in them, and there are bound to be setbacks. Yet the tide in El Salvador has clearly turned. Because we refused to back down—and because one brave man was willing "to put my life on the line"—a potential communist foothold has become instead a budding democracy.●

SELF-DETERMINATION AND NAMIBIA

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. DYMALLY. Mr. Speaker, in his recent statement on South Africa, Secretary of State George Shultz implied that apartheid is an isolated and dying policy, relevant only to the people of Capetown or Johannesburg. He is mistaken. The South African Government has imposed its apartheid policy on nearby Namibia; a nation which endures a South African-led occupation government. Apartheid is expanding, and the Reagan administration proposes little beyond its ineffective constructive engagement approach. Representative Pat Schroeder, on the other hand, offers a bill which questions South Africa's occupation as well as the American business community's participation in it. I stand in full support of her efforts.

Indeed, we could spend many hours debating the morality of apartheid and decry our President's lack of moral strength in dealing with South Africa. But, in many cases, the argument would fall on deaf ears, for politics and morality, as we all know, often mix badly. What I find most disturbing about apartheid is not its South African roots, but its ability to expand. For all effective purposes, apartheid remains a 19th century, colonial institution; a policy which encouraged early 20th century fascists, such as Mussolini and Hitler. Despite its relegation to the southern tip of Africa, apartheid has survived thanks to a thriving economy and the available black labor force to fuel it. Namibia promises to enliven the recently weakened South African economy. It is the world's major producer of diamonds and uranium, and its copper, zinc, and lead mining operations are booming. Naturally, America's business moguls desire a piece of the action. And naturally, America's opponents of apartheid question the morality of the business community's decision.

Although the argument against the exploitation of black Namibians by American business is a strong moral one, there is another, more political argument which I must stress. Since Franklin Roosevelt's signing of the Atlantic Charter in 1941, the United States has opposed the spread of colonialism. Hence, apartheid, being a primary colonial institution within South African affairs, must be opposed on this fundamental point of democratic foreign policy. America has not only lost its moral compass when it tolerates the spread of apartheid, it departs from its better traditions. The tradition involved here is the respect for self-determination; a principle enshrined in the Atlantic Charter.

The Namibian Natural Resources Act restores this principle. It prohibits American industries from exploiting South Africa's stranglehold on Namibia and from turning a profit because of it. It condemns the South African occupation of Namibia and urges a withdrawal. I ask my colleagues to consider the significance of self-determination to our concept of democracy. Let us not place profit in front of our best traditions. Let us not endorse apartheid by ignoring its expansion. Instead, let us embrace the principle of self-determination, decry racism, and offer encouragement to the people of Namibia.●

DAIRY INDUSTRY LEADER DESERVES RECOGNITION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BROWN of California. Mr. Speaker, I represent an area which has a great deal of dairy production and also produces many of the leaders of the dairy industry in this country. One such person is Mr. Pete Vander Poel, who is retiring from his position on the board of the Ontario Milk Producer's Council this month after nearly two decades of service. I feel that Mr. Vander Poel deserves the thanks and recognition of those of us in California and across the country who have benefited from Pete's work.

Mr. Vander Poel is the owner and operator of dairies in Chino and Corcoran, CA. He has served as a director of the board for the Ontario Milk Producer's Council, as well as the chairman of the board for the last 10 years. He is one of our California representatives on the National Milk Promotion Board, a position of national importance which he richly deserves. He is als a past board member of the League of California Milk Producers, the California Farm Bureau, the California Milk Advisory Board, and the American Dairy Association.

Mr. Vander Poel also has a distinguished record of public service. He served in the U.S. Army Reserves from 1958 to 1964. He was a field representative for California Assemblyman John Briggs. Pete is also a past member of the Chino Unified School District Board of Education. And, he served two terms on the California Correctional Industries Board.

Mr. Vander Poel has devoted his life to service to the public and to the dairy industry. His accomplishments are many, and his retirement from the board of the Milk Producers Council is a loss for all of us. But, knowing Pete, his activities will not diminish, and we will not be without his energy, advice, and presence in southern California. But for now, we should all take time to thank him for his work.●

CALLING FOR REAGAN-GORBACHEV MEETING

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. LAGOMARSINO. Mr. Speaker, all Americans wish to see the threat of nuclear war diminished, and the nuclear arsenals of the superpowers reduced. Many sincere Americans believe that cooperation can replace hostility in our relations with the Soviets. It has been said many times, often by Members of this body in this well, that "If only President Reagan would sit down with his Soviet counterpart and conduct an open dialog, the chances of war could be lessened and greater understanding will result." Today's international climate remains unsuited for the achievement of these goals, however. While President Reagan has extended a formal invitation to CPSU General Secretary Mikhail Gorbachev to visit Washington, the new Soviet leader has thus far rejected the President's offer, thereby passing up the opportunity to engage in important discussions and negotiations with the United States. Mr. Gorbachev, we are told, is not yet ready to deal with major foreign policy matters.

U.S. Secretary of State Shultz has reported that the entirety of his recently concluded 6-hour meeting with Soviet Foreign Minister Gromyko in Vienna was devoted exclusively to restatements of previous Soviet positions on issues such as arms control, human rights, Afghanistan, and Nicaragua. In the first round of the Geneva arms control negotiations, Ambassador Paul Nitze has categorized the Soviet bargaining position this way:

> It is the Soviet approach as a whole that is blocking U.S. efforts to facilitate movement in the negotiations * * * beyond pressing (their) baseless charges, pushing their moratorium proposal, and showing little interest in exploring U.S. proposals, the Soviets provided little of substance and few specifics during the round. Of the specifics that were offered, many represent steps backward from previous Soviet positions.

The American people are waiting, Mr. Gorbachev. Our President has plainly stated his desire to meet with you, to discuss concrete proposals for managing the superpower rivalry. And our representatives in Geneva are ready and eager to engage in meaningful negotiations on making deep reductions in nuclear weapons and creating a more stable strategic environment using offensive nuclear forces and defensive weaponry. Americans are reasonably patient people, Mr. Gorbachev. But they expect and deserve a sincere effort on your part to reduce world tensions and lessen the risk of nuclear catastrophe, not restatements of previous policies or mere propaganda.●

DO YOU REMEMBER LOVE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Ms. SNOWE. Mr. Speaker, I would like to take this opportunity to applaud a very special program which was aired last night, Tuesday, May 21, on CBS. "Do You Remember Love" is a story which graphically depicts a fictional representation of how life can change for a loving, happy family when one of its members becomes a victim of Alzheimer's disease.

Joanne Woodward, who played a 50-year-old poet and college professor, is stricken with Alzheimer's disease and begins to deteriorate in front of her class and colleagues when she fails to remember lines of poetry so often quoted in the past. Her husband, portrayed by Richard Kiley, is a successful businessman, a loving father and devoted husband. The film depicts the husband's deep sense of loss as his wife becomes less and less the person she used to be. The couple's son has to confront his own fear of the disease's potential genetic factor, before he has the courage to visit his deteriorating mother. The importance of Alzheimer's disease support groups comes across strongly in this film. The husband reluctantly joins a group and finds it allows him to express his overwhelming sense of unfairness, sadness, anger, and frustration to an audience who has a deep understanding of his feelings because they themselves are experiencing similar emotions.

The film aired the same day that the Select Committee on Aging conducted hearings on the problems of Alzheimer victims and their families. Clips from "Do You Remember Love" were presented at the hearing followed by several emotional accounts by family members of Alzheimer victims.

Alzheimer's disease is the fourth leading cause of death in this country, following only heart disease, cancer, and strokes. Some 2.5 million Americans have been afflicted by Alzheimer's disease, and this number is expected to double by the year 2000. When I first came to Congress 6 years ago, not a single bill had been introduced to deal with the problems of Alzheimer's disease. In the 97th Congress, only 3 bills were introduced. By the 98th Congress, the total number had jumped to 26, and so far this year, 18 bills have been introduced. I believe this gives a strong indication of the growing awareness and concern of Federal legislators about Alzheimer's disease. As policymakers we have finally begun to grapple with our role in dealing with this affliction, to explore ways in which we can promote research, assure care for victims, and encourage support for their families.

According to Dr. Zaven Khachaturian, chief of the Alzheimer's program at the National Institute of Aging, the pace of research has been very dramatic since research funding was doubled to more than $34 million between fiscal year 1983 and fiscal year 1984.

"New discoveries are coming on a weekly basis now, not months or years but weeks," Dr. Khachaturian is quoted as saying in a recent New York Times article. This is indeed an important and exciting development. In the meantime, however, one family out of three will see a parent succumb to Alzheimer's. The pressing need remains for adequate care of the Alzheimer victim and for respite services for the caregiver of the dependent.

Respite is a relatively newly defined service area designed to provide care for the dependent person while the caregiver takes a break from the daily responsibilities. Caring for a person who has Alzheimer's disease can be an exhausting and often a hopelessly difficult job. The patient not only becomes more and more forgetful, the victim also becomes frustrated which can result in violent outbursts of anger. Personality changes often occur and can render the person difficult to manage. Alzheimer patients tend to wander in the daytime as well as during the night, allowing the caregiver little rest. This leaves the caregiver fatigued and depressed. Caregivers who are tending a victim all day and then regularly have to get up during the night to care for the wandering victim will soon need help themselves.

The caregiver is a vitally important link in the home care of Alzheimer's victims and yet, this person has received all too little attention and appreciation in the past. The caregiving responsibility for an Alzheimer victim is an enormous task that no person should have to do without assistance.

Legislation which I introduced last week and that was included in the Economic Equity Act, will begin to address the great need for respite care. H.R. 2527 will expand the dependent care tax credit and make it refundable for those whose tax liability does not exceed the credit to which they are otherwise entitled. In addition, this legislation will provide for a new credit for respite care expenses. This credit will encourage the full-time care giver to seek respite either by hiring someone to come to the home to care for the dependent for a few hours a day or

a week, or by bringing the dependent to an adult day care center. My legislation would also permit up to a two week stay in an institution in order for the care giver to tend to other personal or family affairs.

The CBS presentation last night was difficult to watch. However, as with all difficult issues in life, it is better to fact the problems head on and learn more about them, than it is to pretend they do not exist. One day each of us may be forced to confront the devastating problem of becoming a victim or having to care for one. Because every third family can expect a parent to develop Alzheimer's, it is vitally important that we unite in confronting Alzheimer's disease from every aspect including research, education, treatment and supportive services.●

A DEMOCRATIC ALTERNATIVE: FISCAL RESPONSIBILITY WITH FAIRNESS

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. FEIGHAN. Mr. Speaker, last November voters sent an emphatic message to Washington. They wanted the deficit cut, and they wanted it cut without a tax increase. They wanted Federal spending, both defense and nondefense, curbed in a reasonable way. They wanted many domestic programs trimmed, but few eliminated.

In short, Americans demanded two things from their representatives: fiscal responsibility and fairness. Two weeks ago, the Senate passed a budget that achieved the first of these goals, but fell far short of the second. The democratically controlled House Budget Committee has produced a plan that achieves both.

The House budget package matches the Republican Senate's toughness on the deficit, but it does so in a way consistent with a Democratic commitment to fairness. With this budget, Democrats can demonstrate something they haven't shown in some time: The ability to construct realistic and positive alternatives to Republican policies.

The House budget resolution equals the Senate budget in deficit reduction, with a cut of $56 billion in fiscal 1986. Over 3 years, the budget plan would save $259 billion, shrinking the deficit to $124 billion (2.5 percent of GNP) by fiscal 1988.

The House Budget Committee achieved this reduction without a tax increase through a "freeze plus" approach. The committee began by freezing funding for defense and discretionary domestic spending at 1985 levels. Then it went on to make further cuts in nondefense programs.

Under the House plan, many programs often touted as Democratic sacred cows are slated for funding cuts. Amtrak subsidies are reduced by 10 percent. The budget for the Small Business Administration receives a 20-percent cut. Funding for community development block grants is lowered by 10 percent. General revenue sharing is cut back by 25 percent and then eliminated.

These cuts are not easy to make, and they won't be very popular in some places. But their inclusion in the House budget plan demonstrates that Democrats are capable of making the hard choices needed to attack the deficit. With fairness as the goal, Democrats have faced up to the need to take action across the board—including cuts in programs supported by their traditional constituencies.

When the Budget Committee began its work in January, Chairman Bill Gray announced that every option would be considered—except a tax increase. When some Representatives called for a minimum corporate tax, Chairman Gray wisely put his foot down and kept the budget plan free of revenue measures. A corporate tax should be used only to further reduce personal tax rates. The deficit must be tackled through spending cuts.

The result of the committee's deliberations is a budget proposal that takes as big a chunk out of the deficit as the Senate budget does, but spreads the pain of deficit reduction more fairly.

Spending cuts are distributed evenly—51 percent to 49 percent—between the Pentagon and domestic programs. After a 1-year authorization freeze, defense spending receives annual increases of 3-percent above inflation; even with the spending authorization freeze, outlays on defense will increase by $15 billion. On the domestic side, reductions are spread among a range of constituencies and regions.

Beyond these careful balancings, the House budget proposal expresses the Democratic Party's—and the American people's—commitment to fairness in a number of important ways.

First, the plan preserves all retirement cost-of-living adjustments [COLA's] in full: Social Security, civil service and military retirement, and veterans' benefits. What tax increases had been for the Democrats, cuts in Social Security have become for the Republicans—something to lean on when you are unwilling to make deep enough cuts in programmatic spending. The Democrats, however, learned their lesson and kept tax increases out of the budget proposal. By eliminating the Social Security COLA, Republicans showed that they have failed to learn an equivalent lesson. By preserving the Social Security COLA the Democrats keep a promise to the American people—of all generations—that the President and the Senate have callously broken.

The House budget proposal also preserves the integrity of Medicare. The plan does extend the freeze on fees for doctors and hospitals. That freeze continues the struggle to get medical care inflation under control. But, unlike the Senate budget, the House plan doesn't call for further cuts that would increase premiums or reduce benefits for recipients.

The House budget package protects the essential needs of the young as well as the old. Although the plan does not increase funding for education and training programs, it leaves these programs unscathed by outright cuts.

Finally, the House proposal doesn't leave the poor out in the cold. For 4 years, programs to assist the poor have been slashed. The American people may have supported many of these cuts, because they wanted waste and fraud eliminated and because they wanted dependency reduced. By now, though, these programs are widely, and correctly, perceived to have been stripped to the bone. The House budget thus maintains them at current levels.

Too often in the last few years, Democrats have fallen into the intellectually lazy stance of an opposition party. They have simply poked holes in the administration's policies without offering viable alternatives. The House budget proposal breaks with this pattern. It provides an encouraging sign that the Democrats are ready to be the party of government again.●

NAMIBIAN NATURAL RESOURCES PROTECTION ACT

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. OWENS. Mr. Speaker, I have joined with Congresswoman Schroeder today in introducing the Namibian Natural Resources Protection Act. This measure is needed to protect Namibia's resources until that land is finally free of the colonial yoke which has burdened it.

In 1878, Walvis Bay was claimed by the British and it was annexed to the Cape Colony in 1884. The Berlin Conference of 1884 then decreed that the terrority would become a German Protectorate. The German period was characterized by exploitation of the mineral wealth and the decimation of the indigenous population.

At the conclusion of World War I, German "possessions" in Africa were "reassigned." South Africa occupied Namibia during the war and sought annexation at the conclusion. South Africa was denied annexation by the

League of Nations, but Namibia became a mandate territory under the administration of South Africa. South Africa was supposed to administer the territory for the benefit of the inhabitants. However, South Africa's administration was characterized by exploitation of the natural resources and subjugation of the people. This process was brutal. When Namibians refused to pay a South African dog tax, the South African Air Force was used to bomb them into submission.

After World War II, South Africa sought U.N. consent to the incorporation of Namibia. South Africa claimed that the inhabitants sought incorporation. The U.N. General Assembly denied permission for incorporation and asked South Africa to put the territory under the U.N. Trusteeship System. South Africa refused and continued to rule the territory. In 1948, when the National Party came to power, they argued that the mandate system had ended with the League of Nations and they proceeded to annex the territory in fact. Whites were granted South African citizenship and apartheid was established. Repeated attempts by the United Nations to get South Africa to comply with international supervision of Namibia failed. In 1966, the U.N. General Assembly revoked South Africa's mandate over Namibia [Resolution 2145]. The resolution also declared that the people of Namibia had a right to self-determination. This process changed South Africa's status in Namibia from a legal mandate to an illegal occupation.

Today, South Africa continues to illegally occupy Namibia. South Africa continues to exploit the mineral resources of that land and South Africa has imposed the evil of apartheid on the people. We may not be able to address the oppression of the people of Namibia directly, but the time has come to take the profit out of that oppression. The Namibian Natural Resources Protection Act will begin the process of cutting off the profits to those who would oppress, exploit, and deny self-determination to Namibia.

The Namibian Natural Resources Protection Act will prohibit the taking of resources from Namibia without the express permission of the U.N. Council on Namibia; authorizes the President to issue regulations, licenses, and orders to carry out the act; establishes monetary penalties for the removal of resources; directs the President to enter into negotiations with other nations to prevent the removal of resources from Namibia; holds individuals responsible, in accordance with international law, to any future Namibian Government in the event that they remove resources and provides for effectiveness of the act in 180 days and for termination of the act when Namibia achieves internationally recognized independence.

This, Mr. Speaker, is a beginning—a beginning which will support and encourage the process of self-determination for Namibia through sanctions which make its continued subjugation unprofitable. It is my hope that we will be able to convince South Africa of the virtue in ending its occupation of Namibia by removing the benefits which are now flowing to those who oppress that land.●

OLDER AMERICANS MONTH

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. ROTH. Mr. Speaker, I am pleased the month of May has again been proclaimed as "Older Americans Month." The traditional commemoration allows each of us to recognize the many and invaluable contributions senior citizens have made to our families, communities, States, and Nation.

This year's Older Americans Month holds extra-special meaning, for 1985 is a year of milestone anniversaries. The Social Security Act, which has been successful in improving the standard of living among the elderly, is 50 years old this year.

Twenty years ago, legislation that created the Medicare and Medicaid programs was signed into law.

Finally, 1985 is the 20th anniversary of the enactment of the Older Americans Act. This initiative established an aging network, which has coordinated and provided basic social and human services to tens of millions of older adults. The objective is to help older Americans preserve their dignity and remain self-sufficient and independent.

Independence, the cornerstone of our Nation, has prompted the theme of this year's celebration of Older Americans Month: "Help Yourself to Independence." Whenever I return to my home State, I have the opportunity to meet with senior citizens who are maintaining their independence vigorously and creatively in a variety of ways, such as retirement communities, hobby groups, adult day-care centers, volunteer work, community service employment, congregate and home-delivered meals, and home health care.

This year the Federal budget deficit overshadows all other legislative policy issues. The rising budget deficit threatens senior citizens as well as younger generations. Large and growing deficits endanger the economy and the financial support for programs like Social Security, Medicare, and the Older Americans Act.

We all oppose an economic slowdown. With its lower employment and investment opportunities, or high rates of inflation, a slowdown erodes the purchasing power of senior citizens, who often live on limited or fixed incomes. We must not forget that the soaring rates of inflation and large tax increases of the 1970's hit older Americans harder than any other group.

Finally, older people, I am convinced, do not wish to see a huge public debt passed to their children and grandchildren.

For these reasons, the deficit problem must be addressed in a responsible and fair way that recognizes how the needed sacrifices are distributed in terms of those who can afford or cannot afford to make them.

We cannot ask senior citizens, who have given so much of themselves during some of the toughest years our Nation has faced, to shoulder the burden of deficit reduction. Many older Americans are heavily dependent on the benefits from Social Security. A reduction in benefits for these people is completely unacceptable, and I will oppose any such action.

I will also oppose burdensome increases in Medicare cost-sharing and premium amounts, because such increases have the most adverse effect on those beneficiaries least able to afford them. Our goal has been and continues to be good quality health care for older Americans at a price they can afford.

By the year 2030, an estimated 21 percent of all Americans will be over the age of 65. This means the number of people 65 years or older will increase from 28 to 65 million in 45 years. These figures foreshadow numerous challenges that our society will address. I am optimistic because tremendous opportunities lie ahead. The wisdom, patience and dedication that accompany maturity are the essential elements in solving problems and realizing dreams.

Senior citizens are an enormous asset to America. Their abilities and experience are a significant human resource which can be called on to help resolve problems in the community and the country. Holding great potential at any age, a person's mind is a terrible thing to waste.

I am proud to participate in the public salute to older Americans, who have devoted and continue to devote their knowledge, energy and time to the betterment of ourselves and our country.●

ACE AND JOSIE ALAGNA CELEBRATE 40TH ANNIVERSARY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. RODINO. Mr. Speaker, it is a deep sense of pride and happiness that I rise today to pay tribute to two special people who will celebrate their 40th wedding anniversary on June 3 of this year—Ace and Josie Alagna. I have known them for nearly half a century, and consider myself fortunate to count them among my closest personal friends.

Ace Alagna is the publisher of the Italian Tribune News, yet it was as a photographer that he first gained the reputation for excellence that he enjoys. A great deal of history passed through Ace's camera lens, and he has chronicled some of the historic events of our time. As one whose early career in politics has been captured forever by "Ace Alagna Photos," I am very grateful for his artistic talents.

As publisher of the Italian Tribune News, Ace provides news, information, features, and opinion on issues of interest to everyone. Fiercely proud of his Italian heritage, Ace continues to speak out against discrimination and prejudice against Italian-Americans whenever it occurs. He brings the same sense of outrage when he sees any form of discrimination and unfairness in society.

Ace is truly a humanitarian as well, having been responsible for the construction of day care centers in areas of Italy that were destroyed by earthquakes. He headed up the Italian Tribune News Earthquake Relief program in 1976, and then again in 1981 he saw to it that the project in Palomonte, Italy, became a reality.

The recipient of countless awards and honors for his civic and charitable activities, Ace Alagna is a fixture in our community who has dedicated himself to his fellow citizens and to his family. He and Josie are the proud parents of four daughters—Marion, Camille, Joan and Barbara; and are the grandparents of Jeffrey, Sissy, Kimmy, Teddy, Christina, Jason and Damon.

I know my colleagues will want to join me in saluting Ace and Josie on this very special occasion. I offer my best wishes for many more years of health and happiness.●

DEATH PENALTY FOR "ALL" COP KILLERS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BIAGGI. Mr. Speaker, last week I introduced a bill, H.R. 2531, to withhold certain Federal funding from those States that fail to adopt a death penalty statute for criminals convicted of willfully killing a law enforcement officer. I authored this measure during National Police Week—May 12-18—an annual event that dates back to 1963.

Under my bill, a State would lose their share of Federal "crime prevention, control, or reduction" funds unless they have a death penalty statute in effect for persons convicted of "willfully killing a law enforcement officer." States would be given up to 3 years to comply with this condition before they would lose any Federal funding.

According to an FBI report, 20 out of the 70 police murders in 1984 were committed in 18 U.S. jurisdictions that have no death penalty for the crime.

Simply put, it is ludicrous to reward States with Federal help in the fight against crime if those same States do not even have laws to protect our front line of defense against crime—the law enforcement officer. A death penalty for the murders of police officers is not only just punishment, but it is an effective deterrent to others.

Consider, for example, that the State of Florida, which does not have a death penalty for killing a police officer, had more police murders in 1984—six—than any other State. My home State of New York, which has no death penalty in effect for any crime, tied for second in the number of police murders in 1984 with five.

Other jurisdictions without a death penalty statute for killing a police officer are Alaska, Connecticut, the District of Columbia, Hawaii, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, North Dakota, Oregon, Puerto Rico, Rhode Island, West Virginia, and Wisconsin.

States are now benefiting from approximately $6.5 billion in Federal funds that are currently being spent on a variety of criminal justice-related activities, such as drug enforcement, criminal investigations, and law enforcement training. The purpose of my bill is not to deny States this vital assistance. Instead, it seeks to bolster our overall crime prevention effort by better protecting our police officers.

It is grossly unfair to ask our Nation's law enforcement personnel to sacrifice their lives and then turn around and spare the lives of their killers.

At this time, Mr. Speaker, I want to insert the full text of H.R. 2531:

H.R. 2531

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, no appropriated funds shall be make available to a State for crime prevention, control, or reduction, if such State does not have in effect a provision of law imposing the death penalty for willfully killing a law enforcement officer in the course of or because of the official duties of such law enforcement officer.

SEC. 2. As used in this Act, the term—

(1) "law enforcement officer" means an officer or employee of the United States or of a State who has authority under applicable law to enforce the criminal laws of the United States or a State; and

(2) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

SEC. 3. This Act shall apply with respect to fiscal years beginning with the third fiscal year after the fiscal year in which this Act is enacted.●

A TRIBUTE TO BEN KESSLER

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. MRAZEK. Mr. Speaker, I rise today to pay tribute to two extraordinary members of the Long Island community. On June 2, 1985, the members of Congregation Beth Sholom of Mineola, NY, will honor their president Ben Kessler and his wife Marilyn for their outstanding service to their congregation and to the community at large. I'd like to take this opportunity to bring to your attention some of their many remarkable accomplishments.

Ben Kessler was born 60 years ago in Brooklyn, NY, where he graduated from Erasmus High School. Since then, he has become a leading community and business leader on Long Island. He joined Congregation Beth Shalom 30 years ago and has labored unceasingly on its behalf. In 1979, he was elected to the Board of Directors of Congregation Beth Sholom, and subsequently, was named its president. He has served the congregation in a variety of areas, perhaps most notably by working to execute a program to restore the synagogue. He is determined to see that the congregation prospers and maintains its position as an important center of the Jewish community in Mineola.

Ben is also a notable business leader, serving as president of Holland Associates, a family-owned business with his brother Sy. He is a member and guest lecturer of the National Premium Sales Executive and winner of their 1983-84 program of the year award. With his brother, he was profiled in a 1984 Newsday interview in recognition of their success in the premium and incentive field. Ben was also a founding member and president of the Inter-Island Rifle & Pistol Club of Westbury and a past director of the Auxiliary Policemen of Westbury.

Marilyn Kessler has also been an active leader in the Long Island Jewish community. A member of Hadassah, she has served on the membership committee, the fundraising committee, the Youth Aliya and helped to edit the Hadassah bulletin. She served as an editor of the temple paper and art director for the temple journal. She is an active member of ORT, for which she has served as a fundraising chairwoman. She has been a leading member of Congregation Beth Sholom

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for the past 30 years and has served the congregation in many respects, including organizing pool parties for the temple, arranging dinner dances for the congregation, and acting as cook and caterer for numerous temple functions. She is presently writing a cook book for a temple fundraiser.

Marilyn also pursues a number of hobbies including needlepoint, rug hooking, sewing, cooking, and gardening. She maintains a special interest in the environment and wildlife, and calls herself an avid birdwatcher. She has also served as a cub scout den mother.

Mr. Speaker, I think you will agree that it is fitting that we pay tribute today to Ben and Marilyn Kessler. I am fortunate to have the opportunity to offer my own personal sense of gratitude to them for their outstanding contributions to the Long Island community. I wish them the best for the future as they continue to serve Congregation Beth Sholom and the Mineola area.●

FEDERAL FUNDING FOR MASS TRANSIT VEHICLES' OVERHAUL PROGRAM

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. LIPINSKI. Mr. Speaker, on May 15, I introduced legislation that would make Federal funding available under UMTA section 3 and nine programs for major vehicle overhauls.

During the past 4 years, Federal funding for mass transit has been continually cut. Transit systems all across the Nation have had to scramble to find other methods of raising funds to maintain operating levels at current levels of service. When there has been a shortfall of revenues, various vehicle overhaul work and capital projects have had to be deferred.

Federal funding for major rail vehicle overhauls is a cost-effective and worthwhile endeavor that will maintain the dependable and efficient operation of rail vehicles and buses. An overhaul of a rail vehicle involves the total rehabilitation of the vehicle. Even though most rail vehicles have a useful minimum life of 25 years, that period only applies to the life of the vehicle body and frame, and not to major subcomponent parts which last for much shorter durations.

Without periodic overhauls, the only alternative available is to wait until a component fails or until its scheduled replacement dates come due. This results in a longer downtime for repairs and a lower vehicle availability to meet service requirements. The cycle continues as cars break down more often. Those that do run receive greater usage, deteriorate more rapidly, and fail sooner. This circle of deterioration and failures cannot be broken without a complete rehabilitation program to simultaneously restore the components of the rail vehicle to a like-new condition periodically during the life of a vehicle's body and frame.

Federal funding to transit systems for a vehicle overhaul program would keep the vehicle failure rate within reasonable bounds in a cost-effective manner. Many savings can be achieved in an overhaul program that are unavailable under the incremental replacement approach. It must be kept in mind that any program that only replaces parts when they fail condemns the subsystems to continuous failure and high maintenance costs. A program that would only replace parts at some predetermined natural life point results in constant replacement activities, as all the parts have different lives. Both programs require additional man-hours and facilities to accommodate periodic scheduled replacements, and system or part changeouts, and unscheduled troubleshooting and repair.

My legislation will direct UMTA to make a commitment of capital funds for the periodic, major overhaul of transit rolling stock prior to the end of the rolling stock's useful life. Federal transportation policy has been geared more to pushing local jurisdictions to fund more of their transit needs and to rely less on the Federal Government. Now that we have a dedicated portion of the Highway Trust Fund for mass transit, we have the resources available to fund an overhaul program. UMTA's current policy on major vehicle overhauls will doom my transit authority in Chicago as well as many other transit systems to provide inefficient and undependable transit service to their communities. Transit systems are attempting to function with less Federal assistance for operating and capital construction, however, I feel that the Federal Government does have a responsibility to help transit systems take cost-effective measures to help reduce their costs of operating. A federally funded vehicle overhaul program will help accomplish this and I urge all of my colleagues to join me in cosponsoring this legislation.●

MARTIN A. DURKIN, DIRECTOR OF THE CARPENTER'S JOINT APPRENTICESHIP COUNCIL OF PHILADELPHIA

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BORSKI. Mr. Speaker, I rise to pay tribute to Mr. Martin A. Durkin for his 25 years of dedicated service as director of the Carpenter's Joint Apprenticeship Committee of Philadelphia.

Marty Durkin has had a long and highly distinguished career as a carpenter. Not only has he exemplified the best technical skills of his craft, he has throughout his service proved an effective and respected leader, and a very capable administrator.

Mr. Durkin served in the Navy in World War II before he became a carpenter. He saw duty with the 3rd and 5th Fleets in the Pacific and in the Occupation Force in Japan. He earned the Pacific Theater Ribbon with six bronze stars and the Philippine Liberation Medal.

Mr. Durkin has been a member of the Carpenters Local Union 122 since 1947, and has been a certified journeyman since 1949. For 33 of his 38 years in the union he has served in its leadership. From 1955 to 1961 he was the local's representative to the American Federation of Labor. In 1980 he was elected president of the Carpenter's District Council.

On June 22d of this year, the contractors and locals who make up the Joint Apprenticeship Committee of Philadelphia will honor Marty Durkin for his 25 years of service on that body. His work there has been characteristic of the leadership and integrity he has brought to his every endeavor. I wish to join with these people in honoring Marty Durkin, to commend him as an example to us all, and to pay tribute to a successful career of excellence, dedication and service.●

IN HONOR OF WILLIAM T. WHISENHUNT, JR.

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. TORRES. Mr. Speaker, I rise to commemorate a friend and constituent of mine, Mr. William T. Whisenhunt, Jr. Tom, as his friends call him, is retiring from the Los Angeles Police Department. He will be missed.

Tom Whisenhunt has had a distinguished career in public service. A 20-year veteran in the Los Angeles Police Department, Tom has spent the last 6 years as officer-in-charge in the Department's Discovery Unit. Tom will be missed by his fellow workers because of his obvious talent as an officer, and for his commitment to assist people. As a public servant, Tom Whisenhunt has gone the extra mile—volunteering for political campaigns, serving as a member of numerous Bar Associations, and working for important community issues.

I know Tom best from his activities as a leader of the Coalition of West Covina Homeowners' Association. I hope he does not retire from that position as well. He has led all efforts in alerting a community to health dangers caused by a hazardous waste landfill. Even when few were listening, Tom Whisenhunt was there trying to protect the community. There are few people in the world who are willing to take an issue, fight the wealthy and powerful, and win the battle. Those characteristics—protecting the community and fighting for the underdog—are what we want in a police officer. I regret that we are losing from the Los Angeles Police Department such a person as Tom Whisenhunt.

I congratulate Tom Whisenhunt for his past work. With his wife, Sally Ann, and his daughter, Tina Maria, Tom is guaranteed to have a future filled with prosperity, friendship and family. My hope is that even as Tom retires from the police force, he continues to work with me and other members of the Homeowners' Association to make West Covina the most beautiful community in Southern California.●

A TRIBUTE TO WILLIAM H. WYNN

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. FAUNTROY. Mr. Speaker, on May 23, 1985, at the Touchdown Club in Washington, DC, Mr. William H. Wynn will be honored by the Shaw Community Center Food Committee for his many years of community service.

As the international president of the United Food and Commercial Workers International Union, AFL-CIO, Mr. Wynn provides dynamic leadership to 1.3 million members. He has effectively represented the UFCW's position on a wide range of issues including workers' rights, safety, and health on the job, consumer protection, and nuclear freeze.

A union man since age 17, Mr. Wynn rose through the ranks. His first union position was in 1954, as business representative for the Retail Clerks Local 37 in South Bend, IN. He has since held jobs at the local, regional, and international union levels. In 1976, he was elected international secretary-treasurer of the retail clerks, and in 1977, he became international president.

With the creation of the United Food and Commercial Workers International Union in 1979, Mr. Wynn was the unanimous choice for president. As an AFL-CIO vice president, a member of the Federation Council, a member of the labor federation's Maritime Trades, Food and Beverage Trades, and Industrial Union Departments, and on the boards of trustees of the American Institute for Free Labor Development and the Asian American Free Labor Institute, Mr. Wynn consistently upholds the labor's position.

In addition to his many other responsibilities, Mr. Wynn is a faithful supporter of the Shaw Community Center Food Committee. His assistance over the years has enhanced our efforts to supply needy Washington families with Thanksgiving baskets.

Mr. Speaker, I am pleased to join my fellow committee members in honoring a man who has given so much to our community.●

THE RURAL ECONOMY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, May 22, 1985, into the CONGRESSIONAL RECORD:

THE RURAL ECONOMY

Recent figures show a shocking rate of unemployment in sourthern Indiana. Unemployment is in double figures in 18 of the 21 counties in the 9th District, and is over 30% in one county. In 15 counties, unemployment increased despite a nationwide economic recovery. These figures confirm my own experience. Every poll I've taken of 9th District residents indicates an overriding concern for job creation, economic opportunity, and community revitalization.

Residents of southern Indiana are not alone in their preoccupation with economic development. Low income, high poverty, migration to the cities, inadequate public services, and poor job opportunities are common in rural America. While some rural areas have boomed, growth has been uneven. Last year, the average rural person earned about 40% less than an urban worker, and in only 3 of the last 14 years has rural employment kept pace with cities.

In the 1970s, rural America seemed to be on the rebound. For the first time this century, rural areas grew faster than cities. Expansion in the national economy, and the decline of agriculture, mining and forestry, led to diversification in the rural economy. Many firms liked the trainable, productive and less expensive rural workers. New industries meant more jobs and higher income for rural workers, which in turn created opportunities in supportive services.

These new industries brought a measure of prosperity, but they also exposed rural communities to changes in the business cycle. Many rural communities have only one or two job-producing enterprises, and if these enterprises falter, the community suffers. Major economic developments, like an overvalued dollar and deregulation of the transportation and other industries, subjected rural areas to abrupt market changes. Farmers and small businesses feel the pinch of high interest and exchange rates. During recessions, layoffs disrupt the incomes of rural families, reducing their spending power and sending ripples though an entire community.

We urgently need to create in rural America productive and creative enterprises. The problems of the cities and the problems of rural America are not two problems but one. It is not in our best interest to depopulate rural and small town America and build bigger metropolitan complexes. We must begin at once to assess the prospects for rural growth, and take steps to bring it about.

In my view, strong growth in rural America depends, in a word, on investment: in people; in knowledge; in public facilities; in plants and equipment. Many rural areas lack these facilities, as well as opportunities for superior education, culture, and recreation.

Good schools at all levels of the educational system are vital. They assure business a well-educated and trainable workforce for an increasingly specialized job market, and encourage people to stay and work in areas that offer high quality education to their children. Even when unemployment is high, jobs go unfilled because prospective employees lack the necessary skills.

Improvements are needed in roads, bridges, airports, water and sewer systems, communications and other physical support systems. Keeping these systems in good shape helps draw industry and create jobs; neglecting them will reduce job opportunities. We cannot follow a "build it and forget it" policy and expect to grow.

Rural areas can also benefit from investment in research and development. For example, our productivity in agriculture will be threatened if we cannot develop new techniques for preventing soil erosion. In Indiana, our excellent colleges and universities offer the possibility of promising ventures with business and industry to determine how to respond to the needs of the employer and the unemployed worker.

These investments will be more manageable if the private and public sectors split their costs. The federal government can help. Through the use of loans, loan guarantees, and tax incentives it can stimulate and channel investment to rural areas. For example, tax and regulatory relief might encourage businesses to locate in underdeveloped "rural enterprise zones," boost savings to encourage investment, or reduce paperwork and red tape for businessmen. Federal funds can supplement state and local funds to support construction and maintenance of our infrastructure. Federal research can seek ways to adapt technology to the workplace, and improve energy conservation and resource development.

We cannot rely on solutions from Washington to revitalize rural America. Federal programs have often helped, but they will not, by themselves, achieve dynamic growth. Besides, the Congress increasingly reflects the cities and suburbs of America, and the political punch of rural America has weakened. In only a few congressional districts is at least one fourth of the population directly involved in farming.

I remain optimistic about the prospects for growth in southern Indiana. We have many advantages that can serve as a base for growth. We have unique natural resources: fertile farmland, good forests, ample water, and plentiful supplies of coal. We have prosperous industries with the capacity to expand. Our workers are productive, steady, and reliable. We have a good location, fine schools and universities, and adequate public infrastructure. There is less crime, congestion and pollution, more open space, a greater sense of independence and community. After all, Indiana is a pleasant place to live.

The revitalization of rural Indiana is a formidable challenge. It presents us with choices about the kinds of investment, both public and private, that must be made to strengthen economic performance in the future. We must commit ourselves to these investments without knowing how successful they will be. The question is whether we have the wisdom and the imagination to respond to this challenge with innovation and creativity.●

THE REAL COST OF DEFENSE

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. KOSTMAYER. Mr. Speaker, today in the House we engage in perhaps the most important legislative debate of the year, the debate on the Federal budget for fiscal year 1986.

Under the able leadership of my colleague, the gentleman from Pennsylvania [Mr. GRAY] the House Budget Committee has brought forth for our adoption a budget which is responsible, which is tight, which demands savings in various sectors of the Government, but which is fair, and most importantly, addresses the imbalance between domestic and military spending for which this administration has been responsible for the past 4 years.

My constituents, Mr. Speaker, are not in favor of continued waste and abuse in the Defense Department, nor are they in favor of the pell-mell rush to develop and deploy ever more dangerous nuclear weapons which do not enhance our legitimate security needs.

I would like to share with my colleagues, Mr. Speaker, a statement I recently received from one of my constituents, Paul Zimmerman, of Bucks County, PA, which is representative of the views of many in my congressional district. Paul is an active member of the Bucks Alliance for Nuclear Disarmament [BAND] which has been at the forefront in fighting for responsible defense policies, and in urging renewed negotiations to end the nuclear arms race.

THE REAL COST OF DEFENSE

This is a dangerous time for the U.S. economy. Over the past four years, the Reagan administration has more than doubled Pentagon spending, without materially enhancing our security. At the same time, the President has cut some $550 billion in tax revenues. The result has been a recent boom, now fading, and the amassing of more debt under this president than under all previous presidents combined.

Yes, we've lived very well—most of us—over the past two years, on borrowed money. But, now the effects of the Reagan binge are being reflected in an increasingly stagnant U.S. economy. Last quarter, we ran up a trade deficit of $11 billion. Our dollar is high. Our interest rates are high. Our gross national product is growing at a feeble 1.3 percent. After months of ridiculing those concerned about the growing deficit as purveyors of gloom and doom, even the President understands the damage his deficit is doing. Mr. Reagan is dead right when he sees a second recession ahead unless the 1986 budget starts cutting down on spending. But the way he proposes we go about such cuts is dead wrong.

That is why his recent nationally televised appeal for public support for his budget did not trigger anything near the phone calls and telegrams he'd hoped for. Congressman Kostmayer tells us that the results in his and most other Congressmen's offices was decidedly mixed. It's easy to understand why. The President's idea of a fair budget is to give the Pentagon $26 billion more than it spent—and misspent—last year, at the cost of a broad range of programs which assist the elderly, the middle-class and the truly needy.

We cannot support the budget for two reasons. First, it is blatantly unfair. Second, it will not contain our ballooning and dangerous debt.

On the fairness question, who is being asked to bear the brunt of the 50 billion dollars in spending cuts proposed by the President's budget? Not the corporations which paid no tax last year. Not the defense contractors who squandered millions—and also did not pay their fair share of revenues. No. The President wants to gouge $39 billion over the next 3 years from the elderly, despite his supposedly solemn pledge only months ago never to touch the Social Security system. These older Americans, many of whom depend entirely on their monthly checks for survival, are being asked to suffer a 2 percent cut, on top of the 6-months sacrifice of cost of living adjustments they already forfeited in 1983. Many of these same older Americans will be hurt again by the President's proposed cuts in Medicare.

Of course, the elderly aren't the only ones being asked to suffer in the name of a massive Pentagon increase. Under the 1986 Reagan budget, hundreds of thousands of students, from middle-class homes, would have a college education snatched from them, as a result of deep cuts in the student loan program. Commuters who depend on rail transportation to get to and from their work would see the modest Federal support given our Nation's train system kicked out from them. Displaced workers and victims of our changing economy would join the army of the permanently unemployed because of budget cuts in job training programs. The proposed Reagan budget would accelerate the flight of family farmers from the land. It would cut critical child nutrition programs drastically. It would push some 600,000 more Americans below the poverty line.

The Reagan administration argues that a sharp rise in Pentagon spending is necessary to keep America strong. But there are many ways of defining such strength. I don't believe America is made stronger by under-financing the clean-up of our toxic waste sites. I don't believe America is made stronger by cutting educational opportunity for students or nutrition for hungry infants while throwing more money at the Pentagon.

Some argue that Pentagon dollars provide much-needed jobs. But, in fact, few areas of government spending buy less jobs for the buck than the military. High tech defense dollars create perhaps 14,000 jobs for every $1 billion spent. The same $1 billion spent on building hospitals or renovating factories provides between 40,000 and 60,000 new jobs, many of them for those unskilled workers who form the hardcore of our Nation's unemployed. Beyond this, military dollars produce weapons that do not feed back into our economy, unlike washing machines, cars and other products of domestic production. So, the added $26 billion for the Pentagon proposed by the President would, in reality, rob us of money and jobs in the civilian sector just when we can least afford it.

I am convinced that an absolute freeze on Pentagon spending would enhance our national security. For one thing, a freeze on defense would save us $32 billion, rather than cost us $26 billion. In addition to the economies enjoyed from such a freeze, limiting the Pentagon to last year's budget of $292.6 billion would exercise a long-overdue disciplinary effect. For the first time in a long time, the Pentagon would be forced to tighten its operation, to watch its dollars, to eliminate needless bureaucratic layers, to terminate inter-service duplication.

By forcing the Pentagon to tighten its belt, along with everyone else, we would encourage a reappraisal of our strategic priorities. Under President Reagan, we've spent more than $1 trillion on defense, much of it on top-heavy nuclear hardware. At the same time, our commanders complain about a decline in combat readiness and a shortage of those rapid, mobile forces most likely to be used in any future conflict. We are told of a shortage of spare parts and of weapons systems so technologically overloaded that they spend half their time being repaired. And, of course, we hear of shocking cost overruns, outrageously overpriced wrenches, coffee pots and toilet seats, and shady procurement and billing practices. This is the wrong time to be throwing an increase of $26 billion at the Pentagon.

Americans are willing to sacrifice for the common good, if they believe that sacrifice is being equally shared—and is necessary. But to sacrifice needed programs to finance the MX missile, the B-1 bomber or to double to $3.8 billion moneys on the President's pipe dream of star wars—no consensus will form behind that approach. And no budget will be passed until the administration shows a real willingness to cut the defense budget, something it has not yet done.

Unless it does, we run the real risk that no budgetary consensus will form at all, that amendment after amendment, pushed by special interests, will actually increase Federal spending, that the deficit crisis will be aggravated rather than addressed. If that happens, expect a second Reagan recession far worse than the first. No rise in defense spending is worth that.

I urge my colleagues to vote for the Budget Committee's freeze on military spending as advocated by the Bucks Alliance for Nuclear Disarmament.●

TRIBUTE TO DEL MANUFACTURING CO.

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I appreciate this opportunity to bring to the attention of my colleagues the U.S. Small Business Administration's recent recognition of DEL Manufacturing Co., of Oxnard, CA, as "Prime Contractor of the Year."

The story of DEL Manufacturing's success and that of its founder and driving force, Manuel M. Delgado, is a genuine Horatio Alger story. Manuel Delgado was born in 1924 and brought up in east Los Angeles. He attended the local grammar and high schools while working in the family-owned grocery store as well as operating his own pottery figurine company.

A decorated veteran of World War II, Manuel Delgado joined in partnership with his father in 1948 to found the DEL Manufacturing Co. With the initial capital provided by family savings, this company engaged initially in machining small metal parts. From these beginnings, DEL evolved into a highly sophisticated metal fabrication company producing aerospace products used for the Lance, Atlas, Delta, and Minuteman missiles as well as equipment that is in service on the Space Shuttle.

Prior to acceptance in the Small Business Administration's 8-A minority business program in 1969, DEL experienced difficulty in competing with the giants of the defense industry. Through the assistance of the SBA and hardwork of its owners and employees, DEL has grown into a viable defense contractor, now providing employment to over 250 persons with an annual sales volume of $15 million. Today, DEL is responsible for supplying all four branches of the armed services with nonexplosive, practice ordinance and corresponding nonincendiary signal cartridges.

The success of the DEL Manufacturing Co., and of its founder Manuel Delgado has greatly benefited the community of Oxnard and Ventura County. The Delgado family's generosity and exemplary civic involvement are well known to those of us who reside in Ventura County. It is a great pleasure for me to publicly acknowledge the achievement of DEL Manufacturing and of the Delgado family.●

THE 50TH ANNIVERSARY OF THE REA

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. SCHUETTE. Mr. Speaker, many of us today simply take for granted the wonderful life we live made possible by electricity. We flick on the lights, brew our morning coffee, open the refrigerator for fresh milk, and benefit from a thousand other uses of electricity every day without giving a thought to the fact that this was unheard of just a few years ago.

"It's Coming—Electricity for You" is a phrase with which most people aren't familiar. But that motto, posted all over rural America in the 1930's, meant light out of darkness for millions of farm folks: the coming of the REA.

The story of the Rural Electrification Administration is a story that is unmatched by any country in any era. It is a story of people working together with an overwhelming sense of purpose as the now-familiar twinkling lights of rural America flickered on, one-by-one, across the land.

Besides the luxuries of the modern age to which I referred a moment ago, the REA has helped to bring rural America advanced agricultural technology, better medical facilities, and uncountable other advancements. Additionally, rural electrification has created many jobs that are now a permanent part of the rural community.

This year, we celebrate the 50th anniversary of the REA. As we observe this milestone, let us remember the first magic glow of lights, the sense of wonder, of awe: children—and parents, too—running through their homes, turning lights on and off, women quietly weeping as they see their new appliances saving them hours of hard labor.

On this half-century anniversary, let us look forward with hope and faith in the future of rural America as a land of opportunity still.●

KOLYMA MEANS DEATH

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. MICHEL. Mr. Speaker, millions around the world know the name Bergen-Belsen because it was a Nazi concentration camp. The name Auschwitz is also notorious because it was a Nazi death camp. But how many recognize the name Kolyma? Very few remember what this terrible name means. But to the millions who died under slave labor conditions in the Communist death camps in Kolyma, that name meant death. It is distressing to realize that the American people have little or no knowledge of this epic tragedy. There are no television miniseries about Kolyma. There are no movies in which former Soviet officers at Kolyma are tracked down and brought to justice. Very few people know or care about one of the biggest mass murders in history. When was the last time you saw celebrities picketing the Soviet Embassy over the 6 million who died in Kolyma?

Columnist John Lofton has reminded us of the truth of Kolyma. At this point I wish to insert in the RECORD, "Kolyma Means Death" by John Lofton, from the Washington Times, May 22, 1985.

KOLYMA MEANS DEATH!

Among those who knew what was going on there, the saying was: "Kolyma znachit smert," which translated to "Kolyma means death." And indeed, for millions, Kolyma meant exactly that—death.

I've been thinking a lot about Kolyma lately, particularly since I attended a meeting of left-wing so-called "peace activists" here at which Michele Tingling-Clemmons, D.C. coordinator for last month's "Actions for Jobs, Peace and Justice," declared that even if the Russians were coming (ha-ha), they don't want anything "so radically different from what we, as a people, want."

Oh? Are those who rule the Soviet Union really not all that different from us? Does Ms. Tingling-Clemmons know about Kolyma? And if she did know, would she care?

According to W.J. Cieslewicz, a Polish professor of mineral economics at the Colorado Schools of Mines, Kolyma is a place in Siberia where, from 1931 to 1957, between five and seven million Latvian, Moldavian, Estonian, Georgian and other non-Russian slave-laborers died while forced to toil in the gold mines. Here are some of the horrible things revealed by Mr. Cieslewicz in a well-researched paper about the hundreds of death camps run by the Red Army and the NKVD terrorist police in this region of the Soviet Union:

After the revolution, as "a final solution," the ruling Communists decided to exterminate, or at least decimate, different racial and ethnic groups by forcing them to mine gold in Kolyma. Each prisoner, before he died—usually within two years of his arrival at the mines—produced between 1.5 to 2 kilograms of gold for the Russian treasury.

From the prisons in European Russia, these slave-laborers were transported in box cars and, during the summer months, by boat. Normally, 3,000 to 4,000 prisoners were packed into boats build to carry a few hundred people. In 1939, the prison ship "Durma" caught fire while sailing through Japanese waters. Japanese ships offered to help, but the Russian captain refused and instead ordered all prisoners locked beneath the deck of the burning vessel. Most burned to death or suffocated and their charred bodies were dumped into the sea.

Almost all of the gold mining was done by hand. A pick, shovel and wheelbarrow were the only tools the laborers had to work with, and they worked year-round, even in the winter at temperatures of 60 degrees below zero Centigrade. During the long Arctic nights, prisoners had to blast frozen gravel before they could load it on the wheelbarrow. In the washing season, from mid-May to mid-August, a prisoner's daily norm was 120 full wheelbarrows.

The prisoners, hungry, cold and dressed in rags with shoes improvised from shreds of gunny sacks or pieces of old rubber tires, toiled in the daylight and at night, 16 hours a day. They received 600 to 800 grams of bread, hot water in the morning and watery soup at night. The dying had their rations reduced.

Most prisoners died at the mines and were buried in the gravel. And today, the bodies of these victims, usually perfectly preserved in the permafrost, are caught daily on dragline buckets and bulldozer blades, interfering with the present mechanical re-working of these mines.

As one surviving worker at these mines tells it, here's what happened when one group of 4,000 prisoners got off an unheated train in the dead of winter: "The [Red Army] soldiers walked down the train, removing seals and unbarring freight cars and ordering: All out! We stumbled out in the shrieking, whipping wind and a sub-zero temperature made us gulp and gasp. . . . We shivered uncontrollably. It was the second week of December and Siberia was frostbound in winter. We met it ill-clad only in a pair of trousers, canvas shoes and a thin cotton blouse. . . .

"Only on the third day, in the open potato field buried under two feet of snow, the prisoners were given an issue of winter clothing. . . . On the fourth day drove into the field a whole convoy of some 60 powerful lorries. . . Soldiers were detailed into sections of about 20 men, each section disposed to guard 100 prisoners strung two abreast behind each lorry. . . . From each lorry was uncoiled a length of heavy steel chain. A soldier walked between the two men at the head of each column, forcing them apart, and then walked through the middle cleaving the prisoners into single lines. Other soldiers followed him running out the chain. . . .

"Then 50 men a side, we were handcuffed to the chain by one wrist. The forward end of each chain was secured to a string hook attached to each lorry. The troops piled quickly into the back of the lorry. We were ready to start. The procession began to move, the lorry at the head setting the pace. . . . We trudged non-stop through the first night for 12 hours or more."

These chained prisoners were forced to march more than 1,000 miles through snow for two months in the Siberian winter, north from Irkutsk to death camp No. 303 on the Lena River.

And just as there are "useful idiots" (Lenin's phrase) serving the cause of communism today, there were "useful idiots" then. When FDR's vice president, Henry Wallace, visited one of the Kolyma death camps in 1943, he wrote later of this region: "In North Siberia today Russians have developed urban life comparable in general to that of our own northwestern states and Alaska."

"Life" magazine ran an article in 1943 which likened the thugs who ran the Kolyma gulags to our own FBI. And in December of 1944, "National Geographic" published a long piece by Prof. Owen Lattimore, who called the Kolyma death camp organization "a combination of Hudson's Bay Company and the TVA." He said of the commandant of these death camps—his host, and an NKVD general—that this tyrant and his wife "have a trained and sensitive interest in art and music and a deep sense of civic responsibility."

Sorry, Ms. Tingling-Clemmons. What the Soviets want may not be that radically different from what you want. But what they stand for is radically different from what I want, and from what I think most other Americans want.●

FOODS ARE NOT DRUGS ACT OF 1985

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. DANNEMEYER. Mr. Speaker, today I am introducing a bill which would define when the Food and Drug Administration would regulate particular products as foods as opposed to when they would be subject to the standards applied to drugs.

There is a growing awareness that foods may assist in the prevention and treatment of certain diseases and other health conditions. The National Cancer Institute [NCI] has released information indicating that good nutritional habits and the consumption of certain foods have a preventive effect on cancer. The relationship between diet and disease has long been recognized and it is time our laws reflect it.

As an example, the National Cancer Institute recently released scientific evidence that bran will aid in the prevention of colon cancer. Kellogs ran an advertisement to that effect on the back of cereal boxes which resulted in an aborted FDA investigation into bran's possible status as a drug. Labeling bran as a drug because of the Kellogs ad, or anything like it, is patently absurd.

In addition, foods containing vitamin C have been widely acknowledged as useful in preventing scurvy since 1795 and yet citrus growers cannot make that claim about their product without potentially having citrus classified as a drug.

Current FDA regulations prohibit a manufacturer or distributor of food from making claims that their product will prevent, cure, or mitigate disease unless they comply with existing FDA drug regulations. These regulations inhibit food manufacturers from making true and useful claims to the public about the beneficial health effects of their foods because of the prohibitive costs—up to $70 million—and time constraints—up to 10 years—involved in obtaining permission from FDA to market foods as drugs.

The main purpose of this bill is to exclude foods from the definition of drugs when such foods are truthfully promoted or offered for sale in the diagnosis, cure, mitigation, treatment, or prevention of disease. In addition, this bill seeks to shift the burden of proof from the food manufacturer to the FDA in determining whether a food is being falsely hailed as curative. This will give consumers the widest possible freedom of choice in determining their own diet and health strategies.

Recognizing the significance of this change, the Foods Are Not Drugs Act of 1985 strengthens safeguards against false and misleading advertising present in the Food, Drug and Cosmetic Act by adding a prohibition on oral misrepresentations. The act already contains a prohibition against false or misleading labeling.

It is my hope that this bill may hasten the day when more people will be made aware of the powers of good nutrition and use foods to help prevent illness. As a member of the Energy and Commerce Subcommittee on Health and the Environment, I intend to advocate this and similar measures which recognize and promote the link between good food and good health.●

LUTHER BOLTON CELEBRATES 50 YEARS OF SERVICE TO FEDERAL GOVERNMENT

HON. WEBB FRANKLIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. FRANKLIN. Mr. Speaker, I was pleased to participate recently in ceremonies that honored one of the outstanding civil servants of this country.

Luther Bolton of Greenwood, MS, celebrated 50 years of service to the Federal Government on April 16. He began his career as an employee of the Farm Credit Administration, and then joined the Social Security Administration on December 7, 1936, just 15 months after President Roosevelt signed the Social Security Act into law. He became the district manager for a nine-county area served by the Greenwood, MS, office in November 1956.

Luther Bolton has served the Social Security Administration and the people of Mississippi with dedication and compassion throughout his career. His agency has had a profound impact on the Greenwood area, and has allowed many of our people to live with dignity and pride.

The Federal Government can certainly be proud of his outstanding record.●

FUNDING FOR PREFERRED MAILING RATES

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. DYMALLY. Mr. Speaker, as the House of Representatives considers many important programs which will be affected by our vote on the first budget resolution for fiscal year 1986, I would like to express my strong support for one item which is critical to many sectors of society but is often overlooked. I am referring to the funding for revenue forgone, the appropriation which makes it possible for the U.S. Postal Service to charge reduced mailing rates to nonprofit and charitable organizations, rural newspapers, libraries, and other qualified preferred-rate mailers.

The need for the revenue forgone subsidy stems from a policy set by the Congress itself many years ago—certain types of mailers would be charged rates below the regular postal rates, in recognition of the valuable services they provide to the public. Without the lower postage rates, many organizations would be unable to continue work which is critical to certain sectors of society.

For example, the Salvation Army and the American Lung Association raise funds through the mail. With inadequate, or zero, funding for revenue forgone, the third-class nonprofit rates for these organizations would increase by nearly 150 percent. The second-class nonprofit rate utilized by veterans groups, churches, and universities for their publications would increase by over 100 percent without the revenue forgone subsidy. The fourth-class rate available to libraries for mailing books and other educational materials would increase by nearly 75 percent.

These are not the only organizations which benefit from reduced nonprofit mailing rates. Many hospitals and schools qualify for lower rates, as do rural newspapers which serve America's small communities. And finally, the revenue forgone subsidy allows organizations serving our blind and handicapped citizens to mail materials with no postage.

What will happen if Congress does not appropriate the necessary funding to sustain preferred mailing rates at the level that these mailers rightfully have planned on for many years? Recording for the Blind, Inc., which provides blind students with taped books and materials critical to their education, would incur additional expenses equal to 7 percent of RFB's budget. And who will pay for the reduced service to these blind students? Without the education which helps blind students become productive, independent citizens, the American taxpayer will pay in the long run.

The Salvation Army would incur additional postage costs of $2,600,000 annually. Who will pay if the Salvation Army raises less funds to assist the poor and the needy? The American taxpayer will pay in the long run. The March of Dimes would be faced with an increase of $7,800,000 in annual postage costs for its fundraising efforts. If the March of Dimes cannot bear this added financial burden, who will pay for the reduced services to physically disabled children? The American taxpayer will. Our libraries have absorbed a 671-percent increase in the cost of mailing a 2-pound-book package since 1970. Who will be affected when libraries are forced to purchase fewer educational materials to make up for another dramatic increase in their postage rates? The American taxpayer and their children will suffer the adverse consequences for many years to come.

The administration would have us believe that zero funding for revenue forgone will help us reduce the Federal budget deficit by nearly $1 billion. Unfortunately, the issue is just not that simple. With no appropriation, the U.S. Postal Service would have to absorb the cost of reduced mailing rates. Under current law, each class of mail must bear its own costs—in other words, cross-subsidization between classes is not allowed. Therefore, an inadequate revenue forgone appropriation would send rates for nonprofit mailers skyrocketing almost immediately. As the few examples I noted point out, the American taxpayer will ultimately pay in many ways for this supposed attempt to cut Federal spending.

But in proposing zero funding for revenue forgone, the administration has assured us that rates for nonprofit and charitable organizations will not increase drastically. To accomplish this, the administration indicated it would propose legislation to allow for cross-subsidization of rates. Putting aside the fact that we have not yet seen this proposal, and without getting into the major public policy problems such a proposal would present, I will simply ask my colleagues to consider what the reaction will be when the U.S. Postal Service files for another first-class rate increase so soon after the last one, in order to make up for the lost revenue forgone subsidy.

The administration's proposal to eliminate funding for revenue forgone is ill-conceived, simplistic, and will have serious adverse consequences which I do not believe the administration has considered. In order to maintain preferred mailing rates at the expected level, an appropriation of $981 million is needed. In its first budget resolution, the Senate recommended only $100 million for this subsidy. This amount is not nearly enough to avoid a negative impact on most nonprofit and other preferred mailers. I urge my colleagues in the House to support full funding for revenue forgone in the fiscal year 1986 budget.●

PESTICIDE REFORM NEEDED NOW

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BROWN of California. Mr. Speaker, today I am introducing the Federal Pesticide Reform Act of 1985, legislation which makes comprehensive changes to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). This action follows 2 days of hearings on pesticides held this week before the House Agriculture Subcommittee on Department Operations, Research, and Foreign Agriculture, of which I am a member. After these hearings, and those held over the last 4 years on this topic, I am led to conclude that some basic reform is needed in the FIFRA statute.

In 1981 and 1982, the Agriculture Subcommittee responsible for FIFRA tried to enact changes to the law. Our efforts resulted in House passage of a reform bill which stalled in the Senate. These changes, the first major proposals since 1978, came as a response to earlier mismanagement and malfeasance at the Environmental Protection Agency [EPA] which, while now corrected, has had a lasting effect on that agency's effectiveness. The continuing burden and backlog, contrasted with the increasing need for corrective action at EPA, urges this Congress to act on this matter.

The regulatory system at EPA is a cumbersome, delay-ridden process. Suspect pesticides take years to be analyzed. Even once they are analyzed, they take years to be acted upon. EDB was under review for over 7 years before it was suspended in a panic last year. There is a need for reform in the EPA registration and cancellation procedures.

The public continues to doubt that they enjoy the level of safety that they should be receiving from EPA. A subcommittee report in 1982 found that up to 85 percent of the currently registered pesticides have incomplete health and safety data files. The data which is there is not available to the public in a free and open manner to allow them to responsibly participate in decisions which affect their lives. Workers protection programs authorized in 1972 have not been put in place to protect those who are most exposed to pesticides. Public health and safety are not afterthoughts, but should be the driving concern of our pesticide regulatory system.

This legislation proposes some basic reforms to the existing law. A worker safety program is set in statute and coordinated with similar programs in the Occupational Safety and Health Act [OSHA]. A new groundwater protection plan is established which acts quickly to prevent further contamination of groundwater by pesticides. A new effort to fill data gaps, patterned after a California law, is put in place to make sure that we have adequate health and safety data on all major-risk pesticides.

Changes are made in public right-to-know provisions. Public access to non-confidential health and safety data is enhanced. More safety data is made available to communities about pesticides and chemicals manufactured and used in their localities. And public involvement in agency decisions which affect everybody's life is increased.

There are also provisions which would act to prevent birth defects due to pesticide exposure. These proposals elevate the findings of a pesticide's potential to cause birth defects to a reason for cancellation or denial of registration.

The legislation also speeds and streamlines a very cumbersome process for getting the "bad actors" off of the market, something that all of us want. By allowing more Administrator flexibility, by setting in place simplified procedures, and by setting specific action deadlines, the review process is improved.

Finally, this legislation attempts to treat overseas uses of pesticides on an equal footing with domestic uses. The bill contains provisions that insure that health and safety information collected in this country is made available to countries receiving exported pesticides. Pesticides bound for export would have to undergo the same rigorous examination that domestic pesticides do. And products coming into this country from overseas would have to meet our domestic pesticide residue standard in order to be granted entry.

There are other reform proposals before the subcommittee and there will undoubtedly be more before we are through. Mr. Bedell and Mr. Roberts, the subcommittee chairman and ranking minority member, respectively, have introduced a sound piece of legislation, H.R. 2482, which is based upon EPA's suggestions for improvement in the pesticide regulatory system. The proposal I am introducing today complements that bill.

Because the FIFRA statute is a complex one, and because this bill is a comprehensive set of amendments to that statute, I would like to reprint a section-by-section analysis of the legislation. I urge my colleagues to study this proposal and join with me in cosponsoring this much needed reform measure.

The section-by-section analyses follows:

Section by Section of Federal Pesticide Reform Act of 1985

Sec. 3 Changes the definition of "competent person" to increase the level of training required by a person applying pesticides commercially. (Controversy exists about what level of training should be required of those applying pesticides. This proposal requires the person actually applying the pesticides, the "competent person," to undergo a minimum training program, but not have to actually be certified, which is the next higher level of competency.)

Sec. 4 Requires that inert ingredients, as well as active ingredients, be identified on a pesticide's ingredient statement (See Sections 14 and 24 of this bill). (Certain inert ingredients are bioactive compounds but, under current law, are not listed on the pesticide label nor subjected to the same level of health and safety testing as active ingredients. This proposal starts the process of subjecting these compounds to greater scrutiny.)

Sec. 5 Eliminates from the definition of a misbranded pesticide the provisions dealing with a pesticide manufactured in the U.S. solely for export and not registered in this country (See Sections 8 & 34). (Many pesticides are being exported for uses not registered in this country. Controversy exists about whether the U.S. should allow the unrestricted export of compounds for uses not allowed in this country. This proposal starts the process of increasing the restrictions on these exports by eliminating mention of the existing situation at this point in the Act.)

Sec. 6 Establishes a definition for "data gaps," the health and safety information missing from a pesticide's data files (Used in Section 13). (This is a new term used elsewhere in the bill.)

Sec. 7 Adds a new definition for "Adverse Reproductive Effect" (Used in Sections 10 & 17). (This is a new term used elsewhere in the bill.)

Sec. 8 Requires that pesticides intended for export be registered (See Section 34). (If the U.S. has a duty to act responsibly in exporting toxic substances, it follows that adequate information and screening of these compounds should occur. This proposal requires that a pesticide be registered for at least one use in order to be eligible for export.)

Sec. 9 Allows public disclosure of information submitted in support of a pesticide registration application or a pesticide residue tolerance application in advance of a final decision. (Current law allows public comment on proposed registration and pesticide residue tolerance decisions. However, none of the health and safety data can be made public until after a decision is made. This proposal allows public access to this data while the decision is being made.)

Sec. 10 Prohibits the registration of a pesticide if it has an adverse reproductive effect. (Some pesticides are teratogens—cause birth defects—but this fact has not been adequately considered in past pesticide decisions. This proposal elevates the finding of teratogenicity to a reason for the denial of a pesticide application.)

Sec. 11 Restricts the use of conditional registrations so that adequate public health and environmental safeguards are met. (There has been a pattern of laxity or over issuance of conditional registrations, which are granted to applicants for new uses of existing pesticides, new companies seeking to register existing pesticides, and for new chemicals. These applications are not subjected to the same scrutiny as regular registrations. This proposal eliminates the issuance of conditional registrations *except* to new registrants for existing pesticides.)

Sec. 12 Deletes the requirement which requires a validated test or other significant evidence of unreasonable adverse effect *before* initiation of a formal agency review of a pesticide. (The cancellation process at EPA is a cumbersome and lengthy one. It also contains a number of redundancies, such as the provision eliminated here. This proposal, together with the proposal in Section 18, sets up a "risk only" trigger for the initiation of a cancellation hearing, during which a risk-benefit analysis is performed.)

Sec. 13 Sets a strict timetable for updating the health and safety data files for pesticides which have not been reregistered since September 31, 1978 and which: (1) are used on food crops or which might contaminate potable ground water; (2) have significant data gaps, as determined by the Administrator, or; (3) are mutagens. (EPA was to have reregistered every pesticide and pesticide use by 1976. It still has a backlog of missing data to collect and reviews to conduct which will take decades to complete. This proposal is nearly identical to law enacted in California in 1984 and would set a priority schedule for filling data gaps for the pesticides posing the greatest health risk. Under this proposal, EPA will identify a list of high-risk pesticides and require filling of data gaps for these by a time certain, or EPA will contract for the scientific studies necessary and bill the company which holds the registration.)

Sec. 14 Requires greater stringency for evaluating the adverse effects of inert ingredients used in pesticide formulations. (As explained above, there are some inerts which pose health and safety risks, just as active ingredients do. This proposal requires more data on inert ingredients, allows denial of registration for pesticides containing harmful inerts, and calls upon the Administrator to develop a comprehensive plan for dealing with inerts.)

Sec. 15 Sets a stricter requirement for a registrant of a pesticide to report to EPA when it finds additional evidence of risk with a pesticide. (See Section 30) (Current law requires notification to EPA when a registrant discovers unreasonable adverse effects connected with its product. This proposal requires the reporting of all adverse effects, and requires the company to specifically identify significant adverse effects.)

Sec. 16 Requires the triggering of a pesticide cancellation proceeding when information used to register a pesticide is shown to be false, misleading, or inaccurate. (Within the last few years, it was found that a number of pesticide data packages contained falsified data. This false data would prevent a pesticide from being registered, yet no provision exists for cancelling a registration for a pesticide after the discovery is made. This proposal, similar to California state law, triggers a cancellation proceeding when supporting data is found to be in error.)

Sec. 17 Established the finding of "adverse reproductive effects" as a cause for the initiation of a cancellation proceeding. (This proposal parallels the registration denial proposal in Section 10.)

Sec. 18 Reinforces the previous provision and also changes the threshold for the initiation of a cancellation proceeding to "a substantial question of safety," a more sensitive threshold. (Current law has been interpreted to require a number of steps and analyses to be done before a notice of intent to cancel a pesticide is issued. Then, many of these same steps are repeated during the cancellation hearing process. This proposal sets the threshold of "substantial question of safety," the risk threshold set in a 1971

federal court decision, as the trigger for a cancellation hearing and allows the risk-benefit process to proceed after that.

Sec. 19 Allows the public to request an agency hearing on a proposed action to cancel or change the registration of a pesticide. (Currently only those with an economic interest in a cancellation decision can request a hearing on the decision. This provision allows the affected general public to have the same right to request a hearing.)

Sec. 20 Changes the cancellation hearing process to cut delays. (The cancellation process is generally recognized as a cumbersome and slow process which places the public at risk for years while decisions are being made. This provision streamlines the hearing process, while giving the parties a right to participate, and sets explicit time limits to speed the decision process.)

Sec. 21 Restricts the issuance of subsequent registrations under Sections 3, 5, or 24(c) of the Act for pesticides which have been cancelled, suspended, or voluntarily withdrawn for risk reasons. (Some pesticides for which normal registrations are terminated are placed back on the market through the less rigorous registration processes under Sections 3, 5, and 24(c) of FIFRA. This provision tightens that loophole, requiring greater justification for these subsequent registrations.)

Sec. 22 Requires more health and safety information to be collected and made available for public disclosure on pesticide manufacturing plant operations (See Section 25). (The incident at Bhopal and the subsequent inquiries on chemical plant operations in this country showed a lack of public information about the chemicals contained in the manufacturing plants. This provision requires more comprehensive information to be collected and made available to the public about manufacturing plants.)

Sec. 23 Requires more complete records to be compiled by producers and handlers of pesticides which are intended for export. (As mentioned above, there is a need for greater scrutiny of our pesticide exports. This provision includes pesticide exporters and overseas manufacturing operations in the recordkeeping requirements under this Act.)

Sec. 24 Allows the public disclosure of the names of inert ingredients used in a pesticide. (This provision is the third change in the bill to place bioactive inerts on equal footing with active ingredients.)

Sec. 25 Clarifies the disclosability of data collected under Section 22. (This provision clarifies that intermediary chemicals are to be treated equally with active ingredients in disclosing information to the public, but that the amounts of such active ingredients and intermediary chemicals will not be disclosed.)

Sec. 26 Strikes the major restriction on public disclosure of health and safety data submitted by registrants in support of their registration application (See Section 29). (Current law prohibits the disclosure of health and safety information to foreign or multinational companies. However, EPA interprets this provision as requiring very strict conditions on the release of this data to the U.S. public, restricting the open use of this data. This provision repeals this prohibition.)

Sec. 27 Requires more complete record keeping by commercial applicators and establishes a national system of monitoring pesticide use patterns. (With current concern about groundwater contamination and public health, more complete information is required about volumes and use patterns of pesticides. This provision requires *commercial applicators* to maintain spray records—records which are kept by many currently—for EPA and state agency use. This provision also calls upon the Extension Service to monitor this information among private applicators, although private applicators will remain exempt from keeping detailed records themselves.)

Sec. 28 Requires the use of "best available technology" to reduce the drift of pesticides onto non target property. (Many accidental pesticide exposures are due to pesticide drifting onto adjoining property. This drift can cause harm to unprepared neighbors and their property. This provision seeks to speed the adoption of equipment and techniques to reduce spray drift.)

Sec. 29 Prohibits the use in other countries of health and safety data submitted for a registration in the U.S. (This provision seeks to replace the restrictions which are removed by Section 26 of the bill.)

Sec. 30 Makes it unlawful for a registrant to fail to disclose findings of additional risk associated with their pesticide. (As noted in Section 15, registrants are required to report findings of additional risk, but this is not a strongly enforced or penalized requirement. This provision places stronger penalties in place to make sure that registrants report these risk findings.)

Sec. 31 Makes it unlawful to violate regulations issued by EPA. (Many of the regulatory decisions of EPA have uncertain enforceability unless they are included on the pesticide label. For example, worker safety regulations have not been viewed as enforceable. This provision clarifies this situation by making it a violation of law to violate EPA regulations.)

Sec. 32 Repeals the requirement that the federal government indemnify the holders of cancelled or suspended pesticides. (Current law requires EPA to buy up supplies of pesticides in commercial channels for which sales have been suspended under an emergency order. The indemnification requirement may temper EPA's decision to suspend if the Agency faces large budgetary exposure. This provision repeals the requirement for EPA to buy up remaining stocks of suspended pesticides.)

Sec. 33 Allows civil suits to be initiated in federal district court against persons (including the federal government) found to be in violation of the Act. Litigants may seek damages or equitable relief. (Most environmental statutes have citizen suit provisions for violations of the statute which are used to supplement federal enforcement efforts. This provision creates the same provision in FIFRA. In addition, private applicators are protected in that they cannot be sued until after the violation has been reported the EPA or the State authorities and the EPA or the state fails to act within 60 days.)

Sec. 34 (A) Requires that cancelled and restricted use pesticides must undergo a more stringent procedure before being exported. (As explained above, this country has a responsibility for equal treatment of pesticides leaving this country. This provision requires the exporter of a pesticide to notify the Administrator of EPA, who must provide detailed information about the pesticide to the Officials of the recipient country. The recipient country must acknowledge receipt of this information and details about the pesticide's use before export is permitted.)

(B) Prohibits importation of agricultural commodities with detectable levels of pesticides—levels due to new uses and not residues from past uses—which have been cancelled, suspended, denied, or withdrawn due to environmental concerns. (This provision tightens restrictions on food grown overseas with pesticides not allowed to be sued in the U.S., protecting U.S. consumers and farmers.)

Sec. 35 Clarifies jurisdiction over farmworker safety between FIFRA and OSHA, allowing EPA and Department of Labor to engage in cooperative enforcement and to proceed with worker safety standards. (One of the reasons that EPA has not acted to initiate a worker safety program for pesticides is that any regulations it issues would pre-empt OSHA action under current law.)

Sec. 38 Tightens the issuance of special local needs pesticide registrations by questioning their need if they are being requested by a state deemed not capable of exercising control, or if the pesticide use is being sought in five or more states. (Past studies have shown a larger number of unregistered pesticide uses being approved under the special local need category. This category does not require the same stringency of health and safety data and can be used as a "back door" approach to registration. This provision restricts the use of this registration category.)

Sec. 37 Authorizes EPA to establish and enforce standards for indoor pesticide residues. (Much human exposure to pesticides comes in the home or office where pest control operations may leave residues of harmful pesticides in the air. While we seek to limit exposure through residue standards on food and in water, there is no similar provision for our homes or offices. This provision allows EPA to deal with this problem by giving them authority to set indoor pesticide residue standards.)

Sec. 38 Gives the Administrator the power to change pesticide use classifications or modify labeling or packaging. (As stated elsewhere, the current process of modifying a pesticide's situation is a cumbersome and long one. This provision gives the Administrator the power to make some changes by less formal processes.)

Sec. 39 Establishes a worker health and safety program at EPA (See Sections 31 & 35). (EPA was given jurisdiction over pesticide safety for workers in 1972, but has failed to act. This provision puts a worker safety program in place.)

Sec. 40 Establishes a groundwater protection program which, upon detection of a pesticide in groundwater, requires the affected state to act to control further contamination, or the registrant to amend the use restrictions of the pesticide. (Groundwater contamination from pesticides is becoming one of the most serious problems facing pesticide use. The problem is one which requires a coordinated program and precise fitting of pesticide use to field conditions. This provision proposes a state-based system of rapid action which also allows a registrant to amend pesticide use restrictions to accommodate the specific conditions causing groundwater contamination.)

Sec. 41 Requires the imposition of registration fees sufficient to run the registration program at EPA. (Many of the problems being experienced by the pesticide program at EPA are due to inadequate resources. This provision tries to correct that by imposing registration fees sufficient to fund the program.)

Sec. 42 Protects employees of companies from being fired or penalized for reporting violations of this Act. (Other environmental protection statutes protect workers who report violations of the law from being harassed or fired by their employer. This provision, similar to one passed by the House in 1982, grants that same protection under FIFRA.)

SEC. 43 Changes the table of contents to reflect the changes proposed in this legislation.●

NEUROFIBROMATOSIS AWARENESS MONTH IN MASSACHUSETTS

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BOLAND. Mr. Speaker, this month is "Neurofibromatosis Awareness Month" in Massachusetts.

Neurofibromatosis, often referred to as "NF," is a genetic disorder of the central nervous system that occurs in 1 out of every 3,000 births. Approximately 100,000 people in the United States today have this disease, sparing no sex, race, or ethnic group. Each child of an affected parent has a 50-percent chance of inheriting the gene and developing NF.

During the month of May, there have been numerous activities throughout Massachusetts designed to increase a public awareness of this disease. It is hoped that these meaningful activities, combined with an expanded effort in education and research, will result in a cure being found.

Mr. Speaker, I am confident that through the diligent efforts of NF organizations throughout the country, and through the dedicated work of persons like Ms. Claudette L. Kiely, coordinator of the Western Massachusetts National Neurofibromatosis Foundation, we will eventually bring this disease under control. I am pleased to join in recognizing these efforts and I hope that they will hasten the day when NF no longer threatens the health of our citizens.●

INTRODUCTION OF THE NAMIBIAN NATURAL RESOURCES PROTECTION ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mrs. SCHROEDER. Mr. Speaker, today I am introducing the Namibian Natural Resources Protection Act.

My bill will bring the United States into compliance with international law on Namibia by prohibiting U.S. companies or persons from using Namibia's natural resources, without the permission of the U.N. Council for Namibia, the legal authority for Namibia.

The United Nations and the International Court of Justice has determined that South Africa is in illegal occupation of Namibia. The U.N. Security Council has called for diplomatic and economic isolation of South Africa whenever it acts on behalf of Namibia.

Through its illegal administration and military presence in Namibia, South Africa imposes a brutal colonial apartheid rule on the residents of Namibia.

My bill informs South Africa that the United States is deeply committed to ending the illegal occupation of Namibia and preserving Namibia's natural resources for the benefit of the Namibian people.

I invite my colleagues to join me in this effort.●

THE PRESIDENT'S REPORT ON THE STATE OF SMALL BUSINESS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BROOMFIELD. Mr. Speaker, this past year marks an excellent year for small businesses all over the country. In 1984, thanks to the President's economic policies of high growth and less government, small business has again led the way in job creation and expansion. Small business has shared greatly in the economy's overall growth.

Employment in industries dominated by small business rose by 11.4 percent from October 1982 to October 1984, small business income rose by a whopping 33.7 percent in the first half of 1984 alone, and new business incorporations totaled approximately 640,000 for 1984, a new record.

The President's policies of less government and reduced regulation have clearly helped small business. The results over the past few years show this clearly. In 1982-83, business starts in deregulated industries rose by 24.8 percent, nearly twice the national rate. Job gains by small businesses were the highest in the deregulated sectors between 1980 and 1982. Of the 724,390 new jobs created, firms with less than 20 employees created 495,246 new jobs—68.4 percent, while firms with 500 or less employees created 650,820 new jobs. Small business was responsible for 87.8 percent of job growth in the deregulated industries.

In 1984, women-owned businesses were the fastest growing part of small business. Today, nearly one in every four sole proprietorships is owned by a woman.

The record is clear. High growth, less government, and a sound and healthy economy are the key for small business growth and prosperity. Small businesses do not need government handouts. Our Nation's small businesses need a strong economy fueled by fiscal responsibility and low interest rates.

Mr. Speaker, as a senior member of the House Committee on Small Business, I am pleased to see that the economic policies of our President have returned such high dividends. It is truly satisfying to see the state of small business in such good shape.●

NORTHERN ECOSYSTEMS AT RISK

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. VENTO. Mr. Speaker, over the past decade, the study of air quality has become extremely sophisticated. The Federal Clean Air Act has been a vital catalyst in developing and refining what we know about the air that surrounds us. With the wealth of air quality research and study underway or already completed, the question arises as to how we make best use of the data available in crafting policy. Over the past 4 years this has become a real problem in the debate on acid rain. Whenever attempts are made to draw conclusions from the present data on acid rain the cry goes up for more study. Are we leading ourselves into the situation where we will continually study and debate the problems, so that when a course of action is finally taken we find no resources left to save?

This continued hesitancy exposes important national conservation units to continual risk from the varied assaults of air pollution.

In my own State of Minnesota, Voyageurs National Park [VNP] and the Boundary Waters Canoe Area Wilderness [BWCAW] are national resource treasures known for their pristine lakes, rugged geology and varied fish and wildlife. Yet those same physical and biological characteristics that make these areas a source of awe and wonder also make them susceptible to damage from air pollution. Over the past 6 years, I have seen the data that is continuously being collected in these areas. The picture it paints is a cause of concern. The dominant tree species of the VNP and BWCAW, the white pine and aspen, are particularly sensitive to sulfur dioxide emissions, with most VNP-BWCAW surface waters having a poor buffering capacity. Perhaps most discouraging has been the finding that mercury levels, which increase as lakes acidify, are already high in lakes in and near the VNP-BWCAW, exceeding as much as five times the Food and Drug Administration's consumption limits. If allowed to continue, the implications of

this on tourism and such fish predator species as the bald eagle and the osprey, would be devastating.

VNP and the BWCAW are in a region comparable in vulnerability to others that have already been severely affected by acid deposition in Europe and North America. Yet air quality studies in the region continue to go forth with little effort focused on damage mitigation. At present, there are at least 12 studies underway on some aspect of air-quality problems of the VNP-BWCAW area. Will VNP and the BWCAW begin to look like some of Maine's forests; or worse yet, Germany's Black Forest before we begin to see action? Air pollution impacts on such ecosystems as the BWCAW and VNP are not a short-lived phenomena but accumulate to wear down the ecosystem's resistance to attack. Once the system is degraded and the white pines and aspen die out, how long will it take to bring the trees and the fishery back? No one knows. But I do know if we don't act soon to control air pollution, whole regions of our Nation will suffer from an ecological disaster.●

HONORING 50 YEARS OF SOCIAL SECURITY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1985

● Mr. BIAGGI. Mr. Speaker, this year marks the 50th anniversary of the enactment of the Social Security Act. As an original member of the Select Committee on Aging I would like to take the opportunity to reaffirm the importance of the act to millions of elderly citizens and the original ideals behind its formation which it continues to reflect today.

Since its passage in 1935 in response to the major economic crisis our country faced, support for the Social Security Act has been continuously reaffirmed and expanded by Congress, which has recognized the moral and social obligation of our country to provide for the vast number of elderly and disabled poor who could no longer support themselves because of a variety of circumstances beyond their control. Whereas in 1950 the act only aided those who previously worked in commerce, and industry, today, 90 percent of all workers turning 65 are eligible for benefits.

During the one-half century of life for Social Security, Congress has recognized that this program remains a sacred covenant between Government and employee which it first entered into 50 years ago. Social Security is a commitment to present and future generations of Americans. The Government must work to uphold this trust by ensuring that the Social Security system is financially sound and will remain intact for when our grandchildren become eligible to receive benefits in the next century.

In 1956 Congress added disability insurance to the act, and further expanded it in 1965 by providing the elderly with relief from high-cost medical expenses through Medicare. With the enormous rise in inflation during the early 1970's, the level of Social Security benefits was insufficient to meet the needs of the vast majority of elderly. In response, Congress enacted an indexing system through which benefits would automatically change to compensate for the inflation rate.

Although many have claimed that approximately 28 percent of the Federal budget goes into funding for programs for the elderly, in truth, both Social Security and Medicare are financed by a payroll tax on employees. The funds collected from this tax are used exclusively to pay Social Security and Medicare benefits to those entitled to them.

It is clear that neither program has contributed to the Federal deficit. Yet since 1969, Social Security and Medicare have been included as part of a unified budget. This inclusion has continued to provide tempting opportunities for those who seek to reduce the deficit.

The fact that the Senate leadership recently agreed to limit cost-of-living adjustments as part of a 3-year plan beginning in fiscal year 1986, gives support to deficit-reduction mania that seeks to achieve savings from the Social Security checks of elderly beneficiaries. I am pleased that the House, to date, has stood firm in the face of this attempt to raid the Social Security trust funds and has rejected any and all efforts to reduce—delay—or eliminate COLA's.

If this were to pass as part of the final budget resolution, it would have far-reaching and detrimental effects on our Nation's elderly. Current Congressional Budget Office estimates note that the proposed limit on COLA's would force nearly 220,000 senior citizens into poverty during the next 3 years, reducing payments per family by an average of $410 a year.

I will continue to fight any and all measures which would give rise to such grave consequences and firmly oppose any and all legislation that seeks to reduce—delay—or eliminate cost-of-living adjustments for seniors on Social Security.

Fortunately, as a result of the 1983 Social Security reform package, these programs will be withdrawn from the unified budget in 1992. This will ease future temptation to cut Social Security programs in order to reduce the Federal deficit. Even now we must continue to fight this temptation and vigorously oppose any reductions or eliminations of COLA's.

Others claim that benefits should be cut to reduce the system's waste. It is true that we must continue our efforts to control waste and abuse, especially in the Medicare Program. But our efforts must focus upon ensuring that hospitals and physicians do not receive payment for unnecessary services, rather than on cutting back the vital services which Medicare provides.

The most recent report by the trustees of the Social Security system point to the fact that the alleged crisis in Medicare has abated. The system, by all accounts, is expected to remain solvent well into the next decade. As such, any proposals to adjust Medicare benefits should include major reforms that seek to expand coverage for services and reduce services that are unnecessary or do not provide direct health care benefits to elderly beneficiaries. Any reform should also seek to put a halt on rising health care costs and seek to secure greater financial sacrifice on the part of providers.

The Social Security system's importance to the elderly has continued to remain the foundation of retirement security since its inception. As evidence of this fact, between 1959 and 1979 the percentage of elderly citizens below the poverty line fell from 35.2 to 15.1 percent. Providing for the elderly must continue to be our country's social responsibility; for the 1983 Census Bureau report states that one-third of our Nation's elderly, 7.9 million people continue to exist just above the poverty line with current levels of Social Security benefits.

The President's proposed budget for 1986 aims to cut the Social Security Program indirectly, by means of reducing the Social Security Administration's "administrative budget." It calls for a cut of $535 million over 3 years which would lead to a 21-percent staff reduction and the closing of up to 281 field offices. If these proposed cuts were to go into effect, they would severely reduce the SSA's ability to do its job. As it is, the Social Security Administration spends less than 1.5 percent of its outlays on administrative expenses.

At current staffing levels, the rate of overpayment of benefits to recipients is only ½ of 1 percent. Staff cuts could necessarily increase this rate. Each percentage point error costs the taxpayers an estimated $1.8 billion. Even a fraction of this cost would effectively wipe out the administration's 3-year savings from the proposed cuts.

Our Nation's elderly cannot sustain further cuts in the Social Security Program, and we as Members of Congress, have an obligation to ensure that their benefits remain intact. I urge my colleagues to recall the 50-year tradition of the Social Security

Act and what it represents to those many senior citizens who rely on it as part of their subsistence, and to oppose any efforts that will reduce, postpone, or eliminate any provisions under it.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 23, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 24

9:30 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on S. 635, to express opposition of the United States to the system of apartheid in South Africa by prohibiting new U.S. bank loans to the Government of South Africa, prohibiting investment by U.S. firms in South Africa, prohibiting the importation of South African gold coins into the United States, and forbidding the sale of computers to the Government of South Africa.
SD-538

JUNE 3

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on proposed legislation to modify the Medicare direct medical education pass-through.
SD-215

JUNE 4

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on the condition, structure, and competition within the domestic financial services industry, focusing on implications of further deregulation of depository institutions.
SD-538

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the impact of imported petroleum products on the domestic petroleum industry.
SD-366

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Department of Defense, focusing on drug interdiction.
SD-192

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

2:00 p.m.
Labor and Human Resources
To hold hearings on the nomination of Gary L. Bauer, of Virginia, to be Under Secretary of Education.
SD-430

JUNE 5

9:30 a.m.
Finance
To hold hearings on S. 814, to make technical corrections to certain provisions of the Tax Reform Act of 1984, and proposed technical corrections to the Retirement Equity Act (P.L. 98-397).
SD-215

Labor and Human Resources
To hold hearings on drug export reform.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider the nominations of Eric Reichl, of Connecticut, Tom Corcoran, of Illinois, and Paul W. MacAvoy, of New York, each to be a member of the Board of Directors of the U.S. Synthetic Fuels Corporation.
SD-366

JUNE 6

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold oversight hearings on the impact of coal imports on the domestic coal industry.
SD-366

JUNE 10

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume oversight hearings on proposed budget requests for fiscal year 1986 for programs of the Department of Energy, focusing on fossil energy programs.
SD-366

JUNE 11

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of section 404 of the Clean Water Act, relating to the wetlands dredge and fill permit program.
SD-406

Environment and Public Works
Nuclear Regulation Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
To hold joint hearings with the Committee on Environment and Public Works' Subcommittee on Nuclear Regulation on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on administrative activities of Gallaudet College and the National Technical Institute for the Deaf.
SR-428A

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 403, to revise requirements with respect to the issuance of licenses for existing hydroelectric facilities, and S. 426, to provide for more protection to electric consumers.
SD-366

JUNE 12

9:00 a.m.
Office of Technology Assessment
The Board, to hold a general business meeting.
EF-100, Capitol

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To continue joint hearings with the Committee on Labor and Human Resources on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
To continue joint hearings with the Committee on Environment and Public Works' Subcommittee on Nuclear Regulation on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Rules and Administration
To hold hearings on the nomination of Ralph E. Kennickell, Jr., of Virginia, to be Public Printer.
SR-301

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1105, to reform the Walsh-Healey Act to allow Federal contractors in the private sector to work flextime hours.
SD-628

JUNE 14

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on health promotion and disease prevention strategies for Medicare beneficiaries.
SD-215

JUNE 17

9:30 a.m.
Labor and Human Resources
To hold hearings on home health care reform.
SD-430

JUNE 18

9:30 a.m
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the current status of and factors affecting the natural gas market.
SD-366

Labor and Human Resources
To continue hearings on home health care reform.
SD-430

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

JUNE 19

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings to review Environmental Protection Agency regulations concerning ocean incineration of hazardous waste.
SD-406

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1986 for the National Endowment of the Arts and the National Endowment for the Humanities.
SD-430

JUNE 20

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1986 for the National Endowment of the Arts and the National Endowment for the Humanities.
SR-485

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings to examine the problem of drugs in the military.
SD-430

JUNE 25

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine certain barriers to adoption.
SD-430

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

JULY 10

9:30 a.m.
Labor and Human Resources
To resume oversight hearings to examine certain barriers to adoption.
SD-430

10:00 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Aid Highway Program.
SD-406

JULY 11

10:00 a.m.
Environment and Public Works
Transportation Subcommittee
To continue hearings on proposed legislation authorizing funds for the Federal Aid Highway Program.
SD-406

JULY 15

2:00 p.m.
Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 16

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine U.S. relations with the International Labor Organization (I.L.O.).
SD-430

10:00 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 17

9:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings to review Environmental Protection Agency regulations concerning ocean incineration of hazardous waste.
SD-406

JULY 18

10:00 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on proposed legislation authorizing funds for the Federal Aid Highway Program
SD-406

JULY 22

2:00 p.m.
Environment and Public Works
Regional and Community Development Subcommittee
To resume hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 25

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the impact of the Supreme Court's ruling in Garcia vs. San Antonio Metropolitan Transit Authority on the coverage of State and local government employees under the Fair Labor Standards Act.
SD-430

JULY 31

9:30 a.m.
Labor and Human Resources
To hold hearings to examine certain barriers to health care.
SD-430

10:00 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on proposed legislation authorizing funds for the Federal Aid Highway Program.
SD-406

OCTOBER 1

11:00 a.m.
Veterans' Affairs
To hold hearings to review the legislative priorities of the American Legion.
SD-106

HOUSE OF REPRESENTATIVES—*Thursday, May 23, 1985*

The House met at 10 a.m.

Dr. William P. Watkins, Jr., Community United Methodist Church, Arlington, VA, offered the following prayer:

Almighty God, Ruler of all nations: In the midst of the confusion, contention, and uncertainty of our times we ask that You who never changes abide with us.

The world towers above us with its huge problems, and as a result we have grown anxious, fearful, perplexed, and inadequate.

Thus we pray for that inner refreshment and renewal, which only Your presence can bring. Lead us into green pastures, and restore our souls.

Grant to all in the Government of this Nation faith, wisdom, insight, and courage to serve the higher causes of justice and peace. Increase our faith to believe that, if we seek first Your kingdom and its righteousness, You will preserve us as a people whose God is the Lord. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. **LOTT**. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The **SPEAKER**. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. **LOTT**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 257, nays 147, answered "present" 4, not voting 26, as follows:

[Roll No. 127]

YEAS—257

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
AuCoin
Barnard
Barnes
Bateman
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carper
Carr
Coelho
Coleman (TX)
Collins
Conyers
Cooper
Coyne
Crockett
Daniel
Darden
Daschle
de la Garza
Dellums
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
English
Erdreich
Evans (IL)
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Glickman
Gordon
Gray (PA)
Guarini
Hall (OH)
Hall, Ralph
Hamilton
Hatcher
Hayes
Hefner
Heftel
Hertel
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kemp
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Marlenee
Martinez
Matsui
Mazzoli
McCain
McCloskey
McCollum
McCurdy
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pease
Pepper
Perkins
Pickle
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Rinaldo
Robinson
Rodino
Roe
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Scheuer
Schumer
Seiberling
Sharp
Shelby
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Snyder
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Volkmer
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whitten
Williams
Wilson
Wirth
Wise
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (MO)

NAYS—147

Badham
Bartlett
Barton
Bentley
Bereuter
Bliley
Boehlert
Brown (CO)
Burton (IN)
Callahan
Campbell
Carney
Chandler
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Combest
Conte
Coughlin
Courter
Craig
Dannemeyer
Daub
Davis
Derrick
DeWine
Dickinson
DioGuardi
Dreier
Eckert (NY)
Edwards (OK)
Emerson
Evans (IA)
Fawell
Fiedler
Fields
Fish
Franklin
Frenzel
Gallo
Gekas
Gilman
Gingrich
Goodling
Green
Gregg
Grotberg
Gunderson
Hammerschmidt
Hansen
Hartnett
Hendon
Henry
Hiler
Hillis
Hyde
Ireland
Jacobs
Jeffords
Kasich
Kolbe
Kramer
Lagomarsino
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lujan
Lungren
Mack
Madigan
Martin (IL)
Martin (NY)
McCandless
McDade
McEwen
McKernan
McKinney
McMillan
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Monson
Moorhead
Nielson
Oxley
Packard
Parris
Pashayan
Penny
Petri
Porter
Ridge
Roberts
Roemer
Rogers
Roth
Saxton
Schaefer
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sikorski
Siljander
Skeen
Slaughter
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Solomon
Spence
Stangeland
Stenholm
Strang
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wolf
Young (AK)
Young (FL)
Zschau

ANSWERED "PRESENT"—4

Atkins
Dymally
Gonzalez
Visclosky

NOT VOTING—26

Bilirakis
Boulter
Chappell
Coleman (MO)
Crane
DeLay
Dicks
Dingell
Dixon
Fascell
Ford (MI)
Gradison
Gray (IL)
Hall, Sam
Hawkins
Kindness
Lowery (CA)
Mavroules
McGrath
Mitchell
Morrison (WA)
Mrazek
Ritter
Schneider
Torres
Walgren

☐ 1020

So the Journal was approved.

The result of the vote was announced as above recorded.

DR. WILLIAM P. WATKINS, JR., GUEST CHAPLAIN

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **WOLF**. Mr. Speaker, it is a real pleasure to have had Dr. William P. Watkins, Jr., here this morning to offer the opening prayer in the House of Representatives.

In the way of background, Dr. Watkins was born in Goldsboro, NC, on February 26, 1926. At an early age he was brought to Virginia by his parents when his father, who also was a United Methodist minister, transferred to the Virginia Annual Conference of the United Methodist Church. Dr. Watkins is the product of the public school system of Virginia. He attended public schools in Norfolk, Richmond, and Lynchburg, VA.

During World War II he served for 2 years as a tailgunner on B-24's in the U.S. Army Air Force.

Following the war he received his college and his basic seminary education at Emory University in Atlanta, GA. Since then he has received a doctorate from the Berean Christian College and Seminary of Long Beach, CA. In addition he has done graduate work at Union Theological Seminary in New York and the San Francisco Theological Seminary at San Anselmo, CA.

Dr. Watkins is married to the former Miss Carolyn Lee Orange of Virginia Beach, VA. They have four children: William P. Watkins III, a research chemist of Gaithersburg, MD; Carolyn Lee, a teacher in Fairfax County public school system; Wesley Howell, an accountant in McLean, VA; and Angela Orange, a high school student in Arlington.

Dr. Watkins is in his 33d year as a United Methodist minister. He has lived and served in most of the large churches in Virginia. The last 12 years of his ministry have been spent in Arlington, VA., where he has served two churches in succession: Christ United Methodist Church for 4 years and Community Methodist Church where he is now completing his eighth year.

Dr. Watkins is a member of the Arlington Rotary Club where he is its chaplain and the Arlington Ministerial Association, where he served as president for the year 1978-79.

On behalf of my colleagues we thank Dr. William P. Watkins, Jr., for joining us today to ask God's blessing on our gathering.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 700

Mr. **BLAZ**. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of the bill, H.R. 700.

The **SPEAKER** pro tempore (Mr. Fowler). Is there objection to the request of the gentleman from Guam?

There was no objection.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1986

The **SPEAKER** pro tempore. Pursuant to House Resolution 177, and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, House Concurrent Resolution 152.

☐ 1025

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 152) revising the congressional budget for the U.S. Government for the fiscal year 1986 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988, with Mr. Moakley in the chair.

The Clerk read the title of the concurrent resolution.

The **CHAIRMAN**. When the Committee of the Whole rose on Wednesday, May 22, 1985, the concurrent resolution was considered as having been read for amendment under the 5-minute rule. No amendments are in order except amendments made in order pursuant to House Resolution 177.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LATTA

Mr. **LATTA**. Mr. Chairman, I offer an amendment in the nature of a substitute.

The **CHAIRMAN**. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. Latta: Strike out all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is hereby revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is hereby established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are hereby set forth:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $738,050,000,000.
Fiscal year 1986: $793,500,000,000.
Fiscal year 1987: $864,850,000,000.
Fiscal year 1988: $953,350,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $ * * *.
Fiscal year 1986: $850,000,000.
Fiscal year 1987: $550,000,000.
Fiscal year 1988: $850,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,200,000.
Fiscal year 1986: $51,000,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $188,150,000,000.
Fiscal year 1986: $200,700,000,000.
Fiscal year 1987: $216,850,000,000.
Fiscal year 1988: $248,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,060,500,000,000.
Fiscal year 1986: $1,064,850,000,000.
Fiscal year 1987: $1,140,400,000,000.
Fiscal year 1988: $1,218,000,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $953,500,000,000.
Fiscal year 1986: $966,100,000,000.
Fiscal year 1987: $1,025,000,000,000.
Fiscal year 1988: $1,075,050,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $217,450,000,000.
Fiscal year 1986: $172,600,000,000.
Fiscal year 1987: $160,150,000,000.
Fiscal year 1988: $121,700,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,857,400,000,000.
Fiscal year 1986: $2,089,700,000,000.
Fiscal year 1987: $2,320,000,000,000.
Fiscal year 1988: $2,536,000,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $33,600,000,000.
Fiscal year 1986: $232,300,000,000.
Fiscal year 1987: $231,000,000,000.
Fiscal year 1988: $215,800,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $53,500,000,000.

(B) New primary loan guarantee commitments, $69,300,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $33,900,000,000.

(B) New primary loan guarantee commitments, $73,600,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New direct loan obligations, $32,700,000,000.

(B) New primary loan guarantee commitments, $73,600,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $32,200,000,000.

(B) New primary loan guarantee commitments, $78,300,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal year 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $291,550,000,000.

(B) Outlays, $252,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $302,500,000,000.

(B) Outlays, $270,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $323,400,000,000.

(B) Outlays, $288,650,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $346,800,000,000.

(B) Outlays, $308,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:

(A) New budget authority, $27,550,000,000.

(B) Outlays, $19,400,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitment, $0.

Fiscal year 1986:

(A) New budget authority, $20,100,000,000.

(B) Outlays, $18,800,000,000.

(C) New direct loan obligations, $9,400,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $4,450,000,000.

(B) Outlays, $16,650,000,000.

(C) New direct loan obligations, $9,000,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $19,550,000,000.

(B) Outlays, $15,700,000,000.

(C) New direct loan obligations, $9,200,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitment, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $8,650,000,000.

(B) Outlays, $8,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $8,650,000,000.

(B) Outlays, $8,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $8,700,000,000.

(B) Outlays, $8,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, $1,900,000,000.

(B) Outlays, $7,050,000,000.

(C) New direct loan obligations, $2,600,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,750,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $4,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $4,300,000,000.

(B) Outlays, $3,850,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $3,850,000,000.

(B) Outlays, $3,100,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $13,000,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $12,450,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $12,150,000,000.

(B) Outlays, $12,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $11,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $28,750,000,000.

(B) Outlays, $21,000,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $17,800,000,000.

(B) Outlays, $15,000,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $18,350,000,000.

(B) Outlays, $16,850,000,000.

(C) New direct loan obligations, $13,100,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $16,100,000,000.

(B) Outlays, $14,800,000,000.

(C) New direct loan obligations, $12,800,000,000.

(D) New primary loan guarantee commitments, $5,800,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $5,850,000,000.

(C) New direct loan obligations, $6,600,000,000.

(D) New primary loan guarantee commitments, $27,000,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New budget authority, $7,400,000,000.

(B) Outlays, $3,650,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $26,500,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New budget authority, $7,600,000,000.

(B) Outlays, $3,450,000,000.

(C) New direct loan obligations, $12,800,000,000.

(D) New primary loan guarantee commitments, $28,100,000,000.

(E) New secondary loan guarantee commitments, $68,100,000,000.

Fiscal year 1988:

(A) New budget authority, $7,650,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $3,000,000,000.

(D) New primary loan guarantee commitments, $24,800,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,350,000,000.

(B) Outlays, $26,200,000,000.

(C) New direct loan obligations, $3,000,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $26,600,000,000.

(B) Outlays, $25,800,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guaranteee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,650,000,000.

(B) Outlays, $27,150,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,050,000,000.

(B) Outlays, $26,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $8,400,000,000.

(B) Outlays, $8,750,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,950,000,000.

(B) Outlays, $8,100,000,000.

(C) New direct loan obligations, $900,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $7,400,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,600,000,000.

(B) Outlays, $6,900,000,000.

(C) New direct loan obligations, $900,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $32,650,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $8,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $31,400,000,000.

(B) Outlays, $30,800,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $32,300,000,000.

(B) Outlays, $31,400,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $9,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $32,900,000,000.

(B) Outlays, $3,100,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $9,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,550,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $35,400,000,000.

(B) Outlays, $35,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $37,750,000,000.

(B) Outlays, $37,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $40,250,000,000.

(B) Outlays, $39,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,750,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $81,950,000,000.

(B) Outlays, $68,250,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $91,550,000.

(B) Outlays, $75,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $95,550,000,000.

(B) Outlays, $84,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $160,500,000,000.

(B) Outlays, $129,200,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $156,950,000,000.

(B) Outlays, $119,900,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $166,050,000,000.

(B) Outlays, $125,600,000,000.

(C) New direct loan obligations, $2,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $174,350,000,000.

(B) Outlays, $131,450,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee. commitments, $0.

Fiscal year 1986:

(A) New budget authority, $207,600,000,000.

(B) Outlays, $200,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $224,850,000,000.

(B) Outlays, $213,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $265,050,000,000.

(B) Outlays, $228,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,400,000,000.

(B) Outlays, $26,500,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $27,350,000,000.

(B) Outlays, $26,550,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $15,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,300,000,000.

(B) Outlays, $26,750,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $17,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,550,000,000.

(B) Outlays, $27,150,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $20,100,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,650,000,000.

(B) Outlays, $6,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,750,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $6,850,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $5,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,250,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $3,500,000,000.

(B) Outlays, $4,150,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $3,350,000,000.

(B) Outlays, $3,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $2,750,000,000.

(B) Outlays, $2,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,950,000,000.

(B) Outlays, $129,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $142,750,000,000.

(B) Outlays, $142,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $153,100,000,000.

(B) Outlays, $153,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $156,300,000,000.

(B) Outlays, $156,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$650,000,000.

(B) Outlays, −$1,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $150,000,000.

(B) Outlays, −$2,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $1,500,000,000.

(B) Outlays, −$1,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,350,000,000.

(B) Outlays, −$32,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$39,800,000,000.

(B) Outlays, −$39,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$36,600,000,000.

(B) Outlays, −$36,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$39,800,000,000.

(B) Outlays, −$39,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the committees named in subsections (b) through (m) of this section shall submit

their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

(b) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $2,785,000,000 and outlays by $2,665,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $2,385,000,000 in budget authority and $2,898,000,000 in outlays in fiscal year 1987; and requires decreases of $4,611,000,000 in budget authority and $5,196,000,000 in outlays in fiscal year 1988.

(c) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $0 and outlays by $62,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $0 in budget authority and $183,000,000 in outlays in fiscal year 1987; and requires decreases of $0 in budget authority and $308,000,000 in outlays in fiscal year 1988.

(d) The House Committee on Banking, Finance & Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $3,916,000,000 and outlays by $447,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $3,596,000,000 in budget authority and $1,643,000,000 in outlays in fiscal year 1987; and requires decreases of $3,595,000,000 in budget authority and $2,380,000,000 in outlays in fiscal year 1988.

(e) The House Committee on Education & Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $229,000,000 and outlays by $432,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $332,000,000 and outlays by $518,000,000 in fiscal year 1987; and requires decreases of budget authority by $486,000,000 and outlays by $707,000,000 in fiscal year 1988.

(f) The House Committee on Energy & Commerce shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $1,664,000,000 and outlays by $4,747,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $278,000,000 in budget authority and $4,477,000,000 in outlays in fiscal year 1987; and requires decreases of $131,000,000 in budget authority and $5,491,000,000 in outlays in fiscal year 1988.

(g) The House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $2,667,000,000 and outlays by $2,000,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $3,077,000,000 and outlays by $2,974,000,000 in fiscal year 1987; and requires decreases of budget authority by $4,005,000,000 and outlays by $3,772,000,000 in fiscal year 1988.

(h) The House Committee on Interior & Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $610,000,000 and outlays by $555,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $621,000,000 in budget authority and $604,000,000 in outlays in fiscal year 1987; and requires decreases of $652,000,000 in budget authority and $646,000,000 in outlays in fiscal year 1988.

(i) The House Committee on Merchant Marine & Fisheries shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $4,364,000,000 and outlays by $4,364,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires increases of $1,331,000,000 in budget authority and $1,331,000,000 in outlays in fiscal year 1987; and requires increases of $877,000,000 in budget authority and $877,000,000 in outlays in fiscal year 1988.

(j) The House Committee on Post Office & Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $60,000,000 and outlays by $60,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $140,000,000 and outlays by $140,000,000 in fiscal year 1987; and requires decreases of budget authority by $240,000,000 and outlays by $240,000,000 in fiscal year 1988.

(k) The House Committee on Public Works & Transportation shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $611,000,000 and outlays by $620,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,301,000,000 in budget authority and $1,697,000,000 in outlays in fiscal year 1987; and requires decreases of $1,892,000,000 in budget authority and $2,377,000,000 in outlays in fiscal year 1988.

(l) The House Committee on Veterans Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $162,000,000 and outlays by $348,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $392,000,000 and outlays by $632,000,000 in fiscal year 1987; and requires decreases of budget authority by $472,000,000 and outlays by $727,000,000 in fiscal year 1988.

(m) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $923,000,000 and outlays by $3,923,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $743,000,000 and outlays by $4,793,000,000 in fiscal year 1987; and requires decreases of budget authority by $613,000,000 and outlays by $5,763,000,000 in fiscal year 1988.

AUTOMATIC SECOND BUDGET RESOLUTION

SEC. 3. (a) If Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for the 1986 fiscal year, then this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310(a) of such Act, for the purposes of the prohibitions contained in section 311 of such Act.

SECTION 302 (b) FILING REQUIREMENT

SEC. 4. (a) It shall not be in order in the House of Representatives to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1986;

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 first effective in fiscal year 1986; or

(3) direct loan authority, primary loan guarantee authority, or secondary loan guarantee authority for fiscal year 1986; within the jurisdiction of any committee which has received an allocation pursuant to section 302(a) of the Congressional Budget Act of 1974 of discretionary budget authority or new spending authority, as described above, for such fiscal year, unless and until such committee makes the allocation or subdivisions required by section 302(b) of the Congressional Budget Act of 1974, in connection with the most recently agreed to concurrent resolution on the budget.

(b) The prohibition contained in subsection (a) shall not apply until twenty-one days of continuous session, as defined in section 1011(5) of the Impoundment Control Act of 1974, after Congress completes action on this concurrent resolution.

INTERNATIONAL MONETARY CONFERENCE

SEC. 5. It is the sense of the Congress that the Administration should call for the convening of an international monetary conference this year with the express purpose of exploring options to stabilize currency exchange rates, reduce interest rates, promote maximum domestic and world economic growth, and help assure domestic price stability.

LIMITATION ON BENEFITS TO ALIENS

SEC. 6. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of social security benefits paid to illegal and non-resident aliens. It is assumed that the Ways and Means Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of the wage-earner's contribution plus interest, unless the wage earner is a citizen of a country with which the United States has a treaty or totalization agreement. This provision would apply to individuals becoming eligible on or after January 1, 1986.

COMMITTEE REVIEW OF THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

SEC. 7. It is the sense of the House of Representatives that—

(1) each of its standing committees should review and study, on a continuing basis, those portions of the Presidents Private

Sector Survey on Cost Control affecting subjects within its jurisdiction;

(2) each of its standing committees should, in its consideration of any bill or joint resolution of a public character within its jurisdiction, review those portions of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution; and

(3) each report of any such committee on a bill or joint resolution of a public character should contain—

(A) an identification of each recommendation of the President's Private Sector Survey on Cost Control implemented in such bill or resolution and the estimated dollar amount of program cost savings or revenue enhancement as a result of the implementation of each such recommendation; and

(B) a statement setting forth each recommendation of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution, the disposition of each such recommendation, and the reasons for such disposition.

WIC FUNDING

Sec. 8. It is the sense of the Congress that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

The CHAIRMAN. Pursuant to House Resolution 177, the amendment in the nature of a substitute is considered as having been read.

The gentleman from Ohio [Mr. Latta] will be recognized for 30 minutes and the gentleman from Pennsylvania [Mr. Gray] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. Latta].

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentlewoman from Illinois [Mrs. Martin].

Mrs. MARTIN of Illinois. I thank the gentleman from yielding me this time.

Mr. Chairman, we believe the substitute that we offer for the committee budget offers a measure of reality as opposed to the land of mirrors. This budget substitute offered by the gentleman from Ohio, is the product of compromise as any such offering must be. But it still maintains what we believe are important objections, not just for Republican Members, but for Democratic Members, too.

First, it maintains a level of defense spending consistent with the national security, and consistent with saving real dollars in defense over a 3-year period.

Second, this budget makes real changes in domestic savings. It terminates, yes, actually terminates some domestic programs. In other words, facing a fiscal crisis, we do not say, "Well, everything will continue as usual," as the Gray budget does, but we actually end some programs that no longer have a cost-benefit ratio that is appropriate for this time.

Third, we do not cut those programs needed by the poor, nor do we cut those programs needed by the senior citizens of this Nation. If we do all of those things, what do we achieve? Well, let us compare.

The House Democratic budget reconciles $11 billion in 1986; it reconciles only $10.5 billion in 1987, and $10.5 billion in 1988. Our Republican budget, in the first year, reconciles $16 billion. The next year, almost $17 billion, and in the third year, $22 billion. What does that mean? I never knew what reconciled meant; I thought it meant when a couple got back together. In a sense, it does.

□ 1030

It means that for once there can be real savings, not the pie in the sky, not the $3.9 billion from contractural savings that has become a joke, but real savings.

We know this may be a budget that will not receive support from the other side of the aisle. That was fairly obvious yesterday. But the reality of this budget is that it saves more than the Democrats budget, it is more responsible than the Democratic budget for it protects the poor, it protects the elderly, it protects national security, and it is a fairer budget because it takes higher percentages from those portions of the budget where more is spent.

That, it seems to me, makes real sense. We achieved domestic spending cuts of $109 billion. We phase out 10 programs. We protect low-income programs. We use the numbers as reported from the Democratic House Armed Services Committee for defense. In other words, again, we use reality. We depend on common sense and we depend on reconciled savings.

You may pass your budget, but our estimates are that there are less than $32 billion in real savings in your budget compared to the almost $57 billion we achieve in 1986. If you were being objective, I think it would be the Latta budget that would pass, and that would be deserved.

Do I support everything in it? Of course not. No one ever does in a budget. But overall, this is the most responsible budget that has been submitted and it is the only budget that has real numbers. It is the only budget that would allow the House to responsibly go to conference and I would ask for its support from both sides of the aisle.

Mr. GRAY of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. Gray] is recognized for 30 minutes.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey [Mr. Florio].

Mr. FLORIO. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise to commend the chairman of the Budget Committee for his committee's work on the recently reported budget resolution.

We all recognize the seriousness of our skyrocketing budget deficit. Reductions in Federal spending must play a part in bringing the deficit under control.

But, the way the House Budget Committee, under Chairman Gray's leadership, has gone about making these spending cuts is as different from what the Senate did as night and day.

Under the House plan, the defense budget was not treated as a sacred cow; it was made to assume its fair share of cuts along with other programs. The Senate plan made deep cuts in Social Security, railroad retirement, and other programs for the elderly and disadvantaged in order to avoid making defense take its fair share of cuts. I should add that the Senate took this approach despite reports that show the Defense Department is literally unable to effectively spend the huge sums of money it is already receiving.

Furthermore, the minority substitute which our colleague Mr. Latta plans to offer would make even more drastic cuts. The Latta substitute would require the sale of Conrail, despite the fact that all agree there are many unanswered questions that need to be addressed through the normal legislative process. For example, preliminary information raises serious questions that tax benefits available under the Secretary's proposal might outweigh the revenue to the Government.

What the Senate and the Latta substitute do is simply unfair, and I believe the American people know that. Due to the good work of Chairman Gray and his committee, the House will soon have an opportunity to show how unfair we consider these other approaches to be. I urge my colleagues, therefore, to support the budget resolution reported by the Budget Committee.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas [Mr. Robinson].

Mr. ROBINSON. I thank the gentleman for yielding this time to me.

Mr. Chairman, being a new Member of Congress, one has to learn many lessons in this great institution, and the first lesson I have learned is, oftentimes it is much more important to be against something than it is to be for something, so I rise today against the Latta substitute for the following reasons:

First, it provides entirely too much spending for the Pentagon. This substitute would increase the Budget Committee's recommendation by $10 billion in 1986, and $32 billion in budget authority over the next 3 years, at a time when we are finding out in this House that the Pentagon is storing away money in shoe boxes. They are, in effect, using a baseline figure that entirely and wrongly inflates the baseline budget authority some four times over the baseline authority that we use in the domestic programs.

It would also adopt the Senate-passed spending authority for the Pentagon which would, in effect, remove Pentagon spending from the table in any House-Senate conference on the budget.

It would cut the Social Security staff by 17,000 over the next 6 years, at a time in our history when many of our recipients have to stand in long lines or wait days to get the benefits due them.

It would also terminate Farmers Home Administration direct loans. My farmers back in Arkansas right now are going under right and left. They cannot afford to pay any more toward deficit reduction.

And last, but not least, I have asked several of my colleagues this morning, trying to learn something about our past mistakes. I asked them, "Is this the same Latta? Is his first name Gramm? Is this the same person that got us in this shape some 3 years ago?"

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 4 minutes to the gentleman from Louisiana [Mr. Moore].

Mr. MOORE. I thank the gentlewoman for yielding this time to me.

Mr. Chairman, I serve on the Budget Committee and indicated at the outset that I intended to vote for the budget that came from the Budget Committee, but I also pointed out we would have some substitutes being offered to us that were better and could improve upon it. This is just such a substitute.

It is better than the committee bill. It ought to be voted for. It is better than the committee bill for reasons the gentlewoman touched on a few moments ago in her remarks. There is less chance for mischief, or better put, there is less chance for committee's failing to carry out the dictates of this budget under the Latta substitute than under the committee bill.

The reason why I say that is because more of the cuts in spending under the Latta substitute are reconciled and not left up to actions of the Appropriations Committee. If the Appropriations Committee and the will of this House had worked in the past, we would not need a Budget Act, we would not need to come before you with a reconciliation bill at some point in the future, and we would not be running deficits. But it hasn't, so if we just left it up to the appropriations process, the deficits will continue.

We have come up with the idea of reconciliation. It worked in 1981. It worked again in 1982. We think it will work again this year, whereby, by the virture of the budget we pass today we are ordering or mandating or requiring these committees to change the authorization, meaning the future spending levels of these programs.

To give an example, in the Latta substitute we call for the abolition of the Synfuels Corporation. If we keep fooling around with the appropriations process, we will never kill it. I believe a majority of the Members of the House feel that this program never should have been passed to start with and ought to be killed, and here is a chance to do it. The Latta substitute does it by calling for that in reconciliation. The majority bill does not.

So if you really want to change spending permanently, you have to change the programs, and you change the programs not through appropriations but through authorizations. So if you want to change the spending permanently, change the authorizations and you do that through reconciliation. You do not do it through recommendations to the Appropriations Committee to spend less money. There is the difference, and that is why the Latta substitute can guarantee us $23½ billion more savings in spending over the next 3 years than can the committee bill.

□ 1040

That is why this ought to be voted for, then, over and above the committee bill, because we are being guaranteed permanent changes in spending in the future of over $23.5 billion more than the committee bill. Otherwise we run the risk of business as usual.

Everybody wants to cut spending. Everybody has been wanting to cut spending now for 4 or 5 years. Why has it continued to go up? It has continued to go up because we have not changed the basic authorization programs that call for the spending. You can't appropriate or spend if there is no authorization. That is what reconciliation does, and that is why we ought to vote for the Latta substitute. If we want to reduce interest rates, we have got to cut spending, and the only sure way to do that is to cut authorization programs through reconciliation.

Mr. Chairman, I urge my colleagues to vote for the Latta substitute.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. Frost], a member of the committee.

Mr. FROST. Mr. Chairman, I had the opportunity to serve for 2 years on the Beilenson task force of the Rules Committee which studied the exact question that has just been discussed, that is, the reconciliation of authorizations. As I mentioned, this subject came up in the task force of the Rules Committee during the course of our review of the budget process.

Many Members of the House came to us and protested the inclusion of authorizations in reconciliation instructions, and I believe that for 2 or 3 years now there has been an informal agreement between the Budget Committee and other Members of the House that reconciliation instructions would not cover authorizations. Many of the Members who appeared before us were authorizing-committee chairmen who objected to this procedure, and there are some real problems with the procedure that has been suggested.

One problem is that it essentially allows the Appropriations Committee's line item work to be taken over by the authorizing committees, creating internal problems among House committees. Another is that it has the potential to slow down the entire budget and appropriation process because authorization levels have to be reworked in response to the directives. The appropriation bills are held up. If the Appropriations Committee reports its bills before the reconciliation is complete, then reconciliation of the authorizations is a fruitless exercise.

The point is that reconciliation of authorizations is a senseless practice. Spending for programs before the funding is first authorized and then appropriated is controlled through the

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allocation process. Reconciliation of authorizations only complicates the matter.

I would point out the specific language contained in this resolution. Reconciling authorizing legislation is not really real deficit reduction. These discretionary programs are best and most effectively controlled through the appropriation process.

Let us look at it very specifically. The House Budget Committee resolution includes reconciliation instructions of $11.1 billion for fiscal year 1986.

The CHAIRMAN. The time of the gentleman from Texas [Mr. FROST] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 30 additional seconds to the gentleman from Texas [Mr. FROST].

Mr. FROST. Mr. Chairman, the resolution includes $37.1 billion over the next 3 years. All of these reductions are from direct spending and entitlement programs which are real program cuts. The Latta substitute claims $16.5 billion in deficit reduction in 1986 and $51.6 over 3 years. Of this amount only $36.5 billion seems to be for entitlement and direct spending, actually less than what we have done in our budget resolution.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I rise in opposition to the Latta budget.

I do think that the Latta budget allows us to say to the Republican leadership, "You've come a long way, baby." If you drew a spectrum and put the House Democratic budget at one end and the President's budget at the other end, the Latta budget is a lot closer to our budget than it is to the President's. I think that is an indication once again of where the American people are.

But I think the Latta budget has some problems for those of us from many parts of the country. Let me talk about some urban concerns.

The Latta budget cuts UDAG by 20 percent. UDAG is a program that has received wide support throughout this country because it is a program that is successful and it is a program that uses very little public money to leverage lots of private money. It terminates two new housing programs, the Rental Development Program and the 312 Program, and those programs are new kinds of housing programs that are different than the old section 8. They once again show that we can do things in Government with less money, but still do them. Those programs should not be terminated.

Of course, revenue sharing is cut very severely in the Latta budget. Our budget eventually eliminates revenue sharing, but this Latta budget just pulls the rug out from under the localities which have had no chance to plan in terms of the cut in revenue sharing funds.

Finally, in mass transit, the cuts there are deep. They are 20 percent, much greater than not only the large urban areas can take, but also very harmful to many of the smaller suburban and rural areas that depend particularly on operating subsidies to run their bus lines.

So again, Mr. Chairman, I offer my compliments to the Members who have put together this budget. They have come quite close to us, but not close enough, and I urge its rejection by the Members.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 4 minutes to the great gentleman from Texas [Mr. LOEFFLER].

Mr. LOEFFLER. Mr. Chairman, I thank the gentlewoman for yielding me this time.

Mr. Chairman, I rise in support of the budget substitute offered by my distinguished ranking member, Mr. LATTA. The Latta substitute, in my judgment, is a balanced and credible attempt to address the enormous and critical challenge facing us: To reduce Federal budget deficits which threaten our economic prosperity.

That is our major task today and we owe it to the American people to ensure that what we accomplish is meaningful in terms of deficit reduction and at the same time is mindful of the other basic responsibilities we must fulfill. Each of the budgets before us in this debate make certain distinctions among programs and exempt certain programs from the "freeze" concept, which seems to be popular this year, whether it is Social Security or cost-of-living adjustments for other programs, or programs targeted toward low-income persons, or other designated "high priority" programs.

The Latta budget also makes these kinds of distinctions. It does not rigidly adhere to a formula method of budgeting. It provides increases for inflation for Social Security recipients, Federal retirees, veterans and for other entitlement programs, as well as for many discretionary programs targeted toward low-income persons. Our substitute also provides for an inflation increase for defense.

This budget funds defense at a zero real growth level for 1986 and provides 3 percent real growth in the outyears, saving $154 billion in budget authority and $126 billion in outlays. This defense proposal will actually reduce the GNP share of national defense from 6.4 to 6.2 percent in fiscal year 1988, compared to defense's 10.7 percent share of GNP in the 1950's, 9.1 percent in the 1960's and 7 percent share in the early 1970's.

From the very beginning of the budget process this year, I have advocated that the defense budget would have to be reduced from the levels requested by the administration. We have done that in the Latta budget. We have reduced the request for 6 percent real growth to zero real growth, conscious both of the necessity to make significant deficit reductions and of the increasingly disturbing accounts of Defense Department inefficiencies, management problems, and wasteful practices. But, in my judgment, the committee budget would do serious harm to our ability to meet our basic national security needs and commitments. It would impose a real cut of 4 percent at a time when arms control talks are underway; a time when the Soviets are deploying two new kinds of dangerous missiles; and Soviet strategic defense efforts continue unrestrained. We simply cannot afford to risk our security interests with that kind of cut, for the preservation of our national security is our primary responsibility as national elected officials.

The defense reductions in the committee budget would have perhaps been a more credible attempt at deficit reduction if there had been a reasonable effort to balance the package with similar reductions in domestic programs. However, in the committee budget of the $52 billion in fiscal year 1986 deficit reductions, over $27 billion or 52 percent comes from defense. Of the remaining $25 billion, $4 billion involves additional receipts, and $4 billion involves highly speculative savings attributed to contracting "in"—savings which are unlikely to occur absent specific legislation. The $17 billion in domestic reductions represents only 32 percent of the total package. The Gray budget, unlike the Latta budget, contains only marginal reductions in domestic spending in fiscal year 1986, and makes little attempt to restrain spending growth in these programs in the outyears. Our substitute achieves $109 billion in domestic spending reductions over 3 years, compared to $77 billion in the Democrat plan and $148 billion in the Senate-passed plan.

The Latta budget makes a reasonable and rational attempt to balance the basic requirements and responsibilities of the Government, both in terms of national defense and domestic goals, and, at the same time achieve meaningful deficit reduction. Mr. Chairman, I urge adoption of the Latta substitute.

□ 1050

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. DOWNEY], a member of the committee.

Mr. DOWNEY of New York. I thank the gentleman.

One of the things that should be pointed out right away is not what the Latta budget proposes but what it does not propose. One would expect that the Latta proposal would be similar to the proposal of the other body with one, and it is, of course, with one gigantic exception and that is the cost-of-living increases. I hope that our friends in the other body are watching this debate or reading it so that they will understand when we show up with our budget that cost-of-living increases for Social Security recipients and civil servants is not a conferenceable issue, because it has not been limited here, and is not likely to be. It is something that Republicans and Democrats alike feel must stay.

The reason the Latta budget will be defeated is because it does not reflect the priorities of the American people, and I want to address myself to that one important priority of national defense.

If there is one enshrining principle of our Republican friends it is that you cannot solve a problem by throwing money at it. That is what we have attempted to do in terms of national defense and national strength over the last 4 years. We have thrown money at it. A lot of this money we have subsequently found out has been hidden in mattresses all over the Pentagon.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield an additional 1 minute to the gentleman from New York.

Mr. DOWNEY of New York. So much so that it appears, according to the other body's Budget Committee, that even if we were to freeze defense outlays at just inflationary levels, and even the majority committee budget proposes 3 percent real growth, in 1987 and 1988, that we will have enough money to build the weapons we are building now and complete the weapons-building cycles, an extraordinary admission on their part.

All we are proposing here today with the Gray budget as opposed to the Latta budget is that we take a pause in defense spending, a pause frankly that is well justified both in terms of numbers and policy and then proceed in the outyears to slow and steady defense spending.

So I would urge our colleagues to reject the Latta budget because it continues part of the mistakes of the past. It goes ahead with more money for defense in the vain and unrealistic hope that we will simply get more defense for more dollars. It is not how much one spends, it is what one gets that counts. We will not get more defense for more dollars. We will probably see some of this money squirreled away for a future time. We need these dollars today to do the other important pressing concerns of our Government.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, my colleagues, once again I want to say that for the first time in several years the Budget Committee has come out with a resolution that is well balanced from the various interests, and I think that the Latta proposal must be defeated for a variety of reasons.

Let me talk just a moment about defense. We have seen through the years a need for a buildup in defense. For the past 5 years we have accomplished that.

In this particular resolution that the Budget Committee has come out with we have provided only for 1986 that there is no additional increase. But for 1987 and 1988 there is really a 7-percent increase. We can adequately finance all of our defense needs with this budget resolution.

We were very, very close in the committee with Republicans from the other side of the aisle to coming out with a bipartisan resolution. This Latta proposal undoes a lot of the things that the committee spent days and days and days trying to put together so that we would have adequate support on this floor from the various parts of the country, from the various philosophies, to get a meaningful resolution passed so that we could go to conference with the Senate, make the necessary adjustments there and begin on the road of reducing this terrible deficit that all of us face.

This has been a tremendous job on behalf of the Budget Committee. I urge my colleagues to stick with the Budget Committee's resolution because I truly believe that it is the best product that has come before this floor in many, many years. I would simply ask you to oppose the Latta proposal, to support the budget resolution and let us get on with this job that we have in reducing the terrible deficits that all of us face.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield myself 30 seconds.

First of all, we agree with the gentleman from Georgia. This is the best budget you have had in years. But that merely says how dreadful the prior budgets from the Democratic Budget Committee were.

We are suggesting you cannot choose national defense and say when your national security is affected that you are going to halt. As the gentleman from Georgia just said, we have improved over the past 5 years and it has been under a Reagan administration and under pressure from, yes, the minority.

I would just be very careful because we do not have evidence that the Soviet Union is going to listen to cutting defense back.

Mr. Chairman, I yield 4 minutes to the gentlewoman from California [Ms. FIEDLER].

Ms. FIEDLER. Mr. Chairman, I rise in support of the Latta substitute.

As a member of the House Budget Committee since 1981, I have participated in the process for 5 years now and I would like to share some observations.

It is amazing to me how quickly we forget our own past performance in setting budgets which have been less than fiscally responsible, in my view, since Gramm-Latta II in 1982. When significant portions of the President's budget were enacted in those first 2 years, we were able to reduce the rate of growth in Federal spending from a whopping 17 percent a year, during the last Carter year, down to approximately 7 percent a year. Since 1982 that rate of spending has crept higher and higher once again. Last year's total spending was 12 percent higher than the year before. I might add that that was at a time when we were dealing with a 3- and 4-percent inflation rate.

It is estimated that Congress has overspent its own budget by $280 billion over the last 6 years, and it has exceeded President Reagan's budget request for the same period by some $360 billion.

Congress can spend like this because it has the ability to break its own budget rules. House rules say that spending levels cannot exceed the budget unless Congress votes to do that. Time and time again Congress has done so. Our own House Budget Committee has advocated waivers for various spending bills above its own spending levels and gotten them time and time again. The result is that spending is increasing at a rate far higher than inflation, and that fact cannot be blamed on either the defense budget or the tax cuts enacted in 1981.

The American public should be aware that the budget process has become an elaborate structure whose main function is to protect some Members of Congress from difficult budgetary decisions, but allow them to express concerns about general perceptions that the American public has on budget priorities. Unfortunately, that concern has not been transformed into a realistic budget by the House Budget Committee. The House Democratic budget does not restrain spending in a fair way. It achieves 53 percent of its savings by slashing national defense. By 1988 over 80 percent of the committee's $119 billion in claimed savings consists of defense cuts, revenue increases, debt service savings and financing gimmicks. The package contains less than $25 billion in permanent reforms after 3 years. The committee's budget will continue us on a path of higher spending and higher taxes.

The Latta budget provides a realistic ceiling for defense spending which will allow for program efficiency yet preservation of national security and our commitment to NATO and our other allies.

☐ 1100

It provides for almost twice as much in reconciled savings over 3 years, and it makes permanent program reforms for savings in future years, while protecting all means-tested entitlements and discretionary programs for low income people. It gives us a chance to make real deficit reductions in the years ahead, and I urge my colleagues to vote for it.

I yield back the balance of my time.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 4½ minutes to the gentleman from Montana [Mr. Williams].

Mr. WILLIAMS. I thank the chairman for this time.

Observers have correctly noted that the deficit reduction in the Latta budget, in the budget that has come out of the other body and in the budget offered by the House Democrats is virtually the same. They all cut the deficit just about the same amount. So with regard to deficit reduction, there appears to be very little difference.

But the budget which is finally accepted by the Congress is more than a document which reflects just numbers, or deficit reduction, charts or graphs, or an accountant's guess at what the expenditures and revenues will be this time next year. The budget really reflects the priorities of those offering it, of those who have prepared it. The budget is important to America in the sense that it reflects the Congress' hopes for America's coming year.

It is therefore a political, not an economic document, because it reflects our political beliefs. It might be instructive to look at the budgets offered by both sides, and I believe it is appropriate to compare them in a political context.

The President's budget, the Senate budget, and almost every budget offered by our Republican friends, including this one, reflects their adamant desire to end the traditional coming together of the American people in that mechanism called the Federal Government so that the Government can help, we might say, level the playing field in this country. That leveling of the playing field these past 50 years has been called federalism, and it works this way: It holds that people sunning themselves on a beach down in Miami this afternoon should help pay into the Federal fund so that my constituents in the northern part of Montana will have an Amtrak train come by today that they can board to get to their destination. And it holds that my folks out in Montana should pay into a fund called the Federal Treasury so that black lung victims in Kentucky can get the hospital care they need tonight. Without each other, without that coming together, without federalism, my folks do not get on the train this afternoon, and the black lung victims in Kentucky die without help. None of us can afford to do alone what federalism allows us to do together.

In my judgment, the Republican budgets would return us to the days of the "user pays." That is the old toll road mentality. But I submit to you that the Democratic budgets embody a great idea, and that is that an elected government can be the instrument of the common purpose of a free people, that that government can embrace great causes, and that it can make a major difference in the lives of our individual citizens.

The Republicans tell us that people no longer want the Federal Government to be that instrument. They tell us the American people are tired of helping the poor, that they are out of patience with the elderly, that they have lost faith in the American system of common public schools. But we Democrats find that the American people are a generous, agreeable, savvy, large-minded and, in many instances, intellectual people who have thrilled through the uses of federalism and who have seen in the past 50 years, because they have put their power and might in the Federal Government, have witnessed economic and social changes unlike any other country at any other time.

So I ask my colleagues in this Chamber to support the budget that continues this half century tradition of bringing the American people together in the instrument of their common purpose, the Federal Government, and reject the small-minded return to toll road mentality where the users pay, which is reflective in the Latta and the other Republican budgets.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. Boulter].

Mr. BOULTER. Mr. Chairman, I rise in support of the Latta budget with great thanks and appreciation to our ranking minority member for his efforts to put together a bipartisan budget in the committee. We were not successful at that. But I also thank our ranking minority member, the gentleman from Ohio [Mr. Latta] for his unfailing commitment to making real structural reforms in the budget process, and to his commitment for a strong national defense.

I think this budget continues to shift away from our previous policies of taxing and spending to a policy of less government, lower taxes, and greater individual freedom and opportunity.

As I said yesterday, the day of reckoning is here and there are no more easy choices to be made. We only face a lot of hard choices which we were sent here to make.

But I think that living within our means at this time means that we are going to have to phase out and eliminate some programs which are worthwhile but which we simply can no longer afford, and some programs which have no place in the budget to begin with.

The Latta budget takes this stand, Mr. Chairman. By eliminating 10 programs it makes real structural reforms and provides for a more efficient management of our Government resources and real outyear savings. The reductions made in these domestic outlays, however, are accompanied by fiscal restraint on the Department of Defense, which I agree should be made. But in a world of Nicaraguas, Afghanistans, and Polands, we have to realize that our defense needs are determined more by the Kremlin than they are by our own Pentagon.

This budget, Mr. Chairman, is in the truest sense a compromise package and I feel strongly that we should support it. I understand many of the frustrations of my colleagues on this side of the aisle at the whole budgetary process. But I say to them that we simply cannot afford to walk away from this budget because it does begin to make the changes that the American people want and need. It is a good start in reducing excess Federal spending and it does not attempt to get two-thirds of the real savings from our national defense as the majority budget does.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina, [Mr. Hefner], a member of the committee.

Mr. HEFNER. Mr. Chairman, you know we spent many, many hours in this Budget Committee as Democrats before we went to the full markup. We went through function by function time and time again trying to get that extra $10 million or $15 million or $20 million. And it is very fortunate that we find ourselves in a situation where if everything goes as we hope it will, we have growth, we have unemployment staying about where it is, and we make $56 billion worth of cuts, and we still have a $180 billion deficit, and we are doing good.

I would just like to respond to the gentlewoman from California who made the statement that we have continued to get budget waivers and pass bills here. I would remind the gentlewoman that any appropriation bills that we pass in this House has to have the signature of the President of the United States, so if we have exceeded and continue to spend, certainly the administration has been a part of this continued spending.

I would just like to also mention one thing about defense.

Now, I am a strong supporter of national defense. I am chairman of the Military Construction Subcommittee and I sit on the Defense Subcommittee, and I take a back seat to nobody in supporting the security of this Nation of ours. But just a few weeks ago we had the services coming in, testifying about the dire needs that they have in the quality of life and the homes and all of the things that we need to do. They had no money whatsoever. They came in yesterday, for reprogramming and all of a sudden they had found $269 million that was available.

So we are not asking the Defense Department to take a cut to actually gut the defenses of this great Nation.

☐ 1110

I think it is a responsible route that we are taking, $15 billion of increase the first year and then 3-percent real growth in the outyears.

So, ladies and gentlemen, this is a responsible budget. It has been considered by conservatives, moderates, and liberals. We have come together. This is the best Democratic budget that we have ever had. I ask you to reject the Latta late-coming budget and support the committee position.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. Stenholm].

Mr. STENHOLM. Mr. Chairman, Will Rogers once was quoted as saying, "It ain't people's ignorance that bothers me so much, it is them knowing so much that ain't so is the problem." In my 7 years in the House, participating in the budget debates, I think we all must be honest and say that many times we say things that are just not quite so. I oppose the Latta amendment today not because it is not a good budget, not because it does not have features that I obviously will support when those individual decisions are made on the floor, but I oppose it for one fundamental reason. The deficit of the Latta budget is too high, as the House Democratic budget deficit is too high, and we do not as yet see any recognition from Mr. Latta's side of the aisle that we must address the fundamental causes of the deficit.

To do just that, I am committed to freezing defense, freezing entitlements with the exception of the very poorest elderly, freezing and cutting all other programs and raising the required revenue to bring a balanced budget to this country by 1990, when many of us, are clamoring for a constitutional amendment to bring that about, which I certainly support.

Now, to those who suggest that the Latta amendment is the best because it increases defense spending, my request to those of you who continue to make that argument, bring us the facts, show us how $302 billion versus $292 billion will do some of the things some of you have taken a little bit of liberty this morning, in suggesting that we Democrats are soft on defense, because we support $292 billion.

You bring me the $10 billion, prove to me we need it for our national security, and I will support it providing you say, "Let's pay for it, folks," instead of borrowing on our grandchildren's future, and further weakening our national security.

Mr. LATTA. Mr. Chairman, I yield 4 minutes to the gentleman from Alabama [Mr. Dickinson].

Mr. PARRIS. Mr. Chairman, will the gentleman yield to me?

Mr. DICKINSON. I yield to the gentleman from Virginia.

● Mr. PARRIS. Mr. Chairman, I take a back seat to no person in my support of our President.

I have great admiration for the President's courage and I deeply respect the strength of his convictions. I stood by his side when we in this House voted to make the budget cuts and the tax cuts in 1981 that are largely responsible for the economic success we are enjoying today.

I support the President's effort to reduce the Federal deficit through economic growth and budgetary savings and I share the President's opposition to proposals that would balance the Federal budget by raising taxes.

But I also have my convictions.

And, no matter how deep my admiration, no matter how great my support, I cannot vote for a budget which clearly ignores the priorities of my Virginia constituents.

There are many things in the Latta budget proposal that I support.

But the few things that I oppose weigh so heavily that I cannot in good conscience vote for this budget substitute.

The Latta substitute calls for freezing the pay of Federal workers, and permanently shifts the date of their annual cost-of-living increase from October to January.

The Latta budget substitute terminates direct loans for small business by the Small Business Administration, an action that I am convinced will adversely impact on small business opportunities, and the creation of new jobs, not only in Virginia but throughout the Nation.

Since Federal employees and the small businessman and businesswoman have already been asked to shoulder far more than their fair share of the cost of economic recovery I would ask my colleagues not to force them to make these additional sacrifices.

Mr. Chairman, enough is enough. My constituents have willingly made sacrifices for our Government, for our Nation, and they will gladly continue to do so if those sacrifices are fairly sought.

All the people of northern Virginia have asked for is the opportunity for employment, the opportunity to serve our Nation, and the ability to get to and from their jobs in Washington.

And that, is my final objection to the Latta budget substitute.

The Latta proposal would reduce funding for Amtrak by 10 percent, an action that will not only endanger the health of Amtrak nationwide and possibly disrupt the transportation of 350,000 Virginia residents, but an action that will also probably cause cancellation of developing plans for a commuter rail service for northern Virginia.

Mr. Chairman, my constituents, like many of my colleagues in this Chamber, spend 3 or 4 hours of each day sitting in their cars or on buses, trying to get to and from the Nation's Capital.

And as bad as that situation is, it is getting worse each day.

But there is a light at the end of the tunnel. Amtrak and State and local governments in Virginia in cooperation with the Northern Virginia Transportation Commission are tantalizingly close to an understanding that could provide as many as eight daily trains between northern Virginia and Washington.

My constituents have come too far and waited too long to be sidetracked now by budget cuts that have not been crafted as carefully as is possible.

I cannot support the Latta budget substitute or any other budget that threatens the survival of Amtrak and the commuter rail system we need so badly in northern Virginia. I wish it could be otherwise.●

Mr. DICKINSON. Mr. Chairman, I rise at this time in support of the Latta alternative budget. I want to specifically address the national defense function of the budget.

The Latta amendment would restore inflation dollars to the proposed fiscal year 1986 budget. Let me review very briefly, because time is so limited here, what we are faced with and how we arrived at what we did in the authorization bill.

Many numbers have been floated around as to what the administration was going to request. The Secretary of Defense came out with a higher number, they finally met, had an agreement, as I understand, with some of the leadership of the Senate. They came up with a hard figure of real growth of 5.9 percent.

Well, then they met with the Senate, and the Senate came up, and the leadership over the meeting of course—it goes without saying they never consult the House when it comes to making these policy decisions, there is always some ethereal decision made between the leadership of the Senate and the administration to the total exclusion, so far as I know, of the House leadership, and certainly as to the Armed Services Committee—anyway, they came out and then the Senate said, "We will go with a 3 percent real growth plus inflation."

So we took that as our marching orders, since the administration had adopted it. We went and met within the House Armed Services Committee and said, "What is doable? Can we expect to get 3 percent real growth?" The signals that we got from the Senate and elsewhere indicated probably not. So it would be realistic, then, to mark somewhere between zero and 3 percent. That is what we did.

So we went about it conscientiously, not with a meat ax approach, but with a scalpel, and we did those things that we thought were necessary and the things we thought were less injurious to our defense posture, in order to come out with a growth of zero, zero growth plus inflation.

Now we felt like we would be doing our duty and doing the best that we could with the constraints that we assume would be put on us. That is what we reported out. That is what I think is the least we can afford to accept in this budget.

Now we were surprised after that that the Senate changed its position and came out with a zero percent real growth plus inflation. That is what will go to conference, as I understand it.

I think we would be making a terrible mistake on the floor right here if we do not at least allow for inflation because if we do not allow for inflation, if we say zero growth and zero inflation, we are getting a real negative growth of whatever the inflation happens to be.

Let me say we met with our negotiators in Geneva yesterday. They came before the House Committee on Armed Services. It was not reassuring because they told us on every front that their negotiations were not proceeding because of the intransigence of the Soviets, the attitudes were not better.

What the Soviets are putting out in terms of product, in terms of weaponry, is increasing. So I would implore the House, do not cut our legs off, do not say we have to have a negative growth.

What it is the Latta amendment offers is zero growth, just allowing for inflation. I think that is reasonable. I think that is the least that we should do. I think to do less than that is going to seriously undermine and be a detriment to our defense posture. I would urge my colleagues on this issue at least get zero growth plus inflation, that is the least we should do.

Mr. Chairman, I urge strong support of the Latta amendment.

The CHAIRMAN. The Chair would advise that the gentleman from Ohio [Mr. LATTA] has 6½ minutes remaining, and the gentleman from Pennsylvania [Mr. GRAY] has 10 minutes remaining.

The Chair recognizes the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I rise to extend my commendations and congratulations to the distinguished chairman of the Committee on the budget, Mr. GRAY. He, and the Budget Committee under his leadership, have performed an extraordinary feat by coming forward with a budget that is fair, that works, and that accomplishes our goals.

The Committee on the Budget's recommendations will reduce the deficit by a total over $200 billion in the next 3 years. We can be proud of this. What is most significant is that these savings are achieved without crippling any of our important Federal programs, civilian or defense, and that they do not impose the burden of deficit reduction upon the poor, the elderly, the handicapped, or the veterans—those who are dependent upon COLA's in Social Security and other critical programs.

□ 1120

I commend the gentleman from Ohio [Mr. LATTA]. He has sought to come forward with a program that is much fairer than that which was achieved some years ago under his name. But it must be observed that the Latta alternative would continue conferring obeisance upon waste, fraud and abuse in the Defense Department.

The Democrats, my Republican colleagues, the Congress and the Nation want defense, but we want affordable defense. There is absolutely no justification for continuing a course of action with regard to defense expenditures which is going to lead us to the point where we cannot afford to defend this Nation. If current practices in the Department of Defense are continued, we can anticipate that our entire Defense budget today will buy one fighter plane in 2054!

We're spending more and more money, but buying fewer and fewer arms. According to the Congressional Budget Office, during the period from 1982 to 1985 we purchased 8.8 percent more aircraft than we did from 1977 to 1980. But those aircraft cost us 75.4 percent more. We bought 6.4 percent more missiles, but they cost us 91.2 percent more. Similar numbers apply to ships, tanks and vehicles.

Real growth is desirable in defense, but real growth can be achieved without waste, without fraud, and it can be accomplished under the proposal which is put forward by the Budget Committee.

I urge my colleagues to endorse it. Let us eliminate from our defense budget expenditures for dog boarding, country club memberships, golf outings, beds for corporate executives, lobbying, and other wasteful charges now paid by a willing Pentagon. Let us eliminate all the other good things that defense contractors have been improperly enjoying for years at the expense of the public.

The Nation is tired of waste, fraud and abuse. The American people are tired of huge cost overruns, delay, deceit and indifference to the public interest by contractors and the Defense Department alike.

I do not discuss $600 toilet seats, or $400 hammers. Those things are understood everywhere. Until we can deal with the cause, those things are symbols only.

The cause is known: Defense Department and contractor indifference to the public interest.

The system works only to grind out cost overruns, outrageous profits, false billings, arrogance, weapons that don't work and are not delivered on time, and a resultant upward spiral in procurement costs and continued decline in the number of weapons the Nation can afford.

Until the system can be corrected, and slothful, indifferent and deceitful officials at all levels in the Defense Department disciplined or removed, the Congress has no choice but to cut back. Such cut-backs will save money, but they will also send a message and commence imposing discipline on an agency which appears to regard its sole function to be the unaudited, undisciplined expenditure of someone else's money.

Audits after payment, disregard of auditors' functions and findings, refusal to discipline for false reports, improper billings, and refusal to watch for improper behavior by contractors are a way of life at the Pentagon.

Behavior of contractors which can only be described as "catch-me-if-you-can," and "the public be damned," are rampant, and are encouraged by the administration's disregard of its high duty with regard to expenditure of the public's money.

Reform is needed, and the message sent by the committee's fine budget will start that message on its way.

There is enough money here for adequate defense—for enough weapons and weapon systems of proper quality—to make the Nation secure.

In addition, Mr. Weinberger can audit unaudited accounts, retrieve illegal and improper charges, set his inflation adjustments at proper levels, pay proper prices, eliminate cost overruns, find a few more accounts containing misplaced funds—as he did with the newly found $4 billion last week—and come up with a more than adequate defense budget.

The Defense Department under any of the budget proposals here will spend some $1 billion every working day, $40 million every hour, $660,000 every minute, to dispose of the funds the Congress gives it.

The Pentagon has seen the 3-percent real growth factor set forth in the last Carter budget grow by $1.7 trillion, or $1,700 billion total in 5 years.

If more money is needed, let that be determined after waste, fraud, and abuse have been cleaned up and eliminated.

Let reform take place before more opportunity is given to indifferent men to waste more money.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. DERRICK], the ranking member of the committee.

Mr. DERRICK. I suppose, as far as the Democrats are concerned on the Budget Committee, with the exception of the majority leader, that I have served on the Budget Committee longer than any. I am now in my fourth term.

I want to tell you that I agree with a Republican—I said Democrat—I want to tell you that I agree with one of the Members of the minority who said, this is the best budget.

Mr. Chairman, I do not see what we are standing here arguing about. We have the best budget that has come out of the Committee on the Budget since it has been in effect over the last six terms.

National defense; we all know that there are going to be no program cuts over at the Pentagon, and we all know what we are doing is, we are putting pressure on the Pentagon to see that we get more of our money spent in a more effective way.

It is not like we are not appropriating anything; the appropriation for the Pentagon under this budget will be almost a trillion dollars over the next 3 years. A trillion dollars over the next 3 years.

What this budget realizes is, that there is more to national defense than missiles and tanks; that there is the undergirding of this country, which we are protecting in this budget. We have to keep our farmers strong, in the farm community that is suffering. We have to continue with a strong education process, which we are doing under this budget. We have to continue with research; we have to continue for help for small businessmen and the list goes on and on and on.

We have a budget that gets the savings almost half from the domestic programs, almost half from the defense programs. It is a well-balanced budget. It is a balanced budget that will move this country into this next century with a strong military establishment and a strong domestic program.

So do not be taken in by adding $10 billion more to defense and do not be taken in by reconciliation of $51 billion, which of course is not the case if you subtract the authorizations under there; it comes down to less of an authorization, than in our budget.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. DAUB].

Mr. DAUB. Mr. Chairman, today the House will have before it budget amendments which propose certain "tax reforms" to fund our own runaway spending problems. Specifically, some of these proposals from Members on the other side of the aisle would impose new minimum taxes on our taxpayers solely for the purpose of funding uncontrolled spending. My analysis of the Schumer/Russo/Wright marginal and effective rate tax increase proposals follows these remarks.

With respect to tax reforms, I hope that we have learned our lesson that the most effective method of raising taxes is to lower the tax rate and stimulate business growth, rather than to stifle economic opportunities for Americans. In 1980, we received $309 billion dollars from individual and corporate income taxes. This amount in 1982, was $347 billion, some $38 billion or over 12 percent more, even though the Economic Tax Recovery Act of 1981 included some of the most progressive tax reductions and business incentives in the history of the tax code. My colleagues on the other side of the aisle who claim ERTA was the cause of the deficit have just not looked at the numbers—they do not have a case.

When middle American taxpayers can't afford to pay taxes, there will be no taxes to pay for subsidies for Amtrak passengers to board anywhere to get to Florida—or to pay health care costs for those black lung afflicted persons who do need help.

Let me offer another example for the unbelievers. From the $347 billion figure in 1982, we achieved only a figure of $353 billion of total income tax revenues by 1984. This amounts to an increase of only $6 billion or 2 percent during the 2-year period. Yet this is the period which should have been most affected by the tax increases contained in the Tax Equity and Fiscal Responsibility Act of 1982. We did not raise any substantial revenues with the TEFRA cutbacks, we tended to stifle the growth in revenues. The moral of the story is that more taxes will never solve our revenue problem, only decreased spending.

Schumer/Russo alternative minimum tax—Marginal rate on each $5,000 of AMTI

Increments above $70,000 AMTI base:	*Percent*
$70,000 to $75,000	62.5
$75,000 to $80,000	70.8
$80,000 to $85,000	79.2
$85,000 to $90,000	87.5
$90,000 to $95,000	95.8
$95,000 to $100,000	104.2

Schumer/Russo AMI alternative minimum tax—Effective rate on amounts above $70,000 base

Additional AMTI above $70,000 base:	*Percent*
$5,000	62.5
$10,000	66.7
$15,000	70.8
$20,000	75.0
$25,000	79.2
$30,000	83.3

ASSUMPTIONS

Single taxpayer.

85 rates.

AGI equals taxable income—no itemized deductions.

INDIVIDUAL LEVEL—ALTERNATIVE MINIMUM TAX

Input:	
J-1 or S-0 (percent)	1.0
Exemptions (percent)	4.0
1986-2 (percent)	1.0
CPI (percent)	4.1
Salary (1)	$70,000
Salary (2)	$25,000
Dividend	$300
Interest income	$5,000
Capital gains	0
Partnership loss	0
Child care pats	0
IRA & KEOGH	0
Deductions:	
Charitable deductions	$2,700
Tax—State and local	$7,500
Interest—Mortgage	$16,500
Interest—Other	$2,000
Other	$1,300
Preference items:	
Fringes	$3,500
Depletion	0
Depr	0
IDC	0
Pension	$40,640
Tax-exemp	0
ISO	0
Foreign	0
Losses	0
Ins. build	$3,000
Instl. sale	
Soc. Sec	
Other	

SUMMARY OUTPUT

	Regular tax	AMT	
		Current law	Schumer proposal
Adjusted Gross Income	$97,600	$97,600	$97,600
Itemized deductions	−30,620	−21,200	−28,700
Phase-out of deductions			10,332
Taxable income	66,980	45,100	79,232
Preferences		−30,000	49,640
AMT taxable income		15,100	128,872
Tax due	17,688	9,020	32,010
Percent change		−49	81

Current calculation:	
Income	$100,100
Net capital gain	0
IRA and Keogh	0
Two earner deduction	−2,500
AGI	97,600
Charity	2,700
Interest	18,500
Taxes	7,500
Other	1,300
Itemized ded	30,000
ZBA	3,540
Excess itemized ded	−26,460
Personal exemptions	−4,160
Taxable income	66,980
Tax	17,688
Credit	0
Tax liability	17,688
AMT	32,010
Tax due	32,010

AGI	Reg. tax (+$CTAX)	AMT (+$PMT)	Percent
Effective rate per $5,000:			
$70,000	$22,244	0	
$75,000	24,644	$3,125	62.5
$80,000	27,044	6,667	70.8
$85,000	29,444	10,625	79.2
$90,000	31,921	15,060	87.5
$95,000	34,421	19,792	95.8
$100,000	36,921	25,000	104.2
Effective rate over $70,000:			
$70,000			
$75,000			62.5
$80,000			66.7
$85,000			70.8
$90,000			75.0
$95,000			79.2
$100,000			83.3

Personal minimum tax	Current law	Scheuer proposal
Adjusted gross income	$97,600	$97,600
Itemized deductions:		
State and local		(7,500)
Interest—Mortgage	(16,500)	(16,500)
Interest—Other	(2,000)	(2,000)
Charitable contributions	(2,700)	(2,700)
Other	(1,300)	(1,300)
Preferences:		
Capital gain deduction	0	0
Excess depreciation	0	0
Excess investment loss		0
Fringe benefits		3,500
Annual pension benefits		40,640
Inside buildup of life ins		3,000
ISO—Bargain element	0	0
Two earner deduction		2,500
Exemption	(30,000)	
Alternative minimum taxable income	45,100	117,240
AMT with phase-out of itemized deductions—percent deductible (64 percent)		128,040
Alternative minimum tax due	9,020	32,010
AMT tax rate applied (percent)	20	25

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I rise in opposition to the Democratic budget resolution, and in support of the Latta-Republican substitute.

Mr. Chairman, the economic recovery of the past 2 years has been truly remarkable. Eight million jobs have been created, interest rates have been cut in half from their peak in 1980, tax rates have been cut across the board, and inflation has been held below 4 percent for the past 2½ years. This week, the stock market broke the 1,300 mark.

The Members of this body, who voted for those tax cuts and for the budget reconciliation package which embodied the Economic Recovery Program, deserve to share the credit for these accomplishments with the President. But the job is not yet complete. An annual deficit in the range of $200 billion threatens the gains we have made, as well as the future soundness of our economy. The debate we are having today addresses these deficits and this problem, and the decision we make on this resolution will have far-reaching impacts on the market and on the world's perception of our willingness to continue with the program we started here 4 years ago.

It's never easy to reach agreement on how to allocate limited resources in the face of virtually unlimited demands. But that's why the voters elected us to this job. We have listened to the debate, heard the witnesses, and now we have to earn our pay.

I feel on balance that the Republican substitute offered by the gentleman from Ohio [Mr. LATTA] best fits the bill. I do not agree with everything in the Latta substitute. But I agree at more points with Latta than with the other proposals before us. On the whole, it is a balanced program for continuing the economic recovery, restraining unwarranted growth in Federal programs, and insuring adequate resources to protect our national security and provide for our domestic needs.

The salient point about the Latta substitute is that it treats all sectors fairly. Both defense and Social Security growth are held to the rate of inflation. Equally important, there are no tax increases. The Latta substitute is the only one of the proposals now before us which meets these three tests.

The House Budget Committee plan, on the other hand, is studiously vague on taxes, and bolsters domestic programs at the expense of the national security function. National security represents 28 percent of our current outlays, yet almost half of the savings claimed in the Budget Committee plan come from defense. What's more, many of the assumed domestic program savings are either accounting gimmicks or do not include any mechanisms for implementation. In fact, only about $9 billion in "hard" savings can be achieved from the domestic side of this resolution in fiscal year 1986.

Mr. Chairman, last year this body adopted a budget resolution calling for a 5-percent real growth in the national security function for fiscal year 1986. But the budget reported out by the Democrats this year calls for an actual cut of 4 percent in defense spending for fiscal year 1986. This flip-flop by the majority represents a 10-percent cut below the levels called for in last year's resolution, and is actually below the level which was proposed by their candidate for President in the elections last year.

Mr. Chairman, we have seen, during the Carter years, how costly it can be to our national security interests to neglect our legitimate defense needs. The Latta resolution does not restore the full amount posited in last year's budget for defense. But it is the minimum with which we can get by without seriously weakening our posture abroad. And it safeguards the basic domestic programs here at home while putting no new demands on the taxpayer.

Vote for the Latta substitute. We know it will work.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Chairman, the underlying problem we face today is a large Federal deficit which causes interest rates to remain high because the Government is in competition with business for funds to run their operations. Supply and demand is at work here, there are limited funds so the cost goes up. The prime rate is currently 10 percent, and most commercial loans are at approximately 12 percent. This is still much too high. When business cannot get money to expand their operations, the economy stagnates, causes unemployment, and the lack of prosperity.

How do we reduce the large Federal deficit? Some argue that we should raise taxes and take money out of the hands of those who can help the economy grow. Congress has tried this approach and spending was increased. This is the easy way out. What we must do is reduce Federal spending. No new taxes.

We must eliminate programs which are costly and extravagant such as the Synthetic Fuels Corporation which cost $15 billion since it has been formed without creating a single drop of fuel. Elimination of this costly and wasteful program would result in budget savings of more than $7 billion. The Government should not be in the business of supporting private industry. When the Government intervenes, the people always end up getting less and paying more. With the upcoming discussion of a possible of a minimum corporate tax, it seems extremely foolhearty to completely ignore a 100-percent Government funded corporate which has produced no benefits whatsoever to America's energy independence—quite the contrary, it has proven to be a full-fledged subsidy to the major oil companies.

We need a prudent, balanced approach to meeting our Nation's energy demands. Federal spending on fossil,

energy conservation, and other energy research and development should be reduced substantially. The Uranium Enrichment Program should be restructured to enhance the competitive position of the United States. The budget of the Nuclear Regulatory Commission should be limited because the number of licensing cases handled by the NRC will continue to decline over the next few years. These cuts could save a total of $1 billion.

Other budget reductions should occur in health programs. A freeze on these programs would not reduce their effectiveness and would help reduce the deficit. The stockpiling of vaccines are neither means tested nor directed at only low-income recipients. The Health Professions and Nurse Training Programs could be reduced by 50 percent, achieving a first year savings of $116 million. Since this program began 20 years ago, the number of medical students has doubled, while the medical school faculty has increased fivefold. There is a predicted surplus, not a shortage, of physicians in this country.

Another example is Amtrak. It was originally formed in 1971 as a profit corporation but instead resulted in $9 billion cost to the taxpayer. It costs the Government $35 every time a passenger boards an Amtrak train. I support gradually reducing the Federal funding for Amtrak. Amtrak is heavily subsidized by the Federal Government and therefore, should be expected to participate in the efforts to reduce the Federal deficit.

The Office of Management and Budget projects that Amtrak will cost the taxpayers in excess of $8 billion over the next decade. The Federal Government can no longer afford to continue providing huge Federal subsidies for Amtrak. Amtrak must reduce its reliance on Federal subsidies. Funding for Amtrak should be reduced by 12.5 percent in 1986, 25 percent in 1987, and by 40 percent in 1988. This would allow Amtrak and those with a substantial interest in Amtrak, time to establish alternative methods for funding Amtrak. It also encourages changes in Amtrak's current operations, so that its costs may be decreased and its revenue increased.

If our objectives are to achieve a more efficient and effective Amtrak and to aid in reducing the Federal deficit, then we must require Amtrak to carry its fair share of the burden of reducing the deficit. Amtrak must also be given the flexibility to establish alternative forms of financing and to increase its efficiency to meet such a demand. The substitute being offered to House Concurrent Resolution 152 accomplishes these objectives.

Congress must also freeze certain expenses such as the Social Security COLA in order to reduce spending. The Senate plan would freeze COLA's and result in a 3-year savings of more than $20 billion. The argument may be made that this would hurt the elderly but Social Security was not originally set up as a retirement program. Rather, it was intended to supplement savings or other retirement plans. I've received many letters from my district in support of a COLA freeze. One constituent wrote and told me "there is one old woman in Ohio, drawing Social Security who thinks Social Security benefits should be frozen along with everything else." Another writes "I am willing to take the freeze if it contributes to a reduced deficit. A freeze on my COLA, together with a freeze on all other programs is the only fair way to keep the economic recovery moving."

The Leath-MacKay-Slattery amendment would freeze the COLA adjustment on Federal retirement programs, verterans' programs, and Social Security for 1 year. I would like to support this amendment but the proposed tax increase makes it impossible for me to do so.

I believe that the best path to follow is Congressman LATTA's substitute which would reduce the deficit by almost $57 billion this year and by $265 billion over the next 3 years if enacted. The cuts are distributed more fairly between defense and domestic functions and includes no increases in taxes. The Latta substitute also calls for freezing nondefense discretionary programs for 1 year, reducing selected programs below freeze levels, and terminating or reforming others. I have long been an advocate of a budget freeze which would treat programs equally and fairly. I believe that this proposal would help maintain the economic recovery.

President Reagan received 73 percent of the vote in my district, obviously a clear mandate. From the mail and comments I have received I have the backing of my district in support of the President's approach to reduce the deficit. I would urge my colleagues to support the Latta substitute and help America continue to regain its full economic strength.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. GROTBERG].

Mr. GROTBERG. Mr. Chairman, I rise in support of the Latta substitute amendment. I would like to take this opportunity to make my views known on the Federal budget. As a new Member of this body, I believe consideration of the budget resolution is the most important issue that we will consider this year and probably for years to come.

As President Reagan has said, it is essential to our long-term economic well-being that we make at least a $50 billion reduction in Federal spending for fiscal year 1986. If we don't we will be gambling with our children's future and the general welfare of all Americans. The results of my recent constituent questionaire revealed that 49 percent of my constituents saw the Federal deficit as the most important economic issue directly affecting them and 69 percent favored reducing Federal spending across the board.

For awhile, the current economic expansion can proceed in spite of the Federal deficit. However, if we fail to act decisively, the result will be a substandard and unbalanced economy.

No one can argue that these huge deficits should be allowed to persist. However, the timing and manner in which deficits are reduced is of critical importance. It is particularly important that deficit reduction be achieved by reducing Federal spending—not by raising taxes.

I see that some efforts are being made to further increase Federal spending and to raise taxes. Raising taxes is not the answer to the deficit problem. Past experience does not support the proposition that increased revenue from a tax increase would be applied toward deficit reduction.

Instead, the revenues would be used for even more Federal spending. This, unfortunately, has become the nature of our Government. I am afraid that some Members of this body are using deficit reduction as a Trojan horse for their ultimate goal which is to raise taxes and increase Federal spending.

My constituents have been particularly concerned about five budgetary items: Social Security, revenue sharing, Federal subsidies to Amtrak, education, and defense spending.

I am opposed to any reduction or freeze in Social Security cost-of-living adjustment. We must uphold our commitment and contract obligation to the 36 million senior citizens of this country. Latta addresses all these concerns.

It is necessary that substantial reductions be made in both the Revenue-sharing Program and Federal Amtrak subsidies. However, it would be unproductive to completely eliminate these programs for fiscal year 1986. It would also be unproductive to drastically reduce expenditures on education.

I strongly oppose efforts to freeze the Defense budget at the fiscal year 1986 budget authority level. A noninflation adjusted defense budget could prove to be detrimental to our national security. For defense, I support an inflation adjusted spending freeze; thereby allowing for zero percent real growth in the defense function.

I will vote for the Republican substitute budget offered by Mr. LATTA and oppose all other budget substitutes and amendments. I don't agree with every item in Mr. LATTA's substitute, but right now it is the best plan on the table. The most positive aspects of the

Latta substitute are the inflation adjustment for defense and the 10-percent reduction in legislative branch expenditures.

Mr. Chairman, I am determined to take the necessary steps required to reduce Federal spending. In the long run, reducing Federal expenditures by adopting the Latta substitute is the only valid method of reducing deficits and assuring continuing economic prosperity, and I urge my colleagues to do the same.

● Mr. LOWERY of California. Mr. Chairman, I rise in support of the Latta amendment.

The Federal debt, now more than $1.3 trillion, has quadrupled during the past 8 years. In the last 22 years, while our population has grown 27.5 percent, prices have grown 246 percent, and the Federal budget has grown almost 1,000 percent! Year in and year out, Congress has appropriated excessively, creating a series of increasing deficits which have placed this Nation in economic danger. There is no place left to hide, no one left to whom we can pass the buck. Congress is now facing some tough decisions.

Not only do deficits indicate improper management of our Federal funds, but they also create serious difficulties for our economy. First, they cause us to borrow heavily. Second, this heavy borrowing cuts into private sector use, crowding out homeowners, consumers, and small as well as big businesses. The cost of money goes up for us all. Third, the cost of products made here, because of the value of the dollar, rises in foreign markets while cheap foreign goods flood our markets. These interacting effects create an uneven field upon which our industry and workers must play. In this vicious cycle, the more the Federal Government spends, which many Democrats would have us believe to be beneficial, the less money there is for our economy. In short, there is no way to have full employment and balanced growth in our present environment.

Clearly we cannot afford to pile up $200 billion-plus deficits each year. For this reason, I am supporting the only responsible and equitable budget resolution, the Latta alternative. The Latta alternative will freeze nondefense discretionary programs for 1 year while protecting all means-tested discretionary and entitlement programs, including Social Security, veteran, civilian, and military retirees with full COLA's. In addition, it would include several program terminations and reforms, such as the Appalachian Regional Reform, the Synthetic Fuels Corporation, Export-Import Bank direct loans, small business direct loans, and several more. It would also phase out general revenue sharing over a 3-year period, assume a 20-percent reduction for urban development action grants for fiscal year 1986 and freezes without inflationary measures for 1987 and 1988, and place Conrail for sale to a private organization.

Unfortunately, the House Budget Committee resolution, as many here have said, is not much more than smoke and a collection of cleverly placed mirrors. Instead of real structural reforms that would provide more efficient management of our Government, the Budget Committee resolution over the next 3 years will achieve approximately two-thirds of its real savings from our national security while presenting poorly defined outyear savings on the domestic side of the budget—savings which are unlikely ever to be achieved.

Reform should be the key word of this budget, Mr. Chairman, reform as overwhelmingly mandated by the American people just this past fall. Yet, in the House Budget Committee proposal, substantive reform does not appear. For example, this budget freezes defense spending at 1985 levels without an increase for inflation. A nominal freeze will have the effect of cutting into badly needed weapons systems which are currently in the research phase. Military readiness and maintenance would suffer and programs like the strategic defense initiative and our antisubmarine warfare developments which are so vital to our national security will be severely hindered in research and deployment.

In addition, I would like to point out that many of the figures used by the House Budget Committee are "soft"; they are unverified by the Congressional Budget Office. Thus, while they can claim $56 billion deficit savings, how much of that will we ever realize? Indeed at least $10 billion in savings according to the House Budget Committee proposal are unverified. The Latta alternative, on the other hand, has the benefit of having been run through the Congressional Budget Office. These "hard" figures recommend a $56.8 billion saving for fiscal year 1986, $85.3 billion in fiscal year 1987, and $122.7 billion in 1988 for a 3-year total of $265 billion in deficit reductions. The resolution includes no increase in taxes, full COLA's for all entitlement programs, and a defense freeze with provisions to cover for inflation.

While I commend my colleagues on both sides of the aisle for their hard work and perseverence, Mr. Chairman, the Latta alternative is clearly the most responsible and comprehensive budget resolution. We must make the most responsible choice we can for our children and our children's children.●

□ 1130

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield the remaining time on this side to the gentleman from Texas [Mr. WRIGHT], the distinguished majority leader, who is also the ranking member of the Committee on the Budget.

The CHAIRMAN. The Chair recognizes the distinguished gentleman from Texas [Mr. WRIGHT] for 5½ minutes.

Mr. WRIGHT. Mr. Chairman, I appreciate this opportunity to talk about this budget. Of all of the years in which I have served on this committee, this particular budget is perhaps the most universally acceptable that we have been able to produce. Only two Members of the House, the gentleman from Ohio [Mr. LATTA] and I have had the privilege of serving on this committee since its inception. I do not believe 3 weeks ago anyone would have expected it possible that we would have been able to find enough savings to produce a budget which reduces next year's deficit by $56 billion and do this without raising new taxes, without breaking our commitment to the Nation's elderly on cost-of-living adjustments and without absolutely abolishing any of the essential safety net programs that help the poorest of the poor in this society of ours. And yet we have been able to do that.

For that reason, I want to compliment all of the Members of the committee. Among them, I certainly include the distinguished gentleman from Ohio [Mr. LATTA] and the Members on the minority side, because I want to say publicly that I think they have behaved in a thoroughly responsible way. We came very near, very, very near, to finding that magic elixir by which we might have been able, miracle of miracles, to have come to the floor with a partisan budget. They find much in this budget to admire, and the gentleman from Ohio [Mr. LATTA] would tell you so. He has behaved in a thoroughly responsible way, and I do not make light of his honest, earnest effort to amend the budget. I do oppose it.

I want to commend also the chairman of the committee. The gentleman from Pennsylvania [Mr. GRAY] has a job that requires infinite patience, understanding, parliamentary skills and the ability to listen almost interminably while others extol the virtues of their particular plans. And those qualities exist in an unusual degree in the chairman of this committee, BILL GRAY.

I also want to compliment other Members, including MARVIN LEATH and those who will offer other amendments that I will oppose because I think they are not what the American people deserve and desire, but they are earnest and they are conscientious and they are responsible in their efforts.

Having said that, I do want to point two other things. The first is that, contrary to some concepts, this committee budget does not reduce the Nation's military capability, not at all. In fact, we add in outlays for fiscal year 1986 $15-billion more than we made possible in fiscal year 1985. Now, that is not a cut. That is a $15-billion increase. And in a $292-billion budget, that amounts to about a 5-percent increase for military expenditures, a little better than a 5-percent increase. That ought to take care of inflation. In fact, the growth of military spending over the years, as demonstrated in only the past 5 years on this chart, and over the last 35 years on the other chart, surely ought to assure any American that we have provided adequately for the defense of this country and that nobody is trying to shortchange the military. The truth is that because we have overestimated the probable inflationary impact year after year in providing real growth for the military, we have accumulated a total of $279 billion in unexpended funds lying there available to the Pentagon for expenditure in the new fiscal year without any of our new appropriations.

Now, much of that is committed programs for which most of us have voted, myself included. But it also includes $55.7 billion in unobligated funds. In other words, before we start appropriating this year there already exists available to the Pentagon a total of some $55 to $56 billion that is not obligated to any program at all, available for their expenditure at their discretion.

So nobody can say that we are cutting the military strength of the country. We are adding to it, but as most of the American people want us to do, at a less haphazard, at a less rapid, at a less force-feeding pace. Two out of every three Americans, when asked how they would reduce the deficit, suggest, first of all, we should reduce the rate of growth in the runaway military spending, and that is what we have done.

So the final thing I want to suggest to the Members is that this committee budget does respond to the American public. The American public approves in every instance of what we have done as opposed to what the Senate did and as opposed to what Mr. LATTA would do in his amendment. Eighty percent of the people are opposed to cutting COLA's, 66 percent do say we ought to cut the rate of growth in military spending, two out of three are against zeroing out any of these programs like the Jobs Corps, so we are on the side of the people, and I suggest that we vote for the committee bill and against the amendments.

The CHAIRMAN. The gentleman from Ohio [Mr. LATTA] has 2½ minutes remaining to close debate.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman for yielding.

I have a problem with the Latta budget. It is not true that the Latta budget, in effect, puts the Conrail into the reconciliation process rather than through the legislative process?

Mr. LATTA. No, that is not true. All we do in reconciliation is to put the numbers in, and we do not state how any savings will come about. We do not point that out.

Mr. SHUSTER. But the effect of it is——

Mr. LATTA. No, the effect is not to do that, and I would assure the gentleman we will not write that legislation in the conference.

Mr. SHUSTER. That is not my understanding.

Mr. LATTA. We are not going to write that legislation for it.

Mr. Chairman, in answer to the gentleman who just spoke, there is one thing he failed to mention. He mentioned outlays. The Democrats are not going to be reducing outlays, but certainly in budget authority, that the Defense Department heavily relies on, you will have the same figures without inflation as you have this year; and with 4-percent inflation, that means a 4-percent reduction. He just happened to forget that.

But let me just say I want to join him in complimenting our distinguished new chairman on a job well done. As the majority leader pointed out, we did come very close, with his help, with his agreement, to a compromise for the first time, and I attribute a lot of that to the leadership of our new chairman.

In the very few seconds that I have—and I was overly generous with my time—let me point out a couple of things about the substitute. If you look at this chart, you see how nondefense growth has gone up, the blue line. I call that to the majority leader's attention. And you see how the defense red line shows up in comparison. Turn the chart around so the majority leader can see that.

So let us get the total picture when we talk about this growth.

Let me also say that the Latta budget does nothing with COLA's. He did not say it did, but he pointed out in the other budget they did not do anything with COLA's. We do not either. We take care of these means-tested programs. Nothing is going to be taken from them. But we do something that the budget offered by the majority does not do, and that is we put teeth in reconciliation. We have reconciled $16 billion plus in 1986 alone, whereas in their case they have only reconciled $11 billion.

Let me also say that we do take care of the defense needs of this country with our substitute. We have heard in the well of this House a week ago from the Joint Chiefs of Staff, who know about defense, as to what a cut like that would do. They have already taken a $40-billion cut if this goes forward in budget authority in 1986. It is much too much.

The CHAIRMAN. All time having expired, the question is on the amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. LATTA].

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 102, noes 329, not voting 3, as follows:

[Roll No. 128]

AYES—102

Archer
Armey
Badham
Bartlett
Barton
Bateman
Bentley
Bilirakis
Bliley
Boulter
Brown (CO)
Broyhill
Burton (IN)
Callahan
Campbell
Carney
Chapple
Cheney
Cobey
Combest
Coughlin
Courter
Craig
Crane
DeLay
DeWine
Dickinson
Dornan (CA)
Dreier
Eckert (NY)
Edwards (OK)
Fawell
Fiedler
Fields
Gallo
Goodling
Grotberg
Hammerschmidt
Hansen
Hartnett
Hiler
Hillis
Holt
Hunter
Hutto
Hyde
Ireland
Kasich
Kemp
Kindness
Kolbe
Lagomarsino
Latta
Lewis (CA)
Lewis (FL)
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Madigan
Martin (IL)
McCain
McCandless
McCollum
McEwen
McMillan
Michel
Miller (OH)
Molinari
Moore
Moorhead
Myers
Nielson
O'Brien
Oxley
Packard
Pashayan
Quillen
Roth
Rowland (CT)
Rudd
Saxton
Schuette
Sensenbrenner
Shumway
Skeen
Slaughter
Smith (NH)
Spence
Stangeland
Strang
Stump
Sweeney
Swindall
Taylor
Vander Jagt
Vucanovich
Whitehurst
Wylie
Young (FL)

NOES—329

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carper
Carr
Chandler
Chappell
Clay
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coyne
Crockett
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
Dellums
Derrick
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell

Fazio
Feighan
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
Kramer
LaFalce
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lightfoot
Lipinski
Lloyd
Long
Lowry (WA)
Luken
Lundine
Mack
MacKay
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McGrath
McHugh
McKernan
McKinney
Meyers
Mica
Mikulski
Miller (CA)
Miller (WA)
Mineta
Mitchell
Moakley
Mollohan
Monson
Montgomery
Moody
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Parris
Pease
Penny
Pepper
Perkins
Petri
Pickle
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Rogers
Rose
Rostenkowski
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Rowland (GA)
Roybal
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Sabo
Savage
Schaefer
Scheuer
Schroeder
Schulze
Schumer
Seiberling
Sharp
Shaw
Shelby
Shuster
Sikorski
Siljander
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Walker
Watkins
Waxman
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Whitley
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Williams
Wilson
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Wolf
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Young (AK)
Young (MO)
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NOT VOTING—3

Gradison
Hall, Sam
Schneider

□ 1150

Messrs. BRYANT, SCHEUER, FRANKLIN, and LIGHTFOOT changed their votes from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

□ 1200

AMENDMENT OFFERED BY MR. LEATH OF TEXAS

Mr. LEATH of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. Leath of Texas: In paragraph (1) of subsection (a) of the first section and of section 2 of the concurrent resolution increase the recommended levels of Federal revenues for fiscal year 1986 by $12,000,000,000, for fiscal year 1987 by $17,000,000,000, and for fiscal year 1988 by $25,000,000,000.

In paragraph (1) of subsection (a) of the first section and of section 2 of the concurrent resolution increase the amounts by which the aggregate levels of Federal revenues should be increased for fiscal year 1986 by $12,000,000,000, for fiscal year 1987 by $17,000,000,000, and for fiscal year 1988 by $25,000,000,000.

In paragraph (2) of subsection (a) of the first section and of section 2 of the concurrent resolution increase the appropriate levels of total new budget authority for fiscal year 1986 by $658,000,000, for fiscal year 1987 by $1,225,000,000, and for fiscal year 1988 by $1,159,000,000.

In paragraph (3) of subsection (a) of the first section and of section 2 of the concurrent resolution decrease the appropriate levels of total budget outlays for fiscal year 1986 by $7,094,000,000, for fiscal year 1987 by $11,846,000,000, and for fiscal year 1988 by $14,640,000,000.

In paragraph (4) of subsection (a) of the first section and of section 2 of the concurrent resolution decrease the amounts of the deficits in the budget for fiscal year 1986, by $19,094,000,000, for fiscal year 1987 by $28,846,000,000, and for fiscal year 1988 by $39,640,000,000.

In paragraph (8) (relating to Transportation) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority for fiscal year 1986 by $10,000,000, for fiscal year 1987 by $13,000,000, and for fiscal year 1988 by $14,000,000.

In paragraph (8) (relating to Transportation) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $10,000,000, for fiscal year 1987 by $13,000,000, and for fiscal year 1988 by $14,000,000.

In paragraph (11) (relating to Health) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority for fiscal year 1986 by $2,000,000, for fiscal year 1987 by $3,000,000, and for fiscal year 1988 by $3,000,000.

In paragraph (11) (relating to Health) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $2,000,000, for fiscal year 1987 by $3,000,000, and for fiscal year 1988 by $3,000,000.

In paragraph (13) (relating to Income Security) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority for fiscal year 1986 by $592,000,000, for fiscal year 1987 by $855,000,000, and for fiscal year 1988 by $708,000,000.

In paragraph (13) (relating to Income Security) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $1,448,000,000, for fiscal year 1987 by $1,952,000,000, and for fiscal year 1988 by $2,013,000,000.

In paragraph (14) (relating to Social Security) of subsection (b) of the first section and of section 2 of the concurrent resolution increase new budget authority for fiscal year 1986 by $977,000,000, for fiscal year 1987 by $861,000,000, and for fiscal year 1988 by $213,000,000.

In paragraph (14) (relating to Social Security) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $4,667,000,000, for fiscal year 1987 by $8,402,000,000, and for fiscal year 1988 by $6,447,000,000.

In paragraph (15) (relating to Veterans benefits and services) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority for fiscal year 1986 by $449,000,000, for fiscal year 1987 by $553,000,000, and for fiscal year 1988 by $575,000,000.

In paragraph (15) (relating to Veterans benefits and services) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $404,000,000, for fiscal year 1987 by $552,000,000, and for fiscal year 1988 by $573,000,000.

In paragraph (19) (relating to Net Interest) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease new budget authority for fiscal year 1986 by $909,250,000, for fiscal year 1987 by $3,200,000,000, and for fiscal year 1988 by $5,820,000,000.

In paragraph (19) (relating to Net Interest) of subsection (b) of the first section and of section 2 of the concurrent resolution decrease budget outlays for fiscal year 1986 by $909,250,000, for fiscal year 1987 by $3,200,000,000, and for fiscal year 1988 by $5,820,000,000.

Subsection (h) of section 3 of the concurrent resolution is amended to read as follows:

(h) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $745,000,000 and outlays by $1,774,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,000,000,000 in budget authority and $1,933,000,000 in outlays in fiscal year 1987; and requires decreases of $847,000,000 in budget authority and $1,998,000,000 in outlays in fiscal year 1988.

Subsection (j) of section 3 of the concurrent resolution is amended to read as follows:

(j) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority $749,000,000 and outlays by $704,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $853,000,000 and outlays by $852,000,000 in fiscal year 1987; and requires decreases of budget authority by $875,000,000 and outlays by $873,000,000 in fiscal year 1988.

Subsection (k) of section 3 of the concurrent resolution is amended to read as follows:

(k)(1) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to increase budget authority by $500,000,000 and decrease outlays by $8,994,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires an increase of $352,000,000 in budget authority and a decrease of $11,652,000,000 in outlays in fiscal year 1987; and requires decreases of $392,000,000 in budget authority and $12,591,000,000 in outlays in fiscal year 1988.

(2) An amount equal to twenty percent of the savings resulting from the one-year freeze on the payment of the cost-of-living adjustment to Social Security beneficiaries shall be allocated to the Committee on Ways and Means for fiscal years 1986, 1987, and 1988; and, such funds shall be used to mitigate the impact of the freeze in the cost-of-living adjustment on any Social Security beneficiary whose income falls below the poverty level as a result of the freeze in the cost-of-living adjustment.

Section 3 of the concurrent resolution is amended by inserting at the end thereof the following new subsection:

(1) The House Committee on Ways and Means shall report changes in laws sufficient to increase revenues by $12,000,000,000 for fiscal year 1986, to become effective only upon enactment of changes in budget authority and outlays provided for in this section; further the Congress finds that to attain the policy of this resolution in future years requires increases in revenues of $17,000,000,000 for fiscal year 1987, and by $25,000,000,000 for fiscal year 1988; and further, the Congress finds that to attain such revenue increases, the Committee shall not report changes in income tax rates or burden on individuals.

Section 7 of the concurrent resolution is amended by inserting at the end thereof the following new subsection:

(c) It is further the sense of the House of Representatives that revenues must be increased in order to lower the deficit, but that any action taken to raise revenues should not preclude the adoption of tax reform and may be considered in conjunction with such tax reform.

The CHAIRMAN. Pursuant to House Resolution 177, the amendment is considered as having been read.

The gentleman from Texas [Mr. Leath] will be recognized for 30 minutes and the gentleman from Ohio [Mr. Latta] will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Texas [Mr. Leath].

Mr. LEATH of Texas. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. MacKay].

Mr. MacKAY. Mr. Chairman, my purpose is to start out with an explanation of the Leath amendment to show how it ties together with the basic budget document and to try to set the framework for the debate.

The gentleman from Texas [Mr. Leath], the gentleman from Kansas [Mr. Slattery], and I support the committee bill. We think it does not go far enough, however. We see the budget as the structure, and we think the structure is put together well. Our problem is that the structure is built on a foundation of economic assumptions, and we see those assumptions—that foundation—as shifting sand.

The Members may have seen in the past week the economic indicators for the first quarter of this year. This budget is built on the assumption that we will have 4 percent growth in our gross national product during this fiscal year. We are now a fourth of the way through that year. We do not have 4 percent growth; we have 0.7 of 1 percent growth.

Unemployment is supposed to be going down. It is not going down; it is going up.

I asked an economist what this means for the underlying baseline deficit. He said, "You could well be looking at an underlying baseline deficit of $260 billion, not $230 billion. You may get your $56 billion in cuts and find yourself in the unusual position of still having a deficit at the end of this exercise that is above $200 billion."

Members may think that I am talking about something that is far-fetched. One of the reasons this chart is here is to show what happened last year. Last year we cut $28 billion from the deficit, and we ended up the year with a higher deficit than we had before we started. What was the reason for that? The reason for that is the economic assumptions built into the budget process were not realistic last year, and they are not realistic this year.

On that background we see the first point that shows the critical importance of the Leath amendment. The Leath amendment cuts $75 billion from the budget deficit this year, and at the end of 3 years it puts us in a position where the remaining deficit is less than $85 billion. Projecting the line forward for 2 more years, we see that the budget is in balance at the end of 5 years.

The Leath amendment does that in this fashion: It puts all of the engines that are driving the deficit on the table. In addition to spending cuts which are part of the House bill, we add a 1-year entitlement freeze—and $12 billion of revenue. We end up with $63 billion in spending cuts and $12 billion of revenue. In the entitlement area, all retirement COLA's are frozen, but 20 percent of the money saved by doing that is plowed back into programs for the benefit of the elderly poor. That could be done by increasing SSI or it could be done through Medicare or a number of other ways. We leave that to the Ways and Means Committee.

One of the questions a number of people have asked us is, what happens with the tax increase? Is there any chance, the way this is put together, that you could end up with a tax increase and not have the spending cuts in place?

There is specific language in this bill that is very important to Members on the Republican side. There is specific language that says we cannot enact any tax increase until the spending cuts are in place.

But most important, the Leath amendment refocuses the budget debate. It sets America on a track that will put the budget in balance within 5 years.

The Leath amendment requires our constituent groups to share the sacrifice—to give up advantages they now have. We believe the people of America are ready to do that! In fact, the people are ahead of their political leaders!

The real challenge in the Leath amendment is a challenge to the political parties. It challenges the Democrats to give up the chance to take free shots at Republicans on the issue of freezing entitlements. In exchange, it challenges the Republicans to give up the chance to bang on Democrats on the issue of increasing taxes.

This may not be the year for a bipartisan effort. If not, we'll build another complicated budget structure, while the economic foundation of America's strength washes away, like sand on a beach with an outgoing tide.

The CHAIRMAN. The time of the gentleman from Florida [Mr. MacKay] has expired.

Mr. LEATH of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. Slattery].

Mr. SLATTERY. Mr. Chairman, I would like to spend just about 30 seconds talking about some of the key provisions in this proposal. First of all, the amendment we are talking about today contains the greatest deficit reduction of any of the proposals we have considered. We are looking at a package that offers a deficit reduction in real dollars of $350 billion over the next 3 years.

The second point is this: Under this proposal, the deficit in 1986 would be cut by $75 billion—more than the President has talked about—more than the Senate has approved, and more than any of the proposals considered by this body.

In addition to that, in fiscal year 1988 the deficit would be $85 billion. That is assuming that we would not improve economic growth because of the action we are taking, and we do not believe that is a good assumption. The deficit in 1988 would be less than 2 percent of the gross national product.

The next point that I think is extremely important for all of us to keep in mind is that we are talking about $5 in spending cuts for every $1 in tax revenues. Keep that point in mind.

Mr. Chairman, I think that this gives us the opportunity, if we are really serious about deficit reduction in this country at this time, to say no to mortgaging the future of America, and that is what this vote is all about today. I urge my colleagues to approve this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Kansas [Mr. Slattery] yields back 3 minutes.

The Chair would like to inquire, is the gentleman from Ohio [Mr. Latta] handling the debate for the opposition?

Mr. BROWN of Colorado. The gentleman from Ohio will be handling it, Mr. Chairman, and we are covered right now. We have no speakers who wish to speak right now, Mr. Chairman, and we would be glad to have the other side go ahead.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. Leath].

Mr. LEATH of Texas. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr Panetta].

☐ 1210

Mr. PANETTA. Mr. Chairman, I rise in support of this amendment and make clear that I think this amendment in no way detracts from the good work of the chairman on the committee on the basic budget resolution. I intend to support that resolution, regardless of what happens on this amendment; but I think this amendment builds on the resolution and provides that one bold stroke that must be made if we are to break the pattern of resolutions that we have seen over the past 4 years that have slowly strangled and squeezed program after program, so that we can begin to focus on the positive approaches that must be made for the future and try to balance the sacrifice as much as possible.

What is that pattern? The pattern is that the President and Paul Volcker set a deficit reduction number that they feel ought to be achieved. We struggle to achieve that number in the most noncontroversial way.

How do we do it? We go back to Medicaid. We go back to Medicare. We go back to housing. We go back to agriculture and student loans and nutrition programs and we do it again and again and again. We are going to continue to do that. Ultimately that must stop.

The nature of the budget that is 85 percent is in defense and entitlements and interest payments on the national debt. We have got to go after defense. We have to go after controlling entitlements and we have to deal with revenues.

This year largely because of a political backlash in this country, we have done defense. Let us not wait for a political backlash to do entitlements and revenues. That must be done now.

This amendment asks us to have the courage to do the other two pieces, to deal with entitlements in a fair way and to deal with revenues. This would be the first time, if we passed this amendment, that there would be no holy territory when it comes to the budget resolution, that we will have in fact included all major areas in developing a $75-billion deficit reduction in 1986.

It is right. It is fair. It would be balanced, and most of all, it would break the stranglehold that the deficit has on us in terms of dealing with future priorities.

Let us have the courage to take that step.

The CHAIRMAN. Does the gentleman from Colorado wish to yield time on behalf of the gentleman from Ohio [Mr. Latta]?

Mr. BROWN of Colorado. Mr. Chairman, I would be glad to yield 5 minutes at this point to the Chairman of the Rules Committee, the gentleman from Florida [Mr. Pepper].

Mr. PEPPER. Mr. Chairman, I do not believe a large number on either side of the membership of this House will vote to make the President of the United States and the Congress of the United States, respectively, violate their solemn commitment to the elderly people of this country. That is what this amendment would do. It proposes to do the wrong thing in the wrong way. If we are going to redistribute the income from Social Security to the recipients of this country, it ought to come up through the Ways and Means Committee after appropriate hearings and some opportunity for the country to give its reaction to the proposal.

What is proposed here is to take away a whole year of COLA's from the recipients of Social Security. We took away half a year in 1983.

Congress promised the elderly they would get their cost-of-living increase that would keep their standard of living on the level of what was allowed by law, regardless of inflation. This amendment would have us go back on that solemn promise.

Time after time, I have heard elderly women testify before our Aging Committee saying, "Did I not live in subsidized housing, the amount I receive from Social Security would not enable me to buy enough food to eat."

So what we are proposing to do is, first take away what people are entitled to receive by the commitment of the President and the Congress and then turn around and give back to some other people, now recipients of Social Security, some more money, some other money.

Congress quit changing the amount of benefits for Social Security recipients every session of Congress a few years ago.

So what I say is that we are proposing to do the wrong thing, in the wrong forum. I say the wrong thing, because even with Social Security, one-sixth of the elderly people of this country still have incomes below the poverty level. This amendment would push hundreds of thousands of elderly Americans down below the poverty base. It would lower the standard of living of the millions who are dependent upon that help from the COLA to maintain the standard of living that Congress intended them to enjoy when it fixed the amount they were to receive under Social Security.

So, Mr. Chairman, this amendment attempts to do the wrong thing to the wrong people in the wrong forum and in the wrong manner.

I will add only that it is the same with respect to the increase of revenues. I think we ought to increase the revenue in a tax bill and it ought to be increased. We have got to face the gun sometime, but this is not the time to decide a tax bill. This, too, attempts to do the wrong thing in the wrong way.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of the gentleman's statement. The Leath amendment asks the elderly of this country to go without $28.1 billion in benefit increases over the next 3 years. This is not a step we should be taking.

As with the 6-month benefit delay required by the Social Security Amendments of 1983, the Leath amendment provides a permanent, not a temporary, cut in benefits.

That fact is amply demonstrated by the deficit reduction projections made for the Leath COLA freeze plan.

The Leath plan cuts benefits not only in fiscal year 1986, but throughout the lifetimes of current beneficiaries. It will cut $7.4 billion in fiscal year 1986, $10.3 billion in fiscal year 1987 and $10.4 billion in fiscal year 1988.

As I will explain at greater length elsewhere in the Record today, a COLA freeze would make a mockery of the sacrifices that elderly recipients and Social Security taxpayers are making even now as a result of the Social Security Amendments of 1983.

Everyone knows that the Social Security tax system is the most regressive Federal tax program that we have. It applies only to wages, not to other forms of income. There is no tax on wages above $39,600 per year and businesses must pay the Social Security assessment regardless of whether they are making or losing money.

If we pass the Leath amendment, it will mean that we raised Social Security taxes in 1983 not to assure the solvency of the system or to preserve the purchasing power of benefits, but to reduce the deficit.

I cannot support such an approach to a system on which so many must rely now and in the future.

I will be supporting the budget resolution proposed by the House Budget Committee.

The Budget Committee resolution is the only plan that satisfies the requirement for both substantial deficit reduction and fairness. It does not ask the poorest among us to make the greatest sacrifices and it recognizes, at least for fiscal year 1986, what most Americans have now come to believe. That the Pentagon does not need more money, but needs to learn to use what it gets more wisely.

The Budget Committee plan is not perfect. In my view, we should be doing more to reduce the deficit by making further cuts in spending.

I sought to offer an amendment (printed at pp. H3484–H3486, May 21, 1985) which would have cut another $19.65 billion in outlays over 3 years, but was not permitted to offer the amendment under the rule of procedure adopted by the House.

Even without further cuts, the Budget Committee plan offers the best opportunity remaining to us for responsible deficit reduction. However, we should not allow ourselves to be misled or to mislead our constituents as to what it would accomplish.

There will not be $259 billion in reductions either under the House Budget Committee plan or any other plan that is before the House.

The $259 billion in estimated savings is based on a budget baseline that wildly overestimates the amount required to maintain current services in defense; substantially overestimates revenues, particularly in fiscal years 1987 and 1988; and underestimates outlays.

It does so because it is based on economic assumptions that were unrealistic when made and have become more unrealistic as we move further into a growth recession.

It is not only the House Budget Committee that has chosen to use these economic assumptions. The Senate and the White House took the lead by promoting baseline assumptions that would, in effect, guarantee their ability to show dramatic deficit reductions, without requiring the sacrifices that would make them a reality.

A quick comparison between the Reagan administration's economic assumptions ("OMB"), which are used in all projections, and the more sensible projections reported by the nonpartisan Congressional Budget Office [CBO] tellingly make the point.

OMB has estimated for fiscal year 1986 that real GNP growth will be 4 percent, inflation will be 4.3 percent and that the Government rate of borrowing on 3-month notes will be just 7.9 percent. In contrast, CBO has estimated that GNP will grow by only 3.2 percent, after inflation; that inflation will reach 4.5 percent; and that the Government's rate of borrowing will average 8.7 percent.

Even now, we know that a 3.2 percent rate of real growth in GNP for fiscal year 1986 may be optimistic in light of the Commerce Department's report that the GNP grew by only 0.7 percent after inflation, in the first quarter of this year.

The economic assumptions made by OMB and CBO diverge even more significantly in the outyears. For example, OMB has again predicted real GNP growth of 4 percent in fiscal year 1988, as opposed to CBO's 3.4 percent projection; 3.9 percent inflation as opposed to CBO's figure of 4.2 percent, and 6.3 percent unemployment, as opposed to 6.6 percent.

Perhaps the most significant difference concerns the Government's rate of borrowing. OMB has predicted that the Government will borrow at a rate of 5.9 percent in fiscal year 1988, as against CBO's projection of 8.2 percent. If CBO is right, we will be spending billions more in fiscal year 1988 just to service the national debt.

I want to share with my colleagues a table—table 1—that I have prepared to show the extent to which the baseline and claimed deficit reductions of the Budget Committee are overstated. Using CBO economic assumptions, the figures demonstrate that, without any change in policy, the deficit in fiscal year 1988 would amount to $199 billion, and not $244 billion, as contained in the House Budget Committee's markup baseline.

When measured against the "reestimated baseline," the 3-year savings resulting from the committee plan will not be $259 billion, but more likely will amount to $93 billion, when adjustments are made for slower real growth, and more reasonable estimates of unemployment, inflation, and interest rates. The deficit in the third year of the plan would be $153 billion.

Still, when measured against reestimates of the plans offered by the White House, the Senate, and the various substitutes offered to the committee plan, it is clear to me that the Budget Committee plan offers the only responsible choice open to the House.

The amendment that I had proposed would have improved the committee's budget plan.

My amendment would have reduced projected deficits another $19.65 billion over a 3-year period, bringing the third-year deficit down to $109.60 billion, using committee assumptions. Table 2 compares aggregate differences between the Budget Committee plan and the plan, as it would have been changed by my amendment. A third table shows reductions in budget authority and outlays that my amendment would have required for each function.

I proposed to achieve these additional savings by making the following changes.

First, my amendment would have provided no inflation adjustment for non-means-tested, non-defense discretionary programs—but excluding low-income programs—for fiscal years 1987 and 1988. The Budget Committee resolution proposed that these programs receive one-half the cost of inflation in the outyears. This provision would have saved $4.9 billion over 3 years.

Second, my amendment would have treated programs in the "administration of justice function" (function 750) the same as all other similar functions by freezing spending in fiscal year 1986 at the fiscal year 1985 appropriations level—as opposed to the Budget Committee resolution, which provides a full inflation increase for this function in fiscal year 1986—and continuing that freeze through fiscal year 1988. A total of $650 million would have been saved through that adjustment.

Third, I proposed to restrict increases in defense spending in the outyears to the level of inflation. In contrast, the Budget Committee had proposed sufficient budget authority in the defense function to permit a 3-percent increase above inflation in defense spending in both fiscal years 1987 and 1988. Savings in this function would have amounted to $2 billion in outlays in fiscal year 1987 and $8 billion in outlays in fiscal year 1988.

Finally, my amendment assumed savings to be achieved by restraining COLA's in the civil service and military retirement systems by limiting any COLA increase to the maximum COLA available under the Social Security Program.

Assuming 4 percent inflation, my amendment would have limited COLA's for these programs to approximately $518 per year, the amount available to a retired couple receiving the maximum Social Security benefit of $12,950 per year.

The savings from this part of my proposal are $250 million in fiscal year 1986, $600 million in fiscal year 1987, and $1 billion in fiscal year 1988.

The cuts proposed by my amendment would have produced an additional $1.25 billion in interest savings.

In addition to the outlay savings of $19.65 billion, my amendment would have reduced budget authority by a total of $35.2 billion over the 3-year period. This reduction would produce even greater deficit savings in later years.

Mr. Chairman, I am disappointed that Members of this body were not given the opportunity to consider my proposal.

Even without my amendment, however, the Budget Committee's proposal is worthy of support. It does not solve the deficit crisis facing this Government, but takes a significant step in the right direction by restraining growth in the budget in fiscal year 1986.

I urge my colleagues to vote in favor of the resolution reported by the committee.

TABLE 1.—PROJECTED BASELINES AND REESTIMATES

[All figures in billions]

Years	1985	1986	1987	1988	1986–88
HBC "MARK-UP" BASELINE [1]					
Revenues	736	793	864	953	2,610
Outlays	950	1,022	1,110	1,197	3,329
Deficits	213	229	245	244	718
REESTIMATED HBC BASELINE [2]					
Revenues	735	788	855	934	2,577
Outlays	950	988	1,060	1,133	3,181
Deficits	215	200	204	199	604

[1] Uses "Rose Garden" defense, OMB economic and CBO technical assumptions. Page 5, HBC Democratic Caucus recommendations, May 15, 1985.

[2] Uses CBO revenue, economic and technical assumptions. Provides full inflation adjustment for defense; that is, 0 percent "real" growth. Page 48, CBO Economic and Budget Outlook, February 1985.

TABLE 1A.—PROJECTED BASELINES AND REESTIMATES

[All figures in billions]

Years	1986	1987	1988	1986–88
HBC BUDGET PROPOSAL [1]				
Revenues	794	866	956	2,616
Outlays	967	1,029	1,080	3,176
Deficits	173	163	124	460
Deficit reduction	56	83	120	259
REESTIMATED HBC BUDGET PROPOSAL [2]				
Revenues	789	857	937	2,583
Outlays	970	1,034	1,090	3,094
Deficits	161	177	153	511
Deficit reduction	19	27	46	93

[1] Uses OMB economic and CBO technical assumptions. Measures deficit savings against HBC "Mark-up" Baseline. Page 3, HBC Democratic Caucus Recommendations, May 15, 1985.

[2] Uses CBO revenue, plus HBC revenue increases; HBC outlays, plus increases based on CBO economic assumptions. Economic adjustments based on the following schedule: Fiscal year 1986, plus 0.308 percent, fiscal year 1987, plus 0.581 percent, and fiscal year 1988, plus 0.909 percent. HBC given credit for outlay savings based on slowdown in defense spend out rate. Measures deficit savings against reestimated HBC Baseline.

Note: Detail may not add to total due to rounding.

TABLE 2.—SUMMARY OF CHANGES PROPOSED BY MORRISON AMENDMENT

[In billions of dollars and fiscal years]

	HBC [1]	Morrison
Revenue:		
1985	736.05	736.05
1986	794.10	794.10
1987	866.00	866.00
1988	955.60	955.60
Budget authority:		
1985	1,039.10	1,039.10
1986	1,062.90	1,062.80
1987	1,134.70	1,123.65
1988	1,212.80	1,188.75
Estimated outlays:		
1985	941.00	941.00
1986	967.25	966.90
1987	1.028.50	1,024.05
1988	1.080.00	1,069.85
Projected deficit:		
1985	205.60	205.60
1986	173.15	172.80
1987	162.50	158.00
1988	124.40	109.60
Projected debt:		
1985	1,857.40	1,857.40
1986	2,089.70	2,089.35
1987	2,320.70	2,316.20
1988	2,536.50	2,511.60

[1] House Budget Committee. Figures include unified and off-budget totals.

TABLE 3.—EFFECT OF MORRISON AMENDMENT ON BUDGET RESOLUTION, AS REPORTED FUNCTIONAL ANALYSIS

[In billions of dollars]

Function	HBC [1] 1986	Amendment	HBC 1987	Amendment	HBC 1988	Amendment
050 National Defense:						
Budget authority	292.60		312.70	−7.90	335.40	−17.70
Outlays	267.10		285.20	−2.00	303.90	−8.00
150 International Affairs:						
Budget authority	21.75		20.55	−.60	20.60	−1.2
Outlays	18.60		16.90	−.25	16.20	−.70
250 General Science, Space and technology:						
Budget authority	9.10		9.05	−.25	9.10	−.50
Outlays	8.90		8.90	−.20	8.95	−.40
270 Energy:						
Budget authority	6.10		6.05	−.15	5.15	−.30
Outlays	5.75		5.35	−.10	4.65	−.20
300 Natural Resources and Environment:						
Budget authority	13.10		13.40	−.35	13.65	−.60
Outlays	13.00		12.80	−.15	13.20	−.35
350 Agriculture:						
Budget authority	18.55		17.95	−.05	15.70	−.10
Outlays	15.80		16.95	−.05	15.00	−..5
370 Commerce and Housing Credit:						
Budget authority	8.85		9.30	−.10	9.50	−.15
Outlays	4.60		5.00	−.05	6.70	−.10
400 Transportation:						
Budget authority	28.40		30.45	−.25	31.30	−.40
Outlays	26.45		28.95	−.10	29.50	−.35
450 Community and Regional Development:						
Budget authority	7.55		7.80	−.05	8.10	−.20
Outlays	8.15		8.05		7.95	−.05
500 Education, Training, Employment and Social Services:						
Budget authority	32.05		33.00	−.25	33.70	−.45
Outlays	31.15		32.10	−.10	32.95	−.25
550 Health:						
Budget authority	36.10		38.60	−.25	41.15	−.45
Outlays	35.60		38.30	−.15	40.80	−.30
570 Medicare:						
Budget authority	81.95		91.55		95.55	
Outlays	68.25		75.55	.05	84.60	.05
600 Income Security:						
Budget authority	158.25		167.40		175.80	−.05
Outlays	121.75	−.25	127.80	−.60	133.85	−1.05
650 Social Security:						
Budget authority	207.20		224.75		264.65	
Outlays	200.80		214.05	−.05	228.30	−.10
700 Veterans Benefits and Services:						
Budget authority	27.45		27.65	−.20	28.05	−.35
Outlays	26.80		27.35	−.15	27.80	−.30
750 Administration of Justice:						
Budget authority	6.90	−.10	7.05	−.30	7.20	−.45
Outlays	6.80	−.10	7.00	−.20	7.15	−.35
800 General Government:						
Budget authority	5.35		5.30	−.10	5.45	−.15
Outlays	5.30		5.20	−.05	5.45	−.15
850 General Purpose Fiscal Assistance:						
Budget authority	5.35		1.95		2.10	
Outlays	5.65		2.90		2.10	
900 Net Interest:						
Budget authority	140.95		150.95	−.25	153.85	−1.00
Outlays	140.95		150.95	−.25	153.85	−1.00
920 Allowances:						
Budget authority	−4.90		4.60		−3.45	
Outlays	−4.40		−4.25		−3.15	
950 Undistributed offsetting receipts:						
Budget authority	−39.75		−36.55		−39.75	
Outlays	−39.75		−36.55		−39.75	

[1] House Budget Committee.

TABLE 4.—SAVINGS FROM MORRISON AMENDMENT

[In billions of dollars]

	Fiscal year—					
	1986		1987		1988	
	BA	O	BA	O	BA	O
1. COLA cap		0.25		−0.60		−1.00
2. Administration of justice freeze	−0.10	−0.10	−0.30	−0.20	−0.45	−0.35
3. Eliminate one-half COLA for non-defense discretionary programs (but not low income)			−2.60	−1.45	−4.90	−3.45
4. Eliminate "Real" growth in defense (fiscal years 1987 and 1988)			−7.90	−2.00	−17.70	−8.00
5. Interest savings			−0.25	−0.25	−1.00	−1.00
Totals	−.10	−.35	−11.05	−4.50	−24.05	−14.80

Note.—Deficit reduction from amendment: $19.65 billion. Three-year deficit reduction: $278.65 billion. Deficit reduction in third year: $109.60 billion.

Mr. PEPPER. Mr. Chairman, I thank the able gentleman.

Mr. Chairman, may I just say this in conclusion. These people we are dealing with here today are not the fortunate generally of America, not the successful who live in affluence in our rich land. Many millions of these people are upon the last part of a long journey of life. They are nearing the end. Surely we will not take away from them the bread out of their mouths that they need, the little shelter that they should have, nor take away from them what we have already promised them before?

I therefore hope that this House will honor itself today and thrill the elderly of America by a strong vote of opposition against this amendment which attempts to do the wrong thing in the wrong way.

Mr. BROWN of Colorado. Mr. Chairman, it is a pleasure to have former Senator Pepper as a spokesman for the Republican side. I knew if I waited long enough, it would happen.

Mr. Chairman, I now yield 2 minutes to the gentleman from Texas [Mr. Pickle].

Mr. LEATH of Texas. Mr. Chairman, I will yield an additional 2 minutes to the gentleman from Texas [Mr. Pickle], but first, if I may, Mr. Chairman, I would yield myself such

time as I may consume and yield just briefly to the gentleman from Wisconsin [Mr. Moody].

Mr. MOODY. Mr. Chairman, as someone who believes the budget deficits are engulfing the future economic prospects of this Nation, that a maximum deficit cut is the most important thing, and as someone who voted for the Black Caucus budget, for that reason I rise in support of this budget proposal.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. Pickle] for 4 minutes.

Mr. PICKLE. Mr. Chairman, I find it somewhat ironic that I appear following my dear friend, Senator Pepper, in support of this amendment. Both of us have worked as hard in recent years to protect the Social Security system, I believe, as any Member of the House. We do differ on this budget issue.

Mr. Chairman, I rise today in support of the Leath amendment because I believe it offers us the best alternative to our deficit problem. The budget reported out of the Budget Committee is a good budget, but I believe it could go further. It reduces Federal spending by $56 billion in 1986, leaving us with a 1986 deficit of $173 billion. In my opinion, I think we should do better. I also don't believe the budget reported out of the Budget Committee addresses the long-term structural imbalance between our spending and revenue policies.

Mr. Chairman, over the last 3 years, I have repeatedly stated that we need to do four things if we are to bring these deficits under control.

First, we need to slow the pace of our military buildup.

Second, we need to get a grip on our entitlement programs which are growing faster than any other area of the budget.

Third, we need to make additional savings in our discretionary domestic programs.

And fourth, we need to seek additional revenues without raising individual tax rates.

In my opinion, by adding the Leath amendment to the House Budget Committee's resolution, we incorporate all four of these policy directives. It would freeze defense spending. It would freeze COLA's for 1 year. It makes additional savings in our domestic spending programs. And it would raise additional revenue without raising individual tax rates.

There are those who will say we're being too tough on defense. But Mr. Chairman, we have voted to increase defense spending for 4 consecutive years. And, even if we vote to freeze defense spending, it will rise anyway because the Defense Department hasn't had time to spend the money we've approved for them in the last 4 years. A 1-year delay in the defense buildup is warranted. The Defense Department must shoulder its share of the sacrifice.

There are those who will say we shouldn't touch Social Security, civil service, or military pensions. I say if we don't try to slow spending on entitlements, we'll never get the Federal budget under control. According to the Congressional Budget Office, spending on entitlements is expected to grow from $400 billion in 1984 to $570 billion in 1989. And these programs are growing without the benefit of one vote of Congress. The Leath amendment doesn't solve this problem, but it does acknowledge that savings in this area are essential. I would have preferred that we reform our COLA formulas, such as CPI-2, two-thirds of CPI, a cap or some combination thereof. However, even though the Leath amendment doesn't take this broad approach, I will support it because we can no longer declare any area of the budget off limits to budget cuts.

Now, we all know that when it comes time to cut spending, we're usually all for it until it requires our favorite program to be cut. In each one of the budget alternatives before us, some sacred cow is spared from the cuts, whether that be defense, Social Security, or domestic discretionary spending. It's time to set aside our sacred cows for the overall good of the country.

Mr. Chairman, the Leath amendment, as tough as it is, it is still fair. It freezes defense; it freezes COLA's; it cuts domestic spending; and it raises new revenues without raising individual income taxes. It requires everybody except the poorest of the poor to share the sacrifice of reduced Federal spending. We have grown fat together. Now, it's time for us to diet together. Everybody has to suffer a little. It will make the biggest reduction in the deficit, and that is our most pressing problem.

□ 1220

Mr. LEATH of Texas. Mr. Chairman, I yield 2 minutes to the distinguished current chairman of the Subcommittee on Social Security of the Ways and Means Committee, the gentleman from Oklahoma [Mr. Jones].

Mr. JONES of Oklahoma. Mr. Chairman, I rise in support of the Leath amendment because this amendment, coupled with the Budget Committee budget, is the only truly across-the-board budget freeze that we have before us. And clearly that is what the American people are telling us they will support and will do.

I want to address two parts of the Leath amendment; namely, the revenues and the COLA freeze, because those things send political palpitations through the bodies of so many of us.

Let me emphasize on the revenues, these revenues specifically will not come from general rate increases and no revenue increases will even be considered until the spending cuts are completed, and we ought to keep that in mind.

On the COLA adjustments, because that raises the specter of Social Security, and I am the chairman of the Social Security Subcommittee, I believe as much as anyone in this body that we should not try to balance the overall budget on Social Security. But the Social Security Trust Fund is only as sound financially as this economy is sound.

The Social Security amendments that Congress passed in 1983 were designed to start building a surplus in the Social Security Trust Fund. That surplus in the retirement portion of the trust fund is just now beginning to build.

The financial condition of the health portion of the trust fund is clearly not out of the woods. The one thing this trust fund cannot stand is another deep recession. And just as sure as we are debating this budget today, we are going to have a recession in the next couple of years if we do not do something about this tremendous overhang of $200 plus billion in deficits.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. Jones] has expired.

Mr. BROWN of Colorado. Mr. Chairman, I yield the gentleman from Oklahoma [Mr. Jones] another minute.

Mr. JONES of Oklahoma. And so if we are truly going to be honest with those who have sacrificed, and worked, and helped to build this country, and who are now in their retirement years, if we are going to honestly tell them that this trust fund is not in jeopardy in the foreseeable future, we have got to do something about these deficits. And the only meaningful way to do something about these deficits is an across-the-board freeze where everybody, every American except those below the poverty line, those who are truly needy, are asked to share in the sacrifice. This American economic boat has leaks in it and unless every American helps fill those leaks, that boat is going to sink with all of us.

So I urge you to support the Leath amendment. It is fair. It makes good economic sense and it is the best thing we have before us to ensure that this economy is going to continue to grow and all of us will prosper.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. Jones] has again expired.

Mr. BROWN of Colorado. Mr. Chairman, I would yield an additional minute to the gentleman from Oklahoma if he is willing to answer some inquiries.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding. Let me just say I have deep respect for the gentleman in the well and I always have, and I am tempted to vote for this amendment.

I have never voted for a tax increase in all of the 20 years that I have been in State legislatures and in the Congress. But I think the gentleman makes a lot of sense. But if I were to do that, and if we were to give you the votes that you need to pass this amendment, and you do need them from this side of the aisle——

Mr. JONES of Oklahoma. The gentleman is absolutely right.

Mr. SOLOMON. I think that you are of a minority view on that side and if this amendment fails what are the supporters of this amendment going to do? Are you then going to support the Gray bill, or do you intend to vote—I do not mean to put the gentleman on the spot, but it makes a great deal of difference as to whether people like myself will lobby for votes for your amendment or whether or not we would vote against it on our own principles of voting against raising taxes.

I just wonder how your supporters of the amendment are going to vote should this amendment fail on final passage.

Mr. JONES of Oklahoma. I would say to the gentleman I cannot speak for everybody on this side of the aisle. I have been very clear publicly that I am going to support the committee amendment. I think it makes a very substantial step forward in deficit reduction without any revenue increases at all, just spending cuts.

I think the Leath amendment substantially improves it.

Mr. SOLOMON. I thank the gentleman very much.

Mr. BROWN of Colorado. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois, [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, first I would like to salute my colleagues and the gentleman from Texas [Mr. LEATH] for the effort that they are putting forth today. A year ago I stood in this well in a rather lonely effort with many of my colleagues. We were trying to encourage the House of Representatives to vote for a budget freeze. At the time we garnered 109 votes for our effort.

Today a budget freeze is the cornerstone of every budget deficit reduction plan. I believe that our effort last year has proven to be worthwhile and I am glad to join my colleagues in pointing to that accomplishment.

But in looking at today's amendment by the gentleman from Texas and others, the central difference between this approach and most other budget deficit reductions is the cut in Social Security.

I find no argument on my side of the aisle against a minimum corporate tax. That tax change may be included to even reduce the budget deficit further than the House budget resolution proposes. The difference comes down to Social Security. And the difference is this: The gentleman from Texas in his amendment cuts Social Security by more than $7 billion. I cannot support that for several reasons.

In the first instance, because we have a unified budget we are here today arguing that an increased surplus in the Social Security trust fund will make us look better when we take a look at the other side of the budget where deficits are really being incurred.

Two years ago we took tough steps, as the gentleman from Florida said earlier. We told the elderly that they had to sacrifice and wage earners had to pay more, and by the efforts of the gentleman from Texas [Mr. PICKLE] we extended the retirement age.

Because of those tough decisions the Social Security trust fund is running a healthy surplus. To cut it now is unwarranted.

Second, we are trying to drive up the Social Security surplus to mask the deficit on the other side of the budget. I do not believe that is fair.

Finally, if we are going to assault the Social Security system now, we run the real risk of destroying public confidence in Social Security. As I travel to my town meetings, young people ask me, time and again, "Will Social Security be there when I want to retire?"

If we continue year after year to cut Social Security when we are running a surplus, we will do nothing more than undermine the Nation's confidence in that great system.

I oppose the Leath amendment.

□ 1230

Mr. LEATH of Texas. Mr. Chairman, I yield 30 seconds to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. I thank the gentleman for yielding.

Mr. Chairman, there is one point that I want to clarify because a number of colleagues has been, in my view, spreading some really inaccurate information about the condition of the Social Security fund. In fiscal 1986, the Social Security fund is schedule to take in $199 billion. It is scheduled to pay out $196 billion. That is a $3 billion difference.

Now, ladies and gentlemen, if the unemployment rate in this country rises just 1 percentage point, in 1986 there will be a billion-dollar deficit in the amount of money that the Social Security fund will be taking in as compared to what they are paying out. That point has to be understood and understood very clearly.

Mr. LEATH of Texas. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I rise in strong support of the Leath-MacKay-Slattery amendment. It proposes to do the right thing in the right way at the right time.

Mr. Chairman, at the very heart of our budget debate stands the issue of Social Security benefits for the elderly. On the one hand we are all well aware of the dismal picture painted by a deficit that is forcing us to spend $130 billion simply to pay for interest on the national debt. On the other hand, we see other pictures of helpless, impoverished senior citizens whose only hope for survival is a raise in their Social Security benefits. How does one decide between two such bleak scenarios? You don't have to; you should do both.

To begin with, we must correct the many myths which abound in discussions concerning Social Security benefits—myths which imply that all elderly individuals are poor and in need of Government assistance, that older folks have not been able to keep up with the cost of living as well as the rest of the population, that the Federal budget and deficit are not related to the Social Security program in any way.

SENIOR CITIZEN UPDATE, MAY 1985

(By Congressman Charles W. Stenholm,
17th Congressional District)

Few aspects of the various budget proposals stir more controversy than does the issue of Social Security benefits. On the one hand, the 36.3 million recipients of monthly benefits under the Old Age, Survivors and Disability Insurance (OASDI) program obviously feel that they have a considerable stake in the current benefits. On the other hand, 119 million workers experiencing Social Security taxes of 14.1 percent (employee and employer contributions including hospital insurance) not to mention even higher taxes to pay for our burgeoning deficit, feel that they must worry not only about current benefits but about the future as well.

There is no doubt that many older people today are heavily dependent on income from Social Security, and to reduce benefits for those people would be personally unacceptable. The Congressional Budget Office (CBO) has estimated that Social Security and Railroad Retirement benefits provide 62 percent of total income for elderly recipient families classified as poor, and 79 percent of total income for those classified as near poor (with incomes less than 25 percent above the poverty line). A reduction in benefits for these people is entirely unacceptable and I will safeguard against any such action.

Contrast that, however, with the fact that about 25 percent of all Social Security payments go to families with annual incomes above $30,000. Between 1979 and 1982, median income of families with heads 65 years and over rose by more than 42 percent, compared with a 19 percent rise for all families. Nearly three-quarters of elderly households own their own homes; half have complete ownership (no mortgage).

It becomes obvious that Social Security benefits must be protected for those individuals of our society who are the most vulnerable and dependent. It also becomes obvious that not every Social Security recipient is poor, or unable to share with the rest of the Country in helping to secure our Nation's economic stability by reducing the deficit. No one segment of our society should be expected to carry that burden alone, and none are being asked to do so. For every senior citizen who writes that she is being asked to give up too much, I have a farmer who feels the same. For every hospital administrator complaining of Medicare reductions, I hear a student complaining of cuts in financial aid. For every oil man upset over increased taxes, I receive a letter from a social worker upset over reductions in Aid to Families with Dependent Children. The point is that we all are Americans who must fight to save our Country's future. From defense to Social Security, no issue should claim immunity from the effort of deficit reduction.

Much of the discussion over Social Security benefits has been clouded by misconceptions, inaccuracies, and political prejudices. This Update is an effort to address some of those myths that have pervaded the perceptions of the Social Security program, in the hope that we can gain a better understanding of all of the facts and deal more fairly with the needs of all Americans, both today's senior citizens and their children and grandchildren.

TEN MYTHS ABOUT SOCIAL SECURITY

Myth No. 1: When the Social Security system was first established, a contract was made with the American people, ensuring us that our financial needs would be met in our old age.

Fact: Frank Bane, who chaired the original commission which drafted the Social Security law, remarked in recent years, "We never meant for Social Security to be considered a program to provide for any worker's complete retirement. It was meant to be a cushion, a supplement to whatever a person had, and it was assumed that by retirement all workers had either been able to lay aside a good sum for the years ahead or had an accommodating family that would provide for their later years. But over the years the administrators of the program and the politicians lost sight of this fact and somehow the program has become one to provide for the almost complete support of retirees."

Myth No. 2: I have been paying into an individual trust fund account that the Government was holding for me until my retirement.

Fact: Many people view the government as simply an agent administering an insurance policy, with Social Security taxes flowing into special individual accounts kept completely separate from other receipts of the Treasury. Such is not the case. The Social Security program works basically on a pay-as-you-go basis. Taxes paid by today's active workers are used immediately to pay benefits for today's retirees. As an increasingly larger percentage of the population becomes elderly, a greater demand is placed upon the current workers. In 1950 there were 16.5 workers supporting each retiree's benefits; today there are only 3.3 workers per beneficiary. By the year 2020 when 17.8 percent of the population is elderly (as opposed to 11 percent today) a tremendous burden will be laid upon the worker unless adjustments are made now.

Myth No. 3: I'll never get back what I paid into the Social Security system.

Fact: Most retirees today who have paid Social Security taxes their entire lives are able to recoup their contributions within 15–30 months of retirement, and end up receiving many times more than they contributed. The concept of "time required to recover taxes" has its limitations: benefits other than retirement (e.g. survivors, disability) which would lessen the recovery time for some individuals are not included, nor are effects of interest and inflation, either to taxes or benefits, considered. Nonetheless, it it obvious that most Social Security beneficiaries have a very profitable return on their investment. The table below shows several typical cases.

Age in 1985	Months to recover individual's contribution in retirement	OASI taxes paid by individual during lifetime	Benefits recouped in first year
65:			
Average earner	23 months	$12,206	$6,564
High earner	31 months	$21,711	$8,604
70:			
Average earner	17 months	$7,565	$5,411
High earner	20 months	$11,203	$6,864
75:			
Average earner	17 months	$4,606	$3,248
High earner	19 months	$6,043	$3,796

Earnings are from 1937 or age 22, whichever is later, to the year of retirement at age 65.

Myth No. 4: It was unfair of Congress to enact a gradual increase in the retirement age from 65 to 67 by the year 2027.

Fact: Because of the change in life expectancy, the retirement age today should be 72 to be to comparable to what it was when the Social Security program was established. Here are what the equivalent retirement ages would have been over the years, if based on 1940's life expectancy (when retirement benefits were just beginning to be paid out).

1945—66 years, 5 months.
1955—67 years, 10 months.
1965—68 years, 3 months.
1975—70 years, 1 month.
1985—72 years.
Projected: 2000—74 years, 1 month.
Projected: 2025—75 years, 6 months.
Projected: 2050—76 years, 11 months.

Myth No. 5: Social Security benefits and cost of living adjustments are so important because a majority of older people are poor, and there are more elderly poor than younger poor.

Fact: There are elderly poor who MUST be cared for and I am committed to continuing that care. Nonetheless, we must remember that the poverty rate among children and young people is higher than that for older age groups. In 1982, taxpayers 65 and older (about 16 percent of the adult population) received more than half of all interest income and close to one third of all capital gains reported to the IRS. In 1983, federal programs for the aged cost $217 billion, or about $7,700 per person. AFDC and other child-oriented programs took a $36 billion chunk of the budget; on a per capita basis, that was only about 9 percent of what the elderly received.

Myth No. 6: The consumer price index (CPI) is not a good index to use for senior citizens because it doesn't give enough weight to higher medical costs incurred by an older person.

Fact: The CPI is the best known and most widely used indicator of inflation. It measures the changes in prices of a fixed set ("market basket") of goods and services over time. It is true that there are signficant differences between the purchasing patterns of senior citizens and younger people. Some studies show that on average, people 65 and older devote 20 percent of their income to health care, which is considerably more than young people spend. On the other hand, senior citizens spend much less on housing, education, durable goods and clothing. Although the make-up of the market basket may be different between age groups, studies have shown that per capita expenses for current consumption are virtually identical for folks over 65 and folks under 65.

Myth No. 7: People on Social Security have not been able to keep up with cost of living increases as well as working people have been able to.

Fact: The following chart reveals that, contrary to common perception, percentage increases in benefits/salaries are highest among Social Security recipients when compared to civil service retirees, private sector employees, federal employees, and Members of Congress.

[In percent]

Calendar year	CPI	Percent increase for— Social Security annuitant [1]	Percent increase for— Civil Service annuitant [2]	Private sector average weekly earning increase [3]	Fed employment pay adjustment	Members salary increase
1970	5.9	15.0	5.6	4.6	6.00	0
1971	4.3	10.0	4.5	6.2	6.00	0
1972	3.3	20.0	4.8	7.5	10.6	0
1973	6.2	0	6.1	6.2	4.8	0
1974	11.0	11.0	12.1	6.4	5.5	0
1975	9.1	8.0	12.8	5.7	5.0	5.0
1976	5.8	6.4	5.4	7.3	4.8	0
1977	6.5	5.9	9.3	7.7	7.05	28.92
1978	7.7	6.5	7.4	7.8	5.5	0
1979	11.3	9.9	11.1	8.0	7.02	5.5
1980	13.5	14.3	14.2	6.9	9.11	0
1981	10.4	11.2	4.4	8.5	4.8	0
1982	6.17	7.4	8.7	4.7	4.0	15.06
1983	3.2	0	3.9	5.0	4.0	0
1984	4.3	3.5	3.5	4.8	3.5	4.0
Percentage [4] increases 1970–84	183.62	239.08	197.27	156.43	133.92	70.89

[1] On this table, Social Security benefits alone were not subject to taxation (until 1984).

[2] An adjustment is made to accurately represent years when more than one COLA was granted.

[3] Figures reflect both changes in hours worked as well as wages earned for non-agriculture workers.

[4] Totals reflect compounded increases from 1970–1984.

Information compiled by the office of Congressman Charles Stenholm and confirmed by the Congressional research Service.

Myth No. 8: There are large surpluses in the OASI account right now and so there is no need for a freeze or cut back of Social Security benefits.

Fact: At the beginning of 1950, the OASI trust fund contained enough money to pay benefits for nearly twelve years at that same rate. Due to large benefit increases and an increasingly large elderly population, today the fund contains only enough surplus for a little more than two months. In addition, OASI borrowed $12.4 billion from Medicare's hospital insurance fund in order that it could meet its expenses in 1983. This amount must be repaid with interest to Medicare before 1990; in 1984 only the first $1.8 billion was repaid. Medicare is expected to be facing a financial crisis of its own within the next few years unless adjustments are made in the program.

Myth No. 9: If welfare payments weren't made from the Social Security account, there would be plenty of money for the Social Security retirees.

Fact: When people speak of welfare as connected to Social Security, they usually are referring to Supplementary Security

Income, which is for those financially needy individuals who do not exceed a certain income level. While administered by the Social Security Administration, the SSI Program is not financed by Social Security taxes and SSI benefits are not considered Social Security benefits. Additionally, it is interesting to note that according to the 1980 census, the aged below the poverty line received only 11 percent of Social Security benefits. By contrast, beneficiaries with incomes in excess of three times the poverty level received about 30 percent of the benefit payments.

Myth No. 10: Social Security is not related to the Federal budget or deficit in any way and should not be considered when discussing how to reduce the Federal deficit.

Fact: Although Social Security is self-contained—meaning that the payroll taxes that make up its trust fund revenues may be spent only on benefits—the program figures directly in the size of the federal deficit. Payroll taxes are counted as revenues, and benefits are counted as spending. Thus, if Social Security spending is lowered, the size of the overall federal budget deficit is reduced.

Any excess revenues the government collects for Social Security or any shortfall it incurs will influence how much change is required in the taxing, spending and borrowing policies that affect the other functions of the government. Social Security resources not needed to meet the immediate expenses of the program are invested in Federal securities. The money used to purchase these securities is then deposited in the General Fund and is used to help meet other immediate governmental expenses. In effect, a loan is made from one arm of the government to another.

The government actually has received excess Social Security taxes in only 25 years of the program's 48 year history, and only four years since 1957. From 1957 to the present, the program's expenditures have exceeded the amount of Social Security taxes paid by $103 billion. Therefore, those who argue that Social Security would be entirely solvent had it not been included in the unified budget have been misinformed.

Second, we must acknowledge the need to make responsible, caring decisions for all individuals involved: The senior citizen who is genuinely in need of Federal assistance, the small business person who is now being asked to pay 14.1-percent taxes for Social Security alone, the worker who must support an ever-growing senior citizen population, and the children and grandchildren who will have an even greater burden to bear in the future because of today's deficits. Ignoring the needs of any of these individuals denies the demand for fairness and equity.

The Leath amendment allows us to be caring, responsible, and fair. An amount equal to 20 perent of the savings resulting from the 1-year freeze on Social Security benefits will be used as a "plow-back" for recipients at or below the poverty level. Those recipients who are most vulnerable will be protected. The remainder of the senior citizen population will be able to join with their children and grandchildren in helping to secure our economic stability by reducing the deficit.

For the sake of fairness and responsibility and concern for the Nation's future, I urge your support of the Leath amendment to the 1986 budget.

Mr. LEATH of Texas. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Missouri, [Mr. Gephardt].

Mr. GEPHARDT. Mr. Chairman, I rise to support this proposal. I would like to take you back to 1980, the Presidential campaign when President Reagan was debating with Mr. Carter. He said the greatest threat to the Nation was the deficit we face. He said, "If you elect me President we will balance the budget by 1983."

In case you have not noticed, we have not balanced the budget. This President is a bystander. He is a brinksman. The reason we are not going to balance the budget this year or next year or by 1990 under this President's leadership is because this President does not lead on the budget. He has not put before this country a program to solve the problem. He has not created a consensus in the country. I doubt that without that kind of leadership, this Congress, try as hard as we might, is not going to solve the problem. In fact I doubt that we can.

I get a call a week from somebody in St. Louis who is shutting down a plant because they cannot compete with the Japanese or the Taiwanese, and the biggest reason they cannot compete is because the dollar is too high, and the dollar is too high because the deficit is too high.

Let me just give you some facts: Each man, woman and child in this country will carry a debt burden of $9,143. This is an increase of 264 percent since Ronald Reagan's first year in office. Those are the facts we face.

The Leath proposal is an attempt to do something about it. The Budget Committee proposal is excellent, I am going to vote for it. This simply takes us a step further and says let's do the freeze, let's do the plow-back for people who are below the line of poverty and let's address the dagger that is pointed at the Nation's heart. That is the deficit.

If we cannot do that and exert leadership, even though Ronald Reagan will not, we are going to pay the heavy price in the years ahead.

Thank you.

Mr. BROWN of Colorado. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware [Mr. Carper].

Mr. CARPER. I thank the gentleman for yielding.

Mr. Chairman and fellow colleagues, I believe that everyone in this Chamber realizes that if we are really serious about reducing deficits, we have to do four things.

One of those is to control defense spending. The budget resolution offered by the House Budget Committee does that.

Second, we must control nondefense discretionary spending. Again, the budget resolution offered by the House Budget Committee also does that.

Third, we have to control entitlement spending. With this amendment we propose to do that, also.

And a fourth part of a serious deficit reduction plan is to also do something about increasing revenues. And we propose to do so with this amendment, but only after we have first substantially reduced the growth of all spending.

I do not know about you, but I have a recurring bad dream. If you will look at this chart to my right, please notice the ever-rising red lines through 1985. They keep pointing up to bigger and bigger deficits.

My recurring bad dream, ladies and gentleman, is, whether or not we adopt the House budget plan, the Senate budget plan, or the President's budget plan, those red lines are not going to come down; those red lines may continue to go right on up.

All we need is a little recession, a little more unemployment, and we are on the way.

Politically it's dangerous for us to vote to freeze for a year retirement programs including Social Security, even though we propose to use 20 percent of the savings to restore COLA's for poor, elderly people. Politically, I realize that it's still very dangerous.

Politically, it's dangerous for us to talk about increasing revenues by $12 billion, even though we would only do so after we had first cut spending growth by $63 billion. I realize that is still politically difficult, too. But these are times that call for taking difficult political steps if we are to truly stem this flood of red ink that threatens to drown our Nation and our economy.

I rise in support of this Leath amendment. I commend the authors of it. I also commend the chairman of the Budget Committee for the efforts that he has made. But, Mr. Chairman, I think we need to stand up and be counted today as Members of this Congress who are willing to go the extra mile so that one year from now, we won't still be faced with the same deficit dilema of almost the same magnitude.

I am proud to rise today and stand with Buddy MacKay, Jim Slattery, Marvin Leath, and I hope many of you will join us.

Mr. BROWN of Colorado. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. Conte].

Mr. CONTE. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the Leath substitute. Although I would, of course, support a larger deficit reduction in fiscal year 1986, I cannot support this substitute.

First, it freezes Social Security cost-of-living increases for 1 year. I cannot support a COLA freeze. It would push over 500,000 senior citizens below the poverty line—and although the substitute would presumably protect these people by allowing them to apply for SSI, it is unfair to ask senior citizens to go to the trouble of applying for additional benefits.

Just recently, I received a petition from nearly 1,000 senior citizens in my district in Massachusetts. They signed their names on a window shade, and urged me to "help pull down the shade" on a COLA freeze.

You know, we've got the new Coca-Cola, Pepsi-Cola, the Un-Cola, the taste of a new generation—and they're all adding new sweeteners. But there's nothing sweet about this COLA—the freeze COLA is a bitter drink.

How can we tell senior citizens to accept this bitter COLA when 136 of the Fortune 500 companies reported a combined total of—now, listen to this—over $50 billion in profits in the last 3 years, but paid no taxes. How is that fair?

To its credit, this amendment proposes a minimum tax on corporations to solve that problem. The corporate minimum tax on the books now doesn't work, and we've got to strengthen it to make that everyone pays their fair share.

Reflecting on the fact that so many corporations paid no taxes in the past few years brings to mind an old sonnet, which I would like to recite now, with apologies to William Shakespeare.

To deduct or not to deduct; that is the question.
Whether 'tis nobler for a rich corporation
To pay no tax on outrageous fortunes
Or to ask Congress to provide more loopholes.
To allow rich corporations to live on, and sleep in peace.
To sleep: perchance to dream of more tax breaks for their fortunes.
"Oh!" saith the corporations. "How shall I depreciate thee?
Let me count the ways:
A.C.R.S., sums of the years' digits, double-declining balance.
Let me deduct the cost of a race horse in just three years."
With these benefits, their fortunes they increase.

Put an end to this nonsense. Let's support a minimum tax on corporations, but keep it separate from Social Security.

Mr. Chairman, I yield back the balance of my time.

Mr. BROWN of Colorado. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. Manton].

Mr. MANTON. Mr. Chairman, I rise in opposition to the amendment offered by my distinguished colleague from Texas [Mr. Leath]. We all realize the tremendous importance of reducing the Federal deficit. And we all recognize that this is a time when sacrifices must be made. We cannot, however, continue to ask the same few groups to bear the brunt of the budget cuts. We must undertake this important task with a sense of balance and fairness. The amendment offered by the gentleman from Texas is neither balanced nor fair because it would require a freeze in the Social Security cost-of-living adjustment.

Social Security beneficiaries have already made sacrifices. Most of the domestic programs vital to older Americans have been curtailed. Although older Americans are faced with rising costs in every aspect of their lives, they already have played their fair part in helping to reduce the deficit. But enough is enough.

More than two-thirds of our Nation's seniors depend upon benefits under the Social Security Act as their primary means of support. The Social Security System has significantly reduced the incidence of poverty among the elderly. The COLA is an integral part of the System which maintains the purchasing power of the Social Security benefit. We must not turn back the clock now. It would be a grievous mistake to reduce a major source of income for our retirees.

Under the Social Security Amendments of 1983, beneficiaries sacrificed to maintain the fiscal solvency of the Social Security Trust Fund. Our Nation's seniors will be forced to absorb 69 percent of the long-term costs of the 1983 amendments. The most obvious example is the 6-month delay in the COLA, which will cut spending $40 billion between calendar years 1983 and 1989.

Mr. Chairman, these sacrifices have been effective in placing the Social Security Trust Fund on firm financial footing. In fact, the fund is so sound that in 1986 there will be a surplus of $1.4 billion and, according to a recent article in the Washington Post, there will be a surplus of $7 trillion by the year 2030. America's faith in the Social Security system has been restored. Many of my constituents have been paying into the Social Security Trust Fund since its inception. It is unjust to undermine their faith in the system now. The beneficiaries deserve to experience the benefits of their sacrifices.

It is unfair to once again ask older Americans to sacrifice to fund a Pentagon budget that is already bulging with overcompensation for inflation, waste and the creative accounting of defense contractors. Older Americans have paid their fair share of taxes and tightened their belts. The defense industry has not.

Finally, Mr. Chairman, I would like to remind President Reagan that during a nationally televised debate, he promised the American people that he would not cut Social Security. Now, with the election behind him, the President is willing to accept a freeze in the Social Security COLA. I think it is important that the House of Representatives help the President keep his promise by voting for the full Social Security benefit.

Mr. Chairman, I urge my colleagues to maintain the sense of fairness and balance present in the Budget Committee's resolution. Social Security beneficiaries have sacrificed enough. I urge my colleagues to remember their promises and to be fair by rejecting this proposal to freeze Social Security.

□ 1240

Mr. LEATH of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. McCurdy].

Mr. McCURDY. Thank you, Mr. Chairman.

My colleagues, I rise in support of the Leath amendment. I will support the Gray Budget Committee resolution. I think the two together provide the fairest and most equitable budget resolution before us today.

I am amazed at the Members who stand up and say: We need to balance the budget, but do not touch defense. We need to balance the budget, but do not touch entitlements. We need to balanced the budget, but do not raise revenues.

Ladies and gentlemen, if any Member of this body has a constituency as great as I do in the military, in military retirees and active civil service and retirees, I would like for them to stand up. I have 52,000 Government employees. I have 100,000 military and civil service retirees, and they have told me that they will support a freeze on their COLA's provided that the other people in this country and in this budget are considered the same, and I believe that the Leath amendment, in conjunction with the Gray committee resolution is the fairest and most equitable approach.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEATH of Texas. I yield 30 additional seconds to the gentleman from Oklahoma [Mr. McCurdy].

Mr. McCURDY. I thank the gentleman for yielding.

The importance today is not what we do for the senior citizens; it is not what we do for protecting our national security. The importance today is our children. Let us lift this awful debt burden off our children for the future.

I support the Leath amendment.

Mr. LEATH of Texas. Mr. Chairman, may I inquire, would my dear friend, the gentleman from Colorado [Mr. Brown] be willing to yield 10 minutes to me?

Mr. BROWN of Colorado. Mr. Chairman, I would be glad to yield 10 minutes to the gentleman from Texas.

Mr. LEATH. I thank the gentleman.

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Mr. Chairman, I yield 1 minute to the distinguished gentleman from Florida [Mr. Nelson].

Mr. NELSON of Florida. Mr. Chairman, I understand that the gentleman from Colorado [Mr. Brown] was going to yield 1 minute to me?

Mr. BROWN of Colorado. If we have that much left at the time our other commitments come about, Mr. Chairman, I would like to do that if it fits the gentleman's schedule. I would like to wait until we see how our time comes out.

The CHAIRMAN. The gentleman from Florida [Mr. Nelson] is recognized for 1 minute.

Mr. NELSON of Florida. Mr. Chairman, my message in 1 minute is that we need to stop business as usual in Washington. We need to bring in the new order. We are in the process of change in this country, and people are demanding a change in the way business is being done in our fiscal house.

The gentleman from Missouri [Mr. Gephardt] said that, unless you have the leadership at the top that leads to making the tough, unpopular choices, it is very unlikely that the Government will make them. But today we can set a new standard of making the tough, unpopular choices. Our folks back home will approve of that, because they know that everybody must get in the barrel together and all be willing to sacrifice to do what is needed for the sake of this country's financial future.

The CHAIRMAN. At the present time, the gentleman from Colorado [Mr. Brown] and the gentleman from Ohio [Mr. Latta] have 4½ minutes remaining and the gentleman from Texas [Mr. Leath] has 22 minutes remaining.

Mr. LEATH of Texas. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Ohio [Mr. Luken].

Mr. LUKEN. Mr. Chairman, I endorse the committee budget, but it doesn't go far enough.

But we can't go home, having voted for it, comfortable in the knowledge we have done enough. A remaining deficit of $170 billion still means deficit disaster. The committee budget is politically acceptable; the alternatives, such as the Leath amendment, are political suicide. I believe in "sharing the pain." That's why I support Leath. Some pain, perhaps not enough, is inflicted on defense, defense contractors, for example, but it does not inflict pain on other corporate giants who have found shelter through a myriad of loopholes and amendments. Leath imposes no new taxes on individuals, and, I will vote for none. It safeguards COLA's for low-income Social Security recipients.

Leath saves $87 billion more than the others in 3 years. That's a savings of $10 billion in interest on the national debt.

For those who would not cut COLA's one penny, I say that your formula of $200 billion interest on the national debt in 2 years means those COLA's may be worth less, because the U.S. currency won't be "worth the paper it's printed on."

"Sharing the pain" is the only way to avoid "deficit disaster," which is a certainty under any other budget before us.

Mr. LEATH of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. Ray].

Mr. RAY. Mr. Chairman, I rise in support of the Leath-MacKay-Slattery amendment, and I do so, Mr. Chairman, because the national debt supersedes all other priorities that I have, including my next election.

Mr. Chairman, America is at the crossroads. The national debt, from George Washington to Jimmy Carter raised to $906 billion. The national debt during the last 4 years has doubled. This treacherous situation has driven America into the category of a debtor nation for the first time since the Revolutionary War.

The people across America are fed up, and I for one am getting the message that they are demanding that this Congress screw up its courage regardless of the consequences, regardless of the consequences of excuses that we may have, and the special interest groups in this next election, and the Leath-MacKay-Slattery amendment does give America a chance. It gives the House budget resolution an opportunity, Mr. Chairman, to be meaningful and effective, and I urge your examination and your support.

Mr. Chairman, I have been concerned about the massive Federal deficit ever since the first day I came to Congress. I am delighted that the Congress is finally addressing this problem in a serious manner this year.

I have spent a lot of time talking and listening to the people of the Third District, and indeed across America and I am convinced that they are ready to make the sacrifices necessary to get our budget under control as long as those sacrifices are fairly and evenly spread throughout our whole society.

I think this concept of basic fairness is absolutely critical if we are going to make a dent in this terrible deficit which is sapping away the fiscal strength of America. And we have to make progress this year. I believe that we are at the crossroads—we are a debtor nation.

I know that my colleagues on the House Budget Committee have labored long and hard on this budget. I have a great deal of personal respect for my colleague, Bill Gray, who has headed up this effort.

But I honestly feel that the Budget Committee missed the mark on the fairness question.

Mr. Chairman, it is well known that I support a strong national defense. But I have been on record for some time now as being willing to go so far as to support a nominal freeze of defense at the fiscal year 1985 levels, which would not even allow for inflation, if we can get the fairness issue into the picture.

But I can only support such a proposal if all other sectors of our economy share in that cut. This has simply not been accomplished in the House Budget Committee version. They have reported out a budget that would cut defense by $37 billion more than the Senate version, which I don't feel is a very good budget either. At the same time, it would cut the deficit by $38 billion less than the Senate version.

Mr. Chairman, this means that the House Budget Committee version would spend $75 billion more on domestic programs than the Senate Budget Committee would.

I want to be clear that I have nothing against domestic programs, or against some of the entitlement programs that are not even touched in the House Budget Committee version. But I do think that they are going to have to share in these cuts along with everyone else.

Mr. Chairman, I think that the amendment introduced by Congressmen Leath from Texas, Slattery from Kansas, and MacKay from Florida comes closer than anything else to reaching the level of fairness that we need, and I urge my colleagues to support it.

Their amendment makes some minor adjustments in the version reported out by the Budget Committee. But its main contribution is the fact that it reaches out and includes the entitlement programs.

Mr. Chairman, this is going to take some courage. None of us wants to cut COLA's. But we all have to realize that we have miles to go before we are going to get this Federal deficit under control. What we are debating here tonight is no more than the first step.

I don't think any of us seriously thinks that we can get all the way through this process without touching the entitlement programs. So we might as well start off with a fair package and then continue that philosophy throughout the coming months and years as we grapple with this problem.

Mr. Chairman, I want to point out that the Leath-Slattery-MacKay amendment also provides protection to those people covered by the entitlement programs who would be hurt the worst.

It allows up to 20 percent of the money saved by the cuts to be plowed

back to help those people who are pushed below the poverty level by these spending cuts.

It also allows the House Ways and Means Committee to raise up to $12 billion in extra revenues. But this can only take place after the spending cuts are passed. Furthermore, the extra revenue cannot be raised through any increases in personal income taxes on the backs of people.

Overall, Mr. Chairman, the Leath-Slattery-MacKay amendment would cut $75.6 billion from our Federal deficit during the next fiscal year.

This is exactly the action we need to take. The economy is hovering on the edge right now trying to decide whether to move forward or slip back into a recession. It needs a strong signal from us that we are finally willing to take the actions that are necessary.

We are casting a critical vote in this whole budget process. It will decide whether we will launch it on a fair and evenhanded note, or whether we will yield to the temptation to cut where it is politically easiest. I hope we will choose the course of fairness.

Mr. LEATH of Texas. Mr. Chairman, I yield 2½ minutes to the distinguished chairman of the Subcommittee on Trade, the gentleman from Florida [Mr. Gibbons].

Mr. GIBBONS. Mr. Chairman and Members, let us dispose of the COLA argument first. My predictions are, and my belief is, that the inflation is going to be so low next year that none of the COLA's are going to kick in unless we change the law and kick them in.

The economy, as it is now performing and probably will be performing in the next year and a half, will be a noninflationary economy; it will be almost a deflationary economy. That is my assumption and belief.

The tragedy of all of this is that it is coming out of the hides of American business. It is coming out of the hides of the American worker. And unless business and the worker are gainfully employed there will be a terrible depression.

□ 1250

Here is what is happening: We are borrowing far too much money. As we borrow far too much money, we vastly distort the value of our dollar as it relates to trade overseas, and we vastly overprice our products produced in America and we vastly underprice imports into America. There is no way, no way I say to my colleagues, that we can cure this until we first cure ourselves, and that is to cure our deficits.

Our dollar will continue to be distorted until we do that. It is that process of borrowing on American savings and then from foreigners that keeps driving up the value of the dollar, keeps driving down the cost of their goods coming into our country and keeps driving up the cost of goods exported from our country. America's farms, its factories, and its business are being decapitalized because we in Government are borrowing too much. Until we cure that, we are in dire trouble. This is a time for all Americans, Republicans, Democrats, independents and every persuasion, to get into the same boat together and to bail like the dickens, because unless we do, the American economy is going to sink with borrowed dollars. There will be no jobs in America, there will be no farms and factories in America that are productive and competitive. We will be swamped by this borrowing that goes on.

I support the MacKay-Leath-Slattery amendment because I think it is a bold, courageous effort to do what must be done to rescue our economy. We cannot go on as we have in the past.

Mr. LEATH of Texas. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from California [Mr. Fazio].

Mr. FAZIO. Mr. Chairman, I rise today because I think we have an opportunity in this amendment to take a fair and equitable approach that the Budget Committee has developed and maximize it to a degree that would really be a significant contribution to doing something about the devastating deficits that we face throughout the rest of this decade. They are devastating for reasons that the gentleman from Florida [Mr. Gibbons] has just explained. I will not go further. But I think the budget impacts of those deficits are important to liberals and conservatives alike who believe that there must be some future for discretionary appropriations programs targeted at poor people, targeted at the infrastructure that is crumbling across this Nation. We are running in place. We are not making sufficient progress on this deficit because in fact the GNP growth of this country is about 2 percent, not the 4-percent that has been projected by the administration. We are not making adequate progress, and that means that each year we come back here to address the budget we will be looking at the same shrinking domestic portion of the Federal budget, cutting into job training, cutting into Medicaid year after year, while we fail to look at the cost of entitlements, we fail to look at the need for revenues despite over $400 billion in tax expenditures. We cannot afford to shuck that responsibility any longer. This is the year where a COLA freeze and a plow-back to the tune of $1.4 billion to take care of the poorest of the elderly on Social Security can be most acceptable. In the years ahead, as inflation rages, it will be unacceptable and politically impossible. This is the year to look at revenues because in the future it will be counterproductive, we will not be able to raise revenues in the face of a certain recession. That is not possible, not politically or economically doable. This is the time, if we have the courage to do the undoable in the past, and for some the unthinkable in the present, we can make an even more significant contribution to the future economic growth of this country.

Mr. Chairman, for the past 2 days, we have debated the best means of addressing our No. 1 economic problem: enormous and growing deficits. The President would like to shield himself from any responsibility for this problem. He likes to blame Congress. But the truth of the matter is that it is his policies that have created this situation.

In 1980, candidate Reagan said that by the end of his first term, America would be freed from the burdens of double digit deficits. And indeed we were.

By 1982, we were running triple digit deficits which, by the end of his first term, had soared to more than $200 billion per year.

In the 200 years which preceded Ronald Reagan's election to the Presidency, this Nation had accumulated a total national debt of $1 trillion. From his first inauguration to his second, he had almost doubled that debt.

Make no mistake about it, these are Ronald Reagan's deficits. He has brought us to the precipice. We stand today looking at the ravages of his policies.

First, export-oriented manufacturing industries throughout the Midwest were devasted during his first term. International leaders such as Caterpillar were brought to the brink of extinction. Even our best, most competitive products cannot withstand the foreign onslaught when Reagan's policies impose an onerous overvalued dollar.

Then came our most competitive industry, American agriculture. Who here can doubt that on a level playing field our farmers and growers can outcompete anyone in the world? Yet they have suffered the most under Mr. Reagan's policy. Since 1981, the volume of U.S. exports have slowed dramatically; just in the first 3 months of this year, there was a 24-percent fall in our farm exports.

Now on the block is the high-tech sector, our hope to remain internationally competitive in research, development, and manufacturing. Again, Reagan's high dollar and the unprecedented high real interest rates has put another vital industry in jeopardy.

How many industries must fall under the weight of the onerous deficit? How many jobs must be banished to foreign countries, how many factories must close? How many farmers must we lose before we say that this must end?

I say that we should put a stop to this today. Our hopes can no longer rest in outyears that never come, in spurious deficit reduction projections. The simple fact is that we must do something today.

The amendment before us today is not merely a step toward deficit reduction, it is a leap. It will reduce next year's deficit by $25 billion more than the President's initial budget proposal, for a total of $75 billion for fiscal year 1986. Furthermore, it will make the greater reductions in the deficit more equitably than the President's less effective proposal. Sacrifice, is asked, but it's a shared sacrifice.

The amendment builds on the solid foundation of the House Budget Committee. A total of $56 billion was cut from spending, 51 percent from nondefense areas and 49 percent from the Pentagon, which is a fair and responsible approach. This was no easy task, every Federal program has a constituency, and a sound case can be made in defense of each one. But we, in the Budget Committee, faced up to the task.

We have before us now an amendment that would go even further. It provides that after savings are achieved, revenues—let's be frank, taxes—can be raised not from individuals but from the corporate sector.

It freezes the cost-of-living increase for all Federal retirement programs for only 1 year. This is tough, but fair. My constituents tell me that they are willing to sacrifice if it is fair. How can we here not be courageous enough to follow their lead?

This amendment is a comprehensive approach that involves all areas of the Federal budget.

What are the arguments against this amendment?

First, some on the other side of the aisle have used some pretty strong rhetoric about our defense figure. The President has had the largest buildup in defense in peacetime history; the buildup will go on for years. The ships and planes will pour forth from our factories, the contracts are signed, the commitments have been made.

The amendment spends a mere $6 billion less than the Senate-White House compromise. It is ironic that just last week, Mr. Weinberger found almost all of this amount in the Pentagon coffers. Who is being honest with the American people on defense?

Second, many of my colleagues have raised objections about freezing Social Security COLA's. But the approach we are taking here means short-term pain for long-term gains. Furthermore, this amendment takes 20 percent of the savings achieved and plows that back into the program to mitigate the impact of the freeze on those who would otherwise fall below the poverty line.

Third, the President says, "Make my day," and raise taxes. But the fact is that while the vast majority of American families and businesses are paying their fair share in taxes, many of our largest corporations are paying nothing in taxes.

This amendment gives our taxwriting committee the flexibility and discretion to determine the best way to address this inequity. It requires that spending cuts must be enacted before Congress raises revenues and that none of those revenues can be raised from individual taxpayers, and it does not foreclose tax reform. Even Congressman RICHARD GEPHARDT, whose name is synonymous with tax reform, supports this proposal.

This amendment effectively and fairly addresses the structural deficit. If we don't act now, we are destined to muddle through year after year without resolving a problem that is devastating to the American economy and way of life.

It will take courage to support this amendment. It flies in the face of accepted political wisdom. But this amendment gives us our best chance to do what must be done. I urge my colleagues to support the amendment.

Mr. BROWN of Colorado. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. ROEMER].

Mr. LEATH of Texas. Mr. Chairman, I yield 30 seconds to the gentleman from Louisiana [Mr. ROEMER].

The CHAIRMAN. The gentleman from Louisiana [Mr. ROEMER) is recognized for 1½ minutes.

Mr. ROEMER. I thank my colleagues for yielding time.

I would like to join with those men and women of good courage who have preceded me in the well to say that they support the Leath amendment. I do too. I do it not because it is easy but because the issue today is deficits. And deficits are an issue because they mean jobs. Deficits this big have caused an overvalued dollar. And if you listen for a minute, just listen for a minute, you can hear the factory gates close across America. I support the Leath amendment not because it is easy but because it is the only chance to vote for a budget that cuts the deficit in real dollars by at least $50 billion.

BILL GRAY did a heck of a job in the committee report. But it is not good enough. It is funny money. Forget the assumptions. All budgets have those phony assumptions. But this budget is replete with items that will never happen—contracting out, saving $12.5 billion over 3 years. BILL GRAY is a good man, the committee did a good job, but it is not good enough for America. We need the Leath amendment. It does two things that must be done: It requires corporations who do not pay taxes and make billions of dollars in profit to pay their fair share. And, No. 2, it asks all Americans to contribute a little bit to this country. That is what built America. What built it was not special interests or the burden on a few. What built it were men and women who had the guts to work and show initiative. I am telling you, the committee amendment is good politics but it is bad economics. Leath might be bad politics but it is good economics. And America needs Leath today.

Mr. BROWN of Colorado. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. I thank the gentleman for yielding.

Mr. Chairman, I want to agree with everything that the previous speaker has said about what the needs are for our country and oppose the Leath amendment in the same context, because whatever kind of revenue raising we attempt, that can only be counterproductive at this moment, at this juncture of our economic recovery.

We must look at all of the things that the Gray bill will try to accomplish and then face the reality that the Gray bill is not going to be the final resolution of the budget for this year, just as the Senate bill and Senate budget is not going to be the final bill. Rather, let us face reality and determine that the final resolution of this problem is going to be made in conference, defeat the Leath amendment, and line up your prospects for America for that conference report.

Mr. LEATH of Texas. Mr. Chairman, I yield 3½ minutes to the gentleman from Kansas [Mr. SLATTERY].

Mr. ROWLAND of Georgia. Mr. Chairman, will the gentleman yield briefly for a colloquy?

Mr. SLATTERY. I yield to the gentleman from Georgia.

Mr. ROWLAND of Georgia. I thank the gentleman for yielding.

I understand that the amendment which would freeze Social Security COLA's for fiscal year 1986 provides for COLA's for those older Americans who are most dependent on their Social Security retirement benefits. I have not supported a freeze on Social Security COLA's, because it will not help the structural deficit. Could the gentleman tell me what will happen to the savings from this modified COLA freeze since funds from the OASI trust fund are dedicated funds and therefore cannot be directly applied against other Federal debts?

Mr. SLATTERY. Let me tell the gentleman that these funds can only be used to bolster the retirement fund and to assure repayment of the $10 billion previously borrowed from the Medicare fund.

Mr. ROWLAND of Georgia. Is it not true that the Social Security retirement fund still has an outstanding debt to the Medicare trust fund of some $10 billion to be repaid by 1990?

Mr. SLATTERY. The gentleman is absolutely correct.

Mr. ROWLAND of Georgia. Is it not true that the Medicare trust fund faces eventual bankruptcy if the fund is not shored up and that improving the OSI fund could help to more quickly repay the Medicare trust fund?

Mr. SLATTERY. The genteman is again absolutely correct. And to reiterate the point I earlier made, the savings we are talking about would be used to bolster the Social Security trust funds.

Mr. ROWLAND of Georgia. I thank the gentleman for these clarifications.

Mr. SLATTERY. I appreciate the gentleman's interest.

Mr. SWIFT. Mr. Chairman, will the gentleman yield?

Mr. SLATTERY. I yield to the gentleman from Washington.

Mr. SWIFT. Mr. Chairman, there is pain in reducing this deficit. The sooner we get the deficit under control, the sooner we can end the pain Americans are suffering from underfunding of a wide variety of valuable and important programs.

The House Budget Committee has done a good job. This proposal builds on it.

I said during the campaign and in the months since that I would vote for a freeze on Social Security COLA's if everything else including defense were frozen. This substitute does that—and it does it better: because it provides a floor for the elderly poor.

I also said that if we are really serious about the deficit, we were going to have to increase revenues—read "tax increase." This proposal does that—but it does it better: because it assures no increase in personal income taxes.

And its bottom line—a deficit that is under $100 billion by fiscal year 1988. It gives us a clear chance to end the deficit pain for everyone years earlier.

Mr. Chairman, here's that bullet we've all been talking about. I urge my colleagues to bite it.

Mr. SLATTERY. Mr. Chairman, we have heard an awful lot of rhetoric on both sides of the political aisle about the deficit. I want to focus your attention and the attention of the American people for just a couple of minutes on the arithmetic of the Federal budget. Mr. Chairman all we need to do is look at this pie diagram, and if the American public fully understood this pie diagram they would be demanding that we do at least what we are talking about in this amendment and in the committee resolution today.

Mr. Chairman, the committee has dealt with the 31 percent of the total Federal budget that goes for Pentagon spending. We have frozen that part of the Federal budget. What we have not adequately done in the committee is deal with that 37 percent of the total Federal budget called entitlements. It is the most sensitive part of the entire Federal budget.

□ 1300

No one knows that better than I do. But it is going to have to be addressed.

Add up those parts, coupled with the 14 percent that we spend on the interest payments on the national debt, and ladies and gentlemen, we have 82 percent of all of the money that we spend in America; 82 percent.

Only 5 percent of the entire budget is spent on the non elderly poor in this country. This 5 percent is what the general public focuses on as welfare payments.

In addition to that, everything else—only 11 percent of the total Federal budget—is spent to pay for the Federal employees in America, for foreign aid, for transportation, for education, and for everything else that is vital to the future of this country we all love.

Mr. Chairman, I am not asking my colleagues to take the easy course today but I am asking that we take the right course and the necessary course. The arithmetic demands it, my colleagues. It is time that we be honest with the American public. If we do not do it today, the noose is going to tighten, and we will be back next year facing an even larger deficit. More and more of our constituents will be at jeopardy. We have to do it today, Mr. Chairman, we do not have any other choice if we are going to be honest with the American public.

I believe that if we closed the doors of the chamber today, and if we cast a secret ballot, there would be 350 Members of this body who would vote "yes" on this amendment and "yes" on this budget resolution as amended.

Mr. BROWN of Colorado. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the Leath amendment. While we are devoting our time and attention debating the pros and cons of various budget resolutions, I would like to take this opportunity to inform my colleagues about a Federal program that has been much maligned lately, and one that I am firmly convinced plays a needed role in our agenda of Federal programs. I'm speaking about the Economic Development Administration.

As many of you may know, I served as its general counsel during the mid-seventies, so I can speak to you as one who has personal experience and knowledge with the day-to-day operations of the agency. And while I naturally take personal pride in my years of service, I feel I can also offer the House a unique and objective assessment of the EDA's mission.

Created in 1965, the EDA has undergone a number of major trasformations in the succeeding years. What was originally a limited Federal assistance program, designed to help local communities stave off economic setbacks and attract new investment, was transformed over time into a nationwide grant and loan program that had very little appearance to its original self.

At its inception, the EDA was unique. It was structured to serve struggling communities by encouraging private development. It was designed to help communities lay a foundation enhancing future economic growth. But for EDA grants and loans, private investment in these communities would not have taken place.

Then in the 1970's, Congress began to reshape the agency's role. in the previous decade Congress charged the EDA with administering recession programs that clearly overextended the agency's ability to manage its usual grants and loans programs. Their only mission during these periods literally was to shovel grants out the door as fast as they could without giving consideration to the application's merits. There was very little, if any, emphasis put on developing permanent, private-sector jobs. Instead, local public works grants were intended to develop make-work, projects wherever they could be found.

Critics of the agency often cite this cycle in the agency's history as an example of the EDA's inability to responsibly perform its function.

In view of these criticisms, the Public Works and Transportation Committee has reported out legislation in the two previous Congresses reforming the EDA by allowing it to once again focus Federal assistance to communities suffering economic stress. And in both instances, the House has seen fit to support this legislation by overwhelming margins.

This spring the committee has again reported out a bill designed to reform the agency's eligibility criteria and allow it to once again target needed assistance to communities truly deserving Federal help.

H.R. 10 is the product of an extensive series of hearings and markups. It is a balanced piece of legislation that deserves the support of this body, and I am hopeful that—as in years past—this body will give it overwhelming support.

Just as our leaders argue for the need to maintain a safety net of programs to help deserving individuals, we surely need a safety net to aid ailing towns and cities. We cannot stand by and allow these communities to suffer. Please give this legislation your consideration and support, and by so doing, permit the EDA to perform the mission originally intended for it.

Mr. BROWN of Colorado. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. Matsui].

Mr. MATSUI. I thank the gentleman for yielding me this time.

Mr. Chairman, originally we talked about using the Social Security COLA cut because of the issue of fairness, because we were going to make other cuts as well, not for budget deficit reduction. In discussing this issue with Mr. Slattery and Mr. McKay, the makers of this amendment, they agree that that is absolutely correct.

Cutting the COLA on Social Security will have absolutely no effect on the budget deficit. Not at all. In fact, what will happen is that we are going to see a major surplus in the Social Security System from the years 1990 to 1995 because what we did when we reformed the system in 1983, is to provide for a surplus so when the "baby boom" generation retires, there will be money in there in order to pay their benefits.

I might just say that all we will be doing with this money, this savings on the COLA, is to give the money to the next generation of senior citizens, having taken it from the present senior citizen generation, or what we could do is reduce payroll taxes. It makes absolutely no sense for deficit reduction and this graph, as it pertains to deficit reduction by the Social Security COLA cut, has no relevance at all.

Mr. BROWN of Colorado. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. DioGuardi].

Mr. DioGUARDI. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise today in opposition to the Leath amendment for two reasons. I oppose the increase in taxes incorporated in this amendment, and I do not believe that we should freeze Social Security payments. The youth and the senior citizens of this country are not the problem, and they should not be held hostage to this budget crisis. It is waste, inefficiency, and mismanagement that are the problems in this country.

My vote against this amendment will be one of many that I will cast on budget amendments. All those votes will be in the negative. As a certified public accountant, I have great difficulty in giving my support to any of these amendments because they are grounded in shaky assumptions. Every amendment but the one offered by the 92 Group, makes assumptions that cannot be justified.

I am appalled at the record. We are kidding ourselves and we are kidding the American public. We are making quantitative judgments, superficial quantitative judgments, when we should be making qualitative judgments. You do not build a house from the top floor down. You build it from the foundation up. The way we construct budgets in this country is we look at what we spent last year. We should not be concerned that we spent $100 billion last year in forming our decisions on next year's budget. The question should be: How did we spend $100 billion last year? But for some reason in Government what we spent last year becomes the baseline.

Even in freezing, are we freezing in the waste? We have got to be sure that we make qualitative judgments and remove those programs that are not working and embellish those programs that are.

We owe it to the people who have entrusted us with this responsibility in this country as Congressmen, as trustees, and as fiduciaries for their money and their taxes.

Mr. LEATH of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. LEATH of Texas. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding to me.

Mr. Chairman, I rise in total support of the Leath amendment. On the COLA's, the Leath amendment treats the veterans the same as the other COLA's. On the savings in this amendment on veterans' programs, they are fair, and we can find these cuts without basically hurting the veteran.

I congratulate the gentleman on his amendment.

Mr. LEATH of Texas. Mr. Chairman, here we are again—in this historic Chamber—flailing each other with rhetoric about the premier issue of our time—the Federal budget. The problem is—rhetoric doesn't solve the problem—it only blocks any solution.

As you could most certainly expect—conservatives are pointing fingers and telling liberals—It's all your fault. All the massive years of social and domestic spending are responsible for these deficits. Let us gore your ox and we can solve the problem.

And just as certainly as you might also expect—liberals are pointing fingers and telling conservatives—It's all your fault—these massive defense buildups and these massive tax cuts are responsible for these deficits. Let us gore your ox, and we can solve the problem.

If we are honest, what we are really doing is pure political posturing. We all know better—that's the sad part.

The net result is a political stand off that literally defies any solution. Once the political positions are staked out and the rhetorical fences are built, we can stay here all year and accuse each other—and the net result is that we will all sink under the weight of this totally irresponsible fiscal policy. So polarized, so partisan, we can't govern.

The truth we had better realize is that the American people don't give a damn at this point whose fault it is—they just want us to solve the problem.

They know we all came here on a 2-year contract, expecting to get relected, but in the intervening 18 months—they expect us to govern their country—not constantly stand here like 4-year-olds in a kindergarten playground pointing fingers and denying responsibility. "It's your fault, Tip. No, it's your fault, Ronnie."

The further truth is—we all know who is to blame—Democrats and Republicans are to blame—liberals and conservatives and all in between are to blame—the people are to blame for believing all the garbage they get bombarded with through the mail raising money from both parties and a thousand special interest lobbies who circle this Capitol in their Mercedes automobiles after leaving their million dollar homes in northern Virginia.

We all know—

First, we did spend too much on social and domestic programs and we inadvertently built those structures so broad and so high that today they have compounded through years of neglect, to be devouring political monsters. The proof is the entitlements and our inability to control them—they grow on automatic pilot, while we turn our backs.

Second, and yes, we have dramatically built the defense spending base into the same monster. The proof is the $700 toilet seats—the theft—and the obviously very poor procurement system in the Pentagon. We are about to lose public support for defense—that is the tragedy.

Third, and, yes, we have gone too far in tax expenditures. The proof is the corporations making billions in profits and not paying a dime in taxes—many are even getting rebates.

We tried to outbid each other in 1981 and the lobbyists took our shirts off. Let's admit that, and correct it.

So, let's be fair to each other and to ourselves—let's admit that we are all at fault—from Ronald Reagan to Tip O'Neill, and all in between—from the AARP to the American Security Council, and all in between. If we will all admit that, then we can add that agreement to the fact that no one denies—we must halt these deficits. Then it appears to me we can move on toward what should be our goal—a reasonable solution—one that gores all our oxen—because we all know that is the only way to solve the problem.

Add to that very sound base the fact that the American people are saying, "Solve the problem, and try to be fair in doing so"—then, my friends, we can

begin to govern. We can shatter the rhetoric and reach consensus—we can take away everyone's political advantage and play on a level field.

That is exactly what this budget focuses on—reasonable, consensus government. I hate this budget, but probably for a different reason than you—only one that we all hate can do the job. The President doesn't like this budget—the Speaker likes it less—that means it's probably a pretty good beginning.

What does this budget do?

First, this budget stops the indiscriminate growth in Pentagon spending—but it does not harm our national defense—no one can prove that it does. Oh, yes, we can punch up our rhetorical speech No. 23 and make a very convincing argument about how it ravages defense—it does not. It gives us sustained growth, it gives us a reasonable balance, it may just stop the fact that we are fast losing support from the people on defense.

Second, this budget slows the uncontrollable growth in entitlement programs, and gives us a chance to get our breath. Again, I know that some of our colleagues can punch up rhetorical and political speech No. 22 and wax eloquent about how this breaks our contract with the elderly and ravages the senior citizens, but it does not. What it does do is give us a little reserve in these entitlement programs so what hopefully in the next recession we won't have to raise taxes again on their children and grandchildren. Otherwise, we surely will. Then you'll have real trouble.

Third, this budget protects the poor—every means tested entitlement is held harmless, as it should be. Education is for all practical purposes held harmless, as it should be

Fourth, this budget closes the loopholes we have built where people can make billions and pay no taxes. Oh, I know, some colleagues can punch up speech No. 21 and tell us how taxes are the devil incarnate, yet you can't spend as a government unless you either tax to pay for it, or print funny money, or borrow it for a while, as we are doing. We will pay—if not with taxes and restraint—then with inflation.

Fifth, finally, this budget addresses head on, forthrightly, and fairly the real problem—the only problem we should be concerned with today—our massive deficit. With this budget, even with the phoney economic assumptions we're using, you get some real outyear savings. Otherwise, you'll be right back here next year trying to solve what could be a $300 billion deficit.

Our President says he wants to halt these deficits, but he has yet to give us a plan to halt them that can pass this Congress.

Our Speaker says he wants to halt these deficits, but he has yet to give us a plan to halt them that can pass this Congress.

We have all told our people that we want to halt these deficits, but most of us stop there and punch up speech Nos. 10, 21, 22, or 23 and start flying off into fantasyland again. No solution that can pass. Just more rhetoric—more finger pointing—more posturing.

Before you vote against this, my friends, you had better think—you had better realize that failure to address these deficits is not a political advantage to either party—failure to address this deficit is sheer insanity. The people may finally and rightly decide to replace us all—and just start over. I surely wouldn't blame them. They deserve better—we should hang our heads in shame.

People have come to me and said, "Marvin, I love the plan, I just can't take those defense cuts"—The next one says, "I love the plan, I just can't deal with COLA's"—the next one says, "I love the plan—I just can't raise revenues."

Well, let me tell you something, my friends—do you think I have an easy time dealing with these issues? If you do, you're not very realistic—my constitutents vote, too! I just happen to believe the problem is so big, we must take that risk. The real risk is to do nothing.

Maybe I view my job differently than most—but I have never found an ounce of political risk in being honest with my people.

I have never found one scintilla of political risk in being responsible with people.

Running for reelection is easy—if, all we want to accomplish is to stake out all the popular positions and use our rhetorical and oratorical skills to blame the other party—the other person.

But governing responsibly is difficult—governing requires strength—it requires compromise, and it requires courage.

Maybe there are only a few of us willing to take the heat—willing to touch the untouchable—willing not to stake our political futures on Defense, or Social Security, or Taxes—but willing instead to stake our political future on the good commonsense of our people who have an uncanny knack of knowing when we are being responsible. That's how I see it.

If being responsible is politically stupid—then so be it!

I have done my best—my people know that. I don't want the job if I can't accept the responsibility that goes with it.

We can't give this budget two aspirin and send it to bed. We need to give this budget a shot of chemotherapy—and that is tough, but it can work.

When these bells ring—why don't you place your card in that computer terminal and cast a vote for America's future—It may make you nervous politically, but you'll feel better all over more than anyplace else.

Democrats, Republicans—conservatives, liberals—let's show the world what we can do together.

☐ 1320

The CHAIRMAN. The time of the gentleman from Texas [Mr. Leath] has expired.

All time having expired, the question is on the amendment offered by the gentleman from Texas [Mr. Leath].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LEATH of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 56, noes 372, answered "present" 1, not voting 5, as follows.

[Roll No. 129]

AYES—56

Andrews
Anthony
Barnard
Bateman
Bates
Bedell
Bosco
Brown (CO)
Bustamante
Carper
Chandler
Cooper
Daschle
Dickinson
Fazio
Frenzel
Gephardt
Gibbons
Goodling
Gordon
Gregg
Heftel
Hutto
Jones (OK)
Leath (TX)
Lujan
Luken
MacKay
McCurdy
Miller (WA)
Montgomery
Moody
Morrison (WA)
Nelson
Olin
Panetta
Pease
Penny
Pickle
Porter
Ray
Roemer
Rowland (GA)
Rudd
Schulze
Slattery
Spratt
Stenholm
Stump
Swift
Thomas (GA)
Udall
Visclosky
Walgren
Whitehurst
Wilson

NOES—372

Ackerman
Addabbo
Akaka
Alexander
Anderson
Annunzio
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Barnes
Bartlett
Barton
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Byron
Callahan
Campbell
Carney
Carr
Chappell
Chapple
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Daniel
Dannemeyer
Darden
Daub
Davis
de la Garza
DeLay
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Edwards (OK)
Emerson

English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Feighan
Fiedler
Fields
Flippo
Florio
Foglietta
Foley
Ford (MI)
Fowler
Frank
Franklin
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gilman
Gingrich
Glickman
Gonzalez
Gray (IL)
Green
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lundine
Lungren
Mack
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Moore
Moorhead
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Ortiz
Owens
Oxley
Packard
Parris
Pashayan
Pepper
Perkins
Petri
Price
Pursell
Quillen
Rahall
Rangel
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Roybal
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Staggers
Stallings
Stangeland
Stokes
Strang
Stratton
Studds
Sundquist
Sweeney
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Torres
Torricelli
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Volkmer
Vucanovich
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitley
Whittaker
Whitten
Williams
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zechau

ANSWERED "PRESENT"—1

Gray (PA)

NOT VOTING—5

Fish
Ford (TN)
Gradison
Hall, Sam
Stark

□ 1330

Messrs. HAMMERSCHMIDT, HEFNER, DUNCAN, SPENCE, and McEWEN changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1340

AMENDMENT OFFERED BY MS. OAKAR

Ms. OAKAR. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Ms. OAKAR: At the end of the concurrent resolution, insert the following new section:

SEC. . (a) The House finds that—

(1) the present tax code lacks equity and fairness in that it permits profit-making entities to escape taxation;

(2) the proportion of total federal revenue contributed by corporations declined over 72 percent between 1954 and 1984; and

(3) the denial of these revenues has contributed to the largest deficit in our Nation's history, which has caused devastating economic harm to agriculture, manufacturing, and services industries.

(b) Therefore, it is the sense of the House that the Committee on Ways and Means should report and the House should adopt legislation which addresses these inequities by imposing a minimum tax.

(c) The revenue total raised be such legislation should be, at the very least, not less than the total revenue produced by provisions in the President's tax proposal which eliminate or reduce items of tax preference. Revenues derived from such legislation shall be applied either to rate reduction or deficit reduction, or both.

The CHAIRMAN. Pursuant to House Resolution 177, the amendment is considered as having been read.

The gentlewoman from Ohio [Ms. OAKAR] will be recognized for 15 minutes and the gentleman from Ohio [Mr. LATTA] will be recognized for 15 minutes.

The Chair recognizes the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, for purposes of a colloquy, I yield 30 seconds to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Chairman, I thank the gentlewoman for yielding for this colloquy with the chairman of the Budget Committee.

Mr. Chairman, with respect to oil overcharge funds, it is my understanding that the House budget resolution assumes that funds recovered by DOE in petroleum overcharge cases will not be used as a substitute for current levels of regular appropriations for the Low-income Weatherization, Low-income Home Energy Assistance, and Schools and Hospitals Grant Programs. Is that correct?

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. The gentleman is correct.

Mr. WOLPE. The budget resolution assumes that $1 billion in oil overcharge funds may be available to the Federal Government in fiscal years 1986, 1987, and 1988. It is my understanding that this assumption is not being interpreted to sanction any interference in the existing system of making restitution to oil overcharge victims, directly or indirectly, through ongoing procedures established by the Office of Hearings and Appeals at DOE. This budget assumption does not affect these proceedings or any other litigation relating to refund distribution. Is that also correct?

Mr. GRAY of Pennsylvania. The gentleman is correct.

Ms. OAKAR. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment to the budget resolution calls for the closing of the enormous giveaways in and loopholes in the present Tax Code that allow corporations and other entities to escape paying taxes.

What makes this amendment so important is that it gives the House the opportunity to go on record in favor of restoring fairness and equity to our tax system.

This is crucial, I believe, to include in the budget resolution because it will express the intent of the House to the Ways and Means Committee that they should correct the inequities in the present Tax Code. And we all know many businesses and Americans pay their fair share of taxes. However, a significant number of large corporations make millions of dollars in profits every year and pay no taxes; others pay no taxes and receive hundreds of millions of dollars in refunds from the U.S. taxpayers.

Members of the House, if you believe that it is wrong for a person who makes $12,000 a year to pay more taxes between 1981 and 1983 than General Electric, which earned $6.5 billion in profits and received $283 million in refunds, then you will vote for this amendment. If you believe that it is unfair for the middle class to constantly pick up the tab of taxes while Boeing and General Dynamics, and we have all read a lot about General Dynamics recently, earned more than $2.4 billion in profits between 1981 and 1983 and did not pay one penny in taxes, and received millions of dollars in refunds, then you will vote for this amendment.

If you believe that W.R. Grace & Co., which had $634 million in profits and received a $12 million refund, did

not pay one penny in taxes, should have paid taxes, you will vote for this amendment.

Oddly enough, Peter Grace, who headed up the infamous Grace Commission, did not consider this an abuse to the American people.

These are a few examples of the unfairness of our Tax Code and I hope that my colleagues will vote for this resolution that puts us on record as saying that we are against the inequities in our tax system and that is what our amendment is all about.

Mr. Chairman, the amendment to the budget resolution (H. Con. Res. 152) calls for the closing of the enormous giveaways and loopholes in the present Tax Code that allow corporations and other profitmaking entities to escape paying taxes.

Congressmen WATKINS, ALEXANDER, SCHUMER, and RUSSO join in offering this amendment.

What makes this amendment so important is that it gives the House the opportunity to go on record in favor of restoring fairness and equity to our tax system.

This is a crucial provision to include in the budget resolution. It expresses the intent of the House that the Committee on Ways and Means should correct inequities in the present Tax Code.

As we all know, many businesses and most Americans, pay their fair share of taxes. However, a significant number of large corporations make billions of dollars in profits yet pay no taxes. Others pay no taxes and receive hundreds of millions of dollars in refunds from the U.S. taxpayer.

Let's look at what this really means. We have the case of General Electric which was recently fined over $1 million for defrauding the U.S. Government. GE earned $6.5 billion in profits between 1981 and 1983 yet didn't pay one penny in taxes. Instead, it received tax refunds totalling $283 million.

Boeing, the Nation's largest aircraft manufacturer, earned $1.5 billion in profits between 1981 and 1983. Not only did it pay no taxes, it received $267 million in tax refunds.

General Dynamics, which has been accused of millions of dollars of overcharges and shoddy workmanship on defense contracts, earned $931 million in profits from 1981 to 1983. It paid no taxes and received $71 million from the U.S. taxpayer.

These are examples of how three of the Nation's largest defense contractors have profited handsomely from the present tax system.

There's one more example, W.R. Grace & Co. didn't pay any taxes between 1981 and 1983 on its $634 million in profits. Instead, it received $12½ million from the U.S. taxpayer. Peter Grace, the company's chairman, headed up the Grace Commission appointed by the President to weed out Government waste. Oddly, the Grace Commission didn't consider unfair tax breaks to be government waste.

This is a scandal that must be stopped! The burden must be lifted from the middle class taxpayer—the working men and women who are the backbone of our country.

The preamble to the amendment underscores why we need to adopt this amendment. It states:

> The present tax code lacks equity and fairness in that it permits profit-making entities to escape taxation;
>
> The proportion of total federal revenue contributed by corporations declined over 72 percent between 1954 and 1984; and
>
> The denial of these revenues has contributed to the largest deficit in our Nation's history, which has caused devastating economic harm to agriculture, manufacturing and services industries.

We must assure all Americans of the fairness of the budget resolution and our determination to correct the inequities in the tax system. This is what this amendment is about. This is why we urge that it be adopted.

The CHAIRMAN. The gentlewoman from Ohio [Ms. OAKAR] has consumed 3 minutes.

Ms. OAKAR. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. WATKINS], the distinguished coauthor of this amendment.

Mr. WATKINS. Mr. Chairman, during the last week I, along with several other Democrats including the gentlewoman from Ohio [Mrs. OAKAR] have worked for a minimum corporate tax dedicated to reduce the recordbreaking domestic deficit which has grown from $50 billion a year to $200 billion a year under the Reagan administration's policies. This policy has resulted in deficits skyrocketing under the Reagan administration to the extent that all the budgets proposed by President Reagan will have caused the national debt to triple under his 8 years of leadership.

I will vote for and any one can vote for this language which states a sense of Congress that a minimum corporate tax should be used to reduce the tax rate, or for deficit reduction, or both, but that language is far from what some of us first proposed. President Reagan is for a minimum corporate tax, but only wants to shuffle revenue not reduce his recordbreaking deficits. The recordbreaking deficits have caused an overvalued dollar which, in turn, has destroyed our trade and exporting capabilities. The deficit has caused the highest real interest rate in the history of our economy, leading to recordbreaking bankruptcies, recordbreaking farm foreclosures, and farm debt, and the largest number of bank closures since the Great Depression.

I cannot believe and I am deeply disappointed we were refused by the Speaker to utilize the budget as a vehicle specifically for deficit reduction, but this day I reserve the right and refuse to take any position on tax reform. In fact, I may feel obligated to oppose any tax reform package that primarily shuffles revenues and contributes to the further reduction of needed jobs in the United States.

The President knows his budget will continue recordbreaking deficits. He says, "we will solve the deficit through economic growth." I am for economic growth, but you cannot have economic growth by taking incentives from business and individuals to produce in the United States. It is best to have a minimum corporate tax.

□ 1350

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentlewoman from Ohio [Ms. OAKAR] has consumed 6½ minutes.

Ms. OAKAR. Mr. Chairman, I reserve the balance of my time.

Mr. CHAIRMAN. The Chair now recognizes the gentleman from Ohio [Mr. LATTA] for 15 minutes.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I thank the gentleman for yielding this time.

Mr. Chairman, I am assuming that the only purpose for making this amendment in order is some political purpose in front of the television cameras because we already have in the document that has come from the committee an amendment which I offered which was accepted which says:

> The committee encourages the Ways and Means Committee to take steps to correct disproportionate preferences within the Tax Code for both profitable corporations that pay little or no taxes and higher income individuals to ensure that all such tax-paying entities pay a fair share of taxes.

So we are already saying in the document that is coming from the Budget Committee what we think the Ways and Means Committee should look into. We are not directing them to do anything but they certainly should be considering it.

So again I have to say that there is no reason whatsoever that I see that this amendment was ever made in order other than the television cameras that follow these proceedings.

Mr. Chairman, I yield back the balance of my time.

Mr. LATTA. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. KEMP].

Mr. KEMP. I thank the Chair.

Mr. Chairman, I was listening to the gentlewoman from Ohio and the gentleman from Oklahoma talking about the corporate minimum tax. Now, the gentlewoman, of course, is from a manufacturing area of the Northeast, as am I. The gentleman from Oklahoma is from an agricultural region of the country, a part of the economy upon which we rely not only for our food and fiber, but also for exports.

I would like to ask the gentlewoman from Ohio, how is it going to help manufacturing to tax gross income including allowances for depreciation? Because in effect that's what you would be doing to manufacturing with your minimum tax. Unlike true tax reform, which gets rid of items like the investment tax credit, you would be leaving in place the bad preferences and reducing the good ones with the minimum tax. The gentleman from Oklahoma would be taxing gross income. That would be devastating to agriculture, it would be devastating to machinery. And the type of revenue that they are talking about would be upward of $100 billion, perhaps as much as $250 billion.

Does the gentlewoman want to answer the question?

Ms. OAKAR. I will be happy to answer the question.

I think it is unfair for corporations who do not pay a nickel in taxes——

Mr. KEMP. Then join us in tax reform.

Ms. OAKAR. Not your tax reform, which is very unfair. You want to give all kinds of breaks to special interests; you have caved in on those already.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Mr. Chairman, will the gentleman yield on agriculture, the gentleman from New York yield on agriculture?

Mr. KEMP. Let me say to my colleagues and let me say to my friend from Oklahoma, there are basically in agriculture and in manufacturing three ways in which one would avoid paying corporate income tax. First of all, to invest a great deal of money in future levels of production because that allows you the capital cost recovery allowance;

Second, to pay foreign income tax and receive a credit against your U.S. income tax.

Third, to carry forward a past loss.

If an agricultural entity in Oklahoma or in western New York were to lose money, that entity under your minimum tax, if it is a corporation or incorporated, would have to pay tax on its gross income. So in essence your proposal is to reject true tax reform that cleans up the Tax Code, and leaving the existing code in place, you would tax people for investing in agriculture and machinery, or for losing money, or for paying foreign income taxes. I don't see how you're helping farmers or manufactures.

Let me just finish and then I will yield to my friend from Oklahoma.

The answer is true tax reform. I am not saying it can only be Kemp-Kasten or Bradley-Gephardt, or Treasury I, or Treasury II, but major tax reform would get rid of tax preferences which are allowing certain entities or corporations or individuals to escape the income tax, without going after legitimate deductions. We should join together on a major overhaul of the tax system so that people or corporations who are not paying taxes, pay tax. The way to do that is to bring down the rates, broaden the tax base, take out those preferences, a major one of which would be the investment tax credit. That alone gives us almost $40 billion to use to reduce tax rates.

But under the Oakar amendment we can't cut tax rates, and yet a farmer who lost money would pay tax on the gross income, ignoring losses. What kind of tax reform is that?

This approach is designed to raise taxes or to put off tax reform and I think that is a big mistake.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I will, but I have to yield first to the gentleman from Oklahoma.

Mr. WATKINS. I thank the gentleman for yielding.

Mr. Chairman, I do not expect the gentleman from New York [Mr. Kemp] to understand but in agriculture we are not incorporated. We would like to have an income so that we could pay some taxes. We are not incorporated. Not one single farmer in my district would have to pay a tax under this amendment, not one. We do not have corporate farmers and we do not have an income adequate enough to allow us to pay some income tax.

Mr. KEMP. Well, the Oakar amendment does not specify a "corporate" minimum tax, just a minimum tax. The Schumer amendment taxes individuals as well as corporations. The Schumer minimum tax would tax—say, the capital gain from selling a family farm—without any deductions for losses. What you are doing, I want to say to my friend from Oklahoma, is leaving in most of the preferences, leaving in most of the escape valves for the rich, if that is what you want to call it, and then you are taxing ordinary farmers on gross income. That would be devastating to agriculture as it would be devastating to manufacturing. It would be devastating to New York which is a manufacturing State.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I would just like to say that honestly, nothing personal, but what has been devastating in my district is the Kemp-Roth bill that permitted all these loopholes and the largest deficit in the history of our country.

Mr. KEMP. All right, all right. You want to raise tax rates; I want to lower them. I will have to carry that burden the rest of my life of cutting tax rates. I'm to blame for helping cause the strongest recovery in 30 years and creating over 7 million new jobs and having millionaires pay twice as much tax as under Jimmy Carter.

I refuse to apologize to the gentlewoman from Ohio.

Mr. SCHUMER. Mr. Chairman, would the gentleman yield?

Mr. KEMP. I yield to the gentleman from New York.

Mr. SCHUMER. I thank the gentleman for yielding.

I would like to ask the gentleman right now, knowing the history of General Electric, which I know the gentleman does, in terms of the amounts of profits that they made, does he think they should pay no tax?

Mr. KEMP. Let me say to my colleague——

Mr. SCHUMER. I would like a yes-or-no answer.

Mr. KEMP. They paid taxes, they pay property taxes, they pay income taxes, they pay foreign taxes.

Mr. SCHUMER. Do you think they should pay a Federal income tax?

Mr. KEMP. I want them to pay. That is why Kemp-Kasten, like every tax reform plan, takes out the investment tax credit.

The proposal of the gentleman from New York [Mr. Schumer] would leave in the investment tax credit and then tax legitimate deductions as gross income.

Mr. SCHUMER. So the gentleman feels that General Electric is paying too little taxes?

Mr. KEMP. The way to do it is with real tax reform. The minimum tax advocated by my friend from New York [Mr. Schumer] would tax employee fringe benefits, capital gains, Social Security benefits, tax-free municipal bonds, life insurance, and retirement pensions. Make no mistake about it, my friends, advocates of the minimum tax want to derail major tax reform in the United States in 1985.

□ 1400

I urge my colleagues to vote down the Oakar amendment and leave the language of the Budget Committee as is.

Ms. OAKAR. I yield 2½ minutes to the gentleman from Illinois [Mr. Russo].

Mr. RUSSO. I thank the gentlewoman for yielding this time to me.

Mr. Chairman, just to answer the criticism of my colleague from New York, as one of the cosponsors of a tough minimum tax on individuals and corporations, the reason it's necessary is because there are so many wealthy individuals in this country and so many profitable corporations ripping off the taxpayers, that something needs to be done.

The outcry in America is not just for tax reform to reduce rates, but reform also means making sure that everybody pays a fair share of taxes.

Now the gentleman from New York ought to support us. To make the comment that those of us who are for a tough minimum tax want to derail tax reform is ludicrous. We know what is going on in Treasury II right now. They are giving the store away to every special interest that has come to see them since December of this year, and we are going to need a tough minimum tax for all those preferences that are left in the Tax Code because of the pressures being put on the administration from all the special interests.

So I join with the gentleman from New York in doing whatever we possibly can to make sure that we get fair tax reform.

Now I certainly—I do not have the time to yield; I would be more than happy to talk with the gentlemen about how to write good tax legislation—but I would say to my colleagues, when you look at tax reform, do not look at just the first 2 and 3 years of how these reform packages work; let us look in the outyears because there are several proposals, including the gentleman from New York's, that in the fourth and fifth year give back everything to the big, wealthy corporations under their deprecation proposals.

So let us not be fooled by the words "tax reform." Let us be serious about it and pass a tough tax reform measure.

Ms. OAKAR. Mr. Chairman, I yield 2½ minutes to one of the authors of the resolution, the gentleman from Arkansas [Mr. Alexander].

Mr. ALEXANDER. Mr. Chairman, I rise in support of this amendment to urge the Committee on Ways and Means to recommend to this House the adoption of a mandatory minimum tax. And, I urge that when the committee brings forth its recommendation, it make a recommendation for a mandatory corporate minimum tax and assign the revenues raised to reducing the budget deficit.

For more than 3 years, private sector and Government experts have agreed that our Nation is threatened by an unbroken string of budget deficits ranging between $100 billion and $200 billion to $300 billion. The Office of Management and Budget now estimates that the 1985 budget deficit will be $222.2 billion, compared to $175.3 billion in 1984.

U.S. individual taxpayers should be able to believe that our tax system is fair. They should be able to believe that Congress means for the burden of reducing the deficit to be shared fairly. There can be little wonder that our individual taxpayers doubt the fairness of our tax system when 90,000 profitable corporations pay no taxes. There should be little surprise when our individual taxpayers doubt Congress' will to make all parties share the burden of deficit cuts if we fail to make all profitable corporations ante up.

When our individual taxpayers learn that 65 major U.S. corporations, with combined profits of nearly $50 billion between 1981 and 1983, paid not 1 cent in taxes during that period, the conviction that our tax system is unfair grows geometrically. One of those highly profitable corporations, W.R. Grace & Co., is headed by Peter Grace, of Grace Commission fame. Mr. Grace chronically lambasts the Federal Government for waste and abuse. But, not only did his corporation not pay any Federal taxes on the $684 million in profits it made in the last 3 years, it received a $12.5 million Federal tax refund.

During his term of office, President Reagan estimates, in his budget documents, that he will rack up a combined deficit which will exceed the cumulative deficit of all other Presidents in the history of our Nation.

The devastating results of such a development repeatedly have been the subject of warnings by internationally respected economics expert after internationally respected economics expert. On January 20, 1983, the Bi-Partisan Budget Appeal took a full-page advertisement in the Washington Post to plead for deficit control and to warn of the consequences of failure. The Bi-Partisan Budget Appeal had as its leaders six—three Democrat and three Republican—former U.S. Secretaries of the Treasury.

In their appeal, they warned:

> The federal budget is now out of control. It is primed to generate immense deficits, year after year, for decades ahead—deficits far larger than any in our history. This fiscal course is senseless. It threatens to lock the economy in stagnation, for the remainder of this century. Massive deficits would absorb savings urgently needed for investment in plant and equipment, infrastructure and R&D. Productivity would sag and inflation resurface. Interest-sensitive industries would be smothered and exports would dwindle. The result would be a period of gradual decline, punctuated by high unemployment and social conflict and culminating in an America that is permanently poorer and weaker.

These experts cited four principal results of such destructive deficits. They were:

A "feeble and temporary" recovery from the record-setting recession then gripping the Nation;

"Abnormally high" real interest rates;

"Artificially high" dollar exchange rates which "would continue to choke off American exports, suck in imports, destroy U.S. jobs, and could make the temptation of full-scale protectionism irresistible"; and,

Make "unacceptably high unemployment a fixed feature of the industrial landscape."

The Bi-Partisan Appeal's statements were not hindsight. They were forecasts. Let's examine them in light of what has occurred in the past 4 years of record-high Federal deficits.

While the economy grew at record rates in the first two recession-recovery quarters of 1984, it experienced a growth recession in the next three quarters. In fact, data recently released by President Reagan's administration shows that the economy is virtually in stagnation. In the first quarter of this year the gross national product grew at less than 1 percent.

The recovery from the 1981–82 Reagan recession seems, indeed, to be feeble. And, if the estimates of some private sector experts, who expect a recession in 1986, become reality, this recovery from the deepest recession since the 1930's will certainly have been temporary.

As the Bi-Partisan Appeal warned, real interest rates have been abnormally high for the past 4 years, and are continuing that record today. Despite the downward trend which has recently been experienced in some interest rates, widely respected economist Henry Kaufman predicted yesterday a rise in interest rates in the near future. Real interest rates today are more than 300 percent higher than they were in 1980.

In its estimates, the Bi-Partisan Appeal warned that "artificially high" dollar exchange rates resulting from persistent record-high deficits would harm exports, encourage imports, destroy American jobs, and encourage trade protectionism. We are experiencing all those ills.

Since 1980, the real value of the dollar in currency exchange has risen more than 52 percent. Last year, we experienced the largest merchandise trade deficit in the history of our Nation. And, according to President Reagan's administration data, the trade deficit is piling up at a faster pace today than it did in 1984. Imports are flooding our Nation. Our exports are being choked off by the overvaluation of the dollar. Thousands of American jobs, including 1,000 in my small hometown, have been lost to import competiton. The depression in U.S. agriculture exports has forced net farm income to record low levels and is helping push our farmers off the land. The fever for trade protectionist legislation is running at its highest intensity since the Great Depression.

And, the Bi-Partisan Appeal's warnings about unacceptably high unemployment are a reality in today's America. In April, for the third straight month, unemployment stayed at 7.3 percent. For the past 4 years—years of record-setting deficits—the high unemployment rate has undermined the hopes and dreams of employment for millions of Americans. Last month, more than 8 million jobseekers could not find work. The length of jobless periods of American jobseekers has risen by nearly 56 percent in the past 4 years. Although there has been some improvement in the unemployment rate since the end of the Reagan recession of 1981–82, that rate last month was almost the same as the annual rate for the last year and was higher than the rate for 1980.

In fact, as the Bi-Partisan Appeal predicted in 1983, destructively high unemployment rates seem in danger of becoming a fixed feature of our industrial landscape.

Because our current tax system lets thousands of profitable corporations off without paying any taxes. Because abnormally high real interest rates strike at the heart of our economic future. Because overvaluation of the dollar steals American jobs and blocks farm, manufactured, and services exports. Because high unemployment is a drag on our economic prospects. And, because such developments either feed the growth of Federal deficits or result from them, or both, the amendment before us should be adopted. And, the Ways and Means Committee should respond

Mr. Chairman, I want to respond in part to the statement made by the gentleman from New York [Mr. Kemp] just a minute ago.

We have heard from the gentleman from New York [Mr. Kemp] who is one of the architects of the fiscal disaster caused by the Tax Reform Act of 1981 which permitted those 65 corporations with profits of more than $50 billion to avoid paying one red cent to the Treasury in taxes.

We have heard from Mr. Kemp. We have heard from his "tax reform" before. We have heard from his kind of justice that requires an Arkansas tractor driver to pay more taxes than the W.R. Grace Co.

But, not only is our Tax Code unfair, as we have said today, it is hypocritical. The current tax law permits that hypocrisy. We have heard from the gentleman from New York, who has been the chief advocate of these policies.

What our amendment does is to say that these inequities should be corrected in part with a minimum tax, and that the income derived from that minimum tax should be earmarked for the reduction of this devastating deficit that prices our farmers out of world competiton, that subsidizes foreign imports on shoes and textiles, and puts our people out of work.

That is what we are saying here, and I call upon my colleagues on both sides of the aisle to support this amendment and to remove tax injustice from American society.

I would be glad to yield to the gentleman from New York.

Mr. LATTA. Mr Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. Campbell].

Mr. CAMPBELL. Mr. Chairman, I had no intention of speaking, but as we have gotten away from the subject and gotten into politics and a certain degree of posturing, I think it is important; if you are going to accuse something, then accuse us of bringing the interest rates to the lowest in 6 years; accuse us of having an inflation rate, the lowest rate in 17 years; accuse us of having 108 million people working in this country; accuse us of having the strongest economic recovery in over 30 years.

Yes, and you helped write everything, too, and you can take credit just like you can take blame. And yes, you have controlled this body for over 30 years and there is not a tax bill that can go through here without votes from that side of the aisle.

So you can accuse all you want to, and if you want to do that, then let us take the credit for it. Yes, there are problems; yes, there are problems in corporations, I will give it to the gentlewoman from Ohio; and that was the debate earlier, and yes, there should be incorporated in the tax bill, which is reform, a lowering of rates and insurance that there will not be avoidance.

But to come to this floor and say that you are going to raise $250 billion out of the corporations, not to cut rates for people but to raise money that you say that you want to use to lower deficits when in fact you have been spending the money the whole time is just crass hypocrisy.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire [Mr. Gregg].

Mr. GREGG. I thank the gentleman from Ohio for yielding this time to me.

Mr. Chairman, I would like to point out to the gentleman from Illinois about tax drafting that he ought to look at this proposal that has been drafted by the Democratic leadership on your side.

Let us read the proposal, ladies and gentlemen. I think you will find that this is the most outrageous "Trojan Horse" that has been presented to this Congress in the history of this Congress.

The revenue total raised by such legislation should be at the very least not less than the total revenues produced by the provisions of the President's tax proposals which eliminate or reduce items of tax preference. That figure is $250 billion. That is what you are asking for; $250 billion. The net profits of the corporations in America last year were only $246 billion.

Yes, ladies and gentlemen, what we have here is an example of the shoes of Walter Mondale—tax and spend. There is no attempt here at minimum tax.

This is not minimum tax; this is confiscatory tax. Le us point out what it is; let us call a spade a spade. This is a "Trojan Horse." It is a classic example of the abuse of legislative title.

The fact is that we have come to a point in this country where there is absolutely no way that you can tax corporations $246 billion.

Mr. DAUB. Will the gentleman yield to me?

Mr. GREGG. I yield to the gentleman.

Mr. DAUB. Mr. Chairman, I rise in opposition to the Oakar-Schumer-Russo-Wright tax increase, ask my colleagues to review my two statements on tax increases during this debate, and want to call my friends' attention to a thoughtful article by Malcolm Salter on the wages, ill health, and dangerous condition we find our "Big Three" auto makers facing today. Industrial State Members would be well advised to consider this plight before embracing the "tax the big corporation" populism sweeping the liberal establishment.

Don't Be Fooled by Those Auto Profits

The end of the auto import curbs and the expected 25 percent increase of shipments from Japan forces a familiar question back into the national limelight: What is the future of the U.S. auto industry?

Despite record profits in 1983 and 1984, it does not appear that the revitalized Big Three will be able to restore their competitiveness as full-time, domestic producers by relying upon traditional competitive strategies and relationships with labor and government. Thus, the message for industry participants, public officials and the public at large is: don't misinterpret the current profitability of the Big Three.

This is not to say that U.S. automakers have failed to act decisively and with considerable effect during the past five years. General Motors, Ford and Chrysler have retired inefficient production capacity and are now automating their remaining facilities. All three have lowered their fixed costs by reducing the size of their work force and the degree of vertical integration. Since 1979, the number of new car sales required for the industry as a whole to break even has declined by one-third. They have also launched an unprecedented number of new car models. At the same time, they have recognized the inadequacy of past quality-control practices and the need for new approaches to remedy the situation.

In addition, the Big Three have managed to improve their labor relations and have made radical, pro-competition changes in the way that their business policies are formulated and implemented. Furthermore, the information- and policy-sharing that followed the innovative 1982 and 1984 labor contracts and that have been incorporated inot GM's new Saturn Program demonstrate that many auto executives have developed a more realistic view of their enterprise as an assemblage of overlapping and competing interests, rather than as simply a management-dominated hierarchy.

Despite these advances, U.S. automakers remain uncompetitive in cost and quality in the small car business. They have not been able to recapture the share of the small car market lost to the Japanese. Of the 10.4 million cars sold in 1984, about 20 percent were classified as small cars, and the Japanese

captured 46 percent of this market from their offshore production base.

To make matters worse, it is by no means clear that U.S. automakers can successfully defend the midsize car market from Japanese inroads at the bottom of the price range and European inroads at the top. About one fourth of the cars sold in 1984 fell into this segment. Offshore Japanese producers captured 26 percent of this segment and another 5 percent was captured by Honda's U.S. assembly operation. Although U.S. automakers held on to a 61 percent share of the large market for midsize cars, new product announcements by Japanese automakers indicate they have a clear strategy for invading this segment further—along with European automakers.

A detailed analysis just completed with the help of my colleagues Alan Webber and Davis Dyer shows that if current trends continue, U.S. automakers will either abandon or be forced to abandon most of the nation's small car capacity by 1990. Utilization of anticipated small car capacity will be a meager 15 percent. Only fuel economy regulations, which forbid U.S. automakers from counting new vehicles with less than 75 percent local manufacturing content in their corporate fuel economy averages, will keep U.S. automakers from totalling abandoning the domestic production of small cars.

Our analysis also shows that if current trends continue, U.S. automakers will only utilize 60–65 percent of their anticipated midsize car manufacturing capacity in 1990. Finally, we see production employment at U.S. automakers, which declined from 700,000 in 1978 to 480,000 in 1983, declining an additional 110,000 jobs to 370,000 in 1990.

This scenario—based on conservative assumptions with respect to industry sales, currently anticipated product programs, the expected distribution of imports and non-U.S. production capacity in 1990 and labor content per car by type of vehicle—poses a great threat for U.S. automakers and the nation as a whole. If U.S. automakers cannot manufacture small cars profitably at home, they will eventually lose the capacity to complete profitably in the midsize market because many manufacturing processes are common to both segments. In addition, the advantages stemming from economies of scale in the domestic manufacture of such components as air compressors, fuel injection systems and transmissions—all of which are common to many small and midsize models—will be lost if the production of small cars continues to move offshore.

Finally, if U.S. automakers do end up importing significant portions of their product lines and major components from abroad, the zone of overlapping interests between management and labor, as well as many state and local government bodies, will shrink rather than expand. As a result, efforts to reduce domestic manufacturing costs and increase craftsmanship across all model lines through such innovative industrial governance processes as GM's Saturn Program and Ford's Mutual Growth Forums will be jeopardized.

What is required now, if we are to defend successfully the rest of our domestic automotive industry, is a careful reading of the lessons of the past five years. Managers, labor leaders and government officials must all accept the fact that globalization of the auto industry has pitted enterprise systems against enterprise systems, not solely domestic companies against foreign companies. They must also realize that some enterprise systems are more competitive than others, and that the competitiveness of our enterprise system can be improved by the following changes in attitudes, policies and institutional relationships:

Each of the key industrial actors must recognize its common interests in reducing the manufacturing costs and increasing the quality of U.S. automobiles.

Auto executives must be willing to share information and authority with their production employees and to negotiate business policies that affect the common interests of management and labor.

Hourly employees and their representatives must accept shared responsibility with management for corporate performance and dare to break away from so-called "pattern bargaining" toward company-specific adaptations of the pattern.

Congress and relevant government agencies must be willing to grease the wheels of innovation and change through such activities as co-venturing job training and retraining programs with automakers and the UAW.

Management, labor and government must be willing to create and use policy-sharing forums at various levels in the industrial hierarchy for the purposes of discourse, decision-making and implementation.

In the U.S. auto industry today many of these changes are taking place in experiments involving management and labor, at the shop-floor, plant and company levels. These experiments need to be broadened and deepened. In addition, the management-government relationship needs to be rescued from the abstract debate over the role of the government in the economy.

With one out of six jobs directly and indirectly dependent upon auto production, this is not a dispensable industry for the United States. Furthermore, a retreat by the Big Three from U.S. shores is both intolerable and unnecessary. If we have the courage to continue to experiment with our system of industrial governance and to end the stale and irrelevant debate over industrial policy versus laissez-faire economics, there is still hope that the Big Three can successfully defend what remains of our domestic automotive manufacturing base.

The writer is a professor at the Harvard Business School.

Mr. KOLBE. Will the gentleman yield?

Mr. GREGG. I yield to the gentleman from Arizona [Mr. Kolbe].

Mr. KOLBE. Mr. Chairman, I rise in opposition to the amendment.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. Duncan].

Mr. DUNCAN. Mr. Chairman, I have been on the Committee on Ways and Means for 15 years, and all of those 15 years, the committee has been controlled by the Democratic Party; it is now controlled 23 to 12. Anyone that can read, or with normal intelligence, knows that all tax bills must come from the Committee on Ways and Means, and all the loopholes that we have been hearing about and the benefits have been passed by a Democratic House, signed by a President, and we are not foolish enough to know that the committee is controlled by the majority party, and if anytime they want to change, they can.

The CHAIRMAN. The gentleman from Ohio [Mr. Latta] has 4 minutes remaining, and the gentlewoman from Ohio [Ms. Oakar] has 4½ minutes remaining.

Ms. OAKAR. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. Bennett].

□ 1410

Mr. BENNETT. Mr. Chairman, for many years I have introduced legislation to provide for a minimum tax. I think it is at least 20 years; and something has been done in that direction. We do have a minimum tax law right now but it has never been perfected in the way in which it should be, in my opinion.

So I introduced H.R. 18 this year. It certainly does not fall under the category of castigation that has been expressed here as taking $246 billion in taxes in 1 year. However, it does provide for a very minimum tax of 10 percent on all net profits—not gross profits, but net profits—and it would bring in over a period of 3 years about $125 billion. It would say that not only corporations pay that but also individuals of substantial income. There are many individuals in the United States today who get in excess of $1 million a year and pay not 1 penny of taxes.

In addition to the corporations, which get billions of dollars in taxes, many of them, without paying 1 penny of taxes, there are individuals who get millions of dollars a year and pay not 1 penny of taxes. My bill H.R. 18 addresses that problem and would see to it that everybody pays at least 10 percent. It is not a surtax, it is not an additional tax, it is just to see that everybody who gets a lot of money, makes a lot of money, net income, will pay at least 10 percent on taxes. I think it is a valid thing to do. I think our people desire that.

Some conversation was made about tax reform, a flat tax, or something like that. But that does not get at people, for instance, who take all their income from municipal bonds. A person can still, under that flat tax, get 100 percent of his total income, and a corporation can as well, by investing in one of these 22 areas of loopholes which are available in the tax law and can escape all taxes whatsoever. This must be corrected.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. Green].

Mr. GREEN. Mr. Chairman, every recent effort at rewriting the Internal Revenue Code has resulted in a loss of revenue. We do not want that to happen again as we consider tax reform later in this Congress, for that will subvert the deficit reduction work we are doing with such difficulty and pain this week. For that reason, we must keep our powder dry. The vice of the Oakar amendment is that it opens the door to use the revenues it would raise as an excuse to avoid cutting the deficit. If we want to simplify and lower taxes for middle-income and lower-income taxpayers, while eliminating certain deductions, we risk not having those revenues available as the tax reform measure proceeds. For that reason, I urge my colleagues to vote against the Oakar amendment.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. Frenzel].

Mr. FRENZEL. Mr. Chairman, this amendment is clearly nongermane. It is a diversion in the process that has already become mostly diversionary. It has no force and effect on anyone, so you can vote for it or not, depending on how whimsical you feel about the whole process. It may make a few of our Members feel good. If it does, I suppose it will have some good effect. But I believe that nongermane, frivolous amendments ought not be adopted by this House. I do not think we should make light of the processes when we are considering one of the most important things the House does.

This amendment is actually pernicious. I doubt the authors understand it, but they are calling for new taxes of about $250 billion on top of a potential transfer in tax reform of $25 billion, which exceeds corporate income, and would call for a tripling of the corporate income tax in the next calendar year. They do not mean that, but they do not know how to write amendments and so that is what they are telling the House.

I suggest that anybody who reads that amendment would understand what a travesty we have.

I also suggest that two of its proponents, the gentleman from Illinois and the gentleman from Arkansas, both voted for the law which they are now saying is bad because the President happened to suggest it.

Mr. ALEXANDER. I did not vote for the law, Mr. Chairman.

Mr. SOLOMON. Yes, you did.

The CHAIRMAN. The gentleman from Minnesota has the time.

Mr. FRENZEL. Mr. Chairman, this House has often been called the theater of the absurd. I do not believe that description, but I believe that sometimes our considerations are absurd. This amendment has raised absurdity to a very fine art.

Ms. OAKAR. Mr. Chairman, I yield myself 20 seconds.

Mr. Chairman, there has been a lot of misinformation given in a deliberate attempt to divert attention to what we are trying to say.

Let me read part of the resolution: "The present Tax Code lacks equity and fairness in that it permits profit-making entities to escape taxation."

Let me read the bottom line: "Therefore, it is the sense of the House that the Committee on Ways and Means should report and the House should adopt legislation which addresses these inequities."

Who can be opposed to that?

Mr. LATTA. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa [Mr. Lightfoot].

Mr. LIGHTFOOT. Mr. Chairman, I would like to discuss my decision not to support any of the budget alternatives before us. After carefully weighing the many components of the alternatives before us, I regret that none of the proposals is wholly favorable. Thus, we are required to choose between the lesser of evils, it seems. In one sweeping step, we are to decide the fate of every segment of our population affected by Government programs. Yet that decision must be fair, compassionate, and responsible.

To be responsible, we must consider the impact of Government deficit spending which permeates every inch of our economy. It affects small businesses and it affects those on fixed incomes. Is it fair to anyone to continue irresponsible deficit spending? In fact, in my recently conducted congressional survey, nearly 75 percent of my responding constituents want deficits dealt with fairly and responsibly.

I'd like to discuss, for a moment, a few of the segments of our society which are impacted by Government spending. Particularly critical to my congressional district is the impact Government deficit spending has on agriculture. While some will question the relationship between interest rates and deficits, there is no denying that increased Government borrowing distorts the credit market—a market which directly affects farmers. Few can dispute that interest rates have remained artificially high under Federal deficits even though inflation has been held down.

Not only does this relationship hurt farmers in their business decisions, but it also has damaged their export markets by making U.S. agricultural products unaffordable to our customers overseas. The biggest boost we can give agriculture is reduced Government spending. In discussions with farmers all across my district, this point surfaces time and time again.

Another major impact evident in my district is the impact deficit spending has upon the elderly and others on fixed incomes. Although inflation has remained relatively low, if Government spending is not curtailed, refueled inflation is inevitable.

Of further significance, an overwhelming percentage of constituents answering my survey indicated that the problem lies not in that they are overtaxed, but that the Government overspends. So the question remains—Where do we make the necessary cuts?

In my decision to oppose all of the packages offered here today, I carefully reviewed the proposals' impact on every program affecting my constituents—from Amtrak to general revenue sharing, from Job Corps to Social Security, from agriculture to education.

Certainly the defense spending levels proposed by the administration are not realistic in light of Federal deficits. Although our defense program was sadly neglected for nearly 20 years, we have made some progress in recovering from this neglect. Thus, a freeze in the defense budget is reasonable and fair, if a freeze is across the board.

The one area where I preferred not to accept a freeze was in cost-of-living adjustments for the elderly. Too many elderly rely on Social Security as their only source of income, and a number of them may well fall below the poverty level without a cost-of-living adjustment.

Clearly, agriculture and the elderly are highly vulnerable at this time and must be our top priority in budgetary considerations. Their share of the cuts cannot be disproportionate. But what will help Iowa's economy most—my primary concern—is restoring economic health. Bringing down Federal deficits is a must, but none of the proposals before us offers an across-the-board freeze [with the exception of cost-of-living adjustments]. That is the fair and responsible way to cut deficits, and I deeply regret that the House did not act in a more responsible manner today. I fully realize that some of my colleagues have opted to vote for the lesser of evils. I cannot, however, in good conscience, vote for an unfair distribution of the cuts or for tax increases called for in the packages before us. I have supported every amendment offered in this House to date which has called for an across-the-board freeze. I will continue to do so as I believe this is truly the responsible approach to cutting deficits.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. Kemp].

Mr. KEMP. To the gentleman from Illinois, would the commodity butterfly straddle be one of the things he wants to tax, as he stands up on the floor, ranting and raving about tax preferences?

The gentleman is the No. 1 proponent of the commodity butterfly straddle——

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. KEMP. Please, do not give us any crocodile tears.

Mr. RUSSO. The gentleman used my name. I would like to have the record properly corrected.

Mr. KEMP. To my friend from Ohio——

Mr. RUSSO. Will the gentleman yield?

Mr. KEMP. To our dear friend from Ohio——

Mr. RUSSO. A point of personal privilege, Mr. Chairman. The gentleman used my name incorrectly, improperly. I believe I have a right to respond to that.

The CHAIRMAN. The gentleman from New York has the floor.

Mr. KEMP. I appreciate that. I want to say——

Mr. RUSSO. I hope the gentleman does not conduct his Presidential campaign the same way.

Mr. KEMP. I am shocked at the gentleman.

Let me say to the gentlewoman from Ohio [Ms. Oakar]——

Mr. RUSSO. We are basketball players. We play fair.

Mr. KEMP. Let me say to Ms. Oakar, it is not so much what you are trying to say that bothers us, it is the actual words of your amendment. You want to raise in this legislation "not less than the total revenue produced by provisions in the President's tax proposal which eliminate or reduce items of tax preference."

To the gentleman from Ohio, the Ways and Means Committee staff tells us that means $250 billion in taxes under your corporate minimum tax. It would be a disaster for the economy, for manufacturing, for agriculture. It is designed to derail true tax reform. I would suggest that we strongly vote down the Oakar amendment. Economic policy is more than simply cutting budget deficits. Our first and foremost goal as a party and as a nation is to achieve full employment without inflation.

I and a number of my colleagues hoped that this Congress would formulate a jobs creation budget specifically designed to reduce the jobless rate and increase economic growth to the highest sustainable level consistent with price stability. Unfortunately, every budget plan focused solely on the deficit, made unnecessary and dangerous cuts in defense, and barely attempted a coherent strategy for economic opportunity and jobs.

The best plan, which I voted for, was the Latta substitute. This plan prudently trims nondefense spending, targets wasteful programs for termination, cuts corporate welfare, and rejects tax increases. I support the Latta plan because it maintains the integrity of Social Security cost-of-living adjustments and provides full inflation adjustment for low-income support programs.

Despite these positive aspects, I must withhold one cheer. In my judgment, the Latta budget provides insufficient money to continue our defense modernization efforts, as Mr. Latta himself recognized. To be blunt, I had to hold my nose to vote for a defense budget that provides only an inflation increase in defense spending from last year. We need a moderate but steady increase in the defense budget for our national security needs. This engenders efficiency and gives the lowest cost weapons.

But we didn't have that choice. The Democrat's cut defense by 4 percent by skipping the inflation adjustment. Given these two choices, I chose the Latta substitute which at least keeps defense even with inflation. The Democrat's defense plan is not a freeze, it is total retreat.

The Democrat's plan, according to some experts, severely undercuts the strategic defense initiative, which represents the best hope we have for maintaining the peace and assuring the success of arms control talks; it reverses the important gains we have made in weapons modernization; and by reducing military pay and retirement programs, the plan could lead to a drain in talented men and women from the military. Ironically, a real cut in defense spending generates enormous waste by slowing production rates for weapons to inefficient levels.

As we consider the Defense authorization bills, we should work to restore these needed funds for strategic defense, weapons procurement, operations and maintenance, and military salaries.

The biggest disappointment about the whole budget process is that we Republicans missed a great opportunity to formulate a budget which does more than put numbers on paper; instead, we should have formulated an economic strategy for job creation and growth.

A true jobs creation budget would include tax reform to enhance productive economic incentives; monetary reform to assure a stable standard of value; special incentives for depressed inner cities; and budget cuts to release resources to the private sector. To achieve full employment without inflation, all these strands must be woven into one whole cloth of economic policy; none can be left out, or we will not achieve our goal of reaching full economic potential.

The skeptics say that deficit-reduction must come first, before tax reform, before monetary reform, before enterprise zones. They are wrong. These other progrowth initiatives must also go forward to get our economy up to its full potential—and the deficits down to the lowest possible levels.

The irony is that if we achieve our overarching objective of full employment without inflation, the solution to our budget deficit problem would be within sight. Without lower unemployment, no budget plan, regardless of the level of budget cuts, will be able to attain a balanced budget.

In short, none of the budget plans offered this year get at the main cause of the deficit: unemployed people and capital. None of the budgets, in my judgment, sufficiently reduce domestic spending programs or provide sufficient funds for our defense needs. I give two cheers for the Latta substitute. I'll hold the third cheer until Congress restores necessary resources for our bipartisan defense modernization plans and formulates a jobs creation budget that puts people and factories back to work.

Ms. OAKAR. Mr. Chairman, I yield myself 10 seconds.

There is absolutely nothing in this resolution that talks about any dollar figure whatsoever. The gentleman from New York knows that. It is a diversionary tactic.

Mr. Chairman, I yield 15 seconds to the gentleman from Illinois [Mr. Russo].

Mr. RUSSO. I thank the gentlewoman.

Mr. Chairman, I just hope the gentleman from New York reads his script better when he runs for President, because if he follows the activity of the Ways and Means Committee, he will find that the Russo amendment raised $1 billion because of the problems with butterfly straddles so football players, basketball players and rock stars could not come into the commodities market and zero out their tax liability. That is what my amendment did.

Ms. OAKAR. Mr. Chairman, I yield 30 seconds to the gentleman from Ohio [Mr. Traficant].

Mr. TRAFICANT. I do not know what everybody is so surprised about. What did you expect? They want to tax waitresses at 8 percent, who are usually women who have children of their own, without a husband. But when you talk about taxing a corporation, the real constituency on that side of the aisle, then you raise the dander. And if you are shocked, then it is tough, my man, because this House has to do a responsible thing here, and that is to put the tax burden on the people where it should be placed. And let's tell it like it is.

The CHAIRMAN. The gentlewoman from Ohio [Ms. Oakar] has 2 minutes remaining.

Ms. OAKAR. Mr. Chairman, I yield my final 2 minutes to the gentleman from New York [Mr. Schumer].

Mr. SCHUMER. I yield for a brief and, I am sure, witty comment from the gentleman from New York.

Mr. DOWNEY of New York. I thank the gentleman for yielding.

I hope this does not portend badly for tax reform, because it seems this has agitated everyone. But it is clear that everyone knows that the only Trojan horse of tax reform is when David Stockman said that the original 1981 was the Trojan horse to bring the top rate down from 70 to 50.

□ 1420

Mr. SCHUMER. Let me, ladies and gentlemen, try to sum up what this amendment does. I do not want to inflame passions any further. I would say, ladies and gentlemen, we are in for a very fun-filled next 3 or 4 months if this rather hortatory resolution brings such passions on both sides of the aisle, I guess we can say when a real bill comes on the floor, "You ain't seen nothing yet."

But let me say, ladies and gentlemen, the American people are clamoring for reform. Many people try to say and try to put into their mouths what that reform is. Well, go ask them. The average person in the street, man or woman, is burnt up when he or she hears that they pay 25 percent of their income as taxes, and that General Electric or General Dynamics pays no taxes, no income taxes.

The average person on the street goes down the block and he sees the rich guy at the corner has two Mercedes and a yacht, and he just comes out of his house and he says: "Just saw my accountant; not paying any taxes this year." And the fellow, who lives in the brick house, that is making $40,000 a year is paying $10,000 or $15,000 in taxes.

This language says one thing: That must stop. People on that side of the aisle: Make our day; vote against this.

This amendment is very simple, and I think the debate shows the difference between Democratic tax reform and Republican tax reform. What we want to do is close loopholes, and where do we want to reduce rates? On the middle-income person, who has seen his or her taxes go up, up, up. From what I hear from the other side, what they want to do is also close loopholes, and then they want to place taxes, reduce the taxes on the corporations and the very wealthy.

● Mr. KOSTMAYER, Mr. Chairman, the Tax Code contains many inequities which must be addressed. Passing a comprehensive tax plan that lowers rates for middle class families, and closes irresponsible and unproductive tax preferences is one of the most important challenges that we now face.

Therefore, I do not believe that a minimum tax at this time, is the best way to resolve these problems. We should be moving toward comprehensive tax reform, not piecemeal tax reform.

The law has contained a minimum tax of 20 percent on individuals and 15 percent on corporations since 1969. Yet this tax is ineffective—it accounts for a very small percentage of total revenues and obviously has done little to provide for a fair tax structure. I ask my colleagues to consider the recent article in the Washington Post printed below.

The last thing we need is another layer of ineffective tax legislation which will raise no revenue while allowing Members of Congress to go home and claim credit for enacting tax reform. In fact, Mr. Speaker, the passage of this amendment could well derail the tax reform proposals currently before Congress.

This vague and openended effort to impose a minimum tax is really nothing more than a fiscal placebo. It proposes a Band-Aid for the gaping wound of the unfair and discriminatory present tax system.

Corporations and individuals should be paying their fair share of taxes—not a minimum tax, blind to circumstances and equity.

I ask my colleagues to oppose this minimum tax amendment. Instead, I ask you to work for a comprehensive and meaningful tax reform plan that will reduce tax rates for American families, will close the unfair and unproductive tax loopholes, and will create a tax system fair to all.

The article follows:

[From the Washington Post, May 2, 1985]

"MINIMUM TAX" HAS LIVED UP TO ITS NAME, DATA SHOWS

(By Anne Swardson)

Lost in the drive to enact a new minimum tax on corporations and individuals is a little-noted fact: Such taxes already exist and have proved virtually toothless.

Minimum taxes on the incomes of individuals and corporations were first enacted in 1969 amid disclosures that some wealthy individuals and firms legally escaped taxation.

The taxes have been amended three times since then, but still cover only 0.3 percent of taxpaying corporations and 0.1 percent of taxpaying individuals. The total revenue is $500 million a year.

The current minimum tax—15 percent on corporations and 20 percent on individuals—has proved to be ineffective, in part because it doesn't cover many preferences built into the tax code.

"It seems to be just another indication of how difficult things become when you get into a philosophy of, here's a ball, don't bounce it," said Joseph J. Minarik of the Urban Institute. "You put the preferences into the law and then decide to limit their use."

Analysts say the minimum tax on individuals has more bite than the corporate minimum tax. It is an "alternative tax," of the kind now being considered in Congress and by the Reagan administration as part of its revised tax-simplification proposal. Essentially, taxpayers figure their tax in two ways: the regular way and then without using certain deductions. They pay whichever is greater.

Even so, Internal Revenue Service figures show 447 individual returns with adjusted gross incomes of more than $200,000 had no tax liability in 1983.

The current corporate minimum tax is regarded as almost useless. Businesses add to their tax bill a percentage of the value of their deductions. But the list of preferences that must be added back is very short, and thousands of corporations manage to use such try benefits as the foreign tax credit and their investment tax credit to negate their tax liability.

Even President Reagan tried to do something about this problem during his first term.

In his 1982 of the Union address, Reagan pledged to "plug unwarranted tax loopholes." His Treasury Department, fretting about profitable corporations paying little or no income taxes, proposed a broad 15 percent minimum levy on business.

It all came to naught. The proposal, cut to ribbons by heavy business lobbying, never was sent to Congress and almost none of it showed up in the tax bill passed later that year.

Treasury estimated in 1982 when it proposed the minimum tax that it would apply to about 90,000 profitable corporations that paid little or no tax. The 15 percent corporate minimum levy endorsed by Reagan would have limited such widespread preferences as accelerated depreciation and oil exploration expenses, and raised taxes on such relatively low-tax industries as financial institutions and real estate.

"We started dropping stuff as the businesses came in to complain," said Mary Hevener, who as a Treasury Department attorney in 1982 drafted much of the minimum-tax proposal. "By June we had dropped so much, the whole thing was dead. We were back to where we started."●

● Mr. KOLBE. Mr. Chairman, we in the House of Representatives are currently addressing what is probably the most important issue that will be before us all year—that of setting aggregate targets for total budget authority outlays and revenues, direct loan obligations, and loan guarantee commitments, as well as levels for the public debt and deficit.

The importance of the size of both the public debt and the deficit cannot be overemphasized. These two figures permeate every aspect of our country's economy both domestically and internationally. Yes it is true that we live in an economy that is moving rapidly toward a $4 trillion gross national product. GNP has increased from $3.31 trillion in 1983 to $3.66 trillion in 1984. But it is also a cold fact that the public debt is now $1.745 trillion—and growing with every single day that we in Congress continue to spend without taking tough action to change our spending habits.

In this most serious situation, we have two choices—we can raise taxes or we can cut spending. The American people voiced their opinion on this issue last fall, and I am convinced that we need not conduct that debate again. The American people don't want more taxes; they want fair taxes. They don't want more spending; they want less spending.

We must cut Federal spending. We have no choice. And we must be very serious and conscientious—it is the most crucial task that confronts this Congress. Like any other task before us, we can do this the right way or the

wrong way. Regardless of the words spoken here, the American people will know if our savings are real or not.

I submit to my colleagues that some of the proposals that we have had before us the past 2 days are valid and some of them are not. One reason that I chose to support the amendment offered by the gentleman from Michigan [Mr. Pursell] is that the figures presented in that proposal are the most accurate of any we have considered. They have been reviewed and reviewed again by the Congressional Budget Office. These figures represent real savings.

On the other hand, I cannot in good conscience support the resolution as reported by the Budget Committee. The committee claims a reduction in the deficit of $56.2 billion for fiscal year 1986. But, on closer examination, this figure begins to look as though it is made with mirrors. The savings shrink; the reductions are illusory.

For example, the committee resolution assumes net savings in the allowance function of $4.9 billion in budget authority and $4.4 billion in outlays in fiscal year 1986, decreases of $6.1 and $5.7 billion, respectively, from the baseline.

But, on examination we find the majority of these savings are achieved through reduced spending for contracting. The committee states that Government management will be improved if the growth in contracting is curtailed—and then goes on to assume such a spending reduction.

Mr. Chairman, this kind of a spending reduction—totally unspecified—cannot be assumed as a real budget cut. It becomes, as the Senate majority leader described it, "blue smoke and mirrors." We certainly owe the American taxpayer more accuracy than this.

I have consistently supported an across-the-board budget freeze linked to a 2-year budget process so that each authorizing committee can conduct comprehensive and thorough oversight hearings. This would enable Congress to determine which programs are cost effective and should be continued, which programs can be changed so that they are cost effective and workable in the real world, and which program should be terminated. This is part of the job for which each was elected to do.

But, Mr. Chairman, the alternatives we are presented in the legislative process are not necessarily the same as we would ideally choose. That is the case with this budget, where the Rules Committee did not allow any substantive proposals to be considered. The proposals I have voted for do protect fully the cost-of-living increases for retirees on Social Security and Federal civil service. Veterans' programs remain intact. Defense spending is held to current levels—in one proposal at 1985 budget authority levels, in the other case with an inflationary increase offset by a reduction for unexpended funds in the current fiscal year. Most important, neither of them include a tax increase—an added burden on the American people.

I would be the first to grant that none of the proposals we have considered are perfect. But I am pleased to support budget resolutions that affirm my commitment to reductions in spending of at least $50 billion, preservation of benefits for the elderly, maintenance of a strong national defense, and no additional tax burden for the already overworked American taxpayer.

I urge my colleagues to work toward real, substantive cuts in Federal spending. I urge them to oppose the Budget Committee's proposal. Let's go back to the drawing board for a new and honest effort.●

● Mr. KLECZKA. Mr. Chairman, I rise in support of Congresswoman Oakar's minimum corporate tax amendment. And I commend the leadership for bringing this most important issue to the forefront of the budget debate.

The time is now to end corporate welfare. The time is now to end the benefits, preferences, and juggling of the present corporate tax system. This can best be immediately accomplished by enactment of a minimum corporate tax, whose revenues must be applied to reducing our massive Federal budget deficit.

The Congress must set the deficit on a declining path. The House Budget Committee, under the Solomon-like leadership of Chairman Gray, has ably begun this task. The budget proprosal we are considering today is fair, equitable, and efficient.

However, we cannot underestimate the need to accomplish even further deficit reduction. In keeping with the need to promote equity, the Congress should at this time demand that the corporate sector pay their fair share.

The time has come for the Congress to pay attention to the true special interest group of this country—the people. The people demand a simple and universal tax system. The people of this country must be the true beneficiaries of the Tax Code—not some corporate entity. The people demand fairness.

In the 1950's, the corporate income tax supplied 30 percent of all Federal Government revenues. By 1982, that figure had dropped to 6.2 percent, On the other hand, personal income taxes as a percentage of total Federal Government receipts, grew from 39 percent in 1950 to 49 percent in 1984.

A recent report by Citizens for Tax Justice showed that of 250 major profitable corporations studied during the years 1981–83, 128 of these companies paid no Federal taxes in at least one of those years. At the same time, these 128 companies were earning $56.7 billion. Seventeen of those 250 companies paid no taxes at all during these 3 years. And these companies gained rebates of taxes paid in previous years and sold unused tax benefits, thus receiving $112 billion while earning $14.9 billion in profits. Another 48 of these 250 companies paid no taxes in two of the 3 years and got rebates and benefits totaling $2.9 billion on profits of $19.5 billion. Of these 250 companies, 130 paid a smaller margin of their profits in taxes than the average American family: 0.3 percent versus 12 percent.

This is ample evidence that the time has come for everyone to pay their fair share. That means a true minimum corporate tax—not a replay of the 1981 tax package, where the winners were the corporations, the tax shelter beneficiaries, and the priviledged.

The 1981 tax package did not, as President Reagan claims, dramatically reduce the tax burden of Americans. What the 1981 tax package gave this country was the accelerated cost recovery system and the investment tax credit. The 1981 tax package gave this country's industries—like chemicals, construction, electronics, banking, insurance, investment, motor vehicles, paper and wood, railroads, telecommunications, and utilities—effective tax rates of less than 10 percent.

I urge my colleagues to support the Oakar amendment for a minimum corporate tax. A vote for a minimum corporate tax is a vote for evenhandedness and fair play. It is a vote to put the icing on the Congress' attempt to reduce the Federal budget deficit. And we must reduce the deficit as much as possible.

Finally, a vote for this amendment is a vote toward producing an efficient and effective tax system.

Mr. Chairman, if we are serious about reducing the Federal budget; reducing our high real interest rates, and maintaining and restoring U.S. competitiveness in world markets—then we must say yes, yes now to the minimum corporate tax. Such a vote would then ensure that this already fair and equitable budget package would be pristine.●

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentlewoman from Ohio [Ms. Oakar].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Ms. OAKAR. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 142, noes

283, "answered, present" 1, not voting 8, as follows:

[Roll No. 130]

AYES—142

Ackerman
Addabbo
Akaka
Alexander
Anderson
Annunzio
Aspin
Atkins
Barnes
Bedell
Bennett
Berman
Biaggi
Boner (TN)
Borski
Boxer
Brooks
Brown (CA)
Bryant
Burton (CA)
Bustamante
Clay
Coelho
Collins
Conte
Conyers
Cooper
Coyne
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Dwyer
Dymally
Early
Edgar
Edwards (CA)
Evans (IL)
Fascell
Fazio
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Garcia
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Gray (IL)
Guarini
Hawkins
Hayes
Howard
Hoyer
Hubbard
Hutto
Jones (NC)
Jones (TN)
Kastenmeier
Kildee
Kleczka
LaFalce
Lantos
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lundine
Manton
Markey
Martinez
Matsui
Mavroules
McHugh
Mikulski
Mineta
Mitchell
Moakley
Mollohan
Moody
Morrison (CT)
Nowak
Oakar
Oberstar
Obey
Owens
Pease
Pepper
Perkins
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Rahall
Rangel
Richardson
Robinson
Rodino
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Rostenkowski
Roybal
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Sabo
Savage
Scheuer
Schroeder
Schumer
Smith (FL)
Solarz
St Germain
Stark
Stokes
Studds
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vento
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Williams
Wilson
Wirth
Wise
Wolpe
Wright
Yates

NOES—283

Andrews
Anthony
Applegate
Archer
Armey
AuCoin
Badham
Barnard
Bartlett
Barton
Bateman
Bates
Beilenson
Bentley
Bereuter
Bevill
Bilirakis
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Boggs
Boland
Bonior (MI)
Bonker
Bosco
Boucher
Boulter
Breaux
Broomfield
Brown (CO)
Broyhill
Bruce
Burton (IN)
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chappie
Cheney
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Coats
Cobey
Coble
Coleman (MO)
Coleman (TX)
Combest
Coughlin
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Craig
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Daniel
Dannemeyer
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Daschle
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Davis
de la Garza
DeLay
Derrick
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Durbin
Dyson
Eckart (OH)
Eckert (NY)
Emerson
English
Erdreich
Evans (IA)
Fawell
Feighan
Fiedler
Fields
Flippo
Fowler
Franklin
Frenzel
Frost
Fuqua
Gallo
Gaydos
Gekas
Gilman
Gingrich
Glickman
Goodling
Green
Gregg
Grotberg
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Huckaby
Hughes
Hunter
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (OK)
Kanjorski
Kasich
Kemp
Kennelly
Kindness
Kolbe
Kolter
Kostmayer
Kramer
Lagomarsino
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
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Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
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Lowery (CA)
Lowry (WA)
Lujan
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MacKay
Madigan
Marlenee
Martin (IL)
Martin (NY)
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McCloskey
McCollum
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Miller (CA)
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Parris
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Porter
Pursell
Quillen
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Rinaldo
Ritter
Roberts
Roemer
Rogers
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Rudd
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stenholm
Strang
Stratton
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Valentine
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walker
Weber
Whitehurst
Whitley
Whittaker
Whitten
Wolf
Wortley
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

ANSWERED "PRESENT"—1

Gray (PA)

NOT VOTING—8

Crockett
Edwards (OK)
Fish
Gradison
Hall, Sam
Hyde
Kaptur
Seiberling

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Messrs. AuCOIN, LEWIS of Florida, VOLKMER, HEFTEL of Hawaii, SPRATT, and FROST changed their votes from "aye" to "no."

Mrs. LLOYD, Mr. ST GERMAIN, and Mr. FORD of Tennessee changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. STENHOLM. Mr. Chairman, I want to begin by commending Chairman Gray for his hard work on the budget this year. This is possibly the best first concurrent budget resolution I have have ever seen come out of the committee and Chairman Gray deserves no small credit for his serious and prudent efforts at cutting spending and reducing the deficit.

While I am very supportive of much of the committee budget, I do want to express my serious reservations about one small portion and raise some questions, for the record, about some of the committee's assumptions and results in function 920, allowances.

The committee budget recommends approximately $4 billion in savings from reducing purchases of contracted-out services. At this point, I do not understand how this policy change will achieve these savings.

Our own Congressional Budget Office, the General Accounting Office, the National Academy of Public Administration, the Department of Defense, and others have found on numerous occasions that contracting out saves the taxpayers money. In fact, OMB circular A-76 requires a cost saving of 10 percent before contracting out is even triggered.

The GAO, in a report just released on April 15, studied 20 instances of contracting out in the Defense Department. Despite cost increases after contracts were let—most of which came from prevailing wage increases mandated by the Federal Government—DOD was still saving money on 17 of the 20, as much as 7 years after they were contracted out.

The committee report simply says that contracting-out purchases will be reduced and costs will be cut. This implies either that the Government will stop purchasing certain services altogether—which I might wind up supporting fully—or that several billion dollars worth of services will be shifted back in-house—which will not necessarily save money.

The committee report also noted concern that nondefense spending on contracting out increased by 50 percent from fiscal year 1980 through fiscal year 1985. The first question that comes to my mind is, How much of this growth actually represented increasing costs for the amount of services provided and how much merely represented the letting of new contracts? If we have also obtained a significant increase in services over that time, that would suggest contracting out was often a bargain.

If the committee's purpose in function 920 is to make the Government a better, more hard-nosed bargainer, I support that, if its purpose is to crack down on cost overruns, I am all for that. However, if the purpose here is to move a substantial number of services back in-house and to curtail contracting out generally, then I seriously question whether we really can achieve the savings assumed here.

Mr. HUGHES. Mr. Chairman, I rise in support of House Concurrent Resolution 152, as reported by the House Budget Committee.

I feel as most Members probably do in not being totally satisfied with any of the proposals that have been brought before us. Despite those general reservations, however, I feel that

the committee resolution, on balance, has made the sincerest effort to spread the pain of budget cuts so that no one group or region is singled out to bear a disproportionate share of the sacrifice.

The level of defense spending has been the focus of a great portion of the debate on this budget resolution. Ordinarily, I would be inclined toward a defense budget increase, or at least holding defense spending equal with the rate of inflation, as is proposed in the Latta substitute.

In this case, however, I was stunned last week when Secretary Weinberger announced that some $4 billion had simply been found for dispersal on various Pentagon projects. That revelation came at a time when the chairman of the House Armed Services Committee estimated that there was $15, $20, or even more billions of dollars in the pipeline as a result of routine overestimates that are used as a cushion by Pentagon planners.

This type of gluttonous budgeting, combined with abusive or even fraudulent conduct by Defense contractors, certainly does litle to inspire belief in the Pentagon's urgent warnings on the need for more defense spending.

In any event, even with the budget freeze, the resolution before us calls for more than twice the level of defense spending that existed in fiscal 1980. Such a tremendous increase ought to be sufficient to meet our security needs.

I certainly respect the effort put in by the gentleman from Ohio, [Mr. Latta] in developing his substitute. In particular, it keeps faith with last year's election pledges that cost-of-living increases for Social Security recipients would not be eliminated.

Unfortunately, however, the Latta substitute compensates for these increases, as well as defense increases, through cuts which are particularly onerous for the Northeast.

For example, while the committee resolution cuts Amtrak a modest 10 percent, the Latta substitute makes what must be regarded as killer cuts amounting to 40 percent by fiscal year 1988. Similarly, while the committee resolution either freezes or makes modest cuts in a number of other programs, the Latta substitute significantly cuts programs such as mass transit, Urban Development Action Grants, small business loans, and trade adjustment assistance.

I am also at a loss to understand why, when it is so clear that America must invest more in educating our youth, such a great effort has been made to single out guaranteed student loans for more and more cuts. It is becoming very difficult for average or even upper income families to find the financial resources necessary to educate their children.

At the same time, around the world, our trading partners and market competitors understand that educated children will be making the technological innovation and scientific discoveries of the future that will ultimately translate into superiority in the marketplace. Are we so shortsighted that we will jeopardize our ability to compete in the 21st century in order to save a few dollars in the 1980's?

Lastly, I am very disappointed that the committee resolution does not contain an effort to raise additional revenues by imposing a minimum tax on these very profitable corporations or wealthy individuals who now utilize shelters, loopholes, and writeoffs to avoid the payment of any Federal income tax.

Additionally, I am very disappointed that the rule for consideration of this resolution does not allow for the offering of an amendment to impose a minimum tax with teeth. Although I commend the efforts of the gentlelady from Ohio, Congresswoman Oakar, I do not regard a sense-of-the-Congress resolution as the strong medicine we need at this time.

It doesn't make sense, and it isn't fair, to be cutting back on important programs—such as educating our kids—while there are still some among us who are not paying their fair share of taxes. We need to recognize that it makes no difference whether we send an individual a benefit check for a tax refund check—it is still a subsidy which ought to be scrutinized.

Notwithstanding my reservations, I regard with committee resolution as a basically sensible framework, and justifiable set of priorities, that we can look to in fashioning a budget, and enacting appropriations bills in the weeks and months ahead.

The committee has met the President's request to trim the deficit by approximately $50 billion this year. The economic assumptions, although shakey, are the same ones that were used in passing the Senate budget. These assumptions call for 4 percent growth, inflation of around 4 percent, interest rates of 5.9 percent by 1988, and a gradual decline of unemployment.

I have little question that, based on private forecasters and our own Congressional Budget Office, America's actual economic performance will unfortunately fall far short of these optimistic targets. Nevertheless, we have at least used a consistent set of assumptions in considering the various measures before us.

I urge my colleagues to support the committee resolution which has taken such an even handed approach to the difficult question of establishing budget priorities.

● Mr. STALLINGS. Mr. Chairman, I rise in support of House Concurrent Resolution 152, despite my doubts that the baseline and economic assumptions on which it is based are credible enough to result in the $56.2 billion savings projected in 1986. Nevertheless, I support this budget because it reduces the deficit in the only way it could be done—with broad and comprehensive cuts that require all Americans to share in the sacrifice.

At $200 billion, the deficit represents a potential time bomb, wired to the economy. It threatens each and every one of us—our families, jobs, farms, businesses, and livelihoods. And it will haunt Americans for generations to come.

The statistics are staggering. The national debt has doubled in 4 years, and will double again by 1990. The foreign trade deficit, sparked by high interest rates and a sky-high dollar, has quadrupled since 1980. Interest on the national debt has grown from 9 to 15 percent of the budget since 1980, the fastest growing component of the Federal budget.

And while I do not think that House Concurrent Resolution 152 will result in a deficit as low as $173 billion in 1986, it is a first step in the right direction. It provides a full cost-of-living adjustment to retirees. It funds defense responsibly, allowing for a $15 billion outlay increase in 1986, without breaking the Treasury. And very importantly, it reduces the deficit by cutting spending, not raising taxes.

I commend the chairman and the members of the House Budget Committee for their efforts. And I praise Members from both sides of the aisle who refrained from partisan name-calling. Our attention is focused on the problem, and we have come to accept the seriousness of the situation. These are good signs. However, even with these cuts, the deficit is still unacceptably high. There is room for improvement, particularly in setting a true baseline and choosing realistic economic assumptions, and we should continue to strive to restore fiscal integrity to the budget process of the Federal Government.●

● Mr. DURBIN. Mr. Chairman, I would like to express my firm support for the House Budget Committee's strong commitment to preserving Federal assistance to local governments in fiscal year 1986.

This budget resolution acknowledges the importance of programs such as ubran development action grants, community services block grants and the Economic Development Administration. Equally important, it recognizes the shortsightedness of the President's original proposal to terminate revenue sharing abruptly at the end of fiscal year 1985.

The revenue sharing program's critics claim that it has been wasteful and has allowed local governments to rely heavily on the Federal Government while building up surpluses in their own accounts. The input I have received from my mayors demonstrates that this is not the case in Illinois' 20th Congressional District.

For example, in the city of Decatur, which was suffering from 20-percent unemployment and shrinking local revenues from 1982 to 1983, Federal revenue sharing funds were used to maintain vital police and fire services.

In South Fork Township, which has a population of 3,151 and is thus too small to qualify for many federally funded projects, revenue sharing funds have been used for a snowplow, a van for a senior citizens center, utilities for the local fire department and repairs to the city water tower.

In Pittsfield funds were used to fill important needs such as the purchase of a dump truck, sidewalk repair, and ambulance service.

The city of Carlinville serves its citizens with an ambulance funded by revenue sharing.

In each instance, the mayors have indicated that such services could not have been provided without Federal aid. I do not find these uses of Federal revenue sharing funds to be wasteful.

I recently completed a survey of local officials in my district to solicit their views on the future of revenue sharing. Of those who responded, 96 percent favored continuation of the program in its existing form. One percent favored outright elimination, and the remaining 3 percent advocated reform of certain aspects of the program. However, as I have emphasized to these individuals and many others in my district, there is simply less revenue to share in these times of unprecedented budget deficits. Budget realities dictate that all areas of Federal be reassessed and restrained.

The Budget Committee's proposal acknowledges these realities and phases out Federal revenue sharing in fiscal year 1987. However, it does not abrogate the Federal Government's compact with local governments across the country in fiscal year 1986.

There is a major difference between the House Budget Committee's proposal and the version passed by the Senate concerning assistance to local governments. The Senate wisely rejected the administration's request to terminate revenue sharing immediately; it continues funding for 1 year before ending the program in 1987. At the same time, however, it eliminates many other valuable local assistance programs such as urban development action grants and community service block grants.

The House Budget Committee cuts revenue sharing funds by 25 percent in fiscal year 1986 and terminates the program, as does the Senate, in the next fiscal year. However, it takes into account the vital importance of these other local government assistance programs and preserves them.

I believe it is irresponsible to cut off such a large share of local government assistance when many of these governments are not wallowing in budget surpluses, as the administration claims, but are struggling to provide basic services that they cannot finance alone.

Mr. Chariman, the prudent path to pursue, the one that will lay the groundwork for economic redevelopment, is that outlined in the House Budget Committee's proposal.●

● Mr. BUSTAMANTE. Mr. Chairman, it is time to discipline the Federal budget. This is no easy task—but if we do not harness the deficit now, it is likely to run out of control. To bring the deficit under control there must be sacrifices—shared sacrifices. We also must continue to provide for the well being of the elderly and the poor. I have no doubts that most of you share my concerns, and I commend you on your efforts to reach those goals.

After careful review, I feel that the Leath-MacKay-Slattery amendment to the House budget resolution best achieves a fair and equitable balance of the sacrifices that face us.

This amendment makes sense. Over the next 3 years we could achieve an additional $88 billion in deficit reduction by increasing revenues and by freezing cost-of-living adjustment allowances with a plowback for those below the poverty level. The deficit would be reduced by a total of nearly $144 billion. The additional savings of this plan would make a noticeable difference in slashing the deficit.

If we allow the current situation of mounting deficits to continue, it will be the poor and elderly who suffer most. That is why we must make every effort to bring the budget deficit under control.

This amendment would provide the necessary funds for our elderly poor. With the Social Security COLA plowback, those who would otherwise fall below the poverty level would not be forgotten. They would continue to receive the cost-of-living increases they need. For a period of 1 year, other Social Security recipients would be asked to forego cost-of-living adjustment allowances.

I intend to support Chairman Gray on final passage of the budget. However, the Leath-MacKay-Slattery amendment, which incorporates all of the provisions of the Budget Committee, offers a fair and sensible way to share sacrifices and to harness runaway deficits. It would make a difference.●

● Mr. FRENZEL. Mr. Chairman, I am greatly disappointed by the budget debate. In fact, I am greatly disappointed by the whole budget process.

None of the budget options presented was worth a vote on its own merits. Compared to the standard, the Budget Committee's proposal, nearly all attracted my notes. I didn't vote for them because they were good. I supported them because the House Budget Committee's proposal was so bad.

I shall vote against this final version of the budget. It overstates savings by at least one-half. It promises deficit reduction of $56 billion. If it can deliver $25 billion, we will all be terribly fortunate.

We will lose $10 billion on overoptimistic assumptions, or maybe more: $10 billion in promised savings are unachievable. Since most of the savings are not, by the terms of the resolution, subject to the reconciliation process, there will be untold billions of extra slippage.

No wonder the credit markets don't believe us. No wonder the economists don't believe us. No wonder the people don't believe us either.

Now Congress must work on the conference and on reconciliation. Despite the poor start, the phony numbers, and the wasted opportunity, we need to work to salvage every possible penny of savings.

Further, we need to begin an immediate review and subsequent restructuring of a clearly ineffective budget process.●

● Ms. MIKULSKI. Mr. Chairman, I believe the most important job before this Congress is to reduce the Federal deficit and protect jobs. We must, therefore, support a budget that encourages public investments that create private sector jobs.

Keeping in mind the principle of public investment to create private sector jobs, I have worked hard to save Amtrak from being eliminated. The House budget cuts the Amtrak subsidy by only 10 percent, whereas the Senate's budget cuts Amtrak by 12 percent. I'm also continuing my efforts to ensure that the sale of Conrail results in a good return on the Government's investment.

I have given the House budget much thought and analysis and I strongly believe it provides the best solution to our current deficit dilemma. I support the House budget (H. Con. Res. 152) because it makes a serious downpayment on the Federal deficit ($56.2 billion in fiscal year 1986) and it saves jobs.

This budget protects Social Security and maintains our national security. This budget will put our country on the path of annual reductions in the staggering deficits that have been projected.

I believe this budget will allow interest rates to come down and the economy to expand in a way that will reduce the rate of unemployment, which is still much too high. The House budget should also bring the dollar down to

more realistic levels, enabling us to export more and address the dangerous balance of payments problem.

This budget is better for my home State of Maryland than the Senate's budget. The House budget protects means-tested entitlement programs—Medicaid, aid to families with dependent children, food stamps and child nutrition from further cuts. This House budget does not agree with the administration's proposal of arbitrarily shifting the Federal responsibilities to the State governments without the corresponding resources.

Most importantly, the Government has a responsibility to stand by the commitments it has made to the hardworking people that depend on those commitments. The House budget protects those dedicated workers and retirees that have earned their benefits.

We must bring the deficit under control. We must do it in a fair and equitable way. This House budget provides a good first step. A step we must take now.●

● Mr. LOWRY of Washington. Mr. Chairman, today I rise to indicate my strong support for the budget resolution reported by the House Budget Committee under the leadership of my friend and colleague, Chairman Bill Gray. I would also like to express my great respect and admiration for the tremendous job accomplished by Chairman Gray in providing the leadership to develop a budget package that achieves significant budget deficit reductions in a fair and compassionate manner.

The House Budget Committee has adopted a budget resolution for 1986 which exceeds the deficit reduction target set by the President in February of this year. Unlike the plan proposed by the President or the resolution passed by the Senate, the House budget plan equally distributes spending cuts among both domestic and defense programs; 51 percent of all budget savings are achieved from nondefense areas and 49 percent of all savings result from moderating the growth in military spending. Further, the House budget plan acknowledges our special commitment and obligation to low-income Americans by protecting all low-income programs and the elderly.

The Budget Committee's plan freezes defense spending at the 1985 budget authority level. Even under this plan, actual spending outlays will increase by $15 billion in 1986. I believe that this increase is still too much based on the excessive growth of the last 5 years and I argued vigorously for the lowest possible military budget for 1986. The budget plan before us is the lowest amount a consensus of this House would support and I thank my colleagues who were willing to support a lower figure than they desired in their effort to reach a consensus on a budget plan. I share the conviction of the majority of the members of the House Budget Committee that the doubling of the military budget in the last 4 years provides more than a sufficient cushion to ensure that spending levels will be adequate in 1986 and in subsequent years.

Under this budget plan, most non-low-income domestic programs are frozen at 1985 levels or cut slightly, unlike the Senate and the President's budget plan which terminates a number of programs. I also wholeheartedly support exempting most low-income programs from the freeze and providing an inflation increase to maintain the current level of service. Further, cost-of-living increases for Social Security and other retirement programs are retained in the House plan, unlike the Senate budget proposal which is supported by the President. Within the deficit reduction target, the House budget plan also accommodates funding for the homeless and additional funds for child nutrition and food stamps.

As a representative from the Pacific Northwest, I am also impressed by the treatment of programs affecting my region. The House budget saves the direct loan program of the Export-Import Bank which is vitally important to the Northwest. The House Budget Committee also rejected the President's plan for higher electric utility rates through increased interest payments by the power marketing administrations, including the Bonneville Power Administration. Urban mass transit funding [of great importance to the Puget Sound area] is frozen at 1985 levels, compared to a 20-percent cut in the Senate plan.

Finally, I also support the decision of the House Budget Committee that certain other, non-low-income programs, must be preserved and enhanced while also meeting the deficit reduction target. For example, unlike the Senate budget, we fully funded Federal justice administration programs designed to combat crime. In addition, the House budget plan provides strong support for civilian research and development such as the continued development of the space station by NASA.

As a member of the House Budget Committee, I am proud that we were able to draft a budget that surpasses the President's deficit reduction goal and at the same time provides for programs that are vital to low-income people, senior citizens, the young, and our own economy. I commend Chairman Gray and my colleagues on the Budget Committee whose long and hard work has resulted in a budget plan which deserves our support. Thank you.●

● Mr. BOLAND. Mr. Chairman, I want to express my strong support for the budget resolution and I want to urge its adoption by my colleagues.

At the outset, I want to congratulate Chairman Gray for the work he has done on the budget. He has brought to the House floor a resolution that fairly and responsibly addressed the major economic problem confronting our country—the massive deficits in the Federal budget.

The committee resolution embodies a number of difficult choices. Programs, on both the domestic and defense sides of the budget, are cut, and let's not make any mistake about that. Over the 3 years covered by the resolution, $87 billion will be cut from domestic spending and $7 billion from defense. For every $1 the committee budget cuts from defense, $4 will be cut from domestic programs. There are sacrifices demanded by this budget, but those sacrifices will be fairly shared. Rather than take the course advocated by President Reagan and adopted by the majority in the other body, the House Budget Committee's resolution does not savage domestic programs. It requires them to be trimmed, not terminated. Faced with a choice between providing a full inflation adjustment for the Pentagon and providing full COLA's for Social Security recipients and other retirees, our Budget Committee elected to protect the interests of those least able to protect themselves—our senior citizens. I support that choice. I believe it is reflective of an assessment of priorities with which most Americans would agree. That judgment on priorities is the common thread which runs throughout the Budget Committee's resolution; it distinguishes it from all the competing resolutions and I believe it is the characteristic that should compel the resolution's adoption by the House.

Mr. Chairman, the deficits which imperil our economy demand our attention. But they must be addressed in a way that does not tear apart the fabric of our society. Providing for the national defense is a legitimate responsibility of government. But so is providing health care for those who can't afford it, education for those who seek it, and security in their old age for those who have earned it by their labor. The budget resolution reported by the Budget Committee does the best job of recognizing those different responsibilities and allocating the resources necessary to discharge them. I endorse it and I hope my colleagues will do the same.●

● Mr. GAYDOS. Mr. Chairman, the budget resolution before us is a commendable piece of work by the committee and its chairman, my friend and colleague, Mr. Gray. They have done a yeoman's job in preparing a document that certainly goes farther toward serving the people of this coun-

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try than does the comparable document from the other Chamber.

But when I see people in western Pennsylvania losing their jobs, I feel I must speak to the deficiencies in this budget. In my area, the 20th Congressional District, it is estimated that since 1980, 18,000 jobs have been lost. Since that time, the list of companies that have shut their doors includes such as Mesta, Copperweld, Bucyrus-Erie, Continental Can, Teledyne-First Sterling, Wean Foundry, and Union Specialty Steel. In addition, there have been severe cutbacks and closings in United States Steel operations at the Clairton Works, the McKeesport-Duquesne National Works, the Edgar Thompson Works, and the Homestead Works.

And just last week, LTV Steel announced that 1,300 more men and women who work at the Aliquippa Works in the neighboring district, will be out of work by the end of June.

We must recognize these lost jobs affect not only those who are displaced and their families, but also the communities in which they live.

Every plant closing, every layoff of workers, affects an entire community. It hurts the grocer, the local banker who holds the mortgage, even the local car dealer who may well have lost a sale.

There is no end to the impact. That is why I feel so strongly that urban development action grants and revenue sharing are important programs. The funds from these programs can well make the difference for a city, borough, township, or any other form of municipal structure—the difference between becoming a ghost town and remaining a thriving family community.

I am dismayed by the proposed 10-percent cut in UDAG funds for fiscal year 1986, but the proposed 25-percent cut in revenue sharing for 1986 and the complete and total annihilation of the program for 1987 dumbfounds me. For too many communities—cities, boroughs, townships—where those thousands of jobs have been lost just since 1980, revenue sharing and UDAG are the only resources keeping them from the brink of disaster and bankruptcy.

When a steel plant or other employer shuts its doors, it costs jobs and it hurts people and it cuts into the tax revenues. Even at the best of times, the unemployed, the elderly, and our widows have a difficult time paying their property taxes. Will they be able to make up the difference in millage to cover the dollars lost by the end of revenue sharing?

If revenue sharing were ended today, McKeesport would have to raise property taxes by 6 mills to offset the loss; Clairton would need nearly an 8-mill increase; and Homestead a 7-mill hike in taxes. And those are just three of the communities in my district. Overall, the loss to cities, townships, and boroughs in the 20th Congressional District would be $5.5 million.

When a plant closes, the real estate taxes it paid are gone—forever!

So the community has less tax money to work with, just at the time when it needs more, just at a time when it is being called on the provide more and a wider variety of services to its citizens—the unemployed, the elderly, the poor, the helpless—who have suffered, are suffering, and will suffer.

I support as always full cost-of-living increases for our senior citizens on Social Security. I can't understand how the Senate has decided that it is more important to reward the Defense Department with more money even though it is unable to control waste in the Department than to insure continued cost-of-living benefits for our seniors who have given so much to this country already.

And, Mr. Chairman, when it comes to education, I cannot see how we can cheer a decision to not cut funds for higher education grants and loans. Everybody seems pleased that the House budget resolution is freezing those programs at 1985 levels, but if we consider that the cost of higher education is rising, then I believe our contribution to helping America's future—our youth—must increase as well.

Let's face it; we need a highly trained future for this country. Our youth will not be able to find good-paying jobs in factories and mills because those jobs are dwindling at a rapid rate. We need highly trained workers for our hi-tech industries and that means a college education.

Too many of our young people are already struggling to stay in school. Many who were getting some help from their parents now find that their parents are out of work because their jobs disappeared into the dust and no longer can get that parental assistance. Without our help, they will be unable to complete the education they need, this country needs, so they can become truly productive members of this society.

The House budget certainly is better in its concern for the American people than the Senate budget is, but that doesn't mean it is a good budget. Frankly, it leaves a lot to be desired and I find it impossible for me to support with my vote, especially when I think of the thousands in my district that will suffer because of this decision.●

● Mrs. SCHNEIDER. Mr. Chairman, yesterday the House considered a budget prepared by a group of moderate Republicans. That budget was unique because all of the proposals that it contained had been carefully examined and verified as accurate by the Congressional Budget Office. Although there were proposals for cuts in that budget that I did not like, I knew exactly what those recommendations were. It is easy to say, as the House Democrats say, "We'll cut a billion from Medicare" and to lack the courage to recommend which programs will be affected. It is easy to say, as the House Democrats say, "We'll cut VA programs," and not tell veterans what to expect in terms of their benefits next year. It is far more difficult to develop proposals for trimming back important programs in a fair and equitable manner. But the 92 Group had the courage to do just this in developing our budget.

In many respects the House Budget Committee document parallels the budget developed by the 92 Group. Both freeze defense spending, both are careful not to eliminate important social programs, both view deficit reduction as one of the most important responsibilities facing Congress. But the similarities disappear on close examination. The House Budget Committee document fails in many important respects to tell the American public how it plans to achieve deficit reduction.

I will vote against the House Budget Committee today because I feel that it is not an honest budget. It is marked by a failure to make recommendations on how to cut programs, and its numbers simply will not hold up under unbiased examination by the Congressional Budget Office. It is unfortunate that the Budget Committee was unable to take the time to ensure the intergrity of its budget and to develop an honest and forthright proposal for our consideration.

Mr. Chairman, I want to emphasize that I am not voting against this resolution as an obstructionist or because I take the budget process lightly. Much to the contrary—I would hope that this proposal is defeated so that the positive elements in it can be verified. The American public deserves to know that the House has considered how it will implement a deficit reducing budget and the Members of the House need to cast their vote with confidence that the numbers presented in a budget resolution are accurate.●

● Mr. GRAY of Pennsylvania. Mr. Chairman, during Budget Committee proceedings our colleague from Montana, Mr. WILLIAMS, proposed that certain Federal efforts which assist low-income and handicapped Americans receive an inflationary increase in appropriations during fiscal year 1986.

I am including a list of those high priority items which also includes the assumed appropriation levels:

ENTITLEMENT PROGRAMS

Function 550: Medicaid.

Function 600: Food stamps, Child Nutrition, Supplemental Security Income.

Function 700: Veterans' Pensions.

DISCRETIONARY PROGRAMS

Function 270: Low-Income Weatherization.

Function 500: Community Services Block Grant, Training, WIN, Older Americans Employment, Education for all Handicapped Children, Indian Education, Student Financial Assistance, TRIO and Aid to Historically Black Colleges, Head Start, Compensatory Education, Child Welfare Services, Vocational Rehabilitation.

Function 550: Community Health Centers/Primary Care, Family Planning, Migrant Health, Indian Health and Facilities, Immunizations, Vaccine Stockpiles, AIDS.

Function 600: WIC, Low-Income Energy Assistance, Low-Income Housing.

Function 750: Juvenile Justice, Legal Services.●

● Mr. LUNDINE. Mr. Chairman, I rise in support of House Concurrent Resolution 152, the first concurrent resolution on the Budget for fiscal year 1986 and would like to commend Chairman GRAY for his leadership in putting together a responsible deficit reduction package which clearly reflects the priorities of the American people.

The decision the House of Representatives makes this week with its choice of budget resolutions will have a significant impact on the economic health of our Nation. Reducing our Federal deficit is the most serious challenge facing this country today. The nonpartisan Congressional Budget Office estimates that unless we take drastic action, the Federal deficit will rise from $215 billion in 1985 to $220 billion in 1986 and $302 billion by the end of this decade.

In 4 years, about 30 percent of our Federal taxes would be used just to pay interest on the national debt. In addition, our trade deficit is expected to exceed $140 billion during the 1985 calendar year. These escalating deficits could halt our economy's growth and severely burden future generations.

It is clear that we are living on borrowed time. We are financing our budget deficit with increasing amounts of foreign capital. The United States has become a net debtor country this year. By 1990, we will owe other nations of the world an unprecedented $1 trillion. This is more than the combined debt of all the developing countries today.

One of the chief causes of our escalating trade deficit is our budget deficit. The deficit is keeping real interest rates at historic highs, thus attracting foreign capital to finance the Federal debt. The large flow of capital into the United States is keeping the value of the dollar on international exchange markets abnormally inflated and certainly out of reasonable balance with other major currencies. This makes it very difficult for U.S. exporters to compete abroad and makes it very easy for foreign countries to export to the United States.

By adopting a responsible deficit reduction proposal, we will be taking the first steps toward sustaining economic expanision, reducing inflationary risks, lowering rates, and increasing the share of GNP devoted to productive investment in physical and human resources.

In judging the various budget proposals under consideration, we must keep two criteria in mind. First, does the proposal meet our deficit reduction goals? This year, $50 billion is the magic number since this is the deficit reduction goal set by the President in his original February budget proposal.

I agree that we urgently need to reduce next year's deficit by at least $50 billion and believe we ought to consider ways of surpassing this savings floor. For this reason, I have proposed legislation which would impose a 2-year, temporary, declining surcharge on all imports into the United States.

In my view, the imposition of a surcharge would help reduce both the Federal budget deficit and the trade deficit. If combined with $50 billion in other deficit reduction measures, the surcharge could yield a total of $80 billion or more in deficit reduction during fiscal year 1986 and 1987.

In normal times, I would not be proposing a surcharge, but, these are not normal times. The prospect of a $200 billion budget deficit and $140 billion trade deficits spells disaster for the American economy. We need take bold action in order to send a strong signal and I am hopeful that this proposal will be considered in the future.

The second question we must ask in evaluating the budget proposal is whether or not the budget reflects spending priorities with which we agree. In my view, the budget should demonstrate support for contined investment in community and economic development programs, in programs which enhance our international competitiveness, and in programs to improve economic opportunity and social justice for all Americans. In general, we need to support programs which provide the best return on our public investment.

As we all know, the President's budget would reduce projected deficits almost excusively by cutting nondefense domestic spending. The proposal called for deficit reductions totaling $50 billion in fiscal year 1986, $234 billion over the next 3 fiscal years, and $502 billion over the next 5 fiscal years.

This proposal continues to reflect the President's spending priorities, providing massive increase in defense expenditures—$31.9 billion increase in fiscal year 1986—and major domestic spending reductions—$43.4 billion cut in fiscal year 1986. In addition, the termination of almost all major community and economic development programs including UDAG's, EDA, ARC, small business loan programs, and general revenue sharing and major reductions in CDBG's, housing programs and community services was proposed.

Clearly, the President's proposal was excessive and did not recognize the need to continue to support these vital development programs.

The Senate Budget does improve somewhat on the President's original proposal. The Senate met the test of deficit reductions surpassing the President by saving $56 billion in fiscal year 1986, $99.9 billion in 1987, and $139.3 billion in 1988. However, while improving on the President's spending priorities—in the case of UDAG's as an afterthought—the Senate failed to provide the necessary level of support for community and economic development program. In addition, the Senate by providing an inflation increase for defense and limiting social security cost-of-living adjustments clearly reflects a different set of priorities.

Today, we are considering a budget resolution put forward by the House Budget Committee. This proposal surpasses the $50 billion deficit reduction test, saving $56.2 billion in fiscal year 1986, $82.9 billion in fiscal year 1987, and $119.9 billion in fiscal year 1988. While the proposed House resolution does not match the Senate savings dollar for dollar, in my view, the spending priorities it reflects compensate for this difference and make it a superior budget blueprint overall.

First, the House Budget Committee voted to continue almost all of the programs slated for termination by the President and the Senate. These programs, including UDAG's CDB's the Rental Housing Development Grant Program, ARC, and EDA would be reduced by 10 percent in fiscal year 1986 under the House plan. These programs have brought private sector investment and thousands of new jobs into economically distressed areas around the country, including the southern tier of New York and I strongly support their retention in the budget.

Second, this proposal recognizes the need to support programs which help provide economic opportunity for all Americans. Specifically, by exempting successful Federal programs for low income children and families from budget cuts, the House recognizes the long-term savings that result from the development of strong, healthy children and youth into self-sufficient productive citizens. This support is more important than ever in light of a recent report by the Congressional Research Service and Congressional Budget Office which found that 22.2 percent of the Nation's children are living in poverty. We must not turn our backs on these children. Our children are our future.

Finally, the House Budget Committee rejects proposals to limit or elimi-

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fiscal year 1987, and $650 million in fiscal

I hope this information is useful to you.

nate cost-of-living adjustments for our Nation's retirees. In addition, it assumes substantial savings in the Medicare Program, without increasing the burden on beneficiaries and provides inflation adjustments for essential means-tested entitlements.

Other programs would share the burden of reducing Federal spending equally through a freeze at the 1985 level.

I fully support the House Budget Committee resolution and the priorities it reflects. I am in complete agreement with the committee's decision to reject all proposals to achieve deficit reduction through an increase in taxes as part of the budget resolution. While I am supporting the Oakar amendment expressing the sense of Congress that we should consider a corporate minimum tax, I strongly believe this should be considered only in the context of comprehensive tax reform.

It is critical to the economic future of local communities and of the nation as a whole that we adopt a deficit reduction plan. The House Budget Committee has taken the first step in assuring the continued health of our economy and have put forth a proposal which I am proud to support.●

● Mr. **BRUCE.** Mr. Chairman, this year we face a deficit of over $200 billion; a deficit which has increased three fold since 1980 and a deficit which promises to strangle our economy and leave a legacy of an additional $12,000 tax burden to each of our children. As we consider final passage on a budget today, the issue becomes not whether to cut Federal spending but what to cut and how to reduce the deficit in a manner which is fair and equitable.

During the last 2 days, we have heard debate on five separate budget proposals. There is a consensus among my colleagues and it is a clear one, that deficit reduction is first and foremost on every Member's mind. As I consider the options which have been presented, without a doubt the most fair is the House Budget Committe's resolution on the fiscal year 1986 budget. While it contains a number of recommendations which may prove difficult, it distributes the burden justly and achieves reductions in the deficit which warrant the most serious consideration.

Mr. Chairman, I support the House Budget Committe's proposal and do so for several important reasons. This budget plan will reduce the deficit by $259 billion over 3 years, including a savings of $56 billion in fiscal year 1986. I believe these savings will generate lower interest rates, an expanded economy and help the dollar to return to levels that promote increased exports for American farmers and businesses. I am voting for this budget so that the 90,000 elderly and disabled Social Security recipients in 18 counties of Illinois 19th Congressional District will not be asked to make anymore sacrifices. The Social Security system is now running a surplus created by sacrifices asked of the elderly 2 years ago. The trust fund is self-financed and does not contribute to the deficit and any cuts in Social Security will only produce paper savings and mask the true nature of the deficit. During my campaign, I made a promise not to cut benefits to our senior citizens and unlike others, I am keeping my promise.

The House Budget Committee proposal also makes tough decisions to freeze and cut many domestic programs and it makes realistic decisions to curb the wasteful and abusive practices in defense by freezing spending. Even with this freeze, defense will rise an additional $15 billion next year. But I will also vote for this budget so that the more than 20,000 veterans in my district, who have already given so much to our country, can continue to have the necessary cost-of-living adjustments; so that the elderly who already face medical costs three times the rate of inflation, will not be asked to give up more of their medicare benefits; so that children will continue to receive a nourishing lunch at school and farmers will not be saddled with yet another crisis; so that local communities in my district will have the continued support of the Small Business Administration, urban development action grants, and the Economic Development Administration to help create jobs and build healthy businesses; so that students will have the necessary aid to pursue a higher education; and so that our national defense is held secure.

There is no doubt that this Congress is committed to passing a budget which will insure a healthy economy, but I urge my colleagues to support this budget because it also maintains a committment to educating our young, providing for our elderly and protecting our future.●

● Mr. **DE LA GARZA.** Mr. Chairman, there are certain matters relating to the budget resolution that I would like to have clarified. An exchange of correspondence between Chairman Gray and myself achieves this purpose. The letters to which I refer follow:

COMMITTEE ON AGRICULTURE,
Washington, DC, May 23, 1985.

Hon. WILLIAM H. GRAY III,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

Dear Mr. Chairman: I am writing you concerning certain matters involving the Budget Resolution and the programs of the Rural Electrification Administration (REA).

I note that, in the report accompanying the Budget Resolution as passed by your Committee, the recommendation concerning the REA program assumes that lending levels will be reduced by $550 million in fiscal years 1985 and 1986, $600 million in fiscal year 1987, and $650 million in fiscal year 1988. Further, I understand that these reductions for fiscal years 1985 and 1986 apply to the electric portion of the program and that telephone loans for the insured, guaranteed, and Rural Telephone Bank programs for fiscal year 1985 will remain unchanged, and for fiscal year 1986 will be frozen at the fiscal year 1985 level.

I would appreciate your confirming that the assumptions for lending levels are the same as those contained in the Senate-passed Budget Resolution and that my understanding outlined above is correct.

It is also my understanding that, in return for these budgetary concessions, the Administration has agreed to withdraw its attack on the REA electric and telephone programs by removing assumptions from the Budget Resolution that REA will be phased out or that program interest rates will be raised. I understand further, that the Administration has agreed to withhold final approval of any proposed rules for making administrative changes in either the electric or telephone programs which would restrict the ability of borrowers to obtain loan funds until the Congressional committees of jurisdiction have had a full opportunity for review, oversight, and comment in the process. Could you please confirm that these understandings are correct.

I would emphasize that these matters are of great importance, since we are accepting these assumptions as part of our budget deliberations and recommendations concerning the REA program. I would go further and put those administering the REA program on notice that reference to the Congressional committees of jurisdiction includes consultation with the appropriate committees of the House of Representatives as well as those of the Senate, and that we in the House expect to be kept fully informed concerning the administration of this important program and any proposed changes in either its electric or telephone aspects.

I much appreciate your consideration in this matter.

With best wishes,
Sincerely,
E (KIKA) DE LA GARZA,
Chairman.

Hon. E DE LA GARZA,
Chairman, Committee on Agriculture, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter regarding the House Budget Committee Budget Resolution's assumptions regarding REA credit programs.

The Budget Resolution's assumptions regarding REA programs are identical to those made by the Senate. I also understand that the Senate had worked out an understanding with the Administration and the National Rural Electric Cooperative Association in which the Administration had agreed to support the Senate's deletion of all previous Budget Resolution references to assumptions concerning phase-out of REA programs, or interest rate increases.

Of course I expect that the Administration should discuss any of their proposed changes concerning REA programs with the House Agriculture Committee, and that such proposed changes will be reviewed carefully by your Committee before their implementation.

I hope this information is useful to you.
Sincerely,
WILLIAM H. GRAY III,
Chairman.●

● Mr. **BONKER.** Mr. Chairman, I rise today to express my strong support for the House Concurrent Resolution 152, the fiscal year 1986 budget resolution as reported by the House Budget Committee. I would also like to applaud Chairman Bill Gray, for his excellent work in meeting a most difficult task. In my estimation, House Concurrent Resolution 152 is an achievement that commends the chairman and the Budget Committee for a masterful job in finding a consensus for the majority; one that we can support and be proud of.

Mr. Chairman, I must say the debate we are presently engaged in has an inescapable deja vu quality to it. Four years ago, I recall President Reagan and his legislative spokesmen urging Congress to set a new course away from the hackneyed policies tax and spend, toward a policy of supply side economics. A policy, he promised, that would revolutionize the economy and get the Government off the back of its citizens. Unbounded economic prosperity would be restored to the country. Records would be set.

One record-setting recession and four record-setting deficits later, the President is once again imploring Congress to adopt a budget that, if enacted, would have a profoundly negative impact upon our economy and the well-being of our people. It is my hope this year, however, that Congress has learned enough from the painful lessons of the past 4 years to reject the President's plea. Because our country, our people cannot bear the continued perpetuation of policies so blatantly self-serving and wrong, so wasteful and unfair, that they have placed our Nation in a budgetary crisis of unparalleled dimension. To support a change in these policies is not only logical, but essential.

Mr. Chairman, the budget proposal before us recognizes that the Federal Government's expenditures on its resources, structures, and most importantly, its citizens, are not simple luxuries, but invaluable investments in our Nation's quality of life. Instead of acknowledging this fact, this free-market, laissez-faire Government is now spending billions of tax dollars subsidizing nontax paying corporations and the tax shelters of its well-heeled constituents. The concept that opening doors to educational opportunities, job training, and community service enriches the Nation as a whole appears to be beyond their comprehension. This is a tragedy because the opportunity for a rewarding quality of life should be available to all Americans, not just the privileged few who already enjoy it.

The priorities of the House Budget Committee's fiscal year 1986 budget speak to our Nation's quality of life and seek to keep open those doors of opportunity. This budget acknowledges that America's present and future success is inextricably linked to policies that preserve opportunities, and reward intelligence, creativity, and compassion. The President's budget would slam the door on such opportunities. It would also penalize the poor, the weak, and the elderly at the expense of the corporate interests that curry favor with this administration. Administration supporters unfortunately appear willing to sacrifice the elderly's Medicare concerns while maintaining tobacco price support programs and wasteful spending on ill-conceived weapons systems.

To those who charge that the majority's budget proposal is an abdication to debt, or say it takes away from defense, or represents poor fiscal policy, I suggest that the reverse is true. The Gray budget is responsible, fair, and balanced. It is an excellent alternative measure to the President's budget proposal and the Senate proposal which passed last week. Most people in this country are well aware of the fact our present deficit dilemma did not just magically appear in 1980 with the defeat of President Carter. The 1981 supply-side policy introduced by this administration was the catalyst that actually doubled the defense budget in 4 years, doubled the national debt over the same period, and lost $300 billion a year through corporate tax giveaways. More frighteningly, these policies now threaten the financial future of our country.

Mr. Chairman, in my congressional district today, there is depression level unemployment in at least five counties. The fishing industry is in serious decline, loggers are out of work because of the high dollar and subsidized Canadian imports, longstanding mills are shut down or have sharply curtailed production. Despite these conditions, the President's budget would cut job training funds for our dislocated workers, terminate Federal funding for Columbia River hatcheries, and double Bonneville Power rates—thereby destroying the Pacific Northwest's aluminum industry. Aside from questions of fairness and compassion, what is the point of terminating programs that more than pay for themselves, that conserve and perpetuate valuable natural resources, that allow our people to put themselves back to work?

At a time of record trade deficits, this administration would eliminate the only truly effective trade program in our country's arsenal—the Export-Import Bank. At a time when unemployment is hovering at 7.5 percent nationally and 10 percent in Washington State, the President would terminate Federal supplemental compensation, follow this action by cutting the Job Training Partnership Act, and then tell the unemployed to take advantage of his administration's wonderful job training programs. For the life of me, the logic of this budget approach defies explanation.

Budget deficits can be reduced with equity, intelligence, and creativity as reflected in the Gray budget. The American people, I believe, are prepared to support what this House will later pass today. This proposal makes good sense, is good policy, and looks out for the welfare of all Americans, not just those who grow tobacco or invest in tax shelters. Sacrifice is shared among many, not targeted at our most vulnerable few. I trust that this priority is shared by the majority of my colleagues in the House.●

● Mr. **FOGLIETTA.** Mr. Chairman, preserving our national defense is perhaps the most important task of the Congress. During the past 5 years we have spent extraordinary sums of money to rebuild our military forces, to replenish our weapons bins, and to recruit and train capable military personnel. In terms of readiness and sustainability we are far ahead of where we were in 1980.

However, serious inefficiencies in the way the money we have appropriated for defense has been spent have gotten us far less for our defense dollars than it should have. While improvements are being made through the efforts of DOD and the Congress in the procurement, billing, and spare parts purchasing processes, there is a long way to go before we get a fair return on our investment. Recent revelations about what many major defense contractors feel to be justifiable items to bill to the Federal Government—paper airplane contests, public relations campaigns to clean up a contractors image, thousand dollar screwdrivers to name a few—indicate that the Department of Defense, the Congress, and the taxpayer have been ripped off in the name of defense. This has got to change.

Obviously we cannot stand down from our commitment to a military trained and equipped to defend this Nation from attack. The funding level we ultimately approve for defense for fiscal year 1986 must reflect this. Despite the difficulties I have mentioned, I firmly believe we have reached a crossroads where we can stop priming the pump on DOD spending. A steady rate of funding, coupled with proper prioritizing for readiness and sustainability, will maintain our national security, and still allow us to begin to deal with the Federal deficit.

Defense spending over the past 5 years has demonstrated how much we can funnel into defense before surpluses develop. Reduced inflation has similarly reduced defense spending. As the chairman has noted, the Armed

Services Committee, on which I sit, has found between $8 and $9 billion in unspent funds left over from prior year appropriations. That money is available for fiscal year 1986 use, and will more than compensate for the reductions recommended by the Budget Committee from the Pentagon's request. As the Members of this body know, Secretary Weinberger also reported last week a previously unaccounted for balance of $4 billion in the Pentagon's coffers.

The Congress must guard against a reckless cut in any program function, including defense, in its efforts to reduce the deficit and bring in a fiscally responsible budget. At the same time, it must also make proper and needed reductions where they can be found. The Budget Committee has done this, particularly in the defense field. This is a reasonable compromise, and should be supported.●

● Mr. BIAGGI. Mr. Chairman, I rise to lend my full support to the House Budget Committee budget resolution for fiscal year 1986. It seems that our decision to support this resolution should be based on two considerations. One, it significantly reduces our dangerous and debilitating deficit. Two, it promotes a long overdue fairness in the way sacrifices must be made to lower the deficit.

What is not in issue today is that we are not really dealing so much with a budget proposal as we are a deficit reduction proposal. The Federal deficit is a national disaster and an international economic nemesis. It must be lowered and it must be significantly reduced in this coming fiscal year. What is also not in issue is the fact that there are only two ways to reduce the deficit—either reduce spending or increase revenues. The budget before us specifically provides for reductions in spending and with the adoption of the Oakar amendment would place itself in support of a minimum tax which would have great potential to raise new revenues since it would be earmarked to reduce the deficit.

The House budget resolution if adopted as reported would produce deficit reductions totaling $56 billion in fiscal year 1986 and $259 billion over the 3-year period ending in fiscal year 1988. It accomplishes this through no real gimmicks rather by the imposition of a basic 1-year, across-the-board freeze in spending, including defense and many domestic programs.

However, what distinguishes this budget from the one adopted by the other body are its priorities. From the very outset of this year's budget process we have been presented with very stark contrasts in how to make budget policy. The term "freeze" seemed to appear in everyone's plan, but you could not develop a uniform or standardized definition of what a freeze would involve. The President's original budget, which happily was rejected in its entirety, proposed what was called a freeze plus which was to freeze a select number of programs—add significant sums for defense and then outrightly eliminate scores of important programs needed by millions of Americans.

The next step came with the so-called rose garden budget which purported another approach to budgeting, using the guise of a freeze plus again. Here again, we saw the same disjointed priorities with one additional distortion—a 2-percent limitation on cost-of-living increases for senior citizens on Social Security.

The next and last step up until consideration of our own budget proposal was the adoption of the Senate budget resolution which among other features called for the elimination entirely of the 1986 cost-of-living increase for seniors on Social Security.

I urge our adoption of the Budget Committee resolution and our allegiance to it throughout the conference with the Senate. It is a fairer approach which actually achieves a better deficit reduction plan than anything else developed thus far.

I support this budget because it honestly calls for a freeze on new budget authority for national defense for fiscal year 1986. That is not only fair, it is sensible.

It is high time that the defense budget received the same scrutiny that has been directed at far smaller—and far less wasteful social programs by this administration. No one who advocates for a freeze in defense spending is suggesting that we jeopardize our national security doing so. In fact we can freeze our defense spending and not run the risk of anything but building a healthier economy through lowering the deficit. All one has to do is spend some time reading their constituent mail to realize the fervor with which people across our Nation want to see defense spending brought in line with the economic realities of the day. The House budget resolution does this.

I wish to especially commend the Budget Committee for holding firm and providing for the full cost-of-living increase for Social Security recipients to be paid in January 1986. I have been strongly opposed to any and all efforts to either freeze the COLA or provide a diet COLA for seniors at a rate below inflation. It is unjust for us to link deficit reduction with revisions in the Social Security COLA. The fact is we asked for and ultimately extracted major sacrifices from our senior citizens on Social Security just 2 years ago when we passed the Social Security Reform Act of 1983. Most substantial of these was the 6-month delay in the cost-of-living adjustment for recipients. The tradeoff was supposed to be a solvent Social Security trust fund. The fact is that the system is sound yet in the interest of deficit reduction—which is outside the scope of the Social Security System, seniors were asked to sacrifice again. Wisely and compassionately the House budget rejected any attempt to go back on our word and has allotted the full COLA for the year.

There are a number of other important provisions contained in this resolution which I fully support. These include retention of the Small Business Administration and the Urban Development Action Grant Programs, both of immense importance to this Nation.

As a senior member of the House Education and Labor Committee, I am pleased that the resolution will be providing full funding for programs such as education for all handicapped children, and aid to college students including Pell grants. I had been vehemently opposed to any attempts to limit eligibility for higher education student assistance programs and felt it to be a most unwise mortgaging of our Nation's future.

As a member of the House Select Committee on Aging, in addition to the Social Security provisions, I also wish to indicate my strong support for this resolution's rejection of most of the efforts to increase out-of-pocket expenditures for Medicare beneficiaries. These expenditures have skyrocketed over the past years to the point that elderly people under Medicare pay a higher percentage of their income in out-of-pocket health costs than before Medicare was established. I also salute the resolution providing for a freeze and not cuts in programs and services provided by the Older Americans Act.

I strongly support the approach embodied in this resolution and believe it provides the blueprint for a meaningful deficit reduction plan which does not ask too much of any one group but asks something from everyone. While we do have some positive economic signs and trends on the horizon, the deficit problem looms large on our list of future economic hazards; and we must come to grips with it now. The House budget resolution will do so and I urge its adoption.●

● Mr. CONYERS. Mr. Chairman, I rise to express my intention to vote against House Concurrent Resolution 152, the budget resolution submitted by the House Budget Committee, because while it is considerably better than the Senate/White House proposal, it fails to recognize that we cannot continue to cut domestic spending and at the same time allow defense continued growth.

Yesterday, I cast my vote in support of the Congressional Black Caucus constructive alternative budget. That budget proposal was by far the best of all of those that we have considered this week. It was a far-reaching reform proposal that sought to reverse President Reagan's budget policies rather than freeze them in place as the House Budget Committee's proposal seeks to do.

I commend my colleague, Budget Committee Chairman BILL GRAY, for the hard work he put into developing his budget resolution. It reflects an earnest attempt to deal with the tough problems caused by our $200 billion deficit. However, the approach taken is not one that in good conscience I can support.

By limiting increases in domestic spending to just half the rate of inflation, what will result is clearly a further erosion of the domestic programs that are essential to preserving the present quality of life for disadvantaged and working people in both urban and rural America. These programs have already endured 4 years of cuts while at the same time our spending for defense has nearly doubled. This is not fair and the trend must be reversed.

Mr. Chairman, the budget of our Federal Government is more than just a document comprised of numbers. It is a document which expresses our Nation's priorities. And while I believe that the defense of America is one of our foremost priorities, I also believe that jobs and economic justice are equally important to the strength and vitality of this Nation.

I do not believe that our citizens should be made to sacrifice any more in order to pay the cost of maintaining a bloated Military Establishment. The Budget Committee's proposal does far too little to provide some relief from this situation and for that reason I have decided to reject it.

The economic policies of the Reagan administration have caused approximately 4 million more people to fall below the poverty line since the President took office in 1981, increasing the total number to approximately 36 million. That figure includes 22.2 percent of the Nation's children and 14.1 percent of our senior citizens. How many more must we see fall into poverty before this Government acts to reverse this trend?

This past April, I participated in hearings before the Detroit City Council on the impact of additional Federal budget cuts. There I discussed the effect that the elimination of the general revenue sharing program, an action proposed in the House Budget Committee's resolution, would have on the city and the State of Michigan. In fiscal year 1986, this proposal would cut the program by 25 percent, causing Detroit to lose $9 million and the State as a whole about $47 million. In fiscal year 1987, when revenue sharing would be ended, Detroit would lose $35 million and Michigan over $190 million.

This program elimination would have a devastating effect on my community which has already suffered too much as the result of Reagan's misguided economic policies. For me to support a budget proposal containing such a provision, even one put forth by my own party, would mean to break faith with my constituents and lead them down the road to further misery. I cannot do it. I will not do it. I ask my colleagues to join me in voting this budget resolution down.●

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MOAKLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 152) revising the congressional budget for the U.S. Government for the fiscal year 1986 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988, pursuant to House Resolution 177, he reported the concurrent resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The Chair recognizes the gentleman from Pennsylvania [Mr. GRAY].

AMENDMENT OFFERED BY MR. GRAY OF PENNSYLVANIA

Mr. GRAY of Pennsylvania. Mr. Speaker, pursuant to section 305(a)(6) of the Congressional Budget Act of 1974, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAY of Pennsylvania: On page 3, line 17 is amended to read as follows:

"Fiscal Year 1985: $941,650,000,000."

The SPEAKER. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GRAY].

The amendment was agreed to.

The SPEAKER. The question is on the concurrent resolution, as amended.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 258, nays 170, not voting 6, as follows:

[Roll No. 131]

YEAS—258

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Aspin
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carper
Chappell
Clay
Clinger
Coelho
Coleman (TX)
Collins
Conte
Cooper
Coughlin
Coyne
Darden
Daschle
Davis
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Emerson
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gejdenson
Gephardt
Gibbons
Glickman
Gordon
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Hammerschmidt
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hertel
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kaptur
Kasich
Kastenmeier
Kennelly
Kildee
Kleczka
Kostmayer
LaFalce
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lowry (WA)
Lujan
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McHugh
McKinney
Meyers
Mica
Mikulski
Miller (CA)
Mineta
Mitchell
Moakley
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Natcher
Neal
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pease
Pepper
Perkins
Pickle
Price
Quillen
Rahall
Rangel
Reid
Richardson
Rinaldo
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Scheuer
Schroeder
Schumer
Sharp
Shelby
Sikorski
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whitten
Williams
Wilson
Wirth
Wise
Wolpe
Wright
Wyden
Wylie
Yates
Young (MO)

NAYS—170

Applegate
Archer
Armey
Badham
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Burton (IN)
Callahan
Campbell
Carney
Carr
Chandler
Chapple
Cheney
Coats
Cobey
Coble
Coleman (MO)
Combest
Conyers
Courter
Craig
Crane
Daniel
Dannemeyer
Daub
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Eckert (NY)
Edwards (OK)
English
Evans (IA)
Fawell
Fiedler
Fields
Franklin
Frenzel
Gallo

Gaydos
Gekas
Gilman
Gingrich
Gonzalez
Goodling
Gregg
Grotberg
Gunderson
Hall, Ralph
Hansen
Hartnett
Hendon
Henry
Hiler
Hillis
Holt
Hopkins
Hunter
Ireland
Jeffords
Kanjorski
Kemp
Kindness
Kolbe
Kolter
Kramer
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lowery (CA)
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCain
McCandless
McCollum
McDade
McEwen
McGrath
McKernan
McMillan
Michel
Miller (OH)
Miller (WA)
Molinari
Monson
Moorhead
Myers
Nelson
Nielson
O'Brien
Oxley
Packard
Parris
Pashayan
Penny
Petri
Porter
Pursell
Ray
Regula
Ridge
Ritter
Roberts
Roemer
Roth
Roukema
Rudd
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Siljander
Skeen
Slaughter
Smith (NE)
Smith (NH)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solomon
Spence
Stangeland
Strang
Stump
Sundquist
Sweeney
Swindall
Tauke
Thomas (CA)
Vander Jagt
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wolf
Wortley
Yatron
Young (AK)
Young (FL)
Zschau

NOT VOTING—6

Crockett
Fish
Gradison
Hall, Sam
Hyde
Seiberling

☐ 1500

So the concurrent resolution, as amended, was agreed to.

The title was amended so as to read: "Concurrent resolution revising the congressional budget for the United States Government for the fiscal year 1985 and setting forth the congressional budget for the United States Government for the fiscal years 1986, 1987, and 1988."

GENERAL LEAVE

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the concurrent resolution, House Concurrent Resolution 152.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 32) setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988 and revising the congressional budget for the U.S. Government for the fiscal year 1985, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 32

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,200,000,000.
Fiscal year 1986: $793,600,000,000.
Fiscal year 1987: $866,300,000,000.
Fiscal year 1988: $955,900,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $900,000,000.
Fiscal year 1987: $2,000,000,000.
Fiscal year 1988: $3,400,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $51,000,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,700,000,000.
Fiscal year 1987: $216,900,000,000.
Fiscal year 1988: $248,300,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,055,600,000,000.
Fiscal year 1986: $1,069,500,000,000.
Fiscal year 1987: $1,132,800,000,000.
Fiscal year 1988: $1,212,900,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $949,100,000,000.
Fiscal year 1986: $965,000,000,000.
Fiscal year 1987: $1,011,100,000,000.
Fiscal year 1988: $1,060,200,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $212,900,000,000.
Fiscal year 1986: $171,400,000,000.
Fiscal year 1987: $144,800,000,000.
Fiscal year 1988: $104,300,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,849,300,000,000.
Fiscal year 1986: $2,086,500,000,000.
Fiscal year 1987: $2,312,700,000,000.
Fiscal year 1988: $2,525,200,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $25,500,000,000.
Fiscal year 1986: $237,200,000,000.
Fiscal year 1987: $226,200,000,000.
Fiscal year 1988: $212,600,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $52,700,000,000.

(B) New primary loan guarantee commitments, $68,950,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $30,250,000,000.

(B) New primary loan guarantee commitments, $77,000,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New direct loan obligations, $27,600,000,000.

(B) New primary loan guarantee commitments, $81,500,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $26,800,000,000.

(B) New primary loan guarantee commitments, $86,000,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $252,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $302,500,000,000.

(B) Outlays, $273,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $323,400,000,000.

(B) Outlays, $292,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $346,800,000,000.

(B) Outlays, $313,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:

(A) New budget authority, $25,300,000,000.

(B) Outlays, $18,000,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $21,200,000,000.

(B) Outlays, $17,800,000,000.

(C) New direct loan obligations, $8,200,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $20,400,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $7,800,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $20,700,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $7,900,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $8,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, $1,600,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $4,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,200,000,000.

(C) New direct loan obligations, $1,600,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $12,700,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $12,200,000,000.

(B) Outlays, $12,500,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $12,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $21,000,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $14,500,000,000.

(C) New direct loan obligations, $11,700,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $17,700,000,000.

(B) Outlays, $15,800,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $17,000,000,000.

(B) Outlays, $12,900,000,000.

(C) New direct loan obligations, $9,100,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $5,600,000,000.

(C) New direct loan obligations, $8,500,000,000.

(D) New primary loan guarantee commitments, $27,000,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $3,400,000,000.

(C) New direct loan obligations, $4,200,000,000.

(D) New primary loan guarantee commitments, $28,400,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New budget authority, $5,600,000,000.

(B) Outlays, $2,300,000,000.

(C) New direct loan obligations, $4,200,000,000.

(D) New primary loan guarantee commitments, $30,100,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:

(A) New budget authority, $6,100,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $4,500,000,000.

(D) New primary loan guarantee commitments, $31,900,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,600,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,900,000,000.

(B) Outlays, $27,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,300,000,000.

(B) Outlays, $27,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $8,400,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $7,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $31,600,000,000.

(B) Outlays, $30,300,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $8,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $30,100,000,000.

(B) Outlays, $30,300,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $30,700,000,000.

(B) Outlays, $29,900,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $31,300,000,000.

(B) Outlays, $30,400,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,600,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $35,700,000,000.

(B) Outlays, $35,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $38,200,000,000.

(B) Outlays, $37,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $40,600,000,000.

(B) Outlays, $40,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,800,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $81,900,000,000.

(B) Outlays, $68,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $91,200,000,000.

(B) Outlays, $74,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $94,800,000,000.

(B) Outlays, $82,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $162,800,000,000.

(B) Outlays, $128,600,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $155,400,000,000.

(B) Outlays, $116,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $164,900,000,000.

(B) Outlays, $120,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $2,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $173,900,000,000.

(B) Outlays, $125,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,800,000,000.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $207,400,000,000.

(B) Outlays, $194,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $225,500,000,000.

(B) Outlays, $205,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $266,100,000,000.

(B) Outlays, $220,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,300,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $26,700,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $15,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $26,800,000,000.

(B) Outlays, $26,200,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $17,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $27,200,000,000.

(B) Outlays, $26,700,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $20,100,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $5,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,400,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $5,500,000,000.

(B) Outlays, $5,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $2,000,000,000.

(B) Outlays, $3,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $2,100,000,000.

(B) Outlays, $2,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,700,000,000.

(B) Outlays, $129,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $142,300,000,000.

(B) Outlays, $142,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $152,100,000,000.

(B) Outlays, $152,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $153,900,000,000.

(B) Outlays, $153,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, -$1,600,000,000.

(B) Outlays, -$1,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, -$1,600,000,000.

(B) Outlays, -$1,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, -$600,000,000.

(B) Outlays, -$500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, -$32,400,000,000.

(B) Outlays, -$32,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, -$35,000,000,000.

(B) Outlays, -$35,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, -$37,800,000,000.

(B) Outlays, -$37,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, -$41,100,000,000.

(B) Outlays, -$41,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the committees named in subsections (b) through (bb) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,577,000,000 in budget authority and $3,860,000,000 in outlays in fiscal year 1986, $3,280,000,000 in budget authority and $5,097,000,000 in outlays in fiscal year 1987, and $3,571,000,000 in budget authority and $8,689,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $942,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,073,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional

Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $8,895,000,000 in budget authority and $3,959,000,000 in outlays in fiscal year 1986, $9,638,000,000 in budget authority and $5,937,000,000 in outlays in fiscal year 1987, and $10,905,000,000 in budget authority and $7,055,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $2,006,000,000 in budget authority and $1,679,000,000 in outlays in fiscal year 1986, $781,000,000 in budget authority and $471,000,000 in outlays in fiscal year 1987, and $987,000,000 in budget authority and $706,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,014,000,000 in budget authority and $2,265,000,000 in outlays in fiscal year 1986, $2,838,000,000 in budget authority and $2,666,000,000 in outlays in fiscal year 1987, and $2,847,000,000 in budget authority and $2,925,000,000 in outlays in fiscal year 1988.

(g) The Senate Committee on Environment and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $723,000,000 in budget authority and $310,000,000 in outlays in fiscal year 1988, $1,221,000,000 in budget authority and $1,393,000,000 in outlays in fiscal year 1987, and $1,738,000,000 in budget authority and $2,066,000,000 in outlays in fiscal year 1988.

(h) The Senate Committee on Finance shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $10,847,000,000 in outlays in fiscal year 1986, $0 in budget authority and $18,608,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $22,429,000,000 in outlays in fiscal year 1988.

(i) The Senate Committee on Foreign Relations shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $192,000,000 in budget authority and $47,000,000 in outlays in fiscal year 1986, $275,000,000 in budget authority and $109,000,000 in outlays in fiscal year 1987, and $282,000,000 in budget authority and $140,000,000 in outlays in fiscal year 1988.

(j) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve increases in contributions and savings in budget authority and outlays as follows: $375,000,000 in contributions, $0 in budget authority and $3,654,000,000 in outlays in fiscal year 1986, $1,325,000,000 in contributions, $0 in budget authority and $7,651,000,000 in outlays in fiscal year 1987, and $1,370,000,000 in contributions, $0 in budget authority and $8,889,000,000 in outlays in fiscal year 1988.

(k) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,380,000,000 in budget authority and $868,000,000 in outlays in fiscal year 1986, $1,808,000,000 in budget authority and $1,687,000,000 in outlays in fiscal year 1987, and $2,130,000,000 in budget authority and $2,242,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $460,000,000 in budget authority and $504,000,000 in outlays in fiscal year 1986, $629,000,000 in budget authority and $1,028,000,000 in outlays in fiscal year 1987, and $1,117,000,000 in budget authority and $1,044,000,000 in outlays in fiscal year 1988.

(m) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,076,000,000 in budget authority and $986,000,000 in outlays in fiscal year 1986, $1,344,000,000 in budget authority and $1,534,000,000 in outlays in fiscal year 1987, and $1,457,000,000 in budget authority and $1,741,000,000 in outlays in fiscal year 1988.

(n) The Senate Select Committee on Indian Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $148,000,000 in budget authority and $61,000,000 in outlays in fiscal year 1986, $153,000,000 in budget authority and $116,000,000 in outlays in fiscal year 1987, and $159,000,000 in budget authority and $137,000,000 in outlays in fiscal year 1988.

(o) The Senate Committee on Energy and Natural Resources, pursuant to subsection (f), and the Senate Committee on Agriculture, Nutrition and Forestry, pursuant to subsection (b), shall review (1) changes in laws within their jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within their jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $52,000,000 in budget authority and $12,000,000 in outlays in fiscal year 1986, $113,000,000 in budget authority and $86,000,000 in outlays in fiscal year 1987; and $127,000,000 in budget authority and $111,000,000 in outlays in fiscal year 1988.

HOUSE COMMITTEES

(p) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,577,000,000 in budget authority and $3,860,000,000 in outlays in fiscal year 1986, $3,280,000,000 in budget authority and $5,097,000,000 in outlays in fiscal year 1987, and $3,571,000,000 in budget authority and $8,889,000,000 in outlays in fiscal year 1988.

(q) The House Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $942,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,073,000,000 in outlays in fiscal year 1988.

(r) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in

laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $7,932,000,000 in budget authority and $3,774,000,000 in outlays in fiscal year 1986, $8,490,000,000 in budget authority and $5,508,000,000 in outlays in fiscal year 1987, and $9,125,000,000 in budget authority and $6,303,000,000 in outlays in fiscal year 1988.

(s) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,137,000,000 in budget authority and $821,000,000 in outlays in fiscal year 1986, $1,553,000,000 in budget authority and $1,784,000,000 in outlays in fiscal year 1987, and $1,861,000,000 in budget authority and $2,298,000,000 in outlays in fiscal year 1988.

(t) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $4,205,000,000 in budget authority and $7,308,000,000 in outlays in fiscal year 1986, $2,900,000,000 in budget authority and $8,450,000,000 in outlays in fiscal year 1987, and $2,987,000,000 in budget authority and $10,994,000,000 in outlays in fiscal year 1988.

(u) The House Committee on Foreign Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $192,000,000 in budget authority and $47,000,000 in outlays in fiscal year 1986, $275,000,000 in budget authority and $109,000,000 in outlays in fiscal year 1987, and $282,000,000 in budget authority and $140,000,000 in outlays in fiscal year 1988.

(v) The House Committee on Government Operations shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $64,000,000 in outlays in fiscal year 1986, $0 in budget authority and $3,699,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $5,203,000,000 in outlays in fiscal year 1988.

(w) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $540,000,000 in budget authority and $292,000,000 in outlays in fiscal year 1986, $559,000,000 in budget authority and $402,000,000 in outlays in fiscal year 1987, and $634,000,000 in budget authority and $526,000,000 in outlays in fiscal year 1988.

(x) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $405,000,000 in budget authority and $383,000,000 in outlays in fiscal year 1986, $206,000,000 in budget authority and $194,000,000 in outlays in fiscal year 1987, and $212,000,000 in budget authority and $204,000,000 in outlays in fiscal year 1988.

(y) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve increases in contributions and savings in budget authority and outlays as follows: $375,000,000 in contributions, $0 in budget authority and $3,590,000,000 in outlays in fiscal year 1986, $1,325,000,000 in contributions, $0 in budget authority and $7,502,000,000 in outlays in fiscal year 1987, and $1,370,000,000 in contributions, $0 in budget authority and $8,642,000,000 in outlays in fiscal year 1988.

(z) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,895,000,000 in budget authority and $469,000,000 in outlays in fiscal year 1986, $2,616,000,000 in budget authority and $1,833,000,000 in outlays in fiscal year 1987, and $3,820,000,000 in budget authority and $2,897,000,000 in outlays in fiscal year 1988.

(aa) The House Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $460,000,000 in budget authority and $504,000,000 in outlays in fiscal year 1986, $629,000,000 in budget authority and $1,028,000,000 in outlays in fiscal year 1987, and $1,117,000,000 in budget authority and $1,044,000,000 in outlays in fiscal year 1988.

(bb) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,076,000,000 in budget authority and $986,000,000 in outlays in fiscal year 1986, $1,344,000,000 in budget authority and $1,534,000,000 in outlays in fiscal year 1987, and $1,457,000,000 in budget authority and $1,741,000,000 in outlays in fiscal year 1988.

(cc) The House Committee on Ways and Means shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $10,330,000,000 in outlays in fiscal year 1986, $0 in budget authority and $14,370,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $16,671,000,000 in outlays in fiscal year 1988.

APPROPRIATIONS

SEC. 3. (a) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed $303,200,000,000 in fiscal year 1986; aggregate total budget authority to exceed $324,100,000,000 in fiscal year 1987; and aggregate total budget authority to exceed $347,600,000,000 in fiscal year 1988.

(b) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for nondefense discretionary activities to exceed $140,800,000,000 in fiscal year 1986; aggregate total budget authority to exceed $143,800,000,000 in fiscal year 1987; and aggregate budget authority to exceed $149,300,000,000 in fiscal year 1988.

(c) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

SEC. 5. It shall not be in order in the House of Representatives or the Senate during fiscal years 1986 and 1987 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent and in such amounts as are contained in appropriation Acts. This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1985, that are funded through the Commodity Credit Corporation.

SEC. 6. It is the sense of the Congress that the previous distinction between "unified budget" and "off-budget" spending be ended, and that budget authority and outlays for the so-called "off-budget" agencies be included in the budget totals.

SEC. 7. (a) The Senate finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalties;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Senate that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

SEC. 8. It is the sense of the Senate that because the Senate requires timely reporting of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

SEC. 9. It is the sense of the Senate that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the conference report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;

(3) such conference report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

SEC. 10. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of social security benefits paid to illegal and nonresident aliens. It is assumed that the Finance Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of wage-earner's contribution plus interest, unless the wage-earner is a citizen of a country with which the United States has a treaty or totalization agreement and that this provision would apply to individuals becoming eligible on or after January 1, 1986.

SEC. 11. It is the sense of the Congress that overall Federal outlays should be reduced and it is assumed that legislation should be enacted to conform the overtime requirements under the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act with the Fair Labor Standards Act and it is further assured that the resulting outlay reductions shall be utilized to achieve the previously agreed-upon program outlay savings.

SEC. 12. It is the sense of the Congress that tax legislation should be enacted to provide for payment of minimum taxes by corporations and individuals on the broadest feasible definition of income to assure that all of those with economic income will pay tax, and that the resulting revenues be used to reduce individual income tax rates and to increase the threshold amounts for tax payments by individuals in connection with consideration of comprehensive tax reform legislation.

SEC. 13. It is the sense of the Senate that revenues should be increased and it is assumed that tax legislation will be enacted to limit to the national median family income the amount of farm loss which may be deducted against nonfarm income, and it is further assumed that revenues derived from enactment of such legislation be used to reduce individual income tax rates and to assure that full-time, family-size farm operators will not be disadvantaged by unfair competition from high-income taxpayers with substantial nonfarm income.

SEC. 14. It is the sense of the Congress that revenues should be increased and it is assumed that the Finance Committee will develop legislation to reduce the tax enforcement gap, estimated by the Internal Revenue Service at $92,000,000,000 in fiscal year 1986. It is further assumed that such legislation should provide for increased and improved enforcement and collection, through audits, examinations, and other steps designed to identify and eliminate tax cheating and increase revenue collections from individuals and corporations currently evading Federal taxes, and that the legislation should include steps designed to increase voluntary compliance with tax laws and that such steps may include increased staff for taxpayer assistance, speedier processing of returns and provision of public information designed to build public trust and understanding of Internal Revenue Service enforcement efforts and that such legislation should also provide that the resources of the Internal Revenue Service shall be increased to accomplish full enforcement of United States tax laws, increasing voluntary compliance until such time as further marginal spending on Internal Revenue Service resources does not substantially increase tax yields and that such legislation is fully compatible with tax simplification, including but not limited to reductions in income tax rates or the deficit.

MOTION OFFERED BY MR. GRAY OF PENNSYLVANIA

Mr. GRAY of Pennsylvania. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. GRAY of Pennsylvania moves to strike out all after the resolving clause of Senate Concurrent Resolution 32 and to insert in lieu thereof the provisions contained in House Concurrent Resolution 152 as passed by the House, as follows:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is hereby revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is hereby established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are hereby set forth:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,050,000,000.
Fiscal year 1986: $794,100,000,000.
Fiscal year 1987: $866,000,000,000.
Fiscal year 1988: $955,600,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $1,450,000,000.

Fiscal year 1987: $1,700,000,000.
Fiscal year 1988: $3,100,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $51,000,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,150,000,000.
Fiscal year 1986: $200,700,000,000.
Fiscal year 1987: $216,850,000,000.
Fiscal year 1988: $248,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,039,100,000,000.
Fiscal year 1986: $1,051,500,000,000.
Fiscal year 1987: $1,125,700,000,000.
Fiscal year 1988: $1,205,300,000,000.

(3) The appropriate levels of total new budget outlays are as follows:

Fiscal year 1985: $941,650,000,000.
Fiscal year 1986: $959,100,000,000.
Fiscal year 1987: $1,022,450,000,000.
Fiscal year 1988: $1,073,650,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $205,600,000,000.
Fiscal year 1986: $165,000,000,000.
Fiscal year 1987: $156,450,000,000.
Fiscal year 1988: $118,050,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,857,400,000,000.
Fiscal year 1986: $2,089,700,000,000.
Fiscal year 1987: $2,320,700,000,000.
Fiscal year 1988: $2,536,500,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $33,600,000,000.
Fiscal year 1986: $232,300,000,000.
Fiscal year 1987: $231,000,000,000.
Fiscal year 1988: $215,800,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:
(A) New direct loan obligations, $51,950,000,000.
(B) New Primary loan guarantee commitments, $68,800,000,000.
(C) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1986:
(A) New direct loan obligations, $38,050,000,000.
(B) New Primary loan guarantee commitments, $74,600,000,000.
(C) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1987:
(A) New direct loan obligations, $37,000,000,000.
(B) New Primary loan guarantee commitments, $73,000,000,000.
(C) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1988:
(A) New direct loan obligations, $36,450,000,000.
(B) New Primary loan guarantee commitments, $76,900,000,000.
(C) New secondary loan guarantee commitments, $68,250,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:
(A) New budget authority, $291,550,000,000.
(B) Outlays, $252,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $292,600,000,000.
(B) Outlays, $267,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $312,700,000,000.
(B) Outlays, $285,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $335,400,000,000.
(B) Outlays, $303,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:
(A) New budget authority, $24,950,000,000.
(B) Outlays, $17,500,000,000.
(C) New direct loan obligations, $10,050,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $20,050,000,000.
(B) Outlays, $18,100,000,000.
(C) New direct loan obligations, $10,350,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $19,950,000,000.
(B) Outlays, $17,100,000,000.
(C) New direct loan obligations, $10,750,000,000.
(D) New primary loan guarantee commitments, $10,750,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $20,400,000,000.
(B) Outlays, $16,800,000,000.
(C) New direct loan obligations, $11,000,000,000.
(D) New primary loan guarantee commitments, $11,200,000,000.
(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $9,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $9,050,000,000.
(B) Outlays, $9,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $9,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:
(A) New budget authority, −$2,900,000,000.
(B) Outlays, $2,850,000,000.
(C) New direct loan obligations, $2,650,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $3,350,000,000.
(B) Outlays, $3,200,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $4,100,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $3,650,000,000.
(B) Outlays, $3,150,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $3,000,000,000.
(B) Outlays, $3,000,000,000.
(C) New direct loan obligations, $2,150,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:
(A) New budget authority, $13,000,000,000.
(B) Outlays, $13.100,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $13,400,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $13,650,000,000.

(B) Outlays, $13,200,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $22,550,000,000.

(B) Outlays, $18,950,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $14,650,000,000.

(B) Outlays, $13,150,000,000.

(C) New direct loan obligations, $13,900,000,000

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $16,150,000,000.

(B) Outlays, $15,550,000,000.

(C) New direct loan obligations, $12,150,000,000.

(D) New primary loan guarantee commitments, $5,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $14,400,000,000.

(B) Outlays, $14,050,000,000.

(C) New direct loan obligations, $11,800,000,000.

(D) New primary loan guarantee commitments, $5,750,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $2,950,000,000.

(C) New direct loan obligations, $6,550,000,000.

(D) New primary loan guarantee commitments, $26,450,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1986:

(A) New budget authority, $6,150,000,000.

(B) Outlays, $2,650,000,000.

(C) New direct loan obligations, $5,900,000,000.

(D) New primary loan guarantee commitments, $27,100,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1987:

(A) New budget authority, $6,050,000,000.

(B) Outlays, $2,650,000,000.

(C) New direct loan obligations, $6,150,000,000.

(D) New primary loan guarantee commitments, $28,650,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

Fiscal year 1988:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $2,800,000,000.

(C) New direct loan obligations, $6,650,000,000.

(D) New primary loan guarantee commitments, $30,450,000,000.

(E) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

Fiscal year 1985:

(A) New budget authority, $29,350,000,000.

(B) Outlays, $26,200,000,000.

(C) New direct loan obligations, $300,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $28,400,000,000.

(B) Outlays, $26,450,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $30,450,000,000.

(B) Outlays, $28,950,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $31,300,000,000.

(B) Outlays, $29,500,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1985:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $7,850,000,000.

(C) New direct loan obligations, $1,750,000,000.

(D) New primary loan guarantee commitments, $150,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,750,000,000.

(B) Outlays, $7,500,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $150,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $7,250,000,000.

(B) Outlays, $7,600,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,350,000,000.

(B) Outlays, $7,350,000,000.

(C) New direct loan obligations, $1,950,000,000.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:

(A) New budget authority, $32,650,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $1,150,000,000.

(D) New primary loan guarantee commitments, $8,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $32,050,000,000.

(B) Outlays, $31,150,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,050,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $33,000,000,000.

(B) Outlays, $32,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $9,350,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $33,700,000,000.

(B) Outlays, $32,950,000,000.

(C) New direct loan obligations, $1,150,000,000.

(D) New primary loan guarantee commitments, $9,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1985:

(A) New budget authority, $33,550,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $36,100,000,000.

(B) Outlays, $35,600,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $38,600,000,000.

(B) Outlays, $38,300,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $41,150,000,000.

(B) Outlays, $40,800,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medical Insurance (570):

Fiscal year 1985:

(A) New budget authority, $71,750,000,000.

(B) Outlays, $65,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $81,950,000,000.

(B) Outlays, $68,250,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $91,550,000,000.

(B) Outlays, $75,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $95,550,000,000.

(B) Outlays, $84,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1985:

(A) New budget authority, $160,500,000,000.

(B) Outlays, $129,250,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $158,250,000,000.

(B) Outlays, $121,800,000,000.

(C) New direct loan obligations, $1,850,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $167,400,000,000.

(B) Outlays, $127,850,000,000.

(C) New direct loan obligations, $2,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $175,800,000,000.

(B) Outlays, $133,900,000,000.

(C) New direct loan obligations, $1,750,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1985:

(A) New budget authority, $195,500,000,000.

(B) Outlays, $189,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $207,200,000,000.

(B) Outlays, $200,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $224,750,000,000.

(B) Outlays, $214,050,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $264,650,000,000.

(B) Outlays, $228,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1985:

(A) New budget authority, $27,400,000,000.

(B) Outlays, $26,500,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $27,450,000,000.

(B) Outlays, $26,800,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $17,650,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $27,650,000,000.

(B) Outlays, $27,350,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $18,750,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $28,050,000,000.

(B) Outlays, $27,800,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1985:

(A) New budget authority, $6,650,000,000.

(B) Outlays, $6,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $7,150,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1985:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $5,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $5,450.000,000.

(B) Outlays, $5,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1985:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,650,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $1,950,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $2,100,000,000.

(B) Outlays, $2,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1985:

(A) New budget authority, $129,950,000,000.

(B) Outlays, $129,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $140,950,000,000.

(B) Outlays, $140,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $150,950,000,000.

(B) Outlays, $150,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $153,850,000,000.

(B) Outlays, $153,850,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1985:

(A) New budget authority, $300,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$4,900,000,000.

(B) Outlays, −$4,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$4,600,000,000.

(B) Outlays, −$4,250,000,000.

(C) New direct loan obligations, −$700,000,000.

(D) New primary loan guarantee commitments, −$1,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$3,450,000,000.

(B) Outlays, −$3,150,000,000.

(C) New direct loan obligations, −$1,300,000,000.

(D) New primary loan guarantee commitments, −$1,800,000,000.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,350,000,000.

(B) Outlays, −$32,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$39,750,000,000.

(B) Outlays, −$39,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$36,550,000,000.

(B) Outlays, −$36,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$39,750,000,000.

(B) Outlays, −$39,750,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

UNIFIED AND OFF-BUDGET TOTALS

SEC. 2. (a) The following budgetary levels reflecting both the unified budget and off-budget transactions are appropriate for the fiscal years beginning on October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1986: $794,100,000,000.

Fiscal year 1987: $866,000,000,000.

Fiscal year 1988: $955,600,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1986: $1,450,000,000.

Fiscal year 1987: $1,700,000,000.

Fiscal year 1988: $3,100,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1986: $51,000,000,000.

Fiscal year 1987: $56,100,000,000.

Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1986: $200,700,000,000.

Fiscal year 1987: $216,850,000,000.

Fiscal year 1988: $248,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1986: $1,062,900,000,000.

Fiscal year 1987: $1,134,300,000,000.

Fiscal year 1988: $1,212,800,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1986: $967,250,000,000.

Fiscal year 1987: $1,028,500,000,000.

Fiscal year 1988: $1,080,000,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1986: $173,150,000,000.

Fiscal year 1987: $162,500,000,000.

Fiscal year 1988: $124,400,000,000.

(b) The appropriate levels of budget authority and budget outlays for fiscal years 1986 through 1988 reflecting both the unified budget and off-budget transactions for each major functional category are:

(1) National Defense (050):

Fiscal year 1986:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $267,100,000,000.

Fiscal year 1987:

(A) New budget authority, $312,700,000,000.

(B) Outlays, $285,200,000,000.

Fiscal year 1988:

(A) New budget authority, $335,400,000,000.

(B) Outlays, $303,900,000,000.

(2) International Affairs (150):

Fiscal year 1986:

(A) New budget authority, $21,750,000,000.

(B) Outlays, $18,600,000,000.

Fiscal year 1987:

(A) New budget authority, $20,550,000,000.

(B) Outlays, $16,900,000,000.

Fiscal year 1988:

(A) New budget authority, $20,600,000,000.

(B) Outlays, $16,200,000,000.

(3) General Science, Space and Technology (250):

Fiscal year 1986:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,900,000,000.

Fiscal year 1987:

(A) New budget authority, $9,050,000,000.

(B) Outlays, $8,900,000,000.

Fiscal year 1988:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,950,000,000.

(4) Energy (270):

Fiscal year 1986:

(A) New budget authority, $6,100,000,000.

(B) Outlays, $5,750,000,000.

Fiscal year 1987:

(A) New budget authority, $6,050,000,000.

(B) Outlays, $5,350,000,000.

Fiscal year 1988:

(A) New budget authority, $5,150,000,000.

(B) Outlays, $4,650,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1986:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $13,000,000,000.

Fiscal year 1987:

(A) New budget authority, $13,400,000,000.

(B) Outlays, $12,800,000,000.

Fiscal year 1988:

(A) New budget authority, $13,650,000,000.

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

Fiscal year 1986:

(A) New budget authority, $18,550,000,000.

(B) Outlays, $15,800,000,000.

Fiscal year 1987:

(A) New budget authority, $17,950,000,000.

(B) Outlays, $16,950,000,000.

Fiscal year 1988:

(A) New budget authority, $15,700,000,000.

(B) Outlays, $15,000,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1986:

(A) New budget authority, $8,850,000,000.

(B) Outlays, $4,600,000,000.

Fiscal year 1987:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $5,000,000,000.

Fiscal year 1988:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $6,700,000,000.

(8) Transportation (400):

Fiscal year 1986:

(A) New budget authority, $28,400,000,000.

(B) Outlays, $26,450,000,000.

Fiscal year 1987:

(A) New budget authority, $30,450,000,000.

(B) Outlays, $28,950,000,000.

Fiscal year 1988:

(A) New budget authority, $31,300,000,000.

(B) Outlays, $29,500,000,000.

(9) Community and Regional Development (450):

Fiscal year 1986:

(A) New budget authority, $7,550,000,000.

(B) Outlays, $8,150,000,000.

Fiscal year 1987:

(A) New budget authority, $7,800,000,000.

(B) Outlays, $8,050,000,000.

Fiscal year 1988:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $7,950,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1986:

(A) New budget authority, $32,050,000,000.

(B) Outlays, $31,150,000,000.

Fiscal year 1987:

(A) New budget authority, $33,000,000,000.

(B) Outlays, $32,100,000,000.

Fiscal year 1988:

(A) New budget authority $33,700,000,000.

(B) Outlays, $32,950,000,000.

(11) Health (550):

Fiscal year 1986:

(A) New budget authority, $36,100,000,000.

(B) Outlays, $35,600,000,000.

Fiscal year 1987:

(A) New budget authority, $38,600,000,000.

(B) Outlays, $38,300,000,000.

Fiscal year 1988:

(A) New budget authority, $41,150,000,000.

(B) Outlays, $40,800,000,000.

(12) Medical Insurance (570):

Fiscal year 1986:

(A) New budget authority, $81,950,000,000.

(B) Outlays, $68,250,000,000.

Fiscal year 1987:

(A) New budget authority, $91,550,000,000.

(B) Outlays $75,550,000,000.

Fiscal year 1988:

(A) New budget authority, $95,550,000,000.

(B) Outlays, $84,600,000,000.

(13) Income Security (600):

Fiscal year 1986:

(A) New budget authority, $158,250,000,000.

(B) Outlays, $121,750,000,000.

Fiscal year 1987:

(A) New budget authority, $167,400,000,000.

(B) Outlays, $127,800,000,000.

Fiscal year 1988:

(A) New budget authority, $175,800,000,000.

(B) Outlays, $133,850,000,000.

(14) Social Security (650):

Fiscal year 1986:

(A) New budget authority, $207,200,000,000.

(B) Outlays, $200,800,000,000.

Fiscal year 1987:

(A) New budget authority, $224,750,000,000.

(B) Outlays, $214,050,000,000.

Fiscal year 1988:

(A) New budget authority, $264,650,000,000.

(B) Outlays, $228,300,000,000.

(15) Veterans Benefits and Services (700):

Fiscal year 1986:

(A) New budget authority, $27,450,000,000.

(B) Outlays, $26,800,000,000.

Fiscal year 1987:

(A) New budget authority, $27,650,000,000.

(B) Outlays, $27,350,000,000.

Fiscal year 1988:

(A) New budget authority, $28,050,000,000.

(B) Outlays, $27,800,000,000.

(16) Administration of Justice (750):

Fiscal year 1986:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

Fiscal year 1987:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $7,000,000,000.

Fiscal year 1988:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $7,150,000,000.

(17) General Government (800):

Fiscal year 1986:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,300,000,000.

Fiscal year 1987:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,200,000,000.

Fiscal year 1988:

(A) New budget authority, $5,450,000,000.

(B) Outlays, $5,450,000,000.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1986:

(A) New budget authority, $5,350,000,000.

(B) Outlays, $5,650,000,000.

Fiscal year 1987:

(A) New budget authority, $1,950,000,000.

(B) Outlays, $2,900,000,000.

Fiscal year 1988:

(A) New budget authority, $2,100,000,000.

(B) Outlays, $2,100,000,000.

(19) Net Interest (900):

Fiscal year 1986:

(A) New budget authority, $140,950,000,000.

(B) Outlays, $140,950,000,000.

Fiscal year 1987:

(A) New budget authority, $150,950,000,000.

(B) Outlays, $150,950,000,000.

Fiscal year 1988:

(A) New budget authority, $153,850,000,000.

(B) Outlays, $153,850,000,000.

(20) Allowances (920):

Fiscal year 1986:

(A) New budget authority, −$4,900,000,000.

(B) Outlays, −$4,400,000,000.

Fiscal year 1987:

(A) New budget authority, −$4,600,000,000.

(B) Outlays, −$4,250,000,000.

Fiscal year 1988:

(A) New budget authority, −$3,450,000,000.

(B) Outlays, −$3,150,000,000.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1986:

(A) New budget authority, −$39,750,000,000.

(B) Outlays, −$39,750,000,000.

Fiscal year 1987:

(A) New budget authority, −$36,550,000,000.

(B) Outlays, −$36,550,000,000.

Fiscal year 1988:

(A) New budget authority, −$39,750,000,000.

(B) Outlays, −$39,750,000,000.

RECONCILIATION

SEC. 3. (a) Not later than 30 calendar days after final action on this resolution, the House committees named in subsection (b) through (k) of this section shall submit their recommendations to the House Budget Committee. After receiving those recommendations, the Committee on the Budget shall report to the House a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

(b) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $1,000,000,000 and outlays by $1,000,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $1,800,000,000 in budget authority and $1,800,000,000 in outlays in fiscal year 1987; and requires decreases of $4,100,000,000 in budget authority and $4,100,000,000 in outlays in fiscal year 1988.

(c) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce outlays by $300,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of outlays by $300,000,000 in fiscal year 1987; and requires decreases of outlays by $300,000,000 in fiscal year 1988.

(d) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce outlays by $3,423,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in further years requires decreases of outlays by $4,277,000,000 in fiscal year 1987; and requires decreases of outlays by $5,145,000,000 in fiscal year 1988.

(e) The House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $1,712,000,000 and outlays by $926,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $5,387,000,000 in budget authority and $4,100,000,000 in outlays in fiscal year 1987; and requires decreases of $5,639,000,000 in budget authority and $5,457,000,000 in outlays in fiscal year 1988.

(f) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $4,000,000,000 and outlays by $4,000,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires increases of $1,504,000,000 in budget authority and $1,504,000,000 in outlays in fiscal year 1987; and requires increases of $1,029,000,000 in budget authority and $1,029,000,000 in outlays in fiscal year 1988.

(g) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $50,000,000 and outlays by $50,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $50,000,000 in budget authority and $50,000,000 in outlays in fiscal year 1987; and requires decreases of $50,000,000 in budget authority and $50,000,000 in outlays in fiscal year 1988.

(h) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $145,000,000 and outlays by $445,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $145,000,000 in budget authority and $145,000,000 in outlays in fiscal year 1987; and requires decreases of $154,000,000 in budget authority and $154,000,000 in outlays in fiscal year 1988.

(i) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee sufficient to reduce outlays by $100,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $500,000,000 in outlays in fiscal year 1987; and requires decreases of $600,000,000 in outlays in fiscal year 1988.

(j) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1987; and requires decreases of budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1988.

(k) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $473,000,000 and outlays by $4,196,000,000 in fiscal year 1986; further the Congress finds that to attain the policy of this resolution in future years requires decreases of $493,000,000 in budget authority and $5,070,000,000 in outlays in fiscal year 1987; and requires decreases of $513,000,000 in budget authority and $5,958,000,000 in outlays in fiscal year 1988.

AUTOMATIC SECOND BUDGET RESOLUTION

SEC. 4. (a) Effective October 1, 1985, this concurrent resolution shall be deemed to be the concurrent resolution on the budget for the 1986 fiscal year required to be reported under section 310(a) of the Congressional Budget Act of 1974, for the purposes of the prohibition contained in section 311 of such Act.

(b) Section 311(a) of the Congressional Budget Act of 1974, as made applicable by subsection (a) of this section, shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would not cause the appropriate allocation for such committee of new discretionary budget authority or new spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 made pursuant to section 302(a) of such Act for fiscal year 1986 to be exceeded.

(c)(1) If any legislation is enacted which would cause budget authority and outlays for "off-budget" spending programs to be included in the unified budget, and to be included in the budget totals for budget authority and outlays, the budget authority and outlays for such programs shall not be included in determining whether legislation violates section 311(a) of the Congressional Budget Act of 1974 as made effective by subsections (a) and (b).

(2) This subsection shall only apply to legislation providing for the inclusion in the unified budget authority and outlays associated with such programs (and the amount of budget authority and outlays associated with such programs) designated in the accompanying report.

(d) The provisions of this section shall cease to apply when Congress completes action on a subsequent concurrent resolution on the budget for fiscal year 1986 pursuant to section 304 or 310 of the Congressional Budget Act of 1974.

WIC FUNDING

SEC. 5. It is the sense of the Congress that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agency Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

INTERNATIONAL MONETARY CONFERENCE

SEC. 6. It is the sense of the Congress that the Administration should call for the convening of an international monetary conference this year with the express purpose of exploring options to stabilize currency exchange rates, reduce interest rates, promote maximum domestic and world economic growth, and help assure domestic price stability.

TAX REFORM

SEC. 7. (a) The House of Representatives finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitiality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalties;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the House of Representatives that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives—

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

LIMITATION ON BENEFITS TO ALIENS

SEC. 8. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of Social Security benefits paid to illegal and nonresident aliens. It is assumed that the Ways and Means Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of the wage-earner's contribution plus interest, unless the wage earner is a citizen of a country with which the United States has a treaty or totalization agreement. This provision would apply to individuals becoming eligible on or after January 1, 1986.

COMMITTEE REVIEW OF THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

SEC. 9. It is the sense of the House of Representatives that—

(1) each of its standing committees should review and study, on a continuing basis, those portions of the President's Private Sector Survey on Cost Control affecting subjects within its jurisdiction;

(2) each of its standing committees should, in its consideration of any bill or joint resolution of a public character within its jurisdiction, review those portions of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution; and

(3) each report of any such committee on a bill or joint resolution of a public character should contain—

(A) an identification of each recommendation of the President's Private Sector Survey on Cost Control implemented in such bill or resolution and the estimated dollar amount of program cost savings or revenue enhancement as a result of the implementation of each such recommendation; and

(B) a statement setting forth each recommendation of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution, the disposition of each such recommendation, and the reasons for such disposition.

The motion was agreed to.

The Senate concurrent resolution was concurred in.

The title of the Senate concurrent resolution was amended so as to read: "Concurrent resolution revising the congressional budget for the United States Government for the fiscal year 1985 and setting forth the congressional budget for the United States Government for the fiscal year 1986, 1987, and 1988".

A similar concurrent resolution (H. Con. Res. 152) was laid on the table.

APPOINTMENT OF CONFEREREES

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent to insist on the House amendment to Senate Concurrent Resolution 32, and to request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

PARLIAMENTARY INQUIRY

Mr. FRENZEL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FRENZEL. Mr. Speaker, I have a motion to instruct the conferees. May I inquire of the Chair, is that appropriate at this time?

The SPEAKER. The gentleman's motion is in order.

MOTION TO INSTRUCT CONFEREES

Mr. FRENZEL. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Mr. FRENZEL, moves that the managers on the part of the House at the committee of conference on House Senate Concurrent Resolution 32 be instructed to insist that the amounts of the deficits in the budget for fiscal year 1986, 1987, and 1988 reflecting both the unified budget and off-budget transactions not exceed the amounts in section 2(a)(4) of the House Concurrent Resolution 152.

The SPEAKER. The gentleman from Minnesota [Mr. FRENZEL] will be recognized for 1 hour.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is not my intention to take a lot of time. The chairman of the House Budget Committee has indicated to me that he would not oppose this instruction.

For Members who are interested, I do not believe there will be a vote on this unless somebody's mind has changed.

What this instruction does is to merely ask our conferees to bring back a bill with no less savings in the aggregate than they left the Chamber with. It gives us a little downside protection. That is, if our managers on the part of the House actually follow our instructions, and I believe that it is not opposed by the gentleman from Pennsylvania.

Mr. Speaker, if there are no requests for time, I yield back the balance of my time.

The SPEAKER. The question is on the motion to instruct conferees offered by the gentleman from Minnesota [Mr. FRENZEL].

The motion to instruct was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. GRAY of Pennsylvania, WRIGHT, HEFNER, DOWNEY of New York, LOWRY of Washington, DERRICK, FAZIO, MILLER of California, FROST, LEATH of Texas, LATTA, and KEMP, Mrs. MARTIN of Illinois, Ms. FIEDLER, Mr. BROWN of Colorado, Mr. BOULTER, and Mr. MOORE.

COMMUNICATION FROM THE HONORABLE SAM B. HALL, JR., MEMBER OF CONGRESS

The SPEAKER laid before the House the following communcation from the Honorable SAM B. HALL, Jr., Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 23, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, H-204, The Capitol, Washington, DC.

DEAR MR. SPEAKER: By this letter, I submit my resignation as a member of the U.S. House of Representatives effective Monday, May 27th, 1985. As you know, this resignation is necessitated by my appointment to serve as a United States District Judge for the Eastern District of Texas.

Membership in the U.S. House of Representatives is among the highest honors that can come to an individual in our democratic system, and it is made all the more rewarding because of the opportunity to serve with elected officials like yourself who love and defend our great country. I shall always cherish this friendship and association.

I want to thank you for all of the courtesies that you have extended to me and my office. I hope to have the opportunity to welcome you to East Texas in the future. It would be a privilege.

Sincerely,

SAM B. HALL, Jr.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 23, 1985.

Hon. MARK WHITE,
Governor of Texas, Capitol Station, Austin, TX.

DEAR GOVERNOR: As the enclosed indicates, I am resigning my seat in the U.S. House of Representatives effective May 27, 1985.

I am also submitting my resignation to you, and in so doing, I want to commend you and your entire staff for the tremendous cooperation and assistance you have given me during your tenure as our Governor. The liaison between our offices has been exemplary.

In closing I would like to respectfully urge you to set a date for a special election in the First Congressional District to fill the unexpired term as soon as possible. The citizens of East Texas are deserving of representation as soon as practicable, and I am hopeful that we can have a replacement in this seat very soon.

Again, thank you for your friendship and many courtesies.

Sincerely yours,

SAM B. HALL, Jr.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1809

Mr. MORRISON of Washington. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of H.R. 1809.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO HAVE UNTIL 5 P.M. TOMORROW, FRIDAY, MAY 24, 1985 TO FILE REPORT ON H.R. 37

Mr. UDALL. Mr. Speaker, with the concurrence of the minority leadership of the committee, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to have until 5 p.m. Friday, May 24, 1985, to file a report on the bill, H.R. 37.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE SUPPLEMENTAL REPORT ON HOUSE RESOLUTION 1711, NRC AUTHORIZATION

Mr. UDALL. Mr. Speaker, with the concurrence of the minority leadership of the committee, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to file a supplemental report on the bill House Resolution 1711, the NRC authorization bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

PERMISSION TO INCLUDE NAME OF MEMBER AS ADDITIONAL COSPONSOR OF HOUSE RESOLUTION 2573

Mr. BATEMAN. Mr. Speaker, I ask unanimous consent that the name of the gentleman from California [Mr. ANDERSON] be added as one of the original cosponsors of the bill, House Resolution 2573, his name having been omitted from that list by an oversight.

The SPEAKER. The Chair would advise the gentleman that the name may be added as an additional sponsor as of today.

Mr. BATEMAN. but it cannot be included as an original sponsor?

The SPEAKER. It cannot be included as an original sponsor.

Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT OF THE COMMITTEE ON ENERGY AND COMMERCE TO FILE REPORT ON HOUSE RESOLUTION 2290, ORPHAN DRUG AMENDMENTS OF 1985

Mr. WAXMAN. Mr. Speaker, with the consent of the minority of the

BEST COPY AVAILABLE

Subcommittee on Health and the Environment of the Committee on Energy and Commerce, I ask unanimous consent for permission for the Committee on Energy and Commerce to have until midnight tonight to file a report on House Resolution 2290, the Orphan Drug Amendments of 1985.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. DEWINE. Mr. Speaker, reserving the right to object, I would ask the gentleman has this been cleared with the gentleman from North Carolina [Mr. BROYHILL]?

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. DEWINE. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Speaker, this has been cleared with the gentleman from Illinois [Mr. MADIGAN] and I do not know if he talked to the gentleman from North Carolina [Mr. BROYHILL] or not.

This is the Orphan Drug Act and there is no opposition. The administration supported the bill in the committee.

Mr. DEWINE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE RESOLUTION 800

Mr. CARR. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of House Resolution 800.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CENTRAL AMERICA: A DOSE OF REALITY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, I read in this morning's paper that the President has become quite disenchanted with the American system of government. The President wants to make war in Central America, but Congress has curtailed his efforts by voting against aid for the counterrevolutionary forces in Nicaragua. In essence, Congress has spoiled the President's Latin America war party and has made the President so furious that he stated Tuesday, "We have got to get to where we can run a foreign policy without a committee of 535 telling us what we can do."

The President's foreign policy in Central America is so misguided that no other major country supports it, let alone the American Congress. But what is even more frightening than the policy itself is the fact that the President has apparently decided to do by illegal means that which he cannot do by means consistent with the law. He wants to make war in Central America without the cooperation and oversight of the U.S. Congress.

Our President, whom some call the great American patriot, or [GAP] for short, because of his incessant espousal of so-called patriotic themes and traditional American ideals, apparently does not believe in our American government. As any school-age child can tell you, our Founding Fathers fled Europe and the domination of repressive monarchical governments. Our Founding Fathers established our American form of government with the specific purpose in mind of keeping governmental leaders in line with a system of checks and balances. Our Founding Fathers set up a triumverate government with coequal branches. This is what the "GAP" says he no longer believes in because he doesn't want to have to work with Congress.

Mr. Speaker, we do not have a monarchy in America, because our Founding Fathers had learned the dangers of monarchs. We have a triumverate representative democracy, and if the President no longer wants to abide by our American system of government—if he no longer wants to obey the Constitution of the United States—if he no longer wants to uphold the oath of office to which he has twice been sworn—then the President ought to step down so the American people can have a President who will obey the laws and Constitution of the land.

The President wants to be a potentate, not an associate; he wants to dominate, not negotiate; and he wants to fulminate, not congregate.

Mr. Speaker, the Constitution demands otherwise.

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HAZARDOUS SUBSTANCES INVENTORY

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker, today, I am introducing legislation which addresses an important concern of the people of Delaware and the Nation—their right to know what is being done with hazardous substances in their communities.

This bill would, for the first time, mandate a comprehensive inventory of hazardous substances flowing through our large and midsize factories and businesses. This inventory would also permit us to answer some important questions on the fate of these materials: are they ending up in landfills? In surface and ground waters? In the air?

Information collected through the inventory would be distributed to emergency, health, and environmental protection authorities. The EPA would also be required to make this information available by a 24-hour, toll-free telephone line.

In this way, regulatory officials will finally have essential information on which to base management decisions which greatly affect industry, the public and the environment. And citizens would, at long last, be able to make their own judgments on the handling of these materials in their communities.

If you have an interest in the proper management of this Nation's hazardous substances and feel your constituents have a right to know how these materials are handled, then this bill is for you my fellow colleagues—and for your constituents.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO HAVE UNTIL 6 P.M. FRIDAY, MAY 31, 1985 TO FILE REPORTS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations have until 6 p.m., Friday, May 31, 1985, to file two investigative reports.

Mr. Speaker, this has been cleared with the minority.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES AUTHORIZED BY LAW OR BY THE HOUSE, NOTWITHSTANDING ADJOURNMENT

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, June 3, 1985, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY JUNE 5, 1985

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, June 5, 1985, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ORDER OF BUSINESS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that I may proceed on my special order ahead of the gentleman from Texas [Mr. GONZALEZ] and any others.

Mr. Speaker, this special order will be in honor of the Honorable SAM B. HALL, JR.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMERICAN STAGE EQUIPMENT FOR U.S. PATRIOTIC EVENTS

(Mr. GROTBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GROTBERG. Mr. Speaker, today I am introducing a concurrent resolution with our colleagues, Messrs. ANNUNZIO, PRICE, DICKINSON, and ASPIN, which will express the sense of the Congress that performing groups in the Armed Forces of the United States should use domestically manufactured entertainment support items at patriotic and ceremonial events at the Capitol and at all Federal buildings, unless there is no domestically manufactured item of comparable quality and price. I think this is a worthwhile resolution and would recommend its passage. I am including a copy of the text of the concurrent resolution for printing at this point:

H. CON. RES. 157

Concurrent resolution expressing the sense of the Congress that performing groups in the armed forces of the United States should use domestically manufactured entertainment support items at patriotic and ceremonial events at the Capitol and at all Federal buildings, unless there is no domestically manufactured item of comparable quality and price

Whereas the use of only domestically manufactured entertainment support items, such as musical instruments, sound and lighting equipment, and other items essential for quality entertainment, at patriotic and ceremonial events in the Capitol Building, on the Capitol Grounds, and at all Federal buildings, by performing groups in the armed forces of the United States, will further enhance the patriotic theme of such events and display the quality and workmanship of American-made products; and

Whereas such use and display will encourage other nations to import American-made products, help to reduce our approximately $123 billion trade deficit, and ease protectionist sentiment in the Congress: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that performing groups in the armed forces of the United States should use domestically manufactured entertainment support items, such as musical instruments, sound and lighting equipment, and other items essential for quality entertainment, at patriotic and ceremonial events in the Capitol Building, on the Capital Grounds, and at all Federal buildings, unless there is no domestically manufactured item of comparable quality and price.

DISPOSITION OF $4 BILLION IN UNSPENT FUNDS

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT. Mr. Speaker, yesterday I introduced an amendment to the Defense authorization bill which would add to the procurement of conventional weapons for our Nation's defense. I propose that we use for this the $4 billion in unspent funds the DOD has identified or found as a result of lower than expected procurement costs in recent years. These funds, under my amendment, would be divided equally between the Army, Navy, and Air Force for the purpose of purchasing conventional war strength in ships, planes, artillery, tanks, and ammunition for our forces.

I want to commend the Secretary of Defense for uncovering these funds, and for the procedures in the Department which helped achieve the savings. By making this money available for conventional weapons, we can strengthen our defense now without increasing the Pentagon budget for the coming year.

The need to build a stronger conventional force should be clear to every Member here today. Senator SAM NUNN yesterday eloquently stated the dangers we are creating for ourselves by not addressing our defense needs in Europe. I congratulate the Senator from Georgia for his fine comments. It is with great satisfaction that I see this issue finally being given the full attention it deserves. I have sounded this alarm for years, in public and private forums and hearings, and am as emphatic now as ever before. My amendment to delete the MX last year was based not only on its vulnerability as a missile but also to provide funds for conventional weapons.

We have been repeatedly advised by General Bernard Rogers, the Supreme Allied Commander of NATO, that we cannot prevent the Soviets from overrunning western Europe in a conventional attack. In his own words, it would only be "days, not weeks," before we would be forced to use nuclear weapons to stop such a Soviet attack. We must assume the Soviets would respond to our first use with their own devastating nuclear arsenal. Such a nuclear exchange poses an ominous threat to all mankind. A policy of defending Europe by quickly escalating to nuclear war is insane.

Consider the irony: The nation that prides itself on moral rights and ethics, on freedom and democracy would perpetrate the greatest of immoralities by starting a nuclear war. Even the President has said it is our policy to resort to nuclear weapons in the face of a conventional attack.

It is imperative that we increase our ability to fight a conventional war in Europe. A study presented to the NATO defense ministers at their meeting in Brussels this week clearly points out some of our weaknesses. There are critical deficiencies in ammunition stockpiles, equipment and the availability of forces that can be mobilized for combat, according to the study. Today, the Warsaw Pact outnumbers NATO forces in almost all major weapons. They have more than three times as many tanks, more than twice the number of artillery, armored personnel carriers and antitank weapons, and substantially more fighters, bombers, and antiaircraft missiles.

We must put ourselves in a position to win a conventional war in Europe, or at least be able to greatly extend the time before we are confronted with the deadly decision to go to nuclear weapons. Our own security and the security of the West depends on how we meet this challenge. We should get on with it!

COMPREHENSIVE IMMIGRATION REFORM

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, I want to congratulate my colleague on the other side of Capitol Hill, Senator ALAN SIMPSON, for reinforcing his longstanding support for comprehensive immigration reform through the introduction of his new bill on the subject. I wish to highlight, in particular, his decision to use a "triggered legalization" process. This is an approach which garnered a unanimous 16-vote mandate from the Select Commission on Immigration and Refugee Policy in December 1980, and it was at that time supported by such prominent figures as TED KENNEDY, Father Theodore Hesburgh, and PETER RODINO, chairman of the House Judiciary Committee. Congressman HAMILTON FISH, JR., the ranking minority member on the full Judiciary Committee, also similarly supported the approach embodied in the Simpson bill.

Personally, I am wedded to the joint implementation of employment sanctions and legalization, but I applaud the efforts of my friend, Mr. SIMPSON, to explore alternatives which may assist in breaking the legislative logjam which has prohibited the adoption of immigration reform legislation for over 4 years.

I am intrigued, too, by the Simpson bill's use of legal presumptions to encourage employers to verify the status of workers. An affirmative defense would attach if verification procedures had been followed by employers, and a presumption of knowledge would apply to employers who hire illegal aliens but who fail to institute verification procedures.

In my judgment, the Simpson bill does not go far enough in its temporary worker provisions. I have consistently said, and my bill, H.R. 1061, reflects, that the current H-2 program, even as modified during last year's House-Senate conference, is insufficient to address the narrow window of time which is particularly applicable to the perishable fruit industry so prevalent both on the west coast and in the upper Midwest portions of this country. The Simpson bill recognizes the problems of unpredictable weather by its requirement that employees need not apply for seasonal worker authority more than 65 days ahead of time. My proposal would have moved this requirement up by 15 days and, among other things, would have created special procedures applicable to workers involved in the harvesting of perishable crops.

This is an area which is of great concern to me and to other Members who are sensitive to the needs of this industry. I have confidence, though, that it is a disagreement which we can work out.

Lastly, the Simpson bill, like mine, does not completely remedy the legitimate concerns of those who fear ethnic and national origin discrimination as a result of enforced employer sanctions. The Simpson bill depends on the General Accounting Office [GAO] to send a signal to the Congress on the effect of sanctions on vulnerable workers. My bill leaves a civil rights remedy to hearings and consensus.

Now that the Judiciary Committees of both Houses have comprehensive bills before them, I would hope that we can begin again to find a solution to what I believe is one of the most important domestic and foreign policy questions of this last quarter century, namely, comprehensive immigration reform. At present, our borders are crossed by thousands upon thousands of economic migrants each year, and their numbers swell the populations of our cities and create devastating competition for jobs at the lower end of the economic scale.

☐ 1520

Moreover, in southern California, we have had an increase in episodes of violence along our southern border. A 13-year-old boy was shot just a couple of weeks ago by a Border Patrol officer responding to rocks being thrown by a mob.

A couple of days later, a Border Patrol officer was shot five times by bandits along the border.

Things are not going to get better; they are only going to get worse.

Unless we in the Congress move to enact legislation dealing with our immigration problem in this Congress, we are gambling with the goodwill of the American people. This country has been built by immigrants, and it is unique in the world community as a haven for the destitute and the dispossessed. But the tolerance of the people as an essential, though mercurial, ingredient in maintaining an humanitarian immigration policy running up against an obsolete immigration statute invites abuse and disrespect.

Senator SIMPSON has once again taken a giant step toward responsible action. Twice before, his leadership has moved the Senate to action ahead of the House. Now, he has scheduled hearings next month, and has reserved floor time before the August recess; the House, on the other hand, has, as before, bided its time for what appears to be nonobvious reasons.

I would hope that this conduct would not represent a continuation of the trend which affected our House leadership in the past. I would hope that we would be able to proceed apace with consideration of this most important legislation.

TEENAGE ALCOHOLISM AND DRUG ABUSE ON INDIAN RESERVATIONS

(Mr. McCAIN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. McCAIN. Mr. Speaker, today the most serious problem affecting teenagers on Indian reservations today are alcoholism and drug abuse. Faced with high unemployment, poor housing, inadequate health care and little hope for future, Indian youth turn to drugs and liquor. Their future will be one of despair unless we take immediate action.

The legislation I am introducing today will address their problems through cooperation, education, counseling and preventing. It directs the Secretaries of Education, Interior and Health and Human Services to coordinate their agency drug and alcohol abuse programs to address the reservation problems. Special emphasis would be placed on local control of these efforts.

The Secretary of Health and Human Service would identify crisis areas and target resources to alleviate the problems on those reservations. The bill also calls upon the Secretary of the Interior to establish a program of instruction regarding alcohol and drug abuse for Bureau of Indian Affairs schools.

Alcohol and drug abuse on the Indian reservations is a major problem for which there are no easy answers. I am confident, however, that through dedication and coordination we can enact programs that will help the Indian youth of America.

Mr. Speaker, a great deal of time and energy has been devoted recently; a President's commission on reservation economies; billions and billions of dollars are devoted annually to our reservations, to the BIA, Health and Human Services, and other agencies of the Government, and unfortunately we have shown very little from these massive investments of the American taxpayers' dollars.

Unemployment still runs 40 to 50 percent on our reservations; tuberculosis is 10 times the national average; teenage alcoholism on some reservations is as high as 40 to 50 percent amongst some male teenagers.

Mr. Speaker, I believe that it is long overdue that we did whatever we could as a Nation to help address the serious problem of drug and alcohol abuse on our reservations.

I yield to my colleague from Arizona.

Mr. RUDD. I thank the gentleman for yielding to me, and I compliment him on working toward a good end, and trying to help these problems that have been enumerated on the reservations.

I do not know how we are going to solve them, but they are there and they are not going to go away and we should make every effort possible to try to bring some reason and common sense into the reservation area and help our brethren to help themselves.

Mr. McCAIN. Mr. Speaker, reclaiming my time, I would like to mention, Mr. Speaker, that my colleague from Arizona represents the largest Indian tribe in America; he is familiar with these issues to a greater degree than I am, and I am appreciative of his dedicated efforts in trying to eradicate these problems; all Arizonans are deeply grateful to my colleague from Arizona.

PROVIDING FOR ADJOURNMENT OF THE HOUSE FROM MAY 23, 1985, to JUNE 3, 1985, AND ADJOURNMENT OF THE SENATE FROM MAY 24, 1985, TO JUNE 3, 1985

Mr. BROOKS. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 155) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 155

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, May 23, 1985, and that when the Senate adjourns on Friday, May 24, 1985, they stand adjourned until 12 o'clock meridian on Monday, June 3, 1985.

The concurrent resolution was agreed to. A motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER TO CALL A RECESS TODAY

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to declare a recess today subject to the call of the Chair.

The SPEAKER pro tempore (Mr. DONNELLY). Is there objection to the request of the gentleman from Texas?

There was no objection.

☐ 1530

MEMORIAL DAY 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. RAY] is recognized for 5 minutes.

● Mr. RAY. Mr. Speaker, I rise today to pay tribute to all of those soldiers who died in the service of our Nation, and to acknowledge the day that has been set aside to honor them, Memorial Day.

Memorial Day originated in numerous places and with many individual acts of commemoration, as history shows. One such place was Columbus, GA, where in January 1866, Miss Lizzie Rutherford and some of her friends formed the Ladies Memorial Association to care for the graves of the Confederate dead. This group adopted the day of April 26 to annually commemorate the Confederate soldiers, since it was the anniversary of the surrender of Gen. Joseph E. Johnston, the last Confederate leader.

The first National Memorial Day on May 30, 1868, was the occasion of many ceremonies held to honor those who had died in the Civil War, with the most noteworthy ceremony being held in the Arlington National Cemetery.

Over the years, changes have occurred in the observance of Memorial Day. Most notable is the fact that Memorial Day has become an occasion for honoring all those who died in the service of our Nation, from the Civil War to the Vietnamese war. Furthermore, the observance has extended to honoring the memory of all deceased persons, civilian as well as military.

Mr. Speaker, I think it is very fitting for us to have set aside a time to honor those who sacrificed their lives for the sanctity and preservation of this country.

The words that Gen. James Garfield spoke on that first National Memorial Day on May 30, 1868, are most appropriate:

> I am oppressed with a sense of the impropriety of uttering words on this occasion. We do not know one promise these men made, one pledge they gave, one word they spoke; but we do know they summed up and perfected, by one supreme act, the highest virtues of men and citizens. For love of country they accepted death, and thus resolved all doubts, and made immortal their patriotism and virtue.

Each year the President of the United States issues a special Memorial Day proclamation which calls for citizens to observe the occasion as a day of prayer for peace. We must all recognize that our obligation to these brave soldiers and to ourselves is to protect our precious freedom and to renew our commitment to protecting our country.

As a nation, we must endure and prosper and remember the sacrifices and valor of those who have fought so bravely to preserve our freedoms in these United States of America.●

SUPPORT MX COMPROMISE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. MAVROULES] is recognized for 5 minutes.

● Mr. MAVROULES. Mr. Speaker, when the House resumes its work after the Memorial Day period, one of the first legislative items to be considered will be the Department of Defense authorization for fiscal 1986.

I would urge the Members to carefully study the McCurdy-Mavroules amendment, which would limit the deployment of the MX missile.

So that Members may have an opportunity to review this matter, I would like to include our "Colleague," letter, as well as coalition letters expressing support for the amendment.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 14, 1985.

SUPPORT MX COMPROMISE

DEAR COLLEAGUE: The Congress has now approved the acquisition of 42 MX missiles. As you know the last 21 were approved with great difficulty, and the prospect of another controversial debate will certainly not assist any potential progress when the Geneva Arms Talks resume.

In the past, some of us have supported MX procurement, some of us have not. However, after carefully studying all aspects of this issue, we have decided to propose an amendment to limit MX deployment to 40 missiles. Why limit MX deployment to 40? In the 1982 MX Development and Deployment Plan, the Air Force stated:

> "The initial deployment of 40 MX in existing silos will be sufficient to hold the most threatening Soviet silo sanctuaries at risk."

The Administration's FY 86 budget requests an additional 48 missiles requiring $3.1 billion in new budget authority. Our amendment provides $828 million in FY 86 for MX basing and technical support. Further, at the appropriate time, whether in Conference with the Senate or a future procurement, the amendment is fully consistent with the acquisition of the necessary MX test and evaluation missiles.

With the Air Force not planning to deploy the fortieth MX until May 1988, and Midgetman due to be deployed in 1992, we are now at a logical stopping point for the MX program. We have provided the number of MX considered necessary by the Air Force for national security in the near term, and also, have provided the support requested by the President for our arms control negotiators in Geneva.

Join us in supporting a reasonable and fair alternative.

Very sincerely,

NICHOLAS MAVROULES.
VIC FAZIO.
ALBERT G. BUSTAMANTE.
STEWART B. MCKINNEY.
DAVE MCCURDY.
BILL GREEN.
STENY H. HOYER.

COMMON CAUSE,
Washington, DC, May 20, 1985.

DEAR REPRESENTATIVE: The House soon will be considering the Defense Department authorizations bill for FY 86. At that time Common Cause strongly urges you to say no to any further expansion of the MX missile program by voting to cap this weapons system.

The Mavroules-McCurdy amendment would place a permanent statutory limit on the deployment of MX missiles at no more than 40 missiles, a level already approved by Congress. It would also provide that no new MX missiles would be funded in fiscal 1986. (The Administration, in its FY 1986 budget request, asked for 48 additional MX missiles at a cost of $3.2 billion.) The Mavroules-McCurdy amendment would allow $828 million to pay for spare parts, support systems and basing costs associated with the MX missiles that Congress has already funded.

By capping the MX at 40 deployed missiles, the destabilizing nature of this missile system would be substantially reduced. The MX would end up limited to 20 percent of what originally started as a program to deploy 200 missiles.

The story of the MX is the story of a vulnerable, destabilizing and costly weapons system that never should have been built. It is the story of a weapons system that heightens nuclear tensions and does not enhance our national security.

The story of the MX is also the story of a weapons system that ranks at the top of the list when it comes to looking for ways to make responsible and prudent reductions in the military spending budget. It has become clear to the general public that not only are we spending too much money on the military budget, but we are not spending it wisely or carefully. Congress must figure out ways to control the military budget, and it can no longer avoid the fact that the MX program must be curtailed.

It is time to bring a close to this unfortunate chapter in military and nuclear arms policy by stopping the MX program where it is. We strongly urge you to support a permanent statutory limit on MX deployment at no more than 40 missiles and the elimination of any funds for new MX missiles in FY 1986 by voting for the Mavroules-McCurdy amendment.

Sincerely,

Fred Wertheimer,
President.

May 21, 1985.

Dear Representative: The undersigned organizations strongly urge you to support the Mavroules-McCurdy amendment to place a cap on the MX missile program when the Department of Defense FY 1986 authorization bill is considered in the House shortly.

The Mavroules-McCurdy amendment:

Places a statutory prohibition on the deployment of MX missiles at no more than 40 missiles, a level which has already been approved by Congress.

Provides no funds for new missiles in fiscal 1986.

Allows $828 million to pay for spare parts, support systems and basing costs associated with the MX missiles that have already been funded by Congress.

We believe the MX is a vulnerable, costly and unnecessary weapons system. By capping the MX at 40 deployed missiles, the destabilizing nature of this missile system would be substantially reduced. The MX would end up limited to 20 percent of what originally started as a program to deploy 200 missiles.

We strongly urge you to vote for the Mavroules-McCurdy amendment and to oppose all weakening amendments or substitutes when this matter is considered in the House.

American Association of University Women.
American Friends Service Committee.
American Medical Student Association.
American Public Health Association.
Americans for Democratic Action.
Benedictines for Peace.
Center of Concern.
Christic Institute.
Church of the Brethren.
Church Women United.
Clergy and Laity Concerned.
Coalition for a New Foreign and Military Policy.
Committee for National Security.
Common Cause.
Council for a Livable World.
Defense Budget Project.
Environmental Action.
Episcopal Peace Fellowship.
Friends of the Earth.
Gray Panthers.
Intercommunity Social Justice Network.
International Alliance of Atomic Veterans.
International Association of Machinists and Aerospace Workers.
Jewish Peace Fellowship.
Jobs With Peace Campaign.
Lawyers Alliance for Nuclear Arms Control.
League of Women Voters of the United States.
Mennonite Central Committee U.S. Peace Section.
Mobilization for Survival.
National Association of Social Workers.
National Education Association.
National Federation of Priests' Councils, USA.
National Office of Jesuit Social Ministries.
National Taxpayers Union.
NETWORK—a Catholic social justice lobby.
New Jewish Agenda.
North American Federation of Temple Youth.
Nuclear Information and Resource Service.
Pax Christi USA.
Physicians for Social Responsibility.
Presbyterian Peace Fellowship.
Professionals' Coalition for Nuclear Arms Control.
Progressive National Baptist Convention.
PUSH, International Affairs Division.
SANE.
Sierra Club.
Sisters of Loretto—Loretto Disarmament/Economic Conversion Committee.
Sisters of Notre Dame de Namur—Justice and Peace Office, Boston; Mission Education Center Staff.
Sisters of St. Joseph of Carondelet: General Officers; Justice Commission, St. Paul Province.
Sisters of St. Joseph of Peace.
Union of American Hebrew Congregations.
Union of Concerned Scientists.
Unitarian Universalist Association of Churches in North America.
United Campuses to Prevent Nuclear War.
United Church of Christ, Office for Church in Society.
United Food and Commercial Workers International Union.
U.S. Committee Against Nuclear War.
United States Student Association.
Washington Office of the Episcopal Church.
Washington Peace Center.
Women Strike for Peace.
Women's International League for Peace and Freedom, U.S. Section.
World Federalist Association.
World Peacemakers.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. Fish] is recognized for 5 minutes.

● Mr. FISH. Mr. Speaker, due to an illness in the family, I was unable to be present today for votes on the Leath amendment, the Oakar amendment, and the House Budget Committee (Gray) resolution. I would have voted as follows had I been present: against the Leath amendment, roll No. 128, for the Oakar amendment, roll No. 129, and against the Gray budget, roll No. 130.●

TRIBUTE TO THE HONORABLE SAM B. HALL, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. Brooks] is recognized for 60 minutes.

Mr. BROOKS. Mr. Speaker, our good friend and colleague, Sam Hall, Jr., is leaving Congress to become a Federal district judge. While we will miss him deeply, all of us want to wish him the very best of luck in his new position. As dean of the Texas delegation, I can tell you that Congressman Hall has been an important Member of our legislative team. Since coming to Congress in June 1976, we have grown to admire his skill and dedication as an effective spokesman for his east Texas constituency.

I know that his constituents in Texas' First Congressional District are proud of the record of service that Congressman Sam Hall has established through hard work and dedication.

The people of east Texas have always known that they have a friend here in Washington with whom they could work on many projects of vital importance to the State of Texas.

He has been a hard working, capable member of the Texas legislative delegation and he has demonstrated time and again the spirit of independence and determination to pursue goals important to his district.

While the Texas delegation will miss his ability to present arguments on complex issues in a clear and reasoned manner, and the Congress will miss his contribution to the legislative process, I can assure you that the people of east Texas and our country have gained an outstanding Federal jurist who will bring the same skill and dedication to the Federal bench that we have observed here on the floor of the U.S. House of Representatives.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman from Texas for yielding.

Mr. Speaker, I would like to commend the gentleman and compliment him for taking out a special order which would pay tribute to our good friend and colleague, Congressman Sam Hall of Texas, from the First District of Texas.

He has been a good friend to me and a very respected colleague not only by me but by all of the Members here in the House of Representatives. He has shown great dedication and has exhibited a great deal of hard work which has been one of his great assets to the constituents that he has represented from Texas and has been a real credit to this House and indeed to our Nation, the Republic, the United States of America.

I have traveled with Sam, have gotten to know him and his wife well, I know him as a very sincere Congressman, a very sincere and true southern gentleman. Although I anticipate his retirement from the House with some sadness, there is gladness here that he will continue to serve his home State and the Nation as a judge in the eastern district of Texas.

I did not serve on the Judiciary Committee with him but I had occasion to work with him several times on the work that he did there on the subcommittee that he chaired, and I

cannot help but admire the careful workmanship, and respect for the law, and the manner in which he went about solving the problems that came before the committee which warranted great applause from anybody that had anything at all to do with Sam Hall.

So I wish him and his entire family every good fortune in the ventures that they will encounter in the days ahead.

Mr. BROOKS. Mr. Speaker, I thank the gentleman for his comments.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today, paying tribute to the Honorable Sam B. Hall, Jr.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Speaker, I would first of all like to commend my colleague [Mr. Brooks] for taking the time to pay tribute to Sam Hall, our colleague and friend. This may be one of those few occasions that the distinguished gentleman and I will find ourselves on the same side of a proposition—in this case a mutual admiration for Sam. Such ideological unanimity is itself a tribute to Sam.

From the outset, I must confess, however, that this occasion leaves me with mixed emotions. While I am delighted over Sam's appointment to the Federal bench, at the same time, I can tell you that, after having served with him on the Judiciary Committee for the last 6½ years, this House will be losing one of its finest.

An as accomplished litigator, Sam came to this body with the intellectual tools and real world experience that have served his constitutents so well since 1976. Sam has always been not only a font of knowledge, but also one of good humor. At the same time, I think that the thing those of us who have worked with Sam during this time appreciate the most is his commonsense ability to get to the heart of an issue, and to deal with it.

Sam will be remembered as one tough Texan who never shied away from a fight over those things he held to be most dear. While I can attest that service on the Immigration Subcommittee is often a seemingly thankless and endless job, it is one that Sam pursued with great skill and a vigor second to none. While his input will be deeply missed, his contribution to the debate over U.S. immigration policy will transcend his absence.

I might also mention that Sam and I served together on the Criminal Justice Subcommittee when it was headed by our former colleague, Father Drinan of Massachusetts, who was a true taskmaster. I think we probably had more sessions, more markups, more hearings, more time together than any other subcommittee in the House, and it was both the commonsense and good humor of Sam that kept us together.

Sam has one of the truly beautiful families that I have ever met. I think we will miss seeing his family here, we will miss seeing Sam here. But I think that our friend from Texas will be remembered as one of the good guys in a white hat who is riding off into the sunset to continue his fight for justice in another forum. We are going to miss him very greatly.

I thank the gentleman from Texas for giving us this opportunity to pay tribute to a really great person and a great Texan, Sam Hall.

Mr. BROOKS. Mr. Speaker, I thank the gentleman for his comments.

● Mr. STENHOLM. Mr. Speaker, in honoring Sam B. Hall, Jr., for his valuable contributions to this Chamber, the House of Representatives is paying tribute to a great Texan, an American patriot, and an outstanding servant of the people. Indeed, it is fitting that we recognize our colleague for the accomplished and honorable record of achievement which he has compiled in the House over the past 9 years.

First and foremost, Sam Hall is a man cast in the mold of the district he serves. The people he represents are known for their independent thinking, work ethic, strong value system, and abiding faith in the Almighty. These traits always have formed the philosophical foundation from which Sam has approached his work in this the people's House for he firmly believes that the voters or Texas' First Congressional District deserve nothing less in their elected officials. Sam Hall has always had a close, personal relationship with his constituents, and as one who has visited with our colleague on his home turf, I can attest to the fact that northeast Texans carry a heartfelt appreciation and respect for Sam and his record in Congress. Sam reflected his constituents' views with vigor and integrity, and we will be missed by all of us in Congress who have sought and benefited from his advice, counsel, and assistance over the years.

On May 28, Sam will be sworn in as a Federal judge to serve in the eastern district of Texas. This appointment caps what has been a distinguished career of public service which began in his hometown of Marshall, TX. A lifelong resident of Marshall, Sam was a practicing attorney for 26 years and was chairman of the board of education when he announced for Congress in 1976. He won four elections in Texas's First Congresssional District that year—the Democratic primary, the Democratic runoff, a special election following the death of Representative Wright Patman, and the November general election. He was reelected in 1978 and in 1980 with 77.9 percent and 98.9 percent of the vote respectively. In 1982 and 1984 he was elected without opposition.

Sam received his law degree from Baylor University after military service in World War II. Sam Hall's civic leadership in Marshall twice won him awards for outstanding citizenship, and he has been so recognized by his alma mater and received numerous awards for his outstanding service in the House of Representatives. Most recently, Sam was honored as the recipient of the prestigious Award of Merit by the Federal Administrative Law Judges Conference. Sam is among only a handful of public figures to receive the award. He is cited by the administrative law judges for his work in Congress on complex judicial matters as a ranking member of the House Judiciary Committee and as chairman of the Judiciary Subcommittee on Administrative Law and Governmental Relations.

Mr. Speaker, Sam Hall clearly is a man of distinguished quality. His mind possesses that rare faculty of conciseness; he distills an argument or a subject down to its essence with little difficulty. Sam has that unique ability to master the most complicated subjects with facility. Intellectual acuteness together with his amiability and unpretentious nature form an admirable blend of character that is Sam Hall personified.

And Sam Hall's quality of mind only foreshadows his quality of character. Throughout his tenure in office Sam has displayed courage, resolution, moderation, dedication, and control. Courage in his willingness to make the tough decisions and risk exposure when others held back. Resolution in moving steadily and persistently forward with a proposal or idea that he feels is right. Moderation as shown in his exercise of proper judgment. Dedication as exemplified by his driving commitment to duty. Last, but not least, a pervasive, unwavering self-management rests as the keystone of his character. With cool head while under fire for his convictions, Sam has always maintained a sense of proportion enabling him to reason while others become totally disoriented in the heat of rhetorical debate. Sam is one of those rare legislators who, amid the strife of factions and the rage of party disputes, makes reason and patriotism his watchwords. He stands on the respectable ground of reasoned moderation.

Mr. Speaker, as one can tell from his 6 foot 2 inch frame, Sam Hall is a genuine product of Texas with a secure attachment to home and family. His father was a prominent Texas district judge of 20 years, highly respected and revered for his professional service on the bench. Sam acquired his love and respect for the law from his father, with whom he had a close association. Indeed, Sam hails from a family of distinguished jurists which also included his uncle, Reuban Hall. Sam's mother, I know, takes well deserved pride in witnessing her son's progression into his father's footsteps as a participant in one of man's greatest adventures—the adventure of law.

Madeleine Hall, Sam's wife of over 35 years, also deserves mention. Madeleine maintains an orderly household wherein her governance at home mirrors her husband's ability to govern in public institutions. They are the proud parents of three beautiful daughters—Rebecca, Amanda, and Sandra—and the equally proud grandparents of two grandchildren.

Mr. Speaker, Sam Hall carries a conspicuous pride in America and takes every opportunity awarded him to remind our young people of the precious blessings we in America are in possession of and which no other people on Earth enjoy. He has a very indepth knowledge of the Nation's history and heritage. As Sam will often note in his talks to young people, America was born of a vision of hope in which people carry the expectation that they can effect their destinies and reap the rewards of that which they have sown through honest labor. It is such determination spirited by previous generations of Americans that created a uniquely American enthusiasm, independence of mind, national greatness, and which promoted U.S. commerce, discovery, and invention which continues to dazzle the world.

It is indeed regrettable that this House will lose a man of such caliber. However, our loss is the judiciary's gain. Sam Hall will be an outstanding judge. He is confident enough of his philosophical premises and skillful enough in his use of intellectual powers to assert himself in a most positive way as a member of the Federal judiciary.

In conclusion Mr. Speaker, Sam Hall is a man whose eloquence consists in his deep self-conviction, the emphatic earnestness of his manner, and the correspondent simplicity and energy of his style. I congratulate him on his new assignment and, at the same time, regret his leaving the Congress. I wish Sam and Madeleine the very best; both will be missed in this House.●

● Mr. RODINO. Mr. Speaker, it is with great regret that I must mark the departure from Congress of our distinguished colleague, Sam B. Hall. But my regret at seeing him leave is tempered by my congratuations for his appointment and my admiration for his laudable congressional career.

Sam is respected for his integrity and devotion to principles of citizenship and service. Elected in June 1976 to the seat formerly held by Wright Patman, he carried on a tradition of effective and dedicated congressional service.

I will particularly miss Sam as a member of the Judiciary Committee. Sam came to the committee soon after his election to Congress, and he assumed the chairmanship of the Subcommittee on Administrative Law and Governmental Relations in 1982. He has ably chaired the consideration of all the diverse matters coming up before that subcommittee—including regulatory reform, amendments to the Ethics in Government Act, possible revisions of the Federal Tort Claims Act, and, last year, hearings on the proposal to compensate Aleuts and Americans of Japanese descent for their forced relocations during World War II.

Sam has also served as a member of the Subcommittee on Immigration, Refugees, and International Law. He has been actively interested in immigration policy, applying his considerable knowledge to this most complex issue.

And as a former member of the Subcommittee on Criminal Justice, Sam spent many hours working on the bill to amend the Criminal Code. No doubt, his expertise in criminal law should serve him well on the bench.

I can go on with his list of accomplishments—his efforts in Congress have indeed been impressive—but I can truly say that Congress' loss will be the judiciary's gain. We will miss you, Sam, but I trust that I speak for my colleagues in offering you the heartiest and most respectful of congratulations.●

● Mr. ANNUNZIO. Mr. Speaker, I rise to join with the Honorable Jack Brooks, dean of the Texas delegation, in paying tribute to our distinguished colleague, Sam B. Hall, Jr., who will be leaving the House of Representatives to serve as a Federal judge for the eastern district of Texas.

Since Sam Hall came to Congress in 1976, I have had the opportunity to become well acquainted with him and to work with him on various legislative endeavors. Under his direction and leadership, as chairman of the Subcommittee on Administrative Law and Governmental Relations of the House Judiciary Committee, the Polish Legion of American Veterans was able to obtain a Federal charter after many long years of waiting. All of Polonia, along with the officers and members of the Polish Legion of American Veterans, will long remember with gratitude Chairman Sam Hall's unprecedented action of reporting this Federal charter bill out of his subcommittee immediately after the hearing was completed.

Sam Hall served in the U.S. Air Force during World War II, and received his law degree from Baylor University Law School in 1948. He practiced law in Marshall, TX, until entering Congress in June 1976. As a Member of the House of Representatives, Sam Hall has served with distinction on the Subcomittee on Immigration, Refugees, and International Law of the House Judiciary Committee, and on the Subcommittee on Oversight and Investigation and the Subcommittee on Compensation, Pension, and Insurance of the House Veterans' Affairs Committee.

Sam Hall has been a highly effective Congressman, and has served his constitutents of the First Congressional District of Texas and the people of our Nation, with outstanding dedication to the highest standards of excellence. The record of legislative achievement that he leaves is an inspiration to his colleagues, his friends, and his fellow citizens. I am certain that all those who have come to know Sam Hall as well as I share my feeling that because of his integrity and high moral character, he is an ideal candidate to serve on the Federal bench.

Mr. Speaker, I am proud to have worked with Sam Hall in the House of Representatives, and I extend to him my congratulations as well as my best wishes for abundant good health and continued success in his future endeavors as a Federal judge.●

● Mr. NICHOLS. Mr. Speaker, I appreciate our colleague and dean of the Texas Congressional Delegation, the Honorable Jack Brooks, reserving this special time to pay tribute to my esteemed friend, Congressional Sam Hall, who will be leaving this body shortly to assume a Federal judgeship in the eastern district of his home State.

I remember quite well when Sam Hall raised his right hand in the well of this house on June 19, 1976, as he took the oath of office in assuming his congressional responsibilities to the people in his district; to the great State of Texas; and to the United States of America. In the intervening years, the Congressman from east Texas, as much as any Member I have ever known, has lived up to all of the high precepts he swore to protect almost 10 years ago.

Over the years, I have watched his voting record as a conservative southern Democrat and I have sought his sound advice frequently, particularly on legislation which addressed judicial matters for he had a great respect for the law and its interpretation. I have been with him and his charming wife, Madeleine, on social occasions and

both of them epitomize the gracious hospitality of his east Texas district. In short, Mr. Speaker, I can truthfully say that I know of no one in this body who is better equipped or who possesses the stature and decorum to sit on a Federal bench than my friend from Texas.

Several years ago during an election year, it was my privilege, along with several other friends of Congressman Hall to be present at an appreciation banquet held in his hometown of Marshall, TX. I have never seen a greater outpouring of affection and of respect than was evident that night, and I was persuaded that those who know him best—his home folks—intended to see that Sam Hall represented them in the Halls of Congress as long as he might choose to stay. Following the banquet, I visited briefly in his charming home nestled among towering pines, and I can well understand his desire to return home to his native State where he will continue to serve his constituents in one of the highest offices attainable in the legal profession.

Sam, we hate to see you and Madeleine leave Congress for this body will be the poorer for it. Carolyn and I wish you all the happiness that returning home will surely bring, and may God continue to bless you as you further serve your people in east Texas.●

● Mr. KINDNESS. Mr. Speaker, I rise today to pay tribute to our departing colleague, Mr. Sam Hall of Texas. As we all know, he is leaving us to become a member of the Federal bench and I think I speak for all in this House when I say how much we will miss this splendid man.

Sam Hall and I have been friends for almost 10 years. We have served together on the Judiciary Committee and in the past two Congresses, have worked side-by-side on the Administrative Law Subcommittee, which he has so ably chaired.

At a time when the Nation faces many difficult problems, it is especially hard to say goodbye to such an outstanding legislator and statesman. I have watched the gentleman deal with some very difficult subjects in an exceptionally lucid manner. Issues such as regulatory reform, legislative veto, and Government contractor indeminification have been the subject of hearings which the gentleman has chaired quite successfully. In losing him, it is a consolation to the Nation to know that he will still be in public service and be providing the same outstanding leadership on the Federal bench that we have come to know in this House.

Mr. Speaker, I will miss Sam Hall because of his ability, and his friendship, but most of all because of his unfailing integrity and sense of honor. And so as we all bid farewell to him, let me close by saying goodbye to a respected friend with a hope that time and circumstance will provide us ample opportunity to cross paths again.●

● Mr. MONTGOMERY. Mr. Speaker, I rise today to join my colleagues in paying tribute to the gentleman from Texas, Representative Sam Hall. He certainly is well qualified to assume a position as Federal district judge in the State of Texas, but he will be missed by his many friends in the Chamber.

Sam Hall is one of the most capable and dedicated men with whom I have ever served. I appreciate the hard work he has done as a member of the House Veterans' Affairs Committee. He has been a friend of this Nation's veterans. In our official duties, I have come to know Sam as a member of the committee and on other projects in the Congress in which we shared an interest. But I have also enjoyed my friendship and association on a more personal basis with Sam and his wife, Madeleine.

I have no doubt Sam Hall will be an outstanding addition to the Federal bench. And, I am sure he and his family are excited about the prospect of returning to east Texas. He will serve the people of Texas with distinction in the judicial branch of government, just as he has done in the legislative branch over the past 9 years.

I offer my congratulations to Sam Hall on a job well done. He has been an outstanding Representative and will be an outstanding Federal judge. I will miss him as a Member of Congress and as a friend.●

● Mr. HUGHES. Mr. Speaker, it is with mixed emotions that I join my colleagues in bidding goodbye to our colleague, Sam Hall. My sense of loss at the prospect of Chairman Hall's departure is eased only by the knowledge that the Federal judiciary will be greatly enriched by his experience, skill, and honor.

Sam Hall has done an outstanding job in serving his constituents and his country as an exceptional legislator. Having worked side by side with Sam Hall on the Judiciary Committee, I know him to be an able lawyer and a vigilant protector of the rule of law. I am certain he will continue to do an outstanding job as a Federal judge in the Eastern District of Texas.

Chairman Hall's commitment to Congress and the people he represented from the State of Texas has been unflagging. He has provided vigorous leadership and a profound understanding of the legal process to the Judiciary Subcommittee on Administrative Law.

His professional qualities aside, Sam Hall will remain a highly respected friend and a fine human being. I know he will be missed by all of us who had the pleasure and honor of working with him.

Finally, I wish our departing colleague and his gracious wife, Madeleine, every happiness and success in their future endeavors.

Thank you.●

● Mr. ARCHER. Mr. Speaker, it's with a great deal of regret—but also gladness—that I join with others in this Chamber today in saying goodbye to our colleague Sam Hall.

He has been an able and articulate Member of this House, a dedicated representative of the First District of Texas, and a friend to all freedom-loving Americans. Sam Hall is a man to be admired. He's a man who will be missed.

We're fortunate indeed as a nation, however, that Sam will be extending his public service to the Federal bench. We need men and women of his ability, dedication, and wisdom who are willing to give of themselves for many years to come in assuring justice for the people of this Nation.

We'll miss Sam Hall's direct involvement in the legislative process—but the Nation will continue to benefit from his service. I want to wish him well—and thank him for the friendship and help he's given to me over the years.

Goodbye, Sam—and Godspeed.●

● Mr. SKELTON. Mr. Speaker, I rise today to honor one the most outstanding Members of this Congress. Sam Blakeley Hall is leaving the House to accept an appointment as a Federal judge in eastern Texas.

Sam Hall is a highly respected legislator and has served with distinction on the Veterans' Affairs and Judiciary Committees, and the Select Committee on Narcotics Abuse and Control.

Sam came here in 1976 after winning a special election following the death of Congressman Wright Patman. His work in the area of judiciary and fiscal policy have won him well-deserved praises and recognition.

In 1978, Sam and I traveled to North Vietnam as part of an eight-member delegation. His guidence and leadership were so instrumental in making that trip a success, that in 1981 he was asked to travel again to Asia to investigate the refugee problem.

I will miss Sam very much. He has been a true friend and a valued colleague. I know that he will bring to his new position hard work, intelligence, honesty, sincerity, and fairness. These words describe Sam B. Hall. I know my colleagues will join me in wishing Sam the very best in the future.●

● Mr. UDALL. Mr. Speaker, a good man, a friend and a distinguished Member of this House, Sam Hall, is leaving us and I'm sorry to see him go.

Sam has always represented his constituents' views with vigor and integrity, but I've always known Sam to be fair-minded and evenhanded. He has done his congressional district, his

State and this body proud because his was the best kind of public service.

We all know that Sam will be a credit to the Federal bench as he begins his judgeship in eastern Texas, but we also regret that we won't be seeing him as often.

I wish Sam and his family all the best of what they seek in the years ahead.●

● Mr. COLEMAN of Texas. Mr. Speaker, we are losing a valued friend and colleague, but gaining an excellent new Federal judge. I am sure that all his colleagues on the Judiciary Committee, the Veterans' Affairs Committee, in the Texas delegation and in the entire House will sorely miss his contributions, his energy, and his dedication that made his congressional career special.

His friendship was particularly valuable to me as a freshman. Sam was one member of the Texas delegation whom a freshman could turn to for advice and counsel, and he was of tremendous assistance to me in those early days of my first term.

Mr. Speaker, Sam Hall set an example for all of us to follow in terms of integrity, competence, and dedication, and I would like to add my congratulations and best wishes to him and his wife Madeleine as he embarks on a new and rewarding career.●

● Mr. MITCHELL. Mr. Speaker, I am proud to join my colleagues today in paying tribute to and congratulating my colleague and good friend, the Honorable Sam Hall, Jr. of Texas who will be leaving this distinguished body to accept an appointment to a Federal judgeship in the Eastern District of Texas.

Sam Hall has served in Congress with unequaled dedication since 1976. During his tenure he has served as a member of the Judiciary and Veterans' Affairs Committees, the Select Committee on Narcotics Abuse and Control and is currently chairman of the Judiciary's Subcommittee on Administrative Law and Governmental Relations. In his capacity as chairman he is recognized as being fair, open-minded, and expeditious in subcommittee proceedings.

Sam has long been acknowledged in his district as a hard-working, industrious leader dedicated to the principles of a democratic society. This is evidenced by his numerous awards, including twice being the recipient of Marshall's Outstanding Citizen Award, and his chairmanship of many prestigious boards.

Mr. Speaker, I am honored that I have had the privilege of serving with such a distinguished Member. He will be sorely missed in Congress. However, I am sure I speak for my colleagues when I say that we wish him the best of luck as he embarks on a new career and we are confident that he will bring the same dedication, diligence, and determination to the Federal judgeship as he did to the House of Representatives.●

● Mr. HORTON. Mr. Speaker, I would like to thank my good friend Mr. Brooks for arranging this special order in honor of Sam Hall. I have known Sam since his arrival in Washington 9 years ago and have enjoyed his intelligence and wit. Although we will miss his many contributions to the Judiciary and Select Narcotics Committees, I wish him well as he accepts the challenges of the Eastern District Court of Texas.

Sam came to Washington in 1976 and quickly rose to the position of chairman of the Subcommittee on Administrative Law. His work on this subcommittee has earned him the respect of Members on both sides of the aisle. His high integrity and hard work have earned him the respect of the business community, civil rights advocates, and the President of the United States. I do not believe that a better judicial appointment could have been made.

In closing, Nancy and I would like to offer our best wishes to Sam and Madeleine. They have become good friends these past 9 years and we look forward to hearing of their new successes.●

● Mr. PICKLE. Mr. Speaker, as much as any Member of this House, Sam Hall is dependable, reliable, steadfast, and judicious. Every vote he has cast has been made with deliberation, study, and reason. He takes every vote seriously, and he votes his convictions. His position is not established by hard-headedness, but by caution and careful consideration.

Those of us in the Texas delegation know that he is a man of honor, integrity, and stability. He is "Solid Rock," and "Like the tree that's planted near the water," he will not be moved from his vision of what is fair and equitable to all.

To Sam, Madeleine, and his family, our entire delegation and this Congress extends our love and affection as you return to Texas with a prayer of thanksgiving that you have come our way and an additional prayer that you will come again. The Northern Judicial District of Texas will welcome this solid citizen back who is destined to become one of the most respected Federal judges in the system.●

● Mr. de la GARZA. Mr. Speaker, one thing Texans are noted for is loyalty to family and friends. And we are losing one of our friends this month. Our most able legislator, Representative Sam B. Hall, is going on to a fine position as a Federal judge in the Eastern District of Texas. We say goodbye to a valued friend.

The Texas delegation is a tightly knit group of Representatives—we take note of ourselves and whenever one of us departs from the group we all stand in admiration. And for me there is a strong feeling of respect for Representative Hall that I know is shared by my colleagues.

We help one another, too. There is not enough space here to list the matters of importance to me on which Sam Hall has given his helping hand—and his vote. On all too many occasions, Representative Hall has shown us what cooperation really means. In that respect, he is a model for the larger methods of the Texas congressional delegation.

Now I can be very easily outdone on praise for Sam. I know that our eminent dean, Representative Jack Brooks, will have much to say about Sam Hall as they both serve on the Judiciary Committee. As for me, I lay my wreath at Sam Hall's doorstep as one last hurrah before he leaves this House of Representatives.

When Sam and I are sitting in our rocking chairs—I hope he opens up his book of mementos and his eye catches this special order. Because it will remind him that we're still friends—always—no matter where he may be. The fraternity that builds between those who serve in this Chamber is something that does not diminish over time. And I trust that the people of Sam Hall's Congressional District will remember his tireless efforts as well as I do.●

● Mr. GILMAN. Mr. Speaker, it is with great respect and admiration that I take part in this special order today to honor a long-time colleague. I would also like to take this opportunity to thank the distinguished gentleman from Texas [Mr. Brooks] for arranging this tribute.

Congressman Sam Hall has served his constituents in the first district of Texas with a unique talent and sensitivity. His dedication to this country and its citizens is proven by his long record as a public servant. First elected in 1976, Sam has served with popularity and distinction during his tenure here in the House. Prior to his congressional service, Sam served in the U.S. Air Force and was twice awarded the Outstanding Citizens Award in Marshall, TX.

Closely intertwined with his dedication is his integrity, both of which have surfaced repeatedly during his years in Congress. In the last few Congresses, I have had the opportunity to work with Sam during his chairmanship of the Subcommittee on Administrative Law of the Judiciary Committee. Under his direction, this subcommittee conducted hearings on legislation I introduced to alleviate the heavy financial burden shouldered by residents of Rockland County, NY, part of my congressional district, as a result of prosecuting defendants in the notorious Brinks robbery and murder trial. I would hope that the next chair of the subcommittee would follow his fine example in working to some favorable action on this legislation.

Sam Hall's leadership will, I am sure, be sorely missed by all of his friends and colleagues in Congress, but we wish him success and happiness in his endeavors as a Federal District judge in Texas' eastern district. The citizens of Texas and our Nation are indeed fortunate to be gaining such a talented, fair and highly respected new judge.●

● Mr. COMBEST. Mr. Speaker, I rise today to join my colleagues in paying tribute to our distinguished friend and colleague, the Honorable Sam Hall of Texas. Sam is retiring from the Chamber as he assumes new responsibilities and challenges as U.S. judge for the eastern district of Texas.

We are fortunate to have served alongside such an outstanding member of the Texas delegation. As a freshman Member of the 99th Congress, I deeply regret that our service together will not be longer, however, I am confident that our friendship will remain strong.

Sam's accomplishments are many and will be recounted by others in this body who have served longer with him than I. He is well-known for his fairness and dedication to this country, two qualities which undoubtedly were significant in his appointment by the President to this important judicial post.

The people of the First District of Texas sent Sam to Washington in 1976 to represent them in the Nation's Capital. He is a lawyer by trade, a graduate of Baylor University Law School. He served our great Nation in the U.S. Air Force during World War II. In addition, he has contributed his time to his community through civic leadership helping others achieve success. Sam's constituents, will always hold him in highest regard because of his friendship, his kindness, his consideration, and his thoughtfulness.

I know we will all greatly miss his counsel and friendship in this hallowed body, and the people of the First District of Texas will miss his strong representation, a call to higher service must be answered. Sam rises to this new challenge as he has in the past.

Sam will serve in his new capacity with honor and integrity, in the finest traditions of judicial service. We in the House are fortunate to have served with such an outstanding colleague. His ability, hard work, and devotion to his State and Nation will now be valuable qualities to the judicial system.

Mr. Speaker, I ask my colleagues to join me in wishing Sam Hall success and good fortune in all future endeavors. Farewell, Sam, but not good-bye, for I know that there is still much to be learned from you.●

● Mr. LOEFFLER. Mr. Speaker, it is with the deepest respect, affection, and admiration that I rise today to pay tribute to my friend and colleague, Sam B. Hall, Jr. of the First Congressional District of Texas.

First elected in a special election held in 1976 to fill the seat created by the untimely death of the late Honorable Wright Patman, Sam has been the model of a true statesman—fair, honest, and just, never swayed by partisan politics, but rather one who always placed his country and Constitution above all else.

Sam is resigning his treasured House seat today, in order to continue his service to our country as the Federal district court judge in the Eastern District of Texas. In fact, Sam will take his next oath of office in the same courthouse in which his father, the Honorable Sam B. Hall, Sr., presided as a Texas district court judge for many years.

With his training as the son of a respected jurist and as a practicing attorney prior to his election to the Congress, Sam has been the voice of reason and compassion on the Committee on the Judiciary, while at the same time being a leader in the call for a tough and responsible response to crime.

On a personal note, it was my high privilege and honor to have introduced him to President Ford shortly after he was sworn in following his special election. From that moment forward we have been and will continue to be close personal and professional friends.

There is absolutely no question that Sam B. Hall, Jr., will be an outstanding jurist for the U.S. District Court, Eastern District of Texas.●

● Mr. LEATH of Texas. Mr. Speaker, this is a very happy, very sad occasion. We are losing a colleague who is admired, loved, and respected, and this loss will be deeply felt for a long time. The loss we sustain in the House of Representatives will be a rare gift to the people of America when Sam B. Hall, Jr., is sworn in as a Federal judge. I know of no one better qualified than Sam Hall to hold such a position. He is ethical, honest, fair, humane, and honorable. In recent years, the types of judgments issued from many of our courts have been disheartening. I am encouraged that with Sam Hall on the bench, our system of justice will be better served and so will the people.

Sam, our affection and best wishes go with you and Madeleine. We know that returning to Texas gives you great pleasure. We know that your life together there will be as richly rewarding as your presence among us has been for each of your colleagues. Godspeed.●

● Ms. OAKAR. Mr. Speaker, I rise today to honor a respected colleague of the House who has labored here hard and long and is now being appointed a Federal judge. I have served with Sam Hall during my entire career in the House.

Sam Hall has served his constituents diligently on the Judiciary and Veterans' Affairs Committees.

Sam's service on the Veterans' Affairs Committee is equally distinguished. He serves on the Oversight Subcommittee and has labored tirelessly to ensure that funds for our veterans are expended in a responsibility manner. Such dedication by Sam Hall helps the veteran receive the benefits they deserve and makes sure the taxpayer's dollars are spent wisely. On behalf of my constituents, I am very grateful for Mr. Hall's dedication since the city I represent contains several veterans health care facilities.

On the Judiciary Committee, Sam chairs the Subcommittee on Administrative Law and Governmental Relations. He also serves on the Immigration Subcommittee.

Mr. Speaker, our loss will be the Federal judiciary's gain. The eastern district of Texas will benefit greatly from Sam Hall's experience and hard work that we have seen the past 10 years in the House. Unfortunately, the House will suffer from Sam's departure from congressional service. But our suffering will be outweighed by seeing the distinguished gentleman from Texas help a great number of people as a judge. So, along with my colleagues who rise to bid this fine Texas farewell, I thank Sam Hall for his indefatigable devotion to the House.●

● Mr. ENGLISH. Mr. Speaker, I wish to join my colleagues in giving special recognition to our colleague Sam Hall on his departure to become a Federal judge for the Eastern District of Texas. I have enjoyed serving with him over these past years and will miss his friendship and help. I know that he is looking forward to this new chapter of his life, but we all hope that he will remember these years in Washington with fondness.

To him and his lovely wife, Madeleine, we say goodbye and best wishes for their continued success.●

● Mr. BUSTAMANTE. Mr. Speaker, Congressman Sam Hall has been a fine legislator and he will be a fine Federal judge. In the few months I have been privileged to call him "colleague," I've come to appreciate his good judgment and common sense. Mr. Hall is not flamboyant—he's earnest, steady, and evenhanded. Those qualities will serve him well on the bench. More importantly, though, he has been—and no doubt will continue to be—a solid Texan, aware of the needs and peculiarities of Texans. I have valued his example as a force for moderation in this body and wish him every success in his new career.●

● Mr. BRYANT. Mr. Speaker, each Member of this body has had the high honor of serving in this august body with the man I am privileged to join in paying tribute to today—a man each of us, regardless of philosophy or party affiliation, can count as a friend.

Next week, our colleague Congressman SAM BLAKELEY HALL, will begin a new valuable service not only to the people of east Texas whom he has so honorably and effectively represented for the past 8 years, but also to the finest and fairest system of justice the world has ever known—a system to which he has devoted almost half his life.

On June 28, 1985, Congressman SAM HALL will return to Marshall, Harrison County, TX—the hometown he so dearly loves—and become Federal District Judge SAM HALL.

To those of us who have had the opportunity to know, appreciate, and respect him, however, he will always be SAM. He will always be our trustworthy friend.

To those who have sought his counsel, as I have, SAM has consistently provided sensible, straightforward advice. To those who have asked his help, as I have, he has given it fully and willingly when he could. He has been true to his word and to his high principles. When we have been on opposite sides, we have differed agreeably. When we have had the same position, he has stood staunchly by our side.

No one could ask more of a friend or colleague than SAM HALL has so readily given.

When he was elected to the Congress in June 1976, to succeed the late Wright Patman, he had large shoes to fill. As a member of the House Committees on the Judiciary and Veterans' Affairs, as chairman of the Veterans' Subcommittee on Compensation, Pension, and Insurance, as chairman of the Judiciary Subcommittee on Administrative Law and Government Pensions, and as a member of the House Select Committee on Narcotics Abuse and Control, has well followed in the footsteps of his great predecessor in serving both this body and his constituents.

That he has been reelected time after time by the people of the First Congressional District of Texas, honored by his colleagues as chairman of the Texas Democratic Congressional Delegation, nominated by the President to a Federal judgeship, and unanimously confirmed by the U.S. Senate to serve on the Federal bench speaks volumes about this unassuming man.

Today, although we regret that SAM and Madeleine Hall are leaving the Congress, we envy their return to Texas. Although we will miss his service and her support of it here, we know that SAM will distinguish himself and serve justice well in his new position and that Madeleine's support will always be there.

Congressman, judge, friend—SAM, we wish you the best because we know you will give your best.●

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

INTRODUCTION OF THE AMERICAN AGRICULTURAL DEFENSE ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa [Mr. LEACH] is recognized for 60 minutes.

Mr. LEACH of Iowa. Mr. Speaker, every 4 years Congress goes through a farm bill dance much like that of the proverbial Indian rainmaker. Members contort to the right, to the left, jump up and down a lot and then when the rains finally come the farmer is left to wonder whether all the entertainment, the color and rhythm, made a difference.

This year there are three basic approaches to farm legislation: First, the administration's request to cut back significantly—some would say radically—on the current mechanism of price supports and move to a more naked market approach; second, Congress' instinctive inertia which implies reendorsement and extension of the current farm program with minimal tinkering; and third, the self-proclaimed populist approach of Senator HARKIN and Texas Agriculture Commissioner Hightower which dictates stringent supply management and increases substantially target and loan levels.

The advantage of the administration's approach is that it is less costly to taxpayers and is designed to keep American agriculture competitive in world markets. Its disadvantage is that the return on investment to the average farm family is so low as to precipitate further erosion in the number of farmers capable of making a living on the farm. It would precipitate as well a deepened recession, if not depression, in the farm belt.

From a farm perspective, maintenance of the status quo would appear preferable to the administration approach, but legislative inertia provides little hope for increasing numbers of farmers who find working the land the only major profession that is so poorly remunerative as to represent a gift not only of labor but of capital. Instead of being paid for work, over a third of American farmers today actually pay to work.

This circumstance has led to what might in other times have been considered a rather radical solution: The populists' call for dramatic increases in support levels.

The advantage of the populist approach is that it is premised on economic concerns being expressed from the bottom up, not the top down—with return to the average farmer rather than the average grain company being given the first priority.

The disadvantage of the populist approach is that it fails to recognize that all sectors of the agricultural community are in the same boat and that high supports imply lost markets at home as well as abroad. American farmers would not only lose a great part of their market in countries like Japan, Korea, and the Soviet Union, but would overnight become vulnerable to foreign producers dumping commodities in the United States. If Canadian hogs are a problem today, unrealistically inflated price supports will cause our own markets to be flooded by Argentine corn, Brazilian soybeans and Swedish oats.

If we retaliate with tariffs, others will do likewise and agriculture could become the propeller of worldwide protectionist sentiment. Constrictive trade wars rather than trade expansion would be the order of the day.

The populist approach would almost certainly have a positive effect on world pricing levels, but ironically it would be the European Community coupled with Canada, Argentina, and Brazil which would be best positioned to take advantage of an American farm program.

Artificially high support levels in the United States would almost certainly spark a profound retrenchment in domestic production and serve as an invitation for increased foreign competition. The only way American farmers would benefit by such an approach would be if worldwide production levels turned downward and the United States became the only potential supplier to a starving world. However, if the trend of the last 20 years continues and world production stays on an upward slope, the supply side restraint implied in high support levels would have devastating long-term market consequences for American farmers and ranchers. In addition, retrenched production will diminish jobs in agribusiness and cause a deterioration in the quality of life in rural communities.

Instead of putting our collective heads in the sand and raising unrealistic expectations on the farm, what appears to be needed today is an aggressive demand-oriented strategy that is also profit-based.

Accordingly, I am introducing today a bill which is designed to spur exports and at the same time provide a fair and reasonable return to the farm producer.

The Leach bill, the American Agricultural Defense Act of 1985 (H.R. 2595) is designed to provide Congress a fourth basic alternative by eliminating the current target and loan pricing system and instead providing farmers a nonrecourse loan at completion of harvest, using crop as collateral.

Commodities currently subject to Federal programs could be sold at market prices with the Government in effect making up the difference, if it materializes, between competitive world pricing levels and a fair return to the producer.

With the exception of soybeans, nonrecourse marketing loan levels under H.R. 2595 would be frozen at established 1985 target prices and then adjusted for inflation in the 1986 through 1989 crop years. For corn the nonrecourse loan would be $3.03 per bushel; wheat $4.86 per bushel; cotton—$.81 per pound; rice—$11.90 per hundredweight (cwt); soybeans—$6.25 per bushel. The loan level for soybeans is adjusted closer to actual cost of production than the 1985 target price so as to correct what would otherwise be a markedly distorted relationship between its cost of production and that of corn and other commodities.

Producers who participate in the program would be limited to a maximum nonrecourse loan of $500,000, with two-tier eligibility. The first $250,000 of any loan would be based on a crop valued at 100 percent of the above stipulated prices. Nonrecourse loans above this figure would be based on a crop valued at 90 percent of same.

The maximum term of the nonrecourse loan would be 1 year, with interest calculated at the previous 52-week average Treasury bill rate, plus 2½ percent.

To qualify for the program producers would be required to carry Federal crop insurance with the understanding that there would be no Federal exposure to disaster payments—with the exception of acres not eligible for crop insurance protection.

The American Agricultural Defense Act of 1985 establishes a long-term conservation reserve program and contains as well "sodbuster" provisions. Farmers who produce commodities on highly erodible land will not be eligible for nonrecourse marketing loans. In addition, the Secretary of Agriculture is empowered to establish a set-aside program if the Secretary determines that in the absense of such a program the total supply of particular commodities will be excessive.

It is difficult to calculate the cost of approaches of this nature, but it would appear that the Federal Government would save in relationship to the current program by, among other things, making debt burdens more manageable and saving on commodity storage. If supply relationships are prudently managed, H.R. 2595 could be relatively inexpensive, although it must be recognized that if production levels expand well beyond demand, the Government could incur substantial obligations.

In this regard, it should be stressed that according to recent public opinion polls the vast majority of Americans are supportive of farm programs, with 49 percent (according to Gallup) believing the Government is not doing enough for farmers and only 13 percent suggesting it is doing too much. But the same polls indicate little support for programmatic approaches which reduce supply. Gallup, for instance, finds that 78 percent of the American people disagree that farmers should stop producing so much. And, despite a belief (55 percent) that agricultural exports increase domestic prices, the majority would like to see an expansion of export activity. Such data underline the potential difficulty of garnering public support for any farm program that implies supply side retrenchment, but at the same time indicate a potential base of support for programs that assure American agriculture stays productive and competitive.

New approaches always contain disadvantages that only time can fully indicate and imply as well a degree of uncertainty that only programmatic experience can put to rest. But the advantages of approach outlined in the American Agriculture Defense Act would appear to be impressive:

First, it is a demand-oriented farm program that is, above all, profit-based. Recent Federal credit programs have succeeded in keeping a higher precentage of farmers in business than many suspected possible this spring; but this will be the last year in agriculture for an extraordinary number of farmers unless return on investment improves substantially.

Second, it is designed to end America's status as an agricultural trade patsy and allow the United States to become again the most preferred and reliable supplier to the world market. By moving grain from market on an annual basis, it decreases deterioration problems attendant to long periods of storage, thus enhancing the quality of American commodities sold abroad.

Third, it is based on fairness. The payment differential between the nonrecourse loan level and the market price of a given commodity is premised on the equity case that can be established in regard to producer compensation for an overvalued dollar and competitor subsidized exports.

Fourth, it would substantially reduce the accumulation of grain stocks and Government outlays for storage programs and attendant interest, carrying and transportation charges.

Fifth, it makes less vulnerable our agricultural supplier base which the administration's approach—by denying the possibility of farm profitability—and the populist approach—by cutting back acreage under cultivation—so dramatically jeopordizes.

Sixth, it provides incentives to keep American agriculture under the control of family farmers. Instead of rewarding bigness the way many current programs do, it targets profit through tiered payment schedules to modest size farming operations.

Seventh, it establishes a definitive farm policy for farmers, consumers, competitors and foreign buyers and allows U.S. consumers, and processors and foreign consumers to compete for American agricultural commodities at the same price levels and quality.

Eighth, it encourages agricultural diversification and minimizes the adverse impact which high supports imply for livestock producers.

Ninth, it encourages long-term conservation by idling fragile farmland and restricting producers from receiving Federal loans for production on marginal ground.

Tenth, it minimizes Federal Government exposure to disaster-related payments by mandating that program participants utilize crop insurance.

In conclusion, it must be stressed that any government farm program establishes inequities of one kind or another. It would appear that the Administration's approach is pro-exporter and antiproducer; the populist approach is conjecturally pro-producer, but clearly antiexporter; the status quo does not seem to be serving either producer or exporter particularly well, although it is not as dramatically antagonistic to the producer or exporter as the other two alternatives.

The American Agricultural Defense Act, on the other hand, is pro-producer and pro-exporter. It does not rely on domestic or export PIK arrangements to rectify imbalances in production and trade. Nor does it carry the seeds of instability that the newer proposed approaches carry as baggage. It is presented as a constructive alternative, recognizing that close examination will reveal disadvantages as well as advantages. It may be imperfect, but given the time and the alternatives, the approach envisioned in the American Agricultural Defense Act could serve as a focal point for debate surrounding the 1985 farm bill.

□ 1550

ANNUAL REPORT FOR 1984 OF THE FEDERAL COUNCIL ON AGING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. DONNELLY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

(For message, see proceedings of the Senate of Thursday, May 23, 1985.)

THIRTEENTH ANNUAL REPORT ON FEDERAL ADVISORY COMMITTEES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Government Operations: (For message, see proceedings of the Senate of today, Thursday, May 23, 1985.)

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of today, the House stands in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 55 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1927

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore at 7 o'clock and 27 minutes p.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 155. Concurrent resolution providing for an adjournment of the House from May 23 to June 3, 1985, and an adjournment of the Senate from May 24 to June 3, 1985.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DeWine) to revise and extend their remarks and include extraneous material:)

Mr. McCain, for 5 minutes, today.
Mr. Grotberg, for 5 minutes, today.
Mr. Lungren, for 5 minutes, today.
Mr. Fish, for 5 minutes, today.
Mr. Roth, for 60 minutes, June 4.

(The following Members (at the request of Mr. Brooks) to revise and extend their remarks and include extraneous material:)

Mr. Miller of California, for 5 minutes, today.
Mr. Ray, for 5 minutes, today.
Mr. Rodino, for 5 minutes, today.
Mr. Mavroules, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Stenholm, during general debate on House Concurrent Resolution 152.

Mr. Morrison of Connecticut, to include numerical charts on House Concurrent Resolution 152 in the Committee of the Whole today.

Mr. Hughes, immediately prior to the vote on House Concurrent Resolution 152 today.

Mr. Stallings, to revise and extend on House Concurrent Resolution 152.

(The following Members (at the request of Mr. DeWine) and to include extraneous matter:)

Mr. DioGuardi.
Mr. Dannemeyer.
Mr. Lagomarsino in four instances.
Mr. Lewis of California.
Mr. Strang.
Mr. Roth in two instances.
Mr. Broomfield in two instances.
Mr. Gunderson.
Mr. Moorhead.
Mr. Petri.
Ms. Snowe.
Mr. Jeffords.
Mr. Gilman in three instances.
Mr. Sundquist.
Mr. Molinari.
Mr. Kemp.
Mr. Bilirakis.
Mr. McCandless.
Mr. Young of Florida.
Mr. Porter.

(The following Members (at the request of Mr. Brooks) and to include extraneous matter:)

Mr. Yatron in two instances.
Mrs. Boxer.
Mr. Waxman.
Mrs. Byron.
Mr. Lantos.
Mr. Montgomery in two instances.
Mr. Mrazek.
Mr. Scheuer.
Mr. Howard.
Ms. Oakar.
Mr. Clay.
Mr. Dwyer of New Jersey.
Mr. Rangel.
Mr. Kanjorski.
Mr. Morrison of Connecticut.
Mr. Frank.
Mr. Florio.
Mr. Tallon.
Mr. Garcia in two instances.
Mr. Lipinski.
Mr. Ford of Michigan.
Mr. Coleman of Texas.
Mr. Guarini.
Mr. Conyers in two instances.
Mr. Manton.
Mr. Applegate.
Mr. Hubbard.
Mr. Stark.
Mr. Wheat.
Mr. Smith of Florida.
Ms. Mikulski.
Mr. Mitchell.
Mr. Dyson.
Mr. Kostmayer.
Mr. Derrick.
Mr. Edwards of California.
Mr. Donnelly in two instances.
Mrs. Burton of California.
Mrs. Kennelly.

ADJOURNMENT TO MONDAY, JUNE 3, 1985

The SPEAKER pro tempore. Without objection, pursuant to the provisions of House Concurrent Resolution 155 of the 99th Congress, the House stands adjourned until 12 o'clock meridian, Monday, June 3, 1985.

There was no objection.

Thereupon (at 7 o'clock and 28 minutes p.m.) pursuant to House Concurrent Resolution 155, the House adjourned until Monday, June 3, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1355. A letter from the Comptroller General of the United States, transmitting a review of the deferrals and revised deferrals submitted by the President on March 1, 1985 (House Doc. 99-34), pursuant to 2 U.S.C. 685 (H. Doc. No. 99-73); to the Committee on Appropriations and ordered to be printed.

1356. A letter from the Secretary of Education, transmitting final regulations for the Magnet Schoold Assistance Program, pursuant to GEPA, section 431(d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1357. A letter from the Secretary of Transportation, transmitting a report on activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1358. A letter from the Secretary of the Interior, transmitting a report on helium gas conservation, production, purchase, and sale for fiscal year 1984, pursuant to the act of March 3, 1925, chapter 426, section 16 (74 Stat. 923); to the Committee on Interior and Insular Affairs.

1359. A letter from the Office of the Special Councel, U.S. Merit Systems Protection Board, transmitting a copy of the Secretary of the Army's investigation of an allegation that a current employee of the Harry Diamond Labortory, U.S. Army Electronics Research and Development Command, failed to disclose a prior involuntary removal from Federal civilian employment in order to obtain his present position, pursuant to 5 U.S.C. 1206(b)(5)(A) (92 Stat. 1125); to the Committee on Post Office and Civil Service.

1360. A letter from the Secretary of Transportation, transmitting the Urban

Mass Transportation Administration quarterly report for the fourth quarter of 1984, pursuant to Public Law 88-365, section 4(h)(1) (92 Stat. 2738); to the Committee on Public Works and Transportation.

1361. A letter from the Executive Secretary, Department of Defense, transmitting a report on the Department's procurement from small and other ,business firms for October through December 1984, pursuant to SBA, section 10(d); to the Committee on Small Business.

1362. A communication from the President of the United States, transmitting a report on the activities of countries within the United Nations, including a report on the policies pursued by other countries in international organizations, pursuant to 22 U.S.C. 287b nt (Public Law 98-164, section 117); jointly, to the Committees on Appropriations and Foreign Affairs.

1363. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Internal Revenue Code of 1954 to provide for the coverage of railroad workers under the Federal-State unemployment compensation system, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1868. A bill to amend the Social Security Act to protect beneficiaries under the health care programs of that act from unfit health care practitioners, and otherwise to improve the antifraud provisions of that act; with an amendment (Rept. No. 99-80, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. Supplemental report on H.R. 1711 (Rept. No. 99-93, Pt. II). Ordered to be printed.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1426. A bill to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes; with amendments (Rept. No. 99-94, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPIN: Committee on Armed Services. H.R. 2419. A bill to authorize appropriations for fiscal year 1986 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. No. 99-106, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2244. A bill to amend the Federal Food, Drug, and Cosmetic Act to remove the prohibition against stating in the labeling and advertising of a drug that it has been approved under that act (Rept. No. 99-143). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2237. A bill to amend the Public Health Service Act to revise and extend the program for the National Health Service Corps (Rept. No. 99-144). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2410. A bill to amend the Public Health Service Act to revise and extend the programs under title VII of that act; with amendments (Rept. No. 99-145). Referred to the Committee of the Whole House on the State of the Union.

Mr. de la GARZA: Committee on Agriculture. H.R. 1614. A bill to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June, 1986; with an amendment (Rept. No. 99-146). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WYDEN:

H.R. 2593. A bill to require the Administrator of the Environmental Protection Agency to establish certain standards for radioactive emissions from atomic energy defense facilities of the Department of Energy and to monitor radioactive and nonradioactive emissions from such facilities; jointly, to the Committees on Armed Services; Energy and Commerce; and Public Works and Transportation.

By Mr. SILJANDER (for himself, Mr. Lott, Mr. Hyde, Mr. Crane, Mr. Dannemeyer, Mr. Gingrich, Mr. Armey, Mr. Barton of Texas, Mr. Bilirakis, Mr. Blaz, Mr. Boulter, Mr. Broomfield, Mr. Brown of Colorado, Mr. Burton of Indiana, Mr. Callahan, Mr. Chappie, Mr. Coble, Mr. Coble, Mr. Craig, Mr. Davis, Mr. DeLay, Mr. DeWine, Mr. Dornan of California, Mr. Dreier of California, Mr. Franklin, Mr. Gekas, Mr. Gilman, Mr. Hartnett, Mrs. Holt, Mr. Hunter, Mr. Kindness, Mr. Lowery of California, Mr. Lujan, Mr. McEwen, Mr. Mack, Mr. Monson, Mr. Moorhead, Mr. Nielson of Utah, Mr. Packard, Mr. Pursell, Mr. Roberts, Mr. Rowland of Connecticut, Mr. Schaefer, Mr. Schuette, Mr. Skeen, Mr. Denny Smith, Mr. Smith of New Hampshire, Mr. Solomon, Mr. Swindall, Mrs. Vucanovich, and Mr. Weber):

H.R. 2594. A bill to amend the Internal Revenue Code of 1954 to provide a 10-percent tax rate for the individual income tax, to simplify such tax, and for other purposes; to the Committee on Ways and Means.

By Mr. LEACH of Iowa:

H.R. 2595. A bill to amend the Agricultural Act of 1949 to provide price support for the 1986 through 1989 crops of certain agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Mr. SILJANDER:

H.R. 2596. A bill to deny most-favored-nation treatment to countries subject to title IV of the Trade Act of 1974 that discriminate against citizens because of religious, ethnic, or cultural orientation; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 2597. A bill to amend the Foreign Assistance Act of 1961 to authorize economic relief and rehabilitation assistance for the Republic of Ireland and Northern Ireland; to the Committee on Foreign Affairs.

By Mr. BLILEY (for himself. Mrs. Collins, Mr. Anthony, and Mr. Stark):

H.R. 2598. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the regulation of certain nonconforming passenger motor vehicles and the companies engaged in vehicle modification necessary to bring them into conformity with Federal safety standards; to the Committee on Energy and Commerce.

By Mr. BONKER:

H.R. 2599. A bill to remove all Federal trust funds from the unified budget of the U.S. Government; to the Committee on Government Operations.

By Mr. ROSE (for himself, Mr. Hatcher, Mr. English, Mr. Thomas of Georgia, Mr. Stenholm, Mr. Sisisky, Mr. Boucher, Mr. Cooper, Mr. Derrick, Mr. Gordon, Mr. Hartnett, Mr. Perkins, Mr. Spratt, Mr. Bedell, Mr. Dorgan of North Dakota, Mr. Edgar, Mr. Lowry of Washington, Mrs Schroeder, and Mr. Towns):

H.R. 2600. A bill to amend the Agricultural Act of 1949 and the Internal Revenue Code of 1954; jointly, to the Committee on Agriculture, and Ways and Means.

By Mr. Dornan of California (for himself, Mr. Lantos, Mr. Moorhead, Mr. Gilman, Mr. Solarz, Mr. Lehman of Florida, Mr. Beilenson, and Mr. Erdreich):

H.R. 2601. A bill to permit placement of a privately funded statue of Haym Salomon in the Capitol Building or on the Capitol Grounds and to erect a privately funded monument to Haym Salomon on Federal land in the District of Columbia; to the Committee on House Administration.

By Mrs. BYRON:

H.R. 2602. A bill to amend title 5, United States Code, to provide for the more expeditious granting of relief in cases before the Merit Systems Protection Board involving the reinstatement or restoration to duty of an employeee who was removed or suspended; to the Committee on Post Office and Civil Service.

By Mr. CARPER (for himself and Mr. Frank):

H.R. 2603. A bill to amend the Comprehensive Environmental Response Compensation and Liability Act of 1980 to provide for a hazardous substances inventory; jointly, to the Committees on Energy and Commerce, and Public Works and Transportation.

By Mr. DANNEMEYER:

H.R. 2604. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to provide that the removal of hazardous substances to facilities regulated under the Solid Waste Disposal Act will not be subject to State environmental review; to the Committee on Energy and Commerce.

By Mr. DINGELL:

H.R. 2605. A bill to amend section 30(c) of the Federal Power Act; to the Committee on Energy and Commerce.

By Mr. DONNELLY:

H.R. 2606. A bill to make additional immigrant visas available for immigrants from certain foreign countries; to the Committee on the Judiciary.

By Mr. DONNELLY (for himself, Mr. Mollohan, Mr. Moakley, Mr. Studds, Mr. Durbin, and Mr. Hertel of Michigan):

H.R. 2607. A bill to strengthen the Nation's competitive position in international trade and to improve its ability to respond to unfair and injurious foreign trade practices; to the Committee on Ways and Means.

By Mr. EDWARDS of Oklahoma:

H.R. 2608. A bill to implement certain reforms with regard to bank liquidations, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. EVANS of Iowa:

H.R. 2609. A bill to amend the Farm Credit Act of 1971 to provide additional farm credit resources, and for other purposes; to the Committee on Agriculture.

By Ms. FIEDLER:

H.R. 2610. A bill to enforce the 14th article of amendment to the Constitution with respect to certain law enforcement misconduct by providing a substitute remedy for the existing remedy of exclusion of evidence, and for other purposes; to the Committee on the Judiciary.

H.R. 2611. A bill to amend chapter 65 of title 18, United States Code, to provide criminal penalties for desecration of a religious structure or a consecrated grave, or the placement of an antireligious symbol on the property of another, and for other purposes; to the Committee on the Judiciary.

H.R. 2612. A bill to amend section 1979 of the Revised Statutes of the United States to limit the use of civil actions under that section to review the conditions of imprisonment of State and local prisoners; to the Committee on the Judiciary.

H.R. 2613. A bill to amend section 2254 of title 28 of the United States Code to limit Federal habeas corpus proceedings based on State convictions in certain cases where State courts remedies may not be properly exhausted; to the Committee on the Judiciary.

H.R. 2614. A bill to amend section 2254 of title 28 of the United States Code to provide for conclusive rebuttal of certain allegations made by applicants for Federal habeas corpus if the record of State proceedings contradicts such allegations; to the Committee on the Judiciary.

H.R. 2615. A bill to amend section 2254 of title 28 of the United States Code to limit release of State prisoners by Federal courts pending Federal habeas corpus consideration; to the Committee on the Judiciary.

By Mr. FRANK:

H.R. 2616. A bill to promote dairy farm efficiency by restructuring the milk marketing order and subsidy system; to the Committee on Agriculture.

By Mr. GEKAS (for himself, Mr. Glickman, and Mr. McCollum):

H.R. 2617. A bill to amend section 215 of title 18, United States Code, to modify the state of mind requirements for certain bank bribery and related offenses; to the Committee on the Judiciary.

By Mr. GILMAN:

H.R. 2618. A bill to amend title II of the Social Security Act to increase to $7,560 in the case of an individual under age 65, and to $10,080 in the case of an individual age 65 or over, the amount of outside earnings which is permitted in 1985 (subject to further increases in subsequent taxable years under the automatic adjustment provisions) without any deductions from his or her benefits; to the Committee on Ways and Means.

By Mr. GUARINI:

H.R. 2619. A bill to require certain flammable liquid storage facilities to have overflow alarm systems, and for other purposes; to the Committee on Education and Labor.

By Mr. HOWARD:

H.R. 2620. A bill to amend the Internal Revenue Code of 1954 to encourage the graduation of student athletes by denying the deduction for contributions to athletic departments of schools not meeting certain requirements; to the Committee on Ways and Means.

By Mr. JEFFORDS:

H.R. 2621. A bill to amend the Food Stamp Act of 1977 to improve quality control standards and procedures under the Food Stamp Program, and to provide for studies to assist in the further improvement of such standards and procedures; to the Committee on Agriculture.

By Mrs. KENNELLY (for herself, Ms. Oakar and Mrs. Schroeder):

H.R. 2622. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Act of 1954 to provide greater retirement income security, and for other purposes; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. LEACH of Iowa:

H.R. 2623. A bill to provide that no depository institution may accept deposits unless such depository institution is either federally insured or insured by a State-sponsored insurance program which is backed by the full faith and credit of the State involved; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McCAIN (for himself, Mr. Barton of Texas, Mr. Bereuter, Mr. Blaz, Mr. Lagomarsino, Mr. Strang, Mr. Udall, Mrs. Vucanovich, and Mr. Young of Alaska):

H.R. 2624. A bill to authorize programs for the treatment and prevention of drug and alcohol abuse among Indian juveniles; jointly, to the Committees on Interior and Insular Affairs; Energy and Commerce; and Education and Labor.

By Mr. MARLENEE:

H.R. 2625. A bill to authorize conveyance of Federal land at Fort William H. Harrison, MT, to the State of Montana for the purpose of establishing a State veterans' cemetery; to the Committee on Armed Services.

By Mr. PETRI:

H.R. 2626. A bill to extend the income and eligibility verification system under section 1137 of the Social Security Act so as to provide for verification of immigration status in the case of aliens applying for benefits under specified welfare and other programs; jointly, to the Committees on Ways and Means; Energy and Commerce; Agriculture; and the Judiciary.

By Mr. PICKLE:

H.R. 2627. A bill to amend the Internal Revenue Code of 1954 to repeal the volume cap and certain other restrictions applicable to qualified veterans' mortgage bonds, and for other purposes; to the Committee on Ways and Means.

By Mr. PURSELL:

H.R. 2628. A bill to amend the Urban Mass Transportation Act of 1964 to require new fixed guideway projects to have local private sector financial commitment of not less than 10 percent of the cost of construction; to the Committee on Public Works and Transportation.

By Mr. STARK:

H.R. 2629. A bill to amend the Internal Revenue Code of 1954 to deny certain tax benefits for private luxury boxes at sports facilities, and for other purposes; to the Committee on Ways and Means.

By Mr. WAXMAN:

H.R. 2630. A bill to amend the Consumer Product Safety Act to extend it for 3 fiscal years, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WHITLEY (for himself and Mr. Morrison of Washington):

H.R. 2631. A bill to provide for study and research on the decline in U.S. forest productivity and to determine the effects of atmospheric pollutants on forest environments, and for other purposes; to the Committee on Agriculture.

By Mr. YOUNG of Florida:

H.R. 2632. A bill to amend the Age Discrimination in Employment Act of 1967 to prohibit discrimination on the basis of age, against individuals who are 70 years of age or older; to the Committee on Education and Labor.

By Mr. KASTENMEIER:

H.R. 2633. A bill to amend the provisions of titles 18 and 28 of the United States Code commonly called the "enabling Acts" to make modifications in the system for the promulgation of certain rules for certain Federal judicial proceedings, and for other purposes; to the Committee on the Judiciary.

By Mr. MARKEY:

H.R. 2634. A bill to declare U.S. policy concerning peace in Central America and to require congressional approval for any embargo on trade between the United States and Nicaragua; to the Committee on Foreign Affairs.

By Mr. VENTO (for himself, Mr. Kildee, Mr. Sharp, Mr. Seiberling, Mr. Moody, Mr. Sabo, Mr. Kleczka, and Mr. Kastenmeier):

H.R. 2635. A bill to grant the consent of the Congress to the Midwest Interstate Low-Level Radioactive Waste Compact; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. BONER of Tennessee (for himself, Mr. Badham, Mr. Nelson of Florida, and Mr. Ritter):

H.J. Res. 296. Joint resolution to designate the week beginning on May 18, 1986, as "National Tourism Week"; to the Committee on Post Office and Civil Service.

By Mr. SCHEUER:

H.J. Res. 297. Joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week"; to the Committee on Post Office and Civil Service.

By Mr. WHEAT (for himself, Mrs. Bentley, Mr. Berman, Mr. Bonior of Michigan, Mr. Boucher, Mrs. Boxer, Mr. Brooks, Mr. Brown of California, Mrs. Byron, Mr. Chappell, Mr. Cheney, Mr. Clay, Mr. Coelho, Mr. Coyne, Mr. Craig, Mr. Darden, Mr. Frenzel, Mr. Frost, Mr. Fuster, Mr. Sam B. Hall, Jr., Mr. Hughes, Mr. Hyde, Mr. Ireland, Mr. Leach of Iowa, Mr. Lehman of California, Mr. Levin of Michigan, Mr. Mavroules, Mr. McKernan, Mr. Moore, Mr. Ortiz, Mr. Panetta, Mr. Rangel, Mr. Reid, Ms. Snowe, Mr. Stangeland, Mr. Stokes, Mr. Studds, Mr. Synar, Mr. Towns, Mr. Vento, Mr. Walgren, Mr. Weber, Mr. Wolpe, Mr. Wortley, and Mr. Young of Alaska):

H.J. Res. 298. Joint resolution recognizing Camp Fire, Inc., for its 75 years of service; to the Committee on Post Office and Civil Service.

By Mr. BROOKS:

H. Con. Res. 155. Concurrent resolution providing for the adjournment of the House from May 23, 1985, to June 3, 1985, and for the adjournment of the Senate from May 24, 1985, to June 3, 1985; considered and agreed to.

By Mr. ARMEY (for himself, Mr. Bedell, Mr. Smith of New Jersey, Mr. Horton, Mr. Morrison of Connecticut, Mr. Mrazek, Mr. Hunter, Mr. Michel, Mr. Lott, Mrs. Collins, Mr. Wortley, Mr. Frank, Mr. Fields, and Mr. Grotberg):

H. Con. Res. 156. Concurrent resolution expressing the support of the Congress for an initiative to involve the United States and the Soviet Union in a constructive dialog via television to further mutual understanding; to the Committee on Foreign Affairs.

By Mr. GROTBERG (for himself, Mr. Annunzio, Mr. Price, Mr. Dickinson, and Mr. Aspin):

H. Con. Res. 157. Concurrent resolution expressing the sense of the Congress that performing groups in the Armed Forces of the United States should use domestically manufactured entertainment support items at patriotic and ceremonial events at the Capitol and at all Federal buildings, unless there is no domestically manufactured item of comparable equality and price; to the Committee on Armed Services.

By Mr. MORRISON of Connecticut:

H. Res. 179. Resolution expressing the sense of the U.S. House of Representatives that the U.S. Postal Service should issue a postage stamp honoring Walter Camp, the organizer of the game of football in the United States; to the Committee on Post Office and Civil Service.

By Mr. DORNAN of California:

H. Res. 180. Resolution expressing the sense of the House of Representatives that the President should rename the control point known as Checkpoint Charlie between the American and Soviet zones of Berlin in honor of U.S. Army Maj. Arthur D. Nicholson, Jr., who lost his life at Soviet hands while carrying out his duties in the German Democratic Republic; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

140. The Speaker presented a memorial of the House of Representatives of the State of Pennsylvania, relative to gas utility holding company systems; to the Committee on Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GONZALEZ:

H.R. 2636. A bill for the relief of Elke Otten; to the Committee on the Judiciary.

By Mr. PORTER:

H.R. 2637. A bill for the relief of Elizabeth Palansky Surak; to the Committee on the Judiciary.

By Mr. RUSSO:

H.R. 2638. A bill to clear certain impediments to the licensing of the vessel Royal Star for employment in the Great Lakes coastwise and fisheries trades; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

[Omitted from the Record of May 22, 1985]

H.R. 753: Mrs. Boxer, Mr. Fazio, and Mr. Frank.

[Submitted May 23, 1985]

H.R. 8: Mr. Savage and Mr. Oberstar.

H.R. 26: Mr. McHugh, Mr. Madigan, Mr. McCollum, and Mr. Bruce.

H.R. 44: Mr. Shaw.

H.R. 193: Mr. Parris.

H.R. 281: Mr. Bosco, Mr. Markey, and Mr. Russo.

H.R. 472: Mr. Hefner, Mrs. Smith of Nebraska, Mr. Dannemeyer, Mr. Monson, Mr. Franklin, Mr. Bereuter, Mr. Hunter, Mr. Hendon, Mr. Schuette, Mr. Schaefer, Mr. Grotberg, Mr. McCollum, and Mr. Boulter.

H.R. 580: Mr. Richardson, Mr. Gonzalez, Mr. Neal, Mr. Pashayan, and Mr. McCollum.

H.R. 585: Mr. Carper.

H.R. 604: Mr. Robert F. Smith, Mr. Jeffords, Mr. Tauke, Mrs. Vucanovich, and Mr. Loeffler.

H.R. 808: Mr. Florio, Mr. Mrazek, Mr. Darden, Mr. Roe, Mr. Stokes, Mr. Conyers, Mr. Fauntroy, Mr. Young of Alaska, Mr. Rahall, Mr. Mitchell, Mr. St Germain, Mr. Vento, Ms. Mikulski, Mr. Chappie, Mr. Dymally, Mr. Donnelly, Ms. Kaptur, Mr. Livingston, Mr. Young of Missouri, Mr. Matsui, Mr. Yatron, Mr. Fish, Mr. Clinger, Mr. Guarini, Mr. Lightfoot, Mr. Rangel, Mr. Lott, Mr. Madigan, Mr. Roybal, Mr. Crockett, and Mr. Brown of California.

H.R. 831: Mr. DeWine, Mr. Monson, Mr. Smith of New Jersey, Mr. McKinney, and Mr. Richardson.

H.R. 864: Mr. Coleman of Texas, Mr. Shaw, and Mr. Bilirakis.

H.R. 976: Mr. Callahan.

H.R. 1021: Mr. Daschle, Mr. Derrick, Mr. Heftel of Hawaii, Mr. Ireland, Mr. Shaw, Mr. Panetta, Mr. Whitehurst, Mr. Akaka, and Mr. Tallon.

H.R. 1123: Mr. Pickle and Mr. Dickinson.

H.R. 1134: Mr. Moody, Mrs. Collins, Mr. Savage, Mr. Wheat, Mr. Flippo, Mr. Daschle, Mr. Weiss, and Mr. Mineta.

H.R. 1135: Mr. Ackerman, Mr. Daschle, Mr. Jacobs, Mr. Savage, Mrs. Collins, Mr. Flippo, Mr. Leland, Mr. Gray of Pennsylvania, and Mr. Mineta.

H.R. 1156: Mr. Fauntroy, Mr. Fazio, Mr. Lowry of Washington, Mr. Mrazek, Mr. Owens, Mr. Clinger, Mr. Akaka, and Mr. Morrison of Washington.

H.R. 1188: Mr. Bruce, Mr. Early, Mr. Parris, Mr. Foglietta, Mr. Studds, Mr. Smith of New Hampshire, Mr. Dwyer of New Jersey, Mrs. Schneider, Mr. Swift, Mr. Atkins, Mr. Frost, Mr. Kolbe, Mr. Crockett, Mr. Sikorski, and Mr. Bartlett.

H.R. 1263: Mr. Loeffler, Mr. Coble, Mr. Smith of New Jersey, Mr. Shumway, Mr. Mitchell, Mr. Dornan of California, Mr. Kindness, Mr. Monson, Mr. Grotberg, and Mr. Ralph M. Hall.

H.R. 1338: Mr. Feighan, Mr. Murphy, Mr. Weiss, Mr. Weaver, Mr. Vento, Mr. Kolter, Mr. Bedell, Mr. Savage, Mr. Matsui, Mr. Mineta, Mr. Edgar, Mrs. Collins, Mr. Dymally, Mr. Rose, Mr. Leland, Mr. Hayes, Mr. Roe, Ms. Mikulski, Mr. Wolpe, Mr. Bustamante, Mr. Neal, and Mr. Evans of Illinois.

H.R. 1348: Mr. Panetta, Mr. Wirth, and Mr. Kolter.

H.R. 1382: Mr. Ortiz.

H.R. 1385: Mr. Kindness.

H.R. 1443: Mr. McCollum and Mr. Bilirakis.

H.R. 1472: Mr. Fish.

H.R. 1550: Mr. Parris, Mr. Rose, and Mr. Foglietta.

H.R. 1584: Mr. Morrison of Connecticut, Mr. Crockett, and Mr. Lehman of California.

H.R. 1591: Mr. Huckaby, Mr. Rose, Mr. Hopkins, Mr. Bruce, and Mr. Coelho.

H.R. 1650: Mr. Smith of Florida.

H.R. 1715: Mr. Frank and Mr. Reid.

H.R. 1722: Mrs. Burton of California.

H.R. 1884: Mr. Alexander, Mr. Taylor, Mr. Boner of Tennessee, Mr. Thomas of California, Mr. Boucher, Mr. Lightfoot, Mr. Skelton, Mr. Tauke, Mr. Volkmer, Mr. Pease, and Mr. Bevill.

H.R. 1913: Mr. Murphy, Mr. Dreier of California, Mr. Manton, Mr. Roe, Mr. Dornan of California, Mr. Fazio, Ms. Kaptur, Mr. McGrath, Mr. Darden, Mr. Jones of North Carolina, Mr. DioGuardi, Mr. Wortley, Mr. Kolter, Mrs. Martin of Illinois, Mr. Bevill, Mr. Ray, Mr. Mrazek, Mr. English, Mr. Frost, Mr. DeWine, Mrs. Lloyd, and Mr. Traficant.

H.R. 1946: Mr. Barton of Texas and Mr. Smith of New Jersey.

H.R. 1965: Mr. Brown of California, Mr. Hammerschmidt, Mr. Kolbe, Mrs. Martin of Illinois, Mr. McCloskey, Mr. Yatron, and Mr. Taylor.

H.R. 1973: Mr. St Germain, Mr. Gordon, Mr. Luken, Mr. Evans of Illinois, Mr. Martinez, and Mr. Goodling.

H.R. 1980. Mr. Smith of Florida, Mr. Towns, Mr. Hawkins, and Mr. Crockett.

H.R. 1985: Mr. Donnelly, Mr. Biaggi, and Mr. Mitchell.

H.R. 1994: Mr. Barton of Texas, Mr. Edwards of Oklahoma, Mr. Weaver, Mr. Badham, and Mr. Barnard.

H.R. 2001: Mr. Leach of Iowa, Mr. DeWine, Mr. Studds, Mr. Boucher, Mr. Kolbe, Mr. MacKay, Mr. Chappie, Mr. Nelson of Florida, Mr. Kostmayer, Mr. Levine of California, and Mr. Oberstar.

H.R. 2011: Mr. Savage, Mr. Owens, Mrs. Collins, Mr. Crockett, Mr. Stokes, and Mr. Hawkins.

H.R. 2095: Mr. Fish, Mr. Mavroules, and Mr. Bryant.

H.R. 2098: Mr. Hillis.

H.R. 2116: Mr. Leland, Mr. Wortley, Mr. Barnes, Mr. Bustamante, and Mr. Dixon.

H.R. 2134: Mr. Berman, Ms. Kaptur, Mr. Morrison of Connecticut, Mr. Wolpe, and Mr. Oberstar.

H.R. 2156: Mr. Kolter.

H.R. 2172: Mr. Smith of Florida and Mr. Flippo.

H.R. 2182: Mr. Aspin.

H.R. 2185: Mr. Barton of Texas.

H.R. 2255: Mrs. Burton of California, Mr. Studds, Mr. McHugh, Mr. Matsui, Mr. Levine of California, Mr. Russo, Mr. Edwards of California, Mr. Mrazek, Mr. Berman, Ms. Mikulski, and Mr. Fazio.

H.R. 2258: Mrs. Bentley, Mr. Leland, Mr. Levine of California, and Mr. Matsui.

H.R. 2262: Mr. Grotberg, Mr. Bilirakis, Mr. Coleman of Texas, Mr. Conyers, and Mr. Towns.

H.R. 2280: Mr. Solarz, Mr. Kolter, Mr. LaFalce, Mrs. Byron, and Mr. Manton.

H.R. 2326: Mr. DeLay, Mr. Daub, and Mr. Archer.

H.R. 2573: Mr. Anderson.

H.R. 2588: Mr. Wolf, Mr. Whitehurst, Mr. Dornan of California, Mr. Slaughter, Mr. Hunter, Mr. Hartnett, Mr. Gregg, Mr. Lagomarsino, and Mr. Ritter.

H.J. Res. 36: Mr. de la Garza, Mr. Edgar, Mr. Rahall, Mr. Hughes, Mr. Kasich, Mr. Manton, Mr. Sabo, Mr. Fauntroy, Mr. Dornan of California, Mr. Clay, Mr. Addabbo, Mrs. Boxer, Mrs. Lloyd, Mr. Garcia, Mr. Fazio, Mr. Penny, Mr. Jacobs, Ms. Snowe, Mr. Bustamante, Mrs. Johnson, Mr. Wolpe, Ms. Kaptur, Mr. Young of Florida, Mr. Dwyer of New Jersey, Mr. Moakley, Mr. Reid, Mr. Barnes, Mr. Hayes, Mr. Frank, Mr. Bates, Mr. Moody, and Mr. Panetta.

H.J. Res. 105: Mr. Howard and Mr. Spratt.

H.J. Res. 133: Mr. Dwyer of New Jersey.

H.J. Res. 156: Mr. Dyson and Mr. Anderson.

H.J. Res. 164: Mr. Anderson, Mr. Bedell, Mr. Crockett, Mr. Darden, Mr. English, Mr. Erdreich, Mr. Grotberg, Mr. Hall of Ohio, Mr. Jenkins, Mr. Lehman of Florida, Mr. McCollum, Mr. McEwen, Mr. Moorhead, Mr. Pepper, Mr. Schumer, and Mr. Sunia.

H.J. Res. 169: Mr. Ford of Michigan, Mr. Gregg, Mr. Broyhill, Mr. Hiler, and Mr. Carper.

H.J. Res. 205: Mrs. Johnson, Mr. Traficant, Mr. Emerson, Mr. Boland, Mr. Lent, Mr. Stokes, Mr. Moody, Mr. Dingell, Mr. Cooper, Mr. DioGuardi, Ms. Fiedler, Mr. Vander Jagt, Mr. Denny Smith, Mr. Boner of Tennessee, Mr. Spratt, Mr. Hefner, Mr. Coleman of Texas, Mr. Manton, Mr. McHugh, Mr. Frenzel, Mr. Brown of California, Mr. Akaka, Mr. de Lugo, Mr. Levin of Michigan, Mr. Dowdy of Mississippi, Mr. Hiler, Mr. Weiss, Mr. Saxton, Mr. Pickle, Mr. Bateman, Mr. Fazio, Mr. Lehman of Florida, Mr. McKinney, Mr. Udall, Mr. Ortiz, Mr. Dicks, Mr. Yatron, Mr. Hughes, Mr. Sunia, and Mr. Bedell.

H.J. Res. 225: Mr. Levine of California, Mr. Clay, Mr. Kleczka, Mr. Roe, Mr. Frost, Mr. LaFalce, Mr. Ford of Michigan, Mrs. Boxer, Mr. Crockett, Mr. Gejdenson, Mr. Fazio, Mr. Stokes, Mr. Barnes, Mr. Solarz, Mr. Spratt, Mr. Hertel, of Michigan, Mr. Swift, Mr. Brown of California, and Mr. Studds.

H.J. Res. 234: Mr. Olin and Mr. Lantos.

H.J. Res. 245: Mr. Ortiz, Mr. Packard, Mr. Reid, Mr. Skelton, and Mr. Synar.

H.J. Res. 255: Mr. Schaefer, Mr. Lagomarsino, Mr. Latta, Mr. Molinari, and Mr. Bartlett.

H.J. Res. 263: Mr. Stratton, Mr. Gregg, Mr. Wolpe, Mr. Rodino, Mr. Owens, Mr. Kasich, Mr. Reid, Mr. Levine of California, Mr. Evans of Iowa, Mr. Stenholm, Mr. Young of Alaska, Mr. Carper, Mr. Daub, Mr. Fish, Mr. Wolf, Mr. de la Garza, Mr. Walgren, Mr. Emerson, Mr. Thomas of California, Mrs. Bentley, Mr. Gilman, Mr. Badham, Mr. Biaggi, Mr. Martin of New York, Mr. Moakley, Mr. Schulze, Mr. Martinez, Mr. Lehman of California, Mr. Miller of Washington, Mr. Russo, Mr. Ackerman, Mr. Ortiz, and Mr. Dingell.

H. Con. Res. 26: Mr. Donnelly.

H. Con. Res. 64: Mr. Berman, Mr. Seiberling, and Mr. Mineta.

H. Con. Res. 69: Mr. Anderson.

H. Con. Res. 77: Mr. Conte and Mr. Kildee.

H. Con. Res. 120: Mr. Crockett.

H. Con. Res. 122: Mr. Saxton, Mr. Burton of Indiana, Mr. Eckert of New York, Mr. Bilirakis, Mr. Reid, Mr. Wortley, Mr. Whittaker, Mr. Frost, Mr. Porter, Mr. Fields, Mr. Coats, Mr. Molinari, Mr. Coughlin, Mr. Fish, Mr. Petri, and Mr. Skeen.

H. Con. Res. 136: Mr. Donnelly, Mr. Stangeland, Mr. Dymally, Mr. Miller of Washington, Mr. Wortley, Mr. DioGuardi, Mr. Wilson, Mr. Weber, Mr. Dowdy of Mississippi, Mr. Emerson, Mr. Craig, Mr. Murphy, Mrs. Bentley, and Mr. Smith of Florida.

H. Con. Res. 154: Mr. McKernan and Mr. Bereuter.

H. Res. 82: Mr. Edgar and Mr. AuCoin.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 700: Mr. Blaz.
H.R. 800: Mr. Carr.
H.R. 1809: Mr. Morrison of Washington.

PETITIONS, ETC.

Under clause 1 of rule XXII:

Sec. 111. The SPEAKER presented a petition of the Commission of the City of Miami, FL, relative to Nicaragua; which was referred to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1872

By Mr. PORTER:

—Page 2, line 15, strike out "$2,357,600,000" and insert in lieu thereof "$2,276,700,000."

Page 11, line 17, strike out "$6,591,800,000." and insert in lieu thereof "$6,570,300,000."

Page 11, line 23, strike "$1,139,700,000." and insert in lieu thereof "$1,118,200,000."

Page 13, line 16, strike out "$9,043,900,000." and insert in lieu thereof "$9,021,800,000."

Page 13, line 18, strike out "$1,389,200,000." and insert in lieu thereof "$1,367,100,000."

Page 22, after line 23, insert the following new section:

PROHIBITION OF SPENDING FUNDS FOR BINARY CHEMICAL MUNITIONS

Sec. 111. None of the funds appropriated pursuant to authorizatons of appropriations in this title may be used for procurement of binary chemical munitions, including advanced procurement of long-lead components or for the establishment of a production base for such munitions.

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SENATE—*Thursday, May 23, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Hon. Frank H. Murkowski, a Senator from the State of Alaska.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Almighty God, all powerful, all wise, all gracious and loving. You know all things, past, present and future. Nothing is hidden from You—nothing a mystery to You. You know our thoughts before we think them—our words before we speak them. You know the end from the beginning—the future is as plain to You as the past. You know the hearts of world leaders—their ambitions—their goals—their strengths—their weaknesses. Gracious Father of us all, guide the Senators through the turbulent waters of debate and decision, involving international relations, which determine our security—our destiny—our welfare as a Nation. You, Who spoke the light into existence, illuminate our minds and hearts with Your infinite wisdom, to Your honor and glory. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. Thurmond].

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, DC, May 23, 1985.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Frank H. Murkowski, a Senator from the State of Alaska, to perform the duties of the Chair.

Strom Thurmond,
President pro tempore.

Mr. MURKOWSKI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

RESERVATION OF LEADERSHIP TIME

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each. I reserve mine; I shall do the same in behalf of the distinguished minority leader.

SCHEDULE

Mr. DOLE. Mr. President, following the leadership time, there will be a special order for not to exceed 15 minutes for the Senator from Wisconsin [Mr. Proxmire].

Following that special order, there will be a period for routine morning business not to extend beyond the hour of 9:30, with statements therein limited to 5 minutes each.

At that time we will resume consideration of the DOD authorization bill, S. 1160. I suggest, as we have been doing the last few days, that there will probably be rollcall votes late into the night.

In looking over the laundry list of amendments, I see there are a number of amendments—there may be around 20—that I understand can be disposed of in a matter of a short time. Looking down the list, inquiries have been made for 5 minutes, 5 minutes, 10 minutes, the most on any of these amendments would be 20 minutes. I am hopeful we shall be getting word to those Senators, if we can either dispose of or set aside the MX amendment, so we can dispose of those amendments.

The major amendments are the MX, SDI, interim restraint, ASAT, Davis-Bacon, base closings, and the nuclear freeze. Those should not take too long if we put them all together.

In any event, there is still a possibility that we could, with some luck and willingness on the part of all Members to come to the floor, finish this bill at a reasonable hour today or tomorrow.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time of the minority leader be reserved for his later use today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin is recognized.

A STAR WAR PROGRAM WILL SURELY GUT RESPONSIBLE FISCAL POLICY

Mr. PROXMIRE. Mr. President, it is ironic that at precisely the same time as we have the worst fiscal crisis in the history of this Government, with deficits in the area of $200 billion a year, the President of the United States has called for a spending program that may very well cost a trillion dollars or more. Does that mean the threatening national deficit outlook would become even worse? It certainly does. In fact, it surely will if we both fund his star wars program and follow the President's firm and final "make-my-day" opposition to any kind of net increase in revenues.

Mr. President, up until the present time, the terrible nightmare of a superpower nuclear war with its certain devastation of both countries has given most Americans the impression that nuclear weapons research, procurement, and deployment constitutes far and away the principal military cost burden that has been skyrocketing this country's defense costs. But that impression is wrong.

I do not mean to give the impression that conventional costs are going to go down. They are not; they are going to go up. But nuclear costs are really going to skyrocket if we proceed with star wars.

The total spending by this country on nuclear weapons, including the manning and maintenance of nuclear weapons, has been less than 20 percent of our military costs. If the President has his way, all that will change and change dramatically in the next few years. Conventional military costs will continue to increase, as I say. This country will spend far more on tanks, planes, ships. Personnel costs to man our conventional force will almost certainly escalate for one obvious reason. The military—that is the conventional military—has been changing dramatically in the past few years. That change is likely to accelerate as time goes on. Virtually every kind of con-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ventional weapon and the command and control apparatus to inform, coordinate, and direct a modern military force has advanced and will continue to advance swiftly for many years to come. How does this increase military personnel spending? Here's how: It means that the kind of personnel the military attracts must be trained, skilled, and educated as never before. That means higher pay. It also means higher training costs. Today's soldiers, sailors, marines, and airmen must have a far higher level of skill and training than their counterparts of a few years ago. Communications technicians, computer specialists, maintenance and repair experts must work on multimillion dollar equipment that is far more complicated than it has ever been.

Is the trend toward highly skilled specialists in the military slowing down? No way. It is rapidly increasing.

What does all this mean for the cost of our conventional military forces in the next few years? It means that costs can go one way: Up! And I mean way up. All this concerns the conventional military.

But now comes the real increase in military spending—the explosive, won't stop, no-end-to-it spending. That comes in the President's demand for an antimissile defense system—as he puts it a strategic defense initiative; as the newspapers have called it, "Star Wars." Now we are talking money, very big money. Before he left the Defense Department a few weeks ago, Under Secretary of Defense for Research and Development De Lauer, when asked the cost of this SDI program said, "The cost will stagger you."

Mr. President, after nearly 28 years in this body when a top official of the Defense Department says that the cost of a weapons system he enthusiastically supports will stagger you, prepare to be staggered. And we will be.

Some star wars enthusiasts like Dr. Jastrow and General Graham have played down the cost of this program. They have claimed that it might cost less than $100 billion. But, Mr. President, let us recognize that the present plans are to spend more than $25 billion just as a starter for star wars research. And that is not the end, even for star wars research. That research is likely to end up costing more than $50 billion before we finish, and then the real spending begins. That real spending will come with the production and deployment of the star wars defensive net to intercept incoming intercontinental ballistic missiles. It could cost up to a trillion dollars or more, but even that would be only the beginning of the big spending. Former Secretary of Defense James Schlesinger has estimated that the cost of developing and deploying an effective look-down, shoot-down supplemental defense to stop cruise missiles and other submarine or bomber-launched projectiles would total a cool $50 billion each and every year indefinitely. He says that even that would not begin to be enough, because we simply cannot stop the intrusion of our airspace by cruise missiles.

Why would this additional $50 billion a year be necessary? Because the sure-Soviet response to star wars would be the construction of cruise missiles to be launched from submarines and bombers and able to fly under any defensive star wars net. Defensive measures would be only part of the cost. Both the Soviet Union and the United States would work overtime to build offensive weapons designed to overcome the defenses against nuclear attack.

If we have learned one sure and completely predictable lesson from the nuclear arms race, it is that each year the costs go one way—straight up. The technology becomes more and more elaborate and complex. Once the two superpowers start down the road of both defensive and offensive nuclear arms competition, there will be no end to that zooming cost burden.

Unfortunately, the immense amounts of money are only part of it. Some estimates foresee that star wars by itself, without additional demands from look-down, shoot-down, or the speed-up in new offensive nuclear arms to penetrate the Russian's star wars defense—just star wars—would absorb some 40,000 engineers and scientists who would have to come from other endeavors, including especially our conventional defense responsibilities.

Now, Mr. President, how ridiculous it is for a Federal Government that is planning to pour such a massive increase in funds into Federal spending for the military to talk seriously about a responsible fiscal policy when it will not own up to any intention to increase taxes. What deception. What hyprocrisy. Whatever painful progress the Congress may make this year in holding down spending will certainly be overwhelmed if this same Congress decided to go ahead, sled length, with a star wars program that is certain to serve as the forerunner of a colossal explosion of military spending on every front in future years.

DIFFERING MOTIVATIONS

Mr. PROXMIRE. Mr. President, the April 1985, edition of Midstream magazine has a section titled "Holocaust Reminiscences." This section is composed of a number of articles, many written by survivors of the Holocaust.

Alfred Lipson, a survivor of the Vaihingen and Dachau concentration camps wrote one of these articles: "The Gamble That Saved Sixty-Five." The article is based on events in 1942 during the forced deportation and killing of people living in the Radom ghetto. Lipson worked in a furniture factory outside the ghetto, spoke fluent German, and become secretary at the factory. He was responsible for obtaining work passes and night permits so Jews could work in the factory.

When the destruction of the ghetto began, Lipson gathered as many of his fellow workers as he could in the factory, where they were temporarily safe. Over a 3-day period, the Germans loaded boxcars full of people onto trains and deported them, turning the ghetto into a labor camp containing only the ablest of the ghetto. It was important for Lipson's group to stay out of the sight of the Germans for as long as possible because some of this group did not meet the strict criteria set by the Germans in order to remain in Radom.

The survival of these 65 people depended on the efforts of one man in manipulating the Germans, using a common language to have them accept him as one of their own. Mr. Lipson was able to assure the Germans that nothing was wrong and that there were no Jews hiding in the factory. If it were not for his ability to persuade the Germans and his forethought in seeing the impending destruction of the ghetto and getting the night work permits, many of his group would have been killed.

However, the survival of the group was jeopardized when the factory owner's wife became fearful for her own survival. With the factory owner out of town during the deportations, his wife was in charge. Over the 3-day period, she kept insisting that the group leave the factory and even went as far as to call the German authorities to let them know of the Jews hiding there. Mr. Lipson was able to convince the Germans that the group was finishing an Air Force job for airplane seats and the group would return to the ghetto after the work was completed. Because of the factory owner's wife's fear of the Germans, she felt that she must turn the people hiding in the factory in to the Germans for her own survival.

Mr. President, two people, Mr. Lipson and the factory owner's wife, had the same goal—survival—but with entirely different means toward achieving the common end. Lipson manipulated the system in a manner that enabled his family and others to survive. The end result was they survived when otherwise they may not have. The factory owner's wife was manipulated by the system—a system that used fear to ensure obedience. Her survival could have meant the death of someone esle.

The factory owner's wife's selfish behavior was based on a feeling of self-preservation. Events of the Holocaust created such feelings and their ugly

results. Mr. President, the ratification of the Genocide Convention would be a positive step to ensure that another Holocaust and the fears it generated are never repeated. I urge my colleagues to join me in support of the Genocide Convention.

Mr. METZENBAUM. Will the Senator from Wisconsin yield for 1 minute?

Mr. PROXMIRE. I am happy to yield to my good friend from Ohio.

Mr. METZENBAUM. As just 1 of the 100 of this body, I wish to publicly express my appreciation to the Senator from Wisconsin, who has consistently and constantly taken the floor to urge ratification of the Genocide Convention. He has been a beacon of light. He has been steadfast in this concern about this issue. All of us owe him a great debt of gratitude.

I will come to the floor shortly—not today but soon—to speak on the same issue, but mine will be but a drop of water in the large barrel of comments that the Senator from Wisconsin has made over a period of years. I know that many of us in the Senate are very appreciative of his efforts in this respect.

Mr. PROXMIRE. Mr. President, I thank my good friend from Ohio. There is nobody whose support I would rather have. There is no Senator I more greatly admire.

It is interesting that the Genocide Convention was reported out of the Foreign Relations committee the day before yesterday, and it is available to be taken up on the floor. That is going to be a long, hard, tough fight, however, as the Senator from Ohio, I am sure, understands. It is going to be very difficult for us to get action on it, particularly in view of the fact that we are going to have to change that treaty from the way it came out of the committee, because the treaty was largely gutted. But it is going to be a fight that I hope we can take up soon and give whatever time is necessary to winning.

Mr. METZENBAUM. Indeed, I hope we will take it up soon. Is it not my recollection that a firm commitment was made to bring the treaty to the floor during the last session; that is, a commitment was made during the last session to bring it to the floor this session? And is it not my understanding that at that time there was no comment or mention made whatsoever about reservations such as those that have now been placed in the treaty from the Foreign Relations Committee?

Mr. PROXMIRE. The Senator from Ohio is absolutely correct. It was a commitment to bring it up early in the 99th Congress, meaning, I thought, January or February. It is May, and it has finally come up. But the reservation which would take us out of the World Court Jurisdiction, which is the only enforcement feature in the treaty, was not mentioned at all. It is something I think this body should very, very carefully reconsider when we get a chance to act.

Mr. METZENBAUM. I am sure the Senator from Wisconsin, I, and others are prepared to address ourselves to our keen disappointment about the reservations that have been placed on it by the Foreign Relations Committee and which were not talked about when the commitment was made last October to bring it to the floor the early part of this session. I thank my good friend.

SENSIBLE EXPORT CONTROLS CAN CUT DEFENSE SPENDING

Mr. PROXMIRE. Mr. President, this week, during our debate on the massive defense budget, I think it is appropriate to bring to the attention of the Senate a recent study of the Defense Department which assesses the impact on the security of the United States of Western technology transfers to the Soviet Union and other Warsaw Pact nations.

The United States and its allies have traditionally relied on the technological superiority of our weapons to preserve a credible counterforce to the quantitative superiority of the Warsaw Pact. But over the past two decades the Soviet Union has mounted a massive, well-managed, and vigorously pursued technology acquisition program to acquire militarily related Western technology, a kind of beg-but-borrow or steal program to overcome U.S. scientific advantage. In 1983, during our hearings on renewing and amending the Export Administration Act, we heard testimony that the Soviet leaders have made this acquisition program a primary task of the Soviet intelligence services. Such efforts, we learned, have provided them with significant savings of time and money in their military R&D programs and have enabled them to close the gap between our weapons systems and their own. This, in turn, has forced us and our Western allies to spend more and more on our defense programs. In 1980 the United States spent $13.8 billion on defense R&D. In 1984 that figure almost doubled to $27 billion and is projected to reach $51 billion in 1989.

As a long-time member of the Appropriations Committee, who is absolutely convinced that our spiralling budget deficits also threaten our national security, I am appalled at the advantage the Soviets accrue by acquiring our expensively developed technology on-the-cheap. They benefit from our expenditures. Our taxpayers subsidize the modernization of the Soviet military machine.

One problem we have always encountered in dealing with Soviet efforts to acquire our technologies is how to do so without interfering with legitimate exports. The U.S. business community is not unsympathetic to the need to safeguard critical technologies and is not opposed to controls on items whose acquisition by the Soviets would be detrimental to our national welfare. The question has always been how to identify such technologies.

Two years ago the Banking Committee, on which I am the ranking member, reported out a bill amending the Export Administration Act which achieved a careful balance between our national security needs, that is, to restrict the flow of critical U.S. technology to the Soviet military, and our economic security needs which call on us to promote exports and export-related jobs. It left the licensing of exports in the Commerce Department but reaffirmed the right and duty of the Defense Department to help identify exports that could be harmful to our national security. The Senate passed the bill in March 1984 and soon after we began a 6-month conference with the House. During that long conference, which ultimately failed due to differences over provisions in the House bill dealing with South Africa, there was considerable discussion regarding the costs and benefits of tighter restrictions on high technology exports.

To assist in these discussions, I asked GAO on May 10, 1984 to provide me with available estimates of (1) the economic costs of export licensing including lost sales, and (2) the budgetary impact of Soviet acquisitions of our militarily critical technologies.

In response to the first question GAO stated "there are not studies—either underway or completed—that address the economic cost of licensing in any comprehensive way . . . our discussions with scores of U.S. exporters has revealed little more than anecdotal information on the subject." In response to the second question GAO stated there "were no studies available" but noted the Secretary of Defense had issued a directive on January 19, 1984 requiring an annual assessment of the budgetary impact of Soviet acquisition of Western technologies.

The Department of Defense recently released its first annual report on this subject entitled "Assessing the Effect of Technology Transfers on U.S. Western Security." It makes clear that the Senate was correct in stressing the need to tighten controls on the export of militarily critical technologies to the Soviet bloc. The study focused on 79 applications by American companies to export products to the Soviet Bloc in 1983–84. It alleges that if the applications, which the Pentagon advised Commerce to deny, had been approved, the Soviets could have saved $6.6 billion to $13.3 billion in develop-

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ment costs. It further asserts that the

our country to spend billions less on

Could have saved the Soviet military $6.6

If they had been successful, Soviet acqui-

for the people of Taiwan. Thirty-six

will not happen again so long as mar-ment costs. It further asserts that the Western Alliance, in turn would have had to spend an additional $7.3 billion to $14.6 billion just to counter the advantages that the Soviets could have acquired. I want to note that the billions of dollars mentioned in this study do not take account of the costs to the U.S. taxpayers and the cost savings to the Soviets of illegal transfers and diversions to the Soviets of proscribed technologies—which are part and parcel of the Soviet technology acquisition effort.

Fortunately the President has now authorized DOD to examine certain types of high technology exports to some non-Communist countries from which diversions of such exports to the Soviet bloc take place. I fully expect that will enable us to save additional billions on defense expenditures and hope DOD will address this area in its next annual assessment.

The House recently passed amendments to the Export Administration Act which are quite similar to those worked out during last year's 6-month conference. The Senate has asked the House for a conference on that bill in order to resolve some still outstanding differences. The DOD study, which I have discussed, makes very clear that the Senate is correct in insisting on the provisions in that bill which tighten national security export controls and strengthen enforcement of those controls—while still reducing red tape and speeding the overall licensing of exports. Such provisions, it is now clear, can actually make it possible for our country to spend billions less on defense R&D with no lessening of our military preparedness. They are a real bargain.

I ask unanimous consent that the executive summary of the Defense Department study entitled "Assessing the Effect of Technology Transfer on U.S./Western Security" be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD.

(NOTE: The charts contained in the summary are not reproducible in the RECORD.)

EXECUTIVE SUMMARY

For nearly two decades, the Soviet Union has maintained a massive, national program to acquire critical military-related Western technology. Soviet military decision makers acquire such technology through legal and illegal channels. Their acquisition strategy is, in fact, coordinated at the highest levels of their government. Such a well-defined effort poses a direct military threat to the security of the United States and its allies.

The Department of Defense has long argued that the negative effects of the successful acquisition of Western goods and technology by the Warsaw Pact on the NATO/Warsaw Pact military balance are significant. The list below highlights such concerns:

Warsaw Pact exploitation of Western technology has: Saved billions of dollars; drastically reduced weapon development times; greatly enhanced defense industrial productivity; and allowed quick response to Western weapons and tactics.

The principal findings of this pilot study are:

Exploitation of Western Technology—

Could have saved the Soviet military $6.6 to $13.3B;

Could have cost the U.S. and its allies $7.3 to $14.6B;

Could have degraded the NATO/Warsaw Pact military balance;

Could have contributed to Soviet/Pact technological capabilities—particularly in automated production and control, microelectronics, telecommunications, and computers;

Could significantly reduce military system development times 3 to 5 years for ASW sensors; over five years for strategic and tactical C^3;

Has contributed to the altering of major Western development efforts—Early move from ALCM-A to ALCM-B.

The Defense Department produced this quantitative assessment because more precise measures of military impact and cost not only improve decisions on individual cases but also convey concern to all of the various communities who must be involved in an effective technology security program, be they in industry, academia, or government.

This pilot study evaluates a cross-section of licenses through the U.S. and multilateral export control system attempted during 1983 and 1984.

It is important to note that most of the significant Soviet acquisition efforts analyzed were topped. The control sytem was successful. Our defense budget projections are based on it remaining so. However, as noted above, without a tight multilateral control system, the negative impact on our national security could have been significant.

Our study methodology is outlined below in Figure E-1. A more detailed discussion of this methodology along with assumptions and caveats is found in Chapter 2.

[Figures E1, E3, E4, E5, and E6 not reproducible for RECORD.]

FIGURE E–2.—SUMMARY CONCLUSIONS OF TARGET TECHNOLOGY GROUP ANALYSIS*

Soviet/pact target group	Number of key cases	Potential impact	Military areas most affected
Automated production and control	20	Improve Soviet/pact efficiencies, particularly in the machine tool and machine building sectors. Improve production efficiencies in steel and aluminum sectors.	Armored vehicle production (e.g., tanks), aircraft and shipbuilding.
Telecommunications	16	Improve pactwide communications networks; improve machine-to-machine communications capabilities; improve R&D.	Warsaw pact C^3, cruise missile defense, Soviet/pact electronic warfare R&D
Microelectronics	14	Improve pactwide production to at least MSI level, possibly freeing Soviet fabrication lines for more advanced device work; improve test instrumentation throughout. May compensate for production problems experienced in 1983.	"On-board" electronics packages for aircraft, naval vessels, land vehicles, and virtually every major Soviet weapon system.
Computer technology	8	Provide for base line for Soviet development of 16- and 32-bit supermini computers. Conduct computer development throughout the pact.	Affects nearly every major mission area, including C^3, signal processing (ASW), navigation and guidance.
Sensor technology	7	Improve pact acoustic-wave device production and signal processing capabilities	Antisubmarine warfare and electronic warfare.
Optoelectronics/electro-optics	4	Improve research and development of militarily relevant optoelectronic	C^3 (fiber optics), laser research (directed energy), IR sensor systems.
Genetic engineering/BW/CW	3	Improve military research and development	Chemical warfare, biological warfare.
Power generation and propulsion	4	Improve jet engine performance/reliability	Soviet/pact air forces.
Transportation	2	Improve Soviet automated management systems	Military transport/logistic support.

*1 case in guidance and navigation not included.

PILOT STUDY METHODOLOGY

The potential impact of the cases analyzed as well as the military areas most affected are summarized in Figure E-2. The cases show the strong correlation between Warsaw Pact military-industrial goals (as discussed in their current five-year plans) and their attempts to acquire Western technology. For example, Western automated production and control technology is vital to Soviet/Pact priority efforts to improve and automate their manufacturing base—particularly their machine tool and machine building sectors. Eastern European efforts to acquire Western microelectronics production technology appear to be directed toward filling gaps in the Soviet-made equipment purchased by the Bloc. The Soviets also appear quite interested in Western signal processing technology. Soviet or Pact military facilities were directly involved in several acquisition efforts, while other cases have a strong link to Warsaw Pact weapon production.

The cases reviewed from 1983 and 1984 also show a number of important Soviet/Warsaw Pact patterns in acquisition attempts and specific country emphasis. For example, the country with the largest number of key cases was Hungary, the only Pact country having "Most Favored Nation" status throughout 1983. Hungarian requests showed a clear emphasis on computer and telecommunication technology. Another noteworthy feature is the number of key cases involving Bulgaria—probably the closest Soviet satellite. Bulgaria had far more key cases than one would have expected, which gives rise to the concern that some Bulgarian acquisitions may be Soviet-sponsored. Chapter 3 of the attached report presents our analysis of these acquisition patterns.

In summary, Soviet efforts to acquire Western technology in 1983 and 1984, had they been successful, could have had a significant impact on a number of key technology areas—automated production and control, microelectronics, telecommunications, and computer technologies. Figure E-3 identifies those technology areas which would have benefitted most from successful Soviet acquisition efforts in 1983 and 1984.

If they had been successful, Soviet acquisition efforts in 1983 and 1984 could have had significant adverse effects on the military balance in key mission areas (strategic warfare, tactical warfare, C^3I, and defense-wide support) as summarized in Figure E-4.

OVERVIEW OF POTENTIAL MILITARY IMPACT

A major aspect of this study is its quantitative estimation of the potential savings accrued by the Soviet military through acquisition of Western technology as well as the associated incremental Western defense costs. Figure E-5 lists the estimated total potential yearly minimum and maximum Soviet defense savings accrued during 1985-1997.

As shown, the Soviet military could have gained between $6.6 and $13.3 billion between 1985 and 1997 in primary cost savings if the license applications had been approved. These savings would have come largely through direct military production improvements which the Soviets could have gained through exploitation of Western automated production and control products and technology. Not included in this calculation are potentially significant military operational benefits which may result from an improved weapons technology base. These "second order" effects are likely to be much larger than the primary savings.

For perspective, one can relate the potential savings in the Soviet defense costs to future Western defense costs. Figure E-6 shows one such estimate of these costs. The lag time between the Soviet savings and the time when Western defense budget would be affected is likely to be several years.

These potential costs are high, but only represent a snapshot in time. The actual costs are much higher still, perhaps $20-50 billion per year. Cost estimates of such longer-term Soviet technology acquisition efforts are discussed in Chapter 4 of this report.

Based on the analyzed key cases, technology acquisition efforts in 1983 and 1984 could have provided a major increase in Soviet military potential in the 1990s and beyond:

Major contributions would have been made to Soviet weapons system development programs providing the basis for significant pressure on the future NATO/Warsaw Pact military balance in key mission areas.

Significant improvement in defense industrial productivity would have occurred.

Very large savings in Soviet defense resources would have occurred which could have been applied to defense.

As shown, the cost to U.S. responses to such improved Soviet military potential could have been phenomenally large.

Mr. PROXMIRE. Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business to not extend beyond 9:30, with statements therein limited to 5 minutes each.

THE 36TH ANNIVERSARY OF MARTIAL LAW ON TAIWAN

Mr. KENNEDY. Mr. President, May 20 marks another bleak anniversary for the people of Taiwan. Thirty-six years have now passed since the ruling Kuomintang Party declared a state of emergency and imposed martial law. These measures, which have been in effect since 1949, are still used to keep political prisoners in jail, to suppress basic human rights and to restrict participation in the political process.

What possible justification can there be for maintaining martial law on Taiwan today? Unlike in 1949, there is no serious threat of military invasion. Taiwan has developed a capable defense force. And Taiwan's economic growth continues at a rapid pace. Real growth in GNP was nearly 11 percent in 1984, and per capita income now exceeds $3,000 annually. Yet Taiwan's progress toward democracy and human rights has not kept pace.

Some progress has been made in the past year. Several prominent detainees, including Rev. Kao Chun-ming and former Assemblyman Lin Yi-hsiung, were released on parole last August, and Miss Lu Hsiu-lien was granted medical parole last month. Nevertheless six of the eight persons tried and sentenced by military courts in connection with the 1979 International Human Rights Day rally in Kaohsiung are still in prison. Mr. Shih Ming-teh, who was sentenced to life imprisonment for organizing that rally, lies on the brink of death from a hunger strike which he began on April 1.

Press censorship has become more oppressive in the past year. The number of censorship actions rose more than fivefold, from 34 in 1983 to 187 in 1984. For the first 4 months of this year censorship actions have averaged 20 to 24 per month, thus approaching the total of 25 for the entire year of 1982. The martial law regime has also encouraged retired government officials to bring spurious libel suits against opposition journals as another means of silencing them. In January of this year three executives of Progress Weekly were sentenced to 8 months in prison, and three executives of Neo-Formosa Weekly to 12 months, as a result of libel suits brought by former officials.

But the most distressing event by far was the murder of Henry Liu by agents of Taiwan's military intelligence agency at his home in California last fall. This cold-blooded killing was dramatic evidence that the repressive actions of Taiwan's martial law regime can reach even into the United States. Mr. Liu, a Chinese-American author, had criticized the authorities on Taiwan, and his murder seemed designed to silence him and to intimidate other potential critics. The Taiwan authorities have gone forward and prosecuted those officials directly involved in Mr. Liu's murder, but who can guarantee that attempts to silence or harass American citizens or residents will not happen again so long as martial law remains in force and Taiwan's military authorities are not subject to democratic control?

The United States is committed to the security and well-being of the people on Taiwan. I am proud of having been a principal sponsor in the Senate of the Taiwan Security Resolution of 1979, which is part of the law of the land. In that resolution, Congress reassured the people on Taiwan that we are concerned about their security and prosperity and about peace in their region.

This legislation reaffirms our ties to the people of Taiwan and also includes a clear American commitment to human rights for all the people of Taiwan. Political repression on Taiwan flaws our mutual relations and strains our friendship. Only complete respect for individual liberty on Taiwan can guarantee a healthy, lasting relationship between our peoples. And only an end to martial law can guarantee that human rights and political freedom on Taiwan will be respected.

I therefore renew my call, on the occasion of the 36th anniversary of martial law, for the authorities on Taiwan to accelerate progress toward a democratic political system. I renew my call for the release of all political prisoners. I renew my call for guarantees of fundamental human rights such as freedom of speech, freedom of the press, freedom of assembly, and freedom of association, including the right to organize political parties. I renew my call for broader repesentation of all inhabitants of the island in Taiwan's political institutions. And I renew my call for an immediate end to martial law and other emergency provisions which have restricted individual freedom and democratic rule on Taiwan for 36 years.

MEMORIAL DAY

Mr. DOLE. Mr. President, Monday, May 27, is Memorial Day, one of our most important national holidays and a day of special meaning to me.

Like many others here in the Senate, I am a veteran of war, and I know first hand of the pain and suffering it brings. And though to this day I bear a physical reminder of my own service in World War II, I also know that I have been infinitely more fortunate than so many of my comrades in that war, and countless thousands of others from other wars, who lie buried in cemeteries here at home and throughout the world.

These men and women have made the ultimate sacrifice for their country and for the ideals it represents. In a very concrete sense, they have given to us and our children the freedom and the way of life which we cherish.

Indeed, our debt is so great that we cannot really begin to repay it. But there are three things we can do—we must do—to keep faith with them.

First, we must insure that the families they have left behind have an equitable chance to enjoy the fruits of our society. Even in an era of reduced resources, this task must remain among the highest priorities of our Nation.

Second, we must rededicate ourselves to the ideals for which they fought and died—the security of our Nation, the freedom of our people, peace in the world. If we allow these ideals to be undermined or abandoned, we will have made a mockery of their ultimate sacrifice.

Finally, we must never forget what they have done.

On Monday, while we pay them tribute, both public and private, let us also pledge ourselves to this task—that we not make this special day the only time each year when we remember and note what these true patriots have done. Let us be determined to put aside in our minds and hearts a moment each month, each week, each day, to recall their sacrifice, to offer thanks for their legacy to us and to honor their memory.

NATIONAL CHILD SAFETY AWARENESS MONTH AND NATIONAL CHILD SAFETY DAY

Mr. THURMOND. Mr. President, I would like to take this opportunity to call my colleagues' attention to National Child Safety Month and National Child Safety Day.

Child abuse and exploitation have reached epidemic proportions in our country. Many of our children are the victims of verbal assault, physical or sexual molestation, pornography, or kidnaping.

Statistics on these crimes are shocking. Each year more than 1.5 million children are reported missing. One hundred and fifty thousand of them are kidnaped, and among those, 2,500 to 5,000 are abducted by noncustodial parents. It is startling to realize that one kidnaping occurs every 3 minutes in the United States.

An additional 10,000 children run away or are "thrown away" by their parents every day. Many of these fall victim to drugs, prostitution, or homicide. To date, 20,000 to 50,000 cases of missing young people remain unsolved, but authorities estimate that 85 percent of our missing children have disappeared in the multimillion-dollar prostitution and pornography industry.

In view of these findings, I, along with 36 of my colleagues, cosponsored resolutions designating May as "National Child Safety Awareness Month," and May 25 as "Missing Children Day." Congress demonstrated its concern about the growing problem of child abuse and exploitation by adopting these resolutions, which call upon Federal, State, and local government agencies, and on the people of the United States, to observe these periods with appropriate programs, activities, and ceremonies for the better protection, security, and safety of all children.

Two other important laws I coauthored, the Missing Children Act and the Missing Children's Assistance Act, call for the investigation and prosecution of crimes involving missing and exploited children.

Bills being considered now would provide for social services and child care assistance, reforms in the juvenile justice system, and child-abuse victim protection. Clinical training programs for graduate students to learn about the prevention of child abuse and neglect, sexual exploitation and abduction, are being considered. A national data bank for information and easy identification of missing children has been proposed.

Several Federal Government agencies have also adopted measures to prevent kidnaping and to help find missing children. For example, the FBI maintains a file of missing persons in their National Crime Information Center, and the Justice Department develops identification patterns on missing persons and on criminals, to help identify, track, and catch "serial murderers."

The private sector is also contributing toward solving the problem of child abuse. Private centers have been established to help families deal with child abduction by offering services in search guidance, counseling, media photo publicity, compassionate support to families of missing children, and many search techniques.

Mr. President, I particularly want to call my colleagues' attention to the National Center for Missing and Exploited Children. This organization has supported legislation to establish information clearinghouses and to improve laws regarding the treatment of juvenile victims of criminal and sexual exploitation, including molestation, prostitution, and pornography. The center also advocates sharing information among social service agencies and law enforcement, temporarily protecting the child, shielding individuals who report cases of child victimization, and penalizing professionals who fail to report child abuse cases. They additionally seek laws to require that those convicted of assault pay for victim treatment and rehabilitation, and to provide the support and protection of a court-appointed lawyer for victims.

The national center also offers training assistance to individuals, groups, and agencies who investigate and prosecute cases of abused children, and it offers prevention and education programs to parents, schools, agencies, organizations, and communities.

Others have also contributed much to child abuse and abduction prevention: Neighborhood Watch groups offering safe houses in which a threatened child can take refuge; schools, police, movies, and magazines promoting community awareness; newspapers publishing lists and photos; some dairies featuring pictures of missing children and rules for safety on milk cartons.

I call on my colleagues to inform their constituents about methods they can use as individuals to remind their children, without frightening them, to be aware of possible danger. Additionally, parents should never put a child's name on his clothing, where a stranger can read it and identify him by name, thus making friendly contact with the child. They should teach a child to say "No," then run away and tell someone, when encountered by a threatening adult.

Citizens can encourage legislators at all levels of government to pass laws combating child abuse. There is a great demand in social service agencies and victims' assistance programs for volunteers to operate hot lines, help technical advisers who assist families of missing children, and work with mailings.

Please urge your constituents to assist the National Center for Missing and Exploited Children by clipping articles about missing, kidnaped, or murdered children from local newspapers, and then sending the clippings to their offices at 1835 K Street, Suite 700, Washington, DC 20006. The center invites all suggestions for preventing crimes against children.

Public concern is a very potent weapon in combating this terrible crime. We must, as a nation, join together to save our children.

ADVICE FOR THE AMERICAN FARM FAMILY

Mr. ANDREWS. Mr. President, some time ago we saw three actresses giving advice on what we should do for the American farm family. About the same time, I received, as I do so often, a very thoughtful letter straight from the heart of a farm wife and a mother whose sons are interested in continuing farming. She speaks from personal experience and she points out the problems and the challenges of modern-day farm families in a way that only someone who's personally experiencing it can. I felt her strong and very moving message should be shared with my colleagues and with those interested in the real life situation as it exists on the farm. I ask, Mr. President, unanimous consent to include her letter at this point in the

Record so our colleagues may benefit from the input she gives us.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Manning, ND.
May 7, 1985.

Dear Senator Andrews: After last night's news cast—the spot featuring Wives or Women in Agriculture and stars Fonda, Spacek, and Lange—I felt the comments made by some legislators were uncalled for and asinine.

If the farm wives felt it necessary to "sensationalize" by having these women, it's because they felt they weren't being heard. Our farmer husbands are too busy to travel to D.C. or even the local town, so it's up to us to speak up and try to "educate" the legislators.

The agriculture situation is worse than has been publicized—we see many auctions coming up this fall—we may be one of them—who knows?

Senator Andrews, you've been to western North Dakota, and you know it's much more difficult to make a living here than in the "valley." We raise wheat, flower feed grains and several hundred head of cattle. In the past our cattle took care of production expenses—not so anymore.

Your son, Mark, has been to our ranch on hunting trips and he can tell you that this may look like a prosperous farm. It was a treeless, trashy farmstead when we moved here 35 years ago after our marriage. It's been blood, sweat and tears and lots of joy too building up the place with the help of our daughter and four sons through the years.

If low grain and livestock prices persist, we may have done all this in vain and lose it because of high interest rates, drought, hoppers etc. and not poor management.

Up to five years ago we thought we were doing fairly well, and our sons would be eased into their family farm. However, not so. Since then George has suffered 2 strokes, our sons needed help paying off bills—it's cost a mint to keep the ranch in operation.

No vacation for us this year—it's been a therapeutic must up to now. We will, however, be able to take several days to Grand Forks to see our youngest son graduate from U.N.D. He'll be coming home to help with the "operation." He's sacrificing a job to work with his father and brother because we can't afford any hired labor.

What will it take to convince the administration that the agricultural sector of our country is losing ground! Fast! The farmers are depressed, disenchanted and very very broke. It's not a 9 to 5 job as you well know with a guaranteed wage, benefits, vacation time and a few other goodies.

Believe it or not, a good many rural people are applying for food stamps and it won't be long till they'll be on welfare. There is something terribly wrong with our system.

Our sons are all college graduates. Could be following some career, but because of their father's illness (he recovered) they chose to come home. They've got lots of ambition, fresh new ideas, but as I see it it's getting them nowhere.

As I see it there's a plot to eliminate all family farms—conglomerates will take over and we'll fare no better than the people in Russia!

My patriotism is waning! and I am very tired. I watch "my men" go out at 6 a.m., coming in about 10:30 p.m. and it gives me a lot of pain to see them work for a mere pittance of a wage. This is slave labor—to furnish cheap food and probably a good reason for us to be labeled "dumb farmer."

And yet it seemed such a wonderful way of life for us and family, but as it has turned out, the rewards are few, no pats on the back for a job well done, just total disregard of a well deserved decent way of life.

All we would need is a fair return for our products—and all government aid would not be needed—it's that simple. We are at the mercy of the bankers, grain buyers, etc. Our bankers of 35 years as much as told us our records were incomplete etc. Needless to say we switched banks often many years.

Poor managers we are not, we are the victims of a system that fails to realize we're the backbone of this nation and I'm just plain tired of being a charitable organization!

And last but most profound is the effect the work and financial stress is halvng on families. It's created marital problems in what seemed solid marriages, families have become quarrelsome, discord among the "siblings," several attempted suicides, and many rural people seeking help from "stress clinics."

The system is creating a very unstable society, certainly the loss of faith and self-esteem among rural people and I'm seeing it all around us.

My husband, who had been a N.D. wheat commissioner for 12 years, had put in many hours, travel and meetings to improve a helpless situation. It's taken its toll!

We are in dire need of hope—higher prices, lower interet rates and a sincere effort from Washington—a little compassion Please.

Our greetings to Mary who was a wonderful hostess and good company at the Monocle (several years ago) and thanks for your many hours of service.

Agnes Kubik.

TRIBUTE TO UKRAINIAN AMERICANS

Mr. SARBANES. Mr. President, I wish to pay tribute to Ukrainian Americans who, during the month of May, are celebrating "100 Years of Ukrainian Immigration to the United States." During this month we gratefully acknowledge the hundreds of thousands of Americans of Ukrainian descent who have made valuable contributions to the growth of America. The earliest Ukrainian who came to our Nation are recorded at the founding of Jamestown in 1607 but it is really in the last 100 years that the majority of the Ukrainian-American community emigrated.

Ukrainian immigrants distinguished themselves not only by hard work, intelligence and constructive citizenship, and sense of justice. Ukrainian Americans, while succeeding in preserving their own ethnic heritage, have joined their culture to that of their adopted land and have contributed to the economic and cultural development of America through their participation in the arts, science, politics, business, and other endeavors. Ukrainians have also served in the defense of American freedom since the earliest of colonial times. Recently, Nicholas Krawciw, who graduated from West Point 10 years after coming to the United States with his refugee parents, was raised to the rank of general.

In science and technology, America has benefited from the talents of many individuals—for example, Igor Sikorsky, who invented the helicopter; Michael Yarymovych, the Air Force's principal scientist and a member of the NASA and Air Force teams that pioneered development of the manned space capsule, the space laboratory and the space shuttle; and Walter Dzus, inventor of the Dzus fastener used in World War II aircraft.

In the arts, countless individuals have contributed to the rich cultural fabric in our Nation today—Alexander Archipenko, who created sculpture that increased recognition for modern art; Paul Plishka, a principal at the Metropolitan Opera whose fame spans the globe; Valentyna Pereyaslavec, the Ukrainian-born ballerina who coaches Nureyev and Fonteyn; and many distinguished actors, including Jack Palance, who received several Oscar nominations in a long and distinguished stage and screen career.

We in Maryland are very fortunate to have a large and active Ukrainian-American community. Ukrainians in Maryland through their sense of community responsibility, and their social and religious activities have greatly enriched the life of our State.

In paying this tribute to the contributions of the Ukrainian Americans we must pause and reflect on the history of this proud and courageous people—a history stretching over 1,000 years. Encompassing an area larger than all of England, Ireland, Denmark, Iceland, Austria and Greece combined, theirs is a rich and fertile land. But this very fertility has been a source of enduring tragedy. Time after time these valiant people have been conquered by aggressor nations who coveted the fine soil of the Ukraine.

The Ukrainians' freedom-loving spirit can be traced back to the great Kievan state which had emerged in the Ukraine by the ninth century. Building the first durable political institutions on the plains of Eastern Europe, providing vital means of trade and communication between the Byzantine Empire and the adventurers of Northern Europe, giving to the world monuments of religious art that have never been surpassed, the Kievan state survived for more than 300 years before succumbing to the catastrophic invasion of the Golden Horde in 1238.

The 17th century saw a new force emerge—the freedom loving Zaporozhian Kozaks. Under their Hetman Bogdan Khmelnytsky, the Kozaks defeated neighboring armies in 1648 and 1649 only to meet eventual defeat with the partition of the Ukraine in 1667 by Poland and Russia. Then, a century later, with the successive partitions of Poland, the Ukraine was finally absorbed in the Russian Empire of Catherine the Great.

Ukrainian nationalism did not die. In 1846, 30 Ukrainian patriots, under the leadership of the great Ukrainian poet, Taras Shevchenko, formed the Secret Brotherhood of St. Cyril and St. Methodius. Their movement inaugurated a cultural revival which eventually found expression in the independent Ukrainian state established in 1918. The centuries-old dream of independence was realized only briefly, for the Ukraine was invaded by the Soviets and by the end of 1919 the free republic of Ukrainia ceased to exist.

The magnitude of the deprivation suffered by the Ukrainians between World War I and II under Soviet rule was severe. In 1933 the great famine took place in the face of ruthless collectivization and claimed the lives of more than 7 million Ukrainian men, women, and children. The dimensions of that tragedy are now being recognized. Congress has recently passed legislation establishing the "Commission on the Ukraine Famine" to increase the world's knowledge of this famine and the American public's understanding of the Soviet system.

In the Ukraine, abuse of human rights takes a different form than that of 50 years ago, but it remains nonetheless. It was little more than 9 years ago that 10 Ukrainians, in the face of harassment and repression in their native land, issued the declaration of implementation of the Helsinki accords, better known as the Ukrainian Helsinki group. We find leadership and inspiration in those who, at great personal cost, have lived courageously by the principles which they espouse—Valentin Moroz, whom I have had the pleasure of knowing and who is now in this country, Lev Lukyanenko, Mykola Horbal, Mykola and Raisa Rudenko, Yosyf Zisels, and Vasyl Stus. Their names are well known to us. Countless others whose names we do not always know have joined them in openly protesting cultural oppression, religious persecution, and economic exploitation, and like them many have gone to prison for daring to express their most deeply held convictions. Their extraordinary efforts have the support of our own great and free Nation of countless dedicated Ukrainian Americans, and indeed of all Americans who cherish the blessings of freedom.

As we salute the achievements of the Ukrainian people, their strong sense of national and cultural identity and their enduring freedom-loving spirit, we recall the sacrifices as well of these brave and courageous people. In so doing, we renew our commitment to speak out on behalf of those who suffer deprivation under a government which continues to deny basic human rights.

THE ARMISTEAD I. SELDEN LOCK AND DAM

Mr. HEFLIN. Mr. President, just a few short weeks ago, I encountered one of the frequent cases of scheduling difficulties with which all of us must deal. On Friday, April 26, our discussions and votes regarding the budget resolution required that I remain here. That day I had been scheduled to be in Hale County, AL, to attend the ceremony redesignating the Warrior Lock and Dam on the Warrior River as the Armistead I. Selden Lock and Dam.

Mr. President, Armistead Selden has had a long and distinguished career in public service. After serving the people of west Alabama for 2 years in the Alabama Legislature, he was elected to the U.S. House of Representatives, where he remained for 16 years. During that time he served with many of my colleagues who were then in the House and he became chairman of the Subcommittee on Inter-American Affairs. After leaving the House of Representatives, Armistead was appointed Deputy Assistant Secretary of Defense for the Department of International Policy and Procurement. His respected work in that post led to his being named U.S. Ambassador to New Zealand, Fiji, Tonga, and Western Samoa—a post he occupied under three administrations and both parties. When he resigned on June 1, 1979, Armistead was senior Ambassador in place.

Armistead Selden has truly been an outstanding American, Mr. President, and has served his State and Nation in countless ways. While in Congress, he promoted the need for a sound and responsible inland waterway system. He knew that the development of such an inland waterway system would return rich dividends to the citizens of Alabama and America in the way of better jobs and a higher standard of living.

One particular waterway project with which Armistead Selden was involved while in Congress was the one recently renamed in his honor, orignially known as the Warrior Lock and Dam. In fact, Mr. President, this lock and dam, located in Armistead's home county of Hale, was the first river development project he worked on in Congress.

After initial funding was obtained in 1954, the lock and dam was built between 1954 and 1957, under the direction of the U.S. Army Corps of Engineers. At that time, the construction cost was $13.4 million, although today's replacement cost would be $75 million. At the time of construction, the Corps of Engineers predicted that the Warrior-Tombigbee Waterway, of which the Armistead I. Selden Lock and Dam is an integral part, would be handling 8 million tons of traffic a year by 1980, but traffic reached that level of tonnage by 1966. During its 28 years of use, some 306 million tons of traffic has passed through the lock.

Mr. President, the level of utilization of this lock and dam is, in itself, a tribute to the accuracy of Armistead Selden's thoughts about inland waterways. He realizes that these waterways do not just serve private businesses, but are vital to several broad public policy objectives which are Federal concerns. Granted private businesses and private bargelines may profit because of these waterways, but, even when they do, there is also a larger public interest, and a larger public benefit, which flows from private sector activity on our waterways. This "public good" takes several distinct forms—an enhanced national defense, regional economic growth, and employment, and expanded world trade, among others.

Mr. President, the congressionally authorized rededication of this majestic lock and dam in Armistead Selden's honor represents far more to the people of Alabama than is revealed even by such an imposing structure. It is more than a recognition of the importance, to both Alabama and America, of waterways and waterway transportation. It is even more than a reminder of the generations that will follow us of the deeds of one man.

Thomas Carlyle wrote that "The history of the world is but the biography of great men." This recent rededication ceremony adds another page to the continuing biography of a great Alabamian, Armistead I. Selden.

Mr. President, I ask unanimous consent that articles from various Alabama newspapers regarding the rededication ceremony be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SELDEN ON SAME GROUND AS WARRIOR LOCK RENAMED

(By Ed Watkins)

Former Congressman Armistead I. Selden was on familiar ground Friday afternoon as the Warrior Lock and Dam on the Black Warrior River was renamed for him.

A crowd of about 500 persons attended the dedication ceremonies for the newly renamed Armistead I. Selden Lock and Dam with most standing under umbrellas as light rain fell during much of the one-hour program at the lock site in Hale County.

Selden stood on the same ground more than 30 years ago when he and a daughter, Martee, participated in ground-breaking ceremonies for the lock.

Selden grew up in nearby Greensboro and two of his great-grandparents were born within two miles of the lock.

Principal speakers Jack W. Warner and Robert K. Dawson at Friday's program described Selden as waterway leader who knew the value of a good waterway system to the growth of an area.

U.S. Rep. Richard Shelby presided as master of ceremonies and recognized various officials and special guests.

Sens. Howell T. Heflin and Jeremiah A. Denton Jr. were scheduled to speak but neither were able to attend. Denton's wife, Jane, represented him and Heflin sent a message expressing congratulations to Selden.

Shelby also read a letter from U.S. Rep. Tom Bevill, who also was unable to attend.

He said the renaming of the lock in honor of Selden was "long overdue. It should have been done a long time ago."

In the early 1950s, Warner said, he was president of the Warrior-Tombigbee Development Association for three years and chairman of the board for another three years. It was during that time that he worked with Selden, who was then in Congress, on waterway development.

Dawson, deputy assistant secretary of the Army (civil works), described Selden as a "model to follow in public service."

Selden's wife and all of his five children and three grandchildren attended the ceremony. His children unveiled a permanent plaque at the lock commemorating Selden's extensive public service career.

Sons and daughters participating in the unveiling were Martee Selden Hewitt, Armistead Inge Selden III, Jack Selden, Edith Selden Ezell and Thomas L. Selden.

Selden served in the U.S. House of Representatives from 1953 until 1969, representing the old 6th Congressional District.

The district orginally was composed of Tuscaloosa, Hale, Greene, Sumter, Bibb, Chilton and Shelby counties. In 1964, Marengo and Pickens counties and the Bessemer Cutoff area of Jefferson County were added.

"This renaming ceremony has brought together many, many of our old friends—from Greensboro, from Hale County, from the other counties of my old Congressional district, from many areas of Alabama, and even from Washington and other parts of the United States," Selden said.

Some members of his Greensboro High School graduating class of 1938, were in the audience, he said.

The lock and dam named in his honor holds a special place for him, he added.

"It was the first river development project that I worked on after the people of this district elected me to Congress, and it is located in my home county," Selden said.

He noted that in 1954, initial funds were obtained and ground was broken for the project.

"My then 3-year-old daughter, Martee, and I participated in the ground-breaking ceremony. I spoke and she shoveled the first spade of dirt. Four years later, the dam was dedicated. Again, Martee and I took part in that ceremony, I spoke and on that occassion she unveiled the plaque," Seldon said.

Little did he dream, he said, that many years later the lock and dam would bear his name.

To have a lock and dam located in one's home county named for one—and in one's lifetime—is a rare occurrence and a high honor. To each of you who played a part in making this possible, let me express my sincere appreciation," he said.

The lock and dam was built between 1954 and 1957 under the direction of the U.S. Army Corps of Engineers for a cost of $13.4 million. Officials say replacement of these structures today would cost $75 million.

During the 28 years the Selden Lock and Dam has been in use, 306 million tons of traffic has passed through the lock.

The Army Corps of Engineers had predicted that the Warrior-Tombigbee Waterway would be handling eight million tons annually by 1980, but tonnage reached that level in 1966. By 1980, this river system was moving a total of 16.7 million tons of commerce, Selden said.

"Overall, the growth in river commerce since 1957 amounts to a solid three-fold increase. That is a record that's hard to beat anywhere in the United States," Selden said.

As evidence of the importance of navigation programs to Alabama's economy, Selden pointed to several recent developments.

In Birmingham, U.S. Steel has just invested $800 million in a brand new pipe mill, which incidentally will rely on this river system to bring in iron ore and ship out pipe.

Near Tuscaloosa, Jim Walter Corp. has committed $750 million to its deep coal mine system, which is predicated on the full utilization of this waterway.

At Mobile, the State Docks has just finished a modernization and expansion program costing $250 million in order to better serve water transportation needs.

Jerry C. Pow, chairman of the West Alabama Planning and Development Council, gave opening remarks at Friday's program. The Rev. Hoyt Winslett Jr. of St. Paul's Episcopal Church in Greensboro gave the invocation and benediction.

Selden and his wife now live in Falls Church, Va. After his Congressional service, Selden was principal deputy assistant secretary of defense from 1970 to 1973. He served as U.S. Ambassador to New Zealand, Tonga, Figi, and Western Samoa from 1974 until 1979.

Selden was born in Greensboro in 1921. He began his career in the U.S. Navy during World War II, serving in the North Atlantic and European theaters. He was discharged from active duty in 1946 as a lieutenant. He retired a captain from the U.S. Navy Reserve in 1961.

[From The Birmingham News, April 27, 1985]

HALE COUNTY DAM RENAMED FOR SELDEN

(By Frank Sikora)

SAWYERVILLE—Standing on the banks of the Warrior River on Friday, Armistead Selden recalled the day 31 years ago when dozens of officials attended the breaking of ground for a new dam in Hale County.

On that day everyone was limited to three minutes to speak," he said. "And Congressman Frank Boykin gets up and tells the crowd that he's aware of the time limit and he's going to abide by it. He says, 'But before I begin my three minutes, there are some things I want to tell you' And he spoke for 20 minutes."

Friday was not a good day for long speeches. It was drizzling rain and thunder rumbled in the distance.

The occasion was the renaming of the Warrior Lock and Dam to the Armistead I. Selden Lock and Dam.

The former congressman and ambassador was the guest of honor, but cut his speech short.

"To every person who is here today," he said, "my family and I are deeply grateful."

The dam was the first river project he had worked on as a member of Congress, he said.

"To have a lock and dam located in one's home county named for one—and in one's own lifetime—is a rare occurrence and a high honor," he said.

A native of Greensboro, Selden, 64, was elected to the U.S. House of Representatives in 1952, and won reelection seven times, retiring in January 1969.

From 1970 to 1973, he was a Deputy Secretary of Defense, and from 1974 to 1979 served as U.S. Ambassador to New Zealand, Tonga, Figi and Western Samoa.

About 300 people gathered at the lock and dam near Sawyerville for the ceremony.

Jack Warner, chief executive officer of Gulf States Paper Co. in Tuscaloosa, praised Selden's leadership in helping develop Alabama waterways.

U.S. Rep. Richard Shelby of Tuscaloosa took note of the falling rain, saying, "I think we need 'Bear' Bryant here," a reference to stories that the football legend could stop the rainfall.

Selden, who is being treated for cancer, later watched as members of his family threw back the cover of the new marker bearing his name.

"This is a wonderful day, and I'm thrilled to see this many people out here despite the rain," he said.

He recalled the words he spoke in 1954 when the breaking of ground was held, when he said the dam would be a monument to the growth of the state.

"But best of all," he had said, "it will be a useful, living monument—not one which stands idly by, doing nothing, but a monument which will work day to day . . . to make this a better Alabama for ourselves and our children."

[From the Alabama Journal and Advertiser, April 28, 1985]

SELDEN IS HONORED BY SUPPORTERS

(By Alvin Benn)

SAWYERVILLE—Hundreds of friends and supporters braved a steady rain Friday afternoon to honor former U.S. Rep. Armistead Selden at a lock and dam he helped build.

The Warrior Lock and Dam, built 20 years ago, was renamed for Selden, who was saluted by national and state leaders.

U.S. Rep. Richard Shelby, D-Tuscaloosa, hailed Selden's many contributions during his nearly two decades in the House, and was joined by commendations from U.S. Sens. Howell Heflin and Jeremiah Denton.

Heflin and Denton had planned to attend the program, but sent along their regrets after deciding to stay in Washington, where budgetary discussions continued Friday.

Denton was represented by his wife, Jane, who shared the platform with Shelby and the other special guests.

By the time Selden posed for photographs in front of a plaque in his honor, the skies opened and drenched those who formed a greeting line under umbrellas.

"To have a lock and dam located in one's home county named for one . . . is a rare occurrence and a high honor," said Selden.

The former U.S. ambassador to New Zealand cut short his speech by two pages, but did mention the lock and dam's contributions to Alabama waterway traffic.

The Warrior-Tombigbee Rivers, which merge at the lock and dam in the Sawyerville area, are navigable from the Port of Birmingham to Mobile Bay.

To the west is the Tennessee Tombigbee Waterway, recently completed and the largest public works project in United States history, while the Alabama Coose river system lies to the east.

ALABAMA CHRISTIAN COLLEGE RENAMED FOR JIMMY FAULKNER

Mr. HEFLIN. Mr. President, it was recently announced by Dr. Ernest Clevenger, president of Alabama Christian College, that the statewide network of Church of Christ institutions will be renamed Faulkner University in honor of a leading supporter and a long-time chairman of the college's board of trustees, James H. Faulkner, Sr., of Bay Minette, AL. This name change is seen by Dr. Clevenger and others as part of a plan for the college to grow into a major university, which will include the existing liberal arts college, retaining the Alabama Christian name, the recently acquired Jones School of Law, and three additional colleges yet to be created, in the fields of business and management, professional studies, and Biblical studies.

Mr. President, this deserved recognition of Jimmy Faulkner is but the latest line in an unbelievably long listing of professional and civic accomplishments. During the past 50 years, Jimmy has built a record of involvement and dedication which has rarely been equaled.

In 1936, Jimmy became owner and publisher of the Baldwin Times, located in Bay Minette. He remained in those positions until 1969, when he became copublisher. Finally, in 1974, he was named "Publisher Emeritus."

Also in the field of communications, Jimmy Faulkner has served as copublisher of the Foley Onlooker and the Fairhope Courier, and as a partner in the South Alabamian of Jackson, AL. In addition, he is president of Faulkner Radio, Inc., owners of Radio stations in Alabama and Georgia.

In addition, to his professional successes, Mr. President, Jimmy Faulkner has been politically active. In 1941, at the age of 25, he was elected mayor of Bay Minette, and, at that time, was the youngest mayor in the United States. He held that post until 1943, when he began service as a pilot in the Air Force. Jimmy served as a State senator from 1950–54, as a member of the Baldwin County Democratic Executive Committee from 1936–78, as finance chairman of the Alabama Democratic Campaign in 1976, and as a member of the State Democratic Executive Committee.

Jimmy Faulkner has been chairman of the Board of Alabama Christian College since 1963, a member of the Alabama Commission on Higher Education since 1976, and chairman of the Advisory Board of James H. Faulkner State Junior College since 1971.

In the area of civic involvement, in 1945, Jimmy Faulkner became the youngest person ever elected a director of the Alabama State Chamber of Commerce, a post he still holds. He has twice been president of the Bay Minette Chamber of Commerce, and has been president of the Alabama Press Association, chairman of the State Cancer Crusade, and president of the Alabama Safety Council. In addition, he has been chairman of the Alabama Development Board, the North Baldwin Hospital Board, the Baldwin County Sesquicentennial Commission, and the County Bicentennial Commission.

Mr. President, I am not even going to attempt to list the honors and awards for which Jimmy Faulkner has been chosen. To list them all would be endless, to list one would be a disservice. Among the most significant of his many honors are being named the outstanding Freshman State Senator in 1953, the Outstanding Citizen of Bay Minette in 1965, doctor of laws of degrees from Freed-Hardeman College, Livingston University, and Oklahoma Christian College and a doctor of humane letters degree from Alabama Christian College.

Mr. President, our world has too few people like Jimmy Faulkner. He has been a business success, a civic leader, a public servant. He remains a dedicated husband, father, and grandfather. As evidenced by the recent decision to rename Alabama Christian College in his honor, he is a leader in the field of education as well as in the affairs of his church. Alabama is lucky to have had a man like Jimmy Faulkner help write the history of the State.

I commend Jimmy and his lovely wife Evelyn on his being the namesake of Faulkner University, which I am sure Jimmy ranks as one of the truly great honors of his life, and one which is truly deserving.

Mr. President, I ask unanimous consent that an article from the Mobile Press-Register be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIVERSITY NAMED FOR FAULKNER

(By Sandra Baxley Taylor)

The Alabama Christian College network of campuses throughout the state will be known as Faulkner University in the future in honor of its patron, James H. Faulkner Sr. of Bay Minette, according to Dr. Ernest Clevenger, the university president.

Clevenger describes the name change approved by trustees Friday as a springboard for the college to grow into a major university which will include the current liberal arts college retaining the name of Alabama Christian, the existing Jones School of Law and three colleges to be created.

The new colleges will be schools of business and management, professional studies and biblical studies.

"The new university is appropriately named in honor of Jimmy Faulkner, who is a distinguished Alabamian and long time chairman of the college's board of trustees," Clevenger said. "Dr. Faulkner continues to be instrumental in the school in spite of heavy business and civic responsibility."

Faulkner is also a past chairman and current member of the Alabama Commission on Higher Education.

Faulkner has been a fund raiser for the 2,000 student, 43-year-old Church of Christ college for many years. His brother, Dr. Thurston Faulkner, was president of Alabama Christian after he left the Alabama State Department of Education as director of its trade school division.

When Thurston Faulkner became ill in 1979, Dr. Clevenger said, Jimmy Faulkner "stepped in quietly to assume much of his work load. . . ."

Under Faulkner's push, Clevenger said, the college branched out to include centers in Mobile, Birmingham, Florence and Huntsville.

Faulkner effected a coup for the college last year when he arranged for it to buy the Jones School of Law in Montgomery for little more than interest payments, thanks to donations by a Huntsville husband and wife team, Clevenger said.

"Jimmy Faulkner has raised more money for the school than any other individual," Clevenger said, "and more than all the other individuals put together."

In 1982 he raised $2.2 million in donations. Clevenger said the school has also been the recipient of federal grants because of Faulkner's efforts.

Faulkner has demanded very little of the college in return, the president said.

"He cares very little about day to day activities. He doesn't want input in running the school. What Faulkner does insist upon is his prerogative as a board member to shape policy . . . and most of all to have a say in which way the school will grow . . .," Clevenger said.

HELP YOURSELF TO INDEPENDENCE

Mr. THURMOND. Mr. President, I would like to call to the attention of my colleagues to an editorial printed in the May 2, 1985 issue of the Edgefield, SC, Citizen-News about Older Americans Month.

Mr. President, I was pleased to cosponsor the joint resolution which led to President Reagan's proclamation of May as Older Americans Month. The elderly have laid the foundation for America today, and it is appropriate that they be recognized during this month for their contributions to our society.

The theme of this year's Older Americans Month is "Help Yourself to Independence." As standards of living and health care have improved in recent years, it has become possible for elderly Americans to not only live longer, but also to remain self-sufficient longer. Additionally, out of America's tradition of neighbor helping neighbor and friend helping friend, service organizations have invented ways to meet practical needs of older Americans who have chosen to remain in their homes.

The editorial to which I earlier referred describes an effort of the South Santee Community Center in South Carolina to serve the homebound elderly in that area of our State. Mr. President, I ask unanimous consent that a copy of this editorial be printed in the RECORD as an example of a way

local communities can care for the elderly in their neighborhoods.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HELP YOURSELF TO INDEPENDENCE

"Help yourself to Independence" is the theme for this year's Older Americans Month in May. "The theme and activities being planned are designed to focus public awareness on the needs of older Americans, their abilities, and using their diverse talents to enrich our society," said S.C. Commission on Aging Director Harry R. Bryan.

Older Americans Month was first observed nationally in 1963 (then called Senior Citizens Month), but as early as 1950, some states had chosen May as the month recognizing older people through special tributes from governors and local officials.

A highlight of this year's national observance will be the "Project Independence Award" Program. Each participating State Agency on Aging chose one project that exemplifies the types of programs that help older Americans to maintain and enhance their independence. Each Award recipient will receive a plaque from the U.S. Administration on Aging and will be recognized in a special Older Americans Month ceremony in Washington, D.C., May 2.

The "Project Independence Award" Program in South Carolina is South Santee Community Center's Homebound Support Program. The homebound rural elderly, many of them on fixed incomes and without cars, are often isolated from nearby communities and activities for senior citizens, and this program reaches out to help them with retirees who visit isolated elderly citizens for one hour, one day a week. These retirees have been trained in nutrition education and exercise for older people with medical problems. Rotating assignments make it possible for each volunteer to visit all participants.

"We've been providing shut-ins with a hot meal five days a week for several years, and we realized how disappointed they were that volunteers delivering meals could not stay to visit," said Margaret Marshall Robinson, executive director of South Santee Community Center.

The Homebound Support Program helps senior citizens to continue to live in their homes. The regular visits provide a way to monitor their well-being, and volunteers "keep an eye on" health status and home health status and home health conditions.

A TRIBUTE TO A. HAYS TOWN

Mr. LONG. Mr. President, I would like to call to your attention the fact that a citizen of my home State of Louisiana was recently honored with a national award recognizing his important contribution to the arts.

I am speaking, Mr. President, of A. Hays Town, Sr., of Baton Rouge, who was awarded the Arthur Ross Award at the National Academy of Design in New York earlier this month. This award goes to a painter, sculptor, architect, or craftsman whose work has exhibited a continued excellence and integrity in its application of classical ideals.

Mr. Town, who is nearly 82 years of age, began his career as an architect in 1918 at the age of 15 when he designed a house for his father. His work attracted the attention of others and he was soon asked to design two more houses. By the 1930's, his work was receiving national attention.

A. Hays Town is a tireless worker and rises regularly each day at 2 a.m. to begin his workday. His age has not slowed him down, as evidenced by the 107 jobs on which he is currently working.

To his credit, Mr. President, Mr. Town has not allowed his national fame and renown to detract him from his community and its needs. He has served tirelessly those around him and is an integral part of the Baton Rouge community.

A. Hays Town is a unique man, Mr. President, and I am proud to say that he is a native Louisianian.

One cannot tour the more expensive subdivisions of Baton Rouge without seeing large numbers of outstanding achievements of A. Hays Town. So much is that the case that we might want to name south Baton Rouge "Hays Town Town."

NATIONAL TOURISM WEEK

Mr. HOLLINGS. Mr. President, Congress has designated the week beginning May 19, 1985, as National Tourism Week, and the President has issued a proclamation to that effect. Accordingly, I should like to comment on importance of toursim in the United States.

I first come to realize the vital role tourism plays in our economy in 1959, when I was Governor of South Carolina. According to a study that I read back then, Myrtle Beach had a large budget for tourism and was reaping huge dividends from its wise investment. Meanwhile, my own hometown of Charleston spent little on tourism—and, as you might imagine, had very little tourism industry.

I realized then that many communities across South Carolina—a State so rich in history—could profit from a statewide effort to promote tourism. So first we established a legislative committee on tourism. In 1965, the first Governor's Conference on Tourism and Trade was launched. Later, the State instituted the Department of Parks, Recreation, and Tourism. Those labors have come to fruition: today tourism is the second largest industry in South Carolina and represents some $2.6 billion of business annually. Almost 70,000 South Carolinians are employed in tourism-related jobs and tourism in our State generates almost $225 million annually in Federal, State, and local tax revenues.

The same awakening to the potentials of tourism that took place on a State level in South Carolina took place simultaneously on a national level. At the time I was Governor of South Carolina, Luther Hodges was Governor of North Carolina. When Governor Hodges was appointed Secretary of Commerce by President Kennedy I talked to him about instituting a national effort in tourism in the Department of Commerce. Accordingly, the International Travel Act of 1961 established what is today called the U.S. Travel and Tourism Administration.

Unfortunately, in what must be seen as woeful disregard for the crucial role tourism plays in our economy, TTA's budget has been chipped away to 44 percent, in real terms, of what it was just 10 years ago—despite the fact that tourism is the third largest retail industry in the United States, despite the fact that, in a cost-benefit ratio, for every dollar we invest in tourism we reap $18.50. Cutting back or eliminating the TTA is certainly false economy. One hundred and twenty nations throughout the world have national tourist agencies competing in the international market. The U.S. national tourism budget already ranks extremely low—38th—among its counterparts, but if the Reagan administration could have its way, it wouldn't rank at all. It would be out of business.

That we are too shortsighted to invest what amounts to a paltry percentage of our national budget to such a vital industry in ludicrous—particularly when you think of the estimated $90 billion in tax favors we generously give annually to other industries in the name of creating jobs and growth in our economy. Tourists spend about $370 billion in the United States annually and generate an estimated 12.9 million jobs representing 12.8 percent of the employed civilian labor force. As well, tourism generates about $45 billion each year in Federal, State, and local tax revenue.

Given these facts, Mr. President, given the enormous role the tourism industry plays in our economy, I believe the most fitting manner for Congress to celebrate National Tourism Week would be to enact the pending legislation that would ensure the continuation of the U.S. Travel and Tourism Administration.

CONGRESSIONAL CALL TO CONSCIENCE

Mr. DECONCINI. Mr. President, I am pleased to participate in the Congressional Call to Conscience on behalf of all Soviet citizens whose basic human rights have been blatantly violated. This issue is one which has no easy solution, but this is one which we, as Americans of conscience, must never allow ourselves to overlook. Today, I would like to address the issue of Soviet emigration policy.

Emigration policy in the Soviet Union, particularly in the case of Jews, exemplifies the individual, cultural, and religious repression that the Soviet regime imposes on many of its citizens. With the exception of the Jews, each large group has its own homeland in the Soviet Union. Jews are officially suspect, considered disloyal to the state and supporters of Israel. They have been denied the right to speak, the right to publish freely, the right to freedom of expression, and above all they have been religiously persecuted. Many have even been placed under arrest for naturally wanting to learn about their heritage—Jewish history, culture, and tradition.

This random, indifferent, and unprincipled treatment has forced many Jews to apply for emigration visas. However, the emigration process itself is demoralizing. It is unpredictable and arbitrary, and it instills fear and desperation in many citizens.

Before applying to emigrate, a person must first receive a character reference or "visov" from an immediate relative abroad. Though many citizens request these documents, many are too afraid to actually register for a visa. After this initial step, applications are made to the Office of Visa Registration [OVIR]. Exit requirements include high emigration fees for visas, payments to clear housing in the U.S.S.R., numerous visits to police stations for paperwork, restrictions on what can be taken out of the country and the renunciation of Soviet citizenship. Furthermore, if one is lucky enough to leave, he/she will likely be separated from his/her immediate family, perhaps forever, in addition to being faced with adjusting to a completely new and different society.

This costly, controlled, and selective process, which is particularly discriminating toward minorities, becomes for many a futile, nighmarish experience. Applicants systematically are demoted or fired from their jobs, harassed, followed, watched, searched, interrogated, silenced by being sent to psychiatric hospitals, and ultimately imprisoned or banished to Siberia to hard labor camps.

In recent years the rate of emigration from the Soviet Union has dramatically declined. For example, only 896 Jews were allowed to emigrate in 1984 compared with 51,320 in 1979. These statistics are alarming and are in direct contravention to the Soviet Government's ratification of several international agreements, including the principles of the United Nations Charter and the Helsinki Final Act.

What is most disheartening to me is the fact that almost all the individuals I had the pleasure of meeting during my visits to the Soviet Union in November 1978 and August 1983—Grigory Genusov, Sofia and Izaak Kogan, Lev Furman, Lev Ovsischer, Alexander Mariasin, Ilya Goldin, Naum Meiman, Isai Goldstein, Alexander Lerner, Evgeny Yakir, Alexander Ioffe, Lev Blitshtein, Arkady May, Jacov Alpert, and Gregory Rosenstein—are still waiting to be granted permission to emigrate. Their patience and perseverance are to be admired by all of us. After many years, they have not lost hope that someday they will be allowed to live where they choose. It is essential that we keep their cause alive and growing, that we let those who are oppressed know that we care and that they are not alone in their humanitarian beliefs. Until all people are granted their basic human rights our consciences cannot rest.

CBO'S REESTIMATION OF SENATE BUDGET

Mr. HOLLINGS. Mr. President, I wish to submit the Congressional Budget Office reestimation of the Senate's budget, Senate Concurrent Resolution 32, showing a deficit of $149.3 billion for 1988. Figures for 1989 and 1990 were not furnished CBO but were extrapolated to amount to $116 billion in 1990.

There being no objection, the material was ordered to be printed in the Record, as follows:

Congressional Budget Office,
U.S. Congress,
Washington, DC, May 23, 1985.

Hon. Ernest F. Hollings,
U.S. Senate,
Washington, DC.

Dear Senator: As requested in your letter of May 14, I am enclosing the Congressional Budget Office's reestimate of S. Con. Res. 32 using CBO's baseline economic and technical assumptions. For purposes of comparability with CBO's baseline budget projections, the estimates do not reflect any developments in the economic or budget outlook since February.

With best wishes,
Sincerely,
Rudolph G. Penner.

Enclosure,

CBO Reestimate of Senate-Passed Budget Resolution

The following tables summarize CBO reestimates of the Senate-passed budget resolution (S. Con. Res. 32) using CBO's baseline economic and technical assumptions. The CBO baseline is described in An Analysis of the President's Budgetary Proposals for Fiscal Year 1986 (February 1985). To be consistent with the published report, no changes have been made to reflect any developments in the economic or budget outlook since February.

Tables 1 and 2 provide CBO's reestimates of the Senate-passed resolution by budget function and by major spending category, respectively. Table 3 details the differences between the deficit estimates in S. Con. Res. 32 as passed by the Senate and as reestimated by CBO. The economic reestimates arise because the Senate-passed resolution uses the economic assumptions of the Administration's February budget. The differences in revenue estimates are attributable primarily to the fact that CBO assumes lower levels of nominal gross national product and of taxable incomes than does the Administration. (Differences in revenue estimates are described in detail in Appendix A of the report cited above.) For national defense, the Senate resolution assumes real growth of 0 percent in 1986 and 3 percent in 1987-1988. Because CBO assumes higher rates of inflation in the defense sector than the Administration, CBO estimates that additional spending authority would be needed to achieve the defense real growth targets. CBO has reestimated outlays for various benefit programs, primarily on account of differences in assumed rates of inflation. Finally, CBO estimates higher net interest outlays because CBO's baseline interest rates are considerably higher than the interest rates assumed for the budget resolution.

CBO's technical reestimates of the Senate-passed resolution are relatively small. Assumed policy changes that are specified as dollar targets rather than as specific legislative proposals have not been reestimated. The Senate-passed resolution assumes that spending for low-income weatherization and low-income home energy assistance will be reduced by using recoveries from petroleum price overcharges to fund part of the programs; although the budget resolution reflects three-year savings of $3 billion from this source, CBO estimates that only $0.5 billion will be available for this purpose during 1986-1988. In the rural housing insurance fund, the resolution's estimate of spending that is off-budget under current law is not consistent with the stated programmatic assumptions or with the resolution's estimate of spending that is already on-budget; CBO has made the numbers consistent. The other technical reestimates include adding the enacted supplemental appropriation for African famine relief and making the budget resolution estimates for the Export-Import Bank consistent with assumed policy changes. Finally, CBO's economic and technical reestimates increase the deficits that have be be financed by borrowing and therefore increase debt service costs.

Tables 4 and 5 itemize, by major spending category, the major deficit reduction measures assumed in S. Con. Res. 32. Table 4 shows that deficit reductions in S. Con. Res. 32 relative to the baseline used by the Senate Budget Committee. Table 5 compared the deficits in CBO's reestimate of the budget resolution to those in the CBO baseline.

Table 6 gives the reasons for the differences in the deficit reduction estimates. The biggest difference arises because the Senate Budget Committee baseline assumes the Administration's current services defense outlays (the so-called Rose Garden plan), while the CBO baseline assumes the defense outlays specified in last year's Congressional budget resolution. Other, smaller policy differences between the SBC and CBO baselines involve the treatment of the Administration's proposed deferral for the strategic petroleum reserve, arrearages for multilateral development banks, State Department security, and assumed rates of civilian agency pay increase. Differences resulting from different economic assumptions (primarily defense inflation and interest rates) and from different technical estimating assumptions were described above.

TABLE 1.—SUMMARY BY FUNCTION OF S. CON. RES. 32 AS REESTIMATED BY CBO

[By fiscal year, in billions of dollars]

	1985		1986		1987		1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
050	292.6	252.0	303.7	273.5	326.8	293.7	353.2	316.5
150	25.4	18.0	21.2	18.2	20.4	17.3	20.7	16.9
250	9.1	8.7	9.1	8.9	9.0	8.9	9.3	9.0
270	1.6	6.5	5.4	5.3	5.2	4.6	4.9	4.2
300	12.7	13.1	12.2	12.5	12.6	12.4	12.8	12.5
350	24.8	21.0	17.2	14.5	17.7	15.8	17.0	12.9
370	12.6	5.6	7.5	3.9	6.1	2.3	6.7	4.6
400	29.6	26.1	27.2	26.1	27.9	27.7	27.3	27.4
450	8.4	8.7	6.6	7.9	6.7	7.1	7.1	6.7
500	31.6	30.3	30.4	30.5	31.1	30.2	32.1	31.1
550	33.6	33.5	35.8	35.4	38.3	37.9	41.0	40.5
570	71.8	65.2	81.6	68.3	90.2	74.6	92.7	82.2
600	163.4	128.7	156.7	117.1	166.1	121.3	176.2	126.9
650	195.9	189.3	206.5	194.9	222.2	206.4	259.8	220.8
700	27.2	26.3	26.7	26.1	26.8	26.2	27.3	26.8
750	6.6	6.4	6.8	6.7	6.9	6.9	7.0	7.0
800	5.8	5.8	5.3	5.2	5.4	5.2	5.5	5.5
850	6.4	6.4	6.5	6.5	2.0	3.2	2.1	2.1
900	129.8	129.8	145.7	145.7	158.9	158.9	174.8	174.8
920	.3	.3	−1.6	−1.6	−1.6	−1.6	−.6	−.5
950	−32.4	−32.4	−35.0	−35.0	−37.8	−37.8	−41.1	−41.1
Total	1,056.9	949.4	1,075.3	970.5	1,140.8	1,021.2	1,235.9	1,086.8
Revenues		734.9		789.4		857.2		937.6
Deficit		214.4		181.2		164.0		149.3

TABLE 2.—SUMMARY BY CATEGORY OF S. CON. RES. 32 AS REESTIMATED BY CBO

[By fiscal year, dollar amounts in billions]

	1986	1987	1988
Revenues	$789.4	$857.2	$937.6
Outlays:			
National defense	273.5	293.7	316.5
Nondefense discretionary	171.1	169.0	174.5
Entitlements	431.3	453.8	479.6
Net interest	145.7	158.9	174.8
Offsetting receipts	−51.1	−54.2	−58.6
Total	970.5	1,021.2	1,086.8
Deficit	181.2	164.0	149.3
As a percent of GNP:			
Revenues	19.0	19.1	19.4
Outlays:			
National defense	6.6	6.6	6.6
National discretionary	4.1	3.8	3.6
Entitlements	10.4	10.1	9.9
Net interest	3.5	3.5	3.6
Offsetting receipts	−1.2	−1.2	−1.2
Total	23.3	22.8	22.5
Deficit	4.4	3.7	3.1
Reference: GNP (billions)	$4,158.2	$4,483.1	$4,829.9

TABLE 3.—CBO ECONOMIC AND TECHNICAL REESTIMATES TO S. CON. RES. 32

[By fiscal year, in billions of dollars]

	1986	1987	1988
Deficit in S. Con. Res. 32	171.4	144.8	104.3
CBO economic reestimates:			
Revenues	4.2	9.0	18.3
Defense	.4	1.6	3.5
Benefit programs	−.1	.8	1.5
Net interest (rates)	2.7	4.7	15.4
Subtotal	7.2	16.1	39.0
COB technical reestimates:			
Petroleum overcharge fund	1.0	.6	.9
Rural housing insurance fund	.5	0	.5
Other technical reestimates	.3	.3	.4
Subtotal	1.9	1.0	.8
Debt service effect of economic and technical reestimates	.6	2.1	5.1
Total reestimates	9.7	19.1	44.9
Deficit in S. Con. Res. 32 as Reestimated by CBO	181.2	164.0	149.3

TABLE 4.—DEFICIT REDUCTIONS IN S. CON. RES. 32

[By fiscal year, in billions of dollars]

	1986	1987	1988	1986–88 total
SBC baseline deficit	227.4	244.8	243.6	715.8
Deficit reductions in S. Con. Res. 32:				
Revenue increases	−.9	−2.0	−3.4	−6.3
Defense	−21.5	−38.3	−55.5	−115.2
Entitlements:				
Cost-of-living adjustments (excluding offsets)	−7.5	−10.3	−10.4	−28.3
Medicare	−3.6	−5.2	−7.3	−16.1
Farm price supports	−.5	−1.1	−3.9	−5.5
General revenue sharing		−3.5	−4.9	−8.5
Other entitlements	−3.7	−5.6	−6.8	−16.1
Subtotal	−15.3	−25.8	−33.3	−74.5
Nondefense discretionary:				
Civilian agency pay raises	−1.3	−2.2	−2.7	−6.2
Other	−14.9	−24.1	−27.6	−66.5
Subtotal	−16.2	−26.3	−30.3	−72.7
Offsetting receipts	−1.2	−.3	−.8	−2.4
Net interest:				
Debt service savings	−2.8	−10.0	−19.7	−32.4
Other interest	1.9	2.7	3.8	8.3
Subtotal	−.9	−7.3	−16.0	−24.1
Total reductions	−56.0	−99.9	−139.3	−295.2
Deficit in S. Con. Res. 32	171.4	144.8	104.3	420.6

TABLE 5.—DEFICIT REDUCTIONS IN S. CON. RES. 32 AS REESTIMATED BY CBO

[By fiscal year, in billions of dollars]

	1986	1987	1988	1986–88 total
CBO baseline deficit	219.5	240.0	257.0	716.6
Deficit reductions in S. Con. Res. 32 as reestimated by CBO:				
Revenue increases	−.9	−2.0	−3.4	−6.3
Defense	−8.4	−19.5	−30.5	−58.4
Entitlements:				
Cost-of-living adjustments (excluding offsets)	−6.8	−9.3	−9.4	−25.5
Medicare	−3.4	−5.0	−7.0	−15.5
Farm price supports	−.5	−1.1	−3.9	−5.5
General revenue sharing		−3.5	−4.9	−8.5
Other entitlements	−3.7	−5.6	−6.7	−16.0
Subtotal	−14.5	−24.6	−32.0	−71.1
Nondefense discretionary:				
Civilian agency pay raises	−1.0	−1.4	−1.6	−4.0
Other	−12.3	−23.3	−26.9	−62.5
Subtotal	−13.3	−24.8	−28.5	−66.5
Offsetting receipts	−1.2	−.4	−.9	−2.5
Net interest:				
Debt service savings	−2.0	−7.5	−16.3	−25.7
Other interest	1.9	2.7	3.8	8.4
Subtotal	−.1	−4.8	−12.5	−17.4
Total reductions	−38.4	−76.0	−107.8	−222.2
Deficit in S. Con. Res. 32 as reestimated by CBO	181.2	164.0	149.3	494.4

TABLE 6.—DIFFERENCES IN DEFICIT REDUCTION ESTIMATES FOR S. CON. RES. 32 AND CBO REESTIMATE

[By fiscal year, in billions of dollars]

	1986	1987	1988	1986–88 total
Deficit reduction in S. Con. Res. 32	−56.0	−99.9	−139.3	−295.2
Deficit reduction in S. Con. Res. 32 as reestimated by CBO	−38.4	−76.0	−107.8	−222.2
Difference	17.6	23.9	31.5	73.0
Reasons for difference:				
Different defense baseline	12.7	17.2	21.5	51.3
Other policy differences in baseline [1]	1.1	.5	.9	2.5
Different economic assumptions:				
National defense	.4	1.6	3.5	5.5
Entitlements	.9	1.2	1.3	3.4
Different interest savings (interest rates plus other differences)	.8	2.5	3.5	6.8
Technical reestimates to S. Con. Res. 32	1.9	1.0	.8	3.6
Total	17.6	23.9	31.5	73.0

[1] Strategic petroleum reserve, international affairs (function 150), and civilian agency pay raises (functions 920 and 950).

ESPERANCA CLINIC

Mr. DeCONCINI. Mr. President, the Arizona Republic recently reported on the outstanding health care services provided by the Esperanca Clinic, a nonprofit organization based in Phoenix, AZ. The results attained by this team of American professionals and Brazilian volunteers serve as an excellent model of what can be achieved in the area of health care in Third World nations.

The nondenominational organization was founded 15 years ago by a Roman Catholic Priest. Father Luke Tupper initiated a 5-month program to immunize 5,000 of the inhabitants of the Amazon Basin. He accomplished this and more by traveling throughout the region by motorboat. At the end of 2 years, he had succeeded in vaccinating 71,000 people against seven major diseases threatening the inhabitants of that region.

Today, the Esperanca compound includes surgery facilities, the administrator's home, administrative buildings, lab and kitchens. It has an operating budget of $300,000 annually, the majority of which is obtained through donations from the United States. Gordon Murphy, president of this organization for the past 5 years, and Chuck Post, the executive vice-president, head the efforts to continue the flow of funds and medical teams to the Santarem, Brazil facility.

As a result of Esperanca and its offer of primary care, thousands of Brazilians remain alive who might otherwise have succumbed to the effects of malnutrition, poor hygiene, and disease. This group has provided moving testimony to the fact that relatively little is needed to produce immeasurable health care gains in Third World nations. Esperanca means hope in the Brazilians' native language of Portuguese, and indeed, the work of Gordon Murphy, Chuck Post and their staff have brought new hope to the lives of the thousands of Brazilians in the Amazon Basin.

I ask for unanimous consent that the Arizona Republic articles be included in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

ESPERANCA: 'HOPE'

(By Charles Thornton)

SANTAREM, BRAZIL.—The deeper blackness that comes before dawn wrapped the Amazon River, the jungle and the people on the trail in dark velvet.

The rumble of distant thunder mingled with the muted hum of insects. The air took on the wetter feeling that comes moments before a rainy-season storm hits. The people hurried, talking in hushed tones, as if their voices might attract the attention of the unknown.

This, after all, is a land where despite 400 years of Christianity, voodoo drums still sound on special nights. It is a land where even in the cities, vultures are part of the santitation corps.

The people, however, were not putting their faith in voodoo. They were coming to Santarem to put their children with birth-defects scars into the hands of a surgical team that has arrived the day before from Arizona—a plastic surgeon, an anesthesiologist and two surgical nurses.

The team, as does five others each year, had volunteered to come at its own expense and donate its services to Esperanca for two weeks. Esperanca, the Portuguese word for hope, is a Phoenix-based, non-profit medical organization that has strived for the past 15 years to improve the health of poor people in a section of the Amazon Basin as large as the combined states of Illinois, Wisconsin and Indiana.

To many, Esperanca in Brazil stands as a monument of what can be done in Third World countries by private organizations for relatively few dollars.

Ronald Bertagnoli, Esperanca's administrator in Brazil, said the organization employs about 50 Brazilians, including a physician, and treats more than 30,000 people a year—including hundreds of surgery patients.

"Our annual budget is about $300,000 this year," Bertagnoli said. "About 70 percent of the funds come from donations in the United States, while the other 30 percent come from Brazilian sources. Our goal is for Esperanca eventually to be 100 percent Brazilian staffed and financed."

How the money is used soon was evident.

The bottom of the cloud bank on the northern horizon was just beginning to turn oyster gray when Dr. Harry Owens, 45, who has given up private practice to deliver Third World medicine, trotted around the walled Esperance compound, calling the medical team to its first day in the trenches.

Dr. Fred Menick, 39, of Tucson, a plastic surgeon who paid his dues in Third World medicine in the Philippines and Micronesia, sat up in bed and ran his fingers through his longish hair. He was the only one sleeping in a bed. The rest slept in hammocks in Esperanca bungalows reserved for visiting medical teams.

Dr. Kathy Jenssen, an anesthesiologist and mother of two teen-agers, discovered, as did operating-room nurses Julie Horner, 26, and Ruth Gordin—a grandmother who worked in operating rooms during two Israeli wars—that Brazil lacks the amenities of Tucson.

They brushed their teeth with bottled water because the tap water might harbor the amoeba that cause dysentery. Despite precautions, half of the medical team would have diarrhea by week's end.

The sewer system can't handle toilet tissue without clogging, and the overhead electric water heaters that warmed the trickle of shower water never were to be touched.

A complaint about the ungrounded water heaters brings a typical Brazilian shrug and, "Don't touch the heater."

Those problems soon were forgotten. Eighty potential patients awaited treatment. Thirty could be chosen—the worse cases, the poorest and those who had traveled the farthest. Some had traveled for several days in small canoes, others had come by commercial boat, a few had walked and several had come from inland by flatbed truck.

There were older children with fingers webbed by burn scars; one's arm was glued to her side by a year-old burn. Most, however, had cleft lips, cleft palates or both. Several were blind because of a birth defect that kept them from opening their eyelids.

A few had to be turned away because they were too depleted by worms or tropical diseases to undergo surgery. They would be treated and told to return next year.

As the day wore on, it became obvious that the medical team was beginning to see the same clothing and jewelry on different people.

Owens smiled at the observation.

"When these people come to see the doctor, they like to dress up, but they are very poor," he said. "Those at the head of the line who have nice clothing exchange with those at the end of the line after they've seen the doctor so no one will be embarrassed."

The children, especially the youngest ones, waited in keen expectation. Gordin, the surgical nurse, had brought three bags of balloons from the states. Even the doctors were put to work blowing them up. Every child got a balloon, and even the children who were frightened flashed brief, self-conscious smiles.

The 30 who were chosen were given appointments and told when to report.

"We aren't a hospital," said Dr. Bill Dolan, a lanky, 37-year-old general surgeon who also is a Franciscan friar and medical director of Esperanca. "The people who are going to have surgery come to Esperanca the night before, sling their hammocks in a room we have. After surgery, they spend the night, and then they are on their own until they come back for their post-op examinations."

The people of Santarem, even government officials, open their homes to Esperanca's patients, Dolan said.

"The people's hospitality is one of the reasons Esperanca works as well as it does," he said.

While the medical team chose its patients, a different kind of care was being provided in a small office with no air-conditioning on the back side of the compound.

Dr. Gordon Mann, 62, of Falmouth, England, was pulling rotted teeth and filing those that could be saved. He looked up with hypodermic syringe in hand and smiled.

"I work under the banner of Rotary International," he said, pointing to a wall cluttered with Rotary flags, one from Arizona. "I retired from active practice a couple of years ago, and now when it's winter in England and I can't sail or play golf, I volunteer to do dental work in Third World countries."

Unlike the medical teams that come for two or three weeks, Mann would be at Esperanca for five weeks before going home. He said his last assignment was in the Philippines, where he treated Vietnamese boat people.

"Many of these poeple have awful teeth," he said pointing to the badly developed front teeth of the teen-aged boy in the chair. "It's caused by malnutrition and too much sugar."

Some of those waiting to have their teeth repaired were families of children brought in for surgery.

That night, their mouths no doubt ached, because there was nothing available for post-dental pain. Family groups hung their hammocks in a small room, and Esperanca's cooks fed them the type of food they'd eat at home—beans and rice cooked with a little fish or meat, and fresh fruit.

The next day was only minutes old when the surgery began.

Large bottles of commercial oxygen were wheeled into the four-table operating room. Dolan explained that medical-grade oxygen is not available in Santarem. Jenssen, the anesthesiologist, said she'd make do.

Menick was told to scrub quickly for surgery because the supply of sterile water was limited.

While he scrubbed, Jenssen laid out the tools of her trade, including bottles of artificial fruit flavoring.

"I rub it on the masks so the children will have something nice to smell while they're being put to sleep," she said.

Gordin and Horner quickly organized themselves and the strange operating room, and the surgery began.

One by one, the cleft lips were repaired, as were the cleft palates and scars. Eyelid muscles were shortened, and in some cases with older patients, tumors of the face and neck were removed.

In another case, doctors didn't discover that a young patient was recovering from whooping cough until his breathing and heartbeat suddenly stopped. Externally, Jenssen's demeanor didn't change as she brought years of medical training to bear to save the child. Later, she admitted that inside, she was shaking. Menick was able to complete the surgery.

The child's parents had signed the surgery consent form the way many had—an inked thumbprint. The witnesses couldn't write either, and their thumbprints also served as signatures.

During the two weeks, Menick, Dolan, Jenssen, or Owens always would be on call at-night. Esperanca-trained Brazilian nurses were with the patients around the clock in the recovery area.

But all was not labor. There was time to study another kind of medicine practiced on special nights in the Amazon—a form of voodoo that despite efforts by both Catholic and Protestant churches still is practiced.

Rosario Dalton led the way though, the dark, rutted sand streets of north Santarem. Dalton had come to Santarem from Memphis, Tenn., more than 20 years earlier to be a Franciscan friar but later left the order to marry a Brazilain woman and raise a family.

Out of the darkness came the beat of a drum.

"Macumbo," Dalton said. "Voodoo."

He led the way up and alley to a building with a false front that resembled twin towers.

Inside, two drummers against the back wall chanted and hammered rythmically. Sweat sparkled on the ink-black faces; they appeared to be in self-imposed trances.

Five women in full skirts and turbans whirled around the room in a route determined by candles on the floor. The witch doctor, a middle-aged women smoking a cigar and wearing a pink top hat, did her own version of the dance, often nearly falling as her trance deepened. The room was stiffling.

The macumba, also called "candomble" in Brazil, is a combination of African Bantu fetishes, Roman Catholic symbols and Sudanese rituals that consist of three parts: ritually making the sign of the cross; sacrificing animals, usually chickens, to the spirits; and invoking the saints with a ritual dance and chant led by a female chorus.

Menick moved onto the dance floor to take a photograph, which he had been assured earlier would be all right.

Without warning, two women took his hands and led him toward the back room, a place Dalton said was the shrine, "the holy of holies to them."

Jenssen, Gordin and Horner were motioned to follow. The small room, not much larger than a walk-in closet, was filled with magical ornaments—animal-shaped bottles, cigars, flowers and Christian symbols.

Figurines of Ogum (St. George), Xango (St. Jerome), Lemanja (the Virgin Mary) and Exu (the devil) were highlighted by candles.

The witch doctor removed her hat, chanted at Menick, then raised him on her back and spun him around, pausing to tap his head on the alter three times.

She returned him to his feet and pronounced him cured. It never was clear what disease he had.

While Menick was recovering from his experience, the witch doctor pulled out a white scarf and without ceremony wrapped it around Horner's chest, made measurements, then picked her up and repeated the whirling and head tapping.

The measurements were made again, and Horner was pronounced cured. The witch doctor told Dalton that Horner's bones had been too short but were now the proper length. Perhaps they were.

Horner and Menick laughed off the experience, but it was obvious that only a thin line separates civilization from the nearby jungle.

The next day, the patients returned to have their stitches removed. Mothers smiled, fathers looked proud, and babies that couldn't nurse effectively because of cleft palates would grow fat and healthy. Little girls with cleft lips would not be shunned when they came of age to marry.

"It's a good feeling to be able to come to a place like this and make a significant difference in people's lives," Menick said.

Jenssen agreed. She had proved, at least to herself, that she could practice good medicine without the backup of a modern hospital.

Dolan, who was inspired to become a surgeon by Esperanca's founder, Father Luke Tupper, agreed.

"When our 'barefoot doctors' in the outlying villages send someone to Santarem for treatment and our surgical teams send them back healed, it gives the barefoot doctor more credence, and that makes them more effective in delivering primary health care, and that's the major problem in the Third World," he said.

Menick, meanwhile, said he and Jenssen had put their names on Esperanca's list for the next time a plastic-surgery team is needed.

Horner and Gordin, too, said they're ready for another trip to the Amazon.

SURGEON'S DREAM OF MEDICAL CARE IN JUNGLE ALIVE AND WELL

SANTAREM, BRAZIL.—Esperanca began 15 years ago last month as the dream of a surgeon turned Franciscan priest—Father Luke Tupper—and his brother, Jerry Tupper of Phoenix.

It was a far cry from today's Esperanca compound, with its surgery facility, administrator's home, workshop, laboratory, kitchens and administrative buildings in this Amazon River city.

The first Esperanca was Father Luke himself. Esperanca is the Portuguese word for hope, and Luke brought hope where there had been none. At first, he was armed with little more than a need to help, a Bible and a stethoscope.

Luke was born James Tupper, and he never knew poverty until a tour of duty as a Navy doctor brought him to the coast of Brazil in 1960 at age 26. He couldn't shake off what he saw.

In 1963, Tupper decided to give up private practice for the priesthood. He would devote himself to being a medical missionary. He entered St. Joseph's Seminary in Oak Brook, Ill.

Tupper wanted to return to Brazil, but he needed to learn Portuguese. Peace Corps volunteers taught him the language in exchange for courses in first aid.

He continued his studies in theology at Salvador, Brazil, and spent long hours working in the ghettos, but not being licensed to practice medicine in Brazil, he could only wash wounds and pass out salves and pills.

In 1969, Tupper passed his medical examinations in Portuguese and became a jungle doctor. His travels took him to Santarem.

"For the next three months, he traveled from village to village by boat, trail bike Jeep and foot," David L. Fortney said in the November 1984 issue of *Reader's Digest*.

Tupper was appalled by what he saw. Children were dying of diseases long defeated in the United States. Adults were too depleted by parasites and badly healed wounds to do much more than sit and wait for death. Sanitary conditions were deplorable.

On Dec. 7, 1969, James Tupper was ordained, and he took the name Luke, the biblical physician.

Luke called on his family in Phoenix to help raise funds to treat the poor around Santarem. With the help of his brother, Jerry Tupper, a Phoenix attorney, they incorporated the not-for-profit, non-denominational Esperanca, and Luke returned to the jungles. With two Brazilian teen-agers he trained as nurses, Luke launched a five-month immunization program, going by motorboat to immunize 5,000 people against diseases. It was the first time many of the people had ever seen a physician.

During the next two years, Luke vaccinated 71,000 people against seven major diseases, often suffering personal pain because he had to bypass already ill people in order to protect the many who were not yet sick.

By day, he practiced medicine; by night, often under the light of a lantern, he pulled rotten teeth. Malnutrition plus a diet high in sugar combines to give young people in the backcountry bad teeth.

The process of overcoming disease was too slow. Some way had to be found to take complete medical and surgical care to the people.

The problem was solved in 1971 when Esperanca's directors bought a 65-foot San Diego ferryboat for $15,000. An additional $50,000 was spent outfitting the ferry as a floating hospital. Volunteers did the modifying.

It then was shipped south in the hold of a coffee boat, through the Panama Canal and south again to the Amazon. The boat, christened *Esperanca*, arrived May 10, 1975.

The operating room, clinic and medical lab were located on the lower deck. The upper level housed the crew and medical personnel. Atop the crew quarters were the crates and animals' pens to house "payments" that many of the sick insisted on making.

The Esperanca is gone now. After three sinkings, the decision was made in 1983 to let her go, Bertagnoli said.

"We took everything off the boat that had any use," he said.

In the Esperanca compound, many of the bungalow doors came from the *Esperanca*, as did the washbasins.

The hospital boat was dismantled and the hull towed across the Tapajos River at its junction with the Amazon and beached where it would be no threat to navigation. When the rains came, the hull disappeared.

The finishing touches on *Esperanca II* are being completed at Santarem, but it won't be a hospital boat. Bertagnoli said the boat will be used to transport medical teams to outlying villages.

A key feature will be an ice maker. That may not sound like much, but for hundreds of children, it will mean life.

"The ice maker will allow us to extend the 'cold chain,' or 'cadeia fria,'" Bertagnoli said. "We can take vaccines only so far as we have ice to keep them cool."

After *Esperanca I* was retired, surgical care was shifted to the clinic that Luke established in 1972 for the urban poor.

In 1976, Luke left Esperanca in the hands of Dr. Bill Dolan, Esperanca's 37-year-old medical director and a Franciscan friar, and Dr. Harry Owens, 45, of Arizona.

Owens, reared on a ranch near Flagstaff, divides his medical year between the Indians and Eskimos of Alaska and the natives of the Amazon.

Dolan, who heard Luke speak to his high school class, decided immediately to follow Luke's footsteps and be a missionary doctor.

He never faltered, and now he stands where Luke once stood.

Two years after Luke left the Amazon, he was dead. On Sept. 18, 1978, he was killed in a motorcycle accident. He was 45.

Primary Care is Mainstay of Amazon Medicine

(By Charles Thornton)

SANTAREM, Brazil.—The vehicle, a Brazilian-made hybrid of off-road truck and city economy car, hit the ruts in the jungle trail with neck-snapping determination.

Its designer had solved the problem of broken springs—there apparently weren't any.

Inez Goncalves' perpetual grin was a frozen grimace as Guilherme Lisboa, the pencil-thin Brazilian driver, proved that no pothole is too deep to avoid, especially if it's filled with water because of the rainy season.

Rain pounded down, and with the windows rolled up, the inside of the car was like a Turkish bath. It was, to use Goncalves' words, "one hell of a way to deliver health care."

She winced every time her head hit the fiberglass roof.

The jungle flashed past as a green blur, and overhead, thunder rumbled and lightning split the sky. All it would take was one washed-out bridge to keep the health team from getting back to Santarem.

Goncalves, 32, educated at the University of Belem as a nutritionist and crippled since childhood by polio, knows what it is like to wade along flooded roads during the wet season. It was still 200 kilometers—about four hours of hard driving—to Santarem, Esperanca's headquarters, where the coffee-colored Rio Tapajos meets the muddy Amazon. But there was a stop to be made.

A patient at the "barefoot doctor" clinic in the tiny village of Pahal de Una had told Goncalves that two babies were ill in a jungle hut and needed help.

The hut, a collection of poles covered by palm thatch, was at the end of a trail, perhaps 400 yards into the jungle. The breeze was blowing from the hut to the trail, and it carried the smell of sickness.

Goncalves limped up the trail. Workers for Esperanca, a Phoenix-based non-profit organization that has made giant inroads against the disease and malnutrition that even today officially kills 126 out of every 1,000 babies born here, spend a lot of time on jungle trails and along the rivers. They've been doing it for 15 years, and thousands of children have been saved.

A haggard woman motioned Goncalves inside.

The breeze, now heavy with impending rain, toyed with the distraught woman's coarse black hair. When the rain fell, it would come through the tattered thatch as easily as the breeze. The dirt floor was muddy. The family's few possessions hung from the walls, and an old leather suitcase was white with mold. The woman was silent as she pointed to two hammocks.

Goncalves favored her polio-crippled left leg and studied the babies in the hammocks. Their condition was serious.

Each hammock contained a 3-month-old baby—twins—and therein lay part of the tragedy. The birth of twins in this remote corner of the Amazon jungle is no cause for celebration; it's a time of agony.

In an earlier time, and perhaps even now in the backcountry, the father would have taken the weaker of the two into the jungle and returned alone. Better that one die than two.

A reminder of those days is penned to a wall at Esperanca. It's a poem that reads:

Decide, Mother,
Who goes without.
Is it Ramas, the strongest
Or Baca, the weakest
who may not need it much longer.
Or perhaps Sita
Who may be expendable.
Decide, mother,
Kill a part of yourself
as you resolve the dilemma.

One of the babies whimpered, and the mother clutched it to her breast and made cooing sounds. The other baby was too weak to cry. Both were ravaged with diarrhea.

Malnourished herself and unable to breast-feed both babies, the mother, who said her name was Maria, had fed them powdered milk mixed with water from a hole dug near the hut. The water was gray. A yellow, skinny dog had defecated near the water hole. The family knew nothing of hygiene.

Dr. Bill Dolan, Esperanca's 37-year-old medical director and a Franciscan friar, said later that breast-feeding has been found to be the Third World's best weapon against diseased babies.

"A baby that is breast-fed for a year has a 600 percent better chance of growing up than a baby who is breast-fed for only six months," he said.

Dolan said his figures are backed up by the World Health Organization.

The mother's story was one of struggle. The family of 14 had come to the jungle from the arid northeast, driven south from a parched land by drought.

They had no money, no education, no friends, no food, and the only water available was what they could trap in holes dug in the ground.

In the United States, the babies would be rushed to a hospital for emergency treatment and probably saved. But there are no hospitals in the jungle.

"They probably have worms and amoeba, and they're definitely dehydrated," Goncalves said in broken English as she examined the babies, muttering to them in Portuguese. "They're probably going to die no matter what we do, but we'll try."

Esperanca, however, has developed ways that the jungle folk can utilize to increase their babies' chances of survival.

The first step was to rehydrate the babies—replace the fluids and electrolytes they'd lost. Diarrhea is a major killer. Goncalves showed the mother how to make up the equivalent of jungle Gatoraid.

"This is something anyone can do. You take a half coconut shell, about a cup of boiled water. To it you add a bottle-cap full of sugar, a pinch of salt and—if you have it—some fruit juice. We have saved thousands of lives with this," she said.

The difficulty was getting the mother to understand why she should boil the water.

"Sanitation is very difficult to teach," Goncalves said. "The people, once you get them to stop digging holes to catch water, have to work hard for water. They don't like to 'waste' it washing their hands."

Esperanca, to ease the water problem, has a program in which it helps jungle communities dig and maintain wells. The wells, in addition to providing clean water, provide water to vegetable gardens and enable the families to raise chickens and pigs.

But there was no well for this mother, and food was in short supply.

The mother's can of powdered milk was empty, and Goncalves dug into her backpack and pulled out a few Brazilian dollars. The woman could buy powdered milk at Palhal de Una. The barefoot doctor there would come and check the babies for parasites and do what she could. In time, she would vaccinate them against tetanus, diphtheria, polio and whooping cough, yellow fever, and many other jungle diseases—if they lived long enough.

Perhaps they did.

Because of Phoenix-based Esperanca, which solicits donations to help fund Esperanca's work in Brazil, literally thousands of Brazilians are alive today.

While nationally known surgeons bring highly skilled surgical teams to Santarem every year to perform specialized surgery not otherwise available, people such as Goncalves spend endless hours training a corps of barefoot doctors who serve the remote areas.

Many barefoot doctors have no more than a fifth-grade education, but they are taught to use a microscope and detect worms and parasites and to administer medicines. They teach sanitation, breast-feeding, nutrition, baby care, practice first aid, and in an emergency can suture wounds.

"Our barefoot doctors are what make Esperanca work," Dolan said.

The barefoot doctors, after training by Esperanca, are paid the equivalent of $55 a month by the Brazilian government. The villages from which the barefoot doctors come build a clinic, and the government stocks it with supplies.

"You can do a tremendous amount with very little in this part of the world," Dolan said. "One of the best things we can do for these people is offer them primary care."

[From the Arizona Republic, May 6, 1985]

Rewards of the Soul—Doctor Forgoes Civilization To Practice Along Amazon

Boa Futuro, Brazil—The hint of a tear glistened in Dr. Harry Owens' eyes, and his arms tightened around the brown-skinned little boy. Both were smiling.

Moments earlier, the little boy had run down to the beach to meet the boat that had steamed slowly down the Arapinuns River. It was one of those moments when a doctor is paid in something that money can't buy.

Boa Futuro is a village somewhere on the Arapinuns River, a tributary of the Amazon, that has not lived up to its name of "Good Future." You won't find it on a map because Boa Futuro is little more than a collection of a half-dozen thatch huts jammed between the tropical rain forest and the river.

Life there hasn't changed much in the past 100 years. There is no electricity, no running water and no policemen.

The people, descendants of African slaves, Brazilian Indians and Portuguese adventurers, earn their living fishing, hunting, collecting nuts, farming and tapping rubber trees.

Owens didn't recognize the boy, but when he learned that the lad's name was Haroldo de Esperanca, plus a host of other names that go with a Brazilian family, it made for a cheerful reunion.

Ten years earlier, Owens, fresh to the Amazon aboard the Esperanca, then a floating surgery clinic, had brought the boy into the world during one of those moments in medicine that test a doctor's mettle.

The child was partly born when Owens arrived, but the mother had been in labor for three days and now was in danger of dying of sepsis. He feared a Caesarean section might cost her her life the next time she had a baby because there would be no surgeon at Boa Futuro. It was believed at that time that once a woman had a Caesarean section, her uterus would be weakened and would rupture if she subsequently gave birth naturally.

The grateful family named the baby after Owens and the Esperanca.

"Ah, Lordy," Owens said later. "This is what makes it all worthwhile."

Owens, who has dedicated his career to Third World medicine, lounged back in his hammock aboard the boat, opened a bottle of almost-cool Brazilian beer and savored the memory.

A squall worked its way across the black waters of the Arapinuns and drummed on the boat's top.

Condensation dripped off the bottle, and Owens unbuttoned his Hawaiian-type shirt.

Owens, 45, is a volunteer doctor with Esperanca, a Phoenix-based non-profit medical organization that has strived for the past 15 years to improve the health of poor people in a section of the Amazon Basin.

When not treating the sick in the jungles of Brazil, Owens travels the outback of Alaska, perhaps behind a team of sled dogs but more often in a ski-equipped airplane, treating the Indians and Eskimos.

He set the beer down and wiped his mouth.

"I own nothing and want nothing, and I like it that way," he said.

"I keep my arctic gear in Nome, Alaska, my jungle gear here, and my one suit stays in Phoenix."

In the tropics, Owens sleeps by choice in a native hammock, and on the rare occasions when he visits Phoenix, he commands the corner of a spare bedroom of a friend's house and sleeps on the floor.

He pauses only long enough each year to earn enough money as a stress-illness consultant to buy his clothing and pay expenses to continuing medical education conferences—less than $6,000 a year.

There is a brief marriage in his background, and he said he is still trying to figure out what ended it.

If the truth be told, Owens isn't the type of man who likes to be cooped up doing the routine. Being raised on an Arizona ranch didn't help the civilizing of Harry Owens. He is more at home bathing in a jungle river than in a tile-lined bath in the concrete jungles of civilization.

"I was raised by relatives while my dad, Harry Owens, Sr., made his mark in music," he said.

The older generation may remember the senior Owens. He won an Oscar in 1936 for the movie song *Sweet Leilani*. Bing Crosby sang the song in the movie, *Waikiki Wedding*, and the song was Crosby's first million seller.

If you were around Phoenix in 1928 and attended the opening of the bar at the Arizona Biltmore, the music came from the elder Owens' band.

It may seem a stretch of the imagination to link Harry Owens the doctor with his father the musician and thence to Indians and their medical care, but Indians have always played a part in the Owenses' careers. An Indian set the elder Owens on the path that led to a musical career.

"My father was taught music by an Indian named Joe Nine Pipes at the Jesuit Indian Mission at Hamilton, Montana," Owens said.

"In 1922, when my father was in law school, he wrote the song *Linger Awhile*, which was so successful that it got him out of law school."

Owens noted that his dad's forays into Hollywood put him in contact with the greats of show business.

"My godfather is John Ford, the producer of Western movies. Remember Andy Devine, the actor? He was a bootlegger, but when Prohibition ended, my dad got him a job as an actor."

While the elder Owens bounced around pursuing his musical career, young Harry was left to grow up on a relative's ranch near Flagstaff. The Indians who came onto the ranch to gather pinon nuts fascinated him.

"When I graduated from medical school in 1967, you had to either go into the military or perform some type of public medical service. I went into the United States Public Health Service, and I especially wanted to work with the Eskimos and Indians in the Arctic because of my interest in Indians. I requested an arctic assignment and got it for two years."

Whatever it is that addicts people to the far places where life is a constant struggle, it bit Owens and took him out of competition for Mercedes automobiles, country-club memberships, and other trappings of success held dear by so many in the medical profession.

When his two years of obligatory duty ended, he went south to St. Louis for more training.

"I did a year of residency in general medicine and a year in surgery, then I went back to Alaska to do private practice. I set up about 40 miles north of Palmer, Alaska."

Private practice in Palmer, however, lacked the snap of a dog-sled whip, the arctic wind in a man's face, and the challenge of practicing medicine without machines.

"I was there a year and a half when I realized that I wanted to do more of what I'd done with the USPHS. I contacted Project Hope, and they had an opening for a full-time doctor on the ship for a year."

The next year he discovered Esperanca—Portuguese for hope—and found himself aboard the old Esperanca boat, a converted ferry that plied the Amazon and its tributaries.

He trekked the jungle trails in the footsteps of the Rev. Luke Tupper, a Franciscan priest who was a surgeon, jungle doctor and moving force behind the founding of Esperanca 15 years ago.

Father Luke, who later died in a motorcycle accident, remains one of Owens' heroes, an ideal.

A faraway look crept into Owens gray-green eyes, and the beer went untouched.

"I'd go out on the boat," he said. "It was the first time any medicine had gotten to any of these villages in the history of Brazil.

"The villages had been hit by our vaccination teams, so they knew what we were about, but for the first time in history, we brought hygiene, preventive medicine and cures for their ills, at least some of them.

"Every couple of months, we'd pull back (to Santarem, at the junction of the Amazon and Trapajos rivers) and pick up a surgery team. My longest trip was six weeks—250 miles downstream."

It was a battle against disease and unsanitary conditions, especially against worms.

"The worms cause pain and inflammation in the intestines," he said. "As a result, you don't eat as well because you don't feel good, and what you do eat is shared with the worms."

"Also, you lose blood and proteins, and you don't absorb vitamins. Your resistance comes down, and then you are more susceptible to being severely hit by the average illness. You can get whooping cough and die, for example."

And, Owens fell prey to jungle diseases. He talks of contracting hepatitis and the seemingly endless variety of parasites as if discussing a bad cold.

It was in the jungles that Owens had to come to grip with the roles of being a caring human being and a physician in a public-health capacity. There were times when a dying family had to be bypassed in favor of preventive medicine to the greater number not yet sick.

"I get philosophical about it," Owens said. "Personally, of course, I'm moved to do something about it, but I don't come unglued. Some doctors can't live under these conditions. They turn around and walk away and never come back.

"Luke had to address the problem of how could he walk into a village and not practice some kind of medicine when doing an immunization program. If the immunization program were stopped for one person, thousands could suffer while one was saved.

"Somehow you have to strike a balance and say here's what I can do, and to the extent I can live with myself. You have to accept that by passing up the few for the many. A greater good will be achieved in a relatively short period of time."

Then he paused and admitted he is not superdoctor.

"Every so often, I have to bail out and get myself together," he said.

And now Owens' days in the South American jungles may be ending. A louder call is being heard as the Brazilians gradually assume the job that Father Luke and Esperanca de Brazil began 15 years ago.

There's an Esperanca outpost in Bolivia that may need his help, and in Africa, the government of Guinea-Bissau is interested in the way Esperanca does things.

"They speak Portuguese there," Owens said. "It's a country with a great need. And I already speak Portuguese."

LEGISLATION TO EXTEND SOLAR ENERGY TAX CREDITS

Mr. DECONCINI. Mr. President, it gives me great pleasure to be an original cosponsor of what I consider to be a responsible piece of legislation designed to extend solar energy tax credits for residential and business use through the taxable year 1990. Since the energy tax credits for solar and renewable energy resources were passed by the Congress in 1978, considerable progress has been made in the conservation of traditional energy resources through the installation of various solar energy devices in homes and businesses. The solar industry in the United States is starting to blossom and many individuals nationwide are beginning to understand the enormous potential of this inexpensive and clean energy resource, particularly in the Sun Belt regions. This has been accomplished because of the existing tax credits, but is also due to the fact that Americans fear the occurrence of the oil shortages we experienced during the period 1980 to 1981.

While OPEC prices have dropped from $34 per barrel in January 1981 to $28 per barrel this month due to a reduced demand for oil, we cannot afford to continue our past reliance on traditional energy sources. Our economic and national security still depend upon our Nation becoming energy independent. The decline in oil prices could further slow our development of alternative energy resources, ultimately increasing our dependence on foreign oil and leaving us vulnerable to the price shocks of the past. One way to avoid these effects is to continue Government support for alternative energy sources such as solar.

The bill we are introducing today will gradually phaseout the existing 40-percent tax credit for the installation of solar energy devices for residential use beginning in 1986, when the tax will be reduced to 35 percent. By 1990 the tax credit will be further reduced to 15 percent and be totally eliminated by taxable year 1991. In addition, the bill reduces the maximum purchase price for the installation of a domestic solar hot water system eligible for the tax credit from the current $10,000 to $6,000. The business tax credit would remain at the present 15-percent level through 1990 with the exception of photovoltaics and solar thermal which would be increased to 25 percent.

While budget deficits are foremost on the minds of Americans nationwide, and the Congress is searching for ways to reduce Federal spending, I believe the approach we have taken in designing a bill that gradually phases out the solar tax credits is fair to the industry and responsive to our budgetary considerations at the same time. The yearly reductions in the tax credits as outlined in this legislation will give the industry and the consumers sufficient time to plan their future investments. It will allow the industry adequate time to develop devices which are more affordable for consumers when the tax credits are no longer available.

Mr. President, I am convinced the legislation we are introducing today is in the best interest of the American public. We cannot afford to sacrifice energy conservation efforts this country has worked so many years to promote just to see these efforts tumble overnight because of an elimination of energy tax credits. The existing solar energy tax credits are due to expire at the close of 1985. It is my hope that the Congress can give its approval to this responsible energy conservation measure to insure that these tax credits can continue uninterrupted through 1990.

BADGER ARMY AMMUNITION PLANT

Mr. KASTEN. Mr. President, I am concerned that our ammunition program has been continuously underfunded, and I am specifically concerned with the State of the Army ammunition plants. We need to more adequately fund ammunition procurement and improvements in the ammunition production base. The Senate Armed Services Committee will be holding an extensive review of the ammunition program. I would like to go on record now and bring to the Senate's attention the fact that the Army has already done the planning necessary to identify critical deficiencies in the ammunition production base. Yet many of the projects planned remain in the unfunded catagory.

One of the first Army ammunition plants that the Army wants to try to improve is the Badger Army Ammunition Plant. There are some deficiencies with the acid facilities at this plant, and there is engineering work that needs to be done if the Badger production base readiness improvement project is to be funded and implemented. I want to urge the Army and the Secretary of Defense to find the funding necessary to implement the Badger production base readiness improvement project, to conduct the preliminary engineering work necessary, and to correct the deficiencies with the acid facilities. These improvements, when completed, will provide for a faster reactivation time by reducing the equipment voids and deficiencies currently at Badger Army Ammunition Plant.

THANKS TO MARCY EDWARDS

Mr. DOMENICI. Mr. President, I would like to take a few moments to express my appreciation to a valued member of the staff of the Senate Budget Committee. Tomorrow, Marcy Edwards will leave us after over 2 years of dedicated service to the members and staff of the committee, on both sides of the aisle. She came to us from the Office of Management and Budget, and for those of my colleagues who know him, I need not describe the manifold schemes David Stockman has employed in his attempts to get her back. Marcy's expertise in the vagaries of the budget process and her patience with the frequently cumbersome demands of politics are well known. But she has made a contribution of importance equal to, if not greater than, her excellent technical skills. Her wit, patience, and love of life have reminded each of us who have dealt with her that a world exists outside this august Chamber, and its existence is immeasurably enhanced by her presence.

I wish Marcy all the best that her new life has to offer, and I congratulate in advance all those who will come to know her in the future. Thank you, Marcy, for all your hard work and for your friendship.

I know Senator Chiles will agree with me that the gap that Marcy leaves in the staff of the Budget Committee is bigger than the deficit she is leaving us to deal with.

Mr. CHILES. I also want to express my congratulations to Marcy Edwards, and my regret that she will be leaving. Marcy, who I am proud to say spent many of her formative years in my home State of Florida, has been a most valued member of the staff of the Budget Committee. Her unflagging good humor, often sorely tried during many a late night session, has helped many of us get through long hours dealing with the multitude of figures which go into the budget.

As Marcy leaves the staff of the Budget Committee, I hope she knows that our best wishes go with her. I also hope that she knows that she will have to do a better job balancing her own finances than she was able to do balancing our own books.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, may I ask what is the pending business?

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for morning business has now expired.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

The ACTING PRESIDENT pro tempore. The clerk will state the pending business.

The legislative clerk read as follows:

A bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Nunn modified Amendment No. 159, to impose certain restrictions on the MX missile program.

(2) Dodd Amendment No. 185, to provide funds for United States security interests in Central America.

(3) Nunn Amendment No. 196 (to modified Amendment No. 159), of a perfecting nature.

Mr. GOLDWATER. Mr. President, is there an amendment pending to that bill?

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Georgia in the second degree is pending.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia be temporarily set aside so we might receive an amendment of the Senator from Washington.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 197

(Purpose: To authorize the use of certain prior year funds to initiate development of the simplified Munitions Lift Trailer program)

Mr. GORTON. Mr. President, I have an amendment at the desk, which I ask immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The bill clerk read as follows:

The Senator from Washington [Mr. Gorton] for himself, Mr. Warner, Mr. Sasser, and Mr. Evans proposes an amendment numbered 197.

Mr. GORTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 14, between lines 2 and 3, insert the following new section:

USE OF PRIOR YEAR FUNDS FOR THE SIMPLIFIED MUNITIONS LIFT TRAILER PROGRAM

Sec. 204. Not to exceed $3,800,000 of any funds appropriated to the Air Force for research, development, test, and evaluation for fiscal year 1985, or any prior fiscal year, and which remain available for obligation shall be available to the Secretary of the Air Force to enter into a contract for the development of the Simplified Munitions Lift Trailer with the winner of the competition, which was mandated by section 112 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2507), to determine the contractor best qualified to carry the Simplified Munitions Lift Trailer program.

Mr. GORTON. Mr. President, I thank the distinguished manager of the bill and the distinguished Senator from Georgia for their courtesy.

Mr. President, if there is one urgent necessity in a period of tight budgets and an ever-present need for a strong defense, it is healthy and successful competition in our defense procurement programs. As a consequence, I offer an amendment that seeks to ratify a competition that the Congress ordered in the Department of Defense Authorization Act of 1985.

The subject is the weapons loader for the B-1. The Air Force held the competition for its procurement and a clear winner was determined. One contractor was able to beat its competitor by $12 million—with a firm-fixed bid of $28 million.

The Air Force, as required, went to the Senate and House Armed Services and Appropriations Committees for reprogramming approval. Only the House Armed Services Committee refrained from giving its immediate approval, and yesterday morning, in spite of support from the chairman and ranking minority member of that committee, it rejected reprogramming. That was a vote against competition and against the procompetitive policy of the 1985 defense bill.

This amendment, which is designed to confirm the competitive winner, has strong bipartisan support, and I appreciate the special efforts made on this issue by members of the Senate Armed Services Committee and the Senate Appropriations Committee. In particular, Senators Stevens, Sasser, and Warner have concerned themselves well beyond what would seem required for a $3.8 million reprogramming, the total amount needed for development.

My amendment authorizes the Air Force to use $3.8 million for development of the weapons loader from funds already appropriated for research, development, test, and evaluation. The passage of this amendment will mean that the House will be required to confront the issue in conference.

As our B-1's come on line, they will need capable, inexpensive weapons loaders. We can't waste any more time. I urge my colleagues to support this amendment as a cost-saving measure and as a tangible expression of our commitment to competition in procurement.

Mr. SASSER. Mr. President, I am pleased to join the distinguished Senator from Washington in offering this amendment.

Mr. President, there is a general agreement in the Congress that the Department of Defense should be doing a better job of managing its procurement programs. Most every Member of Congress would agree that competition should be utilized to the fullest extent possible in the procurement process. Indeed, the Congress has directed that competition be held for certain specific procurements.

Often, in the current climate, we find ourselves criticizing the Department of Defense for failing to adopt improvements to the procurement process. In such a climate it is easy to overlook the procurement success stories in the Department of Defense. And there are some notable successes.

One such success is the Air Force procurement competition for a strategic munitions trailer for the new B-1 bomber.

Last year, the Congress directed the Air Force to utilize a competitive process to select a contractor to build 90 such munitions lift trailers. The Air Force held the competition. It selected a contractor which could provide the trailers at a life-cycle cost which is 36 percent cheaper than the second lowest bidder. From the Air Force's competition was developed a product which would meet the requirements for the B-1 Program and save the American taxpayer more than $11 million.

Last December, the Air Force sent a reprogramming request to the Congress to implement the contract for the B-1 weapons trailer. The Senate Appropriations Committee, the Senate Armed Services Committee, and the House Appropriations Committee approved the reprogramming. However, the House Armed Services Committee has failed to permit the Air Force to go forward and implement the program.

Mr. President, at three hearings of the Defense Appropriations Subcommittee I have questioned Air Force Assistant Secretary Thomas Cooper on the policies of the Air Force relating to competition in the procurement program. Each time he has pointed to the B-1 trailer competition as an example of success of the competitive process.

Mr. President, we often hear the criticism that the Congress should not be micromanaging the Department of Defense. Here we have a case where the Air Force has held a competition and determined it can save the taxpayer money. The Congress should not now attempt to overrule the decision of the Air Force. The Air Force has complied with the directions of the Congress. It has held a competition and made its decision. This decision should not now be micromanaged by the Congress.

Mr. President, we can't have it both ways. Either we are for competition or we are not. Either we want the Department of Defense to clean up its procurement process or not.

That is the issue addressed by our amendment. We stand behind the Air Force in this instance, and we urge the adoption of this amendment.

Mr. GOLDWATER. Mr. President, the committee supported this amendment strongly last year. We have looked at this amendment. I think I can speak for the minority side also, but the Senator is here. The majority side is willing to take this amendment.

Mr. NUNN. Mr. President, this is a worthy amendment and the minority side of the aisle is willing to accept it.

Mr. GOLDWATER. I thank the Senator from Georgia, and the committee will accept the amendment.

The ACTING PRESIDENT pro tempore. If there be no further debate, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (No. 197) was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I wish to announce that the Senator from Georgia will not yield for the introduction of any other amendments until the time comes for his vote. And then the Chair will have to announce that amendments offered after that might be considered and they might not.

Mr. NUNN. Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. The pending question before the Senate is the Senator's second-degree amendment to his first-degree amendment.

Mr. NUNN. Mr. President, are the yeas and nays ordered?

The ACTING PRESIDENT pro tempore. The yeas and nays have only been ordered on the first-degree amendment.

Mr. NUNN. Mr. President, I ask for the yeas and nays on the second-degree amendment, the pending amendment.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. NUNN. Mr. President, I do not want to rush a vote here. I know the majority leader and others would like to be heard from. But we are prepared to vote on this amendment whenever the chairman of the committee and the majority leader are ready to vote.

Mr. DOLE. Mr. President, we have submitted to the distinguished minority leader a unanimous-consent request with reference to, I believe, six amendments relating to Nicaragua or Central America. It is my understanding those are now in the process of attempting to be cleared. Perhaps, as soon as that has been done, we could obtain that unanimous-consent agreement.

We will have Members who want to speak to the Nunn amendment. I will try to urge them to come to the floor.

But, having looked over the list of amendments, I think, as I said earlier, there are about 20 amendments that can be disposed of rather quickly, according to the distinguished chairman of the committee, and there are about 7 that will take some time: The MX, SDI, the interim restraint, and 3 or 4 others. But, with some luck and willingness to proceed, there is no reason this bill could not be finished by midnight tonight.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GOLDWATER. I would just say, for the benefit of those Senators who are listening to their squawkboxes, that we are ready to vote on the Nunn amendment. Unless Senators get over to this floor to offer amendments within the next 15 minutes, we are going to vote on the Nunn amendment. I am offering that as a warning. So, please, if you are listening, or if there is a staff member listening, tell your Senator if he has an amendment to offer to the Nunn amendment, get over here, because we are going to move.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SEC. 901

Mr. GOLDWATER. Mr. President, I would like to take this opportunity to clarify the committee's intent with regard to section 901, the National Defense Authorization Act, for fiscal year 1986. That provision raises the funding ceiling for the special Defense Acquisition Fund from $900 million to $1 billion. The committee expects that this provision will come into effect upon enactment of the bill and should the bill be enacted in fiscal year 1985, the new ceiling will become effective in fiscal year 1985, and every fiscal year thereafter until the Congress alters the ceiling.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 196 TO AMENDMENT NO. 159, AS MODIFIED

Mr. GOLDWATER. Mr. President, we have been through this amendment now for month after month after month. I think the Senator from Georgia has explained it adequately. I think the time has come that we vote the amendment up or down. Therefore, I ask that the Chair call up the amendment to a vote.

The ACTING PRESIDENT pro tempore. Is there further debate?

Mr. QUAYLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Indiana.

Mr. QUAYLE. Mr. President, I rise in opposition to the amendment and also rise to direct a few questions to my friend and colleague from Georgia just to establish where we are as far as this amendment is concerned.

Mr. President, I would like to get an understanding of where we are concerning the disputable issues of the amendment.

Mr. NUNN. I would be delighted to respond.

Mr. QUAYLE. Correct me if I am wrong, but I understand there are three major attentions of the amendment. One is the number of MX's. The committee had 21 and your amendment is 12.

Mr. NUNN. It is reduced.

Mr. QUAYLE. The original request was 48, the committee was 21, and your amendment is 12.

Mr. NUNN. The Senator is correct.

Mr. QUAYLE. The other attention is the idea of a cap. Your amendment caps the deployment of MX missiles at 40, and it says basically that once we have deployed 40, there will not be any more deployed in silos, compared to the committee amendment of 50 with no cap.

I guess those are the two main issues. Are those the two main issues we are focusing on, the cap and the number? Is that a correct summary? I am trying to get out on the floor for discussion the disputed points between the committee's position and the position of the Senator from Georgia.

Mr. NUNN. The Senator is essentially correct. This amendment would limit use of 1986 funds for deploying no more than 40 MX missiles in existing Minuteman silos and prevents any of these funds from being used to modify more than 40 Minuteman silos to receive the MX missiles. It prevents requiring more basing sets than to handle 40 missiles.

The Senator is essentially correct. It does express the sense of the Senate that this posture of the Senate, if this amendment is agreed to, will continue in the future as to Minuteman silos.

Mr. QUAYLE. So the debatable points are primarily two: First, the capping, the deployment of 40 MX missiles in existing Minuteman silos, and, second, the number of authorized production of MX missiles to the number of 12. Those are the two points in contention.

Mr. NUNN. The Senator is correct. There may be other points for other people, but those are the main two I have.

Mr. QUAYLE. Now I ask the Senator from Georgia, those two issues, and I believe that is where the discussions have taken place in these last couple of days involving the Senator from Georgia and other Senators, basically have been the focal points of the discussion.

Mr. NUNN. The Senator is correct.

Mr. QUAYLE. My question is, Is there any room for discussion on trying to get an agreement with the Senator from Georgia on those two issues or are we basically locked into a situation where the Senator from Georgia says, "There is no way I can go any further. This is my position. We cannot talk about whether there ought to be a cap or a pause or whether there ought to be 12, 16, 21."

What I am trying to ascertain before we get into this is, Is there any room for possible negotiation or discussion on these two issues? To me, it seems between a pause and a cap, there is a difference. Between 21 missiles and 12 missiles, there is a difference. But when you have these differences, and there are only two, I just wonder if there is any possibility from the vantage point of the Senator from Georgia that we can get any kind of an agreement, is there any sense of discussing it, or are we just going to be faced with the proposition of voting it up or down?

Mr. NUNN. I will answer the Senator's question in two parts. One, we will be faced with voting this amendment up or down at some point. I have no intention of offering the amendment unless we have an agreement. I never foreclose any discussion. I will be glad to talk with my friend from Indiana. I have talked to the White House. Very seldom am I locked into concrete on anything. But I am locked in concrete on having an up-or-down vote on this amendment as it is now worded unless there is some agreement.

We have had discussions about 12 to 21. We have had discussions about the question of 50 versus 40 in terms of the total deployment in the Minuteman silos. There were preliminary discussions, as the Senator may know, on the question of cap versus pause. On that subject there really is not room for any kind of agreement, in my opinion, on the question of cap versus pause. But there is always room for dialog on any of this. I do not think we will be able to resolve it on the floor of the Senate because I do not think you can negotiate on the floor of the Senate in that respect. If I were to accept the amendment of the Senator from Indiana, I would have no way of knowing whether that would represent the White House view and whether that would cause me to lose a number of votes on one side without picking up votes on the other side.

Those kinds of discussions by their very nature have to take place off the floor, I think. I would be glad to discuss the ramifications of any part of the amendment.

Mr. QUAYLE. Let us focus on the one you seem to be most adamant about, the cap versus the pause. If I heard what you said, that is a point the Senator from Georgia feels quite strongly about, that there has to be a cap and not a pause.

Mr. NUNN. First, I would have to define what a pause is. I know what a cap is. It is written into the amendment. We have specific language. If we are going to have that kind of discussion, I think we have to define the term. I believe the question of cap is pretty well defined. If the Senator will tell me what a pause is and what it means, I would be delighted to have a dialog.

Mr. QUAYLE. As far as the pause, after we produce the next batch of MX missiles, there would be a pause or a moratorium for a certain period of time, say, through December 1986, that we would not even consider the issue of MX. There is the point we will be debating on the floor, I think, that there might be some relief here in the Senate that we might pass a year without debating the MX missile.

Then after we get beyond December 1986 and into the calendar year of 1987, looking at fiscal 1988, at that time maybe there will be a new basing mode. The Senator from Georgia has talked a lot about basing mode. We have had a lot of discussions.

Maybe there will not be. Maybe we will be in the same situation at that time as we are now and we will have to have another debate if the administration says they have to go forward with more MX missiles. But there would certainly be a hiatus, a break, in going forward with the MX missile beyond a certain point, whether it is 40, 41, 50, 45, but a point.

It seems to me that this difference between such a pause and the cap proposed by the Senator from Georgia is a very serious issue, at least from the White House viewpoint. Obviously, it is a serious issue from the viewpoint of the Senator from Georgia.

As far as the Senator from Indiana is concerned, I consider to be a pause that we conclude in fiscal 1986 that we have a moratorium or pause, whatever you want to call it, through, say, December 1986. I wonder if that kind of an arrangement would be not terribly dissimilar to a cap because we might change our minds in December 1986. Who knows what will happen in a year and a half. The Senator from Georgia knows better than the Senator from Indiana.

Mr. NUNN. The Senator from Georgia does not believe he will be changing his mind on this.

Mr. QUAYLE. I am just thinking out loud. If we get into a discussion, is there really that much of a difference?

Mr. NUNN. The Senator might be right.

Mr. QUAYLE. If the Senator from Georgia sees a major difficulty in it from his viewpoint, why it is a major difficulty, I think, might be of interest.

Mr. NUNN. Mr. President, I think probably the best way I could answer the Senator's question is to read the exact language in this amendment, because it may very well be that the Senator would call what we have in this amendment a pause. It sounds to me as if he finds it to be pretty close to what we have.

It says here it is the sense of the Congress that not more than 40 MX missiles should be deployed in existing Minuteman silos.

As the Senator well knows, the sense of Congress changes from time to time. That is the sense of Congress if this amendment passes.

It goes on to say on page 2 of the amendment:

> (b) Notwithstanding any other provision of law, none of the funds appropriated pursuant to an authorization of funds in this or any prior Act may be used—
>
> (1) to deploy more than 40 MX missiles in existing Minuteman silos;
>
> (2) to modify, or prepare for modification, more than 40 existing Minuteman silos for the deployment of MX missiles;
>
> (3) to acquire basing sets for more than 40 MX deployed missiles; or
>
> (4) to procure long-lead items for the deployment of more than 40 MX missiles.

This amendment was deliberately drafted in a way that gives us a chance in another year to take another look if things have changed. We have said many times on this floor in debate if the President comes in with a different basing mode—for example, the Senator from Wyoming last night, if I understood him correctly, was talking about the near-term application of some ballistic missile defense. If I understood the Senator's critique of the SDI programs, he was saying that it is couched too much in the long term, and we are ignoring some of the near-term possibilities. In spite of the fact that it did not sound like the Senator from Wyoming and I were agreeing on anything last night in the terms the debate was couched, I did not have a chance to reply, but I think there is some merit in it. I think we ought to take a look at ballistic missile defense combined with basing mode, combined with deception—that sort of thing.

To answer the Senator's question, this amendment gives us a chance to take another look at the end of fiscal year 1986. Just as the Senator has described his definition of the term "pause." I describe it as a cap because it does say it is the sense of the Senate that we are not going to continue down this line of putting those missiles in those holes. But if circumstances change, if we have a change of circumstances, as the Senator from Virginia and I said yesterday, I do not think we ought to be locked in. I think the strategic programs of this country are too important for us to be locked in concrete on a course that could not possibly change because of different circumstances.

Mr. **WALLOP**. Will the Senator from Indiana yield?

Mr. **QUAYLE**. Yes, I yield.

Mr. **WALLOP**. Without losing his right to the floor.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **WALLOP**. The Senator from Georgia is quite right. We have, or can very shortly have, the technical capability to defend against ballistic missiles. The Soviets have it now, despite what we would like to tell ourselves to the contrary. Among others, they have the SA-12. We are entitled to that under the ABM treaty as well.

Before this bill is finished I shall have an amendment to build some near-term capability and near-term thinking into the SDI Program. I hope at that time the Senator from Georgia might be willing to support that way of doing things.

Mr. **NUNN**. I might well be, Mr. President, and I know the Senator from Wyoming has a lot of indepth knowledge in this area, and I respect that. I think the Senator makes some good points. I understood him last night to say our present SDI Program was, I believe the term was Alice in Wonderland, while we are basically passing up near-term opportunities. I think the Senator has an argument on that that ought to be explored on this floor and in committee. I have felt for some time if we are not going to be able to find another way of basing that MX and if arms control does not limit the threat to our land-based systems and our conventional forces, at some time we must explore the near-term possibility of a ballistic missile defense.

I think also, and this is one of the motivations behind the amendment, the ballistic missile defense makes a lot more sense in almost every way you look at it if you add elements of deception, particularly, to it, and if you have some mobility. Those two are not absolutely essential, but when you look at the defense-offensive tradeoff in terms of dollars and economics, it is enormously important that deception and mobility be parts of it.

In answer to the question of the Senator from Indiana, I say one of the reasons I sponsored this amendment is I am convinced we are not going to have a change of circumstances in the Pentagon and White House and other key decisionmaking points, we are not going to have that change in circumstances unless this amendment passes.

The Senator from Wyoming recalls I have supported the MX in the past. I voted for it every time. But I have concluded that we are going to continue to get the same MX package up here year after year after year as long as we vote to put it in existing silos. I do not think we will have another change of circumstances. The only way the change of circumstances the Senator from Indiana has described is likely to come about is if this amendment or something very similar passes. Because I believe if that happens, we will see a change of at least objectivity in the executive branch of Government on this particular subject.

Mr. **CHILES**. On that subject, Mr. President—will the Senator yield?

Mr. **NUNN**. The Senator from Indiana has the floor.

(Mr. WILSON assumed the chair.)

Mr. **QUAYLE**. It seems to me, Mr. President, that this cap or pause or whatever we want to call it has been a bone of contention in this debate or in the discussions that have come forward. I certainly understand the desire of the Senator from Georgia. I know where he is coming from in trying to force the administration to at least look at it again and perhaps come up with a different basing mode.

The whole discussion last night went back to the 1980 Presidential election, which I thought was most unfortunate, to go back and start pointing fingers again and say who did what to whom, rather than looking at today. It does not help the situation out at all, from my perspective. There is enough blame on this MX to pass around on all sides. The history of it has not been a terribly good history.

My concern is, looking at this issue of pause versus cap, and the Senator from Georgia certainly understands this situation as well, from the White House perception and the negotiations going on, it is a major issue with them. It is a major issue on whether, in fact, we are going to come back and revisit the issue in 1987, after we finish it this year. We are probably going to revisit the MX in 1987, no matter what. It may be a new basing mode, it may not be. But to have this issue now being perceived, despite all the good intentions and despite the technical statements of the amendment, as the end of the MX and killing the program—I think that is most unfortunate. I hope that during the course of this next few hours or this day, this issue of the cap versus the pause ought to be reconciled. Because if it is not, then it looks like we are going to really politicize this whole issue.

I think that is unfortunate when we get into strategic discussions, that this thing has to become such a political debate. But that is what is going to happen. That is where we are.

We shall enter into that later on. My friend from Idaho has asked me to yield the floor so he can, in fact, speak. But this is exactly where we are leading, Mr. President. It has never been done before. We have to put ourselves in our negotiators' shoes, and what the people are going to be telling them over there about what this amendment means. It is going to be publicized.

Mr. **McCLURE**. Mr. President, will the Senator from Indiana yield without losing his right to the floor and without his resumption being counted as a second speech?

Mr. **QUAYLE**. I yield to the Senator from Idaho.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **McCLURE**. Mr. President, I take the floor under those circumstances, and I take this floor only because some of us who are opposed to the Nunn amendment would like to get some argument before the body and some facts as we see them before the body and before the public. I have prepared some charts that will permit us to do that.

I also commend the Senator from Indiana, because I think he has put his finger on one of the concerns I have that I tried to express last evening and perhaps did not do so very well. But the difference between the perception of a pause and that of a cap is a critical difference. And while the Senator from Georgia says it can be interpreted as a pause in the program while we look at basing mode—and I do not question his sincerity in making that statement or presenting it in that fashion—I know what the headlines are going to be. The headlines are going to be that the Senate further rebuffed the President, that we have put a cap on further production of the MX missile, and that it is a reduction in the MX program, it is a reduction in the defense posture in the future for this country. That is what the popular

presentation of the Nunn amendment will be if adopted by the Senate. But the Nunn amendment to cap MX is really another case of American unilateral disarmament. I hope it is not adopted by the Senate in its present form and primarily for that reason.

But the main reason I asked that the Senator from Indiana yield at this time was so that I could present that information, and let me do that at this point because I have a number of charts. If I could have chart No. 1 put up, that chart, which I hope people will read—and I recognize that if your eyes are not telescopic, you will not be able to read it at all. So let me tell you what it is. The Soviets are in fact breaking out——

Mr. **CHILES**. Is it in English?

Mr. **McCLURE**. Yes, I would say to my friend, it is in English.

The Soviets are in fact breaking out of the SALT II Treaty. President Reagan has confirmed to the Congress a total of 11 Soviet violations of the SALT II Treaty. All these violations have repeatedly appeared in the press, as well as many others yet to be confirmed by the President. Of these 11 SALT II violations, 9 are conclusively established by intelligence evidence and 2 are judged by the President to be probable violations. And these, which are unanimously agreed within the intelligence, diplomatic, military, and national security bureaucracies, are:

PRESIDENTIALLY CONFIRMED SOVIET VIOLATIONS OF THE SALT II TREATY

1. Soviet build up above 2,504 level of SNDVs since June, 1979;
2. Soviet failure to deactivate down to 2,250 SALT II SNDV level;
3. Soviet SS-25 mobile ICBM is a prohibited second new type ICBM;
4. Re-entry Vehicle of SS-25 is less than one half total Throw-Weight, Covert MIRVing);
5. Almost total encryption of all new Soviet missile testing telemetry;
6. Soviet SS-NX-23 SLBM is a prohibited heavy SLBM;
7. Production of more than 30 Backfire bombers per year;
8. Arctic basing of Backfire bombers;
9 Soviet deliberate interference with U.S. National Technical Means of verification, by a continuously expanding pattern of strategic Camouflage, Concealment, and Deception, GAC Report;
10. Probable refueling probe on Backfire bombers;
11. Probable deployment of banned mobile SS-16 ICBM.

Those that relate directly to the MX area are: that the SS-25 is a second Soviet new type ICBM when SALT II allows only one new type ICBM. This is the "Soviet Midgetman". According to press reports, over 18 SS-25's are already deployed on mobile launchers. These would clearly violate the SALT II MIRV ICBM ceiling of 820 if they were covertly MIRV'd. The President's reports to Congress on Soviet SALT violations would lead to the conclusion that the SS-25 is covertly MIRV'd. Second, the Soviets have also deployed the mobile SS-16 ICBM, which is banned by SALT II altogether. According to press reports, 200 of these may be deployed in violation of SALT II. And here we are arguing today over whether we should cap MX at 40 or 50 or 100, when the Soviets have 218 mobile ICBM's similar to our Midgetman, which will not be operational at best until 1991, and the Soviet SS-24 rail mobile ICBM is better than the Carter racetrack MX and is also about to be deployed.

So the Soviets could have an unlimited number of SS-25, SS-24, and SS-16 mobile ICBM's and we might never know when they were deployed or how many, because they are completely camouflaged and concealed, which is also a violation of SALT II.

The second chart illustrates the effects of SALT II on United States and Soviet strategic forces, based upon sanitized Joint Chiefs of Staff estimates.

First, these JCS estimates have been sent to the national security bureaucracy in both top secret codeword and sanitized form, for comment, and no one in the JCS or in the national security bureaucracy has tried to deny their accuracy or the legitimacy of their sanitization to wholly unclassified form. The Soviet Union has built up its strategic forces during the 1978–85 period of SALT II to a level much higher than the Joint Chiefs of Staff predicted in 1978 that the Soivets would have by the end of 1985, even if no SALT II Treaty had been signed.

Second, since 1979, the number of Soviet strategic nuclear delivery vehicles increased by about one-fourth, and Soviet nuclear warheads more than tripled by the end of 1985.

Third, in contrast, the United States will have strategic forces by the end of 1985 even lower than the Joint Chiefs of Staff predicted in 1978 that the United States would have by the end of 1985, even within SALT II constraints. In fact, U.S. strategic forces are lower today than they were in 1979.

The third chart shows the rail mobile SS-24 which may be deployed at any time, and which press reports lead us to believe are being deployed today even.

The fourth chart illustrates the Soviet rail network and the existing strategic missile complexes all along this rail network for supporting the rail mobile SS-24.

I know that my colleagues cannot necessarily see all those charts and they are certainly not up at the same time, but they are all available for inspection by any Member who wishes to do so.

The fifth chart and succeeding charts are illustrative of the comparative United States and Soviet ICBM capabilities and other strategic capabilities. The fifth chart shows that the Soviets have well over 1,400 ICBM's compared to only 1,000 for the United States.

The sixth chart shows that the Soviets have over 6,300 warheads on their ICBM's, over 6,300 compared to 2,100 for the United States, a 3-to-1 Soviet numerical advantage. If you take account of Soviet accuracy and yield advantages in addition, the Soviet ICBM warhead advantage is over 6 to 1. This is a true Soviet first-strike, counterforce capability, and this is the key, most important measure of military power in the world today. This Soviet ICBM first strike counterforce capability casts an ever deepening shadow over the international politics of the entire world.

The seventh chart shows ICBM production—zero for the United States, about at least 150 per year for the Soviets over the past decades. The eighth chart shows a 3-to-1 advantage in Soviet ICBM equivalent megatonnage. We are just talking about megatonnage equivalence now in this chart.

The ninth chart deals with Soviet supersonic bombers and reveals a Soviet advantage of over 250 to 1 in this category.

The 10th chart shows a Soviet advantage in ballistic missile submarines of better then 62 to 35.

The 11th and final chart shows a Soviet advantage in submarine launched ballistic missiles of over 950 to 520.

Now, this is unclassified material that has been either released by the Government or widely I think in every instance confirmed by our Government in sanitized versions, and this is not the worst case. This is the minimal case.

I thank the Senator from Indiana for yielding——

Mr. **HART**. Will the Senator from Idaho yield for a question?

Mr. **McCLURE**. So that I might present these charts and information and to let all Members know that if they wish to inspect the charts they are here. If they wish to look at the information, they are more than welcome to do so.

Mr. **JOHNSON**. Mr. President, will the Senator yield for a question?

The **PRESIDING OFFICER**. The Senator from Indiana has the floor.

Mr. **QUAYLE**. Would the Senator like me to yield for a question?

Mr. **McCLURE**. If the Senator will yield for the purpose of a question, I will try to respond.

The **PRESIDING OFFICER**. Is there objection? The Chair hears none, and it is so ordered.

Mr. **HART**. Mr. President, a parliamentary inquiry. The Senator does not need unanimous consent to yield for a question.

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would suggest that it may slip into

Mr. QUAYLE. I have to yield for a question to a Senator who does not have the floor.

The PRESIDING OFFICER. The Senator from Indiana is correct.

Mr. JOHNSON. I thank the Senator.

The last chart said something about ballistic missile launchers, was it, that the Soviets had more submarine missiles than we have?

Mr. McCLURE. The Senator is correct.

Mr. JOHNSON. And the Senator from Idaho said that we had only 500 ballistic missiles, submarine-launched ballistic missiles?

Mr. McCLURE. The Senator is correct. The United States has only about 520 SLBM's.

Mr. JOHNSTON. How many warheads do we have in our ballistic missile submarines?

Mr. McCLURE. The unclassified figure would be about 5,000.

Mr. JOHNSTON. And how many do the Soviets have?

Mr. McCLURE. About 3,000, I think is correct, in unclassified figures.

Mr. JOHNSTON. So we outdo the Soviets in ballistic missile warheads by 5,000 to 3,000?

Mr. McCLURE. In submarine-launched ballistic missiles; yes, that is correct.

Mr. JOHNSTON. Does the Senator have the unclassified figure on accuracy of those warheads?

Mr. McCLURE. I am trying to check and verify and make certain I do not breach any classification. That is the reason for the hesitation in answering.

The Soviet submarine-launched ballistic missiles have greater range, greater accuracy, and greater yield. And the Soviets have overwhelming numerical superiority in SLBM's.

Mr. JOHNSTON. The submarine-launched warheads?

Mr. McCLURE. The Senator is correct.

Mr. JOHNSTON. In terms of the quietness or traceability of the Soviet submarines, is it not true that we can track virtually every Soviet submarine wherever it is and that there has never been one case of their having followed or tracked any of our ballistic missile submarines?

Mr. McCLURE. Let me carefully phrase my response. I want to be as forthcoming as I can and as careful and accurate as I can, without getting into classified information.

The Soviet submarines are reportedly noisier than ours.

Mr. JOHNSTON. And we can virtually track those almost at will?

Mr. McCLURE. I would not make that statement. This is a highly classified area of intelligence and naval operations.

Mr. BUMPERS. Mr. President, will the Senator from Indiana yield further, to allow me to question the Senator from Idaho?

Mr. QUAYLE. If the Senator wants me to do so, I yield to the Senator from Arkansas for the purpose of asking the Senator from Idaho a question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Would the Senator from Idaho be willing to verify for the Senate his assertion that the Soviet Union has 3,000 warheads on their strategic submarines, their SLBM's? Maybe the Senator from Idaho could assure the Senate this afternoon that he has confirmed that with the Secretary of Defense.

Mr. McCLURE. I think the published report indicates the level of 2,800, but probably about 3,000 by the end of the year.

Mr. BUMPERS. No. 2: The Senator mentioned a moment ago that Soviet submarine-launched missiles and warheads on those missiles are more accurate than those of the United States. Is he telling the Senate now that their submarine-launched missiles and warheads are more accurate than our Trident I missile?

Mr. McCLURE. I think the unclassified statement would be that we believe that the SSN-8, SSN-18, and SSN-20 have a greater accuracy than any existing U.S. SLBM. The exact degree of that is classified.

Mr. BUMPERS. The Senator says he believes that. I think it is important that we be provided that in no uncertain terms. I do not think that is something the Senate should deal with in generalities, and I am not suggesting that we get into classified information.

Mr. McCLURE. Let me say that I am trying to go as far as I can go without breaching classification. So what I am suggesting to the Senator is that the unclassified information says that these three missiles are more accurate than ours. The degree of accuracy is classified.

Mr. BUMPERS. What submarines are those particular missiles deployed on in the Soviet force?

Mr. McCLURE. The Soviet submarine missiles are deployed on the Delta class and the Typhoon-class submarines of the Soviet fleet.

Mr. BUMPERS. Are those multiple warhead missiles?

Mr. McCLURE. Two of the three missiles which I have identified are multiple warheads. One is single warhead.

Mr. BUMPERS. How many of them do they have?

Mr. McCLURE. The Senator is speaking of missiles?

Mr. BUMPERS. I am talking about the two missiles the Senator from Idaho mentioned that are more accurate than our Trident I missile. How many of those do they have?

Mr. McCLURE. Over 300.

Mr. BUMPERS. How many Trident I missiles do we have? Is the Senator talking about missiles or warheads?

Mr. McCLURE. We will do some mathematics.

We have 212.

Mr. BUMPERS. 212 Trident I missiles?

Mr. McCLURE. Excuse me, 292. I said 212. It is 292.

Mr. BUMPERS. 292? How many warheads does that translate into, Trident I warheads?

Mr. McCLURE. There are eight warheads per missile.

Mr. BUMPERS. So that is over 2,000 Trident I warheads.

Mr. McCLURE. 2,336, I believe.

Mr. BUMPERS. 2,336 warheads on our Trident and Poseidon submarines, on the Trident I missile alone as opposed to how many warheads they have?

Mr. McCLURE. According to "Soviet Military Power, 1985," page 33—the chart is there—it shows, by the end of the year, slightly less than 3,000.

Mr. BUMPERS. And the Senator is still sticking by his statement that two of their missiles carry warheads that are more accurate——

Mr. McCLURE. Three of the missiles.

Mr. BUMPERS. Are more accurate than our Trident I?

Mr. McCLURE. The Senator is correct.

Mr. BUMPERS. I must say that is at variance with everything I have heard before this morning.

Mr. McCLURE. That, I guess, is perhaps the reason for the debate.

Mr. BUMPERS. Let me ask the Senator another question: Is the D-5, sometimes referred to as the Trident II missile—is the warhead on that missile, or is that missile, it is more accurate to say, going to be more accurate than the Trident I?

Mr. McCLURE. Will the Senator repeat that, please?

Mr. BUMPERS. Will the Trident II missile, which we call the D-5 here, and which it is hoped will be ready for deployment in the 1987-89 timeframe—will that missile be more accurate than our Trident I?

Mr. McCLURE. We expect it to be, but let me rephrase one part of it. The U.S. Trident II D-5 SLBM has not even been flight tested yet. The missile system does not yet even exist.

Mr. BUMPERS. I understand.

Mr. McCLURE. And I would think that 1989 is the most optimistic estimate of deployment.

Mr. BUMPERS. When is the first MX supposed to be deployed?

Mr. McCLURE. December of 1986 is supposed to be its initial operational capability, although I would not be surprised if some people, more cynical about our ability to meet deadlines, would suggest that it may slip into 1987.

Mr. BUMPERS. One other question: The Senator alluded to the fact that the Soviets have how many SLBM's?

Mr. McCLURE. Over 950.

Mr. BUMPERS. And how many submarine missiles do they have.

Mr. McCLURE. Over 62 ballistic missile submarines.

Mr. BUMPERS. Sixty-two as opposed to our 37?

Mr. McCLURE. the Senator is correct.

Mr. BUMPERS. In any given day, what percentage of the Soviet submarine force is on station and operational?

Mr. McCLURE. The only information that I would have on that is highly classified.

Mr. BUMPERS. Is the same thing true of the American submarine fleet? Is that all classified?

Mr. McCLURE. Roughly one-half of ours.

Mr. BUMPERS. Pardon?

Mr. McCLURE. Roughly one-half of ours.

Mr. BUMPERS. Is it classified to say that they have a submarine fleet that is a greater or smaller percentage than 50 percent on station on any given day?

Mr. McCLURE. The only information I have is highly classified.

I might add to that, however, two-thirds of their submarine fleet could cover targets in the United States even from their home ports.

Mr. BUMPERS. I am not talking about what they can cover, and I am not talking about just submarines in port in Murmansk or some other place. I am talking about those that are on station and ready to fire.

Mr. McCLURE. First, I wish to reiterate: The knowledge that I have as to how many are out at sea on station ready to fire is highly classified. But my other response is that even if they are not on station at sea, two-thirds of their submarine force can cover the United States from their home ports. They do not have to be out on station. They do not have to be out at sea.

Mr. BUMPERS. Let me rephrase the question. Have the Soviets had any difficulty with their submarine forces, keeping them operational?

Mr. McCLURE. I do not think they have had any more difficulty keeping them operational than we have. I would conclude this discussion of relative United States-Soviet SLBM capabilities with the following quotation from a recent authoritative book:

> American submarine-launched ballistic missiles are much less capable than most Soviet SLBM's in terms of range, accuracy, and yield; thus, the U.S. advantage in numbers of SLBM warheads (about two to one) should not be allowed to mislead (as is often the case) since the American disadvantage in SLBM capabilities is enormous.

Mr. BUMPERS. That statement conflicts with what most military authorities have said. There is general consensus in the defense community that the U.S. submarine missile force is superior to that of the Soviet Union. One final question: The Senator was alluding to the violations a moment ago, building and flight testing of SS-24 and SS-25 especially, and I am prepared, I think, to concede. I am not sure of this. But I think they are probably in violation of the one new missile. As the Senator knows, that does not apply to submarine forces. You can have as many new missiles on submarines as you want under the SALT II treaty.

But let me ask this question: When they deployed 18 SS-25's, did they not at the same time dismantle 20 SS-11's?

Mr. McCLURE. I think the best way to answer the Senator's question is to indicate that we have some evidence of some recent dismantlement by the Soviet Union, but they have not followed the dismantlement and verification procedures set forth in SALT I, and, in addition, the evidence is somewhat ambiguous. What may be going on may not be dismantling at all, but may instead be replacement in further violation.

With reference to the SALT II limitations on numbers of SLBM missiles, the Senator is correct. But there is a prohibition on types, and they have violated that provision. The Soviets are not allowed under SALT II to develop a heavy SLBM, yet their new SS-NX-23 SLBM is a prohibited heavy SLBM.

Mr. BUMPERS. It is interesting that not even the President in his Soviet violations report has called the SS-NX-23 a heavy SLBM. But let me ask the Senator this question: Under the SALT II treaty, there is a limit of 1,200 MIRV missiles, no more than 820 of which may be land based. And my question is: Have not the Soviets very steadily and carefully abided by the 1,200 MIRV missile limit and right now are at 1,118?

Mr. McCLURE. There is some evidence of their willingness to abide by the numerical limits of launching systems of SLBM's. There is also a great deal of ambiguity in terms of our ability to verify what they have done in that regard. The Soviets are well over 25 Strategic Nuclear Delivery Vehicles over the 2,504 SNDV's they had in June 1979. In fact, the Soviets may have over 40 more SNDV's than the 2,504 that they had on June 18, 1979, when SALT II was signed.

Mr. BUMPERS. Again, there are other estimates that they are below the 2,504 level as well. Well, let me follow that up. Have they not, since we signed the SALT II Treaty, since President Carter and Secretary Brezhnev signed the SALT II Treaty—I forget whether it was in Geneva or Vienna.

Mr. McCLURE. In Vienna.

Mr. BUMPERS. Since they signed that, have not the Soviets dismantled 12 *Yankee*-class submarines and 209 SS-7's and 8's in order to stay within the numerical limits of the SALT I Treaty?

Mr. McCLURE. As I indicated earlier, there is some evidence that they have complied with the numerical limits of launching systems on SLBM's, although again some of the evidence is ambiguous.

Second, while they have in the words of some people dismantled the *Yankee*-class submarines, it is also true that some of those that are counted as having been dismantled were converted to cruise missile launchers which in many respects is much more destabilizing and much more lethal than would be the old missiles on the *Yankee*-class submarines, and that dismantlement, incidentally, is in compliance with the SALT I protocol, not the SALT II. But the fact remains, that despite the dismantlement, the Soviets have created from the "dismantled" *Yankee* submarines a new class of even more deadly cruise missile launching submarines. Two or more have vertical cruise missile tubes, the rest may fire SS-N-21 cruise missiles from their torpedo tubes.

Mr. BUMPERS. I would ask the Senator why the Soviets don't convert all their Yankees to cruise missile subs if that is really as good as you make it out to be, instead of just one or two. And we could do the same, too.

But my point is simply this: They are at 1,118.

Mr. McCLURE. If the Senator said 1,218, they may be at 1,218, if they have deployed 18 new missiles which should be considered covertly MIRV'd. If you are correct, then there is a new Soviet SALT II violation which has not yet been confirmed.

Mr. BUMPERS. If they deployed 18 new missiles but at the same time have dismantled 20 old ones they are still well within the limits, are they not?

Mr. McCLURE. That may only be partly accurate, because the question gets more complicated. First, the 20 old SS-11 silos are reportedly not fully dismantled in accordance with the SALT I procedures. You also have to know whether or not the new missiles are MIRV'd. The Soviets have reported that they have 818 MIRV'd ICBM's, and the SALT II ceiling is 820 MIRV's ICBM's. But the Soviets have reportedly deployed 18 mobile SS-25 launchers without reportedly fully dismantling an equal number of fixed ICBM silos. This would be a further violation of the SNDV ceiling of 2,250 and of the Soviet SNDV force at the time SALT II was signed on June 18, 1979, of 2,504. But if the 18 SS-25's are covertly MIRV'd, as the President's SALT violations reports imply, then the Soviets are also violating the SALT II 820 MIRV'd ICBM ceiling by 16 MIRV'd ICBM's.

Mr. GORE. Mr. President, will the Senator from Arkansas, or whoever has the floor, yield briefly for a point?

The PRESIDING OFFICER (Mr. KASTEN). The Senator from Indiana has the floor.

Mr. QUAYLE. What is the unanimous-consent request?

Mr. GORE. I ask unanimous consent to engage in just a very brief colloquy with the Senator from Idaho on the question of SLBM accuracy which was disputed and raised earlier.

Mr. QUAYLE. I will do it assuming the Senator from Idaho wants to. But let me say this, Mr. President, I think we probably should get back at some point to the debate on the Nunn amendment on MX. We are going to get the SALT interim restraint debate later on and have a lengthy comprehensive discussion on that.

I suggest to my friend from Tennessee he might do it at that time. But if he wants to explore it for a limited period of time with this I will ask unanimous consent that the Senator from Tennessee be allowed to engage in a colloquy, without the Senator from Indiana losing his right to the floor, for a limited period of time.

I hope we can wrap this up and get back to the MX debate, the pending matter before the Senate.

Mr. GORE. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Tennessee is recognized.

Mr. GORE. Mr. President, I shall be very brief. I fully agree with my colleague that we should get back to the amendment at hand.

But a question was raised by the Senator from Arkansas about the assertions of the Senator from Idaho on the accuracy of SLBM's in the Soviet Union force and the U.S. force.

I wanted to just provide for the debate and for the RECORD some unclassified figures from the latest report of the Congressional Research Service at the Library of Congress, a report by John Collins, who is a senior military analyst that many of us are familiar with, entitled "United States-Soviet Military Ballistics Strength, 1975-84," dated January 1, 1985.

The accuracy of SSN-8's in the Soviet force has a CDB of 0.8 nautical miles; SSN-18 in all three modes has an accuracy of 0.5 nautical miles; SSN-20 has an accuracy of 0.3 nautical miles; C-4-Poseidon I, by contrast, has 0.25 or better.

I just add that for the RECORD, and if the Senator from Idaho has figures to dispute the assertion by the Library of Congress that indeed our accuracy of our SLBM's is significantly better, then I would welcome it either for the RECORD or now or whenever.

Mr. McCLURE. Mr. President, I trust that the Senator has availed himself of the information which is available from both DIA and CIA in a classified form.

The figures that the Senator quotes are like many other unclassified figures and they do not necessarily agree with the other information that we have.

I cannot go into those precise figures, as I am sure the Senator knows, without violating the classification. But I do believe that Soviet SLBM's are more accurate than U.S. SLBM's. In fact, several editions of the U.S. Defense Department's "Soviet Military Power" book officially confirm that the Soviets have superiority in SLBM numbers, yield, accuracy, and range.

Mr. GORE. I respect the Senator's dilemma. I have gone into this and I do not find them at variance. We can continue this in a forum where it can be carried on in a classified way.

But I just wanted to say for the RECORD that I think the Senator from Arkansas is correct in his analysis. This has been the general impression that while the Soviets have more submarines and more launchers, we have more SLBM warheads, and we have greater access. And with the D-5, we will have, for the first time, real hard target capability in the SLBM force.

Mr. McCLURE. First of all, the Senator is entitled to his opinion about what evidence there is. This Senator does not share that opinion, but I respect the Senator's right to have a different opinion about what the technical evidence is and what you believe in the debate about what the evidence is.

But there is no dispute outside of the accuracy field that the range of Soviet SLBM's is greater, their yield is larger, and their numbers are larger. I think those are indisputable and undisputed facts.

Mr. BUMPERS. Mr. President, I ask the Senator from Indiana for his indulgence for one observation and then I promise I will yield.

Mr. QUAYLE. One short observation.

Mr. BUMPERS. There is no such thing as a short observation in the U.S. Senate.

Mr. QUAYLE. That is the problem. One short observation.

Mr. BUMPERS. I thank the very generous Senator from Indiana, my dear friend, who is being so charitable and magnanimous to me.

I wish to make two points, if I could, before the Senator from Idaho leaves the floor. First, not even the Pentagon's publications "Soviet Military Power" asserts that the SS-25 is MIRV'd. And the Soviets are reported to have dismantled more than enough silos to comply with the SALT II requirement. Second, here is an unclassified figure. We have 304 Poseidon missiles on Poseidon submarines that have 3,040 warheads; 192 Trident-I warheads on the Poseidon submarines; and we have 144 Trident-I missiles on the Trident submarines for a total of 336 Trident I missiles, not 292 as stated before. Those 336 have a total of 2,688 warheads. That is a total of 6,112 warheads that we now have deployed on our submarine fleet. That is opposed to less than 3,000 on the submarine force of the Soviet Union.

Finally, here is an unclassified document prepared by the International Institute for Strategic Studies in London, one of the most respected, probably the most respected institute for strategic studies in the world. On the question of accuracy, here is what they said in 1984. And I am not going to put all of this in the RECORD, but I just want everybody to understand that here is one study—and, incidentally, the CRS has a study that verifies this also.

But other than the SSN-18 and SSNX-20, the closest CEP—and that is the circular error probability, how close a missile or warhead would come to its target—the closest they can come on all their other missiles, except the two I just named, is between 900 and 2,800 meters.

I can tell you that you do not have to have an awful lot of hardening for a silo to survive that. And on the two missiles we just talked about, the CEP is 600 meters. And we do not have a single warhead on a single submarine that does not have a CEP of at least 450 meters or better.

So the truth of the matter is we not only have over twice as many warheads on our 37 submarines as they have on their 62, we have an accuracy rate that is dramatically better than the Soviet Union's.

Now, I yield the floor.

Mr. QUAYLE. Mr. President, I wish to make a brief comment on that. I think the Senator made an excellent argument in favor of keeping all our Poseidon submarines intact. But I would like to now go back to the MX missile and the pending business that we have. We discussed interim restraints and we might even get a change of opinion by the Senator from Arkansas concerning the advisability of continuing SALT restraints if, as the Senator from Arkansas has suggested, our submarines are that important to us and their accuracy is that good. Who knows? Stranger things have happened.

But the amendment that is before the Senate right now is the Nunn amendment which, in fact, will limit the deployment of MX to 12 and cap it at 40 in the basing sets.

I think there are three issues that are at dispute here. One is the number of missiles, obviously; two, whether we have a cap or a pause; and, three, on

how many basing sets that we are going to have. Those are the issues.

The one that is really at the heart appears to be the cap versus the pause or the moratorium. I also think that the number of missiles is of critical importance because if the Senate would come in at 12, obviously the House is going to go much lower than that, even though the House Armed Services Committee has come out at 21 and we will end up with 5 or 6. So the number is important. The real issue is on the cap.

I engaged in an earlier colloquy with the Senator from Georgia on the definition between cap and pause and moratorium. There seemed to be some understanding that the two were synonymous. But, unfortunately, the two are not, and particularly the two are not in the eyes of the White House and in the eyes of our negotiators and in the eyes of the world and the way that we find the situation today.

There is no doubt about it that this amendment as it stands now, if it passes, is the end of MX. It is a killer amendment. It is an amendment that, as leading opponents of the MX have said, is the death knell for MX. It is supported by anti-MX lobbyists like SANE, Common Cause, and Green Peace that have been against MX from day one.

So there is no doubt about it that those that are opposed to MX will be voting for the Nunn amendment and those that are in favor of MX will be voting in opposition to the Nunn amendment.

Mr. HART. Will the Senator yield?

Mr. QUAYLE. I yield for the purpose of a question.

Mr. HART. Earlier, the Senator said this had become a partisan issue, or political issue, I believe is the way he said it. I hope the Senator is incorrect. There were various accusations last night both ways about how we got ourselves into this position.

But I think, if you count the period at least since the Senator from Colorado came to the Senate in 1975 through 1980, there was bipartisan support for a successful land-based missile, a survivable mobile basing mode. I believe that if, in fact, the Nunn amendment passes, it will not be on a partisan basis but on a bipartisan basis.

Would the Senator not agree that the issue here is not the MX, but the issue is, as the Senator from Georgia says, the MX in a vulnerable silo, fixed silo basing mode? Is that not the issue?

Mr. QUAYLE. I really do not think that is the issue. I think the issue, quite frankly, is whether we are going to modernize our land-based part of our triad. We have been up and down the hill on the basing mode.

As I said earlier, believe me, there is a lot of blame to pass around on the history of this MX.

MX's promotion has not been one of the great exercises of intellectual honesty. It has not been a great exercise in military strategy and doctrine on how we are going to base this thing, but we have come to a point now where after all of these years that there was an agreement at least to go ahead, there is always a disagreement on the basing mode. Some want to go back 6 or 7 years. Some say, "well, let's forget about the MX. We will just go forward to the Midgetman." But nobody ever wants to do what we have to do now. So I think that the issue before us today—particularly the Nunn amendment—is, are we going to go forward with the MX?

Obviously, if we have a pause or a moratorium, we will resolve it this year and then we will be back in 1987 discussing what we are going to do. Maybe the administration will come up with something new. Maybe they will not. I do not know what is going to be the situation there. But I think the issue is the MX missile. I know a lot of people have a reservations about the basing mode and all of that. But pure and simple, it is the MX missile. A lot of people have been opposed to the MX for a lot of different reasons—the basing mode, the missile itself, destabilizing, first strike, and you name it. They have been opposed to it.

Now this amendment—I do, in fact, think if you cannot work out an understanding between a pause and a moratorium and a cap; if we cannot work out whether it is a cap, a pause, or a moratorium, then I think it has become very much of a political issue, and we will see how the votes on that go. I imagine that all on that side will probably, perhaps, vote to keep the cap. The cap, our negotiators tell us, absolutely does violent disruption to their negotiating. So if we want to get out of this political mode that we are in right now, I think they might be able to get some sort of a consensus or agreement on the moratorium, the pause, or the cap.

Mr. HART. Will the Senator yield for a further question?

Mr. QUAYLE. I yield for a question.

Mr. HART. The Senator says the issue is the future of the MX. Is it not the case that even though many of those who are opposed to the Nunn amendment and consider themselves supporters of the MX have now come to the conclusion that we should appoint no more than 50, half what the President asked for? Is that not the case?

Mr. QUAYLE. I think under discussion is what we are going to do with the first 50. That is what we will be debating and concluding today, and then the possibility of what we are going to do with the next 50. I think we want to keep that option open. There are a lot of people in this Senate who for a number of years have said they wanted to kill the MX. As some have said, their time is now arriving. Some people have been quoted as saying that the Scowcroft Commission has been repudiated. We have won, meaning we that are opposed to the MX, and have won the fight. Well, if the vote was taken right this very minute, I concede that the votes are those that oppose the MX missile. That is where we are.

Mr. HART. Will the Senator yield further?

Mr. QUAYLE. I yield for a question.

Mr. HART. How does the Senator account for the fact that those who for the past 3 years more or less without question supported the MX in silos have come to the conclusion that we should not have 100 there, whether there are 50 or 40? The point of the Senator from Colorado is simply that this is not a black or white question of whether you are for the MX or not. There is a deep sense of concern about the way this missile should be deployed. That has always—since April 1983 and the issuance of the Scowcroft Commission report—been the issue. Is that not the case?

Mr. QUAYLE. I do not dispute the contention of the Senator from Colorado that the basing mode has always been a debatable issue. We have always debated that. We started that back in the late 1970's and we have gone through race track, through MPS, closely based spacing, existing silos, and we even talked about putting them on a plane. We talked about deep underground. As a matter of fact, I think someone made the statement we might even put them in warehouses for the time being. It was a conscientious debate that we had. There is no doubt about it. But the point now is whether we are going to go forward or not. That is the issue because I really believe that this amendment, and those that have been voting against MX all along, despite whatever misgiving they may have, are going to vote for the Nunn amendment that is going to kill effectively the MX missile program. That is the point.

Mr. SYMMS. Will the Senator yield for a question?

Mr. QUAYLE. Let me yield to the Senator from Idaho.

Mr. SYMMS. The question I propose to ask to refresh my memory is this: Was not it just a couple of days ago that the distinguished Senator from Colorado had an amendment on the floor to completely do away with the MX? Is that correct?

Mr. QUAYLE. The Senator is correct.

Mr. SYMMS. To completely kill the program?

Mr. QUAYLE. The Senator is correct.

Mr. HART. The Senator is not correct.

Mr. QUAYLE. To zero the MX?

Mr. HART. That is not the Hart amendment.

Mr. QUAYLE. I guess I was not here. I thought the Hart amendment was for zero authorization in fiscal year 1986.

Mr. HART. Money for procurement and deployment was retained in the amendment for the MX system.

Mr. QUAYLE. We will have to go back and read that debate a little more closely. I was somewhat under the impression, and I thought I followed it reasonably close, that it was for canceling the MX program at this particular junction.

Mr. HART. That is not what the amendment was.

Mr. QUAYLE. Mr. President, as I said, what we have here right now before us is that either we are going to go ahead with the modernization of our triad or we are not. Either we are going to allow this MX missile to go forward or we are not. The Nunn amendment clearly says that we are simply not going forward, that we are going to place a cap on it; that it is an amendment that those who have been opposed to the MX have hailed all along as a victory. They see victory in sight. They are about and saying that they are about ready to claim victory. Through all of these years they have been fighting to kill the MX. But I think it is important before we kill the MX, Mr. President, that we see what we have done as compared to the Soviet Union, particularly with our land-based system over the last decade that we have been debating the MX missile. Unfortunately, it seems that the Soviets have made tremendous movement and progress. They have a number of new ICBM's based on land. Let me read what they have been doing since the mid-1970's. They have the SS-16, the SS-17 Mod. 1, SS-17 Mod. 2, SS-17 Mod. 3, SS-18 Mod. 1, SS-18 Mod. 2, SS-18 Mod. 3, SS-18 Mod. 4, SS-19 Mod. 1, SS-19 Mod. 2, SS-19 Mod. 3, and what have we done? We have talked about the MX. It is now going to be put out there and perhaps be deployed. We might even get 40 MX's Mod. 1. We might. That is what we have signed off on. We might get 40 with this amendment. That is all we get. Now, the question is: What are we going to get after that? Let us see what the Soviets are doing for the next 5 years. They have the SS-24, the SS-25, they are working on the SS-26, and the SS-27. The 25 is that new mobile missile that can be MIRV'd. We do not know whether it is going to be a single warhead or have three warheads. So what do we have as a follow-on to our MX? We have the Midgetman. We are going to be for the Midgetman. We are going to go down, and the Soviets have been developing large land-based systems all capable of being MIRV'd. We are going to have a Midgetman.

We are going to move on to the Midgetman without even thinking it through. We say that the Midgetman is only going to be 30,000 pounds. We say it will be so big. We say it will have one warhead. We are talking about how we are going to be able to get some kind of accuracy for that particular warhead with a purely inertial guidance system and stay within the weight limit. We still do not yet know how this might be done. We do not know how hard we must and can make the mobile launchers. We do not know about the command and control for such mobile units.

Then as the Senator from Wyoming last night pointed out rather eloquently, where are we going to put these things once we build them? Are we going to put them in Connecticut, New York, Texas, Indiana? Where are we going to put them? We are going to have a lot of them, evidently. Then we have to think about the kind of arms control. Are we going to build a thousand of them—build a thousand Midgetmans at $70 billion? I think I know this Congress a little bit better than that—$70 billion? No. Do you know what is going to happen, Senator? When the Midgetman finally gets here, there is going to be something else that we ought to be for. We cannot be for what is today. We have to be for what is tomorrow—be for tomorrow and promise tomorrow because tomorrow never comes. But we have a little new twist in this debate. Usually it is always for tomorrow, a promise on down the road, but this debate is saying we would like to go back, and we would like to the 200 race track based MX we said we wanted in 1979.

But even in 1979 we said it needed more study and so we looked forward to tomorrow. We have tomorrow, and we have yesterday, but what about today? We never seem to want to do anything today.

Well, today is going to tell the story. Either we are going to go forward with the MX or we are going to kill it. This amendment that is being offered in fact does kill it.

When I say that the issue has become politicized, I think it has, unfortunately, become politicized. If we cannot reach an agreement on a bipartisan basis on the difference between a cap and a moratorium, then we have a lot of problems ahead, and I mean a lot of problems. Not just in the Senate, but there will be a lot of problems in this country if we cannot sit down and agree upon that. Particularly, when our negotiators and our President say that that is a very important issue.

I think it is interesting that we get up and say, "Well, they can go ahead and say that, but that is not what the amendment means."

You can make all sorts of different interpretations as to what the amendment means. I think that capping it the way it presently stands kills the MX and so say the opponents of MX. Those who have opposed MX all along urge voting for a cap.

Therein lies the state of affairs of where we are today.

I hope we can work it out. I really do. But if we cannot, then the Nation is going to know, people are going to know, who killed MX. People are going to know who have weakened us at the bargaining table, who have said no again.

It is going to hurt the President, no doubt about that, but there are some, I am sure, who do not mind hurting the President. This is a political arena that we are in.

I think it is most unfortunate that we cannot work this thing out and that we really do politicize for the first time a strategic weapons system that the President of the United States says he vitally needs. That would be an unfortunate predicament for the Senate and for the Nation.

As I said, we can go back and find a lot of excuses. We can pass around a lot of blame on this issue. But we are faced with what we are going to do today. I hope the final count will vote down the Nunn amendment and we can work out an agreement that will be satisfactory to all parties.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I would like to briefly go through and talk about MX and try to think through what the logic of those who support the Nunn amendment and those who oppose MX really is.

First of all, we really started the MX program 10 years ago. Ten years ago we recognized that the Titan II was getting old, that it had to be replaced, that we had depended on the triad to keep the peace in the whole nuclear era, and it had been successful. So we moved toward developing a new missile as a replacement missile.

Mr. President, I am happy to yield to the Senator from Wyoming.

Mr. WALLOP. Mr. President, I ask unanimous consent that the Senator from Texas be permitted to yield to me and that when he resumes, it not be considered a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. I thank the Senator from Texas for his courtesy.

Mr. President, I particularly compliment the Senator from Indiana on a rather lucid explanation. He believes that there is still time to divert this from being a partisan issue. I do not. I

believe that the Democrats who have been trying to deprive the American people of the MX are close to success. I believe their chief spokesman in the Senate, the Senator from Georgia, is proposing what is, in fact, a killer amendment.

I sit here almost in stupefaction at the comments of the Senator from Colorado that he is not against the MX, that he is willing to spend a billion on MX but that he does not want procurement and he does not want deployment. That perhaps is one of the Senator's new ideas, to pay and get nothing for it.

The support that existed for MX prior to 1979, of which the Senator from Colorado spoke, was support of something abstract. The question of money for production did not arise.

Let me tell you when the opposition began. It began the day that somebody proposed something definite, and it has existed ever since.

If, in fact, the Senator from Georgia was not trying to kill the MX, as he says, would he not, I ask, propose some alternative mode of deployment he would support? Why does he not do that? Hence, he cannot say convincingly, "I am not trying to kill it; I just do not want it deployed in any more vulnerable basing modes." That, to me, is a definite no, thinly camouflaged with the possible yes, that maybe we will examine SDI. Maybe in the future we should say yes to something.

As the Senator from Indiana points out, that tomorrow may come and maybe it will not. Such exercises in technological navel gazing ought to drive the American people nuts. I'm sure it delights the Soviet Union.

How can we but conclude that Senator NUNN and his followers want MX dead, when they put no proposal on the table to substitute for what they claim to dislike?

Last night I mentioned the irrelevance of this number 40. Forty missiles do not even fit evenly into F.E. Warren Air Force Base's command-control system.

The Senator's argument that he opposes MX because it is too vulnerable is an irrelevant argument. It is a chimera.

"No, we are not trying to kill MX. We just do not want the vulnerability." So argues the Senator from Georgia. But is anybody going to tell the Senator from Wyoming that the Minuteman III silos stocked with Minuteman III missiles are not as much targets for the Soviet Union as MX silos stocked with MX's? Minuteman III's are today the most sophisticated missiles in our arsenal, and they are vulnerable. Does the Senator from Georgia want to scrap Minuteman III because of its vulnerability?

If the Senator is worried about vulnerability why did he play a leading role in reducing the funds for SDI? Where is his proposal to improve this country's security?

The American people looking on us here must laugh at the idiocy of an argument that will not address the strategic defensive needs of the country, but dribbles in numbers, babbles in the past, and pushes off today's problems into the future.

But today's problems are here today.

The Soviet Union now has more than two counterforce warheads for every strategic hard target in the United States—6,000 counterforce warheads for less than 2,000 American targets but there are about 7,000 strategic hard targets in the Soviet Union, among which at least are 2,500 strategic nuclear delivery vehicles prepared to be shot at the United States.

And we courageously propose to put down 40 MX's, which is the only hard-target capability the United States has, to launch 400 warheads against these 7,000 things. Counterforce is meaningful only to the extent you have enough to counter the forces that you must counter. But we are now talking about having 400 of these things to take on 2,500 strategic nuclear vehicles, and 7,000 targets overall. Please tell me what sense that makes.

MX is the only American missile that, if it were used, would protect the American people. This amendment proposes to take it away. The excuses are many, but the truth of the matter is that at the conclusion of that, you will not be safe people. This country will have no capability to conduct counterforce.

If the amendment were truly honest, it would say, do not cap MX at 40; eliminate it, because 40, or 50 are not really much more strategically significant than zero. The amendment of the Senator from Colorado is much more honest than is this.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. WALLOP. I shall be happy to without losing my right to the floor.

Mr. JOHNSTON. The Senator may know that I voted for 3 percent real growth in defense right here, on the Senate floor, not too many days ago. I did so because I feared we are not going to have the money to pay for MX, B-1, D-5, ATB, and all these other weapons systems that are coming along. We are talking about MX now, but we should recognize this system has a relationship to all these other systems.

Does the Senator agree with me that it is going to be exceedingly hard to pay for all these weapons systems, with no real growth in the defense budget?

Mr. WALLOP. This Senator totally agrees, but that is irrelevant to this argument, because this is a cap. This is a cap that stops it forever.

Mr. JOHNSTON. The Senator from Georgia says that this saves $3 billion over a period of 3 years. Is the Senator from Wyoming prepared to say that is not correct?

Mr. WALLOP. The Senator from Georgia does not make that argument as a reason for this amendment. He does not argue that the money saved would be put into SDI to protect Minuteman III. This is a cap on MX as in fact, there has been a de facto cap on the B-1 bomber.

Mr. JOHNSTON. The point is that if we have a no-growth defense budget, we must save somewhere. After this Senator votes for 3 percent real growth, the President of the United States then comes in and says, "No, we really do not need 3 percent real growth, no growth is OK." So a zero growth defense budget is then adopted.

My question to the Senator is, does he really think we can fund all these weapons systems that I support—ATB and D-5 especially—with no real growth in that defense budget?

Mr. WALLOP. The Senator from Wyoming does not believe that.

Mr. GRAMM. Mr. President, will the Senator yield?

Mr. WALLOP. I shall be happy to yield for a question.

Mr. GRAMM. I think there are several real points that are reasonable and have to be looked at here. First, this is a zero real growth budget with the funding for MX, so we are not talking about complying with the budget here, we are talking about killing a weapons system.

No. 2, we are talking about $50 million in this authorization bill. I could easily show the Senator weapons systems that are in this authorization bill, 30 times as many in terms of dollars, that no one in the U.S. Senate could argue are more critical to national defense than the ability to kill hard targets, which the MX will do. There is no way that a person can make the argument to kill MX on economic grounds: No. 1, relative to the total budget that we are talking about, a relatively small amount of money; No. 2, we are within that budget with a zero real growth rate here; No. 3, we have more expenditures in this budget on captor mines and M-1 tanks that the Navy and the Army did not ask for than we are saving by eliminating MX.

So, someone may argue to kill MX for political reasons, for strategic reasons, but one cannot make that argument on economic grounds.

I thank the Senator for yielding.

Mr. WALLOP. I thank the Senator from Texas.

Mr. President, if as our friends argue this amendment is not to kill MX but rather for the $3 billion to be saved, how is it, then, that this amendment would cause the unit cost of the missile to rise. This rise will become tomorrow's argument against MX because it will then cost too much money as a result of the money saved by this amendment. So do not bring in that issue, it is not relevant to this. What is relevant to this is the strategic security of the United States. If you cannot kill hard targets, friends, forget about Presidential Directive 59.

Mr. JOHNSTON. Will the Senator yield for another question?

Mr. WALLOP. I yield for one more question.

Mr. JOHNSTON. How can you kill hard targets unless you launch first? Would the Senator deal with the question of use them or lose them? I have heard it said and I believe that you have to launch first with the MX or you lose it, because it is vulnerable. It is in the window of vulnerability. Will the Senator from Wyoming deal with that issue?

Mr. WALLOP. The Senator will be happy to. If we were to follow that argument, we should just all roll over and play dead. Because our present ICBM's, which we hope to replace, are just as vulnerable as MX because they are in the same place. MX and Minuteman are just as vulnerable. But MX is better because it makes enemy missiles vulnerable, while Minutman does not.

Nevertheless is the Senator supposing for 1 minute the Soviets are going to say, "Oh, the hell with it, those are on the Minuteman, we are not going to bother with those"? Or that they will say "Those are only 40 MX's. We won't bother them because they are so few." No. They will shoot.

The answer is that the fewer you have, the less likely is it that any will survive. Right now that is the meat and potatoes of this argument.

With this amendment, you are dropping the concept of striking hard targets and therefore of protecting Americans against Soviet missiles. In fact, you are dropping the concept of hard targeting with the 100. The Senator from Georgia last night, with the enthusiastic embrace of the Senator from Florida and the Senator from Colorado, said, "Let us go back to 200." I said "Propose it."

I say again today, "Propose it."

If the Senator from Georgia is after the increased capability of this country, then let him propose a plan for building 200 MX's instead of proposing a plan to cap MX at 40.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. WALLOP. Yes, Mr. President.

Mr. JOHNSTON. Is not the Trident II or the so-called D-5 missile equally accurate? I think it is printed in all the declassified documents as being as equally accurate as the MX. Is that not only a good answer to the hard target kill question——

Mr. WALLOP. No.

Mr. JOHNSTON. But an invulnerable answer?

Mr. WALLOP. No, it is not, Mr. President, for one reason: The D-5 has a command control problem that has not been whipped. So, at this moment, it is not a counterforce capability. Maybe it is going to be, but I do not have confidence, the way this Congress works, that we will see it through, either, because I hear little dribblings in the back room that this might be also destabilizing.

Why do not the supporters of this amendment find destabilizing those Soviet SS-24's and 25's coming along? Is it not destabilizing that the Soviets are in violation of the overall missile ceiling and of so many other provisions? It seems the backers of this amendment find none of those things is destabilizing, but they find destabilizing whatever we contemplate here on the threshold of decision.

It is lovely for us to embrace weapons abstractly. I dare say there are dozens of people in here opposed to MX who say to the public, "Gosh, it is just the vulnerability. If I could only get over that, I would vote for it in a minute just fine." But do any of them propose that we make MX rail-mobile and defend it with the equivalent of the SA-12? Is that a proposal?

Mr. JOHNSTON. If the Senator is correct, I would be just as——

Mr. WALLOP. Why is not the Senator from Georgia, the great Democratic military strategist, proposing such a thing?

He is not proposing such a thing.

Mr. JOHNSTON. Does the Senator mean putting MX on railroads?

Mr. WALLOP. Yes, that or any similar arrangement. Mr. President last night he said he wanted MX to be mobile. But he said it. He did not propose it.

Mr. JOHNSTON. Will the Senator yield?

Mr. WALLOP. The Senator should recognize the Senator from Wyoming has the floor and wants to answer one of the questions of the Senator before he gets into the second one.

When that idea came down last night, the Senator from Georgia approved of it. But it did not materialize this morning, did it? This is the crowd whose solution to our strategic problems is to cap MX and not to propose anything, and then say it is all the White House's fault. If this amendment passes and as a consequence the White House calls MX dead, it is dead because the White House killed it. But what other conclusion can any reasonable person reach? Every time there is a concrete proposal to build MX or any strategic weapon, they oppose it. Now they embrace Midgetman.

Perhaps 1,000 of them. But 1,000 of them amounts to only 100 MX's. We have to build twice that number. Are they willing now to commit to paying the cost including a guidance system that is a large percentage of the cost of the MX missile being attached to each one of these 1,000? Have they committed to putting it somewhere?

Oh, no, this is an abstraction—embraceable now because its reality is tomorrow. Right now our purpose is to kill MX, and support of Midgetman in principle is necessary because we have to be able to be shown to be prodefense as we kill MX.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. McCLURE. The Senator will yield for a question without losing his right to the floor.

Mr. JOHNSTON. I apologize for asking these questions, but it is the only way I can make a point. My friends on the other side of the aisle are doing a tag team this morning, passing the floor around, but I do appreciate the Senator yielding for a question.

Mr. WALLOP. It was a similar sense for this side yesterday.

Mr. JOHNSTON. Well, in any event, let me just say the MX has not always been in a situation where it has been opposed on this side of the aisle. Indeed, the Senator from Louisiana—and I think probably the majority of us on this side of the aisle—did support the MX when it had a specific deployment mode; that is, the race track. While it was expensive, while there may have been some EPA objection to some aspects, the MX was not always opposed just because it did not have a specific deployment mode. When there was a specific mode, MX was supported. Now, to me——

Mr. WALLOP. There was at that time no procurement money involved, and that is the abstraction of which I speak.

Mr. JOHNSTON. But I believe the Senator is wrong when he says that it is just because of the deployment money that we oppose MX. The deployment mode, the so-called window of vulnerability, is not simply a detail. It goes to the very essence of that missile.

Mr. WALLOP. It does, and there is not one proposal emanating from that side as to what to do about it except cap it.

Mr. JOHNSTON. I think we should not do it at all. I think 40 missiles is a great mistake. I think this is an obsolete missile without a deployment mode.

Mr. WALLOP. Well, but then we come to SDI. Everybody is for that because it is tomorrow. My criticism of the SDI office and the administration is that they have turned SDI into a means for pushing off decisions onto some other President and some other Congress when there are sound defensive things we can do now. Sometimes I'm asked, "Well, how do you know

that?" I know it because we could do ballistic missile defense in 1969. We knew how to do it then. That is why the Soviets demanded an ABM treaty. Subsequently, we decided not to protect Washington and our missile field. Moreover, to show our good faith, we dismantled the air defenses of the country.

Mr. BOREN. Will the Senator yield?

Mr. WALLOP. I would be happy to yield for a question.

Mr. GRAMM. Mr. President, reclaiming my time——

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. GRAMM. Parliamentary inquiry, Mr. President. I yielded to the Senator. The Senator asked unanimous consent that my recognition, a recognition that I still held, not count against a future recognition, but I did not yield the floor.

The PRESIDING OFFICER. The Senator is correct. The Senator from Texas.

Mr. GRAMM. Reclaiming my time, Mr. President, I yielded to the gentleman to speak. I am eager to have the opportunity to burst forth with enlightening argument to melt the hearts of the opposition. I will be happy to yield to our Democratic colleagues when I have an opportunity to speak myself. But I would like to insist that the gentleman from Wyoming complete his statement so that I might have the opportunity, since I am in control of the time, to speak.

Mr. BOREN. Will the Senator yield?

Mr. WALLOP. I thank the Senator from Texas.

Mr. JOHNSTON. Point of order, Mr. President.

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. JOHNSTON. Point of order, Mr. President.

Mr. WALLOP. I would say to my colleagues I have heard the reflection of my colleague who has the floor. I had in fact—and I am sorry—thought that he had yielded to me and that that situation was in fact different than it is. But since the Chair has ruled that it is the way the Senator from Texas has stated it, I have no choice but to abide by his wishes.

So let me go on and say that should the Nunn amendment pass——

Mr. JOHNSTON. Point of order, Mr. President. Can the Senator state his point of order?

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. JOHNSTON. If the Chair will check the Record, there was no unanimous-consent to allow the sequential recognition of the two Senators. There was, rather, a yielding of the floor by the Senator from Texas to the Senator from Wyoming, whereupon the Senator from Wyoming asked for unanimous consent that it not be counted as two recognitions in the same morning. Am I not correct?

The PRESIDING OFFICER. The Senator from Louisiana is correct.

Mr. JOHNSTON. I thank the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. WALLOP. The Senator from Wyoming has hit the floor three different ways in 2 minutes. The Senator thanks the Chair.

Let me suggest to the Senate—I will not be much longer—that if this amendment passes, Senator Nunn and Senator Hart will have undone really and truly the only praiseworthy thing President Carter ever did in the field of defense, and that is Presidential Directive 59. For those who do not recall what that is, it reoriented our nuclear targeting away from Soviet civilians and toward Soviet missile silos, away from deterrence through the threat, the immoral threat of senseless destruction upon civilian population, and toward a sensible effort to protect ourselves by targeting our missiles against their missile silos. But PD-59 required, as Secretary Harold Brown said at that time, "At least two counterforce warheads on each Soviet silo." That required the MX missile. But with only 40, that approach to targeting will now be impossible. It is in fact impossible with 100 MX's. So what happens without substantial numbers of counterforce warheads?

The only logical irrationality is to go back to targeting civilians. Our current missiles can't break their silos. Our intelligence can't find their mobile missiles. So what are we going to shoot at? Instead of war machines fighting war machines, our deterrent is now going to be the annihilation of civilian populations. Is that what that side of the aisle wants? Is that what opponents of MX want? That is what is at issue here—not dollars but an approach to strategy—shall we do counterforce, or MAD? There really is something terribly wrong because our argument waxes around 21 missiles, 40 missiles—numbers. Nobody talks about what they are supposed to do, what they can do.

What happens to our strategic thinking when we are deprived of counterforce weapons? Just because Congress can abstract the question away does not mean that our military planners can. They have to make the best out of what we have done, as difficult as that may be.

So, in fact, while the other side fancies a pro-defense, yet humanitarian, image, their disregard for America's counterforce needs, has achieved less defense and a turn back toward slaughtering innocents. It is not credible to claim that you fought for MX but to say that you are against every basing mode. That will not do it. It is disingenuous. Yours are transparent excuses for flowing to unilateral disarmament, which appears to be becoming the mainstream concept of the opposition party.

What about the rest of the actions in the U.S. Congress? What are we doing? Among other things, we appear to have kept the B-1 at 100. We may be going to cap the MX at 40.

The well-advertised Stealth bomber will not come along until the 1990's, and at that time, new votes will be required by Members beguiled by even newer promises for tomorrow.

However, the bottom line, Americans, is this: We are cutting, we are cutting, we are cutting the defenses of the American people, and are building nothing. I wonder if that is what the American people are telling us at home. I wonder if that, in fact, is what they are being told at home by those who cut this.

No. The antidefense Senators claim heroically, "I am not for $700 toilet seats." Heck, neither am I. I am for things that can kill the missiles that can kill Americans. I am for defending our country. I am for protecting our people. Why aren't you? Why does the other side duck that argument? Why is it that the strategic argument seems irrelevant to them? Dollars the Senator from Louisiana talks. Vulnerability the Senator from Georgia talks. But neither proposes what to do for the protection of Americans.

Now we see them in the process of covering themselves with a kind of glory that they have taken upon themselves on the MX by turning the SDI into a research program that lasts beyond this century.

The problem is that there are real missiles facing us. The SS-18, which is the MX's counterpart, was ready 10 years ahead of MX, largely because of the way we do business in Congress, and that is dealing in abstractions and refusing to come to grips with the business before us on any given day.

These Soviet rocket forces are real. Their ability to carry out disarming strikes is increasing faster than our ability to keep track of them. Because their missile force is now shifting to mobile deployment and because we have no idea how many missiles they turn out, we fool ourselves when we talk as if we knew the dimension of the threat we face.

We know that they have now at least 6,000 counterforce warheads, and this amendment limits us to 400. So let us say to our constituents: "We are going to give you 400 to protect Americans against 6,000 Soviet counterforce warheads. Please thank us. Please tell us how courageous that act was; and I am sure you feel safer."

Mr. SYMMS. Mr. President, will the Senator yield for a question?

Mr. WALLOP. I yield.

Mr. SYMMS. I thank the Senator for yielding.

I compliment the Senator for his insight and the obvious hours he has spent in mastering this very important subject. This Senator had the opportunity to spend 8 years in the other body before coming to the Senate, and I have been here about 4½ years.

The question I ask my colleagues is this: Can he ever remember, in his time in Congress—and I believe the Senator from Wyoming came to Congress 2 years after I did—can the Senator ever remember a time since we have been in Congress when national security issues have been so politicized for partisan reasons like this? I might say that they have been politicized by the minority in the Senate, so that we have practically every person on the other side of the aisle voting to kill major weapons systems—not all of them but most of them—that are essential to the security of this country.

I find that very much a concern to me. I do not like to see this partisanship on national security issues like this. We are all Americans, and while we can do something for our party, we have to do something for our country, and that goes for Democrats and Republicans. But I do not believe we can do the Nation's business in this Chamber and have allowed the partisanization of these issues, which are so vital, which deal with the very survival of the free world—not just us, but the entire free world—if we are going to allow partisanship to intervene in the judgment of the distinguished Senators in this body.

I ask the Senator from Wyoming if he can remember an issue such as this ever being so blatantly partisan.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. WALLOP. I should like to answer the question. I do not intend to hold the floor much longer.

The answer is "No." The opportunity still is there for it not to be partisan. I do not have hope, from what I see, that that opportunity is going to be seized.

If we pass this amendment, we will be doing nothing except saying no. But instead of a definite no to MX with a possible yes to an SDI in the 21st century, we need a no, if that is the will of the Senate, to one formal MX basing, with a definite yes on an alternative proposal for MX basing and a real commitment to building strategic defensive weapons now. That opening is there. I see no signs that it is going to be seized, in which case we drop, sadly, into the realm of partisanship.

The Senator from Oklahoma had asked me to yield for a question.

Mr. BOREN. I thank the Senator from Wyoming.

In listening to the comments about partisanship, I am deeply disturbed. The Senator from Idaho and I share the concern about partisanship. I have to say, in all candor, that I see this partisanship on both sides.

The Senator from Wyoming knows that I joined him and the Senator from California and others in urging that we go forward at higher levels on the SDI than even reported by the Armed Services Committee.

In the discussion of the MX, I say to my colleague from Wyoming, some of us have grave misgivings about the MX with its basing mode. I am very concerned about that. Also, it has been pointed out that we have only so many dollars. I do not want to see us overcommit too much of our defense dollars to a system that I do not think is cost-effective. I would rather see us leave the door open, and that is why I support the Nunn amendment.

I happened to be one of the 10 Democrats who provided a margin of victory for the President when he appealed to us, on a bipartisan basis, the first day of the Geneva talks, when he had to come forward with a strong statement. On the Central American question and others, I have tried to support the President, the Commander in Chief, but I do so within the bounds of my own misgivings about the cost-effectiveness of the MX.

A lot has been said about the Senator from Georgia. I say to the Senator from Wyoming that I do not believe there would be one MX missile, not one, being produced or deployed right now, had it not been for the bipartisan attitude in the past of the Senator from Georgia. We would not have one, not one.

Mr. WALLOP. I point out to the Senator that we do not; and that if this amendment is adopted, I do not think we will have one.

Mr. BOREN. I do not understand the reasoning of the Senator from Wyoming on that, because this amendment does not call for a closing of the production line.

Mr. WALLOP. It does not, but I tell my friend that by capping deployment it makes production irrelevant, and it raises the cost of each unit produced. If the Senator is making the assertion I think he is making about the cost-effectiveness of it, he has added to the problems, not diminished them.

Mr. BOREN. I say to my friend from Wyoming I think the important thing is that we send a message to the Pentagon because some of us time and time again, when we come back and support some of these programs with misgivings, have been saying you just cannot keep going to the well over and over again, playing the Geneva chord, on things we do not believe in.

The Senator from Wyoming and I are in agreement on the SDI.

Let me make this point. I hope the Senator from Wyoming is not saying everyone on this side of the aisle is not for weapons systems, because I know the negotiations are still going forward with the Senator from Georgia. I hope we would not poison the atmosphere out here on the floor of the Senate by saying that everyone on this side of the aisle is not for weapons systems.

I fully supported SDI. As I say, I think we would have ended the MX missile 2 or 3 years ago, had it not been for people like the Senator from Georgia whose credentials I find on defense matters are as good as anyone in the Senate.

I do not see any purpose served on partisan attacks on the Senator from Georgia and others when he has in good faith been talking with the President of the United States and others.

I think the most important thing for us and I ask my colleague from Wyoming——

Mr. WALLOP. I left that door open, and I just did. Instead of a definite no on something concrete with a possible yes on an abstraction, let us come to agreement as to what things we can build now.

That is why my argument with the Senator from Georgia has not been wasted. The point is to counter weapon systems arrayed against the American people, everything else is eyewash. But this amendment does not give us anything. We can toss out, in this Senator's opinion, the little plum called "it does not block us from doing Midgetman," because, in the spirit of this amendment we will not build Midgetman. Midgetman is more expensive. If you are having a hard time deploying MX in a State like Wyoming, which is reasonably agreeable to it, Will you face the difficulty of spreading Midgetman around the country. No one is proposing we defend MX, though it is vulnerable, and we can defend it. Will you defend Midgetman? If you do not build antimissile weapons today, why should anyone believe you would build them tomorrow?

Mr. BOREN. I say to my colleague I do understand my colleague to say, because I think it is so important in the terms of the way we present ourselves to the rest of the world, we could come to a bipartisan concession on one that can survive, if we do not do something adverse tomorrow. That is why I hope he will join me in saying, even as important a decision on weapons system, getting a bipartisan consensus not only today and tomorrow but to include the SDI and other things. We can, regardless of what party is in the White House, present a common front to the rest of the world for the next decade or so.

Mr. WALLOP. I say to my friend I have the greatest respect for him, as the Senator knows. I hold him in high affection.

But I have seen time and again, bipartisan consensus for doing nothing. The difficult job is to achieve a bipartisan consensus for accomplishing

something. This amendment seeks a bipartisan consensus for doing nothing.

I am suggesting that if we want to do something for the American people as bipartisan soldiers in behalf of their interest on the floor of the Senate, that we do not stop it with a cap, but rather that we propose an alternative, seek that consensus, get someplace in a line where we will say yes we are going to fill it in. I appreciate what Senator BOREN did on MX early this year and I know the President did. The Senator spoke on MX before the people went to Geneva. But Geneva is not over. Geneva has not started. They sat there for 6 weeks and got nowhere.

More important, Geneva is not the problem. The defense of the American people is the problem.

Yes, I fought the President and even more the Scowcroft commission for commissioning and writing an idiotic report on the strategic predicament of the United States which treated weapons primarily as bargaining chips. Oh, what a dumb thing that is. Weapons are either useful for protecting one's people, or they are useless.

Mr. BENTSEN. Mr. President, will the Senator yield for a question?

Mr. WALLOP. I yield.

Mr. BENTSEN. Mr. President, I share with my friend from Oklahoma the deep concern about some of the statements made about bipartisanship. I do not think the Senator from Texas can be called a dove when it comes to the military defenses of this country. I think I voted every time for the MX. Last night I voted for development and production of binary chemicals. I voted for Central America.

That has been bipartisanship, nonpartisanship, trying to do what I thought was right for the defenses of our country.

Now it seems all of a sudden that if I think in my best judgment that this particular missile system should have a cap on it, then I am partisan. I do not buy that.

There is an honest difference in opinion here as to what should be done.

Where did the number 40 come from? That was not a number that was just grabbed out of the air.

What was the number that President Reagan suggested in 1981 when he proposed 40? I am asking the Senator that.

Mr. WALLOP. Mr. President, who has the floor?

Mr. BENTSEN. I am asking the question. Where did that come from? Was not that the number that in 1981 the President said we should place in silos until we found an acceptable mode for basing?

Mr. WALLOP. Mr. President, I would answer him by saying yes, if we are going to put our faith on a report that is 3 years old. Yes, I agree with the Senator. It was not picked out of the sky; it was picked out of the past.

This number 40 will not fill a missile wing today.

That was an interim concept while they were thinking out what was the best command and control capability. It turned out to be 50. The goal is still 100. I point out again that the Senator from Georgia last night said, and the Senator from Colorado and the Senator from Florida embraced that, what we need is 200.

So propose them. That is what I am saying. I am not accusing the Senator from Texas of being a partisan in defense matters, but this has become a partisan symbol. The arguments have been revolving around symbolism, not strategic needs.

If I cannot persuade the Senator to my side on the basis of strategic need, of course the Senator should vote for the cap. But the debate waged here on the floor has not been about strategic needs. I have been trying to turn it in that direction and no one has countered the argument for 200 MX's on the basis of strategic need. They have countered with reference to everything except what we need these weapons to actually do. So I am saying to my deep regret that I see partisanship and the symbol of it and beg this Senate, Democrats and Republicans, those for it and against the amendment, to be sensible, and talk about what this weapon can do. If the weapon's vulnerability worries the Senator, and it worries me, propose a way of dealing with the vulnerability. Do not just use vulnerability as an excuse for stopping it, because the weapon is needed in order to prevent Soviet warheads from landing on our soil. Instead the argument has been out of Alice in Wonderland. Today the MX is the only thing we have that can shoot at things that shoot at the American people, it is the only thing that can do this mission, and we are talking about ending it.

That is my regret.

I know the Senator from Texas is no dove. I have joined with him in a number of things and worked with him in the Intelligence Committee, and I know that.

But to my great regret this thing has achieved a symbolic element that has nothing to do with this country's need.

Mr. BENTSEN. I say to my friend my concern is whatever weapons system we are talking about for all that period of time that the disarmament talks go on, and I would assume it is going to be a long time, that we will find ourselves locked in regardless of changes in the threats, in the technology, and that the argument once again will be to see any change as cutting the ground right from under our negotiators. I do not think we should be in that position.

Mr. WALLOP. The Senator from Texas would be aware that this Senator has never made or bought off on that argument. My argument is the strategic capability of it. It is the only thing that we have that makes PD 59 even remotely sensible.

Once we stop MX we will not have a hard target capability. The targeting priorities of MAD will have to return, that is, the holding of the civilian population hostage to the daydreams of leaders whose decisions we cannot affect.

Mr. President, I yield the floor.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER (Mr. ARMSTRONG). The Senator from Maryland is recognized.

Mr. MATHIAS. Mr. President, I have supported the production and the deployment of MX. At this point, I believe a limited array of MX missiles is necessary to address the Soviet hard-target capability that the United States does not presently possess. And it seems to me that, in the current situation, the 40 MX missiles under discussion will give us that capability. Therefore, I hope the Senate will adopt today the amendment offered by the distinguished Senator from Georgia.

In that connection, let me read from an Air Force report, dated February 8, 1982, entitled "MX Development and Deployment Plan." I would remind the Senate that this is a document which originated in the Air Force. It reads as follows:

> The initial deployment of 40 MX in existing silos will be sufficient to hold the most threatening Soviet silo sanctuaries at risk; however, it is not sufficient to pose the destabilizing threat of a disarming first strike. With 10 highly accurate warheads each, the 40 operational MX missiles will counterbalance 308 Soviet SS-18's and threaten a few "superhard" control centers. However, neither MX by itself nor MX combined with the 900 Minuteman III MK 12A warheads can deliver a crippling blow to the total of approximately 1,400 Soviet silos.

It seems to me that that assessment by the Air Force lends great credibility to the amendment proposed by the Senator from Georgia.

Beyond that, however, I want to raise the question of where we as a nation go from here. I want to raise the question of the national strategy that is involved and underlies the proposal advanced by the Senate Committee on Armed Services as well as by the proposal embodied in the amendment of the Senator from Georgia.

That which passes for national strategy today was formulated by the President's Commission on Strategic Forces, chaired by Gen. Brent Scowcroft.

As far as I can determine, the Scowcroft Commission provides the foundation for American strategic weapons modernization. The Commission's underlying philosophy is to create a standoff in heavy weapons, which will ultimately lead both the United States and the Soviet Union to place primary dependence on single-warhead, mobile ICBM's, the so-called Midgetman. That is the strategy which we have been executing for the last several years.

But, Mr. President, I detect that something is happening. Attitudes toward the Scowcroft Commission report are changing. And as attitudes toward the Scowcroft report change, there occurs a mutation in our strategy. We ought to consider what that means for the country and for the future.

I think it is unwise, even dangerous, to implement a strategy that we may be in the very act of abandoning. We, at least, ought to find out whether we are going to stick with the Commission's recommendations or whether we are going to change them.

Now, one straw in the wind is the emphasis currently being placed on the strategic defense initiative [SDI]. As I see it, at least, the kind of emphasis that has been placed on SDI is in hopeless philosophical conflict with the Scowcroft report. I can envision a mix of defensive and offensive systems which would be compatible, but at the moment we are supposedly implementing the Scowcroft Commission recommendations, which look to the abandonment of heavy missiles, with a final transition to single warhead mobile missiles of smaller size. Star wars, by its very nature, will encourage the further production and deployment of heavy MIRV'd missiles.

So I see a philosophical conflict between these two programs and I do not believe that both can stand in the context in which they are presently discussed, in which they are presently being considered by the Defense Department.

Another straw in the wind is the mounting campaign that I detect to discredit the Midgetman. We have heard some of it on the floor today. There were raised questions of cost. There have been environmental questions raised, just as there were when it was proposed to put MX on the racetrack basing mode. Many, many questions are being raised, in very influential quarters, about whether Midgetman will ever become a reality.

Without trying to get into that debate today, because that goes far beyond the scope of this amendment, I merely make the point that we seem to be in midstream in terms of national security strategy. We need a national strategy. We need a strategy on strategic weapons. We need to consider now where we want to be 10 years from now, and we ought to work toward that goal. I thought we had one. I thought the Scowcroft Commission report was in fact the strategy. But I detect that there is some change underway.

I think the time has come that we have to review where we are, to reconsider and to recast our thinking. And while we do, it seems to me the 40-missile cap on MX missiles makes sense. It is adequate enough to deter without being excessive. It is modest enough not to exacerbate the tensions that already are very high in the world.

For those reasons, Mr. President, I will support the amendment of the Senator from Georgia.

Mr. GOLDWATER. Mr. President, I received two letters that I would like to read into the RECORD because they are applicable to the subject we are debating. First is a message to me from the Chairman of the Joint Chiefs of Staff, who happens to be in London.

DEAR MR. CHAIRMAN: As the Senate deals with difficult MX missile issue, I would like to draw your attention to one fact. That fact is, that in every JCS analysis of the military requirement for the modernized ICBM, the need is for at least 100 MX missiles.

I recognize that the Congress in adjusting the FY 86 military budget may not be able to find a way to authorize the 48 missiles in the original President's budget. Whatever decision is made, I strongly urge that the Congress set in motion the necessary provision for completing the program for 100 missiles.

All the justification for deploying the MX remains in effect. The only thing that has changed since the bipartisan Scowcroft Commission confirmed the need for 100 MX missiles is that the Soviets have added to their force. The tests of the MX are going extremely well. Until the program was stretched out, costs were within predicted costs. If we cut the program we will certainly please the Soviets more than anyone else.

One hundred MX missiles make an important contribution to deterrence and again I urge completing the program.

Very respectfully,

JACK VESSEY.

Dictated by General Vessey, from London, England, 1100 EDT 23 May 1985. Verified by: BG George A. Joulwan, USA, Executive Assistant to the Chairman, JCS.

Mr. GOLDWATER. Mr. President, here is another letter on the same subject. It is from the Acting Chairman of the Joint Chiefs of Staff.

JOINT CHIEFS OF STAFF,
Washington, DC, May 23, 1985.

Hon. BARRY GOLDWATER,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In view of the ongoing debate in the Congress on MX missile force levels, the Joint Chiefs of Staff thought that you should have their views on the military necessity for the MX missile. We are well aware and appreciate your extensive knowledge of and support for a strong defense posture for the United States. However, we believe that it is necessary to restress the essentiality of 100 deployed MX missiles to our national security.

Throughout the decades of the 1970s and '80s, the Soviets have continued to modernize and expand their strategic nuclear forces far in excess of their legitimate defensive needs. These deployments have upset the nuclear balance necessary for global stability. If we as a nation are to ensure the continued effectiveness of the Triad and to restore stability, we need a military capability that makes the Soviets' assessments of war outcomes under any circumstances so uncertain and so dangerous as to remove any incentive for them to initiate an attack. We are convinced that the highly accurate Peacekeeper is a necessary element of this capability.

The Joint Chiefs of Staff have studied the contribution of the MX to our national defense in great detail. That analysis includes an evaluation of our forces against those of the Soviets. We use a variety of analytical tools, including force-on-force dynamic analysis. Every evaluation that we make shows that the MX holds at risk those things that the Soviets value the highest—their hardened command facilities and their large reserve of ICBM weapons. Today, US capability to accomplish this task is marginal. Deployment of the MX missile is that portion of the President's Strategic Modernization Program which provides the near-term correction to this disparity and enhances deterrence and national security.

The Joint Chiefs of Staff urge continued support for the President's Strategic Modernization Program. We reconfirm the requirement for 100 MX missiles.

Sincerely,

P.X. KELLEY,
Acting Chairman, Joint Chiefs of Staff.

Mr. GOLDWATER. Mr. President, I might say to the staff of the minority leader that I had heard through no official channel that there is a possibility that the minority leader may have some business other than the business of this debate which he would like to discuss. Is that correct?

You are not aware of it.

Mr. WARNER. Mr. President, will the Senator yield for a moment for a colloquy?

Mr. GOLDWATER. I am happy to yield.

BOMBER STUDY

Mr. NUNN. Will the Senator from Virginia join me in a short colloquy on the subject of the bomber study directed in the Senate Armed Services Committee report 99-41 that accompanied S. 1029.

Mr. WARNER. I would be happy to join my distinguished colleague.

Mr. NUNN. Would the Senator share with me, and with our colleagues, the principal motivation for such a study? Is it to call into question the two bomber force approach to strategic modernization?

Mr. WARNER. Let me assure my colleagues that the Committee on Armed Services strongly supports the two bomber program: First, a force of exactly 100 B-1B bombers; and second, the Advanced Technology Bomber (ATB) or Stealth.

In addition, the committee has supported and continues to support full funding for other aspects of the bomber modernization program, including cruise missiles and the means

to integrate them into the bomber force.

The study referred to by my friend from Georgia was motivated primarily by the desire to strengthen the rationale for the second phase of the two bomber program as the Congress approaches the time when it must make budgetary decisions of considerable import regarding this program. To date, the information available about the "ATB" and how its particular capabilities will satisfy operational requirements in the context of both the bomber force and the overall triad, needs to be updated. We are agreed on the outlines of the two-bomber program, but exactly how all the elements will work together needs further clarification. In view of the budget realities that will be facing us in the years ahead, I thought it essential that we have a more thorough understanding of the ATB program and its relationship to other elements of the bomber modernization program before we make next year's commitments.

Let me repeat that the call for the study in no way calls into question the current approach. In particular, it represents no lessening of the committee's support of the advanced technology bomber. In my view, it is a confirmation of that support. That is to say, the study should allow the sharpening of arguments in favor of the ATB program that will be necessary to sustain support through the remainder of the R&D program and into production.

Mr. NUNN. This Senator recalls that the bomber study conducted in 1981 was in the nature of an evaluation of alternative bombers—variations of the B-1, the FB-111, and advanced technology candidates. Is that the recollection of the Senator from Virginia, and what is his view with regard to the relationship of this new study with the previous one?

Mr. WARNER. The Senator from Georgia is correct. The previous study did evaluate alternative bomber forces—B-1's versus ATB's—because at the time, that was the issue at hand. Now however, we do not need to evaluate alternative options, since what we want is a clear-cut evaluation of the context for moving from phase one to phase two of bomber modernization. As such, I don't believe that the previous study provides an appropriate point of departure for the new study. Rather, I believe the point of departure of this new study should be our current and anticipated deterrence objectives and how the two-bomber force will contribute to these objectives in the context of the total triad of strategic forces. This total force context should take as its new baseline the changes that have occurred since 1981, and those that are planned, such as the completion of the B-1 program, changes to the other two legs of the triad, and changes to the cruise missile force, including especially the deployment of the Advanced Cruise Missile and the plan for a SRAM replacement missile.

Mr. NUNN. Of particular concern to the Members on this side is whether the study reopens the issue of more than 100 B-1B's. The language in the committee report and in the bill are reassuring in this regard, but I would like to hear from my colleague on this very sensitive issue.

Mr. WARNER. In all the testimony received this year, I am not aware of a single instance where either Senators or witnesses gave any support to the notion of procuring more than 100 B-1B's. This study is not a vehicle to reopen that option. I would expect that in the process of evaluating the two bomber program, sensitivities to the performance of electronic countermeasures versus the performance of very low radar cross-section would be evaluated explicitly, as would the cost and effectiveness of the Advanced Technology Bomber.

Mr. NUNN. I thank the Senator for his very helpful responses to my questions. I find myself in complete agreement with the Senator on the purpose of this study. I think it is important for the reasons indicated by my colleague, and I would like to associate myself with his remarks.

Mr. WARNER. I thank the Senator. This is not a partisan issue, and I look forward to working with Senator NUNN and the ranking member on the Strategic and Theater Nuclear Forces Subcommittee, Senator HART, on this very important aspect of the strategic modernization program.

Mr. COHEN. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. COHEN. Mr. President, I listened with great interest last evening, and also this morning, and I thought it was important to have that debate. But the longer that I listened last evening, the more I came to the conclusion that many of the great issues that come before this Chamber are not so much issues between right and wrong as between right and right. I think Senator HART, for example, is right when he says that the support for the MX was destroyed in 1980 when candidate Ronald Reagan made a decision as a candidate to oppose the mobility plans for the MX. I have no doubt in my mind that this, in fact, occurred.

Senator WALLOP is also correct in his assessment that what we are doing today is undercutting the President's negotiating ability and posture in Geneva. In essence, the Senator from Georgia is telling John Tower, "Here, take the sow's ear and tell Victor Karpov it is a silk purse." Senator NUNN is saying that it all depends on how you present it. I do not think Victor Karpov is going to be particularly impressed with this argument. But I would like to review, if I can, for a few moments at least, my assessment of how we got here at this particular time, how we arrived at a position where the Armed Services Committee has recommended no more than 21 missiles for the next fiscal year with no more than 50 missiles deployed, and Senator NUNN now recommends production this year of 12 missiles and a deployment cap at 40.

Mr. President, back in 1972, we had the SALT I Interim Agreement. That agreement was designed in part, to put a ban on additional heavy missiles. We wanted no more heavy missiles. They had 308. We said that is 308 too many, no more. Even as the ink was drying on the SALT I agreement, the Soviets then announced their plans to deploy the SS-19, a so-called light-heavy missile, but with twice as many warheads as our own Minuteman systems.

Our intelligence community told us that the Soviets were not only increasing their numbers of MIRV'd systems, but they were also improving their accuracy as well. And they soon would have the ability to overwhelm our land-based forces in a preemptive strike, leaving us to rely on inaccurate submarine-launched ballistic missiles or slow-flying B-52's that would have difficulty in penetrating the Soviet Union's airspace.

So the MX was born. It had to be big enough to carry at least 10 warheads because we made the mistake in SALT I, and indeed in SALT II, of counting launchers instead of warheads. So we were going to build a MIRV'd missile because we were counting launchers, and, second, we were trying to emulate the Soviet Union. If they had 10 warheads, ergo, our MX should have 10 warheads. And it had to be mobile so the Soviets could not target it with certainty because under the strange calculations of strategic analysis, some incalculability is a key factor in preserving stability. If the Soviets do not know where our retaliatory weapons are or what we are going to do, then they will be less tempted to fire in the first place. So deterrence and safety is secured, ironically, not by what is known but, by what is not known. So we began our plans for MX under these circumstances.

The problem was we tried to shape our strategic systems to conform to the SALT process rather than shaping the SALT process to conform to our strategic systems. And the trouble began, in my judgment, when the Air Force announced back in, as I recall the fall of 1978 that they had come up with the most cost-effective mobile system they could for the MX. It is called MPS. It was cost-effective and it was verifiable.

Unfortunately, the Soviets disagreed. They raised objections publicly as well as privately that the MPS system was going to be in violation of the SALT II treaty that was then under negotiation.

President Carter then began his search for some kind of alternative to the MPS that would satisfy the provisions of SALT II. It went through a series of configurations, from the so-called buried trench concept to the racetrack with a zipper roof—open it up so the Soviets could look in with their satellites to determine where the missiles were at any given time—and finally it evolved into the racetrack basing mode proposed by President Carter.

I must say that I was truly surprised in listening to the debate, especially last evening, when Members on that side of the aisle rose to their feet and embraced the old racetrack theory.

I would hope before this day is out that we might have an opportunity to vote to bring back the 200 MX missiles in a racetrack mode and settle it once and for all as to whether there is a consensus to have an MX in a basing mode that makes some sense. I think that would be a profitable vote to have at some point during the day.

But unfortunately, I think we are much like Miniver Cheevy, children of scorn, always looking back over our shoulders into a past that was never quite as golden as we dream it was.

I go back to the racetrack days. How many were raising objections at that time? The fact was the Western States strongly objected to the racetrack system. They said what? They said it was too much land, too much water for the construction of the system, too much money, too much political heat, all of which combined during the 1980 Presidential campaign, during which candidate Ronald Reagan declared his flat opposition to the racetrack system.

Well, what now? We now had a missile program under way. We did not have a basing mode. What are we going to do with this thing? If we are not going to run it around a racetrack, what do we do with it? We have to put it somewhere. How about fixed silos?

Many of us, myself included, said, "Fixed silos? What about the window of vulnerability?"

I have not heard anyone in the past 2 days mention the window of vulnerability.

We were then told the window of vulnerability was a bit overstated. We were sorry, it was really not as wide open as we thought, and we overstated the case and blew it out of proportion.

The window may exist in theory, they said, but not in fact.

Why was that? Because our military leaders came back to us and said the Soviets have not yet devised a system whereby they can target our land-based systems and our sea-based systems simultaneously. Therefore, the window of vulnerability does not in fact exist at this time.

So all of the decade of arguments going back to SALT I about the need to have mobility because of the improving targeting capabilities were, to a large extent, wiped away. I must say it left many of us very uncomfortable, dissatisfied, discontented, somewhat perplexed as to how there could be such a sudden reversal or reappraisal on the part of our military leadership to say that we no longer have to deal with MX mobility under the circumstances, that the Soviets have not devised a system which can destroy our submarines, and ICBM's at the same time.

Then the argument went that they are hardening more and more of their missile silos and their command and control centers and, therefore, we have to deploy a greater hard target kill capability which only the MX can give us in the near term. So we have to deploy the MX on an interim basis in fixed, hardened silos.

Again, some of us raised questions about hardening. Where is the evidence that we could harden silos to withstand a direct hit by the SS–18 or SS–19 warheads? Our own military publications said there was no known technology that could in fact produce such a survivable result.

We raised the question: If they cannot be hardened, have we not in fact lowered the nuclear threshold by placing a more destructive, more threatening missile in a more tempting and vulnerable basing mode?

If prompt hard target kill capability is the most potent weapon that either superpower can have, then it seems to follow that if the Soviets launch a preemptive strike through madness or miscalculation and launch their 18's and 19's, would not the MX's be among their top priority?

Yes was the answer but they cannot get all of them. We might have a 10- or 15-percent survival factor. Besides, the Soviets can never be certain that our missiles will be there when their warheads arrive because we might launch under warning or under attack.

That, of course, is precisely the problem we are confronted with in this Chamber and have been ever since 1980.

Some have said the temptation would be too great for our military leaders to avoid, and the fear is that the Joint Chiefs, those in charge, would say: "Mr. President, we simply cannot afford to ride out a first strike. We cannot afford to lose our land-based missiles. We better get our birds in the air."

Well, I assume the same conversation would probably take place over in Moscow with the same advice being given to Mr. Gorbachev.

That is one very possible scenario for Armageddon, and I think a very real one.

Each nation would be under pressure to use their strategic systems or to lose them. Each would be hostage to the message printed on their computer screens. Human judgments would be driven by the reliability of microchips. Human existence would be placed under the hair trigger of very sweaty palms.

That is not a partisan issue.

Senator HART, as I recall, filed a report with Senator GOLDWATER about the problems we have with our computer systems, problems, hopefully, that have been corrected. I am not sure, though, as one reads an article by Daniel Ford in the New Yorker magazine recently about the threat that is posed by our mechanical equipment.

So some of us objected. We insisted that the administration present Congress with a plan for the permanent basing mode and not a temporary one. The reason was we did not want to see a temporary basing mode slip into becoming a permanent basing mode.

The administration responded, and they unveiled dense pack. That is a theory which proved even more controversial. It appeared to be more ludicrous than the racetrack that had been ridiculed by President Reagan. Dense pack became dunce pack and became dead pack.

Then we had the Scowcroft Commission established. That Commission was established to try and form a bipartisan approach to building a consensus as the how we deal with a problem that we have created for ourselves.

The Commission concluded that we have been counting the wrong things in the SALT process. We have been giving an incentive to each other to put more and more warheads on fewer and fewer launchers. That is a very destabilizing and dangerous thing for us both to be doing.

The Scowcroft Commission recommended, among other things, that we go back to counting warheads; that we ought to have a cap, if you will, on the number of warheads that both sides have in their respective arsenals right now; that we ought to try and provide incentives to move away from these large land-based systems, MIRV'd systems, to more stabilizing systems, like a single warhead missile such as the Midgetman; that we should deploy 100 MX missiles in fixed silos as the only viable near-term solution, and as an expression of national will—that we have the political willpower to respond to an increasing Soviet military threat.

The 100 missile figure was arrived at, I think, with not too many particular military calculations. It was decided that 100 would be enough to show that we were serious about going forward with the system and 100 would not be enough to be tantamount to a first strike capability. That was the point of the Scowcroft report.

The threat behind that was we were only going for 100, but in the event you do not negotiate seriously to reduce weapons, then that line can still stay open, and it could be expanded to 200 in the future, 300, 400, whatever, ad infinitum into the next century. So we will have an incentive, at least, to reach some agreement in reducing these MIRV'd systems.

During this entire period of time, there was another movement taking place called the freeze movement. It started in Western Europe. It took root there but spread over here as well. A freeze movement that said there is a preception in our minds that the administration is not seriously engaged in the arms control process and we demand that there be no more missiles, no more warheads, no more modernization of any kind.

I think those people who were part of the freeze movement, especially in this country, are responsible, concerned, law-abiding citizens who were genuinely afraid of what was taking place. We were talking about firing shots across the bow; we had some talk about digging a hole and pouring dirt on top as a means of survival; we were talking about a limited nuclear war, and so forth. They became concerned, and I think justifiably so.

But even though I agreed with the genuineness of their concern, I did not agree with the validity of their solution. I did not believe and still do not believe that a freeze would be mutual as it applies to our allies or that it would be verifiable or that it would be wise to freeze into place B–52's or Poseidon submarines. That is another argument altogether, but that was a very real movement in this country and it still exists.

But a number of us, Senator NUNN and myself, and I believe there were 45 total Members in the Senate, supported a concept called build down, a mutual guaranteed build down. What it was designed to do was encourage both the Soviet Union and the United States to move away from the MX's and the SS–18's, and the SS–19's, or the SS-X–24's and move toward the single-warhead systems. We were not going to mandate anything to the Soviet Union or to our own military leadership. We were going to say you can move to these MIRV'd systems, but you pay a very heavy penalty. You have to take out at least twice as many warheads as you put in. That was a choice military leaders, I believe, were unwilling to make.

So we sought to modify this race toward putting more MIRV'd systems on the Soviet side and our own side with the builddown.

The administration finally agreed to include the builddown concept as part of the START negotiations. I must say it was a grudging agreement on the part of the administration—not the President, but his administration. But as a practical matter, they tried to deep-six it in Geneva at the first opportunity by offering it in a piecemeal fashion and not in a comprehensive one as we had agreed upon.

I might say in all candor, the timing for the United States to offer the builddown was probably all wrong, in any event, because the Soviets were determined to walk out over the INF negotiations and they could hardly admit we had offered a responsible proposal in the START negotiations, so they walked out on both of them.

President Reagan, in the meantime, has shifted the focus entirely away from strategic offensive systems, missiles, and bombers. Nobody today is talking about SS–18's or 19's, or SS-20's in Europe. That is not the debate taking place in Geneva. The debate taking place in Geneva is about what? It is about star wars. It is about SDI.

We have handed the Soviet Union a wonderful propaganda opportunity. They no longer have to deal with the kind of destabilizing activities that they have created with their SS–20's targeted at Europe. They are not even apologizing for the new MIRV'd systems they are putting into place now. They are simply trying to have a propaganda field day by separating the United States from its allies over SDI. So we sit in Geneva talking about their offensive threat, and they talk about our defensive one. Theirs is real, in the ground; ours is in the theory and on paper.

In the meantime, Congress is asked to appropriate dollars for a system it clearly does not like and supports by the thinnest of margins. Today, that margin has disappeared because some have never supported the missile, while others have never approved the basing mode.

The Armed Services Committee, as I mentioned before, has approved the production of 21 missiles for the next fiscal year and a deployment of no more than 50. As I indicated before, the Senator from Georgia wants only 12 and a total deployment of no more than 40 in fixed silos.

Ordinarily, this would be the basis for a reasonable compromise. We are talking a difference of 10 missiles. Yet this Chamber is about to split almost along party lines over those 10 missiles and over the words "cap" versus "pause." What could be more absurd than that this body would divide on a party-line basis over the difference between the words "cap" and "pause," over the difference between 50 and 40, over the difference between 12 and 21?

That is what has become so disconcerting to so many of us who have tried to put together something that would make some sense of essentially a bad proposal, and that is to put the MX missile in fixed silos. The administration has said that after it deploys the 50, it would pause. Take away the word "pause"; call it "reevaluation." The Senator from Georgia has said the cap is not permanent, but it is removable depending upon the circumstances. What are we disagreeing about?

The Senator from Georgia has said if the Soviets break out from the SALT II restrictions, if they increase the fractionation limit on the 18's and 19's and maybe the 24's, that would be a fact that conceivably would change his mind next year or the year thereafter. If the Soviets were to be in violation of other provisions, if they were to proceed even more aggressively on violating the ABM Treaty with a new radar station, that might be a factor. If they walked out on Geneva, if they are willing to negotiate, if they continue to proliferate MIRV'd systems, that might make a difference. So why are we in disagreement? Why are we hung up over the word "cap" versus "pause?"

Call it a reexamination at the end of next year to see where we are strategically, diplomatically, from a negotiating point of view. We should not let that difference, which ought to be resolved in a reasonable manner, split the Senate.

I am hoping, Mr. President, that a way will be found to remove the difference. I understand what the Senator from Georgia is saying. He is saying he wants to send a signal. By the same token, I hope he would appreciate that those of us on this side of the aisle do not want to send John Tower over to sit down across from Viktor Karpov after we have removed a portion of his bargaining ability. None of us is enthusiastic about going forward beyond the 50. In fact, it was my amendment that confined it to 50 in the committee and to cut it to 21. So I am not enthusiastic about going beyond the 50 at all.

By the same token, I do not want to see John Tower go over there and try to persuade Karpov that it really does not matter, we are only going to go to 40 or 50 and that is a great result for the United States.

Mr. President, I think we have the opportunity to remove our differences with a little bit of cooperation on both sides. But in the event that is not going to happen, I suspect what is going to take place will be a vote almost straight party lines over the difference between cap versus pause, between 12 versus 15 or 16 or 21 missiles. I think that is a tragic mistake for this body. I think it would be a tragic mistake to send John Tower back to Geneva under those circumstances. Frankly, he will have very little in the way of bargaining ability, in my judgment.

Mr. President, as I indicated previously, I believe Senator HART was correct in saying that support for the system started to deteriorate and break down when the decision was made as a political decision—make no mistake about it, it was a political decision—to terminate the racetrack because of political opposition. We happen to live in a political country. The politics of it were at that time the votes in the Western States were fundamentally opposed to the racetrack. And we let the political decision override the military necessity, in my judgment. That was our basic problem. All of us have been struggling ever since that time to deal with a different political problem.

The new political problem is the international political dilemma: What do we do in trying to negotiate with the Soviets while the Senate and the House are constantly cutting it down from 200 to 100 to 50, to 40, to whatever. It seems to me we have an opportunity, at least for this year, the next fiscal year, to make some sort of resolution on a bipartisan basis, say we are all in agreement what the number should be, call it 50, call it 45, call it 40.

We ought not to get hung up on that word "cap." We ought not to put a word like "cap" in there. Give John Tower some flexibility going over to sit down with Karpov that the Senate has not sealed in place an absolute maximum when in fact both Senator NUNN, on his side, and those of us on this side believes that circumstances might change that would warrant going beyond the 40 or the 50.

Mr. President, I yield the floor.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, to me this whole debate gets more curious and more curious. I do not, frankly, understand how so many smart people, indeed so many brilliant people, can be so basically misled by the whole MX debate. I have been around here a long time, and I remember when the MX was the answer to the window of vulnerability. That phrase, "window of vulnerability," reverberated around this country with thunderous effect. Like President Kennedy's missile gap, we suddenly discovered that this country was vulnerable, that our very strength, our very ability to reply to the Soviet Union was vulnerable through this period of time when the Soviet Union could target our strategic missiles. So we came up with the MX missile as the answer to the window of vulnerability. Yes, it did seem a little complex and awkward to have a racetrack out in Nevada and Utah, but it seemed to me that the country had come together in a political consensus in favor of that proposal. I was for it. I voted for it. President Jimmy Carter was for it and put it in his budget. There was a bipartisan consensus that that was what we had to do to answer this question of the window of vulnerability. And lo and behold, where do we find ourselves now? Even more vulnerable with the MX than with the Minuteman, because the MX missile is a more lucrative target with the same vulnerabilities as the Minuteman. And we meet ourselves coming back from that very same argument.

Now, Mr. President, for the life of me I cannot understand where the support for the MX is. I fault the Senator from Georgia not for being for too few but for being for too many. What good does the MX do, Mr. President? Does anybody think we do not have enough missiles now? We have over 9,000 warheads and 25,000 or 26,000 total nuclear missiles. The Pershing II's are not even included in our total of strategic warheads. So, we have about 25,000 or 26,000. Is there anyone in his wildest imagination who thinks that that is not enough? Of course, it is enough. The question is how many do you have for a second strike, for a reply strike? Do you have enough if they target you first? That is what the whole question is about. That is what the window of vulnerability was about. All missiles in a very simplistic sense in my view can be divided into first and second-strike missiles. To be sure, the strategic triad complicates that question a little more, but in simplistic terms you have first- and second-strike missiles. If we wanted to target our missiles on the Soviet Union simultaneously as first strike, we would put 9,000 warheads on the Soviet Union and blow that country from the face of the Earth and still have our tactical missiles, including Pershing II's, including air-launch cruise missiles, including the ground-launch cruise missiles, including thousands of other warheads. Of course, that is more than enough. Indeed, it seems to me we have more than enough missiles to do everything that a policymaker could want to do to reply to a Soviet first strike. The minimal figure that is used is that if the Soviets should strike us with a first strike, we would have at least 3,000 strategic warheads in our submarines, those that were not in port, those that were at sea, on call, on duty, to reply to the Soviet Union, 3,000 strategic warheads. That is assuming no Minuteman gets through. That is assuming you do not use Pershing II's or the air-launch cruise missiles.

It is a little difficult sometimes to think in terms of 3,000 strategic warheads, each of which has many times over the power of Hiroshima or Nagasaki, but the way that I understand it and the way it is made meaningful to me is to consider what that would mean if the Soviets had 3,000 targeted on us. Three thousand would be about 60 per State. My State of Louisiana is about the average size, so to think of 60 warheads in my State of Louisiana would mean you could put around New Orleans, being our biggest city, may be 10 warheads. You could have three for Canal Street. You could have New Orleans about 6 feet under water; the Gulf of Mexico would cover the southern part of our State. And you would still have another 50 or 60 to take out every other town in the State. You would have enough left over for some large farms. Not only would you be able to knock out all the cities but also the towns—everything would be blown off the face of the Earth in Louisiana. That is with 60 warheads.

Now, Mr. President, this is no fanciful thing. The figure of 3,000 warheads to get through to the Soviet Union is the figure that has been used in testimony before our Defense Appropriations Subcommittee as being the minimal amount, worst case, that can get through to the Soviet Union, that is, if they targeted us first.

Now, there are many who believe that 3,000 is not enough, and if it is enough then they are not accurate enough. I would tend to err on the side of safety, and that is why I am such a strong supporter of the D-5 missile and of building more Trident II submarines. I think we need to have enough money to be able to do that, so that we cannot only have 3,000 missiles but for each one of those new Trident submarines about 240 warheads per submarine. So, for those of us who think maybe 3,000 is not enough, I am willing—not only willing but ready, anxious and intend, to vote for more D-5 missiles and I intend to vote for the so-called Stealth bomber, because that will be able to get through with a much greater degree of assurance than the B-1 bomber, which is, of course, vulnerable to detection by Soviet radar.

So, I think we ought to increase beyond the minimal amount, the worst case, 3,000 missiles.

But, Mr. President, why anyone in his wildest imagination should think that we ought to put in more, what I would call first-strike missiles, vulnerable missiles—as if the 9,000-plus we have now of first-strike capability is not enough—why anyone could want more than that, I do not understand.

I know they are accurate. But so what? If they can be taken out on a first strike, what good does that accuracy do for the United States?

I can tell you what it does against us. It is destabilizing, because the

Soviet Union looks over at the MX missile and says:

> Boy, they have to use it or lose it. We had better target that first, and we had better get those MX missiles, 10 warheads apiece, take those out quickly, because the United States must have some idea of making a first strike against us. Otherwise, why would they have the MX missile?

I must say that I see a lot of logic in that. Why do we want the MX missile unless it is for a first strike? It "ain't" going to be there on a second strike. It will already have been targeted and taken out by the Soviet Union.

Mr. President, if we had plenty of money, we could say "Build everything." Whatever it is, "Build it." "If it is the MX, build it. If it is the B-1, build it. If it is the Stealth, build it. Whatever it is, let us build it. If it is the strategic transport, our answer to the Concorde, build that, too." But we know that we do not have enough money to do all the things we want to do in defense.

Just a few days ago, I voted for 3-percent real growth in defense because I confidently predict that, after both Houses of Congress go through this budget process and either vote no real growth or maybe no growth at all even for inflation, what you are going to end up with is that we will probably, in fact, pass a 3-percent real growth appropriations bill.

That is, as we come later on to try to fit defense within the ceiling of the budget resolution, we are going to find that defense does not fit, because you cannot do everything Congress is talking about within a no-real-growth budget. You cannot fund the MX and have money left over to have the development of all these other weapons systems unless you are willing to do some very tough things in areas such as personnel. I have not seen any of these personnel cutting measures coming through the Armed Services Committee. I have not seen a great deal of reform in things such as retirement. I know that the House has genuflected in the other direction, but we have not yet seen it ripen into law.

So I think that what we may see is Congress rising up and saying, "Cut defense," on the budget resolution, but when it comes time to appropriate the money, say, "Gee, we didn't realize that we couldn't fund all these things within those constraints, so let's therefore relax the budget resolution, let's therefore suspend the budget resolution."

So all the courage Congress has shown—if courage is the word—about cutting defense may end up being no cuts at all when it comes time to appropriate the money.

Mr. SIMON. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to my distinguished friend from Illinois for a question.

Mr. SIMON. I thank the Senator.

I think the Senator from Louisiana has given us, in summary form, exactly where we are and what is wrong with just piling up these missiles endlessly.

I happen to take precisely the same position as the Senator from Louisiana. I support Stealth. I support the Trident and D-5. I think we should have flexible response.

I also strongly favor some improvements in our conventional response, that we have some flexibility there. But I think we should be listening to people like General Rogers our NATO commander, a five-star general, who says that the nuclear deterrent is overwhelming, that it is almost a nondeterrent because you are not going to use it.

I thank the Senator from Louisiana. I think that what he has said makes eminent, sound, good sense.

Mr. JOHNSTON. I thank the distinguished Senator from Illinois.

To me it is clear. Why people in the know would want to build more vulnerable missiles like the MX, I do not understand. In terms of the policymaker, what can the policymaker in the United States do with more MX missiles? Does it make him less subject to intimidation by the Soviet Union? Of course not.

Nuclear war is really unthinkable, both to the Soviets and to us. We all know that. No rational person could risk 3,000 warheads coming to their country, an average of 60 on a State. That is unthinkable. No rational person could do that.

What we do need is additional force projection. We do need rapid deployment forces.

This is what the policymaker can use: A whole series of these things, so that in the soft underbelly of Asia or in the Middle East, in areas like Iran or Pakistan or Afghanistan, places where the military balance between us and the Soviet Union is translated into tangible conflict, in these situations, we need additional military power; because if the Soviet Union can move into some of these peripheral areas with impunity and our only deterrent ability is to start a nuclear war, then that is no threat at all to the Soviet Union. But if we have the ability to challenge them on a toe-to-toe basis, on a nonnuclear basis, in some of these areas, then it seems to me that that is useful to the policymaker.

Mr. SIMON. I could not agree more with the Senator from Louisiana. He has hit the nail right on the head. I think that is the common sense we have to be exercising in this body.

Mr. JOHNSTON. I thank the Senator from Illinois.

To cast this debate, first of all, in partisan terms and, second, in terms of those who are for a strong defense and those who are against a strong defense, I think, is far from the facts, far from reality, and really is an insult to the truth.

The fact is that many of us on this side of the aisle are considered hawks. Until this debate, I had never heard it suggested that my friend from Georgia, who I think is perhaps the leading defense expert in the Senate, was anything less than a hawk. Is that the word? Or strong on national defense. But now, with this broad sweep, we are being accused on this side of the aisle of somehow being soft on defense. Why? Because we do not want to build 100 MX missiles which are located at the other side of the window of vulnerability.

It is so simple, so clear. The MX is exposed, a terribly lucrative target, a destabilizing weapons system. Yet somehow not to be for it is to be weak for defense. That is the most absurd conclusion I have ever heard.

I hope that in a more reasoned and a more rational way, we can analyze this question and determine what we really need, how many nuclear warheads we really need, in both a first-strike configuration and a second strike, or reply, configuration.

I hope we would come to the conclusion that we should modernize and protect our ability to reply with a D-5 missile, with a Trident missile, with both the Trident I and the Trident II, and that we should save room in the military budget for the Stealth bomber, which I am strongly for. But let us recognize the fact that if we can put a minimal worst case, 3,000 warheads on the Soviet Union on our worst day, without even considering our tactical forces, such as Pershing II and cruise missiles, then we have enough for right now, while we wait for the D-5.

Frankly, my fear is that we have frittered away the greatest opportunities that we who really are strong on national defense have had these last few years by putting this gigantic amount of money through the defense spending system and coming up no better off than we were before, with maybe more nuclear warheads but no really greater strength, or certainly not sufficient strength, than in other areas.

In the process, the consensus behind national defense, which some of us have worked on for so long is being eroded.

We need to rebuild that feeling of bipartisan support for a credible, sustained, consistent, commitment to national defense.

One of the problems with national defense has been that it has been up and down. We had the big buildup of the Vietnam war and then the aftermath under Presidents Nixon, Ford, and Carter where defense spending and the defense establishment was neglected. Believe me, this was bipartisan neglect, but there were voices in Congress during that time who were trying to rebuild the consensus.

This consensus, it seems to me, is now being eroded for exactly the opposite reasons, of wasteful spending, not too little spending. This is not just because of the $700 coffeepot, which is really a distraction, but instead is because of the gigantic waste in building the wrong kind of systems and wasting the opportunity to get the right systems. That is the tragedy of this whole debate.

Here we are talking about putting billions of dollars in the most vulnerable system imaginable. There has been not one speaker who has defended the invulnerability of the MX, not one, not one person who says that the MX cannot be taken out by existing Soviet weapons and taken out with a high degree of assurance with probably 95 percent of those MX's taken out on the first strike.

There has been not one speaker who has suggested a credible alternative other than to go back and examine the racetrack, and we have seen that that is not going to go. There is no real alternative.

So it seems to me, Mr. President, not only is the Senator from Georgia correct in saying let us not build more than 40, I really believe we should not build any. That is why I supported the distinguished Senator from Colorado [Mr. HART] who said do not build or deploy any MX missiles, not as long as it is a sitting duck, not as long as it is right at the other side of that window of vulnerability.

I do not understand it. The whole logic of it escapes me. Most issues that come to a full-scale debate on the floor of this Senate usually have two sides to them, and while I take one or the other side, as we must, it is usually quite easy to say that it is a tough question.

I simply do not see the question on the MX. I do not see the issue.

Why should we be building what amounts to an obsolete weapon system that is totally vulnerable? Why should we be building more of those? What does it do for us? Oh, we are told that we need hard-target kill capability. Just when are we going to get the opportunity to use that hard-target kill capability—on a first strike? Why, of course not. Everyone says we are not going to take a first strike against the Soviet Union. We know that. That has been part of American policy since our country was created and will always be. We do not attack the other fellow.

So it is not going to be on a first strike. So just when is it going to used? We do not get the opportunity to use the MX as a second-strike weapon. It is already gone. It has already been destroyed. It is already in that window of vulnerability.

It is just as simple and as basic to me as that.

So, Mr. President, I hope we will rebuild a bipartisan consensus on defense, but surely it should not be in the name of the most vulnerable of all the weapon systems we have, the MX missile.

Mr. DENTON. Mr. President, I wish to contribute to this honest disagreement among Senators whom I respect, particularly the last speaker, the Senator from Louisiana [Mr. JOHNSTON], with whom I normally agree on defense matters.

I salute his well-deserved, longstanding reputation for knowledge and realism about defense policy.

I agree with very much of what he said. Needless to say, I have the same kind of respect for the Senator from Georgia [Mr. NUNN], who is also nationally respected for his conscientiousness and his understanding of defense policy, and for his reasonableness in dealing bipartisanly with that issue.

I hope that the Senator from Louisiana will agree that, on this particular issue and although I happen to disagree with him, I am most strongly convinced with him that, if there are fields in which we need bipartisanship, the fields of foreign policy and defense is the foremost, and we lack bipartisanship in both. I regard him as one of the most bipartisan Members of the Senate. I wish to express some of the specific reasons for my disagreement with him on this subject.

Mr. JOHNSTON. Mr. President, if the Senator will allow me to reply, I first express my appreciation not only for his kind words but for what I also regard as his spirit of bipartisanship.

I think the Senator from Alabama approaches this issue, although we may come to a different conclusion, in the same spirit of, trying to figure out what is best for the country in terms of national defense.

I think there is no purpose of the Senator from Alabama nor of the Senator from Louisiana to get any bipartisan advantage at all on this issue, and I appreciate that spirit. It is the kind of spirit with which we will rebuild, I hope, a consensus for defense.

Mr. DENTON. I thank my distinguished friend from Louisiana.

One issue on which we disagree is the practicability of relying on the D-5. I think that it is too far down the pike to fill the void of deterrence in the category of weapons needed to hold hostage the hard targets in the Soviet Union.

Let me address first the likelihood that the Soviet Union will regard the MX, in whatever quantities, as a sufficient threat against their ability to counterstrike, and thereby be tempted beyond control to strike preemptively against the United states. That is something that was reported in the Washington Post as one aspect of Senator NUNN's concerns, and it was said by the Senator from Louisiana here on the floor.

Let us take a look at history and see if we can learn anything about the likelihood that the Soviet Union would be tempted in that way.

After 1945 and until the early 1950's, the United States had a nuclear monopoly. We had not only a first-strike capability, but the only capability to deliver a nuclear strike against another nation. The Soviets knew that.

Until the early sixties we had a credible capability to launch a disarming first strike against the Soviet Union. That did not tempt them beyond their means or beyond rationality to launch a preemptive strike, nor did it inhibit them to such an extent that they were afraid to go into Hungary with their tanks and subdue that nation when she revolted and tried to break out of the Soviets iron grip behind the Iron Curtain.

Until the early sixties we could have eliminated any meaningful Soviet capacity to strike back, but we did not use that capability.

The United States is not morally the same as the Soviet Union. Too often we see depicted—and I am sure the Senator from Louisiana would agree with this—too often we see depicted in cartoons in major newspapers or on television two hands over a table pushing missiles into a pot, as if in a card game, and the only distinction between the two hands is the hammer and sickle on one sleeve and the United States flag on the other. That is not quite a fair depiction of the situation.

Morally, we are not going to follow a policy to wipe out hundreds of millions, or tens of millions of people, or even hundreds of thousands of people. That is why President Eisenhower did not intervene in Hungary in 1956. He thought it would start some kind of nuclear war, and he thought, I believe, that the Soviets thought that they had a vital national interest to protect in what they regarded as a country that belonged to them. He opted not to intervene with conventional forces.

I do not try to second guess him on that. History may tend to disprove his logic, because, as documentary evidence proves now, the Soviets held out their tanks for 3 days, and waited to see what the U.S. reaction was. I would rather err on the side of conservatism in action, the way Eisenhower did, than make a reckless move.

The United States did not use the first strike capability against the Soviets over the period of almost two decades in which we had it. The Soviets undertook, particularly after the Cuban missile crisis in which Krushchev overreached himself, to catch up with us with a great buildup. By the

mid- and late-seventies, the United States and Soviet Union were in a state of rough strategic equivalence, neither having a disarming first-strike capability, both having confidence and deterrence through the capability to inflict a damaging second-strike, through a counter population or mutual assured destruction policy.

We entered that phase. But before that phase, we had a phase in which the United States had a first-strike capability. The Soviets were not tempted to use nerve gas or such nukes as they did have to strike preemptively to reduce our nuclear capability. I do not see why they would be tempted beyond their means if MX did represent first-strike capability against them, and I do not believe they think that it would. I do not think attack preemptively in any case. I am not sure that any Senators in here have reasonable evidence to think that they would.

The MX gives the United States the only capability that we have to hold Soviet hard targets hostage. We have no missiles operational today with the accuracy or the power to do that. We have entered into a phase in which the Soviets have undertaken modernization with several generations of strategic missiles, and we are sitting here with outmoded missiles that do not have the accuracy or the power to go against their hardened strategic land-based targets; they do have the capacity to come at ours.

Let us talk about basing modes. No question, if we had a mobile missile similar to the MX, we would have a superior situation. But we can and are working on hardened silos and deep underground basing, and we have the ability to instruct the President to deploy missiles in some other mode than currently planned, in an improved mode. It was not the President who came off race track or dense pack. It was Congress that killed those efforts.

If we wanted a first-strike weapon, it would be unprecedented in terms of intent. We had the weapons before with the first-strike capability, and we did not use them. How could the Soviets believe that we have now developed an overwhelming desire to strike first and wipe out that many people as a means of settling the ideological and political differences between the Soviet Union and the United States?

I do not believe that 100 MX missiles would give us first-strike capability. What is the argument, then that is behind the amendment? Is it to kill MX? Is it to force the President to come up with a better basing mode? I do not know. Is it concern about stability? If so, then my previous discussion should have eliminated that concern. The Soviets would not be tempted to strike first because of the development of the MX.

But MX does give us a credible threat against the assets that the Soviets leaders hold most dear, their hardened targets. They could not be confident of getting all the MX's in a first strike. Are we going to sit for 3 days while they attack them? How many hours would we sit as they attack them? You do not have to get into the scary scenarios under which we think that we see some missiles in the air, and then we launch ours by mistake. You also do not have to get into the scenario of waiting until the Soviets destroy all that we have. One against one, one strike, is not for sure going to destroy all our missiles. It can be hours of their hitting them, they still will not be sure they got them all. We will have they will believe that we have, an opportunity to go back at them with the MX, the only missile that has the capacity to destroy their hardened land-based missiles. I think we should exploit their awareness of that opportunity. It is the best that we have at the moment.

Granted, we can try to get something like Midgetman. But, what is the probable political fate of Midgetman, a mobile system in a country that is super-concerned about environment and safety, and not unwisely.

The Soviet Union has no such concerns. They are building. They do not care what their people think of mobile missiles.

I do not believe that the Midgetman is necessarily a better choice. It is going to cost 4 to 1 over the system the President has in mind now, and will present environmental and verification problems.

I cannot see taking the MX, which is the best we have, and throwing it out. Do not throw away your best card. In the interest of preserving our security, we cannot afford to do that. In the interest of success in Geneva, we cannot afford to do that.

I offer the rationale that I have just described as my reason for supporting the project that the Senator from Georgia, with very good rationale, opposes. I urge my colleagues to at least consider what I have said, and to support the President, the administration, the national security adviser, the Secretary of Defense, and I believe General Rogers. I do not believe that the Senator from Illinois accurately stated General Rogers' attitude.

I thank the Chair.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment by the distinguished Senator from Georgia, the ranking member of the Armed Services Committee.

Mr. President, the matter we are considering is one of great importance to this Nation. It is so important that the President of the United States in 1983 appointed a group of distinguished citizens to make recommendations to him on this matter. It was called the President's Commission on Strategic Forces. President Reagan appointed a bipartisan group.

I would like to call to the attention of the Senate who these people are, because they have come up with a recommendation here that is completely at odds with the amendment by my good friend, the distinguished Senator from Georgia.

The Chairman of this Commission is a former retired general of the Army, Brent Scowcroft. The members of this Commission are the following: Nicholas F. Brady, a former U.S. Senator; William Clements, of Texas, former Governor; John Deutch, dean of science at Massachusetts Institute of Technology; Alexander M. Haig, Jr., a retired general and former Secretary of State; Richard Helms, a former Director of the CIA and an Ambassador to Iran; John H. Lyons, AFL-CIO vice president; William J. Perry, a former Under Secretary of Defense; Thomas C. Reed, a former Secretary of the Air Force; Levering Smith, a developer of the Polaris missile; James Woolsey, a former staff member of the Armed Services Committee and later Under Secretary of the Navy.

That is a Commission that was appointed by the President to study this matter and give him the benefit of those recommendations. This Commission, although composed of very able, fine, patriotic people, felt the need of getting some senior counselors to the Commission. Here is who they selected: Harold Brown, former Secretary of Defense under President Carter; Lloyd N. Cutler, a former White House adviser under President Carter; Henry A. Kissinger, a former Secretary of State under President Nixon; Melvin R. Laird, a former Secretary of Defense under President Nixon; John A. McCone, a former Director of the CIA, I believe he was under President Kennedy and President Johnson; Donald H. Rumsfeld, a former Secretary of Defense under President Ford; James R. Schlesinger, a former Secretary of Defense under President Nixon; and Marvin C. Atkins, Executive Secretary.

Mr. President, from this Commission, which was a bipartisan Commission, being advised by the senior counselors I have just mentioned, it would be very difficult it seems to me for members of the public—unless they were real experts and had more knowledge than these combined people had—to try to controvert their recommendations. If they did controvert their recommendaton, they should come in, tell the President, and offer an alternative of what should be done.

This Commission made this recommendation to the President on this subject. They recommended 100 MX missiles should be deployed promptly in existing Minuteman silos as a replacement for those 100 Minutemen and the Titan II ICBM's now being decommissioned and as a modernization of the force.

Mr. President, that is the recommendation. They recommended 100. That is what the President of the United States is asking the Congress to approve.

Mr. President, I know some of us feel like we have become experts because we are on committees that handle certain things. But I do not know of any higher military authority in this country, or better prepared, or ought to be better prepared, than the chairman and the Joint Chiefs of Staff. Who are these people. The Chief of Staff of the Army, the Chief of Staff of the Air Force, the Chief of Naval Operations, the Commandant of the Marine Corps—those are the highest military people in this Nation. They have studied this matter. They have worked hard to tell the President what to recommend to the Congress. They have written a letter which I think is extremely important to our able and distinguished chairman of this committee. It is dated this very day, the 23d of May 1985. I want to take the liberty now of reading this letter into the RECORD because I think it is very important that the Members of this Senate have respect for these high military men, who are experts in this field—it is their special field, and here is what they say.

> In view of the ongoing debate in the Congress on MX missile force levels, the Joint Chiefs of Staff thought that you should have their views on the military necessity for the MX missile.

Certainly we want their views. Who would we go to higher than them?

It goes on to say:

> We are well aware and appreciate your extensive knowledge of and support for a strong defense posture for the United States. However, we believe that it is necessary to restress the essentialness of 100 deployed MX missiles to our national security.
>
> Throughout the decades of the 1970s and 1980s, the Soviets have continued to modernize and expand their strategic nuclear forces far in excess of their legitimate defensive needs. These deployments have upset the nuclear balance necessary for global stability. If we as a nation are to ensure the continued effectiveness of the triad and to restore stability, we need a military capability that makes the Soviets' assessments of war outcomes under any circumstances so uncertain and so dangerous as to remove any incentive for them to initiate an attack. We are convinced that the highly accurate Peacekeeper capability.

That is what this is. That is what the MX missile is. It is a Peacekeeper.

And they go on to say:

> We are convinced that the highly accurate Peacekeeper is a necessary element of this capability.
>
> The Joint Chiefs of Staff have studied the contribution of the MX to our national defense in great detail.

They must have studied it, Mr. President, in much more detail than any Member of the Senate would have the time to do, and further more, that is their job. They have spent their whole life at this. They have now risen to the highest military positions in our Nation. Here is what they say: This study goes on in great detail. They go on to say that:

> That analysis includes an evaluation of our forces against those of the Soviets. We use a variety of analytical tools, including force-on-force dynamic analysis. Every evaluation that we make shows that the MX holds at risk those things that the Soviets value the highest—

What are those things? The letter from the Joint Chiefs goes on to say that

> —the Soviets value the highest—their hardened command facilities and their large reserve of ICBM weapons. Today, U.S. capability to accomplish this task is marginal. Deployment of the MX missile is that portion of the President's Strategic Modernization Program which provides the near-term correction to this disparity and enhances deterrence and national security.

What are we telling this Senate? What are we telling the Congress? We are telling the Congress that the MX missile enhances deterrence to war. They are telling us that it enhances our national security.

Mr. President, we do not have any other weapon in the world, and no other nation has any other weapon that today can destroy these hardened command facilities and this large reserve of ICBM weapons except the MX.

Are we going to handicap the President, tie his hands, and say to him that you cannot produce but 12 of these?

The President says we need 100; and he asked for 48 this year. Because we knew there would be such strenuous opposition here, we took the liberty of cutting it down from 48 to 21. But now the amendment of the distinguished Senator from Georgia would cut it to 12.

Mr. President, we think that is completely unreasonable, and we think it would jeopardize, as the Joint Chiefs of Staff say, the defense and the national security of this Nation.

Mr. President, I want to say that the authorization bill that we brought from the Armed Services Committee under the able leadership of Senator GOLDWATER, provides an effective congressional limit on deployment of 40 missiles through fiscal year 1986 because there is not enough money to place more than 40 missiles in the ground.

This issue can and should be revisited next year.

The Senator from Georgia has expressed his views, but the time for a congressional decision for more than 40 missiles is not now. That should come next year. Why cap it now? Why tell the Soviets, "We are just going to do this and no more." Why not keep them guessing? Why not make them believe we are going to do more than we actually will do, maybe. We need to send a message.

To do so this year will serve only to make our negotiators' job in Geneva more difficult. If we agree to this amendment, I really feel sorry for my good friend John Tower when he sits down with Victor Karpov. I for one do not care to make John Tower's job any more difficult than it already is.

Mr. President, I want to say this: Senator Tower is a former Member of this body. He was a college professor. He came to the Senate succeeding Lyndon Johnson in 1961. He has truly become an expert on military matters. He is now one of our negotiators appointed by President Reagan. He is over there face to face, confronting the Soviet negotiators.

He came back here this week and sat down with Senators, with the Senator from Georgia and other Senators, a number of us. Senator Tower told us that he thinks it is extremely important to go along with the President on this matter and not go with the amendment of our able friend from Georgia.

Mr. President, Senator Tower is not kidding us. He has been there confronting the Soviet negotiators. He thinks he knows what he needs. He thinks it would be a dread mistake to adopt the amendment of the able Senator from Georgia.

Mr. President, there has been a lot of discussion here today about numbers of warheads on submarine-launched missiles versus warheads on land-based ICBM's, which attempt to show that our submarine-launched missile warheads are sufficient to deter any Soviet attack.

This is not true. We do not have a readily deployable missile that can hit all categories of Soviet hard targets except the MX.

In a totalitarian regime like the Soviet Union, the party leadership, the military, and the internal security apparatus are critical to the survival of the regime in peacetime and following a conflict. A true nuclear deterrent is one that ensures that all three of these elements would be sufficiently destroyed in a nuclear exchange.

The MX is our only asset that can ensure the destruction of the Soviet's hardest targets. Therefore, I feel that it is important to proceed with the deployment of the MX is recommended by the Armed Services Committee.

Mr. President, again I want to say why would we hesitate, why would we quibble, why would we be reluctant to send a message to the Soviets that we have this missile, we are going to produce it in numbers that we feel will be adequate, and we will use it if necessary in the event they fire their missiles first?

Mr. President, no nation in the world offers its people as much freedom, as many opportunities and as much hope, no nation in the world has done as much for other nations, as these United States of America. We should take no step that would jeopardize our survival. We should take no step that will place a hazard for the people of this country. We must take the steps necessary to preserve this country.

Here we have a matter that has been recommended by the President of the United States. It has been recommended by the Secretary of Defense. It has been recommended by the Joint Chiefs of Staff. It has been recommended by the Senate Armed Services Committee. Even in the House of Representatives, which is Democratic controlled, the House Committee on Armed Services has recommended 21 missiles.

Mr. President, why should we hesitate? Why do we not go on and do our duty which ought to be done without taking any chances with jeopardizing this great country of ours?

I hope the amendment of the Senator from Georgia will be defeated.

Mr. HECHT. Mr. President, today, the Senate is considering, once again, the seemingly never ending issue of whether or not production of the MX "Peacekeeper" missile will be allowed to continue. To date, Congress has approved assembly of 42 MX missiles. This Department of Defense authorization bill requests 21, significantly less than the 48 originally asked for. President Reagan has already compromised with the new level of 21, and now, we face this present attempt to essentially kill the MX altogether.

Mr. President, I believe it is about time that we stop this folly of having to address the MX year after year, every time we discuss defense issues. The simple fact is that we absolutely must have this weapon to assure the modernization of our strategic nuclear forces and ensure that the Soviets will continue to seriously negotiate arms reduction. Without the MX system, we will have given in to the Soviets, abrogated our negotiating position in Geneva and exposed ourselves to the Soviet's ever increasing and unprecedented nuclear escalation.

As we have seen in the past, arms control negotiations are heavily influenced by ongoing defense programs and MX has been a major reason for the renewed talks. Equally as convincing an arguement for continued MX production, and defeat of this amendment Mr. President, is the fact that in the past 15 years, the United States has not deployed one new generation land-based strategic missile. In fact, we are retiring Titan II missiles without replacement. Conversely, in those intervening years, the Soviet Union has deployed four new types of missiles and are now developing two additional systems. The facts are there, Mr. President, clearly showing that while the Soviets have been moving ahead, America has been falling behind.

Mr. President, the United States cannot afford to take a back seat to the Soviets in any defense related area, much less in our strategic forces. This amendment seriously ties the hands of our arms negotiators in Geneva and the President as he seeks the comprehensive revitalization of our strategic forces. We simply cannot allow this to happen. That is why I strongly urge defeat of this amendment.

Mr. HATCH. Mr. President, I rise in opposition to the amendment submitted by the distinguished Senator from Georgia, which would further limit deployment of the MX missile. We all admire and respect the wisdom of the senior Senator from Georgia, and his arguments on defense issues compel our attention. But they also compel our rebuttals where, upon close examination, there are honest grounds for disagreement.

I disagree with the MX limitation amendment solely on strategic grounds—which I wish to review.

Our strategy is to deter war at all levels. Where deterrence fails, we will fight vigorously to bring hostilities to a close as quickly as possible. Mr. President, if we all accept this assumption, which in fact has long been American strategy, then we further presume that we have a war fighting capability, not simply a hollow deterrence capability. Deterrence credibility is a function of military capacity and will. This gets to the problem with the MX limitation amendment.

The most likely cause of a strategic nuclear war will be the failure to control escalation from lower warfare levels. Yet, our conventional forces in Europe, according to Gen. Bernard Rogers, the Supreme Allied Commander of NATO's principal military command, are insufficient to bring war to an early close where deterrence fails. In effect, General Rogers is saying that we do not have a real war-fighting capability.

So what does that mean? General Rogers has answered this question many times: we will be obliged to escalate to a first nuclear use at the tactical and theater level. As we debate this issue, the NATO Defense Ministers released a communique criticizing the state of our conventional defenses. This would put us on a track to escalation to the strategic nuclear level—that, Mr. President, is where the rockets start flying over the heads of our allies, as Henry Kissinger put it, and into Soviet military installations and American cities. I add this note because there is a little doubt that they will hit our soft targets. If the mutual assured destruction—or MAD—strategists get their way, we will be targeting Soviet cities, too. That, to me, is morally repugnant—and it is at the foundation of my support for SDI, incidentally.

But, Mr. President, there is an even more acute issue at stake here that could actually accelerate escalation to the nuclear level. It is an escalation control issue that is rarely addressed in our debates. Nuclear use in NATO requires the unanimous consent of the political authorities of the membership. Despite secret arrangements for consultation, unanimity simply cannot be expected to occur easily. So what is the alternative: it is the so-called nuclear option that is the objective of every European NATO ally. The battle is then shifted to the United States and the U.S.S.R.

Before I relate the MX issue to this consequence, let me turn my focus to the so-called war stoppers that have been discussed in another part of this debate. Again, I caution that we cannot examine the MX issue in isolation from our total strategy.

First, with readiness cutbacks of $1.5 billion recommended by the Senate Armed Services Committee and $1.8 billion recommended by the House Armed Services Committee, our ability to meet a Soviet surprise attack is weakened. Nor are what I would call the war retarders—events which sustain our war-fighting capacity any more promising. Our airlift reinforcement is uncertain; our sealanes near the Caribbean, through which nearly 80 percent of our NATO support will travel, are jeopardized by Soviet activities in our hemisphere; and, our medical casualty program is perilously weak.

But what about burden sharing? We all know that the 1979 Carter agreement calling for 3-percent real defense growth pertains to outlays, not budget authority. However, does anyone here really think that such delicate distinctions make sense to our allies? Ask them, I just did. They will not give you a pleasant answer. Where are we then? I will tell you:

Our deterrent is hollow—we do not now have a viable conventional or theater-level deterrent capability.

Our war-fighting capability is being eroded.

We have little control over escalation.

Most importantly, as I hope I have demonstrated, we will become more dependent on the nuclear triad, and its land-based ICBM leg, than ever before.

As I said yesterday, May 21, Mr. President, and I will spare you all but the essential points, to weaken our MX leg is to weaken the entire triad, we become more dependent as Midgetman—which remains a drawing board

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system; on bombers—which are unacceptably vulnerable and have value largely as a reinforcing system; and nuclear submarines. What about submarines? What is to assure us that current radar, laser, and other detection technology developments will not make even this system, on which we will have become excessively reliant, outdated by the mid-1990's? At the Defense Department—they are indeed worried about this.

Mr. President, let me conclude. If we weaken our MX leg, when combined with the defects in our strategic plans that I have just reviewed, we force ourselves into a Gaullist dilemma." Charles deGaulle, it will be recalled, once told Khrushchev that it would not require a large nuclear force to prevent Soviet aggression against Europe. Thus was born the so-called force-de-frappe. In deGaulle's words: "I can kill Moscow with very few missiles." Even though it would mean mutual suicide, he added.

I reject a first-strike mentality and the total "Gaullist dilemma" concept. But a weak MX leg is forcing us in exactly that direction.

Mr. DOLE. Mr. President, I understand that when the Senator from Idaho completes his statement, we then have permission to set aside any amendments temporarily and take up any other amendments that may be proposed by the managers of the bill. I think I understand the Senator from Georgia correctly that in this interim period, we can dispose of some of the noncontroversial amendments.

Mr. NUNN. I would be agreeable to that. I did not hear the first part of the statement.

Mr. DOLE. I was indicating when the Senator from Idaho finishes his statement, perhaps we could then set aside the pending amendment and take up some of the noncontroversial amendments. I think we are making progress, and there are a number of Senators prepared and willing to do that, and we may be able to dispose of 5 or 10 amendments in the next hour.

Mr. NUNN. I would be happy to do that, Mr. President, as long as the Nunn amendment would remain the pending business and be set aside temporarily.

Mr. DOLE. Only temporarily. It would come back as the pending business.

Mr. GOLDWATER. Mr. President, I would like to inquire as to the meaning of the word "temporarily." Some of these amendments have been around here and we have been protecting the Senator's right to the floor. They have returned to their offices. We have two or three or four we can dispose of very quickly, but if temporarily means 10 or 15 minutes——

Mr. NUNN. Mr. President, I say to the Senator from Arizona I would cooperate fully in whatever amendment the Senator from Arizona would like to start on. We can complete that amendment later. We have made substantial progress toward an agreement with various parties involved, including the White House, the Senator from Kansas, the Senator from Virginia, the Senator from Maine, and the Senators on our side. We have not nailed down the agreement. We have to have full approval. We have a way to go. There are other people who have to approve, but we have made substantial progress.

Under those conditions, I am willing to cooperate totally with the chairman in getting rid of amendments that we can dispose of.

Mr. GOLDWATER. Mr. President, I thank my friend from Georgia. What we are trying to do is clean up amendments that we can take without record votes. There are quite a few of them. We have made calls around to different offices, and we hope to see them come in soon.

Some of the controversial amendments, I understand we are still negotiating on—the contra, for instance.

Mr. DOLE. Right, Mr. President. We have a unanimous-consent request to take care of the contra amendments on June 5. We are now also suggesting that we take care of the so-called interim restraint amendments, not as amendments to this bill but as a freestanding resolution, which I shall be prepared to take up when we come back from the recess. I am not saying that can be done, but we are going to have a meeting at 2 o'clock. If those two things can be worked out and we work out the MX amendments, we are getting into the homestretch.

Mr. GOLDWATER. I would say the Senator is right. If we can do those two things, I think we can be out of here tomorrow.

Mr. DOLE. Or this evening.

Mr. GOLDWATER. Or even this evening.

Mr. DOLE. It depends on Members coming to the floor now with amendments. The Senator from Georgia has agreed generously to set his amendment aside. If we can get Members to come over here now with their Amendments, it will work out; otherwise——

Mr. SIMPSON. Mr. President, the Senator from Idaho has a noncontroversial amendment to save the Poseidon. If we could do that without votes, it could be disposed of fairly quickly.

Mr. DOLE. If that is agreed on both sides, it is all right with me.

The PRESIDING OFFICER (Mr. DENTON). The Senator from Idaho.

Mr. SYMMS. Mr. President, I sat through most of the debate last night, this morning, and now into the afternoon. It has been, I think, a very enlightening debate. I agree with most everything the distinguished President pro tempore of the Senate just said. But I think there are a couple of things we should really discuss and put into context before the vote on this amendment.

I might say, Mr. President, this is an amendment that I do not agree with, and I hope that my colleagues will see fit to defeat the amendment.

Mr. President, back in 1776, Patrick Henry made a statement, saying, "For my part, whatever anguish of spirit it may cost, I am willing to know the whole truth: to know the worst, and to provide for it."

I think, Mr. President, that oftentimes in politics, and I have been a Member of both bodies of the Congress, I have observed first hand that oftentimes Congress will make incorrect and often dangerous decisions on matters vital to American security because of what is viewed as some kind of popular political perception.

I think Patrick Henry's words in 1776 about knowing the truth and then making the best of it were correct.

I would like to quote the distinguished chairman of the Armed Services Committee on March 1, 1982, Senator GOLDWATER, in a letter to President Reagan.

> We are not just a little bit behind the Russians, we are devastatingly behind them . . . I think the time has come when we have to quit fooling around and trying to lie to the American people.

Mr. President, on May 1, I received a letter from my distinguished colleague, Senator WALLOP, with a book entitled "Soviet Military Supremacy, the Untold Facts About the New Danger to America," authored by Quentin Crommelin, Jr., and David S. Sullivan. This is a good book. I wrote the introduction of this book, and I would like to read from my introduction to this fine but alarming book.

I think, Mr. President, the unvarnished truth is oftentimes not popular in politics, and nowhere is that more true than in matters concerning American security. It is important that we not overlook the truth about our military posture vis-a-vis the Soviets.

Very few voters want to hear that military spending must be increased to counter Soviet military might, and most people in the Congress and around the country understandably prefer the political safety of inaction.

Mr. President, with respect to Soviet political might, the political personalities in the country are often preferring political safety and inaction rather than action and leadership to see if we can secure freedom and peace for those of us in the free world, this is nothing new, Mr. President. This happened prior to World War II.

During the years before World War II, very few of the Democratic leaders of the West were willing to suffer the political risk and the consequences that were entailed in the warning to the free world of the reality of the Nazi military buildup that was taking place in Europe. People just failed to say anything about it. In fact, if my memory serves me correctly, in the U.S. House of Representatives, right before the war broke out, after the war had already started in Europe and before the United States actually entered into the armed conflict, the military conscription or the draft bill only passed the House of Representatives by one vote. That was because people failed to want to face the reality.

I have talked to many of my friends who were in World War II who trained with wooden rifles, because it was so popular always to vote against the defense budget. So nothing is new.

That analogy is so clear today. While the Soviet Union is engaging in the most massive military buildup in all history, most Western politicians are still insisting on minimizing the significance of these activities.

All too often, the truth is being concealed from the public and we are deluding ourselves into the belief that their inaction is somehow justified in the cause of world peace.

The theory goes that the Soviets' aggressive behavior can be modified by ignoring it in public, by persuading and negotiating in private, and by keeping the American people in a false sense of security during the denial and the concealment of facts. These omissions and distortions were rationalized as necessary in order to preclude any inconvenient or dangerous political public demand for Western rearmament.

The authors of the book that I am referring to, "Soviet Military Supremacy," do not accept that theory and this Senator does not accept that theory. Our republic and other remaining democracies and representative governments in the western world thrive on the truth. The Soviet Union thrives on falsehood. And there can be no justification for the U.S. leadership in this country to withhold the truth from the American people.

The public has a basic need, in my view, to have essential information of what the reality is, what our strategic vulnerability is, and what the issue ultimately is. What we are talking about is our very own national survivability in the free world and the survivability of freedom.

There can be no peace without freedom, Mr. President. The Soviets talk about peace all the time because they use falsehoods. Their definition of peace is slavery. Our definition of peace is freedom, and we should never forget that in this body.

There are many things we cannot discuss here because of national security classification restrictions. But everything in this book has been approved of and cleared by the CIA, and I call it to the attention of my colleagues. This book is a project of the program on defense and strategic studies of the University of Southern California, directed by Dr. Bill Van Cleave, who was President Reagan's chief defense and foreign policy adviser in 1979 and director of the Defense Department transition in 1981. But I want to give some of the highlights, because I think the truth is very important to this discussion.

I might say that I do not enjoy the idea of having to vote billions of taxpayers' dollars to build missiles—the MX or any other missile. But I would say the alternative to having peace through strength is much worse. I would say also, Mr. President, that even if we could completely achieve an adequate deterrent and a counterforce missile system with a Trident sea-based system or some kind of missile system on the new B-1 bomber that could be air-launched and could be stationed at places around the world, I would still favor the triad and a land-based missile based in the continental United States. Mr. President, I say that because I think the purpose of our entire strategic defense dollar that we vote on is to preserve and keep us from ever getting involved in some kind of nuclear shootout. We have to do this because of the mentality of our adversaries, the Soviets. They do not think as we do. But they will, I think, Mr. President, be very, very careful about ever making that first strike if we have part of our safety net, part of our deterrence, our counterforce missiles, based in land-based missiles in the United States because that means if they want to attack them, they have to strike the homeland of the United States. I think even the hardliners of those tyrants in the Kremlin will think long and hard before they make that critical and crucial decision whether or not they would probably try to sink a submarine and see if they could get away with it or sink an aircraft carrier and see if they could get away with it, much as they did the shooting down of the KAL-7. Lo and behold, they shot down KAL-7, they murdered Major Nicholson, and other recent things have happened, with virtually no response from the United States or the free world.

Certainly, there has been some rhetoric, but there has been no hard response. It is conceivable to this Senator that those in the Kremlin might at some future time think they might test the tenacity of the West by making an assertion that we have a submarine that was in the wrong water or something and make an attempt to see if they could sink it. But I do not think they would ever make the assumption that they could try to knock out land-based missiles based in Wyoming, or North Dakota, or wherever in the United States, because they know that would be pushing the American people too far and the response might be too painful even to them, even though they are superior militarily to us.

Now, the principal thesis in this book that I have been referring to, Mr. President, that I had the privilege to write an introduction to—and I was quoting some from it in my remarks—is that the Reagan defense buildup announced in March 1981 really has not happened, and in fact congressional actions, or congressional inactions, have forced the Reagan defense spending program substantially below the levels that were recommended in 1981 by President Carter. Additionally, the authors assert that conditions which existed in Britain in the late 1930's wherein the public was misinformed about the weakness of British defenses and the extent of the Nazi military buildup are being repeated again today in the United States.

Now, I do not necessarily agree with everything that the authors put in this book, but the general thrust of what they have to say I think is something that each Senator should give a great deal of thought.

The Soviet Union has 820 heavy ICBM launchers while the United States has none.

The Soviet Union has 9,300 ready ICBM warheads while the United States has 2,100.

The Soviet Union has 2,000 intercontinental range SLBM warheads while the United States has none.

The Soviet Union has 575 nuclear armed sea-launched cruise missiles while the United States has approximately 12.

The Soviet Union has 650 intercontinental bombers while the United States has 239.

The Soviet Union has 3,700 reserve strategic launch systems while the United States has none.

The Soviet Union has 13,800 surface-to-air missile launchers for continental air defense while the United States has none.

The Soviet Union has 3,600 primary and secondary antiballistic missile launchers while the United States has none.

The Soviet Union has 3,200 interceptor aircraft for continental air defense, while the United States has 42.

The authors, Quentin Crommelin and David Sullivan, compare the Nazi buildup to the Soviet buildup today except today there is no arsenal of democracy to rescue the United States of America like there was an arsenal of democracy, the United States, to rescue Great Britain from the clutches of the Nazis in 1941.

Now, the authors of the book provide nine box score summaries of defense forces and economics which demonstrate a startling degree of inferiority in the United States, and I want to tick off a few of those to my colleagues because I think, as I said at the outset in quoting Patrick Henry, there is nothing any more important for us than to know the whole truth. If we do know the whole truth, sooner or later this Congress in a bipartisan fashion will stand up and be counted to provide adequate defense to protect the security of the men and women of the United States of America.

But I want to read some startling box scores, Mr. President. These are all included in this book and have been verified and approved by the proper intelligence agencies of the United States.

The Soviet Union has 7,000 air defense radar systems, the United States has 117.

The Soviet Union spends 40 times as much per capita on civil defense as does the United States.

I might just editorialize on this point, Mr. President. The reason the Soviet Union does that is because in the basic doctrine of the Kremlin and the policy of the politburo they plan; if they ever do fight a nuclear war, on winning that war. They do not believe the theory that everybody is going to be blown to smithereens. They buy onto the theory that if they fight a war, they plan on winning, so they are protecting their population from the problem so that they eventually will build back and they will be successful. Now, I think they are making a very risky assumption to think there will be any winners in the world as we know it today, but I think in reality we have to face what it is they think. And if we do not recognize how they think, then we are asking for disaster. We have to be able to preserve what it is that they are so envious of in this country.

Now, the Soviet Union has four operational antisatellite systems while the United States has none. With all this talk we hear in the national media about the strategic defense initiative, that is often popularly referred to as star wars, you would think it was us that had something in space, but all we have is something on paper that we talk about.

They have two satellite system types that they use to detect submerged submarines while we have nothing that equals that.

The Soviet Union has 280 antisubmarine warfare submarines while the United States has 99.

The Soviet Union since 1981 has added 2,300 net tactical warheads in Europe while the United States has withdrawn a net of 2,300 during the same period.

That is a point not often mentioned. I want to repeat that. It is very important. We have withdrawn a net of 2,300 since 1981 while the Soviets have added 2,300. You don't often hear much about that, but I think this is the truth that needs to be discussed.

The Soviet Union has 14 modern chemical weapon production facilities, the United States has none.

The Soviet Union has 195 ground combat divisions, plus 20 KGB state security divisions, plus 30 MVD divisions while the United States has 16 Army infantry ground divisions and 3 Marine divisions.

The Soviet Union is spending for military purposes approximately $1 trillion more than the United States during the 5 year programs announced by Presidents Carter and Reagan in 1981 and the United States is spending $38 billion less than was recommended by President Carter before he left office.

The authors in making all of those points and substantiating them with hard evidence quote Senator TOWER's statement in late 1984 that all that has occurred during the past several years of alleged American rearmament is to slow the rate of growth of the Soviet advantage and that the imbalance favoring the Soviet Union is still continuing to widen.

Now, Mr. President, I think this is information that is worthy of our consideration. As I said, statistics can be used to paint a bleak picture. I think there are some things that should be said, that there are parts of our defense system that I think are superior to the Soviets. Certainly, I think we are superior in terms of our personnel, of our officer corps, and our enlisted corps. They are better thinkers.

Mr. President, I ask unanimous consent that the following excerpted sections from the book, "Soviet Military Supremacy," that are pertinent to our MX and defense authorization debate to be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[Quentin Crommelin, Jr. and David S. Sullivan]

SOVIET MILITARY SUPREMACY

"The worst crime is not to tell the truth to the public."—Winston Churchill, Prior to World War II, as he tried to warn England and break Government and news media silence about the massive Nazi military buildup.

THE REASON FOR THIS BOOK

"We are not just a little bit behind the Russians, we are devastatingly behind them . . . I think the time has come when we have to quit fooling around and trying to lie to the American people."—Senator Barry Goldwater, March 5, 1982—in a letter to President Reagan.

For years Americans have been told and have believed that the reason for four decades of Russian military build-up is that the Soviets believe they must match American military strength in order to be safe from nuclear attack by the United States.*

Over and over again, year after year, as the Soviet Union modernized its ballistic missiles and added massive numbers of nuclear warheads, as Russia developed and stockpiled enormous quantities of chemical and even biological weapons, and as the Soviets planned and prepared a nationwide anti-ballistic missile defense system, the American news media subtly 'sold' the idea—and we accepted it and still accept it—that the U.S. and the U.S.S.R. are equally menacing.

Over and over again, year after year, regardless of evermore naked reality, we have been told and we have believed that the military power of both nations is roughly equivalent.

And over and over again—starting even long before America lost her own supremacy—we have had thoroughly impressed in our minds and enshined in the pantheon of popular perception that both sides would be able to destroy each other in the event of nuclear war.

This book shows with incontrovertible facts why these are four of the most dangerous myths and misconceptions ever accepted in our Democracy. The text reveals the full truth that the Soviets have far surpassed our country in military power and *already* have achieved overwhelming military superiority over the United States which may soon *prove decisive;* a superiority whose details are almost completely unknown to the American people including those they trust to warn them—the Congress, the staffs of Capitol Hill, network television, the major newspapers, and even the White House.

The book reveals, furthermore, the real *purpose* and possible employment of Soviet military supremacy, the degree of which is shown to be increasing unabated with every passing month. And, of special significance to every American, the book tells the saddening story of our own actions and inactions which have made possible and speeded the growing potential for our gradual demise as a free people and independent nation.

The authors are acknowledged experts on U.S. and Soviet military affairs. Over time, they became increasingly distressed that the full facts of the scale and direction of the Soviet military buildup seemed never to be assembled into one clear, simple-to-read presentation so that the complete implications of that buildup could be seen clearly by all Americans. From government files, from expert testimony before Congressional committees (virtually none of it ever publicized by the U.S. news media), and from countless other sources here and abroad, they have put together in one volume what is truly a story of tragic proportion.

In measured and dispassionate tone, their work explains:

Why the policy selected 25 years ago by the United States to prevent Soviet nuclear attack, Mutual Assured Destruction (MAD), is now known to have been based on a flawed premise.

Why, instead of leaving *their* entire population, plus *their* land-based missiles and bombers unprotected from nuclear attack *as we have done,* the Soviets have already invested well over 100 billion dollars to protect their people and their military from any missiles we might launch in response to an attack by them.

Why the American military response to such a Soviet surprise attack would now be so weak it would cause no more (and probably far less) casualties to the Soviets than they suffered during World War II.

In so doing, the authors expose the reasons for the discomforting and corollary truth that the Soviets can now destroy *all* of our land-based missiles *on the ground,* right in their silos, whereas we are powerless do the same to theirs.

They describe how the Soviets can obliterate at least three-fourths of our 239 old, slow-flying B-52 bombers *on the ground* and knock down the 50 or so which might survive with more than 3,200 MIG and Sukhoi interceptor aircraft and 13,800 high-performance surface-to-air missiles.

In detail, the authors explain further that in order to neutalize our entire submarine missile force the Soviets are ignoring the Anti-Ballistic Missile Treaty by building large scale illegal battle-management radars for guiding their SA-12 interceptor rockets, which reach ballistic missile speed of 12,000 MPH in seconds and thus give the Soviets the power to destroy our submarine missiles 100,000 feet in the air at the edge of space, long before our missiles could reach their targets. Also uncovered are revolutionary new Soviet capabilities for detecting and thus destroying submerged U.S. missile submarines and the related reasons that led Eugene Rostow, former Director of the U.S. Arms Control and Disarmament Agency, to dismiss the value of our submarine fleet as a fully effective deterrent to war.

These and the many other facts carefully amassed and newly revealed in this publication, if examined with an open mind, force us to recognize that the capability of our country to deter a Soviet nuclear attack by fear of American retaliation could soon be entirely gone. The data and analysis presented make abundantly clear the exact extent of the dangerous military imbalances which have arisen in the span of only a few years and why even Dr. Henry Kissinger has warned that *the years facing us now* will be "a period of vulnerability such as we have not experienced since the early days of the Republic."

Are Soviet leaders taking international political advantage of our growing vulnerabilities? Will they take even greater advantage in the future?

In this book you will read, probably for the first time, the many statements by Soviet leaders which prove that the *real* purpose of the massive Soviet military buildup is not self defense but to gain an awesome strategic advantage and with it the crucial international supremacy and crisis leverage derived from the unquestioned ability to fight and *win* an intercontinental war.

You will learn the harsh fact that while the American people have been sold the notion that nuclear war would totally destroy both nations, Russia has focused its entire national effort, sacrificing everything except the most basic needs, to achieve the capacity to *survive* a nuclear war and to defeat any combination of opponents. You will learn, quite simply, why Soviet capabilities, both offensive and defensive, will very soon be so overwhelming that the Soviets could realistically believe, as President Reagan recently warned, that they were in a sufficiently strong position to say with confidence, "We can destroy you. You cannot destroy us. Bend to our will . . . or face devastation."

If such an ultimatum is given, either directly or (as is far more probable) tacitly and gradually, it will come from a tyranny that treats total war and suppression as a natural part of history.

On this very day, the Soviets have approximately *five million* of their own citizens incarcerated in slave labor camps, living and working under conditions of unbelievable hardship and suffering. It is estimated that 500,000 men and women die in these camps every year.

On an even larger scale, and indeed in every important sense, *all* of the Soviet Union is itself a vast prison with the equivalent of 20 KGB Divisions and 30 MVD Riot Divisions—more than one-half million specially-selected troops—deployed simply to control a people who are consulted neither on their own future nor on the high stakes of international confrontation.

And in open warfare, the Soviets are even more inhumane.

Consider this recent (unreported) report from the Department of Defense:

"We have no evidence to suggest that the Soviets are concerned about civilian casualties resulting from their use of chemical weapons. Evidence from Southeast Asia and Afghanistan shows that *civilians have been the specific targets of chemical weapons."* [1]

Consider also that in 1980, soon after the invasion of Afghanistan, the Soviets conducted lethal chemcial and biological tests against men and women tied to stakes in target areas at the gigantic Shikhany Chemical Test Range located southeast of Moscow and that such tests are apparently continuing.

Consider finally that the Soviets have 14 chemical weapons production facilities operating at full capacity. (The U.S. has none.) They have 8 biological weapon production facilities. (The U.S. has none.) And the Soviets have an estimated 150 intercontinental missiles for *global* delivery of these horrifying weapons.

These facts should be known by all Americans in order to understand the modes of thought of our opponents and the implications for us of their new and growing power. Yet not one person in a thousand in this country is remotely aware of them.

At the outset, the authors furnish easy-to-read "box scores" which give the stark figures on actual Soviet military strength versus that of the United States at the beginning of 1985. What you will read in concise format is so startling that you may find the information disclosed hard to believe—you almost certainly will not want to believe it—but the cold figures demonstrating our severe vulnerability are taken exclusively from official sources and public records.

Later in the book you will learn why nearly all Americans are unaware of these facts. You will learn why virtually all in the U.S. news media have ignored them and why United States officials do not discuss them. You will learn how all of us, as citizens in a democracy with a duty to the future, share responsibility for the tragic, incremental erosion of our strength and how *the rhetoric of our times does not match the reality of our forces.*

But of greatest importance, you will learn, *unfiltered and unabridged,* the grisly implications of the new strategic reality now dawning for our country and the Free World . . . and for you, your family and children.

We who asked that this book be written welcome the opportunity to have it distributed because the time has long passed for all Americans to know the complete truth, to see its whole meaning, to reject the myths, and to act . . . because in the final analysis the survival of our American Democracy is not a duty of the government or the news media, but is, instead, the ultimate responsibility of the people.

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INTRODUCTION

(By Steve Symms of Idaho, United States Senate)

First as a Member of the House of Representatives and now as a Senator, I have observed at closehand as Congress time and again makes incorrect and often dangerous decisions on matters vital to American security and freedom. Congress does so because of an astonishing disinterest in the truth of our current strategic inferiority and because of an equally cavalier disregard for the evidence of Soviet aggressive intention toward the Western Democracies.

But the unvarnished truth is rarely popular in politics, and nowhere is that more true than in matters concerning American security. With ever rising federal deficits, few voters want to hear that military spending must be increased to counter Soviet military might, and most politicians, therefore, understandably far prefer the political safety of inaction and acquiescence over the political dangers of action and leadership.

It has happened before. During the years preceding World War II few leaders chose to suffer the political risk and consequence entailed in warning the Free World of the reality of the Nazi military buildup.

The analogy today is all too clear. While the Soviet Union engages in the most massive military buildup of all history, most Western politicians still insist on minimizing the significance of these activities. They conceal the truth from the public and delude themselves in the belief that their inaction is somehow justified in the cause of world peace.

The theory goes that Soviet aggressive behavior can be modified by ignoring it in public, by persuading and negotiating in private, and by keeping the American people in a false feeling of security through denial or concealment of the facts. These omissions and distortions are rationalized as necessary in order to preclude any "inconvenient" or "dangerous" public political demand for Western rearmament.

The authors of the book you are about to read do not accept that theory. Nor do I. Our Republic and the other remaining democracies thrive on truth just as the Soviet Union thrives on falsehood. Certainly, there can be no justification for withholding from the public basic essential information concerning American strategic vulnerability, when the issue, ultimately, is our national survival itself.

In this context, unfortunately but obviously, I cannot discuss information still restricted by security classification; however, I do feel at complete liberty to say in a gener-

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*Throughout this book the terms "Russian," "Soviet Union," "Russia," "Soviet," etc. are used interchangeably primarily for reasons of style and notwithstanding the objection to equating the country, Russia, with its Soviet dictatorship or the Russian people with the aggregation of subjugated nationalities comprising the 272 million "citizens" of the Soviet Union. Cf. Aleksandr Solzhenitzyn, "Misconceptions about Russia are a Threat to America." *Foreign Affairs,* March, 1980.

[1] Throughout the text, as in this quotation, any emphasis added is that of the authors unless otherwise indicated.

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al sense that based on knowledge obtained in an official capacity I am deeply impressed by the high degree of accuracy of the data the authors present. Yet there remains *even more* information the American public should have and should have soon. The material given here will hopefully begin that process.

For that reason and for many others, I recommend this volume, to you and to all citizens, as a thought-provoking assessment of the current strategic imbalance and of the new implications of Soviet military supremacy for Western freedom, both internationally and at home.

The picture painted is unpleasant to contemplate, but we must understand the facts as they are, not as we might wish them to be, if we are to remain free.—Steve Symms, United States Senator, Washington, D.C., February 22, 1985.

AUTHORS' NOTE

In 1980, reliable polling data uniformly indicated that a majority in the United States believed that American defenses had become significantly *inferior* to the military power of the Soviet Union. The obvious accuracy of those polls was reflected in the subsequent Presidential vote of the same year by which a President the public viewed as weak on national defense—Jimmy Carter—was enthusiastically replaced by one the public viewed as strong—Ronald Reagan.

Today, reliable polling data indicate that a majority believes the United States to be *equal* or *stronger* militarily than the Soviet Union.

The majority was correct in 1980, but it is our belief that over the ensuing four and a half years the majority has been led dangerously astray.

We believe, and believe we can demonstrate, that the decline in the relative military power of the United States has been continuous and that it is, in fact, accelerating. We know of nothing tangible since 1980 that has materially reversed the trend then apparent, notwithstanding millions of empty words to the contrary in countless campaign speeches of the 1984 election.

Almost no Americans realize that, because of Congressional action and inaction, defense spending under President Reagan is *far below* the levels even President Carter thought were necessary for our safety, nor are they aware that Congress has *already* cut defense spending *far below* the *total* cumulative five-year increase that President Reagan urged when he entered office in 1981. The Reagan buildup occurred only as a proposal on paper which Congress refused to implement, yet most Americans believe the exact opposite because the facts have never been effectively provided to them—perhaps since the information is considered "insignificant" by those who would be most embarrassed by its widespread knowledge.

In writing this book, we have sought to dispel these and other grave misperceptions with the facts, chiefly those that have been untold or underemphasized by the government and the media. As a major part of that process, we value remembering our national past to gain a current perspective on our character as a people and to see more clearly the on-going direction and true degree of our decline.

History does not repeat itself precisely, but history does teach the precise inevitability of change. We hope, therefore, that a public better informed about the nature of the changes which have already occurred can mold those which are surely coming to allow our country to continue in the safety and freedom with which it has in the past been blessed.

In that regard, many Americans living today can still well recall that only forty short years ago their country enjoyed preeminent military superiority over all potential opponents and indeed over every conceivable combination of other nations. As has been seen as proven fact during World War II, the people of continental America in 1945 were inaccessible to direct attack by any enemy, and the United States Government was effectively immune to any form of military coercion anywhere on the globe. On the contrary, America was itself in a unique position to impose its will on a turbulent world in which peace could have been established exclusively through the unprecedented magnitude of American strength.

Yet America did not choose to use its position of unchallenged dominance and did not launch a preemptive war against the worst long-term threat to peace, the Soviet Union, even though Russia had breached its solemn commitments to allow self-determination in Eastern Europe and had initiated an obvious program of protracted aggression.

America did not act when it had the power to act because Americans, besides having an inbred national desire for peace, also have an almost inexplicable national preference for waiting until the eleventh hour to correct even the most threatening conditions.

Yet, in some sense, that peculiarly American trait can be understood. With a remarkable history of unparalleled advancement achieved while adopting precisely an attitude of procrastination, Americans have developed an entrenched faith, buttressed by national experience, that *nothing* is ever too late to correct and that the game can always be won on the last down. That positive conviction has been, seemingly, justified by our record.

Leaving crucial matters to the very last has repeatedly characterized our response to virtually every social and economic ill. Yet we are the richest, the most free, and the most egalitarian society on earth. Leaving matters to the very last characterized our belated and ill-prepared entry into both World Wars. Yet we decisively prevailed.

But now our success is becoming our downfall. Now our over-confidence and blind faith in the future promises not the deserved rewards of optimism but the just deserts of folly.

In this book, to the best of our ability, we present the bitter facts documenting the most systematic military decline of a great power in the history of mankind. We have not relished the task, but we have felt it to be necessary because Americans who so much cherish the land where they were born are entitled to know her peril.

The summaries you are about to read offer a "box score" or "snapshot" of the existing military force structure of the Soviet Union and the United States at the beginning of 1985, all developed from official U.S. Government sources.

Obviously, the figures presented are not unchanging and only represent the situation for the present moment. In fact, tremendous military production and research momentum favors Russia and will assure further growth in the asymmetries disfavoring the Free World for at least the next decade . . . almost without regard to what action is taken by the United States.

Although the data given could easily lead us to conclude that America can never recover from its present dangerous inferiority, *we do not believe that to be the case.* Our future as a nation holds promise and hope beyond imagination—but only if the President and Congress act decisively, at once, and in concert—with the support of an American public which has been told the truth.

Accordingly, in reading the following box scores we ask you to keep always foremost in mind the thought embodied in these words spoken in 1935 in similar circumstances by Winston Churchill:

> "Never must we despair, never must we give in, but we must *face facts* and draw true conclusions from them."

NUMBERS THAT COUNT: THE FACTS OF SOVIET MILITARY SUPREMACY

"For my part, whatever anguish of spirit it may cost, I am willing to know the whole truth: to know the worst, and to provide for it."—Patrick Henry, in 1776.

BOX SCORE NO. 1—ON-LINE STRATEGIC NUCLEAR FORCES

	United States	Soviet Union
Intercontinental ballistic missile ICMB launchers (including SS–20's and SS–16's)	1,000	1,850
Heavy ICMB launchers	Zero	820
Ready ICBM warheads	2,100	9,300
Ready ICBM warhead capable of destroying ICBM silos [1]	Zero	7,070
Total ICBM warheads (including reload, SS–20, stockpiled, and covert missile warheads)	2,100	20,200
Ballistic missile submarines	35	101
Intercontinental range submarine-launched ballistic missiles (SLBM's) [2]	Zero	596
Intercontinental range SLBM warheads	Zero	2,000
Cruise missile submarines [3]	3	220
Sea-launched cruise missiles [3] (nuclear armed)	12	575
Intercontinental bombers	239	650
Total intercontinental delivery vehicles (excluding Soviet reload missiles and reserve forces)	1,833	3500
On-line ballistic missile throw-weight [4] (millions of pounds)	4.4	12.4
Predominant age of systems (years)	15	5 or less

[1] The 1650 U.S. Minuteman III warheads may have some capability against Soviet ICBM silos, but Soviet missile mobility and improvements in silo hardness and defenses make highly doubtful the effectiveness of these U.S. warheads for that purpose.

[2] SLBM's which can be fired from home port at intercontinental range equivalent to that of ICBM's.

[3] The number of U.S. SSN–688 attack submarines armed with nuclear capable cruise missiles probably will increase (notwithstanding a Congressional ban on current funding) but the total planned deployment will be only a small fraction of the number of already deployed Soviet nuclear armed cruise missiles which can attack U.S. coastal regions where, unlike the U.S.S.R., more than 50 percent of our population, industry, and infrastructure is located. Moreover, the Russians are in the process of deploying off our coasts the SS–N–21, the SS–N–24, and other extremely long range cruise missiles which can hit targets anywhere in the United States when launched by submarine from sea. Unlike their slower U.S. counterparts, some of the new Soviet cruise missiles are supersonic and correspondingly more difficult to find and shoot down with a highly limited number of American interceptor aircraft.

[4] The 8 million pound throw-weight advantage in favor of the Soviet Union does not include Soviet reserve or reload-refire missiles but only counts on-line ready to launch forces. The United States has no reload/refire missiles and no operational reserve. If Soviet reload/refire and stockpiled missiles are included, the Soviet nuclear throw-weight advantage approaches six to one.

Note.—Basic sources are the Department of Defense and the Arms Control and Disarmament Agency. Removed from U.S. forces are the 80 B–52D's, the 54 Titan II ICBM's, and the 160 Polaris Submarine Missiles which have been or are being rapidly deactivated. The overwhelming Soviet missile reload and refire capability is not counted in this box score of on-line forces (except to show total ICBM warheads) but is reflected in the next box score which deals with strategic nuclear reserve forces. SS–20 Launchers and a limited number of ready SS–20 warheads are counted for reasons stated in Box Score No. 2. However, not counted are approximately 1,000 MRV nuclear warheads on the Soviet SS–11 Mod 3 ICBM nor are the warheads in over 125 Soviet "test and training" launchers which house missiles carrying approximately 675 additional nuclear weapons. Moreover, there is credible evidence that the Soviets plan as many as five rapid reload and refire salvos for each ICBM launcher whereas the data assumes only one reload per Soviet launcher. American submarine-launched ballistic missiles (SLBM's) are much less capable than most Soviet SLBM's in terms of range, accuracy, and yield; thus, the U.S. advantage in numbers of SLBM warheads (about 2 to 1) should not be allowed to mislead (as is often the case) since the American disadvantage in SLBM capabilities is enormous. In fact, most Soviet nuclear warheads (including those comprising the truly incredible Soviet numerical advantage in the vital category of ICBM warheads) are on the average 10 times more powerful in yield than U.S. warheads, and they are more accurate.

BOX SCORE NO. 2—RESERVE STRATEGIC NUCLEAR FORCES

	United States	Soviet Union
ICBM launchers with ICBM reloads (including SS–16's, SS–20's and SS–11's)	Zero	1,850
Modern Stockpiled and reload ICBM's	Zero	3,350
Modern reload ICBM warheads (including SS–16's and SS–20's) [1]	Zero	9,300
Stockpiled older ICBM's	100	1,500
Fractional orbital ICBM's (SS–9 mod 3)	Zero	18
Rail-mobile modern ICBM's [2] (SS–24)	Zero	100
Road-mobile modern ICBM's [2] (SS–25)	Zero	200
Covert intercontinental bombers (Bear-H Bomber with Air-launched cruise missiles, ALCM's)	Zero	50
Covert strategic Air-launched cruise missiles (ALCM's	Zero	150
Total reserve strategic launch systems (reload, covert, and stockpiled systems)	Zero	3,700

[1] These data assume only one reload missile for each SS–20 launcher. Public reports indicate that current intelligence estimates reckon that the U.S.S.R. plans up to 5 reload missiles per SS–20 launcher which, if correct, would increase the number of modern Soviet reload and covert ICBM warheads from 9,300 to an actual planned total of at least 11,700 in the near term.

[2] Projected. Deployment of the SS–25 in operational regiments is underway at the Yoskar Ola and Yurya Missile Complexes in the Central Soviet Union. The Soviets are developing or deploying for new types of ICBM's: the SS–24, the SS–25, the SS–X–26, and the SS–X–27. U.S. analysts estimate that the SS–X–26 will have a 5 ton payload with extreme accuracy to a range of 7,000 nautical miles. the SS–X–26 and SS–X–27 will both be larger than the already gigantic Soviet SS–18 which is 7 times larger than the U.S. Minuteman III. The SS–18 force of 308 on-line missiles (excluding reloads) carries total ready warheads with explosive power greater than the entire U.S. ICBM and SLBM force combined. Meanwhile, Congress has stalled production of the U.S. MX ICBM, which is one-half the size of the SS–18. The first MX cannot be operational until 1987 or later in any event.

Note.—Sources are Department of Defense, U.S. Arms Control and Disarmament Agency, and Congressional and public reports. In its strategic nuclear reserve, the Soviet Union has an order of magnitude more strategic nuclear delivery vehicles and warheads than are counted in their on-line forces which, as seen in Box Score No. 1 already greatly exceed those of the United States. The United States does not have a strategic nuclear reserve nor any unacknowledged launch systems. in this analysis, the SS–20 is counted as an ICBM since its range probably exceeds the 5,500 km ICBM range definition agreed in the unratified SALT II treaty. (The International Institute for Strategic Studies gave the SS–20 a range of 7,400 kilometers.) To include the SS–20 in the lesser tactical or illusory "theater" category would be misleading since it has clear strategic potential because of its range, accuracy, and yield as is evidenced by the inclusion of all SS–20 regiments in the Soviet Strategic Rocket Force Command and by the mixing of SS–25 ICBM's in SS–20 launcher regiments. The best evidence that the SS–20 is an ICBM is the fact that it has been operationally fired on an azimuth directed at the United States. Moreover, the range of the SS–20 can easily be increased by loading 2 warheads instead of 3, and its practical intercontinental capability can be enhanced, even with 3 warheads by Siberian basing, for example at Anadyr. The missile is mobile.

BOX SCORE NO. 3—ANTI-NUCLEAR STRATEGIC DEFENSE FORCES

	Untied States	Soviet Union
Surface-to-air missile launchers (SAM's for continental air defense)	Zero	13,800
Primary antiballistic missile launchers (GALOSH and ABM–3 [1]	Zero	100
Secondary antiballistic missile launchers (SA–5, SA–10, SA–12) [2]	Zero	3,500
Modern interceptor aircraft (To intercept intercontinental bombers and cruise missiles)	42	3,200
Air-defense radars	117	7,000
Civil defense	([3])	([4])
Operational antisatellite systems	Zero	4 system types
Satellites for detecting submerged submarines	Zero	2 system types
Antisubmarine warfare (attack) subs	99	280
Percentage of ICBM warheads defended by ABM's	Zero	([5])

[1] The Soviet ABM–3 is a highly advanced ballistic missile interceptor system which is rapidly reloadable and carries two types of high-acceleration interceptor rockets per launcher. One rocket, the SH–08, intercepts at relatively low altitude (above 50,000 feet) and the other, the SH–04, at higher altitudes in outer space. In March, 1984 the Soviets resumed testing of the SH–08 at Saryshagan to improve the agility and maneuverability of the weapon. The ABM–3 is being deployed initially to defend the Soviet capital and adjacent ICBM launch sites. Notwithstanding the ability of the ABM–3 and SA–12 to down our ballistic missiles, the Administration eliminated funds for the development of anti-ABM penetration aids for the Trident SLBM and the MX and Minuteman ICBM's. 100 AMB Launchers are either operational or being modernized near Moscow.

[2] The SA–5, SA–10, and SA–12 rockets are frequently armed with nuclear warheads and can also be used for air defense against bombers as well as, in the case of the SA–10 and SA–12, against low-flying cruise missiles. The SA–12 is openly acknowledged even by the Soviets to be designed to intercept U.S. ballistic missiles in flight.

[3] Effectively more.

[4] Massive and nationwide.

[5] Up to 33 percent and growing.

Note. In early 1984, the United States was developing an F–15 Fighter/Anti-Satellite system (ASAT), but Congress blocked testing and deployment, This action coincided with the Soviet proposal to ban ASAT testing to prevent the development of any U.S. capability which might threaten their Submarine detecting satellites or their command and control and strategic targeting satellites.

BOX SCORE NO. 4—TACTICAL NUCLEAR FORCES

	United States	Soviet Union
Tactical Nuclear Delivery Aircraft Land Based	451	6,800
Tactical Nuclear Missiles	100	[1] 800
Net Tactical Warheads Planned for Withdrawal or Withdrawn From Europe since 1981	2,400	Zero
Net Tactical Warheads Added in Europe since 1981	Zero	2,300

[1] This figure is a rough approximation of the currently deployed old SS–12, Frog, and Scud missiles and the newly operational SS–21, SS–22, SS–23, and SS–C–4 (Ground Launched Cruise Missile-GLCM) systems fielded by the Soviets since 1,981 (all of which systems are concealed and camouflaged), but it does not include the reload missiles for these systems or any of the up to 1200 on-line SS–20 warheads which, as previously noted, are more properly counted in strategic systems on the basis of range and warhead yield and because SS–25 ICBMs are being integrated in SS–20 launcher regiments of the Strategic Rocket Command. Included in the above figures are about one dozen U.S. Pershing II missiles (low-yield, short-range, single-warhead) on which the KGB Directorate for Disinformation (Service A) has focused so much world-wide propaganda. The Pershing II has about one-fifth the range, one-third the number of warheads, and roughly one-thirtieth the explosive power of the SS–20 to which it is often erroneously equated even by U.S. defense "experts." For every tactical nuclear warhead the U.S. has withdrawn, the Soviets have deployed two new ones. Numerically, the U.S. will have withdrawn five warheads for every Pershing II and U.S. GLCM deployed so that, on completion of the Pershing and GLCM deployments, total U.S. warheads in Europe will soon be at the lowest level in twenty years.

BOX SCORE NO. 5—CHEMICAL AND BIOLOGICAL FORCES

	United States	Soviet Union
Modern Chemical Weapon Production Facilities	Zero	14
Biological Weapon Production Facilities	Zero	8
Modern Chemical Weapons (shells, rockets, and bombs)	Zero	[1] 700,000 tons
Biological Weapons	Zero	Tonnage unknown
Estimated ICBMs for Global Chemical or Biological Weapons Delivery (SS–11 Mod 4)	Zero	[2] 150

[1] Approximate. Stockpiled tonnage could be substantially higher.

[2] Highly approximate. Precise data cannot be provided.

Note.—The United States is abiding by the 1925 Chemical Warfare Protocol and the 1972 Biological Warfare Convention and has no biological weapons or production/test facilities. In contravention of these international commitments, the Soviet Union has stockpiled biological weapons, initiated use of chemical and biological toxin weapons in combat, and conducted extensive research on and development of biological weapons (including military exploitation of genetic engineering). The Soviet advantage in offensive chemical weapons is staggering. Even in defensive terms (in which the Soviets do not often think), the Soviet advantage in decontamination equipment exceeds 25 to 1. In response to this threat, the United States has one unusable and obsolete chemical weapon production facility which ceased operation in the late 1960's. The eight Soviet biological weapons production facilities are at Sverdlovsk, Zagorsk, Omutninsk, Aksu, Pokrov, Berdsk, Penaz, and Kurgan. A biological weapon storage facility is in the town of Malta. These activities are under the control of the secret 7th Main Directorate of the Soviet Ministry of Defense.

BOX SCORE NO. 6—CONVENTIONAL FORCES

[Active components]

	United States	Soviet Union
Ground Combat Divisions	[1] 16*	195
Battle Force Ships	[2] 524	2,249
Merchant Marine Ships	12	1,800
Attack Aircraft	2,606	6,750
Tanks	4,960	51,900
Armored Personnel Carrier	7,090	63,390
Artillery Tubes	1,350	46,300

[1] The Cuban Army has 254 active Soviet-model combat divisions with units deployed in Central America and Africa. The Cuban militia is building to a level in excess of the combined unit strength of the entire Army, National Guard and U.S. Army Reserve.

[2] The degree of inferiority of the United States Navy is reduced by greater professional competence, by superior operational experience and naval tradition, and by 13 large-deck aircraft carriers. The Soviet Navy has only eight small-deck Moskva, Kirov, and Kiev class aircraft carriers but is constructing and planning at least eight large-deck nuclear-powered super-carriers as well as additional small-deck ships. The first Soviet supercarrier, The Kremlin, will displace 75,000 tons and will be approximately equal in size and capabilities to the very largest American carriers.

Note.—Although Red Army Divisions (some of which are not at full strength) are smaller in troop number than U.S. Divisions, at full strength their firepower and mobility equals or exceeds that of the larger U.S. unit. Moreover, not included above are 250,000 troops in KGB State Security Divisions which are equipped with tanks, armored personnel carriers, and artillery and fight as conventional combat units much as did comparable Nazi SS Divisions during World War II. Also not included are 30 MVD Combat Divisions which perform internal security missions. The KGB troops have an equivalent strength of about 20 Soviet Army Divisions for a total (excluding MVDS) ground combatant force of roughly 215 maneuver divisions which give a combat ratio of about 14 Soviet Divisions against one U.S. Division—not good odds. This ratio will not be materially affected by the creation of two new U.S. light divisions since the new divisions arise not from an increase in troop strength but only from an internal reorganization of the present U.S. force. The above comparison does not include non-U.S. NATO forces or non-Soviet Warsaw Pact forces which roughly balance each other and are of varying degrees of reliability and effectiveness. For similar reasons and because of the highly limited time in which any future major conventional conflict would likely be decided, active forces only are compared. Because of their specialized missions, U.S. Marine Corps and Soviet Naval Infantry are not included.

BOX SCORE NO. 7—SPACE FORCES/STRATEGIC WEAPONS TESTING

	United States	Soviet Union
Military Space Mission Launch Sites	25	150
Satellite Launches Per Year	20	100
Payload Weight in Orbit Per Year	30 tons	330 tons
Ratio of Reconnaissance Satellite Launches	1	5
Ratio of Nuclear-Warhead Test Explosions	1	4
Nuclear-Warhead Test Explosions Over 150 Kilotons (per year)	Zero	4
Strategic Intercontinental Missile (ICBM) Tests (per year)	5	120

Note.—Anti-satellite space systems (the U.S. has none operational) are covered in Box Score Number Three. The information provided above is based necessarily on public and open official sources and accurately approximates precise data. The Soviets have developed a space-boost rocket reportedly capable of launching 150 tons into orbit in one lift. This capability could allow the Soviets, before the end of 1985, to launch an extremely large manned space station capable of housing a large number of personnel who will be in position to carry out military operations in space. The USSR has also conducted four flight tests of fighter spaceplanes which when operational will be manned by Soviet fighter pilots for direct ascent military missions in outerspace.

BOX SCORE NO. 8—STRUCTURAL MILITARY SPENDING

[In percent]

	United States	Soviet Union
Percentage of GNP	5	Over 20
Percentage of all government spending	17.5	Up to 60
Percentage of military spending devoted to development and acquisition of weapons and equipment	38	70
Percentage of military spending devoted to development and acquisition of strategic weapons [1]	5.6	30
Percentage of military spending devoted to personnel costs	44	10
Overall ratio of Soviet versus U.S. military spending annually [2]	1	2.5

[1] The U.S. has cancelled appropriated funding for the present fiscal year to procure nuclear weapons systems for current deployment, having already cancelled further procurement of the only 2 systems in deployment, the Trident I and the ALCM–B. Congress (except for funds appropriated in prior years) has in fact for fiscal year 1985 frozen all U.S. strategic deployments as if a nuclear freeze were in effect.

[2] This estimate is based on the proportional defense burden on the respective Soviet and American Gross National Products and on the relative size of each GNP; as such it is an approximation only but is quite accurate in terms of order of magnitude. Moreover, the disparity evidenced by this rough ratio is greatly magnified by its cumulative effects over succeeding annual cycles.

Note—The Soviet Union spends annually at least $40 billion more than the United States on strategic nuclear systems. Defense spending under President Reagan, because of Congressional actions, is substantially below levels recommended by President Carter ($38 billion less) and one-half the percentage of Federal spending allocated by President Kennedy under whose leadership almost 50 percent of the Federal budget was devoted to National Defense. Sources are the Department of Defense, the Defense Intelligence Agency, and hearing records of the Subcommittee on General Procurement of the Senate Committee on Armed Services.

BOX SCORE NO. 9—SOVIET VERSUS CARTER VERSUS REAGAN COMPARATIVE MILITARY SPENDING

[Billions of U.S. dollars]

	1982	1983	1984	1985	1986	Total
Soviet	360	378	418	460	480	2,096
Carter	184	210	238	268	300	1,200
Reagan	185	210	227	254	[1] 286	1,162
Reagan vs Carter	+1	0	−11	−14	−[1] 14	−38
U.S. vs USSR	−175	−168	−191	−206	−[1] 194	−934

[1] As of early 1985, Congressional Budget Office estimates for U.S. Military spending for FY 1986 are already substantially lower than the President's budget request shown above.

Note.—The above figures are in billions of comparable U.S. dollars using, in the case of the Soviet data, Joint Chiefs of Staff (JCS) conversion techniques for converting current year rubles to current year GNP dollars. These figures represent actual defense spending (outlays) which is the best measure of Defense budgeting priorities by fiscal year. Sources are the U.S. Department of Defense, the JCS, and the Defense Intelligence Agency; however the Soviet data is approximate only. The Soviet spending data is also at variance with estimates derived from current CIA analysis which "bean counts" Soviet systems and then attempts to price each system in rubles. The CIA methodology is of doubtful validity as evidenced by the CIA decision in 1977 to double its own estimates on the basis of other evidence. Regrettably the flawed methodology was retained and therefore further CIA revisions are inevitable. President Reagan's defense spending is currently well below levels recommended by President Carter and will likely be much further reduced by Congressional action. Reagan actual spending (budget function 050) is at least 156 billion below the Reagan March 1981 five (5) year defense plan and (using the methodology underlying the data) approaching one trillion below Soviet military spending for the same five year time period. In fact, the actual disparity between U.S. and Soviet military spending could be much greater than shown above. Every penny of the Reagan defense buildup announced in March, 1981, has been deleted plus an additional cut of $38 billion.

[General Analysis]

THE DYNAMICS OF ARMS

"By 1985, we will be able to extend our will wherever we wish."—Leonid Brezhnev, in 1973.

"History will not give us a second chance."—Caspar Weinberger, in 1985.

The overview force structures, presented in "box score" format, represent what strategic planners call a *static* analysis of the strategic potential of the United States and the Soviet Union. The authors believe that accurate and comprehensive static analysis, as shown, yields the most easily understandable summary information of current forces, but we also agree that a full assessment of relative military potential must take account of how static forces, measured in peacetime, could be actually employed in wartime. That assessment of potential actual use is termed *dynamic* analysis because it values the worth of forces not simply numerically but as potentially employed.

Unfortunately for America, a dynamic analysis of the relative Soviet threat is even less comforting than the implications to be drawn from the awesome static imbalances outlined in the box scores.

Moreover, a net general assessment of relative power is seen to be even worse from an American perspective in part because dynamic analysis, in addition to the practical use of weapons systems, also takes account of the potential *interaction* of military forces at different levels of force employment.[2] Obviously, in that regard, clear superiority in a higher level of force will dominate and control an opponent's equality or even superiority at a lower level.

Strategic planners call this latter concept "escalation dominance," meaning that superiority at the highest level will control lower levels of force and that superiority in each succeeding lower level will control force levels of even lesser degree. Obviously, dominance at a higher level coupled with dominance at a lower level gives control both directly *and* through escalation potential.

During World War II, Nazi Germany possessed large stockpiles of highly lethal chemical weapons. Yet Hitler, who was capable of any barbarism, refused to order their use. The reason is now clear. Hitler, himself badly gassed in World War I, feared American and British chemical weapons far more than he valued his own.

Yet, had *Hitler* developed the atomic bomb before his defeat and *before* its development in the United States, he almost certainly would have used not only the atomic bomb but his chemical weapons as well, because superiority at the highest level would have conferred freedom of action—freedom to act terribly—at all lower levels. Without an American atomic bomb, our matching, retaliatory use of chemical weapons would have been forestalled because of fear that the Nazi would exact even greater nuclear retribution.

Fortunately for the Allies, Hitler never attained "escalation dominance," the War in Europe did not escalate, and the Allies achieved victory through conventional warfare. In the Pacific, the United States (balanced with Japan in chemical weapons) achieved *and used* "escalation dominance" by attacking Japan with *atomic* weapons. That action ended further Japanese resistance potential at the chemical and even conventional level. In short, the top of the force pyramid governed the broader bases, and history teaches that escalation dominance is more than theory.

Today, the Soviet Union has attained military superiority at *every* force level. Russia dominates the pyramid from top to bottom. That central fact is evident in even the most casual study of the "box scores" earlier reviewed. But what precisely do these static imbalances mean in dynamic terms? What do they mean in terms of the potential use of power and its effect on policy?

Soviet strategic dominance

At the top of the power pyramid, the USSR now has an effective overall static advantage of about *six to one* over the United States in strategic nuclear offensive and anti-nuclear defensive forces. This imbalance suggests in dynamic terms that the Soviet Union now has the "first strike" potential so long feared by American strategists. But worse still, the apparent Soviet first strike potential (in which ICBM countersilo warheads predominate) grows ever more ominous each year, and its utility to the Communists for nuclear blackmail and intimidation becomes ever more obvious. No one today could reasonably be accused of overstating the facts by insisting that the growing Soviet first strike capability does indeed throw a darkening shadow over the entire world.

In a general sense, therefore, the static imbalances in strategic nuclear and anti-nuclear strategic defensive forces more than support the dynamic analysis leading to recent assessments from senior Department of Defense officials that the Soviet Union is *10 years* ahead of the United States in strategic offensive capabilities and is also 10 years ahead of America in strategic *defensive* anti-ballistic missile, anti-air, and civil population protection capabilities.

These "top of the pyramid" nuclear offensive and anti-nuclear defensive Soviet advantages now plainly possessed by our opponent should not be surprising. We have had ample warning.

As long ago as 1969, a senior Soviet military leader explained the growth of Soviet military forces and military industry when he made the following statement in a classified Soviet military journal:[3]

"Strengthening of its defenses is now the *foremost* political function of the Soviet state . . . Never before has the internal life of the country been subordinated to a *war* so deeply and thoroughly as at the present."

Since 1973, the Soviets have spent far in excess of $460 billion on *procurement* of military weapons alone. The USSR had dedicated a larger share of its natural and industrial resources, year after year, to the production of military weapons *than any other country has ever done in peacetime.* The ongoing expansion and modernization of the Soviet industrial base, as well as sustained high levels of activity in weapons research and development, indicate that production of advanced military equipment and materiel will not only continue, but will probably *increase* in the future.

Since 1970, Soviets have increased their military production floorspace by about a third. Since 1970, the major Soviet weapons plants have nearly doubled in size and there has been continuous expansion and modernization of key missile producing facilities. And notwithstanding the already incredibly high levels of present production, the USSR is still increasing output in virtually every category of military hardware.

The Soviets have 135 major military industrial plants in operation. These facilities produce more than 150 different types of weapons and vast quantities of ammunitions. And according to a report of the Department of Defense issued in 1984:

"Since 1970, the Soviets have developed more than 20 new types of [military] aircraft, 10 new types of ballistic missiles, 25 new types of aerodynamic missiles, over 50 new classes of naval ships, one third of which have been submarines, and at least 50 new ground force weapons."

Thus, past proven performance and evident current trends indicate that the Soviet military buildup will continue relentlessly and indefinitely, and is open-ended in scope. In every aspect, the present determination of the Soviet Union to produce mass quantities of major weapons systems in a "peacetime" environment is unmatched by any nation in the world today or in history. No country has ever equaled the proven will and capacity now demonstrated by the Soviets to build so much for war in time of "peace."

Worse still, because Soviet planners understand the doctrine of escalation dominance, the Soviet effort has placed first production priority at the apex of the strategic pyramid: in strategic nuclear forces and strategic defenses against U.S. nuclear forces.

These Soviet offensive and defensive advantages gravely threaten—have already almost eliminated—the effectiveness of our retaliatory deterrent, which guarded against Soviet escalation dominance and preserved the world peace for 40 years.

In short, if the Soviets can now threaten a devastating first strike while making clear they can parry a great part of any remaining U.S. retaliatory response, deterrence of nuclear war is gravely weakened. Peace could be in jeopardy, and the U.S. could be not only vulnerable to a Soviet first strike, but more importantly, *because of its vulnerability* America could be increasingly subject to Soviet coercion and intimidation through the power implicit in an overwhelming nuclear advantage.

The developing situation is not at all unlike the great flux of history which threatened Nazi dominance over the democracies in the mid-1930's. With American politicians clamoring to kiss the ring of Mr. Gromyko lest they incur any hint of Soviet disfavor, our times are not at all unlike those described by Winston Churchill in July, 1936:

"The months slip by rapidly, if we delay too long in repairing our defenses, *we may be forbidden by superior power to complete the process.* I say there is a state of emergency. We are in danger as we have never been in danger before."

With no doubt less eloquence but with no less force, many dedicated government servants are today attempting to warn of far

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[2] Dynamic analysis thus recognizes that forces are not merely cumulative and that a fully accurate assessment is often achieved *not* through the arithmetic of X plus Y but rather than of X *times* Y.

[3] Major General Korniyenko, in *Military Thought.*

worse dangers in Soviet strategic nuclear dominance.

For example, Assistant Secretary of Defense Richard Perle recently told Congress that there has been almost a 75% increase in Soviet nuclear warheads aimed at the United States just since the SALT II Treaty was signed in 1979. During that period, the Soviets have deployed at least 3,850 new strategic nuclear warheads, and that figure does not count their missile refire capability and their capacity for further salvoes.

As Secretary of Defense Weinberger stated on December 20, 1984:

"Improvements and additions to the Soviet Missile force continue at a frightening pace, even though we have added SALT II restraints on top of SALT I agreements. The Soviet Union has built *more* of the big nuclear warheads capable of destroying U.S. missiles in their concrete silos than we initially predicted they would build, even *without* any SALT agreement. *We now confront precisely the situation that the SALT process was intended to prevent.*"

These staggering new missile deployments mean that the Soviets are close to *doubling* (and may have already doubled) the number of nuclear warheads aimed at America since former President Carter signed SALT II in order to "limit" nuclear arms.

Few Americans understand that fact . . . much less its implications. We will examine those implications now, and hopefully dispel the tragically widespread error that nuclear force levels and anti-nuclear defenses do not matter since "there are already enough nuclear bombs to destroy the world."

First, we must remember that in the past, American deterrence of nuclear attack depended on a triad of nuclear forces created initially for defensive purposes to assure escalation dominance at the highest level. This triad stood on three legs: 1) intercontinental ballistic missiles (ICBMs); 2) intercontinental bombers; and 3) submarine launched ballistic missiles (SLBMs). But today, all three legs of the U.S. triad are vulnerable, or will be soon, to a Soviet first strike:

At this moment, all U.S. ICBMs can be overwhelmed by the enormous Soviet advantage in accurate anti-silo ICBM warheads. 7,000 Soviet anti-silo warheads are more than sufficient for *all* 1,000 U.S. silbs. The Defense Intelligence Agency estimates that *with just two Soviet warheads targeted per U.S. ICBM silo* more than 90% would be destroyed leaving more than 5,000 Soviet warheads (of which some would be on the way) to finish off the surviving 100 U.S. silos housing any remaining U.S. missiles. (See Box Score Number 1.)

Nearly all U.S. strategic bombers are also vulnerable (and *all* soon will be) due to the continuing Soviet advances in ICBM, SLBM, cruise missile, and air defense capabilities. (See particularly Box Score Number 3 dealing with strategic defenses.) Already about 75% of our bombers are vulnerable on the ground, and the initially survivable 25% on ground alert face ever diminishing prospects of penetrating the already astonishingly formidable and constantly improving Soviet air defenses.

The U.S. bomber force is also totally obsolete. The aircraft are older than the average age of the crew members flying them. (One pilot was heard to say, "We used to worry about getting back; now we just worry about getting there.") Moreover, bomber readiness and availability for strategic missions has been even further reduced by the dedication of some B-52s to naval interdiction and conventional bombing missions. And, despite the fine sounding rhetoric and glossy photographs, *no* B-1B bombers are yet operational. When the first ones are, in late 1986, their numbers will be few and they will face essentially the same problems as the B-52s.

Since most of our land-based missiles and bombers would perish in the first salvo, *we are now and will continue throughout the 1980s to be unduly reliant on the third leg of our Triad, the sea-based SLBM force,* for most of our nuclear deterrence. But many SLBMs are reportedly dedicated to targets outside the USSR and therefore probably ought not even be reckoned in the top-line strategic intercontinental force level at all. Moreover, the number of our deployable submarines, SLBMs, SLBM warheads, and SLBM megatonnage has been drastically reduced by the premature and irreversible retirement of ten Polaris SLBM submarines before they could be replaced by the newer Trident boats.

Furthermore, the Extremely Low Frequency (ELF) submarine communications system will not be operational until 1986, thereby dangerously extending the period during which our missile submarines will be especially vulnerable to detection and destruction since they must patrol close to the surface in order to communicate via normal radio. Meanwhile, the USSR has been reported to have developed and placed in orbit a prototype spacebased Synthetic Aperture Radar to conduct wide ocean search for *submerged* U.S. submarines. If the Soviets can thus make the oceans transparent through high technology, then all U.S. submarines could be attacked underwater by a variety of means including barrage fire of undersea exploding nuclear warheads from, for example, the Soviet SS-20 ballistic missile.

Finally, *less than 50% (about 15 subs) of our much reduced submarine force of only 35 SLBM submarines is on patrol at any one time.* And even more alarming is the fact that reportedly only *three patrolling subs* carrying a total of *48 SLBMs* may be in communication with the National Command Authority at any one time, and hence *at this very moment* only the very small force may be *actually capable* of retaliation to a nuclear strike. And on top of this, all of our strategic command and control systems are themselves vulnerable to nuclear strike so that the Soviets could plausibly believe that even these three submarines might never receive the order to launch.

In sum, two and a half legs of the U.S. Triad are now vulnerable, and the remaining half-leg of the Triad (strategic submarines on patrol) may itself also be vulnerable already . . . or soon will be. Thus, at the top of the pyramid of forces *the vulnerability of our strategic forces is at an all time high.*[4]

Accordingly, the degree of survivability for our vital three SLBM submarines in communication with the National Command Authority (and of that communication link itself) remains one of the most significant unknown factors in U.S. national security calculations. And there can be little solace found in our knowledge that the Soviets are spending over three times more than the U.S. on Anti-Submarine Warfare (ASW) and that Russia has almost three times as many attack (ASW) submarines as the U.S. (See Box Score Number 3.)

As a Director of U.S. Naval Intelligence has noted, the Soviets' "extensive ASW Research and Development effort . . . is the area in which we could be expected to know *the least,* because it does not have the manifestations in the open seas that their weapons and platforms do." Nevertheless, as indicated in Box Score Number 3, *we now have public reports that the Soviets are currently testing, in space and aboard aircraft prototypes of high-technology systems designed to locate U.S. Submarines underwater in broad ocean areas.* And even more significant, there are reports that the Soviets have already deployed at least two operational space-based Anti-Submarine Warfare detection systems.[5]

Because the 48 or so SLBMs on board the three ballistic missile submarines in communication with the National Command Authority may, in fact, constitute the actual U.S. strategic deterrent at any one time, this limited number of missiles could, therefore, suddenly become vulnerable to an unanticipated Soviet breakthrough in ASW, about which "we could be expected to know the least." Moreover, even if these 48 SLBMs, or even additional U.S. SLBMs, could be ordered to launch, the relatively slow-flying SLBMs and non-maneuvering SLBM warheads would have to penetrate the Moscow anti-missile defense and the developing nationwide Soviet ABM defense which deploys the SA-12 and other anti-SLBM rockets. And the retaliatory U.S. launch, even if successfully ordered *and executed,* would be suicidal for the United States if it *triggered withheld Soviet second, third, and fourth strikes against a defenseless America.* What practical value would there be, indeed, in a relatively ineffectual retaliation by a limited number of American submarines which would only bring unmitigated further destruction to our own homeland?

The key point is this: compounding the danger of Soviet strategic offensive superiority (see Box Score Number 1) is the fact that the Soviets possess a balanced array of highly capable strategic defenses and reserve forces. (See Box Score Numbers 2 and 3.) As a result of U.S. unilateral "restraint"[6] and of Congressional cuts, the U.S. now has no ABM system, no effective strategic defenses of any type, and no strategic reserves whatsoever.

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[4] A number of reasonable Americans engaged in the business of analyzing nucelar forces believe that only a handful of surviving nuclear warheads should be sufficient to deter Soviet attack. This line of thought is called the doctrine of "minimum deterrence." Unfortunately, the issue is to what the proponents of this doctrine believe but rather whether the Soviets also believe in it, and the evicence is overwhelming that they do not. Why else, for example, would the Soviets be willing virtually to wreck their economy in order to build nuclear weapons and anti-nuclear defenses if they felt that only a handful of surviving American weapons could be a complete deterrent and prevent the use of the Soviet advantage either in negotiation or in war?

[5] A Defense Intelligence Agency report has been quoted as saying that the Soviet space-based ASW radar effort "is a matter of concern because it demonstrates that the Soviets are determined to destroy all three legs of the U.S. deterrent Triad if they possibly can find the means to do so."

[6] The word "restraint" is the favored euphemism at the Department of State for Amercian inaction or appeasement regarding whatever Soviet challenge. "Restraint" is seen often in official correspondence where it is most frequently used to explain away gross U.S. defense deficiencies in terms of *mollifying* Russia in the naive but apparently eternal hope of *modifying* Soviet aggressiveness. It is one of the three magic words in Washington, the other two being "concerns" and "meaningful" as in "We share your *concerns* that we have a *meaningful* dialogue on a basis of mutual *restraint,*" i.e., "Let's talk." (For a Department of State drafted textual example, please see Appendix III.)

On the other hand, the Soviets, no doubt appropriately moved by American "restraint" and by our Congress, have already deployed the most extensive anti-ballistic missile (ABM), air defense missile and fighter-interceptor systems ever built. Moreover, the Soviet ABM and air defense systems are being rapidly modernized and expanded. Their air defense missiles and radars also have a significant ABM capability. But of even greater significance, the Soviets have already begun (almost openly and contemptuously) to "break out" of the SALT I ABM Treaty and are in the process of making fully operational a rapidly deployable, *nationwide defense against U.S. ballistic missiles.* Remember also that the Soviets have a huge and still expanding civil defense system which promises to limit significantly casualties and damage in nuclear war. They also have the world's only operational Anti-Satellite (ASAT) systems. Additionally, the Soviet advantages and emphasis on strategic ASW here noted may be the final capability needed by Russia *to checkmate the entire U.S. deterrent.* Finally, the Soviets are expediting development of advanced charged particle beam and laser weapons technology, and they may well achieve a revolutionary anti-ballistic missile (ABM) and space defense capability based on weapons using new physical principles long before the United States.[7]

In that connection, the Soviets are now estimated to be working on a high technology, space-based ABM that could be launched as early as 1988. If they bring this off, then again, whatever limited U.S. deterrence remained could be finally eliminated and America prohibited from deploying any similar defensive system as a result of that quantum leap in Soviet strategic power.

In fact, on October 18, 1984, in a 36 page analysis released to the public, the Defense Intelligence Agency warned that Soviet intentions were precisely "to acquire superiority in outer space" and at the same time to use space systems and space weapons to support Soviet combat units on earth. The DIA analysis also confirmed that *a major purpose* of those efforts is "*to deny* the use of outer space to [the United States]" and that "the military nature of much of the USSR's space capabilities is *overwhelmingly offensive* in character, since that is the essence of their military doctrine." The DIA report concluded that the Soviets have tested two laser-beam weapons with sufficient power to down satellites, and it supported a similar CIA assessment that "the Soviets [will] begin to place in orbit . . . systems capable of effectively attacking . . . ground, sea, and air targets *from space.*"

These were very grave tidings: but they were entirely lost on the American public and on an ever silent news media. So, to reiterate: a Soviet technological breakthrough in space warfare is not science fiction. It is very nearly history. When it does come, it could end the prospect of deploying any related U.S. space technology and *will end* any remaining semblance of U.S. nuclear deterrent.

In 1981 Senate testimony acknowledging the then already substantial Soviet first-strike capability and growing nuclear superiority (as well presumably as Soviet advances in space weaponry), Secretary of Defense Caspar Weinberger stated that the "window of vulnerability will be at its widest in the period of 1985–1965." Thus, as bad as the strategic disadvantages of the U.S. are now, in terms of almost any rational forecast, they will get worse. In that regard, one consideration alone should be sufficient to make the point: between now and 1990, the USSR will add, according to our best intelligence projections, at least 10,000 additional new ICBM warheads to an existing force of roughly 20,000. Under these conditions, Secretary Weinberger's warning that "history will not give us a second chance" is valuable but seriously understated.

On November 16, 1934, Winston Churchill reminded the House of Commons:

"Peace must be founded on preponderance."

Churchill called for a 4 to 1 superiority over totalitarian armed strength.

But today, in early 1985, at the highest level of force dominance, it is the Soviet Union which has an overall 6 to 1 static advantage over the United States and clear superiority in any dynamic analysis of the potential use of that advantage, especially when Soviet strategic defenses and reserves are also taken into account.

In summary, the entire U.S. strategic deterrent could soon be rendered vulnerable to either a potential Soviet first strike or to completed Soviet defenses. *International recognition of this almost complete U.S. vulnerability would be the end of deterrence and would end American protection of liberty* because American freedom of action at other force levels, down even to the modest pressure of diplomacy and trade, would be effectively throttled by the entrenchment of the Soviet Union on the commanding heights of world power—at the highest level of strategic force—the capability of destroying or negating American nuclear forces while retaining unused massive residual nuclear firepower.

But Soviet dominance dos not end at the top of the pyramid. It continues down to its base.

Tactical nuclear forces

Below the level of strategic nuclear weapons, the Soviet Union is so armed as to be able also to dominate escalation at the tactical nuclear level, that is, at the level of potential employment of less powerful, shorter range nuclear weapons in a continental or local rather than global theater of war.

A quick reference to Box Score Number 4 shows the current static advantage in tactical nuclear forces favoring Russia. That already significant advantage is further compounded by the probability that some *strategic* SS–20 warheads are in fact programmed by the Soviets for regional use. And so, here again, the Soviet first strike potential would suffice to eliminate U.S. tactical nuclear weapons which cannot in any event be used themselves in a first strike *because of the awesome threat posed by Soviet dominance at the strategic level.*

Moreover, unlike the United States, the Soviet Union has *not* shown "restraint" in developing anti-tactical nuclear missile (ATM) systems and has openly acknowledged the ability of several types of ATM weapons (for example, the SA-12) to destroy U.S. tactical missiles in flight. Additionally, Soviet fighters (for example the MIG-23M, MIG-25M, MIG-29, MIG-31, and SU-27) have a look-down, shoot-down capability which allows them to destroy slow flying U.S. cruise missiles.[8] The net result is that any residual American tactical nuclear forces surviving a Soviet first strike would be unlikely to penetrate Soviet ATM defenses.

In summary, because of pronounced Soviet strategic nuclear preponderance, the United States *cannot* risk using tactical nuclear weapons first, the USSR can risk using tactical nuclear weapons first and the Soviets *can* defend against any residual or retaliatory U.S. tactical nuclear counterattack. Russia, in other words, by tactical preponderance and defenses (and by strategic superiority) dominates and would decide and control escalation to tactical nuclear forces.

Chemical and biological forces

The Soviet advantage in this category is so large as to be incalculable, but the Soviet Union enjoys *at least* a 1,000 to 1 advantage in deliverable modern chemical munitions. The Soviet Union enjoys an unknown advantage in biological weapons. (See Box Score Number 5.)

The United States does not posess biological weapons and its chemical weapons are obsolete, leaking, and almost as dangerous to our own forces as to the Soviets. Yet, Congress and apologists for the Soviets in Congress and on Congressional staffs continue to delay the development and production of modern, safe-to-handle U.S. binary chemical weapons.

The Soviet Union has also roughly a 35 to 1 advantage over the United States in *defending* against chemical and biological attack. Soviet troops routinely train in a chemical environment (at times with lethal agents) to improve their defenses and have used chemical and biological weapons in combat operations.[9] American troops rarely train in a chemical environment and have in any event only small quantities of *effective* defensive equipment.

In the past, as the American chemical weapon stockpile became of less and less value through obsolescence, American *defense* against chemical and biological weapons was increasingly predicated on the deterrence of potential American escalation to use of tactical nuclear weapons in retaliation for Soviet chemical or biological attack. That threat of nuclear escalation is no longer believable (or "credible" to use the strategists' phrase) because the USSR now dominates at both the tactical *and strategic* nuclear level. Accordingly, at the chemical/biological level the Soviet Union with superior chemical forces and a monopoly in biologial forces dominates yet again as our analysis proceeds down the force pyramid.

And our next result is even less reassuring.

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[7] The Soviets are already testing anti-satellite, high-energy gas dynamic and iodine lasers at the Saryshagan test site. U.S. analysis believe that deployment of a ground-based laser weapon system at locations throughout the USSR is in the offing. *Pravda,* in the fall of 1984, announced that the Soviet Union would deploy a high-energy laser in space in 1985.

[8] The Soviets are also likely to provide this capability to the high-technology MIG-2000 now in research and development.

[9] The USSR operates over 200 separate chemical/biological warfare training sites, maintains 30,000 military vehicles dedicated to chemical/biological decontamination and detection, and has a wartime force of over 160,000 men exclusively designated for chemical/biological defense. The Soviets or their clients have used chemical and biological weapons in Laos, Cambodia, and Afghanistan and have equipped Cuba with a huge chemical and biological weapons storage facility. They are currently also providing chemical warfare training and equipment to Nicaragua.

Conventional forces

The USSR (see Box Score Number 6) maintains a 14 to 1 static advantage in combat divisions coupled with overwhelming advantages in artillery, armor, airborne troops, ground attack and fighter aircraft, and—to a degree—strategic mobility. Soviet conventional naval forces also outnumber American forces but the Soviet advantage here is perhaps less obvious than in ground and air forces. As a result, in terms of dynamic application of Soviet conventional forces, the geographic area of potential operations becomes a significant factor. Nonetheless, the Soviet Navy with several nuclear powered supercarriers under construction is growing at a tremendous pace, and the existing degree of Soviet dominance at the conventional level remains high on a global basis. Here is why.

First, there is already ample reason to believe that Soviet conventional forces clearly dominate in Europe, in Asia, and more recently in the Middle East. As with tactical nuclear and chemical forces, in these regions a Soviet first strike with conventional forces would have a high probability for success in eliminating any defending American force. Moreover, a conventional first strike by American forces in these same geographic areas (besides being politically implausible) would be easily contained by the Soviets and would invite a devastating conventional counterattack with marked potential for Soviet escalation to higher force levels.

Perhaps for reasons of those realities, U.S. military service schools, like the Army Command and General Staff College, practically never admit the possibility of, much less advocate, an unlimited conventional *American* counterattack and speak instead solely in terms of defensive objectives and "restoring the borders." Yet, in the operational areas in question, the balance of conventional force so clearly favors the USSR that even the limited American objective of regaining invaded territory is of doubtful practicality.

Second, in Africa and in the Americas, Soviet superiority at the conventional level may also eventually control. Although Russia now only maintains two Soviet combat brigades in Cuba and limited Cuban proxy forces in Africa and Central America, the expanding Soviet Navy can already project substantial conventional combat power even in the Gulf of Mexico and Caribbean Sea. Additionally, Soviet construction of several large-deck nuclear aircraft carriers at the Nikolyev Shipyard on the Black Sea suggest a planned power-projection force of at least eight carrier battle groups. These new supercarriers (the first is near completion) will further drive the conventional balance toward greater Soviet dominance even in the Americas.

Third, whereas twenty years ago the Soviets could pose no serious threat to world sea lanes on which American global defense and commerce depend, the Soviet Navy may now be capable of closing several maritime choke points with superior conventional force.

With Soviet supremacy at higher force levels, what response could the United States risk if, for example, the Soviets on some pretext chose to close the Dardenelles or even Gibraltar or the Straits of Hormuz? Having seen American paralysis during the hostage crisis just in dealing with *Iran,* we can, not unfairly, assume the worst and ask further what results would American *inaction* bring for our friends and allies in Israel and Japan to whom these sea lanes are even more critical than to us? Unlike a decade past (when America had a Navy with one thousand ships and there was not a Soviet nuclear submarine base in Cuba), these possibilities can no longer be ignored.

Finally, even if the United States can still achieve conventional dominance (including naval dominance) in a particular area and time, for example in Central America or on and around Caribbean Islands like Grenada, if the Soviets choose to act or threaten action elsewhere, our remaining regional abilities can be effectively negated through the gigantic edge the Soviets maintain in Europe and the Middle East. With Soviet combat forces already stationed in Syria and with West Berlin surrounded by Russian tanks, we can easily speculate on the possible Soviet response to any truly serious *direct* effort by the United States to turn back Communism in Nicaragua or El Salvador, or even in Guatemala or Honduras.

The point is that: enormous Soviet conventional dominance in Europe backed by Soviet dominance in chemical and biological forces, in tactical nuclear forces, and in strategic nuclear forces checkmates any *significant* use of conventional force by the United States *anywhere,* even if America can still achieve local dominance. Stated simply, the Soviet Union dominates *overall* at the conventional level and can control and limit any U.S. move to escalate to conventional counterattack when, for example, Soviet proxies conduct guerrilla offensives—as in El Salvador.[10]

Terrorism and revolution

Moving from the conventional stage still further down the force pyramid, the strategist encounters so-called "low-intensity conflict." Here are the 'wars of national liberation", the "anti-colonial insurgencies," and the state-sponsored terrorism of the PLO, the KGB, and the Cuban and Bulgarian Secret Services. Here also are the counter-insurgency and counter-revolutionary operations of U.S. Special Forces and of the anti-Communist "Contras" based in Honduras.

Here too, as evidenced by a seventy-year history of virtually unbroken success, the Soviet Union holds clear dominance. In static terms Russia has several hundred thousand KGB agents and 50 thousand Spetnaz troops conducting, organizing and planning terrorism and insurgencies, while the United States has less than 4,500 active duty troops in Special Forces units and about an equal number of Congressional prohibitions.

At present, the Soviet Union is supporting at least seven *separate* significant insurgencies worldwide and conducts terrorism with impunity—even to include an attempt to kill the Pope—because the Soviet Union dominates this form of warfare *and* all levels of escalation above it.

And since the support of terrorism and revolution is the lowest risk *violent* means of achieving Communist objectives, it is *the preferred* force level employed by the Soviet Union . . . and Soviet dominance above at all levels of escalation permits little more in response than the obligatory handful of American counter-insurgency advisors and an eventual negotiated settlement on Soviet terms.

Diplomacy and international trade

The next level down the force pyramid does not involve force at all, at least not directly, but it does involve the potential for using force successfully. This form of conflict is at the level of international negotiation and trade relations.

In the early days of the Roman Empire (*circa* 390 B.C.), the barbarian conqueror Brennus arrived with his army at the outskirts of the city of Rome but did not enter. Instead he suggested the negotiation of some appropriate amount of "foreign aid" for his cause.

The Roman leaders brought gold and weighed it out on a balance scale as ransom for the city. When they had paid all they *thought* they could and had balanced the barbarian's lead weights with Roman gold, the barbarian commander, exclaiming "woe to the conquered," threw his sword into the scale on the side with the lead, and the city fathers, understanding the message, sought even more gold to balance out the invader's sword as well.

Today, Western diplomacy, grounded in the principles of "restraint," has, over several decades, increasingly resembled the diplomacy of those civic men of ancient Rome. Our diplomats prefer to heap on gold when the Russians throw on swords.

Highly concessional credits for grain purchases, massive Western interbank deposits at no interest in Soviet banks, a one-half billion dollar U.S. Government loan bail-out for Communist Poland, the recent rescheduling of the $3.5 billion Cuban Communist debt to Western governments and banks, the return of Communist Czechoslovakian gold reserves while Czechoslovakia refuses to repay American citizens, technology transfers including even the means for ensuring accurate guidance of Soviet nuclear warheads, and a fawning non-response to the Soviet murder of an anti-Soviet Congressman and 268 other innocent men, women, and children; these tell the tale of Soviet control of the force pyramid and how that dominance induces cowardice in American foreign policy and in international commerce.

But supine behavior induced by Soviet power does not end at American shores.

Internal politics and domestic policy

At the lowest level of the pyramid of forces is the effect of international conflict in the domestic politics and the moral health of the nation. And yes, here too the Soviet Union dominates this most fundamental form of struggle.

Whereas Russia is a closed society upon which the United States has virtually no capacity for effecting any internal alteration. America is open, holds free elections, and allows a free press to disseminate truth and falsehood . . . with sanctions of disapproval applied more often to the true than to the false. By the very nature of our freedoms, Soviet dominance in manipulating domestic policy in the West is almost an inevitability. But without Soviet dominance at other levels of power, the Soviet program of interference with the internal policies of the United States could be more effectively curtailed. At the moment, many American leaders feel they must tolerate Soviet influences in America because more open resistance might cause the Soviets to escalate to terrorism[11] . . . to which level the USSR can move at will through proxies very ready to hand . . . or to bring about the leader's electoral defeat by generating and reinforcing public fear of the dangers of anti-Soviet attitudes and actions.

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[10] Understanding this latter dynamic makes clear why President Reagan has as yet taken no *significant* action against Soviet-controlled Nicaragua even though the President fully recognizes that Nicaraguan Communism is a direct threat to the United States because of its potential for support of Soviet strategic air and naval power in operations in the Western Hemisphere and because of its inevitable and growing destabilizing effect on 75 million Mexicans on our southern border.

Thus, America is being brought gradually under increased Soviet influence. Thus, Americans are conditioned to see nothing abnormal in both candidates for the American Presidency meeting with the Soviet Foreign Minister, unabashedly seeking his blessing and good offices at the height of a national political campaign. Thus, Congress looks over its shoulder at Soviet might on every vote on major military programs lest it give offense to the Kremlin. Thus, America sanctions brutal life-denying social policies, accepts attacks on the family and religion, and subtly teaches its youth a form of state-sponsored secular humanism much akin to the theory of man and atheist orthodoxy on which Marxism is founded.[12]

And, the American governmental response to this broad-based Soviet-inspired assault on our very fiber as a people has been little more than the timid and tepid broadcasts of the Voice of America which is perpetually mindful of the scope of Soviet power and dominance, and of the resulting need to show deference, and, yes . . . *restraint*.

Climbing the pyramid

To end American paralysis and our lingering sickness of soul and mind, Americans must understand the tragedy of how we got in our present predicament and how best to regain ascendancy and safety. That is the single not immodest but very hopeful purpose of this book.

To carry out that process, more Americans must first recognize the present danger and the follies that have led to it, and second, we must in sufficient numbers develop collectively a rational approach to recovering lost strength. The road to U.S. strategic inferiority has been long (and the road to recovery will be longer) but several milestones of our downward slide can now be recalled usefully in this introductory analysis.

Here are a few:

Since 1977, when the Carter-Mondale Administration began, more than 710 U.S. strategic delivery vehicles and over 6,000 strategic nuclear warheads that were previously planned by the Ford Administration to be added to U.S. strategic forces by 1985 were instead unilaterally cut. They have not been restored by President Reagan. In fact, since *1962*, more than 4,000 U.S. strategic nuclear delivery vehicles carrying over 10,000 nuclear warheads have been *unilaterally deactivated* by the U.S. in order to show *restraint* in the misguided hope that Russia would follow suit. Meanwhile, the Soviets have fully deactivated almost no nuclear systems on the basis of obsolescence, have retained comparable systems to those we have destroyed, and have added countless new nuclear weapons including over 1,250 new intercontinental missile launchers and bombers carrying over 8,000 additional nuclear warheads *just since SALT negotiations began in 1969.*

In 1975 Congress ordered dismantled the American Safeguard Anti-Ballistic Missile (ABM) system. Russia *kept* its GALOSH ABM system and developed the ABM-3, SA-5, SA-10, and SA-12 anti-missile rockets.

In 1977, the Carter-Mondale Administration banned production of the U.S. Minuteman III ICBM, destroyed the Minuteman production facility, and cancelled and thus delayed the B-1. (The United States *still* has *no* operational B-1s.)

A series of Administrations delayed the crucial Trident II SLBM—in order to satisfy arms control limits the Soviets were violating and to demonstrate further American *restraint*, all with the end result that this long-planned strategic missile cannot now become available *even under the most optimistic estimates* until after 1990.

Congress in 1983–1984 stopped the U.S. Anti-Satellite program dead in its tracks (having previously delayed it) and grossly underfunded the proposed space-based American defense against Soviet ICBMs while Russia maintained *four* operational ASAT systems and proceeded with full funding for space warfare.

The foregoing items are a *few examples only;* the list of terminated and impeded American defense programs could extend almost without end.

But we must not dwell on these tragic errors of the past, grave as they have been. We must intead find a path back to the summit of the force pyramid using a practical approach.

Since it is not feasible to regain superiority at all levels at once, we must identify where our efforts are best expended and not waste energy or resources on lesser results. In that regard, since the highest level of force dominates all lower, we must first seek to restore American escalation dominance at the top.

We must, therefore, immediately reverse the precipitous decline in our strategic nuclear deterrence. We must do so by regaining superior strategic nuclear forces at levels that can control nuclear escalation and thus *prevent* nuclear war and at the same time *end* the deleterious effect of the present *Soviet* nuclear supremacy on *all other force levels.*

Also at the paramount strategic level, we must *affirmatively* protect Americans from Soviet nuclear attack by developing and building high-technology, anti-nuclear space defenses. The President's Strategic Defense Initiative (mockingly nicknamed "Star Wars" by the press) is thus of critical importance.

Simultaneously, we must never lose sight of the lasting truth that our greatest strength is our cause itself: freedom . . . and the intrepid will and individual resourcefulness derived from the still inherent capacity of Americans to act as free men.

Like Churchill, we must therefore seek to restore the spirit he called forth when explaining the tragedy overtaking the Free World in 1938:

"The whole equilibrium has been deranged, and the terrible words have . . . been pronounced against the Western democracies: *'Thou art weighed in the balance and found wanting.'* And do not suppose that this is the end. This is only the beginning of the reckoning. This is only the first sip, the first foretaste of a bitter cup which will be proffered to us year by year unless by a supreme recovery of moral health and martial vigor, we arise again and take our stand for freedom as in the olden time."

We of the West must take that stand again today. We must reaffirm that "It is the man of faith who is ever the man of works."[13]

To restore the full spirit of freedom, we must accordingly regain American superiority at the *very base* of the strategic pyramid . . . at the level of individual determination and action and of collective purpose . . . seeking always to be sustained and guided by the ultimate power which is at once both the foundation of liberty and the summit of life.

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[Chapter III]

DISASTERS OF GOOD WILL—THE ROLE OF ARMS CONTROL IN INCREASING THE RISK OF NUCLEAR WAR

"Soviet arms control [SALT II] compliance will be assured by our own nation's means of verification . . . were the Soviets to take the enormous risk of trying to violate the treaty in any way that might affect the strategic balance, there is no doubt that we would discover it in time to respond fully and effectively."—Jimmy Carter, Message to the Senate, June, 1979.

"I will spit in your eyes, and you will say it is Holy Water."—Russian proverb.

Americans are an amiable people. We instinctively understand and feel deep cultural affinity for Will Rogers' sentiment, "I never met a man I didn't like."

From our position of vibrant economic activity, of great national wealth and personal comfort, of long life expectancy and apparent domestic well-being, we have been, with the exception of those very few who have seen briefly the rigors of combat, a people essentially insulated from the immediacy of death and the day-by-day struggle for life. No nation in our hemisphere has ever even remotely approached our military strength, and we have extended our will in the Americas not by seizing territory but through the immensity of our economic and cultural power. We have been amply able to afford the luxury of good will toward all men.

Russia is an open plain swept for centuries by arctic winds and invading armies. Russia has met the problems of its long history through force, guile, deception, and conquest in countless twilight wars with violent enemies of equivalent strength. Tyranny, death, famine and disease: these have been the ever-present companions of the Russian nation. Insulated from nothing, suffering and hardship have been the watchwords of daily life and the will to prevail against all adversity, the required and absolute condition of national character.

And yet they have understood us, while we have failed to understand them. They have perceived our amiability, our guileless honesty, and our self-satisfied and self-satisfying yearning for the good. They have understood our indifferent and almost casual good will toward a world outside our happy frontiers engaged in the daily struggle to survive, and they have forged that knowledge into their greatest weapon in confronting what they view as their last and greatest enemy.

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[11] To understand the reality of this threat, one need only contemplate the presently on-going construction of anti-terrorist barriers around the Pentagon and even the White House complex itself.

[12] A friend from the Vietnam War who was recently in Washington, D.C., for the January, 1985, right to life demonstrations told us that he had been "proud to fight for the United States fifteen years ago" but that he now felt "no obligation whatsoever to a society that condones and encourages the premeditated murder of 5 million babies each year . . . the United States has become like a silver goblet filled to the brim with spit." We fully understand the passion of that sentiment but suspect that fostering feelings of that type, although they are justified, is one of the very goals of those who deny the moral accountability of individuals to each other and of nations to each life.

[13] Captain A. T. Mahan, U.S. Navy, in his *Life of Nelson*, Vol. II, at p. 306 (Little, Brown, and Company, 1897).

That weapon has nowhere been used to greater success than in the deceptions of "mutual" arms control and disarmament. Endlessly, American good will has trusted Russia, accepted Russian excuses, sought out Russia, offered Russia concession after concession, and accepted every Russian fault and lie while demanding from itself, from its own people and government, the highest standards of honesty, good faith, and faithfulness.

But the bloom is perhaps at long last off the rose. Decades of Russia cheating America, of taking America for every advantage, are beginning to tell even on us, to take their measure even on our seemingly boundless reservoir of good faith.

Yet the full realization that Russia has indeed taken us for little more than well-fed fools is impeded by another longstanding American trait: the inability to admit error.

Now that our government does in fact see more clearly the full implications of Soviet use of arms control negotiations to delay and terminate American defense programs, now that wholesale Soviet violations of treaty obligations can no longer be ignored, and now that Soviet strategic supremacy is an accepted fact in high political circles, our leaders are still reluctant to admit to themselves and to the American people the full truth of the success of Soviet deception and duplicity or the bitter results of our own mistaken trustfulness.

Accordingly, the U.S. Department of State still imposes on the Department of Defense a bankrupt policy of unilateral American compliance with the unratified SALT II Treaty and does so notwithstanding incontrovertible proof of massive Soviet violations. Accordingly, even now at the time of this writing, Assistant Secretary of State Richard Burt (former correspondent with *The New York Times*) is urging President Reagan to postpone reporting additional Soviet arms control violations to Congress and to accept a "moratorium" on developing and testing anti-nuclear space defenses until 1990, both actions ostensibly to encourage negotiation of a prohibition on anti-satellite weapons which, if ever negotiated, Russia would certainly ignore and the U.S. would scrupulously obey.

Accordingly too, virtually every American politician from Presidential candidate to Clerk of the Probate Court still feels compelled to sing hymns of praise and highest hosannas at the altar of the failed and false God of arms control, even at a time when no rational man can believe that Russia will adhere to any agreement with the United States.

And nowhere in any public forum is recalled Lenin's warning of *eighty years ago;* "Let the hypocritical or sentimental bourgeoisie dream of disarmament. We must strive, not for disarmament, but for the universal arming of the people."

Against these obvious truths—even told to us by our adversaries, the depth of our continued folly in grasping at the straw of negotiated security is indeed unfathomable, but we must, nevertheless, try to understand. The unseemliness of our diplomats and arms control disciples in clinging to every excuse for Soviet duplicity (and barbarity) must be brought to a quick end, but it can only be ended through a better knowledge of the precise motive and beliefs of these poorly informed Americans who have so much control of our fate. We must attain that knowledge since they are, and will likely remain, in the position of power, and they must be persuaded to see the danger if *we* are to have any hope for their dealing with Russia on a sane basis while sufficient time remains. A first step is greater public awareness of the extent of Soviet deceptions of how the process has evolved, so that the public will be in a position to impress the importance of the facts on our leaders.

Fortunately, during the Reagan Administration, some progress has grudgingly occurred in providing us with information on Soviet duplicity and in groping toward realistic assessments of Soviet use of negotiating strategies and deceptions to impede American defense programs and thus to accelerate the relative growth of Soviet supremacy.

For example, the Department of Defense in April 1984 did cautiously advise Americans as follows in its official publication *Soviet Military Power:*

"To the Soviets, treaties are *manipulated* in a manner most conducive to the interests of national policy objectives."

Yet even that carefully phrased official statement was a pale reflection of the more forthright and helpful analysis of President Reagan himself who on January 29, 1981, put the matter to the American people in somewhat more straight forward language:

"The Soviets reserve unto themselves the right to commit any crime, to lie, and to cheat."

And with equal bluntness directed toward those who insist that with patience (isn't almost seventy years enough?) Soviet behavior can be modified, President Reagan responded in October, 1983, soon after the Russians murdered the passengers on the civilian airliner KAL 007:

"We cannot change the Soviets, yet we can change our attitudes toward them. We can stop fooling ourselves that they dream the same dreams and cherish the same hope that we do."

Nevertheless, despite these and the President's frequent other efforts to speak the hard truth, the Department of State on countless fronts does not change its attitude of always favoring conciliation toward the USSR and we do continue fooling ourselves in myriad ways by accepting virtually every proffered excuse for Soviet militarism and imperial growth.

What in the nature of democracy has made this drive for self-delusion so overpowering? How can President Reagan, who stated in January, 1980, that "the Soviets only see weakness in a President (i.e. Carter) who clings to the unilateral observance of the fatally flawed SALT II Treaty" and, later in the same year, that "I can not agree to any treaty, including the SALT II Treaty, which in effect legitimizes the continuation of a one-sided [Soviet] arms buildup," also state in a formal message to Congress in January, 1984, that "the United States will continue to comply with SALT II"? What about our system makes so compelling the acceptance of these inconsistencies and the exhaltation of unending fatuity?

Perhaps the answer is two-fold: perhaps the pressures of democracy to paint an always rosy picture and to describe an atmosphere of harmony and compromise, even with tyranny, are irresistably overwhelming . . . and are so until the tyrant's knife is not just at the throat, as now, but actually in the jugular, as is surely coming. Perhaps also the tyrant's already superior power demands compromise of truth to purchase the temporary illusion of security, albeit false and gained at the price of secretly coerced appeasement.

Again, modern history is the best guide in understanding the disheartening process in which government leaders may occasionally speak the truth but in which they rarely act upon it. Again, as a prime example, no one now can doubt that British government in the 1930's, regardless of governing political party, consistently refused to support or even propose adequate spending for defense against the growing Nazi military buildup *even while admitting the Nazi menace.* They too preferred the continued pretense of negotiated security instead.

Here is one retrospective British explanation offered in the case of one such government which describes why the completely honest course was not taken and never deemed politically feasible:

"It may be said that the Prime Minister Neville Chamberlain and the Government ought not to have accepted this atmosphere of 'business as usual' in the face of the Nazi build up. Yet what could they have done in the circumstances? To have *frightened the country* into immediate war measures might, in the Autumn of 1938, have destroyed *the hope* of any result from the Munich agreement. I doubt whether even Churchill, if he had been a member of the Government, could have *roused the country* in the Spring and Summer of 1939 to an all-out war effort . . . It needed the explosions of Dunkirk and the Battle of Britain to dissipate once and for all *the misty atmosphere of peace* and to give the nation a clear view of the needs and dangers that face it."—Sir Samuel Hoare, 1954.

The foregoing analysis is confirmed by a prior admission of Prime Minister Stanley Baldwin (Chamberlain's predecessor) who blandly confessed to putting the political interests of his governing Conservative Party ahead of the national interest:

"Supposing I had gone to the country and said that Germany was rearming and that we must rearm, does anybody think that this pacific democracy would have rallied to that cry at that moment? I could not think of anything that would have made the *loss of the election* from my point of view more certain."

No politician, even the brave, wishes to risk defeat by dispelling "the misty atmosphere of peace." Only Churchill, a rarity missing today, had enough confidence in himself and in freedom to "tell the truth to the people . . . they are tough and robust."

Yet in Stanley Baldwin and Neville Chamberlain's time, as how in that of President Reagan, there was—besides the distasteful chore of leveling with the public—another even more difficult consideration at work. In Chamberlain's case particularly, that factor was the very real effect of existing and growing Nazi military potential on the negotiating process itself.

Using that potential to the fullest, Hitler compelled the 1938 Munich negotiations. Once at Munich, he was able eventually to coerce a negotiated result which has become a symbol for appeasement. He was able to do so because Churchill's warnings of 1929 and 1930 were a forgotten echo, because Churchill's pleas of 1935 and 1936 had gone unheard, and because Churchill could find *for England* no solace or strength in his earlier correct prediction of German military superiority *over England.*

Ultimately, beyond the eleventh hour, on October 6, 1938, even Neville Chamberlain himself finally admitted before the very outbreak of World War II that the British Government policy of minimal national defense and maximum reliance on negotiation was in ruins. He acknowledged specifically that German military supremacy had in fact *coerced* diplomatic appeasement:

"Our past experience has shown us only too clearly that weakness in armed strength means weakness in diplomacy." [14]

A brief review of the enormous American disadvantage reflected in the Box Scores (pp 00 to 00) thus leads to an inevitable uncertainty: whether President Reagan, a man of far stronger character than Neville Chamberlain, has also been forced to a position of weakness in diplomacy because of "weakness in armed strength."

Yet how else can our President's total reversal of position on SALT II be rationalized? How else can be explained American compliance with an unequal treaty called "fatally flawed" by the President and, worse still, now known to be routinely violated by the Soviet Union?

Unilateral compliance with SALT II under these circumstances is at the very least a strong indicator that the President *does* feel heavily burdened in diplomacy by the weight of Soviet strategic arms in the global balance. Moreover, as a further result of that burden, his political advisors may find the President *even more open* to the political inducements of favorable press coverage and public popularity gained through increasingly frequent Munich-style pronouncements so high-sounding in the ears of the electorate and the press . . . even those matching Neville Chamberlain's ill fated remark, "I believe that we shall have peace in our time."

Whether the appeasement elements of the present Administration will continue to prevail (as they did in Britain until Dunkirk) is still, regrettably, an open and crucial question. In seeking an answer, some in our government still recall and find a source of hope in the simple realism of the President's 1964 declaration concerning Communism:

"We are at war with the most dangerous enemy that has ever faced mankind."

And in his resolve expressed twenty years later on November 29, 1984:

"We are determined that we are not going to let them maintain or enlarge their superiority in weapons . . . we are determined not to let them maintain to continue that lead."

But words alone are not going to suffice. Unfortunately too, the appeasement faction and the self-styled pragmatists among the President's advisors, not to mention the arms control fanatics in Congress and at the Department of State, invariably find *their* recommendations for *disarmament* supported enthusiastically by the national news media which can make the most incredible folly appear wise and cause the most extreme position to be deemed moderate. But even more unfortunate, and hard though it may be to explain, the press-favored positions of acquiescence and accommodation to the Soviets are supported, not infrequently, by individuals in the Department of Defense as well.[15]

Not unlike the British forces of the 1930's, the bureaucrats at the U.S. Department of Defense on far too many occasions still seek to curry favor with the press and the politicians by denigrating the significance of the wide disparity in military force between the United States and the USSR, usually while asserting that simple force comparisons and the alarming imbalances they reveal are not realistic evidence of relative strength and do not imply "lack of parity."

No doubt there will be those at the Department of Defense who will challenge the data presented in this study *even though* the data is drawn *from* the Department of Defense and other Defense agencies. If so, these official critics can be expected to assert (as has been their general rule when confronted with similar analysis in the past) that "all relevant factors" have not been taken into account and that "although the trends are ominous" there is "no present cause for concern."

That approach, which surfaces with great regularity, and especially in Congressional testimony, is starkly similar to that taken by military men in England in the days before their hour of greatest peril.

In this 1934 statement of the British Air Staff, consider the striking parallel between British military thinking in the 1930's and frequently professed American military thinking today:

"There is no ground for alarm at the existing situation. Whatever first-line strength Germany might claim, we remain today substantially stronger if all relevant factors are taken into account. But the future, as opposed to the present, may cause grave concern."

One historian of that period, Professor Harold Rood, quoted the following example to illustrate the underlying purpose (and indeed also the cause) for the never-never land quality of contemporary British military thought in the mid-1930's:

"As for defense, it was agreed that the Royal Air Force's notion of possessing *air parity* with the German Air Force was *not* to be taken to mean that Britain would have an air force of *equal* size and striking power to that of Germany, but rather that 'parity' should be defined as 'effective deterrent strength,' a euphemism meant to disarm those who thought the air force under strength for its task of defending the homeland."

Similarly, that same desire to disarm those "alarmists" acquainted with the facts and the same wishful thinking necessary to cause every assumption to favor one's own forces and disfavor those of the opponent were also, as with us today, pervasive factors influencing and distorting pre-World War II British intelligence estimates. Those estimates, we now know, almost invariably *understated* Nazi forces, intentions, and capabilities.

Here again, in our time and circumstance, American intelligence all too often also shows a virtually identical form of institutional bias which persistently downplays Soviet military accomplishments or tends to cloak in unnecessary secrecy the size of Soviet forces and the extent of their treaty violations. This current bias is most often manifested by a frame of reference in which the present must always be described as benign, even if the future may be admitted as ominous. "All relevant factors" becomes the measuring phrase for the avoidance of hard reality and for the introduction of irrelevant subsidiary assumptions.

This process of covering up or explaining away strategic realities was described *but not excused* by its chief British opponent, Winston Churchill, in words holding equal validity if applied today to America and to many American leaders:

"We must regard as deeply blameworthy before history the conduct . . . of all democratic leaders, *both in and out of office,* during this fatal period. Delight in smooth-sounding platitudes refusal to face unpleasant facts, *desire for popularity and electoral success irrespective of the vital interests of the State,* genuine love of peace and pathetic belief that love alone can be its sole foundation, obvious lack of intellectual vigour . . . all of these constituted a picture of British fatuity and fecklessness which, though devoid of guile, was not devoid of guilt, and, though free from wickedness or evil design, played a definite part in the unleashing upon the world the horrors and miseries, which, even so far as they have unfolded, are beyond comparison in human experience."

But startling as these parallels are, there is today one critical difference. Again, as Dr. Harold Rood, Professor Emeritis of Political Science at Pomona College warns us:

"The situation in which the United States finds itself today is *not* that of Britain with its Churchill to hold the fort while we Americans get half ready. There is no American Empire to which the U.S. fleet my retreat while the other democracies of the world prepare to deal with the foe. *There will be no distant and protected arsenal of democracy upon which the United States can draw to remedy these deficiencies in military strength created by the disbelief in war or the unwillingness to see the menace.*"

Professor Rood adds this further observation:

"Debates on military matters in the United States do not turn on questions about American capability to *win* a war, but on the *assumption* that there will not be one."

Yet in the Soviet Union, on military matters, there are few platitudes, no inquiring electorate to be disarmed disingenuously through euphemism, and *never* an assumption that there will be no war. With distressing clarity, the Russian General Staff publication *Soviet Military Strategy* states:

". . . The Soviet government . . . and their armed forces must be ready *primarily* for a *world war* . . . the Armed Forces of the Soviet Union . . . must be prepared above all to wage war under conditions of the *mass use of nuclear weapons* . . . the preparation and waging of just such a war must be regarded as the *main task* of the theory of military strategy and strategic leadership . . . Creating the *advantage* over the enemy in nuclear weapons and methods of their use is *the most important task* in the building up of the armed forces in peacetime as well as during the course of war."

The obvious benefits of strategic superiority are openly acknowledged and further extolled in the authoritative Soviet armed forces journal *Military Thought*:

"*Superiority* accelerates the process of the *physical and moral defeat* of the enemy, makes it possible to operate more daring and decisively, and to impose one's will on the enemy and to attack him more successfully. Superiority: promotes the development of flexibility in the selection of scales, forms and methods of conducting combat operations; expands the scope of methods for coordinating the delivery of *nuclear*, fire [artillery], and air attacks with the maneuver of troops; and inceases the effectiveness of using space, time, and other factors

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[14] A degree of similar belated recognition is found in a recent statement of U.S. Secretary of State George Shultz: "Arms control will simply not survive in conditions of inequality." (Department of State, May 14, 1984.)

[15] The present Chairman of the Joint Chiefs of Staff is *not* one of them and has been outspokenly candid in his presentations to Congress and to the people, thus being largely ignored by the news media.

which influence the course of military operations."

Yet the *only* authoritative American governmental or political document of recent time to call openly for American strategic superiority was the 1980 Republican platform on which Ronald Reagan was overwhelmingly elected. It read as follows:

"We will build toward a sustained defense expenditure sufficient to close the gap with the Soviets, and ultimately reach the position of military superiority that the American people demand . . . The general principles and goals of this strategy [of peace through strength] would be . . . to achieve overall military and technological superiority over the Soviet Union."

The 1984 Republican Platform, perhaps in part because of the growing pressures of Soviet military power, contains no similar commitment. That omission, reflecting both a failure of will and strategic perception, occured despite warnings similar to those we have previously noted, including the important statement of Senator John Tower, who when Chairman of the Senate Committee on Armed Services, formally acknowledged on April 13, 1984, that with respect to American strategic *inferiority:*

"The current imbalance will continue to *widen.*"

Also distressingly absent from the 1984 Republican Platform is any clear commitment to inform the American public as to the full scope of Soviet arms control violations and strategic deceptions. In contrast, the 1980 Platform read:

"The Republican Party deplores the attempts of the Carter Administration to cover up Soviet non-compliance with arms control agreements. . . We pledge to end the cover up of Soviet violations of SALT I and II, to end the cover up of Soviet violation of the Biological Warfare Convention, and to end the cover-up of Soviet use of gas and chemical weapons in Afghanistan and elsewhere."

Yet, not until more than *three years later,* on January 23, 1984, did the current Administration formally report to Congress, and to the people, on *any* Soviet arms control violations and, according to Congressional testimony of Assistant Defense Secretary Richad Perle, the report finally issued was "illustrative only" and "twenty to twenty-five" more Soviet violations remained to be publicly revealed.

Nonetheless, President Reagan's January, 1984 Report was an important step toward fulfilling the 1980 pledge to end the Soviet violations cover-up by the Carter-Mondale Administration. The fact that the Report was rendered *at all* is historic and unprecedented. For the first time in our history, an American President openly accused the Soviet Union of violating Strategic Arms Limitation commitments. That accusation, made by formal message to Congress, is irrevocable and though woefully incomplete, must be applauded.

The President's report to Congress embodied the full consensus of the national security and intelligence agencies, and it revealed that the Soviet Union had violated *six* different arms control agreements in *nine* different cases, including two violations related to SALT II obligations, which were declared clearcut, unqualified, and unequivocal:

"The United States Government has determined that the Soviet Union is violating:

1. The Geneva Protocol on Chemical Weapons;
2. The Biological Weapons Convention;
3. The Helsinki Final Act;
4. telemetry encryption [SALT II] and;
5. a rule concerning ICBM modernization [SALT II].

"In addition, we have determined that the Soviet Union:

6. has almost certainly violated the ABM Treaty [SALT I];
7. probably violated the SALT II limit on new types [of ICBMs];
8. probably violated the SS–16 [ICBM] deployment prohibition of SALT II;
9. and is likely to have violated the nuclear testing yield limit of the Threshold Test Ban Treaty."

Worth noting is that a total of four of the nine cited violations relate to the critical strategic nuclear limitations of SALT II. And SALT II is the proposal on which America has based, and mistakenly continues to stake, its primary national security interest hinging on nuclear deterrence. As noted, of these four critical violations of SALT II, the President considers two of them as having been proven conclusively.

In that regard, worth noting also is this official statement from the Department of Defense:

"Several of these violations must have been planned by Soviet authorities many years ago, in some cases perhaps *at the very time the Soviet Union entered into the agreements.*" [16]

Moreover, in March, 1984, the Senate was told by a former member of the Joint Chiefs of Staff and by other witnesses that twelve years before, in 1972, neither the Senate nor the Joint Chiefs were informed of vital intelligence information that the Soviet Union intended to violate the SALT I Accords even before they were signed. Through an inordinate and even irrational desire to appear before the public as peacemakers and to preclude jeopardizing the chances of SALT I approval and thus electoral success, the Nixon Administration apparently withheld this essential military intelligence from our top military leaders who, remaining in ignorance of it, supported SALT I as did a similarly uninformed Congress.

In particular, and according to at least one Senator respected for his expertise in arms control, Dr. Henry Kissinger may have deliberately misled the Senate by failing to reveal our knowledge of a Soviet plan for circumvention of the key SALT I provision limiting heavy ICBMs. If so, SALT I and the whole ensuing fabric of strategic arms control since 1972 received Congressional approval at its inception under false pretenses covering-up Soviet bad faith. In any event, no one can now doubt that Russia *from the beginning planned to use the agreed limitations of SALT to freeze U.S. defenses while illegally building Sovet might.* Any other interpretation ignores the facts of Soviet strategic growth and what they have themselves revealed. As the Soviet foreign policy expert, Rostislav Tumkovskiy, wrote in 1979 for internal Soviet readership only:

"Signing the [SALT I] agreement was a *victory* of the Soviet Union in the arms race."

But we Americans have sadly still not learned from our mistakes, nor will we readily admit them, and the January 1984 Report on Soviet arms control violations shows little more than the tip of the iceberg. Much of the hidden bulk below the surface is contained in a classified study [17] prepared by the President's General Advisory Committee on Arms Control (GAC) which is publicly reported to have stated in November, 1983:

"Aspects of Soviet conduct related to about *half* their documentary arms control commitments were found to constitute material breaches of contracted duties."

Public accounts also indicate that the additonal Soviet arms control treaty violations *confirmed* by the "GAC Report" are, as follows:

1. Soviet circumvention defeating the object and purpose of the 1972 SALT I Interim Agreement through deployment of their medium SS–17 ICBMs and their *heavy* SS–19 ICBMs to replace illegally their light SS–11 ICBMs.
2. Illegal tests of surface to air missiles and radars in a prohibited anti-ballistic missile (ABM) mode in violation of the SALT I ABM Treaty.
3. Breach of the Nuclear Test Ban Moratorium and atmospheric nuclear tests through Soviet atmospheric testing breakout.
4. Breach of the Kennedy-Khrushchev Agreement of 1962, by deploying offensive (possibly nuclear and probably chemical and biological) weapons in Cuba.
5. Breach of the Limited Test Ban Treaty of 1963, through 31 ventings of radioactive debris beyond the borders of the USSR.
6. Breach of the Montreux Convention of 1936, by illegally sending aircraft carriers to and from the Black Sea through the Dardanelles.
7. Breach of the SALT I Interim Agreement and the ABM Treaty of 1972, involving widespread camouflage, concealment, cover and deception.
8. Breach of the SALT I Interim Agreement, involving excess ballistic missile launchers.
9. Breach of the SALT I ABM Treaty, involving the ABM–3 movable radar currently in mass production and initial deployment.
10. Breach of the 1981 Conventional Weapons Convention by illegal use of fragmentation and incendiary weapons of mass destruction in Afghanistan.
11. Total disregard for the 1982 commitment to a Moratorium on SS–20 ballistic missile deployment, by continuing deployment.
12. Completely violating fundamental SALT II commitments by massive increases in strategic camouflage, concealment, and deception as well as by active interference with American national technical means of compliance verification.

In sum, there are apparently a total of 21 Soviet arms control treaty violations *already confirmed by the President himself or by the President's General Advisory Committee.* Moreover, besides official confirmation, the existence of each violation is supported by much other credible evidence as well.

Further, in addition to the officially confirmed breaches, there is evidence of 17 *even additional* remaining Soviet SALT violations; and for each of these there is also strong supporting evidence. These violations are awaiting confirmation by the President.[18]

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[16] The bewilderment and dismayed innocence of this realization is met and overmatched by Lenin's cynicism of 1916: "Every peace program is a deception . . . unless its principal object is . . . the revolutionary struggle."

[17] An abbreviated, unclassified version of this study was released on October 10, 1984, at the insistance of several Senators and Representatives.

[18] As this publication went to press, a large number of these additional violations were con-

Already, however, Assistant Secretary of Defense Richard Perle has told Congress (February 20, 1985):

"The Soviet Union has violated *almost all* of the most important arms control agreements signed since 1963."

Finally, a full catalogue of Soviet deceit shows there are a total of over 310 cases of Soviet arms control and other diplomatic deceptions since the Bolshevik Revolution of 1917. *Fifty* Soviet Treaty violations involving international security have been confirmed by *official* Defense and State Department reports (ignored by the news media) and by Senate studies. In fact, official U.S. government documentation now fully supports the conclusion that the *Soviets have violated, evaded,* or *circumvented virtually every international treaty they have signed since 1917.* (See Appendix II.) In fact, the only signficant treaty the Soviets are known to have *kept* was their agreement with Hitler to invade and divide Poland, the event which precipitated World War II.

In 1934, Winston Churchill challenged the British Government to explain to the English people and the world that the Germans were violating the arms control provisions of the Versailles Treaty. In the House of Commons, Churchill stated:

"The worst crime is not to tell the truth to the public . . ."

Unfortunately, the British Government lied to the British people. Thus Britain slept until Englishmen had the choice of another World War or eventual Nazi domination.

To avoid a similar choice, we must first admit to ourselves the true result of our misguided recent history. We must acknowledge that the hypnotic fog of detente has frozen U.S. forces and brought about *de facto* unilateral American disarmament through stagnation and obsolescence of U.S. strategic systems and the corresponding massive growth in the quality and quantity of Soviet weapons. Additionally, countless successful Soviet deceptions and the hidden practical military effects of Soviet arms control violations have further aggravated the strategic imbalance—an imbalance which never more urgently required the American government to take countermeasures than it does now. These are the concrete realities we must face.

We must recognize also that overdue remedies will not be cheap.

Former Carter Administration Defense Secretary Harold Brown said in 1979 that, without SALT, the United States would be required to spend 30 to 100 billion dollars more on defense during the 1980's for strategic systems. Now that massive Soviet violations have made SALT, which already favored the USSR, a mere hollow shell, America must accept the new reality and must implement defense programs—even, as Harold Brown said, at the additional cost of tens of billions of tax dollars—in order to achieve any hope of catching up with Russia, much less regaining our lost superiority. Yet the Reagan Administration has been forced by Congress to spend tens of billions of dollars *less* on defense than proposed *even by Jimmy Carter,*[19] whose defense program relied on Soviet good faith and on Soviet SALT compliance.

To build public and Congressional support for the strategic spending that even the Carter Administration admitted would be needed (and that most Americans even now erroneously believe is being expended), American leaders must come clean with the American people and explain the effect and extent of Congressional defense budget cuts as well as the full extent and effect of Soviet arms control breakout; otherwise, Americans could receive a highly unpleasant surprise when finally given an answer to Professor Harold Rood's question:

"Can it really be true that Soviet negotiations for the Strategic Arms Limitation Treaties are nothing more than part of the preparations for war? That would place Soviet leaders in no better odor than Adolf Hitler . . ."

[Chapter V]

AWAKENING

"The way to victory is long The going will be hard We will do the best we can with what we've got We must have more planes and ships—at once We will win through—in time".—Admiral Ernest J. King Chief of Naval Operations December, 1971.

Admiral King inspired the United States Navy and the American people with resolution of his words *and his actions* in the desperate days immediately after the Japanese surprise attack on Pearl Harbor. If a surprise attack on America were to come today, there would be time neither for inspiration nor for beginning the process of rebuilding defenses to "win through—in time."

All of America is today as vulnerable to surprise attack as our Pacific Fleet was in 1941 at its distant island outpost. Today, to prevent attack and to avert the subjugation of fear from perpetual vulnerability to attack, we must regain the ability to win the crucial first battle and be prepared, surprised or not, to wage it. And we are now neither prepared to fight nor able to win.

There is, nevertheless, still great value to be found in our time in Admiral King's words of more than four decades ago, because in many ways the unheralded Soviet military growth of the last decade matches in stealth and efficiency the surprise achieved in the Japanese bombing of our fleet. In fact, the USSR has gained in 1985 a degree of *strategic* surprise far more dangerous to our country than the *tactical* surprise we suffered at Pearl Harbor.

For those reasons, we should now particularly heed Admiral King's parallel admonitions to "do the best we can with what we've got" and to get "more planes and ship—at once."

And yes, truly restoring our defenses, in lieu of cosmetic and empty rhetoric, will require firm commitment of spirit, and it will be truly expensive in resources. We will need much more than additional "planes and ships." Very likely, instead of spending one dollar in twenty of the GNP as now, we may need to spend two (as we did in safety in the 1950's and 60's), but that *voluntary* sacrifice, if made, would still nowhere near equal the sacrifice *demanded* of Soviet citizens in their war footing economy.

Then too, in American politics there will always remain the perpetually vexing issue of priorities. How in a "caring society" can we possibly devote more than 17% of government spending to national security? For Americans, the answer ought to be simple: No society can be truly caring unless it is free, and no society is free for long unless its people give preeminence to the protection of liberty in common defense as the first and the overriding duty of government.

Now that we have squandered vast material treasure on failed social welfare programs, we must return to true caring and make collective survival in freedom our first priority and the cornerstone of all other concerns.

Yet how can that goal be secured? A complete answer is beyond the scope of this volume and of the abilities and experience of the authors. Certain general guidelines, however, should be clear to us all.

First, the United States is still a democracy and our destiny is still largely in our own hands.

Second, the government and government leaders are *not* alone responsible for our failures, we are responsible.[20]

Third, the government and government leaders must be held fully accountable for failure *by us* as the primary means for discharging our own responsibility.

Fourth, widespread public dissemination of the facts of our present danger is *not* a sufficient answer. We can all be quietly enslaved smugly telling each other how right we were in predicting the event.

Fifth, collective knowledge is much less important than individual acts which, if based in knowledge, will inevitably lead to group action.

Sixth, it is not necessary to have a majority to win; the objective is not therefore 51%, but it *is* the preservation of freedom *for all* regardless what percentage may value the gift or understand the requirements.

Seventh, it *is* necessary to act, to put down the beer and turn off the NFL, to have the guts to be at times unfashionable, to accept sight in the land of the blind, and to move in the world as thus seen rather than to accept the comfort of accepted illusion.

But what action should we individually take? What practical step can we first take? One of our greatest strengths is that the answer to that question is a function of each individual who has the courage to do anything at all.[21] It is a function of the individual's position in life and society and his corresponding ability to effect change. Some can effect change directly, some can exert pressure at high levels, some can exert pressure at other levels, some can speak publicly, some can give money, some can write letters, some can inquire, and some can answer, but all according to their capability can and must act.

In so doing, it is important to maintain a practical approach and to keep government accountability as a first objective.

The government is charged with providing for the common defense, and we have a duty as citizens to demand efficiency and safety. Here are some practical ways how.

Always separate the crucial from the nonessential.

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firmed by the President in a mesage to Congress dated February 1, 1985.

[19] See Box Score Number Nine.

[20] This concept of public responsibility (and of the crisis of our inaction) was well expressed by Secretary of Defense Weinberger when he told Congress on February 3, 1985, "the final pledge, *the real commitment,* must be made by the American people . . . *that decision must be made this year.*"

[21] It is difficult in this context not to recall the ancient observation of Demostheness: "Some people think they can stump the man who dares to speak out by asking him what's to be done. To those I will give what I believe is the fairest and truest answer: don't do what you are doing now."

Most national security decisions made by Congress and the President fall in a gray area where plausible arguments can be made on both sides of the issue. Thus, for example, while a good case can be made that American taxpayer support of the international financial institutions and of imprudent sovereign risk lending by private banks is support beneficial to Soviet objectives, rational arguments can *also* be advanced to the contrary. But *many* other decisions, on the basis of objective fact, can be fairly characterized as having essentially *only two clear sides:* a pro-Soviet position and a pro-American position.

In making this distinction, we do not say that a Congressman voting on the pro-Soviet side is *per se* pro-Soviet in belief, far more likely he simply lacks intellectual capacity sufficient to appreciate the implications of his choice. We do say, however, that certain defense questions tested in Congress are so fundamental to American security that ignorance alone can be no excuse. It is on these fundamental and crucial questions that our initial individual actions should therefore focus.

In the past few years, there have arisen several prime examples of that type of basic security issue which we outline now for consideration, not necessarily in order of importance.

The ASAT decision

The USSR has four types of anti-satellite (ASAT) systems and has had the operational capability to shoot down American satellites *for more than a decade.* This capability has important strategic value because, in the event of war or threat of war, the Soviets could blind our intelligence collecting ability so that we could neither accurately characterize a Soviet attack nor target our own response. The Soviets are upgrading their ASAT systems.

The United States has *no* anti-satellite capability. The United States has attempted to develop an operational low-altitude ASAT using the F-15 fighter aircraft firing a SRAM/ALTAIR Missile. Congress has *prohibited* the testing of this system against a target satellite.

Congressmen voting for these prohibitions supported the Soviet position that there should be a moratorium on U.S. ASAT testing as an initial concession in, and pre-condition for, space weapon negotiations.

From a Soviet perspective, these negotiations would be intended to bring any U.S. ASAT program to a permanent halt, to stymie American anti-nuclear space defenses, and thus to preserve intact the Soviet offensive nuclear advantage without any need to worry over America achieving an effective active defense in space. Many Congressmen apparently either did not understand that perspective or agreed with it.

The Minuteman III decision

President Carter shut down Minuteman III ICBM production and dismantled the production facility; however, about 100 Minuteman III missiles remain stockpiled in warehouses. The current deployed force consists of 450 Minuteman IIs (obsolete, single warhead) and 550 Minuteman IIIs (obsolescent, three warheads). There are insufficient Minuteman IIs stockpiled for the Minuteman II test program (periodic test firings to maintain confidence that the aging missiles will still work).

In 1981-1982, Congress appropriated $5 million to begin to retrofit 50 stockpiled Minuteman III missiles into 50 Minuteman II silos, the replaced missiles from which would themselves thereafter be stockpiled for testing. This program was thus intended to create a force of 600 Minuteman IIIs, 400 Minuteman IIs, about 50 Minuteman III test missiles and about 50 Minuteman II test missiles—all at a cost less than the price of *one* modern fighter.

But there was a problem: the retrofit program would also have *added* 100 new nuclear warheads with some limited potential for destroying Soviet ICBM silos, and the Soviets were not pleased. Moreover, by 1987, the retrofitted missiles *might* violate SALT which the U.S. steadfastly obeys (even in predicting the future) and Russia relentlessly violates.

The Result: The Air Force spent the initial $5 million bulldozing earth at the missile sites (an action which did not offend the Soviets), and Congress (actually a key staff member of the Senate Subcommittee on Strategic Forces) killed the program in 1983. The staff member was, incidentally, promoted to a position of greater responsibility in the Department of Defense.

The MX decision

President Carter proposed a new ICBM force of 200 modern MX missiles based on movable launchers so that the missile could be moved and hidden to provide protection against Soviet attack. The new missile was needed because of the Soviet ability to destroy all of our older Minuteman missiles on the ground.

Under Congressional pressure, President Reagan has cut the MX program in half from 200 deployed missiles to a planned 100 and has further provided that these new missiles will *replace* 100 Minuteman IIIs in *vulnerable* silos. Obsolete Minuteman IIs are not to be replaced for reasons apparently related to U.S. compliance with SALT which the USSR is violating.

As a result of the above, the current MX program is of marginal strategic value since the new missiles will be defended and equally as vulnerable to Soviet attack as the obsolescent replaced Minuteman IIIs. Nevertheless, the new MX missile would have greater accuracy and firepower than our older ICBMs and for that reason alone should be produced.

The Soviet Union, which is developing and fielding *four* new types of ICBMs and has an *existing* operational force using five different types of very modern and large land missiles, *does not want the United States to produce the MX,* which would be the first new American ICBM developed in 17 years.

On October 11, 1984, pending further action, Congress prohibited production of the MX.

The Polaris/Poseidon decision

During the past few years, in order to comply with SALT while confirming that the Soviets are violating it, the United States has destroyed or deactivated ten perfectly good nuclear-powered Polaris missile submarines by cutting up the missile launchers and pouring concrete in the missile bays.[22] These submarines had been built at considerable taxpayer cost and could have been converted (consistent with SALT) into Sea Launched Cruise Missile/SLCM) Submarines—as is done in the Soviet Union with their *older* SSBN missile submarines, e.g. the Soviet Yankee Class. However, the Soviets preferred that the *American* submarines simply be destroyed: The dismantled Polaris force is now awaiting environmental approval to be sunk at sea or buried in the land.

In the defense budget for fiscal year 1985 are 21 million dollars to begin the destruction of the even newer Poseidon missile submarine force. Since the Environmental Protection Agency makes it expensive to destroy a perfectly good nuclear submarine, these funds are problably sufficient to begin cutting up only two Poseidon missile boats. But eventually six Poseidon submarines, at the insistence of the Department of State, *must* be destroyed to comply with SALT which the Soviets are violating.

These latest, very expensive nuclear submarines, *which are being readied today for destruction,* carry the Trident I SLBM (the C-4 SLBM) which is our newest submarine launched missile. Although the Trident I is greatly inferior to modern Soviet SLBMs, the USSR would prefer that the Trident I's on the Poseidons be removed permanently as a deterrent threat to the Soviet Union.

Congress, In October, 1984, voted taxpayer funding to grant that wish.

The Trident II decision

For a number of years, the United States has been developing the Trident II SLBM (the D-5) which would be a long-range submarine missile comparable to existing modern Soviet SLBMs. The new missile, because of its greater range, would increase the patrol area of its submarine so that the sub would be harder for the Soviets to find. Additionally, the missile could be made accurate enough to knock out Soviet ICBM silos and thus help to protect America from nuclear weapons as opposed simply to threatening the Russian people with our nuclear weapons.

For those reasons, the USSR does not like the U.S. Trident II program.

Moreover, the original idea was that the Trident II would be deployed in the large missile wells of the new Trident submarines. But this plan also conflicted with Soviet wishes.

At present, the new large Trident submarines are armed with the small Trident I SLBM (again the C-4) which about one-half fills the Trident missile well and coincidentally is the same missile carried in the Poseidon boats slated for destruction.

The reason for these anomalies: a series of Congressional and Administration actions which have delayed production of the Trident II SLBM (the D-5) until after 1990 even though the missile could have been ready for operation by 1985 or 1986.

But even so, the Trident II's status is not yet fully decided. By 1990 there is every likelihood that the Soviets will again get their way, and, as in the case of the MX, Congress will block or delay funds for Trident II deployment production.

The Binary chemical weapons decision

The Soviet Union has massive stockpiles of modern chemical weapons. The United States has no modern chemical weapons.

The U.S. binary chemical weapon program was initiated in order to give our country a limited number of safe-to-handle chemical weapons to match at least fractionally the Soviet stockpile. These proposed binary weapons would have *no* toxic potential whatsoever until the two parts of the weapon are combined immediately prior to use in combat.

The Soviet Union did not wish the United States to have binary chemical munitions and thus a chemical deterrent. Instead, it wished very much to retain its monopoly of modern chemical weapons and the undeterred advantage conferred by its enormous stockpile.

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[22] Two of the Polaris boats were converted into special operations attack submarines. Three others have been deactivated but not yet destroyed.

Congress, in 1983, prohibited production of U.S. binary chemical munitions.

Summary

Decisions of the type described above—and there are many more—are not in our view evidence of treason but neither are they in the gray area of national security questions about which reasonable men can disagree. They are clear cut. In each case cited, one position favors the USSR and its opposite favors America.

It is on these clear-cut questions, therefore, that each individual should act. The gray areas can wait. We have limited time, numbers, and energy; so those who believe action is required must concentrate their effort where it can have the greatest and earliest effect.

Permit us therefore one final recommendation . . . based on twelve years of combined observation in staffing Congress—do *not* write your Congressman.

Do not write your Senators and Representatives about defense issues of the foregoing magnitude. The Congressman would likely *not* see your letter and his written response would likely be prepared by a youthful staff member who would have little idea what you are talking about and even less interest in finding out.

Do contact your Senators and Representaties *on the telephone* [23] or meet with them in person: Try not to accept an aide as a substitute, and if *your man* refuses to talk with you directly, consider writing your local newspaper to complain of his inaccessability.

Do not, however, become a nuisance. Ask the Congressman to do no more than one thing at a time, and when he responds properly, thank him profusely and consider helping his campaign. But when he does wrong (or even looks as if he might)—especially on a fundamental security question in which he appears disposed to act as the Soviet Union would wish—sink your teeth in his neck like a bulldog and hang on.

Remember: the United States belongs to us all—not just to the ill-informed men and women who all too often make up the bewildered majority in Washington.

Never be bashful. Act now, and act again and again. The informed and result-oriented Congressmen (there are many) desperately need the support of your help, and the remainder—the lost and wandering—are there to hear you and your judgments and to be given direction and purpose.

We owe our Senators and Representatives always the sincere respect due their high office, and we owe some Senators and Representatives deep personal respect for their actions, but we also owe each of them, one and all, the benefit of our ideas when we are sure they are soundly based in fact. If we do not discharge that last obligation to our Representatives in Washington, and to our fellow citizens, as best we are able, then we individually will have no grounds for complaint should the day of our national awakening come too late for our wonderful country, ourselves, and our families and for freedom.

[Epilogue]

CHOICES

"If we lose our faith in ourselves, in our capacity to guide and govern, if we lose our will to live, then indeed our story is told."—Churchill, 1933.

In this book we have painted a grim yet truthful picture. We have given to the best of our ability an accurate, current assessment of the decline of American military strength and of the ascendance of Soviet military power and its implications.

What we cannot assess and have not attempted to gauge is the American spirit, whether enough Americans will care enough about freedom to resist the new tyranny and its promise of eventual enslavement. That answer is locked in each American's heart throughout our homeland.

We believe that the story of the American Republic is far from over, but we are also convinced that the text of what may prove the final chapter is already written and waits only on time to be told.

If our course does not change and history with it, in that last day, Americans could face an awesome decision: whether to risk the liberty and life of our Republic through almost inevitable defeat in a desperate, withering, and pointless war or whether to accept an even worse end—through tacit surrender and gradual subjugation to overwhelming totalitarian power.

Those alternatives must be avoided, but each day of our inaction makes it more difficult to turn way as we beguile our friends, our families, and ourselves in the belief that all is well. And yet, our whole history as a people imples us to act, to face the unhappy truth of our worsening condition and to choose the hard task of survival in freedom.

Many, if not most Americans will avoid the rigor of looking the enemy in the eye and seeing his strength; many if not most Americans will no doubt continue to avert their gaze and prefer the ease and the torpor and the comfort of denying history, of denying that republics do fall, of denying the new potential for a lingering national death. But so was the case before when American liberty was threatened—and yet a very few who imbued with lust for freedom prevailed against both a tyrant king and the indolence of their own countrymen. In that day as in this, the test was not so much of strength as it was of will.

Ironically, in writing this book we have drawn heavily on the inspired wisdom and determined courage of Winston Churchill, a descendant of those same oppressors of our early national life. We have done so because of his foresight, because of his clarity of thought and vigor of expression, because of the remarkable, prescient applicability of his long-ago words to our time and condition today, but chiefly because of his overarching love of liberty.

Therefore it is worth remembering that the Americans for whom this book is written share with Churchill at least one great honor, given to us by birth and to him by Act of Congress—American Citizenship. Also worth remembering from this our adopted countryman are a final warning and a hard choice.

The warning was given in 1935:

"The lessons of history are part of that long dismal catalogue of the fruitlessness of experience, and the confirmed unteachability of mankind. Want to foresight, unwillingness to act when action would be simple and effective, lack of clear thinking, confusion of counsel until the emergency comes, until self-preservation strikes its jarring gong, these are the features which constitute the endless repetition of history."

The choice was made in 1939:

"War is horrible, but slavery is worse."

We who desire life in both liberty and peace must heed in time the warning; otherwise we too, in time, will surely face the choice.

[Appendix IV]

THE PRICE OF COFFEE POTS AND BOLTS

During the past several years, the news media, in what some believe is a calculated attempt to influence the public against necessary defense spending, have made a very great clamor about the apparent high price of small components in large military systems. Hardly a day passes without "news" of some new "outrage" wherein the Department of Defense is laid open unmercifully for paying hundreds of dollars per copy for nuts, bolts, screwdrivers, or coffee pots.

Rarely is it explained to the public (which is by now understandably enraged but enraged unjustifiably) that these price anomalies with very few exceptions solely arise from accounting allocations unrelated to actual pricing or, in some other cases, from very limited procurements of "nuts and bolts" made from special materials honed to required technological tolerances.

One unusual acknowledgment of these unstated facts appeared in the Washington Post of February 3, 1985, in a column by George Will. Mr. Will's well taken arguments are repeated here because they in this instance are unlikely to be reproduced often anywhere else:

"Pentagon acquisition rules stipulate that 'overhead' expenses be allocated to each shipment at some fixed proportion of the value of the product. If the value is $5 million, the corporation might be entitled to add, say, 20 percent ($1 million) for overhead. Overhead includes costs above materials, machines and labor—costs of everthing from legal departments to company headquarters.

"The Pentagon orders many kinds of parts simultaneously. As an approved accounting convenience, many contractors allocate overhead on an "item" rather than "value" basis. . . . and example of [this procedure is] a $20 million order for 10,000 parts, some of which have a direct cost of $25,000 each and others of 4 cents each.

"Instead of apportioning the $1 million total overhead such that the $25,000 part gets a lot and the 4-cent part a little, the computer printout will allocate $100 to each part. This produces a charge to the government of $25,100 for the expensive part and $100.04 for the cheap one."

Unfortunately, arcane accounting procedures are of far less interest to anti-defense journalists and their biased editors than the ready-made hype of a $100 screw driver and its effect in creating public ill-will against necessary defense spending.

[Appendix VI]

SEA POWER

The United States is a maritime nation. Our geography dictates that fact, and it is ignored at peril.

To a large extent, the United States owes it position in history as an international power to the United States Navy. The defeat of the Barbary Pirates, the War of 1812, the Battle of Manila Bay, Midway: these events marked out progress from insular state to superpower while our commerce and flag reached every corner of the globe by sea.

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[23] Senators or Congressmen can be reached by calling the Capitol switchboard at (202) 224-3121 and asking for the Senator or Representative by name.

The Soviet Union is a continental nation. Its interior geography on the broad Eurasian land mass dictates that fact. And the most memorable event in Russian naval history is the 1905 defeat of the Imperial Fleet by the Japanese at Tsushima.

Nonetheless, a remarkable reversal of roles appears to be underway. As the United States Navy shrinks from the 1,000 ships of the early 1970's to a few more than 500 today, the Soviet Navy expands to more than 2,000 with breathtaking speed and clear purpose. Soviet warships patrol the Gulf of Mexico and 1,800 Soviet flag vessels carry an enormous share of world trade at rates designed to force the vessels of other nations out of competition.

Today, only 600 merchant ships carry the American flag and the active U.S. Merchant Marine numbers only *12*. All Soviet flag ships, meanwhile, are designed from the keel up to have both commercial and military functions.

Similarly, while our Congress debates the purported benefits of a Prussian model General Staff best suited to the large land armies and small navies of Central Europe and Asia (and to the hierarchical mind-set of centralized dictatorial powers), the Soviet Union grants increasing independence to *its* Navy in proportion to its developing global mission.

Fortunately for the United States, the present Secretary of the Navy, John Lehman, understands the significance of our naval history, appreciates its lessons teaching the crucial value of sea power in our particular geographic circumstance, and is struggling to restore our rightful and necessary position as a maritime force. In this he has had less than the full support which would be forthcoming from an equally enlightened Congress.

While we believe, and feel some confidence in asserting, that Secretary Lehman shares our assessment that American inferiority in strategic nuclear and anti-nuclear forces (regardless of service component) must receive first corrective priority, we are also confident in his apparent judgment that unquestioned superiority in all aspects of sea power should advance simultaneously in efforts to restore security to our country and allies.

Mr. Lehman has set the modest goal of 600 battle force ships. That benchmark shows his practical skill as a public servant. As an interim step, it is wise. As a final objective, it falls short of the mark.

Given the gigantic size of the Red Army, we could never hope, nor should we attempt, to match Russia land division for land division. In land based air forces similar considerations pertain. But at sea, the world is different.

And it is at sea that American power can best and most efficiently be expressed. This central fact of national military experience must not be overlooked in the dangerous days ahead.

Mr. SYMMS. I think that we can make up for some of those numerical disadvantages in a confrontation but I think we also have to face reality. I think our technology in many cases could help level the advantage rather quickly in some of those numerical areas, at sea, the Navy aspect particularly, that we might be able to obtain some balances but that remains to be seen.

So, Mr. President, I have the highest respect for my distinguished colleague from Georgia. I have followed his defense lead in many instances in this body and when I was in the other body. But I think in this particular instance this is a pure acquiescence. If we pass this amendment and lose the MX, we are losing one of the most vital, important, strategic security measures—the only one that is available is what it amounts to. It is a matter of do this or do nothing, and I think that to do nothing is certainly jeopardizing our security by not facing reality. The reality is that the Soviet Union does exist. They are very aggressive. They do have a very strong, rapidly growing military tactical and strategic power.

Mr. President, it is for this reason that I oppose the pending amendment, and I hope that when it is resolved, the Senate will defeat the amendment.

I yield the floor.

Mr. GOLDWATER. Mr. President, under the previous agreement, we are now in a position to take some amendments.

I notice that the Senator from Nebraska is on the floor, and he has an amendment that has been discussed by both sides. I believe the pending amendment is the amendment of the Senator from Georgia.

The PRESIDING OFFICER (Mr. Pressler). The Senator is correct.

Mr. GOLDWATER. I ask unanimous consent that Senator Nunn's amendment be temporarily laid aside so that we may proceed with the discussion of the amendment by the Senator from Nebraska.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I say to the distinguished manager of the bill that I have two very brief amendments, both accepted on the other side.

Mr. GOLDWATER. I would prefer to start with the Senator from Nebraska, and when we are through with that amendment, we can take the amendments of the Senator from Virginia.

Mr. WARNER. That is fine.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 203

(Purpose: To authorize a study of problem areas affecting the Army's program to counter deficiencies in basic skills of its recruits)

Mr. ZORINSKY. Mr. President, a 1983 GAO report to the Secretary of the Army stated that, in recent years, the Congress has expressed concern over the increasing numbers of recruits the Army has been accepting from the lowest mental aptitude level (category IV) since all-volunteer recruiting began in 1972. Category IV individuals have reading and mathematics abilities below the ninth grade level. In 1975, they comprised 10 percent of the force, increasing to 50 percent in 1980, then decreasing to 31 percent in 1981, due primarily to improved enlistment standards and a good recruiting market. At the end of 1981, the number was up to 45 percent. Now, there is a statutory limit of 20 percent for category IV recruits.

The Army's Basic Skills Education Program [BSEP] is intended to provide remedial training to these recruits. The curriculum consists mainly of general literacy subjects, and the type of instruction provided often is very basic.

The GAO review was primarily to determine whether the BSEP Program had helped soldiers with literacy deficiencies acquire adequate skills. Success was defined as experiencing and maintaining an increase in reading grade level. The study found that after 4 years and $160 million in expenditures, only 5 to 13 percent of soldiers at different locations has achieved the Army's prescribed goals.

Although these figures have improved in the last 3 years, the Army still spent over $14 million last year to bring its recruits up to the ninth grade level in reading—and 90 percent were high school graduates.

The report noted that short-term remedial programs do not provide the competency needed to master highly technical material in many Army jobs and that substantial resources would be required to bridge the literacy gap.

It went on to state that the Army's basic skills problem may be compounded in coming years due to the decreasing availability of 17- through 19-year-old males, who comprise the majority of the Army's personnel strength.

Other actions the Army has taken to help narrow the literacy gap include (1) reducing the complexity of written materials used in the military to make them easier to read, understand, and follow and (2) tightening the entrance eligibility standards for enlistment. Although the Army accepted only high school graduates during fiscal year 1982, they found that a high school diploma does not necessarily mean that soldiers will have the basic skills required to perform their duties or to achieve the grade levels established by the Army.

Experts were quoted as stating that adult remedial programs used in DOD and in private industry are ineffective in instilling significant, lasting improvements and that substantial time and resources would be required to bridge the gaps identified. One researcher indicated that abnormal educational development in an individual's early years cannot be compensated for in the late years by accelerated efforts. Similarly, a study on National

Guard literacy programs concluded that short-term literacy programs are not sufficient, in and of themselves, to make major changes in the cognitive processing skills of the marginally literate adult. Further, a DOD official noted that problems developed over a period of many years can hardly expect solutions in weeks or even months.

Mr. President, the Army is only one example of a federally funded program providing basic remediation skills. Illiteracy is consuming more and more of our tax dollars for remedial courses in schools, colleges, Government agencies, and all branches of the Armed Forces. Additional tax dollars are spent to remedy the effects of illiteracy—crime, unemployment, and welfare. Yet, in spite of the staggering amounts of money being invested in remediation, these programs are only reaching 2 to 4 percent of the adults who need them. And they do not begin to compensate for those persons' lack of education resulting from inadequate reading skills.

I believe it is time to take a new approach to this problem. In addition to these programs, we must find out how to prevent illiteracy—to discover why many students are not learning to read. It does not make sense to keep pouring money into programs that are barely effective without trying to discover what is causing this problem in the first place.

I am therefore offering an amendment to establish a commission to study the causes of illiteracy in this country. Since the United States now ranks 49 in literacy levels among the 158 countries of the United Nations, we must be doing something wrong!

The commission would not create Federal policy or affect existing programs. One of its discharges would be to identify successful reading programs and make recommendations which the States could use to help them make informed decisions on improving the teaching of reading at the elementary level, before problems occur. Why should we wait until persons become adult illiterates?

This is a time when we are all looking for ways to reduce the Federal budget, and I firmly believe that this small investment can result in the savings of billions of dollars every year.

The GAO study just to determine the effectiveness of the BSEP Program cost the taxpayers over a quarter of a million dollars. Doesn't it make more sense to do a study on why we need these programs in the first place?

This problem has been with us for at least 25 years, and the number of adult illiterates is increasing by about 2.3 million each year. If we are serious about adult illiteracy, we must also find out what is causing it. I urge my colleagues to support this amendment.

For the RECORD, I wish to note that this amendment has been introduced in the form of a bill with 23 cosponsors—Senators DOLE, THURMOND, HATCH, PRESSLER, SYMMS, TRIBLE, GLENN, NUNN, GOLDWATER, HOLLINGS, GARN, GORE, BAUCUS, STENNIS, MELCHER, EAST, WARNER, GRAMM, STEVENS, BYRD, SIMON, GORTON, and EXON.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The bill clerk read as follows:

The Senator from Nebraska [Mr. ZORINSKY], on behalf of himself and Mr. DOLE, Mr. GOLDWATER, Mr. GORE, Mr. BAUCUS, Mr. STENNIS, Mr. MELCHER, Mr. STEVENS, Mr. GORTON, Mr. THURMOND, Mr. PRESSLER, Mr. HATCH, Mr. SYMMS, Mr. EXON, Mr. NUNN, Mr. STAFFORD, Mr. WARNER, Mr. GLENN, and Mr. HOLLINGS proposes an amendment numbered 203.

Mr. **ZORINSKY**. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

There is authorized a study of problem areas which may be contributing to the expansion and additional costs of the Army's program to counter deficiencies in basic skills of its recruits.

This study shall be conducted by a commission composed of sixteen members, as follows:

(1) Eight members shall be appointed by the President of the United States.

(2) Four members shall be appointed by the President pro tempore of the Senate, two upon recommendation of the Majority Leader of the Senate and two upon recommendation of Minority Leader of the Senate.

(3) Four members shall be appointed by the Speaker of the House of Representatives, two upon recommendation of the Majority Leader of the House of Representatives and two upon recommendation of the Minority Leader of the House of Representatives.

(c)(1) The President, the President pro tempore of the Senate, and the Speaker of the House of Representatives shall, after consultation, assure that the members of the Commission are broadly representative of parents, the education community, business and industry, the military, and government, together with consideration for representation of minorities.

(2) The members of the Commission shall be individuals who have demonstrated prior understanding of and concern about the problem of illiteracy.

(d) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(e) The Commission shall elect a chairman and a vice chairman from among its members.

(f) Nine members of the Commission shall constitute a quorum for the transaction of business, but the Commission may establish a lesser number as a quorum for the purpose of holding hearings, taking testimony, and receiving evidence.

FUNCTIONS

SEC. 3. (a) The Commission shall conduct a full and complete study of the causes of illiteracy. Such study shall include but not be limited to the consideration of—

(1) methods of teaching reading that have been proven to be most effective, as well as methods of teaching reading which may be counterproductive; and

(2) methods of teacher training relating to reading instruction in the classroom.

(b) In carrying out its functions under this section, the Commission shall—

(1) assess the factors which contribute to illiteracy

(2) analyze and use the recommendations of the National Commission on Reading contained in the report, "A Nation of Readers";

(3) recommend programs and procedures to prevent illiteracy;

(4) Encourage greater cooperation and resource sharing at the delivery level in federally assisted programs which have an impact upon preventing illiteracy, including Title I of the Elementary and Secondary Education Act of 1965, chapter 2 of the Education Consolidation and Improvement Act of 1981, the Carl D. Perkins Vocational Education Act, the Adult Education Act, the Higher Education Act of 1965, the Library Services and Construction Act, and the Job Training Partnership Act;

(5) recommend the appropriate local, State, and Federal role in the prevention of illiteracy; and

(6) assemble, analyze, and publicize its findings.

(c) The Commission shall submit to the President and to the Congress such interim reports as it deems advisable. The Commission shall submit to the President and to the Congress, not later than twelve months after the first meeting of the Commission, a final report of the study and investigation, together with such recommendations as the Commission deems advisable.

ADMINISTRATIVE PROVISIONS

SEC. 4. (a) Subject to such rules and regulations as may be adopted by the Commission, the chairman is authorized to—

(1) appoint, terminate, and fix the compensation without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, or of any other provisions of law, relating to the number, classification, and General Schedule rates—

(A) of such personnel as it deems advisable to assist in the performance of its duties, at rates not to exceed a rate equal to the maximum rate for GS-15 of the General Schedule under section 5332 of such title; and

(B) of an executive director for the Commission contingent upon confirmation by the Commission members at an annual rate of compensation not to exceed a rate equal to the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(2) procure, as authorized by section 3109 of title 5, United States Code, temporary and intermittent services to the same extent as is authorized by law for agencies in the executive branch, but at rates not to exceed the daily equivalent of the maximum annual rate of basic pay in effect for grade GS-15 of the General Schedule.

(b) Service as a member of the Commission or as an employee of the Commission

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shall not be considered service in an appointive or elective position in the Federal Government for purposes of section 8344 of title 5, United States Code, or comparable provisions of Federal law.

(c) The Commission may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

COMPENSATION OF MEMBERS

SEC. 5. (a) The members of the Commission shall serve on the Commission without compensation.

(b) All members of the Commission shall be reimbursed for travel, as authorized by section 5703 of title 5, United States Code, subsistence, and other necessary expenses incurred in the performance of the duties of the Commission.

POWERS OF THE COMMISSION

SEC. 6. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof or any member authorized by the Commission may, for the purpose of carrying out this joint resolution, hold such hearings and sit and act at such times and places, take such testimony, have such printing and binding done, enter into such contracts and other arrangements (with or without consideration or bond, to such extent or in such amounts as are provided in appropriation Acts, and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), make such expenditures, and take such other actions as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) The Commission is authorized to secure directly from any officer, department, agency, establishment, or instrumentality of the Government such information, suggestions, estimates, and statistics as the Commission may require for the purpose of this joint resolution, and each such officer, department, agency, establishment, or instrumentality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the chairman or vice chairman.

(c) Upon request of the Commission, the head of any Federal agency is authorized to make any of the facilities and services of such agency available to the Commission or to detail any of the personnel of such agency to the Commission, on a reimbursable basis, to assist the Commission in carrying out its duties under this joint resolution, unless the head of such agency determines that urgent, overriding reasons will not permit the agency to make such facilities, services, or personnel available to the Commission and so notifies the chairman in writing.

(d) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(e) No officer or agency of the United States shall require the Commission to submit any report, recommendation, or other matter to any such officer or agency for approval, comment, or review before submitting such report, recommendation, or other matter to the Congress.

TERMINATION OF THE COMMISSION

SEC. 7. Ninety days after the submission to the Congress of its final report, the Commission shall cease to exist.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums, but not to exceed $500,000, as may be necessary to carry out the provisions of this amendment.

Mr. **ZORINSKY**. Mr. President, this amendment deals with the problem of illiteracy in the military services inasmuch as the Army alone spent over $14 million on remedial reading last year. Ninety percent of the recruits in that program were high school graduates.

This amendment has been cleared on both sides of the aisle. The cosponsors are listed on the amendment, and I need not repeat them. Senator STAFFORD, of the Education Committee, is one of the cosponsors.

Mr. **CHILES**. Mr. President, will the Senator yield?

Mr. **ZORINSKY**. I yield.

Mr. **CHILES**. I recall that earlier there was some controversy about the amendment the Senator from Nebraska is proposing, and Senator STAFFORD had some problems with it.

Mr. **ZORINSKY**. I have spoken with Senator STAFFORD, and all the problems have been resolved to his satisfaction. As a matter of fact, this morning, as a result of that compromise, he became a cosponsor of the amendment.

Mr. **CHILES**. The Senator from Georgia is not on the floor now.

Mr. **ZORINSKY**. The Senator from Georgia is one of the cosponsors of my amendment. Perhaps I could read the names.

Mr. **GOLDWATER**. Mr. President, if the Senator will yield, both Senator NUNN and I are cosponsors of this amendment. It has been discussed with the minority staff and the majority staff, and the amendment is acceptable.

Mr. **CHILES**. I wonder if we could wait for a moment. The Senator from Georgia is on the phone. His staff does not know that he is a cosponsor.

Mr. **GOLDWATER**. If the Senator from Nebraska has no objections, I ask unanimous consent that we temporarily withhold action on his amendment so that we may proceed with an amendment by the Senator from Virginia.

The **PRESIDING OFFICER**. Is there objection? The Chair hears none and it is so ordered.

The Senator from Virginia.

AMENDMENT NO. 204

Mr. **WARNER**. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The bill clerk read as follows:

The Senator from Virginia [Mr. WARNER] proposes an amendment numbered 204.

Mr. **WARNER**. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

DONATIONS BY COMMISSARY STORES OF CERTAIN UNMARKETABLE FOOD

(a) IN GENERAL.—Chapter 147 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2485. Commissary stores: donation of unmarketable food

"(a) The Secretary of a military department may donate commissary store food described in subsection (b) to authorized charitable nonprofit food banks.

"(b) Food that may be donated under this section is food of a commissary store—

"(1) that is—

"(A) unmarketable;

"(B) unsaleable; and

"(C) certified as edible by appropriate food inspection technicians; and

"(2) that would otherwise be destroyed as unusable.

"(c) A donation under this section shall take place at the site of the commissary that is donating the food.

"(d) A donation under this section may only be made to an entity that is authorized by the Secretary of Defense or the Secretary of Health and Human Services to receive donations under this section.

"(e) This section does not authorize any service (including transportation) to be provided in connection with a donation under this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2485. Commissary stores: donation of unmarketable food.".

Mr. **WARNER**. Mr. President, I am going to address this in a matter of a few minutes, but I urge my colleagues to listen because it may well be an amendment that they would consider appropriate for cosponsorship because it is, I think, quite interesting.

Mr. President, I rise to offer an amendment providing the simple authority for military commissaries to donate unmarketable but edible food to authorized nonprofit organizations involved in the feeding of the needy.

Under present authority, once commissary foods have passed their coded date of sale, they are either directed for immediate consumption in military dining halls or returned to vendors for reimbursement to help preclude Government loss.

Failing these two alternatives, unmarketable but edible commissary foodstuffs are required to be destroyed.

My amendment would merely allow the charitable disposal of foodstuffs, rather than requiring the food to be destroyed.

By this action, needy individuals in communities adjoining our military instalations may be better served by the

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food banks and other nonprofit orga-

The PRESIDING OFFICER. The

These two recent law changes reflect

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food banks and other nonprofit organizations seeking to provide charitable assistance.

This "Good Neighbor" policy can only enhance the relations between military bases and communities.

Congressman Dan Daniels, my Virginia colleague serving on the House Armed Services Committee, has won committee approval of this proposal in the House version of the 1986 Department of Defense Authorization Act, reported to the full House of Representatives on May 10.

Mr. President, let us swiftly approve this amendment as a measure of our intent that DOD installations be working partners in community service.

If nonmarketable but edible commissary foods are destined for destruction, how much better that they be used to help feed those citizens who are greatest in need.

Mr. GOLDWATER. Mr. President, is there any objection on the minority side?

Mr. NUNN. Mr. President, I think that this is a very good amendment and I wholeheartedly support it.

Mr. WARNER. I thank the distinguished Senator from Georgia.

Mr. GOLDWATER. Mr. President, the minority and majority sides agree on this amendment. We will accept it.

Mr. WARNER. Mr. President, I am pleased to add the Senator from Michigan [Mr. Levin], the Senator from Nebraska [Mr. Zorinsky], the distinguished chairman of the Armed Services Committee, the Senator from Arizona [Mr. Goldwater], the distinguished ranking minority member of the Armed Services Committee, the Senator from Georgia [Mr. Nunn], the distinguished Senator from Montana [Mr. Melcher], the distinguished Senator from Ohio [Mr. Glenn], as cosponsors of this amendment and so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment (No. 204) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, I suggest that the Record remain open for additional cosponsors through 6 p.m. tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 205

Mr. WARNER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Virginia [Mr. Warner] proposes an amendment numbered 205.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

DEFINITION OF RESIDENCE OF A STUDENT DEPENDENT

(a) In General.—Section 406 of title 37, United States Code, is amended by adding at the end thereof the following new subsection:

"(1) For the purposes of this section, the residence of a dependent of a member who is a student not living with the member while at school shall be considered to be the permanent duty station of the member or the designated residence of dependents of the member if the member's dependents are not authorized to reside with the member."

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to orders to change a permanent station that are effective after September 30, 1985.

Mr. WARNER. Mr. President, I am offering an amendment that would clarify the definition of residence of a student dependent so that student dependents are afforded the proper access and reimbursement for travel upon recess or school break from their educational institution to the established family residence.

As a result of the 1984 Comptroller General decision which defined a dependent student's residence to be the school or college attended, the services are prohibited from reimbursing a member for the cost of transporting a dependent student from the secondary school or undergraduate college to the new residence of the family following a member's permanent change of station if the dependent intends to return to school.

The dependent's residence is more properly defined as the family home rather than the school.

Because educational institutions often close during vacations and breaks, to consider the school to be the home of the member's dependent is unrealistic.

The member has the obligation to provide shelter to dependents and that includes students who may live away at school for a portion of the year.

To support this position, 37 U.S.C. 430 now provides funded travel for the purpose of sending students to school for members overseas and to provide for a funded annual trip to visit parents.

The provisions of 37 U.S.C. 429 also were enacted to provide transportation for student dependents from their DOD dormitory school to the family home and return during school breaks.

These two recent law changes reflect congressional intent to maintain the integrity of the family unit.

Another point for consideration is the entitlement of student dependents of civilian employees when an employee is transferred to an overseas station.

If it is necessary for the employee's dependent to remain in the United States to complete a school year, that dependent is allowed delayed permanent change of station travel which permits him to rejoin his family at a later date at their new residence even though the intent is that the dependent will return to the United States in a short period of time to complete his education.

Under State Department standardized regulations—Government civilians, foreign areas—section 284, the student dependent need only remain over 14 days in the new residence to be eligible for return transportation at U.S. Government expense for educational purposes.

Student dependents of uniformed members should be equally entitled to delayed permanent change of station transportation to rejoin their families under similar circumstances.

The residence of a student dependent is with the family and therefore, the first trip is made in connection with the permanent station move and is performed with the intent of establishing the student's residence with the family.

The nature of dependency is not such that a child must physically be living with the member at all times, but that a residence is always available.

Mr. GOLDWATER. Mr. President, the Senator from Georgia has come to the floor.

This amendment has been cleared with both staffs.

Mr. NUNN. Mr. President, we have no objection.

Mr. GOLDWATER. Mr. President, there is no objection on the minority side or the majority side. It is a good amendment, and we will accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 205) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 206, AS MODIFIED

Mr. WARNER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Virginia [Mr. Warner] proposes an amendment numbered 206.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I ask unanimous consent that I may modify my amendment No. 206 to reflect the language now being sent to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modified amendment is as follows:

AUTHORITY TO TRANSFER CERTAIN AIRCRAFT

(a) In General.—The Secretary of the Navy may transfer title to an aircraft described in subsection (b) to the institution leasing the aircraft if the Secretary certifies—

(1) that at the time of the transfer the aircraft is being used by the organization holding the aircraft for a purpose consistent with the use intended when the aircraft was first leased to the institution; and

(2) that the Department of the Navy no longer needs the aircraft.

(b) Covered Aircraft.—The authority of the Secretary of the Navy under subsection (a) applies with respect to an aircraft—

(1) that on the date of the enactment of this Act is being leased by the Secretary to a State-supported educational institution; and

(2) for which a lease for such aircraft began with such institution on or before January 1, 1976.

(c) Compensation.—A transfer under this section shall be made without compensation or reimbursement to the United States.

Mr. WARNER. Mr. President, I am offering an amendment that would authorize the Secretary of the Navy to transfer title of a de Haviland U-6 aircraft from the Navy to the Virginia Institute of Marine Science.

The Virginia Institute of Marine Science has been leasing this plane from the Navy at no cost since 1975, but a provision in the fiscal year 1985 Department of Defense Appropriations Act would prevent the Navy from renewing the lease even though they have no use for the plane.

The provision which is causing the difficulty was intended to address a problem unrelated to the VIMS lease.

The plane is several hundred hours over its scheduled maintenance, and the Virginia Institute of Marine Science wants to be certain that they will have the ability to retain the use of the plane prior to the expenditure of the $20,000 required to complete the necessary engine overhaul.

Mr. President, I understand that this amendment has been cleared on both sides.

Mr. GOLDWATER. Mr. President, this is an amendment that has been discussed by the staffs of the minority and the majority.

Mr. CHILES. The staff of the Senator from Georgia tells me that this amendment is OK.

Mr. GOLDWATER. Mr. President, the minority and the majority staffs find this amendment in good order. In fact, I am well aware of this amendment. I am aware of the practice, and we are very happy to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 206) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 203

Mr. GOLDWATER. Now, Mr. President, we have the Senator from Nebraska with his amendment. He has been very, very patient in waiting for the distinguished Senator from Georgia, and has he made a decision as to whether or not we can accept that amendment?

Mr. NUNN. Yes; I think that is a good amendment, and I will recommend that we accept it, particularly since I know the Senator from Arizona is a cosponsor of it, and the Senator from Georgia is a cosponsor, also.

Mr. ZORINSKY. I thank the Senator.

Mr. GOLDWATER. Mr. President, I am pleased to support Senator Zorinsky's amendment to prevent the increase of illiteracy. The military spends $40 million a year to provide remedial training in basic skills with an emphasis on reading. Despite the outlay of time and money, the program does not improve the performance levels of even 20 percent of those in the program.

With this information in mind, it is indeed appropriate that this amendment was introduced on the DOD authorization bill. In 1983, we were told that our Nation was at risk in a report from the Department of Education entitled. "A Nation at Risk." That now famous report stated and I quote:

> If an unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war.

Well, let me state that the war continues to rage on with the numbers increasing by 2 million each year to the already staggering figure of 23 million Americans considered to be illiterate. This war is not confined to a particular sex, race, or socioeconomic level. It is a war which drains our country of our most precious resource, its people. Not only do we lose their participation because they cannot read, but we also cannot help them because out of shame they attempt to hide their problem. A small percentage are seeking programs to make themselves literate.

There is no legitimate answer to explain why we are not utilizing our extensive knowledge base to wipe out illiteracy at its source. Above all it should be noted that I am not asking nor even recommending larger funding for new or existing Federal programs. What I am hoping will result from this Commission is that the same grassroot interest and support will be generated from the Commission's outcome as from the "Nation At Risk."

We cannot afford to have Johnny or Susie labeled disabled readers without first questioning the type of reading program in the school and the teaching methods used in the classroom. Some children do need special programs, but many more students are labeled wrongly. We must all work together, parent, teacher, school principal, school board, and teacher training institutions to prevent illiteracy. I seriously question the practice of the schools trying out a variety of reading programs. Our children are not to be utilized in this manner when there are successful reading programs which are used in too few schools in this country. Let's not jeopardize our children's future with the possibility of failure. It makes so much more sense to use those effective and efficient reading programs that have a greater percentage of success on a consistent basis. It is a serious offense to label an individual a "dummy" or a "failure." These labels are difficult to remove and have far-reaching effects. The American taxpayer is paying for the negative impact of such labels in Federal Government funded education, military, labor, welfare, and prison programs. Individuals who cannot read cannot find or keep a job. The failure is with the system, not with the individual who comes to school with an eager attitude ready to be challenged and to learn, but too often finds no challenge and little to learn except rote answers to simple questions. The challenge is gone. The eager attitude is gone, and soon the label is given.

In closing, it is not only the military which must carefully review and question the problem of illiteracy within its ranks, but also those principals and teachers who are given the tremendous responsibility to teach reading skills; reading skills which must last a lifetime in order to sustain a life.

Mr. STAFFORD. Mr. President, there is no doubt in this Senator's mind as to the need to seriously examine the problem of illiteracy in America. While I agree with what the Senator from Nebraska is trying to accomplish, having spent a great deal of time last year on the reauthorization of the Adult Education Act, I cannot help but wonder if establishing a new commission is the answer.

Mr. President, on May 1 of this year, the National Academy of Education published a report prepared by the Commission on Reading, "Becoming a

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Nation of Readers." The purpose of this $175,000 2-year Commission was to critically examine the teaching of reading and make practical recommendations for improving instruction and literacy in America.

I question, Mr. President, if the Commission which the Senator from Nebraska's amendment would establish, does anything different than that of the Commission on Reading. For example:

Senator Zorinsky's commission would study both effective and ineffective methods of teaching reading. The Commission on Reading has already studied methods of teaching reading and made specific recommendations.

This amendment proposes examining teacher education and teacher training. The Commission on Reading has examined these areas as well.

Senator Zorinsky proposes to assess the factors which contribute to illiteracy and recommend programs and policies to prevent illiteracy. "Becoming a Nation of Readers" looks at these same issues and even more.

Mr. President, it is true that I have never been an advocate for national commissions as they accomplish very little in the terms of improvement of education. But even more importantly, at this time Mr. President, when we have just finished a long and hard budget battle, I question whether it is really responsible to spend the taxpayers dollars on a commission whose work has really been accomplished.

Once again, Mr. President, I have to agree with what the Senator from Nebraska is attempting to do, and I commend him for it. This is a very important issue in our Nation today yet, this Senator finds it difficult to justify spending $1 million on yet another commission and wonders if perhaps the money could be more effectively spent.

Mr. President, because of the concerns I have expressed above, the Senator from Nebraska has agreed to incorporate my amendments into this amendment. This relieves some of my concerns as well as those of my colleagues.

First of all, it requires that the Commission build on the recommendations of "A Nation of Readers," the report of the Commission on Reading, and not duplicate its work. This way we can ensure that Federal dollars are spent responsibly.

In addition, the amendment states that the Commission recommend changes to encourage greater cooperation and resource sharing in federally funded education programs that deal with illiteracy. This is including, but not limited to, chapter I, chapter II, Vocational Education, Adult Education, Higher Education, Libraries Services and Construction Act, and the Job Training Partnership Act. Again, this will help to ensure that Federal dollars are coordinated and not repetitive.

Finally, Mr. President, my amendment would decrease the authorization level for this program to $500,000.

I believe, Mr. President, that these amendments would take away some of the concerns of many Senators regarding this amendment.

Mr. QUAYLE. Mr. President, I rise in support of the amendment offered by my good friend from Vermont [Mr. Stafford] regarding the National Commission on Illiteracy.

As the sponsor of the Adult Education Act reauthorization last year, I am very pleased to support efforts to eradicate illiteracy in our Nation. More than 26 million Americans are functionally illiterate, which translates into unemployment, underemployment, and unfulfilled lives. I am continually surprised at the number of parents who willingly come forward to get training in reading, so that they can read to their children. They understand the value of these skills and put their pride aside in admitting their lack of reading and writing skills to help their children achieve more in school than they achieved.

The amendment being offered by my friend from Vermont [Mr. Stafford] to the amendment offered by the gentleman from Nebraska [Mr. Zorinsky] would, I believe, strengthen the National Commission on Illiteracy and ensure its responsiveness in finding ways to reduce illiteracy. We would ask the Commission to draw upon the recent National Institute of Education [NIE] report, "Becoming a Nation of Readers," which has addressed a number of issues very comprehensively already. Because of the NIE work, we would also reduce the funding of the Commission from $1 million to $500,000. We would ask the Commission to encourage cooperation between the many Federal programs that provide basic education and training at the delivery level.

Mr. President, I believe this amendment will provide us with a National Commission on Illiteracy that will be more effective in determining the causes of illiteracy and in trying to find ways of cooperation and resource-sharing to eradicate illiteracy. I urge my colleagues to support the amendment by Mr. Stafford.

Mr. GOLDWATER. Mr. President, the majority and minority have agreed that we will accept this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment (No. 203) was agreed to.

Mr. ZORINSKY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ZORINSKY. Mr. President, I ask unanimous consent that the Record be kept open for additional cosponsors until the close of business today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ZORINSKY. Thank you, Mr. President.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the pending business, the amendment of the Senator from Georgia, be temporarily laid aside so that we may consider amendments of the Senator from Montana.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana is recognized.

Amendment No. 207

(Purpose: To provide for Deola Shryock of Polson, Montana)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Montana [Mr. Melcher] proposes an amendment numbered 207.

Mr. MELCHER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

"Section . (a) Notwithstanding section 212(c) of the Omnibus Reconciliation Act of 1981, in the administration of the survivor benefit plan under subchapter II of chapter 73 of title 10, United States Code, Deola Shryock of Polson, Montana, the widow of Lieutenant Colonel Harry L. Shryock (retired), shall be paid increased survivor benefits under the plan, based upon the new election made by the said Lieutenant Colonel Shryock under the plan before his death, the said Lieutenant Colonel Shryock having made increased monthly payments under the new election for a period of twenty-one months before his death.

(b)(1) The amount of annuity payments to be made to the said Deola Shryock shall be the amount she would have received had the said Lieutenant Colonel Harry L. Shryock (retired) made increased payments into the plan for a period of two years before his death.

(2) The payment of the increased monthly annuity under section 1450 of title 10, United States Code, shall be effective as of January 12, 1984, the day after the said Lieutenant Colonel Shryock was killed after volunteering his services as a pilot in exchange for the release of a child being held as a hostage.

(c) The payment of the increased survivor benefits to the said Deola Shryock shall be subject to the condition that the said Deola Shryock pay three months of increased payments into the plan in accordance with the

plan as elected by the said Lieutenant Colonel Shryock before his death.

(d) No part of the benefits received pursuant to this section in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in obtaining such benefits, and the same shall be unlawful, any contract to the contrary notwithstanding. Violation of the provisions of this subsection is a misdemeanor punishable by a fine not to exceed $1,000."

Mr. MELCHER. Mr. President, this amendment deals with a question of equity and a question of compassion for Lt. Col. Harry Lee Shryock, Jr.

Mr. President, a remarkable act of courage and heroism ended in tragedy in 1984 in Polson, MT, for former Air Force pilot Lt. Col. Harry Lee Shryock, Jr., on January 11. Following a pharmacy holdup in Missoula, a lone gunman fled the scene and an hour later, with police hot on his trail, took 13-year-old Bill Crose, Jr., hostage. At Polson, the gunman demanded an airplane and a pilot to fly him and the boy out of the area. Lee Shryock, 64, volunteered to pilot the Beechcraft bonanza and to take the boy's place as hostage. The child, thankfully, was released unharmed. However, in a very confused sequence of events, a police sharpshooter shot and wounded the robber-kidnaper, who then turned his gun on Lee Shryock, killing him instantly.

The Federal Aviation Administration has presented a certificate of commendation to Lt. Col. Shryock's family in memory of his courageous actions on that tragic winter afternoon in Polson. But courage and duty, as well as flying, were always part of Lee's life. He served in the military for 31 years, flying missions in World War II, Korea, and Vietnam. Following his retirement in 1971, Lee flew chartered flights and was active in community activities. He was a member of the Polson Rotary Club and the Experimental Aircraft Association. He was married to Deola Ellis Shryock for 40 years and the couple had five children.

Lee had taken out and made monthly payments to an Air Force survivors annuity fund for his wife. In April 1982, he increased the annuity plan and made regular monthly payments until his untimely death in January. Under the law, the increased benefits will not accrue to her because of a 2-year "in anticipation of death" limitatation on the increased benefits.

Mr. Shryock's widow has agreed to payment of the 3 additional months of premiums to allow her to receive the increased benefits to which she would have been entitled had her husband not been killed.

The amendment I am offering today will provide that Dee Shryock be paid the increased survivor benefits, effective January 12, 1984, the day after Lee's death. Payment of the 3 months of increased premiums will meet the 2-year requirement of the plan that Lieutenant Colonel Shryock had elected.

I also submit for the Record a copy of the letter from the Department of the Air Force approving the identical bill (S. 2901) I introduced on August 2, 1984, and ask unanimous consent that it be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Department of the Air Force,
Washington, DC., September 28, 1984.

Hon. John G. Tower,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

Dear Mr. Chairman: Reference is made to your request for the views of the Department of Defense with respect to S. 2901, 98th Congress, a bill "To provide relief for Deola Shryock of Polson, Montana." The Secretary of Defense has delegated to the Department of the Air Force the responsibility for expressing the views of the Department of Defense.

The intent of S. 2901 is to consider and hold for the purposes of Section 212 of the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) that Mrs. Deola Shryock is entitled to an increased Survivor Benefit Plan annuity under section 1450 of Title 10, United States Code, effective January 12, 1984. Mrs. Shryock is the widow of retired Air Force Lt. Colonel Harry L. Shryock, who was killed on January 11, 1984. Colonel Shryock, without regard for his own safety, volunteered his services as a pilot in exchange for the release of a child being held hostage by a gunman who had just committed a robbery in Polson. He was shot by the gunman during an exchange of fire with a police sharpshooter.

The Department of the Air Force supports enactment of S. 2901.

Colonel Shryock, who retired on July 31, 1971, after completing more than 24 years of active service, became eligible to participate in the Survivor Benefit Plan during an 18-month open enrollment period that followed the Plan's September 21, 1972, implementation. In June 1973, he elected a Survivor Benefit Plan annuity for his surviving spouse then valued at $302 monthly. This annuity, subject to the cost-of-living adjustments applied to military retired pay, had increased in value to $751 at the time of Colonel Shryock's death. Mrs. Shryock now is receiving this monthly Survivor Benefit Plan annuity, reduced by $300 because of her receipt of social security payments based on her late husband's military service. If Colonel Shryock had lived until April 21, 1984, Mrs. Shryock would have become entitled to Survivor Benefit Plan payments of $885. This is because Colonel Shryock elected an increased annuity under the provisions of Section 212 of the Omnibus Budget Reconciliation Act of 1981. The Act, which permitted Plan participants to increase their coverage, provides that an election is void if an individual who makes such an election dies before the end of the two-year period beginning on the date of the election. Since Colonel Shryock died 21 months after his election for increased coverage, Mrs. Shryock became entitled only to the coverage elected in 1973, rather than the increased annuity elected under the Omnibus Budget Reconciliation Act of 1981.

There are no provisions in law for the waiver of any portion of the two-year waiting period required by the Omnibus Budget Reconciliation Act. The Department of the Air Force's position is that Colonel Shryock's extraordinary and selfless act of heroism warrants a one-time exception to the law by extending extraordinary relief to his widow, Mrs. Deola Shryock. In this instance, the humanitarian act performed by Colonel Shryock is of sufficient magnitude to diminish any risk of setting a precedent for less meritorious bills of this nature. Further, it is reasonable to assume Colonel Shryock would be alive today, and his spouse subsequently eligible for the greater annuity, but for the unfortunate sequence of events that led to his death.

The proposed legislation provides for the recovery of three additional months of premiums before payment of the increased annuity to Mrs. Shryock. The increased annuity, after the social security reduction, would provide Mrs. Shryock a monthly Survivor Benefit Plan payment of $533, a gain of $83 per month. We are not aware of any other monetary awards to Mrs. Shryock to compensate for her husband's loss based on his altruistic act.

The proposed legislation will have a minimal impact on the budgetary requirements of the Department of Defense.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

Tidal W. McCoy,
Assistant Secretary of the Air Force.

Mr. MELCHER. Mr. President, while dated September 28, the letter did not arrive until October 22, several days after the 98th Congress adjourned. The Air Force has not changed their position on this issue.

I urge the Senate to adopt this amendment, both as a tribute to the heroism of Lieutenant Colonel Shryock and as a matter of fairness to his widow, Dee Shryock.

The chairman of the Armed Services Committee has been an ardent supporter and cosponsor of this bill that we introduced to provide for this, and I hope that the Senate can accept the amendment.

Mr. GOLDWATER. Mr. President, the majority has no objection to this bill, and I do not believe the minority side has any objection.

Mr. NUNN. Mr. President, I have no objection.

Mr. GOLDWATER. There is no objection. We will accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment (No. 207) was agreed to.

Mr. MELCHER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO 208

(Purpose: To maximize local procurement connected with American Military Bases in the Philippines)

Mr. MELCHER. Mr. President, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 208.

Mr. MELCHER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Title IX, insert the following new section:

"LOCAL PROCUREMENT CONNECTED WITH AMERICAN MILITARY BASES IN THE PHILIPPINES

Since the June 1, 1983, Memorandum of Agreement between the Government of the Philippines and the Government of the United States provides that 'the United States Forces shall procure goods and services in the Philippines to the maximum extent feasible'; and

Since any additional United States procurement of Philippine goods and services will enhance the Philippine economy and contribute to better relations between the U.S. military and the people of the host country; and

Since a strong Philippine economy and improved relations between the U.S. military and the Philippine people will add to the security of U.S. military facilities in the Pacific;

Therefore, it is the sense of the Senate that the United States should increase its purchase of goods and services for American military bases in the Philippines from the local Philippine economy to the maximum extent feasible."

Mr. MELCHER. Mr. President, this amendment puts the Senate on record as urging the expansion of the purchase of local goods and services for our military installations in the Philippines.

Our military facilities in the Philippines are invaluable. They represent one of the two major pivotal points of the U.S. security policy in the Western Pacific basin, the other being South Korea, Japan, and Okinawa. The Soviet Union has stepped up its military presence in Southeast Asia by deploying Bear, Bison, and Badger bombers and fighter aircraft in Vietnam, and the Russian Navy has begun to routinely patrol the South China Sea and the Southeast Asia strategic straits, using the facilities in Cam Ranh Bay for refueling, refurbishing and repair. This has made our installations even more important, and we should recognize this and take every action to ensure the long-term viability of these military installations, which includes building strong relations with the people of our host country.

The purpose of this amendment is to ensure that the United States is fulfilling its obligations under the June 1, 1983, memorandum of agreement, which was concluded with the Government of the Philippines as an amendment to the military bases agreement. Title IV of the June 1, 1983, agreement provides that the United States Forces shall procure goods and services in the Philippines to the maximum extent feasible.

Such procurement is in support of our troops stationed at Clark Air Force Base and at Subic Navy Base. Although actual procurement quotas are not specified in the agreement, it is expected that the United States Government will exert a good faith effort to carry out the commitments it made to the Philippine Government to procure goods and services which are available from the local economy in the Philippines.

In order to review how those commitments are being implemented, I asked the Deputy Assistant Secretary of Defense for International Security Affairs to aggregate the amounts of money that had actually been expended on Philippine goods and services since the agreement went into effect. The accounting period covers July 1, 1983 through December 31, 1984. During that time, procurement of locally made goods by procurement officers at Subic Navy Base comprised $18.6 million, or about 28.1 percent of total procurement for the base. During the same period, procurement of locally made goods by procurement officers at Clark Air Force Base represented $9.1 million, or less than 14 percent of total procurement for the base.

This is a good start in the first year and a half of the agreement. However, in the future we should be more vigorous and aggressive in purchasing from the local economy in order to continue to carry out our obligation to honor our commitments to the Philippine Government. We can certainly do a better job at Clark Air Force Base than we are doing. Using Subic Navy Base as a benchmark, procurement officers at Clark Air Force Base should be able to increase procurement from the local economy from the current 13.8 percent to somewhere closer to the 28 percent achieved by Subic.

One way in which Clark Air Force Base might increase its local procurement is through the purchase of Philippine-manufactured furniture. Family housing at Clark is currently being refurbished. This would be an excellent opportunity for the Air Force to increase its local procurement by purchasing locally made rattan furniture and other locally made furnishings for these homes.

Buying furniture in the Philippines would enable the Department of Defense to equip the family housing units with furnishings that are indigenous to the area and, therefore, suitable to the accommodations.

In a forest-rich country such as the Philippines, it is not surprising to find a thriving furniture industry. The Philippine Statistical Yearbook lists over 4,600 establishments under the furniture industry, although there may well be over 15,000 furniture firms if one counts the small cottage-type or medium-sized enterprises which are owned and managed by individual families.

The point is that such furniture is available locally in the Philippines. Not only is it available for purchase, but it is also generally of excellent quality and design. The quality of the furniture is attested to by the fact that the Philippines is among the leading exporters of furniture among developing countries, ranking 23 in the world in 1980. Foreign exchange earnings from export of rattan and other types of furniture amounted to over $87 million in U.S. dollars in 1981, with the United States accounting for over half of the exports.

We could spend our money more wisely by purchasing furniture which is locally produced, and thereby avoid the high costs which would be incurred by shipping U.S. furniture overseas.

Rattan furniture is just one example of something which is produced in the Philippines. We might also honor our commitment under the agreement by purchasing fresh produce and other foods available from the Filipino farmers.

We can't say just what amount of local purchase is adequate, but I believe it makes sense for the Senate to go on record urging the Defense Department to exert every effort to increase its purchase of goods and services from the local economy. Additional procurement of Philippine goods and services would enhance the Philippine economy and would contribute to better relations between the U.S. military and the people of the host country.

Both of these conditions—a strong Philippine economy and good relations between the U.S. military and the people of the Philippines—are essential to the security of U.S. military facilities in the Pacific.

Mr. President, this is a sense-of-the-Senate resolution that recognizes that the military facilities that we have in the Philippines, Clark Air Force Base and Subic Naval Base, are very significant, and under the terms and conditions that we operate in the Philippines those two bases we have an agreement with the Government of the Philippines that as much as possible or as much as feasible the products of the Philippines will be utilized.

This sense-of-the-Senate resolution encourages that we do our utmost in

that and try to purchase as much as possible or as much as is feasible, the goods of the Navy from the Philippines for these bases within the Philippines, in order to enhance their economy and to submit better ties between our Air Force and our Navy and our entire country with the Philippines.

The question comes up, of course: Well, what could we purchase? I might point out that we are refurbishing some of the housing for the Air Force at Clark Field. The Philippines is one of the ideal places in the world to buy rataan furniture, which is better suited for the tropical conditions that exist there, particularly with the high rainfalls and high humidity that is experienced in the Philippines. It is a better buy than shipping furniture from the United States out there that is not as well suited for those kinds of climatic conditions as is experienced in the Philippines.

There are many other types of goods that are needed at both bases. So we would like to see it pursued to the utmost that we utilize those goods that can be purchased in a feasible manner in the Philippines.

That is the sense-of-the-Senate resolution contained in my amendment.

Mr. GOLDWATER. Mr. President, as originally introduced, this amendment mentioned rataan furniture. That has been stricken and the majority has no objection to this amendment. I understand the minority has no objection. So, Mr. President, we will accept the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 208) was agreed to.

Mr. MELCHER. I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MELCHER. I thank the chairman of the Armed Services Committee and the minority manager.

AMENDMENT No. 209

(Purpose: To express the sense of the Senate with regard to the firing of tactical missiles)

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair will inform the Senator that the pending question is on the amendment of the Senator from Georgia.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia be temporarily laid aside so that we might discuss the amendment of the Senator from New Jersey.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The bill clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes an amendment numbered 209.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following new section:

SENSE OF THE SENATE REGARDING THE FIRING OF TACTICAL MISSILES FOR TRAINING PURPOSES

SEC. ——. (a) It is the sense of the Congress that, in carrying out the comprehensive analysis of the threat-based munitions and related expendables directed to be made by the Secretary of Defense pursuant to Senate Report 99–41, dated April 29, 1985, the Secretary should also develop standard criteria—

(1) for identifying, in the case of each tactical missile of the Department of Defense, the training objectives that are uniquely served by the live-firing of such missiles and to provide guidance for the development of live-firing and training requirements based on such criteria;

(2) for utilizing, to the maximum extent practicable, the use of tactical missile evaluation programs for live-firing training purposes;

(3) for improving the reporting and evaluation requirements with regard to the live-firing of missiles; and

(4) for increasing, to the maximum extent practicable and without degrading readiness, the use of training devices and simulators as alternatives to exercises involving the live-firing of missiles for training purposes.

(b) The Secretary shall submit a report to the Congress not later than February 1, 1986, informing the Congress of the actions taken by the Secretary to develop standard criteria with respect to the matters referred to in subsection (a).

Mr. LAUTENBERG. Mr. President, I thank the chairman of the committee for setting aside the amendment of the Senator from Georgia.

Mr. President, my amendment expresses the sense of the Senate that the Secretary of Defense should work with the various services to develop standard criteria to guide the services in their use of live firing of tactical missiles for training and evaluation purposes. It also urges that these criteria should provide for the use of simulators, training devices, and tactical missile evaluation programs as an alternative to live firing wherever possible.

I understand that the chairman of the Armed Services Committee, the distinguished Senator from Arizona, and the ranking minority member of the committee, the distinguished Senator from Georgia, have indicated their willingness to accept this amendment. I want to express my appreciation to them for their cooperation in this matter.

My amendment addresses an important source of potential savings in the defense budget—the unnecessary firing of tactical missiles for training purposes. The Defense Department has developed a number of highly complex, expensive tactical missiles like the Sparrow, the Tow, and the Harpoon which can cost up to $1 million each. These missiles are rocket-propelled weapons designed to destroy specific enemy targets like aircraft or tanks.

Last year, the military services fired about 7,900 of these missiles at an estimated replacement cost of $437 million. In 1985, the services plan to fire over 10,000 of these missiles at a replacement cost of more than half a billion dollars. Some of these missiles, like the Navy's Harpoon, cost the taxpayer about $931,000 apiece each time they are fired.

Although these weapons are fired for a variety of purposes including training of gunners and pilots, evaluation of the weapons system, and testing of the quality of the missiles in the inventory, training to improve firing proficiency accounts for most of the services' consumption of tactical missiles.

But, unfortunately for the American taxpayer, live firing of these missiles contributes only minimally, if at all, to pilots' combat proficiency. And by depleting our missile reserve stocks, it impairs the sustainability of our Armed Forces.

Evidence from a GAO investigation and an audit by the Office of the Inspector General of the Department of Defense indicates that live firing of tactical missiles is of marginal, if any, importance for developing combat proficiency in gunners and pilots. To those of us schooled in the notion that practice makes perfect, this is a disturbing proposition. But comparison of the results of first-time gunners with those who have fired several times showed no correlation between firing experience and proficiency. And most target misses were the result of missile or system malfunction rather than pilot or gunner error. While live firing can build morale and overcome a pilot's anxieties about noise and shock, it actually adds little to his accuracy. The technology of advanced guidance systems requires more tracking than firing proficiency. And the conditions under which live firing often occurs are unrealistic. This accounts for the small value of live firing in developing firing proficiency.

In earlier times, you didn't fire at the enemy till you saw the whites of his eyes. You engaged the enemy by visually observed firings. How well you hit the target was a function of repetitive practice in the operation of manual systems. Today, the technology of guidance systems has largely shifted the burden of proficiency from marksmanship to the mastery of complex launch and tracking procedures.

The fact that most live firings occur in very unrealistic conditions imposed by safety and range restrictions is another reason why live firing does not improve accuracy. Targets often do not realistically simulate the threat; some missile shots are aimed at nonmaneuvering targets; and pilots usually know the direction, altitude, and speed of the target in advance. Army ground Tow missiles, for example, are fired at stationary targets under ideal conditions bearing little relation to actual combat.

Live firing is given so little weight that its results have little, if any, effect on the services' evaluation of the readiness of units to perform their missions. Although both the Navy and Marine Corps require live firing in training, neither service factors the results of live firing into personnel readiness evaluations. Aviation training officials at Marine Corp headquarters explained to GAO that live firing carries no special weight in a pilot's overall rating because the important skills are those required to position an aircraft for weapons firing—the skills of aerobatics, tactics, and communications.

In fact, unit commanders and training officials in the Army, Navy, and Air Force told GAO that live firing is no longer necessary because other training devices—such as simulators, tracking devices, and instrumented training ranges, can do the job. An Army study has shown that simulators and tracking devices are highly effective in developing the target-tracking skills of Cobra Tow missile gunners, and both the Army and Marine Corps plan to use simulators to train their gunners rather than firing the new Stinger missile at a cost of $76,000 each. Simulators can overcome many of the drawbacks inherent in live firing situations, and, because they can be reused, are cheaper as well.

In addition to spending millions of dollars on unnecessary firing of sophisticated munitions that have little if any value for training purposes, live firing impairs our readiness and sustainability. At the beginning of 1984, the 10 missiles reviewed by the GAO—the Sparrow, Sidewinder, Maverick, Stinger, Redeye, Hawk, Tow, Standard, Harpoon, and Shrike, met only between 13 and 83 percent of the services' inventory objectives.

Some of the services have recognized that live firing is not terribly useful in training and have cut back on live firing. The Navy, for example, saved $240 million in 1984 by prohibiting live missile firing purely for training purposes, and using all live firing done to evaluate the weapon system to fulfill any training requirements.

Others have not. The variation among and between the services on how much live firing is necessary for the same missile is astonishing. For example, the Marine Corps requires that each of the 2 Cobra helicopter crewmembers and each ground Tow gunner fire a missile a year to ensure proficiency. But the Army requires only that its Cobra pilots fire Tow missiles annually. The Navy and Marine Corps pilot training manuals require pilots to fire air-to-air missiles as part of their training to be rated combat ready. But the Air Force has no such requirement. Its pilots can be rated combat ready without ever having fired such weapons.

Since it can cost as much as $1 million for a single pilot to live fire a single tactical missile, and we will spend more than a half a billion this year on tactical missiles, it is time that the Defense Department took steps to establish standards to guide the services in determining when live firing of such missiles serves a valid training purpose.

My amendment simply expresses the sense of the Senate that the Department of Defense should identify training objectives that are uniquely served by the live firing of such missiles and provide guidance for the development of live firing and training requirements based on such criteria. It also provides that in developing such criteria, tactical missile evaluation programs, simulators, and training devices should be used to the maximum extent possible as an alternative to live firing training programs.

My amendment also calls for the Secretary to submit a report to the Congress no later than February 1, 1986, informing the Congress of the actions taken to develop such criteria on live firing.

We all agree that our Nation should spend whatever it must to assure that our Armed Forces are well armed and prepared to defend this country. But we cannot do so if we use our limited resources on practices which do not contribute to that goal. The use of tactical missiles for live firing when more useful and less expensive alternatives are available is an example of unthinking waste.

Let me be clear that I am not opposed to live firing for evaluating and testing of weapons systems. And I believe that live firing for improving the confidence and morale of our servicemen is acceptable so long as it can be accomplished as part of the live firing that must be done for evaluation and testing. This firing is essential if we are to be fully prepared. But our preparedness is harmed, not helped, by indiscriminate and unthinking live firing of our missiles for no good purpose when our stockpiles are dangerously low.

In summary, live firing adds almost nothing to combat proficiency. It impairs the sustainability of our forces. And it will cost the taxpayer almost half a billion dollars this year alone. My amendment would save millions of dollars that are currently wasted on live firing while enhancing our readiness simply by asking the Defense Department to pay attention to the problem.

Mr. President, I urge my colleagues to adopt this amendment.

Mr. GOLDWATER. Mr. President, since this amendment was originally introduced by the distinguished Senator from New Jersey, its modification is agreeable to both sides. I believe the minority would agree that we could accept this amendment. The majority certainly agrees with it.

Therefore, the amendment is acceptable.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No 209) was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LAUTENBERG. Mr. President, I thank the managers of the bill.

Mr. GOLDWATER. Mr. President, we have done pretty good in a short time. I have a feeling there is another amendment right behind me. Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia [Mr. NUNN], be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 210

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 210.

Mr. HATCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end, add the following:

SECTION 1. Notwithstanding any other provision of law, recordings of the April 18 and 19, 1985, concert of the United States Air Force Band, recorded at Salt Lake City, Utah, may be produced for commercial sale.

SEC. 2. The Secretary of the Air Force, or his designee, may enter into an appropriate contract, under such terms as the Secretary or his designee may determine to be in the best interest of the Government, for the production and sale of the recordings authorized by section 1 of this Act.

Mr. HATCH. Mr. President, this amendment would provide for a limited exception to the current law which prohibits military band musicians from performing in commercial ventures. The law was originally passed to prevent competition against private sector musicians by moonlighting military bandsmen. Nevertheless, an unusual circumstance involving the U.S. Air Force Band and the Singing Sergeants has prevented the production of a recording by the Mormon Tabernacle Choir which is an exclusive artist for CBS Masterworks.

Mr. President, on April 18 and 19, 1985, the choir held a concert in which it was supported by the Air Force Band and the Singing Sergeants. This concert was recorded by CBS Masterworks for later production. Under current law, however, CBS Masterworks and the Department of Defense now feel that production of the recording would be technically inappropriate. The amendment that I propose would provide a one-time exemption from the existing statute in order to clarify the legal situation and avoid unnecessary confusion.

Mr. President, I have another reason for offering this amendment. As you know, CBS has just recently produced the "We Are the World" recording. This effort, produced at cost by CBS Masterworks with the support of the artists and technicians involved, was done in response to the need to provide food and support to several African nations devastated by drought and other calamities, as well as to hungry individuals in our own country. We expect the recording to be a bestseller and to raise significant revenues for this worthwhile effort. As a follow-on to this effort, CBS Masterworks has agreed to contribute 3 percent of wholesale from the second recording to African relief as an additional humanitarian gesture. Any other funds received by the Air Force pursuant to the contract under this authority would accrue to the general fund of the Treasury.

Mr. President, I understand that the amendment is acceptable to the distinguished managers of the bill, and I urge its acceptance.

Mr. GOLDWATER. Mr. President, this amendment gets rather close to me. I have to say that, of course, we hear more about the Marine Band here in Washington than probably any other musical organization. It is without doubt, in my opinion, the most superb military musical organization in the world. However, the Air Force Band fits right up there. In many respects, it is just as good. It is not as old. But it will get there. And the Mormon Tabernacle Choir, of course, is without any comparison with other organizations of its kind in the world.

We in the Far West are blessed with the opportunity to occasionally hear the Mormon Choir, and for those reasons, and others, the majority has no objection to this. I do not think the minority has.

The minority side agrees, and the committee has no objection to accepting the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Utah [Mr. HATCH].

The amendment (No. 210) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that further consideration of the amendment of the Senator from Georgia [Mr. NUNN], be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 211

(Purpose: To amend Chapter 141 of title 10, United States Code, to require defense contractors to employ local residents in areas of high unemployment in States not contiguous with another State)

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska, [Mr. MURKOWSKI], proposes an amendment numbered 211.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert: chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"Section 2406. Employment of local residents in high unemployment areas.

"(a) Each contract awarded under chapter 137 of this title that is for construction or services to be performed in whole or in part in a state which—

"(1) is not contiguous with another State and

"(2) has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in that State, individuals who are residents of the State and, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills.

"(b) The Secretary of Defense may waive the requirements of subsection (a) and the application of any provision included in a contract pursuant to subsection (a) in the interest of national security.

The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"2406. Employment of local residents in high unemployment areas." .

This amendment shall take effect with respect to contracts awarded on or after the date of enactment of this Act.

Mr. MURKOWSKI. I thank my colleague, the manager of the bill, the senior Senator from Arizona.

The purpose of this amendment, Mr. President, is to ensure that residents in the noncontiguous State, when unemployment rate is higher than the national average, are given preference for work on defense construction service contracts. The contractor must hire residents only if they are qualified or can obtain training promptly. In Alaska and Hawaii, workers are isolated and do not have the mobility of workers in the continental United States. It is unconscionable that when the unemployment rate is high, out-of-State workers on Federal contract are brought in to take limited jobs, drive up the cost of living only to spend their paychecks in their own resident States.

Moreover these workers are housed on, not in local housing but military bases or in, tent cities.

Mr. President, this amendment is not intended to create additional bureaucracy on inefficiency for Federal contracts it is designed to ensure that residents of Alaska and Hawaii benefit from jobs generated from Federal dollars boost the local economy.

This amendment is carefully drafted to avoid constitutional law questions. There is no durational residency requirement. Moreover, the Federal Government has broader authority than the States to require local hire and this amendment addresses that difference.

Mr. President, this amendment has been approved by the minority. The senior Senator from Arizona has agreed to the amendment. I will be happy to answer any questions.

Mr. GOLDWATER. Mr. President, I do not believe the minority has any objection to this. The majority has no objection. Therefore, Mr. President, the amendment will be accepted.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Alaska [Mr. MURKOWSKI].

The amendment (No. 211) was agreed to.

Mr. MURKOWSKI. I would like to thank my colleague, the distinguished Senator from Arizona for his understanding and willingness to consider this amendment. It will mark, I think, a significant acknowledgment by this administration and certainly the U.S.

Senate in recognizing the significance of local hire, and what it means to residents of an area that now have the assurance that indeed under Government contracts there will be consideration given for the labor force in those areas assuming that they meet the necessary qualifications. Again, I thank my distinguished colleague.

Mr. GOLDWATER. We are very happy to be of service.

Are there other amendments that might be offered at this time prior to engaging in another amendment that might be a little bit more time consuming?

Mr. MELCHER. Mr. President, if the distinguished chairman will yield, I do have an amendment that might require a vote.

Mr. SYMMS. Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. MELCHER addressed the Chair.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. GOLDWATER. Mr. President, I assume that the Senator from Montana has an amendment. So I ask unanimous consent that the amendment of the Senator from Georgia [Mr. NUNN] be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Reserving the right to object, it is not my intention to object, I say to the distinguished Senator. I wondered, is the amendment of the Senator from Montana one that will require a record vote?

Mr. GOLDWATER. It is an amendment that probably we will accept. I have not heard the amendment yet. But these are of the nature that we have been accepting. We do not anticipate any rollcall vote.

Mr. SYMMS. Mr. President, I will not object except to say to the distinguished chairman that I have an amendment that I would like to at least briefly discuss at an appropriate point.

Mr. GOLDWATER. We will have to set aside the pending business.

Mr. President, I ask unanimous consent that we temporarily lay aside the amendment of the Senator from Georgia, [Mr. NUNN].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Thank you, Mr. President. I have an amendment that I am not going to send to the desk right now but I would like to alert my colleagues about this subject. It may be that will be worked out, but it will be discussed after the break. There is talk being circulated around the Hill that there are unanimous-consent agreements pending and so forth. It may be that the distinguished majority leader, and minority leader, and the distinguished managers of the bill will work this out. But Senator HOLLINGS and I have sent a Dear Colleague letter to all of our colleagues. I want to talk about this for a moment or two so that the Senators will be aware of the question.

What we are trying to do is save the Poseidon submarines. The amendment, when it is offered at the appropriate time, will prohibit funds for dismantlement of the Poseidon submarines to comply with the unratified SALT II Treaty unless the President can certify that the Soviets are in full compliance.

Mr. President, the record is very clear that the Soviet Union is not in compliance. So I think the purpose of our amendment would be to save the Poseidons.

Mr. GOLDWATER. Mr President, will the Senator yield?

Mr. SYMMS. I am happy to yield.

Mr. GOLDWATER. Mr. President, the Senator from Montana is ready. If we can set this aside, and when we return to the pending business, I will ask unanimous consent that we temporarily set it aside in order to recognize the Senator from Idaho.

Mr. SYMMS. Mr. President, that is fine.

I yield the floor.

AMENDMENT NO. 212

(Purpose: To ensure unspecified minor construction continue to be authorized and appropriated on a lump sum basis)

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 212.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following new section:

"It is the sense of Congress that as a general rule unspecified minor construction continue to be authorized and appropriated on a lump sum basis as has been the case prior to the Continuing Appropriations Resolution for fiscal year 1985."

Mr. MELCHER. Mr. President, the need for doing something about this situation was brought to my attention by the National Guard Association in pointing out that we had made an error in passing the continuing appropriations resolution for fiscal year 1985. We had line itemed into that bill 102 minor construction jobs for the National Guard throughout the country. Only nine of the 102 projects were actually ready to go forward.

The National Guard Association pointed out there had been 21 projects that were not included in those 102, although the preliminary work was done and construction was ready to begin.

So we made an error in the continuing appropriations bill and this amendment seeks to draw that to the attention of the full Senate. Hopefully, we will not repeat that error, but go back to the way the National Guard prioritizes their minor construction projects, having them ready to go and we will appropriate the money in lump sum allowing them to utilize the funds in the most appropriate and effective way.

Mr. President, this simple amendment states that we in Congress should continue the established principle of authorizing and appropriating funds for the unspecified minor construction program in a lump sum, and permitting the individual services to determine which projects should be funded.

Last October, when money was appropriated for military construction through the continuing appropriations resolution, Public Law 98-473, the conferees directed that the $18,086,000 appropriated for minor construction for the Army National Guard be spent to complete 102 specified projects at 79 installations across the country. These installations were located in only 23 States.

It is my understanding that several of the State adjutant generals are quite perturbed by the fact that their States minor construction projects, which were already completely designed and approved by the National Guard Bureau, had to be sidelined for at least a year because they were not included in the final select list approved by the fiscal year 1985 continuing resolution. The National Guard Bureau has told these adjutant generals that their hands are tied and they can only fund those projects which were directed for funding by Congress.

Some of the projects that were funded by the continuing resolution should not have been given priority over other projects which were not funded. The National Guard Bureau has informed me that of the 102 projects that were included on the final list, only nine of these were completely designed and ready to be awarded. On the other hand, there were 21 projects that were ready to be awarded that were not included on the list, and consequently have had to be delayed for at least a year.

Although it is our responsibility to continue to maintain control over the expenditure of all public funds, I do not think that Congress should be

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second-guessing the National Guard Bureau or any of the other services on which minor construction projects are ready to be contracted.

It had always been the practice before the 1985 continuing resolution to provide the moneys for unspecified minor military construction projects through a lunp sum, rather than specifying by line-item the amounts to be spent on specific projects. Each service then has had discretion to fund those projects which fall within the $1 million ceiling which it considers most essential, subject only to subsequent review by the Appropriations Committees of both Houses.

In this particular case, the National Guard Bureau is the body with the expertise to make the decisions on which projects should have priority over other projects for funding. Congress should not be micromanaging in this area, especially when the end result is that some States end up faring better than other States.

To prevent this situation from recurring, I am offering an amendment which expresses the sense of Congress that unspecified minor construction continue to be authorized and appropriated on a lump-sum basis, with specific projects to be determined by each separate service.

The bill which is before us does, in fact, revert to the practice of providing a lump sum authorization for minor construction. However, there needs to be some assurance that this continues to be the rule rather than the exception.

We should not forget that the main purpose of unspecified minor construction was to provide for the accomplishment of urgent requirements that had not been included as specified projects in the annual authorization act. This objective was modified somewhat in the 1978 Military Construction Act, which stated that the objectives of unspecified minor construction were twofold: First, to provide the Department of Defense and the military departments with increased flexibility; and second, to reduce by approximately one-half the number of projects that the appropriate committees of Congress examine in detail each year.

Although unspecified minor construction funds are now available for projects other than ones which are classified as urgent, these funds should not be abused by treating them as funds for projects which are better accomplished through long-range planning and inclusion in the regular authorization.

By singling out specific projects through line items, we would end up subverting the nature of this program and creating an atmosphere where individual Members of Congress will be encouraged to make raids upon the minor construction program through floor amendments. If we allow this to continue, we might undermine the priorities established for the minor construction program by the various services based on their determinations of our national needs.

Mr. GOLDWATER. Mr. President, I might ask the chairman of the Military Construction Subcommittee to comment on this matter.

Mr. THURMOND. Mr. President, let me say that I totally agree with the policy that the distinguished Senator from Montana has stated. The general purpose of the unspecified minor account is to allow the Service Secretary flexibility to meet critical construction needs. I share the Senator's frustration at the Appropriations Conferees action last year that specified by line item the use of the so-called unspecified funds.

Mr. President, I have no objection to putting this in, though I do not think this will bind the Appropriations Committee. I am hoping that this will be a notice to them that the authorizing committee ought to act first and they ought not stick in projects we have not approved previously. For that reason, I am willing to go along with the distinguished Senator from Montana. The National Guard Association is interested in this, too. They have done a fine job for our country.

Mr. President, so far as I am concerned, I recommend the amendment be agreed to.

Mr. GOLDWATER. Mr. President, there is no objection on the part of the committee. We accept the amendment.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 212) was agreed to.

Mr. MELCHER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MELCHER. Mr. President, I thank the distinguished Senators.

AMENDMENT NO. 213

The PRESIDING OFFICER. The distinguished minority leader is recognized.

PENALTIES FOR DEFENSE PROCUREMENT FRAUD AND FALSE CLAIMS AGAINST THE GOVERNMENT

Mr. BYRD. Mr. President, this amendment significantly increases the criminal penalties on defense contractors who knowingly file false, fictitious, or fraudulent claims against the Government, and to establish these penalties in permanent law.

My amendment sends a message—loud and clear—to any defense contractor who might think he could cheat our taxpayers through creative accounting or outright fraud. That message is that such procurement fraud must stop, or fines will be imposed which are substantially greater than those that now exist.

In the bill now before us, the Armed Services Committee has recognized that the criminal penalties in the current criminal and civil False Claims Acts and other statutes are not an effective deterrent to procurement fraud.

Congressional investigations, Justice Department probes, and even the daily newspapers are uncovering new defense procurement scandals with disturbing frequency.

The public has been treated to a veritable litany of misdeeds and misdoings in defense procurement, Mr. President. Here are but a few examples which have recently come to light:

Forty-five of the Nation's 100 largest defense contractors are being investigated by the Pentagon's Inspector General, the Army and the Air Force, according to the Defense Department. The main allegations being investigated, according to DOD, are false claims for reimbursements, false statements and bribery of officials.

The largest category of alleged infractions is false claims, according to the Pentagon.

A major defense contractors, according to the Pentagon's chief auditor, the Director of the Defense Contract Audit Agency, submitted claims for Government reimbursement for $90 million in unallowable, improper costs. Those claims included the now-imfamous dog kennel and entertainment.

A second major defense firm, according to a House Armed Services Committee Staff Investigation, asked the taxpayers to pay more than $7 million in unallowable costs. These claims included a golf club outing, a holiday luncheon for commercial customers, charges for a house used almost exclusively by the company's president, and interest on a settlement of back taxes owed to a State.

A third company, the same investigation found, claimed $6.9 million in unallowable costs, including advertising costs and a fashion show.

Yet in section 704 of its legislation, the committee raises the maximum fine for a false procurement claim from $10,000 to $100,000, and it imposes that increase only for about 1 year—until October 31, 1986.

Mr. President, even a $100,000 fine is an absurdly low penalty to a multibillion-dollar defense corporation, or even any other contractor who receives millions of dollars worth of defense business. Unless a major miracle occurs between enactment of this legislation and October 31, 1986, false, fictitious or fraudulent claims against the Government will not end suddenly. Human nature is too weak, sadly, and the Federal procurement system

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too complex, to preclude someone.

worthwhile. I think it is just the first

Mr. LEVIN. Perhaps the chairman

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subpoena for records which the De-

adequate in each case in which he has

ing to furnish any property or any service to too complex, to preclude someone, somewhere, and some time after that date from trying to take advantage of the taxpayers.

My amendment would increase the maximum penalty for fraudulent claims from $100,000 to $1,000,000, and it would establish that penalty in permanent law. Any defense procurement fraud is a significant crime against our taxpayers and against our national security, Mr. President. It should be penalized with a significant fine, such as I propose, and that fine should exist as a continuing deterrent, not a temporary threat.

Finally, Mr. President, my amendment inserts a standard of knowledge of the intent to defraud into the bill to remove from these penalties an apparent unfairness established by the committee.

Defense contractors have basic civil rights, as does any American under our system of Government. Under the committee proposal, penalties for defense fraud could be imposed even if the contractor did not knowingly submit his false claim.

Given the enormity of the defense procurement process, and the almost Byzantine nature of the many rules and regulations governing its operations, it is not impossible for a defense contractor to mistakenly submit a false claim. In those cases when stupidity, not cupidity, results in a false claim, there would be some flexibility for judicial discretion to determine whether a contractor tried to cheat on purpose. My amendment provides for that discretion, although it is my intention that this standard of knowing intent be imposed as a basic protection of last resort for the contractor. Absent clear evidence that the false claim was not submitted knowingly, this standard should not be treated as the ultimate loophole through which a defense contractor might slip and avoid penalties, simply by stating without evidence, a lack of knowing intent to defraud the Government.

Mr. President, the taxpayers of this country have no more patience with defense contractors who try to cheat them. They have no more patience with a legal system which fails to deter such fraud. My amendment would demonstrate that Congress, at least, is serious about cracking down on unscrupulous defense contractors and making them pay for their crimes. I urge its adoption.

This amendment has been discussed with the managers of the bill.

Mr. President, I will ask unanimous consent to temporarily lay aside the amendment by Senator Nunn in the second degree so that I may offer this amendment, if that is agreeable to the distinguished chairman, Senator Goldwater.

Mr. GOLDWATER. Mr. President, I think this amendment is very, very worthwhile. I think it is just the first of a number of amendments that will be offered because of the great abuses we have seen on the part of a relatively few of the literally hundreds of thousands of contractors that do business with the Pentagon every year.

Mr. President, I know the majority side is very happy to accept this amendment. I believe it has been cleared on the minority side. We do accept the amendment.

Mr. BYRD. Mr. President, would the distinguished chairman ask that the pending amendment be temporarily set aside?

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the distinguished chairman.

Mr. President, I send this amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. Byrd] proposes an amendment numbered 213.

On page 73, strike lines 7 through 13 and insert in lieu thereof the following:

INCREASED PENALTIES FOR FALSE CLAIMS IN DEPARTMENT OF DEFENSE PROCUREMENT

Sec. 704. (a) Notwithstanding section 287 of title 18, United States Code, the maximum fine that may be imposed under such section on a contractor of the Department of Defense for making or presenting any claim upon or against the United States, knowing such claim to be false, fictitious, or fraudulent, shall be $1,000,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 213) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I thank the distinguished chairman, Senator Goldwater.

Mr. LEVIN. Mr. President, would my friend yield for a question?

Mr. BYRD. I yield.

Mr. LEVIN. I know it comes after the amendment has been agreed to, but I fully support the amendment.

I wonder if he might join me and others in a letter to the Governmental Affairs Committee urging them to make this change in penalty Government-wide so that it applies to all contractors who file a false claim, not just defense contractors.

Mr. BYRD. I will be happy to join.

Mr. LEVIN. Perhaps the chairman of the committee might be willing to do that.

AMENDMENT NO. 214

(Purpose: To amend title 10, United States Code, to authorize the Director of the Defense Contract Audit Agency to subpoena books and records of defense contractors)

Mr. BYRD. Mr. President, I have another amendment of a somewhat similar nature. I wonder if the distinguished chairman would seek consent for the Nunn amendment to be laid aside temporarily.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the amendment of the Senator from Georgia be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, again, this amendment has been brought to the attention of the distinguished chairman and ranking member. I would like to take just a couple of minutes to explain what the amendment is about.

I shall send an amendment to the desk to authorize the Director of the Defense Contract Audit Agency to issue subpoenas for any information needed to adequately protect the taxpayers against inflated cost claims by defense contractors.

The DCAA, Mr. President, is the Pentagon's main auditing arm. Each year it reviews billions of dollars worth of defense contracts to determine whether contractors are accurately representing their costs. Each year, its auditors routinely save the taxpayers billions of dollars by disallowing some of these contractor claims.

Unfortunately, DCAA does not have all the tools it needs to carry out its mission to protect us against false claims, especially in such murky areas as "general and administrative" overhead costs, where so many apparent abuses have been discovered.

We need only to remember that it took a special congressional investigation to uncover many of the most flagrant and recent abuses in the overhead area. In fact, there are reports that contractors have emphatically refused to give DCAA access to certain records which that Pentagon agency believes it needs to properly assess cost allowability.

Currently, DCAA does not have direct authority to subpoena records from defense contractors in cases when its auditors are being stonewalled. It now must ask the Defense Department's inspector general to issue subpoenas on its behalf.

This lack of subpoena authority not only has resulted in delays in DCAA being able to complete its audits, but it has now embroiled the Defense Department in a Federal court suit. A major defense contractor is opposing a

subpoena for records which the Defense inspector general issued on behalf of DCAA. What apparently is at issue is whether the IG can act on behalf of another Defense Department agency.

Without addressing the merits of either side's positions in this particular court case, Mr. President, there should be no question that the very DOD agency charged with evaluating the validity of contractor cost claims should have sufficient access to contractor records to do its job properly.

Full access to contractor records is crucial in uncovering fraud, waste, and mismanagement of public funds. It is the only way to determine if defense contractor prices and expense claims are legally allowable, and therefore should be paid by the Government, or if they are unallowable, and thus should not be financed by the taxpayers.

The Defense Department has recognized that DCAA needs increased access to contractor records, Mr. President. Just this Monday, the Deputy Defense Secretary testified to a House Armed Services Subcommittee that he would support and recommend that subpoena authority be given to the Director of DCAA.

In his testimony to the House Armed Services Investigations Subcommittee, Mr. Taft stated that granting subpoena authority to the Director of DCAA would prevent repetitions of the current situation, where subpoena's issued on behalf of DCAA by the Pentagon Inspector General have been challenged.

Deputy Secretary Taft stated:

> As you know, the Inspector General of the department currently has subpoena authority. The DCAA Director now can go to him and ask him to use that on his behalf. That has been challenged sometimes, and I think it would be good to clarify it and give the authority to the Director of the DCAA."

I ask unanimous consent that Mr. Taft's testimony before the House Armed Services Committee Subcommittee be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See Exhibit 1.)

Mr. BYRD. My amendment would ensure sufficient access, and it could minimize the current delays and obstacles DCAA now faces as it tries to obtain sufficient information from defense contractors.

In granting subpoena authority to the Director of DCAA, however, my amendment is not intended to give his agency a license for any "fishing expeditions" through corporate records. To remove any such incentives, my amendment requires that the DCAA Director report to Congress on a quarterly basis how he has exercised his subpoena authority and why alternative investigatory methods were not adequate in each case in which he has issued a subpoena. He also would be required to report the full reasons for issuing each subpoena and the status of contractor compliance with each subpoena.

This reporting requirement increases direct congressional oversight of DCAA's subpoena authority, and should ensure that the subpoenas are issued only in the most judicious and careful manner, and only as a last resort.

Mr. President, my amendment would give the Pentagon's principal cost monitors an important means by which to safeguard the public and the Defense Department from paying improper bills from defense contractors. I urge its adoption.

EXHIBIT I

Mr. Spratt. How would you respond to an amendment to this bill that would give the DCAA subpoena power to subpoena records of contractors who might support their claims for reimbursement costs?

Mr. Taft. I would support that and recommend that it be lodged, that authority be lodged in the Director of the DCAA. As you know, the Inspector General of the department currently has subpoena authority. The DCAA Director now can go to him and ask him to use that on his behalf. That has been challenged sometimes, and I think it would be good to clarify it and give the authority to the Director of the DCAA.

Mr. Spratt. You would support the idea of, number one, giving the expressed subpoena power to the DCAA, and, number two, putting the warranting authority for the subpoenas in the Director of the DCAA?

Mr. Taft. I think so, yes. The only reason I want to—I don't want to sound at all critical about our auditors, who I think do a very good job. And I think this committee has seen that they do do that. But a subpoena is a serious thing, and I would lodge it at the level of the Director; require them at least to go to him.

Mr. Spratt. We had some testimony from Mr. Coffer last week, and we have testimony today from the witness from GAO, to the effect that contracting officers have overruled DCAA.

Mr. President, I send the amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. Byrd] proposes an amendment numbered 214.

At the end of title VI, of division A, add the following:

DEFENSE CONTRACT AUDIT AGENCY SUBPOENA AUTHORITY

Sec. 612. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2324. Subpoena of books and records of contractors or subcontractors

"(a)(1) The Director of the Defense Contract Audit Agency is authorized to require by subpoena the production of any book, paper, statement, record, information, account, writing, or other document of a contractor or subcontractor furnishing or offering to furnish any property or any service to the Department of Defense under a contract awarded or to be awarded by the Department if the Director is entitled to have access to such document under applicable provisions of statute, regulation, or a contract or subcontract for which the Defense Contract Audit Agency has audit responsibility.

"(3) In the case of contumacy or refusal to obey, a subpoena issued under subsection (a) shall be enforceable by order of any appropriate United States district court.

"(b) The Director of the Defense Contract Audit Agency shall, on a quarterly basis, transmit to the Secretary of Defense and the appropriate committees of the Congress a report on the exercise of the subpoena authority provided in subsection (a). The report shall include the number of instances in which the Director has exercised the authority during the quarter covered by the report, a statement of all reasons for the exercise of the authority in each case, a detailed explanation of why alternative investigatory methods were inadequate in each case, and the level of compliance with each subpoena issued or outstanding during such quarter.".

(2) The table of sections at the beginning of such chapter is amended by inserting at the end thereof the following new item:

"2324. Subpoena of books and records of contractors or subcontractors.".

(b) The amendments made by subsection (a) shall apply with respect to contracts awarded by the Department of Defense which are in effect on the date of enactment of this Act and to contracts awarded by the Department on or after such date.

Mr. GOLDWATER. Mr. President, the Office of the Secretary of Defense has informed me that they endorse the purposes of this amendment. We certainly think it is a timely amendment, one that will do this country a lot of good, so the majority side accepts this amendment. I believe the minority does, too.

The amendment is accepted by the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 214) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I thank and thank again the able chairman of the Armed Services Committee and the able ranking member.

Mr. GOLDWATER. Mr. President, the bill is now open for amendment. I suggest that any Senator who has an amendment that will not require too long a debate or any rollcall vote that we can pass at this time, bring it over. The Chairman is in a very bold mood right now to take most anything.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER [Mr. GORTON]. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, my colleagues will note that there is a "Dear Colleague" letter on their desk signed by myself and the distinguished Senator from South Carolina [Mr. HOLLINGS]. I thank Senator HOLLINGS, my good friend, for his support. I bring this up while there is a lull in the debate to call my colleagues' attention to some of the information that is in that "Dear Colleague" letter and the background material, which I think is very significant and needs to be addressed by this body, by the other body, and by the administration.

The subject, of course, Mr. President, is whether or not the United States of America should dismantle perfectly good weapons systems that the taxpayers of the United States have bought and that have been proven throught their life span to be very good operational systems, the Poseidon submarine system, that those systems should not be dismantled just in order to comply with the unratified SALT II treaty.

Our distinguished colleague and floor leader of the bill, Senator GOLDWATER, said the following in a press release on the defense authorization bill for fiscal year 1986, on May 16, 1985:

> It has always been a curious phenomena to me, that faced with clear and convincing evidence of existing Soviet treaty violations, certain of my colleagues feel the desire to hold the United States to a stricter standard of compliance that they do the Soviet Union.

I interpret this statement by Senator GOLDWATER as support for the Symms-Hollings amendment, because our amendment attempts to end the "double standard" on U.S. and Soviet compliance with SALT II.

Now, the case that Senator HOLLINGS and I will make when this amendment does become the pending business—and it appears that it will not become the pending business at this point but may have to be deferred until after the recess—is that we believe the United States should no longer comply unilaterally with the unratified SALT II treaty which the President has certified to Congress the Soviets are violating in 11 ways, that there should be no double standard on compliance with the unratified SALT II treaty and that the United States should not be bound by an unratified SALT II treaty that the Soviets are clearly violating.

Now, the President stated very recently in Europe, this month, on May 10, 1985:

> There's considerable evidence now that the [SALT II compliance has been rather one-sided. And if it has been, then there's no need for us to continue [to comply with SALT II].

Senator HOLLINGS and I take the position, Mr. President, that we agree with President Reagan on that. We think that the United States should no longer continue to comply unilaterally with the unratified SALT treaty since the Soviets are flagrantly violating it.

President Reagan stated a second time during his term as President his opposition to the SALT II treaty. On March 27, 1984, President Reagan stated: "We had two treaties—the SALT treaties—the SALT Treaty I and SALT Treaty II. And SALT Treaty II was not ratified by the Senate, I'm pleased to say * * *."

President Reagan stated that he was pleased that the SALT II Treaty had not received the advice and consent of the Senate for ratification. He went on to say: "No one has paid any attention to the fact that under those two treaties—the Soviet Union under SALT I, from that time on, added 7,950 nuclear warheads to its arsenal, and 3,850 of those were added since after everyone signed SALT II.

"As the President has noted, existing arms control agreements have failed to meaningfully constrain the Soviet threat. The Soviets have increased their strategic warhead levels 80 percent since signing SALT II in 1979, adding nearly 4,000 weapons.

After all, President Reagan stated on October 30, 1980, that "SALT II is illegal because we are not equal in this treaty." He also stated on September 17, 1979, that he believed the Senate should declare this treaty fatally flawed and it should be shelved. The Senate Armed Services Committee determined that SALT II is unequal, unbalanced, destabilizing, and "not in the national security interests of the United States." There are eight fatal flaws in the SALT II treaty. The Soviets have pledged to comply with the SALT II treaty, but the President has confirmed to Congress 11 SALT violations, 9 of which are conclusive.

The U.S. strategic forces have been constrained to comply with the unratified SALT treaty in at least six different ways.

Mr. President, the Soviet Union has built up its strategic forces during the period of the 1979 SALT Treaty through the year 1985 to a level much higher than the Joint Chiefs of Staff predicted in 1978 that the Soviet Union would have by the end of 1985, even if no SALT Treaty had been signed because Soviet strategic delivery vehicles have increased by about one-fourth and the Soviet nuclear warheads will have more than tripled by the end of 1985. In contrast, the United States strategic forces by the end of 1985 are now going to be lower than the Joint Chiefs of Staff had predicted in 1978. What I am saying is that the Soviet Union has more strategic forces than we predicted in 1978 and the United States of America has less strategic forces that we predicted we would have, as estimated in 1978, at the current time, at the end of this year.

Now, the fact is, as I pointed out earlier, the Soviets have about 1,000 more intercontinental missiles and bombers than the United States carrying about 4,000 more warheads. In summary, I hope that when this amendment does become pending business, and it is my intention—I see my distinguished friend and colleague from South Carolina now on the floor—it is our intention that at some point we are going to bring this before the Senate. I have discussed this with the distinguished Senator from South Carolina. We are not intending to offer it now if the Senate chooses to set this aside until after the recess, but I think there are some points that all of us should be thinking about in the deliberation of this most important matter because it does fit in with the entire picture of what we must have to defend this country.

I ask unanimous consent that the text of the amendment be printed in the RECORD at the end of this statement, which includes the Dear Colleague letter from myself and Senator HOLLINGS, and some additional background charts and material, so that the Senators' respective staffs can take a look at the material and see the the points that we are making and be altered that at some point in the near future we hope to have the Senate address this most important issue.

Mr. President, as Paul Nitze accurately predicted on October 1, 1979:

> If the SALT II Treaty were to approach expriration in 1985 without replacement and without a survivable and durable U.S. ICBM component, the U.S. could face unprecedented dangers. We would then have to take seriously both the then-existing degree of Soviet nuclear strategic superiority, and the Soviet superiority in break-out potential.

Nitze added ominously:

> A more sober evaluation of the balance, at a time when it is too late to reverse trends, could result in forced accommodation to the Soviet Union leading to a situation of global retreat and Finlandization.

We have just voted in defeating the Hart anti-MX amendment the MX ICBM in an unsurvivable mode. It would be the height of irresponsibility to turn right around and vote to scrap our highly survivable Poseidon submarines, in order to comply with an unratified SALT II Treaty which the Soviets are confirmed to be violating in 11 ways.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, May 17, 1985.

DEAR COLLEAGUE: We seek your support today for the "Save the Poseidons" Amendment, which would prohibit funds for dismantling Poseidon submarines to comply with the unratified SALT II Treaty unless the President certifies that the Soviets are in full compliance. The record is now clear that the Soviet Union is not in full compliance.

We believe that the U.S. should no longer comply unilaterally with the unratified SALT II Treaty, which President Reagan has certified to Congress that the Soviets are violating in 11 ways. There should be no double standard on compliance with the unratified SALT II Treaty. The U.S. should not be bound by an unratified SALT II Treaty that the Soviets are clearly violating.

President Reagan stated recently, in Europe on May 10, 1985: "There's considerable evidence now that that [SALT II compliance] has been rather one-sided. And if it has been, then there's no need for us to continue [to comply with SALT II]."

We strongly agree with President Reagan that the U.S. should no longer continue to comply unilaterally with the unratified SALT II Treaty, especially since the Soviets are flagrantly violating it.

After all, President Reagan stated on October 30, 1980 that: "SALT II is illegal . . . because we're not equal in this Treaty." He also stated on September 17, 1979: "I believe the Senate should declare that this Treaty, fatally flawed as it is, be shelved." (See Chart No. 1.) The Senate Armed Services Committee determined that the SALT II Treaty is unequal, unbalanced, destabilizing, and "not in the national security interest of the United States."

There are 8 "Fatal Flaws" in the SALT II Treaty. (See Chart No. 2.)

The Soviets have pledged to comply with the SALT II Treaty, but President Reagan has confirmed to Congress 11 Soviet violations of SALT II, nine of which are conclusive. (See Chart No. 3.)

U.S. strategic forces have been constrained to comply with the unratified SALT II Treaty in at least six ways. (See Chart No. 4.)

The Soviet Union has built up its strategic forces during the period of the 1979 SALT II Treaty through the year 1985 to a level much higher than the Joint Chiefs of Staff predicted in 1978 that the Soviet Union would have by the end of 1985, even if no SALT II Treaty had been signed, because Soviet Strategic Nuclear Delivery Vehicles have increased by about one fourth and Soviet strategic nuclear warheads have more than tripled by the end of 1985. In contrast, the United States has strategic forces by the end of 1985 even lower than the Joint Chiefs of Staff predicted in 1978 that the U.S. would have by the end of 1985, even within SALT II Treaty constraints. (See Tables in Attachment (No. 5.)

In fact the Soviets now have about 1,000 more intercontinental missiles and bombers than the U.S., carrying about 4,000 more warheads. (See Tables in Attachment (No. 5.)

In sum, we urge you to vote against U.S. unilateral compliance with an unequal, fatally flawed, and unratified SALT II Treaty, which President Reagan has certified the Soviet Union is violating in multiple ways. There should be no "double standard" on SALT II compliance. We must not ignore Sir Winston Churchill's proven warnings against British appeasement of Nazi arms control treaty violations in the 1930's. If the Soviets have violated SALT II, then the U.S. should not be bound by it. This is an established principle of international law, and 99 Senators supported this principle in a roll call vote on June 20, 1984.

This amendment (See Attachment (No. 6) saves about $21 million, which otherwise would be unwisely spent to dismantle our most survivable and still very modern Poseidon submarines.

Sincerely,

STEVE SYMMS,
U.S. Senator.
ERNEST HOLLINGS,
U.S. Senator.

Additional Cosponsors:

SENATOR MACK MATTINGLY.
SENATOR JESSE HELMS.
SENATOR MALCOLM WOLLOP.
U.S. Senators.

CHART NO. 1

As a candidate, Ronald Reagan made the following statements:

1. "Salt II is illegal, because the law of the land, passed by the Congress, says we cannot accept a treaty in which we are not equal, and we're not equal in this treaty . . ." (October 30, 1980, emphasis added.)
2. "I believe the SALT II Treaty should be withdrawn, and I especially believe the U.S. should not abide by its terms prior to ratification. To abide by the terms of the proposed agreement would violate article 33 of the Arms Control and Disarmament Act of 1961." (May, 1980, emphasis added.)
3. "I cannot, however, agree to any treaty, including the SALT II Treaty, which, in effect, legitimizes the continuation of a one-sided arms buildup." (August 18, 1980.)
4. "I believe the Senate should declare that this treaty, fatally flawed as it is, be shelved . . ." (September 17, 1980.)

CHART NO. 2

8 FATAL FLAWS OF SALT II

1. Codified Soviet monopoly of heavy ICBMs—S-18, S-19, SS-17, SS-24; 820 to 0;
2. Allowed Soviets to add 3,850 more warheads since 1979, mostly counterforce capable;
3. Provided no limits on Soviets stockpiled missiles capable of rapid reload/refire;
4. Excluded over 250 intercontinental Backfire bombers from ceilings;
5. Provided no definition of heavy ICBM, heavy bomber, or agreed missile capability baseline data;
6. Failed to provide for verifiability of many provisions;
7. Allowed unequal constraints in Protocal on U.S. INF forces while excluding SS-20s;
8. Constrained U.S. ICBM survivability options.

CHART NO. 3

PRESIDENTIALLY CONFIRMED SOVIET VIOLATIONS OF SALT II TREATY

1. Soviet build up above 2,504 level of SNDVs since June, 1979;
2. Soviet failure to deactivate down to 2,250 SALT II SNDV level;
3. Soviet SS-25 mobile ICBM is a prohibited second new type ICBM;
4. Re-entry Vehicle of SS-25 is less than one half total Throw-Weight (Covert MIRVing);
5. Almost total encryption of all new Soviet missile testing telemetry;
6. Soviet SS-NX-23 SLBM is a prohibited heavy SLBM;
7. Production of more than 30 Backfire bombers per year;
8. Arctic basing of Backfire bombers;
9. Soviet deliberate interference with U.S. National Technical Means of verification, by a continuously exanding pattern of strategic Camouflage, Concealment, and Deception (GAC Report);
10. Probable refueling probe on Backfire bombers;
11. Probable deployment of banned mobile SS-16 ICBM.

CHART NO. 4

The U.S. has constrained its forces to comply with SALT II as follows:

1. Deactivated 292 Inter-Continental Ballistic Missiles, Submarine Launched Ballistic Missiles, and B-52 bomber aircraft, all of which are counted in the SALT II Data Exchange;
2. Cancelled deployment (both authorized and appropriated by Congress) of up to 100 stockpiled Minuteman III Inter-Continental Ballistic Missiles with Multiple-Independently targetable Re-entry Vehicles, which in conjunction with Trident submarine deployment would have conflicted with the SALT II Treaty ceiling of 1,200 ballistic missile launchers with Multiple-Independently targetable Re-entry Vehicles;
3. Designed the first 5 B-1B bombers to carry 10 fewer Air-Launched Cruise Missiles than they were capable of carrying, in order to comply with the SALT II Treaty;
4. Modified B-52 bomber aircraft equipped to carry Air-Launched Cruise Missiles, in accordance with the SALT II Treaty, with "strakelets" to assist the Soviets in identifying and targeting B-52 Air-Launched Cruise Missile carriers;
5. Is preparing to spend $21 million to dismantle the first of several Poseidon submarines in order to avoid exceeding with Trident submarine construction the SALT II Treaty ceiling of 1,200 ballistic missile launchers with Multiple-Independently targetable Re-entry Vehicles;
6. Significantly reduced the potential payload and throw-weight of the MX Inter-Continental Ballistic Missile, reduced its range and delayed its testing, all in order to comply with the SALT II Treaty.

ATTACHMENT NO. 5

U.S. SENATE,
Washington, DC, February 24, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I believe that our attached letter is completely unclassified. It contains only data already in the public domain, and it analyzes this data to make judgments which are bounded by already unclassified and authoritative estimates.

Our letter does make reference to data originating in the Defense Department, the Defense Intelligence Agency, the Joint Chiefs of Staff, and the Central Intelligence Agency. Accordingly, as a courtesy to the Executive Branch, we request that our unclassified letter be reviewed by the above agencies.

It is our intention to release our letter to the Senate and to the public on March 1, 1985, and we will do so at that time unless there are any specific objections from the Executive Branch.

With warmest personal regards,

Sincerely,

Steve Symms,
U.S. Senator.

U.S. Senate,
Washington, DC, January 24, 1985.

The President,
The White House,
Washington, DC.

Dear Mr. President: This is a sanitized, unclassified version of an important letter we sent to you on January 18, 1985, classified Top Secret Sensitive.

A crucial decision point approaches involving whether or not the United States should continue to comply precisely with the unratified SALT II Treaty, which last year you certified to Congress that the Soviets were violating in multiple ways. We believe that there needs to be a historical evaluation of the negative effects on American national security of U.S. unilateral compliance with the unratified SALT II Treaty. We have carefully conducted such an evaluation, and we wish to make it public. In sum, we have found that there is now historical evidence that the Senate Armed Services Committee was correct in December 1979, when it concluded by overwhelming majority vote that the proposed, unequal, destabilizing SALT II Treaty "was not in the national security interest of the United States."

I. OVERALL SUMMARY

In fact, Mr. President, our analysis confirms that the Soviet Union has built up its strategic forces during the period of the 1979 SALT II Treaty through the year of 1985 to a level much higher than the Joint Chiefs of Staff predicted in 1978 that the Soviets would have by the end of 1985, even if no SALT II Treaty had been signed by the U.S. and the Soviet Union. Since 1979, Soviet Strategic Nuclear Delivery Vehicles increased by about one fourth, and Soviet nuclear warheads more than tripled by the end of 1985. In contrast, the U.S. will have strategic forces by the end of 1985 even lower than the Joint Chiefs of Staff predicted in 1978 that the U.S. would have by the end of 1985, even within SALT II constraints. In fact, U.S. forces are lower today than they were in 1979.

II. SOURCES AND ANALYTIC ASSUMPTIONS

These significant conclusions about the adverse impact on American national security resulting from U.S. unilateral compliance with the unratified SALT II Treaty are two of five conclusions we have derived from our analysis of authoritative, official, classified documents. We have carefully sanitized and declassified our analysis and conclusions. Our data is bounded by unclassified and authoritative data. Our unclassified conclusions confirm your own statement on August 18, 1980: "I cannot, however, agree to any treaty, including the SALT II Treaty, which in effect legitimitizes the continuation of a one-sided arms build-up."

We have long had in our possession a classified document written by the Joint Chiefs of Staff on January 4, 1978 describing illustrative U.S. and Soviet strategic forces through 1985, with and without a SALT II Treaty. This is an important historical document, because it was used in 1978 and 1979 in the U.S. decision-making and negotiating on SALT II. Using the sanitized general conclusions of this document, we can now in 1985 evaluate retrospectively how accurate U.S. intelligence and planning assumptions were in 1978, and make an overall assessment of the actual national security effects of SALT II from a historical perspective. A sanitized extract of general conclusions from this JCS document is Attachment A.

We also have various classified Defense Intelligence Agency estimates of Soviet strategic force structures, and classified Defense Department tabulations of U.S. strategic force programs. Our sanitized and declassified chart based upon our classified DIA and DOD sources are Attachment B.

We recognize that our estimate of Soviet forces at the end of 1985 is somewhat higher than agreed Executive Branch National Intelligence Estimates. This is largely because we have tried to take account of certain of the military effects of some of the Soviet SALT II violations. Regretably, we have still not received the Executive Branch's assessment of the military implications of Soviet SALT II violations which we requested last March 1, 1984. Accordingly, we have done our own assessment, which we believe to be reasonable, and while soundly based on classified sources, wholly sanitized and unclassified.

Several assumptions underlying our estimate chart should be specified at the outset. First and most significantly, we are counting up to about 400 Backfire bombers and their weapons in the Soviet force totals for the end of 1985. We believe this is completely reasonable. In 1979, General Rowny testified that the Soviets would have about 400 Backfire bombers by the end of 1985, and you yourself stated in the nationally televised debate on October 30, 1980:

"SALT II is illegal, because the law of the land, passed by Congress, says we cannot accept a treaty in which we are not equal, and we're not equal in this treaty for one reason alone: our B-52 bombers are considered to be strategic weapons; their Backfire bombers are not."

This is a strong indication that the Reagan Administration should count the Soviet Backfire bomber in its SALT II force estimates, as well as in our START and "umbrella talks" proposals. The reason that you wanted to count Backfire as an intercontinental bomber in 1980 is that U.S. Intelligence agreed that it had intercontinental range and refueling capabilities. The 1981 first edition of Soviet Military Power states on page 63 that the range of the Backfire bomber is in excess of 8,900 kilometers, and on page 62 it states that the range of the Bison bomber is only 8,000 kilometers. The Bison counts as an intercontinental bomber in SALT II, and the longer ranged Backfire should therefore also count. (Backfire also has longer range than some variants of the U.S. B-52 bomber, all of which count in SALT II.) Further, the Soviets tried to deceive the U.S. on whether the Backfire was an intercontinental bomber, despite its intercontinental range and refueling capabilities, another reason for counting it in SALT II. The strategic significance of counting Backfire in SALT II is that this force alone can deliver about 30 per cent of the huge Soviet megatonnage advantage, making Backfire a formidable second strike force.

Second, we are counting in Soviet forces at the end of 1985 at least 100 SS-16 mobile ICBM launchers, because on January 23, 1984, you informed Congress that the mobile SS-16 ICBM is "probably deployed" operationally. Open sources indicate that the Soviets have probably deployed over 100 SS-16s.

Third, as required by Article VI 1 of the SALT II Treaty itself, we are counting at the end of 1985 those Soviet Strategic Nuclear Delivery Vehicles (SNDVs) "in the final stage of construction" and "undergoing overhaul, repair, modernization or conversion." There are press reports of impending silo and mobile deployment of the Soviet SS-24 and SS-25 ICBMs. And there are authoritative unclassified reports that the SS-24 and SS-25 are in pre-series production (*Soviet Military Power,* 1984, p. 98). We have estimated a modest force of about 100 of these by late 1985.

Finally, we have used the maximum reported warhead capacities demonstrated for MIRVed Soviet ICBMs and SLBMs, because we believe that this is the only rational way to measure the real Soviet threat.

It should be noted, however, that we are not counting large numbers of refire and stockpiled ICBMs and SLBMs, additional strategic submarines under construction, and many additional long range bombers not functionally distinguishable from SALT-accountable Soviet bombers. We are also ignoring Soviet strategic SLCMs, where they hold a huge advantage, and GLCMs. Hence, our estimates do in fact significantly underestimate the full Soviet threat.

Comparing the sanitized JCS chart with the sanitized DIA/DOD chart (attached), we have reached the following summary conclusions expressed in tabular and in percentage statement format:

III. SUMMARY OF THE EFFECTS OF SALT II ON UNITED STATES AND SOVIET STRATEGIC FORCES AS PREDICTED BY THE JCS IN 1978

Note on declassification: These estimates are rounded off. Using reasonable assumptions and available unclassified data, Paul Nitze's unclassified 1979 estimates published in 1984 (See Attachment C) provide both lower and upper bounds on Soviet force levels. U.S. force levels for 1985 have been officially published without classification.

	SNDVs [1]	Warheads
1973–1979:		
U.S. Forces	2,053	9,200.
Soviet Forces (Paul Nitze's estimates, as adjusted for improper MIRV counting).	2,504	4,500.
Maximum estimated in 1978 for 1985, within SALT II:		
U.S. Forces	about 2,000	About 14,000.
Soviet Forces	2,500	About 8,500.
Maximum estimated in 1978 for 1985, no SALT II:		
U.S. Forces	About 2,500	About 18,000.
Soviet Forces	About 3,000	About 11,000.
Estimated end of 1985:		
U.S. Forces	About 2,000	9,300.
Soviet Forces	About 3,200	About 13,200.
Paul Nitze's 1979 estimate of Soviet Forces in 1985 assuming SALT II compliance.	(SNDV's 2,246)	(Warheads 11,728):
Include 400 intercontinental Backfire bombers with 3 ALCM's each.	2,646	12,928.
Include 300 new ICBM launchers, new bomber, proper and maximum MIRV loadings.	3,292	17,188.

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[1] SNDV=Strategic Nuclear Delivery Vehicle.

SUMMARY STATEMENTS

(Note.—These calculations are approximate.)

1. In 1978, the JCS estimated that Soviet SNDVs would decrease by over about 10% with SALT II, and increase by about 15% without SALT II by the end of 1985. In actuality, Soviet SNDVs probably increased by about 25% by the end of 1985.

2. In 1978, the JCS estimated that Soviet warheads would increase by roughly over 90% with SALT II, and increase by over 150% without SALT II by the end of 1985. In actuality, Soviet warheads probably increased by over 200% by the end of 1985. This is our most important conclusion.

3. IN 1978, the JCS estimated that U.S. SNDVs would increase by 2% with SALT II, and increase by about 18% without SALT II by the end of 1985. In actuality, U.S. SNDVs decreased by about 9% by the end of 1985.

4. In 1978, the JCS estimated that U.S. warheads would increase by 51% with SALT II, and increase by about 95% without SALT II by the end of 1985. In actuality, U.S. warheads remained almost constant, rising by only about 2%.

In sum, during the 1979-1985 period of SALT II, Soviet SNDVs increased by about one-fourth, but the warheads carried tripled through Soviet exploitation of their huge throw-weight advantage by MIRVing and ALCM loading. Our summary conclusions are fully consistent with Defense Secretary Weinberger's statement in the Washington Times on December 20, 1984:

"Improvements and additions to the Soviet missile force continue at a frightening pace, even though we have added SALT II restraints on top of SALT I agreements. The Soviet Union has built more of the big nuclear warheads capable of destroying U.S. missiles in their concrete silos than we had initially predicted they would build, even without any SALT agreement. We now confront precisely the situation that the SALT process was intended to prevent."

IV. DETAILED CONCLUSIONS

We would now present five more detailed conclusions derived from a careful comparison of the sanitized 1978 JCS chart and our sanitized DIA/DoD chart for late 1985. First, we estimate that by the end of 1985, when the unratified SALT II Treaty is due to expire, the Soviets will have about 3,200 Strategic Nuclear Delivery Vehicles, carrying about 13,200 warheads. But the 1978 JCS chart reveals that the JCS estimated that the highest force levels that the Soviets could achieve by the end of 1985, in the absence of the SALT II Treaty, was about 3,000 SNDVs carrying about 11,000 warheads.

The JCS in 1978 were evidently relying upon CIA estimates of Soviet forces for 1985 unconstrained by SALT II. These CIA estimates, however, will turn out to significantly underestimate the force levels the Soviets will probably have achieved by late 1985. As we know, the CIA significantly underestimated Soviet strategic forces throughout the 1960s and early 1970s.

Comparing the sanitized JCS chart to our sanitized 1985 estimate chart, we find that the Soviets will probably be about 200 SNDVs and about 2,000 warheads above the highest levels that the JCS in 1978 estimated for the Soviets at the end of 1985 without a SALT II Treaty. We believe a new Team B critique of CIA estimates is needed, because the 1976 competitive estimates evidently did not improve the accuracy of CIA estimates.

This is the clearest evidence yet that the Soviets did not allow their strategic programs to be affected in any way by SALT II, and that since 1979 they have been "Breaking Out" of SALT II. We recall that there is strong classified evidence that the SALT I interim Agreement of 1972 similarly did not affect the Soviet ICBM and SLBM deployment plans throughout the 1970s. But some of this evidence was long suppressed within the Intelligence Community, and the analysis is not widely known. We call your attention to the June, 1978 CIA study entitled The Soviet Strategic Planning Process And SALT (title unclassified, study classified Top Secret Codeword Sensitive). This document has been made available to us, and should be studied by the entire Senate. We urge you to become familiar with it as well.

This study also indicates that the late Soviet President Brezhnev himself negotiated deceptively in order to protect Soviet programs from constraint, while at the same time misleading the U.S. into believing that SALT I would constrain Soviet programs. We have been informed that there is testimony to the Senate to the effect that the Joint Chiefs of Staff and the Congress were not aware in 1972 of this evidence of Soviet intentions to deploy prohibited systems fully in the face of SALT I constraints. The Senate Intelligence Committee confirmed in late 1979 that key evidence on Soviet compliance intentions had in fact been suppressed. Consequently, we believe it reasonable to conclude that the SALT I Anti-Ballistic Missile Treaty and the SALT I Interim Offensive Agreement were ratified and approved in August and September 1972 under the false pretense that SALT I would actually constrain Soviet programs.

Second, on the basis of our sanitized JCS and DIA/DoD charts, we have compared the U.S. aggregate of 2,000/9,300 at the end of 1985 to the maximum force level predicted by the JCS in 1978 for the U.S. in 1985 in the absence of SALT II. This U.S. 1985 non-SALT II aggregate is 2,500/18,000.

By complying unilaterally with and unratified SALT II Treaty which you have certified the Soviets have violated in four ways, the U.S. therefore forfeited potential deployment over the six years of SALT II of about 500 SNDVs carrying about 8,700 warheads. This is a measure of the security costs of our unilateral compliance and de facto unilateral disarmament and appeasement. These 500 SNDVs carrying 8,700 warheads could have bolstered deterrence and mitigated the Soviet buildup.

Third, it is interesting to compare these U.S. forfeitures through SALT II compliance with the force levels the Soviets will probably achieve by the end of 1985 by SALT II Breakout. Considering the highest SNDV/warhead aggregate that the JCS projected in 1978 for the Soviets by the end of 1985 within SALT II constraints, the Soviets have added about 950 SNDVs and about 4,700 warheads above those levels. Thus the Soviets are much higher than estimated even if they were adhering to SALT II. Moreover, the Soviet increment above SALT II ceilings is comparable to the increment the U.S. forfeited by agreeing to comply unilaterally with the unratified SALT II Treaty.

Fourth, considering SNDV/warhead levels estimated for the Soviets by the JCS as of 1978, the Soviets will have added about 700 SNDVs carrying about 8,700 warheads during the 1978-79—1985 period of SALT II. This is a very significant increase in the threat to America. To repeat, the Soviets increased their SNDVs by a fourth, and tripled their warheads. As you stated in your January 9, 1985 press conference, "SALT II is nothing but a limitation on how fast you increse weapons."

Fifth, the Carter era JCS under General Davy Jones planned to retain all U.S. Titan II ICBMs and B-52D bombers in the U.S. SNDV aggregate through 1985 under SALT II. But in addition to the above noted U.S. forfeiture under SALT II of 500 SNDVs carrying 8,700 warheads, the JCS under the Reagan Administration will have unilaterally scrapped almost all of the Titan II and B-52D systems by the end of 1985, and in addition, all 160 Polaris SLBMs, for a total of 292/500 SNDVs/warheads the U.S. has unilaterally deactivated during U.S. unilateral SALT II compliance. Moreover, the Carter JCS planned 250 MX ICBMs which were to be survivable, and you plan only 100 vulnerable MX. In total, 672 SNDVs existing or planned carrying 6,800 warheads have been unilaterally scrapped under the Reagan Administration.

V. RESTATEMENT

In sum, the Soviet strategic build-up from 1978 thrugh 1985 occurred ostensibly within SALT II, but was in fact much greater than that projected for the Soviets without SALT II. Our conclusion confirms Secretary of Defense Weinberger's statement in the FY 1985 Defense Posture Statement: "The SALT II Agreement would have codified that unilateral Soviet buildup and allowed additional growth in Soviet forces, therby permitting even further deterioration of the military balance."

The Soviets seem to believe that SALT is a zero sum game, with them as the winners and the U.S. as the losers. A Soviet foreign policy expert, speaking for the Kremlin leadership, wrote in 1979:

"Signing the (SALT I) Interim Agreement (was a) victory of the Soviet Union in the arms race . . . (the) 1972 Moscow Agreement, like the Vladivostok Agreement, noted the defeat of the American strategic arms race policy." (Stanislav Tumkovsky Problems of History, Moscow, 1979)

Because the 1974 Vladivostok Agreement was the basis for the SALT II Treaty and was incorporated into SALT II, the Soviets evidently believe that both SALT I and SALT II were victories for the Soviet Union and defeats for the United States.

Finally, although we recognize and fully support the need to protect intelligence sources and methods and defense information about our own forces, we also believe that it is imperative for the American people to have a general understanding of the massive increase in Soviet nuclear arms that has occurred during the period of alleged Soviet adherence to SALT II, and that they know also the enormous advantages which the U.S. has denied itself through a policy of vascillation based on strict unilateral compliance with an unratified treaty our opponents are known to be violating at will. Continued silence on these matters is intolerable. That is why we have sanitized and declassified our analysis and conclusions. The adverse strategic balance entails both political and military risks. As relative Soviet power continues to increase, the Soviets fully expect the U.S. and its allies to move increasingly toward accommodation and appeasement.

VI. REQUESTS

In conclusion, we have several questions and requests. First, we ask whether you and your national security departments and agencies are as concerned about our analysis and conclusions as we are? We request their comments. Second, we request that you consider our analysis, conclusions and attached charts and amendments in your forthcoming decision about whether to continue U.S. unilateral compliance with the unratified SALT II Treaty. Third, we request that your Administration prepare witnesses to send to hearings on the Constitutional aspects of the treaty-making powers as applied to arms control. We are considering holding such hearings. Finally, we also intend to seek another Senate vote on the merits of continued U.S. unilateral compliance with the unratified SALT II Treaty (See Attachments).

We want to support your defense budget request and your strategic modernization program, including MX, but but only in the context of U.S. disavowal of unilateral compliance with the unratified SALT II Treaty which you have already confirmed the Soviets are violating in multiple ways. We are extemely concerned that the Soviets have built up their strategic forces during the period of SALT II through late 1985 to a much higher level than we though they would even withou SALT II.

With warmest personal regards,

Sincerely,

Steve Symms,
U.S. Senator.
John East,
U.S. Senator.

A. Maximum U.S.-Soviet Strategic Forces, 1985, Within And Outside SALT II Treaty Ceilings, as predicted by JCS in January 1978:

	U.S. Forces within SALT II	Soviet Forces within SALT II, 1985	U.S. Forces outside SALT II	Soviet Forces outside SALT II, 1985
SNDV's	about 2,000	2,250	about 2,500	about 3,000
Warheads	about 14,000	about 8,500	about 18,000	about 11,000

Note: All numbers are rounded off for sanitization of classified data. All Soviet forces are within the bounds of Paul Nitze's published estimates, with Backfire, non-deactivated forces, and proper force loading assumed.

B. U.S.—Soviet Strategic Forces, Estimated for Late 1985:

	U.S. Forces	Soviet Forces[1]
SNDV's	about 2,000	about [2] 3,200
Warheads	about 9,300	about [2] 13,200

[1] These totals understate the true Soviet threat, because reload, refire and stockpiled ICBM's are not counted, additional SLBM's are under construction but not confirmed, and bombers without FRODS are ignored.

[2] Counts up to 400 intercontinental Backfire bombers with 3 ALCM's each, 100 mobile SS–16 ICBM's, final stages of construction, conversion and modernization, 100 silo and mobile SS–24 and SS–25 ICBM's, maximum demonstrated ICBM and SLBM MIRV loadings.

Note: All numbers are rounded off for sanitization of classified data. Estimated Soviet 1985 warheads are below Paul Nitze's 1985 warhead estimates, if Backfire and non-deactivated forces are added and properly loaded.

C. U.S.-Soviet Strategic Forces, 1979 and 1985, within SALT II Treaty Ceilings, Committee on the Present Danger, 8 November 1979, as prepared by Paul Nitze.

	June 18, 1979		End of 1985	
	U.S. strategic Forces	Soviet strategic forces	U.S. strategic forces	Soviet strategic forces
Total SNDV's	2,053	[1] 2,504	2,130	[1] 2,246
Total warheads	9,514	[1] 8,226	12,504	[1] 11,728

[1] Excludes Backfire and its weapons. Counts MIRVs incorrectly as independent warheads.

Source: Alerting America, The Papers of the Committee on the Present Danger, Ed. by Charles Tyroler, Pergamon-Brassey's, Washington, 1984, pp. 143–158.

	Total Soviet SNDV's/warheads
Non-SALT II Compliance Forces:	
Include 400 Backfire bombers with 2 ALCM's each	2,646/12,928
Include 254 missiles and bombers not deactivated	2,800/13,542
Include 300 new ICBM launchers, proper and maximum MIRV loadings, new bomber	3,292/17,188

FURTHER UNCLASSIFIED DATA SUPPORTING OUR CONCLUSIONS

1. Robert McFarlane stated in a recent public speech at the Commonwealth Club in San Francisco that since 1975 the Soviets had constructed "more than 10,800 additional nuclear weapons." This would give the Soviets 13,540 warheads in 1985, which is above our estimate.

2. As Paul Nitze accurately predicted publicly on March 14, 1979: "During the span of the (SALT II) agreement, numbers of nuclear warheads can be expected to rise by 300 percent on the Soviet side, in comparison to about 50 percent for the U.S."

This is above our estimates.

3. As Paul Nitze accurately predicted publicly on October 1, 1979: "If the SALT II Treaty were to approach expiration in 1985 without replacement and without a survivable and durable U.S. ICBM component, the U.S. could face unprecedented dangers. We would then have to take seriously both the then-existing degree of Soviet nuclear strategic superiority, and Soviet superiority in break-out potential."

4. Further, Paul Nitze again accurately predicted Soviet forces publicly on May 16, 1979: "From the beginning of 1978 to the end of 1985, the number of Soviet warheads will have doubled; ours will have increased by half . . . the capability of their weapons to knock out hardened targets, such as missile silos, will have increased tenfold . . . by the end of 1985, under the limits of SALT II, (U.S. prompt counter force hard target capability) will be an eighth of that of the Soviet Union . . . . This will be compounded by the fact that they will have twice as many hard targets as we, and their targets will be, on average, twice as hard as ours."

This is the same as our estimate.

Nitze added ominously: "A more sober evaluation of the balance, at a time when it is too late to reverse trends, could result in forced accommodation to the Soviet Union leading to a situation of global retreat and Finlandization."

5. As Nitze again accurately predicted publicly on May 16, 1979: "Under SALT II . . . the capability of Soviet missiles to destroy hardened military targets is expected to rise by 1,000 percent."

Amendment ——

Add at the end of the bill the following new section:

"Sec. —. Notwithstanding any other provision of law or of this Act, no national security program of the United States shall be terminated, impeded, or delayed in order to comply with any provision of the unratified SALT II Treaty, unless and until the President shall have certified to Congress that the Soviet Union is in full compliance with SALT II.".

Attachment No. 6

Amendment ——

Add at the end of the bill the following new section:

"Sec. —. Notwithstanding any other provision of law or of this Act, no funds authorized or appropriated by this or any other Act may be obligated or expended to deactivate or remove from operational service any Minuteman ICBM or any Poseidon missile or missile submarine for any purpose including specifically that of complying with any provision of the unratified SALT II Treaty, unless the President shall have certified to Congress prior to any such deactivation or removal from service that the Soviet Union is in full compliance with SALT II.".

Alerting America

(Edited by Charles Tyroler II, Introduction by Max M. Kampelman)

APPENDIX

The following charts and graphs were prepared by Paul H. Nitze and distributed as appendices to the above statement.

APPENDIX TO CHAPTER 12

(Prepared by Paul H. Nitze, 1 November 1977–8 November 1979)

Mr. HOLLINGS. Mr. President, I ask unanimous consent that my staff aide, John Nelson, be granted the privilege of the floor during the consideration of the defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I rise to make some brief comments in support of the distinguished Senator from Idaho. Our amendment states that no funds should be appropriated to deactivate, or remove from any service, any Minuteman missiles or Poseidon missiles or submarines, for the purpose of complying with the unratified SALT II Treaty, unless and until the President certifies that the Soviets are in compliance.

Fundamental to the entire issue is, how do you treat a treaty violation? Of necessity, being politicians, we sometimes yield to the soft touch and the soft approach in difficult situations. We do not come to public office by telling people "you have to vote for us." On the contrary, we lean over backward to build consensus and avoid any kind of criticism or harshness. We move forward trying to build a coalition, rather than taking a firm, but correct, stand. But in the field of international diplomacy, and particularly in our foreign policy dealings with the Soviets, we are not allowed that luxury. We have learned from bitter, hard experience that we cannot deviate in our purpose or in our principles.

I happened to have participated 16 years ago, in 1969, when we debated the deployment of an ABM system. We were told by our colleagues in opposition that to move forward with deployment would be provocative and destabilizing. That educated and introduced me to Washington rhetoric. I did not know what all that was—"provocative and destabilizing". We were just advocating common sense in defending the United States of America. But then, for the first time, I learned as a junior Senator, about Washington for rhetoric and what was provocative and destabilizing to the Soviets.

We studied the ABM very closely, and we had a two-vote margin. It is fortunate that we did, because we were told by those of the "provocative and destabilizing" school that if we went forward with this deployment, there was no chance in the world for arms control and that we would start an arms race.

As an inside, it is ironic to me, and of great concern, that in the field of trade, we always hear the opposite. We always are going to start a trade war, but it is always the fourth quarter of the game before the alert is raised. I hope we will debate that in this session of Congress.

But back to the point. Under SALT I, SALT II, the ABM Treaty, the Limited Test Ban Treaty, and all the other treaties, the Soviet Union has continued its military buildup for a number of years and will continue, with or without these arms control agreements.

That is not to say that I oppose arms control. But I happen to be of the school, having learned from the ABM debate and 19 years of experience in this body, that the best way to achieve arms control is to demonstrate a firmness and resolve that our Soviet friends are going to respect. They deal cold and hard, across the table, to their advantage. And we should be doing the same.

But we seek to avoid admitting that we do have a treaty violator in the Soviets on our hands. And these are not casual violations. But instead of facing that squarely, we have these resolutions with soft language about taking vigorous action to bring about compliance. Well, the vigorous action to bring about compliance is the Hollings resolution that we have right here.

Mr. SYMMS. Mr. President, if the Senator will yield, this kind of resolution will bring about compliance, because that is what the Soviets would understand.

Mr. HOLLINGS. Exactly. That is why I have joined the distinguished Senator from Idaho.

A predecessor of mine, Gov. James F. Byrnes, who was a former Secretary of State as well as the distinguished leader, under President Roosevelt, of the Democratic Party in this body, made the statement years ago that the Soviets only understand the language of force. That does not mean to jump pell-mell to the conclusion that we are going to start a war. But that does mean that they only understand strength and resolve and firmness.

It is dismaying to me, at this hour when we are discussing the MX missile, that in that area we have taken our weaponry and have put it into targeted, vulnerable silos. But on the other hand, we are simultaneously considering taking invulnerable missiles in a Poseidon submarine and preparing to actually destroy them, in context with a so-called treaty that has never been ratified. And we will get into why that treaty was not ratified later in this debate. But let me briefly state that it was not ratified because it was not in the security interests of the United States.

Mr. President, simply stated, we have a treaty violator on our hands. It is not a close call. It is a categorical call, made by a bipartisan group, in a study of more than a year and a half. They have listed numerous violations in the General Advisory Committee's report, which was filed earlier this year, and they are studying dozens of others.

But as long as we go the route of responding simply with a tap on the wrist we are going to destroy any chance, in my opinion, for a valid arms control agreement.

For example, when we went forward with the ABM, within a matter of days the Soviets were saying, "All right, now let's negotiate."

Similarly, when President Reagan took the firm stand, which I commend him for, with respect to the cruise missiles and the Pershing II's—which, incidentally, in 1978 our counterparts in NATO asked for—we again got the Soviet's attention. But I might also add that I was at the Lisbon, Portugal, conference, where we were fashioning a SALT II agreement on limiting ballistic missiles. And then our European allies also said "Well, you don't believe in limited nuclear war. You believe in limiting it to Europe, because you have a treaty to defend youself."

Mr. President, I understand that the distinguished chairman and manager of the bill has a couple of amendments on which the Senate can vote. And I know that my amendment is not in order at this time, since it has not been called up. So I will be happy to yield very shortly.

Yet when President Reagan took his firm stand and stuck with our allies and stuck with the deployment of a defense for our allies in Europe, it was then and there that the Soviets came back to the table.

Now the Soviet Union is seeking more than just to separate us from our allies. They also seek to disrupt star wars. It so happens that Senator Wallop occupied the presiding officer's chair when we had a bill to the effect of forcing President Carter into the space program. The Soviet effort in space has been 10 times that of the United States. They have tried, and tested successfully, killer satellites, and we have not.

In order to play catch-up ball, we put $1 billion into that research. Our misfortune is that the effort has been overdescribed as star wars. And now the Soviets are using that to try to say that we are starting an arms race in space. Anybody in his right senses knows that we are not starting; we are catching up. We are competing. And as long as we can keep our defenses strong, as long as we can keep a superiority in technology, we can sustain the security not only of this country but also of the free world.

As long as we maintain that research effort, the Soviets will again realize that we do have the proper resolve in this country and will again come to the bargaining table. Because we are not going to be outspent and we are not going to be outarmed. And that is what Senator Symms from Idaho, myself, and other Senators are concerned about—this weakened course that says "For heaven's sake, do not be provocative or destabilizing."

It has never paid off. It will not pay off now. I am very, very much convinced that the proper route to arms control is to demonstrate our resolve here in the Symms-Hollings resolution.

But let me also say that I hate to be advising the President of the United States. We have too many sense-of-the-Senate resolutions on foreign policy. For example, we are trying to run a war down there in Nicaragua from the floor of the Senate. Similarly, we are trying to run the arms control agreement. With Senators piling into airplanes to fly into Geneva.

But now we are trying to decimate the defenses of the United States with a resolution to dismantle our invulnerable weaponry in order to keep an agreement that has never been ratified by the United States of America.

A treaty, unless ratified, is not a formal agreement of this country. And, incidentally, I will have to correct one paragraph in our letter. The Soviets have told the United States of America that they are not going to adhere to SALT II because it has not been ratified.

I am delighted to yield the floor to the distinguished Senator from Arizona and thank the Senator from Idaho.

Mr. GOLDWATER. I thank my friend from South Carolina. I agree with this thing he has been talking about. I hope we will feel free to talk further as we get along with our business.

Mr. President, we have several amendments that we wish to talk about at this time. So I ask unanimous consent that the pending business, the amendment of the Senator from Georgia, be temporarily laid aside so the Senator from Iowa might suggest an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 215

(Purpose: To provide for continuation of the authority to pay cash awards to Federal employees for certain cost savings disclosures, and to clarify the authority to provide cash awards to members of the armed forces for such disclosures; to provide increased legal protections for Federal employees making confidential disclosures under the Office of the Special Counsel)

Mr. GRASSLEY. Mr. President, I send to the desk an amendment that I care to offer at this time and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 215.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following: The Congress finds and affirms that—

(1) the Code of Ethics for Government Service charges that any person in government service should expose corruption wherever discovered;

(2) reprisals against employees who report incidents of fraud, waste and mismanagement is prohibited by law;

(3) the Constitution protects the rights of all citizens; and

(4) every person has a right to seek remedies to protect their individual rights.

SEC. 2. Section 552(a)(4)(F) of title 5, United States Code, is amended by adding at the end thereof the following: "The Special Counsel may obtain judicial review of a final order or decision rendered by the Board in actions brought pursuant to sections 1206 and 1207 of this title. Employees affected by an agency action subject to the Special Counsel complaint and who are aggrieved by the final decision may file a petition to intervene as a matter of right and will be considered a party to the proceeding. In corrective actions, the agency responsible for the matter giving rise to the Special Counsel complaint before the Board shall be the named respondent. In disciplinary actions, the respondent employees named in the Special Counsel complaint before the Board shall be named respondent in the judicial proceeding. Petitions brought pursuant to this subpart shall be filed with the district court and the right of a trial de novo and appellant review shall be preserved. The Special Counsel may file a petition for enforcement of subpoena and protective orders with the district court pursuant to investigative and prosecutorial authority granted to the Special Counsel.

SEC. 3. (a)(1) Section 4514 of title 5, United States Code, is amended to read as follows:

"4514. Expiration of authority; reporting requirement.

"(a) No award may be made under this subchapter after September 30, 1988.

"(b)(1) The Comptroller General shall submit to each House of Congress, before March 16, 1988, a report on the effectiveness of the awards program under this subchapter.

"(2) The report shall include the views of the Comptroller General as to whether the authority to make awards under this subchapter should be continued after September 30, 1988, and, if so, whether any modification in such authority would be appropriate.".

(2) The table of sections for chapter 45 of title 5, United States Code, is amended by striking out the item relating to section 4514 and inserting in lieu thereof the following:

"4514. Expiration of authority; reporting requirement.

(b) Section 4512 of title 5, United States Code, is amended by striking out subsection (c) thereof.

SEC. 4. (a) Section 1124 of title 10, United States Code, is amended by inserting "disclosure," in subsections (a), (b), (c), and (f) before "suggestion".

(b)(1) The heading of such section is amended to read as follows:

"§1124. Cash awards for disclosures, suggestions, inventions or scientific achievements:.

(2) The item relating to such section in the table of sections at the beginning of chapter 57 of such title is amended to read as follows:

"§1124. Cash awards for disclosures, suggestions, inventions or scientific achievements.".

(c) The amendment made by subsection (a) applies only with respect to disclosures made after September 30, 1984.

Mr. GRASSLEY. Mr. President, we have spent considerable time this week discussing waste, abuse, fraud, and mismanagement in the Defense Department and how to go about correcting these problems. But now, Mr. President, I would like us to recognize the fact that if not for some honest and courageous workers who were willing to speak up about such abuses, we would be totally in the dark about how our billions of defense dollars are actually being spent.

I am not implying we are totally enlightened now. But I do know that the window has opened a crack due to the efforts of so-called whistleblowers who take their code of ethics seriously.

Unfortunately, whistle-blowing has been determined hazardous to one's health. That's not the Surgeon General's warning, but it is the warning of the special counsel whose job is to protect whistleblowers from retaliation. He has recommended to whistleblowers "don't stick your head up unless you want it blown off."

Apparently, the special counsel's words are heeded throughout the system where nearly 70 percent of workers who said they had firsthand knowledge of fraud or waste did not report it. The would-be whistleblowers cited two basic reasons in this survey conducted by the administration last year. One, the belief that nothing would be done to correct the fraud or waste, and the second reason was just plain fear.

While I am citing statistical findings here, I don't need numbers and statistics to conclude in my own mind that we have a grave problem. I have been in direct contact with whistleblowers over the past 3 years and witnessed the types of rewards heaped on them by the system. Harassment, demotions, and undesired relocations are the only prizes they have collected for what one whistleblower has termed "committing truth."

My amendment does two things: It reauthorizes a whistleblower reward program that expired last year. While relatively few rewards have been made under this program, the Inspector General has testified that he plans to use the reward program to the fullest extent. I think it is also incumbent on those of us who come in contact with individuals who bring out this information to recommend—and perhaps prod—the Inspector General to consider rewarding their efforts.

Second, my amendment offers legal protections for whistleblowers by allowing them an appeal right to the Federal courts when they are not successful in seeking protections through the administrative process. The special counsel is also provided more power to protect whistleblowers by being able to apply to Federal court for protective orders, enforcement of subpoenas, and injunctions against interference and harassment.

Mr. President, both of these measures passed the Senate last Congress and the House has already voted to reauthorize whistleblower awards. I ask that my colleagues join me in helping to provide both incentives and protections for a moral and efficient Government.

Mr. President, this amendment reauthorizes a whistleblower reward program that expired last year. That bill has passed the House of Representatives.

While relatively few rewards have been made under this program, the Inspector General has testified that he wishes to have it renewed and that he plans to use the reward program to the fullest extent possible.

Then, second, my amendment offers legal protection to whistleblowers by allowing them an appeal right to the Federal Government when they are not successful in seeking protection through the administrative process. It is my understanding that both sides of the aisle, the managers of the bill, have accepted this amendment, and which I want to thank them very much for, and particularly thank them for bringing this amendment up at this time.

Mr. GOLDWATER. Mr. President, I do believe the minority side has cleared this amendment.

They have. The majority side has also.

Mr. President, I think it is a very worthwhile amendment. In fact, I did not know that the legislation covering this had expired. Otherwise, I feel safe in assuring my friend from Iowa that the Armed Services Committee would have taken care of it.

But I do appreciate his offering this amendment and having no objection, Mr. President, we accept the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Iowa.

The amendment (No. 215) was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 190

Mr. GOLDWATER. Mr. President, before the next amendment, I am informed by the Senators from Delaware and Arizona that several small technical changes are required in the modification to amendment 190 which the Senate passed yesterday to create a commission on defense procurement.

I ask unanimous consent that the page which I now send to the desk be inserted in lieu of page 2 of the modification to amendment No. 190.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modification is as follows:

On page 2, strike out lines 1 through 6, and insert in lieu thereof the following:

(2) The Commission shall be composed of 21 members as follows:

(A) Seven private citizens appointed by the President from among persons who are well qualified to serve as members of the Commission by reason of their education, training, and experience and who are not employed by or otherwise connected with firms doing business with the Department of Defense.

(B) Three members appointed by the President from the defense industry.

(C) Three members appointed by the President from the Department of Defense.

(D) Four members appointed by the President, two upon the recommendation of the majority leader of the Senate and two upon the recommendation of the minority leader of the Senate.

(E) Four members appointed by the President two upon the recommendation of the Speaker of the House of Representatives and two upon the recommendation of the minority leader of the House of Representatives.

(3) The President shall designate one member of the

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the pending business, the amendment of the Senator from Georgia, be temporarily laid aside, so that the Senator from Georgia may offer another amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 216

Mr. NUNN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN] proposes an amendment numbered 216.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

ADEQUATE AIRLIFT FOR SPECIAL OPERATIONS FORCES

SEC. . (a) None of the funds authorized to be appropriated by this act may be obligated or expended for the procurement of MC-130 aircraft or the modification of HH-53 or CH-47 helicopters until the Secretary of Defense—

(1) submits, in consultation with the chairman of the Joint Chiefs, to the Committees on Armed Services in the Senate and House of Representatives a plan for meeting the immediate airlift requirements of the joint special operations command and a second plan for meeting, by 1991, the airlift requirements of the joint special operations command and the special operations forces of unified Commanders in Chief; and

(2) certifies that the plans required by subsection (a)(1) are funded in the fiscal year 1987 5-year defense plan.

Mr. NUNN. Mr. President, let me read the amendment and briefly explain it.

Mr. President, this amendment basically senses certain procurement programs relating to modification of 8H-53 or CH-47 helicopters until the Secretary of the Defense submits, in consultation with the chairman of the Joint Chiefs, to the Committees on Armed Services in the Senate and House of Representatives a plan for meeting the immediate airlift requirements of the joint special operations command and a second plan for meeting, by 1991, the airlift promise to the special operations command and special operations forces of the unified Commanders in Chief.

And he also has to certify under this amendment that these plans required by this amendment are included in the 5-year defense plan.

Mr. President, I essentially read the amendment. Let me explain the purpose.

With the failure of special operations in the Iranian hostage rescue in 1980, greater attention has been devoted to special operations in general and airlift for those forces particularly.

In 1980, the Air Force decided to expand and upgrade its fleet of MC-130 Combat Talon aircraft.

On October 3, 1983, then Deputy Secretary of Defense Thayer established a 1990 goal for revitalization of special operations forces including airlift for those forces.

The key airlift program for fixed wing is the MC-130 Combat Talon aircraft. Combat Talon is used for long range infiltration and exfiltration of special operations forces. The existing 14 Combat Talon I aircraft are being updated and 21 new Combat Talon II aircraft are being procured.

The Air Force had planned to upgrade its helicopter force as well. However, the rotary lift programs have been held up because of the so-called initiative 17 contained in the joint Air Force-Army memorandum which assigned the rotary lift mission for special operations to the Army. All of the other initiatives have been or are being implemented; No. 17 has been blocked by interservice squabbling and objections raised by a small number of Members of the House. Up to this point the Air Force has provided limited rotary lift with the seven Pave Low HH-53 aircraft, which provides but a fraction of the rotary lift requirement.

As a result of this there is considerable disarray in the lift programs.

The MC-130 program is in turmoil. It has had eight program managers in the last 4 years. Last year, it had a 30-percent cost increase. The contractor is at the cost ceiling on the program and the Air Force is concerned about the rising costs.

I might add, this is not in the aircraft, itself, but in the special designs that go in the aircraft. This has led to a stretchout of the program.

Mr. President, our special operations forces, in my view, are probably the most likely to be used in today's environment of any forces we have in the military and yet several years later after the Iranian hostage problem we still do not have the airlift problems of those special operations forces worked out.

In fact, that, itself, is in considerable disarray.

So the purpose of this amendment is clear. It is to get the attention of the Secretary of Defense and services by holding up certain programs until they address this issue and until they submit a plan giving the kind or priority that has to be given to these special operation forces that could be called into action at any minute.

Mr. GOLDWATER. Mr. President, the majority has discussed this amendment. We feel it is a very timely amendment because of the importance of the lift that is involved. Therefore, the majority and I believe the minority—since it is the amendment of the minority's spokesman—accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Georgia [Mr. NUNN].

The amendment (No. 216) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 217

(Purpose: To improve control of contracted advisory and assistance services)

Mr. MATTINGLY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair informs the Senator that there is an amendment pending.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the amendment be temporarily set-aside.

The PRESIDING OFFICER. Is there objection?

Mr. BINGAMAN. Mr. President, reserving the right to object, as long as it is being temporarily set aside, I have no objection.

Mr. BUMPERS. Mr. President, reserving the right to object, will the Senator tell us what the gist of the amendment is? Has this been cleared by both managers?

Mr. MATTINGLY. Yes, it has, Mr. President.

Mr. BINGAMAN. It has been cleared, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. MATTINGLY], for himself and Mr. PRYOR, proposes an amendment numbered 217.

On page 66, between lines 16 and 17, insert the following new section:

CONTRACTED ADVISORY AND ASSISTANCE SERVICES

SEC. . (a)(1) The Secretary of Defense shall require that there be established within each military department an accounting procedure to aid in the identification and control of expenditures for services identified as contracted advisory and assistance services.

(2) Not later than six months after the date of the enactment of this Act, the Secretary shall submit to Congress a report describing the accounting procedure established in accordance with paragraph (1) and the implementation of the procedures in each military department.

(b)(1) The Secretary shall prescribe regulations which specifically describe—

(A) what services the Department of Defense considers to be contracted advisory and assistance services; and

(B) of those services, which services are carried out in direct support of a weapon system and are essential to the development, production, or maintenance of the system.

(2)(A) The regulations prescribed under paragraph (1) shall consider contracted advisory and assistance services in the following areas:

(i) management and professional services;

(ii) special studies and analyses;

(iii) management and support services for research and development activities;

(iv) training;

(v) management review of program-funded organizations;

(vi) public relations;

(vii) other consulting services;

(viii) engineering development and operational systems development related to research and development activities;

(ix) technical assistance;

(x) technical representation;

(xi) quality control, testing, and inspection services;

(xii) specialized medical services; and

(xiii) architectural and engineering services, other than in connection with construction.

(B) The services identified under paragraph (1)(B) shall consider the areas described in clauses (viii) through (xiii) of subparagraph (A).

(3) Regulations required by paragraph (1) shall be prescribed not later than 6 months after the date of enactment of this Act.

(c) Budget documents presented to Congress in support of the annual budget for the Department of Defense shall identify the amount of contracted advisory and assistance services as defined under regulations prescribed pursuant to subsection (b) and shall separately set forth amounts for such services described in subsection (b)(1)(B) and for each category of such services described in subsection (b)(2)(A).

Mr. MATTINGLY. Mr. President, the amendment that I send to the desk, cosponsored by Senators DECONCINI and PRYOR, contains several provisions that I believe will be useful in identifying, controlling and, most importantly, reducing the amount of money that the Department of Defense [DOD] will spend on consultants, studies, and analyses in fiscal year 1986.

These efforts have been frustrated in the past for a variety of complex reasons, including the fact that the military services in DOD use different budget, accounting, and recordkeeping systems; that DOD continues to dismiss the record of such expenditures produced by the Federal Procurement Data System [FPDS]—the agency that is charged with the mission of collecting procurement data from Federal agencies; and because of a continuing debate over exactly what services and study efforts should fall within the definition of consultants and studies or, as they are termed by DOD, Contract Advisory and Assistance Services [CAAS].

Last year, during consideration of the fiscal year 1985 defense authorization bill, I offered an amendment that capped the amount of money that DOD could spend on these types of services. The level at which those expenditures were capped was the amount, $1.32 billion, that the Armed Services Committee had approved for such activities. Most importantly, Mr. President, that level of funding was only slightly reduced from the amount that had been requested by DOD.

My amendment was retained in conference and was part of the bill later signed into law by the President. At the end of last year, Mr. President, I received unofficial indications that the Navy believed that this amendment would result in what one Navy official described as a "* * * potential problem in excess of $400 million."

In an effort to meet this problem, Mr. President, the Navy froze all funding for contractor support services. This had the predictable result of throwing much of the research community affiliated and involved with Navy programs into an uproar. There was a flurry of letters between Members of Congress and DOD officials; several pieces of legislation were introduced that sought to repeal the cap provision; and generally, there was a lot of hand wringing across the country, from California to Maryland and Virginia about the impact of the Mattingly amendment.

Lost in the furor was the fact that the amendment, in essence, did nothing more than approve the amounts that had been requested by the services and DOD for such advisory support items. Central to the debate, Mr. President, is the quiet admission of Defense Secretary Caspar Weinberger in a letter to the distinguished chairman of the Armed Services Committee dated February 1, 1985 in which he stated, "It now appears that in some instances the service budget exhibits may not have accurately reflected the full scope of the prescribed definitions." I ask unanimous consent to insert in the RECORD a copy of the Secretary's letter at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, DC, February 1, 1985.

Hon. BARRY GOLDWATER,
Chairman, Committee on Armed Services, Washington, DC.

DEAR MR. CHAIRMAN: I appreciate this opportunity to respond to your concerns and questions relative to the Department's administration of section 308 of the Department of Defense Authorization Act, 1985.

Since FY 1982, the Department has submitted special budget exhibits, referred to as the PB 21/25 exhibits, to the Congress which specifically address the contractual costs of consultants, studies and analyses, management support contracts, and contract system engineerinig and contract engineering technical services. The FY 1985 amounts for these categories are as follows:

Cost category:	*Millions*
Consultants	$5
Studies and analyses	113
Management support	491
Engineering services	693
Total	1,302

I am appending a paper which briefly describes the extent of the coverage by category.

The wording of section 308 used the title of these two exhibits and, in doing so, went significantly beyond capping only DOD consultants (which amount to $5 million in FY 1985 according to the DOD definition).

You posed a question relative to the intent or meaning to the word "contract." These exhibits depict only those requirements procured on a contractual basis. The word "contract" therefore applies to all the activities within the scope of these two exhibits. Concerning subcontracts, the areas

of coverage in these two exhibits apply only to those contract support services which are explicitly addressed in the terms of the written contract, and therefore they do not apply to subcontracts. We would construe section 308 in these regards in the same way. For example, with respect to subcontracting, if a prime weapon systems contractor, in order to fulfill delivery of a major weapon system, found it necessary to subcontract for some technical engineering services, the costs of that effort would not be included within the scope of our budget exhibits or section 308.

The $15 billion estimate you cited relates to costs reported as a part of OMB's Federal Procurement Data System (FPDS). The FPDS represents a compilation of cost data for all federal contracts. It is important to distinguish between the scope of effort included in the PB 21/25 exhibits and cost data reported in the FPDS. We understand that the $15 billion estimate includes research and development costs associated with engineering development and operational system development, efforts related to computer support, foreign intelligence programs, basic research, and activities operated under our industrial funds. Our PB 21/25 exhibits do not include these costs. The $15 billion figure is not one that DOD can relate to and it is not relevant to the section 308 issue.

The $1.3 billion limitation in section 308 was based on estimates contained in DOD budget exhibits for each Service. We have instructed DOD Components to establish whatever reporting and management mechanisms are necessary to insure that the limitations are not exceeded, and that all costs which meet the definitions prescribed for the budget exhibits are reported.

It now appears that in some instances the Service budget exhibits may not have accurately reflected the full scope of the prescribed definitions. The Services are currently assessing the impact of the limitation to determine which, if any, requirements cannot be accommodated. As a practical matter, of course, the Department would prefer to see the section 308 cap repealed, on the basis that caps impede good management flexibility. In this instance, especially, my own interest in limiting DOD spending in this area makes any cap redundant. The Department would certainly be happy to apprise the Congress regularly regarding efforts to reduce this category of spending. However, unless it becomes evident that Defense programs will be adversely affected, it is my intent to abide by the limitation. If it becomes clear that compliance with section 308 would be damaging to Defense programs, the Department will seek your assistance and support.

Sincerely,

Mr. MATTINGLY. I might add, Mr. President, that Defense Secretary Weinberger has been very receptive to the efforts that many of my colleagues and I have made to identify and reduce expenditures for the entire array of the so-called contracted advisory and assistance services.

Obviously, we are faced with a situation where the reports that are being submitted to Congress in support of DOD's funding request for these services are insufficient. It is like a "shell game", Mr. President. Those reports are not capturing all the expenditures that should legitimately be included in them and Congress is left in the dark as it attempts to exercise its legitimate oversight responsibilities.

My amendment attempts to remedy these ills by doing three things:

First, it requires the Secretary of Defense to establish within each military department an accounting system to identify and control these types of expenditures effective in fiscal year 1986.

Second, the amendment requires that budget documents list these expenditures and be submitted to Congress in support of the annual authorization request. The amendment specifies the categories of expenditures that should be reviewed in preparing these budget submissions. These categories are those that were cited last year by the Cabinet Council on Management and Administration as those that contain significant funding for advisory and assistance services. Some of these services relate to weapons systems development or production and these are to be included in a separate category from those that do not. Recognizing this distinction is important if we are to create an ability to scrutinize costs for purposes that are generally recognized as consultant services.

Third, the amendment requires the Secretary of Defense to report to Congress in 6 months and outline the procedures that have been put in place to track these expenditures.

Obviously, it is too late for the Defense Department to put together this requested data in time to be used during debate on this legislation but it will be several months before the Defense and Military Construction appropriation bills are considered and I am confident that my colleagues would view with interest any material that was available prior to deliberation on that bill. It is in the interest of all parties, especially the taxpayer, that DOD provide its unsanitized consultant studies jobs bill data prior to Senate consideration of the fiscal year 1986 defense and military construction appropriation bills.

Mr. President, I hope that my colleagues will support this much needed effort at reform. I believe the amendment has already been cleared by both sides. I ask for lent.

Mr. BINGAMAN. Mr. President, we have no objection to the amendment on this side of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 217) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATTINGLY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 218

(Purpose: To suspend expansion of commercial franchise activities on military installations)

Mr. MATTINGLY. Mr. President, I have another amendment that has also been cleared by both sides. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. MATTINGLY] for himself and Mr. NUNN, proposes an amendment numbered 218:

On page 100, between lines 2 and 3, insert the following:

MORATORIUM ON EXCHANGE SERVICE FRANCHISE AGREEMENTS

SEC. . (a) During the period beginning on the date of enactment of this Act and ending 90 days after the date the Congress receives the report required by subsection (b), the Department of Defense, the Army and Air Force Exchange Service, and the Navy Exchange Service—

(1) may not enter into an agreement to operate or to authorize the operation of a commercial franchise business on a military installation; and

(2) may not commence construction of any facility for the operation of such a business on a military installation pursuant to any such agreement entered into before the date of enactment of this Act.

(b)(1) Not later than January 1, 1986, the Secretary of Defense shall transmit to the Congress a report on current and proposed commercial franchise business operations on military installations.

(2) The report required by paragraph (1) shall include—

(A) the current and proposed plans of the Department of Defense and the exchange services referred to in subsection (a) to operate or to authorize the operation of commercial franchise businesses on military installations, including the types of services, the specific franchises, and the installations involved in such plans;

(3) the reasons for commencing and expanding commercial franchise business activities on military installations;

(C) an analysis of the past, current, and prospective uses of the profits of nonappropriated fund instrumentalities of the Department of Defense to finance morale and welfare activities for the benefit of members of the Armed Forces and their dependents and civilian employees of the Department;

(D) the type and value of appropriated fund support (including Federal land and facilities) provided to activities of the exchange services referred to in subsection (a);

(E) an explanation of the review and approval procedures in effect for determining whether the Department and the exchange services will enter into new activities or will increase the levels of exchange service activities;

(F) the reasons for deciding whether services by the exchange services should be provided under contract or franchise or by using the resources of the exchange services;

(G) the process by which a military installation is selected for new or increased levels of activities of the exchange services;

(H) the consideration given to the impact that the addition of a new activity or an increase in an existing activity of an exchange service at a military installation will have on private, commercial business operations available in the vicinity of the installations; and

(I) the economic impact which the addition of a new activity or increases in an existing activity of the exchange services on military installations will have on private, commercial businesses operating in the vicinity of the installations.

(3) The Department of Defense, the Army and Air Force Exchange Service, and the Navy Exchange Service may not operate or authorize the operation of more than one commercial, franchise food vending business on a military installation. The foregoing sentence shall not be construed as an exception to the limitations provided in subsection (a).

Mr. MATTINGLY. Mr. President, I have recently become aware of an ongoing test program by the military services that involves the construction and operation of fast-food, commercial franchise facilities on military installations. The Navy, the Air Force, and the Army are all participating in these test efforts.

I am advised by officials of the Army and Air Force Exchange Service [AAFES], that there are now 18 such fast-food franchises being operated under contract with the services. The program started in an effort to provide morale and welfare-boosting facilities to our service men and women and at the same time lower the cost of the nonappropriated funded construction program.

In at least one situation, Mr. President, I am advised that two such franchise operations will be located on the same post and yet there appears to be a question as to whether the franchises knew at the outset that the other would operate there. It seems to me, Mr. President, that there is a need to call a temporary halt to these activities.

My amendment stipulates that no new such franchise agreements can be entered into until the Secretary of Defense submits to the Congress a report detailing the specifics involved in these franchise agreements and includes an assessment of the impact that these facilities are expected to have on similar business located off post. The amendment prohibits any new construction under the terms of such franchise agreements until the report is received by Congress and it limits the numbers of such franchise, test facilities to no more than one on any military installation.

It is my hope and expectation that this amendment will provide the Congress with some useful data on which to base its decision regarding the desirability of proceeding with this type of experiment. It may well decide to do so and that such operations are in the best interest of the soldier as well as the taxpayer but to me, it seems clear that we need much more information than we now have before that decision can be made.

Mr. THURMOND. Mr. President, we are willing to accept the amendment on this side.

Mr. BINGAMAN. Mr. President, we are willing to accept it as well.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia.

The amendment (No. 218) was agreed to.

Mr. MATTINGLY. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 219

(Purpose: To promote efficient management of military records maintained by the National Archives and Records Administration)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. There is presently an amendment pending.

Mr. FORD. Mr. President, I ask unanimous consent that Senator Nunn's amendment be set aside temporarily in order to consider my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. Ford] proposes an amendment numbered 219.

On page 100, between lines 2 and 3, insert the following new section:

MANAGEMENT OF MILITARY RECORDS MAINTAINED BY THE NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

Sec. . (a) The Congress finds that the National Archives and Records Administration has received a substantial number of military records and that, by reason of the manner in which the records are maintained, many of such records are not readily accessible to the public.

(b) It is the sense of the Congress that the Archivist of the United States should appoint an advisory committee—

(1) to study the manner in which military records received by the National Archives and Records Administration are maintained; and

(2) to make recommendations to the Archivist on appropriate ways to manage and maintain such records to enhance public access to the records.

(c) Not later than March 31, 1986, the Archivist shall transmit to the Congress a report outlining a 5-year plan, a 10-year plan, and a 20-year plan for improving the management, maintenance, storage, and preservation of military records and for improving public access to such records. In preparing the report, the Archivist shall consider any recommendations received from any advisory committee appointed as recommended in subsection (b).

Mr. FORD. Mr. President, as we celebrate the 40th anniversary of V-E Day and commemorate those living and dead who fought so bravely during World War II in defense of their Nation and world freedom, I want to bring to the attention of my colleagues the fact that many of the military records from that war lie uncataloged and boxed up in a warehouse of the National Archives and Records Administration. The amendment I am introducing today asks for the appointment of a panel to give special attention to these records and to advise the Archivist of the United States on appropriate ways to manage and maintain them so as to enhance public access to them. I would suggest that this advisory group include representatives from the various organizations currently responsible for military recordkeeping, such as the military history divisions of the three services and the St. Louis Record Center.

I do not think many of the Members of this body know about this problem, and I was shocked to learn of its magnitude: According to the National Archives, 182,755 cubic feet of paper records, the equivalent of 91,000 file drawers, have been simply boxed, generally labeled and shelved. Records of which there are 10,000 cubic feet or more are from the Navy Bureau of Ships, the Office of the Quartermaster General, Naval Occupation Headquarters, Naval Operating Forces, Allied Operations and Occupation Headquarters, and the U.S. Army Command since 1942. And this does not even cover the microfilm that is stored there. It is my understanding that this stored material contains neither personnel records nor classified documents, and it is not the intention of this amendment to give public access to either kind of information.

The disarray of this large portion of our military records was discovered by a constituent of mine, a veteran of World War II who was researching the history of his unit, the 517th Parachute Regimental Combat Team, and was unable to find complete information on it. During his quest, he found out about the unorganized material that is just sitting in boxes in the warehouse in Suitland, and brought the problem of my attention.

It seems to me that we owe no less to those who have served this Nation during war and peace and, most of all, those who gave a full measure, than to properly maintain our military records. It is imperative that this be done so that we might have future understanding and knowledge of our past.

Mr. President, I understand that both sides of the aisle have scrutinized this amendment and have no objection

to it. I yield to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, we have considered this amendment and feel it would be helpful. We are willing to accept it.

Mr. BINGAMAN. Mr. President, we also support the amendment and have no objection to its passage.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 219) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 220

(Purpose: To correct technical drafting errors in section 542 of S. 1160)

Mr. GRAMM. Mr. President, I ask unanimous consent that the Nunn amendment be set aside for the consideration of two technical amendments that I shall send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I send the amendments to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. Gramm], for Mr. Goldwater, proposes an amendment numbered 220.

Strike out the last two sentences of section 542(a)(4) of Division A, as amended by amendment 184, of the bill and insert in lieu thereof the following: "The Secretary also shall submit a report concerning what changes in military retirement, compensation, in personnel programs would be necessary if the reductions resulting from the funding limitation set forth in section 541 of this Act were two and three times as large as required by that section, as well as an evaluation of the effects such changes would have on recruiting and retention in the Armed Forces. Such reports shall be based upon changes which would be required under the conditions set forth in paragraphs (1)-(5) of this subsection and in subsection (b), (c), and (d) of this section.".

Mr. GRAMM. Mr. President, these are two technical amendments to correct drafting language. They have been cleared with both sides. I ask that the amendments be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 220) was agreed to.

Mr. BINGAMAN. I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Nunn amendment be temporarily laid aside in order to offer an amendment on behalf of Senator Mathias and myself.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 221

(Purpose: To direct the Administration to report to Congress on monitoring and verification considerations of mobile ICBM's and raise these issues with the Soviets in appropriate diplomatic channels.)

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. Bumpers] for himself and Mr. Mathias, proposes an amendment numbered 221.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

"Sec. —. (a) The Senate finds that:

(1) Verification, and our ability to monitor Soviet forces, are major national security considerations;

(2) Both the U.S. and the Soviet Union are entering an era of greater intercontinental ballistic missile (ICBM) mobility;

(3) Any mobile ICBMs deployed by the United States and Soviet Union should be verifiable.

(4) The Soviet Union is on the threshold of deploying two kinds of mobile ICBMs that could pose monitoring and verification difficulties for the United States;

(5) The President has reported to the Congress that increased burdens on monitoring capabilities resulting from strategic developments such as deployments of mobile ICBMs can be reduced if cooperative verification measures are adopted;

(b) In view of these findings,

"(1) The Senate directs the Administration to address the monitoring and verification issues associated with the U.S. small ICBM and Soviet mobile ICBMs, with particular attention to the Soviet deployment of a single warhead ICBM in either a hardened, soft, or deceptive mobile basing mode, in a classified report with an unclassified summary; to Congress by January 15, 1986.

(2) The Senate further urges the Administration to give the highest priority to the general problem of verification of mobile ICBMs with the Soviet Union in the new negotiations on Nuclear and Space Arms or through appropriate diplomatic channels.

Mr. BUMPERS. Mr. President, today Senator Mathias and I offer an amendment that touches on a premise on which people on all sides of the arms control debate agree: Any arms agreement must be verifiable. As difficult as this problem is today, the problem is likely to become worse as time, and technology, go on. The United States is seeking greater survivability for its nuclear forces through mobility, as we should. However, there is a natural tension between mobility and verifiability. The problem is particularly significant in the case of mobile ICBM'S.

I say this as one who supports the small ICBM concept. As currently planned, our small ICABM under development should be verifiable because of the unique design of its hardened mobile launcher. However, there is no guarantee that the Soviets will be so accommodating with their mobile ICBM's, particularly if they choose to follow us in developing a 30,000-pound-class ICBM. Such a small ICBM could be deployed on tractor-trailers of the kind we see very day on the highways of America. If the Soviets were to choose this direction for basing a small mobile ICBM in the future, verification would be well-nigh impossible.

Even the generation of mobile missiles that the Soviets are about to deploy could pose serious verification problems unless steps are taken to enhance our ability to monitor them. The rail-mobile SS-24 and road-mobile SS-25 present new challenges for our intellligence and defense communities to deal with.

My amendment addresses these problems in two ways. First, it asks the administration to report to Congress on the verification issues associated with the U.S. small ICBM and Soviet mobile ICBM's. This report should pay particular attention to the Soviet deployment of a small ICBM in either a hardened, soft, or deceptive mobile-basing mode. The date of January 15, 1986, was selected to coincide with the due date for the annual MX/small ICBM report that the administration will send to Congress anyway, so that these issues can be considered together.

My amendment also urges the administration to raise the general problem of verifying mobile ICBM's with the Soviets through appropriate diplomatic channels. The negotiations in Geneva would be the most logical place, but I do not want to rule out other approaches, as well.

Congress is often criticized for not dealing with problems before they become too big to solve. Verification of mobile ICBM's will be a difficult problem, but I believe it can be resolved. The time to deal with it, both programmatically and through arms control, is now. I urge my colleagues to join us in beginning to resolve this problem.

Mr. GOLDWATER. Mr. President, this amendment attacks a problem that has been, with us ever since we got into the business of verification of Soviet missiles or our missiles. It is a subject with which we have not had any tremendous success. But in studying this amendment, we feel that it is a good approach. It is bipartisan.

I do not believe the minority side has any qualms about this amendment. Am I correct?

Mr. BUMPERS. The Senator is correct.

Mr. GOLDWATER. Certainly the majority side will accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 221) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Nunn amendment be temporarily set aside in order that I may offer an amendment dealing with the so-called Gramm amendment on base closing, which is a part of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 222

(Purpose: To strike section 722 of the bill relating to base closure and realignment)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Arkansas [Mr. Bumpers], for himself, Mr. Specter, Mr. Pryor, Mr. Heinz, and Mr. Dixon, proposes an amendment numbered 222:
>
> On page 79, beginning with line 23, strike out all down through line 7 on page 83.

Mr. BUMPERS. Mr. President, we have been debating—a good portion of the time today, especially, and, to a lesser extent, ever since we took up this bill—whether or not civilization is going to survive. Now I am prepared to talk about something important, and that is the closing of military bases.

As almost everybody in this Chamber already knows, there is an amendment in the DOD bill which we call the Gramm amendment, because it was offered by the distinguished Senator from Texas [Mr. Gramm]. First of all, I want to say that my amendment does not deal with all the Gramm amendment. It deals only with that part of the amendment which deals with the closing of military bases. It has nothing to do with Davis-Bacon or the other things that are incorporated in that amendment.

In case some of my colleagues are not familiar with the Gramm amendment as it relates to base closings, I want to issue a couple of warnings. What it does is to change the time-honored methods that have been in the law for years and years about how, why, and when military bases will be closed.

The former distinguished Senator from Washington, our late, departed brother, Senator Jackson, used to tell me: "I wish I didn't have a single base in my State. You get no credit for getting one. You get no credit for keeping one. You only get the negatives when you lose one."

I think everybody here understands that. Throughout the history of the U.S. Congress, and ever since we had a War Department or a military department or a Defense Department, there has been a certain amount of political maneuvering to get a base or to keep one open. A lot of bases have been kept open in this country because a Senator had the clout to keep one open. The reason why the law was changed to provide that economic and environmental impact statements had to be made by the Defense Department before they summarily closed the bases was that there was so much politics involved in it.

We have over 90 military facilities or installations of some kind or another in the United States. Some of them are very small units. Some are very remote. Some are like one of the bases in my State, a Strategic Air Command base, that has a squadron of B-52 bombers.

In the past, the Defense Department had to go very carefully through an economic study of what it would cost to close a base, what the military implications of closing that base were, and what the economic situations on the community were, as well as something we put in under the National Environmental Policy Act, and that is that no major function dealing with Federal property could take place until an environmental impact statement was issued.

Now we are changing all that in this bill, and what it says is that all the Secretary of Defense has to do is to give Congress a 60-day notice that he is going to close a base, and the only time he even has to do that is when the Federal budget is out of balance.

So we are probably talking about an amendment here that is good for the next 100 years. That was the clinker in there, about a balanced budget, of course. I applaud the author of the amendment for putting that in there, because we all know that we are not going to have a balanced budget around here for some time. But I am not so concerned about that. I hope and pray, divinely wish, that we will have a balanced budget, for two reasons: No. 1, I think it would be very healthy for the country. No. 2, this amendment would never be put on the books and would self-destruct.

This is what I want to say: There are over 900 military bases in this country, of one size or another, and the military says that at least 100 of them should be closed. Maybe that is true.

The Senator from Arizona has listed 22; and, needless to say, one of them is in the great State of Arkansas. That sounds fairly innocent, but let me state what it does.

Mississippi County is a county of about 70,000 people in the extreme northeast corner of Arkansas—one of the poorest counties economically in the United States. Since the first announcement that it was under consideration for closing, there has not been one housing start; there has not been one business expansion. You could not give a house away in Blytheville, AR.

The people are absolutely on needles and pins in that county which has a 15-percent unemployment rate now, and indications from the employment security division in Little Rock are that if you were to close the base tomorrow, the unemployment rate in one of the poorest counties in the United States would go to 27 percent.

So in determining whether you are going to close a military base or not, the first consideration ought to be military because that is what the primary function of the base is.

But second, you should consider what is the impact on that area.

Third, you should consider what are the costs to the Pentagon.

If you take the present cost of money, you take the cost of closing this SAC base in Blytheville, AR, compound the use of the money at today's interest rates, and you get to a break-even proposition in the year 2002. And that ignores costs incurred by the people affected.

But you see the Pentagon under the Gramm amendment is not even obligated to come forward to tell us that so that we can make a judgment about it. All they have to do is send us a 60-day notice between the time we adjourn October 15 and the time we come back on January 20, and it is an accomplished fact while Congress is out of session.

As far as the $70 million for construction on the McConnell Air Force Base in Kansas, which was one of the bases scheduled for closure, I know that in fact that 70 million dollars' worth of construction in McConnell Air Force Base was not put back into this bill because Bob Dole is the majority leader. It just would not make any sense.

But I will say this: Once they spend $70 million in construction at McConnell Air Force Base there is going to be a pretty powerful argument that it ought not to be closed.

It is just such things as that that we changed the law years ago on base closings.

President Reagan is not a vengeful man. Secretary Weinberger is not a vengeful man. Neither of them would close an air base just to shape up a Senator's conduct. But they are not going to be around forever, and you do not know who the next President might be.

We might have a President elected in 1988 and taking office in 1989 who has a petty attitude about things like this. And you may be one of the Senators who happens to be fortuitous and happy and lucky enough today that you do not have a base among the 22 that are listed. Incidentally the number of 100 which the Defense Department says should be closed has never revealed, just 22 of the 100.

And so before you vote no on this amendment and decide to give the military, the Defense Department, carte blanche authority to close a base in your State, you better check and see whether or not you are on the list of 100. Or next year maybe on a list of 200.

And third, you better think about whether or not your conduct comports with some standard that the Defense Department will determine in the future is necessary if you want to keep a base open in your State.

You know why the law makes it difficult for them to close a base. It is not just for economic reasons. It is not to impair the Defense Department militarily. It is to make certain that Senators are not disciplined and chastised because they happen to disagree with the Defense Department on a crucial vote.

The Blytheville Air Force Base, and I have been there dozen of times, is a magnificent facility, needing some construction right now too, I might add,, and it ought to be done. No less an authority than the Secretary of Defense has said that no construction money should be withheld from these bases simply because they have been considered for closing.

You know something else the Defense Department has said? They have said that they have no intention of closing any bases or listing any bases for closure in 1986. They do not go beyond that despite my protestations and requests.

And I am not saying a base should never be closed, but I am saying if you give the Defense Department the kind of carte blanche authority that the Gramm amendment gives them, you may be happy as a clam today, but 2 years from now you may be wishing that you had voted for the amendment that is offered here today by Senators Pryor, Bumpers, Specter, Heinz, and Dixon.

Let me tell you something else about the Gramm amendment: You could not transfer a band from Eglin Air Force Base to the Little Rock Air Force Base without submitting that transfer to the U.S. Congress, because the language says there can be no realignment without going through a detailed process, what does that mean?

Does that mean if you transfer an MP detachment from Fort Bliss to Blytheville, that you have to notify Congress? Right now, under the Gramm language, the answer is yes.

I will tell you something else this bill language does. It gives Washington the authority to build a base by simply notifying Congress. It gives the Defense Department the right to take money from one function, any military construction project they choose, and put it over into the closing of a military base.

They do not have to come to Congress for any money as they do under existing law and say, "we want this money to close a base, so we can make a conscientious judgment about whether that is proper or not."

So, Mr. President, I will plead with my colleagues to think very carefully about this.

And finally let me say this and then I will yield the floor so my distinguished colleague from Pennsylvania can speak. Do you know how the Armed Services Committee did this? It passed the Gramm amendment in the Armed Services Committee 10 to 9. There were no hearings, no witnesses. They subsequently had a hearing for about 1 hour with one witness.

Secretary Korb testified for about 1 hour after the fact, after the amendment was adopted by the Armed Services Committee, and what I am saying is the Armed Services Committee ought to hold extensive hearings and if the law needs to be changed do it in a very sensible, measured and correct way.

Do not just come in there with a meat-ax and say we are changing years of precedent on base openings and realignments and vote 10 to 9 and then hold a 1-hour hearing on it. The Senate deserves better than that.

So, Mr. President, I hope my colleagues will give very serious consideration to this amendment.

I yield.

Mr. HEINZ. Mr. President, I rise in support of my colleague's amendment. I am a cosponsor of it.

I do so for a number of reasons, not the least of which is that the amendment of the Senator from Texas, which we seek to strike, has in it some absolutely extraordinary and I believe indefensible provisions.

The amendment has been characterized correctly as an unprecedented grant of authority to the Secretary of Defense to realign military bases, to close them, give Congress 60 days notice, which obviously could be arranged at a time when it would be literally impossible for Congress to do very much if action were taken before or during an extended recess period.

Frankly, if one simply argued that this amendment guts every bit of congressional oversight that we have today on the closing of military bases, I would have to agree with that proposition. And, at a time when the defense budget is in such contention, it is easy for this Senator to imagine how the closing of bases, if skillfully manipulated—there are a lot of dumb ways to do it, and I have seen them, too—but if skillfully manipulated could be used either to influence votes or to exact retribution for votes that did not turn out to be the way the administration in power wanted them to be. And that is not the kind of grant of power to a power-hungry Defense Department that this Senator wants to have any part of.

But, having said that, Mr. President, I would hope that every Member of this body would look at some of the specific provisions of the Gramm amendment and understand whether or not they agree with the essential proposition that I have just stated—that this is an unwise and overzealous grant of authority to the executive branch—and whether some of the other provisions do not give them cause for concern.

It is argued that this amendment is being offered in the name of fiscal responsibility; that what we want here is to be able to take certain actions when we are in deficit and that it is because we are in deficit that the extraordinary provisions and waivers provided are somehow absolutely justified.

Mr. President, what we really ought to do if we want honesty in this amendment is just eliminate any reference to whether or not there is a Federal deficit. What on Earth does having bases, if we need those bases, have to do with the Federal deficit? We either need them or we do not.

But if you do not want to proceed along that line of common sense, there is one other way of looking at this. Whether we like it or not, we have been in budget deficit something like 20 out of the last 25 years. And rather than pretend that this amendment would be inoperative if we passed the balanced budget amendment or if we just managed our affairs prudently or had a conservative President to balance the budget, or any of those wonderful things, we ought to face the fact that even if we were doing a fantastic job of managing the fiscal affairs of this country, on the average the budget would be in deficit half the time; on the average, it would always be in surplus half the time; and games could be played half the time, because we would, under the best of circumstances, be in deficit at least that much.

So, if the author or authors of this amendment really want to be candid with us, I think they ought to be up front and just write their amendment, irrespective of what the fiscal conditions are. We ought to be doing what makes sense whether or not there is a deficit. We should be saving the taxpayers money whether or not there is a deficit. The implication of this amendment is that if we ought to close a base, if a base is no longer militarily important or essential, you know somehow we are doing the taxpayer a favor by not closing it when the budget is in surplus. Let us just close it when it is not.

Mr. President, that stands fiscal responsibility on its head. A waste of the taxpayers' money is a waste of the taxpayers' money. We have got a large enough national debt to begin with. And anything we can do to save money—and a lot of us worked very hard on that budget resolution to save about $300 billion over the next 3 years. If we are going to save money, let us save it and reduce the national debt or keep it from getting any larger than necessary. But simply to tie, as this amendment does, a waiver of the National Environmental Policy Act, our basic environmental protection against the environment being run over roughshod by some federally financed scheme, whether it is financed in the defense budget or someplace else, is sheer hocus-pocus. It simply is a way of saying, "We don't want NEPA to apply to anything the Defense Department does."

Now, I am not an expert on the National Environmental Policy Act, Mr. President. It was written before this Senator got to Congress. It has been controversial. But I will tell you, if we are concerned about the National Environmental Policy Act, let us get to the act and debate it, change it, modify it. Let us not just take a special activity of the Federal Government when the Federal Government is in deficit and say we are going to relieve all the stresses, strains, and problems of that simply for that reason.

I really wish, here again, the author or authors of the amendment would just say, "Look, we don't want the National Environmental Policy Act to apply to anything the Defense Department does." At least I could understand that proposition. I could take the time to do a little more careful study of the National Environmental Policy Act and debate that on the merits. But this is not the merits. This is a selective application.

I have got to tell you, too, Mr. President, there is one other aspect to this that makes me extraordinarily uncomfortable. I do not say this with respect to any Member of this body, but I think if one examines the legislative role that is played by committees of influence and jurisdiction, I think one would find that there are extraordinary correlations between the jurisdiction of those committees or subcommittees of authorization or appropriation and the success rate that members of those committees or subcommittees of jurisdiction have in preserving the benefits of Federal largess for their State, for their congressional district, if it so happens that they serve on the right committee and if they are in the right place at the right time.

And coming from a State that has some important military installations—Philadelphia Navy Yard, New Cumberland Army Depot, Letterkenny Arsenal, Tobyhanna Army Depot, and a number of others—I am also cognizant of the fact that there is nobody in the Senate, neither Senator SPECTER nor myself, who serves on the Armed Services Committee. I have got to tell you, that makes me as nervous as I can be, because if you are not in the room, as the saying goes, when the decision is made, you are not going to have much influence on that decision. And by virtue of the way we organize in this body, we are simply not going to be in that room.

I do not serve on the Armed Services Committee not because I do not think it is important. It is a very important committee. I respect all the people who serve on that committee. I regret that it is not possible to serve on Finance and Armed Services, as well. Indeed, I had a very difficult decision to make when I had that choice. That is what I had to choose between.

And I chose the Finance Committee. I have no regrets in that choice. But most Members of this body do not serve on the Armed Services Committee. Most States are not represented on the Armed Services Committee. And those of us so classified, Mr. President, really believe that we are at serious and prejudicial risk because of the nature of the way things work.

I might say that log rolling takes place in a general way. Sure. Am I saying anybody here has done it? I am not prepared to quote chapter and verse on that, and certainly the Senator from Texas is new in the body. He would be the last person that I would ever intimate would be influenced to do anything like that—certainly not. But we all know that it has happened. I am sure the Senator from Texas when he was in the House saw it happen over there and any of us who have been around a little bit have seen it happen.

So for those reasons and a number of others, Mr. President, I hope the Senate will agree to the amendment of the Senator from Arkansas with whom I am privileged to cosponsor this amendment.

I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, it is awfully tempting for me to take on the debate of those who have tried to talk about the motives of the committee and of individuals because they do not want to talk about the merits of the issue.

I would like to begin, Mr. President, by straightening out some facts. First of all, we do not have a list of bases that would be closed under this amendment. The distinguished chairman of the committee asked the Pentagon to provide a list of bases that it considered to be questionable economically from the point of view of defense operation and they provided a list of 22 bases. Six of them are in Pennsylvania. One of them is in Arkansas.

As far as transferring funds, we do not have a blank check to transfer funds. We provide funds in this bill to be used for base closings, for transfers, and for the construction of new facilities in the transfer. Only funds that were appropriated to use on the base that was closed could be reprogrammed.

We did not put $71.5 million back into this bill for McConnell Air Force Base. That is not accurate. What we recognized was that we have made a decision about B-1, that those B-1's are going to be rolling off the assembly line, and they are going to be put somewhere. So the distinguished chairman of the Milcon Subcommittee provided $71.5 million for basing, but that is to be determined as to where the basing will occur. But the commitment is not to McConnell.

Finally, the extraordinary statement of our colleague from Pennsylvania that either we ought to close bases or leave them open, we ought to spend on defense or we ought not to spend on defense—without regard to the deficit. I have heard my colleagues, who believe that we have virtually the exclusive duty of national defense and nothing else, make that argument. But I have seldom heard others make it. And it is not an argument that I agree with. We have to balance priorities here. I am not for defense to the exclusion of everything else. I believe that we should spend more on defense given the threat of the Soviet Union when we have the money to spend, and when we face a deficit problem we have to make hard tradeoffs.

But the question here is not closing bases versus not closing bases on the basis of the deficit. The question is which procedure are we going to use? We set up a streamlined emergency procedure when we have a deficit, and we use in those difficult circumstances a different system than we use when we do not face a deficit. That to me makes eminently good sense.

Mr. President, let me get down to the issue. The issue here is that we have had bases on the hit list since Harry Truman was President that have not been closed. The issue is that we face a dual threat. We have the

Soviet threat that is menacing and we have the deficit threat which is menacing. How do we deal with these two threats? The first thing we do is keep business as usual, and business as usual is to keep every military base open where there is an ingenious Member of the House or an ingenious Member of the Senate to keep it open, whether there is any justification whatsoever for it. The truth is the great abuse of the taxpayers' money goes far beyond any cathode tube, or crescent wrench, or toilet seat that any Member of this body can hold up in self-righteousness and say this has got to be stopped. Far beyond all of that combined is the act of keeping bases open that are operating at 10 or 15 percent of capacity, that are not providing for the common defense, that are simply bleeding our military establishment in a budget crisis denying pay increases when we need to recruit and retain the finest young men and women who have ever worn the uniform of the Nation, and who wear it with pride again this afternoon. I would like to keep it that way. This is more important to me than military bases being opened.

The issue we are going to decide here is, are we going to operate the Pentagon in a business-like fashion, given the Soviet threat and the deficit threat or are we going to continue politics as usual?

The truth is that the current system which requires everything from public hearings to an environmental impact statement, to authorization, and appropriation is totally rigged against closing bases, and it was intended to be rigged against closing bases.

Our colleague from Pennsylvania talks about waiving NEPA. I am not waiving NEPA. What I am saying is if you are leaving a military base, that is not going to mean environmental disruption that will hurt the rats and the rattlesnakes. In fact, they are going to have greater room to move around which is why it is not politically popular. So the idea that I am trying to rape the Nation's environmental laws is ludicrous, and an insult to this body.

The question here is, are we going to continue business as usual? Under the current law any ingenious enterprising Member of the House or Member of the Senate can prevent a military base from being closed. That is the reality, and as a result we are operating military bases all over this country that should have been closed when Harry Truman was President, and that certainly should be closed given the crisis we face today.

What we do here is to change the system and to transfer the burden. Under the current system of law, the burden is on those who would close the military base. The burden is on those who would operate the Pentagon as a business. The burden is not on those who would keep military bases open, who would play politics with the defense of the Nation.

The provision adopted by the committee would simply require the Secretary to give a 60-day notice of intention. It requires that in that notice 10 points be presented. And they are straightforward points.

No. 1, how adequate are the facilities where you are transferring personnel? What is the capital investment at the base that is being closed? It is all the information that would be wanted to make a business decision if you are to decide to operate a base, as a business or a manufacturing concern. So the Secretary presents his case.

Now the burden is on that ingenious Congressman or Senator. And that ingenious Congressman or Senator can go before the Armed Services Committee of the House and Senate, and that ingenious Congressman or Senator can make their case.

If it is a good case, if they have facts on their side, they can reverse the decision. If it is a bad case, they can protest it, they can go home, they can lie down in the street, they can have a trusted aide there as they are lying in the dust and the bulldozer coming and the cameras are rolling and they are taking it all down. Then the trusted aide at the last minute comes in and jerks him out just ahead of the bulldozer. Then the people can say, "Well, they closed our base but our Senator and Congressman were there fighting until the end."

That is the way the system works.

The difference is if they could not make a case, if they could not convince their colleagues, if they did not have the facts, if it was standard old pork barrel politics, the base would be closed.

The issue here is efficiency and economy in the operations of the Pentagon.

I do not know how this provision is going to stand up this afternoon. I do not know whether it is going to be stripped from the bill or whether it is going to be preserved. I know we will have another attempt to kill this provision if this one is defeated.

But I do know this: I do know that never again will people stand up on this floor with all of this self-righteousness and talk about defense waste, and inefficiency, and go unchallenged if they vote to kill this provision of this bill.

I think we have an opportunity here to find out who is and who is not real in terms of economy and efficiency in the operations of the Pentagon.

If, in fact, there are 100 bases out there to be closed, I do not know whether any of them are going to be effected. We went through a real base closing in the 1950's and 1960's before these hurdles were put in. But I am willing to operate the Pentagon efficiently, and to deal with the crisis of the Soviet threat, and the crisis of the deficit threat, and take my chances. If a base is to be closed in Texas, I am willing to come forward and make my case. If I cannot convince my colleagues on the merits, that base ought to be closed. The same ought to be true for Pennsylvania and the same ought to be true for Arkansas.

One final point, Mr. President, and I will yield the floor.

We talk about a zero growth in the defense budget. I voted for a 3-percent growth. I hear those arguing here today that we ought not close military bases. Many of them voted for zero growth. But the point is this: even with a zero growth in defense authorization for fiscal year 1986, we all know that there are large numbers of programs in this authorization that are rear-end loaded, that are small expenditures in this authorization but in 2, 3, or 5 years they start to ramp up.

The truth is that the outyear implications of this authorization in all probability greatly exceeds the outyear figures that we all know are likely to be imposed upon us by the fiscal crisis we face.

If we are to build these weapons systems that we need, if we are to get any benefit out of the research and development cost that we are spending today, we have to some built-in savings that accumulate in the future.

If we adopt the provisions of this bill, if we resist the siren song of special interests and we set up an orderly procedure to evaluate military installations and bases based on merit, giving Members of Congress an opportunity on an expedited basis to make their case and let them stand or fall on their ability to convince their colleagues of that case, we can accumulate a $3 to $5 billion savings per annum to apply to the ramp-up of many of the weapons that we need.

In conclusion, Mr. President, it is a choice, a difficult choice and hard choice, politically. Do we want to operate the Pentagon efficiently? Do we want to respond to the threat from the Soviets and the threat from the deficit by ending business as usual? Do we want to practice what we preach not on cathode tubes, crescent wrenches, and toilet seats, as important as they are—and there are provisions in this bill to deal with those as well—but on things that are 10,000 times more expensive? That is the question.

I urge my colleagues who are concerned about defense spending, I urge my colleagues who are concerned about defense waste to put their vote where their mouth is and to vote down this amendment so that we can begin to operate the Pentagon like every American family, and every American business, and every American church has to be operated. That is efficiently. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. HATCH). The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I will not be long.

Mr. DIXON. Will the Senator yield for a question?

Mr. DOLE. Will the Senator yield for a moment?

Mr. GOLDWATER. I yield.

Mr. DOLE. I wanted to see if we can get a time agreement on this amendment. We are making rather rapid progress on a number of fronts. It is not inconceivable that we might be able to finish everything but one amendment on this bill sometime later this evening. I know Members certainly have a right to be heard on these matters, but if there is any opportunity that presents itself, I hope we can explore the matter of a time agreement on this and any subsequent amendments.

Mr. GOLDWATER. I would say as far as I am concerned another half-hour would do it.

Mr. BUMPERS. I would like to ask the Senator from Mississippi what time he would require.

Mr. STENNIS. I would like to have 12 minutes.

Mr. DOLE. Can we have 30 minutes on a side?

Mr. BUMPERS. How about the Senator from Illinois?

Mr. DIXON. I would like at least 15 to 20 minutes.

Mr. BINGAMAN. Mr. President, could we have a couple of minutes to check while the Senator from Arizona goes ahead with his comments before we agree to a time limit?

Mr. GOLDWATER. Mr. President, I do hope we can reach a time agreement. We are making some progress.

Mr. President, I have been in this base-closing idea since the days of President Truman. When World War II was over, it became immediately obvious that there would be bases that we would no longer need. I would say that some of them were in my home State. To give you an idea of what we have gone through, the oldest base in this country, Fort Huachuca, has been closed three different times and opened. The Yuma Marine Base was closed, then opened. Luke Air Force Base was closed and then opened. Marana was closed and stayed closed, and Douglas was closed and stayed closed.

Mr. President, I will never forget when I came back here this year and went to the office of the Secretary of Defense. I said: "Mr. Weinberger, I believe we can save money by closing bases." He said: "I agree with you, we can save money by closing bases."

I said: "Mr. Secretary, it is going to take a lot of political guts to do it." He said: "I know it."

I say on the floor today, it is going to take some guts on the part of the Members of this Senate to realize that not 22 but over 200 bases in this country we do not need anymore.

I know of one base where they are asking for a new gymnasium and they do not even use the base.

We heard our friend from Pennsylvania. We have New Cumberland. I do not think they have more than four or five people up there. General Material and Petroleum in Harrisburg, practically unused. The Philadelphia support activity has not been in use for a long time. The logistics support activity in Chambersburg is practically closed down. The naval shipyard in Philadelphia is used occasionally but there is nothing in it right now that I know of. And the list goes on.

Mr. President, having served in this body for quite some time, having been chairman of the Armed Services Committee, and having served on this Armed Services Committee, let me comment that if there is one thing in this whole town that keeps this body from cutting expenses it is the word "parochialism."

I remember as chairman of the Tactical Warfare Committee when I closed down the A-10 aircraft. You would think I had torn down the cross. People in the House swore I would never get away with it. Sure enough, a Member of Congress in whose district that airplane that the Air Force did not want was built, that we did not need, got it back in. But we took it back out.

There is not a thing that we debate in the Armed Services Committee that somebody does not come in and say: "You cannot cut that out. That is made in my district."

I could list name, after name, after name, and State and district after district where the reelection of a Senator is more important than the defense of our country.

So I say the word "parochialism" is the damaging thing we are playing with here. If we look to the defense of our country, including the balancing of the budget if we can ever do it, a reduction of the deficit, we have to do away with this idea, "Well, it is made in my district but we do not need it. I should keep my mouth shut."

And that is what we are going through today. I know my good friend from Arkansas has that SAC base in the northeast corner of his State; the wing just received a citation. But I remind my friend that the B-52's are going out. The B-1's are coming in and Blytheville Air Force Base cannot handle the B-1. So we are giving ample warning that the base will have to be closed.

We hear about closing bases in 1986. That is not so. We are not talking about that, we are talking about giving the Secretary of Defense legislation so that he can start the process of going around to the communities, as I recommended nearly 35 years ago, telling the chambers of commerce: "Look, we are sorry, but this base is no longer needed, and within 2 years, we are probably going to have to close it;" then have the Federal Government, where necessary, provide the funds to absorb the economic impact that might occur. We left $1 billion in this bill for that one purpose.

We are not proposing to close bases this afternoon or this year. We are merely proposing that the Senate and the House give the legislation to the Secretary of Defense that will make this possible.

I defy anyone to argue for the existence of 200—let us say 22 bases that we do not need.

We did not dream these names up. I did not pull them out of the air. They were handed to me by the Secretary of Defense. They first went through the President's Office. And if you want to get politics into it, get it in the President's Office, where we have that list. A small list.

I am not sure they will all be closed. We have heard the process described by the Senator from Texas. It is not an easy thing to do. But when I look at bases that have four people living on them, and I look at the tens of thousands of acres that we have out in the Southwest and the West devoted to old military bases, old bomber bases, old auxiliary fields that are still kept open, costing, oh, maybe $10 million or $20 million a year, I am looking for this legislation to ultimately save at least $20 billion a year.

I know it is not going to be easy for Members of this body to look at an air base or an army post or marine base or some other base in their State and say, "Well, it is more important to my country to save that money than it is for my country to keep that nonusable base open."

Mr. President, I hope we defeat this amendment. It is not a surprising amendment. Again, it is an attempt to save something that has been a form of a gravy train.

I might say to my friend from Arkansas, who is not here: I visited that Little Rock base a while ago. I was importuned by the people there. They had lost the Titans and I was asked to see what I could do to get something to replace the Titans. I have been working on something to replace the Titans at that base. He does not know about it. If I wanted to get nasty, as the Senator from Pennsylvania accused us of being, I could say, "No, I am not going to get you anything."

I resent very much what the Senator from Pennsylvania said, and I am sorry he left the room. We do not do these things to get even. Lord knows we have enough Senators around here who do not help the military; if we wanted to start getting even, we would never end. I just implore my colleagues to remember that we are Senators of the United States, and one of our major jobs under the Constitution is to protect our freedom and our country. One of the great weapons we have in that battle is money, and we are running out of money.

Do not object to closing a base that is not being used. I know your chambers of commerce may raise cain about it. I have the most beautiful plaque you have ever seen giving me credit for keeping an airbase open. And by golly, 2 months later they closed it. Well, I was the biggest SOB that was ever born in the State of Arizona—overnight. I do not care. They are making more money off their old Air Force base than they ever made off their Air Force.

Mr. President, I hope we defeat this amendment. It is not called for. It is unnecessary and it is working against something that eventually we are going to have, some way, one way or the other.

I yield the floor.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, my friend, the distinguished chairman of the Committee on Armed Services, has made some points which, I am sure, standing alone, might have appeal. I would like to be as open and as forthright as I can be about this issue.

I want to say at the beginning that what I say is not meant as criticism of the distinguished sponsor of this amendment in the committee, the distinguished junior Senator from Texas.

It is not meant as a criticism of the chairman of the committee, whom I admire personally.

But, Mr. President, I want to make it very, very clear that there is some hardball being played here.

I do not think we ought to dress this up in the clothing of national patriotism. I do not think we ought to march this out on stage as something being done for the country and seeing if it will wash that way.

I hold in my hand an article in the Washington Times. I might say the Washington Times has not been noted as being particularly unfriendly to this administration or as being a newspaper expressing a philosophy so different from that of this administration. Here is what the Washington Times said on May 2, 1985.

"Back the budget or lose bases, Weinberger warns Republicans." By Ralph S. Hallow of the Washington Times.

> Defense Secretary Caspar Weinberger threatened a number of Republican Senators yesterday with the closing of military bases in their States if they voted to freeze military spending next year. Majority leader ROBERT DOLE (R-KS) postponed voting yesterday until today on a military spending amendment to the fiscal 1986 budget after a private meeting with Mr. Weinberger, Senate sources said. Secretary Weinberger also met with a number of undecided Senators, the sources said. He suggested to them that if they voted in favor of the zero spending growth amendment, he would close military bases in their States. But if they voted against the freeze he would close bases in other States instead. The Reagan endorsed budget plan would allow military spending to grow by 3 percent after inflation next year but an amendment introduced by Senator CHARLES GRASSLEY (R-IA) would limit Pentagon spending next year to this year's level plus inflation.
>
> "Mr. Weinberger and the Senate GOP leadership are using back room, strong arm tactics instead of trying to defeat the amendment on its merits" a Republican Senate aid said.

I could go on. The article speaks for itself.

Mr. GRAMM. Will the Senator yield?

Mr. DIXON. No, not at this time, but I will at the end of my remarks.

Now, Mr. President, this is only a newspaper article. I take into account that certain liberties may from time to time be expressed in the media, but I tell you this, I have been in public life a long, long time. I remember early on in my career when a professional in my State once said, "Politics ain't bean bag." And I want to make this assertion on the floor of the U.S. Senate. Nobody understands better than the Secretary of Defense of this country that "politics ain't bean bag." And if there has ever been a man in the history of the United States of America that ever came out of a precinct or a ward that could play tougher hardball than the man in charge of the defense of this great Nation, I submit to you, Mr. President, I have never in all of my professional career met that man.

This is hardball. And in general, if you look at the bases that are on the 22-base hit list, you will see who they affect. The meaning is clear. It is an unveiled threat, and it is designed to accomplish a result which in many respects I think is already accomplished.

Now, my friends, the chairman of the committee—and may I stress once again my deep personal affection and my high regard for this man—says there is a little parochialism here. A good many of us from time to time are probably guilty of parochialism, but I want to say this—on this hit list there was a base in Kansas. Do not worry about it. The $70 million for that base was put back in in committee. Only one. It is an amazing miracle that it happens to be in Kansas. I do not know who is from Kansas here who could have influenced that result.

Incidentally, no one has a higher regard for the majority leader than this Member. If I was in his shoes, I would have done the same thing, in fairness to him, so I did not come here to criticize.

But I want to make this further point. The distinguished chairman of the committee, again for whom I have the greatest affection, made this statement. "Why," he said, "some of these bases have four or five people there. Why maintain them?"

OK, I can see that. You know, the people from the post offices and the Postal Union come in to me and they wanted me to promise never to close a post office. I said, "I can't promise that; there may be some that need to be closed. I wouldn't close them at random or anything of that sort, but I can't promise that."

I do not say there are some bases that should not be closed. But I want to tell you about a base in my State they want to close. I do not want to waste the time of my colleagues but I want to ask you about a base with four or five people on it. Great Lakes. Great Lakes was established in 1911 when Howard Taft was President of the United States. I was discharged from Great Lakes in 1946 after World War II. There are three stations in the country for educating our young folks to be good naval personnel—Great Lakes, in Illinois, San Diego, CA, and Orlando, in Florida.

Now, at Great Lakes, here is how many students they processed in 1982: 36,526; in San Diego, 26,276; in Orlando, 31,819.

In 1983, they processed 33,223 at Great Lakes, 24,205 at San Diego, 17,091 at Orlando, and last year 36,480, at Great Lakes, 26,367 at San Diego, and the figures for Orlando are not available but are in line with the other years.

Now, I put it to you, Members of the Senate, as the jury—as the jury. Does that sound like a base they are not using? The base they want to close graduates the most people in the country and has historically for generations graduated the most people in the country. It is the most useful naval station in the world today, but they want to close it. Now, I think that is interesting.

The cost of closing that base would be $1.115 billion, more than all the money in this bill for the closing of bases, and it would take 23 years into the future. It would be in the year 2000-something, to amortize the cost of closing it.

No one in the Navy can figure out why this base is on the list. Under my instructions, my staff has regularly called the Navy to find out why this base is on the list. They do not know. They do not know why it is on the list.

Secretary Weinberger put it on the list. Nobody knows why. I suspect I understand why.

There is another one, O'Hare Reserve Forces Facility, also in my State, on the list. It is the only air field in my State that has runways that are

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10,000 feet or longer. It is the busiest

Finally, I do not think the Senator

commit the money to McConnell.

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and I genuinely say that he knows

sitioned, well-manned, and then after

to carry out and really perform our

10,000 feet or longer. It is the busiest airport in the world, with the best airport facilities. That is on the list.

I do not think we live in a vacuum here. I think we understand what is happening here.

We are in the minority on this side; I understand that. I understand politics. But majorities and minorities change.

In my 30 years of public service in my State—12 in the house back home, 8 in the senate, 6 as State treasurer, and 4 as secretary of state—we were in the majority 14 of the years and in the minority 16 years. Things change, and they will change here.

I say to my friends on the other side, those in the Chamber and those who may be listening on the boxes in their offices, do you want to put these questions in the hands of one individual and the tender mercies of the Secretary of Defense, from time to time, whoever he or she may be? Remember, times change. There will be new administrations. There will be new Secretaries of Defense. A variety of things can transpire to change circumstances here.

I hope that each of us understands this: Whatever the majority might be or the minority might be in either House, we are Members of Congress. The decisionmaking under the law now is in Congress, and we are being asked to abdicate that power and to give that power to the Secretary of Defense.

I simply say this in conclusion: I think that the law in its present form is greatly preferable to the suggestions for changes made by my friend from Texas, and I hope we will not give this discretionary power to the Secretary of Defense.

Now I am delighted to yield to my friend from Texas, with whom I often agree in committee and with whom I strongly disagree on this particular issue.

Mr. GRAMM. Mr. President, I appreciate the agreements more than I do the disagreements.

First of all, let me reiterate that we did not fund $71.5 million for McConnell Air Force Base. The continuing assertion that the money was provided in the bill for Kansas is inaccurate.

What the subcommittee of jurisdiction did, as the distinguished subcommittee chairman will make clear in a moment, is recognize that we have committed to produce the B-1. The Air Force makes it very clear that wherever the B-1's are put, they will require the $71.5 million. So that money is not provided for Kansas; it is simply provided in the budget and will go to the base that ultimately is designated.

Second, I was at the meetings that Secretary Weinberger had on the date this article refers to, and I do not remember base closings ever being mentioned once to anybody.

Finally, I do not think the Senator will disagree with the assertion that we have more training facilities than we need. Why the Navy does not realize that the naval base on the Great Lakes is not the most important naval facility in the whole country, I do not know. But I rejoice in the fact that my colleague, under this bill, will have an opportunity to make that case. If, in fact, he can justify the naval training base on the Great Lakes rather than on the east coast, or the gulf coast, or the west coast, where we do have excess capacity, then I believe his colleagues will rally to his defense.

If any Member of this body can demonstrate politics, they are going to blow a proposed base closing right out of the water. Anyone in that office, be they a Democratic or a Republican appointee, is going to be very careful that they can justify any proposal they make.

The issue is still economy. The problem is the deficit. The problem is the Soviet threat. The current language of the bill deals with that. The motion to strike that would interfere with the needed economy and efficiency that the American people support.

I thank my colleague for yielding.

Mr. DIXON. Will my colleague, who is a respected Member of this body and has made contributions in the committee, yield for a question?

Mr. GRAMM. I yield.

Mr. DIXON. Is he aware of the report, page 249, the National Defense Authorization Act for fiscal year 1986, where it says for McConnell Air Force Base:

> Close. Redistribute KC-135s to other refueling wings. Change selected B-1B location to another SAC base.
>
> RATIONALE FOR SELECTION
>
> Example of a base losing its major mission (Titan II ICBM retirement); status of base reviewed prior to expenditure of funds for new mission (B-1B). (Approval of military construction funds requested for fiscal year 1986 would eliminate this base as an example of a closure candidate.)

The rationale for what was done on that base seems to be as strong as any I have seen. I wonder what the rationale was for the restoration of the funds.

Mr. GRAMM. First of all, the funds were never restored, because the funds were never eliminated. The subcommittee of jurisidiction included the $71.5 million, which is required to base B-1 bombers that are going to be rolling off the assembly lines.

The question is, Where are they going to be put? What the subcommittee did not do is that it did not commit that money to McConnell.

If the Air Force looks at bases and decides that McConnell is where it should be and commits the money, obviously that will take it off the closing list.

The point is that the decision was not made by the subcommittee to commit the money to McConnell. That is the point I wanted to make.

Mr. DIXON. My dear and warm friend knows that the money was eliminated and restored later. My friend knows that.

Mr. GRAMM. The money was provided not for a specified base but for a specified purpose. We have committed to the B-1B bomber. It is rolling off the assembly line. We are going to put it somewhere since we have obviously built it.

But the important thing is, despite assertions to the contrary that because of our great and illustrious leader being from Kansas, somehow his base received preferential treatment is simply not the case. The funds are not committed to McConnell. The fund may go there. They may not go there. But the decision was not made to put them there, and that is the only point that I made.

Mr. DIXON. I spoke about the second miracle when they found the $4 billion last week, and I will speak about the third miracle on the Senate floor when the funds do not go there.

Mr. BINGAMAN. Mr. President, I am the ranking minority member on this Subcommittee on Military Construction that considered this. We did not consider this bill in subcommittee until it had already been voted out of full committee, or this particular provision that is the subject of the discussion here. But we did consider it in a hearing after the full committee had acted on it.

I wish to just very briefly indicate my support for the amendment of the Senator from Arkansas. I point out that in my view there are undoubtedly some defects in the procedures that are presently in place for approving of closings and realignments of military facilities.

But I think the blanket authority, this provision of Senator GRAMM, would grant to the Secretary of Defense would in effect be an abdication by Congress of its responsibility and its rightful position to be involved in these decisions.

In short, we would be granting to the Secretary of Defense, as distinguished from any other executive officer in the executive branch of Government, the authority to override the specific language of Congress in many cases.

I could go into a series of hypotheticals which I think would point this out which we went into in our hearing on the matter, but let me just at this point, Mr. President, defer to the senior Senator from Mississippi who was the chairman of this subcommittee, the Military Construction Subcommittee of the Armed Services Committee, for many, many years. He is the Senator who urged me to become active on this subcommittee, and I genuinely say that he knows more about military construction and how it is accomplished and how Congress deals with the issue than probably all of the rest of us in this body combined, and I know he would like to be heard on this particular amendment. So I will yield the floor at this time.

Mr. STENNIS. Mr. President, is there a time agreement on this matter?

The PRESIDING OFFICER. There is no time agreement.

Mr. STENNIS. Mr. President, I do not have an extended speech. I will speak from the cuff here but not for a long time.

Now, I attended all the hearings this year that I could and there had not been a better job done anywhere than that done by the Senator from Arizona on a very, very difficult bill. He has fine knowledge, and every Senator was considered, and splendid staff.

What I say about his work is strictly complimentary and on the merits. But at the same time, I believe there is a subject and he has had it on his mind for years, and I believe he was unable this time to go into it in the detail that it deserved.

Mr. President, this affects every State in the Union. It is a matter that is hard to deal within some of its aspects. But there is no way to get at it, in my opinion, except to have a systematic examination of the entire problem, not just a few, and have it put together by staff members who know what they are doing and testified to by witnesses who know the subject matter and a committee then to weigh that testimony on its merits and put it in the form of a report and then on the desk or in the hands of each Member of this body who has to pass on it. That is the only way we are going to get to the merits.

Now, I had the privilege of being chairman of the Sucommittee on Military Construction some years ago, but for several years, and I remember two outstanding men who did a lot of work on this subject at that time: the late Senator Case of South Dakota, and we have not had a better one; and the late Senator Duff, former Governor and then Senator from the State of Pennsylvania. And we really went after it in every way that we could on the know-how. We reported back to the President of the United States, we reported to each member of the committee, and then took it up formally before the committee each year, and in that way we kept up with this matter and everyone knew what we were doing.

Now, that was not a model but that was the only way I think that we can keep up with it now.

I was a little surprised really that we voted this provision in this bill before there were any hearings at all on this vast subject by our committee, well-positioned, well-manned, and then after it was voted in or saw there were votes going to vote for it, they held a 30 minute to an hour's hearing on it, which was all the time there was left, and then they went in here largely on the partisan vote.

I say that with all deference to everyone. We make a bad mistake, we stir up misunderstandings, we stir up the people around these installations, many of whom originally gave up land, made sacrifices. The economy of areas, hundreds of areas, operates in part upon the money that is spent there, that it is the chief employer to a degree of fine people and from the workman out there who mows the lawn and anything else on up. I do not know of any more disturbing unemployment that could be created than to go in here and just closing these bases where someone might think.

Now, another thing is it is a part of the responsibility under the Constitution of the United States to provide for the military security of the Nation. How could we delegate this? How could we delegate this to a Secretary of Defense? How could we delegate it away from our own responsibility and authority? I say it just cannot be done.

But this is a practical side from the part of the economics, and with all deference again to the chairman of the committee, to say we could save $20 billion a year, I just believe that that is far-fetched and far off line. I did not see one scintilla of evidence in all of my rounds that would suggest a possibility of that kind.

We were not maudlin, but we went to these bases. We visited there with the civilian people. We visited with the leaders, the responsible ones. We went to the civic clubs and chamber of commerce, and we thoroughly worked on the bottom rung of the problem and everything that went with these bases.

I found there some of the finest patriotism of the purest type that I know of in America or anywhere when they were sponsoring and backing and making successful the day-to-day operation, even the nonmilitary part of these bases.

There we find some of our finest officers, too, who have the responsibility for training and directing the course of thought and training of the new men and women who come in.

So, except with real preparation, except with real systematic surveying of what is the realization, and let me say we have no large military installations in Mississippi, we do not have any marginal military operation down there that I am afraid is about to go under. I am not prompted by motives like that. But I do know a little about this problem and unless we go at it on that basis and go and make an estimate of some kind and bring it in here to the membership for them to make a judgment, until then, we are not going to carry out and really perform our duties that are enumerated in the Constitution of the United States.

Now, I always speak in favor of the Senate, but I have been here during most all of the debate. And there has been from three to four to five to six but never over seven or eight Senators here during all of this discussion. No detailed report. No testimony taken. Nothing of that kind that we consider tools of our trade and essential to the understanding of these problems.

So, I hope that this amendment can be taken out. I commend the Senator from Arkansas for his alertness and for presenting this matter. I commend the Senator from New Mexico for the work he has done on the subcommittee.

But we are called on here now to do what I think would be reckless and dangerous action, in a way, and set up a new system without consideration of coping with this problem.

Now, we are not going to solve it, in my humble opinion, until we first set some standards, until we can make up our minds and set some standards that must be met with reference to these installations and then make a real responsible examination of the facts by ourselves and others, who will be competent witnesses, and then consider these matters on the facts. In that way, we can discover what may be some cases where there could be and should be a discontinuance of the operation.

But this slaughterhouse method, this few minutes consideration by a committee and by the Senate itself without the safeguards of reports and responsibilities is far, far, far from what I think is sound or better legislation. So, I hope that we can give this the treatment more in keeping with these standards.

I yield the floor.

Mr. SPECTER. Mr. President, I am privileged to follow the distinguished Senator from Mississippi who has made an eloquent case; the U.S. Senator with the greatest seniority, some 39 years in this body, a man who at this stage of his distinguished career could hardly be accused of parochialism or politics in the statement of principles which he has just articulated.

Senator STENNIS said it eloquently when he characterized this amendment, the amendment to change the procedures on base closings, as reckless and dangerous; when he supported his contention with the fact that there have not been appropriate hearings, there has not been appropriate consideration, there is not an articulation of standards for the Secretary of Defense to operate on, but there is a rush to judgment and a hasty effort to change the long-standing procedure for base closings.

Those who have argued in favor of the change make it sound unpatriotic to oppose their proposition. They speak about waste and inefficiency and let those who would put their votes where their mouth is, in terms of national welfare, automatically support this very fundamental change.

But I would say that Senator Stennis has articulated the basic proposition which requires the defeat of this change in procedure and requires that it be stricken as the distinguished Senator from Arkansas has filed this amendment.

It is, I suggest, Mr. President, not a matter of mere coincidence that, at the time the Department of Defense issues come before the country and at the time we are considering the budget, there are a series of releases from the Department of Defense about the prospects for reduction in forces, layoffs and base closings.

The distinguished Senator from Illinois [Mr. Dixon], has referred at length to the Washington Times article captioned, "Back the Budget or Lose Bases, Weinberger Warns Republicans."

I do not know whether that is a factual story or not, but I do know that there was considerable releases from the Navy Department about reductions in forces where there was backtracking as what would be done where many people were placed in fear of losing their jobs, and, certainly, the scene was set for an interpretation of considerable political pressure.

Now the real issue is whether bases ought to be maintained in the national interests and whether the expenditures are well-founded. On the magic list of 22 bases designated for closing, 5 came from the Commonwealth of Pennsylvania, which creates a situation where there would be no surprise when Senator Heinz and this Senator expressed great concern about what pressures are being brought to bear and whether 5 out of 22 of these bases are unworthy for national defense and for the expenditures which are being made.

On the assertions about closing in Pennsylvania, one involves the New Cumberland Army Depot, which provides 90 percent of all Army supplies going to Europe, 60 percent of all Army supplies going worldwide. It defies understanding how that base can be summarily closed without a serious impact on national security.

The Navy Air Development Center at Warminster is the lead Navy research facility, principal unit for antisubmarine warfare.

The Philadelphia supprt activity, a rather modest installation with only 156 civilian employees, determines the need for clothing and subsistence commodities for all U.S. Army programs, which is the only facility which undertakes that kind of an activity.

The Letterkenny Army Depot is responsible for storing, testing, overhauling and issuing supplies, maintaining the only center which tests and disassembles certain materials relating to key antiaircraft and other missiles.

Considerable attention has been articulated about the Philadelphia Navy Yard. Some of those who urged this change have raised the question about whether the navy yard does serious work. One characterization related to alleged infrequent work at the Philadelphia Navy Yard, which is simply not in accordance with the facts.

The SLEP Program at the Philadelphia Navy Yard has been vital for national defense, with the *Saratoga* and *Forrestal* and the *Independence* and many sea vessels of great importance to the defense of the United States.

It is mysterious to this Senator at a time when budget considerations confront this body that suddenly there appears a list of 22 bases, and when conversations are held between this Senator and those who are allegedly responsible for the dissemination of this list, there is a general disclaimer. There names always pop up on the list. It is not really serious, and nobody should really pay it a whole lot of attention.

It is not unheard of in this body, and in the Congress that Members are concerned about what happens in their own States or in their own districts, and that is entirely appropriate. There are some who have urged the adoption of this amendment, who have been zealous in the defense of their own districts, their own States and it serves no useful purpose to detail that here. But there is a long litany where those who throw stones certainly are not well shielded by their glass enclosures.

But the basic issue which is involved here is whether we ought to be making such a fundamental change in a context where there is much reason to believe that there is politics, political hardball being undertaken by the Department of Defense with the kind of tactics which simply coincided with the budget considerations, and whether there ought not be hearings with a rational, detached, and careful consideration of such a fundamental change.

But, Mr. President, I conclude here today really where I began with the eloquent articulation by the senior Senator from Mississippi—that amendment is wreckless, dangerous, that has not had the benefit of hearings, that has not had the benefit of detached analysis, and that sets no standards. And those of us who come from States who are targeted with much to lose would be derelict in our duty if we did not fight with all the vigor at our disposal, appropriate procedures, hearings consideration, and deliberation.

Accordingly, I urge in the strongest possible terms the adoption of the amendment by the distinguished Senator from Arkansas, so that this fundamental change will not be made until there is appropriate opportunity for appropriate consideration.

I thank the Chair and I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I rise in support of this amendment. We are being asked to make in the bill before us a major, massive change in the rules on base closing and base realignment. We are being asked to do that with almost no hearings in front of the Armed Services Committee—I say almost because there was a hearing after we adopted this amendment with one witness, who, as a matter of fact, had some disagreements with the amendment as it had been written prior to his testimony—one Department of Defense witness, at one hearing, after this amendment had been marked up.

We should not be changing the rules of the game that quickly with that little protection for people who are impacted by base closures. I happen to think there may be a few too many rules, by the way. I am one of those who is willing to look at how we close bases, but not this way. I am not with one hearing with one witness after the markup. I want to remind my colleagues of the origin of these protections. I was not here in 1973. But I read the record. The record is that there were hearings in 1973 which resulted in these protections that we have before we close bases being written into the law.

There were a few States that were dramatically impacted by those base closings in 1973. Listen to Senator John Pastore of Rhode Island testifying before the MilCon Subcommittee in April 1973. He said that "Of all the jobs that will be lost with this April 17 announcement—that was the massive base closing announcement in 1973—throughout the entire country one-half is the burden of the State of Rhode Island." The newspapers of Rhode Island felt it was retaliatory because of the politics of 1973. I do not know. We read a Washington Times article now which suggests that there might be retaliation unless certain things happen on the DOD bill.

All I know is—and I have reviewed the history of this—that the origin of these protections against untrammeled executive power to close bases came because Members of this Senate and this Congress felt that the power to close bases had been abused and had been used as a club over Members of Congress.

There are probably too many rules right now on base closings. But that does not mean we should go to no rule, no standards, without any hearings, except again for that one hearing after the fact with one DOD witness.

To be very precise about it, Congressman Waldie back in 1973 in front of that same MilCon Subcommittee said that "They might be motivated by such a thing as a political determination made at a high level, a decision to close a base because those people who are involved in that decision are on the list of suspected enemies that the administration compiled and keeps in the back pocket."

We ought to be reviewing the law on base closings and we ought to be saving some money if we can. If the law now is too strict, and, if the standards are too many, we ought to change the standards, but not this way—not this way. No hearing is wrong. We put these protections in to give us some check on untrammeled executive power. I do not care if the executive is a Democrat or a Republican. We should not have untrammeled executive power. The only way to put a check on this thing is to adopt the pending amendment before us, to strike this language from the bill, go back, and do it right with hearings. I will be happy to participate, by the way, with my friend from Texas in those hearings in good faith to look at the current standards to see where they may be excessive and where we ought to streamline them. I will participate in that process in good faith. But what we have done here, it seems to me, is to absolutely eliminate the protections which we built in as a check on untrammeled abusive executive power. We have done it without a hearing.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of Senator Gramm's emergency base closing provision, and in opposition to the amendment that is now presented.

It is clear that we have a number of nonessential bases throughout the United States that drain billions of dollars away from defense critical needs. This well-thought-out provision would provide the Secretary of Defense with the ability to manage his bases in a competent way by allowing him to close nonessential bases. In prior years, the closing of bases has always been an extremely painful and difficult task. The existing provisions in the law provide the skillful obstructionists with every conceivable opportunity to delay or totally prevent the closing of nonessential bases. The Gramm provision not only gives the Secretary of Defense the necessary authority, but also requires an evaluation by him submitted to the Congress of key factors bearing on such aspects as mission, operational readiness, savings to be realized, as well as economic and environmental impact.

Such a submission gives the Congress ample opportunity to provide proper oversight to the process. This provision also authorizes for appropriations of $1 billion to pay for the necessary up front cost of closure, which includes such items as necessary design and construction, for replacement facilities. I think it would be wise to support the Gramm provisions.

I am confident it is in the best interests of the country.

I would like to correct a feting when Secretary Weinberger came over and met in the office of the majority leader. The distinguished author of this amendment (Mr. Gramm) was present, and many Senators were there. Nothing was said about base closings that I recall at all. Evidently they thought he was using that in some way as a threat.

I have never heard him making a threat of any kind by punishing any State or any base to affect the way a Senator was voting. I think those who present such a case ought to present the facts. I do not think you can take a clipping from a paper and say this is fact because somebody is misinformed in some way.

Another thing mentioned was McConnell Air Force Base on this list to be closed. The Military Construction Subcommittee took out any improvements to any base which was scheduled for closure. We took it out of that base. That base is in the home State of the majority leader. We took it out. We did not think we should show any preference or any priority to anyone in this matter. We treated them all alike.

Every base that had recommendations for improvements had those recommendations removed. McConnell Air Force Base was in that category.

The Air Force said they did need another base for B-1 bombers so we put in the amount that was needed, $71.5 million for that. But we did not put it in for McConnell Air Force Base. We put it in as a separate item so the Air Force could use it at whatever base they choose for the B-1 bomber. I wanted to correct that statement which was made, which is incorrect.

With regard to the Great Lakes station, I do not know how it would stack up with others. It would have to stand on its own. If the Navy decides that is a proper base, I am sure they would keep it. Why would they keep it? Why would they want to close a base that they feel is useful and should be retained? I do not know why it was on the list to be considered for closure, but none of those 22 bases on that list are final at all. Somebody in the Defense Department just submitted the list. But the Secretary of Defense and the Defense Department would have to go into each one carefully before it would be brought here and recommended for closure.

Before that is done, I would like to call attention to this matter: They would not just come up here and recommend a base for closure without being on what they would at least feel to be sound ground. Someone says there are no standards for it, no hearings or anything else.

There have been hearings throughout the years on closing bases. Ever since I have been here they have been talking about closing bases. Ever since World War II they have talked about it. They needed to be closed, but they could not close them with the procedure we have now.

As some Senators have said, almost any Senator could obstruct the closing of a base with all the procedures you have to go through.

If you want to protect the taxpayers, somebody has to make the decision. Who is in the better position to make the decision than the Defense Department; which ought to know? They are our agencies and they are our experts. They ought to know where these bases ought to be located. It seems to me that it would be fair to leave it to them with the standards set out in the Gramm provisions. What are the standards?

The first is the mission requirements and the potential impact of closing on operational readiness. The next is adequacy and condition of facilities at potential receiving installations. Next is potential to accommodate contingency and future force requirements. Next is capital investment at the present location. Next is the budgetary implications of the proposal. Next is estimating potential cost savings. Next is economic impact on the community. Next is environmental impact. Next is impact on other services. Next is implementation period.

Mr. President, it seems to me with those standards that would have to be considered, the Defense Department would have to consider every one of those standards—not one of them but all of them. If they considered all of those standards and then came in and said, "here is a base we do not need, it ought to be closed; therefore, we give notice to close it," then they still have to notify the Armed Services Committees of this Congress that they have in mind closing it. They have 60 days after that to appeal the matter or persuade the Defense Department they are wrong, or take it up in Congress and take action.

I just want to say to my colleagues, if you want any bases closed, I do not know of any other way to do it. Every Senator here wants to keep his bases. I would like to keep mine. You would like to keep yours. As Senator Goldwater said, we are looking at this from a parochial standpoint. But somebody has to look at it from the standpoint of the whole United States. Somebody has to look at it from the standpoint of the taxpayers.

We talk about budget cutting and expenses. Here is a chance to cut expenses and eliminate nonessential bases. Who is in the best position to do it?

It seems to me that our Agency, the Defense Department, with these standards that they would have to meet, is in the best position of anyone else. You could not ask a Senator from his own State just to close a base. Of course he would not favor it. Some of his constitutents would not favor it.

The taxpayers of this country are entitled to a break. They are entitled to the vote on important bases being retained. They are entitled to the vote for the most nonessential bases to be eliminated. It seems to me this is the time to vote to eliminate nonessential bases. If you want to eliminate them, I do not know of any other way that you can eliminate them other than under the Gramm provisions.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I just want to speak for about 60 seconds.

I would like to say as cosponsor of the Bumpers amendment, I am proud to be associated with Senator BUMPERS on this amendment. I think there may be room for reform, as the Senator from Texas has brought to the attention of the Chamber tonight, in the area of bases, base closings, and whatever.

Mr. President, I would like to associate myself tonight with the remarks just given by the distinguished Senator from Mississippi, Senator STENNIS.

I think Senator STENNIS went right to the point on this debate, that there may be a day, there may be a time, when we need to look at this issue. But after almost no hearings, after no debate, to come here on the eve of the recess which is going to last 10 days, we are about to set major policy decisions at a time when we should not be doing so. I would like to associate myself with the remarks of the Senator from Mississippi and thank him for those remarks and thank him for the contributions he has made, hopefully, to the passage of the Bumpers amendment.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I will speak for only 2 minutes.

If you want to know whether or not we are playing with fire here—and I might say we are not talking about whether tion, 74 bases that have been closed since 1961.

Seventy-four bases have been closed between 1961 and 1977. If you included missile sites, there are literally hundreds of them that have been closed.

Bear in mind, Mr. President, that the reason the law is as it is is to keep Secretaries of Defense and Presidents from punishing individual Members who happen to disagree with them. Maybe the law ought to be changed. I commend the Senator from Texas for trying to approach the subject that perhaps needs to be approached. What I am saying is to do something as dramatic as this with no hearing except after the amendment was adopted, and then just a single hearing with a single witness—I am saying let's have the Committee on Armed Services look at this subject in a deliberate, studied manner and come back here with a piece of legislation we can all support. But do not take away years of studied legislation that is designed to deal with this in a sensible way.

I want my colleagues to bear in mind one other thing, too. I do not know whether the story in the Washington Times is correct or not. It is an interesting paradox, is it not, that those of us on this side of the aisle feel threatened because the administration is of another party, yet it was the Secretary of Defense threatening Republican Senators, not Democrats.

Let me tell you, Mr. President, why I believe this is ill-conceived and I really think the amendment was poorly drafted.

Question to the Pentagon:

What action do you believe Congress would have available to halt your initiative?

That is, after they give us the 60-day notice.

Answer:

Since the amendment would supersede any provisions of law that would prevent or delay base closure or realignments, the Congress would be required to enact specific legislation prohibiting a closure or realignment.

Question. If Congress agreed with your initiative to close an installation but disagreed with your construction plans for new facilities to accommodate the closure or realignment, what action would we have available to us to halt this construction?

Answer. Since the amendment would authorize the Department to design and construct such facilities as the Secretary of Defense determines necessary to affect the closure or realignment, the Congress would have to enact specific legislation prohibiting this construction.

So if they decided to close an Air Force base, Camp Lejeune, or the San Diego Naval Base, and they decide to do that 2 days after we go out of session this fall and build a brand new air base or navy base someplace else and we are gone from here 90 days, they can use the billion dollars in this bill to do it and Congress will never have had one word of say over it.

Mr. KENNEDY. Mr. President, I support efforts to remove unnecessary impediments to base closings. But the provisions in the Armed Services Committee bill, adopted without hearings or subcommittee considerations, under a 1-hour limit to debate, gives the Secretary of Defense virtual carte blanche to open and close bases, without regard to environmental laws and other statutory protections, and with inadequate congressional oversight.

We all know that base closings are a sensitive issue. The Secretary of Defense should be able to close inefficient bases. At the same time, we must guard against the danger that base closing could become a potential weapon to reward those who support administration policy and punish those who oppose it. The committee amendment completely fails to recognize the importance of the basic protection, and for this reason I support the amendment.

The committee provision also completely waives the National Environmental Policy Act as it applies to base closings. NEPA represents a basic commitment to future generations; that we will not cavalierly neglect future generations by ignoring the environmental consequences of decisions we make today. Although efficiency through base closings is important, it is no more important than preserving our land, air and water. The total repeal of NEPA is wholly unwarranted, and thus provides a further reason in support of this amendment.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER (Mr. SYMMS). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Arkansas.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 41, nays 58—as follows:

[Rollcall Vote No. 91 Leg.]

YEAS—41

Andrews
Baucus
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
Dixon
Durenberger
Eagleton
Exon
Ford
Glenn
Gore
Hart
Heflin
Heinz
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Matsunaga
Melcher
Mitchell
Nunn
Pell
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stennis

NAYS—58

Abdnor
Armstrong
Bentsen
Biden
Boschwitz
Chafee

Cochran
Cohen
D'Amato
Danforth
DeConcini
Denton
Dodd
Dole
Domenici
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Harkin
Hatch
Hatfield
Hawkins
Hecht
Helms
Hollings
Humphrey
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
McConnell
Metzenbaum
Moynihan
Murkowski
Nickles
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Zorinsky

NOT VOTING—1

East

So the amendment (No. 222) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I understand there is another amendment that sort of fits in this area. It is an amendment by the distinguished Senator from New Mexico [Mr. BINGAMAN], a base-closing amendment. I ask unanimous consent that on that amendment there be 40 minutes, 20 minutes on each side.

Mr. BYRD. Mr. President, reserving the right to object—and I will not object—I hope the distinguished majority leader will agree to include in his request that no other amendment be offered and that no motion to recommit with instructions may be offered.

Mr. DOLE. I will be glad to include that in the request.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON. Mr. President, reserving the right to object—and I will not object——

Mr. KENNEDY. Reserving the right to object, does the request include a request that we have an up and down vote on the Senator's amendment?

The PRESIDING OFFICER. It does not include that.

Mr. GOLDWATER. I do not care.

Mr. KENNEDY. I ask unanimous consent that as part of the agreement we get an up and down vote, if the majority leader does not object.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON. Mr. President, reserving the right to object—and I will not object—I simply would like to take the opportunity to find out what the schedule is for the rest of tonight and tomorrow.

Mr. DOLE. I thought I would state that after I get this agreement.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to, as requested by the majority leader.

Mr. DOLE. Mr. President, we will be voting on this amendment in about 40 or 45 minutes, so there is an hour if somebody has to eat. They can be back in time to vote.

We hope to follow this amendment with the so-called Nunn-Warner amendment. I understand that the MX package has been worked out. It will nbor amendments. We are getting down to not very many amendments.

I do not want any of the staff to listen, because they will draft some more. When we get unanimous consent, the staff does not know what we have left, and we will not have as many remaining to deal with.

We are down to a number of amendments, as I understand, that can be accepted, and four or five we need to work out.

A number of Members have indicated they would like to finish tonight. Others do not want to finish until we come back, and others have forgotten that the recess schedule said we would start the recess at the close of business on Friday, and this is Thursday. We intend to be here tomorrow.

If Members are willing to help us accelerate the process, we are willing to complete work on a number of amendments tonight and not stay in as late tonight and come in at a civil hour tomorrow and try to finish every amendment with the exception of the interim restraint amendment. We have been trying to work out some agreement on that which could be offered to the DOD authorization bill when we return on June 3.

In the process of working out some agreement we have had a number of meetings and others have had meetings, and that is sort of the situation right now, but we are fairly near the end; we.are in the homestretch.

I would hope that Members would help us complete the action. I know the distinguished chairman of the committee and I think the other manager, the distinguished Senator from Georgia, would like to move as quickly as we can on these amendments.

Mr. GOLDWATER. The Senator said something about resuming action on this committee amendment when we return from the recess. I very seriously oppose that. I hope that we can either get those amendments—the Senator referred to the SALT amendments—referred to where they should be on the foreign relations bill or consider them tonight or early tomorrow morning, but I do not want to have anything hanging over because, when you put a bunch of people to work for 10 days with 500 typewriters, we will have amendments running out of our ears when we come back, and we do not want it.

Mr. DOLE. If in fact that becomes necessary, because there are a couple of ways it can happen—I mean someone offers it and says we are not going to vote on this until we come back—it is already an amendment to the DOD authorization bill, but it would be my hope when we complete action or disposition, whatever, that we could have agreement that there would only be that amendment would be in order or other amendments related to that amendment and that we will have completed all the other amendments.

I have been approached by others on the SDI amendments saying "We like to put those over until after the recess."

Mr. GOLDWATER. That is the trouble that the Senator from Arizona finds, the minute you say we are going to only consider one, they will find out ways of sneaking another one in and then sneak another one in and we will never get this bill through.

I wish to finish this bill tomorrow, and I think if the two leaders can agree to get those SALT matters, which have no relationship in the world to defense, deferred to action after the recess, I think we can expedite and get out of here. I am just as anxious to go home as any man here. But I am also anxious to get a bill passed to help defend this country.

Mr. DOLE. Let me indicate that I think the manager has done an outstanding job. I can recall being on this floor for 3 or 4 weeks on a defense authorization bill. This is the biggest one I have ever been involved in. So I commend the chairman and the other manager, the distinguished Senator from Georgia, for an outstanding job.

I think we are making progress. I just say to my colleagues I think we all have pretty much the same intention and motives and want to try to finish it. We do not want to wear ourselves out in the process.

So I think we can proceed with the amendment now of the Senator from New Mexico.

Will the Senator from Georgia be able to have the MX amendment after we follow this with the MX amendment?

Mr. NUNN. I believe we will be ready for that.

Mr. GOLDWATER. You believe?

Mr. NUNN. I am trying to get the language.

Mr. BINGAMAN. Mr. President, will the Presiding Officer state the time agreement that has been entered into?

The PRESIDING OFFICER (Mr. TRIBLE). The Senator from New Mexico has 40 minutes equally divided on his amendment.

Mr. BINGAMAN. I thank the President and let me take about 10 minutes of that time to describe what we are trying to do in this amendment.

The PRESIDING OFFICER. Will the Senator please send his amendment to the desk?

AMENDMENT NO. 223

(Purpose: To amend section 2687 of title 10, United States Code, relating to base closures and realignments)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. Bingaman], for himself, Mr. Nunn, and Mr. Pryor proposes an amendment numbered 223.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 79, beginning with line 23, strike out all down through line 7 on page 83 and insert in lieu thereof the following:

BASE CLOSURES AND REALIGNMENTS

Sec. —. (a) Section 2687 of title 10, United States Code, is amended to read as follows:

"§ 2687. Base closures and realignments

"(a) Notwithstanding any other provision of law, no action may be taken to effect or implement—

"(1) the closure of any military installation;

"(2) any realignment with respect to any military installation involving a reduction by more than 1,000, or by more than 50 percent, in the number of civilian personnel authorized to be employed at such military installation at the time the Secretary of Defense or the Secretary of the military department concerned notifies the Congress under subsection (c) of his plan to close or realign such installation; or

"(3) any construction, conversion, or rehabilitation at any military facility other than a military installation referred to in clause (1) or (2) (regardless of whether such facility is a military installation as defined in subsection (g)) which will or may be required as a result of the relocation of civilian personnel to such facility by reason of any closure or realignment to which clause (1) or (2) applies,

unless and until the provision of subsections (b) and (c) are complied with.

"(b) In determining whether any military installation should be closed or realigned under the authority of this section, the Secretary of Defense shall specifically consider the following:

"(1) The mission requirements and the potential impact on the operational readiness of the armed force concerned.

"(2) The adequacy and condition of facilities at the military installation or installations to which personnel or equipment is to be transferred as a result of the proposed closure or realignment.

"(3) The potential of the proposed new location or locations to accommodate contingency and future force requirements.

"(4) The capital investment in the military installation proposed to be closed or realigned.

"(5) The budgetary consequences of the proposed closing or realignment.

"(6) The estimated cost savings of the proposed closing or realignment and the time period over which such savings would be realized.

"(7) The economic impact on the area surrounding the military installation proposed to be closed or realigned and on the area surrounding the proposed new location or locations.

"(8) The environmental impact on the area surrounding the military installation proposed to be closed or realigned and on the area surrounding the proposed new locaton or locations.

"(9) the extent of community support at the proposed new location or locations.

"(10) The impact, if any, on the other military departments.

"(11) The time that will be required to achieve the proposed closing or realignment, including any move of personnel or equipment to a new location.

"(c) No action described in subsection (a) with respect to the closure of, or a realignment with respect to, any military installation may be taken unless and until—

"(1) the Secretary of Defense or the Secretary of the military department concerned complies with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to the proposed closure or realignment;

"(2) the Secretary of Defense or the Secretary of the military department concerned notifies the Committees on Armed Services of the Senate and House of Representatives in writing of the proposed closing or realignment and submits with the notification an evaluation of the factors set forth in subsection (b) with respect to the closure or realignment; and

"(3) a period of 60 calendar days or 30 legislative days, whichever is longer, expires following the day on which the notice and evaluation referred to in clause (2) have been submitted to such committees, during which period no irrevocable action may be taken to effect or implement the decision.

For the purpose of clause (3), a legislative day is a day on which either House of Congress is in session.

"(d) This section shall not apply to the closure of a military installation, or a realignment with respect to a military installation, if the President certifies to the Congress that such closure or realignment must be implemented for reasons of national security or a military emergency.

"(e)(1) Subject to paragraph (2), actions of officers and employees of the United States taken in connection with the closure or realignment of a military installation or in connection with the transfer, exchange, sale, or other disposal of real property that was the site of a military installation immediately before such disposal, shall not be subject to judicial review under the National Environmental Policy Act of 1969.

"(2) The decision of an officer or employee of the United States that an environmental impact statement is not required under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) shall be subject to judicial review as provided in title 5, United States Code.

"(f) Nothing in this section shall be construed as an authorization for the opening of any new military installation.

"(g) As used in this section:

"(1) 'Military installation' means a base, camp, post, station, yard, center, or other activity under the jurisdiction of the Secretary of a military department—

"(A) which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam; and

"(B)(1) in the case of subsections (a) through (d), at which not less than 300 civilian personnel are authorized to be employed, and (ii) in the case of subsections (e) and (f), at which any civilian personnel are or would be employed, as the case may be.

Such term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

"(2) 'Civilian personnel' means direct-hire, permanent civilian employees of the Department of Defense.

"(3) 'Realignment' includes any action which both reduces and relocates functions and civilian personnel positions, but does not include a reduction in force resulting from workload adjustments, reduced personnel or funding levels, skill imbalances, or other similar causes.".

"(b) The amendments made by subsection (a) shall apply to any closure of a military installation, or any realignment with respect to a military installation, which is first publicly announced after the date of the enactment of this Act.

Mr. BINGAMAN. Mr. President, the amendment that I have just sent to the desk on behalf of myself and Senator Nunn is an effort to deal with this complex problem of base closures and the procedures we follow in going about closing and realigning bases.

Mr. President, I should begin by acknowledging that the amendment I am offering here is one that has not had a full hearing in our committee. In fact it has not had any hearing and I would be particularly apologetic about that if I was proposing the amendment as an amendment or substitute for an amendment that had had a hearing, but that is not the case.

And, therefore, I feel that there is a need to propose something which I believe is a more responsible approach to this complex and difficult area than that contained in the bill.

Mr. President, the senior Senator from Arizona and the junior Senator from Texas are to be commended for having taken the lead in focusing the Senate's attention on this matter.

Unfortunately, the Gramm provision as it is included in the bill before us is defective in my view for the primary reason that it is a wholesale granting of authority to the Secretary of Defense to do essentially anything he would like to do in the way of closing or realigning bases and it is an abdication of the responsibility and role of Congress in participating in that decision.

The alternative that we are offering here is an attempt to streamline the process, but it is an attempt to do so in a responsible way which maintains in Congress the authority that it was intended to have under our Constitution.

By the last vote, it was clear to me that the Senate agrees that the system and the procedures for closing and realigning bases need to be streamlined, and I for one agree as well that that system can use some streamlining and that particularly

with the budgetary situation we find ourselves in and are going to find ourselves in the coming years we need to look for ways to save money, ways to cut out waste in the defense budget, and this is one of those ways.

Our amendment, in my view, is a responsible effort to streamline that process.

Let me briefly review what it contains.

At the present time the Department of Defense must seek authorizations and appropriations to construct facilities and to design facilities in connection with base realignments, and we would retain that authority in Congress.

Under our amendment, the administration would have to come to Congress for authority and for the appropriations to go ahead with design and construction of facilities headed for a base realignment or closure action.

I think that is an essential role that Congress is intended to play under the Constitution and it is one we need to maintain.

The Gramm amendment, I point out and as others have pointed out in the previous arguments, eliminates the need for specific authorization of design and construction of facilities at the installation receiving the realigned function.

We are eliminating the requirement that Congress involve itself in granting such authorization under the Gramm amendment. We are also under that same Gramm amendment setting up a $1-billion slush fund for the Pentagon to use in making whatever closures or realignments it feels are necessary.

Second, on the requirement of complying with the National Environmental Policy Act, at the present time full compliance with the National Environmental Policy Act is required. Of course, Senator Gramm in his amendment would entirely eliminate that requirement. There would be no requirement at all for compliance with it in any year when there is a Federal deficit.

In our proposal, we have retained the requirement that NEPA be complied with but we have limited judicial review of that compliance very substantially. The only time judicial review of that compliance would be permitted is on the question of whether an environmental impact statement is required. Other than that, judicial review would not be permitted.

On the notice requirement, present law, Mr. President, is that there is a two-step process under section 2687 of title 10 of the U.S. Code. Congress must be notified when a base is a candidate for closure or realignment and then Congress must again be notified of any final decision with a detailed justification to support that decision.

Senator Gramm sets up a one-step process and we set up a one-step process as well, although some of the specifics are different. And I will go into those specifics at this time.

There is a 60-calendar day requirement under present law before any irrevocable action can be taken to implement a final decision. Senator Gramm maintains a 60-calendar day requirement. Our proposal would provide that there would be either 60 calendar days or 30 days during which either House of the Congress is in session, whichever is longer.

The criteria to be used in the decision are essentially very similar in Senator Gramm's amendment and in the amendment which we propose.

There is a major difference, I would suggest, in the application of these notice provisions, however, from current law which we retain to what Senator Gramm is suggesting. Current law is that in the case of a realignment, the Department of Defense need only give the notice requirement if the realignment involves more than 1,000 civilians or 50 percent of the civilians on bases with more than 300 employees. So that there is never a requirement for notice to be given to the Congress in realignments involving fewer than 150 civilian workers. At large bases employing several thousand civilians, there is no need for notice in realignments of up to 1,000 civilian employees.

Senator Gramm, in his amendment, requires the notice provision regardless of how many civilians are being realigned. For example, in my home State, if you were to move five civilians from Kirtland Air Force Base to Holloman Air Force Base, all the notice provisions in the Gramm amendment would come into play.

That is an effect which the Senator from Texas may not have intended to have in the law. It seems like an onerous provision on the Department of Defense, in my view. It is certainly not one that we endorse in our proposed amendment.

We would retain the present law with regard to when notice is required and we would provide that there would be a waiver of judicial review of NEPA for all base closures and realignments, including small base closures and realignments.

Mr. President, one other provision on which we differ with the Senator from Texas is that present law and our proposal both provide an exception, a national security or military emergency exception, for any notice provision; that is, the President can go ahead and act on a base closure or realignment whenever he determines there is a national security or military emergency involved. Senator Gramm's amendment does not include any such waiver.

Mr. President, to summarize the differences here, I believe that a streamlining of our process is useful. I think that clearly the vast majority of this body are looking for a way in which we can responsibly help to save money in the defense budget. But the provision that Senator Gramm has in the bill that came out of committee is a provision that in my view is not that responsible solution to this complex problem.

In some cases, it imposes a heavier burden on the Defense Department in making very small realignments of civilian positions from one base to another. On the other hand, it grants extremely broad authority to the Secretary of Defense to do virtually whatever he wishes with a large amount of money that is provided for in the bill.

I feel strongly that the in-between approach that we have drafted here is a more appropriate course for this Congress to take. I do not propose to the Senate that it is without any defect itself, but I think it is better reasoned and more precisely drawn than that which we are attempting to amend.

So I would at this point yield the floor. Perhaps the Senator from Georgia would like to comment. He is a cosponsor of this amendment. I appreciate his help in the drafting and proposing of the amendment.

Mr. NUNN. Mr. President, I would just make a brief statement at this time. I do not know how long this debate will continue, but I may want to make another statement in a few minutes.

I think the Bingaman amendment is the right approach to the base-closing dilemma. I know the Senator from Arizona has worked long and hard on this. I see the Bingaman amendment as continuing the provisions of law that are essential to keep Congress as a part of the process.

I know that the Senator from Texas has the best of intentions in his amendment, and he is trying to save money, and I think we need to save some money in the Department of Defense. And I know that is also the intent of the Senator from Arizona.

I hate to go so far in saving money that we essentially remove Congress from the authorization and appropriation process in base closings.

Essentially, the Bingaman amendment goes back to the law before certain impediments were placed in the law. I believe that started occurring in about the mid-to-late 1970's. There were numerous base closings under the administrations of Kennedy and Johnson. There were numerous base closings under the administration of Nixon and Ford. This Bingaman approach goes back to that. It lets the executive branch close bases, but it keeps Congress involved in the act.

Congress would not be able to block this unless it took appropriate action in accordance with the authorization and appropriations process.

So it would not be a congressional veto in a whim, but it would be keeping the respective powers of the executive and the legislative branches in proper perspective. So I wholeheartedly support the Bingaman amendment. I think those on both sides of the aisle really should support this amendment because I think the fear in a two-party system always is that if one party is in power and you have unlimited authority in the executive branch and the Secretary of Defense, that could mean base closings for political purposes. I do not see that in this administration. I am certainly hopeful that Secretary Weinberger, for example, would take a very careful look at any base closings on the basis of our national security needs. I disagree with him on many items, but I think the Secretary of Defense is fully committed to a strong national security and I do not believe he would close bases on a purely political basis.

But inevitably emotions run high when bases are closed. If a base closes in Texas, there are high emotions. If a base closes in Texas when there is a Democratic President with the Secretary of Defense having been appointed by that President, then certainly those on the Republican side of the aisle who represent that State would be under enormous pressure. And many times one concludes that things are done politically when sometimes they are not. The same thing is true in reverse. If a base closes in the State of Georgia, there are very high emotions. I had the great distinction of becoming a member of the Senate Armed Services Committee one day. That was the headline in my paper back home in 1973—early 1973. The next day the headlines were that two bases were closing in the State of Georgia. So I have been through it myself. I know what the emotions are.

So I believe the Bingaman amendment is a good compromise on this proposal. It retains the essential objectives of the Gramm amendment as I understand it, and that is to remove certain impediments that make it almost impossible for the Secretary of Defense without going through a great deal of turmoil to close bases, and, yet, it continues the essential role that I believe is necessary for the Congress to play so that inherently difficult matters like closing bases can be as removed from fear and suspicions of partisan politics as possible.

So I commend this amendment to the Senate for its consideration, and I hope it will enjoy support on both sides of the aisle.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I do not think there is any disagreement at all between the intent of the legislation as outlined by my friend from Georgia. In fact, I remember the day that I recited earlier on the other amendment. I approached Secretary Weinberger on the base closings. It has been a favorite of mine ever since the days of Harry Truman. They have procedures set up. The problem is that the Secretary is not quite sure that he has the legislative authority, or, if he has it, that it is proper to allow the further consideration of the closing of bases. My friend from Texas will speak more to that, but he told me and I reminded him that it would take a lot of political courage to close bases. He said more than that. It was going to take legislation. I said I will be very happy to try to get that legislation.

I can assure my friends that there is no way in the world that a base can be precipitously closed. I recall in the last debate when we heard the tales about by the end of 1986 there would be base closures. That is absolutely impossible. It is not the intent of the Senator from Arizona or the Senator from Texas. But what we want to do is to give the Secretary of Defense the political muscle to move if he feels he has to move. There have been a number of bases closed in these States in the last 20 years—I would say maybe 60 to 70 bases that I can quickly think of.

So it can be done. But we have bases. I will cite one, for example, in New Mexico, the neighboring State to my State, the State for which I have the greatest of affection—Fort Windgate, which I believe was opened in the 1860's; and the first military base we had in the Southwest was Fort Defiance, opened in 1852—both of them for the sole purpose of combatting what evil then existed from the Navajo Indians. Fort Windgate was placed at Kit Carson, and took part in the Long Walk of the Navajo Indians they gathered up way on the western end of the Arizona reservation and marched across Windgate on the way to Bosque Redondo. It is still a sore point, I might say, with the Navajo Indians.

That still remains a base on the base list. I would never like to see that base closed. I would like to see it made a national park for proper recognition of a real old Army base in the West.

But nevertheless, Mr. President, everything that the Senator from Georgia has talked about in the way of giving authority is exactly what the Senator from Texas wants to do with his bill.

I ask the Senator from Texas if he might not take over from here.

ADJOURNMENT OF THE TWO HOUSES OVER THE MEMORIAL DAY HOLIDAY

Mr. SIMPSON. Mr. President, who has the floor?

Mr. GRAMM. I yield.

Mr. SIMPSON. Mr. President, on behalf of the majority leader, and after conferring with the minority leader, I at this time call up House Concurrent Resolution 155. The purpose of doing that is to pass this resolution because the House is waiting to go out of session, and the resolution provides that the House will go out of session this evening, May 23, and that the Senate will go out Friday, May 24, unitl 12 noon, Monday June 3.

Mr. President, I send the resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The Legislative clerk read as follows:

A Concurent Resolution (H. Con. Res. 155) providing for an adjournment of the House from May 23 to June 3, 1985, and an adjournment of the Senate from May 24 to June 3, 1985.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The concurrent resolution (H. Con. Res. 155) was agreed to, as follows:

H. Con. Res. 155

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, May 23, 1985, and that when the Senate adjourns on Friday, May 24, 1985, they stand adjourned until 12 o'clock meridian on Monday, June 3, 1985.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. I thank the Chair and I thank the manager of the bill.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

The Senate resumed consideration of the bill (S. 1160).

AMENDMENT NO. 223

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I think I can sum up our position on this side very clearly. Both of the authors of the amendment opposed the provision in committee and both of them voted for the motion to strike. This substitute is not a streamlining provision. It is a gutting provision. It is true that

this substitute does contain judicial review with only a decision to require an environmental impact statement. That limits NEPA, but it does not limit the time that is expanded. Any military base that is proposed for closing under this circumstance where there is an ingenious committee member of Congress who seeks to close it will simply use judicial review to require an environmental impact statement. The net result will be a 12- to 18-month delay, exactly as we have under existing law. If we have to come to the Congress for authorization and appropriation on an individual basis as we do under current law, the same political forces of special interests and parochial interests—as our colleague from Arizona has presented before—will be present. And they will dominate the process just as they do today.

The reality is that the provisions of this substitute do not streamline the process. The changes are basically cosmetic. We have under the provision currently written by the committee a detailed process to be followed. It is a streamlined process, but it only applies when we have a Federal deficit. It is a process that requires that the Secretary of Defense submit a list of 10 criteria, that Members of Congress have 60 days in order to make their case before the respective committees of the Congress, and that in those 60 days the burden of proof does not rest on the taxpayer or on the body that would seek to save the taxpayers' money. It rests on the individual Congressman or Senator in question. It is the transfer of this burden of proof that is the essence of the provision of the committee bill.

Mr. President, we face a dual crisis. We face the Soviet threat on the one hand that is real, and that is growing. We face a deficit threat on the other hand; that is also real and it is also growing. And there is going to be a casualty in this war if the war is to be fought. And that casualty is business as usual. This substitute is business as usual. This substitute is not a substantial modification of current law. We have in a budget that is set out to be a zero real growth rate numerous programs that are rear-end loaded, programs that are going to ramp up next year or the year after or the year after, programs where we have engineering, and research in this budget that will blow up into $100 billion procurement programs as in the case of our new helicopter which we need.

Unless we are willing to take steps today to build out-year savings to accommodate the ramp up in the programs that we currently have in the budget, there is going to be a collision course between the defense modernization program and, in fact, the maintenance of that program and the budget reality we face.

With base closures we have an opportunity, Mr. President, to build out-year savings, to generate a steady $3 billion to $5 billion savings that can allow us to fund these programs.

We have had a continuing process in the Congress where any Member who was the least bit ingenious has been able to stop a base closing. What we do here is we do not eliminate the requirement of the Secretary to debate the case, but we put the burden on the individual. It will be the obligation of the individual to come before the respective committees and make a strong case. If they cannot make that case, then the base is going to be closed. Since the whole prejudice in the past has been against the consolidation, it seems to me when we have deficit, which is the only time these emergency provisions apply, it is eminently reasonable that we streamline the process and that we take steps that will allow us to consolidate military functions to close bases, bases that have been on the hit list since Harry Truman was President.

No Member of Congress is going to support closing a base in his district or in his State unless in fact he is a remarkable Member. The Senator from Georgia is correct that if we have base closures in Texas, and I have no doubt if this is adopted someday we will face that decision, it will be my duty as a representative of Texas to come before the committee and before the Congress and make my case, and make that case I will as best I can with the facts that are present.

In fact, as I said earlier, it may be, Mr. President, that I will go out to the site and lie down in the street and the bulldozer will be coming to knock the gates down. But, of course, I will have a handy, trusty aide there who, just as the bulldozer is about to run over me, will drag me out.

Mr. NUNN. Will the Senator yield?

Mr. GRAMM. Not at this critical moment.

As they drag me out with the TV cameras rolling and the dust on my face and the people of Texas watching, the people will say, "Well, they closed the military base but that old Phil Gramm was out there. He would let that bulldozer run over him and kill him to keep the base open."

But the point is the base will be closed because I could not make the case. It ought to be incumbent on a Member of the Senate or a Member of the House to make their case. The process should not be rigged to continue the status quo. We do not face a status quo that is acceptable anymore.

To conclude, Mr. President, we have a deficit threat and a Soviet threat. That requires that we change procedure. The provision written into the committee bill changes the procedure, it streamlines it, but it does not eliminate the ability of a Member to make his case. They have 60 days to do it. They have findings in 10 different areas that they can contest. They can come before the committee. They can come before the Senate. But they have to force an affirmative action. That is the change that is required by the bill. That is the change that is eliminated by the substitute. Only with a change in procedure can we have any hope of closing the bases that are not needed, that represent politics as usual.

We face a budget crisis. These provisions apply only in that crisis.

I urge my colleagues to vote down this gutting amendment and stay with a provision that is tough politically, that may put you in jeopardy in the future, but it will not put the defense of America in jeopardy and it will not put the taxpayer of America in jeopardy. That is why this is what we ought to do.

Mr. BINGAMAN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Mexico has 3 minutes remaining. There are 7 minutes remaining to the opponents.

Mr. BINGAMAN. Mr. President, the amendment has been characterized by the Senator from Texas as a gutting amendment because it would propose the revolutionary step that we retain our right in the Congress to authorize and appropriate funds for the activities of the Federal Government.

That does not strike me as something that guts anything.

In the 1970's, according to the testimony of Lawrence Korb, Assistant Secretary of Defense for Manpower and Installations, before the Armed Services Subcommittee on Military Construction on May 2 of this year, and I quote:

> In the 1970's about 500 bases or activities were closed and we continue to make closures albeit at a much smaller rate.

His testimony to us was that they had run into difficulty since the law was changed in 1976; that before that, the authority of Congress to authorize and appropriate funds was not a major impediment; that certainly Congress spoke out and certainly Congress made its case but it was not the kind of obstacle that the Senator from Texas is suggesting that we have had since the time of Kit Carson. Our amendment merely attempts to restore the balance between the Executive and the Congress that existed prior to 1976.

Mr. President, in my view, the amendment of the Senator from Georgia and myself which is proposed here is a responsible approach to this very complex problem. I commend the Senator from Texas for calling the problem to our attention. I wish we had spent as much time considering the issue in committee before this legisla-

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tion was drafted as we have spent this evening on the floor discussing it. We might then have found a meeting of the minds on this issue.

I do think our proposal is well reasoned and I urge my colleagues to support my amendment.

Mr. **BUMPERS.** Does the Senator have any more time?

Mr. **GOLDWATER.** I believe I have 7 minutes.

The **PRESIDING OFFICER.** The time of the Senator from New Mexico has expired.

The Senator from Arizona has 7 minutes remaining.

Mr. **GOLDWATER.** I yield 5 minutes to the Senator from South Carolina.

The **PRESIDING OFFICER.** The Senator from South Carolina is recognized.

Mr. **THURMOND.** Mr. President, I want to commend the Senate for the courage and patriotism they exhibited in voting for the Gramm amendment. In my opinion, I repeat this is the only way we are going to get these bases closed because all of the procedures you have to go through under present law makes it just impossible.

I want to say again that before they can close a base, the Defense Department has to go through a long procedure. It is not just opening and closing bases. It is not just politics closing the base of someone in the opposite party.

It is in this bill in the Gramm amendment, what is required:

> "(2) In determining whether any military installation should be closed or realigned under the authority of this section, the Secretary of Defense shall specifically consider the following:
>
> "(A) The mission requirements and the potential impact on the operational readiness of the military service concerned.
>
> "(B) The adequacy and condition of facilities at the military installation to which personnel or equipment is to be transferred as a result of the planned base closure or realignment.
>
> "(C) The potential of the proposed new location to accommodate contingency and future force requirements.
>
> "(D) The capital investment in the military installation proposed to be closed or realigned.
>
> "(E) The budgetary consequences of the proposed closing or realignment.
>
> "(F) The estimated cost savings of the proposed closing or realignment and the time period over which such savings would be realized.
>
> "(G) The economic impact on the areas surrounding the military installation to be closed or realigned and on the area surrounding the proposed new location.
>
> "(H) The environmental impact on the proposed new location and on the area surrounding such location.
>
> "(I) The impact, if any, on the other military departments.

So, Mr. President, you see the Defense Department has to meet all these requirements and not just one of these requirements. They have to meet all 10 of these requirements. So there will not be any expeditious closing of bases until careful consideration has been given and until the Defense Department convinces Congress they ought to be closed. That is what they recommend. If they decide to close a base, then Congress has 60 days. Anyone, as the Senator from Texas has said, can come in, any House Member or Senator, and state why it should not be closed. It would be up to him then to convince the committees of the House or Senate that the base should remain open.

Mr. President, this amendment will undo what the Gramm amendment intended to do. I hope this amendment will be defeated.

Mr. **GOLDWATER.** Mr. President, I yield back the remainder of my time.

Mr. **BINGAMAN.** Mr. President, I ask for the yeas and nays.

The **PRESIDING OFFICER.** Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. **NUNN.** Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **NUNN.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from New Mexico. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. **SIMPSON.** I announce that the Senator from Colorado [Mr. Armstrong], the Senator from Maine [Mr. Cohen], and the Senator from Vermont [Mr. Stafford] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. East] is absent due to illness.

The **PRESIDING OFFICER.** Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 48, nays 48—as follows:

[Rollcall vote No. 92 Leg.]

YEAS—48

Andrews
Baucus
Bentsen
Biden
Bingaman
Boren
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
DeConcini
Dixon
Dodd
Durenberger
Eagleton
Exon
Ford
Glenn
Gore
Harkin
Hart
Heflin
Heinz
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stennis

NAYS—48

Abdnor
Boschwitz
Chafee
Cochran
D'Amato
Danforth
Denton
Dole
Domenici
Evans
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins
Hecht
Helms
Hollings
Humphrey
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Welcker
Wilson
Zorinsky

NOT VOTING—4

Armstrong
Cohen
East
Stafford

So the amendment (No. 223) was rejected.

Mr. **DOLE.** Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. **GRAMM.** I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **DOLE.** Mr. President, if we may have order, I may have information of interest to some Members.

The **PRESIDING OFFICER.** The Senate will be in order.

Mr. **DOLE.** Mr. President, I understand that the so-called Nunn-Warner amendment is now available and can be offered. It is the MX amendment.

I hope at the conclusion of that amendment there will be a rollcall vote. In the interim, I will be submitting to the distinguished minority leader what might be the basis for some agreement on four or five amendments that are still contentious. I understand there are three or four others that will be accepted, and that is all we have.

I know that some Members may figure some way to stall it for another 10 days, but I am advised by the chairman of the committee that he would like to complete action on this bill, if not tonight, tomorrow.

Mr. **GOLDWATER.** The first part of the majority leader's statement was absolutely right—tonight.

Mr. **DOLE.** I am not certain that we can do it tonight because—

Mr. **GOLDWATER.** I can hear the second part.

Mr. **DOLE.** Perhaps after the vote on the Nunn amendment, the minority leader and I can have a discussion on the floor.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **NUNN.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

AMENDMENT NO. 159—WITHDRAWN

Mr. **NUNN.** Mr. President, I ask unanimous consent that I be permitted to withdraw amendment No. 159.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment (No. 159) was withdrawn.

AMENDMENT NO. 226

(Purpose: To impose certain restrictions on the MX missile program.)

Mr. **NUNN.** Mr. President, I ask unanimous consent that an amendment be sent to the desk and considered without amendment or motion.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Georgia [Mr. Nunn], for himself and Mr. Warner, Mr. Byrd, Mr. Cohen, Mr. Gore, Mr. Boren, Mr. Chiles, Mr. Stennis, Mr. Bentsen, and Mr. Levin, proposes an amendment numbered 226.

Mr. **NUNN.** Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

> On page 10, line 2, strike out "$9,584,900,000" and insert in lieu thereof "$9,274,900,000".
>
> On page 11, between lines 8 and 9, insert the following new section:
>
> LIMITATIONS ON MX MISSILE PROCUREMENT AND DEPLOYMENT
>
> Sec. 107. (a) It is the sense of the Congress that—
>
> (1) not more than 50 MX missiles should be deployed in existing Minuteman silos;
>
> (2) after procurement of 50 missiles for deployment, further procurement of MX missiles should be limited only to those necessary for the MX missile reliability testing program and as spares within the logistics system supporting the deployed MX missile force, unless a different basing mode is proposed by the President and agreed to by the Congress; and
>
> (3) in fiscal year 1987, depending upon the most efficient production rate, from 12 to 21 MX missiles should be procured; but as provided in paragraph (2), these missiles should be limited only to spare and test missiles unless a different basing mode is proposed by the President and agreed to by the Congress.
>
> (b) Notwithstanding any other provision of law, none of the funds appropriated pursuant to an authorization of funds in this or any prior Act may be used—
>
> (1) to deploy more than 50 MX missiles in existing Minuteman silos;
>
> (2) to modify, or prepare for modification, more than 50 existing Minuteman silos for the deployment of MX missiles;
>
> (3) to acquire basing sets for more than 50 MX deployed missiles; or
>
> (4) to procure long-lead items for the deployment of more than 50 MX missiles.
>
> (c) Not more than 12 MX missiles shall be procured with funds appropriated pursuant to an authorization of funds in this Act.
>
> (d) All MX missiles acquired by funds appropriated pursuant to an authorization of funds in this division may only be used in accordance with the terms set forth in this Section.

Mr. **NUNN.** Mr. President, I am pleased to announce that our protracted discussions on the future of the MX have reached a successful conclusion and this amendment represents that conclusion.

This amendment is submitted to our colleagues for their consideration by myself and Mr. Warner, from Virginia, by Senator Byrd, Senator Cohen, Senator Gore, Senator Boren, Senator Chiles, Senator Stennis, Senator Bentsen, and Senator Levin.

Mr. President, the amendment reflects a great deal of time, effort, thought, and negotiation in the last 2 days in addition to all of the effort, thought and discussion that was present before the amendment was introduced. And I believe that the amendment that is at the desk——

Mr. **DOLE.** Mr. President, will the distinguished Senator yield?

Mr. **NUNN.** I am glad to yield.

Mr. **DOLE.** I at this time ask the manager of this amendment if we might propound a unanimous-consent request of 40 minutes on the amendment equally divided.

Mr. **NUNN.** I have no objection to that. I am hopeful we can wrap it up in a shorter time if possible.

Mr. **DOLE.** I could not concur more.

Mr. **BYRD.** Mr. President, I could not agree with that. It is too important an amendment to limit it to 40 minutes.

Mr. **WARNER.** Mr. President, will the Senator from Georgia ask the distinguished President pro tempore to cosponsor it?

Mr. **NUNN.** I am delighted.

Mr. President, I ask unanimous consent that the Senator from South Carolina, Senator Thurmond, be added as a cosponsor.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **NUNN.** Mr. President, I believe this amendment will promote our national security interests and will strengthen the hand of our negotiators in Geneva.

I wish to describe briefly the main features of this amendment and I know the Senator from Virginia has some comments he would like to make and I am sure we will have a dialog about it.

First and foremost, to me the heart of the matter relates to the cap on the deployment of MX missiles in existing Minuteman silos at the number 50. This is a change from the original amendment which was pending at the desk and that amendment had the cap at 40.

The legislative form of this cap conforms to the language of my original amendment, and this is the heart of the amendment, in my view.

There are other important provisions.

Second, the procurement of MX missiles in fiscal year 1986 will be limited to 12 under this amendment.

Third, the agreement in the amendment at the desk expresses the sense of Congress that 12 to 21 MX missiles should be procured next year, all of which must be test missiles or spares. This is in the form of a sense-of-the-Congress provision.

Fourth, the amendment makes explicit what I have said many times during the recent debate in the last couple of days, and I have said for many months and even years in the past that these limitations would be lifted if the President submits a different MX basing proposal that is agreed to by Congress.

I do not submit that that will be easy.

Mr. President, I do not submit to my colleagues that finding a new basing mode will be easy. I know it will not. We had considerable dialog about that last night. I would not even describe it as probable, but I think it is possible.

And I believe that when the President of the United States says that he is going to take another look, an objective look, and that he will not rule out incorporating elements of deception and mobility, I take that in good faith, and I beleive that he offers that in good faith.

This does not mean that tomorrow or next week or next month we will have a new basing mode for the MX, but it does mean that we are going to take a look. This amendment will assure that we are not going to go forward with the continued deployment beyond 50 in existing vulnerable Minuteman silos.

There will be many characterizations and interpretations of events leading to the introduction of this new amendment by many different people and probably by the news media. If we do pass it tonight and I hope we do. I do not see the amendment culminating in terms of someone winning or losing.

I believe that the winner here is the security of our Nation and that is exactly what my goal has been, and I am sure that it is also the President's goal, and I am sure it is the goal of all of those on both sides of this issue.

I am pleased that we have achieved strong support for this amendment on both sides of the aisle, and I am grateful to the Senator from Virginia, the Senator from Maine, the other Senators on this side of the aisle, and I am particularly grateful to the strong leadership we have had from our minority leader, Senator Byrd, who has been a supporter of the MX missile and who has been a key part of offering this amendment, a key part of the negotiations, a key part of drawing up the amendment and a fountain of wisdom in terms of both the substance and the procedure regarding the handling of this amendment.

We also have had strong support and we have had tremendous input from this side of the aisle from many different Senators. The Senator from

Mississippi is a coauthor of this amendment. I am very proud of that. The Senator from Florida, Senator Chiles, the Senator from Texas, Senator Bentsen, and the Senator from Michigan, Senator Levin, are also cosponsors. The Senator from Tennessee and I have been working on this matter for a long time back when he was in the House of Representatives and he has been one of the prime coauthors of this amendment and has spent an enormous amount of time studying this whole field. In fact I do not think anyone in this body has spent more time or acquired more in-depth knowledge on this subject and on the subject of arms control than the Senator from Tennessee.

The Senator from Oklahoma, Senator Boren, has also spent an enormous amount of time on this matter, and he has been invaluable in drawing up this amendment and moving us toward what I hope will be a successful conclusion.

The Senator from Oklahoma has also in the past supported the MX.

Mr. President, I am hopeful that this compromise will put behind us the question of MX basing in Minuteman silos in a vulnerable position. I am hoping that those who have opposed the MX before will be able to support the missiles for testing and spares that are absolutely essential to make this a viable program, whether we deploy 40 or 50 or go to another basing mode and deploy more MX's. I do not view this as the end of the MX. I view it as an end of the MX basing in fixed vulnerable silos.

Mr. HART. Will the Senator yield on that point?

Mr. NUNN. I would be delighted to yield in just a moment if the Senator would let me complete my thoughts.

I am hopeful that the review that will take place in the coming months in the Department of Defense will not only look at the alternatives for the MX, but will also look at the Midgetman in terms of whether it can be accelerated. I am hoping the Congress will begin to reflect on the Midgetman and some of the problems that may flow from that deployment. We had a long discussion on that last night. Several Senators on the other side of the aisle made the point, which was made in the heat of a rather vigorous debate, that the Midgetman basing would be difficult. I agree with that. I think it will be. I do not think it will be an easy decision for the President or for the Congress. I am hoping that debate will be accelerated and the Midgetman program itself will be accelerated.

I am hopeful that we will take another hard look at whether the Trident program can be accelerated because the Trident missile not only has kill capability almost as good as the MX, but it also has the tremendous advantage of being relatively invulnerable, and it will be, I believe, for the foreseeable future.

One possible option, if we cannot find satisfactory basing for future MX missiles, is to accelerate the Trident, to go to 1½ Tridents a year. If you do that over a 4-year period, you come up with almost the equivalent in the number of warheads as 60 more MX missiles would provide.

I will not take a lot more time. I believe I have described the amendment. I know there are going to be questions from both sides, and I know the Senator from Virginia will have observations.

I do commend this new amendment that is at the desk to all of my colleagues who strongly supported the original amendment. I commend it also to those who vigorously opposed it. I hope we can pass this provision and encourage the administration and the Department of Defense to begin the review and all agree to work closely to provide that review with our congressional observations and perspectives.

Mr. President, I yield first to the Senator from Colorado for a question, and then I will yield to the Senator from Virginia.

Mr. HART. Mr. President, I thank the Senator from Georgia for yielding. I have two simple factual questions, and then I will yield back. First of all, does this amendment authorize the production and/or deployment of any more MX's than the bill?

Mr. NUNN. No.

Mr. HART. The second question is, if the Senator from Georgia would give me his views on this question, at the termination of fiscal 1986, what then is the situation, the legal situation, with regard to silo deployment of future MX's?

Mr. NUNN. The amendment is carefully worded and has exactly the same language as the original amendment in that regard. I will read the exact language, and this answers the question. It says:

> Notwithstanding any other provision of law, none of the funds appropriated pursuant to an authorization of funds in this or any prior Act may be used—
>
> (1) to deploy more than 50 MX missiles in existing Minuteman silos.

That covers the funds in this act. That covers the funds in previous acts. It would not cover a bill that was passed next year. If the Congress wanted to reverse this position next year, the Congress would be permitted to do so.

So the answer to the Senator's question is that this puts in law for the period these appropriations and these funds last. The term "1 year" would not be terribly accurate. It is the length of time these funds last. It would put into law that kind of cap.

It expresses the long-term sense of the Senate that we would not go forward with that basing in the future. But that is a sense of the Senate. That is not written into law.

In the original amendment and in this amendment, we deliberately avoided locking us into concrete on that point because I believe we have to review other contingencies that we could not possibly foresee at this period of time. Among those contingencies might be a Soviet breakout of SALT II or a proliferation of warheads on the SS–18. Those kinds of contingencies we cannot foresee, and I do not think we should preclude ourselves from considering that in the future.

Mr. WARNER. Mr. President, I wonder if the Senator from Georgia might permit me, in the normal course of proceedings, to present the perspectives from this side of the aisle and then, if it is agreeable to the Senator from Colorado and others, we can enter into such colloquies as may be necessary. Would that be agreeable?

Mr. NUNN. Mr. President, I yield the floor to my friend from Virginia.

Mr. WARNER. Mr. President, I first wish to acknowledge the leadership shown by a number of individuals on both sides of the aisle in order to forge this compromise amendment. The Senator from Georgia, of course, and myself were working with our respective leaders, the Senator from Kansas and the Senator from West Virginia. Then the Senator from Maine, Mr. Cohen, took quite an active role throughout the proceedings.

During the course of the negotiations on our side of the aisle, Senator Wallop, Senator McClure, Senator Quayle, Senator Thurmond, Senator Denton, and Senator Gramm provided debate which I feel was helpful to the drafters of this amendment.

Mr. NUNN. Mr. President, if the Senator will yield me about 10 seconds, I wish to emphasize the role Senator Cohen played, not only in this amendment but in the entire strategic context of the MX deliberations and with respect to arms control negotiations. Senator Cohen has been, I think, a very fine leader in this overall area relating to strategic programs and to arms control. I am delighted he is a cosponsor of the amendment.

Mr. WARNER. Mr. President, I share the sentiments of the Senator from Georgia. Of course, the Senator from Maine is on the subcommittee on which the distinguished Senator and I also serve, which has general oversight of the strategic program.

Mr. President, I have in my hand a letter from the White House dated today. It is addressed to the majority leader. I will read the letter:

> Based upon a review of the legislative proceedings of the past two days and as an expression of our common interest in maintaining an effective strategic deterrent and strong support for arms control negotiations in Geneva, I endorse the terms of the Nunn/Warner Amendment to the FY 86 Defense Authorization Bill.
>
> Sincerely,
>
> Ronald Reagan.

Mr. President, I joined in as a cosponsor because I view this amendment as a responsible course of action. It provides for a continuity—I stress "a continuity"—of the MX program for another fiscal year and charts a course for a second fiscal year by virtue of the sense-of-the-Senate provision. The amendment recognizes the legitimate concern of many Senators—not in any sense a partisan recognition, but on both sides of the aisle—a legitimate concern regarding the vulnerability of the MX in existing Minuteman silos and sets a development number at 50.

Now, that number was carefully derived on the basis of current Air Force operational doctrine of providing for missile squadrons, each with 50 missiles.

Mr. NUNN. Will the Senator yield?

Mr. WARNER. Yes.

Mr. NUNN. I believe the Senator said development limit, and I believe the Senator intended to say deployment.

Mr. WARNER. I thank the Senator. The word is "deployment."

The amendment provides for continuing production while we, the Nation, pause to take a look at all factors—and I stress all factors—that bear upon possible future deployment of this program. I say possible. In the judgment of many, indeed most of the Joint Chiefs of Staff feel very strongly that this program must continue and that eventually the United States adopt some form of future basing that will enable the entire program of 100 deployed MX missiles.

The amendment acknowledges the important military considerations set forth in a letter today from the Joint Chiefs of Staff. It confirms the need for the military capability added by the MX.

Mr. President, I ask unanimous consent that a copy of that letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Office of the Chairman,
The Joint Chiefs of Staff,
Washington DC, May 23, 1985.

Hon. Barry Goldwater,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

Dear Mr. Chairman: In view of the ongoing debate in the Congress on MX missile force levels, the Joint Chiefs of Staff thought that you should have their views on the military necessity for the MX missile. We are well aware and appreciate your extensive knowledge of and support for a strong defense posture for the United States. However, we believe that it is necessary to restress the essentiality of 100 deployed MX missiles to our national security.

Throughout the decades of the 1970s and '80s, the Soviets have continued to modernize and expand their strategic nuclear forces far in excess of their legitimate defensive needs. These deployments have upset the nuclear balance necessary for global stability. If we as a nation are to ensure the continued effectivenses of the TRIAD and to restore stability, we need a military capability that makes the Soviets' assessments of war outcomes under any circumstances so uncertain and so dangerous as to remove any incentive for them to initiate an attack. We are convinced that the highly accurate Peacekeeper is a necessary element of this capability.

The Joint Chiefs of Staff have studied the contribution of the MX to our national defense in great detail. That analysis includes an evaluation of our forces against those of the Soviets. We use a variety of analytical tools, including force-on-force dynamic analysis. Every evaluation that we make shows that the MX holds at risk those things that the Soviets value the highest—their hardened command facilities and their large reserve of ICBM weapons. Today, US capability to accomplish this task is marginal. Deployment of the MX missile is that portion of the President's Strategic Modernization Program which provides the near-term correction to this disparity and enhances deterrence and national security.

The Joint Chiefs of Staff urge continued support for the President's Strategic Modernization Program. We reconfirm the requirement for 100 MX missiles.

Sincerely,

P.X. Kelley,
General, USMC, Acting Chairman,
Joint Chiefs of Staff.

(Mrs. KASSEBAUM assumed the chair.)

Mr. WARNER. Madam President, I use the term "pause" because that one word characterizes the program envisioned by this amendment. We have compromised on a time period that will enable the parties, the administration and the Congress, to enter into a decision process whereby the deployment of a 51st missile may eventually be arrived at.

It is the intent of the sponsors of this amendment that all basing options be explored in this period of time, including mobility, hardness, deception, and active defense. The amendment in effect asks the President of the United States to study the issues surrounding the MX missile, including such things as Soviet military programs, progress or lack thereof in the arms control process now under way, Soviet compliance or noncompliance in existing arms control agreements, and indeed Soviet behavior with respect to the interim restraint under the SALT I and SALT II agreements.

This amendment in effect says 50 MX missiles in the silos now, and a serious review of where we as a nation will be going and where we need to go with respect to the entire strategic program. The amendment also, directly in my judgment, acknowledges that the JCS believe that we need the 100 MX missiles for deterrence in our strategic program. It does not prejudice against moving forward with the 100-missile program. It leaves that question open pending further study of the whole range of military balance and arms control issues.

The pause will also permit the study of a more survivable basing for the MX to be explored in the context of plans for the small ICBM.

Mr. President, at this time I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I am speaking directly on the substance of this amendment, and it will not take more than 4 or 5 minutes. Last night I was not on the floor, and I am sorry the Senator from Colorado has left the floor because he did make a speech last night that is offensive to this Senator, and the Senator from Nevada, when on yesterday's debate on the MX Senator Hart consistently stated that the original basing proposal for MX was rejected solely for political reasons, not for military reasons. In fact, he in effect challenged anyone to educate him otherwise. Later in the evening, he specifically stated that President Reagan rejected the survivable MPS system proposed by President Carter because of political pressure from the Senators of Utah and Nevada. I recognize he did not name names but I do happen to be a Senator from Utah and Senator Laxalt happens to be a Senator from Nevada. So I do not think there is any doubt about who the good Senator from Colorado is referring to.

I suggest first of all that it was hardly just opposition of Senator Laxalt and I to this position when in 1982 the Senate, on a vote of 87 to zero, abandoned the MPS basing mode system.

There also happened to be a rather detailed Garn-Laxalt white paper opposing the MPS system. That paper outlined five main reasons for opposing the multiple protective structures. These reasons were projections of Soviet threat against the MPS system which demonstrated MPS would become vulnerable and encourage a massive buildup of Soviet offensive forces.

As a matter of fact, that Rube Goldberg scheme proposed 4,600 shelters with 200 missiles hidden among the 4,600 shelters. After 3 days of hearings in defense appropriations, the Air Force testified that the Soviets undoubtedly can build 2 warheads or, in other words, 9,200 warheads and target each of the shelters with 2 warhead. Therefore, it made no difference where you put the individual missiles. They could overwhelm it.

I said, "What is your answer to that?" Their answer was build 9,200 shelters so that it would require 18,400 warheads. I have never heard of a more ridiculous scheme than to play warheads against concrete horizontal bunkers. It is much easier and faster to build warheads.

Two, the implausibility of preserving the locality uncertainty of the MX amongst the horizonal shelters, and the cost of constructing the MX/MPS system and expanding it to meet that threat—think about the cost of 9,200 shelters. It would certainly rob funds from other needed defense programs.

No. 4, environmental concerns—I am only outlining. I am not going to take the time of the Senate to go through that whole 1981-82 debate and socioeconomic concerns. Interestingly enough, I gave a speech at the same time based on the same charges. I quote from that:

> Despite the fact I consistently supported MX while reserving judgment on the question of a basing mode and was reelected in November of 1980 with 74 percent of the vote, the opposition Senator Laxalt and I expressed against the MPS basing mode system in June of 1981 continues to be characterized by some of my colleagues as having been politically motivated.

I will not dwell on this particular issue other than to say that, one, if I was looking to score political points with my constituents on the subject of MX, then it would have made no sense to wait until after—after—the 1980 election to announce my opposition to MPS.

As a matter of fact, my opponent in the 1980 election had one issue—MX. He spent a lot of money for 8 months saying that if he were elected to the Senate he would lay his body in front of the bulldozers before he would allow it to be based in Utah.

The easy thing to do in that campaign would have been to join him, and say I will do the same thing. But I took all of that heat during all of 1980 and said no, I will reserve judgment until I have studied the plan, alternatives, and make a decision. There was incredible opposition within my State to MPS basing in Utah and Nevada. But I faced a reelection campaign and said no, I favor MX. I will not blindly oppose it in my State and, as a matter of fact, did not even oppose the MPS.

Those are facts. So when colleagues get on this floor and start making political charges, I would suggest they might invite those whom they are making charges against—and furthermore, they might do a little more homework before they make charges when the record is rather clear, not as a matter of opinion tonight, but on the written record through dozens of debates on TV programs, and speeches given at the time back in 1980. I repeat, the opposition of both Senator Laxalt and I occurred after the election was over. That is not too politically smart if you are trying to make it a political issue.

My decision to oppose the MPS basing system—

Again quoting from many years ago—

> was based on conclusions I reached following 3 days of in-depth hearings before the Defense Appropriations Subcommittee as well as additional congressional hearings, Defense Department briefings and public discussions I participated in over a period of years. From the combined perspective of military effectiveness, cost, technological uncertainty, environmental and socioeconomic impacts, I could not in good conscience support the proposed deployment of MX missiles in 4,600 shelters no matter what State or States would be involved.

At no time did either Senator Laxalt or I ever oppose placing the MX missiles in our States—not even during an election year while we were both up for reelection. We opposed a Rube Goldberg system of enormous cost, of enormous environmental impact, socioeconomic impact, and a system that simply was not survivable regardless of where it was proposed to be based.

I again suggest that it was hardly a political opposition of two Senators when you had a rather diverse group of conservatives and liberals on arms control and military issues such as Admiral Moorer, Bill Van Cleave, Sidney Drell, Richard Garwin, Pete Scoville, and General Dan Graham. I quote from the two that are not of the same political thought on these issues as Senator Laxalt and I.

Sidney Drell:

> The racetrack basing mode presents severe operational and strategic problems. Primary among these are the sensitivity of the racetrack deployment to the threat, the requirement that essentially the entire system be deployed before there is any gain in survivable megatonnage and the necessity for maintaining high confidence in secrecy, deception, and simulation in the middle of our society.

Also Pete Scoville said:

> We must look carefully at all alternatives and not end up by destroying large areas of the United States and spending more than $100 billion on a system that in the long run will not provide invulnerability and can only lead us closer to a nuclear conflict . . . we need a . . . deployment scheme which does not give the Soviet Union the option of overwhelming it simply by adding warheads.

I hope the factual record is clear from 1980 to 1981 and 1982. I realize on this floor there is a lot of excessive rhetoric that goes on on both sides of this particular argument to prove whatever point we wish to prove. The MPS system was a Rube Goldberg system of enormous cost to this country that was simply not survivable. I would oppose it again regardless of where it was being based. But, again, neither the good Senator from Nevada nor I ever opposed placing MX in our States. We opposed a particular form of basing mode that we thought was a grave mistake. I yield the floor.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. I would like to ask the manager of the bill a question, if I might.

Was the reason for the cap basically twofold: (a) your concern about the vulnerability of too many weapons in fixed silos, and (b) your concern that so many MX's might be seen as a first-strike weapon?

Mr. NUNN. I would say to (a) that is correct, I was worried about the number of missiles in silos. As far as part (b) of that question, I believe that a hard-target kill weapon in a vulnerable position is not stabilizing. I believe that is the case with the Soviet SS-18's and 19's. I feel they are destabilizing. But I felt for some time we had to have the threat of those systems to give both sides an incentive for arms control, to move away from those systems. I was concerned, however, about what number of MX's we deployed for arms control and military purposes.

I do believe that, as the Scowcroft Commission said, one of our prime goals in arms control should be to move both sides away from large offensive MIRVed missiles in fixed positions like the SS-18's, like the SS-19's, and like the MX. I was not willing to go beyond 40 or 50 missiles in this regard.

Mr. CRANSTON. Does the Senator from Georgia have a concern about a hard target kill capacity which is invulnerable, relatively invulnerable?

Mr. NUNN. I think there is a legitimate concern about that subject. I have read about it. I have heard about it extensively. I do not believe, though, that we are capable of coming to restrictions that limit the march of technology. I have never understood how we can limit technology. In my opinion, that is against the basic laws of nature and research. I believe that weapons as they exist are bound to become more accurate. Perhaps someone will devise a way one of these days to do that, but I have never seen a way that you can limit accuracy. If you cannot limit accuracy, you cannot limit the hard target kill capability. I believe hard target kill capability is much less destabilizing in an invulnerable mode than in a vulnerable mode.

The Senator from Tennessee has spoken extensively on this subject.

Mr. CRANSTON. I would like to ask one further question. You cannot limit accuracy, and I can understand how that could be very, very difficult. Can you limit the hard target kill capacity, however, by a limit on the number of missiles?

Mr. NUNN. By a limit?

Mr. CRANSTON. By a limit on the number of missiles.

Mr. NUNN. Certainly, I think if you limit the number of missiles in an equitable and verifiable arms control agreement, you limit the threat that both sides feel, assuming it is that kind of an agreement, and I believe that would be very conducive to stability.

Mr. CRANSTON. I appreciate the Senator's views.

I yield.

Mr. GORE. I wanted to engage in this dialog for a particular point. The original proposal for 50 instead of 100 arose out of a number of concerns. One of the concerns was raised almost 3 years ago when a relatively small group of people entered into a dialog with President Reagan and his National Security Council staff which resulted in the bipartisan agreement around the Scowcroft Commission report, generally speaking. Some of us said at that time we agree, based upon the President's expected actions with respect to arms control, and we agree to support a limited number of MX missiles, but please be advised that we are not thinking in terms of 100.

Some may not have shared this concern to the extent that I did, but others besides myself did share the concern.

One of the reasons was that with somewhere between 50 and 100, when all of the proposed D-5 missiles are taken into account and other oncoming elements of our strategic forces are taken into account, we in the United States may come very close to the threshold of having enough accurate counterforce capable warheads to cover each strategic siloed target and C-curbed hard target in the Soviet Union on the basis of two warheads for each target.

From the theoretical standpoint, we are not better off if we force the Soviet Union to a launch-on-warning doctrine.

So for some who consponsor this amendment, one of the central concerns which led to an emphasis on 50 instead of 100 is the concern that we not cross that threshold.

Let me also say that the Soviet Union long ago crossed that threshold, and the Soviet Union has been extremely irresponsible in posing the kind of counterforce threat to our land-based deterrent and our submarine bases and our bomber bases, that they have posed with the relentless buildup of the SS-18 and SS-19.

Also, I think another factor which can be cited——

Mr. NUNN. I would like to strongly emphasize that point. The most destabilizing things that have been done in the last 15 years have been by the Soviets who prepared the larger MIRV'd missiles which have hard target kill capability and put them in vulnerable positions. The Soviets have not worried about those vulnerable positions so much in the past because we have not had hard target kill capability. It is a terrible paradox that in order to get them to become more responsible we have to move in the short-term direction of having some hard target kill even at the expense of putting them in vulnerable silos. That is the reason I have supported a limited number of MX's. But I have said all along there is a point at which I would draw the line.

Mr. GORE. I could not agree more with my colleague from Georgia. The production line is important for one reason, to present the Soviet Union with the realization that their counterforce capability is a depreciating asset, and the ability of the United States Senate and the other body to review this program periodically in the future is something that the Soviet Union should take into account in its view of what should happen in the arms control negotiations.

I for one believe very, very strongly that the real key to getting an arms control agreement that will get us out of this perilous situation that mankind has entered into is an agreement that would remove the ability of either superpower to pose a first-strike threat to the other. In defining that phrase, first-strike threat, I believe that the ability to gain even the hypothetical advantage from launching a first strike should be denied to either side.

How do you get there, Madam President? We have shown restraint in that we have not crossed that threshold. The Soviet Union has crossed that threshold. I know, as every Member of this body knows, that, of course, we would retain enough invulnerable submarine-launched ballistic missiles to completely devastate the Soviet Union in response to any attack. However, the theoretical ability of the Soviet Union to knock out our land-based deterrent carries with it certain geopolitical implications that cannot be totally ignored. Hence our principal objective over the last several years in the arms control talks has been to try to get the Soviet Union to remove that threat to our land-based deterrents.

We ought to be in a position in this country to say to the Soviet Union, "We are not going to pose that kind of threat now. We are not interested in pushing you into a hair-trigger posture and forcing you to believe that we are acquiring the capability to gain any advantage from a first strike."

I believe, as one cosponsor of this amendment, that restraint in the number of MX missile deployed is an important element in preserving this country's ability to say, "We are not past that threshold." Because for both countries to be subject to that vulnerability is worse than for either one alone to be subject to it, because there is a synergy of fear that creates a destablized situation.

Mr. CRANSTON. Madam President, does that Senator from Tennessee feel that that restraint is needed both in the case of MX missiles placed in vulnerable fixed silos and in the case of MX's placed in less vulnerable bases in some other mode?

Mr. GORE. I personally do so believe, Madam President. However, I believe that MX missiles placed in fixed vulnerable silos are far more destablizing than ones which might be based in a more invulnerable basing mode. But the totality of the counterforce threat presented to the Soviet Union is a factor which I beleive must be taken into account as we look at the design of our strategic forces in the future.

Let me conclude my remarks, Madam President, by saying that I appreciate the kind words of the Senator from Georgia. I want to say as one participant in the discussions over the past several days that I have really learned a great deal. Particularly, I have learned an even deeper respect for my colleague, the Senator from Georgia [Mr. Nunn] and my leader, the Senator from West Virginia [Mr. Byrd]. The respect I had prior to these negotiations was substantial, I want them to know, but it has really been a learning experience for me and I appreciate it.

I appreciate the negotiating posture on the other side of everyone who was involved. I think it has been a very good outcome for the country because it does preserve the bipartisan approach to the strategic policy. I have long felt that was important.

In conclusion, let me say that the Senator from Georgia used a phrase referring to an old story about the wise man challenged with the question of whether the bird in hand was alive or dead, and he said, "The answer is in you hand." I think if nothing else, we have seen with the resolution of this matter the fact that this bird is still alive.

I yield the floor.

Mr. LEVIN. Madam President, first, I commend my friend from Georgia and also Senator Byrd in particular on this side of the aisle for the leadership they have shown in an extremely strong and powerful effort to achieve what has so far been achieved and I think will be achieved later tonight. This outcome is of critical importance to somebody like me, who has battled the MX for as long as I have been here so long as it has been in a vulnerable basing mode. So long as it is a destabilizing weapon, I have vowed I would do what I could to defeat this weapon.

I participated with Senator Nunn, Senator Byrd, Senator Gore, Senator Chiles, and others in working on this proposal, and I am proud of being associated with Senator Nunn and Senator Byrd and the others in this effort.

I want to start with a question of Senator Nunn, Madam President. He has indicated that the heart of his amendment is a cap on MX deployment in Minuteman silos. My question is, Is the language creating what he has characterized as a cap in the pending amendment exactly the same language as appeared in his earlier amendment?

Mr. NUNN. The Senator is correct, Madam President, it is exactly the same language, with the exception that we have substituted the number which was 40 with the number which is now 50.

Mr. LEVIN. I thank the Senator.

Madam President, Senator Nunn set out to get a cap on MX deployment in Minuteman III silos. I hope we will get it tonight. The heart of the matter, as he put it, as this amendment's principal sponsor put it, is a cap; a cap on MX's in Minuteman silos, that cap being, of course, 50.

As I have indicated, for one like me who has battled the MX in vulnerable silos from its beginning, this amendment is welcome daylight at long last.

For one like me who has fought the MX as a destabilizing weapons system, this amendment is welcome relief.

The committee bill that we seek to amend has no cap on MX's. This amendment does, as characterized again by its chief sponsor.

The committee bill has 21 MX missiles this year. This amendment has 12.

This amendment is a vast improvement on the committee bill that it amends. After all the rhetoric that we have hard about a cap being dangerous for us to adopt or a cap undermining our security, we now not only have a cap in this amendment as characterized by its chief sponsor, but we have a Presidential acceptance of the language creating that cap.

The one word that characterizes this amendment is the word of Senator Nunn, its chief sponsor, who said that the cap of 50 MX's deployed in Minuteman silos is the heart of this amendment. That cannot be changed, that statement and characterization of its chief sponsor cannot be changed by the characterization of others. More important, or at least equally important, the wording creating the cap in this amendment is exactly the same as the wording in the amendment which the White House fought just yesterday—the only change again being the 40 now is 50. But the language which creates that vital cap on the MX's in the Minuteman silos, the intention that this is it unless some circumstances change, unless we get a new basing mode, unless we are presented with something which is invulnerable and we approve it, that is our intention on cap this thing now at 50—that intention as stated by this language and by Senator Nunn is critically important to someone like me, who has labored so long over this MX.

Again, I commend the Senator from Georgia, and I commend my friend, Senator Warner, and others on the other side of the aisle for their willingness now to join in what makes, I think, the most sense for the future.

Madam President, I yield the floor.

Mr. CHILES. Madam President, I also want to join in commending the Senator from Georgia for this amendment that we have before us today. I was also one who supported the MX from its time of conception until finally I reached the point of being concerned, as many of us, I think, have been here about putting this missile into vulnerable silos. On the basis of that, I tried to stop further production, allowing the development funds but stop further deployment and production until we had some resolution to that. We had some lengthy debates about that.

That failed on a tie vote, but I think the amendment of the Senator from Georgia speaks exactly to that same area. I trust it is going to have more success today. And I think that bodes well for the country. We had a bipartisan consensus on MX. It was strong, and we were going forward until we lost that consensus when the time came to a basing mode. And after that, we went through a period of trying times to determine a basing mode on which there could be agreement. We went into dense pack. We went into some other discussions about that. And then that was abandoned and it was decided we would put them into the Minuteman silos.

Well, that is history, and I think all of us know about and have debated long and hard the problems with that. But this amendment is going to limit the deployment; it is going to make the administration and the Department of Defense determine whether there is another basing mode and, if that cannot be found, of course, I think then it is going to speed up the development of Midgetman or another missile that will give us the kind of triad strength that we were seeking as we debated MX.

The debate has been long. I am delighted to see that there is a compromise. I congratulate the Senator from Virginia and certainly the Senator from Maine and others who have worked together on this. The minority leader certainly played a valuable role in the negotiations from our side as did the majority leader, and I am glad to see that we are taking this action tonight. I think it is particularly important.

I listened to some debate that seemed to get pretty acrimonious last night. Debate that would characterize this party as being soft on defense or an individual from this party who has studied so long and hard on defense as working against counterforce capability for this country is totaly ridiculous.

I am delighted to see that we now have a letter from the President supporting this amendment, and I trust we will be able to adopt it and go forward now for the good of the country. I am delighted to see that.

Mr. NUNN. Mr. President, I thank the Senator from Florida for his cosponsorship of this amendment and for his strong support. He has had a big role to play in the MX and the evolving debate on the MX itself. He has had his own amendments that were designed to continue the production line but also to terminate the deployment of MX's in a vulnerable basing mode. The Senator from Florida led a charge on this last year that had a profound and lasting effect on the debate and dialog in the Senate and led us to where I think this evening we will finalize this matter.

Madam President, I ask unanimous consent the Senator from Arizona [Mr. DeConcini] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Madam President, I will be brief. I assume we are about ready to vote on this matter.

I never thought that I would stand on the floor of the Senate and say I was going to vote for one MX, let alone 50. The reason I rise now is to "cleanse my skirts" and say that I am only voting for this because 50 deployed MX with a cap—and hopefully that is an eternal cap—is infinitely better than 100. The MX never made any sense; it does not make any sense now. But I thank the Senator from Georgia for offering this proposal, for hanging tough, for going through all those laborious, tedious negotiations and for getting us to the point that there is going to be pretty strong bipartisan support for this amendment. And to simply say that I am voting for this as what I consider to be the less dangerous of two alternatives.

But having said that, it does not diminish my admiration and respect for the Senator from Georgia for having brought this to us in a very dramatic way and reemphasize the fact that the MX is, indeed, a hair-trigger missile that lowers the threshold for a nuclear holocaust. It is very expensive and very vulnerable.

I intend to support the amendment but, as I say, I never thought I would support one missile.

There is one other point I would like to make. Madam President, and that is this: This morning I heard a lot about how one Senator said he never thought that this whole issue as well

as the interim restraint amendment would reach such a partisan level.

Well, let me say I never thought so either. But I do want to say something that I said night before last in some negotiations in the majority leader's office—and I want to remind everybody tonight—when it comes to strategic modernization, there has been strong bipartisan support on virtually every single weapon system that we considered in the modernization of our strategic forces.

I have not heard one single speech on this side against the Pershing II or the ground-launched cruise missile for Western Europe, not one single peep out of anybody on this side of the aisle in opposition to the Trident submarine, not one peep from anybody against the D-5 missile for the Trident, which is the missile that makes sense because it is invulnerable, because it has a hard target kill capability.

Not one single person on this side has raised his voice against retrofitting our B-52 forces with the air-launched cruise missile. Not one voice raised over here against the Stealth bomber. We have not been sitting still when it comes to modernization of strategic forces. There has been strong bipartisan support for every bit of it except the B-1 bomber, which is a moot question. It is going to be built. It still does not make any sense to be but it is going to be built. It is going to be built with a lot of votes from this side of the aisle. Of all of those things, the only thing you have heard any objection to was the B-1 bomber and the MX missile. Those were conscientious voices you heard in opposition to those weapons systems, took for very legitimate reasons.

I yield the floor, Madam President.

Mr. DOMENICI. Madam President, while the Senator from Florida is on the floor, I wonder if I might just take 1½ or 2 minutes to make a statement and an inquiry of the Chair with reference to the pension programs in this bill. Because of the unique nature of the military retirement trust fund, and the technical peculiarities that currently exist in that system, the approach that the Armed Services Committee has taken toward bringing about military retirement reform, while it is to be commended, creates a problem with regard to scoring of the action. We have never dealt with this particular situation before. Therefore, after conferring with the Senator from Florida, the ranking minority member of the Budget Committee, I would like to inform the Senate how the Budget Committee will handle this matter.

As a matter of background, Public Law 98-94 established the military retirement trust fund in order to better recognize the financial obligations to current and future military retirees that the Federal Government is incurring. In this year's defense authorization bills, the Armed Services Committees in the Senate and House have made reductions in the amounts to be paid into the retirement trust fund in order to enforce changes in the retirement system. Again, I say this is to be commended. But a problem arises because the retirement system changes as proposed by the Armed Services Committee apply only to new entrants into the military service, whereas the $1.8 billion in savings claimed in this bill is calculated as if those changes were applicable to all military personnel, including those already in the military service.

What the committee has done is based upon the accrual funding assumptions presently being utilized by the Department of Defense Retirement Board of Actuaries. In fiscal year 1987, the current scheme will be changed to a more realistic one, and the current method, which is being used only as an interim measure until a full actuarial analysis could be accomplished, will be discarded. In scoring the effect of any retirement system changes, the Budget Committee will use the most accurate method of scoring in order to reflect properly the effect of such legislation, as we have done for all bills that come before the Senate.

I would like to be assured that the Budget Committee will be able to do this by asking the Chair a question.

Is it true that, notwithstanding any provision of S. 1160, if enacted, the Budget Committee has the responsibility of scoring legislation that provides spending authority?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I have one further question, Madam President: Is it true that the Budget Committee's responsibility to score appropriations and authorizing legislation will not be affected, even if section 542 of S. 1160 is enacted into law at some point?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I thank the Chair.

I ask the Senator from Florida if he agrees.

Mr. CHILES. I certainly do. I believe the Chair has stated it correctly.

Section 542 does not affect the ability of the Budget Committee to determine the rules for scoring. I am in full agreement with my good friend and colleague, the chairman of the Budget Committee, on the need to score these costs and savings in an appropriate fashion. I commend him for bringing this to the attention of the Senate.

(Mr. KASTEN assumed the chair.)

Mr. WARNER. Mr. President, I ask unanimous consent that a brief colloquy I intend to have with my distinguished colleague from Georgia be placed in the Record immediately following my earlier statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I direct this question to my distinguished colleague:

During the course of the final drafting of this amendment that is now pending, we discussed at length paragraph 3, which reads:

> In fiscal year 1987, depending upon the most efficient production rate, from 12 to 21 MX missiles should be procured.

It was my understanding at that time that the Senator from Georgia concurred in my observation that, based upon the history of this program; and the fact that in the immediate 2 preceding years there was a procurement of 21 missiles, in all likelihood it would be determined in this coming year, fiscal 1987, that the most efficient production rate would be 21 MX missiles.

Mr. NUNN. I say to the Senator from Virginia that it is my strong impression now, based on all the data I have read from the Air Force and the Department of Defense, that a 21 production rate is the most efficient production rate of any number between 12 and 21.

Of course, if you went higher than 21, you could perhaps get a more efficient production rate, as the Senator and I discussed earlier. I believe those are the facts today. I have no reason to doubt that data. It seems reasonable. I have no reason to believe that that would change between now and next year; and if that is the case, that would have a large bearing on the position we would have as reflected in the amendment.

There are a number of people who, for a lot of different reasons, do not want to be bound to a number. Of course, this is a sense-of-the-Senate provision. The Senator from Virginia is correct: I believe 21 is a more efficient production rate than any other number between 12 and 21.

Mr. WARNER. Mr. President, this representation from the distinguished Senator from Georgia is representative of his attitude and approach to the solution of this problem throughout this lengthy negotiation. I thank my colleague.

Mr. GORE. Mr. President, if the Senator will yield, as a cosponsor of the amendment, I simply want to associate myself with the views just expressed by the Senator from Georgia.

Mr. WARNER. I thank the distinguished Senator from Tennessee. He has been by our side throughout these negotiations, and we greatly appreciate the skill and wisdom he provided in this negotiation.

Mr. President, I ask unanimous consent that the colloquy between myself and the distinguished Senator from

Georgia which occurred last night when I rose and sought recognition in opposition to the then draft of an amendment be included in the Record at this point by reference. That will enable the Senate to conserve time now, because I know Senators are anxious to proceed to the vote.

That colloquy, I think, is a vital part of the legislative history, and it sets forth my interpretation, as corroborated by the distinguished Senator from Georgia, of several important elements in this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, at this time I should like to acknowledge the very helpful participation of the staffs on both sides in the resolution of this issue.

Mr. NUNN. Mr. President, I join the Senator in that. We have had superb staff help on this amendment and all its details and ramifications and complexities.

We had a great advantage in dealing with this matter because we have had the same factual information produced by a very fine bipartisan staff operation in terms of this amendment. Sometimes it is not quite that way, but it was on this amendment.

On the bill as a whole, I want to thank the staff on both sides. On my side, I thank the following staff members who have done yeoman's work on this amendment: Arnold Punaro, Bill Hoehn, and Bob Bell.

Mr. WARNER. On this side, I thank the following staff members: Bob Bott and Doug Graham.

Mr. President, in conclusion, I express appreciation to the majority leader and the minority leader, without whose cooperation and guidance this matter might not have been resolved.

Mr. BYRD. Mr. President, I will not detain the Senate.

I have never yet cast a vote against the MX, and I do not have any apologies for having voted for it. I believe it does add a real punch to our national defense. It is a counterforce weapon. It is going to be a highly accurate weapon. Each missile will carry with it 10 warheads.

The only problem I have with the MX lies in the fact that it is to be placed in a very vulnerable basing mode. That is my main concern.

By adopting the Nunn amendment we will send a very clear signal—as I told the President yesterday or the day before, when he called me—we will send a clear signal to the Pentagon and to the White House that the Senate is establishing a cap on the installation of the MX in Minuteman silos. We are just going so far, and that is all, with that basing mode.

As I said to the President, the Pentagon and the White House should get busy and come forward with a basing mode that will make the MX missile relatively invulnerable to attack.

The Nunn amendment caps the number of MX's that can be placed in Minuteman silos. We are sending a message to the Pentagon and to the White House that we want to get on with a missile mode that is deceptive and mobile, so as to get away from the hair-trigger atmosphere in which we will find ourselves increasingly threatened if we proceed on the nuclear road we are now traveling. We also want to move toward Midgetman, which presently has problems of its own which can be overcome, I am sure, but which will be a mobile missile with one warhead and which also will be a counterforce weapon.

So for these reasons, I compliment the distinguished Senator from Georgia [Mr. Nunn]. I have been in the Senate now for going on 27 years and during that time, I have only seen one or two other Senators on my side of the aisle in whom I would place the same high confidence that I have in Senator Nunn with respect to legislation affecting the national security of our country. I need not name those Senators, except to say that one was the late Senator Richard Russell from the State of Georgia. I do not mean to say that I would not place full confidence in the dedication and purpose and sincerity and patriotism of many other Senators. But from the standpoint of the knowledge that he possesses on national defense, national security, and weapons systems, and so on, I could have no higher confidence than that which I have in Senator Nunn. I have no doubt that all other Senators in this body look upon him as a Senator who is very knowledgeable, who has an uncommon amount of common sense, and when he speaks on national defense and national security, we listen.

So I compliment him on the leadership that he has shown in leading us to this point tonight, and I also compliment the other Senators whose names have been appropriately and deservedly mentioned here. They all worked with dedication, and I am including Senator Warner and others on the Republican side. Senators whose names have been mentioned have labored with supreme dedication, and the achievement that they have reached tonight merits the plaudits of all. I am very grateful to them, and I feel that the Senate and our country, indeed, are in their debt.

Mr. NUNN. Mr. President, just a brief comment: I thank my colleague and friend and leader from West Virginia for the generosity of his remarks, and I thank him most of all for his strong leadership. When it comes to national security there is not a partisan bone in the body of the Senator from West Virginia. He is totally dedicated to the security of this Nation, and he has done, I think, a very effective job over the years, both during the ups and downs of the popularity of defense, in protecting the security of this Nation.

Without the minority leader, the Senator from West Virginia, there would not be an amendment here tonight; without the minority leader there would not be an MX.

He stood for the MX when very few people were for it in his own party. It takes an awful lot of courage and dedication to do that. He stood for it when it was not popular. He voted here time after time for the MX when there were very few people voting for it on this side of the aisle, and the people who did not vote for it had their good valid reasons. I respect them and agree with some of their reasons.

The minority leader has stood tall, if anyone fits that definition, for the security of our Nation, and I am grateful for it.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

Mr. DOLE. Mr. President, have the yeas and nays been ordered on the amendment.

The PRESIDING OFFICER. They have not.

Mr. DOLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I just want to take 1 minute. I think we have had a good discussion. We have been talking about this amendment for the last several hours and in a number of meetings, and I am going to support it. I am not very excited about it. It may send a clear message to the White House. I am not certain what kind of message it sends to the Soviet Union or to our negotiators. But the President signed off on it. It is all right. Some will say it is a cap; some will say it is a pause; some will say it does not mean anything; some will say it is the death of the MX, and it can be interpreted about any way you want.

But I do believe that there are a lot of circumstances that could change, that might make us revisit this decision. Some extraordinary circumstances, some change of attitude or act by the Soviets, or maybe some modification in basing mode. There has been a very determined effort by a number of Senators on both sides of the aisle to bring this agreement together; hopefully to send the signal to Geneva and to our negotiators, who are going back to Geneva on Saturday, that we are continuing the program and, that we are not ending the MX program. For that reason and for the reasons set forth in the President's letter, I urge my colleagues to support the amendment.

Mr. WALLOP. Mr. President, I will not take but a minute of the Senate's time, but I disagree with the majority leader, and in fact I disagree with my President. By accepting this, we have once again returned the debate to a silly little numbers game that is irrelevant to the strategic needs of this Nation, to the strategic targets that we have to hit, to the strategic capability of hitting those targets. All things important for us to reckon with, as we try to play generals, are irrelevant to the argument. We are back into the numbers game of trying to fit ourselves into funny little boxes to say that nobody is accountable for the fact that this Nation has lost sight of the 100 missiles, has indeed lost sight of the 200 missiles, had totally lost sight of the fact that we do not have anything but these missiles which give us a hard target capability.

This is the only thing that we have that can kill the things that kill Americans, and we are talking about 12's, and 50's instead of 40's and 21's, and it is irrelevant to the strategic needs of the Nation.

Far better in its way to lose at the cap and revisit the issue when the relevant issues become too overpowering to ignore.

What do we do about 2,500 hardened Soviet silos? According to Secretary Brown, we need two MX warheads apiece for us to confront them. And so now we are talking about 5,000 not 1,000; not 2,000 but 5,000. And in the entire debate that we have had on this issue, we have simply not talked about what these are supposed to do in our behalf.

In all honesty, I am not going to go into it again, but the vulnerability issue is a bogus issue because the missiles that we have in those silos today are just as vulnerable as will be these MX's, but for the fact that they have significantly greater capability to do the job that the American people need done.

General Davis has a charge to try to do something with the arsenals which we are willing to fund him. And he has to confront the thing which is impossible to confront with what we are saying.

I regret that we are talking once again about numbers, little changes in numbers that have nothing to do with the strategic problem of the United States.

So the President says he buys off on it and the majority leader says he buys off on it, and the Senator from Georgia says it is now bipartisan. And, to be sure, I expect it will be. To be sure, I expect that we have a nonpartisan sellout with the capability of the American people to confront the problems that were not designed by us but by an enemy which has sworn to defeat us, by an enemy which, as recently as a year ago, said there was no such thing as a bourgeois concept that you could not fight and win a strategic nuclear war.

These are not toys that are aimed against us. The Soviet missiles are totally capable.

One last thing. Presidential Directive 59 said, quite legitimately, that at long last it would be American policy to fight nuclear wars against the things that would kill American people and that we abandoned the concept of holding the Soviet civilian population hostage. What we were going to do was fight missiles with missiles, try to reduce each other's strategic concept to one of war fighting capabilities, not holding hostage mankind.

We have abandoned that. And it is as well that we think about going back to dirty nukes, chemical warfare, and to a whole lot of other things that puts the civilians back into harm's way. Because this vote and buying off on this and abandoning the thought for today of 100 missiles is nothing more than that, Mr. President. We are saying that we do not have either the desire or the stomach to confront the strategic targets that are necessary for the American people to confront in order to be safe.

So, I may be the only one, Mr. President, but I intend to vote against this amendment.

Mr. CRANSTON. I oppose funding for the MX missile. Earlier in this bill I voted to eliminate all the funds for production and deployment of the MX missile. Unfortunately the motion failed as similar amendments have for the last three years in the Senate. I regret that a majority of my colleagues do not share my views on the MX, because I believe that the wisest course for our national security would be to stop funding it.

Over the last 3 years I have frequently spoken at length as to why I do not support the MX missile. I do not plan to detail all my reasons for opposing the missile, but I will summarize them. The MX is a missile without a mission. We have never been able to find a suitable basing mode for it although the Pentagon studied more than 30 different alternatives for it. Now, President Reagan has proposed to place the MX in fixed silos—a hightly destabilizing basing mode because the MX, with its 10 warheads that are extremely accurate and lethal, is a more inviting target than the currently deployed Minuteman missiles that have only three warheads. In this basing mode, there is a greater temptation to launch on warning in order to use the missiles before we lose them. We should be taking steps to increase stability, not lessen it. And finally the program is extremely costly—between $25 to $40 billion, which is a very high price for a weapon system of dubious value.

The efforts, however, to stop the MX completely have failed, and we must consider the alternatives.

The Senate now has before it an amendment authored by Senators Nunn and Byrd which proposes to cap the number of MX missiles at 50. It will permit the Pentagon to buy 12 missiles this year and proposes to restrict procurement of the MX to only 12-21 spares. These restrictions would be lifted only if the President comes back to the Congress with a new basing mode which the Congress approves. This approach is not my first choice. I prefer to terminate the program now, but the opponents of MX have failed to muster a majority to do so. I believe that the Nunn amendment does offer a better alternative than the action taken by the Armed Services Committee which proposes to buy 21 missiles this year with no limits in future years. The Nunn amendment caps production at 50 missiles. It limits deployment in the Minuteman silos.

The choice is now between the Nunn amendment which provides a cap of 50 MX missiles and limits procurement to 12 this year, or production of 21 missiles this year with no limits at all. Given this choice, I will support the Nunn amendment.

A REASONABLE COMPROMISE ON MX

Mr. DOLE. Mr. President, I rise in support of the MX compromise because it adequately addresses our strategic needs—it is a reasonable compromise proposed by reasonable individuals concerned about this nation's national security.

AN ADMINISTRATION DEDICATED TO STRATEGIC MODERNIZATION

With the cooperation of Senators Nunn, Warner, and of course, the chairman of the Senate Armed Services Committee, Senator Goldwater, working closely with the White House—together have shown great determination in proceeding with the MX Program. We have demonstrated to the Soviet Union that the U.S. intends to preserve this program—that the congressional opposition the administration has and to overcome proves to the Soviets that the administration is very serious about MX.

This agreement attempts to deal with a fundamental problem. The Soviet Union—our adversary, but hopefully our partner in arms control—seldom displays the same interests we do in achieving meaningful and verifiable arms control agreements. All too often the Congress treats the arms control process as if it were solely a technical exercise. This is not to deny that arms control is, in part, a technical subject. But the history of Soviet negotiations with Western powers from 1917 to the present should have established beyond dispute that Soviet leaders conduct political business when they choose to engage in formal negotiations—especially arms control negotiations.

HOW DO WE BEST ASSIST OUR NEGOTIATORS IN GENEVA

Mr. President, 50 MX missiles deployed in existing Minuteman silos will provide leverage that could not be matched by only 40 missiles. This agreement, which does not permit more than 12 missiles procured this year and 21 MX's for testing purposes in fiscal year 1987, provides near term deployment, a degree of lethality against the most important assets of the Soviet State; the promise of prompt delivery that is unique in the U.S. strategic arsenal; and flexibility that provides considerable growth potential against the emergence of new Soviet active defenses.

THE MX—PARTISAN POLITICAL WEAPON

Mr. President, for too long, the MX has served as a partisan political weapon with its warheads aimed at domestic and international public opinion.

The question for this body is whether in the face of Soviet deployments, the United States has the will to meet the military threat—to move toward a more balanced strategic environment and to secure for our Geneva negotiators the deterrent capability upon which peace and our security rests.

THE MX MAKES STRATEGIC SENSE

The MX makes strategic sense in the Soviet perspective and is known by the Kremlin leadership to be necessary for the physical expression of U.S. strategic policy. It must follow—that U.S. failure to continue on a credible course with MX would have been seen by the Soviets as evidence of a weakening of political will on the part of the United States. This amendment demonstrates a great degree of strategic analysis and rationalization and a true commitment to see a controversial program through.

It is crucial that the Congress act prudently, that it demonstrate to the Soviet leadership a solidarity of the Congress. We must not do anything that rewards the Soviets for coming to the negotiating table and waiting patiently while the American Congress unilaterally reduces our own systems on their behalf. This is an equitable and effective compromise that can assist our arms control negotiators and therefore, deserves our support.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON announced that the Senator from Vermont [Mr. STAFFORD], is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST], is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 78, nays 20, as follows:

[Rollcall Vote No. 93 Leg.]

YEAS—78

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Bumpers
Byrd
Chafee
Chiles
Cohen
Cranston
D'Amato
Danforth
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Evans
Exon
Ford
Glenn
Goldwater
Gore
Gorton
Grassley
Harkin
Hart
Hawkins
Heflin
Heinz
Hollings
Inouye
Johnston
Kassebaum
Kasten
Lautenberg
Laxalt
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Proxmire
Pryor
Quayle
Riegle
Rockefeller
Roth
Rudman
Sarbanes
Sasser
Simon
Simpson
Specter
Stennis
Stevens
Thurmond
Trible
Warner
Zorinsky

NAYS—20

Burdick
Cochran
Denton
Garn
Gramm
Hatch
Hatfield
Hecht
Helms
Humphrey
Kennedy
Kerry
Leahy
McClure
Nickles
Pressler
Symms
Wallop
Weicker
Wilson

NOT VOTING—2

East
Stafford

So the amendment (No. 226) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. PELL. Mr. President, I am pleased that the Senate has voted to limit MX deployments, to 50 in existing Minuteman silos. I hope very much that we will hold the line at no more than 50 in the years ahead.

Two years ago, when we were acting on the recommendations of the Scowcroft Commission, I opposed funding the MX missile on the grounds that it was redundant, destabilizing, and would not contribute to the arms control process.

In the 2 years which have passed since that time, nothing has transpired to change my position.

Two years ago, the Senate could have stopped the MX. That is now a regrettably lost opportunity. At this point, the most we appear able to do is to try to cut a bad program, in half. That is not an insignificant accomplishment, although I remain convinced MX should have been stopped years ago and that we would be far better off with no MX missiles. However, at least 50 MX missiles are better than 100!

Mr. President, as ranking Democratic member of the Committee on Foreign Relations and Cochairman of the Senate Arms Control Observer Group, I am following closely the new arms control negotiations in Geneva. I and other Members have received extensive briefings here and in Geneva on the negotiations and prospects for success.

All of us support the President in the new negotiations at Gevena. We wish him every success. I hope our decision on the MX will help him to gain a new agreement.

I have deeply believed for years that national military programs and strong effective arms control agreements should be integral and inseparable parts of our national security. Inadequate defense programs would leave us in jeopardy from our adversaries—a jeopardy that arms control might reduce, but not prevent. Massive defense programs in the absence of arms control can only lead to profligate defense expenditures as we and our adversaries engage in a pointless arms race that can only undermine stability and increase the risk of nuclear war.

Mr. President, the Senate has decided in a strong bipartisan vote to go for limited MX deployments in silos. I hope the administration will understand that this compromise was possible because of the desire of many Members not to undercut the negotiations in Geneva. Now that this decision is behind us, I would hope that the Senate and the administration can pursue a common goal of an agreement in Geneva which enhances our national security and represent a solid arms control achievement. Success in Geneva will demonstrate that the Senate was correct in trying to reach a judgment which does not undercut the administration, but does keep the MX Program at a much lower level.

AMENDMENT SURVEY

Mr. DOLE. Mr. President, if we can have order, I would like to make a little survey.

Mr. President, we have now reached the point where there are very few amendments that are serious amendments that will take a great deal of time to dispose of: the ASAT moratorium, the amendment to strike the labor provisions, an amendment on surface-air missiles, the SDI amendments, and an amendment on a renegotiation board.

I understand those will require some time. There are other amendments which I understand the managers will be prepared to accept, in some cases as they are and in some cases as modified.

In addition to that, there are the interim restraint amendments that I did not list.

So we are down to that point. It is now 9:45 on Thursday evening. The recess is to start at the close of business on Friday. Therefore, I see no reason why we cannot virtually complete action on the DOD authorization bil, maybe having another amendment or two tonight, get some agreements on votes tomorrow, and finish at a fairily reasonable hour tomorrow afternoon.

But in order to be certain, we still have the matter of an agreement on the Contra amendments. The last I saw there were seven of them, having grown from three to seven.

I think in order to really know where we are and how long we will stay tonight and how long we will be in tomorrow, we need to determine if there are other amendments than those I have referred to wherein Members will want a considerable amount of time to debate the amendments. If there are amendments that can be accepted, you can indicate that you have cleared the amendments with the managers.

At this time, I will ask if there are any Senators who have amendments that will require considerable or some debate and a rollcall, or maybe not a rollcall but some discussion, that I have not referred to?

Mr. GORE. If the majority leader will yield, the majority leader referred to the SDI amendment.

Mr. DOLE. I believe there are four.

Mr. GORE. I have one, which would make it five, and, in addition, I believe two other Members have amendments. They would not take an unreasonable amount of time, but this is a major question, as everyone knows.

Mr. PRESSLER. If the leader will yield, I also have an amendment on SDI, or two SDI amendments, and one other amendment.

Mr. GLENN. I have one SDI amendment, also, I will say to the Senator. I do not think it will require a great amount of time.

Mr. DOLE. I think there were four SDI amendments. I am aware of the discussions we have had on the so-called soft amendments. I understand the Senator from Ohio is now prepared, and maybe the Senator from Massachusetts is prepared, to offer an amendment.

Mr. KENNEDY. Mr. President, I thought we were in the process of negotiation on my amendment, getting additional information. That was something that was being considered which we are trying to work out at this time. That would certainly have some appeal if we could work out the language. As I understand, the staffs are talking and perhaps we will be able to work that out in a satisfactory way.

Mr. NUNN. I hope we can work that out.

Mr. WALLOP. In addition to being part of the SDI part, I have an amendment which I talked to the Senator from Arizona about dealing with paramilitary operations. I do not anticipate it requiring a great deal of time, from my conversations with the chairman, but I do want to be recognized to call up the amendment.

Mr. BYRD. Mr. President, I have been talking with Mr. GOLDWATER, the chairman of the committee. He has been on the floor night and day. He has extenuating circumstances regarding which I would like to feel we could accommodate him. He is resigned to the fact that the bill will not be completed tomorrow. He, as I understand, hopes that the Senate could dispose of all amendments—other than SDI, SALT amendments, and Contras—tonight and tomorrow, so that on Monday, Tuesday, or Wednesday when we come back, the Senate would finish this bill and deal with the Contras amendments, and he could go visit his wife, who is in the hospital.

I would like to try, on this side of the aisle, to see if we could get some time limitations on amendments so that we could, in this situation, accommodate the distinguished chairman of the committee.

Mr. GOLDWATER. Mr. President, I might respond to the minority leader, I realize that getting this bill finished tonight is an absolute impossibility. I think that we can continue—well, it is now nearly 10 o'clock. We might go for another hour—that is up to the leader. We can go all day tomorrow, and I understand the leader would like to close up about 5 o'clock so that people could leave on their visits to their homelands.

What we are left with then in important and big amendments, if we do what we can tomorrow, would be the SDI amendments and the SALT agreement. If I could get an agreement from the minority leader and the majority leader that on the return from the recess—whether that be Monday, Tuesday, Wednesday, Thursday, or when—we could take those two items up with no other amendments, there would be no objection at all on my part. The thing that bothers me, and I have to be honest with my colleagues, is if we recess for 10 days and, as I said earlier, give all these assistants and their typewriters a chance to write amendments, we can come back here after the recess and have another 2 weeks of armed services.

Frankly, I do not think that the SALT agreement has any place on this bill. I have to admit that I cannot stand up and debate that with anyone. It is completely outside of my experience. I do not think anybody on the committee, with the exception of the Senator from Ohio, has ever had any real experience in this field.

SDI is another problem and I do not think that would be a long problem, because, frankly, none of us knows much about that, either. I say that and I have been a student of that ever since that came up. It is a matter of dollars, how much do we go and how much do they go? The House has made a big cut in it, we have made a sizable cut, and I think that is all the amendment and the debate will amount to.

We would also like to have time agreements on all amendments tomorrow and no other amendments to be in order after tomorrow except for the two I have mentioned, SDI and SALT II. But I think we have to have those time agreements tomorrow if we have any chance at all of getting through. We have finished the MX missile; we will forget SDI. We have ASAT, a moratorium on that. That should not take too long. The Kennedy amendment to strike the labor provision is already a point of order because I am told that the Parliamentarian will rule in his favor. We raise that point.

Then the Kennedy amendment on surface-to-air missiles. Now we have a rumor that my good friend from Ohio—I did not think he could stay quiet this long, but he did—has come up with a renegotiation board. That is about as new as the tie I have been wearing. That has been suggested all over the place. But we would be very happy do discuss it. I do not think that would be necessarily take a time agreement. We might even be able to come to an agreement with the Senator from Ohio if he does not get taxes and everything else in it.

That is about the way it stands, Mr. President, I might say to my friend, the minority leader. I do not like to bring this up, but I do have a very, very personal problem, a wife desperately ill in the hospital, and has been all this week. After 50 years, you have to give it a little consideration.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. GOLDWATER. Yes, Mr. President.

Mr. NUNN. I just want to join the Senator from West Virginia in requesting colleagues on this side of the aisle to cooperate to the fullest extent possible in trying to get time agreements on everything we possibly can other than the SDI and SALT II amendment. If we do that and get started early in the morning, it would be my suggestion that we not go too much longer tonight except on amendments that are ready and can be accepted. That way, Senators could go home tonight at this time and we would have no more rollcalls—if I had my way, at least. We would get as many amendments as we can. I think the Senator from Arizona and I will stay here and try to take as many as we can possibly accept and get time agreements on others. And we can perhaps get an early start tomorrow. I think that is an important point, to get an early start tomorrow and get those scheduled that are controversial.

I think all of us would want to do that to show the Senator from Arizona a courtesy. He has never made a personal request since I have been in the Senate. He is making one now and I think we ought to do everything we can to cooperate with him.

Mr. BYRD. Mr. President, will the majority leader yield again?

Mr. DOLE. Yes, Mr. President.

Mr. BYRD. Mr. President, the proposed agreement which has been circulating here for a day or so would provide for Contra amendments to be called up on the Monday on which the Senate returns—Monday week from tomorrow, the 3d. And regardless of what business might be before the Senate at that time, whether it be this legislation or whatever, the business then pending would be automatically set aside and the Senate would proceed to the State Department authorization bill to which the Contra amendments would be offered.

That would mean a whole day, a long day, on Monday, far into the evening, unless the majority leader wishes to yield his time back on each of those amendments. Which would mean that this bill in which the chairman is so involved and which he is managing so well would be put aside until Tuesday.

It seems to me if my colleagues could agree as far as the Contra amendments are concerned, if they would be willing to wait until the disposition of this measure before going to the State authorization bill, that would free Mr. Goldwater.

The Senators who have Contra amendments would be assured that immediately on the disposition of this bill the Senate would go to the State authorization bill, and they would have their opportunity to offer their Contra amendments. If no Senator who intends to offer a Contra amendment on this side disagrees or objects, I would like to make that proposal to the majority leader.

Mr. DOLE. Mr. President, as I understand the distinguished minority leader—I was a bit confused, but as I understand our previous discussion, we would turn to the State Department authorization bill following the disposition of the DOD authorization bill, which hopefully would come on Wednesday, and then we would have the Contra amendments offered to the State Department authorization bill after disposition of this bill.

Mr. BYRD. So that would be on Wednesday or Tuesday.

Mr. DOLE. Whatever.

Mr. BYRD. Once this bill is disposed of.

Mr. GOLDWATER. Will the Senator yield? As I understood the minority leader say, it would be taken up on Monday.

Mr. DOLE. That was the initial indication, but I think that was in error.

Mr. BYRD. That was the initial proposal, but I am now informed that it would be Wednesday.

Mr. GOLDWATER. We are now saying it would be taken up—that is, the Contra amendments—on Wednesday.

Mr. DOLE. The point being, if I might indicate to my colleagues, that we would dispose of the DOD authorization bill so as not to split it up in the middle of the week, go off on the State Department authorization bill and then come back on the DOD bill on Thursday or Friday. That would I think cause some confusion and frustration. But it would be my hope that if we get the time agreement on the limited number of amendments, we would be in a position to complete action on the DOD authorization bill probably late Tuesday. It might take a long day on Tuesday. And then we would be prepared to turn to the State Department authorization bill sometime Wednesday but the only amendments in order would be the so-called SALT amendments and the SDI amendments.

Mr. BYRD. Mr. President, if the majority leader will yield further, would it be agreeable with Senators who have the so-called SALT amendments, as I will refer to them at this point, to be able to offer them to the State authorization bill rather than this bill? Would there be any disposition on the part of my colleagues over here to object to the State Department authorization bill as the vehicle rather than this bill?

Mr. GORE. If the minority leader will yield, I am not sure the Senator from Arkansas or the Senator from Vermont are here. They have expressed interest in going forward as expeditiously as possible. I would in their absence like to express a reservation about that.

Mr. BYRD. Very well.

May I say to the distinguished majority leader, we can pursue that another time.

I see the distinguished Senator from Arkansas has now come into the Chamber, having been on the telephone with his constituents.

Mr. BUMPERS. I thank the leader.

Mr. BYRD. I just made the suggestion that if my colleagues on this side of the aisle would be willing, the amendments dealing with SALT might be offered to the State Department authorization bill rather than to this bill. Would that be agreeable?

Mr. BUMPERS. Mr. President, at this time it would not. We would really prefer to offer it on this bill. I know the chairman of the committee objects to that, but, frankly, I cannot think of a more appropriate place to offer the interim restraint amendment than on the defense bill. That is what it is all about.

Mr. BYRD. Mr. President, I have one other suggestion. I have not done well with the first two.

Would the majority leader like to proceed with the proposed agreement that involves the Contra amendments? There are some Senators on the floor who may wish to offer Contra amendments that we are unaware of.

Mr. GOLDWATER. What date did the Senator say, Wednesday?

Mr. BYRD. The Contra amendments would be on the State authorization bill—not on this bill.

Mr. GOLDWATER. If you take it off my bill, that is all right. That is fine.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I will now propound a unanimous-consent agreement on the Contra matter.

I ask unanimous consent that following the disposition of S. 1160, the DOD authorization bill, the Senate turn to the consideration of S. 1003, the State Department authorization bill, and the following Senators be recognized to offer amendments, all dealing with the Contras, in the following order and that they be limited to the following time limitation to be equally divided between the mover of the amendment and the chairman of the Foreign Relations Committee on their designees: The amendment of the Senator from Connecticut [Mr. Dodd], 90 minutes; the amendment of the Senator from Massachusetts [Mr. Kennedy], 90 minutes; the amendment of the Senator from Colorado [Mr. Hart], 90 minutes; the amendment of the Senator from Delaware [Mr. Biden], 60 minutes; the Nunn, Lugar, Boren, and others amendment, 90 minutes; the amendment of the Senator from Iowa [Mr. Harkin], 60 minutes; the amendment of the Senator from Massachusetts [Mr. Kerry], 60 minutes; and the amendment of the Senator from California [Mr. Wilson], 60 minutes.

I ask unanimous consent that with respect to the amendments listed above, no intervening amendments be in order and that a vote occur on each amendment immediately following the conclusion of yielding back the time on the amendment.

The PRESIDING OFFICER. Is there objection to the request?

Mr. PRESSLER. Mr. President, reserving the right to object, is this all of the amendments that can be offered?

Mr. DOLE. I have not finished the unanimous-consent request yet, but I would hope that is all the amendments that are going to be offered.

Mr. BYRD. We will find out, if the Senator may proceed.

Mr. DOLE. I further ask unanimous consent that the amendments listed above be in order regardless of the outcome of the previously offered amendments and that no other amendments dealing with Contras be in order after the disposition of the foregoing amendments.

I further ask unanimous consent that none of the amendments listed above be subject to motions to recommit with instructions and that the bill not be subject to a motion to recommit with instructions.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Reserving the right to object, Mr. President, if the majority leader will yield, I may have an amendment depending upon the outcome of some of those amendments. I would like to be added to that list.

Mr. DOLE. Senator Melcher, 60 minutes.

Mr. MELCHER. Yes, 60 minutes.

Mr. DOLE. Mr. President, maybe I better put myself down for one for 60 minutes in case something happens.

The PRESIDING OFFICER. Is there objection to the majority leader's request?

Mr. BYRD. Did the Senator include the request of Mr. Melcher?

Mr. MELCHER. Did the Senator accept that request?

Mr. DOLE. Yes, and my own.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The request of the majority leader is agreed to.

Mr. DOLE. Mr. President, we have now taken care of the Contra problem. We hope to complete action on it Wednesday.

I think it is rather important that we complete action on Wednesday for a number of reasons.

That takes care of one big problem on the DOD authorization, that we do not have to deal with all this stuff.

Now, if we can get agreements on the renegotiation amendment which will be offered this evening——

Mr. GOLDWATER. Mr. President, I think we can handle that tomorrow. If the Senator from Ohio will get it written up and bring it in, we will talk about it.

I am sure we can make you happy. [Laughter.]

Mr. DOLE. In any event, can we get an agreement of an hour on it?

Mr. METZENBAUM. I think there are several Senators who would like to be heard. I think it should be 2 hours.

SEVERAL SENATORS. No! No!

Mr. GOLDWATER. Mr. President, if the amendment is properly drawn and properly explained and we understand it, it should not take more than an hour.

Mr. METZENBAUM. It may not. It very well may be that we can work out something.

Mr. GOLDWATER. I think we can.

Mr. METZENBAUM. I am perfectly willing to try.

Mr. DOLE. let us say an hour and a half. The Senator from Ohio will have 1 hour, and we will have 30 minutes, and we will not use that.

Mr. HOLLINGS. Mr. President, I would like to be recognized on that. An hour and a half would be fine. I need only 5 minutes to say what I have in mind.

We worked on this for years, that nonsensical, useless, wasteful, operation, and there is no need to start it all over again.

Mr. DOLE. We can vote on it right now.

Mr. METZENBAUM. I am glad we got an objective point of view from the Senator from South Carolina.

Mr. GOLDWATER. The Senator from South Carolina says there are 28 pages in it?

Mr. HOLLINGS. I do not know how many pages are in it. I do know that we have had a long period of discussion. We have a GAO report, and I will bring it in tomorrow. I will take only 5 minutes. If everybody wants to start it all over again, let us start it.

Mr. DOLE. Mr. President, an hour and a half on the amendment—an hour for Senator Metzenbaum, since he has the toughest end of this, and we will take 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Then, on the amendment to strike the labor provisions, I hope we can have an hour, 30 minutes on each side.

Mr. KENNEDY. Mr. President, I want to accommodate the leadership. I do not think it will take more than an hour at some time to talk about the amendment.

I am not prepared at this time to indicate at what time that amendment will be brought up. I will be glad to enter into an agreement, but I am not prepared at this time to indicate when we would bring it up.

Frankly, I want to make sure that there is going to be sufficient attendance of Members.

I will be glad to do it if we are considering other amendments on the floor, such as the SDI or with regard to Contra aid. I am willing to accommodate the leadership and the membership on the issue, but I would not agree to a consent agreement at this time, until the leadership posed a unanimous-consent request with regard to the SDI, and perhaps we could work out the time on our amendment.

Mr. DOLE. What about the amendments on the surface-to-air missiles?

Mr. KENNEDY. At this time, I believe there will not be a rollcall vote necessary. We still are in the negotiating process. I have complete confidence in the good faith of the members of the staff who are trying to work this out. I do not believe a rollcall vote will be necessary.

I would not be willing at this time to preclude the opportunity for a vote, but I do not think it will be necessary. We are working with the staff of the majority, and I think we can accomplish that matter in a satisfactory way.

Mr. DOLE. I say to the Senator from Massachusetts that I believe we will have a good attendance tomorrow. I think there probably will be an equal number on each side. So I hope we do not all try to get into the exceptional cases that we are going to carry over something.

I know it will be a very close vote. We will have a vote in the morning, I assume, which would give the Senator a pretty good chance to look at the attendance.

Mr. KENNEDY. I want to indicate to the majority leader that I am prepared to accommodate the leadership. Will we consider the SDI amendments tomorrow? Does the leadership intend to propound a unanimous-consent request for consideration of the SDI amendments tomorrow? If he does, I would be prepared to call up the amendment tonight and take an hour and vote on the SDI amendments. If that is the intent of the majority leader——

Mr. PROXMIRE. Mr. President, the Democratic leader indicated that we would take up the SDI matter when we came back. Is that wrong? It will take a long, long time.

Mr. DOLE. The Senator from Massachusetts asked the question whether I am going to propound a unanimous-consent request. Is that correct?

Mr. KENNEDY. That was my inquiry.

Mr. DOLE. I plan to do that.

Does the Senator from Wyoming want an hour or a half-hour?

Mr. WALLOP. I have no idea yet whether a rollcall vote will be required on my amendment. I hope not. Perhaps we can have 45 minutes equally divided.

Mr. DOLE. What does that refer to?

Mr. WALLOP. That refers to the Department of Defense, paramilitary assistance.

Mr. DOLE. Is there objection to 20 minutes on a side?

Mr. NUNN. I do not think we have an objection. I have not seen the amendment. We do not know anything about the amendment.

Mr. DOLE. I do not know anything about a lot of these amendments.

Mr. NUNN. I am not going to object to the unanimous-consent request, but I think it would be helpful if we would get the amendment.

Mr. COHEN. Mr. President, the chairman of the Intelligence Committee is not on the floor. He might want to be consulted about it.

Mr. WALLOP. I say to the Senator that it just provides the primary responsibility within the Defense Department, but it does not remove it as well from the capabilities of the CIA.

Mr. DOLE. Is there objection to the request? Maybe we can do it yet this evening. Let us do it that way.

Mr. NUNN. Has the Senator from Minnesota [Mr. Durenberger] been consulted? He is the head of the Intelligence Committee. It seems that he should have some idea.

We have not seen the amendment. I have no objection to the unanimous-consent request, but I think we should make it a little on the longer side until we know what the amendment is.

Mr. DOLE. We can make it 1 hour.

Mr. NUNN. We might cut it short.

Mr. PROXMIRE. Will the majority leader explain whether the SDI amendments are coming up tomorrow?

Mr. DOLE. There will be a unanimous-consent request propounded tomorrow on the SDI amendments, for consideration on June 3 and 4.

Mr. PROXMIRE. I thank the majority leader.

Mr. LEVIN. Mr. President, I have an amendment.

Mr. DOLE. Mr. President, have we acted on the last unanimous-consent request?

The PRESIDING OFFICER (Mr. Mathias). The Chair is in doubt as to the request. Will the majority leader restate it?

Mr. DOLE. The request on the Wallop amendment was for 1 hour, to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, will the majority leader include language that would preclude other amendments? Otherwise, someone could come in with an amendment, far-reaching as it may be, without time for debate on it and get a vote. Would he do that? That is what we have been doing.

Mr. DOLE. Yes.

The PRESIDING OFFICER. The majority leader has amended his unanimous-consent request.

Is there objection? The Chair hears none, and it is so ordered.

Mr. DOLE. Mr. President, I understand that the distinguished Senator from Missouri [Mr. Eagleton] has an amendment.

Mr. EAGLETON. I have two amendments that would not take an inordinate amount of time, and I think both will be disposed of without a vote. One deals with the Joint Chiefs of Staff, and it will be disposed of without a vote.

The other deals with Department of Defense inflation. There will be some discussion and presumably a study thereof and without vote. I suggest 30 minutes on each side and obviously I think we will use less than that.

Mr. GOLDWATER. That is all right. We will be very happy to have a thorough discussion on that because it is a subject we are rather well acquainted with.

Mr. EAGLETON. I thank the Chair.

Mr. DOLE. So the request will be 30 minutes on a side, equally divided, one amendment relating to the Joint Chiefs and the other on——

Mr. GOLDWATER. DOD inflation.

Mr. DOLE. DOD inflation, and to preclude other amendments to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, will the Senator simply preclude other amendments?

Mr. DOLE. Yes, preclude other amendments.

There is one additional, the ASAT amendment, which we will take up tomorrow. What about 1 hour or 2 hours equally divided?

Mr. KERRY. Mr. President, I think we have 25 cosponsors. I have not had a chance to confer with the distinguished Senator from Rhode Island [Mr. Chafee], or with Mr. Mathias who are cosponsors, but I think we would need approximately 2 hours on each side and obviously we will try to yield back as much time as possible.

Mr. CHAFEE. Mr. President, I say to the majority leader that I am agreeable.

What was the time suggested?

Mr. DOLE. He suggested 2 hours on a side.

Mr. CHAFEE. Two hours on a side or evenly divided.

Mr. KERRY. I believe 2 hours on a side.

Mr. CHAFEE. Does the Senator mean 4 hours?

Mr. GOLDWATER. No way.

Mr. CHAFEE. That is an awful lot.

Mr. GOLDWATER. Mr. President, I might say to the leader that is far too much time. We can do it with an hour on a side.

Mr. CHAFEE. I would say 1 hour on a side.

Mr. KERRY. How about 1½ hours on a side? I say we will make a bona fide effort to reduce that.

Mr. DOLE. Let us compromise with 90 minutes on a side. It will be a total of 3 hours to be equally divided, and no intervening amendment will be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I think I have assured the senior Senator from Massachusetts at this point that there will be votes, so I wonder if we could get an agreement on it.

Mr. KENNEDY. Mr. President, I wish to accommodate. The SDI involves a variety of different amendments, and I am at this time not prepared to agree to a time limitation.

Mr. LEVIN. Mr. President, I have one amendment which we are in the process of working out, and I think we can, which should not take longer than 20 minutes. It is a modification of title VII which is the procurement package. I think we are close to working it out.

I believe Senator Gramm will agree that 20 minutes equally divided would do it on that.

Mr. GRAMM. Ten minutes equally divided.

Mr. LEVIN. Ten minutes equally divided will be fine on my amendment, on my amendment on title VII on the procurement package.

Will that be all right?

I also want to protect myself on one other amendment which I will only offer if it is agreed to relative to computers. That will take 5 minutes. I will not offer it unless it is agreeable to the other side.

Mr. DOLE. I say a number of amendments are going to be agreed to. We do not need to sequence those. I think we will start taking those up immediately after we get time agreements on those which may have some debate.

There is the request for the Levin amendment dealing with——

Mr. LEVIN. Procurement.

Mr. DOLE. Procurement, and that will be 20 minutes equally divided.

Mr. GRAMM. Ten.

Mr. DOLE. With no intervening amendments.

The PRESIDING OFFICER. Is there objection to the request?

Mr. WILSON. Mr. President, reserving the right to object.

Mr. DOLE. There are other amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I do not know how many of these SDI amendments there are. Senator Proxmire and I have one and there are about 10 others of us who have amendments.

Once the Kerry amendment is debated, quite frankly, the SDI debate is going to be pretty well formed. I do not see any reason to take a lot of time, but I defer to Senator Proxmire on this as to a time agreement. I would be willing to take an hour on that amendment equally divided.

Mr. PROXMIRE. It is my understanding we are going to take that up on June 3 and we have to reach a time agreement now for June 3.

Mr. BUMPERS. I thought the majority leader was asking for a time agreement on this, that we were going to do after we come back.

Mr. DOLE. We are going to get the time agreement for tomorrow, propound the time agreement tomorrow on SDI, and I am certain whether there will be a time agreement on the so-called interim restraint, but propound the agreement on SDI tomorrow.

Mr. BUMPERS. We can get a time agreement on this side; I do not believe on the other side.

Mr. DOLE. I say as to those who have SDI amendments we are going to try to accommodate those Members by getting a time agreement. We do not want to put it over until June 3 or 4 without any time agreement. We do not really gain anything. We might as well stay on it tonight or during the day tomorrow.

I am advised there may be an amendment to the so-called ASAT moratorium, and I wonder if we might amend that request with reference to no intervening amendments will be in order. There may be amendments on that particular provision.

Mr. BUMPERS. Mr. President, if the majority leader will yield for one other point, one thing that was not mentioned here, and I know wherein I speak, and I think I speak for a lot of other Members who have engagements that they canceled. I have not canceled my tomorrow night engagement.

I wonder if there is any possibility, because people are going to start bailing out of here tomorrow afternoon, I am afraid. Is there any possibility to stacking votes after noon or 2 p.m. and carrying those votes until after the recess?

Mr. DOLE. No. My view is we can get out of here this evening in the next 30 minutes and come in fairly early. We could complete the action if in fact the Members are willing to give us agreements on SDI when we return on June 3. If not, I would hope we would stay here and take up some of the SDI amendments.

I prefer not to do that, but I would hope that by 3 or 4 p.m. everyone could be on his way.

Mr. President, with reference to the ASAT amendment, I wonder if there might be 90 minutes on a side or 3-hour time agreement? The request should be that that would be amendable.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

Mr. KERRY. I object. Reserving my right to object, Mr. President, I inquire of the majority leader, it is my understanding that the agreement that was passed prior to this by unanimous consent I believe we stated each of these amendments would be received without any intervening amendments and I thought that was the agreement by unanimous consent which was accepted earlier as we propounded each of these time agreements.

Mr. DOLE. That was the request, but in this particular case there was an amendment or maybe more than one amendment that I should have referred to in that request. I think we can do it other ways.

Mr. KERRY. Mr. President, I wish to suggest, if I may, that if it is acceptable to this Senator we could have it propounded as a separate amendment after. I would not object to that. I would like to see the current amendment debated and voted on instead.

Mr. DOLE. Let me renew that request tomorrow. We can approach it in a different way.

As I understand it, there are no other amendments that will take any length of time; is that correct? If not, is it the desire of the chairman and the minority manager to stay for a while and take care of amendments? Is that acceptable?

Mr. GOLDWATER. I will say to my leader that if we have some Members who have noncontroversial amendments that they have discussed with the staff of the minority and the staff of the majority—and I believe the Senator from Illinois has done that and the Senator from Oregon has done that—I do not think it will be objectionable to the Senator from Georgia if we got rid of those.

Mr. NUNN. Mr. President, I would be delighted to do that.

Mr. GOLDWATER. Mr. President, I say to my leader——

Mr. NUNN. Mr. President, may we have order? The Senator from Arizona needs to be heard.

The PRESIDING OFFICER. The Senate will be in order.

Mr. GOLDWATER. Mr. President, we will be very happy to get rid of as many amendments on which there is no controversy as we possibly can this evening.

Mr. BYRD. Mr. President, we cannot hear the Senator.

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats. Staff will retire to the rear of the Chamber.

Mr. GOLDWATER. Mr. President, as soon as the leader has indicated that we no longer need to be here, we will entertain those amendments. Just bring them up and let us get through with them.

Mr. SIMON. Mr. President, I have two amendments. I think they are agreed to. I would like to offer them.

Mr. BYRD. Will the distinguished Senator yield?

Mr. SIMON. I am pleased to yield.

Mr. BYRD. May I ask the distinguished majority leader if Senators may now understand that there will be no more rollcall votes today?

Mr. DOLE. Mr. President, before I announce there will be no additional rollcall votes, let me indicate that a number of Senators have indicated in the last 30 seconds or so that they would like to complete action early tomorrow afternoon. I am perfectly willing to try to accommodate Senators, so we hope to be on this bill by 9 o'clock in the morning. At that time, we would need either the ASAT moratorium amendment or somebody here prepared to take up their amendment, unless we are going to lay down an amendment tonight.

Is anyone willing to lay down an amendment tonight?

Mr. NUNN. Mr. President, on the Kennedy amendment, I believe we would be better served, having talked to him, to try to work out a time agreement on that tomorrow. I am assured that we can limit it probably to about an hour overall and we would probably be better off trying to limit it tomorrow morning.

Mr. DOLE. Mr. President, there will be no more votes tonight. We are going to start at 9 in the morning. Whether we will leave at 3, 4, 5, or 6, it will depend on whether or not there is going to be someone here in the morning to start on the amendments.

Mr. SIMON. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Members will clear the well.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOLE. Will the Senator yield?

Mr. SIMON. I am pleased to yield to the majority leader.

Mr. DOLE. Mr. President, I ask unanimous consent that the Dodd amendment may be withdrawn. We have now accommodated Senator Dodd on the Contras amendment for Wednesday, June 5.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 227

(Purpose: To provide $2,000,000 for the purpose of conducting research and development programs to improve arms control verification technology and for the purpose of establishing an office at the Argonne National Laboratory to conduct such programs)

Mr. SIMON. Mr. President, I have an amendment that I am offering for myself and Senator Dixon which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

> The Senator from Illinois [Mr. Simon], for himself and Mr. Dixon, proposes an amendment numbered 227.

Mr. SIMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER. Mr. President, I could not hear a word that was said. Whose amendment is it and what is it all about? Could we have some order in this place?

The PRESIDING OFFICER. The Senator from Illinois will suspend until the Senate is in order. Will Senators please take their seats?

Mr. GOLDWATER. Mr. President, I did not hear the name of the Senator offering the amendment. I have not heard the amendment.

The PRESIDING OFFICER. The amendment is offered by the Senator from Illinois. I will ask the clerk to report the amendment for the second time.

The bill clerk read as follows:

The Senator from Illinois [Mr. Simon], for himself and Mr. Dixon, proposes an amendment numbered 227.

Mr. SIMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 164, line 24, before the period insert the following: ", and of which $2,000,000 shall be used to conduct research and development programs to improve arms control verification technology and to establish an office in the Argonne National Laboratory, Argonne, Illinois, to conduct such programs".

Mr. SIMON. Mr. President, today Senator Dixon and I are offering an amendment authorizing the Argonne National Laboratory in Argonne, IL to be one of the resource centers for arms verification for the nation. Funding will come under Division C, Department of Energy National Security Applications, Department of Defense Authorization Act for fiscal year 1986.

The need for such research efforts has never been greater. Today, there is no one center for developing and refining verification of treaty compliance technologies, nor is there a government reporting or coordinating body in any formal sense in this vital area. Equally important, there is no congressional reporting requirement prepared by ACDA or DOD bringing the public up to date on where we stand on verification. Apart from periodic reports on Soviet compliance practices—which in themselves speak volumes as to our highly capable monitoring and intelligence methods—not enough attention is paid to the crucial task of verification technology development.

This amendment will help foster creative R&D apart from that now being pursued at DOE's weapons labs. This approach has the double advantage of stimulating renewed competition on verification technologies, while also attracting new talent and untraditional methodology by integrating the nonweapons labs' interdisciplinary research (especially in areas not normally pursued at Los Alamos, Livermore, and Sandia) and applying it to the new challenges facing arms control treaty verification.

These challenges are becoming more and more difficult as new weapons systems proliferate, as new countries move to acquire nuclear weapons, and as the strains on current verification of compliance multiply. Much of the new weapons technology is focused on deception and concealment, including increasingly smaller and mobile systems. Argonne can draw upon basic research strengths found at the lab, pulling together the materials, physical, chemical, and computer sciences into a very sophisticated technical sensor and data interpretation base.

Argonne could be involved in identifying promising technologies and developing innovative approaches for the verification of nuclear, chemical, and biological weapons treaties. Problem areas long anticipated or now upon us include very low yield nuclear detonations detection, identification of warheads on deployed systems (e.g., nuclear or chemical), chemical and biological testing and production detection, atmospheric radioactivity sampling, nuclear reactor and fuel -safeguards/waste disposal/processing. This last activity holds special promise for use in nonproliferation regimes, and has long been an area of Argonne's strength; these applications will serve to renew our commitment to the Non-Proliferation Treaty which is to be reviewed later this fall. In addition, little basic research has yet to be conducted on chemical weapons verification, an area whose technology requirements are analogous to much of the environmental research underway at Argonne. This too is in accord with the Chemical Weapons Treaty tabled by the Reagan administration at the Conference on Disarmament in Geneva. Finally, a host of verification issues continue to surround the tabling of a comprehensive test ban treaty, and it is to be hoped that Argonne can address these concerns as a priority item.

In order to public confidence in arms control negotiations to continue to grow, it is absolutely essential for the scientific community to improve its methods and equipment and for the Congress to stay abreast of the new advances. There is much more to be done on verification, and I intend to seek additional changes in the structure and capabilities of governmental verification work. Argonne will strengthen our verification base and help Congress determine which treaties we can verify with high confidence and which treaties we cannot. This last function is an imperative particularly for the Senate, charged with granting advice and consent on treaty ratification. Would it not be better to embark on our ratification duties armed with the best possible scientific results? I am convinced that the answer can only be a resounding "yes."

Mr. President, I see Senator Warner on the floor. This is the amendment, I say to the Senator, that Senator Dixon and I discussed with him. This is the one that seeks greater utilization of the Argonne National Laboratory for verification and research. It does not add any money to the total authorization. I believe it is completely acceptable, at least we have cleared it with staffs on both sides. I have discussed it briefly with Senator Goldwater and Senator Nunn.

Mr. WARNER. Mr. President, I concur in the observations of the Senator from Illinois. He is accurate in his presentation. I support his amendment.

Mr. NUNN. Mr. President, we have looked at the amendment and we support the amendment.

Mr. GOLDWATER. Mr. President, we will accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 227) was agreed to.

AMENDMENT NO. 228

(Purpose: To require an annual report on research in arms control verification technology.)

Mr. SIMON. Mr. President, I have a second amendment that I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Illinois [Mr. Simon] proposes an amendment numbered 228.

Mr. SIMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following:

ANNUAL REPORT ON ARMS CONTROL VERIFICATION TECHNOLOGY

Sec. . (a) Not later than March 1, 1986, and March 1 of each year thereafter, the Secretary of Defense, in consultation with the Secretary of Energy, shall transmit to the Congress a report on recent developments in the capabilities of the United States to monitor major weapons (including nuclear, chemical, and biological weapons) deployed by the Soviet Union, including the capabilities of such weapons, and to monitor the development of new weapons by the Soviet Union for the purpose of—

(1) determining the level of compliance by the Soviet Union with arms control agreements, including agreements which have been executed by representatives of the governments of the United States and the Soviet Union but which have not been ratified by both governments; and

(2) the extent to which, if at all, the Soviet Union has exceeded the limits set out in arms control proposals made by either such government during formal talks with each other.

(b) The report required by subsection (a) shall include—

(1) an evaluation of the capabilities of the United States referred to in such subsection as of the time of the report; and

(2) the research and development objectives of the Department of Defense and the Department of Energy with respect to such capabilities for the ensuing 10 years.

Mr. SIMON. Mr. President, I am today offering an amendment to the Defense Authorization Act that will help clarify for the Members of Congress the vexing and complicated issues surrounding the verification of arms control treaty compliance. My amendment calls for an annual report, to be submitted not later than March 1 of each year beginning in 1986, detailing the full range of verification research and monitoring capabilities carried out by the Department of Defense and the Department of Energy's laboratory activities in this important area.

It is imperative that Congress be fully informed, on an annual basis, on verification problems and successes beyond occasional reports detailing Soviet compliance behavior. These reports, while worthwhile, are provided without much context as to where we stand on verification state-of-the-art. Congress needs to know with what level of confidence the DOD assembles its report: how much is based on high, medium, or low confidence in our verification technology. We further need to know about a variety of proposed treaties and treaties signed but unratified, including nuclear, chemical, and biological weapons accords.

As weapons systems advance and become increasingly difficult to verify, it is essential that verification technologies keep pace with new weapons productions, testing, and deployment. A number of treaties are pending, are now in the process of being negotiated, or have been proposed by one country or another for consideration. It cannot be stressed enough that Congress can best exercise its defense oversight furnction if it is fully informed concerning our verification capabilities at a given moment, and especially our R&D objectives for the next 10 years down the road. In this way we can then judge with higher confidence than is now possible whether our verification efforts are headed in the right direction, and whether we are truly capable of making an informed judgment on the compliance of treaties. We will then be best serving the national security of the United States.

Mr. President, I have discussed this amendment with the minority and majority staffs. This amendment is simply calling for an annual verification report. One of the things I discovered as I was researching the verification problem is that there is no report regularly to Congress on this vital subject.

I know of no controversy on it. I would be happy to answer any questions. I have discussed it with the staffs on both sides.

Mr. GOLDWATER. Mr. President, we have no quarrel with this amendment. We will accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 228) was agreed to.

AMENDMENT NO. 229

(Purpose: To authorize for appropriation $21,600,000 for construction of a Brigade Activity Center at the Naval Academy in Annapolis, Maryland)

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. Hatfield] proposes an amendment numbered 229.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 110, line 17, delete $1,880,000 and insert in lieu thereof $23,480,000

On page 140, line 2, delete $2,323,403,000 and insert in lieu thereof $2,345,003,000

On page 140, line 5, delete $1,195,989,000 and insert in lieu thereof $1,217,589,000

Mr. HATFIELD. Mr. President, the U.S. Naval Academy is the only academy of our military services that does not have a brigade activity center. We usually refer to these as multipurpose buildings. The President of the United States has asked for this in his initial budget period. I am proposing that we restore this to the budget. It would authorize the building of this center. We recognize that the curricula have been improved to the point where they now compete with any of the major universities of this country.

In order to continue to attract such young men and women to the Naval Academy, I think it is very important to add this kind of a facility.

Mr. President, this will add $21 million for such a facility, and authorization. We can determine at a different time if we want to fund it for fiscal year 1986, or whenever we want to fund it. But I would like to see this authorized at this time.

The Naval Academy must be competitive with other major universities and service academies if we are going to continue to attract the bright competitive young leaders we need.

The Brigade Activity Center is essential to allow the seating of the brigade to provide the academic, professional and cultural programs needed to ensure a well-rounded education for our future Navy leaders.

A unique plus for our service academies is the ability to frequently provide truly distinguished speakers with a wide variety of experiences for the entire brigade. The Naval Academy, unlike the other service academies has no facility adequate to seat the entire brigade under reasonable acoustic or environmental circumstances, therefore, a great opportunity is lost.

The design of the facility permits it to be divided into smaller segments which will be used simultaneously on a daily basis to support lecture and debate groups, seminars, briefings and various clubs and informal assemblies. Larger sections will accommodate band and glee club rehearsals as well as large gathering for indoctrination programs and seminars.

The facility will also support sporting events such as basketball, tennis, volleyball, boxing and other sports so actively pursued at our service academies.

I would like to yield to the Senator from Virginia.

Mr. WARNER. Mr. President, I have discussed this matter with the distinguished Senator from Oregon, and perhaps the Senate is not aware that he is a trustee of this institution and a former sailor of great distinction during World War II. I think he looked into the matter carefully. I have urged the distinguished chairman of the Military Construction Committee to hopefully agree with this amendment.

Mr. THURMOND. Mr. President, this item was not approved in the Senate Armed Services Committee. It was not considered such a high-priority item. There is a need for it. But since then, the Superintendent of the Naval Academy has expressed in strong terms a need for it. I understand there does not currently exist a facility to assemble the entire brigade of midshipmen under one roof, and this is a badly needed item. In view of the fact that all of the other academies have such a building, the need is expressed by the Superintendent, and expressed by these Senators, I am willing to recommend that to our able chairman.

Mr. HATFIELD. Mr. President, I thank the Senator from South Carolina. I have checked this with the Senator from New Mexico [Mr. Bingaman] who in turn checked it with the Senator from Georgia [Mr. Nunn]. He informed me that it was cleared by the minority side. I early on discussed this with the chairman of our committee. He suggested that I make the rounds of other individuals, and I have done so. They have indicated their support.

Mr. GOLDWATER. Mr. President, may I ask the Senator a question? As we all know, recently the academies were expanded from about 2,100 to 4,200 cadets—in your case, midshipmen. The Senator maintains that there is no building on the campus at Annapolis that will house the entire brigade of 4,200 people.

Mr. HATFIELD. The Senator from Arizona is correct. There is a field house that can be broken down in its current and normal configuration to accommodate such a meeting of the full brigade. But that is still a very inadequate facility because of the fact of the acoustics—and that it is only a single-purpose action where you get this kind of congregation.

This kind of facility would lend itself not only to formal lectures and academic work, but it would provide for cultural programs, and for athletic programs. It will be a multipurpose building, which most universities today have, and the Eisenhower Center at West Point provides for those academies.

Really, it is a fundamental part of the educational program, as it is for any other aspect of extracurricular activities.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, I am sure that is a worthy amendment. I understand the priority. It is a worthy project. There are misgivings on this side, I must say, because there were other projects that were high in priority that were not funded. It is a question of priorities. There are misgivings. But I have word from staff that Senator Bingaman has looked at this, and he does support the amendment.

So I recommend that we accept the amendment.

Mr. GOLDWATER. Mr. President, we have no objection to this amendment. We will accept it.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Oregon [Mr. Hatfield].

The amendment (No. 229) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I want to thank the Senator from Arizona, the Senator from Georgia, the Senator from South Carolina, and the Senator from Virginia.

AMENDMENT NO. 230

(Purpose: To authorize an additional Deputy Chief of Naval Operations)

Mr. WARNER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. Warner] proposes an amendment numbered 230.

Mr. WARNER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Part D, Title V, Division A, insert the following new section:

Sec.   . (a) Section 5086(a) of title 10, United States Code, is amended by striking out "six" and inserting in lieu thereof "seven".

(b) Nothing contained in this section shall be construed to authorize an increase in the total number of commissioned officers who may be on active duty in the Army, Navy, Air Force, and Marine Corps in a grade above colonel or captain as prescribed in section 811(a)(1) of the Department of Defense Authorization Act, 1978 (10 U.S.C. 131 note) or an increase in the number of officers of the Navy who may be serving on active duty in grades above rear admiral as provided by section 525(b)(2) of title 10, United States Code.

Mr. WARNER. Mr. President, I have discussed this amendment with the distinguished Senator from Georgia. I believe it to be acceptable on both sides.

This amendment would increase the maximum number of deputy chiefs of naval operations in the Office of the Chief of Naval Operations from six to seven.

The additional position may be used by the Secretary of the Navy to provide requisite authority to the flag officer directly responsible to the Chief of Naval Operations for Reserve Affairs.

This flag officer is designated by the Secretary of the Navy in accordance with 10 U.S.C. 264(a).

The Naval Reserve is an integral part of the Navy's total forces in virtually every mission area.

Naval Reserve Forces are being modernized to provide increased capability and ensure compatibility with Active Forces.

Examples include the assignment of modern frigates to the Naval Reserve Force.

These ships, unlike their predecessors, are new and fully capable.

They are an expanding part of the emerging 600-ship Navy.

Also, reserve carrier airwings are being modernized at an accelerated pace, and new construction mine-countermeasures ships are programmed for the Naval Reserve to replace the obsolescent ocean minesweepers.

The strength of the Navy's Selected Reserve has grown to over 107,000 and is programmed to exceed 137,000 by the end of this decade.

The number of Reserve personnel on fulltime active duty to train and administer reservists [TARS] has increased to over 13,000 and is programmed to reach almost 23,000 by the end of this decade.

The Navy is continually reviewing its mission requirements with the objective of identifying areas of feasibility for transferring increasing portions of already assigned missions or new missions to the Naval Reserve Force.

The Naval Reserve is evolving rapidly from a manpower pool in reserve to a force in being, providing increasing support to the Navy during peacetime and an enchanced force expansion capability upon mobilization.

The establishment of a deputy chief of naval operations—Naval Reserve—will improve the Navy's capability to ensure that the expansion of the Naval Reserve is accomplished in an efficient and expeditious manner.

The adoption of this amendment will cause no increase in the total number of commissioned officers on active duty, no increase in grades above rear admiral as already enacted by law nor any increase in budgetary requirements of the Department of Defense.

In light of the foregoing, I urge you to adopt this amendment thereby providing the Naval Reserve the organizational stature it both requires and deserves.

Mr. President, when I was privileged to serve in the Department of the Navy. I saw that a flag officer of a three-star rank was put in charge of the Reserves in order to allow that valuable component of the Department of Navy to receive adequate recognition.

It would be my hope that although this proposed amendment does not reflect a three-star appointment, it would reflect a two-star appontment. The officer would be placed here in Washington on what is known as the E ring, so that he could work with his fellow deputy chiefs of naval operations on other matters, and the Reserve thereby would be given a strong and adequate voice.

Mr. NUNN. Mr. President, I am in favor of the amendment.

Mr. GOLDWATER. Mr. President, I will make only one comment. I then will be in favor of it. This is a problem that has been in existence for many, many years in all of the services. Star ranks connected with the Reserve have been limited to two. We have had several occasions where we have tried to make the Army three, the Air Force three, and they have never succeeded. The only three-star general in the Reserve has been Lt. Gen. Jimmy Doolittle who retired with that rank who has since been given his fourth star out of recognition for the command that he occupied in World War II which subsequently became a four-star position.

I have no objection to this, Mr. President, I am a little fearful that we are kind of opening the door. But we will see what happens.

We have no objection to the amendment.

Mr. NUNN. Mr. President, did the Senator from Virginia mention that the Secretary is undertaking to cut the size of the headquarters?

Mr. WARNER. Yes. In discussing this with the Secretary of the Navy, he addressed the broader proposition whereby it is his intention to reduce the size of his entire headquarters.

As a part of that reduction, the Reserve segment which would be headed up by the officer designated by this amendment would likewise be reduced.

Mr. NUNN. It is my understanding that this amendment does not create a new flag office. Is that correct?

Mr. WARNER. The Senator from Georgia is correct. The billet would be obtained within the present designated number of flag billets under the jurisdiction of the Secretary of the Navy.

Mr. NUNN. The Secretary has pledged to make an overall cut on the Reserve Headquarters, and the number of 10 percent comes to my mind. I am not sure whether he mentioned that to the Senator. If those two things go together, the necessary reduction here should be rather significant, should it not?

Mr. WARNER. I am not prepared to address specifically the Secretary's proposal with respect to the entire OPNAV Headquarters staff. He stated that it was his intention to effect reductions in the size of that staff. In our discussion today he mentioned to the Senator the figure of 10 percent. He did not use that figure with me.

Mr. NUNN. I thank the Senator from Virginia.

Does the Senator from Arizona have further reservations on this amendment?

Mr. GOLDWATER. I do not believe so.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. BYRD. Mr. President, there is one amendment on which a time agreement was agreed to a few moments ago, the Metzenbaum amendment. I would like to put a request to the majority leader about.

Would the distinguished majority leader provide, as he has been doing, that no amendment be offered to that amendment?

Mr. DOLE. The Senator is correct. That request should have been included, that no further amendment would be in order.

Mr. BYRD. I thank the distinguished majority leader.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, the general agreement is favorable, with the understanding, although it cannot be put down in precise language, that this third star does not apply to a Reserve officer, it applies only to a Regular established officer, and it would be up to the other services to make any adjustments that might be necessary. It is not possible for us to make the adjustments tonight. We will accept the amendment.

Mr. NUNN. Mr. President, I might state my understanding. If my understanding is incorrect, we can work it out.

My understanding is, No. 1, that this position will not be a three star. No. 2, if it is a three star, it will have to come out of existing three star; we will not create additional ones. No. 3, if we conclude this is a disparity between the Air Force and the Army, there will be two ways to go: One way is to make everybody equal and the other way is to not accept this amendment in conference.

I think we ought to keep both options open.

Mr. THURMOND. Will the Senator yield?

Mr. NUNN. Yes.

Mr. THURMOND. Mr. President, I would like to associate myself with the statement just made by the able minority manager.

Mr. WARNER. Mr. President, the amendment does not address the question of the three-star rank at this time. Any promotion would have to be brought to the attention of the Senate.

Mr. GOLDWATER. Mr. President, we will accept the amendment with the understanding which has just been stated.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 230) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, the Senator from Alaska has an amendment to offer.

AMENDMENT NO. 231

(Purpose: To provide administrative reforms of the Variable Housing Allowance Program.)

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. Stevens] proposes an amendment numbered 231.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 28, following line two insert:

"(4) by striking out the period at the end of redesignated subsection (f) and inserting in lieu thereof "except that nothing in these regulations shall allow use of administrative techniques which: (a) cause variable housing allowance rates of military members to increase to prevent pay inversion, and (b) fail to lower variable housing allowance rates accordingly when decreasing costs are reported on the variable housing allowance survey."

Mr. STEVENS. Mr. President, there is a provision in the bill that repeals a provision from the appropriations bill for 1985 that permitted the extension of the Variable Housing Allowance Program in Alaska. Following the General Accounting Office on this matter, it is really not possible for us to deal with that question.

This amendment, Mr. President, will provide administrative reforms to the Variable Housing Allowance Program of the Defense Department.

Since 1981, when VHA, as it is called, was created, it has experienced extreme cost growth. From its original estimate in 1981, costs tripled by 1984. Last year the Armed Services Committee recommended and the Congress adopted a reform package which made significant improvements in the VHA program saving taxpayers hundreds of millions of dollars.

This year the Armed Services Committee has taken further corrective action to improve this program. We discovered last year that approximately 10 percent of the VHA budget goes to pay allowances to military members in excess of their housing costs. I am very pleased to see the Armed Services Committee recommend a provision which will eliminate these windfall payments in fiscal year 1986.

The amendment I am proposing will make additional improvements in this program. The General Accounting Office has been examining VHA at my request and has identified certain administrative practices used by the Defense Department which increase costs

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in VHA in excess of what the law provided. This amendment will stop the Defense Department from using these techniques to increase VHA payment to higher ranked military personnel solely to ensure they receive more money for housing than their more junior counterparts regardless of incurred costs. It will also eliminate the use of techniques which fail to lower VHA rates when actual housing costs decline.

The initial estimate of savings from this amendment provided by GAO is $58 million in fiscal year 1986. GAO will be refining this estimate. The Defense Appropriations Act will reduce funding for VHA accordingly.

If this amendment is adopted, I hope the Senate conferees will strive to see that the Senate position on VHA administrative reforms and the elimination of VHA windfalls is upheld.

Mr. President, this amendment has been discussed with the managers of the bill and I think they understand what the interest of the Appropriations Subcommittee is in this matter.

Mr. GOLDWATER. Mr. President, the majority and minority will accept this amendment.

Mr. NUNN. Mr. President, we accept the amendment and appreciate the efforts of the Senator from Alaska.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 231) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, the Senator from Maryland is next to offer an amendment.

AMENDMENT NO. 232

(Purpose: To require the Comptroller General of the United States to study the educational needs of Department of Defense personnel stationed outside the United States and to report to the Congress on the study)

Mr. SARBANES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maryland [Mr. SARBANES], for himself proposes an amendment numbered 232.

Mr. SARBANES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 90, after line 23, add section 905(e):

STUDY OF EDUCATIONAL NEEDS OF DEPARTMENT OF DEFENSE PERSONNEL STATIONED OUTSIDE THE UNITED STATES

SEC. 905(2)(1) The Comptroller General of the United States shall carry out a study to determine (1) the educational needs of members of the Armed Forces of the United States and civilian employees of the Department of Defense stationed outside the United States and the educational needs of the dependents of such members and employees, (2) the most effective and feasible means of meeting such needs, and (3) the cost of providing such means.

(2) Not later than September 1, 1986, the Comptroller General shall transmit to the Congress a report on the study required by subsection (1). The report shall include the Comptroller General's findings and such recommendations for legislation as the Comptroller General considers appropriate.

Mr. SARBANES. Mr. President, this amendment, offered on behalf of myself and my distinguished colleague from Maryland, addresses provisions included in the measure before us by the Armed Services Committee that places some restrictions on the manner in which the Department of Defense contracts for education services for its personnel. It is my understanding that the Department has raised some concerns about the implications of these provisions and its continued ability to monitor the quality of the courses being offered on its bases.

The amendment which we propose requires a General Accounting Office review of the educational needs of our defense personnel, the most effective structure required to adequately insure quality in meeting those needs, and the cost effectiveness of providing these services.

Upon completion of the study, the Comptroller General will make recommendations to the Congress with respect to such legislation as may be appropriate.

Mr. President, this is a necessary first step in assessing the educational needs of our defense personnel and ensuring the quality of the courses being offered. I urge my colleagues to accept this amendment.

Mr. MATHIAS. Mr. President, the Department of Defense authorization bill contains language on the off-duty postsecondary education services for service members, civilian employees, and their dependents. This is of great importance because it is the Congress' and the Department of Defense's responsibility to ensure that the programs offered are of high standards and meet the needs of our personnel and their families.

The manner in which these services are procured has become the subject of much discussion with the Department of Defense and in the educational community. The focus has been on a request for proposal [RFP] by the Army for educational programs in Europe.

The present RFP is similar to processes used by the Air Force in the Pacific in 1983 and by the Air Force in Europe in 1984.

With this as background, I would like to raise several questions with the distinguished chairman of the Armed Services Committee.

The provisions of the Defense Department authorization bill may require some changes in solicitations for educational programs for military personnel. However, I think it is important to clarify the principles that will continue to underlie the competition for procurement of these services for our Nation's military personnel.

Can the distinguished Senator from California assure me that the Armed Services Committee continues to support fair and open competition in the procurement of these educational services? 0

Mr. WILSON. I am pleased to give that assurance to the Senator from Maryland.

Mr. MATHIAS. Am I correct in stating that Department of Defense policy should not prohibit any qualified educational institution from responding to RFP's on postsecondary education programs at any military facility, within the jurisdiction of any of the military services?

Mr. WILSON. The Senator is correct.

Mr. MATHIAS. Is it also correct that the provisions of this bill do not limit a fair and open competitive process, or exclude any qualified educational institution from competing for any of these programs?

Mr. WILSON. I shared the understanding of the Senator from Maryland.

Mr. MATHIAS. Would the distinguished member of the Committee on Armed Services agree with me that in order to provide the men and women of our uniformed services with the highest quality of postsecondary education services, the various Armed Forces should, in evaluating responses to their RFP's in this field, take into account such factors as the following: The instructional programs offered by the proposing educational institution; the institution's experience and track record in offering similar services under similar conditions; the proposing institution's plans for accepting course credits through cooperation between other offering institutions; its prior track record in accepting such transfer credits; the cost to the service member of the proposing institution's offerings; the quality of instructional personnel and facilities; and the choice of offerings available to the service members; and to its personnel, of continuity and stability in the provision of postsecondary educational services?

Mr. WILSON. I fully agree with the Senator from Maryland that all the factors he has mentioned are legitimate and important ones. I would further observe that the study that we order the General Accounting Office to undertake, on the effectiveness and costs of providing off-duty postsecondary educational services to our military personnel, should take into account the important factors listed by my colleague from Maryland.

Mr. MATHIAS. I thank my good friend from California.

Mr. GOLDWATER. Mr. President, does the Senator from Georgia have any comment on this?

Mr. NUNN. Mr. President, I have discussed this amendment with the Senator from Maryland. I understand the background of it. It relates to a provision that was placed in the bill, as he mentioned, relating to off-duty education in colleges regarding military services, and the Senator from Illinois [Mr. DIXON] has an interest in this. It is my understanding that he has talked to the Senator from Maryland and does not object to this amendment. I believe it would shed light on a rather controversial and difficult subject. It is a good amendment. I urge it be adopted.

Mr. GOLDWATER. Mr. President, I agree with the minority manager. We are willing to accept this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 232) was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, now we have an amendment by the Senator from Indiana, which I hope is the last one.

AMENDMENT NO. 233

(Purpose: To authorize the President to enter into agreements with member nations of NATO to carry out cooperative projects)

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana [Mr. QUAYLE] for himself, Mr. ROTH, and Mr. NUNN proposes an amendment numbered 233.

On page 100, between lines 2 and 3, insert the following new section:

NATO COOPERATIVE PROJECTS

SEC. . (a) Section 27 of the Arms Export Control Act (22 U.S.C. 2767) is amended to read as follows:

"SEC. 27. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.—(a) The President may enter into an agreement with the North Atlantic Treaty Organization (NATO) or with one or more member countries (other than the United States) of NATO for a cooperative project. Participants other than the United States in a cooperative project are hereinafter in this section referred to as 'other participants'.

"(b) For the purposes of this section, a 'cooperative project' is a jointly managed arrangement, described in a written agreement among the parties, which is undertaken in order to further the objectives of standardization, rationalization, and interoperability of the armed forces of North Atlantic Treaty Organization member countries, and which provides—

"(1) for one or more of the other participants to share with the United States the costs of research, development, testing, evaluation, or joint production (including follow-on support) of certain defense articles;

"(2) for concurrent production in the United States and in another member country of a defense article jointly developed in accordance with clause (1); or

"(3) for procurement by the United States of a defense article or defense service from another member country.

"(c) Each such agreement shall provide that the United States and each of the other participants will contribute to the cooperative project its equitable share of the full cost of such cooperative project and will receive an equitable share of the results of such cooperative projects. The full costs of such cooperative project shall include, but not be limited to, overhead and administrative costs. The United States and the other participants may contribute their equitable shares of the full cost of such cooperative project in funds or in defense articles or defense services needed for such cooperative project. Military assistance and financing received from the United States Government may not be used by any of the other participants to provide its share of the cost of such cooperative project.

"(d) The President may contract or incur other obligations for a cooperative project on behalf of the other participants, without charge to any appropriation or contract authorization, if each of the other participants in the cooperative project agrees (1) to pay its equitable share of the contract or such other obligations, and (2) to make such funds available in such amounts and at such times as may be required by the contract or such other obligations and to pay any damages and costs that may accrue from the performance of or cancellation of such contract or other obligation in advance of the time such payments, damages, or costs are due.

"(e) With the approval of the Secretary of State and the Secretary of Defense, a cooperative agreement made by the United States before the date of the enactment of this section that otherwise meets the requirements of this section may be treated on and after such date as having been made under this section.

"(f)(1) For those cooperative projects entered into on and after the date of the enactment of this section, the President may reduce or waive the charge or charges which would otherwise be considered appropriate under section 21(e) of this Act in connection with sales under sections 21 and 22 of this Act when such sales are made as part of such cooperative project. However, the President may reduce or waive such charge or charges only if the other participants agree to reduce or waive corresponding charges under the same and other cooperative projects in which both they and the United States are participants.

"(2) Notwithstanding the provisions of section 21(e)(1)(A) and section 43(b) of this Act, administrative surcharges shall not be increased on other sales made under this Act in order to compensate for reductions or waivers of such surcharges under this section. Funds received pursuant to such other sales shall not be available to reimburse the costs incurred by the United States Government for which reduction or waiver is approved by the President under this section.

"(g)(1) Not less than fifteen days before a cooperative project agreement is signed on behalf of the United States, the President shall transmit to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, and the chairman of the Committee on Armed Services of the Senate a numbered certification with respect to such proposed agreement, setting forth—

"(A) a detailed description of the cooperative project with respect to which the certification is made;

"(B) an estimate of the quantity of the defense articles expected to be produced in furtherance of such cooperative project;

"(C) an estimate of the full cost of the cooperative project, with an estimate of the part of the full cost to be incurred by the United States Government for its participation in such cooperative project and an estimate of that part of the full costs to be incurred by the other participants;

"(D) an estimate of the dollar value of the funds to be contributed by the United States and each of the other participants on behalf of such cooperative project;

"(E) a description of the defense articles and defense services expected to be contributed by the United States and each of the other participants on behalf of such cooperative project;

"(F) a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project;

"(G) whether the President proposes to delegate, or has delegated, to the Secretary of Defense authority to carry out the cooperative project; and

"(H) in the event the President proposes to delegate, or has delegated, to the Secretary of Defense authority to carry out the cooperative project, whether it is likely (i) that subcontracts will be awarded to particular subcontractors under the authority of section 2407(b) of title 10, United States Code, and, to the extent known, the nature of the subcontracts and the identity of the subcontractors to whom the subcontracts are to be awarded, and (ii) that waivers of certain provisions of law will be made under section 2407(c) of such title, and, to the extent known, the identification of the specific provisions proposed to be waived and the reasons for the proposed waivers.

"(2) The provisions of subsection (b) of section 36 of this Act shall not apply to sales made under section 21 or 22 of this Act and to production and exports made pursuant to cooperative projects under this section, and the provisions of subsection (c) of section 36 of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, or such licenses or approvals are issued, or such production and exports ensue as part of a cooperative project.

"(h) The authority under this section is in addition to the authority under sections 21 and 22 of this Act and under any other provision of law.".

(b) Section 2(b) of the Arms Export Control Act (22 U.S.C. 2752(b)) is amended to read as follows:

"(b) Under the direction of the President, the Secretary of State, taking into account other United States activities abroad, such as military assistance, economic assistance, and food for freedom, shall be responsible for the continuous supervision and general direction of sales, leases, financing, cooperative projects, and exports under this Act, including, but not limited to, determining whether there will be a sale to or financing for a country and the amount thereof, whether there will be a lease to a country, whether there will be a cooperative project and the scope thereof, and whether there will be delivery or other performance under such sale, lease, cooperative, or export, to the end that sales, financing, leases, cooperative projects, and exports will be integrated with other United States activities and to the end that the foreign policy of the United States would be best served thereby.".

(c) Section 3(a) of the Arms Export Control Act (22 U.S.C. 2753(a)) is amended—

(1) by inserting ", and no agreement shall be entered into for a cooperative project (as defined in section 27(b) of this Act)," after "international organization," the first place it appears;

(2) by inserting in paragraph (2) ", or produced in a cooperative project," after "so furnished to it";

(3) by inserting in paragraph (2) "(or the North Atlantic Treaty Organization or the specified member countries (other than the United States) in case of a cooperative project)" after "international organization" the second place it appears in the paragraph; and

(4) by inserting in paragraph (3) "or service" after "such article" each place it appears.

(d) Section 42(e) of the Arms Export Control Act (22 U.S.C. 2791(e)) is amended—

(1) by inserting in paragraph (1) "and each contract entered into under section 27(d) of this Act" after "of this Act"; and

(2) by inserting in paragraph (3) "and under contracts entered into under section 27(d) of this Act" after "of this Act".

(e)(1) Chapter 141 of title 10, United States Code (as amended by section 604(a)(1)), is amended by adding at the end thereof the following new section:

"§ 2407. Acquisition of defense equipment under North Atlantic Treaty Organization cooperative projects

"(a)(1) If the President delegated to the Secretary of Defense the authority to carry out section 27(d) of the Arms Export Control Act (22 U.S.C. 2767(1)), relating to North Atlantic Treaty Organization (NATO) cooperative projects (as defined in section 27(d) of the Arms Export Control Act), the Secretary may utilize his authority under this title in carrying out contracts or obligations incurred under such section.

"(2) Except as provided in subsection (c), chapter 137 of this title shall apply to such contracts (referred to in paragraph (1)) entered into by the Secretary of Defense. Except to the extent waived under subsection (c) or some other provision of law, all other provisions of law relating to procurement, if otherwise applicable, shall apply to such contracts entered into by the Secretary of Defense.

"(b) When contracting or incurring obligations under section 27(d) of the Arms Export Control Act for cooperative projects, the Secretary of Defense may require subcontracts to be awarded to particular subcontractors in furtherance of the cooperative project. The authority of the Secretary under this subsection shall expire on September 30, 1989.

"(c)(1) Subject to paragraph (2), when entering into contracts or incurring obligations under section 27(d) of the Arms Export Control Act outside the United States, the Secretary of Defense may waive with respect to any such contract or subcontract the application of any provision of law, other than a provision of the Arms Export Control Act or section 2304 of this title, that specifically—

"(A) prescribe procedures to be followed in the formation of contracts;

"(3) prescribe terms and conditions to be included in contracts; or

"(C) prescribe requirements for or preferences to be given to goods grown, produced, or manufactured in the United States or in United States Government-owned facilities or for services to be performed in the United States.

"(2) A waiver may not be made under paragraph (1) unless the Secretary determines that the waiver is necessary to insure that the cooperative project will significantly further NATO standardization, rationalization, and interoperability.

"(3) The authority of the Secretary to make waivers under this subsection may be delegated only to the Deputy Secretary of Defense or the Acquisition Executive designated for the Office of the Secretary of Defense.

"(4) The authority of the Secretary to make waivers under this subsection shall expire on September 30, 1989.

"(d) The Secretary of Defense shall report to the Congress each time he requires under subsection (b) a subcontract to be awarded to a particular subcontractor and each time he exercises a waiver under subsection (c). The Secretary shall include in every such notice the reason for exercising his authority under subsection (b) or (c), as the case may be, and, in the case of a waiver under subsection (c), the particular provision or provisions of law that were waived. A report under this subsection shall be required only to the extent that the information required by this subsection has not been provided in a report made by the President under section 27(e) of the Arms Export Control Act (22 U.S.C. 2767(e)).

"(e)(1) In carrying out a cooperative project under section 27 of the Arms Export Control Act, the Secretary of Defense may agree that a participant (other than the United States) may make a contract for requirements of the United States under the project if the Secretary determines that such a contract will significantly further NATO standardization, rationalization, and interoperability. Except to the extent waived, the Secretary shall ensure that such contract will be made on a competitive basis and that United States sources will not be precluded from competing under the contract.

"(2) If a participant (other than the United States) in a NATO cooperative project makes a contract on behalf of such project to meet the requirements of the United States, the contract may permit the contracting party to follow its own procedures relating to contracting.

"(f) In carrying out a cooperative project, the Secretary of Defense may also agree to the disposal of property that is jointly acquired by the members of the project without regard to any laws of the United States applicable to the disposal of property owned by the United States. Disposal of such property may include a transfer of the interest of the United States in such property to one of the other governments participating in the cooperative agreement or the sale of such property. Payment for the transfer or sale of any interest of the United States in any such property shall be made in accordance with the terms of the cooperative agreement.

"(g) In carrying out a cooperative project, the Secretary of Defense may also agree to the reciprocal waiver of customs duties or other type of duties that might otherwise be applicable to equipment or goods imported in pursuance to such agreement.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2407. North Atlantic Treaty Organization cooperative projects.".

IMPROVED NATO ARMAMENTS COOPERATION

Mr. QUAYLE. Mr. President, this body has discussed on numerous occasions how the NATO Alliance can best provide for the common defense. While these debates have at times been heated, with Members offering quite divergent positions, there has been a recurring point on which Members on the varying sides of the debates have been able to agree: It would be in the best interests of the United States and the NATO Alliance to improve and increase cooperation and coordination on armaments programs within the Alliance.

There are currently significant impediments to increased armaments cooperation within NATO. For example, in codevelopment and coproduction projects in which our NATO allies have participated as coequal partners, they must procure the particular system involved through U.S. foreign military sales procedures. This treats our NATO allies as mere customers in cases when they have, in fact, been full partners and serves as a disincentive to cooperation.

Such a situation presents serious obstacles to efforts to increase the rationalization, standardization, and interoperability of weapons systems within NATO. The Senate has been on record for some time as supporting greater NATO rationalization, standardization, and interoperability, most recently in the amendment offered by Senator Nunn and others which was adopted yesterday.

Mr. President, I rise to offer an amendment to further these earlier efforts of the Congress. The proposal that I, Senator Nunn, and Senator Roth are offering would facilitate cooperative projects between the United States and our allies in NATO—that is, jointly managed projects in which the United States and at least one other NATO country make equitable contributions during the early phases of the system acquisition process.

The advantages which can be gained by greater cooperation are several and significant, including savings in research and development expenditures

by the United States and other participants, reduced duplication of development and production within the Alliance, and earlier and more frequent deployment of common and interoperable systems by Alliance members.

As the Senator from Georgia noted yesterday, for more than a decade the NATO nations have expended more for defense than have the Warsaw Pact nations and yet the pact nations have produced many more combat items. One reason for this is that the NATO Alliance has not taken sufficient advantage of the benefits to be derived from greater cooperation in weapons development and production.

Our amendment would address this situation by providing the President with authority to enter into agreements within NATO for cooperative projects. The amendment requires such a cooperative project to be jointly managed and undertaken to improve NATO rationalization, standardization, and interoperability. Under such an agreement, each participant in the cooperative project would contribute its equitable share of the full cost, including overhead and administrative costs, and receive an equitable share of the results.

To facilitate the implementation of a cooperative agreement, the Secretary of Defense would be authorized to enter into contracts on behalf of the participant nations, following formal U.S. procurement practices, including the provisions of the Competition in Contracting Act.

Under the narrowly defined circumstances of a cooperative project, when a contract is to be performed outside the United States, the Secretary would be authorized to waive provisions of U.S. law pertaining to procedures for formation of, terms and conditions of, and source preferences for contracts, if it were necessary to ensure that the cooperative project would significantly further NATO rationalization, standardization, and interoperability.

The amendment carefully provides for congressional oversight of these cooperative projects. Prior to signing an agreement for a cooperative project, the President would be required to submit a certification discussing in detail the project's significant elements, which are enumerated in the amendment. There are further reporting requirements to ensure that the Congress is fully informed of implementation of the agreement in a timely manner.

Additionally, the new authorities provided to the Secretary would automatically expire at the close of fiscal year 1989. This sunset provision will ensure that the Congress will evaluate the exercise of these authorities and, based on the experience acquired by that time, make any changes that may be appropriate.

Mr. President, to place this matter in concrete terms, we can cite four cooperative efforts that will be facilitated by this amendment. These are the NATO Sea Sparrow, Sea Gnat, rolling airframe missile, and the terminally guided warhead for the multiple launch rocket system. We anticipate that eventually this will involve about 20 projects on a continuing basis. Importantly, this amendment should promote the success of the so-called emerging technology within NATO, by providing incentives to the European NATO allies to participate in the development phase of emerging technology projects with reasonable expectations of participating in subsequent production and common logistic support.

Mr. President, I am pleased to be joined in offering this amendment by Senators Nunn and Roth, both of whom have significant experience in this area. I believe that this amendment deserves the acceptance of this body, and I ask for the support of our colleagues.

Mr. President, this amendment is cosponsored with me by Senators Nunn and Roth. It is a basic agreement that we have with our allies when they enter into coproduction and codevelopment of our weapons systems. Once they enter into that production, if they come back and want to get any exports from our country, they have to go through a rather laborious process in the FMS procedures trying to get licensing.

This amendment seeks to establish a procedure for doing that with those countries which have cooperated with us. It is in accordance with the cooperation we have with the NATO alliance.

Mr. NUNN. Mr. President, this is a very good amendment, it is a very important amendment. I am proud to have cosponsored it with the Senator from Indiana. It has been approved, I understand, by the Secretary of Defense and the Department of Defense. It is something that would aid standardization of the weapons systems produced by the countries of NATO and would encourage our allies. I urge its adoption.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, the majority finds nothing wrong with this amendment. It is a good amendment. We will accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 233) was agreed to.

Mr. QUAYLE. I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. GOLDWATER. Mr. President, it looks like that is the end of the amendments this evening.

Mr. President, I ask unanimous consent that I may lay down and make the pending business tomorrow an amendment on ASAT.

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER. There is no objection, Mr. Pesident.

Mr. NUNN. Mr. President, reserving the right to object.

Mr. GOLDWATER. Mr. President, there is a question. I was asked by the majority leader, who is not around, to lay this down. It turns out there are quite a few of them. If the Chair will allow me, I will lay down an ASAT amendment and we will withdraw it as long as some ASAT amendment remains. I do not know which prcise one the majority leader had in mind. There are three or four of them.

The PRESIDING OFFICER. Is there objection to agreeing to the request of the Senator from Arizona?

Mr. EAGLETON. Mr. President, reserving the right to object.

Mr. NUNN. Mr. President, the Senator from Massachusetts has an ASAT amendment. I simply do not know which one is to be laid down. As long as we have assurance that if he does object we would not interfere with his right to withdraw the amendment and bring it up at some other time tomorrow, I will not have an objection, if that is understood.

Mr. EAGLETON. Mr. President, reserving the right to object, I do not know whether Senator Kerry wants his amendment to be first. I have no one here to consult with.

Mr. GOLDWATER. We do not know, either, so we will just put up an amendment called ASAT and tomorrow morning, make the proper adjustment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, my purpose in addressing the Chair is to put us in morning business, if there are no other matters.

The PRESIDING OFFICER. Is there objection?

Mr. NUNN. Mr. President, would the Senator withhold that? We are going to know about whether the Kerry ASAT amendment can be laid down in just a moment if the Senator will let us interrupt for that.

Mr. President, we have been informed that the Senator from Massachusetts does not want his amendment laid down, so we would have an objection to a Kerry ASAT amendment being laid down. Perhaps the Senator from Arizona would like to have another ASAT amendment laid down.

Mr. GOLDWATER. Mr. Chairman, I was only following the wishes of the majority leader, who asked me to lay down an ASAT amendment. I am sorry I picked the wrong one. I am willing to lay down anything. Does the Senator have one in mind?

Mr. EAGLETON. Reserving the right to object.

Mr. NUNN. Mr. President, I suggest that tomorrow morning, we would be better off to talk to the Senator from Massachusetts. I suggest that we straighten out any ambiguity in the Record by asking unanimous consent that there not be an amendment laid down at this time. When we come in tomorrow morning and find out who will lay down an amendment, or if there is one presented here this evening or someone sends word on one, I shall be glad to get one laid down.

Mr. GOLDWATER. I think the only reason the majority leader wanted one laid down was in the interest of saving time so we would not have to take time getting people to the floor and arguing and discussing and not getting on with the business.

Mr. NUNN. May I ask the Senator from Missouri while he is here, I do not know what time the majority leader plans to come in.

Mr. GOLDWATER. Nine o'clock.

Mr. NUNN. The Senator from Missouri has two amendments and they are not going to take a long time. It will be a good way to get started. What time will we be on the bill?

Mr. GOLDWATER. Nine-thirty.

Mr. NUNN. Mr. President, I ask unanimous consent then that the first order of business, once we convene on the DOD bill, be the amendment of the Senator from Missouri on the Joint Chiefs reorganization, to be followed by a DOD inflation amendment by the Senator from Missouri.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? Is there objection?

The Chair hears none, and it is so ordered.

ACQUISITION OF FOREIGN-MADE MACHINE TOOLS BY DEPARTMENT OF DEFENSE

Mr. LEVIN. Mr. President, in considering the fiscal year 1986 defense authorization bill I would like to bring to our attention a practice that I believe poses a threat to national security. The Department of Defense is currently procuring foreign-made machine tools for use in our defense arsenals, shipyards, submarine bases, air logistics centers, and so forth.

The unavailability of replacement machines, critical components, spare parts, and service from foreign producers during a national security crisis would directly threaten the continued operation of these essential and unique DOD facilities.

This procurement policy has also resulted in a significant loss of business for U.S. machine tool builders. The U.S. machine tool industry is critical to the defense mobilization base and to the international competitiveness of our national economy. However, it has been severely crippled by a flood of subsidized imports. Last year, 48 percent of the machine tools installed in the United States were imported and the trend toward increased use of foreign machine tools is increasing.

Other nations recognize the threat that procurement of foreign-made machine tools could pose in their defense establishments and are currently not procuring foreign machine tools for such defense facilities if the required tools are available from domestic sources.

I had planned to propose an amendment to this bill which would prohibit continuation of this policy. However, I understand the House Armed Services Committee has provided report language to the defense authorization bill which questions this DOD practice and gives the Department of Defense the opportunity to voluntarily change it.

I wonder if the Senator from Indiana, whose subcommittee has jurisdiction over this matter, would consider proposing action to the Senate should the Defense Department not voluntarily take prompt correctional action?

Mr. QUAYLE. Mr. President, I commend my colleague, Senator Levin, for bringing this matter to the attention of the Senate. I agree with his comments on the danger this practice poses to our defense industrial and mobilization base. In addition, I am concerned that continued DOD procurement of foreign-made machine tools could result in the compromise of U.S. weapons technology.

The dangers of relying to a large extent on foreign machine toools are clear. As my colleague from Michigan notes, many of our own allies follow a policy of not purchasing foreign-made machine tools for their defense facilities if comparable tools are manufactured by domestic sources.

I would hope that the statement of managers on the conference report will include language similar to the House committee report. I plan to closely follow the action the Department of Defense takes on the report language. I trust they will voluntarily take corrective measures with regard to the excessive reliance on foreign-made machine tools in our defense arsenals.

Mr. LEVIN. Mr. President, I am pleased that my colleague shares my concern on this problem and that he will join with me in initiating action to direct correction of this DOD policy should it be necessary.

Our Nation must realize, as do all other industrialized nations, that life as we know it is impossible without modern machine tools. These tools are job makers in the truest sense. They help generate wealth, but they also do far more than that—they form the base for our entire industrial system, our mass production of goods, our economic strength and growth, our increased productivity, and our high standard of living. And last, but not least, machine tools are a critical part of the foundation of a viable defense industry.

I ask unanimous consent that a section entitled, "Can We Afford Foreign Dependence" from the National Defense University publication "Mobilization and the National Defense" be entered in the Record at this point.

Mr. SASSER. Mr. President, will the distinguished chairman of the Armed Services Subcommittee on Strategic and Theater Nuclear Forces yield for an inquiry?

Mr. WARNER. Yes; I am happy to yield to my friend, the senior Senator from Tennessee.

Mr. SASSER. I thank the chairman.

I have noted in the bill before the Senate that there is a $35-million reduction to the amount requested by the Department of Energy for the Community Assistance Program. It is my understanding that the requested amount was to buy out the yearly payment that has been made under contract to the city of Oak Ridge, TN and Roane and Anderson Counties in Tennessee. Is it the intent of the committee to abolish the buy-out plan and to have the Department of Energy negotiate a new multiyear contract with the three entities?

Mr. WARNER. The reduction in funding for the Community Assistance Program is a reflection of the serious budget situation. The committee's intent is to to defer for a year the buy-out plan. It is not the committee's intention to rule out a buy-out in future years.

Mr. SASSER. I appreciate the chairman's clarifying remarks. Furthermore, I should like to remind my colleagues of the action of the House on this matter. The bill reported by the House Committee on the Armed Services contains the full amount in the budget request. Therefore, the Community Assistance Program funding should be expected to appear as an item in conference.

Mr. GORE. I also thank the chairman for his explanation of this matter. Roane and Anderson Counties and the city of Oak Ridge have worked diligently for this buy-out plan, which I believe merits very serious consideration in the Senate-House

conference on the 1986 defense authorization bill.

Mr. SASSER. I believe that my friend, the distinguished junior Senator from New Mexico also wishes to comment.

Mr. BINGAMAN. I thank my friend and colleague the senior Senator from Tennessee, and I thank the chairman of the subcommittee.

I am encouraged by the distinguished chairman's explanation of the action taken by the committee. It is good to know that the committee is not signaling disapproval of the concept of the buy-out, or one time payment of the community assistance funds instead of the yearly payment. I know that next year Los Alamos County, NM, will be seeking the one-time payment that was proposed this year for the Tennessee jurisdictions in question. I believe my colleague from New Mexico desires to speak on this issue.

Mr. DOMENICI. I thank my friend. As the Senator knows, I have had a long time interest in this matter as it relates to Los Alamos County. I am gratified by the remarks of my friend from Virginia regarding the action of the committee this year on the buy-out issue. I hope the committee will be able to act favorably on buy-out next year, both for Oak Ridge, and for Los Alamos County.

Mr. RUDMAN. Mr. President, I rise to briefly address an issue which has gained considerable attention as a responsible option for trimming fat from the defense budget without impairing our national security posture. Three months ago, I introduced a proposal to selectively cut the number of excess military and civilian personnel, both within the Pentagon and associated Defense Department commands, directorates, and agencies, assigned to indirect, noncombat support functions.

My initiative was prompted by several factors, including a careful review of the options available for cutting military spending as part of an equitable deficit reduction package. Arbitrary cancellations or stretchouts of weapons systems, while superficially appealing, represent an impractical, and perhaps even reckless, alternative. Beyond the potential impact on national security, the U.S. position in arms control negotiations and related questions of policy, this alternative's alleged benefits may be more apparent than real—money saved in the short term often incurs higher unit costs later. On the other hand, imprudent reductions in force structure or the critical readiness accounts would, given the array of external threats we face, seriously undermine military readiness and our ability to meet emerging security requirements. Most importantly, neither of these options is directed toward what I believe to be one of the most glaring deficiencies in our overall military structure—a combat tooth-to-tail ratio unduly hampered by an excessive noncombat support personnel network.

As I am sure all in this Chamber know, the most controversial element of my plan denied the Pentagon's proposed fiscal year 1986 personnel increases and required a 10-percent reduction in military and civilian indirect, noncombat support personnel. Under my plans, the majority of the proposed cuts could be achieved through attrition and the Secretary of Defense was given the authority to select the positions to be eliminated, thus protecting critical support functions such as intelligence and communications. I was pleased to observe that a great many highly qualified uniformed and civilian personnel, spread throughout the ranks, agreed with the thrust of my proposal as a necessary and overdue attempt to make our forces more cost efficient and responsive to the combat requirements which are the military's most important responsibility.

Under the very able leadership of the distinguished Senator from California [Mr. Wilson], the plan was accepted in its entirety by the Manpower and Personnel Subcommittee of the Senate Armed Services Committee. Unfortunately, it failed by a single vote during full committee markup of the pending authorization bill. However, significant portions of the proposal, most notably in the number of civilian, noncombat support personnel reductions, are included in this bill. I commend the Armed Services Committee for this prudent and farsighted action. I am likewise heartened by the fact that the close committee vote, as well as numerous comments made by my colleagues and others, indicate that support for this concept, both as a budget cutting and reform initiative, is widespread and growing.

Mr. President, I do not intend to once again recite the eye-opening statistics related to administrative overhead within the Defense Department bureaucracy. I have done so on several prior occasions and I believe the situation is obvious and well known to anyone willing to examine the issue objectively. It is unfortunate that the intent and thrust of my proposal have been distorted by some DOD officials. For example, it has been implied that I believe all support personnel are irrelevant to military strength, and that my initiative would pare force structure—as opposed to size—in a manner which would have a devastating effect on combat capability. As I am compelled to reiterate, such is simply not the case. What I have emphatically stressed is that direct combat support personnel, that is, those individuals directly supporting our strategic, tactical, and mobility forces, are automatically exempt from any cuts. And so, I must ask: Is it totally inconceivable that, within the vast DOD bureaucracy and in specific subcategories of noncombat support personnel as defined by the Pentagon itself, additional economics cannot be found and duplicative functions cut? I certainly do not think so. Moreover, I am convinced that enlightened management of the support structure could substantially enhance combat support capability even as superfluous billets are eliminated.

While I could elaborate at length upon these observations, I will refrain from doing so now. Although I had originally contemplated offering my complete proposal as an amendment to this bill, I have decided to withhold it for the time being for several reasons. First, some elements of my proposal have been incorporated into this bill. Second, the Committee on Armed Services was able to meet the monetary ceilings assumed by the first budget resolution. Third, I am in the process of refining the definition of indirect, noncombat support personnel and further developing the data base from which additional cuts might prudently be made. There will be an appropriations bill later this year and the Senate may be addressing this issue at that time. Additional savings are both possible and desirable, and an improved combat tooth-to-tail ratio is a worthwhile goal.

TRIBALLY OWNED BUSINESSES IN MONTANA

Mr. MELCHER. As my distinguished colleague, the senior Senator from Arizona, is aware from our conversation Tuesday, there is a serious potential problem involving a tribally owned industry in my State of Montana that I had hoped to resolve through an amendment. I fully understand the cautiousness with which this amendment has been received an am in sympathy with the objections raised and so I will not bring up the amendment. However, since we are hopeful that the matter can be resolved administratively, I look forward to the assistance of my distinguished colleague in bringing about such a resolution.

In short, A&S Tribal Industries in Poplar, MT is a 100 percent tribally owned firm that is now providing camouflage material to the Department of Defense on a sole source basis pursuant to the tribe's 8(a) status and the "Buy Indian" provision in the fiscal year 1985 Department of Defense appropriations. Under the current system of contracting, A&S provides camouflage net pieces to the Department of the Army as a subcontractor to the Small Business Administration under the 8(a) program. Since the company began operations 10 years ago, it has generated sales of $67.5 million, of which $54.7 million has been derived from the camouflage product line. The line generates 70 percent of the company's employment, which now numbers about 400 people, mostly Indians on the Fort Peck Reservation in the remote and economically distressed northeastern section of the State of Montana. Other jobs are simply not available for these people.

A&S Tribal Industries has been an unqualified success under the 8(a) program, from which it will graduate in October 1987. It is working diligently to seek alternatives to replace the loss of its 8(a) status. However, the Army does not, apparently, intend to wait until A&S graduates but is looking to create additional procurement sources as early as April or May of 1986. They have been told that a large buy will be scheduled and that A&S will get 50 percent under the 8(a) program and will be permitted to bid on only 50 percent of the remainder.

The manufacturing process at A&S is labor intensive, requiring minimum skill and small capital investment. There are 13 netting manufacturers in the United States with the fishing industry as their major markets. Production of such netting is not labor intensive but for the most part is an art rather than a science. However, it is obvious that the companies that manufacture raw netting would have a distinct edge and would surely prevail in any bidding competition. A&S Industries has begun to diversify its product line and will continue to broaden its product base. However, for the near term, camouflage netting is vital to its business and the desperately needed jobs on the reservation.

This company, in short, needs some breathing room while it prepares for the future and I would very much appreciate a commitment from the senior Senator from Arizona to assist in providing this help to A&S and to the State of Montana.

Mr. ANDREWS. As my distinguished colleague, the senior Senator from Montana has pointed out, we had hoped to address a very serious problem with the tribally owned businesses currently producing camouflage netting to the Department of Defense by means of an amendment. I, too, understand the concerns of my colleagues, and so, join in the decision not to raise the amendment today. I am happy that we will be able to address this issue administratively, since, in this matter, it is the end result, and not the means, that is imperative.

In my home State, North Dakota, the Devils Lake Sioux Manufacturing Co. owned by the Devils Lake Sioux Tribe in Fort Totten, has been contracting, pursuant to a Small Business Act 8(a) contract, to provide, in conjunction with A&S Tribal Industries, camouflage netting to the Department of Defense. DLSMC is scheduled to graduate from the 8(a) program in October 1986, but is still in need of some assistance with contracting, while developing more private and non-8(a) contracts. This is not an easy move for the Tribe. DLSMC began 11 years ago as a mostly non-Indian managed company, and now has many young tribal members in management areas and going to school to learn business management skills. These youngsters are returning for the summers and working for the company, and hope, upon graduation, to return to DLSMC for permanent employment. It is my hope that with the help of my colleagues, and the Administration, DLSMC will still be there for them to return to.

Like A&S Industries, DLSMC has been a total success. They have consistently received awards for excellent products, and at good, reasonable prices. However, the Army plans to look elsewhere for this procurement contract, and DLSMC will have a hard, it not impossible, time competing against larger corporations for the contract. While DLSMC has been able to obtain a competitive contract from the Army, it is on a small scale, and the camouflage contract is the bulk of its work. Thus, DLSMC needs a little help in preparing to enter the competitive contracting world, where it will have to keep pace with the much larger and more financially secure businesses. With a little help, a "little breathing room," as my colleague phrased it, DLSMC will be able to compete with the best and the biggest.

Mr. GOLDWATER. I want to thank my colleagues for agreeing not to bring up an amendment to solve the problems that these two, fine tribal businesses are facing. I am sure that we will be able to work this out administratively, which I think is the best way to go on this right now.

As my colleagues know, especially since we sit together on the Select Committee on Indian Affairs, I am deeply committed to economic development in Indian country. In my home State, Arizona, there is real poverty and economic depression on the Indian reservations, something that I hope will change in the near future. The impact that the A&S Industries and the Devils Lake Sioux Manufacturing Corp. have made on their reservations is commendable. As has been pointed out, not only have these businesses given employment opportunities to the tribal members, but they are providing the base for other Indian owned small businesses.

These opportunities are also encouraging the young people to finish high school and go on to higher education—knowing that there are employment opportunities to return to. And I agree with my colleagues that it would be unfair, and a shame, to force them into an economically unsound position, or worse, pull the rug out from under their feet by sitting by and forcing them to close down or lay off the vast majority of their workers because they could not adequately compete against the larger companies.

I assure my colleagues, that I will do what I can to help get these companies some breathing room, so that they can continue moving into the competitive arena without experiencing undue hardship.

CHEMICAL WEAPONS

Mr. BINGAMAN. Mr. President, last night the Senate defeated an amendment offered by Senator Pryor to delete all funding—a total of $163 million—for production of binary chemical munitions from the fiscal year 1986 Defense Authorization Act. The vote was 50–46.

I voted against the amendment after a very long and thorough consideration of the issue. This is a change from the vote I cast 2 years ago on this issue.

I voted as I did because I am now persuaded that our current chemical deterrent is inadequate. I have always supported our maintaining an adequate supply of chemical weapons to deter use of these terrible weapons against our own forces. Since World War I these weapons have only been used against those who lacked the ability to retaliate in kind—the Italians against the Ethiopians in the 1930's, the Egyptians against the Yemenis in the 1960's, the Soviets against the Afghanis in the 1980's, and most recently, the Iraqis against the Iranians. I do not want to place a future President in the position of choosing between nuclear escalation and surrender because of an inability to respond to a Soviet chemical attack with our own chemical weapons. I believe that we simply must keep the threshold as high as possible where our President would have to contemplate the use of nuclear weapons. That means we must maintain an adequate non-nuclear deterrent, including chemical weapons. Relying on nuclear weapons to deter potential Soviet conventional aggression simply is not a credible strategy in my opinion.

Up to this year, I had not been persuaded that our current chemical deterrent was inadequate. As the result of hearings before the Senate Armed Services Committee, on which I serve, I am now convinced of the need for the new binary bomb to replace the unusable bombs currently in our stockpile. I am frankly less persuaded of the need for new binary artillery shells, because many older unitary artillery shells remain useable. Also, our West European allies appear to be strongly opposed to positioning chemical munitions on their soil. Airlifting chemical artillery shells to Europe in sufficient quantity during a conflict would pose enormous problems given our shortage of airlift capability, a problem which would be much more

manageable in the case of the binary bomb. But since the Pryor amendment deleted funds for both the binary bomb and the binary artillery shell, I could not support it.

I would note that binary chemical munitions also offer large advantages over current unitary chemical munitions in terms of safety. Binary munitions remain nonpoisonous until they are launched. Then two chemicals—a pesticide and alcohol, for example—mix in flight to produce a deadly chemical agent. Unitary munitions currently in our stockpile contain a deadly chemical at all times. Any accident or leakage from them could result in a major disaster not only for the military personnel handling them, but for nearby communities as well. I therefore support disposing of our old unusable stock of unitary chemical weapons as rapidly as possible. We will end up, even after the production of new binary chemical munitions, with a much smaller, more credible, and safer to handle deterrent.

I should stress that I voted as I did on the Pryor amendment precisely because I never want to see these weapons used against our troops in conflict. I fully support negotiations, including direct bilateral negotiations with the Soviets, to ban them. Until such a ban is negotiated with strict verification provisions—along the lines of the draft treaty the U.S. proposed at Geneva last year which the Soviets summarily rejected—I see no choice but to maintain an adequate capability to retaliate in this area. Not to do so would make use of chemical weapons against us more, not less, likely.

ROUTINE MORNING BUSINESS

Mr. DANFORTH. Mr. President, I ask unanimous consent that there now be a period of morning business not to exceed 30 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DISAPPOINTMENT AT HOUSE BUDGET ACTION

Mr. DOLE. Mr. President, to put it plainly, I am disappointed. The Senate made certain choices early in the morning of May 10 when it passed its fiscal 1986 budget resolution—difficult choices. Choices that not only look good on paper, but can and should be translated into legislative action to reduce the deficit.

Today the House made choices too. But the choices it made were the easy ones. Choices that would do little to attack the deficit problem all of us—Democrats and Republicans alike—at least say we are determined to solve.

That, above all else, is the concern I have about the House democratic budget plan. It is not merely a question of slashing defense spending beyond the level that is necessary to maintain the national security.

Nor is is the fact that the House budget blueprint contains cream-puff savings from assumptions such as the "contracting out" of Federal Government activities. Or that the Senate budget kills 13 domestic programs outright, and radically reduces many others, while the House would kill only general revenue sharing and lightly touches a few more programs with a 10-percent reductions in the 1st year only.

Rather, my greatest concern about the House plan is that in the final analysis it does not compel Congress to produce anything close to the amount of deficit reduction needed to sustain the economic recovery.

If the House democratic budget plan is scrutinized closely, it is clear that it avoids utilizing the fiscal tools that are designed to insure that Congress actually achieves the savings assumed in the budget resolution.

Those of us familiar with Congressional budget resolutions know that the document is mostly a list of numbers, organized by governmental and budget function. And despite all the rhetoric about cutting spending, a budget resolution by itself does not change any laws or cut any programs. Neither is it self-enforcing.

A budget resolution has value as a means for deficit-reduction only to the extent that it forces committees to make permanent changes in programs through so-called reconciliation instructions.

These directives order the various committees of jurisdiction to report legislation producing a specified level of savings by a date certain. Once the committees approve their reconciliation savings they are wrapped into one bill that is entitled, under the 1974 Congressional Budget Act, to special protection against filibusters and nongermane or irrelevant amendments. All of this makes passage of the bill easier and more likely.

The Senate's budget blueprint reconciles 13 different authorizing committees to $29 billion in savings in the 1st year and $135 billion over 3 years.

And while the savings from the appropriations process are not subject to reconciliation under the budget act, the Senate did adopt separate caps on the overall level of defense and nondefense appropriations. These caps can be enforced by a point of order against any bill that exceeds the cap.

In contrast, the Gray plan contains no appropriations caps and it reconciles only direct spending and entitlement benefit programs—areas where the House budget plan made relatively few cuts. The House democratic budget, in fact, reconciles only $11 billion of its savings or about one third of the savings mandated by the Senate's budget plan.

More important, over 3 years the Gray budget reconciles only $37 billion in savings, which is only 27 percent of $135 billion mandated savings in the Senate plan.

That means that only 14 percent of the $259 billion the Gray plan purports to save is subject to any budgetary discipline, either by reconciliation or appropriations caps. All—100 percent—of the Senate plan savings are covered by1 of the 2 enforcement mechanisms.

The remainder of the House democratic budget plan's savings are to be volunteered over the next 3 years as part of the annual appropriations process or by the authorizing committees if and when they get around to it.

I would like to believe that Congressional committees—without being compelled—would make these tough decisions. But experience shows that the deficit cuts will not be achieved unless they are mandated to do so as part of a focused reconciliation effort.

Numbers on a piece of paper mean very little. What I think the American people want and expect from Congress is action that will meaningfully reduce the Federal deficit and guarantee the American economy remains on track. The House democratic budget simply fails to meet that goal.

MAY IS OLDER AMERICANS MONTH

Mr. DOLE. Mr. President, when spring passes into summer, it is usually in the month of May, and it is the time of year that has traditionally been designated "Older Americans Month." May gives us the opportunity to reflect on the valuable contributions that the elderly have made to this country and are continuing to make. Older Americans have the gift of vast experience, from which all of us can learn. Quite often, they may no longer be working, but continue to volunteer their talents and time to helping their elderly friends and neighbors who may not have been blessed with good health into their octogenarian years and beyond.

Throughout this month, Americans will be taking note and commemorating the tremendous achievements of our older citizens. The themes and activities that are taking place this month are designed to focus public awareness on the special needs of older Americans, as well as their unique abilities and boundless potential.

While many older Americans continue to live independently, there are many who require special assistance because their health has failed. Businesses are helping by developing technological advances in consumer prod-

ucts that enable older people to live outstanding job they have done in the Soviet Union and the United States ucts that enable older people to live more independently. There is also a move toward home health care, which means that the elderly can remain with family or in their own homes for as long as possible.

Over the years, the Federal Government has become increasingly involved in the lives of the elderly—we owe a lot to them for bringing this country to where it is now—through hard work and dedication to the American dream. When they are no longer in a position to be able to fully take care of themselves, then it is right that this country should help them in their sunset years.

20TH ANNIVERSARY OF OLDER AMERICANS ACT

Mr. President, 1985 marks the 20th anniversary of the Older Americans Act, which represents a comprehensive approach to fulfilling the long-term goals of American society with regard to our elderly citizens. This act serves as an umbrella for a multitude of services that are designed to maintain the dignity and independence of millions of the Nation's elderly. The broad range of programs included in the Older Americans Act include nutrition, transportation, home health and social services, and counseling. These programs provide direct benefits, but the side benefits are equally worthwhile—the social, economic, and emotional benefits derived cannot be assessed in dollar-terms.

In addition to the programs provided by the Older Americans Act, the Federal Government also attempts to provide income security to elderly individuals through Social Security, energy assistance, Medicare and Medicaid, housing and employment programs, and many others. It is only fair that older Americans should be as free from poverty and economic worry in their retirement years. Due to the extended life expectancy, older Americans are living longer and enjoying better health. Because of this, they are able to be productive into their seventies, eighties and even nineties. This is remarkable progress in itself.

CONCLUDING REMARKS

Mr. President, sometimes the achievements of individuals are noted in the history books, and sometimes their achievements are quietly noted in local communities where they have lived and made a difference. It is appropriate that the month of May be set aside for us to thank our senior citizens for everything they have contributed to our society to make this a better country—and for everything we continue to learn from their experience.

MASTER PLAN FOR TRAINING AND DOCTRINE COMMAND (TRADOC) AT FORT MONROE

Mr. WARNER. Mr. President, I rise today to commend the Army for the outstanding job they have done in completing the master plan for the Training and Doctrine Command [TRADOC] at Fort Monroe, VA.

This plan is one of the most comprehensive and complete that I have seen for any military installation and includes a very deliberate schedule for military construction through the next decade.

If followed, this well-conceived plan will ensure that the facilities at Fort Monroe will enable the TRADOC to more effectively accomplish its mission and will adequately meet the needs of the military personnel assigned to Fort Monroe and their families.

I urge the Army to complete the plans for construction of the administration headquarters as soon as possible in order that construction of this badly needed facility may be commenced in fiscal year 1987.

ARTICLE BY AMBASSADOR THOMAS WATSON, JR.

Mr. EAGLETON. Mr. President, living here in Washington we sometimes fall prey to the myth that profound analysis, insightful discussion, and intelligent commentary are the exclusive properties of this city, and can only be disseminated through the pages of a handful of national newspapers. Periodically, however, events in the outside world show us the fallacy of that myth. In a recent edition of the Stamford, CT Advocate, for example, there appeared an "Op-Ed" piece by former Ambassador to the Soviet Union Thomas Watson, Jr. on the subject of United States-Soviet arms control. Rarely have the problems that plague this subject been so eloquently and succinctly probed. Further, Ambassador Watson offers not just a critique of the mistakes of the past, but valid suggestions for change as well. I ask unanimous consent that the full text of Amnbassador Watson's article be reprinted in the Congressional Record so that those who do not read the Advocate on a regular basis may benefit from the profound words therein.

There being no objection, the article was ordered to be printed in the Record, as follows:

[The Stamford (CT) Advocate, Mar. 18, 1985]

The U.S.S.R.—Change is Wishful Thinking

(By Thomas J. Watson, Jr.)

A rapid succession of four leaders of the Soviet Union in four years, with little change in policy, is graphic testimony to the solidity and continuity of that government. Americans, bombarded by media speculation, naturally hope that a change in the Soviet leadership, particularly a change to a younger person, will lead directly to better relations between the two countries.

That is wishful thinking. Only enlightened self-interest on both sides can bring the Soviet Union and the United States back from the brink of a no-holds-barred nuclear arms race. Once we realize this we won't entertain false hopes based on nothing more than a new leadership in the Kremlin.

All around us are heated arguments for and against MX deployment, for and against a Star Wars defense, for and against nuclear arms. The result is a confused American electorate which has sound instincts about the danger of nuclear war but doesn't know what to do about it.

The confusion is compounded by our government, which says a nuclear war "cannot be won and must not be fought," yet plans under certain circumstances to use nuclear weapons to respond to a conventional attack. And the danger of an accidental or purposeful nuclear exchange grows steadily greater.

After being deeply involved in this subject for nearly eight years, I have come to the conclusion that we need a totally new approach. We can't change things by negotiating slowly through each step of the technical characteristics of each of the weapons, the number and deployment of aircraft capable of carrying nuclear weapons, the deployment of submarines and the type of weapons they carry, the question of how missile defenses affect the equation, and endless other technological points which must be discussed in Geneva.

We have to come up with a new approach because our efforts since Hiroshima have only led us deeper into the quagmire. The Soviet Union has helped to nudge us into the swamp, but for the most part we got there by taking steps which looked attractive technically or politically when they were made, but inevitably came back to haunt us.

In business, when a given strategy fails, the results show up in the balance sheet and you change the strategy to get back into the black. With nuclear arms there are no such simple signals. But we can look back across 40 years and draw some conclusions. In 1945 the world had two bombs and it now has 50,000; thousands of these bombs are city killers, meaning that a single bomb will do away with a city. Once Americans were safe behind our oceans, but now everything we cherish could be wiped out in a war of a few hours' duration. The strategy we have been following must be wrong, judged by where it has led us.

In my view, the way out is to end the contradiction between what we know to be true—that nuclear war must not be fought—and our policy of continuing to build up weapons to fight such a war. We know that if nuclear weapons are ever used by one superpower against another, a holocaust will be unleashed which will spare no one. The only conclusion must be that the highest priority of citizen and statesman alike must be to avoid that holocaust.

President Reagan has sensed that the public wants to resolve the contradiction, and has suggested that some day we could have a Star Wars defense, a heavenly shield to protect us from enemy missiles. That is misleading. Even if such a shield could be devised, many ways other than missiles can be found to deliver nuclear weapons.

Meanwhile the attempt to build a defense will only cause the Soviets to build more missiles and more warheads to overcome it, causing another dangerous upsurge in the arms race. We can surely find safer ways to the goal the President has pointed to, a

world in which the threat of nuclear war no longer hangs over our heads.

We had the intellectual depth and ability to develop the bomb before anyone else did, and it helped shorten the war against Japan—a war we did not start. But we failed to see what would happen when others acquired the weapon and tried to match us bomb for bomb and even to surpass us.

We should recognize that the situation has been going from bad to worse for 40 years, and demand a new approach. If we keep our eye on the basics and on the far horizon, we can come to sensible conclusions which are badly needed at this critical time.

MARTIAL LAW ON TAIWAN

Mr. PELL. Mr. President, 36 years ago this month—in 1949—the Government on Taiwan instituted martial law. Chiang Kai-shek, his army defeated by the Communists, had moved the Nationalist Chinese Government to Taiwan in hope of one day returning to and regaining control of the mainland. But with only a precarious hold on the island, and fearing Communist subversion and unrest among the local Taiwanese, he promptly resorted to emergency procedures to maintain Nationalist control.

Three and a half decades later, Taiwan has changed dramatically. In the 1950's rural land reform established a basis for the island's economic transformation, and in the 1960's and 1970's few nations matched Taiwan's economic growth. Meanwhile, gradual military modernization supported by the United States gave Taiwan a well-trained, sophisticated armed force capable today of conducting a formidable defense of the island. The political front also saw a measure of progress, as marginal reforms eventually enabled native Taiwanese to gain dominance in local elections and develop a majority in the dominant Kuomintang party's rank and file.

Unfortunately, at the top, key decisionmaking on Taiwan remains today in the hands of a small number of the mainlander political elite. On the positive side, evidence of slow but inexorable social change on the island has given rise to hope that this situation may change over time. Divisions between the mainlanders and the majority native Taiwanese have gradually diminished—in part because mainlanders of the new generation are becoming more Taiwanese in outlook, in part because locals have adopted many attitudes formally associated with the mainlander elite. A further melding of perspectives and aspirations seems certain in the years ahead. But the stark fact remains that today martial law continues in effect, a glaring exception to Taiwan's progress in other sectors.

Taiwan's leadership elite perpetuates its authoritarian control by denying press freedoms, censoring mail, and severely restricting freedom of speech, assembly, and other political activities. The preoccupation of Taiwanese authorities with Communist subversion has sustained an excessively broad definition of subversive activities, and the result has been a suppression of political opposition and dissent and a marked tendency for the government's security apparatus to abuse power. For too long, the people of Taiwan have seen their aspirations for democracy and respect for human rights subordinated to governmental actions predicated falsely on the supposed imperatives of national security.

Consequently, we have reached a point where continued delay on progress toward democracy could begin serious erosion of the traditionally close relationship between the United States and Taiwan. In short, Taiwan's many friends in America will find it increasingly difficult to justify their support for the Taiwanese Government if repression of basic freedoms does not end.

For a number of years, I have urged all authorities on Taiwan to undertake fundamental reform; I renew my plea today. I recommend, as a top priority, that Taiwan's authorities immediately establish a definite timetable for change, including:

First, an end to martial law; second, provision for the organization of new political parties; third, freedom of the press; and fourth, a plan for including a fair representation of Taiwanese in all national level government offices.

I am confident that such a program would greatly improve human rights conditions on Taiwan and begin the process of opening up the full political process to all of Taiwan's people. While I acknowledge that some officials on the island have begun to discuss reform along the lines I suggest, I regret that as yet I have seen little concrete results. In the interest of Taiwan's people and of maintaining a sound continuing basis for American relations with the island's government, I urge the Taiwanese authorities to begin to move from discussing the need for change to an action program that will bring real freedom to all Taiwanese people.

THE CALENDAR

Mr. DANFORTH. Mr. President, I inquire of the minority leader if he is in a position to consider any or all of the calendar items to be passed as follows: Calendar Order No. 129, S. 710; Calendar Order No. 135, S. 1147; and Calendar Order No. 144, Senate Resolution 127?

Mr. BYRD. Mr. President, I am pleased to state to the acting leader that these items have been cleared on this side of the aisle and we are ready to proceed.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the calendar items just identified be considered en bloc and agreed to en bloc.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS AUTHORIZATION ACT

The bill (S. 710) authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, was considered, and ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 710

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (e) of section 6 of the John F. Kennedy Center Act (72 Stat. 1698; 20 U.S.C. 76h, 761) is amended by striking out the period in the last sentence and adding in lieu thereof ", and not to exceed $4,529,000 for fiscal year ending September 30, 1986.".

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORPHAN DRUG AMENDMENTS

The Senate proceeded to consider the bill (S. 1147) to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws.

Mr. HATCH. Mr. President, I am delighted that 29 Senators—over one-quarter of the Senate—are now sponsors of this important legislation to amend the Orphan Drug Act. The significance of this bill and the strong support of the Senate for research in orphan diseases and research and development of orphan drugs are illustrated well by the fact that 15 members of the Labor and Human Resources Committee are cosponsoring this legislation.

I want to recognize in particular the cosponsorship of Senator Kennedy, the ranking minority member of the Labor and Human Resources Committee, and the cosponsorship of Senator Kassebaum, a long-time champion of this cause. It was Senator Kassebaum who introduced the early orphan drug legislation in the 97th Congress, and I am proud that she has joined me in sponsoring this bill as well.

Mr. President, reauthorization of the program to provide grants and contracts for the development of orphan drugs sends a clear signal that Congress encourages such activity and recognizes a winner.

The Orphan Drug Act provides several incentives for sponsors of orphan drugs. These incentives have worked. The act has worked. Since 1983, 55 drugs have been designated "orphan drugs" by the Food and Drug Administration. This is truly remarkable progress for the many Americans who are affected by any of a large number of rare diseases. Increasingly, pharmaceutical companies are agreeing to sponsor orphan drugs—to do the testing required to get these drugs to market so that they will be available to the patients whose lives will be markedly improved by them.

You may be as surprised as I was to learn that there are several thousand orphan diseases, which together afflict several million Americans. Some of these diseases are familiar to us because we have read about a well-known individual who suffers from a rare disease or we have seen a television show or a play about one of these diseases. This is the case, for example, for amyotrophic lateral sclerosis, Lou Gehrig's disease, against which our distinguished former colleague, Senator Jacob Javits, continues his valiant struggle; for Tourette syndrome, which was featured a few years ago on the TV show "Quincy;" for neurofibromatosis, the affliction recently discussed on the TV show "St. Elsewhere;" and for Huntington's disease, which afflicited the folksinger Woody Guthrie. For each of these diseases there are hundreds more that virtually no one has heard of. We cannot imagine what it would be like to have something wrong that no one knows about and, worse yet, that no one seems to care about.

The Orphan Drug Act was an enormous positive signal to victims of orphan diseases and their families. Its enactment was a great victory and the only hopeful event in many of their lives. The fact that the Government would be able to support research and development of orphan drugs, and the fact that the pharmaceutical industry would be willing to participate in developing orphan drugs, seeking FDA approval, and marketing those drugs, even though there was no opportunity for profit, were landmark signs of commitment and caring.

The authority for the Grant and Contract Program established in the Orphan Drug Act expires at the end of fiscal year 1985. This bill reauthorizes that program for 3 more years, at $4 million per year. This is the same as the authority in current law. In addition, the bill extends the grant and contract authority by authorizing the award of funds for both preclinical and human clinical testing of orphan drugs. This provision will mean that some of the very costly drug testing, that must be completed before human tests are begun, could be supported under a grant or contract awarded with this authority. I believe this will serve as an additional incentive and encouragement for the development of orphan drugs.

Another small change in current law made by this bill is the removal of the stipulation that in order to receive the designation as an orphan drug, a drug must be one for which a letter of patent may not be issued. This stipulation has caused some administrative difficulty because it is not clear as to the type of patent referred to.

There has been some discussion over the last 6 months about inclusion of medical devices in the Orphan Drug Act. I know I speak for my colleagues when I say that the Senate is receptive to consideration of this issue. However, my discussions with FDA and with the orphan disease groups make clear that the concepts involved are complex and that all involved parties agree that we should not delay this legislation while the issue is discussed further.

This bill establishes a National Commission on Orphan Diseases to assess both Government and private sector activities related to research in rare diseases, including research into the cause and prevention as well as the treatment of those diseases. The Commission is required to submit a report to the Congress in 2 years and will terminate 90 days after the submission of the report. I believe there is a need for the kind of evaluation envisioned by this Commission, and that the results of this evaluation can provide useful guidance in planning future research in this important area.

Finally, the bill contains a provision that will correct a drafting error in the fiscal year 1985 appropriations language for the Department of Education. This provision will require no additional funds. It will simply allow already appropriated funds to be expended on June 1, instead of on July 1, 1985. If this seemingly minor error is not corrected, there will be over 700 training programs for teachers of handicapped children that will be delayed and disrupted.

The House Energy and Commerce Committee has ordered reported a bill almost identical to the one we are considering now. This is due in large measure, as was passage of the act in the 97th Congress, to the dedicated efforts in the House of the distinguished chairman and ranking minority member of the House Subcommittee on Health and the Environment, Representative WAXMAN and Representative MADIGAN. My hat is off to them. I am confident that speedy passage of this bill in the Senate will result in its speedy enactment, as I am sure that our House colleagues will be able to quickly agree with us on the final language. There are no substantive differences in our provisions or in our priorities related to orphan drugs.

In closing, Mr. President, let me again express my appreciation to Senators who joined me in sponsoring this important bill. I look forward to its expeditious passage.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1147) was ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1147

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That this Act may be cited as the "Orphan Drug Amendments of 1985".

MARKETING PROTECTION

SEC. 2. Section 527 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360cc) is amended—

(1) by striking out "UNPATENTED" in the title of the section;

(2) by striking out "and for which a United States Letter of Patent may not be issued" in subsection (a); and

(3) by striking out "and if a United States Letter of Patent may not be issued for the drug" in subsection (b).

NATIONAL COMMISSION ON ORPHAN DISEASES

SEC. 3. (a) There is established the National Commission on Orphan Diseases (hereafter in this section referred to as the "Commission").

(b) The Commission shall assess the activities of the National Institutes of Health, the Alcohol, Drug Abuse, and Mental Health Administration, the Food and Drug Administration, other public agencies, and private entities in connection with—

(1) basic research relating to rare diseases;

(2) the use in research on rare diseases of knowledge developed in other research;

(3) applied and clinical research relating to the prevention, diagnosis, and treatment of rare diseases; and

(4) the dissemination to the public, health care professionals, researchers, and drug and medical device manufacturers of knowledge developed in research relating to rare diseases and other diseases which can be used in the prevention, diagnosis, and treatment of rare diseases.

(c) In assessing the activities of the National Institutes of Health, and Alcohol, Drug Abuse, and Mental Health Administration, and the Food and Drug Administration in connection with research relating to rare diseases, the Commission shall review—

(1) the appropriateness of the priorities currently placed on research relating to rare diseases;

(2) the relative effectiveness of grants and contracts when used to fund research relating to rare diseases;

(3) the adequacy of the scientific basis for such research, including the adequacy of the research facilities and research resources used in such research and the appropriateness of the scientific training of the personnel engaged in such research;

(4) the effectiveness of activities undertaken to encourage such research;

(5) the organization of the peer review process applicable to applications for funds for such research to determine if the organization of the peer review process could be revised to improve the effectiveness of the review provided to proposals for research relating to rare diseases;

(6) the effectiveness of the coordination between the national research institutes of the National Institutes of Health, the Institutes of the Alcohol, Drug Abuse, and Mental Health Administration, the Food and Drug Administration, and private entities in supporting such research; and

(7) the effectiveness of activities undertaken to assure that knowledge developed in research on non-rare diseases is, when appropriate, used in research on rare diseases.

(d)(1) The Commission shall be composed of twenty members appointed by the Secretary of Health and Human Services as follows:

(A) Ten members shall be appointed from individuals who are not officers or employees of the Government and who by virtue of their training or experience in research on rare diseases or in the treatment of rare diseases are qualified to serve on the Commission.

(B) Five members shall be appointed from individuals who are not officers or employees of the Government and who have a rare disease or are employed to represent or are members of an organization concerned about rare disease.

(C) Four nonvoting members shall be appointed from—

(i) the directors of the national research institutes of the National Institutes of Health; or

(ii) the directors of the institutes of the Alcohol, Drug Abuse, and Mental Health Administration;

which the Secretary determines are involved with rare diseases.

(D) One nonvoting member shall be appointed from officers or employees of the Food and Drug Administration who the Secretary determines are involved with rare diseases.

(2) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(3) If any member of the Commission who was appointed to the Commission as a director of a national research institute, a director of an institute of the Alcohol, Drug Abuse, and Mental Health Administration, or an officer or employee of the Food and Drug Administration, leaves that office or employment, or if any member of the Commission who was appointed under subparagraph (A) or (B) of paragraph (1) becomes an officer or employee of the Government, such member may continue as a member of the Commission for not longer than the ninety-day period beginning on the date such member leaves that office or employment or becomes such an officer or employee, as the case may be.

(e) Except as provided in subsection (d)(3), members shall be appointed for the life of the Commission.

(f)(1) Except as provided in paragraph (2), members of the Commission shall each be entitled to receive compensation at a rate equal to the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties as members of the Commission.

(2) Members of the Commission who are full-time officers or employees of the Government shall receive no additional pay by reason of their service on the Commission.

(g) The Chairman of the Commission shall be designated by the members of the Commission.

(h) Subject to such rules as may be prescribed by the Commission, the Commission may appoint and fix the pay of such personnel as it determines are necessary to enable the Commission to carry out its functions. Personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(i) Subject to such rules as may be prescribed by the Commission, the Commission may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the basic pay payable for grade GS-15 of the General Schedule.

(j) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this section.

(k) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(l) The Commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(m) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairman, the head of such department or agency shall furnish such information to the Commission.

(n) By September 30, 1987, the Commission shall transmit to the Secretary and to each House of the Congress a report on the activities of the Commission. The report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for—

(1) a long-range plan for the use of public and private resources to improve research into rare diseases and to assist in the prevention, diagnosis, and treatment of rare diseases; and

(2) such legislation or administrative actions as the Commission considers appropriate.

(o) The Commission shall terminate 90 days after the date of the submittal of its report under subsection (n).

(p) The Secretary shall make available $1,000,000 to the Commission from appropriations for fiscal year 1986 for the Public Health Service.

GRANTS AND CONTRACTS FOR THE DEVELOPMENT OF DRUGS FOR RARE DISEASES AND CONDITIONS

SEC. 4. Section 5 of the Orphan Drug Act (21 U.S.C. 360ee) is amended—

(1) by striking out "clinical" in subsection (a);

(2) by striking out subsection (b)(1) and inserting in lieu thereof the following:

"(1) The term 'qualified testing' means—

"(A) human clinical testing—

"(i) which is carried out under an exemption for a drug for a rare disease or condition under section 505(i) of the Federal Food, Drug, or Cosmetic Act (or regulations issued under such section); and

"(ii) which occurs after the date such drug is designated under section 526 of such Act and before the date on which an application with respect to such drug is submitted under section 505(b) of such Act or under section 351 of the Public Health Service Act; and

"(B) preclinical testing involving a drug for a rare disease or condition which occurs after the date such drug is designated under section 526 of such Act and before the date on which an application with respect to such drug is submitted under section 505(b) of such Act or under section 351 of the Public Health Service Act."; and

(3) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) For grants and contracts under subsection (a) there are authorized to be appropriated $4,000,000 for fiscal year 1986, $4,000,000 for fiscal year 1987, and $4,000,000 for fiscal year 1986.".

CORRECTION OF PUBLIC LAW 98-619

SEC. 5. The matter following the heading "Education for the Handicapped" under title III of the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 1985, is amended by inserting after "shall" the first time it appears a comma and the following: "except for part D of such Act," and by adding at the end thereof a colon and the following: "*Provided further*, That the amounts available for obligations on October 1, 1984, and shall remain available until September 30, 1985".

EFFECTIVE DATE

SEC. 6. (a) Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on October 1, 1985.

(b) The amendments made by section 5 of this Act shall take effect on the date of enactment of this Act.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move by lay that motion on the table.

The motion to lay on the table was agreed to.

CONGRESSIONAL APPROVAL OF CERTAIN ADDITIONAL POWERS CONFERRED UPON THE BI-STATE DEVELOPMENT AGENCY

The joint resolution (S.J. Res. 127) to grant the consent of Congress to certain additional powers conferred upon the Bi-State Development Agency by the States of Missouri and Illinois, was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 127

Whereas, the Congress in consenting to the compact between Missouri and Illinois creating the Bi-State Development Agency and the Bi-State Metropolitan District provided that no power shall be exercised by the Bi-State Agency under the provisions of article III of such compact until such power has been conferred upon the Bi-State Agency by the legislatures of the States to the compact and approved by an Act of Congress; and

Whereas, such States have now enacted certain legislation in order to confer certain additional powers on such Bi-State Development Agency: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the consent of the Congress is hereby given to the additional powers conferred on the Bi-State Development Agency by—

(1) Senate Bill 416, Laws of Missouri 1977; Public Act 80-377 (Senate Bill 179), Laws of Illinois 1977;

(2) Senate Bill 589, Laws of Missouri 1980; Public Act 81-589 (Senate Bill 23), Laws of Illinois 1979; Public Act 81-1419 (Senate Bill 1597), Laws of Illinois 1980; and

(3) Senate Bill 395, Laws of Missouri 1981; Public Act 82-950 (House Bill 2304), Laws of Illinois 1982.

(b) The powers conferred by the Acts consented to in subsection (a) shall be effective as of January 1, 1983.

SEC. 2. The provisions of the Act of August 31, 1950 (64 Stat. 568) shall apply to the additional powers approved under this joint resolution to the same extent as if such additional powers were conferred under the provisions of the compact consented to in such Act.

SEC. 3. The right to alter, amend, or repeal this joint resolution is expressly reserved.

SEC. 4. The right is hereby reserved to the Congress to require the disclosure and furnishing of such information or data by the Bi-State Development Agency as is deemed appropriate by the Congress.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the Joint Resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DANFORTH. Mr. President, I inquire of the minority leader if he is now in the position to consider Calendar Order No. 116, H.R. 2268, the United States-Israel Free Trade Area Implementation Act?

Mr. BYRD. Mr. President, there is no objection on this side.

UNITED STATES-ISRAEL FREE TRADE AREA IMPLEMENTATION ACT

Mr. DANFORTH. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 2268, the United States-Israel Free Trade Area Implementation Act.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2268) to approve and implement the free trade area agreement between the United States and Israel.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

There being no objection, the Senate proceeded to consider the bill.

Mr. PACKWOOD. Mr. President, with great pleasure, I offer for consideration H.R. 2268, the "United States-Israel Free Trade Area Implementation Act of 1985." Senate approval of this legislation, followed by the President's signature, will clear the way for an important advance in ties between the United States and Israel—the establishment of a free-trade area. As a firm believer in the mutual interests to be derived from a free-trade arrangement among our two countries, I am pleased to bring this matter to a conclusion in Congress only 20 months after President Reagan and Prime Minister Shamir agreed to negotiate the agreement in November 1983.

H.R. 2268 is a companion bill to S. 1114, reported to the Senate by the Committee on Finance on May 9. The two measures are exactly the same in language and substance, reflecting a cooperative effort by the Finance Committee, the House Ways and Means Committee, and the administration. H.R. 2268 contains the following basic elements:

First, approval of the trade agreement with Israel;

Second, amendments to current law that are necessary or appropriate to implement the agreement; and

Third, approval of a statement of actions the administration intends to take to implement the agreement.

The Senate is considering the legislation under special procedures for trade agreements, which are set forth in sections 102 and 155-154 of the 1974 Trade Act. I will describe these procedures in more detail later in my statement, but I wish to emphasize at this point that under these procedures, amendments to H.R. 2268 are not in order. The Senate must vote simply to approve or to disapprove the bill as it now stands.

Let me now elaborate on the background of the proposed free-trade agreement and this implementing legislation.

UNITED STATES-ISRAEL TRADE

The free-trade agreement is an outgrowth of a mutual commitment made by President Reagan and Prime Minister Shamir in late November 1983. For Israel, such an arrangement is attractive because it offers stable access to the U.S. market—which it needs, given its lack of natural outlets in the Middle East—and it removes duties on some products in which Israel is highly competitive. For the United States, the agreement removes duties on exports to Israel, about 40 percent of which are subject to relatively high tariffs. The agreement further will remove an increasing advantage held by European exporters to Israel; a free-trade agreement between Israel and the European Community is already being phased in.

The United States consistently shows a trade surplus with Israel. In 1984, the surplus was about $200 million, on exports of $1.93 billion and imports of $1.75 billion. The surplus is far greater if one counts military shipments.

It is worth noting that 90 percent of United States imports from Israel already enter duty-free, because they are entitled to the generalized system of preferences or the rates are set at zero. Thus, the agreement will newly open relatively little trade to duty-free treatment.

THE UNITED STATES-ISRAEL FREE-TRADE AGREEMENT

The United States-Israel Free-Trade Agreement will establish a uniquely comprehensive set of mutual obligations to maintain open trade on a bilateral basis. The agreement's core is the reciprocal elimination of all tariffs imposed on products traded between the two countries. This will be accomplished by January 1, 1995. Duties will be eliminated in four phases, depending on the relative import sensitivity of products in both countries. Most products will fall into the first category, for which duties will be eliminated when the agreement becomes effective. This will not be a significant step for the United States, however, because 90 percent of all Israeli products already enter this country duty-free. The other three categories are:

Second, duty elimination in three stages, for full effect on January 1, 1989;

Third, duty elimination in eight stages, for full effect on January 1, 1995;

Fourth, duty elimination to be phased-in between approximately January 1, 1990, and January 1, 1995; the schedule will be based on advice from the International Trade Commission.

In the fourth category are products that the commission has determined are particularly sensitive to Israeli competition. The agreement commits the United States to removing tariffs on these products by January 1, 1995, but it does not establish a timetable for these tariff cuts to be phased in.

The following table demonstrates the estimated value of trade encompassed by the four stages of tariff reduction. The amounts represent the trade that will become duty-free on a permanent basis because of the agreement. As I earlier noted, each country already extends to the other duty-free treatment on many products, but only on a unilateral basis; this trade is included in these data because the zero-duty status will become a reciprocal obligation under the agreement. The data are 1982 data, which served as the basis for the negotiation.

I ask unanimous consent to have the table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1

Stage	U.S. imports from Israel		Israeli imports from the United States	
	Amount	Percent	Amount	Percent
Immediate	$414.7	80.4	$670.8	52.5
1985–89	27.8	5.4	402.8	31.5
1985–95	4.7	0.9	39.5	3.0
1990–95	67.9	13.6	164.4	12.8
Total	515.1		1,277.5	

Source: USTR.

Mr. PACKWOOD. Mr. President, besides tariff elimination, the agreement contains significant commitments on nontariff barriers to trade as well. Most importantly, Israel agrees to join the subsidies code of the General Agreement on Tariffs and Trade [GATT] and to eliminate its export subsidies within a relatively short period of time. In addition, the countries agree not to impose export performance or similar restrictions on the ability to import, and to limit licensing and other measures that might be used for balance of payments reasons to restrict imports or to foster infant industries. The two countries further agree to open their government procurements to bidders of the other country to a greater extent than either is currently obligated to do under existing agreements.

I congratulate our former U.S. Trade Representative, Ambassador Bill Brock, for achieving a remarkable degree of assurance that trade with Israel will be conducted on a fair basis and that the opportunities offered by the agreement will not be thwarted by measures other than tariffs.

PROCEDURES FOR CONSIDERATION

There are special procedures governing congressional consideration of trade agreements, including the United States-Israel Free-Trade Agreement. These procedures are established in sections 102 and 151 to 154 of the 1974 Trade Act, as modified by the 1984 Trade and Tariff Act. In pertinent part, they are:

First, before entering into an agreement, the President must notify and consult with the appropriate committees of jurisdiction over subject matters affected by the agreement, especially regarding issues of implementation.

Second, after entering into the agreement, the President must submit the agreement to the Congress, together with an implementing bill and a statement of administrative actions proposed to implement the agreement. An implementing bill contains provisions—

First, approving the agreement; second, approving the statement of administrative action; and third, proposing amendments to current law or new authority required or appropriate to implement the agreement.

After the President has notified the Congress of his intention to enter into a trade agreement—but before he actually does so—the committees review the agreement and work with the administration to achieve a consensus on the form and substance of the implementing bill. This is particularly important because the bill, once submitted, is unamendable. After a consensus on the bill has been reached, the President signs the trade agreement and transmits the legislation to the Congress.

The implementing bill is introduced in both Houses of Congress on the day it is submitted by the President. The bill is referred to the committee or committees of jurisdiction. The committees have 45 days in which to report the bill; a committee will be discharged automatically from further consideration if it is not reported.

Each House will vote on the bill within 5 days after the measure has been received from the committee or committees. ("Days" are days the particular House is in session.) A motion in the Senate to proceed to consideration of the implementing bill is privileged and debate is limited to not more than 20 hours.

Beginning with a committee hearing on February 6, 1984, the administration has regularly informed the committee of its progress in the negotiations, and has consulted regarding its plans for implementation of the agreement. The committee was briefed on the free-trade agreement by Ambassador Brock on February 26, 1985, and held a hearing on March 20. In executive session on March 26, the committee informally approved an implementing bill. The bill transmitted by the President is the product of final consultations with the Committee on Finance and the Committee on Ways and Means of the House of Representatives.

THE IMPLEMENTING LEGISLATION

H.R. 2268 is an uncomplicated bill. It contains provisions that—

First, approve the free-trade agreement and the statement of administrative action;

Second, authorize the President to proclaim any tariff reductions or modifications and to promulgate any regulations necessary to implement the agreement or to maintain its balance of concessions;

Third, preserve the primacy of U.S. laws in conflict with the agreement and preclude the creation of private rights of action based upon it;

Fourth, provide for termination of the agreement in accord with its terms (and not under other circumstances authorized by U.S. law with regard to trade agreements);

Fifth, authorize the President to broaden the U.S. Government procurements open to bids from Israeli suppliers; and

Sixth, make certain technical corrections in current laws relevant to the agreement.

Because it resolves an issue of concern to some Members, I wish to draw particular attention to the President's tariff modification authority, as provided in sections 4 and 5 of the bill. This authority is limited with respect to a group of products identified by the International Trade Commission as being more sensitive than others to competitive Israeli imports. There are seven affected product categories:

First, certain bromine chemicals; second, citrus fruit juices; third, certain categories of olives; fourth, processed tomato products; fifth, dehydrated onions and garlic; sixth, cut roses; and seventh, certain gold jewelry.

Under the free-trade agreement, there will be no duty reduction on these products prior to January 1, 1990; nevertheless, the United States is obligated to eliminate the tariffs by January 1, 1995. The rate at which the duties will be eliminated between 1990 and 1995 is not specified.

Section 4(c) and section 5(c)(2) of the bill together establish a procedure for phasing in these tariff reductions while fulfilling U.S. obligations under the agreement. Section 4(a) authorizes the President to proclaim immediately, or at a later time, that the tariffs on these sensitive items will be eliminated by January 1, 1995, as the agreement requires; subsection (c), however, prohibits any reduction from taking effect prior to that date. If the President desires to reduce tariffs between 1990 and 1995, he must seek congressional authorization, as provided in section 4(c)(2). This provision allows the President to submit for expedited congressional action a bill providing for the gradual reduction of the duties within that 5-year period. The procedures, set forth in section 3(c)(4) of the 1979 Trade Agreement Act (19 U.S.C. 2504(c)(4)), are comparable to those established for the consideration of trade agreements in sections 102 and 151-154 of the 1974 Trade Act.

The President will rely on the advice of the International Trade Commission in formulating a phase-in proposal. Further, any proposal can only provide for a "gradual" reduction of duties in the 5-year period, which means that there will be a progression of tariff cuts, not ones occurring immediately after January 1, 1990. Finally, the procedures in the 1974 act require only 30-days notice to the Congress before an unamendable, "fast-track" bill is submitted; section 5(c)(2)(C) amends this period to 90 days in order to allow full congressional review of the President's proposal.

CONCLUSION

Mr. President, the United States-Israel Free-Trade Agreement is a good agreement, reflecting the traditional goals of the trade agreements program. It will provide new economic opportunities for the entrepreneurs of both countries. Few, if any, of our domestic industries need feel threatened by a surge of Israeli imports resulting from this agreement; yet, many jobs here will be created by the increased export opportunities U.S. companies are sure to exploit.

But, as important, the free-trade agreement further strengthens U.S. ties with a strategic, democratic friend in a volatile region of the world. It will encourage development in Israel that hopefully will lessen its dependence on U.S. aid. In it deepest significance, the free-trade area represents a profound statement of commitment by the United States to Israel's continued growth and stability. I am pleased that the legislation enjoys the unanimous support of the Committee on Finance, and I urge my colleagues to voice their approval as well.

Mr. LONG. Mr. President, I am delighted to join the chairman of the Finance Committee and others in supporting H.R. 2268, the Israel Free Trade Agreement Implementation Act.

This bill does two things: First, it approves the free trade arrangement negotiated between the United States and Israel and signed by both parties on April 22, 1985.

Second, the bill implements that agreement by putting into effect rate reductions and other changes in U.S. law called for in the agreement by the United States and Israel.

This bill and the agreement give those industries that would be adversely affected by immediately reducing rates of duty on Israeli exports to zero some time to adjust. But for most of the products Israel exports to the United States, the rates of duty will immediately go to zero, providing a substantial economic benefit to our most reliable friend in the Middle East.

The Middle East is a particularly sensitive region. Important U.S. interests are at stake there. Israel provides the assurance of a stable and reliable—as well as a militarily prepared—ally in the region.

But Israel has serious economic problems. She suffers from a high rate of inflation and recent devaluation of her currency.

Europe has already reached out a helping hand by extending a limited free trade area to Israel. The administration takes the position that this free trade area, while entirely unprecedented in American trade agreement history, is perfectly consistent with U.S. obligations under the General Agreement on Tariffs and Trade, the GATT.

I believe it is in the national interest of the United States to help Israel with its economic problems by opening our market wider to them than to any other country.

For these reasons, I am pleased to support the Israel bill and to have worked on it from its inception more than a year ago.

Mr. BENTSEN. Mr. President, I rise in support of H.R. 2268, the bill to implement the Israel free trade agreement entered into between the United States and Israel on April 22, 1985 pursuant to authority enacted by Congress last year in the Omnibus Trade and Tariff Act of 1984.

I think it is important for Members to realize that the agreement approved in this bill and the bill itself has been the subject of a carefully constructed process of legislative and executive cooperation unique to the trade area.

The Congress and the executive branch share authority in trade. The President negotiates trade agreements that are Executive agreements, but if he does so without congressional authority, then there is a risk that Congress will refuse to approve the agreement, or make the changes in U.S. law necessary to implement the agreement.

Therefore, for many years, the President has negotiated trade agreements only when he had legislative authority to negotiate those agreements, and only when he had some guarantee that such agreements would be implemented if he acted in accordance with that authority.

On the rare occasions when Presidents have negotiated without authority, Congress has in some cases actually refused to implement the agreement. For example, in 1968, President Johnson submitted legislation to implement an international antidumping agreement that had been negotiated without the benefit of congressional authority. Congress effectively refused to implement the agreement by stating that although the agreement could go into effect, it could not work a change in any U.S. law. That, of course, effectively killed the agreement.

In this situation, however, the executive branch sought authority for bilateral free trade agreements with Israel, and the legislation to provide that authority was the subject of extensive hearings and markups, as well as a lengthy conference between the two Houses of Congress. Only after this full consideration was the authority extended to the President. Substantial and meaningful limitations of the President's authority were insisted upon by Congress, including tough controls on Israeli import barriers and export subsidies. Sensitive product sectors were given special consideration.

Moreover, as negotiations proceeded, Congress was kept informed through active staff contacts on the progress of the negotiation. When the negotiation was completed, but before the administration signed the agreement, the administration submitted itself to hearings in both the House and the Senate at which the full implications of the agreement were explored and further changes were made to satisfy congressional concerns.

Mr. President, this is the best way to make effective trade policy in the United States. The alternative is no policy at all, either because the President proposes no policy or because he signs agreements which Congress refuses to approve.

The agreement with Israel stands as an exception in an otherwise adamant failure by the current administration to involve Congress in the trade policy process.

The President went to the Bonn Summit, for example, earlier this month, to discuss a firm date for starting a new round of multilateral trade negotiations. This new round may be the biggest trade negotiation ever, and it certainly will have to consider some of the largest economic issues of our time.

Yet the President has not even asked for authority to undertake such a negotiation.

Mr. President, I support the Israel free trade area because it is good policy. It is also an example of Executive and legislative cooperation which if extended to trade policy in general can be one of the critical steps necessary to developing effective American trade policies.

Mr. JOHNSTON. Mr. President, for many years the United States has enjoyed a special relationship with Israel. Today, we are strengthening that unique bond by approving legislation to establish a free trade area between the two countries.

Mr. President under the Free Trade Area Agreement, the United States and Israel agree to eliminate all duties imposed on products traded between the United States and Israel. Most of the duties will be removed immediately upon ratification of the agreement. However, duties on a few products will be phased-out to insure that import sensitive Israeli and American industries are not adversely affected by the terms of the agreement.

Adoption of the Free Trade Area Agreement will also pave the way for elimination of a number of nontariff barriers to trade between the United States and Israel. For example, under the agreement, Israel agrees to eliminate its export subsidies and to join the Subsidies Code of the General Agreement on Tariffs and Trade [GATT]. In addition, both countries agree not to impose export performance or similar restrictions on the ability to import; nor to limit licensing and other measures that might be used for balance-of-payments reasons to restrict imports or to foster infant industries. Finally, the United States

and Israel agree to open their Government procurements to bidders of the other country to a greater extent than either is currently obligated to do under existing agreements.

Mr. President, adoption of the Free Trade Area Agreement is important for two reasons. First, the agreement paves the way for an increased flow of trade between the United States and Israel. Both countries have much to gain from this exchange.

Second, and more important, Mr. President, by signing this agreement we are reaffirming the special relationship that has always existed between the United States and her democratic sister, Israel. Israel is our strongest and most stable ally in the Middle East. We continually rely on Israel to contain Soviet aggression and to maintain world peace. In this regard, Israel and the United States have conducted military exercises in the Middle East and Israel has offered to preposition U.S. military equipment in her country. While this issue is still the subject of negotiations, pre-positioning would give the United States a base from which military supplies could be deployed to other areas of the Middle East.

Mr. President, throughout the years the United States and Israeli Air Forces have held numerous discussions concerning air defense problems in the Middle East. These discussions have provided the United States with classified information on Soviet weapons and tactics and have forced the Soviet Union to divert much of its military expenditures from expansion to replacement.

U.S.-Israeli cooperation is also prevalent in nonmilitary circles. For example, the United States and Israel recently signed an agreement under which Israel agrees to provide emergency medical care to U.S. citizens in the Middle East. Mr. President, the bombing of the U.S. Embassy in Beruit demonstrates the importance of this agreement to the United States.

Finally, Mr. President, the bond that ties the United States to Israel runs much deeper than the acts of mutual cooperation between the two countries. In many ways, our country owes its very existence to Israel. Israel is the birthplace of Judism and Christianity. Our Nation was founded on the basis of the Judeo-Christian ethic. By committing ourselves to the continued viability of Israel, we are reaffirming the tenets upon which our Nation was built.

Mr. President, I am proud of our country's relationship with Israel, and I applaud my colleagues for honoring our commitment to the future existence of the Israeli nation.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 2268) was ordered to a third reading, was read the third time, and passed.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER TO PLACE H.R. 1997 ON THE CALENDAR

Mr. DANFORTH. Mr. President, I ask unanimous consent that once the Senate receives from the House H.R. 1997, a bill to make certain technical and conforming amendments to the Library Service and Construction Act, and for other purposes, it be placed on the Senate Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD H.R. 505 AT THE DESK

Mr. DANFORTH. Mr. President, I ask unanimous consent that once the Senate receives from the House of Representatives H.R. 505, to improve the health care services of the VA, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

WELCOME TO THE PRIME MINISTER OF INDIA, RAJIV GANDHI, ON THE OCCASION OF HIS OFFICIAL VISIT

Mr. DANFORTH. Mr. President, I ask unanimous consent that the Senate turn to House Concurrent Resolution 142, a bill welcoming the Prime Minister of India, Rajiv Gandhi, on his official visit to the United States, which is at the desk.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 142), welcoming the Prime Minister of India, Rajiv Gandhi, on the occasion of his official visit to the United States.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BOSCHWITZ. Mr. President, as chairman of the Subcommittee on Middle Eastern and South Asian Affairs, I would like to extend the warm greetings of the U.S. Senate to His Excellency Rajiv Gandhi, the Prime Minister of India, on his upcoming visit to the United States. I hope his visit will encourage continued friendly and constructive ties between our two great nations.

The brutal assassination of his mother and death of his brother have marred his personal life and civil unrest have also made his public life very difficult. But he has perservered through these tragic events and has quickly become one of the most respected leaders in the world today.

Mr. Gandhi is the leader of the largest democracy in the world. His strong belief in democracy and undying devotion to his people makes me very proud to honor him on his official visit. I join my colleagues in welcoming Prime Minister Gandhi to the United States and expressing hope for a fruitful visit.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 142) was agreed to.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DIRECTING THE SENATE LEGAL COUNSEL TO INTERVENE IN A CASE

Mr. DANFORTH. Mr. President, on behalf of Senator DOLE and Senator BYRD, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 175) to authorize the Senate Legal Counsel to intervene in the case of *Gary Parola, et al.* v. *Caspar Weinberger, et al., et al.*, Civil Action No. 85-20303 WAI.

THE PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, the Senate has agreed to three resolutions earlier this year, Senate Resolutions 91, 97, and 98, directing the Senate Legal Counsel to intervene in lawsuits pending in the Federal district courts to defend the constitutionality of provisions of the Competition in Contracting Act, Pub. L. No. 98-369 [CICA]. The plaintiffs in those suits are Government contractors attempting to obtain the Government's compliance with statutory provisions of

CICA requiring agencies to suspend procurement activities that are the subject of bid protests until the Comptroller General rules on such protests within the time permitted by the statute.

The Department of Justice is challenging the constitutionality of this delegation of authority by Congress to the Comptroller General. The purpose of the Senate's interventions is set forth in the Record at 131 Congressional Record S. 2565–66 (daily ed. March 5, 1985). Before describing the most recent case on the constitutionality of the statute, however, it may be helpful to review for my colleagues the status of the prior cases in which the Senate has intervened.

In the only case in which the constitutional question has been reached, a U.S. District Judge in the District of New Jersey upheld the constitutionality of the act in *Ameron, Inc.* v. *Army Corps of Engineers,* Civil Action No. 85–1064A, and issued a preliminary injunction ordering the Army Corps to comply with the act. Nevertheless, the Attorney General has stated that executive agencies will not follow that decision in other districts until it is reviewed on appeal. The Army Corps has taken an appeal from the preliminary injunction order in Ameron and, with the concurrence of the Senate and the other parties, has obtained an expedited briefing schedule for the case from the third circuit. In addition, next week the district court will hear cross motions for summary final judgment on the constitutional question.

The constitutional issue is also currently under submission before the district court in the case of *Lear Siegler* v. *Lehman,* No. CV 85–1125–KN, in the Central District of California. Because that contract involved parts in a weapons system procurement, the district judge denied the motion for preliminary relief based on his determination that the Navy had sufficiently complied with escape provisions in the act dealing with urgent procurements so as to render a decision on the constitutional question unnecessary. The parties have briefed and argued motions for summary judgment. Finally, in *Pitney Bowes, Inc.* v. *United States,* Civil Action No. 85–0832, the U.S. District Court for the District of Columbia provided plaintiff with relief from an Army contract without reaching the constitutional question. The Senate accordingly dismissed its complaint in intervention in that case.

Now, these constitutional issues have been raised in a fourth suit captioned *Gary Parola* v. *Caspar Weinberger,* Civil Action No. 85–20303 WAI, filed in the Northern District of California. The plaintiffs are seeking a preliminary injunction to prevent the Navy from proceeding with an award of a contract on a refuse collection solicitation until the Comptroller General can consider the plaintiff contractor's claim that it has an exclusive right to the contract under Federal and municipal law. In this suit, as with the others under the statute, the plaintiffs are attempting to obtain the Navy's adherence to the Competition in Contracting Act.

This resolution would direct the Senate Legal Counsel to again intervene in the name of the Senate to present the Senate's defense of the Competition in Contracting Act in this action. In sum, we would be reasserting our contention—upheld once at the district court level—that the authority vested by us in the Comptroller General—who is an officer of the United States appointed by the President—to review protested government contract solicitations or awards is a legitimate delegation of power that does not infringe on executive branch powers.

Mr. President, I move adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 175) was agreed to.

The resolution reads as follows:

S. Res. 175

Whereas, in the case of *Gary Parola, et al.* v. *Caspar Weinberger, et al.,* Civil Action No. 85–20303 WAI, filed in the United States District Court for the Northern District of California, the constitutionality of the procurement protest system established by the Competition in Contracting Act of 1984, Pub. L. No. 98–369, 98 Stat. 1175, 1199–1203, has been placed in issue;

Whereas, The Department of Justice has notified the Senate that the Department will assert in cases under the Competition in Contracting Act that the powers granted by that Act of Congress to the Comptroller General violate the constitutionality prescribed separation of powers;

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(c), 288e(a), and 288*l*(a) (1982), the Senate may direct its Counsel to intervene in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue; Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to intervene in the name of the Senate in the case of *Gary Parola, et al.* v. *Caspar Weinberger, et al.,* Civil Action No. 85–20203 WAI.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMODITY CREDIT CORPORATION AMENDMENT

Mr. DANFORTH. Mr. President, I ask unanimous consent that Calendar Order 145, S. 721, a bill to amend the Commodity Credit Corporation, be sequentially referred to the Committee on Commerce, Science, and Transportation once reported by the Agriculture Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I further ask unanimous consent that if the Commerce Committee has not reported S. 721 by June 14, they be discharged from further consideration thereof.

Mr. BYRD. Mr. President, reserving the right to object—Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. DANFORTH. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations on the Executive Calendar: Calendar No. 198, John D. Crawford; Calendar 199, Rosalie Gaull Silberman; Calendar No. 200, Marshall B. Babson; and Calendar No. 201 Wilford W. Johansen.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. DANFORTH. Mr. President, I ask unanimous consent that these nominations be considered and confirmed en bloc, and the motion to reconsider the action be en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed are as follows:

Railroad Retirement Board

John D. Crawford, of Illinois, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1983.

Equal Employment Opportunity Commission

Rosalie Gaull Silberman, of California, to be a member of the Equal Employment Opportunity Commission for a term expiring July 1, 1990.

National Labor Relations Board

Marshall B. Babson, of Connecticut, to be a member of the National Labor Relations Board for a term expiring December 16, 1989.

Wilford W. Johansen, of California, to be a member of the National Labor Relations Board for a term expiring August 27, 1988.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Rosalie Gaull Silberman

Mr. HATCH. Mr. President, as chairman of a committee noted for the spectrum of opinion held by its members, it has been a delight to work with my colleagues on the confirmation of the President's nomination of Rosalie Gaull Silberman to be a member of the Equal Employment Opportunity Commission. I can only wish that all nominations were as easy to process as hers has been. She is an excellent and respected candidate, who will bring a wealth of experience to the Federal Government's principal civil rights enforcement agency.

Mrs. Silberman has a long record of public service both on the National and local level. A former teacher of the disavantaged in Hawaii and Maryland, she was appointed by former President Nixon to the National Advisory Council on the Education of Disadvantaged Children. She has served on the staff of Senator Packwood and at the Federal Communications Commission, and has worked with several public service organizations here in the District of Columbia and in California. She was instrumental in establishing and subsequently became a board member of the New Coalition for Economic and Social Change, an organization concerned with developing and promoting public policy alternatives for minorities in the areas of education and employment. On November 29, 1984, she was named, by recess appointment, to be a member of the Equal Employment Opportunity Commission.

The nomination of Mrs. Silberman was reported out of the Committee on Labor and Human Resources by a unanimous vote, due in large part to the record she has established since joining the Commission. She will join four other Commissioners appointed by President Reagan. Collectively, they represent some of the best appointments to the agency since its inception in 1965.

I congratulate the President on his excellent nomination and thank my colleagues for their vote of support for Mrs. Silberman. The Commission will be stronger by her presence.

John D. Crawford

Mr. SIMON. Mr. President, I rise in strong support of the nomination of John D. Crawford of Illinois, whom the President has had the wisdom and the sound judgment to reappoint to the Railroad Retirement Board. He has served the Board and the Nation well as the management-member of the Board and his record and commitment to the best interests of America's railroads deserve this recognition and reward.

John Crawford has been engaged in railroad and labor relations work since 1952. He is a distinguished graduate of Loyola University of Chicago and of the Georgetown University Law Center here in Washington, DC.

In addition to his outstanding work in labor relations with the Chicago and Northwestern Railroad over the years, he as also served his community. He has served as a trustee of the Village Board of Glenview, IL, and as a member and the chairman of the Zoning Board in Glenview. An active person in Illinois politics, he served and contributed to many civic and political endeavors on a bipartisan basis. John Crawford is a man for all seasons—a person who gives to his community, his native State of Illinois and to the Nation. His service to American railroading and the transportation industry in Illinois is excellent in all respects and beyond reproach.

I urge my colleagues in the Senate to join me in confirming this outstanding Illinoisan and a great American.

LEGISLATIVE SESSION

Mr. DANFORTH. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

(During the day routine morning business was transacted and statements were submitted as follows:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT ON FEDERAL ADVISORY COMMITTEES—MESSAGE FROM THE PRESIDENT—PM 49

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

As provided by the Federal Advisory Committee Act, I am pleased to transmit the Thirteenth Annual Report on Federal Advisory Committees.

Federal advisory committees have been referred to variously as the fourth arm of government or as a public-private partnership. Known by many names and descriptions, these committees play an important role in determining public policy and contribute to our Nation's security, economic vitality, scientific achievements, and quality of life.

In fiscal year 1984, over 25,000 private citizens representing nearly every occupation and geographical area exemplified our great American tradition of civic service by participating as members of Federal advisory committees. These individuals devoted countless thousands of hours of talent and expertise to developing and offering recommendations affecting almost every Federal program.

Because most advisory committees have low operating costs and the great majority of committee members serve on a noncompensated basis, the Federal government receives tremendous benefit for a modest investment. However, committee productivity is not uniform as some committees have outlived their usefulness while others receive insufficient support and attention from their sponsoring agencies. In the interest of good management I have directed all executive departments and agencies to undertake a thorough review of their committees to eliminate those that are unnecessary and to strengthen management and oversight of those that remain. A task force of senior agency personnel from several agencies chaired by the General Services Administration has been commissioned to carry out this initiative during fiscal year 1985.

We shall work in cooperation with the Congress to assure the American people that advisory committee expenditures are a wise investment and that committee service is a noble and worthy endeavor.

Ronald Reagan.

The White House, *May 23, 1985.*

ANNUAL REPORT OF THE FEDERAL COUNCIL ON THE AGING—MESSAGE FROM THE PRESIDENT—PM 50

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 204(f) of the Older Americans Act of 1965, as amended, I hereby transmit the Annual Report for 1984 of the Federal Council on the Aging. The report reflects the Council's views in its role of examining programs serving older Americans.

It should be noted that the 1985 Annual Report of the Medicare Board of Trustees indicates that projected annual revenues from payroll taxes are expected to be sufficient to pay annual enrollee benefits for Medicare Part A through the first part of the next decade, and reserves in the Hospital Insurance Trust Fund are likely to be sufficient to cover annual shortfalls for an additional five years. Data from the 1985 Trustees Report should be used to update statements made on page 21 of the Annual Report of the Federal Council on the Aging.

Ronald Reagan.

The White House, *May 23, 1985.*

MESSAGE FROM THE HOUSE

At 4:03 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 505. An act to amend title 38, United States Code, to improve the delivery of health care services by the Veterans' Administration, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it request the concurrence of the Senate:

H. Con. Res. 155. A concurrent resolution providing for an adjournment of the House from May 23 to June 3, 1985, and an adjournment of the Senate from May 24 to June 3, 1985.

MEASURES PLACED ON THE CALENDAR

The Committee on the Budget was discharged from the further consideration of the following resolution; which was placed on the calendar:

S. Res. 156. A resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1029.

The following bill was read the first and second times by unanimous consent and placed on the calendar:

H.R. 1997. An act to make certain technical and conforming amendments to the Library Services and Construction Act, and for other purposes.

MEASURE HELD AT THE DESK

The following bill was ordered held at the desk pending further disposition, by unanimous consent:

H.R. 505. An act to amend title 38, United States Code, to improve the delivery of health care services by the Veterans' Administration, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1172. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to the United Kingdom for defense articles estimated to cost in excess of $50 million; to the Committee on Armed Services.

EC-1173. A communication from the Secretary of Transportation, transmitting, pursuant to law, the Urban Mass Transportation Administration quarterly report for the fourth quarter of fiscal year 1984; to the Committee on Banking, Housing, and Urban Affairs.

EC-1174. A communication from the Secretary of Transportation, transmitting, pursuant to law, the National Airway System annual report for fiscal year 1984; to the Committee on Commerce, Science, and Transportation.

EC-1175. A communication from the Chairman of the Board of the United States Synthetic Fuels Corporation, transmitting, pursuant to law, the audited quarterly report for the quarter ended March 31, 1985; to the Committee on Energy and Natural Resources.

EC-1176. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the current status of the helium program and operating statistical and financial information for fiscal year 1984; to the Committee on Energy and Natural Resources.

EC-1177. A communication from the Director of the Office of Legislative Affairs, Agency for International Development, transmitting, pursuant to law, a justification of an increase in the funding level of the proposed fiscal year 1985 program in Mauritania; to the Committee on Foreign Relations.

EC-1178. A communication from the President of the United States, transmitting, pursuant to law, a report on the activities of countries within the United Nations and its specialized agencies; to the Committee on Foreign Relations.

EC-1179. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties entered into by the United States in the sixty day period prior to May 20, 1985; to the Committee on Foreign Relations.

EC-1180. A communication from the Acting Director of the Office of Personnel Management, transmitting, pursuant to law, a report on the financial status of the U.S. Civil Service Retirement System as of September 30, 1984; to the Committee on Governmental Affairs.

EC-1181. A communication from the Administrator of the Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1182. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-21 adopted by the Council on April 30, 1985; to the Committee on Governmental Affairs.

EC-1183. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-22 adopted by the Council on April 30, 1985; to the Committee on Governmental Affairs.

EC-1184. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-20 adopted by the Council on April 30, 1985; to the Committee on Governmental Affairs.

EC-1185. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-23 adopted by the Council on April 30, 1985; to the Committee on Governmental Affairs.

EC-1186. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-19 adopted by the Council on April 30, 1985; to the Committee on Governmental Affairs.

EC-1187. A communication from the Special Counsel of the U.S. Merit Systems Protection Board, transmitting, pursuant to law, a report on the investigation of an allegation that an employee of the Harry Diamond Laboratory failed to disclose a prior involuntary removal from Federal civilian employment in order to obtain his present position; to the Committee on Governmental Affairs.

EC-1188. A communication from the Executive Secretary, Office of the Secretary of Defense, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for October through December 1984; to the Committee on Small Business.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Finance, with amendments:

S. 51. A bill to extend and amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes (with additional views) (Rept. No. 99-73).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 979: A bill to extend the expiration date of titles I and II of the Energy Policy and Conservation Act, and for other purposes (Rept. No. 99-74).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Rosalie Gaull Silberman, of California, to be a Member of the Equal Employment Opportunity Commission for the remainder of the term expiring July 1, 1985.

(The above nomination was reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Martha R. Seger, of Michigan, to be a Member of the Board of Governors of the Federal Reserve System for a term of fourteen years from February 1, 1984.

(The above nomination was reported from the Committee on Banking, Housing, and Urban Affairs with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated.

By Mr. MITCHELL (for himself, Mr. Stafford and Mr. Lautenberg):

S. 1198. A bill to establish in the Environmental Protection Agency a program of research on indoor air quality, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BOREN:

S. 1199. A bill to implement certain reforms with regard to bank liquidations, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SIMPSON:

S. 1200. A bill to amend the Immigration and Nationality Act to effectively control unauthorized immigration into the United States, and for other purposes; to the Committee on the Judiciary.

By Mrs. HAWKINS (for herself, Mr. Armstrong, Mr. Heinz, Mr. DeConcini, and Mr. Pell):

S. 1201. A bill to amend the Internal Revenue Code of 1954 to extend the residential energy credit with respect to solar renewable energy source expenditures, with declining percentages of credit, through 1990; to the Committee on Finance.

By Mr. Roth (for himself, Mr. Hatch, and Mr. Bentsen):

S. 1202. A bill to provide that past-due amounts owed by physicians and other health professionals who breached a contract under the National Health Service Corps Scholarship Program shall be deducted from amounts otherwise payable to the physician under the Medicare and Medicaid programs, and for other purposes; to the Committee on Finance.

By Mr. THURMOND:

S. 1203. A bill to amend section 534 of title 28, United States Code, to allow railroad police and private university or college police access to Federal Government criminal identification records; to the Committee on the Judiciary.

By Mr. BOSCHWITZ (for himself and Mr. Durenberger):

S. 1204. A bill to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to members of the Lake Superior Band of Chippewa Indians who are members of the Minnesota Chippewa Tribe in Dockets Numbered 18-S and 18-U before the Indian Claims Commission, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. GORE:

S. 1205. A bill to reform the Tobacco program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROTH:

S. 1206. A bill to require the Director of the Office of Management and Budget to prepare and transmit to the Congress a comprehensive report and plan on the reorganization, restructuring, consolidation, or realignment of Federal field offices, and for other purposes; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S. 1207. A bill to amend title 38, United States Code, to provide equal benefits, under certain educational assistance programs administered by the Veterans' Administration, to eligible veterans or other eligible persons enrolled in degree courses and eligible veterans or other eligible persons enrolled in nondegree courses offered by fully accredited institutions of higher learning which offer courses leading to a standard college degree and courses not leading to a standard college degree; to the Committee on Veterans Affairs.

By Mr. MATHIAS (for himself and Mr. Sarbanes):

S. 1208. A bill to authorize the Secretary of the Interior to convey certain land located in the State of Maryland to the Maryland National Capital Park and Planning Commission; to the Committee on Energy and Natural Resources.

By Mr. CHILES (for himself and Mr. Bentsen):

S. 1209. A bill to establish the National Commission to Prevent Infant Mortality; to the Committee on Governmental Affairs.

By Mr. QUAYLE (for himself and Mr. Hatch):

S. 1210. A bill to amend the Public Health Service Act to authorize the Secretary of Health and Human Services to establish a registry of teaching hospitals, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DURENBERGER:

S. 1211. A bill to amend the Internal Revenue Code of 1954 to limit the amount of an employer's contribution to a health benefit plan which may be excluded from income, to provide a deduction for certain costs incurred by individuals for health benefit plans, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 1212. A bill for the relief of Olga Sellares Barney and her children Christian Sellares Barney, Kevin Sellares Barney, and Charles Sellares Barney; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 1213. A bill to amend the Internal Revenue Code of 1954 to permit the rollover of gain from the sale of farmland development rights to a state or political subdivision thereof under a farmland preservation program, and or other purposes; to the Committee on Finance.

By Mr. DeCONCINI:

S. 1214. A bill to amend section 215 of title 18, United States Code, to modify the state of mind requirements for certain bank bribery and related offenses; to the Committee on the Judiciary.

By Mrs. HAWKINS:

S. 1215. A bill to extend the income and eligibility verification system under section 1137 of the Social Security Act so as to provide for verification of immigration status in the case of aliens applying for benefits under specified welfare and other programs; to the Committee on Finance.

By Mr. HATFIELD:

S. 1216. A bill for the relief of Maribel Guerrero-Garcia and her brother, Jose Guerrero-Garcia; to the Committee on the Judiciary.

By Mr. ROCKEFELLER (for himself, Mr. Dixon, Mr. Byrd, Mr. Gore, Mr. Eagleton, Mr. Simon, Mr. Levin, Mr. Heinz, Mr. Warner, Mr. Sarbanes, Mr. Mathias, Mr. Inouye, Mr. Bradley, Mr. DeConcini, Mr. Heflin, Mr. Ford, Mr. Sasser, Mr. Specter, Mr. Glenn, Mr. Metzenbaum, Mr. Kennedy, Mr. Hart, Mr. Melcher, Mr. Hollings, Mr. Burdick, Mr. Danforth, Mr. Dodd, Mr. Bumpers, Mr. Grassley, Mr. Riegle, Mr. McConnell, and Mr. Harkin):

S. 1217. A bill to require the Department of Labor to employ additional administrative law judges to hear cases under the Black Lung Benefits Act; to the Committee on Labor and Human Resources.

By Mr. DANFORTH (for himself, Mr. Eagleton, Mrs. Kassebaum, Mr. Goldwater, Mr. Pressler, Mr. Gorton, Mr. Stevens, Mr. Trible, Mr. Long, Mr. Inouye, Mr. Ford, Mr. Riegle, Mr. Exon, Mr. Gore, Mr. Rockefeller, and Mr. Dole):

S. 1218. A bill to amend the Federal Aviation Act of 1958 to provide for the revocation of certain certificates for air transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SASSER (for himself and Mr. Warner):

S.J. Res. 141. A joint resolution to designate the week beginning May 18, 1986, as "National Tourism Week"; to the Committee on the Judiciary.

By Mr. LEVIN:

S.J. Res. 142. A joint resolution to designate June 12, 1985, as "Anne Frank Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GORE (for himself, Mr. Sasser, and Mr. Glenn):

S. Res. 174. A resolution expressing the sense of the Senate with respect to the proposed closing and downgrading of certain offices of the Social Security Administration; to the Committee on Finance.

By Mr. DANFORTH (for Mr. DOLE (for himself and Mr. Byrd)):

S. Res. 175. A resolution to direct the Senate Legal Counsel to intervene in "Gary Parola, et al. v. Caspar Weinberger, et al."; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MITCHELL (for himself, Mr. Stafford, and Mr. Lautenberg):

S. 1198. A bill to establish in the Environmental Protection Agency a program of research on indoor air quality, and for other purposes; to the Committee on Environment and Public Works.

INDOOR AIR QUALITY RESEARCH ACT

● Mr. MITCHELL. Mr. President, I am introducing legislation to establish within the Environmental Protection Agency a program for research on indoor air quality.

At a time of budgetary stringency, I would not propose an expanded emphasis on any ongoing program except for the most compelling of reasons.

Unfortunately, in the question of health hazards from indoor air pollution, a potentially hazardous situation has already been identified, and it is of

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a sufficiently serious nature to warrant congressional action.

Since enactment of the Clean Air Act 15 years ago, we have made great progress in the protection of air quality and the control of air pollution. More active attention is needed to such issues as acidity in rainfall and other precipitation. But on a daily basis, the vast majority of Americans today breathe cleaner air than they did 15 years ago.

The Clean Air Act, of course, is directed to the quality of air outdoors. The effects of auto exhausts, industrial emissions and climatic inversions all combine to make the quality of outdoor air the most critical front-line issue.

But the majority of Americans spend up to 90 percent of their days indoors. And we have done virtually nothing to assess the kinds of pollutants that may exist indoors or to determine the health effects of exposure to such pollutants.

Such information as we have today results from research into specific pollutants. Thus we have some data on the effects of such pollutants as formaldehyde, asbestos, and radon gas.

And there is substantial and growing evidence that these and other pollutants which are often concentrated indoors pose a significant health threat.

Unless we recognize that we need a more comprehensive approach to the overall question than we have today, the effects of these pollutants will be overlooked until they reach a point where they will demand massive and immediate response.

A comprehensive approach to assessing the nature of the problem, such as my bill proposes, is a modest but important first step in dealing with the problem before it reaches unmanagable proportions.

The EPA has documented an impressive range of health effects from indoor air pollutants.

Lung cancer results from exposure to radon gas, asbestos, volatile organic chemicals, and passive exposure to tobacco smoke. Respiratory illness can be caused by exposure to formaldehyde, nitrogen dioxide, and allergens. Skin and eye irritation can be caused by sulfur dioxide, carbon monoxide, and nitrogen oxide.

These are the indoor air pollutants we know about. What we don't know may be more significant.

For example, a recent study by the Consumer Product Safety Commission of 40 typical homes found from 20 to 150 hazardous chemicals in each home.

Given the existing paucity of information about the effects of toxic both singly and acting together, it is not alarmist to suggest that future research may well develop far more serious hazards in the home environment.

Doubt about the seriousness of indoor air pollution can be remedied by facts. The facts about one single pollutant—radon gas—are both dramatic and frightening.

Radon is a naturally occurring element found in soils and granite rock. The EPA estimates that exposure to radon results in between 5,000 to 20,000 lung cancer deaths per year. The total number of lung cancer deaths in the country is about 100,000. The effects of radon gas levels in homes in Pennsylvania was recently decribed in a major article in the New York Times.

I ask unanimous consent that the text of this article and an article from the Bath/Brunswick Times Record be printed at the conclusion of my remarks.

Radon exposure is a serious problem in a number of other States as well, including the State of Maine. Studies conducted by the University of Maine indicate that as many as 75 people die in Maine each year from lung cancer induced by radon gas. This deadly toll may increase as people continue to insulate their homes and reduce the amount of air exchange in winter as a means of conserving home heating costs.

But despite clear evidence of the serious health effects of indoor air pollution, the EPA has done little to develop a comprehensive and coordinated program of research to address the problem. Why has the EPA virtually ignored this problem?

In material submitted recently to the Environment and Public Works Committee, the EPA offered two reasons for the lack of action and the lack of a funding request for indoor air pollution research funding.

First, the Agency says that it does not have explicit statutory authority to regulate air pollution indoors and therefore should not research it. If indeed the lack of specific authority represents a major barrier to research, my bill would rectify that problem. It will grant EPA the necessary statutory authority.

If the Agency's failure to act stems, however, from an unwillingness to undertake a new area of research, my legislation would correct that failure by directing the Agency to do so. Such a "hear no evil, see no evil" policy, if that is the policy, is absolutely indefensible in the face of mounting evidence of major and serious health impacts.

Second, the EPA indicates that internal Agency proposals to participate in an interagency indoor air task force and to develop a program for control of radon exposures were considered for funding but were not funded because they were thought to be a "low Agency priority when compared to other Agency resource needs."

These budget requests amounted to less than $5 million dollars in an agency budget that will provide $236 million to implement the Clean Air Act and $325 million for research and development.

Under the circumstances, particularly the fact that the EPA itself estimates that a minimum of 5,000 Americans die each year due to exposure to a single indoor air pollutant, this refusal to provide such a small funding base for critical research is inexplicable.

Budget priorities cannot be ignored and budgetary stringency is a fact of life for every Federal agency today. But to suggest that research on a problem that causes a minimum of 5,000 deaths each year cannot be accorded a priority representing less than one-third of 1 percent of the agency's research budget is simply indefensible.

The legislation I am introducing today would provide direct authority to the EPA to conduct a program of research on indoor air quality. The bill, which is similar to legislation recently adopted by the House Committee on Science and Technology, includes three major provisions.

First, the EPA Administrator is to establish a research program to analyze data, coordinate the related activities of other agencies, and assess possible mitigation actions. The bill provides for advisory groups, representing Federal agencies and other parties, to oversee conduct of the research program.

Second, EPA is to submit to Congress within 2 years a report summarizing the state of knowledge about the problem, needed further research, and potential actions to mitigate health effects.

Finally, funding of $3 million is provided to the EPA for the 1986 and 1987 fiscal years. This funding will assure that the EPA will be able to take the lead in developing a coordinated research and assessment program. These funds will supplement funds allocated by various Federal agencies to address a single, limited aspect of the indoor air pollution problem.

I want to stress that this legislation does not authorize the EPA Administrator to carry out any regulatory program or any activity other than research, development, and demonstration and related activities. The legislation is designed to provide a clear, objective statement of the nature and extent of the indoor air pollution problem.

Once we have a research program in place and a clear statement of the problem, we can develop proposals for control of indoor air pollution which are tailored to the specific characteristics of the problem.

I believe this legislation is urgently needed. All too often efforts to control pollution have been rejected on the grounds that more information is needed. That is the situation we face on the question of acid rain, a major outdoor air pollutant, even though the evidence of damage is substantial.

The purpose of this bill is to develop the data base essential to determining what degree of hazard indoor air pollution presents and to establish the information on which Congress will be able to make an informed judgment about the best mitigation approach.

And the time to collect that data base is now. The dimensions of the problem are clear enough to indicate that it is serious. The facts now known provide a basis for serious concern at least with respect to certain kinds of pollutants, such as radon gas.

This bill will provide for the research necessary to establish the extent to which further action is warranted and what form it should take.

There being no objection, the articles mentioned earlier were ordered to be printed in the RECORD, as follows:

[From the New York Times, May 19, 1985]

RADIOACTIVE GAS IN SOIL RAISES CONCERN IN THREE-STATE AREA

(By Philip Shabecoff)

BOYERTOWN, PA., May 15.—A natural environmental hazard of uncertain but potentially grave dimensions has been discovered beneath the meadows of eastern Pennsylvania.

State and Federal investigators have found that many houses are contaminated with radon, a radioactive gas that can cause lung cancer after long exposure.

Levels in some houses were the higest ever recorded in the United States. A state survey of more than 1,600 houses in Berks County found that nearly 40 percent had unsafe levels of radon.

But the risk may be spread far beyond this semirural county.

THREE STATES AFFECTED

The radon is seeping up from uranium deposits in the earth below. The uranium is part of a geologic formation, the Reading Prong, which begins near Reading, Pa., and stretches eastward through Allentown and Easton, across northern New Jersey northwest of Morristown and into New York State west of Suffern and Peekskill.

Officials in the three states say they know little about the extent of the contamination, but they believe it varies from place to place, depending on the permeability of the soil and other factors. All three states, with Pennsylvania taking the lead, are trying to determine the nature and magnitude of the problem.

Pennsylvania officials are telling residents that the radon does not constitute an immediate health risk, although it may pose serious long-term problems. They also say that examination of death certificates in Berks County shows no unusual number of cancer deaths, although the data are inconclusive because of the area's small population and cancer's long latency period.

The state has undertaken an educational program to tell people what must be done to their houses to prevent radon from seeping in and to instruct contractors on how to make the necessary changes in the houses.

Nicholas De Benedictis, the state's Secretary of Environmental Resources, said the 21,000 homes in Pennsylvania's Reading Prong area were "potentially at risk." He said the state would examine them over the next 12 to 18 months. "There is no way to gauge the total impact of this problem," he said.

Joseph E. Rizzuto, program manager for New York's Energy Research and Development Authority, said he had heard that "there may be a problem of relatively great magnitude" involving radon from the Reading Prong, but said he had no data on the area.

James Staples, spokesman for the New Jersey Department of Environmental Protection, described the situation as "an entirely new area of concern that nobody even guessed at six months ago." He said the Reading Prong traversed some heavily populated areas in New Jersey and estimated that at least 100,000 people lived atop it.

"Our people are only now poring over geological maps and getting a handle on this," he said. "We have to guess where we are heading on this one."

Dr. Bernard Cohen, a professor of physics at the University of Pittsburgh and a leading authority on radon, said virtually every state had areas of radon contamination that might pose a health threat. It is "really a worldwide problem," Dr. Cohen said.

"Most lung cancer among nonsmokers is due to radon," he went on. "If anybody is worried about radiation, this is what they should worry about. People worry about neclear reactor or shipment accidents or medical radiation. These are all trivial risks compared to this."

Sheldon Meyers, director of the office of radiation at the Federal Environmental Protection Agency, agreed that there was no doubt radon caused cancer but added that there were "a lot of uncertainties" about the danger presented by natural radon seeping into homes.

There is "almost no data base on radon in the homes," he said.

The environmental agency, he said, has no authority to act on the radon problem because its powers under the Clean Air Act apply only to outdoor air. He said, however, that the State of Pennsylvania had acted responsibly.

Robert E. Yuhnke, the Environmental Defense Fund's regional counsel in Denver, who has been active on radon issues, said he checked the test results after residents of the area sought his help.

"I have never seen a situation where so many people are facing such extreme risks from an environmental hazard," he said, adding, "What we are seeing is the early stages of a cancer time-bomb waiting to go off."

The radon contamination in Pennsylvania was discovered through a fluke when Stanley J. Watras, an engineer working on the construction of the Philadelphia Electric Company's Limerick nuclear power plant outside Pottstown, set off a radiation alarm when he entered the plant. The alarm showed he was bringing radiation into the plant.

Mr. Watras asked the company to test his home. The tests, later confirmed by the state and the E.P.A., showed 16 "working levels" of radon in his living room. A working level is the measure used by the Government to measure the exposure of uranium miners to radon gas. The E.P.A. recommends radiation levels of no more than two one-hundredths of one working level.

The radiation level inside Mr. Watras's living room was the highest ever found in the United States from radon contamination, according to Mr. DeBenedictis. At the level the chances of contracting lung cancer over a lifetime of exposure are 100 percent, experts say. In fact, they say, there is an extremely high risk of contracting lung cancer within relatively few years.

FAMILY MOVES FROM HOUSE

Acting on the advice of the state environmental agency, Mr. Watras and his family have moved out of their house, which they had moved into only a year before.

"It was really a tormenting time," Mr. Watras said. "We were dealing with the unknown and it was horrifying."

Radon, which is given off by uranium as a gas, soon decays, turning into polonium, a radioactive chemical element, and then into solid particles of bismuth and lead. These particles are known as radon daughters. In the open air, radon disperses and does not pose a problem. But when it collects in homes, residents inhale it and the resulting solid lead and bismuth particles tend to lodge in their lungs. Over time, the particles can cause lung cancer.

The problem has been compounded over the last decade by efforts to conserve energy by making homes airtight. Radon accumulating in airtight house does not leak out, so its risk to health is increased.

Philadelphia Electric is now reconstructing the Watras house as an example of how a home could be well insulated and still keep radon levels down.

Until recently, this area of Pennsylvania was largely rural, populated by farmers who did not spend much time indoors. But today the area is becoming a suburb of Philadelphia.

MANY HOMES ARE CONTAMINATED

Although the highest levels of radon were recorded in Mr. Watras's home, many other houses in the county had levels that would almost assure cancer after a lifetime of exposure.

The state has advised these homeowners to remodel their homes. But many of the residents say they cannot afford to do so because the cost is $20,000 or more. These residents also say that the problem has sent the value of their homes plummeting. And there is no private party liable for damages and no Government program to cover this kind of environmental damage.

Kay Jones, whose home across the street from the Watras house contained a dangerous 2.3 working levels of radon, wants the Government to declare Berks County a disaster area so that it would be eligible for Government relief. She noted that the Government was rebuilding homes in Grand Junction, Colo., that were contaminated by radon from uranium tailings produced in the manufacture of weapons for the Government.

"We are angry and frightened and frustrated," Mrs. Jones said, adding that residents of the area intended to go to Washington to seek Federal aid.

Kathleen Varaday, who lives nearby with her husband, four children, two cats and two dogs, said state officials told her that her house showed 2.12 working levels of radon, and that that level was equivalent to smoking 22 packs of cigarettes a day.

"We are living in a home that all the experts tell us we should not be living in," she said. "But where can we go? I can't afford to move out and live somewhere else and pay the mortgage on this home."

Mr. Rizzuto, the New York energy official,

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Mr. Rizzuto, the New York energy official, said the state was just starting a random sample of 2,000 homes across the state to test for radon. "We certainly will be looking at areas we think are important," he said. The state will publish in a few weeks the results of a more limited radon study it undertook in the Buffalo area with Niagara Mohawk, a utility company.

In addition to the uranium tailings in Colorado, there have been a number of other hazards from radioactive soils, but they have all been a result of human activity, including phosphate mining in Florida and Tennessee.

Indoor Air Pollution

The air quality outdoors is far better than it was when the Clean Air Act was passed in 1970. Since then, particulate matter has dropped, approximately 50 percent, sulfur dioxide emissions are down approximately 25 percent, and carbon monoxide emissions from new cars are down approximately 90 percent.

Indoors, the situation is far different. The more scientists learn about indoor air pollution, the worse the problem looks. Indoor pollution appears to pose a significant health threat to Americans—yet the Reagan administration has decided to seek no money in fiscal 1986 for * * * research into indoor air quality. This is false economy.

The Oak Ridge Study of home pollution found that indoor levels of organic chemicals are often drastically higher than outdoor levels. Depending on the time of day and the season, between 20 and 150 hazardous chemicals were found in the air of the Oak Ridge homes.

Testifying on this issue at a House subcommittee hearing this week, Rep. Claudine Schneider of Rhode Island claimed that high levels of such pollutants is butane, chloroform and tobacco smoke in the home are contributing factors in about half the illness in the nation.

Indoor pollution poses a serious threat to the health of Americans, ignoring it, as the Reagan administration intends to do, is no solution.●

● Mr. LAUTENBERG. Mr. President, I am pleased to join my distinguished colleagues on the Environment and Public Works Committee, Senator Stafford and Senator Mitchell, in introducing the Indoor Air Quality Research Act of 1985.

This bill addresses an issue of growing concern in my State of New Jersey and throughout the Nation, indoor air pollution. Through the Clean Air Act, we have made great strides in monitoring and protecting the air we breathe outdoors. This work is far from complete, and we must continue to fund this program so that the health of current and future generations may be safeguarded.

However, virtually no work has been done to assess and enhance the quality of the air we breathe indoors, in our homes and at work. The limited amount of study that has been conducted on specific contaminants, such as radon, asbestos, and formaldehyde, indicates that indoor air pollutant may present health hazards previously unimagined.

An indoor air pollutant of particular concern is radon, a contaminant linked to lung cancer. Naturally occurring radon gas is released into the atmosphere and dissipates, without resulting in health hazards. However, when radon enters buildings through basements and spaces in foundations, with restricted ventilation, it concentrates, reaching levels which can have dire health consequences for residents of the building.

The Environmental Protection Agency has reported that an estimated 5,000 to 20,000 lung cancer deaths per year in the United States may be attributable to radon exposure. According to the Agency, that means that up to one-fifth of the Nation's total number of lung cancer deaths annually are due to this indoor air pollutant. Yet no comprehensive study is being undertaken to assess the extent of the radon problem, or how to deal with it.

My concern over this issue began 1½ years ago, when abnormally high levels of radon were detected in homes in three communities in New Jersey. Several hundred people were told they were living in an environment within their own homes which was hazardous to their health, but no one could tell them just how hazardous it was, nor how to best mitigate the danger. This exposure was due to the presence of radon contamination in fill dirt used in landscaping and development.

In New Jersey, we have recently learned that this hazard is much more widespread. In an article appearing in last Sunday's New York Times, it was revealed that an extensive radon belt exists in the mid-Atlantic region, crossing through eastern Pennsylvania, New Jersey, and New York State. Pennsylvania's Secretary of Environmental Resources stated that some 21,000 homes in that State are potentially exposed to this risk. New Jersey environmental officials state that at least 100,000 people in my State live above the hazard.

This is not a local or regional concern. Radon contamination is a serious problem throughout our country, from Maine to Colorado. There is an urgent need to address this health hazard, a hazard which is resulting in as many as 20,000 deaths a year. With increased emphasis, including Federal programs, on improved insulation of homes and buildings, the problem of concentration of indoor air contaminants will only worsen.

The Environmental Protection Agency has declined to pursue comprehensive research on indoor air pollution, citing a lack of statutory authority to conduct such studies. This bill would provide that authority, and direct the Agency to implement work in this important area.

Similar to a bill recently adopted by the House Committee on Science and Technology, the Indoor Air Quality Research Act has three major provisions.

First, it mandates that the EPA Administrator establish a comprehensive research program to assess and collect data on health risks associated with indoor air contaminants, and on potential mitigation measures. The EPA would serve as the coordinating member of interagency efforts in this area, and would establish advisory committees, composed of members of the scientific community and other parties, to oversee the program.

Second, the Administrator would report, within 2 years, to the Congress a summary of the state of knowledge of the problem, the need for further study, and possible mitigation measures. Also included in this report would be an assessment of the extent of the hazard on a national basis.

Third, $3 million would be provided in each of the fiscal years 1986 and 1987 for this research in the EPA.

The seriousness of the hazards of indoor air pollution demand that we take steps to assess, protect, and improve our indoor environment. Up to 20,000 lives annually demand it. With this bill, the EPA is mandated to assume the lead in developing a comprehensive, national program to research the hazards of indoor air pollution.

This is matter of serious concern throughout our Nation, and I urge my colleagues to support this bill.●

By Mr. BOREN:

S. 1199. A bill to implement certain reforms with regard to bank liquidations, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

BANK LIQUIDATION REFORM ACT

● Mr. BOREN. Mr. President, today I am proud to introduce a bill in an effort to bring future bank liquidations of the Federal Deposit Insurance Corporation into closer line with their duty to preserve confidence in our banking system.

Unfortunately, the historical decisions made in dealing with the troubled banks of Penn Square Bank of Oklahoma City and the Continental Illinois National Bank of Chicago, have taught us some very hard lessons on market discipline, equity, and fairness. As a result of over 2 years of viewing, studying, and dealing with some of these inequities, Representative Mickey Edwards of Oklahoma City and I have drafted legislation that will bring them to focus and allow debate before the Congress on these fundamental questions of our financial system.

The first provision will call for a prioritization of claims in the event of a closed national bank. Currently, when a national bank is closed by the Comptroller of the Currency, the FDIC is named the liquidating agent. The FDIC will first pay off the claims

of account holders up to the insurance limit of $100,000. Then, the individuals, businesses, or organizations with deposit amounts in excess of the insurance limit or obligations from the bank are issued a receiver certificate for the unrecovered amount of their claim. The FDIC, as insurer, also puts in a claim to the receivership for the amount they pay out to the insured depositors.

This legislation will specify that payments to holders of receiver certificates will go, first, to uninsured depositors, then to the FDIC and general creditors, and finally the stockholders. This statute has been tried in many States, including my State of Oklahoma. It makes sense for the following reasons:

The depositors haven't the day-to-day knowledge of the health and workings of the banking community, whereas, the FDIC and general creditors, will have some knowledge of potential risks. Thus, depositors, have in good faith invested in the community and depended on the bank regulators to safeguard their, and the FDIC's financial interest.

Even though realizing, banks will fail, and there must be discipline in the marketplace, it will make it incumbent on the FDIC to work to see there are sound examinations of banks, as their loss in the closing of a bank could be more substantial.

The FDIC acts as an "insurance company" for the banks' deposits, and as such should be treated as a general creditor. As an insurer, the FDIC's income is derived from premiums paid by the customers, through the bank. It is unusal for an insurer to charge the covered claimant for, not only the cost of the insurance premium, but also directly for the insurance fund loss as a result of paying the claim.

The Penn Square debacle saw over 2,600 claimants lose deposits in excess of $194 million. Not quite 2 years later, the FDIC made the unprecedented guarantee to depositors in the Continental National Bank of Illinois that all of their funds would be protected to 100 percent. Even stockholders to an extent were covered.

The "double standard" handling of the Continental Illinois and Penn Square, brings up a very important issue. If we allow the business community to believe that large, money center banks are the only safe place for their investment—jobs, industry, and business will soon be leaving States that do not serve as home of the top 12 large, money center banks.

It seems to me quite unfair that our statutes, as today interpreted by our banking regulators, clearly show that you are at more of a risk by having deposits in banks other than the Nation's largest institutions.

Another provision will bring two contradictory statutes in the Federal banking title into unison. Currently, the National Banking Act provisions specify that the FDIC, as liquidating agent of a closed national bank, "shall" take their expenses out of the receivership. The Federal Deposit Insurance Act states that the FDIC "may" take such expenses out of the receivership, leaving to the option of the Board of Directors to take expenses out of the general fund of the FDIC.

In some circumstances, the liquidation process is slowed and costs are increased substantially by the volume of litigation filed against the bank or the FDIC as receiver.

The Penn Square receivership has accumulated about $22 million in expenses over 2½ years. I feel the FDIC Board should have the discretion to decide if the situation justifies taking expenses out of the receivership, since not all bank closings and liquidations have identical circumstances.

In the case of Penn Square, the deposits of banks, credit unions, churches, nonprofit organizations, businesses, and individuals were lost when the bank was closed. Since that time, the returns of the liquidation proceedings have been shared by the uninsured depositors and the FDIC on a pro rata basis, to the uninsured depositors—for their deposits above the insurance limit; and to the FDIC—for the amount they paid out to the insured depositors.

This practice obviously makes the uninsured depositors a "partner" of the FDIC in the liquidation effort. However, the FDIC is under no legal or regulatory mandate to share with their "partners" how the liquidation is progressing and how their money is being used within the receivership to recover their loss. How can we demand exhaustive reporting practices of our Nation's banks to our regulators, and allow an arrogant veil of secrecy to rule the practice of the FDIC?

The letters, reports, conversations, and cases of apparent mismanagement of the FDIC, shared with my office by constituents, are phenomenal. Unlike most Federal or congressionally chartered agencies, there is no real oversight into their routine operations.

Because of this, the final provision of this bill is to put back confidence in the FDIC so they can instill confidence in our banking system. This bill will simply call for a monthly report from the Federal Deposit Insurance Corporation as receiver of all of their current liquidation proceedings.

Additionally, Congressman Edwards and I have written the Comptroller General of the United States to request a General Accounting Office audit and report of the FDIC as receiver of the closed Penn Square Bank of Oklahoma City.

Mr. President, I appeal to my colleagues, to let us begin to address the long overdue issue of deposit insurance legislation. While I fully realize the issue is comprehensive, this legislation is very basic in nature. It is critical at this time, that we re-affirm the original intent of the Federal Deposit Insurance Act of 1933. It's charge is clear: "To promote and preserve public confidence in banks and to protect the money supply through provision of insurance coverage for bank deposits." This legislation can restore some of our lost confidence.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1199

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bamk Liquidation Reform Act".

Sec. 2. The seond sentence of section 11(d) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)) is amended to read as follows: "The Corporation as such receiver shall pay amounts available from liquidation first, to depositors and second, to general creditors and to itself for its own account such amounts as it shall be entitled to receive on account of its subrogation to the claims of depositors.".

Sec. 3. The last sentence of section 5238 of the Revised Statutes (12 U.S.C. 196) is amended by striking out "shall" and inserting in lieu thereof "may".

Sec. 4. (a) Not later than the tenth day of each month, the Board of Directors of the Federal Deposit Insurance Corporation shall transmit a report to both Houses of the Congress containing a detailed, item-by-item accounting of all expenses incurred by the Corporation with respect to each bank liquidation which was in progress during the previous month.

(b) Funds used to carry out the provisions of this section shall not be charged against the assets of any bank which is being liquidated.●

By Mr. SIMPSON:

S. 1200. A bill to amend the Immigration and Nationality Act to effectively control unauthorized immigration to the United States, and for other purposes; to the Committee on the Judiciary.

IMMIGRATION REFORM AND CONTROL ACT OF 1985

Mr. SIMPSON. Mr. President, it was over 2 years ago that I stood before this distinguished body and stated that our present immigration law and enforcement procedures no longer serve the national interest—and they no longer promote the well-being of the majority of the American people. It was over 2 years ago that I reported that we were no longer able to fulfill that first test and duty of a sovereign nation—control of our own borders. It was over 2 years ago that I introduced the Immigration Reform and Control Act of 1983. I regret to inform you that today—in spite of my, and many of my colleague's best efforts—the situations I just described are still assuredly true. Not only the American people and the American Government are aware of it, but people all over the world are aware that the United States cannot, or does not, control its own borders.

It is my judgment that uncontrolled immigration is one of the greatest threats to the future of this country. Uncontrolled immigration portends much injury to our country—to American values, traditions, institutions, and to our way of life. contrast, controlled immigration has been one of the finest traditions of our remarkable heritage. We have no desire or intent to terminate that.

Mr. President, last year I advised the distinguished Members of this body that any preoccupation with numbers might tend to diminish the fact that very real human beings are involved in this issue. unfortunately, I had to speak of numbers then, and unfortunately, I must speak of them again today.

At the present time, net immigration—illegal plus legal—probably exceeds 750,000 per year. Hundreds of thousands of illegal immigrants now cross our porous borders every year. Some authorities estimate the new annual inflow at between 250,000 and 500,000 persons. The number of illegal aliens already in the country is unknown, but the Select Commission on Immigration and Refugee Policy utilized the figure of 3.5 to 6 million as the number for 1978. There are surely more now.

Thus, the phenomenon of illegal immigration is growing steadily more critical. In 1980 when I served as a member of the Select Commission, the Immigration Service apprehended 910,000 illegal aliens. In 1982, when the first Simpson-Mazzoli bill was being debated, the INS apprehended 970,000 illegal aliens. In 1983, when the second Simpson-Mazzoli bill was introduced, the INS apprehended 1,219,000 illegal aliens. And in 1984 when the bill passed both Houses of Congress but failed in conference committee, the INS apprehended 1,241,000 illegal aliens. We are setting some dubious records each year, and we will likely set another one this year.

Mr. President, countless studies have also shown that illegal immigration depresses the wages and working conditions of U.S. workers. The flouting of immigration laws also leads to the flouting of other U.S. laws, and illegal immigration creates a furtive, fearful, and easily exploited subclass in our society. This is not a healthy condition for a nation that has always been committed to equality under the law.

Let me say here that I want to reemphasize my deep personal feeling that no individual applying to this country lawfully in search of freedom and opportunity, and desiring to integrate fully into American society, should be discriminated against because of race, creed, color, or religion—which we have certainly sometimes done in our past. I say this to you because I realize that what I am about to say is directed to a most sensitive and complex issue, and there is every risk of misunderstanding.

If uncontrolled immigration is continued at a high level, but a substantial portion of these new persons and their descendents do not integrate fully into society, they may well create in America some of the same social, political, and economic problems which exist in the countries from which they have chosen to depart. Furthermore, if language and cultural separatism rise above a certain level, the unity and political stability of the Nation will—in time—be seriously eroded. Pluralism within a united American nation has been our greatest strength. That unity comes from a common language and a core public culture of certain shared values, beliefs, and customs, which make us distinctly Americans.

Mr. President, three successive administrations have attempted to reform our Nation's immigration laws. Peter Rodino, the deeply respected chairman of the House Committee on the Judiciary, foresaw the problem more than 10 years ago when he guided immigration control legislation through both the 92d Congress and the 93d Congress, only to see both initiatives die here in the Senate. Had that legislation been enacted into law, we would not be facing some of the serious problems confronting us today. The Select Commission on Immigration and Refugee Policy spent 2½ years studying the problem, and this bill follows many of its recommendations. The Senate and House Subcommittee on Immigration held extensive hearings on every aspect of the issue and solicited the opinions of a diverse group of concerned individuals. On August 17, 1982, during the 97th session of Congress, the Senate passed the bill 80 to 19, displaying broad support from many different constituencies.

In the 98th Congress, the Senate passed the bill by a vote of 76 to 18 on May 18, 1983, and the House under the yeoman leadership of my fine coworker and friend Congressman Ron Mazzoli, then passed the bill by a vote of 216 to 211 on June 20, 1984. While the bill later died at the end of the 98th Congress in a conference committee, this marked the first time in 20 years that both Houses of Congress had passed a major piece of immigration reform legislation. I sincerely believe that the framework of last year's House and Senate bills represent the type of reform of U.S. immigration law and enforcement procedures which the American people desire and deserve—and upon which America's future depends.

The bill which I am introducing today, the Immigration Reform and Control Act of 1985, does contain some changes from previous versions of the immigration bill. However, I believe that these changes represent the culmination of a long learning and education process, and I believe that this bill is a better bill. I have removed some of the provisions which have seemed to be a less important part of the immigration debate, in order to focus our intentions on the most essential elements of the bill. Changes in our system of legal immigration and asylum adjudication have been deleted. In order to respond to the concerns of both the business community and those groups who fear a discriminatory effect from employer sanctions, I have made some corresponding changes in that section of the bill.

Most important, I now believe it is necessary to assure the American public that the legalization of undocumented aliens will not lead to an increased flow of illegal immigrants. The most recent Gallup poll shows that only 35 percent of the American public supports legalization, and 55 percent oppose it. Last year, in the House of Representatives, an amendment to delete entirely the legalization provisions, failed by only 38 votes. It is clear that both the American public and the U.S. Congress have significant concerns about legalization. Therefore, I feel we should return to the Select Commission unanimous finding that legalization should not go into effect until adequate enforcement measures—increased border enforcement, reduction in visa overstays and unauthorized employment—are substantially in place. I believe that this approach is reasonable and desirable. However, we are not attempting to add a new twist to the game of immigration reform. This approach to legalization was recommended by the Select Commission on Refugee Policy—by a unanimous vote of 16 to 0. And let me state further that I remain fully committed to a legalization program. I think it it good public policy and those of us in the Congress who share this commitment are in the position to ensure that we will have a one time full legalization.

Mr. President I will conclude by quoting the former chairman of the Select Commission, my fine friend and coworker father Ted Hesburgh: "We must close the back door to illegal immigration in order to leave the front door open to legal immigration." Those are very wise words indeed. Unless illegal immigration is brought under control, I and many others, fear an increasing public intolerance—a lack of compassion if you will—to all

forms of immigration—legal and illegal. It is this unwanted and wretched result that this bill today attempts to avoid.

I ask unanimous consent that the text of the bill and a detailed summary of the bill be printed in the Record.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 1200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES IN ACT.

(a) Short Title.—This Act may be cited as the "Immigration Reform and Control Act of 1985".

(b) Amendments to Immigration and Nationality Act.—Except as otherwise specifically provided in this Act, whenever in this Act an amendment or repeal is expressed as an amendment to, or repeal of, a provision, the reference shall be deemed to be made to the Immigration and Nationality Act.

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TITLE I—CONTROL OF ILLEGAL IMMIGRATION

Part A—Funding for Improved Enforcement

SEC. 101. AUTHORIZATION OF APPROPRIATIONS FOR ENFORCEMENT AND SERVICE ACTIVITIES OF THE IMMIGRATION AND NATURALIZATION SERVICE AND WAGE AND HOUR ENFORCEMENT.

(a) Two Essential Elements.—It is the sense of Congress that two essential elements of the program of immigration control established by this Act are—

(1) an increase in the border patrol and other inspection and enforcement activities of the Immigration and Naturalization Service and of other appropriate Federal agencies in order to prevent and deter the illegal entry of aliens into the United States and the violation of the terms of their entry, and

(2) an increase in examinations and other service activities of the Immigration and Naturalization Service and other appropriate Federal agencies in order to ensure prompt and efficient adjudication of petitions and applications provided for under the Immigration and Nationality Act.

(b) Increased Authorization of Appropriations for INS.—Section 404 (8 U.S.C. 1101 note) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 404. There are authorized to be appropriated to the Department of Justice for the Immigration and Naturalization Service—

"(1) for fiscal year 1986, $840,000,000, and

"(2) for fiscal year 1987, $830,000,000.".

(c) Sense of Congress Regarding Enforcement of the Immigration Laws.—It is the sense of the Congress that—

(1) the immigration laws of the United States should be enforced vigorously and uniformly, and

(2) in the enforcement of such laws, the Attorney General should take due and deliberate actions necessary to safeguard the constitutional rights, personal safety, and human dignity of United States citizens and aliens.

(d) Supplemental Authorization of Appropriations for Wage and Hour Enforcement.—There are authorized to be appropriated, in addition to such sums as may be available for such purposes, such sums as may be necessary to the Department of Labor for enforcement activities of the Wage and Hour Division and the Office of Federal Contract Compliance Programs within the Employment Standards Administration of the Department in order to deter the employment of unauthorized aliens and remove the economic incentive for employers to exploit and use such aliens.

SEC. 102. USER FEES.

(a) Authorization of Certain User Fees.—Section 281 (8 U.S.C. 1351) is amended—

(1) by amending the heading to read as follows:

"NONIMMIGRANT VISA FEES AND ALIEN USER FEES";

(2) by inserting "(a) Nonimmigrant Visa Fees.—" after "Sec. 281."; and

(3) by adding at the end the following new subsection:

"(b) Alien User Fees.—The Attorney General, in consultation with the Secretary of State, may impose fees on aliens with respect to their use of border facilities or services of the Service in such amounts as may reasonably reflect the portion of costs of maintenance and operation of such facilities and provision of such services attributable to aliens' use of such facilities and services.".

(b) Conforming Amendment to Table of Contents.—The item in the table of contents relating to section 281 is amended to read as follows:

"Sec. 281. Nonimmigrant visa fees and alien user fees.".

Part B—Increased Penalties for Immigration-Related Violations

SEC. 111. UNLAWFUL TRANSPORTATION OF ALIENS TO THE UNITED STATES

(a) Criminal Penalties.—Subsection (a) of section 274 (8 U.S.C. 1324) is amended to read as follows:

"(a) Criminal Penalties.—(1) Any person who—

"(A) knowing that a person is an alien, brings to or attempts to bring to the United States in any manner whatsoever such person at a place other than a designated port of entry or place other than as designated by the Commissioner, regardless of whether such alien has received prior official authorization to come to, enter, or reside in the United States and regardless of any future official action which may be taken with respect to such alien;

"(B) knowingly or in reckless disregard of the fact that an alien has come to, entered, or remains in the United States in violation of law, transports, or moves or attempts to transport or move such alien within the United States by means of transportation or otherwise, in furtherance of such violation of law; or

"(C) knowingly or in reckless disregard of the fact that an alien has come to, entered, or remains in the United States in violation of law, conceals, harbors, or shields from detection such alien in any place, including any building or any means of transportation,

shall be fined, imprisoned not more than five years, or both, for each alien in respect to whom any violation of this subsection occurs. For the purposes of subparagraph (C) of this paragraph, employment (including the usual and normal practices incident to employment) by itself does not constitute harboring.

"(2) Any person who, knowingly or in reckless disregard of the fact that an alien has not received prior official authorization to come to, enter, or reside in the United States, brings to or attempts to bring to the United States in any manner whatsoever, such alien, regardless of any official action which may later be taken with respect to such alien shall, for each transaction constituting a violation of this subsection, regardless of the number of aliens involved—

"(A) be fined, or imprisoned not more than one year, or both; or

"(B) in the case of—

"(i) a second offense,

"(ii) an offense done for the purpose of commercial advantage or private financial gain,

"(iii) an offense in which the alien is not upon arrival immediately brought and presented to an appropriate immigration officer at a designated port of entry,

be fined, or imprisoned not more than five years, or both.".

(b) Miscellaneous Amendments to Seizure and Forfeiture Procedures.—Subsection (b) of such section is amended—

(1) in paragraph (1) before subparagraph (A) by striking out "is used" and inserting in lieu thereof "has been or is being used",

(2) by striking out "subject to seizure and" in paragraph (1) and inserting in lieu thereof "seized and subject to",

(3) by inserting "or is being" after "has been" in paragraph (2),

(4) by striking out "conveyances" in paragraph (3) and inserting in lieu thereof "property",

(5) by inserting ", or the Federal Maritime Commission if appropriate under section 203(i) of the Federal Property and Administrative Services Act of 1949," in paragraph (4)(C) after "General Services Administration",

(6) in paragraph (4)—

(A) by striking out "or" at the end of subparagraph (B),

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; or", and

(C) by inserting after such subparagraph the following new subparagraph:

"(D) dispose of the conveyance in accordance with the terms and conditions of any petition of remission or mitigation of forfeiture granted by the Attorney General.",

(7) by striking out ": *Provided*, That" in paragraph (5) and inserting in lieu thereof ", except that",

(8) by striking out "was not lawfully entitled to enter, or reside within, the United States" in paragraph (5) and inserting in lieu thereof "had not received prior official authorization to come to, enter, or reside in the United States or that such alien had come to, entered, or remained in the United States in violation of law" each place it appears, and

(9) by inserting "or of the Department of State" in paragraph (5)(B) after "Service".

SEC. 112. FRAUD AND MISUSE OF CERTAIN IMMIGRATION-RELATED DOCUMENTS.

(a) Application to Additional Documents.—Section 1546 of title 18, United States Code, is amended—

(1) by amending the heading to read as follows:

"§ 1546. Fraud and misuse of visas, permits, and other documents";

(2) by striking out "or other document required for entry into the United States" in the first paragraph and inserting in lieu thereof "border crossing card, alien registration receipt card, or other document prescribed by statute or regulation for entry into or as evidence of authorized stay or authorized employment in the United States";

(3) by striking out "or document" in the first paragraph and inserting in lieu thereof "border crossing card, alien registration receipt card, or other document prescribed by statute or regulation for entry into or as evidence of authorized stay or authorized employment in the United States";

(4) by inserting "(a)" before "Whoever" the first place it appears; and

(5) by adding at the end the following new subsections:

"(b) Whoever uses—

"(1) an identification document, knowing (or having reason to know) that the document was not issued lawfully for the use of the possessor,

"(2) an identification document knowing (or having reason to know) that the document is false, or

"(3) a false attestation,

for the purpose of satisfying a requirement of section 274A(b) of the Immigration and Nationality Act, shall be fined, or imprisoned not more than two years, or both.

"(c) This section does not prohibit any lawfully authorized investigative, protective, or intelligence activity of a law enforcement agency of the United States, a State, or a subdivision of a State, or of an intelligence agency of the United States, or any activity authorized under title V of the Organized Crime Control Act of 1970 (18 U.S.C. note prec. 3481).".

(b) Conforming Amendment to Table of Sections.—The item relating to section 1546 in the table of sections of chapter 75 of such title is amended to read as follows:

"1546. Fraud and misuse of visas, permits, and other documents.".

SEC. 113. RESTRICTIONS ON ADJUSTMENT OF STATUS.

(a) Requiring Legal Status at Time of Application.—Subsection (c) of section 245 (8 U.S.C. 1255), relating to nonimmigrants who may not adjust to immigrant status while in the United States, is amended to read as follows:

"(c) Aliens for Whom this Section Does Not Apply.—Subsection (a) shall not apply to the following aliens:

"(1) An alien crewman.

"(2)(A) Except as provided in subparagraph (B), an alien who—

"(i) continues in or accepts unauthorized employment before the date of filing an application for adjustment of status,

"(ii) is not in legal immigration status on the date of filing the application for adjustment of status, or

"(iii) has failed to maintain continuously a legal status since the date of entry into the United States.

"(B) Subparagraph (A) shall not apply to an alien who is—

"(i) an immediate relative, described in section 201(b), or

"(ii) a special immigrant described in section 101(a)(27)(H).

"(3) An alien admitted in transit without a visa under section 212(d)(4)(C).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to applications for adjustment of status filed before, on, or after the date of the enactment of this Act.

Part C—Control of Unauthorized Employment of Aliens

SEC. 121. MAKING EMPLOYMENT OF UNAUTHORIZED ALIENS UNLAWFUL.

(a) In General.—(1) Chapter 8 of title II is amended by inserting after section 274 (8 U.S.C. 1324) the following new section:

"UNLAWFUL EMPLOYMENT OF ALIENS

"Sec. 274A. (a) Making Employment of Unauthorized Aliens Unlawful.—

"(1) Hiring, recruiting, or referring.—It is unlawful for a person or other entity to hire, or to recruit or refer for a fee or other consideration, for employment in the United States an alien knowing the alien is an unauthorized alien (as defined in subsection (h)(2)) with respect to such employment.

"(2) Continuing employment.—It is unlawful for a person or other entity, after hiring an alien for employment to continue to employ the alien in the United States knowing the alien is (or has become) an unauthorized alien with respect to such employment.

"(3) Defenses.—

"(A) Compliance with employment verification system.—A person or entity that establishes that it has complied in good faith with the requirements of subsection (b) with respect to the hiring, recruiting, or referral for employment of an alien in the United States has established an affirmative defense that the person or entity has not violated paragraph (1) with respect to such hiring, recruiting, or referral.

"(B) Presumption for employers of 4 or more employees.—If a person or entity is employing four or more employees and hires (or recruits or refers for a fee or other consideration) for employment in the United States an unauthorized alien, for purposes of paragraph (1) the person or entity shall be presumed to have known that the alien was an unauthorized alien unless the person or entity has complied with the requirements of subsection (b) with respect to the hiring (or recruiting or referral) of that alien.

"(C) Presumption for large recruiters or referrers.—If a person or entity recruits or refers for a fee or other consideration more than four individuals in any 12-month period and recruits or refers for a fee or other consideration for employment in the United States an unauthorized alien, for purposes of paragraph (1) the person or entity shall be considered to have known that the alien was an unauthorized alien unless the person or entity has complied with the requirements of subsection (b) with respect to recruiting or referral of that alien.

"(D) Rebuttal of presumption.—The presumption established by subparagraph (B) or (C) may be rebutted through the presentation of clear and convincing evidence which contradicts the presumption.

"(4) Violators subject to order.—A person or entity that violates paragraph (1) or (2) is subject to an order under subsection (d).

"(b) Employment Verification System.—Except as provided in subsection (c), the requirements referred to in subsections (a)(3) and (d)(2)(C)(i) are, in the case of a person or other entity hiring, recruiting, or referring an individual for employment in the United States, the requirements specified in the following four paragraphs:

"(1) Attestation after examination of documentation.—

"(A) In general.—The person or entity must attest, under penalty of perjury and on a form designated or established by the Attorney General by regulation, that it has verified that the individual is not an unauthorized alien by examining—

"(i) a document described in subparagraph (B), or

"(ii) a document described in subparagraph (C) and a document described in subparagraph (D).

A person or entity has complied with the requirement of this paragraph with respect to examination of a document if the document reasonably appears on its face to be genuine.

"(B) Documents establishing both employment authorization and identity.—A document described in this subparagraph is an individual's—

"(i) United States passport;

"(ii) certification of United States citizenship;

"(iii) certificate of naturalization;

"(iv) unexpired foreign passport, if the passport has an appropriate, unexpired endorsement authorizing the individual's employment in the United States; or

"(v) resident alien card or other alien registration card, if the card—

"(I) contains a photograph of the individual or such other personal identifying information relating to the individual as the Attorney General finds, by regulation, sufficient for purposes of this subsection, and

"(II) is evidence of authorization of employment in the United States.

"(C) Documents evidencing employment authorization.—A document described in this subparagraph is an individual's—

"(i) social security account number card (other than such a card which specifies on the face that the issuance of the card does not authorize employment in the United States);

"(ii) certificate of birth in the United States or establishing United States nationality at birth, which certificate the Attorney General finds, by regulation, to be acceptable for purposes of this section; or

"(iii) other documentation evidencing authorization of employment in the United States which the Attorney General finds, by regulation, to be acceptable for purposes of this section.

"(D) Documents establishing identity of individual.—A document described in this subparagraph is an individual's—

"(i) border crossing card or similar alien identification document issued by the Attorney General to aliens and designated for use for this purpose;

"(ii) driver's license or similar document issued for the purpose of identification by a State, if it contains a photograph of the individual or such other personal identifying information relating to the individual as the Attorney General finds, by regulation, sufficient for purposes of this section; or

"(iii) in the case of individuals under 16 years of age or in a State which does not provide for issuance of an identification document (other than a driver's license) referred to in clause (ii), documentation of personal identity of such other type as the Attorney General finds, by regulation, provides a reliable means of identification.

"(2) Individual attestation of employment authorization.—The individual must attest, under penalty of perjury on the form designated or established for purposes of paragraph (1), that the individual is a citizen or national of the United States, an alien lawfully admitted for permanent residence, or an alien who is authorized under this Act or by the Attorney General to be hired, recruited, or referred for such employment.

"(3) Retention of verification form.—After completion of such form in accordance with paragraphs (1) and (2), the person or entity must retain the form and make it available for inspection by officers of the Service or the Department of Labor during a period beginning on the date of the hiring, recruiting, or referral of the individual and ending—

"(A) in the case of the recruiting or referral for a fee or other consideration (without hiring) of an individual, three years after the date of the recruiting or referral, and

"(B) in the case of the hiring of an individual—

"(i) three years after the date of such hiring, or

"(ii) one year after the date the individual's employment is terminated, whichever is later.

"(4) Uniform verification policy.—The person or entity must apply the requirements of the previous three paragraphs uniformly to all individuals hired (or recruited or referred for a fee or other consideration).

"(5) Copying of documentation permitted.—Notwithstanding any other provision of law, the person or entity may copy a document presented by an individual pursuant to this subsection and may retain the copy, but only (except as otherwise permitted under law) for the purpose of complying with the requirements of this subsection.

"(6) Limitation on use of attestation form.—A form designated or established by the Attorney General under this subsection and any information contained in or appended to such form, may not be used for purposes other than for enforcement of this Act and sections 1001, 1028, 1546, and 1621 of title 18, United States Code.

"(c) Evaluation and Changes in Employment Verification System.—

"(1) Presidential monitoring and improvements in system.—

"(A) Monitoring.—The President shall provide for the monitoring and evaluation of the degree to which the employment verification system established under subsection (b) provides a secure system to determine employment eligibility in the United States and shall examine the suitability of existing Federal and State identification systems for use for this purpose.

"(B) Improvements to establish secure system.—To the extent that the system established under subsection (b) is found not to be a secure system to determine employment eligibility in the United States, the President shall, subject to paragraph (3) and taking into account the results of any demonstration projects conducted under paragraph (4), implement such changes in (including additions to) the requirements of subsection (b) as may be necessary to establish a secure system to determine employment eligibility in the United States. Such changes in the system may be implemented only if the changes conform to the requirements of paragraph (2).

"(C) Requiring use of counterfeit-resistant social security cards.—The President may require, without regard to paragraph (2), that the only social security account number cards which may be presented in order to comply with subsection (b)(1)(C)(i) are such cards as are in a counterfeit-resistant form consistent with the second sentence of section 205(c)(2)(D) of the Social Security Act.

"(2) Restrictions on changes in system.—Except as provided in paragraph (1)(C), any change the President proposes to implement under paragraph (1) in the verification system must be designed in a manner so the verification system, as so changed, meets the following requirements:

"(A) Reliable determination of identity.—The system must be capable of reliably determining whether—

"(i) a person with the identity claimed by an employee or prospective employee is eligible to work, and

"(ii) the employee or prospective employee is claiming the identity of another individual.

"(B) Using of counterfeit-resistant documents.—If the system requires that a document be presented to or examined by an employer, the document must be in a form which is resistant to counterfeiting and tampering.

"(C) Limited use of system.—Any personal information utilized by the system may not be made available to Government agencies, employers, and other persons except to the extent necessary to verify that an individual is not an unauthorized alien.

"(D) Privacy of information.—The system must protect the privacy and security of personal information and identifiers utilized in the system.

"(E) Limited denial of verification.—A verification that an employee or prospective employee is eligible to be employed in the United States may not be withheld or revoked under the system for any reason other than that the employee or prospective employee is an unauthorized alien.

"(F) Limited use for law enforcement purposes.—The system may not be used for law enforcement purposes, other than for enforcement of this Act or sections 1001, 1028, 1546, and 1621 of title 18, United States Code.

"(G) Restriction on use of new documents.—If the system requires individuals to present a new card or other document (designed specifically for use for this purpose) at the time of hiring, recruitment, or referral, then such document may not be required to be presented for any purpose other than under this Act (or enforcement of sections 1001, 1028, 1546, and 1621 of title 18, United States Code) nor to be carried on one's person.

"(3) Notice to congress before implementing changes.—

"(A) In general.—The President may not implement any change under paragraph (1) unless at least—

"(i) 60 days, or

"(ii) in the case of a major change described in subparagraph (D), two years,

before the date of implementation of the change, the President has prepared and transmitted to the Committee on the Judiciary of the House of Representatives and to the Committee on the Judiciary of the Senate a written report setting forth the proposed change. The President promptly shall cause to have printed in the Federal Register the substance of any major change (described in subparagraph (D)) proposed and reported to Congress.

"(B) Contents of report.—In any report under subparagraph (A) the President shall include recommendations for the establishment of civil and criminal sanctions for unauthorized use or disclosure of the information or identifiers contained in such system.

"(C) Congressional review of major changes.—

"(i) Hearings and review.—The Committees on the Judiciary of the House of Representatives and of the Senate shall cause to have printed in the Congressional Record the substance of any major change described in subparagraph (D), shall hold hearings respecting the feasibility and desirability of implementing such a change, and, within the two year period before implementation, shall report to their respective Houses findings on whether or not such a change should be implemented.

"(ii) Congressional action.—No major change may be implemented unless the Congress specifically provides, in an appropriations or other Act, for funds for implementation of the change.

"(D) Major changes requiring two years notice and congressional review.—As used in this paragraph, the term 'major change' means a change which would—

"(i) require an individual to present a new card or other document (designed specifically for use for this purpose) at the time of hiring, recruitment, or referral, or

"(ii) provide for a telephone verification system similar to that described under paragraph (4)(B)(ii);

but does not include a change in any card used for accounting purposes under the Social Security Act.

"(4) Demonstration projects.—

"(A) Authority.—The President may undertake demonstration projects (consistent with paragraph (2)) of different changes in the requirements of subsection (b). No such project may extend over a period of longer than three years.

"(B) Reports on projects.—The President shall report to the Congress on the results of demonstration projects conducted under this paragraph.

"(d) Compliance.—

"(1) Complaints and investigations.—The Attorney General shall establish procedures—

"(A) for individuals and entities to file written, signed complaints respecting potential violations of subsection (a),

"(B) for the investigation of those complaints which, on their face, have a substantial probability of validity,

"(C) for the investigation of such other violations of subsection (a) as the Attorney General determines to be appropriate, and

"(D) for the designation in the Service of a unit which has, as its primary duty, the prosecution of cases of violations of subsection (a) under this subsection.

"(2) Order for violations.—

"(A) In general.—If, after notice and opportunity to request a hearing respecting a violation of subsection (a), the immigration judge determines, upon the preponderance of the evidence received, that a person or entity named in the complaint has violated subsection (a), the judge shall state his findings of fact and issue and cause to be served on such person or entity an order.

"(B) Civil penalty as part of order.—An order under subparagraph (A) shall require the person or entity to cease and desist from such violations and to pay a civil penalty in an amount of—

"(i) not less than $100 and not more than $2,000 for each unauthorized alien with respect to whom a violation of subsection (a) occurred,

"(ii) not less than $2,000 and not more than $5,000 for each such alien in the case of a person or entity previously subject to an order under this subsection, or

"(iii) not less than $3,000 and not more than $10,000 for each such alien in the case of a person or entity which has engaged or is engaging in a pattern or practice of such violations.

"(C) Additional remedies as part of order.—An order under subparagraph (A) may require the person or entity—

"(i) to comply with the requirements of subsection (b) (or subsection (c) if applicable) with respect to individuals hired (or recruited or referred for employment for a fee or other consideration) during a period of up to three years, and

"(ii) to take such other remedial action as is appropriate.

"(D) Dismissal of complaints.—If upon the preponderance of the evidence taken, the judge is of the opinion that the person or entity named in the complaint has not violated subsection (a), the judge shall state his findings of fact and shall issue an order dismissing the complaint.

"(3) Authority in investigations.—In conducting investigations and hearings under this subsection—

"(A) immigration officers and immigration judges shall have reasonable access to examine evidence of any person or entity being investigated, and

"(B) immigration judges, by subpoena, may compel the attendance of witnesses and the production of evidence at any designated place or hearing. In case of contumacy or refusal to obey a subpoena lawfully issued under this paragraph and upon application of the Attorney General, an appropriate district court of the United States may issue an order requiring compliance with such subpoena and any failure to obey such order may be punished by such court as a contempt thereof.

"(4) Treatment of certain subdivisions.—In applying this subsection in the case of a person or entity composed of distinct, physically separate subdivisions each of which provides separately for the hiring, recruiting, or referring for employment without reference to the practices of, or under the control of, or common control with, another subdivision, each such subdivision shall be considered a separate person or entity.

"(5) Administrative appellate review.—The Attorney General may provide for the administrative appellate review of the determination of an immigration judge under this subsection by an appropriate administrative appellate body.

"(e) Judicial Review of Orders.—Judicial review of orders under this subsection shall be exclusively under the procedures provided in chapter 158 of title 28, United States Code, except as follows:

"(1) Filing deadline.—Petitions for review may be filed not later than 45 days after the date of the final order.

"(2) Venue.—The venue of any petition for review under this subsection shall be in the judicial circuit in which the administrative proceedings before an immigrant judge were conducted in whole or in part, or in the judicial circuit wherein is the residence of the petitioner, but not in more than one circuit.

"(3) Service.—In the case of review sought by an entity other than the Service, the action shall be brought against the Immigration and Naturalization Service as respondent and service of the petition to review shall be made upon the Attorney General and upon the official of the Service in charge of the Service district in which the office of the clerk of the court is located.

"(4) Substantial evidence.—The petition shall be determined solely upon the administrative record upon which the order is based and the immigration judge's findings of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

"(5) Typewritten briefs.—It shall not be necessary to print the record or any part thereof, or the brief, and the court shall review the proceedings on a typewritten record and on typewritten briefs. In any judicial review of an immigration judge's order under this subsection, the court may provide for such order of enforcement as may be appropriate. Section 279 shall not apply to causes arising under this section.

"(f) Enforcement of Orders.—If a person or entity fails to comply with a final order issued under subsection (d) against the person or entity, the Attorney General shall file a suit to seek compliance with the order in any appropriate district court of the United States. In any such suit, the validity and appropriateness of the final order imposing the assessment shall not be subject to review.

"(g) Miscellaneous Provisions.—

"(1) Documentation.—In providing documentation or endorsement of authorization of aliens (other than aliens lawfully admitted for permanent residence) authorized to be employed in the United States, the Attorney General shall provide that any limitations with respect to the period or type of employment or employer shall be conspicuously stated on the documentation or endorsement.

"(2) Preemption.—The provisions of this section preempt any State or local law imposing civil or criminal sanctions (other than through licensing and similar laws) upon those who employ, or recruit or refer for a fee or other consideration for employment, unauthorized aliens.

"(h) Definitions.—As used in this section—

"(1) Immigration judge.—The term 'immigration judge' means an immigration officer specially designated to hear cases under this section.

"(2) Unauthorized alien.—The term 'unauthorized alien' means, with respect to the employment of an alien at a particular time, that the alien is not at that time either (A) an alien lawfully admitted for permanent residence, or (B) authorized to be so employed by this Act or by the Attorney General.".

(b) Effective Dates.—(1) Except as otherwise provided in this subsection or subsection (c), the amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) Paragraph (1) of section 274A(a) of the Immigration and Nationality Act, making unlawful the hiring, recruiting, or referral of unauthorized aliens for employment, shall only apply to the hiring, recruiting, or referral of individuals occurring after the date of the enactment of this Act.

(3) Paragraph (2) of section 274A(a) of the Immigration and Nationality Act, relating to making unlawful the continuing employment of unauthorized aliens, shall only apply to aliens who are hired after the date of the enactment of this Act.

(4) Section 274A(g)(2) of the Immigration and Nationality Act takes effect on the first day of the seventh month beginning after the date of the enactment of this Act.

(c) Promulgation of Regulations and Education and Warning Period.—(1) The Attorney General shall, not later than the first day of the seventh month beginning after the date of the enactment of this Act, first issue, on an interim or other basis, such regulations as may be necessary in order to implement section 274A of the Immigration and Nationality Act.

(2) The Attorney General, in cooperation with the Secretaries of Agriculture, Commerce, Health and Human Services, Labor, and the Treasury and the Administrator of the Small Business Administration and with organizations representing or assisting employers, employees, and employment agencies, shall take steps to broadly disseminate forms and information and provide for public education respecting the provisions of section 274A of the Immigration and Nationality Act.

(3) Where the Attorney General has reason to believe that a person or entity may have violated subsection (a) of section 274A of the Immigration and Nationality Act during the six-month period beginning on the first day of the first month beginning after the date of the enactment of this Act, the Attorney General shall notify such person or entity of such belief and shall not conduct any proceeding, nor impose any order, under such section on the basis of such alleged violation or violations.

(4) Where the Attorney General has reason to believe that a person or entity may have violated subsection (a) of section 274A of the Immigration and Nationality Act during the subsequent six-month period, the Attorney General shall, in the first instance of such an alleged violation (or violations) occurring during such period, provide a warning to the person or entity that such a violation or violations may have

occurred and shall not conduct any proceeding, nor impose any penalty, under such section on the basis of such alleged violation or violations.

(d) Conforming Amendments to Migrant and Seasonal Agricultural Worker Protection Act.—(1) The Migrant and Seasonal Agricultural Worker Protection Act (Public Law 97-470) is amended—

(A) by striking out "101(a)(15)(H)(ii)" in paragraphs (8)(B) and (10)(B) of section 3 (29 U.S.C. 1802) and inserting in lieu thereof "101(a)(15)(N)";

(B) in section 103(a) (29 U.S.C. 1813(a))—

(i) by striking out "or" at the end of paragraph (4),

(ii) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or", and

(iii) by adding at the end the following new paragraph:

"(6) has been found to have violated paragraph (1) or (2) of section 274A(a) of the Immigration and Nationality Act.";

(C) by striking out section 106 (29 U.S.C. 1816) and the corresponding item in the table of contents; and

(D) by striking out "section 106" in section 501(b) (29 U.S.C. 1851(b)) and by inserting in lieu thereof "paragraph (1) or (2) of section 274A(a) of the Immigration and Nationality Act".

(2) The amendments made by paragraph (1) shall apply to the employment, recruitment, referral, or utilization of the services of an individual occurring on or after the first day of the seventh month beginning after the date of the enactment of this Act.

(e) Conforming Amendment to Table of Contents.—The table of contents is amended by inserting after the item relating to section 274 the following new item:

"Sec. 274A. Unlawful employment of aliens.".

(f) Reports on Implementation of Section.—For monitoring and study respecting the enactment of this section (including actions taken on any discrimination in employment which might result from enactment of this section), see section 402 of this Act.

SEC. 122. TEMPORARY AGRICULTURAL WORKER PROGRAM.

(a) Providing New "N" Nonimmigrant Classification for Temporary Agricultural Workers.—Section 101(a)(15) (8 U.S.C. 1101(a)) is amended—

(1) by inserting "other than agricultural services described in section 216(h)(1)" in subparagraph (H)(ii) after "temporary services or labor",

(2) by striking out "or" at the end of subparagraph (L),

(3) by striking out the period at the end of subparagraph (M) and inserting in lieu thereof "; or", and

(4) by adding at the end the following new subparagraph:

"(N) an alien, having a residence in a foreign country which has no intention of abandoning, who is coming temporarily to the United States under section 216 to perform agricultural services (as defined in section 216(h)(1)) of a temporary or seasonal nature.".

(b) Involvement of Departments of Labor and Agriculture in Temporary Agricultural Worker Program.—Section 214(c) (8 U.S.C. 1184(c)) is amended—

(1) by striking out "or (L)" in the first sentence and inserting in lieu thereof ", (L), or (N)", and

(2) by adding at the end the following: "For purposes of this subsection the term 'appropriate agencies of Government' means the Department of Labor and includes, with respect to nonimmigrants under section 101(a)(15)(N), the Department of Agriculture. The provisions of section 216 shall apply to the question of importing any alien as a nonimmigrant under section 101(a)(15)(N).".

(c) Admission of Temporary Agricultural Workers.—Chapter 2 of title II is amended by adding after section 215 the following new section:

"ADMISSION OF TEMPORARY AGRICULTURAL WORKERS

"Sec. 216. (a) Application for Labor Certification.—

"(1) Requirement.—A petition to import an alien as a temporary agricultural worker (as defined in subsection (h)(3)) may not be approved by the Attorney General unless the petitioner has applied to the Secretary of Labor for a certification that—

"(A) there are not sufficient workers who are able, willing, and qualified and who will be available at the time and place needed to perform the services involved in the petition, and

"(B) the employment of the alien in such services will not adversely affect the wages and working conditions of workers in the United States similarly employed.

"(2) Payment of required fees.—The Secretary of Labor may require by regulation, as a condition of applying for the certification, the payment of a fee to recover the reasonable costs of processing applications for certification.

"(b) Conditions for Denial of Labor Certification.—The Secretary of Labor may not issue a certification under subsection (a) with respect to an employer if the conditions described in paragraph (1) are not met or if any of the following conditions exist:

"(1) Labor dispute.—There is a strike or lockout in the course of a labor dispute which, under the regulations, precludes such certification.

"(2) Violation of term of previous certification.—

"(A) In general.—The employer at any time during the previous two-year period employed temporary agricultural workers and the Secretary of Labor has determined, after notice and opportunity for a hearing, that the employer at any time during that period—

"(i) substantially violated an essential term or condition of the labor certification with respect to the employment of domestic or nonimmigrant workers, or

"(ii) has not paid any penalty for such violations which have been assessed by the Secretary of Labor.

"(B) Disqualification limited to one year.—No employer may be denied certification under subparagraph (A) for more than one year for any violation described in that subparagraph.

"(3) Not providing for workers' compensation.—The employer has not provided the Secretary with satisfactory assurances that if the employment for which the certification is sought is not covered by State workers' compensation law, the employer will provide, at no cost to the worker, insurance covering injury and disease arising out of and in the course of the worker's employment which will provide benefits at least equal to those provided under the State workers' compensation law for comparable employment.

"(c) Rules Concerning Applications for Labor Certification.—The following rules shall apply in the case of the filing and consideration of an application for a labor certification for a temporary agricultural worker:

"(1) Deadline for filing applications.—The Secretary of Labor may not require that the application be filed more than 65 days before the first date the employer requires the services of the worker.

"(2) Notice within 14 days of deficiencies.—

"(A) Notice of deficiencies.—The application shall be considered to have met the requirements of subsection (a)(1) (other than subparagraph (A) thereof) unless the Secretary of Labor, within 14 days of the date of filing the application, notifies the employer filing the application that the application does not meet the requirements.

"(B) Submittal of modified application.—If the application does not meet the requirements, the notice shall include the reasons therefor and the Secretary shall permit the employer an opportunity for the prompt resubmission of a modified application.

"(3) Issuance of certification.—

"(A) If conditions met.—The Secretary of Labor shall make, not later than 20 days before the date such services are first required to be performed, the certification described in subsection (a)(1) if—

"(i) the employer has complied with the requirements for certification (including the recruitment of eligible individuals as prescribed by regulation), and

"(ii) the employer does not actually have, or has not been provided with referrals of, eligible individuals who have agreed to perform such services on the terms and conditions of a job offer which meet requirements of regulations.

"(B) Continued acceptance of applicants.—A labor certification under this section remains effective only if the employer continues to accept for employment, until the date the temporary agricultural workers depart for work with the employer, eligible individuals who apply or are referred to the employer.

"(4) Providing housing allowance.—In the employer's complying with terms and conditions of employment respecting the furnishing of housing, the employer shall be permitted, at the employer's option and instead of providing for suitable housing accommodations, to substitute payment of a reasonable housing allowance, but only if suitable housing is otherwise available in the proximate area of employment.

"(d) Roles of Agricultural Associations.—

"(1) Permitting filing by agricultural associations.—A petition to import an alien as a temporary agricultural worker, and an application for a labor certification with respect to such a worker, may be filed by an association representing agricultural producers which use agricultural services.

"(2) Treatment of associations acting as employers.—If such an association is a joint or sole employer of temporary agricultural workers, the certifications granted under this section to the association may be used for the certified job opportunities of any of its producer members and such workers may be transferred among its member producers to perform agricultural services of a temporary or seasonal nature for which the certifications were granted.

"(3) Treatment of violations.—

"(A) Member's violation does not necessarily disqualify association or other members.—If an individual producer member of such an association is determined to have committed an act that under subsection (b)(2) results in the denial of certifications with respect to the member, the denial shall apply only to that member and does not apply to the association or another producer member of the association unless the Secretary determines that the association or other member participated in, or had knowledge of and derived benefit from, the violation.

"(B) Association's violation does not necessarily disqualify members.—If an association representing agricultural producers as an agent, joint employer, or employer is determined to have committed an act that under subsection (b)(2) results in the denial of certification with respect to the association, the denial shall apply only to the association and does not apply to any individual producer member of the association unless the Secretary determines that the member participated in, or had knowledge of and derived benefit from, the violation.

"(e) Expedited Administrative Appeals of Certain Determinations.—

"(1) Denial of labor certification.—The Secretary of Labor shall provide for an expedited procedure for the review of a denial of certification under subsection (a)(1) or, at the applicant's request, for a de novo administrative hearing respecting the denial. In the case of a request for such a review or hearing with respect to denial of certification for temporary agricultural workers to perform agricultural services in the production of perishable commodities (as defined by the Secretary of Agriculture for purposes of this section), the Secretary of Labor shall provide that the review or hearing take place not later than 72 hours after the time the request is submitted.

"(2) Redetermination where unqualified workers referred for employment.—The Secretary of Labor shall expeditiously, but in no case later than 72 hours after the time a new determination is requested, make a new determination on the request for certification in the case of a temporary agricultural worker if the employer asserts that eligible individuals who have been referred are not able, willing, or qualified because of lawful employment-related reasons. If the employer asserts that an eligible individual who has been referred is not able, willing, or qualified, the burden of proof is on the employer to establish that the individual referred is not able, willing, or qualified because of employment-related reasons.

"(3) Attorney General expedited review where workers not actually available.—To the extent that—

"(A) a certification under subsection (a)(1) was denied solely because of the availability of eligible individuals to perform the agricultural services specified in the petition, and

"(B) eligible individuals who agree to perform the services for which the temporary agricultural workers are sought are not actually available at the time and place such services are required, the Attorney General shall provide by regulation for an expedited review of the petition respecting the workers not later than 72 hours after the time the employer requests expedited review under this paragraph. To the extent that the Attorney General determines that the facts described in the previous sentence exist, the Attorney General may provide for approval of the petition (subject to the other conditions required for the approval of certification under subsection (a)(1)), notwithstanding the denial of the certification by the Secretary of Labor.

"(4) Expedited application where unforseen need for workers.—

"(A) Permitting amended application or abbreviated recruitment period.—If the Secretary of Labor makes the determination described in subparagraph (C), the Secretary—

"(i) shall permit the employer to amend or to make an application for certification under subsection (a)(1), and

"(ii) may waive some or all of the 65-day recruitment period described in subsection (c)(1) as necessary to meet the critical need described in subparagraph (C)(i).

"(B) Prompt redetermination.—In the case of an amended or new application under subparagraph (A)—

"(i) Using best data.—The Secretary shall make the determination on the amendment or application based upon the best available labor market information.

"(ii) Deadline for determination.—Except as provided in clause (iii), the Secretary shall make the determination on the amendment or application not later than 20 days before the date on which the workers are needed.

"(iii) Deadline for late amendments and applications.—If an amendment or application is made at any time later than 3 days before such date of need described in clause (ii), the Secretary shall make the determination on the amendment or application within 72 hours after the date the amendment or application is submitted.

"(C) Determination of unforseen circumstances.—The determination under subparagraph (A) is that—

"(i) in the case of an employer that has filed an application for a certification under subsection (a)(1), the employer—

"(I) has a critical need for workers before the expiration of the 65-day period described in subsection (c)(1), or

"(II) has a critical need for additional workers who had not been requested in the previous application;

"(ii) in the case of an employer that had not previously filed such an application, the employer has a critical need for workers before the expiration of the 65-day period described in subsection (c)(1) and the employer made prompt application for certification under subsection (a)(1) when the employer's need for workers became known; and

"(iii) based on the employer's past experience and on reasonable expectations, the need for such workers at the time required could not have been foreseen.

"(5) Permitting presentation of countervailing evidence.—If the Secretary of Labor denies a certification under subsection (a)(1) or fails to act on the application, the Attorney General may permit the applicant to present countervailing evidence to the Attorney General that—

"(A) there are not sufficient workers who are able, willing, and qualified and who will be available at the time and place needed to perform the services involved in the petition for which the certification is sought, and

"(B) the employment policies of the Department of Labor have been observed.

"(f) Entry and Transfer of Temporary Agricultural Workers.—

"(1) Time limitation.—An alien may not be admitted to the United States as a temporary agricultural worker for an aggregate period longer than the period (or periods) determined by regulations of the Attorney General. The regulations may provide for a period of admission of longer than one year in the case of agricultural services which the Secretary of Labor has recognized, for purposes of the admission of certain nonimmigrants under section 101(a)(15)(H)(ii), before the date of the enactment of this section.

"(2) Violators disqualified for 5 years.—An alien may not be admitted to the United States as a temporary agricultural worker if the alien was admitted to the United States as such a worker within the previous five-year period and the alien during that period violated a term or condition of such previous admission.

"(3) Transfer of workers among employers permitted.—Nothing in this section shall prohibit an employer which has a petition approved with respect to the importation of temporary agricultural workers from hiring such a worker who has completed a work contract entered into with another employer. The Attorney General shall provide for a procedure to allow temporary agricultural workers, who have completed a work contract under this section and who are not otherwise deportable, to remain in the United States for brief periods in which to seek and accept employment with employers who are authorized to employ the workers.

"(g) Miscellaneous Provisions.—

"(1) Authority of Secretary of Labor.—The Secretary of Labor is authorized to take such actions, including imposing appropriate penalties and seeking appropriate injunctive relief and specific performance of contractual obligations, as may be necessary to assure employer compliance with terms and conditions of employment under this section.

"(2) Appropriate documentation.—The Attorney General shall provide for such endorsement of entry and exit documents of temporary agricultural workers as may be necessary to carry out this section and to provide notice for purposes of section 274A.

"(3) Preemption.—The provisions of subsections (a) and (c) of section 214 and the provisions of this section preempt any State or local law regulating admissibility of nonimmigrant workers.

"(h) Definitions.—For purposes of this section:

"(1) Agricultural services.—The term 'agricultural services' has the meaning given such term by the Secretary of Labor in regulations and includes—

"(A) agricultural labor, defined in section 3121(g) of the Internal Revenue Code of 1954, and

"(B) agriculture, as defined in section 3(f) of the Fair Labor Standards Act of 1938.

"(2) Eligible individual.—The term 'eligible individual' means, with respect to employment, an individual who is not an unauthorized alien (as defined in section 274A(h)(2)) with respect to that employment.

"(3) Temporary agricultural worker.—The term 'temporary agricultural worker' means a nonimmigrant described in section 101(a)(15)(N).".

(d) Authorization of Appropriations.—Section 404 (8 U.S.C. 1101 note), as amended by sections 101(b) and 102(b) of this Act, is further amended by adding at the end the following new subsections:

"(d) Authorizations of Appropriations for Secretary of Labor.—(1) There are authorized to be appropriated to the Secretary of Labor for each fiscal year, beginning with fiscal year 1986, $10,000,000 for the purposes—

"(A) of recruiting domestic workers for temporary services which might otherwise be performed by temporary agricultural workers described in section 216, and

"(B) of monitoring terms and conditions under which such temporary agricultural workers (and domestic workers employed by the same employers) are employed in the United States.

"(2) There are authorized to be appropriated for each fiscal year, beginning with fiscal year 1986, such sums as may be necessary for the purpose of enabling the Secretary of Labor to make determinations and certifications under section 216 and under section 212(a)(14).

"(e) Authorization of Appropriations for Secretary of Agriculture.—There are authorized to be appropriated for each fiscal year, beginning with fiscal year 1986, such sums as may be necessary for the purposes of enabling the Secretary of Agriculture to carry out the Secretary's duties and responsibilities under section 216.".

(e) Prohibiting Adjustment of Status of Temporary Agricultural Workers.—(1) Section 245(c) (8 U.S.C. 1255(c)), as amended by section 113(a) of this Act, is further amended by adding at the end the following new paragraph:

"(4) An alien (other than an immediate relative specified in section 201(b)) who entered the United States classified as a nonimmigrant under section 101(a)(15)(N).".

(2) Section 248(1) (8 U.S.C. 1258(1)) is amended by striking out "or (K)" and inserting in lieu thereof "(K), or (N)".

(f) Effective Date.—The amendments made by subsections (a), (b), and (c) of this section apply to petitions and applications filed under sections 214(c) and 216 of the Immigration and Nationality Act on or after the first day of the seventh month beginning after the date of the enactment of this Act (hereinafter in this section referred to as the "effective date").

(g) Regulations.—The Attorney General, in consultation with the Secretary of Labor and the Secretary of Agriculture, shall approve all regulations to be issued implementing sections 101(a)(15)(N) and 216 of the Immigration and Nationality Act. Notwithstanding any other provision of law, final regulations to implement such sections shall first be issued, on an interim or other basis, not later than the effective date.

(h) Conforming Amendment to Table of Contents.—The table of contents is amended by inserting after the item relating to section 215 the following new item:

"Sec. 216. Admission of temporary agricultural workers.".

SEC. 123. AGRICULTURAL LABOR TRANSITION PROGRAM.

(a) Establishment of Transition Program.—The Attorney General, in consultation with the Secretary of Labor and the Secretary of Agriculture, shall promulgate rules and regulations for the implementation of an agricultural labor transition program. The program shall be effective for a three-year period beginning on the first day of the seventh month beginning after the date of enactment of this Act.

(b) Limitation on Number of Workers Under Program.—During the first year of the transition program, an agricultural employer, except as provided in (c), (d), and (e), may, as provided by regulation, employ up to 100 percent of his nondomestic seasonal agricultural worker need with transitional workers. During the second and third years of the program, the employer may employ up to 67 percent and 33 percent, respectively, of his nondomestic seasonal agricultural worker needs with transitional workers.

(c) Cannot Replace Legal Workers.—Nothing in this section shall permit transitional workers to replace available United States workers or legal foreign workers admitted under the Immigration and Nationality Act.

(d) Coverage Under Other Employment Laws.—All workers employed under the provisions of this section shall be fully protected by all Federal and State laws and regulations governing the employment of United States migrant and seasonal agricultural workers.

(e) Eligibility of Aliens.—(1) An undocumented alien in the United States shall be eligible to be a transitional worker under the provisions of this section if the person is employed or has been employed as a seasonal agricultural worker in the United States for at least 90 days during a period of time after January 1, 1980.

(2) An undocumented worker shall not be eligible to be a transitional worker and may not be registered under this section if the person is deportable for any reason other than those described in paragraphs (2) and (9) of section 241(a) of the Immigration and Nationality Act, or on the basis, under paragraph (1) of that section, of being excludable at the time of entry under paragraph (19), (20), or (26) of section 212(a) of such Act. Only persons employed as transitional workers and registered as such by the Attorney General during the first year of the program shall be eligible during the second and third years.

(3) A transitional worker under this section is not eligible to apply for adjustment of status under section 245(a) of the Immigration and Nationality Act, unless the alien is an immediate relative described in section 201(b) of such Act.

(f) Requirements for Employers to Participate.—To employ transitional workers under the provisions of this section, an agricultural employer must—

(1) notify the Attorney General of the employer's intention to participate in the transition program within twelve months of the beginning of the program, and

(2) provide such information relating to the employer's requirements for seasonal agricultural workers in months or other periods in previous and future years as the Attorney General may specify.

(g) Reports on Use of Workers.—After an employer begins participation in the agricultural labor transition program the employer shall provide, upon request, to the Attorney General a numerical count of the number of transitional workers employed and the total number of domestic and foreign seasonal agricultural workers employed by the employer.

(h) Application of Standards for Temporary Agricultural Workers in Certain Cases.—Any eligible employer under the transition program who employs nonimmigrant alien agricultural workers under the provisions of section 216 of the Immigration and Nationality Act shall provide wages and working conditions as required by subsection (a)(1)(B) of such section to all similarly employed workers of that employer.

(i) Employment Does Not Preclude Legalization of a Worker.—Agreement by an alien to be a transitional worker would not preclude that alien from eligibility under the legalization provisions of title II of this Act.

(j) Payment of Fees.—The Attorney General may require by regulation, as a condition of participation by an employer in the transition program, the payment of a fee to recover the reasonable costs of processing registrations under the transition program.

(k) Treatment of Certain Documentation.—In accordance with regulations of the Attorney General, a work permit or other documentation issued under this section to a transitional worker shall be considered to be documentation evidencing authorization of employment for purposes of section 274A(b)(1)(C)(iii) of the Immigration and Nationality Act and an alien employed by an employer and in possession of a properly endorsed work permit or other such documentation for a period of time shall be considered (for purposes of section 274A(h)(2) of such Act) to be authorized by the Attorney General to be so employed during that period of time. For purposes of section 3121(a)(1) of the Internal Revenue Code of 1954 and section 210(a) of the Social Security Act, a transitional worker performing seasonal agricultural services for an employer participating under the program shall be considered to be lawfully admitted to the United States on a temporary basis to perform agricultural labor.

(l) Miscellaneous Administrative Provisions.—(1) Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Attorney General is authorized to expend from the appropriation provided for the administration and enforcement of the Immigration and Nationality Act, such amounts as may be necessary for the leasing or acquisition of property in the fulfillment of this section during the period of the transition program.

(2) Use of retired Federal employees.—Notwithstanding any other provision of law, the retired or retainer pay of a member or former member of the Armed Forces of the United States or the annuity of a retired employee of the Federal Government shall not be reduced while such individual is temporarily employed by the Service for the period of the transition program to perform duties in connection with the program.

SEC. 124. COMMISSION ON AGRICULTURAL WORKER PROGRAMS.

(a) Establishment and Composition of Commission.—(1) There is established a commission (hereinafter in this section referred to as the "Commission") to be composed of 12 members—

(A) two to be appointed by the Attorney General,

(B) two to be appointed by the Secretary of Labor,

(C) two to be appointed by the Secretary of Agriculture,

(D) three to be appointed by the Speaker of the House of Representatives, and

(E) three members to be appointed by the President pro tempore of the Senate.

(2) In appointing individuals as members, the Attorney General, the Secretaries of Labor and Agriculture, the Speaker, and the President pro tempore shall assure that members include some individuals who are representative of labor organizations for agricultural workers and some individuals who are representative of agricultural employers of nondomestic workers. Appointments to the Commission shall be made in a manner that provides for balanced representation of the various interests in the matters considered by the Commission.

(3) A vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(4) Appointments to the Commission shall first be made within 30 days after the date of the enactment of this Act.

(5) Members shall be appointed to serve for the life of the Commission.

(b) Review of Agricultural Labor Programs.—(1) The Commission shall study and review—

(A) the temporary agricultural worker program described in section 216 of the Immigration and Nationality Act, and

(B) the agricultural labor transition program under section 123 of this Act,

particularly as such programs impact on the labor needs of agricultural employers in the United States and on the wages and working conditions of United States agricultural workers.

(2) The Commission shall specifically review the following with respect to the temporary agricultural worker program under section 216 of the Immigration and Nationality Act:

(A) The standards described in subsection (a)(1) of that section for the certification respecting temporary agricultural workers.

(B) Whether or not there should be a statutory or other specific limit on the number of such workers who may be imported in any period.

(C) Whether or not payments equivalent to the taxes otherwise imposed under the Federal Insurance Contributions Act and the Federal Unemployment Tax Act should be made by the employers of such workers and what use should be made of these payments.

(D) What is a proper length of time and proper mechanism for the recruitment of domestic workers before importation of such foreign workers.

(E) Whether foreign agricultural workers should be contractually restricted to employment with specific employers.

(F) Whether current labor standards offer adequate protection for domestic and foreign agricultural workers.

(G) Whether certain geographic regions need special programs or provisions to meet their unique needs.

(c) Report to Congress.—(1) The Commission shall report to the Congress not later than two years after the effective date (described in section 122(f)) on its reviews under subsection (b). The Commission shall include in its report recommendations for improvements in the temporary agricultural worker program under section 216 of the Immigration and Nationality Act, including specific legislative recommendations—

(1) on the matter specifically reviewed under subsection (b)(2),

(2) improving the timeliness of decisions regarding the admission of temporary agricultural workers under the program,

(3) removing any current economic disincentives to hiring United States citizens or permanent resident aliens where temporary agricultural workers have been requested, and

(4) improving the cooperation among government agencies, employers, employer associations, workers, unions, and other worker associations to end the dependence of any industry on a constant supply of temporary foreign agricultural workers.

(d) Compensation of Members.—(1) Each member of the Commission who is not an officer or employee of the Federal Government is entitled to receive, subject to such amounts as are provided in advance in appropriations Acts, the daily equivalent of the minimum annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which the member is engaged in the actual performance of duties of the Commission. Each member of the Commission who is such an officer or employee shall serve without additional pay.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence.

(f) Meetings of Commission.—(1) Seven members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(2) The Chairman and the Vice Chairman of the Commission shall be elected by the members of the Commission for the life of the Commission.

(3) The Commission shall meet at the call of the Chairman or a majority of its members.

(g) Staff.—(1) The Chairman, in consultation with the Vice Chairman, may appoint and fix the compensation of a staff director and such other additional personnel as may be necessary to enable the Commission to carry out its functions, without regard to the laws, rules, and regulations governing appointment in the competitive service. Any Federal employee subject to those laws, rules, and regulations may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(2) The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the minimum annual rate of basic pay payable for GS-18 of the General Schedule.

(g) Authority of Commission.—(1) The Commission may for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers appropriate.

(2) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairman, the head of such department or agency shall furnish such information to the Commission.

(3) The Commission may accept, use, and dispose of gifts or donations of services or property.

(4) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(5) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(h) Authorization of Appropriations.—(1) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

(2) Notwithstanding any other provision of this section, no payment, or authorization to make payments or to enter into contracts under this section, shall be effective to such extent, or in such amounts, as are provided in advance in appropriations Acts.

(i) Termination Date.—The Commission shall cease to exist 27 months after the effective date (described in section 122(f)).

TITLE II—LEGALIZATION OF STATUS

SEC. 201. LEGALIZATION COMMISSION.

(a) Establishment and Composition of Commission.—(1) There is established a Select Commission on Legalization (hereinafter in this section referred to as the "Commission"), to be composed of 16 members—

(A) eight to be appointed by the President (not more than four of whom may be members of the same political party) from a list of names submitted by the Speaker of the House of Representatives and

(B) eight to be appointed by the President (not more than four of whom may be members of the same political party) from a list of names submitted by the President pro tempore of the Senate.

(2) Each list submitted under paragraph (1) shall contain the names of at least 24 individuals, not more than 12 of whom are members of the same political party, and none of whom are officials or employees in the legislative branch of the Federal Government.

(3) A vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(4) The Speaker of the House of Representatives and the President pro tempore of the Senate shall submit the lists described in paragraph (2) to the President not later than 30 days after the date of the enactment of this Act and the President shall first appoint individuals as members of the Commission within 30 days after the date of receipt of such lists.

(5) Members shall be appointed to serve for the life of the Commission.

(b) Duties of Commission.—The Commission shall monitor and review—

(1) the border patrol and other enforcement programs of the Federal Government designed to control substantially the illegal entry of aliens into the United States and to prevent and deter substantially violations of the terms of entry, including the amount of resources devoted to these programs and their effectiveness, and

(2) the programs of the Federal Government designed to eliminate substantially the employment of unauthorized aliens in the United States, including the amount of resources devoted to these programs and their effectiveness.

The Commission may also study improvements that can be made to improve the effectiveness of these programs.

(c) Reports to Congress.—(1) The Commission shall transmit a report to Congress on its activities not later than one year after the date a majority of its members are first appointed, and (until its expiration) not less frequently than annually thereafter.

(2) Each report shall include a description of the increase in resources being devoted to the programs described in subsection (b) and the effect of the increase and such recommendations for improvements in the programs as the Commission determines to be appropriate.

(3) Each report also shall contain a finding of whether the following conditions have been met:

(A) Programs of the Federal Government are in effect, and have adequate resources, to control substantially illegal entry of aliens into the United States, to prevent and deter substantially violations of the terms of entry, and to eliminate substantially the employment of unauthorized aliens in the United States.

(B) There is substantial likelihood that these programs will continue to remain effective after the implementation of the program of legalization under section 202 of this Act.

(d) Compensation of Members, Meetings, Staff, Authority of Commission, and Authorization of Appropriations.—(1) The provisions of subsection (d), (e), (f)(2), (f)(3), (g), and (h) of section 124 of this Act shall apply to the Commission under this section

in the same manner as they apply to the Commission established under section 124.

(2) Nine members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(e) Termination Date.—The Commission shall cease to exist upon the effective date of the legalization program (described in section 202(a)(1)(C)), except that the Commission may continue to function for up to 90 days thereafter for the purpose of concluding its activities.

SEC. 202. LEGALIZATION OF STATUS.

(a) Temporary Residence Status.—The Attorney General may, in his discretion and under such regulations as he shall prescribe, adjust the status of an alien to that of an alien lawfully admitted for temporary residence if the alien meets the following requirements:

(1) Timely application.—

(A) During application period.—Except as provided in subparagraph (B), the alien must apply for such adjustment during the 12-month period beginning on a date (not later than 90 days after the effective date of the legalization program, described in subparagraph (C)) designated by the Attorney General.

(B) Application within 30 days of show-cause order.—An alien who, at any time during the 12-month period described in subparagraph (A), is the subject of an order to show cause issued under section 242 of the Immigration and Nationality Act, must make application under this section not later than the end of the 30-day period beginning either on the first day of such 12-month period or on the date of the issuance of such order, whichever day is later.

(C) Effective date of legalization program.—As used in this section, the term "effective date of the legalization program" means the date the Legalization Commission reports, under section 201(c)(3), that conditions described in such section have been met.

(D) Information included in application.—Each application under this subsection shall contain such information as the Attorney General may require, including information on living relatives of the applicant with respect to whom a petition for preference or other status may be filed by the applicant at any later date under section 204(a) of the Immigration and Nationality Act.

(2) Continuous unlawful residence since 1980.—

(A) In general.—The alien must establish that he either (i) arrived in the United States before January 1, 1980, and that he has resided continuously in the United States in an unlawful status since such date, or (ii) is a special Cuban or Haitian entrant (as described in subparagraph (D)).

(B) Nonimmigrants.—In the case of an alien who entered the United States as a nonimmigrant before January 1, 1980, the alien must establish that the alien's period of authorized stay as a nonimmigrant expired before such date through the passage of time or the alien's unlawful status was known to the Government as of such date.

(C) Exchange visitors.—If the alien was at any time a nonimmigrant exchange alien (as defined in section 101(a)(15)(J) of the Immigration and Nationality Act), the alien must establish that the alien was not subject to the two-year foreign residence requirement of section 212(e) or has fulfilled that requirement or received a waiver thereof.

(D) Special Cuban or Haitian entrant.—As used in this section, the term "special Cuban or Haitian entrant" means an alien who is—

(i) a national of Cuba who arrived in the United States and presented himself for inspection after April 20, 1980, and before January 1, 1981, and who is still physically present in the United States;

(ii) a national of Haiti who on December 31, 1980, was the subject of exclusion or deportation proceedings under section 236 or section 242 of the Immigration and Nationality Act, including a national of Haiti who on that date was under an order of exclusion and deportation or under an order of deportation which had not yet been executed;

(iii) a national of Haiti who was paroled into the United States under section 212(d)(5) of such Act or was granted voluntary departure before December 31, 1980, and was physically present in the United States on that date; or

(iv) a national of Cuba or Haiti who on December 31, 1980, had an application for asylum pending with the Immigration and Naturalization Service.

(3) Continuous physical presence since enactment.—The alien must establish that the alien has been continuously physically present in the United States since the date of the enactment of this section.

(4) Admissible as immigrant.—The alien must establish that he—

(A) is admissible to the United States as an immigrant, except as otherwise provided under subsection (d)(2),

(B) has not been convicted of any felony or of three or more misdemeanors committed in the United States,

(C) has not assisted in the persecution of any person or persons on account of race, religion, nationality, membership in a particular social group, or political opinion, and

(D) is registered or registering under the Military Selective Service Act, if the alien is required to be so registered under that Act.

(b) Subsequent Adjustment to Permanent Residence and Nature of Temporary Resident Status.—

(1) Adjustment to permanent residence.—The Attorney General, in his discretion and under such regulations as he may prescribe, may adjust the status of any alien provided lawful temporary resident status under subsection (a) to that of an alien lawfully admitted for permanent residence if the alien meets the following requirements:

(A) Timely application.—The alien must apply for such adjustment during the 12-month period beginning with the first day of the thirty-first month that begins after the date the alien was granted such temporary resident status.

(B) Continuous lawful residence.—

(i) In general.—The alien must establish that he has continuously resided in the United States since the date the alien was granted such temporary resident status.

(ii) Treatment of certain absences.—An alien shall not be considered to have lost the continuous residence referred to in clause (i) by reason of an absence from the United States permitted under paragraph (3)(A).

(C) Admissible as immigrant.—The alien must establish that he—

(i) is admissible to the United States as an immigrant, except as otherwise provided under subsection (d)(2), and

(ii) has not been convicted of any felony or three or more misdemeanors committed in the United States.

(D) Basic citizenship skills.—

(i) In general.—The alien must demonstrate that he either—

(I) meets the requirements of section 312 of the Immigration and Nationality Act (relating to minimal understanding of ordinary English and a knowledge and understanding of the history and government of the United States), or

(II) is satisfactorily pursuing a course of study (recognized by the Attorney General) to achieve such an understanding of English and such a knowledge and understanding of the history and government of the United States.

(ii) Exception for elderly individuals.—The Attorney General may, in his discretion, waive all or part of the requirements of clause (i) in the case of an alien who is 65 years of age or older.

(2) Termination of temporary residence.—The Attorney General shall provide for termination of temporary resident status granted an alien under this subsection—

(A) if it appears to the Attorney General that the alien was in fact not eligible for such status;

(B) if the alien commits an act that—

(i) makes the alien inadmissible to the United States as an immigrant, except as otherwise provided under subsection (d)(2), or

(ii) is convicted of any felony or three or more misdemeanors committed in the United States; or

(C) at the end of the forty-second month beginning after the date the alien is granted such status, unless the alien has filed an application for adjustment of such status pursuant to paragraph (1) and such application has not been denied.

(3) Authorized travel and employment during temporary residence.—During the period an alien is in the lawful temporary resident status granted under subsection (a)—

(A) Authorization of travel abroad.—The Attorney General shall, in accordance with regulations, permit the alien to return to the United States after such brief and casual trips abroad as the Attorney General determines reflect an intention on the part of the alien to adjust to lawful permanent resident status under paragraph (1).

(B) Authorization of employment.—The Attorney General shall grant the alien authorization to engage in employment in the United States and provide to that alien an "employment authorized" endorsement or other appropriate work permit.

(c) Applications for Initial Adjustment of Status.—

(1) To whom may be made.—The Attorney General shall provide that applications for adjustment of status under subsection (a) may be filed—

(A) with the Attorney General, or

(B) with a qualified designated entity, but only if the applicant consents to the forwarding of the application to the Attorney General.

As used in this section, the term "qualified designated entity" means an organization or person designated under paragraph (2).

(2) Designation of qualified entities to receive applications.—For purposes of assisting in the program of legalization provided under this section, the Attorney General shall designate qualified organizations and State and local governments as qualified designated entities for purposes of this section.

(3) Treatment of applications by qualified designated entities.—Each qualifed designated entity must agree to forward to

the Attorney General applications filed with it in accordance with paragraph (1)(B) but not to forward to the Attorney General applications filed with it unless the applicant has consented to such forwarding. No such entity may make a determination required by this section to be made by the Attorney General.

(4) Penalties for false statements in applications.—Whoever files an application for adjustment of status under this section and knowingly and willfully falsifies, misrepresents, conceals, or covers up a material fact or makes any false, fictitious, or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, shall be fined, or imprisoned not more than five years, or both.

(5) Application fees.—

(A) Fee schedule.—The Attorney General shall prescribe a fee of $100 or more to be paid by each alien who files an application for adjustment of status under subsection (a) or subsection (b)(1).

(B) Use of fees.—The Attorney General shall deposit payments received under the preceding sentence in a separate account and amounts in such account shall be available, without fiscal year limitation, only to cover administrative expenses incurred in connection with the review of applications filed under this section.

(d) Waiver of Numerical Limitations and Certain Grounds for Exclusion.—

(1) Numerical limitations do not apply.—The numerical limitations of sections 201 and 202 of the Immigration and Nationality Act shall not apply to the adjustment of aliens to lawful permanent resident status under this section.

(2) Waiver of grounds for exclusion.—In the determination of an alien's admissibility under subsections (a)(4)(A), (b)(1)(C)(i), and (b)(2)(B)(i)—

(A) Grounds of exclusion not applicable.—The provisions of paragraphs (14), (20), (21), (25), and (32) of section 212(a) of the Immigration and Nationality Act shall not apply.

(B) Waiver of other grounds.—

(i) In general.—Except as provided in clause (ii), the Attorney General may waive any other provision of section 212(a) of such Act in the case of individual aliens for humanitarian purposes, to assure family unity, or when it is otherwise in the public interest.

(ii) Grounds that may not be waived.—The following provisions of section 212(a) of such Act may not be waived by the Attorney General under clause (i):

(I) Paragraphs (9) and (10) (relating to criminals).

(II) Paragraph (15) (relating to aliens likely to become public charges) insofar as it relates to an application for adjustment to permanent residence.

(III) Paragraph (23) (relating to drug offenses), except for so much of such paragraph as relates to a single offense of simple possession of 30 grams or less of marihuana.

(IV) Paragraphs (27), (28), and (29) (relating to national security and members of certain organizations).

(V) Paragraph (33) (relating to those who assisted in the Nazi persecutions).

(e) Temporary Stay of Deportation and Work Authorization During Application Period.—The Attorney General shall provide that in the case of an alien who, during the application period described in subsection (a)(1), presents an application for adjustment of status under subsection (a) which application establishes a prima facie case of eligibility to have his status adjusted under such subsection, and until a final administrative determination on the application has been made in accordance with this section, the alien—

(1) may not be deported, and

(2) shall be granted authorization to engage in employment in the United States and be provided an "employment authorized" endorsement or other appropriate work permit.

This subsection shall not be construed as preventing the Attorney General from commencing deportation proceedings against any alien.

(f) Administrative and Judicial Review.—

(1) Limitation on administrative and judicial review.—Except as provided in paragraph (4) there shall be no administrative or judicial review (by class action or otherwise) of a decision or determination under this section.

(2) No review for late filings.—No denial of adjustment of status under this section based on a late filing of an application for such adjustment may be reviewed by a court of the United States or of any State or reviewed in any administrative proceeding of the United States Government.

(3) No collateral attacks.—An alien denied adjustment of status under this section may not raise a claim respecting such adjustment in any proceeding of the United States or any State involving the status of such alien, including any proceeding of deportation or exclusion under this Act.

(4) Single level of administrative appellate review.—The Attorney General shall establish an appellate authority to provide for a single level of administrative appellate review of a final determination respecting an application for adjustment of status under this section. Such administrative appellate review shall be based solely upon the administrative record established at the time of the determination on the application and may not review a denial described in paragraph (2).

(g) Implementation of Section.—

(1) Regulations.—The Attorney General, after consultation with the Committees on the Judiciary of the House of Representatives and of the Senate, shall prescribe—

(A) regulations establishing a definition of the term "resided continuously", as used in this section, and the evidence needed to establish that an alien has resided continuously in the United States for purposes of this section, and

(B) such other regulations as may be necessary to carry out this section.

(2) Considerations.—In prescribing regulations described in paragraph (1)(A)—

(A) Periods of continuous residence.—The Attorney General shall specify individual periods, and aggregate periods, of absence from the United States which will be considered to break a period of continuous residence in the United States.

(B) Absences caused by deportation or advanced parole.—The Attorney General shall provide that—

(i) an alien shall not be considered to have resided continuously in the United States, if, during any period for which continuous residence is required, the alien was outside the United States as a result of a departure under an order of deportation, and

(ii) any period of time during which an alien is outside the United States pursuant to the advance parole procedures of the Service shall not be considered as part of the period of time during which an alien is outside the United States for purposes of this section.

(C) Waivers of certain absences.—The Attorney General may provide for a waiver, in the discretion of the Attorney General, of the periods specified under subparagraph (A) in the case of an absence from the United States due merely to a brief temporary trip abroad required by emergency or extenuating circumstances outside the control of the alien.

(D) Use of certain documentation.—The Attorney General shall require that—

(i) continuous residence and physical presence in the United States must be established through documents, together with independent corroboration of the information contained in such documents, and

(ii) the documents provided under clause (i) be employment-related if employment-related documents with respect to the alien are available to the applicant.

(3) Interim final regulations.—Regulations prescribed under this section may be prescribed to take effect on an interim final basis if the Attorney General determines that this is necessary in order to implement this section in a timely manner.

(h) Temporary Disqualification of Newly Legalized Aliens From Receiving Certain Public Assistance.—During the six-year period beginning on the date an alien is granted lawful temporary resident status under subsection (a) and notwithstanding any other provision of law—

(1) an alien (other than a special Cuban and Haitian entrant, as defined in subsection (a)(2)(D)) granted lawful resident status under this section is not eligible for—

(A) financial assistance furnished under Federal law (whether through grant, loan, guarantee, or otherwise) on the basis of financial need, as such programs are identified by the Attorney General in consultation with other appropriate heads of the various departments and agencies of Government,

(B) medical assistance under a State plan approved under title XIX of the Social Security Act, and

(C) assistance under the Food Stamp Act of 1977, and

(2) a State or political subdivision therein may, to the extent consistent with paragraph (1), provide that the alien is not eligible for welfare assistance furnished under the law of that State or political subdivision.

For the purpose of section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96-122), assistance shall be continued under such section with respect to an alien without regard to the alien's adjustment of status under this section. Unless otherwise specifically provided by law, an alien in temporary lawful residence status granted under subsection (a) shall not be considered (for purposes of any law of a State or political subdivision providing welfare assistance) to be permanently residing in the United States under color of law.

(i) Miscellaneous Provisions.—

(1) Dissemination of information on legalization program.—During the three-month period beginning on the effective date of the legalization program, the Attorney General, in cooperation with qualified designated entities and the Secretary of Labor, shall broadly disseminate information respecting the benefits which aliens may receive under this section and the requirements to obtain such benefits.

(2) Procedures for property acquisition or leasing.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Attorney General is authorized to expend from the appropriation provided for the administration and enforcement of the Immigration and Nationality Act, such amounts as may be necessary for the leasing or acquisition of property in the fulfillment of this section. This authority shall end two years after the effective date of the legalization program.

(3) Use of retired Federal employees.—Notwithstanding any other provision of law, the retired or retainer pay of a member or former member of the Armed Forces of the United States or the annuity of a retired employee of the Federal Government shall not be reduced while such individual is temporarily employed by the Service for a period of not to exceed 18 months to perform duties in connection with the adjustment of status of aliens under this section.

(4) Application of provisions of Immigration and Nationality Act.—Except as otherwise specifically provided in this section, the definitions contained in the Immigration and Nationality Act apply in the administration of this section. Nothing in this section shall be held to repeal, amend, alter, modify, effect, or restrict the powers, duties, functions, or authority of the Attorney General in the administration and enforcment of such Act or any other law relating to immigration, nationality, or naturalization. The fact that an alien may be eligible to be granted lawful residence status under this section shall not preclude the alien from seeking such a status under any other provision of law for which the alien may be eligible.

(j) Limiting Application of Public Law 89-732.—The first section of Public Law 89-732 shall not apply to any alien who is first inspected and admitted or paroled into the United States after the date of the enactment of this Act.

SEC. 203. STATE LEGALIZATION IMPACT-ASSISTANCE GRANTS.

(a) Authorization of Appropriations.—There are authorized to be appropriated to make payments to States (and for related Federal administration costs) under this section $600,000,000 for each of three fiscal years, beginning with the fiscal year in which the application period (described in section 202(a)(1)(A)) ends.

(b) Capped Entitlement.—(1) The Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") shall provide, in accordance with this section and from the allotment for that State determined under paragraph (2), for payment to each of the States with an application approved under this section for reimbursement of the costs—

(A) of public programs of assistance provided with respect to eligible legalized aliens, and

(B) for the imprisonment of aliens who are in the United States unlawfully and—

(i) whose most recent entry into the United States was without inspection, or

(ii) whose most recent admission to the United States was as a nonimmigrant but—

(I) whose period of authorized stay as a nonimmigrant expired, or

(II) whose unlawful status was known to the Government,

before the date of the commission of the crime for which the imprisonment was imposed.

(2)(A) The Secretary shall establish a formula for determining the amount of the allotment to each State under this section for each fiscal year. Such formula shall, subject to subparagraph (B), take into account—

(i) the number of eligible legalized aliens (as defined in subsection (i)(3)) residing in the State in that fiscal year,

(ii) the ratio of the number of eligible legalized aliens in the State to the total number of residents of that State and to the total number of such aliens in all the States in that fiscal year,

(iii) the amount of expenditures the State is likely to incur in that fiscal year in providing assistance for eligible legalized aliens under programs of public assistance (as defined in subsection (i)(2)), and

(iv) the ratio of the amount of expenditures referred to in clause (iii) in the State to the total amount of such expenditures in all of the States,

in a manner that provides for an equitable and balanced distribution of funds among the States.

(B)(i) The total of the allotments to States under this section is equal to $600,000,000 for each of the three fiscal years described in subsection (a).

(ii) To the extent that all the funds appropriated under this section for a fiscal year are not otherwise allotted to States either because all the States have not qualified for such allotments under this section for the fiscal year or because some States have indicated in their description of activities that they do not intend to use the full amount of such allotments in that fiscal year and the succeeding fiscal year, such excess shall be allotted among the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this clause.

(2) In determining the number of eligible legalized aliens for purposes of paragraph (1)(A), the Secretary may estimate such number on the basis of such data as he may deem appropriate.

(3) For each fiscal year the Secretary shall make payments, as provided by section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213), to each State from its allotment under this subsection. Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

(c) Statements and Assurances.—(1) No State is eligible for payment under this section unless the State—

(A) has filed with, and had approved by, the Secretary an application containing such information, including the information described in paragraph (2) and criteria for and administrative methods of disbursing funds received under this section, as the Secretary determines to be necessary to carry out this section, and

(B) transmits to the Secretary a statement of assurances that certifies that (i) funds allotted to the State under this section will only be used to carry out the purposes described in subsection (d), (ii) the State will provide a fair method (as determined by the State) for the allocation of funds among State and local agencies in accordance with subsection (d)(2), and (iii) fiscal control and fund accounting procedures will be established that are adequate to meet the requirements of subsections (e) and (f).

(2) The application of each State under this section for each fiscal year must include detailed information on—

(A) the number of eligible legalized aliens residing in the State, and

(B) the costs (excluding any such costs otherwise paid from Federal funds) which the State and each locality is likely to incur for programs of public assistance and for imprisonment costs described in subsection (b)(1)(B).

(d) Use of Funds.—A State may use amounts paid to it under this section only—

(1) for the purpose of providing assistance with respect to eligible legalized aliens under programs of public assistance and under programs of public health assistance, but only to the extent such assistance is otherwise available under such programs to citizens residing in the State, and

(2) for the purpose of paying for costs incurred by the State for the imprisonment of aliens described in subsection (b)(1)(B).

(e) Reports and Audits.—(1)(A) Each State shall prepare and submit to the Secretary annual reports on its activities under this section. In order properly to evaluate and to compare the performance of different States assisted under this section and to assure the proper expenditure of funds under this section, such reports shall be in such form and contain such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary—

(i) to secure an accurate description of those activities,

(ii) to secure a complete record of the purposes for which funds were spent, of the recipients of such funds, and of the progress made toward achieving the purposes of this section, and

(iii) to determine the extent to which funds were expended consistent with subsection (d).

Copies of the report shall be provided, upon request, to any interested public agency, and each such agency may provide its views on these reports to the Congress.

(B) The Secretary shall annually report to the Congress on activities funded under this section and shall provide for transmittal of a copy of such report to each State.

(2)(A) Each State shall, not less often than once every two years, audit its expenditures from amounts received under this section. Such State audits shall be conducted by an entity independent of the State agency administering a program funded under this section in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions and generally accepted auditing standards. Within 30 days following the completion of each audit report, the State shall submit a copy of that audit report to the Secretary.

(B) Each State shall repay to the United States amounts found by the Secretary, after notice and opportunity for a hearing to the State, not to have been expended in accordance with this section and, if such repayment is not made, the Secretary may offset such amounts against the amount of any allotment to which the State is or may become entitled under this section or may otherwise recover such amounts.

(C) The Secretary may, after notice and opportunity for a hearing, withhold payment of funds to any State which is not using its allotment under this section in accordance with this section. The Secretary may withhold such funds until the Secretary finds that the reason for the withholding has been removed and there is reasonable assurance that it will not recur.

(3) The State shall make copies of the reports and audits required by this subsection available for public inspection within the State.

(4)(A) For the purpose of evaluating and reviewing the assistance provided under this section, the Secretary and the Comptroller General shall have access to any books, accounts, records, correspondence, or other documents that are related to such assistance, and that are in the possession, custody, or control of States, political subdivisions thereof, or any of their grantees.

(B) In conjunction with an evaluation or review under subparagraph (A), no State or political subdivision thereof (or grantee of either) shall be required to create or prepare new records to comply with subparagraph (A).

(f) Criminal Penalties for False Statements.—Whoever—

(1) knowingly and willfully makes or causes to be made any false statement or misrepresentation of a material fact in connection with the furnishing of items or services for which payment may be made by a State from funds allotted to the State under this section, or

(2) having knowledge of the occurrence of any event affecting his initial or continued right to any such payment conceals or fails to disclose such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such payment is authorized,

shall be fined, imprisoned for not more than five years, or both.

(g) Anti-Discrimination Provision.—(1)(A) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under this section are considered to be programs and activities receiving Federal financial assistance.

(B) No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this section.

(2) Whenever the Secretary finds that a State, locality, or local educational agency which has been provided payment from an allotment under this section has failed to comply with a provision of law referred to in paragraph (1)(A), with paragraph (1)(B), or with an applicable regulation (including one prescribed to carry out paragraph (1)(B)), he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted,

(B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

(C) take such other action as may be provided by law.

(3) When a matter is referred to the Attorney General pursuant to paragraph (2)(A), or whenever he has reason to believe that the entity is engaged in a pattern or practice in violation of a provision of law referred to in paragraph (1)(A) or in violation of paragraph (1)(B), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

(h) Consultation With State and Local Officials.—In establishing regulations and guidelines to carry out this section, the Secretary shall consult with representatives of State and local governments.

(i) Definitions.—For purposes of this section:

(1) The term "State" has the meaning given such term in section 101(a)(36) of the Immigration and Nationality Act.

(2) The term "programs of public assistance" means programs in a State or local jurisdiction which—

(A) provide for cash, medical, or other assistance (as defined by the Secretary) designed to meet the basic subsistence or health needs of individuals or required in the interest of public health,

(B) are generally available to needy individuals residing in the State or locality, and

(C) receive funding from units of State or local government.

(3) The term "eligible legalized alien" means an alien who has been granted lawful resident status under section 202(a), but only until the end of the six-year period beginning on the date the alien was granted such status.

TITLE III—OTHER CHANGES IN THE IMMIGRATION LAW

SEC. 301. CHANGE IN COLONIAL QUOTA.

(a) Increase to 3,000.—(1) Section 202(c) (8 U.S.C. 1152(c)) is amended by striking out "six hundred" and inserting in lieu thereof "3,000".

(2) Section 202(e) (8 U.S.C. 1152(e)) is amended by striking out "600" and inserting in lieu thereof "3,000".

(b) Effective Date.—The amendments made by subsection (a) shall apply to fiscal years beginning after the date of the enactment of this Act.

SEC. 302. VISA WAIVER PILOT PROGRAM FOR CERTAIN VISITORS.

(a) Establishing Visa Waiver Pilot Program.—Chapter 2 of title II is amended by adding after section 216 (added by section 122(c) of this Act) the following new section:

"VISA WAIVER PILOT PROGRAM FOR CERTAIN VISITORS

"Sec. 217. (a) Establishment of Pilot Program.—The Attorney General and the Secretary of State are authorized to establish a pilot program (hereafter in this section referred to as the 'pilot program') under which the requirement of paragraph (26)(B) of section 212(a) may be waived by the Attorney General and the Secretary of State, acting jointly and in accordance with this section, in the case of an alien who meets the following requirements:

"(1) Seeking entry as tourist for less than 90 days.—The alien is applying for admission during the pilot program period (as defined in subsection (e)) as a nonimmigrant visitor (described in section 101(a)(15)(B)) for a period not exceeding 90 days.

"(2) National of pilot program country.—The alien is a national of a country which—

"(A) extends (or agrees to extend) reciprocal privileges to citizens and nationals of the United States, and

"(B) is designated as a pilot program country under subsection (c).

"(3) Executes entry control and waiver forms.—The alien before the time of such admission—

"(A) completes such immigration form as the Attorney General shall establish under subsection (b)(3), and

"(B) executes a waiver of review and appeal described in subsection (b)(4).

"(4) Round-trip ticket.—The alien has a round-trip, nonrefundable, nontransferable, open-dated transportation ticket which—

"(A) is issued by a carrier which has entered into an agreement described in subsection (d), and

"(B) guarantees transport of the alien out of the United States at the end of the alien's visit.

"(5) Not a safety threat.—The alien has been determined not to represent a threat to the welfare, health, safety, or security of the United States.

"(6) No previous violation.—If the alien previously was admitted without a visa under this section, the alien must not have failed to comply with the conditions of any previous admission as such a nonimmigrant.

"(b) Conditions Before Pilot Program Can Be Put Into Operation.—

"(1) Prior notice to congress.—The pilot program may not be put into operation until the end of the 30-day period beginning on the date that the Attorney General submits to the Congress a certification that the screening and monitoring system described in paragraph (2) is operational and effective and that the form described in paragraph (3) has been produced.

"(2) Automated data arrival and departure system.—The Attorney General in cooperation with the Secretary of State shall develop and establish an automated data arrival and departure control system to screen and monitor the arrival into and departure from the United States of nonimmigrant visitors receiving a visa waiver under the pilot program.

"(3) Visa waiver information form.—The Attorney General shall develop a form for use under the pilot program. Such form shall be consistent and compatible with the control system developed under paragraph (2). Such form shall provide for, among other items—

"(A) a summary description of the conditions for excluding nonimmigrant visitors from the United States under section 212(a) and under the pilot program,

"(B) a description of the conditions of entry with a waiver under the pilot program, including the limitation of such entry to 90 days and the consequences of failure to abide by such conditions, and

"(C) questions for the alien to answer concerning any previous denial of the alien's application for a visa.

"(4) Waiver of rights.—An alien may not be provided a waiver under the pilot program unless the alien has waived any right—

"(A) to review or appeal under this Act of an immigration officer's determination as to the admissibility of the alien at the port of entry into the United States or

"(B) to contest, other than on the basis of an application for asylum, any action for deportation against the alien.

"(c) Designation of Pilot Program Countries.—

"(1) Up to 8 countries.—The Attorney General and the Secretary of State acting jointly may designate up to eight countries

as pilot program countries for purposes of the pilot program.

"(2) Initial qualifications.—For the initial period described in paragraph (4), a country may not be designated as a pilot program country unless the following requirements are met:

"(A) Low nonimmigrant visa refusal rate for previous 2-year period.—The average number of refusals of nonimmigrant visitor visas for nationals of that country during the two previous full fiscal years was less than 2.0 percent of the total number of nonimmigrant visitor visas for nationals of that country which were granted or refused during those years.

"(B) Low immigrant visa refusal rate for each of 2 previous years.— The average number of refusals of nonimmigrant visitor visas for nationals of that country during either of such two previous full fiscal years was less than 2.5 percent of the total number of nonimmigrant visitor visas for nationals of that country which were granted or refused during that year.

"(3) Continuing and subsequent qualifications.—For each fiscal year (within the pilot program period) after the initial period—

"(A) Continuing qualification.—In the case of a country which was a pilot program country in the previous fiscal year, a country may not be designated as a pilot program country unless the sum of—

"(i) the total of the number of nationals of that country who were excluded from admission or withdrew their application for admission during such previous fiscal year as a nonimmigrant visitor, and

"(ii) the total number of nationals of that country who were admitted as nonimmigrant visitors during such previous fiscal year and who violated the terms of such admission,

was less than 2 percent of the total number of nationals of that country who applied for admission as nonimmigrant visitors during such previous fiscal year.

"(B) New countries.—In the case of another country, the country may not be designated as a pilot program country unless the following requirements are met:

"(i) Low nonimmigrant visa refusal rate in previous 2-year period.—The average number of refusals of nonimmigrant visitor visas for nationals of that country during the two previous full fiscal years was less than 2 percent of the total number of nonimmigrant visitor visas for nationals of that country which were granted or refused during those years.

"(ii) Low nonimmigrant visa refusal rate in each of the 2 previous years.—The average number of refusals of nonimmigrant visitor visas for nationals of that country during either of such two previous full fiscal years was less than 2.5 percent of the total number of nonimmigrant visitor visas for nationals of that country which were granted or refused during that year.

"(4) Initial period.—For purposes of paragraphs (2) and (3), the term 'initial period' means the period beginning at the end of the 30-day period described in subsection (b)(1) and ending on the last day of the first fiscal year which begins after such 30-day period.

"(d) Carrier Agreements.—

"(1) In general.—The agreement referred to in subsection (a)(4)(A) is an agreement between a carrier and the Attorney General under which the carrier agrees, in consideration of the waiver of the visa requirement with respect to a nonimmigrant visitor under the pilot program—

"(A) to indemnify the United States against any costs for the transportation of the alien from the United States if the visitor is refused admission to the United States or remains in the United States unlawfully after the 90-day period described in subsection (a)(1)(A), and

"(B) to submit daily to immigration officers any immigration forms received with respect to nonimmigrant visitors provided a waiver under the pilot program.

"(2) Termination of agreements.—The Attorney General may terminate an agreement under paragraph (1) with five days' notice to the carrier for the carrier's failure to meet the terms of such agreement.

"(e) Definition of Pilot Program Period.—For purposes of this section, the term 'pilot program period' means the period beginning at the end of the 30-day period referred to in subsection (b)(1) and ending on the last day of the third fiscal year which begins after such 30-day period.".

(b) Limitation on Stay in United States.—Section 214(a) (8 U.S.C. 1184(a)) is amended by adding at the end the following new sentence: "No alien admitted to the United States without a visa pursuant to section 217 may be authorized to remain in the United States as a nonimmigrant visitor for a period exceeding 90 days from the date of admission.".

(c) Prohibition of Adjustment to Immigrant Status.—Section 245(c) (8 U.S.C. 1255(c)), as amended by sections 113(a) and 122(e)(1) of this Act, is further amended by adding at the end the following new paragraph:

"(5) An alien (other than an immediate relative specified in section 201(b)) who was admitted as a nonimmigrant visitor without a visa under section 212(1) or section 217.".

(d) Prohibition of Adjustment of Nonimmigrant Status.—Section 248 (8 U.S.C. 1258) is amended by striking out "and" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof ", and" and by adding at the end thereof the following new paragraph:

"(4) an alien admitted as a nonimmigrant visitor without a visa under section 212(l) or section 217.".

(e) Conforming Amendment to Table of Contents.—The table of contents is amended by adding after the item relating to section 216 (added by section 122(f) of this Act) the following new item:

"Sec. 217. Visa waiver pilot program for certain visitors.".

SEC. 303. G-4 SPECIAL IMMIGRANTS.

(a) Special Immigrant Status for Certain Officers and Employees of International Organizations and Their Immediate Family Members.—Section 101(a)(27) (8 U.S.C. 1101(a)(27)) is amended by striking out "or" at the end of subparagraph (G), by striking out the period at the end of subparagraph (H) and inserting in lieu thereof "; or", and by adding at the end of the following new subparagraph:

"(I)(i) an immigrant who is the unmarried son or daughter of an officer or employee, or of a former officer or employee, of an international organization described in paragraph (15)(G)(i), and who (I) while maintaining the status of a nonimmigrant under paragraph (15)(G)(iv) or paragraph (15)(O), has resided and been physically present in the United States for periods totaling at least one half of the seven years before the date of application for a visa or for adjustment of status to a status under this subparagraph and for a period or periods aggregating at least seven years between the ages of five and 21 years, and (II) applies for admission under this subparagraph no later than his twenty-fifth birthday or six months after the date this subparagraph is enacted, whichever is later;

"(ii) an immigrant who is the surviving spouse of a deceased officer or employee of such an international organization, and who (I) while maintaining the status of a nonimmigrant under paragraph (15)(G)(iv) or paragraph (15)(O), has resided and been physically present in the United States for periods totaling at least one half of the seven years before the date of application for a visa or for adjustment of status to a status under this subparagraph and for a period or periods aggregating at least 15 years before the date of the death of such officer or employee, and (II) applies for admission under this subparagraph no later than six months after the date of such death or six months after the date this subparagraph is enacted, whichever is later;

"(iii) an immigrant who is a retired officer or employee of such an international organization, and who (I) while maintaining the status of a nonimmigrant under paragraph (15)(G)(iv), has resided and been physically present in the United States for periods totaling at least one half of the seven years before the date of application for a visa or for adjustment of status to a status under this subparagraph and for a period or periods aggregating at least 15 years before the date of the officer or employee's retirement from any such international organization, and (II) applies for admission under this subparagraph before January 1, 1993, and no later than six months after the date of such retirement or six months after the date this subparagraph is enacted, whichever is later; or

"(iv) an immigrant who is the spouse of a retired officer or employee accorded the status of special immigrant under clause (iii), accompanying or following to join such retired officer or employee as a member of his immediate family.".

(b) Nonimmigrant Status for Certain Parents and Children of Aliens Given Special Immigrant Status.—Section 101(a)(15) (8 U.S.C. 1101(a)(15)), as amended by section 122(a) of this Act, is further amended by striking out "or" at the end of subparagraph (M), by striking out the period at the end of subparagraph (N) and inserting in lieu thereof "; or", and by adding at the end the following new paragraph:

"(O)(i) the parent of an alien accorded the status of special immigrant under paragraph (27)(I)(i), but only if and while the alien is a child, or

"(ii) a child of such parent or of an alien accorded the status of a special immigrant under paragraph (27)(I) (ii), (iii), or (iv).".

TITLE IV—REPORTS

SEC. 401. TRIENNIAL COMPREHENSIVE REPORT ON IMMIGRATION.

(a) Triennial Report.—The President shall transmit to the Congress, not later than January 1, 1987, and not later than January 1 of every third year thereafter, a comprehensive immigration-impact report.

(b) Details in Each Report.—Each report shall include—

(1) the number and classification of aliens admitted (whether as immediate relatives, special immigrants, refugees, or under the preferences classifications, or as nonimmigrants), paroled, or granted asylum, during the relevant period;

(2) a reasonable estimate of the number of aliens who entered the United States during the period without visas or who became deportable during the period under section 241; and

(3) a description of the impact of admissions and other entries of immigrants, refugees, asylees, and parolees into the United States during the period on the economy, labor and housing markets, the educational system, social services, foreign policy, environmental quality and resources, and the population growth rate of the United States.

(c) History and Projections.—The information (referred to in subsection (b)) contained in each report shall be—

(1) described for the preceding three-year period, and

(2) projected for the succeeding five-year period, based on reasonable estimates substantiated by the best available evidence.

(d) Recommendations.—The President also may include in such report any appropriate recommendations on changes in numerical limitations or other policies under title II of the Immigration and Nationality Act bearing on the admission and entry of such aliens to the United States.

SEC. 402. REPORTS ON UNAUTHORIZED ALIEN EMPLOYMENT AND DISCRIMINATION IN EMPLOYMENT.

(a) Presidential Reports.—The President shall transmit to Congress annual reports on the implementation of section 274A of the Immigration and Nationality Act (relating to unlawful employment of aliens) during the first five years after its implementation. Each report shall include—

(1) an analysis of the adequacy of the employment verification system provided under subsection (b) of that section;

(2) the status of the development and implementation of changes in that system under subsection (c) of that section, including the results of any demonstration projects conducted under paragraph (4) of such subsection; and

(3) the impact of the enforcement of that section on—

(A) the employment, wages, and working conditions of United States workers and on the economy of the United States,

(B) the number of aliens entering the United States illegally or who fail to maintain legal status after entry, and

(C) the violation of terms and conditions of nonimmigrant visas by foreign visitors.

(b) GAO Reports.—(1) Beginning one year after the date of enactment of this Act, and at intervals of one year thereafter for a period of five years after such date, the Comptroller General of the United States shall prepare and transmit to the Congress and to the taskforce established under subsection (c) a report describing the results of a review of the implementation and enforcement of section 274A of the Immigration and Nationality Act during the preceding twelve-month period, for the purpose of determining if—

(A) such provisions have been carried out satisfactorily;

(B) a pattern of discrimination has resulted against citizens or nationals of the United States or against eligible workers seeking employment; and

(C) an unnecessary regulatory burden has been created for employers hiring such workers.

(2) In each report, the Comptroller General shall make a specific determination as to whether the implementation of that section has resulted in a pattern of discrimination in employment (against other than unauthorized aliens) on the basis of national origin.

(3) If the Comptroller General has determined that such a pattern of discrimination has resulted, the report—

(A) shall include a description of the scope of that discrimination, and

(B) may include recommendations for such legislation as may be appropriate to deter or remedy such discrimination.

(c) Review by Taskforce.—(1) The Attorney General, jointly with the Chairman of the Civil Rights Commission and the Chairman of the Equal Employment Opportunity Commission, shall establish a taskforce to review each report of the Comptroller General transmitted under subsection (b)(1).

(2) If the report transmitted includes a determination that the implementation of section 274A of the Immigration and Nationality Act has resulted in a pattern of discrimination in employment (against other than unauthorized aliens) on the basis of national origin, the taskforce shall, taking into consideration any récommendations in the report, report to Congress recommendations for such legislation as may be appropriate to deter or remedy such discrimination.

(3) The Committees on the Judiciary of the House of Representatives and of the Senate shall hold hearings respecting any report of the taskforce under paragraph (2) within 60 days after the date of receipt of the report.

SEC. 403. REPORT ON VISA WAIVER PILOT PROGRAM.

(a) Monitoring and Report Pilot Program.—The Attorney General and the Secretary of State shall jointly monitor the pilot program established under section 217 of the Immigration and Nationality Act and shall report to the Congress not later than two years after the beginning of the program.

(b) Details in Report.—The report shall include—

(1) an evaluation of the program, including its impact—

(A) on the control of alien visitors to the United States,

(B) on consular operations in the countries designated under the program, as well as on consular operations in other countries in which additional consular personnel have been relocated as a result of the implementation of the program, and

(C) on the United States tourism industry; and

(2) recommendations—

(A) on extending the pilot program period, and

(B) on increasing the number of countries that may be designated under the program.

SEC. 404. PRESIDENTIAL REPORTS ON ANY LEGALIZATION PROGRAM.

(a) In General.—The President shall transmit to Congress two reports after the legalization program has been established under section 202 of this Act.

(b) Initial Report on Legalized Aliens.—The first report, which shall be transmitted not later than 18 months after the end of the application period for adjustment to lawful temporary residence status under the program, shall include a description of the population whose status is legalized under the program, including—

(1) geographical origins and manner of entry of these aliens into the United States,

(2) their demographic characteristics, and

(3) a general profile and characteristics of the population legalized under the program.

(c) Second Report on Impact of Legalization Program.—The second report, which shall be transmitted not later than three years after the date of transmittal of the first report, shall include—

(1) the impact of the program on State and local governments and on public health and medical needs of individuals in the different regions of the United States,

(2) the patterns of employment of the legalized population, and

(3) the participation of legalized aliens in social service programs.

Summary of Immigration Reform and Control Act of 1985

I. CONTROL OF ILLEGAL IMMIGRATION

A. Funding for improved enforcement

States the sense of Congress that resources for 1) border patrol and other enforcement activities, and 2) examinations and other service activities of the Immigration and Naturalization Service, should be increased.

Authorizes $840,000,000 in FY 1986 and $830,000,000 in FY 1987 for these purposes to the Immigration and Naturalization Service.

Authorizes additional sums for enforcement activities of the Wage and Hour Division and the Office of Federal Contract Compliance of the Department of Labor and Equal Employment Opportunity Commission for enforcement activities in connection with the bill.

B. Increased penalties for immigration-related violations

New criminal offense for bringing an alien to the U.S. knowing, or in reckless disregard of the fact, that the alien had not received prior official authorization to enter.

Increased felony penalties for activities involving the use, manufacture, or sale of counterfeit or altered identification documents, or those relating to other individuals, to satisfy a requirement of the Immigration and Nationality Act.

Adjustment of status procedure would not be available to aliens who have violated the terms of their nonimmigrant visa.

C. Unlawful employment of aliens

Penalties against persons who:

Knowingly hire, or for a fee or other consideration recruit or refer for employment in the U.S., an alien who is not authorized for such employment.

Knowingly continue to employ unauthorized aliens (except those hired before the date of enactment).

It is an affirmative defense against a charge of unlawful hiring, recruitment, or referral if the verification procedures below have been followed in good faith.

Verification procedure: person employing four or more persons who hires a new employee must attest, for all employees, under penalty of perjury, that he has examined documents which establish both (a) eligibility to work, and (b) identity (showing that the individual presenting documents is not presenting documents relating to another individual). A U.S. passport, certificate of citizenship, certificate of naturalization, or resident alien card would establish both. Otherwise one document of each type would be presented: a) Social Security card or birth certificate, and b) driver's license, other State-issued card, alien identification card, or other document approved by the Attorney General.

President is directed to monitor and evaluate the above system. If he finds that the transitional system is not secure, he may implement such changes as may be necessary to establish a secure system to determine employment eligibility. Such changes would only be permitted after 60 days' notice to Congress, and a major change—such as a telephone verification system or a new identification document—would require a two-year notice to Congress. In examining the need for a new system, the President may establish demonstration projects to test proposed new systems for up to three years.

If an employer does not follow the verification procedures and an unauthorized alien is found in his employ, the employer will be presumed to have knowingly hired the alien.

Penalties for substantive violation:

First 6 months (education period): no penalty;

Second 6 months: warning for the first offense.

1st offense (after warning if during second 6 months): administrative and desist order, civil fine of $100–$2,000;

2nd offense: cease and desist order, civil fine of $2,000–$5,000;

Pattern or practice of violation: cease and desist order, civil fines of $3,000–$10,000.

Cease and desist orders may also include:

Employer must follow the verification procedures;

Other penalties as appropriate.

In addition to charges initiated by the INS, a private party, aggrieved by the hiring of an unauthorized alien, may file a formal complaint before a designated INS unit. This unit shall investigate the charges, and, in its discretion, may bring an action against an offending employer. Upon the INS conducting such an investigation, the accused employer shall be provided notice of the complaint.

Cease and desist orders may be issued by immigration judges, who shall give employers an opportunity for a hearing respecting the order. The decision of the immigration judge shall be based on a preponderance of the evidence and his decision is reviewable by the BIA and the appropriate Circuit Court of Appeals.

D. Agricultural worker provisions

Special procedure established for H-2 seasonal workers in agriculture:

The employer need not apply more than 65 days in advance of need;

The Secretary of Labor must provide a decision on labor certification no later than 20 days in advance of need (otherwise the application for certification is deemed approved).

If (1) U.S. workers referred to an agricultural employer are not qualified, (2) U.S. workers are promised to an employer but they do not show up on the date of need, or (3) an agricultural employer is faced with a critical labor need due to unforeseen harvest conditions, a 72-hour expedited procedure is available to allow employers access to needed H-2 workers.

Attorney General to approve all regulations in consultation with the Secretary of Agriculture and the Secretary of Labor.

Seretary of Labor to monitor and enforce the terms and conditions of the H-2 program as it applies to nonimmigrant workers and U.S. workers employed by the same employers. Provides $10,000,000 for such enforcement activities and to recruit U.S. workers.

Three year agricultural labor transition program: agricultural employers may continue to employ certain foreign workers under conditions set by AG for three years—100% of past undocumented workers in first year, 66% in second year, and 33% in third year.

Agricultural Worker Commission: 12 members to be appointed by the Speaker of the House, the President Pro Tem of the Senate, the Secretaries of Agriculture and Labor, and the Attorney General. Commission will be required to report within 2 years with specific legislative recommentations regarding the appropriate form of U.S. temporary worker programs.

II. LEGALIZATION OF STATUS

A. Legalization commission

Legalization Commission established by presidential appointment to determine whether apropriate immigration enforcement mechanisms are in place and whether these programs will control substantially illegal entry into the U.S. and eliminate substantially the employment of unauthorized aliens. Upon a finding by the Commission that the above conditions are met, the legalization program will go into effect.

B. Legalization of status

Temporary legal status for illegal aliens who have been physically present in the U.S. since the date of enactment and i) have continuously resided in the U.S. since before January 1, 1980, or ii) are Cuban/Haitian entrants who were given special status prior to January 1, 1981.

Persons receiving temporary status will be able to adjust to permanent resident status three years from date that they are granted temporary residence, if they satisfy a requirement of minimum English language competence and mimimum knowledge of U.S. history and government, or are enrolled in a program to acquire such knowledge.

Alien must apply for adjustment of status to temporary legal status during a 12-month period beginning on a date 90 days after effective date of legalization.

Federally funded public assistance will not be available to those in temporary status, or for the first 3 years of permanent resident status (except that Cuban/Haitian enterants will continue to qualify for existing special benefits).

Persons will not be eligible for legalization who:

Have been convicted of a felony or 3 misdemeanors in the U.S.;

Have assisted in political persecution;

Have been convicted of a crime involving moral turpitude, or 2 or more offenses for which sentences aggregating 5 years or more where imposed;

Advocate the overthrow of the government, are anarchists, communists, or Nazis, would engage in subversive activities, or who the government has reason to believe seek to enter for activities inimical to the welfare, safety, or security of the U.S.;

Have been convicted of a drug violation, other than simple possession of 30 grams or less of marijuana;

Where nonimmigrant exchange aliens subject to a two-year return requirement;

Have been outside the U.S. for any period of time which the Attorney General, by regulation, determines breaks continuance residence.

INS may utilize qualified organization approved by the Attorney General to assist in outreach and implementation.

Minimum fee of $100 to be charged for processing of legalization application. Authorizes INS to utilize fees collected to meet administrative costs of legalization program.

C. Reimbursement of States for legalization costs

Capped entitlement assistance by Secretary of HHS to meet costs of state and local public assistance as a result of legalization program. Formula for the money distributed is based on 1) number of eligible legalized aliens in state, 2) ratio of number of eligible legalized aliens in state to number of residents in state, 3) amount of expenditures state is likely to incur in providing public assistance to legalized aliens, and 4) ratio of amount of expenditures in one state to total expenditures in all states.

A cap of $600 million per year, for three years, is established on funds to be used for reimbursement;

Funds will become available in the fiscal year during which the application period for legalization ends, and may be used in the following fiscal year if not fully spent in the designated fiscal year.

III. OTHER IMMIGRATION LAW CHANGES

Colonial quota is increased from 600 to 3,000.

After INS has implemented an automated data processing system to properly track the entry and exit of nonimmigrants, the State Department may establish a pilot visa waiver program for up to 6 countries which provide a similar benefit to the U.S., if the visa refusal and abuse rates for the nationals of such countries are minimal, and if the visitor has a nonrefundable round-trip ticket.

Relief provisions are provided for certain employees of international organizations (G-4 immigrants) and the children and widowed spouses of such employees.

IV. REPORTS AND ANTI-DISCRIMIANTION PROVISIONS

President shall report on 1) the form and effects of legal immigration to the U.S., 2) the effectiveness and impact of employer sanctions, 3) the security of current and proposed systems to determine employment eligibility, and the results of any related demonstration projects, and 4) the scope and impact of any legalization program.

The AG and the Secretary of State shall jointly monitor and report on the visa waiver program.

The GAO shall monitor the implementation of employer sanctions and report on whether a pattern of discrimination has resulted against eligible workers seeking employment. Attorney General in conjunction with the Civil Rights Commission and the EEOC shall review the G.A.O. reports and if a pattern of discrimination has resulted, shall recommend specific remedial legislative changes to the Congress.

By Mrs. HAWKINS (for herself, Mr. Armstrong, Mr. Heinz, Mr. DeConcini, and Mr. Pell):

S. 1201. A bill to amend the Internal Revenue Code of 1954 to extend the residential energy credit with respect to solar renewable energy source expenditures, with declining percentages of credit, through 1990; to the Committee on Finance.

SOLAR TAX CREDIT PHASE OUT ACT

● Mrs. HAWKINS. Mr. President, I am introducing legislation which will extend the residential and business energy investment tax credits for solar energy installations. I invite my colleagues to cosponsor this important legislation.

The U.S. Congress first enacted solar energy tax credits in 1978 and the present law now allows a residential

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solar tax credit of 40 percent, and a business energy investment tax credit of 15 percent. These credits are due to expire on December 31, 1985.

With recent reports that oil imports are steadily rising because of the lower price of petroleum, and that U.S. oil reserves are significantly lower than originally thought, the United States could find itself caught in the same situation faced during the 1973 oil boycott.

The proposed bill includes that same provisions included in H.R. 1272 which has over 125 cosponsors including 12 members of the House Ways and Means Committee. The provisions of the bill are as follows:

1. Extension of the residential solar tax credit till December 31, 1990 with the following stipulations:

(a) Decreasing the residential credit by 5 percent every year except for photovoltaics which will remain at the 40 percent level.

(b) Establishing a $6,000 limitation on residential solar domestic hotwater systems thus lowering the federal tax liability.

(c) Requiring that residential solar systems be certified by national certification organizations such as SRCC except for self-built systems.

2. Extension of the business solar investment tax credit at the 15-percent level till December 31, 1990 with the following requirements:

(a) Enhancing the business credits for photovoltaics and solar thermal power (above 300°F) to the 25 percent level for the same period.

(b) Establishing an affirmative commitment rule through December 31, 1993 for the larger projects.

This bill will encourage the use of solar energy and therefore build the domestic solar industry which now employs more than 30,000 people nationwide with annual sales of more than $1 billion worldwide.

I would add that Florida now manufactures more than 20 percent of the solar collectors in the United States. We are installing more than 17,000 solar systems annually in Florida, and this is clearly a growing trend in Florida and elsewhere. It is a trend that I believe needs encouragement.

This legislation incorporates some old and new ideas that I think will create a sensible approach to a balanced energy policy:

The residential solar redits are graduated downward so that revenue loss will be minimized while the solar industry can slowly because more competitive in the marketplace when the credits expire at the 15 percent level in 1990.

The residential solar systems must be certified to be eligible for the solar credits so that we can be sure that the tax incentives for solar energy are given to those systems that are more efficient and likely to work.

The solar business energy investment tax credits are maintained at the current 15-percent level for high temperature solar thermal and photovoltaic technologies. These technologies which produce high temperature industrial process heat and utility grade electricity have just entered the marketplace and thus need a greater incentive.

The solar energy industry is less than 10 years old. Most of the manufacturers and installers entered the marketplace specifically to utilize solar energy. Their competition in the conventional energy industries have been massively subsidized via tax credits and deductions, to the tune of more than $3 billion annually, for decades.

Yet we are not seeking equal treatment for the solar industry, even though its promotion is clearly in our national interest. The industry believes that it can become competitive in a few more years due to the economies of scale that accompany the growing demand for solar energy systems. So we are phasing out the tax credits at the same we extend it. The credit decreases by 5 percent per year beginning immediately upon enactment and ends in 1990.

I am pleased to have as original cosponsors Senators ARMSTRONG, HEINZ, DECONCINI, and PELL. I hope others will join us in our effort to preserve the solar energy industry and promote America's independence from foreign oil.●

● Mr. DECONCINI. Mr. President, it gives me great pleasure to be an original cosponsor of what I consider to be a responsible piece of legislation designed to extend solar energy tax credits for residential and business use through the taxable year 1990. Since the energy tax credits for solar and renewable energy resources were passed by the Congress in 1978, considerable progress has been made in the conservation of traditional energy resources through the installation of various solar energy devices in homes and businesses. The solar industry in the United States is starting to blossom and many individuals nationwide are beginning to understand the enormous potential of this inexpensive and clean energy resource, particularly in the Sun Belt regions. This has been accomplished because of the existing tax credits, but is also due to the fact that Americans fear the occurrence of the oil shortages we experienced during the period of 1980 to 1981.

While OPEC prices have dropped from $34 per barrel in January of 1981 to $28 per barrel this month due to a reduced demand for oil, we cannot afford to continue our past reliance on traditional energy sources. Our economic and national security still depend upon our Nation becoming energy independent. The decline in oil prices could further slow our development of alternative energy resources, ultimately increasing our dependence on foreign oil and leaving us vulnerable to the price shocks of the past. One way to avoid these effects is to continue Government support for alternate energy sources such as solar.

The bill we are introducing today will gradually phase out the existing 40 percent tax credit for the installation of solar energy devices for residential use beginning in 1986, when the tax will be reduced to 35 percent. By 1990 the tax credit will be further reduced to 15 percent and be totally eliminated by taxable year 1991. In addition, the bill reduces the maximum purchase price for the installation of a domestic solar hot water system eligible for the tax credit from the current $10,000 to $6,000. The business tax credit would remain at the present 15 percent level through 1990 with the exception of photovoltaics and solar thermal which would be increased to 25 percent.

While budget deficits are foremost on the minds of Americans nationwide, and the Congress is searching for ways to reduce Federal spending, I believe the approach we have taken in designing a bill that gradually phases out the solar tax credits is fair to the industry and responsive to our budgetary considerations at the same time. The yearly reductions in the tax credits as outlined in this legislation will give the industry and the consumers sufficient time to plan their future investments. It will allow the industry adequate time to develop devices which are more affordable for consumers when the tax credits are no longer available.

Mr. President, I am convinced the legislation we are introducing today is in the best interest of the American public. We cannot afford to sacrifice energy conservation efforts this country has worked so many years to promote just to see these efforts tumble overnight because of an elimination of energy tax credits. The existing solar energy tax credits are due to expire at the close of 1985. It is my hope that the Congress can give its approval to this responsible energy conservation measure to insure that these tax credits can continue uninterrupted through 1990.●

By Mr. ROTH (for himself, Mr. HATCH, and Mr. BENTSEN):

S. 1202. A bill to provide that past-due amounts owed by physicians and other health professionals who breached a contract under the National Health Services Corps Scholarship Program shall be deducted from amounts otherwise payable to the physician under the Medicare and Medicaid Programs, and for other purposes; to the Committee on Finance.

PHYSICIANS EDUCATION LOAN COLLECTION ACT

● Mr. ROTH. Mr. President, I am today introducing the Physicians Education Loan Collection Act of 1985. This legislation is designed to

strengthen and extend debt repayment methods available to the Department of Health and Human Services to collect past-due defaulted obligations of doctors receiving National Health Service Corps [NHSC] scholarships. The bill accomplishes this through provision for offset of Medicare and Medicaid payments made to defaulting doctors accompanied by mandatory Medicare assignment of claims. The bill provides for an additional measure to be utilized, after exhaustion of all other debt collection methods, that of exclusion from the Medicare and Medicaid Programs. Such exclusion would be accompanied by civil collection action through the Attorney general, IRS, or other available means. The legislation also addresses means of collection from doctors who are employed by a medical plan or organization, or by a group practice. The bill assures that availability of medical services for beneficiaries of Medicare and Medicaid is not limited by doctor exclusion from the program.

Mr. President, I believe that this legislation is a necessary measure to ensure recovery of millions of dollars owed the Government by doctors who have decided not to live up to the terms of the NHSC Scholarship Program. The Inspector General of the Department of Health and Human Services has described the nature and severity of the problem in a recent review of the NHSC repayment situation. The problem is not just that doctors are breaching scholarship agreements and owe the Government millions of dollars, but that these same doctors are being paid millions of dollars by the same agency, the Department of Health and Human Services, for services provided under the Medicare and Medicaid Programs. These doctors, in breach of contract and in default of payment, continue to supplement their income with Federal dollars. I can hardly imagine that any of us, in managing our business or personal finances, would continue to pay for services of an individual or company that owes us money. We would withhold the party's payments until all the debt was collected. That is exactly what my legislation will enable the Department of Health and Human Services to do: Remedy what the HHS inspector general termed an "illogical situation" of Government payments flowing to Government debtors.

Mr. President, another distressing aspect of this problem is the amount of Government money outstanding. The Inspector General's report of April 12, 1985, states that 1,813 NHSC scholarship recipients had breached their agreements, thus defaulting on $61.3 million worth of loans as of December, 1983. Over 1,000 of these recipients were in a statutory repayment or grace period. Of these, over 400 were not making any payments on their defaulted loans. The IG studied 80 of these defaulters and found that while they owed the Government $2.3 million in principal alone, they received about $3.5 million in Medicare and Medicaid reimbursements in either 1982, 1983, or the first quarter of 1984. Eleven of these 80 doctors received reimbursements over $100,000. For example, one doctor, delinquent for $50,324, received about $152,000 in Medicare and Medicaid payments, and made only one $500 payment between January 1983 and February 1984.

In many cases, doctors who are making payments instead of meeting their obligation to work in health manpower shortage areas are paying at a much lower level than was scheduled upon contract breach. For example, a doctor's 1983 payments of $133 a month were used solely for late penalties; nothing was paid on the loan's interest or principal. It certainly did not appear to the IG investigators that doctors could not afford to repay their debts. One doctor, owing $43,000 in principal and interest on his NHSC debt, bought real estate costing $318,000 and an automobile for $14,000. This doctor's $400 a month payments barely covered accumulating interest.

Mr. President, that is the nature and the scope of the problem we are addressing in this bill. Now some will wonder what HHS, and more specifically, the Public Health Service [PHS] has been doing in their collection efforts to date. Currently the PHS gives defaulting doctors several opportunities, through demand letters, to resolve their indebtedness, either through service or financial means. If these efforts are not successful, the cases may be referred to a collection agency or to the Department of Justice for legal action.

The Public Health Service is very concerned about this problem and is attempting to step up collection efforts. However, the agency requires some legislative assistance to expand the scope of remedies available for collection. I believe this legislation can help the Department of Health and Human Services improve their collection results, and thus save taxpayers millions of dollars.

Mr. President, in this time of deep concern about Government spending and deficits, all programs are being scrutinized for further means of economizing. Government health programs, with their growing obligations, have been examined extensively for both efficiency improvements and program cost savings. Certainly, Mr. President, before we reduce services or benefits for those presently entitled, we must assure that we are doing everything possible to eliminate program mismanagement, fraud, and abuse. This includes assuring that all available steps are taken to collect health care dollars owed the Government.

All Americans, for the reasons cited, have a stake in the collection of these obligations. To improve these efforts, some changes in the law must be made. PHS must have additional tools to both help collect defaulted loans and lower the rate of future contract breach. Doctors entering into PHSC contracts must be given a firm set of potential sanctions upon signing the scholarship agreement to assure they understand the Government's remedies for loan default. These collection means, clearly laid out upfront, should serve as a strong incentive to decrease the future default rate.

Thus, the purpose of my legislation is twofold. It will send a clear signal to doctors signing on for a NHSC scholarship or loan that the Government expects the obligation to be fulfilled and the strong penalties for default stated in the agreement will serve as a deterrent to default. The legislation will also put some teeth into current PHS efforts to collect on loans already in default and thus help the financial condition of these worthwhile health programs.

My bill has three sections that amend the Medicare and Medicaid titles of the Social Security Act and the Public Health Service Act. The first section, the Medicare amendment, will add provision to title XVIII of the Social Security Act for offset of payments to physicians to collect past-due obligations arising from breach of scholarship contract. It provides that the loan agreement will state that deductions of defaulting physician's Medicare or Medicaid payments will be made according to a formula and schedule agreed upon by the agency and the doctor until obligations—including accrued interest—have been met. In order to assure that it is the doctor, not the beneficiary who pays, the doctor is required to accept Medicare assignment during offset of payment.

If the doctor does not agree to such offset, breaches the offset agreement, or has insufficient Medicare/Medicaid payment to warrant offset as a collection method, other recovery methods will be used by the Attorney General. The bill also provides that further collection methods available to the Government, including tax refund offsets, may be used for NHSC debt collection. In addition, the physician failing to repay loans through all other reasonable means will be excluded from participation in Medicare and Medicaid programs until the past-due obligation has been repaid.

I strongly believe, Mr. President, that we must not, in our efforts to sanction defaulting doctors, endanger the availability of medical care to our poor or elderly citizens. Therefore, my bill provides that a physician will not be barred from Medicare and Medicaid if he or she is the sole community physician or is the sole source of specialized medical services in a community.

Some doctors who have chosen not to meet their commitments to the Government in the NHSE Scholarship Program will find employment in health maintenance organizations [HMO's], group practice, or some other form of competitive medical plan where a centralized Medicare/Medicaid billing and payment system exists. My bill provides that the defaulting physician's group or organization will be offset by Medicare and Medicaid payments no earlier than 6 months after notification of the physician's obligation and the collection plan. While such means of group or organization collection will relieve the member physician from obligation to the Government, the organization will retain the right to collect such amounts from the physician.

The Department of Health and Human Services will be required to coordinate with State Medicaid agencies for deduction by the States of the Federal share of the defaulting physician's Medicaid payments according to agreed upon schedules and formulas.

Finally, the bill provides that defaulted NHSC contracts entered into after enactment of the act may not be discharged through title 11 bankruptcy procedures.

Thus, Mr. President, this bill will provide the Department of HHS two additional tools to utilize in collection of past-due obligations from NHSC doctors. The provision for offset of the doctor's Medicare and Medicaid payment offers the doctor an alternative means of repayment, not dissimilar to the increasingly common practice of automatic deductions or funds transfer for loan payments. If the doctor does not agree to such offset or if offset does not provide necessary repayment, the legislation provides for doctor exclusion from Medicare and Medicaid Programs, coupled with further civil collection activities. In addition, incorporating these two new provisions into future NHSC scholarship agreements and assuring that both incoming and practicing NHSC doctors are aware of these sanctions should serve as an effective deterrent to default within this program.

Mr. President, in these times of belt-tightening, we must give primary attention to creative cost savings proposals that enhance program efficiency and effectiveness, but not reduce services and benefits. In the realm of health care programs, this strategy is particularly crucial, as many of our needy citizens depend on these programs for necessary medical services. While much attention has been focused on patient program abuses, it is my belief that we must look closer at the millions of dollars fraudulently billed and owed to the Government by health care providers. My bill, if enacted, will assist the Department of Health and Human Services in making those doctors who have received Government money for their medical education repay the taxpayer with the earning power made possible by these loans. This proposed legislation provides a simple, commonsense solution to this important problem. I urge my colleagues to support it and ask that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1202

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MEDICARE AMENDMENT.

(a) IN GENERAL.—Title XVIII of the Social Security Act is amended by adding at the end thereof the following new section:

"OFFSET OF PAYMENTS TO PHYSICIANS TO COLLECT PAST-DUE OBLIGATIONS ARISING FROM BREACH OF SCHOLARSHIP CONTRACT

"SEC. 1890. (a) IN GENERAL.—(1) The Secretary shall enter into an agreement under this section with any physician who, by reason of a breach of a contract entered into by such physician pursuant to the National Health Service Corps Scholarship Program, owes a past-due obligation to the United States (as defined in subsection (b)).

"(2) The agreement under this section shall provide that—

"(A) deductions shall be made from the amounts otherwise payable to the physician under this title or under a State plan approved under title XIX, in accordance with a formula and schedule agreed to by the Secretary and the physician, until such past-due obligation (and accrued interest) have been repaid;

"(B) payment under this title for services provided by such physician shall be made only on the basis of an assignment described in section 1842(b)(3)(B)(ii) or under the procedure described in section 1870(f)(1); and

"(C) if the physician does not provide services, for which payment would otherwise be made under this title or a State plan approved under title XIX, of a sufficient quantity to maintain the offset collection according to the agreed upon formula and schedule, or if the physician breaches any provision of the agreement—

"(i) the Secretary shall immediately inform the Attorney General, and the Attorney General shall immediately commence an action to recover the full amount of the past-due obligation, and

"(ii) subject to paragraph (3), the Secretary shall immediately bar the physician from the program under this title and from any State program of medical assistance under title XIX of this Act, until such time as the entire past-due obligation has been repaid.

"(3) The Secretary shall not bar a physician pursuant to paragraph (2)(C)(ii) if such physician is a sole community physician or sole source of essential specialized services in a community.

"(b) PAST-DUE OBLIGATION.—For purposes of this section, a past-due obligation is any amount—

"(1) awed by a physician to the United States by reason of a breach of a scholarship contract under section 338D of the Public Health Service Act, and

"(2) which has not been paid by the deadline established by the Secretary pursuant to section 338D of the Public Health Service Act, and has not been canceled, waived, or suspended by the Secretary pursuant to such section.

"(c) COLLECTION UNDER THIS SECTION SHALL NOT BE EXCLUSIVE.—This section shall not preclude the United States from applying other provisions of law otherwise applicable to the collection of obligations owed to the United States, including (but not limited to) the use of tax refund offsets pursuant to section 3720A of title 31, United States Code, and the application of other procedures provided under chapter 37 of title 31, United States Code.

"(d) COLLECTION FROM PROVIDERS AND HEALTH MAINTENANCE ORGANIZATIONS.—(1) In the case of a physician who owes a past-due obligation, and who is an employee of a provider having an agreement under section 1866 or a health maintenance organization or competitive medical plan having a contract under section 1876, the Secretary shall deduct the amount of such past-due obligation from amounts otherwise payable under this title to such provider, organization, or plan.

"(2) Such deduction shall not be made until 6 months after the Secretary notifies the provider, organization, or plan of the amount to be deducted and the particular physicians to whom the deductions are attributable.

"(3) A deduction made under this subsection shall relieve the physician of the obligation (to the extent of the amount collected) to the United States, but the provider, organization, or plan shall have a right of action to collect from such physician the amount deducted pursuant to this subsection (including accumulated interest).

"(4) No deduction shall be made under this subsection if, within the 6-month period after notice is given to the provider, organization, or plan, the physician pays the past-due obligation, or ceases to be employed by the provider, organization, or plan.

"(5) The Secretary shall also apply the provisions of this subsection in the case of a physician who is a member of a group practice, if such group practice submits bills under this program as a group, rather than by individual physicians.

"(e) NOTIFICATION TO AND AGREEMENTS WITH STATE MEDICAID AGENCIES.—The Secretary shall notify each State agency which administers a State plan approved under ttitle XIX of the name of each physician who owes a past-due obligation. If such physician receives any payments, or is employed by an entity which receives any payments, under a State plan, the Secretary shall enter into an agreement with such State under which amounts otherwise payable under the State plan to such physician or the employing entity will be deducted in accordance with the formula and schedule agreed to under subsection (a), or as provided in subseciton (d). Deductions made by the State shall be made only from the Federal share of the amount otherwise payable to the physician or employing entity, and the amount otherwise payable to the State under section 1903 shall be reduced accordingly pursuant to section 1903(c).

"(f) TRANSFER FROM TRUST FUNDS.—Amounts equal to the amounts deducted pursuant to this section shall be transferred from the Trust Fund from which the payment to the physician, provider, or other entity would otherwise have been made, to the general fund in the Treasury, and shall be credited as payment of the past-due obligation of the physician from whom (or with respect to whom) the deduction was made.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on the date of the enactment of this Act.

SEC. 2. MEDICAID AMENDMENTS.

(a) STATE PLAN REQUIREMENT.—Section 1902(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (45);

(2) by striking out the period at the end of paragraph (46) and inserting in lieu thereof "; and"; and

(3) by inserting after paragraph (46) the following new paragraph:

"(47) provide that the State shall make deductions, as specified by the Secretary pursuant to section 1890(e), from the Federal share of amounts otherwise payable to physicians for services furnished under the State plan.".

(b) REDUCTION IN FEDERAL PAYMENT.—Section 1903 of such Act is amended by inserting after subsection (b) the following new subsection:

"(c) The amount otherwise payable under subsection (a) to a State shall be reduced by the amount of any reductions in payments to physicians made by the State pursuant to section 1902(a)(47). An amount equal to the amount of the reduction in payment under this subsection shall be credited by the Secretary as repayment of past-due obligations under section 338D of the Public Health Service Act by the physicians from whom, or with respect to whom, the payments were offset.".

(c) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to calendar quarters beginning after the date of the enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

SEC. 3. PUBLIC HEALTH SERVICE ACT AMENDMENTS.

(a) BREACH OF CONTRACT.—Section 338D(b)(1) of the Public Health Service Act is amended by adding at the end thereof the following new sentence: "Amounts not paid within such period shall be subject to collection through deductions in Medicare and Medicaid payments pursuant to sections 1890 and 1902(a)(47) of the Social Security Act.".

(b) ELIMINATION OF DISCHARGE IN BANKRUPTCY.—Section 338D(c)(3) of such Act is amended to read as follows:

"(3) Any obligation of an individual under the Scholarship Program (or a contract thereunder) for payment of damages may not be released by a discharge in bankruptcy under title 11 of the United States Code.".

(c) EFFECTIVE DATES.—(1) The amendment made by subsection (a) shall become effective on the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall apply with respect to damages arising from contracts entered into after the date of the enactment of this Act.●

● Mr. BENTSEN. Mr. President, I am pleased to join my distinguished colleague from Delaware as an original cosponsor of S. 1200, a bill to provide that financial defaults by physicians who breached contracts under the National Health Corps Scholarship Program may be deducted from Medicare and Medicaid reimbursements paid those physicians.

As some of our colleagues may be aware, Mr. President, the Inspector General at the Department of Health and Human Services recently reported that as of December 1983, 1,813 NHSC scholarship recipients had breached their agreements and defaulted on obligations of more than $61 million. While 1,089 of these recipients are in a "grace" period of statutory repayment, the nearly $20 million owned by the remaining 724 had passed the repayment period and was fully due and payable but had not been paid.

Even more startling is the IG's finding that, of the sample of defaulters studied, nearly one third of the NHSC scholars received Medicare and Medicaid reimbursements during the last 3 years of between $1,100 and $309,000. Eleven of the individuals whose records were reviewed received in excess of $100,000. The IG found, for example, one physician delinquent in the amount of $50,324 who received more than $150,000 in reimbursement. Over the last 2 years this physician had made only a single payment of $500 toward retiring her obligation.

Mr. President, the National Health Service Corps Scholarship Program has provided tuition costs and monthly stipends to 13,500 students over the past 12 years. In exchange, the students agreed to serve a minimum of 2 years as assignees of Corps or the Indian Health Service or as private practitioners in a health manpower shortage area. The availability of these talented young people has been very helpful to my State where, as of last year, we still had 52 counties with health manpower shortages and 11 counties where there was no practicing physician at all. I have long been an enthusiastic proponent of NHSC and expect to continue to lend my support to this program in the future. However, I am deeply disturbed by the failure of some participants to take steps necessary to satisfy the terms of their scholarship agreements, or in the alternative, to pay back their debt to the very program that made it possible for them to acquire a lifelong set of very lucrative skills.

It should be stressed that the proposal we introduced today would serve as a course of last resort and would be employed only after all other administrative collection efforts have been exhausted. In weighing the arguments in favor of this approach, I invite my colleagues to consider the inequities of a situation in which the Federal Government provides a substantial, if not full annual income to this group of defaulters, and at the same time is unable to recapture overdue payments which could be applied to the cost of educating future scholarship recipients. It is time to put a stop to what can only be termed inexcusable and abusive conduct on the part of a few individuals behaving irresponsibly.●

Mr. HATCH. Mr. President, over the years, Congress has authorized various programs to help communities obtain quality health services. One of the most successful is the National Health Service Corps Field Program.

The NHSC has been a boon to those cities and towns across the Nation where attracting health care professionals has been a tough job. While there has been a significant improvement over the last 10 years in the geographic distribution of physicians, parts of 20 of Utah's 29 counties are still listed as health manpower shortage areas—eligible for help from the NHSC. About 20 NHSC members are helping Utah cities and rural areas.

This program has been very worthwhile, but I have recently learned of some serious problems. Almost 2,000 students who have signed up for the scholarship component of the NHSC program and let the corps help pay their way through medical or dental school, have backed out on their agreement to serve. Some of these students have worthy reasons for breaking their agreement—so the law allows them to buy their way out, in essence, by paying back the money to the NHSC as if it had been a loan. Doesn't it make you mad to hear that these 2,000 health professionals have defaulted on $61.3 million in repayment obligations? Doesn't it make your blood boil to know that at least 80 of these people made no payments at all to the corps, while they collected $3.5 million in fees from other Federal programs, Medicare and Medicaid?

Senator ROTH proposes to set up a system to take some of the Federal money owed to these delinquent doctors by Medicare or Medicaid, and rechannel it to pay some of the money the doctors owe to the Federal Government's NHSC program. It makes perfect sense to me for Uncle Sam's left hand and right hand to get together to control the cash in Uncle Sam's wallet.

Let me make it clear that if we do not clean up the problems here, that I will have a much more difficult time fighting to save the NHSC when it comes before the Labor and Human

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Resources Committee for renewal or change. These 2,000 bad apples shouldn't taint the whole barrel—but the aroma is strong and cannot be hidden. They make the other thousands of good people look bad. That's not right. That's not fair. I do not want the NHSC to get tagged with the phrase "troubled," "scandal ridden" or "wasteful."

The need is real. The NHSC helps communities in health manpower shortage areas to develop clinics where health professionals can work, and then NHSC helps recruit and assign corps professionals to establish and maintain health care delivery systems. These are areas which, for whatever reason, cannot attract one of America's burgeoning number of doctors or dentists.

This year there are 600 Federal NHSC sites staffed by NHSC scholarship recipients, and I expect it will be 650 sites by the end of the fiscal year. Even when the 1,100 other NHSC-aided sites are added in—which are staffed by professionals recruited after they were trained, and who were not scholarship recipients—not every needy area is served.

Overall, several million people are served by this program. For the integrity of the program, as well as for the respect for the majority serving their commitments, it's time we cracked down the flagrant abusers of the NHSC's largesse and magnanimity. Senator Roth's proposal is a worthy one, and I thank him for the privilege of cosponsoring the bill.

By Mr. THURMOND:

S. 1203. A bill to amend section 534 of title 28, United States Code, to allow railroad police and private university or college police access to Federal Government criminal identification records; to the Committee on the Judiciary.

CERTAIN ACCESS TO FEDERAL CRIMINAL IDENTIFICATION RECORDS

Mr. THURMOND. Mr. President, the bill I am offering would allow railroad police and private university or college police access to the National Crime Information Center (NCIC), Federal Government criminal identification records.

This information was restricted by Federal regulation in 1975, to organizations which are recognized specifically as agencies of either the Federal or State government. Prior to this limitation, railroad police and university and college police had total access, across most of the Nation, to all criminal arrest files maintained by the Federal Bureau of Investigation. The file contributed immeasurably toward their ability to perform their services in protecting cargo shipments, the welfare of patrons and campus students, alike.

After the restriction, an anomaly existed. Universities and colleges which were recognized as "State agencies", and had a police force, continued to receive approval for receiving the necessary information. Those police forces which represented large campuses across the United States, on behalf of private universities or colleges, were denied access to the criminal history files since they were regarded as "private" agencies, not State.

Railroad police were confronted with a similar circumstance. Each year, the President's Conference on Transportation charged the railroad police to enforce strictly Federal regulations governing cargo shipments; however, they were restricted access to criminal history records that would enable them to carry out this direction. In other words, the Justice Department was advocating a strong stand to protect cargo movements and needed the railroad police to help the department achieve it, but denied them access to the most valuable tool for assistance.

The efforts of the railroad police and the university and college police to regain access to the NCIC files were joined in 1982 by the International Association of Chiefs of Police (IACP).

In a letter to Mr. Norman Chadwick, Executive Director of the IACP, Director of the FBI, William Webster, stated that he does not oppose Federal criminal history access by those agencies, i.e., the railroad police and the university and college police, in the many States where they are granted full peace officer status by State statute. He further wrote that he thinks it incongruous that such a legal prohibition exists.

Legal counsel for LEAA supported that statement. In the early days of LEAA, they had determined that railroad police were, in fact, a part of the criminal justice spectrum in all States in which they had full police powers granted by the State government, even though they were not recognized as State agencies. Further, the railroad police, in States where they were so empowered, could participate in any LEAA-funded program without jeopardizing the funding of that program.

Mr. President, this legislation would not open the criminal files to all groups or institutions that employ any form of security officer, but, rather, is limited to railroad police and university or college police who perform the administration of criminal justice pursuant to a State statute and which allocated a substantial part of their annual budget to the administration of criminal justice. This bill mandates that each police department or agency meets the minimum standards for a police officer in its respective State. This is the same criterion which applies to police forces which are recognized as State agencies and have access to the NCIC files now.

Your attention is called to the fact that there are over 34,000 railroad police and university and college police officers in the United States, commissioned in nearly all of the States within the continent, who do enforce the law. Railroad police, in particular, enforce passenger/patrol safety, tenants, and properties, as well as protect the billion dollar railroad movements of freight and valuable commodities across the land. University police are charged with protecting the vast investments in educational facilities, properties, road, the welfare of students and faculty, tenants and service people.

Since both the railroad police and the university and college police function in areas where the general public must spend a portion of its every day, and nearly all of them are covered by mandatory police training laws, and attend State police academies, access to criminal history files to both of these entities would provide additional law enforcement services to the Nation and to the communities in which they are located. I strongly urge my colleagues to support this measure.

By Mr. BOSCHWITZ (for himself and Mr. Durenberger):

S. 1204. A bill to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to members of the Lake Superior Band of Chippewa Indians who are members of the Minnesota Chippewa Tribe in Dockets Numbered 18-S and 18-U before the Indian Claims Commission, and for other purposes; to the Select Committee on Indian Affairs.

LAKE SUPERIOR BAND OF CHIPPEWA INDIANS IN MINNESOTA DISTRIBUTION OF JUDGEMENT FUNDS ACT

● Mr. BOSCHWITZ. Mr. President, today I am introducing legislation to provide for the distribution of judgment funds awarded to the Lake Superior Bands of Chippewa Indians enrolled in the Minnesota Chippewa Tribe. My colleague from Minnesota, Senator Durenberger, is joining me in this effort. Congressman Jim Oberstar has introduced a similar bill in the House of Representatives.

During the 98th Congress, Senator Durenberger and I introduced similar legislation providing for distribution of judgment funds awarded to the Mississippi and Lake Superior Chippewa Bands. Unfortunately, there is a dispute over the distribution ratio among the Mississippi Chippewa Bands. Efforts are continuing to resolve those differences and I hope an agreement can be reached soon. In the meantime the Minnesota Lake Superior Bands have asked us to go forward with their funds and it is proper that we should.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1204

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Lake Superior Band of Chippewa Indians in Minnesota Distribution of Judgment Funds Act".

SEC. 2. ABROGATION OF ANY PRIOR PLAN TO THE EXTENT SUCH PLAN RELATED TO MEMBERS OF THE LAKE SUPERIOR BAND OF CHIPPEWA INDIANS WHO ARE MEMBERS OF THE MINNESOTA CHIPPEWA TRIBE.

(a) Plan for Distribution for Members of Band Who Are Enrolled in the Minnesota Chippewa Tribe.—Notwithstanding Public Law 93-134 (25 U.S.C. 1401 et seq.) or any plan prepared or regulation promulgated by the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") pursuant to such Act, that portion of the judgment funds described in subsection (b) which were awarded for the benefit of the members of Lake Superior Band of Chippewa Indians who are enrolled in the Minnesota Chippewa Tribe shall be distributed and used in the manner provided in this Act.

(b) Judgment Funds Defined.—The judgment funds referred to in subsection (a) are—

(1) the funds consisting of—

(A) two-thirds of the amount appropriated in satisfaction of judgment awarded the Lake Superior and Mississippi Bands of Chippewa Indians in Docket Numbered 18-S before the Indian Claims Commission, and

(B) the amount appropriated in satisfaction of judgment awarded the Lake Superior Band of Chippewa Indians in Docket Numbered 18-U before the Indian Claims Commission (other than funds appropriated for the payment of attorney fees or litigation expenses) which are held in trust by the Secretary for the use and benefit of such Bands of Chippewa Indians, and

(2) the amount of any interest or investment income accrued or accruing (on or before any distribution by the Secretary under this Act) on such funds.

SEC. 3. DIVISION AND DISTRIBUTION OF FUNDS AMONG RESERVATION COMMUNITY GROUPS.

(a) Division Among Reservation Community Groups in Minnesota.—The Secretary shall divide the funds described in section 2(b) among the community groups of the Lake Superior Band of Chippewa Indians affiliated with the reservations in the State of Minnesota which appear in the following list by multiplying the amount described in section 2(b) by the fraction appearing in the list in connection with each such reservation community group:

(1) Fond du Lac Reservation, 1,346/8,437;

(2) Grand Portage Reservation, 387/8,437;

(3) Nett Lake Reservation (including Vermillion Lake and Deer Creek (Bois Forte Band)), 704/8,437; and

(4) White Earth Reservation, 148/8,437.

(b) Distribution of Funds.—

(1) 20 percent distributed to each community group for use at the group level.—Of the amount determined under subsection (a) for each reservation community group described in such subsection, 20 percent of such amount shall be made available to the appropriate governing body of such group for expenditure for programs approved by the Secretary.

(2) 80 percent distributed per capita.—Of the amount determined under subsection (a) for each reservation community group described in such subsection, 80 percent of such amount shall be distributed in amounts as equal as possible to enrolled members of the Minnesota Chippewa Tribe who—

(A) are designated as members of the Lake Superior Band of Chippewa Indians and are affiliated with such group, and

(B) were born on or before the date of the enactment of this Act and are living on such date.

(3) Procedures for per capita distribution.—The amount determined under paragraph (2) for each individual described in such paragraph shall be paid or distributed as follows:

(A) Living competent adults.—If the individual is a living competent adult, the amount so determined shall be paid directly to such individual.

(B) Living minor children and legally incompetent adults.—If the individual is a living minor child or legally incompetent adult, the amount so determined shall be treated in the same manner as any trust property of such individual is treated.

(C) Deceased individuals.—If the individual is deceased at the time of distribution, the amount so determined shall be treated in the same manner as any trust property of such individual would be treated if such individual died intestate.

(c) Tax Treatment of Distributions.—No amount of any payment or distribution under this section shall be included in gross income of the payee or distributee for purposes of any Federal, State, or local income tax. Payments or distributions may not be considered as income or resources or otherwise used as the basis for denying or reducing—

(1) any financial assistance or other benefit to which any individual described in paragraph (2), or the household of any such individual, is otherwise entitled, or for which such individual or household is otherwise eligible, under the Social Security Act, or

(2) any other financial assistance, Federal benefit, or benefit under any program part or all of the funding for which is provided by the Federal Government to which such individual or household is otherwise entitled or for which such individual or household is otherwise eligible.

(d) Savings Clause.—No provision of section 2 of this section shall be construed as affecting the use or distribution of any funds described in section 2(b) which are not subject to this section.

SEC. 4. MEMBERSHIP ROLLS REQUIRED TO BE BROUGHT UP TO DATE.

Before the end of the -month period beginning on the date of the enactment of this Act, the roll of members of the Lake Superior Band of Chippewas who are members of the Minnesota Chippewa Tribe shall be made current under procedures adopted by such Tribe and approved by the Secretary.●

By Mr. GORE:

S. 1205. A bill to reform the Tobacco Program; to the Committee on Agriculture, Nutrition, and Forestry.

TOBACCO EQUALIZATION ACT

Mr. GORE. Mr. President, a number of recent major developments have made legislation necessary to save the Tobacco Program. Today I am introducing, along with my colleague Congressman Charlie Rose, the chairman of the Tobacco Subcommittee in the House, a legislative package that I am convinced offers the only realistic hope of saving the program.

Since 1981, the tobacco manufacturers have imported enormous quantities of burley tobacco. The companies have imported large amounts of Flue-cured tobacco as well, over a longer period of time. This year we will import nearly one-third of all tobacco used in this country. This represents an increase of 1900 percent over 1969 and 30 percent over 1982 alone.

As a result of this trend, stockpiles of American-grown burley tobacco have grown at an alarming rate. In 1981, there were no surplus burley stockpiles, aside from normal reserve levels. Today, 500 million pounds of burley are in storage, nearly the equivalent of a full year of production. Stockpiles of Flue-cured tobacco are even higher.

The no-net-cost tobacco law requires that growers pay the cost of carrying this tobacco. The cost has escalated sharply, as surpluses have grown. The no-net-cost assessment has gone from 1 cent per pound in 1982 to 30 cents per pound this year. It increased from 9 to 30 cents between 1984 and 1985 alone.

This surplus, and the high cost associated with it, gravely threatens the future of the Tobacco Program. If growers are asked to bear the cost of carrying this ever-increasing surplus in future years, we can expect an assessment of at least 50 cents per pound next year, and perhaps higher. From conversations with many growers, through my Tobacco Advisory Council and at open meetings, I believe that growers will vote out the Tobacco Program at the referendum in February 1986, rather than pay such astronomical assessments.

I have been working for several months on a variety of proposals to save the Tobacco Program and ensure that it remains beneficial to growers. The key issue is: Who will bear the cost of the surplus tobacco? The loss that we are facing is approximately $400 to $500 million—depending on the assumptions that are made about the market value of the surplus.

Since growers are likely to vote out the program rather than pay such an overwhelming amount of money, the question comes down to whether the companies or the Government will bear the loss. Despite extensive conversations and meetings between myself, company officials, and individuals representing the companies, the cigarette manufacturers have indicated no willingness whatsoever to bear this loss. The companies have only gone so far as to indicate a willingness to pay an unspecified portion of future no-net-cost assessments, if the no-net-cost program continues. But they are unwilling to bear any of the loss for the existing surplus, which threatens to cause the Tobacco Program to self-destruct.

In view of this intransigence, the only remaining alternative is for the Government to bear the loss. The companies have steadfastly maintained that the Government should bear this loss, with no additional revenue to compensate for it.

The most important consideration, however, is what kind of legislative proposal can pass the Congress. There is absolutely no doubt that a proposal such as that advocated by the companies would be defeated in Congress.

After months of thought and reflection, including a meeting with the Tobacco Advisory Council and conversations with individual growers in Tennessee, as well as discussions with many Senators and Congressmen, I have concluded that it is necessary to find a source of revenue to compensate for the $500 million loss that the Tobacco Program is facing. Working in conjunction with Chairman Rose I have developed a legislative proposal that is outlined below:

Repeal of the no net cost legislation, including elimination of the assessments.

Transfer of current assets and liabilities of the No Net Cost Account (burley) and No Net Cost Fund (flue-cured) to a newly created Tobacco Equalization Fund (TEF). The TEF would be liable for any losses currently facing the program (including the $500 million discussed above).

The TEF would be funded through a flexible excise tax on cigarettes, adjusted to reflected potential government losses based on cooperative stocks. The tax could decrease or be adjusted upward, depending on potential losses; however, it is estimated that current stock levels and potential losses would require a tax of no more than 2 cents per pack.

Farmers would no longer have tax liability for the assessment since there would no longer be an assessment. Cooperatives also would no longer face potential tax liability.

This proposal, if enacted, would restore the tobacco program to solvency while simultaneously providing a significant degree of insulation from future attacks by tobacco program opponents. While much work remains to be done, Senator Gore has reason to believe that this proposal will form the basis for an eventual compromise in which health groups will recognize and accept the role of tobacco farmers in the farm economy.

I anticipate that there will be a great deal of discussion of this proposal and others during the coming weeks. We face a long and difficult fight. I am firmly convinced that whatever happens, we must make the best judgment we can about how the program can be saved. I have always believed that the interests of growers must come first in discussions about the Tobacco Program, and I will not waver in that commitment. The problems facing the Tobacco Program, and the threat to growers, is so great that bold and innovative action is necessary. This proposal offers a chance to save the Tobacco Program, and I will work very hard for its enactment. I urge my colleagues to support this legislation.

By Mr. ROTH:

S. 1206. A bill to require the Director of the Office of Management and Budget to prepare and transmit to the Congress a comprehensive report and plan on the reorganization, restructuring, consolidation, or realignment of Federal field offices, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL FIELD OFFICE REPORT ACT

● Mr. ROTH. Mr. President, our Government is one that rests on the principle of State and local autonomy. This principle is as old as our Nation's heritage and fundamentally important to the freedoms we enjoy.

The principle of local autonomy, local decisionmaking, is also important at the Federal level of government. Few of our Government programs are centrally administered at the Federal level. We rely on State and local governments to administer most Federal programs.

Even in those cases where the Federal Government does directly manage a program—such as social security—we have retained numerous offices in all States so that people receiving services have a place within ready reach to turn when problems arise. Our fundamental operating principle is that programs administered close to the people will be most responsive to the people.

This principle is now threatened. A major effort appears to be underway to close field offices and concentrate people in Washington and regional offices. All this is being done in the name of cutting waste and duplication in Federal operations. Bureaucrats in Washington, instead of looking at their own operations, are moving to protect themselves by closing down field offices. As the President and the Congress move to streamline government, the people in Washington are working to see that they remain unaffected and that the people in the field bear the brunt of any cutbacks.

Mr. President, I am introducing today the "Federal Field Office Reorganization and Management Restructuring Act of 1985". The purpose of this act is to ensure that the move to streamline government is not at the expense of an appropriate field office structure that provides quality service to taxpayers. This legislation would put into place a temporary freeze on further reorganizations or consolidations of Federal field offices until the Office of Management and Budget has completed a careful review and full report to Congress on all changes in agency field structure currently being considered by the agencies. The OMB review would be based on carefully defined criteria set out in the bill.

This legislation would, for the first time, give Congess, the agencies and the public a complete picture of the until now fragmented plans being pursued by various agencies to reorganize the Federal Government's field office structure. Before any changes in that structure are made, I believe the public and the Congess is at least entitled to know what those changes are, how they fit together and when the agencies want to make them. That is what my bill does and it puts OMB firmly in charge of overseeing and compiling data on each agency's proposed changes. Given OMB's charter and duties as the management arm of the President, this is a responsibility they should be required to assume.

Mr. President, as many of my colleagues know, the administration has proposed a sweeping series of reductions, eliminations and realignments in the field offices of Federal agencies. The changes are supposed to result in the elimination by 1989 of several thousand personnel.

Currently, there exist some 22,000 Federal field offices of all types ranging from the 15,000 offices maintained by the Department of Agriculture to the 2 or 3 field offices operated by the Office of Special Counsel.

Federal policy concerning the establishment and maintenance of Federal field offices is primarily contained in OMB Circular A-105. There are virtually no statutory constraints on how agencies may organize and manage their field structures.

Circular A-105 essentially establishes 10 Federal regions, each centered on a primary regional city. Agencies are generally required under the circular to establish their field offices with administrative boundaries and field headquarters that are coterminous with those of the regions. This policy was established in the mid-1970's and has remained virtually unchanged ever since.

Mr. President, what concerns me is that the administration's plans for closing or realigning Federal field offices are very sketchy at this time. Even though A-105 requires agencies to submit most plans for field office reductions or major realignments to OMB for approval, numerous changes affecting agency field offices appear to be under consideration. For example, the Social Security Administration currently has some 1,300 operating offices and is planning to eliminate approximately 200 of them. The Agriculture Department, which has approximately 17,000 field offices, is planning to make some consolidations or realignments of those offices.

OMB estimates that substantial savings can be made by eliminating unnecessary field offices. I agree that savings can be made through reductions in agency overhead. The problem with the current OMB approach to reorganized that very little useful information is available concerning the impact of proposed changes on taxpayers, on Federal personnel or on agency costs and operations. There is no comprehensive plan and no way to gauge what the total impact of the numerous proposed changes will be on the agencies or on the public.

To use just one example, GAO is doing some review work of the Social Security Administration's field restructuring plans and has raised a number of questions about the agency's plans. GAO has found that the criteria being used by SSA in determining which field offices to close do not include much emphasis on the impacts of proposed office closings on social security recipients. In fact, SSA, like many Federal agencies, actually has had until recently only minimal information on the performance of its individual field activities and is just now beginning to really develop an understanding of the effectiveness of its various offices.

Essentially, OMB has established goals for reducing Federal agency employment in the field but it has not developed a well structured plan of any type to guide the agencies in their activities. In fact, no real guidance has been sent by OMB to the agencies and my understanding is that OMB is essentially planning to enforce cuts in field operations during budget reviews. The criteria they will use in deciding where to cut is vague.

Mr. President, OMB is supposed to be responsible for guiding agency management activities. In this case, they have basically set targets and left the agencies to decide how they will reach them. This procedure has made it very difficult for Congress and the public to really know what is being planned. The only way to find out how the field office restructing effort is proceeding is to go to each agency for the information but even the agencies in many cases do not really seem to have a well developed plan.

Mr. President, my bill has three primary purposes. First, it freezes any further consolidations, reorganizations or office closings of agency field locations for 270 days. This freeze is simply a device to ensure that the study and report required by my legislation is given serious attention and that it is carried out efficiently.

Second, the bill requires that during the 270-day freeze period, OMB survey the agencies and compile a report on planned changes in agency field office structure. The bill requires that the report must describe the exact nature of any proposed changes as measured against seven very important criteria:

First, promptness and accessibility of services to recipients and State and local governments.

Second, level, availability and quality of service to recipients and State and local governments.

Third, impact on Federal personnel.

Fourth, impact on agency productivity.

Fifth, workload distribution within an agency or among agencies.

Sixth, cost, including anticipated savings and offsetting costs resulting from layoffs of personnel, redistributed workload among agency offices and other factors, and

Seventh, internal agency management procedures and activities.

I believe a report based on such criteria will provide the Congress, the public and State and local officials with information to better anticipate and consider the changes being suggested by the agencies. Given the importance of the service provided by many field agencies, such information will be critical in deciding how agencies should be restructured.

Finally, the bill provides that the OMB report will be submitted within 180 days of the bill's enactment. Since the freeze on agency restructing would be in place for 270 days, this provision will give Congress time to carefully review OMB's report.

Mr. President, I agree with the administration that savings can be produced in agency operations through restructing and elimination of unnecessary layers of bureaucracy. However, we should consider any changes in a rational way and in a comprehensive manner. Otherwise, changes we make in one field office may seriously affect other nearby Federal offices or may unduly burden certain regions or States. In addition, strong consideration should be given first, in my view, to reducing agency overhead here in Washington rather than concentrating all our efforts on field offices.

My legislation will ensure that whatever changes are made are not only cost efficient but also supportable in terms of changes in service levels and program effectiveness. I urge my colleagues to support by bill and ask that a copy of the legislation be printed in the Record at this time.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1206

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Field Office Report Act of 1985".

Sec. 2. (a) No federal field office shall be restructured, reorganized, consolidated, or realigned by the President or by any other officer or employee of the Government during the period beginning on the date of enactment of this Act and ending 270 days after such date.

(b) No individual employed in any Federal field office shall be transferred or reassigned during the period specified in subsection (a) except in the course of routine agency activities. If any individual employed in such an office is transferred or reassigned during such period, the President or the head of the agency in which such office is located shall certify that—

(1) Such transfer or reassignment is necessary for the conduct of routine agency activities; and

(2) such transfer or reassignment is not related to, and is not for the purpose of, any proposed or planned restructuring, reorganization, consolidation, or realignment of a Federal field office.

Sec. 3. (a) The Director of the Office of Management and Budget shall conduct a thorough study of all agency plans or proposals to restructure, reorganize, consolidate, or realign Federal field offices and shall prepare a comprehensive report and plan based on the findings of such study. The Director shall transmit such report and plan to the Congress within 180 days after the date of enactment of this Act.

(b) The comprehensive report and plan required by subsection (a) shall, with respect to each proposed reorganization, restructuring, consolidation, or realignment of a Federal field office—

(1) describe the exact nature of such proposed reorganization, restructuring, consolidation, or realignment;

(2) include a schedule for the implementation of such proposed reorganization, restructuring, consolidation, or realignment;

(3) include maps, charts, or other appropriate means to indicate any proposed change in the geographical areas served by such office;

(4) describe the criteria used by the President or the head of the agency in which such office is located to determine each change to be made in such office in connection with such reorganization, restructuring, consolidation, or realignment;

(5) describe the effects such reorganization, restructuring, consolidation, or realignment would have on the implementation of statutory and administrative program objectives and goals;

(6) describe the effect such reorganization, restructuring, consolidation, or realignment would have on—

(A) the promptness and accessibility of services provided by such office to individuals, recipients of Federal assistance and State and local governments;

(B) the level, availability, the quality of services provided by such office to individuals, recipients of Federal assistance, and State and local governments;

(C) the employment of Federal personnel by such office;

(D) the productivity of Federal personnel employed in such office and in the agency in which such office is located;

(E) the distribution of work within the agency in which such office is located or among agencies affected by such reorganization, restructuring, consolidation, and realignment; and

(F) agency management procedures and activities of the agency in which such office is located; (7) specify—

(A) the costs that would be incurred by the agency in which such office is located in implementing such reorganization, restructuring, consolidation, or realignment; and

(B) any savings that would be made by such agency as a result of such reorganization, restructuring, consolidation, or realignment, including savings resulting from reductions in personnel and redistribution of personnel within such agency.●

By Mr. THURMOND:

S. 1207. A bill to amend title 38, United States Code, to provide equal benefits, under certain educational assistance programs administered by the Veterans' Administration, to eligible veterans or other eligible persons enrolled in degree courses and eligible veterans or other eligible persons enrolled in nondegree courses offered by fully accredited institutions of higher learning which offer courses leading to a standard college degree and courses not leading to a standard college degree; to the Committee on Veterans' Affairs.

VETERANS EDUCATIONAL ASSISTANCE

Mr. THURMOND. Mr. President, today, I am introducing legislation to provide equal treatment under educational assistance programs administed by the Veterans' Administration of students enrolled in standard college degree courses, and students enrolled in vocational courses offered by fully accredited institutions of higher learning.

Under current law, an inequitable situation exists in which students not pursuing standard college degrees, but who may be enrolled in the same classes as students pursuing associate degree programs, receive different rates of benefits for those classes. This inequity exists because the Veterans' Administration currently uses a credit hour basis for determining educational benefit payments for students in degree programs, while payments to students in nondegree, vocational programs are computed on a clock hour basis.

The traditionally recognized distinction between college degree courses and vocational courses has been the outside preparation for classes required for college degree courses. However, through the years, this distinction has become less and less pronounced with regard to vocational courses offered at degree granting institutions such as technical colleges. Vocational courses have become increasingly academically oriented, and classroom instruction, which requires outside preparation, has become an important component of vocational education.

The following example of two brothers who are veterans receiving VA educational benefits and attending the same educational institution of higher learning provides a clear illustration of this situation. One brother is enrolled in electronics engineering technology, a program of study leading to an associate college degree. The other brother is enrolled in electronics servicing technology, a noncollege degree program of vocational training in which shop instruction predominates. Both programs are offered at the post-secondary level of education by a technical college.

Since the educational institution of higher learning is a degree granting institution, the course loads of both students are measured on a credit hour basis by the school. The brother enrolled in electronics engineering technology, an associate college degree program, has the following schedule of courses for the spring term:

Course title	Clock hours		Credit hours
	Lecture	Shop	
Algebra and trigonometry I	5	0	5
Engineering drawing I	0	6	2
DC circuits	5	3	6
Total credit hours			13

The brother enrolled in electronics servicing technology, a noncollege degree certificate program, has the following schedule of courses for the spring term:

Course title	Clock hours		Credit hours
	Lecture	Shop	
Mathematics for electronics	5	0	5
Circuit fundamentals I	6	6	8
Consumer economics	3	0	3
Total credit hours			16

Both brothers are considered full-time students under the policy and regulations of the school because each carries a course load of 12 or more credit hours. However, under current law governing the payment of educational benefits by the Veterans' Administration, an accredited program of vocational training not leading to a standard college degree will be considered a full-time course only when a minimum of 22 clock hours per week of attendance are required.

Therefore, although both veterans are considered full-time students by the school, the brother pursuing the vocational training is considered only a three-fourths time student for the purpose of payment of VA educational assistance benefits since he does not carry 22 clock hours of course work. Even though he is enrolled in three courses which are taught in a classroom and which require as much outside preparation as the courses taken by his brother, the VA still considers and pays him as a three-fourths time student for the spring term. In contrast, the brother enrolled in the program of study leading to an associate college degree is considered a full-time student for the spring term under current law and regulations, despite the fact that his program of study involves three less credit hours than his sibling in the nondegree program.

The requirement of clock hour measurement for students enrolled in noncollege degree, certificate programs at fully accredited educational institutions of higher learning creates other problems. For example, the pay period for the brother enrolled in the standard college degree program begins at the time he registers for the school term. However, the pay period for the brother enrolled in the vocational training courses does not begin until classes begin.

Mr. President, the legislation which I propose today targets fully accredited institutions of higher learning which offer both courses leading to a standard college degree—such as an associated college degree in criminal justice—and vocational courses not leading to a standard college degree—such as a certificate of welding technology. The provisions of my bill would permit credit hour measurement of vocational training pursued at fully accredited institutions of higher learning and would establish parity in measurement, attendance reporting and payment requirements as between standard college degree and nondegree vocational courses offered by fully accredited institutions of higher learning.

Mr. President, I commend this legislation to my colleagues and urge its early enactment.

By Mr. MATHIAS (for himself and Mr. SARBANES):

S. 1208. A bill to authorize the Secretary of the Interior to convey certain land located in the State of Maryland to the Maryland National Capital Park and Planning Commission; to the Committee on Energy and Natural Resources.

TRANSFER OF CERTAIN LAND TO THE STATE OF MARYLAND

● Mr. MATHIAS. Mr. President, I am pleased today to reintroduce legislation that would authorize the transfer of a parcel of land in Prince Georges County, MD from the Federal Government to the Maryland National Capital Park and Planning Commission [M-NCPPC]. The commission is a State-created organization that manages parks in Montgomery and Prince Georges Counties.

I have been asked to reintroduce this measure by both State and local officials from Maryland, including the M-NCPPC and the Prince George's County executive and county council. Moreover, it also has the full support of the Maryland Department of Natural Resources and the National Capital Planning Commission. Representatives STENY HOYER and MARJORIE HOLT will introduce similar legislation in the House of Representatives shortly.

The 55 acres transferred by this bill are adjacent to the Capital Beltway and the Potomac River in an area called Smoot Bay. The property was part of land acquired by the Federal Bureau of Roads from private owners

in the late 1950's for the construction of the Capital Beltway, the I-295 interchange and the approaches to the Woodrow Wilson Bridge. Ultimately, this particular parcel was found not to be needed for such purposes.

It has remained in the hands of the Federal Government since then, as required by the 1956 act of Congress. But no use has been found for it. Until 1978, it was under the jurisdiction of the General Services Administration, the real estate agency for the Federal Government. Then it was transferred to the Department of the Interior with the condition that it be used for open space. The Department of the Interior, however, never has developed a plan for the property or programmed funds for developing it.

The Maryland National Capital Park and Planning Commisson is anxious to put the land to constructive use. It wants to use it to develop a waterfront park for the public and to provide access to a proposed waterfront development.

The proposal for the development, a multimillion dollar project, includes a marina, a trade center, homes, retail shops, and boutiques. It will be an economic boon to Prince Georges County and to the entire State of Maryland.

During the development of this bill, the National Capital Planning Commission [NCPC], the central planning agency for the Federal Government in the National Capital region, and the National Park Service raised valid concerns about the impact the proposed development could have on the Potomac River and its shoreline.

The Federal Government owns parkland north and the south of the area proposed for development and it has an interest in preserving open space along the Potomac River. It is concerned about the views of the proposed development from the Potomac River, from the Mount Vernon Memorial Highway on the opposite shore and from the lawn of Mount Vernon itself. Moreover, the National Capital Planning Commission has recognized the general area "as environmentally sensitive" because it includes, among other things, a flood plain, part of a coastal zone and a scenic waterfront.

I share these concerns and have made every effort to address them in the legislation. My original legislation included conditions that would safeguard the Federal interests in the area relating to parkland, the Potomac River and its shoreline.

The NCPC, after reviewing the original bill, felt that the conditions initially set forth, while a good first step, did not go far enough in protecting the Federal interests in the area. So, we went back to the drawing board to try to refine the legislation to meet the Commission's concerns. After painstaking negotiations over a 6-month period, the developer, in consultation with M-NCPPC and congressional offices, crafted an agreement with the NCPC that included even tighter restrictions. This was not an easy task by anyone's standards and all who participated in it should be commended for a job well done. While giving the Commission assurances that the development will be compatible with Federal interests, the agreement also maintains the developers' flexibility with regard to the viability and architectural integration of the project. I ask unanimous consent that this agreement be printed in the RECORD at the conclusion of my remarks.

The original legislation gave the Department of the Interior the right to take back the property if any of the restrictions placed on the development was not met. Along with imposing additional restrictions on the developer, we felt that we could improve the legislation further by making the enforcement mechanism broader and stronger. The legislation I am introducing today allows any party, including the Maryland National Capital Park and Planning Commission, the Prince Georges County executive, the National Capital Planning Commission, or any other aggrieved person, to file for an injunction in the appropriate U.S. district court or in the Maryland State court, if it feels that a violation of the restrictions has occurred.

The transfer of this land will increase the public's access to the Potomac River and its shoreline and generate waterfront activity. I urge my colleagues to act on it as expeditiously as possible.

There being no objection, the agreement was ordered to be printed in the RECORD, as follows:

MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE NATIONAL CAPITAL PLANNING COMMISSION AND JTL ENTERPRISES, LTD.

PURPOSE

This Memorandum of Understanding is for the purpose of setting forth the agreement of the National Capital Planning Commission (hereinafter called the Commission) and JTL Enterprises, Ltd. (hereinafter called the Developer), regarding the imposition of restrictions on the development of the Smoot Bay Waterfront. The purpose and intent of these restrictions shall be to maintain the Developer's flexibility to preserve the financial viability and architectural integration of the project, and to provide the Commission with overall assurances that the land will be developed with regard for Federal interests in development along the shoreline of the Potomac River in the National Capital Region, including but not limited to public access to and along the Potomac River, views of Smoot Bay, as seen from the River, the Mount Vernon Memorial Highway and the Virginia shoreline, and the jurisdiction of the U.S. Army Corps of Engineers over any proposed construction in the River at this gateway location. It is also intended that the restrictions contained herein will be incorporated by reference in proposed Congressional legislation that both parties will support to authorize the Secretary of the Interior to convey to the Maryland-National Capital Park and Planning Commission for public waterfront park use a parcel of Federal park-land containing approximately 55 acres of land on the north side of Smoot Bay.

Now therefore, the parties agree as follows:

DEFINITIONS

The following words shall have the following meaning in this Memorandum:

Area of land to which memorandum of understanding applies

This agreement applies to land owned by the developer, including a portion of the Gudelsky Tract, which is currently zoned M-X-T located along and under Smoot Bay; it does not apply to the land also owned by developer located along Route 95 to the east of the subject waterfront property.

Building height

The maximum height of a building inclusive of vertical access cores, mechanical areas an structures, and other non-occupied penthouses located on building rooftops, but excluding architectural ornamentation such as balustrades, spires, etc. All building heights shall be measured at the lowest point on the adjacent ground.

Commisison

The National Capital Planning Commission.

Developer

JTL Enterprises, Ltd., its successors and assigns.

Existing shoreline

The location of the mean low water mark on the Smoot Bay shoreline as it exists as of the date of this Memorandum.

Fill area

The area between the existing and the new shoreline to be created by the developer.

Green area

An area of land associated with, and located on the same tract of land as, a major building or group of buildings, in relation to which it serves to provide light and air or scenic, recreational, or similar purposes. Such space shall, in general, be available for entry and use by the occupants of the building or buildings involved but may include a limited proportion of space so located and treated as to enhance the amenity of the development by providing landscaping features, screening for the benefit of the occupants of those in neighboring areas, or a general appearance of openness. Green area may include, but shall not be limited to, lawns, decorative plantings, wooded areas, landscaping areas covering structures that are not more than twelve (12) feet above ground level, sidewalks and walkways, active and passive recreational areas, and water surfaces that comprise not more than ten percent (10%) of the total green area. It shall not include parking lots or other vehicular surfaces or accessory buildings other than swimming pools or recreational buildings allowed by special exception as provided for in the Prince George's County Code, Subtitle 27. Zoning.

Riparian development

Structures projecting beyond the new stabilized shoreline including but not limited to boat docks, piers and slips.

RESTRICTIONS

1. Preservation of green area along shoreline

The developer shall devote to green area at least 35% of an area to be defined as the portion of the property lying adjacent to and extending inland from the entire new shoreline of the property to a depth of 150 feet. The green area shall abut portions of the entire new shoreline totalling at least 2,500 linear feet. Green areas within 150 feet of the new shoreline shall not contain any buildings or structures but shall include a hiker-biker trail. The approximately 3 acre "Rosalie Island" site shall not be considered green area.

2. Other green areas

The developer shall devote at least 35% of the area of the Smoot Bay Waterfront parcels to green area.

3. Part area on the waterfront

The portion of the Developer's property, adjacent to the National Park Service property, adjoining the Woodrow Wilson Bridge and generally known as "Rosalie Island", shall be devoted to active or passive recreational uses including, but not limited to, beaches and swimming facilities. This area shall, if requested by the Maryland-National Capital Park and Planning Commission (M-NCPPC), be dedicated to the M-NCPPC as a public park.

4. Hiker-biker trail

The Developer will dedicate or grant easements for hiker-biker trails, to be located essentially along the new shoreline, that will permit future connections with proposed trails, including the Potomac Heritage Trail, along the Potomac River north and south of Smoot Bay.

5. Filling in the bay

Subject to the requirements of the U.S. Army Corps of Engineers, the developer may fill out beyond the existing shoreline to a maximum of 200 feet. However, fill north of the Gudelsky Tract may extend up to a maximum of 750 feet beyond the existing shoreline as measured perpendicularly from the existing shoreline. Such fill on the developer's property north of the Gudelsky Tract may not exceed 25 acres. The fill shall be part of the stabilization of the shoreline by the Developer. No filling shall be permitted in the Potomac River south of Rosier Point. It is recognized by the parties that neither the riverfront plan or the complete topographical maps of the property have been finalized as of this date and there may be extraordinary indentations in the shoreline which would disproportionately affect the desired continuous curve of the new shoreline. In such cases reasonable tolerance is to be allowed beyond the two hundred foot limit; provided, however, that there is a limit of an additional 30 feet for such tolerance unless the Commission specifically agrees to allow further extensions.

The Developer shall provide for restoration or replacement for wetlands that are subject to the ebb and flow of the tide that may be adversely impacted by filling in the Bay. The developer will restore or replace as may be necessary said wetlands. All filling in the Bay will be done in accordance with the "Guidelines for Specification of Disposal Sites for Dredged or Fill Material under Section 404(b)(1) of the Clean Water Act contained in 40 CFR Part 230.

6. Marina development

Subject to the requirements of the U.S. Army Corps of Engineers, a marina may be developed on the Bay north of the Gudelsky Tract. However, boat docks, piers and slips may not project more than 1,300 feet beyond the existing shoreline on the east side of the Bay nor more than 900 feet south of the developer's north property line (which is the southern boundary of the existing Federal parkland on the north side of the Bay).

Permitted uses within the Marina shall be of a marina-related character and architecturally integrated with the surrounding commercial and residential development. No uses within the Marina shall be permitted which would have an adverse effect on the Bay or adjacent development or which would constitute a detriment to the health, safety, or comfort of workers or residents in the area, due to but not limited to such factors as noise, smoke, odors, vibration, or dust. No buildings or structures shall be built over the boat docks, piers or slips in the Marina.

7. Other riparian development

Other than the Marina, no other riparian development beyond the new shoreline shall be permitted except that no more than three double-loaded piers up to 60 feet wide each (including the boat slips) extending up to a maximum of 150 feet out from the new bulkhead may be built in each of the following locations:

a. Within the first 500 feet south of the proposed harbor and so as not to obstruct the view from the water of the northernmost waterfront park.

b. Within the first 800 feet east of the tip of Rosier Point.

8. Building heights

In general, there shall be a maximum height limit of 65 feet. There are two exceptions:

a. One tower building may be built up to a height of 150 feet on land north of the Gudelsky Tract.

b. Buildings up to 96 feet in height may be built either on the zoned portion of the Gudelsky Tract currently zoned M-X-T or to the north of that tract south of the existing Federal parkland.

9. Shoreline stabilization

The Developer shall retain the right to bulkhead the entire shoreline, as may be necessary according to sound engineering practice, to stabilize the shoreline. The Developer will maintain or provide where practicable trees, shrubs and other landscaping along the entire shoreline.

10. Parking

Parking areas or compounds shall to the extent practicable be designed so as not to be seen from the water. This will be accomplished through the use of landscaping, screening and similar means.

11. Views

The design of the entire waterfront development shall, to the extent possible, preserve and architecturally enhance views from the Potomac River and the Virginia shoreline.

12. Wetlands

Building activities in wetlands shall utilize the best practices available to minimize adverse impacts and shall follow applicable U.S. Army Corps of Engineers and State of Maryland permitting procedures and regulations.

13. Protection of the flood plain

Any construction in the flood plain shall utilize the best practices available to minimize adverse impacts and shall follow applicable State of Maryland and Prince George's County permitting procedures and regulations.

14. Landscaping

The Developer agrees to landscape all proposed development in order to restore as much of the tree covered character of the shoreline and the hillside as practicable.

15. Termination

The Commission and the Developer will cooperate fully toward passage of the bill as quickly as possible. In the event that Congress does not pass the bill to transfer the National Park Service property within 60 legislative days (or longer as mutually agreed to by letter) then this agreement shall be null and void.

16. Amendments

This agreement may be modified at any time by the mutual agreement of NCPC and James T. Lewis Capital Enterprises, Ltd. regarding aspects of the development which serve to carry out the general intent of this agreement and which would improve the attractiveness of the development.

Wherefore, we have set out hands and seals this 7th day of May, 1985.

JTL, INC.
By JAMES T. LEWIS, *President.*
NATIONAL CAPITAL
PLANNING COMMISSION.
By ROBERT J. NASH, *Vice Chairman.*●

By Mr. CHILES (for himself and Mr. BENTSEN):

S. 1209. A bill to establish the National Commission to Prevent Infant Mortality; to the Committee on Governmental Affairs.

NATIONAL COMMISSION TO PREVENT INFANT MORTALITY

● Mr. CHILES. Mr. President, I am today introducing legislation to deal with an issue—infant mortality—that confronts all of us who are concerned with the chilidern of our Nation. Infant mortality refers to the number of babies who are born alive but die before their first birthday. The rate of infant mortality has historically been used as a judge of a developed country. Here in the United States, despite the fact that we are one of the wealthiest and most advanced countries in the world, our infant mortality rate in 1982 was higher than 16 other countries, including Japan, Australia, and much of Western Europe.

At first glance, the United States seems to be making progress in reducing infant mortality. Since 1965, the U.S. infant mortality rate has fallen by almost one-half. The most recent figures, just released by the National Center for Health Statistics, show that the infant mortality rate in 1983 is 10.9 deaths per 1,000 live births. These figures look promising; however, it turns out that most of the progress made in decreasing the IMR is due to improved survival of low birthweight infants through major medical and technological advancement in neonatal intensive care. Since the main cause of a high infant mortality rate is low birthweight, we will never be able to make a real dent in

our high infant mortality rate until we address the problem of babies born underweight.

Of particular concern to me is that my own State, Florida, has an infant mortality rate of 12.8, 1982 figure, which is above the national average. My State had 1,857 infants who died before their first birthday, and that is a real tragedy. In fact, 10 of 11 States with the highest infant mortality rates are in the South. Although the problem is a severe national one, the impact of a high IMR has serious regional implications as well.

And who is at risk of having a low birthweight infant? Teenagers, poor women, and non-white women are most likely to have a low birthweight infant. In fact, black infants are about twice as likely as white infants to die before their first birthday, and babies born to teenagers are twice as likely to die before their first birthday as babies born to women in their twenties. A sad but true fact regarding this situation is that the women most likely to have low birthweight babies are also the ones least likely to get adequate prenatal care.

Other factors associated with a high infant mortality rate are smoking, poor nutrition, poor postpartum care, alcohol and drug abuse, and sudan infant death syndrome [SIDS]. Some of the indirect problems associated with low birthweight infants include a higher change of learning disabilities and more frequent problems of child abuse. While some of these factors are associated with income level, women at all income levels can cut down their chances of having a low birthweight baby by following sound prenatal advice.

The costs of a high infant mortality rate are felt throughout all aspects of our society. The trauma of losing a child in its early life is devastating to a family. Besides this social cost, there is a staggering medical cost to keep low birthweight infants alive. The annual cost of neonatal intensive care in the United States exeeds $1.5 billion. The average cost to graduate an infant from a neonatal intensive care unit is between $20,000 to $100,000 per infant. It is clear that hospital care for low birthweight infants is dramatically more expensive than preventive care. A study done by Harvard School for Public Health found that treating the consequences of low birthweight after birth is three times more expensive than prevention through the Women, Infants and Children [WIC] Program.

Florida took steps to cut in half the number of preterm births in January 1984 by launching a 5-year compaign based on March of Dimes guidelines. More than 1,500 health professionals throughout my State have been trained to use a preterm risk assessment index to identify women at risk. In fact, the Florida campaign was singled out to receive one of the Nation's first Healthy Mothers/Healthy Babies Special Recognition Awards from the U.S. Surgeon General.

Although steps are now being taken to deal with this problem, we have a long way to go. Many of the services presently offered at the Federal level dealing with infant mortality are nonsystematic and inadequate.

The legislation I am proposing establishes a National Commission to Prevent Infant Mortality. The independent Commission will be composed of 15 people who are experts in the field of infant mortality—from the policy aspect to health care needs. States and localities will be represented as well. The Commission will be charged with reviewing the present Federal and State role in preventing and reducing infant mortality, then creating a comprehensive plan that the Federal Government, States, and localities can use to address the problem of infant mortality.

I believe we need this Commission in order to define a national policy and initiate concentrated effort to reduce infant mortality.

Our children are our most precious national resource. By reducing the infant mortality rate, we can help make sure that all of our Nation's children have their chance to live healthy lives. We should start now to give our babies a better chance of celebrating their first birthdays.

Mr. President, I ask unanimous consent that the legislation I am introducing as well as three editorials on infant mortality be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Commission to Prevent Infant Mortality".

FINDINGS AND PURPOSE

SEC. 2. The Congress finds and declares that:

(1) The United States ranked seventeenth in the world in 1982 with an infant mortality rate of 11.2 deaths per thousand live births, a higher rate than many developed nations of the world.

(2) The infant mortality rate in some areas of the United States is twice the national rate.

(3) The main cause of a high infant mortality rate is low birthweight. Some 6.7 percent of all infants born in the United States are of low birthweight.

(4) Inadequate prenatal care is associated with an increased risk of low birthweight. Some twenty-five percent of all pregnant women in the United States do not begin prenatal care until after the first three months of pregnancy, if at all.

(5) In certain areas throughout the United States, there exist barriers to medical services, nutritional support, educational opportunities, and financial support for adequate health care for pregnant mothers and infants. The absence of needed support services during prenatal care, labor and delivery, and post-partum care through the age of one year contributes substantially to a high national infant mortality rate.

(6) Our Nation, which benefits from many diverse governmental and private resources, has a patchwork, uncoordinated, and little understood approach to the delivery of services associated with preventing infant mortality.

(7) The Congress and the President can act to prevent infant mortality and the incidence of low birthweight infants by establishing a commission by law, whose purpose shall be to address respective governmental and private roles in the delivery of services associated with preventing infant mortality, and to recommend actions designed to change and improve the Nation's comprehensive approach to this national problem.

DEFINITION

SEC. 3. For the purposes of this Act, the term "infant mortality" refers to the number of infants born alive but who die before their first birthday.

ESTABLISHMENT OF A NATIONAL COMMISSION

SEC. 4. (a) To accomplish the purpose set forth in section 2 of this Act there is established the National Commission to Prevent Infant Mortality (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of fifteen members, as follows:

(1) Two members of the Senate, one to be selected by the Majority Leader of the Senate, the other to be selected by the Minority Leader of the Senate.

(2) Two members of the House, one to be selected by the Speaker of the House, the other to be selected by the Minority Leader of the House.

(3) Three members from representatives of state and local government; to be selected by the President and no more than two of whom shall be members of the same political party. One shall be a Governor; one shall be a state legislator; and one shall be a representative of local government.

(4) The Secretary of Health and Human Services shall be a member.

(5) The Comptroller General of the United States shall be a member.

(6) Six at large members, with demonstrated expertise in maternal and child health, shall be jointly selected by the Majority Leader of the Senate and the Speaker of the House.

(c) The Commission shall select a Chairperson and Vice Chairperson from among its members.

(d) Eight members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(e) The Commission shall meet at the call of the Chairperson.

(f) Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

DUTIES OF THE COMMISSION

SEC. 5. (a) The Commission shall—

(1) Identify and examine comprehensively federal, state, local and private resources which impact infant mortality, including but not limited to:

(A) The effectiveness and adequacy of programs such as the Supplemental Feeding Program for Women, Infants and Children; the Maternity and Infant Care Program; the Improved Pregnancy Outcome Program; the Maternal and Child Health Block

Grant; Community Health Centers; pre-pregnancy services and other programs that increase access to prenatal and postnatal education, care and nutrition.

(B) The effectiveness of current federal and state policies under the Medicaid program to ensure adequate access to prenatal and postnatal care for low income pregnant women and mothers.

(C) The role of income maintenance and other programs that impact infant mortality such as Aid to Families with Dependent Children and federal housing subsidies.

(D) The adequancy of current federal and state efforts to enable an appropriate distribution of properly trained health care professionals to provide comprehensive maternal and child health services.

(2) Identify current financial, intergovernmental, and within the Federal government, interagency barriers to the health care needed to prevent high infant mortality.

(3) Review recommendations made in recent regional and national reports that promote the health status of childbearing women and their infants and carry forward such recommendations as deemed appropriate.

(b) The Commission shall—

(1) Recommend a National policy designed to change and improve the current approach to preventing infant mortality. Such recommendations shall include appropriate roles for the federal government, states, local governments, and private institutions.

(2) Recommend to the Congress and the President what specific changes are needed within federal laws and federal programs to achieve an effective federal role in preventing infant mortality.

(3) Present such recommendations to the President, the Speaker of the House, and the Majority Leader of the Senate no later than one year after enactment of this Act.

POWERS OF THE COMMISSION

SEC. 7. (a) The Commission, or at its direction, any subcommittee or member thereof, may for the purpose of carrying out the provisions of this Act, hold such hearings, sit and act at such times and places, take such testimony, receive such evidence and administer such oaths, as the Commission or such subcommittee or member may deem advisable. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission, subcommittee, or member thereof.

(b) The Commission may require by subpoenas the attendance and testimony of such witnesses and production of such materials as the Commission may deem advisable.

(c) To carry out this Act, the Commission may enter into such contracts and other arrangements to such extent or in such amounts as are provided in appropriation Acts, and without regard to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5). Contracts and other arrangements may be entered into under this subsection with or without consideration or bond.

(d) The provisions of the Federal Advisory Committee Act shall not apply to the Commission.

COMMISSION STAFF

SEC. 8(a) The Chairperson and Vice Chairperson of the Commission shall appoint an executive director. The employment of such executive director shall be subject to confirmation by the Commission.

(b) The Commission may appoint and terminate the executive director selected under subsection (a) and such other personnel as it considers appropriate to assist in the performance of its duties under this Act, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may pay such executive director and other personnel without regard to the provisions of chapter 51 and subchapter 111 of chapter 53 of such title relating to classification and General Schedule pay rates.

(c) Service of an individual as a member of the Commission or employment of an individual by the Commission on a part-time or full-time basis and with or without compensation shall not be considered as service or employment bringing such individual within the provisions of any Federal law relating to conflicts of interest or otherwise imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with claims, proceedings, or matters involving the United States. Service as a member of the Commission or as an employee of the Commission, shall not be considered service in an appointive or elective position in the Government for purposes of section 8344 of title 5, United States Code, or comparable provisions of Federal law.

(d) Subject to such rules as may be prescribed by the Commission, the Chairman of the Commission may procure temporary and intermittent services under section 3109 of title 5, United States Code, at rates for individuals not to exceed the daily rate payable for GS-18 of the General Schedule under section 5332 of such title.

SUNSHINE PROVISION

SEC. 9. The Commission shall establish procedures to ensure its proceedings are open to the public to the maximum extent practicable.

TERMINATION OF THE COMMISSION

SEC. 9. Ninety days after the Commission submits its recommendations as required by section 5(b)(3) the Commission shall terminate.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are authorized to be appropriated to the Commission such sums as may be necessary to carry out this Act.

[From the Miami Herald, May 13, 1985]

GET TO THE TRUTH

The Nation won't be meeting its goals in reducing infant mortality by 1990, but the Reagan Administration adamantly refuses even to study whether its budget cuts in social services have had any impact on the death rate of babies. For Florida, which has one of the Nation's highest rates, that is chilling news.

Infant mortality is considered a barometer of public health, nutritional levels, access to medical help, and sanitation. It has been crushingly high among poor families, especially blacks. The Carter Administration set a national goal of reducing infant deaths to 9 per 1,000 live births by 1990 and to reduce sharply the number of babies with a low birth weight. In 1982, the last year for complete figures, the overall U.S. infant-mortality rate was 11.5. Among blacks, however, it was 19.6—half again as great as the target of 12.

A recent Public Health Service study cited Florida as an area of particular concern. In 1982, Florida had the ninth-highest mortality rate, 12.9 overall and 19.4 for blacks. The rate among blacks was higher than expected although just below the national rate.

Reagan Administration officials insist that their budget cuts in programs such as prenatal nutrition, Medicaid, and child health haven't affected the mortality rate, but they refuse to pay for a study to prove or disprove their contention. Local figures, however, tell a different story about access to medical care. In 1979, Broward's infant-mortality rate for blacks was 30—higher than that of many Third World nations. Preliminary figures for 1984 showed a decline to 16.9, still unacceptably high but a significant achievement. Local health officials attributed that drop to a major expansion in maternity clinics and neonatal facilities for poor families.

Margaret Heckler, U.S. Secretary of Health and Human Services, ironically cited Broward's improvement as evidence that the nation's health is getting better. Ms. Heckler is among those who defend the Administration's cuts. If those cuts truly had no impact on this basic health-care issue, then the Administration's reticence about analyzing the Public Health Service's numbers is puzzling. Surely such a study would provide hard data about what does and does not directly help the nation's babies. The Administration should reconsider and let the facts tell what they will.

[From the Tampa Tribune, May 18, 1985]

ATTACKING HIGH U.S. INFANT MORTALITY RATE

The United States may be one of the most medically advanced countries in the world, but its high incidence of infant mortality raises very serious questions.

Florida's Sen. Lawton Chiles says he is planning legislation aimed at lowering the death rate of American babies. And the statistics he offers are startling.

In 1982, 1,857 infants died in Florida before reaching their first birthday. This gave Florida the ninth worst infant mortality rate in the United States.

Nationally, the situation is equally discouraging. That same year the United States had the 17th worst infant mortality rate in the world. A child born in Western Europe, Hong Kong, Australia or Singapore had a better chance of surviving its first birthday than a baby born in this country.

The high death rate here is attributed to low birthweight. Babies born too small are 40 times more likely to die in their first month of life than infants weighing more. They also are more prone to suffer mental retardation, cerebral palsy, behaviorial problems and learning difficulties.

Their mothers come mostly from a group least likely to have had proper prenatal care—teen-agers, the poor and non-whites. Smoking, drug and alcohol abuse also contribute to the problem.

The socio-economic impact of caring for these high-risk infants is staggering. Most of those born in Florida will require medical intensive care in one of the state's nine regional Perinatal Intensive Care Centers at an average cost per year of $15,000 each.

Last year the total bill for 5,500 premature and underweight infants born in Florida reached $82.5 million, an expense shared by parents, insurance companies and taxpayers.

Fortunately, this tragic and expensive trend can be reversed. A study conducted by Harvard University found that the women participating in a preventive health care project offering nutritious food had a much lower underweight birth rate.

And last year in Florida, more than 1,500 health professionals were trained to use a "Preterm Risk Assessment" index to identify pregnant women in high-risk categories. They, in turn, were instructed how to detect subtle signs of preterm labor in time for new labor-inhibiting drugs to be administered. A similar experiment in California reduced the number of premature births there by two-thirds.

Prevention costs much less than attempting to deal with the problem after the fact. Sen. Chiles recognizes this. In a recent statement, be said:

> "I am laying groundwork for legislation I hope to introduce soon. My aim is to take advantage of studies and experience already gained, pursue further data not now on hand and utilize it all in mapping a comprehensive plan of action from the federal to local level."

He has set an important goal for himself and the nation.

[From the New York Times, May 13, 1985]

POOR MOTHER, POOR BABY

Once, no mother could expect to see all her babies reach their first birthdays. Now, most of us take it for granted that our children will live to bury us. Yet suddenly, America's steady progress in preventing infant deaths has slowed. What better time than Mother's Day to ask why?

In the last 12 years, the national infant mortality rate declined from 20 per 1,000 to 11.5. For black infants the drop was from 32.6 to 19.6. By 1990, the Public Health Service has been saying, the overall rate should be down to 9, and the rate for black infants to 12. There would be fewer low-birth-weight babies and 90 percent of pregnant women would have access to adequate prenatal care.

A new report, however, suggests that only one of those goals—the national rate of 9—will be reached. In 1990, the black infant mortality rate will not be 12 but 14 per 1,000. The percentage of low-birth-weight babies will have been reduced only a trace, and not 90 percent but only 79 percent of women will receive adequate prenatal care.

What has caused this sudden stasis? The Service has its suspicions: Recently it suggested studying the relationship between relevant Federal programs, which have been cut, and changes in infant mortality. Unnecessary, said Administration officials, arguing that there is no evidence to link the two. Yet the figures strongly suggest a link. Public Health characterizes 10 states, each with large poverty populations, as showing "adverse trends" that can't be explained by "random fluctuations."

One of them is Michigan. Thanks to the Administration's thrift, Michigan has lost 25 percent of the funding for its maternal and child-health programs since 1981. Inevitably, state officials say, the black infant mortality rate has stalled at a sad 23.1. In parts of Detroit, it has been as high as 33 per 1,000.

Every dollar spent on prenatal care for women at risk of bearing low-birth-weight babies will save more than $3 in specialized care later. Perhaps appealing to the administration's fiscal sense can accomplish what appeals to its heart cannot.●

By Mr. QUAYLE (for himself and Mr. HATCH):

S. 1210. A bill to amend the Public Health Service Act to authorize the Secretary of Health and Human Services to establish a registry of teaching hospitals, and for other purposes; to the Committee on Labor and Human Resources.

PUBLIC HEALTH SERVICE ACT MEDICAL EDUCATION AMENDMENTS

● Mr. QUAYLE. Mr. President, today I am introducing the Public Health Service Act Medical Education Amendments of 1985. I am pleased that Mr. HATCH, the distinguished chairman of the Labor and Human Resources Committee, is cosponsoring this bill and I look forward to working with him on this legislation.

I believe this bill addresses certain physician manpower issues of importance to our health care delivery system. In addition, although not of primary importance, I believe the bill will reduce the Federal Government's expenditures for graduate medical education [GME].

This legislation attempts to remedy two manpower issues—the oversupply and specialty maldistribution of physicians—by focusing on the relationship between the current system of graduate medical education and the perpetuation of these manpower problems. I would also emphasize that this bill was crafted to prevent arbitrary disruptions in the system. The timetable for implementation of the bill allows ample time for schools, hospitals, and medical students to plan accordingly.

On January 31, 1985, I published a proposal in the CONGRESSIONAL RECORD for discussion purposes. My proposal, as outlined, required that teaching hospitals comply with certain manpower sensitive conditions in order to remain eligible for Federal financial assistance for their graduate medical education programs. The basic elements of the proposal were as follows:

Hospitals offering graduate medical education positions must enter into a cooperative agreement with a medical school accredited by the Liaison Committee on Medical Education [LCME] for the purpose of ensuring a nonregulatory coordinating point for the allocation of GME positions.

A group of hospitals sharing an affiliation agreement with a medical school must offer the majority of their GME training positions in the primary care specialties of family medicine, internal medicine, pediatrics, and obstetrics/gynecology.

At least 75 percent of each program's trainees must be graduates of an LCME approved medical school.

On March 25, 1985, the Senate Subcommittee on Employment and Productivity, which I chair, held a hearing on this proposal. As a result of the comments and suggestions voiced at that hearing, I have modified my proposal. Significant changes have been made to respond to the concerns expressed regarding the requirement for a medical school affiliation, the need for a State test for the primary care requirement, and the ability of many inner city hospitals to meet the 75 percent eligibility condition for LCME graduates. Specifically, the bill I am introducing today resolves those concerns by:

Providing for a very narrowly drawn cooperative agreement between the hospitals and a medical school. The bill clearly states that a medical school has the authority only to arbitrate the allocation of GME positions if the hospitals can not reach agreement on their own, and that the medical school gains no authority over the patient care services or any other operational activities of the hospital.

Allowing for a State test for the primary care requirement. This allows States with more than one medical school some flexibility in maintaining traditional differences in the characteristics of the State's medical centers.

Establishing "substantial disruption waivers" from the 75 percent condition for graduates of LCME accredited schools for hospitals whose GME programs are filled primarily by graduates of foreign medical schools, if implementation of the 75 percent requirement would result in a serious disruption of health care services. The waiver provision will be limited to a 3-year period. Applications for waivers must be accompanied by a detailed plan for reducing dependence on foreign medical graduates [FMG's].

I would emphasize that this bill deals only with the direct costs of graduate medical education—the costs associated with resident stipends and benefits, faculty salaries and so forth. In addition, in order to avoid confusion, I want to state categorically that I recognize the importance of the Medicare indirect costs issue, but my bill does not address this issue. I believe that the Health Care Financing Administration must develop appropriate methodology to deal with the intensity of illness factor as a way of resolving this issue.

GRADUATES OF FOREIGN MEDICAL SCHOOLS

One of the important aspects of my bill is the provision that deals with the issue of graduates of foreign medical schools, an issue which has been recognized as being critical to rational physician manpower policy for over a decade. Currently, there are three categories of graduates of foreign medical schools who may participate in graduate medical education programs in this country. The 13,000 FMG's currently training in the U.S. include:

First. Exchange visitors: These individuals are aliens who are undertaking residency training in this country under J-visas sponsored by the Educational Commission for Foreign Medical Graduates [ECFMG];

Second. U.S. citizens who graduate from foreign medical schools;

Third. Alien FMG's who receive their graduate medical education in this country by virtue of having permanently immigrated to the United States.

There was extensive debate prior to passage of the Health Professions Educational Assistance Act of 1976 concerning the excess physician supply in this country. As a result, this act included provisions which limited access to GME programs for alien FMG's by strengthening certain provisions of the Immigration and Nationality Act. These provisions had the intended effect of decreasing the number of foreign physicians who came to this country for GME and then stayed to enter practice. In academic year 1973-74, more than 2,900 new exchange visitor physicians entered GME training. In sharp contrast, only 544 new exchange visitor physicians entered in 1981-82. In terms of total positions, only 1,552 exchange visitor FMG's were in graduate medical education positions in 1981-82, as compared to over 8,000 in 1973-74.

At the present time we are faced with a different problem; namely, the proliferation of offshore medical schools which cater to U.S. citizens who have been unsuccessful in gaining entry to an LCME accredited medical school. The number of U.S. students studying in these schools is increasing annually, and the number entering GME programs in this country is also increasing. In 1984 just over 3,000 foreign medical graduates entered GME training programs in this country. Of these, over 1,800 were U.S. citizens, most of whom graduated from the offshore medical schools. Today U.S. FMG's account for about 55 percent of all FMG's training in this country.

I believe that we must now address the U.S. FMG issues. In 1980 the GAO pulished the results of a study that had been conducted to assess the quality of the offshore schools. That study raised important questions about the quality of these schools, specifically whether they provide an adequate education in the basic and clinical sciences to allow their graduates to return to this country for advanced clinical training and, ultimately, medical practice.

At my hearing, testimony was offered by distinguished physician educators that reinforced the conclusions of the GAO study. The witnesses felt strongly that the offshore schools provided a grossly inferior education and that the government should develop an effective policy to deal with this issue. In order to be accepted into an accredited GME program in this country, a FMG must achieve a minimum score on the foreign medical graduate examination in the medical sciences administered by the ECFMG. In 1984, less than 25 percent of the graduates who elected to sit for the examination achieved the minimum qualifying score. There is no examination to test the clinical skills of the graduates before they are accepted in an U.S. GME program. The importance of this latter point was emphasized by many of the witnesses at the hearing. At the same time, I heard testimony that suggested that alien foreign medical school graduates were often of higher quality and should not be denied access arbitrarily to our graduate training programs, simply because they happen not to be U.S. citizens.

Certainly we should continue to provide an opportunity for those qualified foreign physicians who wish to come to our country for advanced clinical training and then return to their own country to practice, to do so.

In addition to issues that surround the individual graduates I also heard testimony that suggested that the training programs in this country that are filled predominantly by graduates of foreign medical schools are often of inferior quality, this being the reason they are unable to attract graduates of U.S. schools. If this is the case, then it makes little sense to have inadequately trained graduates of foreign medical schools come to this country for training in inferior GME programs. I believe that we must be equally concerned with the quality of the training that graduate physicians receive once they enter programs in this country.

In an attempt to resolve these issues, my bill requires that at least 75 percent of the positions in each GME specialty and subspecialty program must be filed with graduates of LCME approved medical schools in the United States or Canada. I believe that we must not exclude from our strong training programs those graduates of foreign medical schools, be they U.S. citizens or aliens, who have demonstrated the ability to compete favorably with graduates of our own schools. My bill provides them an opportunity to compete for programs of sufficient quality that the program can attract graduates of U.S. schools. My bill would not allow current circumstances to continue, however, in which foreign medical school graduates can obtain training in programs which cater to those graduates and are not sufficient quality to attract U.S. graduates.

A number of individuals and organizations have suggested that the provisions of my bill would cause a grevious hardship for those inner-city public hospitals which provide a disproportionate share of care for the poor because these institutions would be unable to attract a sufficient number of graduates of U.S. schools to maintain their GME programs. The logic of this argument escapes me. I do not think that we as a society should abdicate responsibility for providing care for the poor by maintaining GME programs of inferior quality whose positions are filled by graduates of foreign medical schools who, by all indications, have received an inferior education. We as a society can and must do better. If we do not initiate change, I believe that change will not occur. As a result at least some of the poor will continue to be forced to rely on inferior quality health care.

As I stated above, I have included a provision for a substantial disruption waiver for those institutions which will be most adversely affected. However, I want to emphasize that the application for a waiver must be accompanied by a plan for remedying the local problem. I also want to point out that there are a number of inner-city public hospitals which provide excellent graduate medical education training and attract, almost solely, graduates of U.S. schools. These hospitals should become the model for those institutions which are still dependent upon graduates of foreign medical schools.

I would like to point out that I strongly support the concept that, because education and service are so closely related in GME programs, it is appropriate that the costs of these programs be included in the costs of providing patient care services. Based on this premise I do not believe that we should arbitrarily deny payment for services provided by graduates of foreign medical schools, either U.S. citizens or aliens, provided that the quality of the educational program is acceptable.

From the perspective of manpower policy, therefore, I believe that we should not allow either U.S. or alien FMG's to come to this country in an open-ended fashion for advanced clinical training. However, we should provide an opportunity for those FMG graduates who are able to compete with graduates of our own schools to obtain training in this country, and based on the service they provide while in training, provide funds for their training. The provisions of my bill would address these important issues.

THE NEED FOR A MORE BALANCED MIX OF SPECIALTY TRAINED PHYSICIANS

The growing excess supply of physicians and the need for a more balanced mix of primary care and medical and surgical subspecialty physicians are hardly new issues to the Congress. The most recent debate in Congress on this subject took place during the years 1974-76.

During that debate, a consensus was reached that policies in effect at that time would lead to an excess supply of physicians by the 1990's and that the specialty mix of physicians in training was going to produce too few practi-

tioners of primary care and too many specialists in the medical and surgical subspecialties. In 1949 about 71 percent of physicians were in the primary care specialties. In 1960, this figure was 59 percent and by 1970 it had declined to 44 percent.

In order to correct the problem of specialty maldistribution there was a consensus that at least 50 percent of graduate physicians should be trained in the primary care specialties of internal medicine, pediatrics, and family medicine. The only real disagreement was on the mechanism by which these goals should be achieved. There were convincing arguments for either a Federal system to allocate GME positions on a regional basis, or a private/Federal effort to limit the number of GME positions and to allocate positions by specialty. Ultimately the Congress agreed to allow the medical schools and teaching hospitals to voluntarily achieve these explicit national goals using capitation payments to medical schools as an incentive for reforming the GME system.

Today I believe it is important to readdress these important social issues since the goals set forth in 1976 have not been met. We continue to expect a significant excess supply of physicians by the end of the decade. In addition, specialty maldistribution has not been corrected. Arguments have been made that specifying a requisite percentage of positions that must be in the primary care specialties would, to a large extent, only legislate what is now occurring in the system. It is true that in this academic year, 63.6 percent of U.S. medical school graduates who participated in the National Intern Resident Matching Program matched in one of the primary care specialties. However, this figure only accounts for first year positions but not for the fact that almost 60 percent of physicians being trained in internal medicine go on to become subspecialists. It is important to look at the output of the system and not the input. Thus, less than 45 percent of the total number of GME positions in this country are allocated to the primary care specialties and only approximately 33 percent of physicians who complete GME training enter primary care practice. Little has changed since the debates of the mid 1970's.

One thing that has changed is that we have much better data. In 1976 the Secretary of HEW enpaneled a committee to study these manpower issues and to make recommendations on the basis of the committee's findings. The Graduate Medical Education National Advisory Committee [GMENAC] Report was published in 1980. The report projected a significant excess of physicians by 1990 and make estimates of the severity of the specialty maldistribution problem, projecting an excess of most, but not all, specialists in the same time frame.

Although the report was published 5 years ago, there is little evidence that effective steps have been taken to address the manpower problems highlighted by the GMENAC study. Thus, I believe that some incentives need to be built into the system to leverage more physicians to enter training in the primary care specialties. It is unrealistic to presume that a system in which decisions regarding the number and distribution of training positions are dispersed such that every program director in each teaching hospital and every department chairman in each medical school can independently affect the final outcome has adequate internal discipline to respond in a socially responsible way to meet society's needs.

The provisions of my bill provide an explicit solution for this public policy issue. By requiring that the majority of training positions offered by a group of hospitals that share a cooperative agreement with a medical school must be offered in the primary care specialties, my bill will affect a shift in the output of physicians from GME programs such that a larger percentage will be prepared to enter primary care practice. I believe that an explicit approach such as the one I am proposing must be taken to resolve this issue. Funding for GME programs comes from a variety of sources, thus providing hospitals substantial flexibility in allocating funds for specific GME positions. As a result, policies which attempt to indirectly influence the mix of specialty positions offered in an institution's GME programs by targeting only one source of funding for specified training positions are bound to be unsuccessful in achieving desired manpower goals.

I want to emphasize that my bill does not attempt to allocate positions to each specialty and subspecialty. I recognize that there is significant variation in the capacity and capability of teaching hospitals to provide certain forms of training; thus, my bill requires only that the percentage of positions allocated to the primary care and nonprimary care specialties be fixed. The institutions can decide among themselves how to allocate these positions among the various specialties and subspecialties to meet the overall manpower goal. However, by establishing an explicit target for institutions to meet in allocating positions to the primary care specialties, I am confident that training programs in each of these specialties, including family medicine—a specialty which has had difficulty in establishing itself in some institutions—will be expanded to accommodate the need for increased primary care training positions. In support of this effort, I urge the Medicare Program and other payers to recognize the need to provide funds to completely cover the costs of GME training in ambulatory settings. Payment methodologies which create a disincentive for ambulatory care training should be abolished.

COOPERATIVE AGREEMENTS

Recognizing the variability among teaching hospitals, my bill does not require compliance on a hospital-by-hospital basis. Instead, compliance is achieved by having a group of hospitals which share a cooperative agreement work out the allocation of positions among themselves so that each hospital can be registered with the Secretary. This approach therefore is mutually beneficial to all of the participating hospitals.

A number of individuals have objected to the role that the bill assigns to the medical schools in assuring compliance with the distribution formula. In order to make this system work in a responsive way, there must be a focal point which can serve to correct the imbalance in the decisionmaking process. As I stated previously, decisions regarding the distribution of GME training positions are so dispersed among program directors, department chairmen, and hospital executives that no one is responsible for seeing that balance is achieved. My bill places the ultimate responsibility for this, only to the extent that the teaching hospitals cannot negotiate the necessary change in allocation of positions among themselves, with the medical school.

Although many have objected to the role of the medical school, I have not been convinced that an alternate approach to resolving this issue can be effective. I believe that it is far better to have the medical schools vested with this authority, than a local or Federal bureaucratic body. I believe that the traditional relationships of mutual cooperation which have existed for decades between the medical schools and teaching hospitals will facilitate this process.

At the present time the great majority of teaching hospitals have entered into affiliation agreements with medical schools on a totally voluntary basis. These affiliation agreements have served to foster cooperation in teaching and research programs which are of common interest. It is also important to recognize that the medical schools are dependent upon the teaching hospitals as sites for placing their students for clinical instruction. This is not limited to these institutions which are identified as the school's primary affiliate. In general, the teaching hospitals provide student education of this kind on a voluntary basis. I do not believe that the school will jeopardize these essential relationships with their affiliate and teaching hospitals by arbitrating the allocation of GME positions unfairly. Thus, the medical schools have a vested interest in seeing to it that all hospitals participating in the process feel as though they have been treated in a fair manner.

Many of the elements of this proposal are based on thoughts recently expressed in an article published in Health Affairs in its spring 1985 edition. Mr. President, I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD following my remarks. I also ask unanimous consent that a copy of the legislation and a summary of the bill be printed in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Health Service Act Medical Education Amendments of 1985".

SEC. 2. (a) Title VII of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART H—GRADUATE MEDICAL EDUCATION

"DEFINITIONS

"SEC. 799. For purposes of this part:

"(1) The term 'Council' means the Council on Graduate Medical Education established under section 799F.

"(2) The term 'graduate medical education' means a program sponsored by a school of medicine, a school of osteopathy, a hospital, or a public or private institution which—

"(A) offers postgraduate medical training in the specialties and subspecialties of medicine; and

"(B)(i) meets the general and special requirements of the 'Essentials for Accredited Residencies' adopted by the Accreditation Council for Graduate Medical Education (or any successor to such Council); or

"(ii) has been accredited by the American Osteopathic Association through its Committee on Postdoctoral Training (or any successor to the Committee).

"(3) The term 'primary care specialty' means the medical specialty of internal medicine, pediatrics, family medicine, or obstetrics and gynecology.

"(4) The term 'minimum percentage' means the ratio (stated as a percentage) which the total number of graduate medical education positions in primary care specialties in all hospitals which are parties to a cooperative agreement with a school of medicine or a school of osteopathy under section 799B shall bear to the total number of graduate medical education positions in such hospitals, as established by the Secretary under section 799C.

"TEACHING HOSPITAL REGISTRY

"SEC. 799A. A hospital may register with the Secretary for each fiscal year by submitting an application to the Secretary. Each such application shall—

"(1) demonstrate that the hospital has entered into a cooperative agreement for such fiscal year which complies with section 799B;

"(2) contain assurances that the hospital, in conjunction with all other hospitals which have entered into cooperative agreements under section 799B with the school of medicine or osteopathy with which such hospital has entered into such an agreement, will comply with the minimum percentage for such fiscal year; and

"(3) contain assurances that the hospital will comply with section 799D for such fiscal year.

"COOPERATIVE AGREEMENT

"SEC. 799B. (a) A hospital which applies to register with the Secretary under section 799A for a fiscal year shall enter into a cooperative agreement—

"(1) in the case of a hospital which is not an osteopathic hospital, with a school of medicine which has been accredited by the Liaison Committee for Medical Education (or any successor to such Committee); or

"(2) in the case of an osteopathic hospital, with a school of osteopathy which has been accredited by the Bureau of Professional Education of the American Osteopathic Association (or any successor to such Bureau).

"(b) A cooperative agreement referred to in subsection (a) shall contain only the following provisions:

"(1) The hospital and the school of medicine or the school of osteopathy agree that—

"(A) for the purpose of allocating graduate medical education positions, the hospital will negotiate with all other hospitals which have entered into cooperative agreements for such fiscal year under this section with such school in order to achieve an allocation among such hospitals of graduate medical education positions in primary care specialties which will comply with the minimum percentage for such fiscal year established under section 799B; and

"(B) if all such hospitals are unable to voluntarily achieve such an allocation, such school—

"(i) will mediate among such hospitals to achieve such an allocation;

"(ii) if efforts at such mediation fail, will arbitrate any unresolved issues among such hospitals and will allocate positions among such hospitals only to the extent necessary to achieve such an allocation.

"(2) The hospital and the school of medicine or the school of osteopathy agree that such school will have no authority over the provision of patient care services by, or other operational activities of, the hospital.

"ESTABLISHMENT OF MINIMUM PERCENTAGE FOR PRIMARY CARE SPECIALTY POSITIONS

"SEC. 799C. (a)(1) Within one year after the date of enactment of this part, the Council shall make recommendations to the Secretary with respect to the establishment of the minimum percentage for a four-fiscal-year period.

"(2) Within six months after receiving recommendations from the Council under paragraph (1), the Secretary shall by regulation establish the minimum percentage recommended by the Council for a four-fiscal-year period.

"(3) The minimum percentage established by the Secretary pursuant to paragraph (2) of this subsection or subsection (b)(2), as the case may be, shall take effect not later than 24 months after the date on which the Secretary establishes such percentage under such paragraph or such subsection.

"(b)(1) Within four years after submitting recommendations to the Secretary under subsection (a)(1), and every four years thereafter, the Council shall submit recommendations to the Secretary with respect to the establishment of the minimum percentage for a four-fiscal-year period.

"(2) Within six months after receiving recommendations from the Council under paragraph (1), the Secretary shall by regulation establish the minimum percentage for a four-fiscal-year period. Notwithstanding any recommendation submitted by the Council, the minimum percentage established under this paragraph for a four-fiscal-year period shall not be more than 5 percentage points more than, and not more than 5 percentage points less than, the minimum percentage in effect under this section for the immediately preceding four-fiscal-year period.

"(c)(1) For purposes of determining whether hospitals which have entered into cooperative agreements with a school of medicine or a school of osteopathy under section 799B have complied with the minimum percentage, the following types of positions are positions in primary care specialties:

"(A) Positions for the first, second, and third years of graduate medical education in internal medicine, pediatrics, and family medicine.

"(B) Positions for the first, second, third, and fourth years of graduate medical education in obstetrics and gynecology.

"(C) Positions for years of graduate medical education in a primary care specialty in addition to the years of graduate medical education specified in subparagraphs (A) and (B) if such positions are for fellowship training in a primary care specialty.

"(2) For purposes of determinating whether hospitals which have entered into cooperative agreements with a school of medicine or a school of osteopathy under section 799B have complied with the minimum percentage, the following types of positions shall not be considered to be graduate medical education positions:

"(A) Graduate medical education positions which provide research training and for which Federal or extramural private grants are provided.

"(B) Graduate medical education positions in cancer hospitals, psychiatric hospitals, rehabilitation hospitals, eye hospitals, and ear, nose, and throat hospitals which are designated as specialty hospitals by the Secretary.

"(C) Graduate medical education positions which are held by individuals who are admitted to the United States as nonimmigrant aliens under section 101(a)(15)(J) of the Immigration and Nationality Act and who comply with the requirements of section 212(j) of such Act.

"(D) Graduate medical education positions in hospitals operated by the Department of Defense.

"(d) For any fiscal year, the Secretary may waive the applicability of the minimum percentage to a hospital or group of hospitals which have entered into cooperative agreements under section 799B with a particular school of medicine or a particular school of osteopathy in a State if—

"(1) the State department of health applies to the Secretary for such a waiver; and

"(2) such application contains assurances that the ratio (stated as a percentage) which the total of all graduate medical education positions in primary care specialties in all hospitals in the State bears to the total of all graduate education positions in such hospitals will equal or exceed the minimum percentage.

"REQUIREMENTS FOR POSITIONS TO BE FILLED BY GRADUATES OF APPROVED SCHOOLS OF MEDICINE AND OSTEOPATHY

"SEC. 799D. (a) Except as provided in subsection (b), at least 75 percent of all graduate medical education positions in each specialty and subspecialty graduate medical education program in a hospital which applies to register with the Secretary under section 799A for a fiscal year shall be held in such fiscal year by individuals who are graduates of schools of medicine accredited by the Liaison Committee on Medical Education (or any successor to such Committee) or schools of osteopathy accredited by the Bureau of Professional Education of the American Osteopathic Association (or any successor to such Bureau).

"(b) Notwithstanding subsection (a)—

"(1) not more than 25 percent of all graduate medical education positions in each specialty and subspecialty graduate medical education program in a hospital which applies to register with the Secretary under section 799A for a fiscal year may be held in such fiscal year by individuals who—

"(A) are not graduates of schools of medicine or shcools of osteopathy described in subsection (a); and

"(B) are admitted to the United States as nonimmigrant aliens under section 101(a)(15)(J) of the Immigration and Nationality Act and who comply with the requirements of section 212(j) of suh Act; and

"(2) not more than 25 percent of the graduate medical education positions in each such program may be held in such fiscal year by—

"(A) individuals who are citizens of the United States and who are not graduates of schools of medicine or schools of osteopathy described in subsection (a); and

"(B) individuals who—

"(i) are not graduates of schools of medicine or schools of osteopathy described in subsection (a); and

(ii) are aliens admitted to the United States under provisions of the Immigration and Nationality Act other than the provisions specified in paragraph (1)(B).

"(c) The provisions of subsection (a) and (b) shall not apply to a specialty or subspecialty graduate medical education program which has fewer than eight positions in a hospital in a fiscal year, if, as determined in the aggregate (rather than by specialty or subspecialty), graduate medical education positions in such hospital in such fiscal year comply with such subsections.

"(d) The Secretary may waive the provisions of subsections (a) and (b) with respect to a particular specialty or subspecialty graduate medical education program in a hospital in a State for a fiscal year if—

"(1) the State department of health applies to the Secretary for such a waiver;

"(2) such application contains—

"(A) a detailed discussion of the specific problems that the State anticipates will occur with respect to the delivery of health care services in the State if the provisions of subsections (a) and (b) are implemented in such fiscal year;

"(B) a description of the alternative resources and methods (including the use of physician extenders and other paraprofessionals) that the State has considered and that the State has applied and will apply to reduce and eliminate such problems;

"(C) a detailed description of changes in graduate medical education programs in the State which have been considered and which have been made or which will be made to make such programs more attractive to graduates of schools of medicine and shcools of obsteopathy described in subsection (a);

"(D) a detailed description of the recruiting efforts which have been undertaken and which will be undertaken to attract graduates of schools of medicine and schools of osteopathy described in subsection (a) to graduate medical education programs in the State; and

"(E) a detailed description and analysis of how the State, in each fiscal year—

"(i) has reduced and will reduce the dependence of graduate medical education programs in the State on individuals described in paragraphs (1) and (2) of subsection (b); and

"(ii) will decrease the need for filling graduate medical education positions in the State with such individuals within 36 months after the effective date of this part; and

"(3) the Secretary determines, after receipt and consideration of the application required under paragraph (2), that the implementation of subsections (a) and (b) in the fiscal year for which the application is made would result in a substantial disruption of health care services provided in the State by individuals holding graduate medical education positions in the State.

"ELIGIBILITY FOR FEDERAL ASSISTANCE

"SEC. 799E. Notwithstanding any other provision of law, any hospital which does not register with the Secretary under section 799A for a fiscal year and which does not otherwise comply with the provisions of this part for a fiscal year shall not be eligible to receive Federal financial assistance to support graduate medical education programs for such fiscal year.

"COUNCIL ON GRADUATE MEDICAL EDUCATION

"SEC. 799F. (a) There is established the Council on Graduate Medical Education. Within one year after the date of enactment of this part, and every four years thereafter, the Council shall make recommendations to the Secretary with respect to current and future needs for physicians to practice in primary care specialties and with respect to the minimum percentage which the Secretary should establish to meet such needs.

"(b) The Council shall be composed of—

"(1) the Assistant Secretary for Health or the designee of the Assistant Secretary;

"(2) the Chief Medical Director of the Veterans' Administration; and

"(3) nineteen members appointed by the Secretary from representatives of health care providers, health care insurers, national and specialty physician organizations, schools of medicine, and hospitals which provide graduate medical education.

"(c) Members of the Council appointed under subsection (c)(3) shall be appointed for a term of four years, except that the term of office of the member first appointed shall expire, as designated by the Secretary at the time of appointment, five at the end of one year, five at the end of two years, five at the end of three years, and four at the end of four years.

"(d) The Council shall elect one of its members as Chair of the Council.

"(e) Eleven members of the Council shall constitute a quorum, but a lesser number may hold hearings.

"(f) Any vacancy in the Council shall not affect its power to function.

"(g) Each member of the Council who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed by GS-18 under the General Schedule under section 5332 of title 5, United States Code, for each day including traveltime, such member is engaged in the actual performance of duties as a member of the Council. A member of the Council who is an officer or employee of the United States Government shall serve without additional compensation. All membrs of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

"(h) In order to carry out the provisions of this section, the Council is authorized to—

"(1) hold such hearings and sit an act at such times and places, either as a whole or by subcommittee, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Council or such subcommittee may consider advisable; and

"(2) request the cooperation and assistance of Federal departments, agencies, and instrumentalities in carrying out the provisions of this section, and such departments, agencies, and instrumentalities are authorized to provide such cooperaion and assistance.".

(b) Part H of title VII of the Public Health Service Act (as added by the amendment made by subsection (a) of this section) shall take effect 42 months after the date of enactment of this Act, except that sections 799C and 799F of the Public Health Service Act (as added by the amendment made by such subsection) shall take effect on the date of enactment of this Act.

SUMMARY OF THE PUBLIC HEALTH SERVICE ACT AMENDMENTS OF 1985

The bill outlines a number of conditions related to physician manpower issues that hospitals must comply with in order to remain eligible to receive Federal financial assistance for their graduate medical education programs.

Section 799A of the bill provides that hospitals may submit an application to the Secretary of Health and Human Services which:

(1) Demonstrates that the hospital has entered into a cooperative agreement with a school of medicine or a school of osteopathy, as appropriate. Section 799B of the bill describes as cooperative agreement and limits its provisions to the following:

(i) for the purposes of allocating graduate medical education positions the hospital will negotiate with all other hospitals which have entered into agreements with the school in order to achieve an allocation among the hospitals of graduate medical education positions in the primary care specialties in compliance with the minimum percentage for such specialities established by the Secretary under Section 799C;

(ii) if these hospitals are unable to voluntarily achieve such an allocation, the school shall attempt to resolve any disputes through mediation and shall arbitrate any remaining issues. The school will have the authority to allocate positions only to the degree necessary to achieve such an allocation; and

(iii) the cooperative agreement shall state that such school will not have any authority over the patient care services or other operational activities of the hospital.

(2) Contains assurances that the hospital, in conjunction with all other hospitals which have entered into cooperative agreements, will comply with the minimum per-

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centage for the primary care specialities es- the individuals who train in these positions 799C and 799F related to the development

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centage for the primary care specialities established by the Secretary under Section 799C.

(3) Contains assurances that the hospital will comply with Section 799D which specifies that, with some exceptions, 75% of the residents of each graduate medical education program must be graduates of schools accredited by the Liaison Committee on Medical Education (L.C.M.E.).

Section 799B describes the provisions of a cooperative agreement as noted above.

Section 799C establishes the procedure that will be used to establish the minimum percentage of graduate medical education positions that must be in the primary care specialties. This percentage relates to the primary care specialties overall; it does not address percentages for each specialty nor will it address the question of subspecialty allocation of positions. The minimum percentage must be established by the Secretary every four years. The percentage initially established by the Secretary will be the percentage recommended by the Council on Graduate Medical Education. The Council is established and authorized to fulfill this function under Section 799F of the bill.

Section 799C (b)(1) and (2) provide that after the initial four-year recommendation by the Council, the Council shall make such recommendations every four years. However, the Secretary may not vary the percentage recommended by the Council by five percentage points. The purpose of this provision is twofold: to prevent major swings in the minimum percentage that could seriously disrupt the planning and implementation of graduate medical education programs; and to provide a forum for discussion of our nation's manpower needs.

Section 799C(c)(1) specifies which graduate medical education positions will be considered to be primary care positions for the purpose of determining the minimum percentage: three years of training in internal medicine, pediatrics, and family medicine; four years of training in obstetrics and gynecology; and additional years of training for fellowships in the primary care specialties.

Section 799C(c)(2) specifies which graduate medical education positions will not be considered to be graduate medical education positions for the purpose of complying with the minimum percentage of primary care specialties. The bill excludes:

(1) Positions to provide research training which are funded by Federal support or extramural private grants. These positions are excluded in order to prevent positions from being counted for the purpose of the primary care minimum percentage when the individuals holding those positions will enter research careers and not the practice of primary care medicine.

(2) Positions in designated specialty hospitals—cancer, psychiatric, rehabilitation, eye and ear, nose, and throat hospitals. The purpose of this exclusion is to ensure that of our nation's fine specialty hospitals are not adversely impacted and to protect the specialities of psychiatry and rehabilitation which are considered to be shortage specialties.

(3) Positions held by individuals training in this country on Exchange Visitor visas who return to their own country after their training is completed. These positions are exempted to permit this limited number of individuals to receive training in our country.

(4) Positions in the Department of Defense. These positions are excluded because the individuals who train in these positions go on to become physicians in the military which has unique needs not addressed by this bill.

Section 799C (d) provides that the Secretary may waive the applicability of the minimum percentage requirement to hospitals which have entered cooperative agreements outlined in Section 799B in a state if the state department of health applies for the waiver and the application contains assurances that the total of graduate medical education positions in the state meets the minimum percentage requirements for the primary care specialties. The purpose of this waiver is to not unnecessarily disturb existing graduate medical education programs when all the programs in the state combine to meet the primary care requirement.

Section 799D provides that except for the exceptions listed in Section 799D (c) and (d) at least 75% of the residents holding graduate medical education positions in each graduate medical education program in a hospital must be graduates of L.C.M.E. accredited medical schools. The purpose of this provision is to limit the numbers of students who are trained at foreign medical schools of questionable quality from enrolling in U.S. training programs while still allowing the opportunity for qualified graduates of foreign medical schools to compete for those positions.

Section 799D (c) provides for an exception from this requirement for graduate medical education programs which have fewer than eight positions if all the graduate medical education positions in that hospital meet the 75% requirement. The purpose of this exception is to not unnecessarily harm small program of high quality by the percentage requirement when, for example, only three out of the eight positions are held by FMGs.

Section 799D(d) provides for a waiver to the 75% requirement with respect to a particular graduate medical education program if the state department of health applies for the waiver and the Secretary of Health and Human Services determines that implementation of the 75% requirement will result in a substantial disruption of health care services in that state. The application must be accompanied by a plan to reduce the reliance on FMGs. Any waiver granted by the Secretary will be limited to three years.

Section 799E provides that hospitals which do not comply with the provisions of this Act will not be eligible to receive Federal financial assistance to support training positions in graduate medical education programs for that fiscal year.

Section 799F(a) establishes a Council on Graduate Medical Education to make recommendations to the Secretary with respect to current and future needs for physicians to practice in primary care specialties and with respect to the minimum percentage which the Secretary should establish to meet such needs. The Council will make such recommendations to the Secretary one year from the date of enactment of this Act and every four years thereafter. The Council will be composed of: the Assistant Secretary for Health or his designee; the Chief Medical Director of the Veterans Administration; and nineteen members appointed by the Secretary from representatives of health care providers, health care insurers, national and specialty physician organizations, schools of medicine, and hospitals which provide graduate medical education.

Section 799F(b) specifies the effective dates of the provisions of the bill. Sections 799C and 799F related to the development of the minimum percentage for the primary care specialties and the establishment of the Council on Graduate Medical Education will take effect on the date of enactment of this Act. The other provisions will take effect 42 months after the date of enactment of this Act.

GRADUATE MEDICAL EDUCATION: A PROPOSAL FOR REFORM

(By Dan Quayle)

Graduate medical education is an integral and necessary component of the education of the physician in preparation for clinical practice. The system of graduate medical education which has evolved in this country has produced a large number of skilled, highly trained practitioners in all of the specialties and subspecialties of medicine. As a result, modern advances in medical practice have become readily accessible to patients across the country, generally improving the health of the nation.

Despite the fact that the system of graduate medical education has served the country well, I believe it is now necessary to reform the system. I believe that this is important both for reasons of policy—to make the system more responsive to the nation's physician manpower needs—and as a matter of fiscal prudence. As Congress moves toward action on specific legislative proposals, it is very important that attention be paid to both of these goals. We must not, in the interest of cost savings, seriously disrupt the existing system. In this essay I discuss some of the general principles that I believe demand our attention as we enter into public debate of this issue.

To begin, I believe that government should take the lead in reestablishing in an explicit manner the principle that the costs of graduate medical education (GME) should be paid from hospital revenues generated by providing patient care services. GME programs have always operated on the premise that the patient care and educational components of the clinical training experience are completely interwoven and thus all program costs should be accepted as a part of the cost of providing patient care. This principle was accepted when the Medicare program was established in 1965, and for the past twenty years Medicare has paid its proportional share of the costs associated with GME programs from the Hospital Insurance Trust Fund. Indeed, until recently, all third-party payers accepted this general principle and contributed to paying the costs associated with these programs. However, during this time payers have exercised no influence over the number of training positions, the amount of the stipend associated with each position, or the distribution of positions among the various medical specialities. At present, therefore, there is "open-ended" funding for GME programs. Each hospital can determine if it wants to establish GME programs, the kind of specialty training it wants to offer, and the number of positions to offer without any consideration of the costs involved.

FINANCING MECHANISMS

The impending insolvency of the Medicare Hospital Insurance Trust Fund and concern with escalating health care costs in general have focused attention on the appropriateness of the educational costs incurred by teaching hospitals. Indeed, the 1982 Social Security Advisory Council recommended that the Medicare program discontinue paying educational costs from the Hospital

Trust Fund. However, the council recognized that simply terminating funding for GME programs would severely disrupt the medical education system that exists in this country and thus recommended that Medicare continue to pay these costs until an alternate source of funds could be identified. Along similar lines, the Inspector General of the Department of Health and Human Services has recommended that the Medicare Hospital Insurance Trust Fund should pay for only the first year of clinical training. According to this recommendation, residents would support themselves in subsequent years by billing patients for the services provided. This approach would present considerable difficulties for attending physicians who admit their patients to teaching hospitals. Since they would be unable to bill for the services provided to their patients, their income would fall significantly. As a result, they would likely decide to admit their patients to nonteaching institutions. This would seriously undermine the capability of the teaching hospital to fulfill its teaching and research missions.

I do not believe that either of the approaches indicated above are practical if we wish to maintain a system of high quality graduate medical education for the training of physicians in this country. I believe that it would be inappropriate to divorce the funding of GME programs from the revenue that hospitals receive for providing patient care services. Accordingly, I believe that all third-party payers should continue to pay their fair share of the costs of appropriate graduate medical education programs. This principle should be reaffirmed in order to stabilize the funding sources for GME.

In my view, then, the issue for the federal government to address is not whether Medicare will continue to pay GME costs, but whether Medicare will continue to pay in an "open-ended" fashion, regardless of the appropriateness of the GME system that exists in this country at the present time. In this context the focus of the debate shifts from a concern with financing mechanisms to a concern with physician manpower issues.

PHYSICIAN SUPPLY AND DISTRIBUTION

Since publication of the report of the Graduate Medical Education National Advisory Committee in 1980, attention had focused increasingly on the excess supply, and geographic and specialty maldistribution of physicians in our society. As a result, there is a growing consensus that a larger percentage of medical school graduates should be trained in the primary care specialties, rather than the medical and surgical subspecialties. In this context the federal government has attempted during the past decade to promote primary care training, using several different approaches with little success. Currently, the Public Health Service (PHS) provides grants to help fund primary care GME programs. However, the amount of money distributed by these grants is inadequate to affect significantly the distribution of GME positions among the various specialities.

While I believe that it is appropriate for the Medicare program to continue to pay the cost of GME programs, I believe that Medicare should pay only when it can be documented that institutions have responded in a responsible fashion to important societal issues regarding the number and speciality distribution of physicians.

There are three general principles which should be considered in any legislative proposal which would link Medicare support for GME programs with institutional compliance with national guidelines reflecting sensitivity to physician manpower issues. First, there should be an opportunity for every graduate of a U.S. medical school approved by a Liason Committee on Medical Education (LCME) to compete successfully for a position in an approved and funded GME program. Since GME training is required for licensure in almost all states, we must be certain that every qualified graduate has the opportunity to compete for the training necessary to complete his or her medical education. Recognizing the concerns about an oversupply of practicing physicians and the need to constrain Medicare expenditures, it is important that the number of first-year training positions offered throughout the country approximate the number of graduates of U.S. LCME-approved medical schools. Second, there is no requirement that each graduate be able to receive training in the specialty of his or her choice. At present, there is intense competition across the country for positions in the various specialties and in the various teaching hospitals. This is desirable. Individuals who choose to enter medical school must recognize from the outset that society does have a legitimate interest in the specialty distribution of physicians practicing in this country and that the individual may have to accommodate to society's needs when competing for GME training. Third, education and patient care are completely interwoven in GME programs. Thus it is essential that the educational component of an institution's GME program must meet uniform standards of quality if the institution is to be eligible for Medicare funds for its GME programs. These standards should be developed by appropriate private-sector bodies and applied in a critical fashion when evaluating individual programs. Furthermore, since medical education, in a larger sense, is the responsibility of our nation's medical schools, each teaching hospital must have an appropriate affiliation agreement with a U.S. medical school that will further attest to the quality of the institution's GME programs. A hospital must not be able to justify maintaining a GME program simply and solely on the basis of the patient care services provided by the physicians in training.

A PROPOSAL FOR REFORM

Within the context of these general principles, there are three specific steps which should be taken to address the manpower issues.

First, a larger percentage of graduate physicians should enter training in the primary care specialties of internal medicine, pediatrics, family medicine, and obstetrics/gynecology. In order to be eligible for Medicare funds to support GME programs, the majority of positions offered by a single hospital or a group of hospitals sharing an affiliation agreement with a U.S. medical school must be in the primary care specialties. I do not favor allocating positions by specialty because there is useful and desirable variation in the capability and capacity of the teaching hospitals to provide specific forms of training. I would simply require that some majority of all positions, for instance 70 percent, should be allocated to the primary care specialties and the balance to the nonprimary care specialties, without any concern for the distribution of those positions among the various specialties and subspecialties in each major category. I want to emphasize that these criteria would not be applied in a hospital-by-hospital basis, but would be applied by taking into account all positions in hospitals that share an affiliation agreement with a medical school. All positions funded by patient care-generated revenues, including hospital and physician charges, would be counted in determining compliance with the distribution formula. I believe that a private-sector body, similar to the Graduate Medical Education National Advisory Committee, should be charged with monitoring physician manpower data and making recommendations on the percentage of positions to be allocated to primary care training. These recommendations should be made approximately every five years and become operative only after an appropriate time has expired to allow institutions to make adjustments in their GME programs, probably two years.

Second, in view of the projections that there will be a substantial excess of physicians in this country by the end of the decade, it does not seem appropriate for Medicare to continue providing funds in an open-ended fashion for GME training for graduates of foreign medical schools, who, by virtue of the training they receive, become eligible to establish practices in this country. However, highly qualified graduates of foreign medical schools clearly should have the opportunity to compete with graduates of U.S. medical schools for GME positions. In order to encourage true competition for positions, Medicare should pay educational costs only when at least 75 percent of trainees in a GME program are graduates of an LCME-approved U.S. medical school.

Third, to assure nationwide compliance with these manpower criteria, it is essential that responsibility for coordinating GME programs be vested with institutions that can negotiate with teaching hospitals to reallocate positions in their GME programs. I believe that undergraduate and graduate medical education should be better coordinated and that this responsibility should be placed upon the nation's medical schools. The medical schools already have substantial influence over the teaching hospitals by virtue of supplying graduate physicians to fill GME positions and by maintaining a degree of supervision and control over the clinical faculty teaching in GME programs. By requiring each teaching hospital that wishes to be eligible for Medicare funds for GME to have an affilation agreement with a medical school, the school will be appropriately armed to negotiate with each institution to alter GME programs. Similarly, this arrangement will provide an incentive for the school to work constructively with the teaching hospitals in developing new sites for primary care training to accommodate the additional students that will be required to enter primary care GME programs. I believe that it would benefit both the medical schools and the affiliated teaching hospitals to work in a cooperative manner to achieve the appropriate distribution of positions required by this proposal.

If public debate of these issues leads to a consensus around which specific legislative proposal might take shape, I believe that a more rational system of graduate medical education would evolve in this country. My proposal would address as a matter of public policy the most important physician manpower issues facing our country. As a result of incorporating what I have outlined, the percentage of graduate physicians training in primary care specialties will increase as medical schools and teaching hospitals work together to reallocate GME positions to the

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primary care specialties. Furthermore, the number of physicans completing training will decrease as hospitals are forces to discontinue because of a lack of funds for those programs which are unable to attract U.S. medical graduates to fill 75 percent of available positions.

Although the principles I have outlined focus primarily on the physician manpower issues, I believe that they will also produce cost savings for the Medicare program and other third-party payers by resulting in a decrease in the total number of GME positions needing funding. There are several features of the proposal which will lead to a decrease in GME positions. First, as a general rule, there are fewer years of training required in the primary care specialties than in the medical and surgical subspecialties. Thus increasing the percentage of physician training in the primary care specialties will result in a decrease in the total number of individuals in training at any given time.

Second, and more important, a number of programs will probably cease to exist because of their inability to attract graduates of U.S. medical schools. There is no way to accurately predict this number. Suffice it to say that at the present time there are a number of programs which would not be able to meet the criteria required by my proposal.

I would like to emphasize that it is not my primary intent to force any GME program out of existence. I believe that the quality of the program is the major determinant in attracting graduates of U.S. medical schools and that those programs which are unable to meet quality standards should discontinue preparing physicians to enter clincial practice. If each program that is in jeopardy is able to improve its quality and attract graduates of U.S. medical schools to fill the majority of its positions, I feel the public will be well served. However, if they cannot improve their quality sufficiently, they should cease to exist. It is my belief that the patients receiving care in those teaching hospitals and the future patients of the physicians being trained in those programs will benefit in the long-run.

Additionally, although not integral to the proposal I have outlined, I think that it would be prudent for the Medicare program to establish stipend levels for GME positions to avoid price competition as the primary means of attracting graduate physicians into competing GME programs. Stipends for attending, hospital-based physicians were established under TEFRA, and I believe that this precedent should be extended to include hospital-based physicians in training. This approach would provide the Medicare program with a mechanism for controlling inappropriate increases in stipend levels negotiated by hospital and GME program administrators.

Finally, since the proposal I have outlined would result in a reallocation of GME positions in favor of the primary care specialties, there would be no reason to continue to fund Public Health Service grants designed for the same purpose. As I stated previously, the amount of money provided by these grants is really inadequate to shift significantly the distribution of training positions. They have been only marginally helpful in the context of national physician manpower policy and should not be continued if the proposal I have outlined were implemented. Discontinuing these grants would not produce a cost savings for the Medicare program, but would produce a savings for the PHS budget.

In summary, I believe that it is appropriate to reform the system of graduate medical education that exists in this country to produce a system that will be more responsive to society's needs and more fiscally prudent. Given the fact that the medical schools and teaching hospitals have not responded voluntarily to help resolve the problem of a physician excess and specialty maldistribution, I believe it is appropriate to use Medicare funds to leverage the system to conform to socially desirable goals. The principles that I have outlined will stabilize the funding sources for graduate medical education, reallocate GME positions to the primary care specialties, and produce cost savings for the Medicare program and other third-party payers by decreasing the total number of GME positions eligible for funding.●

Mr. HATCH. Mr. President, today I am pleased to join my colleague, Senator DAN QUAYLE, in introducing legislation to address important health manpower concerns. It is well known that we are facing a surfeit of physicians in this Nation, due in large part to successful Federal interventions in the mid-1960's in response to a well recognized deficiency of qualified health professionals. Over the past 15 years we have more than doubled our capacity to train qualified physicians, dentists, and a broad spectrum of other health professionals. Now we hear from many sources that too many health professionals may in fact be compounding the problem of health care costs. With rapidly increasing numbers of specialist physicians, there is a concurrent rapidly increasing number of costly diagnostic and therapeutic procedures performed and billed for reimbursement to both private and public health insurance programs. Wide availability of sophisticated medical care has certainly benefitted our citizens. But there is now concern that to continue greatly expanding such availability may not necessarily pay off in significantly improved health, and in fact, may impose serious economic strains on our national economy.

The legislation introduced today will help solve these problems. It will require our Nation's teaching hospitals to become more responsive to current health manpower issues by encouraging training of more physicians in one of the primary care specialties—family medicine, general internal medicine, pediatrics, and obstetrics and gynecology. It will also increase the quality of our current training programs by requiring that those hospitals training our medical school graduates be affiliated with medical schools accredited by the liaison committee on medical education [LCME], an independent body sponsored by the American Medical Association and the Association of American Medical Colleges. It will also limit the number of positions open to graduates of foreign medical schools.

This legislation has been modified to respond to concerns expressed from academic medical communities, giving special consideration for those hospitals training residents in areas which provide service to the indigent and large numbers of Medicaid patients. States are also given the flexibility to determine overall primary care requirements while considering specific needs for their regions. Waivers are provided for those teaching hospitals which currently train a large number of graduates of foreign medical schools, giving them a period of time to comply with general requirements.

In short, I believe this legislation is responsive to current health manpower needs while providing the promise of reducing the costs of the Federal Government of training medical residents. As drafted, it is not perfect. Further consideration must be given to reducing the potential regulatory burden, to consideration of primary care which is provided by specialty physicians, and flexibility to respond to fluid health manpower needs. However, inspite of these problems I support this legislation and applaud my colleague, Senator DAN QUAYLE for his leadership in this important health area. I urge my colleagues to join with us in sponsoring this legislation.

By Mr. DURENBERGER:

S. 1211. A bill to amend the Internal Revenue Code of 1954 to limit the amount of an employer's contribution to a health benefit plan which may be excluded from income, to provide a deduction for certain costs incurred by individuals for health benefit plans, and for other purposes; to the Committee on Finance.

HEALTH EQUITY AND FAIRNESS ACT

● Mr. DURENBERGER. Mr. President, today I rise to introduce the Health Equity and Fairness Act of 1985. This bill would:

First, amend the Internal Revenue Code to place a limit on an employer's contribution toward a health benefit plan, which may be excluded from taxable income.

Second, amend the Internal Revenue Code to provide a deduction from income for the health premium costs incurred by individuals who are not covered under an employer provided plan.

Third, require employers who contribute to a health benefit plan for employees to offer at a minimum protection against catastrophic hospital and physician expenses and to require continuity of coverage if an employee, spouse, or dependents lose eligibility for membership in the employment group.

TAX CAP

Soon after I came to the Senate, I introduced the Health Incentives Reform Act of 1979 [HIRA]. This act amended the Tax Code, as does this bill, and placed a limit on the tax exclusion allowed individuals for employer contributed health benefit plan premiums. The bill made good sense in terms of tax and health policy.

It was introduced at a time when the Carter administration was looking to regulatory budget controls to contain spiraling health care costs. The measure offered an alternative approach to cost containment, one designed to provide consumer choice incentives in the health care marketplace.

The Congress rejected the Carter cost containment approach to health systems reform. And, in the years since then, the concept of reform of the health care system through the marketplace rather than the bureaucracy has become accepted. The tax cap proposed in HIRA became an accepted centerpiece of Reagan administration policy and has appeared as part of every budget message to Congress over the last 4 years. Mr. DOLE, the distinguished majority leader and former chairman of the Senate Finance Committee, also advocated this approach. In the 98th Congress he introduced S. 640, his version of the tax cap approach.

It appeared to me that the momentum was beginning to build this year to acceptance of the tax cap notion. With the broader discussion of a tax reform, based upon concepts of fairness and equity, I expected the ground work that had been laid for the tax cap to bear fruit. I was particularly encouraged when the first administration tax simplification package, so-called Treasury I, included the tax cap. At the same time, the Democratic, Bradley-Gephardt version of tax simplification also put forth the cap notion.

I have, therefore, been dismayed in recent days to read that Treasury II, which the President will announce next week, will not only drop the tax cap, but also include a provision that makes taxable for individuals the employer contribution for health insurance plans of the first $25 per month for family coverage and the first $10 per month for individual coverage.

I am outraged by this approach. I did not mince my words about it in a note I sent to the Secretary of the Treasury in which I pointed out the new proposal was regressive tax policy and just plain lousy health policy. The taxation of health premiums at the low end would take a bit out of the modest plans as well as the extravagant ones, and do nothing to encourage more prudent health insurance policy.

As the President prepares his discussion of tax reform next week, I hope the administration will reconsider its position on taxing employer contributed health insurance coverage.

The tax expenditure for health insurance premiums is projected to grow from $17 billion last year to $34 billion in 1989. In the current budgetary environment, when we are going to great lengths to trim the spending side, it is intolerable to allow this hemorrhage of revenues. More important, in the atmosphere of budgetary constraint, it is just plain unfair to allow an open-ended subsidy for health care while reducing and curtailing many good programs on the spending side for health programs.

Moreover, the original intent of the tax exclusion for employer contributors to health insurance has not been achieved. In 1954, Congress enacted section 106 of the Internal Revenue Code which provided the tax exclusion for employer contributed health insurance premiums. The intent of this amendment was to provide "a uniform rule of exclusion applicable to amounts received by an employee under a qualified employer's accident or health plan." This goal of uniformity has simply not been achieved. To the contrary, the outcome of the policy change has been uneven treatment, no matter how one views it.

In 1983, for example, the average tax benefit for all households with incomes between $10,000 and $15,000 per year was $83 or 0.65 percent of income. But for households with incomes in the $50,000 to $100,000 range, the tax benefit was $622 or 0.98 percent of income.

This uneven distributional pattern is the result of three underlying factors: Higher income households are more likely to recieve an employee contribution, they tend to receive a larger contribution, and under a progressive income tax system they get a larger tax benefit per dollar of contribution.

If we look at payments for employee benefits on an industry-by-industry basis for employer paid life insurance premiums, death benefits, and hospital surgical and major medical insurance premiums, one again finds a patter of unevenness. These tax free benefits which average 7 percent of payroll for all industries (manufacturing and nonmanufacturing), show considerable variation. If you are a heavy manufacturing industry, your average health-life-death tax free fringe can be as high as 11 percent of payroll; but if you happen to be employed in a trade or service industry, the fringe as a percent of wages and salaries is likely to be half that.

But, the uniformity question is only a part of the story. The question of the fairness of this tax policy is also starkly apparent.

There are some people that receive no tax favored employee contributions because they are either self-employed or unemployed. At the same time, a steelworker who, if he or she works 8 hours days for 50 weeks of the year, makes about $40,000 per year and then also receives about $4,000 in tax free employer paid fringes for health, life, and death benefits. Now compare that to the self-employed or unemployed person who has to pay for all this insurance out of after-tax dollars. If that person is, say, a single parent with a child living in Minnesota, he or she (and 9 times out of 10 it is a woman) is earning the average U.S. wage for nonagricultural workers about $11,200 per year. With that one child, the average cost of just health premiums is likely to be about $1,500 per year. That not only works out to a higher percentage of wage and salary income going to health premiums that for the steelworker, but for our self-employed or unemployed parent, it's all out of after-tax dollars.

There is of course no doubt in your minds or mine that the example of the tax free $4,000 to the steelworker and the zero dollar for the single parent is an especially dramatic one. But, in fact, the data suggested that the illustration is representative. Evidence provided by the Congressional Budget Office data is revealing. If you are part of a household that earns between the $0 to $10,000 per year, you have only a 13 percent chance of receiving an employer contribution to a health plan. Only 13 percent! If you are in the $10,000 to $15,000 household, you now have a chance of about one-in-three. And so it goes, until you reach the $50,000 to $100,000 household, where 73 percent receive these tax subsidies.

And, finally, what about efficiency? What about the affects on health policy of this open-ended subsidy? There is no way to get around the clear logic: When the tax system gives a choice between a dollar of compensation that is fully taxed and one that is subsidized through an employer paid exclusion, the result is inevitable. There is overconsumption and overproduction of the subsidized service. The history of the expansion of demand for health care follows this point.

It is well illustrated by numerous examples of large companies which give first dollar coverage health benefit plans. In its spring 1985 report to its employees this year, Bethlehem Steel reported that in eight geographic regions where large numbers of Bethlehem employees and their families live and work, these employees use health care with greater frequency and at a higher cost than the average of services provided by area hospitals. In particular, actual days for hospital care for Bethlehem employees and their dependents ranged from 11 percent to 88 percent above the region's norms; and excessive admissions and/or excessive lengths of stay problems were apparent in all eight locations and for most diagnostic services. That is, the Bethlehem employees are admitted to hospitals more frequently and stay longer than the rest of the population.

Should one conclude that Bethlehem is, simply a sickly place to work? No; if everyone thinks that health care is a free lunch, they have every incentive to use the system. The major corporations are beginning to realize this fact and have dramatically increased their cost sharing. However, the Fords and Chryslers are still providing first dollar coverage. The adoption of the tax cap would help all companies in this process of placing more of the responsibility on the employee.

Simply put, the individual will not have an incentive to buy smart in the health care marketplace or in choosing between health insurance and alternative health plans like health maintenance organizations until he has to pay part of the bill.

What the average American spends his or her after-tax dollars on is quite startling. In the $20,000 to $30,000 a year income bracket, for example, we spend 27.8 percent of our take-home pay on housing, 21.7 percent on transportation, and 18.3 percent on food. More than two-thirds of our income goes to the roof over our head, the food on our table and the car in the garage. So where, then, is one of the most basic needs—health? The average American in the $20,000 to $30,000 a year income bracket spends just 3.9 cents out of every after-tax dollar on medical expenses, which is less than they spend on entertainment—4.5 cents per dollar. The well-intentioned subsidies send a clear, but a false message to consumers and providers that health in America is largely free, unlimited, and should be provided and used without bound.

S. 1211 would exempt from taxation the first $100 and $250 a month spent on individual and family coverage, respectively. This tax cap would primarily affect families with incomes in excess of $30,000. In contrast, the proposal to tax the first $25 per month in employer benefits for workers with family coverage would increase taxes for 30 percent of the families earning less than $10,000 a year and 35 percent of the families earning between $10,000 and $20,000. My tax cap proposal would not increase taxes for those earning below $10,000 a year and only increase taxes for 5 percent of those families with incomes between $10,000 and $20,000.

HEALTH INSURANCE PREMIUM DEDUCTION

The inequity I describe between the employed who are eligible for the tax exclusion for employer paid health benefit plan premiums and the self-employed and unemployed must be ended. This bill would remove this inequity by allowing the self-employed and unemployed to deduct from gross income the cost of a qualified health benefits plan up to the cap limit. The provision would apply to them whether they file a long form or use the standard deduction. So it places them on an equal footing.

This measure goes further than the one made by my colleague from Iowa, Mr. GRASSLEY. He has introduced a bill S. 419, which would allow deduction of one-half of the expenses paid by a self-employed taxpayer for individual health insurance premiums. His bill partially counters the inequity which he points out was created under TEFRA when the deduction for one-half the annual cost of health premiums up to $150 was dropped from the law.

Mr. GRASSLEY's approach is appropriate. However, the tax cap gives us the limit we need to extend the equivalent of the tax exclusion to everyone.

S. 1211 will be good for the farmers, the business people who are self-employed and unincorporated and provide help to the unemployed. It will not assure that everyone has health coverage, but it is an important step to expand access to health insurance.

S. 1211 will have a positive effect on the marketplace for health plans. First, it requires that all qualified health plans provide for catastrophic coverage. Plans must provide 100 percent coverage for the costs of physician and hospital services after $3,500 of out-of-pocket expenses by a plan subscriber. This would provide an important safety net which is not now available to many. Second, it allows qualifying plans to offer services from a selected set of health care providers. The bill includes protection to avoid abuses and makes it clear that plans would have to cover medical emergencies where they occur. But, it does allow preferred provider organizations, health maintenance organizations and other kinds of plans to present as options to the plan consumers. Finally, there is no restriction on copayments, coinsurance, or deductibles, so plans will likely include cost sharing, an important component of consumer choice. Consumer price sensitivity is critical to controlling health care costs.

EMPLOYER PROVIDED CATASTROPHIC CONTINUITY COVERAGE

S. 1211 also requires employers who have over 25 employees and who provide health benefit plans to include in those plans catastrophic coverage. The catastrophic coverage required is identical to that outlined above for a qualified health plan.

The discussion over catastrophic coverage for Americans is not new. I know that the Finance Committee worked long and hard on this issue in the late 1970's. However, there has not been much discussion of it recently, so it is important to bring it back to the front burner.

Catastrophic coverage is no panacea. It will not prevent all hardship. A major study by the National Center for Health Services Research indicates that at least a quarter of the nonelderly population, more than 50 million people, are inadequately protected against the possibility of large medical bills. Most of these people are poor although many have employer provided insurance.

Last year at a hearing of the Health Subcommittee of the Finance Committee on indigent care, I learned that from 15 to 30 million nonelderly people are not covered by health insurance of any kind. This means that millions of American have some insurance coverage but it is inadequate to cover the type of events insurance is meant to guard against—major catastrophic illnesses.

There is no reason that employers who already provide health insurance or health plan coverage cannot assure employee protection against worst case situations. This just makes sense from the standpoint of health policy and employee relations.

The other provision in this section would require employers to provide an individual or family, which loses eligibility for coverage by that employer's group, the option to continue to participate in the group for at least 1 year. The subscriber would be responsible for the premium costs. The employer has an option to charge an additional 10 percent to cover administrative expenses. But, the provision still provides access to group coverage for a year for those who would otherwise lose their coverage.

This provisions is as much a women's issue as it is a health policy issue. Women who are divorced from a working spouse or widowed frequently are left with no choice but to be without a health plan or buy expensive nongroup health insurance. This requirement of continuity would give them time to find alternative coverage.

The unemployed are frequently in the same situation. In both cases this continuity of coverage could be a critical issue if someone in a family has a prior medical condition which may not qualify under new insurance.

Mr. President, this bill offers great improvements in the equity and efficiency in the provision of health insurance. If we fail to address these problems today, they will present an even more difficult task in the years ahead.

Mr. President, I ask that a summary of the bill and the bill be printed in the RECORD, following my remarks, at this point.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1211

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Equity and Fairness Act of 1985".

SECTION 2. CERTAIN EMPLOYER HEALTH BENEFIT PLAN CONTRIBUTIONS INCLUDED IN INCOME.

(a) INCLUSION IN INCOME.—

(1) IN GENERAL.—Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"SEC. 89. EXCESS EMPLOYER CONTRIBUTIONS TO HEALTH PLANS.

"(a) GENERAL RULE.—Notwithstanding section 106, if—

"(1) an employee is covered by a health benefit plan at any time during any month, and

"(2) there is an excess employer contribution with respect to the employee to such plan for such months,

the gross income of such employee for the taxable year which includes such month shall include an amount equal to such excess employer contribution for such month.

"(b) EXCESS EMPLOYER CONTRIBUTION DEFINED.—

"(1) IN GENERAL.—For purposes of this section, the term 'excess employer contribution' means, with respect to any plan for any month, the excess of—

"(A) the employer contribution to the plan for such month, over

"(B) the applicable dollar limit for such plan for such month.

"(2) APPLICABLE DOLLAR LIMIT.—The applicable dollar limit shall be—

"(A) for a plan covering employee only, $100, and

"(B) for a plan covering employee and family, $250.

"(c) ADJUSTMENTS IN DOLLAR AMOUNTS TO REFLECT GNP DEFLATOR.—The dollar amounts specified in subparagraphs (A) and (B) of subsection (b)(2) shall be adjusted for months in each calendar year after 1986 by the percentage increase or decrease in the implicit price deflator of the gross national product (calculated by the Department of Commerce and published in the Survey of Current Business) for the 12-month period ending on June 30 of the preceding calendar year. The Secretary of the Treasury shall publish the adjusted amounts prior to the beginning of the calendar year to which they will apply.

"(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) HEALTH BENEFIT PLAN DEFINED.—The term "health benefit plan' means a plan of an employer to provide (directly or through insurance, reimbursement, or otherwise) medical care for employees and their families.

"(2) EMPLOYEE DOES NOT INCLUDE FORMER EMPLOYEE.—The term 'employee' does not include a former employee.

"(3) FAMILY.—The term 'family' means, with respect to any employee, a spouse or dependent child who receives coverage under the plan by reason of a relationship to the employee.

"(4) DETERMINATION OF EMPLOYER CONTRIBUTION.—

"(A) IN GENERAL..—The employer contribution to any health benefit plan for any month shall be that portion of the cost of such plan for such month which is incurred by any person other than the employee.

"(B) SELF-INSURED PLAN MAY USE ANNUAL ESTIMATES.—An employer who maintains a self-insured health benefit plan may elect (in such manner and at such time as may be provided in regulations) to determine the employer contribution for any period of not more than 12 months on the basis of a reasonable estimate of the cost of providing coverage for such month. To the extent practicable, such estimate shall be made on an actuarial basis, and in the making of any such estimate, there shall be taken into account such factors as may be required under regulations.

"(C) EMPLOYEES ONLY TAKEN INTO ACCOUNT FOR PERIODS COVERED.—For purposes of determining the employer contribution, amounts shall be taken into account with respect to an employee only for periods during which such employees is covered by the plan.

"(5) COVERAGE FOR ONLY PART OF MONTH.—If an employee is covered under a health benefit plan for only a portion of a month, the amount required to be included under subsection (a) in the gross income of such employee with respect to such month shall be an amount which bears the same ratio to the excess employer contribution for such month as such portion bears to the entire month.

"(6) AMOUNTS NOT FOR MEDICAL CARE NOT TAKEN INTO ACCOUNT.—Any cost of or contribution to a plan which is properly allocable (as determined under regulations) to—

"(A) a purpose other than the providing of medical care, or

"(B) workmen's compensation,

shall not be taken into account.

"(7) MEDICAL CARE.—The term 'medical care' has the meaning given such term by section 213(d)(1).

"(8) AGGREGATION OF BENEFITS WHERE EMPLOYEE COVERED BY MORE THAN 1 PLAN.—Under regulations, if (but for this paragraph) an employee would be covered during any month under more than 1 health benefit plan of the employer, then all of such plans shall be treated as 1 plan for such month with respect to such employee.

"(9) CERTAIN RELATED EMPLOYERS TREATED AS 1 EMPLOYER.—Rules similar to the rules provided by subsections (b), (c), and (m) of section 414 shall apply.

"(10) MONTH.—The term 'month' means a calendar month.

"(11) SEPARATE PLANS.—

"(A) DIFFERENT COVERAGE.—If a group of one or more employees receives coverage which differs from the coverage received by a second group of one or more employees, each such group shall be treated as covered by a separate plan.

"(B) FORMER EMPLOYEES.—Former employees shall be treated as covered by a plan (or plans) which is separate from the plan (or plans) covering employees.

"(12) PRORATION TO PAYROLL PERIOD.—For purposes of subsection (a), an employer may elect to prorate any excess employer contributions for any month to any payroll period (or portion thereof) covering such month.

"(e) CROSS REFERENCE.—

"For treatment of erroneous estimates under self-insured plans, see section 3511(b).".

(2) The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end thereof the following:

"Sec. 89. Excess employer contributions to health plans.".

(b) EMPLOYMENT TAX AMENDMENTS.—

(1) GENERAL RULE.—Chapter 25 of such Code (relating to general provisions relating to employment taxes) is amended by adding at the end thereof the following new section:

"SEC. 3511. TREATMENT OF EXCESS EMPLOYER CONTRIBUTIONS.

"(a) IN GENERAL.—For purposes of this subtitle and section 209 of the Social Security Act, any amount required to be included in the gross income of an employee under section 89(a) with respect to any month—

"(1) shall be treated as paid in cash to such employee at the close of such month, and

"(2) shall not be treated as paid under a health or similar plan of the employer.

For purposes of paragraph (1), an employer may elect to prorate any such amount to any payroll period (or portion thereof) covering such month rather than treat it as being paid at the close of such month.

"(b) SAFE HARBOR FOR SELF-INSURED PLANS.—

"(1) EMPLOYER MEETING SAFE HARBOR.—If an employer meets the requirements of paragraph (3) with respect to any self-insured plan, the excess (if any) for any 12-month period of—

"(A) the amount determined under paragraph (3)(A) for such period, over

"(B) the estimate under section 89(d)(4)(B) for such period,

shall not be taken into account for purposes of section 89(a) and subsection (a).

"(2) EMPLOYER FAILING SAFE HARBOR.—If an employer fails to meet the requirements of paragraph (e) with respect to any plan, the excess (if any) for any 12-month period—

"(A) shall not be taken into account for purposes of section 89(a), but

"(B) shall be taken into account under subsection (a) for purposes of—

"(i) determining the liability of the employer with respect to the tax imposed, or required to be deducted and withheld, under sections 3102, 3111, and 3402, and any penalty, interest, or addition to tax with respect thereto, and

"(ii) for purposes of section 209 of the Social Security Act.

"(3) SAFE HARBOR FOR ESTIMATES OF SELF-INSURED PLANS.—

"(A) IN GENERAL.—An employer meets the requirements of this paragraph with respect to any self-insured health benefit plan of the employer if the estimate under section 89(d)(4)(B) with respect to such plan for any 12-month period is not less than the lessor of—

"(i) 80 percent of the actual employer contributions with respect to all employees of such employer for such 12-month period, or

"(ii) the actual employer contributions with respect to all employers of such employer for the 12-month period preceding such 12-month period.

"(B) ESTIMATE INCREASED TO REFLECT EXPERIENCE.—For purposes of subparagraph (A), under regulations prescribed by the Secretary, the amount of the estimate under section 89(d)(4)(B) for any 12-month period beginning after December 31, 1987, shall be increased by an amount equal to—

"(i) the excess of—

"(I) the actual employer contributions with respect to all employees of the employer during the 24-month period preceding such 12-month period, over

"(II) the amount of the estimate under section 89(d)(4)(B) for such 24-month period, divided by

"(ii) the number of employees of such employer as of the beginning of such 12-month period.

"(c) LIABILITY FOR WITHHOLDING AND PAYMENT OF TAX.—The employer shall withhold, and be liable for, payment of any tax required to be withheld or paid under this subtitle on any amount described in subsection (a).".

(2) Clerical amendment.—The table of sections for chapter 25 is amended by adding at the end thereof the following new item:

"Sec. 3511. Treatment of excess employer contributions.".

(c) Coordination With Section 106.—Section 106 (relating to exclusion from gross income for contributions by employers to accident and health plans) is amended by striking out "Gross" and inserting in lieu thereof "Except as provided in section 89, gross".

(d) Effective Dates.—

(1) In general.—The amendments made by subsections (a) and (c) shall apply to calendar months beginning after December 31, 1985, in taxable years ending after such date.

(2) Employment taxes.—The amendments made by subsection (b) shall take effect January 1, 1986.

(3) Collective bargaining agreements.—In the case of a health benefit plan which is subject to a collective bargaining agreement in effect on the date of the enactment of this Act—

(A) the amendments made by subsections (a) and (c) shall apply to calendar months beginning after the date on which such agreement expires (determined without regard to any extensions agreed to after the date of the enactment of this Act), in taxable years ending after such expiration date; and

(B) the amendments made by subsection (b) shall apply to calendar years beginning after such expiration date.

This paragraph shall apply only if such expiration date is after December 31, 1985.

SEC. 3. DEDUCTION FOR PAYMENTS TO QUALIFIED HEALTH PLANS.

(a) In General.—Section 213 of the Internal Revenue Code of 1954 (relating to medical, dental, etc., expenses) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

"(a) Allowance of Deduction.—There shall be allowed as a deduction the following amounts, not compensated for by insurance or otherwise—

"(1) the amount by which the amount of expenses paid during the taxable year (reduced by any amount deductible under paragraph (2)) for medical care of the taxpayer, the taxpayer's spouse, or a dependent (as defined in section 152) exceeds 5 percent of adjusted gross income, and

"(2) the amount paid by an eligible individual to a qualified health benefit plan with respect to any time during any month of such taxable year during which such individual is covered by such plan.";

(2) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively;

(3) by inserting after subsection (b) the following new subsection:

"(c) Limitation With Respect to Payments to Qualified Health Benifit Plans.—

"(1) In general.—The amount allowable as a deducation under subsection (a)(2) to any eligible individual shall not exeed—

"(A) $100 per month for a qualified health benefit plan covering such individual only, or

"(B) $250 per month for a qualified health benefit plan covering such individual and such individual's family.

"(2) Adjustments in dollar amounts to reflect GNP deflator.—The dollar amounts specified in subparagraphs (A) and (B) of paragraph (1) shall be adjusted for months in each calendar year after 1986 by the percentage increase or decrease in the implicit price deflator of the gross national product (calculated by the Department of Commerce and published in the Survey of Current Business) for the 12-month period ending on June 30 of the preceding calendar year. The Secretary of the Treasury shall publish the adjusted amounts prior to the beginning of the calendar year to which they will apply.

"(3) Coverage for only part of month.—If an eilgible individual is covered under a qualified health beneift plan for only a portion of a month, the amount allowable under subsection (a)(2) as a deduction with respect to such month be an amount which bears the same ratio to the applicable dollar amount under paragraph (1) for such month as such portion bears to the entire month.

"(4) Family.—For purposes of this subsection, the term 'family' means, with respect to any eligible individual, a spouse or a dependent child who receives coverage under a qualified health benefit plan by reason of a relationship to such individual.

"(5) Month.—For purposes of this subsection, the term 'month' means a calendar month.";

"(4) by adding at the end of subsection (d) the following new paragraphs:

"(9) Eligible individual.—The term 'eligible individual' means any individual who, with respect to any month, is—

"(A) not covered by any health benefit plan the contributions to which by such individual's employer are not included in the gross income of such individual under secton 106, and

"(B) not entitled to benefits under title XVIII of the Social Security Act, or to medical assistance under a State medicaid plan approved under title XIX of such Act.

"(10) Qualified health benefit plan.—A qualified health benefit plan is a plan, provided directly or through insurance or otherwise, which includes the following:

"(A) Covered services.—The plan must provide coverage of at least physician and inpatient and outpatient hospital services reasonable and necessary for the diagnosis and treatment of illness or injury. Such services may be subject to coinsurance, copayments, and deductibles. Coverage or payment for such services may be limited to the services of selected contracting providers if the individuals covered under the plan are notified of such limitation prior to enrolling in the plan, and the identity and location of such providers are made available to such individuals; except that, the plan may not limit coverage to such contracting providers in the case of medically necessary emergency services where a contracting provider is not available.

"(B) Prior medical condition.—The plan may not contain any exclusion or restriction on coverage based upon any prior medical condition.

"(C) Catastrophic expense protection.—(i) The plan must provide for coverage or payment of 100 percent of the otherwise allowable cost or charge (without any coinsurance, copayment, or deductible) for physician and inpatient and outpatient hospital services provided during a catastrophic benefit period.

"(ii) For purposes of clause (i), a catastrophic benefit period with respect to any individual shall begin at such time as the individual and such individual's spouse and dependent children have incurred out-of-pocket expenses for physician and inpatient and outpatient hospital services provided to them during and calendar year in excess of $3,500, and shall end at the end of such calendar year.

"(iii) For purposes of clause (ii), out-of-pocket expenses means expenses, the payment for which such individual, or such individual's spouse or dependent children covered under the plan, is responsible, and for which reimbursement cannot be made, or cannot reasonably be expected to be made, under any form of insurance or benefit plan, or any law or government program, but does not include expenses incurred for which reimbursement is not made under a health benefit plan solely by reason of the fact that the individual or such individual's spouse or dependent child incurred such expenses for services provided by a person or facility, and under such circumstances, such that the payment under such plan is not authorized.

"(D) Cancellation prohibition.—Coverage under the plan may not be cancelled for any reason relating to the status or actions of the covered individual, other than failure to pay the premium.

"(E) Coverage for. dependents.—(i) The plan shall provide to a subscriber the option to purchase coverage under the plan for such subscriber's spouse, and for any of such subscriber's dependent children.

"(ii) For purposes of clause (i), an individual shall be a dependent child if such individual is—

"(I) a dependent within the meaning of section 152; and

"(II) a child (within the meaning of section 151(e)) who has not attained the age of 19 or who is a student (within the meaning of section 151(e)).

"(iii) The plan must provide that coverage under the plan shall continue for any child (in the same manner as if such child were a dependent child) who becomes ill during a period of time in which such child is a dependent child, for the duration of such illness. The Secretary of the Treasury shall by regulation establish criteria for determining onset and duration of illness for purposes of this clause.

"(iv) The plan must provide that, in the case of an employee who chooses coverage for dependent children, such coverage shall begin automatically for such children at the time of birth or adoption."; and

(5) by adding at the end thereof the following new subsection:

"(g) Rule for Nonitemization of Deductions.—In the case of a taxpayer who does not itemize deductions for the taxable year, the amount allowable under subsection (a)(2) for the taxable year shall be taken into account as a direct qualified health benefit plan deduction under section 63.".

(b) Definition of Taxable Income.—

(1) In general.—Paragraph (1) of section 63(b) of such Code (relating to individuals) is amended—

(A) by striking out "and" at the end of subparagraph (B), and

(B) by inserting after subparagraph (C) the following new subparagraph:

"(C) the direct qualified health benefit plan deduction, and".

(2) Direct qualified health benefit plan deduction defined.—Section 63 of such Code (defining) taxable income) is amended by adding at the end thereof the following new subsection:

"(j) Direct Qualified Health Benefit Plan Deduction.—For purposes of this section, the term 'direct qualified health benefit plan deduction' means the amount allowable under section 213(a)(2) which is taken as a direct qualified health benefit plan deduction for the taxable year under section 213(g).".

"(c) Conforming Amendments.—

"(1) Subsection (f) of section 63 of such Code (relating to itemized deductions) is amended—

"(A) by striking out "and" at the end of paragraph (2),

"(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ", and", and

"(C) by adding at the end thereof the following new paragraph:

"(4) the direct qualified health benefit plan deduction.".

"(2) Subparagraph (A) of section 3(a)(4) of such Code (relating to imposition of tax table tax) is amended to read as follows:

"(A) reduced by the sum of—

"(i) the excess itemized deductions,

"(ii) the direct charitable deductions, and

"(iii) the direct qualified health benefit plan deduction, and".

"(d) Effective Date.—The amendments made by this section shall apply to calendar months beginning after December 31, 1985, in taxable years ending after such date.

SEC. 4. EMPLOYER HEALTH BENEFIT PLANS.

"(a) General Rule.—Any employer (as defined in subsection (d)) who provides or contributes to, as a benefit to employees, any health benefit plan, must include in such plan—

"(1) catastrophic expense protection in accordance with subsection (b); and

"(2) continuity of coverage in accordance with subsection (c).

"(b) Catastrophic Expense Protection.—

"(1) In general.—The plan must provide for coverage or payment of 100 percent of the otherwise allowable cost or charge (without any coinsurance, copayment, or deductible) for physician and inpatient and outpatient hospital services provided during a catastrophic benefit period.

"(2) Catastrophic benefit period.—For purposes of paragraph (1), a catastrophic benefit period with respect to any individual shall begin at such time as the individual and such individual's spouse and dependent children have incurred out-of-pocket expenses for physician and inpatient and outpatient hospital services provided to them during any calendar year in excess of $3,500; and shall end at the end of such calendar year.

(3) Out-of-pocket expenses.—For purposes of paragraph (2), out-of-pocket expenses means expenses, the payment for which such individual, or such individual's spouse or dependent children covered under the plan, is responsible, and for which reimbursement cannot be made, or cannot reasonably be expected to be made, under any form of insurance or benefit plan, or any law or government program, but does not include expenses incurred for which reimbursement is not made under a health benefit plan solely by reason of the fact that the individual or such individual's spouse or dependent child incurred such expenses for services provided by a person or facility, and under such circumstances, such that the payment under such plan is not authorized.

(c) Continuity of Coverage.—The health benefits plan must provide that if any individual loses eligibility for coverage under the plan through loss of membership in an employment group due to termination of employment, death of the subscriber, divorce from the subscriber, or loss of dependent status because of age or loss of student status, such individual will have the right to continue the same coverage (with or without dependents as appropriate) for at least one year after the date of loss of eligibility upon payment of a periodic premium not to exceed 110 percent of the applicable group rate. This right shall not be limited by the existence of any medical condition of the subscriber or such subscriber's dependents.

(d) Employer.—

(1) In general.—Subject to paragraph (2), the term "employer" means—

(A) any employer which—

(i) is required during a calendar quarter to pay its employees the minimum wage prescribed by section 6 of the Fair Labor Standards Act (or would be so required by for section 13(a) of such Act), and

(ii) during such calendar quarter employed an average number of employees of not less than 25;

(B) any State or political subdivision thereof, or any agency or instrumentality of a State or political subdivision; and

(C) the Government of the United States, the government of the District of Columbia or any territory or possession of the United States, or any agency or instrumentality (including the United States Postal Service and Postal Rate Commission) of any of the foregoing, including nonappropriated fund instrumentalities of the Government of the United States.

(2) Exception for churches.—For purposes of this section, the term "employer" does not include a church, convention or association of churches, or any organization operated, supervised, or controlled by a church, convention or association of churches which organization is an organization described in section 501(c)(3) of the Internal Revenue Code or 1954.

(e) Civil Penalties.—

(1) In general.—Any employer who knowingly does not comply with one or more of the requirements of subsection (a) shall be subject to a civil penalty of not more than $10,000. If such noncompliance continues, a civil penalty may be assessed and collected under this subsection for each thirty-day period such noncompliance continues. Such penalty may be assessed by the Secretary of Health and Human Services and collected in a civil action brought by the United States in a United States district court.

(2) Notice and opportunity for hearing.—In any proceeding by the Secretary to assess a civil penalty under this subsection, no penalty shall be assessed until the employer charged shall have been given notice and an opportunity to present its views on such charge. In determining the amount of the penalty, or the amount agreed upon in compromise, the Secretary shall consider the gravity of the noncompliance and the demonstrated good faith of the employer charged in attempting to achieve rapid compliance after notification by the Secretary of a noncompliance.

(3) Judicial review.—In any civil action brought to review the assessment of a civil penalty assessed under this subsection, the court shall, at the request of any party to such action, hold a trial de novo on the assessment of such civil penalty and in any civil action to collect such a civil penalty, the court shall, at the request of any party to such action, hold a trial de novo on the assessment of such civil penalty unless in a prior civil action to review the assessment of such penalty the court held a trial de novo on such assessment.

(f) Effective Date.—

(1) In general.—Except as provided in paragraph (2), this section shall become effective on January 1, 1986.

(2) Collective bargaining agreements.—In the case of a health benefit plan which is subject to a collective bargaining agreement in effect on the date of the enactment of this Act, this section shall apply beginning on the day after the day on which such agreement expires (determined without regard to any extensions agreed to after the date of the enactment of this Act), if such expiration date is after December 31, 1985.

Summary of S. 1211—Health Equity and Fairness Act of 1985

TAX CAP

1. Tax Cap.—Amends the Internal Revenue Code of 1954 to limit the amount of an employer's contribution to a health benefit plan which may be excluded from an individual's gross income. Under current law, employer paid premiums for a health benefits plan are excluded from income.

2. Dollar Limitations.—The limit or "tax cap" above which employer paid premiums would be taxable for individuals would be $100 per month for an employee with single coverage and $250 per month for an employee with family coverage.

3. Yearly Adjustment of Dollar Limitations.—The tax cap would be adjusted yearly to reflect the change in the implicit price deflater of the gross national produce (the change in the GNP adjusted for inflation).

HEALTH INSURANCE PREMIUM DEDUCTION

1. Deductions.—Amends the Internal Revenue Code to provide a deduction for payments to a qualified health benefits plan by self-employed or unemployed individuals. Current law discriminates against these individuals, since they must buy their own health care coverage with after-tax dollars and for income tax purposes can only deduct these costs as medical expenses which exceed 5% of AGI.

2. Limitations on Deductible Amount.—The deduction could be taken for premium payments below the tax cap of $100 per month for an individual and $250 for a family.

3. Qualified Health Benefit Plans.—The deduction would be allowed for payments to a qualified health benefit plans. Such plans would:

Cover health services including payment for physician and hospital inpatient and outpatient services reasonable and necessary for the diagnosis or treatment of illness or injury. Benefits could be subject to copayments, coinsurance, and deductibles.

The plan could not provide exclusions or restrictions on coverage based upon prior medical condition.

Provide catastrophic expense protection against out-of-pocket medical expenses in excess of $3500. After the expense of $3500, the plan would pay 100% of physician and hospital inpatient and outpatient services (protection extends for a given year).

Be prohibited from cancellation of coverage for any reason based on the status or action of the covered individuals, other than non-payment of premiums.

Provide to subscribers the option to cover his or dependents.

4. Nonitemization of deductions.—The taxpayer may take this deduction whether

or not the taxpayer files a long or short income tax form.

EMPLOYER PROVIDED CATASTROPHIC AND CONTINUITY COVERAGE

1. Catastrophic Expense Protection.—Requires employers who offer employees health benefit plans to provide insurance protection for subscribers and covered dependents for 100 percent of the cost of physician and inpatient and outpatient hospital services after extraordinary out-of-pocket expenses by subscriber.

Trigger for Catastrophic.—The catastrophic expense protection would be triggered after an expenditure by the subscriber of out-of-pocket expenditures of $3500 or more.

Length of Protection.—The catastrophic expense protection would be effective for the calendar year in which it was triggered. In subsequent years, the subscriber would again have to make out-of-pocket expenditures of $3500 or more before the protection would again go into effect.

2. Continuity of Coverage.—The employer would be required to provide an individual or family which loses eligibility for coverage by that employer's group the option to continue coverage by the group for at least one year. The subscriber can be charged premiums during this period, but the premium total cannot exceed 110% of the applicable group rate.

Eligibility for Continuity.—Eligibility for continuity of coverage would be effective for individuals who lose membership in an employment group due to termination of employment, death of the subscriber, divorce from the subscriber, or loss of dependent status because of age or loss of student status.

3. Subject Employers.—Employers subject to these requirements are those required to pay minimum wage, have 25 or more employees, and contribute to a health benefit plan for employees. Government employers would also be subject to these requirements.

4. Prior Medical Condition.—An individual's right to continue to participate in an employer group for the period of a year could not be dropped for any reason other than failure to pay premiums.●

By Mr. MOYNIHAN:

S. 1212. A bill for the relief of Olga Sellares Barney and her children, Christian Sellares Barney, Kevin Sellares Barney, and Charles Sellares Barney; to the Committee on the Judiciary.

RELIEF OF BARNEY FAMILY

● Mr. MOYNIHAN. Mr. President, today I am introducing legislation to grant permanent resident status to Mrs. Olga Barney and her three children: Christian, Kevin, and Charles. Mrs. Barney has contributed much to our Nation's law enforcement efforts against international drug trafficking and her request for permanent resident status, for herself and her family, deserves special consideration by Congress.

Since 1976, Olga Barney, a native of Colombia, has assisted the Drug Enforcement Administration, the Department of Justice, the Department of State, the U.S. Attorney's Office, and local police departments in numerous investigations and prosecutions of drug traffickers; first in Bogota, Colombia, then in New York and Miami, FL. She has assisted police in homicide investigations, identified wanted foreign drug smugglers, and provided invaluable testimony against them in court. Mrs. Barney's testimony and assistance, given at great personal risk, led to arrests and convictions in more than half a dozen cases.

Mrs. Barney has received high praise from the U.S. attorney's office of the eastern district of New York, as well as from the other Federal agencies she assisted. In addition, Vice President George Bush, who serves as chairman of the President's South Florida Task Force, which seeks to stem the flow of illegal drugs into that area, has written to me in support of Mrs. Barney's request for permanent resident status.

Mrs. Barney's service to this country prevents her from returning to her native land. She lives in constant fear for her safety. In 1979, she and her family were relocated in this country and given assumed names under the U.S. Marshall's Witness Protection Program. Mrs. Barney has also suffered financially—she now lives on very modest means and is unable to contribute to the cost of her children's college education.

Unfortunately, Mrs. Barney and her three sons do not meet any of the eligibility criteria, under our current immigration laws, for permanent resident status. Although Mrs. Barney and her family are under no immediate threat of deportation by the Immigration and Naturalization Service, Mrs. Barney seeks permanent residence status for legal protection and to enable her family to receive Government assistance, to which legal aliens are entitled. I would note that Mrs. Barney has no criminal record; she has never been charged with a drug violation. She simply does not presently qualify to be a permanent resident alien.

I believe the Senate should act expeditiously on this matter. The United States is now engaged in a war against drug traffickers in foreign countries, particularly those in South America. When an individual such as Olga Barney has the courage to come forward and assist our Government in its efforts to stem the flow of illicit narcotics into this country, that person deserves our appreciation and, even more so, should receive our protection.

I urge the Senate to give careful attention to the plight of Mrs. Barney's family and to act favorably on this legislation to provide Olga Barney, Christian Barney, Kevin Barney, and Charles Barney with permanent resident status.

I ask unanimous consent that the text of my bill, and the letter from Vice President Bush supporting Mrs. Barney's efforts to obtain permanent resident status, be printed in the Record.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 1212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Olga Sellares Barney and her children Christian Sellares Barney, Kevin Sellares Barney, and Charles Sellares Barney shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the proper number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas which are made available to natives of the country of the aliens' birth under section 203 (a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas which are made available to natives of the country of the aliens' birth under section 202 (e) of such Act.

The Vice President,
Washington, March 29, 1985.

Hon. Daniel P. Moynihan,
U.S. Senate, Washington, DC.

Dear Pat: Last year I received an impressive letter from Mrs. Olga Barney who was seeking to obtain permanent residence here in the United States. Mrs. Barney rendered considerable service to the drug enforcement effort, and her case merited special attention.

Regrettably, no provisions existed within immigration law that would allow the Immigration and Naturalization Service to grant Mrs. Barney permanent resident status. Her only option was a private bill.

I understand that you are introducing a private bill for Mrs. Barney. I wanted you to know that I appreciate your efforts on her behalf. I would be very proud of an American citizen who rendered such tremendous service to this country.

With warm regards,
Sincerely,

George Bush.[1]

By Mr. MATHIAS:

S. 1213. A bill to amend the Internal Revenue Code of 1954 to permit the rollover of gain from the sale of farmland development rights to a State or political subdivision thereof under a farmland preservation program, and for other purposes; to the Committee on Finance.

FARMLAND PRESERVATION

● Mr. MATHIAS. Mr. President, today I reintroduce my farmland preservation bill. As all Senators know, agriculture is the foundation of this country's economy. It employs over 17 million people and it accounts for one out of every five private sector jobs. Farming alone employs more workers than the auto, steel, and transportation industries combined. The importance of agriculture to both our domestic economy and our international trade balance cannot be overstated.

But Mr. President, let me say once again, our farmland is in danger. With decreasing exports and the farm crisis still fresh in our minds, the incentives for farmers to sell their land to developers are currently much greater than the incentives for them to keep land in agricultural production. This trend must be reversed if we are to remain the "breadbasket of the world."

Several State and local governments have attempted to slow the rapid loss of America's farmland. Farmers and State legislators have worked together to establish farmland preservation programs to help farmers resist the pressures to sell prime agricultural land to developers. Under these programs, the State or local government pays the farmer cash for an easement on the land that limits his or her rights to sell the land for development purposes. Although these programs have been effective in helping to keep prime farmland in agricultural production, State and local governments can benefit from Federal assistance in making these programs more accessible and attractive. The bill that I introduce today is similar to the proposal that I put together with James Clark, the former president of the Maryland Senate, in 1980.

The bill would provide Federal tax benefits to farmers who sell the development rights to their farms. Specifically, the bill exempts from capital gains taxation the income the farmer gets from the sale of easement rights, provided it is rolled over into the purchase of new farmland or used for capital improvements on the existing farm. It also would grant a one-time capital gains exclusion of $100,000 on the income if the farmer is over 55. This is similar to the exclusion granted to homeowners under existing law. Furthermore, since limited funds often require that the easement rights be sold at less than fair market value, the bill would allow the difference between the fair market value and the amount actually received to be deducted as a gift for tax purposes.

The bill would encourage farmers to participate in these programs and would foster the creation of similar plans in other regions across the Nation. By doing so, we will help preserve our Nation's most fertile land. The preservation of farmland near our cities, which are the prime targets of developers, will reduce marketing and transportation costs and prevent the destruction of many family farms.

As I have stated in the past, we can not act soon enough. It is estimated that 3 million acres of land are lost annually to nonagricultural purposes. Since I first introduced this bill in 1981, we have lost over 12 million acres of fertile land to developers. In the 5 minutes it has taken me to explain this bill, 30 acres of prime farmland have been plowed up and replaced by suburban crabgrass. I urge all of my colleagues to study the bill carefully and to join with me in support of this measure to protect our Nation's greatest natural resource.

Mr. President, I ask unanimous consent that the text of my bill appear in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1213

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ROLLOVER OF GAIN ON SALE OF FARMLAND DEVELOPMENT RIGHTS PERMITTED.

(a) In General.—Part III of subchapter O of chapter 1 of the Internal Revenue Code of 1954 (relating to common nontaxable exchanges) is amended by adding at the end thereof the following new section:

"SEC. 1043. ROLLOVER OF GAIN FOR SALE OF FARMLAND DEVELOPMENT RIGHTS.

"(a) Nonrecognition of Gain.— If a taxpayer sells farmland development rights to a State or a political subdivision thereof under a qualified farmland preservation program, and within the period beginning 18 months before the date of such sale and ending 18 months after such date, qualified farming property is purchased by the taxpayer, then gain on the development rights sale shall be recognized only to the extent that the amount realized by the taxpayer on such sale exceeds the taxpayer's cost of purchasing such qualified farming property.

"(b) Definitions.—For purposes of this section—

"(1) Farmland development rights.—The term 'farmland development rights' means the right of the owner of real property to use that property for purposes other than farming purposes.

"(2) Qualified farmland preservation program.—The term 'qualified farmland preservation program' means a program which—

"(A) is established under the law of a State or a political subdivision thereof for the purpose of assuring that property currently devoted to farming purposes will continue to be devoted to such purposes, and

"(B) provides for the purchase of farmland development rights by the State or a political subdivision thereof in order to carry out that purpose.

"(3) Farming purposes.—The term 'farming purposes' shall have the same meaning as in section 2032A(e)(5).

"(4) Qualified farming property.—The term 'qualified farming property' means—

"(A) any real property,

"(B) any improvement on real property, or

"(C) any item chargeable to capital account, which is used by the taxpayer for farming purposes.

"(c) Recapture.—

"(1) In general.—If a taxpayer who has claimed the benefit of subsection (a) in connection with the sale of farmland development rights—

"(A) devotes the property from which the farmland development rights were sold to a use other than farming,

"(B) sells or exchanges such property for a use other than farming, or

"(C) uses the qualified farming property purchased during the period described in subsection (a) for purposes other than farming purposes within the 5-year period beginning on the date of sale of such farmland development rights,

then there shall be included in the taxable income of the taxpayer for the taxable year an amount equal to the amount not recognized under subsection (a).

"(2) Sale or exchange for use other than farming.—For purposes of paragraph (1)(B), a taxpayer shall be treated as having sold or exchanged property for a use other than farming if the taxpayer knew that the property was going to be devoted by the person acquiring such property, directly or through another party or transaction, to purposes other than farming purposes.".

(b) Clerical Amendment.—The table of sections for such part is amended by adding at the end thereof the following new item:

"Sec. 1043. Rollover of gain from sale of farmland development rights.".

SEC. 2. ONE-TIME EXCLUSION OF GAIN FROM SALE OF FARMLAND DEVELOPMENT RIGHTS BY INDIVIDUAL WHO HAS ATTAINED AGE 55.

(a) In General.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 134 as 135 and by inserting after section 133 the following new section.

"SEC. 134. ONE-TIME EXCLUSION OF GAIN FROM SALE OF FARMLAND DEVELOPMENT RIGHTS BY INDIVIDUAL WHO HAS ATTAINED AGE 55.

"(a) General Rule.—At the election of the taxpayer, gross income does not include gain from the sale of farmland development rights (as defined in section 1043(b)(1)) to a State or a political subdivision thereof under a qualified farmland preservation program (as defined in section 1043(b)(2)) if—

"(1) the taxpayer has attained the age of 55 before the date of such sale, and

"(2) during the 5-year period ending on the date of the sale, the property from which the farmland development rights were sold has been owned and used by the taxpayer for farming purposes (as defined in section 2032A(e)(5)) for periods aggregating 3 years or more.

"(b) Limitations.—

"(1) Dollar limitation.—The amount of the gain excluded from gross income under subsection (a) shall not exceed $100,000 ($50,000 in case of a separate return by a married individual).

"(2) Application to only 1 sale.—Subsection (a) shall not apply to any sale by the taxpayer if an election by the taxpayer or his spouse under subsection (a) with respect to any other sale is in effect.

"(c) Election.—An election under subsection (a) may be made or revoked at any time before the expiration of the period for making a claim for credit or refund of the tax imposed by this chapter for the taxable year in which the sale or exchange occurred, and shall be made or revoked in such manner as the Secretary shall by regulations prescribe. In the case of a taxpayer who is married, an election under subsection (a) or a revocation thereof may be made only if the spouse joins in such election or revocation.

"(d) Special Rules.—

"(1) Property held jointly; property of deceased spouse; involuntary conversions.—For purposes of this section, the rules set forth in paragraphs (1), (2), (4), (6), and (8) of section 121(d) shall apply to sales to which this section applies.

"(2) PROPERTY USED IN PART FOR FARMING.—In the case of property only a portion of which, during the 5-year period ending on the date of the sale, has been owned and used by the taxpayer for farming purposes for periods aggregating 3 years or more, this section shall apply with respect to so much of the gain from the sale of such property as is determined, under regulations, to be attributable to the portion of the property so owned and used by the taxpayer.".

(b) CLERICAL AMENDMENT.—The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 134. One-time exclusion of gain from sale of farmland development rights by individual who has attained age 55.

"Sec. 135. Cross references to other Acts.".

SEC. 3. CHARITABLE CONTRIBUTION DEDUCTION ALLOWED FOR GAIN FOREGONE BY REASON OF SALE OF FARMLAND DEVELOPMENT RIGHTS.

Section 170 of the Internal Revenue Code of 1954 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsections (k) and (l) as subsections (l) and (m), respectively, and by inserting after subsection (j) the following new subsection:

"(k) SALE OF FARMLAND DEVELOPMENT RIGHTS.—In the case of a taxpayer who sells farmland development rights (as defined in section 1043(b)(1)) to a State or a political subdivision thereof under a qualified farmland preservation program (as defined in section 1043(b)(2)), the taxpayer shall be treated, for purposes of this section, as having made a charitable contribution to the State or a political subdivision thereof in an amount equal to the amount by which—

"(1) the fair market value of the property with respect to which the farmland development rights were sold determined—

"(A) as of the day before the date on which such rights were sold, and

"(B) on the basis of the highest and best permissible use of such property,

reduced by the value of such property as farmland (determined as of such date), exceeds

"(2) the amount realized by the taxpayer on the sale of the farmland development rights.".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to sales occurring after December 31, 1984.●

By Mr. DeCONCINI (for himself and Mr. Eagleton):

S. 1214. A bill to amend section 215 of title 18, United States Code, to modify the state of mind requirements for certain bank bribery and related offenses; to the Committee on the Judiciary.

BANK BRIBERY AMENDMENTS ACT

● Mr. DeCONCINI. Mr. President, I am introducing legislation today which will clarify certain ambigutles in the recently enacted Comprehensive Crime Control Act of 1984 related to the crime of bank bribery.

Section 1107 of the 1984 Comprehensive Crime Control Act amended section 215 of title 18 to strengthen the Federal prohibition against offering or receiving bribes in connection with the business of a bank or other financial institution. I believe, however, that the language of section 1107 goes far beyond what Congress intended to prohibit when it enacted that section. The language of the section encompasses a wide range of accepted business practices that were not the intended target of the statute.

Many routine banking activities are now potential violations under the law since the statute covers all situations where financial institution employees, directly or indirectly, seek or accept "anything of value" from anyone in "connection with any transaction or business of such financial institution." The statute fails to draw necessary distinctions between recognized business conduct and conduct that may constitute a danger to customers or investors. The receipt of advertising and promotional items of nominal value and the testimonial dinner recognizing the community services of a financial institution executive are just two examples of activities that could be construed to be covered by this statute.

Unless modified, this statute threatens to chill legitimate interaction between financial institution employees, customers, and professionals who serve these institutions. The impact of this unnecessarily broad language could impair the business operations of financial institutions resulting in a detriment to their customers, stockholders, and the general public. The sweeping and overbroad terms of the statute equally condemn those involved in legitimate business activity and those intent upon obtaining an illegal gain from the business of banking and suggest no ground for distinguishing between them. No limiting purpose is set forth in the legislative history. Finally, the statute enacted last year contains no mens rea or knowledge requirement.

The legislation that I am introducing today amends title 18 to make a distinction between the conduct Congress intended to proscribe and legitimate business activities. I support wholeheartedly any effort to penalize those who would subvert the fiduciary relationship that America's financial institutions have with its customers and the public at large. I believe that we can accomplish this purpose without calling into question legitimate conduct. The proposed language would modify the section to apply only to "knowing" conduct undertaken with an "intent" to corruptly influence any transaction of a financial institution. These changes will insure that the common law, State and Federal statutory definitions of bribery as the "corrupt intent to influence" remains unchanged.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1214

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bank Bribery Amendments Act of 1985".

SEC. 2. SECTION 215 AMENDMENTS.

(a) SUBSECTION (a) AMENDMENTS.—Section 215(a) of title 18, United States Code, is amended—

(1) by striking out "directly or indirectly," and inserting "knowingly" in lieu thereof; and

(2) by striking out "for or in connection with any transaction or business" and inserting "with the intent to influence corruptly any transaction".

(b) SUBSECTION (b) AMENDMENTS.—Section 215(b) of title 18, United States Code, is amended—

(1) by striking out "directly or indirectly," and inserting "knowingly" in lieu thereof; and

(2) by striking out "for or in connection with any transaction or business" and inserting "with the intent to influence corruptly any transaction".●

By Mrs. HAWKINS:

S. 1215. A bill to extend the income and eligibility verification system under section 1137 of the Social Security Act so as to provide for verification of immigration status in the case of aliens applying for benefits under specified welfare and other programs: to the Committee on Finance.

VERIFICATION OF IMMIGRATION STATUS OF ALIENS APPLYING FOR BENEFITS UNDER THE SOCIAL SECURITY ACT

● Mrs. HAWKINS. Mr. President, today I am introducing a bill which is being concurrently introduced in the House by Congressman THOMAS PETRI that will save Federal and State governments millions if not billions of dollars. The basis of the legislation is simple—people who have violated American immigration laws and entered this country illegally should not have access to the American welfare system. It makes no sense to reward lawbreakers with a Federal or State handout.

This bill takes this principle and applies it to the areas of Medicaid, unemployment compensation, food stamps and aid to families and dependent children [AFDC]. It does this by:

First, requiring the State to require that all recipients for such aid, declare in writing, under penalty of perjury, whether or not the individual is a citizen of the United States, and if not a citizen of the United States, the individual's immigration status in the United States, and the individual's alien file number.

Second, if an applicant is not a citizen of the United States, the State is required to use the person's alien file number to verify with the Immigration and Naturalization Service the alien's immigration status through a system that (A) uses the alien's name or file number to permit efficient verification, and (B) protects the alien's privacy to the maximum degree possible.

Third, if the verification check reveals that the alien is ineligible for these benefits, the benefits shall not be reduced or terminated until the alien has had an opportunity to present documents establishing their eligibility.

Fourth, benefits shall be terminated for aliens who are ineligible.

Fifth, the INS is instructed to have the verification system available for use by the States by October 1, 1985, and the States have until October 1, 1986 to implement this legislation.

Finally, as an incentive for States to implement this system, the Federal Government would provide 90-percent matching funds to States for the nonlabor costs of implementation and operations of this system.

The potential savings from this legislation is incredible. The INS has done some research and conducted several pilot projects in this area and found it to be both doable and worthwhile—worthwhile to the tune of $10.7 billion if a full program of eligibility verification were required in each State. In my State of Florida, the INS has projected that the potential savings range from $200 to $400—these are savings for both the Federal and State governments because if you catch a person who is ineligible for Federal benefits, then the States will not have to pay their portion of these benefits as well. In these days of budget consciousness, we all need to be looking for ways to save money—and this is one way to do it in a big way.

For this reason this bill requires that the States take these steps and prohibits Federal funds for the programs involved if a State refuses to comply.

Mr. President, the costs of setting up and running a program such as that called for in this bill is modest—only tens of thousands of dollars a year. For the most part it would only involve the States establishing a computer hookup with the INS and manning that hookup—and the manning would be partially paid for by the Federal Government.

The costs are low and the savings for the taxpayer are high. We need this legislation and we need it soon.●

By Mr. ROCKEFELLER (for himself, Mr. Dixon, Mr. Byrd, Mr. Gore, Mr. Eagleton, Mr. Simon, Mr. Levin, Mr. Heinz, Mr. Warner, Mr. Sarbanes, Mr. Mathias, Mr. Inouye, Mr. Bradley, Mr. DeConcini, Mr. Heflin, Mr. Ford, Mr. Sasser, Mr. Specter, Mr. Glenn, Mr. Metzenbaum, Mr. Kennedy, Mr. Hart, Mr. Melcher, Mr. Hollings, Mr. Burdick, Mr. Danforth, Mr. Dodd, Mr. Bumpers, Mr. Grassley, Mr. Riegle, Mr. McConnell, and Mr. Harkin):

S. 1217. A bill to require the Department of Labor to employ additional administrative law judges to hear cases under the Black Lung Benefits Act; to the Committee on Labor and Human Resources.

ADDITIONAL ADMINISTRATIVE LAW JUDGES TO HEAR BLACK LUNG CASES

Mr. ROCKEFELLER. Mr. President, one of the most urgent problems confronting coal-mining States, such as West Virginia, is the inordinate delay in the processing of black lung claims. This problem has existed for some time and has increased in scope. Most of the backlog lies in the stage of the process when a coal miner is appealing a preliminary adverse decision made by the local Department of Labor office, denying his claim for benefits. To appeal that decision, the claimant must seek a hearing before the same agency's Office of Administrative Law Judges [ALJ].

Since 1979, the number of cases awaiting ALJ hearings increased from approximately 500 to about 21,000. Further, the average waiting time for each claimant has risen from several months to 3½ years.

Mr. President, 21,000 undecided cases and a waiting period of 3½ years is an intolerable situation. In many cases, miners are dying before their applications are reviewed for a final decision. Regrettably, most applicants have no choice but to wait out the 3 years or more for their applications to get a hearing; in the meantime they get no relief to help deal with the cruel effects of coal dust on their health.

Today, I am introducing legislation to attempt to eliminate as much of this cruel backlog as possible. The objective of this bill is to enhance the ability of the Labor Department to make the decisions for which it is responsible under the Black Lung Benefits Act. Specifically, this legislation would require the Labor Department to reduce the number of cases awaiting review by administrative law judges to not more than 6,000 within a period of 2 years. It gives the Department authority to achieve this reduction by employing additional administrative law judges. I assume that the Department would use this authority as one of the methods of achieving the required reductions.

Individuals involved in all aspects of the black lung process have advised me that the basic steps required by this legislation would help to eliminate the backlog. I also believe that this bill helps to fulfill Congress' obligation to ensure that the Black Lung Benefits Act is properly implemented. When suffering or dying coal miners wait for over 3 years to hear back from their Government about whether they qualify for relief, the law has eroded and must be put in order.

We should take the simple but critical steps to administer the proper remedy: Provide miners and their survivors with the help to which they are legally entitled and need so desperately. This legislation is identical to the bill previously introduced in the House by Representative MOLLOHAN, who has assumed a leadership role in fighting the failings of the system of handling black lung cases. I intend to work with him and concerned Members in both Houses to convince the full Congress and the administration just how critical this issue is. I am hopeful that the new Secretary of Labor, Bill Brock, will give this matter and the Department's track record to date careful study in his early months in office. In these cases, the famous phrase "justice delayed is justice denied" has applied too often, with tragic consequences.

Mr. President, I ask unanimous consent that the text of the bill and two penetrating articles on the black lung problem that have appeared in the Bluefield Daily Telegraph be printed in the RECORD.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 1217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 435 of the Black Lung Benefits Act is amended by adding at the end thereof the following new subsection:

"(d) The Secretary of Labor shall reduce the number of cases pending and awaiting review by administrative law judges under this Act to not more than 6000, and shall reduce the number of cases pending and awaiting review by the Benefits Review Board under this Act to not more than 800, by a date which is two years after the date of the enactment of this subsection. Such reduction may be accomplished by—

"(1) employing additional administrative law judges in accordance with section 3105 of title 5, United States Code;

"(2) obtaining the services of additional administrative law judges pursuant to section 3344 of such title; or

"(3) a combination of the measures described in paragraphs (1) and (2) and such other measures as the Secretary determines are necessary and sufficient (consistent with the requirements of this Act).

The Secretary shall notify each House of the Congress within 30 days after the date of the enactment of this subsection of the measures being taken to comply with this subsection.".

[From the Bluefield Daily Telegraph, Apr. 8, 1985]

BLACK LUNG: "NOT UNCOMMON FOR THEM TO DIE WHILE WAITING IN THE SYSTEM"

CHARLESTON, WV.—He came home each day marked with the fine black dust that meant he made a living. She soaked the black out of his clothes until the wash water was as dark as the phlegm he coughed from his lungs.

In 1970, he applied for black lung benefits and was refused. He appealed eight years later under the Black Lung Reform Act of 1978.

Last month, the coal miner's appeal hearing with the Department of Labor's Office of Administrative Law Judges came up.

He was unable to attend—he died three years ago.

"It's not uncommon for them to die while they're waiting in the system," says Charleston Attorney John Taylor, who specialized in black lung cases.

"What's even more common is for them to cling desperately to life long enough to get their benefits. They wait to die until they know their wives are taken care of."

If the miner's wife is denied black lung benefits by the AJL office and she decides to appeal, it probably will be at least three more years before a hearing is scheduled before the Benefits Review Board, federal officials say.

United Mine Wokers union District 17 is pursuing the widow's claim. If she, too, dies during the process, the UMW will try to find heirs that could receive the benfits due the long-gone miner.

UMW attorney Tom Zerbe says he handled five cases in less than two years in which the miners died before getting through the backlog.

"I represented one case where the miner died and then the widow died," Zerbe said. "Sure, we won the case for him, but the guy died and there's no way we can send him the money. It's a dark victory."

The backlog, from Taylor's perspective, is a deliberate attempt to suffocate the black lung program.

"From here it looks like there's been an attack on the black lung program by the federal government," he said. "To us, it looks like strangulation."

Congress has wrangled with the Department of Labor over the growing number of black lung appeals since the program was "reformed" in 1978. The number of cases waiting for ALJ hearings rose from 484 in 1979 to 20,967 at the end of February.

Last October, the U.S. General Accounting Office estimated that at current staffing levels, it will take administrative law judges more than 35 years to cut through the backlog. Appellants will wait an average of 3.5 years for a hearing at each step of the appeals process.

Several congressman have complained loudly about the backup. The GAO report was made at the request of Rep. Don Pease, D-Ohio, who was frustrated after unsuccessfully trying to get action on the appeals of two constituents.

Congress passed a bill last year, introduced by Rep. Alan Mollohan, D-W.Va., increasing the size of the Benefits Review Board from three to nine members (including five temporary members). But so far, the most direct solution to the hefty backlog, hiring more administrative law judges to hear more cases, has been left on the shelf.

"I'm disappointed that the DOL (Department of Labor) hasn't asked for more funding for ALJs" Pease said. "It's not surprising, but I'm disappointed nonetheless.

"They didn't take any action to deal with the backlog for years and years. And, for the last four years, the attitude of this administration is anti-government workers. They want to cut down on government so much, they're afraid to ask for more funding for the ALJs," he said.

Pease said he thought Congress, even under pressure to deal with the nation's budget problems, would approve additional funding for the Labor Department to clear up the backlog.

As it is, the expanded review board will cost another $1.6 million on top of the office's 1984 budget of $2.9 million, the GAO says. And the ALJ office expects to decide an extra 1,600 cases this year, at a GAO-estimated cost of $2.8 million added to its current $7.2 million budget.

Those increases come with the program already deeply in debt. As of Sept. 30, 1983, the black lung program owed the Treasury more than $2.1 billion.

"We're very cognizant of cost in this program," said a DOL administrative law judge in Washington, D.C., who asked not to be identified. "We're doing the best under the circumstances.

"Sure, if you could hire another 20 judges, (the backlog would decrease), but no one's saying here's X number of dollars to do that. That won't happen in the atmosphere here in Washington right now."

A former lawyer for the Benefits Review Board expressed similar pessimism that the Labor Department will fork over much additional money.

"It's never going to happen under this administration," said the lawyer, who still works with the black lung program. He, too, asked not to be identified.

"The backlog is no one's fault, it really isn't," the lawyer said. "And, it isn't a surprising backlog. This was an expected bump in the road."

The long waiting list of cases appeared when Congress loosened eligibility requirements for the black lung program. Overnight, the law allowed miners who had previously been denied benefits to appeal under liberalized standards.

"It was funny," the lawyer said. "Here we were with almost nothing to do and all of a sudden we couldn't keep up. It just mushroomed."

Like the fable of an elephant swallowed by a python, the backlog has, in seven years, started to move slowly through the black lung program. Just this year, the tail end has reached the first step of the program—the claims examiners offices.

"For the first time, we're seeing daylight," said James DeMarce, head of the black lung program's nine claims examiners' offices. "We have backlogs left in only two of the nine."

DeMarce said a waiting list remains in the Charleston area because of extensive staffing problems there last year. Four of seven Charleston-based examiners were charged with fraud in 1984. A backlog remains in the Kentucky office, he said, simply because more appeals have been filed there.

But faster work in the claims offices only increases the logjam at the next step, the ALJ office. The backlog there has continued to increase each month, despite a number of "alternative" steps, all short of hiring new judges. The Washington judge said his office, since the Pease report, has relied heavily on "contract judges" hired on a temporary basis.

But the contract judges, often retired ALJs, can only draft decisions that must be reviewed again by permanent judges.

Reps. Pease and Mollohan are impatient with the Labor Department. Mollohan spokesman Gerrill Griffith said the lawmaker considers the department to be under a "congressional mandate" to add more ALJs to the appeals staff.

Pease said he thinks action must be taken within the next two years.

"I think this is an emergency situation and the administration has a moral obligation, even a legal one, to clear this thing up," he said.

[From the Bluefield Daily Telegraph, May 8, 1985]

BLACK LUNG APPEAL DELAYS

The story is a familiar one. It's a story of frustration, of delay after endless delay, and often it's a story of tragedy.

Let's call him John. Let's also say John is a disabled coal miner, unable to work due to black lung. This crippling lung disease is John's reward for spending much of his life digging coal. After he is forced to retire due to ill health, John files a claim for black lung compensation. He waits. And waits.

Later his claim is denied, for whatever reason. John files an appeal with the U.S. Labor Department. And again he waits. The days, weeks and months roll by. His condition is getting worse, and still he waits.

John writes letters. Lots of them. To delegates, senators, congressmen. To the Department of Labor.

While his lungs slowly and surely wilt away, he waits.

One night John goes to sleep and does not wake up again. John is dead, and his long wait is over. His appeal is still on the Labor Department's backlog. They do not know he is dead.

What you've just read is a scenario, but one based on fact. It has happened before, and will happen again. The sluggish behemoth that is known as bureaucracy will ensure that it happens again.

The Labor Department is bogged down with 21,000 unheard black lung program appeals. Studies show that black lung appellants now wait an average of 3.5 years before obtaining a hearing. That's inexcusable under any circumstance. It's unexcusable, but it isn't likely to change.

Last fall, the Government Accounting Office estimated that it could take the Labor Department 35 years to pare down the backlog to a "reasonable" size. And still the appeals come.

The overall program was liberalized in 1978 to provide that previously denied claimants were eligible for review. After that, the Labor Department couldn't keep pace with the number of cases.

The reason for this is that there simply aren't enough federal administrative law judges to hear the steadily growing number of appeals under the black lung program. Thus it isn't uncommon for the above scenario about the coal miner to repeat itself.

Part of the problem is that an Office of Personnel Management policy requires that most law judges within the Labor Department spend no more than half their time handling black lung appeal cases. That's an incredible piece of information, and it tells us much about the way government attacks many of its problems.

Meanwhile, Rep. Alan Mollohan, D-W.VA., says he is considering legislation to create a federal pool of administrative law judges to handle black lung cases and all other program appeals.

Congress last year authorized the Labor Department to increase the number of adminstrative law judges by contracting the workload to part-time judges. Mollohan, though, says a report by Labor Undersecretary Ford B. Ford states that the success of that program has been limited. That's because of the OPM policy.

Mollohan says that policy ought to be changed, and we agree. It ought to be, but it probably won't be. Government often goes into hibernation when told that one of its programs isn't working.

So, while Mollohan is "considering" legislation, while the Labor Department backlog grows, there are those who wait.

It isn't enough to recognize that there is a problem. It isn't enough to those who wait, and it isn't enough to the families of those who have died waiting.

Mr. BYRD. Mr. President, I am pleased to join with my colleague, Senator Rockefeller, in offering this bill. I continue to be concerned over the length of time that it is taking to process black lung claims through the appeals process.

We partially addressed this problem last year with the adoption of my amendment to provide funding for an expanded Benefits Review Board. The expanded Board from three to nine members) is now in place. However, the backlog of claims continues to grow at the Administrative Law Judge level.

An October 26, 1984, report by the General Accounting Office estimated that the Office of Administrative Law Judges could take over 35 years to reduce its backlog of black lung cases to levels considered reasonable (6,000 claims) and decisions, on average could take more than 3 years through the 1990's.

We are experiencing an intolerable situation in the length of time it takes to review a black lung claim. Obviously, those delays will continue to grow if some action is not taken to reduce those backlogs.

To put this backlog in perspective, individuals who filed for black lung benefits in 1977, 1978, and 1979, have still not had a final determination if their claim was appealed to the Benefits Review Board. That is 7 years—too long to wait if you are sick, and not able to work. The saddest commentary of all is that there have been individuals who have filed for benefits and have died before their claims have been acted upon.

I would hope that the committee will take a good, long, hard look at the adjudication of black lung claims and that we can begin to reduce this backlog and with it the hardhships placed on those individuals already suffering from this disease.

By Mr. DANFORTH (for himself, Mr. Eagleton, Mrs. Kassebaum, Mr. Goldwater, Mr. Pressler, Mr. Gorton, Mr. Stevens, Mr. Trible, Mr. Long, Mr. Inouye, Mr. Ford, Mr. Riegle, Mr. Exon, Mr. Gore, Mr. Rockefeller, and Mr. Dole):

S. 1218. A bill to amend the Federal Aviation Act of 1958 to provide for the revocation of certain certificates for air transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INTERNATIONAL AIR TRANSPORTATION PROTECTION ACT

Mr. DANFORTH. Mr. President, I am introducing legislation which I now send to the desk. It would remedy a threat to the public interest and the Nation's airline industry. I do so on behalf of myself, Senator Eagleton, Senator Dole and 13 of my 16 colleagues on the Senate Commerce Committee. It is my intention to schedule hearings on this bill as soon as possible after the Senate reconvenes in June.

On May 9, 1985, Carl Icahn publicly announced his purchase of approximately 20 percent of TWA's outstanding common stock. Today that percentage is approaching 30 percent.

It is widely believed that Mr. Icahn's intention is not to maintain the operations of the company. He has no experience in operating an airline, and, in the view of independent analysts, has no sound financial plan to do so. Thus, it is a certainty that if Mr. Icahn's takeover attempt succeeds, and if TWA's assets are liquidated, the Nation will have been deprived of a significant air carrier. The loss to the traveling public and to the Nation will be substantial.

In testimony before the Commerce Committee this morning, Mr. Ed Meyer, TWA's chairman, referenced statements and opinions by financial analysts that hostile takeovers of airlines may be on the increase. This is partly due to the perception—often erroneous—that an airline is worth more when reduced to and sold in its component parts, than as an ongoing business.

In my view such a trend would be extremely harmful to the transportation interests of this country, and contrary to the philosophy which motivated Congress to pass the Airline Deregulation Act of 1978. Accordingly, I am today introducing legislation which would not only address the situation presented by Mr. Icahn's attempted takeover of TWA, but also address future hostile takeover attempts. It would do so by making it much more difficult for an airline, after a hostile takeover, to sell its extremely valuable rights to fly international air routes. Such a restriction will make hostile takeovers for personal gain much less attractive to corporate raiders. It is my hope that the result will be the continuation and expansion of a safe and dependable system of air transportation in this country.

Cosponsors of this bill, the "International Air Service Protection Act," include Senators: Eagleton, Goldwater, Kassebaum, Pressler, Gorton, Stevens, Trible, Long, Inouye, Ford, Riegle, Exon, Gore, Rockefeller, and Dole.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1218

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Air Transportation Protection Act of 1985".

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds that—

(1) the United States and its citizens rely on the provision of dependable and safe international air transportation;

(2) the Department of Transportation is responsible, under the Federal Aviation Act of 1958 (49 App. U.S.C. 1301 et seq), for ensuring that certificates for the provision of such air transportation are issued only to applicants who are fit, willing and able to provide such transportation, and that any person to whom such a certificate is issued continues to be fit, willing and able to provide such transportation; and

(3) hostile takeovers of air carriers may jeopardize the provision of such transportation in a dependable and safe manner.

(b) It is the purpose of the Congress in this Act to provide that certificates for the provision of international air transportation shall be revoked by the Secretary of Transportation in certain circumstances, consistent with the provisions of this Act.

REVOCATION OF CERTIFICATES

Sec. 3. Section 401 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1371) is amended by adding at the end thereof the following subsection:

"(s)(1) As used in this subsection, the term—

"(A) 'hostile takeover' means any acquisition of a majority of the stock, share capital, or assets of an air carrier which is not approved by a majority (consisting of at least 2 members) of the independent members of the board of directors of such air carrier; and

"(B) 'independent', when applied to a member of a board of directors of an carrier, means that the member is not an officer or employee of the air carrier and has no substantial financial or commercial ties to the air carrier other than the ownership of the air carrier's stock.

"(2) The Secretary shall, in order to effectuate the declaration of policy set forth in section 102(a) of this Act, exercise the Secretary's authority contained in subsections (g) and (r) of this section and revoke a particular certificate for the provision of international air transportation issued to an air carrier if the Secretary establishes, in accordance with paragraph (3) of this subsection, that a hostile takeover of such air carrier occurred on or after May 23, 1985 and that a sale or transfer, or attempted sale or transfer, of such certificate occurred on or after such date as part of the liquidation of such air carrier or other than in the ordinary course of such air carrier's business.

"(3) Notwithstanding any other provision of law, the Secretary shall carry out the activities required under paragraph (2) of this subsection on an expedited basis.

"(4) Nothing in this subsection shall be construed to preclude the Secretary from issuing any certificate for the provision of international air transportation which is revoked under this subsection either to the air carrier which previously held such certificate or to any other applicant, if the Secretary finds that—

"(A) such air carrier or applicant is fit, willing, and able to perform such transportation properly and to conform to the provisions of this Act and any rules, regulations, and requirements issued under this Act; and

"(B) such transportation is consistent with the public convenience and necessity.".

Mr. EAGLETON. Mr. President, the corporate world is basically conservative and rarely looks to the Congress for solutions. In spite of that bias, the latest rage in the business world—uncontrolled corporate takeovers—has brought some of the staunchest "free-traders" to testify before Congress in favor of legislative and regulatory remedies. Though some of my colleagues remain unconvinced that Congress has a role to play in this unprecedented round of corporate warfare, one sector—namely those industries which operate as a necessary public interest—demands our attention now before further economic havoc is wreaked.

I am pleased to join my distinguished colleague Senator DANFORTH as a cosponsor of this legislation which has a limited, targeted focus, but is critically important as a first-step measure.

Nothing is static in America—science advances, medicine progresses, and the law evolves. Even in stodgy old corporate America things change.

The biggest and newest change of all is the rise of the corporate takeover predator. Newspapers are filled with accounts of the attacks by men like T. Boone Pickens, Irwin Jacobs, Sir James Goldsmith, Saul Steinberg, and Carl Icahn seeking to gain control, wreck, or ruin various corporations in the interest of lining their own pockets.

Pickens "has a thing" for oil and has targeted among others Superior Oil, Phillips Petroleum, and Unocal.

Sir James Goldsmith's targets included St. Regis Paper, the Continental Group, and now Crown Zellerbach.

Carl Icahn's previous victims include Philips Petroleum, Baird & Warner Mortgage and Realty Investors, American Can, Uniroyal, Anchor-Hocking, Hammermill Paper, Owens-Illinois, and ACF Industries, Inc. Now Mr. Icahn wants to grab up TWA to "run it" he claims; to ruin it many, including myself, believe.

Let's take a look at Carl Icahn.

According to the TWA application for a Department of Transportation fitness hearing, Mr. Icahn's corporate machinations and investment exploits have involved him in frequent violations of State and Federal regulatory schemes, including numerous violations of the Federal securities laws, which require complete and truthful disclosure of all material information for the protection of investors. Here are some of the items in that Icahn record:

(i) On November 3, 1983, the SEC filed an action in the United States District Court for the District of Columbia, alleging that, an Icahn controlled company, Bayswater Realty & Capital Corp (formerly B&W), had violated the federal securities laws by effecting and engaging in business as an investment company without registering with the SEC. The action was settled by the entry of a final consent order which enjoined Bayswater from engaging in transactions as an unregistered investment company and from taking certain other actions in violation of federal law.

(ii) On September 16, 1983, Icahn & Co. entered into a consent order with the State Corporation Commission of Virginia with respect to charges that Icahn & Co. had transacted brokerage business in Virginia without first registering with the Virginia Commission. Pursuant to the settlement with the Virginia Commission, Icahn & Co. agreed to pay a monetary penalty.

(iii) On or about February 1, 1982, Icahn and others filed a Schedule 13D with regard to the securities of Marshall Field and Company. Marshall Field sued, alleging violations of the federal securities laws and the Racketeer Influenced and Corrupt Organizations Act. Marshall Field eventually obtained a temporary restraining order from the United States District Court for the Southern District of New York requiring Icahn and members of his investor group to correct various false and misleading statements in their Schedule 13D filings.

(iv) On December 30, 1981, the SEC filed an action against Icahn and his affiliates in the United States District Court for the District of Columbia, alleging various violations of the filing and disclosure requirements of the Exchange Act, including violations of the rules relating to proxy solicitations. Icahn entered into a consent agreement with the SEC at the time the action was filed in order to avoid prosecution of the claims raised against him.

(v) In mid-1981, after Icahn assumed control of B&W (later renamed Bayswater Realty & Capital Corp.), Icahn's management was the subject of a lawsuit brought by B&W's minority shareholders for breach of their state law fiduciary duties. The SEC also sued Icahn in connection with this transaction for violations of the disclosure obligations of the Exchange Act. The SEC's action resulted in the entry of a permanent consent injunction against Icahn.

(vi) In 1980, during his assault on Hammermill Paper Company, Icahn subverted the corporate electoral process, in violation of federal law relating to proxy solicitations, by seeking to vote shares of Hammermill common stock which he did not own and which he had no right to vote, but had borrowed on the record date. When Icahn's unlawful scheme to vote these borrowed shares was finally uncovered, the shares were not counted, and Icahn lost the election. Icahn's proxy materials and related Schedules 13D and 14B statements with respect to Hammermill were challenged by the SEC as violative of the federal securities laws, resulting in a consent injunction being entered against Icahn.

(vii) On or about November 29, 1979, Icahn and others filed a Schedule 13D with regard to the securities of Saxon Industries, Inc. stating that their stock purchases were made "for investment." They also said that board representation might be sought but that they had no other plans or proposals for the company. The SEC challenged certain of these Schedule 13D statements as violative of the disclosure obligations of the Exchange Act, resulting in the entry of an injunction against Icahn.

(viii) In June 1976, the State of New York issued an Assurance of Discontinuance, finding that Icahn & Co., for a period of 10 to 18 months, had employed three unregistered salesmen in violation of Section 359-e of the New York General Business Law. Icahn & Co. agreed to pay a fine in settlement of these charges.

(ix) On January 30, 1976, the New Jersey Bureau of Securities issued a cease and desist order against Icahn, directing him to stop offering or selling securities in New Jersey until his brokerage firm, Icahn & Co., was properly registered in that state. The very next year, Icahn & Co. was charged with violating the Bureau's order and eventually entered into a consent order with the Bureau, pursuant to which, among other things, the company was assessed significant monetary penalties.

(x) In or after August 1978, Icahn & Co., without admitting or denying its guilt, also consented to a finding by the New York Stock Exchange that it had (a) violated Regulation 240.15c3-1 promulgated by the SEC under the Exchange Act relating to net capital requirements by permitting its net capital to fall below the minimum acceptable statutory level; and (b) submitted an inaccurate "FOCUS Report" to the New York Stock Exchange, reporting incorrectly, among other things, its net capital as of April 30, 1977. Icahn & Co. was censured and fined as a result of these violations.

(xi) In October 1974, Icahn and Icahn & Co. admitted to violations of, and were found by the New York Stock Exchange to have violated, Section 10(b) of the Exchange Act and New York Stock Exchange Rule 342, dealing with officers, approval, supervision and control. Both Icahn and Icahn & Co. were censured and fined for their violations.

(xii) Since 1974, Icahn's brokerage firm, Icahn & Co., and its employees have been parties to four disciplinary proceedings commenced by the Chicago Board Options Exchange for alleged options trading irregularities. These proceedings were all settled by the payment of a significant fine.

Can anyone believe that TWA will be better off, better operated in the greedy hands of Carl Icahn? Can anyone believe that the traveling public, the cities to which TWA flies, and its employees will be better served under the tender loving greed of Carl Icahn? Of course not. Icahn is a 14-karat pirate motivated by one instinct—greed.

If the Department of Transportation lets this tainted manipulator take over one of America's most important airlines, then that Department is as sleepy as the Federal Communications Commission is when it responds with a yawn as Ted Turner threatens to grab up CBS.

Carl Ichan is not fit to run TWA and under the law, the Department of Transportation should find that to be the case.

This administration—with its complete laissez-faire attitude of "anything goes in the business world"—has

engendered the atmosphere in which takeover mania thrives with no antitrust enforcement policy, with no regulation. This administration's policies have created a playing field on which Pickens, Jacobs, Steinberg, and Icahn can romp to their greed's content. No other administration in history would have let these reckless profiteers, these wheeler dealers, run amuck. But Ronald Reagan and company sit passively looking on, benignly smiling as the predators create havoc in corporate America.

At the very least, in vital, regulated industries such as communications and airlines, there must be a public interest that takes precedence over pirate interest.

When will the Reagan administration wake up? It is one thing to worship at the altar Walter Wriston, David Rockefeller, and Lee Iacocca. It is another thing to worship at the pagan altar of T. Boone Pickens and Carl Icahn.

The bill Senator DANFORTH and I are now introducing, albeit limited, would go a long way in giving the Department of Transportation some spine and spunk in dealing with Carl Icahn.

Mr. President, I have written to Secretary Dole on this subject and ask unanimous consent that the text of that letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, May 23, 1985.

Hon. ELIZABETH HANFORD DOLE,
Secretary, Department of Transportation,
Washington, DC.

DEAR MADAM SECRETARY: I want to bring your attention to certain actions taken by Mr. Carl Icahn, this week, which emphasizes the need for immediate action by the Department of Transportation.

Mr. Icahn, on May 21, 1985 commenced proceedings to remove TWA's independent board of directors and to replace it with Mr. Icahn and two to his associates, through the means of a solicitation of written consents. Under Delaware law, where TWA is incorporated, stockholders may act without a formal meeting by executing a written consent to a particular action.

In view of this development, and the speed with which the consent process proceeds, it is imperative that the Department of Transportation act now to preserve the status quo so that it may investigate the serious questions regarding Mr. Icahn's potential control of TWA.

I want to urge the Department to exercise any authority it may have under law, to protect the interest of the traveling public, TWA employees and shareholders, and the cities to which it flies from this questionable acquisition attempt. I look forward to your earliest reply.

Sincerely yours,

THOMAS F. EAGLETON,
U.S. Senator.

By Mr. SASSER (for himself and Mr. WARNER):

S.J. Res. 141. Joint resolution to designate the week beginning on May 18, 1986 as "National Tourism Week"; to the Committee on the Judiciary.

NATIONAL TOURISM WEEK

Mr. SASSER. Mr. President, I join today with Senator WARNER, my colleague and fellow cochair of the Senate Tourism Caucus, in introducing the resolution which will establish our Nation's third annual National Tourism Week during the third week of May 1986.

Prompting Senator WARNER and I to this action has been the enormous success of, and attention given to, National Tourism Week 1985, which began on May 19 and concludes on Saturday, May 25.

Instituted in 1984 as a result of a joint resolution unanimously supported by both the House and Senate, National Tourism Week has proved to be a tremendous success in promoting the importance of travel and tourism—the second largest business in the United States.

So successful was National Tourism Week 1984, in fact, that the resolution designating a 1985 National Tourism Week became a public law only 3 months after it was introduced simultaneously in both the House and Senate.

Evidence of National Tourism Week 1985 abounds. Network television and national news publications have devoted time and space to emphasize the economic, social and cultural contribution to America of this industry.

Here in the Nation's Capital, regional tourism groups are promoting their particular areas of the country. I might point out that the most popular of the regional promotions is sponsored by the Southeast Tourism Society, which takes in travel and tourism-related enterprises in Tennessee and seven other Southeastern States.

The Southeast Tourism Society's May 22 "hoedown" on the mall near the U.S. Capitol—a combination of displays, entertainment and other related festivities—is generally acknowledged to be among the best organized attractions of National Tourism Week.

Finally, on Saturday, May 29, National Tourism Week 1985 will conclude its run with, of course, a run. The Travel Run 10K, a road race which will get underway in Crystal City at 8 a.m. that day, will bring a number of world-class runners to Washington, DC, area.

I want to commend sponsors of this event, which include the United Bus Owners of America, the Marriott Corp. and Greyhound for organizing this sporting event, and I applaud their intention to make this 10,000 meter road race an annual affair.

"Tourism Works for America" is the theme of this year's National Tourism Week. And certainly, tourism does work for America.

The travel and tourism industry is our Nation's second largest employer, providing 6.8 million jobs. And in 1983, the most recent year for which complete data are available, the industry was responsible for 43 percent of all new jobs.

It represented 6.4 percent of the U.S. gross national product in 1983, with expenditures totaling $210 billion. One-eighth of every dollar spent on travel and tourism is tax revenue. In 1983, the industry generated $13.8 billion in taxes for the Federal Government, $8.7 billion for our States and $2.8 billion in taxes for local governments.

Mr. President, as favorable as the data on travel and tourism are, all of us who are concerned with the vitality of the industry can do even more to strengthen its role in our national economy, and an annual National Tourism Week is an ideal time in which to undertake this effort.

Specifically, more Americans should be aware of the importance of tourism to our international balance of trade. The foreign visitor to the United States is part of a major export industry. Yet, there are those within the administration who seem intent on deauthorizing and dismantling the U.S. Travel and Tourism Administration [USTTA], the agency charged with coordinating our Nation's policies regarding tourism, especially international tourism.

With the strong American dollar making travel from abroad less attractive, it is more important than ever that we have strong, aggressive national policies in this regard. I am confident that the Congress will see to it that the life and funding of the USTTA are extended so that this agency can do the job that needs to be done in promoting international tourism in the United States.

There are many other themes about tourism that one can emphasize during National Tourism Week 1985, but I believe that the industry has adopted a most fitting one for the week that begins shortly: "Tourism Works for America."

Let's keep it working, and let's honor its contribution again next year with National Tourism Week 1986.

Mr. WARNER. Mr. President, I rise today in recognition of National Tourism Week 1985, and the contribution made to our national economy by America's travel and tourism industry.

By law, the President has proclaimed the week of May 19–25, National Tourism Week.

As cochairman of the Senate Tourism Caucus, I am pleased to have played a role in making that proclamation possible, and I am grateful for the response given both by and to the industry in marking this special week.

The theme for National Tourism Week this year is, "Tourism Works for America."

When I travel out across our great land, or examine the economic statistics I observe, "Yes, indeed, tourism works for America."

The reams and volumes on the economic contributions of the travel and tourism industry are nearly unquantifiable.

In most States, travel and tourism is the first, second or third largest employer.

Just the other day, the Washington Post observed that, even here in the Nation's Capitol, tourism is the second largest industry, led only by the Federal Government.

But domestic economic impact is only one aspect of how tourism is working for America.

In the arena of international trade, America's travel and tourism industry is the second major contributor to our balance of trade.

Yes, tourism is an export as well as an import.

Americans going abroad and travelers coming from overseas buy products and services which combine to generate a positive trade balance . . . one of the few bright spots in our current trade picture.

Another important way in which tourism works for America is by promoting both regional domestic and international understanding.

One of the often overlooked, but more significant benefits of tourism is the exchange of information which occurs.

This exchange enables people from different parts of America to observe and appreciate the lifestyles of their fellow citizens living in other parts of the country.

It also helps people from other lands develop an appreciation for the differences between their lifestyles, political systems, and other national characteristics and those of other peoples.

These are significant contributions worthy of reflection during National Tourism Week.

These are significant contributions which, all too often, we who live in this land of great freedom take for granted.

But these are significant contributions which cause all who are active in our advocacy for this industry to conclude, "Tourism Works for America."

Mr. President, 2 weeks ago, in preparation for the observance of National Tourism Week, the United States hosted the 25th Session of the Executive Council of the World Tourism Organization.

This meeting was attended by the travel ministers of the 22 member nations which comprise the World Tourism Organization, and was chaired by America's own secretary for travel and tourism, the Honorable Donna Tuttle.

At the opening session of the WTO, my good friend and colleague, the distinguished Senator from Hawaii, [Mr. Inouye], gave one of the most stirring and thought-provoking speeches on tourism that I have ever read.

The Senator's statement provided both an execeptional review of the evolution in the relationship between the travel and tourism industry and the Federal Government, and set forth an extraordinary challenge for the future.

So that all Senators may have the benefit of the distinguished Senator's thinking, I ask unanimous consent that his speech be printed in the Record at this point.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Speech by Senator Daniel K. Inouye

I wish to thank Undersecretary Tuttle for her kind invitation to address the delegates and guests at todays opening ceremony of the 25th Session of the Executive Council of the World Tourism Organization, and to welcome all of you.

When one considers that over 200 million people, or just about 3 percent of the world population, are international tourists each year, it is not difficult to understand what a powerful instrument for international understanding and goodwill tourism is.

And when one considers that international tourism receipts are over $100 billion (total world travel including domestic travel amounts to more than $1.4 trillion), it is not difficult to appreciate how important tourism is to the global economy.

The 22 countries participating in this international tourism meeting are represented by Tourism Ministers and Secretaries of State for Tourism; and I believe that clearly demonstrates how important their governments regard tourism.

I am especially pleased that my own country is represented by an Undersecretary, because it wasn't too many years ago that our top government tourism official had the title of Executive Director.

So in that respect at least the United States has recognized what has long been apparent to most countries of the world.

I wish that were the entire story, but unfortunately it is not. In terms of funding our national tourist office, the United States ranked 38th, according to the latest statistics I have seen. And now, the administration proposes to terminate even that meager effort.

I am reasonably confident, however, that Congress will not permit this to happen, and the U.S. Travel and Tourism Administration will remain in business.

The attitude of the administration, which is very much the same as previous ones—Republican and Democrat—is, of course, shortsighted. By the same token I do not want to give the impression that everyone in Congress is fully aware of tourism and its importance. The sad truth is there is a good deal of myopia on Capitol Hill, as well.

But the travel industry has been able to generate support in Congress, because it has been able to flex its "political muscle." And "political muscle" translates into government support, in every country in the world.

When I accepted Secretary Tuttle's invitation I was told that the delegates and guests would be interested in hearing about methods of building government support for tourism.

I will try to respond to Secretary Tuttle's suggestion by briefly explaining what I mean by "political muscle", and how the travel industry developed the "political muscle" it has.

The travel industry is one of the top three in almost every one of our 50 states, and employs over 6 million people. In practical, political terms this means that in almost every congressional district in the United States there are businessmen and women who are providing goods and services to tourists; and there are hundreds of thousands of men and women in those districts whose livelihood comes from employment in the industry. These businesspeople and those they employ are voters who have a very real interest in seeing that the means of their livelihood is not crippled or destroyed by ill-advised government action.

They are the voters—and they are the ones who send Congressmen and Senators to Washington—and decide whether they stay.

Think about that for just a minute. How many waiters, waitresses, bartenders, and owners of restaurants would be unemployed and out of business if the government passed a law which no longer allowed the expenses for business entertainment to be tax deductible?

Or what would happen in the motel and hotel industry, if in the face of another energy crisis, the government encouraged the weekend closing of gasoline stations as an energy conservation measure?

Government support for any industry is therefore related to the ability of the constituency of that industry to unite and make its voice heard. That is political muscle.

When our automobile industry, or our steel industry, or organized labor wants the government to know how it feels about an issue, its members come to Washington. I can assure you the doors in Congress are open to them; and so are the doors in the White House. They are heard, and they get results. In other words, they are flexing their political muscle.

This is the same message I delivered to the travel industry about 15 years ago.

Even then, it was our third largest industry and employed over 4 million people. But it was not united, and in effect, it did not recognize itself.

The airlines looked out for their immediate interests; as did the hotels and motels; the resorts; the buses; and so forth. And, of course, the small businesses, which make up about 98% of our tourism industry really had no tourism voice at all. Since the diverse segments of the tourism industry did not perceive themselves as having any common interests, they obviously could not speak with one voice and "flex their political muscle" should the occasion arise.

And the occasion did arise in 1973, when the world faced an energy crisis. As part of its effort to deal with that crisis our government proposed to adopt a contingency fuel allocation program which would have classified a significant segment of the tourism industry as "non-essential."

To anyone aware of tourism's economic importance this proposal was very ill-advised. Nevertheless, the initial response from the industry was weak and scattered. In fact some segments weren't particularly concerned because they did not come under the "non-essential" classification.

At that point, I introduced a resolution in the Senate which called on the Federal Government to consider the economic importance of tourism whenever it proposed to ration or allocate fuel.

That resolution became a rallying point for all segments of the industry, and individuals as well as the companies themselves urged their elected representatives to support my resolution. As a consequence, 71 of the 100 members of the U.S. Senate co-sponsored that resolution and it was unanimously adopted by the Senate.

That, I believe, was the first time the industry united, and spoke with one voice. In other words, it "flexed its political muscle", and government support followed.

The next step was the 5-year National Tourism Policy Study which was undertaken by the Senate, with the cooperation and full participation of all segments of the travel industry.

The result was a final report and legislation establishing a National Tourism Policy, and creating an Undersecretary of Commerce for Tourism to administer that policy.

In my view, the National Tourism Policy Study, more than any other single event, is responsible for enabling the industry to generate the government support it has. That Study:

Succeeded in unifying the diverse segments of the travel industry to work towards their common interest. Prior to that, as I have noted, each segment was primarily concerned with what affected its narrow interest, and ignored other problems which threatened the industry as a whole;

Established a cooperative working relationship in the national interest between the Congress and the industry.

As a consequence many elected officials began to realize tourism is important to the national interest, and to take that importance into consideration in their decisions affecting energy, tax policy, etc.

I don't want to give the impression that the industry is united on all issues, or that Congress and the executive agencies fully appreciate the importance of the industry. Manifestly this is not the case. But the seeds have been sown.

In the Congress one now finds a House Tourism Caucus and a Senate Tourism Caucus. One will also find an industry council to advise the Senate Tourism Subcommittee.

And in the executive branch, there is a statutory travel industry advisory board to advise the Secretary of Commerce.

On the industry side, there is a highly prestigious industry committee under the aegis of Travel Industry Association of America, which at no cost to the government, developed an industry marketing plan for the U.S. Travel and Tourism Administration.

For purposes of uniting and flexing its political muscle, I believe the most significant development within the industry, since the National Tourism Policy Study, took place in 1982. Three years ago the industry established the Travel and Tourism Government Affairs Council for the purpose of representing a unified viewpoint on legislative and regulatory issues.

In at least one respect the language of politics is universal. Politicians the world over respond to those interests which are united and large enough to affect the political order.

Tourism by its very nature is a large industry because it involves so many goods and services. And, as I have noted, global tourism receipts total over $1 trillion dollars.

So, the task force which the industry faces in any country where it seeks its government's support, is to unite and speak with one voice.

Whenever that occurs the industry has political muscle and that means the government will listen.

Again I wish to thank you, and extend my best wishes for a successful meeting and pleasant visit.

Mr. WARNER. Mr. President, Finally, Mr. President, by my comments today the Federal Government and private industry observe, for the second time in as many years, National Tourism Week.

This observation is quickly becoming a tradition which I sincerely hope continues long after I cease my service in Government.

Since my days as administrator of the American Bicentennial, I have grown to appreciate the value of the cooperation which has developed between the Government and the travel and tourism industry.

That cooperation keeps alive all that is good about America.

It deserves congressional respect and Presidential recognition.

So with that, I am pleased to announce my cosponsorship, along with the distinguished cochairman of the Senate Tourism Caucus, Mr. Sasser, of a Senate joint resolution designating the week of May 18–24, 1986, National Tourism Week 1986.

By Mr. LEVIN:

S.J. Res. 142. Joint resolution to designate June 12, 1985, as "Anne Frank Day"; to the Committee on the Judiciary.

ANNE FRANK DAY

● Mr. LEVIN. Mr. President, today I am introducing a joint resolution to designate June 12 as "Anne Frank Day."

June 12 is the birthday of Anne Frank. On her 13th birthday 43 years ago, she was given a diary as a birthday present. She would record a moving, first-hand account of what millions of people had to endure under the Nazi regime. She also provided us with a testament to the wisdom of youth, and to the strength of the human spirit in the face of almost unbearable adversity.

June 12 of this year will also be the opening day of an exhibit in New York, Amsterdam, and Frankfurt entitled "Anne Frank in the World—1929–1945." The exhibit commemorates the personal experiences of Anne Frank, and parallels her life with the events in Germany from 1929 to 1945 and the occupation of the Netherlands. The timing of the exhibit is particularly appropriate since, as we know, this year is the 40th anniversary of the liberation of Europe by the Allied forces.

Anne Frank was born in 1929 in Frankfurt, Germany. In 1933, after persecution of the Jews increased under Hitler's regime, the Frank family left for Amsterdam. Holland provided refuge for the victims of Nazi persecution until 1940, when German troops invaded Holland.

In 1942, less than a month after Anne Frank's 13th birthday, the family went into hiding in a secret annex in the building where Mr. Frank worked. For over 2 long years, the family hid there. Anne Frank's diary vividly describes this experience—the day-to-day activities, the boredom, the family tensions. She also describes the terror she felt when the family feared discovery, the sorrow when she heard reports of family friends being shipped to camps, and her incomprehension that the Jews were being singled out from the rest of the Dutch people for relentless persecution.

> We have been pointedly reminded that we are in hiding, that we are Jews in chains, chained to one spot, without any rights, but with a thousand duties. We Jews mustn't show our feelings, must be brave and strong, must accept all inconveniences and not grumble, must do what is within our power and trust in God. Sometime this terrible war will be over.
>
> If God lets me live . . . I shall not remain insignificant, I shall work in the world and for mankind! And now I know that first and foremost, I shall require courage and cheerfulness.

Anne Frank perished in the Holocaust. Her last entry in her diary was August 1, 1944. Three days later, the Frank's secret hideaway was discovered and all were sent to concentration camps. Anne's mother died in Auschwitz. Anne and her sister were sent to Bergen-Belsen, where they both died of typhus.

Mr. Frank was the only member of the family to survive. He returned to Amsterdam, to discover the diary kept by his daughter. In 1947, he published it, and it has since been translated into 50 languages.

For many people, the sheer magnitude of the millions of people who suffered under the Holocaust makes it too great a horror to comprehend. Anne Frank's diary, by illustrating the Holocaust's effect on one family and one girl, makes that horror more real, and thus more unforgettable.

It is something we must never forget.

Anne Frank demonstrates that in the face of evil, it is possible to retain a belief in humanity.

I hope my colleagues will join me in supporting this joint resolution to designate June 12 as "Anne Frank Day."●

ADDITIONAL COSPONSORS

S. 58

At the request of Mr. Danforth, the names of the Senator from New Hampshire [Mr. Rudman], the Senator from New York [Mr. MOYNIHAN], the Senator from Alabama [Mr. HEFLIN], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 58, a bill to amend the Internal Revenue Code of 1954 to increase research activities, to foster university research and scientific training, and to encourage the contribution of scientific equipment to institutions of higher education.

S. 274

At the request of Mr. DENTON, the names of the Senator from Nevada [Mr. LAXALT], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 274, a bill to provide for the national security by allowing access to certain Federal criminal history records.

S. 680

At the request of Mr. HELMS, the names of the Senator from Louisiana [Mr. LONG], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 680, a bill to achieve the objectives of the multifiber arrangement and to promote the economic recovery of the U.S. textile and apparel industry and its workers.

S. 906

At the request of Mr. GORTON, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 906, a bill to provide for the imposition of a surcharge duty on products imported from foreign countries under certain conditions, and for other purposes.

S. 925

At the request of Mr. HUMPHREY, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of S. 925, a bill to deny most-favored-nation trading status to Afghanistan.

S. 987

At the request of Mr. EXON, the names of the Senator from Idaho [Mr. MCCLURE], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of S. 987, a bill to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861–65.

S. 1035

At the request of Mr. KASTEN, the names of the Senator from North Dakota [Mr. ANDREWS], and the Senator from Minnesota [Mr. BOSCHWITZ] were added as cosponsors of S. 1035, a bill to promote the conservation of highly erodible land and wetlands, and for other purposes.

S. 1097

At the request of Mr. DANFORTH, the names of the Senator from Montana [Mr. MELCHER], the Senator from Indiana [Mr. LUGAR], the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of S. 1097, a bill to amend the Motor Vehicles Information and Cost Savings Act to provide for the appropriate treatment of methanol.

S. 1154

At the request of Mr. MATSUNAGA, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 1154, a bill to amend title XVIII of the Social Security Act to provide direct medicare reimbursement for services performed by registered nurse anesthetists.

S. 1156

At the request of Mr. DENTON, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 1156, a bill to amend chapter XIV of the Comprehensive Crime Control Act of 1984, relating to victims of crime, to provide funds to encourage States to implement protective reforms regarding the investigation and adjudication of child abuse cases which minimize the additional trauma to the child victim and improve the chances of successful criminal prosecution or legal action.

S. 1174

At the request of Mr. MCCONNELL, the name of the Senator from Alabama [Mr. DENTON] was added as a cosponsor of S. 1174, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide States with assistance to establish or expand clearinghouses to locate missing children.

SENATE JOINT RESOLUTION 33

At the request of Mr. MATTINGLY, the names of the Senator from New Hampshire [Mr. HUMPHREY], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Joint Resolution 33, a joint resolution to authorize and request the President to designate May 12, 1985 to June 16, 1985, as "Family Reunion Month."

SENATE JOINT RESOLUTION 88

At the request of Mr. LEVIN, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of Senate Joint Resolution 88, a joint resolution to designate the week beginning September 8, 1985, as "National Osteopathic Medicine Week."

SENATE JOINT RESOLUTION 122

At the request of Mr. BRADLEY, the names of the Senator from Georgia [Mr. NUNN] and the Senator from Idaho [Mr. MCCLURE] were added as cosponsors of Senate Joint Resolution 122, a joint resolution to authorize the President to proclaim the last Friday of April each year as "National Arbor Day."

SENATE RESOLUTION 81

At the request of Mr. ARMSTRONG, the names of the Senator from Arizona [Mr. DECONCINI], and the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Resolution 81, a resolution to establish regulations to implement television and radio coverage of proceedings of the Senate.

SENATE RESOLUTION 103

At the request of Mr. SIMON, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of Senate Resolution 103, a resolution expressing the sense of the Senate that the President should initiate negotiations with the Government of the Soviet Union on a long-term agreement on expanded trade in agricultural products.

SENATE RESOLUTION 148

At the request of Mr. ZORINSKY, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Alabama [Mr. HEFLIN], and the Senator from Missouri [Mr. EAGLETON] were added as cosponsors of Senate Resolution 148, a resolution commemorating the 50th anniversary of the Rural Electrification Administration.

SENATE RESOLUTION 174—REGARDING THE PROPOSED CLOSING AND DOWNGRADING OF CERTAIN OFFICES OF THE SOCIAL SECURITY ADMINISTRATION

Mr. GORE (for himself, Mr. SASSER, and Mr. GLENN) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 174

Whereas the Social Security Administration touches the lives of nearly every American through the retirement, disability, and income security programs which it administers;

Whereas the Social Security Administration is considering a proposal which could result in the downgrading or closing of 770 of the 1,340 local Social Security Administration offices;

Whereas many people, especially senior citizens and the handicapped, who use the Social Security Administration offices listed in section 2 of this resolution, could be deprived of access to Social Security Administration offices and to the decent service they need and deserve if the Social Security Administration is permitted to implement its proposal;

Whereas many social security beneficiaries currently must drive long distances to get to a Social Security Administration office;

Whereas public transportation in rural areas is limited and rural residents' access to Social Security Administration offices would be even more severely limited by closings;

Whereas an investigation by the Senate Special Committee on Aging in 1983 found that one in five social security beneficiaries receives an incorrect payment due to an administrative error at some time over a five-year period;

Whereas adequate Social Security Administration staff is essential to prevent the underpayment and overpayment of benefits to beneficiaries;

Whereas the Social Security Administration will be serving the needs of some 36 million beneficiaries in 1985, and the number of beneficiaries is expected to increase to some 40 million by 1990;

Whereas the growing numbers of beneficiaries will be placing increased demand upon the Social Security Administration;

Whereas it is important that the Social Security Administration provide a competent and effective means for the delivery of services;

Whereas public confidence in the Social Security program was severely shaken by the financial crisis of the trust funds two years ago;

Whereas the continuing disability review process has created an administrative nightmare for beneficiaries and Social Security Administration employees;

Whereas downgrading and closing Social Security Administration offices would further undermine public confidence in the Social Security program; and

Whereas this year marks the 50th anniversary of the Social Security program and this event offers us the opportunity to rebuild public confidence and support for the program: Now, therefore, be it

Resolved, That it is the sense of the Senate that Congress should oppose the Social Security Administration's "Draft Service Delivery Methodology" proposal, which, if implemented, would result in the closing or downgrading of numerous Social Security Administration offices listed in section 2 of this resolution.

SEC. 2. The offices of the Social Security Administration which may be closed or downgraded are as follows:

State	Offices most likely to be closed	Offices which may be downgraded or closed
National total	388	382.
Alabama	10 (Albertville, Alexander City, Anniston, Birmingham-East, Cullman, Fairhope, Jackson, Russellville, Scottsboro, Troy).	5 (Andalusia, Birmingham-Ensley, Jasper, Mobile-West, Opelika).
Alaska	1 (Fairbanks)	
Arizona	4 (Casa Grande, Douglas, Flagstaff, Nogales).	4 (Prescott, Scottsdale, Tucson, Yuma).
Arkansas	5 (Blytheville, Harrison, Helena, Searcy, West Memphis).	3 (Batesville, North Little Rock, Russelville).
California	17 (Banning, Berkeley-Southwest, Carmel, Corona, Costa Mesa, El Sereno, Fresno, La Crescenta, Lakeport, Livermore, Lodi, Oakland-West, Palo Alto, Sonora, Susanville, Watsonville, Yreka).	36 (Alhambra, Auburn, Beach Cities, Burbank, Culver City, Downey, El Centro, Fairfield, Fresno-Downtown, Fresno-West, Gilrcy, Glendora, Hanford, Hemet, Huntington Beach, Indio, La Puenta Valley, Marina Venice, Monrovia, Napa, Oroville, Placerville, Porterville, Redlands, Richmond, Roseville, San Francisco-Chinatown, San Francisco-Hunters Point, San Francisco-Outer Mission, San Juan Capistrano, San Leandro, San Pablo, San Pedro, Ukiah, Vallejo, West Sacramento).
Colorado	9 (Alamosa, Boulder, Canon City, Denver-Southwest, Durango, Glenwood Springs, Grand Junction, La Junta, Montrose).	3 (Ft. Collins, Greeley, Lakewood).
Connecticut	7 (Ansonia, Bristol, Danbury, Middletown, Norwich, South Norwalk, Torrington).	7 (East Hartford, Meriden, New Britian, New London, Stamford, Waterbury, Willimantic).
Delaware		2 (Dover, Georgetown).
District of Columbia.	2 (Hawaii Ave., Pennsylvanina Ave.).	2 (East Capitol, Fort Lincion).
Florida	10 (Hallandale, Key West, Lake City, Marianna, Naples, Plant City, Quincy, Sebring, Sanford, Vero Beach).	13 (Allapattah, Bradenton, Dade City, Deland, Delray Beach, Jacksonville-North, Little River, Miami Beach, Panama City, Pompano Beach, Riverside, St. Augustine, Winter Haven).
Georgia	14 (Atlanta-Northeast, Atlanta-Southwest, Augusta-Daniel Village, Carrollton, Cedartown, Cordele, Covington, Dalton, Moultrie, Milledgeville, Statesboro, Swainsboro, Tifton, Toccoa).	11 (Atlanta-Northwest, Atlanta-Southeast, Brunswick, Dublin, Griffin, La Grange, Thomasville, Valdosta, Vidalia, Warner Robbins, Waycross).
Hawaii	3 (Hilo, Kahului, Lihue, Kauai,).	1 (Waipahu).
Idaho	2 (Caldwell, Idaho Falls)	4 (Coeur d'Alene, Lewiston, Pocatella, Twin Falls).
Illinois	7 (Cairo, Effingham, Freeport, Glenview, Litchfield, West-Frankfort, Woodstock).	21 (Arlington Heights, Belleville, Bloomington, Carbondale, Champaign, Chicago-back of the yards, Chicago-Bridgeview, Chicago-Lawndale, Chicago West Town, Des Plaines, Downers Grove, Elgin, Galesburg, Harrisburg, Kankakee, Mt. Vernon, Pekin, Peru, Quincy, Sterling, Villa Park).
Indiana	5 (Auburn, Crawsfordsville, East Chicago, Michigan City, Valparaiso).	9 (Elkhart, Indianapolis-East, Indianapolis-West, Kokomo, Lafayette, Madison, Merrillville, Richmond, Vincennes).
Iowa	11 (Ames, Carroll, Clinton, Council Bluffs, Creston, Decorah, Iowa City, Marshalltown, Oskaloosa, Spencer).	6 (Burlington, Cedar Rapids, Dubuque, Ft. Dodge, Mason City, Ottumwa).
Kansas	7 (Colby, Dodge City, Emporia, Independence, Kansas City, Lawrence, Ottowa, Winfield).	5 (Hutchison, Kansas City, Pittsburg, Salina, Shawnee Mission).
Kentucky	13 (Ashland, Danville, Henderson, Jackson, Louisville-East, Louisville-West, Madisonville, Maysville, Mayfield, Middlesboro, Prestonburg, Richmond, Somerset).	8 (Campbellsville, Elizabethtown, Frankfort, Hazard, Hopkinsville, Owensboro, Paducah, Pikeville).
Louisianna	8 (Bastrop, Bogalusa, Covington, Minden, Morgan City, Natchitoches, Plaquemine, Ruston).	3 (Baton Rouge-Govt. St., Baton Rouge-North, New Orleans-East).
Maine	4 (Biddeford, Rockland, Rumford, Waterville).	3 (Augusta, Lewiston/Auburn, Presque Isle).
Maryland	12 (Annapolis, Baltimore-East, Baltimore-North, Baltimore-Northeast, Baltimore-Northwest, Baltimore-Belaire, Cambridge, Catonsville, Elkton, Frederick, Hagerstown, Westminster).	7 (Baltimore-Eastpoint, Baltimore-West, Cumberland, Glen Burnie, Landover, Randallstown, Rockville).
Massachusetts	6 (Brookline, Falmouth, Gardner, Greenfield, North Adams, Taunton).	9 (Attleboro, Fitchburg, Hanover, Haverhill, Hyannis, Norwood, Pittsfield, Roslindale, Waltham).
Michigan	7 (Adrian, Alpena, Holland, Ironwood, Monroe, Owosso, Petoskey).	10 (Detroit-East Jefferson, Detroit-Grand River, Detroit-Livernois St., Detroit-Southwest, Farmington, Flint, Hamtramck, Livonia, Marquette, Mt. Clemons).
Minnesota	8 (Alexandria, Austin, Fairmont, Fergus Fall, Hibbing, Minneapolis-Broadway, Rochester, Winona).	6 (Bemidji, Brooklyn Center, Duluth, Mankato, Marshall, Minneapolis-Southwest).
Mississippi	13 (Biloxi, Brookhaven, Cleveland, Columbia, Corinth, Grenada, Kosciusko, McComb, Natchez, Newton, Pascagoula, Philadelphia, Starkville).	9 (Clarksdale, Columbus, Greenville, Greenwood, Hattiesburg, Holly Springs, Laurel, Meridian, Vicksburg).
Missouri	11 (Chillicothe, Columbia, Kirksville, Kirkwood, Lebanon, Maryville, Nevada, Rolla, St. Charles, Union, Warrensburg).	16 (Cape Girardeau, Flat River, Gladstone, Hannibal, Jefferson City, Joplin, Kansas City, Kennett, Moberly, Sedalia, Sikeston, St. Joseph, St. Louis-North County, St. Louis-Northeast, St. Louis-Northwest, St. Louis-South County, West Plains).
Montana	6 (Bozeman, Butte, Hare, Helena, Kalispell, Lamar).	2 (Great Falls, Missoula).
Nebraska	5 (Beatrice, Fremont, Grand Island, Hastings, Scottsbluff).	2 (Norfolk, North Platte).
Nevada		1 (North Las Vegas).
New Hampshire	3 (Keene, Littleton, Nashua).	3 (Concord, Manchester, Portsmouth).
New Jersey	3 (Newton, Raritan, Wildwood (Atlantic City).	7 (Brick Township (Asbury Park), Glassboro (Camden), Hoboken, Ho-Ho-Kus, Mount Holley (Camden), Plainfield, Toms River).
New Mexico	4 (Clovis, Gallup, Hobbs, Las Vegas).	3 (Farmington, Roswell Santa Fe).
New York	6 (Auburn, Dunkirk, Gloversville, Herkimer, Long Beach, Mt. Vernon).	23 (Astoria, Bronx-Hunt's Point, Brooklyn-Bedford Stuyvestant, Brooklyn-Brushwick, Brooklyn-King's Plaza, Corning, Elmira, Hudson, Jamestown, Long Island City, NYC-Chinatown, NYC-Lenox Hill, NYC-Murray Hill, NYC-North Harlem, New Door-Staten Island, Ogdensburg, Oswego, Peekskill, Plattsburgh, Ridgemont, Riverhead, Rome, Watertown).
North Carolina	19 (Albemarle, Ahoskie, Asheboro, Burlington, Concord, Elizabeth City, Franklin, Hendersonville, High Point, Kinston, Mt. Airy, Morgantown, Reidsville, Roanoke Rapids, Rockingham, Smithfield, Statesville, Wilkesboro, Washington).	14 (Durham, Gastonia, Goldsboro, Greenville, Henderson, Hickory, Lumberton, New Bern, Rocky Mount, Salisbury, Sanford, Shelby, Whiteville, Wilmington).
North Dakota	4 (Devils Lake, Dickinson, Grafton, Jamestown, Williston).	3 (Bismark, Grand Forks, Minot).
Ohio	18 (Ashtabula, Athens, Bowling Green, Cambridge, Cleveland-Northwest, Columbus-West, Dayton-West, East Liverpool, Fremont, Gallipolis, Ironton, Lancaster, Marietta, Medina, New Philadelphia, Ravenna, Wooster, Xenia).	19 (Akron-West, Batavia, Cincinnatti-Peebles Corners, Cleveland-Northwest, Cleveland-U. Circle, Defiance, Columbus-East, Columbus-North, Euclid, Findlay, Marion, Middletown, Newark, Painesville, Portsmouth, Sandusky, Steubenville, Toledo-West, Zanesville).
Oklahoma	10 (Ada, Bartlesville, Chickasha, Clinton, Hugo, Miami, Norman, Okmulgee, Poteau, Stillwater).	5 (Ardmore, Enid, Lawton, McAlester, Shawnee).
Oregon	12 (Albany, Astoria, Bend, Coos Bay, Klamath Falls, La Grande, Ontario, Pendleton, Portland-Lloyd Center, Portland-North, Portland-South, The Dalles).	12 (Beaverton, Medford).
Pennsylvania	18 (Beaver Falls, Bloomsburg, Carbondale, Carlisle, East Stroudsburg, Lebanon, Lewistown, Meadville, Monroeville, Pittsburgh-Brentwood, Pittsburgh-East Liberty, Pittsburgh-Hill District, Pittsburgh-Mt. Lebanon, Pittston, Shamokin, State College, Somerset, Towanda).	23 (Altoona, Ambridge, Bethlehem, Butler, Chambersburg, Charleroi, Du Bois, Glenside, Hazelton, Indiana, McKeesport, New Castle, New Kensington, Oil City, Philadelphia-Kensington, Philadelphia-Nicetown, Philadelphia-Woodland, Pittsburgh-Northside, Pottstown, Sharon, Sunbury, Washington, Williamsport).
Purerto Rico	4 (Fajardo, Guayama, San Sebastian, Yauco).	7 (Aguadilla, Cayey, Hato Rey, Hato Tejas, Humacao, Manati, San Juan).
Rhode Island	2 (Newport, Woonsocket)	
South Carolina	6 (Beaufort, Bennettsville, Camden, Dillon, Laurens, Walterboro).	9 (Aiken, Anderson, Charleston-Downtown, Conway, Georgetown, North Charlestown, Orangeburg, Rock Hill, Sumter).
South Dakota	4 (Aberdeen, Pierre, Watertown, Yankton).	2 (Huron, Rapid City).
Tennessee	12 (Athens, Cleveland, Greenville, La Follette, Lawrenceburg, McMinnville, Murfreesboro, Nashville-East, Nashville-Hadley Park, Paris, Selmer, Union City).	11 (Clarksville, Columbia, Gallatin, Johnson City, Kingsport, Maryville, Memphis-East, Memphis-North, Memphis-South, Oak Ridge, Tullahoma).
Texas	16 (Alice, Brenham, Brownwood, Cleburn, Corsicana, Denton, Georgetown, Kerrville, Marshall, McKinney, Nacogdoches, Palestine, Pampa, Plainview, San Marcos, Waxahachie).	13 (Angelton, Bryan, Big Spring, Dallas-West, Eagle Pass, Fair Park, Fort Worth-South, Greenville, Paris, Pleasant Grove, San Angelo, Seguin, Sherman).
Utah	2 (Cedar City, Murray)	1 (Provo).

State	Offices most likely to be closed	Offices which may be downgraded or closed
Vermont		2 (Montpelier, Rutland).
Virgin Islands	2 (St. Croix, St. Thomas)	
Virginia	11 (Arlington, Culpepper, Farmville, Fredericksburg, Hampton, Harrisonburg, Manassas, Martinsville, Richmond-Chruch Hill, South Boston (Danville), Staunton).	14 (Alexandria, Charlottesville, Covington, Danville, Newport News, Norton, Portsmouth, Richmond-Northside, Richmond-Southside, Suffolk, Tysons Corner, Virginia Beach, Winchester, Wythesville).
Washington	8 (Longview, Lynnwood, Mount Vernon, Port Angeles, Seatle-Burien, Seatle-West, Walla Walla).	6. (Bellingham, Bremerton, Puyallup, Pullman Renton, Seatle-North, Vancouver).
West Virginia	8 (Elkins, Logan, Martinsburg, Montgomery, Morgantown, Petersburg, St. Albans, Williamson).	2 (Fairmont, Welch).
Wisconsin	5 (Manitowoc, Milwaukee-Mitchell, Milwaukee-South, Milwaukee-West Bend, Sheboygan).	4 (Janesville, Kenosha, Milwaukee-East, Waukesha).
Wyoming	4 (Cheyenne, Rock Springs, Riverton, Sheridan).	1 (Casper).

Mr. GORE. Mr. President, I am today submitting a resolution calling on Congress to oppose the Social Security Administration [SSA] proposal which would result in the closing or downgrading of numerous local Social Security offices.

Last January, in an internal Social Security Administration memorandum, Social Security Regional Commissioners were asked to review and comment on criteria for determining which SSA field offices could be closed or downgraded. Under SSA's criteria, offices with staffs "of 10 or less should be consolidated, closed or converted unless other considerations are overriding." Offices "with a staff size of 11 to 16 should be reviewed for conversion, consolidation or closing." and Offices "with a staff size of 16 to 25 that are located within 25 miles from another full-service facility, should be reviewed for possible consolidation, conversion, and so forth."

Based on the criteria, 770 of the 1,340 local SSA offices would be closed or downgraded if the plan is implemented. In section II of my resolution, these offices are listed.

The closing of hundreds of offices and the downgrading of others would place tremendous hardships on Social Security beneficiaries. Already many Social Security recipients must drive long distances to get to a Social Security office. Many more would find their access to an office severely restricted due to travel-related concerns. Handicapped individuals and rural residents could find accessibility to Social Security offices virtually impossible if the proposal is implemented.

Also, the number of Social Security beneficiaries is projected to increase by 11 percent between 1985 and 1990. By 1990, SSA is expected to be serving some 40 million people. With the increased demand that this growing beneficiary population will be placing upon SSA, plans should be developed to accommodate future needs rather than seeking to cut back services now available.

It is extremely important that the Social Security Administration continue to maintain the ability to respond to the needs of beneficiaries. It also is important that the American people's faith in the Social Security system is not undermined. I urge you to join with me in expressing disapproval of SSA's plan to close or downgrade numerous offices. Let us do all we can to ensure that Social Security beneficiaries have access to the service they need and deserve.

SENATE RESOLUTION 175—DIRECTING THE SENATE LEGAL COUNSEL TO INTERVENE IN GARY PAROLA, ET AL. V. CASPAR WEINBERGER, ET AL.

Mr. DANFORTH for Mr. DOLE (for himself and Mr. BYRD) submitted the following resolution; which was considered and agreed to:

S. RES. 175

Whereas, in the case of *Gary Parola, et al.* v. *Caspar Weinberger, et al.*, Civil Action No. 85-20203 WAI, filed in the United States District Court for the Northern District of California, the constitutionality of the procurement protest system established by the Competition in Contracting Act of 1984, Pub. L. No. 98-369, 98 Stat. 1175, 1199-1203, has been placed in issue;

Whereas, the Department of Justice has notified the Senate that the Department will assert in cases under the Competition in Contracting Act that the powers granted by that Act of Congress to the Comptroller General violate the constitutionally prescribed separation of powers;

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(c), 288e(a), and 288l(a)(1982), the Senate may direct its Counsel to intervene in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to intervene in the name of the Senate in the case of *Gary Parola, et al.* v. *Caspar Weinberger, et al.*, Civil Action No. 85-20203 WAI.

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE AUTHORIZATION ACT FISCAL YEAR 1986

PROXMIRE (AND OTHERS) AMENDMENT NO. 198

(Ordered to lie on the table.)

Mr. PROXMIRE (for himself, Mr. MATHIAS, Mr. BUMPERS, Mr. CHAFEE, Mr. LEAHY, Mr. SIMON, Mr. LEVIN, and Mr. MATSUNAGA) submitted an amendment intended to be proposed by them to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe the personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes; as follows:

On page 100, between lines 2 and 3, insert the following new title:

TITLE X—STRATEGIC DEFENSE INITIATIVE AUTHORIZATION

SEC. 1001. This title may be cited as the "Alternate Strategic Defense Initiative Authorization Act for Fiscal Year 1986".

EXCLUSIVE AUTHORIZATION OF FUNDS FOR STRATEGIC DEFENSE INITIATIVE PROGRAMS AND ADVANCED STRATEGIC MISSILE SYSTEMS FOR FISCAL YEAR 1986

SEC. 1002. Funds authorized to be appropriated by this title for the Strategic Defense Initiative and for advanced strategic missile systems for fiscal year 1986 are in lieu of any authorization for the appropriation of funds for such purposes for such fiscal year contained in section 201.

AUTHORIZATION OF APPROPRIATIONS FOR STRATEGIC DEFENSE INITIATIVE AND FOR THE ADVANCED STRATEGIC MISSILE SYSTEMS PROGRAM

SEC. 1003. (a) Funds are hereby authorized to be appropriated to the Defense Agencies for fiscal year 1986 in the total amount of $1,860,200,000 for research, development, test, and evaluation in connection with the Strategic Defense Initiative as follows:

(1) For the Surveillance, Acquisition, and Tracking Program, $683,500,000, of which amount not more than $49,400,000 may be expended for the Boost Surveillance and Tracking System Project, not more than $48,100,000 may be expended for the Space Surveillance and Tracking System Project, not more than $121,700,000 may be expended for the Optical Surveillance Project and not more than $6,200,000 may be expended for the Terminal Imaging Radar Demonstration Project.

(2) For the Directed Energy Weapons Program, $446,800,000, of which not more than $169,200,000 may be expended for the Space-Based Laser Concept Project.

(3) For the Kinetic Energy Weapons Program, $305,000,000, of which not more than $23,700,000 may be expended for the Endo NNK Test Bed Project; not more than 413,200,000 may be expended for the Exo NNK Test Bed Project; not more than $3,600,000 may be expended for the Hypervelocity Launcher Development Project; not more than $31,200,000 may be expended for the Kinetic Kill Vehicle Project; and not more than $33,600,000 may be expended for the Terminal Technologies Integration Project.

(4) For a new program, to be carried out under the Strategic Defense Initiative Organization and to be designated as the Hard Point Defense Technology Development Program, to continue research, development, test, and evaluation of conventional antiballistic missile system for the defense of strategic military targets, $75,000,000. Research under such new program shall be coordinated with the present schedule of the ICBM survivability effort.

(5) For the Systems Concepts and Battle Management Program, $127,800,000.

(6) For a new program, to be carried out under the Strategic Defense Initiative Organization and to be designated as the Threat Analysis Program, to conduct research into Soviet countermeasures, analysis Soviet offensive responses, and evaluate the cost effectiveness of developing and deploying offensive nuclear systems to defeat defensive systems, $20,000,000.

(7) For the Survivability, Lethality, and Key Technologies Program, $192,900,000, of which $72,100,000 may be expended only for the System Survivability Project and $103,500,000 may be expended only for the Lethality and Target Hardening Project.

(8) For Management Headquarters of the Strategic Defense Initiative, $9,200,000.

(b) Funds are hereby authorized to be appropriated to the Air Force for fiscal year 1986 in the amount of $196,000,000 for research, development, test, and evaluation in connnection with the Advanced Strategic Missile Systems Program.

(c) The limitations prescribed in section 202 shall be inapplicable to funds appropriated pursuant to this title.

THREAT ANALYSIS PROGRAM

SEC. 1004. (a) The Threat Analysis Program provided for in subsection (a)(6) of section 1003 shall be carried out as a part of the Air Force Advanced Strategic Missile Systems Program.

(b) The Secretary of the Air Force shall submit a report each year to the Office of the Secretary of Defense, the Joint Chiefs of Staff, the Science Advisor to the President, the Strategic Defense Evaluation Panel (established under section 1005), and the Congress on the results of the research referred to in section 1003(a)(6). The Secretary shall submit a classified and unclassified version of each such report to the Congress.

STRATEGIC DEFENSE EVALUATION PANEL

SEC. 1005. (a) There is established an independent panel of experts to be known as the Strategic Defense Evaluation Panel (hereinafter in this section referred to as the "Panel").

(b) The Panel shall be composed of 8 members appointed as follows:

(1) Two members to be appointed by the Speaker of the House of Representatives.

(2) Two members to be appointed by the minority leader of the House of Representatives.

(3) Two members to be appointed by the President pro tempore of the Senate upon the recommendation of the majority leader of the Senate.

(4) Two members to be appointed by the President pro tempore of the Senate upon the recommendation of the minority leader of the Senate.

(c) No person may be appointed to the Panel who was employed at any time during the previous year by the Strategic Defense Initiative Organization or by an organization otherwise compensated under contract by the Strategic Defense Initiative Organization.

(d) Members of the Panel shall be appointed for a term of three years except that of the members first appointed to the Panel, two shall be appointed for a term of one year, three shall be appointed for a term of two years, and three shall be appointed for a term of three years, as determined by lot at the first organizational meeting of the Panel.

(e) It shall be the function of the Panel to evaluate defensive research and development activities of the Department of Defense, the technical and programmatic status of work within the Strategic Defense Initiative Organization, and the effect of the Strategic Defense Initiative on United States arms control goals and policies and United States compliance with existing arms control treaties.

(f) The Panel shall submit classified and unclassified reports to the Congress each year containing the results of its evaluations made pursuant to subsection (e) for the preceding year together with such recommendations for legislative and administrative action as it considers appropriate. The first such report shall be submitted not later than April 1, 1986.

(g) Panel members shall be subjected to appropriate clearance investigations and given access to all classified materials pertinent to evaluating the Strategic Defense Initiative.

(h) Expenses of the Panel, for such administrative and staff support as it may require, shall be paid out of funds made available for the Strategic Defense Initiative Organization.

REDESIGNATION OF PROJECTS FOR PURPOSES OF REPORTING

SEC. 1006. All Strategic Defense Initiative projects on which work is being carried out on the date of the enactment of this Act, which the Secretary of Defense estimates will cost a total of more than $200,000,000 to complete, and on which (before the date of the enactment of this Act) no Selected Acquisition Report was required to be submitted shall be designated as a major defense acquisition program for purposes of section 139a of title 10, United States Code.

REQUIREMENT FOR AN ANNUAL REPORT ON THE STRATEGIC DEFENSE INITIATIVE

SEC. 1007. (a) At the same time that the Secretary of Defense submits his annual budget presentation materials to the Congress for each fiscal year, beginning with fiscal year 1987 and ending with fiscal year 1991 (but in no event later than March 15 of the year in which the fiscal year begins), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on Foreign Affairs of the House of Representatives a report on the programs of the Department of Defense that constitute the Strategic Defense Initiative and on all other programs of the Department of Defense, if any, that relate to defense against strategic ballistic missiles.

(b) Each report required under subsection (a) shall be an update (in classified and unclassified form) of the 1985 report on the Strategic Defense Initiative submitted to the Congress pursuant to section 1102 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2582), and shall be of the same scope and in the same format as that report, including the information on the Strategic Defense Initiative required to be submitted to the Congress pursuant to House Report 98-1086.

STUDY BY THE DIRECTOR OF THE CONGRESSIONAL BUDGET OFFICE

SEC. 1008. (a) The Director of the Congressional Budget Office shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiative programs for fiscal years 1986 through 1991 will likely have on the research and development budget of the Department of Defense for each of such years and on the research and development budget for the entire Federal Government for each of such years.

(b) The Director shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

STUDY BY THE JOINT ECONOMIC COMMITTEE

SEC. 1009. (a) The Joint Economic Committee shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiative programs for fiscal years 1986 through 1991 will likely have on the research and development efforts by the civilian sector of the economy for such years.

(b) The Committee shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

CONGRESSIONAL COMMITMENT TO THE ABM TREATY

SEC. 1010. (a) The Congress reaffirms the commitment of the United States to the 1972 Treaty on the Limitation of Anti-Ballistic Missile Systems between the Soviet Union and the United States and strongly believes that special care should be exercised by the Department of Defense to ensure that all research and development programs conducted by the Department be conducted in a manner that fully complies with the treaty.

(b) The Congress calls on the Soviet Union and the President to take such action as may be necessary to reverse the erosion of the Anti-Ballistic Missile Treaty that has occurred over the last decade by using the procedures established in the treaty to clarify any ambiguities concerning permitted and prohibited activities with regard to research, testing, development, and demonstrations relating to strategic defense and space weapons.

On page 3, line 4, strike out "$2,408,300,000" and insert in lieu thereof "$3,040,800,000".

On page 3, line 5, strike out "$5,049,500,000" and insert in lieu thereof "$5,109,600,000".

On page 6, line 23, strike out "$11,344,600,000" and insert in lieu thereof "$11,384,600,000".

On page 10, line 3, strike out "$8,706,400,000" and insert in lieu thereof "$8,773,800,000".

On page 10, line 11, strike out "$100,000,000" and insert in lieu thereof "$144,000,000".

On page 10, line 12, strike out "$192,000,000" and insert in lieu thereof "$213,500,000".

On page 10, between lines 14 and 15, insert the following:

For the Air Force Reserve, $6,500,000.

On page 106, between lines 20 and 21, insert the following new section:

ADDITIONAL AUTHORITY TO CONSTRUCT AND IMPROVE FAMILY HOUSING

SEC. 2104. The Secretary of the Army may construct, acquire, or improve family housing units (including land acquisition), at such locations as he determines new units or improvements are most critically needed, in the amount of $120,000,000. Such amount is in addition to the amounts provided in sections 2102 and 2103. Improvements to existing military family housing units shall be subject to section 2825 of title 10, United States Code.

On page 121, between lines 18 and 19, insert the following new section:

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ADDITIONAL AUTHORITY TO CONSTRUCT AND IMPROVE FAMILY HOUSING

Sec. 2125. The Secretary of the Navy may construct, acquire, or improve family housing units (including land acquisitions), at such locations as he determines new units or improvements are most critically needed, in the amount of $50,000,000. Such amount is in addition to the amounts provided in sections 2122 and 2123. Improvements to existing military family housing shall be subject to section 2825 of title 10, United States Code.

On page 121, line 21, strike out "Sec. 2125" and insert in lieu thereof "Sec. 2126".

On page 137, between lines 5 and 6, insert the following new section:

ADDITIONAL AUTHORITY TO CONSTRUCT AND IMPROVE FAMILY HOUSING

Sec. 2144. The Secretary of the Air Force may construct, acquire, or improve family housing units (including land acquisition), at such locations as he determines new units or improvements are most critically needed, in the amount of $70,000,000. Such amount is in addition to the amounts provided in sections 2142 and 2143. Improvements to existing military family housing shall be subject to section 2825 of title 10, United States Code.

On page 137, line 8, strike out "Sec. 2144" and insert in lieu thereof "Sec. 2145".

On page 138, line 9, strike out "$3,141,513,000" and insert in lieu thereof "$3,261,513,000".

On page 138, line 24, strike out "$288,080,000" and insert in lieu thereqf "(including improvements under section 2104), $408,080,000".

On page 140, line 2, strike out "$2,323,403,000" and insert in lieu thereof "$2,373,403,000".

On page 140, line 20, strike out "$154,000,000" and insert in lieu thereof "(including improvements under section 2125), $204,000,000".

On page 141, line 18, strike out "$2,624,041,000" and insert in lieu thereof "$2,694,041,000".

On page 142, line 13, strike out "$212,600,000" and insert in lieu thereof "(including improvements under section 2144), $282,600,000".

PROXMIRE AMENDMENT NO. 199

(Ordered to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill S. 1160, supra; as follows:

At the end of title IX of division A of the bill, insert the following new section:

REQUIREMENT FOR SPECIFIC AUTHORIZATION FOR DEPLOYMENT OF STRATEGIC DEFENSE INITIATIVE SYSTEM

Sec. 917. A strategic defense system developed as a consequence of research, development, test, and evaluation conducted on the Strategic Defense Initiative program may not be deployed in whole or in part unless—

(1) the President determines and certifies to the Congress in writing that the system is—

(A) survivable against Soviet countermeasures and against any increased or new Soviet offensive capability; and

(B) cost effective at the margin to the extent that it must be inexpensive enough to add additional defensive capability so that the Soviet Union has no incentive to add additional offensive capability to overcome the defense; and

(2) the deployment of the system has been specifically authorized by legislation enacted after the date on which the President makes the certification to the Congress.

SPECTER AMENDMENT NOS. 200 THROUGH 202

(Ordered to lie on the table.)

Mr. SPECTER submitted three amendments intended to be proposed by him to the bill S. 1160, supra; as follows:

Amendment No. 200

Title I, Division A, of the bill is amended as follows:

At page 3, line 3, strike "$5,213,300,000" and add "$5,301,600,000, of which not less than $88,300,000 shall be used to procure Field Artillery Ammunition Support Vehicles (FAASV's)."

Amendment No. 201

At section 102 of Division A of the bill, strike subsection (d) and redesignate subsections (e) through (i) as subsections (d) through (h).

Amendment No. 202

At title I of Division B of the bill providing authorization for military construction for Army facilities, add the following:

"New Cumberland Army Depot, Pennsylvania, $88,000,000."

ZORINSKY (AND OTHERS) AMENDMENT NO. 203

Mr. ZORINSKY (for himself, Mr. Dole, Mr. Goldwater, Mr. Gore, Mr. Baucus, Mr. Stennis, Mr. Melcher, Mr. Stevens, Mr. Gorton, Mr. Thurmond, Mr. Pressler, Mr. Hatch, Mr. Symms, Mr. Exon, Mr. Nunn, Mr. Stafford, Mr. Warner, Mr. Glenn, and Mr. Hollings) proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place, insert:

There is authorized a study of problem areas which may be contributing to the expansion and additional costs of the Army's program to counter deficiencies in basic skills of its recruits.

This study shall be conducted by a commission composed of sixteen members, as follows:

(1) Eight members shall be appointed by the President of the United States.

(2) Four members shall be appointed by the President pro tempore of the Senate, two upon recommendation of the Majority Leader of the Senate and two upon recommendation of the Minority Leader of the Senate.

(3) Four members shall be appointed by the Speaker of the House of Representatives, two upon recommendation of the Majority Leader of the House of Representatives and two upon recommendation of the Minority Leader of the House of Representatives.

(c)(1) The President, the President pro tempore of the Senate, and the Speaker of the House of Representatives shall, after consultation, assure that the members of the Commission are broadly representative of parents, the education community, business and industry, the military, and government, together with consideration for representation of minorities.

(2) The members of the Commission shall be individuals who have demonstrated prior understanding of and concern about the problem of illiteracy.

(d) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(e) The Commission shall elect a chairman and a vice chairman from among its members.

(f) Nine members of the Commission shall constitute a quorum for the transaction of business, but the Commission may establish a lesser number as a quorum for the purpose of holding hearings, taking testimony, and receiving evidence.

FUNCTIONS

Sec. 3. (a) The Commission shall conduct a full and complete study of the causes of illiteracy. Such study shall include but not be limited to the consideration of—

(1) methods of teaching reading that have been proven to be most effective, as well as methods of teaching reading which may be counterproductive; and

(2) methods of teacher training relating to reading instruction in the classroom.

(b) In carrying out its functins under this section, the Commission shall—

(1) assess the factors which contribute to illiteracy

(2) analyze and use the recommendations of the National Commission on Reading contained in the report, "A Nation of Readers";

(3) recommend programs and procedures to prevent illiteracy;

(4) Encourage greater cooperation and resource sharing at the delivery level in federally assisted programs which have an impact upon preventing illiteracy, including Title 1 of the Elementary and Secondary Education Act of 1965, chapter 2 of the Education Consolidation and Improvement Act of 1981, the Carl D. Perkins Vocational Education Act, the Adult Education Act, the Higher Education Act of 965, the Library Services and Construction Act, and the Job Training Partnership Act;

(5) recommend the appropriate local, State, and Federal role in the prevention of illiteracy; and

(6) assemble, analyze and publicize its findings.

(c) The Commission shall submit to the President and to the Congress such interim reports as it deems advisable. The Commission shall submit to the President and to the Congress, not later than twelve months after the first meeting of the Commission, a final report of the study and investigation, together with such recommendations as the Commission deems advisable.

ADMINISTRATIVE PROVISIONS

Sec. 4 (a) Subject to such rules and regulations as may be adopted by the Commission, the chairman is authorized to—

(1) appoint, terminate, and fix the compensation without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, or of any other provision of law, relating to the number, classification, and General Schedule rates—

(A) of such personnel as it deems advisable to assist in the performance of its duties, at rate not to exceed a rate equal to the maximum rate for GS-15 of the General Schedule under section 5332 of such title; and

(B) of an executive director for the Commission contingent upon confirmation by the Commission members at an annual rate of compensation not to exceed a rate equal to the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(2) procure, as authorized by section 3109 of title 5, United States Code, temporary and intermittent services to the same extent as is authorized by law for agencies in the executive branch, but at rates not to exceed the daily equivalent of the maximum annual rate of basic pay in effect for grade GS-15 of the General Schedule.

(b) Service as a member of the Commission or as an employee of the Commission shall not be considered service in an appointive or elective position in the Federal Government for purposes of section 8344 of title 5, United States Code, or comparable provisions of Federal law.

(c) The Commission may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

COMPENSATION OF MEMBERS

Sec. 5. (a) The members of the Commission shall serve on the Commission without compensation.

(b) All members of the Commission shall be reimbursed for travel, as authorized by section 5703 of title 5, United States Code, subsistence, and other necessary expenses incurred in the performance of the duties of the Commission.

POWERS OF THE COMMISSION

Sec. 6. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof or any member authorized by the Commission may, for the purpose of carrying out this joint resolution, hold such hearings and sit and act at such times and places, take such testimony, have such printing and binding done, enter into such contracts and other arrangements (with or without consideration or bond, to such extent or in such amounts as are provided in appropriation Acts, and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), make such expenditures, and take such other actions as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) The Commission is authorized to secure directly from any officer, department, agency, establishment, or instrumentality of the Government such information, suggestions, estimates, and statistics as the Commission may require for the purpose of this joint resolution, and each such officer, department, agency, establishment, or instrumentality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the chairman or vice chairman.

(c) Upon request of the Commission, the head of any Federal agency is authorized to make any of the facilities and services of such agency available to the Commission or to detail any of the personnel of such agency to the Commission, on a reimbursable basis, to assist the Commission in carrying out its duties under this joint resolution, unless the head of such agency determines that urgent, overriding reasons will not permit the agency to make such facilities, services, or personnel available to the Commission and so notifies the chairman in writing.

(d) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(e) No officer or agency of the United States shall require the Commission to submit any report, recommendation, or other matter to any such officer or agency for approval, comment, or review before submitting such report, recommendation, or other matter to the Congress.

TERMINATION OF THE COMMISSION

Sec. 7. Ninety days after the submission to the Congress of its final report, the Commission shall cease to exist.

AUTHORIZATION OF APPROPRIATIONS

Sec. 8. There are authorized to be appropriated such sums, but not to exceed $500,000, as may be necessary to carry out the provisions of this amendment.

WARNER (AND OTHERS) AMENDMENT NO. 204

Mr. WARNER (for himself, Mr. Levin, Mr. Zorinsky, Mr. Goldwater, Mr. Nunn, Mr. Melcher, and Mr. Glenn) proposed an amendment to the bill S. 1160, supra, as follows:

At the appropriate place, add the following:

DONATIONS BY COMMISSARY STORES OF CERTAIN UNMARKETABLE FOOD

(a) In General.—Chapter 147 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2485. Commissary stores: Donation of unmarketable food

"(a) The Secretary of a military department may donate commissary store food described in subsection (b) to authorized charitable nonprofit food banks.

"(b) Food that may be donated under this section is food of a commissary store—

"(1) that is—

"(A) unmarketable;

"(B) unsaleable; and

"(C) certified as edible by appropriate food inspection technicians; and

"(2) that would otherwise be destroyed as unusable.

"(c) A donation under this section shall take place at the site of the commissary that is donating the food.

"(d) A donation under this section may only be made to an entity that is authorized by the Secretary of Defense or the Secretary of Health and Human Services to receive donations under this section.

"(e) This section does not authorize any service (including transportation) to be provided in connection with a donation under this section.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2485. Commissary stores: donation of unmarketable food.".

WARNER AMENDMENT NO. 205

Mr. WARNER proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place, insert:

DEFINITION OF RESIDENCE OF A STUDENT DEPENDENT

(a) In General.—Section 406 of title 37, United States Code, is amended by adding at the end thereof the following new subsection:

"(1) For the purposes of this section, the residence of a dependent of a member who is a student not living with the member while at school shall be considered to be the permanent duty station of the member or the designated residence of dependents of the member if the member's dependents are not authorized to reside with the member."

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to orders to change a permanent station that are effective after September 30, 1985.

WARNER (AND SPECTER) AMENDMENT NO. 206

Mr. WARNER (for himself and Mr. Specter) proposed an amendment, which was subsequently modified, to the bill S. 1160, supra, as follows:

AUTHORITY TO TRANSFER CERTAIN AIRCRAFT

(a) In General.—The Secretary of the Navy may transfer title to an aircraft described in subsection (b) to the institution leasing the aircraft if the Secretary certifies—

(1) that at the time of the transfer the aircraft is being used by the organization holding the aircraft for a purpose consistent with the use intended when the aircraft was first leased to the institution; and

(2) that the Department of the Navy no longer needs the aircraft.

(b) Covered Aircraft.—The authority of the Secretary of the Navy under subsection (a) applies with respect to an aircraft—

(1) that on the date of the enactment of this Act is being leased by the Secretary to a State-supported educational institution; and

(2) for which a lease for such aircraft began with such institution on or before January 1, 1976.

(c) Compensation.—A transfer under this section shall be made without compensation or reimbursement to the United States.

MELCHER AMENDMENT NOS. 207 AND 208

Mr. MELCHER proposed two amendments to the bill S. 1160, supra; as follows:

Amendment No. 207

At the end of the bill, add the following new section:

"Sec. . (a) Notwithstanding section 212(c) of the Omnibus Reconciliation Act of 1981, in the administration of the survivor benefit plan under subchapter II of chapter 73 of title 10, United States Code, Deola Shryock of Polson, Montana, the widow of Lieutenant Colonel Harry L. Shryock (retired), shall be paid increased survivor benefits under the plan, based upon the new election made by the said Lieutenant Colonel Shryock under the plan before his death, the said Lieutanant Colonel Shryock having made increased monthly payments under the new election for a period of twenty-one months before his death.

(b)(1) The amount of annuity payments to be made to the said Deola Shryock shall be the amount she would have received had the said Lieutenant Colonel Harry L.

Shryock (retired) made increased payments into the plan for a period of two years before his death.

(2) The payment of the increased monthly annuity under section 1450 of title 10, United States Code, shall be effective as of January 12, 1984, the day after the said Lieutenant Colonel Shryock was killed after volunteering his services as a pilot in exchange for the release of a child being held as a hostage.

(c) The payment of the increased survivor benefits to the said Deola Shryock shall be subject to the condition that the said Deola Shryock pay three months of increased payments into the plan in accordance with the plan as elected by the said Lieutenant Colonel Shryock before his death.

(d) No part of the benefits received pursuant to this section in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in obtaining such benefits, and the same shall be unlawful, any contract to the contrary notwithstanding. Violation of the provisions of this subsection is a misdemeanor punishable by a fine not to exceed $1,000."

AMENDMENT No. 206

At the end of Title IX, insert the following new section:

"LOCAL PROCUREMENT CONNECTED WITH AMERICAN MILITARY BASES IN THE PHILIPPINES

Since the June 1, 1983 Memorandum of Agreement between the Government of the Philippines and the Government of the United States provides that 'the United States Forces shall procure goods and services in the Philippines to the maximum extent feasible'; and

Since any additional United States procurement of Philippine goods and services will enhance the Philippine economy and contribute to better relations between the U.S. military and the people of the host country; and

Since a strong Philippine economy and improved relations between the U.S. military and the Philippine people will add to the security of U.S. military facilities in the Pacific;

Therefore, it is the sense of the Senate that the United States should increase its purchase of goods and services for American military bases in the Philippines from the local Philippine economy to the maximum extent feasible."

LAUTENBERG AMENDMENT NO. 209

Mr. LAUTENBERG proposed an amendment to the bill S. 1160, supra, as follows:

On page 100, between lines 2 and 3, insert the following new section

SENSE OF THE SENATE REGARDING THE FIRING OF TACTICAL MISSILES FOR TRAINING PURPOSES

Sec. . (a) It is the sense of the Congress that, in carrying out the comprehensive analysis of the threat-based munitions and related expendables directed to be made by the Secretary of Defense pursuant to Senate Report 99–41, dated April 29, 1985, the Secretary should also develop standard criteria—

(1) for identifying, in the case of each tactical missile of the Department of Defense, the training objectives that are uniquely served by the live-firing of such missiles and to provide guidance for the development of live-firing and training requirements based on such criteria;

(2) for utilizing, to the maximum extent practicable, the use of tactical missile evaluation programs for livefiring training purposes;

(3) for improving the reporting and evaluation requirements with regard to the live-firing of missiles; and

(4) for increasing, to the maximum extent practicable and without degrading readiness, the use of training devices and simulators as alternatives to exercises involving the live-firing of missiles for training purposes.

(b) The Secretary shall submit a report to the Congress not later than February 1, 1986, informing the Congress of the actions taken by the Secretary to develop standard criteria with respect to the matters referred to in subsection (a).

HATCH AMENDMENT NO. 210

Mr. HATCH proposed an amendment to the bill S. 1160, supra, as follows:

At the end, add the following:

Section 1. Notwithstanding any other provision of law, recordings of the April 18 and 19, 1985, concert of the United States Air Force Band, recorded at Salt Lake City, Utah, may be produced for commercial sale.

Sec. 2. The Secretary of the Air Force, or his designee, may enter into an appropriate contract, under such terms as the Secretary or his designee may determine to be in the best interest of the Government, for the production and sale of the recordings authorized by Section 1 of this Act.

MURKOWSKI AMENDMENT NO. 211

Mr. MURKOWSKI proposed an amendment to the bill S. 1160, supra, as follows:

At the appropriate place in the bill, insert: chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"Sec. 2406. Employment of local residents in high unemployment areas.

"(a) Each contract awarded under chapter 137 of this title that is for construction or services to be performed in whole or in part in a State which—

"(1) is not contiguous with another State and

"(2) has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in that State, individuals who are residents of the State and, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills.

"(b) The Secretary of Defense may waive the requirements of subsection (a) and the application of any provision included in a contract pursuant to subsection (a) in the interest of national security.

The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"2406. Employment of local residents in high unemployment areas."

This amendment shall take effect with respect to contracts awarded on or after the date of enactment of this Act.

MELCHER AMENDMENT NO. 212

Mr. MELCHER proposed an amendment to the bill S. 1160, supra, as follows:

At the end of the bill, insert the following new section:

"It is the sense of Congress that as a general rule unspecified minor construction continue to be authorized and appropriated on a lump sum basis as has been the case prior to the continuing appropriation resolution for fiscal year 1985."

BYRD AMENDMENT NOS. 213 AND 214

Mr. BYRD proposed an amendment to the bill S. 1160, supra, as follows:

AMENDMENT No. 213

On page 73, strike lines 7 through 13 and insert in lieu thereof the following:

INCREASED PENALTIES FOR FALSE CLAIMS IN DEPARTMENT OF DEFENSE PROCUREMENT

Sec. 704. (a) Notwithstanding section 287 of title 18, United States Code, the maximum fine that may be imposed under such section on a contractor of the Department of Defense for making or presenting any claim upon or against the United States, knowing such claim to be false, fictitious, or fraudulent, shall be $1,000,000.

AMENDMENT No. 214

At the end of title VI, of division A, add the following:

DEFENSE CONTRACT AUDIT AGENCY SUBPOENA AUTHORITY

Sec. 612. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2324. Subpoena of books and records of contractors or subcontractors

"(a)(1) The Director of the Defense Contract Audit Agency is authorized to require by subpoena the production of any book, paper, statement, record, information, account, writing, or other document of a contractor or subcontractor furnishing or offering to furnish any property or any service to the Department of Defense under a contract awarded or to be awarded by the Department if the Director is entitled to have access to such document under applicable provisions of statute, regulation, or a contract or subcontract for which the Defense Contract Audit Agency has audit responsibility.

"(3) In the case of contumacy or refusal to obey, a subpoena issued under subsection (a) shall be enforceable by order of any appropriate United States district court.

"(b) The Director of the Defense Contract Audit Agency shall, on a quarterly basis, transmit to the Secretary of Defense and the appropriate committees of the Congress a report on the exercise of the subpoena authority provided in subsection (a). The report shall include the number of instances in which the Director has exercised the authority during the quarter covered by the report, a statement of all reasons for the exercise of the authority in each case, a detailed explanation of why alternative investigatory methods were inadequate in each case, and the level of compliance with each subpoena issued or outstanding during such quarter.".

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(2) The table of sections at the beginning of such chapter is amended by inserting at the end thereof the following new item:

"2324. Subpoena of books and records of contractors or subcontractors.".

(b) The amendments made by subsection (a) shall apply with respect to contracts awarded by the Department of Defense which are in effect on the date of enactment of this Act and to contracts awarded by the Department on or after such date.

GRASSLEY AMENDMENT NO. 215

Mr. GRASSLEY proposed an amendment to the bill S. 1160, supra, as follows:

At the appropriate place, insert the following:

The Congress finds and affirms that—

(1) the Code of Ethics for Government Service charges that any person in government service should expose corruption wherever discovered:

(2) reprisals against employees who report incidents of fraud, waste and mismanagement is prohibited by law;

(3) the Constitution protects the rights of all citizens; and

(4) every person has a right to seek remedies to protect their individual rights.

Sec. 2. Section 552(a)(4)(F) of title 5, United States Code, is amended by adding at the end thereof the following: "The Special Counsel may obtain judicial review of a final order or decision rendered by the Board in actions brought pursuant to sections 1206 and 1207 of this title. Employees affected by an agency action subject to the Special Counsel complaint and who are aggrieved by the final decision may file a petition to intervene as a matter of right and will be considered a party to the proceeding. In corrective actions, the agency responsible for the matter giving rise to the Special Counsel complaint before the Board shall be the named respondent. In disciplinary actions, the respondent employees named in the Special Counsel complaint before the Board shall be named respondent in the judicial proceeding. Petitions brought pursuant to this shall be filed with the district court and the right of a trial de novo and appellant review shall be preserved. The Special Counsel may file a petition for enforcement of subpoena and protective orders with the district court pursuant to investigative and prosecutorial authority granted to the Special Counsel.

Sec. 3. (a)(1) Section 4514 of title 5, United States Code, is amended to read as follows:

"4514. Expiration of authority; reporting requirement

"(a) No award may be made under this subchapter after September 30, 1988.

"(b)(1) The Comptroller General shall submit to each House of Congress, before March 16, 1988, a report on the effectiveness of the awards program under this subchapter.

"(2) The report shall include the views of the Comptroller General as to whether the authority to make awards under this subchapter should be continued after September 30, 1988, and, if so, whether any modification in such authority would be appropriate.".

(2) The table of sections for chapter 45 of title 5, United States Code, is amended by striking out the item relating to section 4514 and inserting in lieu thereof the following:

"4514. Expiration of authority; reporting requirement.".

(b) Section 4512 of title 5, United States Code, is amended by striking out subsection (c) thereof.

Sec. 4. (a) Section 1124 of title 10, United States Code, is amended by inserting "disclosure," in subsections (a), (b), (c), and (f) before "suggestion".

(b)(1) The heading of such section is amended to read as follows:

"§ 1124. Cash awards for disclosures, suggestions, inventions or scientific achievements:".

(2) The item relating to such section in the table of sections at the beginning of chapter 57 of such title is amended to read as follows:

"1124. Cash awards for disclosures, suggestions, inventions, or scientific achievements.".

(c) The amendment made by subsection (a) applies only with respect to disclosures made after September 30, 1984.

NUNN AMENDMENT NO. 216

Mr. Nunn proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place in the bill, insert the following new section:

ADEQUATE AIRLIFT FOR SPECIAL OPERATIONS FORCES

Sec. . (a) None of the funds authorized to be appropriated by this act may be obligated or expended for the procurement of MC-130 aircraft or the modification of HH-53 or CH-47 helicopters until the Secretary of Defense—

(1) submits, in consultation with the Chairman of the Joint Chiefs, to the Committees on Armed Services in the Senate and House of Representatives a plan for meeting the immediate airlift requirements of the Joint Special Operations Command and a second plan for meeting, by 1991, the airlift requirements of the Joint Special Operations Command and the special operations forces of unified commanders-in-chief; and

(2) certifies that the plans required by subsection (a)(1) are funded in the Fiscal Year 1987 Five Year Defense Plan.

MATTINGLY (AND OTHERS) AMENDMENT NO. 217

Mr. MATTINGLY (for himself, Mr. DeConcini, and Mr. Pryor) proposed an amendment to the bill S. 1160, supra; as follows:

On page 66, between lines 16 and 17, insert the following new section:

CONTRACTED ADVISORY AND ASSISTANCE SERVICES

Sec. . (a)(1) The Secretary of Defense shall require that there be established within each military department an accounting procedure to aid in the identification and control of expenditures for services identified as contracted advisory and assistance services.

(2) Not later than six months after the date of the enactment of this Act, the Secretary shall submit to Congress a report describing the accounting procedure established in accordance with paragraph (1) and the implementation of the procedures in each military department.

(b)(1) The Secretary shall prescribe regulations which specifically describe—

(A) what services the Department of Defense considers to be contracted advisory and assistance services; and

(B) of those services, which services are carried out in direct support of a weapon system and are essential to the development, production, or maintenance of the system.

(2)(A) The regulations prescribed under paragraph (1) shall consider contract advisory and assistance services in the following areas:

(i) management and professional services;

(ii) special studies and analyses;

(iii) management and support services for research and development activities;

(iv) training;

(v) management review of program-funded organizations;

(vi) public relations;

(vii) other consulting services;

(viii) engineering development and operational systems development related to research and development activities;

(ix) technical assistance;

(x) technical representation;

(xi) quality control, testing, and inspection services;

(xii) specialized medical services; and

(xiii) architectural and engineering services, other than in connection with construction.

(B) The services identified under paragraph (1)(B) shall consider the areas described in clauses (viii) through (xiii) of subparagraph (A).

(3) Regulations required by paragraph (1) shall be prescribed not later than 6 months after the date of enactment of this Act.

(c) Budget documents presented to Congress in support of the annual budget for the Department of Defense shall identify the amount of contracted advisory and assistance services as defined under regulations prescribed pursuant to subsection (b) and shall separately set forth amounts for such services described in subsection (b)(1)(B) and for each category of such services described in subsection (b)(2)(A).

MATTINGLY (AND OTHERS) AMENDMENT NO. 218

Mr. MATTINGLY (for himself, Mr. Warner, and Mr. Nunn) proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following:

MORATORIUM ON EXCHANGE SERVICE FRANCHISE AGREEMENTS

Sec. . (a) During the period beginning on the date of enactment of this Act and ending 90 days after the date the Congress receives the report required by subsection (b), the Department of Defense, the Army and Air Force Exchange Service, and the Navy Exchange Service—

(1) may not enter into an agreement to operate or to authorize the operation of a commercial franchise business on a military installation; and

(2) may not commence construction of any facility for the operation of such a business on a military installation pursuant to any such agreement entered into before the date of enactment of this Act.

(b)(1) Not later than January 1, 1986, the Secretary of Defense shall transmit to the Congress a report on current and proposed commercial franchise business operations on military installations.

(2) The report required by paragraph (1) shall include—

(A) the current and proposed plans of the Department of Defense and the exchange services referred to in subsection (a) to operate or to authorize the operation of commercial franchise businesses on military installations, including the types of services, the specific franchises, and the installations involved in such plans;

(3) the reasons for commencing and expanding commercial franchise business activities on military installations;

(C) an analysis of the past, current, and prospective uses of the profits of nonappropriated fund instrumentalities of the Department of Defense to finance moral and welfare activities for the benefit of members of the Armed Forces and their dependents and civilian empolyees of the Department;

(D) the type and value of appropriated fund support (including Federal land and facilities) provided to activities of the exchange services referred to in subsection (a);

(E) an explanation of the review and approval procedures in effect for determining whether the Department and the exchange services will enter into new activities or will increase the levels of exchange service activities;

(F) the reasons for deciding whether services by the exchange services should be provided under contract or franchise or by using the resources of the exchange services;

(G) the process by which a military installation is selected for new or increased levels of activities of the exchange services;

(H) the consideration given to the impact that the addition of a new activity or an increase in an existing activity of an exchange service at a military installation will have on private, commerical business operations available in the vicinity of the installations; and

(I) the economic impact which the addition of a new activity or increases in an existing activity of the exchange services on military installations will have on private, commercial businesses operating in the vicinity of the installations.

( ) The Department of Defense, the Army and Air Force Exchange Service, and the Navy Exchange Service may not operate or authorize the operation of more than one commercial, franchise food vending business on a military installation. The foregoing sentence shall not be construed as an exception to the limitations provided in subsection (a).

FORD AMENDMENT NO. 219

Mr. FORD proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following new section:

MANAGEMENT OF MILITARY RECORDS MAINTAINED BY THE NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

Sec. . (a) The Congress finds that the National Archives and Records Administration has received a substantial number of military records and that, by reason of the manner in which the records are maintained, many of such records are not readily accessible to the public.

(b) It is the sense of the Congress that the Archivist of the United States should appoint an advisory committee—

(1) to study the manner in which military records received by the National Archives and Records Administration are maintained; and

(2) to make recommendations to the Archivist on appropriate ways to manage and maintain such records to enhance public access to the records.

(c) Not later than March 31, 1986, the Archivist shall transmit to the Congress a report outlining a 5-year plan, a 10-year plan, and a 20-year plan for improving the management, maintenance, storage, and preservation of military records and for improving public access to such records. In preparing the report, the Archivist shall consider any recommendations received from any advisory committee appointed as recommended in subsection (b).

GOLDWATER AMENDMENT NO. 220

Mr. GRAMM (for Mr. Goldwater) proposed an amendment to the bill S. 1160, supra; as follows:

Strike out the last two sentences of section 542(a)(4) of Division A, as amended by amendment 184 of the bill and insert in lieu thereof the following: "The Secretary also shall submit a report concerning what changes in military retirement, compensation, or personnel programs would be necessary if the reductions resulting from the funding limitation set forth in section 541 of this Act were two and three times as large as required by that section, as well as an evaluation of the efforts such changes would have on recruiting and retention in the Armed Forces. Such reports shall be based upon changes which would be required under the conditions set forth in paragraphs (1)-(5) of this subsection and in subsections (b), (c), and (d) of this section.".

On page 31, in the table immediately following line 2, strike out the following:

"Pay Grade	Monthly Rate
0-10	$18,000"

and insert in lieu thereof the following:

"Pay Grade	Weight (in pounds)
0-10	18,000".

BUMPERS (AND MATHIAS) AMENDMENT NO. 221

Mr. BUMPERS (for himself and Mr. Mathias) proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place in the bill, add the following new section:

"Sec. . (a) The Senate finds that:

(1) Verification, and our ability to monitor Soviet forces, are major national security considerations;

(2) Both the U.S. and the Soviet Union are entering an era of greater intercontinental ballistic missile (ICBM) mobility;

(3) Any mobile ICBMs deployed by the United States and Soviet Union should be verifiable;

(4) The Soviet Union is on the threshold of deploying two kinds of mobile ICBMs that could pose monitoring and verification difficulties for the United States;

(5) The President has reported to the Congress that increased burdens on monitoring capabilities resulting from strategic developments such as deployments of mobile ICBMs can be reduced if cooperative verification measures are adopted;

(b) In view of these findings,

"(1) The Senate directs the Administration to address the monitoring and verification issues associated with the U.S. small ICBM and Soviet mobile ICBMs, with particular attention to the Soviet deployment of a single warhead ICBM in either a hardened, soft, or deceptive mobile basing mode, in a classified report with an unclassified summary; to Congress by January 15, 1986.

"(2) The Senate further urges the Administration to give the highest priority to the general problem of verification of mobile ICBMs with the Soviet Union in the new negotiations on Nuclear and Space Arms or through appropriate diplomatic channels."

BUMPERS (AND OTHERS) AMENDMENT NO. 222

Mr. BUMPERS (for himself, Mr. Specter, Mr. Pryor, Mr. Heinz, and Mr. Dixon) proposed an amendment to the bill S. 1160, supra; as follows:

On page 79, beginning with line 23, strike out all down through line 7 on page 83.

BINGAMAN (AND OTHERS) AMENDMENT NO. 223

Mr. BINGAMAN (for himself, Mr. Nunn and Mr. Pryor) proposed an amendment to the bill S. 1160, supra; as follows:

On page 79, beginning with line 23, strike out all down through line 7 on page 83 and insert in lieu thereof the following:

BASE CLOSURES AND REALIGNMENTS

Sec. . (a) Section 2687 of title 10, United States Code, is amended to read as follows:

"§ 2687. Base closures and realignments

"(a) Notwithstanding any other provision of law, no action may be taken to effect or implement—

"(1) the closure of any military installation;

"(2) any realignment with respect to any military installation involving a reduction by more than 1,000, or by more than 50 percent, in the number of civilian personnel authorized to be employed at such military installation at the time the Secretary of Defense or the Secretary of the military department concerned notifies the Congress under subsection (c) of his plan to close or realign such installation; or

"(3) any construction, conversion, or rehabilitation at any military facility other than a military installation referred to in clause (1) or (2) (regardless of whether such facility is a military installation as defined in subsection (g)) which will or may be required as a result of the relocation of civilian personnel to such facility by reason of any closure or realignment to which clause (1) or (2) applies,

unless and until the provisions of subsections (b) and (c) are complied with.

"(b) In determining whether any military installation should be closed or realigned under the authority of this section, the Secretary of Defense shall specifically consider the following:

"(1) The mission requirements and the potential impact on the operational readiness of the armed force concerned.

"(2) the adequacy and condition of facilities at the military installation or installations to which personnel or equipment is to be transferred as a result of the proposed closure or realignment.

"(3) The potential of the proposed new location or locations to accommodate contingency and future force requirements.

"(4) The capital investment in the military installation proposed to be closed or realigned.

"(5) The budgetary consequences of the proposed closing or realignment.

"(6) The estimated cost savings of the proposed closing or realignment and the time period over which such savings would be realized.

"(7) The economic impact on the area surrounding the military installation proposed to be closed or realigned and on the area surrounding the proposed new location or locations.

"(8) The environmental impact on the area surrounding the military installation proposed to be closed or realigned and on the area surrounding the proposed new location or locations.

"(9) The extent of community support at the proposed new location or locations.

"(10) The impact, if any, on the other military departments.

"(11) The time that will be required to achieve the proposed closing or realignment, including any move of personnel or equipment to a new location.

"(c) No action described in subsection (a) with respect to the closure of, or a realignment with respect to, any military installation may be taken unless and until—

"(1) the Secretary of Defense or the Secretary of the military department concerned complies with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to the proposed closure or realignment;

"(2) the Secretary of Defense or the Secretary of the military department concerned notifies the Committees on Armed Services of the Senate and House of Representatives in writing of the proposed closing or realignment and submits with the notification an evaluation of the factors set forth in subsection (b) with respect to the closure or realignment; and

"(3) a period of 60 calendar days or 30 legislative days, whichever is longer, expires following the day on which the notice and evaluation referred to in clause (2) have been submitted to such committees, during which period no irrevocable action may be taken to effect or implement the decision.

For the purposes of clause (3), a legislative day is a day on which either House of Congress is in session.

"(d) This section shall not apply to the closure of a military installation, or a realignment with respect to a military installation, if the President certifies to the Congress that such closure or realignment must be implemented for reasons of national security or a military emergency.

"(e)(1) Subject to paragraph (2), actions of officers and employees of the United States taken in connection with the closure or realignment of a military installation or in connection with the transfer, exchange, sale, or other disposal or real property that was the site of a military installation immediately before such disposal, shall not be subject to judicial review under the National Environmental Policy Act of 1969.

"(2) The decision of an officer or employee of the United States that an environmental impact statement is not required under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) shall be subject to judicial review as provided in title 5, United States Code.

"(f) Nothing in this section shall be construed as an authorization for the opening of any new military installation.

"(g) As used in this section:

"(1) 'Military installation' means a base, camp, post, station, yard, center, or other activity under the jurisdiction of the Secretary of a military department—

"(A) which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam; and

"(B)(i) in the case of subsections (a) through (d), at which not less than 300 civilian personnel are authorized to be employed, and (ii) in the case of subsections (e) and (f), at which any civilian personnel are or would be employed, as the case may be.

Such term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

"(2) 'Civilian personnel' means direct-hire, permanent civilian employees of the Department of Defense.

"(3) 'Realignment' includes any action which both reduces and relocates functions and civilian personnel positions, but does not include a reduction in force resulting from workload adjustments, reduced personnel or funding levels, skill imbalances, or other similar causes.".

(b) The amendments made by subsection (a) shall apply to any closure of a military installation, or any realignment with respect to a military installation, which is first publicly announced after the date of the enactment of this Act.

SUPERFUND LEGISLATION EXTENSION

BENTSEN (AND STAFFORD) AMENDMENT NO. 224

(Ordered to lie on the table.)

Mr. BENTSEN (for himself and Mr. Stafford) submitted an amendment intended to be proposed by them to the bill (S. 51) to extend and amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes; as follows:

By adding at the end thereof the following:

"TITLE III—INDEMNIFICATION OF CONTRACTORS

"Sec. 301. (a) The President shall in contracting or arranging for response action to be undertaken under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, agree to hold harmless and indemnify a contracting party against claims, including the expenses of litigation or settlement, by third persons for death, bodily injury or loss of or damage to property arising out of performance of a cleanup agreement to the extent that any such damages awarded do not arise out of the negligence of the contracting party.

"(b)(1) Amounts expended pursuant to this section shall be considered costs of response to the release with respect to which the contracting party took the action which resulted in liability. Costs incurred in the defense of suits against indemnified parties may be paid in quarterly or other increments but the United States shall not otherwise participate, directly or indirectly, in the defense of contracting parties unless named as a first party defendant. No other amounts shall be expended pursuant to this section until after entry of a judgment or a final order.

"(2) Indemnification contracts entered into pursuant to this section shall not be subject to section 1301 or 1340 of title 31 or section 11 of title 41 of the United States Code.".

● Mr. BENTSEN. Mr. President, I am submitting an amendment today to address the problems faced by contractors and architect/engineering firms involved in the cleanup of Superfund sites. During the reauthorization of the Superfund law, the Committee on Environment and Public Works heard testimony that pollution liability insurance is becoming increasingly difficult to obtain. This is posing a barrier to many firms participating in Superfund cleanup.

This amendment, on which Senator Stafford is joining me as a cosponsor, provides that the Administrator of the Environmental Protection Agency will indemnify response action contractors for all third party claims, except those due to contractors' negligence. The parties will be indemnified by the Superfund but the U.S. Government will not participate directly in the suit unless named as a first party defendant.

I am also joining Senator Stafford in an amendment which would authorize the creation of risk retention groups for pollution liability. This will allow firms involved in the management of hazardous substances to meet financial responsibility requirements under Superfund and the Solid Waste Disposal Act.

There are other issues related to the availability of insurance and its effect on the Superfund Program which we will consider for further amendments before S. 51 is debated in the Senate. I felt it was important at this time, however, to introduce an amendment dealing with the indemnification issue.●

STAFFORD (AND BENTSEN) AMENDMENT NO. 225

(Ordered to lie on the table.)

Mr. STAFFORD (for himself and Mr. Bentsen) submitted an amendment intended to be proposed by them to the bill S. 51, supra; as follows:

By adding at the end thereof the following:

TITLE III—AMENDMENTS RELATED TO THE INSURANCE OF POLLUTION LIABILITY

Sec. 301. The Comprehensive Environmental Compensation and Liability Act of 1980 is amended by adding the following at the end thereof:

"TITLE IV—POLLUTION INSURANCE

"Section 401. This Title may be cited as the "Pollution Liability Insurance and Risk Retention Act".

DEFINITIONS

"Sec. 402. (a) As used in this title—

"(1) 'insurance' means primary insurance, excess insurance, reinsurance, surplus lines insurance, and any other arrangement for shifting and distributing risk which is determined to be insurance under applicable State or Federal law;

"(2) 'pollution liability' means liability for

begun or has refused to initiate an examina-

"(b) The exemptions specified in subsec-

"(2) 'pollution liability' means liability for injuries arising from the release of hazardous substances, pollutants or contaminants;

"(3) 'risk retention group' means any corporation or other limited liability association taxable as a corporation, or as an insurance company, formed under the laws of any state—

"(A) whose primary activity consists of assuming and spreading all, or any portion, of the pollution liability of its group members;

"(B) which is organized for the primary purpose of conducting the activity described under subparagraph (A);

"(C) which is chartered or licensed as an insurance company and authorized to engage in the business of insurance under the laws of any State; and

"(D) which does not exclude any person from membership in the group solely to provide for members of such a group a competitive advantage over such a person.

"(4) 'purchasing group' means any group of persons which has as one of its purposes the purchase of pollution liability insurance on a group basis; and

"(5) 'State' means any State of the United States or the District of Columbia.

"(b) Nothing in this Title shall be construed to affect either the tort law or the law governing the interpretation of insurance contracts of any State, and the definitions of pollution liability and pollution liability insurance under any State law shall not be applied for the purposes of this Act, including recognition or qualification of risk retention groups or purchasing groups.

"RISK RETENTION GROUPS

"Sec. 403. (a) Except as provided in this section, a risk retention group is exempt from any State law, rule, regulation, or order to the extent that such law, rule, regulation, or order would—

"(1) make unlawful, or regulate, directly or indirectly, the operation of a risk retention group except that the jurisdiction in which it is chartered may regulate the formation and operation of such a group and any State may require such a group to—

"(A) comply with the unfair claim settlement practices law of the State;

"(B) pay, on a nondiscriminatory basis, applicable premium and other taxes which are levied on admitted insurers and surplus line insurers, brokers, or policyholders under the laws of the State;

"(C) participate, on a nondiscriminatory basis, in any mechanism established or authorized under the law of the State for the equitable apportionment among insurers of pollution liability insurance losses and expenses incurred on policies written through such mechanism;

"(D) submit to the appropriate authority reports and other information required of licensed insurers under the laws of a State relating solely to pollution liability insurance losses and expenses;

"(E) register with and designate the State insurance commissioner as its agent solely for the purpose of receiving service of legal documents or process, and, upon request, furnish such commissioner a copy of any financial report submitted by the risk retention group to the commissioner of the chartering or licensing jurisdiction;

"(F) submit to an examination by the State insurance commissioner in any State in which the group is doing business to determine the group's financial condition, if—

"(i) the commissioner has reason to believe the risk retention group is in a financially impaired condition; and

"(ii) the commissioner of the jurisdiction in which the group is chartered has not begun or has refused to initiate an examination of the group; and

"(G) comply with a lawful order issued in a delinquency proceeding commenced by the State insurance commissioner if the commissioner of the jurisdiction in which the group is chartered has failed to initiate such a proceeding after notice of a finding of financial impairment under subparagraph (F) of this paragraph;

"(2) require or permit a risk retention group to participate in any insurance insolvency guaranty association to which an insurer licensed in the State is required to belong;

"(3) require any insurance policy issued to a risk retention group or any member of the group to be countersigned by an insurance agent or broker residing in that State; or

"(4) otherwise discriminate against a risk retention group or any of its members, except that nothing in this section shall be construed to affect the applicability of State laws generally applicable to persons or corporations.

"(c) The exemptions specified in subsection (a) apply to—

"(1) pollution liability insurance coverage provided by a risk retention group for—

"(A) such group; or

"(B) any person who is a member of such group;

"(2) the sale of pollution liability insurance coverage for a risk retention group; and

"(3) the provision of insurance related services or management services for a risk retention group or any member of such a group.

"(d) A State may require that a person acting, or offering to act, as an agent or broker for a risk retention group obtain a license from that State, except that a State may not impose any qualification or requirement which discriminates against a nonresident agent or broker.

"PURCHASING GROUPS

"Sec. 404. (a) Except as provided in this section, a purchasing group is exempt from any State law, rule, regulation, or order to the extent that such law, rule, regulation, or order would—

"(1) prohibit the establishment of a purchasing group;

"(2) make it unlawful for an insurer to provide or offer to provide insurance on a basis providing, to a purchasing group or its member, advantages, based on their loss and expense experience, not afforded to other persons with respect to rates, policy forms, coverages, or other matters;

"(3) prohibit a purchasing group or its members from purchasing insurance on the group basis described in paragraph (2) of this subsection;

"(4) prohibit a purchasing group from obtaining insurance on a group basis because the group has not been in existence for a minimum period of time or because any member has not belonged to the group for a minimum period of time;

"(5) require that a purchasing group must have a minimum number of members, common ownership or affiliation, or a certain legal form;

"(6) require that a certain percentage of a purchasing group must obtain insurance on a group basis;

"(7) require that any insurance policy issued to a purchasing group or any members of the group be countersigned by an insurance agent or broker residing in that State; or

"(8) otherwise discriminate against a purchasing group or any of its members.

"(b) The exemptions specified in subsection (a) apply to—

"(1) pollution liability insurance, and comprehensive general liability insurance which includes this coverage, provided to—

"(A) a purchasing group; or

"(B) any person who is a member of a purchasing group; and

"(2) the sale of—

"(A) pollution liability insurance, and comprehensive general liability coverage;

"(B) insurance related services; or

"(C) management services;

to a purchasing group or member of the group.

"(c) A State may require that a person acting, or offering to act, as an agent or broker for a purchasing group obtain a license from that State, except that a State may not impose any qualification or requirement which discriminates against a nonresident agent or broker.

"APPLICABILITY OF SECURITIES LAWS

"Sec. 405. (a) The ownership interests of members in a risk retention group shall be—

"(1) considered to be exempted securities for purposes of section 5 of the Securities Act of 1933 and for purposes of section 12 of the Securities Exchange Act of 1934; and

"(2) considered to be securities for purposes of the provisions of section 17 of the Securities Act of 1933 and the provisions of section 10 of the Securities Exchange Act of 1934.

"(b) A risk retention group shall not be considered to be an investment company for purposes of the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.).

"(c) The ownership interests of members in a risk retention group shall not be considered securities for purposes of any State blue sky law.".

● Mr. STAFFORD. Mr. President, Senator Bentsen and I are today introducing two amendments which we hope will solve a significant number of insurance difficulties which appear to have arisen with regard to environmental impairment liabilities.

During the reauthorization of the Superfund law, the committee heard from a wide variety of parties that pollution liability insurance was increasingly unavailable. Most of the reasons for this have nothing to do with the Superfund law. However, the unavailability of insurance is frustrating the goals of not only the Superfund law, but other environmental statutes as well. I hope that the two amendments which Senator Bentsen and I are offering will go a long way toward eliminating these problems.

One amendment, of which I am the prinicipal sponsor, would authorize the creation of risk retention programs for environmental impairment liability. The effect of this amendment would be to allow groups of individuals to insure themselves. If private insurance were available, individuals would still be free to purchase coverage. But if it were not, they would be able to band together to provide their own insurance.

The second amendment would require the Administrator of the Environmental Protection Agency to indemnify persons engaged in Superfund cleanups for damages resulting from nonnegligent actions.●

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1986

NUNN (AND OTHERS) AMENDMENT NO. 226

Mr. NUNN (for himself, Mr. Warner, Mr. Byrd, Mr. Cohen, Mr. Gore, Mr. Boren, Mr. Chiles, Mr. Stennis, Mr. Bentsen, Mr. Levin, Mr. Thurmond, and Mr. DeConcini) proposed an amendment to the bill S. 1160, supra; as follows:

On page 10, line 2, strike out "$9,584,900,000" and insert in lieu thereof "$9,274,900,000".

On page 11, between lines 8 and 9, insert the following new section:

LIMITATIONS ON MX MISSILE PROCUREMENT AND DEPLOYMENT

Sec. 107. (a) It is the sense of the Congress that—

(1) not more than 50 MX missiles should be deployed in existing Minuteman silos;

(2) after procurement of 50 missiles for deployment, further procurement of MX missiles should be limited only to those necessary for the MX missile reliability testing program and as spares within the logistics system supporting the deployed MX missile force, unless a different basing mode is proposed by the President and agreed to by the Congress; and

(3) in fiscal year 1987, depending upon the most efficient production rate, from 12 to 21 MX missiles should be procured; but as provided in paragraph (2), these missiles should be limited only to spare and test missiles unless a different basing mode is proposed by the President and agreed to by the Congress.

(b) Notwithstanding any other provision of law, none of the funds appropriated pursuant to an authorization of funds in this or any prior Act may be used—

(1) to deploy more than 50 MX missiles in existing Minuteman silos;

(2) to modify, or prepare for modification, more than 50 existing Minuteman silos for the deployment of MX missiles;

(3) to acquire basing sets for more than 50 MX deployed missiles; or

(4) to procure long-lead items for the deployment of more than 50 MX missiles.

(c) Not more than 12 MX missiles shall be procured with funds appropriated pursuant to an authorization of funds in this Act.

(d) All MX missiles acquired by funds appropriated pursuant to an authorization of funds in this division may only be used in accordance with the terms set forth in this Section.

SIMON (AND DIXON) AMENDMENT NO. 227

Mr. SIMON (for himself and Mr. Dixon) proposed an amendment to the bill S. 1160, supra; as follows:

On page 164, line 24, before the period insert the following: ", and of which $2,000,000 shall be used to conduct research and development programs to improve arms control verification technology and to establish an office in the Argonne National Laboratory, Argonne, Illinois, to conduct such programs".

SIMON AMENDMENT NO. 228

Mr. SIMON proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following:

ANNUAL REPORT ON ARMS CONTROL VERIFICATION TECHNOLOGY

Sec. . (a) Not later than March 1, 1986, and March 1 of each year thereafter, the Secretary of Defense, in consultation with the Secretary of Energy, shall transmit to the Congress a report on recent developments in the capabilities of the United States to monitor major weapons (including nuclear, chemical, and biological weapons) deployed by the Soviet Union, including the capabilities of such weapons, and to monitor the development of new weapons by the Soviet Union for the purpose of—

(1) determining the level of compliance by the Soviet Union with arms control agreements, including agreements which have been executed by representatives of the governments of the United States and the Soviet Union but which have not been ratified by both governments; and

(2) the extent to which, if at all, the Soviet Union has exceeded the limits set out in arms control proposals made by either such government during formal talks with each other.

(b) The report required by subsection (a) shall include—

(1) an evaluation of the capabilities of the United States referred to in such subsection as of the time of the report; and

(2) the research and development objectives of the Department of Defense and the Department of Energy with respect to such capabilities for the ensuing 10 years.

HATFIELD AMENDMENT NO. 229

Mr. HATFIELD proposed an amendent to the bill S. 1160, supra; as follows:

On page 110, line 17, delete "$1,880,000" and insert in lieu thereof "$23,480,000".

On page 140, line 2, delete "$2,323,403,000" and insert in lieu thereof "$2,345,003,000".

On page 140, line 5, delete "$1,195,989,000" and insert in lieu thereof "$1,217,589,000".

WARNER AMENDMENT NO. 230

Mr. WARNER proposed an amendment to the bill S. 1160, supra; as follows:

At the end of Part D, Title V, Division A, insert the following new section:

Sec. . (a) Section 5086(a) of title 10, United States Code, is amended by striking out "six" and inserting in lieu thereof "seven".

(b) Nothing contained in this section shall be construed to authorize an increase in the total number of commissioned officers who may be on active duty in the Army, Navy, Air Force, and Marine Corps in a grade above colonel or captain as prescribed in section 811(a)(1) of the Department of Defense Authorization Act, 1978 (10 U.S.C. 131 note) or an increase in the number of officers of the Navy who may be serving on active duty in grades above rear admiral as provided by section 525(b)(2) of title 10, United States Code.

STEVENS AMENDMENT NO. 231

Mr. STEVENS proposed an amendment to the bill S. 1160, supra; as follows:

On page 28, following line two insert:

"(4) by striking out the period at the end of redesignated subsection (f) and inserting in lieu thereof "except that nothing in these regulations shall allow use of administrative techniques which: (a) cause variable housing allowance rates of military members to increase to prevent pay inversion, and (b) fail to lower variable housing allowance rates accordingly when decreasing costs are reported on the variable housing allowance survey."

SARBANES (AND MATHIAS) AMENDMENT NO. 232

Mr. SARBANES (for himself and Mr. Mathias) proposed an amendment to the bill S. 1160, supra; as follows:

On page 90, after line 23, add section 905(a):

STUDY OF EDUCATIONAL NEEDS OF DEPARTMENT OF DEFENSE PERSONNEL STATIONED OUTSIDE THE UNITED STATES

Sec. 905. (e)(1) The Comptroller General of the United States shall carry out a study to determine (1) the educational needs of members of the Armed Forces of the United States and civilian employees of the Department of Defense stationed outside the United States and the educational needs of the dependents of such members and employees, (2) the most effective and feasible means of meeting such needs, and (3) the cost of providing such means.

(1) Not later than September 1, 1986 the Comptroller General shall transmit to the Congress a report on the study required by subsection (1). The report shall include the Comptroller General's findings and such recommendations for legislation as the Comptroller General considers appropriate.

QUAYLE AMENDMENT NO. 233

Mr. QUAYLE (for himself, Mr. Nunn, and Mr. Roth) proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following new section:

NATO COOPERATIVE PROJECTS

Sec. . (a) Section 27 of the Arms Export Control Act (22 U.S.C. 2767) is amended to read as follows:

"Sec. 27. North Atlantic Treaty Organization Cooperative Projects.—(a) The President may enter into an agreement with the North Atlantic Treaty Organization (NATO) or with one or more member countries (other than the United States) of NATO for a cooperative project. Participants other than the United States in a cooperative project are hereinafter in this section referred to as 'other participants'.

"(b) For the purposes of this section, a 'cooperative project' is a jointly managed arrangement, described in a written agreement among the parties, which is undertaken in order to further the objectives of standardization, rationalization, and interoperability of the armed forces of North Atlantic Treaty Organization member countries, and which provides—

"(1) for one or more of the other participants to share with the United States the costs of research, development, testing, evaluation, or joint production (including follow-on support) of certain defense articles;

"(2) for concurrent production in the United States and in another member country of a defense article jointly developed in accordance with clause (1); or

"(3) for procurement by the United States of a defense article or defense service from another member country.

"(c) Each such agreement shall provide that the United States and each of the other participants will contribute to the cooperative project its equitable share of the full cost of such cooperative project and will receive an equitable share of the results of such cooperative project. The full costs of such cooperative project shall include, but not be limited to, overhead and administrative costs. The United States and the other participants may contribute their equitable shares of the full cost of such cooperative project in funds or in defense articles or defense services needed for such cooperative project. Military assistance and financing received from the United States Government may not be used by any of the other participants to provide its share of the cost of such cooperative project.

"(d) The President may contract or incur other obligations for a cooperative project on behalf of the other participants, without charge to any appropriation or contract authorization, if each of the other participants in the cooperative project agrees (1) to pay its equitable share of the contract or such other obligations, and (2) to make such funds available in such amounts and at such times as may be required by the contract or such other obligations as to pay any damages and costs that may accrue from the performance of or cancellation of such contract or other obligation in advance of the time such payments, damages, or costs are due.

"(e) With the approval of the Secretary of State and the Secretary of Defense, a cooperative agreement made by the United States before the date of the enactment of this section that otherwise meets the requirements of this section may be treated on and after such date as having been made under this section.

"(f)(1) For those cooperative projects entered into on and after the date of the enactment of this section, the President may reduce or waive the charge or charges which would otherwise be considered appropriate under section 21(e) of this Act in connection with sales under sections 21 and 22 of this Act when such sales are made as part of such cooperative project. However, the President may reduce or waive such charge or charges only if the other participants agree to reduce or waive corresponding charges under the same and other cooperative projects in which both they and the United States are participants.

"(2) Notwithstanding the provisions of section 21(e)(1)(A) and section 43(b) of this Act, administrative surcharges shall not be increased on other sales made under this Act in order to compensate for reductions or waivers of such surcharges under this section. Funds received pursuant to such other sales shall not be available to reimburse the costs incurred by the United States Government for which reduction or waiver is approved by the President under this section.

"(g)(1) Not less than fifteen days before a cooperative project agreement is signed on behalf of the United States, the President shall transmit to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, and the chairman of the Committee on Armed Services of the Senate a numbered certification with respect to such proposed agreement, setting forth—

"(A) a detailed description of the cooperative project with respect to which the certification is made;

"(B) an estimate of the quantity of the defense articles expected to be produced in furtherance of such cooperative project;

"(C) an estimate of the full cost of the cooperative project, with an estimate of that part of the full cost to be incurred by the United States Government for its participation in such cooperative project and an estimate of that part of the full costs to be incurred by the other participants;

"(D) an estimate of the dollar value of the funds to be contributed by the United States and each of the other participants on behalf of such cooperative project;

"(E) a description of the defense articles and defense services expected to be contributed by the United States and each of the other participants on behalf of such cooperative project;

"(F) a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project;

"(G) whether the President proposed to delegate, or has delegated, to the Secretary of Defense authority to carry out the cooperative project; and

"(H) in the event the President proposes to delegate, or has delegated, to the Secretary of Defense authority to carry out the cooperative project, whether it is likely (i) that subcontracts will be awarded to particular subcontractors under the authority of section 2407(b) of title 10, United States Code, and, to the extent known, the nature of the subcontracts and the identify of the subcontractors to whom the subcontracts are to be awarded, and (ii) that waivers of certain provisions of law still be made under section 2407(c) of such title, and, to the extent known, the identification of the specific provisions proposed to be waived and the reasons for the proposed waivers.

"(2) The provisions of such subsection (b) of section 36 of this Act shall not apply to sales made under section 21 or 22 of this Act and to production and exports made pursuant to cooperative projects under this section, and the provisions of subsection (c) of section 36 of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, or such licenses or approvals are issued, or such production and exports ensue as part of a cooperative project.

"(h) The authority under this section is in addition to the authority under sections 21 and 22 of this Act and under any other provision of law.".

(b) Section 2(b) of the Arms Export Control Act (22 U.S.C. 2752(b)) is amended to read as follows:

"(b) Under the direction of the President, the Secretary of State, taking into account other United States activities abroad, such as military assistance, economic assistance, and food for freedom, shall be responsible for the continuous supervision and general direction of sales, leases, financing, cooperative projects, and exports under this Act, including but not limited to, determining whether there will be a sale to or financing for a country and the amount thereof, whether there will be a lease to a country, whether there will be a cooperative project and the scope thereof, and whether there will be delivery or other performance under such sale, lease, cooperative project, or export, to the end that sales, financing, leases, cooperative projects, and exports will be integrated with other United States activities and to the end that the foreign policy of the United States would be best served thereby.".

(c) Section 3(a) of the Arms Export Control Act (22 U.S.C. 2753(a)) is amended—

(1) by inserting ", and no agreement shall be entered into for a cooperative project (as defined in section 27(b) of this Act)," after "international organization," the first place it appears;

(2) by inserting in paragraph (2) ", or produced in a cooperative project," after "so furnished to it";

(3) by inserting in paragraph (2) "(or the North Atlantic Treaty Organization or the specified member countries (other than the United States) in case of a cooperative project)" after "international organization" the second place it appears in the paragraph; and

(4) by inserting in paragraph (3) "or service" after "such article" each place it appears.

(d) Section 42(e) of the Arms Export Control Act (22 U.S.C. 2791(e)) is amended—

(1) by inserting in paragraph (1) "and each contract entered into under section 27(d) of this Act" after "of this Act"; and

(2) by inserting in paragraph (3) "and under contracts entered into under section 27(d) of this Act" after "of this Act".

(e)(1) Chapter 141 of title 10, United States Code (as amended by section 604(a)(1)), is amended by adding at the end thereof the following new section:

"§ 2407. Acquisition of defense equipment under North Atlantic Treaty Organization cooperative projects

"(a)(1) If the President delegates to the Secretary of Defense the authority to carry out section 27(d) of the Arms Export Control Act (22 U.S.C. 2767(d)), relating to North Atlantic Treaty Organization (NATO) cooperative projects (as defined in section 27(d) of the Arms Export Control Act), the Secretary may utilize his authority under this title in carrying out contracts or obligations incurred under such section.

"(2) Except as provided in subsection (c), chapter 137 of this title shall apply to such contracts (referred to in paragraph (1)) entered into by the Secretary of Defense. Except to the extent waived under subsection (c) or some other provision of law, all other provisions of law relating to procurement, if otherwise applicable, shall apply to such contracts entered into by the Secretary of Defense.

"(b) When contracting or incurring obligations under section 27(d) of the Arms Export Control Act for cooperative projects, the Secretary of Defense may require subcontracts to be awarded to particular subcontractors in furtherance of the cooperative project. The authority of the Secretary under this subsection shall expire on September 30, 1989.

"(c)(1) Subject to paragraph (2), when entering into contracts or incurring obligations under section 27(d) of the Arms Export Control Act outside the United States, the Secretary of Defense may waive with respect to any such contract or subcontract the application of any provision of law, other than a provision of the Arms Export

Control Act or section 2304 of this title, that specifically—

"(A) prescribe procedures to be followed in the formation of contracts;

"(B) prescribe terms and conditions to be included in contracts; or

"(C) prescribe requirements for or preferences to be given to goods grown, produced, or manufactured in the United States or in United States Government-owned facilities or for services to be performed in the United States.

"(2) A waiver may not be made under paragraph (1) unless the Secretary determines that the waiver is necessary to insure that the cooperative project will significantly further NATO standardization, rationalization, and interoperability.

"(3) The authority of the Secretary to make waivers under this subsection may be delegated only to the Deputy Secretary of Defense or the Acquisition Executive designated for the Office of the Secretary of Defense.

"(4) The authority of the Secretary to make waivers under this subsection shall expire on September 30, 1989.

"(d) The Secretary of Defense shall report to the Congress each time he requires under subsection (b) a subcontract to be awarded to a particular subcontractor and each time he exercises a waiver under subsection (c). The Secretary shall include in every such notice the reason for exercising his authority under subsection (b) or (c), as the case may be, and, in the case of a waiver under subsection (c), the particular provision or provisions of law that were waived. A report under this subsection shall be required only to the extent that the information required by this subsection has not been provided in a report made by the President under section 27(e) of the Arms Export Control Act (22 U.S.C. 2767(e)).

"(e)(1) In carrying out a cooperative project under section 27 of the Arms Export Control Act, the Secretary of Defense may agree that a participant (other than the United States) may make a contract for requirements of the United States under the project if the Secretary determines that such a contract will significantly further NATO standardization, rationalization, and interoperability. Except to the extent waived, the Secretary shall ensure that such contract will be made on a competitive basis and that United States sources will not be precluded from competing under the contract.

"(2) If a participant (other than the United States) in a NATO cooperative project makes a contract on behalf of such project to meet the requirements of the United States, the contract may permit the contracting party to follow its own procedures relating to contracting.

"(f) In carrying out a cooperative project, the Secretary of Defense may also agree to the disposal of property that is jointly acquired by the members of the project without regard to any laws of the United States applicable to the disposal of property owned by the United States. Disposal of such property may include a transfer of the interest of the United States in such property to one of the other governments participating in the cooperative agreement on the sale of such property. Payment for the transfer of sale of any interest of the United States in any such property shall be made in accordance with the terms of the cooperative agreement.

"(g) In carrying out a cooperative project, the Secretary of Defense may also agree to the reciprocal waiver of customs duties or other type of duties that might otherwise be applicable to equipment or goods imported in pursuance of such agreement.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2407. North Atlantic Treaty Organization cooperative projects.".

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. I would like to announce that the Senate Indian Affairs Committee will hold a hearing in Billings, MT, on May 30, 1985.

The hearing will be held at 1:30 p.m. in room 502 in the Yellowstone County Courthouse and will focus on questionable or wasteful purchases of equipment and the transfer of physicians and other personnel by the Billings area office of the Indian Health Service.

Testimony will be taken on the following issues: The purchase of about 700,000 dollars' worth of computer equipment in September 1984, and staffing problems with physicians and personnel in providing health care to Indians on Montana and Wyoming reservations.

For further information, please call Max Richtman of the committee staff at 224-2251.

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Mr. QUAYLE. Today, I am announcing my intention to conduct field hearings on the Job Training Partnership Act [JTPA], in Indiana.

Hearings will be held on July 1, in Indianapolis and Evansville; on July 2 in South Bend and Hammond; and on August 7, in Lafayette and Fort Wayne.

As chairman of the Senate Subcommittee on Employment and Productivity, it is my ongoing responsibility to conduct oversight of JTPA. Also, as a coauthor of JTPA and recognizing Indiana's significant retraining needs, I have a sincere interest in how it is working in Indiana.

Since enactment of JTPA, we have been successful in maintaining a supportive role by not amending the new statute. Now, however, we are beginning to identify some areas of concern which may call for legislative action.

As we enter the second year of the initial 2-year planning period, I am doing a case study on the operation of the program in the State of Indiana. Building on oversight conducted last fall by the Subcommittee on Employment and Productivity in Tennessee, Mississippi, Washington, Ohio, and Maine, this case study will lay the groundwork for future oversight hearings at the Federal level, in Washington, DC, either late this year or more likely next year.

During the course of these hearings, I will receive testimony from individuals representing all the different perspectives that have an interest in job training. Another factor in this case study is that I will get the views of individuals with the same perspectives but whose experiences are with training programs in different service delivery areas.

I will receive testimony from the Governor, members of private industry councils and their chairs, local elected officials, business, trainees, representatives of targeted populations, representatives of related education and training programs, and labor. I am pleased to announce that the Federal level will be represented by the Secretary of Labor, William E. Brock, who will testify at the July 1 hearing, in Indianapolis, and the Assistant Secretary for Employment and Training, Frank C. Casillas, will testify July 2 in Hammond.

Persons wishing to testify or submit written testimony should contact Renee Coe, of my subcommittee staff, in writing at the Senate Labor and Human Resources Committee, SD428, Washington, DC 20510 or by calling (202) 224-6306.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Senate Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources on Thursday, June 20, 1985, in Washington, DC. The subcommittee will receive testimony on S. 816, to establish the Pine Ridge Wilderness and Soldier Creek Wilderness in the Nebraska National Forest in the State of Nebraska, and for other purposes.

The hearing will be held in room SD-366, Dirksen Senate Office Building, Washington, DC, at 10 a.m. Those wishing to testify should contact the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources, room SD-308, Dirksen Senate Office Building, Washington, DC 20510, phone (202) 224-0613. Those wishing to testify should sign up no later than Tuesday, June 18, 1985.

Oral testimony will be limited to 5 minutes per witness. Written statements may be longer. Witnesses may be placed in panels, and are requested to submit 25 copies of their testimony 24 hours in advance of the hearing, and 50 copies on the day of the hearing.

For further information, please contact Mr. Tony Bevinetto of the subcommittee staff at (202) 224-5161.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, May 23, 1985, to consider the Bradley proposal to ban lead solder in drinking water supply lines.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CIVIL SERVICE

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Civil Service, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, May 23, 1985, in order to conduct a hearing on the GAO report, "Pay Equity Study."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on the Oversight of Government Management, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, May 23, 1985, to discuss S. 1134, the Program Fraud Civil Penalties Act of 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Aviation of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Thursday, May 23, to hold a hearing on S. 586, a bill to provide for a review of certificate authority used under the Federal Aviation Act of 1958.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. DOLE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 23, in closed executive session, to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENT

W.R. GRACE CO. TAX PAYMENTS

● Mr. ARMSTRONG. Mr. President, over the last several weeks one of the more popular diversions in the Congress and in the press has been the dissemination of misleading information on the effective tax rates for some corporations. I regret that some of my colleagues seem to be preoccupied with criticizing individual taxpayers instead of focusing on broad general principles of fairness upon which sound policy should be based.

I hope the debate on tax policy will soon rise to a less emotional and more analytical level. In the meantime, I will attempt to give individual taxpayers who are singled out for criticism in the Senate an opportunity to reply. In doing so, I am not vouching for their response but only attempting to give them a fair chance to tell their side of the story.

One such taxpayer which has repeatedly been attacked—indeed which has been excoriated—is the W.R. Grace Co. That company has supplied me with an explanation of its tax payments over the last several years. I invite my colleagues to review the following letter from Peter Grace, chairman of W.R. Grace.

The material follows:

W.R. GRACE & CO.,
New York, NY, April 17, 1985.

Hon. WILLIAM L. ARMSTRONG,
U.S. Senate,
Washington, DC.

DEAR SENATOR ARMSTONG: I am writing to correct the misinformation conveyed by recently published news "reports" alleging that W. R. Grace & Co. paid no income taxes during the 1981–1983 period.

While we had hoped that a few isolated statements could be successfully rebutted and thereby contained, the misinformation involved seems to be multiplying. Even worse, it has come to our attention that inquiries are being directed to Members of Congress with the result, in a few unfortunate cases, that some elected officials are simply copying and distributing this misinformation to their constituents.

Please permit us, for the record, to state what W. R. Grace & Co. actually paid in income taxes during the 1981–1983 period:

$40.5 million to the federal government (excluding deferred payments).

$27 million to state governments.

$275 million to foreign governments.

In fact, the company's total provision for income taxes during the period was $461.7 million for an effective tax rate of 35.3 percent.

In 1984, the Company's total provision for income taxes totaled $130.3 million for an effective tax rate of 40 percent.

Since all of the above relates strictly to income taxes, let me further mention that Grace has paid and continues to pay hundreds of millions of dollars each year in sales, real estate and other taxes to states and localities nationwide.

For example, our bill for all taxes in 1984 was $371.5 million—nearly twice our net income and almost three times the amount of dividends paid to our shareholders.

On a related subject, there is another widely circulated "report" that alleges that the $40.5 million paid in income taxes during the 1981–1983 period (see preceding page) was more than offset by income generated from our 1982 sale of tax credits amounting to $53.2 million. Some reporters and editors apparently believe that such a sale, itself a taxable transaction, amounts to a credit against taxes paid and hastily—and wrongly—conclude that it results in a net "rebate" of some $12.7 million from the government.

In fact, that $53.2 million sale counts as income; in this case, income upon which more than $24 million in additional taxes are payable. To equate the full income from the sale of excess tax credits in 1982—a perfectly lawful transaction made possible and encouraged by Congress—to taxes paid by the Company is accounting nonsense. It is hard for me to imagine how a responsible editor or reporter would describe a corporation's income as creditable against its taxes.

Had we chosen not to sell our excess tax credits in 1982, we could have used them to reduce our taxes for 15 years into the future. Over time, therefore, the U.S. Treasury would have been neither richer nor poorer as a result of our sale.

We hope you will help us keep the affairs of W. R. Grace & Co. and The President's Private Sector Survey on Cost Control, which I chaired, in their proper and respective domains. We also hope that you will inform your constituents, as the need arises, that Grace pays its fair share in taxes and has the checks and receipts to prove it. I believe that such action on your part is in keeping with truth and justice and would reflect responsible congressional leadership.

Sincerely,

PETER GRACE●

50TH ANNIVERSARY OF THE RURAL ELECTRIC ADMINISTRATION

● Mr. BOREN. Mr. President, in recognition of the tremendous advancements in electric and telephone services of the past 50 years, I believe it is important to pay tribute at this time to the Rural Electric Administration. Since the establishment of the REA in May 1935, Oklahoma, as with each State, has moved forward from literally the "dark ages" of preelectric service into today's world where nearly all rural families enjoy electric and telephone services.

A classic example of the successes of the REA stands within the State of Oklahoma. The Oklahoma Panhandle, as many of you know, is harsh country with natural conditions which make rural life and community development extremely difficult. As recently as 1950, telephone service in the panhandle was limited in types of services provided and in number of families for which services were available. Today still only one subscriber falls within each mile of telephone lines.

The difficult job of providing vital telephone services at reasonable and affordable rates is a challenge which has been addressed very effectively and efficiently by the Panhandle Telephone Co-op. This co-op, which was established through a loan from the REA, has faced obstacle after obstacle in meeting the needs of its customers. Despite the many obstacles presented, Panhandle Telephone Co-op has been a reliable and conscientious supplier of telephone services and has played a vital role in the social, educational, and economic development of the Oklahoma Panhandle.

The first co-op to begin operations in Oklahoma was the Consumers Rural Electric Co-op located in the city of Kingfisher. Known now as Cimmaron Co-op, this organization was founded on December 23, 1936, and placed its first meter nearly a year later at the home of Mr. Earl Harrison. Mr. Harrison and his family became the first Oklahoma farm family to benefit from the Rural Electrification Program when the lines running to their home were energized on Christmas Eve 1937. In the 48 years since that eventful day, thousands of similar families have celebrated Christmas in the security and comfort of a home fully serviced in electric power.

The success story of the REA nationally is no less impressive. In 1935, only 11 percent of rural families received electric power. Today that figure has grown to 99 percent. The REA has helped to change farm life so that routine chores such as milking cows and pumping water are not quite so difficult or time consuming. The tremendous advancements in agricultural productivity over the past 50 years can be credited, in some part, to the successes of the REA. Because of the REA and the many individuals who have supported it over the years, rural life in Oklahoma and our Nation is still the foundation of American society.

It is a pleasure to take special note today of the 50th anniversary of the Rural Electric Administration. Americans from every corner of the country appreciate the hard work, determination, and accomplishment which have been demonstrated by the REA since its founding. Indeed the REA stands as an example for all branches of government and private enterprise to follow, and I am proud to recognize them at this time.●

THE METHANOL VEHICLE INCENTIVES ACT

● Mr. CHAFEE. Mr. President, I am pleased to join my distinguished colleague, Senator DANFORTH, as a cosponsor of S. 1097, the Methanol Vehicle Incentives Act.

Methanol fueled vehicles are the wave of the future. This bill represents an effort to encourage the conversion of automobiles to methanol engines. Methanol is a clean-burning fuel derived from natural gas, coal, and biomass.

Methanol has a number of advantages over gasoline. Environmentally, methanol burns more cleanly and efficiently. Methanol engines produce fewer nitrogen oxide emissions, which may be connected with acid rain. Economically, methanol can be price competitive with gasoline. And, most importantly, methanol usage improves our national energy picture. Increased methanol usage can reduce our dependence on petroleum, while providing an increased demand for coal. Though an oil shortage may not appear imminent, we remain vulnerable as long as the United States is dependent on supplies from the Persian Gulf. As transportation comprises 60 percent of oil usage, a change to methanol can have an enormous impact on oil consumption in the United States.

Automakers are already developing and testing methanol-fueled vehicles, with excellent results. Large scale production is still a number of years away, however, as further testing is required to assure durability and reliability. This legislation encourages manufacturers to continue development and implementation of methanol-fueled engines.

In this bill, automakers are provided an incentive to introduce methanol engines by revising the method of calculation for the corporation average fuel economy standard. Currently, fuel economy rating are based on miles per gallon of fuel consumed. Under the proposed revision, fuel economy ratings would be based on the number of miles per gallon of gasoline only. Methanol-fueled vehicles would operate on a low percentage of gasoline, such as 15 percent gasoline to 85 percent methanol. Thus, methanol-fueled vehicles would have a low-fuel economy rating and would help automakers meet the CAFE standards.

The supply of methanol is nearly inexhaustable. We have already experienced a major oil crisis. Development of methanol-fueled vehicles can help us to avoid another. Methanol-fueled vehicles can reduce our dependence on oil, develop domestic energy sources, and improve air quality.

I urge my colleagues to support this effort.●

SPACE CAN

● Mr. GORTON. Mr. President, the Coca-Cola Co. has been working with the National Aeronautics and Space Administration to develop what they call a space can, the purpose of which is to allow shuttle crews to enjoy carbonated beverages in zero-gravity conditions. I want to compliment NASA and Coca-Cola on their joint venture.

The Coca-Cola Co. has born the substantial cost of developing this special container. After NASA demonstrates its utility in space during a shuttle flight in July, however, Coca-Cola intends to share the technology with others, including its competitors in the soft-drink industry.

This venture is a good example of cooperative research and development between the Federal Government and the private sector. This kind of cooperation has produced a number of useful spinoffs from our Nation's space program, and perhaps the space can will be yet another.

In a May 11, 1985, editorial, the Atlanta Constitution noted the development of this new technology. I ask that this editorial be included in the RECORD.

The editorial follows:

A SMALL SIP FOR MAN

Coke's new, improved taste may be viewed with suspicion by hard-core fans of the old beverage, but its new improved can deserves raves all around.

With its development of a high-tech, pressurized steel can capable of dispensing a carbonated soft drink in zero gravity, an achievement that took $250,000 and a year of high-altitude aircraft tests to perfect, the Coca-Cola Co. should soon be able to tout its product as "the first soft drink in orbit."

Moreover, the company will forgo the pleasure of a monopoly in space to share its technology with other soft-drink makers and provide a choice for thirsty shuttle crews. An admirable gesture. One small sip for man, you might say, and a refreshing pause from the soft-drink wars.●

PROBLEMS OF THE MILITARY

● Mr. GOLDWATER. Mr. President, between May 20 and May 22, a series of articles regarding the U.S. military in the 1980's, appeared in the Christian Science Monitor. While I do not necessarily agree with all of the views expressed by the author, I do feel these articles offer some insight into problems facing the military today and I recommend them to my colleagues.

Mr. President, I ask that this series of three articles by Mr. Peter Grier be placed in the RECORD in my remarks.

The articles follow:

[From the Christian Science Monitor, May 20, 1985]

INSPECTING MILITARY: '80S FORCES RANK HIGH

(By Peter Grier)

WASHINGTON.—In the fortunes of the M-16 automatic rifle can be seen the post-World War II fall and rise of the whole U.S. military.

A light weapon made of special plastics and alloys, the M-16 was one of the United States Army's many great problems in the Vietnam war. Reliable in prototype, it had been made too fast-firing by military modifications, and it often fouled and jammed during combat.

Today, the M-16 is much improved—but perhaps still not as good as it should be. The modern version of the rifle wins NATO small-arms reliability trials, but critics complain it is inferior to its Soviet counterpart, the AK-47.

As goes the basic weapon, so goes the U.S. military force.

Like the M-16, the U.S. armed services have been rejuvenated over the past decade. They have better people, a new generation of equipment, and new tactics for the conflicts that strategists say are likely to erupt in today's world.

At the same time, they are troubled by interservice rivalry, expensive weapons that break, and doubts about their war-fighting capability.

Too many layers of military planners can

It was the Army, after all, in which the

tention they deserve," says Gen. David C.

"We've gained back what we lost in Vietnam," says retired Army Lt. Col. Theodore Crackel, a senior fellow at the conservative Heritage Foundation. "But we've not gone beyond that to crack through a whole new way of thinking about the military profession."

It almost goes without saying that Vietnam was a great trauma for the U.S. military—and particularly for the Army, which took the brunt of the fighting.

As the war dragged through its decade's course, U.S. arsenals in Western Europe were drawn down to provide materiel for the forces fighting in Southeast Asia. The cohesion of the Army was ripped apart in many units, as the pressure of fighting a controversial war led to high rates of drug use, racial strife, and plummenting morale.

The Army's senior noncommissioned officers (NCOs)—the tough sergeants who transform recruits into soldiers and anchor solid fighting units—were almost wiped out in Vietnam. They were replaced by men with a bare eight weeks of training. "We called 'em shake-'n-bake NCOs," recalls Gen. Eugene Meyer, a former Army chief of staff.

Ten years later the Army has finally rebuilt its NCO corps with sergeants who in many ways are more qualified than their predecessors of the early '60s, General Meyer says.

This reflects what a wide range of officers and outside experts rank as the most important change in the military since Vietnam: the higher quality of its personnel.

In 1975, two years after the end of the draft, only 66 percent of first-time enlistees in the U.S. military had graduated from high school. In 1984, by comparison, 93 percent of enlistees had high school diplomas. And the experience level of U.S. forces is increasing, as more of these recruits choose to reenlist.

There are shortages: The Navy doesn't have enough submarine officers, for instance, and the Air Force has a hard time keeping experienced pilots. The services will undoubtedly find recruitment harder in coming years, as the total number of U.S. teen-agers shrinks. But for now, "it's the best overall personnel status since I've been in the military," says retired Air Force Gen. David C. Jones, a former chairman of the Joint Chiefs of Staff.

And these soldiers, sailors, and airmen are better trained than they were 10 years ago. The Air Force, troubled by a relatively poor performance in Vietnam (two North Vietnamese MIGs shot down for each U.S. plane lost, compared with a 10-to-1 loss ratio during the Korean war) now puts pilots through more realistic dogfight training, such as the Red Flag exercises held at Nellis Air Force Base in Nevada.

The Army, for its part, has taken some 160,000 soldiers through the National Training Center at Fort Irwin, Calif. There, on a desert battlefield the size of Rhode Island, soldiers play war with low-power laser weapons and computers that register "kills." Much of this training is aimed at familiarizing military personnel with a new generation of complicated conventional weapons.

During the 1960s and early '70s, as millions of dollars went for munitions and other war supplies, the Pentagon had to defer many weapon-modernization projects. "Vietnam cost us a decade of defense modernization," says Robert Komer, an undersecretary of defense during the Carter administration.

But by the early years of the Reagan administration, modern weapons long coveted by the military were finally arriving in quantity. The Army has received congressional approval for 4,223 M-1 turbine-powered tanks; the Air Force will soon have purchased a combined total of almost 2,000 F-15 and F-16 tactical fighters. Bradley fighting vehicles equipped with TOW antitank missiles, AH-64 Apache helicopters, and the controversial Aegis missile cruiser are coming on line.

For the most part, these weapons systems will replace worn-out '60s-vintage equipment, such as the M-60 tank. As a just-released Congressional Budget Office reports point out, only the Navy is becoming a substantially larger force under President Reagan, as its steams toward a planned goal of 600 ships by 1989.

The Army can now deploy 17 active-duty divisions, up from the 16 it had between 1976 and '84. The Air Force went from 74 tactical squadrons in 1976 to 78 today.

While the modern generation of microchip-laden weapons will add punch almost undreamed of in the '60s to U.S. forces, it is also very costly. An F-15, for instance, is three times as expensive as its predecessor, the F-4 Phantom—even after adjusting for inflation.

Congress has long debated the virtues of quality vs. quantity when drawing up the defense budget. In coming years, suggests a CBO analysis, this debate will be come much sharper. If current cost trends continue, for example, it may "be almost impossible to maintain the current 36 wing [tactical air] force in the next century—let alone expand it," the CBO report concludes.

This means the traditional American way of waging conventional war—rolling back opponents with sheer weight of materiel—is sure to change.

[From the Christian Science Monitor, May 21, 1985]

U.S. MILITARY TACTIC OF MASSED FIREPOWER GIVES WAY TO MOBILITY

(By Peter Grier)

WASHINGTON.—The U.S. military, after decades of planning to fight a war with stable fronts and massed firepower, is changing its approach.

Tacticians are beginning to emphasize maneuver, quick hits, more daring tactics. The change reflects the realization that the Soviet Union is able to more than match the United States tank for tank; and the knowledge that the U.S. must be ready for smaller conflicts in such places as the Persian Gulf.

"We're not locked in concrete. We're thinking about new things," says Col. Harry Summers, a member of the Army War College faculty.

In 1982, the Army's basic operational manual was written to emphasize a new "airland" fighting doctrine. This doctrine, a Pentagon official says, aims to keep the enemy off balance with unexpected blows. If the Soviets rolled tanks into West Germany, for instance, NATO forces might quickly counterattack airfields and command posts deep behind enemy lines.

And the U.S. has begun restructuring its forces for quick movement to far-off lands. President Carter's planned Rapid Deployment Force has become the unified Central Command, based at MacDill Air Force Base in Florida. It is responsible for moving quickly to protect U.S. interests from Southwest Asia to the Horn of Africa. The Army, partly to provide Central Command troops, will soon deploy four fast-moving "light" divisions.

A wide range of military experts believes the U.S. military high command should, indeed, spend more time thinking how to balance the virtues of mobility with those of power. Some, however, criticize the particular steps that have been taken.

For instance, Jeffrey Record, a senior fellow at the Institute for Foreign Policy Analysis, says the Army's new light divisions are mobile simply because they've been stripped of many weapons of real consequence, such as battle tanks and heavy artillery. He feels an effective rapid force should have more special equipment, such as a fast-moving light tank.

Robert Komer, a strong proponent of the "rapid deployment force" in his days as a senior Pentagon official, says a chronic lack of airlift capacity is "the Achilles' heel of our conventional forces."

Debate about U.S. force capability is not limited to questions of movement. In the immediate post-Vietnam era it was unpopular for politicians to discuss the military as an instrument that might be used. Today, after Grenada and the Reagan military buildup, there is much discussion in Washington as to whether the armed services are all they can be.

The Pentagon hierarchy says much progress has been made in recent years. "The military posture of our armed forces is sound," said Army Gen. John Vessey Jr., chairman of the Joint Chiefs of Staff (JCS), earlier this year. "By every common-sense measure, our forces are more ready than at any time in the recent past."

A case can be made, however, that when called into action in recent years, the U.S. military has not always moved with the smoothness of a well-practiced athlete.

In 1980, the attempt to rescue U.S. hostages held in Iran ended in failure and casualties.

In 1983, in Lebanon, two Navy planes were lost—with one pilot captured and his bombardier-navigator killed—in a rigidly planned raid on a Syrian position.

Even the invasion of Grenada, in which an overwhelming U.S. force eventually squashed its opposition, was not without major flaws, claim critics.

"Grenada was not the military success it should have been, and thats what the Joint Chiefs of Staff led us to believe it was," says Rep. Jim Courter (R) of New Jersey, a former House chairman of the Military Reform Caucus, who has studied the operation.

It is bureaucracy, critics say, that causes much of the U.S. military's problems. Critics complain that the military high command is dominated by men more knowledgeable about budgets than fighting skills.

"The power is with the view-graph artists," says Edward Luttwak, a senior fellow at Georgetown University's Center for Strategic and International Studies.

Fierce interservice rivalry is one result of this situation. Some competition can be an effective way of keeping units well honed, but it often leads to overcomplicated missions, claim critics. The Grenada invasion, for instance, featured a Marine unit, two elite Army Ranger battalions, a brigade from the Army's 82nd Airborne Divsion, Navy SEAL commandos, and the interservice Delta Force of special operations troops—all commanded by a Navy admiral. It was "a pie-dividing contest" that "allowed the enemy to put on a reasonably good show," says William Lind, a military-affairs aide to Sen. Gary Hart (D) of Colorado.

Too many layers of military planners can also lead to overdesigned weapons, critics say. The F-16 was first conceived as a relatively inexpensive hot rod of a fighter with no fancy electronics but the largest possible engine for maximum dogfight power. Air Force designers kept adding a little here and a little there, says Mr. Luttwak, and today the plane has bomb racks, expensive computers, and costs more than $25 million a copy.

In general, the U.S. military has twice as many officers as it needs, Richard Gabriel, a former military intelligence officer who is now a political science professor at St. Anselm's College in Manchester, N.H. The military education system contains little study of actual war, he complains, and weapons such as missiles have become too expensive to train with.

Critics of the U.S. military often hold up the West German and Israeli fighting forces as models of honed skill. Both nations have relatively centralized military high commands—a feature the U.S. might do well to emulate, according to defense reforms. These reformers also advocate a two-year defense budget cycle.

But the U.S. military is so large that it may never be as efficient as the forces of small nations. "The U.S. is a great power with commitments all over the globe," says John Mearscheimer, a University of Chicago political scientist with many published works on military affairs. "We have to be prepared to fight lots of different places. There are limits as to how rational you can make things."

[From the Christian Science Monitor, May 22, 1985]

PENTAGON TAKES A HARD LOOK AT ABILITY OF OFFICER CORPS TO LEAD TROOPS IN COMBAT

(By Peter Grier)

WASHINGTON.—It was called "getting your ticket punched," and its effects may still haunt the United States military.

In Vietnam, it was common for mid-level U.S. officers to command troops for only six or seven months before being replaced. Thus as many as possible received the field experience that helps their chances for promotion. They got their tickets punched, in military parlance.

To some critics, this practice fostered a narrow, my-career-comes-first attitude among young officers that damaged crucial unit cohesion. Does that attitude persist today?

Says retired Gen. Eugene C. Meyer, Army chief of staff from 1979 to 1983: "When I [led the Army,] I was concerned whether selflessness was going to permeate the service. I still worry about that."

Ten years after Vietnam, the nature of U.S. military leadership has become a topic of wide discussion within the armed services and among outside experts.

On one level, this debate focuses on personal leadership, the qualities junior officers need to meld U.S. units into an effective fighting force.

On a second level, its centers on institutional leadership, on the responsibilities of the country's four-star generals and fleet admirals.

Though present in the Navy and the Air Force, this leadership debate is a matter of particular concern within the Army.

"The Army is the intellectual place to be in the services," notes Dr. Jeffrey Record, a senior fellow at the Institute for Foreign Policy Analysis.

It was the Army, after all, in which the trust between leader and led degraded the most during the late 1960s and early '70s. The turbulence caused by ticket-punching, says General Meyer, was one main reason.

This quick turnover of field commanders meant they never had time fully to understand the men under them and the nature of the war. Soldiers often found themselves in the hands of inexperienced leaders—a situation that did very little for morale. It was difficult for many U.S. units to develop the loyalties that bind all ranks together in crack fighting teams.

"The World War II units which did well were the ones with cohesion," General Meyer points out.

The Army in recent years has tried to turn this problem around. In 1981, Meyer ordered that command tours be at least two years long. He launched an experimental program named Cohort, in which soldiers and junior officers move from basic training to first assignment as a unit. By the end of this year almost 10 percent of the Army's force will have gone through Cohort.

"They've trained together, they know each other, they know their officers," says Maj. Robert Gesell, a Pentagon personnel officer. "The Germans did this in World War II, to great effect."

But questions about U.S. military leaders involve more than length of service with particular units. Critics ask: Do the armed services produce the sort of officers they really need? Do today's layered military bureaucracies breed too many bland budgeteers?

One hundred years ago, critics say, U.S. forces were led by men different from today's commanders. Though golden-haired, strutting Gen. George Custer was an extreme example, officers as a whole were relatively daring and outspoken, say some. "In the 19th century, virtually every officer worth his salt had been court-martialed at least once," claims retired Army Lt. Col. Theodore Crackel.

But over the last century the pressures in the U.S. military for officers to conform have become stronger and stronger, according to critics inside and outside the services. Bold officers inevitably make mistakes. And in today's up-or-out military promotion system, even one mistake may be fatal to a career.

"In America, we pride ourselves on being individualistic. In the military, we have bred most of that out of ourselves," says one mid-level officer serving a Pentagon tour of duty.

In an internal Army survey disclosed in May's "Armed Forces Journal," 49 percent of a sample of officers ranked lieutenant through colonel agreed that "the bold, original, creative officer cannot survive in today's Army." Sixty-eight percent of this group agreed that "the officer corps is focused on personal gain rather than selflessness."

The U.S. military may also have too many managers, and not enough swordsmen.

Armies through the ages have recognized the need for a balanced supply of those who can run supply depots, and those who can charge enemy lines.

Today in the U.S., the supply depot types may be ascendant. Weapons systems have become so complicated and expensive that much of the Pentagon's energy is sucked into purchasing, and marketing to Congress. The Army War College has taught a course in how to give congressional testimony.

"We have become so obsessed with selling budgets that other things don't get the attention they deserve," says Gen. David C. Jones, former chairman of the Joint Chiefs of Staff. "There ought to be more [emphasis] on strategy and warfighting doctrine."

In defense of today's officer corps, General Jones points out that the quality of individual officers—their education level, their commitment—is as high as it has been in 40 years.

Others say that whether individualism is bred out of officers all depends on what you think is individual. "There are people I think are renegades that are four-star generals," says General Meyer.

In peacetime, say military officers, it's natural that procurers will rise in armed service bureaucracies. You don't really know who the swordsmen are, say military sources, until the fighting starts. The swordsman-manager distinction is somewhat artificial, they say—especially in today's world of expensive, high-tech conventional weapons.

And there are signs in the services of a new effort to remind officers that they are more than systems analysts who get to wear uniforms to work.

In the Air Force, an education program called "Project Warrior" encourages officers to study war history, and the lives of such renowned commanders as Lt. Gen. James Doolittle. In the Army, a War College instructor, Col. Harry G. Summers Jr., is leading a boom in the study of such philosophers of war as the 19th-century Prussian officer Karl von Clausewitz.

Especially in the Army, this resurgence of the study of warfighting involves more than the duty of individual officers. It also covers the responsibilities of top military commanders to the nation—and whether those responsibilities were shouldered during Vietnam.

Colonel Summers' book-length study of the Vietnam war, "On Strategy," concludes that "on the battlefield, the Army was unbeatable. Defeat was caused by large strategic mistakes, one of the largest being "failure to invoke the national will."

In other words, the war was to be escalated without arousing the American people. There was to be no declaration of war; no mobilization of the reserves.

Civilian policymakers were the prime architects of this decision, but the military went along unthinkingly, writes Summers. In general, he says, military leaders allowed civilians to dominate the setting of all strategy for the war, and failed in their responsibility to present alternative courses of action. The Joint Chiefs, in Vietnam, did not insist that their civilian overlords set tangible political goals, according to Summers.

Retired Gen. Bruce Palmer Jr., an Army corps commander in Vietnam and another widely published analyst of the war's conduct, says that senior military leaders should have told their commander in chief his strategy was not working.

"In hindsight, a strong case can be made for the resignation of one, several, or all the Chiefs [of Staff]," he writes.

General Palmer and Colonel Summers believe the U.S. military should be much less a machine that goes to war at the President's bidding, and more of a questioning body that comments on policy in times of conflict.

The debate among U.S. soldiers as to whether they should say, "Why are we doing this?", instead of "Can do," to civilian orders, has been going on a long time, military experts note.

Not all of them believe that U.S. armed forces would actually balk at controversial actions—or that public discussion as to whether they should is a good thing.

"America now has a noticeably cautious Pentagon," notes Paul M. Kennedy, Dilworth Professor of History at Yale University. Defense Secretary Caspar W. Weinberger, he points out, gives speeches saying the U.S. won't fight without assurance of support from Congress and the U.S. people. Such public announcements, says Dr. Kennedy, make it more difficult for the U.S. to manage its global interests.

Others go further. The experience of Vietnam has led to a general reluctance in the U.S. to use power, say conservative analysts. This has led to world disequilibrium, as the Soviet Union has continued efforts to export its influence. Many conservatives consider Central America a paradigm, a place where Americans waffle and the Soviets have will.

For a military force, leadership can affect performance as much as, or more than, weapons quality, or strength of numbers.

As it strives to offset Warsaw Pact tanks and missiles, the West should thus make sure that its military leaders are at least as good as the Soviet Union's, say U.S. officers. The stereotype of the Soviet commander—a mere cog who will simply stand around if not given detailed orders—may not be true. Says one midlevel U.S. officer: "The Russians aren't the world's best chess players for nothing."

MENACHEM Z. ROSENSAFT'S AFFECTING SPEECH

● Mr. MOYNIHAN. Mr. President, May 5, 1985, the day President Reagan visited the German military cemetery at Bitburg, will be a date that evokes sadness for years to come.

Countless thousands of words already have been spoken about the President's trip, about why he should not have done such a thing. But, I want to call my colleagues' attention to perhaps the most moving of all.

They came from Mr. Menachem Z. Rosensaft, the founding chairman of the International Network of Children of Holocaust Survivors. Mr. Rosensaft and a group of associates went to West Germany—to the former concentration camp at Bergen-Belsen—to peacefully display their disapproval of President Reagan's visit to Bitburg.

The Government of the Federal Republic of Germany was willing to allow this sincere protest. The Government of the United States was not: The White House wanted Mr. Rosensaft and his colleagues kept at least 1 kilometer from the President; another shameful incident in this altogether shameful affair.

Mr. Rosensaft's eloquent words should have been heard by President Reagan. They should now be read by all of us. Mr. Presdient, without objection, I ask that Mr. Rosensaft's address be included in the RECORD.

The address follows:

We are standing here today at one of the holiest sites in the world—the mass graves of Bergen-Belsen. Around us, covered by grass and marked by stark stones, are the remains of fifty thousand European Jews who were brutally and deliberately murdered by the willing and enthusiastic servants of Nazi Germany. We are surrounded by the images, the eyes, the final words and thoughts, of Anne Frank and of the thousands of others whom the SS doctors, officers and guards annihilated only and exclusively because they were Jews.

I speak today on behalf of the dead. As the son of two survivors of Auschwitz and Bergen-Belsen who suffered here and were liberated here, I speak on behalf of all the survivors and of thousands of sons and daughters of survivors. I speak as a Jew, and as an American. But above all, today, I speak on behalf of all those who lie buried here in these mass graves, and whose memory has not been desecrated by the President of the United States and the Chancellor of the German Federal Republic.

In stark contrast with the words that have been spoken here today, Bergen-Belsen has today been exploited for the political interests of these two men, and the sanctity of this place has been violated.

For forty years, no one has dared to stand here for any reason except to mourn, to commemorate, to remember, and to vow that the horrors of Nazism, of the Third Reich, will never be repeated, and that the murderers will never be forgiven.

Never, until today, has anyone dared to use these graves as part of an attempt to rehabilitate the SS.

Never, until today, has anyone dared to come here and act in total and deliberate disregard of the sensitivities and moral demands of the survivors and the entire Jewish community.

Never, until today, has anyone dared to prevent survivors and children of survivors from standing beside these mass graves and this monument while two politicians violate their sanctity and every principle of decency by coming here on their way to honoring the memory of the SS.

During the past seven weeks, President Ronald Reagan and Chancellor Helmut Kohl have created and aggravated a moral crisis of unprecedented proportions. As part of an appalling effort to achieve a reconciliation with the ghosts of Nazi Germany, President Reagan is now on his way to the Bitburg Cemetery where some 47 SS men are buried.

President Reagan and Chancellor Kohl know very well that the SS were the ultimate personification of Hitler's nightmarish regime, the ultimate embodiment of evil, and still they insist on honoring their memory.

President Reagan and Chancellor Kohl have heard the anguished outcry of the survivors, and the outrage expressed by virutally the entire civilized world, and still they insist on desecrating the memory of the Six Million Jewish victims of the Holocaust, and of all the other victims of Nazism.

Today we say to Chancellor Kohl that his attempt to describe the Waffen SS as simple soldiers is a perverse rewriting of history, and we say to President Reagan that his comparison of the SS or any German soldiers to the victims of the Holcaust is morally repugnant.

President Reagan and Chancellor Kohl have embarked on a macabre tour, an obscene package deal, of Bergen-Belsen and Bitburg. Today we say to them that they can either honor the memory of the victims of Belsen, or they can honor the SS. They cannot do both. And by entering Bitburg, they desecrate the memory of all those who were murdered by the SS, and of all those whom they pretended to commemorate here at Belsen.

President Reagan and Chancellor Kohl should understand that we are committed to genuine reconciliation and friendship with the new Germany of the past 40 years, but we shall never accept or acquiesce in any reconciliation with the Third Reich. We shall never allow any rehabilitation of the SS. And despite their efforts, we shall never tolerate any compromise with evil.

Today, the survivors of the Holocaust and their children have been deeply and permanently offended by two politicians who fail to understand the moral imperatives of Belsen. The entire Jewish community has been insulted by the total lack of sensitivity demonstrated by these two men. And all decent human beings everywhere are outraged by President Reagan's and Chancellor Kohl's exploitation and desecration of the mass graves of Belsen for their selfish political purposes.

I hope that as they enter Bitburg, both President Reagan and Chancellor Kohl will realize that the only ones who applaud their actions are the bands of SS men meeting this weekend at Nesselwang, and all other Nazis, neo-Nazis and their sympathizers throughout the world.

We demand that Belsen be restored to its place as a sacred shrine under the moral authority—the moral jurisdiction—of those whose families lie buried here. We demand that no politician shall ever again be allowed to come here for impermissible purposes. And we hope that our presence here today will in some small way compensate for the pain and anguish which President Reagan and Chancellor Kohl have caused the survivors of the Holocaust during the past seven weeks.

Our moral obligation is clear. For us, it is a matter of conscience. And we swear today to the tens of thousands buried here, and to all the other victims of the Holocaust, that we shall forever protect and defend their memory, that we shall never abandon them.●

ELEVATION TO CABINET LEVEL OF THE VA

● Mrs. HAWKINS. Mr. President, today I rise in support of S. 657, a bill to elevate the Veterans' Administration to a Cabinet-level department. In so doing, I want to call attention to this bill, introduced by the distinguished Senator from South Carolina, and urge my colleagues to actively support this important legislation.

The Veterans' Administration was established by Congress in 1930 to consolidate programs previously administered in several different agencies—the Veterans Bureau, the Interior Department and the National Home for Disabled Volunteer Soldiers. Congress provided new benefits, including disability compensation, insurance programs, family allotments and vocational rehabilitation, in the shadow of World War I.

Organized in 1946, the Department of Medicine and Surgery is now the Nation's largest integrated comprehensive system with 172 major medical

centers. Congress has added education, housing and other veterans benefits to the responsibility of the Veterans' Administration. In 1973, administration of the National Cemetery System passed from the Department of the Army to the VA.

There are some 28.2 million veterans and about 54 million dependents and survivors of veterans in the United States. Given the number and diversity of the programs administered by the VA, the Veterans' Administration has the potential for affecting the health and well-being of about a third of the population of the Nation.

The Veterans' Administration has grown to become the largest independent agency of the Federal Government. The 220,000 employees in the VA outnumber the employees of any other Federal department or agency except the Department of Defense. Its budget authority of $27.2 billion for fiscal year 1985 ranks among the largest of the Federal departments and agencies.

Mr. President, the growth of the VA in size and responsibilities, since its inception in 1930, is a compelling reason to upgrade the Veterans' Administration to a Cabinet-level department and to provide for a Secretary of Veterans' Affairs within the President's Cabinet. With the large budget deficits and the great pressures to restrain the growth of Federal spending, it is most important that the Veterans' Administration be involved closely in Government planning at the highest level.

There is another factor which lends urgency to the need to upgrade the Veterans' Administration. The rising costs of health care, the changing veteran population with its changing needs, and budget pressures are causing the Congress and the administration to reevaluate the role and the responsibilty of the Veterans' Administration. This reevaluation is manifested in the proposed means test, third party reimbursement and VA loan user fee. The planning and important decisions, which will impact the lives of so many Americans, must be well coordinated and made at the Cabinet level.

The size and demands of the Nation's aging phenomenon are not easily grasped, but the implications as detailed in the medical and socioeconomic literature cannot be ignored. The ramifications of the aging veteran population have received much attention, but the Nation's policymakers have yet to come to grips with the problems associated with aging. Today 3 million veterans are over age 65; by the year 2000 that number will triple to 9 million or 36 percent of all veterans. The Veterans' Administration's response to this phenomenon will impact on many lives and on other Federal agencies.

The movement of veterans from some Snow Belt areas to the Sun Belt corresponds to a national population shift. The phenomenal number of veterans flooding into the State of Florida is taxing the ability of the Veterans Administration to provide care and services.

The VA's response to the aging phenomenon and the inequity in the distribution of VA resources must necessarily be addressed. A Cabinet-level department can better coordinate and respond to these and other veterans' needs.

Mr. President, lastly I would emphasize that the Veterans' Administration programs impact directly on national security. By law, the Veterans' Administration's medical system provides a backup service for the Department of Defense. During an armed conflict or national disaster the VA medical staff and centers would be called upon to provide needed medical services. Just as importantly, the care and treatment of our Nation's veterans directly affect the morale of those who presently wear the uniform of our armed services. Those who fly high performance aircraft, serve aboard submarines, or carry a rifle on fields of battle must be assured that our Nation cares enough to provide for them when they are in need.

The men and women who have placed their lives on the line in services to our country deserve the best our Nation can provide. It is more than appropriate that the department responsible for the needs of our 28 million veterans have Cabinet status. This bill would provide for the kind of involvement required to meet the changing needs of veterans. It is longoverdue, and I urge my colleagues to join me in support of this legislation.●

JOINT VENTURES FOR PEACE

● Mr. SIMON. Mr. President, on May 2, 1985, one of our Nation's finest former legislators, Senator J. William Fulbright, was honored with the prestigious Altschul Award for outstanding public service. Senator Fulbright has dedicated himself to the cause of international peace and understanding, and has never shied away from speaking his mind and searching for new initiatives to foster intercultural contacts.

The speech Senator Fulbright delivered at the Altschul Award dinner is right on the mark, as I would have expected from the distinguished former chairman of the Senate Foreign Relations Committee. One of his themes, that of converting the balance of the Lend-Lease debt owed us by Moscow into a United States-Soviet scholarly and cultural exchange program, strikes me as particularly farsighted and creative. What better confidence-building measure can there be than one to reduce the cultural distortions and information gaps arising from years of endemic hostility? I will be speaking on this subject on the floor in greater detail later this session.

I do not agree with every assertion by Senator Fulbright but the basic thrust of what he had to say is sound. We need to listen to his wisdom.

Mr. President, I ask that Senator Fulbright's speech, "Joint Ventures for Peace," be printed at this point in the RECORD.

JOINT VENTURES FOR PEACE

I am grateful for the honor that this distinguished Forum has bestowed upon me. I am especially pleased by your recognition of the exchange program. Your approval and support of it will acquaint more of our citizens with its potential and help insure its future. It is very much in the national interest that your forum, and others like it, engage in public discussions of our country's foreign relations. It will no longer suffice—if ever it did—to leave those relations to the experts in the government who so often become insulated from the real world of real people facing the day to day and year to year problems of making a decent and productive life for themselves and for their children. In recent years the experts, especially in the Pentagon, have become so fascinated by the miracles of high technology that I fear they are not more inclined to rely on the presumed deterrent effects of exotic weapons of destruction rather than on policy and diplomacy as the basis of peace in the nuclear age. Often they seem to show little interest in the possible consequences of their experiments for us ordinary citizens.

Sometimes I have the feeling that some of our leaders are rather casual in their consideration of a nuclear war, that they are willing to take chances because they believe it can't happen here.

We Americans have been so fortunate in our historical experience for more than 200 years that apparently it is beyond our capacity to visualize or to believe that we can be subjected to nuclear oblivion. In our innermost consciousness we simply reject the idea that what happened to the Japanese could happen to Americans just as we cannot tolerate the idea that the KAL 007 plane may have been on an intelligence gathering mission when it was shot down by the Russians. Such ideas are contrary to what Brock Chisholm, the distinguished psychiatrist calls our conscience values, values which are indigenous to our national psyche.

In his recent review of Alexander Dallin's book on the KAL 007 tragedy, Phillip Taubman writes in the New York Times that "Mr. Dallin suggests that historical and cultural conditioning may have guided each government's response. He says that the Soviet attack on the plane and the efforts to justify it flowed out of the Soviet Union's historical insecurity and paranoia about its frontiers, hair trigger sensitivities that have not been eased by American intelligence efforts to probe Soviet defenses in recent years. . . . The American handling of the crisis, particularly the strong denunciation of Soviet behavior by President Reagan, reflected national assumptions about the Soviet Union, including a tendency to expect the worst from Moscow."

The lesson I draw from this affair is the same as the one Lord Grey drew from the events preceding World War I, that nations are always making mistakes because they do not understand each other's psychology. To prevent such mistakes, in the future, it is far more important that we understand the psychology of the Russians than it is to build more nuclear weapons and that is the theme of my remarks.

Since the tragic Vietnam War ended 10 years ago, I have been concerned that we may be drifting toward another conflict of incalculably greater distructiveness without even intending to do so. The best corrective to such a course—and the only available one in existing circumstances—is through examination and discussion by Forums such as this where there is no restraint on candor, no stifling orthodoxies to inhibit thought and discussions, no enforced ban on acknowledging hard truths. In Congress, by contrast, there is relatively little in-depth examination of the problems and prospects of our relations with the Russians. Any one who does speak out to suggest that the Russians may not be the degenerate monsters they are defined as being in the official liturgy of the "evil empire" runs the risk of having his career ruined by the neo-McCarthyites of the new radical Right.

In this Forum I would like to invoke the spirit of the exchange idea in considering what may be done to improve our relations with the Russians and reduce the prospects of conflict.

Some years ago, during the War in Vietnam, I expressed my concern that America—as I then put—"is now at that historical point at which a great nation is in danger of losing its perspective on what exactly is within the realm of its power and its interests and what is beyond it. Other great nations, reaching this critical juncture, have aspired to too much, and by overextension of effort have declined and then fallen."

I am concerned today as I was then that our country may come to grief by overextending itself. I do not think we are likely to plunge into "another Vietnam" in Central America or elsewhere at least for the immediate future. The memory of Vietnam and of its consequences—currently revived by the observance of the tenth anniversary of the fall of Saigon—still exercises a powerful restraining influence on the Congress if not on the executive. The greater danger today is in the direct relations between the superpowers.

Although we may draw some small encouragement from the renewal of arms talks in Geneva, and from talk of a possible summit between Mr. Reagan and Mr. Gorbachev, it is difficult to believe, under the circumstances now prevailing, that the negotiations on arms control will be fruitful. In the first instance it is hardly encouraging that the arms negotiations have been entrusted to representatives who have shown a singular lack of enthusiasm for arms agreements in the past. Beyond that is the fact that the arms race itself now involves the jobs and fortunes of so many thousands of people that this vested interest alone constitutes an almost insurmountable obstacle to its reduction. In addition there are many whose fears of Russia have been so aroused that they can think of no alternative to military power, and there are still more who believe that the Russians are evil monsters dedicated unalterably to dominating the world by force or guile and that one form of conflict or another is therefore inevitable. Under the influence of such feelings of fear and apprehension it would be a miracle if a genuine substantive agreement for arms reduction or control could emerge from negotiations at Geneva. A foundation for real agreement has not been laid, and the expansion of our arsenal by the increase of the MX system and the initiation of Star Wars is not calculated to lay a foundation for detente.

Indeed there may be some wisdom to the suggestion that it is futile to engage in arms talks at all unless at the same time you are doing a lot of other things to build a measure of mutual trust and cooperation. That was the wisdom and the logic of the short-lived detente of the early seventies. The ABM treaty and first SALT agreement were concluded at the same time that we also entered into other agreements with the Russians having to do with trade, scientific cooperation, cultural exchange and other measures of mutual confidence building. For a brief moment the two great nations undertook to discover something about each other's hopes and fears and human concerns, to begin to think about each other as societies made up of individuals rather than as embodiments, each in the mind of the other, of evil and predatory philosophies.

The foreign policy of a nation is the result of the nation's perceptions and misperceptions of itself and of other nations, and it reflects the attitudes—some based on objective fact, many more on subjective preconception—of the nation generally and of its decision makers specifically. The building of more exotic weapons results from, but also creates, preceptions of the adversary and of his intentions, some of which may be accurate, others of which may not be.

Conversely, there is at least the possibility that we can encourage cooperative and conciliatory attitudes by acknowledging any signs of these that appear. I should have thought, for example, that, instead of quickly and contemptuously dismissing Mr. Gorbachev's recent announcement of a missile freeze in Europe, it would have been wise, and very much in our interests, to have responded positively, welcoming Gorbachev's initiative as a basis for further discussion.

In the longer term, in order to change the attitudes of the superpowers and lay the foundation for genuine negotiations, we shall need to initiate a program of confidence building measures designed to reduce the mutual distrust that inhibits all real progress toward the establishment of normal relations. The most effective measures to reduce this distrust are joint ventures that involve the cooperation of the parties in the accomplishment of objectives beneficial to both.

I am well aware that it will be argued that we tried just this with the detente of the early seventies and that it failed. My own strong belief is that detente was never really given a chance. It was undercut from the outset by its ideological enemies, through such measures as the Jackson Amendment of 1974, as well as by the collapse of the Nixon administration for wholly unrelated reasons arising out of the Watergate scandal. I am reminded of President Truman's comment in his diary in 1945 when he wrote, "Everytime we get things going halfway right with the Soviets some smart aleck has to attack them."

In 1966 the Committee on Foreign Relations held hearings on the psychological aspects of foreign relations during which a distinguished psychiatrist, Dr. Jerome Frank, remarked that "activities requiring cooperation between hostile groups have a powerful effect in reducing mutual antagonisms." Mutual invective, which for five years has been virtually the only form of communication between the superpowers, has the same result. Insults and epithets not only shape perceptions; they also tend, as psychologists tells us, to be self-fulfilling. The more we accuse the Russians of aggressive intent—in Central America, for example—the more they may be inclined to behave that way, taking any available opportunity to give us trouble in our own back yard, and thus to derive benefits from the mischief they are accused of perpetrating anyway.

At the present time the most dramatic and effective confidence building measure I can think of would be a joint research program with the Russians on the "Star Wars," or Strategic Defense Initiative, advocated by President Reagan. President Reagan reiterated recently his suggestion that, if his "Star Wars" concept should prove feasible, he would be prepared to share the technology with the Russians. Instead of this rather casual promise for the future, it would be far more credible and useful if the research on "Star Wars" were conducted jointly with the Russians from the outset. Such a joint venture would enhance the likelihood of success, reduce the cost to each party, and of far greater importance, would remove the destabilizing effects of a unilateral program while contributing substantially to the development of trust and confidence in each other's intentions. President Reagan insists that his Strategic Defense Initiative is solely for defensive purposes, but the Russians obviously are not convinced.

Another important confidence building measure would be the revival of the Soviet-American trade agreement of 1972. It is tragic that, for unrelated reasons, the trade agreement of 1972 was breached and abandoned. The agreement that provided among other things for normal tariff treatment of trade with Russia was coupled with their agreement to pay the balance of the old lend lease account of World War II amounting to approximately $700 million. The payment of a long overdue debt always improves ones opinion of the debtor.

Discussions took place soon after the agreement was concluded with a view to using part of the funds accruing from the lend-lease settlement for a large increase in the exchange of students and teachers. The U.S. has now had some 30 years' experience with cultural exchanges. At first funded by the U.S. alone, they now receive financial support from 29 other countries. Clearly among these countries mutual understanding and trust has been strengthened by these shared, cooperative activities. Two of our former enemies—Japan and Germany—have beome prominent supporters of this venture. The Soviet Union might in due course do the same if encouraged as we started to do in 1972.

There are many other possibilities for cooperative joint ventures that would be both cost efficient and effective in finding solutions to problems that affect all countries. We might consider, for example, cooperation in medical research in any area affecting the people's health; better methods to control the pollution of the environment; cooperative procedures to prevent the extinction of endangered species; research on the problem of more and cheaper energy; and the broad area of increasing our understanding of the natural phenomena that are of interest to all peoples.

Joint ventures can be directly beneficial to all of us, but beyond the direct results of the research, the more important result would be the effect the collaborative activity has upon the attitudes of the people engaged in the research, the Russians and the Americans. Can there be any doubt that a well-designed and successful joint enterprise would, at least to some degree, reduce the distrust in the minds of the participants and increase their understanding of each other's purposes? Having worked together and shared the tribulations inherent in the solving of difficult problems, the parties might develop a sense of comradeship and trust that now seems all but inconceivable. In these conditions—experience shows—ideology loses much of its impact and old antagonisms abate.

From the American perspective the central issue in Soviet-American relations is the belief that the Russians are determined to communize the world by force if the U.S. does not confront them with superior force. The counterpart of that conviction is the Soviet belief that the U.S. is unwilling to recognize the legitimacy of the Soviet political and social system and is committed to thwarting it in every way and ultimately to changing it. These beliefs, nurtured by harsh rhetoric and communication and trade boycotts, increase fear and hostility on both sides and with these the likelihood of a conflict.

We are well past the time when either side can hope to neutralize the other's capacity to inflict nuclear cataclysm. From this perspective "Star Wars" is a kind of Buck Rogers dream of an earlier time when America was safe behind its ocean barriers. It represents not reality but a space-age version of old-fashioned isolationism. In this respect it is pure illusion because there is no going back. The way to prevent nuclear disaster is not through futile, mechanistic efforts to reduce Soviet military capabilities but through realistic efforts to influence political intentions and convictions. That is the purpose of joint ventures in various fields. With our rough present parity of nuclear power there is little risk in pursuing joint ventures, which also offer a much better prospect of providing for our security and preserving our solvency than we can hope to gain by expanding the arms race into the stratosphere.

The competition to militarize space should be replaced by a competition to improve the quality of life both in Russia and the United States as well as in other countries. With a fraction of the annual cost of armaments, enormous progress could be made in the eradication of poverty, of slums, of contaminated air and water, of ignorance and of the many other afflictions of the people of this earth. The resources devoted to military preparations by both superpowers are so enormous that none of us can really grasp their dimensions and how they could be used to transform the ordinary life of the people. We have become so traumatized by the apprehension of a nuclear war that we have forgotten the beauty and satisfaction of an ordinary way of life under peaceful conditions.

Is it wholly unreasonable to believe that the Russian people and government share the usual aspiration of other peoples for the good life, for good food and shelter, for all the amenities that make life interesting and fulfilling and that insure a hopeful future for their children? The main difference between us is they believe their system can better provide for these things while we firmly believe that our system is superior. That is no significant difference, but the superiority of one system over the other cannot be proven by nuclear war. The validity of each country's social and political system can be demonstrated only by peaceful competition free of the distortion of each society's life by the heavy burden of the arms race.

The arms race will result eventually either in a nuclear war or in the impoverishment of both parties. It will not and cannot validate the ideology of either party. All it can prove—if it has not done so already—is the compulsion of superpowers for suicidal irrationality.

After the U.S. exploded the atomic bombs over Japan, Albert Einstein commented that "now everything has changed except our manner of thinking. Thus we are drifting toward a catastrophe beyond comparison. We shall require a substantially new manner of thinking if mankind is to survive."

That is the heart of the matter—the need of a "substantially new manner of thinking." It is a tall order because changes in the way we think about social, political and religious issues have always been painful and difficult, quite the most difficult kind of change for human beings to make, as evidenced by the exceedingly slow progress in civilized conduct compared to our technical achievements. The fundamental challenge is one of psychology and education in the field of human relations. It is not the kind of problem that is likely to be resolved by expertise, even the sophisticated expertise of our most gifted military thinkers, who delight in exotic weapons systems and strategic doctrines beyond the comprehension of ordinary citizens. A distinguished professor once commented that there is no such thing as an expert on the subject of wisdom in human affairs. The attributes upon which we must draw are the human attributes—of compassion and common sense, of intellect and creative imagination, and of empathy and understanding between cultures.

Leaders of powerful nations since the beginning of history have sought to increase their power and prestige by force and violence, hoping thereby to win profit and fame. More often than not the fame thus obtained has been short-lived. Victors beget rivals, who then form combinations to deprive the victor of his gains, and who then go on to seek their own fame and profit through further conflicts and conquests. The cycle of victory and defeat goes on—a temporary glory followed by more lasting degradation in pursuit of the phantom of some elusive prize in an empty system of power.

Irrational and absurd though all this may have been, it did not until recent times pose a definitive threat to the survival of our species. With the coming of the nuclear age, as Einstein suggested, we have come to a profound break in the thread of human history. What we could at least endure in the past we can no longer endure. Thus the need for a "new manner of thinking" if humanity is to survive.

By reason of our preeminence in the world the challenge falls primarily upon the United States, to which the rest of the world may still direct the question asked by Thomas Huxley when he visited America a hundred years ago. As Huxley put it, "I cannot say that I am in the slightest degree impressed by your bigness, or your material resources, as such. Size is not grandeur and territory does not make a nation. The great issue, about which hangs the terror of overhanging fate, is what are you going to do with all these things?"

Facing up to this question, the American people have a unique and possibly a last opportunity to demonstrate the greatness that the world has a right to expect of them.●

MINIMUM TAX

● **Mr. WALLOP.** Mr. President, because of the increased attention to minimum taxes in our recent struggle to pass a responsible budget, and the likelihood now that the administration may propose a minimum tax, which I might add seems contradictory to the intent of tax reform, I ask that the attached article by Dr. Paul Craig Roberts be printed in the RECORD. The article notes the drastic and unintended impact which can occur as a result of a minimum tax. If the deductions and credits are properly in the Code, they should not be subjected in to minimum tax. If they are improperly in the Code let us remove them, by genuine tax reform. I recommend this article to those initially attracted to the concept of minimum tax. Proponents of a minimum tax should consider the serious consequences of such a tax and be prepared to accept the responsibility for their actions, whether intended or not.

The article follows:

WARNING: TAX EQUITY HASN'T WORKED THAT WAY

(By Paul Craig Roberts)

In a recent speech, Federal Reserve Board Chairman Paul A. Volcker expressed concern that important sectors of the U.S. economy, such as mining, are being left out of the recovery. Volcker believes that the federal budget deficit is the root cause of this "economic imbalance." In fact, neither the deficit nor the dollar's recovery is responsible for the depressed state of U.S. mining. The industry owes its hard times to a deficit-reduction package known as the Tax Equity & Fiscal Responsibility Act of 1982 (TEFRA).

The centerpiece of TEFRA was a corporate minimum tax designed to assure that every profitable corporation pays some tax. It took the form of a 15% surcharge levied on an arbitrary selection of allowable tax deductions. The minimum tax is an add-on tax that raises production costs and forces producers to respond by reducing the scale of their operations.

TINY PROFITS

One new item subject to this minimum tax was "mineral exploration and development costs." TEFRA added 3.6¢ in costs to each dollar of output sold. In 1980 the average aftertax profit on each dollar of mining sales was only 5.7¢. Obviously, lower-cost operations yielded profits, while higher-cost operations yielded less profit. Overall, the minimum tax wiped out 63% of the profits necessary to maintain the 1981 level of mining activity. As soon as the new tax was announced, the industry began shrinking, shedding marginal operations and retaining only those still profitable after the add-on tax had been taken into account. As the chart shows, TEFRA caused a decline in mining production that was much more severe than the drop in manufacturing caused by the recession.

Even a cursory glance at the mining market would have revealed to the policymakers that the industry's domestic prices are substantially determined by world prices. It should have been obvious that the minimum tax could not be passed on to consumers and would have to be absorbed mainly by shrinking the domestic industry. But since policymakers are addicted to static revenue estimates that assume no behavioral response to tax increase, they looked for none and proceeded to collapse the U.S. mining industry. This unanticipated result suggests the kind of surprises that can be expected from the major tax reform that is now being prepared.

The proponents of the 1982 minimum tax estimated that it would raise $4.4 billion over six years as part of the $238 billion TEFRA package. This estimate relied on the standard static revenue method. An after the fact examination of the revenue change from this provision makes clear that the minimum tax was a revenue loser. Capacity-utilization figures from the Fed confirm that mining activity has retreated by more than 15% from previous levels. This translates into $30 billion of lost labor compensation over the six-year period.

LOST JOBS

The shrunken labor income means a $4.2 billion reduction in Social Security tax revenues and $3.5 billion less in federal income taxes. As for the human costs, about 180,000 mining jobs were lost. The normal estimate is that two support workers are displaced each time a primary worker loses his job. When the lost revenue from displaced shopkeepers and other support workers is included, the overall effect of the minimum tax will be to increase the deficit by $23 billion rather than to reduce it by $4 billion. It is doubtful that the 540,000 workers who lost their jobs are pleased with the greater "tax equity and fiscal responsibility" the Treasury Dept. delivered in 1982.

With our domestic industries facing the competitive discipline of world market prices, domestic tax changes that raise the cost of production will cause shrinkage of the affected domestic industries and a rise in protectionist pressures. It is also noteworthy that the sharp drop in U.S. mining activity occurred despite the 25% reduction in personal income taxes. This outcome is at odds with the claim of supporters of the Treasury Dept.'s tax reform proposal that lower tax rates on individuals will automatically offset the called-for increase in the cost of capital that would stem from the loss of the present accelerated cost-recovery system, the investment tax credit, and other so-called "tax preferences" for business.●

WALK ACROSS AMERICA

● Mr. **BRADLEY.** Mr. President, many of us are aware of the wonderful contributions celebrity entertainers have made to help in the fight against world hunger. Columbia Records recently awarded $6.5 million from the proceeds of the "We Are the World" album to help feed the millions who are starving in drought-stricken Africa. These entertainers deserve our praise. Besides raising desperately needed funds for short-term relief, they have raised the public awareness and inspired others to take action.

We have all been moved by the images of hungry children and felt an obligation to aid in their relief. Recent Senate action released needed funds to help feed the hungry and individual Americans have collectively donated over $90 million to the many organizations that are working to feed the millions that are near starvation.

Some people have contributed much more than cash donations. I would like to take this opportunity to recognize the efforts of a brave woman from the State of New Jersey who has been inspired by the generous donations of time and money made by New Jersey native Bruce Springsteen, and other musicians, and has embarked on a "Walk Across America." J'anette Grau left Asbury Park, NJ on March 31 to embark on a 3,000 mile solo journey across the Nation to bring attention to the plight of the victims of hunger and malnutrition. At this very moment J'anette is making her way toward Los Angeles. Donations made on behalf of J'anette's efforts will be contributed to the World Hunger project in San Francisco, and USA for Africa in Los Angeles.

I am proud of J'anette Grau and the many Americans who have worked to help resolve this major crisis. I believe that we should let J'anette's walk across our bountiful land remind us how fortunate we are in this Nation to be blessed with an abundance of resources as we reach out to help others in need.●

RECENT REPORTS FROM AFGHANISTAN

● Mr. **HUMPHREY.** Mr. President, on May 23, Mr. William Claiborne, in an article in the Washington Post, referred to a growing feeling that there had been an increase in the number of massacres of civilians in several provinces of Afghanistan during the month of March. According to the article, refugees and travelers have reported hundreds of deaths of old men, women, and children during that month.

The main point of the article, however, was not to document these reports of increased assaults upon the civilian population, but to emphasize the difficulties of western reporters in obtaining accurate and reliable information about the war in Afghanistan. Because Afghanistan has been sealed off to journalists by the Afghan government, reporters must rely on second or third hand accounts of the war, usually delivered in unnamed western embassies by anonymous western diplomatic sources, no questions asked.

While sympathizing with Mr. Claiborne's difficulties in gathering hard news about a war he cannot see and while commending him and the Washington Post for their coverage of the war, I hope these difficulties and possible inaccuracies in coverage do not give us the excuse of not taking the horror and tragedy of Afghanistan seriously or of not doing everything we can as a nation to put an end to it.

One does not have to look far to find an historic parallel to this situation. The veil of secrecy that hid from view the proceedings of the Nazi death camps led people to minimize or disbelieve the extent of the horror there—until it was too late.

Let's not make the same mistake again. Let's face the fact there are civilian massacres in Afghanistan; that there is torture and maiming of women and children and that a whole nation is being bombed and burned and starved into extinction by a relentless enemy. As a nation, let's unite behind a diplomatic policy of open, courageous and forthright reporting of the facts of the war in Afghanistan. If the American people are informed of what is going on in that beleaguered country, they will do everything they can do to support the efforts of the Afghan people to rid themselves of the Communist invader.

Mr. President, I ask unanimous consent that the aforementioned article appear in the RECORD following my remarks.

UNNAMED DIPLOMATS ARE MAIN SOURCE OF NEWS ABOUT AFGHAN WAR

(By William Claiborne)

NEW DELHI.—For many weeks, the feeling had been growing among South Asia correspondents based here and in neighboring Pakistan that some new, sinister and destructive event had been unfolding behind the forbidding borders of Soviet-occupied Afghanistan.

Afghan travelers arriving in New Delhi on the almost daily flights from Kabul, the Afghan capital, have spoken vaguely of Soviet massacres of civilians suspected of assisting Moslem guerrillas fighting the Soviet and Afghan armies.

The Afghan exile community here and along Pakistan's western border also had been abuzz with reports of large numbers of civilian deaths, although, as often is the case, corroborative details have been scarce.

But accounts of these massacres, in which hundreds of old men, women and children were reported killed in Afghanistan's northeastern province of Laghman in early March, attributed to anonymous western diplomatic sources, did not appear in the world press until several days ago.

As Afghanistan's shadowy war has dragged on through five years, these "western diplomatic sources" have taken on increasing importance in the battle for public opinion between the Soviet Union and the West.

The Afghan government does not permit western reporters to visit the battle zones to verify the reports independently. Periodically, correspondents slip across the porous Pakistan-Afghanistan frontier with bands of insurgents, but because of the constraints on travel imposed by the rugged terrain and the danger from a growing number of Soviet and Afghan Army troops, their reports are often limited to a relatively narrow geographical area or to a limited time period.

As a result, the weekly briefings held here and in Islamabad by the embassies of western nations that have retained diplomatic missions in the Afghan capital of Kabul have evolved into an apparent attempt to fill the information gap.

At midday almost every Tuesday, a half dozen foreign correspondents based in Islamabad gather in a windowless room on the ground floor of a western embassy building to hear an account of the war in Afghanistan between the Soviet-backed communist government and the Moslem insurgents.

An embassy spokesman, who has not been to Afghanistan and who frequently stumbles over the pronunciation of the names of unfamiliar towns, begins reading in a monotone from a long, teletyped cable from his country's mission in Kabul.

The spokesman does not have to spell out the ground rules for the briefing, which are well known: notes can be taken but tape recorders are not permitted nor will copies of the document be distributed.

Attribution is strictly limited to "western diplomatic sources," even though the Soviets and the Afghan government are well aware of the regular briefing sessions and can obviously see through the thinly disguised sourcing that appears in the next day's newspapers. The diplomatic sources readily concede that there is little doubt their cables have been intercepted by Soviet intelligence.

At the same time as the Tuesday briefing in Islamabad, foreign journalists in New Delhi gather around a conference table in the chancery of a western embassy and listen to a recitation of an identical report on the guerrilla war. As in Islamabad, substantive questions are not entertained, because the briefing officer has no information beyond that contained in the written report.

Usually, the New Delhi-based correspondents then go to the nearby chancery of another western diplomatic mission and listen to the reading of a similar war report, whose details often—but not always—mirror those of the first embassy.

Last week, the diplomats reported that the massacres occurred between March 11 and 18, more than a month after the time reported by the Afghan Information Center, which disseminates reports from insurgent groups and other sources about the war in Afghanistan. The center is based in Peshawar along Pakistan's western border and is in regular contact with correspondents based in Islamabad and New Delhi.

Citing accounts by refugees arriving in Peshawar, the center said that in one village alone, Kats, 650 civilians died, and that there were other massacres in Logar, Paktia, Nangarhar and Konarha provinces, all close to the Pakistani border where there are heavy concentrations of Soviet troops.

The diplomats said that details of the incidents had been received from survivors only recently.

This week, two embassies in New Delhi offered briefings on the Afghan war, but neither mentioned the massacres. Instead, minute detail was presented about a recent series of car bombings and other guerrilla attacks in Kabul, underscoring the sense here that reports of war developments inside Kabul, where western diplomats are based and have first-hand information, are generally more reliable than those originating in remote areas of the country, from which almost all information reaching Kabul or elsewhere is second- or third-hand.

This difference in access to reliable accounts of combat has led to a suspicion of casualty figures supplied by the western diplomats in Kabul.

In November 1982, western diplomatic sources here reported a major disaster in the Salang tunnel through the Hindu Kush mountains in northern Afghanistan, in which witnesses were quoted as saying that more than 700 Soviet soldiers and 400 Afghan civilians had died in an explosion, and that as many as 2,700 persons might have been killed.

The story, emphasizing the death toll, received wide attention in the international press. A month later, the same western diplomatic sources scaled down the casualty total to 350. The second account by the diplomatic sources also contradicted earlier reports by the embassy spokesmen that Soviet soldiers had prevented civilians from leaving the tunnel, resulting in further deaths by asphyxiation.●

ILLEGAL USE OF DRUGS

● Mr. **SIMON.** Mr. President, one of the most vicious problems this country faces is the drug problem. We need to do everything we can to discourage the illegal use of drugs. They cause tragedy to the individuals that use the drugs, and they cause tragedy in families, to crime victims, and losses to our economy.

One of the more imaginative approaches to the whole crime problem has been by Alderman Ed Smith in the city of Chicago. Alderman Smith has been promoting State legislation authorizing confiscations of automobiles and other vehicles of individuals who carry drugs (a sensible recommendation, patterned after the Federal example, and one that I support). Alderman Smith and his friends have gone to places where people in the neighborhood know there are drug dealers, and they have picketed the places to let everyone know that there are drug dealers on the premises. The net result has been that some people have moved out, and others have been frightened into discontinuing the business.

Ed Smith is an unusually dedicated public servant, who is interested in helping the impoverished people of the 28th ward in the city of Chicago.

I commend him for his leadership on this matter.●

LINDBERGH HERITAGE WEEK IN MINNESOTA

● Mr. **DURENBERGER.** Mr. President, 58 years ago this week, Charles Lindbergh captured the hearts and minds of people throughout the world with his solo transatlantic flight. Lindbergh will always be regarded as a Minnesotan and, all this week, Minnesotans are celebrating his contributions to aviation and conservation in observances in the Twin Cities and in his hometown of Little Falls.

The observances this week in Minnesota are being coordinated by the Charles A. Lindbergh Fund which is chaired by former Minnesota Gov. Elmer L. Andersen.

The week's festivities include the dedication ceremony naming the main terminal at Minneapolis-St. Paul International Airport the Lindbergh Terminal; an hour-long special on Lindbergh's life on Minnesota Public Radio; presentation of honorary degrees to Lindbergh's widow, Anne Morrow Lindbergh, at Gustavus Adolphus College in St. Peter; a conference on human settlement of space; unveiling of a new Lindbergh sculpture by Lindbergh's daughter, Reeve Lindbergh Brown; and special events planned at the Lindbergh State Park and Interpretive Center in Little Falls.

Because of the outstanding contributions made by Charles Lindbergh, and the inspiration which his achievements have meant to so many Americans, I ask that the following editorial and article on the observance of Lindbergh Heritage Week be printed at this point in the RECORD. Both appeared in a recent edition of the St. Paul Dispatch and Pioneer Press:

The material follows:

AN APPROPRIATE FETE FOR THE FAMED AVIATOR

The spirit of Charles Lindbergh will soar over Minnesota this week when the state proudly celebrates the memory of the famous aviator, author and conservationist.

Timing of the celebration is appropriate. Mr. Lindbergh's electrifying non-stop flight across the Atlantic began on May 20, 1927—58 years ago Monday. In addition, the Charles A. Lindbergh Fund, established in 1977, was moved this year from New York City to its new home in Minneapolis. Finally the traveling Charles A. Lindbergh Award presentation this year visits, for the first time, a Minnesota city, Minneapolis.

Lindbergh Heritage Week festivities begin Monday when his name will be bestowed on the main terminal at Minneapolis-St. Paul International Airport. They will include a conference on outer space involving scientists and former astronauts, several prestigious awards ceremonies, the unveiling of a Paul Granlund sculpture of Mr. Lindbergh Saturday morning in the Capitol Approach and conclude next Sunday morning in Little Falls. Dignitaries will include the Lone Eagle's widow, Anne Morrow Lindbergh, and their daughter, Reeve Lindbergh Brown.

Born in Detroit in 1902, Mr. Lindbergh's roots run deep through Minnesota soil. He spent his boyhood on his father's farm along the Mississippi River in Little Falls. Although fate and fame drew him away, he always cherished the place, eventually donating it to the state for a park. In later years, he kept in close contact with the Minnesota Historical Society and fought hard to preserve northern Minnesota's forests and lakes. He forever will remain a Minnesotan.

Mr. Lindbergh's daring solo flight in the fragile Spirit of St. Louis involved meticulous planning, considerable skill and fantastic endurance. But it is only one measure of this truly remarkable man.

Though he struggled to succeed in high school and, for a short time in college, he graduated from a demanding flight school at the top of his class. He later helped develop the first artificial heart, was instrumental in rounding up money to finance Dr. Robert Goddard's early experiments in

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rocketry, played a key but still misunderstood role in alerting U.S. officials to the sudden and dangerous buildup of Germany's air power in the late 1930's, wrote a Pulitzer Prize-winning book about his transatlantic flight and eventually traveled the world as a conservation advocate.

Borrowing a chapter from his isolationist-congressman father, he jeopardized his fame by publicly urging the United States not to enter World War II. But after Pearl Harbor, he supported the war effort by quietly risking his life as a civilian, first by participating in dangerous high-altitude tests at the Mayo Clinic and then by flying some 50 missions in the Pacific, teaching young pilots ways to boost the range of their fighters.

Though he devoted much of his life to the promotion of aviation, including a series of hazardous flights with his wife to chart new air routes, he later recognized that technology must be tempered with a deep concern for the environment. Before his death in 1974, Mr. Lindbergh spoke eloquently—and successfully—against development of the U.S. supersonic transport. Forced to make a choice between airplanes and birds, said the man blessed with the flying instincts of an eagle, he would choose birds.

Minnesotans are right to celebrate such a heritage.

THERE WAS FAME IN LINDBERGH NAME

(By Bill Gardner)

LITTLE FALLS, May 19, 1985.—They were wet, soaked boys, their feet gripping tightly to the slippery logs as they rode the wild river.

The young heroes had no idea one of them would one day be a hero to the entire world. Which one? The boy on the first log, of course.

Even wet and naked, young Charles A. Lindbergh Jr. was a leader.

"When riding logs down the river, he always had to be the first," Alex Johnson recalled.

Johnson, one of two boys Lindbergh mentioned as playmates in his book "Boyhood on the Upper Mississippi," is 82 now, a few months younger than Lindbergh would be if he were still alive.

Johnson lived a couple of houses away from the Lindbergh farm as a boy and even now lives in an apartment building near the Lindbergh complex, which includes an interpretive center, the Lindbergh home and the Lindbergh State Park.

His first meeting with young Charles Lindbergh did not go too well, Johnson recalled. Johnson was 9 years old when he moved to the area, and one summer day he went swimming with some other boys on the Lindbergh property.

Lindbergh, although only 9 himself, was as much the master of the estate as his father, Charles Lindbergh Sr., was a member of Congress in Washington, D.C. Young Charles didn't appreciate trespassers.

"He guarded the place pretty close," Johnson said. "We weren't allowed on the place really. He chased us off."

But another day brought young Lindbergh to the Johnson home for an introduction, and the boys became good friends, a happy situation for Lindbergh's palate as he explains in "Boyhood on the Upper Mississippi."

"My mother often made a Swedish butter cookie—very rich, yellow, and in the form of an O. She got the recipe from Alex Johnson's mother. This was my favorite cookie."

Although it is Lindbergh the aviation hero who is most known to the world, a visitor to the Lindbergh Interpretive Center soon becomes aware of two other famous Lindberghs, the flier's father and grandfather.

The grandfather, Ola Mansson, was a prominent member of the Swedish Parliament before emigrating to the United States in 1860 at the age of 51. He changed his name to August Lindbergh in the new country and brought with him a wife and infant son, Charles August Lindbergh.

The Lindberghs settled first on a farm near Melrose, Minn., and moved to Little Falls in 1889. Charles A. Lindbergh Sr. became a lawyer in Little Falls and was the father of two daugthers when his wife died in 1898.

In 1901 Lindbergh married Evangeline Land, a Detroit native who had come to Little Falls to teach high school chemistry. She was a graduate of the University of Michigan and the daughter of a prominent dentist.

Evangeline became pregnant and went home to Detroit to give birth to Charles Jr. She soon brought her infant son back to Little Falls to live in a newly constructed 13-room house overlooking the Mississippi River. That house burned in 1905 and was replaced by a smaller but still impressive house that has been restored and is now open to public tours.

In 1906 Charles Sr. was elected to the U.S. House of Representatives and spent the next 10 years living in Washington, D.C. The congressman's wife and son returned each summer to live at the farm in Little Falls.

The 110-acre farm was donated by the Lindbergh family to the state of Minnesota in 1931 as a memorial to Charles Sr., who died in 1924.

The interpretive center was dedicated in 1973 in a ceremony attended by Charles Jr., then only a year from his death. The center, administered by the Minnesota Historical Society, is open from May 1 through Oct. 15 and is visited by 30,000 people each year.

Young Lindbergh took lessons in 1922 and became a barnstormer, wing-walker and parachute jumper to earn enough money to buy his first plane, a Curtiss JN-4, popularly known as a Jenny.

In "Boyhood on the Upper Mississippi," Lindbergh tells of returning to Little Falls in the Jenny during his barnstorming days. He landed on the farm and was greeted by old friends.

"I felt nostalgia then if I ever felt it in my life, for I knew the farming days I loved so much were over. I had made my choice. I loved still more to fly."

He joined the Army in 1924 and was trained as a pilot, graduating first in his class and promptly resigned to become an air mail pilot. By this stage in his career, Lindbergh had wrecked a few planes.

There is a photo exhibit of those planes at the interpretive center. The accompanying text says "This display illustrates the fact that everyone has a bad day now and then."

In 1927 Lindbergh decided to try for the $25,000 prize that had been offered eight years earlier for the first non-stop flight from New York City to Paris. Six men had died trying to make the flight.

With the financial backing of eight St. Louis businessmen, Lindbergh ordered a specially built plane from Ryan Aircraft Corp. of San Diego. The plane would be called "Spirit of St. Louis."

It was a damp, overcast May morning 58 years ago when Lindbergh took off from Roosevelt Field in New York City. A little more than 33 hours and 30 minutes later, Lindbergh landed at the Le Bourget Airfield outside Paris.

The time was 10:24 p.m., May 21, 1927. The boy who once rode naked on logs on the Mississippi river was now a world hero.

There were receptions and honors and medals, including the Medal of Honor. After returning to the United States, Lindbergh embarked on a 48-state tour to promote aviation.

He flew the "Spirit of St. Louis" to 82 cities during the tour, which lasted from July 20 to Oct. 23. He visited the Twin Cities on Aug. 23 and 24 and the next day landed in Little Falls.

The Little Falls Daily Transcript told of the homecoming.

"Home Town Awaits Lindy" the main headline read.

"Lindy comes home today!" the story began "The little boy who unceremoniously chugged out of Little Falls five years ago on an old motorcycle to learn to run a flying machine will return as Monarch of the Skies."

It was beyond doubt the biggest day in the history of the small Minnesota town.

As the day's Daily Transcript said, "Almost everyone who ever lived in Little Falls is back today."●

DIRE STRAITS OF THE U.S. APPAREL AND TEXTILE INDUSTRIES

● Mr. MOYNIHAN. Mr. President, yesterday's New York Times included a thoughtful article by Sol C. Chaiken, president of the International Ladies Garment Workers Union.

In his usual forceful manner, Mr. Chaiken reviews the current dire straits of our apparel and textile industries and the need to pass S. 680, the Textile and Trade Enforcement Act of 1985.

That bill, which Senators THURMOND and I introduced on March 19, 1985, currently has 43 other cosponsors. Companion legislation in the House, H.R. 1562, has 276 cosponsors.

Mr. President, Mr. Chaiken's article deserves the most careful reading by every Member of this body, and I ask that it be printed in the RECORD at this point.

The article follows:

SEWN INTO A CORNER

(By Sol C. Chaikin)

Must our apparel and textile industries be shredded by foreign competition?

Both industries, unlike others being torpedoed from abroad, have state-of-the-art technology, high productivity and low wages. But they can't match abysmal wages overseas. Unless Congress provides relief, they will sink even further.

One million apparel and textile jobs have left these shores since 1972 as a result of low-priced imports—and a million more are at immediate risk.

Our textile industry, which has invested billions of dollars in recent years to stay competitive, is not at fault. And apparel workers, though low-paid, are self-motivated by a piecework incentive system that rewards high productivity; besides, there is a

long history of cooperation between workers and employers.

Why can't our industries compete with foreign industries? Why have imports grown at an average rate of 19 percent in each of the last four years, while the domestic market has risen in the last decade at an average annual rate of only 1 percent? Why have imports captured more than 50 percent of the apparel market?

Because our workers cannot compete with hourly wages of 16 cents in China, 63 cents in South Korea, 12 cents in Bangladesh, $1.18 in Hong Kong—or $5 a week in Sri Lanka.

Who benefits from the low-wage imports? Not the American consumer and manufacturer. Not the overseas worker. The only gainer is the importer, the middle-man, the retailer.

The Wall Street Journal has reported that a typical third world country produces men's shirts at a cost to American importers of $5 each. The shirts retail for $20 in this country. For a few cents more to the third world producer, a shirt with a designer label retails at $30 here.

A colleague, who visited a typical apparel plant in Indonesia, was shown designer jeans made for a prominent American brand name that retail in the United States for $40 to $45. The Indonesian manufacturer received $5 per pair. The workers' wages averaged 30 cents an hour. The same plant produced a woman's garment for a major retail chain. The manufacturer was required to put a retail price tag of $9.95 inside the cellophane wrapper. He received $1.20 for the product to cover his costs and profit and a commission to the agent who got him the work.

Historically, apparel and textiles have offered women, new immigrants, minority members and others in small communities their first job. Apparel and textiles still provide one out of eight industrial jobs, though the workers are among the lowest paid industrial workers. The average earnings, union and nonunion, are below $6 an hour; with minimum fringe benefits—including those mandated by law—wage costs average about $7.80 an hour.

Many of the garment industry's 15,000 individual entrepreneurs—down from 25,000 a decade ago, largely because of overseas competition—face imminent bankruptcy. Workers who lose jobs because of imports can't readily find new ones. Apparel workers' mobility is constrained by working spouses and often by limited education. When apparel plants close in small towns, no other jobs are available.

What's needed to counter these trends is passage of the Textile and Apparel Trade Enforcement Act of 1985, now before Congress. The bill—which does not raise tariffs or exclude any country's apparel and textiles from our market—requires that the Government administer its international agreements in apparel and textiles according to their letter and spirit: it seeks to establish fair shares of the American market for American and overseas suppliers.

Five major exporting nations account for more than 50 percent of American apparel and textile imports. The bill would diminish their share in order to give more than 100 other nations a chance to increase their exports. About 40 percent of our market would be reserved for foreign producers—almost twice the amount the Government has alloted to overseas producers of steel and cars.

The bill does not seek re-employment of the million workers who have lost their jobs. It can't re-establish firms that have gone under. But it can save dwindling jobs still remaining in the apparel and textile industries.●

EXPORT REGULATORY FAILURE

● Mr. GARN. Mr. President, the Commerce Department issued yesterday new regulations governing distribution licenses. These are the licenses under the Export Administration Act that authorize the transfer of numerous exports under only one license.

Properly controlled, reviewed, and administered distribution licenses may be an effective means of facilitating the export of sensitive goods without damaging the security of the United States and our allies. Under the distribution license millions of shipments of sensitive goods are made each year.

Unfortunately, our experience with distribution licenses has not been a happy one. Too often the distribution license has been transformed from a control mechanism into a conduit for transferring sensitive goods to our potential adversaries. Just recently a major U.S. company was fined over $1 million for violations of distribution license regulations. Prior to that enforcement effort, however, not a single audit of exporter compliance with the conditions of the distribution licenses had been conducted since 1976. There are currently approximately 700 distribution licenses in effect, and yet only 18 audits of exporter compliance were conducted last year.

Fortunately, Mr. President, there already is some improvement. The number of distribution license compliance audits conducted to date this year already exceeds the total for 1984. But even when Commerce has reached its goal of conducting more than 100 audits per year, I fear that review will be far too infrequent to be meaningful. At that rate, and with the number of distribution licenses expanded to over 1,000, as Commerce predicts, a company can be expected to be reviewed for compliance with the terms of its distribution license only once each 10 years.

The new regulations place an even greater burden on the enforcement activities of the Government if they are to operate in a manner that does not jeopardize our security. But there is still not enough indication that proper attention is being addressed to effective and meaningful enforcement to justify the liberalization made in the distribution license by the new regulations.

For example, Commerce has failed to assign the responsibility for enforcement of the distribution license to its enforcement division, the Office of Export Enforcement. Instead, Commerce plans for the audit to be more of a bookkeeping procedure.

One of the most worrisome elements of the new regulations would be to make eligible for export under a distribution license some of our most sophisticated computers. Currently, computers with process data rates [pdr] of up to 250 eligible for distribution licenses. I must emphasize, and this is generally conceded, that distribution licenses are a far less rigorous control mechanism than are individual validated licenses. In many cases, particularly without adequate enforcement procedures, a distribution license can be tantamount to virtual decontrol of an item. Yet the new regulations would make eligible for distribution licenses computers with pdrs of up to 1,000, four times the current level of sophistication allowable under bulk licenses. Such computers that will now be shipped under the less rigorous distribution licenses can be useful, for example, in developing nuclear weapons capabilities, as well as in developing space-based weapons systems.

Mr. President, with these problems unresolved, I still do not have sufficient confidence that the new distribution license regime will not be prejudicial to our national security and the security of our friends who rely upon the technological superiority of American-made weapons.

Perhaps these problems could have been cleared up if a more interdepartmental approach were taken to developing the regulations. Export control, as mandated by Congress and the President, is a multidepartmental operation. Yet the Commerce Department continued its practice of publishing final regulations without giving, for example, the Department of Defense a chance even to look at the new regulations prior to their publication. These regulations will have a profound impact on our national security, an impact that translates directly into increased defense costs, and yet our Defense Department will get its first look at the final regulations at the same time that the Soviet Ambassador will. That is totally unacceptable.

Mr. President, this failure by the Commerce Department to consult with the Department of Defense on the final regulations underscores the need for the amendment offered last year by the distinguished minority leader [Mr. BYRD] to the Export Administration Act, that would require Commerce to submit new regulations to both the Defense and State Departments prior to their issuance. I cannot think of one good reason why Commerce failed to follow this practice of cooperation with these latest regulations. It is clear that there are good reasons why they must be required to do so by law.●

CONGRESSIONAL SALARIES

● Mr. SIMON. Mr. President, our system of acting on congressional compensation issues is satisfactory to no one. Because no pay raises are currently under consideration in the Congress, this is a good time to reexamine the process by which we determine congressional salaries, and perhaps then to seek improvements. In a weekly column that I write for my constituents, I have attempted to set out some of the territory that such a debate must cover on both sides of this emotion-laden issue. I ask unanimous consent that the following column be printed in full in the RECORD.

The article follows:

TIME TO REFORM CONGRESSIONAL PAY

This is not the time to raise the pay of Congress or other high government officials, but a good time to look at the process.

I confess to a strong feeling that the present process is not good. For members of Congress to raise their own salaries, or for the president to sign a bill raising his salary, does not give people great confidence in their government. Instead it gives the impression that government officials are in office to serve themselves rather than the public.

About a year ago Senator Russell Long and Senator Howard Baker, leading members of both parties, suggested that the Constitution be amended to set up a special commission of citizens, insulated as much as possible from political pressures, to set the salaries.

Whether that is the right answer I'm not sure, but the present situation is awkward for office holders and not good for the public.

Let me give you the arguments on both sides of this emotion-laden issue.

Against pay raises: (1) Legislators should not be paid so much that they lose touch with the realities faced by people on Social Security and by people who have to pay home mortgages. It becomes easy, as income rises, to forget those with lesser income. That argument, in my opinion, has much validity.

(2) As an example to others, it shows that money can be saved.

(3) It actually saves money, though the amount saved is a tiny fraction of one percent of the federal budget.

The arguments for pay raises: (1) We can attract and keep more good members if they are paid adequately. A good illustration is the Illinois General Assembly. They are paid much better now than when I was there, and on the average, the caliber of membership is much better than when I was a member. I recall one time when a pay raise was under consideration one member got up and said, "Don't raise the salary. You'll end up with some really qualified people running against you." He was right.

(2) Salaries of members of Congress have not kept up with inflation. Since 1970 the cost of living has risen 175 percent. Military pay has risen 214 percent; postal pay 168 percent; private sector pay 175 percent; federal employees' pay 130 percent; congressional salaries 76 percent.

(3) By not paying adequately, we are turning more to the very wealthy to represent us in the House and Senate. Many are excellent legislators, but some are out of touch with the concerns of average citizens. An increasing percentage of those in the House and Senate are millionaries. In the Senate that proportion now stands at about one-third.

The weakest player on the Chicago Bulls basketball team, who spends most of his time on the bench, is paid substantially more than the person who makes the decision whether your son should go to fight in Central America.

The result—sometimes—is good basketball players and weak legislators.

But the fundamental question is: If we paid members of the House and Senate and high goverment officials more, would we improve the caliber of those who consider public service? Would we keep good people who now leave to make more money elsewhere?

If raising pay would improve the quality of service, it is a wise investment. If raising salaries does not do that, it is a waste of money.

Most members of Congress would agree that now is not the time to raise salaries. This is a time for restraint.

But a time when no raises are under consideration is a good time to reexamine the process, a process that needs improvement.●

SECURITIES SAFETY AND SOUNDNESS ACT OF 1985

● Mr. DOMENICI. Mr. President, although the Unocal/Pickens takeover attempt is a closed book now, I want people to be aware of the ramifications of the deal if it had gone through. I received a copy of a letter sent to Congressman BROOKS from Mayor Neild of Beaumont, TX. Mr. Neild explains that Texas would have lost over 1,000 jobs if Unocal was taken over. I am sure that many other areas would have suffered if Unocal had ended up with a tremendous debt load. I know that New Mexico would probably have lost about 900 jobs in a Unocal subsidiary.

Jobs are also lost when corporations must devote resources to fighting off hostile takeover attempts. I really question the value of these hostile takeover attempts by dummy corporations that result in layoffs and debt-laden target companies. Firms that are well managed end up amputating themselves in order to appear unattractive to raiders.

Mr. President, I ask that Mayor Neild's letter be printed in the RECORD.

The letter follows:

CITY OF BEAUMONT,
Beaumont, TX, May 13, 1985.

Hon. JACK, BROOKS,
House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN BROOKS: I would like to express my individual support for bill S. 975, introduced by Senator DOMENICI recently in the Senate. Bill S. 975 would enact a moratorium on takeovers specifically relating to the petroleum industry. Ten years ago, there were about 20 companies designated as major integrated oil companies. These companies were heavily invested in research and development to meet the nation's energy needs. Today, that list has shrunk to 11 companies, four of which have taken on such a large debt that their risk-taking ability is in serious doubt. Mesa Petroleum is currently looking into the acquiring of UNOCAL which would have a potentially negative impact on the State of Texas.

Texas may lose over 1,913 jobs currently provided by UNOCAL as a major employer in our State. It would have serious ramifications, especially here in the Golden Triangle. In addition, UNOCAL is a strong competitor in the petroleum industry. The bill introduced by Senator DOMENICI would put a moratorium through the remainder of the year on the use of so-called "junk" bonds to finance hostile takeovers. I believe that a moratorium would give responsible government agencies time to carefully ascertain just what harm the current trends are capable of doing to our industries, financial institutions and our nation.

I encourage you to support S. 975 and carefully examine ramifications of the current merger trends.

Sincerely,

WILLIAM E. NEILD,
Mayor.●

NATIONAL HOUSING POLICY

● Mr. DODD. Mr. President, I want to commend to the attention of my colleagues an important statement of policy concerning the course of this Nation's 50-year commitment to the housing needs of lower and moderate income Americans.

This policy was developed by the National Low-Income Housing Coalition and has been endorsed by 70 national organizations and over 1,000 State and local groups nationwide

While I find myself in complete accord with the articulated policy, I believe this document is significant for the magnitude and breath of support which it has attracted.

I know of no other area of Federal concern which has suffered greater budget reductions over the past 5 years.

The recently approved Senate budget resolution, although not as draconian in it's recommendations for housing as the administration's original budget, nonetheless does nothing to revive the Nation's historic bipartisan commitment for decent shelter for all citizens. I am concerned equally that the tax reform and simplification debate which looms ahead will call this commitment further into question.

It has been suggested that housing has fared poorly at the national level due to the lack of a broad-based national coalition in support of housing programs. This effort undertaken by the National Low-Income Coalition certainly reverses this trend. I would urge my colleagues to pay close attention to the support that exists in their States for sound national housing policies.

Mr. President, I ask to have the statement of policy and a listing of the endorsing organizations printed in the RECORD.

The statement follows:

STATEMENT OF POLICY

The undersigned 70 national and 1039 state and local organizations from 50 states and the District of Columbia and Puerto

Rico believe that high priority must be given to dealing with this nation's low income housing crisis. This can be done only by continuing and expanding our low income housing assistance programs: the urban programs of HUD and the rural programs of the Farmers Home Administration.

We therefore oppose completely the two-year moratorium on all additional low income housing assistance, and the wiping out of the FmHA rural housing programs, as proposed in the Administration's FY 1986 budget. This housing budget is a recipe for disaster for low income people. It is a complete repudiation of Congress' 50-year bipartisan commitment to the right of all Americans to a decent home in a decent neighborhood at an affordable price. If approved, it would lead directly to increased homelessness and suffering for millions of low and very low income Americans.

In 1981, President Reagan's Commission on Housing found that over seven million very low income renter households were paying more than 30 percent of their income for rent and/or were living in substandard housing. Yet, since that time, Congress has approved cuts which have reduced the federal housing assistance budget by 60 percent. The 1986 cut, unless rejected, will mean a 98 percent cut since the Reagan Administration took office. These cuts have hurt the "truly needy": the median family income of households receiving federal low income housing assistance is under $6,000 per year, or 29 percent of the national median family income.

More families than ever before are homeless. The need for federal low income housing assistance has never been clearer or greater. We join together in urging you to authorize and appropriate the funds needed to expand our presently inadequate supply of subsidized housing, rehabilitate the existing housing stock, and to meet the housing needs of the homeless.

SIGNERS WHO ARE NATIONAL ORGANIZATIONS

ACORN.
American Association of Homes for the Aging.
American Association of Retired Persons.
American Baptist Churches, USA.
American Institute of Architects.
American Lutheran Church for Service and Mission.
American Philanthropy Assoc. Mortgage/Rent Shelter.
American Planning Association.
Association of Local Housing Finance Agencies.
Association of Puerto Rican Exec. Directors (NYC).
Bnai Brith International.
Center for Community Change.
Center for Budget and Policy Priorities.
Child Welfare League of America.
Children's Defense Fund
Coalition on Block Grants and Human Needs.
Council for Rural Housing and Development.
Council of Large Public Housing Authorities.
Council of State Housing Agencies.
Farmworker Justice Fund.
Federation of Jewish Philanthropies.
Friends Committee on National Legislation.
Inter-Religious Coalition for Housing.
Interfaith Action for Economic Justice.
International Assoc. of Psychosocial Rehab Svc.
Jobs With Peace Campaign.
LULAC National Educational Services, Inc.
Lutheran Church in America, Division for Mission.
Lutheran Council in the USA.
Lutheran Resources Commission.
McAuley Institute.
Mennonite Central Committee, US Peace Section.
Mexican-American Legal Defense & Educational Fund.
NAHRO (Nat'l Assoc. of Hsng. & Redev. Officials) Network.
National American Indian Housing Council.
National Caucus and Center on Black Aged, Inc.
National Church Residences.
National Coalition for the Homeless.
National Com. Against Discrimination in Housing.
National Community Action Agency Directors Ass'n.
National Conference of Catholic Charities.
National Council of La Raza.
National Council of Senior Citizens.
National Farmers Union.
National Federation of Housing Counselors.
National Hispanic Housing Network.
National Housing Conference.
National Housing Institute.
National Housing Rehabilitation Association.
National League of Cities.
National Leased Housing Association.
National Low Income Housing Coalition.
National Mental Health Association.
National Neighborhood Coalition.
National Puerto Rican Coalition.
National Tenants Union.
National Tribal Chairmen's Association.
National Trust for Historic Preservation.
National Urban League.
Native American Rights Fund.
Planners Network.
Presbyterian Church, USA, Program Agency.
Public Housing Authorities Directors Associations.
Service Employees International Union.
United Methodist Church: Gen'l. Brd. & Global Min.
United States Catholic Conference.
United States Conference of Mayors.
United States Student Association.
Women's Inter. League for Peace & Frdm./U.S. Section.

SIGNERS WHO ARE STATE AND LOCAL ORGANIZATIONS, BY STATE

ALASKA

Assoc. for Stranded Rural Alaskans in Anchorage.

ALABAMA

Bread & Roses Hospitality House (Birmingham).
SE Alabama Self-Help Association (Tuskegee Ins.)
Southern Development Company (Montgomery).

ARKANSAS

Arkansas Advocates for Children & Fam. (Little Rock).
Arkansas Delta Housing Development (Forrest City).
Arkansas Housing Development Agency (Little Rock).
Arvac Housing Development Corp. (Russellville).
Drywall Contractors (Forrest City).
Knowlton Plumbing Service (West Helena).
Malvern Brick & Fireplace.
McNeary Masonry Contractors (Forrest City).
National Church Residences of West Memphis.
Qualls Construction Company (Forrest City).
R.H. Keilum Construction (Forrest City).
Ridout Lumber Company of Forrest City.
Vaccaro Lumber Co. (Forrest City).

ARIZONA

Low Mountain Planning Committee (Chinle).
National Church Residences of Glendale.
Navajo Housing Authority/Indian Hsng. (Window Rock).
Phoenix Fair Housing Center.
Pinal County Housing (Casa Grande).
Primavera Foundation (Tucson).
Southwest Indian Hsng. Auth. Assoc. (AZ, CA, NM, NV).
Tucson Urban League, Inc.

CALIFORNIA

Alternative Living for the Aging (Los Angeles).
Asian Neighborhood Design (San Francisco).
Asian, Inc. (San Francisco).
Asociacion Campesina (Stockton).
Bernal Heights Community Foundation (San Francisco).
Building Women, Inc.
CHAIN (Calif. Hsng. Action & Info Netwrk), Oakland.
CHISPA (Salinas).
Calexico Community Action Council, Inc.
Calif. Rural Legal Assistance Foundation (Sacto.).
California Coalition for Rural Hsng. (Mill Valley).
Catholic Social Service (San Mateo).
Catholic Social Service, Arch. of San Francisco.
Chicano Federation of San Diego County, Inc.
Chico Housing Improvement Program.
Chinese Community Housing Corp. (San Francisco).
Citizens for Representative Govt. (San Francisco).
City of Oakland, Office of Community Development.
Civic Center Barrio Housing Corp. (Santa Ana).
Coachella Valley Housing Coalition.
Community Corporation of Santa Monica.
Community Design Center, University of California.
Community Development Commission (Ukiah).
Community Housing Developers, Inc. (San Jose).
Community Living Centers (Daly City).
Community Relations Conference of So. Calif. (LA).
Concilio Mexicano De Chico, Inc.
Congress of California Seniors, Region 3 (Berkeley).
Crenshaw Council on Aging (Los Angeles).
Davis Community Housing.
Downtown Advocates of Senior Housing (Sacramento).
Ecumenical Association for Housing (San Rafael).
Ecumenical Ministry in the Haight Ashbury.
Eden Council for Hope and Opportunity (Hayward).
Emergency Housing Program.
Fair Housing Congress of Southern California (LA).

Fair Housing Council of Orange County (Santa Ana).
Fair Housing Council of the San Fernando Valley.
Fair Housing Foundation of Long Beach.
Filipino American Suc. Group, Inc. (Los Angeles).
Friends Committee on Legislation (Sacramento).
Gates Co-op (Sausalito).
Gray Panthers of Sacremento.
Gray Panthers of San Francisco.
Gray Panthers of Santa Cruz.
Haight Ashbury Community Development Corporation.
Hollywood-Wilshire Fair Housing Council.
Homing, Inc. (Los Angeles).
Housing Alliance of Contra Costa County, Inc.
Housing Authority of Contra Costa Cnty. (Martinez).
Housing Authority of the City of Upland.
Housing Authority, City of Santa Barbara.
Housing Coalition of Orange County (Santa Ana).
Housing Committee of Old St. Mary's Church (SFran).
Housing Development, Catholic Soc. Svc. (San Fran).
Housing Rights for Children (Berkeley).
Housing Service Center (San Jose).
Human Investment Project, Inc. (San Mateo).
Human Rights/Fair Housing Commission (Sacramento).
Imperial Valley Coordinated Housing Auth. (Brawley).
Institute for Quality Living (Berkeley).
Jubilee West, Inc. (Oakland).
La Buena Esperanza Cooperative, Inc. (Salinas).
La Buena Esperanza Development Corp. (Greenfield).
La Raza en Accion Local (San Francisco).
Las Casas de Madera Cooperative, Inc. (Salinas).
League of Women Voters (Pasadena).
League of Women Voters of California (Sacramento).
League of Women Voters of L. A. Cnty. (Northridge).
Loma el Paraiso (FmHA Rent. Pro.) Tenants (Salinas).
Los Angeles County Area Agency on Aging.
Los Angeles County Human Relations.
Los Angeles Urban League.
Marin Housing Center (San Rafael).
Marin Housing Coalition (Corte Madera).
Marin Interfaith Council Hsng. Task Force, San Rafael.
Menorah Housing Foundation (Los Angeles).
Mercy Convent (San Diego).
Mercy Sisters Social Justice Commis. (Burlingame).
Metro-Harbor Fair Housing Council (Harbor City).
Mid-Peninsula Citizens for Fair Housing (Palo Alto).
Mid-Peninsula Coalition Housing Fund (Palo Alto).
National Church Residences of Alhambra.
National Church Residences of Cudahy.
National Church Residences of Laguna Beach.
National Church Residences of Sacramento.
National Church Residences of San Diego.
National Farm Worker Ministry (Oakland).
Network (Santa Barbara).
No. California Assoc. for Non-Profit Hsng. (SFran).
North of Market Planning Coalition (San Francisco).
Novato Ecumenical Housing.
Office of Community Development (Oakland).
Old St. Mary's Housing Committee (San Francisco).
Operation Sentinel (Oakland).
Orange County Fair Housing Council.
Ormsby & Associates (Woodland).
Owner Builder Center (Berkeley).
PMG Properties, Inc. (Woodland Hills).
Palo Alto Housing Corporation.
People's Self Help Housing Corp. (San Luis Obispo).
Plumas County Housing Authority.
Potrero Hill Community Development Corp. (San Fran).
Poverty Resistance Center (Sacramento).
Project MATCH, Inc. (San Jose).
Redwook Community Action Agency (Eureka).
Rural California Housing Corporation (Sacramento).
Sacramento Human Rights/Fair Housing Commission.
Sacramento Urban League.
San Bernardino County Community Services Dept.
San Diego Urban League, Inc.
San Franciscans for Reasonable Growth.
San Francisco Council of Community Housing Org.
San Francisco Independent Housing Services.
San Gabriel Valley YWCA: Shelter/Battered Wom. & Ch.
Santa Barbara Single Parent Alliance.
Santa Barbara Tenants Union.
Santa Clara County Advisory Council on Aging.
Santa Cruz Action Network.
Santa Cruz Community Credit Union.
Santa Cruz County Board of Supervisors.
Santa Cruz Housing Action Committee.
Sausalito City Council.
Self-Help Enterprises (Visalia).
Senior Advocates Advisory Committee (Redwood City).
Senior Network Service (Santa Cruz).
Shapell Housing, Inc. (Beverly Hills).
Single Room Occupancy Housing Corporation (LA).
Sonoma County People for Econ. Opp. (Santa Rosa).
South County Housing (Gilroy).
Southern Calif. Clergy & Laity Concerned (LA).
Southern California Assoc. of Non-Profit Housing.
Tenant Association of Santa Cruz.
Tenants and Owners Development Corp. (San Fran).
Tenderloin Neighborhood Development Corp. (San Fran).
The Community Redevelopment Ag. of the City of LA.
The Urban Innovations Group (Los Angeles).
URBATEC (Santa Monica).
United Farmworkers of America, AFL–CIO (Keene).
United States Escrow (Downey).
Vista de la Terraza Cooperative, Inc. (Salinas).
Welfare Rights Organization (San Diego).
Westside Fair Housing Council (Los Angeles).
Working Group for Community Dev. Reform (Oakland).
World College West (Petaluma).
Yolo Cnty. Sexual Assault/Battered Women's Center.
Zoe Christian Center Need Program (Oxnard).

COLORADO

Archdiocesan Housing Committee, Inc. (Denver).
Colorado Assoc. of Homes & Svcs. for Aging (Denver).
Colorado Off. of Govern. Ministry, Lutheran Church.
Colorado Social Legislation Committee (Denver).
Ecumenical Housing Corporation (Denver).
HOPE Communities, Inc. (Denver).
Housing Issues Task Force (Aurora).
Mental Health Association of Colorado (Denver).
Mercy Housing, Inc. (Denver).
Seton Community (Denver).
The Enablers (Denver).
Women's Resource Center, UCD (Denver).

CONNECTICUT

Broad Park Development Corporation (Hartford).
Brookside Tenants Council (New Haven).
CT Assoc. of Residential Facilities (WestHartford).
CT Interfaith Housing & Human Svc. Corp. (Hartford).
CT Women's Educational & Legal Fund, Inc. (Hartford).
CT and W. Manchester Dist. Council on Ministries.
Catholic Family Services of Stamford.
City of Meriden, Office of Community Development.
Coalition for Basic Human Rights (Stamford).
Columbus House, Inc. (New Haven).
Com. Hsng. Coalition: Fam. & Child. Svc. (Stamford).
Commission on Aging (Greenwich).
Committee on Training & Employment, Inc. (Stamford).
Community Action Agency of New Haven, Inc.
Connecticut Assoc. of Residential Fac. (W.Hartford).
Connecticut Citizen Action Group (Hartford).
Connecticut Housing Investment Fund (Hartford).
Connecticut Legal Services (Middleton).
Consumer Protection Service (Waterbury).
Coordinating Council for Child. in Crisis (New H.).
Danbury Commission on Aging.
Darien Social Services.
East. Connecticut Citizen Acting Gr. (Willimantic).
Family & Children's Svc. Housing Com. (Stamford).
Folly Brook Manor Tenants' Assoc. (Wethersfield).
Greenwich Community Housing, Inc.
Greenwich Housing Coalition, Inc.
Greenwich Neighborhoods, Inc.
Hartford Neighborhood Housing Coalition.
Housing Authority of the City of Stamford.
Housing Authority, City of New Haven.
Housing Coalition for the Capitol Region (Hartford).
INFO LINE (Hartford).
La Casa de Puerto Rico (Hartford).
League of Women Voters of Stamford.
Legal Aid Society of Hartford, Inc.
Legal Services Training & Advocacy Proj. (Hartford).

Manchester Tenant Housing Coalition.
Meriden Citizen Action Group.
Meriden Community Action Agency: Brd. of Directors.
Meridian Tower (Bristol)
Milford Coalition of Social Service Providers.
NAHRO: Connecticut Chapter.
National Church Residences of Stamford.
Neighborhood Housing, Inc. (New Haven).
New Haven Tenants Representative Council, Inc.
New Neighborhoods, Inc. (Stamford).
Norwalk Housing Coalition.
Norwich Tenants Association.
Office of Urban Affairs, Archdiocese of Hartford.
Robert T. Wolfe "Friendly Club" (New Haven)
Rock View Tenant Council (New Haven).
Sheldon Oak Central, Inc. (Hartford).
Stamford Citizen Action Group.
Stamford Commission on Aging.
Stamford Community Development.
Tenant Representative Council (New Haven).
Torrant House (Plainville).
Urban League of Greater Hartford, Inc.
Urban League of Greater New Haven.
Valley Citizen Action Group (Derby).
Village Apartments (South Meriden).
Waterbury Citizen Action Group.
West Haven Emergency Assistance Task Force.
Windham Regional Tenants Org. (Willimantic).

DISTRICT OF COLUMBIA

Carmelite Sisters of Charity/Mt. Carmel House.
Center City Community Corporation.
Good Shepherd Covent.
Gray Panthers of Metropolitan Washington.
Housing Counseling Services, Inc.
Metro. Wash. Planning & Housing Association.
National Demonstration Water Project.
Newman & Associates, Inc.
Peoples Involvement Corporation.
S.O.M.E. (So Others Might Eat).

DELAWARE

Catholic Social Services (Wilmington).
Community Housing Inc. (Wilmington).
Housing Opportunities of New Castle County.
Housing Opportunities of No. Delaware (Wilmington).
Neighborhood Housing Counseling Svc. (Wilmington).
Project Act (Wilmington).
Public Assistance Task Force (Wilmington).
Wilmington Housing Authority.

FLORIDA

Allapattah Tenants Council, Inc. (Miami).
Annie M. Coleman Tenants Council, Inc. (Miami).
Arthur Mays Villas Tenants Council, Inc. (Miami).
Caribbean Homebuyers Association, Inc. (Miami).
Carol City Townhouse Tenant Council, Inc.
Central Florida Com. Dev. Corp. (Daytona Beach).
City of Daytona Beach Community Development.
City of Orlando Housing Rehabilitation Program.
City of West Palm Beach Community Development.
Concerned Citizens Tenants Council, Inc. (Miami).
Culmer Place Tenants Council, Inc. (Miami).
East Coast Migrant Head Start Proj. (Haines City).
Economic Opportunity Family Health Center (Miami).
Edison Courts Tenants Association, Inc. (Miami).
Farmworker Ministry, Inc. (Winter Haven).
Florida Non-Profit Housing, Inc. (Sebring).
Hialeah/Seminola Community Devel. Corp. (Hialeah).
Homestead Gardens Tenants Council, Inc.
Horizons Unlimited Development Corp. (Orlando).
Jacksonville Housing Assistance Division, HUD.
James E. Scott Community Assoc. Day Care (Miami).
Lake Community Development, Inc. (Tavares).
Larchmont-Little River Tenants Council, Inc. (Miami).
Liberty Square Tenants Council, Inc. (Miami).
Little Havana Activities & Nutrition Ctr. (Miami).
Little Havana Tenants Council, Inc. (Miami).
Manatee Opportunity Council, Inc. (Bradenton).
Martin Fine Villas Tenants Council, Inc., (Miami).
Mennonite Central Committee, Miami Unit.
Mental Health Assoc. of Leon County (Tallahassee).
Miami Gardens Townhouse Villas Tenant Council, Inc.
Miami-Dade Neighborhood Housing Services, Inc.
Modello Tenants Association, Inc. (Miami).
Naranja Tenants Association, Inc.
Nat'l. Assoc. of Social Wrkrs, FL Ch., Tallahassee.
National Church Residences of Eastern.
National Church Residences of Jacksonville.
Newberg Tenants Council, Inc. (Miami).
Office for Farmworker Ministry (Apapka).
Overall Tenants Advisory Council, Inc. (Dade Cnty.).
Palm Beach County Div. of Housing & Community Dev.
Perrine Gardens Tenants Council, Inc. (Miami).
Pine Island Tenants Council, Inc. (Naranja).
Pinellas County Community Dev. Dept. (Clearwater).
Pinellas Opportunity Council, Inc. (St. Petersburg).
Project HOME, Inc. (Zellwood).
Rainbow-Townpark Tenants Council, Inc. (Miami).
Sarasota Com. Dev. Dept., Citizens Adv. Committee.
Scott-Carver Community Development Corp. (Miami).
Scott-Carver Tenants Council, Inc. (Miami).
Scott-Lakes Tenants Council (Miami).
Seminole Self-Reliant Housing, Inc. (Sanford).
Singer Plaza Tenants Council, Inc. (Miami).
South Miami Concerned Citizens Tenant Council, Inc.
Tallahassee Housing Foundation.
Tampa Bay Regional Planning Council (St. Petersburg).
Tenant Education Association of Miami.
Town of Westville.
United Farm Workers Support Com. (Ft. Lauderdale).
United Tenants Council, Inc. (Miami).
Urban League of Greater Miami, Inc.
Urban League of Palm Beach County, Inc.
Venetian Gardens Tenants Council, Inc. (Miami).
Victory Homes Tenants Council, Inc. (Miami).
Withlacoochee Area Legal Services (Ocala).
Youth & Family Development Department (Miami).

GEORGIA

Albany Housing Authority.
Anthony Homes Residents Association (Macon).
Bethlehem Area Community Association (Augusta).
Bowden Homes Residents Association (Macon).
Central Church of God in Christ (Soperton).
Concerned Citizens of Macon County (Montezuma).
Cuyler Community Improvement Assoc. (Savannah).
Davis Homes Residents Association (Macon).
Eskenosen, Inc. (Roberta).
Felton Homes Residents Association (Macon).
Garlington Heights Tenants Association (Waycross).
Georgia Citizens Coalition on Hunger.
Georgia Clients Council.
Georgia Housing Coalition, Inc. (Atlanta).
Georgia Residential Finance Authority.
Henry County Citizens for a Better Community.
Henry County Improvement Council.
Hicks Construction Company (Americus).
Homebuilders Assoc. of GA, Rural Hsng. Com. (Atln.)
Interfaith (Atlanta).
Jesup Housing Authority.
Koinonia Partners.
Macon Housing Authority.
McAfee Towers Residents Association (Macon).
Mennonite Central Committee (Atlanta).
Metro Fair Housing Services (Atlanta).
Metro Fair Housing Services (Decatur).
Monroe County Community Improvement Coalition.
Mounts Homes Residents Association (Macon).
Mt. Bethel Baptist Church (McDonough).
Mt. Moriah AME Church (McDonough).
Murphy Homes Residents Association (Macon).
NAACP of Georgia.
NAACP: Sumter County.
NAACP: Wayne County.
NAACP: Worth County.
Oglethorpe Homes Residents Association (Macon).
Pendleton Homes Residents Association (Macon).
Pentecostal Holiness Church (Sylvester).
Regal Civic and Federated Clubs (Cedartown).
Savannah Federation of Housing Counselors.
Shiloh Baptist (McDonough).
Shoal Creek Baptist Church (Locust Grove).
Southeastern Properties (Albany).
Tindall Heights Residents Association (Macon).
Treutlin County Clients Council.

Urban League of Atlanta, Housing Center.
Wesley Chapel United Methodist Church (McDonough).

HAWAII

Consumer Housing Task Force of Hawaii (Honolulu).
Oahu Self Help Housing Corporation.

IOWA

Citizens for Community Improvement of Des Moines.
Com. on Persons with Disabilities, Iowa Inter-Chu.
Des Moines Area Urban Mission Council.
Disability Action Com., Des Moines Urban Mis. Coun.
H.O.M.E., Inc. (Des Moines).
Iowa Citizens for Community Improvement (Des Moines).
Iowa Commission on the Status of Women (Des Moines).
Iowa State Council of Senior Citizens (Des Moines).
Tax Reform Consultants of Iowa (Des Moines).

IDAHO

Boise City Housing.
Franklin Plaza.
Shoreline Plaza Resident Board (Boise).

ILLINOIS

Behr Development, Ltd. (Rockford).
Bethel New Life, Inc. (Chicago).
C-U Tenant Union (Urbana).
Catholic Charities (Chicago).
Champaign-Urbana Tenant Union.
Chicago Coalition for the Homeless.
Chicago Rehab Network.
Chicago Task Force on the Homeless.
Community Emergency Shelter Organization (Chicago).
Community Youth Creative Learning Experience (Chicago).
Conner/Alpine, Ltd. (Rockford).
Department of Housing (Chicago).
Eighth Day Center for Justice (Chicago).
Evanston Community Development Corporation.
Hillside Terrace Tenants Organization (Burlington).
Hispanic Housing Development Corp. (Chicago).
Hope Fair Housing Center (Chicago).
Housing Resource Center/Hull House (Chicago).
Interfaith Council for the Homeless (Chicago).
Interfaith Housing Development Corp. (Wilmette).
Jane Addams Center (Chicago).
Kenwood-Oakland Community Organization (Chicago).
Leadership Council for Metro. Open Com. (Chicago).
Madison County Housing Authority.
Near North Community Organization (Chicago).
Near North Development Corporation (Chicago).
New City YMCA (Chicago).
North Suburban Housing Center (Wilmette).
Oak Park Housing Center.
South Suburban Housing Center (Park Forest).
The Neighborhood Institute (Chicago).
Voice of the People in Uptown, Inc. (Chicago).

INDIANA

Fort Wayne Housing Authority.
Hope of Evansville, Inc.
Housing Authority, City of Elwood.
Indianapolis Urban League.
Knox County Housing Authority (Bicknell).
Northwest Indiana Open Housing Center (Gary).
Rural Rental Hsng. Assoc. of Indiana, Inc. (Indianapolis).
South Bend Heritage Foundation, Inc.
State Housing Board (Indianapolis).

KANSAS

Kansas Council for Rural Hsng. & Dev. (Topeka).
Mennonite Housing Rehabilitation Svcs. Inc., (Wichita).
NAHRO: Kansas Chapter.
National Church Residences of Ottawa.
Topeka Housing Authority Board of Commissioners.
Urban League of Wichita, Inc.

KENTUCKY

Dominican Sisters Governing Board (St. Catherine).
Eastern Kentucky Housing Development Corp. (Neon).
Frontier Housing, Inc. (Morehead).
Housing Oriented Min. Estab. to Serve (Whitesburg).
Kentucky Assoc. of Homes for the Aging (Louisville).
Kentucky Mountain Housing (Manchester).
Louisville Tenants Union, Inc.
Louisville Urban League.
Paris-Bourbon County Community Development Agency.

LOUISIANA

Central City Housing Development Corp., (New Orleans).
East Baton Rouge Mortgage Finance Authority.
Louisiana Rural Rental Hsng. Assoc. (Denham Spr.).
National Church Residences of Ruston, Inc.
Our Lady of Lourdes Senior Center (New Orleans).
Our Lady of Lourdes Service Ministry (New Orleans).
Sisters of Mercy (New Orleans).
St. John the Baptist Community Center (New Orleans).

MASSACHUSETTS

Assoc. of Mass. Homes for the Aging (Burlington).
Boston Housing Authority.
Bromley Heath Tenant Mgt. Corp. (Jamaica Plain).
Christopher M. Carr Associates (Fast Longmeadow).
Drexel Burnham Lambert Realty, Inc. (Boston).
Education Instruction, Inc. (Roxbury).
Jewish Community Housing for the Elderly (Brighton).
Main South Neighborhood Tenants Assoc. (Worcester).
Massachusetts Assoc. of Com. Dev. Corp. (Boston).
Massachusetts Coalition for the Homeless (Boston).
Myerson, Allen & Company (Boston).
New England Elderly Housing Assoc. (Brighton).
Nueva Espaeranza, Inc. (Holyoke).
Sisters of Notre Dame/Boston Housing Committee.
Sojourner House (Roxbury).
South Boston Community Housing, Inc.
Southern New England Management (Fast Longmeadow).
Symphony Tenants Organizing Project (Boston).
The Housing Information Center (Worcester).
United South End Settlements (Boston).
United South End/Lower Roxbury Development Corp.

MARYLAND

Allegany County Housing and Home Rehabilitation.
Baker, Watts, & Company (Baltimore).
Baltimore Neighborhoods.
Carroll County Housing Administration, Westminster.
Cecil County Housing Agency (Elkton).
Centers for the Handicapped (Silver Spring).
Centers for the Handicapped Development Corp. (SS).
City of Hyattsville, Office of Community Development.
Columbia Housing Corporation.
Commission for Women, Montgomery Cnty. (Rockville).
Community Housing Resources Bd., Inc. (Rockville).
Crossway Community.
Cumberland Housing Authority.
Department of Housing & Community Dev. (Frederick).
Dept. of Housing & Community Devlpmnt. (Rockville).
Frederick County Dept. of Housing & Community Dev.
Friends House Retirement Community (Sandy Spring).
Fund for an Open Society (Silver Spring).
Harford County Housing Agency.
Housing & Community Dev. of Prince George County.
Housing Assistance Office (Cumberland).
Housing Authority of Baltimore City.
Housing Authority of the City of Frederick.
Housing Opportunities Commission (Kensington).
Leafy House Residents' Association (Silver Spring).
Maryland Assoc. of Hsng. & Redevelop.A. (Hagerstown).
Maryland Community Development Admin. (Annapolis).
Maryland Development Company (Rockville).
Mental Health Association (Kensington).
Montgomery County Commission on Aging (Silver Spr).
Montgomery County Dept. of Hsng. & Com. D. (Rockville).
Montgomery County Planning Board (Silver Spring).
Montgomery County Public Schools Head Start.
Montgomery County Women's Political Caucus (SSpr.).
National Church Residences of Capitol Heights.
National Church Residences of Maryland.
North American Housing Corporation (Pt. of Rocks).
Perpetual Revolving Fund, Inc. (Columbia).
Planning & Zoning Office (Easton).
Sandy Spring Friends Meeting.
St. Ambrose Housing Aid Center (Baltimore).
St. Mark Presbyterian Church (Rockville).
St. Michaels Housing Authority.
Suburban Maryland Fair Housing Center (Rockville).
Tenant Association of Parkway Woods (Rockville).
Threshold Services, Inc. (Silver Spring).
Westminster Public Housing Agency.

MAINE

ACE Construction Company (Liberty).
Advest, Inc. (Portland).
Augusta Housing Authority.

City of Biddeford Housing Authority.
Community Development Office (Fort Kent).
Cumberland Area Mental Health Consortium (Portland).
Fort Fairfield Community Development Agency.
Fort Fairfield Housing Authority.
Gleichman and Company, Inc. (Portland).
Housing Authority of the City of Brewer.
Maine State Housing Authority (Augusta).
Maine State Housing Authority Adv. Brd. (Augusta).
Manchester Housing for the Elderly.
Oxford County Community Services (South Paris).
People's Regional Opportunity Program (Portland).
Sanford Housing Authority.
Seton Village, Inc. (Waterville).
South Portland Housing Authority.
Spectrum, Inc. (Portland).
St. Croix Valley Self-Help Housing.
The Housing Foundation (Orono).
Westbrook Housing Authority.
York Cumberland Housing Development Corp. (Gorham).

MICHIGAN

Cooperative Services, Inc. (Detroit).
Core City Neighborhoods (Detroit).
Detroit Urban League.
Fair Housing Center (Detroit).
Fair Housing Center of Greater Grand Rapids.
Housing Law Reform Project (Ann Arbor).
Inner City Christian Federation (Grand Rapids).
Michigan Hsing. Coalition Monitoring Com. (Detroit).
Michigan Rural Development Council (Kalamazoo).
National Church Residences of Belleville.
National Church Residences of Harper Woods.
National Church Residences of Sterling Heights.
Nelson Neighborhood Improvement Ass'n (Muskegon).
Peace & Justice Ministry, Diocese of Lansing.
Servants of the Immac. Heart of Mary, Cent. Admin.
United Community Housing Coalition (Detroit).
Urban League of Flint.
Urban Planning Faculty, Michigan State University.

MINNEAPOLIS

Bloomington Housing and Redevelopment Authority.
Common Space Mutual Housing Assoc. (Minneapolis).
Dain Bosworth Inc. (Minneapolis).
Dakota County Housing & Redev. Auth. (Rosemount).
Dept. of Planning & Economic Dev., City of St. Paul.
Heartland Realty Management, Inc. (Minneapolis)
Minnesota Society for Open Communities (Mnpls.).
Minnesota Tenants Union (Minneapolis).
Neighborhood Improvement Company (Minneapolis).
Northside Residents Redevelopment Council (Mnpls.).
Park Cooperative Apartments (Minneapolis).
Phillips Neighborhood Housing Trust (Mnpls.).
Powderhorn Residents Group (Minneapolis).
West Bank Community Development Corp. (Minneapolis).

MISSOURI

American Planning Association: Missouri Chapter.
Greater Kansas City Housing Information Center.
Greater St. Louis Freedom of Residence Committee.
Mercy Housing Corporation (Kansas City).
Missouri Council for Rural Hsing. & Dev. (Wbst. Gr.).
National Church Residences of Blue Springs.
National Church Residences of St. Charles.
National Church Residences of St. Peters.
Northside Preservation Commission (St. Louis).
People's Coalition of Missouri (St. Louis).
Rural Rental Housing Assoc. of IL (Chesterfield).
Urban League of Metropolitan St. Louis, Inc.

MISSISSIPPI

Partners' Tool Box: Mennonite Voluntary Svc. (Macon).

MONTANA

Montana Assoc. of Homes for the Aging (Helena).
Northern Cheyenne Housing Authority.

NORTH CAROLINA

Brunswick County Public Housing Agency.
Catholic Social Ministries (New Bern).
Catholic Social Ministries, Fayetteville Office.
Catholic Social Ministries, Raleigh/Piedmont Reg.
Cleveland Ave. Homes Residents Co. (Winston-Salem).
Council for Children (Charlotte).
Crystal Towers (Winston-Salem).
Eden Community Development.
Housing Authority of Winston-Salem, Sunrise Towers.
North Carolina Coun. for Rural Hsng. & Dev. (Raleigh).
North Carolina Sec. 8 Housing Assn (Yanceyville).
North Carolina Sec. 8 Hsng. Assoc., Inc. (New Bern).
North Hampton Homebuyers' Association.
North Hills Homebuyers Association (Winston-Salem).
St. Andrew's Catholic Church (Apex).

NORTH DAKOTA

Community Action & Development Center (Bismarck).
Dakota Prarie Opportunities (Bismarck).
North Dakota Seniors United (Minot).

NEBRASKA

Catholic Hispanic Ministries for the Poor (Omaha).
Charles Drew Health Center (Omaha).
Greater Omaha Community Action, Inc.
Housing Authority of the City of Omaha.
Indian/Chicano Health Center (Omaha).
League of Women Voters (Omaha).
North Omaha Housing Reinvestment Coalition.
Omaha Coalition for the Homeless.
Siena-Francis House (Omaha).
St. Martin de Porres Center of UCSS (Omaha).
Stephen Center Shelter for Homeless (Omaha).
United Catholic Social Services (Omaha).
United Methodist Community Center (Omaha).
United Ministries of Northeast Omaha, Inc.
Urban Housing Foundation (Omaha).
Urban League of Nebraska, Inc. (Omaha).

NEW HAMPSHIRE

Berkshire Management Co., Inc. (Manchester).

NEW JERSEY

American Planning Association: New Jersey Chapter.
Bayonne Economic Opportunity Foundation.
Bergen County Alumnae Chapter, Delta Sigma Theta.
CWA Local 1082, Welfare Unit (New Brunswick).
Center for Non-Profit Corporations (Trenton).
Children's Specialized Hospital (Mountainside).
Coalition To House the Homeless of Elizabeth.
Coalition of the Homeless (Elizabeth).
Concerned Parents for Better Housing (Paterson).
Congresso Boricua De New Jersey (Trenton).
Dept. of Housing & Community Development (Camden).
Elizabeth Support Group Network (Summit).
Fair Housing Council of Bergen County.
Health and Welfare Council of Bergen County.
Housing Coalition of Middlesex Cnty. (New Brunswick).
INCCA (Paterson).
Jersey City Housing Authority.
League of Women Voters of New Jersey (Trenton).
Mental Health Association in New Jersey (Montclair).
Monmouth County Board of Social Svcs. (Freehold).
Monmouth County Coa. for the Homeless (Holmdel).
Monmouth County Coa. for the Homeless (Lakewood).
Morris County Fair Housing Council (Morristown).
Morris Shelter, Inc. (Morristown).
NJ Assoc. of Non-Profit Homes for the Ag., Prnctn.
National Church Residences of Lopatcong.
National Church Residences of New Jersey.
New Brunswick Police Athletic League.
New Jersey Tenants' Organization (Hackensack).
Newark Redevelopment and Housing Authority.
North Hudson Community Action Corp. (Union City).
O'Brien Associates (Elizabeth).
Old Trenton Neighborhood Development Corporation.
Orange Child Development Corp.
Our Lady of Fatima Social Services (Elizabeth).
Shelter Homeless People, Task Force (North Bergen).
Urban League for Bergen County, Inc.

NEW MEXICO

Albuquerque Housing Authority.
All Indian Pueblo Housing Authority (Albuquerque).
Chama Housing Authority.
Cimarron Housing Authority.
City of Albuquerque Dept. of Housing & Com. Dev.

Jicarilla Apache Housing Authority (Duke).
Mora Housing Authority.
Nauvjhn Housing Authority.
Neighborhood Housing Services (Albuquerque).
New Mexico Hispanic Housing Coalition (Belen).
Posada Enterprises, Inc. (Albuquerque).
Region VII Housing Authority (Socorro).
Rio Arriba County Housing Authority (Espanola).
San Miguel County Housing Authority (Rivera).
Taos County Housing Authority.
The Town of Taos Housing Authority.

NEVADA

Housing Authority of Clark County (Las Vegas).

NEW YORK

Alpine Tenants Association (Jackson Heights).
Artists' Mutual Housing Association, Inc. (NYC).
Association for Neighborhood & Housing Dev. (NYC).
Bay Shore Interfaith Council.
Belmont Shelter Corporation (Buffalo).
Bronx Heights Neighborhood Community Corporation.
Brookhaven Opportunity Center (Bellport).
Catholic Charities Division of Housing (Buffalo).
Catholic Charities, Archdiocese of New York.
Catholic Charities, Diocese of Ogdensburg.
Catholic Charities, Diocese of Rockville Centre.
Catholic Charities, Diocese of Syracuse.
Catholic Charities: Coord. for Homeless & Hungry.
Cayuga County Homesite Development Corporation.
Christopher Community, Inc. (Syracuse).
Citizens' Committee for Children of New York, Inc.
City of Lockport Housing Authority.
Coalition for the Homeless (NYC).
Coalition of Block Associations (Brooklyn).
Coalition on Housing for Disabled People, NY City.
Community Development Legal Assistance Center (NYC).
Community Housing Opportunities (Long Island).
Community Training & Resource Center (NYC).
Corporate Personnel Hsng., Westchester Urban League.
Disabled in Action of Metropolitan New York.
Div. of Housing & Com. Renewal of NY State (NYC).
East Harlem Interfaith, Inc.
Educ. & Proj. Plan. Sec. at Broome Co. (Binghamton).
Flatbush East Community Development Corp (Brooklyn).
H.A.N.A.C. (Astoria).
Henry Street Settlement (NYC).
Hope Village, Inc., ShakerHeights Cooperative Com.
Hotel Preservation Corporation (NY City).
Housing Action Council, Inc. (Tarrytown).
Housing Assistance Center (Buffalo).
Housing Assistance Center of Niagara Frontier.
Housing Council of the Monroe County Area.
Housing Council of the Niagara Frontier, Inc.
Housing Opportunities Made Equal (Buffalo).
Jamaica Center Housing Action Group.
Jewish Association for Services for the Aged (NYC).
Legal Action Center for the Homeless (NYC).
Lower East Side Catholic Area Conference (NYC).
Mercy Sisters Social Justice Committee (Brooklyn).
Metropolitan Center for Resource & Advocacy (NYC).
Metropolitan Council on Housing (NY City).
NAHRO: New York Metropolitan Chapter.
NY State Div. of Housing & Community Renewal (NYC).
NY State Tenant & Neighborhood Coalition (NY City).
Nat'l. Chu. Res. Hsng. Dev. Fund Co. (Camillus).
Nat'l. Chu. Res. Hsng. Dev. Fund Co. (Greenport).
Nat'l. Chu. Res. of Ballston Spa Hsng. Dev. Fund.
Nat'l. Chu. Res. of Lyons Hsng. Dev. Fund Co., Inc.
Nat'l. Chu. Res. of Sidney Hsng. Dev. Fund Co., Inc.
Nat'l. Chu. Res. of Warsaw Hsng. Dev. Fund Co.
Nat'l. Chu. Res. of Waterford Hsng. Dev. Fund Co.
National Church Residences of Buffalo.
New York Assoc. of Homes & Svcs. for Aging (Albany).
New York Hispanic Housing Coalition (NYC).
New York Neigborhood Anti-Arson Center (NYC).
Open Housing Center (New York City).
Open Island (Garden City).
Our Lady of the Snows Hum. Con. Ctr. (N. Floral Park).
Peace & Justice Committee/Resurrection Chu. (Rye).
Public Education Association (NYCity).
Puerto Rican Association for Community Affairs (NY).
Raymond, Parish, Pine & Weiner, Inc. (Tarrytown).
Resurrection House Board (Wyandanch).
Resurrection House, Inc. (Wheatley Heights).
Schenectady County Human Rights Commission.
Spanish Action Coalition (Rochester).
St. Nicholas Neighborhood Preservation (Brooklyn).
St. Patrick Hospitality Center (Bay Shore).
St. Patrick Social Justice Board (Bay Shore).
Steuben-Livingston Agricultural Project (Wayland).
Suffolk Action Coalition (Medford).
Suffolk Housing Services.
Union of City Tenants (NYC).
United Tenants of Albany, Inc.
West Harlem Community Organization, Inc.
West Side Ecumenical Ministry to the Elderly (NYC).
West Side Federation for Senior Housing, Inc. (NYC).
Westchester Residential Opportunities.
Women's City Club of New york.

OHIO

American Baptist Women of Ohio (Attica).
Assoc. of Ohio Philanthropic Hms. for Ag. (Columbus).
Beach House, Inc. (Toledo).
Bohen Tower Residents' Council (Cleveland).
Broadway Area Housing Coalition (Cleveland).
Buckeye Evaluation and Technical Inst. (Cleveland).
Buckeye Woodland Community Dev. Corp. (Cleveland).
Cambridge Metropolitan Housing Authority.
Carver Park Residents' Council (Cleveland).
Cedar-Central Apt. Residents' Org. (Cleveland).
Center for Neighborhood Development (Cleveland).
Chagrin Falls Park Community Center.
City of Sandusky Human Relations Commission.
Clark-Fulton Neighborhood Center (Cleveland).
Clark-Fulton-Denison United (Cleveland).
Cleveland Council of Unemployed Workers.
Cleveland Metro Housing Authority, Cent. Adv. C.
Cleveland Metropolitan Housing Authority.
Cleveland Non-Profit Management Association.
Cleveland Tenants, Organization.
Clinton County Low Income Housing Coalition.
Cohab (Cleveland).
Collinwood Community Services Center (Cleveland).
Columbus City Council Housing Task Force.
Columbus Tenants Union.
Council for Rural Housing & Dev. for OH (Columbus).
Cranston Securities Company (Columbus).
Dayton Urban League.
Department of Community Development (Toledo).
Detroit Shoreway Community Dev. Org. (Cleveland).
Fair Housing Center (Toledo).
Fair Housing Contact Service (Akron).
First Call for Help (Toledo).
Franklin County Community Information & Referral.
Friendly Inn Settlement House (Cleveland).
Garden Valley Neighborhood House (Cleveland).
Garden Valley Residents' Council (Cleveland).
Geauga Metropolitan Housing Authority.
Glenville Development Corporation (Cleveland).
Goodrich-Gannett Neighborhood Center (Cleveland).
Greater Cleveland Interchurch Council.
Greater Toledo Housing Coalition.
Greene Metropolitan Housing Authority (Xenia).
Hallmark Management Company (Cleveland).
Harrison Metropolitan Housing Authority (Codiz).
Harvard Community Services Center (Cleveland).
Heights Community Congress (Cleveland).
Hough Heights Tenants (Cleveland).
House My People, Inc. (Toledo).
Housing Advocates, Inc. (Cleveland).
Housing Coalition of Columbus.
Housing Opp. Center of Metropolitan Columbus.

Housing Opportunities Made Equal. Grtr. Cincinnati.
Inner City Renewal Society (Cleveland).
Interfaith Home Maintenance Service (Youngstown).
Johnson Homemakers (Cortland).
Kamco (Cleveland).
Low Income People Together (Cleveland).
Merrick House (Cleveland).
Mid-Ohio Brd. for an Indep. Living Env. (Columbus).
Moreland Community Association (Cleveland).
Moreland Community Association (Shaker Heights).
Mt. Auburn Residents' Council (Cleveland).
NAHRO: Ohio Chapter.
NDC Association of Cincinnati.
National Church Res. of Bristol Village (Waverly).
National Church Residences of Baltimore.
National Church Residences of Belpre.
National Church Residences of Chillicothe.
National Church Residences of Findlay.
National Church Residences of Gahanna.
National Church Residences of Johnstown.
National Church Residences of Middletown.
National Church Residences of Mt. Sterling.
National Church Residences of Russell's Point.
National Church Residences of Toledo.
National Church Residences of Wapakoneta.
National Neighbors (Cleveland Heights).
National Retirement Consultants (Columbus).
Near West Housing Corporation (Cleveland).
Near West Neighbors in Action (Cleveland).
Neighborhood Centers Assoc. of Greater Cleveland.
Neighborhood Concepts Company (Elyria).
Noah East Resident's Council (Cleveland).
OACCA (Cleveland).
Oakwood Villa Resident's Council (Cleveland).
Ohio CDC Association (Cincinnati).
Ohio Public Interest Campaign (Cleveland).
Phyllis Wheatley Association (Cleveland).
Portage City Housing Advocates.
Riverview Estates Residents' Council (Cleveland).
Senior Citizens Coalition (Cleveland).
Sisters of St. Joseph (Medaille) Cinc. Prov. Council.
Southeastern Ohio Housing (Zanesville).
Springfield Metropolitan Housing Authority.
St. Clair Superior Coalition (Cleveland).
St. Francis de Sales Christian Soc. Srv. (Toledo).
State of Ohio Housing Finance Agency (Columbus).
Terrace Park Tenant Organization (East Cleveland)
The Cuyahoga Plan of Ohio (Cleveland).
Toledo Fair Housing Center.
Toledo Metropolitan Mission.
Transtitional Housing, Inc. (Cleveland).
Tremont West Development Corporation (Cleveland).
Union Miles Development Corporation (Cleveland).
Union Square Residents' Council (Cleveland).
University Circle Community Coalition (Cleveland).
University Settlement House (Cleveland).
Urban League of Greater Cleveland.
Valleyview Residents Council (Cleveland).
Vanguard Apartments Tenants' Assoc. (Cleveland).
W. O. Brisben Companies, Inc. (Cincinnati).
Walton Residents' Council (Cleveland).
Warren Trumball Urban League (Warren).
Wayne Metropolitan Housing Authority (Wooster).
West Side Community House (Cleveland).
Woody Woods Tenants Association (Cleveland).

OKLAHOMA

Housing Authority of the City of Shawnee.
Metro Fair Housing Council (Oklahoma City).
NAHRO: Oklahoma Chapter (Shawnee).
NAHRO: Southwest Regional Council, Tulsa.
Oklahoma City Housing Authority.
Oklahoma Indian Housing Association (Miami).

OREGON

American Institute of Architects: Portland Chapter.
Central City Concern (Portland).
Oregon Housing & Associated Services (Salem).
Oregon Rural Housing Coalition (Salem).
Portland Development Commission.

PENNSYLVANIA

American Friends Service Committee (Philadelphia).
Catherine McAuley House (Scranton).
Community Development Coalition, Inc. (Philadelphia).
Developac, Inc. (Du Bois).
Fair Housing Council of Delaware County.
Harrisburg Housing Authority.
Housing Association of Delaware Valley (Philadel.).
Housing Council of York.
Housing Information Center/Phil. Urban League.
Legal Assistance for Housing Improvement (Pitt.).
Mercy Hospice Emergency Shelter (Philadelphia).
Nat'l. Ministries, Amer. Baptist Chu. (Valley Forge).
National Church Residences of Brighton Heights.
National Church Residences of Brookline.
National Church Residences of Derry.
National Church Residences of Mercer.
National Church Residences of Mt. Pleasant
National Church Residences of Neshannock.
National Church Residences of Sharpsburg.
PA Assoc. of Non-Profit Homes for Aging (Camp Hill).
Pennsylvania Assoc. for Rural Hsng. (Hallidaysburg).
Scranton Housing Authority.
Tabor Community Services, Inc. (Lancaster).
Tenant Action Group of Philadelphia.
University Plaza Management, Inc., R.E. (Phil.).
Women's Inter. League for Peace & Frdm. (Bucks Cnty.).

PUERTO RICO

Mora Development Corporation of Puerto Rico
National Church Residences of Fajardo.
National Church Residences of San Juan.

RHODE ISLAND

Housing Opportunities Corporation (Providence).
Women's Development Corporation (Providence).
Women's Opportunity Realty Corp. (Providence).
Woonsocket Housing Authority.

SOUTH CAROLINA

Greenville Urban League, Inc.
Waccamaw Corp for Rural Housing Partnerships.
Waccamaw Economic Opportunity Council (Conway).
Waccamaw Human Resources Foundation, Inc. (Conway).

SOUTH DAKOTA

South Dakota Housing Authority (Pierre).

TENNESSEE

Church Women United (Nashville).
Fair Housing Office, Metro Dev. & Hsng. (Nashville).
Housing Opportunities Corporation (Memphis).
NCOP Housing Committee (Nashville).
National Church Residences of Kingsport.
National Church Residences of Paris.

TEXAS

Austin Area Urban League.
Azteca Economic Development & Preservation Corp.
Blackshear Residents Organization (Austin).
Boris d'Arc Patriots (Dallas).
Booker T. Washington Tenants Association (Austin).
Camino a LaPaz Intercong. Justice & P. (San Antonio).
Citizens United for Progress (Silsbee).
Clarksville Neighborhood Advisory Board (Austin).
Coalition of Texans with Disabilities (Austin).
Community Action Corporation (Wichita Falls).
Consumer Credit Counseling Service (Austin).
Dallas Urban League, Inc.
Garza Lumber & Supply (Poth).
Grand Prarie Community Renewal Agency.
Gray Panthers of Austin.
Greater Dallas Housing Opportunity Center.
Guadalupe Area Neighborhood Association (Austin).
Housing & Community Dev. Resource Center (Austin).
Housing Authority, City of Canyon.
Justice and Peace Program (Lubbock).
La Campagna por la Pres. del Barrio Segundo, El Paso.
Lubbock Economic Advancement & Development.
Marshall Housing Authority.
National Church Residences of South Texas.
Office for Hispanic Affairs (San Antonio).
Our Lady of Guadalupe (Amarillo).
St. Ann Women's Council (Canyon).
St. Ann's Parish Council (Canyon).
St. Mary's Catholic Church Rosary Soc. (Amarillo).
State Representative Paul C. Moreno (Austin).
Task Force for Affordable Housing (Austin).
Texas Alliance for Human Needs (Austin).
Texas Tenants Rights Association (Austin).
Texas Tenants' Union (Dallas).

The BRIDGE Association (Fort Worth).
University of Texas Social Work Council (Austin).

UTAH

Assist, Inc. (Salt Lake City).
Davis County Housing Authority.
Utah Housing Coalition (Salt Lake City).

VIRGINIA

Alexandria Redevelopment and Housing Authority.
Buckingham Housing Development Corp. (Dillwyn).
Catholic Charities of Richmond, Inc.
Charlottesville Housing Foundation.
Community Dev. Block Grant Adv. Com. (Alexandria).
Eastern Shore Community Devlpmnt. Group (Onanesch).
Historic Pres. & Minority Com., Inc. (Richmond).
Housing Opportunities Made Equal (Richmond).
Micah Housing, Inc. (Alexandria).
Newport News Office of Home Affairs.
Richmond Tenant Organization, Inc.
Robert P. Johnson Hsng. Develop. Corp. (Arlington).
Tidewater Fair Housing (Norfolk).
Total Action Against Poverty (Roanoke).
Virginia Housing Coalition (Richmond).
Virginia Mountain Housing (Blacksburg).
Wesley Housing Development Corp. (Alexandria).
Williamsburg-James City/County Community Action.

VERMONT

Burlington Community Land Trust, Inc.
Burlington Housing Authority.
Burlington Youth Employment Program.
Central Vermont Head Start Policy Council (Baire).
City of Burlington, Housing Programs.
Community and Economic Development Of. (Burlington).
National Church Residences of Pittsford.
National Church Residences of Rutland.
Northern Cooperative Resources (Montpelier).
Northgate Tenants Association (Burlington).
SEVCA (Bellows Falls).
Vermont Fair Housing Coalition (Bellows Falls).
Vermont Low Income Advocacy Council (Montpelier).
Vermont Outreach Association (Barre).
Vermont State Housing Authority (Montpelier).
Vermont Tenants, Inc. (Burlington).

WASHINGTON

Church Council of Greater Seattle.
Eastern Washington Uni. Stud. Oper. & Uni. Prog. Co.
Justice & Peace Center of the Archd. of Seattle.
Martin Luther King Ecumenical Center (Tacoma).
NAHRO: Inland Empire Chapter (Spokane).
Office of Rural & Farmworker Housing (Yakima).

WISCONSIN

Brown County Housing Authority (Green Bay).
Foundation for Rural Housing, Inc. (Madison).
Madsen Corporation (Madison).
Metropolitan Milwaukee Fair Housing Council.
NAHRO: Wisconsin Chapter.
Westside Housing Coop (Milwaukee).
Wisconsin Assoc. of Homes for the Aging (Madison).
Wisconsin Assoc. of Housing Auth. (Eau Claire).

WEST VIRGINIA

Coordinating Coun. for Indep. Living (Morgantown).
Human Resource Dev. & Employment, Inc. (Morgantown).
Human Resources Development Found. (Morgantown).
National Church Residences of Ceredo.

WYOMING

NAHRO: Wyoming Chapter (Casper).

AGRICULTURE ACT OF 1985

● Mr. MATHIAS. Mr. President, on May 2, 1985, I cosponsored the Agriculture Act of 1985, introduced as S. 908 by the Senator from Kentucky, Mr. McConnell.

The 1981 omnibus farm law expires this year and several legislative proposals to revise the farm programs are pending. I am cosponsoring the bill because it calls for a move toward a market-oriented agriculture policy and away from ineffective Government intervention and controls. It is encouraging that it has the strong support of the American Farm Bureau.

While we can learn from the past, the assignment now is to shape a farm policy for the future that works. Over 50 years ago, Washington took concerted action to help our farmers overcome the Great Depression. And indeed, those farm programs, modified over the years, have transformed American agriculture. For decades, the typical mechanized American farm has been the envy of the world both for its efficiency and for the income it generates.

But today those historic policies and programs no longer are working. When the current farm programs were written into law in 1981, the Department of Agriculture predicted that the cost over the 5-year life of the measure would be about $11 billion. In fact, the cost will be $63.4 billion, according to the Agriculture Department's latest projections. That might not be so bad if the trend were moving downward, but the costs are moving going rapidly in the other direction. And the bottom line result is that the American farmer is in the worst shape that he has been in for years.

The facts show that the subsidy approach to farm and food policy no longer reaches key factors that spell the difference between financial well-being and distress for American farmers. Monetary and tax policies, private sector interest rates, energy prices and transportation costs are all beyond the scope of subsidy programs. In fact, the effects of the international marketplace alone have grown to dwarf the power of the Federal farm programs to counterbalance them.

A food and farm policy for the rest of this century must reexamine the appropriate role of Government in the farm sector and consider alternatives that could balance the interests of producers, consumers, and taxpayers.

This bill would move farm policy in that direction. It would emphasize more flexible, market-responsive farm programs that offer farmers better protection against price or income disasters and bolster American farm exports. With such farm programs on the books, Congress then should resist all temptations to intervene in commodity programs merely to satisfy short-term political objectives. This will require discipline. Hiking U.S. price supports to protect farmers not only allows other nations to increase their market share, but makes our own exports much less competitive, especially at a time when the dollar is so hard overseas.

Mr. President, I ask to insert at the end of my remarks an economic analysis of this bill by Mr. Ross Korves of the Economic Research Division of the American Farm Bureau Federation.

Our national agriculture policies also must maintain USDA's vital role of stimulating agricultural research, extension, and education to improve production and marketing. It is too early to forecast what the final 1985 farm bill will look like, but I am confident that Maryland farmers and consumers will work closely with me as Congress deliberates on each provision of the new farm bill.

I do, however, take strong exception to two provisions in the bill that I have discussed with the Maryland Farm Bureau. These are the sugar program and exemptions from cargo preference laws.

I have opposed the sugar program since it was established in 1981. The program's import restrictions have seriously affected both the Port of Baltimore, the third largest U.S. port of entry for sugar, and Baltimore's Amstar-Domino Sugar refinery and its workers. The program has halved sugar imports from our sugar-growing neighbors in Central and Latin America. One result of this restrictive quota program is that the Soviet Union has replaced the United States as Brazil's major sugar customer.

Exports are vital not only to farmers but to our entire Nation and to developing countries that need our food. But on the issue of cargo preference, I feel it is critical to maintain a strong maritime fleet. This bill would make several otherwise laudable agricultural export programs exempt from cargo preference laws. The laws require that half of Government cargo be shipped on U.S. vessels. It is critical for agriculture and all American exporters to assure that America always maintains the ability to ship a portion of its own products.

The new economic and international context is the greatest change for

American agriculture since Federal price support and production programs began. Maryland's farm economy is among the most diversified in the Nation, and I am confident that Maryland farmers will continue to do their part in keeping American agriculture one of this Nation's most vital enterprises.

The material follows:

THE ECONOMICS OF FARM BUREAU'S FARM PROGRAM PROPOSAL

(By Ross Korves)

The 1985 farm bill and its effect on future farm programs will be largely decided on political considerations, but the results of the debate have definite economic implications for all of agriculture, both the half covered by direct price and income support programs and the half lying largely outside farm programs. The Farm Bureau farm program position is tied closely to some important economic considerations and will have far-reaching economic effects on all of agriculture.

Farm Bureau policy says that farmers' future incomes are dependent on the existence of both domestic and international markets and that farm programs should be designed to support the continued growth of these markets. Government price support and storage policies should encourage the development of markets and allow major export commodities to be price competitive in the markets. If supplies are to be balanced with the demand for commodities, there must be communication between producers and consumers through price signals in the marketplace.

The policy also recognizes that income supports are necessary as the failed farm policies of the past are phased out and a new course is set for agriculture. Agriculture is in transition from the high inflation and easy credit of the 1970s, and the emphasis on speculative investment, to the situation of the 1980s—declining inflation, relatively expensive credit and an emphasis on productive investment.

In recognition of the changes affecting agriculture, the Farm Bureau policy calls for commodity loans for feed grains, wheat, soybeans and rice to be set at 75 percent of the five-year average market price, excluding the highest and lowest price years with annual adjustment of no more than 10 percent. The commodity loan for cotton would continue to be set, as it has been, as a percentage of the spot U.S. price or the Northern European market price, whichever is lower. Commodity loan rates which are tied to the market will facilitate orderly marketing and price competitiveness without providing incentives for excess production.

Farm Bureau policy supports the concept of target prices as an income supplement to help producers make the difficult adjustments mentioned earlier. Target prices would be frozen at the 1985 level for 1986 and then would be adjusted by no more than by 5 percent per year until they are equal to 110 percent of the five-year moving average market price, excluding the high and low years. This will allow the target price to continue to provide income protection and over time to begin reflecting actions in the marketplace.

A major economic policy development in the Farm Bureau proposal is the elimination of the farmer-held reserve for wheat and feed grains. The reserve is to be replaced with an extension of the regular nine-month loan program for an additional nine months, if supply/demand conditions warrant. This would extend the time for marketing into the next marketing year, but avoid the long-term accumulation of stocks that has been one of the major failures of the farmer-held reserve.

Farm Bureau's position calls for a continuation of voluntary production adjustment programs which are to be used when ending year stocks exceed specific levels. Farm Bureau also supports a seven to 15-year conservation reserve program targeted at the most highly erosive land currently in crop production.

Two important economic issues are reflected in the dairy position. One is that price supports have to reflect market reality. The other is that in a period of budget constraints the overall level of CCC purchases of dairy products must be considered. In Farm Bureau's program the basic price support will be set at 90 percent of the average of the last three years' all-milk price. This will be adjusted by the expected level of net CCC purchases, with some discretionary authority given to the secretary of agriculture.

No changes were proposed for the sugar, peanut or wool and mohair programs.

Under the Farm Bureau plan, considerable efforts are to be made through export promotions, export credits and trade relations. Support is given to the continuation and/or expansion of past programs with particular emphasis on expansion of the CCC export credit program and the development of new programs under the P.L. 480 programs. An export incentive program using CCC-held commodities is called for when government supplies are excessive.

Farm Bureau's farm program is a prescription for returning to the market system for farm income opportunities. It is based on the economic importance of world competitive commodity loan rates, stock policies that favor utilization over long-term storage programs, extensive export assistance programs to stop losing and start regaining market shares, income assistance to help farmers adjust to the market and voluntary acreage reductions, if carryover stocks exceed favorable trigger levels.

The Farm Bureau farm program will send a much clearer signal to our foreign competitors. For those that insist on subsidies in the world market, these will cost them more in the future. For new potential customers, the Farm Bureau position is a clearer signal that U.S. farmers intend to compete with the best-priced, best quality and best supply in the world.●

60TH ANNIVERSARY OF AMIT WOMEN

● Mr. MOYNIHAN. Mr. President, this week marks the 60th anniversary of the founding of AMIT Women, one of the oldest and largest national Jewish women's service organizations in the world. AMIT Women formerly known as American Mizrachi Women, renders important contributions to both American and Israeli society.

AMIT Women was founded in 1925 by an intrepid band of women who dreamed of an independent role for American Jewish women in the creation of the Jewish State founded on traditional Jewish values. For the past 60 years AMIT Women have been bound together by an abiding sense of social responsibility, a proud belief in the need for a dynamic spiritual life and an understanding of the common heritage of American democracy and Jewish traditions.

Today, AMIT Women numbers some 80,000 members, encompassing career women, housewives and community leaders of all ages, and is organized into 45 chapters in 38 States and the District of Columbia.

AMIT Women's educational and social welfare projects in Israel include a network of schools, children's villages, community centers, settlement houses and other child care and social welfare institutions. Many of these were the first of their kind in Israel.

Thirty years ago, AMIT Women has the foresight to teach and train Jewish children from Ethiopia, who then returned to their country to instruct other Jews. Today, a generation later, AMIT youth villages are home to close to 200 Ethiopian children who recently arrived in the homeland they had always dreamed of reaching.

AMIT Women is involved in a variety of issues confronting today's American Jewish community and is active in local community relations councils, Jewish federations and other community-minded groups.

In keeping with AMIT Women's 60th anniversary theme "Old Dreams; New Visions," the organization looks forward to carrying on a proud tradition of independence, devotion to Israel and deep commitment to traditional Jewish values for many years to come.

Mayor Edward I. Koch of New York City has declared this week as "AMIT Women's Week" in New York City. I am sure my colleagues in the Senate join me in congratulating this splendid group on their 60th anniversary.

FINANCIAL DISCLOSURE OF SENATOR SIMON

● Mr. SIMON. Mr. President, each year, for as long as I have been in public office and have been associated with public office in any way, I have made public my income, assets, and liabilities in much greater detail than is required by the law.

I ask that my annual report of income be inserted in the Record.

The report follows:

SIMON DISCLOSES FINANCES FOR 30TH YEAR AS A PUBLIC OFFICIAL

Washington.—For the 30th consecutive year that he has held public office, U.S. Sen. Paul Simon, D-Ill., has released a detailed description of his income, assets and liabilities.

Simon has been making the voluntary annual statements since he entered public service as a state representative in 1955. He followed the practice during eight years in the Illinois House of Representatives, six years in the Illinois Senate, four years as lieutenant governor and ten years in the U.S. House of Representatives. The listing predates disclosure requirements of state and federal law and continues to exceed those requirements.

Simon also made public the detailed financial disclosure report of his administrative assistant, former Congressman Floyd Fithian, available upon request.

The Illinois senator lists 1984 income for himself and his wife, Jeanne, totaling $112,770.35—down from the Simons' income of $119,448.58 in 1983. The figure includes his House salary, reimbursement for travel and other expenses, rental income, honoraria for appearances, and other items.

The Simons had assets of $391,423 and liabilities of $278,360 for a net worth of $113,043.

Income for 1984

Income of Paul and Jeanne Simon:	
Salary, U.S. House of Representatives	$72,367.00
Salary, State of Illinois (Jeanne)	2,160.00
State of Illinois, General Assembly System	19,169.00
Rental income and utilities reimbursement	761.00
Book royalties	243.00
U.S. House of Representatives, expense reimbursement	3,516.00
Paul Simon for Senate committee, expense reimbursement	4,004.00
B&T Enterprises	334.00
Total	102,554.00
1984 Honoraria and travel reimbursement for appearances:	
College administrators' network	2,000.00
Dickinson College	500.00
Illinois letter carriers	1,000.00
Illinois State University	1,140.05
Northern Illinois University	475.00
U.S. Tobacco Co	2,000.00
University of Illinois	1,000.00
Total	8,115.00
Interest income:	
Mobil Corp	4.00
Mid-America Bank & Trust	6.00
Ellis First National Bank	8.00
General American	72.00
Dale Denton-Interest on Security Deposit	119.00
Dreyfus Fund	933.00
Total	1,142.000
Dividends:	
Adams Express	12.00
Bethlehem Steel	3.00
Chock Full O'Nuts	5.73
Crown Zellerbach	6.00
Franklin Money Fund	270.87
Gulf & Western	.92
Fruehauf	.80
Harper & Row	8.00
Lear Siegler	18.00
Massachusetts Inv. Growth	5.59
Pacific Gas & Electric Co	166.00
Ralston Purina	11.04
Scott Paper Co	4.48
Texaco, Inc	21.00
Pepsico	79.57
Westinghouse	3.80
Warner Lambert	2.96
Total	619.76

Gifts received of more than $25.00 value outside of immediate family members:

Suitcase from the Simon Campaign Staff of Chicago, value not known;

Clock-Radio-Telephone from United Transportation Union of Washington, D.C., value not known.

Small rug from Firasat Ghori Family of Springfield, value not known; and

Two books ("History of Islamic Art" and "Genius of Arab Civilization") from Saudi Arabian Embassy of Washington, D.C., value not known.

Stock and bond holdings with number of shares (as of Dec. 31, 1984)

Adams Express, 109	$1,785
Bethlehem Steel, 5	88
Borman's, 8	44
Chock Full O'Nuts, 10	85
Crown Zellerbach, 6	203
Dreyfus Fund	11,223
Franklin Money Fund	642
Gulf & Western, 1	28
Harper & Row, 10	283
Lear Siegler, 8	856
Mutual Real Estate, 25	213
Pacific Gas & Electric Co., 200	3,275
Ralston-Purina, 12	429
Rohr Industries, 3	129
Scott Paper, 4	139
United M&M, 8	126
Jet-Lite, 120 (Approx. value)	300
Total	19,848
Liabilities	
University Bank, Carbondale	33,200
First National Bank of Collinsville, note	47,856
Crossland Federal Savings & Loan Assoc., mortgage	57,853
Polish National Insurance, loan	1,325
General American Insurance, loan	3,021
First Federal Savings & Loan, mortgage	94,125
Salem National Bank, note	41,000
Total	278,380
Assets	391,423
Liabilities	278,360
Net worth	113,043

Stock sales during 1984

Sales of 19.24 shares of Borg Warner stock, $411.90, August, 1984. Paid 400.03 for them between February and August, 1984. Gain, $11.87.

Sale of 10.288 shares of Massachusetts Inv. Growth stock, $106.79, May, 1984. Paid $124.90 for them December, 1983. Loss, $18.11.

Sale of 37.106 shares of Pepsico stock, $1,641.94, August, 1984. Paid $1,392.39 for them between August, 1983 and August, 1984. Gain, $249.55.

Sale of 60 shares of International Harvester stock, $319.43, July, 1984. Paid $1,583.97 for them May, 1980. Loss, $1,264.54.

Sale of $100 of Mobil Debenture Bond, $65.36, July, 1984. Paid $97.25 for it August, 1976. Loss, $31.89.

Sale of 80 shares of Borg Warner stock, $1,354.44, July, 1984. Paid $416.20 for them between April, 1974 and August, 1982. Gain, $938.24.

Sale of four shares of Waner Lambert stock, $106.82, July, 1984. Paid $99.00 for them January, 1979. Gain, $7.82.

Sale of 14 shares of Texaco stock, $424.18, July, 1984. Paid $557.50 for them September, 1968. Loss, $133.32.

Sale of two shares of Chrysler stock, $45.20, July, 1984. Paid $145.80 for them September, 1968. Loss, $100.60.

Sale of eight shares of Westinghouse stock, $161.80, July, 1984. Paid $152.44 for them September, 1968. Gain, $9.36.

Sale of 12 shares of Pepsico stock, $482.93, July, 1984. Paid $94.89 for them May, 1960. Gain, $388.04.

Sale of four shares of Fruehauf stock, $108.76, July, 1984. Paid $147.25 for them December, 1965. Loss, $38.49.

Sale of 70 shares of Borg Warner stock, $1,480.50, July, 1984. Paid $1,236.60 for them between September, 1981 and July, 1983. Gain, $243.90.

Sale of 18.205 shares of Pepsi stock, $805.57, August, 1984. Paid $689.81 for them between September, 1981 and July, 1983. Gain, $115.76.

Sale of 64.215 shares of Massachusetts Inv. Growth stock, $686.55, May, 1984. Paid $704.60 for them between May, 1960 and December, 1982. Loss, $38.05.

Net gain on sale of securities: $339.54.

Net worth statement—Paul and Jeanne Simon, as of Dec. 31, 1984

Assets	
University Bank, checking account	$11
U.S. House of Representatives, checking account	385
Ellis First National Bank, savings account	147
U.S. Savings Bonds	2,831
Christian Church of Salem, bond	250
General American Life Insurance, cash value	4,486
Polish National Alliance Insurance, cash value	1,579
Congressional Retirement System, cash value	46,700
Illinois General Assembly Retirement System, cash value	16,233
Condominium, Tarpon Springs, FL, 1979 purchase price	81,000
Improvements to condominium	214
B&T Enterprises	10,000
11.8 acres near Makanda, IL, purchased 1978	21,500
Home at Makanda property, constructed 1981-82	142,265
Improvements to Makanda property	7,074
Furniture and Presidential autograph collection	18,000
1983 Ford Mustang	8,000
1980 Chevrolet	2,500
IRA, Paul	6,183
IRA, Jeanne	2,217
Total	371,575●

JEWISH VISITATION PROGRAM

● Mr. LAUTENBERG. Mr. President, once a week, residents of several hospitals and nursing homes in Bergen County, NJ, have been able to count on a ray of sunshine. This sunshine has come in the form of men and women who participate in the Jewish Visitation Program of the Friends of Lubavitch. I would like to take this opportunity to commend those volunteers.

Through the Jewish Visitation Program, volunteers give of their time, energy, and love to more than 250 Jewish patients in six hospitals and five nursing homes in Bergen County. Currently, 30 volunteers participate in the program, which has been in operation for 7 years.

The Jewish Visitation Program is in the business of enriching the lives of the ill, and patients who are in long-term care. We in New Jersey are fortunate to have these dedicated individuals serving our community.●

HUMANITARIAN AID TO PAKISTAN

● Mr. HUMPHREY. Mr. President, I would like to congratulate the distinguished Senator from Massachusetts [Mr. KENNEDY] for amending the Defense Authorization Act in committee, which broadens the authority of the Secretary of Defense to transport humanitarian relief. The law restricted humanitarian aid to Central America, while Senator KENNEDY's change permits humanitarian assistance to go to any area of the world. The law authorizes the Secretary of Defense to transport, on a space-available basis, at no charge, goods and supplies which have been provided by a nongovernmental source and which are intended for humanitarian assistance.

Mr. President, the Afghan people are in dire need of humanitarian assistance. Since the Communist takeover and subsequent Soviet invasion of Afghanistan, the civilian population of Afghanistan has been terrorized beyond comprehension. The Soviets have waged total war on the people of Afghanistan, exacerbating the already dismal living conditions of most Afghans.

The Soviet Union is committing human rights violations on enormous scale in Afghanistan. They have destroyed food supplies in an attempt to starve the Afghan people into submission. They have deliberately bombed hospitals and destroyed medical facilities and executed hundreds of doctors and medical personnel. Soviet occupation forces have treated relief agencies seeking to provide medical assistance to the Afghan people like the enemy. And according to the U.N. Commission on Human Rights, the Soviet Union is massacring freedom fighters and civilians alike in Afghanistan.

Mr. President, nowhere on the globe is there a more pressing need for humanitarian assistance than in the Afghan refugee camps in Pakistan. The Soviet reign of terror has forced one-third of the Afghan population to flee their country. Nearly 3 million Afghan refugees are now in Pakistan, creating the largest refugee population in the world. Over 1½ million Afghan refugees are in Iran, and thousands of others have taken refuge in India.

The health of the Afghan refugees is a serious problem. Tuberculosis and malaria appear to have a higher incidence among the refugees than among the Pakistani population. According to U.N. High Commissioner for Refugees/World Health Organization estimates, between 25 and 30 percent of refugee children are infected with tuberculosis.

The Pakistani Government deserves a great deal of credit for making a bad situation bearable for the Afghan refugees. Relations between the Pakistani people and the refugees are generally good. However, the tremendous influx of refugees into the country has certainly taken its toll on Pakistan, and it cannot be assumed that relations will remain good indefinitely.

Mr. President, in view of the plight of the Afghan refugee population and the tremendous burden their influx has placed on Pakistan, I urge the Department of Defense to use this new extension of authority in humanitarian assistance to Pakistan to ease the suffering and misery of the Afghan people in exile.●

ORDERS FOR FRIDAY

RECESS UNTIL 9 A.M.

Mr. DANFORTH. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. on Friday, May 24.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. DANFORTH. Mr. President, I further ask unanimous consent that following the two leaders under the standing order, there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DANFORTH. Mr. President, following the Proxmire special order, I ask unanimous consent there be a period for the transaction of routine morning business not to extend beyond 9:30 a.m. with statements therein limited to 5 minutes.

The PRESIDING OFFICER. Without objection,bill. Votes can be expected throughout the day on the DOD authorization bill.

RECESS UNTIL 9 A.M. TOMORROW

Mr. DANFORTH. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until the hour of 9 a.m. tomorrow morning.

Thereupon, at 11:34 p.m., the Senate recessed until tomorrow, Friday, May 24, 1985, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate May 23, 1985:

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States, in their active duty grades, under the provisions of title 10, United States Code, sections 531, 532, 533:

MEDICAL CORPS

To be colonel

Stelter, Gerald P., 352-28-5048

To be lieutenant colonel

Gage, Thomas P., 391-44-0345
Garcia, Jose G., 458-68-1708
Gomatos, Peter J., 030-28-1809
Kramer, Kenyon K., 146-36-2069
Larsen, Mark A., 475-40-3859
Lee, Yeutsu M., 503-44-8057
Leinbach Conwell B., 195-30-9869
Sakamoto, Frederick A., 575-44-1873

To be major

Kurke, Lewis, 055-30-1104
Seletz, Jules M., 232-30-0422

To be captain

Alvord, Rex M., Jr., 528-72-1904
Amoroso, Paul J., 028-50-5107
Anthony, Jill A., 573-31-8987
Bagg, Mark R., 465-13-7813
Bertler, David E., 398-48-9215
Black, John F., 337-52-3112
Bolan, Charles D., Jr., 163-48-3732
Bonovich, Amelia M.G., 216-62-9309
Brent, Elaine L., 186-44-3548
Browne, Willian T., 396-62-8653
Bruce, Ina M., 555-06-6628
Burkhalter, William E. JR., 521-04-3953
Byron, John W., 014-50-6928
Carrougher, John G., 531-68-1716
Cochran, Donald L., 457-13-6547
Cotton, Stephen C., 548-33-2770
Curtis, Alex K., 550-23-5064
Davidson, Maria S.Q., 572-11-0580
Dick, John S.B., II., 096-46-4672
Elbrecht, Celia H., 437-70-7620
Elting, Jeffrey A., 115-42-3840
Erickson, Ralph L., 102-52-2457
Giandoni, Martin B., 556-88-7195
Gomez, Richard R., 526-06-0204
Gorman, Patrick D., 567-06-0700
Gurczak, Patricia B., 420-94-4987
Hasert, Elizabeth N., 213-48-3076
Heekin, Richard D., 266-86-7795
Hemler, Douglas E., 520-60-0712
Hobbs, Curtis J., 256-15-4962
Jensen, Ray E., 569-96-8329
Johnson, John A., 140-50-5314
Jones, Antia, 166-46-2553
Kirk, John M., 355-46-9343
Klemme, William R., 555-86-4536
Laham, Robert I., 557-25-6284
Liening, Douglas A., 536-64-0210
Ling, Peter S. Y., 555-33-4724
Livermore, George H., 266-29-4371
Mathis, Timothy A., 151-56-4983
McNulty, Kristen L., 201-46-1428
Modlin, Randolph E., 220-74-6310
Morres, Clark A., 530-48-2625
Nett, Robert B., 086-48-2122
Nishimura, Koji D., 548-13-8467
Nishimura, Mary C.M., 080-54-1146
O'Connor, Judith A.K., 565-80-8905
Olsen, James M., 575-64-2540
Polly, David W., Jr., 082-52-7852
Polly, Shirley M.O., 197-50-3075
Puckett, Tim K., 524-94-0405
Ragard, Lawrence R., 174-52-5738
Reid, Thomas J., III, 449-98-2170
Reinig, Vicki A.M., 268-54-8036
Richards, Donn R., 523-68-6655
Ronningen, Leland D., 502-70-9627
Root, Spencer S., 547-27-7037
Scaniffe, Joseph A., 459-92-4493
Smith, Theodore R., 421-78-5989
Solis, Jon S., 039-42-0349
Stinger, Harry K., II, 164-48-5713
Tinkham, Christine L., 107-46-0621
Turiansky, George W., 152-54-8906

Washington, Audrey M., 214-78-8043
Watts, David M., 529-94-2240
Withers, Benjamin G., 253-78-3093
Wong, Roland W.C., 528-94-6752
Woodcome, Elizabeth A., 036-30-3361
Worth, Heidi, 034-52-6068
Zurowsky, Philip A., 213-76-4627

MEDICAL SERVICE CORPS

To be lieutenant colonel

Harasick, Robert M., 281-40-3234
Hueter, Harvey H., 463-64-4760

To be major

Abbott, Lloyd M., 565-60-7757
Anthony, James, 202-44-9573
Bennett, Oscar D., 429-78-0918
Block, James P., 365-48-8140
Carroll, James W., 193-36-1029
Chacon, Ezequiel, 458-84-3164
Crawford, Robert M., 220-58-6464
Drautz, Rudolph A., 456-76-4188
Feltz, Lawrence C., 489-44-9533
Flannery, Joseph G., 124-40-4356
Fowler, Freddie R., 554-58-0704
Foxworth, David W., 579-62-3500
Frederick, Paul L., 068-38-1709
Goman, Gregory H., 253-82-3758
Hadley, Ralph R., 519-50-5391
Haemmerle, Richard, 278-42-6627
Harris, Richard W., 223-74-3648
Hastriter, Michael, 519-52-7462
Huckleberry, James T., 480-52-2325
Kippenberger, Donald, 465-72-6376
Kluckman, James M., 229-70-4239
Klusman, Lawrence E., 173-40-0859
Kuhn, Austin C., 232-80-1537
Legg, William E., 411-76-0454
Lockett, Griffin D., 177-36-9472
Markelz, Stephen L., 324-38-9879
McDowell, D.N., 523-66-8660
Mikesell, Oliver H., 520-56-8297
Murnyak, George R., 137-40-5606
Myers, Ronald D., 411-80-7044
Nance, Hurshel, 523-64-4028
Nelson, David J., 193-36-8969
Orwig, Raymond P., 297-42-6705
Paskett, Curtis M., 518-36-5961
Prettyman, William, 223-74-3256
Rueckert, Dean M., 529-60-8838
Rankin, Robert J., 229-66-0172
Rathke, John J., 483-50-6570
Semler, Donald F., 460-92-8043
Sigman, Michael E., 245-74-9832
Smith, David W., 426-96-0980
Speights, Stephen R., 451-86-7732
Steger, Robert E., 532-50-8442
Sutherland, Donald, 478-62-5363
Thomas, Roy S., 260-74-3520
Trusal, Lynn R., 175-36-2750
Werner, Braynard H., 230-54-3966
Wilde, Graham L., 486-50-1924
Williams, John B., 239-76-8160
Wolfe, Hershell E., 225-62-0042
Zayac, Edward J., 521-62-7904

To be captain

Agosta, Richard, 268-48-3168
Allen, William P., 259-88-2545
Buhler, Gary A., 524-66-5919
Hunter, Bennie D., 405-60-4969
Jones, John D., 407-72-1824
Mastroianni, George R., 223-86-4733
Pickering, Arthur D., 373-60-8442
Pierson, Linda L., 118-42-8692
Ribera, John E., 528-62-8047
Stafford, Darrell E., 408-90-1185
Strunz, Kim C., 383-62-0437
Vesely, Clarence D., 507-64-0008

To be first lieutenant

Allgood, Sallye, 523-88-2123
Boisvert, William, 200-36-9072
Brown, Todd M., 021-46-2270
Marlin, Larry A., 242-88-0514
Howard, Reginald W., 249-23-7870
Overia, Marilou D., 526-43-2724

ARMY NURSE CORPS

To be major

Aileo, Brenna B., 536-54-0183
Angelo, Rita L., 193-42-2443
Baker, Kizzy A., 316-56-9685
Bester, William T., 476-60-1712
Borup, Patricia A., 553-80-5712
Bottoms, Ann D., 262-84-1091
Boyes, John G., 524-56-3887
Callahan, Kathleen, 217-58-9297
Carr, Sam D., 458-72-1455
Collins, Janice L., 541-62-6136
Conkright, Linda R., 315-58-6047
Dalzovo, Beverly A., 295-36-3918
Davis, Bridget W., 371-52-0345
Destasio, Jennifer, 552-88-4144
Ferguson, Karen T., 517-64-8102
Freeman, Johanna W., 267-02-7251
Forsythe, Kathryn M., 396-56-7216
Fortune, Richard N., 572-72-6006
Garvin, Patrick M., 465-56-8385
Harris, Francis W., 466-64-4268
Henderson, Diane M., 550-92-2536
Hirschinger, Barbara, 315-56-0956
Hoover, Christine P., 187-44-2402
Johnson, Catherine, 462-70-1410
Johnson, Katherine, 318-46-0976
Lester, Nancy J., 224-62-4888
Loss, Dean R., 392-56-0752
Martin, Raymond E., 455-78-7369
Mathia, William J., 397-42-6244
McClain, Jennifer M., 147-40-5053
Naimo, Rose M., 044-48-4106
Neal, Emma J., 266-58-0220
Norton, Dena A., 433-80-4201
Opulski, Frank R., 044-38-6327
Perry, Lee A., 348-42-2855
Schelle, Harriet L., 068-44-3514
Sequra, Sandra E., 457-90-2994
Spaulding, Susan, 003-38-2878
Staggers, Nancy L., 521-78-9811
Torrance, Youhon D., 421-76-7267
Torstrick, Virginia, 201-44-4429
Trent, Golash, 016-36-2750
Tully, Patricia G., 347-44-1414
Wilson, Susan V., 482-68-4927
Yardley, Mary R., 334-42-1241
Young, Sandra R., 218-60-2307

To be captain

Hampton, Fred R., 337-40-7182

DENTAL CORPS

To be lieutenant colonel

McBride, David A., 288-48-8368

To be major

Colvin, Charles J., 412-72-2395
Farrar, Norman B., 296-52-6348
Hollman, Albert H., 413-96-9742
Millikan, Larry J., 238-80-9095

To be captain

Garlick, Alan C., 173-44-0607
Lindsay, Byron W., 518-60-1629
McNeme, Stanley J., 464-96-2414
Murphey, Terrence, 358-52-2913
Pietz, Daniel W., 504-66-0612
Spiller, Robert E., 053-52-5150
Utt, Thomas W., 544-72-5317

ARMY MEDICAL SPECIALIST CORPS

To be major

Maguire, Molly S., 249-80-5359
Peterson, John P., 046-48-8857
Satterfield, Margaret, 239-82-7038
Zelley, Diane P., 532-46-4669

To be captain

Stetts, Deborah M., 161-40-9464

IN THE NAVY

The following-named Naval Reserve Officers Training Corps candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Muhitch, Joseph M.
Ready, Scott A.
Schwartz, Elizabeth S.
Thatcher, Andrew H.

The following-named Navy Enlisted Commissioning Progam candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Fazenbaker, Robert E.
Lynch, William M.
Musser, David E.

The following-named Naval Reserve officers to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Anderson, Daniel S.
Deutsch, Terryl K.
Fortney, Lester N., II
Hagerman, Karen A.
Hanson, Gregory J.
Henry, James J., IV
Hickam, Leonard G.
Jacobson, Joel B.
Joyner, Weyland T., III
Kennemer, Thomas J.
Long, Lyle C.
Maloney, Charles E.
Nelson, Charles W., Jr.
Neunzig, Bradley E.
Osterheld, James E.
Regan-Gray, Michelle J.
Staley, Thomas L.
Waters, Douglas E.
Webb, Benny H.
Wells, David E.

The following-named Navy enlisted candidates to be appointed permanent chief warrant officer, W-2, in the U.S. Navy, pursuant to title 10, United States Code, section 555:

Casiano, William
Downey, Patrick E.

Donald N. Hesler, chief warrant officer, W-2, U.S. Navy, retired, to be reappointed temporary chief warrant officer, W-3 from the Temporary Disability Retired List, pursuant to title 10, United States Code, section 1211.

Norman J. Knorr, medical college graduate, to be appointed permanent captain in the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593.

James W. Pate, ex-Naval Reserve Officer, to be appointed permanent captain in the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593.

The following-named medical college graduates to be appointed permanent commander in the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593:O'Hara,ireVincent

Robertson, James T.

Frederick G. Lippert, III, ex-U.S. Navy officer, to be appointed permanent commander in the Medical Corps of the U.S. Naval Reserve, pursuant to title 20, United States Code, section 593.

Henry B. Othersen, Jr., ex-Naval Reserve officer, to be appointed permanent commander in the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593.

The following-named U.S. Navy officers to be appointed permanent commander in the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593:

Albert, Philip R.
Dainer, Paul M.
Hutton, Patrick Michael J.
Varley-Maneclang, L. Winnie

Douglas A. Root, U.S. Navy officer, to be appointed permanent commander in the Dental Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 23, 1985:

RAILROAD RETIREMENT BOARD

John D. Crawford, of Illinois, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1983.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Rosalie Gaull Silberman, of California, to be a member of the Equal Employment Opportunity Commission for a term expiring July 1, 1990.

NATIONAL LABOR RELATIONS BOARD

Marshall B. Babson, of Connecticut, to be a member of the National Labor Relations Board for a term expiring December 16, 1989.

Wilford W. Johansen, of California, to be a member of the National Labor Relations Board for a term expiring August 27, 1988.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

TESTIMONY OF STEVEN I. BENSON

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MRAZEK. Mr. Speaker, this past weekend, I was pleased to host a field hearing on Federal student financial aid programs in my district on Long Island. During the course of the hearing, I was greatly impressed by the intelligence, sensitivity and depth of understanding displayed by the various college administrators, high school officials, and students who testified in support of these vital programs. I would therefore like to share with my colleagues the remarks of three students for whom the attainment of an advanced degree depends upon our readiness to provide Federal financial aid to them. Their remarks testify to the enduring importance of these programs for millions of Americans.

TESTIMONY OF STEVEN I. BENSON

I would like to begin by sincerely thanking Congressman Mrazek for allowing all of us the opportunity to speak about higher education. My name is Steve Benson. I am a resident of Plainview. I am also a senior at Union College, an independent institution in Schenectady, New York with an undergraduate enrollment of about two thousand students. I am also the Chairperson of the Independent Student Coalition, an affiliation of student government associations at independent colleges in New York State which represents the interests of over 300,000 students in New York.

To begin with, I should tell you why I am here today. I am not here today because of self-interests in a policy decision. Rather, I am here today because of an enduring principle that I was brought up with. A principle which my family has engrained into me.

During WWII my father was in the army. He has told me many stories about his times in the armed services, but I've always remembered one story most vividly; the one he has told me least about. Simply, my father was in a glider accident. And, most of the men aboard that glider died. All the men who died, he said, were about my age, 19, 20, 21 . . . and the only thing my father told me about this incident was the horror that not one of those men would see their dreams, the dreams they were brought up with, the dreams they lived for. I've only seen my father cry twice. The time he told me this story was one of them.

So what? What was my father telling me in this story by only speaking about lost dreams. I think my father was, in a way, telling me the importance of the American Dream. I think he was telling me about that ever present part of American thought, where any man or woman can exercise their ability to work their way up that ladder of success and to see their family, their sons and daughters, given that same opportunity. But, those men on that glider with my father never saw that opportunity nor saw their possible sons and daughters given that opportunity. Sometimes, in tragic circumstances, that opportunity is lost. But, you can also lose that opportunity through public policy. Isn't it also wrong when that opportunity is possible and it is deliberately taken away?

Congress, I know, faces difficult constraints on the '86 budget. As always, many American needs seek solution through programs and laws to be determined by our elected Representatives. But for this fiscal year 1986 budget, there is also the albatross of record setting deficits—itself a problem that needs a solution. I recognize this, most Americans recognize this and Members of Congress themselves recognize this. The question, still, is what is best for our country and what is the best budget that can be implemented given these constraints.

When my father was discharged after World War II, he attended college at the City University of New York. It was possible back then for individuals to work part-time jobs, save their earnings and pay their living expenses while earning a college degree. But now it's 1985—and the price tag for a degree routinely adds up to more than most people can afford. Next year the average cost of attendance at an independent institution in New York is projected to be eleven thousand, six-hundred dollars. Well, so much for pulling yourself up by your bootstraps and earning a college degree: that is, I haven't heard of many eleven thousand dollar summer jobs flipping hamburgers. But what about federal assistance?

I'm not sure if there's anything more disheartening to a student—someone working twenty hours a week at a work-study job; someone borrowing maximum GSL and then going further into debt with Auxiliary Loans; someone with a younger sister or brother that won't go to the college of her or his choice because of the extraordinary expense involved with trying to pay the bills of two independent colleges—what could possibly be worse than being told that your aid will be cut while tuition will be hiked? What could possibly be more destructive to the students receiving aid in this country than to be told: In return for the sacrifice that you and your family is going through so that you can attend the college that's the right size for you; the sacrifice that has placed you at a college that has a special program; in return for sacrifices, we are going to cut your financial aid. This is current national policy—and let there be no mistake about it, it hurts.

It's already been said that the educations at independent colleges are not meant for everyone. Secretary Bennett has said as much—has said that getting a degree wherever the price is lowest is really the national goal. And there's no question that the intent of the original budget proposals between the Republican controlled Senate and the administration of President Reagan would go far in accomplishing that goal. But look at the real cost involved. This intent, an intent being pushed in Washington, says to every middle income and low income family at a private college: You don't belong here. That is an ugly national statement. That is a dangerous national statement. It would separate the rich from the rest of the country—and when implemented would slam the college gate in the faces of the majority of middle and low-income students at private colleges. Some say that this is necessary, because there's a deficit to be dealt with and we all have to sacrifice. The price we have to pay for this deficit is to lose middle and low-income students earning a college degree—and especially so at independent colleges.

Well, the ISC is made up of student governments at independent colleges. Our largest governing body is made up of student government Presidents and Officers. So we've asked around to see just what kind of student is going to be the sacrificial lamb for the new policies being discussed. Roughly three quarters of the student government Presidents at independent colleges get federal financial aid.

To better dramatize the affect of this intent, it helps if I speak of some of my close friends. The ISC's Executive Board and Committee Chairs are students at independent colleges. For six out of eight of our Executive Officers, their parents didn't go to college. Two are independent students. All receive GSL. All received college work-study. All but two receive PELL and SEOG. Most receive TAP, New York's State Student Incentive Grant. Three of ten receive National Direct Student Loans. That's what these individuals receive in federal support: what have they given in return?

One was the President of the student body at Syracuse University. One was the President of the student body at Barnard College at Columbia University. One was the President of the student body at New York University. One was the President of the student body at Union College. The remaining four were executive officers of their student governments. Half of these officers have received public service awards from their college for their contribution to the campus community. Their cumulative grade point average hovers a tenth of a point below 3.5—a solid A minus. Of those who have taken standardized tests for graduate level education, their average score is ranked at the 96 percentile. There's a Valedictorian. There's a veteran with four year's service in the Air Force. But not one of these students could have attended their independent college without financial aid. Not one of these students would have gotten the chance to step up that ladder through higher education. So, does student financial aid work? It certainly seems to, doesn't it? Federally funded financial aid has allowed these student leaders of today—who will surely be the civic leaders of tomorrow—access to independent campuses.

But what's most frightening to me is that these talented individuals are not really exceptions. As ISC has worked with student leaders on campuses across this state, we've found financially needy students contributing in thousands of ways to their community. It's not surprising: in order to be able to afford an independent college degree, middle income and lower income families need financial aid. If President Ronald Reagan gets his way, they won't get it. If President Ronald Reagan gets his way, students that are some of the brightest, most dedicated, and most public service minded people at independent institutions will have their family's and their own sacrifices rewarded with an economic mandate to say good-bye to their would be alma mater. That's not the American Dream that I was brought up with. It scares me; it scares my friends; it's a tragedy in the making. Let's stop it.

Thank you.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

TESTIMONY BY KAREN MCMAHON

Good afternoon. My name is Karen McMahon. I am the Chairperson of the Board of Directors of the New York Public Interest Research Group, Inc. (NYPIRG). NYPIRG is a statewide, student-directed, student advocacy organization. NYPIRG's primary areas of interest are higher education, government accountability, fiscal responsibility, environmental protection, consumer protection and political reform. NYPIRG has 120,000 student members in CUNY, SUNY and the private sector. I am here today to speak to you about impact of the current proposed financial aid cuts on students across New York State and the importance of maintaining all financial aid programs when deciding on the Higher Education Reauthorization Act.

The financial aid cuts originally proposed by President Reagan are unconscionable and would have denied approximately 1,000,000 students nationwide the right to an affordable education. It would have cost New York State over one-half billion dollars. The second "compromise" proposal put forth by the President is hardly an improvement on his first proposal. The compromise proposal will have a devastating effect on students in all sectors of education. It will also result in public and private institutions fighting over financial aid monies, thereby antagonizing their relations.

There are three major points I would like to discuss regarding the compromise proposal; the $8,000 cost cap, the $60,000 income cap for GSL loans, and the requirement of a needs test for families with an income below $30,000.

The $8,000 cost cap will have a severe impact on New York State students. The projected average independent college undergraduate budget for a New York State student is $11,600. Costs for private schools out-of-state are even higher and for out-of-state public institutions are comparable. An $8,000 cap is insufficient if students are to be given the opportunity to afford such institutions.

This proposal will drastically limit the federal financial aid currently being allocated to New York State college students enrolled in private institutions—44 percent of our State's college population. It will segregate students according to income status since it will be the lower- and middle-income students who will be denied the opportunity to attend a private or out of state college. It will foster a negative, divisive relationship between public and private institutions because they will have to compete for financial aid monies. It will substantially decrease enrollment in private institutions. The proposal limits the decision making options of many students. It will affect lower- and middle-income students as well as single parents and graduate students (graduates will lose $12.4 million in aid).

The $60,000 cap on Guaranteed Student Loans (GSL) will deal yet another devastating blow to New York State students. It will eliminate 10,600 New Yorkers from the GSL program and reduce the state's loans volume by $27.7 million. This program will also hit private schools the hardest, causing a loss of $12.6 million. The proposal does not take into consideration the added economic burden of multiple family members enrolled in college.

Finally, the required needs test for families with incomes below $30,000 will have a severe impact on the public institutions. SUNY and CUNY will suffer a loss of approximately 26,700 of the current Guaranteed Student Loans (45 percent of the overall loss). On the whole it will be a loss of 59,400 loans to New York State students.

As a student at Stony Brook University, I will also feel the impact of such cuts. I am in my junior year and have already had to take out $7,500 worth of loans through the GSL program. I live on my own and need the assistance of the PELL and GSL programs to attend college. I plan on attending law school after I complete my undergraduate studies and, needless to say, I am extremely concerned about the future of these financial aid programs.

This brings me to my second area of concern, the Higher Education Reauthorization Act. Given the cuts proposed by the President, the comments put forth by the Secretary of Education regarding how students spend their financial aid, and the compromise proposal that is currently being considered by Congress, students have a real concern about the passage of a reauthorization act that will allow us the opportunity to an affordable education.

As of last year there were a total of 940,854 federal financial aid recipients in New York State. Contrasting that against the approximately 1,000,000 New York State students attending college, many of them receiving some form of financial aid. There are approximately 394,969 students who receive Guaranteed Student Loans; 28,214 students receive funds from the PLUS and ALAS program; 332,693 students depend on PELL grants; 60,693 students receive aid through NDSL; 42,915 students receive funds from SEOG; 70,092 students help subsidize their college costs with CWS; and 11,278 students receive money from SSIG. Each of these programs is extremely important to different student constituencies.

The proposed federal financial aid cuts will be devastating not only to college students across the country, but also to the general public. They will negatively impact on the state tax payers; the local, state and national economy and thereby the future economic welfare of our country. Students are the nation's most valuable resource. Students from all corners of the country call upon the United States Congress to preserve the welfare of the country by securing federal financial aid for college and university students.

Thank you.

TESTIMONY OF ELAINE LYONS

Hello. My name is Elaine Lyons. I am a student representative of Nassau Community College.

As a student from the college I am very concerned about the financial aid cuts being proposed by President Reagan and the United States Senate. These cuts would have a direct impact on the 22,000 students currently attending the school.

Forty percent, or 8,000 of these students rely on some form of financial aid. Specifically, 4,000 students receive Guaranteed Student Loans (GSL), and 2,040 receive Pell Grants (BEOG).

There are eleven people in my family, five of whom rely on my father's income of $35,000.

Seventy percent of students that graduate from our two-year college go on to receive their degree from a four-year college or university. I have no hopes of continuing my education along with my classmates if cuts are allowed to be made in federal aid. Without the aid I will not be transferring to my choice of a four year school and my other two sisters will not be able to continue in their programs of nursing and business administration.

All three of us are depending on the Special Condition Pell Grants we receive to fund our schooling.

Sixty-five percent of the students at Nassau Community College work either full or part-time. I work part-time but earn only enough to provide transportation to and from school and updated textbooks.

My sisters and I will be forced to postpone our education for several years by dropping out of school and working full-time if we lose our eligibility status. Yet this is exactly what I fear because, according to the proposed income limit of $25,000, we are receiving $10,000 more than the ruling would allow in order to obtain aid.

This $35,000 is my father's pension and disability social security benefits combined and stretched to cover a seven-person household.

The proposed cap policy in which no student may receive more than $8,000 in aid is a tremendous work disincentive for students. In filing for aid at the college of my choice I am afraid that I may have earned too much in the last year to fit into a needy bracket. I wonder if it is worth it for me to have a job on the books if it is going to cost me the loss of much needed aid.

With this cap policy many students will think twice before looking for employment while attending classes.

If these cuts are implemented more students will be relying on State aid such as Tuition Assistance Program (TAP). If these cuts are implemented more students will have fewer educational choices and opportunities. If these cuts are implemented education will become a privilege for those who can afford high-cost private schools.

Education is NOT a privilege. It is a right. OUR right!

In conclusion I quote Joseph Murphy, Chancellor of City University of New York:

"The national investment in higher education is more important to our national security than any weapons system. Higher education is essential to developing the brainpower this country needs to stay afloat economically, technologically, and militarily. Brainpower is not restricted to wealthy people, nor to people who test well at age 17, nor to people who perform brilliantly in high school. The country profits enormously when it's citizens are given the opportunity to fulfill their intellectual potential, and suffers in all kinds of ways when that opportunity is denied." (The Chronicle of Higher Education, Point of View, May 8, 1985.)

The issue at hand here today is summed up by the name of this article—"Reagan's Plan Will Force Needy Students Out of College".

We at Nassau Community College urge to have reauthorized the Higher Education Act. If Congress adopts the Reauthorization

Act our federal financial aid programs will be protected against unjust cutbacks. We at Nassau want our GSL and PELL programs to be intact for ourselves, our family, and our friends who are all entitled to a quality education without working half our young lives to save for it.●

SANDINISTAS ATTRACT A WHO'S WHO OF TERRORISTS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LAGOMARSINO. Mr. Speaker, when Congressman MIKE DEWINE and I were in Nicaragua in mid-March, we constantly heard references to and criticism of the "internationalistas," those foreign nations in Nicaragua who have come from the Third World and the Soviet bloc to aid the Sandinista regime in its reign of terror, both internally and externally.

Documenting the flow of terrorists into Nicaragua is Miami Herald reporter Juan Tamayo. His article appearing in the March 3 edition of the newspaper recounts how the Sandinistas attract a who's who of terrorists.

The article follows:

SANDINISTAS ATTRACT A WHO'S WHO OF TERRORISTS

MANAGUA, NICARAGUA.—He is a 5-foot-11, gray-eyed surgeon treating children in a Managua slum. She is a petite journalist, writing for a Paris magazine. Both are fugitives, wanted in their native Italy for leading left-wing guerrilla gangs.

Two West Germans linked to the Baader-Meinhof Gang are now officers in the People's Sandinista Army. One is in charge of a counterintelligence unit. The other commands an artillery batallion.

And an Argentine Montonero guerrilla, widow of the Argentine rebel who led the commando team that assassinated former Nicaraguan President Anastasio Somoza in Paraguay, is dating a ranking Nicaraguan official trained as a guerrilla by the PLO in Lebanon in the early 1970s.

These are but a few of the left-wing extremists from Europe and Latin America who came to Managua after the 1979 Sandinista revolution, seeking safe haven and a chance to prove their solidarity with the Nicaraguan government.

It is the same kind of revolutionary "networking"—leftist militants call it "internationalism"—that benefitted the Sandinistas during their long guerrilla struggle to topple Somoza.

In the late 1960s, the Sandinistas signed a pact with the Palestine Libration Organization to train Nicaraguan guerrillas in Lebanon. Somoza was a steadfast supporter of Israel, and Nicaragua was one of the first nations to recognize the Israeli state in 1948.

A former Israeli intelligence agent once based in Nicaragua said at least 150 Sandinistas were trained in the 1970s in Lebanon camps run by the Popular Front for the Liberation of Palestine, the PLO faction most committed to terrorism in Europe and the Middle East.

Veteran Sandinistas say that it was at the PFLP camps that the Nicaraguans first met European leftists—Germans from the Baader-Meinhof Gang and its spinoffs; Italians from the Red Brigades and other radical groups—and began establishing the close personal relationships that persist today.

"The European leftists believe that the Ho Chi Minh Trail and the Quebrada del Yuro run through their countries, too," said one Sandinista official, referring to a key guerrilla supply line in the Vietnam War and the Bolivian gulley where famed guerrilla chief Ernesto "Che" Guevara was killed in 1967.

One PLO-trained Sandinista, Patricio Arguello, joined the PFLP's most notorious terrorist, Leila Khaled, in a botched attempt to hijack an Israeli jetliner from Amsterdam to New York on Sept. 6, 1970. Isreali security agents killed Arguello and captured Khaled, who was later exchanged for hostages seized by another group of PFLP hijackers. The Sandinistas have named a geothermal power plant after Arguello.

Another PLO-trained Nicaraguan was Communications Minister Enrique Schmidt, killed in combat with anti-Sandinista guerrillas last November. Schmidt's widow, a West German citizen born in the Basque region of Spain, now works for the Sandinista Front's Department of Political Education. Health Ministry workers say she lectured them last year on the ideology of the Basque Homeland and Liberty guerrilla group, known as ETA, fighting for independence from Spain.

Yet another Sandinista trained in Lebanon is Deputy Interior Minister Rene Vivas. He is now dating an Argentine Montonero guerrilla, the widow of Julio Alfredo Irurzun, head of the Montonero team that assassinated Somoza in Paraguay in September 1980, in what the killers called a show of "revolutionary solidarity" with Nicaragua.

The PLO now has a fully accredited embassy in Managua. And the Sandinista Front has "fraternal" relations with leftist groups from Italy, West Germany, Spain's Basque region, Argentina, Uruguay, Chile, Paraquay, Peru, Colombia, Libya, El Salvador, Honduras, Guatemala and Cost Rica.

The Italian government on Feb. 8 gave the Sandinistas a list of 22 Italian leftists believed to be living in Nicaragua—about half of them wanted fugitives, the rest described only as "extremists." The Foreign Ministry said it knew nothing about the Italians but would investigate.

Topping the list obtained by the Herald, is Guglielmo Guglielmi, 39, a one-time Rome surgeon facing five arrest warrants for crimes between 1979 and 1983 ranging from kidnapping to illegal weapons possessions to "participation in armed gangs."

International terrorism records show that Guglielmi, now working at a government-run children's clinic in the Managua slum of Ciudad Sandino, was a top leader of the Unita Combattente Comunisti, a guerrilla band that spun off from the Red Brigades in the late 1970s. He was convicted in absentia last June of kidnapping and sentenced to 22 years in prison.

Also on the list is a 33-year old Milan sociologist wanted on a warrant charging her with "organizing and leading armed gangs in Italy and abroad." An Italian woman with the same name as the fugitive is a journalist accredited in Managua as correspondent for a Paris-based magazine that specializes in Third World issues.

The fugitive is also described in the international records as a member of a group that helped Guglielmi and three other Italian fugitives move from Paris to Nicaragua after the Italian government accused France in 1983 of harboring more than 200 wanted Italian militants.

The woman journalist in Managua declined comment when two Italian journalists tried to interview her last month. "I am not who you think I am," she said. He name is known but omitted here because of the absence of proof that the journalist and the fugitive are the same.

Roberto Sandalo, 27, a Red Brigades defector living in Kenya, told Italy's Oggi news magazine last month the five *Brigadisti* are now serving as officers in the Sandinista army. "That's a lie," Defense Minister Humberto Ortega said last week. "We do not require that type of support to defend our principles and our flags."

Sandinista government sources said two West Germans who have bragged of having been part of the Baader-Meinhof Gang are now serving in the army—one as a captain in the artillery unit stationed at the Montelimar base southwest of Managua and the other attached to a military counterintelligence unit.

A West German known only as "Fitz" has told friends there is a warrant for his arrest in Germany, "Fitz," described as an anarchist, fought in the Sandinista revolution and later worked as an administrator at the government-owned Julio Buitrago sugar mill.

Also living in Nicaragua is Peter Paul Zahl, a well-known West German writer with former links to Baader-Meinhof who spent four years in prison for the attempted murder of a policeman in Cologne, Germany. Friends said Zahl, who is not wanted for any other crimes, is in Bluefields setting up a theater group for the port's West Indian blacks.

Nicaraguan government officials said a handful of Basque ETA guerillas also lived in Managua until 1983, when Spanish Prime Minister Filipe Gonzalez, a strong Sandinista sympathizer, protested to the Managua government. Several ETA members moved to neighboring Costa Rica and some went to Venezuela, the officials said.

Gregorio Jimenez, 32, an ETA militant wanted by the Spanish government on terrorism charges, was arrested in Costa Rica in September 1983 and charged with plotting to assassinate Eden Pastora, leader of an anti-Sandinista guerrila group based in Costa Rica.

Costa Rican Justice Minister officials say Jimenez, still awaiting trial, has confessed that a Managua-based group of ETA rebels planned Pastora's assassination without authorization from the Sandinistas, but as a sign of "revolutionary solidarity."

Since the resolution triumphed, Nicaragua has also been visited for varying periods by a string of leftist militants from Europe and Latin America, many of them simple political exiles, some of them well-known guerrilla leaders.

Mario Firmenich, head of Argentina's Montoneros, traveled legally through Nicaragua—once staying several days in the home of Interior Minister Tomas Borge—as well as Mexico and Costa Rica before the Buenos Aires government put out a warrant for his arrest. He was detained in Brazil last year and extradited to Argentina.

Two Baader-Meinhof gang members visited Nicaragua in 1980 to express their support for the Sandinistas and explain the reasons for their own struggle. They sought out three foreign journalists living in Managua and granted them interviews, one of the reporters said.

And Lauro Azzolini, 41, a Red Brigades founder sentenced in absentia to 30 years in prison for the 1978 kidnap-assassination of Italian Prime Minister Aldo Moro, visited Nicaragua in early 1980 and tried to hold a news conference to explain Moro's slaying. Journalists invited to the conference said the Sandinistas blocked it.

Azzolini, alleged to have been the man who killed Moro with a close range blast from a Czechoslovak-made Skorpion machine pistol, was later captured in Italy and is in prison.●

SYNTHETIC FUELS—OUR ENERGY SECURITY

HON. MICHAEL L. (MIKE) STRANG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. STRANG. Mr. Speaker, 5 years ago, Congress passed the Energy Security Act of 1980 and set in motion a commitment to the Nation for a coordinated program of alternate energy development. Much has changed in 5 years. The Nation now consumes less energy, gasoline prices have stabilized, and oil supplies are abundant. In the course of our present debates on the budget resolution, attacks are being made on the Synthetic Fuels Corporation. To take such action against the program of synthetic fuel development this Nation has begun, including shale oil development, is shortsighted in terms of the energy security of this country and our people. While the immediate urgency of the Nation's quest for energy security has lessened, its importance to our national well-being remains as great today as it was in 1980. For almost certainly, if we fail to continue our present program of energy development, today's glut will turn into a serious energy shortage within the next 10–15 years.

Mr. Speaker, Conoco, Inc., released recently its annual forecast of energy supply and demand. Its findings present a strong case for continued Government involvement in the development of reliable alternate energy supplies. According to Conoco, world oil demand will grow from the 1984 rate of 48 million barrels per day to 54 million barrels per day by the year 2000. An increasing concentration of this additional supply will come necessarily from the Middle East, a historically unstable part of the world.

The bottom line of Conoco's forecast should be cause for concern to all my colleagues. Conoco believes the U.S. oil and gas industry will need to invest roughly $300 billion over the next 5 years to provide sufficient energy supplies to last through this decade. However, even as the energy industry itself acknowledges the urgent need for increased investments in oil and gas, expert oil analysts are predicting that such investments will not be made.

A recent article in the Washington Post describes the effects of the so-called corporate raiders on the behavior of the Nation's oil companies. Rather than investing in needed exploration and production, oil companies are diverting their limited capital resources to the purchase of their own stock and other devices to avoid a hostile takeover. The impact of these actions today will be felt in inadequate energy supplies, increased dependence on the Middle East, and higher energy prices.

Mr. Speaker, the warning signals are obvious. The Nation must continue to provide our domestic energy industry the incentives it needs to develop alternative energy supplies. The program of synthetic fuels development begun just 5 years ago with passage of the Energy Security Act offers an important long-term source of domestic energy supply. We must continue this effort and others like it to ensure the United States has the energy it needs to meet the demands of our national and economic security.

I ask unanimous consent that an article from the Institute of Gas Technology on "Conoco's World Energy Outlook through 2000" and the Washington Post article of May 5, 1985, "Does Another Oil Shock Lie Ahead?" be inserted in the RECORD at this point.

CONOCO WARNS OF INCREASED WORLDWIDE VULNERABILITY TO DISRUPTIONS

Conoco Inc.'s latest annual forecast of energy supply and demand in the non-Communist world concludes that "dependence on energy supplies from areas where there is a potential for interruptions will increase substantially in the years ahead." In order to circumvent market forces that encourage such dependence, Conoco calls upon governments "to adjust their policies to stimulate development of more reliable supplies."

Conoco's forecast of overall energy demand is unchanged from last year: Non-Communist energy demand is projected to grow 2%/year for the rest of the decade and then 1.5%/year to reach 128 million bbl/day of oil equivalent (271 quadrillion Btu) by the year 2000. Much of the growth is expected to occur in the developing world because of intense electrification programs, rising incomes, and more rapid economic growth.

Of the 32 million boe/day of incremental energy needed by the end of the century, one-fourth will be oil. Gas's share of incremental supply will be 16% over the 1984–1990 period and 12% over 1990–2000, though Conoco foresees a fairly robust near-term increase in gas consumption. Coal's share of incremental supply over the two periods is projected at 24% and 34%, respectively, with most of the increase in the 1990s in the electric utility sector. Despite strong growth in the 1980s as reactors now under construction are completed, nuclear power's share of the increment is estimated at 25% for the rest of the 1980s and 15% in the 1990s.

The forecast assumes that world oil prices erode gradually in the 1980s and then increase somewhat faster than inflation for the rest of the century. Economic growth is assumed to average just over 3% through 1990, slightly less than the 1990s. Free-World oil demand is projected to grow from 46 million bbl/day in 1984 to 54 million bbl/day by 2000, including an increase in OPEC output from 19 to 24 million bbl. Conoco foresees the restoration of OPEC to a much more powerful position in world oil markets and an increasing concentration of its production in the Middle East where the potential for supply disruptions is higher.

In the U.S., oil imports are forecast to rise from 4.5 million bbl/day in 1984 to 7.5 million bbl/day by 2000, or from 29% to 43% of oil demand. Conoco projects an increase in natural gas consumption from 17.5 trillion TCF in 1984 to 18 TCF in 1990 and then a decline to 17 TCF by 2000, including 2.5 TCF of imports. A 2.5% annual increase to about 1.4 billion tons is forecast for coal, which will account for 29% of total U.S. energy supply by the year 2000, up from 23% in 1984, as shown in the figure.

According to Conoco, in order to provide sufficient supplies for the rest of the 1980s, the U.S. oil and gas industry will have to invest $300 billion over the 1985–1990 period. These revenues will be needed at a time of declining oil prices and proposed government fiscal measures that could reduce industry cash flow still further. "The attention of the nation has shifted from energy availability to tax reform and deficit reduction. Efforts in these areas must remain sensitive to the goal of energy security," says Conoco.

Copies of World Energy Outlook Through 2000 are available free of charge from the Public Relations Dept., Conoco Inc., 1007 Market St., Wilmington, DE 19898.

DOES ANOTHER OIL SHOCK LIE AHEAD?

(By Mark Potts)

The dramatic financial restructuring of the oil industry through two years of mergers and hostile takeovers may be setting the stage for an oil shock in the early part of the next decade, some analysts warn.

"Everything that's going on just points to . . . a reversal of the oil glut in the 1990s," said Brusce Lazier, an oil-industry analyst for the Wall Street firm of Prescott Ball & Turben. "The companies are acting rationally individually; but they're setting us up for another price trap by the Persian Gulf countries in the 1990s."

As oil companies go heavily into debt to buy their own stock and as they roll back exploration and production efforts to cut costs, they may be jeopardizing the development of new sources of oil, some experts fear. In time, that could make the United States seriously vulnerable once again to interruptions in politically sensitive Middle Eastern petroleum shipments, these experts warn. "The explorations they're cutting back, given the lead time for exploration, is exploration that would have brought in oil of the 1990's" Lazier said.

But advocates of the industry shakeup, notably corporate raider T. Boone Pickens Jr., chairman of Mesa Petroleum Co., argue that the financial reorganizations merely recognize the new realities of the oil industry—an oil glut, slumping prices, dwindling prospects for new sources of oil rising exploration costs and undervalued stock prices.

"You now have an industry in decline," said Pickens, whose raids on companies such as Gulf Corp. and Phillips Petroleum Co. have prompted many of the recent changes in the industry.

"The primary asset for those companies is the reserve base of oil and gas in the United

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States, and they cannot protect it any longer," Pickens said in an interview last week. "There are not that many prospects. There are not that many opportunities. . . . The reserves are going down." Depressed oil prices mean those reserves are a relatively poor investment for shareholders—they also mean that companies can't justify the costs of new exploration, he said. "You're never going to attain the real value of these companies for the stockholders," he asserted.

Therefore, oil companies are better off spending their money to repurchase their stock, selling U.S. reserves or exploring for oil overseas, where prospects are better, Pickens and others say.

"Clearly, it's going to mean a downturn in U.S. exploration and production, but frankly that's just a continuation of a trend that's gone on for some time," said John Sawhill, former deputy secretary of Energy and now a consultant for McKinsey & Co. "It probably means we'll be more dependent on imports, but the real question is, 'Is it going to affect our national security?' . . . As long as we maintain diversified sources of supply and maintain a strategic petroleum reserve, these will compensate."

The makeover of the oil industry has taken a variety of forms: gargantuan mergers such as Chevron Inc.'s takeover of Gulf and Texaco Inc.'s purchase of Getty Oil Co. last year; fine-tuning adjustments such as write-offs or sales of unprofitable operations or cutbacks in drilling programs; or out-and-out financial reorganizations such as those being undertaken by Phillips and Atlantic Richfield Co.

Arco said last week it would go heavily into debt to buy back $4 billion worth of its stock (more than half the amount outstanding); wrote off $1.3 billion worth of operations; announced plans to close or sell a variety of businesses, including all of its gasoline refining and marketing operations east of the Mississippi; and said it would reduce its capital spending on petroleum exploration and other ventures to $2.8 billion annually from the current $3.8 billion.

The effects of Arco's actions will be to leave it a much leaner, more efficient company, temporarily heavy with debt, and to give its stock owners increased value for their holdings. The stock market thought so: The price of Arco shares jumped by nearly $10 in the days after the announcement.

But while some Wall Street analysts applauded the plan as innovative and even overdue, many others said Arco seemed to be playing for short-term gain at the expense of long-term energy needs. And they warned that such changes increase the chances of short supplies and higher prices of oil in the years ahead.

"If everybody does what they're doing, everybody's going to cut back on exploration and, inevitably, prices are going to get higher," Lazier said.

Many observers blame the oil industry's upheaval on a somewhat cynical view of the future of the oil industry that is advocated primarily by Pickens—a theory, simply put, that the oil industry is doomed in the long run, so investors might as well make a killing now.

"There is such a thing that I would call the Boone Pickens factor in the oil industry. . . . He started it. It's an emphasis on the short term," said John Lichtblau, executive director of the Petroleum. Industry Research Foundation, a New York-based analysis group partly funded by the oil industry. "There's a shift now to emphasize the shareholders' interests by raising the dividend, by buying up the stock . . . which inevitably means they're going to have less money available for exploration."

What makes the "Pickens factor" possible is the relatively depressed prices of oil company stocks. Years removed from the spiraling oil-product prices of the 1970s—and the gushing profits that went along with them—oil company stocks have dropped, in many cases to roughly half the level of a company's underlying asset value. That is, a company whose petroleum and other holdings have a theoretical value of $100 a share may be trading at about $50 a share.

Oil companies have coped with—or taken advantage of—this under-valuation in various ways. At first, it spurred a wave of mergers in the industry. "The best place to drill for oil is the floor of the New York Stock Exchange," went the saying and, indeed, oil companies bought other oil companies because it was cheaper to purchase additional cash-producing oil reserves than it was to drill for new oil.

The same philosophy turned the oil companies in on themselves. Oil companies generate huge amounts of cash, and rather than spend it on drilling for marginal or high-risk prospects or trying to diversify into new businesses—the cause of some of the industry's biggest recent fiascos—companies began buying their own stock on the open market. Exxon Corp., Amoco Corp. (the former Standard Oil Co. of Indiana), Arco and others have used excess cash in recent years to purchase their own shares, thus pushing the stock prices up closer to the companies' theoretical values.

The massive restructurings undertaken by Arco and Phillips are the latest manifestation of these philosophies, but all of these strategies bother many analysts as diverting attention—and money—from long-range oil-drilling needs. They believe that mergers handcuff the involved companies' finances while they work off the debt incurred taking each other over. At the same time, combined companies spend less looking for oil than they might have separately, analysts say. "If you go to Texaco, sure, they're doing exploration, but I'm sure it's not what the level would have been for Texaco and Getty," Lazier said.

"It's hard to see how you could be a super-aggressive exploration company when you've got 75 percent debt," said Ted Eck, Amoco's chief economist.

"Some of the money that would have been used to search for hydrocarbons in the United States and elsewhere is going to be diverted to paying off the debt," said Sanford Margoshes, an analyst at Shearson/Lehman Brothers.

Proponents of restructuring say it just doesn't make any sense to spend much more than the minimum for oil exploration and development these days, especially in the United States. More holes have been poked in this country in the search for oil than anywhere else in the world, and there may not be much left here to find.

There's still plenty of oil overseas. But most of it is in the Middle East. "We'll still have plenty of oil," Lazier said. "The problem is that all the incremental oil will be out of the Persian Gulf, and that puts us back where we were in 1973."

Many experts say the solution is to concentrate on increasing imports from more politically secure areas, and to diversify supply sources as much as possible. To this end, many American oil companies are directing increasing percentages of their oil and gas drilling budgets away from U.S. prospects and into exploration overseas.

"I think it's sort of rational, given the resource endowment overseas," said Amoco's Eck, whose company has shifted much of its exploration effort overseas in recent years. "The only responsible thing to say about American imports is, if we have to import it, we might as well import it from some place where we have some confidence in security of access."

"If we begin getting oil from Colombia and Canada and Indonesia and China, it seems to me that gives us the kind of diversity so that we're not dependent on just one area," Sawhill said. Mexico is another important source removed from the Middle East.

But other experts believe the U.S. oil industry is still better off looking for its oil at home—even if it is less economical to do so. "From the national-interest standpoint, to the extent that we replenish as much oil as possible, we strengthen ourself as much as possible in trying to avoid confrontations with other nations in trying to get to politically insecure oil," Margoshes said. "The way we're headed is toward a more destabilized world if we just sit back and deplete our resources instead of fighting the hard fight to replace what we consume."

There is also concern that oil companies are taking on so much debt in these restructurings and takeovers that their corporate financial structures could be rocked should oil prices fall. "If there's a huge drop in oil prices . . . the companies with huge debts are much more vulnerable," Eck said. "I don't like that. This has always been a risky business, and it's not getting any less risky—if anything, it's getting more risky."

"Companies are substituting debt for equity to the point where they're making themselves vulnerable if we enter an era of lower oil prices," Margoshes said. "We're weakening the financial strength of the American oil industry."●

SUPPORT FOR THE HOUSE BUDGET COMMITTEE RESOLUTION FOR FISCAL YEAR 1986

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. HAWKINS. Mr. Speaker, I rise today in support of the first budget resolution for fiscal year 1986 recently reported by the House Budget Committee. This budget resolution will reduce the deficit by some $56 billion in fiscal year 1986 and it does so more equitably than either the administration's budget submission, or the resolution passed by the other body.

The budget we will vote on begins to establish priorities that both reflect national needs and the sources of growth in the deficit.

The Gray budget protects low-income people from its 1-year freeze by funding low-income programs at the fiscal year 1986 current policy level; that is, they are adjusted for inflation. This budget does not reduce the deficit by putting a disproportionate share of the program cuts on the

poor and the most valuable citizens of our Nation.

This budget also indicates that the House Budget Committee understands that reducing the deficit is not an end in and of itself. It has used savings generated by reasonable reductions elsewhere in the budget, to protect several programs that contribute to our economic and social well-being. It protects much needed investments in human capital.

In function 500—education, training, employment, and social services—compensatory education, Head Start, student financial assistance, the TRIO Program, the historically black colleges, handicapped education, and Indian education are all funded at the fiscal year 1986 current policy level. In the employment and training area, the Job Training Partnership Act, including the Job Corps and the Summer Youth Program, the Work Incentive Program [WIN], older American employment, and the Community Services Block Grant are also protected against inflation, as are the child welfare services and vocational rehabilitation programs. In function 600—income security—the budget assumes the enactment of H.R. 7 the School Lunch and Child Nutrition Amendments of 1985, which would be modestly increased above the current policy level.

The administration-supported budget freezes in most education programs at the fiscal year 1985 level—essentially cutting them by between 4 to 5 percent. It reduces funding for the Guaranteed Student Loan Program which will have some impact on the ability of middle-class children to attend the college of their choice.

In the face of overwhelming evidence that the child nutrition programs improve behavior and educational achievement and that cuts in any part of the program translate into cuts that harm low-income students, the administration budget reduces funding for child nutrition. It is rather ironic that the administration claims to be interested in maintaining a safety net of programs, to aid those most in need, especially disadvantaged children—while at the same time proposing deep cuts in child nutrition programs. This is appalling given the mounting evidence which substantiates that programs such as the AFDC and WIC programs have been effective in assisting disadvantaged children and their parents to live above poverty. Moreover, a recent study—Children in Poverty—which was released on May 22, 1985, and conducted by the Congressional Budget Office clearly concludes that earlier cuts in the AFDC and WIC programs which were pushed upon Congress by the administration have been harmful.

The Children in Poverty report indicates that reduced cash benefits translated into higher child poverty rates. The poverty rate reached 22.2 children per 100 in 1983, the highest level since the mid-1960's. The number of poor children totaled 13.8 million, of whom more than half lived in families headed by a woman.

Yet, social insurance and cash welfare transfers in 1973 reduced the poverty rate of children from a market income level of 18.4 percent to a post-transfer level of 14.4 percent. This was a reduction of 21.7 percent.

In contrast, the combined impact of social insurance and cash welfare payments in 1983 lowered the poverty rate by only 14 percent (from 25.8 percent before transfers to 22.2 percent after them). If transfers in 1983 had achieved the same relative poverty reduction as in 1973, there would have been about 1.2 million fewer poor children in 1983.

Thus it is clearly apparent that AFDC benefit levels have been eroded by inflation although some of the cash benefit loss has been offset by food stamps. The maximum AFDC benefit of the median state (ranked by benefit levels) fell about one-third from 1971 to 1985 in constant dollars. Consequently, combined AFDC and food stamp benefits fell about one-fifth.

Government cash transfers per child in need of benefits fell significantly. Aggregate outlays for food stamps to children rose 75 percent in real terms from 1974 to 1983. However, from 1976 to 1983, total available cash and food stamp benefits fell by 20 percent per poor child. In addition, the population of such poor children grew about 30 percent.

After 2 years of so-called recovery, unemployment remains unacceptably high. Workers continue to lose jobs because of competition from imports, teenagers find their entry into the labor market blocked, and new industries demand new skills. Nevertheless, the President would have us reduce employment and training assistance that is already too low.

The House Budget Committee has provided programs under the jurisdiction of the Committee on Education and Labor with the minimum acceptable funding levels. The President's budget and that which was passed by the other body are wholly inadequate to at least maintain existing levels of services.

Today, we face two sets of challenges. The first is to bring those who have not shared in the resources of this Nation, into the mainstream of American life. The second is that we develop a budget which will at a minimum, insure that this Nation and her people can prosper in the future as we have in the past.

But the success of our attempts to meet these challenges will invariably depend on our efforts to address the employment needs of this Nation.

Our unemployment rate is still unacceptably high. Officially, some 8.4 million Americans are jobless. The real number is closer to 15 million.

Thirty-nine percent of black teenagers are unemployed, while 15 percent of white youths have no jobs.

Yet, we continue to reduce unemployment to abstract numbers rather than face up to the fact that we are falling short on our promise to provide jobs to able bodied Americans. We should never forget that unemployment is a human tragedy which affects us all.

The Budget Committee should have provided room to accommodate a youth employment initiative. I hope the committee will support this legislation when it is reported out of the Education and Labor Committee.

On another note, high rates of illiteracy are rendering a high percentage of the people of this Nation into a "hereditary underclass." Estimates are that one-quarter of all Americans are either functionally, or totally, illiterate. How can we expect to compete with our adversaries (to say nothing of our friends) if we can't read. Even the President's Commission on Educational Excellence reported that "we are raising a new generation of Americans that is scientifically and technically illiterate." We should be doing more because it is in our own self-interest to do so.

The Navy reported to the Commission that 25 percent of its recent recruits can't read at the 9th-grade level and don't understand minimal safety instructions. A chain is only as strong as it's weakest link.

More than 50 percent of those in prison are functionally illiterate. They cost us almost $7 billion a year in custodial care.

Those who have less than 6 years of school are four times more likely than others to end up on welfare.

We should be spending more on prevention and to prepare the next generation to meet the challenge of the 21st century.

The budget process was supposed to enhance our ability to set priorities. It has failed in this regard.

Pressure to reduce the deficit has forced the Congress into a reactionary mode and stifled innovation. No real effort has been made to address the true causes of the deficit, especially the shortfall in revenues that resulted from the 1981 Tax Act and high interest rates that add billions of dollars to our national debt. For the first time, the Budget Committee has given Defense the same scrutiny it has applied to domestic programs. If the Pentagon operated domestic programs, this administration would propose its elimination on the grounds that it is wasteful, fraudulent, and abusive. This budget begins to bring defense spending under control, but more needs to be done.

I would have liked to have seen more attention given to the problems I mentioned. Nevertheless, the committee's resolution is infinitely preferable to either the administration's, or to that passed by the other body. It is better substantively and procedurally. I urge the budget committee to reject any attempt to reconcile authorizations or to impose appropriations caps.

Finally this resolution maintains funding for a cost-of-living adjustment for Social Security recipients. I am proud that this resolution has not canceled this Nation's long standing commitment to its senior citizens, who have worked hard and honest jobs in their early years. Contrary to what the administration proposed, this body by voting for the resolution will not play around with the livelihood of its senior citizens.

At least, the committee resolution allows us to continue to fight for opportunity, fairness, and the future with the same resources at our disposal next year as we have this year.

I would also like to take a moment to express my appreciation to Chairman GRAY of Pennsylvania for establishing a collaborative process which gave us an opportunity to participate in the fomulation of the resolution. That process worked well and I would hope to see it become a regular part of the budget process.

I urge my colleagues to recognize the merit of the committee resolution and to support it.●

FROM ITALY TO PLO, WORLD'S LEFTISTS FIND A HAVEN IN NICARAGUA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LAGOMARSINO. Mr. Speaker, since the Sandinista takeover in Nicaragua in 1979, the critics of that regime have attacked the connections it has with international terrorists. A recent article by Juan Tamayo, reporter for the Miami Herald, described Nicaragua as a haven for Third World leftists. He writes in the March 3 edition of the newspaper that—

> Nicaraguan Government officials said, the Sandinistas have built an extensive, intricate and highly discreet system for maintaining and cultivating contacts with the foreign leftists and funneling different kinds of assistance to them. Many Sandinista officials acknowledge that in a sense they are repaying past favors. The Palestine Liberation Organization trained at least 150 Sandinistas in Lebanon during the 1960's and 1970's, said former Israeli intelligence agent who used to live in Nicaragua.

I urge my colleagues to read this account of Sandinista connections with international terrorists.

FROM ITALY TO PLO, WORLD'S LEFTISTS FIND A HAVEN IN NICARAGUA—SOME SOUGHT ON CHARGES OF TERRORISM

MANAGUA, NICARAGUA.—Scores of left-wing militants from around the world—some of them wanted on terrorism charges in their home countries—have settled in revolutionary Nicaragua since the Sandinista triumph of 1979.

Some are treated by the Nicaragua government as virtual diplomats, representing their organizations. Others are fugitive militants, granted jobs, identification papers and safe haven.

An overwhelming majority are simple political exiles or leftist sympathizers come to express solidarity with the Sandinista revolution and mingle with ideological brethren in friendly environment.

Several Sandinista officials acknowledge, however, that a significant minority, mostly Latin Americans, are active guerrillas, plotting the overthrow of home governments. They hold strategy meetings and, sometimes, undergo military training here and in Cuba, the officials say.

The Reagan administration has used the presence of so many people with ties to left-wings groups as proof that Nicaragua has become a nest of international terrorism. U.S. officials say they will focus on these links in asking Congress to resume U.S. assistance to anti-Sandinista rebels. Anti-Sandinista leader Alfonso Robelo calls Nicaragua "the center of terrorism in Latin American today."

But several knowledgeable sources interviewed in Managua, elsewhere in Central America and in the United States argue that Nicaragua is less a terrorists' training ground than a tropical sand-and-surf watering hole for the international revolutionary set.

One leftist intellectual close to both exile circles and the Sandinista leadership called Nicaragua "a winter barracks for over-repressed guerrilas." Training of foreign terrorists, he said, "is not government policy."

On almost any day, Argentine and Uruguayan guerrillas gather at the Yerba Buena, a beatnik-style coffee shop-bookstore in the heart of Managua. Salvadoran rebels can often be found dining at the Los Gauchos restaurant. Italians and Germans gather for small house parties.

Some are indeed fugitives: Italians from the Red Brigades and Unita Combattente Communisti; West Germans linked to the Baader-Meinhof Gang; members of Spain's Basque ETA separatist guerrillas; leaders of Honduras' Cinchonero guerrillas; militants from Peru's Shining Path; Montoneros from Argentina; Tupamaros from Uruguay; and a hodgepodge of Salvadorans, Costa Ricans, Colombians, Chileans, Guatemalans, Paraguayans and Bolivians.

On Feb. 8, the Italian government handed the Sandinistas a list of 22 left-wing Italian extremists believed to be living in Nicaragua, some already sentenced in absentia to 22 years in prison, some wanted on arrest warrants, others described only as "subversives."

CLEAN CONSCIENCE

The Nicaraguan Foreign Ministry has denied any knowledge of the 22 Italians. Sandinista officials also say their "conscience is clean" regarding the Reagan administration allegations they consider most damaging to their image: Reputed links to Libyan strongman Moamaar Khadafy, Iranian Moslem extremists and Colombian drug traffickers.

However, one ranking Sandinista official acknowledged that "we can't deny everything . . . It is perfectly possible that on special occasions there would be [training] courses scheduled." The official, like almost every other knowledgeable source contacted, agreed to talk about the sensitive issue on promise of anonymity.

Some Nicaraguan officials, though not many, say they regard the aid to leftists as retaliation for U.S. support for anti-Sandinista guerrillas. And they say the European leftists are fighting NATO, "the symbol of American imperialism in Europe."

Conversations with a variety of sources indicate that the Sandinistas draw a careful distinction between guerrilla movements that have armies in the field and terrorist organizations that specialize in bombings, kidnappings and assassinations. Guerrillas, especially those from El Salvador and other Central American countries, can get training and guns. The others, mostly from Europe, are kept at arm's length.

HELP WAS DENIED

But on occasion the Sandinistas have even denied help to Latin American guerrillas. Leaders of Colombia's April 19 Movement have told friends they were denied permission to use Nicaragua as a staging base for their 1981 incursion into Colombia's Caqueta province. A Peruvian writer known to be close to Shining Path guerrillas was expelled from Nicaragua last year. And Salvadoran rebels said that the Sandinistas almost refused them permission to use the Managua airport as a stopover last month for 10 crippled guerrillas traveling from Costa Rica to Europe for medical treatment.

Despite these occasional rejections, Nicaraguan government officials said, the Sandinistas have built an extensive, intricate and highly descreet system for maintaining and cultivating contacts with the foreign leftists and funneling different kinds of assistance to them.

Many Sandinista officials acknowledge that in a sense they are repaying past favors. The Palestine Liberation Organization trained at least 150 Sandinistas in Lebanon during the 1960s and 1970s, said a former Israeli intelligence agent who used to live in Nicaragua. And Argentina's Montonero guerrillas sent 20 to 30 foot soldiers to fight in the revolution, said Eden Pastora, a one-time Sandinista turned opposition guerrilla leader, in a Miami interview.

CUBA RELATIONSHIP

The Sandinistas' relationship with Cuba dates back to 1961, when Interior Minister and Comandante Tomas Borge underwent guerrilla training there. Hundreds of Sandinista rebels eventually trained in Cuba. And in 1979, Havana sent several planeloads of guns and ammunition for the final offensive against President Anastasio Somoza.

Controlling today's aid system in Nicaragua is the Sandinista Front's Directorate for International Relations, supervised by Bayardo Arce, like Borge one of the nine comandantes who have ruled Nicaragua since 1979. Arce is regarded as one of the most radical of the nine, which also include Nicaraguan President Daniel Ortega.

That directorate, all of the sources agreed, managed the Sandinista party's "fraternal" relations with everybody from official ruling parties, to loyal oppositions, to broad front coalitions, leftist alliances, guerrilla groups and bands of terrorists.

"This includes groups battered by repression because of their active opposition to their governments," said one Nicaraguan official. "Many of these are underground groups."

And many of them are still virtually underground in Nicaragua, under Sandinista orders to stay out of the public view. Longtime Sandinistas said this is the same wink-and-a-nod arrangement the Cubans imposed on them when they lived in exile in Havana in the 1960s and 1970s.

The sources said at least 30 of the clandestine groups have *delegados* in Managua who are officially recognized by the directorate. A *delegado* has three duties; maintain official contacts with the Sandinista Front; organize his group's meetings, publications and other political work; establish links with other foreign groups and potential sponsors.

PLO EMBASSY

The Palestine Liberation Organization has an embassy and diplomatic staff in Managua. Colombia's April 19 Movement has a political office. The Salvadoran guerrillas have three news and propaganda offices, as well as a clandestine radio transmitter.

Once a *delegado* has established himself, his key job is to find work for down-and-out compatriots living in Nicaragua, Sandinista officials said. The directorate will not help here, but allows the *delegado* to exploit his personal contacts within the government.

One Latin American exile living in Managua said the Montoneros in 1980 offered to use some of their savings, amassed in dozens of ransom kidnappings, to build a Managua factory that would employ some of their guerrilla countrymen. There is no indication whether the project was carried out.

Several of the *delegados* have taken advantage of the Sandinistas' hospitality to summon followers abroad to strategy-setting sessions in Managua. Peru's Shining Path held a "spiritual retreat" last year to study Von Clausewitz's book *On War* and "the theory of betrayal" according to Shakespeare's MacBeth; said one person who attended.

Sandinista officials usually stay away from such revolutionary seminars, sources said, although they almost certainly know about them. "They are notoriously careful about who they let into the country, so it must be with their knowledge," one official said.

A former official of the Nicaraguan Interior Ministry who now lives in Costa Rica said the directorate also occasionally helps fugitive guerrillas and terrorists by arranging financial aid through labor unions and other Sandinista-run organizations. It also can provide safe houses, false passports, Nicaraguan identification cards and false license plates, he said.

The Interior Ministry's General Directorate for State Security and the Sandinista army, the source added, both have officers specially assigned to help any foreign leftist that gets into trouble—a car accident or a drunken brawl.

For the first four years of the revolution, the sources said, the Sandinistas provided a steady flow of aid and assistance to their leftist friends, especially the Salvadorans.

RIPE FOR REVOLUTION

"The Sandinista triumph brought a certain revolutionary euphoria," said one Sandinista official with close ties to the exiles. "We thought all Latin America was ripe for revolution, so there was a lot of assistance going out. Those people could count on support."

But by mid-1983, the official said, and especially after the U.S. invasion of Grenada in October of that year, the Sandinistas "began to realize the tide of Latin American history was moving against us."

On Nov. 20, 1983, the Sandinistas gave the Salvadoran guerrillas two days to transfer some of their people out of Nicaragua and close down some safe houses. They moved some of their logistics operations, including a radio station, to more discreet locations on the outskirts of Managua, Salvadoran rebel officials said.

A year later, however, the Sandinistas moved in still another direction after noting that controversial U.S. policies—the Grenada invasion and deployment of U.S. cruise missiles in Europe—had gone forward without effective international opposition.

Seeing themselves as the next target for U.S. aggression, Nicaraguan officials said, the Sandinistas sought closer links with the radical European left, the failed anti-missile movement, other Latin American leftists and even U.S. liberals.

Visitors from the United States, Europe and Latin America now return home, said one official, "sensitized to the Central America problem, and if they've spent any time at all here they have passionate sentimental links to Nicaragua."

Some of the visitors leave with more than passions. According to several of the sources, there is a second level of Sandinistas assistance to Latin American leftist volunteers—one that includes military training.

Cuba's top military representative in Nicaragua, Gen. Arnaldo Ochoa, runs this program through two parallel chains of command, according to the former Interior Ministry official and two present Sandinista government officials.

CUBAN FORCE

One, the "Cuban Force," is made up entirely of Cuban officers. The other, the "International Force," has only Latin American exiles, many of them Argentines, Chileans and Uruguayans, who live in Cuba and hold officers' rank in the Cuban military. All foreign military advisers are issued Nicaraguan identification cards, the defector added.

Sources with access to the People's Sandinista Army's payroll records said about 700 Cuban military advisers and 555 International Force officers were in Nicaragua in 1980. The number tripled the following year, they added.

The pick of the Latin American volunteers go to Cuba for instruction in special camps in the western province of Pinar del Rio and an installation near Guanabo, close to Havana, known as "Base 00," the defector said. In 1983, he said, he saw Cuban military officers at the Managua airport escorting 10–15 Costa Rican volunteers aboard a plane for a flight to Havana.

Second-level prospects, the sources said, are trained in Nicaragua, either in groups from the same country or as individuals integrated into regular Sandinista army units. Several Honduran guerrillas captured in 1983 and 1984 described 2½ years of training in Cuba and Nicaragua, followed by several months of fighting with the Nicaraguan army against anti-Sandinista rebels.

Still, most foreign leftists living in Nicaragua did not come to hone military skills or hide out.

The majority are political exiles who fled right-wing governments, or they are militant leftists who moved to Nicaragua because of what one South American intellectual called a "moral imperative" to support the Sandinista revolution.

Many of the exiles usually professionals and technicians who would have difficulties working in more developed countries, also came to Nicaragua because they can find jobs here, replacing a managerial class rapidly fleeing Sandinista rule.

And Nicaragua is a safe haven, a place where enemies cannot easily watch them, where they can gather in groups and perhaps persuade the government to grant them the kind of international solidarity that the Sandinista enjoyed during their long struggle against Somoza.

"The Sandinistas received a lot of help when they were guerrillas," said a one-time high-ranking Sandinista security official now living in Costa Rica. "Now the others are collecting the debt."●

REMOVE TRUST FUNDS FROM UNIFIED BUDGET

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BONKER. Mr. Speaker, today I am introducing legislation which would remove all of the trust funds from the unified budget and once again make them independent as they were prior to 1969. In the current debate over the Federal budget, we risk making senior citizens, Federal employees, and the unemployed all the victims of hard-pressed efforts to cut spending by allowing the trust funds to be prime targets for cuts.

This legislation is long overdue. It will simply remove the trust funds from the unified budget, thus keeping each system's financial reporting and accounting procedures separate and apart from the general budget. Unless the trust funds are separated from the unified budget, and dealt with on their own merits, the perception will always remain that benefit reductions or tax increases are being made not to improve the solvency of the trust funds but to make the overall budget picture look brighter.

The major trust funds include those funds which finance Social Security, Medicare, unemployment compensation, and Federal aid to highways. They collect taxes and other receipts for specific purposes, such as payments of Social Security benefits. The Federal Government serves as the trustee to the trust funds, but does not legally own them. Further, trust funds, once established, have their own continuing sources of revenue and do not rely on annual congressional appropriations.

The removal of the trust funds has become essential if we are to thwart the efforts of those who are tampering with Social Security and other trust fund programs in an effort to reduce our Federal Government's deficits. The most recent example of this shortsighted policy is the Senate budget proposal which would freeze the Social Security cost-of-living adjustment [COLA] 1 year, while at the same time increasing the defense spending levels by $10 billion. Freezing the Social Security COLA's would throw some 530,000 recipients below the poverty line; increase the size of the retirement trust fund, which is already showing a sizable surplus; and make the budget picture appear to look less bleak only until 1992 when the Social Security trust funds are scheduled to be taken out of the overall budget, anyway.

In my view, the Social Security trust funds should be considered on their own merits. If benefits adjustments or tax increases are necessary to protect the solvency of the Social Security system, Congress should take action as we did in 1983 to insure long-term viability of the old age retirement system. But Social Security should never be used to pay for increased Pentagon spending or to balance the budget.

To appreciate the importance of removing the trust funds from the unified budget, it is necessary to understand some budget history. Prior to 1969, the trust fund programs were autonomous. Revenues and outlays under the trust funds were reported separately from the Federal Government's administrative budget. The operations of the general fund and the various Federal trust funds were first combined in a single unified budget statement in fiscal year 1969 when President Johnson wanted to swell the size of the overall budget to make the proportion spent on the Vietnam war appear smaller. No congressional action was ever required for the trust funds transfer, although the 1974 Congressional Budget Act gave implicit approval to the unified budget concept by not differing between the trust fund activities and other Government activities in defining authority and outlays.

Opponents of this legislation will argue that all debates on fiscal policy should consider the total borrowing requirements of the Federal Government—the trust fund balances, as well as the balances of revenues and expenditures for other Government activities. On the contrary, one could argue that the large projected surpluses in the Social Security and disability trust funds could distort the decisionmaking in the budget process by offsetting the growing deficits created by other sectors of the budget.

If the trust funds are removed from the unified budget, we will find that 48 percent—almost half of the entire Federal budget, goes to defense spending. Another 23 percent goes to fund the interest on the national debt, and the remaining 29 percent is the amount spent on everything else, the major programs including assistance to the poor, education, transportation, veterans benefits and services, energy and environment, agriculture, and community development.

Mr. Speaker, Congress should not delay in restoring independence and integrity to the trust fund programs. This legislation provides Congress an opportunity to send a message to America, that we will not continue to allow the trust funds to be subjected to further budget politics. Removing the trust funds from the unified budget is a good bipartisan issue that all can support. I urge my colleagues to join with me and cosponsor this legislation.

A copy of the legislation follows:

PRESIDENT'S PROPOSED FISCAL YEAR 1986 BUDGET

	Amount (billions)	Percent of budget (minus TF outlays)
Unified budget (w/TF outlays)	$973.7	
TF outlays	359.9	
Total budget (w/o TF outlays)	613.8	100.0
Defense	294.9	48.0
Interest	142.6	23.0
Assistance to the poor	52.4	8.5
Transportation	10.9	2.0
Veterans benefits and services	26.8	4.0
Energy and environment	16.6	3.0
Agriculture	12.6	2.0
Education	16.9	3.0
Community development	7.3	1.0
All other	32.8	5.0

H.R. 2599

A bill to remove all Federal trust funds from the unified budget of the United States Government

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective with respect to fiscal years beginning on or after October 1, 1985, and notwithstanding any other provisions of law, the receipts and disbursements of any trust fund which is established by or under Federal law or which is held or administered by any officer, department, agency, or establishment of the Federal Government (including any taxes or other revenues by which such receipts are measured) shall be excluded from the totals of the budget of the United States Government as submitted by the President and from the congressional budget, and shall be exempt from any budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.●T. 041 EXTENSION OF REMARKS A23MY8 burgess 12145 5-23-85 Jkt. 051-060 F. 1-2 GGA A23MY8.041

NATIONAL MARITIME DAY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BIAGGI. Mr. Speaker, on Wednesday of this week, we celebrated the 53d Annual Maritime Day in recognition of our Nation's maritime heritage. It is a day when we honor American merchant seamen who have served their country and given their lives in time of need. It is a day that recognizes that our Nation is basically an island nation, bounded by vast seas to the east and west and to the north and south. It is a day that recognizes the impact of marine transportation on our economic well-being and on our capability to defend ourselves. It is also a day that recognizes the vigilance needed to maintain an adequate merchant marine capability in time of peace as well as in time of conflict. It is a day that provides the American public with the opportunity to renew an awareness of the need for a U.S.-flag merchant marine.

With these concerns in mind, I thought my colleagues would be interested in a speech on the maritime industry that I have the pleasure of delivering during the Maritime Day celebration at Kingsborough Community College, Manhattan Beach in New York City on Friday, May 24, 1985.

REMARKS PREPARED FOR DELIVERY BY THE HONORABLE MARIO BIAGGI, CHAIRMAN, SUBCOMMITTEE ON MERCHANT MARINE DURING A MARITIME DAY CELEBRATION AT THE KINGSBOROUGH COMMUNITY COLLEGE, CITY UNIVERSITY OF NEW YORK, FRIDAY, MAY 24, 1985

I want to thank the 1985 Maritime Day Committee for postponing this ceremony. Congress was considering the fiscal year 1986 budget resolution, and it was essential that I be in Washington. I appreciate the opportunity to say a few words and to meet with so many representatives of the maritime industry and their guests.

It seems like yesterday that we witnessed Manhattan Beach grow to be one of the largest maritime service training stations in the United States. We were proud during those war years and we are proud now of the excellent education and training offered on this site.

Unfortunately, many of those seafarers who trained here during the last world conflict cannot be with us to share in this Maritime Day celebration. They gave their lives to a Merchant Marine Service that was critical to the success of many missions and our final victory. I am proud to be a part of a ceremony that recognizes that service performed by thousands of brave seamen. I am also proud to be part of a ceremony that recognizes those who continue to support our merchant marine in peacetime.

In many ways, those of us who support an American merchant marine are in the midst of a battle today. The cyclical support for the maritime industry is directly related to whether we are embroiled in war or enjoying peace. Our hardest job is preserving our fleet so we will have one when we need it.

Those of us who support the merchant marine have recently been fending off attacks from every direction.

Only last week we were able to overcome an attempt to reduce to unacceptable levels the amounts authorized for maritime promotional activities. The bill the Merchant Marine and Fisheries Committee brought to the floor of the House of Representatives contained funding well under last year's authorization levels. We felt it was a reasonable allocation of resources within acceptable budgetary restraints. After much debate, the reduction amendment did not prevail and, in fact, was defeated by an overwhelming margin of 100 to 318.

Other merchant marine programs have also been under attack. A number of bills have been introduced that call for repeal of the cargo preference laws. Cargo preference and the farm support programs are programs that the taxpayer has accepted as being in the national interest. I, and many other members from the Coastal States, have supported funding for various farm programs because we believe this to be in the national interest. Similarly, some of my colleagues from the Farm Belt have supported the funding of maritime programs—which is, likewise, in the national interest. I would hope that this cooperation will not be jeopardized by those who are more concerned with their narrow self-interest. There are many more important issues facing the Nation and the United States-flag merchant marine. We will do the best we can to arrive at reasonable and equitable solutions.

Last week, the Secretary of Agriculture announced that a Bonus Incentive Commodity Export Program (BICEP) would be established to promote the export sales of U.S. agricultural products. Unfortunately, it is the intention of the Department that cargo preference requirements not apply.

It is interesting to see that the administration now plans to subsidize agricultural exports so as to counter the practices of other nations. It will be interesting to see if the same support will be extended to the U.S.-flag merchant marine. It will be interesting to see how far we go in protecting our shipping industry—including the shipbuilding industry, the steel industry, the component industry, and our seafaring labor base. Our merchant marine needs to be treated fairly, nothing less.

In spite of these attacks, last week, the President, in his proclamation of National Transportation Week, stated that "transportation today is critical to our economy and necessary to our defense." I have advocated for many years the need for a transportation policy that recognizes that the maritime industry is in our best economic and defense interests. Simply stated, a strong United States-flag merchant marine is in our national interest.

On this we all can agree. The difficulty has been in arriving at a maritime policy that satisfies conflicting interests and arrives at reasonable compromises. Our policy must be coordinated. It must provide for a certain amount of stability to facilitate private economic decisions. It must have direction from the top.

This country must be made to recognize that we need a revitalized, competitive, and efficient United States-flag merchant marine—capable of carrying a substantial portion of our foreign waterborne commerce. It must be made aware that international shipping is not conducted in a free trade atmosphere. Foreign shipping has been and continues to be supported by the respective governments in their economic self-interest. We, on the other hand, seem to have a maritime policy that works against our self-interest and, in fact, aids our trading partners. We must wake up and see the need to share in the movement of goods that are exported and imported by the United States—the greatest trading nation on earth. Hopefully, this will happen prior to the extinction of our merchant marine.

This administration has espoused the view that less government is better. Many people concur with that view. The administration also believes in free trade. That policy also has many adherents. However, we must recognize that other countries subsidize their essential industries [including shipping and shipbuilding] far more than we do. We have seen a growing awareness that the United States and the rest of the world are playing by different sets of rules. Free trade is a good policy, but fair trade is a better one!

We, in Congress, have been working particularly hard in the last few years to revitalize all aspects of our maritime industry. The last Congress, with the strong support of the administration, passed one of the most important maritime bills in years—the Shipping Act of 1984. Our shipping laws were amended to provide for procedures that are consistent with those generally accepted in international trade.

The Shipping Act of 1916 granted limited antitrust immunity to international shipping companies that operated in the United States trades. Over the years, numerous restrictions—designed to limit the potential for monopolistic abuse—were imposed by judicial decisions.

While the Shipping Act of 1984 provides an effective antitrust immunity, we have preserved the necessary competitive element. We now permit rationalization of services and other arrangements that provide the full benefits of common carriage, without unduly inhibiting joint business activity and economic efficiencies. The act retains the open conference system; however, we now provide for greater operational flexibility for all vessels that operate in our trades. The new law will permit our liner fleet to compete on the same footing as the fleets of our foreign-flag trading partners.

These comments are an oversimplification of the problems encountered by U.S.-flag shipping—problems that the 1984 Shipping Act has, hopefully, removed.

We are now beginning to see the results of legislation that provided a one-year window for building or acquiring vessels overseas. Many vintage vessels have been replaced by modern, efficient vessels. Another coordinated effort could and should provide us with a similar opportunity to replace the remainder of our obsolete and fuel-inefficient fleet.

The administration has already forwarded to Congress draft legislation to provide authority for U.S.-flag vessel operators to construct or acquire vessels outside the United States and still qualify to receive operating subsidies. The problem I foresee with enacting such a bill is opposition from U.S. shipyards. However, most knowledgeable people concur that no vessel will ever be built in a U.S. shipyard as long as costs remain higher and delivery times remain longer than foreign shipyards. We must be realistic.

The issue of payback of construction-differential subsidies, the essential trade route concept, the status of bilateral and other cargo-sharing agreements, war risk insurance, financing of vessel construction, replacement of state training vessels, use of foreign-flag feeder vessels, the termination or buyout of operating-differential subsidy contracts, the cruise ship industry, and other vital issues are all of major importance to the maintenance of a healthy United States-flag merchant marine. I assure you they will receive indepth review and consideration.

Today, in memory of those brave seafarers who have departed for a greater world. I would like the American public to renew an awareness of the need and vital importance of a U.S.-flag merchant marine to our national economy and defense. Attaining a healthy, viable, and competitive merchant marine is difficult, but it is our national interest. It is part of our heritage, and it is important to our future.●

THE NAMIBIAN NATURAL RESOURCES PROTECTION ACT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DELLUMS. Mr. Speaker, I rise today in strong support of the Namibian Natural Resources Protection Act, introduced yesterday by my distinguished colleague from Colorado, the Honorable PAT SCHROEDER.

Namibia, the territory adjacent to the Republic of South Africa's northwest borders, has long been illegally ruled by South African force of arms in defiance of U.S. resolutions and decrees of the International Court of Justice.

The Namibian Natural Resources Protection Act seeks to preserve the considerable natural wealth of Namibia until appropriate resolution of Namibia's status by the United Nations has occurred. This action would bring the United States into compliance with international law as required by U.N. Resolutions 385 (1975) and 435 (1978).

The continuing, illegal South African occupations has been condemned by the Court of International Justice which declared in 1971 that:

> The continued presence of South Africa in Namibia being illegal, South Africa is under obligation to withdraw its administration immediately and thus put an end to its occupation of the territory.

Subsequent U.N. resolutions, which were supported by the United States, set forth a mechanism for the peaceful transition to Namibian independence.

Instead of complying with the detailed and equitable program put forth by the United Nations, South Africa continued its Bantustanization of Namibia, a policy which mirrors the homelands policy implemented concurrently in South Africa. Implementation of the South African plan, which divided Namibia into white and nonwhite areas, has denied black Namibians of, among many other rights, the right of access to the valuable natural resources of Namibia. These resources include diamonds, uranium, cadmium, copper, lead, and zinc deposits, as well as the commercially active agriculture and fishing sectors of the economy.

The Namibian Natural Resources Protection Act seeks to ensure the trusteeship and conservation of Namibia's considerable natural resources, until such time as a government which truly represents the interests of all of the people of Namibia can be constituted. The bill accomplishes this objective through the enjoinment of exploitative operations in Namibia by American companies, unless these operations have been sanctioned by the U.N. Council of Namibia, which has legal authority over Namibia under international law. The act sets forth reasonable criminal penalties for violations and expires at such time as the President certifies to Congress that Namibia has achieved internationally recognized independence.

Mr. Speaker, the Namibian Natural Resources Protection Act addresses a critical problem, one which calls for immediate resolution. I urge my colleagues to support its expeditious consideration and passage.●

THIRTY-FIRST SESSION OF THE UNITED NATIONS COMMISSION ON NARCOTIC DRUGS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. GILMAN. Mr. Speaker, in early February of this year, I had the privilege of joining the distinguished chairman of our Select Committee on Narcotics Abuse and Control, Charles B. Rangel, as a congressional adviser to the 31st session of the United Nations Commission on Narcotic Drugs [CND] in Vienna, Austria. The U.S. delegation was led by Jon R. Thomas, Assistant Secretary of State for International Narcotics Matters [INM]. The other members of the delegation included: Clyde D. Taylor, Deputy Assistant Secretary of State for International Narcotics Matters; Senior Adviser Norman H. Frisbie, Charge d'Affairs ad interim, U.S. Mission to International Organizations; Advisers James J. Connell, U.S. Mission to International Organizations, Vienna; James R. Cooper, M.D., Associate Director, National Institute of drug Abuse, Department of Health and Human Services; Allen B. Duncan, Deputy Associate Commissioner, Food and Drug Administration; Dianne H. Graham, Bureau of International Organization Affairs, U.S. Department of State; Gene R. Haislip, Deputy Assistant Administrator, Drug Enforcement Administration; F. Gray Handley, Bureau of International Organization Affairs, U.S. Department of State; and John M. Herzberg, U.S. Mission to the United Nations, New York.

The most significant item of discussion at the Commission session was the consideration of a new convention against drug trafficking. Following several days of debate a consensus resolution was adopted which sets in motion the process of preparing for the drafting of a new convention. The resolution calls for CND member countries to submit proposals for inclusion in the new convention to the Secretary General by July 1, 1985, at which time the Secretary General will prepare a report for the ninth special session of the CND to take place next February. At that time the CND will decide what avenue to pursue regarding the mechanism by which a new convention will be prepared. In addition to this action, the Commission placed two new psychotropic substances on schedule I of the Convention of Psychotropic Substances [CPS].

The 1984 report of the International Narcotics Control Board [INCB], was an item of extensive study and discussion. That report underscored the urgency of the need for acceleration of the international effort against illicit drug production, trafficking and abuse. A significant aspect of the report was the revelation that drug abuse is becoming a major problem in producer nations. It was also noted that cooperation at the bilateral and international levels to combat trafficking and increase seizures was on the rise.

The Commission also considered the International Drug Control Strategy and Programme Budget simultaneously, since implementation of the strategy is dependent upon budget allocations in the proposed 1986–87 budget. The 1984–85 budgetary figures were an item of consideration as well. The U.S. delegation requested more complete budgetary information from U.N. headquarters in order to be better able to consider which projects in the international strategy should be implemented this year.

Finally, the Commission adopted nine resolutions and six decisions, of which all but one was adopted by consensus. Two of the resolutions were introduced by the United States, and are of particular importance. The first calls for increased cooperation between national authorities and commercial carriers to combat narcotics smuggling and the smuggling of psychotropic substances. The second requests that countries undertake greater measures to control the diversion of substances which are used in the manufacture of narcotic drugs and psychotropic substances. The remaining resolutions involved such issues as drug abuse and trafficking in Africa, promotion of preventive education and community participation in actions against drug abuse, the balance between supply and demand for opiates for medical purposes and improvement of controls in the movement of psychotropic substances.

In closing Mr. Speaker, I want to note that one of the most important functions performed by the United Nations is the collection and disbursement of voluntary contributions to the United Nations Fund for Drug Abuse Control [UNFDAC]. Since its establishment by the Secretary General on March 26, 1971, UNFDAC has furnished assistance to numerous governments and international organizations to assist them in their efforts to reduce the productions of illicit drugs and to develop measures to assist in the prevention of drug abuse. It is clear, however, that the meager contributions to UNFDAC must be increased if we are to ever achieve victory in our struggle against drug trafficking and drug abuse.

At this point, Mr. Speaker, in order to keep our colleagues informed of our activities, I would like to insert in the Record my remarks to the Commission on Narcotic Drugs.

Statement by the Honorable Benjamin A. Gilman, Member of the U.S. Congress, Before the 31st Session of the United Nations Commission on Narcotic Drugs, Vienna, Austria, February 15, 1985.

Mr. Chairman, distinguished delegates, as a member of the United States delegation, I welcome the opportunity to appear before the distinguished representatives of the Commission on Narcotic Drugs to share our thinking and that of many of my colleagues in the United States Congress regarding the task of combatting the production, trafficking and abuse of illicit drugs. I am pleased at this time to comment on the important work of Dr. di Gennaro and the United Nations Fund for Drug Abuse Control, whose activities in large measure represent the truly multifaceted nature of the international drug problem.

This distinguished body fully recognizes that the problems associated with drug trafficking and drug abuse are enormous. Despite our worldwide efforts and despite the billions of dollars expended and the sacrifice of many law enforcement personnel, the worldwide drug problem worsens with each passing day. The multibillion dollar narcotic business is conducted by international crime syndicates, who use their vast profits not only to develop sophisticated techniques to cultivate, process and market illicit narcotics but also to corrupt our governments. While the international community proclaims the need for an all-out "war" against drugs, we, as a community of nations, have not yet made the necessary significant financial and collaborative commitments to successfully attack the problem head-on. Our failure to allocate sufficient resources dilutes all of our efforts. One way the international community can augment its combined resources and strengthen the international commitment to drug abuse control is through increased support to the United Nations Fund for Drug Abuse Control (UNFDAC). The Fund serves as a stimulus and coordinator of the growing multilateral commitment to continue the "war" against drug production, trafficking and abuse.

Under the very capable leadership of its executive director, Dr. Giuseppe di Gennaro, it is encouraging that the Fund has expanded projects in support of coca eradication in the Andean region of South America. We welcome the expansion of the Fund's activities in these regions and we are pleased that this initiative has been directly supportive of other ongoing narcotics control activities. The current system of guidance to the Fund is working well. It should not be changed.

We note the comments of the 1984 report of the International Narcotics Control Board (INCB), regarding the rural development projects in the coca growing Yungas region. We are particularly interested in the final agreement which will set forth the conditions requiring host-government commitment to the reduction of coca cultivation and expansion of law enforcement efforts in this area. Our experience has demonstrated that such programs must be accompanied by effective controls on the cultivation of illicit crops or they will not be effective. Our government and we in the Congress believe that this type of commitment should be the basis upon which developmental and other economic assistance is rendered.

Let me interject a note of optimism. My government congratulates the Fund for its success to date. We are informed that today there is no poppy being cultivated in the Buner in Pakistan, that the governments of Turkey and Egypt, among others, are better able to contain drug trafficking, and that some governments are more inclined to pursue policies of enforcement integrated with assistance. These landmarks are largely due to the Fund's leadership.

Several other developments in the Fund also merit mention. I am pleased to note the relatively high level of project implementation—80 percent in 1984. Given the difficult areas in which the Fund is conducting projects, the implementation rate is commendable. My government also welcomes the development of Masterplans for UNFDAC-sponsored projects and we believe this approach offers a sound mechanism by which viable projects can be developed and clear goals articulated prior to implementation. The Masterplan approach can also nurture a healthy collaboration between donor and recipient countries.

While we are highly encouraged by the strategies and plans concluded by the Fund with governments in key narcotics-producing countries, we must now sustain efforts to achieve effective implementation in what are often difficult environments. This initially requires the timely placement of qualified Field Advisors in those countries where the Fund is conducting multi-sectoral assistance programs, particularly in Bolivia, Colombia, and Peru—countries where UNFDAC is on the threshold of providing large-scale financial assistance.

In December of 1981, the U.N. General Assembly approved Resolution 36/168, adopting for the first time the concept of a global drug control strategy and program of action. This initiative, which I helped draft as a member of the U.S. delegation to the General Assembly, called for a provisional task force to review, monitor and coordinate the international narcotic strategy. There have been many significant initiatives and projects under this strategy and program of action: the advancing of legal tools against drug trafficking, such as tracing, seizure and forfeiture of assets, control of precursors and essential chemicals; the evaluation of existing treaties; the initiation of coca control programs and increased focus on abuse and trafficking problems in Latin America and Africa; the coordination of donor economic development assistance to achieve control over opium poppy cultivation in Asia, improved collection and dissemination of drug-related information by the Division; the development of a multilingual dictionary of narcotic and psychotropic substances under international control and development of portable drug testing kits. We applaud these actions but, at the same time, believe that we must demonstrate a much more significant commitment to a global strategy. We must sustain a program involving the key elements of coordination, cooperation and communication as quickly as possible and with adequate resources to back-up such an effort.

With regard to the voluntary contributions to the U.N. Drug Fund, our delegation notes the relatively low levels of contributions to the Fund in recent years and the declining rate of participation by nations of the international community. In 1982, only 42 nations and private donors contributed or pledged a modest $7.3 million to the Fund. In 1983, contributor nations dipped to 28, with contributions totaling a meager $3,710,259. Last year, the distressing decline in participation continued with only 17 nations contributing to the Fund. While the grand total of public donations and contributions rose to $8.6 million, the bulk of that total can be attributed to the United States and Italy. In addition, I understand that approximately $60 million has been announced by six nations in long term pledges for special purpose contributions. It is disheartening to note that pledges announced for 1985 at the United Nations Pledging Conference for Development Activities in November of 1984 totaled 25 nations and a meager $2.4 million. Only when we have a firm commitment from each and every nation, can we hope to apply the kind of coordinated and cooperative effort that will be necessary to win the "war" against drugs. I invite and urge all of our member nations in the UN to support Executive Director di Gennaro in his efforts on behalf of UNFDAC by making that commitment today.

In closing, let us bear in mind that no nation is immune to the effects of drug trafficking and drug abuse; the presence of over 65 U.N. member nations here at the Commission is evidence of the widespread desire for increased collaboration in this area. No one nation can singularly wage an effective "war" against drugs. Intentions cannot substitute for concerted, cooperative and coordinated actions. We must take advantage of this distinguished forum and the U.N. drug agencies to strengthen international resolve to stamp out this scourge to our societies and to all mankind.

Thank you, Mr. Chairman.●

THE DEFENSE DEBATE: WEAPONS VERSUS PLATFORMS

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mrs. LLOYD. Mr. Speaker, in the spring 1985 edition of "Issues in Science and Technology," Mr. Seymour J. Deitchman has written a most thoughtful and provocative article, "Weapons, Platforms, and the New Armed Services." Mr. Deitchman, an engineer, has served in a number of responsible positions in Government and private industry, including 5 years in the DOD Advanced Research Projects Agency and is presently vice president for programs at the Institute for Defense Analyses.

Mr. Deitchman first outlines the framework in which today's administration funding decisions are made on military platforms versus related weapons systems:

We are in the midst of a period of revolutionary change in the technology of the general purpose military forces—essentially all of our military forces other than the intercontinental nuclear forces. Over the next decade or two, those forces will be transformed radically in their doctrines, modes of operation, and capabilities. If we control the process of change appropriately, our forces are likely to become the most effective in history. If we fail to face the full implications of these changes, our forces will not be effective enough to fight in the new ways or large enough to fight in the old ways.

The revolution in military affairs is driven by the same technological advances that are making startling changes in the civilian world. These advances include mainly the application of solid-state electronics to computation, sensing, guidance, communication, and control of all manner of devices and machines. These advances also include the application of advanced materials to structures and propulsion systems that allow aircraft to fly farther, faster, higher, and to carry heavier loads; that allow ships to endure almost indefinitely at sea; and that make tanks and other armored fighting vehicles far tougher to destroy than they were even a dozen years ago.

The impact of these technological advances on military power may be characterized rather simply. Relative to the past, it is becoming easier to observe where enemy forces are and what they are doing, and to interfere with their ability to observe our forces. We are also gaining the ability to fire guided weapons that can hit targets with far higher probability than could the unguided weapons used in the past. (Those were fired with little expectation that individual rounds would hit—but with full expectation that the mass of ammunition would eventually do enormous damage to enemy forces.) If fully absorbed by the armed forces, these technological advances will permit vastly greater "economy of force" in military operations: it will be possible to use forces of modest size much more effectively, at points where their effectiveness counts the most.

In the process, systems for command, control, and communication; surveillance; and target acquisition—which used to be considered support systems—have become as important and expensive as the ships, aircraft, and armored fighting vehicles that have defined the military services since World War II. Guided weapons, too, have become expensive enough to compete with aircraft, ships, and tanks for a share of military acquisition budgets. Stated simply, guided weapons and the associated electronic systems have increased in military importance and cost relative to the platforms that carry and launch them. These systems are coming, in many respects, to usurp the platforms' claim to be the real basis of military power.

Nonetheless, there are powerful incentives to continue in the old, familiar directions. When the President wants to signal our allies and adversaries that he is increasing military strength in the general purpose force, he first buys platforms—and only if resources remain in the total budget does he buy more effective weapons or more effective command and control systems.

In this article I will review the new military capabilities that advanced technology makes possible, and then will examine the forces that determine both the speed and direction in which new technology is integrated into the armed forces. Specifically, I will explore the pressures of international competition that push for change and the institutional biases that work against it. And finally, I will suggest ways in which the armed forces can adapt to ensure their continued strength in the face of increasingly capable adversaries.

He then describes the manner in which the technical basis of U.S. military power has transformed in the decades since World War II:

This country came out of World War II with a strong commitment to using tactical aviation, whether land-based or seaborne, to support our international commitments. Except for the ground forces it was necessary to retain in Europe, first as an army of occupation and then as part of the North Atlantic Treaty Organization, the tendency since World War II has been to reduce the size of our ground forces while maintaining our tactical air and naval strength—the latter primarily as a means of moving tactical aviation to areas not accessible from land bases. (Although the Army was built up during both Korea and Vietnam, it declined in size subsequent to each conflict.) Tactical air and naval forces gave us the ability to deploy significant military power rapidly to various parts of the world in defense of our interests and those of the alliances we forged in the decade following World War II.

The technical basis of our military power has been transformed radically since World War II. By the end of that war, radar and sonar were maturing, and these capabilities were soon augmented by sensing in the infrared region. The war also saw the beginning of guided weapons. These were subsequently developed for uses in which targets could be distinguished from background with relative ease (as in air-to-air, surface-to-air, and anti-ship missiles) or in which a gunner with a command link to this weapon could keep his target in view (as in wire-guided anti-tank missiles). Now self-contained guidance techniques are beginning to be applied in the most difficult area—where background clutter interferes with the sensors' ability to "understand" target signatures, as in air-to-ground or "fire and forget" ground-to-ground weapons. These efforts will form the basis of future guided-weapons capability. . . .

The changing nature of communications and information processing, the impacts of jet aircraft, carriers and other propulsion advancements are cited. . . .

The same advances in electronics that have led to remote sensing and guidance also permits remote control of aircraft. Equipped with sensors and munitions, remotely piloted vehicles can replace manned aircraft in dangerous environments. Spacecraft now support many auxiliary military functions, including observation, surveillance, communication, and navigation.

Finally, the advances in guidance for weapons designed to attack targets on the ground will make possible missiles equipped with specialized and effective conventional explosive munitions. These may include terminally guided submunitions that can seek and destroy vehicles, small bombs that can penetrate and heave up large areas of concrete runways, and small mines that can be scattered to greatly complicate operations on airfields or on battlefields. In the future multiple munitions of this kind could be incorporated into ballistic missiles, making them economical and effective for conventional warfare. (Heretofore, ballistic missiles have been used mainly for nuclear and chemical warfare.) These advanced guided warheads could also be incorporated into aid-launched missiles having longer ranges than those that exist today. These missiles would permit the launching aircraft to stand away from heavy defenses in the immediate target areas while the missiles attack the targets.

Next he mentions some major factors which serve to make today's weapons platforms less important:

All these advances will continue to have profound implications for the capabilities of military forces and how they fight. The improvements in sensing, electronic warfare, and command, control, and communications bring the "information war" to the forefront. The attempt to gain an information advantage by observing the other side's forces and activities while denying them such information about one's own forces becomes a primary rather than an ancillary part of direct conflict. Because the numbers of fighting units in the West's armies and air forces have declined, it is essential that the fewer and smaller units be able to move fast to bring military power to bear in the right place at the right time. The information advantage can make this possible. However, the growing cost of information gathering and of guided weaponry heighten the need to integrate the military forces beyond the degree necessary even two decades ago. The field commander must orchestrate the operations of land, air, and sea forces, without being hampered by incompatible systems that inhibit the effective and timely coordination of the forces' activities. Moreover, the services can use compatible systems, since the same basic technology finds and attacks targets and controls forces in much the same way whether it is used by air, land, or sea forces.

The growing use of guided weapons by both sides, together with enhanced target acquisition abilities, increases the rate of attrition of force units—aircraft, tanks, ships, cannon, and so forth. Thus, to extend their combat lifetimes, aircraft, ships, or tanks will have to "stand off" from well-defended targets by using longer-range missiles. The use of these missiles increases the complexity and cost of systems needed to find, identify, and locate targets, and to coordinate combat activity.

Ultimately, the weapons and other electronic systems, rather than the launching systems, define the fight. Aircraft and even tanks do not need sophistication to carry the target acquisition systems and to deliver the long-range weapons; they need it only to keep from being destroyed by the other side. If standoff guided missiles can keep platforms out of enemy reach, the platforms' sophistication becomes far less important. As the costs of the "target engagement" systems increase, they compete with platforms for available funds, raising the question of how much capability must be built into the platform when the weapon and electronic systems do most of the work. . . .

Full deployment and integration of the emerging weapons and tools of warfare into the armed forces would have similar or greater effects on combat power over the next decade or two. The gains in fighting power would mean that smaller forces could establish an even more effective combat presence at distant sites in even shorter times than are possible today.

Until recently, the military gains were derived mainly from advances in platform technology, such as advanced aircraft, ships, and armored fighting vehicles (with an assist from some areas of weaponry and from surveillance and command and control systems). By contrast, the greatest military gains of the future will come from guided weapons and electronic systems for sensing, information processing, communication, and control. (In inversion of earlier deveopments, however, advanced in platform technology will be helpful in enhancing the utility of the weapon systems.) As long as most of our efforts were concentrated on improving platforms, our European allies and the Soviet Union have been able to keep pace with U.S. capabilities. However, the United States has a much more commanding lead in electronics over both its friendly competitors and its adversaries than it has in platform technologies. We should therefore be able to achieve a technical military superiority in the future greater than we ever have, and to sustain it over a longer time.

However, as a nation we have not yet decided whether to shift enough emphasis from the platforms to the weapons to achieve the full potential of the new technology. By giving priority to the new platform and then trying to augment the remaining resources for acquiring weapons and electronic systems, we are supporting neither weapons nor platforms as well or as fully as we might. If we make the wrong choices (as judged by history, not by contemporary critics), we will have sacrificed a potentially long period of qualitative dominance in military capability.

He includes an interesting comparison chart of total acquisition costs for platforms, weapons and combat support systems.

The adaption of the armed forces to technological change is conditioned by a number of factors. International competition presses for change; cost restrains it; and institutional factors in the armed forces and society at large channel it in certain directions or inhibit it altogether.

He summarizes the different ways in which the Soviets have developed military power. . .

The U.S. and allies' reliance on politics of deterrence and the global economic aspects of defense industry growth are discussed, as well as the problem of technology transfer to the U.S.S.R. . . .

Mr. Deitchman then lists certain peculiarities of the Defense community which inhibit the shift of emphasis to weapons from platforms:

Cost, however, will restrict that rate of advance. The costs of military technology do not depend on military factors alone. They are also affected by the growing application of advanced technology, especially solid-state electronics, in the commercial sectors of the United States, Europe, and the Far East. For example, in the early 1960s the military constituted virtually the entire market for such electronic circuitry in the United States, yet by the mid-1970s defense

applications accounted for only about 10 percent of that market. Similarly, the use of advanced computers for such things as industrial design and management is progressing faster in the civilian sector than in the defense sector. As a result, the design and production of electronic devices and systems cost more in the defense sector than in the civilian, reflecting the need to produce specialized circuits in the thousands instead of the millions, to use specialized production facilites, and to pay the overhead resulting from small production runs that require special attention in manufacture and quality control. Although the declining importance of the defense market has not prevented the military from advancing its electronic systems capabilities, it has considerably raised the price of doing so. Similar cost penalties exist in other areas, such as advanced materials.

Some of the interactions between the economics and politics of the weapon system acquisition process must also be recognized. To control the high cost of defense, Congress desires (correctly, in principle) that weapon systems be acquired within the competitive industrial system. On the other hand, costs induced by the very process of competition can negate the anticipated savings. These costs are created by the demand for duplication of major system prototypes, such as the two separate models of the lightweight fighers destined to become the F-16, and later, the F-18. Competition in the procurement process also entails considerable duplication of startup investments, which can only be recovered if enough quantities of weapons are bought so that the savings resulting from lower unit prices offset the added costs of competition. Not all system acquisitions are large enough to effect such compensation, however, which means that competitive acquisitions can become more expensive than their advocates desire.

Problems with congressional requirements for testing as well as the changing logistic support aspects of modern equipment are discussed. . . .

Clearly, international politics, the national and international economic system, and society's institutional patterns exert different pressures on the potential rate and direction of technological change in the armed forces. If the new capabilities in the offing were advanced at the greatest possible rate, the roles of platforms would become secondary. They would have the tasks of carrying and launching the machinery that really does the military job. However, as Figures 1-3 show, most of our military budgets and most of our armed forces' attentions have been concentrated on developing expensive new platforms. The new platforms with their subsystems will offer some of the new capability to know where the enemy is, to acquire targets, and to shoot at those targets. But they will do so at great expense if they do not use the new weaponry to the fullest.

We have focused on resistance to a change that results from costs and institutional constraints in the armed forces and society. Yet there is also ample technical reason to be conservative about change. The new systems do entail risks. They are subject to countermeasures, and under some conditions they will not work as well as the old, familiar kinds of systems. The new systems rely more on technology to do things that people traditionally have done. Therefore, these systems may be more subject to total failure because they lack human adaptability and the ability to improvise. The new systems represent elegance, not mass—and in war, elegance is often very difficult to achieve or to maintain.

The author's three figures show ratios of expenditures for guided weapons to platforms of 6-21 percent for the Air Force, 27-25 percent for the Army and 16-15 percent for the Navy in the periods 1984 through 1988:

Three views have developed about the best way to manage technological change in the armed forces. The first says we should buy the most advanced platforms that we can, those best able to withstand the "threat"—that is, best able to deal with similar systems of potential adversaries. And, according to that view, we should augment the advanced platforms with very sophisticated weapons and supporting systems, to the extent that defense budget levels permit and that military tasks demand. This view is espoused by the military services and is essentially the approach followed today.

The second view argues that since the new guided weapons will be highly effective, platforms need never be improved at all. Thus, by not buying as many platforms and not spending precious research and development money on improving their capability (and thereby running up their costs), it will be possible to reduce both forces and defense budgets quite drastically. In effect, this view says that the new guided weaponry and its auxiliaries will enable us to fight and win wars "on the cheap." This view was articulated in perhaps its most extreme form in an article by Paul F. Walker in *Scientific American* in August 1981.

The third view, advanced by the "defense reform" community, essentially says that military technology has become too costly, that the new equipment is too difficult to use and to maintain, and that it will not work when the armed forces do use it. These reform views can be found in James Fallows' *National Defense*, and are subscribed to by Sen. Gary Hart (D-Colo.) and many others. They argue that technology for its own sake has been allowed to dominate weapon system design. In our search for quality, they say, we have run up the costs of weapon systems and have thus lost the ability to acquire them in sufficient quantity—and we have failed to achieve the desired quality as well. By backing away from the most advanced technology, they say, we can make weapons simpler, cheaper, and easier to use and thereby make our general purpose forces larger and sturdier. . .

The major difficulties with each of the three proposals are delineated. . . .

It is also well to note, however, some of the criticisms of the weapons acquisition process. For example, the accusation that systems tend to be gold plated by excessive performance requirements, which add unnecessarily to cost, complexity, and acquisition time, cannot be entirely dismissed. Nor can charges that waste, fraud, and abuse in the acquisition process greatly reduce the efficiency and effectiveness of the armed forces in particular cases. We must work diligently to reduce such mismanagement to the greatest extent possible. However, we should also remember that such mismanagement is characteristic of any human endeavor, not just that of the defense sector; nor is the defense sector more subject to it than others. Moreover, these problems would plague the acquisition and operation of the armed forces under any of the three philosophies described above.

The author spells out the requirements for changes in the DOD acquisition system to accomplish a desired change in weapons/platform emphasis:

Clearly, our defense structure and our military forces will have to change if they are to come to terms with the new conditions being imposed on them both by the advances in technology and by the pressures for change in the outside world. In the remainder of this article, I will suggest some steps that might be taken to ensure that we have the most effective military capability in the coming decades.

First, to reduce their vulnerability to enemy counteraction, the technical characteristics of the military forces must change. They must begin to rely on a combination of long-standoff missilery and other technological means, such as far more extensive application of electronic warfare in all its aspects, to prevent their platforms from being destroyed. As military forces evolve in this direction, many of the advanced platforms now being planned may prove to be less necessary and desirable than is currently believed, because the main combat load will have been shifted from the platforms to the standoff guided weapons and related systems. And as the military forces increase their use of electronic warfare, their equipment, tactics, doctrines, and means of weapon delivery will have to change. Specifically, more explicit and sustained attention will have to be devoted to the integrated acquisition and use of the electronic warfare systems and guided weapons. In this situation, the new systems will compete with the platforms for resources, and difficult choices will have to be made. Moreover, the need for improved effectiveness at the "point," where a force performs its mission, makes essential the extensive adoption of guided weaponry and its major associated systems for command and control and for target acquisition.

Where can the resources be found to implement such changes? Typically, platforms—that is, ships, aircraft, and to some extent major ground-force systems like tanks and fighting vehicles—have total acquisition costs that are greater by factors of five to seven than the typical costs of major missile systems and their auxiliary systems. For example, the total acquisition of the Infared Maverick air-launched anti-tank missile, considered an expensive system, will cost about $5 billion for several tens of thousands of missiles. The F/A-18 Navy aircraft acquisition will cost about $32 billion. Obviously, if acquisition of one or more platforms were stretched out or even forgone, resources would be freed to acquire more of the systems that are at the cutting edge of military technology.

Second, we must change our procedures for acquiring and supporting systems, thereby reducing the costs of these cutting-edge systems. For example, we could plan ahead for total acquisitions of tens or hundreds of thousands of missiles, once they have been shown to work effectively, instead of acquiring a few hundred year by year for an indefinite period. Given our existing acquisition procedures for weapon systems (and this applies to platforms as well), no industrial firm can build the large-scale manufacturing facilities and tooling appropriate to the size of the ultimate purchase, because they have no assurance that such investments will pay off. In addition, because the incentives for cost reduction inherent in mass production are usually absent, the incentive for efficient designs does not exist either. Inefficient technical designs that in turn induce manufacturing inefficiencies also carry costs. As a result of such factors, when binocular-quality optics and home-computer-quality circuits are used in a guided weapon, the weapon parts cost an order of magnitude more than their counterparts in civilian assemblies.

Finally, we can reduce costs by changing the logistics system. This would include ensuring that adequate spare parts are provided and that maintenance methods are modernized. We could adapt some civilian practices to the support of military technology. For example, civilian firms could perform important maintenance in all areas except the immediate battlefield, thereby reducing the military's reliance on large, vulnerable depots for maintenance operations. While this approach would entail certain risks, such as strikes that might interfere with the provision of spare parts, these could probably be mitigated by various economic and legal measures.

Third, the services should undertake much more joint and cooperative system acquisition and utilization. The services cannot continue to go their separate ways, with overlapping system requirements and developments or with incompatible "interfaces" that can only be remedied in the field at great expense (such as command and control systems that cannot exchange data). Nor can they continue with redundant major system acquisitions justified to meet special requirements that each service claims are unique to its own operations and missions. The resources for these luxuries of service independence simply do not exist today. Furthermore, in the purely military sense we cannot afford the loose connections among the services that these practices encourage, because economy of force requires integration of the systems of warfare at all levels in the field.

Fourth, we must solve the problems that arise from competition with our allies in arms sales. As already mentioned, this competition encourages sales of advanced weaponry to the unstable Third World, making it—and therefore the entire world—a more dangerous place to live. The conflicts that have erupted into open warfare dozens of times since World War II have all occurred in the Third World, where local rivalries and clashes of major powers over resources and political dominance make armed conflict a high risk. The industrialized world must recognize that it is making these conflicts more difficult and dangerous for itself by arming the quarreling factions.

Finally, we must reexamine how we use manpower and womanpower in the armed forces. The arguments about women and the draft, for example, often raise the question of whether women should engage in combat. However, whether women are involved in depot maintenance; in operating air defense systems around cities, airfields, or major bases; or in ferrying airplanes into a theater of war as they did in World War II, modern warfare is such that they will be exposed to combat. The wider use of electronics means that combat systems will be distributed in rear as well as forward areas. It also means that physical strength will become important mainly at the point where opposing troops are in contact—and such involvement may be a far smaller part of a total military conflict in the future than in the past.

The pool of personnel able to handle sophisticated equipment must be enlarged—and personnel and their training are expensive. The other alternative is to slow the pace at which sophisticated equipment is adopted so that less capable personnel can handle the systems. In the long run, this will lead to less capable armed forces.

Attempting to slow the pace of technological advance in our armed forces will leave us with military capability inferioi to that of our opponents, and will leave us unable to lead our allies in our collective defense. Clearly, technological change in the armed forces will and must come; the critical question is how well we manage that change. If we fail to take full advantage of the new capabilities, if we fail to exploit our genuine lead in electronics, we will sacrifice an opportunity for an enduring military superiority.

I recommend this valuable article to all my colleagues who have an interest in defense policy.●

BIRMINGHAM LOSES FRIEND OF VETERANS

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. ERDREICH. Mr. Speaker, the city of Birmingham and the people who live there have lost a most beloved friend who made service to others and love of country his highest priorities.

Raymond Weeks died on Monday, May 6, at the age of 76. He is most widely known as the man who was the driving force behind the congressional action which, in 1954, changed the name of the holiday we celebrate on November 11 from Armistice Day, which marked the end of World War I, to Veterans Day, which honors all veterans. Weeks, who served in the Navy during World War II, founded National Veterans Day in Birmingham in 1947 and remained chairman of the festivities in Birmingham until he died. He is responsible for making Birmingham's Veterans Day celebration the nationally-acclaimed and largest celebration of veterans in the country. In fact, I received and accepted an invitation from Mr. Weeks just prior to his death to participate in this year's 39th annual National Veterans Day celebration in Birmingham.

Raymond Weeks only missed Birmingham's Veterans Day celebration once in 38 years, when he was invited to Washington on November 11, 1982, by President Reagan to receive the Presidential Citizens Medal for his devotion to serving others, his community, the American veterans, and his Nation.

But Raymond Weeks' love of country extended far beyond his tireless work to make certain that those who served in the armed services received the respect and recognition they so rightly deserve. Raymond Weeks served as a member of the Alabama House from 1957 to 1964, was made an honorary life member of the Army, Navy, and Air Force Veterans in Canada, was given the Army's Outstanding Distinguished Civilian Service Medal in 1966, and in 1979 was awarded the Distinguished Service Medal in Alabama.

He was an active member of many service organizations, including the Birmingham Area Chamber of Commerce, the National Aeronautics Association, the American Legion, the Veterans of Foreign Wars, the Shriners, and the Elks. He helped found the Birmingham Hall of Fame Bowl, and served as the first chairman of the March of Dimes. He helped organize and served as president of the Jefferson County Mental Health Association. He also was a member of the Multiple Sclerosis Society, the Social Hygiene Association of the United States, the American Red Cross, and the Polio Foundation. And the list, as well as his contributions, goes on and on.

As President Reagan said, upon presenting Raymond Weeks with the Presidential Citizens Medal, "Nothing is more important to the soul of America than remembering and honoring those who gave of themselves so that we might enjoy the fruits of peace and liberty." We, in Birmingham, and, indeed, all Americans, will, in our continued celebration of Veterans Day, give living remembrance to that for which Raymond Weeks strived—to forever keep in our memories and give honor to those who fought and died in defense of our freedoms so that future generations may enjoy the blessings of our great Nation.

Raymond Weeks' devotion to his country and those who defend it brings new meaning to the term "patriotism." His life was about giving, and he gave so much to us in Jefferson County, in Alabama, and across America.

Raymond Weeks will be sorely missed by all who knew and loved him. Mr. Speaker, I am submitting for the CONGRESSIONAL RECORD an editorial that was included in the Birmingham Post-Herald that describes Raymond Weeks and his love of his country and its people.

[From the Birmingham Post-Herald, May 8, 1985]

RAYMOND WEEKS

Mention Veterans Day and the first name that comes to mind is Raymond Weeks.

Weeks, who died this week at age 76, was involved in many worthy projects during his life in this community. He served in the Alabama Legislature, organized the area's first Infantile Paralysis fund campaign in 1934, served as the first chairman of the March of Dimes and helped organize the state Mental Health Association among other things.

But he will be best remembered for his work in transforming Armistice Day, which marked the end of World War I, into Veterans Day, a national holiday honoring the veterans of all wars. The change took place in 1954. Before and after his success in persuading Congress, Weeks was the leader in building the Birmingham veteran's celebration from its beginning in 1947 into the largest in the nation today.

Raymond Weeks gave much to this community and nation during a full and useful life.●

PRESERVATION OF INTERNATIONAL AIR SERVICE ACT OF 1985, H.R. 2575

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MINETA. Mr. Speaker, yesterday I introduced legislation to ensure that the Department of Transportation will be able to carry out its responsibilities to require that airlines serving the public are "fit" and can provide service which is safe and protects the rights of consumers. Recent efforts to gain control of Trans World Airlines have highlighted the problems DOT may have in implementing its responsibilities. The legislation I have introduced, the Preservation of International Air Service Act of 1985, H.R. 2575, will establish a framework for DOT to deal with the TWA problem. At a later date, we will be considering legislation to deal more generally with this problem.

Under existing law, before an air carrier can start operations, DOT must find that the carrier is fit, willing, and able to provide the service proposed in its application and to comply with applicable requirements of law. The DOT fitness evaluation includes an evaluation of the general management capabilities of an applicant's top management, the adequacy of the applicant's financial plan, and the record of the applicant's owners and top management in complying with State and Federal laws and regulations. This evaluation helps ensure that the applicant will operate safely and that the consumers will be protected against dishonest or incompetent operators. Existing law further provides that the requirement of fitness is a continuing requirement and that in appropriate cases DOT may start a proceeding to determine whether a carrier holding a certificate continues to be fit. If DOT finds that a carrier is no longer fit it may modify or revoke its certificate.

In the case of the proposed takeover of TWA, a petition has been filed with DOT raising questions as to whether TWA would continue to be fit if the takeover is successful. The questions raised in this petition include whether the persons involved in the takeover intend to appoint competent management with the skills and technical ability to operate safely without undue risk of financial loss to consumers; whether the prospective new owners intend to provide TWA with sufficient operational and financial resources to carry out its operating responsibilities, and protect consumers; and whether the persons engaged in the takeover attempt have a record of noncompliance with other Federal laws and regulations.

I am not taking any position on whether any of the allegations in the petition are correct or whether any of these allegations, if proven, would establish that TWA is no longer fit. However, I do believe that the allegations are sufficient to require an investigation by DOT. This raises the question of what will happen during the period that DOT is conducting its investigation.

The DOT investigation will take some time to complete. The takeover efforts are proceeding very rapidly and may be successfully completed well before DOT renders its decision. Unless DOT can act, there may be a period in which the new owners will be free to manage and control the company. Suppose the new owners are ultimately found to be "unfit." Do we want to have TWA controlled for months by persons subsequently found to be unfit? Do we want such persons to have the power to drastically change the company by such measures as selling assets or creating substantial new debt? Should the new owners be free to take steps which would destroy the company and make it impossible to put the company back together after a DOT decision?

The TWA situation highlights a possible anomaly in existing law. If a person tries to start a new airline he or she cannot begin operations until DOT finds him/her fit. But if a person takes over an existing airline he or she is free to operate the airline until DOT finds him/her unfit, or takes interim action.

There are questions about the extent of DOT's powers under existing law to impose interim restrictions on new owners while a fitness case is pending. Because of the speed with which the takeover efforts are proceeding, the importance of TWA in domestic and international transportation, and the seriousness of the allegations of unfitness which have been raised, I believe that we cannot afford the delay and uncertainties of waiting for the legal situation to be resolved. Accordingly, the legislation I have introduced imposes the interim restrictions needed to protect the public, while the fitness investigation is pending. The bill provides that for a 90-day period, persons engaged in the TWA takeover effort may not control the management of the airline either directly, or through the exercise of voting rights. My bill further directs DOT to institute a fitness investigation and reach a final decision in 90 days.

My bill deals only with the management of the company during the 90-day period DOT is evaluating fitness. The bill places no limits on the right of any stockholder, including the persons involved in the takeover, to buy and sell stock during the 90-day period.

I again emphasize that if DOT decides that the persons engaged in the takeover are fit, the bill I have proposed will not place any limits on their rights to control and manage TWA. The bill is only intended to prevent irrevocable damage to the company or the traveling public before DOT is able to reach its final decision on fitness.●

BLUE CROSS-BLUE SHIELD OVERCHARGE FEDERAL WORKERS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. CLAY. Mr. Speaker, I am inserting in the RECORD a letter from James LaPenta, executive director of the Mail Handlers Health Benefit Plan. Mr. LaPenta makes a telling point about the excessive premiums and paltry benefits of Blue Cross-Blue Shield health coverage for Federal employees. After years of overcharging 1.5 million Federal employees, the company now proposes to return $289 million to policyholders and $465 million to the U.S. Treasury. Nothing could be more preposterous.

Why should money extracted by Blue Cross-Blue Shield from the pockets of underpaid Federal employees be deposited in the general revenue. That would constitute an increase in taxes for those Federal employees who paid the premiums. When did a private insurance acquire the power of taxing American citizens?

Mr. Speaker, I recommend for consideration the following letter from Mr. LaPenta:

MAIL HANDLERS HEALTH BENEFIT PLAN,
Washington, DC, May 21, 1985.

Hon. WILLIAM D. FORD,
Chairman, Committee on Post Office and Civil Service, Washington, DC.

DEAR MR. CHAIRMAN: As the second largest plan in the Federal Employees Health Benefits Program representing 1.2 million Federal and Postal employees and their dependents whose total annual high option family premium is $1,874.86 compared to Blue Cross and Blue Shield's $3,142.88, a difference of $1,268.02 every year, we believe you should view very suspiciously this proposed $18 to $374 rebate.

Blue Cross and Blue Shield's independently announced proposed rebate of $754 million May 20, 1985 is a gimmick. Neither OPM nor Congress was consulted prior to this grandstand play.

Part of the gimmick is Blue Cross and Blue Shield is trying to recapture its lost share of the Federal Employees Health Benefit market which has dropped to 41 percent in recent years as they have lowered benefits and drastically increased rates.

The Blues have had high premium increases every year since 1978 that have exceeded the average premium increase taken by the Big Six. Since 1978, Blue Cross and Blue Shield has increased their premiums over 234 percent. Now Blue Cross and Blue Shield is returning only a portion of those exorbitant rate increases.

This is not the first time Blue Cross and Blue Shield stood the program upside down. In an October 28, 1981 memo to all members of the Senate, Blue Cross and Blue Shield stated:

"The (FEHB Program) is seriously flawed and is, in our judgment, on the verge of collapse. The current system has long-standing problems that thwart constructive competition by fostering adverse selection among insurance plans. They have made it increasingly difficult for the Blue Cross and Blue Shield organizations to maintain high and low option plans within the programs."

"However, we are gravely concerned because, unless immediate action is taken to alleviate FEHBP's problems and unless Congress and the Administration avoid exacerbating the situation, Blue Cross and Blue Shield Plans may be unable to underwrite our high and low options for 1982 and will have to withdraw from the FEHBP."

"The FEHBP's problems have put the Blue Cross and Blue Shield organizations and other insurers into an untenable financial situation. During 1981, the Blue Cross and Blue Shield organizations will lose $275 million on their high and low options plans. The reserves intended to cover such losses are already exhausted. Our actuaries tell us that unless corrections are made in the FEHBP, they can not set a competitive high option premium rate that restores Blue Cross and Blue Shield reserves and protects us from further losses of hundreds of millions of dollars in 1982."

The facts are that the mandated benefit cuts in 1981 coincided with a cyclical reduction in the medical care component of the CPI and utilization. This is not, as Blue Cross and Blue Shield is attempting to portray, a phenomenon. The reserves would have been rebuilt to adequate levels due to natural market forces and the cyclical nature of the market.

The unprecedented reserve levels present in the program today are therefore an inevitable result of the steps taken in 1981 and 1982 and Blue Cross and Blue Shield history of taking unneeded rate increases.

Now Blue Cross and Blue Shield's giveaway must be viewed as highly suspect. It's counterfeit. It's funny-money. It will result in out years, 1987 through 1989, high rate increases similar to the 234 percent they have taken in the previous six years.

The responsible approach that was being taken by OPM and Congress would have been to slowly return surplus back to enrollees in gradual steps through benefit increases and lower than normal rate increases.

The Office of Personnel Management and Congress should not allow themselves to be held hostage to the short-term tactics of Blue Cross and Blue Shield.

Politically destroying the credibility of the reserve process, which is what Blue Cross and Blue Shield has done by their actions, leaves the wrong and unfair appearance that these reserves can be politically manipulated.

Subcommittee Chairperson, Representative Mary Rose Oakar (D-Ohio), held oversight hearings on May 9, 1985. Where was Blue Cross and Blue Shield? They did not appear. Why didn't they present this proposal at that time? Why the big PR hype?

This one shot, funny money, proposal isn't responsible and will almost certainly be followed by a return to BC/BS past history of high rate increases.

I urge the Congress and OPM to avoid subjecting the Program to this disruption and, instead, continue on the responsible course they were taking.

Sincerely,

JAMES J. LAPENTA, JR.,
Executive Director. ●

THE VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. ALAN B. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MOLLOHAN. Mr. Speaker, today the House will continue debate on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in Beckley, WV:

VA MEDICAL CENTER,
Beckley, WV, January 31, 1985.

Howard H. Green, M.D.,
Chief of Staff, President, NAVACOS, Veterans Administration Medical Center, White Junction, VT.

Subject: Questionnaire.

1. In response to your letter of January 2, 1985 concerning problems with deficits in pharmacy accounts, etc., the following is submitted:

(a) Size of hospital (include NHCU beds): 174 GM&S, 42-Bed NHCU.

(b) Affiliated? No.

(c) Projected dollar deficit as of January 1, 1985:

1. Personal Service—The combination of unfunded and underfunded personal service costs during the past two years has resulted in a Personal Service deficit of over $85,000.

2. All Other—We project a deficit of $82,000.

(d) Impact of dollar deficit:

1. Personnel—Due to the pending deficits, we are working with major personnel deficiencies. We have only two Nurse Anesthetists on staff; during periods of leave (annual, sick, educational), one person must provide 24-hour coverage for several days.

We have an employment level to provide only two Nursing personnel per ward during evening and weekend tours. We need at least one additional employee per ward during these tours to provide adequate coverage.

Some other areas of concern include physician and nursing personnel support in the Ambulatory Care Section, and additional support for pharmacy and MAS.

2. Supplies—Our FY1985 Target Allowance for All Other funds is 30% less than received in FY1984. As a result, minimal stock levels are maintained in all areas of operations. This has caused special problems in Pharmacy Service and the Operating Room. Nonemergency requests for supplies and services are being deferred until additional funds can be secured.

3. Equipment—We received less than $45,000 in Additional Equipment funding for FY 1985. We currently have requests for additional equipment which significantly exceeds our limited funds.

4. Backlog of patient surgery (specific numbers, types, and length of delay)—NA.

(e) Solutions you have devised (please be specific)

1. Placed an employment lag of one month before filling vacancies.

2. Reduced M&R service contracts by 30%. Service is being performed by staff bio-medical technicians.

3. Expanded tours of duty in Laboratory and Radiology Services, which reduced the hours of standby duty and the corresponding standby duty pay.

4. Implemented controls on the use of expensive drugs, such as antibiotics and anti-arthritic medications.

(f) Any other comments germane to the issue of resources. None.

ANTHONY DINH, M.D.,
Acting Chief of Staff. ●

ABORTION RIGHTS: SILENT NO MORE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Ms. SNOWE. Mr. Speaker, I am pleased to have the opportunity to participate in the National Abortion Rights Action League's campaign, "Abortion Rights: Silent No More." Today men and women from all over the country will be making public their personal stories about the circumstances under which they faced an abortion decision. I want to include in the CONGRESSIONAL RECORD six letters from women in my district. Although the names have been withheld at the women's request, their letters provide a candid and compelling look into one of the most personal aspects of their

lives. These intimate stories are generously shared in the interest of protecting the right to a safe, legal abortion for all women.

Each woman wrote about her pregnancy under different life circumstances: three grown children and a faltering marriage; two young children and a recent separation; newly relocated with no job, no friends, and no place to live; and in college, actively pursuing a degree and a career. Yet several common themes run through the letters. Each woman's pregnancy was unexpected, unwanted, and if carried to term, would signal a dramatic change in the course of her life. For none of these women was the decision lightly made; each woman describes the pain and difficulty of her choice to have an abortion.

Finally, although some of the abortions were performed prior to the 1973 Supreme Court decision, and some since that time, each woman recognized that she had a choice to make. And this will not change. Before 1973, it was a choice between carrying an unwanted pregnancy or risking the danger and humiliation of an illegal abortion. Today, the choice is between the unwanted pregnancy and a safe, legal abortion. The decision to have an abortion is a personal, moral, and religious one which every woman must make for herself. The majority of Americans support the right of women to choose a safe, legal abortion, and I support the efforts of NARAL to bring the stories of those women and men who have personally confronted this decision to the attention of lawmakers.

MAY 3, 1985.

DEAR PRESIDENT REAGAN: Back in 1973, just months before abortion was legalized, I became accidentally & unwillingly pregnant. I already had 4 nearly grown children. My marriage of 19 years was very shaky, & I was barely keeping our financial heads above water juggling 2 jobs plus raising the family. Abortion wasn't a whim for me at the time, it was a necessity. It was legal in Massachusetts, but almost impossible to obtain because of the dominance of the Catholic Church. Even though my brother-in-law was a doctor, he could not get me one. I was truly desperate when my doctor put his career on the line & provided me with an abortion. I shall be forever grateful to that generous man, & I have never regretted making that painful decision.

Abortion has to remain a legal option for all women until birth control is perfect.

I cannot sign my name for fear of implicating my doctor, so I remain

JANE ROE.

To whom it may concern.

The full page ad in this weekend's paper prompted a special response from me.

I have recently had to make the most difficult decision of my life and have had an abortion. I am 33 years old and the mother of 3 young children. My husband and I have recently separated.

These past few weeks have been very difficult for me but I was extremely grateful that "the choice" was mine to make. I was able to see a caring and competent physician and she and her staff helped to make this traumatic experience as easy as they possibly could.

Had I been faced with pressure from any one questioning my right to make this choice, or trying to increase my feelings of guilt, I know I would have suffered a great deal more.

I know I will have to deal with the feelings of having terminated this pregnancy all my life, but I firmly believe the choice was mine to make, and it was the right one for me. No one has the right to take that away!

JANE ROE.

MAINE.

To Anti-Choice Voters.

My story is very undramatic but also very common. Five years ago I got pregnant. I was not financially or emotionally ready for motherhood. I have since accidentally gotten pregnant again but the situation was so changed that I could happily accept my pregnancy. I now have a wonderful baby girl who has a loving home with parents who can take on the responsibilities of parenthood. I am so thankful that I had the choice each time and I have never regretted either decision. Let us not go back to the times where, as my sister experienced, women got abortions in dirty back rooms without proper medical attention. Abortions will always be available. Let us keep them in medically sound and supportive atmospheres.

JANE ROE.

MAINE.

DEAR NARAL AND CONGRESSPERSONS: At the time when I terminated my pregnancy by having an abortion, I was living with the man I loved, the man who also loved me. He was unable, at that time, to get a legal divorce in the state where he lived, even though his wife was hospitalized permanently. He had two children who had been kicked around for several years after her hospitalization, one housekeeper after another, with no consistency or security in their lives except what he could provide them alone. He was a hard-working man, and did the best he could under the circumstances until I came on the scene with my then two-year-old.

But I got pregnant almost immediately after starting to share his life. Abortion was illegal then, but I had two alternatives. Have an abortion and stay with him, to make a life for his children and mine as well as we could under the circumstances (this would affect five people's lives), or leave him to have the baby alone. His children would again know no mother, and I, unskilled, would have to try to bring up two babies all alone. The latter was more than I could face, so I chose abortion and stayed with him.

I was fortunate in that he found a reliable abortionist so that I could have it done at home. I did not have to sneak around in back alleys or resort to knitting needles. I did not have to endure the kind of horror story one of my closest friends, a most dignified and talented woman, told me afterwards. I was lucky.

And I made the right choice. By making that choice, I was able to keep a viable family intact and give them what they needed to feel solid as a family. I have never regretted that choice, and I feel very strongly that all women should have the option for abortion if they need one. They should have the option for clean, legal abortion without terror or harassment from those who would impose their standards on the rest of the population.

Thank you for giving me the opportunity to be heard.

Sincerely,

JANE ROE.

MAINE.

MAY 6, 1985.

DEAR SISTERS: When I fill out a form that asks what methods of birth control I've used, I look like a real consumer, 'cause I check them all! And I've always been careful about protecting myself. Ironically, since I've been with my husband I've had the most serious problems with birth control failure.

Before we were married we moved to New England from the West. As we were travelling I figured my late period was due to the travelling and some high altitude climbing we were doing. I had a Copper 7, and was very happy with it. I'd had it just over two years, and had been told to have it replaced at 3 years. So when I finally became concerned at the severe cramps and light spotting (untypical) I was having, I was really unprepared to be told I was pregnant.

We had no place to live yet, no jobs, no friends, little family in the area. I had a second test, also positive, and started being frightened about how ill I was feeling. I was scared of a perforated uterus. I made arrangements for an abortion in Boston, and we spent most of our savings on it. It wasn't a great experience, but in many ways, it was remarkably freeing. I had read that pregnancy with a Copper 7 in place was not recommended, so a hard decision was out of my hands. I knew a woman who'd gone to Japan to have an abortion, and I only had to drive 70 miles South.

Still, it was a sad and scary time. My husband (then fiancé) and I were sad to think of the lost baby. I felt betrayed by a trusted method of birth control. It was hard to hear the stories of women being denied by boyfriends, or know that we had become part of an unfortunate statistic.

The decision to have an abortion should never be easy, but the opportunity to have that decision be a personal one should never be denied. The baby I have now is my own personal affirmation of the rightness of that abortion.

JANE ROE.

MAINE.

MAY 3, 1985.

DEAR PRESIDENT REAGAN: I am one of the silent majority who supports a woman's constitutional right to seek a safe abortion. I take this opportunity, the National Abortion Rights Action League's Speak Out, to let you know of my position.

I want to tell you about a story of the consequences that resulted from my best friend's decision to seek to terminate a pregnancy. While in college, my friend, a bright, compassionate woman, made a mistake. One mistake and she got pregnant. If she had been forced by the government at that point in time to bring that pregnancy full term, she would have been forced (she most likely would have lost her scholarship) to drop out of college without training and would probably be on welfare today.

Instead, having made the excruciatingly painful decision to terminate her pregnancy, she was able to complete her college degree, go on and get a doctorate and today is married with two beautiful, healthy children. Her children are loved and wanted and will, I am sure, grow up to make significant contributions to our country. My friend is a teacher of handicapped children and is for life and for family.

Women's decisions to bear children must be their own. The state cannot and should not intrude on that right.

Truly yours,

JANE ROE.●

Maine.

THE DAIRY FARM EFFICIENCY PROMOTION ACT OF 1985

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. FRANK. Mr. Speaker, no agricultural commodity has more assistance from the Federal Government than dairy products. And, unfortunately, no industry remains more out of control. Most recently, in 1983, we passed the so-called dairy diversion program that promised to restore the balance of supply and demand in the industry and preserve the financial health of thousands of dairy farmers. It did neither. While surplus production was reduced somewhat, it was far less than predicted by proponents of the legislation and never came near equilibrium. And, now that the program has ended, there are clear indications that farmers are beginning to increase production again. As to saving farmers, a recent USDA report indicates that, over the duration of the diversion program, the number of dairy farmers in the dangerously debt-ridden "very highly leveraged" category increased by 296 percent; a higher rate than any other commodity. In spite of its failure to live up to expectation and despite its billing as a temporary program, there are now those who propose establishing the diversion program permanently. Such a policy would be a terrible mistake, both because it would continue a structure that costs taxpayers and consumers billions of dollars and because it would ignore that basic structural problems in the dairy industry.

Mr. Speaker, today I have introduced legislation that would bring some rationality to the Federal Government's involvement in the marketing of dairy products. This bill is a comprehensive approach that would ease the Federal Government out of the business of buying and selling milk but do so in a way that would minimize the negative impact on individual dairy farmers. By dropping the price support and removing some of the artificial marketing restrictions, the legislation would make the dairy industry respond to market forces and not to actions—or inactions—of the Federal Government.

The bill also allows the Attorney General to prosecute antitrust violations by agricultural cooperatives. Current law gives certain antitrust immunities to these cooperatives but prohibits their use for "undue enhancement" of the price. However, the Secretary of Agriculture must find the existance of undue enhancement before the Attorney General can move. In the 62 years since this law was enacted, no Secretary has found reason to act against a cooperative on this basis. My bill would free the Attorney General, whose office, I believe, is institutionally better qualified to determine objectively whether cooperatives are acting improperly, to prosecute independently of the Secretary of Agriculture.

In another procedural change, the measure changes the law that prohibits consumers from participating in the process of establishing marketing order regulations. The decision is a further demonstration of the extent to which agricultural markets are operated by and for those who profit from them to the exclusion of those—consumers and taxpayers—who must pay the price. The bill would explicitly give consumers standing to challenge marketing order regulations.

Recognizing that Federal involvement in the dairy industry has created a highly complex regulated market that has not been comprehensively examined since the enactment of the Agricultural Adjustment Act of 1933, another provision of the bill would place a sunset date on the act of June 1, 1993. Instead of the quadrennial farm bill ritual of layering program upon program, a sunset date would force Congress to truly reexamine the base law that has grown into the impenetrable morass we have today.

The price provisions would drop the support level gradually over a 6-year period and cap the set price for fluid milk at $16 per hundredweight. Currently law will set the support price at $11.60 as of July 1985. My bill would reduce this amount by 4 percent a year for 6 years, resulting in a price of $9.07. The classified price is capped at $16. The purpose of these provisions is to force dairy producers to respond to market forces rather than Federal policy. The absurdity of the Federal Government setting a price above the market level and buying up billions of pounds of dairy products to maintain those prices will cease.

Clearly, inefficient dairy farmers will not survive under the new deregulated free market system. Therefore, the bill includes a loan forgiveness program to ease the transition for those dairy farmers unable to compete. The Secretary of Agriculture will be authorized to provide loans for the purpose of converting dairy farms into any other nondairy endeavor. Half of the loan, at a rate of 5 percent a year over 10 years, would be forgiven if the recipient stays out of the dairy business. In this way, the hardship on the individual dairy farmer will be eased and the excessive productive capacity generally in the dairy industry will be dramatically reduced.

The existing dairy program is based on a picture of the industry as it was in the 1930's. Improved technologies in the production, as well as the transportation, of dairy products have been ignored. Rather than exploit the new technologies, the current program discourages many of them. Refrigeration now allows much larger markets in fluid milk than the marketing order system will permit. As a result, inefficient dairy production is supported and the most efficient areas are selling milk to the Government in obscene quantities. A dose of the free market will naturally bring supply into confluence with demand. The taxpayers will benefit. The consumers will benefit. And even the efficient dairy farmer will benefit.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MONTGOMERY. Mr. Speaker, today the House will continue debate on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in Shreveport, LA:

VA MEDICAL CENTER,
Shreveport, LA, February 7, 1985.

Howard H. Green, MD.,
Chief of Staff (11), VA Medical Center, White River Junction, VT.

DEAR HOWARD: As requested in your letter of January 2, 1985, the following information is submitted:

1. Size of hospital: Authorized beds, 448; Operating beds, 377; NHCU beds, 0.

2. Affiliated: Major affiliation with LSU Medical Center, Shreveport.

3. Projected dollar deficit as of January 1, 1985:

(a) Personnel Services: (1) Unfunded cost from FY 84, 201,400; (2) 1/6/85 GS & DM&S 3.5% pay raise, 488,300; Total Deficit, 689,700.

(b) All other (drugs), 208,100.

4. Impact of dollar deficit:

(a) Personnel: The total projected deficit includes the 1/6/85 pay raise, which if not funded, would require an employment freeze with overall reduction of approximately 30-35 FTEE. If the 1/6/85 pay raise is funded, the impact of unfunded salary cost from FY 84 would be a reduction of between 8-10 FTEE of our recurring FTEE ceiling of 896.8. This reduction would be accomplished through lags in filling vacant positions.

(b) Supplies: The station budget cannot adequately fund the cost of Pharmacy Service's outpatient workload.

(c) Equipment:

FY 1985 Equipment Budget—Additional Equipment, 149,671; Replacement Equipment, 93,988; Total Budget, 243,559.

FY 1985 Equipment Requests—Additional Equipment, 312,039; Replacement Equipment, 615,109; Total Requests, 927,138.

MDD No. 19 Unfunded Equipment List for Shreveport 1,615,588.

Current Equipment Needs Deficit, –(2,299,157).

The figures show a net deficit of $2,299,157. Between legitimate equipment needs and available resources, we are being squeezed into an untenable situation at an increasing pace which limit us to "band aid" solutions and often forces us to purchase services that we could and should provide inhouse in a more cost effective manner.

(d) Backlog of patient surgery: General surgery frequently experiences delays of 48-72 hours depending upon the load in Radiology, especially for GI, special studies, and CT scans. Orthopedics tends to run a 5-6 week backlog in elective surgery due to limitations in operating room time. Ophthalmology and Otolaryngology have no significant backlog or delay. There is no significant delay in Urology but some limitation of available procedures due to outdated equipment.

5. Solutions you have devised: There are really no effective solutions to lack of resources of the magnitude we are experiencing. Our base funding dates back to the time when our affiliated medical school was an incipient institution and has never kept pace with our development into a tertiary care facility. Various "innovative" approaches have been attempted. Efforts to reduce beneficiary travel to NSC veterans and to control the provision of pharmaceuticals to non indigent non service-connected veterans were tried and worked quite well as far as local acceptance was concerned, but we were ordered to cease and desist by VACO. Efforts to deny care to priority 5 and below veterans would cause undue hardship to a large segment of our poorest veterans to whom we are the provider of last resort due to lack of community resources for indigents in our service area.

6. Any other comments germane to the issue of resources: In my personal opinion, we are fast approaching the time that some hard choices will have to be made. If we are going to continue to provide quality care and maintain our house staff as an active participant in the medical educational system, we will need increased support in recurrent funding and FTEE. Alternatives are to revert to a substandard primary care facility or a glorified warehouse. It is suggested that the VA must try to recoup scarce resources by selective vertical cuts of selected medical centers and planned mission changes of other across the system in order to permit adequate support to as many tertiary care affiliated medical centers as these resources will permit. It will also be necessary to avoid many of our non patient care expenses supported by local medical care appropriated funds. Avoidance of beneficiary travel expense and free medications to non service-connected veterans are costly examples of avoidable expenses which do not affect the provision of good medical care.

I hope this information will be of use in presenting our collective problems and an approach to their solution.

Sincerely,

JAMES M. SCHLESS, M.D.,
Chief of Staff.●

GOLD STAR MOTHER

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DASCHLE. Mr. Speaker, on Memorial Day, a grateful nation will recognize our Nation's veterans and honor the more than 1 million American veterans who have died in military service. As we recognize our veterans who have made the ultimate sacrifice defending, protecting, and safeguarding the freedom and liberties which we cherish, it is also most appropriate to recognize Gold Star Mothers.

I rise today to share with my colleagues a poem written by Margaret Barron of Sioux Falls, SD. Appropriately entitled "Gold Star Mothers," this poem pays tribute to the mothers of our Nation's veterans who have died in the line of duty in our Armed Forces and recognizes the special sacrifice which has been made on behalf of the Nation by the mothers of these veterans.

Active in the Veterans of Foreign Wars Auxiliary in both Sturgis and Sioux Falls and a past president of Post 628 Auxiliary, Margaret Barron has eloquently and beautifully recognized the special contribution of the Gold Star Mother. I thank Margaret for the tribute to Gold Star Mothers which she has authored and I request the inclusion of "Gold Star Mother" in the RECORD at this point.

GOLD STAR MOTHER

Wasn't it only yesterday
You held him to your breast?
You thanked the Lord in Heaven,
For being so greatly blessed.

As soon as you were left alone
You removed his infant clothes,
With fear and pride you counted
All the little fingers and toes.

Yesterday those fingers etched
Paths in the fresh iced cake,
Left telltale frosting on his cheek
From the prize cake you had baked.

Yesterday tabby hadn't a chance
His tail was so inviting,
Though admonished "now don't pull his tail",
He still found it exciting.

Then yesterday you saw him
A boy become a man,
Straight and proud in the uniform
Of dear old "Uncle Sam".

"Don't worry Mom, I'll be O.K.,
And I'll write every day."
And he did write and photos send
You treasure these today.

Then a Gold Star Mother you became
And yesterday you did sorrow.
But yesterday wasn't so long ago,
It's the day before tomorrow.

—Margaret Barron.●

ANOTHER TRAGEDY IN THE BLACK COMMUNITY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. RANGEL. Mr. Speaker, the recent events in Philadelphia were a tragedy for all Americans. Black Americans in particular were the primary victims of this confrontation.

It seems to me, Mr. Speaker, that we must look at the ramifications of the shoot-out within the context of past misfortunes in the black community. We must ask whether such overwhelming firepower would have been brought to bear if the siege had not taken place in a black neighborhood. This is a legitimate question, and is not intended to cast responsibility or guilt upon the Philadelphia community leadership.

Black people have witnessed the violent destruction of their homes on hundreds of occasions since World War II. This is a fact which should be kept in mind by all Americans, Mr. Speaker, because it is one the darkest episodes in our history as a nation.

I would like to introduce the following editorial for inclusion in the CONGRESSIONAL RECORD. I encourage my colleagues to read it and ponder the perspective so eloquently presented by Mr. Earl Caldwell.

[FROM THE NEW YORK DAILY NEWS, MAY 17, 1985]

DOUBLE-BARRELED STANDARD

(By Earl Caldwell)

There is no picture left of his face. Old newspaper clippings say he was tall and thin, and in the summer of 1967, he was 18 years old. But the name, Bruce Spellman, and the story stick in the mind.

He was the oldest of 11 kids. When he was 8, his father, a painter, fell from a ladder, landed on live wires and was electrocuted. But the horror in Bruce Spellman's life was from a night in July 1967, the night the cops killed his mother.

The summer of 1967 has a history that is set apart in America. Most often, it is referred to as the summer of the riots. In all, there were more than 100 and they swept across the country in a fiery wave. "Negro riots," they were called in the news reports. "Rebellions," those who were arrested said.

But whatever the name, in the middle of that July, one of the most violent of those occurrences took place in Newark.

The Spellmans lived in the projects, in Hayes Houses. Their apartment was on the 11th floor in Building 322. Eloise Spellman, who was 41, was killed by the police on a Saturday night in the midst of the uprising.

The way the story was told, the cops were tense. The police said they had been subjected to gunfire from snipers. That had prompted them to order everyone off the streets. Eloise Spellman obeyed. She gathered her kids. She herded all 11 into the apartment. She could hear gunshots being fired outside. It worried her, and she made her kids lie on the floor. She got onto a couch and lay there. But she had been making dinner when the trouble started, and she remembered that a pot was left on the stove. Moving to save the dinner, she raised up from the couch. One bullet ripped through her shoulder, and then another tore through her neck, and she died there on the living room floor.

The next morning, Bruce Spellman tried to explain to reporters the way his mother was killed. On the walls in the living room, there were holes as big as a fist, holes made by bullets the police had fired. One of those bullets had ripped Eloise Spellman's neck apart, and she had died.

The events in Philadelphia bring the story back now: Bruce Spellman, tall and skinny, standing in that living room with the huge holes in the wall. "Why?" he kept asking. The answer was that the police do things in neighborhoods where black people live that they would not do in white neighborhoods. Would the police dare to open fire in a random way at an apartment house in a white neighborhood? Would they do that even if there was a sniper?

The riots that swept the country in the summer of '67 were, as much as anything, a protest against police brutality and police killing of black citizens. Out of that summer also came the politial movement that swept black mayors into office. And after the election of black mayors, came appointments of black police chiefs. But still, the evidence is that police act one way in communities that are white and another way in communities where nonwhites live.

In Philadelphia, it's pointed out, the major is black. But would even Wilson Goode, the major, have approved the dropping of a bomb on a row house in a white neighborhood? Would his police officers even have recommended such an action? There is an abundance of evidence that supports arguments that the police have two standards of conduct. Look at the death of Eleanor Bumpurs, who lived in a public housing project occupied primarily by blacks. She was killed with two shotgun blasts fired by a cop. The cops were trying to evict her because she was behind in the payment of her rent. In New York, would the police have even carried a shotgun to evict an old woman from her apartment in a white neighborhood? The police commissioner in New York is black. He says the cop who shotgunned Eleanor Bumpurs acted within department guidelines. But what would have happened had Eleanor Bumpurs been white, living in a building with other white people?

This is the 18th summer since the cops in Newark—using bullets that left holes as big as a fist—opened fire on a building they knew was occupied by women and children. It brings to mind a tall, skinny kid who was 18 and the morning he explained to reporters the way those bullets tore his mother's neck apart. It's the bombing in Philadelphia that brings it back.●

SINN FEIN CAPTURES 12 PERCENT OF VOTE IN NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BIAGGI. Mr. Speaker, why is it for some in this world—for every step forward they take—it is followed by two steps backward?

Last week, the Sinn Feih political party captured 12 percent of the vote in local elections conducted in Northern Ireland. In fact, their showing was even more impressive when one considers that of 91 candidates running, 59 were elected. I commend the increased political participation of Sinn Fein and urge its continuation.

I especially support it as an alternative to violence such as the murder yesterday of four police officers in Northern Ireland. The Provisional Irish Republican Army claimed responsibility for the bomb which killed the four and which brings the total number of law enforcement personnel killed this year to 17. This is more than one-half of the total of all fatalities in Northern Ireland so far in 1985.

I condemn this act of violence and repudiate all those responsible. I repeat my unalterable opposition to all forms of violence in Ulster, civilian or official. It impedes what clearly is progress toward the desired political solution we all want. The ballot, not the bullet or bomb, should be the future direction in Northern Ireland.●

NUCLEAR MEDICINE WEEK

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. SCHEUER. Mr. Speaker, nuclear medicine has provided us with modern-day miracles.

Through nuclear medicine techniques, spectacular successes have been achieved in diagnosing and treating many life-threatening diseases.

Sophisticated and high technology procedures developed through nuclear medicine research ultimately save lives and money.

Diseases can be diagnosed and treated in early stages, thus reducing hospital costs and attendant patient suffering.

An average of two nuclear medical procedures are performed on every patient admitted to hospitals and outpatient facilities, totaling 120 million procedures each year.

In addition, exciting new research in nuclear medicine is on the verge of virtually unlocking the secrets of the brain.

Chemical ravages caused by certain forms of mental disease, such as Alzheimer's disease, can actually be observed in the brains of living patients.

Knowledge of diseases gained through these techniques provide hope for both cures and treatment.

The value of nuclear medicine to the American public should be recognized through proclamation of National Nuclear Medicine Week, July 27 through August 2, 1986.●

100 YEARS OF UKRAINIAN IMMIGRATION TO THE UNITED STATES

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DWYER of New Jersey. Mr. Speaker, 100 years ago, our Nation was privileged to receive thousands of Ukrainians to our shores, seeking a new life in America. We have benefited greatly by their presence here, and I would like to join my colleagues in the Congress in this centennial celebration of Ukrainian immigration to the United States.

Immigrants from Ukraine and their descendants have made significant contributions to American life and society in many areas, including science, the arts, and courageous military service. Ukrainian-Americans have succeeded in preserving their unique heritage, expanding our horizons and understanding of other cultures here in America.

Our society has certainly been enriched by our compatriots from the Ukraine, many of whom survived great hardships and tragedy before coming to America. We appreciate their enduring strength and deeply share their steadfast support for human rights in their homeland.

Human rights in Ukraine continues to be a great concern, and this 100th anniversary of Ukrainian immigration is an appropriate time to highlight the tragedies which Ukrainians still suffer under Soviet domination.

The bonds to our Ukrainian compatriots remain strong, and we must continue to promote and preserve the Ukrainian culture and experience here in America, both as an integral part of our society and as a powerful statement against Soviet attempts to deny Ukrainians their great heritage.●

A TRIBUTE TO ROBERT JEFFREY KOPP

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. HOWARD. Mr. Speaker, I would like to join my colleague from New York [Mr. SCHEUER] in paying tribute to Robert Jeffrey Kopp. Jeff Kopp was a detective with the Nepture Township Police Department. He was an outstanding public servant, earning over 25 commendations during his 13 years of police service. Jeff's police service was but one aspect of his deep commitment to his community—both in the narrowest and widest sense.

Jeff Kopp lived virtually his entire life in Ocean Grove, a historic community in my district on the New Jersey shore. He worked extremely hard to protect that town's unique way of life. While still in his teens, Jeff began serving on Ocean Grove's volunteer fire department and first-aid squad. He also began a lifelong interest in preserving Ocean Grove's architecturally significant structures. Throughout his adult life, Jeff spent much of his free time repairing, restoring, and, if necessary, reproducing the Victorian gingerbread that embellished so many of the homes and buildings in Ocean Grove. He was instrumental in refurbishing the Beersheba Well—a unique historic structure that surmounts the town's original spring and has become the symbol of Ocean Grove's renaissance. He also designed and built a reproduction of a Victorian ticket booth that sits in the center of Auditorium Square. In addition, he donated countless hours of his free time to help his friends and neighbors improve and restore their homes.

Jeff's concern for the community projects extended well beyond the gates of Ocean Grove. When a young policeman passed away from a heart attack several years ago, Jeff, together with another officer, founded the Neptune Police Benevolent Association 10-kilometer road race in honor of their deceased colleague, with the proceeds to go to the Heart Association. From a relatively modest beginning, this race ultimately became one of New Jersey's premier events described by the Asbury Park Press as a true "runner's race." More importantly it served as a living reminder of a fine young man and provided many thousands of dollars for a worthy cause. In addition to the countless hours devoted to the race, Jeff was active in a large number of other civic projects. These included organizing and coaching baseball, soccer, and basketball teams, volunteer counseling of troubled young people and educational programs for elementary and high school children. One vivid example of his concern for others came in 1977, when floodwaters ravaged Johnstown, PA. Volunteers were being sought to help with the cleanup of this devastating flood. In a characteristic response, Jeff took vacation leave from his job, drove the 300 miles to Johnstown and spent a week moving debris and digging out the homes of people he never met.

In a time when we hear so much of the me generation, it is indeed gratifying to review the all-too-short life of a young man who cared greatly for others. I join JIM SCHEUER in expressing my sympathy to Jeff's wife, Linda, and their children, Robert and Melissa, and his mother, Edna. They, and we, can be proud of Jeff's accomplishments and take solace from a life lived well.●

REFORM OF JUDICIAL RULEMAKING

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. KASTENMEIER. Mr. Speaker, today I am introducing the Rules Enabling Act of 1985. This bill reforms the method by which the Federal judiciary promulgates its rules of practice and procedure. This bill is the product of 2 days of hearings last Congress and a substantial amount of work by the Subcommittee on Courts, Civil Liberties and the Administration of Justice. See Rules Enabling Act hearings before the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the Committee on the Judiciary, U.S. House of Representatives, 98th Congress, First and Second Session, Serial No. 96 (1984).

The bill I am introducing today is substantially similar to a measure approved by the Subcommittee last Congress, and has the support of the American Bar Association. The major reform made by the bill is to regularize the method by which rules are promulgated. The bill establishes uniform time periods for the promulgation of rules. Second, the bill improves the internal procedures for the development of rules, including a admonition that meetings to develop the rules be held in the open. Third, the bill eliminates any potential constitutional problems with the rules process. Due to the Supreme Court decision on legislative vetos, the provision in the current law—which provides for a one House veto—must be repealed. In addition, the bill avoids a possible constitutional attack on the rules system by permitting judicially promulgated rules to supersede only existing rules. The supersession authority is no longer necessary. The bill, therefore, deletes the unneeded and potentially mischievous trumping authority held by current rules with respect to congressionally passed statutes. The final reform worked by this bill is to regularize the procedures for the consideration and promulgation of District and Circuit Court rules.

The subcommittee invites all interested parties to submit comments to the subcommittee at 2137 B Rayburn, House Office Building, Washington, DC 20515.●

FOOD STAMP QUALITY CONTROL BILL OF 1985

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. JEFFORDS. Mr. Speaker, today I am introducing the Food Stamp Quality Control Bill of 1985. Our current food stamp quality control statutes are ripe for revision. Two major problems, the way in which error rates are determined and the severity of subsequent sanctions, have led to a situation where most of our Nation's States are now in adjudication or appeals with the U.S. Department of Agriculture.

My bill works to correct this unproductive state of affairs. It recognizes a State's caseload characteristics (for example the prevalence of recipients with earned income) in establishing error rate tolerances. It also moderates the punitive nature of current quality control measures and corrects existing inequities in the formulas for determining error rates. At the same time it retains adequate incentives for States to continue working to decrease errors. This bill fosters a working partnership between the States and the Federal Government in creating corrective action plans to reduce error rates and makes a State's fiscal sanction amount available for implementing these plans. In this way, my bill will assist States in providing quality administration of this program, our first line of defense in the fight against hunger.

The National Governor's Association and a number of other interested groups have lent their total support to my proposal. I would urge all my colleagues to give their full consideration to my bill. The following is a summary of the major provisions of the Food Stamp Quality Control Bill of 1985:

SUMMARY OF THE FOOD STAMP QUALITY CONTROL BILL

1. IMPROVEMENTS IN FOOD STAMP QUALITY CONTROL STANDARDS AND PROCEDURES

The bill would require the Secretary to review error rate data and notify states of their error rates in an expedited manner.

A state would be required to develop a correction action plan unless its error rate is consistently below its error rate target. The corrective action plan and performance would be reviewed subject to criteria published in regulations.

The sample collected would exclude errors resulting from misinformation, incorrect determinations of eligibility, overissuances to eligible recipients submitted to the food stamp administering agency by other state or federal agencies.

If a state's error rate exceeds its target, the state would be sanctioned based on the federal share of the state agency's administrative costs.

2. CALCULATION OF TOLERANCE LEVEL

The error rate tolerance level would be set at 5 percent per year adjusted by the following socio-economic variations in state caseloads: households with earned income; population density; rate of increase in the caseload; the caseload size.

Each state's error rate shall be fixed at the lower bound of the standard interval.

The state's sanction would be reduced by the amount of collections made by the state for issuances to ineligible households or overissuances to eligible households.

3. WAIVER OF SANCTIONS

Secretary may waive all or any part of any sanction based on a state's good faith effort.

The Secretary shall take into account:

(a) Factors beyond a state's control, such as, disasters (fire, flood, or civil disorders); strikes by state or other staff needed to determine eligibility or process changes in cases.

(b) Other Factors as Appropriate: these may be identified by the Secretary in regulations or may be detailed by states in their waiver requests but would include past state error rate performance as well as the cost effectiveness of error reduction efforts.

The Secretary shall waive the sanctions if the state expends the sanction amount on the implementation of its corrective action plan.

4. DEFINITION OF ERROR RATE

The definition would confine error rates to payments to ineligibles and overpayments to eligible households.

5. MORATORIUM

There would be a one-year moratorium on the counting of sanctionable errors relating to changes in the Federal Food Stamp Act and a 90-day moratorium on counting errors relating to changes in administrative policy.

6. STUDY OF CLIENT ERRORS, BROADER PERFORMANCE MEASURES

The Secretary would be directed to complete a study within one year of enactment which includes: a detailed analysis of the nature of client errors and the degree to which client errors can be controlled by states; and standards by which to judge whether a client error could have been controlled.

The Secretary would also be directed to study and suggest the measures of Food Stamp performance which are broader than the current quality control system (which measures only payment accuracy), and more accurately reflect the full range of responsibilities a state has in administering the Food Stamp program. Underpayments, negative determinations and delayed issuances in determining a state's error rate are examples. This study would examine the cost effectiveness of error reduction and of a broader performance measurement system.●

RESTRUCTURING OF THE OIL INDUSTRY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. FLORIO. Mr. Speaker, I wish to call to the attention of the House of Representatives a striking example of the flawed nature of prevailing public policy toward the current restructuring of the oil industry and other basic industries.

The Eagle Point refinery in West Deptford, NJ, in my district was sold recently in a divestiture arising from one of the recent giant oil mergers. Despite their understanding that their jobs would be secure, the employees at Eagle Point found out after the sale was concluded that their jobs were gone. The new owner required all the former employees to apply for their jobs along with anyone else who might want to apply.

Unfortunately, this is not a unique example. In steel towns, automobile towns, and refinery towns across America this tragic pattern is being repeated. The oil industry is undergoing a period of chaotic restructuring, with massive takeovers, liquidations, and market withdrawals. Yet the response from Washington has been to disclaim responsibility because of what I believe to be an ill considered, overly narrow view of public responsibility.

Today I am writing to the Federal Trade Commission, which has helped facilitate the oil industry restructuring by giving the green light to the giant mergers. I am asking the chairman of the Federal Trade Commission to submit to Congress recommendations to deal with the tragic situation in New Jersey and elsewhere. I am inserting in the RECORD a copy of my letter and an article from the Philadelphia Inquirer describing the situation at Eagle Point.

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COMMERCE,
TRANSPORTATION, AND TOURISM,
Washington, DC, May 22, 1985.

Hon. JAMES C. MILLER III,
Chairman, Federal Trade Commission, Washington, DC.

DEAR CHAIRMAN MILLER: I am writing to you about the increasingly troubling consequences of the chaotic situation in the oil industry. As you know, the industry is undergoing a massive restructuring, with huge takeovers, liquidations, and market withdrawals.

The current view in Washington seems to be that with a few modest adjustments—a refinery divested here, a few gas stations sold off there—the shakeout is fine and nothing much needs to be done by public officials. Outside of Washington, however—from the viewpoint of the employees whose jobs are erased, from the viewpoint of the communities left with broken economies, from the viewpoint of small businesses cut off from sources of supply—the picture looks very different.

I would like you to consider as a case in point the troubling situation unfolding at the Eagle Point refinery in West Deptford, New Jersey in my own Congressional district. That situation was graphically described in an article in the Philadelphia Inquirer of May 21, 1985, which I enclose. The refinery was sold as part of a massive merger which your Commission approved. I corresponded with you on several occasions stressing that any divestiture of Eagle Point should preserve its viability so that the jobs and the local community would not be endangered. Employees at Eagle Point believe that commitments were made that their jobs would be secure. As it turns out, nothing is secure. The new owner is wiping the slate clean, requiring all former employees to reapply for their jobs along with anyone else who might come along. The 32 year record of the heating unit operator—erased. The 19 years record of the plant maintenance worker with four children—erased. Decades of contribution to the profits of others, decades of labor, decades of loyalty—all erased.

This is but one example. In steel towns, automobile towns, and refinery towns across the country this tragic story of broken jobs, families, and lifelong plans has been repeated over and over. Yet the prevailing view in Washington appears to be that no public official has responsibility for any of this. In response not only to lost jobs, but to the impact of the oil industry restructuring on American energy independence, on national security, and on our financial structure, the answers are all the same. The prevailing view appears to be that there should be no action by the Federal government and that there is and should be no responsibility on the part of those who enforce the antitrust laws. This result is dictated by what I believe is a misreading of the facts and an ill considered, overly narrow view of public responsibility and the factors that should be taken into account in antitrust enforcement.

I am writing to ask whether you share the view of those who say there is no Federal responsibility to help resolve the situation at Eagle Point and the broader ramifications of oil industry restructuring. I would appreciate your recommendations on action to address these issues. I hope you will agree with me that the working men and women who have kept their end of the national bargain only to find themselves put out on the street deserve a better deal.

Sincerely,

JAMES J. FLORIO,
Chairman.

[From the Philadelphia Inquirer, May 21, 1985]

AS EAGLE POINT GETS NEW OWNER, WORKERS WAIT

(By Michael Vitez)

An era ended in West Deptford Township yesterday as Texaco, the township's largest employer and taxpayer, handed over title of its Eagle Point refinery to Coastal Corp. of Houston.

In corporate terms, everything is cozy. Texaco gets $42.5 million. Coastal gets the refinery, 1,000 acres of land and 9.7 million barrels of crude oil in storage.

In human terms, however, the story is different. Only a few dozen of the refinery's 485 workers will return to their jobs today. The rest—some of whom have spent more than 30 years at the plant—either will wait by the telephone and hope that Coastal calls, or will stand in line to collect unemployment.

"What I got to say you couldn't put in print," said a heating unit operator at the plant for 32 years, who did not want his name used. "They had a lot of good people, real good people, and they put them on the street."

Coastal, a tough, aggressive company with a reputation for no-frills, low-cost operations, has decided to build its own staff from scratch. Texaco employees had to reapply for their own jobs, along with more than 500 outsiders. Most still have not heard.

"It's like this," said Wayne Johnson, a plant maintenance worker for 19 years. "I got four kids, I'm 47 years old, and this is my second time around. I helped bring New York Shipyard [long-defunct] down in Camden. I haven't heard anything. That's the thing. No one in maintenance has been told.

"Everybody is a treated like a number. And you can't function as a number."

Johnson, vice president of the Oil, Chemical and Atomic Workers Local 3638, which has represented 325 workers at the plant, stood outside the main gate yesterday and talked to people coming out, possibly for the last time. A portly man, he wore a blue blazer and a union pin. He does not rule out the unemployment line.

"Most people are hurt," he said. "I wouldn't say angry; I'd say hurt real bad.

"Most people are long-term employees. They were always promised the rainbow if they performed a good job. Everybody figures on a lifetime job. That's the picture most employees had. And now this. They're hurt. They're leaving hurt."

Johnson also had good things I say about the refinery:

"This refinery—bar none in the area—is the cleanest. Working conditions have been made the safest. It has been a showplace refinery on the East Coast. And one of the most productive in the Texaco system.

"The best men in the area came here to work. Now the most we have is hope. That's all we have."

The sprawling plant, which includes a deep-water port and refinery capacity of 90,000 barrels daily, at one time employed more than 600 workers. Shaped like an eagle's beak, which is how it earned its name, the site stretches along the Delaware River across from Philadelphia International Airport. The refinery has paid about $2 million annually in property taxes to the township in Gloucester County.

Texaco, after its merger with Getty Oil Corp., was forced by the Federal Trade Commission to either sell or shut down the plant, because it now owned the 14,000-barrel-capacity Getty refinery in Delaware City, Del.

Texaco is still negotiating with union members regarding a pension and severance package. The company also says it is offering financial assistance for retraining employees who lose their jobs. But many employees believe that the company deceived them, leading them to believe that their jobs would be secure.

Coastal officials say they are extremely pleased with the purchase. They say that $42.5 million is a bargain price, and that the refinery will increase their processing and storage facilities in the Northeast.

Operations at the plant have been scaled down during the last week, but Coastal officials say the refinery should be back to full capacity within about a week.

Not all workers at the plant yesterday were in limbo. Some had heard good news, either by telephone over the weekend or at the plant that day. One of the lucky ones was William Armstrong, 50, an 18-year veteran, who works security at the main gate.

"Am I relieved?" Armstrong asked, chuckling as he responded to a question. "At my age, in the shape I'm in? Where could I get a job, flipping hamburgers someplace? Come on. Get serious."●

WORLD TRADE WEEK

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. SUNDQUIST. Mr. Speaker, Members of the House. This is World Trade Week, a time we focus on the essential role that international trade plays in U.S. economic life.

In my State, we got this observance off to an early start with the Tennessee World Trade Conference on May 1 in Nashville. It focused on the practical aspects of exporting and opportunities available in a number of foreign markets.

Here on Capitol Hill, Republican Members of Congress are commemorating World Trade Week by establishing a Republican Task Force on International Trade. Myself and other Republican Members of Congress are seeking positive, practical steps to resolving the economic problems caused by the U.S. trade deficit. As Americans and Republicans, we stand united and committed to build a consensus of long-term, pragmatic solutions to the trade imbalance.

We need to emphasize exporting, not only in Tennessee, but throughout the United States. Although we remain the world's largest exporting nation, our strong economy is attracting imports, and the high dollar is making it difficult to sell U.S. products and services overseas. This year our trade deficit is very likely to exceed last year's record deficit of $123 billion. The U.S. exports only about 6 percent of our gross national product, less than half as much as our major competitors.

We must get busy and get more U.S. companies involved in exporting. Exporting will add to their profits. The export market can give them a fallback position when demand is weak in the United States. And they can achieve economies through the larger production run required to fill overseas orders.

I am pleased that vigorous efforts to encourage exporting are being made in Tennessee on State and local levels, as well as on the Federal level. These include the efforts of the U.S. Department of Commerce with its offices in Nashville and Memphis, the State of Tennessee Export Office, and local world trade clubs.

World Trade Week 1985 is the time for Government and the private sector throughout the Nation to redouble their efforts and meet the challenges of international trade.●

TAX SYSTEM REFORM

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DARDEN. Mr. Speaker, in the coming weeks Members of the House of Representatives will begin formulating legislation to reform our tax system. Although the responsibility for drafting the legislation ultimately remains with our distinguished colleagues who serve on the Ways and Means Committee, all Members must take an interest in this necessary reform measure.

In the months since the 99th Congress first convened, I have been contacted by many of my constitutents regarding tax reform. They are concerned that Congress may pass tax reform legislation without fully determining the impact restructuring the Tax Code will have on our economy in the future.

Mr. Speaker, I believe we must be cautious to insure that any tax reform measure continue fostering growth in business. We cannot allow for changes in our Tax Code that will control business decisions and deter growth. It is imperative that we strike a balance between collection of necessary revenues, and the equity, efficiency, and simplicity required for a fair tax system.

The following is a statement by Jack A. Dinos, chairman and CEO of Southern Tea Co. in Marietta, GA; which he presented before the Senate Small Business Committee. Southern Tea Co. exemplifies the type of small businesses in America that flourish because of provisions in our present Tax Code which encourage growth. This type of growth not only creates jobs, but also provides additional revenues. Mr. Speaker, we must preserve and expand the incentives in our Tax Code that allow for the successful expansion of small businesses such as the Southern Tea Co.

STATEMENT BY JACK A. DINOS, CHAIRMAN, EXECUTIVE COMMITTEE AND CEO

Mr. Chairman, Southern Tea Company is a tea packer which began its operations in Atlanta, Georgia in 1958, as a division of the Mocha Coffee Company, a 50 year old food-service coffee roaster. When the parent company was sold in 1968, the Executive Management retained ownership of Southern Tea, and today Southern Tea's ownership and management includes third and fourth generation of the parent company's founding family.

Twenty-seven years after its inception, Southern Tea ranks as one of the four larg-

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est tea companys in the United States, and it is the largest devoted exclusively to the manufacturing and distribution of private label and generic tea bags.

From 1958, Southern Tea has grown on a consistant basis, and this growth has necessitated three major plant moves. As a nonmarketing manufacturer which carries extensive inventories for its customers, our is a capital intense business. Being privately held, funds for growth have been limited primarily to retained earnings, an ESOP, and borrowed capital. Southern Tea had traditionally operated from buildings owned and leased to it by its owners who, prior to a major expansion planned in 1978, had been able to adequately provide facilities.

The expansion planned in 1978 called for the construction of a 17,000 square foot office building and a 150,000 square foot building for manufacturing and distribution built on approximately 9 acres of land located in Marietta, Georgia. This expansion did not include our vacating the facilities occupied in Atlanta as was the case in the two previous moves; therefore, funds from the sale of that facility were not available for acquiring land and financing construction through conventional means. We investigated long-term leasing and a joint venture development with a commercial developer and, in both cases, our rent would have been prohibitive.

Using proceeds from a tax-exempt industrial development bond issued by the Development Authority of Cobb County, we were able to acquire the land and build the buildings in our proposed 1978 expansion plan. The tax-exempt nature of the industrial development bond enabled us to obtain funds at 2½% below the then current rate for conventional financing. this will reduce our interest cost and rental expense during repayment by over one million dollars. In 1983, a second industrial development bond was issued and we built an additional 12,000 square feet of offices and 70,000 square feet of manufacturing/warehouse space. The tax-exempt status of the funds we borrowed to complete our last expansion will save us an additional one-half million dollars based on the current cost of conventional financing.

Our Company's sales, since occupying the facilities provided through industrial development bond financing, have increased by over 60%, and our payroll has increased by over 40%. Approximately 70 new jobs have been created. Though the new facilities have enabled us to produce more efficiently, without industrial development bond financing, our Company would not have been able to experience this growth or provide added employment.

As I have mentioned in the foregoing, it has been very helpful to our Company to have industrial development bond financing available. It has reduced our expansion costs, made it possible to expand and modernize our facilities, increase our employment and most importantly remain competitive in the market place.

It is also significant that in our community the Development Authority of Cobb County has been instrumental in enhancing the local economy by helping new and expanding companies add nearly two-hundred million of facilities and over ten-thousand jobs since it was created in 1972. These firms and their employees support the economy through the paying of local, state and federal taxes, and by buying goods and services locally and nationally.

In summary, tax exempt financing has been a real advantage to our Company, our community and the nation, and should be allowed to continue. Thank you.●

EFFECTIVE OPERATION AND MAINTENANCE OF THE PANAMA CANAL UNDER THE TERMS OF THE TREATY

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LOWRY of Washington. Mr. Speaker, last week, the House of Representatives passed H.R. 1784 to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal. Today, I would like to explain to the Members of the House my views regarding the effectiveness of canal operations under the terms of the treaty.

The Panama Canal Commission estimates that the total number of revenue transits will increase from 12,410 transits in 1984 to 12,985 transits in 1985. The Commission projects that the net tonnage passing through the canal will increase to 175.7 million tons, and that tolls will total $310,000,000 in 1985.

H.R. 1784 authorized $436,784,000 for canal operations in fiscal year 1986. Of this, $26.5 million are earmarked for a capital outlay program, and will authorize funds to replace a tugboat, procure two towing locomotives, install a special fire protection system at the locks, and replace electrical transformers containing the chemical PCB at lock facilities.

The Commission has also expanded its training programs to recruit Panamanian employees for administrative, craft, and technical positions, and is making progress in these areas. Pursuant to the terms of the treaty, the Deputy Administrator, who is Panamanian, will become the Administrator of the Panama Canal Commission in 1990.

In addition, Mr. Speaker, I would like to point out that the Government of Panama is one of the strongest advocates of the Contadora process as a means of strengthening democracy in Central America. I am an avid supporter of this process, and believe the Congress should continue to recognize its friends in Panama and the key role Panama has played in both the operation and maintenance of the canal and as a principal architect of the Contadora process.

Thank you, Mr. Speaker.●

CONYERS CALLS DETROIT JOB CORPS PROGRAM A SUCCESS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. CONYERS. Mr. Speaker, yesterday, I participated in a press conference with our colleagues, Education and Labor Chairman AUGUSTUS HAWKINS, and MATTHEW MARTINEZ, along with our former colleague, Mayor Harold Washington. We expressed our outrage at the administration's experimental and questionable subminimum wage program for youths. Even Secretary of Labor William Brock, whose Department would oversee the program, has said that he has reservations regarding whether the program will work or not.

Today, I testified before the Subcommittee on Employment and Housing, Committee on Government Operations, in support of the Job Corps Program, which the administration wants to eliminate, despite its successes and cost effectiveness.

I would like to share with my colleagues the following statement which I made at the hearing:

REPRESENTATIVE CONYERS TESTIFIES IN SUPPORT OF THE JOB CORPS PROGRAM

WASHINGTON, DC.—Yesterday, I participated in a press conference with Augustus Hawkins of the Education and Labor Committee, and our former colleague, Mayor Harold Washington of Chicago and Congressman Matthew Martinez. At this press conference, we discussed our opposition to the Administration's proposed subminimum wage theory which it wants to implement.

I say theory because even Secretary of Labor William Brock, whose department would oversee this program, says it's experimental and that he's not sure it will work.

It seems strange that the President wants to push an unproven summer program for our young people and at the same time, has proposed to eliminate the Job Corp Program which has proven to be very effective.

His subminimum wage program would provide summer jobs at $2.85 per hour, which is 25% less than the minimum wage, and while he claims it will create jobs for the hard core unemployed, it is not targeted to disadvantaged youths.

The Jobs Corps Program in Detroit, I might say, has been very successful since its inception in the early 1970's.

The average participant is 17 years old, and of the 500 individuals in the program last year, nearly 50% completed the program. Furthermore, 84% of the participants who stayed in the program for more than 6 months in 1984 were either successfully placed in a job or enrolled in a college. All at a cost of $2.5 million per year.

The Detroit Job Corps Program, which is operated by Singer Career System, a subsidiary of Singer Sewing Machine Company, has graduated 4,000 students during the past 10 years.

This program enjoys tremendous support from the Detroit corporate community and the greater Detroit Chamber of Commerce. William Wade, director of the program, has

done a marvelous job of running the program and building support for it.

The program enjoys tremendous support from the Detroit corporate community and the greater Detroit Chamber of Commerce. William Wade, director of the program, has done a marvelous job of running the program and building support for it.

The truth of the matter is that the administration opposes the Job Corps, not because of the cost since it does not follow this rationale in defense and foreign aid spending, but because it does not fall into the realm of the Administration's misguided priorities. In fact, job creation, per se, doesn't seem to be a priority given the continued unemployment levels in excess of 7%, which is even higher among minorities and other disadvantaged groups.

Furthermore, the Administration claims that the program does not meet the needs of those it was designed to serve. Again, this principle is not applied to military spending, corporate subsidies, and foreign affairs.

In plain English, the Administration just doesn't like this program, which is also its attitude toward many other social programs. It's inconsequential to the Administration that the program is cost effective and that it works.

I am delighted that the House has not followed the President in proposing to eliminate this valuable program. It is my hope that we will not only continue to support this program, but to expand and enhance it rather than buy into meaningless proposals such as the subminimum wage program, which even if it were to work, would only provide summer jobs rather than training and educational opportunities that lead to permanent jobs.●

DON'T TAX INSURANCE AND FRINGE BENEFITS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. ROTH. Mr. Speaker, the original U.S. Treasury Department tax proposal as well as other tax reform measures now pending before Congress, propose to tax employee benefits such as life insurance, health insurance and pension and retirement savings programs. Also included, is a plan to impose a tax on the annual increase in the cash value of permanent life insurance, and to treat loans from life insurance policies as income.

I urge the President, as well as all my colleagues, to reject any tax reform proposal which would impose taxes on employee fringe benefits and also on the "inside interest" buildup in the value of permanent life insurance.

Taxation of these and other employee benefits could have significant consequences for employees who depend upon these benefits for their financial security. I believe that it would be a mistake to include these provisions in any final tax reform measure.

A tax on employee fringe benefits would result in less take home pay for most Americans. Employer-provided benefits have created widespread economic security among millions of American workers. Nationwide, employees are provided with employer-provided life and health insurance coverage. Such a tax could cause employers to reduce or freeze benefits resulting in less protection for employees.

Taxing the annual increases in the value of ordinary life insurance policies would be a radical departure from current practice which recognizes taxable income only if the owner takes out more money from the policy than he or she has put in. Annual increases in the cash value of life insurance are not now considered income to the policyholder because the cash value remains within the contract and is not actually "constructively" received by the policyholder.

Taxing the inside buildup would be unsound social and economic policy. Many current and prospective policyholders would no longer establish long-term growth within their contracts. Many would not take advantage of important protection for their loved ones. Life insurance is not now and was never intended to be a tax loophole. No tax reform goals would be served by now taxing inside buildup.

Again, I urge my colleagues to join me in opposing any changes in the Tax Code which would tax employer provided fringe benefits and which would impose a tax on life insurance.●

TRIBUTE TO MR. BRYAN A. CHAPLOW

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. HERTEL of Michigan. Mr. Speaker, I would like to take time today to honor Mr. Bryan (B.A., Chappie) Chaplow, an outstanding community leader for over 50 years. Mr. Chaplow's life and deeds are a testament to the freedom to succeed that America offers enterprising and dedicated citizens from all walks of life.

Mr. Chaplow, one of nine children, began his life in 1899 in a family too poor to send him to school. He was taught at home by his mother. By the age of 14, he was working full time at a lumber mill in Detroit. He then enlisted in the U.S. Navy and served admirably in World War I. He returned to the lumber mill at the age of 20 and soon became the vice-president and general manager of the Currier Lumber Co. of Detroit. While in this position, in 1932, he created the Nation's first "Cash and Carry" lumberyard, which endured as one of few successful businesses during the Great Depression. This store's success led to the establishment of eight more such centers in Michigan. He also created the first full page newspaper advertisement which explained how the general public could economically purchase lumber materials. Another one of his contributions to society was the creation of an industrywide standard for measuring lumber, which is still used throughout the world today.

Mr. Chaplow opened his own company, the B.A. Chaplow Co., in Detroit in 1938. This company was large enough to cover an entire city block. During the next 17 years, he coined the internationally known phrase, "Do It Yourself," to explain how his lumberyard could most economically serve the community at large. In 1955, he established another branch in Utica. This branch of the Chaplow Lumber Co., provided excellent materials for thousands of homes and well known businesses in Michigan. He also owned a variety of other types of businesses, both in Michigan and elsewhere in the United States.

As Mr. Chaplow's businesses flourished, he became involved in community activities which would help others to improve their chances for success. He volunteered for a variety of functions including commissioner of the Detroit Public Lighting Commission, deputy sheriff of Wayne County, honorary sheriff of Michigan Sheriff's Association, and chairman of the Sterling Township Civil Service Commission. He eventually received citations of merit and awards from 31 different community and service organizations.

For the past 20 years, Mr. Chaplow has been the president of the Lillian H. and Carl W. Scott Foundation which distributes funds to formal charitable institutions to help hundreds of children in need or distress. He was one of the first charter members and one of the first officers of the local chamber of commerce. His integrity is so respected that he has been asked to be chairperson of the board of elections at his yacht club by 34 consecutive commodores. This integrity and other admirable characteristics of both he and his late wife Marian have continued to be exhibited in their children Thomas and Joann, and their seven children.

Mr. B.A. Chaplow is an exemplary model for all persons not only in Michigan, but in the whole United States of America. The State of Michigan, in recognizing his outstanding deeds has provided for a "Salute to B.A. Chaplow Day." I ask that everyone join me in extending my sincere appreciation to Mr. Chaplow for his great contributions as a community leader.●

ABORTION, RELIGION AND GROVE CITY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. EDWARDS of California. Mr. Speaker, the civil rights of all Americans, but especially those of women and girls, the aged, the handicapped, and minorities are at stake in H.R. 700, the Civil Rights Restoration Act of 1985.

The lead Washington Post editorial of May 23 urges prompt approval for many good reasons. We hope the Congress accepts this good advice.

The article follows:

ABORTION, RELIGION AND GROVE CITY

There has finally been some movement in the House on the Grove City legislation. The bill, designed to overturn a Supreme Court decision limiting the government's power to enforce desegregation rules in institutions receiving federal funds, had broad support in the House last year—it was passed 375-34—but was blocked in the Senate. This year, supporters were braced for difficulties in the Senate, but to everyone's surprise, delay has come at the first hurdle, the House, where the bill has 205 cosponsors.

Difficulties have arisen in two areas, both controversial: abortion and religion. Under present law, educational institutions receiving federal funds may not discriminate against students or employees for reasons connected with abortion. Women who choose abortion may not be expelled, penalized or fired, and insurance provided for students and employees must treat abortion as it treats other medical procedures. There is, however, an exemption in the law if compliance would conflict with the religious tenets of an institution controlled by a religious organization. On Tuesday, the House Education and Labor Committee adopted two amendments that would change these rules. The first would remove the requirement with regard to abortion services and benefits for all institutions—not only the religious one; the second would broaden the religious exemption provision to include all institutions *affiliated* with a religious organization, a category that is presumably much larger than the one defined by control.

The House Judiciary Committee, which shared jurisdiction over this bill, has also reported it but without these two amendments. Instead, the Judiciary bill contains an expression of neutrality on the abortion regulations now in force so that a vote in favor of the bill cannot be interpreted as a ratification of the regulations.

There are many ways to deal with the difficult questions of abortion and religion in federally assisted institutions, and amending the Grove City bill is the least desirable. The abortion regulations can be changed by a sympathetic administration, or they can be repealed in separate legislation. The religious exemption already in the law appears to be working well to protect religious institutions. If it needs to be expanded for legitimate reasons, that case must be made in detail, and there is little doubt that Congress would be sympathetic. The important point is that these issues, which have already delayed consideration of the Grove City bill, should not be allowed to sink it. The bill is designed to restore the law, as it existed before the Supreme Court decision, and not to amend it extensively. Momentum will only be sustained if House leaders schedule early floor debate, and members send the bill to the Senate with a large majority. The session is already half over, and the bill must not be lost again in the confusion and rush of October.●

THE FISCAL YEAR 1986 BUDGET

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. McCANDLESS. Mr. Speaker, at first glance, both the Democratic and Republican budgets seem to contain about the same numbers—over $56 billion in deficit reduction in fiscal year 1986. The difference becomes apparent when you look within the proposals. The Congressional Budget Office, in analyzing the Democratic budget, estimated that when the blue smoke and mirrors were eliminated, the Democratic effort in deficit reduction was more in the neighborhood of only $38 billion. A review of the Democratic budget, replete with "unspecified savings," gives some idea as to why CBO failed to find the promised savings in their budget.

The most talked-about portion of the budget is that of defense. There seems to be a common refrain among the Democrats that the sole reason that the deficit is so high is excessive defense spending. That case simply cannot be made. Early in the 1960's, defense spending accounted for 50 percent of all Federal spending. Last year, it was 26 percent. During the past 25 years, defense spending as a percentage of gross national product has remained relatively constant while social spending has increased 300 percent.

The Republican budget provides for a real freeze in defense spending. I believe that the budget crisis merits this step. Some argue that we have not cut enough from defense. I disagree. The single most important function of the Federal Government is defense. For, if our defense fails, even once, then all other items in the budget become irrelevant. Hence, while the Defense Department must share in our efforts to reduce the deficit and redouble their efforts to eliminate waste, fraud, and abuse, we should not adopt the Democratic proposal of getting a large portion of savings from defense while ignoring other programs.

In other portions of the budget, there are many items of interest. It is ironic that the Democrats frequently characterize the Republicans as being ploys of big business. The Republican budget proposes to eliminate the Export-Import Bank Direct Loan Program. Why? Because over 50 percent of all loan proceeds from the program last year went to only five large corporations. The Democratic budget proposes only a 25-percent reduction in the program.

The Republican budget would terminate the Synthetic Fuels Corporation, while the Democratic budget leaves it untouched.

The Republican budget recognizes that while our national parks belong to us all, we all do not use them equally. Is it right for those who infrequently or never visit a park to subsidize those who visit the park routinely? To promote a more equitable distribution of the cost with use, the Republican budget would establish user fees to recover 25 percent of the costs. The Democratic budget does not address the issue.

The same cost and use ratio should be used for those who avail themselves of maps and charts furnished by NOAA. Fees that represent those costs would be established by the Republican budget while, again, the Democratic budget makes no similar recommendation.

The taxpayers currently subsidize every Amtrak passenger to the tune of $35 a ride. The Republican proposal would gradually reduce that subsidy over the next 3 years, with a 12-percent cut in fiscal 1986, 20 percent in 1987, and 40 percent in 1988. The gradual reductions will cause the least disruption in Amtrak service while saving taxpayers' dollars.

The Democratic budget proposes to fully fund the controversial Legal Services Corporation. The Republican proposal would cut LSC by 50 percent.

In an area in which I am very familiar as a result of my 12 years in county government, the Republican budget recognizes that many communities are dependent on funds provided by revenue sharing and have budgeted in accordance with the program as authorized. A sudden elimination of revenue sharing would be ill-advised. The Democratic budget eliminates revenue sharing next year. The Republican budget would phase the program out over the next 3 years, thereby giving communities the opportunity to make the necessary adjustments in their budgets.

Among the more intriguing aspects of the Democratic budget is the alleged 3-year $12.2 billion savings that would result from the elimination of Federal contracting-out. The Grace Commission cited several instances where contracting-out resulted in duplicative services, and I commend my Democratic colleagues for considering at least a portion of a Grace Commission savings. However, as the CBO recognized, there is no realistic manner in which contracting-out can be eliminated and produce such a large savings

during the budget year. The Democratic budget gives no apparent consideration to what services are to be eliminated or who will provide the services that will be continued and at what additional, unaccounted for, cost.

One of the most important aspects of the Republican budget is that it leaves the Social Security COLA as it exists under current law. When it was established, Social Security benefits were paid from a trust fund independent from the rest of the Federal budget. When President Johnson proposed to merge the trust fund with the rest of the Federal budget, the announced objective was to simplify the portrayal of the financial matters of the Federal Government. Its immediate result was the masking of the escalating costs of the "Great Society" programs and the war in Vietnam.

When Congress passed the Social Security reform bill in 1983, a provision was included to take Social Security out of the Federal unified budget, but it is not effective until fiscal year 1993. I believe that we should not wait that long and I have introduced legislation to have Social Security removed from the unified budget in fiscal year 1987. Changes in Social Security should be made exclusively on the basis of the objectives of the program and financial constraints of the trust fund, not because of the economic policy goals or budgetary constraints of the Federal Government as a whole. The Republican budget is consistent with this position.

I am obligated to mention the procedure of what has been called the Federal budget process. The Budget Act, under which we are supposed to be operating, calls for an orderly process for the rational formulation of a Federal budget. The law provides that the Budget Committee is to report a budget resolution to the House no later than April 15, and that Congress is to have enacted a budget resolution by May 15. Needless to say, we did not meet those dates. But not to worry—the House leadership is content to alter the rules as the need arises.

The budget is the single most important activity in which we, as legislators, are engaged. We are debating the manner in which we will spend over $790 billion of the taxpayers' money, borrow another $170 billion to be paid by future taxpayers, and fund the operations and programs of the Federal Government for 1 year at a total cost of over $967 billion. One would think that an item of such magnitude would command a large portion of our time. But, alas, no. The procedure was this: The House Budget Committee reported the resolution on Monday, May 20, and after only a day and a half of debate, we'll have everything wrapped up by midafternoon on Thursday. Is it any wonder why Congress has failed to come to grips with the deficit?

The fundamental flaw in the entire process is that Congress begins the budget process with "current services" and works from there. This process assumes that all past programs and expenditures are wise and good and leaves no room for improvement. I am a strong advocate of zero base budgeting, whereby every program and expenditure is questioned and justified annually.

In conclusion, I should note that while none of the proposals are perfect, the Republican budget represents the best alternative for making an effort to reduce the deficit by controlling spending and not resorting to yet another tax increase.●

TOWARD CONSENSUS ON NICARAGUA

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LAFALCE. Mr. Speaker, as the House prepares once again to face the challenge of American policy toward Nicaragua, Bernard Aronson in the "New Republic" reminds us that consensus can be reached on such a controversial question of foreign policy, and was in fact reached on the similarly divisive issue of American policy toward El Salvador over the past few years. Mr. Aronson suggests that we look to the case of El Salvador for guides to reaching a consensus about Nicaragua.

Between the extremes of opinion about Nicaragua, Mr. Aronson suggests a few principles for a moderate bipartisan policy. First, the administration should publicly state its goal in Nicaragua. Second, the administration should announce its willingness to respond in kind to conciliatory actions of the Nicaraguan Government. Third, the administration must insist that Nicaragua's democratic opposition be purged of former Somocistas and human rights violators. Finally, Mr. Aronson suggests that we recognize the legitimacy of the democratic opposition's cause in Nicaragua, and that we support their goal of creating from the Nicaraguan revolution a policy that looks more like postrevolutionary Mexico than postrevolutionary Cuba.

Mr. Aronson's suggestions for a bipartisan Nicaraguan policy may themselves be controversial, but they deserve the attention of the House. I therefore ask that his article be inserted in the RECORD.

ANOTHER CHOICE IN NICARAGUA

(By Bernard Aronson)

Now that Congress has voted down every proposal for aid to the Nicaraguan rebels, the United States has no policy toward Nicaragua. It needs to find one. Fortunately, there is a model for how that can be done.

Four years, ago, the country was as polarized over U.S. policy toward El Salvador as it is today over Nicaragua. Once again we are told that our choice in Central America is either "another Vietnam" or abandoning the region to communism. But in El Salvador neither has come to pass, largely because we have achieved something approaching a consensus uniting moderates in both parties. The administration and Congress now support a coherent set of policies that have strengthened the democratic center at the expense of both the rightist death squads and the Marxist guerrillas. The upset victory by José Napoleón Duarte's Christian Democrats in the March National Assembly elections was the latest sign of this hopeful trend. Both the administration and its Democratic critics need to follow a similar path to fashion a successful policy toward Nicaragua.

The Reagan administration started out in El Salvador firmly allied with the extreme right. It argued that to break with the right, particularly within the Salvadoran military, would imperil the war effort. But in the face of strong Democractic criticism of human rights abuses and a deteriorating military situation, the administration began to press for action aganist the death squads, and embraced the Christian Democrats. It discovered that to defeat the Marxist left, it had to win a victory for the democratic center.

Democrats made a different kind of pilgrimage. In 1981 and 1982 many had called for a complete cutoff of military aid to the government to force internal reform and change. As democracy began to take hold, as Duarte's Christian Democrats became the governing party and called for dialogue, and as the guerrillas continued to demand not a safe electoral process but a piece of the government, growing majorities of congressional Democrats joined Republicans in support of generous military and economic aid.

In short, both sides moved toward the center and agreed to make a deal. How can the administration and congressional Democrats begin to come together on the issue of Nicaragua?

First, the administration must define the goal of its policy and tell the American people. Over the last three years, aid to the Nicaraguan rebels has been justified as necessary first to interdict the arms flow to Salvadoran guerrillas, then to change the "structure", of the Nicaraguan government, and even to make the Sandinistas cry uncle. Neither Congress nor the American people will endorse or sustain a foreign policy that appears headed down a slippery slope, the bottom of which they cannot see.

The administration seemed headed in the right direction when it endorsed the March 2 San José proposal of the Nicaraguan democratic opposition. That proposal calls for a cease-fire and negotiations, mediated by the Nicaraguan Conference of Bishops, aimed at restoring the democratic goals of the revolution. Its outcome would be ratified in free elections and guaranteed by the Central American governments. But the San José document also declares that during the period of negotiations Nicaraguan president Daniel Ortega should remain "head of the Executive Branch until such time as the people pronounce themselves in a plebiscite." That is different from a military overthrow.

Second, the administration should announce that if the Sandinistas agree to a cease-fire and enter negotiations based on the San José proposal it will act to create an

Moreover, the political leadership of the atmosphere where negotiations can take place. Such actions could include suspending the current U.S. military maneuvers in Honduras, resuming bilateral negotiations with Nicaragua, and a reappraising of the recently announced trade embargo. Indeed, a number of opposition leaders fear that the hastily conceived embargo will only increase the suffering of ordinary Nicaraguans, win international sympathy for the regime, and strengthen the Sandinistas' claim that their real struggle is with the U.S., not the internal opposition.

Third, the administration must insist that the Nicaraguan rebels' civilian leadership purge its military high command of former Somoza National Guard officers and drum out of its ranks any troops guilty of human right abuse against the civilian population. It must make it clear that the "freedom fighters" the United States supports are not the remnants of the former regime but the brave men and women who waged a broad-based, democratic revolution in Nicaragua only to see its promise stolen by the Sandinistas.

Instead, by allying with the Somocista right, the administration is making the same mistake it made first in El Salvador, and the effect has been equally destructive to the democratic cause. The presence of Somocista elements in the resistance—no matter how small their numbers—undermines the credibility of the democratic opposition. It gives the Sandinistas a scapegoat to parade before an increasingly disaffected citizenry. And it makes it impossible for many in Congress, and for other Latin American leaders, to support openly the democratic resistance.

The Democrats too must spell out their goals, and offer a credible set of policies to achieve them. The Sandinistas have few friends in the Democratic Party today and the democratic opposition has many. But when pressed, some congressional Democrats say privately they believe the struggle for democracy within Nicaragua is all but over. They suggest that the best the United States can now hope for is a regional treaty, negotiated under the auspices of the five Latin American countries that make up the Contadora group. Such a treaty would require pledges by Nicaragua not to invade its neighbors or export revolution, reductions in standing armies, and a mutual withdrawal of foreign forces from the region.

Unfortunately, support for such a policy represents a self-fulfilling prophecy. It sends a subtle, but demoralizing, signal to the Nicaraguan democratic resistance that the United States is ready, in the end, to endorse a settlement that leaves them out in the cold. Moreover, it ignores the fact that the only real guarantor of such a treaty is an organized democratic opposition within Nicaragua itself. After all, who do we really expect to "enforce" the terms of such a regional treaty if the Sandinistas violate it? Does anyone believe that the Contadora nations, after the U.S. has reduced its military presence, are going to use military force against Nicaragua? Is a Canadian monitoring presence, which some have proposed, going to force the Sandinistas to do something they do not want to do?

Of course, there will be "official investigations" of treaty violations, and stern denunciations will be uttered. But if the Sandinistas could be moved by the collective disapproval of the hemisphere, they would not have systematically violated the democratic pledges they made to the Organization of American States in July 1979 as a condition for their support.

The Sandinistas will not import Soviet missiles into this hemisphere—not because of a treaty, but because the United States will not permit it. But once they consolidate their hold and the democratic opposition is scattered into exile, no treaty will keep the Sandinistas from seizing every opportunity to support "fraternal" revolutionary movements in neighboring states, for that is the political dynamic of their regime.

The Sandinistas are clear about their intentions. "Imperialism asks three things of us," *Comandante* Bayardo Arce, coordinator of the Sandinistas' Political Committee, said in Managua last May: "to abandon interventionism, to abandon our strategic ties with the Soviet Union and the socialist community, and to be democratic. We cannot cease being internationalists unless we cease being revolutionaries. We cannot discontinue strategic relationships unless we cease being revolutionaries. It is impossible even to consider this."

Ironically, the people who will pay the biggest price are the democrats and the poor of Central America, those whom Democrats want to help most. The threat posed by a permanent, revolutionary Sandinista regime will be used as justification by right-wing militarists throughout Central America to strengthen their position. And the danger that the Sandinistas will keep Central America in political turmoil will only accelerate the capital flight now under way throughout Central America, robbing the region's *campesinos* of their hopes for a future that consists of more than grinding poverty.

In Honduras, for instance, the first reaction to the radicalization of Nicaragua was the emergence of strongman General Gustavo Alvarez. Even democratic Costa Rica, which abolished its standing army in 1948, is now shopping for new arms and anxiously tracking rumors of Costa Ricans training as guerrillas in Nicaragua.

The Nicaraguan revolution was fought for worthy goals: democratic pluralism, a mixed economy, and genuine nonalignment. The fulfillment of those goals is the best guarantor of regional peace and stability. The Democratic Party should make negotiations to achieve them—as called for in San José and endorsed by the Contadora countries—the cornerstone of this policy. If Democrats believe that the solution to El Salvador's terrible civil war and violence is dialogue, national reconciliation, and democracy, they should support those goals just as enthusiastically in Nicaragua.

If the administration presses for a ceasefire and a negotiated political settlement, and purges the armed resistance of Somocistas, the Democrats should agree next to channel humanitarian aid to the armed resistance directly through a U.S. government agency, not through the International Red Cross or the U.N. High Commissioner on Refugees, as called for in the Democratic alternative passed, initially, in the House.

The debate about humanitarian aid is not a quarrel about how best to supply food and medicine, but about political legitimacy. To insist that only Nicaraguan "refugees" can receive American assistance, and only through an international relief agency, is to deal a devastating political defeat to the resistance forces. The message is that if they are fighting for change in Nicaragua, the United States will not help them. But if they lay down their arms and leave their country, we will send them food and medicine. The Sandinistas can hardly be expected to hold a political dialogue about the future of their country with a group of exiled refugees.

Finally, Democrats are right to insist that every form of diplomatic, political, and economic leverage be tried to pressure the Sandinista regime to negotiate before any military option is considered. But if the goal of Democratic policy in Central America is a negotiated settlement within Nicaragua, then Democrats must signal that at some point, if *all* other efforts have failed, Congress will seriously reconsider future requests for military assistance to a democratic—not Somocista—Nicaraguan armed resistance. Unless the Sandinista regime believes that such a threat is possible, they will never negotiate seriously. The steady squeezing out of democratic forces since the Nicaraguan revolution, the betrayal of one promised Sandinista "reform" after another, and the state-sponsored mobs, called *turbas*, which set upon opposition leader Arturo Cruz and his supporters during last fall's presidential "election," are ample proof of that.

Opponents of military assistance say it would violate the sovereignty of an established government and the dictates of international law. The United States, least of any nation, should not treat such claims lightly. But the purpose of law is to protect the weak from the strong and ensure a measure of justice. None of that will happen if the Sandinistas consolidate their power. Nor do the Sandinistas have any legitimate claim to invoke the principle of "sovereignty." Venezuela, Panama, Honduras, and Cuba all helped transmit arms to the Sandinistas to aid in the final overthrow of Somoza. Costa Rica and Honduras provided bases for the rebels. And the U.S. ambassador to Nicaragua under a Democratic administration personally negotiated Somoza's forced resignation and the naming of his caretaker successor. None of those invoking the "sanctity" of this principle raised any objections at the time. Why was it "legitimate" to help the Nicaraguan people wage their revolution in 1979 but "illigitimate" to help the Nicaraguan people save their revolution today?

The second argument made by opponents of military aid to the resistance—even if they were to purge Somocistas from their ranks—is that they are not a representative Nicaraguan group, but solely a creation of the United States. Curiously, many of the people who argue this way make the opposite argument about the guerrillas in El Salvador. They say that the Salvadoran rebel army, which fields 7,000 to 9,000 troops in a nation of five million and receives arms from the Soviet bloc, has proven its popular support by its ability to wage a protracted guerrilla war. And they say that despite the guerrillas' systematic destruction of that nation's economic infrastructure and a political program that does not include regular elections, the government, as a condition of our aid, should negotiate to bring its armed opposition into the political process.

In Nicaragua there are now 16,000 armed insurgents in a nation of 3.2 million and another 3,000 to 5,000 without arms or equipment. Their ranks include poor peasants, small farmers, Indians, devout Christians, draft resisters, and deserters from the Sandinista army. And they operate now in much of Nicaragua's mountainous terrain. Whatever the origins of the Nicaraguan armed resistance, it is disingenuous to argue today that the conflict in which they are engaged is not among the Nicaraguan people.

Moreover, the political leadership of the democratic resistance is made up of a remarkable group of Nicaraguans, all of whom led in the struggle against Somoza, and all of them committed democrats: Arturo Cruz, a former officer in the Inter-American Development Bank served as Nicaragua's ambassador to Washington after the revolution; Alfonso Robelo served in the first revolutionary junta; and Adolfo Calero, who was jailed by Somoza, was part of the progressive business community in Nicaragua that organized a nationwide strike that helped seal Somoza's fate. They epitomize the democratic center in Latin America committed to self-determination and social justice for their people. But theirs will be empty voices if their pleas for democracy are backed up by pious hopes instead of real power.

The United States often is accused of being on the wrong side of revolution in Latin America. In Nicaragua, as in El Salvador, we should be allied with those waging a democratic revolution against the enemies of freedom on both the left and right. The U.S. cannot ordain the outcome of that struggle. But in the near future Nicaragua will look like either Cuba today or Mexico after its revolution. It is a difference worth fighting for. If Democrats and Republicans unite behind a principled, bipartisan policy, we have a chance to help those struggling to save the Nicaraguan revolution when our help still can make a difference. Nothing less is worthy of the democratic ideals that unite us as Americans.●

YOU CAN'T HAVE IT BOTH WAYS SECRETARY LEHMAN: BUY SOME DIESELS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. STARK. Mr. Speaker, one of the oft-heard justifications for this administration's proposed 600-ship Navy is the large number of Soviet submarines, many of which are diesel powered. I noticed an article in the Washington Times yesterday by retired admirals, Elmo Zumwalt and Worth Bagley which made an excellent case for the U.S. Navy buying some diesel-powered submarines, and thus greatly increasing the number of American subs at sea.

I have included that article in the Record for the information of other Members.

Given our budget deficits, doesn't it make sense to reevaluate our defense needs to seek savings which do not reduce military capability? This year's defense authorization bill includes over $2½ billion for four nuclear attack submarines. Granted, nuclear attack subs have many advantages, but so do diesels in some very important missions. And nobody is suggesting buying all diesels. But based on the figures cited by Admirals Zumwalt and Bagley, we could be buying two nuclear subs, five to seven diesel attack subs, and still save roughly $650 million!

With the Navy now proposing the development of a new nuclear attack sub which will make our current nuclear subs seem cheap by comparison, shouldn't we take the admirals' advice, buy more subs, and save tax dollars?

[From the Washington Times, May 22, 1985]

WHY THE NAVY SHOULD BUILD DIESEL SUBS

(By Elmo Zumwalt/Worth Bagley)

Last month, the U.S. Navy announced a tentative agreement with Israel to build three diesel-electric submarines for the Israeli navy. The Israeli government had been pushing for quite a while to obtain U.S. approval to have the vessels built at an American shipyard, but that proposal did not receive a very warm reception from the Navy.

The Navy had several objections, to the Israeli proposal. The main concern was that, as a result of building the less costly diesel submarines in American shipyards Congress might begin to pressure the Navy to build diesel boats for its own purposes rather than the more costly nuclear submarines that the Navy desires.

Is there a role in the U.S. Navy for the diesel submarines in today's world of high technology and nuclear power?

In 1967, the British navy built what was to be its last diesel-powered submarine, announcing that only nuclear-powered subs would be built in the future. Sixteen years later, however, the British began building 12 new diesel boats. Why the change in attitude?

The truth of the matter is that there still is a role for the diesel submarine in today's high-tech environment.

To begin with, the diesel-powered boat is much quieter than its nuclear counterpart when not snorkeling to recharge its batteries. As a result, it can operate much more stealthily than a nuclear submarine in shallower water. This makes the diesel a much more effective submersible in areas such as the continental shelf, where the nuclear boats are denied their ability to dive to greater depths.

Such stealth was demonstrated most recently by the British during the Falklands campaign, when diesel-powered submarines landed their advance reconnaissance forces on enemy shores completely undetected—not only by the limited resources of the Argentine navy but also by the Soviets, who were feeding military intelligence concerning British force movements to the Argentines throughout the crisis.

Such a capability also makes the diesel submarine an excellent vehicle for minelaying in choke points critical to the Soviet navy—off northern Norway, for example—inhibiting its ability to move its forces in times of conflict.

Soviet diesel-powered submarines operate very effectively in the narrow Mediterranean where range and underwater speed are less critical than in the broad ocean areas. In another narrow sea—the Baltic—these submarines have operated so effectively that Swedish naval personnel did not detect the Soviet diesel sub that grounded on Swedish shores until they actually saw it.

The last diesel-powered submarine built for the U.S. Navy was constructed in 1959. Although there have been occasional attempts to get the Navy to focus on the new construction of diesels to meet its own needs, those attempts have been blocked, for the most part, by the efforts of one man—Admiral Hyman Rickover. The political clout wielded by Admiral Rickover has enabled him, during the span of five decades, to set the course for propulsion systems in U.S. submarines.

Depending on its design, between five to seven diesel submarines can be built for the price of a single nuclear one, such as the SSN-668 nuclear attack submarine.

Congress would never force the Navy to make all future construction of its submarine force diesel rather than nuclear-powered. It would be unwise to do so. But, for the cost involved and the capabilities provided, the Navy would be well advised to undertake the construction of at least 20 new diesel boats. Now that Admiral Rickover has been removed from office, such an endeavor has become politically feasible.

Elmo Zumwalt and Worth Bagley, retired Navy admirals, are nationally syndicated columnists.●

ANTHONY J. DI ROCCO TO RETIRE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. ANDERSON. Mr. Speaker, I know that in each congressional district, there are a very few individuals who stand head and shoulders above the rest for their community involvement, participation in civic activities, and work for the betterment of their country. In my Congressional District such an individual is Anthony J. Di Rocco.

Tony Di Rocco is a true native of my district, having been born in San Pedro and graduated from the San Pedro High School. While attending Woodbury College and specializing in business administration, he was nominated by his fraternity for student body president and served as Commissioner of Men's Activities. Further, during college vacation he served as a cadet aboard Matson Navigation Co.'s Monterey sailing out of Los Angeles and visiting various ports in the Pacific.

With the onset of World War II, he served 2 years in the Army Transport Service assigned to the ports of San Francisco and Los Angeles, working in various aspects of supporting our war effort in the Pacific. In 1942 he applied and was accepted for the U.S. Coast Guard Officer Candidate School and was commissioned that year, subsequently serving in the Coast Guard until 1946 when he was honorably discharged as a lieutenant (jg). He served in several Coast Guard assignments on the west coast, and then was assigned to the staff of the admiral in command of the Marianas Islands.

After 10 years with the business community in the Long Beach-San Pedro area, he joined the staff of the city of Los Angeles as a legislative analyst, specializing in the activities of the Harbor Commission and the Harbor Department. In 1977 he joined the staff of City Councilman John S. Gibson, Jr., performing duties in a wide range of the councilman's responsibilities but concentrating on the port operations and Harbor Department which he knew so well. Promoted to the position of senior field deputy, he was responsible for many phases of the councilman's operations, and so well demonstrated his capabilities that when Hon. Joan Milke Flores was elected to the 15th councilmanic district he was retained in that position.

Tony Di Rocco's involvement in community activities is way too numerous to list here. But some of the most significant—are president of the San Pedro 20-30 Club; president and director of the San Pedro Rotary Club; member of the board of directors of the San Pedro and Peninsula Hospital; the Mary Star of the Sea Catholic Church Financial Committee; the Catholic Maritime Club; and on the advisory board of the Foreign Trade Club. He has been active with the Los Angeles Police Department as a member of their oral review board, and has participated in numerous chamber of commerce and civic activity meetings.

Although Tony is retiring from full-time work, I know he is not retiring from his involvement in the community, and from continuing to work for the benefit of the people of our San Pedro area.

My wife Lee joins me in wishing Tony Di Rocco, his wife Lucy, and their five children, Laurine, Anthony Jr., Carla, Camille, and Donna, all of the best in the years ahead.●

CONGRESSMAN AUGUSTUS (GUS) F. HAWKINS RECEIVES HONORARY DOCTOR OF LAWS

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MITCHELL. Mr. Speaker, during the commencement ceremony today at the University of Maryland, my good friend and colleague Congressman AUGUSTUS HAWKINS was recognized for his outstanding leadership and advocacy of equality in education and employment with an honorary doctor of laws degree.

I would like to take this opportunity to congratulate GUS on receiving this prestigious degree and wish him all the best from his many friends in Congress.

The following is the tribute which was printed in the commencement program honoring Congressman HAWKINS.

AUGUSTUS F. HAWKINS HONORARY DOCTOR OF LAWS

Since the early days of the Civil Rights Movement, U.S. Congressman Augustus (Gus) F. Hawkins (D-Calif.) has been a vigorous advocate of equality in education and employment.

In 1962, after serving in the California state legislature for 28 years, Hawkins was elected the state's first black member of the U.S. House of Representative. He was the first black member of Congress to be elected from any western state, representing the 29th District of south central Los Angeles, a largely Democratic area populated mainly by Blacks and Hispanics.

Throughout his career, Hawkins has worked patiently and effectively through the legislative system for jobs, education and equal opportunity for all. Now, as the senior member of the Congressional Black Caucus, he continues to be a determined and steady spokesman for change.

Hawkins has always prided himself on campaigning on issues of economics rather than race. During a political career that spans more than half a century he has been a major promoter of job legislation. By any measure of legislative activity, he has been extraordinarily productive, having authored more than 100 laws which reflect a sensitivity to people's needs.

While in the California state legislature, he wrote bills which established a minimum wage for women, disability insurance, and the Fair Housing Act. He also chaired the powerful Rules Committee and the Senate and Assembly Joint Legislative Organization Committee, the highest committee position in the state legislature.

As a U.S. congressman, he is probably best known for co-sponsoring the 1978 Humphrey-Hawkins bill which mandates a federal economic policy that strives for full employment and sets forth strong anti-discrimination provisions. In 1983, he introduced what *Politics in America* called "the most sweeping jobs bill on the legislative market"—a $10 billion program to employ a million people. In an earlier session of Congress, he proposed to create a $1 billion National Economic Adjustment Program to bring jobs to poor communities. Most recently, Hawkins had reintroduced bills to establish an educational effectiveness program and a Youth Employment Incentive Act.

Probably his most important achievement as a member of Congress to date had been authoring Title VII of the 1964 Civil Rights Act, which mandated fair employment practices and created the Equal Employment Opportunity Commission (EEOC). Since then, as chairman of the House Committee on Education and Labor, he has fought to protect and strengthen the commission. He also chairs the Subcommittee on Elementary, Secondary and Vocational Education and is a member of the Joint Economic Committee.

Hawkins was born in Shreveport, La. His family moved to Los Angeles when he was 11. Hawkins earned an undergraduate degree in economics from the University of California at Los Angeles and attended graduate classes at the University of Southern California's Institute of Government. He is married to Elsie Taylor Hawkins.

Today he receives the Honorary Doctor of Laws Degree.●

IN MEMORY OF BEN RAMSEY, FORMER LIEUTENANT GOVERNOR OF TEXAS

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. PICKLE. Mr. Speaker, Ben Ramsey, a former Lieutenant Governor of Texas recently passed away. Those of us who knew and loved Ben Ramsey will remember him as one of the ablest public servants ever to serve the State of Texas. Ben was remembered on the floor of the Texas Senate by fellow Texans Ambassador Edward Clark and the current Lieutenant Governor, William P. Hobby, Jr. I would like to include their thoughts on this wonderful public servant in the CONGRESSIONAL RECORD.

Ambassador Edward Clark's prayer in memory of Ben Ramsey follows:

O God of grace and glory, we remember before You this day our brother Ben. We thank You for giving him to us, his family and friends, to know and to love as a companion on our earthly pilgrimage. In Your boundless compassion, console us who mourn. Give us faith to see in death the grace of eternal life, so that in Your quiet confidence we may continue our course on Earth until, by Your call, we are reunited with those who have gone before; through Jesus Christ our Lord.

Lt. Gov. William P. Hobby, Jr.'s eulogy for Ben Ramsey follows.

[From the Austin, TX Senate Journal, May 8, 1985]

EULOGY FOR BEN RAMSEY

We have come here today to honor the memory of Ben Ramsey. I shall not give a eulogy but a rememberance of the past; this is not a day of sadness, it is one of thanksgiving. As reported in the obituary, we know that Ben Ramsey was born in San Augustine, Texas on December 28, 1903. Ben loved his family—he married Florine Hankla and they had three children—Rita, Ann, and MariBen. He died on March 27, 1985 and was laid to rest in San Augustine where family, and friends, and many present and past State officials paid their final respects.

Governor Ramsey served Texas as a State Representative, State Senator, Secretary of State, Lieutenant Governor, and member of the Railroad Commission. During his 38 years of service, his greatest love was the office of Lieutenant Governor—guiding legislation and enacting laws affecting his beloved State.

Ben was conservative in the truest and purest sense of the word. He never attacked the State, the church, or any government agency—as some have done—because he sought to conserve the best within all our institutions. He had the ability to recognize the failures of men; but, he was quick to forgive the man, if not his sin.

His wit was legendary, though never used to cut somebody down. Once, after a Senator had scolded and ridiculed a colleague, Ben told him, "You put on a great show, but I know one member of this body who will vote against any bill you ever introduce." And when asked, "When does the Senate come to order" Governor Ramsey quipped, "The Texas Senate never comes to order. It just meets."

On another occasion, when I was parliamentarian, he sent me to ask a Senator to visit the rostrum so he could ask for the Senator's vote on a particular bill. The Senator said, "Governor, I'd like to vote for your bill, but I've been getting an awful lot of mail against the bill." After a moment of disdainful silence, Governor Ramsey replied, "Senator, why don't you just go back home and send the postman up here to cast your vote!"

Two of Ben's oldest and closest friends were Ed Clark and my cousin, Posh Oltorf. He often chided them gently. He said, "If Clark became more cantankerous, he would have to write a codicil to his will so we could hire pallbearers." And when he heard that Oltorf's doctor had told him to cut down on his food and beverage consumption, he said, "I'm sure Posh got a second or tenth opinion."

Born in San Augustine in 1903 to District Judge and Mrs. W. C. Ramsey, Governor Ramsey worked in his father's law office for three years after graduating from San Augustine High School; he returned to San Augustine after getting his law degree from The University of Texas in 1931, the same year he won his first race in the Texas House of Representatives.

The 38 years of service and leadership Ben Ramsey gave to the State of Texas were notable for lasting accomplishments in many major areas of importance to Texans, including: conservation of mineral, water, and soil resources; highway improvement; insurance and securities reform; and improvements in the public and higher education systems.

While progressive for his time, Ben Ramsey remained a steadfast enemy of big government; he considered much government spending unnecessary, if not actually wrong; he remarked in one of his longer inaugural speeches, lasting over five minutes, "It is our duty to balance the budget . . . Income must equal outgo. The cold facts of the balance sheet must be recognized"; he told a high school graduating class at San Augustine it must choose between "the concept of all-powerful government that has taken hold in some places in this country" or the individual American concept of individual initiative and individual rights.

A loyal Democrat all his life, Ben Ramsey, with the blessings of then U.S. Senator Lyndon Johnson and House Speaker Sam Rayburn, served as Democratic National Committeeman during 1955-1956, stayed with the party in 1952 and 1956, years when many Texas Democrats, including public officials, deserted the party to support Dwight Eisenhower.

While Ben Ramsey's accomplishments are a matter of record, he will always be remembered for his wit by all of those fortunate enough to have been close to him; somewhat reserved in public, he was warm and friendly in his personal relationships.

Governor Ramsey won his first race for Lieutenant Governor; he never lost an election; and in 1952, without making a single campaign speech, he won renomination with 83 percent of the vote.

Such are the highlights—the standards set by Governor Ben Ramsey. His service, devotion and passion for Texas and politics made him a giant among the tallest heroes in our history.

Two men guided my political life and shaped my philosophy more than any others—they were both Lieutenant Governors of Texas and revered that office—one was my father, the other was Ben Ramsey. I was his parliamentarian; he taught me what he knew; he taught me all I know. I can see him now, eyes cast downward at his upturned collar, whispering, "Bill, sit down, you have said enough." His guidance, his counsel, and his instinct to do the right thing is indelibly imprinted in the discharge of my responsibilities as presiding officer of this body. I am grateful to have known, loved and served under this great man.

The President then introduced Governor Ramsey's family; Mrs. Florine Ramsey and daughters Rita, Ann and MariBen.

An enrolled copy of S.R. 388 was presented to Mrs. Ramsey.

The President expressed appreciation to the family and many guests for their attendance today to honor Governor Ramsey.

AT EASE

The President at 10:53 o'clock a.m. announced the Senate would stand At Ease pending the departure of guests.

IN LEGISLATIVE SESSION

The President called the Senate to order as In Legislative Session at 11:03 o'clock a.m.●

ALLEVIATION OF SOCIAL SECURITY INCOME LIMITATIONS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. GILMAN. Mr. Speaker, I am pleased to be introducing today legislation liberalizing the earnings test for Social Security beneficiaries under the age of 70 who continue to work. Under current law, Social Security beneficiaries under age 70 who engage in employment or self-employment receive their full benefits unless their earnings exceed the annual exempt amount. My bill increases this exempt amount from the current level of $5,400 to $7,560 for beneficiaries under 65, and from $7,320 to $10,080 for Social Security recipients 65 to 70 years of age. It is my belief that the liberalization of the earnings tests will rectify, in part, the inequity created by this situation whereby honest, working people are denied the benefits to which they are entitled simply because they choose to continue to work through their retirement years.

The major premise of Social Security has been that the benefits are intended to replace income lost due to retirement. Consistent with that belief, the Social Security System has imposed an earnings limitation or retirement test since enactment of the original 1935 statute.

Initially the law restricted benefits for any month in which a worker received "any wages covered by employment." In 1939, $15 a month or more was substituted for "any wages from covered employment". In 1950, the $15 was increased to $50 and benefits at age 75 were provided to those who continued to work in recognition of the need to guarantee some return on the taxes paid. Since 1950 the annual exempt amount has increased significantly, the monthly retirement test restricted within the initial year of eligibility and the age 75 ceiling lowered.

As legislators, and as logically thinking men and women, I trust that the irrationality of requiring workers to pay into social security all of their working lives only to be denied their full benefits at retirement age merely because they choose to continue working, is not lost on any of my fellow colleagues. As many as 4.75 million persons between the ages of 60 and 64, 44 percent of that group, are employed full or part time. As of January 1985, 1.6 million persons between the ages of 65 to 69, or 10.5 percent of that age group were members of the labor force. Clearly this is a significant segment of our society, a segment I might add that often does not report their income because they cannot afford to lose any portion of their social security benefits. I am hopeful that the increased tax revenues from those working senior citizens who decide to report their income after adoption of this legislation, will decrease any losses brought about by liberalization of the earnings test.

We are all too familiar with the heavy financial burden already borne by senior citizens. This, coupled with the depression and loneliness that often accompanies the later year's in an individual's life, speaks for the need to encourage older Americans to continue being productive, enterprising members of our community. I am hopeful that the Committee on Ways and Means will move swiftly to consider this legislation and that the many Members on both sides of the aisle who have advocated liberalizing or repealing the earnings test in the past will support this legislation.

Mr. Speaker, at this point I request that the text of the bill be printed in the CONGRESSIONAL RECORD and urge my colleagues to join me in cosponsorship of this important measure.

H.R. 2618

A bill to amend title II of the Social Security Act to increase to $7,560 in the case of an individual under age 65, and to $10,080 in the case of an individual age 65 or over, the amount of outside earnings which is permitted in 1985 (subject to further increases in subsequent taxable years under the automatic adjustment provisions) without any deductions from his or her benefits.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN EXEMPT AMOUNTS.

(a) IN GENERAL.—Section 203(f)(8)(D) of the Social Security Act is amended to read as follows:

"(D) Notwithstanding any other provision of this subsection, the exempt amount for each month of any taxable year ending after 1984 and before 1986—

"(i) shall be $630 in the case of an individ-

PURSELL] which was prepared by the

1986, $600 million in fiscal year 1987,

"(i) shall be $630 in the case of an individual who has not attained retirement age (as defined in section 216(1)) before the close of such taxable year; and

"(ii) shall be $840 in the case of an individual who has attained retirement age (as so defined) before the close of such taxable year.".

(b) Conforming Amendments.—(1) Section 203(f)(8)(A) of such Act is amended by striking out "(separately stated for individuals described in subparagraph (D) and for other individuals)" and inserting in lieu thereof "(separately stated for individuals described in subparagraph (D)(i) and for individuals described in subparagraph (D)(ii))".

(2) Section 203(f)(8)(B) of such Act is amended by striking out "the exempt amount which is applicable to individuals described in such subparagraph and the exempt amount which is applicable to other individuals" (in the matter preceding clause (i)) and inserting in lieu thereof "the exempt amount which is applicable in the case of individuals described in clause (i) of such subparagraph and the exempt amount which is applicable in the case of individuals described in clause (ii) of such subparagraph".

SEC. 2. EFFECTIVE DATE.

The amendments made by the first section of this Act shall apply only with respect to taxable years ending in or after 1985 (and section 203(f)(8)(C) of the Social Security Act shall apply as though this Act had been enacted in 1984).●

THE PURSELL SUBSTITUTE: THE ONLY VIABLE BUDGET ALTERNATIVE

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. GUNDERSON. Mr. Speaker, smoke and mirrors, Mr. Speaker, smoke and mirrors. If we had a dollar for every time that phrase has been used on the floor of the House in the last 5 months, we could possibly balance the Federal budget.

And, while that phrase has been used time and again to a point of saturation, it must be reiterated at least one more time today for it aptly describes the basis of the House Budget Committee's proposal. If you look behind the numbers presented in House Concurrent Resolution 152, you find smoke, mirrors, and a whole lot of wishful thinking. If enacted, it will result in an inequitable spending plan for fiscal year 1986 and beyond—particularly from the perspective of a rural legislator.

Regrettably, the same accusations can be leveled at the Latta substitute. In fact, when you look at House Concurrent Resolution 152 and its various substitutes, there is only one whose numbers are not soft because they have a solid basis that has been checked and rechecked with the Congressional Budget Office.

That substitute is the one offered by the gentleman from Michigan [Mr. Pursell] which was prepared by the Budget Task Force of the 92 Group, of which I am a member. A comparison of some of the individual functions demonstrates these differences quite dramatically.

FUNCTION 050—DEFENSE

If deficit reduction is to succeed, it must be distributed equitably across the entire budget. And Defense—or any other function for that matter—should not be exempt from that basic rule.

The 92 Group meets this goal by adopting a fiscal year 1986 freeze at fiscal year 1985 levels for all functions—including Defense. The Latta substitute, on the other hand, allows for an inflation adjustment in fiscal year 1986 for defense notwithstanding the fact that, since 1980, the Defense spending has increased by 50 percent.

Mr. Speaker, no matter how you look at it, it's unfair to freeze other areas of the budget, but not Defense. Thus, the Latta substitute fails this first test of equity.

FUNCTION 150—INTERNATIONAL AFFAIRS

Like the defense function, basic equity would dictate that, at a time we are asking the American people to freeze their various domestic programs at fiscal year 1985 funding levels, we ought not be increasing foreign aid. Nevertheless, both the House Budget Committee's resolution and the Latta substitute do just that after fiscal year 1986.

Further, the House Budget Committee would continue funding for Eximbank direct lending despite the fact that 50 percent of all Exim direct loans go to but five major corporations—General Electric, Lockheed, Boeing, Westinghouse, and McDonnell/Douglas.

Clearly, in times of large Federal deficits there is no more appropriate place to draw the line on spending than in the area of foreign aid. The Pursell substitute does just that. Further, it terminates direct Eximbank lending in favor of loan guarantees—a more appropriate Federal involvement when it comes to making loans to large, multinational corporation.

FUNCTION 270—ENERGY

With the advent of new technology on the farm and the exodus of more and more of our urban population from the city and its suburbs, the demands for energy—particularly electricity—in rural America will escalate in upcoming years. And while the Rural Electrification Administration budget should be frozen at fiscal year 1985 levels like every other budget item (which is what the 92 Group budget does), this is not a time to reduce loan commitments.

But that's exactly what both the House Budget Committee and the Latta substitute would do—to the tune of a $550 million cut in fiscal year 1986, $600 million in fiscal year 1987, and $650 million in fiscal year 1988. Such cuts at this time would only make rural Americans second-class citizens again in the energy area.

FUNCTION 300—NATURAL RESOURCES AND ENVIRONMENT

There is no more critical budgetary item that impacts upon our future capacity to feed our Nation and the rest of the world than the whole area of soil and water conservation. Notwithstanding that fact, the Pursell substitute/92 Group budget assumes a freeze at fiscal year 1985 funding levels here just like in other budgetary areas.

The Latta substitute, on the other hand, goes farther and actually reduces conservation funding by 15 percent. While administrative cuts might be justifiable beyond a simple freeze to accomplish significant deficit reduction, this would go even further and actually result in cuts in programs.

FUNCTION 350—AGRICULTURE

This is the function where both the House Budget Committee and the Latta substitute deserve a smoke and mirrors commendation.

House Concurrent Resolution 152 does not specify where the $2 billion savings it assumes in the Agriculture function for fiscal year 1986 will come from, leaving it to the House Agriculture Committee to make that decision. The simple facts are that there are only two places to take such a substantial cut from—price support programs and FmHA loan programs.

The committee has made it plain that, under current economic conditions, it will not cut farm loans. That leaves price supports where little savings can occur in fiscal year 1986 because the price support payments made in fiscal year 1986 are for 1985 crops which are already in the ground.

The only way to achieve the savings assumed by the Budget Committee would be do away with advance deficiency payments—and, thus, destroy our land diversion/conservation programs—and the dairy price support program. Neither of those events are likely and, so, the savings assumed by the Budget Committee are illusory.

Similarly, the Latta substitute achieves its savings in the agriculture area by discontinuing all direct FmHA lending for ownership and operating loans. Again, the likelihood of this occurring is extremely remote. Thus, like House Concurrent Resolution 152, the Latta substitute does not make serious recommendations in this area.

On the other hand, the Pursell/92 Group substitute achieves realistic savings in Function 350 in research, extension, inspection, crop insurance, FmHA lending, and price supports. It does this by doing away with overlapping categorical programs, establishing minor user fees, converting some

direct loans to loan guarantees, and assuming no price support savings until fiscal year 1987. Nevertheless, it saves in excess of $7.5 billion in Function 350 over 3 years.

FUNCTION 500—EDUCATION AND SOCIAL SERVICE

As noted in the Defense area, a freeze at fiscal year 1985 funding levels must include education if it is to be comprehensive and equitable. Beyond that, the Pursell substitute makes only administrative changes in the Guaranteed Student Loan Program while making straight funding cuts in bilingual education, follow through, and impact aid (part B).

CONCLUSION

In summary, Mr. Speaker, a comparison of the provisions of House Concurrent Resolution 152, the Latta substitute, and the Pursell substitute not only show that the Pursell/92 Group substitute is a more realistic approach to deficit reduction, but achieves the necessary changes in Federal spending without harming rural America. That's why I supported it and voted against both House Concurrent Resolution 152 and the Latta substitute.●

ECONOMIC EQUITY ACT

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mrs. KENNELLY. Mr. Speaker, I am pleased to introduce today as a separate piece of legislation the private pension reform provisions of the 1985 Economic Equity Act. This is the "VIP" bill because it addresses reform of the Employee Retirement Income Security Act in the areas of vesting, integration and portability to provide greater economic security for retired American workers—men and women.

This legislation is similar to the bill proposed by our former colleague, Representative Geraldine A. Ferraro, last year. It includes the same provisions that she developed on vesting, integration and portability plus three provisions new this year to broaden private pension coverage. These latter three provisions would provide for pro rata credit toward pension benefits for qualified part-time workers and would require private pension coverage for certain older workers.

Full security for retirement is often likened to a three-legged stool: private pensions, Social Security, and personal savings. Yet, as our population ages, there are serious reasons to be concerned about how sturdy this approach will be. The VIP bill is intended to address these concerns and reflect the realities of today's workplace. It provides for faster vesting and establishes a mechanism for pension portability because the workforce is more mobile. It requires pension plans to provide a minimum benefit so that low paid workers will not be integrated out of the security of a private pension upon retirement.

I want to stress that this VIP bill is introduced to foster discussion on these issues. It is a first step, not a final step, in developing legislation to address our Nation's retirement income policy. Earlier this year I wrote to Chairman Dan Rostenkowski to ask that the Ways and Means Committee conduct a comprehensive examination of the issues of retirement security and private pension reform and I am very pleased that this process is underway. It will be very important that the many complexities of our private pension laws are fully aired in the process of reform but we must make ERISA fair to all workers and flexible enough to accommodate modern-day work patterns.

The VIP bill will do the following:

VESTING

It reduces, from 10 years to 5 years, the number of years of service a pension plan participant must complete in order to earn a 100 percent, nonforfeitable right to a retirement benefit.

It would permit multiemployer pension plans to retain 10-year vesting on condition that there is complete reciprocity for workers who move from one regional pension plan to another within the same industry.

INTEGRATION

Integration is the process by which pension plans calculate pension retirement benefits taking into consideration the amount of Social Security benefits the worker will receive. This can be devastating for lower paid workers as integration can wipe out their total pension benefit.

This bill requires all integrated pension plans to provide a minimum benefit, above and beyond the Social Security benefit. For integrated defined benefit plans this minimum would be 1.5 percent of the employee's compensation over a 10-year period. For integrated defined contribution plans, the minimum would be 2.5 percent of compensation for all years of service.

PORTABILITY

Because workers may vest in several pension plans, especially under a five year vesting rule, this bill gives workers the opportunity to transfer vested pension benefits into a single Portable Pension Account, similar to an Individual Retirement Account, to accumulate benefits until retirement. A worker who leaves employment having accrued a vested benefit of $7,000 or less would have the option of leaving it in his or her employer's pension plan, or withdrawing the money to deposit in his or her own Portable Pension Account.

COVERAGE

The bill broadens pension coverage for part-time workers with pro-rata credit toward vesting and benefit accrual if they have between 500 and 1000 hours of service and for older workers by requiring coverage of both those who begin employment over the age of 60 and those who work after the age of 65.●

SENATE—*Friday, May 24, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Gracious God, Father of all peoples, be with us today, as the Senate works through the complicated issue before it. Deep convictions, strong wills, commitment to peace and unity, mixed with sincere disagreement, tired bodies, weary minds, stretched emotions, and the pressure of time, portend an explosive situation. In this milieu dear Father, save us from destructive words and actions which will be profoundly regretted when it is all over. Help the Senate to find its way through this turbulence to sound judgment which is true, just, and makes for peace.

Lord of history, on the eve of Memorial Day, when we remember with gratitude those who have paid the "last full measure of devotion," overrule in the proceedings of this day and lead to decision which will honor those Americans who have sacrificed so much for the land we love. In the name of Him who is peace. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

THE CHAPLAIN'S PRAYER

Mr. SIMPSON. Mr. President, I cannot help but comment upon the words of our Chaplain, who is always so perceptive and particularly so in his remarks this morning as we come toward the Memorial Day recess. Certainly there is a bit of fatigue mixed in with a frustration, the realization that we may miss the commencement address at whatever location it is, to lead us to sometimes rather bizarre behavior.

But I also see in this place a remarkable trait where we get into spirited debate and hammer each other around, sometimes in a pretty vigorous fashion, verbally striking each other around the head and shoulders, and then I see us sitting together in the Senate dining room or other enclaves restoring friendships with each other in our own party and with those in the other party. That is the way it is. The public does not always see that, but that comity of spirit is still here and that is what makes this such a fascinating arena.

SCHEDULE

Mr. SIMPSON. Mr. President, this morning we have a special order for Senator PROXMIRE for not to exceed 15 minutes. Following the execution of the special order, there will be routine morning business, not to extend beyond the hour of 9:30 a.m., with statements limited therein to 5 minutes each.

Following routine morning business, the Senate will resume consideration of S. 1160, the DOD authorization bill. There are several time agreements that have been worked out, with more to be worked out.

Mr. President, rollcall votes are expected throughout the day's session. I am not certain when the day's session will conclude, hopefully by midafternoon or late afternoon. The majority leader will keep Members more fully advised as the day unfolds or unravels, whichever may be the case. I think it will unfold because we have dealt with some tough ones and the time agreements are already solid on some of the other tough ones.

So, with that, I will reserve the remainder of the leadership time and yield to the Senator from Wisconsin.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER (Mr. ANDREWS). The distinguished acting minority leader is recognized.

Mr. PROXMIRE. Mr. President, I thank the acting majority leader.

Mr. President, I ask unanimous consent that the time of the Democratic leader, Senator BYRD, be reserved for his use later today.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

WHY THE ARMS CONTROL OUTLOOK IS DIM TO INVISIBLE

Mr. PROXMIRE. Mr. President, the arms control team President Reagan sent to Geneva to negotiate a nuclear arms reduction with the Soviets has finished their first round and is now in recess. This negotiation was expected to do little more than state their initial opening positions in the first round of negotiations. Apparently that is precisely what happened. Most observers agree that the negotiations will be lengthy. Many expect them to continue for years. What prospect is there that the negotiations could begin to slow down the arms race? Do these negotiations offer any potential for achieving President Reagan's expressed aim of abolishing nuclear weapons?

The answer is that these negotiations offer very little possibility of any useful arms control agreement. We know that the President has disavowed any kind of overall freeze on the research, testing, production or deployment of nuclear weapons. Of course, the negotiators might decide to cap or even reduce particular nuclear weapons. In fact the administration has announced that it will discuss the possibility of moving away from a situation in which national security rests on the threat of massive nuclear retaliation and moving toward increased reliance on defense to strengthen deterrence. The President has said that his strategic defense initiative or star wars is designed to explore just that possibility. The administration has announced that the other prime purpose of the negotiations is to address intermediate-range nuclear forces [INF] in Europe.

Now, Mr. President, anything can happen in negotiations between human beings, but if these negotiations bear any fruit it will be the miracle of the century. Here is why: First, the key actor for the United States in any arms control negotiations is always the President. He sets the agenda for his negotiators. He provides them with their instructions. He accepts or vetoes any tentative agreement they may decide to proffer or consider from the other side. He hires and, of course, with no notice he can fire his negotiators. Neither the Congress nor any other institution has the slightest ability to prevent the President from rejecting any proposal he wishes to reject from the other side. Any suggestions from any other

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

source in this country in or out of the Congress are strictly that: suggestions. The President can deny them out of hand. He can ignore them. Or he can accept them. So a great depends on the President's attitude toward arms control.

President Reagan will be President for the next 3½ years. From the standpoint of this country, he will be Mr. Arms Control during that period. Even if the U.S. Senate refuses to ratify an agreement he favors, he can simply announce that he intends to abide by it and it promptly goes into force. So where does arms control stand with the President? The answer is clear and emphatic. President Reagan has opposed every arms control treaty agreed to between the United States and the Soviet Union: The Comprehensive Test Ban Treaty, the Anti-ballistic Missile Treaty, SALT I, SALT II. He opposed them all when his own negotiator, the seasoned, tough hard liner Paul Nitze arrived at a tentative agreement in the famous walk in the woods a few years ago, the President promptly and flatly rejected it. So President Reagan's long and consistent record does not get the Geneva arms control talks off to a very good start.

Now let us take a look at the negotiators the President has appointed. And when we do the propect for arms control does not get any better. The chief of the delegation is Max Kampelman. Kampelman is a fine human being. He is not only intelligent, he is wise. He successfully negotiated with the Soviet Union in Madrid between 1980 and 1983 as head of the Conference on Security and Cooperation in Europe. But is he qualified to be our chief negotiator at Geneva on arms control? In response, I offer the testimony of one expert and a thoroughly qualified expert: Kampelman himself. Let Mr. Kampelman himself tell us what experience he has ever had in arms control negotiations. On January 19, this year, right after the administration picked Mr. Kampelman as its chief negotiator, the New York Times asked him this very question. On Saturday, January 19, the New York Times reported:

> Mr. Kampelman acknowledged that he had virtually no experience in arms control, and that there were many others in Washington better qualified.

Why, then, was Mr. Kampelman appointed to be chief negotiator in these critical arms control talks at Geneva? The answer is that Kampelman is a hard-line, tough-minded critic of the Soviet Union of the Jean Kirkpatrick school. Should that attitude disqualify him? Of course not. We need hard-headed, realistic negotiators. We also need as the chief arms control negotiator someone with at least some experience and some knowledge of this complex field of arms control.

Kampelman is not only the chief overall negotiator. He is the negotiator on space arms. Since the President has called our strategic defense initiative nonnegotiable, and the Russians want to stop it cold, where will this negotiation lead? The answer in all likelihood is nowhere.

And who are the arms control experts working with Kampelman at Geneva? One is John Tower, who is assigned to negotiate on strategic arms. This Senator served in the Senate with former Senator Tower during all of his 24 years in this body. What will Mr. Tower bring to these negotiations? He is intelligent, articulate, he has a thorough and detailed understanding of our military and especially of our nuclear arsenal. He served with ability and distinction as chairman of the Armed Services Committee in the Senate. He won the respect of his colleagues. That background provides important experience and knowledge for arms control negotiations. But if Mr. Tower has had 1 day's experience before this assignment in negotiating arms control or any other matter in an international forum, it would be news to this Senator. And Mr. Tower has been a consistent and vigorous critic of arms control and arms control agreements. He certainly does have a record and a philosophy toward arms control similar to President Reagan. What does that mean? That means that he can be counted on to be highly unlikely to agree to any kind of far reaching or significant arms control agreement.

Finally, there is Maynard Glitman. Mr. Glitman has been appointed the negotiator on the intermediate range nuclear arms, the so-called INF, based in Europe. Glitman has spent virtually all of his adult life in the State Department and the Defense Department. He has solid and relevant experience. In 1981, he became the State Department's representative and deputy head of U.S. delegation to the intermediate range nuclear force negotiations in Geneva. Glitman is obviously qualified. But the INF negotiations have been going on for years. They have gone nowhere. The prospects that they will make progress now seem very dim. The Soviet Union right now has a conspicuous advantage in European-based intermediate nuclear weapons and a big one. It is very unlikely that they will bargain away any of that advantage. The Glitman assignment is not mission impossible. But it is mission very difficult and highly—and I mean highly—unlikely.

So, Mr. President, what can we expect of our arms control negotiations? Consider in summary: We have a President with a solid and consistent record of opposition to arms control in total control of the operation. We have a head of the delegation with no experience in arms control but a strong, hard-line record of opposition to the Soviet Union. We have a negotiator on strategic nuclear arms with as vigorous and consistent a record of opposition to arms control as the President. We have one experienced and qualified negotiator at Geneva. His assignment is to negotiate intermediate range nuclear missiles in Europe. The three objectives of these negotiators will be first to negotiate on defense and space arms. But the President has emphatically taken most of that off the table.

Second, they are to negotiate on strategic nuclear arms. Conceivably, the negotiators could agree on some cap or limit on these offensive arms. But the Russians are unlikely to agree to such a limit in view of the President's professed intention to proceed sled-length with our antiballistic missile or star wars defense against offensive missiles. Can anyone imagine Gorbachev agreeing to reduce his offensive missiles when this country threatens to move vigorously ahead with an antiballistic missile defense that can almost certainly only work, if the Russians do exactly what the United States wants them to do—reduce their offensive missiles? And, finally, the Geneva talks have already devoted many long months to the discussion of limiting intermediate range nuclear weapons in Europe. The Russians have the intermediate arsenal. We do not. Will they agree to reduce their arsenal if we just promise not to build ours? What do you think, Mr. President?

So the outlook for arms control?

It is somewhere between very dim and invisible.

THE GREAT FEAR

Mr. PROXMIRE. Mr. President, an article in the Tuesday, May 21 edition of the Washington Post describes one of the great fears of Holocaust survivors—the fear that the horrors which they experienced will be forgotten by future generations or will be portrayed in a manner which serves political interests rather than the harsh realities of history.

The Post article describes the fears of victims who find themselves alienated in a world which cannot fully assimilate the horrors of the past into its collective consciousness. Societies tend to downplay the incidents of terror in their pasts, often glorifying moments of triumph while refusing to confront the real suffering which occurred. It is this tendency to purge the bleak, demoralizing, and negative memories which gives survivors their fears.

We were these fears expressed by victims of the Armenian genocide, who spent so many years trying to convince a disbelieving or distanced world; we see this fear in the faces of victims of

Nazi concentration camps, who stared in disbelief when confronted by schoolchildren who have no knowledge of the Holocaust or adults who refuse to accept its terrifying truths; and we see this fear in surviviors of the many other acts of genocide which have occurred in recent history.

Many sociologists and pyschologists believe that the collective response to such horrors is usually repression of the most brutal facts, with a few individuals left to deal with their personal tragedies and the knowlege that the pervasive silence only furthers the pain. There appears to be a period immediately following the acts of terror during which the world denies the scope of the horror. Only later, when the world has recovered from this initial shock, does the pain become formally recognized. The renewed interest in the Holocaust, Vietnam, and Hiroshima is evidence of this delayed recognition.

If the initial response to tragedy is repression of its horrible facts and implications, then we must do our best to revive the memories. We must not hide from the past, but should view it from a position of acceptance, determined to learn from the mistakes instead of nervously running from them. In this attempt to accept the lessons of the past we bring those people subjected to its worst horrors back into society. We must do our part in this bold and difficult effort. In this pursuit I urge my colleagues to ratify the Genocide Treaty. It is time to rid the victims of their fears.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

MARIJUANA SEEN AS AFFECTING REPRODUCTION

Mrs. HAWKINS. Mr. President, marijuana is being recognized by more and more individuals as the destructive substance it truly is.

In the Washington Post of April 25, 1985, an article appeared discussing two scientific studies that provide evidence that ingesting marijuana may cause permanent damage to the human reproductive system. As Dr. A. Kumar of Boston's Tufts University School of Medicine, who conducted one of the experiments, was quoted as saying:

> Smoking marijuana during pregnancy might cause irreversible brain damage to those cells in the (fetal) brain which control the female gonads.

Dr. Kumar and his colleagues gave newborn female rats the equivalent of 2 to 20 marijuana cigarettes worth of THC, the active ingredient in marijuana, during each of their first 5 days of life.

The rats never developed normal female cycles, indicating permanent damage. Later investigation of the bodies of these rats indicated as well that they had abnormally low levels of a chemical necessary to trigger the brain's pituitary gland to help make ovaries produce eggs.

Great credence is given to these findings, as brain development in newborn rats is similar to that in human fetuses. Also, earlier studies have suggested that women who smoke marijuana when pregnant might permanently damage future reproductive abilities in their offspring.

The second study was found to cause impairment in the reproductive capabilities of young adult male rats. The scientist who presented the results of the second study also cited previous tests to substantiate his findings.

Mr. President, for a very long time, the misconception existed that marijuana was a harmless drug that brought about mind-altering pleasure, and not any damage. We are finding out with more and more certainty just how destructive this illicit narcotic truly is, unfortunately, at the expense of the unborn.

Mr. President, as chairman of the Senate Subcommittee on Children, Family, Drugs and Alcoholism, I will continue to do all I can to encourage efforts to educate the American public to the very real dangers of this and other "recreational" drugs.

I ask unanimous consent that the attached Washington Post article of April 25, 1985, entitled "Marijuana Seen as Affecting Reproduction," be inserted in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Apr. 25, 1985]

MARIJUANA SEEN AS AFFECTING REPRODUCTION

ANAHEIM, Calif., April 25.—Two studies of drugged rats provide evidence that marijuana may damage the human reproductive system, perhaps even in the offspring of pregnant women who smoke it, researchers say.

"Smoking marijuana during pregnancy might cause irreversible damage to those cells in the [fetal] brain which control the female gonads," Amarendhra Kumar of Boston's Tufts University School of Medicine said.

But a critic of the studies, Harvard Medical School psychiatrist Dr. Lester Grinspoon, said that proportionately more marijuana was given to the rats than the amount smoked by most humans, and that the findings don't necessarily apply to people. The researchers agreed.

Kumar and his colleagues gave newborn female rats the equivalent of two to 20 marijuana cigarettes' worth of tetrahydrocannabinol, or THC, marijuana's active ingredient, during each of their first five days of life.

The rats never developed normal female cycles, indicating permanent damage, he said. When the rats were killed at 10 months of age, he added, they were found to have abnormally low levels of a chemical necessary to trigger the brain's pituitary gland to help make ovaries produce eggs.

Brain development in newborn rats is similar to that in human fetuses, and earlier studies have shown that pregnant women who smoke marijuana can pass THC to their fetuses, Kumar said. He said the study suggests that women who smoke marijuana when pregnant might permanently damage future reproductive abilities in their offspring.

The second study, by University of North Dakota Medical School pharmacologist Syed Husain, found that THC equivalent to as few as 2½ "joints" a day for 15 days impaired the processing of energy-rich sugars in the testicles of young adult male rats.

Previous studies have shown that THC can hinder biochemcial processes in human testicles. Husain said his work supports the theory that such impairment occurs because marijuana disrupts energy use by testicular cells.

Both studies were presented Wednesday at the annual meeting of the Federation of American Societies for Experimental Biology.

LATCHKEY KIDS

Mrs. HAWKINS. Mr. President, I wish to call attention today to a problem facing children of the 1980's and 1990's. Increasingly, we find both parents of a family or single parents who must work full time. This leaves children alone and responsible for themselves for many hours each day.

I ask unanimous consent to enter an article into the Record which discusses this issue and offers preventive safety guidelines should such a situation exist. We must be aware of the long-term effects on our children if we leave them alone for a good part of their day for a good part of their life. On a daily basis, we must think about the potential dangers and teach our children what to do should an emergency occur. Finally, we must make parents aware of the alternatives available to them, such as extended day care or other organized activities. Latchkey kids need to be included in our efforts of education and prevention in order to keep our Nation's children as safe as possible.

There being no objection, the article was ordered to be printed in the Record, as follows:

BEHIND LOCKED DOORS

Every day at 3 pm, the Riverdale, Maryland girl leaves her school, walks several blocks to pick up her three-year-old sister at a babysitter's, then walks her home, where the two spend the afternoon locked inside. At 5:30 pm, she starts dinner for her little sister and her working parents.

The child is eight years old. And she is not unusual. All over the metropolitan Washington area, such scenarios are being played and replayed: children caring for younger children, or children alone caring for themselves.

Approximately six and seven million children under the age of thirteen come home from school each day to empty houses, the Children's Defense Fund has found. In the

Washington area, that translates conservatively to 75,000 children.

They are called latchkey children, for the house keys they carry to let themselves in. In many cases, they are taking care of themselves because of economic necessity—their parents cannot afford adequate childcare. In others, the parents simply feel their children are ready to handle the responsibility. And the more educated the parents, according to researchers, the more likely they are to have their children take care of themselves.

Experts are divided on the psychological effects of being a latchkey child. A few researchers have found that in adulthood, some people are better managers as a result of the experience; others say latchkey children are more fearful, depressed and less sociable as adults.

The age at which children become latchkey children appears to be a factor. Too much responsibility too soon can be anxiety-provoking, say child development experts.

"Too many children at too young an age are being robbed of their childhoods by being forced to assume adult responsibilities," says Helen Blank, director of childcare at the Children's Defense Fund.

There is also the safety issue. In one instance in the District last year, a five-year-old boy and his four-year-old brother died in their Adams Morgan apartment after apparently starting a fire by playing with a cigarette lighter. Their mother had left the children alone to run an errand.

Besides safety issues, child development experts point to psychological development as major latchkey issues. Fear is a main one, according to Thomas Long, associate professor in the School of Education at Catholic University. Long and his wife, Lynette, an associate professor in the School of Education at American University, have been studying latchkey children in this area since 1979.

"The most startling thing we've found is that many latchkey children are afraid," says Long. "That's the case more so the younger they are, and more so if they are alone and not with other children. We found that one-third of the children who were left unattended and alone, were in the high fear category, as were one-fifth who were unattended but with underage siblings."

When fear is high, the children's reaction is to hide. In their book, *The Handbook for Latchkey Children and Their Parents*, the Longs tell of a third grade Washington girl who was at the top of her class, but who spent her afternoons alone at home in a closet to cope with her fear.

"Being in a large room, such as a living room, with many doors, is more threatening than being in a smaller space," says Long. "We interviewed children, who would only play in their bedrooms or would move into a closet or bathroom, often the only room in the house which would lock. Some kids said when they heard noises outside, they would go into the bathroom and get into the shower and stay there as the most protected place in the house."

The long-term fear stays with them. "Children who are very young—six, seven, eight—and afraid, and who can't handle the constant fear, repress it," says Long. "We found that when they got to be twelve, thirteen, and fourteen, when they might better deal with fear, they don't. If the fear pattern was established at seven and eight, it often didn't go away at twelve, and it didn't at thirty-five either."

Among the latchkey children they have interviewed, the Longs also have found a sense of abandonment, particularly in the youngest child.

"The youngest child often feels that mama doesn't love him or her as much as the older children, because mama stayed home with the oldest but wouldn't stay home with them," Long says.

Being with a brother or sister can lessen the stress on the at-home child, Long has found, just because "another warm body is there." But he cautions that many older children simply cannot handle the responsibility of supervising younger children.

A tragic example occurred in a Richmond suburb last year, involving two young children, whose mother had left them at home alone while she was at work. A fire broke out and the older child, a nine year old girl, called the emergency number. She told the operator her street name, but she was not able to give her street number. Ultimately, she and her five year old brother burned to death, as the screams of the children were recorded on the emergency line. The mother was charged with child neglect, but the case was subsequently dismissed.

Each jurisdiction has its own definitions of child neglect, using words such as "necessary" or "proper care" and "control," in terms of parental responsibility. There is no standard law specifying at what age a child may be left alone, but some jurisdictions have guidelines. The Pro-Child Unit of Arlington County's Department of Human Services, Social Services Division, for instance, stipulates that children up to the age of six should not be left unsupervised; that children seven to nine should not be left for more than an hour and a half and cannot be responsible for younger siblings; and that those ages ten to eighteen may be left alone if they have no emotional or medical problems and are comfortable with the arrangement. Youths ages eleven to twelve can begin to babysit, the guidelines say, but only if they do not have emotional or medical problems and only for siblings who are over the age of four and have no emotional or medical problems.

The factors in a successful latchkey arrangement, says Michelle Seligson, director of the School-Age Childcare Project, Wellesley College Center for Research on Women, are the age of the child, the safety of the neighborhood, and the support resources of the family. "I doubt if any child under the age of nine or ten should be on his own," she says.

Despite her misgivings on age, large numbers of children start being left alone when they are eight year olds, according to the Long studies. More important than age may be psychological readiness. "You can find children and parents who speak about the fact that it is nice for children to be able to go home and structure their own time and do things that interest them." Seligson says.

In looking at positive aspects of the experience, experts point to an increase in self-reliance and a sense of self-responsibility. "Many adults," says Long, "said they were much better managers because of their latchkey experiences. They had to make decisions and suffer consequences. No one bailed them out, and as adults, they feel they can make decisions quickly, which is good managerial style."

For every one of them, however, Long found that half of the adults studied still talk of heightened fear at being alone, of loneliness, of having fewer social skills, and of resentment over the fact that they were latchkey children.

Yet, two researchers, Hyman Rodman, an Excellence Foundation Professor in Child Development and Family Relations at the University of North Carolina, and Nicholas Zill, president of Child Trends, a Washington-based nonprofit research organization, concluded in separate studies that there was no significant difference in social and psychological development between children who took care of themselves and those who were taken care of by others after school. Rodman studied children nine and thirteen, and Zill studied children between the ages of seven and eleven.

"There is a big difference between the three year old who is left home alone for six hours at a time, and the eleven year old who is left for an hour or two," says Zill.

"I have mixed emotions about the experience," says one Washington mother, who started leaving her daughters, ages eight and eleven, home alone three years ago when she had to fire her housekeeper after her business hit hard times. Since there was no available after-school program for her children, she had them care for themselves. "It was all right for my older daughter, but rougher for my younger. In retrospect I see she needed more socialization and support. I won't really know whether or not it's worked until she's an adult, will I?"

With all the latchkey survival courses and publicity over the issue, parents are being lulled into thinking that their children can take care of themselves just fine. And that is frightening to me," says Leah Lefstein, associate director at the Center for Early Adolescence at the University of North Carolina.

There is more than the latchkey issue involved, says Lefstein. "They are missing positive opportunities for growth if they come home every afternoon and shut themselves up alone in their homes. Many young people today are growing up in a much more sterile environment than we did."

Lefstein advises parents to enroll their children in after-school activities, and points to programs such as the Reston Children's Center and the Camp Fire Kids Care Clubs in Springfield sponsored by the Potomac Area Council as models for preteens.

In the programs, youth check in with a family daycare provider after school, then leave to engage in after-school activities, play with friends, or spend time alone at home. Children, their parents, and the family daycare provider plan a weekly schedule of activities.

While the Washington area is a leader in the country in the numbers of before-and after-school programs, most only serve children from kindergarten through the sixth grade. Not every jurisdiction has extended day programs and none has enough to meet the demand. In Fairfax County, for instance, 41 of the 116 general elementary schools, and four programs for children with special needs, have extended daycare. Approximately 1,500 children are enrolled, yet an additional 2,600 need the extended care.

In Montgomery County, which unlike Fairfax County has no centrally organized extended day program, a recent study found 21 percent of the children in the county under the age of fourteen "regularly" cared for themselves or were cared for by a sibling under the age of fourteen. According to the survey by Applied Management Sciences, Inc., self care occurred primarily in households in which the parents were highly educated. In 58 percent of the households, at least one member of the household had completed graduate school. The average income of the families relying on latchkey care was between $20,000 and $34,000, the study found. In fashionable Potomac, for instance, almost 50 percent of the nonparental care was latchkey.

A good latchkey experience occurs gradually, the experts contend. "A goal of parenting is to create responsibility," says Zill. "You give graded doses of independence. It is not appropriate to shelter school-aged children all the time. Part of the skill of parenting is deciding how much independence to give a child. Families in which there are a lot of family activities and they do things together are those families that foster greater practical skill development on the part of the child. Parents can teach various skills, such as taking care of pets, shopping, and traveling around the city as steps toward taking more responsibility."

Often, the latchkey child who is used to caring for himself on a regular basis is better off than the child who is left alone on an irregular basis. Chances are the latchkey child has been taught certain skills, such as what to do if a fire breaks out, that the other children haven't been, says Ronnie O'Branovich, who heads the You're In Charge program for latchkey youths in Prince George's County.

In the area, survival skills training for latchkey children is held by a number of groups, including local cooperative extension services, and the Mental Health Association of Prince George's County, Inc. There also are several "warm lines," which youths who are alone after school can call to ease their loneliness or anxiety.

The Oakleaf Center, a community mental health center in Bethesda, operates a 24-hour call-in line for latchkey children (986-8886). The year-and-a-half old program, averages thirty calls a day from all over the metropolitan area. Most are from youths ages eight to fifteen, to whom operators talk on the average of ten minutes.

O'Branovich's You're In Charge, which began last October, is the Mental Health Association of Prince George's County's program for latchkey children. One part of it is a telephone hotline, (522-CARE), operating from 2 to 9 pm weekdays, and from 4 to 9 pm on Saturdays and Sundays. The line currently receives about ten calls a day from kids.

You're In Charge also operates a registration program in which parents sign up their children to be called after school. Only a dozen families have registered their children, although the program has a capacity of a hundred. "There is a reluctance on the part of parents to say they have latchkey children," says O'Branovich. Before children are registered, program administrators require parents to bring their children to the office to meet, so program officers can ascertain if the children are able to dial a phone. They will not take children under the age of six. The majority of the children in the program are eight and nine.

You're In Charge also has written a workbook for latchkey children and their parents; developed a cable television program, the first of which aired on Storer Cable in the county last February; and recently started a support group for parents of latchkey children.

The D.C. Hotline is starting two telephone call-in lines for latchkey children in September. The lines will be open from 3 to 7 pm weekdays, and on school holidays and closedowns. The number of the two lines will be separate from the regular hotline number.

The local call-in lines haven't received many emergency calls, but they have become the place many youths are turning for the kind of advice and interpersonal relationships they traditionally received from an adult supervisor after school.

"Many call because they have nothing to do," says Margaret Riggs, who heads the Oakleaf line. "They are lonely, or have problems with school or friends, and just want to talk about how to manage it. They call because they got a bad grade on an exam. Some call because they want to know how to make a snack. Others call because they are frightened or bored and want to know what to do. Many just want someone to talk to."

Survival Skills for Latchkey Kids

The key to a successful latchkey situation, says Tom Long, associate professor in the School of Education at Catholic University, and his wife Lynette, an associate professor in the School of Education at American University, who have been studying latchkey children, is a strong parental-child relationship. "If parents and children have a very strong, positive relationship, the bad effects of self care are reduced," he says.

He suggests that parents:

Plan an after-school schedule for their child, so he or she won't come home and simply watch television.

Schedule out-of-the-house activities for certain days in the week, so the child is not alone. Activities might include doing schoolwork in the library, taking lessons, or going to a school sporting event.

Make certain their child can make contact with a parent during the time alone. If a parent can't be reached, Long advises that someone else can be.

Arrange for a adult who is home in the neighborhood to be a contact to whom the child can turn in an emergency during the time alone.

Set up rules, such as whether and which friends can come over; which kitchen appliances can be used; how much and which television programs can be watched; whether the child can go to a friend's or play outdoors; and what is expected of the child in the way of chores and homework.

Teach the child survival skills, such as not telling telephone callers he or she is home alone; not letting anyone who comes to the door in; keeping a list of emergency numbers by every phone; keeping the door locked; and conducting a home fire drill.

Practice all the rules. Simply telling your child is not enough.

PERSECUTION OF HUMAN RIGHTS LAWYERS IN THE PHILIPPINES

Mr. KENNEDY. Mr. President, in testimony before the Subcommittee on Foreign Operations of the House Appropriations Committee on May 17, Michael Posner of the Lawyer's Committee for International Human Rights called attention to a disturbing recent development in the Philippines. In the past several months the Philippines armed services have taken a number of illegal actions against human rights lawyers and activists, who for the past decade have very effectively monitored human rights abuses and assisted the victims and their families. Two prominent human rights lawyers have been murdered. In recent weeks several other human rights lawyers have been arrested and detained on national security charges. Some were detained on the basis of preventive detention actions, under the power President Marcos granted himself by decree to detain people without a warrant or trial for up to 1 year. In one case the armed forces openly cited "human rights lawyering" as justification for an arrest.

The Marcos government's campaign against human rights lawyers and activists is clearly intended to intimidate and persecute all those who legally monitor human rights abuses by the Philippines Armed Forces and counsel their victims. Without their efforts, arbitrary abuses of civilians by the military will surely grow worse, and more Filipinos will be drawn to the Communist insurgency as the only effective opposition to their brutal Government.

I ask unanimous consent that the text of Mr. Posner's testimony may be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

HUMAN RIGHTS IN THE PHILIPPINES—TESTIMONY OF MICHAEL H. POSNER, EXECUTIVE DIRECTOR, THE LAWYERS COMMITTEE FOR INTERNATIONAL HUMAN RIGHTS, BEFORE THE SUBCOMMITTEE ON FOREIGN OPERATIONS OF THE HOUSE APPROPRIATIONS COMMITTEE, MAY 17, 1985

Mr. Chairman, thank you for inviting me to testify. I am the Executive Director of the New York-based Lawyers Committee for International Human Rights. In January I participated in a Lawyers Committee delegation to the Philippines with two colleagues, Raymond Bonner and Charles Breyer. During a two-week period we visited seven areas, including Northern and Central Luzon, Mindanao, Negros, Iloilo, Samar and Leyte. Last November, Diane Orentlicher, Deputy Director of the Lawyers Committee, also visited the Philippines. A report based on our missions is now being prepared. In my testimony today I will both present a summary of the current human rights situation in the Philippines and make several recommendations for future U.S. policy.

PROSECUTION OF HUMAN RIGHTS LAWYERS

In appearing at this time, I am particularly anxious to seek your help and support for a courageous group of human rights lawyers and activists who now face persecution because of the work they are doing. In recent months these brave and committed people have become the target of a campaign of official harassment and intimidation by elements of the Philippine armed forces and government.

As you may be aware, in the last decade a number of very effective human rights monitoring groups have been formed in the Philippines in response to the deteriorating situation in that country. One of these organizations, the Free Legal Assistance Group (FLAG), utilizes volunteer lawyers to defend individuals in political cases, and to represent the victims and families of victims of human rights abuses. Today, more than 250 volunteer lawyers throughout the country work with FLAG. FLAG's tireless lawyers

file habeas corpus petitions on behalf of the families of disappeared persons, initiate lawsuits challenging detentions without charge, and seek to initiate investigations of members of the security forces who are believed to be responsible for political killings, torture and other forms of abuse.

In recent months the Philippine armed forces have taken a series of illegal actions in an apparent effort to force an end to these activities. Last September a human rights lawyer, Zorro Aguilar, was shot and killed along with a journalist named Jacobo Amatong in Davao City. Amatong lived long enough to identify the assailants as members of the Philippine military. To date, there has been no serious official investigation of this crime.

Last month another FLAG lawyer, Romaflo Taoja, was also killed. Mr Taoja was murdered in his home in Davao del Norte at 8:00 p.m. on April 3 by heavily armed men in civilian clothes. No one has been arrested and no independent investigation has been undertaken in this case, although it is believed that members of the Armed Forces of the Philippines were also involved in this killing.

In recent weeks several other human rights lawyers have been arrested and are being detained on national security charges. They include two FLAG lawyers from Abra Province, Northern Luzon, Romeo Astudillo and Alberto Benesa, both of whom were arrested on April 28, 1985. Both are being held pursuant to Preventive Detention Action (PDA), which empowers President Marcos to detain people without a warrant or trial for up to one year. The two have been charged under Presidential Decree 1835, an anti-subversion law enacted in 1981. In addition to their human rights work, both Astudillo and Benesa are past provincial presidents of the Integrated Bar of the Philippines, the national bar association. Both men are now being held in military custody at Camp Villamor, the Philippine Constabulary command in Benguet.

On May 10, one week ago today, two other FLAG lawyers Larry Ilagan and Tony Arellano, were arrested in Davao City in the southern island of Mindanao. No charges have yet been filed against either of them. Habeas corpus petitions have been filed on their behalf, and a hearing is scheduled for next Thursday, May 23. The Philippine military itself has confirmed the fact that human rights activities prompted the arrest of at least one of the Davao lawyers. In a press statement released earlier this week, the Philippine Constabulary in Mindanao charged that Mr. Ilagan had "lately been engaged in human rights lawyering for suspected persons detained for subversion, rebellion and other charges." The government statement went on to note that his arrest was "long overdue." On Monday of this week yet another FLAG lawyer, Marcos Risonar, Jr., was arrested. A hearing on his habeas corpus petition is also scheduled to take place next Thursday.

The persecution of human rights monitors has not been limited to the Free Legal Assistance Group. On April 22 two lawyers working for another human rights group, MABINI, were also charged with subversion. They are Jejomar Binay and Vladimir Sampang. Though neither of them has yet been arrested, Philippine authorities are now investigating the charges against them.

Nor has the Philippine government's recent assault on human rights workers been confined to lawyers. On March 29 Father Teodoro Remegio, the coordinator in Abra Province for the human rights group Task Force Detainees, was also arrested pursuant to a Preventive Detention Action (PDA). Task Force Detainees is a unit of the Association of Major Religious Superiors of the Philippines which documents human rights violations throughout the country. Father Remegio was also the provincial coordinator of the Human Rights Organization of Northern Luzon.

In the last several weeks there have been daily reports that PDA's have been prepared and are about to be served on other human rights lawyers and workers. Though unconfirmed, these rumors add to the growing tension and place added pressure on those who continue to press the cause of human rights.

The point of the Philippine government's campaign is clear. Those who legally monitor and report on abuses by the military and seek to provide counsel to victims of military abuses are considered subversive and will be dealt with accordingly. As the military's statement in the Ilagan case makes clear, "*human rights lawyering* for suspected persons detained for subversion, rebellion and other charges" will no longer be tolerated. (Emphasis added).

Mr. Chairman, in the last four years our office has worked closely with domestic human rights monitors in the Philippines, including the Free Legal Assistance Group, Task Force Detainees and MABINI. We view their work as increasingly vital at this very difficult moment in Philippine history. Based on our visits and work, we believe that these domestic rights advocates have helped to prevent some violations and have aided families in thousands of cases where abuses have already occurred.

Through our work on the Philippines, we have developed great respect and admiration for the work done by FLAG and other human rights monitors in the face of daily threats to their personal safety. We strongly urge you and this Committee to take all steps possible to put an end to this campaign of official persecution and assault on the rule of law.

GENERAL HUMAN RIGHTS CONDITIONS

The recent harassment of these monitors should be viewed in the context of a general worsening of the human rights situation in the Philippines. Despite the lifting of martial law in January 1981 and a loosening of restrictions on press and associational activities, serious abuses by Philippine security forces continue to occur throughout the country on an alarming scale.

In the past year there has been an increase in reported political killings of civilians, disappearances, and unlawful abduction of civilians by government forces. The so-called "Langoni Nine" case exemplifies this pattern of abuse and the institutional factors that perpetuate the cycle of terror. On May 14, 1984, seven members of the Philippine Constabulary arrested eleven young men who were on their way to play basketball at a court next to an elementary school in the town of Langoni, Bacolod.

Several witnesses watched as the men were ordered to take off their shirts and were pushed, kicked and finally tied up by the policemen. The witnesses, who were at the school as poll watchers for elections to the National Assembly that were taking place that day, later reported that eleven young men were forced to lie in the hot sun for two hours, and finally were taken away by the Constabulary.

At about 7:00 p.m. shots were heard coming from the detachment of the 338th Philippine Constabulary (P.C.) headquarters in Inayawan. The next morning the barangay (neighborhood) captain from Langoni, Eddie Locsin, went to the P.C. headquarters, where he discovered the bodies of nine of the eleven men (two had escaped). He was told that the men were part of an insurgent force that raided the P.C. headquarters early on the morning of May 15. According to P.C. officials, the raid included more than 50 people who attacked the detachment in pump boats from the sea. They assert also that only the nine men were killed, while the others had escaped.

Following this incident one of those who had been arrested and later escaped, Melecio Villanueva, came forward and agreed to testify in a military investigation of the incident. As is often the case in the Philippines, Mr. Villanueva has paid the price for his courage and candor. Immediately after he prepared an affidavit describing what he had seen, Mr. Villanueva was implicated in a murder which took place in January 1983.

On My 29, 1984 affidavits were obtained by the government charging that Villenueva and the nine murdered men were involved in a military ambush in January 1983 in which several members of the P.C. has been killed. An indictment in this case which had been filed against others on August 16, 1983, was amended to include Villanueva and the nine deceased men on May 31, 1984.

A second case was also filed in the town of Cagayan, charging Villanueva and the nine dead men with subversion. The complaint in this case was filed on May 18, four days after the killing.

Despite assurances by acting Armed Forces Chief of Staff Fidel Ramos that witnesses would be protected and an investigation pursued, the opposite has proved true. Fearing for his life, and seeking to avoid being tried for crimes he did not commit, Mr. Villanueva has gone into hiding. A military investigation that was initiated after the killing was terminated in January for lack of witnesses.

The case of the Langoni Nine has drawn sharp criticism from church officials, including the Bishop of Negros Occidental and human rights leaders in the Philippines. It stands as a striking instance of the Philippine authorities, obstruction of justice in cases where members of the armed forces are alleged to be involved.

Those who survive arrest or unlawful abduction by security forces are frequently tortured in barbaric fashion. Persons seized as alleged subversives are beaten, suffocated, choked with water devices, subjected to electric shocks, burned, raped and mutilated. Documented instances of torture continue to be a serious problem. Today, torture is a standard operating procedure of Philippine security forces engaged in counter-insurgency efforts.

The most pervasive form of abuse in the Philippines—arbitrary arrest and preventive detention without charge—has the sanction of law. Pursuant to a series of presidential decrees, President Marcos has claimed for himself the power to order people arrested without warrant and held without bail until he personally orders their release. In 1983 the Supreme Court of the Philippines upheld these broad powers, and declared the judiciary powerless to review the validity of the detention of anyone arrested in this fashion. Accordingly, merely by calling someone a threat to national security, President Marcos has the sole discretion to detain him or her indefinitely.

GROWTH OF COMMUNIST INSURGENCY

In recent months, the overall security situation in the Philippines has also continued to decline, particularly in rural areas. In the countryside, years of human rights violations by Philippine security forces have led growing numbers of Filipinos to throw their support to communist insurgents, whom they perceive as the most effective opponents of a brutal government. The strength of the New People's Army (NPA), the armed wing of the Communist Party of the Philippines, has grown steadily in the past decade, particularly in the last year. Today, an estimated 12,000 to 15,000 NPA insurgents are increasingly active throughout the country. Estimates now place civilian support for the NPA as high as one million people. While many peasants support the NPA for economic and social reasons, there is simply no question that military abuses in the rural areas have considerably enhanced their appeal.

There is every indication that this crisis will only worsen if its root causes are not addressed. With NPA strength on the rise, the Philippine military will undoubtedly respond by intensifying its counter-insurgency efforts. These efforts have typically been characterized by massive violations of human rights, which in turn, have tended to further radicalize the rural population.

Because of their close historical ties to the U.S., Filipinos are intimately acquainted with the principles of freedom and democracy for which this country stands, and expect the United States to champion their fundamental rights when they are seriously threatened. They were shocked and disappointed when Vice President Bush instead praised President Marcos's "adherence to the democratic process" during his 1981 visit to the Philippines. They were again disappointed earlier this year when the Reagan Administration proposed an increase in military aid to the Philippines to $100 million, despite the continuing human rights crisis.

Filipinos both expect and welcome a strong and unambiguous stance by the U.S. Government in protest to the human rights violations that have infected their nation for over a decade. Perhaps more to the point, our own long-term interests demand such action. Most obviously, the perceived failure of U.S. policy to adequately address human rights violations in the Philippines has fueled a growing anti-American sentiment there. To a disturbing extent, calls for President Marcos's resignation in the past year and one-half have been coupled with protests against the continued presence of the U.S. military bases in the Philippines, among the most important U.S. military installations outside the United States. This growing antipathy toward the U.S. presence in the Philippines is due, at least in part, to a perception that the United States Government tacitly supports serious abuses by the Philippine Government.

While such anti-American currents are present in many countries to which we are allied, its manifestation in the Philippines gives cause for special concern. To an unusual degree, many moderate opposition forces operating in the Philippines have grown reluctant to work even with private U.S. organizations, or to receive financial support from them. This development poses the specter that we may lose substantial influence in the Philippines even if moderate opposition forces—rather than the more extreme left-wing forces—gain greater power in the coming years.

U.S. POLICY TOWARD THE PHILIPPINES

In the face of this growing crisis in the Philippines, the United States government continues a policy of virtually unlimited financial support for the Marcos government. While the U.S. Embassy in Manila has made useful efforts in the past 18 months to express official dissatisfaction with certain aspects of the Marcos government's policies, these quiet diplomatic overtures are not enough. For the Embassy's actions on human rights to be effective, the U.S. government, including Congress, must be prepared to stand behind these words with clear, decisive actions.

We support initiatives taken by Congressman Solarz and others to front-load the economic portion of aid committed to the Philippines over the next five years and to reduce the level of military aid for FY 1986. At the same time we believe that a stronger message is both possible and necessary. We believe that legislation appropriating future aid to the Philippines should explicitly condition military aid on concrete measures to improve human rights. If the government of the Philippines does not comply with these provisions, at least some portion of current military aid should be terminated. Several areas in which specific conditions could be imposed include:

1. *Arrest and Detention Practices.*—In recent years hundreds of citizens have been arrested without warrant and detained without being charged under presidential orders, Preventive Detention Actions (PDAs). Future U.S. aid provisions should require the government of the Philippines to restore traditional due process rights, including the restoration of the right to petition for habeas corpus and the abolition of the PDA. Persons detained pursuant to these presidential orders should be released immediately unless their arrest and detention is authorized by independent judicial authorities.

2. *Torture—Political Killings.*—The Philippine armed forces continue to utilize barbaric forms of torture, often applied during periods of incommunicado detention. Thousands of non-combatant civilians have been killed in the last several years by members of the armed forces. These crimes are rarely investigated, and almost never prosecuted. Future U.S. legislation could require the government of the Philippines to undertake a publicly articulated campaign to enforce laws prohibiting political killings, torture and other abuses by military and paramilitary forces. In particular, the Philippine government could be required to re-open the investigation of the Langoni Nine, who were murdered by the security forces in May 1984, and to make good faith effort to bring to justice those responsible for these murders.

3. *Protection of Human Rights Monitors.*—The recent murders and arrests of Philippine human rights lawyers and activists represents a new and deeply disturbing indication of the breakdown in the rule of law. For human rights to be protected in the Philippines, there need to be independent, freely functioning human rights organizations that can gather facts and represent those charged with political offenses. Another condition of future U.S. aid should be a demand for the release of those human rights monitors who are now in detention, the dismissal of charges against all others, and a full investigation and prosecution into the murders of Zorro Aguilar and Romaflo Taoja.

4. *The Aquino Case.*—Despite the Agrava Commission's full and professional investigation into the killing of former Senator Benigno Aquino, the trial in that case has been stalled by procedural delays, and by the apparent unwillingness of intimidated witnesses to testify. While the case is only one among thousands of unresolved human rights crimes, its symbolic importance demands that it be given special attention, and that a vigorous prosecution be conducted against all those who were implicated in the crime and subsequent cover-up, including General Fabian Ver. Another condition of future U.S. aid should be to require that Philippine authorities have brought the accused to trial and obtained a verdict against those responsible for the Aquino killing and its subsequent cover-up.

Mr. Chairman, these criteria address some, though certainly not all, of the principal human rights problems affecting the Philippines today. By taking prompt action with respect to these issues, Congress can seize the initiative and begin to help reverse the continuing erosion of respect for basic human rights in the Philippines. In our view such action is essential if we hope to establish a viable basis for U.S.-Philippine relations in the years to come. Failing such action, the prospect of further deterioration and greater crisis is disturbingly real.

UNITED STATES/SOVIET TRADE: PROCEED WITH CAUTION

Mr. BYRD. Mr. President, for the first time since the Soviet invasion of Afghanistan, a senior official of the U.S. Government has met with Soviet officials to encourage growth in trade. Press reports indicate that Secretary of Commerce Baldrige met with Soviet leader Gorbachev and with Soviet trade officials to discuss trade expansion.

In the face of a staggering $123-billion trade deficit last year and the Commerce Department's projection of $152 billion for this year, I am very sympathetic to the need for trade expansion. I supported a rededication to export promotion in my amendment to the budget and I have called for prompt action on the Export Administration Act. The Senate Democratic Working Group on Trade Policy has made trade promotion one of the cornestones of its preliminary report. Indeed, the President's own Commission on Competitiveness—the Young Commission—stressed the importance of a vigorous export policy, as has the President's Export Council and the President's Task Force on International Private Enterprise. No one who has seriously studied the current trade crisis has negleced to call for more and better export efforts.

However, as we pursue these ends, we must keep in mind the need to avoid economic policies that are out of line with our military policies. Our main adversary in the world today—and the principal threat to freedom and stability—is the Soviet Union. Much of the money we spend on costly weapons systems is dedicated to countering the Soviet threat. Before we enter into broad-ranging discussions of improved trade relations, we have to consider whether and how we may be helping the Soviet Union in some dangerous ways.

The Commerce Department stated that Secretary Baldrige's agenda did not include discussion of high-technology trade, most-favored nations status or any other major change in the landscape of United States/Soviet economic relations. I have no doubt that this is true; certainly I do not want to suggest that Secretary Baldrige was going to "give away the store." But I believe it is worth putting the administration on notice that Congress will expect close consultations on any changes—no matter how minor or symbolic—in the economic relationship with the Soviet Union. While we all desire improved relations between the superpowers, those improvements should not be purchased at the price of our security.

There are two things we need to keep uppermost in our mind as we consider any improvements in United States-Soviet trade. First and most important, we must assure ourselves that any new trade is in our interest. Any movement toward liberalized trade with the Soviets should be undertaken as part of an overall trade strategy calculated to achieve improvements in our economy. I am concerned that any new trade will help the United States in some significant way. This is the measure of an acceptable trade agreement with the Soviets. The United States enjoys a positive balance of trade with the Soviets—$2.8 billion last year, up from $1.7 billion in 1983. The vast majority of that total is the result of grain sales, and I need not review with my colleagues the feelings many of us have about resumption of grain sales following the invasion of Afghanistan. For better or worse, those sales do contribute to a favorable balance of trade. But the totality of United States-Soviet trade amounts to less than 1 percent of our overall world trade. And there is good reason why our trade with the Soviets is so inconsequential. The United States is—despite our terrible trade deficit—still the largest single exporting Nation in the world. Trade amounts to about 20 percent of our GNP, while it represents only 7 or 8 percent of Soviet GNP, according to unclassified Central Intelligence Agency estimates. When we exclude the contribution made by the captive economies of East Europe, we see that the Soviet Union is a minor player in the world market.

This is all the more evident when we look at Soviet debt. At present, the Soviet Union owes the West about $30 billion. Certainly the Soviets would like to benefit from increased export credit programs from the West. As an article in last month's Wall Street Journal pointed out, Western financing bankrolled construction of the Soviet natural gas pipeline. If the Soviet Union cannot afford to enter the international market, then it should wait until it is ready to do so on its own. Western democracies should not run to Moscow with fists full of money to finance the Soviet's failed economy. Because the Soviets have no real role in the international market and little prospect for improving their economy to a point where it can compete, I am very skeptical about prospects for significant increases in United States-Soviet trade in the near future.

I said there were two points to keep in mind. The second issue involves the constant threat posed by Soviet acquisition of high-technology goods. In the May 27 issue of Time magazine, an interview with a Soviet defector reveals the extent of this danger. He explains that the No. 1 priority of Soviet intelligence is the acquisition of American high-technology products. Indeed, the Defense Department has just released a report indicating that Soviet theft of Western technology could have cost the NATO countries as much as $14.6 billion in additional defense costs, while saving the Soviets as much as $13 billion in research and development. Any American action on trade with the Soviets must be undertaken with the full understanding that the Soviet agenda is dominated by the need to expand the Soviet war machine. Congress can have no confidence in a trade policy with the Soviets that is not grounded in a recognition of that threat.

I hope and trust that the administration will be mindful of these problems with increased United States/Soviet trade. And I am confident that my colleagues and I will remain involved in any major decisions on this relationship. I ask unanimous consent that the article from the Wall Street Journal of April 1, 1985, entitled "Ivan the Credit Seeker" and a report from Time magazine of May 27, 1985, be included in the RECORD at the close of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 1, 1985]

IVAN THE CREDIT SEEKER

Emissaries from the Kremlin were in Washington recently asking for more trade, Soviet deputy foreign trade minister Vladmir Sushkov said he would love some U.S. help in building a robotics factory, for example. His explanation was that they need high-tech robots to make blue jeans. Anyone who believes this would also think the Soviets want Western biotechnology to make Scotch whisky and high-temperature materials to make jazz records.

But the U.S. Commerce Department, going about its business of promoting commerce, is lending a sympathetic ear. The U.S. is, after all, trying to improve relations with the Soviets, and both sides are playing those old nostalgia tunes about how friendly commercial intercourse can damp down hostility and conflict. Secretary Baldrige told Comrade Sushkov that robotics certainly could be on the agenda for the trade summit planned for May in Moscow.

From what we've learned of the Baldrige-Sushkov talks, the Soviets were hardly modest in their demands. They made yet another plea for most-favored nation status, which means being treated like any other trading partner. But they would settle for a renewal of U.S. trade subsidies. The unpublished interdepartmental report of the meeting says emphatically that the Soviets "want credits as part of any economic deal that's made." The Soviets are always short on hard currency, what with the costs of running a world-wide political empire and their difficulties in producing products of sufficiently high quality to sell in Western hard-currency markets.

Even if our trade promoters didn't see any warning signals in the Soviet interest in advanced technology—which usually finds its way into Soviet military projects—they should have heard a Klaxon go off when trade credits came into the conversation. Western Europe has already been that route, at some considerable cost. For example, the Siberian natural-gas pipeline was bankrolled entirely by the detente-minded European capitals, giving Western Europeans high-priced gas on top of their loan subsidies. Since the 1970s, government export credits and official guarantees to the Soviet Block have cost Bonn, Paris and London billions. Europe's huge government-sponsored misallocation of capital surely helps explain Europe's sluggish economic growth.

The Soviets are nonetheless uncanny in their skill at getting these subsidies. Studies from the Organization for Economic Development and the Bank for International Settlements show that the U.S.S.R. owes the West about $30 billion. Of this, $20 billion was subsidized, making the Soviet Union not only among the most indebted countries, but the one that leads all others in the proportion of debt financed by Western governments. One obvious explanation, of course, is that the Russians, like the Pentagon, offer huge, and thereby tempting, contracts. The U.S. has sworn off credits to the Soviets, but reversing this policy is the top item on the Soviets' trade-summit agenda.

There are two points the Americans should staple to their briefing papers. The first is that government-to-government trade talks are for socialists, not capitalists. There will be no shortage of American entrepreneurs to make mutually advantageous deals when, and if, the Russians ever manage to compete in the world market. Until then, Commerce has no business soliciting unprofitable business by pledging U.S. subsidies.

The second point is that detente was a political as well as an economic disaster. The Soviets promised good behavior in exchange for high-tech transfers and billions in credits. Instead, we ended up with the horrors of Cambodia, Afghanistan, Poland and Nicaragua. It was hardly a good augury for the latest detente attempt when U.S. Army Maj. Arthur D. Nicholson Jr. was gunned down by a Soviet soldier in East Germany, itself kept afloat on West German subsidies.

Detente was an episode in East West relations tht promised what it could not deliver. To the extent the U.S. sells the Soviets technology will raise the cost to Americans of matching Soviet weaponry. To the extent Americans have to subsidize Soviet trade, they are misallocating capital. The Commerce Department is supposed to promote commerce, but someone in the administration needs to ask what's really in it for the U.S.

[From Time Magazine, May 27, 1985]

A DEFECTOR WARNS: "WHAT FOOLS"

(The Reagan Administration's attempts to stanch the flow of technology to the Soviet Union, primarily directed at the shipment of computers, microelectronics and software, have also involved efforts to prevent publication or open discussion of certain unclassified technical research—a policy that has angered many scientists. Yet there is growing evidence to support Washington's concern. In an exclusive interview with Time's Frank Melville in London, a former officer in the GRU, the Kremilin's military intelligence agency, has affirmed the fact that acquiring American high technology is the agency's No. 1 priority. Other comments of this recent defector, whose identity is being guarded by British intelligence:)

Spying directed at finding out the enemy's order of battle is no longer necessary—it is all set out for the Soviet high command to read in the military balance sheets published by organizations such as Jane's and the International Institute for Strategic Studies, and in Flight International magazine and the International Defense Review. Even knowing the strategic plans of NATO for resisting a Soviet invasion across the north German plain is not all that important. What really interests the Soviets is such things as clues to laser components in systems of navigating nuclear submarines underwater, the guidance mechanisms of antitank missiles, and the engine air filters you put into battle tanks. The fact is that military technology has become the main espionage battlefield.

The Soviet Union can launch the first satellite, the first astronaut in space and the Second World War-Winning T-34 tank, but it is behind—perhaps as much as a decade—in high-tech avionics, guidance systems and the whole range of electronics. But the Soviet designer is not stupidly proud. If someone has a better idea than he does, he accepts it. And that is what GRU activities in the West are all about.

Military intelligence sends to Moscow every thing Soviet technology cannot make. They concentrate their efforts on the large number of smaller supplier firms working for major companies like Aerospatiale or British Aircraft Corp. We go after suppliers who are not so aware of our existence and try to fit together the whole picture [of a plane or a missile].

What is Moscow's current priority for GRU? The plate covering the U.S. shuttle vehicle through the enormous temperatures is one—how to connect [the tiles] with the metal. That the GRU would very much like to know about.

I think about half the achievement in Soviet military power has been very heavily influenced by the West. I speak about Soviet tanks, antitank missiles, antiaircraft missiles, aircraft and submarines. Sometimes you see a Soviet tank and it's a genuine Soviet tank. But inside you can see the stabilizers for the tank guns, night vision, communications equipment and engines that owe their existence to Western technology.

In one instance, a lot of money was used to bribe some German technicians in order to acquire a [West German] Leopard tank. The question was how to get the engine to the U.S.S.R. The solution was for the Soviet consul in the area to buy a yacht and have its engine taken out and replaced with the Leopard's engine. The yacht then rendezvoused several miles out to sea with a Soviet merchant ship, to which the engine was transferred.

Another exercise was carried out on an American missile-firing range in Germany. Some shepherds recruited by Soviet military-intelligence agents were used to scour the range looking for components of the fired missiles. The shepherds were told by their GRU directors to collect every piece of metal they could find. The GRU was not interested in warheads as such, but in elements of the guidance system that experts in Moscow were able to use to improve their equivalent missiles. Take the Soviet Strela-2 antiaircraft missile—it's an exact copy of the American Redeye. Take the SU-15 supersonic fighter, which destroyed the South Korean aircraft [Flight 007]. The technology in the SU-15 was stolen abroad.

President Reagan is quite right. Everything you give the Soviet Union, they use for military purposes. The West should cease all forms of technology transfer to the Soviets, not just high tech. Comrade Gorbachev is a realistic man. I am sure that putting himself into Reagan's shoes, he's saying to himself, "What bloody fools these Americans have been in taking so long to plug this hole."

ANNOUNCEMENT OF POSITION ON FOREIGN ASSISTANCE ACT

Mr. TRIBLE. Mr. President, owing to circumstances beyond my control, I was unable to be present for the vote on final passage of this year's foreign assistance act on May 15. I voted to report this legislation from committee, I spoke in support of this legislation on the floor of the Senate, and had I been present, I would have voted "aye."

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installation for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri is recognized to offer an amendment dealing with the Joint Chiefs, on which there shall be 1 hour of debate to be equally divided.

The Senator from Missouri is recognized.

Mr. EAGLETON. I thank the Chair.

AMENDMENT NO. 234

(Purpose: To establish an improved system for providing military advice to the President, the National Security Council, and the Secretary of Defense)

Mr. EAGLETON. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Missouri [Mr. EAGLETON] proposes an amendment numbered 234.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 8, insert the following new title:

TITLE X—ORGANIZATIONAL STRUCTURE OF THE JOINT CHIEFS OF STAFF

CONGRESSIONAL FINDINGS

SEC. 1001. The Congress finds that—

(1) under current law, the Joint Chiefs of Staff are the principal military advisers to the President, the National Security Council, and the Secretary of Defense;

(2) since the creation of the Joint Chiefs of Staff a number of studies by so-called blue-ribbon commissions have found serious defects in the organizational structure of the Joint Chiefs of Staff; and

(3) in order to ensure that the President, the National Security Council, and the Secretary of Defense receive the best possible military advice, it is imperative that major organizational changes be made in the present system of providing such advice.

CHIEF OF MILITARY STAFF; JOINT MILITARY STAFF

SEC. 1002. (a) Chapter 5 of title 10, United States Code, is amended to read as follows:

"Chapter 5—Chief of Military Staff

"Sec.
"141. Chief of Military Staff.
"142. Deputy Chief of Military Staff.
"143. Joint Military Staff.

"§ 141. Chief of Military Staff

"(a) There is a Chief of Military Staff who shall be appointed by the President, by and with the advice and consent of the Senate, from the officers of the regular components of the armed forces. The Chief of Military Staff serves at the pleasure of the President for a term of two years and may be reappointed in the same manner as originally appointed for not more than three additional terms, except that in time of war declared by the Congress there is no limit on the number of reappointments.

"(b)(1) The Chief of Military Staff is the principal uniformed military adviser to the President, the National Security Council, and the Secretary of Defense. While holding office, the Chief of Military Staff outranks all other officers in the armed forces. However, he may not exercise command over any of the armed forces or any component thereof.

"(2) Subject to the authority and direction of the President and the Secretary of Defense, the Chief of Military Staff shall—

"(A) prepare strategic plans and provide for the strategic direction of the armed forces;

"(3) prepare joint logistic plans and assign logistic responsibilities to the armed forces in accordance with those plans;

"(C) establish unified commands in strategic areas;

"(D) review the major material and personnel requirements of the armed forces in accordance with strategic and logistic plans;

"(E) formulate policies for the joint training of the armed forces;

"(F) formulate policies for coordinating the military education of members of the armed forces;

"(G) provide for representation of the United States on the Military Staff Committee of the United Nations in accordance with the Charter of the United Nations; and

"(H) perform such other duties as the President or the Secretary of Defense may prescribe.

"(3) The Chief of Military Staff shall also direct the operations of the Joint Military Staff.

"§ 142. Deputy Chief of Military Staff

"(a)(1) There is a Deputy Chief of Military Staff. The Deputy Chief shall be appointed by the President, by and with the advice and consent of the Senate, from the officers of the regular components of the armed forces. The Deputy Chief serves at the pleasure of the President for a term of two years and may be reappointed in the same manner as originally appointed for not more than three additional terms, except that in time of war declared by the Congress there is no limit on the number of reappointments.

"(2) If the Chief of Military Staff is a member of the Army or Air Force, the Deputy Chief shall be a member of the Navy or Marine Corps. If the Chief of Military Staff is a member of the Navy or Marine Corps, the Deputy Chief shall be a member of the Army or Air Force.

"(b) The Deputy Chief acts as Chief of Military Staff in the absence or disability of the Chief of Military Staff and exercises such duties as may be delegated by the Chief of Military Staff with the approval of the Secretary of Defense. When there is a vacancy in the office of Chief of Military Staff, the Deputy Chief, unless otherwise directed by the President or the Secretary of Defense, shall perform the duties of the Chief of Military Staff until a successor is appointed.

"§ 143. Joint Military Staff

"(a)(1) There is under the Chief of Military Staff a Joint Military Staff consisting of not more than 400 officers.

"(2) Members of the Joint Military Staff shall be selected by the Chief of Military Staff from among officers recommended by the Secretaries of the military departments. The Chief of Military Staff shall select officers for service on the Joint Military Staff in approximately equal numbers from (A) the Army, (B) the Navy and Marine Corps, and (C) the Air Force. The Secretary of a military department shall recommend for selection for service on the Joint Military Staff only those officers under his jurisdiction who are most qualified by training, experience, and knowledge to serve on such staff.

"(3) The Chief of Military Staff may specify the number of names on any list of officers recommended by the Secretaries of the military departments for selection to serve on the Joint Military Staff, but may select for service on the Joint Military Staff not more than one hundred officers who are not recommended for selection by the Secretaries of the military departments.

"(4) Members of the Joint Military Staff serve at the pleasure of the Chief of Military Staff for a period of three years. The Joint Military Staff may select an officer for service on the Joint Military Staff for a second consecutive three-year period after consultation with the Secretary of the military department of which such officer is a member.

"(b)(1) The Chief of Military Staff in consultation with the Secretary of Defense shall select the Director of the Joint Military Staff. Except in time of war, the tour of duty of the Director may not exceed three years. Upon the completion of a tour of duty as Director of the Joint Military Staff, the Director, except in time of war, may not be reassigned to the Joint Military Staff. The Director must be an officer junior in grade to each member of the National Military Advisory Council established under section 178 of this title.

"(2) The Joint Military Staff shall perform such duties as the Chief of Military Staff prescribes. The Joint Military Staff manages the Joint Military Staff and its Director.

"(c)(1) Under regulations approved by the Secretary of Defense, the Secretaries of the military departments shall take such actions as may be necessary to ensure that the service of officers on the Joint Military Staff is accorded substantial weight in determining the qualifications of officers for recommendation for promotion to grades specified by such Secretaries.

"(2)(A) At the same time that selection boards are convened by the Secretary of the military department concerned under chapter 36 of this title to consider officers in a particular competitive category for promotion to the grade of lieutenant colonel, colonel, brigadier general, or major general in the Army, Air Force, or Marine Corps or to commander, captain, commodore admiral, or rear admiral in the Navy, the Secretary of such military department shall also convene a special selection board under this paragraph if the Chief of Military Staff so requests.

"(B) When a special selection board is convened under this paragraph, the board shall consider for promotion to the next higher grade only officers serving on the Joint Military Staff in the same grade and in the same competitive category as officers being considered for promotion to such grade and in such competitive category by a board convened under chapter 36 of this title and who are otherwise eligible for consideration for promotion to the next higher grade.

"(C)(i) Of the total number of officers in each particular competitive category in the grade of lieutenant colonel and colonel in the Army, Air Force, and Marine Corps and in the grade of commander and captain in the Navy to be promoted to the next higher grade, as determined by the Secretary of the military department convened under section 615 of this title, a number of officers considered for promotion to such grade in such competitive category equal to 3 percent shall be promoted to such next higher grade from among officers in such competitive category recommended for promotion to such grade by a special board convened under this paragraph.

"(ii) Of the total number of officers in each particular competitive category in the grade of brigadier general in the Army, Air Force, or Marine Corps and commodore admiral in the Navy to be promoted to the next higher grade, as determined by the Secretary of the military department concerned under section 615 of this title, a number of officers considered for promotion to such grade in such competitive category equal to 12 percent shall be promoted to such next higher grade from among officers in such competitive category recommended for promotion to such grade by a special selection board convened under this paragraph.

"(iii) The number of officers that may be selected for promotion to any grade in any competitive category by a selection board convened under chapter 36 shall be reduced by a number of officers equal to the number that is to be selected for promotion to such grade in such competitive category by a special selection board convened under this paragraph.

"(D) Special selection boards convened under this section shall be subject to the provisions of chapter 36 of this title to the extent practicable, as determined by the Secretary of Defense. The provisions of this paragraph shall be carried out in accordance with regulations prescribed by the Secretary of Defense.".

(b) The table of chapters at the beginning of title 10, United States Code, and at the beginning of subtitle A of such title are each amended by striking of the item relating to chapter 5 and inserting in lieu thereof the following:

"5. Chief of Miliatry Staff .... 141".

NATIONAL MILITARY ADVISORY COUNCIL

SEC. 1003. Chapter 7 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 178. National Military Advisory Council

"(a) There is established in the Department of Defense a National Military Advisory Council. The Council shall consult with and advise the Chief of Military Staff on all matters with resepct to which the Chief of Military Staff is responsible.

"(b)(1) The Council shall consist of four senior military officers, one each from the Army, Navy, Marine Corps, and Air Force, to be appointed by the President, by and with the advice and consent of the Senate. Before making an appointment under this subsection, the President shall consult with the Secretary of Defense and the Chief of Military Staff regarding the appointment. Only officers having outstanding qualifications, including substantial joint or unified command experience, shall be eligible for appointment to the Council.

"(2) Officers shall be appointed to the Council for a term of two years and may be reappointed in the same manner as originally appointed for not more than three additional terms, except that in time of war de-

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clared by the Congress there is no limit on the number of reappointments.

"(3) Officers appointed to the Council may not be assigned any duties other than those referred to in subsection (a) and may not exercise any command authority in any armed force.

"(c) Only the most experienced and outstanding members of the armed forces may be appointed to the National Military Advisory Council. Notwithstanding any other provisions of law, a member of the armed forces may not serve on active duty after completion of his term or terms on the council, except that such restriction may be waived by the Secretary of Defense in the case of any member in time of war declared by the Congress.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 1004. (a)(1) Section 171(a) of title 10, United States Code, is amended by striking out clause (7) and inserting in lieu thereof the following:

"(7) the Chief of Military Staff;".

(2) Section 264(b) of such title is amended by striking out "Joint Chiefs of Staff" and inserting in lieu thereof "National Advisory Council".

(3) Section 268(c)(2) of such title is amended by striking out "Joint Chiefs of Staff" and inserting in lieu thereof "National Advisory Council".

(4) Section 525(b)(3) of such title is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(5) Section 743 of such title is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(6) Section 5081(b) of such title is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(b)(1) Section 413 of title 37, United States Code, is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(2) The heading for section 413 of such title is amended to read as follows:

"§ 413. Chief of Military Staff".

(3) The table of sections at the beginning of chapter 7 of such title is amended by striking out the item relating to section 413 and inserting in lieu thereof the following:

"413. Chief of Military Staff.".

(c) Section 411(a) of title 38, United States Code, is amended by inserting "or Chief of Military Staff" after "Chairman of the Joint Chiefs of Staff" in footnote 2 of the table contained in such section.

Mr. EAGLETON. Mr. President, my amendment seeks to address and remedy one of the most serious problems plaguing our national defense: the performance of the Joint Chiefs of Staff (JCS). This measure is identical to the amendment I offered last June to the Defense Authorization Act.

Following the productive debate on my amendment last summer, I agreed to withdraw it with the understanding that a staff report on reform would be soon completed and that the issue would receive expeditious treatment in the Armed Services Committee during the remaining months of the 98th Congress.

I was disappointed that, at the end of the 98th Congress, no report had been issued and no action has been taken by the committee. By offering my amendment again today, I hope to refocus the attention of the Senate on the issue.

JCS reform is far too important to out Nation's security to be ignored during the time remaining in this session of Congress. Dissatisfaction with Defense Department management and the widespread concern about the budget deficit make the issue ripe for action. Congress must act with forethought, but also with a sense of urgency, to redress this serious flaw in the U.S. defense structure.

I do not pretend to have discovered this problem, nor do I claim to be alone today in calling for reorganization; quite the contrary. As R. James Woolsey, former Under Secretary of the Navy, has written, "The weakness and lack of influence of the Joint Chiefs is one of the Pentagon's less well-kept secrets."

Problems and criticisms date back to the original compromise creating the Joint Chiefs of Staff in 1947. The organization has been the subject of an almost endless series of critical studies conducted by blue-ribbon panels inside and outside DOD (21 in the last 36 years). The latest study, which was released 2 months ago by the Defense Organization Project at Georgetown University's Center for Strategic and International Studies (CSIS), has given JCS reform efforts tremendous momentum.

The CSIS study, entitled "Toward a More Effective Defense," was developed by 70 individuals with experience at the highest levels of the defense establishment, including retired senior military and civilian officials, industry executives, and Members of Congress (Senators COHEN, EXON, KASSEBAUM, and NUNN, and a number of House Members from both parties). The study was endorsed by six former Secretaries of Defense (Brown, Clifford, Laird, McNamara, Richardson, and Schlesinger) who wrote: "There are serious deficiencies in the organization and managerial procedures of the defense establishemnt * * * we are able to testify about the degree to which they weaken efforts to ensure U.S. security."

In its "Joint Military Structures" chapter, the CSIS study quickly put its finger on the most fundamental, inescapable flaw in the current JS structure:

> Each member of the JCS, except the chairman, faces an inherent conflict between his joint role on the one hand and his responsibility to represent the interests of his service on the other. As the senior military planning and advisory body, the JCS are charged with providing military advice that transcends individual service concerns. At the same time, each chief is the military leader of his service and its primary spokesman to the civilian leadership. Although the 1947 National Security Act mandates that a service chief's joint role should take precedence over his duties as leader of a service, this does not occur in practice—and for good reason. If a chief did not defend service positions in the joint forum, he would lose the support and loyalty of his service, thus destroying his effectiveness.

The CSIS study agrees with its predecessors: The Chiefs' understandable, and admirable commitment to the respective service which they lead make it impossible for the chiefs to set aside their service perspectives to effectively discharge their joint responsibilities. In other words, the present system creates an unavoidable conflict of interest for each service chief.

The tradition that JCS advice be unanimous—with each service able to exercise veto power—reduces that advice to negotiated pabulum, rather than the crisp, well-reasoned assessment of the problems and options which the Secretary of Defense and the President are entitled to expect from their principal military advisers.

John Kester, Secretary Brown's Special Assistant and Deputy Assistant Secretary of the Army during the Nixon administration, made this firsthand observation on the subject:

> When I worked in the Secretary of Defense's Office, I was surprised that memoranda from the JCS were not the crisp assessments of situations and options one might expect. They more closely resemble the contract for sale of your house, with numbered lines and carefully drafted circumlocutions designed to protect bureaucratic interests and conceal compromises.

Gen. David Jones, former Chairman of the JCS and a participant in the CSIS study, whose willingness to criticize the Joint Chiefs sparked new interest in the issue, had the same experience:

> When the Chairman or the other members of the Joint Chiefs gave their own personal advice, it was given high marks. But when it became corporate advice, of five people together, it was of very little use, not very influential, and given very poor marks by the customers, the civilian leadership, as well as the senior military officials.

The organizational failings of the JCS leave our defense effort with a profound vacuum at the top where joint strategy, contingency planning, and budgeting and allocation of resources are involved. In this regard, the distinguished retired Gen. Andrew J. Goodpaster has testified:

> Although the JCS bear only part of the responsibility (for the lack of) a coherent, effective defense policy, military strategy and military posture . . . they bear an important part of . . .
>
> The contributions to increased military efficiency and effectiveness that could be made through improved top-level military planning and advice are not being realized. In particular, the mechanisms for developing and advancing individual service interests and promoting individual weapons systems are stronger by far than those for providing coherent overall strategic plans and responding to overall national security interests and needs . . .

Perhaps one of the most visible adverse consequences of the current organization is with respect to the bloated defense budget. We know all too well that the military is not making the hard choices between weapons which effective joint leadership could help to produce. Former Defense Secretary James Schlesinger commented on this subject during a recent call to reorganize the JCS:

> The general rule is that no service ox may be gored . . . The unavoidable outcome is a structure in which logrolling, backscratching, marriage agreements and the like flourish . . .
>
> What comes up from the Joint Chiefs is a mutual endorsement of the individual desires of the several services. There is no crosscutting—nor, given the nature of the structure, can there be any crosscutting. As I generally have been a supporter of the top dollar for the military services, I believe I can say that the dollar requests are invariably so high that they cannot conceivably be sustained by the national consensus.

The ineffectiveness of the present JCS system has also left its dirty fingerprints on U.S. military operations. According to Dr. Schlesinger, "the existing structure does impede planning, for each of the services quite naturally wishes a piece of the action in any crisis—and the existing structure assures that all somehow will be fitted in, even if a service provides less than optimal forces for dealing with that particular crisis." Robert Komer, Ambassador and former Under Secretary of Defense, has provided a specific example:

> I was unable to get a corporate view from the JCS on the optimum strategy for deterrence and defense in the Persian Gulf.
>
> That doesn't mean that each of the Chiefs didn't have some clear ideas on what to do. Some of them emphasized a maritime strategy. Some of them emphasized victory through air power. Others emphasized sending a lot of divisions. But there was no way which would permit them to give meaningful military advice to the Secretary of Defense institutionally as to how best to defend Persian Gulf oil.

Experience teaches what logic would suggest: the weaknesses resulting from the lack of an effective joint mechanism—and the dangers inherent in the "something for every service" approach—do not disappear when actual combat situations occur. Instead, they are exacerbated. Consider the following:

The Vietnam war. According to former JCS Chairman Jones, "the organizational arrangements were a nightmare; for example, each service fought its own air war."

The Iranian hostage rescue attempt. Air Force helicopter pilots, who had flown in Vietnam and were specially trained for hazardous overland missions, were passed over in favor of Marine pilots who were clearly less qualified. The overriding consideration was, apparently, ensuring that the Marines would have some role to play in the important mission.

The tragedy at the Marine compound in Beriut. Marines found themselves at the bottom of an unwieldy chain of command headed by an Army general, then an Air Force general, and then four levels of Navy officers. The Defense Department's own Long Commission reported apparent and understandable confusion about who actually was the senior commander of the U.S. multinational force in Lebanon. The Navy commander of the Amphibious Task Force was the "Commander, U.S. Forces Lebanon." The Marine commander of the Amphibious Task Force was the "Commander, U.S. Forces, Ashore Lebanon." The commission sharply criticized the entire chain of command for not "initiating actions to effectively insure the security" of the Marine compound.

Even beyond the fundamental problem of conflict of interest which arises from "dual hatting," the time demands placed on the Chiefs are unreasonable. Leading one of the armed services is a more than full-time responsibility by itself, without the distraction of joint responsibilities. Inevitably, the need to play two roles can undermine the performance of one or the other—or both. General Jones has observed:

> Omar Bradley once said he didn't have time to do both jobs well . . . Things are much more complex now than they were in his time . . . It is very difficult to have enough time to immerse oneself deeply into joint issues and to do the job as the chief of a service.

The recent CSIS report concludes that many of the problems I have outlined could be alleviated by designating "the Chairman as the prinicpal military adviser to the President, the Secretary of Defense, and the National Security Council, replacing the corporate JCS in that role." My amendment incorporates this recommendation by designating a Chief of Military Staff to take the place of the corporate JCS and to serve as the principal adviser to the civilian leadership.

The amendment that I offer today incorporates another CSIS recommendation by creating a Deputy Chief of Military Staff to assist the Chief with day-to-day activities and the management of crisis situations. At present, the Chairman of the Joint Chiefs is the only senior executive—civilian or military—in the Defense Department without a deputy.

The conflict of interest problem that afflicts the JCS is reflected in the workings of the Joint Staff (which provides support for the Joint Chiefs). The CSIS study notes:

> The officers who serve on the Joint Staff have strong incentives to protect the interests of their services in the joint arena. Joint Staff officers usually serve only a single tour there, and must look to their parent service for promotions and future assignments. Their performance is judged in large part by how effectively they have represented service interest.

Because the interests of each service take precedence over the joint interests generally, and because duty with the JCS is not a respected assignment, the equality of the Joint Staff suffers. Indeed, many experts have observed that the services are unwilling to assign their best officers to joint service, and as John Kester has noted, "talented officers approach service on the Joint Staff with the same enthusiasm of sailors ordered to chip paint."

CSIS recommends a number of changes in the Joint Staff system "so that officers are attracted to, trained for, and rewarded for service in joint positions." Again, I believe that my legislation offers a solution that incorporates the CSIS recommendation.

There is no single "magic bullet" that will solve all our defense problems overnight, but I am convinced that fundamental change of the JCS is as important as any single step we could take. I am hopeful that the results of the CSIS report and the increased awareness in Congress and in the public of the need for military reform will prod Congress to make necessary reforms in the near future.

My amendment would do the following:

It would abolish the JCS, replacing the corporate entity with a single Chief of Military Staff who would serve as the principal military adviser to the President, Congress, the Secretary of Defense, and the National Security Council.

It would create a Deputy Chief of Military Staff, also to be appointed by the President and confirmed by the Senate. If the Chief came from the Army or the Air Force, the Deputy would come from the Navy or the Marines, or vice versa.

It would establish a National Military Advisory Council (NMAC), comprised of four officers drawn from the respective services, to advise the Chief of Military Staff. Unlike the present situation, however, the members of the NMAC would be the last tour of duty for particularly distinguished, senior military officers who would not be returning to their services (except in cases of necessity during a declared war).

In this way, hopefully, the Chief of Military Staff could get the advice of senior officers of unquestioned stature who would be in a position to consider our overall defense picture, rather than the interests of a particular service.

Service on the Joint Staff would be upgraded in several ways. The legislation specifies that the Secretaries of the services should recommend only outstanding officers for joint service.

To underscore the importance of the assignment, the legislation would give the Chief of Military Staff the authority to select up to 100 others who were not recommended by the services. Special provisions are made to ensure that service of the joint military staff will be accorded substantial weight in considering promotions. If the Chief of Military Staff requested, a selection board to consider promotions for officers of the Joint Staff, at the same time that the selection boards were considering promotions for those officers in individual services, and a percentage of the vacancies would be set aside for officers being considered by the special board.

Those who favor serious reform of the JCS have fallen into one of two camps. My amendment represents one school of thought which argues that because the conflict of interest arising from "dual hatting" is the essence of the problem, we should remove the service chiefs from their joint responsibilities. Many noted defense experts—civilian and military—have endorsed this view, including Harold Brown, Gen. "Shy" Meyer, Gen. Maxwell Taylor, and David Packer. Others, seeing the same problem, argue that reform would be more realistic—and encounter less resistance—if the chiefs retained their position on the JCS, while the Chairman's role was significantly strengthened.

Although the two groups favoring reform diverge on the proper role for the service chiefs, a clear consensus exists about major elements of a reform package: Making one officer the principal military adviser to the President, the Secretary of Defense, and the NSC; allowing that office to direct the activities of a strengthened Joint Staff, with incentives to make joint service more attractive; and creating a four-star deputy chief to assist the chief military officer.

HOUSE LEGISLATION

During the 98th Congress, the House approved legislation making certain changes in the JCS structure and last summer added the bill's language to the fiscal year 1985 Defense Authorization Act. The controversial House language was dropped in conference.

The House may well act on similar JCS reform legislation during the current Congress and I am hopeful that the Senate will offer a different version. This expected activity presents the Congress with an opportunity, but also a danger. Not since 1958 has Congress focused seriously on the issue of JCS.

Realistically, once we legislate, any changes made are likely to stay in effect for years. For that reason, reform must be accomplished soon, but it must be done right, through legislation which will stand the test of time. Accordingly, I would like to take a few moments to critique last year's House-passed reform bill.

While I admire the leadership of the House committee on this issue, I believe that the House legislation did too little and too much at the same time.

It did too little in just those areas where a consensus on the need for reform seems to have emerged: The legislation did not create a deputy chairman; it did not give the Chairman the sole authority for directing the activities of the Joint Staff; it did not explicitly make the Chairman the principal military adviser to the President, the Secretary of Defense, and the NSC.

At the same time, the House legislation went too far by straying into two sensitive and dangerous areas. The House would have made the Chairman of the JCS a member of the NSC. It also would have placed the Chairman, by statute, in the chain of command, specifying that orders to combat commands shall be issued by the President or the Secretary through the Chairman.

These are far-reaching changes. Under current law, the Joint Chiefs have staff, not command, duties. "Their function," President Eisenhower reminded Congress, "is to advise and assist the Secretary of Defense."

By placing the Chairman on the NSC, the House bill made him a coequal with the Secretary of Defense—not his foremost military adviser. John Kester, who has given these issues as much thought as anyone, has predicted these consequences:

> It gives the Chairman another hat, as they say in the military. It gives him a statutory office which is not derivative from the Secretary of Defense. It takes little foresight to predict that some day, if only because of the relentless pressure of his subordinates (who are not malevolent, but simply behave like any other official's subordinates), the Chairman will have a staff to assist him in preparing for his participation in the National Security Council, and for developing *his* NSC position.
>
> . . . such a separate role would encourage barriers (there are already enough of them at the staff level) between the Chairman and the Secretary of Defense. When queried by the Secretary of Defense, or more likely by one of the Secretary of Defense's staff such as the Undersecretary for Policy, the Chairman's staff will politely reply, what the Chairman does in his role as an NSC member is independent, and is none of the Secretary's business. It is already difficult enough to get the rest of the government to understand that the JCS is part of the Defense Department and that the Chairman by law does work for the Secretary of Defense. No legislation is needed to enhance the problem.
>
> This totally unnecessary addition of role (unnecessary because the Chairman is in attendance and available at all NSC meetings anyway), can do nothing but work mischief. No coherent argument in support of such a change has been advanced; the best thing that proponents say for it is that it may be harmless. That is no basis on which to alter one of the most important and delicate organizational balances in our government.

Placing the Chairman in the chain of command represents an even more fundamental change. The House would have amended the long-standing law that prohibits the Chairman from commanding the Armed Forces. The legislation inserts the Chairman into the chain of command between the Secretary of Defense and the nine worldwide commanders. Every order from the President and the Secretary of Defense would have to go through the Chairman. The Defense Department's Counsel to the Congress stated that the legislation would "vest him with supreme military command in his own right" as a single military leader of all American combat units.

Harold Brown has testified to the Senate Armed Services Committee about his misgivings about putting the Chairman in the chain of command: That it is unnecessary and simply invites others to circumvent the Secretary of Defense.

In my view, the House legislation was the wrong way to go. The dangerous departures outweigh the worthwhile reforms by a considerable margin. But the flaws in the House legislation do not change the fact that JCS reform is desperately needed. Both my amendment and the reform proposals of the highly respected CSIS study, demonstrate that meaningful reform can be accomplished—and should be accomplished—without shifting the country's chief military officer from an advisory position to a command position.

That the House is likely to act on similar legislation this year should be ample incentive for the Senate to push ahead with a more reasonable approach to JCS reorganization.

OPPOSITION TO REFORM

One last point. There is a stubborn group of individuals who oppose any JCS reform. Their fear of change too often seems to result from parochial "turf" interests rather than national defense interests. Nonetheless, opponents have raised legitimate questions about reform proposals such as that which was passed in the House last year.

One of the leading opponents has been the Secretary of the Navy, John Lehman, who has aptly criticized the House JCS legislation but has inaccurately equated JCS reorganization with the specter of a German-style general staff, which would threaten the very foundations of civilian control of the military.

This is an old argument, and in my judgment, a red herring. Obviously, in any reform we undertake we must be vigilant about maintaining the tradition of civilian control of the military which is essential to the way our democracy—and any democracy—functions. I oppose the House legislation because I believe it tampers excessively with the civilian-military balance.

But I think that the issue—like so many that we face in Congress—is one of trying to strike a realistic balance—and not being afraid to make needed changes because of a worst-case, doomsday scenario. We have a serious problem, amply documented over the decades; the service interests have prevailed over the joint interests and prevented coherent budgeting, planning and operations for the overall defense needs of this country. The quality of military advice to the Secretary of Defense, the NSC, and the President is not what it should be. That is the reality with which we must deal.

General Jones has pointed out that the British, after whom we modeled our JCS, have recently moved to strengthen their Chief of Defense Staff to enhance effective integration of their defense capabilities—"secure in the knowledge that their democratic traditions will not be threatened." Other experts have noted that since 1947, many power centers in our Government have developed to hold any military staff in check: the Assistant Secretaries of Defense, the State Department, the Arms Control Agency, the staff of the National Security Adviser, and the CIA. With these realities in mind, Harold Brown has described the fear that JCS reorganization would produce "something analogous to a German general staff * * * as completely baseless." Or as James Woolsey, former Undersecretary of the Navy, has written more graphically:

> We can afford to move several light years toward military staff centralization before we come within any distance of Prussianism. The United States is about as close to having Prussian style general staff today as it is to having a dictatorship of the proletariat.

Secretary Lehman is entitled to his view that JCS reform "is usually pushed by a coalition of civilian armchair strategists, who don't really understand the Pentagon bureaucracy, and by uniformed military staff officers, who understand it too well." Into the first category, Secretary Lehman would apparently put: Harold Brown, James Schlesinger, David Packard, Elliot Richardson, Mel Laird, Robert Komer, Clark Clifford, Robert McNamara, Stuart Symington, Roswell Gilpatric, James Woolsey, John Kester, and Brent Scowcroft. Into Secretary Lehman's second category would fall the following generals: David Jones, "Shy" Meyer, Andrew Goodpaster, Maxwell Taylor, James Gavin, Omar Bradley, and Dwight D. Eisenhower. All these men have identified themselves with the cause of JCS reform. I have been persuaded by their collective wisdom and thoroughly unconvinced by the weak arguments of those opposed to reform.

I urge detractors of reform to focus their arguments on the weak points of bills such as the one passed by the House of Representatives last year and not on the concept of reorganization itself.

As our recently retired colleague Senator Tower said during the JCS debate last summer, "there are a number of us who have recognized for some time the need for reform. The great difficulty is trying to agree on what form reform should take." The challenge before us is enormous, but it is not insurmountable.

Mr. President, this amendment may not be the perfect solution. But it is long past time that we commit ourselves to a serious debate about the weaknesses that are almost universally diagnosed and perceived to be extremely detrimental to the defense of this Nation. This legislation is a start—perhaps a catalyst—for forceful efforts to find the right answer.

I yield the floor.

Mr. GOLDWATER. Mr. President, I commend the Senator from Missouri for the attention that he has drawn to this critical issue. He has carefully studied the serious problems of the current structure of the Joint Chiefs of Staff, and his proposals are worthy of thoughtful consideration.

Last June, Senator EAGLETON offered an identical amendment to the Defense authorization bill then being considered. He graciously withdrew his amendment after Senator Tower, then chairman of the Committee on Armed Services, promised that the committee would expeditiously consider DOD organization legislation. Unfortunately, the committee was unable to complete conference action on the Defense authorization bill until September 24. This made it impossible for the committee to turn its attention to DOD organization legislation.

Senator NUNN and I have attempted to fulfill the commitments that we made last year to the Senator from Missouri. We have continued to give DOD reorganization high priority on the committee's work agenda. We formed a task force at the end of January to complete this work. We have directed that the committee's staff study on this topic be more thoroughly researched and prepared. Given all of the work that has been done, our current estimate is that the Committee on Armed Services will report a comprehensive DOD reorganization bill early this fall.

Mr. President, as my friend from Missouri knows, reform of the Joint Chiefs of Staff cannot be addressed in isolation. It will clearly be an important element of any reorganization proposal. But structural problems in DOD involve many organizations. Consideration must be given to all major organizational elements and to key decisionmaking procedures of DOD if appropriate and well-reasoned changes are to be made.

Mr. President, the committee is taking on this more comprehensive approach in its work, and we are addressing seven topics: The Office of the Secretary of Defense; the organization of the Joint Chiefs of Staff; unified and specified commands; military departments; the planning, programming and budgeting system, the acquisition process; and congressional review and oversight.

Now, I might say at this point, Mr. President, that this has been a subject of almost lifelong interest to me. What the staff has come across in its studies is so rather shocking that I do not think simple legislation, or even quickly drawn legislation, is going to overcome these difficulties. It is far, far worse than any of us care to recognize.

The Constitution charges us with the responsibility of raising the Army and the Navy. It also—and this is something we have completely forgotten—empowers us to regulate. Now, this is a surprising thing.

This action has not taken place since the 1920's. Consequently, with the creation of the Office of Secretary of Defense, without the proper congressional oversight it has just grown and grown. In this growth, we have accumulated some 82,000 civilians. We have to have some civilians. The disturbing thing to me, I say to my friend from Missouri, is that we have ample evidence that it is going to require forceful effort and that we are losing command at the lower company grade levels.

I have been around the world talking to young lieutenants and captains, and I am disturbed by their relating to me how they are not able to properly command their forces because they do not get command from above. That is one major thing that has crept into this whole subject to which we are trying to address our efforts.

Mr. President, there is an important point that needs to be brought to the attention of our colleagues. In the past, Congress has generally been poorly informed on Department of Defense organization issues. In fact, Congress will have to share responsibility for the current deficiencies in DOD organization. Moreover, Congress allowed itself to be caught up in the emotion of DOD organization debates. The committee's deliberate approach on DOD organization issues is designed to separate emotion for substance.

Mr. President, Senator EAGLETON is to be praised for his hard work which will help inform the Senate on these critical issues. His statement on May 3 of this year is an articulate identification of the serious problems of the

Joint Chiefs of Staff. The committee is gratified to see that it will have a knowledgeable ally when it brings its reorganization proposals to the Senate floor.

Mr. President, we sincerely hope that legislation will be ready for floor consideration sometime early this fall, if the conference between the two Houses on the Defense authorization bill does not consume all the time it consumed last year.

Mr. President, despite their importance, the Committee on Armed Services is not quite ready now to act on the proposal. I urge the Senator from Missouri to withdraw his amendment, so that it can be given the careful and more deliberate attention it deserves. I can assure the Senator that this is going to happen. I have about a year and a little more remaining in this body, and when I leave, this will be accomplished, I can assure the Senator.

Mr. EAGLETON. Mr. President, I am both saddened and delighted to hear what the distinguished chairman has said. I am saddened by his recital of what the current conditions are. I do not dispute one whit his statement that, from an organizational point of view, we are in the 19th century, and perhaps even the 18th century.

But I am delighted that he is facing up to this issue and is committed now to having something before us this fall, not only on Joint Chiefs of Staff, which is vital, but also the Office of Secretary of Defense, command structure, and the like.

That is a mighty full platter. I wish him well. I hope we can have it this fall, but it is a mighty ambitious undertaking, that whole ball of wax. I think it is marvelous that he is undertaking it.

The Senator from Arizona will leave many monuments—true, living monuments—when he departs this body at the end of 1986. I will depart with him, with fewer monuments. But he will leave none greater than if he addresses this issue and seeks to resolve it legislatively, because it cries out for attention.

I want to ask the chairman a couple of questions.

Last year, Senator Tower, who was then the chairman of the Armed Services Committee, said there would be a staff study at least on the Joint Chiefs of Staff question. Does the Senator know what has happened to the staff study? Do we have one? Will we have one? When will we have one?

Mr. GOLDWATER. The Joint Chiefs of Staff is one of the seven subjects being approached by the staff, and I can tell the Senator that it has received almost complete investigation now. We had some other things creep into this before it started. Senator Nunn, of course, is more the grandfather of this whole effort than either Senator Tower or me, and I am glad to see him on the floor.

As the Senator from Missouri knows, the Joint Chiefs is another of those typical examples of what happens when Congress creates a creature and then walks off and leaves it. It was to have some 100 members to assist in the operation. I think there are now more than 1,400. When you add to it that every officer who is assigned has to have a secretary, and she needs help, I cannot even give the Senator an idea of how many thousands of people are now engaged in the Organization of the Joint Chiefs of Staff. That has received a great deal of our attention.

Mr. EAGLETON. Because of my longstanding and keen interest in this subject matter, would the Senator permit my staff person to confer with his staff people and to be privy to some of the studies and work that has been done in this area—not for the purpose of public relations release but for the purpose of knowledge?

Mr. GOLDWATER. I am sure the staff and the committee intend to call on the Senator for the benefit of his long studies in this matter.

Mr. EAGLETON. Does the chairman contemplate any public hearings on this subject matter?

Mr. GOLDWATER. Frankly, I do not see how we can avoid public hearings. How public they might be, I do not know. But we certainly intend—and I think I am speaking in the same mind as the Senator from Georgia—to have hearings that will embrace the Chiefs, the Pentagon, and academic types, as well as other individuals who might be interested in this matter.

Our staff has made a remarkably complete study on this. I cannot even get the number of pages. There are about three books over 4 inches thick on this subject now.

So there will be hearings. We do not want to drag them out, because this is an issue, in my opinion, that has to be settled if we are going to see our military be able to exercise to the fullest the abilities they now have due to the top quality enlisted men and the top quality junior officers we have. We want to remove all the impediments that have been imposed by the Pentagon and by the inattention of Congress to its constitutional duties of overseeing the operation.

Mr. EAGLETON. I say to the chairman that in my speech I listed numerous people with whom I have corresponded and recorresponded and re-recorresponded on this subject matter, people who are keenly interested. I will not bore the Senator with a long recitation of names, but if he is going to have public witnesses, I wish he might consider the following, among others who have a keen interest in this matter: David Jones, former Chairman of the Joint Chiefs; Stuart Symington, a former Member of this body; Clark Clifford, a former Secretary of Defense, and James Schlesinger, a former Secretary of Defense.

In my correspondence with these folks, there was not unanimity—I emphasize that—as to my approach. For example, General Jones think I am in the right direction but that my specifics are a bit excessive. That is fine.

All these folks think I am heading in the right direction, but they quarrel about, shall we say, some of the phraseology in my bill. But they are unanimous, and the chairman agrees, that this situation with respect to the Joint Chiefs—to repeat myself—cries out for attention; that it is not just a cosmetic problem, not just a moving-a-bunch-of-boxes-around problem, but a real, meaningful, substantive, vital problem that needs attention.

Mr. GOLDWATER. Mr. President, as to the list that the Senator has named, I believe quite a few of them have already been consulted. They will be consulted further. Gen. David Jones is a man who I have served with, I have tremendous respect for, and I believe is the very first man to have had the courage to speak out on the need of reorganizing and looking at the Joint Chiefs. And I can assure my friend from Missouri that not only is it the list that he has mentioned here, but many, many more. We are not confining this to the man in uniform. We are expanding to the academic field and others who are interested.

I think my friend from Georgia might wish to comment on this.

Mr. NUNN. Mr. President, I wish to comment, and I completely agree with everything the chairman has said. I think we have an extraordinary and unusual effort going on and a total bipartisan effort, with staff working together, Senator Goldwater and I working together. We have formed a task force and, as a matter of fact, I think the Senator from Missouri may be interested, we just sent out the letters naming that task force this week. Of course, all the members of the Armed Services Committee will be involved, but these will be members who will be studying this issue intensely in this next few weeks with the hope in mind of coming out with the bill this year. We also hope the House of Representatives will not only address the Joint Chief's issue but the broader issues of reorganization.

So, I congratulate the Senator from Missouri for presenting this bill this morning and for really being on the cutting edge of this issue for several years. The Senator had displayed great leadership, keen insight into some of the problems of the Defense Department, and though I might differ with the Senator on some of the details, after I finally come to my own conclusion, which I have not yet, I do

think the Senator has pointed the way.

The Senator of this side of the Capitol has been on the cutting edge of this issue, and the Senator has a Congressman from his State, Ike Skelton, who has been very much out in front on this issue on the House side as well as Bill Nichols on the House side.

I think the work that Senator Eagleton has done here and Congressman Skelton and Congressman Nichols have done on the House side has really helped stimulate what I hope will be an all-out effort in this vein.

Mr. President, I wish to take only a couple of minutes because Senator Goldwater made a statement—and this is an extraordinarily important subject—and I wish to say that I completely agree with the statement of the distinguished chairman of the Committee on Armed Services.

I am grateful for the outstanding leadership that he has provided the committee on the difficult subject of DOD organization. We have also benefitted from his vast experience in the field on national defense and from his courage in agreeing to address these highly emotional issues.

The Senate should be aware that the committee's work on DOD organization is not a criticism of this administration or any current civilian or military official. I want to underline that. I think that is important at the outset. The fundamental problems that need to be addressed first arose during the Spanish-American War, were evident in World War II, and continued during the Vietnam conflict and other recent military operations including Grenada. It is the long history of organizational deficiencies that is the focus of the committee's work and not the performance of any one administration.

In addition, it should be noted that the committee's work is not a criticism of previous DOD civilian and military leaders or the individual American fighting man. DOD leaders—both civilian and military—have consistently been highly talented and dedicated individuals. They have, however, been constrained in the performance of thier duties by deficient organizational arrangments. Likewise, the American military man has served with distinction and bravery even under extremely difficult circumstances. And I want to say that there are many, many women in the military today and in the past who have also served with great distinction and bravery under difficult circumstances.

Mr. President, this leads to an extremely critical point: DOD organization legislation must be pursued on a fully bipartisan basis, if it is to have a reasonable chance of passage. The Committee on Armed Services is fully committeed to a bipartisan approach. In this bipartisan spirit, Senator Goldwater has provided that he and I cochair the committee's task force working on DOD organization. The House Committee on Armed Services has also agreed to a bipartisan approach.

DOD organization issues are complex and highly emotional. If this work also becomes burdened with partisan politics, it will be much more difficult, if not impossible, to enact meaningful legislation. Opponents of DOD organization have perceived this fact. They have been working hard to convince Members of Congress and administration officials that DOD organization could or may already be a partisan issue. This is simply not the case. They know that if they can divide this issue along party lines, in addition to all the lines that will take place on the issues themselves, they could defeat this legislation.

So one of our prime tasks here is to continue to work across the aisle on this issue, and I certainly am going to do my best, and I know Senator Goldwater will continue to do his best.

Mr. President, I urge my colleagues not to make decisions on all of these issues and certainly not to be swept away with emotional arguments. I also ask my colleagues to keep an open mind on DOD organizational issues. These kind of emotional arguments, that you hear, such as loss of civilian control of the military, Prussian general staffs, overcentralization, have already been levied against reorganization proposals; and these arguments are not based on facts; they are simply based on emotion.

As Chairman Goldwater has noted, congressional action on these issues in the past has been based on too much of these types of arguments rather than analytical and objective analysis. We must guard against falling into the same trap this time.

Mr. President, 11 months have passed since the Senator from Missouri offered an identical amendment to last year's Defense authorization bill. On the surface, little appears to have happened during that time. The Senator may be a little frustrated—I hope not—because, to the contrary, considerable progress has been made.

The inability of the Committee on Armed Services to report a DOD reorganization bill is not a reflection of a lack of commitment. It merely reflects the complexity and enormous importance of the issues involved. DOD is the largest and most complex organization in the free world. Accordingly, solutions to existing problems will not be easily developed. The committee is committed to careful consideration and deliberation of possible solutions. Senator Goldwater and I had hoped to be able to proceed in a very timely way.

We would have hoped to have already been able to proceed further, but I can assure the Senator we have done all we can do so far and as soon as this bill is concluded, we are going to be turning to that task.

Mr. President, I join the chairman of the committee in urging Senator Eagleton to withhold his amendment this morning but to work very closely with us on the Armed Services Committee as we develop this proposal, and we will be seeking his input and his advice.

Mr. EAGLETON. Mr. President, I thank the distinguished Senator from Georgia.

With the guarantees of both the Senator from Arizona and the Senator from Georgia, I withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Is there a pending bill?

The PRESIDING OFFICER. Yes; under the previous order, the pending business is S. 1160.

Mr. GOLDWATER. I did not hear the Chair.

The PRESIDING OFFICER. Under the previous order, the pending business of the Senate is S. 1160, and there is a further order for the Senator from Missouri to propound an amendment.

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order for me to offer the amendment that is at the desk at this time and the Senator from Missouri not lose his right to follow this amendment with a second amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 235

(Purpose: To designate the Federal Merit Scholarship Program to be the Robert C. Byrd Honors Scholarship Program)

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator form Alaska [Mr. Stevens] proposes an amendment numbered 235.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered,

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following new section:

ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM

Sec. . (a) Section 419A of the Higher Education Act of 1965 (hereafter in this section referred to as the "Act") is amended by striking out "Federal Merit Scholarship Program" and inserting in lieu thereof "Robert C. Byrd Honors Scholarship Program".

(b) Section 419C of the Act is amended by adding at the end thereof the following new subsection:

"(d) Scholarships awarded under this subpart shall be known as 'Byrd Scholars'.".

(c) Section 419E(3) of the Act is amended by strikng out "Federal" and by inserting "under this subpart" after "scholarships".

(d) The heading of subpart 6 of part A of title IV of the Act is amended to read as follows:

"Subpart 6—Robert C. Byrd Honors Scholarship Program".

Mr. STEVENS. Mr. President, this will properly name the program, that the Senator from West Virginia has been so closely associated with, the Robert C. Byrd Honors Scholarship Program.

I believe it has been cleared on both sides.

Mr. President, I am pleased to offer this amendment to honor my friend and distinguished colleague, the minority leader.

Last year we enacted the Federal Merit Scholarship Program. Senator Byrd is the author of that program. It is a small, but important scholarship program under title IV of the Higher Education Act. The scholarships, each at a stipend level of $1,500, will be awarded to 10 students in every congressional district, the District of Columbia and Puerto Rico, who have demonstrated and show promise of continued academic achievement. The scholarships will be based entirely on merit. To be eligible, students must have successfully completed their secondary level studies, and be admitted for enrollment in an institution of higher education.

The program is authorized for 3 years, starting in fiscal year 1986, at a level of $8 million per year. Each year, a different set of students will receive the scholarships, which are nonrenewable.

The intent behind this excellence in education program is the hope that the possibility of receiving a scholarship will spur students to excel in their secondary studies.

Mr. President, shortly after this important program was enacted a problem arose that we had not anticipated. The highly respected National Merit Scholarship Corporation, which runs the private National Merit Scholarship Program, expressed the concern that confusion could arise in the public as to the difference between the Federal Merit Scholarship Program and their National Merit Scholarship Program, and that this confusion could affect their ability to raise private funds for their program. Because it was clearly not our intent to cause any problems for the National Merit Scholarship Corporation, we readily agreed to seek a name change for the Federal program at the earliest possible time.

I am particularly eager to see the program name changed to the Robert C. Byrd Honors Scholarship Program because, as many of our colleagues may not be aware, this new merit scholarship program is simply an extension of an effort Robert has supported in West Virginia for the past 16 years. In 1969, using his own funds, Robert established a Robert C. Byrd Scholastic Recognition Award Program in his home State, a program which awards each year to every high school valedictorian in West Virginia, a U.S. savings bond. The success of this program inspired Robert to propose a similar purely merit-based award program at the Federal level. In light of the origins of the so-called Federal Merit Scholarship Program, I believe it is highly appropriate that its new name reflect its beginnings in the mind and heart of our distinguished colleague, Robert C. Byrd.

Mr. NUNN. Mr. President, this has been cleared and we support it.

Mr. GOLDWATER. Mr. President, the majority side supports this.

We accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment (No. 235) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 236

(Purpose: To require a report on matters relating to budgeting in the Department of Defense for inflation)

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri [Mr. Eagleton], is recognized to offer an amendment dealing with DOD inflation on which there will be 1 hour of debate, equally divided.

Mr. EAGLETON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. Eagleton] proposes an amendment numbered 236.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 3 and 4, insert the following new section:

REPORT ON BUDGETING FOR INFLATION

Sec. . (a) The Secretary of Defense shall submit to the Congress, not later than September 1, 1985, a report containing an explanation of what the Department of Defense does with funds in any fiscal year that are saved as a result of a decrease in the anticipated rate of inflation during such year and an estimate of the amount of unobligated funds from previous fiscal years that is proposed to be obligated during the current fiscal year that represents savings realized as the result of a difference in the inflation rate assumed at the time funds were appropriated and the actual rate of inflation.

(b) The Secretary shall also include in the report required under subsection (a) a proposal or alternative proposals for a budget system under which (1) funds for any fiscal year would be appropriated to the Department of Defense without the addition of any amount for anticipated inflation during such fiscal year, and (2) requests would be made to the Congress at the end of the fiscal year for any additional funds made necessary by reason of inflation during the fiscal year.

(c) The Secretary shall also include in such report—

(1) his recommendations for procedures which would effectively implement a proposal submitted under subsection (b); and

(2) a discussion of the advantages and disadvantages of instituting such a proposal, together with any other comments and recommendations the Secretary considers appropriate.

Mr. EAGLETON. Mr. President, my amendment speaks directly to a troublesome economic issue that plagues today's defense budget: how the Defense Department accommodates inflation.

Briefly, my legislation would require the Secretary of Defense to recommend a means by which DOD would be compensated for inflation at the end of a fiscal year rather than at the beginning—a system I would call look-back inflation financing.

The need to change how we deal with inflation adjustments for the Defense Department was dramatized last week.

Members of the Armed Services Committee had been agonizing over bringing their Defense bill in line with the zero-growth instructions of the budget resolution. With the specter of program cuts stalking the halls of the Pentagon, Caspar Weinberger suddenly found $4 billion that could be used to finance the programs that might otherwise have been cut.

Of the $4 billion, $1.6 billion was said to have been cash set aside but not needed to cover inflation.

I fear that last week's funny-money escapade only hinted at the magnitude of DOD's slush fund. For a flavor of the potential for inflation-related waste, I ask unanimous consent that a table entitled "Economy-Wide Inflation" be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

ECONOMY-WIDE INFLATION

[In percent and fiscal years]

	1982	1983	1984	1985
Forecast [1]	8.7	6.5	5.3	4.9
Actual	7.2	3.9	3.8	[2] 3.6
Error	+1.5	+2.6	+1.5	+1.3

[1] As shown in the President's budget submission for the indicated fiscal year.

[2] Latest projection for fiscal year 1985.

Mr. EAGLETON. Mr. President, this table shows that during the past 4 years projected inflation ran ahead of actual inflation by an average of 1.7 percent per year. Now, at first blush, that may not sound enormous, but in terms of today's gargantuan defense budget, 1.7 percent is equivalent to roughly $5 billion annually, and the errors compound over time—the miracle of compound interest.

Congressman Les Aspin, chairman of the House Armed Services Committee, recently estimated that during the last 4 years the Defense Department actually received an inflation-related windfall of between $18 billion and $50 billion.

We could debate the size of the DOD's inflation windfall, but the precise figure, as I view it here today, is not the issue. The issue is that the windfall exists—be it 18 or be it 50—and it exists at considerable embarrassment to the Congress and expense to the Treasury and the American people.

The inflation slush fund is the result of a money pipeline in Washington that flows one way only—sort of like a one-way street: from Congress to the Pentagon. Period.

Simply put, when the actual inflation rate is higher than budget assumptions, as was the case in the 1970's, the Pentagon experiences a budgetary shortfall and it submits supplemental appropriations requests.

But when the actual inflation rate is lower than the assumptions, the Pentagon experiences a windfall for which there is no reverse supplemental bringing it back—there is no systematic adjustment made to return the windfall to the Treasury.

I am not the first to address this problem. Two days ago my colleague, Senator Dixon, added an amendment to this bill that requires the Pentagon to report to Congress all inflation-related surpluses twice a year. The Senator's legislation is a very good starting point for a congressional attack on DOD's slush fund, but it will not solve the problem alone.

Congress would be wise to consider a variety of options for eliminating the inflation adjustment problem. As one, I propose that Congress consider a look-back inflation financing scheme similar to the cost-of-living adjustment plan used for Social Security recipients. It is already in place and has been in place for sometime.

My amendment simply requires—and this is all it does—the Secretary of Defense to submit to Congress a plan, or a series of plans, by which the Defense Department would receive annual appropriations without an inflation adjustment and then return to Congress at the end of each fiscal year to receive an inflation adjustment based on the actual inflation rate—the actual inflation rate—rather than a projected inflation rate.

While Congress would not be bound by the Secretary's recommendations, it would benefit from early DOD input into congressional consideration of alternatives for eliminating the multibillion dollar budgeting errors that are an inevitable result of inaccurate inflation predictions.

My amendment also requires that the Secretary explain what he has been doing with the billions of excess dollars that appear to be sloshing around somewhere over in the Pentagon.

Finally Mr. President, we will request a multitude of studies and reports from the Pentagon during our work on this bill, but the resulting paperwork is worthless unless the committees of jurisdiction take an interest in and act on the issues involved. Accordingly, I must stress the importance of committee hearings on look-back inflation financing when the DOD submits its plans to Congress.

I urge my colleagues to accept this amendment.

I ask unanimous consent that editorials from the New York Times and the Washington Post endorsing look-back inflation financing be printed in the Record.

There being no objections, the editorials were ordered to be printed in the Record, as follows:

[From the New York Times, May 22, 1985]

CREEPING UP AT THE PENTAGON

Anyone who knows how much inflation there will be in military equipment costs between now and 1988 is urged to get in touch with Congress, so it won't keep giving the Pentagon more money than it needs. Chairman Les Aspin of the House Armed Services Committee calculates that in four years, the Defense Department has received at least $18 billion, perhaps $50 billion, extra by overestimating inflation.

Some error was inevitable; the moderation of price increases surprised everyone. But some was also the result of Pentagon padding and congressional negligence. Mr. Aspin has flagged a procedure that needs tightening.

When Congress authorizes any procurement it includes a cushion for possible price increases. The Pentagon claims it needs a special price index, and it's been consistently high. The miscalculations aren't always in the Pentagon's favor. In the 1970's, like everyone else, Defense underestimated the price of oil and had to scratch for funds. What happens when extra cash turns up in a military program? On a request from the Pentagon, it can be "reprogrammed" to another where there's a shortfall, with the approval of congressional committees. Otherwise, it's canceled or Pentagon accountants sit on it. No accounting system keeps track of which excess dollars are the result of wrong forecasts.

The Pentagon doesn't deny a windfall, but portrays it as good news. The transferred bucks, defense officials say, have been put to productive use, buying more bang than originally planned. Many in Congress, however, are understandably annoyed when, as last week, the Pentagon suddenly "discovers" a $1.6 billion inflation surplus it can use to rescue a program that's about to be cut.

These are expensive games. The responsible Congressional committees need to scrutinize reprogramming more closely. Mr. Aspin, meanwhile, offers another idea. Rather than fixing the inflation factor when the defense contract is negotiated, he suggests making adjustments after the fact, when the goods are delivered. Why should bad forecasts become a special bonanza for defense?

[From the Washington Post, May 21, 1985]

THE DEFENSE INFLATION DIVIDEND

Forecasts of inflation in the defense budget used to be too low. In the high-inflation 1970s, presidents unfailingly predicted each budget season that their policies would reduce inflation. These political predictions were then enshrined in their budgets. For the Pentagon, that meant a steady pattern of good news followed by bad: low cost estimates, large cost overruns, especially on the longer-term procurement contracts. The problem was exacerbated by the tendency of both contractors and the services to underestimate weapons costs to win initial congressional approval.

Now this pattern has been reversed. The Reagan administration has succeeded beyond its official forecasts in bringing inflation down. This has created a dividend in the defense budget. The dividend has been the greater because the administration, partly to avoid further cost overruns, began to use a higher inflation multiplier for defense than for civilian programs.

Les Aspin, who is chairman of the House Armed Services Committee, estimated yesterday that as a result, Congress in the last four years appropriated between $18 billion and $50 billion more than the true cost of programs in the defense budget.

Some of this money was spent, with congressional concurrence, on other defense programs; some appropriations have lapsed; some are for projects not yet completed or begun. Mr. Aspin suggested that some of the money may also have gone to contractors in the form of higher profits.

The Defense Department has also used the inflation dividend in making paper "budget cuts" when Congress seemed likely to squeeze its budget. In the most recent and egregious example, the Senate Armed Services Committee last week was about to cut the defense authorization bill when Secretary Caspar W. Weinberger announced he had just found $4 billion. Several committee members, who should have known better, complained indignantly that the secretary was playing games with them.

Mr. Aspin would rule out such scenes in the future with a proposal that sounds simpler than it is. Instead of appropriating for defense inflation in advance, he would appropriate for it one year in arrears. The Pentagon would receive its cost-of-living allowance each year, as Social Security recipients do, on the basis of the past year's verified inflation rate. There are accounting and other administrative problems in this; the Pentagon needs to join Congress in looking at them. But the present system needs improvement. The department now is sacrificing its credibility to preserve its programs. That is good for no one.●

Mr. EAGLETON. Mr. President, I ask unanimous consent that Senator

Paul Simon of Illinois be added as a cosponsor of this amendment.

I am told that Senator David Pryor of Arkansas wishes to speak in favor of it and he has been notified that it is pending.

Mr. GOLDWATER. Mr. President, I have strong reservations about the intent of my colleague in offering this amendment.

The amendment asks the Department of Defense to devise a system of budgeting which assumes no inflation increases. While I wish it were true that inflation will disappear—and, Mr. President, it will never disappear; we will always have average inflation of 3 to 3½ percent—I think we all realize that prices in the next few years will continue to rise, although, hopefully, at a lower rate than in the past.

My colleague is asking the Pentagon to submit budgets in future years which will have the effect of allowing them to obligate more than they are given to spend. This is like telling me I have $100 in bank but I can spend $104, and you will give me $4 before all the checks come due. I do not run my finances that way, and I surely do not think the Congress should encourage the Pentagon to do so either.

Mr. President, we have already established at least two approaches to this. I have promised my colleagues that the full committee of the Armed Services Committee will act as a committee to make darn sure that this never happens again.

I put in the Record yesterday, Mr. President, a series of figures running back to 1967 showing that, through every administration and every year, these figures have existed from very, very small amounts to increasingly large amounts, until this past year $4 billion was reached.

I know that my counterpart in the House has come up with some astronomical figures—and I suppose anybody could if they wanted to get their computer out and start punching buttons—but I think $4 billion covers it.

I think this is a good amendment, Mr. President. As far as the majority side is concerned, we will take it.

Mr. NUNN. Mr. President, we are prepared to accept the amendment. I think the Senator from Missouri has identified a serious and difficult problem. I am not certain that the path indicated here is the correct path in dealing with this problem. It may be that in conference we need to broaden this approach to some extent. I am not sure that this is as comprehensive as I would like to see it in terms of offering possible routes of study for the Department of Defense and various options in dealing with this. But I do think the Senator has again stimulated an important subject, and that we should accept the amendment. I will certainly try to work with the Senator while we are in conference in whatever broadening amendment we feel is dictated at that point.

Mr. EAGLETON. Mr. President, I thank my colleagues, the distinguished chairman, and the distinguished ranking member.

I would like to put one additional item in the Record at this point, Mr. President. I will quote from it. Yesterday, as a matter of fact, a group called the Military Reform Caucus chaired by Senator David Pryor, of Arkansas, issued a report entitled "Can Congress Rely on DOD's Inflation Adjustments As the Basis For a Budget Freeze?" Let me quote one excerpt from that report.

> Using several measures of actual inflation derived from the competitive manufacturing sector of our economy, the excess appropriations due to DOD's inflation overestimates appear to be $42 billion and $54 billion (see appendix B). These costs to the taxpayers are unwarranted.

Mr. President, I ask unanimous consent that the report of this committee chaired by Senator David Pryor, of Arkansas, be printed at this point in the Record.

There being no objection, the report was ordered to be printed in the Record.

Can Congress Rely on DOD's Inflation Adjustments as the Basis for a Budget Freeze?

Since 1979, each year's Congressional debate on the DoD budget ceiling has focused on what percentage to add to last year's budget, after last year's budget has been adjusted for inflation. Concerning the inflation adjustments themselves, there has been no Congressional debate—even though the adjustments are calculated by an interested party, namely, DoD.

DoD's annual adjustment for inflation differs from other COLA's in a fundamental way. Whereas the Social Security, and the various retirement and salary COLA's adjust payments to compensate for inflation that has already occurred, DoD's inflation adjustment is based on inflation that is predicted to occur in the future. Despite the fact that inflation predictions are notoriously inaccurate, the Congress has no institutional mechanism to annually determine if DoD is overestimating inflation or to insure that DoD returns by excess funds to the treasury.

To help Congress exercise its oversight responsibility, the Military Reform Caucus has conducted a study of review whether DoD's inflation adjustments represent unbiased estimates or hidden additions to DoD's annual budget growth. The study has produced three key findings:

1. To increase funding for major systems procurement, in every budget since FY'83 the DoD has awarded itself a 30% add-on to its traditional Defense Procurement Deflator inflation rate projections.[1] The 30% projected rate increase is unwarranted, particularly when compared to actual historical inflation rates for major systems (see Appendix A for details). Yet, DoD claims that the 30% increase is justified by a 1970 Department of Commerce study. In fact, that study does not address inflation rate projections, much less 30% add-ons.

2. Using either the new, Carlucci-introduced Major Commodity Deflator or the traditional Defense Procurement Deflator for DoD's annual inflation adjustment inherently rewards DoD for a) overruns; b) increases in contractor overhead or other nonproductive cost claims; c) cost-increasing stretch-outs; d) shifting funds into procurement accounts with high cost growth; and e) paying inflated or unjustified prices for either spares of major systems.

The only way to avoid an inflation index that rewards DoD for mismanagement is to use an index based on comparable market sectors of the economy, such as the Producer Price Index for the manufacturing sector (since the vast majority of DoD's purchases are manufactured items).

3. With or without the 30% add-on, DoD's projections of future inflation have been consistently high relative to actual inflation in comparable sectors of the market economy.

The DoD projections proved to be higher than actual inflation rates in the manufacturing sector (Producer Price Index for Durable Manufactured Goods) by 81%, 183%, 137%, and 264%, respectively, for the last four budgets. (FY '82 to FY '85).

Using several measures of actual inflation derived from the competitive manufacturing sector of our economy, the excess appropriations due to DoD's inflation overestimates appear to be $42 and $54 billion (see Appendix B). These costs to the taxpayer are unwarranted.

These findings have three major implications for Congressional action:

First, Congressional budget committees cannot continue relying on DoD's own inflation projections and DoD's historical inflation indices. Congress needs to make an independent estimate of an unbiased and reasonable inflation allowance for DoD based on prices in comparable competitive market sectors of the economy.

Second, compared to inflation in the competitive manufacturing sector, biased and unwarranted inflation adjustments have provided DoD with excess funding of $42 to $54 billion between FY '82 and FY '85. The most direct way for the taxpayer to recover this money would be to transfer the excess funding out of DoD's unobligated balances back to the Federal Treasury—where it would be used to reduce the deficit and its interest burden.

Third, after the above correction for excessive inflation allowances since FY '82, Congress needs to institute an annual DoD budget correction, either positive or negative, for the previous year inflation underestimate or overestimate.

The alternative, allowing DoD to continue increasing procurement outlays in FY '86 and beyond without changing current management and non-competitive procurement practices, will insure that the increased outlays will be largely converted into ever-increasing contractor overhead and other nonproductive cost claims.

The American taxpayer should not be asked to continue paying DoD's inflation windfall while receiving no increased rearmament in return.

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[1] This add-on was one of the Carlucci management "reforms" promulgated in late 1981.

[Appendix A]

Why the Major Commodity Deflator Is a Misleading Measure of Procurement Inflation

[Graphs and charts mentioned in article not reproducible in the Record.]

INTRODUCTION

In 1982, the DOD adopted what is now known as the Major Commodity Price Deflator for the stated purpose of more "realistically" estimating future inflation in the major system procurement accounts (i.e. the aircraft, weapons, missiles, and ship accounts). These selected accounts amount to about 80% of the DOD procurement budget and about 35% of total DOD purchases. DOD used this change of index to justify forecasting higher rates of inflation for the major system procurement accounts than for the remainder of DOD's procurement. Table I lists the projected deflator values for future years used in support of the FY '86 budget request. For use later in this analysis, Table I also provides the actual past values of these deflators, even though past deflators are not used in preparing future budget requests.

The DOD Comptroller states in National Defense Budget Estimates for FY 1985, March 1984, (page 54) that since FY '83, DOD has been forecasting the outyear inflation annual in the major procurement accounts to be a 1.3 multiple of the projected annual inflation in the GNP Price Deflator and that this change (from using the standard Defense Procurement Deflator forecasts) would add about $40 billion to the DOD budget between FY '83 and FY '87. This means that, for all future years, major systems are assumed to inflate at a rate 30% greater than the general rate of inflation for the whole U.S. economy. Is this a reasonable assumption? To answer this question, we will first examine the historical behavior of the Major Commodity Deflator. Second, we will examine the underlying assumptions used to construct this index.

TABLE I.—DEPARTMENT OF DEFENSE DEFLATORS

Fiscal year	Outlay deflators						TOA deflators			
	Major commodity	Percent inflation	DOD procurement	Percent inflation	Gross national product	Percent inflation	Major commodity	Percent inflation	DOD procurement	Percent inflation
1950	17.92		23.92		21.06		18.53		24.10	
1951	19.68	9.8	26.20	9.5	22.43	6.5	18.33	−1.1	24.22	0.5
1952	19.68	0	25.30	−3.4	23.11	3.0	17.89	−2.4	24.29	.3
1953	19.56	−.6	25.64	1.3	23.51	1.7	19.39	8.4	24.66	1.5
1954	19.24	−1.6	25.14	−2.0	23.80	1.2	19.29	−.5	25.72	4.3
1955	20.52	6.7	26.80	6.6	24.15	1.5	18.48	−4.2	27.04	5.1
1956	29.96	2.1	27.89	4.1	24.81	2.7	19.95	0	28.27	4.5
1957	22.77	8.6	30.02	7.6	25.72	3.7	20.04	.5	28.99	2.5
1958	22.77	0	30.37	1.2	26.32	2.3	20.11	.3	29.32	1.1
1959	22.50	−1.2	31.09	2.4	26.80	1.8	19.84	−1.3	29.52	.7
1960	22.06	−2.0	30.84	−.8	27.35	2.1	20.07	1.2	29.60	.3
1961	22.47	1.9	31.46	2.0	27.67	1.2	20.05	−.1	29.59	0
1962	22.46	0	31.09	−1.2	28.06	1.4	20.06	.0	29.63	.1
1963	21.80	−2.9	31.18	.3	28.53	1.7	20.71	3.2	29.90	.9
1964	22.18	1.7	31.31	.4	28.94	1.4	21.73	4.9	30.45	1.8
1965	22.43	1.1	31.65	1.1	29.46	1.9	22.55	3.8	31.37	3.0
1966	24.11	7.5	32.70	3.3	30.28	2.7	24.23	7.5	32.46	3.5
1967	25.60	6.2	33.88	3.6	31.25	3.2	25.01	3.2	33.58	3.5
1968	26.87	5.0	35.03	3.4	32.38	3.6	27.17	8.6	34.78	3.6
1969	27.64	2.9	36.14	3.2	33.91	4.7	28.66	5.5	36.15	3.9
1970	28.75	4.0	37.56	3.9	35.78	5.5	29.21	1.9	37.69	4.3
1971	30.12	4.8	39.27	4.6	37.61	5.1	31.14	6.6	39.35	4.4
1972	31.42	4.3	40.77	3.8	39.35	4.6	33.34	7.1	41.42	5.3
1973	32.94	4.8	42.47	4.2	41.09	4.4	36.10	8.3	44.10	6.5
1974	35.72	8.4	44.92	5.8	44.06	7.2	39.03	8.1	47.24	7.1
1975	39.72	11.2	48.88	8.8	48.45	10.0	41.94	7.5	50.62	7.2
1976	43.24	8.9	52.10	6.6	52.76	8.9	45.10	7.5	54.10	6.9
1977	46.52	7.6	55.99	7.5	56.35	6.8	50.03	10.9	59.26	9.5
1978	49.84	7.1	59.80	6.8	60.18	6.8	54.96	9.9	64.60	9.0
1979	54.37	9.1	65.01	8.7	65.48	8.8	60.80	10.6	70.75	9.5
1980	60.65	11.6	71.90	10.6	71.24	8.8	67.78	11.5	76.64	8.3
1981	67.69	11.6	79.52	10.6	78.22	9.8	74.46	9.9	81.66	6.6
1982	77.40	14.3	85.56	7.6	83.78	7.1	80.36	7.9	85.40	4.6
1983	84.29	8.9	88.99	4.0	87.38	4.3	85.59	6.5	88.75	3.9
1984	90.25	7.1	92.37	3.8	91.14	4.3	90.17	5.4	92.29	4.0
1985	94.59	4.8	95.79	3.7	95.60	4.9	95.02	5.4	96.08	4.1
Projections:										
1986	100.00	5.7	100.00	4.4	100.00	4.6	100.00	5.2	100.00	4.1
1987	105.46	5.5	104.20	4.2	104.30	4.3	104.96	5.0	103.85	3.8
1988	111.05	5.3	108.37	4.0	108.47	4.0	109.82	4.6	107.61	3.6
1989	116.38	4.8	112.38	3.7	112.49	3.7	114.71	4.5	111.32	3.4
1990	121.50	4.4	116.20	3.4			119.77	4.4	115.10	3.4

Source: Published by OSD (Comptroller), January 23, 1985.

HISTORICAL BEHAVIOR OF THE MAJOR COMMODITY DEFLATOR

The empirical basis for DOD's Major Commodity outlay deflator is claimed to be the historical Defense Major Commodity purchase deflator calculated by the Bureau of Economic Analysis (BEA), Department of Commerce.[1] The BEA does not construct future estimates, and its historical calculations have only produced Major Commodity purchase deflators back to the fourth quarter of FY'77. Furthermore, since the BEA deflator is based on purchases while the DOD deflator is based on outlays (which apply to progress payments that occur slightly earlier in time than purchases), a conversion of the time phasing of the BEA data (by DOD) is necessary to construct the DOD deflator.

Notwithstanding this limited data base of only seven years of annual Major Commodity deflators actually calculated by BEA, Table I shows that DOD both predicts the index five years into the future (allegedly based on the 1.3 factor discussed on p. 1) and extrapolates it back—by unknown and unpublished methods—to at least FY'50 (the reference Comptroller report indicates an extrapolation back to FY'45).[2] The following paragraphs address the issue of whether the results of DOD's exploitation of this very limited empirical data base for inflation adjustment purposes makes sense.

To test whether DOD's assumption of a 1.3 factor between Major Commodity inflation and GNP inflation is reasonable, we start by examining the ratio of the inflation rates of the two indices in the past. Figure 1 depicts the annual ratio of Major Commodity inflation to GNP inflation for the period covering the BEA data (FY'78–FY'84)[3] and the period covering the projected data (FY'85–89). Figure 1 is computed from the data contained in Table I as follows: for each year between FY'78 and FY'89, the data in column (1) are divided by the data in column (3). This ratio, which is the ratio of the annual inflation rate for the Major Commodity Deflator to the inflation rate for the GNP Deflator, is then plotted for each year.

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[1] The Defense Major Commodity Deflator is produced by BEA for DOD and at DOD's request; it is not used by BEA in any of their standard publications on inflation and the U.S. economy. It consists of BEA's standard Defense Purchases Deflator (which applies to all defense purchases) restricted to a small set of major procurement accounts (i.e. these mentioned on p. 1).

[2] In general, a backward extrapolation of the Major Commodity Deflator would be done by assuming that its year-to-year percentage changes are the same as the percentage changes in some other, supposedly comparable, index (or weighted set of indices) for which the historical values are known. Then, the earliest available year of the Major Commodity Deflator would be adjusted, going backwards from that point one year at a time, by the percentage changes in the supposedly comparable index. Obviously, such a "reconstruction" of more than 20 years of past history for the Major Commodity Deflator has no scientific validity—particularly when there are only seven years of known values to form the basis for understanding the behavior of the deflator.

[3] Not, that BEA has results for the last quarter of FY'77 and the first quarter of FY'85; these two quarters of BEA data are not used in this study because they are too limited to annualize.

Figure 1 shows that, even if one accepts that the Major Commodity and the GNP indices are accurate measures of inflation, there is *no empirical basis* for assuming that future Major Commodity annual inflation will be 1.3 times the GNP inflation—only one historical point, i.e. FY'80, even approaches a ratio of 1.3

Furthermore, notwithstanding the DOD Comptroller's statement that inflation is projected at a 1.3 multiple of the GNP Deflator (page 43, *National Defense Budget Estimates for 1985*, March 1984), figure 1 demonstrates that the projections are *not* based on a 1.3 ratio—only one projected year; i.e. FY'89, has a ratio of 1.3. (Note: a small deviation from 1.3 has a large percentage effect because the ratio is a multiplication factor).

Figure 2 depicts the ratio of Major Commodity annual inflation to GNP inflation for the DOD-"backward-extrapolated" period between FY'50 and FY'77 (i.e. the historical period for which there are no actual BEA calculations to substantiate the DOD-stated values of the Major Commodity Deflator). Figure 2 is constructed from the data in Table I in exactly the same way as Figure 1. Figure 2 makes it clear that the alleged constant multiple relationship of Major Commodity annual inflation to GNP inflation is non-existent over the period of the DOD backwards extrapolation—not one point corresponds to the value of 1.3. Moreover there is no discernible or economically meaningful pattern to the changes in the ratio of the two.

The preceding discussion raises the intriguing question: If the 1.3 factor does not apply to GNP inflation rates, where does it apply? Figure 3 gives us the answer. Figure 3 is constructed in exactly the same way as Figures 1 and 2 except the Major Commodity annual inflation is divided by DOD Procurement annual inflation[4] (i.e. in Table I, column 1 is divided by column 2). In the interest of brevity, Figure 3 combines the historical and projected data with the backwards extrapolated data. The DOD-projected data in Figure 3 reveal that the predicted Major Commodity annual inflation is, in fact, a 1.3 multiple of the DOD Procurement inflation.[5] Furthermore, if we examine inflation projections published by DOD to support the FY'84 and FY'85 budgets, we find that the ratio of the Major Commodity to the DOD Procurement inflation rate was 1.30 for all future years. Therefore, it is clear, that DOD planners calculate Major Commodity annual inflation to be 30% higher than inflation in the Defense Procurement Deflator (as opposed to their claim that they use 30% over the GNP Deflator.) Is this a reasonable assumption upon which to justify a request for $40 billion in additional appropriations to reflect a new way of estimating future inflation?

Figure 3 reveals that the answer to this question is *no*. The period for which historical BEA data exist does not contain even one data point to support the speculation that the future ratio of Major Commodity inflation rates to DOD Procurement inflation rates will be 1.3. Moreover, the backwards extrapolated data looks just as arbitrary as it did in Figure 2.

Examination of the FY'78-FY'84 time period in Figure 3 reveals that the three most recent years have ratios well above 1.3 while the preceding four years have ratios well below 1.3. Table II, which repeats the Table I data for these years, will be usd to explain this pattern.

Table II reveals that, in general the DOD Procurement Deflator changes with the GNP Deflator—when GNP inflation increases, DOD Procurement inflation increases; and when GNP inflation decreases DOD Procurement inflation decreases. Up until FY 1981, the Major Commodity inflation tended to follow much the same pattern. However, in FY'82 GNP inflation dropped 2.7 percentage points and DOD Procurement inflation dropped similarly by 3.0 percentage points: despite this, Major Commodity inflation increased by 2.7 percentage points. This divergent behavior dramatically increased the spread between Major Commodity annual inflation and DOD Procuremnt/GNP inflation. By FY'84, this increased spread, while somewhat reduced, was still not resolved. If these data are to be believed, we are forced to accept the proposition that a fundamental change in the Major Commodity Deflator took place in FY'82[6]—i.e. that one consequence of the reduction in general inflation is a huge increae in the rate of Major Commodity inflation relative to GNP inflation (or relative to DOD Procurement inflation). Figure 3 suggests that this appalling state of affairs in Major Commodity procurement will be perpetuated if we continue to rely on a 1.3 planning factor.

TABLE I. OUTLAY ANNUAL INFLATION FOR THE PERIOD COVERED BY THE BEA ANALYSIS

[In percent]

Fiscal year	Major commodity	DOD procurement [1]	GNP
1978	7.1	6.8	6.8
1979	9.1	8.7	8.8
1980	11.6	10.6	8.8
1981	11.6	10.6	9.8
1982	14.3	7.6	7.1
1983	8.9	4.0	4.3
1984	7.1	3.8	4.3

[1] Excludes pay, fuel and major commodity accounts.

WHY THE MAJOR COMMODITY DEFLATOR MEASURES MORE THAN INFLATION

There is reason to believe that a substantial part of the inflation in the Major Commodity Deflator (as well as in the Defense Procurement Deflator) is a reflection of cost growth due to mismanagement as opposed to actual inflation. One of the greatest problems in constructing any economic index is accounting for changes in the set of items being purchased. In the case of DOD procurement, DOD is continually modifying existing hardware and introducing new hardware. Both activities increase cost, but it is extremely important to *not* include such cost increases in any reasonable DOD inflation index.

In an attempt to avoid this otherwise insoluble problem, the Department of Commerce economists who devised the DOD Purchases Deflator made a gross assumption: that for any any new, more expensive system, *the increase in "capability" is exactly equal to the increase in cost.* This assumption allows the "market basket" of systems being procured by DOD[7] to retain exactly equal "capability", once there has been an adjustment for the cost increase of the new system replacing the old, less expensive system previously in the "market basket".

Without the theoretical assumption that cost is exactly proportional to capability, it is simply not possible to calculate a reasonable inflation index for defense. Unfortunately, this assumption suffers from the following fatal flaws:

1. The ultimate measure of weapons quality is combat performance and combat history is replete with examples of lower cost weapons being more effective than higher cost weapons.[8] To cite a few clearly documented examples: in WWII, the P-51 was a better air-to-air fighter than either the P-47 or the P-38—it also cost the least by a substantial margin; the German Panzerfaust was a much better anti-tank rocket than the American Bazooka—it was also cheaper and easier to make; in Korea, the Sherman tank performed so much better than the newer, much more expensive M-26 tank that the M-26 was withdrawn from combat; in Vietnam, the F-8 achieved a higher air-to-air exchange ratio than the more expensive F-4. The assumption that every increase is cost measures an equilavent increase in quality simply cannot be justified as a general assumption supporting the construction of any defense purchases deflator.

2. There is also a problem associated with measuring the cost increase of a new system or item. At the very time when a new system is introduced into the procurement deflator's "market basket", unit costs are changing rapidly: production rates are generally increasing; one time start-up costs are being absorbed; designs are changing; and production lines are being adjusted. Therefore, initial unit costs are a poor measure of the cost increase of the new system over the one it is replacing. To deal with this problem, the Department of Commerce economists constructing the Defense Procurement Index made another simplifying assumption: they invoked the learning curve hypothesis and computed the cost of a hypothetical future unit (generally the 100th unit) and used this 100th unit cost as the measure of the "capability" increase. It is well known that initial learning curve estimates are strongly biased on the low side; this is the famous "buy-in" phenomenon. In the case of the buy-in, the subsequent increases over the initial learning curve estimates therefore show up as inflation in the index rather than being excluded from the index as cost growth due to management and incentive problems. *In view of DOD's past propensity to blame inflation for cost growth problems, it seems unsound to rely*

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[4] Note that the DOD Procurement Deflator in Table I and used here is defined by DOD Comptroller to exclude pay, fuel and major commodity accounts. It is, with rare exceptions, identical to the DOD deflators for O&M purchases military construction and R&D.

[5] Note: In FY'88 the ratio of 1.32 and in FY'90 the ratio is 1.29, in all other years, it is 1.30.

[6] Note that the year of the fundamental change (increase) in Major Commodity annual inflation relative to DOD Procurement inflation is the very year in which the Major Commodity Deflator was proposed as a budgeting "reform". Is this a coincidence?

[7] I.e. the "market basket" of systems and other items whose weighted prices form the DOD Purchase Deflator. Note that the deflator is not based on a constant mix (or "market basket") of purchased systems (e.g., tanks, ships, aircraft, etc.), but that the mix or weighting varies every year as DOD shifts relative funding among purchased systems.

[8] This does not imply that higher cost weapons cannot sometimes be more effective than lower cost ones.

on an inflation index that, in effect, subsidizes a buy-in while forecasting a substantially higher-than-actual rate of inflation.[9]

3. The major commodity accounts are the most non-competitive portion of the DOD budget. The bulk of the funding is allocated to non-competitive, sole-source contracts that compute profits on the basis of a cost reimbursement formula. The very concept of applying a *special inflation index* to a *non-market* component of the economy where cost increases are directly subsidized is questionable—particularly if that index is assumed to inflate at a higher rate than the economy in general. In a market economy, competition provides continual pressure to hold down costs. Inflationary pressures must overcome the opposing competitive pressures of the marketplace—and therefore, at least theoretically, inflation has an objective meaning. Since these opposing pressures do not exist in a non-market, cost reimbursable economy (indeed, many argue that there are powerful profit incentives in cost reimbursable procurement to increase cost), one cannot objectively separate cost growth and overruns from inflation-caused changes.[10] How can one theoretically calculate a separate inflation index for this segment of the economy? It would seem that only a general competitive market economy inflation index, like the Producer Price Index or manufacturing sector deflators, can avoid the problem of rewarding mismanagement.

[In percent]

	DOD major commodity annual inflations	Producer price index (durable manufactures) annual inflation
Fiscal year 1981–82	14.3	4.8
Fiscal year 1982–83	8.9	2.7
Fiscal year 1983–84	7.1	2.5

[Appendix B]

HOW MUCH HAS THE DIFFERENCE BETWEEN PREDICTED AND ACTUAL INFLATION COST THE TAXPAYER?

To answer this question, we need to know (1) the amount of money affected by the error; (2) the magnitude of the inflation forecasting error; (3) any adjustments made by Congress, OMB, or DOD to compensate for the error; and (4) the compounding effect of successive errors.

Funds Affected.—The amount of money affected by the annual inflation forecast error is the Total Obligational Authority appropriated by Congress each year. However, this money is spent over a period of successive years. A sizeable portion of the funds appropriated from FY 1982 to FY 1985 have not yet been spent. Two uncertainties complicate the analysis of how the inflation error affects these funds: uncertainties over future outlay rates and uncertainties over future inflation. To eliminate these uncertainties, we have elected to limit the analysis to expenditures that have already occurred. Since the TOA appropriations increased substantially between FY 1982 and FY 1985, expenditures for those years have been considerably less than TOA. Consequently, our use of expenditures is conservative in the sense that it understates the funds affected by the inflation rate overestimates.

Table III shows the total purchases by DOD less those for pay and fuel.

TABLE III.—*Defense purchases less compensation and fuels—billions of current dollars*

Fiscal year:	
1982	$96.7
1983	115.9
1984	131.6
1985[1]	146.5

[1] Extrapolation of 2d quarter, fiscal year 1985.

Source: Table GDP-58 April 22, 1985, Government Division, Bureau of Economic Analysis, Department of Commerce.

Table III displays purchases calculated on a delivery basis. However, some portion of these funds were outlaid as progress payments prior to delivery. Conceiveably, some of these progress payments could fall in a previous year and therefore be subjected to a different error. This distortion is insignificant because TOA increased in each year and therefore outlays increased also. Purchases lag outlays, and since outlays are increasing, purchases in a given year will be smaller than outlays. Since we are computing the error on the basis of expenditures (which is conservative), the use of purchases instead of outlays will *understate the error further*. Consequently, the use of purchases to measure the funds affected by the inflation forecasting error magnifies the conservatism of the analysis.

The Forecasting Error.—Table IV compares DOD predicted to two measures of actual inflation in the manafacturing section of the market economy. These indices were selected because the manufacturing sector, in a general sense, is where the vast bulk of DOD purchases would occur if they took place in a competitive market economy.[1]

TABLE IV.—PREDICTED AND ACTUAL INFLATION

[In percent]

Fiscal year	Predicted DOD total purchases less fuel and pay [1]	Acutal-competitive market economy	
		PPI durable [2]	PPI manufacturers [2]
1981–82	8.70	4.79	3.73
1982–83	7.53	2.66	.96
1983–84	5.91	2.49	2.44
1984–85	[3] 5.46	[4] 1.5	[4] .60

[1] DOD Comptroller data, includes predicted Major Commodity inflation weighted basis.

[2] Producer Price Indices; Department of Labor Data.

[3] Current Estimate (1/23/85) as reported by DOD Comptroller.

[4] Actual 1st and 2d quarter (FY) data.

Table V tabulates each year's difference between DOD predicted and actual inflation as calculated from the data in Table IV.

TABLE V.—DIFFERENCE BETWEEN DOD PREDICTED AND VARIOUS MEASURES OF ACTUAL INFLATION [1]

[In percent]

Fiscal year	Differences	
	Actual PPI for durable manufacturing	Actual PPI for all manufacturing
1981–82	3.91	4.97
1982–83	4.87	6.57
1983–84	3.42	3.47
1984–85	3.96	4.86

[1] Calculated from data in Table IV: Each actual column is subtracted from the DOD predicted column.

Adjustments Made to Compensate for the Forecasting Error.—From time to time, Congress, OMB, or DOD have made downward revisions to Total Obligational Authority for inflation related reasons. However, there is no organizational or procedural mechanism for routine resolution of differences between DOD predicted and actual inflation. What has occurred appears to have been an ad hoc response to transient political pressures. Table VI displays all the inflation related reductions that we have been able to identify. Note that the adjustments are in TOA: when we adjust our error calculations (which are based on purchases), our adjustment is likely to be excessive because some of the TOA that is not yet spent. Consequently, the adjustment—by being excessive—will tend to understate the impact of the forecasting error.

TABLE VI.—INFLATION RELATED BUDGET REDUCTIONS MADE BY CONGRESS/OMB

[In billions of current total obligational authority dollars]

	Fiscal year—			
	1982	1983	1984	1985
O&M	0	0	.521	0
Procurement	.078	0	1.033	0
R&D	.026	0	.467	0
MilCon	0	0	.074	0
Total	.104	0	2.095	0

Source; Annual Reports; HASC, SASC, HAC, SAC.

Compounding of Successive Errors.—The financial impact of any one year's inflation forecasting error compounds over time. To illustrate, suppose two billion dollars in excess inflation allowance funds are appropriated in FY1982. Now, if no adjustments are made, this two billion is carried forward into the FY1983 budget.[11] If a new inflation allowance error is introduced in FY1983—say one billion, the total error in 1983 is now three billion. Moreover, when 1982 and 1983 are combined, the cumulative error is five billion dollars. Downward adjustments to the forecasting error have the same compounding effect.

Excess Cost to the Taxpayer.—The data described in Table III-VI and the assumptions described in the preceding paragraphs permit us to estimate a range of excess appropriations resulting from the difference between predicted and actual inflation. When assessing this information, the reader is urged to bear in mind that the analysis is conservative—when uncertainties arise, the assumptions selected tend to understate the excess cost.

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[9] An even more fundamental objection to using these initial learning curve cost estimates is that recent studies using actual budget cost data for a wide variety of major systems strongly imply that learning curves don't exist, that is, the actual cost experience pattern changes unpredictably from system to system.

[10] Comparing Major Commodity annual inflation to inflation in a roughly comparable competitive market sector provides some insight into how dominant the non-competitive cost growth factors may be in DOD major systems procurement, as seen below:

[1] Some might be tempted to use actual GNP inflation to compare against DOD inflation. This would be a serious error, because GNP inflation includes very large components for banking, all government, real estate, agriculture, mining, other services—all activities that have little or nothing to do with DOD purchases. Note that these non-manufacturing components of GNP cause GNP inflation to be over twice as high as PPI (Manufacturing) inflation over the period FY 82 to FY 85 (see TAble I for GNP annual inflation data).

[11] Since the FY83 budget ceiling equals the FY82 budget (adjusted for inflation) plus some percentage allowance for real growth.

Table VII displays the computation of the cumulative cost of the inflation forecasting error. To summarize: If we accept manufacturing sector indices as the appropriate measures of actual inflation relevant to DOD purchases, Congress appropriated $42 billion to $54 billion in excess of what was required to cover the actual impact of inflation between FY82 and FY85.

TABLE VII.—EXCESS COST TO THE TAXPAYER RESULTING FROM THE DIFFERENCE BETWEEN DOD PREDICTED AND ACTUAL INFLATION

[Dollars in billions]

Fiscal year	Purchases less pay and fuel (table III)	Predicted/actual difference (table V)	New error (1x2)	Carry forward from previous year	Inf. rel. reduction (table VI)	Total yr. excess (3+4−5)
Difference between predicted and PPI durable manufacturers:						
1982	96.7	0.0391	3.8	0	0.1	3.7
1983	115.9	.0487	5.6	3.7	0	9.3
1984	131.6	.0342	4.5	9.3	2.1	11.7
1985	146.5	.0396	5.8	11.7	0	17.5
Cumulative excess						42.2
Difference between predicted and PPI manufacturers:						
1982	96.7	0.0497	4.8	0	0.1	4.7
1983	115.9	.0657	7.6	4.7	0	12.3
1984	131.6	.0347	4.6	12.3	2.1	14.8
1985	146.5	.0486	7.1	14.8	0	21.9
Cumulative excess						53.7

Mr. PRYOR. Mr. President, I commend the distinguished Senator from Missouri for identifying this problem and proposing this amendment. I'm proud to join with him in this effort.

Recently there have been four independent studies concerning the overly generous inflation estimates that have reaped the Pentagon possibly tens of billions of dollars, including studies by Senator CHILES, Representative ASPIN, and a study released today by the military reform caucus.

The study by Representative ASPIN estimated that as much as $50 billion may have been awarded to the Pentagon based, not on need or a particular purpose, but through unrealistic inflation estimates.

These studies may not agree on every figure or every point, but they all agree on two things: First, the Pentagon has had a windfall of billions of dollars; and second, we don't know where that money is.

Some was properly removed from appropriations bills by Congress when it learned that inflation estimates had been too high.

Some has just suddenly been discovered by Secretary Weinberger and is being used for this year's programs.

Some probably remains in DOD accounts for future use.

Some most certainly has been spent to cover cost growth resulting from mismanagement and contractor overcharge, not inflation.

But at this point, neither Representative ASPIN nor anyone else in Congress appears to know exactly what has happened to all of this money.

Here are some questions that need answers:

How much money has Congress improperly made available to DOD based on inaccurate inflators?

What has happened to the excess money?

Are we relying solely on DOD for these inflation projections? If so, who is better qualified to make objective projections? CBO? Some independent organization?

How can we recoup this money?

How should we handle a situation when we underestimate inflation?

Should excess money go directly into the Treasury or be recycled back to DOD?

Is there a better system? A revolving fund? Making DOD come back to the Congress for any funding which is due to inflation?

Mr. President, I encourage the Armed Services Committee to hold hearings and make such a study as quickly as possible so we can correct this situation this year.

Mr. GOLDWATER. Mr. President, we accept this amendment.

Mr. EAGLETON. I yield back my time.

Mr. GOLDWATER. I yield back the balance of my time.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Missouri [Mr. EAGLETON].

The amendment (No. 236) was agreed to.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, the bill is open for further amendment. I believe it is the intention of the majority leader to close up shop a little earlier than we did yesterday. I urge my colleagues to get their amendments up here so that we might act on them.

Is the Senator from Massachusetts ready?

Mr. KERRY. Mr. President, I would like to have one moment. Perhaps I can suggest the absence of a quorum.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 237

Purpose: To establish a mandatory life term of imprisonment for Soviet espionage if the death penalty is not imposed)

Mr. BYRD. Mr. President, I send an amendment to the desk on behalf of myself and Mr. THURMOND, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself, and Senator THURMOND, proposes an amendment numbered 237.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

"(a) subsection (a) of section 794 of title 18, United States Code, is amended by—

(1) striking out the period and inserting a semicolon in lieu thereof; and

(2) inserting at the end thereof the following new paragraph—

'*Provided however*, if the foreign government is the government of the Soviet Union or of any other communist country whoever is convicted under this subsection shall be punished by death or for the rest of his life as provided in the following sentence. Notwithstanding any other provision of law, the court, in imposing a life sentence under this provision of this subsection, shall not sentence the defendant to probation, nor suspend such sentence, and the defendent shall not be eligible for release on parole.'.

"(b) Subsection (b) of section 794 of title 18, United States Code, is amended by—

(1) striking out 'for any term of years or for life' and inserting in lieu thereof 'for the rest of his life as provided in the following sentence'; and

(2) inserting at the end thereof the following: 'Notwithstanding any other provision of law, the court, in imposing a life sentence under this subsection, shall not sentence the defendant to probation, nor suspend such sentence, and the defendant shall not be eligible for release on parole.'.

MANDATORY LIFE IMPRISONMENT

Mr. BYRD. Mr. President, I am offering an amendment today on behalf of myself and Senator THURMOND which would require that a sentence of life imprisonment be imposed on certain criminals who once could have been, but who under current circumstances, because of recent Supreme Court decisions, cannot be sentenced to the death penalty.

This amendment, which would also specifically rule out any possibility of parole, would apply whenever an individual was found guilty of one of the most heinous crimes against our system of government—the crime of espionage for the Soviet Union or any other Communist country.

The required punishment for this crime should be the death penalty, and it would have been my preference to write a law which said that. However, since 1972, the Supreme Court of the United States has issued a series of rulings which make it clear that it would be a violation of our Constitution to make the death penalty automatic with respect to any crime. Furthermore, under those Supreme Court rulings, even the death penalty provision which is now on the books as a sentencing option in espionage cases is unconstitutional. So, we are faced with the situation where not only is a judge not required to sentence a Soviet spy to the death penalty, but the judge is not even permitted to do so if he wants to.

Members of this body have tried, time and time again, to remedy this situation. They have tried to write into the espionage law the kinds of procedural safeguards which the Supreme Court was concerned about, so that the death penalty could once again be imposed. The Senate was successful in that effort last year, but the bill died in the House. We will be undertaking another effort this year. I have pressed for passage of those measures in the past. I support Senator THURMOND's death penalty bill (S. 239) this year. I hope it will become law. But I am not optimistic that the death penalty will be restored as a viable option during this session.

The amendment I am offering on behalf of Senator THURMOND and myself seeks to remedy this problem with respect to persons who are convicted of spying for the Soviet Union or for other Communist countries. The present law permits a judge to sentence a defendant in an espionage case either to the death penalty—now unconstitutional—or to life imprisonment, or any term of years. This amendment would add an entirely new sentencing provision which would apply to those individuals who transmit our defense secrets to the Soviet Union or to governments of any other Communist country. As to those persons, under this amendment, a judge would no longer be able to sentence them to "any term of years," but would have to either impose the death penalty or life imprisonment. This would mean that until we can get a law like Senator THURMOND's proposal enacted—which would make the death penalty constitutional—the judge would have to impose the sentence of life imprisonment. Furthermore, my amendment would take care of a situation where, even after we have made the death penalty constitutional, it might still not be imposed. In such a situation, if the defendant were found guilty of espionage for the Soviet Union or any other Communist country, but a newly enacted constitutional death penalty were not imposed, the judge would have no choice but to sentence him to life imprisonment. And, under my new provision, such a defendant could never be paroled. What I have done is to make sure that a court would no longer have the option of sentencing these kinds of individuals to "any term of years."

Mr. President, those contemptible individuals who commit such a horrendous act as spying for the Soviet Union, are attacking the most fundamental underpinnings of our democratic sysem. The spy who would sell his country to the Soviets—if he cannot be put to death—should be physically removed from society, never to return again. And those who would even contemplate such an act, must know that, if they are convicted of having committed treason, their punishment will be certain and irrevocable.

The Washington Post of May 21, contained a report about the arrest of a retired Navy warrant officer who was seen by FBI agents leaving a large bag containing 129 classified Navy documents at an alleged drop site near Poolesville, MD. According to the Post article, a Federal prosecutor indicated that this individual had reportedly been providing information to the Soviets for as long as 15 to 18 years. That is the kind of situation which would, in the future, be covered by this amendment. I hope my colleagues on both sides of the aisle would agree that this is the kind of situation that cries out for the imposition of the death penalty. And, certainly, until the Congress has revalidated the death penalty statutes which are already on the books, we should require that the punishment of life imprisonment, without parole, be automatically imposed for cases like this one in the future. For this kind of crime, in the future, the Congress should require the maximum automatic penalty which our constitutional system presently permits.

I urge the adoption of the amendment.

Mr. President, I ask unanimous consent that statements and newspaper articles may be printed in the RECORD in support of, and with reference to, the subject matter of amendment No. 237.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 21, 1985]

RETIRED NAVY MAN ARRESTED IN ROCKVILLE ON SPY CHARGE

(By Molly Sinclair)

A retired Navy warrant officer who had access to classified information was arrested by federal agents yesterday in a Rockville motel and charged with espionage, according to FBI Director William H. Webster.

Retired Chief Warrant Officer John Anthony Walker Jr., 47, who was born in the District, but who has been living in Norfolk, was being held last night without bond pending a preliminary hearing in federal court on May 29.

Federal Magistrate Daniel E. Klein Jr. presided at a hearing in Baltimore yesterday, where Walker was charged with espionage.

The FBI said that Walker was arrested after FBI agents saw him on Sunday night leaving a large bag containing 129 classified Navy documents at an alleged drop site near Poolesville, a small community in the western part of Montgomery County. The drop was made on Sunday night on Partnership Road, about 300 yards south of Whites Ferry Road, the FBI said.

The documents recovered by the FBI had been carefully wrapped in plastic and concealed in a shopping bag partly filled with trash, a spokesman for the agency said. The documents contained Navy classified information about the deployment of Soviet vessels in the Mediterranean and movements of Soviet merchant vessels, according to the FBI, and some of those documents were believed to have come from the U.S. Navy nuclear aircraft carrier Nimitz, on which Walker's son, Michael L. Walker, is serving.

Assistant U.S. Attorney Michael Schatzow, who attended yesterday's hearing in Baltimore, said that one of the FBI investigators testified that the agency learned through other sources that Walker had been providing information to the Soviets for as long as 15 to 18 years.

An FBI spokesman in Washington said it appeared Walker earlier had successfully delivered information to the Soviets. "We had to rush this because of what we saw happening at the drop site," he said. "Of course, we will turn close scrutiny now on all of Walker's relatives and contacts."

According to the FBI, one of the documents confiscated appeared to be a letter, which stated: "This delivery consists of material from 's' and is similar to the previously supplied material. The quantity is limited, unfortunately, due to his operating schedule and the increased security prior to deployment. His ship departed in early March and they operated extensively just prior to deployment."

The Nimitz deployed in "about mid-March," according to the Office of Navy Information.

Two agents arrested Walker at about 3:30 a.m. Monday in the hallway of the Ramada Inn near Darnestown Road and I-270 in Rockville, according to federal officials. They said that Walker pulled a revolver on the agents but then surrendered without a struggle.

The federal complaint filed against Walker charges him with espionage and alleges that he obtained national defense information for passage to the Soviet Union with the intent or reason to believe that it was to be used to injure the United States or give advantage to a foreign nation.

If convicted, Walker could face life imprisonment.

Walker's arrest capped a surveillance effort by the FBI that began at his Norfolk home, and wound around the Washington area into the Montgomery County communities of Poolesville and Rockville.

According to the FBI affidavit, agents had Walker under surveillance from the time he left his home in Norfolk, apparently on

Sunday, and followed him as he drove to Montgomery County. The affidavit said that Walker drove in a circuitous manner as though to avoid being followed or to determine whether he was being followed.

At about 8:37 p.m. Sunday, agents saw Walker stop the van he was driving along Partnership Road and get out and deposit the shopping bag at a tree marked with a "No Hunting" sign, the affidavit said. Walker then left the area in his van, and agents confiscated the bag, according to the filing.

It also said that a Soviet assigned to the Soviet Embassy in Washington was seen at the drop area after Walker left, but not detained.

Walker was born in Washington on July 28, 1937, and served in the Navy as a communications specialist until he retired in 1976. He reportedly owns an airplane and a van, and operates two companies from a Virginia Beach office about 15 to 18 miles from his home in Ocean View, a community on Chesapeake Bay.

One company is a detective agency called Confidential Reports, Inc. The other is a debugging company, named Electronic Counter-Spy Inc.

Espionage

(By David Lawsky)

Washington.—The sailor son of a retired Navy officer accused of spying for the Soviet Union was charged Wednesday with helping him because the Navy found a box of classified documents hidden next to his bunk on the aircraft carrier *Nimitz*.

Assistant U.S. Attorney Michael Schatzow said Michael Lance Walker, 22, was charged in Baltimore with committing espionage and aiding and abetting the commission of espionage.

"The complaint is essentially the same as the one against the father," John Walker, who was charged Monday with passing sensitive information to the Soviet Union. In a telephone interview from Baltimore, Schatzow said, "It charges him with espionage."

In letters to his father, the son noted with irony that he had been named Sailor of the Month, according to an affidavit filed with the charges.

Schatzow said the Government wants to bring Walker back from the *Nimitz*, now in Haifa, Israel, to stand trial in Baltimore with his father. He said he expects the younger Walker to be returned within days.

Navy investigators abroad the *Nimitz*, the 98,000-ton flagship of the U.S. nuclear-powered fleet, put the younger Walker in the brig earlier Wednesday.

The elder Walker is being held without bond in Baltimore.

The affidavit included excerpts from letters Walker wrote to his father, addressed to "Jaws." Walker described how he won a Sailor of the Month Award while he hated his life aboard the ship. The son also pleaded for help because he was becoming burdened with too many classified documents.

"Enclosed is a copy of my latest evaluation," a March 6 letter said. "Not bad, is it? That is just a little proof on my performance as a sailor.

"If they only knew how much I hate this carrier," the letter said. "Also enclosed is a copy of the letter the operations officer sent to Rachel designating me Sailor of the Month. Do you believe that?".

"I have been taking a few shots here, there," the younger Walker wrote. "I have a lot of miscellaneous bull ——. I am just a little worried about the quantity. Storing it is becoming a problem. I will look for other methods."

The elder Walker was charged by the FBI with passing documents marked "Secret" and "Confidential" to Soviet agents. An affidavit filed Monday said the sensitive papers appeared to have come from the *Nimitz*, and contained information about the deployment and movement of Soviet merchant and warships in the Mediterranean Sea.

The FBI affidavit Wednesday said a search of the vessel Tuesday turned up a box "containing approximately 15 pounds of classified material. This box was found adjacent to Michael Lance Walker's" bed. The affidavit said Walker was not authorized to have such items.

In another letter, Walker wrote his father: "I asked you in my previous letter what I should do about the increasing amounts of photos I have been acquiring."

"Do you have any suggestions? At the rate I am going I will have over 100 pounds of souvenirs. I have run out of space and sooner or later I will have to weed out the ones that are not so important to me. Currently I have two boxes that weigh about 15 pounds apiece. Looking for a little advice * * *.

"Would I be asking too much if I were to ask what the status is of my previous photos? I would like to know if they were developed yet and if so how did they come out."

Schatzow would not say what the photographs showed.

The first indication of the involvement of Walker's son was a letter found by the FBI among 129 sensitive documents allegedly dropped by Walker in rural Maryland. Agents said a Soviet citizen attached to the Soviet Embassy in Washington was seen in the area during surveillance of Walker.

"This delivery consists of material from "S" and is similar to the previously supplied material," the letter said. "The quantity is limited, unfortunately, due to his operating schedule and the increased security prior to deployment. His ship departed in early March and they operated extensively just prior to deployment."

[From the Washington Post, May 23, 1985]

Accused Spy's Son Arrested, Held Aboard U.S.S. Nimitz

(By Molly Sinclair)

Norfolk, May 22.—FBI agents searching the two-story brick-and-frame home of accused spy John Anthony Walker Jr. within hours of his arrest Monday found two letters from his sailor son that, in turn, led to a search on Tuesday of the son's personal effects aboard the nuclear aircraft carrier USS Nimitz. Next to his bunk, searchers found a 15-pound box of classified documents, officials said.

Today, Seaman Michael Lance Walker, 22, also was charged with espionage and with aiding and abetting the commission of espionage. The younger Walker was being held in the brig of the ship, which is anchored in the Israeli port of Haifa. Meanwhile, here in this Navy-minded city that both father and son called home, investigators were trying along with friends and neighbors to comprehend the many sides of the retired career enlisted officer.

He piloted his own airplane, sometimes disguised himself as a priest and once had a neighbor help him make a peephole in the trunk of an old car to improve the picture-taking surveillance tactics.

For Walker Jr., 47, a former Navy communications specialist who built a second career as a private detective in this picturesque seaside community of ships, harbors and neatly pressed Navy uniforms, it was all part of the cloak-and-dagger life that he loved.

"It's damn glamorous work," Walker told a writer for an article that appeared in the September 1983 issue of Commonwealth magazine.

But there was a bizarre and not-so-glamorous twist to the Johnny Walker story this week when he was arrested by FBI agents in a Rockville motel and charged with passing secrets to the Soviet Union. The arrest was made at about 3:30 a.m. Monday after Walker allegedly left a paper shopping bag containing 129 classified Navy documents at a drop site near Poolesville in western Montgomery County. Some of the documents were believed to have come from the Nimitz, the FBI said.

Walker is being held without bond in the Baltimore jail, pending a May 29 hearing in federal court. Officials said they believed the alleged espionage operation had been under way for at least 18 years and covered at least some of the time that Walker served in the Navy.

At retirement in 1976, Walker held a security clearance of "Top Secret Crypto," entitling him to see top secret information with special access to codes and communication information, the FBI said.

From interviews with neighbors and others who knew Walker, he emerges as a complicated man with not one but many lives:

He was a member in good standing of the Better Business Bureau of Southeast Virginia and he served as an unpaid volunteer member of the bureau's consumer arbitration program, according to James E. Bryan, the bureau's executive vice president.

He was a defendant in a million-dollar lawsuit filed by a Virginia Beach woman who accused him of coming onto her property in 1980 in a series of disguises to collect information. The suit said he came as a "Boy Scout leader looking for a campsite, a surveyor purporting to survey the land in the vicinity, a birdwatcher attempting to take pictures or photographs of wildlife and also as a Catholic priest." A jury trial has been set for Sept. 10, court records show.

He contributed his time to helping locate missing children and his work was recognized last year by Norfolk Channel 13 (WVEC-TV).

He was the father of four children, three girls and a boy, Michael, who lived in a two-story home in a middle-income neighborhood here. His marriage broke up a few years ago, neighbors said.

He dated a number of attractive women, neighbors said, and one regular date has been Norfolk policewoman Pamela K. Carroll.

He loved flying his four-seat, single-engine airplane on assignments around the country, doing surveillance work from his houseboat and maintaining a collection of pistols, shotguns, radios and binoculars for use by his staff of investigators, according to the Commonwealth magazine story. Walker also had four suitcases filled with what the magazine feature writer described as "an array of digital dials, miniscreens and wires."

He is described by his partner, Laurie Robinson, as a warm, intense, fun-loving man who would do anything for his friends and who liked to play practical jokes. "He would come into the office and pull out a dart gun—the kind that shoots the darts

with suction cups and shoot it past us at the wall."

Robinson, 29, said she went into the detective business with Walker four years ago when they founded three companies: Confidential Reports Inc., Electronic Debugging, and Associated Agents Inc.

Yesterday, Robinson stood outside the office on the second floor of a small brick building in Virginia Beach and shook her head in disbelief.

"The reason I am so shocked is that we spent so much time together, working out of state, out of country, working on the houseboat, flying around in the airplane . . . so this has taken me by tremendous surprise," she said.

Robinson said she plans to reopen Confidential Reports for business today. The firm employs about 40 people and has clients depending on its services, she said. Robinson said she was uncertain what the future holds for Electronic Debugging Inc., and Associated Agents, the two companies operated by Walker and housed in the same offices.

Walker was born July 28, 1937, in the District of Columbia and inducted into the Navy Oct. 25, 1955, in Scranton, Pa., according to Navy records. The Navy said that he received during his 21-year career two Navy commendation medals, a good conduct medal, the National Defense Service Medal and the Vietnam Service Medal. He attended submarine school and served aboard two submarines and several ships, the Navy said.

Walker had been serving in Norfolk as a chief warrant officer for two years before his retirement July 31, 1976; the Navy said.

Walker's father, John A. Walker Sr., 72, told the Virginian-Pilot in a front page story published yesterday that he is "terribly distressed" about what has happened to his son. "I never thought I would have a son who was a traitor," he said, "I don't want to be associated with a traitor in my country."

The Navy said that Michael Walker entered the Navy Dec. 13, 1982, after graduating from Ryan Upper High School in Norfolk in June 1982. After boot camp, Walker was assigned to Fighter Squadron 102 at the naval air station at Oceana, Va. From there he was assigned to the USS Nimitz on Jan. 31, 1984. Since July 1984, Walker has worked in the operations department administrative offices on the Nimitz. The Navy said he is married.

A March 6 letter from the son to the father that was seized in the search of the Walker residence and cited in a government affidavit read in part:

"Jaws, enclosed is a copy of my latest evaluation, not bad is it. . . . If they only knew how much I hate this carrier. . . . I have a lot of miscellaneous bullshit, I am just a little worried about the quantity. Storing it is becoming a problem."

Another letter dated April 23, also cited in the affidavit, said, "Jaws, I asked you in my previous letter what I should do about the increasing amount of photos I have been acquiring. Do you have any suggestions? At the rate I am going I will have over a hundred pounds of souvenirs [sic]. . . . Currently, I have two boxes that weigh about 15 pounds each."

Michael Walker is remembered by the people in the neighborhood as a pleasant, courteous teen-ager with short hair who sometimes volunteered to mow the lawns of neighbors without charging them.

Dorothy Gandy, who lives next door to the Walker home, said that she remembers Michael Walker coming over one day to talk to her mother as her mother worked in the yard with the flowers.

"He talked to her about the flowers. He was very interested in the names," Gandy said. Since his son left home about two years ago, John Walker has lived alone. Neighbors said he liked to sit on the deck at the rear of the house and have cookouts or drinks in the evening, usually with a girlfriend. Gandy said Walker's presence in the neighborhood always made her feel safe when her husband, Don, a retired Navy man, was away at sea.

Don Gandy, who wears boots and has a long white beard, said Walker recruited him once to help enlarge a hole in the trunk of an old car that Walker used in his detective work. "He wanted the hole bigger so he could take pictures through it when he was on a job," Gandy said.

Neighbors say they last saw Walker Saturday morning. "He was loading up his new van with suitcases," Gandy said. "We didn't pay any attention because he's always loading and unloading his van and going somewhere."

[From the New York Times, May 24, 1985]

FBI Is Forecasting New Arrests in Spy Case of Sailor and Father

(By Philip Shenon)

Washington, May 23.—The Federal Bureau of Investigation said today that it expected more arrests in what some officials described as one of gravest security breaches in the history of the Navy.

Spokesmen for the bureau said they expected to arrest additional associates of a retired Navy communications specialist and his son, who have been charged with smuggling secret documents to the Soviet Union.

"I would expect more charges against more people, associates of the father," said Bill Baker, the assistant F.B.I. Director for Congressional and public affairs. "We think this ring is bigger than the two now charged."

The investigation centers on John A. Walker, 47 years old, a former warrant officer who had access to detailed information about the movement of the American and Soviet fleets in his 20-year naval career.

His son, Michael, 22, was arrested Wednesday aboard the aircraft carrier Nimitz, which is now in Haifa, Israel, after investigators found a box bulging with more than 15 pounds of secret material near his bunk, according to law officials.

"Based on the duration of the espionage and the access of those who have been charged, you have to assume the damage they caused is substantial," Mr. Baker said.

Mr. Walker was arrested Monday after he left more than 120 secret Navy documents at a wooded site in rural Maryland, the F.B.I. said. Some documents, the bureau said, came from the Nimitz, where Seaman Walker is in the brig pending his return to the United States.

Officials and military analysts said that much more valuable information might have been collected by Warrant Officer Walker in his Navy career. In the 1960's he served as a radio officer on two Polaris submarines. In 1967–69, he was a communications officer in the headquarters of the Atlantic submarine fleet in Norfolk. Then he trained radio officers at the Naval Training Center in San Diego. In 1974, he returned to Norfolk as a communications systems officer, with access to information about the surface fleet. He retired two years later.

In the communications center, analysts said, the warrant officer had knowledge of the whereabouts of individual submarines and their destinations, as well as the methods used to track the Soviet fleet. Adm. Elmo R. Zumwalt Jr., the former Chief of Naval Operations, said that if the charges against Mr. Walker were true, "this would represent a breach of security as serious as any I can recall."

"Assuming that the charges are true, then it is indeed a grievous loss to the security of our armed forces," said Ray Cline, a former Deputy Director of Central Intelligence.

The two men were turned in by the elder Mr. Walker's former wife and his daughter, officials said.

AGENTS STILL RUMMAGING

Law-enforcement agents are still rummaging through documents found in searches of Mr. Walker's home in Norfolk, Va., where he had worked as a private detective. He retired from the Navy in 1976.

Mr. Baker said that agents had reviewed materials found in a manila envelope that Mr. Walker was carrying at the time of the arrest.

Inside, Mr. Baker said, was "a wealth of information written in English on Soviet instructions on how to fill and clear a clandestine drop site."

A drop site, in intelligence parlance, describes a place where agents leave information to be picked up by others. Mr. Baker said the envelope had photographs and maps of what he said were probably Soviet drop sites near Washington.

Former intelligence officers said those were unusual papers for an experienced agent to carry, raising questions about Mr. Walker's methods as an agent. These officers also expressed doubts about reports that he had been an agent for a long time. An experienced agent, they said, would not have incriminating papers on him, and would not have to carry basic instructions.

BANK ACCOUNTS SOUGHT

Investigators, he said, were also looking for bank accounts that might have been used by Mr. Walker in the espionage operation.

"We believe the father's reason for doing this was for financial gain," he said. No such accounts have been uncovered, he added.

The Federal Bureau of Investigation has said it has information from two sources that Mr. Walker had been spying for the Soviet Union for 15 to 18 years.

Michael Walker joined the Navy in 1982. According to F.B.I. affidavits, he stole secret documents from the Nimitz and passed them on to his father. In letters written earlier this year to his father, Seaman Walker described the documents as "souvenirs," the F.B.I. said. He carried a "secret" clearance, which gave no access to secret documents, or even confidential information unless it related to his clerical job, which was in the ship's operations section.

If convicted on espionage charges, he and his father face a maximum sentence of life in prison. Officials said that the seaman would probably be returned to the United States this weekend.

Mr. Baker said that the people whom the Federal Bureau of Investigation expected to arrest were Americans. The bureau declined to say what would happen to the Soviet official who was seen near the Maryland site.

Officials said the documents, many marked "secret" and "confidential," detailed the movements of Soviet military and merchant ships in the Mediterranean. Many were apparently obtained from Seaman Walker on the Nimitz, the bureau said.

Military analysts said information that Mr. Walker might have collected before his retirement from the Navy might have been much more valuable to the Soviet Union. For that reason, he may have been less important to them since he left the service, they said.

Capt. James T. Bush, a retired submarine commander, said that it seemed unlikely that Mr. Walker was "a serious spy" since he chose to retire after only 20 years. If he had been valuable, he said, the Soviet Union would probably have wanted him to remain in the service.

Nevertheless, he said, Mr. Walker had served in some sensitive jobs.

In the 1960's, as a radio officer on Polaris submarines, he probably handled transmission of sensitive intelligence information, officials said.

Eugene J. Carroll, a retired rear admiral, said that radio officers also had knowledge of the codes used to send messages. If information about those codes was given to the Russians, national security might have been jeopardized, he said.

"This man was right in the spot where the information was flowing," said Admiral Carroll, now deputy director of the Center for Defense Information, a policy group that is frequently critical of the military.

"This could certainly advance the Soviet's ability to analyze our traffic and to set up computer programs that would give them an increased possibility of breaking messages," he said. He said codes were changed frequently.

As a communications watch officer in the Norfolk headquarters of the Atlantic submarine fleet in 1967 to 1969, Warrant Officer Walker, officials said, had access to extensive information of value to the Soviet Union.

And because he had security clearance that gave him the ability to see highly secret documents, Mr. Walker was probably aware of most major movements of the submarine fleet, officials said. That could be a threat to national security, they said, since submarines are otherwise difficult for an enemy to track.

"Just from the description of his assignments, it's inconveivable to me that he did not have the opportunity to steal very sensitive data," said Mr. Cline, the former C.I.A. official. "From my reading of what has been said publicly, this is a very serious penetration."

In Norfolk, law-enforcement officials sealed off Mr. Walker's two-story brick home, which is still being searched.

According to the officials, several of Mr. Walker's relatives and friends have been questioned by the F.B.I. Among them was his half-brother, Gary Walker, an electronics technician with the Navy, the officials said.

Mr. Walker is being held without bail in Baltimore, where he and his son were charged.

In Norfolk, neighbors described Mr. Walker, who had been divorced for several years, as reclusive.

"He was a little odd," said Leonard Bruce, a 29-year-old salesman who lives next door. "It's a little odd to live next door to a guy and you never say anything to each other except 'hello' " Mr. Walker, he said, carried a gun.

"I've never spoken to the man," said Alma Pacini, who said she had been a neighbor for nearly a dozen years. "I would occasionally wave, and he would acknowledge it sometimes. Sometimes he wouldn't. Weird."

Mr. FORD. Mr. President, I strongly support the amendment of my colleague from West Virginia, Senator BYRD, that would impose mandatory life imprisonment on those criminals who are convicted of espionage but not given the death penalty, and I heartily congratulate him for offering it.

Surely the crime of espionage is among the most heinous of crimes. To betray one's country—but particularly this Nation, a country that spends billions and billions of dollars to protect its own citizens and defend the freedom of the world, is absolutely unthinkable. It is bad enough that many of the major weapons systems of the Soviet Union closely parallel ours. The open nature of our society—particularly our technical journals—makes it easy for our adversaries to gain knowledge of our R&D and production efforts. This is an aspect of our society that none of us would have changed even though we do sometimes pay a price for it. But there is no excuse imaginable, no reason under the sun, for anyone to knowingly undermine the security of this Nation and sell it down the river.

The recent disclosure that a former Navy warrant officer, in tandem with his son who is actually on active duty, has been arrested for providing classified information to the Soviet Union—and may have been doing so for as long as 15 to 18 years, I repeat, 15 to 18 years, brings home the immediate need for the Byrd amendment. As my distinguished colleague has said, "The spy who would sell out his country has forfeited all right to life. And if he cannot be put to death, he must be physically removed from society, never to return again. And those who would even contemplate such an outrage must know that their punishment will be certain and irrevocable." I hope that the severity of the Byrd amendment will cause those who may in the future entertain thoughts of betraying this Nation to think twice before doing so, and will put an immediate halt to the activities of those who are engaged in such conduct now.

Mr. GOLDWATER. Mr. President, I hear no argument from the minority side, and the majority side is certainly in favor of this amendment.

Mr. NUNN. Mr. President, I am in favor of the direction in which the Senator is going. I do not think we can deal too seriously with espionage. There are a couple of technical matters that we need to take a look at in conference on definitions. But I know the Senator's staff will work with us on that.

Mr. GOLDWATER. Mr. President, we will accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from West Virginia [Mr. BYRD].

The amendment (No. 237) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I thank both managers.

Mr. GOLDWATER. Mr. President, the bill is open for further amendment. Those in their offices listening to their squawk boxes who have amendments—this is a good time to get them done. There are not many Senators in attendance. The chairman and the vice chairman are in a very, very jovial mood this morning. It might be surprising what we will take.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. D'AMATO). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, sometime during the day, I plan to ask for consideration of an amendment which has the goal of determining whether we need to make a fundamental change in our defense acquisition procedures to ensure that we buy and produce our latest weapons at the most efficient rates. It is designed to force the Pentagon to focus primarily on the output we are obtaining from our defense dollars, instead of spending the majority of their time arguing for more inputs, thinking about input and how much is going into the defense budget.

We all know that there are fundamental problems with our acquisition procedures in this area. Too much of the purchasing power of our defense dollar is being eroded by inefficiency caused by many reasons, caused primarily by the low rate of production for many major weapon systems.

One of the major goals of this administration when they came into office, and Senator Tower cited this goal over and over again, and I agreed with him, was to have enough money in procurement to have larger number of units produced and, therefore, maximize efficiency of production.

Of course, I think we have seen in the last 2½ years a combination of two things that have changed that and made it very difficult to carry out that goal.

One, of course, is the squeeze on the budget. The other is relating to management in the Department of Defense, that is, too many production programs going on so that the dollars are spread too widely.

This slow pace of procurement also delays force modernization. As a result we fritter away the tactical advantages that we spend billions to develop with new weapon systems.

The fundamental reason for this problem is DOD's habit of launching or continuing more programs than we can afford to fund under realistic forecasts of future budget resources.

TOO MANY PROGRAMS IN PRODUCTION AT INEFFICIENT RATES

The heart of the problem is clearcut. Too many of our major acquisition programs are being produced at inefficient rates.

Most weapon systems have a range of economic production rates which makes effective and efficient use of existing manufacturing plant and facilities. The higher the production rate, the lower the unit production cost. Higher rates enable industrial producers to spread fixed costs, especially overhead items, over larger numbers of units. Higher rates also permit manufacturers to use more efficient production techniques and processes. If DOD intends to buy a thousand items, manufacturers are willing to invest in cost-saving machinery that they would not be willing to buy if DOD only plans to buy 10.

I asked the Defense Department to provide the production rates of our major weapon systems. I asked them to tell me for each system the minimum economic production rate and the maximum economic production rate. The minimum economic rate is that production rate which still makes relatively effective utilization of existing manufacturing facilities. It is also the minimum level where further reductions would produce inordinate increases in unit costs.

The maximum economic rate is the production rate that extracts the maximum output potential from existing or planned plant capacity, tooling, or test equipment.

I didn't receive much information, but the data I did receive are interesting and also, I must say, disturbing. Of the 12 major aircraft systems in Navy accounts, four are being produced below minimum economic rates. Two of the three Army helicopter procurement programs are being produced below minimum economic rates, while the Air Force's front line fighter—the F-15—is also being produced below minimum economic rates.

By DOD's own definition, any weapon system that is being produced below minimum efficient economic rates is incurring to the service and ultimately to the taxpayer "an inordinate increase in unit cost with an acceptable return on investment." Yet seven of the most expensive weapon systems in production are currently being manufactured below minimum economic rates.

Many other programs were at the minimum rate or slightly above it. But just because systems are at or above minimum economic rates is not a sign of achievement. We should be close to maximum efficient production in order to get the greatest return on our investment. Yet we are far from that.

For aircraft systems, the Navy on the average is producing aircraft at only 40 percent of maximum efficient economic production. The Air Force is at 49 percent while the Army is at 52 percent for helicopters.

SUBSTANTIAL SAVINGS THROUGH EFFICIENT PRODUCTION

We pay an enormous price for this inefficiency. Last year, Congress authorized the Navy to buy six EA-6B electronic warfare aircraft, at an average cost of $64 million each. This year, the Navy increased the production request to 12—reaching the minimum economic rate—and the average price for all 12 fell to $39 million. By doubling the production rate, the price of each airplane fell by $25 million. We obtained a 100 percent increase in capability with a 22 percent increase in cost.

Similarly, the Navy had requested authority this year to buy 18 SH-60 submarine-hunting helicopters at an average cost of $20.7 million. The committee learned that if it increased the request by six helicopters, the additional helicopters would cost only $7 million each, or a third of the cost of the first 18. We would get a 33 percent increase in capability with a 13 percent increase in cost. These are not exceptions, Mr. President; this is really a reflection of the general rule.

What accounts for these dramatic savings? There are four primary components to the cost of any major system: The cost of materials, the cost of components that are purchased either by the contractor or the Government, the direct costs of manufacturing, and the indirect manufacturing costs, commonly called "overhead."

The cost of materials and the cost of components vary with quantity, obviously. Obviously, the greater the quantity, the larger the discounts that can be negotiated. In addition, with larger quantities, more companies are willing to compete for the business, and this competitive pressure helps to lower costs.

The direct manufacturing costs also vary with quantity. Manufacturers are constantly identifying more efficient ways to manufacture components. Those more efficient methods take some upfront investment. Many engineering changes just do not pay for themselves if there are only a small number of items to fabricate. Higher production rates mean more changes become economically rewarding, thereby lowering production costs in the long run.

Finally, the greatest potential savings come from lowering "overhead" costs. Overhead is a term generically used to describe all those manufacturers costs that are not tied directly to manufacture of an item, but are necessary in order to maintain manufacturing operations in general. Every major defense manufacturer has product engineers, manufacturing engineers, work and material schedulers, quality control personnel, maintenance personnel, and so forth. While the number of these overhead employees may vary somewhat with production rate, many are relatively fixed. An aircraft manufacturer will need an engineering shop whether they produce 20 or 80 aircraft a month.

While these overhead cost items seem trivial, they can be enormous. It is not uncommon that overhead costs are two and three times the direct manufacturing costs for an item. For every $1 of direct manufacturing costs, you have to add $2 or $3 of overhead. The Secretary of Defense testified to our committee that contractor overhead costs make up one-third of the price charged by prime contractors for weapon systems.

That is why it is so inefficient to produce aircraft at 40 percent of maximum economic capacity, as is the case for Navy aviation. If we doubled production, direct manufacturing costs would not quite double but the overhead costs would increase only modestly. The average price of the systems would fall significantly.

Clearly, we could get more defense capability out of our substantial inputs if we produced weapon systems at more efficient rates.

DELAYED FORCE MODERNIZATION

The second problem with the acquisition process is a derivative of the first. Low rates of production result in a slow pace of force modernization. We spend billions of dollars to develop new weapon systems that will give our forces a tactical advantage over our opponents. We can't afford to match our opponents in quantitative terms, so we have to exceed them in qualitative advances.

Yet the slow pace of modernization means that we fritter away the tactical advantage we spend billions to develop in superior weapon systems. We spent $2.4 billion to develop the F/A-18 strike fighter. Under the original procurement plans, we were supposed to have completed 65 percent of the program by the end of fiscal year 1986. Instead, we will have finished only 35 percent of the program if we don't cut back on the quantity of aircraft requested this year. We are already 5 years behind schedule in completing modernization of that program.

The original plans for the SH-60 ASW helicopter program would have purchased all 209 helicopters in a 4-

year period at maximum efficiency. We would have completed the procurement last year in fiscal year 1985. Instead, under current plans, we will be buying the SH-60 until 1992. During the 10 years that this program will be in procurement, the Soviet Union will put to sea at least four new classes of submarines, each with significant advances in quieting. While we stretch out procurement on our most advanced ASW system and thereby delay modernization of the fleet, our opponents make major strides that erode the competitive edge we seek in fielding such new systems.

PROGRAM STRETCHOUTS

Program stretchouts have become a fact of life in DOD procurement. Of the 92 major weapon programs or production lines contained in the fiscal year 1986 request, 29 were stretched out or deferred compared to the Pentagon's plans announced only last year.

Since 1982 with the first comprehensive procurement plans of the current administration, the Air Force has been able to procure only 66 percent of the major system units that were planned for acquisition. The other services fared somewhat better, though on the average the services accomplished only 80 percent of their procurement plans in terms of quantity of weapons procured. DOD has consistently fallen short of its objectives, even during the relatively "fat" first 4 years of the Reagan administration. We are now entering the relatively "lean" years and the situation will only worsen.

The list of program stretchouts includes some of the most important systems in DOD.

In 1982 DOD planned to buy 97 F-15's in fiscal year 1986. Instead DOD is requesting 48 and that number is likely to fall as the request proceeds through the legislative process.

The Air Force planned to request six MC-130's. Last year Congress authorized sufficient funds for advance procurement of four aircraft. This year the Air Force requested only one. They do plan to modify another aircraft for the mission as well.

Three years ago the Air Force planned request funds to buy 22 search and rescue HH-60's helicopters. This year they requested the first increment of three, and our committee recommended postponing that procurement for a year.

The Army planned procurement of 7,826 Stinger missiles and instead is now asking for 3,439, which is less than 45 percent of original plans.

The Navy planned to request 30 F-14's, and instead is now requesting 18. Our bill cuts that to 15.

The Air Force planned to buy 20 C-5's, and is requesting only 16.

The Navy had planned to request 132 F-18's, and instead is requesting 84. This is the fourth consecutive year we have stretched our procurement on the F-18.

The Air Force had planned to request 2,380 Sparrow air intercept missiles and 8,650 Maverick air to surface missiles, and instead is requesting 425 and 3,500 respectively, or approximately 20 percent and 40 percent of plans. And the list goes on and on.

We have tried to minimize further stretchouts in this bill. But our hands are not entirely clean. We cut only two production aircraft lines in the Navy, but both were being produced above minimum economic rates. We did terminate one program—the SH-2F—but this was the last year of production for the system.

NEW STARTS VERSUS EFFICIENT PRODUCTION RATES

Yet in the very bill we are now debating the committee is recommending approval of $1.4 billion in research and development funds for four new giant programs—the C-17, JVX, LHX, and the Advanced Tactical Fighter. These four programs will require between $120 and $160 billion, with much of the bills coming due over the next 10 years.

We have just invited four very big eaters to join our dinner when we don't have enough food to feed our current guests. These four programs together with several other major new programs constitute a major mortgage on all acquisition programs for the next decade. Not only do they threaten production efficiency for existing programs, but they threaten force modernization as well.

Let me say at the outset that most programs can be justified on an individual basis. Most have merit. Most can be defended eloquently based on the requirements, the technical features of their designs, and so forth. These four systems hold great promise. I am not opposed to these individual programs. The problem comes in the aggregate. We are producing existing programs at inefficient rates. Yet at the same time we are making commitment to major new starts.

It is as though you or I went to the bank to take out a third mortgage on our house to add another addition, when we haven't finished the two additions we already started.

NUNN AMENDMENT TO IMPROVE PROCUREMENT EFFICIENCY AND FORCE MODERNIZATION

This is the fundamental problem that confronts us and calls us to rise to a higher stewardship of our limited resources. We tolerated inefficient production rates during relatively well funded years. We can't afford such inefficiency as we enter a period of austerity. We must bring balance to our procurement programs and discipline to the new starts.

I will have an amendment later that will require a study to provide us with the realistic data we need to deal with the problem.

AMENDMENT NO. 238

Mr. BYRD. Mr. President, I send two amendments to the desk and ask unanimous consent that they may be introduced and considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 238.

At the end of Title 7 in the bill, add the following new section:

SEC. . Notwithstanding any other provision of law or of this act

(a)(1) If a contractor submits for reimbursement any cost, other than those costs covered by Sec. 702(b)(1) of this act, for which there is clear and convincing evidence that that cost has been defined as expressly unallowable by statute or regulation, the cost shall be disallowed and the contractor shall be liable to the United States for an amount equal to the amount of the disallowed cost, plus interest to be computed from the date on which the request for reimbursement of such cost was submitted until final settlement of the contract or until the claim for such cost is withdrawn, and at the applicable rate prescribed by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat. 97).

(2) In the case of a payment by the government of any price which was increased by reason of the submission of inaccurate, incomplete, or noncurrent cost and pricing data, the contractor shall be liable to the United States for an amount equal to the amount that such price was increased, plus interest to be computed from the date the payment was made to the contractor to the date the government is repaid by the contractor at the applicable rate prescribed by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat. 97).

(3) Section 719 of the Defense Production Act of 1950 (50 U.S.C. App. 2168) is amended by striking out the third sentence in subsection (b)(1) and inserting in lieu thereof the following "Such interest shall be set at a rate established by the Secretary of the Treasury pursuant to Public Law 92-41. Such interest shall accrue from the time such payments were made to the contractor or subcontractor to the time such price adjustment is effected.".

(b) This provision shall take effect for contracts entered into on and after the effective date of this Act.

On page 69, line 14, strike the period at the end of the sentence and add the following: plus interest to be computed from the date on which the request for reimbursement of such cost was submitted until final settlement of the contract or until the claim for such cost is withdrawn, and at the applicable rate prescribed by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat. 97).

Mr. BYRD. Mr. President, are they both to be considered under one number?

The PRESIDING OFFICER. The Chair advises that when amendments are considered en bloc, they have one number.

Mr. BYRD. I thank the Chair.

PENALTIES FOR UNALLOWABLE DEFENSE COSTS

Mr. BYRD. Mr. President, I am offering these two amendments to increase penalties for unallowable defense cost claims. These amendments have three major purposes: First, they impose increased penalties on defense contractors who even submit bills for costs that are not allowed under laws and regulations.

Current law contains no penalties for such submissions, and the legislation now before us, which imposes some penalties, does so at a lower amount than do my amendments.

Second, should the Government mistakenly pay a contractor for unallowed costs, these amendments significantly increase the amount of interest a contractor is penalized.

The enactment of these amendments would also, indirectly, reduce the often lengthy time periods it now takes for the contractor and the Government to reach agreement on what costs are not permissible and will not be paid by the taxpayers.

In proposing the amendments, Mr. President, I want to compliment the committee, especially Senators LEVIN and NUNN, for their leadership in shaping the procurement reform measures already in this bill.

However, the legislation now before us does not go far enough to prevent the types of abuses and procurement horror stories which have eroded the public's support for reasonable defense spending increases.

As we all know, these abuses include the submission of bills for costs that the taxpayers should never be asked to pay and the prolongation of negotiations to reach settlements between the Government and the contractors.

Mr. President, the current defense billing system has become so complex and unwieldy that it inordinately favors the contractors at the expense of the Government and the taxpayers.

The present system encourages contractors to submit requests for reimbursement for as much as they think they can get away with, prevents Government officials from adequately identifying which costs are highly questionable, and permits contractors to stretch out payment and repayment negotiations with the Government to unreasonable extremes.

In some cases where the Government already has paid an improper bill, the limited interest rates which now can be imposed on any repayment constitute a Federal loan subsidy to the contractor. While our taxpayers struggle to pay the high home mortgage interest rates created by the current budget deficits, billion-dollar defense conglomerates can, in essence, borrow from the Government at reduced, highly subsidized rates.

Indeed, the Defense Department testified last year to Congress that it strongly supported a change in the interest rates on overpayments to defense contractors, and it is this very change which I have incorporated as one portion of my amendments.

Mr. President, there are significant differences between the legislation we are considering and my amendments, which strengthen this bill.

The committee would impose penalties on contractors if they submit bills for unallowable overhead costs, known as general and administrative costs. These are the costs which are the hardest to identify separately and have been the source of many of the most recently reported abuses, such as bills for contractor barber shops, sports tickets, public relations, and the now-infamous dog kennel.

But there are other cost categories which make up substantial portions of the charges to the taxpayers, and defense contractors should be required to exert as much care in submitting bills for these as for the general overhead cost. My second amendment would impose penalties for the submission of unallowable costs in any and all cost categories. This enhancement should significantly deter contractors from filing frivolous or unsubstantiated claims.

Both amendments also would add to any penalties for unallowable cost claims an interest charge calculated from the day the unallowable bill is submitted. Not only does this amendment increase the actual amount of the penalty, which should increase the deterrence to such bills, but it should encourage contractors to settle more quickly their claims with the Government. The longer the contractor prolongs the negotiations, the greater the potential penalty he may have to pay.

This same principle is a foundation of my second amendment, which changes the date from which interest should be calculated on costs paid by the government based on deficient information submitted by the contractor. Under my proposal, an interest penalty will run against a contractor from the date when the claim actually was mistakenly paid as an unallowable cost.

Under current law, interest on such overpayments is paid from the date the contracting officer formally decides the negotiations between him and the contractor have failed to resolve the cost dispute. Current law opens the door for further legal action by both parties.

Since that date can be many months, or even years, after the overpayment is discovered, the present system permits a contractor to enjoy the use of the taxpayers' money either interest free or at a reduced rate for a substantial period of time. My second amendment starts the interest clock ticking from the day the Government overpays. The committee did not address this problem in its legislation.

Finally, my second amendment also addresses a problem not dealt with in the committee's legislation, but which also is related to the interest defense contractors owe on repayments for many unallowable costs.

Mr. President, the current interest rate limit on repayments for costs not in compliance with the Defense Department's cost accounting standards is fixed at 7 percent. It was established more than 14 years ago, in Public Law 91-379, which established the Cost Accounting Standards Board and which reflected the best judgment at that time of what was a reasonable interest rate maximum.

Yet today, the prevailing interest rate for these funds is 12.18 percent, according to Defense Department information. One can imagine the difference in payment owed to the Government when millions of dollars are involved.

Just 1 year ago, this 7 percent interest rate limit was one of a few examples of now-outdated procurement law cited by the Defense Department as costing the taxpayers "millions of dollars annually being paid to contractors in excess of what otherwise might be determined reasonable."

In testifying before the House Banking Committee's Subcommittee on Economic Stabilization on March 7, 1984, the Deputy Under Secretary of Defense for Acquisition Management had this to say:

> Unfortunately, it is not possible to write accounting standards or any other regulations that can stand permanently as meaningful policy without being revised to reflect changes in the art that are dictated by the economy, increased sophistication and a changing business environment.
>
> One of the provisions requiring updating is contained in paragraph (H)(1) of Public Law 91-379. The law places a limit of seven percent on interest that may be charged on funds owed the government due to CAS noncompliances. Obviously, this does not come close to reflecting the current cost of money and actually provides an incentive for contractors to not resolve noncompliance issues promptly as it is a very cheap source of extra funds. If the subcommittee decides to take any legislative action in the area of CAS, we would strongly urge the deletion of the seven percent limit on interest and the substitution of the interest rate determined by the Secretary of the Treasury pursuant to Public Law 92-41.

As I mention earlier in my statement, it is precisely this change as urged by the Defense Department which I have incorporated into my amendment.

Mr. President, in the last 6 years this Nation has experienced almost unprecedented growth in defense spending. Never before in recent peacetime history have we seen 6 straight years of real growth in the defense budget. Between fiscal years 1981 and 1985, annual real growth has averaged 8.3 percent in budget author-

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ity. At the present time, the Defense Department spends $600 million each and every day of the year, according to its Inspector General.

Because this spending has increased so sharply, everyone concerned—industry as well as government—should pay particular attention to all aspects of the procurement process to ensure that our hard-pressed taxpayers are receiving the maximum military return on their investment.

My amendments are designed to do just that and to reduce the abuses which now plague the system. They are also aimed at saving some of the taxpayers' defense dollars and restoring the confidence of those taxpayers in the Congress and the Defense Department on these matters. I urge their adoption.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. NUNN. Mr. President, I heartily endorse this amendment. It is a very good amendment. It addresses some serious problems which are now at the forefront. I congratulate the Senator from West Virginia. I hope my colleagues will vote for the amendment.

Mr. GOLDWATER. Mr. President, I join with the Senator from Georgia in commending this amendment to my colleagues. I hope we can have an expeditious vote.

Mr. BYRD. Mr. President, I thank both the manager of the bill, Mr. Goldwater, and the ranking manager, Mr. Nunn.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maine Mr. Cohen, the Senator from New Mexico Mr. Domenici, the Senator from Idaho Mr. McClure, the Senator from Oregon Mr. Packwood, the Senator from New Hampshire Mr. Rudman, and the Senator from California Mr. Wilson are necessarily absent.

I announce that the Senator from North Carolina [Mr. East] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. Boren], the Senator from Arizona [Mr. DeConcini], the Senator from Illinois [Mr. Dixon], the Senator from Louisiana [Mr. Long], and the Senator from Montana [Mr. Melcher] are necessarily absent.

I further announce that, if present and voting, the Senator from Montana [Mr. Melcher] would vote "yea."

The PRESIDING OFFICER (Mr. Wallop). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 88, nays 0, as follows:

[Rollcall Vote No. 94 Leg.]

YEAS—88

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cranston
D'Amato
Danforth
Denton
Dodd
Dole
Durenberger
Eagleton
Evans
Exon
Ford
Garn
Glenn
Goldwater
Gore
Gorton
Gramm
Grassley
Harkin
Hart
Hatch
Hatfield
Hawkins
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Laxalt
Leahy
Levin
Lugar
Mathias
Matsunaga
Mattingly
McConnell
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Pell
Pressler
Proxmire
Pryor
Quayle
Riegle
Rockefeller
Roth
Sarbanes
Sasser
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—12

Boren
Cohen
DeConcini
Dixon
Domenici
East
Long
McClure
Melcher
Packwood
Rudman
Wilson

So the amendment (No. 238) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. Will Senators, and particularly staff, cease conversations so we might hear the majority leader? May we have quiet in the Chamber?

Mr. DOLE. Mr. President, a number of Members have made inquiries about the balance of the day. I would indicate, as I did late last evening, that what we hope to do is complete action on all amendments today, with the exception of SDI amendments and so-called interim restraint amendments which will be offered when we come back on the 3rd of June on the DOD authorization bill.

So I would say to my colleagues when they ask me how long we are going to be here today, it depends on how quickly they come to the floor with their amendments. I understand we are prepared to go forward with the ASAT amendment. I believe there is a time agreement of 3 hours and it will probably take at least a couple of hours. Following that, we hope that we could dispose of the Metzenbaum amendment and there are two Kennedy amendments and there is a Wallop amendment.

As far as I know, those are all the amendments we had as of late last night, although staff had overnight to draft up some other brilliant ideas.

Mr. PRESSLER. Mr. President, I have an ASAT amendment.

Mr. DOLE. Does the Senator have an ASAT amendment or SDI amendment?

Mr. PRESSLER. I have both.

Mr. DOLE. Mr. President, in any event, we do not think there are many other contested amendments. We will proceed now to the ASAT amendment. I will be giving to the distinguished minority leader a unanimous-consent agreement which will contain all the SDI amendments. So if you are not on the SDI amendment list, we would appreciate having information if you, in fact, have an SDI amendment.

AMENDMENT NO. 239

(Purpose: To establish a moratorium during the fiscal year 1985 and 1986 on the testing of anti-satellite weapons against objects in space)

Mr. KERRY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. Kerry], for himself, Mr. Chafee, Mr. Mathias, Mr. Bumpers, Mr. Baucus, Mr. Burdick, Mr. Cranston, Mr. Dodd, Mr. Harkin, Mr. Hart, Mr. Hatfield, Mr. Inouye, Mr. Kennedy, Mr. Lautenberg, Mr. Leahy, Mr. Mathias, Mr. Matsunaga, Mr. Metzenbaum, Mr. Mitchell, Mr. Pell, Mr. Proxmire, Mr. Riegle, Mr. Sarbanes, Mr. Simon, Mr. Stafford, Mr. Levin, and Mr. Heinz proposes an amendment numbered 239.

Mr. KERRY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

That (a) the Congress finds that—

(1) the United States and the Soviet Union have agreed to resume negotiations on the control of nuclear weapons and weapons in space;

(2) the United States and the Soviet Union are currently observing a moratorium on the testing of anti-satellite weapons against objects in space; and

(3) the current moratorium on the testing of anti-satellite weapons against objects in space has helped to create an atmosphere conducive to continued United States-Soviet negotiations.

(b) Section 8100 of the Department of Defense Appropriations Act, 1985, as contained in section 101(h) of the joint resolution entitled "A joint resolution making continuing appropriations for the fiscal year 1985, and for other purposes." (Public Law 98-473) is amended—

(1) in subsection (a)—

(A) by striking out "(a)";

(B) by striking out paragraphs (1) through (4); and

(C) by adding at the end thereof the following:

"(1) that the Soviet Union refuses to resume or continue negotiations aimed at achieving an agreement on anti-satellite weapons; or

"(2) that the Soviet Union has conducted a test of an anti-satellite weapon against an object in space"; and

(2) by striking out subsections (b) and (c).

(c) Notwithstanding any other provision of law, no funds appropriated for the fiscal year 1986 may be obligated or expended to test against an object in space the miniature homing vehicle (MHV) anti-satellite warhead launched from an F-15 aircraft unless the President determines and certifies to the Congress—

(1) that the Soviet Union refuses to resume or continue negotiations aimed at achieving an agreement on anti-satellite weapons; or

(2) that the Soviet Union has conducted a test of an anti-satellite weapon against an object in space.

Mr. KERRY. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will please be in order. Could we please have staff conversations cease?

The Senator will proceed.

Mr. KERRY. Thank you, Mr. President.

Mr. President, I rise to offer an amendment to the Department of Defense Authorization Act to establish a moratorium on the testing of antisatellite weapons against objects in space through fiscal year 1986. I am very pleased to be joined in this amendment, as I was in its original form as Senate 885, by the distinguished Senator from Maryland, Mr. Mathias and by the distinguished Senator from Rhode Island, Mr. Chafee. I am also pleased to be joined in this amendment by a number of our colleagues including Senators Bumpers, Baucus, Burdick, Cranston, Dodd, Harkin, Hart, Hatfield, Inouye, Kennedy, Lautenberg, Leahy, Mathias, Matsunaga, Metzenbaum, Mitchell, Pell, Proxmire, Riegle, Sarbanes, Simon, Stafford, Levin, and Heinz.

Over the past year both the United States and the Soviet Union have wisely chosen to refrain from testing antisatellite weapons against targets in space. I would emphasize, Mr. President, here that this moratorium is not directed to prevent further testing. It will permit testing against points in space. It is not directed to prevent research. It will permit continued and further research, and it will permit, indeed, testing such as we conducted as recently as 1984 against a point in space. But it is my belief, and I believe of those who are cosponsoring this legislation, that we have an extraordinary opportunity in Geneva to promote the continued protection of our satellites and other valuable space assets by negotiating a treaty on antisatellite weapons.

Such a treaty is possible now because limits on these weapons are in the national interest of both the United States and the Soviet Union. Both of us, Mr. President, rely on satellites to provide early warning of attack, to link military command and control, and both nations are more than well served by having satellites which are invulnerable. In fact, satellite invulnerability is at the heart of deterrence. And I believe that that invulnerability begins with the ability to be able to detect in a manner that permits a credible response to any kind of attack from any quarter from which it might come. So maintaining that ability to detect that capacity for attack is vital to us. By making satellites vulnerable, antisatellite weapons threaten the very security that satellites are currently providing for us.

This is one reason, and only one reason, why both the United States and the U.S.S.R. have shown restraint in the testing of ASAT's. Both superpowers have undertaken a joint moratorium on tests that have provided a window of opportunity for the negotiation of a treaty limiting ASAT weapons. Last year this body and the Congress of the United States legislated a moratorium on the testing of antisatellite weapons against objects in space and this moratorium which passed on June 12, 1984, was absolute through March 1 of this year—that is to say, with or without a certification by the President it was the judgment of the Congress that it was in the best interests of the United States not to test under any conditions.

That has allowed the President since that date to conduct up to three tests through 1985, 15 days after the President certifies to the Congress that the following four criteria have been met. These criteria are important.

First, the President must certify that the United States is endeavoring in good faith to negotiate a mutual and verifiable agreement with the strictest possible limitations on antisatellite weapons consistent with the national security interests of the United States; second, that the ASAT test is necessary to avert irrevocable harm to national security; third, that such testing would not constitute an irreversible step that would gravely impair prospects for negotiations on antisatellite weapons; finally, that such testing is fully consistent with the ABM Treaty.

That is the law of this country today. I call the attention of the President and of this body to a letter received by all Senators just a few days ago from Ken Adelman, the United States Arms Control and Disarmament Agency Director, who said that it is important to note that no U.S. moratorium on ASAT tests exists, and that tests of the MV ASAT system are following a schedule determined by technical factors.

Mr. President, that is a clear ignoring of what the status of the law is and of what the requirements of the administration are as set by Congress. I will have more to say about that at a later time.

But what is significant with respect to the choice that we are making here today is that at this moment in time the President of the United States has not seen fit to certify to the Congress. He has not seen fit to say to us that any of the criteria that the Congress established a year ago require at this moment that we proceed to test. However, last week the Senate Military Appropriations Subcommittee was told by Under Secretary of the Air Force, Edward Aldridge, that the administration does intend to conduct the first of three tests this summer.

According to Secretary Aldridge, the first test is scheduled for July. I have some concerns, obviously, that if that certification were to be received in August or tests were not to take place in July, that it is possible that the Congress was not even in session to review such a certification. But that is not critical as the issue of whether or not we should proceed. Regardless of when the ASAT tests take place, the administration appears to be taking the position that such a test would not be an irreversible step threatening the success of negotiations on antisatellite weapons; and two, that it is necessary to avert serious harm to national security.

Mr. President, I respectfully but very strongly disagree with this position. I ask my colleagues to join with me in thinking hard about the consequences of taking the steps of continuing tests at this point in time. I believe that a continued ASAT moratorium is vital to the successful negotiation of an arms control agreement on antisatellite weapons. That is why my colleagues and I are offering this amendment.

Under the amendment, the United States would maintain the existing moratorium against the testing of F-15 based miniature homing vehicle ASAT against objects in space so long—and I emphasize only so long—as the Soviet Union is engaged in good-faith negotiations to limit ASAT's, and so long as the Soviet Union does not itself test an ASAT.

Both the United States and the Soviet Union would be free under this moratorium to continue research on ASAT technologies, but should the Soviet Union test any form of ASAT, or should it break off those talks, the President could immediately direct the United States to test our ASAT against any object in space. He would not have to return to the Congress. He would not have to seek any approval from the Congress. He could upon simple verification by the President of the existing of those circumstances move to test.

In the meantime, nothing would prevent the United States from continuing to test our ASAT's against points in space. I believe, and it has been shown technologically, that such tests against points in space would enable the United States to convince the Soviets that if they do not engage in good faith, then the United States has the means and the willpower to continue and proceed with ASAT technologies.

Mr. President, I wish that this amendment were not necessary. I wish that the administration had demonstrated a greater immediate concern for specifically negotiating on the ASAT issue in Geneva. But I am sorry to say that the indications that we have now suggest that the administration is unwilling to restrain the development of this technology long enough to permit the negotiations of a treaty or to limit the ASAT's in a way that would meet our security interests. From published accounts as well as from private conversations it is clear that the administration has not taken advantage of the opportunity in Geneva that could lead to a treaty that would protect our satellites from attack. And the current U.S. position on the issue at the Geneva talks was revealed in part by Ambassador Nitze in his statement before the National Press Club May 1.

Ambassador Nitze stated that the Soviets had proposed a comprehensive ban on research and development as well as testing of deployment of what they called "space strike arms." According to Ambassador Nitze, the U.S. delegation rejected this proposal for a number of reasons, but his description of the U.S. proposals strongly suggested that the United States made no counterproposal on limiting ASAT's. Instead, the U.S. delegation apparently sought a Soviet agreement on the mutual development of defensive systems such as the SDI.

In rejecting the Soviet space strike weapons ban, Ambassador Nitze acknowledged that "the sole space activity that is not covered by existing agreements" is ASAT systems.

Ambassador Nitze identified these systems specifically as the Soviets co-orbital interceptor and the United States F-15 aircraft launched minature homing system under development by the Air Force.

According to Ambassador Nitze, the United States rejected the Soviet proposal on ASAT's because it would be too difficult to verify a total ban. "Once an ASAT weapon, such as the Co-Orbital ASAT, has reached operational status," he said, "it is questionable that one could assure that all such systems had been destroyed."

In other words, Ambassador Nitze was suggesting that the Soviets' operational ASAT system is a genie which is already out of the bottle and cannot be put back inside. But close examination shows that that argument by the Ambassador, whom I respect enormously, is far from applicable to the current U.S. ASAT. In fact, it is more applicable to our ASAT in terms of being a genie out of a bottle than it is to the Soviet system. There are enormous differences, Mr. President, between the Soviet and U.S. antisatellite weapon systems and those must be understood in order to evaluate any opposition to a moratorium. The Soviet ASAT is large, heavy, and primitive. Its FLV launch vehicle is 150 feet long and 10 feet wide and it is readily observable from space by our technical means. If an ASAT treaty were negotiated, the destruction of such a system can clearly be verified.

By contrast, the American ASAT is small enough to fit under the wing of an F-15 aircraft. Once we test our F-15 ASAT based system successfully, as few as three times, perhaps less, then any U.S. F-15 has to be regarded by the Soviets as a potential ASAT. It would then be practically impossible if not totally impossible, just as we fear with cruise missiles—it would be almost impossible for the Soviet Union to verify that the United States had in fact destroyed its ASAT's following a treaty limiting this technology.

So if the United States goes ahead and we test our F-15 ASAT this summer, we will be letting a far more dangerous genie out of the bottle. It will jeopardize the chances for a treaty that prevents either side from threatening the other's satellites. I believe this body would rather vote for a treaty that would protect our satellites than for tests for a weapon that make such a treaty an impossibility.

That is really what this vote is about. If we unleash the F-15, one successful test can be perceived by the Soviet Union as not only the creation of testing but the actual deployment of a viable and immediately usable American system.

Mr. President, let me address two other arguments which have been used to justify proceeding with ASAT testing.

One, that the Soviet Union's possession of an ASAT constitutes an asymmetry in capabilities that requires the United States to develop its own system and that without such a U.S. ASAT capability, the Soviet Union will have no incentive to give up its current ASAT ability and, therefore, that we cannot move with the talks. These are obviously very serious issues. I have had an opportunity to discuss them briefly with the distinguished Senator WARNER. I believe they can be best addressed by examining the Soviet system more closely and by taking a longer term view of the U.S. interest.

We do ourselves, I think, a great disservice if we exaggerate the capabilities and the military significance of the existing Soviet system. A sober assessment of the evidence leads to the conclusion that this system does not give the Soviet Union any military advantage under any conceivable projection of conflict with the United States. And it is important to note that we have carried out a moratorium now without harm to the United States, without injury to our systems. What is the most important testimony to that fact is the lack of a certification to the contrary by the President of the United States.

If we were threatened today, if there were a reason to suddenly move, then the President surely, in keeping with the power that was articulated in last year's moratorium, would have turned to the Congress and said, "We need to test immediately because we are threatened."

But since June of last year, 1984, we have proceeded along comfortably and ably without the need to test and make this giant move into a whole new realm of space competition.

The Soviet ASAT launches are limited and you have to look at that system in order to make a judgment about whether or not we are or are not threatened. Their launches currently have to be timed to coincide with the specific passage over their launch site at Tyuratam of the ground track of their target. The Soviet ASAT vehicle's orbit only crosses the orbit of the target after one to two revolutions. It has never been tested above 1,700 kilometers, and in the last decade it has only been tested in the very narrow orbital inclination of 64.8 to 65.9 degrees. That means that you have a very small window of inclinatiion during which time you can actually fire this system and you have some 90 minutes of warning that such a system has in fact been fired.

There is no evidence whatsoever to indicate that the Soviets are capable of a mass use of such an antisatellite weapon against our systems.

Because of these severe limitations on its capabilities, the Soviet ASAT represents a potential threat to only a few types of U.S. weapons, whereas if we test the F-15 we have translated a potential threat into a real threat to the Soviet Union and against more than the available satellites that they can hit.

Their system is only good against the ocean reconnaissance and weather satellites. The kinds of satellites that can be targeted by the Soviet ASAT, therefore, have minimal if any kind of military significance. There is no threat at all in the current Soviet system to those satellites of the United States which have a major military role: U.S. photo reconnaissance, electronic intelligence, early warning, nuclear explosion detection satellites, and most communications and navigation satellites.

So there is in fact no real threat today but there will be if we test an F-15.

The Soviet Union has conducted 20 tests of its ASAT, beginning in October 1968 and concluding in June 1982. The published analyses indicate that only one target was actually destroyed, although some reports suggest that this target survived despite attempted destruction by the ASAT. Only nine of the tests were successful in their apparent goal.

Moreover, they indicate that all, Mr. President, of the last six tests conducted by the Soviet Union were failures.

I do not know which Senator in this body would believe that any system of ours that had six consecutive failures was a system in which we would put confidence. The existing Soviet ASAT system, therefore, is simply not a military threat to the United States because the combination of its primitive technological state, its altitude limitations, its inclination constraints, and the fact that it has never been tested against an uncooperative target make it incapable of destroying U.S. military satellites.

The real threat to U.S. security is not the current Soviet ASAT but the one the Soviets will develop in the future should the United States decide to engage the Soviet Union in an all-out competition in ASAT technology. Should the United States test its F-15 plane with the miniature homing vehicle that constitutes our ASAT against objects in space, the Soviets will have a strong incentive to push ahead with the development of its ASAT technology. The result would be that 5 to 10 years in the future, the Soviets would be able to pose a much more serious threat to our satellites, as well as to other space-based assets, such as space stations or space shuttles.

Mr. President, we have much to lose from Soviet development of more sophisticated anti-satellite technology. We rely on our satellites for information that is vital to our national defense, from command and control of our military forces to early warning of nuclear attack. Our military forces are far-flung; not only do we have bases around the world, but the preponderance of our nuclear weapons are located beyond our shores. If our satellites were to be threatened, we would risk the decapitation of both nuclear and conventional forces, making it difficult for the United States to maintain a credible response to a sneak attack.

And as the United States begins flying frequent space shuttle missions to service, supply, and bring fresh crews to continuously-inhabited space stations, the threat to U.S. interests from Soviet development of ASAT technology will continue to grow. The long-term damage to our strategic security from the further development of ASAT technologies by both sides far outweighs whatever short-term theoretical advantage the administration might claim from going ahead with the testing of our current ASAT.

So we have a vital interest in negotiating limits on ASAT weapons now. Moreover, the present moment in history may be the last opportunity for the United States to get Soviet agreement on the banning of ASAT systems. The Soviet Union has maintained a moratorium on testing its ASAT's since 1982, but we can hardly expect it to continue if and when the United States appears to have an operational ASAT. And once we possess an operational ASAT, it will be very difficult to reach an effective limitation agreement, because then the genie will truly be out of the bottle, and it will be too elusive to recapture.

At the same time, the Soviets also have strong incentives to negotiate limits on ASAT weapons now. If they refuse to do so, they know that a U.S. ASAT could threaten the Soviet manned space program and other Soviet uses of space as well as their satellites, including communications and early warning satellites. Many of the Soviet military satellites are in elliptical orbits which make them especially vulnerable to the U.S. ASAT system. By placing ASAT-carrying F-15's in the southern hemisphere, the United States might well be able to intercept Soviet satellites when they reach the low point in their orbits, which makes our system in fact more threatening than their current capability.

There may be some in the administration who feel that the vulnerability of Soviet military satellites would provide the United States with a strategic military advantage in the near term. But this kind of thinking is precisely the kind of narrowly focused, short-term strategic thinking that has led to serious miscalculations in strategic weapons policy in the past. The nature of superpower security in the nuclear age is such that neither can be secure by making the other insecure. We have no genuine interest in trying to gain unilateral advantage over the Soviets in ASAT systems. An effective anti-satellite capability that could destroy command and control and early warning satellites would be perceived as part of a first strike capability. A situation in which either or both of the superpowers had such a capability would make the whole strategic balance far less stable and dramatically increase Soviet-American military tensions.

Under the present circumstances, therefore, it is in the interests of both sides to take advantage of the moment we have been given, the status quo until an agreement on control of ASAT technology can be negotiated. A continuation of moratoriums by both the Soviet Union and the United States on further testing of ASAT systems would constitute an example of what is known in arms control theory as conscious parallelism. That means that both superpowers exercise parallel restraint in the arms race in the absence of a formal agreement. It can provide the time needed to negotiate a formal treaty to control military technology or deployment.

This approach of conscious parallelism followed by formal agreement has worked in the past. For example, the de facto moratorium on nuclear tests was a prerequisite to the successful negotiation of the nuclear test ban treaty of 1963, according to the U.S. Ambassador Arthur H. Dean, who negotiated that treaty in Geneva.

The same approach can work today in regard to ASAT technology. To preserve the Soviet moratorium, all the United States needs to do is to act with reciprocal restraint. Parallel United States and Soviet moratoria are the minimum requirement for the negotiation of an ASAT treaty.

Such a treaty might take a number of forms. The United States could seek a zero-zero agreement, banning the possession of direct-attack ASAT weapons by either party. Or we could propose a zero development and testing agreement, which would rely on a period of neglect to degrade the current limited Soviet ASAT capability to complete uselessness. The United States and Soviet Union might also decide on a one each agreement, capping ASAT development at current types, with or without a formal test ban.

An ASAT treaty is a realistic objective for the current negotiations at Geneva. In the 6 weeks of talks that have taken place in the first round at Geneva, the Soviets have indicated resoundingly, as clearly as possible in their offer, their interest in achieving a formal agreement on ASAT. Indeed, on the basis of Ambassador Nitze's account, it appears that the Soviet Union was the only party to the talks to put forth a proposal to limit anti-satellite weapons. What concerns me is that the U.S. delegation has thus far demonstrated no interest in engaging in negotiations on the specific problem of ASAT's. By announcing plans to go ahead with unilateral testing of ASAT's this summer, and by failing to offer its own proposal, the United States appears to be shunning the opportunity to work toward an agreement.

Mr. President, the Director of the Arms Control and Disarmament Agency, Kenneth Adelman, has just sent a letter to Members of this Senate which unfortunately muddies the ASAT issue further by misrepresenting the present situation. Mr.

Adelman responds to this amendment calling for a continuation of the existing moratorium on ASAT testing by stating that "no U.S. moratorium on ASAT on tests exists." His statement is flatly untrue, since the moratorium legislated by Congress does not expire until 15 days after the President has certified that the four specific conditions I cited earlier are met. By ignoring the legislative restraints on ASAT testing, Mr. Adelman's letter suggests that the administration does not take the intent of Congress seriously. The statement that MV ASAT test are following a schedule determined by technical factors further suggests that there is no desire on the part of the administration to relate its testing policy to the larger U.S. interest in reaching an agreement to ban ASAT's.

Mr. Adelman goes on to argue that this amendment "would have damaging consequences for U.S. arms control negotiations with the Soviet Union in Geneva." He suggests that continuation of U.S. moratorium on ASAT testing would reduce the Soviet incentive to negotiate on space arms. Let me call the attention of my colleagues to the fact that the letter does not specifically refer to the impact of a moratorium upon the prospects for negotiating an agreement on ASAT's. Instead it refers only to arms control negotiations and negotiations on "space arms." I believe this wording was carefully chosen, because the administration evidently does not now intend to negotiate with the Soviets on a ban on ASAT's. It appears intent instead on gaining a lead in ASAT technology in the pursuit of other political-military objectives. What Mr. Adelman is arguing, if you read the letter carefully, is that a moratorium on ASAT testing would not help the administration in its efforts to try to persuade Moscow to accept the U.S. star wars program—an effort which all evidence suggests is futile.

Mr. President, I unanimous consent that the text of Mr. Adelman's letter be printed in the Record at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1).

Mr. KERRY. Mr. President, my strong conviction that a moratorium on ASAT testing and the negotiating of treaty limiting ASAT technology are in the national interest is in line with the unanimous view of the Foreign Relations Committee when it last considered this issue in November 1983. The report issued by the committee at that time, without a single dissent, concluded that:

> We have lived with the Soviet ASAT for 15 years. A further delay of limited duration in testing the F-15 based system seems justified if it can lead to averting an open-ended space arms race.

The committee addressed the argument that the Soviets would have no incentive to negotiate a ban on antisatellite weapons without further development of the U.S. ASAT. Its report stated—again without a single dissent—that the United States would have bargaining leverage at Geneva even without testing its ASAT against objects in space. The Soviets would still have an incentive for negotiating, it pointed out, because, the United States would retain its option to deploy the F-15 ASAT should the Soviets prove uncompromising.

In that report, the Foreign Relations Committee also disposed of the argument that verification problems preclude any agreement to limit ASAT's. Ambassador Nitze has said that the Soviet proposal on ASAT's at Geneva was defective because it called for a ban on ASAT research and for a total ASAT ban, despite the lack of verifibility." But the committee report noted that verification problems of an ASAT ban can be overcome. Effective procedures for verifying an ASAT ban, it noted, could be worked out at the bargaining table. The report recalled that lack of detailed solutions to verification problems did not prevent the negotiations on START and INF talks from getting underway.

I do not think you can make the kind of detailed solution as a precondition for negotiations on that very process itself and ever expect to talk. It becomes a catch 22 which will ultimately result in an increase in the ASAT arms race.

I believe an appropriate response to the Soviet proposal at Geneva, therefore, is to challenge the Soviet Union on its seriousness in seeking a ban by asking it to suggest ways that an agreement can be verified, not to throw up our hands and refuse to negotiate on the issue. The Senate would do well to heed the unanimous views of the Foreign Relations Committee in November 1983 on this matter.

Mr. President, my amendment follows precisely the strong recommendations made to the Senate by the Foreign Relations Committee in that report. The committee made three recommendations: First, that the President seek a mutual and verifiable moratorium of limited duration on ASAT flight tests; second, that the United States immediately resume bilateral negotiations to prohibit the testing, production, deployment, and use of any antisatellite weapon; and third, that the talks be expanded to include negotiations on all future space-based and space-directed weapons.

The committee stated that an ASAT moratorium was necessary "to sustain conditions required for quickly reaching a verifiable ban on all ASAT weapons" The members of the committee realized that, without a moratorium on U.S. testing of antisatellite weapons, there was no chance for restraining the Soviet development of ASAT's.

The committee further recognized that resumption by the United States of bilateral negotiations on an agreement banning antisatellite weapons was in the U.S. interest, because it would "prevent a costly and potentially dangerous space arms race." Since the administration has evidently not found such an agreement to be in our interest, I believe that it is important that the Senate reaffirm its position in support of such an agreement.

The committee's recommendation that the talks be expanded to include negotiations on all future space-based and space-directed weapons was explicitly aimed at reinforcing and expanding prohibitions contained in the ABM treaty, which the committee said "has clearly served U.S. security interests." The temporary moratorium on ASAT testing that my amendment would bring about would be vital for such broadened negotiations. There is a close connection between ASAT testing and the continued viability of the ABM treaty, since ASAT's could well have ABM capabilities as well, and thus could be perceived as eroding the ABM treaty.

Congress has taken the lead in keeping the window of opportunity for an ASAT treaty open. By voting to maintain our moratorium on ASAT tests for another year, I believe we will be encouraging the administration to take a renewed interest in an ASAT treaty. If Congress does not vote for a continuation of the ASAT testing moratorium, we will be bowing to the administration's unjustified rejection of arms control in a critical aspect of the arms race.

Mr. President, such an abdication of responsibility would be a miscalculation of serious proportions. Every time we have ignored the logic of mutual restraint in favor of seeking unilateral advantage, we have merely bought greater strategic difficulties for the country later on. Our current ASAT Program—that is to say, the F-15 portion—was originally conceived by the Ford administration. The decision was made in the last days before the Inauguration, but the Carter administration picked up on it and made the final decision, which was to proceed forward not for military purposes but as a bargaining chip during the SALT talks. And that is documented in the Foreign Relations Committee report which I will submit as part of the Record.

But the moment we MIRV'd our ICBM's, it proved impossible to control the MIRV process, and the result was that our own land-based ICBM's became vulnerable, as we have seen in the debate of the last few days over the amendment of the distinguished Senator from Georgia [Mr. Nunn].

And that debate came about because of the MIRV'ing process and the insecurity that that built into the land-based system. So we have spent a great deal of time since then unsuccessfully trying to find a way out of the strategic problem created by our failure to control MIRV, as was demonstrated in more ways than one by the 32 different basing systems. There is no question whatsoever, Mr. President, that if we allow the Soviet Union to believe that we have a deployed and capable antisatellite system, then they must, in order to protect their security in the same way we made the decision to protect ourselves, proceed to build a similar system, and then we have escalated the entire arms race, and escalated the threat to our command and control, and escalated the threat to our satellites and taken for the first time the true weapons of nuclear war into outer space. So that is really what this vote is about.

My predecessor in this seat, Mr. Tsongas, recognized early that the Congress should move on that. And the distinguished Senator from Virginia [Mr. Warner] worked with him to make that effort, to give that breathing spell to this administration. I would hate to think that today before Memorial Day the Senate of the United States is going to take an action which would say that we are not willing to talk; we are not willing to wait; we are going to proceed ahead without any clear definition of what the level of threat is, what the risk to the United States is or why it is that we should take such a momentous step.

The Senate Foreign Relations Committee's conclusion of just 18 months ago is still as valid today as it was then:

> There may be an opportunity now to stop ASATs before either side has a significant system and to ban space-based weapons before they are impossible to stop. We can reap the enormous benefits of such achievements if we are willing to treat obstacles to agreement not as insurmountable barriers, but as challenges to be met directly and overcome.

Mr. President, I would like to take just a moment to go to the rear of the Chamber to a couple of charts, and then I will conclude my comments, if I may.

Mr. President, there are three charts here which I will call to the attention of my colleagues. The first is a chart which traces the record of the U.S. and U.S.S.R. antisatellite tests. Now, it was the United States that began the rush to create antisatellite weapons. We began that in 1959 when we conducted one test. Between the period of 1959 and 1968, only the United States tested antisatellite weapons. It was not until 1968 that the Soviet Union conducted their first tests, and in that year they conducted two. In 1969 to 1972, the Soviet Union conducted a total of about four tests and the United States conducted two.

Then about 1970, we made a policy decision and determined that it was dangerous to continue to proceed to try to threaten space with weaponry that could in fact have more negative impact on our command and control and communications ability, so we stopped, Mr. President. We stopped. But we had a system. We had the Bold Orion, the Hi-Ho, the Nike Zeus, the Thor. The Soviet Union did not, so they decided, "Well, we have to catch up." And they started to test, and until the year 1982, only the Soviet Union tested.

During that period, they caught up just about even in the number of total tests. In 1982, the Soviet Union, after creating the FLV vehicle, which is clumsy and large and primitive, which vehicle I discussed, they stopped. They have not tested since 1982. The United States tested in 1984. In 1984, we tested a satellite against a point in space, which is a very, almost close approximation of an against-object in space but a significant differential in terms of the impact on threat perception by the Soviet Union and by the United States.

Now, I have not mentioned cost in the course of this debate because I am not sure that a security interest ought to be decided on the basis of cost. It ought to be decided on the basis of what happens to our relationship with the Soviet Union, and it ought to be decided on the basis of threat and on the needs of the United States to be able to adequately protect itself. But in an age when the repercussions of this kind of move are as serious as these repercussions, and in an age when we are struggling with the possibilities of SDI and a host of other military expenses and a budget that is burgeoning up to one-third of the total we spend, costs ought to be considered, especially measured against effectiveness.

When this program was first recommended, people said it would cost $500 million. That was back when we first tested in 1978, at the 1978 level, when we began with the new ASAT system. It is now at $4.1 billion for next year. In the Foreign Relations Committee report, there were clear indications that if we move into some of the laser beam recommendations, the specific amount of money the Defense Department talked about for laser beam space-based antisatellite capacity will be $50 billion.

The final chart is extremely important with respect to the issue of what is today's capability of the Soviet Union.

Mr. President, this documents the tests of the Soviet Union. In 1968, the Soviet Union began its first tests. This was the first generation radar homing device antisatellite system. That is the only operation system they have today. They have had a total of nine successful tests of the radar homing sensor. But, as the distinguished Senator from Georgia and the distinguished Senator from Virginia [Mr. Warner] know, we are currently designing and have the ability to jam those radars, to intercept and put off course that homing ability. So the ability of the homing radar system, which is all they have to threaten our system, is really minimal.

On the other hand, with respect to the second generation optical infrared homing sensor system which they have tested, every one of the tests of that system, the most recent six tests, has failed.

So they do not have an ability to threaten us and, in fact, should seriously question their own technology and ability to be able to provide the kind of threat to the United States that we should respond to at this time and build.

So, Mr. President, in summary, this vote is not just a vote about a couple of tests. This is a vote which has grave implications about the ABM Treaty, which is a signal from the United States about our willingness to pursue offers in Geneva, which is a signal about our good faith and effort to try to restrain the arms race. It is a signal about our beliefs about arms control. In the final analysis, it is the most important vote we will make with respect to antisatellite and space-based systems. It is a threshold vote with respect to the star wars defense initiative.

I hope the Senate will reflect in the same way it did a year ago, when it decided that that moratorium was important to us as a country, that we were not going to be the people to begin to take into new levels of threat the weapons of destruction. I believe this is as important an opportunity as the Senate will face, and I hope my colleagues will join me in offering an opportunity for restraint—and only restraint—that in no way puts our systems or our Nation at jeopardy.

EXHIBIT 1

U.S. ARMS CONTROL
AND DISARMAMENT AGENCY,
Washington, May 20, 1985.

Hon. JOHN F. KERRY,
U.S. Senate.

DEAR SENATOR KERRY: During Senate consideration of the Fiscal Year 1986 Department of Defense authorization bill, an amendment may be offered calling for a continuation of "the existing moratorium" on testing anti-satellite (ASAT) weapons against space objects. It is important to note, therefore, that no US moratorium on ASAT tests exists; tests of the MV ASAT system are following a schedule determined by technical factors.

Such an amendment would have damaging consequences for US arms control negotiations with the Soviet Union in Geneva. One of the three US-Soviet negotiating

> groups—the Defense and Space Group—specifically deals with questions of space arms (whether based on Earth or in space, including ASATs). The second round of these negotiations opens on May 30.
>
> A US moratorium on ASAT testing would concede to the Soviet Union, which has the world's only operational ASAT system, a unilateral advantage that would reduce the Soviet incentive to negotiate on space arms. Therefore, I urge you to vote against amendments proposing an ASAT testing moratorium.
>
> Sincerely,
>
> KENNETH L. ADELMAN.

Mr. WARNER. Mr. President, a parliamentary inquiry. How much time does the Senator from Virginia, speaking in opposition, have?

The PRESIDING OFFICER. The Senator from Virginia has 90 minutes.

Mr. WARNER. Mr. President, I rise in strong opposition to the amendment proposed by the Senator from Massachusetts. I am going to be quite brief. The points I make are points that I covered in a conversation this morning with Ambassador Kampelman and Ambassador Tower. These are the points that flowed from that conference this morning.

First, the Kerry-Hart-Mathias language asserts that the United States is currently observing a moratorium on ASAT testing. This is not the case. The United States is not observing a moratorium, nor have we agreed to such.

Space tests of our MV ASAT system are following a schedule determined by technical factors.

Proposal for an ASAT testing moratorium apparently ignore the fact that the Soviet Union currently has the world's only operational ASAT system.

Based on the Soviet system's test record over the past decade, their operational ASAT now has approximately the same reliability as we expect with our ASAT once it is developed—following, of course, a number of tests, and that could take some years from today.

The Soviet operational ASAT is not ineffective as some claim; but, rather, it poses a direct threat to certain U.S. satellites.

A U.S. testing moratorium would deny the United States the opportunity to conduct tests of its system against space targets, something we have yet to do. This would concede ASAT supremacy to the Soviet Union—permitting them to remain the only nation with an operational ASAT system indefinitely.

This asymmetry favoring the Soviet Union would be a powerful disincentive for them to negotiate in good faith with the United States in Geneva.

Senate adoption of a moratorium amendment would be interpreted by the Soviets as a demand on the President for unilateral U.S. concessions. This would haved a very detrimental impact upon the Geneva negotiations.

It is this Senator's position—and I so recommend to the Senate—that we allow the existing law to remain, which, of course, requires a report before the testing; and it seems that that would protect adequately the basic concerns that are held by the Senate.

I conclude with the observation that both our Ambassadors made—namely, that this amendment would give the Soviets the essence of what they have asked for in Geneva. It would be a unilateral concession that would erode the negotiating position of the United States.

Mr. PRESSLER. Mr. President, will the Senator yield?

Mr. WARNER. Mr. President, I had originally agreed to allow the Senator from Georgia to speak for a few minutes. I will then be happy to yield to the Senator from South Dakota.

Mr. CHAFEE. Mr. President, a parliamentary inquiry. How much time remains for the proponents?

The PRESIDING OFFICER. Forty-five minutes.

Mr. WARNER. Mr. President, I yield to the Senator from Georgia such time as he may require.

Mr. NUNN. Mr. President, during debate on the defense authorization bill last year, the Senate adopted by a 61 to 28 vote a compromise on ASAT's that was crafted by a number of Senators, including Senators WARNER, TSONGAS, and myself.

At the heart of that amendment was an agreement that we should reject both extremes in what had become a very polarized debate on this issue.

At one extreme, the administration was arguing that the testing of our F-15/MHV [Miniature Homing Vehicle] ASAT system had to go forward and that there were no opportunities in arms control for any ASAT limitations or restrictions of any kind.

At the other extreme, others were arguing that there should be no testing of our ASAT system against objects in space unless the Soviets resumed testing of their operational coorbital ASAT. This position was adopted by the House in its version of the fiscal year 1985 defense authorization bill.

During last year's debate, I stated that the administration's proposition on ASAT negotiations was "a dubious conclusion based on dubious logic." I also said that I believed that the position of the ASAT moratorium advocates provided "neither an incentive for the administration to move toward negotations with the Soviets nor an incentive for the Soviets to be motivated to bargain in good faith."

For these reasons, I was pleased to support the middle ground compromise which we were able to work out in protracted discussions off the Senate floor. Under this provision, the Defense Department was permitted to go forward with the space flight test program for the F-15/MHV provided the President certified that the United States was "endeavoring, in good faith, to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on antisatellite weapons consistent with the national security interests of the United States."

Mr. President, in approving this restriction, the Senate, by an overwhelming margin, rejected the administration's claim that there was no point in trying to negotiate any limits or restrictions on ASAT's. To the contrary, the Senate insisted that ASAT's be put on the negotiating table and that the administration make a good faith effort to achieve—if not a total ban, which may not be possible—then at least a partial ban or other strict restriction on ASAT's.

Although the ASAT provision that was enacted into law in the fiscal year 1985 Defense Authorization Act was superseded by the ASAT provision that was included in the fiscal year 1985 Defense Appropriations Act, the appropriations bill preserved the "negotiating in good faith" restriction.

To date, there has been no Presidential certification on ASAT's, and one is not expected until later this summer when the technical problems that have delayed the program are hopefully corrected. But when and if the first test against an object in space is ready to go, the President will have to certify that the United States is endeavoring to negotiate strict limitations on ASAT's.

Mr. President, this is the law. The compromise that was so painstakingly crafted last year remains on the law.

THE KERRY AMENDMENT

Turning to the Kerry amendment, the amendment offered by the Senator from Massachusetts seeks to overturn this compromise. The amendment proposes to move the Senate from the sensible middleground position which Congress enacted last year to an extreme position that was specifically rejected.

Last year, Congress agreed that development of the U.S. ASAT and arms control should proceed on a "dual track." The Kerry amendment would, as I interpret the amendment, bring development of the U.S. ASAT to a halt, thereby derailing one of the two "tracks."

Last fall, President Reagan declared that it might well be appropriate in the course of negotiations on nuclear and space arms to agree with the Soviets on certain "interim restraints" that would improve the prospects for success in these talks. Administration officials indicated that a mutual and verifiable moratorium on ASAT tests in space was one of the types of "interim restraint" the President had in mind.

The new Geneva negotiations are enormously complex, and limitations affecting one type of weaponry, such as ASAT's and other kinds of strategic defensive systems are interrelated with negotiations in the other two groups, those addressing INF and strategic offensive systems. For this reason, I believe it best that the President have the flexibility to determine when and how various "interim restraint" measures might advance the negotiations.

This is not to say that ASAT's should not be on the table in Geneva. They should. It is just to say that the President and our negotiators should have flexibility in deciding when to propose "interim restraint" measures such as an ASAT moratorium that are intended to enhance the prospect that our overall goals in the talks will be achieved.

I am also concerned by the declaratory nature of the moratorium proposed in this amendment. Given the problems we already face with Soviet violations of agreements that took years to negotiate and are spelled out in detail, I believe we are inviting severe problems of interpretation and compliance if we simply declare unilaterally what the conditions of this moratorium are.

For example, the amendment would lift the moratorium if the Soviets conduct a test of an antisatellite weapon against an object in space.

We could ask questions about that. Perhaps the Senator from Massachusetts could answer these. If so, it would help clarify the amendment.

But is the Soviet ground-based laser at Sary Shagan considered an "antisatellite weapon" under the amendment? What would constitute a "test" of that laser against an object in space?

For these reasons and for other questions that I have, particularly the question of Presidential flexibility in the arms control negotiations, I will not be able to support the Kerry amendment.

Mr. President, in opposing this amendment I in no way intend to suggest to the administration that it should have a free hand to proceed with the development of the U.S. antisatellite without a parallel initiative in the area of arms control.

I take the provision now in law very seriously and would emphasize that before the first test of the U.S. ASAT against an object in space can be conducted, the President must certify that the United States is endeavoring in good faith to negotiate the strictest possible ASAT limitations.

In this regard, I must say that I was disturbed to receive a letter dated May 20 from the Director of the Arms Control and Disarmament Agency, Director Adelman, which takes no note of this fence and suggests that the timetable for the U.S. ASAT test against an object in space is being determined only by technical factors.

To quote from that letter:

> * * * no US moratorium on ASAT tests exists; tests of the MV ASAT system are following a schedule determined by technical factors.

Mr. President, I am not going to debate whether a fence should be a described as a moratorium or a pause. That is certainly a legitimate question. But I do reject any inference from the letter, which I certainly hope was not intentional and may have been an oversight, that there are no conditions in the area of arms control that must be satisfied before these tests can proceed, because the law very clearly sets forth that that certification is required. I know the Senator from Virginia was part of that amendment last year. I think it was a good result because it did reflect the interests of Congress in a good faith negotiation. It showed that Congress was interested in having our side do as much as possible to get some agreement in the ASAT area consistent with the national security interests, and I know it is a complex area and not one that is easy to solve.

So I really believe that we are at a stage now where we should not support this amendment, but if anyone offered a better amendment, I might be able to support that. I know that perhaps the Senator from Massachusetts has another amendment in mind.

I talked to Senator PRESSLER. He may have another amendment in mind.

I would support an amendment that reaffirmed the requirement for a certification that was in the law and is still part of the law and cited in congressional concern in that regard.

Mr. WARNER. Mr. President, I thank the distinguished Senator from Georgia.

Indeed, I recall very vividly the debate in this Chamber last year and the role that he and I, and others, played in reaching a consensus, and I think we should pay special tribute to Mr. Tsongas, our former colleague, because as we proceeded to reach that compromise again his leadership came to the forefront.

I think if he were here today he would be supportive bascially of the position as recited by the Senator from Georgia because he was keenly aware of the importance of the arms control negotiations, and could recognize the impact of this amendment in what I presume to be in his judgment an adverse way if it were to be adopted.

I judge from the remarks of the Senator from Georgia that he concurs with me that the existing law provides adequate protection.

Mr. NUNN. Mr. President, I believe that the existing law is the best balance between the desire to have serious arms control negotiations on ASAT by our side and by the other side and the concern about what would happen if we go forward with tests without having that kind of negotiation.

The reason I would support a strong reaffirmation of congressional concern, whoever poses that type of amendment, is because I am concerned about the Adelman letter and it's not mentioning that certification.

There are a lot of tactics that have to go on in negotiations, and I understand the complexity of them. I think the President needs real flexibility in this area in this point of time, but I do want to make sure we are seriously negotiating.

I would support an amendment reaffirming strongly that congressional commitment, but I do think the law now does cover that certification.

I want to make sure the administration understands that.

Mr. WARNER. Mr. President, I appreciate the Senator's concern for the letter of May 20 from Mr. Kenneth Adelman. Indeed, I share his views, that there is a fence, as we call it, posed by the President's report, and it was a failure on the part of Mr. Adelman in this letter to reflect recitation of that law. I think it was just an oversight.

Mr. NUNN. As I said, that may very well be the case. I am sure he will clarify that for us—I hope he will—and I hope he will make sure the Senator from Massachusetts is informed because I am sure he understands and is concerned about that omission as I am also.

Mr. HATFIELD assumed the Chair.

Mr. WARNER. Before I speak further, Mr. President, I see the Senator from Massachusetts is on his feet.

Mr. KERRY. Mr. President, will the distinguished Senator from Virginia yield for a question?

Mr. WARNER. Yes.

Mr. KERRY. Mr. President, I ask the Senator, with respect to the comments referred to today by Mr. Kampelman and Mr. Tower, how is it that one can allege, on the one hand, that it is somehow a moratorium that is going to preclude us from negotiating effectively for ASAT controls when, in fact, it is our side that has refused to negotiate about ASAT's at this moment at the talks?

Mr. WARNER. Mr. President, I think the distinguished Senator from Massachusetts is aware that, while much of the first round of negotiations has been made public, indeed it is in the interests of this country that our negotiators keep unto themselves and within the inner circles of the administration, since the administration, under the Constitution, has the very exclusive role in the area of foreign affairs, the totality of the negotiating tactics.

I will only reply with the observation that the clear and unequivocal and unemotional response to me by both Ambassador Kampelman and Ambassador Tower this morning was to the effect that this amendment would, in essence, embrace much of what the Soviets desire at this present time in this area of negotiations and that it would, in the words of our negotiators, give the Soviets the essence of what they have asked for in Geneva—I asked for a note on this—and it would be a unilateral concession that would erode our negotiating position.

Mr. KERRY. Will the Senator yield further?

Mr. WARNER. Yes; I will yield to the Senator. I just want to finish this thought.

I have tremendous confidence, as, indeed, I believe the American people do, in these two men. Therefore, I attribute to their conclusions given to me this morning the greatest of weight. I know my colleague from Massachusetts does likewise.

Mr. KERRY. Well, as the Senator knows, I share respect for both of those negotiators, as well. I think there is an understanding of the complexity of those negotiations that affords the need for the United States to obviously have leverage with respect to those negotiations. Indeed, one can never bargain from a position in which you have nothing to bargain.

I wonder if the Senator would explain to me—because I have a great deal of difficulty understanding this—how it is that when you can test against points in space and when you have a system as volatile as an F-15 homer based rocket system, which is extremely hard to verify, how it is that the existing threat that we currently hold in our ability at any moment in time—at any moment in time, next week, 1 month from now, 2 months from now—whenever the President of the United States wants to, he can say, "The security interests of the United States require that I test. I am going to test."

I do not understand why that threat and a window of opportunity without those tests alters our hand in what we have to negotiate.

The Soviets openly, for the world to hear, have stated their willingness to sit down and negotiate on this very subject, on ASAT's. We said no. We turned away for other reasons besides just ASAT's, because of the SS-20 imbalance in Europe. And I recognize that.

But why is it that, given our current negotiating hand, we do not have the ability to sit down without the test? How do the tests alter that so greatly?

Mr. WARNER. Mr. President, I would like to read to the Senator a page from the testimony before the Strategic Subcommittee dated April 12, 1984. Our colleague, Senator BINGAMAN, posed much the same question. I will state Senator BINGAMAN's question:

> To what extent would that action or further development or testing of ours (ASAT) impair our ability to reach any arms control, meaningful arms control, in this area?

The response was given by Ambassador Robert Buchheim, the Carter administration ASAT negotiator. This is his response:

> In my opinion, sir, the answer is no. If we go ahead with our test program, nothing is going to change that has had any significance and, in my opinion, we should go ahead with our test program.
>
> I think the last thing that the United States needs is to address this question in the next several years in the absence of any knowledge as to whether our preferred system will work or not.
>
> As a straight matter of technology and investment in national security, I think we should go ahead and test the thing that we have designed and built.

That shows a continuity of viewpoints in the men that the two administrations have trusted in the arms control negotiations with this issue.

Mr. PRESSLER. Will my colleague yield?

Mr. WARNER. First, I will yield to the distinguished chairman of the Armed Services Committee and then I will yield to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, it has been a constant source of amazement to me over many years, particularly since the Soviets have become a possible enemy of ours, why we constantly object to the development of weapons systems.

I might remind my colleagues that there has never been a weapons system built in the history of man that at some time there was not a counterweapons system designed and built that would offset that weapons system.

Now, what are we talking about? Many countries have satellites up there—satellites that can do any number of things, satellites that spy for them and spy for us; they provide us with communication, they provide them with communication.

The satellites can also be designed to destroy other satellites. We have every reason to believe that the Soviets have that ability, as do we, to a certain extent.

But what we are talking about, which is the same subject we discussed last year and the year before that and it probably will go on and on, is having a moratorium on the testing of antisatellite weapons to be used against space objects, and the proviso is that unless the Soviets test their operational system again or they break off the defense in space negotiations in Geneva.

Now, Mr. President, we do not have a moratorium on ASAT testing. We have tests of miniature homing vehicle ASAT's going on at the present time. We are limited to a certain number a year and to certain sizes. We are following a schedule determined by technical factors.

Mr. President, here once again we are getting into the field of denying the United States the development of a weapons system that we feel is absolutely necessary. I wish it were not so. I wish we were at a place where we did not have to worry about weapons at all. Unfortunately we have not reached that happy state in this world in which we live.

I agree with my good friend from Virginia, who has been arguing this case, that the amendment would have very damaging consequences for our arms control negotiations with the Soviet Union in Geneva. I believe, frankly, that yesterday in our actions on the Minuteman, we offered a weakness again to the Soviets that they can—I do not know if they will—exploit. But it is there for their possible use.

The amendment that we are arguing about call for the United States to accept one of the Soviet conditions for negotiation. I do not think we really want that. I do not think the U.S. Senate wants to be in the position of offering our enemy an advantage over us. I think our job is to be developing weapons that will have an advantage over our possible enemy.

The system that we are working on, Mr. President, will be a more sophisticated system than the operational ASAT that the Soviets now have. It will not be more lethal. Any weapon is lethal that can kill. There is no such a thing of being more or less.

The Soviet system has been successful in 9 of 15 tests for an effectiveness of some 60 percent. And I will say, Mr. President, this is comparable to the level of effectiveness we hope to achieve, which we have not achieved yet, with the U.S. system.

Our testing has only progressed to a very minor point of using the F-15 aircraft, using a weapon that can go more and more into the area we call space against targets that we have prescribed which in themselves are rather limited but will be effective in proving that we can achieve what we want.

We are a long way from achieving a success in this mission that we have to achieve. Nobody is going to be happy with a system that is not at least 90 percent effective. We have not even reached the stage where we can say we

are effective in reaching targets in space. I think we are making good progress.

Mr. President, I do not think it is wise for the Senate of the United States or the Congress of the United States to once again be trying to placate our possible enemies. I think it is rather time that we start impressing our possible enemies with the fact that they are not going to win against us. We are going to win against them. I hope very strongly that this amendment will be defeated.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. If my colleague from Virginia will yield time.

Mr. WARNER. Mr. President, I yield time to the Senator from South Dakota. Could he indicate how much he would like?

Mr. PRESSLER. About 10 or 15 minutes. I will go as fast as I can. I shall summarize.

Mr. WARNER. I yield 10 minutes.

Mr. PRESSLER. Mr. President, I rise in opposition to the Kerry amendment with a great deal of pain. I want to compliment his efforts. He quite correctly cited the November 1983 report of the Foreign Relations Committee, which in fact I strongly supported and helped to write. This might appear to be a change of position on my part, and I would like to explain that.

First of all, the Geneva talks have reopened. That is a major change and improvement from the time we finished that report in November 1983. Second, one portion of the current negotiations is dedicated to space and defensive weapons. The scope of those talks clearly encompasses ASAT and any other related issue either country should wish to raise. Thus the major purpose of last year's amendment has been fulfilled. Now we must look to the future of these talks as they relate to our security.

When I was in Moscow in 1981, I had an opportunity to meet with Victor Karpov, a top Soviet arms control negotiator. He said that if talks did resume, they might well last for 10 years. Strob Talbott's recent book on nuclear arms mentions that prediction by Mr. Karpov.

I hope an agreement is reached sooner than that. But the point is the circumstances we are operating under in May 1985 are different from the ones we operated under in November 1983.

The Congress should not try to micromanage diplomacy and defense by binding every defense development to some diplomatic contingency. What is even more important, we must not fail to do what is necessary for our security. To do any less would harm our negotiating position and the prospects for an effective agreement.

I am preparing an amendment, should the pending amendment not be successful, and am working with other Members to retain a certification or recertification requirement on the third or fourth test. That amendment is under negotiation at this moment. Hopefully it will be in final form soon.

The situation we are facing is far more complex than a cursory glance indicates. Is restraint on testing an ASAT weapon against an object in space an effective impediment to the development of ASAT weapons? If testing is not allowed to continue, it will impede our security and arms control position. A unilateral moratorium on testing would have little effect on the Soviet ASAT program. Of course, the Soviet Union has the world's only operational ASAT capability. It has already been tested against objects in space. Therefore, even a mutually observed moratorium is in effect a unilateral constraint on the United States. Last year the Senate decided that the desire for talks outweighed impediments to our miniature homing vehicle. But a study of the issue reveals that the Soviets could have an orbital ASAT. Our own F-15-launched miniature homing vehicle is only the tip of the iceberg. What lies beneath is large enough to make a moratorium such as that proposed here, irrelevant. The fact is the Soviet Union is proceeding rapidly with its own military space program, the components of which include high energy Earth-based lasers, low energy Earth-based lasers which can disrupt satellites, and electronic countermeasures designed to the same end.

Further, the GALOSH ABM system has the capability for a direct ascent ASAT. It has become clear why the Soviets would like to discuss only what they call space strike weapons. Their tactic is to avoid discussion of their own fast ASAT program. The Senate should not be taken in by the Soviets. I believe that we can study the details and recognize the difficulties without losing our desire for progress in arms control. That is certainly my approach. As I have mentioned later I probably will offer an amendment which suggests some avenues which should be pursued in the space and defense portions of the Geneva talks.

Last year I asked the Office of Technology Assessment to examine what had become known as the rules of the road in space. Space is becoming very crowded and increasingly important to our security. Just as we have traffic laws for our roads, sealanes and the air, we should discuss a set of rules in space. At the very least we should consider agreeing not to interfere with other satellites in space.

We might also discuss what might be called an incidents in space agreement. This would be a recognition that accidents can happen. There should be some form of consultation in case such accidents or otherwise unexplained events occur. Finally, we should address what was the original concern motivating the amendment we are now considering ASAT arms control. The negotiating forum has now been provided. We must ensure that we proceed in it intelligently. This will require that we not abandon measures for security while we engage in discussion. It also requires that we address the relevant issues. Therefore, any ASAT discussions must include all ASAT capabilities, whether explicit or implicit, whether space-based or Earth-based. To do otherwise would produce some momentary sense of progress, but would ultimately undermine the arms control process.

Mr. President, in conclusion let me say that during the events leading up to November 1983, I had an amendment which was cosponsored by the Senator from Massachusetts, Mr. Tsongas. We offered it here on the floor. A compromise amendment was worked out. That amendment's purpose has in part been achieved because now the Geneva talks have reopened, and do have a different situation than we had at that time.

Mr. President, I very reluctantly oppose this amendment.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, can I have 5 minutes?

Mr. KERRY. Mr. President, I yield 5 minutes of my time. Point of inquiry. How much time do we have remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 25 minutes remaining.

Mr. KERRY. Thank you, Mr. President. I yield 5 minutes to the distinguished Senator from Rhode Island.

Mr. CHAFEE. Thank you.

Mr. President, I support this amendment to establish a moratorium on the testing of antisatellite weapons against objects in space through the fiscal year 1986. This amendment would continue the current ASAT moratorium as long as the Soviet Union continued to negotiate in good faith to limit ASAT weapons.

As the talks in Geneva progress, the most constructive thing that Congress can do would be to continue the test moratorium. If, however, the Soviets were to test any ASAT of their own, the commitment to the moratorium on the part of the United States would end.

This amendment would not stop us from carrying on vital research on ASAT technologies nor stop us from ASAT tests against points in space. Limits in ASAT weapons are in the best interest of the United States and the Soviet Union. Each nation relies on satellites to provide an early warning of attack and to link military command and control. Through vital satellite vulnerability, ASAT threatens the security the satellites provide. For these reasons, the United States and the Soviet Union have both engaged in a moratorium on testing ASAT weapons, the United States since last year and the Soviet Union since 1982, in hopes of further agreements.

At present, and this is the point of contention, some say the Soviets have it all and, therefore, we have to develop this technology. I do not believe that, and I do not think the facts demonstrate it. I am prepared to say that neither the Soviets nor the United States possess a significant lead in operational ASAT technology.

Neither side can destroy the other's vital military satellites.

The present Soviet ASAT has very marginal capability, and I believe presents no significant threat to America's national security.

The Soviet ASAT has been unreliable and is limited to the altitude and orbit that it can reach. Due to these constraints, the Soviet ASAT is a potential threat mostly with ocean reconnaissance and weather satellites.

The administration has testified that it intends to conduct ASAT tests this summer. Such tests will give the United States an operational ASAT weapon. But such tests are going to inevitably provoke competition from the Soviets.

I am going to quote once again just a short paragraph of what the Foreign Relations Committee said 18 months ago unanimously.

> We have lived with the Soviet ASAT for 15 years. A further delay of limited duration in testing the F-15 based system seems justified if it can lead to averting an open-ended space arms race.

There is the point. The real threat to the United States is not the existing Soviet ASAT capabilities, the real threat is that the Soviets will really get into this business. Once that happens, we are off to the races in real competition between the two nations.

Mr. President, I would like to make two principal points, if I may.

Satellites are valuable to both sides but they are more valuable to the United States than they are to the Soviets. If satellites become vulnerable, we lose more than they do.

The second point: No one can doubt the ability and the determination of the Soviets to match us if we plunge into this race. Anybody who thinks we are going to outdo them, that we are more technically competent than they are, that we have this extra something, I think are kidding themselves. Once this F-15 test goes forward, the barn door is open. They are going to be foursquare into it and so are we, and we have a lot more to lose than they do.

Some suggest that we should forget the consequences and plunge ahead. You cannot trust the Russians. We should have the best weapons.

This is a very dangerous attitude and nobody can gainsay the fact that when the United States went ahead with MIRV's, it was a horrendous mistake that has dogged us ever since. It was the United States that started the MIRV's, not the Soviets. It is extremely destabilizing and we have not been able to put that cork back into the bottle.

Now to the argument about hamstringing our negotiators.

First of all, Mr. President, I am appalled that Mr. Adelman wrote every single Senator a personal letter: "Dear Senator CHAFEE, Dear Senator NUNN, Dear Senator WARNER," and never acknowledged the existing fence around Presidential actions concerning ASAT. This is a point the distinguished Senator from Georgia made earlier.

Maybe it was an oversight, but to me it is an example of the cavalier attitude that those in charge of negotiations are taking toward this ASAT business. "We are going ahead. We have the technology. We will do it in June or July. Forget any fence." The second argument is; "Don't restrict our negotiators in Geneva."

Mr. President, how much stronger that argument would have been 1 year ago when we debated this in June. Then what a marvelous argument it would have been to say, "Do not restrict anything we do in ASAT because then the Soviets have no incentive to come to the table. While we are giving them everything on the platter, they will not negotiate. "They are getting everything from the U.S. Senate and the U.S. Congress without a bit of negotiation."

Well, that was not so. They came to Geneva, even though we had this moratorium.

It seems to me that what we are talking about here is—will the Senator yield 1 additional minute?

Mr. KERRY. I yield 1 additional minute.

Mr. CHAFEE. It just seems to me, Mr. President, that the argument that contends, "Don't hamper our negotiations in Geneva," could end up with making us just bystanders in this Senate. Do we have nothing to say about what the most significant foreign policy matter that faces the Nation and the world is? Do we have nothing to say about what kind of weapons such as intercontinental ballistic missile weapons, are developed? Do we have nothing to say about whether we should proceed with building more submarines in defiance of SALT II or should we observe the SALT II limits?

This can make us eunuchs around here, as far as arms control goes—mere bystanders.

I have confidence in our negotiators, but I do not think we should fall for the argument that we cannot do anything that might possibly affect the negotiations in Geneva.

This is a reasonable amendment. We lived with it last year for 1 year. I hope my colleagues will adopt it.

Mr. NUNN. Will the Senator yield?

Mr. CHAFEE. Yes.

Mr. NUNN. I want to reiterate what the Senator said. I will not vote for the amendment, but I think he is right.

We may have these negotiations going on for 3 or 4 years. All of us will have to make judgments about these things, whether or not this approach may provide leverage and also the dangers on the other side. But we have to continue to play a role in weapons systems. That is our job. We have to continue to monitor the arms control talks. We have observer groups and other groups following that. I think the Senator is making an important point.

We may be going through these talks for 3 or 5 years. SALT I took 2 or 3 years, and SALT II took a long number of years. We cannot go through a vacuum here in the Senate of the United States every time these things come up in Geneva. We have heard the argument of, "Do not do this because of Geneva." I believe we have to take Geneva into account every time we vote on a major system, but I think we have to exercise our own individual judgments about the balance between arms control considerations and precedents, and so forth.

Mr. CHAFEE. I wonder if the Senator would speak on the time of the Senator from Virginia. I would like to hear his observations.

Mr. NUNN. I have finished what I wanted to say. I just think we need to make sure we exercise our judgment about the best interest of our security.

Mr. WARNER. Mr. President, in the spirit of this debate, and I will allow myself such time as I may require, I will perhaps give the Senator a few more minutes of my time so that Senator NUNN may continue his observation.

Mr. CHAFEE. That is extremely generous. I would like him to continue. That was music to my ears.

Mr. WARNER. May I say on the foundation of this policy, Mr. President, that it is the intention of this Senator, following the Senate's action on the pending amendment, to send to the desk an amendment which, in effect, would embrace what I believe is a consensus being formed here on the floor today; namely, that legitimate concerns are being expressed with respect to the balance that must be

struck on the one hand of a test moratorium, as proposed by our colleague from Massachusetts, and on the other hand, of giving the administration a, shall we say, free hand when we have concerns here in the Senate. My suggestion, and I shall reflect it in the amendment I shall send forward, would be that the Senate reaffirm the existing law, and the legislative history around such reaffirmation, I think, will clearly express the Senate's opinion on this subject.

Mr. President, I am willing to yield 5 minutes to the distinguished Senator from Georgia and the Senator from Rhode Island to pursue their colloquy.

Mr. NUNN. Mr. President, I do not have anything else to say on this subject. We want to get the views of those in Geneva, but this is going to be a long-term proposition. We cannot fund every single weapons system that might give us a bargaining position. I know that. I am willing to strongly consider arms control considerations in all of the areas we are concerned with.

I am not prepared to put any kind of moratorium on tests here, but I do recognize the dangers being pointed out here by ASAT's on both sides. We really do need an ASAT agreement. I happen to believe the best way to get an ASAT agreement which would protect the assets of both sides, which is crucial to our security, is not to have a moratorium. But if the moratorium would be helpful in that respect, I would be more inclined in that direction.

I congratulate the Senators in bringing up their amendment. I do share the frustration at having the head of the Arms Control and Disarmament Agency send over a letter that had no reference whatever to a part of the law that is critical to the Congress and was the subject of great deliberation in the Senate in framing that amendment.

Mr. CHAFEE. I thank the Senator from Georgia because anytime he speaks in this area, it is significant. As everyone in the Senate knows, he is a man of great influence and prestige and knowledge in this field.

I reiterate the point I made, that we just cannot withdraw completely from all control of nuclear weapons because something is going on in Geneva. We have confidence in the negotiators, we are going to try to support them, but we have to speak up.

In this particular area, as the Senator from Massachusetts mentioned in his opening remarks, we are taking the genie in the bottle and letting it out—once that F-15 test goes off, then all Marquis of Queensberry rules are done with. It is a race. And I do not blame the Soviets. If I were in charge of Soviet activities, I would say that this is dangerous to our satellites and that we had better do something. Now we are in a situation where neither side is threatened. This is one of the crucial points.

Some are going to say that the current Soviet capability is dangerous to our existing satellites, but I just do not believe this is true.

I yield back the floor.

Mr. KERRY. Mr. President, may I inquire how much time both sides have?

The PRESIDING OFFICER. The Senator from Massachusetts has 37 minutes remaining. The opponents of the amendment have 49 minutes remaining.

Mr. GORE. Will the Senator yield?

Mr. KERRY. In one moment, I shall yield. I just want to inquire of my colleague, the Senator from Virginia, whether he anticipates utilizing all of his time or whether he would be willing to yield some of that time to us?

Mr. WARNER. It is the desire of the Senator from Virginia to expedite this vote. Quite frankly, I am nearing the point where I am prepared to yield back my time and indicate that it is the intention of the Senator from Virginia to move to table this amendment.

Mr. KERRY. I appreciate that, Mr. President. As the Senator knows, I am anxious to work with him with respect to the issue of any subsequent language, However, there are a number of Senators who have requested time to speak, and I would like to be able to honor their request. I also ask unanimous consent to add Senator BIDEN, of Delaware, as a cosponsor of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERRY. I yield 10 minutes to the distinguished Senator from Tennessee [Mr. GORE].

Mr. GORE. Mr. President, I compliment my colleague, the Senator from Massachusetts [Mr. KERRY], for his leadership in focusing the attention of the Senate on this issue. Before I get into the substance of what I would like to say about it, I want to ask the Senator from Massachusetts whether or not I am correct in concluding that the amendment before us would not affect anything other than the F-15 system. Is that correct?

Mr. KERRY. That is correct, Mr. President.

Mr. GORE. I think that is important to underscore, because there has been some concern in the past that efforts to get at the ASAT controversy were really disguised efforts to get at SDI.

While there is a dual-use overlap in some systems such as infrared seekers, the Senator from Massachusetts is not intending in this amendment to get at the question of SDI. That will be for another day.

I also want to address a question to the Senator from Virginia because I very much share my colleague's expression of the balance that is needed in approaching this issue. When the Senator from Virginia expressed his intention pending the outcome of this amendment to ask for a continuation of current law, I found that very interesting. I want to ask the question: Does the Senator from Virginia mean all aspects of the current law, including the limitation in current law on the number of tests which would be allowed? Would the Senator continue a limit on the number of tests allowed?

Mr. WARNER. That is a very pertinent inquiry, and it is under examination at this time. The factors that will govern the eventual amendment to be considered by the Senator from Virginia on that issue. I was one of the principal draftsmen of the compromise last year together with our distinguished former colleague from Massachusetts [Mr. Tsongas].

At the time we were drawing up that amendment, the test program envisioned three for the fiscal year 1985 period. As my distinguished colleague from Tennessee recognizes, technical considerations precluded that test program in that timeframe. On the assumption that those technical considerations are being resolved, I do not want to impinge too severely on the program of fiscal year 1986. At this time, I am receiving some information that what was the 1986 program was modified by the delays in 1985. I shall address that point somehow in the amendment I intended to send up.

Mr. GORE. I am glad to hear that, Mr. President. I hope the Senator from Virginia will allow me in my remarks to present some arguments for including the same sort of restriction in the law we are writing here as exists in the current law. I believe very strongly that a limit on the number of tests should be retained.

In discussing a limit on the number of tests, we are talking about a benchmark for establishing what is an operational system. We are talking about a system under development in the United States which leapfrogs the capability of the Soviet system currently in operation. We are also seeing a new interaction between the capability of ASAT's and the projected configuration of SDI. I ask the Senator from Virginia to speculate with me on why it is that the Soviet Union has suddenly fallen silent about the whole question of ASAT.

In the past, they were very eager and anxious and rancorous in insisting upon a ban on ASAT tests and development. They have, since the beginning of the arms control talks in Geneva, and really since the new seriousness in the United States with respect to SDI became evident, ceased to advocate such a ban.

Now, it seems to me that we in the United States ought to look carefully at why the Soviets have stopped talking abut ASAT and we ought to ask ourselves the questions, "Might this not be yet one more reason why it is in our national interests to avoid triggering a more rapid race in ASAT capabilities?" I believe that it is.

If we are going to discuss these matters in the arms control talks, we ought to be very careful about not crossing that threshold of verified operability that too many tests would establish. The Senator from Massachusetts would allow continued tests against points in space. Some say that the threshold is one test against an object in space. But I think that a better view is that a certain number of successful tests, perhaps 3 to 5, define when a system becomes operational. Therefore, the restraint contained in current law is very wise in my opinion. If we could get that result at the other end of this debate I think that the national interest would, indeed, be greatly served.

Mr. WARNER. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. GORE. I would be delighted to yield.

Mr. WARNER. The Senator is addressing his remarks on the time of the proponents?

The PRESIDING OFFICER. That is correct.

Mr. GORE. I have expressed concern about this system on many occasions. Last year as a Member of the other body, I helped to carry a successful amendment quite similar to the one we have before us here. I must say in all candor to this body that I was even more concerned last year than this, and I want to explain why. There have been public expressions of concern about the alleged vulnerability of Soviet launch detection system satellites to the F-15 system. If the Soviet Union is concerned that this ASAT may be able to knock out the launch detection satellites in the Molniya orbit, they might very well look at the ability they have to adjust the perigee of that orbit. I would simply submit that there is a very easy, technically simple and cheap fix for that concern.

Also, I would say that both the Soviet Union and the United States ought to become much more serious in talking about a ban on high altitude systems which would really put in jeopardy the early warning satellites on both sides, which are absolutely critical to the stability of the nuclear arms race, both the crisis stability and the arms race stability.

I might say one other thing with respect to the expressed Soviet concern about the possible vulnerability of their Molniya orbit to this particular system, and that is there is not only a fix available to them if that concern is real but there is also a fix available to us; that is, we could agree with the Soviet Union on certain restrictions on the basing of the system under discussion. The concern I have been speaking about which the Soviets have expressed would never in any event come into the area of a real concern unless this system was based on carriers in the Southern Hemisphere.

At the present time, this system is not compatible with carriers. We could simply refrain from taking steps to make this system compatible with carrier landings and takeoffs. And we could agree not to base it in the Southern Hemisphere.

The PRESIDING OFFICER. The Senator's 10 minutes has expired.

Mr. GORE. I ask the Senator from Massachusetts if I might have just 1 or 2 more minutes.

Mr. KERRY. I yield 2 minutes.

Mr. GORE. I appreciate my colleague's courtesy. I think this body is in his debt for raising this very, very important issue and dealing with it so eloquently and articulately.

In conclusion, Mr. President, I believe that while the concerns that opponents of this amendment have expressed have real substance and I think should be taken into account, on balance I believe the amendment of the Senator from Massachusetts should pass because I think it can be reviewed at any time in the future, and while we are discussing these matters, some exercise of restraint on our part would be in the national interest.

Now, if the amendment of the Senator from Massachusetts does not pass, I would strongly urge the Senator from Virginia to include in the balanced, wise compromise that I am sure he is prepared to offer the Senate, that he include the restrictions on the number of tests that are involved in current law. I would point out that although current law speaks to the 1985 fiscal year, none of those tests in fact took place in the 1985 fiscal year for the reasons stated by the Senator from Virginia. And if it was wise last year, it is wise this year as well.

This would allow them to take up where they were when this issue was discussed last year without any prejudice to the program, and without any worsening of the arms control problems that are raised by an unlimited move toward development and deployment of these systems.

Again, in closing, I compliment my colleague, the Senator from Massachusetts, for his leadership on this issue and I yield the floor.

Mr. WARNER and Mr. KERRY addressed the Chair.

Mr. KERRY. Mr. President, I believe the floor was yielded back to me.

The PRESIDING OFFICER. Any Senator has the right to the floor.

The Chair recognizes the Senator from Virginia.

Mr. WARNER. Mr. President, I will momentarily yield the floor. I just wanted to reply to our colleague from Tennessee as to the proposal that I will eventually send to the desk.

The provisions that will be forthcoming in my amendment, quite frankly and candidly will be directed toward the arms control consideration. In my judgment, that is the paramount consideration. The Senator spoke of the fact that a year ago we established a number of tests. But since that time, we have, fortunately resumed negotiations with the Soviets. It is my judgment those negotiations are of paramount consideration and I would incorporate my judgment in how best to reflect that paramount consideration in the amendment that will be forthcoming following the Senate's disposition of the pending matter.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WARNER. I yield for a brief question.

Mr. GORE. I have such confidence in the wisdom of my colleague that I am sure the ultimate product will include the same wisdom he used in designing last year's amendment.

Mr. WARNER. I would not wish to leave the impression with our colleagues that it will take a specific weapon with a specific number of tests. I am not addressing that issue. I simply say to my colleagues that my amendment will be reflective, in my judgment, of what is necessary to give our negotiators the support that I think they are owed from Congress. The amendment will speak for itself.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, first, I thank the Senator from Tennessee not only for his support on this amendment but also for his warm comments of support and encouragement, and especially his praise. I think the Senator from Tennessee is the one who deserves praise for leadership on these arms control issues. I respect his opinion enormously and am gratified to have him as a supporter of this amendment, particularly as he is a member of our observer group at the Geneva talks.

Mr. President, the Senator from Michigan [Mr. Levin] had asked me for 5 minutes. I do not see him on the floor. While waiting for him I inquire as to the amount of time remaining.

The PRESIDING OFFICER. The Senator from Massachusetts has 22 minutes remaining. The Senator from Virginia has 46 minutes remaining.

Mr. KERRY. I thank the Chair.

Mr. President, I believe an effort is being made to see if we can locate the Senator from Michigan.

At this time, I wish to call the attention of the Senator from Virginia to a New York Times article of August 3, 1984, written by Leslie Gelb. I read from it:

> Senior military officers, countering the view of some civilian leaders, have expressed reservations about the need for a low-altitude antisatellite weapon, according to Administration sources.
>
> Important segments of the Navy, in particular, are said to believe that ships at sea can evade detection by Soviet satellites. . . .

I might also say that State Department officials, including Richard Burt, Assistant Secretary for European Affairs, favor a temporary ban until 1990 on low- and high-altitude systems. I think we should take that into account as we make this determination.

Mr. BINGAMAN. Mr. President, will the Senator yield for a question on this amendment?

Mr. KERRY. I am delighted to yield.

Mr. BINGAMAN. As I understand the language that is in the present law, we have a three-test limit imposed on the administration during fiscal year 1985. It is my understanding of how that language came about that there was an effort to create an incentive for the Soviet Union to negotiate about ASAT and an incentive for our own administration to negotiate about ASAT. The best device that could be thought of to accomplish that was to impose this three-test limit. Under such a limit the Soviets would have an incentive to negotiate seriously in order to constrain the deployment of our more capable system. They could not simply sit at the table and block development of our system, as they could under a complete moratorium. The administration, which has obviously been reluctant to pursue an ASAT arms control agreement, would want to negotiate seriously under a three-test limit because three tests would not be enough to complete deployment of our ASAT, even if all the tests were successful. The administration would be in a better position to convince the Congress to permit the additional tests needed to deploy our system, if the Congress felt a serious effort at ASAT arms control had been made.

Is that the Senator's understanding of how the present language came about?

Mr. KERRY. The Senator is correct. That is my understanding.

At the time, I think there was a further reason, that there was a window of opportunity; because at the time the Senator from Virginia has spoken of, the technical status of our testing schedule was such that there was not a plan to commit a test at the particular moment within the limits that were passed. So between June and March it was relatively easy for some people to accede to that, because there were not going to be any tests.

It was hoped that pressure would create a climate within which progress would be made. It is my view that we are making progress, because we are at the talks. Since the Soviet Union has publicly offered a ban on antisatellite weapons at the talks, the queston which keeps coming back to me is why—in view of the fact that they have made the offer and we are there talking—why this rush to judgment?

The Senator is correct.

Mr. BINGAMAN. Will the Senator yield for another question? Perhaps the Senator from Virginia will yield for a question at this point.

My concern with the amendment that is pending before the Senate, the amendment of the junior Senator from Massachusetts, is that it changes the present law by essentially prohibiting testing of our ASAT, so that the three-test limit is no longer there, and the compromise that was worked out in the House-Senate conference committee last year is changed. I gather that ASAT testing would be allowed to go forward until October 1, provided the President made the necessary determination and certifications. Beginning on October 1 there would be a moratorium on testing. Is that the understanding of the Senator from Virginia?

Mr. WARNER. At this time, my amendment is being put in its final draft.

I just leave with the Senator the representation that I am doing my best to draft into this amendment confirmation of 1985 and a recitation with respect to 1986 which is parallel to 1985.

Mr. President, while I have the floor, if the Senator will indulge me, I am very anxious to urge that we have a vote as soon as possible. A number of our colleagues have approached me. I am prepared to yield back the time; and, out of courtesy to the distinguished Senator from Massachusetts and his predecessor, Mr. Tsongas, I will not move to table, and I will let the Senate work its will on an up-and-down vote.

Mr. KERRY. I appreciate that. I also recognize the many demands Senators have. I do not think we have a tremendous amount of time. I should like to ask the Senator a couple of questions.

How many tests does the Senator feel are necessary within the framework of the next year?

Mr. WARNER. Mr. President, those materials, in my judgment are classified; and, as such, I feel a constraint on responding to the Senator.

Mr. KERRY. I am not asking for how many are currently planned. I recognize that that is classified, and I know the answer to that. I am asking for the Senator's opinion as to how many the Senator believes we need in the next year.

Mr. WARNER. Again, I am highly influenced by the same classified information the Senator possesses. My amendment, in effect, would recite the 1985 law and provide for constraints in 1986 comparable to what we had in 1985.

Mr. KERRY. So it is my understanding that the Senator is willing to accept some constraints with respect to the testing issue.

Mr. WARNER. In the sense that I feel a very important constraint is brought to our attention by the Senator from Massachusetts and the Senator from Georgia, of the reporting requirements at present. That enables the Congress of the United States to remain informed and to promptly thereafter exercise its will, if its will is at variance with that of the President of the United States.

Mr. KERRY. I thank the Senator.

Mr. President, I yield 2 minutes to the distinguished Senator from Michigan. Meanwhile, I should like to discuss with the Senator from Virginia the language of an alternative. I yield 2 minutes to the distinguished Senator from Michigan.

The PRESIDING OFFICER (Mr. Evans). The Senator from Michigan.

Mr. LEVIN. Mr. President, first, I say to my friend from Massachusetts that I understand the constraints that are applicable here with respect to travel.

Mr. President, before it is too late, both superpowers should avoid plunging into an irreversible course in ASAT development. Today, neither the United States nor the Soviet Union has antisatellite systems that can threaten the satellites of the other with any reliability. Without limits on ASAT's, however, I fear that both superpowers will plunge ahead on an irreversible course of ASAT development that will make us both less secure.

We should observe mutual limits on ASAT's. That will serve our national interest.

Mr. President, the genies are in the bottles, both genies. They have their genie in their bottle; we have our genie in our bottle. We can argue as to whose genie is bigger. Probably their genie is bigger at the moment. After some of our tests, our genie may be bigger.

The point is they are both in the bottle now, and it serves our national security to keep them there, and that is exactly what we should do by observing a mutual moratorium on ASAT testing.

I commend my friend from Massachusetts for offering this amendment.

Today, the genies are still in their bottles. The proposed moratorium on ASAT testing will keep those genies in their bottles and allow us time to attempt to negotiate a comprehensive space weapons agreement with the Soviets.

The United States today is heavily reliant on satellites for command, control, communication and intelligence. American satellites monitor compliance of arms control agreements and serve as early-warning stations in the event of a surprise attack. ASAT's are destabilizing weapons that could disrupt these activities during a crisis, thus increasing the likelihood of war. The reason for this lamentable conclusion is as follows: out of fear of losing their satellites, the eyes and ears of their military forces, both superpowers might be more inclined to strike first with their own ASAT's or even nuclear weapons.

Fortunately neither the United States nor the Soviet Union is in a position today to mount an effective attack on the satellites of the other country. The present Soviet ASAT system is rather primitive and does not yet provide them with significant military capability or advantage. Informed Western observers of the Soviet ASAT system conclude the following:

> The Soviet ASAT program has a poor testing record and could not be considered a reliable and useful weapon during a Soviet-American conflict. The last six Soviet tests, which ended in June 1982, were failures. They have succeeded only once in attacking an object in space.
>
> Soviet tests have revealed many shortfalls in their ASAT program inlcuding: long lead times between launches of their ASAT's, no high altitude capability, limited orbital inclinations and excessive warning time from launch until attack.
>
> Additionally, the Soviets have only a single ground-based facility for their ASAT's and have never flight-tested more than one ASAT at time.

Today, the Soviet ASAT is only capable of attacking at low altitudes. The most essential American satellites are at high altitudes way beyond the range of Soviet ASAT's. These include satellites used for photo reconnaissance, electronic intelligence, early warning of attack, nuclear explosion detection and most communications and navigation.

American satellites at lower altitudes are used for ocean reconnaissance and weather forecasting and are not considered of great military significance during a crisis. Considering the apparent unreliability of the Soviet ASAT system at present, even these low-altitude satellites are not at great risk. In the future, satellites at these lower levels could become even less vulnerable as we develop and implement systems to maneuver our satellites away from attacking Soviet ASAT's.

A reciprocal testing moratorium on ASAT's would reduce the probability of a disabling first strike by Soviet ASAT's against American satellites. Without adequate testing, the Soviets could not use their ASAT's with sufficient confidence that they would succeed in crippling American satellites.

But without a moratorium on ASAT testing we could be endangering our satellites in the future. If the United States successfully tests the F-15 based ASAT system this summer, we would once again contribute to the technology spiral that has characterized our arms race with the Soviets for almost four decades. The Soviets would surely resume their ASAT tests and push development of more advanced ASAT's that could threaten American high-altitude satellites in the future. The genies would be out of the bottle and it would be ever harder to put them back.

At present the United States relies extensively on satellites. Our reliance could increase if the defensive systems such as strategic defense initiative, are successful. For that reason alone it behooves the administration, therefore, to do everything possible to insure protection of our satellites. We must of course seek an agreement on ASAT limitations with the Soviets. We can start by observing a mutual testing moratorium.

We have the means today to verify such a moratorium. The present Soviet ASAT system is rather large and crude and can be easily monitored. Verification in the future will be more difficult if the Soviets develop a smaller, more sophisticated, less conspicuous system. It is easier to verify limits on tests today than it will be to verify limits on numbers of ASAT's after deployment in the future.

The testing moratorium in this amendment is a two-way street. If they show a willingness to limit the arms race in space, then we will cooperate. We foreclose no options for the future if agreement with the Soviets is not reached.

A testing moratorium is a first step in preventing an already perilous world from becoming more dangerous. At issue is the protection of satellites which both superpowers are so reliant upon for vital military functions. We know from history that neither side will allow the other a significant advantage in the ability to attack and disable enemy satellites.

Mr. KENNEDY. Mr. President, I am pleased to join as a cosponsor of this important amendment, and congratulate my colleague from Massachusetts for carrying on this effort, to which our former colleague, Senator Tsongas, devoted so much time and dedication.

We stand at a crucial threshold in the extension of warfare into space. Over the past decades, both the United States and the Soviet Union have deployed a variety of satellites that are essential to our security. Communications, early warning, intelligence, navigation, photo reconnaissance, and meteorological satellites are essential to our security, providing us vital information to warn of dangerous developments during time of crisis, and crucial command, control, communications, and intelligence should the time ever come that we are forced to take military action against aggression. As three eminent scientists observed in a recent Science magazine article:

> In peacetime [satellites] provide both the U.S. and the U.S.S.R. with prompt and virtually irreplaceable intelligence about each other's military forces and operations. As a consequence they are essential to many aspects of military planning, and they are indispensable to the verification of compliance with strategic arms-control agreements. In a political crisis involving the superpowers the prevention of armed conflict would depend to a considerable degree on satellites as tools in assessing the actions of the other side. If hostilities were to break out, whatever chance there might be of averting a catastrophic escalation could rest on the continued flow of surveillance information and communications from satellites.

It is apparent that the threatened loss of those capabilities would deal a serious blow to the United States and our national security. It is for this reason that the prospect of an arms race in antisatellite weapons poses a serious threat to world peace.

At present, both sides possess very limited ASAT capabilities.

The Soviets possess a limited, low-altitude capability that has experienced difficulty in testing. The United States has begun a testing program for its own low-altitude ASAT interceptor, with significantly greater capabilities than the Soviet system.

The proponents of continued testing of the U.S. miniature homing vehicle antisatellite system argue that it is necessary to counterbalance the Soviet "operational" system. But an examination of the relative dependence of the United States and Soviet Union on low-altitude satellites demonstrates that a U.S. low-altitude system is much more threatening to the Soviets than their low-altitude system is to the United States and is likely to lead the Soviets to end their own ASAT moratorium, and embark on an effort to develop a high-altitude interceptor. As Professor Garwin has observed:

> Although some U.S. military satellites are still in low orbits and hence are potentially vulnerable to the present Russian antisatellite system, most U.S. satellites are at altitudes far beyond its reach.
>
> The military satellites of the U.S.S.R., on the other hand, are predominantly in low orbits, and they also have much shorter lifetimes. A much greater fraction of the Russian satellite fleet is threatened by the current generation of low-altitude antisatellite weapons, although the higher rate at which the U.S.S.R. launches replacement satellites offsets this vulnerability to some extent.

Although some have pointed to the military dangers posed by the Soviet EORSAT and RORSAT surveillance satellites. Adm. Noel Gaylor, former CINCPAC and Director of the NSA has observed that jamming and deception of radar satellites and emissions control measures that deny electronic intelligence can be highly effective, leading him to conclude that protecting U.S. satellites against an ASAT war outweighs the military utility to the United States of denying the Soviets the use of the satellites during hostilities.

The importance of a mutual, verifiable moratorium on ASAT testing now cannot be underestimated. Testing is the key stage, since it lends itself best to verification. If the United States proceeds now with testing against an object in space, and develops an operational ASAT capability, the ability to constrain an ASAT arms race will be severely limited. I can think of no better way to improve the climate in Geneva than for the United States to announce that it will continue to observe the de facto ASAT moratorium so long as the Soviets do not test an ASAT and negotiations continue. For this reason, I urge the adoption of this amendment.

Mr. KERRY. Mr. President, I am informed the distinguished Senator from Florida has a plane that he wishes to try to catch, and I want to try to help him do that.

So I will just take a couple minutes to summarize and then I will ask for the yeas and nays.

Mr. President, I heard the distinguished chairman of the Armed Services Committee earlier today say that we should not give something to the Soviets unilaterally and say that he regrets that people are too often opposed to the building of any kind of weapons system.

Let me just make very clear that this amendment in no way gives something unilaterally to the Soviet Union. It does not give up anything. It gains something. We do not ever lose the right to proceed ahead to build an ASAT system. We do not ever lose the right, if our national security declares it and if the President wants to merely certify it, to go ahead and build a system.

What we gain is the opportunity to be able to negotiate with the current perceived threat level as we understand it between our two nations so that we do not create a whole change in circumstances.

Second, I say for the record that this Senator is willing to vote for any system that makes sense, that will enhance the national security of the United States and what we need and at that moment when we do need it.

But we are not terminating a system, nor are we saying no to a system here. We are merely saying let us open the door a little longer to give the talks an opportunity to produce something before to give the talks an opportunity to produce something before we take a step that could be irrevocable, that could shut the door, that could open up a whole new arms race.

I think, given the balance and the equities here, given the opportunity that we have, it makes sense to us.

We always seem to fall prey to that argument: One more time, give us one more system, give us one more piece, give us another satellite, give us another ship, give us another missile, give us one more, and it is going to make a difference; and there is not one bargaining chip in history that has ever made that kind of difference. We just go on to the next level of building.

We do not have to do it now and I certainly will work with the distinguished Senator from Virginia. We have already begun discussions as to what alternative language might be acceptable. I will accept restrictions, but I think the Senate should first vote on the issue of whether or not it is willing to open that door at all now, and I hope it will do so.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WARNER. Mr. President, I have stated the intention of this Senator to submit an amendment of basic outlines. I pledge to work with my distinguished colleague from Massachusetts in the same way that I worked with his predecessor last year.

Having said that and recognizing the desires of many Senators to vote now, I yield back all of my time.

Mr. KERRY. Mr. President, I yield back my time.

The PRESIDING OFFICER. All the time having been yielded back, the question is on agreeing to the amendment of the Senator from Massachusetts.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maine [Mr. COHEN], the Senator from Mississippi [Mr. DANFORTH], the Senator from New Mexico [Mr. DOMENICI], the Senator from Oregon [Mr. PACKWOOD], and the Senator from New Hampshire [Mr. RUDMAN] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Oklahoma [Mr. BOREN], the Senator from Arizona [Mr. DECONCINI], the Senator from Illinois [Mr. DIXON], the Senator from Iowa [Mr. HARKIN], the Senator from Louisiana [Mr. LONG], and the Senator from Montana [Mr. MELCHER] are necessarily absent.

I further announce that the Senator from Louisiana [Mr. JOHNSTON] is absent on official business.

I further announce that, if present and voting, the Senator from Montana [Mr. MELCHER], and the Senator from Iowa [Mr. HARKIN], would each vote yea.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 35, nays 51, as follows:

[Rollcall Vote No. 95 Leg.]

YEAS—35

Baucus
Biden
Bingaman
Bumpers
Burdick
Chafee
Cranston
Dodd
Eagleton
Gore
Hart
Hatfield
Heinz
Inouye
Kennedy
Kerry
Lautenberg
Leahy
Levin
Mathias
Matsunaga
Metzenbaum
Mitchell
Moynihan
Pell
Proxmire
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stafford
Weicker

NAYS—51

Abdnor
Andrews
Armstrong
Boschwitz
Bradley
Byrd
Chiles
Cochran
D'Amato
Denton
Dole
Durenberger
Evans
Exon
Ford
Garn
Glenn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hawkins
Hecht
Heflin
Helms
Hollings
Humphrey
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
McConnell
Murkowski
Nickles
Nunn
Pressler
Quayle
Roth
Simpson
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Zorinsky

NOT VOTING—14

Bentsen
Boren
Cohen
Danforth
DeConcini
Dixon
Domenici
East
Harkin
Johnston
Long
Melcher
Packwood
Rudman

So the amendment (No. 239) was rejected.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KERRY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ANTISATELLITE WEAPONS

Mr. PELL. Mr. President, I was pleased to be a cosponsor of the excellent amendment offered by the Senator from Massachusetts [Mr. KERRY]. I regret its defeat. I am joining in support of the proposal made by the Senator from Virginia [Mr. WARNER] in the hope that this substitute will help in keeping the way open for successful negotiations.

Last year, the Congress went on record in favor of negotiations on antisatellite weapons. Unfortunately, the administration has not seen fit either to seek separate ASAT negotiations or to incorporate ASAT discussions into the new talks in Geneva.

To date, Congress has maintained

Mr. President, I sought recognition, after which we can take up those

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To date, Congress has maintained strict controls on ASAT tests. As a result, a moratorium on tests of our new F-16—based ASAT system against objects in space is currently in effect, pending submission of a presidential certification. At the same time, the Soviet Union appears to be observing a unilateral moratorium on tests of either its existing system or an improved one. As a result, there is a tremendous opportunity to achieve ASAT arms control.

The Soviets announced the current moratorium to an official Senate delegation I led to Moscow in 1983. In the course of a lengthy discussion, the late Soviet Presidium chairman, Yuri Andropov said the Soviets were introducing a unilateral moratorium on launching ASAT's into space so long as other nations, including the Soviet Union, show similar restraint. Mr. Andropov indicated the Soviets were prepared to reach agreement "to eliminate anti-satellite systems already in existence and to ban creation of new ones," as well as a ban of tests and of deployment of space-based weapons. We were subsequently given a text.

The delegation recognized that there were significant obstacles to agreement and that verification would be a key issue. Nonetheless, the delegation concluded:

> All told, though, we believe that the Soviet proposal should be treated seriously, for the latest Soviet draft appears to be more forthcoming than previous proposals. Accordingly, we urge that the Administration move expeditiously to reopen negotiations on an ASAT ban. Only negotiations will determine whether the Soviets are genuinely interested in banning ASAT's and weapons in space. Only through negotiations can we find whether the Soviet Union will agree to a strong and effective verification regime.

Mr. President, the delegation's judgment in 1983 remains valid today. Fortunately, there is still an opportunity to place strict limits upon or to ban anti-satellite weapons. I hope the Senate will be prudent in maintaining its support for negotiations and in continuing its support for testing controls so that talks can be seriously pursued.

Mr. WARNER addressed the Chair.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair. Mr. WARNER was seeking recognition also. I wish that the distinguished Senator from Virginia can be recognized in order that I may ask him to yield to me.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I yield to the minority leadership.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Virginia.

Mr. President, I sought recognition merely to inquire of the distinguished majority leader about what the program will be for the rest of the day.

Mr. DOLE. Mr. President, in response to the distinguished minority leader's request, as I understand it, there are still two ASAT amendments—one by the distinguished comanager of the bill, Senator WARNER, and one by the Senator from South Dakota, Senator PRESSLER.

I am not certain, but I think there will be at least one rollcall vote, and maybe two on these amendments. Then I hope we can turn to the two amendments of the Senator from Michigan—or that we first turn to any amendment which will require a rollcall vote. I know the Senator from Michigan has two amendments. The Senator from Massachusetts, Senator KENNEDY, has two. One may be in the process of being worked out. The Senator from Wyoming has one amendment which he will discuss but not vote on. The Senator from Ohio, Senator METZENBAUM, has an amendment on which there will not be a vote.

Mr. LEVIN. Mr. President, if the majority leader will yield, there will be no vote on my amendment.

Mr. DOLE. As I see it, the possibility of votes will be on the ASAT amendments and maybe on the labor amendment of the distinguished Senator from Massachusetts, Senator KENNEDY, if that is pursued.

Mr. KENNEDY. Mr. President, I am quite prepared to offer that amendment at this time with a time limitation of 15 minutes evenly divided. I wonder if we are disposed to do that at this time. But if we are not going to be able to do it at this time, I can appreciate the order that has been outlined by the majority leader. I would be prepared to do that, unless we are going to be able to go over until another time. I am quite prepared, if the leader wants to do it at this time—that is, to enter into that agreement. I understand the leader wants to finish the other ASAT amendments.

I think we are going to be hard-pressed to make such a time limitation later in the day.

Mr. DOLE. I thank the Senator for his cooperation. Perhaps we can move to the ASAT amendments, and I can get back to the Senator within the next 15 minutes.

Mr. WARNER addressed the Chair.

Mr. PRESSLER addressed the Chair.

Mr. BYRD. Mr. President, will the Senator yield briefly?

Mr. WARNER. I yield.

Mr. BYRD. As I understand what the distinguished majority leader has said, I had better inquire again. Is he saying that those amendments on which rollcall votes will be required are going to be taken up first so that Senators may leave, if they have to go after which we can take up those amendments which can be disposed of on voice votes?

Mr. DOLE. That is correct. There will be four or five amendments that can be worked out after the last rollcall vote, and a number of other Senators have other commitments starting on an hourly basis.

Hopefully we can dispose of amendments requesting a rollcall vote in the next hour or hour-and-a-half.

Mr. BYRD. I thank the majority leader, and I thank the distinguished Senator from Virginia.

AMENDMENT NO. 240

Mr. WARNER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

> The Senator from Virginia [Mr. WARNER] proposes an amendment numbered 240.

Mr. WARNER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the appropriate place in the bill, insert the following:
>
> (a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated or made available in this or any other Act may be obligated or expended to test against an object in space the miniature homing vehicle (MHV) anti-satellite warhead launched from an F-15 aircraft unless the President determines and certifies to Congress—
>
> (1) that the United States is endeavoring, in good faith, to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on anti-satellite weapons consistent with the national security interests of the United States;
>
> (2) that, pending agreement on such strict limitations, testing against objects, in space of the F-15 launched miniature homing vehicle anti-satellite warhead by the United States is necessary to avert clear and irrevocable harm to the national security;
>
> (3) that such testing would not constitute an irreversible step that would gravely impair prospects for negotiations on antisatellite weapons; and
>
> (4) that such testing is fully consistent with the rights and obligations of the United States under the Anti-Ballistic Missile Treaty of 1972 as those rights and obligations exist at the time of such testing.
>
> (b) The limitation on the expenditure of funds provided by subsection (a) of this section shall cease to apply 15 calendar days after the date of the receipt by Congress of the certification referred to in subsection (a).
>
> (c) Notwithstanding any other provision of law, none of the funds authorized to be appropriated or made available in this or any other Act may be obligated or expended to conduct more than 3 tests against an object in space the miniature homing vehicle (MHV) antisatellite warhead launched from an F-15 aircraft unless the President makes the determination and certification contained in subparagraphs (1) to (4) in section (a) above after the third test against an object in space.

Mr. WARNER. Mr. President, the Senator from Virginia has endeavored in the amendment that is now pending at the desk to strike a balance between the purport of the amendment of the Senator from Massachusetts which has just been acted upon by the Senate and the concerns of another Senator with respect to the future of this ASAT program.

The amendment at the desk offered by the Senator from Virginia provides in section (a) in the same manner as the existing law.

Likewise, section (b).

The new section, new in the sense as distinguished from the action of the Congress in 1985, is section (c). I will read that very carefully.

Mr. President, I wonder if I might again ask the Chair to have order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WARNER. The Senator from Virginia is now reading from the amendment at the desk, the amendment which is now pending, and reciting the added provision over and above what was put into law last year.

> (c) Notwithstanding any other provision of law, none of the funds authorized to be appropriated or made available in this or any other Act may be obligated or expended to conduct more than 3 tests against an object in space the miniature homing vehicle (MHV) antisatellite warhead launched from an F-15 aircraft unless the President makes the determination and certification contained in subparagraphs (1) to (4) in section (a) above after the third test against an object in space.

So, essentially, we would have in this amendment a proposal for fiscal year 1985 which parallels basically that offered and accepted by the Congress in fiscal year 1985.

Mr. President, I intend to be brief because a number of our colleagues asked that there be a vote on this. With the assurance I had given that this amendment would be forthcoming, they may well have cast their vote on the preceding matter in a manner such as they now could cast a vote on this.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BINGAMAN. Mr. President, I would just like to ask the distinguished floor manager a question about his amendment.

As I understand the amendment which is pending at the desk—and I am trying to obtain a copy—present law restricts the number of tests that can be conducted in fiscal year 1985 to three tests. The amendment which the Senator is now proposing places no restriction on the number of tests that can be conducted in fiscal year 1986. It merely requires a certification to the Congress that the need for additional tests exists.

Mr. WARNER. The Senator is correct. I selected this approach again in an effort to strike a balance between what I perceived as two extremes.

In my judgment, this clearly protects the interests of the Congress and at the same time can be interpreted in every respect as being supportive of the efforts on behalf of our negotiators in Geneva.

Mr. BINGAMAN. Let me ask one further question, if the Senator will yield.

If the administration determined that it wanted to conduct 8 or 10 tests between now and the end of fiscal year 1986, under the language of this amendment there would be no prohibition against the conducting of those tests. Is that accurate?

Mr. WARNER. The Senator is correct, provided there is a requisite certification. Once having received the certification, of course, the Congress has within its power the right to act.

Mr. BINGAMAN. Mr. President, I appreciate the Senator from Virginia yielding.

Mr. President, let me just state for any Senator who is listening that my concern about the previous amendment offered by the Senator from Massachusetts was that it changed present law by prohibiting any testing. I think that was not our intent last year when we dealt with this issue in the House-Senate Conference Committee. That approach would allow the Soviets simply to sit at the negotiating table and block testing and deployment of our ASAT.

My concern about this amendment, the Senator from Virginia's amendment, is that it takes the limits off, or takes the restrictions off, the number of tests the administration can conduct in 1986 so that if any ambitious testing schedule were pursued, our ASAT system could become fully operational within fiscal year 1986, which I think also is contrary to what we intended last year. ASAT arms control becomes pretty hopeless at that point, because of the verification difficulties which deployment of such an ASAT would pose.

My understanding of what was intended last year was that we wanted to create an incentive for the Soviets to negotiate. Therefore, we allowed some tests to occur.

We wanted to create an incentive for our own administration to negotiate and, therefore, we limited the number of tests so that an operational system could not be deployed.

In my view, this problem is not dealt with adequately here, and I have difficulty with the pending amendment, just as I did with the previous amendment. I would greatly prefer a simple extension of the 3-test limit for another year.

Mr. WARNER. Mr. President, I would like to address the concerns of my distinguished colleague, but I think in the spirit of fairness I would like to yield the floor to our distinguished colleague from Massachusetts. He indicated he wanted some time.

Mr. KERRY. Mr. President, I appreciate the gesture of the distinguished Senator from Virginia. I would like to hold on for a moment, if I may, until he completes his colloquy with the Senator from New Mexico.

Mr. WARNER. Mr. President, I say to my distinguished colleague from New Mexico that his interpretation of the amendment is correct. I feel that the amendment did capture what I perceived as a consensus here on the floor as the previous amendment was being debated.

The Senator is well aware of the fact that the Congress, after having received the information, would quickly and expeditiously act to rescind the use of funds and thereby curtail any test program, which, in the judgment of Congress, it believed not to be in the best interest of the United States.

I do urge my colleague to once again focus upon this amendment from the perspective of what this Nation is attempting to do in Geneva, in a difficult task, by our negotiators.

The Senate in its wisdom has now removed a substantial amount of money from the expense program. It has revised the MX, an action to which I contributed yesterday. It has in committee thus far, and in the bill, removed $750 million from SDI.

I think if the Senator will look at those actions, it could well lend an interpretation that Congress is somewhat less than supportive of what is taking place in Geneva.

This is an opportunity for the Senate to send a signal to the contrary, that the Congress does have full faith in the judgment of our negotiators and the administration acting with them to deal with this difficult issue in negotiations in a manner that is in the best interest of this country, and hopefully in a manner that will bring forth a fair, equitable, and verifiable arms control agreement.

I yield to my colleague from Georgia.

Mr. NUNN. Mr. President, this is the type of amendment I had envisioned which I talked to some of my colleagues about this morning. I believe it is a good amendment. It puts the focus, as it should be, on the importance of moving forward in the arms control jurisdiction on antisatellite limitations. It does require certification, in accordance with present law, a reaffirmation of present law, but it goes further than current law and says if we have three tests and do not reach an agreement, the President has to recertify that the additional tests are necessary. Is that a correct interpretation?

Mr. WARNER. Mr. President, the Senator from Georgia is correct.

I also acknowledge the very valuable contribution the Senator from South Dakota has made. He had some observations on this.

I do not have any particular pride of authorship. If someone can craft an amendment that I think captures the consensus of the Senate in a manner that is better than this one, I am perfectly willing to bring this one down and allow a substitute amendment to be put up. I felt it important at this critical point in the consideration of the bill to put before the body an amendment which is reflective of the consensus as I perceived it. I had an obligation to those on the last pending action to do so.

I would like to yield to my colleague, the Senator from South Dakota, if he has anything to add.

Mr. PRESSLER. No, Mr. President.

Mr. WARNER. Mr. President, I yield to the Senator from Arizona.

Mr. GOLDWATER, I have just a word, Mr. President.

I think this is a very, very good compromise. I think it should please everybody who is asking for a complete moratorium. This will allow us to continue testing in a very interesting test that we have been conducting for some time, a test that shows every promise of being more and more successful.

I congratulate my friend, the Senator from Virginia, for having formulated this amendment and I urge my colleagues to accept it and let us get on with the vote.

Mr. DOLE. Mr. President, have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on agreeing to the amendment of the Senator from Virginia.

Mr. WARNER. Mr. President, I had indicated that the Senator from Massachusetts [Mr. Kerry] would be yielded some time if he wishes to express his views.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the distinguished Senator from Virginia for his courtesy in holding up for one moment and also for his courtesy in extending me a time to express my views with respect to this amendment.

As the Senator knows and as the Senate knows, I would have wished a different outcome, but the Senate has expressed its will on the issue of any tests. Therefore, I believe, in a spirit in which I know the Senator from Virginia worked with my predecessor here, Senator Tsongas, last year, that it is important for the Senate to express some kind of concern about how we go about approaching the antisatellite testing issue and about the prerogative of the Congress with respect to its desire to have the President meet certain standards in proceeding forward. So, in the absence of an ability to achieve some restriction on the number, I think that restricting it to three tests and reasserting our rights to have certification with respect to those three and subsequently to have a certification with respect to any future tests is an important reassertion of the principle that was set by the Senate last year and by the Congress.

So I am pleased that the Senator from Virginia has worked on this and allowed me to work with him. I shall ask to join with him as a cosponsor. I thank him for this effort.

Mr. WARNER. Mr. President, I thank my distinguished colleague from Massachusetts.

I ask unanimous consent that the amendment now pending at the desk reflect that it is cosponsored by the distinguished Senator from Massachuetts.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I ask unanimous consent that I may send to the desk a technical correction to the pending matter. The correction is a very simple one. I want to make certain that the law with respect to 1986 is parallel with the law of 1985. That requires a waiting period of 15 days, which, in the haste of drafting the amendment, was overlooked.

The PRESIDING OFFICER. Is there objection to the modification?

If not, the amendment is so modified.

Will the Senator send his modification to the desk?

Mr. WARNER. The modification is being sent to the desk. I ask the indulgence of the Chair and the Senate as this very minor correction is being made.

I appreciate the distinguished counsel for the minority side for bringing this to the attention of this Senator. Again, it deals with the 15-day waiting period. I assure the Chair it will not be 15 minutes before this correction comes to the desk.

The amendment, as modified, is as follows:

At the appropriate place in this bill, insert the following:

(a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated or made available in this or any other Act may be obligated or expended to test against an object in space the miniature homing vehicle (MHV) anti-satellite warhead launched from an F-15 aircraft unless the President determines and certifies to Congress—

(1) that the United States is endeavoring, in good faith, to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on anti-satellite weapons consistent with the national security interests of the United States;

(2) that, pending agreement on such strict limitations, testing against objects, in space of the F-15 launched miniature homing vehicle anti-satellite warhead by the United States is necessary to avert clear and irrevocable harm to the national security;

(3) that such testing would not constitute an irreversible step that would gravely impair prospects for negotiations on antisatellite weapons; and

(4) that such testing is fully consistent with the rights and obligations of the United States under the Anti-Ballistic Missile Treaty of 1972 as those rights and obligations exist at the time of such testing

(b) The limitation on the expenditure of funds provided by subsection (a) of this section shall cease to apply 15 calendar days after the date of the receipt by Congress of the certification referred to in subsection (a)

(c) Notwithstanding any other provision of law, none of the funds authorized to be appropriated or made available in this or any other Act may be obligated or expended to conduct more than 3 tests against an object in space the miniature homing vehicle (MHV) antisatellite warhead launched from F-15 aircraft unless the President makes the determination and certification contained in subparagraphs (1) to (4) in section (a) above after the third test against a object in space and 15 calendar days have elapsed after the date of the receipt of the certification to Congress.

Mr. WARNER. Mr. President, I see no other Senator seeking recognition.

Mr. LEVIN. Mr. President, will the Senator from Virginia read some language which I have placed in front of him and tell me if he might accept that as a perfecting amendment to his amendment? It states, in light of the President's statement last fall that an offer of mutual restraints might be appropriate during these negotiations, that it is the sense of the Congress that the President consider offering to participate in mutual interim restraints on ASAT testing, during the pending negotiations, consistent with the President's statement last fall that an offer of such mutual restraints might be appropriate during these negotiations.

It carries out his own thought. I am wondering—I have had a chance to talk to the Senator from Georgia. Perhaps he might add a comment here. It does not catch him quite as much by surprise as it might the Senator from Virginia.

Mr. WARNER. Mr. President, I would not be able to accept that language. I shall be happy to enter into a colloquy with my distinguished colleague at some other time. I shall be happy to consider it.

Mr. LEVIN. I thank the Senator very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maine [Mr. Cohen], the Senator from New York [Mr. D'Amato], the Senator from Missouri [Mr. Danforth], the Senator from New Mexico [Mr. Domenici], the Senator from Nevada [Mr. Laxalt], the Senator from Oregon [Mr. Packwood], and the Senator from New Hampshire [Mr. Rudman] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. East] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. Bentsen], the Senator from Oklahoma [Mr. Boren], the Senator from Arizona [Mr. DeConcini], the Senator from Illinois [Mr. Dixon], the Senator from Florida [Mr. Chiles], the Senator from Iowa [Mr. Harkin], the Senator from Louisiana [Mr. Long], and the Senator from Montana [Mr. Melcher] are necessarily absent.

I further announce that the Senator from Louisiana [Mr. Johnston] is absent on official business.

I further announce that, if present and voting, the Senator from Montana [Mr. Melcher] would vote "yea."

The PRESIDING OFFICER (Mr. Gorton). Are there any other Senators in the Chamber desiring to vote

The result was announced—yeas 74, nays 9, as follows:

[Roll call Vote No. 96 Leg.]

YEAS—74

Abdnor
Andrews
Armstrong
Baucus
Biden
Bingaman
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Cochran
Cranston
Denton
Dodd
Dole
Durenberger
Eagleton
Evans
Exon
Ford
Glenn
Goldwater
Gore
Gorton
Gramm
Grassley
Hart
Hatfield
Hawkins
Heflin
Heinz
Helms
Humphrey
Inouye
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Mathias
Matsunaga
Mattingly
McClure
McConnell
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Pell
Pressler
Proxmire
Pryor
Riegle
Rockefeller
Roth
Sarbanes
Sasser
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Thurmond
Trible
Warner
Weicker

NAYS—9

Garn
Hatch
Hecht
Hollings
Quayle
Symms
Wallop
Wilson
Zorinsky

NOT VOTING—17

Bentsen
Boren
Chiles
Cohen
D'Amato
Danforth
DeConcini
Dixon
Domenici
East
Harkin
Johnston
Laxalt
Long
Melcher
Packwood
Rudman

So the amendment (No. 240), as modified, was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, as I understand it, the distinguished Senator from South Dakota [Mr. Pressler] will not offer an amendment on ASAT, so there will be no record vote required there.

The amendment by the Senator from Massachusetts [Mr. Kennedy], I understand, will not require a rollcall vote. The paramilitary assistance amendment, by Mr. Wallop, will not require a rollcall vote. The amendment relating to restoration of funds for Cumberland Depot may require a rollcall vote. SLEP's for the U.S.S. *Kitty Hawk*—is a rollcall required on that?

Mr. SPECTER. I do not expect to require a rollcall vote. Senator Heinz is involved in that.

Mr. HEINZ. We do not know.

Mr. DOLE. I am advised by the Senator from Utah [Mr. Garn] that the amendment on the Renegotiation Board could require a rollcall vote.

Mr. GARN. I have no amendment. It is a matter of whether someone else offers one or submits a bill, the way I have heard it, and I might ask for a rollcall vote.

Mr. STEVENS. I will join in that. Is it possible to get a time agreement on that?

Mr. DOLE. On the Renegotiation Board?

Mr. STEVENS. That is right.

Mr. DOLE. I wonder if the distinguished Senator from Ohio, if he is listening, can come to the floor, since there may be a rollcall vote on that amendment. There is a concern about which committee this may be referred to, which would initiate action on the part of the Senator from Utah [Mr. Garn].

What we need now are amendments that may require rollcalls. So, is the Senator from Pennsylvania prepared to proceed?

Mr. HEINZ. If the majority leader will yield, this Senator from Pennsylvania was otherwise engaged.

Mr. DOLE. May we have order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Let me indicate if we can dispose of these amendments without rollcalls and we have an agreement that certain matters be carried over, then we are prepared to announce that there will be no more rollcalls, but I am not quite yet ready to make that statement because I understand there may be a couple of amendments that could require rollcalls, one of them being by the Senators from Pennsylvania.

Mr. NUNN. Will the Senator from Pennsylvania give us a brief description of that amendment?

Mr. HEINZ. The Senator from Pennsylvania does not have the amendment in the form that he would be able to show it to the Senator from Georgia, but it has to do with some rather extraordinary language in the authorization bill having to do with the service life extension program involved with the *Kitty Hawk*.

Mr. NUNN. Does the Senator intend to offer any amendment on military construction? The reason I ask, there will be other amendments to that if that one were to be accepted or passed.

Mr. HEINZ. There is a possibility which we have been discussing with Senators Thurmond and Goldwater, that is right.

Mr. NUNN. If that amendment is presented, it will be required to pass a rollcall vote. If not, there will be another amendment to add a number of military construction projects.

Mr. DOLE. I wonder while we are disposing of the SM-2 amendment could we not discuss the amendment of the Senator from Pennsylvania to make a determination, either we are going to have a rollcall or not going to have a rollcall, so we could accommodate other Senators who would like to be elsewhere?

Mr. HEINZ. Mr. President, if the Senator will yield, I think that is a good idea. We might facilitate the work of the Senate if the Senator from California who is the author of the amendment were present. I was under the impression that he was going to be here for a discussion, but I do not see him at this moment.

Mr. DOLE. We will track him down.

Mr. KENNEDY. Mr. President, we are quite prepared to move ahead on this amendment.

Mr. DOLE. Is this SM-2?

Mr. KENNEDY. Yes.

The PRESIDING OFFICER. Does the majority leader yield the floor?

Has the majority leader yielded the floor?

AMENDMENT NO. 241

Mr. KENNEDY. Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. Kennedy] proposes an amendment numbered 241.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

BEST COPY AVAILABLE

None of the funds authorized to be appropriated in this legislation shall be expended for research, development, test or procurement associated with a nuclear variant of the Standard Missile (SM-2(N)) or any associated nuclear warhead until 30 calendar days after the Secretary of Navy submits to the Senate and House Armed Services Committee a report which includes the following information:

(1) a description of the circumstances under which the SM-2(N) would be utilized, and an assessment of likely enemy response (including countermeasures).

(2) a description of the release procedures and circumstances under which release would be authorized for employment of the SM-2(N).

(3) an analysis of conventional alternatives to the SM-2(N), including any necessary modification to the SM-2 or alternative to the Standard missile or warhead and the associated costs of those alternatives.

(4) a summary of all studies previously conducted analyzing the impact of the use of a nuclear naval surface-to-air missiles on our own vessels and electronics.

(5) a list of all U.S. ships which may receive the SM-2(N).

(6) the number of additional conventional armed missiles which could be carried by U.S. ships if the SM-2(N) were not deployed and the impact on fleet air defense from that reduced conventional load.

(7) Any plans or programs for the development of a nuclear armed surface-to-air or air-to-air missile for fleet defense other than the SM-2(N).

Mr. **KENNEDY**. Mr. President, my amendment would fence the $9.756 million for research on the SM-2(N) missile—the nuclear variant of the standard surface-to-air missile—as well as the funding for the associated warhead until we receive a report from the Secretary of the Navy on the current operational plans for the SM-2(N), the availability of conventional alternatives and the impact on our own forces of the use of a nuclear triggered surface-to-air missile for fleet defense. I am concerned that this weapon system is poorly conceived, its operational utility uncertain, and that to proceed now without answers to these important questions will escalate the problem of our overdependence on questionable nuclear systems.

It is ironic that at the very time we are phasing out the nuclear armed Nike-Hercules air-defense missile in favor of conventional systems like Hawk and Patriot for our ground forces, the Navy has begun the process of developing a nuclear warhead for its conventional air-defense missile—the standard missile. At the same time we are discussing nonnuclear kill mechanisms as part of strategic defense—including nonnuclear alternatives to surface-to-air systems like the Sprint and Spartan—the Navy seeks to add a new nuclear capability to the standard.

With all the debate over MX, D-5, cruise missiles and other strategic systems, we often overlook the problem of battlefield and tactical nuclear weapons. Yet the danger posed by the systems may be just as great, since their use—or in some cases, their very presence—may lead to an escalation that triggers a catastrophic strategic exchange.

Mr. President, there are a number of serious questions concerning the SM-2(N), which seriously undermine its desirability. Under what circumstances will it be employed? Will it be used prior to an enemy's use of nuclear systems, and thus constitute a first use by the United States, inviting escalation by the other side? If it is to be used only against the enemy's nuclear systems, how will the commander know when he is about to come under nuclear attack, since many of the Soviet systems, like ours, are dual capable? Are we to adopt a launch-on-warning policy for nuclear war at sea?

Given all the complexities associated with Presidential release authority for the use of nuclear weapons, how timely and effective will a nuclear air defense system be during an attack? Or will the presence of nuclear missiles simply complicate the task of fleet air defense?

Some of the proponents argue that presence of a nuclear air-defense missile will act as a deterrent to a Soviet nuclear strike. Yet, how likely is it that the prospect of losing one of its own missiles or even an aircraft will deter the Soviets, if the prize is an aircraft carrier? Even assuming the probability of kill is much higher with a nuclear warhead, it seems apparent that an enemy interested in crippling a carrier will be prepared to pay a high price to achieve its objective.

And, perhaps most important, is the damage we may inflict on ourselves should we ever use an SM-2(N). The collateral effects of a nuclear detonation to intercept an attacking missile or aircraft might be as harmful as the attack itself. The blast, radiation and most particularly the electromagnetic effects from the detonation could blind and deafen our sensitive sensors and electronics—such as the very Aegis radar needed to guide the standard—leaving our ships vulnerable to a properly phased enemy attack. It takes little imagination to realize that the adversary himself might see considerable advantages in causing us to use the SM-2(N) in response to an initial wave of attack, following up with a second, more lethal wave when our air defenses and other electronics were paralyzed by the effects of our own nuclear deterrents. Seen in this way, the self-inflicted damage from an SM-2(N) could make the system more valuable to the Soviets than to the United States.

At a time when our ability to procure adequate numbers of conventionally armed standards is in doubt, it seems foolhardy to spend hundreds of millions of dollars for developing a dubious nuclear capability. Clearly there are some advantages to a nuclear warhead—such as the reduced need for accuracy and the ability to overcome hardened targets. But far better to use the research funds to develop improved versions of the conventional missile and warhead—such as the proposed SM-3—with increased range and speed and improved guidance—to equal the advantage of a nuclear interceptor without the many disadvantages.

It is curious that, last year, when faced with the need to reduce the defense budget as a part of the Rose Garden agreement, the Defense Department itself offered up this program, proposing to eliminate the funding. The Senate agreed to zero fund the SM-2(N). It is apparent that the need for this system is not a high priority, even at the Defense Department.

Mr. President, I recognize that the world cannot be made nuclear free in a single gesture. I also know that our existing ship-based surface to air missile—the Terrier—is very old. But at the same time, I believe that the proponents of a new nuclear system bear a very high burden to justify the need to proceed. When I first came on the Armed Services Committee I learned about a new tactical missile—the JTACMS—which was supposed to raise the nuclear threshold and replace the dual capable lance missile. I discovered that, despite the talk of conventional systems, there was a plan to develop a nuclear warhead for JTACMS. Fortunately, with the help of Senator NUNN, we were able to head off that development. I appreciate the support of the chairman of the committee and ranking minority member in supporting my effort to get answers to the questions before we move further forward with the SM-2(N).

I have had the opportunity of working with the floor manager of the bill and we have worked out, I hope, an amendment which would accommodate his concerns and at least provide us with very substantial additional information on this particular weapons system.

I am concerned that we are moving into a new nuclear variant for a tactical missile and there have been serious questions about its utility and about its impact on our own forces and we need to examine whether there is a conventional alternative.

This amendment would effectively fence the funds until we get some answers from the Navy.

Mr. **NUNN**. Mr. President, I support this amendment strongly. I think the Senator from Massachusetts has a very sound argument and is raising questions that must be answered.

The question is whether we really need a nuclear warhead for a system that is primarily conventional and

whether we are going to start shooting nuclear weapons up in the air to protect Navy ships. That is a serious question. I do not think it has been justified.

I would probably support an amendment stronger than the Senator has here. I hope we get this accepted by both sides. It seems to me it is an appropriate point, unless the questions are answered in a convincing way. I think it is going to be difficult to answer in a convincing way. This program ought to go the way of some of the other nuclear programs have gone that have not been justified in any kind of scenario that makes sense that we can envision.

So I hope we will support this amendment and I hope we will hold firm on it in conference.

Mr. **GOLDWATER**. Mr. President, the majority studied this amendment and we think it is a good amendment and rather timely.

We are willing to accept the amendment. I heard the minority say they will accept it. So the amendment is accepted.

The **PRESIDING OFFICER**. If there be no further debate, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment (No. 241) was agreed to.

Mr. **KENNEDY**. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. **GOLDWATER**. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **KENNEDY**. I thank the chairman of the committee and the Senator from Georgia.

Mr. **GOLDWATER**. The bill is open to further amendment.

Mr. **WALLOP**. Mr. President, if the distinguished floor leader is prepared, I can work my amendment now on paramilitary aid.

Mr. **GOLDWATER**. Go right ahead.

AMENDMENT NO. 242

Mr. **WALLOP**. Mr. President, I send an amendment to the desk and ask that it be stated.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Wyoming [Mr. WALLOP] proposed an amendment numbered 242.

Mr. **WALLOP**. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

> At the appropriate place, insert the following: Notwithstanding any other provision of law, the Department of Defense shall be primarily responsible for providing military and paramilitary assistance, covertly as well as overtly, to such foreign governments, groups or factions as the President shall lawfully designate.

Mr. **WALLOP**. Mr. President, I hope that perhaps the Democratic cloakroom, and I have asked our cloakroom to ask for the attendance of the distinguished chairman and vice chairman of the Intelligence Committee because I think they would add to the conversation and it will not take us long.

But this is a very simple amendment. From time to time, our country provides military and paramilitary assistance to foreign governments, to groups or factions more or less openly or covertly. The assistance is provided for a variety of political ends. Those are ends which are debatable of and by themselves advisedly and not relevant to the capability of which I speak.

But it is a fact, Mr. President, military assistance, and this means it cannot accomplish its political ends unless it is militarily effective, to be militarily effective it has to be designed and delivered according to sound military criteria by people who know military operations.

For years now this has not been the case. The CIA has been the lead agency in providing covert paramilitary assistance. The aid it provides has often proven to be less effective than it should have been. In other words, our side has lost.

In other cases, we have simply furnished a lot of valuable equipment without a clean sense of the military purposes it would accomplish.

Further, and I would think that most every Senator in here would recall this, the CIA has told everyone who would listen that it is not comfortable with the role of paramilitary action.

My long experience on the Intelligence Committee convinces me that this is the case. They will state and seek to claim that they want the capability but they resist the tasks that must use that capability.

The amendment that I have proposed, Mr. President, does not take the CIA out of the paramilitary field. It merely gives to the Department of Defense, the military, the lead agency, the role in a field in which it alone is expert. As it is today, the military is involved under the CIA's guidance and this amendment would reverse those roles.

Today ordinary people around the world from Afghanistan to Cambodia to Nicaragua are fighting for their freedom against Soviet forces or Soviet proxy forces. The President, under established procedures and under the budgetary control of the Congress, may send aid to these people.

Mr. President, it does precious little good to send in hundreds of millions of dollars of equipment unless it is done according to proper military criteria with certain military expertise breaking that criteria to achieve certain military results.

Unless aid is sent in a militarily rational manner, it succeeds only in putting brave freedom fighters in the field with only enough to die and not enough to advance their cause of freedom. As the Soviet empire has expanded—and make no mistake about it, it has continually expanded since the end of World War II and nothing indicates that expansion has stopped—the need for such assistance on the part of this country has grown, not diminished.

This amendment gives the Department of Defense the leading role it ought to have. It also stops the muddying of waters in domestic and international public opinion that occurs whenever someone reveals that this or that liberation movement is assisted by the CIA. Like it or not, justified or not, this has acquired sinister overtones we can well do without and so, too, can those movements we seek to support.

So the purpose of this amendment is rather simple. It seeks to set responsibilities in this field straight. If the President lawfully decides to provide military or paramilitary assistance, overt or covert, to freedom fighters, the nature of that assistance dictates that the military should have primary responsibility. The President can involve the CIA if he wants. The President can involve the Department of Agriculture if he wants. For that matter, he can involve anybody as much as he wishes. But the law ought to say that the military things ought to be done in a militarily responsible manner.

I cannot describe to this Senate the number of times on this floor when we have discussed the covert assistance for Nicaragua, how many times the argument has been made, not that it is the right thing or wrong thing to do for the Contras, but it is the wrong thing to do for the CIA; it is bad for their reputation.

Well, bad for its reputation it may be, but it is their mission. And since we find, coming from within that Agency, this complaint about the tasks that it is required to do with the capability that it has been authorized to have, it seems more appropriate that this Senate and this Congress would place that capability—and it does not have to be developed, I might add—into the hands of the military. The simplest way to do that would be through the tract of this amendment. And in their hands we have seen in the past extraordinarily competent people in special forces, who are trained in third country deep penetrations and, through two or three small teams, can go in and help organize and help assist and develop deterrent resistance to all

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kinds of Soviet military entanglements As far as either one of us knows, the the Intelligence Committee and the

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kinds of Soviet military entanglements in various countries around the world.

This is irrelevant to the argument of any single covert action. This is irrelevant to any argument and is not designed to serve as criticism of those members of the CIA who quite competently serve in the field in this position. This has to do with leadership at certain levels below the top in the CIA that do not frankly like to be tasked with something which can cause them trouble. And when they do that and leak that, the next thing that happens is it causes trouble for the very people we seek to assist.

If the United States wishes to provide overt or covert military assistance, paramilitary assistance, it really ought to do that with its military arm. So that is what this amendment seeks to do.

I see that the distinguished Senator from Minnesota, the chairman of the Intelligence Committee, has entered the Chamber. I have discussed this amendment with him. He and I know that I do not seek to push it to a vote today, but I do seek to push it to a resolution in the form of a commitment to study this concept jointly with the Armed Services Committee so we may revisit it as soon as possible and that the aid that the United States provides may be the most effective that we can give with the least amount of controversy regarding which agency it may be that must provide it.

Mr. DURENBERGER. Mr. President, I would normally rise in opposition to the amendment of the Senator from Wyoming. But, as he has indicated, we have had an opportunity to discuss, in effect, our mutual interests in the causes that he advocates here today.

The amendment, if I read it correctly, would mandate in statutory language that a particular agency of Government—in this case the Department of Defense—have primary responsibility for the distribution of overt or covert military or paramilitary assistance.

The reality is that we have a somewhat less specific situation in the law, and in particular pursuant to Executive Order 12333, that exists today. That is the current President's Executive order as it relates to U.S. intelligence activity. It provides, in pertinent part, relative to the conduct of special activities approved by the President that:

> No agency except the CIA (or the Armed Forces of the United States in time of war declared by Congress or during any period covered by a report from the President to the Congress under the War Powers Resolution) may conduct any special activity—

And these are the important words—

> unless the President determines that another agency is more likely to achieve a particular objective.

As far as either one of us knows, the President has never chosen to use "unless the President determines that another agency is more likely to achieve a particular objective."

As a matter of fact, quite the reverse has been true, to the constant consternation, if you will, of those of us who have oversight responsibility for the CIA.

I believe, Mr. President, that the Senator from Wyoming has legitimate concerns relating to the matters that have come to his attention during his 8 years of service on the Intelligence Committee. I shared those concerns in the 6 years that I shared with him and in my current service as chairman.

I can assure the Senator, and I can assure everyone else who is concerned about this matter, that the committee is currently and will continue to pursue this particular matter and that appropriate measures will be taken including recommendations for corrective legislation if such recommendations are warranted. I hope we do this jointly with the Armed Services Committee. My friend from Wyoming certainly has my pledge, and I think that of practically anyone who has served on this committee for any length of time, that this is an issue that we ought to bring to resolution sometime during the course of this year.

Mr. WALLOP. Mr. President, I thank my friend from Minnesota. I hope that I could persuade him to be a little more specific, realizing that he cannot schedule, but I hope I could get him to join with me now in the colloquy with the distinguished manager and vice-chairman of the Intelligence Committee.

The purpose is here not to criticize anybody in the field who are brave men doing brave things. The purpose here is to criticize the hierarchical problem that has developed and the political concept that has developed that serves neither the interests of the United States nor the interests that we seek to pursue when these events become, as they always do, public. It is not our fault standing here—I guess that is not entirely true. It is our fault standing here that we leap in with bluster when it is leaked that the CIA is involved in one or another thing, no matter how legitimately they got there, and no matter how much with the approval of this Senate and this Congress. As soon as it becomes known, everybody jumps on the other side, waves flags, and creates a problem for the CIA but, worse, creates a problem for the people that this country seeks to help. That is the problem that I am trying to reach by suggesting this.

I appreciate what the Senator said, and we might try to revisit that this year. I hope we will revisit it this year. I hope I can be a part of a joint hearing that might be developed between the Intelligence Committee and the Armed Services Committee to lay out a case for the proposal that I am about to withdraw here.

Mr. DURENBERGER. If my colleague will yield, let me attempt to be a little more specific. We have planned for this year an analysis of the various procedures by which the executive branch, which has the responsibility to conduct this sort of activity, actually makes the decisions relative to the implementation of this activity. We have all felt ourselves—and we will be here when we do a series of amendments on June 5 this year—in the embarrassing position where 15 Members of this body cannot come to the floor, discuss that issue, and acknowledge at the same time that they are in any professional way involved with the issue.

That presents us with some practicalities. It also provides, as my colleague knows and has pointed out, some enormous practicalities for the Central Intelligence Agency.

So the process that we have set up now is that during the course of June and July a series of informal hearings into this and related subjects will take place, at the end of which we had hoped to come up with recommendations. If it is appropriate by way of dialog with the former chairman of the Intelligence Committee, and the current chairman of the Armed Services Committee, to conduct some of those informal hearings in a joint way, I would be more than pleased to do that.

In any event, I would insist that the Senator from Wyoming—who has probably spent more time in the 6 years that I served with him on the Intelligence Committee involved in Intelligence Committee activity than anybody else I know—be a part of the process of developing our recommendation.

Mr. WALLOP. I thank the Senator.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. WALLOP. I am happy to yield to the vice chairman of the Intelligence Committee.

Mr. LEAHY. I thank my good friend from Wyoming.

Mr. President, I want to echo much of what the distinguished chairman of the Senate Intelligence Committee has said in reference to Senator WALLOP's amendment. I think it raises some interesting and vital issues. I think the Senator from Wyoming knows, as the Senator from Minnesota and I do, that many of those issues cannot be discussed here in an open session, but are nonetheless extremely important. I hope we might have hearings in the Armed Services Committee, hearings in the Intelligence Committee, and maybe joint hearings. I hope that some of the issues can be explored in open session, as well in closed.

I have a grave concern about terrorism, feeling that the United States is going to have to take far stronger action against terrorism than it has. Terrorists are not deterred by diplomacy but by action—this may be explored as we analyze the amendment of the Senator from Wyoming more thoroughly.

I look forward to such hearings, and I will certainly participate in them myself.

I thank the Senator from Wyoming. I yield back to him.

Mr. WALLOP. Mr. President, I shall not take a whole lot longer. I would want to engage the chairman and distinguished vice chairman in this. But I say to my friend from Vermont that this is a philosophical issue that need not ever drop into the realm of classified arguments. I could, of course, but it need not. And it has in its way less to do with terrorism than it does with what the amendment says, providing military or paramilitary assistance, covertly as well as overtly, to such foreign governments or groups or factions as Presidents shall lawfully designate. So terrorism is one relevant thing. I understand that. I would not want to get what I am talking about muddled up. So we are talking about military and paramilitary assistance; not military, paramilitary operations mounted against terrorist groups.

Mr. LEAHY. I understand. But I raise the issue as one element that I think might be included. It is an issue that I hope will be raised.

I realize the time is late. I know the distinguished majority leader and the distinguished chairman and ranking member of the Armed Services Committee wish to move on. I will say nothing further. I have had some discussions with the Senator from Wyoming on this. I think he and I share some of the same thoughts.

Mr. WALLOP. Mr. President, can I have the distinguished Senator from Arizona, former chairman of the Intelligence Committee and current chairman of the Armed Services Committee, just give me a quick reaction to this? Then I am prepared to withdraw it.

Mr. GOLDWATER. I am very happy to.

Mr. WALLOP. I am just asking if the Senator would agree as the only person in this body who has seen that coin from both sides, and one who has seen us succeed as well as fail with covert operations. It is a question of whether we should provide the CIA a capability that it really does not wish to use. It does like to have the capability.

Mr. GOLDWATER. Is the Senator asking my opinion on the holding of hearings?

Mr. WALLOP. Yes.

Mr. GOLDWATER. I have to say to my friend from Wyoming for whom I have the utmost respect that I do not think this is something that should be or could be intelligently decided in hearings before a legislative body. As the Senator knows, I have some—maybe they are old fashioned—ideas about intelligence. I am a great believer in the less we know about intelligence the better off we are.

I think at best this is a matter that should be decided by the administrative branch. I have to admit that I hold some prejudices on this. I understand the Senator's position, I think, very well. I have also watched the CIA in action in Asia. From their operation there, I can give them nothing but the highest compliments. On the other hand, the way they have balled up things down in Central America, I can understand the Senator's feelings.

I would be willing to discuss it, though—not in the public forum, but in the confines of our office—and if we can come to a conclusion, I will be delighted.

Mr. WALLOP. Mr. President, I will say to my friend I do not think he has understood what I have been directing my comments to. I was not trying to have an open discussion on the quality or lack of quality of any specific operation around the world, but only how do we deliver aid so that the reputation of the people to whom we deliver it is not tarnished by the very fact that we deliver it, and that we get the best expertise that this country has to offer when we seek to help people around the world. It is a philosophical argument, not dealing with the specifics of any given operation.

Mr. GOLDWATER. I do not know offhand how we can make a blanket decision that is going to cover every situation that comes up. I can think of a few right now that you and I and nobody else know about.

Mr. WALLOP. There are one or two that they know about that I wish they did not know about.

Mr. GOLDWATER. I was going to say that. Then I can think of others that we are not too proud of. But I do not think it would be possible—and I am saying this publicly that I would rather discuss it privately—to go further. I think it is a matter that should have private discussion.

Mr. President, I can understand the Senator's arguments perfectly. I have reason to not want to go all the way. I do not know how we can come to a decision that will say this is going to work here and here.

It might work here and it might not work there.

Mr. WALLOP. I would say to my friend that nothing in this amendment would prohibit the President from having a wide choice.

I will have those conversations with the distinguished chairman, but failing some action on this that comes from within the committees, I will, at some time during the year, seek to address this philosophically with another amendment. I do not think I really have to do that. I think there is reason that is applicable to the argument for a debate. I think we have to come to grips with something that this country is not facing very well.

Mr. GOLDWATER. Why does the Senator not agree that, after we come back from our recess and all this nonsense is behind us, we sit down with the intelligence leadership, if that is desirable, and let us explore it? There are so many ramifications to try to say yes or no to what the Senator has been talking about very eloquently. I am not equipped to do so. I hate to say it. I would like to talk with the Senator about it, and I know very well we will come up with some answers.

Mr. WALLOP. One of the rare privileges we have is that the distinguished Senator from Georgia is also one who has had broad experience on both committees and has made his presence felt on both committees. Perhaps amongst us, we have probably five Members now on the floor who can speak with regard to the elements of my argument concerning how we might structure some means of determining a better way of doing what we are not doing.

Mr. GOLDWATER. I look forward to the chance to sit down with my friend and let us see if we cannot hammer this rascal out. I can understand his reasoning. I can even go past his reasoning in some things.

The Senator may disagree with me, but I get back to the idea that I think intelligence is better handled when fewer people know about it.

Mr. WALLOP. I have no quarrel with intelligence, but this is not intelligence.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. GOLDWATER. Mr. President, are there further amendments?

Mr. NUNN. Mr. President, the Senator from Ohio has just arrived to offer an amendment.

Mr. DOLE. Mr. President, let me indicate again there are a number of Senators who would like to have me announce there will be no further rollcalls. I am not yet in a position to do that until we have some agreement on what will be pending when we come back on Tuesday. We already have about 10 SDI amendments, 10 SALT amendments, and others who will say, "I will not let you off the hook. I want my amendment in there."

If that happens, I would be prepared to stay here a while longer today.

Mr. President, it was my understanding that we would limit the amendments to SDI, SALT and one amendment on labor. That is what we are now in the process of clearing.

If there is something else that has to be dealt with, obviously we have to deal with it. As soon as we have some agreement from the distinguished minority leader, and I know he is in the process of clearing on that side, we will be in a position to advise all Members on when we will probably recess this afternoon.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 243

(Purpose: To revise and extend the Renegotiation Act of 1951, and for other purposes)

Mr. METZENBAUM. Mr. President, I am offering an amendment on behalf of myself, Senator FORD, Senator BOREN, Senator PROXMIRE, Senator PRYOR, Senator LAUTENBERG, and Senator HARKIN. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM], for himself, Mr. FORD, Mr. BOREN, Mr. PROXMIRE, Mr. PRYOR, Mr. LAUTENBERG, and Mr. HARKIN, proposes an amendment numbered 243.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

TITLE —RENEGOTIATION ACT EXTENSION

SECTION 1. SHORT TITLE.

This Act may be cited as the "Renegotiation Reform Act of 1985".

SEC. 2. REMOVAL OF TERMINATION DATE; DEFINITION OF PROFITS AND EXCESSIVE PROFITS; DEFINITION OF DEPARTMENT.

(a) REMOVAL OF TERMINATION DATE.—Section 102(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1212(c)) is amended by striking out paragraph (1) and by striking out "(2) Termination of status as department.".

(b) DEFINITION OF EXCESSIVE PROFITS.—Section 103(e)(1) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(e)(1)) is amended by striking out "war and peacetime products" and inserting in lieu thereof "renegotiable and nonrenegotiable products and services".

(c) DEFINITION OF DEPARTMENT.—Section 103(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(a)) is amended by striking out "the Atomic Energy Commission," and inserting in lieu thereof the following: "the Nuclear Regulatory Commission, the Energy Research and Development Administration,".

(d) DEFINITION OF PROFIT.—Section 103(f) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(f)) is amended to read as follows:

"(f) The term 'profits derived from contracts with the Departments and subcontracts' means the return on investment on such contracts and subcontracts.".

SEC. 3. TERMS OF OFFICE AND POLITICAL AFFILIATION OF MEMBERS OF RENEGOTIATION BOARD.

(a) GENERAL RULE.—Section 107(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(a)) is amended by striking out ", at the time of appointment," in the third sentence thereof and by adding at the end thereof the following new sentences: "The term of office of each member of the Board shall be five years; except that any member appointed to fill a vacancy occuring prior to the expiration of the terms for which his predecessor was appointed shall be appointed for the remainder of such term. Not more than three members of the Board may be members of the same political party.".

(b) EFFECTIVE DATE AND TRANSITIONAL RULE.—

(1) IN GENERAL.—The amendment made by this section shall only apply to members appointed to the Renegotiation Board on or after January 1, 1985.

(2) TRANSITIONAL RULE.—Of the individuals who are appointed to be members of the Renegotiation Board on or after the date of enactment of this Act—

(A) one shall be deemed to have been appointed for a term ending December 31, 1986;

(B) one shall be deemed to have been appointed for a term ending December 31, 1987;

(C) one shall be deemed to have been appointed for a term ending December 31, 1988;

(D) one shall be deemed to have been appointed for a term ending December 31, 1989;

(E) one shall be deemed to have been appointed for a term ending December 31, 1990;

as designated by the President at the time of the appointment.

SEC. 4. PROCEDURES FOR RENEGOTIATION.

Section 105(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(a)) is amended to read as follows:

"SEC. 105. RENEGOTIATION PROCEEDINGS.

"(a) IN GENERAL.—

"(1) PROCEEDINGS BEFORE THE BOARD.—Renegotiation proceedings shall be commenced after the mailing of notice of the proceedings, in such form as may be prescribed by regulation, by registered mail or by certified mail to the contractor or subcontractor. The Board shall either (A) make an agreement with the contractor or subcontractor with respect to the elimination of excess profits received or accrued, and with respect to such other matters relating thereto as the Board deems advisable; and any such agreement, if made, may, with the consent of the contractor or subcontractor, also include provisions with respect to the elimination of excessive profits likely to be received or accrued; or (B) issue and enter an order determining the amount, if any, of such excessive profits, and forthwith give notice thereof by registered mail or by certified mail to the contractor or subcontractor. In the absense of the filing of a petition with the Court of Claims under the provisions and within the time limit prescribed in section 108, such order shall be final and conclusive and shall not be subject to review or redetermination by any court or other agency. Whenever the Board makes a determination by order with respect to the amount of excessive profits of a contractor or subcontractor, and such determination is made by order, it shall, at the request of such contractor or subcontractor, as the case may be, prepare and furnish such 'contractor or subcontractor with a statement of such determination, of the facts used as a basis therefor, and of its reasons of such determination.

"(2) METHOD OF RENEGOTIATION.—The Board shall exercise its powers with respect to the aggregate of all amounts received or accrued during any fiscal year (or such other annual period as may be determined by the Board) under the contractor's or subcontractor's normal accounting system for all contracts and subcontracts subject to renegotiation: *Provided*, That the percentage-of-completion method of accounting shall not be used. However, amounts received or accrued under long-term contracts or subcontracts which provide for completed production units to be delivered or units of service to be rendered over a period of more than one year, and for which a stated price for such units has been established in the contract, shall be included in the fiscal year (or such other annual period as may be determined by the Board) in which such units are delivered or services rendered or in the fiscal year in which the contract or subcontract is completed. The Board shall renegotiate all contracts and subcontracts by division and by major product line within a division of the contractor or subcontractor. Contract modifications or options providing for additional units of production or services shall not be regarded for purposes of renegotiation as extending the period of performance set out in the original contracts or subcontracts, but shall be treated for purposes of renegotiation as if such contract modifications or options were new contracts or subcontracts.".

SEC. 5. ELIMINATION OF EXEMPTIONS FOR CERTAIN CONTRACTS.

(a) ELIMINATION OF EXEMPTION FOR STANDARD COMMERCIAL ARTICLES AND SERVICES.—Section 106(e) of the Renegotiation Act of 1951 (50 U.S.C. App. 1216(e)) is repealed.

(b) STUDY AND INVESTIGATION.—The Renegotiation Board shall conduct a comprehensive study and investigation of the cost and pricing data submitted to the Board pertaining to the exemptions for durable productive equipment. A report of such study with particular reference to the profitability of the exempted items shall be submitted to the Congress on or before December 31, 1985, together with such recommendations as it deems appropriate.

SEC. 6. MINIMUM AMOUNT SUBJECT TO RENEGOTIATION.

(a) Section 105(f) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(f)) is amended—

(1) in paragraph (1) by inserting ", or $5,000,000 in the case of a fiscal year ending after September 30, 1985" after "June 30, 1956" each time it appears thereof; and

(2) in paragraph (3) by inserting "the $5,000,000 amount," after "the $1,000,000 amount," the first time it appears therein, and by adding at the end thereof the following sentence: "In the case of a fiscal year beginning on or before the termination date and ending after the termination date, the

$5,000,000 amount shall be reduced to an amount which bears the same ratio to $5,000,000 as the number of days in such fiscal year before the close of the termination date bears to 365.".

(b) Section 105(f)(2) and section 105(f)(3) of the Renegotiation Act of 1951 are amended by striking out "$25,000" each time it appears therein and inserting in lieu thereof "$50,000".

SEC. 7. PENALTIES FOR FAILURE TO FILE CERTAIN STATEMENTS OR FOR FILING MISLEADING INFORMATION.

(a) IN GENERAL.—Section 105(e) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(e)) is amended by striking out the last sentence of paragraph (1) and by adding at the end of such subsection the following new paragraph:

"(3) PENALTIES.—

"(A) FAILURE TO FILE.—Any person who knowingly fails or refuses to file or furnish any statement, information, records, or data on or before the date on which such person is required under paragraph (1) to file or furnish such statement, information, records, or data shall be subject to a civil penalty (not to exceed $100,000 for any such failure) of $100 for each day thereafter occurring before the day on which such person files or furnishes such statement, information, records, or data in accordance with paragraph (1). Such penalty shall be assessed by the Board and may be collected in a civil action brought by the United States in a United States district court under section 1355 of title 28, United States Code.

"(B) FALSE OR MISLEADING INFORMATION.—Any person who knowingly furnishes any statement, information, records, or data pursuant to paragraph (1) containing information which is false or misleading in any material respect shall, upon conviction thereof, be punished by a fine of not more than $50,000 or imprisonment for not more than one year, or both.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act.

SEC. 8. INTEREST ON AMOUNT OF EXCESSIVE PROFITS.

(a) GENERAL RULE.—Section 105(b)(2) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(b)(2)) is amended to read as follows:

"(2) INTEREST.—

"(A) IN GENERAL.—Interest on the amount of excessive profits determined for any fiscal year (or such other period as may be determined by the Board) shall accrue and be paid at the per annum rate determined under subparagraph (C) for the period beginning after the last day of such fiscal year (or such period), and from such last day to the date of payment or recovery.

"(B) AMOUNTS REQUESTED TO BE WITHHELD.—Interest on any amount required to be withheld by any person or subcontractor for the account of the United States pursuant to paragraph (1)(C) shall accrue and be paid at the per annum rate determined under subparagraph (C) for the period beginning after the last day of such fiscal year (or such other period) on the date on which payment of such amount is demanded by the Secretaries or any of them, and from such date to the date of payment or recovery.

"(C) INTEREST RATE.—On July 1 and December 31 of each year, the Secretary of the Treasury shall specify an interest rate which shall be applied for purposes of this subsection to excessive profits and amounts required to be withheld, taking into consideration current private commercial rates of interest for new loans maturing in approximately 5 years.".

(b) TECHNICAL AMENDMENT.—Section 108 of such Act (50 U.S.C. App. 1218) is amended by striking out "the next to the last sentence of section 105(b)(2)" and inserting in lieu thereof "section 105(b)(2)(C).".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to fiscal years (as defined in section 103(b) of the Renegotiation Act of 1951) or other periods ending after the date of enactment of this Act.

SEC. 9. AMENDMENTS RELATING TO AUTHORITY AND FUNCTIONS OF THE CHAIRMAN.

(a) APPORTIONMENT OF PERSONNEL BY THE CHAIRMAN.—

(1) The second sentence of section 107(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(c)) is amended by striking out "The Board" and inserting in lieu thereof the following: "Subject to such rules as may be adopted by the Board, the Chairman".

(2) The third sentence of section 107(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(c)) is amended by striking out "The Board" and inserting in lieu thereof "Subject to such rules as may be adopted by the Board, the Chairman".

(b) AUTHORITY AND FUNCTIONS OF THE CHAIRMAN.—Section 107 of the Renegotiation Act of 1951 (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection.

"(e) AUTHORITY AND FUNCTIONS OF THE CHAIRMAN.—

"(1) IN GENERAL.—The Chairman of the Board shall be its chief executive officer and shall direct the executive functions of the Board, which include but are not limited to the supervision of personnel, the distribution of business among such personnel and among the administrative units of the Board, and the distribution of funds. The Chairman may delegate to any officer or officers of the Board any function or power granted to the Chairman under this Act.

"(2) SPECIFIC LIMITATIONS.—The preparation and revision of budget estimates and the determination of the distribution of appropriated moneys according to major programs and purposes shall be carried out by the Board.".

(c) PAY OF THE CHAIRMAN AND OTHER MEMBERS OF THE BOARD.—The fourth sentence of section 107(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(a)) is amended to read as follows: "The Chairman shall receive compensation at the rate of basic pay in effect for level IV of the Executive Schedule, and the other members shall receive compensation at the rate in effect for level V of the Executive Schedule.".

SEC. 10. AMENDMENTS RELATING TO ADMINISTRATION AND POWERS OF RENEGOTIATION BOARD.

(a) GRANT OF SUBPENA POWER.—Section 107 of the Renegotiation Act of 1951 (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(g) ISSUANCE OF SUBPENAS.—

"(1) IN GENERAL.—A majority of the full membership of the Board or a majority of the Regional Board shall have the power to issue subpenas requiring the production of any records, books, or other documents relating to the Board's function under this title.

"(2) ENFORCEMENT OF SUBPENA.—If a person issued a subpena under paragraph (1) refuses to obey such subpena or is guilty of contumacy, any district or territorial court of the United States within any judicial district within which such person is found or resides or transacts business may (upon application by the Board) order such persons to produce the records, book, or other documents required to be produced under such subpena. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(3) MANNER OF SERVICE.—The subpena of the Board shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

"(4) WHERE SERVED.—All process of any court to which application may be made under this subsection may be served in any judicial district wherein the person required to be served resides or may be found or transacts business.".

(b) AUDIT OF FINANCIAL STATEMENTS, BOOKS, AND RECORDS.—Section 105(e)(2) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(e)(1)) is amended to read as follows:

"(2) AUDIT OF FINANCIAL STATEMENTS, BOOKS, AND RECORDS.—Every financial statement submitted pursuant to paragraph (1) shall be verified by an audit performed by the Board or its authorized audit representative. For the purpose of this title, the Board and its authorized audit representative shall have access to and the right to examine and audit the books and records of any contractor or subcontractor subject to this title to the extent necessary to determine the accuracy and validity of such financial statements. In the interest of economy and the avoidance of duplication of inspection and audit, any Government department or agency holding contracts subject to this Act shall, upon request holding contracts subject to this Act shall, upon request by the Board, provide audit support as necessary to verify such financial statements. The services of the Internal Revenue Services shall, upon request of the Board and with approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury, to assist in such examinations and audits.".

(c) REPORT TO THE SECRETARIES OF THE DEPARTMENTS.—Section 15 of such Act (50 U.S.C. App. 1215) is amended by adding at the end thereof the following new subsection:

"(h) REPORT TO THE SECRETARIES OF THE DEPARTMENTS.—The Board shall, not later than 90 days after September 30 of each calendar year beginning after 1985, submit to the Secretary of each Department a report which shall contain—

"(1) a summary of each financial statement filed with the Board under subsection (c) during the 12-month period ending on September 30 of such calendar year (or in the case of September 30, 1986, the 15-month period ending on such date) by a contractor or subcontractor who for the fiscal year for which such statement was filed received or accured amounts under contracts with such Department or subcontracts under contracts with such Department; and

"(2) such other information as the Board determines to be appropriate.".

(d) ANNUAL REVIEW BY THE GENERAL ACCOUNTING OFFICE.—Section 107 of such Act (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(i) ANNUAL REVIEW BY GENERAL ACCOUNT-

year with respect to which such decision of

"(D) the contracting officer of the Gov-

"(3)(A) The term of office of each of the

TITLE —CONTRACTOR PROFIT

every dollar they spend for national

"(i) Annual Review by General Accounting Office.—The General Accounting Office shall conduct an annual review of the activities and operations of the Board and submit a report on such review to the Congress.".

(e) Effective Date.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 11. AMENDMENT RELATING TO WITNESS FEES.

(a) Repeal of Payment of Witness Fees.—The fifth sentence of section 108 of the Renegotiation Act of 1951 (50 U.S.C. App. 1218) is repealed.

SEC. 12. REFUNDING OF OVERCOLLECTIONS.

Section 108 of such Act (50 U.S.C. App. 1218) is further amended by adding at the end thereof the following: "Any such refund shall be paid to the contractor or subcontractor in the manner prescribed by section 724a of title 31, United States Code, for payment of any other final judgments rendered against the United States. Refunds (not in excess of $100,000 in any one case) shall be paid out of any general appropriation therefor, on presentation to the General Accounting Office of a certification of the judgment pursuant to section 2517 of title 28, United States Code. Refunds (in excess of $100,000 in any one case) shall be paid by the Department of Treasury upon application and presentation of original transcripts of judgments for certification to Congress for appropriation pursuant to Section 2518 of title 28, United States Code.".

SEC. 13. REVIEW OF TAX COURT DECISIONS.

The Renegotiation Act (50 U.S.C. App. 1211 et seq.) is amended—

(1) by striking out "Court of Claims" each place it appears (except in section 114(5)) and insert in lieu thereof "Tax Court"; and

(2) by striking out section 108A and inserting in lieu thereof the following:

"SEC. 108A. REVIEW OF TAX COURT DECISIONS.

"(a) Jurisdiction.—Except as provided in section 1254 to title 28, the United States Court of Appeals shall have exclusive jurisdiction to review decisions by the Tax Court of the United States under section 108 of this Act in the same manner and to the same extent as decisions of the district courts in civil actions tried without a jury, except as otherwise provided in this section. In no case shall the question of the existence of excessive profits, or the extent thereof, be reviewed, and findings of fact by the Tax Court shall be conclusive unless such findings are arbitrary or capricious. The judgment of any such court shall be final except that it shall be subject to review, under the limitations herein provided for, by the Supreme Court of the United States upon certiorari, in the manner provided in section 1254 of title 28.

"(b) Powers.—Upon such review, such courts shall have only the power to affirm the decision of the Tax Court or to reverse such decision on questions of law and remand the case for such further action as justice may require, except that such court shall not reverse and remand the case for error of law which is immaterial to the decision of the Tax Court.

"(c) Venue of Appeals From Tax Court Decisions.—A decision of the Tax Court of the United States under section 108 of this Act may, to the extent subject to review, be reviewed by—

"(1) the United States Court of Appeals for the circuit in which is located the office to which the contractor or subcontractor made his Federal income tax return for the taxable year which corresponds to the fiscal year with respect to which such decision of the Tax Court was made, or if no such return was made for such taxable year, then by the United States Court of Appeals for the District of Columbia, or

"(2) any United States Court of Appeals designated by the Attorney General and the contractor or subcontractor by stipulation in writing.".

SEC. 14. REPORTS TO CONGRESS.

The first sentence of section 114 of the Renegotiation Act of 1951 is amended by striking out "January" the second time it appears therein and inserting in lieu thereof "April" and by striking out "June" and inserting in lieu thereof "September".

SEC. 15. AUTHORIZATION.

There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this title.

SEC. 16. TRANSFER.

All property (including records) of the Renegotiation Board that was transferred to the Administrator of General Services pursuant to Public Law 95-431 (92 Stat. 1043) and is available shall be transferred to the Renegotiation Board.

SEC. 17. COST AND PRICING DATA.

(a)(1) Subsection (f)(1) of section 2306 of title 10, United States Code, is amended by inserting "and are allowable in accordance with the requirements of law and applicable regulations and in accordance with such cost principles as the head of an agency makes applicable to the costs under such laws and regulations" after "current".

(2) Subsection (f)(2) of such section is amended by inserting "or were not allowable in accordance with the requirements of law and applicable regulations or in accordance with such cost principles as the head of the agency makes applicable to the costs under such laws and regulations" after "noncurrent".

(b) Section 2306 of such title is further amended by adding at the end thereof the following new subsections:

"(i) In any administrative or judicial proceeding to adjust the price of a contract under subsection (f)—

"(1) only cost and pricing data which were inaccurate, incomplete, or noncurrent when furnished with respect to the contract under subsection (f) and are higher than the accurate, complete, and current cost and pricing data which should have been furnished shall be considered for the purpose of determining an adjustment in the price of the contract;

"(2) it shall be conclusively presumed that the Government relied on all cost and pricing data furnished by the contractor or subcontractor under subsection (f); and

"(3) it shall not be a defense to an adjustment of the price of the contract that—

"(A) the price of the contract would not have been modified if accurate, complete, and current cost and pricing data had been furnished by the contractor or subcontractor because the contractor or subcontractor was the sole source of the property or services procured;

"(B) the price of the contract would not have been modified if accurate, complete, and current cost and pricing data had been furnished by the contractor or subcontractor was in a superior bargaining position with respect to the property or services procured;

"(C) accurate, complete, and current cost and pricing data with respect to the contract were submitted to an officer or employee of the Government other than the contracting officer of the Government;

"(D) the contracting officer of the Government should have known that the cost and pricing data in issue were inaccurate, incomplete, or noncurrent even though the contractor or subcontractor furnishing the data took no affirmative action to bring the character of such data to the attention of the contracting officer;

"(E) the contract involved sales of military equipment to a foreign government;

"(F) the subcontractor furnished the cost or pricing data in issue on the contract or on a change or modification to the contract after the conclusion of an agreement between the Government and the prime contractor on such contract, change, or modification;

"(G) the contract was based on an agreement between the contractor and the Government about the total cost of the contract, and there was no agreement about the cost of each item procured under such contract; or

"(H) the prime contractor or subcontractor did not prepare and submit a certificate of cost and pricing data relating to the contract as required under subsection (f).

"(j)(1) In the case of an overpayment to a prime contractor or subcontractor by the United States Government by reason of the submission of inaccurate, incomplete, or noncurrent cost or pricing data under subsection (f), interest shall be charged on the amount of the overpayment. Interest shall be computed for the period beginning on the date of the overpayment and ending on the date the Government is reimbursed the amount of the overpayment or an adjustment under subsection (f) takes effect. Any adjustment in the price of the contract to the Government under subsection (f) shall include an adjustment for the amount of interest due the United States Government on the overpayment.

"(2) For the purposes of this subsection, the rate of interest charged for any period shall be the annual rate of interet established under section 6621 of the Internal Revenue Code of 1954 (26 U.S.C. 6621) for such period.".

TITLE —COST-ACCOUNTING STANDARDS BOARD

SHORT TITLE

Sec. 01. This title may be cited as the "Cost-Accounting Standards Board Amendments of 1985".

COST-ACCOUNTING STANDARDS BOARD AMENDMENTS

Sec. 02. (a) Subsection (a) of section 719 of the Defense Production Act of 1950 (50 U.S.C. App. 2168(a)) is amended to read as follows:

"(a)(1) There is established a Cost-Accounting Standards Board which shall consist of—

"(A) the Comptroller General of the United States who shall serve as Chairman of the Board; and

"(B) four members to be appointed by the President of the United States, by and with the advice and consent of the Senate.

"(2) Of the members appointed to the Board—

"(A) two, of whom one shall be particularly knowledgeable about the cost accounting problems of small business, shall be from the accounting profession;

"(B) one shall be representative of industry; and

"(C) one shall be from a department or agency of the Federal Government.

"(3)(A) The term of office of each of the appointed members of the Board shall be four years, except that any member appointed to fill a vacancy in the Board shall serve for the remainder of the term for which his predecessor was appointed..

"(B) A vacancy on the Board shall be filled in the same manner in which the original appointment was made.

"(4) Each member of the Board appointed from private life shall receive compensation at the rate of one-two-hundred-sixtieth of the rate prescribed for level IV of the Federal Executive Salary Schedule for each day (including travel-time) in which he is engaged in the actual performance of duties vested in the Board.".

(b) The first sentence of subsection (g) of such section is amended to read as follows: "The Board may promulgate, from time to time, cost-accounting standards designed to achieve uniformity and consistency in the cost-accounting principles followed by defense contractors and subcontractors under Federal contracts.".

(c)(1) Subsection (h)(1) of such section is amended—

(A) in the first sentence, by inserting "interpret," after "amend,"; and

(B) by striking out the third sentence and inserting in lieu thereof the following: "The interest rate applicable to the price adjustment shall not exceed a rate determined by the Secretary of the Treasury, taking into consideration current long-term Federal Government borrowing rates. Such interest shall accrue from the time payments of the increased costs were made to the contractor or subcontractor to the time the price adjustment is effected.".

(2) Subsection (h)(3) of such section is amended to read as follows:

"(3)(A) Cost-accounting standards promulgated under subsection (g) and rules and regulations prescribed under this subsection shall take effect not earlier than the expiration of the first period of ninety calendar days of continuous session of the Congress following the date on which a copy of the proposed standards, rules, or regulations is transmitted to the Congress.

"(B) For purposes of this paragraph, in the computation of the ninety-day period there shall be excluded the days on which either House is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die.

"(C) The provisions of this paragraph do not apply to modifications of cost-accounting standards, rules, or regulations which have become effective in conformity with those provisions.".

(d) Subsection (k) of such section is amended to read as follows:

"(k) The Board shall report to the Congress not later than one year after the date of enactment of the Cost-Accounting Standards Board Amendments of 1985, and annually thereafter, with respect to its activities and operations, together with such recommendations as it deems appropriate.".

(e) Such section is further amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following:

"(l) All cost-accounting standards, interpretations, modifications, rules, and regulations promulgated or issued by the Cost-Accounting Standards Board established by this section shall remain in effect unless and until amended, superseded, or eliminated by the Board pursuant to the authority of this section.".

TITLE —CONTRACTOR PROFIT STUDIES

Sec. 01. (a) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section 2406:

§ 2406. Contractor profit studies

"(a) The Secretary of Defense, on a regular periodic basis, shall carry out studies of profits made by contractors under Department of Defense contracts to determine whether the level of such profits is reasonable. The Secretary shall carry out the studies at least once each 4 years.

"(b) A study under subsection (a) shall include (1) the profits made by contractors under Department of Defense contracts, (2) a comparison of the level of profitability of defense contractors under such contracts with the level of profitability of contractors under nondefense contracts and with the general level of profitability of business in the private section, and (3) whether variations between the levels of profitability are reasonable under the circumstances, (4) the impact of cost allowability on pricing and profits, (5) the relationship of contract pricing to capital investment, (6) the use of pricing to motivate cost efficiency and (7) the relationship of payment policy and contract pricing.

"(c) The Secretary of Defense shall transmit the findings resulting from a study under subsection (a) to the Congress, the Comptroller General of the United States, and the Renegotiation Board established by section 107(a) of the Renegotiation Act of 1951.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"2406. Contractor profit studies.".

TITLE —LIMITATION ON CONTRACTOR CLAIMS

Sec. 01. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section 2324:

§ 2324. Limitation on contract claims

"(a) A claim submitted by a contractor requesting or demanding payment in connection with a contract entered into by the Department of Defense, including a claim for an equitable adjustment, may not be paid unless the claim is submitted as provided in subsection (b).

"(b) A claim referred to in subsection (a) shall be submitted to the appropriate contracting officer of the Department of Defense within 18 months after the date of the event (or the last date of the event, as the case may be) on which the claim is based, shall include the certification required by section 6(c)(1) of the Contract Disputes Act of 1978, and shall include such documentation as the Secretary concerned may prescribe in regulations.".

(21) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"2324. Limitation on contract claims.".

(b) The amendments made by subsection (a) shall take effect with respect to contracts entered into on or after the date of enactment of this Act.

Mr. METZENBAUM. Mr. President, this is an amendment to reinstate and strengthen substantially the Renegotiation Board. Our purpose in so doing is to ensure that the taxpayers of this country receive a dollar in value for every dollar they spend for national defense.

This institution—the Renegotiation Board—has a straightforward job. It is to seek out and recover for the Treasury excess profits gleaned by defense contractors.

How large are these excess profits?

We have all read the horror stories. You cannot pick up your paper these days without reading another story about the excess profits that are being made by the defense contractors. The fact is that how much they are making we actually do not know. At the present, we have no effective means of finding out.

But we do know, Mr. President, that in the past several years, hardly a week has gone by without some new scandal in defense spending.

There is no need to repeat the stories about the toilet seats and nuts and bolts and the coffeemakers—or about the shoddy, substandard products sold at premium prices to our military services.

But, Mr. President, there is one story that we should repeat.

That story has to do with the fact that when it was discovered during World War II that defense contractors were reaping enormous excess profits, the Congress enacted the Renegotiation Act of 1942. Under that act, literally billions of dollars were recovered on behalf of the taxpayers.

We should also recall that between 1954 and 1958, in the aftermath of the Korean war, the Renegotiaton Board made over $700 million in excess profit determinations.

And finally, we should remember the sad—and I hope temporary—end to which the Renegotiation Board came.

There is no doubt, Mr. President, as some will say on the floor this afternoon, that over the years, the Renegotiation Board diminished greatly in effectiveness.

The staff diminished substantially in size.

Presidential appointments did not always reflect a high priority for the work of the Board.

Mr. President, there is no secret about it, the Renegotiation Board came to an abysmal, an abominable, and an unfortunate conclusion. It is true about any Government agency: If you do not have the right kind of people appointed to the Board, you are not going to have the right kind of results. It is going to become ineffective. It is going to become a total failure.

That is what happened. We should have changed the players rather than throwing out the baby with the bathwater.

So, after a major campaign by the defense lobby to get rid of it, Congress permitted the Board to lapse as of March 31, 1979.

At the time, Mr. President, I said that was a mistake.

Under most circumstances, I said at the time, "the taxpayers of this country would have cause to celebrate the termination of a Federal agency."

> Under most circumstances, the end of a Federal agency would mean savings for the Government. And might be cause for a party.
>
> But in this case, the agency that has been terminated—the Renegotiation Board—is one of the very few agencies of this Government whose sole purpose is to take in money, not to spend it. If it dies, we ought not to have a party, but a wake.

I also said that the proposed substitutes for the Renegotiation Board—primarily the Truth in Negotiation Act, the DCAA, and the armed services procurement regulations—could not do the job.

The late Scoop Jackson agreed in the strongest terms. He was always a strong advocate of Renegotiation.

But it was Adm. Hyman Rickover who best summarized what truly was going on. He said:

> As long as the Board was recovering only a few million dollars each year, mostly from small contractors, the defense lobby was not much concerned about renegotiation. But faced with the prospect of a more effective renegotiation process, the defense lobby mobilized * * * what they really want is to abolish the Government's statutory right to recoup excessive profits in defense contracts.

Mr. President, I believe that the time has come for a new Renegotiation Board. Maybe it has to be called something else because the last one went out not in a blaze of glory. But we need one that has the authority on behalf of the taxpayers of this country to get a fair shake from the defense contractor and one that, this time, has some teeth in it.

The amendment we offer today is designed to create that kind of Renegotiation Board by strengthening substantially the powers of the reconstituted Board. In addition, it closes loopholes that in the past inhibited effective functioning. I wish to note in this regard that all of changes we propose have in the past been recommended by either the House Banking Committee, the GAO, or both.

The major changes are as follows:

First, profit definition: In the past, the practice of the Renegotiation Board was to consider profit as a percentage of cost or price. This legislation changes the basis of calculation to "return on investment," which is the normal criterion by which corporate performance is judged in the business and financial communities. The GAO has, as Donald J. Horan, Director of the Procurement, Logistics, and Readiness Division, told a House committee in August 1982:

> Long advocated changes in profit negotiation policies toward the "return on investment" approach to provide incentives for contractors to acquire labor-saving modern equipment for use on Government contracts.

Second, product line renegotiation: Contractors are required by this amendment to report profits on the basis of division or product line. Without this provision, diversified companies would be able—as they were in the past—to average together high profits on one line or product with low profits or losses on others. This change was also proposed by the GAO.

Third, abolition of the standard commercial articles and services exemption: The 1951 act exempts from examination for excess profits items available in the commercial market. Although this exemption appears at first glance to be reasonable, the GAO has argued otherwise:

> If the rationale for the exemption assumes that competition exists for all standard commercial items, thus insuring reasonable prices and profits, it may not be valid in all cases. For example, a commercial item which is produced by a sole-source supplier and which qualifies for the exemption has not necessarily been subject to competition, and the price quoted in a contractor's catalog may include an unusually high profit margin. Yet the existence of effective competition is assumed. It is for these reasons we have recommended that the Congress require the Board to obtain and analyze profit and cost information relating to standard commercial articles to determine whether large amounts of excessive profits are escaping renegotiation.

Fourth. [Deleted.]

Fifth. Civil sanctions: The 1951 act includes no civil sanctions for failure to file statements required by law. Our amendment adopts the recommendation of the House Banking Committee in the 94th Congress, which would permit the Board to apply to persons who fail to file information with the Board the same civil sanctions available to other Federal agencies against nonfilers.

Sixth. Proof of intent: Under the 1951 act, only 1 of 124 nonfiling contractors whose cases were referred to the Department of Justice was prosecuted and fined. According to the GAO, the major impediment to imposing penalties on nonfilers was the requirement that the Government prove intent to evade filing requirements. Our amendment incorporates a GAO recommendation to provide for reasonable civil penalties without the need to prove willful evasion.

Seventh. Interest charges: Our amendment permits the Government to collect interest at prevailing rates on excess profits for any period of time in which a contractor fails to file a required financial statement to furnish other required information.

Eighth. Appeals process: The 1951 act provided for appeal to the Tax Court, wherein the burden of proof lies upon the contractor.

In 1971, however, jurisdiction was transferred to the Court of Claims, where the burden of proof is on the Government.

> Unless the appeals are shifted back to the Tax Court or the Government can produce the type of proof demanded by the court.

Says Mr. Horan of the GAO.

> The benefits derived from the renegotiation process will be greatly diminished.

Our amendment returns jurisdiction to the Tax Court.

Ninth. Subpoena power: The amendment gives to the Board authority, lacking in the 1951 act, to subpoena relevant documents and requires that financial statements submitted to the Board be verified via Board audit.

Tenth. Minimum amounts subject to renegotiation: In order to respond to objections that Board actions in the past were directed principally at small business, the amendment raises the "floor" level from $1 to $5 million.

Eleventh. Cost accounting standards board and contractor profit studies: The bill reestablishes the Cost Accounting Standards Board and requires the Department of Defense to conduct contractor profit studies.

All of these changes make sense.

They are sound, businesslike, and thoroughly responsible.

Time and again, each and every one of them was recommended by the GAO or, after extensive hearings, by the House Banking Committee.

In addition, the chairman of the Senate Governmental Affairs Committee has recently introduced legislation that would establish the Renegotiation Board and the Cost Accounting Standards Board.

I do not, Mr. President, make the argument that adoption of this amendment will solve our problems in defense procurement.

I do say, however, that the renegotiation board gives us a tool that we urgently need. It gives us a second chance, a chance to correct mistakes and to save Federal dollars that would otherwise be lost forever.

Mr. President, we learned recently to our dismay that the Department of Defense had suddenly "found" $4 billion.

Those dollars were "found" just in time to stave off cuts that would have been necessary to bring the Department of Defense budget in line with the budget resolution.

Our amendment, Mr. President, will help us "find" some more dollars—find them on behalf of the taxpayers of this country.

And it is high time for our Government to be doing just that.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. PROXMIRE. Mr. President, it is time to reinstate the Renegotiation Board.

We need a Renegotiation Board to recapture excessive profits realized on defense contracts. We need the Board now more than ever since we have overwhelming evidence of profiteering at the expense of the taxpayers and our national security.

Here are 10 reasons why a renegotiation board is necessary today: $44 for a lightbulb; $640 for a toilet seat cover; $436 for a sledge hammer; $7,622 for a coffee maker; $180 for a flashlight; $148 for a rubber washer; $427 for a tape measure; $1,118 for a 22-cent plastic stool cap; $241 for a push switch; $272 for a $3.75-soldering iron; and $7,417 for a 2-cent pin for a F-16 radio.

Excessive profits are not a new story in American history. George Washington complained bitterly about profiteering during the Revolutionary War and scandals involving procurement abuses have recurred with disturbing frequency since then.

Congress first sought to control excessive defense profits through the Vinson Trammell Act of 1934. In 1941 the Supreme Court ruled against the Government contention in the Bethlehem Steel case that a shipbuilding contract should be disallowed, stating that if laws were needed against profiteering it was up to the Congress to make them.

Congress responded with the Renegotiation Act of 1942. Under this act more than $11 billion in excess profits was recovered during World War II. After the war, the Congress let the act lapse only to renew it and create the Renegotiation Board in 1951 when the Korean war once again forced attention on defense profits and profiteering. Substantial refunds again began to flow to the Federal Government. From 1954 to 1960, $816 million was recovered. From 1961 to 1979 an additional $470 million was recovered.

Dollars are not the only measure of the success of renegotiation. A Renegotiation Board also has a deterrent value—a deterrent which has been badly missed in recent years.

One of the reasons we have charges to the Government for $44 lightbulbs is the knowledge by the contractors that there is no systematic checking on their overhead profits. They know that there is no system of review of their excessive profits under defense contracts. Therefore they do what is natural for a profit making enterprise—they gouge the customer because the customer doesn't seem to care. There is no check and balance. There is no review of excessive profits. So they get away with it unless they happen to be embarrassed during an audit.

Renegotiation is a bipartisan issue and always has been. Beginning with President Truman and continuing on with Presidents Eisenhower, Johnson, Kennedy, Nixon, Ford, and Carter, each U.S. President has spoken out in favor of renegotiation and the recapturing of excessive profits from defense industry.

But defense industry got tired of returning these excessive profits to the Government and they mounted an extraordinary nationwide campaign against the Renegotiation Board which culminated in the abolishment of that institution in 1979.

Just as happened between World War II and the Korean war, people grew lax about the issue of profiteering. But then the scandals hit and the Congress acted in 1951.

I think it is time that Congress act again and reinstate the Renegotiation Board.

Mr. President, how many agencies in Washington return more money to the Treasury than they spend? What we need in government is more institutions which provide the taxpayers with a monetary benefit instead of just spending tax funds.

The Renegotiation Board would be the most cost effective organization in the Federal Government. During the years of operation, the old Board spent about $100 million in tax dollars. And it returned $1.3 billion to the national Treasury. Now that is a cost exchange not found anywhere else in government.

A renegotiation board would improve our procurement climate, it would cut back on profiteering, it would deter cost overruns and price gouging, and it would make money for the taxpayers.

The reinstitution of the Renegotiation Board would be the best buy for the taxpayers of any defense reform action the Congress could take.

I commend the Senator from Ohio [Mr. METZENBAUM] for his amendment and for his concern for the pocketbooks of our taxpayers. Never has there been an amendment that makes so much economic sense. The Senator from Ohio is not only a watchdog of the Federal purse but of the taxpayers purse as well.

Mr. GOLDWATER. Mr. President, the following are the major problems with reinstating the Renegotiation Board:

The Renegotiation Board would be a disincentive to contractors being efficient. Under the present contracting methods in the Department of Defense, the most common contract is a fixed price incentive contract. This permits the contractor to increase its profits if it can reduce costs. If there were a board, it would then limit profits after contract performance. All of the incentives in this type of contract would be destroyed.

The concept is fundamentally inequitable. It says that if the Government strikes a bad business deal, it has a safety net to rewrite the business deal after the contract has been performed. If individuals contract with the Government, they should have the comfort of knowing that the Government will honor the terms of the contract, not try to rewrite the contract when it is complete.

The reinstatement of Renegotiation Board will not save money, and in all likelihood, will increase costs of defense equipment. The Board would not even start to function for a number of years, since new contracts would have to be performed and completed before the Board could review the contracts. In addition, since the existence of the Board would destroy contractor incentives to hold costs down, the Board will probably result in higher—not lower—defense costs.

The proposal to reinstate the Board reflects a preoccupation with profit rather than the reasonableness of price. There have been some contractors who have lost very large sums of money on contracts in which there were substantial cost overruns. In those situations, it is little consolation to the Government that the contractor lost money if the Government had to pay a much higher price than it expected to pay.

The renegotiation process makes it impossible to reward risks that contractors take. There is presently a program in the Department of Defense called the Industrial Modernization Incentives Program [IMIP], which tries to offer contractors greater profits for making long-term capital investments. Renegotiation will destroy this type of incentive.

Reinstatement of the renegotiation process will increase audit duplication in DOD. There are already numerous DOD auditors, including those from DCAA, the Inspector General, the Defense Contract Administrative Services, and other agencies. The Renegotiation Board will have its own auditors, thus only duplicating the audit duplication problem.

Mr. President, a lot of our problem in the whole area of price structure in the defense acquisition area has been caused by the great duplication and added number of boards that we have had to put up with all through the years since World War II, and particularly since Vietnam. So this amendment, Mr. President, I do not believe is a proper one at this point, and I would resist it very much.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Kentucky?

Mr. METZENBAUM. Mr. President, I yield the Senator from Kentucky such time as he needs.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, over the past 6 months, the Congress and the citizens of this Nation have become increasingly disenchanted with the way the Department of Defense does business. News of excess profits, false claims, outrageously priced spare parts, and shoddy equipment have become almost daily fare. As a constituent of mine wrote, "If the Pentagon were a private business, it would go broke."

Some astounding facts have come to light in the last week. First, the Secretary of Defense "found" $4 billion in the Pentagon's accounts to help with the $10 billion cut the Armed Services Committee had to come up with after passage of the budget resolution. Next, the Sunday Post revealed that, even though under the Reagan administration we are spending more than $2 trillion on our defense establishment, we will see only a modest increase in the size of our Armed Forces. As examples, DOD has nearly doubled spending on missiles but increased its purchases by only 6 percent; despite 75 percent growth in the aircraft budget, the number of aircraft purchased is only 9 percent more than it was under President Carter, and combat jet purchases have actually declined. Finally, Congressman Aspin just divulged that the Pentagon has gained a "secret dividend" of $18 to $50 billion over the past 4 years because of the Reagan administration's "unexpected success" in lowering inflation. The Pentagon's inflation projections were too high—30 percentage higher than the rest of the Government's, it turns out.

To add insult to injury, a new analysis by the minority staff of the Senate Budget Committee shows that the Pentagon has piled up a huge amount of unspent funds that will guarantee many years of increasing defense spending, even if its budget were frozen at the fiscal 1985 level, plus inflation, from now until 1990. In other words, because of congressional generosity, growth will be automatic.

By being less than honest with the Congress about annual spending levels, the Defense Department has just accomplished what I would have thought was impossible to do: it has succeeded in further widening its credibility gap. By making defense budgeting an adversarial process, as the senior Senator from Illinois called it the other day in his most eloquent speech on the floor, the Pentagon has seriously damaged its integrity.

Mr. President, I will tell you how the Secretary of Defense can find an extra $24 billion without having to be less than forthcoming about the Pentagon's budget figures; I will tell you how the Reagan administration can procure more weapons for its money than it is now under its current track record; I will tell you how the confidence of the Congress and the American people can be restored in the defense establishment of this Nation: Support the amendment introduced by my colleague, Senator METZENBAUM. It is simple; it is direct. By reestablishing and revitalizing the Renegotiation Board, we can insure that defense contractors do not realize excess profits and that we are getting the most for our defense dollars.

It is obvious that existing safeguards designed to protect against excessive profits—the Defense Contract Audit Agency, the Truth in Negotiations Act, the armed services procurement regulations, and the Vinson-Trammell Act, are not working. The General Accounting Office testified to that effect before the House Banking Committee 3 years ago, expressing its support for legislation to revise and extend the Renegotiation Board and saying, "such controls are particularly important during periods of sharp increases in defense spending that could exacerbate the demands on the private sector, creating a sellers market, and reduce or eliminate the opportunities for effective price competition."

This is exactly the kind of situation in which we find ourselves today. The Reagan administration has committed this country to the largest peacetime military buildup in the Nation's history and we are spending this money in an industry which is almost completely devoid of competition. In the recent past, over 60 percent of all military procurement money went to sole-source contractors. The result of sole-source procurement is basically an opportunity for many defense contractors to deal with the Pentagon on a take-it or leave-it basis. If there were true competition in the marketplace of defense contracting, I think we would all worry less about the specter of unreasonable profits.

As we all know, Mr. President, the Renegotiation Board is time tested and time honored. First established during World War II to stop war profiteering, it has since identified and returned to the general Treasury millions upon millions of dollars in unjustified profits. Even in the last 12 months of its existence, when it was hamstrung by congressional restrictions and the appointment to it of relative lightweights, it found $82 million in excess profits, and that was at a time of greatly reduced military spending from the period in which we are now.

With defense spending soaring to the highest levels in our history, the case for an independent Government agency with authority to review defense contracts to determine if they are realizing excess profits is stronger than it ever was.

The Senator from Rhode Island [Mr. CHAFEE] made a point during yesterday's debate that was well-taken; he warned that the Senate should not get into the role of micromanaging the procurement process. Well, the Renegotiation Board is the ideal solution to this potential problem in that it would provide an automatic safeguard against any excessive profit that may have escaped the scrutiny of the Defense Department. By its very nature of being an independent and a political forum, it would assure the Congress that justice was being served and relieve us of the need to closely oversee defense contracts.

One would think that the Defense Department would like to have someone it could count on to ensure that DOD is not being taken advantage of. One would think that the administration would like to have in it an agency that would actually return millions of dollars to the Treasury instead of spending them. I know that, as a U.S. Senator who is very, very concerned about the condition of the Federal budget, I would like to see such an agency in place. I strongly recommend the Metzenbaum amendment to my colleagues and urge that it be adopted.

Mr. GARN. Mr. President, will the Senator from Arizona yield time?

Mr. GOLDWATER. The Senator from Arizona will be very happy to yield whatever time the Senator feels he needs.

Mr. GARN. Mr. President, I will not take long. I know people are anxious to get away, and I understand the Senator is going to withdraw his amendment today and we will have much more extensive debate on the issue at some later time.

I want to make clear I am not in any way disagreeing with the problem he is trying to attack—excess profits—or some of the things we have heard about recently. That is simply not the point. The point is, How do you best attack them? And that is not through a renegotiation board.

I will briefly give you some history. In 1977, Senator Edward Brooke of Massachusetts, who was then the ranking minority member of the Senate Banking Committee, led the battle within the Banking Committee to terminate the Renegotation Board. He was joined in the battle by all of the Republicans on the committee at that time, including Senators HEINZ and LUGAR. The committee had a markup and voted to take away the authorization of the Renegotiation Board. During that year, however, it did not come to the floor and a vote did not take place. In 1979, the scene shifted to the Appropriations Committee where Senators HOLLINGS and MATHIAS led the battle. On the Senate floor in April of 1979, the Senate voted by approximately 60 to 40 percent—I do not remember the exact number—against the appropriation and the accompanying authorization which would have continued the Renegoti-

ation Board for an additional 2 years. Within 2 months, the Board was disbanded and its staff distributed to OMB and other agencies. Congressman GRASSLEY led the battle against the Renegotiation Board as a Member of the House of Representatives at the time. I am well aware of the arguments and quite willing at some later date to discuss this in more detail. But, just briefly, I think the Senate should be aware—and I will quote from the committee report:

> Last June the Senate Banking Committee held 4 days of hearings on the question of whether to extend and expand the powers of the Renegotation Board.

I think that the 1,008-page record of those hearings shows that they were among the most extensive and intensive reviews of the renegotiation process ever held. I repeat, more than 1,000 pages of testimony. Representatives of the Carter administration at that time, Members of Congress, Renegotiation Board members, and defense industry spokesmen all had the opportunity to present their opinions. The General Accounting Office was asked to do the first comprehensive study on cost of defense industry compliance with the Renegotiation Act and subsequently presented its findings. Since jurisdiction over the Renegotiation Board just that year had been transferred from the Finance Committee to our committee, my colleagues and I had few preconceived notions about this issue and kept an open mind on the subject throughout. But I must say that the Renegotiation Board and its supporters simply failed to make any convincing case that the Board was any longer necessary in today's procurement environment or that it could be improved to the point it would be a useful and productive entity.

In view of the overwhelming negative evidence which was presented during our hearings and thereafter, the committee felt that this was an appropriate time to let the Sun set on this unneeded bureaucracy.

There was also strong evidence that the Renegotiation Board was not cost effective. A General Accounting Office study confirmed that there were indeed significant incremental costs associated with compliance with the Renegotiation Act. Hewlett-Packard's audit costs associated with compliance amounted to one-half of 1 percent of renegotiable sales. If one were to assume the compliance costs on an industrywide basis were only half that of Hewlett-Packard, the cost would still amount to over $100 million annually.

Now, excluding Justice Department and court costs, which are substantial, in view of the fact that the vast majority of excess profit determinations since 1971 have been appealed to the Court of Claims where they were heard de novo, and excluding the actual operation costs of the Renegotiating Board itself, $6 million—this was several years ago so it is probably higher now—it was costing the Government as high as $10 for every dollar recovered by the Board.

Now, that is the main point I want to emphasize as to why the Senate Banking Committee and the Senate Appropriations Committee and the Senate decided to discontinue this Board; not because we were in favor of excess profits. We simply felt it was not cost effective to spend $10 to collect $1. Now, that is not a benefit to the taxpayers of this country. Where there are excess profits with the new contracting procedures, there are plenty of mechanisms to work at this problem. We ought to be talking about multiyear procurement out there. We ought to be talking about a lot of things to solve the problem that the Senator from Ohio is talking about, but a Renegotiation Board that was spending $10 to collect $1 is not a benefit to the taxpayer.

This Senator and others who participated over a long number of years in getting rid of an excess bureaucracy that was costing far more than it achieved has put us on record. I will not take any more time today; it is not necessary, but there will be substantial opposition to creating a board that costs so much and did so little.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I wonder if the Senator from Arizona will yield me 1 minute.

Mr. GOLDWATER. I will be happy to.

Mr. CHAFEE. I associate myself with the comments of the distinguished Senator from Utah. We have been up and down this hill I do not know how many times in the past, and the decision has always been that this Board does not deserve resurrection. I hope that we would stick by that decision. I think the facts that the distinguished Senator from Utah pointed out were very telling. I join in his comments.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I yield myself such time as I need.

Let me say that in my opening remarks I indicated I agree the past Renegotiation Board did not do an effective job, and they did not do it because they lacked the power to truly do a decent job. In addition to that, the players on the team, those who were to do the job, did not have the commitment to do an effective job. In spite of all of those failures, I should point out, however, and their lack of power, they still found $82 million in excess profits in the last year of existence. When it went out of business, there were $150 billion in contracts yet to be examined. The fiscal year 1986 Department of Defense authorization bill includes $102 billion in procurement funds. A savings by renegotiation of one-half of 1 percent would amount to $500 million.

Now, all we are saying, those of us who support this amendment, is that defense contractors have been ripping off the Government at a merciless rate, and the Department of Defense, no matter what they say, through their efforts to do a decent job are not in fact doing a decent job.

Some have said that we can do it through the DCAA or through the Truth-in-Negotiation Act or the armed services procurement regulations and others.

In response to that point, Donald Horan, Director of Procurement Logistics and Readiness Division of the GAO, stated the following in testimony on August 4, 1982, before the Subcommittee on Joint Oversight and Renegotiation of the House Banking Committee:

> If someone is to take a position that we do not need to worry about excess profits because we have those things in place, we disagree with that.

There is another argument made, whether the Department of Defense can do an effective job because they have at the present time 54,000 people running procurement programs, and why should this additional money be added.

It is always amazing to me how people are unwilling to provide extra money for the Internal Revenue Service to do additional audits or for the Department of Defense to collect back some of the over amounts that have been paid on defense contracts.

In the August 1982 House hearings, Sidney Waldon, of the GAO, answered the question with respect to the matter of DOD doing it itself. He said:

> The bulk of these employees are quality control people at the Department of Defense. They have nothing whatsoever to do with the pricing of the contract or whether excess profits are being made under that contract.

He went on to say:

> Fewer than 10,000 of those 54,000 are involved at all in pricing.

He said that these people are generally at the front end of the negotiating process.

I believe that there have been problems. I know there have been problems. But the problems we had with the Renegotiation Board in the past are minor and de minimis as compared to the problems we have at this time in wasting the taxpayers' dollars by throwing them at the defense contractors who continue to take advantage of our Government.

Mr. President, I reserve the remainder of my time.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. I yield 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I will be brief, but I do want to point out that somewhat earlier during the consideration of the current legislation, I offered an amendment which had, as one section, a proposal to revitalize the Renegotiation Board. At that time, I indicated that I would withdraw my amendment on a statement from the Armed Services Committee that hearings would be held on my proposed amendment.

Since then, the distinguished Senator from Ohio has offered his amendment on renegotiation, and we have had a number of discussions in that connection. It is my hope and thought that the distinguished Senator from Ohio and I would work together in developing a bill that would not only provide for a new Renegotiation Board but would also find ways and means that would eliminate some of the problems that occurred in the later months and years of the Renegotiation Board.

It is my thought that this legislation should apply to other agencies beyond the Department of Defense. If that should be the case, and if it were referred to the Government Affairs Committee, of which I am chairman, it would be my intent to hold hearings at a relatively early period and to report legislation if those hearings showed that that was the proper course of action. But I think that the distinguished Senator from Ohio has made a very valid point.

I, for one, am not satisfied with the performance of the defense contractors. I recognize that there have been serious problems in the past with the Renegotiation Board, but I think this is a matter that deserves the most careful attention of this body.

Mr. METZENBAUM. Mr. President, I very much appreciate the thoughtful remarks and the sincere approach that the chairman of the Government Affairs Committee brings to this subject. I know that he had offered an amendment earlier and then withdrew it, with the understanding that there would be hearings in the Armed Services Committee.

He and I have been talking about the entire question of Government procurement and the need to protect the Government's position in that respect. He and I have talked about our jointly introducing legislation which would appropriately be referred to his committee, and he has publicly indicated now that he intends to hold hearings and mark up such a piece of legislation and move it forward. I think that would serve the Nation's interests best.

I believe that the Senator from Delaware has proven by his actions in the past that he is not one who supports Government waste. He has been a strong voice against it. I consider it a privilege to work with him in introducing such legislation and helping to not only move it through his committee, where he does not need help, but also helping him with respect to the matter once we bring the subject to the floor.

Under those circumstances, it is my view that in bringing this issue to a vote at this moment, with the opposition of the Armed Services Committee and the concern of some of the others—the chairman of the Banking Committee—no useful purpose would be served. I think a much more useful purpose would be served to proceed along the lines discussed with the chairman of the Governmental Affairs Committee. Under the circumstances, I withdraw the amendment.

Mr. GOLDWATER. I thank the Senator.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. GOLDWATER. Mr. President, the bill is now open to further amendment. I think the Senator from Iowa has an amendment.

AMENDMENT NO. 244

(Purpose: To promote efficient management of costs and prices under Department of Defense contracts)

Mr. GRASSLEY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 244.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 66, between lines 16 and 17, insert the following new section:

COST AND PRICE MANAGEMENT IN DEFENSE PROCUREMENT

SEC. . (a) Chapter 141 of such title is amended by adding at the end thereof the following new section:

"§ 2406. Cost and price management

"(a) In this section:

"(1) 'Covered contract' means any contract awarded by a defense agency using procedures as defined in chapter 137 of this title and which is subject to the provisions of section 2306 of this title, including contracts for full-scale engineering, development, or production.

"(2) 'Defense agency' means the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Defense Logistics Agency.

"(b)(1) A defense agency which is responsible for the acquisition of property (including major manufactured end items) or services under a covered contract shall cause to be recorded the contractor's proposed and negotiated cost and pricing data acquired by the agency into appropriate categories, including labor costs, material costs, subcontract costs, overhead costs, general and administrative costs, fee or profit, recurring costs, and nonrecurring costs.

"(2)(A) A defense agency which is responsible for the acquisition of major manufactured end items under a covered contract shall cause to be recorded the proposed and negotiated bills of labor for labor used by the prime contractor and each associate contractor in manufacturing the item and for labor used by each such contractor in performing routine testing relating to the item. The bill of labor relating to the labor used by any such contractor shall reflect such contractor's computation of the work required in manufacturing parts and subassemblies for the end item and in performing routine testing of such parts and subassemblies.

"(B) Each contractor preparing a bill of labor referred to in subparagraph (A) shall specify in the bill of labor the current industrial engineering standard hours of work content (also known as 'should-take times') for the work included in a component of the bill of labor and for the total work included in the bill of labor. The contractor shall base the standard hours of work content specified in the bill of labor on the 'fair day's work' concept, as such term is understood in competition commercial manufacturing industries in the United States. The contractor's standard hours of work content included in the bill of labor shall not vary from time standards derived from commercially available predetermined time standard systems widely used in the United States, as determined by the defense agency, subject to verification by audit.

"(C) The head of a defense agency acquiring a bill of labor referred to in subparagraph (A) shall provide for the maintenance of the information relating to standard hours of work content included under subparagraph (B) and shall review such information to determine changes in measured work content as work progresses under the contract to which the bill of labor relates.

"(3) A defense agency which is responsible for the acquisition of major manufactured end items under a covered contract shall cause to be recorded the proposed and negotiated bills of material used by the prime contractor and each associate contractor under the contract in manufacturing the item and of material used by each such contractor in performing routine testing relating to the item. The bill of material used by any such contractor shall reflect such contractor's computation of the material required for manufacturing parts and subassemblies for the end item and for routine testing of such parts and subassemblies. The costs set out in the bill of material shall be expressed in current dollars and shall be materialized and received in a manner similar to the manner provided for bill of labor in paragraph (2)(C).

"(4) A defense agency which is responsible for the acquisition of property (including major manufactured end items) or services under a covered contract shall cause to be recorded incurred costs under the contract in the same manner as the defense agency categorizes and records proposed and negotiated costs, including grouping the costs as provided under paragraph (1)."

"(d)(1) Nothing in this section shall prohibit a contractor from submitting a request for payment or reimbursement for any bill of labor or any bill of material developed pursuant to an approved system of cost principles and procedures.

"(2) Nothing in this section shall require the submission of the information to be submitted under this section if the contractor does not maintain such information on the date of enactment of this section.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2405. Cost and price management.".

Mr. GRASSLEY. Mr. President, the amendment I offer is a request for the availability of information: information already gathered but not used by the Defense Department.

This amendment would help identify and solve the problem of hidden slush funds in the Pentagon budget, such as the magic $4 billion Secretary Weinberger just found in his coffee can out in his back yard.

This amendment is known as a should cost amendment, Mr. President. It would make available specific and useful cost information without which we would have no idea if the Defense Department has more money than it needs, or if our constituents are getting their money's worth for defense.

I would like to stress that this information is presently gathered by the various services. This is not a requirement to generate new information or needless paperwork. Instead, it is merely a requirement for paying attention to information already received but systematically ignored.

Let me explain, Mr. President, why this information is so important. I recently collected data from the three services which shows that our defense factories are operating at about 33 percent of normal efficiency. In other words, only 33 percent of our defense procurement dollars are being used efficiently. The other 67 percent is being wasted.

Now there is no way, Mr. President, that we could have discovered how inefficient the defense industry is without the level of information specified in this amendment. The problem is not that the information does not exist. It does. The problem is that no one, not even a congressional committee, can readily get the information because it is not kept in a systematic way in any of the services, or in OSD. Getting this information is like pulling teeth with your fingers.

This amendment would simply require that information of this detailed level be systematized by the services and made available. That way, we can all keep an eye on progress, or the lack of it, in defense cost control.

I recently uncovered a simple, little metal strap which holds engine wires in place on the KC-135 airplane. The cost per standard hour of output on that strap was $370. That's $370 per standard hour of work. The commercial industry could do the same kind of work for about $50 per standard hour. The cost per standard hour on that strap is about 7.5 times more than it should be. And we pay for it. Yet, we can never know of such things unless this amendment is adopted.

Mr. President, without information such as required in this amendment, we would not be able to understand how much we are paying above and beyond what we expect to pay for military hardware.

We talk about the need for competition. Yet, unless we know specifically where the costs are excessive, we will never be in a position to drive down costs.

There is still another reason why this amendment is important, Mr. President. We have all heard, now, the story about the defense bureaucrats running into the back yard of the Pentagon, digging up the coffee can, and pulling out $4 billion.

This amendment would enable us to know where all the coffee cans are buried. In a back-door way, the information in this amendment would reveal program-cost requirements from the bottom up. If money beyond those requirements should appear in that budget-line item, we could establish its purpose either as necessary or slush.

I would like to clear up one point, Mr. President.

This information is available to the services. It is not classified. It is not proprietary. It is not even overly detailed. In fact, the services gather data far more detailed than this.

However, it may be embarrassing. That is why, fully 3 months after this same information was requested and due to be received by the Senate Budget Committee, the Defense Department is still dragging its heels and it is not forthcoming with the information.

The information was requested back in January by Chairman DOMENICI and ranking member Senator CHILES. To date, only 5 percent of this vital information has come forth, and it is impossible to know if any more will surface.

This is an opportunity for us to open up all the windows and shades and let the sun come peering in on Defense Department activity. It is a worthy issue to pursue and investigate.

There is not one good reason against this amendment. There is no additional burden, because the information is already gathered by the services.

There cannot be micromanagement involved, because this is not management—it is a simple request for availability of information.

It is obvious, Mr. President, that the plusses of this amendment far outweigh any conceivable argument to the contrary.

In addition, we will be able to tell our constituents that we are keeping a watchful eye on the Pentagon whenever they read in their hometown newspapers about pliers and coffeepots and plastic whistles.

Mr. GOLDWATER. Mr. President, I do not believe that the minority has any objection to this amendment.

Mr. NUNN. Mr. President, we have worked out a provision in this amendment that was a real problem, and we can accept the amendment at this stage.

Mr. GOLDWATER. The majority has no objection. We will accept the amendment.

Mr. GRASSLEY. I thank the managers of the bill.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 244) was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SERVICE LIFE EXTENSION PROGRAM

Mr. HEINZ. Mr. President, I should like to engage the distinguished Senator from California in a brief discussion.

I thank the Senator for his attention, because I should like to enter into a discussion concerning language in this bill which restricts the authorization of funds for the Service Life Extension Program until the Secretary of the Navy certifies that the U.S.S. *Kitty Hawk* Service Life Extension Program can be more cost effectively done by the naval shipyard than through another alternative means.

I say to the Senator from California that because the Philadelphia Naval Shipyard is one of the most cost effective yards in the United States, I do not fear the results of such a report. However, I am concerned about such routine congressional efforts to redirect the SLEP Program in contravention of prior Senate action.

The Senate has voted two times on the same issue as presented in this language. The SLEP Program has been studied and managed by the Navy as any ship overhaul program.

Of course, if irregularities exist, I expect a thorough examination of the problems, but at the same time I wish to foreclose reexamination of the SLEP Program not based on factual concerns.

So, would the Senator from California agree to an assurance that if the Secretary of the Navy, in response to this language, certifies that a full Service Life Extension Program can be carried out most effectively at the Philadelphia Naval Shipyard, we will not face this kind of fencing language again next year and in the succeeding years?

Mr. WILSON. First, Mr. President, I say to my friend from Pennsylvania, both he and the junior Senator from Pennsylvania, I assure his constituents are serving their citizens well by their vigilance.

Second, I know that he is not suggesting that this Senator or any other refrain from exercising their duty of oversight and, of course, I could not agree to be foreclosed from exercising oversight responsibility, especially when as in the instant case of evidence in the form of a study and remedy by Airpack is focused on the question of the cost effectiveness of this Service Life Extension Program.

But I can assure the Senator from Pennsylvania, both Senators, Senator Heinz and Senator Specter, both of whom have expressed their concern to me, that it is not my intention to routinely apply such fencing language to each proposed Service Life Extension Program.

This was warranted by the Airpack study and if the Senator's confidence is borne out, clearly there will be no problem.

Mr. HEINZ. If the Senator will yield, I thank him for an extremely responsive request. I think we all agree that when there is a specific problem, it needs to be addressed. The Senator has made clear in his statement, as I understand it, the Senator and the committee were not satisfied with the responsiveness of the Navy Department. I do not blame them. I think that the committee should, and I would not want anything in this whole question to suggest any lessening of the right, indeed the responibility, of the Armed Services Committee, indeed Congress, to conduct necessary and appropriate oversight, and I concur with him in that, and I am equally appreciative of the fact that he has clearly stated for the Record that this is not going to be a routine or casual exercise that is recommenced for no good purpose or reason this year.

I sincerely thank him for his attentiveness and willingness to be candid and direct with us all. It is deeply appreciated, and I thank him personally, Mr. President.

I also see my friend and colleague from Pennsylvania who I believe seeks recognition.

Mr. SPECTER. I thank my distinguished colleague, Senator Heinz, for yielding to me.

Mr. President, I commend Senator Heinz for his diligence on an issue where he took the lead back in 1980 when this issue was before this body at that time and in 1979 as well, and I thank our distinguished colleague from California, Senator Wilson, for his cooperation in clarifying the bill language through this colloquy.

Certainly, I share Senator Heinz' confidence that the Service Life Extension Program as carried out in the Philadelphia Naval Yard can withstand any scrutiny, but it is important that such certification not become a matter of mere routine, and the discussion and colloquy which has been entered into today I think clarifies the Record on this point.

I thank both my colleague from Pennsylvania, Senator Heinz, and my colleague from California, Senator Wilson, for working this out to the mutual satisfaction of the Senators, giving the appropriate recognition to the Philadelphia Naval Yard and appropriate assurances that it will be cost-effective work done.

I thank the Chair, and I yield the floor.

Mr. HEINZ. Mr. President, I note the Senator from New Jersey has a great interest in this matter, and I yield to him.

Mr. LAUTENBERG. Mr. President, I thank the Senator from Pennsylvania because it is a matter of great interest to me for our State and our region.

The Navy considers the Service Life Extension Program a highly successful and cost-effective program which will add 15 years to the life of the eight *Forrestal*-class carriers.

The Navy has publicly acknowledged that the SLEP Program at the Philadelphia Shipyard has been a success and is the most cost-effective means available of overhauling the *Kitty Hawk*.

I hope that Congress has seen the end of this issue and that the certification by the Navy this time is the last one that is necessary.

I want to see us let the Philadelphia Shipyard overhaul the *Kitty Hawk* and leave the micromanagement of the Navy's programs to the Navy.

Mr. President, this matter has been under discussion among a number of us for several days, and frankly I would have preferred getting started with SLEP without delay. It is a matter of importance to our national security and of enough great significance to the economy of our region and my State. I appreciate the assurances of the Senator from California that this is the last time we will have to review this process without any evidence of problems.

I salute the efforts of the Senators from Pennsylvania, Senator Heinz and Senator Specter, in putting to rest once and for all this matter.

I thank the Chair.

Mr. HEINZ. Mr. President, I thank all Senators for their indulgence.

Mr. GOLDWATER. Mr. President, the bill is open for further amendment. I believe my friend from Georgia has one to offer.

Mr. NUNN. I have two, Mr. President, and it will not take very much time. I believe the chairman and I together discussed this one amendment which I offer on behalf of Senator Hollings. This is to add a total of $5 million on an Air Force research and development project.

AMENDMENT NO. 246

Mr. NUNN. Mr. President, I will send this amendment to the desk. This is on behalf of Senator Hollings.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Georgia [Mr. Nunn] for Mr. Hollings, proposes an amendment numbered 246.

On page 11, line 19,

Strike the $14,289,734,000 and insert in lieu thereof $14,294,734,000

Mr. NUNN. Mr. President, this is an amendment to restore $5 million to the Air Force Research and Development Program.

This was brought to our attention a few moments ago by Senator Hollings and it involves the account 63211F, aerospace structures and materials. The original request was for $24 million and the committee recommended a reduction of $10 million. The original committee recommendation at 3 percent budget mark was $5 million reduction.

Senator Hollings had been relying on the committee report which, of course, was outmoded when we went to the zero percent level and did not realize that this cut had been made and he found out and informed the committee that will seriously disrupt an ongoing program and perhaps require the cancellation of the contract.

This is at his request, and my understanding is it has been cleared on the majority side.

Mr. GRAMM. Mr. President, the majority side has no objection to this amendment.

Mr. NUNN. I thank the Senator form Texas.

I ask the amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 246) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 247

Mr. NUNN. Mr. President, I have one other requirement, and it is a reporting requirement. The Secretary of Defense under this amendment will be required to submit a report to Congress not later than September 15 adjusting the 5-year defense plan which is the existing 5-year defense plan to adjust that to two levels of growth so

we can take a look at what we are doing in the longer term.

One level of growth will be 3 percent; one level of growth will be zero percent. I am not forecasting or prophesying what will happen over the next 5 years, but I believe since the original 5-year plan was based on a much higher level of growth, in fact it was based on 6 percent this year, 8 percent or approximately 8 percent the next 2 fiscal years, we need to have a better look of where we are going down the line. I hope we can get this information before the appropriations process because in this bill we have before us we are making a number of new starts and most of those I think are worthy new starts, but they involve billions and billions of dollars, and I think we need to have some idea about the effect of a new type defense 5-year plan on the procurement schedules and rates of a number of weapon systems that are now existing, and relating that to the new starts is enormously important.

I am of the opinion we have too many programs now. They can be justified on their own basis. But when we are going into a much tighter defense environment I think they are going to have to have a fresh look.

I am particularly concerned about the implications of the next 5 years in terms of the new starts and how that is going to affect existing production lines and whether we really can afford those new programs as well as the existing number of programs we have now.

I know it will be somewhat difficult to get by September 15, but I stress it does not require a new 5-year budget plan. It is not intended to require that. It is really asking them to update the existing plan they now have with two new levels of growth assumed, that is the 3-percent level and the zero-percent level.

I am hopeful this will be acceptable to the majority.

Mr. GRAMM. Mr. President, I rise to accept the amendment. One of the problems that we face in defense budgeting is so many of our costs are rear-end loaded. We have, through the whole authorization bill, numerous examples of where we move into a new program through R&D with no real consideration as to what the expenditures on that program will be in the outyears when it begins to ramp up.

Mr. President, if we are to have any effective outyear budgeting, if we are going to make decisions about new weapons procurement, we have to have a clear understanding of what the outyear implications of these situations are. I think this is an effort to get at that. I strongly support the amendment.

Mr. NUNN. Mr. President, I thank the Senator from Texas. I know the Senator from Texas and I completely agree on the need to have that information and the particular dangers we face in a much tighter defense growth environment down the road. I look forward to working with the Senator from Texas in that area. I think it is enormously important.

Mr. President, I do not believe the amendment has been reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. Nunn] proposes an amendment numbered 247.

Mr. NUNN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following new section:

ADJUSTED PROCUREMENT BUDGET PLAN

Sec. . The Secretary of Defense shall submit to the Congress not later than September 1, 1985 an adjusted Five Year Defense Plan beginning in FY 1986 in which the total budget authority for each fiscal year does not increase more than 3% over the previous year's total budget authority adjusted for the official inflation projections for that year, and a second Five Year Defense Plan in which the total budget authority for each year does not exceed the previous year's budget authority adjusted for the official inflation projections for that year. Such plans shall include the broad categories as follows:

(1) a single amount representing the total budget authority for each appropriation account, except that amounts shall be specified at the budget activity level in the procurement appropriation accounts;

(2) the annual procurement plans for each of the five years for each major defense acquisition program as defined in 10 U.S. Code 139a(a).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 247) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 248

(Purpose: To provide $600,000 in impact aid to the Douglas School District of Box Elder, South Dakota, mitigating the adverse impact on the schools of such district.)

Mr. ABDNOR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. Abdnor] proposes an amendment numbered 248.

Mr. ABDNOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 132, between lines 14 and 15, insert the following new section:

SPECIAL IMPACT AID FOR THE DOUGLAS SCHOOL DISTRICT IN BOX ELDER, SOUTH DAKOTA

Sec. . The Secretary of the Air Force may use not to exceed $600,000 of the funds appropriated to the Air Force for fiscal year 1986 for Ellsworth Air Force Base, South Dakota, under section 2131 to provide assistance, by grant or otherwise, to the Douglas School District located in Box Elder, South Dakota, for the purpose of mitigating any adverse impact on the Schools of such school district.

Mr. ABDNOR. Mr. President, I send to the desk an amendment to ensure adequate funding for the school district which serves children whose parents are stationed at the Ellsworth Air Force Base in South Dakota.

Mr. President, this amendment is similar to the Bingaman-Domenici amendment agreed to by the Senate 3 days ago. It does not add to the funding authorized under this bill, nor does it divert funds from other bases or other schools. Rather, my amendment gives the Secretary of the Air Force discretion to provide up to $600,000 of the funds authorized for military construction at Ellsworth, for the purpose of phasing in the B-1 bomber, to mitigate any adverse impact on the local school district which serves the children of military personnel due to Federal activity.

Mr. President, I would not offer this amendment if I did not believe it necessary to avert the possible closure of the schools which serve the children of the military personnel stationed at the Ellsworth Air Force Base. Unfortunately, the Department of Education's erratic interpretations of the impact aid statute (P.L. 81-874), prompt me to pursue this amendment, I consider this provision a disaster insurance policy. Having already experienced one such closure of this school district in 1973, during the first year I served in the other body, and its near closure again 2 years ago, I believe my amendment is desperately needed in order to prevent a similar situation from recurring later this year.

Mr. President, I am advised that my amendment is acceptable to both the majority and minority managers of the bill. If there are no objections, I move the adoption of my amendment.

Mr. President, I wish to thank the distinguished chairman of the Armed Services Committee, Mr. Goldwater, and the very able ranking minority member, Mr. Nunn, for their assistance in this matter. They, together with their committee colleagues, have labored long on this bill, and I commend them for their efforts.

Again, this provision is like an insurance package that may never have to be used. The assistance will be made available to the school district only if it is needed.

Mr. NUNN. Mr. President, I defer to the chairman, if he would like to respond.

Mr. GOLDWATER. Mr. President, all of us who live in the Far West or Middle West where we have air bases or ground bases or naval bases that impact very heavily upon the school districts are confronted with this.

I am willing to take this amendment, but I take it, I have to say, with a great deal of reluctance and a warning to all that this kind of aid will have to be worked out by regular legislation next year.

Mr. NUNN. Mr. President, I share the views of the Senator from Arizona. I understand the purpose of the amendment. I have similar bases, and I have similar problems. And there are a lot of problems, and they are real problems.

It may very well be that we need to direct the Department of Defense to take a look at this so the policy will be applied generically to all bases.

I do believe it is a bad precedent. We have an amendment like this that has been offered on my side of the aisle. Frankly, I suspect if other Senators fully focused on it, we would have 100 more amendments on the floor by the end of the afternoon with this kind of request, because it is not just in a single area.

I am willing to accept the amendment. I understand it is important to the Senator. I respect him for offering it, but I would tell him I believe it is a bad precedent, and I cannot give assurances about what may happen to it in conference.

Mr. ABDNOR. Mr. President, I thank the Senator from Georgia and I thank the Senator from Arizona. I can understand their dilemma. Hopefully, in the near future, we may develop a generic, long-term solution to this problem. But this district's funds are already short and with the B-1 being phased in, bringing with it considerably more personnel and activity, this district may be forced to close its doors during the next school year. Hopefully, direct assistance from DOD will not be needed and will not be used.

Mr. President, I ask unanimous consent that Senator PRESSLER be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, we will accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 248) was agreed to.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 165

Mr. GOLDWATER. Mr. President, I ask unanimous consent to substitute the amendment now sent to the desk for amendment No. 165 which was agreed to earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 100, between lines 2 and 3, insert the following new section:

AUTHORITY TO LEASE AIR FORCE HELICOPTERS TO THE STATE OF CALIFORNIA

SEC. . Notwithstanding any other provision of this or any other Act, the Secretary of the Air Force may lease not more than 12 UH-F1 helicopters to the Department of Forestry of the State of California for the purposes of fighting forest fires, search and rescue missions, and vegetation control activities. The lease of helicopters under this section shall be made subject to such terms and conditions as the Secretary considers fair and reasonable and necessary to protect the interests of the United States.

AMENDMENT NO. 194

Mr. GOLDWATER. Mr. President, on Senator PRESSLER's amendment No. 194, there is a typographical error in section 1, paragraph 2, which states:

(2) embark upon a program to upgrade the chemical reconnaissance, decontamination and protective capabilities of each's military forces to a level adequate to meet the chemical threat identified in NATO intelligence estimates; and

Where it reads "of each's military forces" it should read "of each NATO member's military forces".

I ask unanimous consent to so modify the amendment.

The PRESIDING OFFICER. without objection, the amendment is so modified.

AMENDMENT NO. 249

Mr. GOLDWATER. Mr. President, does the Senator from Michigan have an amendment?

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 249.

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 67, lines 8 and 9 strike "general and administrative".

On page 70, line 5 strike "may" and insert in lieu thereof "shall".

On page 69, line 24 strike "are" and insert in lieu thereof: "have previously been determined to be".

On page 73, between lines 6 and 7, insert the following new paragraph:

"(d) Nothing herein is intended to modify, amend, or repeal section 1245 of the Fiscal Year 1985 Department of Defense Authorization Act, Public Law 98-473, the provision of which the Secretary of Defense has failed to comply with as of May 24, 1985.

On page 69, line 10 strike the words "that there is" and insert "by".

On page 69, line 23 strike from "for" through "costs" in line 24 and insert "which, by clear and convincing evidence."

Mr. LEVIN. Mr. President, I understand that this amendment has been cleared on both sides of the aisle. Let me briefly describe some of its provisions.

The bill provides that a penalty would be assessed to defense contractors if they submit costs for reimbursements where there is clear and convincing evidence that they are unallowable. While at first blush this may have some appeal in light of repeated reports of contractor wrongdoing, it could in fact prove to be unfair in its application unless amended.

My preference would be to amend this section now to permit the Defense Department to waive the penalty if it were absolutely convinced beyond doubt that the submission of the claim was an honest error. However, I think that I would fail in such an effort at this time. So I will continue to work on language to see if I can come up with some language which is acceptable to address that particular problem which I perceive. That is not covered anymore in my amendment, however.

I am pleased that the amendment that I am offering which is acceptable at this point will permit the Defense Department in effect to look at evidence on both sides in determining whether a claim is clearly unallowable. Since it is possible that there can be convincing evidence on both sides of a question, and the bill language could be construed as providing a penalty after looking at the evidence at only one side, my amendment makes it clear that the Defense Department judgment will be applied in pursuit of a clear and convincing standard of proof. In other words, more than a preponderance of evidence and unallowability is required before a penalty is invoked which is as it should be when one is exacting a penalty and that the Department should apply the clear and convincing test to all the evidence, not just to the evidence of unallowability.

I believe that this comports with the intention of the original sponsor of the language relative to a clear and

convincing proof standard. That is one aspect of the amendment.

The bill requires that if a contractor repeatedly submits unallowable costs, then the Secretary may penalize the contractor in an amount equal to twice the disallowed amounts. But this stands in contrast to the provision relative to a single penalty where a submission is disallowed based on a finding by clear and convincing evidence and there is no exacerbating circumstance such as repeated submissions. My amendment removes the discretionary authority from the Secretary in the more egregious cases since there is no discretion in the less egregious cases and thus it both strengthens the bill and makes it internally consistent.

On another matter, section 703 of the bill requires the Secretary of Defense to issue a report on several specific findings of the committee and address the issue of whether the management actions of the Department have addressed those findings. In the event that the management action has not addressed those findings, and solved the problems identified then, and only then, the Secretary must issue proposed regulations to limit the price that may be charged by defense contractors for spare parts.

Since one of the findings that the committee bill makes is on the subject of inordinate overhead charges, resulting in a price in excess of the intrinsic value of the part, one might conclude that if the Department has taken adequate management action on this point then no regulations are required.

However, the fiscal year 1985 DOD Authorization Act included a section 1245 which required the Secretary to write new regulations to specify the amount of overhead a contractor may appropriately allocate to a part.

The regulations have not yet been promulgated, having been sent to the Federal Acquisition Council on May 9. Such regs were required to be promulgated by April 19 according to the law and the Secretary has not yet complied with that law.

My amendment would make it clear that the bill's provisions do not obviate the need for those new regulations under the 1985 DOD Authorization Act.

As I indicated earlier, the bill's language would create a new penalty for unallowable costs submitted for reimbursement when the contractor consistently submits costs for which there is "clear and convincing" evidence that such costs are unallowable, or for situations where it has previously been determined with respect to that contractor that such costs are unallowable. This penalty includes disallowance of the cost, plus a fine equal to three times the amount of the submitted cost.

The bill's language makes no exception for a contractor who might submit several proposals concurrently which contain unallowable costs.

Since the standard of clear and convincing evidence does not mean that there may not be clear and convincing evidence on the other side of the issue, a contractor might be reasonable in submitting several such claims simultaneously.

Under the bill's language, such contractor could be fined up to three times the amount of the submitted costs in addition to having such costs disallowed.

My amendment would require that in a situation where there are concurrently submitted proposals, then the costs would have to have been previously determined unallowable for the fines to be applied. This is simple fairness.

In full committee markup, the members of the committee were presented with a new draft of a major initiative, now title VII of the bill. Committee work enjoys a presumption on the floor of the Senate—the presumption that language brought to the floor by the committee has been carefully groomed by the committee members and staff, and where significant changes in law are being proposed, that it has been the subject of hearings, testimony, advice, and the other benefits of considered deliberation.

The language adopted by the committee does not receive the considered deliberation it merits.

The language first surfaced a mere 72 hours before markup.

During hearings of the Acquisition Subcommittee I remember no mention of this proposal so that it might be subject to a hearing and discussion. As a matter of fact, the Acquisition Subcommittee marked up our own procurement title to the bill.

As a result of the lack of process, mistakes were made.

The bill language was systematically altered when offered in full committee markup from what had been circulated only hours earlier.

To make matters worse, debate in the committee markup was limited to 1 hour.

As one more example of this speed, the language had been so hastily drafted that the criminal penalties first included in the bill appeared to lack a basic protection of criminal law—the fundamental requirement that actions be willful or knowing or reckless or otherwise wrongful in order to be criminal.

I argued this point in committee because, yes, even defense contractors should have rights of all citizens.

When the committee brought the bill back to committee to remark the bill to achieve 0 percent cost growth in compliance with the will of the Senate, another complete revision of this 17-page section of this bill was plopped on the table and voted out, again by a very divided vote.

As ranking minority member of the Acquisition Subcommittee, I can attest to the complexity in this area.

But this language provides far-reaching changes to procurement law without so much as a hearing.

Everybody wants to have reform in this area—and I can understand this—but this is one of the most complex areas in the law. To adopt a proposal as complex as this one without hearings or discussions in committee is a mistake.

My amendment doesn't correct all of the problems in this language. I would have welcomed hearings on this, but I have tried to make the best I could under these circumstances.

Mr. GRAMM. Mr. President, let me first say to the distinguished Senator that I agree with this amendment. I think it strengthens the provisions that were adopted by the committee.

Mr. LEVIN. Mr. President, I think this amendment has been cleared on both sides.

Mr. GOLDWATER. The amendment has been cleared on both sides.

Mr. NUNN. The Senator is correct. It is a good amendment. We support it.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Michigan [Mr. LEVIN].

The amendment (No. 249) was agreed to.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, the bill includes a provision that makes clear that certain contractors' claims which are submitted and disallowed are subject to the False Claims Act. I believe that this provision is redundant. But I am not going to press that point at this time because there may be a difference of opinion on that issue.

There is a clarification which I would seek from my friend from Texas. I wonder if I might have his attention for just one moment. As I indicated, the bill does contain language which makes it clear that certain claims which are submitted and disallowed are subject to the False Claims Act, and the clarification that I seek is as follows:

The False Claims Act has a requirement in it of knowledge that a claim which is false is, in fact, false. Is it the intention of my friend from Texas, who is the author of this language, to in any way change the requirement that there be knowledge before a crime can be found to exist under the False Claims Act?

Mr. GRAMM. If the Senator will yield, it is not the intention of the Senator from Texas to in any way alter the False Claims Act.

Mr. LEVIN. So any claim which is disallowed under the language of the bill, and which, according to the bill's language, is subject to the False Claims Act, would have to meet all the tests in that act before a crime could be found to exist like any other crime?

Mr. GRAMM. The Senator is correct.

Mr. LEVIN. I thank my friend.

Mr. NUNN. If the Senator will yield on that, I have been very concerned about this also. With all the other matters this week, it has been hard to focus on that provision.

The way I read the amendment now, I do not see that it has a requirement for knowledge. I know we established the author's intent. I wonder why we cannot get a brief amendment that would make that plain. It seems to me that that element is not there. I know the author intended to incorporate that element of knowledge, but I do not believe he did. I believe it incorporates the definition of false claims but not the knowledge requirement, as the Senator from Michigan said in the committee one day.

Mr. LEVIN. I felt strongly we should not be changing the provisions of criminal law in this way. The assurance that we have from the Senator from Texas is, in fact, that we are not. I would think that we could clarify this in conference, if not with an amendment now.

Mr. GRAMM. If the distinguished Senator will yield, it is clear in the reference to false claims that we refer to the False Claims Act, the existing statute, in terms of defining the criminal act. Therefore, all the provisions of that act are applicable.

Mr. LEVIN. The language has been changed since the original bill language. I wonder if the Senator from Georgia might be willing to let us look at today's language.

I wonder if my friend would do this: compare the language in the revised bill to the original bill and add to it today's colloquy. If there is still any ambiguity between now and conference, I wonder if we can all work together to eliminate the ambiguity in conference.

Mr. GRAMM. In my opinion, in the revised version there is not any ambiguity. Certainly, if there is any, I would be willing to work it out. The question raised in the committee when we went back into committee for a remarkup, changed the language.

Mr. NUNN. The way this reads on pages 70 and 71, it says at the bottom:

> (d) The submission for any period of a proposal for general and administrative cost settlement after the costs covered by such proposal have been paid or accrued and such proposal includes any costs not actually paid by the contractor or not actually accrued in accordance with generally accepted accounting principles or cost accounting standards shall be—
>
> (1) subject to the provisions of section 287 of title 18, United States Code, and shall be punishable as provided by law (including section 704(a) of this Act) for offenses under that section and

To make it subject to the provisions of section 287, that section is the False, Fictitious or Fraudulent Claims Act.

> Whoever makes or presents to any person or officer of the civil, military or naval service of the United States, or to any department or agency thereof, any claim upon or against the United States or any department or agency thereof knowing such claim to be false, fictitious or fraudulent shall be fined not more than $10,000 or imprisoned not more than 5 years or both.

I believe by saying it is subject to, that knowing such claim to be false if it is subject to that, would cover it.

Mr. GRAMM. That is the intention of the whole section, to bring to bear the knowing provision of existing law. That section was injected because of concern in committee. It was for that purpose that it specifically deals with it.

Mr. NUNN. I thank my friend from Texas.

I have one other question. That means that this has incorporated or made subject to the criminal law these claims, does it not, because this is a criminal statute?

Mr. GRAMM. It makes the claims that are false claims subject to criminal statute. We have three graduations of penalties: The unallowable charge, the unallowable charge where there is a consistent pattern of abuse, and the false claim, which goes back to the standard of knowing.

Mr. NUNN. The only question I have is, "and shall be punishable as provided by law, including section 704(a) of this act, for offenses under that section."

The way I would read that is that whatever the provisions are in 704(a) of this act would be included as penalty, but also, since it is subject to section 287, the penalties provided there, a fine of not more than $10,000, imprisoned for not more than 5 years or both, those are also included because those are provisions of law.

Mr. GRAMM. The Senator is correct, except that we raised the $10,000 to $100,000 and the Senator from West Virginia raised it to $1 million.

Mr. LEVIN. I have a question of whether we should ask the Governmental Affairs Committee to make these penalties Governmentwide and not just make them applicable to defense contractors who file false claims. The Senator from West Virginia indicated he would sign such a letter.

Mr. NUNN. The imprisonment for not more than 5 years would continue to be part of this section?

Mr. GRAMM. That is correct. No part of existing law is repealed here. It is simply a raising of the standard from $10,000 to $100,000.

Mr. LEVIN. If the Senator from Georgia will yield, I indicated in my statement that I thought this language was redundant because the claim disallowed for knowingly being false is already subject to the False Claims Act. Therefore, I do not think we are doing something that is not already the law. However, we are surely clarifying it if there is any doubt in anyone's mind as to whether or not a false claim that meets the standards of the False Claims Act is in fact a false claim. This removes the doubt from anyone's mind.

Mr. GRAMM. That was the original intention of the amendment.

Has the amendment of the Senator from Michigan been agreed to?

The PRESIDING OFFICER. The amendment has been agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

AMENDMENT NO. 250

Mr. HART. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Colorado [Mr. HART] proposes an amendment numbered 250.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 100, between lines 2 and 3 insert the following new section:
>
> SEC. . The President of the United States shall conduct an interagency study (to include the Department of Defense the Department of Energy, the Joint Chiefs of Staff, the Department of State, the Arms Control and Disarmament Agency, and the appropriate intelligence agencies), with the purpose of:
>
> Reporting on the present status of United States and Soviet verification capabilities; and
>
> Determining possible avenues for cooperation with the Soviet Union in the development of verification capabilities not subject to national security restrictions; including but not limited to limited exchanges of data and scientific personnel and conducting a joint technological effort in the area of seismic monitoring.
>
> The President shall submit a classified and unclassifed version of this report to Congress no later than October 1, 1985.

Mr. HART. Mr. President, very briefly, the floor managers of the bill have copies of the amendment and I shall describe it as briefly as I can. I hope it will be accepted and not controversial.

It is the view of many, Mr. President, that one of the reasons we have not been able to make more rapid progress in the area of arms control negotiations is because of the technological limits on our capability to verify comprehensive arms control agreements.

This amendment addresses the shortcomings in verification technology by urging the President to undertake a study involving all the principal agencies of Government which have jurisdiction and responsibility for arms control and the national security.

That study's purpose is, first, to report to Congress on the present status of the United States and Soviet verification capabilities, in both a classified and unclassified manner, and, second perhaps more importantly, to determine whether there are possible avenues for cooperation with the Soviet Union in the development of verification capabilities which might be undertaken in ways that do not in any way impinge upon this country's national security restrictions. That would be including but not limited to exchanges of data and scientific personnel and perhaps even conducting joint technological efforts in the area particularly of seismic monitoring.

Mr. President, the very clear intent of this amendment is in no way to jeopardize or leave open to possible question any classified or other data that might in any way affect our national security. It is to ask the President whether some common ground might exist for joint technological efforts between the two nations, particularly in the area of seismic research, that will, in effect, lower the verification threshold on both sides, particularly on our side, giving us greater confidence in our ability to monitor and verify that the Soviet Union is, in fact, living up to any agreements which we may seek to reach in Geneva or elsewhere.

The amendment, Mr. President, it is hoped, will not cause controversy. It is not intended to. It is the sense of the Senator from Colorado that all sides on all dimensions of the arms control issue should welcome increased verification capabilities, including the possibility of joint United States-Soviet efforts. It is in that spirit that this amendment is offered. I hope the managers on both sides can see their way clear to accepting it.

Mr. GOLDWATER. Mr. President, the majority has looked at this amendment and finds no fault with it. I think the minority agrees.

Mr. NUNN. Mr. President, I think it is a good amendment, and we are happy to accept it. I particularly like the emphasis on seismic capabilities. I think there have been some breakthroughs there, from what I understand, that may very well facilitate some of the onsite inspection, which I think is necessary in this overall controversy.

Mr. McCLURE. Mr. President, I have no objection to the amendment, and I think the effort is a good-faith effort to further the opportunity for cooperation and confidence-building between our two nations. As a member of the Helsinki Commission, I have to express some caution because of our sad experience that even the limited confidence-building mechanisms in the Helsinki Final Act have worked poorly or negatively because the Soviet Union has not wished to allow them to work well. So I think the amendment of the Senator from Colorado may indeed assist, but it can assist only if there is a real climate of desire on both sides.

I think the question of seismic verification, which is one of the most troubling with respect to the verification of the TEBT, is one in which there should be some common understanding. Indeed, if we look at it with a scientific detachment and do not try to politicize that scientific debate, we may well find ourselves moving closer together, either in the means by which we verify what may happen and way in which we verify what happens, or we may come to a better understanding of whether or not there is indeed compliance or violation of existing treaties.

I am one of those who believe the evidence is relatively conclusive on that subject already, but I recognize that there are many people who do not agree with that evaluation. This effort might well indicate whether or not there is a way to make more certain and less arguable the results of that kind of analysis.

Mr HART. Mr. President, will the Senator yield briefly?

Mr. McCLURE. I am happy to yield, Mr. President.

Mr. HART. The Senator is, of course, correct. Cooperation by its very definition is a two-way street. You cannot cooperate with someone who does not want to cooperate. If the President makes a good-faith effort to see whether the Soviets want to join us in making a seismic verification effort or any other, and they say no or they say they want to cooperate and do not, or if they do not act in good faith, they stand exposed in the world arena. As with Helsinki or human rights or treaty violations, the world arena, the court of human opinion, is, in fact, the final arbiter of who wants peace and who does not.

In that respect, I agree completely with the Senator from Idaho.

Mr. McCLURE. Mr. President, I was certain the Senator from Colorado would. I had no doubt about that at all. I only take time to speak with respect to the amendment at all because oftentimes, when we set in motion a course of action toward some kind of cooperative agreement or cooperative action, there are immediately some few in our society who get starry eyed about it and say, "Now we have solved that," just as there are some who are cynical in our society who would say, "Why in the world would you do that?"

I think we have to understand both the pitfalls and the opportunities of such an effort. I am sure the Senator from Colorado means to step between the pitfalls on the one side and the opportunities on the other that may be overstated or stimulate over-expectation of what might occur.

A good-faith effort, Mr. President, is certainly well worth undertaking to put to the test whether or not the Soviet Union does wish us to live in this world in a more peaceful and less stressful environment. I believe the amendment can lead in that direction.

Mr. HART. The Senator is correct about the intent of this amendment. It does challenge the Soviet Union and does test their good faith and good intentions. I think we ought to test that on every occasion we can, because that is, in my judgment, the best way we can find out, as I said before, who really wants peace and who does not. When we seek to join with the Soviets to solve common problems in our mutual national security interests and they say no, or they operate in bad faith, or they say they want to cooperate and do not, or they undermine the effort, they are the ones who stand condemned.

This amendment is meant to be cost-free to us in that respect.

Mr. McCLURE. And if properly understood, properly represented, and properly funded by the administration, it can have those results.

Mr. HART. If everything works that way, yes.

The PRESIDING OFFICER (Mr. SYMMS). The question is on agreeing to the amendment of the Senator from Colorado.

The amendment (No. 250) was agreed to.

Mr. GOLDWATER. I move to reconsider the vote, Mr. President.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I do not think there are any further amendments. Because I have to leave

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at 4:30 p.m., I just want to take this opportunity to thank Senator Nunn of Georgia for his constant support and help.

I want to thank all of the members of the committee, but particularly I want to thank all of the members of the staff who have done an unusually fine job.

I do not believe the body knows it, but we have already passed 92 amendments. We have about 18 left to take care of when we get back. If we get the same kind of cooperation, I am sure that we can finish this bill the week after we come back. And again, my real heartfelt thanks for all the good work that everyone has done.

Mr. NUNN. Mr. President, I thank the Senator from Arizona for his kind words, for his thoughtfulness during the course of this bill to those of us on this side of the aisle and, indeed, to the whole body, and for doing a superb job of leading us not only on the floor but also in the committee deliberations. The Senator from Arizona is one of a kind. He is right at the top of those who have stood for years for strong national security. Whatever the state of our security today, I can say without any doubt it is much better because the Senator from Arizona passed this way, because of his terrific leadership over the years.

I believe I speak on behalf of all the Members of this body in saying that we wish the Senator a few days of rest, and we certainly want him to know our prayers and thoughts are with him and his family, particularly his wife in her period of illness. Our prayers and thoughts will be with the Senator. I think that is a reflection of the sentiment of everyone in the Senate.

Mr. President, I, too, want to thank the staffs on both sides of the aisle for a superb job.

Mr. GOLDWATER. I thank my friend.

I should have left when the getting was good. There is another amendment.

AMENDMENT NO. 251

Mr. NUNN. Mr. President, we have seen it. We have serious reservations about it.

Mr. GOLDWATER. Mr. President, I suggest that we take this amendment.

Mr. NUNN. As chairman Stennis used to say, "We will be prepared to take this amendment to conference."

The PRESIDING OFFICER (Mr. Gramm). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. Goldwater], for Mr. Wilson, proposes an amendment numbered 251.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Sec. . (a) The Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to sell or exchange approximately 475 acres of land lying south of proposed highway SR-52 which comprises a portion of the Naval Air Station, Miramar, San Diego, California, said lands not to include lands authorized to be conveyed under Public Law 98-407, Section 837. The sale or exchange shall be conducted in accordance with competitive bidding procedures, as defined in Chapter 137 of Title 10, and the Secretary shall in any event ensure that the consideration received from the sale or exchange is at least equal to the fair market value of the property.

(b) In consideration for the sale or exchange authorized in subsection (a), the Secretary may receive cash or land in the San Diego area, or both. Any land received shall be suitable for siting of military family housing. The Secretary is authorized to retain and expend the proceeds of the sale or exchange only for the acquisition of military family housing sites in the San Diego area. Any funds received by the Secretary under this provision shall be obligated for military family housing sites within 30 months of their receipt or, failing such obligation, shall be deposited in the Treasury as miscellaneous revenue.

(c) The exact acreage and legal description of the property to be sold or exchanged under this section shall be in accordance with surveys that are satisfactory to the Secretary.

(d) The Secretary may require such additional terms and conditions in connection with the sale or exchange as are considered appropriate to protect the interests of the United States.

Mr. GOLDWATER. Mr. President, I am informed that the minority has no overwhelming objection to this, and my feeling would be in about the same category, so we will accept it.

Mr. NUNN. Mr. President, Senator Bingaman, being our ranking member of military construction, has looked at this amendment at my request. He has very serious reservations, and so in conference we will have to look at it very carefully.

Mr. GOLDWATER. I agree with that.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

So the amendment (No. 251) was agreed to.

Mr. HART. Mr. President, yesterday the Senate signaled a final victory for the opponents of the MX by overwhelmingly supporting an amendment to cap deployment at 50 missiles.

I began the MX debate this year by offering an amendment to delete any further expenditures on the production and deployment of the MX, and it was difficult for me to sanction the deployment of 50 missiles which I do not believe will make a positive contribution to the U.S. deterrent.

However, I voted for the Nunn amendment for two reasons; first, it represents a long overdue first step toward reconstructing a consensus on the issue of land based strategic modernization. It rejects the notion of allowing our arsenal to be deployed in a vulnerable and destabilizing basing mode. And second, it demonstrates that a flawed weapons system, being promoted for political rather than sound military reasons, can be stopped.

Mr. President, Alexis de Tocqueville wrote in "Democracy in America": "There are two things that a democratic people will always find very difficult, to begin a war and to end it." Certainly his words have held true for the protracted political war over the MX missile. Yet, yesterday's Senate vote signals that the war is finally ending, and the clear winner will be America's security.

It did seem that the war over the MX would never end. The debate dragged on for a decade, through the expenditure of $10.5 billion, and past consideration of more than 30 basing modes.

But, Mr. President, yesterday's vote represents a clear victory for critics long-concerned about the feasibility of this flawed system. Mr. Reagan had called for deployment of the MX in vulnerable, fixed silos; the bipartisan Senate majority agreed to halt production until Congress could find a more secure basing mode. And whereas Mr. Reagan had once called for production of 200 MX missiles, the Senate agreed to stop production after the first 50.

To appreciate the sweep and significance of this victory, it is important to understand just how far we've come.

When the Reagan administration took office, Congress was told that the Soviet Union enjoyed overwhelming superiority in land-based missiles. Without prompt congressional approval of the administration's request for a dramatic surge in defense expenditures—including production and deployment of 200 MX missiles—our country's security was in peril.

A bipartisan consensus did emerge for a comprehensive modernization of our strategic deterrent. Along with my Republican and Democratic colleagues in the Senate and House, I fully supported improvements in all three legs of our strategic triad—sea, land, and air—including the Trident submarine, the D-5 missile, the small, mobile missile—the so-called Midgetman—the cruise missile, additions to our strategic bomber force, and more secure land-based missiles. I supported these modernizations because they would enhance the survival and stability of our strategic deterrent.

Paradoxically, the same administration which inherited this remarkable consensus is now presiding over its erosion—in part, by blindly and stubbornly adhering to the pursuit of a weapons system which could not meet the requirements of survivability. Largely for political reasons, the administration abandoned plans to deploy MX on survivable, mobile launchers. Instead, it argued for deployment in existing Minuteman silos—silos which the administration fully admitted were vulnerable to a Soviet first strike.

Mr. President, the concern that MX should not be based in existing silos was not limited to the perceptive few; nor is it now a partisan claim. The most eloquent testimony against placing MX in existing silos came from members of this administration.

Senator John Tower, former chairman of the Armed Services Committee, now a chief negotiator at the Geneva arms talks, argued in 1981 that "by stuffing the MX into fixed silos, we're just creating so many more sitting ducks to shoot at * * *" The U.S. Air Force in its own report, "MX Permanent Basing," discounted the possibility that the deployment of MX in existing silos could meet the minimum criteria of survivability.

Undeterred by the weight of evidence, the administration continued to pursue deployment of a missile too large to conceal, too valuable not to be targeted, and, so doing, weakened the structure of deterrence even as it sought to advance it. The administration argued speciously that pressing forward with MX demonstrated national will and resolve, and shattered the nascent political consensus on behalf of strategic modernization. In short, it appeared willing to go to any lengths to get MX.

A debate which should have turned on national security became an embarrassing political sideshow. The missile was called a bargaining chip, recommended for emplacement in a dense pack, characterized in Orwellian terms as a "Peacekeeper." The administration convened a commission to find the missile a home, but political considerations demand that the commission's conclusions contradict its findings. The recently renewed arms negotiations were used to justify production of a missile whose existence was used as a justification to resume the negotiations. And the final insult occurred when Congress was asked to pay $180 million to harden each silo into which the $119 million missile was to be placed.

The accomplishment of the Senate vote must not be underestimated. The administration came to power arguing that a minimum of 200 MX missiles could protect American security. Congressional pressure has cut the production request first to 100 and now to 50.

Even the Air Force admits that a force this size cannot provide the hard target-kill capability this administration argued the MX was needed to provide. The deployment of this small force means that in every sense the MX is now strategically meaningless.

The administration has tried to portray the final outcome as a compromise. In fact, passage of legislation putting an absolute cap on the deployment of these missiles in vulnerable silos represents a total collapse of the administration's arguments for the MX.

Mr. President, the relentless effort to house MX in vulnerable silos echoes eerily Barbara Tuchman's identification of folly throughout the ages: knowing a course to be foolish; having a more plausible alternative; and refusing to accept that alternative. In that sense, the decision of the Senate to halt the folly embodies real wisdom.

Mr. President, the task we now face is not simply to claim victory but to reassemble the strategic consensus on which our security must be based.

CHEMICAL WEAPONS

Mr. ABDNOR. Mr. President, I would like to clarify what it is we did Wednesday evening when we voted on chemical weapons. Some would have the American people believe that the Senate voted in favor of a full-fledged chemical weapons arms race, and that couldn't be further from the truth.

In fact, what the Senate did last Wednesday was to vote in favor of reducing our existing stockpile of chemical weapons by 75 percent while eliminating the risk of a disaster which could endanger thousands, and perhaps millions, of Americans.

Of the money contained in the bill under the heading of chemical warfare, 74 percent is earmarked for defensive measures such as providing improved protective clothing for our troops. Frankly, if we are going to station troops just across the border from Soviet forces in Europe, it would be immoral not to provide them with the best protection available in light of the readiness of the Soviet Union to employ deadly chemicals, such as those they have used against the Afghan freedom fighters.

In addition, the bill contains money to destroy our existing and very dangerous stocks of chemical weapons. We have not produced a chemical weapon in this country since the 1960's. Even for the newest weapons in our stockpile, at least 16 years have elapsed for their containers to rust and corrode. Unless we destroy those aging weapons, we risk an incident right here in the United States which could surpass what happened in Bhopal, India.

That's why the majority of my colleagues have voted to provide for the production of so-called binary weapons. These weapons would consist of two chemicals which are entirely safe as long as they are kept separate. In fact, you could take one or the other home and pour it on your living room carpet and be perfectly safe. In contrast with the present situation which courts disaster every time a chemical weapon is transported, these chemical agents can be transported and stored in complete safety simply by keeping them separate.

The best of all possible worlds, of course, would be if we didn't have to spend a dime to develop what everyone admits is a horrible weapon. But, we have to face the fact that we live in a world where neither the Soviets nor some Third World countries apparently have much hesitation about using such terrible weapons against those who cannot pose a credible chemical deterrent. We should remember that it was the United States which proposed at Geneva a treaty to ban all chemical weapons, and it was the Soviets who not only turned it down but refused even to discuss the subject.

Furthermore, chemical deterrence is a lesson taught by history. During World War I, the Germans were the first to develop gas warfare and, because they foresaw at least a short-term advantage, they used it extensively. As a result, the Allies were not only forced to develop chemical weapons but also to use them.

In contrast, both the Allies and the Axis possessed chemical weapons from the start of World War II. And, while the Nazis used chemical agents to murder millions of defenseless Jews, they never dared to employ them in a military situation—not even during the last desperate days of the Third Reich—because the Allies possessed a credible chemical deterrent.

It is true, as the old saying goes, that those who ignore teachings of history are bound to relive it, and we simply must not allow ourselves to be placed in the position of being forced to relive the terrible history of chemical warfare.

Another unpleasant truth is that the lack of a credible deterrent could tempt the Soviets to chemically attack our NATO forces during a crisis. In that event, we would be faced with the choice of permitting the Soviets to overrun all of Europe or resorting to use of nuclear weapons to stop them. We must never, ever, let outselves be forced to make that terrible choice.

On one hand, not to maintain a credible chemical deterrent would violate our obligation to the free world, and on the other, not to improve the safety of that deterrent would be to violate our obligation to millions of Americans. That's why the majority of my Senate colleagues and I voted to reduce our chemical inventory by 75 percent and to assure that it is entirely safe.

Mr. CRANSTON. Mr. President, I believe very strongly that there is a continuing need to evaluate the adequacy and future needs of the Veterans' Administration's health-care system, especially in light of the ongoing Federal budget debate and the cutbacks approved by the Senate, unwisely in my view, in the fiscal year 1986 budget for function 700, veterans' benefits and services.

One particularly highly valued and respected voice in the discussions about veterans' health-care needs is that of Dr. Donald L. Custis, formerly VA Chief Medical Director. Recently, the Paralyzed Veterans of America, which Dr. Custis now serves as the director of medical services, published an article by Dr. Custis, entitled "The Challenge to the VA Health Care System: Portents of the FY '86 Medical Care Budget." The article outlines several of the key health policy issues being faced by the VA.

Mr. President, I ask unanimous consent that the article be printed in the RECORD at this point so that my colleagues, and others concerned about the quality of health-care services provided to our Nation's veterans, may have the benefit of Dr. Custis' analysis of these important issues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CHALLENGE TO THE VA HEALTH CARE SYSTEM: PORTENTS OF THE FY '86 MEDICAL CARE BUDGET

(By Dr. Donald L. Custis)

A new dimension was applied this year to the FY'86 Federal Budget process. Under a strategy called "front loading", recommendations of the Office of Management and Budget for drastic cuts in domestic programs were presented to the President and leaks provided to the press prior to the usual return of budget proposals to the respective Federal Agencies for their final review and rebuttal. Especially noted was the President's personal involvement in line-item decision making, thus altering his traditional role as a detached final arbiter between agency heads and OMB. The technique was undoubtedly designed to arouse public interest at the earliest possible stage of budget development. No response was more vocal than the protests from those who truly understand the devastating impact of further cuts in Federal health care programs. Their concern, however, is currently without popular support. The public is preoccupied with rising health care costs, but generally lacks understanding of the causes. Unfortunately, the emphasis in public discussion of this extremely complex issue has shifted totally from the recognition that as a nation we have been successful in building the world's best health care system, which provides access to quality health care to all sectors of our population, to one that focuses exclusively on the cost factor. More ominous still is the tendency to ignore the fact that such medical care elements as human concern, compassion, and social responsibility simply do not translate into economic values.

The media, speculating on the Administration's intent, identified likely cuts in excess of what finally surfaced in the President's 1986 budget. Perhaps the press abetted a ploy of threatening the loss of a whole loaf in order to cut it in half. Given Congress' budget prerogatives, it will be months before final decisions are known. Even then the debate regarding the restructuring of the nation's health care programs will continue. Even previous discarded policy issues may be expected to resurface in subsequent budget cycles. The Administration has already proposed additional cuts for FY '87 and FY '88. FY '86 budget cuts affecting the private sector are also of significance to veterans because of the impact upon the VA health care system. During the past few years Congress has reduced projected Medicare/Medicaid expenditures by some 18 billion dollars. The President has proposed additional cuts from Medicare and Medicaid of $5.9 billion on FY '86 and $27.1 billion by FY '88. Included are reductions in Medicare reimbursement for capital expenditures; a fifty percent reduction in Medicare indirect subsidy for medical residency education and severe cuts in federal support for medical education loans and scholarships.

The fate and future of the VA and the private sector medical systems are inextricably linked. One-third of all veterans over the age of sixty-five are said to be medically indigent, which may explain why the VA medical system is proving to be a demonstrable safety net for veterans who can no longer afford the increased co-payments of Medicare. In 1983, some 800,000 of the three million veterans over age sixty-five came to the VA for one form of care or another. That represents over twenty-five percent of all veterans in that age group. And one-half of them had never previously made use of the VA health care system.

FY '86 budget decrements for the VA Department of Medicine and Surgery are, in many ways, reflective of options under continued study by the White House Office of Policy and Planning. These options have been identified in the recent Congressional Budget Office report on "VA Health: Planning for Future Years", the notoriously flawed Grace Commission Report, and by the Office of Management and Budget itself.

It is unlikely that the VA health care system could be dismantled by fiat, but there is clear and present danger that full implementation of certain of these options would be tantamount to its destruction. Unfortunately, the purpose, the nature and the value of the system as a national resource is little known and even less understood by the public. Only with such understanding can the impact of certain policy proposals targeting veterans medical care be measured.

The VA Department of Medicine and Surgery is the nation's largest integrated comprehensive system. It is the only system providing a full continuum of health care to veterans made eligible for care on the basis of laws passed by Congress and signed by the President. From its research laboratories have come tremendous contributions to medical knowledge. The VA is also the nation's single largest health manpower production resource and, as a key element in national security the principal on-line contingency backup to military medicine. It is a system clearly worth saving. It is, in fact, a model for the nation, a harbinger of things to come. Its integrated, comprehensive provision of service is a blue-print for the vertical and horizontal integration now underway in the private sector's effort to adjust to the competitive medical market.

Up front should be an appreciation that the VA has an exemplary record in cost containment. There has been no growth in terms of inflation corrected constant dollars in its annual medical care budget for the past ten years. During this time the annual inflation rate for the Medical Care Price Index averaged twelve percent while the yearly VA medical operating costs increased by seven percent. The FY '75 VA medical care budget figure was $3.7 billion and in FY '85 $3.6 billion in constant 1975 dollars. During this decade of straight line budgeting there was, however, a marked increase in productivity and economy. The average length of patient stay was reduced by one-third and the total annual patient work load increased by thirty percent. Annual outpatient visits increased by two million. An additional 3,723 nursing home beds and sixteen outpatient clinics were added to the system and 138 new Veteran Centers provided readjustment counseling to over 300,000 Vietnam veterans. During the same period sixteen thousand VA hospital beds were closed.

A series of national-level policy issues and "choices" is aswirl around the VA health care system, some driven undoubtedly by budget prerogatives and agendas, but others by larger philosophies or even fear and greed. All are intertwined, as is the VA medical care with American medicine. Depicted here are the issues most critical for future vitality of the VA system. Further evolution and resolution of these issues will occur as the debate heats on future directions for VA health care delivery.

ISSUE NUMBER 1: ELIMINATE ACUTE CARE SERVICES IN THE VA HEALTH CARE SYSTEM

None of the options under consideration for altering the modalities for veterans medical care would have more devastating consequences than the recommendation to discontinue, entirely, acute care services within the VA system. In this option, as described by the Congressional Budget Office, "the VA would continue to assist poor veterans and those with service-connected disabilities in obtaining medical care for acute illness in private hospitals on a contract, a fee-for-service basis or through a reimbursement mechanism" as yet undefined.

Without the case mix represented in current VA patients, the quality and continuity of care within the VA health care system would rapidly decline, and the system, thus limited to long-term chronic care, would revert to a chain of "Old Soldiers Homes." VA hopitals would have little value as a teaching base for health professionals or the pursuit of clinical research. Medical school affiliations would be canceled and the major incentive lost for VA recruitment and retention of high quality medical staffs.

The ability of the VA health care system to serve as a backup to military medicine would also be eliminated.

Many veterans would lose medical care since much VA specialized care is not universally or readily available in communities. This is especially true for amputees and the functionally disabled with their continuing need for prosthetic and orthotic management. The VA's provision of sustaining care for the spinal cord injured has no counterpart in the private sector.

Similarly, the professional insight and therapeutic management of the psychoneuroses of war are largely a VA accomplishment. The VA psychiatric case load simply could not be absorbed in community facilities. The existing state mental health systems are notably ill equipped to handle more patients. Too many psychiatric patients have already been discharged onto the streets of our cities without adequate support systems.

This option does not represent cost savings, it only shifts costs. In fact, the aggregate cost to the VA for service-connected veterans' acute care could materially increase were this option approved. The VA's cost comparison studies indicate that acute care in the private sector is less economical than in the VA. Additionally, the two-thirds of all service-connected veterans now using private hospitals could start billing the VA for reimbursement. The medically indigent non-service-connected veterans would be a heavy extra load on the already stressed Medicare/Medicaid program with the safety net of the VA system no longer available to them.

ISSUE NUMBER 2 LIMITING VA HEALTH CARE ELIGIBILITY TO ONLY THE SERVICE DISABLED AND VETERANS IN RECEIPT OF PENSIONS

This option carries consequences not unlike those described above. Although the patient case mix in the VA medical facilities would not be so drastically changed, even the Congressional Budget Office concedes that it might make DM&S too small to be viable, particularly with regard to its academic affiliations.

This action would cut the VA patient census in half and necessitate the closing of dozens of VA hospitals. The capacity to backup the Department of Defense likewise would be materially reduced. It is the non-service-connected veteran who accounts for the great bulk of indigence in the VA system patient census. When a mandated "means test" was last applied, a data analysis revealed that over 98% of the non-service-connected patients were indeed in the poverty class. Under this option many of these veterans would be Medicaid candidates who would heavily impact the county and municipal charity bed resources.

Currently one-half of all VA health care system outpatients and two-thirds of all inpatients are veterans with non-service-connected disabilities. They have, historically, been given entitlements to VA hospital care on a space, or resource available basis and, for the past decade or more, access to ambulatory care for the purpose of avoiding hospitalization. The elimination of this case load would compromise the maintenance of the staff expertise for quality care of the service-connected. Arbitrarily drawing the line on entitlement between service-connected veterans and non-service-connected is morally untenable. While the VA's primary charge is to care for those veterans whose disabilities were incurred during military service it has always strived not to abandon those whose subsequent disabilities have rendered them unable to care for themselves. This is, at the least, social equity, applicable to veteran and non-veteran alike, and exemplifies that what we as Americans believe is one source of our national strength; we care for those who cannot care for themselves.

ISSUE NUMBER 3: VOUCHERING

Vouchering has been under consideration for some time by certain health care economists as a modality for Medicare resource distribution and for what is euphemistically called "mainstreaming" of veterans' medical care. While a vouchering option could have varied designs and provisions, the model most often referrenced for consideration in Medicare and by VA mainstreaming proponents is a voluntary capitation system wherein the enrollee would be given a set price voucher to use at his or her discretion to purchase health insurance or health care in the private sector. Although the call for mainstreaming of veterans' care has thus far gone unheeded, the threat remains because of its appeal in some segments of the private medical sector. While Medicare vouchering may be a feasible option, mainstreaming could spell disaster for the continued integrity of the VA medical system.

At the present time the Department of Medicine and Surgery spends ten percent of its medical care budget for purchase of private medical care and services, generally, in geographic areas where there is no VA medical facility presence. With open ending vouchering, however, it is likely that most acute care would be siphoned from the VA system with an end result identical to a mandated discontinuance of VA acute care capability as discussed previously. Space available VA medical care for the non service disabled veteran presumably would disappear and it is problematic whether vouchering would be authorized for them. As noted in issue number one, costs for service-connected care would increase since those service-connected veterans not currently using the VA system would likely take advantage of such universal subsidy.

Once there is established such an alternative as mainstreaming, the VA health care system, which has served the veteran and the nation so well, would be slowly undermined until its continued existence would be doubtful.

ISSUE NUMBER 4: RESTRAINTS ON CONSTRUCTION AND MAINTENANCE

The proposed FY '86 budget not only would freeze VA medical care at the FY '86 level, but also reduce the construction budget by more than fifty percent of projected need, funding only certain projects with outlays already committed.

It had been previously determined that just to replace the system's antiquated hospitals and maintain its plant facilities at the current size would require a one billion dollar (in constant '85 dollars) construction budget for the next ten years. The proposed FY '87 and FY '88 figures continue to ignore that reality. Implication of intended future policy is also to be found in the FY '86 guidance that construction projects in the out year should be sized solely upon service-connected demographic need. This is consistent with the Administration's limitation of nursing home construction to two 120 bed facilities in FY '86, a reduction of 720 beds from the level requested. It also serves as an introduction to the following issues:

ISSUE NUMBER 5: THE IMPACT OF THE AGING VETERAN

The Administration, through its FY '86 budget proposal, makes quite clear its imperviousness to any understanding of the medical needs of the aging American, let alone the aging veteran.

The coming impact of the aging veteran had been a responsibility which the Veterans Administration was taking very seriously. After more than a year of demographic analysis, discussion and review by outside consultants, it published in mid 1984 a comprehensive report, "Caring for the Aging Veteran". The veracity of this report was further supported by a Lou Harris survey and contracted studies by Harvard University's Division of Health Policy Research and Education. A simultaneous report from the Congressional Budget Office concurred with the data obtained from the VA's demographic survey.

The VA plan provided a detailed overview, based on projected need, of the opportunities presented by the aging of its constituents. Where as three million veterans today are over age 65, by the year 2000 that number will triple to nine million or 36 percent of all veterans. Because it is dealing with a population whose average age is increasing much faster than that of the general population, the VA's accommodation to this impact could serve as a proving ground for private sector programs to follow.

To maintain current levels of care the nation's elderly will by the year 2000, occupy all of today's empty hospital beds and require a fifty percent increase in present nursing home facilities. In more dramatic terms tomorrow's elderly will require the opening of one hundred nursing home beds every day for the next fifteen years. Today the VA alone supports an average census of twenty five thousand veterans in nursing homes, sixty percent of whom are in community nursing homes. This need will double by 1995.

The main emphasis in expanding VA geriatric capability, however, was to be placed on non-institutional care programs such as outreach satellite clinics, adult day care centers and rehabilitation units, hospital-based home care and hospices. The VA had intended to seek legislation in this area for increased sharing and coordination with the private sector. The goal was to exert maximum effort to integrate VA programs for the elderly with similar programs in the community at large.

In spite of these well documented requirements no program enhancement resources appear in the proposed coming year budget or in its out year projections. In contrast, OMB budget guidance contains the words "shrink the VA system size gradually." Blocking the development of geriatric program alternatives to institutionalized care will have a stultifying effect on the VA system, and will itself add to overall costs and, in turn, drastically retard the nation's preparedness to meet the medical and socio-economic needs of its aging citizens.

ISSUE NUMBER 6: ELIMINATE VA BUDGET SUPPORT OF HEALTH PROFESSIONAL EDUCATION

The White House Working Group on Health Policy and Economics has directed the Veterans Administration to identify the dollar savings by severing all medical training from patient care resources. This concept has already been applied incrementally by OMB in its proposed FY '86 Medicare budget, by cutting in half the dollars supporting post graduate education of physicians. The VA's education and training fund is also to be cut 10% below current services.

This is a concept in defiance of the basic premise that medical education, medical research and patient care are absolutely integral to one another. Unlike most professions, the teaching of the science and art of medicine cannot be confined to lecture halls. The making of a physician occurs at the patient's bedside. In the process, medical care is simultaneously delivered and is generally conceded to be the most economical and the highest quality of care. A study of this issue is currently being pursued under contract by the Department of Health and Human Services.

In the post World War II years, the designers of the modern VA health care system built its foundation on an extensive affiliation with medical schools. Today, 104 medical schools are affiliated with 130 VA hospitals. One-third of all graduate medical students in the U.S. receive some part of their speciality training in VA hospitals. Considering all health care disciplines there are, at any given time, 100,000 students—physicians, nurses, psychologists, lab technicians, etc.—in training within the VA network. The great bulk of this health manpower output accrues to the private sector.

Medical residents alone make up almost fifty percent of the full time equivalents devoted to VA physician employment. The average medical resident stipend is one-third that of a VA staff physician. The total expenditure for all education and training is four percent of the total Department of Medicine and Surgery medical care budget. If affiliations were eliminated this year, it would take approximately 180 million additional dollars to replace the VA resident physician staff with full time medical staff. In fact, lacking the ability to pay high salaries, locate physicians in non-urban areas, deny opportunity for teaching and research, or offer other incentives, it would be impossible for the VA, without medical school assistance, to recruit many of the specialists it requires for patient care. Conversely the schools would be hard pressed to support many of their faculty.

That the nation's medical schools need VA affiliations is an understatement of significant order. Owen Wangensteen, nationally renowned surgeon and medical educator, once said that the three greatest contributions to the advancement of American medicine during his career were the Flexnor report (resulting in medical school reformation in 1913), the creation of the National Institutes of Health and the VA/medical school affiliation program.

Coupled with the loss of affiliations and the teaching mission would come the abandonment of DM&S research. Here again, the public is generally uninformed of VA research contributions to medical knowledge. A short list of those achievements include: the chemotherapy of tuberculosis and modern treatment of hypertension; the first cardiac pacemaker and the invention of the nuclear powered pacemaker; the discovery of cancer causing viruses; the robotic limb; the smart wheelchair; the self-suspending prosthetic suction socket; the invention of kidney dialysis; the first kidney transplant; the first liver transplant; the technique of radioimmunoassay; the basic concept of computerized axial tomography and the list goes on.

Budget analysts, in their designs on VA medical education and research, need be reminded of the adage concerning the baby and its bath water.

ISSUE NUMBER 7: COST REDUCTION MYTHS

Two issues under the heading of cost savings surfaced in the FY '86 presidential budget process also raise concern. While presenting no threat to the continued integrity of the VA health care system these issues, as cost saving tools, are, at best, canards.

One is a means test recently intended to be implemented early this year and purported to save 400 million dollars by FY '88. A workable means test has, historically, been difficult to design. The VA's latest version has recently been returned by OMB for further study and design.

A means test for use in the VA could be a valuable management tool were it made to be flexible, equitable and appropriately applied. Its use has already been approved by Congress in PL 96-330. But that legislation did not mandate a universally applied means test. It merely authorized the VA Administrator to design and make use of a means test according to his discretion in order to check, when indicated, on the validity of a veteran patient's use of the poverty oath. The report accompanying this legislation from the House Committee on Veterans' Affairs also specified: "The determination of providing care to this category of veterans is necessarily a subjective one, entailing consideration of not only the ability privately to pay for the expenses of an illness or injury, but also a judgment of whether or not the disability can be expected to require such a period of lengthy hospitalization as can be reasonably expected to exhaust the veteran's private resources."

The means test which was almost implemented was discriminatory and flawed in several respects.

It was to have been applied prospectively, at the point of entry into the system, to all non service-connected veterans except ex-prisoners of war, those over the age of sixty-five and those in receipt of pension. A preliminary and cursory medical evaluation would have provided the basis for determining the cost of private care and the veteran's ability to pay for the current episode of illness.

In contrast to what had been intended, a rational and equitable means test could be very useful were it to include the following features:

It should not be prospectively applied at the time of admission, based upon preliminary medical evaluation, but only after admission and the completion of a definitive diagnostic work up. Treatment costs should also consider the probabilities of protracted illness, and the ongoing or recurrent need for medical care, in making "ability to pay" determinations for these veterans.

It should be equitable as to age and geographic location. Special entitlement for the over 65 non service-connected patient who is able to pay for private care may have once served a purpose, but under today's Medicare circumstances it has become discriminatory. If the VA health care system is to continue to meet the medical demands of service-connected veterans and non service-connected veterans truly unable to defray expenses, any means test must be applied equitably to every one in the latter group. Similarly, it must contain the flexibility to accommodate geographic differentials.

Living costs vary dramatically from region to region within the nation. A veteran residing in New York or San Francisco may have significantly less disposable income, even with a higher gross household income, than a veteran living in a rural area.

Finally, there should be incorporated in any means test program an appellate process. Regulations covering application for all other VA benefits provide such recourse.

Means test screening of applicants for VA medical care should not be promoted as a cost saving tool for no real savings can be predicted due to the inherent administrative costs and speculative estimates of reduced veteran demand. Since the VA is now turning away twenty thousand veterans every month for lack of adequate budget resources, for every applicant denied care through means testing there will be several more waiting to take his or her place.

Equally illusory is the cost saving repeatedly expected from a proposed expansion of third party reimbursement authority. The VA already has the authority to collect reimbursement for certain non service-disabled veteran patients who are eligible for worker's compensation or from insurance companies whose policies do not forbid such payments. Such third party reimbursement could justifiably be extended to recoup retrospectively the cost of VA furnished diagnostic procedures once a non service-connected veteran was found able to bear the cost of referral to the private medical sector.

Beyond that, however, the espousal of universal third party reimbursement to the VA has no rational conceptual basis except to shift the cost of medical care within the VA system from the taxpayer to the at-large insurance premium payer. All health insurance holders, including those under Medicare, will assume that extra burden. The revision of health insurance contracts will be slow and difficult and will entail added administrative costs both to insurance companies and to the VA.

Parenthetically, data from a VA survey in cooperation with the Bureau of the Census showed that 64 percent of patients receiving care in VA hospitals have no health insurance at all, 16 percent qualify for Medicare and on 15 percent have some private health insurance. In contrast 90 percent of all society have some from and degree of health insurance.

Returning to the commonality of concern regarding the program impacts of budget cuts on the private, public and veteran health care systems, one pervasive underlying frustration is dominant. This Administration, as well as Congress who gave us diagnostic review groups (DRGs), peer review organizations (PROs), preferred providers (PPOs) and the other ingredients of the competitive medical model, have shown little interest in tackling the problem of uncompensated care, poor quality of care or the total denial of care to the indigent, the aged and the disabled. Jack Owen, Senior Vice President of the American Hospital Association, has aptly stated: "Someone has got to pay for those who can't find a way to care for our country's poor, our health care system is a failure." The ethical underpinnings of a civilized society's social conscience and responsibility deserve more than rhetorical allusions, especially at this time when the era of the longevity revolution is upon us.

The size and demands of the nation's aging phenomenon are not easily grasped, but the implications as detailed in the medical and socioeconomic literature surely deserve more than total neglect in the design of health care policy. How long will society tolerate the narrow-minded opinion that the coming impact of an aged citizenry is but a further aggravation in medical economics which can only be solved by the rationing of medical care?

Oliver Wendell Holmes once said that the strength and security of a nation can be measured by its domestic humanitarianism. Eli Ginzberg, writing in a recent issue of the New England Journal of Medicine, voiced the deepening concern about the growing conflict between medical ethics and the monetization of medical care.

If the current neglect of ethical and humanitarian imperatives in health care legislation is to be reversed, corrective intervention will require more circumspect political leadership backed by professional and informed societal demand. Veterans can and must be a potent segment of such a consortium.

This is no time to "shrink the VA health care system"!

MALMSTROM AIR FORCE BASE

Mr. BAUCUS. Mr. President, as we debate the Defense authorization bill, it is important to remember that the

vast majority of Americans are more than willing to spend whatever is necessary to provide for the adequate defense of this country.

It is even more important to remember that they have put their trust in us to spend every dollar of their hard-earned money wisely.

I am afraid the procurement horror stories uncovered this past year have greatly eroded that trust. Americans are rightly outraged about purchases of $600 toilet seats and $100 hammers.

But shoddy procurement practices are just one example of waste in the military. There are other, even more serious examples. I would like to call attention today to one such case in Montana.

The citizens of Great Falls, MT are having a hard time these days trying to understand the Pentagon.

Great Falls is home to Malmstrom Air Force Base—an expensive and well-built base, with a 2-mile-long runway.

In the last few years, the Air Force has provided funding for a $35 million coal-fired electric generating plant, for dormitory renovation, for gymnasium additions and for more than $1 million in energy improvements.

Yet, this well-equipped, well-maintained base does not have a flying mission. The runway is only used for helicopters servicing the missile silos scattered across north-central Montana.

This waste of a facility is eroding Montanans' confidence in our national defense strategy.

Mr. President, the citizens of Great Falls are proud of the Malmstrom base. The community has worked tirelessly to attract another flying mission to Malmstrom since 1961, when the last air refueling wing was phased out.

Today I am urging the Air Force to seize some of the opportunities now available and make better use of this facility.

The strategic training range, a low-level practice and scoring facility for B-52's and FB-111's is headquartered near Malmstrom.

Planes using this range come from all over the country and need refueling in transit. Malmstrom is an ideal location for these tankers, especially now that retrofitting the KC-135 tanker with more powerful engines makes the higher elevation of Malmstrom an appropriate proving ground.

With the advent of the B-1 bomber, there will also be some shifting of missions around the country. Refueling missions will be among those shifts and Malmstrom Air Force Base is a logical location.

My purpose today is to alert the Air Force to a community that eagerly courts them and to a facility that stands needlessly wasted.

If we are going to reduce waste in the Pentagon, we must attack inefficiency at every level. I am sure Malmstrom is not the only military facility that is underused. I hope the Pentagon will start looking beyond military procurement for ways to make our entire military structure a lean, mean, fighting machine.

THE RELATIONSHIP BETWEEN SASC REPORT 99-41 AND S. 1160

Mr. LEVIN. It is my understanding that pursuant to the DOD authorization bill now pending before the Senate and the accompanying report, the Army is still required to submit a report addressing the housing problems at Selfridge Air National Guard Base by October 1, 1985, as stated on page 256 of the committee report and that the Army is still directed to apply no less than $3 million of the amount authorized for procurement of remotely piloted vehicles, for procurement of "off-the-shelf" vehicles, as stated on page 44 of the report, and that DOD is directed to allocate $15 million of the DOE operating expenses for weapons activities research to KMS fusion, as stated on page 349-350 of the report. Is this correct?

Mr. GOLDWATER. Yes, that is correct.

Mr. LEVIN. Thank you, Mr. Chairman.

Mr. HECHT. Mr. President, in March of 1983, President Reagan announced the initiation of a comprehensive, long-term research and development program that will lead to the eventual basing of a nuclear ballistic missile-defense system in outer space. The importance of the President's proposal, now known as the strategic defense initiative, is that it represents a clear solution to the long held desire of the American people for a dramatic decrease in superpower reliance on offensive nuclear arms. Most significant, Mr. President, and really the ultimate goal of us all, will be the enhancement of global security by permanently eliminating the threat of strategic nuclear missiles.

Mr. President, I think it is extremely important to point out that since its inception, no single act by this, or any other administration has done more to bring the Soviets to the bargaining table, as they now are in Geneva, than the Reagan strategic defense initiative. Indeed, without obvious Soviet recognition that the United States is the only country capable enough to develop the SDI system, they would not presently be so willing to talk. Clearly, we must not now send the wrong signal to the Soviets by gutting the entire SDI Program as this amendment would do.

For as long as the debate has raged over the pros and cons of SDI, I continue to be amazed that those who are opposed overlook the fact that the Soviet Union has been pursuing advanced space defensive technologies of their own. Such Soviet developments include directed energy research for high-energy lasers and the deployment of their own antisatellite capability which at this very moment orbits the Earth. Clearly, Mr. President, arguments that the President alone seeks to destabilize the nuclear balance or is moving toward the first militarization of space are hollow.

Mr. President, opponents of SDI and amendments such as we are discussing today would severely limit our capability to continue the ongoing research in this very valuable and important program for America. We cannot allow this to happen and I strongly oppose any further reductions in the already reduced Department of Defense authorization request for the SDI. From the very beginning of SDI, my biggest concern has been that opponents of the high frontier concept will keep this program at the research stage forever. Now I am concerned we may never see it at all.

Mr. President, I remain convinced that it is vitally important we aggressively pursue this new technology to permanently move us from the archaic concept of mutually assured destruction to that of mutually assured survival. I strongly urge defeat of this amendment. Thank you Mr. President.

THE NUNN-WARNER MX AMENDMENT

Mr. KENNEDY. Mr. President, I opposed the Nunn-Warner amendment on MX missiles. Earlier this week I indicated my support for the original amendment offered by Senator Nunn, which would have capped the MX Program at 40 missiles deployed in fixed silos, and limited new production this year to 12 missiles. I was prepared to support that amendment because I believed that the cap on both deployment and production would mitigate the most dangerous and destabilizing features of the MX. Unfortunately the revised amendment authorized deployment of 50 missiles—which is precisely the number of missiles that could be deployed given the committee's authorization for basing sets for the MX.

The amendment also suggests that 12 to 21 missiles should be procured next year, a suggestion which I cannot support, even if, as the amendment indicates, the missiles would be limited to spares.

This amendment is an improvement over the committee's proposal but it simply does not go far enough. To my mind, it is an unwarranted extension of a program which should long ago have been abandoned. The time is now to turn our attention and our resources to systems that will genuinely contribute to our national security.

SECRETARY OF DEFENSE HON. CASPAR WEINBERGER

Mr. WARNER. Mr. President, I rise today to say a few words about our Secretary of Defense, the Honorable Caspar Weinberger.

Having served under three Secretaries of Defense, I can judge his record with objectivity.

While the Secretary is bearing up well under the brunt of considerable criticism, I am of the view that Americans are now and will be grateful for the strength of conviction he has displayed.

"Cap" Weinberger is in the mold of our strong Secretaries of Defense.

Traditionally, this Cabinet post has drawn the most intense criticism—from all viewpoints. Those of both political parties have volunteered their services in this post recognizing full well that they will not receive popular acclaim.

Their dedication to a strong national defense, in the cause of preserving freedom, is their motivation, often the only reward.

"Cap" Weinberger has been totally dedicated to the cause of national defense. His patriotism and commitment to peace through a strengthened defense posture is unquestioned.

A Secretary of Defense has the job of interpreting the threat to our security, today, and for a decade hence, and then convert that knowledge into specific requests to the Congress for manpower and equipment.

Understanding this would be a particularly difficult year, "Cap" Weinberger has come to the Hill to meet individually with more than 100 Members of Congress, on a one-on-one basis, to present America's national security needs and explain in detail the President's modernization program.

Through his leadership and dedication, Secretary Weinberger has helped the men and women in uniform once again to enjoy a spirit of pride and enthusiasm in defending this great country, and to receive fair compensation and treatment. The high retention rates verify his accomplishments with our troops.

His persistence in fighting for improved quality of life for our service personnel has earned him the unqualified respect of the troops from private to flag rank.

I join all Americans in personally expressing gratitude to "Cap" Weinberger for his service to our country and to freedom-loving people the world over.

UNANIMOUS-CONSENT PROPOSAL

The PRESIDING OFFICER. The distinguished majority leader.

Mr. DOLE. Mr. President, before the manager of the bill leaves, if the distinguished minority leader is prepared, I would like to try to get a unanimous-consent agreement.

Mr. LEVIN. Will the majority leader yield for a question on this? I have a problem with the phraseology in the unanimous-consent agreement. I do not know if it can be worked out or not. It was my understanding—maybe I am late in coming to the scene—that at least at one point the Kennedy amendment was going to touch two provisions of the Gramm language.

The unanimous-consent agreement only touches one. Indeed, I was prepared to speak on the other provision, which is the so-called contracting out provision. I now notice that that is not part of the Kennedy amendment. I felt that I should speak to that. If it is not part of the Kennedy amendment, I would want an opportunity to offer that amendment.

Now, I just discovered—maybe I have been out of things too long, working on the procurement provisions and other things—that the Kennedy amendment only touches the Davis-Bacon language. I will want the opportunity, if that is the way it is—and I am trying to read that agreement on the fly—to offer an amendment relative to the contracting out provisions of the Gramm language.

Mr. WARNER assumed the chair.

Mr. DOLE. Mr. President, I am not certain I understand the agreement worked out with the Senator from Texas [Mr. Gramm] and the Senator from Massachusetts [Mr. Kennedy]. Perhaps I will yield to the Senator from Texas.

Mr. GRAMM. If the majority will yield, after extensive discussion, the Senator from Massachusetts and I worked out an agreement which would preserve his ability to offer an amendment to strike the Davis-Bacon provision. It would carry the debate and the vote forward until after the recess. It would guarantee him that there would be no motion to table, that there would be no second-degree amendment either to his motion or to a subsequent amendment offered to restore the Davis-Bacon provision.

But all of that agreement, which has been discussed by staffs, which has been negotiated all day long, was premised on the agreement that no other labor provision of the so-called Gramm section be subject to amendment. That is the essence of the unanimous-consent request that has been negotiated for many hours by many parties and which was agreed to by the distinguished Senator from Massachusetts.

Mr. LEVIN. If the Senator will yield, I was not a party to those discussions. So if it is contingent on no one else offering an amendment, I was not privy or party to that.

Second, I understand the contracting out provision is not part of the labor provision, so perhaps it can come under the wording of the Senator from Texas.

Mr. GRAMM. If the Senator will yield, the unanimous-consent request refers to the so-called Gramm provisions of the bill. It clearly is intended to cover the contracting out provision, and that was part of the agreement with the Senator from Massachusetts.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, we are now reaching the conclusion of a long and very arduous deliberation, one which has been conducted, in my judgment, with fairness and objectivity and in a truly nonpartisan spirit. There have been moments when certain Members have expressed feelings, but I believe the totality of the Record reflects a true nonpartisan approach to most of the central issues.

I believe all Members owe a debt of gratitude to the majority leader and minority leaders who stood patiently by and from time to time arbitrated a number of our differences and have given us guidance such that we are here today on the eve of what in reality is the conclusion of the major portion of this bill.

This could not have been achieved again without the brilliant leadership of the distinguished Senator from Arizona [Mr. Goldwater], who has stood on this floor, steadfastly inducing us to continue with the resolution of our differences and to provide for a strong bill.

I think we have achieved a strong bill. Mr. Nunn, the distinguished Senator from Georgia, working with Mr. Goldwater, has again provided the leadership and the insight into making this a step forward in the progress toward strengthening America's defenses.

At this time, I wish to express appreciation to the two senior staff members, Mr. McGovern, and Mr. Punaro, who have on many occasions, together with the members of their staffs, spent long hours in making possible the extent to which we have been able to finish this bill today.

We have items remaining when the Senate returns. But those items can be dealt with in a reasonable period of time and we will have in conclusion a bill that will be regarded as strengthening our national defense.

Mr. President, I do not see other Members seeking recognition.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT PROPOSAL

Mr. LEVIN. Mr. President, I understand that the majority leader and minority leader are going to be considering now a unanimous-consent request.

There have been some discussions before about the fact that I would be precluded from offering an amendment on the bill to strike the contracting out law under the terms of this unanimous-consent request. I did not, regrettably, participate in the formation of this unanimous-consent request and I indicated on the Record a few moments ago that I had real problems with it and I do.

However, I do not want to unravel this unanimous-consent request and so I will not object to it, but I do want the Record to be clear that what has happened here is that effectively because of the need to avoid unraveling this unanimous-consent request I have decided not to object and for no other reason.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Michigan. I appreciate that very much. It probably would have started the unraveling process because the bill then would have been wide open for any amendment.

Of course I have not gotten the consent agreement yet. I am about ready to propound it. I appreciate the Senator's willingness to cooperate.

Mr. LEVIN. I thank the majority leader.

UNANIMOUS-CONSENT AGREEMENT—S. 1160

Mr. DOLE. Mr. President, I would like to propound a unanimous-consent request. It is my understanding the Senators who were directly involved and others who have an interest in the overall subject matter have been contacted on both sides. I can say the matter has been cleared on this side.

Mr. President, I ask unanimous consent that at 1 p.m. on Monday, June 3, the Senate resume consideration of S. 1160, the DOD authorization bill, and during Monday's session and Tuesday's session the following amendments be the only first-degree amendments in order, and they be limited to the following subject matters, and the subject of SDI must be disposed of before considering the strategic arms limitation compliance amendments:

The strategic arms compliance amendments are the Bumpers-Chafee amendement, the Nunn-Stevens amendment, and amendments by Senators Levin, Symms, McClure, Mattingly, and Wilson.

The strategic defense initiative amendments will be offered by Senators Wallop, Pressler, Bumpers, Proxmire, Kerry, Gore; three SDI amendments by Senator Proxmire, Senator Levin, Senator Heflin, Senator Bumpers; two amendments by Senator Mathias; and two amendments by Senator Chafee.

I further ask unanimous consent that no second degree amendments be in order to any of the SDI amendments.

Also, I ask unanimous consent that any second degree amendments offered to the strategic arms compliance amendments must be germane to the first degree amendment they propose to amend.

I ask unanimous consent that at 2 p.m. on Tuesday, June 4, the Senate temporarily lay aside SDI amendments or stragetic arms limitation amendments, whichever is pending to S. 1160, and at that time the Senator from Massachusetts [Mr. Kennedy] be recognized to offer an amendment to strike the Davis-Bacon provision.

Further, I ask unanimous consent that no first or second degree amendment, or other intervening action, be in order to the underlying Davis-Bacon provisions, and that no motion to table the amendment be in order.

Further, I ask unanimous consent that time on the amendment be limited to 1 hour, to be equally divided between the mover of the amendment and the chairman of the Armed Services Committee or their designees.

After disposition of the Kennedy amendment, I ask unanimous consent that no further amendment be in order to the Gramm provisions of S. 1160.

Finally, I ask unanimous consent that following the disposition of the first degree amendment listed above and all second degree amendments thereto, the Senate proceed immediately to final passage of S. 1160, without any intervening action.

Mr. BYRD. Mr. President, I reserve the right to object.

Mr. President, may I ask the distinguished majority leader, since there are no time limitations on any of the amendments specified, with one exception, that being the amendment by Mr. Kennedy, what would be the plan if at the end of Tuesday the amendments in the list have not all been offered or any of the amendments have not been offered?

Mr. DOLE. First, let me indicate to the distinguished minority leader that I hope to be able to obtain time agreements as we start down the list. I will make that effort. But, notwithstanding time agreements, if we have to dispose of the SDI amendments, the strategic arms compliance amendments, or the Kennedy amendment on labor provisions, it would be my intention, either on Tuesday or at a reasonable time on Wednesday, that I would ask that we set aside the DOD authorization bill, call up the State Department authorization bill and proceed with the Contra amendments to the State Department authorization bill. I would hope that we will conclude action on that. I know the distinguished managers of the DOD authorization bill would like to conclude action, but I am also advised that there is an interest by Members on each side and the President that we complete action on the Contra provisions early on Thursday.

Mr. BYRD. Mr. President, further reserving the right to object, the amendments not having any time limitations conceivably could be disposed of on Monday and/or Tuesday. But is is also quite possible that all of the amendments listed would not have been completed insofar as action thereon is concerned. I believe the majority leader, if I understand him as I think I do, is saying that in that event, in other words if action on the aforegoing amendments has not been completed by the close of business on Tuesday, the distinguished majority leader would propose then that on Wednesday the Senate turn to the State Department authorization bill on which the Contra amendments would be offered and then upon the disposition of the Contra amendments the Senate would return to the consideration of the Defense authorization bill and the amendments that were left without action thereon.

Mr. DOLE. That is correct. And I would assume that would be either early Wednesday or sometime early Wednesday afternoon, because there are a number of Contra amendments. The last time I looked there were at least seven or eight. There are time agreements on those, many are 90 minutes each, some are 60 minutes. I would guess not all of those amendments would be offered, but there will be certainly be four or five or six, I assume.

Mr. BYRD. Further reserving the right to object, as I read the paragraph in which reference is made to second-degree amendments offered to the strategic arms compliance amendments, and requiring that such second-degree amendments be germane to the first-degree amendment that they propose to amend, as I understand that paragraph, there would be no limitation on the number of second-degree amendments that would be offered to the strategic arms control amendments. Am I correct?

Mr. DOLE. Mr. President, the minority leader is correct. There is no limit on the number of second-degree amendments.

Mr. BYRD. That really is a paragraph that is wide open for any number of amendments.

Mr. DOLE. The distinguished minority leader is correct.

Mr. BYRD. Mr. President, does the distinguished leader include in his request the provisions to the effect that no motions to recommit with instructions will be in order to any amendment or to the bill?

Mr. DOLE. That is not included. But I will be happy to include that as a request.

Mr. BYRD. I thank the distinguished majority leader.

Mr. DOLE. I also include in the unanimous-consent request that Senator GLENN be listed as the Senator with the SDI amendment.

Mr. President, parliamentary inquiry: On page 3 of the unanimous-consent request it reads: "during Monday's session, and Tuesday's session." My question is if we do not complete action on Tuesday, will there be any limitation on amendments to the DOD authorization bill after Tuesday?

The PRESIDING OFFICER. There will be no such limitation.

Mr. DOLE. If there is no objection by the distinguished minority leader, I ask if we can delete the words "during Monday's session and Tuesday's session."

Mr. BYRD. Mr. President, the distinguished Senator may modify his request accordingly, and I think it would be best if he did so modify it.

Mr. DOLE. I will so modify my request to delete.

Mr. BYRD. All right. I have no objection to the request, as modified.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, if I may ask the distinguished majority leader about Monday rollcall votes, will there be rollcall votes on Monday, or will the distinguished majority leader seek to carry over any votes on which the yeas and nays are ordered?

Mr. DOLE. Mr. President, I will advise the distinguished minority leader that there will be no rollcall votes on Monday. There will be debate. Hopefully, there will be amendments offered and votes on those amendments will be carried over, I would say, until Tuesday afternoon.

They will be carried over until after the policy luncheons and after disposition of the Kennedy amendment.

Mr. BYRD. I thank the majority leader.

Has the request been agreed to?

The PRESIDING OFFICER. It has.

Mr. BYRD. Mr. President, Mr. KERRY has signaled his intention of willingness to offer an amendment at 1 p.m. on Monday dealing with strategic defense initiative. Will the distinguished majority leader make the provision for the recognition of Mr. KERRY at that time to call up his amendment?

Mr. DOLE. Yes; I ask unanimous consent that on 1 p.m. on Monday, the distinguished junior Senator from Massachusetts [Mr. KERRY] be recognized for the purpose of calling up his SDI amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

The text of the agreement follows:

Ordered, That at 1 p.m. on Monday, June 3, 1985, the Senate resume consideration of S. 1160, the DOD authorization bill, and that the following listed amendments be the only first degree amendments in order, with the Strategic Defense Initiative amendments to be disposed of before considering the Strategic Arms Compliance amendments: Strategic Defense Initiative Amendments: Wallop; Pressler; Bumpers/Proxmire; Kerry; Gore; three Proxmire; Levin; Heflin; Bumpers; 2 Mathias; 2 Chafee; and Glenn. Strategic Arms Compliance Amendments: Bumpers/Chafee; Nunn/Stevens; Levin; Symms; McClure; Mattingly; and Wilson.

Ordered further, That no second degree amendments be in order to any of the Strategic Defense Initiative amendments.

Ordered further, That any second degree amendments offered to the Strategic Arms Compliance amendments be germane to the first degree amendment they propose to amend.

Ordered further, That no motion to recommit the bill with instructions be in order.

Ordered further, That at 1 p.m. on Monday, June 3, 1985, the Senator from Massachusetts (Mr. Kerry) be recognized to offer a Strategic Defense Initiative amendment.

Ordered further, That at 2 p.m. on Tuesday, June 4, the Senate temporarily lay aside the Strategic Defense Initiative amendments or the Strategic Arms Compliance amendments, whichever is pending to S. 1160, and the Senator from Massachusetts (Mr. Kennedy) be recognized to offer an amendment to strike the Davis-Bacon provision: *Provided*, That no first or second degree amendment, or other intervening action, be in order to the underlying Davis-Bacon provisions, and that no motion to table the amendment be in order: *Provided further*, That time on the amendment be limited to 1 hour, to be equally divided between the mover of the amendment and the Chairman of the Armed Services Committee, or their designees.

Ordered further, That following the disposition of the Kennedy amendment, no further amendment be in order to the Gramm provisions of S. 1160.

Ordered further, That following the disposition of the first degree amendments listed above and all second degree amendments thereto, the Senate proceed immediately to final passage of the bill without any intervening action.

COMMENDING LARRY E. SMITH

Mr. DOLE. Mr. President, I send a resolution to the desk on behalf of myself, the distinguished minority leader, and the distinguished Senator from Oregon [Mr. HATFIELD] and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 176) to commend Larry E. Smith.

The PRESIDING OFFICER. The Senate will proceed to its immediate consideration.

Mr. HATFIELD. Mr. President, there are feelings of deep pride and great sadness within me this afternoon as I contemplate the departure of our Sergeant at Arms, Larry Smith. I am extremely proud of a young man who began working in my office as an intern in 1968 and rose to hold the top administrative post in the U.S. Senate with the highest distinction. My sadness arises, of course, from the fact that I will not have the daily contact with him that I have appreciated so much during his tenure here.

Some of my colleagues may not be aware of Larry's prior service in my senatorial office and later at the Senate Rules and Administration Committee. These past assignments are worth noting because, in my mind, Larry's career is a model for all the young men and women in this institution who seek to serve their country in positions of responsibility.

Like thousands of young people before and since, Larry had a dream of working in politics. He came to Washington from Clyde, OH, and, like those other students before and since, he began that glamorous life opening envelopes, carrying boxes, and doing the thousand and one errands that keep Senate offices running smoothly. But Larry immediately distinguished himself as an unusually gifted, able, and willing worker. I came to lean on him for more and more assistance and he never failed to provide good advice, quick service, and handle all his responsibilities with the best judgment. As Larry proved faithful in his assignments he moved from staff assistant to executive assistant, to staff director for the minority of the Rules Committee.

The point I want to make, in praise of Larry Smith, and as inspiration to others, is that success lies in faithfulness. Larry's ambition has been tempered by integrity—and there is no other sure road to success. To young people who aspire to greatness, I commend the example of Larry's professional life.

Every Member of this Chamber is well aware of the outstanding job that Larry has done as the Sergeant at Arms. Few of his predecessors initiated the number or caliber of reforms and efficiencies that he has undertaken in the last 2 years. Commission after commission, Senator after Senator, has recommended that the Sergeant at Arms office be run as a professional administrative office. Larry was able to bring some of those ideas to reality. He demonstrated superb management skills, not the least of which has been a tough skin, and made the labyrinth of the Senate a more rational place of work.

The Senate Sergeant at Arms must be a politician along with the best of us. His constituency, however, is made up of 100 Senators with ample egos to be massaged. Larry has proven his

abilities in this critical area, as well. All of us appreciate the honesty and straightforwardness with which Larry has handled our requests and met our needs.

Larry, we will miss you, and I will miss you. But I feel like a proud father on graduation day and I have the greatest confidence in your future success as you continue your faithful life of service.

THANK YOU TO LARRY E. SMITH, SERGEANT AT ARMS

Mr. DOLE. Mr. President, it is with mixed feelings that I make this statement. While it is a pleasure to wish Sergeant at Arms Larry Smith well as he pursues a new career, all of us who have worked with and relied upon Larry over the years will sincerely miss his presence in the Senate.

Larry has worked in the Senate, in one capacity or another, for most of his working life. Starting in 1968 as a staff assistant to Senator HATFIELD and moving on to minority staff director of the Senate Committee on Rules and Administration, Larry established his reputation for hard work and efficiency. After several years in the private sector, Larry was appointed Deputy Sergeant at Arms in 1981 and was elected Sergeant at Arms on September 12, 1983.

During his tenure as Sergeant at Arms, Larry has shown the kind of care and knowledge necessary to fulfill his responsibilities as the Senate's chief security officer. Whether it was an important dignitary or one of the thousands of tourists who visits the Senate yearly, Larry's attention to detail and skill helped to make those visits safe and memorable.

Larry's duties also included overseeing the computer center, the Senate Post Office, the photographic and recording studios. All of these jobs he carried out well.

As I said earlier, those of us who spend many, many hours in the Senate know and appreciate how dedicated Larry is. And we will indeed miss him. This resolution is to say "Thank you" and best of luck in your new endeavor.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 176) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 176

Whereas Larry E. Smith has served the Senate of the United States for 14 years in many capacities including Deputy Sergeant at Arms and Sergeant at Arms for the past two years; and

Whereas as Sergeant at Arms, the said Larry E. Smith has performed the duties and discharged the responsibility of his offices with unfailing dedication; and

Whereas he has conscientiously carried out his charge to provide security and protection for all those who work in and visit the Senate; and

Whereas by carrying out these responsibilities he has gained the trust confidence and respect of all who have worked with him: Now, therefore, be it

Resolved, That the Senate recognizes the important contributions of Larry E. Smith to the Senate and to the United States and expresses to him its deep appreciation and gratitude for his dedicated service.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SEQUENTIAL REFERRAL OF S. 51, SUPERFUND

Mr. DOLE. Mr. President, I ask unanimous consent that S. 51, the Superfund Improvement Act of 1985, be sequentially referred to the Committee on the Judiciary for a period of time not to extend beyond June 14, 1985, for consideration of section 126, Contribution and Parties to Litigation; section 132, Judicial Review; section 133, Preenforcement Review; and, insofar as it may affect the Federal courts or relates to claims against the United States, section 138, Citizen Suits.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EAGLETON CHAIR AT WASHINGTON UNIVERSITY

Mr. BYRD. Mr. President, it was announced yesterday that our colleague, TOM EAGLETON, has been appointed professor of public affairs at Washington University in St. Louis, effective January 1987.

In this position, TOM EAGLETON will be able to rove through this fine University teaching in the Department of Political Science; the School of Law, on such constitutional issues as war powers and on legislative issues; and the Department of Business where he will, in part, be associated with Prof. Murray Weidenbaum, President Reagan's first chairman to the Council of Economic Advisors, in a discipline they are developing dealing with business and Government.

I am sure that all Senators join me in wishing Senator EAGLETON well in these exciting and stimulating endeavors.

Majority Leader BOB DOLE and I are going to St. Louis, MO, on June 21 to help initiate this bipartisan endeavor to endow the Eagleton chair.

Speaking for myself, and the distinguished majority leader, of course, may speak for himself, but I am sure that he joins me in saying that we are honored to be a part of this very wonderful and worthwhile undertaking.

AUTHORIZATION TO PRINT AND BIND REVISED EDITION OF "RIDDICK'S SENATE PROCEDURE

Mr. BYRD. Mr. President, on behalf of the distinguished majority leader and myself, I send a resolution to the desk and ask for the first and second readings, since it is a joint resolution, and for immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection?

Without objection, the Senate will proceed to its immediate consideration and, without objection, the joint resolution will be considered to have been read the second time at length.

The clerk will state the resolution.

The assistant legislative clerk read as follows:

S.J. RES. 144

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be printed for the use of the Senate one thousand five hundred copies of a revised edition of Senate Procedure to be styled "Riddick's Senate Procedure", to be prepared by the Parliamentarian of the Senate and printed for distribution to the Members of the Senate.

SEC. 2. That notwithstanding any provision of the copyright laws and regulation with respect to publications in the public domain, such revised edition of "Riddick's Senate Procedure" shall be subject to copyright by the author thereof.

The joint resolution (S.J. Res. 144) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. BYRD. Mr. President, I thank the Chair, and I thank the clerk.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1189. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the President's seventh special message for fiscal year 1985; pursuant to the order of January 30, 1975, referred jointly to the Committee on the Budget and the Committee on Appropriations.

EC-1190. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to repeal sections which impose certain restrictions on enlisted members of the armed forces and on members of military bands; to the Committee on Armed Services.

EC-1191. A communication from the Secretary of the Interior, transmitting, pursuant to law, the 13th Annual Report on the operation of the Colorado River; to the Committee on Energy and Natural Resources.

EC-1192. A communication from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Internal Revenue Code of 1954 to provide for the coverage of railroad workers under the Federal-State unemployment compensation system, and for other purposes; to the Committee on Finance.

EC-1193. A communication from the Secretary of Labor, transmitting, pursuant to law, the quarterly report on the expenditure and need for Worker Adjustment Assistance Training Funds Under the Trade Act of 1974 for the first quarter of fiscal year 1985; to the Committee on Finance.

EC-1194. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report of the Civil Aeronautics Board for calendar year 1984; to the Committee on the Judiciary.

EC-1195. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Magnet Schools Assistance Program; to the Committee on Labor and Human Resources.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Report to accompany the nomination of Martha Romayne Seger to be a Member of the Board of Governors of the Federal Reserve System (with additional views) (Exec. No. 99-1).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. METZENBAUM:

S. 1219. A bill to amend the Federal Power Act to ensure fair competition in the licensing of existing hydroelectric projects and, in doing so, to maintain and enhance diversity within the electric utility industry, thereby ensuring the maximum development and utilization of the Nation's public resources for the benefit of all electric consumers, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD (for himself, Mr. Matsunaga, Mr. Cranston, Mr. Levin, Mr. Exon, Mr. Kennedy, Mr. Dixon, Mr. Kerry, Mr. Harkin, Mr. Sarbanes, and Mr. Hart):

S. 1220. A bill entitled the "Renewable Energy and Conservation Transition Act of 1985"; to the Committee on Finance.

By Mr. HEINZ:

S. 1221. A bill to amend the Internal Revenue Code of 1954 to extend for 2 years the exclusion for amounts received under qualified group legal services plans, and to place a limit of $300 on the amount of employer contributions which may be excluded by an employee during any taxable year; to the Committee on Finance.

By Mr. BRADLEY (for himself and Mr. Gorton):

S. 1222. A bill to amend the Agricultural Act of 1949 to provide price support for the 1985 and subsequent crops of sugar; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ARMSTRONG:

S. 1223. A bill to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war; to the Committee on Veterans' Affairs.

By Mr. McCLURE (for himself, Mr. Symms, Mr. Garn, Mr. Melcher, Mr. Wallop, Mr. Hatch, Mr. Cochran, Mr. Specter, Mr. Nunn, Mr. Mattingly, Mr. Bumpers, Mr. McConnell, Mr. Ford, Mr. Thurmond, Mr. Helms, Mr. Heinz, and Mr. Denton):

S. 1224. A bill to limit the importation of softwood lumber into the United States, and for other purposes; to the Committee on Finance.

By Mr. DOLE (for Mr. Simpson (for himself and Mr. McClure)):

S. 1225. A bill to amend the Atomic Energy Act of 1954, as amended, to establish a comprehensive, equitable, reliable, and efficient mechanism for full compensation of the public in the event of an accident resulting from activities undertaken under contract with the Department of Energy or activities undertaken by Nuclear Regulatory Commission licensees involving nuclear materials; to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works, jointly, by unanimous consent with the proviso that if either committee reports the bill, the other committee shall be obligated to report within 120 calendar days or be discharged from further consideration.

By Mr. GORE:

S.J. Res. 143. Joint resolution to authorize the Black Revolutionary War Patriots Foundation to establish a memorial in the District of Columbia at an appropriate site in Constitution Gardens; to the Committee on Veterans Affairs.

By Mr. BYRD:

S.J. Res. 144. Joint resolution to authorize the printing and binding of a revised edition of Senate Procedure and providing the same shall be subject to copyright by the author; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE (for himself, Mr. Byrd and Mr. Hatfield):

S. Res. 176. Resolution to commend Larry E. Smith; considered and agreed to.

By Mr. GLENN (for himself and Mr. Metzenbaum):

S. Con. Res. 49. Concurrent resolution expressing congressional approval of the plans being made to commemorate the two-hundredth anniversary of the Northwest Ordinance, and calling for a national celebration of such anniversary; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. METZENBAUM:

S. 1219. A bill to amend the Federal Power Act to ensure fair competition in the licensing of existing hydroelectric projects and, in doing so, to maintain and enhance diversity within the electric utility industry, thereby ensuring the maximum development and utilization of the Nation's public resources for the benefit of all electric consumers, and for other purposes; to the Committee on Energy and Natural Resources.

FAIR COMPETITION IN HYDROELECTRIC LICENSING ACT

Mr. METZENBAUM. Mr. President, I am introducing legislation today to resolve the dispute between consumer- and investor-owned utilities over Federal relicensing of hydroelectric facilities.

The bill strikes a balance between the IOU's, who are seeking to repeal the 65-year-old public utility relicensing preference, and public power interests who want to preserve the status quo.

Under the bill, the relicensing preference would be retained where competing applications are equal. It would require successful challengers to existing licensees to pay far greater compensation than required under current law. In addition, the bill expands the authority of the Federal Energy Regulatory Commission to order the "wheeling" of power by utilities in certain circumstances. Finally, it amends the Public Utilities Regulatory Policies Act to eliminate a serious and unintended threat to free-flowing rivers and streams.

I believe this is a fair and reasonable solution to a difficult problem. While I recognize that it may be necessary to modify this proposal, I am convinced it is a far more balanced measure than S. 426, the bill favored by the IOU's.

In fact, S. 426 is anticompetitive and anticonsumer legislation which would, in one bold stroke, do more to destroy the public power system in this country than any piece of legislation in history.

In 1920, Congress enacted the Federal Water Power Act. It provided that municipalities and States shall have a preference in licensing and relicensing proceedings where their applications were "equally well adapted to conserve and utilize in the public interest the water resources of the region * * *."

At the time, few States and municipalities had the capital and other wherewithal to undertake major water resource development. Accordingly, most of the initial licenses were issued to private companies.

As provided by law, the initial license terms were 50 years. It was well understood that after the expiration of the original term, many licenses would be subject to transfer to public entities.

John A. Britton, vice president and general manager of Pacific Gas and Electric Co. [PG&E], one of the major license holders and forces behind the

preference repeal campaign, said in congressional testimony when the law was being debated that:

> The Government don't have to take it over and I don't believe it will, but I do believe that most of these plants erected under these licenses, where they are applicable to a growing community will be taken over by municipalities and operated by them and not by the (original) lessees.

Indeed, the prospects that an original licensee would lose the license under the relicensing preference was so obvious that the private interests convinced Congress to include a compensation provision in the law.

Frankly, the existence of a compensation provision in and of itself is powerful proof that Congress meant there to be a relicensing preference.

The IOU's argue that regardless of the intent of the law, the relicensing preference is poor public policy. The essence of their position is that the relicensing preference would result in a wholesale shift of licenses from the private to the public sector, triggering astronomical rate increases for private power customers.

This is an argument in search of supporting facts. On the surface it is beguilingly simple. Under examination, it quickly loses its credibility.

First, it is important to understand that the hydroelectric power in question represents less than 1 percent of the total IOU generating capacity. Thus, to suggest, as the industry does, that there is some widespread consumer impact is specious. The fact is that only a handful of customers across the country will be affected. Only 14 utilities, serving less than one-fifth of the customers of IOU's nationwide, hold 85 percent of the hydro power projects subject to relicensing over the next decade. Even in the case of IOU's with a significant number of Federal licenses at stake, the generating capacity involved represents less than 10 percent of their total capacity.

Underlying the claim that rates will skyrocket for IOU customers is the assumption that every license they hold will change hands. This is an absurdity on its face.

Of the 125 licenses which have come up for renewal to date, only 10 have been contested by municipalities. And the only one of those to be decided was decided in favor of the IOU!

The fact is that even under the improbable and far-fetched scenario that all licenses would be lost, the actual impact on rates would be minimal.

A study by the Consumer Energy Council of America estimated that the average annual impact in the case of Pacific Gas & Electric—the utility likely to be most affected by this legislation—would be less than one penny per day per customer if it lost all of the pending relicensing proceedings.

The IOU's would have us believe that if they lose the license, the benefits of this cheap power will be denied to their customers. They argue that licenses shouldn't be transfered from them to public power competitors that may serve far fewer customers.

This is a particularly silly argument. The fact is that when a license changes hands, the IOU's will not lose the power altogether. Once the new licensee meets its system capacity, it will have to sell the excess power to someone and the obvious customers would be the IOU's. Also, the IOU will no longer need to sell excess power to a public power company which obtains direct access to a hydroelectric plant and therefore will not need to secure more expensive replacement power. In fact, my legislation will ensure that the benefits of Federal power are spread to the greatest number of people.

Yet another reason the higher rate argument falls is that it assumes that any power lost through relicensing would be replaced with power purchased at the marginal cost. This is unlikely largely because the areas most affected by this bill are awash in power surpluses.

A second myth is that the IOU proposal is procompetitive. In fact, S. 426 is a profoundly anticompetitive bill. It virtually insulates existing licensees—both public and private—from competition.

S. 426 would no longer permit the Commission to consider license applications from both existing holders and competing applicants and to select the best plan. Instead, it would virtually require the Commission to issue licenses to current holders.

The section-by-section analysis of S. 426 states that the bill "authorizes the Commission to consider other applications and issue a license to a different licensee if the Commission determines that the project or projects as proposed by the existing licensee do not meet the prescribed standards."

In other words, the FERC could not even consider other applications unless it first determines that the existing licensee does not meet the standards.

Thus, under the bill, a competing applicant with a superior plan would not even be considered by the Commission if the existing licensee's application meets the prescribed standards—or can be amended to meet those standards. The unambiguous effect of this language would be to deprive the Commission and the public of the improvements in power production, energy efficiency and environmental protection which result from bidding between competing applicants for hydroelectric licenses.

Make no mistake, competition clearly enhances the use of the public resources, as recent actual relicensing proceedings demonstrate.

In one case, involving the PG&E license for the Rock Creek-Cresta Water Power project, the Sacramento Municipal Utility District [SMUD] filed a competing application. PG&E's original application proposed no increases in generating capacity. SMUD, on the other hand, proposed an increase of 27 MW. In response, PG&E amended its application to increase capacity by 46 MW. SMUD's amended application could increase capacity by 105 MW. Thus, from proposing no increase, PG&E now would increase dependable capacity by 25 percent and SMUD has upped its original 15-percent increase to 55 percent.

A second case involving PG&E's license at the Hass-Kings River Water Power project offers additional evidence of the positive effects of competition. In this instance, the original PG&E application called for capacity increases of 2.6 MW. The SMUD application proposed a 60-MW increase. As a result, PG&E's revised application proposed an increase of 37 MW, far more than would have been proposed absent competition.

The bill I am introducing would retain the relicensing preference while eliminating some of the unfair aspects of current law. The preference is essential to allow smaller public power systems to compete fairly with much larger IOU's.

The most significant change involves the compensation provision of current law. Today, compensation is limited to a company's net investment in the project and severance damage. The IOU's want to move to a just compensation standard which could require the new licensee to pay the full replacement cost of the project, thereby making competition uneconomic and defeating the purpose of the law.

Furthermore, a "just compensation" standard would give private utilities a massive windfall. These firms have recovered their initial investment through depreciation and by including the capital cost of the project in their rate bases. It is also important to note that the license holders have only paid minimal license fees for the privilege of using the "falling water." In short, they have had virtually rent-free use of the resource and been able to recover their investment through depreciation and rates. Viewed in this context, the current compensation provision is hardly unreasonable.

However, in an effort to make my bill more palatable, I have modified the compensation language to require new licensees to pay not only net investment plus severance damages, but also make available to the customers of the original licensee up to an average of 25 percent of the output of the project for one-fifth of the license term at the new licensee's actual generation cost. In cases where the original licensee's customers rates would increase, this provision would ease the transition.

A second change would require the FERC to include in all new licenses authority to order wheeling on fair and nondiscriminatory terms to all sectors of the industry.

Wheeling is an arrangement where one utility is paid to transmit electric energy between two other utilities. A strong wheeling provision enhances competition and results in lower electric rates for all consumers.

One other provision of the bill is worth highlighting. The Public Utilities Regulatory Policies Act granted significant benefits to those constructing small hydroelectric facilities. Originally aimed at adding new hydroelectric capacity at existing facilities, the PURPA provision has had the unintended result of prompting hundreds of applications for small projects on free-flowing rivers and streams, creating a serious threat to fish and wildlife, sport fishermen and other river users.

Section seven of the bill makes the economic incentives to develop small scale hydroelectric projects provided under section 210 of the Public Utilities Regulatory Policies Act inapplicable to projects requiring the construction of a new dam or diversion structure. These projects, which require the impoundment of free-flowing streams, have the greatest potential for environmental harm. The bill would limit the benefits of PURPA to hydroelectric generating facilities located at existing structures. I am indebted to former Representative Richard Ottinger and Representative George Miller of California for their excellent and pioneering work on this particular subject.

I ask unanimous consent that a section-by-section analysis of the bill be printed in the Record.

There being no objection, the section-by-section analysis was ordered to be printed in the Record, as follows:

Fair Competition in Hydroelectric Licensing Act of 1985—Section-by-Section Analysis

Section 1, paragraph (a) provides that the Act may be cited as the "Fair Competition in Hydroelectric Licensing Act of 1985."

Section 1, paragraph (b) contains the declaration of policy. The fundamental policy of the Act is to ensure fair competition in the licensing of hydroelectric projects and to maintain and enhance diversity within the electric utility industry.

Section 2, paragraph (a), clause (1), of the bill amends section 7(a) of the Federal Power Act by inserting "original" after "hereunder or" to make it clear that the final right to amend contained in section 7(a) applies exclusively to the issuance of preliminary permits and original licenses, and not to new licenses for existing facilities issued under section 15 of the Act.

Section 2, paragraph (a), clause (2), of the bill also amends section 7(a) of the Act to eliminate any ambiguity which might arise from an existing reference to the issuance of new licenses under section 15 of the Act.

Section 2, paragraph (b) amends section 7 of the Federal Power Act to add several new subsections to clarify the procedures for the issuance of new licenses upon the expiration of an existing license.

The amendment requires the Commission to issue a new license upon the expiration of an existing license to the applicant whose proposal the Commission determines is best adapted to a comprehensive plan as set forth in section 10(a) of the Federal Power Act. In making these findings, the Commission can and should consider: (1) the need to maintain and enhance diversity within the electric utility industry; (2) "the plans of each applicant to improve and utilize the project, including the proposed utilization by each applicant to achieve efficiency and reliability in the production and consumption of electric power" and whether the project as applied for comports with other beneficial uses, including recreation, navigation, flood control, water supply, and irrigation; and (3) the plans of the applicant for the project with respect to fish, wildlife, natural, cultural, and recreational resources.

The amendment would prevent the Commission in awarding a new license for an existing project from penalizing a competing applicant because it has not previously operated a hydroelectric project.

The amendment also clarifies certain procedures to be followed in competitive relicensing proceedings involving an existing licensee. It requires the existing licensee to make available to a potential competing applicant, upon request, "all plans, drawings, designs, data, and any other information relating to the construction and operation of the project" which are necessary for the filing of a competing application. The requesting party would be required to compensate the existing licensee for the reasonable cost of providing these materials. This provision is designed to ensure fair competition by assuring all parties equal access to information concerning a project.

In addition, an existing licensee would be required, under certain circumstances, to perform jointly with other competing applicants environmental, archeological, cultural and any other studies required for the filing of a FERC license application. This provision is designed to eliminate costly and wasteful duplication of studies which, in some cases, has resulted in unnecessary environmental harm. The existing licensee is only required to participate in joint studies, however, where some or all of the competing applicants agree to share the cost of the studies and a joint study plan has been approved by the relevant governmental agency or agencies.

Further, the amendment restates the existing preference for States and municipalities in the relicensing of hydroelectric facilities where, after all other factors have been considered, there is a tie. It provides that in issuing new licenses for an existing hydroelectric project, where the proposals of competing applicants are determined by the Commission to be equally well adapted to a comprehensive plan as set forth in section 10(a) of the Federal Power Act, the Commission shall prefer the applications of States and municipalities.

The amendment to section 7 of the Federal Power Act also requires the Commission, in issuing any license for an existing project, to modify the plans of the applicant to assure that its plans, to the extent practicable, mitigate the adverse effects of a project on fish, wildlife, natural, cultural, and recreational resources. In addition, the Commission may require an applicant to adopt and implement an electricity consumption efficiency improvement program. When the licensee is an electric utility, the Commission may require the utility to develop plans to promote cost-effective electricity consumption by its customers.

Further, the amendment provides that the Commission shall order the existing licensee to provide transmission or "wheeling" or power on a fair and reasonable basis when these services are necessary "to conserve energy, promote the efficient use of facilities and resources, increase competition in the bulk power supply market, or are otherwise in the public interest." The Commission may also order the existing licensee to upgrade transmission capacity to provide these services, subject to just and reasonable compensation.

The amendment also provides that the Commission may not deny a new license to an applicant because the applicant does not have, or have access to, adequate transmission facilities. If the Commission issues a new license for an existing project to an applicant without access to such transmission facilities, then the Commission shall order the existing licensee to provide transmission service to the new licensee on a fair and reasonable basis. If necessary, the Commission is also required to order the existing licensee to upgrade transmission capacity to provide the power from the project to the new licensee, subject to just and reasonable compensation.

Section 3 of the bill addresses the matter of compensation to the existing licensee if a determination is made that a license for a project should be issued to a different licensee.

The amendment recognizes, that, when the license for an existing project is issued to a new licensee, some transition period may be necessary for the existing licensee to adjust to the loss of power from the project. The amendment thus provides that the new licensee shall make available to the existing licensee, at the new licensee's actual generation cost, output from the project for the benefit of the customers of the existing licensee. The amount of such power shall not exceed an average of 25 percent of the output of the project for the initial one-fifth of the license term. In addition, this output shall be provided in a manner which does "not adversely affect the status of any bonds, notes or obligations issued, or to be issued, by the new licensee under the then applicable tax laws."

The amendment does not change the existing requirement that the new licensee pay to the existing licensee the existing licensee's net investment in the project and severance damages, if any. Further, the amendment does not alter the current requirement that the new licensee assume all contracts entered into by the existing licensee with the approval of the Commission.

Section 4 of the bill addresses the significant delays experienced by both existing licensees and competing applicants in the processing of applications for new licenses for existing hydroelectric facilities. These delays have, in some cases, necessitated the issuance of annual licenses to the existing licensee after the expiration of the original project license while the Commission evaluates the competing plans. Thus, existing licensees have unfairly retained the benefits of projects due to the Commission's delays.

The amendment responds to this situation by establishing a timetable for Commission action. It requires the Commission to issue a new license for an existing project no later than 12 months prior to the expiration date of the original license. This timetable should not unduly burden the Commission since an existing licensee is required to file a license application 3 years before the expiration of a license for a project and competing applications must be filed 2½ years before the expiration of the project license. The bill requires the Commission to develop procedures to implement this timetable and to file an annual report with Congress identifying any projects for which a new license has not been issued in accordance with this timetable.

Section 5 of the bill adds a new section 15A to the Federal Power Act respecting antitrust review on the licensing of existing hydroelectric facilities.

Section 5, paragraph (a) requires the Commission promptly to transmit to the Attorney General a copy of any license application under section 15. The Attorney General would have a "reasonable time," but in no event to exceed 180 days after receiving a copy of such application or written request, to "advise the Commission whether the activities under this section would create or maintain a situation inconsistent with the antitrust laws."

Section 5, paragraph (b) requires the Commission to consider the advice it receives from the Attorney General and precludes the Commission from issuing a license "where it finds that the activities under such license would tend to create or maintain a situation inconsistent with the antitrust laws" specified in subparagraph (c). The Commission may include conditions in a license to assure that activities under the license will not create or maintain a situation inconsistent with the antitrust laws.

Section 5, paragraph (c) lists the Federal statutes applicable to the antitrust review under sections (a)-(c). These include the following laws: the Sherman Act, 15 U.S.C. §§ 1 et seq.; the Wilson Tariff Act, 15 U.S.C. §§ 8 et seq.; the Clayton Act, 15 U.S.C. §§ 12 et seq., 20 et seq., 52, 53; and the Federal Trade Commission Act, 15 U.S.C. §§ 41 et seq., 47, 48, 50 et seq.

Section 6 of the bill repeals the provision of the Public Utility Regulatory Policies Act which permits the Commission to exempt from licensing requirements, on a case-by-case basis, hydroelectric power projects having a proposed installed capacity of 5,000 kilowatts or less. 16 U.S.C. § 2705 (d). Repeal of this provision will ensure fair competition and full consideration of environmental, conservation, and antitrust concerns in the licensing of all hydroelectric power projects.

Section 7 of the bill makes the economic incentives to develop small-scale hydroelectric projects provided under Section 210 of the Public Utilities Regulatory Policies Act of 1978 ("PURPA"), 16 U.S.C. § 824a-3, inapplicable to projects requiring the construction of a new dam or diversion structure. These projects, which require the impoundment of free-flowing streams, have the greatest potential for environmental harm. The bill will limit the benefits of PURPA to hydroelectric generating facilities located at existing structures.

Section 8 of the bill provides that competing applications already filed with the Commission for existing projects continue to be governed by the existing statute and not by the provisions of this bill. This is because the competing parties have expended substantial funds in reliance on the existing law, and the proceedings already under way could be significantly delayed by retroactive application of the provisions of this bill.

By Mr. HATFIELD (for himself, Mr. Matsunaga, Mr. Cranston, Mr. Levin, Mr. Exon, Mr. Kennedy, Mr. Dixon, Mr. Kerry, Mr. Harkin, Mr. Sarbanes, and Mr. Hart):

S. 1220. A bill entitled the "Renewable Energy and Conservation Transition Act of 1985"; to the Committee on Finance.

RENEWABLE ENERGY AND CONSERVATION TRANSITION ACT

Mr. HATFIELD. Mr. President, I am pleased today to introduce legislation that will provide for a limited extension and phaseout of the Federal renewable energy and conservation tax credits.

First let me commend my colleague from Oregon, Senator Packwood, for his outstanding leadership in this area over the last several years. Without his efforts and stewardship, the renewable energy and conservation tax credit provisions would have been removed from the Tax Code long ago. And it will be under his keen counsel that this bill I am introducing today will be analyzed in committee.

The Renewable Energy and Conservation Transition Act will provide the temporary help over the next 3 to 5 years that the renewable energy technologies need to enter the commercial marketplace on a competitive basis.

At present, these tax credits are scheduled to expire at the end of this year, and most experts agree that the renewable energy industries will be devastated by the sweeping change in their financial environment that would result from such a termination.

The Office of Technology Assessment had this to say in recent testimony before a congressional subcommittee:

> Without continued favorable tax treatment, development of much of the domestic renewable power technology industry may be delayed significantly. In particular, without existing tax incentives, many of the generally small firms involved in development projects will lose access to existing sources of capital. Even large, adequately capitalized firms may lose their distribution networks, leaving the industry struggling to survive.

Recognizing that the renewable energy technologies differ from one another in terms of their current market readiness, my proposal is structured on a technology-by-technology basis to ensure maximum effectiveness. The net result of this structuring is an extension that will cost less than continuing the existing credits for the same period of time, and that will be more effective as an instrument of energy policy. Under my bill, most of these credits expire within 3 years. All of the credits would, however, expire by December 31, 1990, except for certain long-term solar projects begun before that date and completed before December 31, 1993.

The Renewable Energy and Conservation Transition Act is also much more modest in cost than its predecessors in the 98th Congress and is intentionally so because of the difficult Federal deficit situation we are facing and of the growing momentum for tax simplification.

For example, S. 1305, introduced in 1983 by my distinguished colleague Senator Packwood, would have increased the business investment credit for all solar, wind, geothermal, and ocean thermal energy to 25 percent and extended it for 5 years. In addition, it would have extended all of the residential renewable energy credits for 5 years at the current level of 40 percent.

My proposal would phase out the business credit for wind energy systems in just 3 years, reducing it immediately from the current 15 percent level to 10 percent in 1986-87 and 5 percent in 1988. Similarly, the credit for residential solar property would be phased out over 5 years, with the 40 percent level dropping by 5 percent each year. In addition, the expenditure ceiling for solar hot water systems ,would be cut immediately from the current $10,000 to $6,000.

Although this legislation provides more limited incentives than those in S. 1305, it aims for the same commendable objectives initiated by Senator Packwood who has been such a leader in this area.

I believe the case for this legislation is compelling. Since many of our tax dollars are currently channeled into energy incentives of one kind or another, the decisions that Congress makes this year on tax simplification will have a major impact on energy production in this country. We cannot ignore that impact.

Fully 96 percent Federal energy tax subsidies now support conventional energy sources—electric utilities, oil and gas, coal, and nuclear power. These sources, therefore, have a great competitive advantage over conservation and renewable energy sources. Yet unlike conventional energy sources, most of which have been in use for decades, many of the renewable technologies are new and just approaching commercial viability. Now is the time they need help the most.

What is more surprising is that this current imbalance of Federal support flies in the face of what is happening today across America. Renewable energy sources and energy conservation, despite the competitive problems they have experienced, are assuming major importance in our national energy supply outlook.

A recent report from the Department of Energy's Renewable Energy Office, for example, tells us that in the past 10 years, Federal support for renewables, both R&D and tax credits, totaled about $6 billion. During the same period, new renewable energy systems coming into production delivered energy equivalent to 39 billion dollars' worth of oil at current market prices. These same systems, the report adds, can be expected to produce the equivalent of another three billion barrels of oil over their operational lifetimes, worth about $85 billion at today's prices.

"Renewable Energy at the Crossroads," another recent report by the Center for Renewable Resources, education affiliate of the Solar Lobby, notes that renewables now supply more than 9 percent of America's energy, while conservation and improvements in energy efficiency have reduced energy demand by nearly one-fourth.

Clearly, there is a vast untapped potential in these new energy sources. The legislation I am introducing today represents a modest downpayment on realizing that potential.

The Renewable Energy and Conservation Transition Act is supported by a hundred national, regional, and State organizations, including the Solar Lobby; American Wind Energy Association; Environment Action; Environmental Policy Institute; Consumer Federation of America; Sierra Club; Citizen/Labor Energy Coalition; Solar Energy Association of Oregon; Solar Oregon Lobby; Friends of the Earth; National Audubon Society; Public Citizen; Renewable Energy Institute; Renewable Fuels Association; Solar Energy Industries Association; the Union of Concerned Scientists; and Network—a Catholic social justice lobby.

An identical bill was introduced 6 weeks ago in the House of Representatives by Congressman HEFTEL and 98 of his colleagues. Congress has undertaken an excellent initiative over the past few years in encouraging the growth of new, domestic, nonpolluting energy resources. We can now finish the task by providing for an orderly transition period under the provisions of this bill.

I ask unanimous consent that a copy of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1220

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE: AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Renewable Energy and Conservation Transition Act of 1985".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, such reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—EXTENSION OF BUSINESS ENERGY CREDITS

SEC. 101. EXTENSION OF BUSINESS ENERGY CREDITS.

(a) INCREASE AND EXTENSION OF SOLAR GEOTHERMAL, WIND, OCEAN THERMAL, AND BIOMASS ENERGY CREDIT.—The table contained in subparagraph (A) of section 46(b)(2) (defining energy percentage) is amended to read as follows:

Column A—Description	Column B Percentage	Column C—Period	
In the case of:	The energy percentage is	For the period: Beginning on:	And ending on:
"(i) General rule.—Property not described in any of the following provisions of this column.	10 percent	Oct. 1, 1978	Dec. 31, 1982
"(ii) Solar property.—Solar energy property described in section 48(1)(A)(ii).	A. 10 percent B. 15 percent	Oct. 1, 1978 Jan. 1, 1980	Dec. 31, 1979 Dec. 31, 1985
"(I) Low Temperature Solar Property.—Property described in subparagraph (E)(ii).	15 percent	Jan. 1, 1986	Dec. 31,1990
"(II) Other Solar Property.—Solar property other than low temperature solar property.	25 percent	Jan. 1, 1986	Dec. 31, 1990
"(iii) Geothermal Property.—Property described in section 48(1)(3)(A)(viii).	A. 10 percent B. 15 percent	Oct. 1, 1978 Jan. 1, 1980	Dec. 31, 1979 Dec. 31, 1988
"(iv) Wind Property.—Wind energy property described in section 48(1)(2)(A)(ii).	A. 10 percent B. 15 percent C. 10 percent D. 5 percent	Oct. 1, 1978 Jan. 1, 1980 Jan. 1, 1986 Jan. 1, 1988	Dec. 31, 1979 Dec. 31, 1985 Dec. 31, 1987 Dec. 31, 1988
(v) Ocean Thermal Property.—Property described in section 48(1)(3)(A)(ix).	15 percent	Jan. 1, 1980	Dec. 31, 1990
"(vi) Qualified Hydroelectric Generating property.—Property described in section 48(1)(2)(A)(vii).	11 percent	Jan. 1, 1980	Dec. 31, 1985
"(vii) Qualified Intercity Buses.—Property described in section 48(1)(2)(A)(ix).	10 percent	Jan. 1, 1980	Dec. 31, 1985
"(viii) Chlor-Alkali Electrolytic Cells.—Property described in section 48(1)(5)(M).	10 percent	Jan. 1, 1980	Dec. 31, 1982
"(ix) Biomass Property.—Property described in section 48(1)(15).	A. 10 percent B. 5 percent	Oct. 1, 1978 Jan. 1, 1988	Dec. 31, 1987 Dec. 31, 1988.".

(b) DEFINITION OF SOLAR PROPERTY.—Paragraph (2) of section 46(b) (relating to the energy percentage) is amended by adding at the end thereof the following new subparagraph:

"(E) DEFINITIONS RELATING TO SOLAR PROPERTY.—For purposes of subparagraph (A)—

"(i) SOLAR PROPERTY.—The term 'solar property' means any equipment which uses solar energy—

"(I) to generate electricity,

"(II) to heat or cool (or provide hot water for use in) a structure, or

"(III) to provide solar process heat.

"(ii) LOW TEMPERATURE SOLAR PROPERTY.—

"(I) IN GENERAL.—Except as provided in subclause (II), the term 'low temperature solar property' means property which is solar property solely by reason of subparagraph (B) of section 48(l)(4).

"(II) EQUIPMENT PROVIDING HOT WATER.—Property used to provide hot water shall be treated as low temperature solar property only if such property is designed to provide hot water at not more than 300 degrees Fahrenheit."

(c) CREDIT FOR MIXED RESOURCE GEOTHERMAL PROPERTY.—Paragraph (3) of section 48(l) (relating to energy property) is amended by adding at the end thereof the following new subparagraph:

"(D) SPECIAL RULE FOR GEOTHERMAL EQUIPMENT.—For purposes of subparagraph (A)(viii), with respect to any equipment which will use geothermal energy in combination with other energy—

"(i) If the geothermal energy to be used by such equipment is at least 50 percent, and the remainder of the energy to be used is supplied from the combustion of an alternate substance, such equipment shall be treated as alternative energy property.

"(ii) If the geothermal energy to be used by such equipment is at least 50 percent, and the remainder of the energy to be used is not supplied from the combustion of an alternate substance, such equipment shall be treated as alternative energy property only to the extent of the portion of the qualified investment equal to the percentage of geothermal energy to be used.

"(iii) If the geothermal energy to be used by such equipment is less than 50 percent, such equipment shall not be treated as alternative energy property."

(d) INCLUSION OF WOOD GASIFICATION EQUIPMENT AND ANAEROBIC DIGESTION EQUIPMENT TO PRODUCE METHANE.—Subparagraph (C) of section 48(l)(15) (relating to the definition of qualified fuel) is amended—

(1) by striking out "and" from the end of clause (i),

(2) by striking out the period at the end of clause (ii) and inserting in lieu thereof a comma, and

(3) by adding at the end of thereof the following new clauses:

"(iii) any synthetic gaseous fuel produced from wood, and

"(iv) methane-containing gas for fuel or electricity, produced by anaerobic digestion from nonfossil waste materials at farms or other agricultural facilities, and at facilities for the processing of agricultural products."

TITLE II—AFFIRMATIVE COMMITMENT RULE TO EXTEND THE BUSINESS CREDIT FOR CERTAIN LONG-TERM PROJECTS

SEC. 201. REVISION OF AFFIRMATIVE COMMITMENT RULES.

(a) IN GENERAL.—Paragraph (2) of section 46(b) (relating to energy percentage), as amended by section 101 of this Act, is amended by inserting after subparagraph (D) the following new subparagraphs:

"(F) LONGER PERIOD FOR CERTAIN SOLAR ENERGY PROPERTY.—For purpose of applying the percentage contained in clause (ii) of subparagraph (A) with respect to property which is a part of a project described in subparagraph (H) 'December 31, 1993' shall be substituted for 'December 31, 1990'.

"(G) LONGER PERIOD FOR CERTAIN GEOTHERMAL ENERGY PROPERTY.—For the purpose of applying the energy percentage contained in clause (iii) of subparagraph (A) with respect to property which is a part of a project described in subparagraph (H), 'December 31, 1990' shall be substituted for 'December 31, 1988'.

"(H) DESCRIPTION OF LONG-TERM PROJECTS ELIGIBLE FOR THE ENERGY CREDIT.—For purposes of subparagraph (F) relating to solar energy property and subparagraph (G) relating to geothermal energy property, the longer period shall apply to property which is a part of a project if—

"(i) the project has a normal construction period of one and a half or more years (within the meaning of subsection (d)(2)(A)(i), and

"(ii) on or before the ordinary expiration date of the credit under subparagraph: (A), the taxpayer or any other person has completed all engineering studies in connection with the commencement of the construction of the project, and

"(iii) prior to the date one year after the ordinary expiration date of the credit under subparagraph (A), the taxpayer has entered into binding contracts for the acquisition, construction, reconstruction, or erection of equipment specially designed for the project and the aggregate cost to the taxpayer of that equipment is at least 50 percent of the reasonably estimated cost for all such equipment which is to be placed in serve as part of the project upon its completion."

(b) AFFIRMATIVE COMMITMENT RULE FOR QUALIFIED HYDROELECTRIC GENERATING PROPERTY.—Subparagraph (D) of section 46(b)(2) (relating to a longer period for certain hydroelectric generating property) is amended to read as follows:

"(D) LONGER PERIOD FOR CERTAIN HYDROELECTRIC GENERATING PROPERTY.—If an application for a permit, license, or license exemption, has been filed with the Federal Energy Regulatory Commission before January 1, 1986, with respect to the installation of any qualified hydroelectric generating property, for purpose of applying the energy percentage contained in clause (vi) of subparagraph (A) with respect to such property, "December 31, 1990," shall be substituted for "December 31, 1985".

TITLE III—EXTENSION OF RESIDENTIAL ENERGY CREDITS

SEC. 301. EXTENSION OF RESIDENTIAL ENERGY CREDIT FOR SOLAR RENEWABLE ENERGY SOURCE EXPENDITURES.

(a) IN GENERAL.—Paragraph (2) of section 23(b) (relating to qualified renewable energy source expenditures) is amended to read as follows:

"(2) RENEWABLE ENERGY SOURCE.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, in the case of any dwelling unit, the qualified renewable energy source expenditures are 40 percent of so much of the renewable energy source expenditures made by the taxpayer during the taxable year with respect to such unit as does not exceed $10,000.

"(B) EXTENSION AND PHASEOUT OF CREDIT FOR SOLAR PROPERTY.—

"(i) IN GENERAL.—In the case of expenditures for solar property, there shall be substituted for '40 percent' in subparagraph (A) the percentage determined in accordance with the following table:

"For taxable years beginning in:	The percentage is:
1986	35 percent
1987	30 percent
1988	25 percent
1989	20 percent
1990	15 percent
1991 or thereafter	0 percent.

"(ii) SOLAR PROPERTY.—For purposes of this paragraph, the term 'solar property' means property described in paragraph (5) of subsection (c) by reason of the reference to 'solar energy'.

"(iii) CERTAIN PHOTOVOLTAIC CELLS REMAIN AT 40 PERCENT CREDIT.—The percentage determined under this subparagraph shall be 40 percent for taxable years beginning before January 1, 1991, with respect to photovoltaic cells used solely for the purpose of providing electricity.

(C) CEILING FOR SOLAR HOT WATER SYSTEMS.—The taxpayer may not take into account under this paragraph with respect to any dwelling unit more than $6,000 of renewable energy source expenditures for solar property used to provide only hot water for use within such dwelling."

(b) SOLAR HOT WATER SYSTEMS AND ACTIVE SPACE HEATING SYSTEMS MUST MEET CERTAIN ADDITIONAL STANDARDS.—

(1) IN GENERAL.—Paragraph (5) of section 23(c) (defining renewable energy source property) is amended by striking out "and" at the end of subparagraph (C), by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(E) in the case of property described in paragraph (11)(B), which meets the requirements of paragraph (11)."

"(2) ADDITIONAL REQUIREMENTS.—Subsection (c) of section 23 (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(11) ADDITIONAL REQUIREMENTS WITH RESPECT TO CERTAIN SOLAR HOT WATER AND SPACE HEATING SYSTEMS.—

"(A) IN GENERAL.—Property described in subparagraph (B) shall not be treated as renewable energy source property for purposes of this section unless such property meets such test methods and minimum standards for performance, durability, reliability, and safety—

"(i) as are certified, rated, or listed by the Solar Rating and Certification Corporation, Incorporated, the Air Conditioning and Refrigeration Institute, or an equivalent organization recognized as such by the Secretary, and

"(ii) as are in effect at the time of the acquistion of the property.

"(B) PROPERTY TO WHICH ADDITIONAL REQUIREMENTS APPLY.—Property is described in this subparagraph if such property—

"(i) transmits or uses solar energy for the purpose of providing—

"(I) hot water for use within a dwelling, or

"(II) active space heating for such dwelling, and

"(ii)(I) is a solar collector,

"(II) is a compound of an integral collector storage system or a thermosyphon system, or

"(III) is a component of a forced circulated system the solar collector components of which do not meet the requirements of subparagraph (A).

"(C) EXCEPTION FOR OWNER-CONSTRUCTED PROPERTY.—This paragraph shall not apply to any property if the taxpayer constructs such property from components not primarily designed for use as a solar collector or as a component described in subparagraph (B)."

SEC. 302. EXTENSION OF RESIDENTIAL ENERGY CREDIT FOR WIND RENEWABLE ENERGY SOURCE EXPENDITURES.

Paragraph (2) of section 23(b) (relating to the maximum qualified expenditure for solar hot water systems), as amended, is amended by adding at the end thereof the following new subparagraphs:

(D) EXTENSION AND PHASEOUT OF CREDIT FOR WIND PROPERTY.—

"(i) IN GENERAL.—In the case of expenditures for wind property there shall be substituted for '40 percent' in subparagraph (A) the percentage determined in accordance with the following table.

"For taxable years beginning in:	The percentage is:
1986	35 percent
1987	30 percent
1988	25 percent
1989 or thereafter	0 percent

"(ii) WIND PROPERTY.—For purposes of this paragraph, the term 'wind property' means property described in paragraph (5) of subsection (c) by reason of the reference to 'wind energy'.

"(E) CEILING FOR WIND PROPERTY.—In the case of any dwelling unit, the qualified renewable energy source expenditures for wind property are the pertinent percentage provided in subparagraph (D) of so much of the renewable energy source expenditures made by the taxpayer during the taxable year with respect to such unit as does not exceed $20,000."

SEC. 303. EXTENSION OF RESIDENTIAL ENERGY CREDIT FOR GEOTHERMAL RENEWABLE ENERGY SOURCE EXPENDITURES AND REDUCTION OF WATER TEMPERATURE THRESHOLD.

(a) EXTENSION OF CREDIT FOR GEOTHERMAL PROPERTY.—Paragraph (2) of section 23(b), as amended by this Act, is amended by inserting after subparagraph (E) the following new subparagraph:

"(F) EXTENSION OF CREDIT FOR GEOTHERMAL PROPERTY.—

"(i) IN GENERAL.—In the case of expenditures for geothermal property, there shall be substituted for '40 percent' in subparagraph (A), the percentage determined in accordance with the following table.

"For taxable years beginning in:	The percentage is:
1986	40 percent
1987	30 percent
1988	20 percent

"(ii) GEOTHERMAL PROPERTY.—For purposes of this paragraph, the term 'geothermal property' means property described in paragraph (5) of subsection (c) by reason of reference to 'energy derived from geothermal deposits'."

(b) DEFINITION OF GEOTHERMAL DEPOSITS EXPANDED.—

(1) TECHNICAL AMENDMENT.—Clause (i) of section 23(c)(5)(A) (relating to renewable energy source property) is amended by striking out "(as defined in section 613(e)(3)" and inserting in lieu thereof "as defined in paragraph (12) of this subsection)".

(2) DEFINITION OF GEOTHERMAL DEPOSITS; GEOTHERMAL PROPERTY USING MIXED ENERGY SOURCES.—Subsection (c) of section 23, as amended by this Act, is amended by adding after paragraph (11) the following new paragraphs:

"(12) DEFINITION OF GEOTHERMAL DEPOSIT.—For purpose of this section, the term 'geothermal deposit' means a geothermal reservoir consisting of natural heat of the Earth (at any temperature) which is stored in rocks, on aqueous liquid or vapor (whether or not under pressure), or any other medium.

"(13) GEOTHERMAL PROPERTY USING MIXED ENERGY SOURCE.—For purposes of this section, in the case of any energy system which uses both energy from geothermal deposits and energy which is not renewable energy under this section, all of the equipment comprising the system shall be renewable energy source property, if, on a British thermal unit (Btu) basis, geothermal energy provides more than 80 percent of the energy in a typical year for which the system is designed. If less than 80 percent of the energy is supplied by geothermal energy, those portions of the systems which produce, distribute, transfer, extract, or use energy which is more than 50 percent supplied by geothermal energy (on a unused Btu basis), shall be treated as renewable energy source property."

SEC. 304. EXTENSION AND REFORM OF ENERGY CONSERVATION CREDIT: LIMITATION OF CREDIT ABOVE $30,000 ADJUSTED GROSS INCOME.

(a) In General.—Paragraph (1) of section 23(b) (defining qualified energy conservation expenditures) is amended to read as follows:

"(1) Energy conservation.—

"(A) General rule.—In the case of any dwelling unit, the qualified energy conservation expenditures are 25 percent of so much of the energy conservation expenditures made by the taxpayer during the taxable year with respect to the unit as does not exceed $700.

"(B) Limitation on maximum annual income of taxpayer.—The energy conservation tax credit may not be claimed by any taxpayer with an adjusted gross income for the taxable year of more than $30,000. In the case of a taxpayer who is married (within the meaning of section 143) and files a separate return, the adjusted gross income of the taxpayer which shall be taken into account for purposes of the preceding sentence shall be the sum of the adjusted gross income of the husband and wife."

(b) Credit Not Allowed for Storm Doors.—Clause (iv) of section 23(c)(4)(A) (relating to other energy-conserving component) is amended by striking out "or door".

SEC. 305. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Extension of Renewable and Conservation Credit.—Subsection (f) of section 23 (relating to termination) is amended to read as follows:

"(f) Termination.—

"(1) In general.—This section shall not apply to expenditures made after December 31, 1985.

"(2) Solar property.—For the purpose of applying the residential energy credit for solar renewable energy resource expenditures, this section shall not apply to expenditures made after December 31, 1990.

"(3) Wind, geothermal, and conservation property.—For the purpose of applying the residential energy credit for wind renewable energy resource expenditures, for geothermal renewable energy resource expenditures, and for energy conservation expenditures, this section shall not apply to expenditures made after December 31, 1988."

(b) Conforming Amendment.—Subparagraph (B) of section 23(b)(5) (relating to carryforward of unused credits) is amended to read as follows:

"(B) Carryforward limitation.—

"(i) Solar property.—No amount attributable to solar renewable energy resource expenditures may be carried under subparagraph (A) to any taxable year beginning after December 31, 1992.

"(ii) Wind, geothermal, and conservation property.—No amount attributable to wind renewable energy resource expenditures, geothermal renewable energy resource expenditures, or energy conservation expenditures, may be carried under subparagraph (A) to any taxable year beginning after December 31, 1990.

"(iii) Other property.—No amount attributable to other expenditures may be carried under subparagraph (A) to any taxable year beginning after December 31, 1987."

TITLE IV—EFFECTIVE DATE

SEC. 401. EFFECTIVE DATE.

The amendments made by this Act shall apply to periods after December 31, 1985, in taxable years ending after such date.

Mr. CRANSTON. Mr. President, I'm delighted to join with my friend, the senior Senator from Oregon [Mr. Hatfield] as an original cosponsor of the Renewable Energy and Conservation Transition Act of 1985.

This well-conceived legislation recognizes there have been differing rates of progess toward price competitiveness among various renewable energy technologies since creation of the credits in 1978.

In keeping with the original congressional intent, this legislation phases down and out the respective tax credits on individualized schedules which vary both as to duration and amount.

This differentiation among the renewable technologies occurs for the first time in this bill, which also sets new ceilings for the residential conservation credit, and the credits for domestic solar water heating and windpower systems.

Without this bill, all these credits will expire this year.

Congress adopted these credits to encourage capitalization and spur commercialization of the many clean attractive renewable energy technologies with near-term promise of economic competitiveness after the rapid rise of world oil prices following the 1973-74 OPEC oil embargo.

In 1978, Congress foresaw a straight upward trend in oil prices, which eventually would bring the price of renewables into favorable price competition with oil and gas without further subsidization of the renewables.

Hence, the 1985 expiration date of the renewable energy tax credits.

But, this expectation did not materialize.

On the one hand, the tax credits worked very well.

The price of renewables declined as expected, as the available tax credits induced investment, production and purchase of renewable energy installations.

With California leading the way, renewables made or exceeded the expected progress.

According to the California Energy Commission, the 1981 average capital cost of $4,113 per kilowatt of wind generation, for example, dropped by 1984 to $1,860 per kilowatt, while wind electric generation over the same period jumped from essentially nothing to 187.7 million kilowatt hours.

On the other hand, oil prices dropped instead of rising, as the demand for oil fell as a result of simultaneous recessions which gripped all the Western, industrialized nations beginning in 1980, from which many have not yet fully recovered.

The respite from rising oil prices and dependence on oil imports which we saw in 1980-83 was at the cost of a badly depressed economy.

As we have moved toward recovery, there are new signs that our dependence on oil imports is again increasing and that oil prices have stabilized and started back up.

We cannot afford either to remain dependent on foreign oil or to wait for the fluctuations of the marketplace to continue the development of environmentally attractive renewable energy sources.

This bill will maintain the pace of development that we need for these technologies.

Mr. President, my support for this short extension and phaseout of these credits in no way conflicts with my support for general tax simplification and reform.

Federal tax expenditures for oil and gas production currently amount to at least $12-$16 billion annually, while the annual tax expenditures for all renewables—plus synfuels and coal conversion—under existing law amount to less than $1.5 billion, and they will be steadily reduced under the terms of this bill.

Unless the final tax reform plan Congress adopts ends tax subsidization of investment in oil and gas production at some time before the extended conservation and renewable credits provided by this bill expire, these credits are needed to keep the competition for energy investment dollars fair.

If the investment tax breaks currently provided to the oil and gas industry end, there will no longer be a need for these renewable energy credits.

I thank my colleague from Oregon for his leadership, and urge my Senate colleagues to join in this bipartisan effort to enact promptly this vital legislation to help us reach a safe, secure, and clean energy future.

By Mr. HEINZ:

S. 1221. A bill to amend the Internal Revenue Code of 1954 to extend for 2 years the exclusion for amounts received under qualified group legal services plans, and to place a limit of $300 on the amount of employer contributions which may be excluded by an employee during any taxable year; to the Committee on Finance.

EXCLUSION FOR AMOUNTS UNDER GROUP LEGAL SERVICES PLANS

● Mr. HEINZ. Mr. President, today I am introducing legislation to extend the tax exclusion of group legal services benefits for another 2 years. This bill is necessary to allow group legal service plans provided by employers to continue while the Congress reviews the tax treatment of these and other employee benefits in the context of tax reform. It would be unfortunate to

unintentionally jeopardize the availability of legal services for an estimated 5 million persons simply through congressional neglect.

Under current law, section 120 of the Internal Revenue Code will expire on December 31, 1985. This section of the code excludes from the gross income of employees the amount of employer contributions and the value of benefits associated with employer-provided prepaid group legal services plans. This provision was originally enacted in 1976 for 5 years, and has been extended on two previous occasions. The legislation I am introducing today would further extend section 120 through Decemer 31, 1987.

The favorable tax treatment of group legal services plans has been a major factor in encouraging the growth in these plans over the last decade. Congress first considered group legal services in 1973 when the Taft-Hartley Act was amended to permit the provision of legal services through employee benefit trusts. Tax exclusion of the benefits followed 3 years later in the Tax Reform Act of 1976. Since 1976, the number of employees, spouses, and dependents covered under group legal service plans has increased from 1 million to more than 13 million, according to the National Resources Center for Consumers of Legal Services. Over 9 million of those covered by legal services plans have been added in the last 4 years.

Despite this expansion in coverage, the revenue loss associated with the tax exclusion remains relatively small, largely because of the low cost and limited benefits associated with these plans. OMB estimates a revenue loss of only $40 million in 1985 from prepaid legal services. The plans themselves typically are inexpensive for employers—employer cost for most plans is estimated to be less than $200 a year per employee, with the average plan costing probably closer to $100 a year. The benefits provided vary by plan, but the plans most often emphasize relatively simple and routine legal services: general legal advice, assistance with real estate matters, wills, family problems, consumer and debt problems, personal bankruptcies, and representation for misdemeanors and traffic matters.

Group legal service plans provided by employers do serve a valuable social purpose. The services they provide are those which working people might otherwise not consume because of the cost. Employer provision through a prepaid plan can save employees lost time, expense and uncertainty in seeking their own legal counsel, and provide them with information which may actually reduce the need for litigation later to settle disputes.

Mr. President, there is no particular reason for the Congress to let the tax exclusion of prepaid legal services expire. It is one of the least costly employee benefits for the Treasury and a benefit that is already fairly limited in scope. There is no cause to believe that these plans either do encourage litigation or foster conflict or could. To ensure that group legal services remain limited, I have included a provision in this legislation to cap the amount of annual cost per employee that is excluded from gross income to $300 a year. This cap is not intended to restrain any plan now in effect. Rather it is intended to describe a reasonable level of taxfree benefits for legal services plans yet to be adopted.

The legislation I am offering today will ensure that the tax exclusion for group legal services is retained until the Congress can complete the complex and lengthy task of improving the fairness and simplicity of the Tax Code. When we have completed that task and have adopted a uniform policy on the tax treatment of employee benefits, then we will have decided upon an appropriate tax treatment for prepaid group legal services. I urge my colleagues to join me in the meantime in assuring that prepaid group legal services get fair consideration in the tax reform debate.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1221

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (e) of section 120 of the Internal Revenue Code of 1954 (relating to termination) is amended by striking out "1985" and inserting in lieu thereof "1987".

(b) Paragraph (1) of section 120(a) of the Internal Revenue Code of 1954 (relating to exclusion by employee for contributions and legal services provided by employer) is amended by inserting ", except that the amounts which may be excluded under this paragraph for any taxable year by any employee shall not exceed $300" after "subsection (b))".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1985.●

By Mr. BRADLEY (for himself and Mr. Gorton):

S. 1222. A bill to amend the Agricultural Act of 1949 to provide price support for the 1985 and subsequent crops of sugar; to the Committee on Agriculture, Nutrition, and Forestry.

REFORMS IN AMERICAN SUGAR POLICY

Mr. BRADLEY. Mr. President, I am pleased today to introduce with the Senator from Washington, Mr. Gorton, a bill which would accomplish significant reforms in American sugar policy. I hope my colleagues will agree that reform of the Sugar Program should be a major priority of this Congress as it rewrites farm legislation which will shape the program for the next several years.

The Sugar Program is a complex one, Mr. President. On its face, it appears to cost nothing. However, in reality, it is costing American consumers a fortune each year, creating tremendous economic distortions in our domestic economy, hindering our efforts to promote exports of American products, and undermining the economies of our allies in the Caribbean and Latin America.

Let me take a moment, Mr. President, and explain how this Sugar Program works. Under the 1981 farm bill, the Government provides nonrecourse, low-interest loans to sugar producers with sugar as collateral. These loans are made by the Commodity Credit Corporation of the Department of Agriculture and are extended to sugar producers who use their sugar as collateral for the loans. If the domestic price for sugar exceeds the loan rate, plus shipping, handling, and storage costs, the producers will sell the sugar on the market and pay off the loan. If, however, the market price is below the price guaranteed by the Government program, the producer simply defaults on the loan. Since the collateral on the loan is the sugar itself, the Government ends up owning the sugar and the producer keeps the money from the "loan" at whatever price was set by the Government.

Under the program, loan levels have increased from 17 cents per pound for the 1982-83 crop to 17.75 cents per pound currently. They will increase to 18 cents per pound on October 1, 1985, unless legislative changes are made. Since the 1981 bill has been enacted, world sugar prices have been substantially below the loan rates set out in legislation. Indeed, world market sugar has been priced at 5 cents or less for most of this year. To make certain that domestic prices stay well above the inflated loan levels, the Government has had to impose drastic measures. These have come in the form of import quotas, which were first imposed in May of 1982. Each year, the quotas have been tightened to limit supply in this country and keep prices well above the loan levels set out in the farm bill. While the United States imported over 5 million tons of sugar in 1981, the quota for this year is less than 2.5 million tons.

There is no question that the program has been very successful in creating high prices and in providing a subsidy for the sugar producers. Sugar is currently selling at about 22 cents per pound in the United States, over four times the current price on the world market. The program has also been successful in avoiding defaults by producers on their loans and the consequent outlays of funds from the Treasury. However, I must stress that while

the Treasury has made no outlays, the

imposed on the Sugar Program are

There is an explanation, but it doesn't en-

customs because they fit into another cate-

can to protest. Mr. Krupnick, the one with

level to 13 cents for the 1985-86 crop

the Treasury has made no outlays, the taxpayers are paying exorbitantly for this program in their role as consumers of products in the United States. It is estimated that the artificially high price of sugar is adding $3 billion a year to the bill all Americans pay for sweeteners.

This is truly an amazing program, Mr. President. And perhaps its most amazing aspect is it benefits so very few at such tremendous cost. All told there are fewer than 12,000 sugar producers in the United States, compared to 446,000 wheat producers, 715,000 corn growers, or 32,000 dairy farmers, and I must add that according to the Department of Agriculture, the industry is dominated by large multinational corporations.

Further, Mr. President, no other farm program comes close to being as generous as the sugar program. Sugar producers have been successful in enacting a program which gives them full protection even in the worst of years. I ask my colleagues to compare the returns on sugar and other crops grown in various regions of the country. During 1982 in Minnesota and North Dakota, for example, the return over variable costs from sugarbeets was $411 per acre, while the corn return was $121 per acre. Similarly, in Louisiana, return for sugarcane was $458 per acre, while the soybean return was $69 per acre. It would take a reduction of 7 cents per pound in the price of sugar to achieve roughly equal returns with other crops.

Mr. President, I believe it is inequitable for sugar producers to receive such fantastically high returns compared to the returns of those who produce other farm products. This inequity is heightened when one considers the Sugar Program is depressing prices that farmers of other products can receive for their goods because it detracts from their ability to export their products.

Many sugar producing nations buy large amounts of American agricultural products. These nations cannot continue to buy our products if they cannot sell their own products into American markets. For example, in 1981, Brazil exported 1.09 million short tons of sugar, valued at $388 million, to the United States. At the same time, it imported 3.9 million short tons of American wheat and corn, valued at $639 million. This year, Brazil will be permitted to ship only 368,000 tons of sugar to the United States, valued at $145 million. If the import quotas cause that nation and other similarly situated nations to reduce imports of U.S. grains as a retaliatory move or due to economic hardship, the American grain farmer will pay a very special price to support the very few who produce sugar.

Equally as important, Mr. President, the restrictive quotas which had been imposed on the Sugar Program are causing serious damage to the economies of our allies in the Caribbean. This is directly contrary to the Caribbean Initiative and to our foreign policy goals of stablizing the economies of our Caribbean and Latin neighbors.

I would like to quote briefly, Mr. President, from a speech made by Carlos Despradel, Ambassador of the Dominican Republic to the United States. Commenting on recently reduced quotas, Ambassador Despradel stated in October 1984:

> This reduction surpasses in amount the benefits that my country received with so much enthusiasm barely one year ago, with the implementation of President Reagan's Caribbean Basin Initiative, which promoted the elimination of the import duties on sugar imports from the nations of this region. . . .
>
> Faced with this dilemma, I want to make the following observations: If no way is found to change the actual sugar policy, the protection of domestic sugar producers will result inevitably in the breakdown of sugar producers in neighboring countries like the Dominican Republic, with all the consequences that this could entail for the stability of the region . . .

Sugar quotas—the most restrictive of all trade remedies—are also creating tremendous economic distortions in the United States. Because of high sugar prices, many food and beverage manufacturers have substituted corn sweeteners for sugar and sugar's share of the domestic market has declined by more than 30 percent. At the same time, manufacturers of such products as chocolate find it difficult to compete with foreign products made from low-priced sugar obtained by foreign competitors on the world market. If the current sugar program is maintained, these manufacturers may have no alternative but to relocate their facilities outside of the United States with the consequent loss of jobs and manufacturing capacity. Further, cane sugar refiners are closing down one after another because they cannot get adequate supplies of raw sugar. Finally, the sugar quota causes people to import substances that contain sugar. This phenomenon was described in a Wall Street Journal article dated April 29, 1985, and a New York Times editorial, dated April 23, 1985. I ask unanimous consent that these two articles appear at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WHY ISRAELI PIZZAS AND KOREAN NOODLES FIND DOOR SLAMMED

(By Trish Hall)

Lemon curd is trapped in Los Angeles. Korean noodles are stuck on the dock in Seattle. Chocolate glazes for tortes languish in a Baltimore warehouse. And just arrived in New York are more than 20,000 kosher pizzas from Israel that can't get off the boat.

There is an explanation, but it doesn't entirely make sense. Even the government, which is responsible for the situation, admits that.

Nevertheless, hundreds of food products that have been imported freely for years are suddenly barred from the U.S. Although retail supplies haven't yet been affected much, devotees will soon be deprived of such things as hazelnut paste, chili oil, ginger preserves and chocolate-covered ants.

The government is seeking to protect the powerful domestic sugar industry. In the process, it is hurting many unpowerful importers who are confused, angry and very talkative when it comes to telephoning Washington.

"A NIGHTMARE"

"It's been a nightmare," says Thomas O. Kay, a deputy undersecretary in the Agriculture department. Asked how many importers have called the department, he laughs hysterically. When he finishes he says: "I wish I could tell you. I've lost count."

It all started on Jan. 28, when President Reagan issued an emergency proclamation putting import quotas on certain foods. The reason: The government thinks people are sneaking in food products made with sugar and then extracting and selling the sugar. There is a powerful incentive to do that because, at 21 cents a pound in New York, U.S. raw sugar sells at nearly seven times the price of world sugar, which can't be freely imported.

The president slapped quotas on just three of the thousand or so tariff categories that cover food: sweetened cocoa, pancake and flour mixes, and, most relevant to the outcry, a miscellaneous grouping called "edible preparations." Also known as No. 183.05, this category includes everything that doesn't fit in any other.

Government officials say they chose the three categories because they are the ones most likely to be used to bring in powered, blended foods made with a high concentration of sugar that can easily be extracted. But while the catchall category includes some foods like that, it also includes hundreds of other items that contain very little sugar and couldn't possibly be dissected to get around the import rules.

MORE CURBS COMING?

If these quotas don't work, the government may restrict even more categories, including those covering chocolate, candy and molasses. What happens depends partly on the outcome of an investigation by the U.S. International Trade Commission.

Although the Jan. 28 proclamation allowed for some imports, the quotas filled up fast. On March 5, the limit on edible preparations was reached. Nothing in that category can get into the country until Oct. 1, the beginning of the next fiscal year, unless Mr. Reagan changes his mind.

Undersecretary Kay concedes that some items being rejected don't threaten the domestic sugar business. "We have been working frantically on this because we know there are problems," he says. "It's our hope that at the earliest possible date we will be making a recommendation to the White House for another proclamation."

Meanwhile, the importers are at their wits' end. Kurt Janszen, the director of purchasing at Gourmet Specialties of San Francisco, says the company's shipments of jams and jellies from Great Britain happened to include some jars of lemon curd, which is similar to a jam. The jams and jellies got by

customs because they fit into another category. The 9,600 jars of curd, in category 183.05, are sitting in a Los Angeles warehouse.

"What's especially discouraging is that this came without warning," Mr. Janszen says. He plans to store the curd until October.

Not everyone can do that. Jerold Krupnick, the president of Kineret Foods Corp. of Jericho, N.Y., which owns the pizzas from Israel, can't wait until October because his pizzas, although frozen, will be nearing the end of their shelf life by then. He is negotiating to sell them at a loss to a distributor in another country.

Mr. Krupnick found out about the quotas when some chicken and turkey pot pies he had brought in couldn't clear customs. He promptly tried to stop the pizzas, but it was too late. The kibbutz that makes them had already put them on the boat.

Albert Uster, a food importer in Maryland who sells specialty foods to restaurants and hotels, has lost 40% of his business. Unable to pass customs are such items as white chocolate, marzipan, food glazes, chocolate sauces, mousse mixes, sprinkles for ice cream, and those little shavings that go on Black Forest cake.

"We have $100,000 worth of products sitting in warehouses," he says, and some of the food will go bad when the weather gets hotter.

PASTRIES AND TEAS

The list goes on. Ferrara Foods Inc. of New York says it will lose 20% of its business because it can't bring in the Italian and French pastries that it sells unbaked to retailers. Richter Bros. of New Jersey had to spend about $700 to divert some herb teas to another country. Andre Prost Inc. of Old Saybrook, Conn., can't order any more hazelnut paste or macaroon mix. Universal Foods Corp. of Milwaukee had to cancel its order for sorbet mix from England.

House of Lawrence in Old Greenwich, Conn., has 2,400 jars of mussel salad that contains 1.7% sugar sitting in a warehouse. "We're going to export it," says office manager Ruth Galgano. Where? "Anywhere."

Gourmet Foods Inc. of St. Paul, Minn., has already picked up its Pavlova Magic meringue mix from Australia when customs called and declared it contraband. Now the mix will be exported to Canada. Meanwhile, the company's Korean noodles are awaiting customs inspection; importers of products in category 183.05 can get off the hook if they prove that their products contain no sugar.

Norman Elisberg, a customs broker in New York who acts as a middleman between importers and government agencies, says that such noodles are barred because they include a soup base with as little as .002% sugar, "I have never seen anything so ludicrous," says Mr. Elisberg, who has seen a fair amount of everything in 30 years in the business. "They don't have any statistical basis for what they're doing. The sugar industry just keeps telling someone to keep putting on the pressure."

ACTION DEFENDED

Government officials assert the quotas were put on for a good reason. "There was getting to be an excess supply of sugar," says Mr. Kay, the beleaguered undersecretary. The imports, he says, have "cut down on the consumption and use of domestically produced sugar."

While the bureaucrats try to figure out how to solve the problem without creating new ones, the food importers do what they can to protest. Mr. Krupnick, the one with the kosher pizzas, telephoned the White House to complain but gave up after getting transferred four times.

He even considered picketing in front of the White House with a sign saying "Let my pizza go," but, at least for the moment, he has decided against it.

[From the New York Times, Apr. 29, 1985]

THE ISRAELI SUGARED PIZZA INVASION

You've probably heard that Japan excluded imports of American baseball bats on the pretext that Louisville Sluggers might violate Japanese "safety standards." But how about the customs officials who halted imports of frozen pizzas fearing someone would extract the tiny amount of sugar they contain and sell it cheap?

Believe it or not, that horror story, reported by The Wall Street Journal, is real, with a twist. The customs officials were not Japanese but American, and the pizzas were made in Israel. How this happened says a lot about the Reagan Administration's trade policy, none of it very nice.

American sugar growers can't even compete with growers in poor tropical countries, even less so at the moment. In a more rational world American consumers would save about $1 billion annually by purchasing all their sugar from the Caribbean; American sugar growers would switch to another crop.

But that prospect has never pleased the Louisana sugar lobby, or its friends in Washington. Today, a combination of import quotas and tariffs maintains the domestic price of raw sugar at 21 cents a pound, seven times the world price.

That's a difference in price large enough to sail a freighter through. Access to cheap world sugar gives foreign manufacturers of sugary processed foods a big cost edge. So domestic sugar growers, fearful of losing business as foreign processed foods increase their share of the American market, pressed the Reagan Administration for even more protection.

In January, the President responded with emergency quotas on imports of three customs categories, including a miscellaneous group called "edible preparations." As predicted, the executive order has reduced imports of candies, jams, glazes and packaged desserts. That will eventually be felt in higher prices for consumers and higher profits for domestic sugar growers. What's causing a special fuss is that the "edible preparations" category is so miscellaneous it includes even kosher pizzas.

Eventually, the Customs Service will no doubt figure out how to distinguish between chocolate-coverered ants and powdered soup mix. But the bigger questions raised by the sugar fiasco will linger. If it makes sense to limit imports of steel, why not refrigerators or ball point pens made of steel? If American interest groups can obtain such outrageous favors from Washington, how can we expect better from Tokyo?

Mr. BRADLEY. Clearly, Mr. President, the time has come for a change. We must take appropriate action in the 1985 farm bill to devise a rational sugar program.

The bill we introduce today would set us back on the right track. Rather than permitting loan levels to increase to 18 cents in October 1985, while other farm programs are being cut back, our bill would reduce the loan level to 13 cents for the 1985–86 crop year. Over the following 3 years, loan levels would be reduced by 3 cents, 1 cent and 1 cent, respectively.

It would take at least a 7 cent reduction in loan levels to make the sugar program comparable to other farm programs. Additional reductions in the sugar loan level embodied in our bill should roughly parallel future reductions in other programs which are currently being considered.

These reductions should make it possible to eliminate import quotas in a relatively short period of time. However, American sugar producers would still be guaranteed a return on their sugar which is many times the world price for several years.

If our bill is enacted, we could halt the decline in imports that we have been experiencing since 1981. Our Caribbean neighbors would be able to export more sugar to the United States and earn badly needed dollars. They could use these dollars to buy American goods. American industries which produce goods made from sugar will be in a better competitive position. Finally, and most importantly, the reduction of the support level would save consumers approximately $1.5 billion in the first year alone.

I would like to emphasize, Mr. President, that our proposal does not eliminate sugar subsidies. It simply reduces those subsidies over a period of years and lessens the unfair advantage the sugar producers have had over those who produce other commodities. I hope my colleagues will consider it carefully and join our efforts to correct mistakes we made in years past and enact a sensible program for the future.

I ask unanimous consent that the bill appear in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1222

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended—

(1) by striking out "honey, and milk" in the first sentence and inserting in lieu thereof "honey, milk; sugar beets, and sugarcane"; and

(2) by adding at the end thereof the following new subsection:

"(i)(1) The price of each of the annual crops of sugar beets and sugarcane shall be supported in accordance with this subsection.

"(2) The Secretary shall support the price of domestically grown sugarcane through recourse loans at such level as the Secretary determines appropriate but not less than 13 cents per pound for raw cane sugar for the 1985 crop, 10 cents per pound for the 1986 crop, 9 cents per pound for the 1987 crop, and 8 cents per pound for the 1988 crop and for annual crops thereafter.

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"(3) The Secretary shall support the price of domestically grown sugar beets through recourse loans at such level as the Secretary determines to be fair and reasonable in relation to the level of loans for sugarcane.

"(4) The Secretary shall announce the loan rate to be applicable during any fiscal year as far in advance of the beginning of such fiscal year as is practicable consistent with the purposes of this subsection.

"(5) Loans under this subsection during any fiscal year shall be made available not earlier than the beginning of such fiscal year and shall mature before the end of such fiscal year.".

By Mr. ARMSTRONG:

S. 1223. A bill to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war; to the Committee on Veterans' Affairs.

KOREAN WAR VETERANS MEMORIAL ACT

● Mr. ARMSTRONG. Mr. President, on June 25, 1950, Communist North Korea invaded South Korea for the sole purpose of subjugating the free people of the south under the yoke of Communist tyranny. Their efforts were fully supported, both by rhetoric at the United Nations and through military assistance, first by the Soviet Union and later the People's Republic of China. When it quickly became clear that the South Korean military would be unable to hold back the aggressors from the north, President Truman, honoring an American commitment to self-determination for the people of South Korea, authorized combat support by the U.S. Armed Forces. And on July 7, the United States was joined by 16 other nations in the battle for freedom for the Korean people.

We should never forget the circumstances surrounding our actions in Korea. It was not simply a "police action"—and it was not merely a "conflict." It was a combined effort by free nations who were willing to do more than simply make lofty speeches. Instead, they took the challenge to preserve freedom and self-determination for a nation unable to withstand the aggression of the better equipped Communist forces.

The Korean war was a bitter battle. From the first, the Communist forces had the advantage. The war dragged on for 3 difficult years, but because of the efforts of our men and women in the Armed Forces, South Korea is today a free nation.

The cost was high. Almost 6 million Americans served in Korea, and of these 100,000 were wounded, 5,000 were either captured or missing in action and, 54,000 gave their lives that liberty and self-determination would be preserved for the Korean people.

For their brave and often heroic deeds, those who served have received precious little recognition. No monument acknowledges their contribution, and in fact, many still consider the Korean war to have been a "conflict." This is not the time to quibble about definitions, but it is time to redress the disservice done to those who fought in Korea.

Therefore, I am introducing legislation identical to that introduced by Congressman Stan Parris in the House of Representatives to authorize the building of a memorial, honoring those brave men and women of the Armed Forces of the United States who served in the Korean war.

We in the Congress must take that first step to appropriately honor all those who served in the Korean war and especially those who were killed in action, listed as missing in action, or were held as prisoners of war. No sacrifice is greater, and none is more deserving of our recognition and our most deeply felt thanks.

I hope you will join with me in supporting this legislation.●

By Mr. McCLURE (for himself, Mr. Symms, Mr. Garn, Mr. Melcher, Mr. Wallop, Mr. Hatch, Mr. Cochran, Mr. Specter, Mr. Nunn, Mr. Mattingly, Mr. Bumpers, Mr. McConnell, Mr. Ford, Mr. Thurmond, Mr. Helms, Mr. Heinz, and Mr. Denton):

S. 1224. A bill to limit the importation of softwood lumber into the United States, and for other purposes; to the Committee on Finance.

SOFTWOOD LUMBER STABILIZATION ACT OF 1985

Mr. McCLURE. Mr. President, in plain and simple terms, the timber industry in the United States is in serious trouble. Even though the number of U.S. housing starts so far this year have been encouraging, our timber industry is ailing. What should have been a harbinger of good news for the industry's thousands of employees has turned out to be an unkind reminder of the hard times that have befallen them.

The reason: A higher than normal percentage of the new homes being built are framed with lumber bearing the stamp "made in Canada." In Arkansas, a new hotel right next door to an American mill is being constructed from softwood lumber products manufactured in Canada while American loggers and millworkers stand in unemployment lines. Why? Because our domestic industry is being drastically undersold by Canadian firms who operate the most modern and efficient computerized and laser guided sawmills in the world. Contrary to the private investment required in such plants in the United States, many of these mills were built using guaranteed loans or outright grants from the Provincial or Crown governments.

Perhaps good old American ingenuity and hard work would enable us to overcome these obstacles if the problem stopped there, but it doesn't. The timber to run these mills generally comes from vast acreages of timberland that is leased from the Canadian Government. Many of these leases last for as long as 20 to 25 years, and guarantee the companies that hold them a relatively cheap supply of raw material for at least the economic life of the plant.

Although it is true that the leaseholder must cover the total cost of road construction, reforestation, forest protection and other management costs, the fact remains that over the life of the lease, his total cost is still somewhere in the range of $1 to $7 per thousand board feet.

Compare that to the situation in our own country, where timber purchasers must bid for the right to cut federally owned timber; where environmental costs drive up the price of the timber to be cut; and where escalation prices in the marketplace must be shared with the Government.

Over the past decade, the Canadian timber industry has increased its share of the U.S. market from 19 percent to over 31 percent. And that share continues to grow while the health of our own industry continues to weaken. In the past 5 years, an estimated 22,000 U.S. jobs have been lost nationwide. In my own State of Idaho, just 7 years ago, we employed more than 20,000 people in the forest products industry. Today, there are fewer than 14,000 still working. And that number is decreasing almost daily.

Before the U.S. Forest Service can offer any timber for sale, our laws require that they conduct a battery of studies. Fish and Wildlife biologists, hydrologists, landscape architects, soils scientists, civil and forest engineers, recreational specialists, and range managers as well as professional foresters, entomologists, and forest pathologists must each review a sale proposal to make certain that it will meet all of the State and Federal rules and regulations that apply.

After all of the various studies have been completed, the sale must then be prepared. Property and sale boundaries must be located and marked, road locations must be surveyed and staked, the trees to be cut have to be marked, contracts must be drawn, and then an environmental assessment or an environmental impact statement must be prepared. The additional costs attributable to these activities must be recovered through increased stumpage prices.

I want to make it clear that I am not opposed to those activities necessary to protect our environment. We live in an environmentally aware Nation, of which each of us can be justifiably proud. I only cite them for purposes of illustrating another of the differences that contribute to the imbalance in

costs that our domestic industry must bear in this particular situation.

On the other hand, Canadian companies do not have to meet such strict environmental standards. They are allowed, under their leases, to operate pretty much as they see fit. They alone decide when, where, what, and how to cut.

Ultimately, the lower price that they pay for the trees to be cut, called stumpage, and the lack of financial burden in meeting strict environmental standards such as we have in our country, results in a marked advantage in the marketplace.

And there are still other factors. The strong U.S. dollar has driven the rate of exchange from a difference of about 10 to 12 percent a few years ago to 30 percent today, thus providing a substantial advantage even when all other costs are equal.

There are also the Canadian reload yards strategically located throughout the best marketing areas of the United States. For example, a yard located in the Baltimore area, serving the local market as well as those of Washington, DC and Philadelphia, normally carries about a 150-day supply of Canadian lumber.

But the real advantage is that the operators of these reload yards are not required to tie up a single cent for their inventory when markets are tight. They don't pay a nickel for even one 2 by 4 until it is sold. Compare that to the cash-flow requirements of our own free-market producers and another chip goes to the Canadians.

Our forest products industry is helpless under the swift advance of this avalanche of cheap Canadian lumber. Unless Congress passes legislation to address this problem quickly, more of our truckdrivers and loggers as well as thousands of more sawmill workers will soon be in the unemployment lines. And with those jobs will go the local druggist and the hometown hardware stores, the smalltown grocer, and the corner service station.

Many of America's small towns and rural counties from Washington to Maine and from California to Florida have long been dependent on a strong forest products industry for their tax base. If action is not taken, they will soon be left with an empty hand outstretched to the Government. Funds for education and schools, for local government, and for county road construction that come from the sales of federally owned timber will soon be gone.

There have already been at least two high-level meetings between the United States and Canada to discuss this serious situation since the first of the year. Neither has produced any positive results in the way of voluntary restraint by our neighbors from the north. They have simply ignored our pleas. And in the meantime, while their mills operate at near 100 percent capacity, our own industry is now producing at about 80 percent. And our workers, those that remain, go to work each day wondering if this may be the last day's pay for them and their families.

Free trade is the backbone of the American system. But free trade is dependent upon fair play by all; the rules must not discriminate between the players. In this matter, such is not the case. Each time that U.S. lumber production decreases, Canadian shipments increase. Where will it end? Once closed, many of our small mills will never reopen. We in the Congress cannot be an accomplice to the undermining of a vital American industry, either by complacency or by further ignoring the problem and hoping that it will go away.

In 1983, the Canadians shipped almost 12 billion board feet of lumber worth $2.4 billion into U.S. markets; in 1984 13 billion worth $2.5 billion; by the end of February, they had already shipped over 2 billion board feet with a value of $400 million in 1985.

The Softwood Lumber Stabilization Act of 1985 is aimed at lowering the volume of Canadian lumber imports into this country. But it is intended only as a short-term solution to the problem. It will establish limits on the amount of Canadian lumber that may be imported for a period of 5 years, based on the historic market share of the Canadian industry.

It also provides needed breathing room for our own industry to recover, and it provides the opportunity for a diplomatic solution to the long-term problem. We cannot stand idly by while our industry and workers are taken advantage of by anyone when the ultimate survival of this industry is at stake.

Mr. President, I send to the desk a bill on behalf of myself and the following Senators: Messrs. Symms, Garn, Melcher, Wallop, Hatch, Cochran, Specter, Nunn, Mattingly, Bumpers, McConnell, Ford, Thurmond, Helms, Heinz, and Denton.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. McCLURE. Mr. President, I ask unanimous consent to have the bill, a factsheet, and a table printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1224

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

SECTION 1. SHORT TITLE.

This Act may be cited as the "Softwood Lumber Stabilization Act of 1985".

SEC. 2. PURPOSE.

The purpose of this Act is to—

(1) stabilize the forest products industry of the United States;

(2) save jobs;

(3) reduce trade deficits;

(4) provide markets for privately owned, nonindustrial tree farm owners;

(5) stabilize the flow of timber generated funds for schools and roads to dependent county governments; and

(6) provide a stable, industry supported tax base for Federal, State, and county governments.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) The term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

(2) The term "softwood lumber" means any of the articles provided for in items 202.03 through 202.30 of the Tariff Schedules of the United States.

(3) The term "historical percentage of imports" means, with respect to any calendar quarter in any calendar year, the average of the import percentage shares of consumption for the same calendar quarter in each of the 15 calendar years preceding such calendar year.

(4) The term "import percentage share of consumption" means, with respect to any calendar quarter, the percentage determined by dividing—

(A) the aggregate quantity of softwood lumber entered during such calendar quarter, by

(B) the aggregate quantity of softwood lumber consumed in the United States during such calendar quarter.

SEC. 4. QUANTITATIVE LIMITATION ON SOFTWOOD LUMBER.

(A) The aggregate quantity of softwood lumber which may be entered during any calendar quarter shall not exceed an amount equal to the product of—

(1) the historical percentage of imports for such calendar quarter, multiplied by

(2) the aggregate quantity of softwood lumber that the Secretary of Commerce estimates will be consumed in the United States during such calendar quarter.

(b) The Secretary of Commerce shall allocate the limitation provided in subsection (a) among foreign countries, group of countries, or areas taking into consideration—

(1) average levels of imports for preceding calendar years;

(2) findings of unfair trade practices with respect to imports of softwood lumber;

(3) recent market trends; and

(4) such other considerations as the Secretary of Commerce deems appropriate.

(c)(1) Except as provided in paragraph (2), the Secretary of Commerce shall publish in the Federal Register by no later than the date that is 60 days prior to the beginning of any calendar quarter—

(A) the historical percentage of imports for such calendar quarter,

(B) the aggregate quantity of softwood lumber that the Secretary of Commerce estimates will be consumed during such calendar quarter,

(C) the amount of the limitation imposed by subsection (a), and

(D) the allocation of such limitation for such calendar quarter among foreign countries, groups of countries, and areas.

(2) In the case of the first calendar quarter beginning after the date of enactment of this Act, the Secretary of Commerce may, if necessary, delay the publication required under paragraph (1) to no later than the date that is 32 days after the beginning of such calendar quarter.

(d)(1) The Secretary of Commerce and the Secretary of the Treasury shall take such actions within their respective jurisdiction as may be necessary or appropriate to enforce the provisions of this section, including, without limitation, the issuance of orders to customs officers to par entry to merchandise if the entry of such merchandise would cause the limitations established under subsection (a) to be exceeded.

(2) The Secretary of Commerce and the Secretary of the Treasury are each authorized to issue such implementing regulations, including the issuance of import licenses, as may be necessary or appropriate to effect the purposes of this section and to enforce the provisions of this section.

(e) The provisions of this section shall apply to articles entered—

(1) on or after the first day of the first calendar quarter beginning after the date of enactment of this Act, and

(2) before the date that is 5 years after the date of enactment of this Act.

SEC. 5. NEGOTIATION AUTHORITY.

(a) During the 5-year period beginning on the date of enactment of this Act, the President is authorized to enter into trade agreements with any foreign country which provide for a limitation on the importation into the United States of softwood lumber from such foreign country.

(b) Any trade agreement entered into under subsection (a) shall be treated as a trade agreement entered into under section 102(b) of the Trade Act of 1974 for purposes of subsections (c), (d), (e), (f), and (g) of section 102 of such Act and section 151 of such Act.

Factsheet, The Softwood Lumber Stabilization Act

THE PROBLEM

Canadian softwood lumber producers supplied over 32 percent of the total U.S. consumption in 1984, compared to 19 percent a decade ago.

KEY REASONS

The Canadian Government provides an unfair advantage for its softwood lumber producers to compete in U.S. markets. Five areas where this is evident are:

Direct Grants and Government-Guaranteed loans for the construction of modern, state-of-the-art sawmills

Accelerated depreciation for sawmilling facilities

Government-guaranteed timber supplies through long-term renewable leases (20 to 25 years) of vast acreages of government-owned land

A personal income tax rate of 50 percent or more, which is channeled back into government support of their timber industry

Strategically located "Reload Yards" in the U.S. that are able to maintain five to six-month inventories of Canadian lumber with relative little capital investment.

THE SOLUTION

The Softwood Lumber Stabilization Act of 1985 addresses this critical problem by:

Immediately limiting lumber imports to the historical average of imports over the past 15 years;

Deals only with softwood dimension lumber;

Allows for a diplomatic solution to the long-term problem;

Provides that the historical average limitations will expire five years after date of enactment;

SOFTWOOD DIMENSION LUMBER (TSUSA NO. 202.03 THROUGH 202.30 IMPORTS FROM CANADA FOR CONSUMPTION IN THE UNITED STATES [1]

Month	Calendar year—					
	1983		1984		1985	
	Quantity	Value	Quantity	Value	Quantity	Value
January	837,987	$158,477,676	884,981	$173,390,125	909,953	$170,190,286
February	899,779	181,411,556	1,076,905	222,730,514	1,105,637	204,753,056
March	1,016,285	204,898,689	1,048,371	227,079,052		
April	828,752	171,219,324	1,047,277	222,082,508		
May	1,070,838	224,741,462	1,018,227	208,421,635		
June	1,051,063	245,710,081	1,113,548	218,414,077		
July	1,001,844	244,615,471	1,149,445	222,601,202		
August	1,043,107	242,660,720	1,151,785	211,017,992		
September	1,002,435	209,253,342	1,225,467	236,175,447		
October	1,066,767	202,023,860	1,127,001	207,589,891		
November	1,239,867	203,304,973	1,051,487	196,967,647		
December	834,715	162,501,923	1,052,119	193,020,064		
Totals:						
Full Year	11,893,439	2,450,819,077	12,946,616	2,539,490,154	N.A.	N.A.
January and February	1,737,766	339,889,232	1,961,886	396,120,639	2,015,590	374,943,342

[1] Quantity data are in thousands of board feet. Value is on FAS value basis.

Source: U.S. Bureau of the Census, Report IM–136, "U.S. Imports for Consumption and General Imports."

Mr. SYMMS. Mr. President, I thank the distinguished senior Senator from Idaho for his efforts on behalf of the constituencies of the Pacific Northwest, and other areas of the country that are involved in the timber industry. I would like to make a few comments about the situation.

First, I ask unanimous consent to have printed in the Record a resolution this Senator sponsored on the foreign aid authorization bill which passed the Senate on May 15.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

AMENDMENT NO. 145

(Purpose: To urge discussions with the Canadian Government to aggressively pursue immediate reduction in the Canadian softwood timber to the United States)

Mr. Symms. Mr. President. I send an amendment to the desk.

The Presiding Officer. The amendment will be stated.

The assistant legislative clerk read as follows:

"The Senator from Idaho [Mr. Simms] proposes an amendment numbered 145."

Mr. Symms. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The Presiding Officer. Without objection, it is so ordered.

The amendment is as follows:

"At the end of the bill, add the following new section:

"Sec. . Since, softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 percent of U.S. market in the last 2 years to 35 to 40 percent today,

Since, American timber producers are suffering from this economic crisis and the difficulty in acquiring timber from the National Forest system.

"Since, the disparity between the United States and the Canadian dollar amounts to 32 percent to 34 percent and results in even further increases in processed softwood timber being imported into the United States.

"Therefore, it is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States."

Mr. Symms. Mr. President, this amendment has been cleared by the chairman of the Finance Committee and the ranking minority member.

It involves a problem that exists in the softwood timber industry in the Pacific Northwest, and is similar to the argument made by the distinguished Senator from Montana with respect to hogs and livestock.

I ask that the amendment be adopted.

Mr. Lugar. Mr. President, we accept the amendment.

Mr. Pell. Mr. President, the amendment is accepted on this side.

The Presiding Officer. The question is on agreeing to the amendment.

The amendment (No. 145) was agreed to.

Mr. SYMMS. Mr. President, I put the resolution in the Record at this point just to point out the unanimity with which Congress has already spoken on this matter. The serious problem that we are facing with respect to Canadian penetration of the American market.

In the "whereas" clause of that resolution, it directly points to the fact that the President and the proper members of the administration should sit down immediately with their counterparts in Canada, and try to resolve this issue. What we have to recognize is the impact of what the Canadian lumber situation is doing to U.S. jobs.

I am pleased that Senator McClure has taken the lead to push for proper action in this matter. We should also take heed of the fact that when we evaluate the Canadian lumber situation, and the penetration of U.S. markets, there are some causes inherent in and typical of most protectionist legislation. I hate to be a party to any protectionist legislation, because we always end up pointing our finger to some other problem, when it is really our own problem. We have brought this problem on ourselves in many ways. One was by our failure to address the Federal deficit over the years. Also, creating an imbalance between the value of the currency of the United States and that of Canada.

In the Pacific Northwest, we have a particular problem that is greater than the problems in the southeastern part of the United States. That problem being the Federal ownership of most of the available softwood supplies of timber. The laws that have been passed by Congress in the last 50 years interfere with the authority of the managers of those lands to make that timber available to the free enterprise wood processing industry. Thus they are captives of the Government monopoly timber supplies in the Pacific Northwest.

When we consider these things, I see no recourse for the short time but to take some action as has been recommended by the senior Senator from Idaho. Even though I joined him in cosponsoring this bill, I am uncomfortable and unhappy with it.

I think it would be more preferable if some kind of tariff could be found. I think a tariff would be more flexible. It would not close the border, and would be less harmful to the principles of free trade, free markets, and free men dealing with each other in a voluntary action.

I believe that the junior Senator from Pennsylvania has advocated a position which could be very helpful, and would address the problem with respect to injunctive relief, so that we could get quick action on the border.

The Canadians have a system. They have Government ownership of their timber. They are not in this, but they back up the cost to the stump, and allow the stumpage price to subsidize the mills, and compete against the United States.

So I think the senior Senator from Idaho is right in saying that something has to be done now, immediately.

I can point to another problem. We have the Jones Act, which requires shipping U.S timber between American designations in U.S.-flag ships. This causes higher transportation costs, which makes it extremely difficult for west coast and inland timber to compete in eastern markets. That law should be changed. But that is not going to solve today's problems of men and women losing their jobs in Idaho.

I know the distinguished senior Senator from Idaho is on the floor and he knows the gentleman I am speaking of. He said:

> Don't worry about me and my brother and my mother. If we close our sawmill, we will all be fine. We own enough timber and assets that we can live and get along very comfortably. But we have 490 people who work for us, and those 490 people, when they lose their jobs, then they are in serious jeopardy.

That is really what we are talking about here—some kind of a possibility of a short-term solution to solve a problem, and then we have to address the long-term problem. If we, in this trade problem fail to recognize that it is only a short-term solution, we should not blame the Canadians, or how they sell their timber for our own weaknesses. We must look to ourselves to find out what we could do to make more timber available to the wood processing industry in the Pacific Northwest.

What have we done wrong with respect to Federal ownership? Is it possible for Federal ownership, and the feudal landlords on the banks of the Potomac to run the lands on the banks of the Clearwater River and been able to manage it properly?

That is a question that I think deserves our serious attention. I think in reality we would probably find that privatization would offer a great merit, or State management of the lands, leasing of them, or something would be better. But that is an issue that cannot be settled without years of work and study, and I do not expect to change that.

So I would just say to my senior colleague I reluctantly cosponsored this. I still may introduce some tariff language at least so we could discuss an alternate method to solve it. We could also look, I think, to some of the suggestions that the Senator from Pennsylvania has been discussing, and I have talked with him because the ITC somehow never seems to be able to address the problem and give us immediate action. I know the distinguished chairman of the Finance Committee requested that the ITC do a study with respect to subsidies at the stump in Canada to the sawmills in Canada.

Much to our chagrin, the report came back that there was no substantial evidence that we could verify this. There are other problems involved in it. But I do think the case could be made, and I will always believe that countervailing duty would be a more appropriate method to do this, but we have no way to have a countervailing duty.

So, having said those things, I would hope we could continue to explore for alternate methods. I do hope that coupled with the statements that Congress has already made on this, with the efforts of Congressman Craig and others in the other body, that the Canadians would immediately come to the table and sit down with the U.S. Secretary of Commerce, the Special Trade Representative, and others who are involved in this, and some expeditious result could be found so that it would not be necessary to pass this bill—I think it is entirely possible that we may have to go to this resort to pass this legislation. And if that is the case, in order to protect the jobs, I think that some of us may not feel comfortable with this solution, yet in the recognition of the short-term policy, it has to be done.

Now, I want to say one other thing, and I will be happy to yield the floor back to the distinguished Senator from Idaho. My fear is that we have the potential in the Pacific Northwest, if we allow the closure of the production industry's minerals, forest products, the slowdown that we are suffering in agriculture, we could become another Appalachia. This, I think, is a serious problem. I am not sure the problem will ever be resolved as long as the Federal Government continues to own two-thirds of Idaho, 40 or 50 percent of Washington State, 40 percent of Oregon, a big 88 percent of Nevada, and some 40 percent of Wyoming and Montana. Those huge Federal ownership tracts in the West are a detriment to the potential growth and the future of those States. I would hope that we could address this in the broader context so we could have a vision for the future of what we are going to do in the Pacific Northwest. Not only in the rest of this century, but in the next century in terms of the economic opportunities that will be there for our citizens who live in that great part of the United States.

I think this is only a Band-Aid. It may be necessary to put this Band-Aid on to stop the hemorrhaging of jobs that we are losing today.

And I thank my colleague for his aggressive leadership in this particular action.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. SYMMS. I yield the floor.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER (Mr. Gramm). The Senator from Idaho.

Mr. McCLURE. Mr. President, I

wholesaler in this country. He does

some voluntary restraints so we will

I see others that are talking about

market that we have to live in and we

But another important reason is the

Mr. McCLURE. Mr. President, I thank my colleague for the comments that he has made and for joining me in sponsoring this legislation.

I say that because I know that my distinguished junior colleague has a great deal of commitment to the maintenance of free markets, both within this country and internationally. I am not anxious to interfere with trade, neither domestic nor international, and I believe the ideal of free trade is indeed that, an ideal. But there is something terribly wrong in the situation that exists at the present time where, in a very short period of time, the Canadian can move from roughly 20 percent of the market to better than 32 percent of the market—some analysts say it will be 40 percent of the market before the end of this year. We had better analyze the reasons why.

Certainly my colleague is correct that much of that may be the fault of our own policies. But there is also, I am convinced, a great deal that is the result of policies established in Canada, and implemented by Canada, and it is those policies, not just that they are better than our policies that lead to better economic competition. They are in effect subsidizing unfair competition which we simply cannot meet, so long as we permit them to do that.

I give as an example the grants that are given by the Crown or the provincial governments to the construction of new modern sawmills. While we have a taxing structure in this country that penalizes the construction of new mills, our structure require capital up front, and then you amortize it to recover it against the depreciation line, against ongoing business activities.

It takes years to recover the cost and in Canada that simply is not the case.

Then, after private enterprise in this country manages to accumulate the capital to create the sites for jobs and the opportunity for employment in this country, the owner of that sawmill must, on a periodic basis, usually several times a year, go out and bid in the open market against competitors for the availability of timber which is owned by the Federal Government. In Canada, when a sawmill is built, there is a tract of timber land that is dedicated to the needs of that mill for 20 or 25 years on renewable contracts for the life of the mill—no competition, no market test. The pricing is subject to whatever it takes to move the timber. That allows them to get the logs through the mill and the lumber onto the railroad, which again is subsidized in Canada, and to transport it across the Canadian railway system to entry points in the United States.

It leads to the crazy situation in which you have strategically located reload yards in this country filled with Canadian lumber that is in those yards at little or no cost to the lumber wholesaler in this country. He does not pay one dime, advance one cent, until the lumber is sold.

You tell me how any lumber producer in this country is going to be able to compete against that kind of a cozy arrangement which forces the timber into the market from the Government-owned lands in Canada and then into the markets in this country, to create jobs in their country at the expense of jobs in ours.

So we have to do something.

Our friend, the Congressman from the First Congressional District in Idaho, who has been leading this fight in the House of Representatives, commented to me the other day that he had talked to a trucker in Lewiston, ID, who had just leased 13 more flatbed trucks and trailers in order to have enough rigs to move Canadian timber. And where are they moving it? Right down the highways in our States, past closed sawmills and past the unemployment lines.

How are we going to tolerate that?

No, I do not want to get involved in this question of restraint of international trade. Every fiber in my being says that is wrong, we are going down the wrong track. We did not start this, but we had better respond to it. And we had better respond to it by saying, yes, we will get our house in order, but we expect you to be involved in fair trade, not the kind of trade which now is driving our people into the soup lines.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. McCLURE. Yes, I yield.

Mr. SYMMS. Mr. President, I compliment the Senator for his very insightful explanation of the problem. I agree with him, in large part, with everything he said except in only one sentence. When he said we did not start this thing. I think we probably did start it, insofar as here in this Nation's Capitol we have passed law after law after law—I am not speaking of the Senator and our colleagues that are here in this Chamber—but all of those who have been in this body over the past 200 years have made it more difficult for people to do business in this country. Which caused a continued policy of adversary relationships between production, growth and economic activity, whether it is a Federal ownership plan; the Clean Water Act, or the Endangered Species Act, and I could go on and on and infinitum, of those things which interfere with our abilities to produce and harvest timber in the United States off of the Federal lands. Plus all of the other regulations that the business community has to face. Including a tax system, as the Senator pointed out, that is very biased against capital growth and savings.

I hope the Canadians will come to the table and settle this and have some voluntary restraints so we will not have to pass this. In the short term something has to be done. In the long term, I hope we will take this opportunity on the entire trade question.

The trade question goes much farther than just Canada and the United States and timber. It is a big question with respect to our trade policy with the Japanese, and the balance-of-payments question that we have. We should take an introspective look at what we have been doing in the United States in those things that would make us more competitive.

Mr. McCLURE. Mr. President, if the Senator will yield, I agree with the Senator that some of the actions we have taken do not create a favorable business climate in this country. It was business that built this country. It was individual enterprise. It was the aggregation of savings and the incentive to work hard and save money in order to get ahead. It has been the aggregation of capital to invest in the tools of production to make jobs that has built this country and continues to build this country.

I hope there is someone down at the other end of Pennsylvania Avenue that is listening to this debate right now that will reflect upon that before they send us a tax bill next Tuesday, because I have heard some stories that make me wonder if we are going to be headed in the right direction or wrong direction in the new tax legislation that will come up to us.

Mr. SYMMS. Mr. President, I believe the Senator is quite correct. What we are talking about here—in fact, that is the reason I said in some ways we have started this—what we are talking about is private ownership and the incentives that come from private ownership and the ability of people, if left alone in a free, unfettered market, to go out, produce, and have incentives. That is how we produce so much in this country.

We are now faced with this problem specifically in the Pacific Northwest of becoming another so-called Appalachia. I think the Senator's bill, although it is noble in cause, is only going to solve part of the problem temporarily, which he has clearly stated.

Mr. McCLURE. Will the Senator yield on that point?

Mr. SYMMS. Certainly.

Mr. McCLURE. Mr. President, I think it is important to emphasize that point because there are other approaches that have been suggested.

I commend our administration for responding and calling for another round of talks on GATT agreements. I think that that is essential in the emerging economic relationship that we see evolving in the world today. That is going to take a long while to produce results.

I see others that are talking about tariff restraints or tariff actions. It will take a while to make that effective.

What my bill intends to do is to create a mechanism that reacts now but terminates later. It reacts now by the imposition of a quota. I will sunset at the end of 5 years under this legislation. It is designed to give all those other mechanisms the opportunity to work. It is designed to give us the time in this country to set our own house in order in several of the respects that my colleague has suggested.

But something has to be done now if we are going to have anything left to save. Without being argumentative with my friend from Idaho—and I am not at all—it is not just a Pacific Northwest problem and it is not just a problem of Federal ownership, although I certainly agree that is a part of the problem, but you will notice that a number of the cosponsors of this legislation come from the Southeast. They come from the Southeast where the timber comes from private lands without any Federal involvement except in those familiar areas of the environment and in safety requirements and constraints, and in the taxing policy, which is common across the land.

Mr. SYMMS. Mr. President, I quite agree with my colleague. As a matter of fact, the Canadians also have a socialistic ownership pattern of all their softwood timber in the western part of Canada, just to our northern border. They also run a free enterprise wood processing industry. But they run it with a little more common sense and a little more encouragement to the producer, as the Senator has so clearly stated.

We could change our policy. I told the Senator this morning of an experience that we had. I will wrap this up by just telling this one experience because I think it speaks so much to the problem.

We had the 1910 fire out of St. Mary's and Avery up near the Montana border that burned off a forest there. Not it is all grown back. It is a perfectly beautiful forest ready to be harvested, but it is tied up in all kinds of land management plans. In fact, one of the major roadbeds is there, the Old Milwaukee Railroad. But none of that timber is available to anybody to even bid on. It is not there for them to come and get it and create jobs as they would in Canada, to come out and start cutting that timber and be done with it.

I do not blame the land managers that work for the Forest Service. I think we have to put some of the blame right here where it started by the failure to recognize the importance that we have to produce and be competitive in the international world market that we have to live in, and we think that makes us less competitive.

I thank the Senator very much.

Mr. McCLURE. I thank the Senator for cosponsoring this legislation and for his remarks this afternoon. I also wish to commend him for the resolution which he did author and which has passed the Senate already, which calls upon our Government to try to find a solution to this problem.

I will continue to work with my colleague and others who are concerned about this problem, be it by some kind of countervailing duty, by a border tax that is devoted toward the measurement of the environmental and safety costs that we impose that others do not, by way of long-term general agreements on tariffs and trades, or by way of the constructive and, I think, innovative suggestion the Senator from Pennsylvania has made, suggesting we might try injunctive relief through the Federal court system rather than just through ITC. But certainly someone of those must produce some relief or we are going to be pushing very hard for the passage of this legislation.

I thank the Chair.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I would like to compliment the Senator from Idaho, Senator McClure, for the legislation he is introducing. Rising Canadian softwood lumber imports have become a very serious problem, not only in the Northwest but all over the country.

The Senator from Idaho has clearly outlined the severe problem that we face. About 10 years ago, Canadian imports accounted for 18 to 20 percent of the softwood lumber consumed in the United States. At that time we in America were predicting about 2 million new housing starts. We attained that goal quickly, then surpassed it. We all know what happened next. The boom went bust. Then, in the 1980's, we had a recession. The housing market fell to its lowest level in years, because of high interest rates and other severe economic problems. In the meantime, the U.S. dollar rose to a high level compared to the Canadian dollar.

Today, Mr. President, Canadian imports account for 32 percent of U.S. softwood consumption. The Province of British Columbia produces about two-thirds of this Canadian lumber. British Columbia lumber is now competitive not only in the Northwest, but also in Eastern markets, in Southwestern markets, and, believe it or not, in Southeastern markets. British Columbia is not next door to the Southeastern United States.

One reason why so much more Canadian timber is now sold in the United States is the high U.S. dollar. But another important reason is the subsidy practices of British Columbia and other Canadian Provinces.

Most of the timber produced in Canada is grown on government land. The Province owns the timber and sells cutting rights to private companies. This situation is a lot different than it is in the United States. In the United States, a lot of timber is produced on public lands and national forests. But the bulk of the timber produced in the United States today comes from private lands.

Canada, more precisely, the Provinces, set the sale price of their timber at a price so low that it amounts to a subsidy. The stumpage prices in British Columbia are much less than in the United States. Over the years, stumpage prices in British Columbia have ranged from $2 or $3 per 1,000 board feet to $18 per 1,000 board feet. In the Northwestern United States, in contrast, stumpage prices have been in the neighborhood of $80. I do not have the exact figures, but on average the U.S. price has been about 40 to 50 times the British Columbia price.

The difference is this, Mr. President: We in the United States have a free market that determines the price of timber. The various timber companies in the United States bid on the open market to buy timber on public lands. It is an auction process. It is a market process. In British Columbia, on the other hand, that Province, British Columbia, determines first what level of profit a timber company needs to stay in business. Then it backs down the price of stumpage to allow that company to stay in business.

It amounts to a welfare policy. An employment policy. The Province of British Columbia decides, well, if it is going to prevent more welfare payments, the best thing to do, at least in that part of the country, is set very low stumpage rates to keep more people employed and off the welfare rolls.

So the question, Mr. President, is what we should do about all of this? It puts us in a real dilemma. We in America regard ourselves as free traders. We do not like enacting quotas or tariffs on products that come into the United States because we know that if we do that, and if other countries enact the same kinds of retaliatory measures, in the long run we all lose. It is not the best way to do business.

Mr. President, on the other hand, I do not think we can sit back. We have to do something. The real question is what?

I again want to compliment the Senator from Idaho, Senator McClure, for the approach he has taken, essentially of putting quotas on Canadian timber that comes to the United States.

It is also an approach which has been taken in some bills which have been introduced in the House.

Mr. President, I respectfully suggest that perhaps there is a more modest but perhaps more effective approach. It is to give the Provinces of Canada time to readjust their practices, knowing that, if they do not, they are going to pay the consequences.

I have in mind the approach basically adopted by Congressman DON BONKER, and also in a bill I introduced, S. 92, not too long ago.

It provides that beginning February 27 when the United States negotiators began negotiating with the Canadians on this issue the negotiators will have 1 year to work out an agreement. If the U.S. negotiators do not agree, then we impose a 3-year, 10-percent tariff on all Canadian softwood lumber imported into the United States.

Third, and I think this is probably the most important feature of the bill, we revise our countervailing duty law to define Canadian stumpage procedure as a subsidy, because that is exactly what it is. It is an upstream subsidy, a kind of natural resource subsidy.

Mr. President, if that revison were enacted into law, then obviously U.S. companies would go before the International Trade Commission, and the Commission would have to find that a subsidy exists under the countervailing duty law, and an offsetting tariff would be imposed.

It is just not right to subsidize natural resources which then go into the production of a product. I know when the timber industry brought an action before the ITC and the Department of Commerce, the Department of Commerce found there was no subsidy.

Mr. President, I suggest that finding was wrong. It is obvious to me that cheap Canadian stumpage is a subsidy. If a private landowner were to sell timber in Canada to a Canadian company, that private landowner could not sell his timber to a Canadian company at such low rates. Obviously, that private landowner would have to have a sufficient rate of return to reforest, to thin, to rework his land in order to stay in business. A price of $2 per 1,000 broad feet is obviously so low that no private operator could stay in business. The free market would not allow the price to be that low. It seems to me that if the free market were allowed in British Columbia, for example, which has set the price so far below the market value, that obviously is a subsidy.

Mr. President, I hope we can act quickly. I do not know which of the various approaches which have been offered here we are going to take. I compliment the Senator from Idaho for taking a direct and positive approach. I hope one of these approaches works very quickly. If it does not, then American timber operators are going to be unemployed.

Mr. TRIBLE assumed the chair.

Mr. McCLURE. Will the Senator yield?

Mr. BAUCUS. I am happy to yield.

Mr. McCLURE. I thank the Senator for yielding and for his comments.

I take this occasion to compliment the Senator from Montana for his leadership he showed earlier in the introduction of a bill which I support, the tariff approach to the question, after having given them an opportunity to respond.

I do not know which one of these approaches is the one that is going to ultimately yield some results, but I share with the Senator from Montana that determination that something will yield results. The condition is intolerable and getting worse. So whether it is one approach or the other or some other that is yet to be suggested or tried, I am going to join in those efforts until we find some success.

I thank the Senator for his remarks and support.

Mr. BAUCUS. I appreciate the remarks of the Senator.

I just seems to this Senator that the approach should not be to erect barriers and penalize other countries for whatever actions those countries take. Rather, the approach should be to achieve an agreement about what is fair and what is not fair, about what constitutes a subsidy and what does not constitute a subsidy.

I might say to the Senator from Idaho that when this Senator was in Canada just a week ago and talked to various Canadians, particularly members of the Canadian Parliament, about this issue, it was clear, first, that this is the issue that upsets them more than any other trade issue.

Second, I had the sense that they know that their practice was an unfair subsidy, despite the words they used, despite the arguments, despite the sophistry that, in my judgment, they used. They knew it was unfair.

I really believe that if we keep pushing to make clear that it is not right for the Government to subsidize a natural resource that goes into the production of a product—with a little perseverance we will reach some acceptable agreement.

Mr. McCLURE. Will the Senator yield?

Mr. BAUCUS. I yield.

Mr. McCLURE. I share the hope, only slightly less than a conviction, that, indeed, they will respond, that the matter will be settled by negotiations between sovereign nations. The Canadians are good neighbors. They are important neighbors. They are important trading partners. They are our largest trading partners. We want good relationships, economic and political with them.

I know that they do, too.

I think it goes almost without saying, that indeed, when they moved from one-fifth of our market to one-third of our market, that they know they are doing better in that market than just sheer economic competition would indicate.

While they benefit from it now, I think they have the intelligence and the grace to understand that the burden they are imposing upon us, good neighbors should not do to each other. I think they will accept, although they will not like, the fact that we will respond and insist upon fair treatment. I think we can find that middle ground.

I think the Senator is correct, that the definition of what is or is not a subsidy will lead us in the direction of reestablishing what was, and should be, a really competitive market enterprise system in which their lumber can compete in our markets and our industry is not necessarily driven out of business because of that competition.

I think one of the most dramatic evidences is not just in the statistics of the penetration of our markets, but the location of it. The Senator from Montana made reference to that. British Columbia is western Canada, on the Pacific coast.

When lumber can be produced in western Canada, the Pacific Coast of Canada, moved clear across the continent and down into the Southeastern United States to lumber yards that will build, as I pointed out in my earlier remarks, a motel next to a sawmill in Arkansas because Canadian timber can be sold in Arkansas cheaper than local industry can produce it and sell it, something has gone wrong in the economic relationship and needs to be adjusted.

I again thank the distinguished Senator from Montana for his comments.

Mr. BAUCUS. I thank the Senator, Mr. President. I have to add, too, that there is another incentive for the country of Canada to reach a desired objective. The Government of Canada desires a free trade agreement with the United States.

As the Senator knows, the Canadian people want to have guaranteed access to American markets. The Canadians want to be able to sell to America. The Canadians now have very high budget deficits. In fact, their Federal budget deficit is higher than our Federal budget deficit on a proportional basis.

If they are able to maintain guaranteed access, obviously, it has to be done in a fair way. At the very least, trade has to be free on a fair and equitable basis; namely, they have to reexamine and eliminate their subsidies as they set their timber prices the degree to which they are going to get a U.S. free trade agreement. Otherwise, to this Senator at least, a free trade

agreement will benefit only Canada, not us.

Again, I thank the Senator from Idaho for the very valuable contribution he has made.

Mr. President, I yield the floor.

By Mr. DOLE (for himself, Mr. SIMPSON, and Mr. McCLURE):

S. 1225. A bill to amend the Atomic Energy Act of 1954, as amended, to establish a comprehensive, equitable, reliable, and efficient mechanism for full compensation of the public in the event of an accident resulting from activities undertaken under contract with the Department of Energy or activities undertaken by Nuclear Regulatory Commission licensees involving nuclear materials; by unanimous consent, referred jointly to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources, with the proviso that if either committee reports the bill, the other committee shall be obligated to report the bill in 120 calendar days or be discharged from further consideration thereof.

PRICE-ANDERSON ACT AMENDMENTS ACT OF 1985

Mr. SIMPSON. Mr. President, today I am introducing the Price-Anderson Act Amendments Act of 1985, a comprehensive bill to improve upon and expand the present approach to compensating the public for injuries or damages suffered in the event of an accident involving nuclear activities undertaken by Nuclear Regulatory Commission [NRC] licensees or Department of Energy [DOE] contractors.

The bill that I am introducing today has four basic objectives: First, to increase substantially the funds that will be available immediately to compensate the public in the event of such an accident; second, to ensure that the system established for collecting these funds is equitable and efficient; third, to establish a reliable and efficient mechanism for providing whatever additional funds are required to compensate public liability claims in full, should those funds immediately available be exhausted; and fourth, to ensure that the system established is comprehensive and covers all NRC licensee and DOE contractor activities where there is a substantial risk of public liability from the handling of nuclear materials or the operation of facilities producing, using, storing, or disposing of such materials.

I. BACKGROUND

The Price-Anderson Act was first enacted in 1957 for the twofold purpose of encouraging the commercial development of nuclear power as an energy source and, at the same time, providing a comprehensive and predictable mechanism for compensating the public in the event of an accident involving nuclear materials. The act, which was initially adopted for a 10-year period, has been extended on two subsequent occasions—most recently in 1975—and, in the absence of any further congressional action, is now scheduled to expire on August 1, 1987. Both the Nuclear Regulatory Commission and the Department of Energy have submitted reports to the Congress recommending that the act be extended, and have recommended a number of changes in the act, based upon the experience of the past 10 years.

The act establishes an exclusive mechanism for compensating the public for injuries or damages suffered in the event of a nuclear accident involving an NRC licensee or a DOE contractor. There are approximately 94 commercial power reactor licensees, 50 university research reactor licensees, 8 Federal agency reactor licensees, 16 test reactor licensees, 5 plutonium-handling facility licensees, and 91 prime contracts encompassing approximately 60,000 subcontracts that are covered under the provisions of Price-Anderson.

For NRC reactor licensees, the act establishes a two-tiered approach to providing funds for compensating public liability claims in the event of an accident at any one of the 94 reactors currently licensed to operate. The first layer of coverage consists of mandatory insurance carried by each individual reactor licensee. Price-Anderson requires that every reactor with a capacity in excess of 100,000 kilowatts carry the maximum amount of liability insurance available from the private insurance markets. This amount—which currently stands at $160,000,000—provides the primary layer of coverage for public liability claims. In the event that the claims exceed the primary insurance coverage, the Price-Anderson Act provides for a secondary layer of coverage, by mandating that each utility with a licensed nuclear power plant contribute up to $5 million per licensed reactor—the so-called "retrospective premium"—to pay whatever compensation claims might arise over and above the primary insurance coverage carried by the utility suffering the accident. Under this secondary layer of coverage, all utilities—whether responsible or not for a given accident—are required to contribute up to $5 million for each reactor that they are licensed to operate, to be used in the compensation of public liability claims.

Under the two-tiered approach described above, the total amount of funds that would be available immediately following an accident to compensate public liability claims consists of $160 million in primary insurance plus $5 million times the number of reactors licensed to operate. Today, with 94 reactors licensed to operate, we have $630 million in funds immediately available for public compensation, in the event of an accident at any of the 94 commercial reactors. In addition, with each new reactor licensed, this amount goes up by $5 million.

In the event that both the primary and secondary layers of coverage are exhausted, the Price-Anderson Act provides that "the Congress will thoroughly review the particular incident and will take whatever action is deemed necessary and appropriate to protect the public from the consequences of a disaster of such magnitude."

For DOE contractors, the Price-Anderson Act provides for $500 million in Federal indemnity to compensate the public in the event of an accident involving a DOE contractor. Again, as with NRC reactor licensees, Price-Anderson provides that, should these funds be exhausted, the Congress will review the accident and take whatever action is deemed necessary to protect the public.

II. SUMMARY OF THE BILL

The bill that I am introducing today makes four major changes in the Price-Anderson Act, as it applies to NRC reactor licensees. First, this bill directs the NRC to increase the maximum retrospective premium to be charged each NRC reactor licensee from the current level of $5 million to an amount not less than $10 million nor more than $15 million. Under this provision, the NRC would be required to undertake a notice and comment rulemaking to determine where in this range to set the standard premium, considering such factors as the Commission deems appropriate, and to promulgate a final rule within 12 months of the date of enactment of this act establishing the maximum standard deferred premium to be assessed each such reactor per nuclear incident.

The second major change for NRC reactor licenses contained in this bill is the imposition of an additional layer of financial protection, beyond the primary and secondary layers provided under the current Price-Anderson Act, to be available in the event that the primary and secondary layers of coverage are exhausted. This third layer of financial protection would consist of $500 million in coverage, to be funded by a fee of up 1.0 mil per kilowatt-hour on electricity generated and sold by licensed civilian nuclear power reactors. Under this provision, the commission would be authorized to impose such a fee on electricity generated and sold by such reactors following a nuclear incident, at a level deemed appropriate by the commission—but not to exceed 1.0 mil per kilowatt hour—upon determining that public liability from such incident appears likely to exceed, or has exceeded, the funds available under the primary layer of private insurance and the secondary layers of retrospective premiums.

Under this provision, the commission would be required to undertake a notice and comment rulemaking to establish the terms and procedures governing the assessement and collection of such a fee, including the commencement date for assessment, and to promulgate such terms and procedures within 12 months of the date of enactment of this act. This provision further provides that collection of the fee shall terminate when the total amount of public liability associated with a nuclear incident has been compensated, but in no event shall the amount collected exceed $500 million per incident.

The effect of these first two changes is to establish a three-tiered system of financial protection for compensating the public in the event of an accident at a licensed commerical nuclear power plant. Under this three-tiered approach, there would be a substantial increase in the funds immediately available following an accident, with a potential for about $2.4 billion to compensate public liability claims. This assumes a $15 million retrospective premium for 115 reactors, 94 of which are currently licensed, with approximately 25 to 30 additional reactors under construction.

In my judgment, Mr. President, this three-tired system of coverage will be sufficient to cover all but the most highly improbable of nuclear accidents. Indeed, based upon the claims history under Price-Anderson for the period from 1957 to March of 1983—a period during which the insured losses and expenses paid under Price-Anderson totaled approximately $30 million I find it most difficult to envision a circumstance that would exhaust the $2.4 billion in funds provided for under this bill.

Nevertheless, in the highly improbable case of an accident that results in public liability claims that exhaust these three mandated layers of coverage, the third major change contained in the bill for NCR reactor licensees is intended to establish a mechanism to enable the President and the Congress to assess the consequences of such an accident, to determine the extent of public liability, and to provide additional funds for full compensation of such claims. Under this provision, the President would be required to submit a report to the Congress within 90 days of a determination by the court of jurisdiction that claims are likely to exceed the three mandated layers of coverage in which the President sets forth: (A) survey of the causes and extent of damage; (B) the estimated requirements for full, equitable, and efficient compensation of all claimants; (C) the President's recommended approaches—referred to as "compensation plans" in the bill—for providing such compensation; and (D) the legislative authorities necessary to carry out the compensation plans. Upon receiving the President's recommendations, the bill provides that the Congress shall consider each such compensation plan under expedited review procedures, designed to ensure that a decision will be reached as to the most appropriate, timely, and comprehensive approach to providing full compensation.

The congressional review mechanism established in this bill is intended to achieve 4 fundamental objectives: First, to provide both the President and the Congress an opportunity to review and assess the causes and consequences of any given accident, and to tailor the proposed compensation plans to the facts of the given case (including determining what sources of funds should be considered to provide additional compensation; assessing how quickly those funds must be provided, depending upon the extent of latent injuries; and determining the appropriate distribution of such funds); second, to establish a congressional review mechanism that will ensure a prompt decision on the President's recommended compensation plans; third, to provide for full compensation of all public liability claims that exceed the three mandated layers of coverage; and fourth, to preserve for the Congress a major decision-making role in determining the approach to be taken in structuring an approach to full compensation.

The fourth and final major change contained in this bill for NRC licensees is a provision extending the coverage of Price-Anderson, as amended by this bill, by 25 years, from its current expiration date of August 1, 1987, to August 1, 2012. In this regard, I should mention that all of the changes proposed in this bill for NRC licensees would apply equally to reactors currently licensed, as well as those reactors that might be licensed in the future, so that a uniform system of coverage would be in place across the board for the next 25 years.

For the DOE contractors, this bill contains four major changes. First, the bill increases the financial protection available to the public as a result of DOE contractor activities to an amount that is equivalent to the financial protection available for NRC reactor licensees. Furthermore, the bill provides that as the commercial coverage increases, the contractor coverage shall also increase. Thus, the amount of financial protection provided for DOE contractor activities under this bill is equal to the sum of the three layers of coverage mandated for NRC reactor licensees. Under this provision, the public is assured of a comparable level of financial protection, regardless of whether a nuclear activity is undertaken by an NRC licensee or a DOE contractor.

The second major change provided for in this bill addresses those DOE contractor activities involving the storage and disposal of nuclear waste. Here, a number of provisions are contained in this bill. First, this bill clarifies that the Price-Anderson system for compensating the public in the event of a nuclear accident will apply to all activities undertaken by the Department of Energy, either directly or pursuant to a contract, involving the storage or disposal of nuclear waste. Specifically, this includes any activities undertaken by the Secretary in connection with the storage or disposal of spent nuclear fuel, high-level radioactive waste, or transuranic waste, including the transportation of such materials to a storage or disposal site or facility, and the construction and operation of any such site or facility. Considerable confusion has arisen over whether—and, if so, to what extent—the Price-Anderson compensation system will be available for nuclear waste activities, and, in particular, whether individual States or localities might be liable, should a court find that they contributed, in some fashion, to an accident involving nuclear waste storage or disposal. The bill that I am introducing today is designed to clarify the previous confusion, by stating clearly that Price-Anderson does, indeed, cover all nuclear waste transportation, storage, and disposal activities; and, furthermore, that the omnibus coverage provisions of the Price-Anderson Act serve to indemnify any State or locality from potential liability for nuclear waste activities.

The second change involving nuclear waste activities contained in this bill has to do with compensation of public liability claims that might arise from such activities. This bill provides that, in the event of a nuclear accident involving the Nuclear Waste Program, the amount of funds that will be immediately available for compensating the public will be equivalent to the funds provided in the event of an accident at an NRC-licensed reactor or for any other DOE-indemnified activity; that is, the sum of the three layers of coverage mandated for NRC reactor licensees. Under the approach set forth above for NRC reactor licensees, this would mean that approximately $2.4 billion would be available immediately to compensate claims resulting from an accident involving the Nuclear Waste Program. For accidents stemming from the transportation, storage, or disposal of commercial radioactive waste, these funds would be drawn from the Nuclear Waste Fund, established under the Nuclear Waste Policy Act. For accidents stemming from the transportation, storage, or disposal of defense-related radioactive wastes, these funds would be provided in the same manner as for other DOE-indemnified contractor activities. In the event of an accident that involves both commercial and defense wastes, the Secretary of DOE would be authorized to determine the extent to which commercial and defense wastes contributed to the accident, and based upon that finding, to determine the appropriate source(s) of funds for compensating public liability claims; that is, the nuclear waste fund or Federal indemnity.

The final change involving nuclear waste activities contained in this bill is a provision that extends the waiver of defenses provision of Price-Anderson to all nuclear waste activities undertaken by DOE. Thus, this bill imposes what amounts to strict liability for any extraordinary nuclear occurrence resulting from any of DOE's commercial or defense nuclear waste activities.

The third major change contained in this bill for DOE contractors, generally, is a congressional review mechanism for reviewing accidents involving DOE contractors that result in public liability claims that exceed the initial coverage mandated under this bill. The mechanism is identical to that provided for NRC licensees, and explained above. Therefore, I will not go into great detail again about how this mechanism is designed to work, other than to emphasize that it is designed to provide a means of ensuring that the public is compensated in full for any accident involving a DOE contractor—including any of DOE's nuclear waste activities—and to do so in a reasonably timely manner, based upon a thorough, Presidential and congressional review of the given accident.

The fourth and final change for DOE contractor activities contained in this bill is a provision extending DOE's authority to enter into agreements of indemnification with its contractors by 25 years, from its current expiration date of August 1, 1987, to August 1, 2012. As with the extension of the NRC's authority, this extension is designed to provide a period of relative stability in the Price-Anderson system, in light of the corresponding stability in the nuclear activities covered by this act throughout this period. In addition, however, it will allow the Congress to revisit the Price-Anderson issue at a future point, when those circumstances are likely to have changed, to consider what changes, if any, need to be made in the system. This would not, of course, preclude congressional consideration of the Price-Anderson issue before that 25-year period had expired, if such action were deemed appropriate by the Congress. But it does provide for the prospect of a relative period of stability—a factor that, particularly with respect to those DOE activities involving the Nuclear Waste Program, should assure the direction of sending a signal to all interested parties that the issue of liability has been addressed and, absent compelling circumstances, need not be revisited as DOE moves forward in carrying out its nuclear waste responsibilities.

I have summarized all of the major changes contained in this bill for both NRC licensees and DOE contractors, Mr. President. In addition, this bill contains a number of less significant changes—including some much-needed redrafting of the existing Price-Anderson Act provisions to eliminate some of the unnecessary complexity and confusion. Those changes are all set forth in a section-by-section summary of the bill.

I ask unanimous consent, Mr. President, that a copy of the bill be placed in the CONGRESSIONAL RECORD following my remarks, and that, following the bill, a copy of the section-by-section summary be reprinted in the RECORD. I urge my colleagues to give this issue their thoughtful attention, as the Congress now embarks on the task of reconsidering the Price-Anderson Act, deciding whether to extend the act, and, if so, what changes should be made. The fundamental issue addressed by Price-Anderson—how to fashion an equitable, efficient, and comprehensive mechanism for compensating the public in the event of an accident—is by no means an issue of first impression. Indeed, we have and will continue to struggle with the question of compensation for major industrial accidents that result in widespread public liability claims in areas such as asbestos, agent orange, and the Bhopal-type chemical accident, in an effort to fashion a sensible approach. In that respect, I have been most impressed by the foresight of the original drafters of the Price-Anderson system who, back in 1957, anticipated and addressed many of the concerns that, in these other areas, we only now seem to be coming to grips with. It is with that thought in mind that I urge my colleagues to consider the proposal that I have set forth in the bill that I am introducing today, and I would encourage your support of this approach.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1225

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Price-Anderson Act Amendments Act of 1985".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that—

(1) an equitable, efficient, reliable, and comprehensive system, established in advance of any accident involving nuclear materials subject to the Atomic Energy Act of 1954, as amended, that provides a mechanism for full compensation of the public in the event of such an accident is in the public interest;

(2) the basic framework established under section 170 of the Atomic Energy Act of 1954, as amended, and the essential elements of that approach, have achieved those fundamental objectives and, accordingly, should be retained; and

(3) based upon the experience gained in implementing the present system of providing compensation for accidents involving nuclear materials, and in light of developments that have taken place since the Congress last extended and amended such system, it is appropriate and in the public interest for the Congress to consider such experience and developments and to make such changes as will advance the fundamental objectives set forth in clause (1).

(b) The purposes of this Act are to—

(1) establish an equitable, efficient, reliable, and comprehensive system, in advance of any accident involving nuclear materials, which provides a mechanism for full compensation of the public in the event of such an accident for both present and future nuclear material activities; and

(2) incorporate in such system the experience gained and the developments that have taken place since the Congress last extended and amended the system.

FINANCIAL PROTECTION

SEC. 3. Section 170.b. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"b.(1) The amount of financial protection required shall be the amount of liability insurance available from private sources, except that the Commission may establish a lesser amount on the basis of criteria set forth in writing, which it may revise from time to time, taking into consideration such factors as—

"(A) the cost and terms of private insurance,

"(B) the type, size, and location of the licensed activity and other factors pertaining to the hazard, and

"(C) the nature and purpose of the licensed activity. For facilities designed for producing substantial amounts of electricity and having a rated capacity of 100,000 electrical kilowatts or more, the amount of financial protection required shall be the maximum amount available at reasonable cost and on reasonable terms from private sources. Such financial protection may include private insurance, private contractual indemnities, self insurance, other proof of financial responsibility, or a combination of such measures and shall be subject to such terms and conditions as the Commission may, by rule, regulation, or order, prescribe.

"(2)(A) In prescribing such terms and conditions for licensees required to have and maintain financial protection equal to the maximum amount of liability insurance available from private sources, the Commission shall, by rule initially prescribed not later than twelve months from the date of enactment of the Price-Anderson Act Amendments Act of 1985, include, in determining such maximum amount, private liability insurance available under an industry retrospective rating plan providing for premium charges deferred in whole or major part until public liability from a nuclear incident exceeds or appears likely to exceed the level of the primary financial protection required of the licensee involved in the nuclear incident: *Provided*, That such insurance is available to, and required of, all of the licensees of such facilities without regard to the manner in which they obtain other types or amounts of such financial protection. The standard deferred premium which may be charged following any nuclear incident under such a plan shall be not less than $10,000,000 nor more than $15,000,000 for each facility required to maintain the maximum amount of financial protection.

"(B) The amount which may be charged a licensee under the industry retrospective rating plan required pursuant to subparagraph (A) following any nuclear incident shall not exceed the licensee's pro rata share of the aggregate public liability claims and costs arising out of the nuclear incident. Payment of any State premium taxes which may be applicable to any deferred premium provided for in this Act shall be the responsibility of the licensee and shall not be included in the retrospective premium established by the Commission. The Commission is authorized to establish a maximum amount which the aggregate deferred premium charged for each facility within one calendar year may not exceed. The Commission may establish amounts less than the standard premium for individual facilities taking into account such factors as the facility's size, location, and other factors pertaining to the hazard.

"(C) The Commission shall establish such requirements as are necessary to assure availability of funds to meet any assessment of deferred premiums within a reasonable time when due, and may provide reinsurance or shall otherwise guarantee the payment of such premiums in the event it appears that the amount of such premiums will not be available on a timely basis through the resources of private industry and insurance. Any agreement by the Commission with a licensee or indemnitor to guarantee the payment of deferred premiums may contain such terms as the Commission deems appropriate to carry out the purposes of this section and to assure reimbursement to the Commission for its payments made due to the failure of such licensee or indemnitor to meet any of its obligations arising under or in connection with financial protection required under this subsection including without limitation terms creating liens upon the licensed facility and the revenues derived therefrom or any other property or revenues of such licensee to secure such reimbursement and consent to the automatic revocation of any license.

"(3)(A) In prescribing such terms and conditions for licensees required to have and maintain financial protection equal to the maximum amount of liability insurance available from private sources, the Commission shall, by rule initially prescribed not later than twelve months from the date of enactment of the Price-Anderson Act Amendments Act of 1985, also include, in determining such maximum amount, the sum of the funds generated by assessing a fee of up to 1.0 mil per kilowatt hour on electricity generated and sold by each licensed civilian nuclear power reactor. The Commission is authorized to collect such a fee from all civilian nuclear power reactor licensees, on all electricity generated and sold by such licensees following a nuclear incident, upon determining that public liability from such incident exceeds or appears likely to exceed the sum of the private insurance and the industry retrospective rating plan required pursuant to this section. The order of the Commission assessing such fee shall establish a commencement date for assessment of the fee. Collection of the fee shall terminate when the total amount of public liability associated with such nuclear incident, as defined in section 11.w. of this Act, has been compensated: *Provided, however,* That the amount collected shall not exceed $500,000,000 per incident.

"(B) The Commission is authorized to establish a maximum amount which the aggregate fees assessed for each facility within one calendar year may not exceed.".

INDEMNIFICATION AGREEMENTS FOR ACTIVITIES UNDERTAKEN UNDER CONTRACT WITH THE DEPARTMENT OF ENERGY

Sec. 4. Section 170.d. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"d.(1)(A) In addition to any other authority the Secretary of the Department of Energy (hereinafter in this section referred to as the Secretary) may have, the Secretary is authorized until August 1, 2012, to enter into agreements of indemnification with its contractors for the construction or operation of production or utilization facilities or other activities under contracts for the benefit of the United States involving activities under the risk of public liability for a substantially nuclear incident.

"(B)(i) The authority conferred upon the Secretary pursuant to subparagraph (A) to enter into agreements of indemnification with contractors shall include contracts entered into by the secretary for the purpose of carrying out such activities as the Secretary is authorized to undertake, pursuant to this Act or any other law, involving the storage or disposal of spent nuclear fuel, high-level radioactive waste, or transuranic waste, including the transportation of such materials to a storage or disposal site or facility, and the construction and operation of any such site or facility. For all such activities, the authority conferred upon the Secretary pursuant to subsection 170.d.(1)(A) shall be the exclusive means of indemnification under this section.

"(ii) For the purpose of compensating public liability claims, as defined in section 11.w. of this Act, arising out of activities involving the storage or disposal of spent nuclear fuel, high-level radioactive waste, or transuranic waste produced as a result of the generation of electricity in a civilian nuclear power reactor, including the transportation of such materials to a storage or disposal site or facility, and the construction and operation of any such site or facility, the Secretary shall make available such funds as may be necessary, in an amount not to exceed the maximum amount of financial protection required of licensees pursuant to subsection 170.a., from the nuclear waste fund established pursuant to section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222).

"(iii) Public liability claims arising out of activities involving the storage or disposal of all other spent nuclear fuel, high-level radioactive waste, or transuranic waste not specified in clause (ii), including the transportation of such materials to a storage or disposal site or facility, and the construction and operation of any such site or facility, shall be compensated in accordance with the provisions of this Act, and from the same source of funds applicable to all other contractors indemnified pursuant to this subsection.

"(iv)(I) In the event of a nuclear incident that arises out of or results from or occurs in the course of activities undertaken by the Secretary in connection with the storage or disposal of spent nuclear fuel, high-level radioactive waste, or transuranic waste, including the transportation of such materials to a storage or disposal site or facility, and the construction and operation of any such site or facility, the Secretary shall determine the extent to which such incident involves materials produced as a result of the generation of electricity in a civilian nuclear power reactor, or materials resulting from other activities, or both, and based upon such determination, render a decision as to the appropriate source of funds, in accordance with clauses (ii) and (iii), to be used in compensating public liability claims.

"(II) The funds to be used to compensate public liability claims pursuant to this subparagraph shall be provided in a manner and in such amounts as are appropriate to ensure that the funds necessary to compensate such claims are shared in a pro rata basis, in accordance with the determination rendered pursuant to subclause (I). The decision on the sources of such funds shall be final and conclusive. Within 90 days of the date of enactment of the Price-Anderson Act Amendments Act of 1985, the Secretary shall promulgate standards and regulations for making the determinations required under this subparagraph.

"(2) In agreements of indemnification entered into pursuant to subsection 170.d.(1), the Secretary may require its contractor to provide and maintain financial protection of such a type and in such amounts as the Secretary shall determine to be appropriate to cover public liability arising out of or in connection with the contractual activity, and shall indemnify the persons indemnified against such claims above the amount of the financial protection required, in an amount equal to the maximum amount of finanical protection required of licensees pursuant to subsection 170.a., excluding costs of investigating and settling claims and defending suits for damage in the aggregate for all persons indemnified in connection with such conflict and for each nuclear incident: *Provided,* That this amount of indemnity shall be reduced by the amount of the financial protection that the Secretary requires of the contractor.

"(3) Notwithstanding paragraph (2) of this subsection, if the maximum amount of financial protection required of licensees pursuant to subsection 170.a. is increased by the Commission, the amount of indemnity, together with any financial protection required of the contractor, shall at all times remain equal to the maximum amount of financial protection required of licensees pursuant to subsection 170.a. The amount of indemnity provided contractors pursuant to this subsection shall not, at any time, be reduced in the event that the maximum amount of financial protection required of licensees is reduced.

"(4) In the case of nuclear incidents occurring outside the United States, the amount of the indemnity provided by the Secretary pursuant to this subsection shall not exceed $100,000,000.

"(5) The provisions of this subsection may be applicable to lump sum as well as cost type contracts and to contracts and projects financed in whole or in part by the Secretary.

"(6) A contractor with whom an agreement of indemnification has been executed and who is engaged in activities connected with the underground detonation of a nuclear explosive device shall be liable, to the extent so indemnified under this section, for injuries or damage sustained as a result of such detonation in the same manner and to

the same extent as would a private person acting as principal, and no immunity or defense founded in the Federal, State, or municipal character of the contractor or of the work to be performed under the contract shall be effective to bar such liability.".

AGGREGATE LIABILITY FOR A SINGLE NUCLEAR INCIDENT

Sec. 5. Section 170.e. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"e. (1)(A) With respect to nuclear incidents involving—

"(i) licensees required to have and maintain financial protection equal to the maximum amount of liability insurance available from private sources, and

"(ii) contractors with whom the Secretary has entered into an agreement of indemnification, pursuant to subsection 170.d.,

the aggregate liability for a single nuclear incident of persons indemnified, including the reasonable costs of investigating and settling claims and defending suits for damage, shall not exceed the maximum amount of financial protection required of licensees pursuant to subsection 170.a.: *Provided, however,* That the aggregate liability for nuclear incidents involving contractors with whom the Secretary has entered into an agreement of indemnification, pursuant to subsection 170.d., shall not, at any time, be reduced in the event that the amount of financial protection required of licensees required to have and maintain financial protection equal to the maximum amount of liability insurance available from private sources is reduced.

"(B) With respect to nuclear incidents involving licensees other than those specified in subsection 170.e.(1)(A)(i), the aggregate liability for a single nuclear incident of persons indemnified, including the reasonable costs of investigating and settling claims and defending suits for damage, shall not exceed (i) the sum of $500,000,000 together with the amount of financial protection required of the licensee, or (ii) if the amount of financial protection required of the licensee exceeds $60,000,000, such aggregate liability shall not exceed the sum of $560,000,000 or the amount of financial protection required of the licensee, whichever amount is greater.

"(C) In the event of a nuclear incident involving damages in excess of the amount of aggregate liability, the Congress will thoroughly review the particular incident, in accordance with the procedures set forth in subsection 170.i., and will, in accordance with such procedures, take whatever action is necessary, including approval of appropriate compensation plans, to compensate the public in full for all public liability claims resulting from a disaster of such magnitude.

"(2) With respect to any nuclear incident occurring outside of the United States to which an agreement of indemnification entered into under the provisions of subsection 170.d. is applicable, such aggregate liability shall not exceed the amount of $100,000,000 together with the amount of financial protection required of the contractor.".

CONGRESSIONAL REVIEW OF COMPENSATION PLANS

Sec. 6. Section 170.i. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"i.(1) After any nuclear incident which will probably require payments by the United States under this section, the Secretary or the Commission, as appropriate, shall make a survey of the causes and extent of damage, and shall submit such report forthwith to the Congress, to the Congressmen of the affected districts, to the Senators of the affected States, and, except for information which would cause serious damage to the national defense of the United States, to the public, to the parties involved, and to the courts. The Commission and the Secretary shall report annually to the Congress on the operations under this section.

"(2) Upon a determination by a court, pursuant to subsection 179.o., that public liability from a single nuclear incident may exceed the aggregate liability under subsection 179.e., the President of the United States shall, within 90 days after such determination, submit to the Congress—

(A) a report setting forth the causes and extent of damage and the estimated requirements for full, equitable, and efficient compensation and relief of all claimants;

(B) one or more compensation plans, containing a recommendation or recommendations as to the relief to be provided; and

(C) any additional legislative authorities necessary to implement such compensation plan or plans.

"(3) Any compensation plan transmitted to the Congress pursuant to paragraph (2) shall bear an identification number and shall be transmitted to both Houses of Congress on the same day and to each House while it is in session.

"(4) No such compensation plan may be considered approved for purposes of subsection 170.e.(1) unless between the date of transmittal and the end of the first period of 60 calendar days of continuous session of Congress after the date on which such action is transmitted to such House, each House of Congress passes a resolution described in paragraph 6 of this subsection.

"(5) For the purpose of paragraph 4 of this subsection—

"(A) continuity of session is broken only by an adjournment of Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day calendar period.

"(6)(A) This paragraph is enacted by Congress—

"(i) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by clause (B) and it supersedes other rules only to the extent that it is inconsistent therewith; and

"(ii) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of the House.

"(B) For purposes of this paragraph, the term 'resolution' means only a resolution of either House of Congress the matter after the resolving clause of which is as follows: "The the approves the compensation plan numbered submitted to the Congress on , 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filled; but does not include a resolution which specifies more than one compensation plan.

"(C) A resolution once introduced with respect to a compensation plan shall immediately be referred to a committee (and all resolutions with respect to the same compensation plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"(D)(i) If the Committee to which a resolution with respect to a compensation plan has been referred has not reported it at the end of 20 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration with respect to such compensation plan which has been referred to the committee.

"(ii) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same compensation plan), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(iii) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same compensation plan.

"(E)(i) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(ii) Debate on the resolution referred to in clause (i) of this subparagraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to.

"(F)(i) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution or motions to proceed to the consideration of other business, shall be decided without debate.

"(ii) Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedures relating to a resolution shall be decided without debate.".

WAIVER OF DEFENSES

Sec. 7. (a) Section 170.n.(1) of the Atomic Energy Act of 1954, as amended, is amended—

(1) by adding "or" at the end of subparagraph (c);

(2) by adding the following new paragraphs (d), (e), and (f):

"(d) arises out of or results from or occurs in the course of the construction, possession, or operation of any facility licensed under section 53, 63, or 81 of this Act, for which the Commission has imposed as a condition of the license a requirement that the licensee have and maintain financial protection pursuant to subsection 170.a., or

"(e) arises out of or results from or occurs in the course of transportation of source material, byproduct material, or special nuclear material to or from any facility licensed under section 53, 63, or 81 of this Act, for which the Commission has imposed as a condition of the license a requirement that the licensee have and maintain financial protection pursuant to subsection 170.a., or

"(f) arises out of or results from or occurs in the course of activities undertaken by the Secretary, including activities undertaken by contract, in connection with the storage or disposal of high-level radioactive waste, spent nuclear fuel, or transuranic waste, including the transportation of such materials to a storage or disposal site or facility, and the construction and operation of any such site or facility,"; and

(b) Subsection n. of section 170 of the Atomic Energy Act of 1954, as amended, is amended—

(1) in paragraph (1) by—

(A) inserting after "the Commission" the following: "or the Secretary, as appropriate,"; and

(B) striking out "a Commission" in clause (c) and inserting in lieu thereof "a Department of Energy"; and

(2) in paragraph (2), by inserting after "the Commission" the following: "or the Secretary, as appropriate,".

INDEMNIFICATION FROM PUBLIC LIABILITY IN EXCESS OF LEVEL OF FINANCIAL PROTECTION

SEC. 8. Section 170.c. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"c. (1) The Commission shall, with respect to licenses issued between August 30, 1954, and August 1, 2012, for which it requires financial protection of less than $560,000,000, agree to indemnify and hold harmless the licensee and other persons indemnified, as their interest may appear, from public liability arising from nuclear incidents which is in excess of the level of financial protection required of the licensee. The aggregate indemnity for all persons indemnified in connection with each nuclear incident shall not exceed $500,000,000, excluding costs of investigating and settling claims and defending suits for damage: *Provided, however*, That this amount of indemnity shall be reduced by the amount that the financial protection required shall exceed $60,000,000.

"(2) Such a contract of indemnification shall cover public liability arising out of or in connection with the licensed activity.

"(3) With respect to any production or utilization facility for which a construction permit is issued between August 30, 1954, and August 1, 2012, the requirements of this subsection shall apply to any license issued for such facility subsequent to August 1, 2012.".

DEFINITIONS

SEC. 9. (a) Subsection s. of section 11 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following: "For purposes of those activities that the Secretary of Energy is authorized or directed to undertake, pursuant to this Act or any other law, that involve the risk of public liability for a substantial nuclear incident as a result of the storage or disposal of spent nuclear fuel, high-level radioactive waste, or transuranic waste, including the transportation of such materials to a storage or disposal site or facility, and the construction and operation of any such site or facility, the Secretary shall, to the extent that such activities are not undertaken by contract, be considered as if the Secretary were a contractor with whom an indemnity agreement has been entered into pursuant to subsection 170.d. of this Act.".

(b) Subsection t. of section 11 of the Atomic Energy Act of 1954, as amended, is amended in clause (1) by inserting after "and any other person" the following: ", as defined in subsection (s),".

DATE OF EXEMPTION FROM FINANCIAL PROTECTION REQUIREMENT

SEC. 10. Section 170.k. of the Atomic Energy Act of 1954, as amended, is amended by striking out "August 1, 1987" wherever it appears and inserting in lieu thereof "August 1, 2012."

REPORT TO JOINT COMMITTEE BY COMMISSION

SEC. 11. Section 170.o. of the Atomic Energy Act of 1945, as amended, is amended—

(1) in paragraph (3) by inserting after "The Commission", both places such phrase appears the following: "or the Secretary, as appropriate,"; and

(2) by striking out paragraph (4).

DATE OF REPORT TO CONGRESS BY NUCLEAR REGULATORY COMMISSION AND DEPARTMENT OF ENERGY

SEC. 12. Section 170.p. of the Atomic Energy Act of 1954, as amended, is amended by striking out "shall submit to the Congress by August 1, 1983, a detailed report", and inserting in lieu thereof "and the Secretary shall submit to the Congress by August 1, 2008, detailed reports".

CONFORMING AMENDMENTS

SEC. 13. Subsections g., h., j., and m. of section 170 of the Atomic Energy Act of 1954, as amended, are amended by inserting after "The Commission" or "the commission" wherever they appear the following: "or the Secretary, as appropriate,".

SEC. 14. Subsection f. of section 170 of the Atomic Energy Act of 1954, as amended, is amended by striking "Commission" the first two times it appears and inserting in lieu thereof "Commission or the Secretary, as appropriate,".

PRICE-ANDERSON ACT AMENDMENTS ACT OF 1985—SECTION-BY-SECTION SUMMARY

Section 1 provides that this Act may be cited by its short title, the "Price-Anderson Act Amendments Act of 1985."

Section 2 provides a statement of Congressional findings and purposes regarding compensation of the public for injuries suffered as a result of accidents involving nuclear materials.

Section 3 provides for two major changes in the financial protection required for those commercial nuclear power plants licensed by the Nuclear Regulatory Commission that have a rated capacity of 100,000 electrical kilowatts or more. First, this section directs the Commission to increase the standard deferred premium which may be charged the licensee of each such reactor following any nuclear incident, from its current level of $5,000,000 to an amount not less than $10,000,000 nor more than $15,000,000. Under this section, the Commission would be required to undertake a notice and comment rulemaking to determine where in this range to set the standard premium, considering such factors as the Commission deems appropriate, and to promulgate a final rule within twelve months of the date of enactment of this Act establishing the maximum standard deferred premium to be assessed each such reactor per nuclear incident.

Second, this section mandates an additional layer of financial protection, beyond the primary and secondary layers provided under the current Price-Anderson Act, to be available in the event that the primary and secondary layers of coverage are exhausted. This third layer of financial protection would consist of $500,000,000 in coverage, to be funded by a fee of up to 1.0 mil per kilowatt hour on electricity generated and sold by licensed civilian nuclear power reactors. Under this section, the Commission would be authorized to impose such a fee on electricity generated and sold by such reactors following a nuclear incident, at a level deemed appropriate by the Commission (but not to exceed 1.0 mil per kilowatt hour), upon determining that public liability from such incident appears likely to exceed, or has exceeded, the funds available under the primary layer of private insurance and the secondary layer of retrospective premiums. Under this section, the Commission would be required to undertake a notice and comment rulemaking to establish the terms and procedures governing the assessment and collection of such a fee, including the commencement date for assessment, and to promulgate such terms and procedures within twelve months of the date of enactment of this Act. This section further provides that collection of the fee shall terminate when the total amount of public liability associated with a nuclear incident has been compensated, but in no event shall the amount collected exceed $500,000,000 per incident. Finally, this section provides that, as with the retrospective premium, the Commission is authorized to establish a maximum amount which the aggregate fees assessed for each facility within a single calendar year may not exceed.

Section 3 also makes a number of technical and conforming changes to improve on the drafting of section 170.b. These changes are not intended to effect any substantive changes in the existing section 170.b.

Section 4 makes three major changes in the Price-Anderson Act, as it applies to those Department of Energy contractors involved in the construction or operation of production or utilization facilities or other activities (including nuclear waste activities) that involve the risk of public liability for a substantial nuclear incident. First, this section extends by 25 years the authority of the Department of Energy to enter into agreements of indemnification with such contractors, from the current expiration date of August 1, 1987 to August 1, 2012.

Second, this section includes a number of provisions to clarify the application of Price-Anderson to high-level nuclear waste transportation, storage, and disposal activities of the Department of Energy. This section clarifies that the Secretary's present authority to enter into such agreements of indemnification covers all of those activities undertaken by contract for the Department of Energy involving the storage or disposal of spent nuclear fuel, high-level radioactive waste, or transuranic waste. This includes the transportation of such materials to a storage or disposal site or facility (e.g., a geologic repository or a monitored, retrievable storage facility), and the construction and operation of any such site or facility. For these activities, this section further provides that the authority of the Department of Energy to enter into indemnity agreements shall be the exclusive means of indemnification for such activities.

In addition, this section provides that in the event of a nuclear incident involving the nuclear waste program, the Secretary of Energy is to determine the extent to which such incident involves materials produced as a result of the generation of electricity produced in a civilian nuclear power reactor, or materials resulting from other activities (e.g., defense-related wastes). Based upon determining this pro rata contribution of civilian and defense wastes to the incident, the Secretary is then to determine the appropriate source of funds for compensating public liability claims, with the commercial pro rata share coming from the nuclear waste fund established under section 302 of the Nuclear Waste Policy Act of 1982, and the defense pro rata share coming from federal indemnification. In order to make these determinations, this section also provides that the Secretary of Energy shall promulgate implementing regulations within 90 days of the date of enactment of this Act.

Finally, this section provides for an increase in the amount of federal indemnity for public liability claims arising out of or in connection with DOE contractual activities, from the current level of $500,000,000 to an amount equal to the sum of the three layers of coverage mandated for NRC reactor licensees. In this regard, this section also provides that, as the amount of financial protection required of NRC reactor licensees increases, the amount of federal indemnity for DOE contractors shall also increase, so that, at all times, the amount of federal indemnity for DOE contractors remains equal to the maximum amount of financial protection required of NRC commercial reactor licensees. Under this provision, federal idemnity for DOE contractors is to be set at whatever that maximum amount is at any given time, with the proviso that the federal indemnity shall not be reduced in the event that the financial protection required of NRC commercial reactor licensees is reduced.

Section 5 makes two major changes in section 170.e. of the Price-Anderson Act. First, this section increases the aggregate liability for a single nuclear incident (i.e., the amount of funds immediately available following an accident) for NRC commercial reactor licensees and for DOE contractors to an amount equal of NRC commercial reactor licensees. Again, for DOE contractors, this amount would increase as the three-tiered coverage available for commerical reactor licensees increase, and would, at all times, remain equal to the maximum amount of such financial protection. Aggregate liability for DOE contractors would not decreased in the event that the financial protection required of commercial nuclear reactor licensees decreases.

Second, this section provides that in the event of a nuclear accident involving damages in excess of the amount of compensation funds immediately available, the Congress will thoroughly review the accident and will take whatever action is necessary to compensate the public in full for all public liability claims resulting from such an accident.

Section 6 amends the Price-Anderson Act by establishing a new mechanism for Congressional review of any nuclear accident that appears likely to result in public liability claims in excess of the funds immediately available for compensation, and a mechanism for compensating the public in full for such claims. Under this provision, the President is required to submit a comprehensive report to the Congress within 90 days of a determination by a court that public liability from a single nuclear incident may exceed the funds immediately available under this Act, in which the President: (A) sets forth the causes and extent of damage and the estimated requirements for full, equitable, and efficient compensation of all claimants; (B) recommends one or more compensation plans, setting forth the President's recommendation(s) as the relief to be provided; and (C) submits any additional legislative authorities necessary to implement such compensation plans. In preparing this report, it is anticipated that the President will consult with the Nuclear Regulatory Commission or the Department of Energy, as appropriate. Once the President's recommended compensation plan is submitted to the Congress, this section provides that the Congress shall consider and act upon such compensation plan in accordance with expedited congressional review procedures, in order to ensure that a prompt decision is reached by the Congress. As stated in section five of this bill, this provision is designed to ensure that the Congress will take whatever action is necessary, in acting upon such compensation plans, to compensate the public in full for all public liability claims arising from the accident, and to do so in a fashion that achieves four objectives: (A) to provide both the President and the Congress an opportunity to review and assess the causes and consequences of any given accident, and thereby tailor the proposed compensation plans to the facts of the given case (including determining what sources of funds should be considered to provide additional compensation; assessing how quickly those funds must be provided, based upon the extent of latent injuries; and determining the appropriate distribution of such funds); (B) to establish a congressional review mechanism that will ensure a prompt decision on the President's recommended compensation plan(s); (C) to provide for full compensation of all public liability claims in an equitable and efficient manner; and (D) to preserve for the Congress a major decision making role in determining the approach to be taken in structuring an approach to full compensation.

Section 7 amends the Price-Anderson Act to extend the "extraordinary nuclear occurrence" feature of the existing Act to cover commercial and defense waste activities and indemnified nuclear materials licensees. Under this provision, the waiver of defenses provisions would apply to these activities or licensees, in the same manner and to the same extent as those provisions now apply to the facilities or activities currently specified in section 170.n.(1) (a), (b), and (c) of the existing Price-Anderson Act. It is anticipated that the Department of Energy or the Nuclear Regulatory Commission, as appropriate, would adopt whatever changes are necessary in their existing criteria for determining whether an "extraordinary nuclear occurrence" has occurred, to reflect the changes made under this provision. Particular attention should be devoted to determining how the ENO criteria will apply to nuclear waste transportation, storage, and disposal activities.

Section 8 extends by twenty-five years the authority of the Nuclear Regulatory Commission to indemnify certain licensees and other persons from public liabilility arising from nuclear incidents which is in excess of the required level of financial protection.

Section 9 amends the definition of "person" contained in section 11.s. of the Atomic Energy Act to provide that in the event that the Secretary of Energy undertakes activities involving the storage or disposal of spent nuclear fuel, highlevel radioactive waste, or transuranic waste, including the transportation of such materials to a storage or disposal site or facility, or the construction or operation of any such site or facility, and does so directly, rather than by contract, the Secretary (as well as any Department of Energy employees) shall be treated as if the Secretary (or such employees) were a contractor with whom an indemnity agreement has been entered into pursuant to section 170.d. Under this provision, the coverage of Price-Anderson will be available regardless of whether such activities are undertaken by the Department of Energy directly, or pursuant to a contractual arrangement.

This section also amends the definition of "person indemnified" to clarify that under the existing law, this provision covers any State, any political subdivision, or any political entity within a State. No substantive change, beyond this simple clarification confirming existing law, is intended by this provision.

Section 10 extends by twenty-five years the authority of the Nuclear Regulatory Commission over nonprofit educational institutions under section 170.k. of the Price-Anderson Act.

Section 11 strikes the requirement for the Commission to submit a report to the Joint Committee on Atomic Energy. In light of the changes contained in section six, this provision is no longer appropriate.

Section 12 requires the Nuclear Regulatory Commission and the Department of Energy to submit reports to the Congress by August 1, 2008, four years before the expiration of the authority conferred under this bill, on the operations of each respective agency under this Act, and recommendations for modifying or extending the authority of this Act.

Sections 13 and 14 contain a number of technical and conforming changes.●

● **Mr. McCLURE.** Mr. President, today my colleague and I are introducing legislation to amend and extend the provisions of the Price-Anderson Act. While this act has successfully met the objectives for which it was enacted in 1957—that is, to make adequate funds available to claimants in the event of a nuclear incident, and to remove a deterrent to private sector participation in nuclear power development—I am confident that our bill fortifies and clarifies many of the aspects of the original legislation, especially as it relates to equitable, efficient, reliable, and comprehensive compensation to the public if a nuclear incident should occur.

It is worthwhile to review the legislative history of Price-Anderson over its 28-year lifetime, in order to fully appreciate the manner in which the act has evolved to its current status. In each instance where the act has been amended, it was clearly the intent of Congress to strengthen the provisions of the act with respect to public compensation for potential nuclear incidents. Let me illustrate this point with a brief synopsis of the act's evolution over time:

The act as originally passed in 1957 provided to commercial nuclear licensees a $560 million limit on liability, consisting of $60 million of private insurance—the maximum amount available at that time—and $500 million of Government indemnity. With respect to contractor-operated activities of the Atomic Energy Commission—now the Department of Energy—the Government indemnified the contractor for $500 million. It is important to note that, in the case of either licensees or contractors, the liability insurance was and still is omnibus in nature, in that the coverage for third party suits extends to licensees, contractors, and any subcontractor and supplier groups who may be legally liable, but the act funnels third-party claims through the primary tier, that is, the nuclear utility licensee or the prime contractor party. This omnibus feature allows for a unified approach to the processing and settlement of all litigation, and it is this feature that contributed greatly to the efficiency with which the Three Mile Island claims were handled.

When the act came up for renewal in 1966, a far-reaching change was made in the statutory scheme—the addition of a provision relating to what we now refer to as an extraordinary nuclear occurrence [ENO]. In the event of an ENO, which is defined as an event resulting in substantial offsite release of radiation and likely to result in significant personal injury or damage to property, the licensee or contractor is required to waive traditional defenses of State tort laws, in order to facilitate recovery by plaintiffs. The amendment concerning the ENO provision allowed suits to be instituted up to 10 years after the incident, thus superseding more restrictive State statutes of limitations.

Another significant amendment adopted in 1966 facilitated the insurance pool's ability to make emergency assistance payments following a nuclear incident. This amendment included a provision that the NRC and other indemnitors could make payments for immediate assistance from available funds, and that any such payments could be made without securing releases and would not constitute an admission of liability of any person indemnified. It was this provision that allowed for immediate payments totaling $1.3 million for living expenses and lost wages provided to those residents in the Three Mile Island vicinity who temporarily relocated after the TMI-2 incident in 1979.

Major modifications were again made in the act when it came up for its second 10-year renewal in 1975. At that time, a provision was added to phase out Government indemnity of utility licensees. This was accomplished by the establishment of a retrospective premium assessment, whereby, in the event of an incident that was likely to result in damage exceeding the coverage available under the first tier of private insurance, each licensee would be assessed an amount up to $5 million representing a prorated share of the damages in excess of the first tier. This provision not only allowed for a gradual phaseout of Government indemnification of licensees, but it also allowed for the gradual increase in the liability limit by permitting the limitation to rise to the maximum total amount of first and second tiers of insurance available. Thus, with the $160 million worth of insurance available today and with 94 reactors currently licensed, the Government is completely withdrawn from the indemnification responsibilities for licensees, and the sum of the first and second tiers of insurance now totals $630 million.

In addition to the retrospective premium provisions, other amendments were added in 1975 to strengthen the extraordinary nuclear occurrence provision, including increasing the statute of limitations from 10 to 20 years, and establishing a mechanism to prioritize claims and classes of claims as necessary to assure the most equitable allocation of funds.

I should point out that, despite the fact that Congress knew very little about the likelihood of a nuclear accident or the extent of damages when the act was originally passed, the Price-Anderson structure has functioned extremely well through the years in fostering commercial nuclear development, and, more importantly, in providing a streamlined, predictable mechanism for compensating the public for injuries or damages arising from nuclear-related incidents. In the TMI-2 incident—the only incident so far that has involved offsite public-liability claims as a result of a nuclear incident—the public had ready access to funds for evacuation and lost wages. Furthermore, the TMI-2 class action suits were processed efficiently and resulted in the establishment of a $20 million economic loss fund and a $5 million public health fund for payment of all claims.

The Price-Anderson Act has been characterized by some as a subsidy to the commercial nuclear power industry. Yet, the claims to date in fact have not exceeded the primary insurance layer of coverage, and thus the Government has never paid out 1 dime for public liability claims arising from commercial nuclear plant operation. Furthermore, since the establishment in 1975 of the second tier of retrospective premiums to be paid by the nuclear utilities themselves in the event of a nuclear incident, the Government's indemnity is no longer a part of the Price-Anderson formula for commercial nuclear liability coverage.

There is another function of Price-Anderson that is little known or appreciated, but it is extremely important and deserves our attention. That function is the public protection provided for accidents arising from Government-sponsored, contractor-operator activities originally performed by the Atomic Energy Commission [AEC], later the Energy Research and Development Agency, now the Department of Energy.

The legislative history of Price-Anderson reveals that indemnification for the AEC's own contractors was not a major concern in the early drafts of Price-Anderson, mainly because AEC contracts at that time already frequently contained indemnity provisions which held the contractor harmless in the event of nuclear accidents arising from AEC-sponsored activities. If it were not for such indemnity agreements, contractors would not have been willing to subject themselves to the unknown risks associated with liability claims. However, during the time when Price-Anderson legislation was emerging, it became apparent that existing contractor coverage contained some inherent weaknesses and inconsistencies that made protection to the public less than adequate; in particular, such contracts held the Government itself liable for AEC activities only under the Federal Tort Claims Act, which contained a number of defenses that would have made it extremely difficult and time consuming for the public to readily obtain adequate compensation.

Faced with such obvious weaknesses, the original authors of Price-Anderson concluded that liability for AEC-contracted activities should be included under the Price-Anderson umbrella. The provision in the Price-Anderson Act relating to contractor activities remains essentially the same today as it was under the original legislation: it provides uniform Federal Government indemnity to all contractor activities, and guarantees compensation up to $500 million for nuclear accidents arising from such activities. Furthermore, the Federal Government may enter into such agreements in advance of appropriations, and may incur obligations without regard to any limitations on the availability of funds. This feature allows the Department of Energy to act quickly, without prior consent from Congress. The provision for waiver of defenses in the event of an extraordinary nuclear occurrence also applies to contractor activities.

The 99th Congress is now faced with the task of renewing the Price-Anderson Act before its expiration date of August 1, 1987. Already this year, we have heard many suggestions on ways in which to amend the act, each one of which must be carefully assessed, especially as to the effect that each would have on the nuclear industry, on our DOE contractor facilities, and most importantly, on the public whose ability to receive adequate compensation following a nuclear incident will depend in large part on the manner in which this Congress chooses to deal with the issues.

To those who might wish for a complete overhaul of Price-Anderson into a strict and unlimited liability scheme, I would issue the following warning: Unlimited liability is not synonymous with unlimited compensation. If we were to choose that path, the entire enterprise liability structure of the current Price-Anderson Act would crumble, and we would be left with a weakened compensation system that would be constrained by the limited assets of individual utilities.

To those who would allow the Price-Anderson Act to simply expire, I would ask this question: What would become of the nuclear research and weapons development work at our DOE lab facilities? Such work, under 5-year contracts with private companies, would most likely come to an immediate halt the moment the contract came up for renewal, for realistically, no private firm would be willing to undertake the DOE nuclear research activities without the protection that Price-Anderson affords. Even if companies were willing to continue their work for DOE with Price-Anderson, would we want to return to the haphazard days prior to the original enactment of Price-Anderson in 1957? Would we want to expose the public to the risk of inadequate compensation, or the vagaries of the Federal Tort Claims Act, or even the potential for no available compensation for public injuries? That was the case in the Teton Dam disaster in Idaho, where the federally owned dam collapsed, yet did not carry 1 cent of liability insurance, and, were it not for President Ford's declaration of a state of emergency 3 months later, victims would have had no relief to this day.

To those who insist that the utility at fault should be held more directly accountable for its actions in order to encourage greater safety, I would reply that utilities already have a very strong incentive for safe operation of their nuclear plants. That incentive is the production of the huge capital investments in those plants, which are much larger than the compensation penalties that would be imposed under the Price-Anderson Act.

To those who suggest a moderate increase in liability coverage compared to today's Price-Anderson limits, I say yes, but I also say that we should do even more.

That brings me to the legislation being introduced today. Not only will this legislation substantially increase the funds immediately available in the event of a nuclear incident—from $630 million to a potential of at least $2.4 billion—it also provides a mechanism for expedited congressional action on additional compensation plans in the event that any one incident results in claims exceeding the funds then available. Such compensation plans, to be recommended by the President based on a thorough review of the particular accident, will allow the funding requirements to be tailored to the specific nature and circumstances of the accident.

Furthermore, this legislation will afford the same public protection for accidents arising from DOE contractor activities as it does for accidents at NRC licensed facilities. It would increase the DOE contractor indemnity limits in parallel with the increasing levels of coverage provided for nuclear licensed activities.

Even more importantly, this legislation expands the Price-Anderson system to specifically assign responsibility to DOE for any incidents arising from the transportation, storage, and disposal of spent fuel, high-level wastes, and transuranic wastes. In the event of such an incident, the Secretary of Energy would be authorized to draw a pro rata share of funds from the Nuclear Waste Fund in the case of commercially generated waste, or from departmental funds in the case of wastes generated from DOE-contractor activities. The bill would also require the Department of Energy to review and revise the criteria by which it determines whether an incident qualifies as an extraordinary nuclear incident. The revised criteria must reflect consideration of the particular types of accident scenarios anticipated for waste disposal activities.

Mr. President, in structuring this legislation, my colleagues and I have painstakingly considered alternative options, and we have attempted to reasonably factor in the concerns of all affected parties. The result of these efforts is the bill being introduced today. It is my hope that this bill will serve as the framework within which the 99th Congress will be able to provide an equitable, efficient, reliable, and comprehensive system for public compensation in the event of a nuclear incident.●

ADDITIONAL COSPONSORS

S. 46

At the request of Mr. Helms, the name of the Senator from Idaho [Mr. McClure] was added as a cosponsor of S. 46, a bill to amend the Civil Rights Act to protect the lives of unborn human beings.

S. 84

At the request of Mr. Inouye, the names of the Senator from Arkansas [Mr. Bumpers] and the Senator from New Hampshire [Mr. Humphrey] were added as cosponsors of S. 84, a bill to incorporate the Pearl Harbor Survivors Association.

S. 412

At the request of Mr. Biden, his name was added as a cosponsor of S. 412, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 680

At the request of Mr. Helms, the name of the Senator from Idaho [Mr. McClure] was added as a cosponsor of S. 680, a bill to achieve the objectives of the multifiber arrangement and to promote the economic recovery of the U.S. textile and apparel industry and its workers.

S. 721

At the request of Mr. Boren, the name of the Senator from Wyoming [Mr. Wallop] was added as a cosponsor of S. 721, a bill to amend the Commodity Credit Corporation Charter Act regarding the export of agricultural commodities.

S. 755

At the request of Mr. Inouye, the name of the Senator from Utah [Mr. Garn] was added as a cosponsor of S. 755, a bill to provide that transportation provided by an airline to parents of its employees shall be tax free.

S. 805

At the request of Mr. Riegle, the name of the Senator from Michigan [Mr. Levin] was added as a cosponsor of S. 805, a bill to provide for a program for the provision of child care services in public housing projects.

S. 847

At the request of Mr. Rockefeller, the name of the Senator from Maryland [Mr. Mathias] was added as a cosponsor of S. 847, a bill to extend the Appalachian Regional Development Act of 1965 and to provide authorizations for the Appalachian Highway and Appalachian Area Development Programs.

S. 855

At the request of Mr. Pryor, the names of the Senator from Nebraska [Mr. Exon], and the Senator from Illinois [Mr. Simon] were added as cosponsors of S. 855, a bill for the relief of rural mail carriers.

S. 882

At the request of Mr. Cranston, the name of the Senator from New Mexico [Mr. Bingaman] was added as a cosponsor of S. 882, a bill to amend the Peace Corps Act to establish a Peace Corps National Advisory Council to establish a policy of providing opportunities for a volunteer corps of at least 10,000, and to provide for nonpartisan appointments.

S. 942

At the request of Mr. Danforth, the name of the Senator from Montana

[Mr. Baucus] was added as a cosponsor of S. 942, a bill to promote expansion of international trade in telecommunications equipment and services, and for other purposes.

S. 1031

At the request of Mr. Gore, the name of the Senator from Hawaii [Mr. Matsunaga] was added as a cosponsor of S. 1031, a bill to provide for the continuous assessment of critical trends and alternative futures.

S. 1084

At the request of Mr. Goldwater, the name of the Senator from South Dakota [Mr. Abdnor] was added as a cosponsor of S. 1084, a bill to authorize appropriations of funds for activities of the Corporation for Public Broadcasting, and for other purposes.

S. 1130

At the request of Mr. Sasser, the name of the Senator from Illinois [Mr. Dixon] was added as a cosponsor of S. 1130, a bill to amend the Internal Revenue Code of 1954 to promote small businesses.

S. 1133

At the request of Mr. Riegle, the name of the Senator from Iowa [Mr. Harkin] was added as a cosponsor of S. 1133, a bill to amend section 119(d) of the Housing and Community Development Act of 1974.

S. 1142

At the request of Mr. Dole, the name of the Senator from Oregon [Mr. Hatfield] was added as a cosponsor of S. 1142, a bill to improve and extend certain domestic food assistance programs, and for other purposes.

S. 1147

At the request of Mr. Hatch, the name of the Senator from Michigan [Mr. Levin] was added as a cosponsor of S. 1147, a bill to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws.

S. 1172

At the request of Mr. Helms, the names of the Senator from Wisconsin [Mr. Proxmire], and the Senator from Hawaii [Mr. Inouye] were added as cosponsors of S. 1172, a bill to provide financial assistance for the Sam J. Ervin, Jr., Program in Public Affairs at the North Carolina State University.

S. 1174

At the request of Mr. McConnell, the name of the Senator from Pennsylvania [Mr. Heinz] was added as a cosponsor of S. 1174, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide States with assistance to establish or expand clearinghouses to locate missing children.

S. 1195

At the request of Mr. Metzenbaum, the names of the Senator from Illinois [Mr. Dixon], and the Senator from Connecticut [Mr. Dodd] were added as cosponsors of S. 1195, a bill to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child.

S. 1217

At the request of Mr. Rockefeller, the names of the Senator from New Mexico [Mr. Bingaman], and the Senator from Virginia [Mr. Trible] were added as cosponsors of S. 1217, a bill to require the Department of Labor to employ additional administrative law judges to hear cases under the Black Lung Benefits Act.

S. 1218

At the request of Mr. Danforth, the names of the Senator from Montana [Mr. Baucus], and the Senator from New Jersey [Mr. Lautenberg] were added as cosponsors of S. 1218, a bill to amend the Federal Aviation Act of 1958 to provide for the revocation of certain certificates for air transportation, and for other purposes.

SENATE JOINT RESOLUTION 3

At the request of Mr. Thurmond, the name of the Senator from Kentucky [Mr. McConnell] was added as a cosponsor of Senate Joint Resolution 3, a joint resolution proposing an amendment to the Constitution of the United States relating to voluntary school prayer.

SENATE JOINT RESOLUTION 102

At the request of Mr. Zorinsky, the name of the Senator from Nebraska [Mr. Exon] was added as a cosponsor of Senate Joint Resolution 102, a joint resolution to establish a National Commission on Illiteracy.

SENATE JOINT RESOLUTION 115

At the request of Mr. Leahy, the names of the Senator from North Carolina [Mr. East], the Senator from Connecticut [Mr. Weicker], the Senator from Minnesota [Mr. Boschwitz], the Senator from North Carolina [Mr. Helms], the Senator from Nevada [Mr. Laxalt], the Senator from Massachusetts [Mr. Kennedy], and the Senator from New Hampshire [Mr. Humphrey] were added as cosponsors of Senate Joint Resolution 115, a joint resolution to designate 1985 as the "Oil Heat Centennial Year."

SENATE JOINT RESOLUTION 140

At the request of Mr. Wilson, the name of the Senator from Oregon [Mr. Packwood] was added as a cosponsor of Senate Joint Resolution 140, a joint resolution designating the week of June 2 through June 8, 1985, as "National Theatre Week."

SENATE CONCURRENT RESOLUTION 20

At the request of Mr. Cranston, the name of the Senator from Massachusetts [Mr. Kerry] was added as a cosponsor of Senate Concurrent Resolution 20, a concurrent resolution expressing the sense of the Congress that payments by the Veterans' Administration to veterans as compensation for service-connected disabilities should remain exempt from Federal income taxation.

SENATE RESOLUTION 173

At the request of Mr. Kasten, the names of the Senator from New Hampshire [Mr. Humphrey] and the Senator from Iowa [Mr. Grassley] were added as cosponsors of Senate Resolution 173, a resolution expressing the sense of the Senate that any tax reform measure enacted by Congress should restore the value of the personal exemption by increasing it to a minimum of $2,000 and indexing it to prevent further erosion of its value.

SENATE RESOLUTION 174

At the request of Mr. Gore, the names of the Senator from New Mexico [Mr. Bingaman], the Senator from Arizona [Mr. DeConcini], and the Senator from Hawaii [Mr. Inouye] were added as cosponsors of Senate Resolution 174, a resolution expressing the sense of the Senate with respect to the proposed closing and downgrading of certain offices of the Social Security Administration.

AMENDMENT NO. 211

At the request of Mr. Murkowski, the names of the Senator from Alaska [Mr. Stevens] and the Senator from Hawaii [Mr. Matsunaga] were added as cosponsors of amendment No. 211 proposed to S. 1160, an original bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

SENATE CONCURRENT RESOLUTION 49—CONGRESSIONAL APPROVAL OF PLANS TO COMMEMORATE THE 200TH ANNIVERSARY OF THE NORTHWEST ORDINANCE

Mr. GLENN (for himself and Mr. Metzenbaum) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. Con. Res. 49

Whereas the crowning achievement of the Congress of the United States under the Articles of Confederation was the enactment of the Northwest Ordinance of July 13, 1787, providing civil government for and opening to settlement the region from which the States of Ohio, Indiana, Illinois, Michigan, Wisconsin, and Minnesota (in its eastern part) emerged;

Whereas the first Congress of the United States under the Constitution through one of its first laws continued the Northwest Ordinance in effect, thus standing by the first

national guarantee of the civil and religious liberties of Americans;

Whereas subsequent Congresses adhered to the policy of the Northwest Ordinance in providing for the self-government of territories and their reception into the Union on a basis of complete equality with the other States;

Whereas 120 years ago the 38th Congress proposed the Thirteenth Amendment to the Constitution using the language of the Northwest Ordinance to extend prohibition of slavery throughout the Nation; and

Whereas the two hundredth anniversary of the Northwest Ordinance, which will be marked during the life of the One Hundredth Congress, should be observed with gratitude for its blessings and dedication to its principles: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress approves the efforts of the Northwest Ordinance Bicentennial Planning Committee to encourage, coordinate, and sponsor commemorative activities, and calls for a celebration of the bicentenary of the Northwest Ordinance that will broaden and deepen our people's understanding and appreciation of this great work of American legislation.

Mr. GLENN. Mr. President, today I rise to submit a concurrent resolution commemorating the bicentennial of the Northwest Ordinance. A companion measure has already been introduced in the House of Representatives by the Honorable Clarence E. Miller.

The Northwest Ordinance, enacted on July 13, 1787, outlined a governmental framework from which the States of Ohio, Indiana, Illinois, Michigan, Wisconsin, and Minnesota emerged. These States owe much to the provisions of the ordinance which guaranteed civil and religious liberties, prohibited slavery and fostered education. Further, the ordinance established a precedent for a procedure by which territories, after a period of self-government, were able to enter the Union on an equal footing with the other States.

The city of Marietta was the first permanent American settlement in the Northwest Territory. By 1801, agitation had begun for the admission of Ohio as a separate State and on March 1, 1803, legislation was enacted making my home State the 17th in the Union. Marietta was, therefore, the first settlement in Ohio, and Ohio the first State of the Territory to become one of the United States.

The Northwest Ordinance established a colonizing system so successful that Americans scarcely recognize it as such. Concerning the Northwest Ordinance, Judge Timothy Walker of Ohio once observed, "it approaches as nearly to absolute perfection as anything to be found in legislation of mankind; for after the experience of 50 years it would perhaps be impossible to alter it without marring it."

Mr. President, this concurrent resolution confers congressional approval for the efforts of the Northwest Ordinance Bicentennial Planning Committee. The committee seeks to encourage, coordinate, and sponsor commemorative activities, especially those with an educational objective, throughout the States of the Old Northwest. The ordinance is a landmark in legislative history and is deserving of recognition which would serve to broaden the American people's understanding and appreciation of this historic event.

Mr. President, I urge my colleagues' full and favorable consideration of this measure.

SENATE RESOLUTION 176—TO COMMEND LARRY E. SMITH

Mr. DOLE (for himself, Mr. Byrd, and Mr. Hatfield) submitted the following resolution; which was considered and agreed to:

S. Res. 176

Whereas, Larry E. Smith has served the Senate of the United States for 14 years in many capacities including Deputy Sergeant at Arms and Sergeant at Arms for the past two years; and

Whereas, as Sergeant at Arms, the said Larry E. Smith has performed the duties and discharged the responsibility of his offices with unfailing dedication; and

Whereas, he has conscientiously carried out his charge to provide security and protection for all those who work in and visit the Senate; and

Whereas, by carrying out these responsibilities he has gained the trust, confidence and respect of all who have worked with him: Now, therefore, be it

Resolved, that the Senate recognizes the important contributions of Larry E. Smith to the Senate and to the United States and expresses to him its deep appreciation and gratitude for his dedicated service.

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1986

EAGLETON AMENDMENT NO. 234

Mr. EAGLETON proposed an amendment to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations to the Department of Energy for national security programs for such fiscal year, and for other purposes; as follows:

On page 100, between lines 2 and 3, insert the following new title:

TITLE X—ORGANIZATIONAL STRUCTURE OF THE JOINT CHIEFS OF STAFF

CONGRESSIONAL FINDINGS

Sec. 1001. The Congress finds that—

(1) under current law, the Joint Chiefs of Staff are the principal military advisers to the President, the National Security Council, and the Secretary of Defense;

(2) since the creation of the Joint Chiefs of Staff a number of studies by so-called blue-ribbon commissions have found serious defects in the organizational structure of the Joint Chiefs of Staff; and

(3) in order to ensure that the President, the National Security Council, and the Secretary of Defense receive the best possible military advice, it is imperative that major organizational changes be made in the present system of providing such advice.

CHIEF OF MILITARY STAFF; JOINT MILITARY STAFF

Sec. 1002. (a) Chapter 5 of title 10, United States Code, is amended to read as follows:

"CHAPTER 5—CHIEF OF MILITARY STAFF

"Sec.
"141. Chief of Military Staff.
"142. Deputy Chief of Military Staff.
"143. Joint Military Staff.

"§ 141. Chief of Military Staff

"(a) There is a Chief of Military Staff who shall be appointed by the President, by and with the advice and consent of the Senate, from the officers of the regular components of the armed forces. The Chief of Military Staff serves at the pleasure of the President for a term of two years and may be reappointed in the same manner as originally appointed for not more than three additional terms, except that in time of war declared by the Congress there is no limit on the number of reappointments.

"(b)(1) The Chief of Military Staff is the principal uniformed military adviser to the President, the National Security Council, and the Secretary of Defense. While holding office, the Chief of Military Staff outranks all other officers in the armed forces. However, he may not exercise command over any of the armed forces or any component thereof.

"(2) Subject to the authority and direction of the President and the Secretary of Defense, the Chief of Military Staff shall—

"(A) prepare strategic plans and provide for the strategic direction of the armed forces;

"(B) prepare joint logistic plans and assign logistic responsibilities to the armed forces in accordance with those plans;

"(C) establish unified commands in strategic areas;

"(D) review the major material and personnel requirements of the armed forces in accordance with strategic and logistic plans;

"(E) formulate policies for the joint training of the armed forces;

"(F) formulate policies for coordinating the military education of members of the armed forces;

"(G) provide for representation of the United States on the Military Staff Committee of the United Nations in accordance with the Charter of the United Nations; and

"(H) perform such other duties as the President or the Secretary of Defense may prescribe.

"(3) The Chief of Military Staff shall also direct the operations of the Joint Military Staff.

"§ 142. Deputy Chief of Military Staff

"(a)(1) There is a Deputy Chief of Military Staff. The Deputy Chief shall be appointed by the President, by and with the advice and consent of the Senate, from the officers of the regular components of the armed forces. The Deputy Chief serves at the pleasure of the President for a term of two years and may be reappointed in the same manner as originally appointed for not more than three additional terms, except that in time of war declared by the Congress there is no limit on the number of reappointments.

"(2) If the Chief of Military Staff is a member of the Army or Air Force, the Deputy Chief shall be a member of the Navy or Marine Corps. If the Chief of Military Staff is a member of the Navy or Marine Corps, the Deputy Chief shall be a member of the Army or Air Force.

"(b) The Deputy Chief acts as Chief of Military Staff in the absence or disability of the Chief of Military Staff and exercises such duties as may be delegated by the Chief of Military Staff with the approval of the Secretary of Defense. When there is a vacancy in the office of Chief of Military Staff, the Deputy Chief, unless otherwise directed by the President or the Secretary of Defense, shall perform the duties of the Chief of Military Staff until a successor is appointed.

"§ 143. Joint Military Staff

"(a)(1) There is under the Chief of Military Staff a Joint Military Staff consisting of not more than 400 officers.

"(2) Members of the Joint Military Staff shall be selected by the Chief of Military Staff from among officers recommended by the Secretaries of the military departments. The Chief of Military Staff shall select officers for service on the Joint Military Staff in approximately equal numbers from (A) the Navy, (B) the Navy and Marine Corps, and (C) the Air Force. The Secretary of a military department shall recommend for selection for service on the Joint Military Staff only those officers under his jurisdiction who are most qualified by training, experience, and knowledge to serve on such staff.

"(3) The Chief of Military Staff may specify the number of names on any list of officers recommended by the Secretaries of the military departments for selection to serve on the Joint Military Staff, but may select for service on the Joint Military Staff not more than one hundred officers who are not recommended for selection by the Secretaries of the military departments.

"(4) Members of the Joint Military Staff serve at the pleasure of the Chief of Military Staff for a period of three years. The Chief of Military Staff may select an officer for service on the Joint Military Staff for a second consecutive three-year period after consultation with the Secretary of the military department of which such officer is a member.

"(b)(1) The Chief of Military Staff in consultation with the Secretary of Defense shall select the Director of the Joint Military Staff. Except in time of war, the tour of duty of the Director may not exceed three years. Upon the completion of a tour of duty as Director of the Joint Military Staff, the Director, except in time of war, may not be reassigned to the Joint Military Staff. The Director must be an officer junior in grade to each member of the National Military Advisory Council established under section 178 of this title.

"(2) The Joint Military Staff shall perform such duties as the Chief of Military Staff prescribes. The Chief of Military Staff manages the Joint Military Staff and its Director.

"(c)(1) Under regulations approved by the Secretary of Defense, the Secretaries of the military departments shall take such actions as may be necessary to ensure that the service of officers on the Joint Military Staff is accorded substantial weight in determining the qualifications of officers for recommendation for promotion to grades specified by such Secretaries.

"(2)(A) At the same time that selection boards are convened by the Secretary of the military department concerned under chapter 36 of this title to consider officers in a particular competitive category for promotion to the grade of lieutenant colonel, colonel, brigadier general, or major general in the Army, Air Force, or Marine Corps or to commander, captain, commodore admiral, or rear admiral in the Navy, the Secretary of such military department shall also convene a special selection board under this paragraph if the Chief of Military Staff so requests.

"(B) When a special selection board is convened under this paragraph, the board shall consider for promotion to the next higher grade only officers serving on the Joint Military Staff in the same grade and in the same competitive category as officers being considered for promotion to such grade and in such competitive category by a board convened under chapter 36 of this title and who are otherwise eligible for consideration for promotion to the next higher grade.

"(C)(i) Of the total number of officers in each particular competitive category in the grade of lieutenant colonel and colonel in the Army, Air Force, and Marine Corps and in the grade of commander and captain in the Navy to be promoted to the next higher grade, as determined by the Secretary of the military department convened under section 615 of this title, a number of officers considered for promotion to such grade in such competitive category equal to 3 percent shall be promoted to such next higher grade from among officers in such competitive category recommended for promotion to such grade by a special board convened under this paragraph.

"(ii) Of the total number of officers in each particular competitive category in the grade of brigadier general in the Army, Air Force, or Marine Corps and commodore admiral in the Navy to be promoted to the next higher grade, as determined by the Secretary of the military department concerned under section 615 of this title, a number of officers considered for promotion to such grade in such competitive category equal to 10 percent shall be promoted to such next higher grade from among officers in such competitive category recommended for promotion to such grade by a special selection board convened under this paragraph.

"(iii) The number of officers that may be selected for promotion to any grade in any competitive category by a selection board convened under chapter 36 shall be reduced by a number of officers equal to the number that is to be selected for promotion to such grade in such competitive category by special selection board convened under this paragraph.

"(D) Special selection boards convened under this section shall be subject to the provisions of chapter 36 of this title to the extent practicable, as determined by the Secretary of Defense. The provisions of this paragraph shall be carried out in accordance with regulations prescribed by the Secretary of Defense,".

(b) The table of chapters at the beginning of title 10, United States Code, and at the beginning of subtitle A of such title are each amended by striking out the item relating to chapter 5 and inserting in lieu thereof the following:

"5. Chief of military staff .... 141".

NATIONAL MILITARY ADVISORY COUNCIL

Sec. 1003. Chapter 7 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 178. National Military Advisory Council

"(a) There is established in the Department of Defense a National Military Advisory Council. The Council shall consult with and advise the Chief of Military Staff on all matters with respect to which the Chief of Military Staff is responsible.

"(b)(1) The Council shall consist of four senior military officers, one each from the Army, Navy, Marine Corps, and Air Force, to be appointed by the President, by and with the advice and consent of the Senate. Before making an appointment under this subsection, the President shall consult with the Secretary of Defense and the Chief of Military Staff regarding the appointment. Only officers having outstanding qualifications, including substantial joint or unified command experience, shall be eligible for appointment to the Council.

"(2) Officers shall be appointed to the Council for a term of two years and may be reappointed in the same manner as originally appointed for not more than three additional terms, except that in time of war declared by the Congress there is no limit on the number of reappointments.

"(3) Officers appointed to the Council may not be assigned any duties other than those referred to in subsection (a) and may not exercise any command authority in any armed force.

"(c) Only the most experienced and outstanding members of the armed forces may be appointed to the National Military Advisory Council. Nothwithstanding any other provision of law, a member of the armed forces may not serve on active duty after completion of his term or terms on the Council, except that such restriction may be waived by the Secretary of Defense in the case of any member in time of war declared by the Congress.".

TECHNICAL AND CONFORMING AMENDMENTS

Sec. 1004. (a)(1) Section 171(a) of title 10, United States Code, is amended by striking out clause (7) and inserting in lieu thereof the following:

"(7) the Chief of Military Staff;".

(2) Section 264(b) of such title is amended by striking out "Joint Chiefs of Staff" and inserting in lieu thereof "National Advisory Council".

(3) Section 268(c)(2) of such title is amended by striking out "Joint Chiefs of Staff" and inserting in lieu thereof "National Advisory Council".

(4) Section 525(b)(3) of such title is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(5) Section 743 of such title is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(6) Section 5081(b) of such title is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(b)(1) Section 413 of title 37, United States Code, is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(2) The heading for section 413 of such title is amended to read as follows:

"§ 413. Chief of Military Staff".

(3) The table of sections at the beginning of chapter 7 of such title is amended by striking out the item relating to section 413 and inserting in lieu thereof the following:

"413. Chief of Military Staff.".

(c) Section 411(a) of title 38, United States Code, is amended by inserting "or Chief of Military Staff" after "Chairman of the Joint Chiefs of Staff" in footnote 2 of the table contained in such section.

STEVENS AMENDMENT NO. 235

Mr. STEVENS proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following new section:

ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM

Sec. . (a) Section 419A of the Higher Education Act of 1965 (hereafter in this section referred to as the "Act") is amended by striking out "Federal Merit Scholarship Program" and inserting in lieu thereof "Robert C. Byrd Honors Scholarship Program".

(b) Section 419C of the Act is amended by adding at the end thereof the following new subsection:

"(d) Scholarships awarded under this subpart shall be known as 'Byrd Scholars'.".

(c) Section 419E(3) of the Act is amended by striking out "Federal" and by inserting "under this subpart" after "scholarships".

(d) The heading of subpart 6 of part A of title IV of the Act is amended to read as follows: "Subpart 6—Robert C. Byrd Honors Scholarship Program".

EAGLETON (AND SIMON) AMENDMENT NO. 236

Mr. EAGLETON (for himself and Mr. Simon) proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 3 and 4, insert the following new section:

REPORT ON BUDGETING FOR INFLATION

Sec. (a) The Secretary of Defense shall submit to the Congress, not later than September 1, 1985, a report containing an explanation of what the Department of Defense does with funds in any fiscal year that are saved as a result of a decrease in the anticipated rate of inflation during such year and an estimate of the amount of unobiligated funds from previous fiscal years that is proposed to be obligated during the current fiscal year that represents savings realized as the result of a difference in the inflation rate assumed at the time funds were appropriated and the actual rate of inflation.

(b) The Secretary shall also include in the report required under subsection (a) a proposal or alternative proposals for a budget system under which (1) funds for any fiscal year would be appropriated to the Department of Defense without the addition of any amount for anticipated inflation during such fiscal year, and (2) requests would be made to the Congress at the end of the fiscal year for any additional funds made necessary by reason of inflation during the fiscal year.

(c) The Secretary shall also include in such report—

(1) his recommendations for procedures which would effectively implement a proposal submitted under subsection (b); and

(2) a discussion of the advantages and disadvantages of instituting such a proposal, together with any other comments and recommendations the Secretary considers appropriate.

BYRD (AND THURMOND) AMENDMENT NO. 237

Mr. BYRD (for himself and Mr. Thurmond) proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place in the bill insert the following:

"(a) Subsection (a) of section 794 of title 18, United States Code, is amended by

(1) striking out the period and inserting a semicolon in lieu thereof; and

(2) inserting at the end thereof the following new paragraph—

'*Provided however*, if the foreign government is the government of the Soviet Union or of any other communist country whoever is convicted under this subsection shall be punished by death or for the rest of his life as provided in the following sentence. Notwithstanding any other provision of law, the court, in imposing a life sentence under this provision of this subsection, shall not sentence the defendant to probation, nor suspend such sentence, and the defendant shall not be eligible for release on parole.'.

"(b) Subsection (b) of section 794 of title 18, United States Code, is amended by—

(1) striking out 'for any term of years or for life' and inserting in lieu thereof 'for the rest of his life as provided in the following sentence'; and

(2) inserting at the end thereof the following: 'Notwithstanding any other provision of law, the court, in imposing a life sentence under this subsection shall not sentence the defendant to probation, nor suspend such sentence, and the defendant shall not be eligible for release on parole.'.

BYRD AMENDMENT NO. 238

Mr. BYRD proposed an amendment to the bill S. 1160, supra; as follows:

At the end of Title 7 in the bill, add the following new section:

Sec. . Notwithstanding any other provision of law or of this act.

(a)(1) If a contractor submits for reimbursement any cost, other than those costs covered by Sec. 702(b)(1) of this act, for which there is clear and convincing evidence that that cost has been defined as expressly unallowable by statute or regulation, the cost shall be disallowed and the contractor shall be liable to the United States for an amount equal to the amount of the disallowed cost, plus interest to be computed from the date on which the request for reimbursement of such cost was submitted until final settlement of the contractor until the claim for such cost is withdrawn, and at the applicable rate prescribed by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat. 97).

(2) In the case of a payment by the government of any price which was increased by reason of the submission of inaccurate, incomplete, or noncurrent cost and pricing data, the contractor shall be liable to the United States for an amount equal to the amount that such price was increased, plus interest to be computed from the date the payment was made to the contractor to the date the government is repaid by the contractor at the applicable rate prescribed by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat. 97).

(3) Section 719 of the Defense Production Act of 1950 (50 U.S.C. App. 2168) is amended by striking out the third sentence in subsection (h)(1) and inserting in lieu thereof the following. "Such interest shall be set at a rate established by the Secretary of the Treasury pursuant to Public Law 92-41. Such interest shall accrue from the time such payments were made to the contractor or subcontractor to the time such price adjustment is effected.".

(b) This provision shall take effect for contracts entered into on and after the effective date of this Act.

On page 69, line 14, strike the period at the end of the sentence and add the following: plus interest to be computed from the date on which the request for reimbursement of such cost was submitted until final settlement of the contract or until the claim for such cost is withdrawn, and at the applicable rate prescribed by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat 97).

KERRY (AND OTHERS) AMENDMENT NO. 239

Mr. KERRY (for himself, Mr. Chafee, Mr. Mathias, Mr. Bumpers, Mr. Baucus, Mr. Burdick, Mr. Cranston, Mr. Dodd, Mr. Harkin, Mr. Hart, Mr. Hatfield, Mr. Inouye, Mr. Kennedy, Mr. Lautenberg, Mr. Leahy, Mr. Matsunaga, Mr. Metzenbaum, Mr. Mitchell, Mr. Pell, Mr. Proxmire, Mr. Riegle, Mr. Sarbanes, Mr. Simon, Mr. Stafford, Mr. Levin, Mr. Heinz, and Mr. Biden) submitted an amendment to the bill S. 1160, supra; as follows:

At the appropriate place in the bill, insert the following:

That (a) the Congress finds that

(1) the United States and the Soviet Union have agreed to resume negotiations on the control of nuclear weapons and weapons in space;

(2) the United States and the Soviet Union are currently observing a moratorium on the testing of anti-satellite weapons against objects in space; and

(3) the current moratorium on the testing of anti-satellite weapons against objects in space has helped to create an atmosphere conducive to continued United States-Soviet negotiations.

(b) Section 8100 of the Department of Defense Appropriations Act, 1985, as contained in section 101(h) of the joint resolution entitled "A joint resolution making continuing appropriations for the fiscal year 1985, and for other purposes" (Public Law 98-473) is amended—

(1) in subsection (a)—

(A) by striking out "(a)";

(B) by striking out paragraphs (1) through (4); and

(C) by adding at the end thereof the following:

"(1) that the Soviet Union refuses to resume or continue negotiations aimed at achieving an agreement on anti-satellite weapons; or

"(2) that the Soviet Union has conducted a test of an anti-satellite weapon against an object in space"; and

(2) by striking out subsections (b) and (c).

(c) Notwithstanding any other provision by law, no funds appropriated for the fiscal year 1986 may be obligated or expended to

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test against an object in space the miniature homing vehicle (MHV) anti-satellite warhead launched from an F-15 aircraft unless the President determines and certifies to the Congress—

(1) that the Soviet Union refuses to resume or continue negotiations aimed at achieving an agreement on anti-satellite weapons; or

(2) that the Soviet Union has conducted a test of an anti-satellite weapon against an object in space.

WARNER (AND OTHERS) AMENDMENT NO. 240

Mr. WARNER (for himself, Mr. BINGAMAN, and Mr. KERRY) proposed an amendment, which was subsequently modified, to the bill S. 1160, supra; as follows:

At the appropriate place in this bill, insert the following:

(a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated or made available in this or any other Act may be obligated or expended to test against an object in space the miniature homing vehicle (MHV) anti-satellite warhead launched from an F-15 aircraft unless the President determines and certifies to Congress—

(1) that the United States is endeavoring, in good faith, to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on anti-satellite weapons consistent with the national security interests of the United States;

(2) that, pending agreement on such strict limitations, testing against objects in space of the F-15 launched miniature homing vehicle anti-satellite warhead by the United States is necessary to avert clear and irrevocable harm to the national security;

(3) that such testing would not constitute an irreversible step that would gravely impair prospects for negotiations on antisatellite weapons; and

(4) that such testing is fully consistent with the rights and obligations of the United States under the Anti-Ballistic Missile Treaty of 1972 as those rights and obligations exist at the time of such testing.

(b) The limitation on the expenditure of funds provided by subsection (a) of this section shall cease to apply 15 calendar days after the date of the receipt by Congress of the certification referred to in subsection (a).

(c) Notwithstanding any other provision of law, none of the funds authorized to be appropriated or made available in this or any other Act may be obligated or expended to conduct more than 3 tests against an object in space the miniature homing vehicle (MHV) antisatellite warhead launched from an F-15 aircraft unless the President makes the determination and certification contained in subparagraphs (1) to (4) in section (a) above after the third test against an object in space and 15 calendar days have elapsed after the date of the receipt of the certification to Congress.

KENNEDY AMENDMENT NO. 241

Mr. KENNEDY proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place, insert the following:

None of the funds authorized to be appropriated in this legislation shall be expended for research, development, test or procurement associated with a nuclear variant of the Standard Missile (SM-2(N)) or any associated nuclear warhead until 30 calendar days after the Secretary of Navy submits to the Senate and House Armed Services Committee a report which includes the following information:

(1) description of the circumstances under which the SM-2(N) would be utilized, and an assessment of likely enemy response (including countermeasures).

(2) a description of the release procedures and circumstances under which release would be authorized for employment of the SM-2(N).

(3) an analysis of conventional alternatives to the SM-2(N), including any necessary modification to the SM-2 or alternative to the Standard missile on warhead, and the associated costs of those alternatives.

(4) a summary of all studies previously conducted analyzing the impact of the use of nuclear naval surface-to-air missiles on our own vessels and electronics.

(5) a list of all U.S. ships which may receive the SM-2(N).

(6) the number of additional conventional armed missiles which could be carried by U.S. ships if the SM-2(N) were not deployed and the impact on fleet air defense from that reduced conventional load.

(7) Any plans or programs for development of a nuclear naval surface-to-air or air-to-air missile for fleet defense other than the SM-2(N).

WALLOP AMENDMENT NO. 242

Mr. WALLOP proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place, insert the following: Notwithstanding any other provision of law, the Department of Defense shall be primarily responsible for providing military and paramilitary assistance, covertly as well as overtly, to such foreign governments, groups or factions as the President shall lawfully designate.

METZENBAUM (AND OTHERS) AMENDMENT NO. 243

Mr. METZENBAUM (for himself, Mr. FORD, Mr. BOREN, Mr. PROXMIRE, Mr. PRYOR, Mr. LAUTENBERG, and Mr. HARKIN) proposed an amendment to the bill S. 1160, supra; as follows:

At the end of the bill, add the following:

TITLE —RENEGOTIATION ACT EXTENSION

SEC. 1. SHORT TITLE.

This Act may be cited as the "Renegotiation Reform Act of 1985".

SEC. 2. REMOVAL OF TERMINATION DATE; DEFINITION OF PROFITS AND EXCESSIVE PROFITS; DEFINITION OF DEPARTMENT.

(a) REMOVAL OF TERMINATION DATE.—Section 102(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1212(c)) is amended by striking out paragraph (1) and by striking out "(2) Termination of status as department.".

(b) DEFINITION OF EXCESSIVE PROFITS.—Section 103(e)(1) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(e)(1)) is amended by striking out "war and peacetime products" and inserting in lieu thereof "renegotiable and nonrenegotiable products and services".

(c) DEFINITION OF DEPARTMENT.—Section 103(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(a)) is amended by striking out "the Atomic Energy Commission," and inserting in lieu thereof the following: "the Nuclear Regulatory Commission, the Energy Research and Development Administration,".

(d) DEFINITION OF PROFIT.—Section 103(f) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(f)) is amended to read as follows:

"(f) The term 'profits derived from contracts with the Departments and subcontracts' means the return of investment on such contracts and subcontracts.".

SEC. 3. TERMS OF OFFICE AND POLITICAL AFFILIATION OF MEMBERS OF RENEGOTIATION BOARD.

(a) GENERAL RULE.—Section 107(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(a)) is amended by striking out ", at the time of appointment," in the third sentence thereof and by adding at the end thereof the following new sentences: "The term of office of each member of the Board shall be five years; except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. Not more than three members of the Board may be members of the same political party.".

(b) EFFECTIVE DATE AND TRANSITIONAL RULE.—

(1) IN GENERAL.—The amendment made by this section shall only apply to members appointed to the Renegotiation Board on or after January 1, 1985.

(2) TRANSITIONAL RULE.—Of the individuals who are appointed to be members of the Renegotiation Board on or after the date of enactment of this Act—

(A) one shall be deemed to have been appointed for a term ending December 31, 1986;

(B) one shall be deemed to have been appointed for a term ending December 31, 1987;

(C) one shall be deemed to have been appointed for a term ending December 31, 1988;

(D) one shall be deemed to have been appointed for a term ending December 31, 1989; and

(E) one shall be deemed to have been appointed for a term ending December 31, 1990;

as designated by the President at the time of the appointment.

SEC. 4. PROCEDURES FOR RENEGOTIATION.

Section 105(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(a)) is amended to read as follows:

"SEC. 105. RENEGOTIATION PROCEEDINGS.

"(a) IN GENERAL.—

"(1) PROCEEDINGS BEFORE THE BOARD.—Renegotiation proceedings shall be commenced after the mailing of notice of the proceedings, in such form as may be prescribed by regulation, by registered mail or by certified mail to the contractor or subcontractor. The Board shall either (A) make an agreement with one contractor or subcontractor with respect to the elimination of excess profits received or accrued, and with respect to such other matters relating thereto as the Board deems advisable; and any such agreement, if made, may, with the consent of the contractor or subcontractor, also include provisions with respect to the elimination of excessive profits likely to be received or accrued; or (B) issue and enter an order determining the amount, if any, of such excessive profits, and forthwith give notice thereof by registered mail or by certified mail to the contractor or subcontractor. In the absence of the filing of a petition with the Court of Claims under the provisions and within the time limit prescribed in section 108, such order shall be final and conclusive and shall not be subject to review or redetermination by any court or other agency. Whenever the Board makes a determination by order with respect to the amount of excessive profits of a contractor or subcontractor, and such determination is made by order, it shall, at the request of such contractor or subcontractor, as the case may be, prepare and furnish such contractor or subcontractor with a statement of such determination, of the facts used as a basis therefor, and of its reasons of such determination.

"(2) METHOD OF RENEGOTIATION.—The Board shall exercise its powers with respect to the aggregate of all amounts received or accrued during any fiscal year (or such other annual period as may be determined by the Board) under the contractor's or subcontractor's normal accounting system for all contracts and subcontracts subject to renegotiation: *Provided*, That the percentage-of-completion method of accounting shall not be used. However, amounts received or accrued under long-term contracts or subcontracts which provide for completed production units to be delivered or units of service to be rendered over a period of more than one year, and for which a stated price for such units has been established in the contract, shall be included in the fiscal year (or such other annual period as may be determined by the Board) in which such units are delivered or services rendered or in the fiscal year in which the contract or subcontract is completed. The Board shall renegotiate all contracts and subcontracts by division and by major product line within a division of the contractor or subcontractor. Contract modifications or options providing for additional units of production or services shall not be regarded for purposes of renegotiation as extending the period of performance set out in the original contracts or subcontracts, but shall be treated for purposes of renegotiation as if such contract modifications or options were new contracts or subcontracts.".

SEC. 5. ELIMINATION OF EXEMPTIONS FOR CERTAIN CONTRACTS.

(a) ELIMINATION OF EXEMPTION FOR STANDARD COMMERCIAL ARTICLES AND SERVICES.—Section 106(e) of the Renegotiation Act of 1951 (50 U.S.C. App. 1216(e)) is repealed.

(b) STUDY AND INVESTIGATION.—The Renegoations Board shall conduct a comprehensive study and investigation of the cost and pricing data submitted to the Board pertaining to the exemptions for durable productive equipment. A report of such study with particular reference to the profitability of the exempted items shall be submitted to the Congress on or before December 31, 1985, together with such recommendations as it deems appropriate.

SEC. 6. MINIMUM AMOUNT SUBJECT TO RENEGOTIATION.

(a) Section 105(f) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(f)) is amended—

(1) in paragraph (1) by inserting ", or $5,000,000 in the case of a fiscal year ending after September 30, 1985" after "June 30, 1956" each time it appears thereof; and

(2) in paragraph (3) by inserting "the $5,000,000 amount," after "the $1,000,000 amount," the first time it appears therein, and by adding at the end thereof the following sentence: "In the case of a fiscal year beginning on or before the termination date and ending after the termination date, the $5,000,000 amount shall be reduced to an amount which bears the same ratio to $5,000,000 as the number of days in such fiscal year before the close of the termination date bears to 365.".

(b) Section 105(f)(2) and section 105(f)(3) of the Renegotiation Act of 1951 are amended by striking out "$25,000" each time it appears therein and inserting in lieu thereo "$50,000".

SEC. 7. PENALTIES FOR FAILURE TO FILE CERTAIN STATEMENTS OR FOR FILING MISLEADING INFORMATION.

(a) IN GENERAL.—Section 105(e) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(e)) is amended by striking out the last sentence of paragraph (1) and by adding at the end of such subsection the following new paragraph:

"(3) PENALTIES.—

"(A) FAILURE TO FILE.—Any person who knowingly fails or refuses to file or furnish any statement, information, records, or data on or before the date on which such person is required under paragraph (1) to file or furnish such statement, information, records, or data shall be subject to a civil penalty (not to exceed $100,000 for any such failure) of $100 for each day thereafter occurring before the day on which such person files or furnishes such statement, information, records, or data in accordance with paragraph (1). Such penalty shall be assessed by the Board and may be collected in a civil action brought by the United States in a United States district court under section 1355 of title 29, United States Code.

"(B) FALSE OR MISLEADING INFORMATION.—Any person who knowingly furnishes any statement, information, records, or data pursuant to paragraph (1) containing information which is false or misleading in any material respect shall, upon conviction thereof, be punished by a fine of not more than $50,000 or imprisonment for not more than one year, or both.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act.

SEC. 8. INTEREST ON AMOUNT OF EXCESSIVE PROFITS.

(a) GNERAL RULE.—Section 105(b)(2) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(b)(2)) is amended to read as follows:

"(2) INTEREST.—

"(A) IN GENERAL.—Interest on the amount of excessive profits determined for any fiscal year (or such other period as may be determined by the Board) shall accrue and be paid at the per annum rate determined under subparagraph (C) for the period beginning after the last day of such fiscal year (or such period), and from such last day to the date of payment or recovery.

"(B) AMOUNTS REQUESTED TO BE WITHHELD.—Interest on any amount required to be withheld by any person or subcontractor for the account of the United States pursuant to paragraph (1)(C) shall accrue and be paid at the per annum rate determined under subparagraph (C) for the period beginning after the last day of such fiscal year (or such other period) on the date on which payment of such amount is demanded by the Secretaries or any of them, and from such date to the date of payment or recovery.

"(C) INTEREST RATE.—On July 1 and December 31 of each year, the Secretary of the Treasury shall specify an interest rate which shall be applied for purposes of this subsection to excessive profits and amounts required to be withheld, taking into consideration current private commercial rates of interest for new loans maturing in approximately 5 years.".

(b) TECHNICAL AMENDMENT.—Section 108 of such Act (50 U.S.C. App. 1218) is amended by striking out "the next to the last sentence of section 105(b)(2)" and inserting in lieu thereof "section 105(b)(2)(C).".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to fiscal years (as defined in section 103(b) of the Renegotiation Act of 1951) or other periods ending after the date of enactment of this Act.

SEC. 9. AMENDMENTS RELATING TO AUTHORITY AND FUNCTIONS OF THE CHAIRMAN.

(a) APPORTIONMENT OF PERSONNEL BY THE CHAIRMAN.—

(1) The second sentence of section 107(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(c)) is amended by striking out "The Board" and inserting in lieu thereof the following: "Subject to such rules as may be adopted by the Board, the Chairman".

(2) The third sentence of section 107(c) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(c)) is amended by striking out "The Board" and inserting in lieu thereof "Subject to such rules as may be adopted by the Board, the Chairman".

(b) AUTHORITY AND FUNCTIONS OF THE CHAIRMAN.—Section 107 of the Renegotiation Act of 1951 (50 U.S.C. 1217) is amended by adding at the end thereof the following new subsection:

"(e) AUTHORITY AND FUNCTIONS OF THE CHAIRMAN.—

"(1) IN GENERAL.—The Chairman of the Board shall be its chief executive officer and shall direct the executive functions of the Board, which include but are not limited to the supervision of personnel, the distribution of business among such personnel and among the administrative units of the Board, and the distribution of funds. The Chairman may delegate to any officer or officers of the Board any function or power granted to the Chairman under this Act.

"(2) SPECIFIC LIMITATIONS.—The preparation and revision of budget estimates and the determination of the distribution of appropriated moneys according to major programs and purposes shall be carried out by the Board.".

(c) PAY OF THE CHAIRMAN AND OTHER MEMBERS OF THE BOARD.—The fourth sentence of section 107(a) of the Renegotiation Act of 1951 (50 U.S.C. App. 1217(a)) is amended to read as follows: "The Chairman shall receive compensation at the rate of basic pay in effect for level IV of the Executive Schedule, and the other members shall receive compensation at the rate in effect for level V of the Executive Schedule.".

SEC. 10. AMENDMENTS RELATING TO ADMINISTRATION AND POWERS OR RENEGOTIATION BOARD.

(a) GRANT OF SUBPENA POWER.—Section 107 of the Renegotiation Act of 1951 (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(g) ISSUANCE OF SUBPENAS.—

"(1) IN GENERAL.—A majority of the full membership of the Board or a majority of the Regional Board shall have the power to issue subpenas requiring the production of any records, books, or other documents relating to the Board's functions under this title.

"(2) Enforcement of subpena.—If a person issued a subpena under paragraph (1) refuses to obey such subpena or is guilty of contumacy, any district or territorial court of the United States within any judicial district within which such person is found or resides or transacts business may (upon application by the Board) order such person to produce the records, books, or other documents required to be produced under such subpena. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(3) Manner of service.—The subpenas of the Board shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

"(4) Where served.—All process of any court to which application may be made under this subsection may be served in any judicial district wherein the person required to be served resides or may be found or transacts business.".

(b) Audit of Financial Statements, Books, and Records.—Section 105(e)(2) of the Renegotiation Act of 1951 (50 U.S.C. App. 1215(e)(1)) is amended to read as follows:

"(2) Audit of financial statements, books, and records.—Every financial statement submitted pursuant to paragraph (1) shall be verified by an audit performed by the Board or its authorized audit representative. For the purpose of this title, the Board and its authorized audit representatives shall have access to and the right to examine and audit the books and records of any contractor or subcontractor subject to this title to the extent necessary to determine the accuracy and validity of such financial statements. In the interest of economy and the avoidance of duplication of inspection and audit, any Government department or agency holding contracts subject to this Act shall, upon request by the Board, provide audit support as necessary to verify such financial statements. The services of the Internal Revenue Service shall, upon request of the Board and with the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury, to assist in such examinations and audits.".

(c) Reports to the Secretaries of the Departments.—Section 15 of such Act (50 U.S.C. App. 1215) is amended by adding at the end thereof the following new subsection:

"(h) Reports to the Secretaries of the Department.—The Board shall, not later than 90 days after September 30 of each calendar year beginning after 1985, submit to the Secretary of each Department a report which shall contain—

"(1) a summary of each financial statement filed with the Board under subsection (c) during the 12-month period ending on September 30 of such calendar year (or in the case of September 30, 1986, the 15-month period ending on such date) by a contractor or subcontractor who for the fiscal year for which such statement was filed received or accrued amounts under contracts with such Department or subcontracts under contracts with such Department; and

"(2) such other information as the Board determines to be appropriate.".

(d) Annual Review by the General Accounting Office.—Section 107 of such Act (50 U.S.C. App. 1217) is amended by adding at the end thereof the following new subsection:

"(i) Annual Review by General Accounting Office.—The General Accounting Office shall conduct an annual review of the activities and operations of the Board and submit a report on such review to the Congress.".

(e) Effective Date.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 11. AMENDMENT RELATING TO WITNESS FEES.

(a) Repeal of Payment of Witness Fees.—The fifth sentence of section 108 of the Renegotiation Act of 1951 (50 U.S.C. App. 1218) is repealed.

SEC. 12. REFUNDING OF OVERCOLLECTIONS.

Section 108 such Act (50 U.S.C. App. 1218) is further amended by adding at the end thereof the following: "Any such refund shall be paid to the contractor or subcontractor in the manner prescribed by section 724a of title 31, United States Code, for payment of any other final judgments rendered against the United States. Refunds (not in excess of $100,000 in any one case) shall be paid out of any general appropriation therefor, on presentation to the General Accounting Office of a certification of the judgment pursuant to section 2517 of title 28, United State Code. Refunds (in excess of $100,000 in any one case) shall be paid by the Department of the Treasury upon application and presentation of original transcripts of judgments for certification to Congress for appropriation pursuant to section 2518 of title 28, United States Code.".

SEC. 13. REVIEW OF TAX COURT DECISIONS.

The Renegotiation Act (50 U.S.C. App. 1211 et seq.) is amended—

(1) by striking out "Court of Claims" each place it appears (except in section 114(5)) and insert in lieu thereof "Tax Court";

(2) by striking out section 108A and inserting in lieu thereof the following:

"SEC. 108A. REVIEW OF TAX COURT DECISIONS.

"(a) Jurisdiction.—Except as provided in section 1254 of title 28, the United States Court of Appeals shall have exclusive jurisdiction to review decisions by the Tax Court of the United States under section 108 of this Act in the same manner and to the same extent as decisions of the district courts in civil actions tried without a jury, except as otherwise provided in this section. In no case shall the question of the existence of excessive profits, or the extent thereof, be reviewed, and findings of fact by the Tax Court shall be conclusive unless such findings are arbitrary or capricious. The judgment of any such court shall be final except that it shall be subject to review, under the limitations herein provided for, by the Supreme Court of the United States upon certiorari, in the manner provided in section 1254 of title 28.

"(b) Powers.—Upon such review, such courts shall have only the power to affirm the decision of the Tax Court or to reverse such decision on questions of law and remand the case for such further action as justice may require, except that such court shall not reverse and remand the case for error of law which is immaterial to the decision of the Tax Court.

"(c) Venue of Appeals From Tax Court Decisions.—A decision of the Tax Court of the United States under section 108 of this Act may, to the extent subject to review, be reviewed by—

"(1) the United States Court of Appeals for the circuit in which is located the office to which the contractor or subcontractor made his Federal income tax return for the taxable year which corresponds to the fiscal year with respect to which such decision of the Tax Court was made, or if no such return was made for such taxable year, then by the United States Court of Appeals for the District of Columbia, or

"(2) any United States Court of Appeals designated by the Attorney General and the contractor or subcontractor by stipulation in writing.".

SEC. 14. REPORTS TO CONGRESS.

The first sentence of section 114 of the Renegotiation Act of 1951 is amended by striking out "January" the second time it appears therein and inserting in lieu thereof "April" and by striking out "June" and inserting in lieu thereof "September".

SEC. 15. AUTHORIZATION.

There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this title.

SEC. 16. TRANSFER.

All property (including records) of the Renegotiation Board that was transferred to the Administrator of General Services pursuant to Public Law 95–431 (92 Stat. 1043) and is available shall be transferred to the Renegotiation Board.

SEC. 17. COST AND PRICING DATA.

(a)(1) Subsection (f)(1) of section 2306 of title 10, United States Code, is amended by inserting "and are allowable in accordance with the requirements of law and applicable regulations and in accordance with such cost principles as the head of an agency makes applicable to the costs under such laws and regulations" after "current".

(2) Subsection (f)(2) of such section is amended by inserting "or were not allowable in accordance with the requirements of law and applicable regulations or in accordance with such cost principles as the head of the agency makes applicable to the costs under such laws and regulations" after "noncurrent".

(b) Section 2306 of such title is further amended by adding at the end thereof the following new subsections:

"(i) In any administrative or judicial proceeding to adjust the price of a contract under subsection (f)—

"(1) only cost and pricing data which were inaccurate, incomplete, or noncurrent when furnished with respect to the contract under subsection (f) and are higher than the accurate, complete, and current cost and pricing data which should have been furnished shall be considered for the purpose of determining an adjustment in the price of the contract;

"(2) it shall be conclusively presumed that the Government relied on all cost and pricing data furnished by the contractor or subcontractor under subsection (f); and

"(3) it shall not be a defense to an adjustment of the price of the contract that—

"(A) the price of the contract would not have been modified if accurate, complete, and current cost and pricing data had been furnished by the contractor or subcontractor because the contractor or subcontractor was the sole source of the property or services procured;

"(B) the price of the contract would not have been modified if accurate, complete, and current cost and pricing data had been furnished by the contractor or subcontractor because the contractor or subcontractor was in a superior bargaining position with respect to the property or services procured;

"(C) accurate, complete, and current cost and pricing data with respect to the contract were submitted to an officer or employee of the Government other than the contracting officer of the Government;

"(D) the contracting officer of the Government should have known that the cost and pricing data in issue were inaccurate, incomplete, or noncurrent even though the contractor or subcontractor furnishing the data took no affirmative action to bring the character of such data to the attention of the contracting officer;

"(E) the contract involved sales of military equipment to a foreign government;

"(F) the subcontractor furnished the cost or pricing data in issue on the contract or on a change or modification to the contract after the conclusion of an agreement between the Government and the prime contractor on such contract, change, or modification;

"(G) the contract was based on an agreement between the contractor and the Government about the total cost of the contract, and there was no agreement about the cost of each item procured under such contract; or

"(H) the prime contractor or subcontractor did not prepare and submit a certificate of cost and pricing data relating to the contract as required under subsection (f).

"(j)(1) In the case of an overpayment to a prime contractor or subcontractor by the United States Government by reason of the submission of inaccurate, incomplete, or noncurrent cost or pricing data under subsection (f), interest shall be charged on the amount of the overpayment. Interest shall be computed for the period beginning on the date of the overpayment and ending on the date the Government is reimbursed the amount of the overpayment or an adjustment under subsection (f) takes effect. Any adjustment in the price of the contract to the Government under subsection (f) shall include an adjustment for the amount of interest due the United States Government on the overpayment.

"(2) For the purposes of this subsection, the rate of interest charged for any period shall be the annual rate of interest established under section 6621 of the Internal Revenue Code of 1954 (26 U.S.C. 6621) for such period.".

TITLE —COST-ACCOUNTING STANDARDS BOARD

SHORT TITLE

Sec. 1. This title may be cited as the "Cost-Accounting Standards Board Amendments of 1985".

COST-ACCOUNTING STANDARDS BOARD AMENDMENTS

Sec. 2. (a) Subsection (a) of section 719 of the Defense Production Act of 1950 (50 U.S.C. App. 2168(a)) is amended to read as follows:

"(a)(1) There is established a Cost-Accounting Standards Board which shall consist of—

"(A) the Comptroller General of the United States who shall serve as Chairman of the Board; and

"(B) four members to be appointed by the President of the United States, by and with the advice and consent of the Senate.

"(2) of the members appointed to the Board—

"(a) two, of whom one shall be particularly knowledgeable about the cost accounting problems of small business, shall be from the accounting profession;

"(B) one shall be representative of industry; and

"(C) one shall be from a department or agency of the Federal Government.

"(3)(A) The term of office of each of the appointed members of the Board shall be four years, except that any member appointed to fill a vacancy in the Board shall serve for the remainder of the term for which his predecessor was appointed.

"(B) A vacancy on the Board shall be filled in the same manner in which the original appointment was made.

"(4) Each member of the Board appointed from private life shall receive compensation at the rate of one-two-hundred sixtieth of the rate prescribed for level IV of the Federal Executive Salary Schedule for each day (including travel-time) in which he is engaged in the actual performance of duties vested in the Board.".

"(b) The first sentence of subsection (g) of such section is amended to read as follows: "The Board may promulgate, from time to time, cost-accounting standards designed to achieve uniformity and consistency in the cost-accounting principles followed by defense contractors and subcontractors under Federal contracts.".

(c)(1) Subsection (h)(1) of such section is amended—

(A) in the first sentence, by inserting "interpret," after "amend,"; and

(B) by striking out the third sentence and inserting in lieu thereof the following: "The interest rate applicable to the price adjustment shall not exceed a rate determined by the Secretary of the Treasury, taking into consideration current long-term Federal Government borrowing rate. Such interest shall accrue from the time payments of the increased costs were made to the contractor or subcontractor to the time the price adjustment is effected.".

(2) Subsection (h)(3) of such section is amended to read as follows:

"((3)(A) Cost-accounting standards promulgated under subsection (g) and rules and regulations prescribed under this subsection shall take effect not earlier than the expiration of the first period of ninety calendar days of continuous session of the Congress followng the date on which a copy of the proposed standards, rules, or regulations is transmitted to the Congress.

"(B) For purposes of this paragraph, in the computation of the ninety-day period there shall be excluded the days on which either House is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die.

"(C) The provisions of this paragraph do not apply to modifications of cost-accounting standards, rules, or regulations which have become effective in conformity with those provisions.".

(d) Subsection (k) of such section is amended to read as follows:

"(k) The Board shall report to the Congress not later than one year after the date of enactment of the Cost-Accounting Standards Board Amendments of 1985, and annually thereafter, with respect to its activities and operations, together with such recommendations as it deems appropriate.".

(e) Such section is further amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following:

"(l) All cost-accounting standards, interpretations, modifications, rules, and regulations promulgated or issued by the Cost-Accounting Standards Board established by this section shall remain in effect unless and until amĕnded, superseded, or eliminated by the Board pursuant to the authority of this section.".

TITLE —CONTRACTOR PROFIT STUDIES

Sec. 1. (a) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section 2406:

"§ 2406. Contractor profit studies

"(a) The Secretary of Defense, on a regular periodic basis, shall carry out studies of profits made by contractors under Department of Defense contracts to determine whether the level of such profits is reasonable. The Secretary shall carry out the studies at least once each 4 years.

"(b) A study under subsection (a) shall include (1) the profits made by contractors under Department of Defense contracts, (2) a comparison of the level of profitability of defense contractors under such contracts with the level of profitability of contractors under nondefense contracts and with the general level of profitability of businesses in the private section, and (3) whether variations between the levels of profitability are reasonable under the circumstances, (4) the impact of cost allowability on pricing and profits, (5) the relationship of contract pricing to capital investment, (6) the use of pricing to motivate cost efficiency and (7) the relationship of payment policy and contract pricing.

"(c) The Secretary of Defense shall transmit the findings resulting from a study under subsection (a) to the Congress, the Comptroller General of the United States, and the Renegotiation Board established by section 107(a) of the Renegotiation Act of 1951.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"2406. Contractor profit studies.".

TITLE —LIMITATION ON CONTRACTOR CLAIMS

Sec. 1. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section 2324:

§ 2324. Limitation on contract claims

"(a) A claim submitted by a contractor requesting or demanding payment in connection with a contract entered into by the Department of Defense, including a claim for an equitable adjustment, may not be paid unless the claim is submitted as provided in subsection (b).

"(b) A claim referred to in subsection (a) shall be submitted to the appropriate contracting officer of the Department of Defense within 18 months after the date of the event (or the last date of the event, as the case may be) on which the claim is based, shall include the certification required by section 6(c)(1) of the Contract Disputes Act of 1978, and shall include such documentation as the Secretary concerned may prescribe in regulations.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"2324. Limitation on contract claims.".

(b) The amendments made by subsection (a) shall take effect with respect to contracts entered into on or after the date of enactment of this Act.

GRASSLEY AMENDMENT NO. 244

Mr. GRASSLEY proposed an amendment to the bill S. 1160, supra; as follows:

On page 66, between lines 16 and 17, insert the following new section:

COST AND PRICE MANAGEMENT IN DEFENSE PROCUREMENT

Sec. . (a) Chapter 141 of such title is amended by adding at the end thereof the following new section:

"§ 2406. Cost and price management

"(a) In this section:

"(1) 'Covered contract' means any contract awarded by a defense agency using procedures as defined in chapter 137 of this title and which is subject to the provisions of section 2306 of this title, including contracts for full-scale engineering, development, or production.

"(2) 'Defense agency' means the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Defense Logistics Agency.

"(b)(1) A defense agency which is responsible for the acquisition of property (including major manufactured end items) or services under a covered contract shall cause to be recorded the contractor's proposed and negotiated cost and pricing data acquired by the agency into appropriate categories, including labor costs, material costs, subcontract costs, overhead costs, general and administrative costs, fee or profit, recurring costs, and nonrecurring costs.

"(2)(A) A defense agency which is responsible for the acquisition of major manufactured end items under a covered contract shall cause to be recorded the proposed and negotiated bills of labor for labor used by the prime contractor and each associate contractor in manufacturing the item and for labor used by each such contractor in performing routine testing relating to the item. The bill of labor relating to the labor used by any such contractor shall reflect such contractor's computation of the work required in manufacturing parts and subassemblies for the end item and in performing routine testing of such parts and subassemblies.

"(B) Each contractor preparing a bill of labor referred to in subparagraph (A) shall specify in the bill of labor the current industrial engineering standard hours of work content (also known as 'should-take times') for the work included in a component of the bill of labor and for the total work included in the bill of labor. The contractor shall base the standard hours of work content specified in the bill of labor on the 'fair day's work' concept, as such term is understood in competitive commercial manufacturing industries in the United States, the contractor's standard hours of work content included in the bill of labor shall not vary from time standards derived from commercially available predetermined time standard systems widely used in the United States, as determined by the defense agency, subject to verification by audit.

"(C) The head of a defense agency acquiring a bill of labor referred to in subparagraph (A) shall provide for the maintenance of the information relating to standard hours of work content included under subparagraph (B) and shall review such information to determine changes in measured work content as work progresses under the contract to which the bill of labor relates.

"(3) A defense agency which is responsible for the acquisition of major manufactured end items under a covered contract shall cause to be recorded the proposed and negotiated bills of material used by the prime contractor and each associate contractor under the contract in manufacturing the item and of material used by each such contractor in performing routine testing relating to the item. The bill of material used by any such contractor shall reflect such contractor's computation of the material required for manufacturing parts and subassemblies for the end item and for routine testing of such parts and subassemblies. The costs set out in the bill of material shall be expressed in current dollars and shall be maintained and received in a manner similar to the manner provided for bills of labor in paragraph (2)(C).

"(4) A defense agency which is responsible for the acquisition of property (including major manufactured end items) or services under a covered contract shall cause to be recorded incurred costs under the contract in the same manner as the defense agency categories and records proposed and negotiated costs, including grouping the costs as provided under paragraph (1)."

"(d)(1) Nothing in this section shall prohibit a contractor from submitting a request for payment or reimbursement for any bill of labor or any bill of material developed pursuant to an approved system of cost principle and procedures.

"(2) Nothing in the section shall require the submission of the information to be submitted under this section if the contractor does not maintain such information on the date of enactment of this section.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2405. Cost and price management.".

SPECTER AMENDMENT NO. 245

Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 1160, supra; as follows:

Title I, Division A, of the bill is amended as follows: at page 3, line 3, strike "$5,213,300,000" and add "$5,301,600,000, of which not less than $88,300,000 shall be used to procure Field Artillery Ammunition Support Vehicles (FAASV's)."

Mr. SPECTER. Mr. President, the amendment that I am submitting would restore $88.3 million to the defense authorization bill for the procurement of field artillery ammunition support vehicles [FAASV's]. Funding for FAASV procurement was eliminated from the bill when the Senate Armed Services Committee was forced to report a zero-percent real growth defense authorization.

Mr. President, the FAASV is an armored, tracked vehicle designed to provide essential support to our forward deployed field artillery forces, and it is needed by our Armed Forces for a number of reasons.

First, the FAASV increases our ability to deter an adversary's attack, by providing greatly improved support capabilities to our forces. As a result of this enhanced ability to support conventional warfare, it lowers the nuclear threshold.

In addition, continued production of this vehicle is essential to our armored vehicle production base. By continuing production of the FAASV, we simultaneously keep our self-propelled howitzer mobilization base intact, because these vehicles have a large commonality of parts.

At this point I ask unanimous consent that two letters I have recently sent to Senator Goldwater on the FAASV Program, which further detail my reasons for submitting this amendment, be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, DC, May 13, 1985.

Hon. Barry Goldwater,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

Dear Barry: I am writing to express my concern about the possibility that funding for the procurement of 180 Field Artillery Ammunition Support Vehicles (FAASV's) will be eliminated with the adoption of a zero percent real-growth defense budget for Fiscal Year 1986.

The FAASV is the companion vehicle for America's M109 self-propelled howitzer, and, like the howitzer, is produced solely by BMY of York, Pennsylvania. Its deployment increases the survivability and effectiveness of the total self-propelled artillery system, by providing protection to ammunition, powder, and crews needed to support combat artillery operations.

The FAASV is a derivative of the M109, and both vehicles have a large commonality of components and require similar production machinery, worker skills, and common vendors. As the production base for the FAASV also serves as the production base for the M109, elimination or reduction of FAASV procurement funds will increase production costs for other armored vehicles, thereby jeopardizing BMY's operations and threatening the integrity of our overall field artillery mobilization base. It should be noted that BMY is one of only three armored tracked vehicle manufacturers still actively producing in the U.S., and that the cost of FAASV's to the U.S. government has declined steadily in constant dollars since the first contracts were signed in FY83.

In addition to the national defense repercussions that would be experienced as a result of a FAASV funding cutoff, the impact on the unemployment situation in the York area, which already has a very high surplus of labor, would be virtually disastrous. According to BMY, more than 1500 jobs at its facility and within its support and vendor communities would be lost in Pennsylvania, including 500 at BMY itself.

I urge you to review any plan to eliminate or reduce FAASV funding, just as you have done in prior years at my urging.

My best.

Sincerely,

Arlen Specter.

U.S. Senate,
Washington, DC, May 20, 1985.

Hon. Barry Goldwater,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

Dear Barry: Since I last wrote to you on May 13, 1985 regarding the importance of maintaining Field Artillery Ammunition Support Vehicles (FAASV's) in the FY86 DoD authorization, I have learned that the Senate Armed Services Committee deleted funding for this important program. I am writing to urge you to reconsider and accept an amendment to restore this funding.

As you know, the Army must have 1488 FAASV's to support its field artillery operations. Each FAASV, an armored, tracked vehicle, carries essential ammunition and powder for one M109 or M110 self-propelled howitzer. The Army has targeted the FAASV for select forward deployed units, especially those in Europe and Korea.

To date the Army has received approximately 80 of the 1488 vehicles it would like to acquire, with another 264 due to be delivered between now and January 1987. If production of the FAASV is halted in FY86, the Army will experience a shortfall of over 1000 of these important support vehicles.

I believe such a shortfall would be dangerous for a number of reasons. First, it would gravely hamper our ability to engage in conventional battle, by reducing the mobile resupply capabilities needed to support today's field artillery operations. Reducing our capacity to respond to a sustained enemy assault with effective artillery fire, in turn, will ultimately lower the nuclear threshold, especially in Europe.

The vehicle that the FAASV has now begun to replace, the M548, is inadequate. The M548 is a tracked but open vehicle, which can carry only about half of the quantity of ammunition and powder that the FAASV can carry. It offers no armored protection to these supplies or to its crew, which is especially important given the fact that, according to the Army, it must operate in areas only 3 to 7 kilometers from the forward edge of the battlefield, well within range of enemy artillery. The FAASV alone allows the support crew to remain safe inside armor while resupplying the self-propelled howitzer, while concurrently providing twice the ability to sustain our artillery fire—an especially critical factor given current Soviet war-fighting doctrine.

In addition to the actual battlefield need for the FAASV, it is imperative to note that eliminating this procurement will severely jeopardize our tracked armored vehicle production capabilities and mobilization base. The FAASV is manufactured at one of only three U.S. facilities currently producing tracked armored vehicles. Only two of these facilities—FMC's in California, and BMY's in York, Pennsylvania—are privately owned. For the last 10 years, only BMY's plant has been involved in the manufacture of self-propelled howitzers and other vehicles utilizing the same chassis, such as the FAASV.

With the termination of the FAASV program, this vital production line will be entirely dependent on foreign sales, after the delivery of some 30 remaining M109's to the U.S. government. I'm sure you will agree that the United States' motorized field artillery mobilization base must not be left subject to the whims of foreign purchasers.

In addition to these arguments, I must stress once again the devastating impact the termination of FAASV production would have on unemployment in the York area, which has yet to recover from the nation's most recent recession. As I noted in my letter of May 13, a copy of which is enclosed, discontinuation of the FAASV program threatens to add some 1500 people to Pennsylvania's unemployment roles, according to BMY.

It is my hope that this matter can be successfully resolved during consideration of the DoD authorization bill. I look forward to working with you to address this very serious problem.

My best.

Sincerely,

Arlen Specter.

Mr. SPECTER. Mr. President, I would like to ask if the distinguished chairman of the Armed Services Committee would care to comment on the committee's recommendation regarding the FAASV.

Mr. GOLDWATER. Mr. President, I will be pleased to comment on that recommendation. The committee believes the FAASV Program is valuable and needed, and that its mission is an important one. Our recommendation to delete funding for the FAASV was a difficult one, based strictly on budgetary constraints imposed by the budget resolution. Also, I should note that the Army is now engaged in negotiations for the 1985 procurement of the FAASV. These negotiations will address price and warranty provisions as well as the completion of a technical data package [TDP] which is necessary to initiate competition in this program. If these issues are satisfactorily addressed by the time we go to conference with the House Armed Services Committee, I believe our committee would be inclined to consider favorably the House position which fully funds the request for the FAASV.

Mr. SPECTER. Mr. President, I thank the distinguished chairman for his willingness to reach an agreement on this matter, and with his assurances, that, if these issues are satisfactorily addressed, the committee will be inclined to consider favorably yielding to the House on its figure of $88.3 million. Mr. President, I thank the chairman.

Mr. HEINZ. I would also like to thank the distinguished chairman of the Armed Services Committee for his cooperation on this important matter. I fully support my colleague, Mr. Specter's effort on behalf of the Field Artillery Support Vehicles [FAASV] Program which is crucial for the transport and supply of ammunition to our field artillery units.

HOLLINGS AMENDMENT NO. 246

Mr. NUNN (for Mr. Hollings) proposed an amendment to the bill S. 1160, supra; as follows:

On page 11, line 19, strike the $14,289,734,000 and insert in lieu thereof $14,294,734,000.

NUNN AMENDMENT NO. 247

Mr. NUNN proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place in the bill insert the following new section:

ADJUSTED PROCUREMENT BUDGET PLAN

Sec. . The Secretary of Defense shall submit to the Congress not later than September 1, 1985 an adjusted Five Year Defense Plan beginning in FY 1986 in which the total budget authority for each fiscal year does not increase more than 3% over the previous year's total budget authority adjusted for the official inflation projections for that year, and a second Five Year Defense Plan in which the total budget authority for each year does not exceed the previous year's budget authority adjusted for the official inflation projections for that year. Such plans shall include the broad categories as follows:

(1) a single amount representing the total budget authority for each appropriation account, except that amounts shall be specified at the budget activity level in the procurement appropriation accounts;

(2) the annual procurement plans for each of the five years for each major defense acquisition program as defined in 10 U.S. Code 139a(a).

ABDNOR (AND PRESSLER) AMENDMENT NO. 248

Mr. ABDNOR (for himself and Mr. Pressler) proposed an amendment to the bill S. 1160, supra; as follows:

On page 132, between lines 14 and 15, insert the following new section:

SPECIAL IMPACT AID FOR THE DOUGLAS SCHOOL DISTRICT IN BOX ELDER, SOUTH DAKOTA

Sec. . The Secretary of the Air Force may use not to exceed $600,000 of the funds appropriated to the Air Force for fiscal year 1986 for Ellsworth Air Force Base, South Dakota, under section 2131 to provide assistance, by grant or otherwise, to the Douglas School District located in Box Elder, South Dakota, for the purpose of mitigating any adverse impact on the schools of such school district.

LEVIN AMENDMENT NO. 249

Mr. LEVIN proposed an amendment to the bill S. 1160, supra; as follows:

On page 67, line 8 and 9 strike "general and administrative",

On page 70, line 5 strike "may" and insert in lieu thereof "shall".

On page 69, line 24 strike "are" and insert in lieu thereof: "have previously been determined to be".

On page 73, between lines 6 and 7, insert the following new paragraph:

"(d) nothing herein is intended to modify, amend, or repeal section 1245 of the fiscal year 1985 Department of Defense Authorization Act, Public Law 98-473, the provision of which the Secretary of Defense has failed to comply with as of May 24, 1985.

On page 69, line 10 strike the words "that there is" and insert "by".

On page 69, line 23 strike from "for" through "costs" in line 24 and insert "which, by clear and convincing evidence."

HART AMENDMENT NO 250

Mr. HART proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3 insert the following new section:

Sec. . The President of the United States shall conduct an interagency study (to include the Department of Defense, the Department of Energy, the Joint Chiefs of Staff, the Department of State, the Arms Control and Disarmament Agency, and the appropriate intelligence agencies), with the purpose of:

Reporting on the present status of U.S. and Soviet verification capabilities; and

Determining possible avenues for cooperation with the Soviet Union in the development of verification capabilities not subject to national security restrictions; including but not limited to limited exchanges of data and scientific personnel and conducting a joint technological effort in the area of seismic monitoring.

The President shall submit a classified and unclassified version of this report to Congress no later than October 1, 1985.

WILSON AMENDMENT NO. 251

Mr. GOLDWATER (for Mr. Wilson) proposed an amendment to the bill S. 1160, supra; as indicated:

Sec. . (a) The Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to sell or exchange approximately 475 acres of land lying south of proposed highway SR-52 which comprises a portion of the Naval Air Station, Miramar, San Diego, California, said lands not to include lands authorized to be conveyed under Public Law 98-407, Section 837. The sale or exchange shall be conducted in accordance with competitive bidding procedures, as defined in Chapter 137 of Title 10, and the Secretary shall in any event ensure that the consideration received from the sale or exchange is at least equal to the fair market value of the property.

(b) In consideration for the sale or exchange authorized in subsection (a), the Secretary may receive cash or land in the San Diego area, or both. Any land received shall be suitable for siting of military family housing. The Secretary is authorized to retain and expend the proceeds of the sale or exchange only for the acquisition of military family housing sites in the San Diego area. Any funds received by the Secretary under this provision shall be obligated for military family housing sites within 30 months of their receipt or, failing such obligation, shall be deposited in the Treasury as miscellaneous revenue.

(c) The exact acreage and legal description of the property to be sold or exchanged under this section shall be in accordance with surveys that are satisfactory to the Secretary.

(d) The Secretary may require such additional terms and conditions in connection with the sale or exchange as are considered appropriate to protect the interests of the United States.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, the Senate Committee on Governmental Affairs will continue its hearings on the nomination of Donald Devine to be Director of the Office of Personnel Management on Wednesday, June 5 at 10 a.m. in room SD-342. For additional information, please contact Jamie Cowen at 224-2254.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that on June 11, 1985, the Senate Small Business Committee's Family Farm Subcommittee will hold a hearing on small issue industrial development bonds as a source of capital for small business expansion. Mr. Ronald Pearlman, Assistant Secretary for Tax Policy is scheduled to testify. The hearing will be held in room 428A of the Russell Senate Office Building and will begin at 2 p.m. Senator Larry Pressler will chair the hearing. For further information, please call Bob Wilson, of the committee staff, at 224-5175 or Tom Hohenthaner of Senator Pressler's staff at 224-5842.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. Chairman, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will resume markup on S. 616 and other farm program legislation related to the 1985 farm bill.

The markup will begin at 10 a.m. on Tuesday, June 4, 1985, in 328-A Russell Senate Office Building.

For further information please contact the committee staff at 224-2035.

ADDITIONAL STATEMENTS

MILITARY PERSONNEL LEVELS

● Mr. WILSON. Mr. President, I submit for the Record an article entitled "Military Personnel Levels: Bloated or Needed for the Job?" The article was written by the distinguished Senator from New Hampshire [Mr. Rudman].

Military Personnel Levels: Bloated or Needed for the Job?

(By Warren B. Rudman)

If we are going to cut the deficit, the defense budget must be subject to the same searching examination that domestic programs are currently undergoing.

So how to go about cutting increases in next year's defense budget without reducing readiness, canceling crucial weapons systems, or gutting our combat units and strategic forces? With the Pentagon employing more than three million civilian and military personnel, I believe we must look beyond cost overruns on spare parts and examine excessive personnel levels that are neither wise nor appropriate.

The popular method of cutting defense is to eliminate various weapons systems and stretch out the procurement of others. However, canceling weapons systems saves very little money in the short term. Stretching out programs may save money in the short term, but it drives up the unit cost, thereby adding to the total expense.

Another solution, carried out in past years, is to reduce funding for military readiness. Not only do such cuts result in immediate savings, but they are easily implemented and, therefore, attractive. But this is the last place we should look for savings. Such reductions have a direct impact on our combat capability by reducing available fuel supplies, ammunition and training time. Similar cuts in the mid-1970s had serious consequences for U.S. military preparedness.

Thus, the only area of the budget that offers significant savings without adversely affecting combat capability is personnel. Prudence dictates that we begin paring back the military's massive noncombat, indirect support structure by reducing the number of people serving in support positions. I am proposing a package of selected cuts in noncombat support personnel that can save $4.5 billion in fiscal 1986 and $21 billion cumulatively through fiscal 1988. The most controversial elements of the plan deny the Defense Department's proposed personnel increase of 45,000 people and require a 10% reduction in military and civilian noncombat, indirect support personnel—trimming 75,000 military and 100,000 civilian positions.

It should be noted that the majority of cuts can be achieved through attrition and that the plan gives Defense Department officials the authority to determine which positions are to be eliminated, thus enabling them to protect vital functions such as intelligence.

Critics contend the plan will reduce combat forces: that ships, tanks and aircraft will lack needed crews. This is not so. Rather, it takes aim at the Pentagon's grossly excessive support structure, including its various departments, commands, directorates and offices that employ hundreds of thousands of uniformed and civilian personnel.

Even a cursory examination of the Defense Department's use of manpower exposes a grossly excessive support establishment. According to the department's own December 1983 list of manpower skills, only 258,254 of the 1.8 million enlisted personnel had combat as a skill. On the other hand, 289,861 had their specialty listed as "administration and clerks."

Of the 2.1 million men and women in uniform, 752,000 are assigned to purely support functions. (This does not include the hundreds of thousands of others who are assigned to support functions within strategic and tactical units.) An additional 311,000 are not assigned to any unit and 213,000 are in training, not including the cadet corps at the service academies.

The situation is no better among the more than one million civilian employees at the Defense Department, all of whom serve support functions. One can only wonder why it takes 522,000 civilians to provide operations and maintenance support for the active-duty uniformed services when a massive support structure already exists within the uniformed services.

Moreover, the armed forces have too many officers. Consider the fact that in 1945, with 12 million men under arms, the armed forces were commanded by 101 three-star generals and admirals and 38 four- and five-stars. In 1983, with one-sixth the number of people in uniform, there were 118 three-stars and 34 four-stars.

Numerous General Accounting Office studies support the contention that merging military support services and eliminating support positions could save hundreds of millions of dollars annually. In 1982, GAO testified: "The services have recognized this situation and have successfully resisted most consolidation proposals, and will continue to do so unless stronger actions are taken."

Admittedly, Congress must share the blame for such excess, since members have frequently prevented those few initiatives the Defense Department has been willing to make. But that alone is not reason enough to ignore proposals to reduce bureaucratic fat and job duplication, especiallly given the current budget crisis.

Some in the Pentagon argue that any personnel cuts will damage our combat capability. Bureaucrats often assert that each and every person in their department is critical. They also might suggest that if a teaspoon of sand were removed from the desert, the desert would disappear.

But while some contend that such reductions are far too drastic, the prevalent political and economic realities remain unchanged. The adoption of this proposal will help alleviate bugetary pressures without affecting our essential combat forces. The alternative is to risk the recent improvements we have made in our military readiness because we refuse to confront the larger problem of a burgeoning military support structure.●

THE RHODE ISLAND DIVESTMENT MOVEMENT

● Mr. PELL. Mr. President, in the last 6 months we have witnessed the development of a nationwide movement in the United States against South Africa's immoral and inhumane system of apartheid. Many American students are calling for the divestment of university funds from companies that have invested in South Africa. Americans of different ages and political persuasions are demonstrating at South African consulates and at the South African Embassy here in Washington. Moreover, many States and local communities have passed or on the verge of passing some form of divestment legislation. In fact, legislators in my home State of Rhode Island are now considering two divestment bills.

One of the foremost advocates of divestment in Rhode Island is Rhode Island's general treasurer, Roger N. Begin. In testimony before the Finance Committee of the Rhode Island House of Representatives, he gave a moving statement on the evils of apartheid and indicated that he shall "within 4 years" withdraw all State funds including pension funds from corporations doing business in South Africa. As one who shares his abhorrence of apartheid, but has not reached a conclusion as to my own position on this matter, I would like to commend him for his leadership and principled stance on this issue.

Mr. President, the Woonsocket Call has written a very comprehensive article on Roger Begin's role in Rhode Island's divestment effort. I ask that the full text of this article be printed in the Record.

The article follows:

Begin Moves To Divest All R.I. Funding in S. Africa

In light of the pressing need to demonstrate repulsion felt for the inhuman actions by the government of South Africa, Roger N. Begin of Woonsocket, Rhode Island General Treasurer, has stated, "In accordance with the prudent man rule, I shall within four years divest of all state funds and pension funds invested in any corporation doing business in South Africa."

The statement was made in testimony before the House Finance Committee on House Bill H-85 No. 6517, known as the Fogarty Bill on Divestiture.

In a strongly worded introduction, Begin stressed his moral outrage and repugnance with apartheid and conditions in South Africa.

Begin stated that the South African government's racist, repressive policies are a violation of human rights and an affront to humanity.

He explained to the committee that the divestiture issue has been a priority of his administration since his taking office on Jan. 1.

In explaining the dilemma he faces as General Treasurer and chairman of the Investment Committee, he emphasized he is bound to reconcile the legal mandates of the state, his fiduciary responsibilities to the people of Rhode Island with his compelling commitment to demonstrate his repugnance of apartheid. He explained he is the steward of state funds on behalf of 40,000 state employees and retirees.

Begin further emphasized his position results from a comprehensive study of both House 5617 (the Fogarty Bill) and Senate 425, the Carlin Bill.

"My position sincerely couples repugnance for apartheid and a commitment to ensure that we do not jeopardize state funds or pension funds," Begin stated.

Unless the corporation doing business in South Africa has adopted the Sullivan principles and has a performance rating of I, II (top categories,) or V (new signatories,) Begin further declared, "I shall invest no new state funds or pension funds unless the same conditions are met."

Begin explained that given a choice between two comparable investments, he shall choose the investment in a corporation not doing business in South Africa over an investment in a corporation doing business in South Africa.

Also, he stated that he shall exercise shareholder rights in corporations where funds remain invested in cooperation with other concerned institutions to eliminate apartheid.

Additionally, state funds will not be designated or remain designated in depository banks if the following services are provided: selling krugerrand, underwriting the securities of the Republic of South Africa, making loans to the government other than those for housing, educational facilities and health to all persons on a non-discriminatory basis.

Begin also stressed his agreement to analyze the issue in the future and assess any additional action which might be appropriate.●

KENNETH E. QUINN

● Mr. GRASSLEY. I would like to take this opportunity to honor Mr. Kenneth E. Quinn of Lake View, IA, who has been named the Iowa Small Business Exporter of 1985. It is refreshing in these times of sky-rocketing trade deficits to take note of a small businessman who has been constantly increasing his exports of Quinn Quality Popcorn for 20 years. Today, from Lake View, IA, Quinn Quality Popcorn sends popcorn around the world to some 20 foreign countries, including Canada, England, Italy, Spain, France, Columbia, and to recently opened markets in the Middle East.

Kenneth Quinn, CEO and owner of Quinn Popcorn Co., became interested in the popcorn seed business as a student working in the Hybrid Popcorn Seed Program at Iowa State University in 1948-49. With foundation stock, that Quinn developed he began farming a 5-acre plot on his family farm. Quinn broadened his operations from this modest start so that by 1958 he was growing, processing, and marketing popcorn under the banner "Quinn Quality Popcorn."

Today, Quinn Popcorn is grown on 7,500 acres in Midwestern States and is tested, cleaned, graded, and packaged at Quinn's modern plant in Lake View. During the growing harvesting, and processing season, Quinn Popcorn employs up to 40 people.

Through exhibitions such as the Paris World Trade Show in 1983, where Quinn introduced his product fully popped, flavored, and seasoned, and through other marketing techniques, Quinn Popcorn has expanded its exports to the point where they now constitute 65 percent of Quinn's total sales.

Kenneth Quinn and Quinn Quality Popcorn are sterling examples of a small business competing and succeeding in the export field. I am very pleased that he has been honored as the Iowa Small Business Exporter for 1985.●

VICE PRESIDENT BUSH'S TRIBUTE TO THE BEDFORD STUYVESANT RESTORATION CORP.

● Mr. D'AMATO. Mr. President, I rise in recognition of the outstanding work of the Bedford Stuyvesant Restoration Corp. in New York.

In my home State of New York, there are a number of examples of the success of public-private partnerships. One fine example is the Bedford Stuyvesant Restoration Corp. in Brooklyn. It exhibits a great potential for improving the quality of American life.

For nearly two decades, in one of New York City's most distressed areas, the Bedford Stuyvesant Corp. has offered hope, opportunity, and revitalization. This dynamic organization has accentuated the positive and visibly improved the lives of numerous residents.

On May 6, Vice President George Bush spoke at a dinner honoring the work of the Bedford Stuyvesant Corp. He eloquently saluted its good works and I am pleased to note his praise of this corporation. He also made a ringing endorsement of Enterprise Zones, a concept with enormous potential for Bedford Stuyvesant and other distressed areas of New York and this country.

The late Senator Robert Kennedy advanced a concept quite similar to Enterprise Zones. Depressed areas, such as Bedford Stuyvesant, could have been on his mind when his legislation was introduced in 1967. The Urban and Rural Opportunities Development Act, S. 2088, was designed "to reduce poverty in the Nation's cities and rural communities, and social, physical, and psychological ills associated therewith, by creating incentives for private industry to provide additional employment opportunities to the residents of urban and rural poverty areas." Many of the same tax incentives to encourage job creation are included in both Senator Kennedy's bill and the administration's Enterprise Zone proposal.

As the Vice President noted, Enterprise Zones are working in a number of communities, harnessing the free enterprise system in the cause of inner-city jobs and revitalization. I share in his belief that "it's time that Congress took notice" of these successful State enterprises and "passed the Enterprise Zone bill."

I share the dream for a better life for all. I am also pleased to take this opportunity to salute all those responsible for the great achievements in our communities.

I am pleased to support the endeavors of communities that have shown a commitment to social, physical, and economic revitalization. As stated by the Vice President, Bedford Stuyvesant is a fine example of such a community. Communities with strong programs help build a stronger America. Therefore, Mr. President, I ask my colleagues to join me in helping our communities obtain this goal that we all share.

I ask that excerpts from Vice President Bush's remarks concerning the Bedford Stuyvesant Restoration Corp. be printed in the Record.

The excerpt follows:

Excerpts From Remarks by Vice President George Bush to the Bedford Stuyvesant Restoration Corp. Dinner

I'd like to talk to you tonight about the future of America's cities, particularly of those areas we call our "inner cities."

Now, maybe it's presumptuous for me to talk about this to people who've done so much for this, America's greatest city. I feel like the man who went to heaven and had to give a talk, kind of an inaugural address.

As he was getting ready, St. Peter asked him for his topic and the man replied he was an expert on floods and was going to speak on the Johnstown Flood. "Oh, that will be splended," St. Peter said. "Everyone will love that, and that fellow in the front row will be particularly interested—his name's Noah."

In listening, over the years, to the debate about inner cities and their problems, it has struck me again and again that all the many theories and plans and elaborate statistical analyses, all these in the end ask us to make simple, strategic choices—choices between strategies based on hope and strategies based on despair; between strategies based on opportunity and strategies based on dependency; between strategies based on respect for the citizens of the community and those based on something less than respect.

For 18 years, the Bedford Stuyvesant Restoration Corporation has been making these choices.

The corporation has been dedicated from the first to opening the windows of opportunity in Bedford Stuyvesant and letting in the sunlight of hope.

"We start with this truth," said Robert Kennedy. "If there is to be a revitalization of Bedford Stuyvesant and places like it, methods must be found to join human resources with capital resources."

The corporation looked at a community that, as long ago as 1939, in the WPA's classic guidebook to New York, was called "districts which, for poverty and squalor, are as bad as the worst areas" of the city. But the corporation didn't see just poverty. It saw churches and families. It saw parents determined that life would be better for their children than it was for them. It saw the building blocks of America—determination and dreams. And with these, it went to work building.

It built Restoration Plaza, the first shopping mall ever developed in a New York, low-income community. It built a supermarket and drugstore in a badly underserved area. It built The Platinum Factory, Brooklyn's first 24-track, fully equipped recording studio.

It built, rehabilitated, or renovated more than 5,000 housing units.

It built buildings and it helped build dreams. To those who dreamed of owning a home, it helped with over 1,500 mortgages. To those who dreamed of starting a business, it helped with more than $9 million in direct loans. And to those who dreamed simply of finding a good job and keeping it, it helped with training, job placement, counseling, and jobs themselves.

It helped build the community's cultural life by establishing the Billie Holiday Theater, the Bedford Stuyvesant Dance Theater, and the Center for Art and Culture.

And because it dared to build, others soon did, too. Because of the corporation, IBM, for example, built and expanded a plant in Bedford Stuyvesant.

Through everything that the corporation has done runs one theme, faith in the people of the community. Faith in men and women like Barry and Cassandra Graves.

Barry works for E.F. Hutton. Cassandra is a social worker for the city. Both grew up in typical Bedford Stuyvesant neighborhoods. And when they found themselves able at last to buy a home, both agreed that only one part of the city could be home. Home was Bed-Stuy. There they have found a strong block association and neighbors who keep an eye on each other's houses and children. They've found a community. And Barry is thinking that someday soon he might start his own business. And where will it be located? Near home, in Bed-Stuy.

Bed-Stuy Restoration put its faith in people like Barry and Cassandra Graves. It didn't say that the system was to blame for the neighborhood's distress and so the system alone must set things right. It had a different strategy—a strategy of hope and opportunity. A strategy that respected the dreams of the people of the community itself and their capacity to shape their own destiny, and it joined with them.

I wish I could say that in the last two decades, government has been as wise as you. But too often, government's strategy has been a strategy of despair.

Too often, government has said that doors are closed, that hope is gone, that all we can do is parcel out misery in small doses. Government looked at the inner city and saw rundown buildings, trash in empty lots, people standing on corners without work. And with the best of motives, government tried to rebuild the buildings and give the people assistance for food and clothing and shelter.

But it took from those people their aspirations, their hopes for their children and for their communities. It took their most precious possession—their sense of self-respect.

People became cases on the rolls, waiting in line every few weeks. To the trying physical surroundings of their poverty, government added the heaviest burden of all, lack of hope. It didn't respect the people it set out to serve.

We've seen something in the past two decades. We've seen that strategies of despair breed despair and permanent dependence on government assistance. Among those who've become dependent, we've seen a breakdown in the strength of the family. And we've seen that the children from dependent families are the least likely to hold jobs and most likely to get into trouble with the law.

The President and I believe that government must learn from you and organizations like yours. We believe that government must move from a strategy of despair to a strategy, like yours, of opportunity and hope.

Our Job Training Partnership and the Youth Minimum Wage Differential and Enterprise Zone proposals, as well as our work with public-private partnerships such as the Cities-in-Schools organization: These are among the ways we've started on that road. Enterprise Zones, for example, build on the same principles that have brought new opportunity and hope to the entire Nation.

In the last 4 years, reductions in taxes and easing of regulatory intrusions on the economy have released the entrepreneurial energies of America. We got government to step out of the way and let the dreams and drive of the American people, the desire to build for the family and for the future, take over.

And the result? In the last 28 months, America has created jobs at a pace many said was impossible. And by some counts, all the net jobs created during the last 2 years have come from businesses of 20 or fewer people—many of these brandnew businesses.

Isn't it time that we took that strategy and applied an extra measure of it to areas that need it most?

Well, entrepreneurship is also the target of the enterprise zone proposal.

Lower taxes, less regulation, faith in the community—these have released entrepreneurial energies throughout America. Enterprise zones will do the same in our inner cities.

In a working enterprise zone, you'll find lower Federal, State, and local taxes and less burdensome regulations. You'll find State and local government and public-private partnerships working together to draw in investment through direct loans, equity participations, loan guarantees or assistance to entrepreneurs and homeowners in dealing with banks. And you'll find State and local governments and public-private partnerships working together with people in the community itself to bring greater safety and stability to the area.

Sounds like Bed-Stuy Restoration would fit in perfectly, doesn't it?

Some say it's just a pipe dream. But it's not a pipe dream in Connecticut, New Jersey or Pennsylvania, three states that border on New York. It's not a pipe dream in almost half our States, including Ohio, California, Texas, and Illinois.

All these have gone ahead and established or plan soon to establish their own enterprise zones.

And communities as diverse as Norwalk (Connecticut), Louisville, and Chicago have found that enterprise zones do mean jobs, jobs for the poor, hope and opportunity for those who need it most.

I believe it's time Congress took notice of their experience and passed the Federal enterprise zone bill.

Carl Sandburg wrote, "The Republic is a dream/Nothing happens unless first a dream."

Dreams are what Bed-Stuy Restoration is about—respect for the dreams of men and women throughout Bedford-Stuyvesant. Dreams are what America is about. It's time for government, when it looks at our poorest communities, to respect the dreams that flourish there and, as Bed-Stuy Restoration has done, to help open the windows of opportunity and let in the sunlight of hope and step aside to watch those dreams grow into realities.

CHILDREN HELPING CHILDREN

● Mr. DODD. Mr. President, on May 1 of this month, the Senate children's caucus held a policy forum in honor of Save the Children Day. The forum focused on the efforts of American children living in poverty to help feed hungry children in Africa.

Since 1979, Members of Congress have had the privilege of meeting each year with young people representing Save the Children, a nonprofit organization assisting low-income children and their families through community development. In previous years, younger witnesses from save the children have testified on such pressing domestic issues and child abuse and neglect and childhood proverty. This year, the focus was on the continuing crisis of hunger in Africa and the efforts of children from Manhattan's lower east side to North Dakota to do something to help stem it.

The May 1 caucus forum raised important policy questions about the relationship of the official U.S. aid program in Africa to private sector initiatives. Just as importantly, "children helping children" posed a challenge to the Senate, a challenge presented by the actions of children living in some of the poorest neighborhoods in this country to assist their needier peers in Ethiopia.

The Senate children's caucus heard from six expert witnesses representing Save the Children. David Guyer, president of Save the Children, introduced Debbie Amaro from Public School 15 in New York City; Elaine Half from Window Rock, NM; Clair Malouff from Antonito, CO; Carla Miller from Marvell, AR; Lance Poligyou from Kykotsmovi, AR; and Luke Vadas from Miami, FL. All these witnesses spoke of the activities they had undertaken to raise funds to help feed their hungry counterparts in Africa.

The caucus also heard from other participants in the children-helping-children campaign seated in the audience, including Anthony Baiz, Carmela Baltran, Thomas Benn, Melissa Bonta, Romae Byas, Kelly Caudill, Denise Cole, Chris Duncan, Darryle Emerson, Thomasin Foshay, Derek Guiley, Mary Jackson, Beth Jenninga, Thiphasone Khennavong, Gary Layes-Bad, Roberto Lopez, Maria Montoya, Kristen Nargi, Carla Paytiamo, Myron Pahe, Luz Ramos, Kimberly Shije, Sandra Suhu, Nicole Townsend, Jay Wesley, Tammy Workman, and Daryl Zaste. These young people traveled from 14 States to Washington, DC, to challenge the Senate to act on the African hunger crisis.

Mr. President, I ask the transcript of the May 1 Senate children's caucus forum be printed in the Record.

The transcript follows:

Save the Children Day Hearing—U.S. Senate Children's Caucus

Sen. Specter. On behalf of my co-chairman, Chris Dodd of Connecticut, I'm pleased to open up this session of the Children's Caucus, with the focus being the annual Save the Children event focusing on what children have done to help other children.

The problems of children worldwide are enormous, and since children don't vote—at least yet—they don't have perhaps as much representation as they ought to in the United States Senate or the House of Representatives or worldwide. And that is why many of us in the Senate have banded together in the Children's Caucus to lend our weight and our support for the children's activities—because of our conviction that if the early days are not solid days, that undermines a person's life and activity for the balance of his life.

On the Juvenile Justice Subcommittee which I chair—of Judiciary—we deal with many of the heart-rending problems of the juveniles as it relates to being runaways, relates to problems of teenage suicide—which we had a hearing on yesterday, as it relates to problems of the delinquency and crime, vandalism and truancy. And our focus is to—is to help children.

Children have been very much at risk all over the world. And in some parts of the world where hunger is an epidemic—as in Ethiopia recently—children are more at risk than are—than are others. And some of the activities which we will hear about today are about children—children helping children. One group in Council Rock raised some $40,000 for Ethiopia. Some $17,000 was used to purchase some 31 tons of food, and over $22,000 was donated to Save the Children to establish a relief center in Ethiopia. And today we have a number of children to tell of their special efforts to help other children.

With that introduction, I'd now like to yield to the distinguished senator from Massachusetts who has been at the forefront of so many humanitarian efforts—on hunger and on world—on efforts for the underprivileged generally, my colleague Senator Ted Kennedy.

Sen. Kennedy. Thank you very much, Senator Specter and Senator Dodd. I want to just express a warm word of welcome to our panelists here this morning. I don't know whether they're nervous or not, but we're very, very glad to have you here. Because it's very important for the members of the United States Senate to hear from you—hear about your concerns for children in other parts of our country and other parts of the world.

I just want to thank you very much for coming here this morning. And thank you very much for your concern about children, because Save the Children is an organization that cares about children here and overseas as well. And I know that you've done a great deal to show your concern for children in other parts of the world by raising money—nickles and dimes and quarters—and by telling us about your efforts here today.

Let me say that I had the chance to go to Ethiopia and Sudan and see children very much your own age. And it was really a very horrifying experience because those children were suffering so much. The fastest growing item in the refugee camps were the graves of children your age and younger that were dying from lack of food and from diseases which we know how to prevent. I saw children who were being innoculated for measles. You've all been innoculated for measles. But the arms of the children were so thin that if they just put the needle—the innoculation needle—into the arm, it would come out the other side. So they had to put it in sideways. I saw children in Ethiopia whose eyes and mouths were filled with flies—and the children so weak they couldn't even brush them away.

The money that you gave to go through the Save the Children makes a real difference—it really helps. So you really are doing something very important for childern in other parts of the world. And I'm very grateful for the fact that you'd come here to tell us about what you're doing. And I want to thank Save the Children and all those associated with it for making such an important difference for us here in the United States Senate.

Sen. Dodd. Thank you very much, Senator Kennedy. I'd like to submit my opening statement for the record:

Mr. Dodd. I am pleased to call to order this Senate children's caucus policy forum, honoring Save the Children Day. Each May 1st, childern from across the country come to testify before the Senate on such issues of critical concern as child abuse and child poverty. They represent Save the Children, a nonprofit organization based in my State of Connecticut which assists children in poor families and communities both in this country and abroad.

I would like to tell our younger witnesses here today that 4 years ago, children very much like them who came here for Save the Children Day inspired me to work on setting up this caucus. I also want the children here to know that the Senate children's caucus has young people testify before us at all of our forums.

To date, caucus forums have focused on the priority needs of the 64 million Americans who are children. We have looked at the critical issues of latchkey children, childhood injuries, gifted students whose talents are ignored, high school dropouts, and child sexual abuse. But today, children from 14 States have traveled here to ask us to focus on what is happening to their peers in Africa.

As the young people before us will testify, drought has left countless children in Africa on the brink of starvation. Of the 300,000 Africans who died from lack of food in the past few months, three-quarters of them were children under the age of 4.

No words can describe the ravages of hunger as effectively as the television shots of Ethiopian children who are too weak to drink milk. But our expert witnesses this morning did not wait to come up with the right words to describe their feelings upon seeing those pictures. Instead, they decided to act. And their actions present as strong a challenge to us as I have seen since I took office.

Our younger witnesses today defied the odds. Many live in some of the poorest neighborhoods in this country. But they wanted to help. They asked questions and learned that even 5 cents can buy enough grain to feed an Ethiopian child for 1 day. So, they gave their snack money to help feed children their own age thousands of miles away. Students from kindergarten through the sixth grade at the Beardsley School in my State of Connecticut collected $225 in pennies, nickles and dimes. These students live in the inner city of Bridgeport, one of the most economically depressed areas in my State. But the money they raised and passed on to save the children fed 225 children in Africa.

Younger Americans from Manhattan's lower east side to North Dakota have been putting on talent shows, holding bake sales, and raffling off paper hearts to raise money to buy grain for children and families in drought-stricken Africa. All told, they have raised some $300,000 over the past few months. And their fund-raising efforts continue. They know that the crisis of hunger in Africa will not end today or tomorrow. And they are challenging us to continue to confront this crisis.

Right now, restrictions placed on U.S. aid are complicating efforts to get tons of grain and powdered milk to Ethiopian children and adults who will quite literally starve without it. Over half of the 332,000 tons of food delivered to Ethiopian ports since January has not yet been distributed. Trucks are in such short supply it can take 90 days for a relief organization to be able just to rent one. Yet U.S. aid cannot be used to help to solve this transportation bottleneck. Likewise, despite the fact that fewer than 5 percent of all Ethiopians have access to clean drinking water, U.S. grain cannot be used to pay families to dig irrigation ditches and drinking wells.

Obviously, the restrictions on U.S. aid were not put in place to prevent food from reaching the millions at risk of starvation. As a member of the Foreign Relations Committee, I know that untangling such restrictions may not be easy. But neither was it easy for children living in the poorest families and poorest communities in this country to raise enough money to feed thousands of villagers in Ethiopia.

If we are to meet the challenge presented to us by our witnesses this morning, we must make Africa a priority both in terms of short-term emergency assistance and long-term development. We must follow the example of save the children by encouraging development so that subsistence farming will be possible once the rains come. For once children and their families are driven out of villages by hunger, they become refugees within their own country. Their chances for survival depend upon whether they can walk the many miles to an emergency feeding station.

Last session, I sponsored the child survival fund along with my colleague from Florida to save the lives of at least half of the 40,000 children who die each day from dehydration. By encouraging the use of oral rehydration, immunization, breast-feeding, and growth charts, the survival fund should help children from Ethiopia to Equador who are at risk of dying from preventable diseases. But our distinguished witnesses this morning are telling us that we have to do more in terms of long-term development assistance if an entire generation of their peers in Africa is to survive.

Before I call on our witnesses, let me see if any of my colleagues have any opening remarks.

I'd like now to turn to the distinguished senator from Arizona, Senator Dennis DeConcini, who has been a leader in the humanitiran efforts in Ethiopia—recently traveled there, and can speak both with respect to the adult population and also with respect to the plight of children there. Senator DeConcini?

Sen. DeConcini. Thank you, Senator Dodd and Senator Specter. We thank you for putting this organization and caucus together. Senator Kennedy expresses so well my feelings, having visited Ethiopia, just a few weeks after he was there. The old saying "a picture is worth a thousand words"—I've taken the liberty of showing some pictures here on these boards. They are not the most pleasant pictures to look at, but you may want to find some renewed hope in the fact that some of those children—particularly the ones on the top center and the lower left, are going to survive. These children are going to live, thanks to the help of Save the Children and the efforts that many of you have given. These two children over here—the one in the right center is twelve years old and only has a 30 percent chance of survival. The one next to that one will probably not survive.

What has happened is that there has been a total forgetting of human suffering, and it is very difficult for us—no matter what age we are—to address that and look those children in the face. You have shown courage beyond many grownups, in my judgement, who are willing to do just that. As Senator Kennedy stated I thank you for taking the time to be here and for all that you have done.

When I was in Ethiopia, Congressman Ackerman of New York who had raised money in New York City, was there delivering food from Save the Children's effort. The food was actually being delivered there. We saw some of the food that was purchased by Save the Children actually being delivered and unloaded from trucks and later made into sorghum which was being fed to some of the children. So you are doing something in a most meaningful way in Ethiopia, as well as throughout the country and throughout the world.

Senator Dodd, thank you for an opportunity to listen to this panel and to be with you today.

Senator Dodd. Thank you, Senator DeConcini, very, very much. And let me call upon Senator Cranston, who I know is being called to the floor momentarily. Senator Cranston, we thank you for coming by this morning and participating in our caucus and listening to these expert witnesses on how to raise money and help people in a quick way.

Senator Cranston. Thank you, Chris, very much. I, too, am delighted to welcome all of you who are here today. It was my privilege to chair the very first hearing of Save the Children back in 1979. One of the most inspirational things that I do each year is to come by this meeting and see children like you who are doing so much to help other children. And it's wonderful of you to do what you are doing, to have raised money as you have raised money—which is the way many things get done—and to come here to express your views to us. And that's consistent with the American tradition of compassion and concern about the need of other people.

The children in Africa probably do face the most desperate situation of any children on the face of the earth. And the fact that you are focusing your concerns upon their needs—rather than upon whatever problems you, yourselves, face in your own personal lives—is wonderful of you. And that's one of the reasons we have such a great country—because there're so many people like you that behave in that way. And I know that the few of you that are here today—not that few, but not that many, either—really represent thousands upon thousands—actually millions—of children in America, in your concern. We receive many letters in the Senate—from constituents, from people who are concerned about one thing or another. The greatest letter I have received this year so far was from a child in California who wrote to me to say: "Dear Senator Cranston: Please send my parents' tax money to starving children in Africa." That's a marvellous thought from that child. And you are doing marvellous work. I thank you for it.

Senator Dodd. Thank you very much, Senator. And Senator Melcher of Montana is also with us this morning. We're getting members of the Senate from across the country. And Senator Melcher, would you care to share some thoughts with our expert panel here this morning?

Senator Melcher. Thank you very much, Senator Dodd. I thank you and the others for having arranged this opportunity for senators to be with this outstanding group of children. And I want to tell you children that the most outstanding part of being here is that you have come together to tell those of us who are older and who are in a place to make determinations for the country just exactly what you think. Because, after all, it is your country and it is your world, and you're going to be guiding our country and our world in what we do about children, in what we do about all ages of people. If you have faith in what you believe in, and if you pursue it, as I think you will, then you're going to change the future and the destiny of this country—and indeed the world. Thanks very much for coming. I'm anxious to hear what you have to say. I'm anxious to get your advice and get your suggestions. I know they're going to be worthwhile.

Sen. Dodd. Thank you very much, Senator Melcher. And let me just say very, very briefly to our panel, before I give you a chance to share your thoughts with us, how pleased and honored I am that you've been willing to take the time to share your own experiences with this caucus and with the United States Senate this morning.

I happened to have watched the "20/20" program where some of you became TV stars. But as some of you said, you really are more than just T.V. stars. You are "real heroes"—because you used limited resources to raise money to help other people. I should just tell you that is was a result of a hearing involving Save the Children four years ago that I decided to start this Senate Caucus on Children's Issues. It occurred to me then that having young people testify was a good way to focus attention on the 64 million Americans—one-third of our population—who are children. And as a result of that initial experience with Save the Children, we've had a whole series of hearings across the country on the problems of latchkey children, abused childen, dropouts—and a variety of other issues. Our first panel of witnesses at very Caucus hearing is always a group of younger people talking about their own experiences. And it was as a result of the Save the Children Program where that was the format a few years ago that caused me to set up the Caucus. We've been very fortunate to have so many Senators from both parties—Republicans and Democrats—join the Caucus and become involved.

What you young people have done over the last several months has been remarkable. It has served as an example of what other people can do. You represent students from fourteen different states trying to help out your peers in Ethiopia. No words, as we all know, are going to adequately describe the ravages that have affected that nation and its people. Certainly, we all know that it's going to take more than just trying to get food in. The Ethiopians must have some serious longer-term programs so that they can begin to take care of themselves. But providing food during this time of tragedy is obviously essential.

At any rate, I'd like to get to the first panel. First of all, I'd like to welcome David Guyer, who is the President of Save the Children. David, once again, we thank you for being here. You've done an excellent job over the years in bringing Save the Children to Washington. We're very proud of the fact that you're a Connecticut-based organization. Those of us from Connecticut are deeply grateful to you and to the people who work with you for all you've done.

Certainly anyone who hasn't yet seen the "20/20" program ought to. I am going to try and see if ABC will allow us to get copies of that program to show in every elementary and high school in the State of Connecticut. I want to see if we can't match the challenge that was suggested by the student from New York City. I forget which student said it, but someone at the end of the "20/20" program said, "Beat us if you can." David, you and I ought to challenge the students of Connecticut to see if they can do better than the students of New York. And maybe we can get other states to do the same thing.

But we welcome you here today. As you know—Save the Children has brought young witnesses from across the country—from Arizona and North Dakota and elsewhere—to tell us about the Children Helping Children campaign. And for any of you in the audience who, as I said, saw that program, you know how well that Children Helping Children program can work. And so David, we welcome you. We'd be delighted to hear from you this morning.

Dr. Guyer. Thank you very much, Senator Dodd and Senator Specter and the other senators here this morning. We are particularly grateful to be here to tell the country at large that we're not just working overseas.We have programs in Arizona, in Montana and California, and in twenty other states as well as 42 countries abroad. About a third of our entire efforts are in this country, and today you have witness to some of the constituents we work with. We're—nothing is more proud to the organization than to have these panelists here today and their backstoppers, who fill several rows, behind us.

We really salute the Senate Children's Caucus for the initiative they've taken into making this possible, and it's more and more important each year. This is the seventh year that we've done this. We've concentrated in the past on the battered child, on environment and war and peace—always from the perspective of what children think about these issues. And some very creative, innovative ideas come up that I think have astounded some of our Senate and House colleagues that heard the testimony in the past.

And today, of course, is Africa day. This is, naturally, the most serious human crisis in the last forty years. The last I remember is in Bengal in 1945, when about a million died of famine. We haven't had anything like that the world community has had to face in over forty years. And we are facing it today. And many of you on the Senate side have seen it, have witnessed it first hand and know the problems that are brought about by this extraordinary human tragedy.

But today is the day we're going to hear from the children what they think about it. I'm sorry, in a way, that Senator Specter left, because I want to pay tribute to that first group of Pennsylvania students that really kept the operation going for several weeks by their initial food shipment. And since then, the New York City school system, as you heard last week in the ABC special—and throughout the country it's been an overwhelming response now to—to this tragedy. It's shown to the American people that food can get there quickly. It doesn't have to take six months or a year. As you saw in that TV special, it got there within a month after the money was raised. That's the thing we're proud of in Save the Children. We do it very quickly, we're able to react to any emergency at a moment's notice with the constituency that we build up—with your help, both in the Senate and the House, and our constituency around the country.

Now, it gives me great pleasure, Senator, to introduce our panel this morning. To my right I have Elaine Hale, who is from Window Rock, Arizona—from Navajo land. She came all the way from Senator DeConcini's part of the world. And second, we have Debbie Amaro, who is right next to Elaine. Debbie you will recognize as one of the stars in the ABC special. Debbie is from New York City and has worked with us in that part of the country for some time. Third, we have Luke Vadas, who is from Homestead, Florida. We have a number of projects in Florida, particulary with the Seminole Indians. Glad to have Luke with us. And we're especially pleased to have Carla Miller here this morning. Carla is from Marvell, Arkansas, an area that we call the Mississippi River Delta Project. And she represents that part of the country.

Next to Carla, we have Lance Polingyouma, and he comes from a Hopi village which has about thirty letters in it. And I'm just going to say it's from the third Mesa—and he allowed me to do that. And Lance, we're glad to have you from Hopi land here today. And last but hardly least, we have Claire Malouff, who is from Antonito, Colorado, and who is particularly concerned with this African problem.

Se we're very pleased, Senator Dodd, to have this panel with us. And as I say, we've got some fine backstops in the ten rows of seats behind us.

Senator Dodd. Thank you very, very much, David. We welcome all of you in the first panel here this morning and those who are sitting behind the panel. I recognize some of those faces from the "20/20' show. Obviously we'd love to give everyone a chance to say something. That's a little difficult with the time constraints we have, so we're counting on the first panel to be the representatives of all the children here this morning.

Let me begin, if you will, with you, Elaine. What we'd like to ask you to do is just describe, in your own words what you have done. If you have a statement prepared, we'd obviously accept it. But just tell us about how you became involved in the program, what it's meant to you, how successful it was, what your problems were in getting the program off the ground. What would be your recommendation to other people watching—younger people like yourselves—who would like to do what you've done? What are some of the things they should avoid? Maybe you can tell us some of the mistakes that you made and some of the corrections you'd make today if you were going to start all over again.

So we welcome all of you. I'll ask each of you to just share your own thoughts in a few minutes, and then we'll have some questions for you. So why don't we begin with you, Elaine? And welcome.

Elaine Hale. Thank you. My name is Elaine Hale. I am an eighteen-year-old Navajo Indian from Window Rock, Arizona, the capital of the Navajo Nation. I am currently attending Window Rock High School. I became interested in the African situation when I heard the powerful song "We Are the World" by U.S.A. for Africa. The song has a great meaning, and it is true that "we must come together as one" to reduce starvation in Africa and around the world. Therefore, "we must lend a helping hand" by teaching the Africans new methods of cultivation in order to produce their own food. Research must go into the lands fertile once again.

But for the time being, we must give immediate aid to the African children. Although the whole issue lies in the hands of the Africans themselves, we must realize that they are human beings and have feelings as much as we do. Not only the Africans get food from concerned citizens, but we must act to teach them to become self-sufficient so they can plan for the future of their people. Essentially, we cannot solve this problem overnight. But it is a great concern for all people to know that there are people starving to death when we all know that there is enough food in this world to feed the world.

But why are there people starving when we know there is enough food in this world? I may not have the answer to this—to this question, but if we combine all our ideas together, we may reduce the problem. People have started to help, but the Africans need more help. Therefore, we need your support in helping us support the people in Africa. After all, we make a brighter and better day when we give. Giving will save lives—the greatest gift of all. Thank you.

Sen. Dodd. Thank you very much, Elaine.

Debbie—Can we move that microphone over for Debbie—slide that over for her? Debbie, I know you have a good, strong voice. I listened to you sing on the "20/20" program. So you probably don't need that microphone. We welcome you here this morning, Debbie. Why don't you tell us some of your thoughts and views, how your program worked and what your suggestions would be on how we could make it work better?

Debbie Amaro. My name is Debbie Amaro. I am nine years old. I live in New York City. I want to tell you what the children of New York City did. We raised $250,000 for the people in Ethiopia. At PS 15, we started in November by collecting snack money. We made hearts in February for Valentine's Day. We haven't stopped raising money. We are going to make Mother's Day cards. We are going to sell them.

The reason we did is because we cared. Children my age are starving to death, and I can help. But I am just a kid. I can't do just—I can do just so much, but I can't do everything. We can use some help. I think you should help us kids. Thank you.

Sen. Dodd. Thank you very much, Debbie, for that testimony. You're going to continue the fund-raising program. In other words, you haven't stopped with the making of the Valentine Cards. You said you're now going to make Mother's Day cards and continue the program in New York City, right?

Debbie Amaro. Yes.

Sen. Dodd. Luke, welcome.

Luke Vadas. Hi.

Sen. Dodd. You are from Florida.

Luke Vadas. Yes, I'm Luke Vadas. I'm a junior at Homestead Senior High, and I'm sixteen years old. Homestead is a rural, chiefly agricultural center in southern Florida. We're here to explain a situation and express concern for those people suffering in Africa.

Several factors are involved in making a valid statement about the African crisis. First is short-term relief. Short-term relief is effective as immediate aid, but long-term relief is the most effective program and is the one which needs the most research and development. It is only through long-term relief that these afflicted countries can be put on the road to recovery and prosperity. These African peoples have no desire to be dependent, but truly have a desire to control their own destiny. A program such as Franklin Delano Roosevelt's New Deal could be implemented to integrate modern land production, water usage and disease reduction measures to Africa and her people.

Other problems cry out louder to be researched and expounded upon. My school started a club called Concerned Students for Ethiopian Children and held a walkathon that raised $1,500. But what made this walk so special was that after an inspiring message from our football coach, several hundred students came forward to walk, whereas the day before there had only been ten. This walk soon snowballed and involved many concerned from our community donating money and even walking with us on our campaign to raise money for Africa.

Children have such a desire to help, but constantly are turned down as too young, not experienced enough, and even discouraged by adults that say the project is too hard. All we need is a chance to let our energies go, and I think most would be surprised at how much we really can do.

The main thrust of my testimony is to tell you that we, as a country, need to start an awareness for all. Now. That everyone can feel they can get involved in and make a differnce. That is, the attitudes and awarenesses to the problem need to be changed so that, even though the crisis may not be on TV, the problem is still there and still needs to be addressed. Frustration from the red tape of our bureaucracy and from the monumental task of this problem becomes so overwhelming that people shun away from it and say, "I can't do anything." We need to stomp out that attitude and install a spirit of "you can do it." This multifaceted problem needs to be disected and individually attacked and conquered. As a whole, we need a start or an example in which we can all feel a part of, and feel that we truly are making a difference.

We are Spaceship Earth. And we should start thinking of each other as human beings. And help each other as that—human beings, and in doing so, making our world a better place for all. Thank you.

Sen. Dodd. Thank you very much, Luke.

Carla Miller, we welcome you here this morning, Carla. You speak right into that microphone for us good and loud.

Ms. Carla Miller. My name is Carla Denise Miller, and I am from Poplar Grove, Arkansas, which is a rural town near Marvell, Arkansas. I am one of six children. I am twelve years old and in the seventh grade, and I attend Marvell public schools.

I feel that we could do a lot more to help the people of Africa. Sometimes a question comes through my mind. I wonder: "Is the government going to try to help the people of Africa more than they already have? Or are they going to watch this country go down and down every day?" As I watch on television about these people of Africa, I just wonder: "Am I doing the best I can to help?" It seems to me that the government can do more. If the people—If we, the people, can, why can't they? The government could save the more fertile lands of the region, and just maybe they could provide enough food to feed and save the lives of as many people over there as possible.

In my school a teacher by the name of Mr. Miting is getting together with some students, and they are putting together a project to which we have different sports events, talent shows and dances. And the money that we make we will try to save as many people as we can.

And in our church we take a collection up every Sunday for Save the Children. We started this about two weeks ago, and it's still going strong. We do not know yet what our goal is heading for, but we are trying very, very hard. In other words, we don't know what amount of money we are trying to get right now.

As I said before, if the people of the world can raise money with different projects, why can't the government?

Sen. Dodd. Thank you very, very much, Carla.

Before I even go to the next witness, I want to welcome Gary Ackerman, who has joined us here. And I think some of you from New York may recognize Gary. I know what a tremendous job you did, Gary. We'll finish up with our panel, if that's all right with you, and then I'll turn to you for some comments and thoughts. And I know these are special people to you.

Lance, do you have some thoughts you'd like to share with the Committee this morning?

Lance Polingyouma. Yes, I do.

Senator Dodd. Can you speak right up into that microphone?

Lance Polingyouma. Alright.

Senator Dodd. There you go.

Lance Polingyouma. My name is Lance Arthur Polingyouma. I'm from the village of Kykotsmovi, Arizona. I am in the eighth grade, am fourteen years old, and attend the Hopi Mission School.

I am concerned about the situation in Africa because I feel what needs to be done is that we should all do more than we are doing now. There are people in need. They should be taught to help themselves. Just giving them food isn't enough. What they need is long-term plans in the near future so they can become self-sufficient once again. Money should be set aside for research into farming techniques and development into the count—support of the countries. Our governments could get together so that we could help one another.

We are doing what we can—walkathons, bake sales and food sales are a good example of what we are doing to help.

I would like our government to put money into activities like that to raise money for relief aid. We would help others, with the cooperation of the people—not just the government. We all need to help, not just the government—but the people also.

If we understand what we are doing, we can do a lot more for the people in Africa. Children in different communities did it, so we can do it, too. It doesn't make a difference what kind of government you have. If you are concerned and the government is willing, you can do it. You can do more. Together.

Sen. Dodd. Thank you very much, Lance. I appreciate your coming such a long distance to be here with us this morning.

And Claire, why don't you share your thoughts with us? You've come a long way, as well, from Antonito, Colorado. Is that right?

Claire Malouff. Antonito.

Sen. Dodd. Antonito. Thank you for coming this far. What have you been doing in your school?

Claire Malouff. We've been raising money through bake sales and our school lunch program. We usually pay for our milk.

Sen. Dodd. Can you speak up a little bit, Claire?

Claire Malouff. We usually don't pay for our milk. We have a free lunch program in our school. And we decided to pay for the milk and put money into the African fund to help save the people in Africa.

Sen. Dodd. Very good. Do you have a statement there you'd like to share with us?

Claire Malouff. Yes. My name is Claire Malouff. I'm fourteen years old. I'm from Antonito, Colorado, where the main jobs in our small town of 1,000 people are with the perlite mines and ranching. Many people in our community are unemployed not because they're not qualified, but because these jobs aren't available. but despite this, we have still found ways to help those people in Africa.

I am interested in the plight of Africa because I think that we can do a lot for these people. We shouldn't just give money to them, because these people have pride. They really want—What they really want is for us to help get them back on their feet. Also, we can't just give them money in large amounts and expect them to be okay forever. What we really need to do is to help them help themselves. In other words, help to set up long-term programs in their communities and villages. Some programs that could be started in the communities involve possibly volunteers in the areas of agriculture, education and health.

In the area of agriculture we can help to instruct these people in ways which help them to produce greater, healthier yield of nourishment. In the area of education we might help to instruct them by teaching them at an early age agricultural techniques in public schools that might possibly be set up near the villages within walking distance so that the children can get information that would in turn go back into the community so that this tragic situation would be minimized in the future.

If you look into the Bible to the time of Joseph, you'll discover that he helped prepare for a drought that also lasted about seven years. I think if we can prepare for future droughts using grain storage techniques that are dry and nonaccessible to animals and insects that can be harmful.

In the area of health, one of the things to do, which has partly begun, is to provide the African people with the information on how to detect and protect themselves from dirty water, to make it drinkable. Also, we need to train people on how to detect and protect themselves from various diseases and illnesses.

We can help the people of Africa. All we need to do is have—is want to badly enough. All we want you, as representatives, to do is to represent us. Because it's your job. We hired you, and I don't feel we're asking too much.

Sen. Dodd. Join the crowd. Thank you very much for that.

I have some questions I'd like to ask you, but I don't want to miss the opportunity to allow Congressman Ackerman to speak. He did, I think, a remarkably effective job in working with the students of New York City. And Gary, before you got here—I suggested we'd like to take that "20/20" program and show it in our school systems in Connecticut as a demonstration of what other people can do. What was so impressive—and I say this about all of you who are here today—was that so many of the students, of course, came from some of the poorest sections of New York. I know Debbie Amaro is not—she's not an heiress. You don't have ten million dollars at home, I don't think, do you, Debbie? No. And yet [they] really go out and they work and give the pennies and the nickles that are so hard to come by at home.

I have two staff people here today. I should have introduced at the very outset, Kristen Nargi and Thiphasone Khennavong. They're acting as two of my staff people. They are involved in our program of Save the Children in Bridgeport. Why don't you stand up? These are my staff today—I've asked them to become Senate staffers, to give me some guidance and assistance. I'll tell you, they have done a great job.

But Gary, we'd love to hear some of your thoughts and views. And then I'll come back and ask this distinguished panel of witnesses some questions. Rep. Ackerman. Senator, thank you very much. And thank you for your leadership and the role that your are playing in this very important area.

The experience that I was able to share in very recently with the children of the City of New York and the children of Ethiopia was probably one of the most remarkable and moving things that have ever happened to me in my entire life. And I have never, ever been so impressed with our young people in my city and in our country.

I was in Ethiopia first in November, and I was very moved by the things that I saw there. And I returned in February, and I was in part of a trip along with Senator DeConcini. And we shared many an experience together and we cried together and we just had our hearts broken.

When I worked with the kids in the City of New York, I told them about some of the things that I had seen in Ethiopia when I was there in November, and some of the problems that we, as public figures, experienced when we tried to convince some of our colleagues of the importance of the things that have to be done. And I told the kids that I thought that they were smarter than their teachers and they were more creative than the politicians, and that they were able to act faster than the government.

Sen. Dodd. That wasn't much of a challenge.

Rep. Ackerman. Well, by golly—I didn't think it was much of a challenge, but they outdid anything that I ever thought possible. These are tough no-nonsense kids with tremendous hearts. And they really came through. The kids of New York city really pulled it off, as you saw and as will be repeated, I understand, on Saturday—they pulled off a miracle. And it's a miracle that we hope will inspire those of us in government and those of us in private life to try to do the same kinds of things that our children have done. The children have really led us. And they're really, really showing the way.

And I understand that you have given a challenge to the children of Connecticut to try to beat the children of New York City? Well, I think that's terrific, and I think that's what should be done all over this country. But let me up the ante a little bit, if I can. We're going to handicap this game, and we're going to let you throw in New Hampshire. And we hope that somehow you can beat us. We hope that the children in Connecticut can somehow raise more money than the children in New York City did. Because if that happens, nobody is going to be the loser, and that's going to give us the chance and come back and start all over again.

Sen. Dodd. I think that there couldn't be a better contest in the world than to have that kind of a contest—to have younger people trying to help other people. So you've got—you've got a challenge. We live right next door to each other in New York and Connecticut, and Save the Children located right in Connecticut, we can't possibly accept the fact that New York is going to beat Connecticut. So——

I have my Connecticut supporters from Bridgeport. They've already done a great job, I should point out, Gary, in Bridgeport. Bridgeport is one of the poorest urban areas in my state—one of the poorest urban areas in fact in the Northeast. And yet it was in Bridgeport, Connecticut, that these young people went out and raised money on a smaller scale. They didn't raise $250,000 or so, as you did in New York City. I think we raised, what, about $250 in the one school? Just in one school. But yet that $250, of course, meant saving the lives of many. If you say a nickle a day will provide food for someone, the math will tell you that $250 saves many children for a long period of time. Just that small amount.

So we'll accept the challenge. We're going to get underway with it very, very shortly.

We thank you for coming over.

Rep. Ackerman. Well, I thank you for the opportunity.

Sen. Dodd. Well, you've been a real leader in this. And I'm sure the students from New York would like to give Congressman Gary Ackerman a good round of applause for all he did.

Let me ask—let me ask this—of some of our witnesses here, if I can. The "20/20" program was excellent. And as Congressman Ackerman has pointed out, it will be on television this Saturday. David, do you know the time that's going to be on? It's going to be on in the morning, someone told me. Saturday morning. We'll try and find that out—the exact time.

Sen. Dodd. Twelve noon? On Saturday?

Rep. Ackerman. In the East.

Sen. Dodd. In the East. One of the problems is that a lot of people, contrary to what we think, don't have televisions at home. We'll start over here with you, Elaine—and anyone else can jump in, if you'd like. Don't feel restrained not to speak right up. What other ways would you suggest we get the word out? Television is obviously a very good way of doing things, but how else would you suggest we make people aware of this problem? Not only the problem in Africa, but the problem of starving children all over the globe. How better can we communicate that information?

Elaine. Well, we can use radios. There's—people have more radios than television. We could have, like, a radio show where they do the same thing as "20/20" on television, but just talking. Maybe through newspapers also.

Sen Dodd. Newspapers?

Elaine. Uh-huh.

Sen. Dodd. Yeah. Do you have any thoughts on that, Debbie? No? How about anyone else? Anyone have some ideas on how you might improve that? At all? Luke? Well, be thinking about it. If you have some additional ideas, don't hesitate to pipe up.

You know, we've had a problem here. We've had a lot of money tied up with a lot of restrictions. Money has been appropriated by the Congress, but we haven't been able to get the food in Ethiopia. Why do you think you were more successful than we've been? What would you recommend to the Congress of the United States? What would you like to tell the Congress? Carla, do you have any thoughts on that? Do you have a message for the Congress? I suspect you might have a message.

Carla. Well, I think that the Congress could, you know, like, put different groups together for raising money and get more people involved with this and—than they already have.

Sen. Dodd. Um-hum. Anyone else any thoughts? Claire? What would you like to see the Congress do—what more should the Congress do?

Claire. See if they can't get the food there faster.

Sen. Dodd. Get the food there faster.

David, let me ask you something. I've sent, this morning, a letter to the Secretary of State dealing with the restrictions we have. You're familiar with that, aren't you? In fact, you've pointed this out as well, Gary. We've got a lot of money in the pipeline that's been kicking around, and the food's not getting there. What's the problem? What can we do? What could be done to free up that logjam?

Mr. Guyer. I guess, Senator, we have to reinvent the wheel sometimes. The delay from the time of the inception of the crisis until food actually begins to arrive in bulk is a long, long time. As Gary Ackerman knows, we still haven't had one sack of grain from the U.S. Government sources yet. If it hadn't have been for the children of Pennsylvania and other—from New York and others—areas of the country, the hundred thousand of the starving and the famine-stricken in Ethiopia would not be alive today. It's been—the private sector came in so quickly.

Sen. Dodd. But am I accurate in in saying this? That 60 percent of the food supplies that have been provided for as a result of congressional action still have not been delivered in Ethiopia?

Mr. Guyer. That's correct. And that doesn't mean to say the pipeline isn't open—and they will start arriving in mid-May. We're going to have a, I think, from then on a fairly easy time of it. But those initial few months when the crisis is at its height is the most difficult period. And I think the—the imagination of all sectors, PVO sector, your multilateral sector, should be more innovative to—to somehow break through that logjam. It's the first few months that are the most important.

Sen. Dodd. Well, I should point out that some of the restrictions we're talking about are based upon legislation that goes back so that you know this, so that the students who are here will understand, these are laws that go back some time. They were not passed without reason. But we didn't envision when those laws were passed situations like the ones that exist in Ethiopia today. Certainly, I can tell you that the Senators who voted for and sponsored those pieces of legislation years ago would not want to see it serving as a roadblock to the delivery of needed assistance to people in Ethiopia. And that's the gist of the letter that I've sent to Secretary Shultz.

Sen. Dodd. You could involve poor people. That's how we got started in West Virginia a few years ago, if I'm correct, Jay, with VISTA. I was a Peace Corps volunteer in Latin America back in the 1960s. That's where much of my interest in these particular issues comes from. Jay, we welcome you here to the Children's Caucus this morning. Would you care to share some thoughts and welcome our panel of expert witnesses here? These are the young people who went out and really did an incredible job in raising a substantial amount of money for food—and got it delivered in less than two months. Wasn't it less than two months? Is that right, Gary? Less than two months?

Rep. Ackerman. It was just about a month from conception to delivery.

Sen. Dodd. Jay, we welcome you here this morning.

Sen. Rockefeller. Well, you left out the Peace Corps out of my resume——

Sen. Dodd. I apologize.

Sen. Rockefeller. Mr. Chairman.

Sen. Dodd. I apologize.

Sen. Rockefeller. I claim not only——

Sen. Dodd. He'll never forgive me.

Sen. Rockefeller. The Peace Corps, but also VISTA. Also, I claim a special relationship with Save the Children via two factors: one, two young people from West Virginia are here as part of the organization's delegation—one is from Huntington in Cabell County and the other is from Harts in Lincoln County; and two David Guyer, who is the president of Save the Children is—what are you, David? My uncle or my cousin?

David Guyer. We'll figure that out sometime, Jay.

Sen. Rockefeller. You are my wife's uncle. I, along with hundreds of thousands of others, admire what you have done for many, many years. You've served people in need in 120 countries and have tried to bring America and those of us in Congress to understand the importance of this work. And you do it in ways which are very effective. I suspect that the six young people before me have made especially significant contributions in volunteering for Save the Children. So, I'll look forward to hearing more from you, and simply say now that I'm glad to be here, Mr. Chairman.

Sen. Dodd. Thank you, Jay. And I will never leave out the Peace Corps again in any summary of your background.

Senator Danforth from Missouri is here as well. And I'm going to be careful about going back into earlier involvements, although Senator Danforth, I know, was a member of the ministry. He got an education in Connecticut, which is why he is such a nice fellow. But anyway, we welcome you here, Jack, this morning. Would you care to share some thoughts—or ask any questions as well?

Sen. Danforth. It is my understanding that these young people and others who have worked with them throughout the country have raised $300,000 for the relief victims of the famine in Ethiopia. I think that is terrific.

Although I have not been to Ethiopia, I visited the surrounding countries of Sudan and Somalia where I actually witnessed the seriousness of the hunger problem in that region of Africa. These people desperately need our help and by your great accomplishment you have demonstrated that America is willing to help them. Nothing could be more important than what you have done. When you look back on your lives many years from now, you will be able to say—"We saved a lot of people's lives."

I would like to tell you two stories.

The first story is about what happened in 1979, following a visit I made to Southeast Asia. I went there to focus world attention on Cambodia's terrible human suffering. It was very much like what is going on in Ethiopia today. Upon my return from Cambodia, I got a letter in the mail, and there was a check enclosed for $23 and some odd cents. It came from the fourth and fifth grade students at the St. Joseph Institute for the Deaf in St. Louis County. They had problems of their own, and yet they said in this wonderful letter—"At Thanksgiving time, we've been counting our own blessings and we have been concerned about the problems of the children of Cambodia. And we wanted to help them."

The second story is about my daughter, Mary Danforth. At that time, she was a high school student here in Washington and wanted to respond to the situation in Cambodia. She organized a fundraising scheme—a sort of a scam—in which she bought a cheap candy at a local store, took the candy to school and sold it at a very large mark-up to her fellow students. She contributed the profits to the relief effort. One of her teachers said: "Why do you bother? There are millions of people starving, and you are raising just a few dollars for their assistance. Isn't your effort a waste of time?" And my daughter answered, "Well, I have to try." I was proud of my daughter then, and I am proud of you now. We all have to try, and that small amount of cash my daughter raised for Cambodia was part of a great outpouring of help. It made a difference. My daughter's efforts saved lives—as have your efforts.

The $300,000 that you and the millions of children that you represent have raised for Ethiopia will make a difference. You have already saved a lot of people's lives. By what you have done and by what you are doing, you are living out what we say about our country. We tell ourselves that America is a special place—and it is. We tell ourselves that America is a place with special human values and we care about people—the dignity of human beings. It is important to say that. It is also important to live it out, to do something about it. And that is what you have done; you have done something about it. I admire you, and I am glad you are here. And I thank you for what you have done.

Sen. DODD. Thank you, Senator Danforth very, very much for those comments. I wanted also to introduce others to my colleagues here in the Senate. I don't know if everyone on the Committee has seen the "20/20" program. It'll be on again this Saturday at twelve-thirty. We said twelve earlier; but it's twelve-thirty Eastern Time. Some of these young people who are here today were featured in the program. Gary Ackerman was a part of the program too. He was the motivating force, along with, of course, Save the Children, in making the New York campaign happen. The younger New Yorkers did a tremendous amount in raising dollars. We've have some of those New Yorkers from that "20/20" program over here in the audience, and I didn't want them to be neglected. When I call out your name, why don't you just stand up, if you will? Anthony Biaz, who is here; Carmelo Beltran, who is here; Mary Jackson; Luz Ramos is here as well. We thank you for coming today to be with us on this program.

You can sit down, folks, if you'd like. If any of the children who are here would like to get up and say a few words this is your opportunity. You don't get a chance too often to have three or four Senators here. And if you've got some ideas or some thoughts on what we ought to be doing in Congress and you'd like to share those thoughts with us, why don't you take advantage of that microphone right there? Step up and introduce yourself and tell us what you think we ought to be doing, What could we be doing better than we're doing right now on this problem?

What is your name?

Robert Lopez. Good morning. My name is Robert Lopez, and I am a sixteen-year-old junior from Homestead Senior High in Homestead, Florida.

Sen. Dodd. Would you speak right into that microphone for us?

Robert Lopez. The students of Homestead High School in Dade County, Florida, would like to submit an idea. We would like to see local state universities sponsor African students to come to respective state universities and study in the fields of agriculture and medicine. We feel this will be one of many great long-term proposals that both Houses should agree upon. What steps can be taken to have this passed?

Sen. Dodd. Well, there already are some programs to bring foreign students here. But I'll be very candid with you. I don't think these programs do enough. I don't think they're broad enough and I think they have a tendency to focus on post-doctoral degrees to train academicians or professional people. We have very few programs to bring students to this country from anywhere else in the world on a technical level. And in fact, one of the things that I'm examining right now would be a Fulbright type of program, but on a technical school basis. We could be doing more in this area. And I think it's an excellent suggestion, because in the long term it's trained people that will ultimately make the difference in these areas.

So I thank you for your comment. And if any of my colleagues want to jump in at any point here, please don't be reluctant.

Yes?

Sen. Danforth. The reverse of that is also true. Of course, we have extension programs that operate in Africa. And I think one of the important things to do is to have centers of education——

Sen. Dodd. In the countries.

Sen. Danforth. In Africa—within Africa, to train large numbers of people in the sorts of agricultural projects—agricultural methods—which would be useful in Africa. When I was in Somalia, way out in the countryside, I met a couple of people there from the University of Wyoming. They were experimenting on how to produce sorghum—which is one of the staples of the diet in Somalia—in a very dry climate. And they found that by changing the time of planting and the spacing of the plants they could produce something like half again as much sorghum—even in a very dry climate.

So I think that it's important to have onsite services going on within the continent—similar to an extension program.

Sen. Dodd. I'll just tell you, Jack, I couldn't agree more. I recall when I was in the Peace Corps in Latin America, we had an extension program that was working in the country I was in. But it was in the richest farmland of the country, where you had to be virtually a millionaire to afford any farmland. Yet most of the farmers that were struggling to get along lived on the sides of hillsides, where there was tremendous erosion. The agricultural extension program had John Deere tractors and seeders and planters and all of the state-of-the-art equipment. And any small farmers attending would have to go back up to work their small patch of land.

So we got the Peace Corps to change that a bit, and got them just to go up and work right in the very areas where small farmers would actually be farming. And it was effective.

Yes.

Sandra Suhu. Good morning. My name is Sandra Suhu, and I am a Hopi Indian from Hopewell, Arizona. For centuries the Hopis have been self-sufficient, growing corn, watermelon, beans and fruits. For this reason, we see no starvation. Our religion, dances, our traditions and ceremonies are all tied to the land we live on. Money will pass through our hands and government programs will end, but as long as we have our land, we can continue as the Hopi has for centuries. Any land-based culture such as ours needs to tend to the land in order to preserve it for future generations.

The Hopi seeds and dry farming methods could perhaps be of benefit to the Ethiopian people. Our seeds have evolved for centuries to grow well in dry climates. Maybe this knowledge could be shared with the Ethiopian people.

Mr. DeConcini, Mr. Dodd, please join the Hopi Delegation in giving this message. We would like the African people, through Save the Children Federation, to accept this white corn meal which we use to pray with. It is called poma. Whenever a Hopi prays, they take a small handful and say a silent prayer. It is then deposited wherever the prayer was given, whether at a shrine or other common place. Often a secluded place.

Thank you.

Mr. Dodd. Thank you very, very much. And what a beautiful suggestion and offer. Very thoughtful of you.

Yes?

Chris Durcan. My name is—is Chris Durcan from—from Virginia, and I'm thirteen years old.

Congressmen, when you look at these pictures on the poster and in the media, you might recall the pictures from—from the German concentration camps of the Jews and the harsh treatment that the Germans gave to them. Those were the victims of the holocaust. This situation in Africa is a holocaust of equal graveness, if not more. And I'd just like to—and I think that we must try and do something about this African holocaust. And I'd like you, Congressmen, to try and pass short-term and long-term programs to help these people and stop it while we can. And to try and—to educate them in Africa to collect water when it does rain and maybe, like, give them seeds and try and produce seeds in America that will grow in that climate.

Thank you.

Sen. Dodd. Before you step down, let me just make one comment. Your point is a very good one. You speak very well. There is a distinction, though, that I think is important to make. What is going on in Africa is, of course, a tragedy of incredible proportions. It was created by nature. There's been no water for four straight years, going into a fifth year. It's a devastating situation that has resulted in being unable to farm and unable to provide food. And many people such as we have here, yourself included, are doing everything possible to help remedy that situation.

That is a different situation—it's important to note this—than when people did what they did to people in the holocaust. That was man's inhumanity to man—man created that tragedy. Here, man can help alleviate tragedy by providing food. But it's an important distinction to keep in mind. When we talk about holocaust, we ought to keep that perspective. Otherwise, we can confuse the two. It could be a very, very significant point.

But certainly your concern about what's happening in Ethiopia, happening throughout Africa—and happening in other countries as well is absolutely warranted. As Senator Danforth pointed out, famine is not limited to just one country; it's going on in corner after corner of the globe. And certainly in Southeast Asia today—in Cambodia—we see refugee camps that are jammed full of people. Central America—there are refugee camps that are accumulating hundreds and hundreds of people because of the tragedy in that part of the world.

So we thank you for your comments and for coming here this morning.

Rep. Ackerman. If I could jump in, Senator, and just comment on young Chris' statement, I'd like to say that he is very, very perceptive. At the time of the holocaust, as you point out, there were six million Jews as well as many millions of other people who were killed, who died. And it was a holocaust and a problem, as Senator Dodd points out, of human causation, where man actually perpetrated beyond anybody's reason these very heinous acts.

However, there's a tremendous similarity, if we take a look at the holocaust and Ethiopia. We're looking at numbers, the proportions of which are very, very similar—as far as the number of millions of people that are at risk. And the terrible tragedy of it all is the similarity that can be drawn by the fact that it was almost too late at the time of the holocaust when the world stepped in—when nations and other people stepped in. People sat idly by doing nothing, claiming that they did not know, in many instances.

This has happened in Ethiopia and other parts of Africa as well. The world has also sat idly by, claiming for too long that they did not know. And it is basically through the efforts of young people like yourselves and organizations as wonderful as Save the Children that have stepped in at this point and who are educating those of us in the Congress and the citizens in our country and around the world that this is actually happening—so that we will never have an excuse, to be able to say that "we did not know." It is our time to step in and to help them. And we thank you, Chris, and each of the people here from Save the Children for their leadership in this area.

Sen. Dodd. Who's our next speaker? Can you speak right into that microphone?

Victor Gulley. My name is Victor Gulley, and I'm from Gerden, Arkansas. I live with my mother, two brothers and sister in a house. My mother and father are divorced. My mother works as a domestic helper in a private home. All of us are attending school.

A lot of people in my town——

Senator Dodd. How many children in your family?

Victor Gulley. Four.

Senator Dodd. Four. Okay.

Victor Gulley. A lot of people in my town are out of work. Some were laid off from their jobs when the silver factories closed and have not been called to other jobs.

When a member of my church heard about the hungry in Africa, we decided to try to help. We raised money for two Sundays in my church, the Mount Canan Baptist Church. We gave $65.00 to Save the Children. I hope this helps. There are hungry children in America, too, so I know what it feels like.

Congress should try to help the children who are hungry in Africa and America and all around the world. If I can do a little bit, Congress can do a lot.

Thank you.

Senator Dodd. Thank you very much for that good testimony.

We're about to close here. We have one more? I'm sorry.

Derek Guiley. Senator Dodd, my name is Derek Guiley, and I'm from Pennsylvania, just outside Philadelphia. We—me and Beth Jennings, we go to Council Rock High School. We raised $40,000 in two weeks.

Sen. Dodd. That's terrific!

Derek Guiley. On behalf of the children of America and Africa's children, we would like to present you and Senator Specter a token of our appreciation and our thanks.

Sen. Dodd. Thank you very much. Is that the poster from Save the Children?

Derek Guiley. Yeah, and we all signed it—all the children.

Sen. Dodd. Well, let me come down there. Why don't you come down with me, Jay? That's very nice. That's signed by everybody? Thank you very, very much. I can't tell you how much we appreciate this.

Save the Children, as I said at the outset, gave me the idea for the Children's Caucus. The Caucus provides a forum where we can focus on what younger people are doing in America, and on what's happening to them. In New York City and in Bridgeport, Connecticut and in Arizona, Colorado, West Virginia, and other states, you prove that one person can make a difference. Now, you've heard that said over and over again. By giving and helping someone, you not only are doing something for the person getting the help but also for yourself. Don't you feel better when you help somebody else? Isn't it a wonderful feeling to know that you've helped somebody else out?

So I thank you all for this. And Senator Specter does, as well. And thank you for coming today—all of you. Thank you very much.●

TRIBUTE TO SOUTHWEST HIDE CO.

● Mr. McCLURE. Mr. President, I want to congratulate Southwest Hide Co. of Boise for their outstanding contribution to the increase of U.S. trade abroad. Southwest Hide was awarded the President's "E" Award for Export

Service. This is the first time an Idaho business has received this prestigious honor.

The President's "E" Award was created by Executive order of the President in 1961 to afford suitable recognition to persons, firms, or organizations that contribute significantly in the effort to increase U.S. exports. The "E" Award was introduced as a revival and adaptation of the World War II "E" pennants awarded top industrial plants for superior production. Its origin goes back to 1906, when the U.S. Navy stimulated competition in the fleet by conferring "E" pennants on ships excelling in gunnery, engineering, and communications.

Southwest Hide Co. has demonstrated their ability and innovation in exporting hides and skins to Eastern Europe, Mexico, and Pacific Rim countries during a difficult time faced with a strong U.S. dollar and the largest imbalance of trade in the history of the United States. They have more than doubled their exports during the past 4 years selling over 2 million hides and skins abroad. Southwest's exports account for 95 percent of its sales.

Southwest Hide employs 195 people in its operations in Idaho, Nebraska, California, Texas, and Arizona. Their employees should be commended for the accomplishments they have achieved through persistence and innovation in exporting. The International Trade Administration at the Department of Commerce indicated that Southwest was faced with many setbacks in their initial efforts to open oversea markets. Instead of giving up, they developed innovative ways to penetrate markets which had been closed to their products in the past. I join the International Trade Administration in applauding the ingenuity of this company.

I am pleased that an Idaho business has received national attention and recognition by President Reagan and the Department of Commerce for their successful efforts, and I have no doubt that more and more Idaho businesses will be in line for this award in the future.●

ALEX ANDERSON AT 90

● **Mr. INOUYE.** Mr. President, music conveys the special beauty and friendship of Hawaii in a way that mere words cannot. Music of Hawaii evokes images of swaying coconut palms, graceful hula dancers, and gently lapping waves.

Perhaps the most famous composer of modern Hawaii is Robert Alexander Anderson. Thanks to Alex Anderson, we cannot think of hula dancers without humming "Lovely Hula Hands," we cannot imagine Christmas in Hawaii without "Mele Kalikimaka," we enjoy tropical nights to "I'll Weave a Lei of Stars for You."

Alex Anderson's melodies carried the blissful picture of Hawaii far beyond our shores, to the mainland and beyond. His popular songs glamorized Hawaii as a romantic land of aloha, helping create tourism as an industry for those wishing to visit the land of their dreams.

Alex Anderson will be celebrating his 91st birthday on June 6. On this special occasion, I wish to take this means of expressing thanks for the immeasurable wealth he has bestowed and the fond aloha he has shared. I also wish to convey my warmest wishes to his beloved wife, Peggy.

In addition to his songwriting, Alex Anderson is respected throughout the community as former president of the Von Hamm-Young Co. and as a distinguished veteran of World War I who was captured after his plane was shot down, but managed to escape.

I ask that an interview from the Honolulu Advertiser, published last year prior to his 90th birthday, be printed in the RECORD.

The material follows:

[From the Honolulu Advertiser, June 5, 1984]

ALEX ANDERSON TURNS 90

(By Wayne Harada)

Every song has a story, and in R. Alex Anderson's life, there are enough songs—and stories—to fill several volumes.

On the eve of his 90th birthday, Anderson—who turns 90 tomorrow—says that at his age, "you take it one day at a time. Well, maybe one week at a time."

And even at 90, life offers a thrill.

"For the first time, I'm a recording artist," he was saying the other day in the livingroom of his Makalei Place home on the slopes of Diamond Head. "I never felt I had a recording voice, and everyone else has recorded my songs.

"It was my son Allen who decided that I should put an album out. After all, we've been going to the Bohemian Grove (in California) every summer, where I play uke and sing and he plays clarinet. "If for nothing else but a record for the family and friends, we put out the tape. But I understand it's been doing quite well."

Indeed, "Alex Anderson Sings and Plays His Songs of Hawaii" has been a special staple in the music shops—13 tunes, played and sung by their creator.

"I think I've done about 125 songs," he says of his colorful and productive career.

Anderson—who will be feted by the Honolulu Rotary Club at its noon luncheon meeting today at the Royal Hawaiian's Monarch Room—also will be honored at an invitational birthday party thrown by his family tomorrow evening at the Makalei home.

Anderson's imprint on the community extends far beyond the musical spectrum. For 40 of his 90 years, he was associated with the Von Hamm-Young Company (and served as its president) and later was board chairman, then board member, of the reorganized Hawaii Corporation until the company went bankrupt.

"Music always has been a hobby," he says. "In the early days, there was not enough money, and the music-writing supplemented the income."

Robert Alexander Anderson (also known as Alex and Andy) was born on June 6, 1894, in Honolulu—the son of a dentist.

He wrote his first tune, "Go Punahou!"—his class song, Punahou Class of 1912—and experimented with musical composition while at Cornell University. "All the while I was in school, I was thinking of the Islands," he says. "I'm sure the environment of Hawaii influenced my songwriting."

He was editor of the Oahuan, the campus yearbook, and remembers writing verses and poems while in school. "At that point, there was no music," he says. "At college, I wrote 'Alohaland," because I was so homesick for Hawaii.

"I suspect there were a lot of melodies in my mind. My father, from Plainfield, N.J., played the organ. He was one of the first dentists to come to the Islands. My mother sang. And my grandfather, Alexander Young, for whom the hotel was named, was a poet from Scotland, who came over in 1865.

"I suppose what really got me going into music was the work I did with Don Blanding, for the Junior League. He wrote words and a story, and asked me to put the words to music. I remember two of these shows were 'Tropic Topics' and 'Hula Moon.' "

From these humble beginnings, Anderson created a wealth of songs from the 1930s right up to the present, each tune reflecting his unfading aloha for Hawaii.

He sits at his piano and proceeds to pluck out—and sing—"Haole Hula."

"My favorite song," he explains. "It expresses my true feelings for these Islands. The sounds, the color, the music, the general attractiveness of Hawaii."

The last two lines of the tune compactly convey his sentiments: "In every note I'll tell of the spell of my Islands, for then I know that you'll be in love with them, too."

Since the 1930s, Anderson has been writing tunes that have become part of the landscape for localites and visitors alike.

"I really don't have a formula," he insists.

"Sometimes, I get up in the middle of the night and scribble down an idea on the back of an envelope.

"Very often, I stay up two hours after the family goes to sleep, and pluck out a tune on the ukulele.

"In the old days, when we had property in Kailua, I would drive over to that side of the Island—and the hum of the motor would inspire me.

"Often, a tune will kick around in my mind for three or four months, before I wind it up."

He has a fond story for nearly every melody he's composed. Listen:

Of "Lovely Hula Hands": "It's the result of a chap watching a hula dancer, and commenting, 'Aren't her hands lovely?' That was a key line, and when I went yachting in New Zealand, I saw these gulls flying over the yacht—an observation that became part of the finished song."

Of "The Cockeyed Mayor of Kaunakakai": "The song was written for a party honoring Warner Baxter (a film star of the 1930s) on Molokai; I thought 'Kaunakakai' and 'cockeyed,' and created that one for a crazy occasion."

Of "Mele Kalikimaka": "My stenographer at Von Hamm-Young told me that there was no Hawaiian Christmas song, and that was inspiration enough."

Of "I'll Weave a Lei of Stars for You": "I guess it's sort of about our street, Makalei. Somebody once asked me what that name stood for; maka means eyes, and a lei is a garland; and I wrote the tune, referring to the eyes of the heavens strung in a lei."

Of "Malihini Mele": A friend was trying to learn Hawaiian expressions—and used words at the wrong place. Thus, in the song, I purposely misuse certain words."

Malapropisms are only part of his M.O. Anderson also adores alliteration, and has demonstrated his wit—and charm—with such hits as "I Had to Lova and Leava on the Lava," a tune with yet another curious history. "Clare Boothe Luce was at a party once, and she remarked that I hadn't done a volcano song. So I said. 'You mean, love 'em and leave 'em, on the lava?,' which became the catalyst for the song."

Anderson recalls being "hauled on the carpet by Mr. Von Hamm, who was my boss and my uncle," when he was in the thick of local business.

"He would tell me, in his thick German accent: 'I think you not attending to business. You writing music.' "

That wasn't totally true, since Anderson always kept both careers apart. "My uncle never chided me but that once, but I knew he was proud when I started having some success. The music writing, after all, was always on the side."

Anderson's strengths and accomplishments on the business front were linked to his dual degrees—a bachelor of arts and a bachelor of science—and his Cornell training in mechanical and electrical engineering.

Anderson (with Von Hamm-Young and THC) was responsible for:

"Bringing Frigidaire to Hawaii in 1943."

"Bringing in Zenith radios, and later TVs, to Hawaii.

"Started meat market refrigeration for Aala Market and the fish markets there."

Forty-seven years after he was wounded in World War I, Anderson was awarded a Purple Heart.

"I had graduated from Cornell in 1916, and went to work at Westinghouse in Pittsburgh," he says. "Then the war broke out in 1917, and I wanted to get into the air service. I applied, but there was no need for pilots. But I was able to get into an officers training camp at Ft. Niagara, and luckily, they could take volunteers into an air training program. We were sent directly to England, and trained by the British, and I remember, I was assigned to the RAF 40 squadron."

On a mission over France, in August, 1918, Anderson's plane was shot down.

"There was miscommunication, and before I knew it, I was surrounded by enemy planes. One bullet went through a tendon in my (left) leg, and I ended up in German territory, and was taken prisoner. I was taken to a hospital in Belgium, where I healed in about three weeks, but I managed to escape with three other American aviators and a British one."

He made it to Holland, sneaking through the electric fences "and using my Punahou French to seek food and shelter. Two weeks after my escape, I remember that the armistice was signed."

His saga has been serialized in McClure Magazine; with the money he earned for the story, he was able to marry Margaret Leith Center, also known as Peggy, then a budding opera singer who had studied under Madame Melba in Australia, and who was en route to a glorious career of her own in Paris, when diverted by Anderson.

He recalls:

"Peggy is the dearest thing in my life. We came to a day of missing each other. She was to go off to her singing career, and I was just back from the war. We were married in Chicago—she sacrificed her musical training. And till this day, I cannot thank her enough."

At 90, he has but one regret: "Peggy and I never did explore a career together."

In his heyday, the composer—as well as the entertainer—earned recognition for musical accomplishment.

If things were different with radio and TV and the whole business of electronic arts in the '30s and the '40s, perhaps we could've had something going," he says in retrospect. "We made numerous appearances on radio, like the Arthur Godfrey Show, but we never recorded.

"Peggy's been a good critic, too. Very often, she'd hear one of my songs, and send me back to the drafting boards. 'You can do better than that,' she'd tell me. And she was usually right."

At 90, he realizes that things have changed.

"It's a different business now," he says of the musical climate. "Today's songs are made by the entertainers, not the composers. So if you're a writer, you need to get your material performed by an entertainer. The name of the game is getting your music performed."

With a retired bandsman named Richard Crew, who now lives on the Mainland, Anderson has created a few "contemporary" selections which have been sent off to Nashville. "One, in particular, is quite nice—'Love Those Good Time Old Time Songs.' But so far, nothing's happened."

In the old days, he'd send his sheet music to a prospective recording artist and/or label executive. "There was no such thing as a demo in the early years," he laughs. "In more recent years, I'd play a tune and sing it into a recorder." Crude, but it got the job done.

He can't believe he's made it to 90. "I just had an ear operation, which also affected my throat," he says. "I didn't think I'd make it." Indeed, he has wounds that are healing, and has difficulty speaking and eating, he has some surgical scars on his left face and throat area.

"But my doctor says I've got the arteries of a 40-year-old man," says Anderson. "I guess it's due to the athletic life I used to have. Swimming, tennis, golf. I still play golf. But look at my haole skin; can't take the sun," he jokes about the splotches on his arm.

Asked if he's written a tune about turning 90, he shook his head.

But then again, the day still is young. . . .●

FEDERAL EMPLOYEES HONORED FOR OUTSTANDING ACHIEVEMENTS

● **Mr. MURKOWSKI.** Mr. President, the exceptional performance of many of our public servants is seldom recognized. Too often we forget that our government is made up of individuals who are not only excelling in their daily work but also volunteering for community activities. I would like to take this opportuntiy to commend the outstanding services of four Alaska Federal employees: Albertina Holmlund, Mary Bonin, David Street, and Leon Lassiter. They were picked by the Federal Executive Association of Anchorage honoring Federal employees for outstanding achievements.

ALBERTINA HOLMLUND

Capt. Albertina Holmlund, stationed at Elmendorf Air Force Base has been with the Air Force for 4 years conducting numerous classes in emergency room and obstetrical nursing. She also teaches prenatal and prepared childbirth classes. And if this is not enough, Albertina has been doing an extraordinary job as part of her community involvement training hundreds of people each year in CPR—cardiac pulmonary resuscitation. For the past 3 years she has been the site coordinator for Chevron's emergency health fair, the largest fair of its type in Alaska.

MARY BONIN

Mary Bonin who works for the Bureau of Land Management is also a very special person. Mary is one of the founders of Missing Children of America, which I am proud to point out started in Alaska and has spread to the rest of our country. Since Missing Children's creation, Mary has served as director of information of that organization's referral program. More than 90 percent of all the cases reported to Missing Children in Alaska have been successfully resolved. In 1984 Mary helped organize and coordinate the Alaska children's fingerprinting program, through which 14,000 children have been fingerprinted.

DAVID STREET

National Weather Service employee of 14 years, David Street, developed a computer software program to forecast flooding conditions. David compares his work in computer software to composing symphonies and his opus has been heard around the world. David's work monitoring the flood stages of rivers in Alaska has been recognized by the World Meteorological Association and has recently been used to forecast the flood stages of the Yellow River in the People's Republic of China. His work has saved millions of dollars in property from the ravages of flooding, not to mention the toll of human misery caused by this type of destruction.

LEON LASSITER

Staff Sgt. leon lassiter of the 172d Infantry Brigade at Fort Richardson, being responsible for all message traffic at the base, is the shift supervisor of the post's telecommunication center. He has reduced the workload on printed paper to the extent that his policies have been able to cut the center's budget by $10,000 a year. During his Army career Staff Sergeant Lassiter has also received a Joint Service Commendation Medal and the Army Achievement Medal.

Finally, I would like to commend the Federal Executive Association in Anchorage for its 17th annual award for Federal employees of outstanding achievement. Some of my colleagues may not be aware of the fact that there are local Federal Executive Associations in most major metropolitan areas. The local associations are made up of the heads of the different Federal agencies in each area. The award to outstanding Federal employees is another noteworthy example of individual Federal employees going beyond their work duties to enrich their local communities and the country.●

ORDERS FOR MONDAY, JUNE 3, 1985

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate convenes on Monday, June 3, 1985, the reading of the Journal be dispensed with, that no resolutions come over under the rule, that the call of the calender be dispensed with, and following the recognition of the two leaders under the standing order, there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes, to be followed by a period for the transaction of routine morning business, not to extend beyond the hour of 1 p.m., with statements limited therein to 5 minutes each; provided further, that morning hour be deemed to have expired.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, I had not seen this request. I beg the indulgence of the distinguished majority leader.

Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMISSION FOR COMMITTEES TO FILE REPORTS ON THURSDAY, MAY 30, 1985

Mr. DOLE. Mr. President, I further ask unanimous consent that during the adjournment of the Senate, committees may be authorized to file reports between 10 a.m. and 3 p.m. on Thursday, May 30, 1985.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ADJOURNMENT UNTIL MONDAY, JUNE 3, 1985

Mr. DOLE. Mr. President, I move, in accordance with the provisions of House Concurrent Resolution 155, that the Senate stand in adjournment until 12 noon, Monday, June 3, 1985.

The motion was agreed to; and, at 6:25 p.m., the Senate adjourned until Monday, June 3, 1985, at 12 noon.

EXTENSIONS OF REMARKS

ASSISTANCE TO NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BIAGGI. Mr. Speaker, as chairman of the bipartisan 111 member Ad Hoc Congressional Committee for Irish Affairs I have today introduced legislation to provide first time U.S. economic relief and rehabilitation assistance to Northern Ireland.

I introduced similar legislation in the last Congress and do so again because of my genuine belief that central to any future and lasting political solution for Northern Ireland will be a multinational economic assistance plan to help rebuild their devastated economy.

Under my proposal the United States would commit itself to a 5 year, $500 million plan to provide assistance which is to be use solely for humanitarian, rehabilitation, construction, and economic relief and rehabilitation purposes.

However the U.S. funds would not be made available for this purpose unless the Government of Great Britain both actively commits itself to working for a political solution and declares its intent to withdraw its existing direct rule structure over the six counties of northeast Ireland. I would not want to see the United States be party to subsidizing in any way the morally bankrupt British Government direct rule operating in Northern Ireland today.

My bill also expresses the sense of Congress that the European Economic Community should also provided economic assistance to Northern Ireland once a political solution is developed.

At this point in the RECORD I wish to insert the text of my legislation:

H.R. 2597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"CHAPTER 11—ECONOMIC RELIEF AND REHABILITATION ASSISTANCE FOR IRELAND AND NORTHERN IRELAND

"SEC. 498. AUTHORIZATION AND LIMITATIONS.

"(a) AUTHORITY TO PROVIDE ASSISTANCE.—The President is authorized to furnish assistance, on such terms and conditions as the President may determine, for use in providing economic relief and rehabilitation—

"(1) for the citizens of Northern Ireland, subject to the requirements of subsections (d) and (e)(1) of this section; and

"(2) for the citizens of the Republic of Ireland, subject to the requirements of subsections (d), (e)(1), and (e)(2) of this section.

Such assistance shall be used solely for humanitarian, rehabilitation, construction, and economic relief and development purposes.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President to carry out this chapter an aggregate amount of $500,000,000 for fiscal years 1986 through 1990. Amounts appropriated under this subsection are authorized to remain available until expended.

"(c) ADVISORY BOARD.—Assistance under this chapter shall be administered by the Administrator of the Agency for International Development, in consultation with an advisory board appointed by the President after consultation with the Congress. The advisory board shall be responsible for overseeing the use of such assistance and for advising the Administrator with respect to who should receive the funds made available under this chapter. Before making its recommendations to the Administrator with respect to the use of such funds, the advisory board shall engage in full and complete consultation with the Government of Great Britain, the Government of the Republic of Ireland, units of local government and elected representatives in Northern Ireland, and all other segments of the community in Northern Ireland. Members of the advisory board shall serve without compensation, but shall be reimbursed for travel expenses, including per diem in lieu of subsistence, in accordance with section 5703 of title 5, United States Code, while engaged in their duties as members of the advisory board.

"(d) CONGRESSIONAL REVIEW.—Funds made available to carry out this chapter may be obligated only if—

"(1) at least thirty calendar days prior to such obligation, the Administrator of the Agency for International Development submits to the Congress a report which describes how the funds will be used and who will be responsible for dispersing the funds; and

"(2) the Congress does not adopt, with thirty calendar days after receiving such report, a concurrent resolution stating that the Congress objects to the proposed use of funds as described in the report.

"(e) CONDITIONS ON ASSISTANCE.—(1) The assistance authorized by this chapter may be furnished only if the Government of Great Britain—

"(A) actively commits itself to discussions with all parties in the Republic of Ireland and Northern Ireland aimed at achieving a political solution, and

"(B) then declares its intention to withdraw governmentally, politically and militarily in a phased and orderly fashion from Northern Ireland.

"(2) If the declaration required by paragraph (1)(B) of this subsection includes a declaration by the Government of Great Britain that it intends to seek or promote a reunification of Northern Ireland with the Republic of Ireland, then assistance may be provided for the citizens of the Republic of Ireland under subsection (a)(2) of this section.

"(f) EUROPEAN ECONOMIC COMMUNITY.—It is the sense of the Congress that the European Economic Community should also provide economic assistance to Northern Ireland once a political solution is developed.".●

CIVIL RIGHTS APPOINTEE QUESTIONS GROVE CITY POLICY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MILLER of California. Mr. Speaker, just over a year ago the Supreme Court, in Grove City versus Bell, dramatically narrowed the coverage of title IX of the Education Amendments of 1972. This critical civil rights law provides basic protection to Americans against sex discrimination. Other civil rights statutes which bar discrimination based on age, race, and disability have also been limited as a result of that decision.

During the Grove City case, the Department of Justice argued before the Court in favor of limiting the applicability of title IX. So, it came as no surprise last year when the administration opposed bipartisan legislation to restore the full coverage of title IX and other civil statutes. Even the U.S. Commission on Civil Rights—emasculated by the administration's unprecedented attempt to dismiss three commissioners—unwisely opposed this crucial legislation.

The administration's ill-advised opposition, however, was recently challenged by Francis S. Guest, a member of the U.S. Commission on Civil Rights. I commend this thoughtful statement to my colleagues' attention:

FOR THE RECORD

It is with deep regret that I dissent from the commission statement on *Grove City*. A year ago, I was pleased to join the majority of this body in pleading with Congress to take the necessary legislative steps to restore coverage of the various civil rights laws affected by the Supreme Court's decision in *Grove City v. Bell.* Since that time, that same majority of the commission has felt compelled to abdicate its responsibility to appraise objectively and impartially the civil rights laws of the United States. I cannot do so.

As a matter of public policy, the question arising from the *Grove City* decision is the extent to which the use of federal funds by private and public entities subject them to certain obligations under our civil rights laws.

For a year now, Congress, the lower courts, the Reagan adminstration and this commission have sought an appropriate response to the Supreme Court's decision on

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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the Grove City College case. Throughout these deliberations, those with clear vision have seen the fundamental need to make fairly simple straightforward adjustments to the textual difficulties found in Title IX of the Education Amendments of 1972, which prompted the court's decision. Nothing more. Nothing less.

A year ago, the commission stated that "legislation overturning the narrowing affects of the *Grove City* opinion" should be enacted by Congress. Now the commission suggests that Congress enact legislation providing for even narrower coverage than that set out in the Supreme Court's opinion. On this most crucial point, the commission has abandoned a concern for ensuring the proper use of tax dollars.●

FEDERAL EMPLOYEE HONORED FOR COMMUNITY SERVICE

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. KANJORSKI. Mr. Speaker, at a time when many people in this Government are unfairly blaming Federal employees for everything under the Sun, it is important to recognize the great contributions that many of the individuals make to our Nation. Most Federal workers are talented, hard-working, and dedicated men and women. To illustrate the commitment of these citizens to the betterment of their community, I would like to bring to your attention a gentleman from northeastern Pennsylvania who exemplifies the highest ideals of the Federal work force.

Mr. William Switlavich, a long-time postal worker from Ashley, PA, has served as an inspiration for many in our region. The Wilkes-Barre Lions Club has named him "Lion of the Year" for his tremendous efforts in conjunction with the Lions Eye Bank of Wilkes-Barre. He has served as president of the Region Three Eye Bank for 2 years and has been chairman of the Region Three Fund Raising Committee for 9 years. This committee raises funds for the important Leader Dog project.

Through his efforts the eye bank has been able to purchase, at a cost of $3,800, a screening tonometer for glaucoma victims. More than 12,000 persons have already been screened using this device. Mr. Switlavich is an active member of the eye bank, and is responsible for scheduling regular glaucoma examinations. His work has been instrumental in the admission of several patients to the Wills Eye Hospital for corneal transplants. And, for the past 10 years, he has served as chairman of the White Cane project, which works each October to raise needed funds for eye conservation.

William Switlavich has served with distinction as treasurer of the Wilkes-Barre Lions Club, and is a former member of their board of directors. He has also served on a number of Lions Club committees since his induction 10 years ago. Today he continues to give his time and energies unselfishly to the Lions and other causes.

Mr. Speaker, I commend William Switlavich for his dedication and commitment. Although Mr. Switlavich has given unsurpassed service to his community, his story is not unique. Our Nation is better for the contributions of our Federal employees. I am pleased to bring this work to your attention and the attention of my other colleagues here in the House of Representatives.●

A CONGRESSIONAL TRIBUTE TO ARDIS M. FAST

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. ANDERSON. Mr. Speaker, I rise to pay tribute to Ardis M. Fast of San Pedro, CA, who is retiring on June 1 from the Los Angeles Unified School District.

Ardis Fast began her career in education as a teacher at the 99th Street School in 1948. From 1953 to 1955, she taught in the Department of Defense Armed Forces Schools in Germany, France, Japan, and Okinawa. Upon completing her service overseas, Ardis Fast returned to the Los Angeles Unified School District.

For the next 18 years, Ardis taught at the Dolores Street School. Then, in recognition of her talents, she was invited to the regional office as an adviser for the gifted. However, after 2 years, she returned to the classroom in the Cabrillo Avenue School. From 1981 until her retirement this year, Ardis has been teaching at the Gulf Avenue school where she is currently the school's reading coordinator.

Ardis Fast sets an example for all teachers to emulate. During her 37 years of service she has helped all types of students in all areas. Ardis has been a gifted and talented coordinator and a remedial reading teacher in addition to teaching in traditional classroom settings. She has also been a mathematics testing coordinator and a coordinator of title I programs for bilingual education and school improvement. She is a charter member of the Eta Delta chapter of Delta Kappa Gamma, an honorary society for women educators.

Ardis Fast has also been very involved in the local community, for she knows very well that schools do not exist in a vacuum. Ardis enjoys theater and the arts and she continues to pursue her passion for travel during school vacations.

Ardis Fast has enriched the quality of work and the quality of life during her many years as an educator in the Los Angles Unified School District and overseas. I am sure that she will be greatly missed by her colleagues at the many schools she has taught. However, the Gulf Avenue school will not miss her as much, because although Ardis is retiring from the classroom, she will continue to lend her expertise to the school as a consultant on computer aided education.

My wife, Lee, joins me in wishing Ardis Fast, her husband, Arthur, and their two daughters, April and Annette, all the best in the years ahead.●

MIKE SYNAR'S COMMENTS ON HOUSE BUDGET VOTE

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. SYNAR. Mr. Speaker, today's vote in the House on the budget will do much to reduce the deficit. We successfully cut $259 billion over the next 3 years while being faithful to the three basic principles which governed my vote on the budget: First, that we do not raise taxes, second that we preserve the integrity of Social Security and third, that we do not compromise national security.

I believe we could have gone further in reducing the deficit: for example, the Synthetic Fuels Corporation is a $7.9 billion boondoggle whose elimination would have further reduced the deficit. The Rules Committee rejected my request for a rule allowing me to offer an amendment eliminating SFC. I voted against the rule for this reason.

I supported the Budget Committee budget and opposed all amendments to it because it best met my three principles.

First, the Budget Committee budget met my defense concerns. It freezes defense spending in fiscal year 1986 and provides for an increase of 3 percent in fiscal years 1987 and 1988. The only difference between this budget and the Senate's is that the Senate provides for a 3-percent increase in fiscal year 1986.

Actual defense spending—outlays—will increase under both budgets. Under the Budget Committee budget defense spending in fiscal year 1986 will be $15 billion more than fiscal year 1985. At the same time, the freeze in budget authority gives us an opportunity to clean up the Pentagon contracting mess.

In contrast, the budget I supported today cuts domestic spending by $4 for every $1 reduction in defense spending. The 3-year ratio is almost 12 to 1. It freezes domestic spending with selective cuts in various programs in which more could be cut.

For example, the budget assumes reduced spending for Medicare but protects senior citizens; phases out revenue sharing; reduces Small Business Administration programs; and cuts Rural Electrification Administration credit programs.

The REA, SBA, and revenue sharing are vitally important to my constituents in Oklahoma. But after weighing their individual benefits against the collective good of deficit reduction, I decided to support the committee budget.

Another key feature of the committee budget is its protection of senior citizens and retirement programs. Social Security is a separate trust fund within the Federal budget. Any savings from cutting Social Security are illusory: The trust fund will have a larger surplus but the Government still must borrow money to pay for defense spending and other programs.

Cutting the COLA makes the aggregate Federal deficit appear smaller but, in fact, does nothing to lessen the economic impact of the deficit.

The cost-of-living adjustment is vitally important to thousands of senior citizens. The bipartisan Congressional Budget Office estimates that 650,000 persons would fall below the poverty line due to the Reagan-Senate Republicans' COLA reduction. It would reduce senior income by $410 over 3 years, according to CBO.

The Social Security Amendments of 1983 were a carefully balanced package of cuts, tax increases, and program changes. Our purpose was to take Social Security out of the budget debate. The Senate budget violates our commitment to retirees and workers and makes changes that are not necessary to secure the system's finances.

As a matter of fairness, I support the committee's decision not to cut cost-of-living adjustments for other income security programs, such as veterans pensions and Federal retirement.

Finally, I cannot stress enough the importance of not relying on new taxes to reduce the deficit. We must learn to live within our means. Until we have streamlined the budget and eliminated all the fat, such as the $7.9 billion wasted on the Synthetic Fuels Corporation's uneconomic technologies, we must resist the temptation to use taxes. The American people made it very clear in November 1984 that taxes are not an option. Let's hear their message.

I do not reject congressional consideration of a minimum tax for corporations and individuals. However, such consideration belongs in the tax reform debate—as a way to help lower the tax burden of middle- and lower-income taxpayers—and not as a way to pay for spending that should be cut.

I strongly support the Budget Committee's decision to reject the administration's proposed moratorium on filling the strategic petroleum reserve. The committee provides for a fill rate of 50,000 barrels per day in fiscal year 1986.

The strategic petroleum reserve is absolutely critical to this Nation's energy security. It provides an emergency source of oil in the event of an energy supply disruption. I chair the Government Operations Subcommittee on Energy, Environment, and Natural Resources. We recently held hearings and will soon issue a report on the budget and policy implications of the administration's proposal relating to the strategic petroleum reserve.

Congress should continue the oil fill at a rate higher than 50,000 per day. I would have preferred a fill rate of 100,000 barrels per day which would still have been significantly lower than the current fill rate. Nevertheless, I am heartened that the Budget Committee recognized the importance of the strategic petroleum reserve to our national security.

Mr. Speaker, I would like to commend my colleagues Mssrs. Leath, Slattery, MacKay, and Brown of Colorado, for the budget alternative they offered. It would reduce the deficit more than all the other budgets offered this week, including the committee's. But I did not support it because it both raised taxes and cut Social Security.

Looking forward to the House-Senate conference on the budget, I would encourage my Budget Committee colleagues to hold fast to the House position. Specifically, there are four areas in which the House budget is superior.

First, the Senate budget cuts agriculture by 50 percent more than the House budget. American farmers are facing a difficult period as they are torn by conflicting Federal policies. I believe we must overhaul our entire farm policy but it is wrong to cut support so dramatically before we have made the tough decisions about the future.

Second, the Senate budget is unfair to senior citizens. It denies a cost-of-living adjustment to Social Security recipients—whose average benefit last year was $450 per month—but it also increases the Medicare monthly premium. Under the Senate budget, it would rise from $186 to $366 in 1990.

Third, the Senate would not fund the strategic petroleum reserve at all.

Fourth, the House budget maintains the strategic petroleum reserve, which, as I explained earlier, is critically important.

Mr. Speaker, I commend Budget Committee Chairman Bill Gray for a job well done. Within days after the Senate finally approved its version of the budget Chairman Gray had the wheels in motion. The process was fair and the product was outstanding.

In conclusion, I think today's action shows that deficit reduction is Congress' top priority. We still have a big job ahead, but the question is how to achieve this goal and no longer is whether.●

KUDOS TO TELEDYNE RYAN AERONAUTICAL FOR HIRING MORE THAN 200 VETERANS

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LOWERY of California. Mr. Speaker, I would like to commend this body on its recent extension of the Emergency Veterans' Job Training Act. This program has had an extremely beneficial effect on my district of San Diego, CA, a community with more than 140,000 veterans.

As I am sure my colleagues are aware, the Veterans' Employment Amendments of 1985, House Resolution 1408, authorizes $75 million in fiscal year 1986 for the Emergency Veterans' Job Training Act and extends the program application deadline to December 31, 1985. The current participation deadline is also extended to July 1, 1986.

Mr. Speaker, one San Diego company's participation in the Emergency Veterans' Job Training Act has been especially noteworthy and has served as an example to follow across the Nation. The company is Teledyne Ryan Aeronautical.

In its 63-year history as a pioneering aviation aerospace firm, Teledyne Ryan Aeronautical's contributions have assumed pioneering leadership qualities, including Charles A. Lindbergh's Ryan "Spirit of St. Louis" and more than 30 other manned and unmanned aircraft that have followed.

Under the Emergency Veterans' Jobs Training Act, Teledyne Ryan Aeronautical's president, Hudson B. Drake, has hired, trained, and placed in skilled jobs more than 200 veterans qualified under the act.

The company began its participation in late 1984 and through the early months of 1985 became America's largest employer of these qualified veterans, an effort that has won formal recognition from the White House, the Veterans' Administration, the U.S. Department of Labor and the California State American Legion.

Teledyne Ryan Aeronautical's veteran hiring and training program has been characterized as "exemplary" by the Veterans' Administration's Deputy Administrator Everett A. Alvarez, Jr. Presenting his agency's award to the company last February, he said the company's response to hiring and training needs "has inspired other companies throughout the Nation to actively participate in the program."

President Reagan said, "Your example convinced hundreds of other employers of the soundness of the program and will continue to enlist their support."

Significantly, most of those veterans hired and trained by Teledyne Ryan Aeronautical have been placed in permanent jobs associated with the company's manufacturing and assembly work on the U.S. Army's Apache attack helicopter.

Since placing those men and women on the job, production rates have more than doubled. By the close of 1985, the company will be delivering 10 fully assembled fuselages and primary flight structures to Hughes Helicopters, Inc., the prime contractor of the Apache Helicopter.

Mr. Drake's strong participation in the Emergency Veterans' Job Training Program reflects sound American business attitudes.

According to Mr. Drake:

> America suffered deeply over unemployment of our Korean and Vietnam veterans. We had work that needed the human resource provided by candidate veterans who could qualify for work under the Veteran Emergency Jobs Training Act. The Act became a catalyst in responding to both our needs and those of our veterans. I believe we both have realized endless benefits from this mutual endeavor.

Veterans hired under the act by Teledyne Ryan Aeronautical receive 6 weeks of training before assignment to production lines. In many instances, those hired to become production workers have been able to identify skills and capabilities qualifying them for administrative and technical positions.

Mr. Speaker, now that the participation deadline has been extended to July 1, 1986, I would like to urge companies throughout the United States to imitate the outstanding participation of Teledyne Ryan Aeronautical in this veterans' job-training program. Teledyne Ryan Aeronautical's achievement is a milestone equal to its record of performance for more than a half century. Through the veterans' hiring and training program, the company has helped restore qualities of human dignity to those now distinguishing themselves once again as productive Americans.●

MEMORIAL DAY TRIBUTE—GEN. JEROME O'MALLEY

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. McDADE. Mr. Speaker, Memorial Day is a time to remember those who have sacrificed their lives for our Nation. Today, I rise with a sense of sadness and deep personal loss to pay a tribute to a man and wife whose dual record of service to our country was cut short by a tragic airplane crash on April 20 in my district of Pennsylvania.

I speak of Gen. Jerome F. O'Malley, head of the Tactical Air Command, and his wife, Diane, who were killed near Scranton, PA, where General O'Malley was scheduled to address a dinner for benefit of a Boy Scout council.

It is somehow fitting that this couple should die as they had lived—together and en route to perform a service that would be of benefit to young people.

I feel a personal sense of loss. General O'Malley was a friend of mine. We both called northeastern Pennsylvania our home; we grew up there and we began our careers at about the same time. Over the years we became close friends.

General O'Malley was a special person. The people who knew him in Carbondale, PA, where he graduated from St. Rose High School in 1949, realized early that here was a person who would go on to great achievement. He did not disappoint them.

In 1953, he graduated from the U.S. Military Academy at West Point, NY, and was commissioned as a second lieutenant in the Air Force. He received his pilot's wings in 1954 and then began his steady climb in rank that ended when the fourth star of a full general was pinned on his shoulders, June 1, 1982.

Between the time he received his lieutenant's bars and his general's stars there were many milestones, not the least of which was his marriage to Diane Muennink of Hondo, TX, who from that day forward, was his companion, his helpmate and his counselor. Their personalities were well-matched. They were lively, they were bright and each had a keen sense of humor.

Over the years, General O'Malley's duties took him to different parts of the Nation and the world. In January 1955, he was assigned as an air training officer at the U.S. Air Force Academy, then located at Lowry Air Force Base in Colorado, and from December 1957, to February 1958, he attended transition training at McConnell Air Force Base in Kansas, before being assigned as a B-47 pilot with the 529th Bombardment Squadron at Plattsburgh Air Force Base in New York. From June 1960, to August 1964, he served as aide to Gen. Hunter Harris, commander of the 8th Air Force, and then vice commander in chief of the Strategic Air Command.

Following graduation with distinction from the Air Command and Staff College in June 1965, General O'Malley served as a pilot with the 9th Strategic Reconnaissance Wing in California and while there, flew the first operational mission of the SR-71, the Free world's most advanced strategic reconnaissance aircraft.

In July 1969, he entered the Naval War College and from July 1970, to April 1971, he was director of operations for the 67th Tactical Reconnaissance Wing in Idaho.

General O'Malley then left for Southeast Asia and served as vice commander and later commander of the 460th Tactical Reconnaissance Wing at Ton Son Nhut Air Base, Republic of Vietnam. In September 1971, he was named vice commander of the 432d Tactical Reconnaissance Wing in Thailand. During that period he flew 116 combat missions.

From May 1972, to May of the following year he commanded the 9th Strategic Reconnaissance Wing at Beale Air Force Base and he was then named commander of the 22d Bombardment Wing. He later served as chief of staff for the 15th Air Force and then was named assistant deputy chief of staff for plans at Strategic Air Command Headquarters. In June 1975, he was named deputy chief for staff for operations plans.

In January 1977, the general was posted to Washington, DC, as vice director of operations, Operations Directorate, Joint Staff, Organization of the Joint Chiefs of Staff.

From May 1979, to August 1980, General O'Malley served as assistant deputy chief of staff for operations, plans and readiness at Air Force Headquarters and then was named deputy chief of staff for plans and operations.

He was named Vice Chief of Staff of the U.S. Air Force in June 1982, and in October 1983, he became commander in chief of the Pacific Air Forces with headquarters in Hawaii. In September 1984, he was named commander of the Tactical Air Command.

General O'Malley was a command pilot with more than 5,000 flying hours. His military decorations include the Distinguished Service Medal with an oak leaf cluster, the Defense Superior Service Medal, the Legion of Merit, the Distinguished Flying Cross with an oak leaf cluster, the Meritorious Service Medal, the Air Medal with nine clusters, the Air Force Commendation Medal with three clusters, the Presidential Unit Citation Medal with two clusters, the Air Force Outstanding Unit Award Ribbon with "V" device and three clusters, the Republic of Korea Order of National Security Merit, the Republic of Vietnam Air Service Medal, Honor Class, and Republic of Vietnam Gallantry Cross with palm.

The O'Malleys were the parents of two sons, James Francis and John Thomas, and two daughters, Margaret Anne O'Malley Neal, and Sharon Kay.

Memorial services were held in St. Rose Church, Carbondale, PA, and at Langley Air Force Base with interment at Arlington National Cemertery. The rites were heavily attended in each location.

We feel a great loss from both a personal and national sense. At the same time, those of us privileged to know the O'Malleys feel that our lives were enriched from having known them. Their accomplishments will live on as an inspriation to those who will follow in their footsteps.

My heartfelt sympathy goes out to their children and other members of their family.●

THE CONTINUING COSTS OF UNRESTRAINED TEXTILE IMPORTS

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DERRICK. Mr. Speaker, today J.P. Stevens, the second largest textile industry in this country and one of the county's top 10 employers announced the closing of a facility in my district which employs 500 people. The Appleton Plant brings to 13 the number of J.P. Stevens plants that have closed in South Carolina since 1980. Just last week another 200 workers were put out of work when another company located in the same county, decided to shut down its electric blankets manufacturing plant. This represents a tremendous personal tragedy for the affected workers and their families, it chips away at the economic base of their community, and it represents a continuing trend of forced closures of businesses in the textile industry as they face persistent import penetrations.

Mr. Speaker, unless the Congress takes action soon to curb the growing tide of imports, the textile and apparel industry in this country will be almost nonexistent. The industry has invested almost $2 billion per year. And in spite of the Commerce Department's report last month that business investment in new plants and equipment has slowed to a 3.5 percent growth rate in the first quarter of this year, the textile and apparel industry is still investing and modernizing to compete with foreign suppliers. As evidence of this trend, I would note that, the American Textile Machinery Exhibition International in Greenville last month produced an unprecedented turn-out of high level industry executives shopping to purchase new supplies and machinery.

The textile and apparel industry in this country accounts for $56 billion of our gross national product. The GNP for the first quarter of this year was well below earlier predictions and recorded the slowest growth rate since the 1982 recession. Needless to say, the GNP for the first 3 months of this year is a strong indication of the trade imbalance this country faces. Mr. Speaker, unless action is taken to control fiber, textile and apparel imports, foreign goods are expected to increase from 50 percent this year to 95 percent of the domestic market in the next 10 years. My district, my home State and the Nation cannot afford to permit this to happen.

J. P. Stevens' Appelton Mill produced cotton and cotton blend shirtings and fine yarn government fabric. Mr. Speaker 75 percent of the shirtings imports came from Japan. For the first quarter of this year these imports are up 110 percent above the same period last year. And the 67 percent increase in total imports over the last 2 years has resulted in a 40 percent reduction in output by J. P. Stevens of cotton and cotton blend fabrics.

The industry has presented its case to the administration time and time again. Of course, nothing has been done—the import figures are an indication of that. As it now stands, the United States has one-third of the industrial world's GNP but we are taking in 58 percent of the products manufactured for exports from developing countries alone. And the imports of shirtings from Japan reveals that we are taking in a substantial portion of the exports from industrialized countries as well. The multifiber arrangement provides the President with authority to take action to protect the domestic market from disruption and provides for industrialized nations to share in the export growth of developing countries.

Legislation to reaffirm and strengthen the multifiber arrangement of 1981 has been introduced in both Houses and likewise enjoys broad bipartisan support. Our Nation cannot continue to serve as host to the exports from both developing and industrialized nations. No other country in the world has allowed its market to be penetrated by imports as we have.

Mr. Speaker, I would like to strongly urge my colleagues and chairman Dan Rostenkowski of the Ways and Means Committee and Sam Gibbons of the House Trade Subcommittee to rapidly proceed in preparing and presenting this legislation, the Textile and Apparel Trade Enforcement Act of 1985, to the full House for deliberation. We need to take action now. The American people are looking to the Congress for help.●

NO FREEZE FOR SOCIAL SECURITY

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, I want to include in the Congressional Record an article I wrote criticizing efforts to cut the Social Security COLA. The article demonstrates why Social Security does not belong in the deficit debate and how a COLA cut would renege on the pledges that we made when we acted to insure the solvency of the Social Security system in 1983.

No Freeze for Social Security

(By Congressman Bruce A. Morrison)

Somehow, Social Security has become a symbol of middle class benefit programs whose growth must be curbed if the federal deficit is to be brought under control.

Willingness to freeze, reduce, or delay the Social Security cost-of-living adjustment (COLA) is becoming a test of the credibility of any deficit reduction proposal. Democrats who disagree are portrayed as slaves to the demands of a selfish elderly lobby. Newspaper editorials around the country regularly use the word "demagoguery" to characterize opposition to a COLA cut.

The argument that Social Security beneficiaries—all but the poorest—should join in the sacrifice needed to resolve the deficit crisis has a superficial appeal.

But it is wrong. *Social Security does not belong in the deficit debate.* Those who are seeking to include the COLA in a freeze or some other deficit reduction package are overlooking fundamental facts about Social Security and its relationship to the rest of the budget.

Number One: Social Security is not contributing to the deficit. It is paying its own way.

Social Security retirement benefits are paid from the Old-Age and Survivors Insurance Trust Fund, which is funded by Social Security taxes. There is no Social Security deficit; on the contrary, the trust fund currently has a substantial surplus. Even with a full 1986 COLA, Social Security will take in $9.2 billion more during the year than it will pay out.

Number Two: A COLA reduction is a highly regressive tax increase in disguise.

In 1983 Congress passed a Social Security bail-out package which significantly increased Social Security taxes in order to guarantee that the COLA could be paid through the 1980's (with the exception of the six-month COLA delay in 1983, another element of the compromise plan).

The tax increase totaled $6.9 billion for fiscal 1986, and $37.7 billion from 1986 through 1988—more than enough to pay for scheduled COLAs, which will cost $5.7 billion for 1986 and $21.2 billion over the three-year period.

The heaviest burden of that tax increase fell on those who least afford it. The Social Security tax applies only to earned income—so interest, dividends, and other sources of income common for wealthy people are not considered. It is a flat rate tax applied to the first dollar earned, but not to wages over $39,600—so higher income people pay a lower effective tax rate than low-wage workers. It is imposed on businesses regardless of their circumstances or size—so businesses that are barely making it, or even losing money, are taxed at the same rate as those realizing big profits, and small businesses are taxed at the same rate as giant corporations.

There is a certain rough justice in using the proceeds of such a tax to fund the Social Security system, which distributes benefits progressively—lower-paid workers receive a substantially higher return on their tax payments than do higher-paid workers.

But to use such a regressive tax to achieve other goals is a very different matter. Any savings from a reduction or freeze in the COLA should by rights go toward a reduction of Social Security taxes.

No one would seriously propose a deficit reduction measure that used tax increases falling most heavily on low and middle income workers, farmers and self-employed people, and struggling small businesses.

Yet that is precisely what Republicans seeking to reduce the deficit by cutting COLAs are advocating.

Number Three: Social Security does not belong in the federal budget.

Under the Social Security Act, the trust fund cannot be used for any purpose other than paying Social Security benefits. Cutting the COLA or otherwise reducing benefits will not free up additional funds that can be used to reduce the deficit—it will merely increase the trust fund surplus.

Because Social Security taxes and payments are included in the federal budget as income and expenditures, however, a reduction in Social Security payments will make the deficit look smaller.

In fact, Social Security and other federal trust funds were included in the unified federal budget in 1969 for precisely that purpose—to disguise the deficit resulting from the cost of the Great Social programs and the Vietnam war.

We must stop perpetuating that fraud. Social Security should be removed from the budget immediately to make it clear that it is a self-funded program which cannot affect the deficit one way or the other.

It is true that because the trust fund surplus is invested in U.S. securities, slowing the growth of Social Security benefits would enable the government to borrow more from the trust fund and less in the private credit market, reducing the competition for credit that is one of the causes of high interest rates. But the overall level of government borrowing to finance current expenditures would remain the same. Every cent borrowed from the trust fund must be paid back. And interest on the debt, the fastest growing portion of the federal budget, will continue to increase.

We shouldn't confuse the symptom with the disease. The best way to lower interest rates is to reduce the deficit.

Number Four: For too many Social Security beneficiaries, a COLA cut is not a modest sacrifice, it is an unaffordable one.

Social Security is *not* a middle-class program. Three-quarters of all recipients have a total annual family income of less than $15,000. Over half have a total annual family income of less than $10,000. Average benefits for a retired worker living alone are $449 a month; for a widow or widower, $415 a month; for a retired couple, $776 a month. And 28% of all recipients have no source of income beyond their Social Security.

The 1983 COLA delay pushed 250,000 elderly people into poverty. The Congressional Budget Office estimates that the COLA cut now being pushed by the Reagan Administration and Senate Republican leaders would cause another 650,000 people to fall below the poverty level over the next two years.

Advocates of cutting the COLA point to the Supplemental Security Income program as a "safety net" which insures that those recipients who truly need their COLA will not be harmed. Indeed, the Senate Republican proposal calls for a $10 per month one-time increase in SSI benefits.

What they do not point out is that the SSI eligibility level is currently $325 per month for an individual living alone and $488 per month for an eligible couple—well below the poverty level.

Moreover, individuals are not eligible for SSI if they have more than $1600 in resources; couples may not have more than $2400. That means that many of the poorest Social Security recipients will not turn to SSI to make up for their lost COLA because they will be unwilling to pauperize themselves by giving up the small nest egg they have put aside.

A COLA cut demands too great a sacrifice of too many people who cannot afford to make it.

Number Five: A Secure COLA is essential to the political future of Social Security.

Social Security is based on an intergenerational contract: workers are willing to pay taxes to fund benefits for current retirees in reliance on the next generation's commitment to do the same.

The key to that contract is the promise of security for the future. Social Security cannot—and should not—provide all the income that most people would want in retirement. Part should come from private pensions and savings. But Social Security must provide an adequate floor below which no retired worker will fall.

The COLA has been automatic only since 1972. But before then, benefit levels were regularly adjusted to keep pace with cost-of-living increases. Except for the 1983 COLA delay (justified as a one-time-only sacrifice to save the system), Congress has before acted to hold the adjustment of benefits below the inflation rate.

By backing away for the second time in two years from our commitment that benefits will not be eroded by inflation, we are not only breaking the promise made to today's retirees, we are endangering the broad-based political support on which Social Security depends. Workers will be increasingly unwilling to pay into a system in which they have lost faith.

The real goal of many of those who are calling for a COLA freeze is to change Social Security into something other than what it has been for fifty years—making it voluntary, for example, or replacing it with an IRA—or annuity-based system.

Although dismantling the system is not the answer, the question of how best to ensure that Social Security remains solvent for future generations is a valid and important one. But that is a very different debate, and should not be conducted as if it were about deficit reduction.●

WHAT IF DISORDER

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BILIRAKIS. Mr. Speaker, I have recently introduced House Joint Resolution 292, which would designate October 1985 as Phobia Awareness Month. According to the National Institute of Mental Health, phobias are the second most common psychological disorder in our Nation, right behind depression.

I'm sure many people will ask why a Phobia Awareness Month—why is this important? Numerous reports have appeared in the press detailing cases of people who have been housebound for decades because of their phobia based fear of what might lie outside of their homes. Phobias are commonly called the "what if" disorder.

How many people do you know who will not drive across the Chesapeake Bay Bridge, ride to the top of the Washington Monument, never visit the Grand Canyon, refuse to fly, or are rendered totally incapacitated when they see a dog. These are but a few of the situations or objects which evoke a panic attack which includes sweaty palms, racing heart, dizziness, weak knees, and shortness of breath. These attacks are so severe and debilitating that changes in one's lifestyle occur so the dreaded situation can be avoided. Just imagine the difficulty faced by the rural person who lives alone and suddenly finds they can no longer drive their car because of fear. To compound what I have already stated, it is possible for an individual to have a number of different fears, thus rendering them totally incapacitated.

Mr. Speaker, people who suffer from phobias don't look different than you and me. They are intelligent, energetic, extroverted, and sensitive, who are successful in the workplace and in interpersonal relationships. Many people you and I know are victims. The National Institute of Mental Health estimates that one in nine persons harbor some type of phobia. These are shocking figures.

There is good news, however. Over the past few years effective treatment has been developed using supportive therapy, sometimes coupled with medication and changes in diet. Oftentimes, the course of therapy will include the phobic individual meeting with a therapist on a one-to-one basis, then participation in group therapy. During these meetings the phobics set goals for themselves, such as encountering the feared situation several times a week, then reporting their experience to the members of their group. Travel groups are an important

part of the therapeutic scheme. The entire group, or the individual and his or her therapist may go to a hotel with a glass elevator, or for walks over bridges. Eventually, the phobic will be able to do these things on their own without the support of the group or therapist. The therapy requires a great commitment from the invididual; however, the success stories are many.

Phobics include both men and women, young and old. Even though statistics have indicated that this is a disease primarily of females, the NIMH now believes that many more men may be victims and that they, in fact, are disguising their phobias through the use of alcohol. Thus, alcoholism may be attributed in some cases to phobias.

Mr. Speaker, I urge my colleagues to support this legislation. Strides have been made in treating the disorder and what we need now is to let phobia victims know they can be cured. There are many people across this Nation who are not aware that effective treatment is available. Passage of my resolution will go far in publicizing the treatment and will be a source of encouragement to those folks who are suffering.●

DAVID HOOD, JR.: A MAN WHO WILL BE MISSED

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. ERDREICH. Mr. Speaker, Jefferson County and Alabama recently lost a man who has been an inspiration to many, David Hood, Jr. He was a tireless worker for justice and for the rights of so many who counted on him as friend and counsel. David Hood, Jr. has left a legacy of good works in his hometown of Bessemer and our area. He will be missed but his accomplishments will be remembered.

Following is a brief sketch of the life of David Hood, Jr. that appeared in the Birmingham News on Wednesday, May 15, 1985 that I wanted to share with my colleagues in the House.

Civil Rights Lawyer Hood Dies at 65

(By Kent Faulk)

"My inspiration to come back here grew out of his encouragement," Bessemer Cutoff Circuit Court Judge Ralph Cook said, as he leaned back in his swivel chair and remembered his friend David Hood Jr.

Hood, 65, who at one time was an attorney for Martin Luther King Jr., died Monday. He had been in a hospital for about a week.

Hood, who graduated from Howard Law School in Washington, D.C., also was president of the Jefferson County Progressive Democratic Party and responsible for the desegregation of the Bessemer city school system.

Cook, who also graduated from Howard, said Hood was an inspiration during his early career as a lawyer. Cook said Hood was the one to persuade him to run, successfully, as the first black district court judge in Bessemer in 1977. "I would have not come back home if it was not for David constantly proding and insisting over a number of years," Cook said.

One of Hood's sons Jeffrey, graduated from Miles College law school Sunday afternoon, Cook said. "He (David) didn't get to see him graduate," he said.

Hood was the lawyer for many civil rights groups. "He provided leadership to so many groups," Cook said. George Higginbotham, a Bessemer lawyer, said he knew Hood during the civil rights confrontations between blacks and Birmingham police in the 1960s. "Being black gave him both an insight and compassion that we white lawyers might not have had," Higginbotham said.

Hood was the attorney who got a death sentence commuted for a black man before the U.S. Supreme Court in 1962. In the case, Hood maintained that the black man did not have a fair trial because of systematic exclusion of blacks from the jury. "I can just imagine what David went through during that time," Higginbotham said.

Among his other accomplishments, Hood was an attorney for the Alabama State Missionary Baptist Convention, Selma University, grand attorney for the Mizpah Grand Chapter Order of the Eastern Star, first vice president of the board of directors of Citizen's Federal Savings and Loan Association, and city attorney for the cities of Brighton and Roosevelt City.●

TIME TO HONOR HAYM SALOMON

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DORNAN of California. Mr. Speaker, I am today introducing a bill, H.R. 2601, along with Congressmen Moorhead and Gilman and with cosponsors Congressmen Solarz, Lehman of Florida, Lantos, Beilenson, and Erdreich, a bill to permit the placement in the Capitol of a statute honoring Haym Salomon, who has long been regarded as the symbol of American Jewish participation in and contribution to the struggle for American Independence. The bill would also permit the erection of a national monument to Haym Salomon on Federal land in the District of Columbia.

Haym Salomon was like so many Americans an immigrant, who had come to the new world for political and economic freedom. He first lived in New York and later in Philadelphia. Haym Salomon was no armchair or desk-bound patriot. His revolutionary activities led to his imprisonment by the British. It was illness contracted while in prison that brought about Haym Salomon's death. When he died he was insolvent, because he had made not only his considerable skill as a financier available to the leaders of the American Revolution, but he also had used his own money for the cause of liberty. We in fact do not know the extent of his contributions, because many of the relevant records were destroyed during the War of 1812.

What we do know is that Haym Salomon was crucially instrumental in raising the money this country needed to wage its war for independence. He has long been honored as a financial statesman, and we can recognize him today as representing not only himself but all American Jewish patriots who contributed their resources and skill to the cause of freedom.

I should note that this bill permits a private group to place the statue in appropriate consultation with the Architect of the Capitol, and to erect the monument in consultation with the National Commission on Fine Arts and the National Capitol Planning Commission. American Jewish patriots and friends of Haym Salomon were recently organized and chartered in California for precisely the purpose of raising funds for this statue and monument.

So, Mr. Speaker, this measure will acknowledge a long overdue deserved payment of repect and involve no public expense. I invite my colleagues to join those of us on the bill in moving it forward.●

GOD'S COMPANY: A MEMORIAL DAY POEM

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DANNEMEYER. Mr. Speaker, as the House recesses for Memorial Day, I want to share with my colleagues a poem written by one of my constituents, Mrs. Helen M. Amgwerd of Yorba Linda, CA, titled, "God's Company." Mrs. Amgwerd asked that I bring it to the attention of the House as a spiritual monument during a month in which we commemorate Mother's Day and Memorial Day. She is to be commended for expressing the values of faith and patriotism in this manner:

God's Company

"Muffle the drums and blow the taps, for these are the fortunes of war and its mishaps; a battle is won, a victory we gain but lives are lost and here to remain? Who will dry a mother's tears, for the son she lost in his tender years? This telegram, it came today, the one she feared since he went away. As she wept on: 'We regret,' a flood of memories, linger yet. Remembering how 'she tucked' him in at nights, she kissed his soft curely head, before she dimmed the lights. She glanced at the cross over his bed; 'God bless you and keep you well, and in your heart, may he always dwell.' And when the boy became a man, he talked to God, man-to-man, He knew he wanted to serve his fellowman, and the drums beat louder for a distant war. So now he serves in the medical corps, and on his arm, the cross he wore. He ministered to the sick, dying, friend and foe, and in his last letter before

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he said, 'Mom, I have to go', he wrote, 'If I

Prosecutors grant immunity, he said, to

fit into one of the narrow preference

Managua Comes to Disneyland

and mental hospitals, or on the Nicaraguan

which was credited as cementing relahe said, 'Mom, I have to go', he wrote, 'If I should die, don't weep for me, because He walks hand in hand with me, and Mom, I'd be in . . . . God's Company.' So you see, your son died for you and me. And you returned what He gave to thee."—By Helen M. Amgwerd.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. HUBBARD. Mr. Speaker, I want to bring to my colleagues' attention two more examples of questionable justice by the U.S. Justice Department.

The following is the headline and news story as found in the May 19, 1985, edition of the Chicago Tribune:

14-Year Sentence in Banking Fraud

Ronald Berkowitz, 37, of 505 N. Lake Shore Dr., a key defendant in a conspiracy to defraud the First National Bank of Cicero of $1.94 million, was sentenced to 14 years in federal prison Friday by U.S. District Judge Paul Plunkett, who also ordered the defendant to begin serving his sentence immediately. The stiff sentence was urged by assistant U.S. Attorneys Howard Pearl and Julian Solotorovsky. Berkowitz and seven others were indicted by a federal grand jury last year on charges that they approved $1.94 million in loans secured with $2.25 million in stolen bonds. In an unusual twist in the case, Berkowitz was an FBI informant at the time he allegedly was acting as a conduit for the bonds. Berkowitz testified that he was acting on orders from the FBI and that his indictment was a result of FBI misconduct.

So, Mr. Berkowitz goes to prison immediately, sentenced to 14 years.

But, keep in mind Mr. Berkowitz didn't work for a Fortune 500 corporation such as E.F. Hutton & Co., Inc., or General Electric Corp.

The Justice Department does understand the difference.

The following is a headline and news story found in the May 16, 1985, edition of the Miami Herald:

Senators: Why No Jail for GE, Hutton Execs?

(By Aaron Epstein)

Washington.—If the government is really cracking down on white-collar criminals, why are minor shoplifters going to jail while executives responsible for massive fraud at E.F. Hutton and General Electric go free?

That, in essence, was what angry Senate Judiciary Committee members wanted to know Wednesday as they accused the Justice Department of fostering a dual standard of justice by failing to prosecute any individuals in the Hutton and GE cases.

"People feel that if you rob a service station of $25 you're going to be put in prison. But if you are with a big brokerage firm and rob millions of dollars, nothing's going to happen. That's not an acceptable situation," said Sen. Paul Simon, D-Ill.

Sen. Charles Mathias, R-Md., pointed out that the Justice Department had granted immunity from prosecution to some employees of the E.F. Hutton brokerage house but not to others.

Prosecutors grant immunity, he said, to "lure the little fish and take you to the kingfish. . . . Why did the kingfish get away?"

Mathias said he found it "disturbing that no one had been charged except a corporation that can well afford this small amount [fine]."

Hutton pleaded guilty two weeks ago to 2,000 counts of fraud arising from a multibillion-dollar bad check scheme that was perpetrated by dozens of corporate executives and caused more than 400 banks to lose millions of dollars in interest. Hutton agreed to pay $2.75 million in fines and costs and to repay the banks.

On Monday, General Electric pleaded guilty to defrauding the Air Force of $800,000 on a nuclear warhead contract and was ordered to pay a fine and civil penalty totaling $1.84 million.

The bipartisan attack on these prosecutions came during an otherwise friendlly confirmation hearing on the promotion of D. Lowell Jensen from the No. 3 to the No. 2 job in the Justice Department under Attorney General Edwin Meese III.

Jensen defended the Hutton investigation as "comprehensive and thorough," said it had produced the largest number of charges of any single criminal case and described the result as "a tremendously favorable disposition in many respects."

He said the outcome could not have been reached without the Justice Depaartment's consent not to prosecute any Hutton employees.

Jensen said that the deparatment wanted to allay "the perception" that it handles white-collar crime.●

REFORM OF IMMIGRATION PREFERENCE SYSTEM

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DONNELLY. Mr. Speaker, our Nation rightly prides itself on being a melting pot, a Nation built by succeeding generations of immigrants who have constantly enriched our Nation with their diverse cultures and their strong commitment to the ideals of freedom, democracy, and opportunity of their new land.

The powerful attraction of the United States is both a tribute to our way of life and a challenge to our society. We wish to remain open to continuing transfusion of idealism and diversity caused by immigration, while at the same time protecting our citizens, our economy, and our resources from the impact of uncontrolled growth. Striking that crucial balance is the important task of our immigration laws.

For two decades, the preference system for admitting new immigrants has heavily favored those nations with very recent histories of immigration, while preventing large numbers of new Americans from entering from those countries whose sons and daughters came to our shores more than a single generation ago. A person who does not fit into one of the narrow preference categories—either a close relative of a U.S. resident or an individual of exceptional professional qualifications—is effectively excluded from coming to our shores.

Since our country began keeping immigration records in 1820, 70 percent of the people who came to our shores arrived from Europe. Yet in the last 20 years, immigration from that continent has slowed to a trickle. In fiscal year 1984, only 12 percent of the new arrivals in the United States came from Europe, and Europe accounted for only 8.8 percent of the 260,000 admitted under the preference system. One particular illustration of the trend is Ireland. Between 1820 and 1981, 4,692,858 Irish immigrated to the United States. In fiscal year 1984, only 537 qualified for admission to the United States under the preference system.

Today, I am proposing legislation that will allow some flexibility in our immigration code to take into account not only the immigrants who have arrived in recent years as a basis for future generations, but also the historical patterns of immigration that built our Nation. Additional visas would be made available to countries that have contributed to our melting pot in past generations, and 30 percent of those visas would be reserved for those individuals who, through no fault of their own, are unable to lay claim to one of the narrowly defined preference categories.

I urge my colleagues to give this important issue serious consideration and support.●

MANAGUA COMES TO DISNEYLAND

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LAGOMARSINO. Mr. Speaker, the Daily Nexus, the student newspaper published by the University of California at Santa Barbara, recently printed a commentary on U.S. policy toward Nicaragua; written by Eduardo Velasquez, a Venezuelan student at the university. Mr. Velasquez takes issue with the notion that U.S. policy toward the Sandinistas has driven them into the hands of the Soviet Union. By reviewing the historical developments in the rise to power of the Sandinistas and the role of the United States in supporting them, Mr. Velasquez effectively refutes the proposition that we have forced Nicaragua into the Soviet camp.

I urge my colleagues to read Mr. Velasquez's analysis.

Managua Comes to Disneyland

(By Eduardo Velasquez)

In my short lived quest for an understanding of human nature lies the constant fascination with the sad but amusing statement often posed by the liberal-left. It is that U.S. policy toward the Sandinista oligarchy has driven them into the hands of the Soviet Union. This idea is so entertaining that I suggest Disneyland set up a new attraction for the summer right in the heart of Fantasyland: "The Nicaraguan Tropical Utopia."

The profound and absurd nature of this statement makes it difficult for any sensible person to grasp. However, for those who continue to live with the illusion that the only contribution the U.S. has made to civilization are bran muffins and sandals, let me put an end to your restless nights.

From the first day that the Carter misadministration came to power, its fundamental commitment lay in an orchestrated attempt to put the Sandinista National Liberation Front (FSLN) in power. As early as 1977 the State Department announced that arms shipments would be halted because of human rights violations by the Somoza government. In October of the same year economic aid was terminated.

In June 1979, after the United States and the OAS (Organization of American States) called for Somoza's resignation, and U.S. representatives William Bowdler and Lawrence Pezzulo met with the FSLN leadership, the U.S. put pressure on Israel and Guatemala to end all aid to Somoza. In a sincere, but naive attempt to promote reform, this country orchestrated an oil embargo that finally brought the fall of the dictatorship.

But this is not all. The Carter administration, acting like the Carter administration, then proceeded to approve a $75 million aid package and called on the IMF (International Monetary Fund) and the World Bank to provide similar amounts. This aid was enlarged with a $262 million grant from the Inter-American Development Bank. This made the United States the Sandinista's largest contributor, providing them with more money during their first year and a half in power than was given to the Somoza regime in the previous 20 years. This aid was never mentioned in the State-Sandinista controlled media, and seldom is it referred to by the liberal media elite. Instead we were fondly thanked by the Sandinistas by a brief mention in their national anthem as the "Yankee, enemy of humanity."

Carter's Assistant Secretary of State, Viron Vaky, summed up the attitude the U.S. government took toward Somoza and the Sandinistas. He said, "No end to the crisis is possible that does not start with the departure of Somoza from power and the end to his regime. No negotiation, mediation, or compromise can be achieved any longer with a Somoza government. The solution can only begin with a sharp break with the past." In effect, the U.S. put the Sandinistas in power, financed attempts at a pluralistic government and national reconstruction, and for this Americans are called the enemies of humanity. Cute!

Sandinista hostility, nevertheless is not directed at every country. Almost immediately after consolidating their control over all the weapons, they sent top delegations to the Soviet Union and Cuba, and returned with impressive numbers of "personnel" to assist in reordering the Nicaraguan society. Those who disagree with this infringement on national sovereignty are languishing in prisons and mental hospitals, or on the Nicaraguan borders trying to reclaim the true heritage of Sandino Miskito Indians who have opposed relocation are being systematically annihilated. The extent of this massacre is so barbaric, that even Interior Minister, Thomas Borge, confessed in a recent article in La Prensa, that, "No Miskito loves us."

The Sandinistas, not satisfied with total control of the military, extended their control over radio and T.V., and censor the only remaining paper they cannot control outright. Okay, so now they control information in their country, what next? Well, you can't take over the Catholic Church so you create a parallel institution called—what else—the "People's Church." The "People's Church" has a crack-pot psuedo-priest, Ernesto Cardenal, also Minister of Culture, who is quoted as saying the following: "Marxism is the only solution for the world. The Christians must embrace Marxism in order to be with God and with men . . . for me the revolution and the Kingdom of Heaven are the same thing."

How about unions? Pre-Sandinista Nicaragua had several independent unions. Hard to take them over outright, so—you guessed it—create Sandinista controlled unions. Woe to the defiant campesino who refuses to join a Sandinista Union; he would be required to engage in a perpetual fast because the Nazi-inspired block committee would no longer provide the ration card earned by political capitulation.

The consequences mentioned above are not accidents. They are the planned, methodical, and logical extension of a philosophy the Commandantes acquired while studying in Cuban, Soviet, and Eastern block institutions. I can assure you that graduating from a Soviet Bloc school is not a vehicle for increasing one's awareness of the Liberal Arts.●

A TRIBUTE TO SEYMOUR ROBINSON

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. WAXMAN. Mr. Speaker, today May 23, 1985, the Westside Jewish Community Center of Los Angeles is honoring Seymour Robinson for his outstanding work on behalf of seniors.

From his earliest years in Chicago, Seymour Robinson displayed an indomitable fighting spirit. Unable to pursue his dream of a musical career because of his father's untimely death and the necessity to earn a living to support his widowed mother; Seymour became a leader in the United Electrical, Radio and Machine Workers Union of the CIO. He led a campaign that resulted in bringing 10,000 workers into the union.

With the advent of World War II, Seymour Robinson enlisted as an aviation cadet in the U.S. Army Air Corps. He was transferred to the Civil Affairs section of the First Infantry Division preparing for the Normandy landing on June 6, 1944. Within just a few weeks after D-day, Seymour organized a piano recital in the town of Balleroy which was credited as cementing relations between the French population and the American and British soldiers who were pouring into southern France. It was also credited as the "first cultural event in liberated France."

As the American and British forces penetrated further into France, Seymour Robinson was part of a 10-man team assigned to enter Paris during an uprising against the Nazi occupiers. His unit successfully took over the town hall in the heart of the Jewish ghetto. They were feted as liberators as they removed the yellow stars from the clothing of the inhabitants—the mark of servitude which was forced upon them by the Germans. Later he assisted thousands of Jewish refugees to travel through France to their ultimate destination—Palestine. Among other decorations, Seymour Robinson received the prestigious Croix de Guerre from the French Government for his service.

Immediately on his return to civilian life, Seymour and Anita Robinson were married and eventually moved to Los Angeles in 1949. His infectious energy and community spirit soon found him involved in numerous organizations and social causes.

Among his credits are organizing Neighbors Unlimited, to develop close ties between the black and Jewish communities in Los Angeles and co-founding the Chicano-Jewish Dialog—now Hispanic-Jewish Dialog. As part of the Los Angeles school integration movement, he served on the advisory committees of Crescent Heights Elementary, Pasteur Junior High and Los Angeles and Fairfax High Schools. He has also served on the Urban Affairs Committee of the Los Angeles Board of Education; as a member of the board of the mayor's office of Small Business Assistance; as chairman of the Citizens Advisory Committee for Pan Pacific Park; as a member of the Urban Affairs Commission of Jewish Federation Council; as a member of Community Relations Committee of the Metropolitan Region of Federation; and as a member of the American Jewish Committee, serving on both its Urban Affairs Committee and Arab Affairs Committee.

At present, Seymour Robinson is the executive director of Westside Action Coalition, a social conglomerate of 25 organizations devoted to improving the lives of westside residents, many of whom are elderly and on fixed incomes. As a chairman of the Westside Center's Public Affairs Committee and member of the center's board of directors for 22 years, Seymour Robinson has made significant contributions to the well-being of this community.

It is most fitting that the Senior Committee has chosen to recognize Seymour Robinson for his lifelong commitment on the eve of his 69th birthday, May 24.

I ask the Members to join me in congratulating Seymour Robinson on his accomplishments and to wish his wife, Anita, sons David and Billy, and daughter, Lorraine, many more years of happiness and fulfillment.●

REMARKS OF SIEGMUND SPIEGEL REGARDING THE PRESIDENT'S VISIT TO BITBURG CEMETERY

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MRAZEK. Mr. Speaker, I rise today to bring to the attention of my colleagues the remarks of Mr. Siegmund Spiegel, regarding the President's recent visit to Bitburg cemetery. His words testify to the deep anguish caused by the trip for thousands of Americans who fought to preserve our world for democracy and for those who survived the horrors of the Nazi reign of terror. Mr. Spiegel fled Nazi Germany as a young man and knows all too well the effects of the Nazi evil directed against the human race.

During this past weekend, I had the opportunity to speak with many constituents in my district on Long Island. Many of their thoughts echo those of Mr. Spiegel. It is clear that the wounds created by the President's decision to visit Bitburg will not soon heal. I submit Mr. Spiegel's remarks for the RECORD in the hope that they will help to educate the public about the enduring memories of the Nazi Holocaust.

DEAR MR. PRESIDENT: With all due respect, as a refugee from Nazi Germany who lost his parents and innumerable dear ones in the holocaust, as a volunteer for the draft for the United States Army who entered service prior to Pearl Harbor, as a participant of D-Day invasions of both North Africa and Sicily, having been wounded in action in Normandy, as a recipient of the Purple Heart, the Bronze Star and the Belgium Croix de Guerre Avec Palme, but above all, as an American, I am sickened and offended by the insensitivity displayed toward the memory of the thousands of American servicemen killed by those whose graves you visited on your trip to Germany.

As a Jew who fled Nazi Germany, I am deeply disturbed by the callousness shown the memory of the 6 million Jewish Holocaust victims, and those of us who survived by eliminating a visit to Dachau, one of the infamous Nazi death factories, on the grounds that "instead of reawakening the memories . . . I felt since the German People have very few alive that remember even the war and certainly none of them who were adults and participating in anyway, they have a feeling and a guilt feeling that's been imposed upon them".

Well, I am still alive, so are many Germans who thought of and participated in the "final solution" of my people. In the name of justice, that period of history must be kept alive. Turning another cheek at this time by letting by-gones be by-gones will do nothing to enhance America's position of leadership in the world.

Mr. President, this period cannot be allowed to be forgotten, personally, I am deeply wounded by your thoughtlessness.

SIEGMUND SPIEGEL.●

A TRIBUTE TO ERNST KATZ

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to a very committed and generous member of our community, Dr. Ernst Katz, founder of the Junior Philharmonic Orchester of California. In the 48 years since founding the acclaimed orchestra, Dr. Katz has been conductor, sharing his baton with such luminaries as Jack Benny, Henry Fonda, Jimmy Durante, and Arte Johnson. The Youth Orchesta has managed to raise $9 million for charity through concert performances.

For his years of hard work in countless hours of rehearsals and hundreds of hours of performances, Dr. Katz has not received a penny. His payment has been the satisfaction of seeing his motto realized: "Give Youth a Chance To Be Heard."

It is my honor, on the occasion of the Junior Philharmonic's 48th anniversary concert gala, to ask my colleagues to join me in paying tribute to Dr. Ernst Katz, a true source of harmony in the community.●

A POLE'S APPEAL FOR AN OPEN TRIAL

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. KEMP. Mr. Speaker, "The reduction of rockets must be preceded by a reduction of political prisoners." These are the words of Solidarity activist and political prisoner Adam Michnik. Michnik and fellow Solidarity members Bogdan Lis and Wladyslaw Frasyniuk go on trial in Gdansk, Poland today to face charges of inciting public unrest.

The three defendents were arrested in January and charged with organizing an illegal national strike against food price increases. They face up to 5 years imprisonment if they are convicted.

The circumstances surrounding their arrest have been the cause of a major outcry of protest across Poland and in the international human rights community. Demonstrations have been held at the universities and there has been a rotating hunger strike in Poland. Twenty-eight Nobel laureates have joined to write to the Polish Government protesting the arrest and trial of these three men.

Adam Michnik made an eloquent appeal to request that observers come to attend the trial. He feels that "true virtue does not fear criticism" and their only hope of a fair trial would be if international press and observers are permitted to attend.

Michnik's plea was made through a letter smuggled out of jail and sent to newspapers around the world. The New York Times printed the letter in the Op Ed section on May 21; it read as follows:

A POLE'S APPEAL FOR AN OPEN TRIAL

(By Adam Michnik)

The authorities are counting in our trial on servile judges and a captive court that will operate behind closed doors before an audience of police spies. They also count, perhaps more than anything else, on the passivity of international public opinion.

It is to the international public therefore that I direct my appeal. I turn to lawyers and writers, to labor activists and academics, to institutions that care about human rights: Come to Gdansk for our trial. Observe and judge for yourselves, according to your own conscience, how our generals observe criminal law, justice and political dialogue.

"True virtue does not fear criticism," said a Polish poet. If our generals have a clear conscience, they will certainly let you in for our trial. If, however, they refuse you visas and passes for the courtroom, that will be irrefutable evidence that what takes place in court will be an illegal sham.

It all began on the morning of Jan. 24, 1985, with a curious telephone conversation. Waclaw Jan Ulanowski, a security official from the Ministry of Internal Affairs, telephoned Bogdan Lis, a Solidarity leader. Ulanowski proposed a meeting to discuss the renewal of negotiatios between the authorities and the Polish people. Lis agreed to meet, concerned undoubtedly not to ignore such a gesture of goodwill from the Government.

They met the next day at the Hotel Hevalius in Gdansk—a site chosen by the security official. Both came with company—Ulanowski with a fellow officer, Lis with a friend from Solidarity—but Ulanowski suggested to Lis that they confer alone. So it was that they went up to room 404. They spent some time together, talking and drinking tea, and parted amicably.

A few days later, Ulanowski and the other security official testified—with a candor astonishing in their profession—that their conversation had been recorded on a hidden device. The tape will be the only concrete evidence offered in the criminal case being brought against Bogdan Lis, the Solidarity leader Wladyslaw Frasyniuk and myself.

Lis maintains, and it is hard to deny his competence on the subject, that the tape has been doctored—rather crudely, I might add, for according to the edited tape, Lis told the police agents about political matters that no Solidarity member would confide to employees of the Interior Ministry. He supposedly described the underground leadership of Solidarity and informed when, where and whom he was to see at the next secret meeting. If the tape were authenic, it could only mean that Lis had gone crazy.

More likely, this is simply political provocation. Unable to capture any leaders of Solidarity's underground coordinating commission, not daring to arrest Lech Walesa, the security agents still wanted to demonstrate their power. They wanted to frighten the public with a spectacular act of lawlessness—to demonstrate that law does not interest them and that they are quite prepared to make use of testimony provided by police provocateurs. Certainly, in ordinary circumstances it would be sufficient to keep us behind bars.

That is one reason why we want an international presence at our trial. Our generals are concerned about your opinion: they want to demonstrate that they govern lawfully, and your arrival could influence our fate. But there is also another reason: our generals' response could be a lesson for you. For if the generals see your wish to observe our trial as an injury to their national honor—if they look upon it as an interference in Polish affairs and national sovereignty—that in itself should show you something about the real faces of these men.

In the meantime, I also turn to the leaders of the United States.

The whole world is watching the arms control talks in Geneva. The fate of the world may depend on them, for they will decide the shape of peace among nations. No one wants war. We all yearn for dialogue to replace might, for the strength of argument to replace the arguments of force. But if there is to be a true peace, based on truth and justice, arms cannot be the only topic of the Geneva talks.

The agreement must be rooted in an understanding of man and his destiny—of human rights. The reduction of rockets must be preceded by a reduction of political prisoners. I therefore propose, from my prison cell, that the agenda of the talks be expanded to include the status and treatment of political prisoners around the world.

As for us in the Solidarity movement, official propaganda continues to charge that we are agents of President Reagan. That is an absurd assertion, but there can be no doubt that we are indeed hostages of the cold war that our generals are waging with "international imperialism." Why not, then, begin the peace talks with the issue of prisoners and hostages?

The world should take note of this trial. Human rights and human lives are at stake. We cannot turn a deaf ear to Michnik's plea, any more than we can to the plight of Soviet Jews and Ethiopians. We in the free world are their hope and we cannot fail them. If no one hears their cries, then all civilization is lost.●

TRIBUTE TO MAURICE WALL

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MONTGOMERY. Mr. Speaker, this letter was written by Col. H.O. Kirkland, Jr., USAF (Ret.), as a tribute to his friend, Capt. Maurice Wall, USN (Ret.). I think it is a very thoughtful reflection on the outstanding career of Captain Wall.

I want to share his remarks with my colleagues.

IN TRIBUTE TO THE LATE MAURICE WALL
CAPTAIN, UNITED STATES NAVY (RETIRED)

My conscience compels me to express, in writing, some of my personal and inner thoughts about my close friend, Mike Wall, who passed away in early spring of 1984.

From long time observation I am thoroughly convinced that Mike achieved fulfillment in every significant feature of his life, which should offer some solace to a bereaved family and close friends. My reflections include his naval career which began as a midshipman at the United States Naval Academy, followed by valiant combat service in World War II as a young ensign, and then covering a broad range of highly responsible command and staff assignments throughout his entire career. His terminal assignment to the staff of the National War College culminated a highly professional and distinguished naval career.

It was also impressionable that Mike's relationship with his three sons was endowed with mutual admiration, respect and love. He left no doubt that he was especially proud that his sons remained staunch models of responsible youths in an era of wide-spread rebellion against society's establishments and ethics. Such admirable representation combined with their superb academic achievements and promising careers contributed immeasurably to the enrichment of Mike's life.

In characterization Mike impressed me as a truly ingenious person without a thread of affectation, or artificiality. Having a natural affinity and inherently committed to high principles Mike inspired friendships of strong and lasting bonds. Because his intrinsic values were embodied primarily in genuine and trusted relationships his friendship was most reassuring and warmly comfortable. Immodesty was not part of Mike's personality profile even though he was most positive and of impregnable character. From this perspective the nickname "Brick" was very appropos. Highlighting his image was a saunter and genial presence which are depictable by neither simile nor metaphor as they were innately unique qualities. In this image he will probably be remembered best. Mike's personality, which was abound with harmony and equanimity, fostered a multitude of friends who were extremely fond of him. In particular, his military/naval friends who gathered on Saturday afternoons for libations and light conversation were deeply saddended by his passing. His absence created a vacuum which impacted profoundly on all of us and the jocularity to which Mike contributed so much waned.

Mike is gone but certainly he shall not be forgotten. While there surely will be commiserations among his friends, there shall also be solace by the knowledge of Mike's special legacy to his sons and the fact that he shall continue to live in the hearts of his family and very close friends.

"To live in the hearts of those one leaves behind is not to die."●

A TRIBUTE TO ROBERT J. KOPP

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. SCHEUER. Mr. Speaker, I rise to pay tribute to Robert Jeffrey Kopp, a unique and courageous young man. Several weeks ago, Jeff, as he was known to his family and friends, passed away after waging a year and a half struggle against cancer. I do not wish to dwell on Jeff's last illness other than note that he dealt with it with dignity and quiet inspirational courage. Rather I would like to discuss his life—a life that touched and improved the lives of hundreds who knew him. I want you to know him as well.

Jeff lived almost his entire life on the Atlantic coast in the New Jersey seaside community of Ocean Grove. Following graduation from Monmouth College, he went to work as a juvenile probation officer for Monmouth County. He spent 3 years counseling young people convicted of serious crimes. These were years of several small successes and many failures. He was both appalled and frustrated by the stark reality of the juvenile justice system—the apathy, the recidivism, the overdoses. Ultimately, Jeff came to conclude that to have a real impact on juvenile crime it would be necessary to reach these children before arrest, incarceration, and trial. In 1971, he joined the Neptune Township Police where he had the opportunity to put his views to the test. In the first several years, Jeff's principal assignment was that of patrolman. In addition, he played an active role in developing the department's Youth Services Bureau. To expand the traditional responsibilities of investigation and apprehension of juvenile offenders, the Youth Service began an innovative and highly successful education program. Jeff, together with other highly talented young officers, created and participated in programs for elementary and junior high school students on a wide variety of subjects including safety, antishoplifting, child identification, and drug information. They also developed several sports programs, sponsoring a basketball and baseball team. In addition, Jeff was a founder of the Neptune PBA 10-Kilometer Road Race.

It was through the education program and his ultimate full-time assignment to the Youth Services Bureau that Jeff received his greatest job satisfaction. He never tired of conducting the extra hours of educational programs or spending his free time in counseling youngsters and their parents. He would have been pleased to see so many of his "kids" paying their last respects in the long line that stretched out of the funeral home in Ocean Grove. The fact that, through his efforts, Jeff was able to keep so many young people out of the criminal justice system was a greater source of pride than more than 25 commendations he received. However, one of these—the U.S. Coast Guard Public

Service Commendation—deserves special mention. That award was received for an incident that occurred in the predawn hours of August 16, 1980. Jeff received a call that a teenage girl was attempting suicide, having jumped into the Shark River Channel. When he arrived at the scene, there were a number of spectators but none offering assistance. The following quote from the Coast Guard commendation summarizes what occurred:

> Arriving on the scene Patrolman Kopp jumped into the water with a safety line, and fighting a 6 knot current, succeeded in holding the young woman up until the Coast Guard arrived. Notwithstanding his own cuts and abrasions and the woman's irrational behavior, Patrolman Kopp, with the assistance of the Coast Guard, was able to safely bring the woman to shore. During the entire operation, Patrolman Kopp demonstrated alertness, courage, tact, and a high regard for human life. His actions reflect great credit on himself and his Department.

It was this high regard for human life that made Jeff become a police officer in the first place and what kept him struggling to return to duty right up until 2 weeks before his death.

Jeff's other great passion in life was in fine woodworking and carpentry. His own house was a showplace for his skills as a cabinetmaker. He also gave generously of his free time to his many friends and neighbors to work on projects in their homes and to his community in restoring its Victorian structures. Indeed, as one speaker noted in Jeff's memorial service, there are few buildings in Ocean Grove that do not carry some evidence of his handiwork. Much of this work was done simply because people needed help and not for compensation or reward.

Surviving Jeff are his wife Linda and their two children Robert and Melissa and his mother, Edna Stewart Kopp. Also surviving Jeff is the lesson of a life lived too short but exceedingly well—a life premised on caring and on helping his fellow man. Not because there was something in it for him but because there was something of him in it.

I rise to tell you of this young man so that the story and the beauty of his life will be noted beyond the gates of his beloved Ocean Grove—as they should.●

LEGISLATION TO PROVIDE FOR VERIFICATION SYSTEM FOR PUBLIC BENEFITS APPLICANTS WHO ARE FOREIGN NATIONALS

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. PETRI. Mr. Speaker, at a time when our fiscal responsibilities force us to reduce our public expenditures we must make every effort to ensure that available resources under our various public assistance programs go only to those individuals who these programs were intended to benefit.

Last year this Congress acted upon this recognition and included in the Deficit Reduction Act of 1984 requirements for the States to verify the income and other eligibility criteria of applicants for entitlement programs. While that legislation was a positive step forward, it failed to include provisions for the verification of the immigration status of non-American applicants for these programs.

Recent studies in several parts of the country have revealed that sizable numbers of non-U.S. residents, whether here legally or not, are on the rolls of welfare and other public benefit programs. These individuals are not only breaking the law by applying for and receiving benefits under programs intended only for U.S. citizens and legally admitted residents, but are adding greatly to the costs of these programs and hurting those who are legally entitled to receive the benefits.

Two main categories of non-U.S. residents fraudulently tap into entitlement programs: aliens who have entered the country clandestinely and have either no U.S. documents or false documents; and aliens lawfully admitted on student, tourist, and other visas which do not permit the holder to apply for public benefits while in the United States.

Currently many States have no means of verifying the legal status of aliens applying for entitlement programs. In fact, some States do not even ask benefit applicants for information concerning their citizenship or resident status. Even when they do, there is often confusion among the intake clerks as to the categories of aliens and their eligibility for benefits.

H.R. 2626 which I am introducing today and which is being concurrently introduced in the other Chamber by Senator PAULA HAWKINS will help correct this situation. It provides for a system by which administering State agencies can check with the Immigration and Naturalization Service—quickly and efficiently via computer—the immigration status of foreign nationals applying for benefits under unemployment compensation, food stamps, Medicaid, AFDC, and certain territorial assistance programs. The system makes use of technology and procedures developed by the INS which are ready for use by States. The cost of the system is minimal and yet the potential Federal and State savings, directly and by deterrence, are enormous.

This bill will deny no one who is legally entitled any benefits rightfully due him or her. Two steps of verification are required so as to prevent errors. Reliance on the computer information alone is prohibited. Furthermore, provisions are included to protect the privacy of the alien applicant. To deter fraud, the bill makes false declarations of U.S. citizenship subject to perjury.

Mr. Speaker, H.R. 2626 is badly needed to preserve the integrity of our entitlement programs. I emphasize that the savings it can generate are both at the Federal and State levels. Accordingly, I hope Members from both sides of the aisle and from all parts of this country will join me in supporting this important piece of legislation.

I submit here the text of the bill in its entirety.●

NATIONAL TOURISM WEEK

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. TALLON. Mr. Speaker, the economic news from many of our major industries is extremely gloomy. Our trade deficit has reached its highest level in history. Several of our leading industries have experienced severe cutbacks in labor forces, plant closings, and loss of revenue. In light of all the bad news, it is refreshing to report that the economic forecast for tourism is bright.

We have just completed our second annual celebration and commemoration of National Tourism Week. The theme for this year's celebration was "Tourism Works for America." One of the purposes of the weeklong observance is to recognize the many contributions of the travel and tourism industry. The effects and benefits of tourism are numerous.

One of the most important benefits of the effects are the more than 4.5 million U.S. jobs, annual salaries of approximately $45 billion, and combined tax revenues of about $22 billion to Federal, State, and local treasuries each year. Travel is the second largest retail industry as well as the second largest private employer in the United States.

With trade deficits reaching their highest levels in history, it should also be recognized that tourism is one of the major sectors contributing to the balance of trade payments. According to figures from the Travel Industry Association of America, there are over 800,000 foreign visitors in the United States on an average day, each spending approximately $526 while in our country. In 1983, 20.4 million foreign visitors spent $11.4 billion in the United States and supported 257,000 jobs.

Tourism is also a leading contributor to the export sector. We often forget

or fail to realize that travel and tourism comprises a $14.4 billion export industry. It is the second largest generator of U.S. export receipts among the manufacturing, agricultural, and service sectors. The revenue from all of the food, lodging, transportation, and entertainment which the 21 million international visitors traveling to the United States purchase each year makes up the largest share of tradeable services receipts.

Now I want to talk briefly about the impact of tourism on our local economy. The industry has continued to grow in our State. Tourism is South Carolina's second largest industry. It generates $2.6 billion for the State's economy, provides employment for nearly 70,000 individuals, and produces $122 million annually in State tax revenues.

More than half of the total amount spent on tourism in the entire State is spent in the Myrtle Beach area. All of our counties benefit, though, and the possibilities for growth and development of tourism-related industry are endless. As a small businessman, I am pleased to note that 99 percent of the businesses serving travelers are classified by the government as small businesses.

So far, we have emphasized the economic gain or rewards of the tourism industry, but there is another aspect which we cannot neglect. Quite simply, we enjoy a variety of activities and attractions in the sixth district as a result of tourism. We enjoy the beaches, the golf courses, the fishing, the stockcar races, all the good restaurants, and the numerous local festivals.

The millions of people who visit our State each year make it possible for many of us to enjoy and reap the benefits of a healthy tourism industry.●

ECONOMIC EQUITY ACT OF 1985

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Ms. OAKAR. Mr. Speaker, on Monday, May 13, 1985, the 1985 Economic Equity Act was introduced and I am proud to be an original cosponsor of this important legislation for women. Collectively, the 20 bills reform and expand upon laws regarding retirement security, dependent care, insurance, employment, and taxation. Individually, each bill answers the demands of women of all ages and lifestyles.

By and large, the inequities women face financially start when women enter the labor force. Low pay coupled with inconsistent pension benefits create a catch 22 situation for women, as their retirement benefits—both Social Security and private—reflect their work history. As legislators, we need to realize that these inequities exist and find the right solutions.

Several bills which I have already introduced are contained in the Economic Equity Act. They address the economic concerns of young and older women. First, H.R. 27, the Federal Pay Equity Act of 1985, and H.R. 375, the Pay Equity Act of 1985, would enable many women—most of whom work in traditionally female occupations—to be paid fairly. H.R. 27 would mandate a pay equity study of the Federal compensation systems to determine whether or to what extent gender is used in setting pay. H.R. 375 would mandate the EEOC to establish an educational program for private businesses to learn how they can restructure their pay and classification systems in an effort to remove gender-based distinctions. The bill would also mandate the EEOC, Labor and Justice Departments to report periodically to the President and Congress on their enforcement of current laws and executive orders.

Each pay equity bill has been drafted in cooperation with a number of labor unions and interest groups who are equally dedicated to eliminating sex-based wage discrimination from the marketplace. On the one hand, the legislation demonstrates a commitment on the part of the Federal Government to support a basic civil right—the eradication of discrimination. On the other hand, the legislation reaffirms the successes that have occurred at the State and local levels.

I am also pleased that the Economic Equity Act of 1985 contains my Social Security reform legislation. While Social Security is the cornerstone of financial support for most retirees, it falls short in adequately protecting most older women. The number of older women at or below the poverty level who rely solely on Social Security confirms the claim that Social Security needs to be corrected.

H.R. 158, mandatory earnings sharing in Social Security, would reform the system so that Social Security payments are shared equally between spouses. Under earnings sharing, divorced spouses could inherit Social Security credits earned during a marriage and add any other Social Security credits earned before or after the marriage. Like other elements of the Economic Equity Act, earnings sharing is based upon the premise that marriage is, among other things, an economic partnership; and that Social Security benefits should be treated in that way.

My other legislative reforms, H.R. 159 and H.R. 160 are intermediate solutions. H.R. 159, extension of benefits to disabled widows, would make disabled surviving spouses eligible for benefits at any age and with no restrictions—two inequities which are part of the present system. H.R. 160, transition benefits for widows, would enable younger widows—ages 50 to 60—to receive up to 4 months of Social Security benefits, assistng them in readjusting their lives.

Mr. Speaker, my bills, like the entire Economic Equity Act, create financial security for women during work and retirement and are essential for the women of today and tomorrow. I encourage all Members of this body to support this omnibus legislation.

Thank you.●

H.R. 505

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. GALLO. Mr. Speaker, this week I have joined with other Members of the House of Representatives to take positive action to protect our veterans' rights to adequate care, a reasonable level of services from the Veterans' Administration and job training programs.

The hallmark of this congressional concern is H.R. 505, which adds 10 new veterans' care facilities nationwide, bringing the total number of such facilities to 25.

Other bills passed this week will protect our current system of VA regional offices and continue an important job training program for veterans.

It is fitting that we should do so as we are about to observe a national holiday dedicated to the memories of those who have given their lives in the service of their country.

As we celebrate Memorial Day by honoring those men and women who have given their lives for their country, we also should recommit ourselves to the fair treatment of veterans who took many of the same risks and bear the scars of war.

Our veterans deserve a commitment from Congress that they will receive the proper care and attention from the Federal Government.

Our actions this week speak to that commitment.

I am encouraged by this show of support for those who have given strength and security to our country, however, I would like to see additional action by the House in the coming weeks to prevent any taxation of VA disability benefits for service-related health problems.

This legislation, House Concurrent Resolution 69, which I have cosponsored, would strengthen our commitment to our veterans by putting the weight of Congress behind the idea that such benefits should be free from Federal taxation.

Our World War II veterans are reaching the stage in their lives when they require additional care facilities. Legislation passed this week authorizes the spending of $150 million over 3 years to build 10 additional research, education, and clinical centers.

This bill will guarantee that veterans with proven needs will be cared for in veterans' homes. It also provides outpatient care for veterans who wish to live in their own homes.

Other legislation would protect the 58 regional VA offices from any plans to close them. Our veterans deserve personalized service from the Federal Government.

Congress will take a very close look at any proposals that would limit that service to a small number of centralized VA offices.

Other bills would provide for a centralized plan for locating veterans' cemeteries and would extend the current job training program for veterans.

Our younger veterans require the services provided by these job training programs. We should not allow this important program to go out of existence during a time of proven need.

As we celebrate the 40th anniversary of the end of World War II and the 10th anniversary of the end of the Vietnam war, we must rededicate ourselves to those programs that were created as token of our appreciation for those who put it all on the line to preserve our freedoms and defend our way of life.

I strongly urge the U.S. Senate to join with the House in support of these important programs as a sign that Americans are proud of their veterans and wish for them the rights and privileges offered to those who have provided the ultimate in service to their country.●

FELIX RESNICK

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LEVIN of Michigan. Mr. Speaker, this year marks the 10th anniversary of the Birmingham-Bloomfield Symphony Orchestra. The orchestra attributes its outstanding quality and reputation to the direction of Felix Resnick, who has enjoyed a prominent career as a composer, violinist, conductor, and teacher.

Felix Resnick has lived most of his life in Detroit. A graduate of Wayne State University and the Juilliard School of Music, he has dedicated his life to music. An accomplished violinist with the Detroit Symphony Orchestra since 1942, he also played an important role in my musical education, serving as my violin teacher for 1 year. Some have even suggested that he must have been instrumental in my decision to enter politics.

His love for his art and his desire to instill that love in others has spilled over into his work with the orchestra. The demand for excellence that he has made over his 10 years with the orchestra has brought acclaim to the extraordinary group of performers who formed a small community orchestra in 1975. Over the years, they have grown in the size of their organization, the number of performances each season and the strength of their performances.

Maestro Resnick has written many original compositions, including musical scores for industrial and documentary films. In 1976, he was awarded the first Arts Achievement Award in the field of music granted by Wayne State University.

The Birmingham-Bloomfield Symphony Orchestra is, like so many other orchestras nationwide, an artistic treasure. The hard work, long hours and selfless devotion of the orchestra as individuals, and as a whole, have contributed to the artistic growth of our community. Felix Resnick is, in large part, responsible for this growth.

I hope my colleagues will join me in saluting Felix and the orchestra as they celebrate their 10th anniversary.●

ANOTHER VIETNAM?

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LAGOMARSINO. Mr. Speaker, before the debate on aid to the Contras last month, a commentary in the Wall Street Journal compared the crisis in Nicaragua to another Vietnam. Only this time, the comparison was made not as a reason for defeating aid to the Contras but as a reason for supporting it. As the commentary states so well: "In the end, Saigon did not fall to an insurgent uprising, it fell to a tank invasion. The signal for the invasion was sounded by the United States Congress when it slashed aid for the South Vietnamese Army. Will Congress celebrate the fall of Saigon by making exactly the same mistake again?"

Unfortunately, the Congress did make that mistake again, only now we have a chance to undo that mistake before too much more damage is done. I urge my colleagues to read the following commentary, and, when the time comes again to vote on aid to the Contras, I urge them to vote for the aid and thereby send a signal to our adversaries and allies alike that we are ready to defend our national security in this hemisphere.

[From the Wall Street Journal, Apr. 16, 1985]

ANOTHER VIETNAM?

Congress is back in Washington ready to join full battle over aid to the contras, and before the fray we would like to make one observation. Whatever else remains to be debated, something approaching a consensus has been achieved on the nature of the Sandinista regime. By now everyone recognizes and most will admit that if nothing is done Nicaragua will become another Cuba.

Oh sure, in the nest two weeks we will hear ad nauseam about the sins of the contras, real and counterfeit. We will hear that President Monroe was wrong that the U.S. has any strategic interest in the Western Hemisphere. We will hear that if insurgency does spread, Chris Dodd will wade ashore with the first wave of Marines. We will hear that whatever happens in Nicaragua the U.S. should not get its hands dirty. But we will no longer hear that if the Sandinistas were left to their own devices Nicaragua would face a happy future.

The most explicit declaration of this change of heart comes in the remarks reprinted nearby by Jim Hampton, editor of the Miami Herald, a liberal newspaper with special interest in Central America. But the theme is implicit in nearly everything written about the region, even by critics of U.S. policy. Publications such as The Washington Post and The New Republic plead with the Sandinistas to accept the contras' offer to negotiate about real elections, or in other words to cease being Marxist-Leninists. Further to the left, the pages of The Nation are filled with a debate over whether it's impure to hope that Daniel Ortega will rise up and throw out Tomas Borge, the Cubans and East Germans, and institute democratic pluralism with Arturo Cruz.

The contra debate is obviously haunted by the ghost of Vietnam, with the fall of Saigon being so elaborately celebrated this month. A few things are worth remembering: In the end Saigon did not fall to an insurgent uprising, it fell to a tank invasion. The signal for the invasion was sounded by the United States Congress when it slashed aid for the South Veltnamese army. Will Congress celebrate the fall of Saigon by making exactly the same mistake again?

With the corrupt, inefficient and undemocratic South Vietnamese disposed of, we can all celebrate the status of human rights today in Vietnam, Laos and Cambodia. With the corrupt, inefficient and undemocratic shah deposed, we can celebrate human rights in Iran. With the corrupt, inefficient and undemocratic Batista regime gone, we can celebrate human rights in Cuba. How many times do we need to learn this lesson?

At Grenada the American people made it clear that the lesson they learned from Vietnam was anything but that it's wrong for America to fight to defend its interests and embryonic democracies. The true lesson was to avoid halfhearted wars. That does not mean the U.S. should send divisions of Marines to every hotspot in the world. It does mean that, when the question is important, the U.S. ought to plan to win. The problem with aid to the contras is not that the administration has been belligerent, but that it has been hesitant and apologetic.

We understand the political impulse to compromise, of course, but the cost is that even the Reagan administration and the contras do not really seem to believe in what they are doing. Even now the president promises not to buy guns and bullets for 60 days, and the contra leaders lobbying for funds say they are playing for a draw.

The administration can start to show its seriousness by making overtly and abundantly clear that the $14 million is only a symbol, that if it wins its plans to be back for far larger funds. That it is prepared, if sterner measures are necessary as events unfold, to consider recognizing a government in exile, a step implied by 65 congressmen in co-sponsoring a procontra resolution by Jim Courter. That it would be willing to boycott Nicaragua and even blockade it if Cuba threatens to intervene. That its principle is that a second Communist dictatorship in the hemisphere cannot be tolerated.

If the administration proclaimed this principle clearly, we think its political chances would improve rather than decline. And if Congress did defeat the funding, at least we would know who is responsible and which policy failed. Then perhaps the next time we see a totalitarian revolution being consolidated on our doorstep, we can muster the will to do more than wash our hands.●

TANK FARM SAFETY ACT

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. GUARINI. Mr. Speaker, today I am introducing the Tank Farm Safety Act, legislation to prevent the recurrence of a potentially catastrophic situation. On January 7, 1983, a Texaco storage tank in Port Newark, NJ, exploded, burned 3.3 million gallons of gasoline, caused the death of one person, injured 23 persons and resulted in over $15 million in property damage. One of the principal causes of the explosion was that the tanks were reported to be overfull.

The fire burned for several days creating an inferno equal in area to two football fields. The tremendous force of the blast knocked out windows in Jersey City and Bayonne, and was even felt by some residents in Long Island, nearly 70 miles away. Its magnitude might not have been limited to the series of storage tanks which were set afire in chain reaction. Within the shadow of the smoke and fumes lay a large propane company which, if consumed by this conflagration, would have caused untold loss of life and property damage.

Tank farms such as these are distributed throughout the Nation, and nearly 3,000 of these facilities are located in New Jersey. A matter as crucial as the safety of these containers, which are an integral part of our industrial zones and urban areas, warrants legislation on a national level to ensure their continued safe and efficient operation. My bill would require alarm systems at all manned fuel storage facilities. This type of alarm would be activated in case of container overfill or any malfunction within the signaling device itself, and would sound in time for monitoring personnel to shut off the flow of liquids into the tank. Only alarm devices approved by the National Fire Protection Agency could be used at the terminals.

This legislation also provides for an alarm with automatic shutoff devices at unmanned terminals as well. An alarm at this type of terminal would notify neighbors or visiting personnel that there is a problem, even as the flow of fuel is being automatically stopped.

Plans and specifications for any new high level alarm system to be installed under this act would be submitted to the Assistant Secretary of Labor for Occupational Safety and Health for approval prior to its installation. OSHA would be responsible for checking the system once it is in place and inspection would be required by the terminal owner every 3 months. The results of that test would be filed with OSHA.

Proper standards of plant management must be maintained in addition to an efficient automatic alarm system. Terminal procedures to verify property lineup and receipt of fuel need to be established to ensure that the right amount of fuel would go to the right tank. This was the primary malfunction which led to the Texaco explosion. In addition, there must be adequate supervision and monitoring of operating personnel.

Automation in the tank farm industry is long overdue, and invaluable in ensuring the future safety of our citizens. My bill would require alarm systems at all manned fuel storage facilities. This type of alarm would be activated in case of container overfill or any malfunction within the signaling device itself, and would sound in time for monitoring personnel to shut off the flow of liquids into the tank. Only alarm devices approved by the National Fire Protection Agency could be used at the terminals.

The protection of our industrial areas, and the well-being of those residential communities which lie close to industrial zones, depend upon prompt consideration of this bill. An explosion in a container storage area could result in untold deaths and injuries to both workers and community residents alike. It can leave a prosperous and vital industrial zone devastated; severely damage nearby residential neighborhoods; waste billions of gallons of precious fuel and add to the environmental decay of the surrounding area. I would respectfully urge my colleagues to support this legislation.●

OUTSTANDING DEMOCRATIC WOMAN OF THE YEAR, GERALDINE A. FERRARO

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MANTON. Mr. Speaker, last night our former colleague and good friend, Geraldine Ferraro, received the 1984 Outstanding Democratic Woman of the Year Award by the Woman's National Democratic Club. Gerry, who preceded me as the Representative from the Ninth Congressional District, and who carried my party's banner as the 1984 Vice-Presidential nominee, was the unanimous choice of the club's members.

Mr. Speaker, this is a very special award. The club does not make this award every year. Instead, this award is given only when the club feels there is a particular woman who has so distinguished herself as to be worthy of this honor. The reasons why the club chose Gerry for this award are obvious to us all.

None of us will forget Geraldine Ferraro's history-making candidacy for the Vice-Presidency last year. Her candidacy motivated many Americans to register to vote for the first time. Her nomination was truly the American dream come true, because it showed every American that no goal is too high, and anyone can ascend to national prominence in the political arena.

Mr. Speaker, I am pleased to join the Woman's National Democratic Club in honoring Geraldine Ferraro. Gerry has served the Democratic Party with distinction and honor. I know my colleagues join me in congratulating her on this well deserved award.●

USIA DESERVES OUR SUPPORT

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BROOMFIELD. Mr. Speaker, as we debate the budget resolution for fiscal year 1986, we are considering programs which are important to all of us, and to our constituents. However, there is one program which is important to every American, which I have not heard mentioned today: The program of the U.S. Information Agency. USIA is the Agency responsible for telling the world about America. As our world has become more and more interdependent, that message has become more and more important to our well-being.

USIA is presently in the midst of a technological revolution, rebuilding, reshaping and replacing the tools it uses to get the message across. We have heard, at least most of us have, about the VOA modernization program. The Voice of America, our worldwide radio service, is finally replacing transmitters captured from the Nazis in World War II with modern, state-of-the-art broadcast facilities which will, for the first time in many instances, send a clear signal to the listening audience.

But how many people know that a comparable technological change is going on in our U.S. libraries overseas, where standard book and periodical references are being supplemented with computerized bibliographies with access to all the major publications in the United States? How many of us know about the wireless file, which daily transmits news and information to every Embassy and overseas post, which is being computerized as well, so that thousands of words can be transmitted, clearly and accurately, in a few minutes time, for use by Ambassadors and press officers overseas?

USIA has also created Worldnet, an innovative U.S. world television service which now reaches over 50 countries with live interviews, information about America, cultural presentations and English-teaching programs.

The remarkable thing, to me, is that USIA has done all of this with resources which, in constant dollars, are less than it had in 1967, and with almost 25 percent fewer people than in 1967. I believe that an agency which has demonstrated such efficiency and creativity, and has carried on such an important task, deserves our full support. I therefore urge my colleagues to continue to support funding for USIA at the level of $922 million approved by the House Foreign Affairs Committee and passed by this House on May 9.●

THE SUPERFUND AMENDMENT WOULD CLARIFY FEDERAL-STATE ROLE

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DANNEMEYER. Mr. Speaker, I am today introducing legislation to remove a barrier that stands in the way of the cleanup of the McColl hazardous waste site in my congressional district and similarly situated waste sites across the country. As a member of the Committee on Energy and Commerce, I intend to offer this bill as an amendment when the committee acts on Superfund reauthorization.

Specifically, the bill would amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA], the Superfund statute, to provide that the removal of hazardous substances from a Superfund site such as McColl to facilities regulated under the Solid Waste Disposal Act will not be subject to separate State environmental review.

The McColl site is located in Fullerton, CA, and contains acidic sludge from refinery waste deposited at the site after production of aviation fuel during World War II. It was listed on the first edition of the national priorities list [NPL] under CERCLA and hence eligible for Superfund financial assistance and enforcement authority.

EPA and the California Department of Health Services have determined that the site poses a threat to public health and the environment. The State issued findings on January 13, 1984. EPA issued administrative orders under CERCLA section 106 to the identified potentially responsible parties on July 20, 1984. The orders summarized the site characterization study, which found a high sulfur content and high concentrations of organic sulfur, aromatics—benzenes—and aliphatic hydrocarbons. Gas emissions include benzene, toluene, and xylene, which are a source of odor to the point of being irritating to the sense of smell. Local residents have complained of nausea and headaches, among other health effects studied by the California Department of Health Services Epidemiological Studies Section. There is also a danger to public health through direct contact with the waste, which has oozed up to the surface in spots. It includes arsenic, which EPA says could cause acute poisoning in children just from ingestion of a small pinch of soil. In addition, storm water runoff from the site has contained arsenic in excess of Federal drinking water standards. According to the 106 orders, "there are no known barriers to prevent the migration of hazardous substances at the site into the ground water."

EPA issued the formal record of decision on April 11, 1984, approving excavation and removal of the waste from the McColl site as the remedial alternative. On June 12, 1984, EPA announced a cooperative agreement with the State of California for $21.5 million in Superfund money to clean up the site, and the aforementioned section 106 orders were issued on July 20, 1984.

While ground at McColl was first broken in October 1984, actual transport of the waste offsite has been held up due to litigation involving the disposal site to which the McColl waste would be taken. The first site, Casmalia in Santa Barbara County, was subject to a suit by the county alleging that the State could not exempt the use of Casmalia for McColl waste from a full State environmental impact statement. In addition, EPA decided to require Casmalia to install a double liner as specified in the new RCRA amendments, even though not clearly required and in the absence of a determination that it was necessary at Casmalia. The State and the operator at Casmalia could not come to terms on a new contract for the work.

The removal of the McColl waste was then delayed while a new site was chosen. The State elected to transport the waste to the Petroleum Waste Management, Inc. facility near Buttonwillow in Kern County, CA. Again, the respective county has taken the State to court to allege the need for a separate environmental impact statement. The judge has granted a temporary restraining order and is considering the county's request for a temporary injunction.

Mr. Speaker, Superfund is designed to be a Federal-State partnership to clean up abandoned hazardous wastesites. In order for it to succeed, respective Federal and State roles must be carefully defined. The inexcusable delays at the McColl site over the past several years have been due in large measure to layers of bureaucracy in the form of the State agency, an EPA regional office, and the headquarters in Washington. Officials at each level are well-meaning and have their own perspective, but the bottom line has been that the removal is now years behind schedule.

The issue addressed by the bill is the extent to which the State must separately consider the environmental impact of using specific disposal sites. While I normally favor State regulation, the question here is whether, given Federal regulation, the State should supplement existing Federal environmental review. The disposal sites, first in Santa Barbara County and now in Kern County, are already heavily regulated by Federal officials under the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

This bill would avoid a paralysis-by-analysis trap, which would otherwise allow opponents of individual redisposal sites to effectively stymie the implementation of offsite remedies determined by EPA to be those consistent with Superfund and EPA guidelines. Under the bill, if waste is being excavated from a Superfund site, meaning it is federally regulated under CERCLA, and is going to a site federally regulated under RCRA, then no State review shall be required.

By streamlining the review process in this manner, the bill seeks a balance between the environmental risks associated with the transport and disposal of hazardous waste on the one hand, and those posed by a failure to remove the waste from the McColl site on the other hand. In introducing it, I want to make it clear that this should in no way be interpreted as indicating that Federal or State law requires or permits a State environmental impact statement in the absence of this legislation.

THE PRIDE OF THE BRONX

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. GARCIA. Mr. Speaker, I want to take a moment to sing the praises of a young woman who is carrying on a family tradition of high achievement and intellectual excellence. Elena Cecelia Crespo, a student of Bronx High School of Science, and a resident of Co-op City in the Bronx, has been named a Presidential Scholar by the U.S. Department of Education and the Commission on Presidential Scholars.

Elena who was chosen out of what was originally a field of 3 million students will attend Harvard University in the fall. What makes her so unique is that Elena is carrying on the tradition of high achievement started by her grandfather, Felipe Torres, the first Puerto Rican assemblyman in the State of New York, Mr. Torres was, like his granddaughter, a remarkable man. He was a practicing attorney without having gone to law school—he was able to pass the bar on his own.

Elena, her family, and all the other gifted and hard working students in the Bronx, are the pride of our community. It is young people like Elena who reinforce my heartfelt belief that the Bronx is a wonderful place to live.

I am enclosing an article from the Co-op City Times on Elena for the perusal of my colleagues.

CO-OP GIRL A PRESIDENTIAL SCHOLAR

(By Michael Rosenberg)

Seventeen year old Elena Cecelia Crespo of Building 17 has been selected as a winner by the U.S. Department of Education and the Commission on Presidential Scholars and is now officially a Presidential Scholar for the class of 1985.

The commission narrows down a field of three million academically gifted students of 1,500 then to 500 before awarding certificates of honor to only 141 winners to American high school graduates here and abroad.

Elena attends the Bronx High School of Science where she is co-editor-in chief of the Bronx Science Math Bulletin. She has won bronze and silver medals at the Greater New York Math Fairs, is an honoree in the Westinghouse 44th Annual Science Talent Search for an original math research project and is a recipient of a National Hispanic Scholarship Award.

A well-spoken young lady who enjoys reading Dick Francis' mysteries and playing baroque music on her flute, Elena credits her academic excellence and proficiency in mathematics to her high school math teacher, Barbara Rockow, also a Co-op City resident.

"She (Rockow) restored my confidence and courage to do well in math and ignited an interest in the field," Elena said.

"Contestants were judged on academic performance, their College Board scores and a series of essays. The theme of my longest essay was the immigrant dream and the family, which is autobiographical," she added.

Presidential Scholars, including Elena will visit Washington, D.C. to participate in National Recognition Week, June 16–22 where they will be honored by their elected representatives, eduators, friends and family. There will also be a series of photo sessions.

"I'm looking forward to this immensely since my math teacher will be joining me and my family. She deserves recognition too."

Elena plans to attend Harvard/Radcliffe in the fall and is interested in everything including mathematics, chemistry, the social sciences, writing and investment banking.

"I've always liked the investment field but it's still too early to make any final career decisions," she said.

She would also like to visit London and study there in her junior year of college.●

IN HONOR OF MAJOR NICHOLSON

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DORNAN of California. Mr. Speaker, I rise to speak on behalf of a measure which I have just introduced, House Resolution 180, which calls on the President of the United States to rename the famous control point in Berlin between the American and Soviet sectors in honor of U.S. Army Maj. Arthur D. Nicholson, Jr. All of us are pained to recall that Major Nicholson was shot by Soviet guards on March 24, 1985, while carrying out his Soviet acknowledged duties as an intelligence officer in East Germany. According to all reports, he was about to photograph some Russian equipment in an unposted area, as both forces do regularly, when he was struck by a bullet from the gun of a Soviet soldier. As he lay dying Major Nicholson was denied medical treatment, and lie bleeding to death while his aide was held back at gunpoint. Therefore, Mr. Speaker a wound that was not immediately fatal to our soldier was made mortal, in a painful and degrading manner by Soviet officers in charge.

Mr. Speaker, colleagues, we all deplore and condemn this barbarous act, and I urge you to join me in cosponsoring this measure, which sets forth the facts of Major Nicholson's death and calls on the President to rename "Checkpoint Charlie," (which is merely a "phonetic" alphabetical designation) in honor of Major Nicholson. The resolution also condemns the murder of Maj. Arthur D. Nicholson, and calls on the Soviet Government to apologize for the murder of Major Nicholson, and to indemnify the Major's family financially.

Before closing, I should honor a California resident, retired Army Col. Emanuel P. Peters of Las Gatos, for conceiving this superb concept of memoriam. Colonel Peters wrote to President Reagan about renaming Checkpoint Charlie in honor of Major Nicholson, and sent a copy of his letter to me. I am placing that letter in the historical Record.

Los Gatos, CA,
April 28, 1985.

The President of the United States of America,
The White House,
Washington, DC.

Dear Mr. President: Since the wanton murder of Major Arthur D. Nicholson, Jr., United States Army on Sunday 24 March, 1985, an appropriate response has been constantly on my mind. The Free World in general, and the United States in particular cannot permit this heinous act to become lost in the sea of the anti-American thought that is constantly flouted by the world media.

I, therefore, would like to suggest that the control post known as Check Point Charlie which links West Berlin with East Berlin be designated as the Major Arthur D. Niclolson, Jr. Memorial Gate. This simple but appropriate memorial would be a constant reminder to both the freedom loving people of the world and to their oppressors as to the significance of Major Arthur D. Nicholson's supreme sacrifice that was freely given for the good of mankind.

I make this unusual request for several reasons:

1. As an observer of Soviet geopolitics and behavior and as a former intelligence officer, I know that events involving the Soviet Union do not occur at random or accidentally. Soviet actions are global and calculated.

2. As a citizen of the United States, enjoying freedom unparalleled in the world—a freedom that is unfortunately neither recognized nor appreciated by many, I cannot passively sit by while the memory of this wicked act erodes from the minds of the freedom loving peoples of the world.

3. These acts of intimidation by the Soviet Union cannot be permitted to continue. First it was KAL 007, next it was Major Arthur D. Nicholson, Jr.—where will the next act of intimidation or blackmail take place?

Respectfully submitted,
Emanuel P. Peters,
Lt. Col., USA (Ret.).●

A TRIBUTE TO MR. JOHN LOMBARDI

HON. JOSEPH J. DioGUARDI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DioGUARDI. Mr. Speaker, I rise before the House today to commend my good friend, John Lombardi, for his nearly 25 years of public service to the people of the town of North Castle and the people of Westchester County, NY.

Jack, the son of immigrant parents, attended North White Plains Elementary School, Valhalla Junior High, and White Plains High School. His father, Giacomo, was one of those who helped build the Kensico Dam in Valhalla; and Giacomo, Jack to his friends, gave his life in the construction of this massive public works project. This tribute is in his memory as well.

The younger Jack Lombardi served America as a soldier in the Pacific in World War II, rising to the rank of staff sergeant. After his honorable discharge in 1946, he married Jane Willey of Harrison and went to work for the Champion Spark Plug Co., where he works today as a zone sales manager. He attends Holy Name of Jesus Roman Catholic Church in Valhalla and has four lovely children, Gail, Lynn, Diane, and John, Jr.

After many years of community, church and political work, he was elected North Castle town supervisor in 1961; he has served in that capacity ever since.

A member of the Westchester County Board of Supervisors for 10 years, he served as chairman of the internal affairs and the airport committees. He was also a member of the budget and appropriations committee.

The people of Westchester can thank Jack for his work that gave my county better roads. The new road standards that Supervisor Lombardi brought about upgraded the many rural dirt roads that join the people of Westchester County together. Today, Westchester has among the finest road system of any county in America; and Westchester can thank Jack Lombardi for this accomplishment.

Jack has led the fight for the preservation of the rural character of much of Westchester County. He is responsible for the new master plans and zoning ordinances which have brought about economic growth and a strong tax base, while keeping the beauty of Westchester County intact. It was thanks to John's hard work and keen insight that Armonk, in North Castle, became in 1962 the home of the IBM world headquarters.

Supervisor Lombardi established the town's first recreation program back in 1963. He was able to purchase the land in North White Plains where Fountain's Park now sits from the county for $1. He later acquired the land where Strauss Park, Whipporwill Park, Cat Rocks Park, and the Johnson property provide an oasis for harried suburban residents to enjoy.

Jack was able to acquire the 15-acre Tesei property for $75,000 and the 5-acre Cunningham property for $45,000. The recreation department offices now sit on the latter site, and the combined value of both of these parcels is now more than $2 million.

The Cunningham property, located on Cox Avenue in Armonk, has four clay tennis courts, three ballfields that may be used for softball or little league, basketball courts (which can be an ice skating rink in the winter), a picnic pavilion, children's playground, and a fitness trail.

The North Castle town board honored Jack by naming this park after him. The park will be dedicated on Sunday, June 2.

I am pleased to have this opportunity to honor John with my remarks to this body. He has been a dedicated servant to all of us. I thank you, Mr. Speaker, for permitting me to make this statement.●

ETHIOPIA: BITING THE HANDS THAT FEED THEM

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BROOMFIELD. Mr. Speaker, believe it or not, the Ethiopian Government is making millions in hard currency by charging entry-port fees in Ethiopia on every ton of grain coming into that impoverished country. As my colleagues know, all of the incoming grain is given to that poor land by donor countries.

It is important that the world learn of the duplicity and deception of Colonel Mengistu's Communist government. That inept government is biting the hands of those who, out of the goodness of their hearts, feed that sad country.

According to the following article from the Christian Science Monitor, the Ethiopian Government charges an entry-port fee of over $12 for each ton of incoming grain that has been donated to that country. For the United States alone, we have had to pay over $5 million in fees to that Government for the 400,000 tons of grain we have given. This unfortunate scheme has netted that government over $28 million per year in hard currency.

While we in the West are absolutely right in trying to help the starving masses in Ethiopia, we never expected to be duped as we reached out to feed the needy in that land.

With these thoughts in mind, I commend the following article to my colleagues in the House.

[From the Christian Science Monitor, May 20, 1985]

ETHIOPIA MAKES MONEY ON DONATED FOOD AID

(By David K. Willis)

One of the biggest famine-relief operations of the century is reaching millions of people here. Yet behind the scenes two other dramas are being played out.

The Ethiopian government is making what some Westerners here estimate at $28 million a year in hard currency by exacting some of the highest entry-port fees in Africa on each ton of grain given free by other governments and individuals.

The military, Marxist, and impoverished Ethiopian government charges the United States and all other grain donors a $12.60 port fee on every ton of donated grain sent here.

Since December the US alone has sent 400,000 tons of grain, on which it has had to pay an entry-port fee of $5.04 million. It costs the US about $170 per ton to buy and send the grain. If Ethiopia receives the full 1.2 million tons expected this year from all donors, it will garner more than $15 million in entry fees on grain alone.

It charges high duties on other food and non-food relief items as well.

Four-wheel-drive Land Rovers paid for by some of the millions of dollars raised in Europe by rock star Bob Geldorf and his all-star Band Aid record were still sitting outside customs sheds months after delivery because Ethiopian officials were demanding steep import duties.

Military men and "civilian" crews from 12 East- and West-bloc countries cooperate in flying grain inside Ethiopia—but also maneuver to keep a sharp intelligence and security scrutiny on each other in a mini-version of cold war rivalries.

Military-trained crews on 12 Soviet Antonov transport planes and 22 Soviet helicopters strain to pick up intelligence, while guarding their own secrets, from British and West German air force planes and crews, and various planes and crews from Sweden, Belgium, France, Italy, and two civilian US charter planes.

Two big West German Air Force transports based at Dire Dawa in eastern Ethiopia are forbidden by Ethiopian officials to fly grain further east.

They must offload grain to East German planes to prevent Western crews from spotting Soviet military installations in the Ogaden region near the disputed Somali border.

"We talk to the East Germans and they talk to us," said one of the 45 West German military air and ground crew staff at Dire Dawa the other day. "They certainly know a lot about our planes. Of course, we know a lot about theirs."

The West German aircraft (Transalls, European-built versions of the US Hercules C-130 with two engines instead of four) pass and check out twice a day a runway hangar containing a large number of Soviet Flogger jet fighters. The Flogger is adapted to strafe troops on the ground.

Soviet Antonovs, together with Libyan planes, are regularly used to fly Eritreans and Tigreans from northern Ethiopia to the south in the government's massive resettlement program for 900,000 people. When the planes return to Addis, they are washed out with hoses.

From an analysis of the water runoff it has been learned that: the Antonovs fly densely-packed loads of refugees without pressurization; many of the passengers become ill; and cholera is known to be present (thus confirming increasing reports from French and Swedish doctors despite denials by Ethiopian officials).

The Soviets permit no outsiders, even Ethiopian grain handlers, inside their craft at any time. Their biggest planes carry 20 Soviet handlers who run sacks in and out (greatly lengthening loading and unloading times).

Both these darker sides of the massive relief effort contrast with the humanitarian impulses of both government and individual

donors abroad, Ethiopian relief workers, and many of the military men themselves.

Few insiders are surprised that one of the poorest countries in the world, with its government now organized along Soviet lines, should seize the opportunity to generate hard currency from incoming grain shipments.

It is the scale of the profit that raises eyebrows, considering that the aid is given free of charge for the starving whom neither the Ethiopians nor the Soviets are able to help on their own.

"Food aid has become this government's biggest single earner of 'invisibles' [intangible earnings]," says one knowledgeable observer.

"And look at the exchange rate they fix for their currency [the birr]. Two birr to the dollar. That makes Ethiopian money stronger than the Swiss franc or the Deutsch mark."

Nor the diplomats taken aback at the East-West intelligence games being played here.

"Given the presence of Soviet, Eastern European, and Western air forces, it's to be expected," said one.

In fact, no US military forces are in the country. The Addis Ababa government reluctantly accepted British and West German air force planes and crews, but barred American ones.

Civilian TransAm transports, cited in press reports in recent years as having had links with the CIA, are kept away from Addis Ababa and the Soviet operations there and also those operations based in Asmara in the north.

Cold war rivalries are also in evidence. A West German Transall roared into a spectacular short takeoff at Dire Dawa recently, leaving the ground opposite the Soviet Flogger hangar. A West German officer grinned as he recalled it.

"See that [Soviet] Antonov by the hangar?" he asked. "It tried to match our short takeoff, but couldn't make it. It fell back, broke its landing gear, and has been sitting out there for 10 days now."

Despite all the maneuvering for profit and intelligence gains, millions of starving people are being helped.

The Ethiopian Relief and Rehabilitation Commission puts the number helped by donated food at 5.3 million. The United Nation's figure is lower but still substantial at 3.5 million. Yet little is easy or straightforward here.

A shortage of civilian trucks and endless red tape slow down the movement of grain, and high port fees and tight security don't help create a better atmosphere.

Some Westerners would like to bypass the costs and congestion at the port of Assab.

They suggest either using twin-rotor Boeing transport helicopters able to carry 14 tons of cargo at a time from ship to famine camps, or by unloading relief ships at sea into smaller boats.

"But it won't happen," says one inside observer. "It would dilute government control, and bring in less hard currency."

Meanwhile, the Soviets here are making their own profits from their Ethiopian ally.

Moscow insists that each of the hundreds of military trucks shipped to Ethiopia—300 stand at one military airfield in Addis Ababa alone—be handled by a Soviet driver, Soviet co-driver, and Soviet mechanic.

Their per diem expenses and their diesel fuel must be paid by the Ethiopians—who consider three men per truck too many, and who are reportedly incensed that Soviet trucks get less than four miles to the gallon.

One other report illustrates the Soviet search for consumer goods whenever they go abroad:

Eye-witnesses say that Soviet transports take off from the port of Assab lightly loaded with grain to Asmara, and return heavily loaded with the product of an Asmara factory: household washing detergent called Omo.●

FEDERATION OF ITALIAN-AMERICAN ORGANIZATIONS IN BROOKLYN CELEBRATES ITS EIGHTH ANNIVERSARY

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MOLINARI. Mr. Speaker, this year marks the eighth anniversary of a very special organization in my district, the Federation of Italian-American Organizations in Brooklyn. During the past 8 years the federation, composed of 29 area Italian clubs, has provided many valuable services to the Italian community of Brooklyn. Many of the services are directed at helping senior citizens, handicapped people, and those with a language barrier. These services include providing sports activities, music concerts, and literary contests. The federation is especially active in promoting the preservation of the Italian cultural heritage through its sponsorship of Italian Week festivities.

The idea for a Federation of Italian American Organizations in Brooklyn originally started in the minds of three enterprising immigrants from the south of Italy. These men got together and shared their dream to create an organization that would bring together the Italian-American community in Brooklyn and install in it awareness and pride for its heritage. They perservered to turn their ideas into reality. Eventually, in 1977, they enlisted three local Italian clubs in the organization. Slowly the Federation grew to 5, 8, and then in 1984, to 29 Italian clubs in its ranks.

The watershed for the federation came in 1981 when this newly formed community service group was given a State grant that enabled it to hire a bilingual staff and obtain an office. These additions allowed the federation to better and more effectively serve the people of its community.

Mr. Speaker, I rise today to pay tribute to the Federation of Italian-American Organizations of Brooklyn for the service that it provides to its community. I am privileged to share my pride upon the occasion of its eighth anniversary with my colleagues in the House.●

THE 1985 TEACHER BONUS AWARD WINNERS

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LIPINSKI. Mr. Speaker, in order for our educational institutions to move ahead and meet the demands of tomorrow, it is necessary that more attention be given to the work of our teachers. I believe our teachers, educators of our children and essential components of our education system, deserve increased recognition. To assist in this effort, I have initiated the Fifth Congressional District Teacher Bonus Award Program.

While only in its second year, this program has attracted many distinguished participants from throughout my congressional district. This past Saturday, May 18, I sponsored an awards breakfast to honor this year's 16 outstanding teachers. they were recognized for being instrumental in promoting academic excellence in their respective schools and for exhibiting a special enthusiasm for the teaching profession. Each recipient received a congressional award plaque and a $50 saving bond.

Mr. Speaker, the following teachers have been selected as the 1985 Teacher Bonus Award winners: Sister Mary Anne, St. Michael Archangel Elementary School; Ms. Debra Jagielski, Five Holy Martyrs Elementary School; Mrs. Doris Peterson, Epiphany Elementary School; Miss Rosemary Shedor, Sacred Heart of Jesus Elementary School; Ms. Louise Piwowar, St. Mary of Czestochowa Elementary School; Ms. Denise Grzyb, Curie Metro High School; Ms. Cara Keller, Dorn Elementary School; Ms. Diane Geers, St. David Elementary School; Miss Katie Nolan, Kennedy High School; Ms. Alice S. Goodreau, General Custer Elementary School; Ms. Adele Vacek, Lincoln Elementary School; Ms. Kathleen Bandauskas, Mark Sheridan Academy; Mrs. Beverly Williamson, James Ward Elementary School; Dr. Shirley Verdugo-Perez, Seard Elementary School; Mr. Chris Linas, Wilkins Junior High School; and Mr. Patrick Kurivial, Wilkins Junior High School.●

TRIBUTE TO SOUTH FLORIDA'S AREA AGENCY ON AGING

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. SMITH of Florida. Mr. Speaker, south Florida is the home of one of our Nation's largest concentrations of elderly residents. The special needs of this population have been the concern of the Area Agency on Aging since 1974 and at this time I rise to pay tribute to the accomplishments of this organization.

Since its inception, the AAA of Dade and Monroe Counties has provided services under the Older Americans Act to the senior citizens of this region. Currently this service network includes 23 agencies and 62 different projects providing community-based services such as meals served at congregate meal sites and home deliveries of food to debilitive citizens.

Moreover, the agency's senior centers provide a program including recreation activities, counseling, and health education services. Under the umbrella of the United Way, these services are tailored to reach out to the needs and preferences of the south Florida senior community.

Committed to assuming even greater responsibilities in the future, this area agency hopes to play a leading role in planning and supporting further programs. By working with other institutions, the organization strives to improve the efficiency and effectiveness of the long-term care system. It is the belief of this planning body, the Long-Term Care Commission, that the key to improving senior citizen services lies not in increased funding but in more efficient coordination and planning.

In an effort to improve the long-term care system, the agency has adopted a rather unique approach. Whereas most planning bodies consist predominantly of professionals, the AAA has close to 300 volunteers involved in policymaking and implementation. An open forum has resulted wherein individuals have an input as to what areas and issues the organization will focus upon.

In light of these accomplishments it is fitting that on the 20th anniversary of the Older Americans Act we honor the Area Agency on Aging for Dade and Monroe Counties. No salute to this organization would be complete without mention of its director, Jose Fox, the agency board, and a myriad of the fine AAA volunteers. Let us pay tribute to this fine planning body for senior citizen services.●

SENIOR INTERNS WEEK

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LEWIS of Florida. Mr. Speaker, this week I am pleased to join with my colleagues who are participating in the 1985 Senior Intern Program. This year's program is being sponsored jointly by the Honorable Thad Cochran and the Honorable Tony Coelho. I am pleased to be sponsoring two outstanding leaders from my own congressional district.

Fred Scheel, from Royal Palm Beach, FL, is in his second term as president of North Palm Beach chapter 1088 of the National Association of Retired Federal Employees. Fred is also active in the Royal Palm Beach Lions Club and is currently president of the Village Townhouse Condominium Association.

Charlie Kane, from Stuart, FL, is a former Washington employee of the CIA and has for several years served with distinction as chairman of the Republican Executive Committee of Martin County.

Mr. Speaker, our senior citizens represent both a fine tribute to our past and wisdom for our future. During this month of May, when we traditionally recognize the achievements of our older Americans, I am particularly proud to support this worthwhile program.●

ALZHEIMER'S RESEARCH DOLLARS NEEDED

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. WYDEN. Mr. Speaker, today, 40 concerned Members joined with Congressman Matt Rinaldo and me in sending a bipartisan appeal to President Reagan to release the funds for the five Alzheimer's research and treatment centers that were approved by the Congress and signed into law by the President last year.

Alzheimer's has been called the disease of the century. It is a terrible affliction that affects nearly 3 million Americans, sending thousands to nursing homes, putting severe strains on families, and costing this Nation billions of dollars a year.

We know the destruction that Alzheimer's brings, we know how heartbreaking and debilitating it can be. But we don't know what causes it or how to prevent it.

Clearly, this is a national tragedy for which we are desperately in search of a solution.

Last year, the Congress and the President agreed that this crisis needed more than words—it needed action. As part of the National Institutes of Health bill that was signed into law last year, $5 million were approved for five Alzheimer's research centers to be located throughout the Nation.

These research and treatment centers hold the only real hope now available to Alzheimer's victims and their families. Unfortunately, this hope didn't last long.

This year, the Office of Management and Budget decided to change things. It decided, instead, to fund only three centers at half the funds appropriated for 1985. The other $2.5 million will be used to fund those same three centers for a second year. If the OMB sticks to its plan, the other two centers will never be seen by the victims, the families, or the researchers who are so eagerly looking for answers. This also means that the centers that actually are created will receive less funding than the Congress and the President intended.

In our opinion, and the opinion of at least 40 of my colleagues, Alzheimer's is too serious and devastating a problem to use legal sleight-of-hand that jeopardizes important research activities. Funds for the five centers were approved within the tight spending limits established last year. Congressman Rinaldo and I don't think there's a good reason for the Office of Management and Budget to deny funding for these centers, and neither do the millions of people in this country who are victims of Alzheimer's or have a family member with Alzheimer's.

Mr. Speaker, I hope the President listens carefully to our appeal, as we think it reflects the true concerns of the families and victims of this dreaded disease.●

VICTOR EMMANUEL SOCIETY CELEBRATES ANNIVERSARY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. YATRON. Mr. Speaker, on June 23d the members of the Beneficial Society of Victor Emmanuel II will celebrate their organization's 70th anniversary. It is my privilege to bring to the attention of my colleagues in the U.S. Congress the outstanding achievements of this important society in the Sixth Congressional District of Pennsylvania.

The Beneficial Society of Victor Emmanuel II was founded in 1915 by a small group of Italian immigrants who joined together for the purpose of aiding its members in need due to sickness or accident, and to participate in the moral and social improvement of the Italian community in Reading, PA. In its first year, the society's home was any where meetings could be arranged. In 1946, permanent social quarters were established at 150 Penn Street in Reading. A change in the charter in 1947 allowed the society to enroll social members. In 1949, the ladies auxiliary was formed and has continued throughout the years to aid the society through its own projects and assist the lodge in some of its endeavors. In 1965, the society established a scholarship fund to be awarded annually to a student of Italian descent residing in Berks County.

Because of redevelopment plans, the Beneficial Society of Victor Emmanuel II relocated in 1972 to larger and more comfortable quarters at 311 Hazel Street in Reading. In 1976, the social quarters were enlarged to accommodate the rising number of social members. In 1984 the interior of the social quarters was renovated and enriched with authentic Italian flags from the provinces of Italy and Sicily.

Today, the Beneficial Society of Victor Emmanuel II is the leading Italian organization in Reading with over 300 beneficial members; over 200 ladies auxiliary members; and over 29,000 social members. This outstanding organization has not only met its purpose of aiding its members in times of need, but also has helped the community with many charitable contributions. Victor Emmanuel II has gained the respect of all Berks Countians and I know that my colleagues will join me in commemorating its 70th anniversary and sending all its members our best wishes for another 70 years of service.●

NATO WANTS NO PART OF NEW NERVE GAS WEAPONS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. PORTER. Mr. Speaker, I would like to bring Members attention to an article in today's Washington Post on the NATO defense ministers meeting in Brussels. Despite hard lobbying by the Pentagon, the article points out that the Europeans did not want any part of a discussion on chemical weapons. It was their polite way of saying "no" as they always have to new nerve gas. Like the majority of Members in this House, many NATO ministers must believe that we already have an adequate chemical deterrent. I see no need to add another $2.3 billion to our almost $2 trillion national debt for weapons that are expensive and cannot be deployed to form an effective deterrent.

The article follows:

[From the Washington Post, May 23, 1985]

NATO Agrees To Improve Nonnuclear Weapons

(By Paul Paylor)

Brussels, May 22.—NATO defense ministers agreed today on a program to improve nonnuclear defenses and reduce reliance on early use of nuclear arms but skirted a U.S. proposal for production of new chemical weapons.

The 14 ministers of the North Atlantic Treaty Organization agreed to give priority to correcting shortages of ammunition, reserve equipment, medical supplies and trained reservists, and deficiencies in antisubmarine warfare and minesweepers. They also agreed to study ways to develop cooperation in arms production, cutting out waste and duplication.

In a sign of exceptional harmony, the meeting, scheduled to last until midday Thursday, ended after only two sessions totaling just over three hours—the shortest meeting in allied memory.

A communique specified areas for special effort, including the need for an aircraft identification system to prevent NATO from shooting down its own planes, and more aid to the poorest allies, Greece, Portugal and Turkey.

NATO Secretary General Peter Carrington told reporters the ministers had agreed there was a "need for a renewed and determined effort to improve NATO's defenses."

The most politically sensitive issue at the talks was chemical weapons, on which the Reagan administration had sought allied support in its effort to persuade Congress to fund production of new weapons. NATO officials said a U.S. bid to have the allies formally recognize the need for a modern chemical deterrent was dropped before today's meeting.

Carrington said it was felt chemical weapons did not fit into the conventional defense framework and that the West should press for a total ban on such arms.

In the absence of such a ban, he warned, NATO forces would be ill prepared to survive and sustain operations if the Warsaw Pack initiated chemical warfare.

Defense Secretary Caspar W. Weinberger said he thought the NATO ministers were aware of a need for the United States to destroy its aging stockpiles of chemical agents in Europe and manufacture new chemical munitions.

The administration is seeking $174 million from Congress in fiscal 1986 to produce a binary round, which consists of two chemical agents that become lethal when they mix on impact.

The ministers' communique reaffirmed the guideline of achieving real annual defense spending increases in the region of 3 percent, after inflation, but an annex acknowledged that many nations faced political and economic problems with this target.

Weinberger, facing growing resistance in Congress to further big increases in military spending, said that while Western public opinion might oppose higher arms budgets, "the Soviet Union has no such constraints."

The ministers said cooperation in arms production was vital in a more effective use of resources for conventional defense and declared: "The development of a more effective transatlantic two-way street is essential."

The Senate today tentatively approved $200 million for cooperative weapons development. The proposal was adopted by voice vote, with little debate, as an amendment to the 1986 defense bill.

British Defense Minister Michael Heseltine said it was proving difficult to guide cooperative projects through what he called "the minefield of national sovereign interests."

Carrington said the U.S. proposal for a space-based antimissile system was not on the agenda, because ministers had discussed it at a nuclear planning session six weeks ago. Officials said the issue was likely to be debated by NATO foreign ministers in Estoril, Portugal, in two weeks.●

TAX EXEMPTION FOR FRATERNAL BENEFIT SOCIETIES

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. ROTH. Mr. Speaker, the original U.S. Treasury Department tax proposal included a provision which would repeal the tax-exempt status of fraternal benefit societies. It would be a mistake to include this provision in final version of the tax bill.

Fraternal benefit societies, from their inception, have existed to aid their fellow man. They are not in business to make a profit. Any funds earned over and above expenses are returned to their members and others through programs of assistance.

In 1913, when the U.S. Tax Code was established, fraternal benefit societies were declared exempt. That was and is how it should be.

Fraternal societies such as Aid Association for Lutherans, Modern Woodmen of America, Knights of Columbus, and the Polish National Alliance are exempt from Federal taxes because the programs and volunteer efforts they pursue benefit their members and others in communities nationwide.

More than 10 million people across the country belong to fraternal benefit societies. Every year these societies expend more than $200 million for charitable and fraternal programs—programs which would not happen through Government sources.

Thousands of Americans are impressing on those of us in Congress a clear message: "Repeal of the tax-exempt status for fraternal benefit societies will destroy the charitable efforts of millions of people, stifle volunteerism, and eliminate the flow of funds to colleges and universities to bolster the education of our young people."

I urge my colleagues to join me in opposing any changes in the Tax Code which would repeal the tax-exempt status of fraternal benefit societies. Government cannot begin to duplicate at any price the volunteer efforts generated each year by the millions of fraternalists helping others.●

THE 60TH ANNIVERSARY OF PASADENA CITY COLLEGE

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MOORHEAD. Mr. Speaker, on June 1, 1985, Pasadena City College in Pasadena, CA, will celebrate its 60th

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anniversary as an institution of learning and enlightenment.

During the 60 years of its existence, Pasadena City College has helped educate more than 1 million students. In six decades, it has conferred more than 53,000 AA degrees. In three-score years, it has added immeasurably to the community and society.

PCC, as the 2-year school is affectionately known, has achieved a national reputation as a learning center because of its steady, long-term commitment to educational excellence. It has been a long-time source of community pride. Its faculty has repeatedly brought to the local culture intellectual variety and energy. Its athletic team shave been a source of interest and entertainment.

It is hard to imagine Pasadena without Pasadena City College. Unquestionably, all of us from the area have been the beneficiaries of the many positive influences of Pasadena City College.

Mr. Speaker, I'm delighted to be a part of this special celebration. I'm pleased to tell my colleagues in the House of Representatives that Pasadena City College is having a birthday. I'm certain its future will be as bright and successful as its past.●

MILTON EISENHOWER, R.I.P.

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mrs. BYRON. Mr. Speaker, in the midst of the current debate over the budget, it is all too easy to overvalue the short-term and immediate effects to the detriment of the long perspective and the effects of the budget upon the generations to come. It is therefore refreshing to find a responsible voice on such a critical issue. Dr. Milton Eisenhower, the recently decease brother of former President Dwight Eisenhower and citizen par excellence, was one such voice. I would like to submit the accompanying article, from the National Taxpayers Union's "Dollars & Sense," on Dr. Eisenhower for the attention of my fellow Members. His was a voice of experience and commitment, and we would do well to give an ear, in the current debate especially.

MILTON EISENHOWER, R.I.P.

Milton S. Eisenhower, the lone surviving brother of President Dwight D. Eisenhower and Co-Chairman of NTU's Balance the Budget Amendment Committee, died on May 2. Dr Eisenhower was one of our century's leading citizens. He aided eight U.S. Presidents, working in high-level posts for Presidents Calvin Coolidge, Herbert Hoover, and Franklin D. Roosevelt. He continued in some capacity for every President through Nixon. He served on 12 presidential commissions, five of which he was Chairman. He was a close confidant of President Roosevelt, in spite of their political differences. During FDR's years in the White House, Dr. Eisenhower was a frequent guest there for lunch. He was also his brother's closest advisor, working with him intimately during the eight years that he was President. Dr. Eisenhower was twice President of the John Hopkins University. He received 37 honorary degrees and sat on the boards of 13 corporations.

A great and accomplished man, he had from his own intimate experience a better grasp of the history and operation of the American government in the 20th century than practically anyone now living. In fact it is doubtful whether anyone since the founding of the Republic has served so many Presidents in so high a capacity as Dr. Eisenhower.

His concerns for this country were not merely the dreamy thoughts of a theorist, they were based upon the solid foundation of experience. Dr. Eisenhower knew what he was talking about. Until his final days, he spoke eloquently about the dangers to our democracy posed by runaway deficit spending and the predominance in the Congress of selfish interest groups and selfish politicians who care more about being reelected than about doing what is right for the country.

He often spoke of deficits as being like sedatives. Taken in small doses, they encourage dependency, but do no great damage to health. But taken in large quantities for a long period of time, they are deadly. He was convinced that deficits in America has reached the deadly stage. He saw economic collapse looming ahead, with runaway inflation or outright repudiation of the national debt likely. He prayed that we would get the additional two states needed to force constitutional reform of federal finances—before it is too late. His vivid sense of the urgency of this problem did not come from pessimism, he wasn't a pessimistic man. He was a realist, who saw things as they are—a realist who wished to change them to what they should be. He fought for years in his final bout with cancer, without self-pity and self-delusion. He saved all his care for the cause he believed in—the American experiment in freedom. In his final days, his last message to us was a plea that we press forward for passage of a Balanced Budget Amendment. We will, of course, but it will be harder without him.●

RETIREMENT OF ROBERT POPP

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. APPLEGATE. Mr. Speaker, in recent years, the news media has often-times been criticized for unfair and biased reporting of news events. Some of these accusations are justified and some are not. But, Mr. Speaker, never could any such accusation be made against one particular newspaper reporter who has recently retired after an outstanding 47-year career in journalism.

I am pleased to announce to my colleagues in the House of Representatives, but with some regret, too, the March 29, 1985, retirement of Robert Popp, veteran newspaper reporter for the East Liverpool, OH, Evening Review newspaper. During his long and brilliant career of nearly half a century, Bob worked only for the Evening Review, and covered primarily one particular beat, that of local government events in the city of East Liverpool. Aside from his seniority on the job, the one factor that separates Bob from so many others in his chosen field is his dedication to fairness, honesty, and objectivity in reporting news events. This has earned him the respect of both the readers of his article and those about whom his articles were written.

Bob began working for the Evening Review in November 1938, as State editor at the early age of 18. He served 3 years in the U.S. Army during World War II where he honed his writing skills by writing for different Army publications. Once discharged in 1944, he returned to East Liverpool and the Review and his city beat. Over the years, Bob became an expert in local governmental matters with few people, if any, knowing city hall any better than he.

Mr. Speaker, retirement is oftentimes looked upon as representing an end of a career, and for Bob Popp, it is that; for as he said about newspaper reporting, "I've done my bit." But Bob's retirement is more than an end; it is a beginning of a new life for him and his wife, Evelyn. I am sure that I speak for all of his faithful readers when I say that his articles of the events of the day that were framed with integrity and honesty will be sorely missed. We wish him well in the future and congratulate him on what has truly been an outstanding career.●

RURAL HOUSING ESCROW PROCEDURES ACT

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. FLORIO. Mr. Speaker, I would like to call the attention of my colleagues to a problem that the citizens of Gloucester Township, NJ, have been experiencing relating to the failure of Farmers Home Administration to collect property tax payments from Farmers Home administered properties.

In this particular township, 1,089 or 72 percent of the 1,500 FmHA housing units are delinquent on their property taxes. This has produced a hardship on the township because, as a result of this failure to collect, nearly $1.2 million is owed to the township. This shortfall has caused an increase in the property tax paid by the other residents of the community and accounts for 20 cents on the township's 84-cent

local purpose tax. The average Gloucester Township resident with a home assessed at $35,000 is paying $70 per year more in order to offset this shortfall. Additionally, the township must reduce services at a time when increased police protection and other services are necessary.

Mr. Speaker, all of this has resulted because the Farmers Home Administration has failed to take advantage of an option granted by Congress in 1974 that would allow the agency to set up escrow accounts and procedures to collect property taxes, on an installment basis, at the same time as the mortgage payment is collected.

Yesterday, I introduced H.R. 2584, the Rural Housing Escrow Procedures Act of 1985, which would mandate that Farmers Home establish these escrow procedures and accounts within 60 days of enactment and require borrowers to make periodic tax payments together with their mortgage payment. This would benefit all parties concerned: the municipalities, better able to collect their tax payments; Farmers Home Administration, able to protect the agency's mortgage lien as a priority; and the borrower, able to budget smaller monthly payments, rather than having to pay taxes in a lump sum.

The situation in Gloucester Township, NJ, is similar to numerous situations across the country. I would like to urge my colleagues to support this effort. I would also like to commend to the attention of my colleagues the following article, by Lillian Micko of the Courier-Post, which outlines the situation:

[From the Courier-Post, April 15, 1985]

UNPAID MORTGAGES BURDEN FOR TOWN

(By Lillian Micko)

There are approximately 1,500 delinquent taxpayers in Gloucester Township, 1,089 of whom share a dubious distinction that has given the township a crippling financial headache.

Their mortgages are through the U.S. Farmers Home Administration, whose loan procedures, township officials say, are the main cause of the delinquencies.

It is a situation reflected in the township's tax rate and in the wallets of its citizens who are timely with their taxes.

And the problem, according to local officials, is especially acute in the township because it has the largest concentration of farmers home mortgages in New Jersey and among the largest in the nation.

Township business administrator and chief financial officer John McPeak said the farmers home delinquencies account for 20 cents on the township's 84-cent local purpose tax rate. For the law-abiding Gloucester Township taxpayer, it means an additional $70 a year on a home assessed at $35,000.

The key problem, said McPeak, is that unlike most other mortgage programs, farmers home does not automatically collect and make payments for local taxes and sewer and fire insurance as part of the monthly mortgage bill.

That means a farmers home mortgage must pay for those expenses himself.

Unfortunately, said McPeak, many simply don't pay.

He said the negligence creates a burden for those who do because, under state law, the township must set aside a fund called a reserve for uncollected taxes to cover the shortfall.

Currently, of the $1.9 million in the reserve, $1.2 million is attributable to delinquent farmers home mortgages.

McPeak said the inability to use that money for other municipal purposes has contributed to increases in the municipal tax rate.

For example, he said, the new 84-cent municipal purpose tax rate established last week includes an 11-cent increase, primarily for dramatically higher trash diposal costs.

If the farmers home situation could be resolved completely, McPeak said, the township could afford to give all its residents a modest tax break even though certain expenses, such as landfilling and police protection, are skyrocketing.

"I don't think it's fair," said Gloucester Township Mayor Ann Mullen. "I don't think a community like ours should be subsidizing a federal program, especially with our other expenses so high."

Mullen and McPeak said the ideal solution would be for farmers home to collect and make payments for expenses such as municipal taxes.

Congress gave the agency the authority to do that in the mid-1970s, but farmers home did not take advantage of the power.

James Gouryeb, director of the Farmers Home Administration in New Jersey, said there were two major reasons the agency did not move ahead at that time—philosophy and a woefully inadequate computer system.

Begun in the 1930s as a loan agency to aid farmers in the dust bowl areas of the West and Midwest, Gouryeb said, farmers home eventually evolved into a national entity committed to help people of more moderate means buy decent homes in rural and developing areas.

But Gouryeb said the agency's philosophy began changing in 1981 with the advent of the Republican administration of President Reagan.

"Before this administration, the idea was to get people into better homes and everything else would work its way out. Now, people are serious about administering. The emphasis is now on making sound loans and collecting payments."

Gouryeb, appointed almost four years ago by the Reagan Administration, said the agency's former national director actually committed farmers home to do what Gloucester Township wants—start mandatory collection for municipal taxes as part of mortgage payments.

He said the agency is in the midst of a multimillion-dollar computer overhaul that will enable the collections and payments to begin within two years.

However, Mullen and McPeak are skeptical.

"I'll believe it when I see it," said Mullen. McPeak added that he heard that promise "three years ago and nothing happened."

In the meantime, Mullen said, she would continue to push for federal legislation to ensure that the agency begin mandatory tax deductions. Mullen said the township has enlisted the aid of its congressman, Democrat James J. Florio of Pine Hill, in its cause.

Florio blasted the agency's practices in a statement last week.

"I am seriously disturbed at the agency's failure to implement (tax deductions) before the situation became serious in Gloucester Township.

The congressman also criticized the agency for rejecting a proposal by Gloucester Township under which the municipality would have utilized its computers to become essentially the agency's mortgage collection company.

In exchange for mandating that holders of farmers home mortgages in Gloucester Township pay municipal taxes; the township would process a homeowner's complete mortgage payment and make the necessary disbursements to the agency and itself.

However, the proposal was rejected, in part, Gouryeb said, because the agency does not have the authority to have someone else do its collection work.

Instead, Gouryeb pointed to another alternative currently in effect in the township. Under that plan, Gouryeb said, the agency attempts to sign its clients to a voluntary program under which they agree to pay local taxes.

The problem, McPeak said, is that of the 51 participants, 26 are behind on their taxes.

Although McPeak said that Gouryeb and other New Jersey farmers home officials have been sympathetic to Gloucester Township's problem, he expressed exasperation with the agency's practices.

For example, McPeak said, residents with farmers home mortgages receive quarterly tax bills like everyone else.

The difference is that when a farmers home client defaults on his taxes, the agency eventually steps in and pays the bill.

However, McPeak said the township's farmers home delinquency total remains static—even though the agency has not granted new mortgages in the township since 1981—because the agency's practice is to merely add the amount it has paid for a tax delinquency to an individual's mortgage obligation.

In many cases, McPeak said, the same person again defaults and the cycle is repeated.

While McPeak said he applauds the attempt of farmers home to increase housing opportunities for persons of moderate means, he believes the agency is doing its clients a disservice by not requiring tax payments as part of the mortgage bill.

"Paying taxes is a part of home ownership," said McPeak. "Many of their clients are young people, first-time homebuyers. We've even gotten calls from some who've said, "You don't understand, we're farmers home, we don't have to pay taxes.'"

Gouryeb said clients are made aware of their tax obligations, although he added that "government tends to be more forgiving."

Although Gouryeb agreed that the existing system had shortcomings, he said it was unfair to blame the agency for all the problems with the mortgage program.

"(The program) has provided a positive social service," said Gouryeb. He said several problems were the direct result of a 1970s building boom and noted that the agency's portfolio mushroomed from $10 billion in 1976 to $54 billion in 1980.

Besides, said Gouryeb, "In our case, we are not only a lender, we also have a social mission."

"All I can say is that we really don't help ourselves if we look back on the mistakes of the past. We must look toward the future, deal with the situation as it is today, and move on from here."●

A BILL TO ELIMINATE TAX SUBSIDIES FOR SPORTS TEAM THEFT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. STARK. Mr. Speaker, sports franchise relocation is an issue that affects every major city in this country. Whether a city has lost a team, like Oakland, or is still trying for its first sports franchise, relocation can have an enormous economic and emotional impact on a city.

All too often cities are put in the awkward position trying to outbid one another for the scarce resource of a sports franchise. Part of this bidding contest is conducted with Federal tax dollars. I am introducing legislation which will eliminate this unwise use of taxpayer dollars.

Most sports facilities that are being built in the pursuit of major league sports teams are built with industrial development bonds. The interest income from these bonds is exempt from Federal taxes. A sports fan in a city can actually help finance the relocation of his favorite team in his role as a Federal taxpayer.

What we all to frequently have is the Federal taxpayer underwriting part of the cost of the stadiums that team owners have extorted from cities around the country. My legislation would stop the Federal subsidy of this extortion.

One of the ways a football team or baseball team will try to force concessions out of a city is by demanding rights to luxury boxes or skyboxes at sports stadiums. These luxury boxes are financed in part by U.S. taxpayers. Therefore, my bill would also deny investment tax credit for the construction of any new luxury boxes. The bill would not allow a luxury box to be depreciated or otherwise deducted from ones taxes.

Further, if luxury boxes are sold, the income from the sale of these boxes will be taxed at ordinary income rates, rather than at any capital gains rate that might otherwise be currently appropriate.

I have introduced my bill today to begin the discussion of this issue. My goal is to discourage cities from using tax dollars and the advantages of the Tax Code to lure teams from city to city. It is meant to be an antitheft bill. It is meant to be a stability for fans bill.●

WE NEED A GOOD NEIGHBOR POLICY IN CENTRAL AMERICA

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. EDWARDS of California. Mr. Speaker, every member of this body receives hundreds of pieces of mail each day. Much of that mail is routine, mass-produced or computer-generated. It usually has only limited impact.

Occasionally, though, a letter arrives that makes you sit up and take notice. I'm referring to the type of correspondence that provides a new insight, that by its simple eloquence captures the essence of what an issue is all about.

I recently received such a letter from Margaret and Munson Hinman of Union City, CA, people I'm proud to claim as my constituents. Their letter points out precisely what is wrong with the administration's policy in Central America.

Instead of being good neighbors to the nations of Central America, our President is doing his best to make us bad neighbors. Instead of being part of the peace process, we are busy fomenting instability and turmoil in an already tumultuous region.

I urge my colleagues to read what Mr. and Mrs. Hinman have to say. It's a simple message. It makes perfect sense. Let's heed their advice. Let's be good neighbors.

The letter follows:

UNION CITY, CA,
May 10, 1985.

DEAR CONGRESSMAN EDWARDS, My wife and I, in our 60's, live in a new neighborhood where most of our neighbors are buying their first home. Since we're on our sixth home, we have many opportunities to counsel them on gardening and engineering and to lend out tools occasionally. Quite a few of our neighbors are Asiatic, Indian, and Mexican-American. All kinds of religions and politics are here.

We have, by choice, become good neighbors. We could have chosen to be difficult neighbors—making demands, calling the cops, threatening pets, erecting barriers, snooping, and gossiping.

You know which choice gives us the greater "power" in our neighborhood. Why in God's name is the U.S. trying so hard to be a bad neighbor? I resent it because the administration is not only alienating our Latin neighbors, it is alienating me. We're actually wasting our potential power for good by putting pride ahead of principle.

We need a new commitment to a Good Neighbor policy, Congressman.

Sincerely,

MUNSON HINMAN.●

LANGE-SHULTZ MEETING

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MOLINARI. Mr. Speaker, I was disappointed to read this morning that Prime Minister Lange of New Zealand has refused to meet Secretary Shultz in Malaysia this July.

The current situation between our country and New Zealand, which has been strained since New Zealand denied port access to one of our naval ships last February because we could neither confirm nor deny the presence of nuclear weapons on board, continues to be troubling. In fact, the United States had already spent many months prior to the refusal of port access working to avoid such a situation from occurring.

The United States has been restrained in their response to the port access ban, and, I believe, willing to continue negotiations to resolve this problem. However, I am not as confident in the intentions of the New Zealand Government and their desire to work toward a satisfactory solution to the port access issue.

Mr. Speaker, the behavior of Mr. Lange has been disturbing over the last 3½ months. By his not willing to meet with Secretary Shultz this summer, Prime Minister Lange will certainly perpetuate the current impasse. His action raises questions as to his motives and willingness to work together with us toward a return to the friendly relations we once enjoyed.●

NATIONAL TOURISM WEEK 1985

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DASCHLE. Mr. Speaker, as a member of the House Travel and Tourism Caucus, I would like to add my voice to those supporting National Tourism Week 1985. This week's events will kick off the summer vacation season. As many as 105 million Americans will take to the roads, tracks, and the air to see new parts of our great Nation.

"Tourism Works for America" is the slogan for this week's activities. I would like to adapt this theme to say "Tourism Works for South Dakota."

Travel and tourism was South Dakota's second largest employer in 1982, the last year complete statistics are available. Only agriculture, the State's dominant industry, employs more people.

In South Dakota alone, tourists spent $1.2 million each day of 1982

and contributed more than $46,000 per day to the State in tax revenues. Visitors from foreign countries spent $8.5 million in 1983.

Tourism also plays a key role in our international balance of trade. With trade deficits reaching their highest levels in this Nation's history, it should be recognized that tourism is one of our major exports. In 1982, overseas visitors spent more than $11 billion during their travels to the United States.

Yet, the administration has recommended the dismantling of the U.S. Travel and Tourism Administration [USTTA], the Agency charged with coordinating our tourism policies.

If we are to reverse the flow of dollars into foreign countries, we must promote tourism in other lands as aggressively as they do in ours. Now is the time we need a well-managed advertising campaign to market and promote this country. The USTTA has such an ambitious marketing and tourism promotion program in the works. It must be allowed to continue.

Tourism is an important economic fact of life in South Dakota as it is throughout the Nation. Let's spend this week spreading the word: "Tourism Works for America."●

VIGIL FOR VICTIMS OF ACQUIRED IMMUNE DEFICIENCY SYNDROME

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mrs. BURTON of California. Mr. Speaker, on Memorial Day, I will join the Nation in honoring those Americans who lost their lives in war.

I want to bring to the attention of my colleagues another observance that will be occurring that day. In San Francisco, in more than 40 cities throughout the country, and in five foreign nations, people will participate in candlelight vigils to honor those who have died from acquired immune deficiency syndrome.

This disease has taken the lives of 5,000 Americans already and that figure is expected to triple in the next 18 months. AIDS has caused death and terrible suffering for its victims, and for their families, and friends.

On May 27, I will join with people across the globe remembering those who have died and supporting those who are struggling to end this epidemic.●

IRRELEVANT WEEK

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BADHAM. Mr. Speaker, I rise today to extend my congratulations to this year's honoree at the 10th anniversary of Irrelevant Week in Newport Beach. Donald Chumley, defensive tackle from the University of Georgia, is being honored during the entire week of June 23, 1985, as the last player selected in the recent National Football League draft.

Mr. Chumley, a graduate of Groves High School in Savannah, GA, was drafted No. 336 by the San Francisco 49'ers. He is the son Mr. and Mrs. Leneer Chumley of Savannah.

Irrelevant Week is an annual community celebration founded on the credo "Irrelevant Week Means Doing Something Nice for Someone for No Reason." It will be highlighted this year by a golf tournament, a tour of the city, a college night rally, a day at Disneyland, a celebrity roast, a superstars competition, and a day at the races, among other activities.

It has been my pleasure each year to support this event as a lighthearted way for the community to come together in a spirit of conviviality and enjoyment.●

A CONGRESSIONAL TRIBUTE TO PAUL DEMPSTER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. ANDERSON. Mr. Speaker, I rise to pay tribute to Paul Dempster, the president of the Sailors' Union of the Pacific, who will be honored as "Man of the Year" by the Southern California Ports Council on June 7, 1985.

Born in Honolulu, HI, Mr. Dempster moved to San Francisco in 1942. After serving in the U.S. Marine Corps from 1945 to 1948, Mr. Dempster joined the Sailors' Union of the Pacific.

After serving the Sailors' Union of the Pacific in a variety of capacities, Mr. Dempster became the union's tanker business agent in 1966. He was elected to the union's chief leadership position in 1978 and has served as president/secretary-treasurer of the Sailors' Union of the Pacific ever since then.

In addition to providing leadership to his own union, Paul Dempster has earned a reputation as one of California's premier labor leaders through his contributions to the trade union movement and his community. He is president of the Maritime Trade Port Council of San Francisco, AFL-CIO; vice president of the Seafarers International Union of North America; an executive board member of the AFL-CIO's Maritime Trades Department, and an official in a variety of other trade union organizations. Paul Dempster, in addition to his numerous contributions to union organizations, has contributed through his civic and community concerns to numerous other projects and organizations.

Paul Dempster has enriched the quality of life and the quality of work in his 37 years of service to the Sailors' Union of the Pacific and other maritime organizations. I am sure that we can count on many more years of fine service to the maritime community and to the State of California from Mr. Dempster. My wife, Lee, joins me in wishing Paul Dempster and his family continued success and all the best in the years ahead.●

THE FAIR FOREIGN TRADE PRACTICES ACT OF 1985

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. DONNELLY. Mr. Speaker, I am today introducing the Fair Foreign Trade Practices Act of 1985.

This legislation restructures the mechanisms and procedures of section 301 of the Trade Act of 1974 to require enforcement of international trade agreements and minimize unfair foreign trade practices. It provides that the U.S. Trade Representative, rather than the President, as under current law, will make the determination as to whether a response to burdensome foreign trade practices is appropriate. Once the Trade Representative determines that a response is appropriate, he must take action to provide relief. Under current law, such action is merely discretionary. This bill further sets stringent time limits within which the Trade Representative must make a determination under section 301, and initiate the action he determines necessary. The President has 60 days to disapprove the Trade Representative's contemplated action, and then 15 days to submit his reasons for disapproval to Congress. Finally, the bill adds "injurious industrial targeting," currently not included, to the list of foreign acts, policies, or practices that require an appropriateness of response determination under section 301.

Mr. Speaker, the Fair Foreign Trade Practices Act of 1985 will make trade law more responsive to the needs of U.S. industry. Section 301 will be the prompt, effective relief mechanism Congress intended. I urge my colleagues to join me in supporting this legislation.●

HONESTY IN MILITARY CONTRACTS ACT OF 1985

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LANTOS. Mr. Speaker, a recent probe by the House Armed Services Committee turned up more than $1 billion in questionable expenses claimed by seven defense contractors.

Among the unconscionable claims submitted by defense contractors were for reimbursement by our Government of: $10,713 in charges to recover losses from an executive barbershop; $12,333 for two season tickets at the Los Angeles Forum where professional hockey and basketball is played; $160,000 in taxes paid to a foreign government in connection with overseas sales of commercial products; $959 for a single day's golf fees; $1,099,619 in charges to recover losses from an employee cafeteria; and $62,071 for public relations costs following the crash of an aircraft produced by one firm.

A General Accounting Office investigation found that 11 top military contractors routinely charge the Pentagon for entertainment, public relations, personal travel, and promotional giveaways. To make matters worse, Pentagon auditors generally questioned these costs, but less than half of the charges were disallowed by Defense Department negotiators.

In the last few years, the American people have been asked to make significant sacrifices across the entire spectrum of programs funded by the Federal Government. At the same time, our defense expenditures have climbed significantly.

While the American people are prepared and willing to provide for an adequate national defense, they are not willing to see their hard-earned tax dollars squandered on country club memberships, private corporate jets for personal travel, and boarding fees at exclusive kennels.

It is essential that we in the Congress make clear—both to the Pentagon and to defense contractors—that such practices will not be tolerated.

Mr. Speaker, I have introduced H.R. 2562—the Honesty in Defense Contracting Act of 1985—to prevent some of these appalling abuses. This legislation, first of all, specifies what items may and may not be included for reimbursement by the Department of Defense. This will insure that Pentagon auditors do not consider certain expenses permissible in any circumstances, and it will prevent Defense Department officials from compromising with military contractors by splitting the difference over questionable claims.

My legislation specifically prohibits reimbursement to defense contractors for any of the following expenses: Advertising, other than for recruiting employees; country club dues; company-furnished automobiles for personal use; use of corporate aircraft for personal benefit; entertainment costs; hotel costs for more than a normal single or double room; exhorbitant expenses for meals; fines and penalties; lobbying costs; first class air travel; and gifts of any kind.

The second important provision of this legislation, Mr. Speaker, is the authorization of increased criminal penalties for false claims made against the Government by defense contractors. If any contractor submits for reimbursement any expenses which are prohibited by law, not only will that amount be disallowed, but the contractor will be assessed a penalty equal to three times the amount illegally sought.

In addition, my legislation increases the maximum criminal fine that can be imposed upon a defense contractor who submits fraudulent claims from $10,000 to $100,000. The bill also increases the amount that can be recovered if the Federal Government initiates civil proceedings to three times the amount fradulently charged, plus court costs.

Mr. Speaker, the sorry spectacle of defense contractors defrauding the American people must stop. The Congress must act to prevent these flagrant abuses of the public trust. I urge my colleagues to join me in sponsoring H.R. 2562—the Honesty in Military Contracts Act of 1985.●

RUTH FERNANDEZ: "THE SOUL OF PUERTO RICO MADE INTO SONG"

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. GARCIA. Mr. Speaker, I want to take a moment to honor an outstanding humanitarian, Ms. Ruth Fernandez. Ms. Fernandez is known throughout my community, and her native Puerto Rico, for her excellent singing as well as her commitment to worthy causes within the Puerto Rican community.

Because of her work and her spirit, Ruth has become known as, "the Soul of Puerto Rico Turned Into Song." On June 6, as part of "Semana Puertorriquena," Puerto Rican Week, in New York City, Fox Street Shelter will be renamed "the Ruth Fernandez Family Residence." I can think of no better way to honor Ruth than by identifying her name with a center that plays a vital role in helping the less fortunate in my community.

I am enclosing a brief biography of Ruth submitted to me by her friends at the South Bronx Community Management Co. I trust my colleagues will enjoy learning more about this remarkable woman.

The biography follows:

RUTH FERNANDEZ

Ruth Fernandez, the Soul of Puerto Rico Made Into Song, was born and educated in Ponce, Puerto Rico. While still a very young girl, she organized her own musical group and performed in the schools and at church festivities. At a still tender age, she began singing on radio. This led to a contract with the most popular orchestra of the day, "Mingo y sus Whoopie Kids." During the Second World War and the Korean war, Ms. Fernandez entertained the troops throughout the Caribbean Islands and Panama.

Ms. Fernandez rapidly grew in popularity. During the eight years of its existence, her television program, "Del Brazo con Ruth Fernandez" was highly favored. In New York, Ms. Fernandez appeared in all the important concert halls, such as Carnegie Hall, Town Hall, and Philharmonic Hall. She was the first Hispanic popular singer to be invited by the Metropolitan Opera to peform in its concert series at the Lewis Holm Stadium. Ms. Fernandez has, throughout her career, been Puerto Rico's standard bearer in Latin America and Europe. She has appeared in films in Puerto Rico and other countries. Her many long-playing recordings under the RCA Victor, Columbia, Montilla, Seece, Verne, Gems, and Roulette labels are legendary. Ms. Fernandez has been the recipient of countless awards and honors including Madrina—Godmother—of the 1983 New York Puerto Rican Parade. Among the dearest of these to her heart is the song "Ven a Mi" especially composed for her by Pablo Casals. In 1969, Ms. Fernandez received an honorary doctorate from the University of Puerto Rico. In spite of her many artistic and social commitments, Ms. Fernandez volunteers her services to many worthy causes; among these is her yearly personal and artistic contribution to the Capitulo d Puerto Rico de la Asociacion de Ninos y Adultos Lisiados. Ms. Fernandez has always striven to make Puerto Rico folklore known throughout the world. Her artistic prowess and success are paramount; nevertheless, she has also triumphed in the political arena, being the first singer in the world to have become a senator—Commonwealth of Puerto Rico. Ruth Fernandez' glorious 50-year career has been a model of beauty to the eyes and ears of the world. She is rightfully named "El Alma de Puerto Rico Hecha Cancion"; "The Soul of Puerto Rico Made Into Song."●

THE COLLEGE ATHLETE EDUCATION AND PROTECTION ACT OF 1985

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. HOWARD. Mr. Speaker, today I have introduced the College Athlete Education and Protection Act, legislation which I believe will reverse the dismal record of some colleges and universities in graduating their scholarship athletes.

My legislation would require that 75 percent of student athletes with athletic scholarships for 3 or more years graduate in a maximum of 5 years. Failure to meet this goal would result in the removal of the tax deduction status for contributions to the athletic department at the college or university in violation or to any organization which donates funds to that college or university's athletic department. The average of the graduation rates for the previous 5 years will determine the tax deduction status for the current year.

Athletic departments raise money through various organizations from individuals with the help of Federal tax deductions on the promise of fostering education through athletic scholarships. Considering the dismal graduation rate of college athletes at some institutions, I believe it is time for the Federal Government to reconsider whether or not such tax benefits, given under the guise of advancing education, are warranted or deserved.

Recent scandals at some universities have not only tarnished college sports, but have again illustrated the need for reform. There is something wrong when at Memphis State only four out of 43 basketball players have graduated since 1972 and I am sure that this situation is not an isolated incident. When you consider that only 1 percent of college athletes sign a professional contract, you have to wonder what happens to those athletes who have been used for their athletic ability, but fall between the cracks without a pro contract or a degree.

My legislation seeks only to re-establish education as the top priority at colleges and universities for every student. Fortunately, there are many institutions that would not be affected by this bill because education has not taken a backseat. I am afraid, however, that too many people are becoming more interested in the box score than the report card. We must remember that colleges and universities are not training grounds for professional athletes; they are institutions for higher education.

In the next several weeks, I will be sending copies of my legislation to university officials, college coaches, sportswriters and other interested parties for comment and review.

As a former educator, I strongly believe that there is nothing more important for a youngster than obtaining a good education. There was a time when an athletic scholarship was so valued because it afforded an opportunity for higher education. It's time we return to those values. For me not to introduce this bill would mean that I am guilty of the same kind of attitude which has created this problem. I cannot find any justification to continue giving tax advantages under the guise of "advancing education" if education is not being advanced.

I hope my fellow members will join me in supporting this legislation. By joining me in this effort, we will be able to show university officials that Congress is concerned and is ready to see much-needed reform.●

ST. MICHAEL ARCHANGEL SCHOOL ACADEMIC EXCELLENCE AWARD

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LIPINSKI. Mr. Speaker, on Thursday evening, May 23, St. Michael Archangel School, which is located in my congressional district, held their Academic Excellence Award Dinner to honor those students who have excelled during this past school year in one of five designated subjects—religion, mathematics, English, science, and social studies.

Today, I would like to recognize and extend my congratulations to these fine students for their scholastic accomplishments. Their achievements represent the serious attitudes they have toward the learning process. These young and determined students have certainly earned these academic awards. I wish them well in their future studies.

Mr. Speaker, I would also like pay tribute to two individuals who have dedicated themselves toward the betterment of St. Michael Archangel School. They are the Reverend Armand E. Gress, the pastor of St. Michael's, and Sister M. Dolores Munoz, the school's principal. Their continuous and tireless efforts on behalf of St. Michael's are truly an inspiration for all of us.

Mr. Speaker, the St. Michael Archangel School Academic Excellence Award recipients are Ramon Nunez, Myrna Moreno, Angela Troianos, Amanda Barrus, Elizabeth Alvarez, Hilda Sanchez, Charise Malinowski, and Christine Spontak for religion; Lisa DeHoyos, William Piegari, Celia Martinez, Wendy Lachtara, Anthony Piegari, Yvette Castro, Audrey Yakin, and Carlos Ortega for mathematics; James Troianos, Nichole Coffman, Nereida Ortiz, Nancy Nunez, Julie Hickey, Diane Strohschein, Joan Spontak, and Kathleen Coyle for English; Heather Miller, Candice Wasinski, Michelle Flozak, Gerardo Ortega, Luz Maria Mendoza, and Kathryn Domovic for science; and Gabriela Pazmino, Francine Mason, Jennifer Pakarklis, John Satala, Francesco Minonne, and Alexander Alonzo for social studies.●

LINK BETWEEN DRUG ABUSE AND DROP-OUT RATE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. RANGEL. Mr. Speaker, as chairman of the Select Committee on Narcotics Abuse and Control, I want to bring to my colleagues' attention an article entitled, "Link Between Drug Abuse and Drop-Out Rate," which appeared in the April 1985 issue of Adamha News, the newsletter of the Alcohol, Drug Abuse, and Mental Health Administration in the Department of Health and Human Services. This article raises disturbing implications about the extent of drug abuse among our young people and demonstrates the need for improved data collection to more accurately follow drug abuse patterns.

The National Institute on Drug Abuse [NIDA] in Adamha currently funds two major surveys to collect information pertaining to drug usage trends: The high school seniors survey, which is done annually, and the national household survey conducted every 2 to 3 years. These surveys provide essential information, and I encourage their continuance; however, they do have shortcomings. As one treatment professional and former Federal drug abuse official testified before the select committee last year:

> It's not our high school seniors who are coming into treatment, it's our dropouts. They are not part of the (High School Seniors Survey).
>
> It is not the people who are in the household survey who have permanent known addresses so they can be sampled out of the community; it's the people without permanent residences or living in single rooms that are coming into our treatment programs.

It is within this context that I feel the article in the April 1985 issue of Adamha News is so important.

The article reports that a recent NIDA study found "significantly" more students involved in using drugs failed to graduate from high school than students who were not involved with drugs. A NIDA spokesman is quoted as saying, "The study is particularly important because it covers grade levels not included in our High School Seniors Survey and shows a direct relationship between drug use and the high school dropout rate." The article notes that of the 598 high school students surveyed, 208, or more than a third, dropped out prior to graduation.

I commend NIDA for initiating this study to examine the extent of drug usage among high school dropouts. This group, unfortunately, represents too large a segment of our people, especially of our urban, minority, unemployed youth. In my own city of New York, the dropout rate is estimated at more than 42 percent. We need to know much more about these young people who are at high risk for drug abuse problems. We also need to learn how to prevent and treat drug abuse among this group. I urge NIDA to continue and expand its studies of drug use among high school dropouts.

Data in recent years from the High School Seniors Survey and the national Household Survey have indicated an overall decline in drug usage, but contradictory evidence has been raised from other sources. For example, State and local officials testifying before the select committee report an increasing demand for drug abuse services. In addition, the availability of cocaine, marijuana, and heroin has been escalating the past 3 to 4 years. Further, sharp increases in the number of deaths and emergency room incidents related to heroin and cocaine usage have been witnessed over the past few years. Now, the NIDA study on drug usage and high school dropouts raises new concerns about the extent of drug use among our youth. Therefore, Mr. Speaker, I strongly feel that expanding such studies and increasing other Federal drug abuse data collection efforts are essential to allow for greater accuracy in understanding and predicting drug abuse trends.

I ask that the Adamha News article entitled "Link Between Drug Abuse and Drop-Out Rate," be inserted in the Congressional Record at this time.

Link Between Drug Use and Drop-Out Rate

A National Institute on Drug Abuse study found "significantly" more students involved with drugs failed to graduate from high school than did students not involved with drugs.

The study was conducted in two Philadelphia public high schools, among students in the 9th, 10th, and 11th grades.

"The study is particularly important because it covers grade levels not included in our High School Seniors Survey and shows a direct relationship between drug use and the high school dropout rate," said Dr. George Beschner, of NIDA's Treatment Research Branch, Division of Clinical Research.

Students were considered to be involved in using drugs if they used marijuana or alcohol on an average of at least once per week for 3 months, and/or used any illicit drug other than marijuana during the year preceding the study.

Of the 598 students from the two high schools surveyed, 208 dropped out of school prior to graduation, 318 graduated on time, and 72 continued in high school, or their status was unknown at the time researchers were making their final assessment. The study sample was 53 percent female and 47 percent male; 61 percent were white and 36 percent black.

Dr. Alfred Friedman, the researcher at the Philadelphia Psychiatric Center, said students who had lower drug use index scores were more likely to finish high school than those with higher scores.

"Given the numbers of school students involved with drugs and the problems that involvement poses for their capacities to function effectively, the data are a very strong argument for increased emphasis on early intervention and treatment," Friedman said.●

ENDING AGE DISCRIMINATION IN EMPLOYMENT

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. YOUNG of Florida. Mr. Speaker, May is Older Americans Month, a time during which we pay tribute to and thank our Nation's senior citizens for their past, present, and future contributions to our country.

Almost 30 percent of the Pinellas County, FL residents I represent are over 65 years of age, so I am well aware of how valuable these people are to our community. Many of our local elected officials and community leaders are over 65. In addition, many of the county's retirees provide countless hours of public service work.

They volunteer to help patients at the Bay Pines Veterans' Administration Hospital, assist those less able then themselves with work around the home under the Chore Program, offer companionship and care to the ill and frail under the Senior Companion Program, provide guidance and friendship to disadvantaged children under the Foster Grandparents Program, serve a variety of roles through volunteer work at local hospitals, libraries, schools, and nursing homes, deliver food to shut-ins under the Meals on Wheels Program, and work part time for local community service agencies through the Senior Community Service Program.

Clearly the depth and breadth of their service to our community reflects the skills and experiences older Americans are able to share with their neighbors. Prior to their retirement, they helped build and strengthen our communities and following retirement they continue to contribute unselfishly toward improving their neighborhoods.

Unfortunately, many Americans who want to work past age 65 find they are discriminated against in the work force. The Age Discrimination in Employment Act protects workers between the ages of 40 and 70 from age discrimination in hiring, promotions, terminations, and the terms and conditions of employment. However, it does not offer these same protections to individuals older than 70.

Legislation I am introducing today would finally remove the upper age limit of 70 from the Age Discrimination in Employment Act and prohibit age discrimination against any worker because of age.

Many older Americans want to continue their working careers past 70 and Congress should do everything possible to see that these people are not discriminated against in the workplace. They provide a valuable source of knowledge, experience, and expertise to American businesses and are an important natural resource to our Nation that should not be overlooked.

One stirring example of the contribution workers over the age of 70 make to American businesses is Muriel Nelson, an 84-year-old employee of Aircraft Porous Media in Pinellas Park, FL. For the past 12 years she has handled employee insurance claims for the firm's 450 employees. She has become an important asset to the company.

Aircraft Porous Media also employs Pat Lucco, and 82-year-old maintenance group leader. He has been with the company since 1974.

Ruth Bross, a reporter for the Pinellas Park News, recently wrote about Muriel and Pat's contributions to the company and I would like to include her story following my remarks. She quotes Bob Spennato, personnel director for Aircraft Porous Media, as saying, "Our philosophy is that if you can do the job we're not concerned about your age."

Enactment of my legislation would eliminate the barriers to employment to those over the age of 70 who, like Muriel and Pat, want to continue working. They know the contributions they are able to make to their employers, and as many employers have learned, older Americans are an integral part of our Nation's businesses and communities. We pay tribute this month to their countless contributions and thank them for the special skills and enthusiasm they share with us each day.

[From the Pinellas Park News, May 9, 1985]

Oldest Worker Says Flexibility Key to Job Success

(By Ruth M. Bross)

Muriel Nelson got her driver's license renewed last week, three days before her 84th birthday, which was May 4th.

"I don't drive a lot, but it would cripple me a little if I couldn't," she explained. "I told Bob, 'If I don't get my license the car belongs to you. Just see to it that I get to work and back.' "

"Bob" is Bob Spennato, personnel director for Aircraft Porous Media Inc. (APM). He hired Mrs. Nelson 12 years ago this month to handle the manufacturer's employee insurance claims.

"After my husband Lewis died, I wasn't going to just sit," Mrs. Nelson said while processing a stack of insurance forms at her desk in the personnel office of APM.

So, in 1973, she registered with Kelly Services, the temporary employment agency, and they sent her to APM to fill a one-day vacancy.

"I observed her working, and noticed she didn't take much time for lunch, even though she was entitled to, and I asked her if she would like a job in personnel," Spennato said. "We had a little over 200 employees at that time. She worked fulltime for us for 10 years and is now working a five- or six-hour day."

APM currently employs 450 persons in the sprawling, modern complex at 6301–49th St. where filters for the aerospace industry are manufactured. The parts range from a single element costing $25 to completed assembly unit worth $13,000.

Spennato is on a first-name basis with most of those workers, including Mrs. Nelson and Pat Lucco, maintenance group leader. Lucco has been with APM since 1974. He is 82 years old.

Spennato recommended both Lucco and Mrs. Nelson to Professional Employment and Training Services (PETS) for a contest held recently in conjunction with the national Employ An Older Worker Week.

Called "The Silver Hat Contest," it was intended to determine the oldest worker in Pinellas County and the individual who made the most significant contribution to an employer. All persons nominated were at least 55 years old, according to Mary Romanik, older workers specialist at PETS. The awards "generate interest that there are persons over 55 who can made a significant contribution to the labor force," she said.

When Mrs. Nelson learned of her nomination she questioned her boss' judgment by saying, "What, again?" In 1983, she won the award for making the most significant contribution to an employer and gave the prize, a two-day weekend at a beach motel, to her daughter.

This year, she won again. She was presented a certificate for being the oldest individual nominated on March 6th.

Mrs. Nelson is the mother of three children. A daughter, Bernice, 63, lives in Wichita, Kansas; a son, Robert, 59, resides in Minneapolis and another daughter, Mary 58, resides in St. Petersburg. Mrs. Nelson has eight grand-children and 10 great-grandchildren.

Her life, she says, has been centered around home, yard and family, but she has always worked. In fact, Mrs. Nelson lists "work" as her hobby. She often takes it home with her.

"This is critical work being done (at APM)," she asserted. "The people who work here are concerned about their families and worry about any unpaid bills. I want to keep their minds at ease and say: 'Don't worry about it' and 'I'll take care of it.'

"Doctors are careless," she continued "When their bills aren't clear enough for insurance purposes it causes a mix-up."

Melanie Nyc shares and office with Mrs. Nelson and specializes in employee orientation. She said Mrs. Nelson has been her mentor and expressed admiration for the way the older worker gets things done.

"She's a real sharp gal and can give 'em what-for on the phone," Mrs. Nyc said about Mrs. Nelson's techniques to speed up payment of an insurance claim.

As for her employer, Spennato said, "Our philosophy is that if you can do the job we're not concerned about your age."

Though Mrs. Nelson has had a great deal of office experience, she originally planning to make teaching her career. It was her first job.

"Being a schoolteacher was the only proper thing for a lady to do back then," she said.

But after instructing "all eight" of the pupils in Esterville, a small Iowa community, she gave it up.

"After a year, I thought there must be something better to do," she said.

Mrs. Nelson said she has held various jobs, but mostly worked in accounting. "The largest amount of money I ever held in my hand was a check for $1,700,000," she recalled. It was the bid awarded a Minneapolis construction firm where she once worked, for construction of a new private school.

Mrs. Nelson recommends career changes for nearly everyone.

"If you work at one job for 40 or 50 years you are limited," she advised. "You have to get variety or your mind gets in a rut.

"I had a friend who retired from doing the same job for years. She went to work as a Kelly girl and she was a flop. She just wasn't flexible anymore."●

A CELEBRATION OF WOMEN'S SPORTS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MINETA. Mr. Speaker, I rise today to call attention to 10 special young women who have been recognized as "America's Up and Coming" women athletes by the Women's Sports Foundation and the makers of Milky Way. These young women embody the promise of athletic excellence in our country and should serve as examples to other young athletes.

I am particularly delighted to note that Ms. Debi Thomas, from my own congressional district, has won the artistic sports category. Debi is an internationally recognized figure skater who placed fifth behind fellow American, Tiffany Chin, at the world championship held in Tokyo last March. In the U.S. nationals, Debi placed second, and as a result of her performance, was named to the world team. I am sure Debi's achievements will encourage other talented young women, particularly other young black women, to follow in her footsteps.

I would also like to share with you the names and categories of the other women honored at the "Celebration of Women's Sports" award program.

Hurdier Leslie Maxie of San Mateo, CA, was named the winner in the speed and power category. In the explosive strength category, the honoree was Wendy Brown, from Woodside, CA. From Dover, MA, Cathy Schiro won the speed and endurance category, and from Bozeman, MT, Kari Swenson won the combination sports category. Surfer Tricia Gill of Newport Beach, CA, won the woman versus nature category. Fencer Caitlin Bilodeaux, of Concord, MA, won the individual versus individual category. In the standard sports category, the award went to Pat Spurgin, of Billings, MT, and the team sports category was won by Yoland Hightower. Track and field star Karen Farmer was honored in the physicially charged category.●

A TRIBUTE TO MR. MAX CLELAND

HON. ROBERT LINDSAY THOMAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. THOMAS of Georgia. Mr. Speaker, at this time of an important anniversary of our involvement in the Vietnam war, the National Vietnam Veterans Network has taken special action to honor 10 outstanding veterans who symbolize the quality of the Americans who served with honor in that bloody conflict.

The selections by the Vietnam Veterans Network are especially significant because this is a nonprofit organization dedicated to communication and supporting Vietnam veterans' contribution to business, labor, government, education, and the arts. The 10 veterans selected this year will be honored at the group's first annual awards banquet.

I am very proud of the fact among those honored this week is Mr. Max Cleland, our distinguished Secretary of State of Georgia.

Max was an army captain serving with the First Air Cavalry Division when he was terrible injured in a grenade explosion which left him a triple amputee. He was awarded the Bronze Star and Silver Star decorations in addition to the Purple Heart.

But Max's injuries did not deter him from a distinguished career in public service. He was elected to the Georgia State Senate and was its youngest member at the age of 28. In 1977, he was nominated and confirmed as the first Vietnam veteran to serve as the Administrator of the Veterans' Administration.

His leadership continues today after his election as our secretary of state. He is a young man whose career has been and will continue to be an inspiration to all Americans.

Mr. Speaker, I know that I speak for all of my Georgia colleagues in congratulating Max for this latest honor. We are proud of him as Americans, and we are especially proud of him as a fellow Georgian.●

PERSONAL EXPLANATION

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LOWERY of California. Mr. Speaker, yesterday it was necessary for me to be present in San Diego for the dedication of a new convention center at which I was the keynote speaker. Had I been present, on rollcall No. 122, I would have voted nay; on rollcall No. 123, I would have voted nay; on rollcall No. 124, I would have voted nay; on rollcall No. 125, I would have voted nay; and on rollcall No. 126, I would have voted nay.●

TRIBUTE TO ROBERT NORRIS

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. RUSSO. Mr. Speaker, today I would like to congratulate one of my constituents, Mr. Robert Norris of Evergreen Park, IL, who is retiring after 21 years as administrator for the Garden School for the Handicapped. I would also like to pay tribute to this man who has given so generously of himself through the years. It is citizens such as Mr. Morris, working in the thousands of communities across this land, who are the backbone of this country's greatness—people who are committed to what they believe in, who work with dedication and faith.

Mr. Norris began his service to his country in the Marine Corps. He was in New Zealand, Guadalcanal and received a battlefield commission on Guam of second lieutenant. Wounded on Sugar Loaf Hill in Okinawa, he was flown back to the Mare Island Naval Hospital in June 1945 for surgery on his left leg; his left arm was paralyzed.

Back home, he attended DePaul University and was medically retired from the Marine Corps at the rank of first lieutenant and attended the Chicago Kent College of Law. And along the way he married his wife of now 42 years, Elizabeth Brizich.

In 1964 he left the insurance business to become administrator of the Garden School and attended Chicago State University taking courses in special education. The Garden School is itself special. Established by a group of parents who wanted to ensure an education for their mentally handicapped children, it operates on a budget met entirely through the fundraising activities of the parents and donations from clubs, private individuals, businesses, and tuition. And every penny received goes for the operation of the school to ensure that each child attending can reach his or her full potential and become self sufficient.

Bob also served on the Citizens Advisory Committee for the State of Illinois, was twice Seratoma's man of the year and has been active in community organizations, coaching little league and then a pony league team for 15 years. He was the president of St. Bernadette's Athletic Association and served as an officer in the Evergreen Park Athletic Association. He has been active in St. Bernadette's parish and served on the Moraine Valley College board and has been a village trustee for the past 4 years. Somehow he's also found the time to be instrumental in the passage of many bills for the retarded and thanks to him, the Seratoma group donated the materials and labor for the gym and two classrooms added to the Garden School in 1969.

Bob and Betty also raised five children and now have nine grandchildren and still reside in Evergreen Park. Congratulations and praise will be found in abundance, I'm sure, as Bob retires on May 31. It is all well-deserved and I know my colleagues join with me in extending best wishes to this outstanding man and citizen.●

A TRIBUTE TO ARLEN R. SAYLOR

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. YATRON. Mr. Speaker, on Sunday, June 2, 1985, the Boyertown Area Schools Music League will be honoring the music supervisor for the Boyertown School District, Mr. Arlen R. Saylor, with a retirement dinner. I know that my colleagues will join with me in expressing our appreciation to Mr. Saylor.

Mr. Saylor has earned the highest respect and esteem of his colleagues and students. He was named the director of music in the Boyertown Area School Jointure in 1955. He developed an outstanding music department as supervisor of music. His high school marching unit has received both local and national acclaim, winning many top honors throughout the years, under his leadership. In 1966, Mr. Saylor was named director of the Philadelphia Eagles "Sound of Brass," a 220-piece unit which performs at the Eagles home games. He has been the entertainment director for the Eagles for the past 11 years.

Mr. Saylor, in addition to his other accomplishments, is associated with Freedoms Foundation at Valley Forge as director of pageantry at the Annual Liberty Bowl Football Classic, was the recipient of the Freedoms' Foundation Teachers' Medal in 1972, the Boyertown Jaycees Man of the Year in 1974, and the originator of Cavalcade of Bands, held in Boyertown for the past 25 years.

Mr. Saylor's music has provided joy and entertainment for many individuals in all age groups. He has provided for an opportunity for thousands of high school students to experience the thrill of music through performance and the discipline of being a part of an outstanding organization. A testimonial to his efforts is the tremendous number of band members who continue playing their instruments in some capacity after graduation from high school and the number of graduates who continue on to college to become music teachers themselves.

Mr. Speaker, as his friends and associates gather together on June 2, they pay tribute to his leadership endeavors and to his personal commitment to music and the education of our young people. It is an honor to salute this outstanding educator and leader.●

IN HONOR OF SGT. HENRY GARCIA

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. TORRES. Mr. Speaker, on May 24, 1985, Sgt. Henry Garcia is being honored at a memorial service at the Rose Hills Memorial Chapel in Whittier, CA.

Sergeant Garcia served his country with valor and distinction during World War II. Now, after missing in action for 42 years, Sergeant Garcia is finally able to return to his family. Sergeant Garcia served in the U.S. Army Air Corps and was twice decorated with the Silver Star for gallantry in action. Additionally, he was awarded with the Distinguished Flying Cross, Air Medal, and Purple Heart for heroism and extraordinary achievement.

Sergeant Garcia is survived by his four children, John Henry, Date, Ruth, and Elsie, and their families. I am honored to have the family of such a distinguished military hero living in Hacienda Heights, a community located in the 34th Congressional District.

I also wish to thank and honor Col. Joe Holguin for returning Sergeant Garcia to his family. It was Colonel Holguin, a committed and distinguished soldier, who returned to the crash site in 1982 and 1983 to search for the remains of his crew. His success has made Sergeant Garcia's return possible.

I honor Sergeant Garcia for making the ultimate sacrifice an individual can make for his country.●

TWENTY YEARS OF SERVICE TO SAN BERNARDINO

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BROWN of California. Mr. Speaker, the Community Services Department [CSD] of San Bernardino County is celebrating 20 years of dedicated service to the low-income community. CSD is a "War on Poverty" agency that continues an important Great Society mandate "to end the paradox of poverty in the midst of plenty."

The dream of President John F. Kennedy and the leadership of President Lyndon B. Johnson, with regard to the "elimination of poverty in America", are not forgotten in San Bernardino County, as CSD continues the struggle it started two decades ago.

In 1965 the Dependency Prevention Commission was established in San Bernardino as a private, nonprofit corporation and given the responsibility for planning, developing and implementing programs designed to encourage maximum participation of San Bernardino County's low-income communities. This is a remarkable effort on the part of this agency. San Bernardino is the largest county in the continental United States, and has the fifth largest poverty population in the State of California.

In 1975 the DPC was renamed the Community Services Department. During its 20 years of activity, the agency has created a diverse set of programs designed to meet community needs including: the Neighborhood Youth Corps, Crisis Intervention, Meals on Wheels, Headstart, CETA Manpower, and Disabled Services among many others. "CSD is celebrating the Department's Twentieth Anniversary through a rededication to the elimination of poverty in America."

Mr. Speaker, I would like to congratulate this group of hardworking constituents. It pleases me to know that the activist spirit of the sixties that was determined to make the world a better place to live, is still found in San Bernardino today. I agree with CSD Executive Director Rodolfo Castro who said, "Poverty is an obscenity * * * that has no place in a society with such vast resources."●

STOP SPREAD OF AIDS

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mrs. BOXER. Mr. Speaker, I rise to address the important issue of Acquired Immune Deficiency Syndrome.

On May 27, thousands of men and women will take part in an international candlelight vigil to commemorate the thousands who have been stricken by Acquired Immune Deficiency Syndrome. To date, AIDS has been diagnosed in over ten thousand of our citizens. Nearly half of them have died, and little hope remains for those still alive.

Dr. James Curran of The Centers for Disease Control has estimated there are currently 500,000 to 1 million individuals infected with the AIDS virus. No one knows how many of these are infections or how many will succumb to the disease, but we can expect at least 30,000 new cases within the next 2 years. In addition, surveillance indicates the virus is spreading beyond the initial groups previously considered to the high risk.

AIDS research has brought us a long way. We now know what causes the disease and how it is transmitted. With this information in hand, we must proceed with a national campaign to educate our citizens about AIDS and what they can do to prevent its transmission. It is a preventable disease.

So I urge you to seriously consider the actions we must take to prevent the spread of AIDS, and on May 27 to remember those struck down by this deadly disease.●

COSTA MESA CHAMBER OF COMMERCE HONORS MAN AND WOMAN OF THE YEAR FOR 1985

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BADHAM. Mr. Speaker, I rise today to honor two outstanding citizens of my district. On June 12, 1985, Fred J. Owens and Florence Schumacher will be honored as Man and Woman of the Year for 1985 by the Costa Mesa Chamber of Commerce. In receiving this honor, they join a long list of prominent citizens who have received this award since its introduction more than 15 years ago.

In making its selections, the chamber cited longtime community service, broad involvement in the community, longtime residency, recognized leadership, and volunteer service.

Dr. Owens, who is dean of instruction at Golden West Community College in the city of Huntington Beach, CA, is a 25-year resident of Costa Mesa, a former star athlete and an active civic and community leader. He is involved in the Kiwanis, the Boy Scouts of America, the Harbor Area Boys Club, the Special Olympics, and the YMCA. He also served as a volunteer venue manager for the wrestling competition during the Los Angeles Olympic games.

Mrs. Schumacher has devoted her considerable energies to the support for the fine and performing arts and has emerged as one of the cultural lights of the region. A talented instrumental and vocal musician in her own right, Mrs. Schumacher is or has been a member of the Boards of Directors of the Orange County Philharmonic Society, the Metropolitan Opera National Council, the Orange County Performing Arts Center, the Orange County Pacific Symphony and the Pacific Opera. She also has extended her help and active support to the Children's Hospital of Orange County, the University of California at Irvine, the Boy Scouts of America, and the Foundation of KOCE-TV, Orange County's only public television station.

The scope of community involvement of both these fine citizens is worthy of great praise. I offer my congratulations on their achievements and their recognition as Man and Woman of the Year for 1985.●

TWA PURCHASE

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. PASHAYAN. Mr. Speaker, I am glad to be a cosponsor of H.R. 2575, introduced by my colleage, Mr. MINETA. It has the effect of restraining Mr. Carl Icahn from purchasing Trans World Airlines for 90 days, so that the Department of Transportation has the time to determine whether Mr. Icahn is fit to own TWA. The fitness test is a test that principle shareholders of airlines must be subject to by the Department.

Why is it that the Federal Government should step in on such a matter? Because Mr. Icahn in purchasing various companies and then disposing of them has earned, and I might say well-earned, a reputation of leaving wreckage strewn over the ground. Phillips Petroleum, Chesebrough-Ponds, Tappan Industries, Marshall Field & Co., Dan River Co., ACF Industries, Saxon Industries, Hammermill Paper, Baird & Warner Mortgage and Realty Investors, and Uniroyal, all have felt the impact of Mr. Icahn's policy of purchase and run.

We should also bear in mind that TWA provides an important service to the public in transportation. It is most likely that Mr. Icahn will purchase TWA and then jettison it before the Department has a chance to pass on his fitness to own. Mr. Icahn would thus be circumventing if not the letter of the law at least the spirit of the law. What H.R. 2575 does is to restrain his lunge for the jugular until the Department has a chance to pass its judgment under law.●

THE KANSAS CITY CALL

said, "Tom Eagleton fits the bill. Honesty,

AN ADVOCATE AND PROTECTOR

THE KANSAS CITY CALL HONORS SENATOR THOMAS EAGLETON

HON. ALAN WHEAT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. WHEAT. Mr. Speaker, Senator Thomas Eagleton, the senior Senator from Missouri, was the subject of a recent article in the Kansas City Call, a weekly newspaper in my congressional district. The article was capably written by Joelouis Mattox, the director of housing counseling at Metropolitan Lutheran Ministry in Kansas City. Mr. Mattox's article chronicles Senator Eagleton's courageous civil rights record and his stalwart advocacy of the needy, elderly farmers, and students in the forthright manner of our former President Harry S. Truman. I commend Mr. Mattox's article, and would like to share with my colleagues a text of the article.

The article follows:

[From the Kansas City (MO) Call, May 3–May 9, 1985]

Tom Eagleton: A Man for His Time

(By Joelouis Mattox)

Last year I did research at the Truman Library and wrote six articles about Harry S Truman. It was the 33rd President's 100th birthday anniversary. This year, I plan to write four more stories about Truman on the subjects of the first Office of Federal Emergency Management, Japanese-American internment during World War II, blacks in the military, and peace and the A-bomb.

Harry Truman is one of my favorite Presidents. I like the man from Independence because he took a stand on civil rights. Syndicated columnist Carl T. Rowan credits Truman with being the first President to throw the weight of his office behind racial equality. In my book, the greatest presidents are Harry S Truman, Lyndon B. Johnson, John F. Kennedy and Abraham Lincoln.

Harry Truman made Missourians feel proud.

Before I write my next article about Mr. Truman, let me tell you something about another man who is making Missourians proud: United States Sen. Thomas F. Eagleton.

It is very appropriate that I write about Sen. Eagleton at this time because the senior Senator from Missouri has been selected to receive the prestigious Harry S. Truman Public Service Award May 10, at the Truman Library in Independence.

The award is presented annually by the city of Independence to a public figure who is considered to exemplify the accomplishments and characteristics of Harry Truman.

Previous recipients of this award have included former President Jimmy Carter, former Secretary of State Henry Kissinger, Coretta Scott King and a posthumous award to Martin Luther King Jr., former U.S. Sen. Stuart Symington, former Vice President Hubert Humphrey, former Secretary of Defense Clark Clifford and the late President's daughter, Margaret Truman Daniel.

At the announcement of this year's recipient, Independence Mayor Barbara Potts said, "Tom Eagleton fits the bill. Honesty, integrity and outspokeness have marked his 30 years in public service. The quality of his service and the length of his service certainly set him apart in a very special way."

I heartily agree.

Senator Eagleton is a man for his time. He has been in the forefront and on the cutting edge for freedom, justice and equality in this country, and recently for the same things in South Africa.

Last month, Eagleton, a member of the Senate Foreign Relations Committee, voted for a bill calling for economic sanctions against South Africa if "significant progress" toward ending apartheid has not been made in two years.

My United States Senator has a Civil Rights record second to none.

Throughout his career of public service, Tom Eagleton has been a staunch defender of civil liberties and a champion of equal rights for all citizens regardless of race, color, creed or age.

He supported the Constitutional amendment extending full voting rights to 18-year-olds. He supported the Congressional passage of the Equal Rights Amendment and voted for extension of the deadline for ERA ratification.

I am especially proud that Sen. Eagleton is the author of legislation to declare the birthday of Martin Luther King, Jr. a national holiday.

Since his election to the Senate in 1969, Eagleton has voted for the reauthorization of the historic 1965 Voting Rights Act. Last year, he supported legislation providing for reauthorization of the Civil Rights Commission for six years and its expansion from six to eight members with appointment power split between the executive and legislative branches.

CIVIL RIGHTS

Have blacks overcome?

Are minorities demanding too much?

Lately the social advances made by minorities and women over the past 20 years have come under attack. The Grove City College Supreme Court decision of 1984 struck a blow at civil rights.

It was music to my ears when Sen. Eagleton said, "The Grove City Supreme Court decision of 1984 drastically, and in my opinion incorrectly, narrowed the scope of Titie IX of the 1972 Education Amendments.

As a result, statutes regarding sex discrimination, and by implication, race and age, and disability discrimination, have been inappropriately restricted, in effect allowing the federal government to subsidize discrimination.

"A bill to clarify Congressional intent on this issue was introduced in the last session of Congress. I was an original co-sponsor of that omnibus legislation because of the magnitude of this threat to Civil Rights. I consider the Grove City question to be one of the most important Civil Rights issue brought before the Congress in the last ten years, and I am committed to restoring the original intent of the laws," Senator Eagleton said.

There's no doubt about it, Tom Eagleton is a "white knight" for Civil Rights. Lucile Bluford, publisher and editor of THE CALL newspaper, says that Eagleton has a perfect record on Civil Rights.

Although Sen. Eagleton has been a friend of the black community and champion of its causes, he has not spent all his time in the Senate being a mouthpiece for the Civil Rights movement.

Tom Eagleton is not a one issue politician. He is in no man's or woman's pocket!

AN ADVOCATE AND PROTECTOR

No one owns Eagleton, but many can claim him as their advocate and protector in the time of need. He has been a friend to the young and old, the tired and helpless, colleges and farmers, students and veterans, homeowners and cities and environmentalists and "peacenicks."

Senator Eagleton holds that one of the key functions of government is to help those who are unable to help themselves. In 1972, he co-sponsored the creation of a special Women, Infants and Children (WIC) supplemental nutrition program. Last year, he was presented an award for his consistent support of the WIC program.

The Senator has sponsored numerous measures to improve and expand the school lunch program. He has co-sponsored legislation to reform and expand the food stamp program and has worked hard to see that food stamps are of maximum benefit to the elderly. He initiated legislation to prevent recipients of Supplemental Security Income (SSI) from being denied eligibility for food stamps, and cosponsored legislation which senior citizens may use food stamps to purchase home-delivered meals.

During his second term, Sen. Eagleton directed the passage of legislation reauthorizing the Older Americans Act, the comprehensive law that is the basis of all federal services for the elderly.

In 1975, he supported creation of the Child Support Enforcement Program, an effort to track down "runaway fathers" and force them to accept financial responsibility for their families.

One of the birthrights of every American is a decent job that will afford him or her a decent living. Over the past years, Eagleton has supported programs such as job training, public service employment and child day-care for working parents.

And when Chrysler, the nation's third largest auto manufacturer, teetered on the brink of bankruptcy, he moved into high gear to save the car maker and the 300,000 American jobs at stake. Working with his colleagues, Sen. Eagleton hammered out a loan guarantee package that allowed Chrysler to restructure itself for the new demands facing the American auto industry.

FARMER AND COLLEGES

Tom Eagleton recognizes that one of our nation's greatest assets is the American farmer and his unsurpassed productivity.

Because much of that productivity hinges on continued research and development of new methods and techniques, the Senator from Missouri has been a strong advocate of agricultural research. This commitment has enabled him to secure legislation to allow important research at land-grant colleges and experimental stations to go forward.

Helping colleges is not the only thing Eagleton has done for education. His first ever Senate bill was an education bill. The bill, introduced in 1969 and passed by Congress, increased funding to school districts which had large concentrations of federal subsidized housing projects.

In 1972, he wrote the National Reading Improvement Act, which gave statutory authority to the "Right to Read" program. Right to Read provided grants to local school districts to improve reading education. A few years later, Eagleton co-sponsored legislation to create a separate U.S. Department of Education.

As a housing counselor at Metropolitan Lutheran Ministry, whose job is to help people obtain safe and decent housing that

they can afford and to help them save their homes from foreclosure, I can say that the Senator has contributed much to housing and community development in this country.

Eagleton co-sponsored the Young Families Housing Act, which was incorporated into the 1977 Housing and Community Development Act amendments. The Young Families bill authorized five different types of graduated payment mortgage plans.

Under those plans, mortgage payments are held below normal rates in the early years of the mortgage, when a young family's earning power is lowest.

Eagleton co-sponsored legislation to give standby authority for creation of a Homeowners' Loan Corporation, which would act to prevent widespread foreclosures in times of serious recession. He sponsored amendments to grant property tax relief to elderly homeowners, and supported bills to provide assistance to middle-income families purchasing homes.

HOMEOWNERSHIP

What is the greatest threat to homeownership? During the winter months for millions of people, it is high gas bills. In many part of the country, gas bills for heating exceed family income.

Eagleton knows this, and has fought escalating energy prices for consumers. Following the passage of the Natural Gas Act, the cost of natural gas shot through the roof as producers capped wells containing low-cost gas to pump higher-cost gas to consumers.

* * * * *

He took a leadership role in the adoption of the Health Manpower Act of 1971.

The quality of health care in a community is tied closely to the quality of the community's health care facilities. In 1970, Eagleton helped write the Hill-Burton Act, which provided federal aid for hospital construction. He co-sponsored the Health Facilities, Manpower and Community Health Center Act of 1972.

Throughout his work in the health care area, Eagleton has not been unmindful of the health needs of his home state. The Senator was instrumental in helping the St. Louis university medical complex obtain a $9 million grant to improve teaching and clinical care facilities. And he helped to get a $10 million grant to establish a medical school at the Truman Medical Center in Kansas City.

What else has Eagleton done? He has been a friend to preservationists, small business people and animal lovers.

When Sen. Eagleton retires with 18 years of service in the Senate in 1987, what will he be remembered for? The business community in St. Louis may praise him for leading the fight to save St. Louis' Lamber Airport when it seem destined to move to Illinois, taking millions of dollars out of the Missouri economy.

The civic leaders in Kansas City may honor him for his unflagging efforts to get the Department of Housing and Urban Development to approve a $10 million Urban Development Action Grant to develop the Vista Hotel in downtown Kansas City. It is widely agreed that the grant acted as a catalyst for new development in the downtown area.

People in Caruthersville, my hometown in Southeast Missouri, may continue to thank him for what he did to help them get funds for their community center.

I will remember Eagleton for the time, while holding elected office, he went to an inner-city tavern and to churches and asked black leaders for their votes. I will remember the Senator for persuading white business people, civic leaders and politicians to campaign for Bruce Watkins for mayor of Kansas City, and Alan Wheat for Fifth District Congressman (Watkins lost, Wheat won). And I won't forget the time he spoke at the funeral for Leon Jordan and the funeral for Bruce Watkins.

Sen. Eagleton is a man to be exemplified, and when other blacks can speak and write about their elected officials as I have done here for Tom Eagleton, America will be a perfect union and the greatest nation on earth.●

CERTAIN CASES BEFORE THE MERIT SYSTEMS PROTECTION BOARD

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mrs. BYRON. Mr. Speaker, today I am introducing legislation which will correct what I believe to be an unfair policy of the Merit Systems Protection Board. Current Board policy maintains that if a Federal employee brings a case before the Board against his employing agency and the Board's initial decision falls in favor of the employee, the employee cannot receive his awarded compensation should the agency petition for a review of the decision. Once the agency petitions, the employee must wait until the Board renders a decision before finding out whether he will be awarded compensation.

The review of these petitions have frequently dragged on for months, sometimes years. I believe that this prolonged delay causes undue hardship on the employee who has already been favored in the Board's initial decision. I feel certain that my colleagues will agree with me that to even temporarily deny compensation is an obvious case of justice delayed, justice denied.

The remedial legislation I am introducing is narrowly drawn. It would apply only to those employees who have successfully appealed an agency removal or suspension. Under the language in my bill, neither an agency petition for review nor the reopening of a case could delay the corrective action recommended in the Board's initial decision. Due to the narrow scope of my bill, corrective action would always take on two forms: the reinstatement of an employee who was the subject of a removal or the restoration of an employee who was suspended.

Mr. Speaker, I have always maintained that good government begins with happy, motivated employees. I feel that this legislation will take steps toward ensuring that our Federal employees continue to be treated with the fairness and appreciation they deserve. Thank you.●

TRIBUTE TO THE HONORABLE SAM B. HALL, JR.

HON. EARL HUTTO

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

Mr. HUTTO. Mr. Speaker, we will greatly miss our distinguished colleague from Texas, Sam Hall, in the days ahead. But it is comforting to know that justice in Texas is going to be better when he dons the robe of a Federal judge.

Sam Hall has served the Nation well during his tenure in the U.S. House of Representatives, and I want to join his many friends in wishing him well as he continues to work for the achievement of a fair and equitable life for Americans.

Sam is an individual, in my opinion, who exemplifies the best qualities of citizenship. It has been my privilege to have observed the honesty, integrity, and courage of this man during our years of service together in the House. I especially remember being with him on a trip to Lebanon 5 days after 260 of our marines had been killed by a crazed terrorist, and joining with him and the others in deploring this dastardly act.

Sam Hall, a man of compassion and understanding, will do well in his service as a judge. May God continue to bless his efforts.●

HOUSE OF REPRESENTATIVES—*Monday June 3, 1985*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. BONIOR of Michigan].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker.

I hereby designate the Honorable DAVID E. BONIOR to act as Speaker pro tempore on Monday, June 3, 1985.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We remember, O God, in this our prayer, those people who suffer from any pain or hurt or sickness. May the bounty of Your love and the power of Your spirit keep us strong and give us perspective for the days before us. Remind us that Your presence, with its grace and healing, is with us all the days of our lives. Be with us now and bless us, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 710. An act authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts;

S. 1147. An act to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws; and

S.J. Res. 127. Joint resolution to grant the consent of Congress to certain additional powers conferred upon the Bi-State Development Agency by the States of Missouri and Illinois.

CONSENT CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

PAUL C. WEICK FEDERAL BUILDING AND U.S. COURTHOUSE

The Clerk called the bill (H.R. 446) to designate the Federal Building in Akron, OH, as the "Paul C. Weick Federal Building and United States Courthouse."

There being no objection, the Clerk read the bill, as follows:

H.R. 446

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the building located at 2 South Main Street, Akron, Ohio, known as the Federal Building, shall hereafter be known and designated as the "Paul C. Weick Federal Building and United States Courthouse". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be deemed to be a reference to the "Paul C. Weick Federal Building and United States Courthouse".

● Mr. HOWARD. Mr. Speaker, H.R. 446 designates that the Federal Building in Akron, OH, be known as the Paul C. Weick Federal Building. The Honorable Paul C. Weick has served with distinction in the judicial branch of the Government for 20 years.

Paul C. Weick, born August 25, 1899, in Youngstown, OH, attended the public shools in Youngstown, OH. He enrolled in the University of Cincinnati, College of Law, Cincinnati, OH, in 1918 and graduated with an LL.B. degree in 1920. He was admitted to the Ohio Bar in 1920. He also attended the University of Michigan, College of Law, Ann Arbor, MI, during the summer of 1919. He graduated from the University of Cincinnati College of Law in 1920 and then began his career as a trial attorney in Akron.

Judge Weick was appointed to the U.S. District Court for the Northern District of Ohio in 1956 and served in that position until he was appointed to the U.S. Court of Appeals for the Sixth Circuit in 1959. In 1963, he became chief judge of that court and served with distinction in that capacity until he reached age 70. He continues to serve as an active judge of the court.

Judge Weick has received many awards and honors, including: A Presidential Certificate of Appreciation for Services Rendered to the Selective Service System, 1956; and honorary LL.D. degree from the University of Cincinnati, 1965; the Ohio State Bar Association Foundation award for "Devotion to the Legal Profession and Contribution to the Public Good," 1965; the University of Akron Centennial Award for his Distinguished and Dedicated Service as a Lawyer and Judge, 1970; and Joint Certificate of Appreciation from the Cleveland Bar Association, Cuyahoga County Bar Association, and the Cleveland Chapter of the Federal Bar Association.

Judge Weick served as president of the Akron Bar Association 1940–41, and president of the Ohio Bar Association 1950–51. He was a member of the Judicial Conference of the United States from 1963 to 1969, and the Trial Practice and Technique Committee of the Judicial Conference, 1968–69.

Judge Weick's life is dedicated to improving the law and promoting the well-being of the citizens of the Greater Akron area. Thus, it is appropriate that the Federal Building and U.S. Courthouse in Akron, OH, be named in his honor.●

● Mr. ANDREWS. Mr. Speaker, H.R. 446 designates that the Federal Building in Akron, OH, be known as the Paul C. Weick Federal Building and U.S. Courthouse.

This legislation honors an outstanding American who has served with distinction in the judiciary branch of the Government for 29 years. Judge Weick has proven himself a giant in the legal profession and has excelled in this devotion to public service in the Greater Akron area. After graduation from the University of Cincinnati College of Law in 1920, Judge Weick began his career as a trial attorney in Akron. In 1956, President Eisenhower appointed him to the U.S. District Court for the Northern District of Ohio, and he served on that court until 1959, when President Eisenhower appointed him to the U.S. Court of Appeals for the Sixth Circuit. He became chief judge of that court in 1963 and served until 1969, when he reached age 70. He continues as an active judge of the court.

Honoring Judge Paul C. Weick, by naming the Federal Building in Akron, OH, as the Paul C. Weick Federal Building and U.S. Courthouse is most fitting and appropriate.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BENJAMIN S. ROSENTHAL POST OFFICE BUILDING

The Clerk called the bill (H.R. 633) to designate the U.S. Post Office Building in Flushing, NY, as the "Benjamin S. Rosenthal Post Office Building."

There being no objection, the Clerk read the bill, as follows:

H.R. 633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Post Office Building located at 41–65 Main Street, Flushing, New York, shall hereafter be known and designated as the "Benjamin S. Rosenthal Post Office Building". Any reference in any law, map, regulation, document, record, or other paper of the United States to such building shall be deemed to be a reference to the "Benjamin S. Rosenthal Post Office Building".

SEC. 2. As soon as practicable after the date of the enactment of this Act, the Postmaster General shall install in such post office, in a place in open view to the public, an appropriate plaque indicating the designation of such post office as the "Benjamin S. Rosenthal Post Office Building".

● Mr. HOWARD. Mr. Speaker, I rise in support of H.R. 633, a bill to designate the U.S. Post Office Building in Flushing, NY, as the "Benjamin S. Rosenthal Post Office Building."

Mr. Speaker, as my colleagues are aware, Ben Rosenthal served with distinction in the U.S. House of Representatives for 21 years until his untimely death on January 4, 1983. I had the privilege of serving with Ben for 18 years.

Ben Rosenthal was a man totally dedicated to the needs of both his constituents and the Nation as a whole. He was a distinguished and articulate member of the Committee on Foreign Affairs and a major influence on this body during his tenure. As chairman of the House Government Operation's Commerce, Consumer, and Monetary Affairs Subcommittee, Ben Rosenthal clearly established himself as our country's recognized national champion in the battle to protect the rights of consumers.

Mr. Speaker, it is most fitting to pay tribute to the memory of our late colleague, Ben Rosenthal, by naming the U.S. Post Office Building in Flushing, NY, the "Benjamin S. Rosenthal Post Office Building."●

● Mr. ANDREWS. Mr. Speaker, I rise in support of H.R. 633, a bill to designate the U.S. Post Office in Flushing, NY, as the "Benjamin S. Rosenthal Post Office Building." Benjamin S. Rosenthal, born on June 8, 1923, in the Bronx, was brought up in Queens, NY, and attended City College. In 1949, after wartime service as a military policeman in Iceland, he graduated from Brooklyn Law School.

Congressman Rosenthal was elected as a Democrat to the 87th Congress in a special election on February 20, 1962, and was reelected to each succeeding Congress until his untimely death on January 4, 1983. During the 88th and 89th Congresses, he served as a member of the National Commission on Food Marketing.

As chairman of the Government Operations Subcommittee on Commerce, Consumer, and Monetary Affairs, Congressman Rosenthal was in the forefront of consumer justice and paid particularly close attention to the needs of our most vulnerable citizens, especially the aged, the minorities, and the disadvantaged. A thoughtful and hardworking legislator, Ben helped to move our country toward greater social justice for all citizens in the 1960's and 1970's. He compiled a legislative record on behalf of the consumer that will be remembered with respect and gratitude.

As a member of the Foreign Affairs Committee, he promoted a stronger congressional role in foreign policymaking, and was among the first in the House of Representatives to publicly oppose the Vietnam war. Congressman Rosenthal was a passionate advocate of the sovereign State of Israel and a powerful champion for the right of the Greek Cypriot population.

Congressman Rosenthal was a man of incredible integrity and intelligence, of commitment and capacity. He was a man of compassion, courage, and high principle. He was held in high esteem by his colleagues and enjoyed the overwhelming support of his constituents who appreciated his honesty, sincerity, and conscientious concern for their welfare.

Honoring Congressman Rosenthal, a statesman and exceptional legislator, by naming the U.S. Post Office Building in Flushing, NY, as the "Benjamin S. Rosenthal Post Office Building" is most fitting and appropriate.●

● Mr. ACKERMAN. Mr. Speaker, I rise in strong support of H.R. 633, to name the Flushing Post Office in Queens "the Benjamin S. Rosenthal Post Office Building." On January 24, I introduced this legislation with 46 original cosponsors; the bill now carries the names of 70 cosponsors.

The dedication of the Flushing Post Office to the late Representative Benjamin Rosenthal is a small but lasting tribute for a man whose wisdom, intelligence, and stature towered above the commonplace. Ben Rosenthal was my Congressman from the first time I voted. I was privileged to be elected to succeed him in this Chamber. He was honest and compassionate; a hard-hitting intellectual with great integrity, who gave politics a good name. Ben inspired countless young people, including myself, to embark upon public service. He set the standards which we all try to emulate.

Mr. Speaker, Ben Rosenthal was first elected to Congress in a special election in February 1962. A passionate supporter of the State of Israel, he was well known as a dedicated, committed, and effective Congressman. In the mid-sixties, he was one of the first to take a stand against the war in Indo-China, blazing a position that many others would soon join. By the end of that decade, he had won a reputation as a consumer advocate and a champion of social welfare.

Ben was patient, yet forceful and unswerving in his mission to aid the needy, handicapped, and aged. He was always one of the first to protect their interests. His positions on diverse issues, ranging from his opposition to the war in Vietnam, to his advocacy of civil liberties and consumer-protection reforms, were determined by his earnest desire to see that all of the world's people were treated fairly.

Mr. Speaker, for more than a decade, Ben Rosenthal served the people of central Queens from his district office in the Flushing Post Office, a historic building still used daily by Queens residents. By creating this memorial to him, we can pay a lasting tribute to a man whose memory will long remain entrenched in the hearts and minds of all with whom he came in contact.

Mr. Speaker, I ask all my colleagues to support the passage of H.R. 633.●

● Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 633, a bill to designate the U.S. Post Office Building in Flushing, NY as the "Benjamin S. Rosenthal Post Office Building."

Mr. Speaker, as my colleagues are aware, the gentleman from New York, Benjamin Rosenthal, served in the Congress for 21 years. Only his untimely death on January 4, 1983, prevented him from continuing to champion the many worthy causes he believed in. Ben was gifted with exceptional intelligence and he used his abilities to help his district and our Nation.

Congressman Rosenthal distinguished himself in many capacities while in the Congress. As chairman of the Government Operations Subcommittee on Commerce, Consumer and Monetary Affairs, Ben Rosenthal became a renowned defender of consumer rights. He fought for the needs of the handicapped and the aged and helped educate and direct us on the importance of social justice.

I served with Ben on the House Foreign Affairs Committee and was proud to be his friend. He impressed me as a man of integrity who always followed his conscience. Ben's accomplishments on our committee included working for greater legislative involvement in foreign policymaking, in advocating the protection of human rights, and strongly defending the sovereignty of Israel. He was not afraid to take a stand on controversial issues such as his staunch support of Greece in the Cypress controversy and was one of the first Members of the House to speak out against the Vietnam war.

Congressman Ben Rosenthal earned the respect and admiration of all his

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☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

colleagues and many friends. His presence in Congress was an asset to this body. His achievements will long be remembered. By establishing a memorial to Benjamin Rosenthal we acknowledge his many legislative and humanitarian contributions, and at the same time demonstrating our appreciation for a rare and special man.

Accordingly, I urge my colleagues to support H.R. 633, designating the U.S. Post Office Building in Flushing, NY, as the "Benjamin S. Rosenthal Post Office Building."●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PETRI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the two bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
May 24, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, the Clerk received at 11:00 a.m. on Friday, May 24, 1985, the following messages from the Secretary of the Senate:

(1) That the Senate passed H.R. 2268; and

(2) That the Senate passed H. Con. Res. 142.

With kind regards, I am,
Sincerely,
BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
June 3, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from the White House as follows:

(1) At 10:45 a.m. on Wednesday, May 29, 1985 and said to contain a message from the President whereby he transmits the annual report of the Corporation for Public Broadcasting for Fiscal Year 1984; and

(2) At 10:45 a.m. on Wednesday, May 29, 1985 and said to contain a message from the President whereby he transmits his tax proposals for fairness, growth, and simplicity; and

(3) At 3:50 p.m. on Friday, May 31, 1985 and said to contain a report by the President pursuant to the provisions of subsection (b) of the Pelly Amendment to the Fishermen's Protective Act of 1967, as amended (22 U.S.C. 1978(b)).

With kind regards, I am,
Sincerely,
BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

TAX PROPOSALS FOR FAIRNESS, GROWTH, AND SIMPLICITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means:

(For message, see proceedings of the Senate of today, Monday, June 3, 1985.)

ANNUAL REPORT OF THE CORPORATION FOR PUBLIC BROADCASTING FOR FISCAL YEAR 1984—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

(For message, see proceedings of the Senate of today, Monday, June 3, 1985.)

REPORT ON SOVIET UNION WHALING ACTIVITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 99-74)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries and the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of today, Monday, June 3, 1985.)

□ 1210

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Veterans' Affairs, which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, May 17, 1985.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Section 5004 of Title 38, United States Code, requires that the Committee on Veterans' Affairs adopt a resolution approving major medical construction projects and leases of $500,000 or more proposed by the Veterans' Administration for each fiscal year. The House Committee on Veterans' Affairs met on May 7, 1985, and authorized the construction of various projects in Fiscal Year 1988.

A copy of the Resolution adopted by the Committee and a listing of the projects authorized are enclosed.

Sincerely,
G.V. (SONNY) MONTGOMERY,
Chairman.

There was no objection.

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Public Works and Transportation, which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION,
Washington, DC, May 21, 1985.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the following projects May 15, 1985:

CONSTRUCTION

California

Federal Building-Courthouse, Los Angeles.

Idaho

Border Station, Eastport.

Washington

Food and Drug Administration, Seattle.

REPAIR AND ALTERATION

Illinois

Federal Building-Courthouse, Peoria.

Puerto Rico

Federal Building-Courthouse, San Juan.

Texas

Terminal Annex, Dallas.

Virginia

Federal Building, Richmond.

11(b) Resolution

Alabama

Jasper.

LEASES

Arizona

Department of Health and Human Services, Phoenix.

California

National Labor Relations Board, Oakland.
Drug Enforcement Agency, San Diego.
Multiple Agencies, Los Angeles.

Colorado

Multiple Agencies, Denver.
Environmental Protection Agency, Denver.
National Park Service, Denver.

Florida

U.S. Customs Service, Miami.

Illinois

Multiple Agencies, Des Plaines.

Pennsylvania

Office of Personnel Management, Social Security Administration, Boyers.

Puerto Rico

Department of Labor, Housing and Urban Development, Puerto Rico.

TEXAS

Environmental Protection Agency, Dallas.
Internal Revenue Service, Dallas.

Washington

National Park Service, Seattle.
Environmental Protection Agency, Seattle.

Washington, D.C. Metropolitan Area

Ames Center, Arlington, Virginia.
Key Building, 1200 Wilson Boulevard, Arlington, Virginia.
Blair Office Building, 8300 Colesville Road, Silver Spring, Maryland.
Federal Triangle Building, 9th & D Streets, N.W., Washington, D.C.
Gelman Building, 2120 L Street, N.W., Washington, D.C.
Landover Building, 1701 Bright Seat Road, Landover, Maryland.
Nash Street Building, 1400 Key Boulevard, Arlington, Virginia.
State Department Warehouse, 8400 Terminal Road, Newington, Virginia.
Wilkins Avenue Industrial Building, 12290/12294 Wilkins Avenue, Rockville, Maryland.
World Weather Building, 5200 Auth Road, Suitland, Maryland.
1291 Taylor Street, N.W., Washington, D.C.

The original and one copy of the authorizing resolutions are enclosed.

Every best wish.
Sincerely,
JAMES J. HOWARD,
Chairman.

There was no objection.

WE NEED A NEW STRATEGY TO DEAL WITH THE TRADE DEFICIT

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, the Secretary of Commerce made an announcement last week as he does at the end of every month, about the trade deficit for the preceding month. This time, it is posted at $11.85 billion for the month of April, thus representing an increase in the deficit; the third largest monthly increase in history.

If the trade deficit continues to grow at the pace set in the first 4 months, at the end of this year it will be a record $133.9 billion. That is on top of the $120 billion posted for last year. Separately, the Commerce Department reported that factory orders declined in April for the third consecutive month, suggesting that the economic slump will continue into the second half of the year.

The Commerce Department has been reporting this economic phenomenon every month that consumer spending is up, but factory production is down. The difference, of course, is the large volume of imports that now represent that $120 to $130 billion deficit.

Mr. Speaker, I would suggest that until this administration develops a trade policy or trade strategy to deal effectively with these chronic economic problems, that they are going to get worse before they get better. If we do not do something quickly, the Congress will be compelled to act on so-called protectionist measures in order to bring down that trade deficit. I would hope that we can move positively toward exporting more and facilitating new opportunities to take the pressure off our monthly trade deficit.

HONORING OUR COMMITMENTS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, questions concerning U.S. commitment to opposing the Sandinista regime in Nicaragua by our allies in Central America should come as no surprise. When our allies look at the United States and see the Congress fighting the administration on what represents a threat to our national security, it is no wonder that they would seek to hedge their bets.

The Government of Honduras, which faces a direct threat from the Sandinistas as evidenced by the recent cross-border attacks from Nicaragua, has shown considerable uneasiness about the constancy of U.S. support. When our allies start questioning whether we will back them in a crisis, then we had better start worrying, because the defense of the United States cannot depend just on U.S. forces to protect us. Our bilateral and multilateral security commitments represent an investment that must be supported and strengthened.

If our allies in Central America begin to doubt us, then we can expect our allies in NATO, the Middle East, and Asia to wonder whether they too can count on the United States to be there in times of crisis. A commitment by the United States to support the Contras bears not only on our security in this hemisphere but also on our ability to counter threats to our security around the world.

CENTRAL AMERICA INTERFERENCE FROM THE UNITED STATES MAY LEAD TO A BANK CRISIS IN THIS COUNTRY

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, I have listened to the remarks of my good friends on the state of the situation in Nicaragua. I have to ask what allies they are talking about, because almost all of the nations of South America and Central America oppose our jingoistic, militaristic tactics in Central America.

The vast majority of the nations in that area of Central and South America do not like the policy that we are following in interfering in the affairs of the states of Central America. I would say that one of the results could be that certain countries in that region might use our jingoistic tactics as an excuse to repudiate their huge debts to our banks. If we continue this policy of interfering in the Central America governments, we are going to end up with a bank crisis on our hands in this country.

ANNOUNCEMENT ON AVAILABILITY OF CLASSIFIED MATERIAL ON INTELLIGENCE BILL

(Mr. HAMILTON asked and was given permission to address the House for 1 minute.)

Mr. HAMILTON. Mr. Speaker, pursuant to the direction of the Permanent Select Committee on Intelligence, I wish to announce that the classified annex to the report accompanying H.R. 2419, the Intelligence Authorization Act for Fiscal Year 1986, is now available in the committee's offices to be reviewed by any Member of the House. The annex will remain available until final disposition of the bill by the House and a conference committee. It can be read by Members in room H-405 any weekday between 9 a.m. and 5 p.m.

The purpose of making the annex available, as in the past, is to permit Members to be informed of the details of the authorization bill before it is considered by the House.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule

I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, June 4, 1985.

OLMSTED HERITAGE LANDSCAPES ACT OF 1985

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 37) to identify, commemorate, and preserve the legacy of historic landscapes of Frederick Law Olmsted, and for other purposes, as amended.

The Clerk read as follows:

H.R. 37

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Olmsted Heritage Landscapes Act of 1985".

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds and declares that—

(1) Frederick Law Olmsted, Senior, the premier American landscape architect during the nineteenth century, is considered the father of landscape architecture in the United States;

(2) Olmsted's philosophy and designs influenced the development of landscapes through the Nation, including National, State, and local parks, forests, parkways, scenic reservations, college campuses, cities and planned communities, and publicly and privately owned estates, institutions, cemeteries, and recreation areas.

(3) Olmsted's sons, and their associates carried out his philosophy and designs well into the twentieth century and, coupled with the achievements of Olmsted himself, have left a tremendous legacy of historic landscapes and a philosophy that continues to benefit the American people and people throughout the world.

(4) Olmsted's social responsibility, ecological sensitivity, and landscape design creativity have inspired the development of large urban parks for public benefit in urban areas through the United States, creating a legacy of parks which today constitute a singular feature of the urban experience.

(5) Age, overuse, deteriorating infrastructure, inadequate maintenance, and inappropriate developments threaten many of these historic landscapes.

(6) Although voluntary, private efforts have been initiated to identify, commemorate, restore, and preserve the Olmsted legacy, the enormity and complexity of the task and the diverse ownerships of the sites throughout the country require the assistance and cooperation of all levels of government.

(7) Existing Federal programs relating to parks, recreation, and historic preservation can be focused and utilized to preserve the Olmsted legacy for the use and enjoyment of present and future generations.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(2) OLMSTED.—The term "Olmsted" includes Frederick Law Olmsted, Senior; his sons, and their associates (including such designers as Calvert Vaux, Charles E. Eliot, and Warren Manning).

(3) STATE OUTDOOR RECREATION LIAISON OFFICER.—The term "State outdoor recreation liaison officer" means the State officer designated as such under the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-4—4601-11).

(4) OLMSTED HERITAGE LANDSCAPE.—The term "Olmsted heritage landscape" includes any Olmsted-designed landscape, park, forest, parkway, scenic reservation, college campus, planned community, estate, institution, cemetery, or recreation area.

(5) HISTORIC DESIGNED LANDSCAPE.—The term "historic designed landscape" means any designed landscape included in or eligible for inclusion in the National Register of Historic Places.

(6) INVENTORY.—The term "inventory" means the inventory of Olmsted heritage landscapes prepared pursuant to section 5 of this Act.

(7) DOCUMENTATION.—The term "documentation" includes drawings, blueprints, photographs, and other available records.

As used in this Act, the terms "preservation", "State historic preservation officer", "State", and "local government" have the same meaning as when used in the National Historic Preservation Act (16 U.S.C. 470-470t).

SEC. 4. HISTORIC DESIGNED LANDSCAPE POLICY.

The Secretary shall, through the utilization of existing procedures and programs, encourage the identification, preservation, and commemoration of historic designed landscapes.

SEC. 5. OLMSTED INVENTORY.

(a) PREPARATION.—The Secretary, acting through the Director of the National Park Service, and with the participation of other appropriate Federal agencies, State historic preservation officers, State outdoor recreation liaison officers, organizations representing local elected officials and local governments, concerned public and private organizations, academic institutions, professional associations, and interested individuals, shall direct that an inventory of Omsted heritage landscapes be prepared. In the preparation and evaluation of the inventory, existing data and procedures shall be used to the maximum extent possible.

(b) AVAILABILITY.—The inventory shall be compiled on a State-by-State basis. Appropriate access to the inventory shall be provided at the Library of Congress, the Frederick Law Olmsted National Historic Site, Brookline, Massachusetts; the National Park Service regional headquarters, and at appropriate State offices.

(c) ELEMENTS OF INVENTORY.—

(1) TWO ELEMENTS.—The inventory shall consist of the following two elements—

(A) LISTING.—A listing of all Olmsted heritage landscapes, which shall contain a description of the landscape, its location, its principal designer, and its status (present physical condition, ownership, and a summary of any known development threats or other problems), to be completed with eighteen months after the date of the enactment of this Act.

(B) EVALUATION.—An evaluation of all publicly owned Olmsted heritage landscapes, and of all Olmsted heritage landscapes on or eligible for inclusion on the National Register of Historic Places, to be substantially completed within six years after the date of the enactment of this Act. Such evaluation shall be carried out with the consultation and participation referred to in subsection (a).

(2) EVALUATION PORTION.—The evluation portion under paragraph (1)(B) shall include at least the following—

(A) documentation on the design intention of the landscape, including its philosophical base, purpose, and social and physical aspects;

(b) documentation on the means by which the design intention was carried out, including horticulture, mechanical aspects (such as topographical alterations, roads drainage, sewage systems, and structures), and other means;

(C) evaluation of the landscape's philosophical or physical influence on other sites and landscape designs;

(D) evaluation of the landscape's historical significance; and

(E) assessment of the historic integrity of the landscape at the time of its evaluation. The inventory shall be updated as necessary. It shall be reviewed periodically (but not less frequently than every ten years) with the consultation and participation referred to in subsection (a).

(d) PROPERTIES ON INVENTORY.—all properties on the inventory prepared under this section shall be part of the Olmsted heritage landscape system.

SEC. 6. FEDERAL ASSISTANCE.

(a) DUTIES OF SECRETARY OF INTERIOR.—The Secretary of the Interior shall—

(1) in consultation with the Advisory Council on Historic Preservation, promulgate, within six months after the enactment of this Act, general standards for the preservation of historic designed landscapes (including but not limited to Olmsted heritage landscapes);

(2) provide technical assistance to other Federal agencies, States and local governments, private organizations and interested individuals, on the identification, commemoration, and preservation of historic designed landscapes (including but not limited to Olmsted heritage landscapes);

(3) conduct and submit to the Congress, within five years after the enactment of this Act, a thematic study of historic designed landscapes to identify landscapes (including Olmsted heritage landscapes) which would quality as national historic landmarkes and to make findings and recommendations regarding their status and any maintenance or capital investment needs;

(4) encourage a compatible program for the use of the Frederick Law Olmsted National Historic Site, Brookline, Massachusetts, as a center for research, fellowships, and related activities; and

(5) encourage appropriate international activities related to Olmsted heritage landscapes.

The above activities shall be conducted with the consultation and participation of those entities referred to in section 5(a).

(b) COORDINATION OF GRANT APPLICATIONS.—The Secretary shall take such steps as may be necessary to provide for and encourage the coordination of applications for grants from the Historic Preservation Fund, from the Land and Water Conservation Fund, and under the Urban Park and Recreation Recovery Program—

(1) which will assist the preservation of historic designed landscapes (including Olmsted heritage landscapes), and

(2) which are consistent with the criteria and standards developed under this Act.

Nothing in this subsection shall be construed to alter or affect the requirements applicable to the making of grants from the Historic Preservation Fund, from the Land and Water Conservation Fund, or under the Urban Park and Recreation Recovery Program.

SEC. 7. PUBLIC AND PRIVATE COOPERATION.

The Secretary (and State and local governments participating in programs under this Act) shall encourage maximum public participation in all aspects of the program established under this Act.

SEC. 8. COMMEMORATION.

In order to commemorate the Olmsted achievements and influence on American life, the Secretary, in consultation with the Librarian of Congress, the Secretary of the Smithsonian Institution, and the Chairman of the Advisory Council on Historic Preservation, and with participation of government agencies, concerned public and private organizations, academic institutions, professional associations, and interested individuals, shall coordinate appropriate activities during the decade of 1985 to 1995.

SEC. 9. TECHNICAL COMMITTEE.

(a) ESTABLISHMENT.—There is hereby established the Technical Committee on Olmsted Heritage Landscapes (hereinafter referred to as "the Committee"). The Committee shall provide assistance as may be appropriate concerning Olmsted heritage landscapes, including but not limited to—

(1) recommending inventory priorities and the standards for the identification, commemoration, and preservation of Olmsted heritage landscapes;

(2) assisting the Advisory Council on Historic Preservation (hereinafter referred to as "the Advisory Council") in evaluating undertakings that may affect Olmsted heritage landscapes and other historic designed landscapes; and

(3) making other recommendations concerning the implementation of this Act.

(b) COMPOSITION.—The Committee shall be composed of seven members, to be appointed by the Chairman of the Advisory Council, as follows—

(1) two members to be appointed from recommendations submitted by national organizations concerned with Olmsted parks and heritage landscapes, Olmsted papers, and other Olmsted memorabilia;

(2) two members to be appointed from recommendations submitted by national organizations concerned with landscape architecture, historic architecture, architectural history, and historic preservation;

(3) two members to be appointed from recommendations submitted by national organizations concerned with parks, conservation, and recreation; and

(4) one member to be appointed from recommendations submitted by statewide organizations concerned with Olmsted heritage landscapes or historic designed landscapes.

The Chairman of the Committee shall be designated by the Chairman of the Advisory Council from among the members of the Committee and shall coordinate the activities of the Committee with those of the Advisory Council. Each member of the Committee shall serve for a term of four years from the expiration of his predecessor's term; except that the members first appointed shall serve terms of one to four years, as designated by the Chairman of the Advisory Council at the time of appointment, in such manner as to ensure that the terms of not more than two members will expire in any one year. A member may not serve more than two terms. A member whose term has expired shall serve until that member's successor has been appointed. The Chairman of the Advisory Council shall fill vacancies in the same manner as original appointments are made.

(c) COMPENSATION.—Members of the Committee shall serve without compensation as such, but may receive reimbursement for necessary travel and subsistence expenses reasonably incurred in carrying out their responsibilities under this Act.

(d) CONSULTATION.—The Chairman of the Advisory Council (or his designee) shall from time to time, but at least semiannually, meet and consult with the Committee on matters relating to the evaluation, commemoration, and preservation of Olmsted heritage landscapes, and shall seek the recommendations of the Committee during any consultation process required by the National Historic Preservation Act when that process concerns an Olmsted heritage landscape. Upon the request of the Committee, the Council shall provide such staff support as necessary.

(e) TERMINATION.—The Committee shall terminate on December 31, 1995, but may be extended by the Council for not longer than five additional years unless otherwise determined by the Congress.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. SEIBERLING] will be recognized for 20 minutes and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. SEIBERLING].

☐ 1220

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to bring to the floor H.R. 37, the Olmsted Heritage Landscapes Act.

The purpose of this legislation is to establish a coordinated program to help identify, commemorate, and preserve the historic landscapes of Frederick Law Olmsted, Sr., his sons and associates. Seventy-seven Members of the House have cosponsored H.R. 37 and it passed the Interior Committee by unanimous voice vote. Companion legislation has also been introduced in the other body (S. 194) by Senator MOYNIHAN, with several cosponsors.

Frederick Law Olmsted was this country's foremost landscape architect of the 19th century and he is considered the father of landscape architecture in the United States. Although perhaps best known for his work on the design of Central Park in New York and the Capitol Grounds in Washington, DC, Olmsted also inspired the development of public and private landscapes throughout the United States and in other nations as well. Some 500 projects were completed before 1895, and his firm lists about 4,000 projects between 1857, when Olmsted started the design of Central Park, and 1957, the year his son, Frederick Law Olmsted, Jr., died. Of the public places alone, parks, parkways, and the like, there are over 2,000 identified projects in 37 States and the District of Columbia.

As reported, H.R. 37 would build on existing State, local, and private efforts to identify and protect these historic landscapes. Federal leadership would be provided by using existing Federal park, recreation, and historic preservation programs, with emphasis on better coordination among them. No new funding authorization is needed for this, as sufficient authorization is available under the existing programs.

To summarize briefly, the bill, as reported, would do the following:

Provide for an inventory of Olmsted heritage landscapes to be prepared by the National Park Service with assistance from other Federal and State agencies and public and private organizations.

Direct the National Park Service to promulgate general standards for the preservation of historic designed landscapes; provide technical assistance to other public and private entities; conduct a thematic study of historic designed landscapes for potential national historic landmarks; encourage a compatible program at the Frederick Law Olmsted National Historic Site in Brookline, MA; encourage appropriate international activities; and provide for coordination of applications among existing park and preservation grant programs.

Provide for a coordinated commemoration of Olmsted's influence and achievements, during the decade of 1985-95.

Establish a seven-member Technical Committee on Olmsted Heritage Landscapes to provide technical assistance on historic landscapes to the Advisory Council on Historic Preservation.

In addition to Olmsted himself, the bill would provide for identification of work accomplished by his and his sons' associates, including such landscape architects as Warren C. Manning, who designed the grounds of Stan Hywet Hall, a national historic landmark, in my home town of Akron, OH. Also George E. Kessler, one of the founders in 1917 of the American Institute of Planners, who landscaped in over 40 cities and communities in such States as Missouri, Texas, Oklahoma, Tennessee, Ohio, Colorado, Indiana, Utah, and New York.

Other associates included William Hammond Hall, the original designer of Golden Gate Park in San Francisco, succeeded by John McLaren, who also collaborated with Olmsted on the design of Allesandro, a new town near Riverside, CA.

Incidentally, Mr. Speaker, I noted that it was brought to my attention by our former colleague, Bob McClory, that in 1975 he put in the RECORD a statement about the town of Riverside, IL, which was designed in 1865 by Frederick Law Olmsted and is still in a beautiful state of preservation.

In addition Henry W.S. Cleveland, who designed the Minneapolis park system and who oversaw the construction of the Olmsted-designed Washington Park in Chicago. Cleveland additionally designed the Roger Williams Park in Providence, RI, after Olmsted and Vaux laid out their general recommendations for siting that city's parks. Also Jacob Weidenmann, Olmsted's assistant after the departure of Vaux, who designed, among other things, Bushnell Park in Hartford, CT, and the State capitol building and Governor's mansion in Des Moines, IA.

Mr. Speaker, these are only a few examples which clearly show that the Olmsted legacy lives on. The work done by him and his sons, partners, and associates have influenced the development of landscape architecture throughout the world, and the places they left behind continue to be used and enjoyed by millions of people every year.

Before closing, I would like to thank a number of individuals who have been very helpful with this legislation, including Joan Boser, Ann Satterthwaite, Betsy Shure Gross, Arleyne Levee, and Christopher Scott with the National Association of Olmsted Parks; Raymond Freeman, Darwinna Neal, Patricia O'Donnell, and Cynthia Wilson with the American Society of Landscape Architects; Barry Tindall with the National Parks and Recreation Association; and Charles Beveridge and Charles McLaughlin with the Frederick Law Olmsted Papers.

I would also like to thank Senator MOYNIHAN for his leadership in the other body, and Gary Mazwell of his staff for his work on this bill. On the Interior Committee staff, I would like to thank Loretta Neumann and Alison Bovat of the staff and the Subcommittee on Public Lands, and Rick Agnew and Jean Toohey of the minority staff.

Mr. Speaker, H.R. 37 is supported by a wide variety of park, conservation, recreation, and preservation organizations; and, while very modest in cost, it could benefit hundreds of communities throughout the Nation by drawing attention to this long-neglected very important aspect of America's cultural heritage. I urge all Members to support the bill.

Mr. Speaker, I reserve the balance of my time.

☐ 1230

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 37.

As the Members know, the bill is intended to recognize the work of Frederick Law Olmsted, the father of landscape architecture.

The administration has softened its position on the bill as a result of our amending it in the committee. They no longer oppose it as they did but will seek further amendments in the other body.

Existing programs and authorities address many aspects of historic preservation. However, I believe this bill is necessary to adequately address historic landscapes. These sites are being overlooked, neglected, and destroyed by otherwise well-meaning people who simply do not know what or where they are. Nature and time are also to blame.

The bill is a modest proposal aimed at identifying and evaluating the landscapes in hopes of heightening people's awareness of them. I believe this is a commendable initiative, and I congratulate the chairman for taking it.

The bill has no authorization in it and emphasizes using existing programs and procedures. Again, I believe it is a worthwhile proposal which I intend to support.

Mr. Speaker, I include with my remarks the following list:

LANDSCAPE DESIGN PROJECTS BY THE OLMSTED FIRM IN CALIFORNIA

Job title, city, and job number

West Rancho Aquajito, 8080.
Alessandro, Town of, Alessandro, 1328.
Mason, W. L., Alta San Rafael, 8066.
Allison, D. C. et al (Mrs. Knapp), Bel Air, 8233.
Southern California Corp., Ben Mar Hills, 8036.
California, University of, Berkeley, 2047.
McDuffie, Duncan, Berkeley, 5283.
Mason-McDuffie Subdivision, Berkeley, 5658.
Sloat Boulevard & Corbett Avenue, Berkeley, 5995.
Tompkins, P. T., Berkeley, 6087.
City Planning Commission, Berkeley, 6090.
Impvt E. side Canyon Rd & Panoramic Way, Berkeley, 6091.
Civic Art Commission, Berkeley, 6092.
Metropolitan Park System, Berkeley, 6093.
McDuffie, Sophia B., Berkeley, 6212.
Residential Development Co., Westgate Park Co., Berkeley, 6485.
Lowe, Edward, Berkeley, 8021.
Swift, Henry, Jr., Berkeley, 8026.
International House (University of California), Berkeley, 8266.
McDuffie Subdivision, Park Hills, Berkeley, 9478.
Roxbury Drive Playground, Beverly Hills, 8211.
La Cienga Playground, Beverly Hills, 8212.
Dyerville Bull Creek (Rpt to save Redwoods), Bull Creek, 8200.
Civic Center, Burbank, 8076.
Pioneer Park, Burbank, 8232.
Burbank United Airport, Burbank, 8235.
Garden City, Burlingame, 6257.
McDuffie, Duncan, Carmel, 7085.
Smith, Dr. Ralph, Claremont, 8220.
Mead, William, Hollywood, 7048.
Laughlin Park Heights, Hollywood, 8205.
Hobart Estate, Lake Tahoe, 8201.
Santa Cruz Park, Long Beach, 8008.
Blutt Park, Long Beach, 8009.
Long Beach, City of, Long Beach, 8010.
Hospital, Long Beach, 8011.
Bryant, Mrs. E. A. Bryant, Long Beach, 8082.
Hart, Mrs. Alden L., Long Beach, 8223.
Bryant, Mrs. E. A. (Rancho Santa Anna), Long Beach, 8239.
Edwards, L. T., Long Beach, 8244.
Jergins, A. T., Long Beach, 8253.
Bryant-Bixby Subdivision, Long Beach, 8259.
Dominesquez Estate Co., Los Angeles, 5354.
Los Angeles Investment Co., Los Angeles, 5491.
National Cemetery Association, Los Angeles, 6878.
Janss, Edward, Los Angeles, 8000.
Bear Lake Subdivision, Los Angeles, 8001.
Pacific Palisades, Los Angeles, 8002.
Patterson, R.L., Los Angeles, 8005.
Schipkowsky, Rudolph, Los Angeles, 8041.
Campbell, Ella D., Los Angeles, 8042.
Anderson, W.P., Los Angeles, 8046.
California State Park System (Committee on), Los Angeles, 8072.
Los Angeles County, Los Angeles, 8100.
S.W. District, Hollywood Palos Verdes Pkwy., Los Angeles, 8101.
Angeles Mesa Pkwy., Los Angeles, 8102.
Los Angeles City-County Park System, Los Angeles, 8103.
Leimert Square, Los Angeles, 8202.
O'Melveny, H.W., Los Angeles, 8222.
California Club, Los Angeles, 8254.
(Malibu) Marblehead Land Co. (Leimert), Los Angeles, 8260.
O'Melveny, H.W., Los Angeles, 8262.
California, University of, Westwood, Los Angeles, 8263.
McNulty, J.A., Los Angeles, 8265.
Hillside Gardens, Los Angeles, 8268.
Dr. E.A. Bryant Memorial (Clinic), Los Angeles, 8270.
Imperial Western Tract (Leimert), Los Angeles, 8274.
Cabrillo Exposition, Los Angeles, 8275.
California State Park System (8300–8335), Los Angeles, 8300.
McCloud River Club, McCloud, 8003.
Sharon, Frederick W., Menlo Park, 5351.
Monrovia, City of, Monrovia, 8006.
Midwick Country Club, Montebello Park, 8255.
Nelson, William P., Montecito, 8056.
Misses Jacks, Monterey, 8020.
Monterey Peninsula Regional Plan, Monterey, 8022.
Jacks, Miss Margaret (Old Pacific Building), Monterey, 8049.
General Park Plan, Monterey, 8064.
Jacks, Miss Margaret (Castro Adobe), Monterey, 8095.
Monterey Terrace Homes Gardens, Monterey, 8271.
Recreation Park, Morovia, 8006.
Miller, C.E., Morro Bay Vista, 8216.
Union High School, Nordhoff, 5435.
Ventura County Building, Nordhoff, 5439.
Thatcher School, Nordhoff, 5488.
Wickham-Havens Inc. (W.H. Leimert), Oakland, 5945.
Municipal Auditorium, Oakland, 6600.
McDuffie, Duncan (Bowles Property), Oakland, 8069.
Mountain View Cemetery, Oakland, 9685.
Hotel Vista Val Monte, Palm Springs, 8093.

Palm Springs Golf Course, Palm Springs, 8094.
Leland Stanford University, Palo Alto, 1032.
Palos Verdes Estates, Palos Verdes, 5950.
Vanderlip, F.A., Palos Verdes, 8023.
Malaga Cove School, Palos Verdes, 8051.
Barrat, Mrs. Whilford R., Palos Verdes, 8058.
Benedict, H.E., Palos Verdes, 8060.
Harden, E.W., Palos Verdes, 8061.
Portugese Bend Beach Club, Palos Verdes, 8063.
Schrieber, Mrs. Olive, Palos Verdes, 8070.
Woods, Paul M. (now Miss Margaret He), Palos Verdes, 8088.
Haggerty, J.J., Palos Verdes, 8089.
Sutherland, W.M., Palos Verdes, 8096.
Lane, Mrs. Fulton, Palos Verdes, 8210.
Stein, Dr. Otto J., Palos Verdes, 8219.
Sekwedtman, Mrs. F. Charles, Palos Verdes, 8225.
Raleigh, W. W., Palos Verdes, 8226.
Lewinson, Edwin P., Palos Verdes, 8229.
Palos,Verdes Library, Palos Verdes, 8237.
Miraleste School, Palos Verdes, 8238.
Galli Curri Samuels, Palos Verdes, 8251.
Phillips, J. Norman, Palos Verdes, 8252.
Sub. Station for Edison Co., Palos Verdes, 8256.
Cravens, John S., Pasadena, 5437.
Harris, N. W., Pasadena, 5994.
Alta San Raphael Co., Pasadena, 8045.
Orrick, W. H., Pebble Beach, 8264.
Pismo Beach Sales Co., Pismo Beach, 8257.
Development, Pittsburg, 6356.
Point Lobos, Point Lobos, 8083.
Park System, Redlands.
Webster, E. E., Redondo Beach, 8027.
Cameron, A. E., Redondo Beach, 8044.
Olmsted, F. L. (now Samuel Gates), Redondo Beach, 8046.
Buchanan, James L., Redondo Beach, 8086.
Union High School, Redondo Beach, 8087.
Parks, Redondo Beach, 8240.
Redondo Beach (oil leases), Redondo Beach, 8241.
Chamberlain, Mrs. Selah, Redwood City, 8248.
Riverside Municipal Auditorium & Soldiers Mem., Riverside, 8206.
Buena Vista Ave. Improvement, Riverside, 8236.
Livermore, Norman, Ross, 8249.
Sacramento River Parkways, 8072.
Lovdal Manor (Wood & Tatum subdiv) Park System, Sacramento, 5260.
Shannon Hills (Mr. Galbraith), San Bernadino, 8050.
Patterson, R. L. Sub., San Carlos, 8005.
Panama California Exposition, San Diego, 1915.
San Diego Improvement, San Diego, 3370.
San Diego Exposition, San Diego, 4051.
Marston, George W., San Diego, 5352.
Moore, W. M. Subdiv., San Diego, 6147.
Sherman Oaks Sub., San Fernando Valley, 8273.
California Pacific Exposition, San Francisco.
Golden Gate Park, San Francisco.
Mills, Darius Ogden, San Francisco.
Merritt, Dr. Ema, San Francisco, 5586.
Spring Valley Water Co., San Francisco, 5949.
San Francisco Exposition Site Subdivision, San Francisco, 6338.
Dibblee, B. H., San Francisco, 8098.
San Joaquin River Parkways, 8072.
City Plan, San Jose, 6467.
Bryant, Mrs. Susanna Bixby, San Marino, 8272.
Hammond, Mrs. L. C., San Mateo, 8258.
Gaffey Canyon, San Pedro, 8004.
Robbins, Mrs., San Pedro, 8024.
Mount Tamalpais Boys School, San Rafael, 8250.
Cowles, W. H., Santa Barbara, 5830.
Arlington Heights, Santa Barbara, 5887.
Town Planning (General), Santa Barbara, 8028.
High School, Santa Barbara, 8029.
City Hall Garden, Santa Barbara, 8030.
Plaza, Santa Barbara, 8031.
McDuffie, W.C., Santa Barbara, 8079.
Parkford, E.A., Santa Barbara, 8081.
Hassler, R.H. (polo field), Santa Barbara, 8203.
Santa Catalina, Santa Catalina I., 2394.
Santa Cruz Park, Santa Cruz, 8008.
Hollins, Miss Marion (Pasatiempo), Santa Cruz, 8209.
Southern Calif. Homes Gardens, Southgate, 8269.
Meadow Club (Dibble), Tamalpais, 8097.
Ventura County Building, Ventura, 5489.
Yosemite Pack & Curry Co., Yosemite, 8099.
Yosemite Valley & Mariposa Big Tree Grove Res.

CALIFORNIA STATE PARKS

Job title, county, and job number

Del Norte Coast Park, Del Norte, 8300.
Santa Monica Beach Park, Los Angeles, 8301.
Hionchi Park, Del Norte, 8302.
Prairie Creek Redwood Park, Humboldt, 8303.
Humboldt Lagoons Park (inc. Patrick's Point Park), Humboldt, 8304.
Hickey Grove, Mendocino, 8305.
Dimmick Park, Mendocino, 8306.
Van Damme Beach Park, Mendocino, 8307.
Fort Ross Park, Sonoma, 8308.
Mt. Tamalpais Park, Marin, 8309.
McArthur-Burney Falls Park, Shasta, 8310.
General Bidwell Park, Butte, 8311.
Sonoma Mission Park, Sonoma, 8312.
Mt. Diablo Park, Contra Costa, 8313.
Marshall's Monument, El Dorado, 8314.
Donner Monument, Nevada, 8315.
Lake Tahoe Fish Hatchery Park, Placer, 8316.
Lake Tahoe Bliss Memorial and Rubicon Point Park, Placer, 8317.
Calaveras North Grove, Calaveras, 8318.
California Redwood Park, Santa Cruz, 8319.
Sunset-Seacliff Beaches Park, Santa Cruz, 8320.
Custom House-Old Theater at Monterey, Monterey, 8321.
Morro Strand, San Luiz Obispo, 8322.
Tole Elk Reserve, Kern, 8323.
Carpinteria Beach, Santa Barbara, 8324.
Pio Pico Mansion, Los Angeles, 8325.
Manhattan Beach Park, Los Angeles, 8326.
Doheny Beach Park, Orange, 8327.
San Clemente Beach Park, Orange, 8328.
Mt. San Jacinto Park, Riverside, 8329.
San Pasquale Battlefield, San Diego, 8330.
Mission Bay Park, San Diego, 8331.
Silver Strand Park, San Diego, 8332.
Huntington Beach & Newport Bay, Los Angeles, 8333.
Mill Creek, Alameda, 8334.
Master Plan for the Redwoods (Redwoods League), 8335.
Calaveras Big Trees and Surroundings, Tuolumne, 8336.

Mr. Speaker, I yield back the balance of my time.

Mr. SEIBERLING. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I simply want to thank the gentleman from California [Mr. LAGOMARSINO] in particular for a very fine statement and to thank my colleagues on both sides of the aisle for the bipartisan support that has been given to this legislation. I think it deserves that support, and I hope that we will proceed accordingly.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. SEIBERLING] that the House suspend the rules and pass the bill, H.R. 37, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXPRESSING SUPPORT OF CONGRESS FOR COSTA RICA'S NEUTRALITY

Mr. REID. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 33) expressing the support of the Congress for Costa Rica's neutrality and urging the President to support such neutrality.

The Clerk read as follows:

H. CON. RES. 33

Whereas on November 17, 1983, the Government of Costa Rica proclaimed that country's neutrality;

Whereas such neutrality enables Costa Rica to minimize its involvement in Central America's conflicts, thereby preserving domestic stability and democracy and enhancing its ability to address its severe economic problems;

Whereas such neutrality also enables Costa Rica to play an important role in attempts to achieve political settlements of Central America's conflicts; and

Whereas it is in the interest of the United States that Costa Rica maintain its neutral status: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress supports Costa Rica's neutrality and urges the President to support such neutrality.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

BEST COPY AVAILABLE

The gentleman from Nevada [Mr. Reid] will be recognized for 20 minutes and the gentleman from California [Mr. Lagomarsino] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Nevada [Mr. Reid].

Mr. REID. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of House Concurrent Resolution 33, which expresses the support of the Congress for Costa Rica's neutrality and urges the President to support such neutrality.

Costa Rica is a unique country. It has been a democracy for almost 40 years in a region where democracies are not long lasting. And in a region where military dictatorships are quite common, the Costa Rican people decided to abolish the army in 1948. They firmly believed then and still believe now that their democratic tradition is the only defense they need.

But in recent years, as a result of the conflicts in the region, this tradition is continuously being put to a test. On November 17, 1983, the Costa Rican government proclaimed the country's neutrality in response to the turmoil in Central America and pressures the turmoil exerts on this small democratic nation. This proclamation was important for Costa Rica because it was meant to insulate the country from the region's conflicts and to allow Costa Rica to play an active role in regional efforts to achieve political solutions. Costa Rica has lived in peace for more than three decades, but more importantly, Costa Rica has set an example to the entire hemisphere. It would be a great loss if the turmoil affecting Central America were to engulf Costa Rica. The signs of danger are already visible. During the past few days we have seen some reports on how the conflict between Nicaragua and the Contras is directly affecting Costa Rica. This is most unfortunate.

The resolution also states that it is in the interest of the United States that Costa Rica maintain its neutral status because it sets an example to a region where we are trying to promote political stability and economic development. The chairman of the Subcommittee on Western Hemisphere Affairs has informed me that his office received numerous calls from Costa Ricans and North Americans who live in Costa Rica and who fear what an end to Costa Rica's neutrality might mean.

Mr. Speaker, this resolution has received bipartisan support. It was approved by unanimous voice vote when it was considered by the Subcommittee on Western Hemisphere Affairs and the Committee on Foreign Affairs. I urge my colleagues to vote in favor of this resolution.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield to me for the purpose of asking a couple of questions?

Mr. REID. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, is not Costa Rica the nation that has been nonmilitarized in all of its established history that I can recall, and is it not true that the United States is for the first time, in the last 2 months, in effect militarizing Costa Rica?

Mr. REID. I would certainly hope not, Mr. Speaker. It, of course, is clear that since 1948 the Costa Rican nation has had no army, and the purpose of this resolution, the committee believes, is to make sure that the Costa Rican nation is not militarized. We want to offer our support to that nation and do what we can to assure that they do maintain their neutrality.

Mr. GONZALEZ. Mr. Speaker, I want to compliment the gentleman. I think the intentions are good, and I certainly agree with the thrust of the resolution. I do not see how anybody could quarrel with it.

However, it seems to me quite contradictory in view of the fact that the administration's policy, as announced by the Defense Department recently, was that we were for the first time going to offer military assistance, as we traditionally do, starting out with military advisers and the like, but, further than that, training, I imagine, for the purposes of creating a military force in Costa Rica.

I think the record ought to show, although it is not a happy thing to say, and I think the record will show and history will reveal inexorably that the United States, under the present regime of Ronald Reagan, has been the main reason for the instability in the region. We have opted, as a matter of irreversible course on the part of President Reagan, to intervene militarily unilaterally. We have not gone through either the regional channels or the OAS at all.

Certainly, Mr. Speaker, I am going to vote for this resolution, but I feel it is to a certain extent quite hypocritical in view of the actions already taken by the administration in going a long way toward militarizing Costa Rica.

Mr. REID. Mr. Speaker, I certainly appreciate the gentleman's observations, and I welcome his support in voting for this resolution.

Mr. GONZALEZ. Mr. Speaker, I thank the gentleman.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 33, a resolution in support of Costa Rica's neutrality.

In expressing my support for the resolution, I believe it must be made absolutely clear that the declaration by Costa Rica of its military neutrality does not in any way lessen its reliance on the Rio Treaty for its security, its continued request for modest amounts of security assistance or its support for democracy and opposition to totalitarianism.

In a statement in June of last year, President Monge very clearly pointed out, "That in the ideological plane we are not neutral. Wherever we are heard in international fora, we are aggressively in favor of democracy and against any kind of totalitarianism."

Even at the time of the proclamation of neutrality issued by President Monge in November 1983, he stated, "The neutrality of Costa Rica will be active. It does not signify impartiality in the ideological or political field. Consequently, Cost Rica reaffirms its faith in the political and social concepts which it has shared and shares with the Western democracies.

Furthermore, on the issue of Nicaragua, and Nicaragua's threat to Costa Rica, the government of President Monge had made clear its gratitude for the support of the United States. In October 1984, President Monge said, "Many times in my 2 years and a few months of governing I have spoken * * * to thank the Government of the United States for the frank and determined cooperation it has offered us. We could not have kept going if we had not been able to count on an understanding and supportive attitude on the part of the U.S. Govenment." Also, in February of this year, Costa Rica ordered the reduction of the Nicaraguan Embassy staff in San Jose from 47 to 10. That followed the Nicaraguan violation of international law in removing from the Costa Rican Embassy in Managua a young man seeking asylum. This has been emphasized by the weekend attack on Costa Rica by Nicaragua.

Once again, I want to emphasize, in asserting that it will remain neutral in all armed conflicts, Costa Rica has not proclaimed its neutrality politically or ideologically. In no way should this resolution be construed as an expression of the Congress in seeking to inhibit the close cooperation between United States and Costa Rica in facing the threat to the Central American democracies posed by Nicaragua. With that understanding I support this resolution.

□ 1240

Mr. REID. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. Broomfield].

Mr. BROOMFIELD. Mr. Speaker, I also strongly support this concurrent resolution which expresses Congress' support for Costa Rica's neutrality. This resolution deserves our support.

As my colleagues well know, the Government of Costa Rica recently proclaimed that country's neutrality. That decision was a prudent one. While that lovely land has been tranquil over the years, it is now in the middle of an unsettled part of this hemisphere. Costa Rica shares borders with several of the countries in the region, yet has no standing army. Should an aggressive neighbor choose to invade, there is no way that tiny Costa Rica could stop a determined attack.

In recent years, Costa Rica has also encountered serious economic problems. To preserve its stability and democracy and to enhance its ability to resolve its growing economic crisis, that country should remain neutral.

An additional critical factor is that neutrality will enable the Costa Rican Government to play an important role in achieving political settlements of Central Americas' conflicts. Already, President Monge has done much in this regard.

As tensions mount in Central America, there are many important reasons why Costa Rica must maintain its independence. I strongly urge my colleagues in the House to support the concurrent resolution before us today.

● Mr. FASCELL. Mr. Speaker, I rise in support of House Concurrent Resolution 33, expressing the support of the Congress for Costa Rica's neutrality and urging the President to support such neutrality. I would first like to commend the gentleman from Maryland [Mr. Barnes] and the gentleman from Nevada [Mr. Reid] for bringing this resolution before the House today. Their Subcommittee on Western Hemisphere Affairs has appropriately taken the time to call attention to the potential threats to and importance of respect for the neutrality of Costa Rica.

Many Members of Congress have visited Costa Rica over the past several years and have recognized the importance of that country to the foreign policy goal of the United States of promoting democracy in Central America. It is the only country in the region with an established tradition of democratic institutions—but that tradition has been uder threat from internal economic difficulties and external subversion.

The Congress has recognized the economic problems of Costa Rica and has provided economic assistance above the levels requested by the executive branch. The resolution (H. Con. Res. 33) recognizes the danger of Costa Rican democracy from the political/military turmoil elsewhere in the region, particularly Nicaragua, and calls on the United States to stand firm with the declared neutrality of that country.

I trust the other countries in the region will join us in respecting the neutrality of Costa Rica and I urge Members to vote for the resolution.●

● Mr. GILMAN. Mr. Speaker, I rise in support of House Concurrent Resolution 33, legislation expressing the support of the Congress for Costa Rica's neutrality and urging the President to support such neutrality. I commend the gentleman from Maryland [Mr. Barnes] for introducing this measure.

Mr. Speaker, the resolution addresses the close relationship that our Nation has had with Costa Rica, and the importance that a strong democratic Costa Rica has for the United States and for Central America. Referring to the Government of Costa Rica's proclamation of neutrality of November 17, 1983, the resolution states that:

> Such neutrality enables Costa Rica to minimize its involvement in Central America's conflicts, thereby preserving domestic stability and democracy and enhancing its ability to address its severe economic programs.

Although it has faced serious economic difficulties, Costa Rica, with the assistance of the United States, has weathered these problems. Costa Rica is committed to a comprehensive stabilization program and has demonstrated that its democratic system is resilient and responsive to economic shock waves.

I had the privilege recently to meet again with the President of Costa Rica, Luis Alberto Monge Alvarez, during the President's recent trip to Washington. President Monge spoke of his nation's friendship for the United States and I know that my colleagues in Congress and I look forward to helping Costa Rica help itself improve its economic prospects and to fostering the democratic tradition of which Costa Rica can be truly proud.

Accordingly, Mr. Speaker, I urge my colleagues to suspend the rules and pass House Concurrent Resolution 33, thus underscoring our Nation's support for Costa Rica's self-proclaimed neutrality as a means to preserve that nation's domestic stability and as a way to help address the economic problems Costa Rica faces.●

Mr. LAGOMARSINO. Mr. Speaker, I yield back the balance of my time.

The SPEAKE[illegible] pro tempore. The question is on the motion offered by the gentleman from Nevada [Mr. Reid] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 33.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. REID. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

RELATING TO DEATH OF PRESIDENT-ELECT TANCREDO NEVES OF BRAZIL

Mr. REID. Mr. Speaker, I move to suspend the rules and concur in the Senate concurrent resolution (S. Con. Res. 48) relating to the death of President-elect Tancredo Neves of Brazil.

The Clerk read as follows:

S. Con. Res. 48

Whereas after twenty years of military rule, Brazil returned to democracy with the election of Tancredo Neves;

Whereas tens of millions of Brazilians peacefully and freely voted for candidates of their choice for their nation's highest offices;

Whereas it should be the policy of the United States to support democratic institutions in Latin America and elsewhere and the right to peaceful opposition and basic human rights;

Whereas President-elect Neves courageously devoted his last measure of strength to uniting his country while suffering from a fatal illness;

Whereas the death of President Neves has saddened all Brazilians and well-wishers for Brazil's return to democracy;

Whereas Brazil strengthened its commitment to democratic structures by rapidly and peacefully dealing with the necessary transition of power;

Whereas Vice President Jose Sarney has succeeded President-elect Neves in office and pledges to continue his democratic policies; and

Whereas the Brazilian nation has united to support a calm and expeditious transition: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States—

(1) extends its deepest and most sincere condolences to the people of Brazil and to the family of President Neves;

(2) sends its best wishes to President Jose Sarney for the success of his term in office;

(3) forwards its congratulations to the people of Brazil for their country's return to democracy and its handling of the presidential succession after the tragic death of President Neves; and

(4) expresses its hope that the long historical bonds and cooperation between Brazil and the United States be further developed and strengthened in the coming years.

Sec. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the Secretary of State for transmittal to President Jose Sarney of Brazil.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Nevada [Mr. Reid] will be recognized for 20 minutes and the gentleman from California [Mr. Lagomarsino] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Nevada [Mr. Reid].

Mr. REID. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of Senate Concurrent Resolution 48, which extends the condolences of the Congress to the Brazilian people on the death of President-elect Tancredo Neves, and congratulates the people of Brazil for the country's return to democracy.

On January 15, 1985, Brazil elected its first civilian President after 21 years of military rule. Mr. Tancredo Neves was a political veteran of 40 years, who was respected and admired by the people he was chosen to govern. He represented the democratic desires of 130 million Brazilians who wanted their country to join the democratic wave in Latin America. During his visit to Washington, the Foreign Affairs Committee hosted a meeting with Mr. Neves where many of us had a chance to admire Mr. Neves' unique grasp of the problems and challenges ahead.

On the eve of his inauguration Mr. Neves was hospitalized. After numerous operations and complications, Mr. Neves died on Apirl 21. It has come to light since then that Mr. Neves was aware of his serious condition for a long time, but that he had refused medical attention because he feared that his inability to take office might have curtailed the democratic transition. Although he was never able to take office, his legacy lives on with the new President, Jose Sarney, and the dreams of all Brazilians.

The purpose of this resolution is to extend our condolences to the people of Brazil, to encourage President Sarney in his difficult task, to congratulate Brazil for his historic transition to democracy, and to express our hope for the strengthening of the historical bonds and cooperation between Brazil and the United States.

Mr. Speaker, this resolution is not controversial and has received strong bipartisan support. I urge my colleagues to join me in supporting this clear expression of support for democracy in Brazil.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of Senate Concurrent Resolution 48, expressing the support of the Congress for Brazilian democracy and extending our condolences to the people of Brazil on the death of President-elect Tancredo Neves

I had the distinct pleasure of meeting President-elect Neves when he was in Washington, after his election as the first civilian President of Brazil in 21 years. His charm, his intelligence and his sincere interest in strengthening United States-Brazilian relations deeply impressed me. I could easily understand why the people of Brazil looked forward to his Presidential administration as a political opening for solidifying the gains for democracy and development in that great South American nation.

With the death of President-elect Neves, Vice President Sarney succeeded to the Presidency, and has been faced with major economic and political problems. Brazil faces an external debt of $100 billion and must fight an annual inflation rate of some 250 percent. Politically, President Sarney must win the confidence of all those factions which were united under the leadership of Tancredo Neves. It is appropriate, therefore, that Senate Concurrent Resolution 48 also salutes President Sarney and conveys our best wishes to him for the success of his term in office, and to the people of Brazil for their response to the tragic circumstances attending the return to democracy for their country.

In extending our sincere condolences to the people of Brazil and to the family of President-elect Neves, I am gratified that this resolution also expresses the hope that the long historical bonds and cooperation between Brazil and the United States will be further developed and strengthened. I know that is the goal of the United States, and I am confident it is the goal of Brazil.

I urge my colleagues to give their strong support to this resolution.

Mr. Speaker, I yield such time as he may consume to the ranking Republican member of the committee, the gentleman from Michigan [Mr. Broomfield].

Mr. BROOMFIELD. Mr. Speaker, I offer my support of this concurrent resolution which expresses Congress' condolences to the people of Brazil for the tragic loss of President-elect Neves, and wishes Brazil well in the years ahead as one of the largest democracies in this hemisphere.

Brazil recently returned to democracy with the election of President-elect Neves. While suffering from a fatal illness, he devoted his flagging energies to uniting his country. After his death, the freedom-loving people of Brazil maintained a calm transition of power and brought President Jose Sarney to the Presidency. I am delighted to say that President-elect Sarney plans to continue the democratic policies of the late President-elect Neves.

I am certain that my colleagues will join me in wishing President Sarney good luck and Godspeed in his new undertaking. All of us look forward to the day when our relations with Brazil will be even closer than at present.

With these thoughts in mind, I offer my support of this concurrent resolution, and call upon my colleagues to join me in this effort.

● Mr. FASCELL. Mr. Speaker, I rise in support of Senate Concurrent Resolution 48, relating to the death of President-elect Tancredo Neves of Brazil. The resolution before the House appropriately commends the people of Brazil for the critical test which they have recently navigated successfully. We have all been impressed and pleased with the delicate transition which that country has made over the past several years to democracy.

It has now faced a critical test in that process—the unfortunate death of its recently elected President and the succession of the Vice President to the Presidency.

It is appropriate that the U.S. Congress express both its condolences and congratulations to the Brazilian people for remaining steadfast in their march toward truly democratic political system and society.

Mr. Speaker, I urge the adoption of Senate Concurrent Resolution 48.●

☐ 1250

Mr. REID. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nevada [Mr. Reid] that the House suspend the rules and concur in the Senate concurrent resolution, Senate Concurrent Resolution 48.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. REID. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate concurrent resolution just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

FREDERICK N. WEATHERS STATION OF THE U.S. POSTAL SERVICE

Mr. CLAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 284) to designate the Charles Nagel Station of the U.S. Postal Service in St. Louis, MO, as the "Frederick N. Weathers Station of the U.S. Postal Service."

The Clerk read as follows:

H.R. 284

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the building located at 3415 North Kings Highway, St. Louis, Missouri, known as the Charles Nagel Station of the United States Postal Service, is hereby designated as the "Frederick N. Weathers Station of the United States Postal Service". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be deemed to be a reference to the Frederick N. Weathers Station of the United States Postal Service.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Missouri [Mr. Clay] will be recognized for 20 minutes and the gentleman from New York [Mr. Horton] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri [Mr. Clay].

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, H.R. 284, renames the U.S. Postal Service building at 3415 North Kings Highway in the First Congressional District of St. Louis, MO, the "Frederick N. Weathers Station of the U.S. Postal Service." By a voice vote the bill was ordered favorably reported by the Committee on Post Office and Civil Service on May 5, 1985.

Fred Weathers, known by many as the dean of black politicians in St. Louis, has contributed immeasurably to the improvement and betterment of the quality of life in St. Louis. His judgment, his commitment to social justice, his energy, and his political astuteness are valued and well-known to St. Louisans and others.

The designation of this building in honor of Fred Weathers will memorialize his lasting contributions and will ensure that future generations of St. Louisans will know and appreciate his special gifts to the community.

Fred Weathers served as Democratic committeeman for the 18th ward of St. Louis for 28 years and, among his many other activities, was owner of St. Louis' largest taxicab company, the Marcella Cab Co. In addition, for many years, he was active in the Young Men's Christian Association and the National Association for the Advancement of Colored People.

Renaming this postal facility in honor of Fred Weathers is one way in which the House of Representatives may, on behalf of all St. Louisans, recognize and honor this businessman and community leader for his enduring contributions to St. Louis.

I understand that the Postal Service has no objections to the enactment of this legislation and that the cost of this bill be less than $100, the cost of a suitable plaque in the building.

I urge your support for the adoption of H.R. 284.

Mr. HORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 284 was reported out of the Post Office and Civil Service Committee unanimously. I join with the gentleman from Missouri [Mr. Clay] who is handling this bill in renaming the Charles Nagel Station of the U.S. Postal Service in St. Louis, MO, as the Frederick N. Weathers Station.

I certainly concur with the remarks made by the gentleman from Missouri, and I am happy to join with him in supporting this bill. I urge its immediate passage.

Mr. Speaker, I have no further requests for time, and yield back the balance of my time.

Mr. CLAY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. Clay] that the House suspend the rules and pass the bill, H.R. 284.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 284, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

WHEN WILL THE SEEMINGLY LIMITLESS TOLERANCE OF OUR LIBERAL FRIENDS FOR COMMUNIST AGGRESSION RUN OUT?

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LIVINGSTON. Mr. Speaker, today's Washington Post reflects that the darlings of the liberal establishment here in Congress, the Communist Sandinista government of Nicaragua, sponsored an armed attack on a Costa Rican civil guard patrol in Costa Rica. There is no Costa Rican Army, and the country claims neutrality in Central American affairs, but several civil guardsmen were wounded and one was killed, according to Costa Rican President Monge. Once again we are forced to wonder how in the world our liberal colleagues can justify the days, let along weeks, months, and now years that they continue to ignore the constant barrage of overt offenses by the Nicaraguan Marxists against their peaceful neighbors? How many atrocities must be committed against their own people? How many innocent Nicaraguans must be jailed, forced into labor camps, brutalized or even executed before our liberal friends admit that communism—read, "socialism at the point of a gun"—poses a very real threat to our neighbors throughout Central America. When will the seemingly limitless tolerance of our liberal friends for Communist aggression run out?

Costa Rica Blames Attack on Nicaragua, Asks Probe

San Jose, Costa Rica, June 2.—President Louis Alberto Monge accused Nicaraguan soldiers today of attacking Costa Rican troops along the border and asked for an international investigation.

Monge met with foreign diplomats and gave them copies of the government's request to the Organization of American States and the Contadora group. The Group—Mexico, Venezuela, Colombia and Panama—is trying to calm Central American tensions through a proposed peace treaty.

On Friday, a 21-member Civil Guard patrol was attacked near the San Juan River that forms the border. Initial reports said the guardsmen were ambused by a mortar attack coming from Nicaragua.

One guardsman was killed and 11 others in the 21-member patrol were wounded in the attack. Costa Rica, which claims neutrality in Central American affairs, has no standing army

Asked about the origin of the attack, Monge said, "It was troops of the Sandinista Army that carried out the aggression."

The president also was asked about the possibility of breaking diplomatic relations with Nicaragua. He replied: "We don't actually have an ambassador in Managua and for now we are not sending one.

The leftist Sandinista government said last night it emphatically denied it mounted the attack and blamed it on the Democratic Revolutionary Alliance (ARDE) anti-Sandinista rebels operating in southern Nicaragua. ARDE leaders denied involvement.

The ARDE directorate, in a communique, accused Nicaraguan aircraft of violating Costa Rican airspace in attacking one of its installations today north of the San Juan River in Nicaraguan territory.

The communique said Sandinista aircraft flew south and then returned 30 minutes later, flying north, dropping bombs and firing rockets. It said there was only slight damage.

AMENDING THE ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Alaska [Mr. Young] is recognized for 5 minutes.

● Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation which will amend the Alaska National Interest Lands Conservation Act of 1980. This amendment will permit full exploration of one of the seven major mines which the Congress in 1980 provided for exploration and development as part of the Alaska Lands Act. As you will recall, the passage of the Alaska Land Act was one of the major land allocation and land use legislative decisions made by the Congress in his century. The passage of that act more than doubled to total acreage of the National Park System and National Wildlife Refuge System and more than tripled the acreage in the National Wilderness Preservation System.

It was hailed at passage as one of the greatest conservation measures in the history of the country. All of that is true. However, numerous compromises were made during the consideration of that Act including agreements that certain mineral deposits would be permitted to be developed. Among these properties were seven mineral deposits determined by the Stanford Research Institute as being of world class status and necessary to permit the growth and development of the mineral industry in Alaska. One of these seven mines was the Greens Creek deposit located in the northwestern portion of Admiralty Island in the Tongass National Forest in southeast Alaska. That deposit is a deposit of associated minerals including silver, lead, zinc, and gold which was first identified in 1973. From 1974 through 1978, a number of claims were staked in the area and subsequent exploration has found a number of these claims to be valid under the United States mining laws. Exploration on the remaining claims continues.

As those who were Members in this body of the 95th and 96th Congresses will recall, one of the major issues of contention during the Alaska lands debate was what land designation to provide for Admiralty Island. Even though consideration of wilderness areas in southeast Alaska was not originally part of the Alaska lands debate, the Congress was eventually forced to deal with the designation of wilderness areas in the Tongass National Forest as part of the Alaska Lands Act.

The status of Admiralty Island had been the subject of controversy since at least the 1930's and major environmental groups insisted that a special designation be created for Admiralty Island which would essentially prohibit timber harvest from most of the island. Because Admiralty Island had such high timber values, there was great concern about the effect on the ability of the existing timber industry in southeast Alaska to continue to operate if Admiralty Island was designated in a category which prohibited timber harvest.

The House of Representatives in its legislation in the 95th and 96th Congresses provided for such a designation, but the Senate Energy Committee was more cautious. It designated essentially the east half of Admiralty Island as a wilderness area but left the west half of the island in a category called a special management area. That category provided for a 10-year study during which timber harvest would be temporarily prohibited but at the end of 10 years a decision would be made by Congress as to whether the timber on the west half of Admiralty Island was necessary to sustain existing industry.

The special management area designation also permitted the full development of the Greens Creek deposit because those claims had been previously located prior to the passage of Alaska lands legislation. During the final negotiations in the 96th Congress which led to the legislative version which became public law, a specific compromise on timber management and wilderness was reached. That compromise provided for the designation of most of Admiralty Island, both east half and west half, as a national monument and wilderness, and the establishment of a specific mechanism to guarantee Forest Service appropriations which are required to prepare timber harvest on Federal lands and to insure that adequate timber could be made available on those lands in the National Forest which were not designated as wilderness for harvest.

The issue of how to deal with the exploration and development of the Greens Creek deposit which would be located within the national monument was also a question. It was decided that an existing mineral exploration regime developed for a different deposit, the Quartz Hill deposit located within the proposed Misty Fjords National Monument near Ketchikan, AK, would be applied to the Greens Creek deposit. No hearings or other inquiries were made to determine whether this provision was adequate for the full exploration of the Greens Creek deposit. Frankly, Mr. Speaker, this decision was made rapidly at the end of the Congress and was one of those decision which was essentially forced on those of us who opposed the passage of Alaska lands legislation because we felt there were too many issues which has yet to be fully studied.

Nevertheless, the regime which was developed for exploration of the Quartz Hill deposit was applied to the Greens Creek deposit. Herein lies the problem. Unfortunately, that regime was well suited to an open pit deposit such as that at Quartz Hill. It provided for a short term exploration period in which all of the mineral deposit could be fully delineated. However, the Greens Creek deposit is of a different nature. It is a lode style deposit which can best be described as resembling a snake or meandering river. By that I mean, the deposit follows no specific path and twists and winds throughout the area of its general location including in some cases folding over itself and twisting itself almost into knots.

The appropriate method for delineating this deposit is to explore it during the life of the mine's development. Rather than attempt to bifurcate an exploration process from the development process, it is more appropriate to establish that there is adequate mineralization to warrant the development of the mine, to follow the deposit during the mine's development and keep an adequate amount of mineralization in front of you as exploration and reserves, approximately 2 to 3 years worth, while you develop and further explore the deposit.

Unfortunately this information was not available to Congress during the 95th and 96th Congress when the fate of the deposit was being discussed. Much of this information has been made clear during the exploration process which has occurred since the passage of the public law. Four separate seasons of surface drilling have occurred which have shown that surface drilling is simply not the appropriate manner for exploring the deposit. Surface drilling which includes unnecessary surface disturbance including timber cutting and establishment of surface drill pads, have been successful in identifying major areas of mineralization but not in fully delineating the mineral deposit. It is clear now that the only way to properly explore this mine is to permit a longer time period for exploration and to permit those existing claims with identified mineral potential to be explored.

Mr. Speaker, it is my firm belief that a commitment was made to permit the full development of this mineral deposit. Development of identified mineral resources was one of the major concessions made to the State of Alaska during the consideration of the Alaska lands bill. Specific areas were identified as having mineral potential and their development was agreed upon. Greens Creek was one of these areas. It was not the intent of Congress that only a small portion of the Greens Creek be developed because the mineral regime which was applied to it was not appropriate. My legislation simply redeems the promise of the Alaska Lands Act by permitting full exploration and delineation of the Greens Creek deposit. No new claims would be staked nor would any area which had not been previously identified as having mineralization be available for exploration. In fact, there are certain areas which have shown not to be of mineral value which are subject to location and existing claims. Legislation would not permit further exploration in these areas. Exploration would only be permitted on certain existing claims which had been located prior to the creation of Admiralty

Island National Monument. No new mining claims will be permitted.

Mr. Speaker, I urge my colleagues, particularly those on the Senate Energy-House Interior Committee, to give this bill a fair and rapid hearing. It is a worthy piece of legislation that deserves this body's support.●

THE 39TH ANNIVERSARY OF THE ITALIAN REPUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. Annunzio] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on June 2 the people of the Republic of Italy celebrated a stirring event in the history of their country, for it was 39 years ago on that date in 1946 that the Italian people gave a resounding vote of confidence to political democracy.

By replacing the Italian monarchy with a republican form of government, and with the aid of the Marshall plan, Italy entered into a new era of social, political, and economic progress. Since that time, the growth of Italian industry has been unprecedented, social and educational programs have prospered, and the arts and humanities have achieved new prominence.

The beautiful land of Italy, washed by the blue waves of the Mediterranean and cradled within the Alps, has been a major source of Western culture—her legal system is a model for the West, her language is the tongue of music, and her Renaissance stands as one of mankind's greatest achievements. Yet throughout her glorious history, there have been few more important events than that which occured on June 2, 1946 when the Italian people chose a republican form of government.

On January 1, 1948, within 1½ years after the establishment of the Republic of Italy, the Italian Constitution was completed. This document embodied the principle that "sovereignty belongs to the people who exercise it within the forms and limits of the Constitution." It proclaimed "the inviolable rights of man," and guaranteed "equal social dignity" for all citizens and equality before the law regardless of sex, religion, race, language, political opinions, or social condition.

Today, the country of Italy continues to prosper and its commitment remains as strong as ever to the principles of democracy outlined in its Constitution. A few months ago, on March 6, Prime Minister Bettino Craxi of the Republic of Italy addressed a Joint Session of Congress, and in his speech urged strengthening of the longstanding friendship between the United States and Italy. At the conclusion of the Prime Minister's remarks, we discussed our common goals and Italy's continued firm commitment and loyal support to the North Atlantic Treaty Organization and the causes of the free world.

Mr. Speaker, I take this occasion to extend my greetings and best wishes to the people of the Italian Republic, as well as Italian Americans living in the 11th Congressional District of Illinois which I am honored to represent, and Americans of Italian descent throughout the United States, who are joining in this 39th anniversary observance. May the Republic of Italy continue to experience prosperity, progress, and stability, and may the friendship between our countries and our peoples continue to flourish in the years ahead.●

□ 1310

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Dingell (at the request of Mr. Wright), for today through Wednesday, June 5, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Lewis of Florida) to revise and extend their remarks and include extraneous material:)

Mr. Young of Alaska, for 5 minutes, today.

Mr. Roth, for 60 minutes, June 5.

Mr. Livingston, for 30 minutes, today.

(The following Members (at the request of Mr. Clay) to revise and extend their remarks and include extraneous material:

Mr. Pease, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 60 minutes, today.

Mr. Gonzalez, for 60 minutes, June 4.

Mr. Gaydos, for 30 minutes, June 4.

Mr. Gonzalez, for 60 minutes, June 5.

Mr. Pease, for 5 minutes, June 4.

Mr. Fazio, for 60 minutes, June 6.

Mr. Gonzalez, for 60 minutes, June 6.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Lewis of Florida) and to include extraneous matter:)

Mr. Boulter.

Mr. Wortley.

Mr. Broomfield.

Mr. Barton of Texas in three instances.

Mr. Lagomarsino.

(The following Members (at the request of Mr. Clay) and to include extraneous matter:)

Mr. Dorgan of North Dakota.

Mr. Stark in three instances.

Mr. Traxler.

Mr. Torres.

Mr. Fazio.

Mr. Hamiltion in 10 instances.

Mr. Anderson in 10 instances.

Mr. Gonzalez in 10 instances.

Mrs. Lloyd in five instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Mr. de la Garza in 10 instances.

Mr. Vento.

Mr. Montgomery.

Mr. Barnes.

Mr. Dellums.

Mr. Traficant.

Mr. Hubbard.

Mr. Scheuer.

Mr. Manton.

Mr. Solarz.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 127. Joint resolution to grant the consent of Congress to certain additional powers conferred upon the Bi-State Development Agency by the States of Missouri and Illinois; referred to the Committee on the Judiciary.

ADJOURNMENT

Mr. LIVINGSTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 10 minutes p.m.), the House adjourned until Tuesday, June 4, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1364. A letter from Executive Associate Director for Budget, Officer of Management and Budget, transmitting a report that the appropriation to the Department of Health and Human Services for family social services for the fiscal year 1985 has been reapportioned on a basis that indicates the necessity for a supplemental appropriation, pursuant to 31 U.S.C. 1515(b)(2); to the Committee on Appropriations.

1365. A letter from the Acting Assistant Secretary (Comptroller), Department of Defense, transmitting a report of the value of property, supplies and commodities provided by the Berlin Magistrate for the quarter January 1, 1985 through March 31, 1985, pursuant to Public Law 98-473, section 101(h) (98 Stat. 1926); to the Committee on Appropriations.

1366. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting notice of the Department of the Navy's proposed letter of offer to Canada for defense articles and services (Transmittal No. 85-35), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1367. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during April 1985 to Communist countries, pursuant to 12 U.S.C. 635(b)(2); to the Committee on Banking, Finance and Urban Affairs.

1368. A letter from the Auditor, District of Columbia, transmitting a copy of his report entitled, "Annual Audit of the Boxing and Wrestling Commission for Fiscal Year 1984," pursuant to Public Law 93-198, Section 455(d); to the Committee on the District of Columbia.

1369. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Resolution 6-136, entitled, "Opposition to the Partial Closure of Pennsylvania Avenue NW., Resolution of 1985," pursuant to Public Law 93-198, Section 602(c); to the Committee on the District of Columbia.

1370. A letter from the Executive Director, D.C. Retirement Board, transmitting the Board's annual report for fiscal year 1984, pursuant to Public Law 96-122, sections 162 and 164(a)(1)(A); to the Committee on the District of Columbia.

1371. A letter from the Secretary of Education, transmitting a copy of notice of final annual funding priority for training personnel for the Education of the Handicapped Program, pursuant to GEPA, section 431(d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1372. A letter from the Attorney General, transmitting recommendations for coordination of Federal juvenile delinquency programs and activities, pursuant to Public Law 93-415, section 20.6(c) (94 Stat. 2753); to the Committee on Education and Labor.

1373. A letter from the General Counsel, Department of Energy, transmitting a notice of a meeting related to the International Energy Program to be held on May 30, 1985, Paris, France; to the Committee on Energy and Commerce.

1374. A letter from the General Counsel, Department of Energy, transmitting a notice of meetings related to the International Energy Program to be held on June 4 and 5, 1985, Cleveland, Ohio; to the Committee on Energy and Commerce.

1375. A letter from the Assistant Secretary (Enforcement and Operations), Department of the Treasury, transmitting a copy of the Nicaraguan Trade Control Regulations, pursuant to 50 U.S.C. 1641(b); to the Committee on Foreign Affairs.

1376. A letter from the Secretary of State, transmitting a report on behalf of the President, that he has exercised the authority granted him under section 451(a)(1) of the Foreign Assistance Act of 1961, as amended, to provide additional assistance for the people of Thailand, pursuant to 22 U.S.C. 2261(a)(2); to the Committee on Foreign Affairs.

1377. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1378. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by John Douglas Scanlan, Ambassador Extraordinary and Plenipotentiary-elect to the Socialist Federal Republic of Yugoslavia, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1379. A letter from the Secretary of Agriculture, transmitting the semiannual report of the activities of the Department's inspector general covering the period October 1, 1984, through March 31, 1985, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

1380. A letter from the Secretary of Education, transmitting the 10th semiannual report of the activities of the Department's inspector general for the period October 1, 1984 through March 31, 1985, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

1381. A letter from the Secretary of Transportation, transmitting the semiannual report of the activities of the Department's inspector general for the period ended March 31, 1985, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

1382. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the semiannual report of the activities of the Agency's inspector general for the period October 1, 1984 to March 31, 1985, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

1383. A letter from the Assistant Secretary for Water and Science, Department of the Interior, transmitting a copy of an application by the Gila River Farms, Pinal County, AZ, for a loan under the Small Reclamation Projects Act, pursuant to the act of August 6, 1956, chapter 972, section 4(c) (71 Stat. 48); to the Committee on Interior and Insular Affairs.

1384. A letter from the Secretary of the Interior, transmitting a report of the actual operation during water year 1983 for the reservoirs in the Colorado River Basin constructed under the authority of the Colorado River Storage Project Act and the Boulder Canyon Project Act, pursuant to Public Law 90-537, section 602(b); to the Committee on Interior and Insular Affairs.

1385. A letter from the Acting Assistant Attorney General, Office of Legislative and Intergovernmental Affairs, transmitting a report of activities under the Civil Rights of Institutionalized Persons Act during fiscal year 1984, pursuant to 42 U.S.C. 1997f (Public Law 96-247, section 8); to the Committee on the Judiciary.

1386. A letter from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting order and applications for grants of suspension of deportation, pursuant to INA, section 244(c) (66 Stat. 214, 76 Stat. 1247); to the Committee on the Judiciary.

1387. A letter from the Acting Secretary of Transportation, transmitting a report entitled, "The Status of the Nation's Highways: Conditions and Performance," pursuant to 23 U.S.C. 307(e) (96 Stat. 2135); to the Committee on Public Works and Transportation.

1388. A letter from the Acting Administrator, General Services Administration, transmitting corrected copies of a prospectus submitted in May, 1985 (Executive Communication No. 1251); pursuant to Public Law 86-249, section 7(a) (86 Stat. 217); to the Committee on Public Works and Transportation.

1389. A letter from the Executive Secretary, Department of Defense, transmitting a report of defense procurement from small and other business firms for October 1984 through January 1985, pursuant to SBA, section 10(d); to the Committee on Small Business.

1390. A letter from the Secretary of Labor, transmitting the quarterly report on the expenditure and need for worker adjustment assistance training funds covering the first quarter of fiscal year 1985, pursuant to Public Law 93-618, section 236(a)(2) (95 Stat. 885); to the Committee on Ways and Means.

1391. A letter from the Chairman of the Board, U.S. Synthetic Fuels Corporation, transmitting the Corporation's unaudited quarterly report for the quarter ended March 31, 1985, pursuant to Public Law 96-294, section 177(c); jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

1392. A letter from the General Accounting Office, transmitting a report on the examination of the Inter-American Foundation's financial statements for the year ended September 30, 1984 (GAO/AFMD-85-43; May 29, 1985), pursuant to 22 U.S.C. 283j-1(c); jointly, to the Committees on Government Operations and Foreign Affairs.

1393. A letter from the General Accounting Office, transmitting a report on the review of the audits of the National Consumer Cooperative Bank's financial statements for the years ended December 31, 1983 and 1982 (GAO/AFMD-85-10; May 28, 1985), pursuant to 72 U.S.C. 3025; jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

1394. A letter from the General Accounting Office, transmitting a report on the examination of the Federal Deposit Insurance Corporation's financial statements for the years ended December 31, 1984 and 1983 (GAO/AFMD-85-58; May 29, 1985), pursuant to 31 U.S.C. 719(c)(3); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

1395. A letter from the General Accounting Office, transmitting a report on the reviews of the audits of the National Credit Union Administration central liquidity facility's financial statements for the years ended September 30,. 1983 and 1982 (GAO/AFMD-85-14; May 24, 1985), pursuant to 31 U.S.C. 9106(a); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

1396. A letter from the General Accounting Office, transmitting a report on the examination of the Export-Import Bank's financial statements for the years ended September 30, 1984 and 1983 (GAO/AFMD-85-61; May 29, 1985), pursuant to 31 U.S.C. 9106(a); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

1397. A letter from the General Accounting Office, transmitting a report on the status of the Great Plains coal gasification project—December 31, 1984 (GAO/RCED-85-02; May 28, 1985); jointly, to the Committees on Banking, Finance and Urban Affairs; Energy and Commerce; and Science and Technology.

1398. A letter from the General Accounting Office, transmitting a report on the reviews of the audits of the U.S. Synthetic Fuels Corporation's financial statements for the years ended September 30, 1983 and 1982 (GAO/AFMD-85-15; May 24, 1985), pursuant to 42 U.S.C. 8777(b)(2); jointly, to the Committees on Government Operations; Banking, Finance and Urban Affairs; and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of May 23, 1985]

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2372. A bill authorizing appropriations for carrying out the Federal Railroad Safety Act of 1970, and for other purposes (Rept. No. 99-147). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House of May 23, 1985, the following report was filed on May 24, 1985]

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 37. A bill to identify, commemorate, and preserve the legacy of historic landscapes of Frederick Law Olmsted, and for other purposes; with an amendment (Rept. No. 99-148). Referred to the Committee of the Whole House on the State of the Union.

[Omitted from the Record of May 23, 1985]

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2266. A bill authorizing appropriations for Amtrak for fiscal years 1986 and 1987, establishing a commission to study the financial status of Amtrak, and for other purposes; with amendments (Rept. No. 99-149). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 30, 1985]

Mr. BROOKS: Committee on Government Operations. Report on strategic petroleum reserve: budget and policy implications of the proposed moratorium (Rept. No. 99-150). Referred to the Committee of the Whole House on the State of the Union.

[Submitted June 3, 1985]

Mr. BROOKS: Committee on Government Operations. Report on HHS' failure to enforce the Food, Drug, and Cosmetic Act: The case of cancer-causing color additives (Rept. No. 99-151). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1699. A bill to extend titles I and II of the Energy Policy and Conservation Act, and for other purposes; with amendments (Rept. No. 99-152). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2290. A bill to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws (Rept. No. 99-153). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2417. A bill to amend the Public Health Service Act to revise and extend the program of assistance for health maintenance organizations (Rept. No. 99-154). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FAUNTROY:

H.R. 2639. A bill to amend the District of Columbia Stadium Act of 1957 to direct the Secretary of the Interior to convey title to the Robert F. Kennedy Memorial Stadium to the District of Columbia; to the Committee on the District of Columbia.

By Mr. FAUNTROY:

H.R. 2640. A bill to convey the District of Columbia Employment Security Building to the District of Columbia; to the Committee on the District of Columbia.

By Mr. FAUNTROY (by request):

H.R. 2641. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act, to authorize a Federal contribution to reduce the accumulated deficit of the District, to modify limitations on District to the Committee on the District of Columbia.

By Mr. FAUNTROY (by request):

H.R. 2642. A bill to amend the District of Columbia Self-Governmental Reorganization Act, to establish a formula-based annual Federal payment, to require the District to budget to offset any deficit occurring in its general fund and for other purposes; to the Committee on the District of Columbia.

By Mr. FAUNTROY (by request):

H.R. 2643. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act, to facilitate the issuance of bonds and notes by the District of Columbia; to the Committee on the District of Columbia.

By Mr. KASTENMEIER (for himself, Mr. PETRI, and Mr. ROTH):

H.R. 2644. A bill to establish a Fox-Wisconsin Heritage Waterway Corridor Commission to study methods to protect and preserve the Portage Canal-Fox River corridor, to authorize the Secretary of the Interior to provide assistance to such Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LIVINGSTON:

H.R. 2645. A bill to repeal section 158 of title 23, United States Code, relating to the national minimum drinking age; to the Committee on Public Works and Transportation.

By Mr. MONTGOMERY (by request):

H.R. 2646. A bill to amend title 38 of the United States Code to provide for the right of the United States to collect the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans with no service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MONTGOMERY (by request):

H.R. 2647. A bill to amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the education loan program; and for other purposes; to the Committee on Veterans" Affairs.

By Mr. MONTGOMERY (by request):

H.R. 2648. A bill to repeal the congressional report and waiting period requirements, contained in title 38 U.S.C. section 210(b)(2), which apply to certain internal VA administrative reorganizations; to the Committee on Veterans' Affairs.

By Mr. MONTGOMERY (by request):

H.R. 2649. A bill to amend title 38, United States Code, to require formal advertising for contracts for services or supplies for the Veterans' Administration's loan guaranty program if the contract amount exceeds $25,000; to the Committee on Veterans' Affairs.

By Mr. PEPPER (for himself, Mr. LEHMAN of Florida, and Mr. FASCELL):

H.R. 2650. A bill to direct the Administrator of General Services to convey certain land situated in Miami Beach, FL, to the city of Miami Beach, FL, for park and recreational purposes; to the Committee on Government Operations.

By Mr. YOUNG of Alaska:

H.R. 2651. A bill to amend section 504 of the Alaska National Interest Lands Conservation Act to promote the development of mineral wealth in Alaska; to the Committee on Interior and Insular Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

141. By the SPEAKER: Memorial of the Legislature of the State of Minnesota, relative to levels of solids not fat in fluid milk; to the Committee on Agriculture.

142. Also, Memorial of the Legislature of the State of California, relative to funding for the C-17 Airlifter Program; to the Committee on Armed Services.

143. Also, memorial of the Legislature of the State of Nevada, relative to the Public Utility Regulatory Policies Act; to the Committee on Energy and Commerce.

144. Also, memorial of the Senate of the State of Illinois, relative to Conrail; to the Committee on Energy and Commerce.

145. Also, memorial of the Legislature of the State of Florida, relative to Amtrak; to the Committee on Energy and Commerce.

146. Also, memorial of the Senate of the State of Michigan, relative to U.S. Coast Guard stations in St. Clair Shores and Harsens Island; to the Committee on Merchant Marine and Fisheries.

147. Also, memorial of the Senate of the State of Michigan, relative to the role of the U.S. Army Corps of Engineers in the city of St. Clair Shores and other regions; to the Committee on Public Works and Transportation.

148. Also, memorial of the Legislature of the State of Florida, relative to the Cross Florida Barge Canal project; to the Committee on Public Works and Transportation.

149. Also, memorial of the Legislature of the State of Louisiana, relative to business expense deductions; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. COELHO introduced a bill (H.R. 2642) for the relief of Kumari Rajlakshmi Bais, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Soil Conservation Service; to the Committee

agreement to carry out a joint research and

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. Hamilton and Mr. DioGuardi.

H.R. 8: Mrs. Long.

H.R. 70: Mr. Bilirakis and Mr. Clinger.

H.R. 85: Mr. McDade.

H.R. 396: Mr. Kildee.

H.R. 930: Mr. Hutto.

H.R. 994: Mr. Ortiz, Mr. Parris, Mr. Bedell, Mr. Emerson, Mr. Roe, Mr. Early, Mr. Heftel, and Mr. Frost.

H.R. 1324: Mr. Chappie, Mr. Dannemeyer, and Mr. Wolpe.

H.R. 1482: Mr. Fawell.

H.R. 1811: Mr. Clinger, Mrs. Vucanovich, Mrs. Roukema, and Mr. Edwards of Oklahoma.

H.R. 1993: Mr. Kolbe, Mr. Whitehurst, Mr. Lungren, Mr. DeWine, Mr. Feighan, Mr. Berman, and Mr. Morrison of Washington.

H.R. 2024: Mr. Edwards of California and Mr. Studds.

H.R. 2034: Mr. Richardson and Mr. Stokes.

H.R. 2116: Mr. Whitehurst and Mr. Eckart of Ohio.

H.R. 2262: Mr. Beilenson, Mr. Weaver, Mr. Gray of Illinois, Mr. Tauzin, and Mr. Moakley.

H.R. 2337: Mr. Berman.

H.R. 2361: Mr. Evans of Illinois, Mr. Markey, and Mr. Levine of California.

H.R. 2371: Mr. Seiberling.

H.R. 2398: Mr. Cobey, Mr. Wortley, Mrs. Johnson, Mr. Thomas of Georgia, Mr. Lagomarsino, Mr. McHugh, Mr. Valentine, Mr. Parris, Mr. Emerson, Mr. Darden, Mr. McGrath, and Mr. Clinger.

H.R. 2495: Mr. Valentine.

H.J. Res. 135: Mr. Porter, Mr. Hartnett, Mr. Foley, Mrs. Boggs, Mrs. Schneider, Mr. Rangel, Mr. Regula, Mr. Rose, Mr. Gilman, Mr. Miller of Ohio, Mr. Edgar, Mr. Pursell, Mr. Robinson, and Mr. Jones of North Carolina.

H.J. Res. 156: Mr. McEwen.

H.J. Res. 205: Mr. Reid, Mr. Clinger, Mr. Stallings, Mrs. Lloyd, Mr. Packard, Mr. Hutto, Mr. Matsui, Mr. Howard, Mr. Mavroules, Mr. Frost, Mr. Gunderson, Mr. Andrews, Mr. Staggers, Mr. Gilman, Mr. Waxman, Mr. Parris, Mr. Tauke, Mr. Shaw, Mr. Donnelly, Mr. DeLay, Mr. Hartnett, Mr. Moorhead, Mr. Valentine, Mr. Gallo, and Mr. Young of Alaska.

H.J. Res. 218: Mr. O'Brien, Mr. Bustamante, Mr. Guarini, Mr. Wyden, Mr. de la Garza, Mr. McHugh, Mr. Andrews, Mr. Young of Alaska, Mr. Valentine, Mr. Bateman, and Mr. Wolf.

H.J. Res. 229: Mr. Chandler, Mr. Crockett, Mr. Evans of Illinois, Mr. Gekas, Mrs. Holt, Mr. Hyde, Mr. Jeffords, Mr. Manton, Mr. Mineta, Mr. Packard, Mr. Perkins, Mr. Roybal, Mr. Saxton, Mr. Scheuer, Mr. Stokes, and Mr. Vento.

H. Con. Res. 35: Mr. Emerson.

H. Con. Res. 69: Mr. Spence, Mr. Mavroules, and Mr. Mack.

H. Con. Res. 90: Mr. Mrazek, Mr. Saxton, and Mr. Schaefer.

PETITIONS, ECT.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

112. By the SPEAKER: Petition of the County Council, Hilo, HI, relative to the Soil Conservation Service; to the Committee on Agriculture.

113. Also, petition of the city of Cleburne, TX, relative to the Fair Labor Standards Act; to the Committee on Education and Labor.

114. Also, petition of the city of Breckenridge, TX, relative to the Federal Fair Labor Standards Act; to the Committee on Education and Labor.

115. Also, petition of the Summit County Council of Governments, Akron, OH, relative to Federal revenue sharing; to the Committee on Government Operations.

116. Also, petition of the Estonian American National Council, New York, NY, relative to the war criminals investigation; to the Committee on the Judiciary.

117. Also, petition of the Order of the Founders and Patriots of America, Richmond, VA, relative to a balanced budget and tax limitation amendment; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1872

By Mr. BENNETT:

—At the end of Title II, add the following new section:

Sec. 207(a) The Congress hereby finds—

(1) that for more than a decade the member nations of the North Atlantic Treaty Organization (NATO) have provided in the aggregate significantly larger resources for defense purposes than have the member nations of the Warsaw Treaty Organization;

(2) that, despite this fact, the Warsaw Treaty Organization member nations have produced and deployed many more major combat items such as tanks, armored personnel carriers, artillery pieces and rocket launchers, armed helicopters, and tactical combat aircraft than have the member nations of NATO; and

(3) that a major reason for this discouraging performance by NATO is inadequate cooperation among NATO nations in research, development, and production of military end-items of equipment and munitions.

(b) The Congress, therefore, urges and requests the President, the Secretary of Defense, and the United States Representative to the North Atlantic Treaty Organization to pursue diligently opportunities for member nations of NATO to cooperate in research and development on defense equipment and munitions and in the production of defense equipment, including coproduction of conventional defense equipment by the United States and other member nations of NATO and production by United States contractors of conventional defense equipment designed and developed by other member nations of NATO.

(c)(1) Of the funds appropriated pursuant to the authorization in section 201(a) for research, development, test, and evaluation, the sum of $200,000,000 shall be available, in equal amounts, to the Army, Navy, Air Force, and Defense Agencies only for NATO cooperative research and development projects as provided in this section.

(2) As used in this section, the term "cooperative research and development project" means a project involving joint participation by the United States and one or more other member nations of NATO under a memorandum of understanding or other formal agreement to carry out a joint research and development program on conventional defense equipment and munitions, or to modify existing military equipment to meet United States military requirements.

(d) A memorandum of understanding or other formal agreement to conduct a cooperative research and development project may not be entered into unless the United States of Defense determines that the proposed project enhances the ongoing multinational effort to improve NATO's conventional defense capabilities through the application of emerging technology. The Secretary of Defense may not delegate the authority to make such determination except to the Deputy Secretary of Defense or the Director of Defense Research and Engineering.

(e) In order to assure substantial participation on the part of other member nations of NATO in approved cooperative research and development projects, funds made available under subsection (c) for such projects may not be used to procure equipment or services from any foreign government, foreign research organization, or any other foreign entity.

(f) The Secretary of Defense shall encourage other member nations of NATO to establish programs to the one provided for in this section.

(g)(1) In order to ensure that opportunities to conduct cooperative research and development projects are considered during the early decision points in the Department of Defense's formal development review process in connection with any planned project of the Department of Defense, the Director of Defense Research and Engineering shall prepare a formal arms cooperation opportunities document for review by the Defense Systems Acquisition Review Council at its formal meetings. The Director shall also prepare an arms cooperation opportunities document for reviews of new projects for which a Justification of Major Systems New Start document is prepared.

(2) The formal arms cooperation opportunities document referred to in paragraph (1) shall include the following:

(A) A statement indicating whether or not a project similar to the one under consideration by the Department of Defense is in development or production by one or more of the other NATO member nations.

(B) If a project similar to the one under consideration by the Department of Defense is in development by one or more other member nations of NATO, an assessment by the Director of Defense Research and Engineering as to whether that project could satisfy, or could be modified in scope so as to satisfy, the military requirements of the United States project under consideration by the Department of Defense.

(C) An assessment of the advantages and disadvantages with regard to program timing, developmental and life cycle costs, technology sharing, and Rationalization, Standardization, and Interoperability (RSI) of seeking to structure a cooperative development program with one or more other NATO member nations.

(D) The recommendation of the Director of Defense Research and Engineering as to whether the Department of Defense should explore the feasibility and desirability of a cooperative development program with one or more other member nations of NATO.

(h)(1) It is the sense of the Congress that the Department of Defense should perform more side-by-side testing of conventional defense equipment manufactured by the

United States and other member nations of NATO and that such testing should be conducted at the late stage in the development process when there is usually only a single United States prime contractor.

(2) In addition to any funds appropriated for activities of the Director of Defense Test and Evaluation pursuant to section 201(a), $50,000,000 shall be available to the Director, from any other funds appropriated pursuant to an authorization in this division, to acquire items of the type specified in paragraph (2) manufactured by other member nations of NATO for side-by-side comparison testing with comparable items of United States manufacture.

(3) Items that may be acquired under paragraph (1) by the Director of Defense Test and Evaluation include, but are not limited to the following:

(A) Submunitions and dispensers.

(B) Anti-tank and anti-armor guided missiles.

(C) Mines, for both land and naval warfare.

(D) Runway-cratering devices.

(E) Torpedoes.

(F) Mortar systems.

(G) Light armored vehicles and major subsystems thereof.

(H) Utility vehicles.

(I) High-velocity anti-tank guns.

(J) Short-Range Air Defense Systems (SHORADS).

(K) Mobile air defense systems and components.

(4) The Director of Defense Test and Evaluation shall notify the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives of his intent to obligate funds under this subsection not less than 30 days before such funds are obligated.

(5) Not later than February 1, 1986, and annually thereafter, the Director of Defense Test and Evaluation shall provide to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives a report on the systems, subsystems, and munitions produced by other member nations of NATO that were evaluated during the previous fiscal year by the Director and on the obligation of any funds under this subsection during the preceding fiscal year.

By Mr. KRAMER:

—Page 23, line 11, strike out "$13,151,210,000" and insert in lieu thereof "$12,526,710,000".

Page 23, line 12, strike out "$6,305,732,000" and insert in lieu thereof "$6,830,232,000".

Page 26, line 2, insert "(a) Program Limitations.—before "Of the amount".

Page 26, after line 14, insert the following:

(b) Cancellation of Midgetman Small ICBM Program.—None of the funds appropriated pursuant to authorizations of appropriations in this title may be obligated or expended for research, development, test, or evaluation relating to a landbased small, single-warhead, mobile intercontinental ballistic missile.

Page 26, line 16, strike out "$2,472,962,000" and insert in lieu thereof "$2,997,462,000".

Page 26, line 22, strike out the semicolon and insert in lieu thereof "and $524,500,000 is available for such programs under the Strategic Defense Initiatives as the Secretary of Defense considers appropriate;".

SENATE—*Monday, June 3, 1985*

The Senate met at 12 noon and was called to order by the Honorable JOHN C. DANFORTH, a Senator from the State of Missouri.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

*For there is no power but of God: the powers that be are ordained of God * * *. For rulers * * * are the ministers of God for good.*—Romans 13:1,4.

God of all powers, we thank Thee for the benefits of the recess—for work accomplished, constituent and public contacts, time with families, rest and refreshing. We thank Thee for the safe return of those who traveled. As the Senate returns to its business, may these next 4 weeks enjoy Thy special blessing. Help the Senators to be sensitive to their obligation to the millions who look to them for equitable legislation. Remind them that there is no substitute for truth—that to settle for less is to jeopardize the welfare of the people whose destiny is in their hands. Give them wisdom in study, clarity in debate, and courage to take a righteous stand. Help them not to allow human rights to be hostage to political ambition or caprice. In His name Who is truth. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 3, 1985.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN C. DANFORTH, a Senator from the State of Missouri, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. DANFORTH thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders each have 10 minutes, unless time is reserved by the leaders, followed by a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] not to exceed 15 minutes; routine morning business not to extend beyond 1 p.m., with statements limited therein to 5 minutes each.

Following morning business, at no later than 1 p.m., the Senate will resume consideration of S. 1160, the Department of Defense authorization bill. At that time, by unanimous consent, the Senator from Massachusetts [Mr. KERRY] will be recognized to offer his amendment dealing with SDI. Other amendments are expected to be debated during today's session but no rollcall votes will occur.

So I would hope that we could carry out the intent of the Members on each side to offer the amendments, complete the debates, and then we will have the rollcall votes at an appropriate time tomorrow. It is important that we finish the SDI amendments. I think there may be some concern from Members on both sides about SALT II amendments, since the report is not going to be available now until June 10. I plan to visit with the distinguished minority leader later this afternoon to see if there might be some way to accommodate those Senators who have amendments with another vehicle at the time the report is released. This would appear appropriate given that a number of the amendments are based on the findings the President will announce when the report is released. So I will be discussing the possibilities of another legislative vehicle for the SALT II amendments with the distinguished minority leader.

Also, I want to point out that we do have a number of items to be considered during the month of June and there are only about 20 legislative days before the July 4 recess. I am providing to the distinguished minority leader a copy of a "wish list." Hopefully, we could complete all these without any difficulty, but I doubt that.

I ask unanimous consent that the list of those items be included in the RECORD at this point so that other Members may know what we hope to do in the month of June.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ITEMS TO BE CONSIDERED DURING THE MONTH OF JUNE

The following are items the Majority Leader wishes to dispose of prior to the 4th of July recess:

Finish D.O.D. authorization bill by the middle of this week.

State Department authorization bill, S. 1003.

Clean Water, S. 1128.

Supplemental Appropriations bill, H.R. 2577.

Constitutional Amendment calling for a Balanced Budget, S.J. Res. 13.

Legal Services Corporation nominations.

Several Commerce Committee authorization bills:

NOAA oceans authorization bill, S. 990.

NOAA atmosphere authorization bill, S. 1103.

Consumer Product Safety act authorization bill, S. 1077.

Motor Vehicle Safety act authorization bill, S. 863.

Superfund, S. 51 (Using a House revenue raising bill number).

Nuclear Regulatory Commission, S. 895.

Line Item Veto, if available.

Statue of Liberty Coin Bill, H.R. 47.

Conference report to accompany the Supplemental Appropriations bill, if available.

Conference report to accompany the Budget Resolution, if available.

The Senate could also take up other Legislative or Executive items that have been cleared. Therefore, the month of June will be a busy one, and frequent late nights can be expected in order to dispose of all of the items just identified.

Mr. DOLE. Mr. President, I know there are nominations with which we have to deal and that some of those may be somewhat controversial, but I am hopeful that we can conclude action.

Mr. President, we are prepared to go back on the DOD authorization. I will be visiting with the minority leader concerning the SALT amendments. Then on Wednesday, it would still be my hope that whatever we may be doing will be set aside temporarily so that we can take up the State Department authorization and deal with the various aid to the Contras amendments that were noted before we recessed last week.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. President, I ask unanimous consent that I may reserve the remainder of my time.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MEASURE PLACED ON CALENDAR

The ACTING PRESIDENT pro tempore. The clerk will read Senate Joint Resolution 116.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 116) to assure the cost-of-living adjustments for Social Security recipients.

Mr. BYRD. Mr. President, I object to further consideration of this measure under rule XIV, which will have the effect of placing it on the calendar.

The ACTING PRESIDENT pro tempore. The bill will be placed on the calendar.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

SENATE SENTIMENT FOR STRONG MILITARY VIRTUALLY UNANIMOUS

Mr. PROXMIRE. Mr. President, is there a significant body of true doves in the Senate? Is there any substantial sentiment for unilateral disarmament? Is there any knee-jerk opposition to destructive nuclear weapons? The answer is an emphatic "No!"—no, Mr. President.

For several years now, a group called the American Security Council has been rating Members of the House and the Senate on their dedication to our votes on defense. This Senator—together with a number of others—has consistently scored literally as low as you can get on this scorecard—not 50 percent or 40 percent or 30 percent but zero. That rating has been shared with a number of my colleagues here in the Senate.

Mr. President, one would think that a zero rating on national defense from an outfit called the American Security Council would signify heavy political baggage, a tough cross to bear. I have news for the American Security Council. That zero rating was one of the best things I had going for me in the 1982 campaign. And I noticed that the overwhelming majority of my colleagues who also were rated as zeros by the American Security Council had no trouble winning reelection, and easily. Again and again, when I would be interviewed by papers around the State during the election, I would hear, "Well, Proxmire, the one thing you really have going for you is that zero rating by the American Security Council."

Now, what gives here? Are the people of Wisconsin that unconcerned about our national defense? Do they really feel that a zero vote by an organization that calls itself the American Security Council, in a rollcall aimed at evaluating the attachment of Members of Congress to national security is that insignificant? The fact, Mr. President, is that the people of my State care deeply about our national defense. They fully understand the importance of a strong military force. They want this country militarily strong. In Wisconsin, we take great pride in our National Guard and its superb record of gallantry in serving our country time and again in wartime. Wisconsin has a long list of military heroes. So explain Wisconsin support for a Senator who is consistently critical of military spending?

The answer, Mr. President, is that Wisconsin citizens, by and large, see no contradiction between favoring a negotiated freeze designed to stop the arms race while building a stronger nuclear deterrent. They see no reason why a Senator who wants that stronger military force cannot consistently vote against controversial weapons systems like the MX and the B-1B bomber. They understand the argument that these weapon systems are vulnerable and soon-to-be-obsolete.

The MX and the B-1B issues dramatize what I mean when I say the U.S. Senate belongs almost exclusively to those who want a strong American military force—not an expensive, costly, high-priced military force, but a strong force. And they judge weapons systems on whether or not they contribute to that strength.

Here is how the MX and the B-1B dramatize this Senate attitude. The MX advocates argue that the Russians have a vast superiority in accurate, hard-target-kill intercontinental ballistic missiles. They are right. The Russians do have this advantage. Would the MX begin to diminish this advantage? Would it give the United States a far more accurate and devastating nuclear weapon than anything we have now? Would it increase the credibility of our deterrent? After all, doesn't it pose a threat to Russia's ICBM's? Even if the answer to all these questions is "No," doesn't the MX provide a useful bargaining chip for the ongoing arms control talks at Geneva?

Mr. President, the answer on the MX has little or nothing to do, in the judgment of this Senator, with any issue except strict military merit. If the MX had military merit, it would have had the support of this Senator. There would have been almost no opposition to it. Most of us who opposed it did so on one ground alone. It would not increase the military strength of this Nation. The American Security Council will probably carry the MX vote as an index of the commitment by Senators to military strength. This Senator opposed the MX because it is vulnerable. And, oh, how vulnerable it will be. The Air Force tells us that by 1988, the Soviet Union will be able to knock out 99 percent of our land-based stationary missiles with a single preemptive strike. So what is the MX? It is a land-based stationary missile. Is it an effective bargaining chip? Of course not. It will be in the one mode that the U.S.S.R. knows it can take out. Why should they negotiate for its elimination?

Above all, Mr. President, I oppose the MX on the strictly military grounds that we have a weapons option that is far superior. Within a very few years, we can have a D-5 hard-target-kill missile that we can base on our mobile, quiet, invisible, and invulnerable submarines. It will make the D-5 totally invulnerable. I will vote for the D-5. I will do so, knowing that it is a devastatingly destructive nuclear weapon. Its acquisition will not only greatly enhance our deterrent; it will give us a hard-target-kill capacity matching that of the Russians. All this means it will provide a firm basis for negotiating from strength.

And how about the B-1B? Why should I oppose the first newly designed bomber in more than a generation? Isn't it true that many B-52 pilots are flying bombers that were designed before they were born? It is true. So isn't it time at long last to give the Air Force a new bomber? It is, indeed. But that new bomber should not be the B-1B. And, again, we should not buy this new weapons system. We should not buy it for strictly military reasons. It provides far too little advantage over the B-52.

On the other hand, the Stealth bomber, which will be available in a few years, offers a clear and decisive advantage over the B-52 and over the B-1B. The Stealth can penetrate the Soviets' intensely protected airspace with far greater assurance. Many military targets within the Soviet Union cannot be reached by the B-52 or the B-1B. The Stealth can reach those targets. I oppose a massive new multibillion-dollar investment in the B-1B because the B-1B is a bad military buy. I will vote for the Stealth bomber, knowing it can be a devastating military weapon when equipped with missile-toting nuclear warheads. Once again, I will do so, knowing that this weapons system will truly bolster our deterrent.

The Stealth bomber will strengthen our bargaining position with the Soviet Union because they must recognize that it has the technology that can frustrate their radar and other protections in their airspace and penetrate their defenses. Like the D-5 and unlike the MX and the B-1B, the Stealth bomber will provide the U.S. arsenal with a conspicuous improvement in the capability of our military force. It will thereby enhance our ability to negotiate an effective arms control agreement.

An end to the arms race and a peaceful world must be our objective. Most Senators who oppose the MX, the B-1B and other soon-to-be-obsolete weapons systems do so not because we believe that American military strength is not important. We do so because we think it is important. We do so because other weapons systems offer far better alternatives for achieving the military strength we need.

JACOBS TAGS CONTRAS FOR WHAT THEY ARE: WOLVES IN SHEEP'S CLOTHING

Mr. PROXMIRE. Mr. President, one of the brightest and most articulate Members of the U.S. Congress is the Representative from the 10th District of Indiana, Andrew Jacobs. On May 27, the New York Times published a letter from Representative Jacobs vigorously protesting the attempt by the administration to sell aid to the Nicaraguan rebels as aid to freedom fighters.

Jacobs smacks that sales job right on the nose. He writes:

> The so-called freedom fighters in Nicaragua are in fact commanded by remnants of the reign of the dictator Anastasio Somoza Debayle. Forty-six of the 48 "contra" commanders are former Somoza national guardsmen. And the anemic civilian front for the "contras" is constantly complaining that the military is running their show.
>
> The "contras" are right-wing dictators.
>
> The Sandinistas are left-wing dictators.
>
> So where did anybody get the idea that either side in Nicaragua is for freedom? From the Reagan Administration, that's where.
>
> President Reagan sent over to wardrobe for some sheep suits.
>
> In other words, the "contras" are wolves in sheep's clothing and the Sandinistas are wolves in wolves' clothing.
>
> Whose side should we be on?
>
> Neither.

Mr. President, this letter by Andrew Jacobs is a masterpiece. It is so directly relevant to the issue of aid to the Contras, which this body will take up on Wednesday, that I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

THERE ARE NO THOMAS JEFFERSONS IN NICARAGUA

To the Editor:

In "The Next Step in Dealing With Nicaragua: Fund the 'Contras' " (Op-Ed, May 9), John R. Silber wrote: "Presumably those in Congress who voted against military and nonmilitary aid to the freedom fighters expect that at some point the Sandinistas will restore freedom of the press and political life, will end human-rights abuses and will expel not merely a token 100 Cuban advisors but all Soviet and Cuban advisers."

When I cast my district's vote in opposition to borrowing money for borrowing trouble in the Nicaraguan civil war, I did not do so under any illusion that the "contras" or the Sandinistas spiritually hold hands with Thomas Jefferson.

The so-called freedom fighters in Nicaragua are in fact commanded by remnants of the reign of the dictator Anastasio Somoza Debayle. Forty-six of the 48 "contra" commanders are former Somoza national guardsmen. And the anemic civilian front for the "contras" is constantly complaining that the military is running their show.

The "contras" are right-wing dictators.

The Sandinistas are left-wing dictators.

So where did anybody get the idea that either side in Nicaragua is for freedom? From the Reagan Administration, that's where.

President Reagan sent over to wardrobe for some sheep suits.

In other words, the "contras" are wolves in sheep's clothing and the Sandinistas are wolves in wolves' clothing.

Whose side should we be on?

Neither.

We've already done an enormous amount to win the unpopularity contest in Nicaragua by backing the dreaded Somoza for 40 years.

Now, we should save our money, our face and inevitably the lives of our sons by letting the Soviet Union take its turn at being the villain by medding in Nicaragua.

As for the threat posed by an unfriendly Nicaragua, a country with a population not a lot larger than that of Indianapolis, and far, far less industrial, one should bear in mind that as a military threat, China, with intercontinental nuclear missiles is infinitely closer to our borders than Nicaragua. Yet the Administration is even now arranging for General Electric and other United States companies to sell nuclear technology to China with no strings attached about the use of the nuclear waste (U.S. law requires such strings, by the way).

The Administration is saying, in effect, that the second most powerful Communist country on earth is so little threat to us that we can supply it with nuclear technology, but that tiny and backward Nicaragua is a mortal threat to our vital interests. Who's kidding whom?

We're told that if left-wing dictators prevail over the right-wing ones in Nicaragua and El Salvador, there will be a flood of illegal immigrants into our country. But there is already a flood of illegal immigrants into our country from El Salvador and Nicaragua.

Where the right-wing dictator wins, we get left-wing illegal immigrants. Where the left-wing dictator wins, we get right-wing illegal immigrants.—Andrew Jacobs Jr., Member of Congress, 10th Dist., Ind., Washington, May 10, 1985.

ARGENTINE PAST STILL HAUNTS PRESENT

Mr. PROXMIRE. Mr. President, it has been over half a year since Argentina's National Commission on the Disappearance of Persons released its report on the human rights violations of the former military dictatorship. Since that time there has been a disquieting lack of vigor in the prosecution of military officials. Of the 1,300 military officers implicated in the commission's report for kidnaping, torture, and murder, only 6 were under arrest by the beginning of this year.

The National Commission on the Disappearance of Persons was set up by Raúl Alfonsín soon after he assumed the Presidency in 1983. His new civilian government promised a movement away from the brutal military dictatorship that had ruled Argentina since 1975. The commission offered hope that reform would include swift justice for the thousands of human rights violations which had occurred during the preceding 8 years. Unfortunately, this has not been the case.

President Alfonsín has been confronted with a difficult task. He faces a military power structure that has dominated Argentine society for 50 years—one that still feels it has the best solutions to the nation's problems and whose retention of power makes it a threatening force of opposition should social disruption occur. Many of Alfonsín's military reforms have been admirable, including defense budget cuts, reduction of the number of generals in active service, and attempts to reduce tensions with Chile to take away the military's traditional excuse for an arms buildup.

These efforts should be supported, but must include an expeditious plan to bring military criminals to justice. Unless this occurs the ruthless leaders of the past may surface once again, bringing with them a wave of death and terror.

Eight thousand nine hundred and sixty-one documented cases of murder, kidnaping, and torture exist; the number may reach 30,000. The Argentine people must act on their behalf, bringing their tormentors to justice. Similarly, we in the international community must speak out about human rights violations wherever and whenever they occur. One tool available to us is the Genocide Treaty, which will not only address acts of genocide, but will put the United States on a higher moral ground from which to speak. I urge that we ratify the treaty, reaffirming our commitment to human rights in its myriad forms.

Mr. President, the Foreign Relations Committee has reported the Genocide Treaty to the floor of the Senate. This is the sixth time it has been reported to the floor of the Senate. The Senate has failed to act on it before.

We passed a resolution in the closing days of the last session in which we committed ourselves to take up the Genocide Treaty and act on it early in the 99th Congress.

We are already about 4 or 5 months into the 99th Congress. The treaty is on the floor, and I earnestly hope the leadership on both sides will consider taking up that treaty as soon as we can.

We know, on the basis of all the evidence, that the treaty will be bitterly opposed by a small number of Senators and probably filibustered. So the sooner we get to that action, the better. If we hope and if we can expect to act on that treaty in this session, let alone early in the session, we have to bring it up and bring it up very soon.

I earnestly hope that the leadership will choose to do so.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 1 p.m with statements therein limited to 5 minutes each.

ECSTASY

Mrs. HAWKINS. Mr. President, although it has been around since 1914, and enjoyed a brief popularity during the 1960's, the drug MDMA is beginning to realize a great resurgence in use. The reason for its recurring popularity can be seen in the nickname it has acquired: "Ecstasy."

A derivative of nutmeg, MDMA produces effects in users not unlike those of mescaline and amphetamines. The scientific research that has been done on MDMA has determined that the size of the dosage is, indeed, in direct relation to the effect of the drug. In low dosages, for example, the psychotropic effects do not differ from those of mescaline, peyote, MDA, or hallucinagenic substances. In larger dosages, effects like those caused by the drug LSD occur. MDMA is deemed as so potentially dangerous that scientists who participated in experiments involving Ecstasy stated that many of the current drugs classified by the Drug Enforcement Administration as most dangerous are actually safer than MDMA.

Despite this information, MDMA is being touted by its current users as the perfect drug—they are saying that there are no side effects, it is nonaddictive, and it is nonhallucinagenic. The drug has also been endorsed by some psychotherapists who claim that MDMA is useful in the treatment of certain psychological illnesses. Ecstasy is, at present, so popular that it has developed its own lobbying organization to try to prevent the DEA from taking steps to make its use illegal.

Mr. President, this is nonsense—dangerous nonsense.

I can recall almost identical such claims when cocaine was becoming the national drug of choice, and when LSD was becoming the fashionable narcotic. As we all know, both these illicit narcotics have been scientifically proven to be the destructive drugs that they are. The growing street use of MDMA is particularly frightening, as basic though increasingly verificable evidence does in fact point to the side effects of this drug; blurred vision, dizziness, nausea, elevated blood pressure, and hallucinations. All this is known, Mr. President, and we are just beginning to research the effects of Ecstasy.

In many of the articles that have recently been printed about this drug, it is stated that U.S. drug control officials do not yet consider MDMA a serious national health problem. It is also indicated, however, that the rapidly increasing use of Ecstasy is causing much concern. As demand increases, and there is every indication that it will, the potential for even more dangerous counterfeit versions of the drug also increases—and this is just one of the negative fallouts of Ecstasy.

Mr. President, it is fact that those who forget history are doomed to repeat its mistakes. I do not want to see the same number of young lives ruined, or ended, by Ecstasy, as there were by LSD and cocaine when too little was known about the damage these drugs could do. The Drug Enforcement Administration is just now looking into the inclusion of MDMA in schedule I of the Controlled Substances Act. This is an apt indication of the universal concern over MDMA. I commend the Drug Enforcement Administration for their quick action toward controlling this dangerous narcotic, and hope this agency will continue in its efforts to outlaw use of MDMA.

If all of us in the war against drugs remain constant in our efforts to keep Ecstasy from becoming yet another drug of abuse, we can virtually head off another narcotics epidemic. In effectively keeping Ecstasy off our streets and out of our schoolrooms, we can, indeed, save thousands of our childrens' lives.

NATIONAL CHILD SAFETY MONTH

Mr. DOLE. Mr. President, the Senator from Kansas would like to take a moment to recognize the special efforts made by concerned parents and community leaders throughout the country last month to promote the safety of children in recognition of May being "Child Safety Month."

The protection of children should be at the top of our Nation's priorities. Tens of thousands of children disappear each year in this country—children who runaway or are abducted; children who fall victim to abuse or exploitation and, in some cases, violent death. In recent years, the public has become increasingly aware of the magnitude of the problem. And our collective shock and outrage has prompted us to act.

Congress has passed legislation to provide additional assistance to State and local authorities in locating missing children. We have held hearings and passed declarations to help educate the media and public. But it is the people at the grassroots level who are making the greatest contribution.

For instance, I have been proud to join local citizens in cosponsoring a series of child safety days throughout the State of Kansas for the purpose of providing information on how to prevent children from being abducted and how to respond if a child disappears. Parents and teachers are encouraged to discuss safety tips with children. Community officials also assist parents in preparing identification packets for each of their children to help authorities find them should they ever become missing.

The Senator from Kansas congratulates those towns and cities in Kansas, which, to date, have held a "Child Safety Day": Ulysses, Meade, Johnson, Plains, McPherson, Horton, Hutchinson, Wichita, and Newton. And I salute those good people in Kansas, as well as in all the other States, who devoted their time and love to last month's special nationwide effort to keep our children safe and secure.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 29 and May 31, 1985, received messages from the President of the United States, transmitting sundry nominations which were referred to the appropriate committees.

(The nominations received on May 29 and May 31, 1985 are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE CORPORATION FOR PUBLIC BROADCASTING—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT—PM 51

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 29, 1985, during the adjournment of the Senate, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with the Communications Act of 1934, as amended (47 U.S.C. 396(i)), I transmit herewith the Annual Report of the Corporation for

Public Broadcasting for Fiscal Year 1984.

RONALD REAGAN.

THE WHITE HOUSE, *May 29, 1985.*

PROGRAM FOR REDESIGNING THE TAX CODE—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT—PM 52

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 29, 1985, during the adjournment of the Senate, received the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Finance:

To the Congress of the United States:

We face an historic challenge: to change our present tax system into a model of fairness, simplicity, efficiency, and compassion, to remove the obstacles to growth and unlock the door to a future of unparalleled innovation and achievement.

For too long our tax code has been a source of ridicule and resentment, violating our Nation's most fundamental principles of justice and fair play. While most Americans labor under excessively high tax rates that discourage work and cut drastically into savings, many are able to exploit the tangled mass of loopholes that has grown up around our tax code to avoid paying their fair share—sometimes to avoid paying any taxes at all.

The American people want change and for very good reason. Our present tax code is not only unfair, it slows economic growth and job creation, and hinders technological advancement by interfering with markets and diverting productive investment into tax shelters and tax avoidance schemes. In 1981, we made the first necessary, historic step by cutting tax rates and opening the way to vibrant economic growth and expanding opportunity for all Americans. Now is the time to build on our success, to redesign the basic structure of our tax system in order to discourage non-productive economic activity, to encourage greater compliance and to liberate incentives still further.

Accordingly, I hereby submit my proposal to overhaul our tax code based on the principles of simplicity and fairness, opening the way to a generation of growth. This is a tax proposal we can be proud of, a proposal that will help fulfill America's commitment to fairness, hope, and opportunity for all its citizens.

I urge your prompt enactment of this historic program for redesigning the tax code, and I look forward to working with you toward that end.

RONALD REAGAN.

THE WHITE HOUSE, *May 29, 1985.*

REPORT ON SOVIET WHALING ACTIVITIES—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT—PM 53

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 31, 1985, during the adjournment of the Senate, received the following message from the President of the United States, which was referred to the Committee on Finance:

To the Congress of the United States:

Pursuant to the provisions of subsection (b) of the Pelly Amendment to the Fishermen's Protective Act of 1967, as amended (22 U.S.C. 1978(b)), I am reporting to you following certification by the Secretary of Commerce that the Soviet Union has conducted whaling activities that diminished the effectiveness of the International Whaling Commission conservation program.

Under the Pelly Amendment, when the Secretary of Commerce determines that a foreign country is conducting a fishing operation that diminishes the effectiveness of an international fishery conservation program, he will certify this determination to the President. After receiving a certification, the President may direct the Secretary of the Treasury to embargo the offending country's fishery products to the limits of the General Agreement on Tariffs and Trade. Within 60 days following the certification, the President is required to notify the Congress of any action taken under the certification.

On April 1, 1985, Secretary of Commerce Malcolm Baldrige certified the Soviet Union for whaling that diminished the effectiveness of the International Whaling Commission (IWC) conservation program. Secretary Baldrige based his determination on: (1) the Soviet harvest of Southern Hemisphere minke whales was greater than the level the United States considered the U.S.S.R.'s traditional share; (2) the 1984–85 IWC quota for Southern Hemisphere minke whales was exceeded due to Soviet harvest; and (3) there had been no indication that the Soviets intended to comply with IWC standards.

Southern Hemisphere minke whales are taken by the Soviet Union, Japan, and Brazil. The quota for these minke whales is divided into six areas. Brazil harvests whales from a land-based operation in Area Two, and Japan and the Soviet Union then divide the quota for the remaining five areas.

The Soviet Union, Japan, and Brazil have objected to the IWC Southern Hemisphere minke whale quota and, consequently, are not bound by the quota under international law. Even though the objections release the governments from any treaty obligation to observe the IWC limit, the taking of more minke whale than established by quota is inconsistent with this international conservation standard and, in the absence of any indication of compliance with IWC standards, diminishes the effectiveness of the Commission and its conservation program.

For the 1984–85 whaling season, Japan and the Soviet Union agreed not to exceed their 1983–84 harvest levels of 3027 and 3028, respectively, of Southern Hemisphere minke whales. These levels, if met, would exceed the 1984–85 IWC quota of 4224. Based on past allocations, the United States indicated that Japan and the Soviet Union could each take 1941 minke whales and remain consistent with the IWC limit. Japan has observed this limit, but the Soviet Union has not. We have taken a number of steps to resolve the Soviet whaling problem.

The trade sanctions authorized by the Pelly Amendment against Soviet fish products will not aid other Administration efforts to change the Soviet whaling policy. Under the Packwood-Magnuson Amendment, we cut in half Soviet-directed fishing allocations in our exclusive economic zone. We have also encouraged the Japanese to refrain from importing Soviet whale products taken contrary to the IWC conservation program, and Cabinet-level officials have met with Soviet officials to resolve the problem. These actions are designed to encourage the Soviet Union to observe the IWC program. A Pelly Amendment embargo, however, will have a negligible effect on the Soviet Union, as most of the products imported into the United States, such as king crab, are highly marketable elsewhere.

In addition, United States fishing interests could be seriously harmed by such a sanction. An embargo imposed in 1985 could cost the United States 90,000 metric tons of expected joint-venture catch and over $12 million. An embargo could result in the permanent dissolution of the U.S.-U.S.S.R. joint-venture company, which provides markets for underutilized species and fish that might solely be harvested by foreign vessels. Unemployment of U.S. fishermen and other related workers could also result from the loss of this joint-venture company.

In light of this assessment of the effect of an embargo on Soviet fishery products, I have not taken any action against the U.S.S.R. under the Pelly Amendment. If the Soviet Union makes no progress towards complying with the IWC program, I intend to reassess my position and take necessary action. I will send you a supplemental report at that time.

RONALD REAGAN.

THE WHITE HOUSE, *May 31, 1985.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE RECEIVED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 29, 1985, during the adjournment of the Senate, received a message from the House of Representatives announcing that the House has agreed to the concurrent resolution (S. Con. Res. 32) setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988, and revising the congressional budget for the U.S. Government for the fiscal year 1985, with amendments; it insists upon its amendments, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. GRAY of Pennsylvania, Mr. WRIGHT, Mr. HEFNER, Mr. DOWNEY of New York, Mr. LOWRY of Washington, Mr. DERRICK, Mr. FAZIO, Mr. MILLER of California, Mr. FROST, Mr. LEATH of Texas, Mr. LATTA, Mr. KEMP, Mrs. MARTIN of Illinois, Ms. FIEDLER, Mr. BROWN of Colorado, Mr. BOULTER, and Mr. MOORE as managers of the conference on the part of the House.

MEASURES PLACED ON THE CALENDAR

The following joint resolution was read the second time and placed on the calendar:

S.J. Res. 116. Joint resolution to assure the cost-of-living adjustments for Social Security recipients.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-229. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Finance.

"H.R. 367

"Whereas, the State of Hawaii presently depends on imported oil for more than ninety percent of its energy requirements, at a cost of over $1 billion a year, representing nearly ten percent of the gross State product; and

"Whereas, Hawaii's consumers who own energy conservation devices saved $27 million on their utility bills in 1983 alone, displacing 365,000 barrels of oil; and

"Whereas, the majority of those claiming tax credits in the State of Hawaii report adjusted gross incomes of between $20,000 and $40,000, and in 1983, the proportion of low-income claimants, or those with adjusted gross income under $20,000, grew from 12 percent in 1981 to 22 percent; and

"Whereas, 329,500 dwelling units in the State of Hawaii do not yet benefit from the installation of a solar water heating system or energy conservation device, representing approximately 84 percent of the residential housing market; and

"Whereas, federal energy tax incentives stimulate Hawaii's emerging solar industry and create jobs, achieve positive environmental impacts by utilizing the energy available at the site, accelerate new technological development, increase the security and reliability of our energy supply, counter-balance long-standing subsidies to provide our citizens with the opportunity to increase their own energy indepenence; and

"Whereas, the energy tax credits have been an effective economic incentive to encourage individuals and businesses to invest in energy efficiency and renewable energy technologies; and

"Whereas, Hawaii's overwhelming complement of renewable energy resources make possible the widespread utilization of solar energy for water heating, producing electricity, and process heat; and

"Whereas, the best interests of the people and the State of Hawaii are served by keeping and preserving the energy tax credits, which, studies have shown, directly contribute to the growth of the solar industry in those States which also have enacted energy tax incentives; and

"Whereas, the State of Hawaii supports a balanced United States energy policy; and

"Whereas, the federal energy tax credit available for the installation of energy saving devices is set to expire on December 31, 1985; now, therefore, be it.

Resolved by the House of Representatives of the Thirteenth Legislature of the State of Hawaii, Regular Session 1985, that this body vigorously support the extension of the federal energy tax credit to December 31, 1990; and be it further.

Resolved, That the United States Congress is urged to take timely action this year to ensure a continuous energy policy, without interruption; and be it further.

Resolved, That certified copies of this Resolution be transmitted to the Governor of the State of Hawaii, the Speaker of the Hawaii State House of Representatives, the President of the Hawaii State Senate, the State Energy Resources Coordinator, the Speaker of the United States House of Representatives, the President of the United States Senate, and the United States Secretary of Energy."

POM-230. A resolution adopted by the board of aldermen of the city of Mandville, LA, opposing the proposed elimination of revenue sharing from the proposed Federal budget for the fiscal year 1986; to the Committee on Finance.

POM-231. A resolution adopted by the commission of the city of Miami, FL, supporting the trade embargo imposed against the Sandinista government of Nicaragua; to the Committee on Finance.

POM-232. A petition from a citizen of Concord, NH urging Congress to stop tax deductions for aborted babies; to the Committee on Finance.

POM-233. A petition from a citizen of Concord, NH, relating to Social Security and Medicare; to the Committee on Finance.

POM-234. A petition from a citizen of Concord, NH, relating to the abandoned soldiers in Vietnam; to the Committee on Foreign Relations.

POM-235. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Foreign Relations.

"H.R. 11

"Whereas the Interim Convention on Conservation of North Pacific Fur Seals between the United States, Japan, Canada, and the U.S.S.R. is now before the United States Senate for ratification; and

"Whereas since the fur seal treaty has been in effect, the fur seal population has increased from 300,000 in 1911 to well over 1.2 million; and

"Whereas the fur seal treaty, the fur seal harvest, and the welfare of the Pribilof Aleut people are inextricably tied together in very complex ways, both culturally and economically; and

"Whereas the fur seal harvest on the Pribilof Islands has been taking place since the late 1700's; and

"Whereas the fur seal harvest remains the main source of income for the residents of the Pribilof Islands while efforts are made to diversify the local economy; and

"Whereas the fur seal harvest is no longer subsidized by the federal government and will be conducted privately on a self-supporting basis; and

"Whereas reputable scientists agree the fur seals are not an endangered species; and

"Whereas the treaty provides for a carefully studied, scientifically controlled harvest of two-year old subadult nonbreeding males only; and

"Whereas there is no scientific evidence to indicate the current level of the commercial harvest of subadult male seals contributes to any decline in the fur seal population, but to the contrary, evidence suggests that culling subadult males contributes to the overall health of the fur seal herd; and

"Whereas cooperative and strengthened research, education, management and enforcement programs are the keys to the conservation of the North Pacific fur seal and these activities can best be carried out through the fur seal treaty; and

"Whereas the National Audubon Society, a respected conservation organization with more than a half-million members, has endorsed the renewal of the fur seal treaty; and

"Whereas a national campaign, featuring misleading and inaccurate information, has been launched by various wildlife groups to convince the United States Senate to reject the treaty; and

"Whereas a hearing before the Foreign Relations Committee will afford the representatives of the Pribilof Islands an opportunity to refute the misleading charges made by the treaty opponents, and to present, under oath, substantiated, scientific information in support of the continuation of the fur seal treaty; and

"Whereas not to provide for a fair hearing on this issue would be disastrous for the Aleut people and would open the way for special interest groups to attack other es-

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sential subsistence activities, such as trapping, whaling, and fishing; be it

"*Resolved* by the House of Representatives that the United States Senate Committee on Foreign Relations is respectfully requested to hold prompt hearings on the Interim Convention on Conservation of North Pacific Fur Seals; and be it further

"*Resolved*, That the United States Senate is respectfully requested to ratify the Interim Convention on Conservation of North Pacific Fur Seals."

POM-236. A resolution adopted by the senate of the State of New Jersey; to the Committee on Foreign Relations.

"Senate Resolution 5

"Whereas, the human rights injustices that have resulted from the continuing conflict in Northern Ireland have, from time to time, been made known to the world; and

"Whereas, this occasional world focus has not directly resulted in helping the beleaguered people of Northern Ireland; and

"Whereas, the United States has historically engaged and continues to engage in diplomatic efforts in other situations throughout the world to secure timely truces among antagonistic parties; and

"Whereas, the United States exercises its good offices to facilitiate the negotiated settlement of the differences between other conflicting parties; and

"Whereas, this House feels that immediate and direct diplomatic efforts of the United States government should be undertaken by the selection of a special envoy, who possesses the necessary diplomatic skills and experience, and who is empowered with the authority of the United States government to institute immediate diplomatic negotiations with all interested parties in Dublin, Belfast and London; now, therefore,

"*Be it resolved by the Senate of the State of New Jersey:*

"1. The Congress and President of the United States are respectfully memorialized to direct that diplomatic initiatives be undertaken by the United States government by the selection of a special envoy who will institute immediate diplomatic negotiations with all interested parties in Dublin, Belfast and London.

"2. Duly authenticated copies of this resolution, signed by the President of the Senate and attested by the Secretary thereof, be transmitted to the President and Vice President of the United States, the Speaker of the United States House of Representatives, and to every member of Congress elected from the State of New Jersey."

POM-237. A petition from a citizen of Concord, NH, urging Congress to stop the VVA charter bill from advancing to the floor of the U.S. Senate for a vote; to the Committee on the Judiciary.

POM-238. A petition from a citizen of Concord, NH, urging the U.S. Senate to reject the Gay Bill of Rights and reaffirm our traditional God-given morality; ordered to lie on the table.

REPORTS OF COMMITTEES SUBMITTED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of May 24, 1985, the following reports of committees were submitted on May 30, 1985, during the adjournment of the Senate:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1103. A bill to authorize certain atmospheric and satellite programs and functions of the National Oceanic and Atmospheric Administration, and for other purposes (Rept. No. 99-75).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1080. A bill to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations, and for other purposes (Rept. No. 99-76).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 832. A bill to extend the time for conducting the referendum with respect to the national marketing quota for wheat in the marketing year beginning June 1, 1986 (with additional views) (Rept. No. 99-77).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent and referred as indicated:

By Mrs. HAWKINS:

S. 1226. A bill to direct the Administrator of General Services to convey certain land situated in Miami Beach, FL, to the city of Miami Beach, FL for park and recreational purposes; to the Committee on Governmental Affairs.

By Mr. D'AMATO (for himself and Mr. Dole):

S. 1227. A bill to provide for waiver of the requirement that proof of actual use be furnished within 3 years after the date an article is entered, and for reliquidation of certain entries of tubular tin products; to the Committee on Finance.

By Mr. ROTH (for himself, Mr. McConnell and Mr. Dodd):

S. 1228. A bill entitled "The U.S.-South Africa Relations Act of 1985;" to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. HAWKINS:

S. 1226. A bill to direct the Administrator of General Services to convey certain land situated in Miami Beach, FL, to the city of Miami Beach, FL, for park and recreational purposes; to the Committee on Governmental Affairs.

CONVEYANCE OF CERTAIN LAND TO MIAMI BEACH, FL

● Mrs. HAWKINS. Mr. President, I am introducing this bill to direct the Administrator of the General Services Administration to convey a small parcel of Federal surplus property to the city of Miami Beach to use for parks and recreation.

The 3.4-acre parcel is located at the southern tip of Miami Beach and is the last parcel of undeveloped land on Miami Beach. Unfortunately the city's coffers have been drained by the many hardships the city has suffered in recent years including the influx of Cubans and Haitians to our shores, the depression of Miami Beach's tourist industry, and the perpetual battle to adequately house our elderly citizens. Thus, the $3.5 million that GSA is asking for the property is well beyond the means of the city at this time.

Miami Beach is a resource used by millions of people from every State in the Union. In addition to being the last undeveloped land on Miami Beach, this particular parcel is on the southern tip of the beach and is perhaps the most beautiful piece of land in Miami Beach. I feel strongly that this property should be made available to be freely enjoyed by everyone.

In fact, the National Park Service office in Atlanta shares my convictions and determined that the highest and best use of the property would be for parks and recreation.

The price that GSA may receive from the public sale of this parcel is insignificant to the Federal budget or even to the budget of the General Services Administration, but the parcel is a national treasure and its value as a park to the millions of visitors from throughout the Nation and the world is beyond calculation.

It is extremely important to me that the General Services Administration grant this property to the city of Miami Beach as it has done in many other instances in the past.

I urge my colleagues to support me in this important endeavor and work toward quick passage of this legislation.●

By Mr. D'AMATO (for himself and Mr. Dole):

S. 1227. A bill to provide for waiver of the requirement that proof of actual use be furnished within 3 years after the date an article is entered, and for reliquidation of certain entries of tubular tin products; to the Committee on Finance.

WAIVER OF REQUIREMENT OF PROOF OF ACTUAL USE

● Mr. D'AMATO. Mr. President, I rise today to introduce a bill that would provide for waiver of the requirement that proof of actual use be furnished within 3 years after the date an article is entered, notwithstanding any provision of the Tariff Act of 1930, as amended, or any other provisions of the law to the contrary.

Mr. President, I urge my colleagues to join me in passing this legislation and I ask unanimous consent that a copy of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1227

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Notwithstanding any provision of the Tariff Act of 1930, as amended, or any other provisions of the law to the contrary, the Secretary of the Treasury shall reliquidate, as free of duty under item 911.12 of the Appendix to the Tariff Schedules of the United States which was in effect at the time of entry, the entries numbered 00329493 (dated March 16, 1979), 00329494 (dated March 16, 1979), 00329495 (daed March 28, 1979), and 00330003 (dated March 21, 1979), made at New York, New York, and covering tubular tin products, if a copy certificate of actual use (remelt certificate) for the products covered by the four entries is submitted to the U.S. Customs Service at the port of entry within 120 days from the date of enactment of this Act.●

By Mr. ROTH (for himself, Mr. McConnell, and Mr. Dodd):

S. 1228. A bill entitled the "United States-South Africa Relations Act of 1985"; to the Committee on Foreign Relations.

UNITED STATES-SOUTH AFRICA RELATIONS ACT

● Mr. ROTH. Mr. President, it is my pleasure to join forces with the Senators from Kentucky and Connecticut to reintroduce the United States-South Africa relations bill of 1985. We are reintroducing this legislation with two additions. First, we have provided for a mandatory set of labor practices along the lines of the Sullivan principles to be applied to both U.S. companies and U.S. Government operations. Second, we have added a new clause terminating the sale of U.S. computers, software, goods, and technology to the South African military, police, prison system, national security agencies and "any other entity of the Government of South Africa that administers programs which directly discriminate against nonwhites."

I believe that anyone who reads the various provisions of this bill will realize that the formulation of this legislation has proved to be an extremely complex and difficult task. On the one hand, the rising tide of violence and political disaffection on the part of South Africa's black majority clearly suggests the need for some modification of U.S. policy in the region. On the other hand, we must move with exceptional care, for if we act too rashly, we could easily accomplish the very reverse of our goal, namely, the political and economic advancement of South Africa's black majority.

We cannot continue to appease a government which repeatedly and openly commits premeditated acts of violence against its own citizens. Nor can we afford to adopt a blunderbuss approach to the South African problem, seeking to wreck its economy through unilateral sanctions in the vague hope that, somehow, an improved South African situation will emerge in the aftermath of economic wreckage and the further suffering of South Africa's black majority.

Our approach must be carefully considered, our policies precise and our goals well-formulated. The United States-South Africa relations bill, in my opinion, fulfills these criteria. The legislation has been designed with a twofold purpose. First, it communicates to South Africa's black majority our substantive, meaningful support for their struggle to achieve their legitimate political and economic aspirtions. Second, it complements that position with a strong message of dissatisfaction to the South African minority government and its supporters, both general dissatisfaction with that government's continued adherence to the substance of the apartheid system and particular dissatisfaction with the recent behavior of the South African police and security forces.

I am aware that the State Department holds over our head the threat of a South African rightwing backlash should we move forward in this matter. However, I am somewhat skeptical of the threat posed by a South African antireform party which holds only 18 seats in South Africa's House of National Assembly, where all substantive legislative power remains, as opposed to the ruling National Party's 128 seats. Even if the threat of a rightwing backlash were more firmly based in political reality, this Nation must have a policy toward South Africa and the substance of that policy cannot be determined in response to the threats of a foreign minority, let alone a minority of a minority.

Let me stress that I do not come here to destroy constructive engagement, but to modify it, to make it a more trully evenhanded policy. We have gone to great lengths to reassure South Africa's minority government. Now it is time to modify that conciliatory policy while making a meaningful series of gestures toward South Africa's black majority, whose leadership increasingly is concluding that this Government is allied with the forces of racial repression which they must face each day.

Educational assistance to black South Africans, the opening up of OPIC and Exim facilities to black-owned businesses, the extension of the Kassebaum human rights program and our firm support for the practice of the Sullivan Code by U.S. companies and, significantly, by the U.S. Government, all combine to demonstrate our commitment to the advancement of South Africa's black majority in a democratic, free enterprise atmosphere.

Our termination of United States-South Africa nuclear trade, U.S. loans to the South African Government, U.S. computer sales to the security agencies of the South African Government, U.S. landing rights of South African Airways, and the closing of a South African consulate in the United States all combine to demonstrate our dissatisfaction with the South African Government and our desire to reduce that Government's capacity to enforce the apartheid system without damaging the economic position of those very South Africans whom we are trying to assist, namely, that nation's black majority.●

● Mr. McCONNELL. Mr. President, in early May, Washington Post reports from South Africa were discouraging. I'd like to review a few highlights:

> May 8: A black South African labor union charged that a senior member died of head injuries after being beaten by police who arrested him . . . Andries Raditsela, 29, was dragged to a police vehicle and driven away. After some hours, his parents found him, still in police custody, lying unconscious on the veranda of a government building.
>
> May 9: Migrant workers and residents of a black township battled with hatchets, knives and stones on a 24-hour rampage that left 11 blacks dead, authorities said.
>
> May 10: For the second time in a week, a black political activist has died of head injuries within hours of being arrested by South African police . . . Sipho Mutsi, 20, went into convulsions while being booked at a police station (following racial unrest in a mining town) . . . Meanwhile in Tsakane, where Raditsela was arrested, 18 persons died in five days of fighting.

I could continue, but 1 week's worth of news provides a fairly clear picture of the violent disturbances which have been troubling South Africa for some time. As the Government tentatively moves along in its plans to abolish apartheid more lives are lost, the violence escalates and the prospects dim for an orderly change in power sharing. Blacks feel no closer to controlling their own fate.

One week's worth of news is not enough to persuade anyone there is an urgent need for the South African Government to revise their policies and timetable for change. Nor should it convince us to alter our policies. However, a scan of events for the past 20 years suggests conditions are not improving in South Africa for the majority of the population.

The South African Government's expenditures on education for white students averages 11 rand for every 1 spent on a black child. Blacks continue to be denied outright land or home-ownership opportunities. They cannot vote for members of Parliament or the Executive. Blacks are stripped of their South African citizenship when they are assigned to "homelands", artificially created territories which are in such dire economic straits they continue to be supported completely by the central South African Government. Finally, the most offensive and repressive hallmark of apartheid, that is symptomatic that change has not been meaningful for the majority, is the pass law system. It is impossible for me to imagine the anger and frustration a person would feel who was legally prevented from free passage to and about a city. Without carrying proper documentation, which includes personal and job information a black can be arrested at any time. Civil liberties and protection of an individual's privacy are hardly a South African reality.

The weight of current and historical evidence suggests more time will not prompt the South African Government to take decisive action to abolish apartheid. The legal architecture of racial repression is extensive. There are dozens of acts on record which impose and enforce apartheid, including the Group Areas Act, segregating land and businesses owned by blacks, the Native or Urban Areas Consolidation Act, establishing curfew and pass requirements, the Internal Security Act, the Police Amendment Act, and the Native Land Act to name just a few.

Historically, to bring about any change in these laws, the Executive has set up a commission which conducts an inquiry often lasting over a year. This is followed by a recommendation to the Executive and Parliament which then debates the issue.

This process was followed in the recent proposal to repeal the Immorality and Mixed Marriages Act. After 2 years of consideration the act may now be repealed.

I do not believe the South African minority can afford to indulge in lengthy discussion and debate on the legal system which provides the underpinnings of apartheid. Apartheid must be abolished now.

To convey the sense of urgency we feel on this matter the Senate must accomplish two things. First, we must establish an understanding with the black majority that we are sympathetic with their plight and we support change which guarantees them a brighter future. To achieve this goal, the Roth-McConnell bill does a number of things: First, it establishes $20 million in scholarship funds; second, it increases funding for the Human Rights Center; third, it directs the Export-Import Bank and the Overseas Private Investment Corporation to target their financial assistance to majority-owned businesses; fourth, the U.S. Embassy is directed to take measures which will ensure it engages in fair labor practices—which it does not now do—and finally, fifth, U.S. businesses who fail to uphold a fair labor employment code will be denied U.S. Government advice and assistance in all their foreign investment.

I am convinced these positive measures will send the right message to the black majority community that we are committed to strengthening their legal, economic, and political position in South African society.

The second half of the Roth-McConnell bill is directed at the South African Government. The bill calls for specific, tough punitive measures to be taken immediately to convey our deep sense of dissatisfaction that the minority government is not moving rapidly enough in it's apartheid reform efforts. We cannot wait 2 years to take action as the Lugar-Dole-Mathias bill recommends. Time is precious in this volatile environment.

There are a number of mutually reenforcing elements of this portion of the bill which I would like to highlight. First, all U.S. landings of South African Airways will be terminated. Second, no new loans can be extended to the Government of South Africa or any of its entities except to projects or facilities available to all races. Third, no license may be issued for the export of nuclear technology or goods. This is in response to South Africa's failure to sign the Nuclear Non-Proliferation Treaty. Fourth, the number of South African diplomatic facilities in the United States will be equivalent to the number of U.S. missions in South Africa. In effect, this will require the South Africans to close one facility. Fifth, the Secretary of the State is required to submit a report to the Congress regarding the amount of starvation and malnutrition evident in the so-called homelands. I understand this report, if accurate, would be horrifying. Finally, the bill calls upon the President to consult with our allies to determine if there is any prospect for joint action to bring about an end to apartheid.

These measures are strictly targeted at the South African minority government. The message must be conveyed with the leverage we have that change must occur promptly.

You will note the Roth-McConnell bill does not support economic sanctions, such as disinvestment because we believe the damage might be too widespread. Broad sanctions are likely to hurt the already economically vulnerable black majority. There is no clear consensus within the black community that economic sanctions are advisable or deemed effective.

I believe the Kennedy-Weicker bill does not focus it's punitive measures adequately. While the measure calls for no new investment, the net effect of such an action is disinvestment. If businesses are denied new investment opportunities the international community will believe the economic situation is unstable which in turn will prompt a pullout. As we all know, it is the foreign investor who has been able to bring some constructive change in the economic and working conditions for blacks. By signing and upholding the Sullivan Code, American businesses have successfully integrated workplaces, recognized and bargained fairly with unions, and afforded growth opportunities for all employees.

By strengthening the black workers economic rights and opportunities the unfairness of their political condition is brought into sharper focus. This friction will bring about necessary change.

In sum, I don't believe the administration has pressed the South African Government to move far enough, fast enough. This is the basic flaw with the Lugar-Dole-Mathias measure. There is no part of it which conveys the extent of our grievances to the South African Government.

They must know, now, today, in frank terms, that the time has come to abolish apartheid.

On the other hand, punitive measures must not be at the expense of the black majority community. We must not undermine their economic opportunities and potential to enjoy full political rights. I believe sanctions such as the Kennedy-Weicker bill, would jeopardize their economic position and political prospects.

The Roth-McConnell bill will begin to build a dialog and opportunities within the black community as it effectively conveys to the South African Government we will not stand by and watch the cruelties of racial repression trigger violence, unrest, and chaos. Change must occur in South Africa. We believe our bill will contribute to a successful, orderly change.●

● Mr. **DODD**. Mr. President I am pleased to join my colleagues, Senators Roth and McConnell, in offering to the Senate the proposed United States-South Africa Relations Act of 1985. I want to commend both Senator Roth and Senator McConnell for their diligent efforts to produce a balanced and positive piece of legislation on this critical foreign policy issue.

I am particularly pleased to join my colleagues in the introduction of this bill today, and I want to point out that they have agreed to incorporate in it two new major provisions. First, this bill now includes a mandatory code of fair labor practices to be applied to U.S. companies as well as U.S. Government agencies operating in South Africa. This fair labor practices code is drawn along the lines of the Sullivan principles.

Second, this legislation prohibits the sale of computers, software, goods, and technology to all agencies of the South African Government, such as the police, military, and security forces which are engaged in the enforcement of apartheid.

This legislation would not be necessary if the administration's policy of "constructive engagement" were working. Clearly it is not. Constructive engagement is in fact neither constructive, nor an effective means of engaging South Africa in a way that is designed to bring about the results that we all desire.

If there is any doubt in the mind of anyone in this Chamber that the South African Government must change, the briefest look at that unhappy nation will dispel it. This is a government at war with its own people. This is a government that fires on funeral processions, that moves people from their homes to barren wastelands, that denies the vast majority of its citizens the most basic human rights with no recourse whatsoever.

Indeed, the rising tide of violence in South Africa and the apparent policy of the South African Government to continue imprisoning its nonviolent critics, only serve to underscore the necessity for a new policy.

This legislation proposes a balanced, broad, and positive approach.

Balanced, because it will send a strong message to both blacks and whites in South Africa, that the U.S. Government is prepared to match its rhetoric with its actions, and to do a number of things to aid those trapped by apartheid.

Positive, because of what this bill proposes to do. As I mentioned, it will require U.S. businesses and the U.S. Embassy in South Africa to uphold a code of fair labor practices similiar to the Sullivan principles. This bill will reprogram $20 million in existing aid funds to provide educational scholarships for black South Africans. It opens up Exim and OPIC facilities to black majority-owned businesses. And I will authorize $1.5 million to fund the Human Rights Program established in 1984.

Moreover, this bill will communicate in a concrete unmistakeable way our displeasure with the South African Government for its policies toward the overwhelming majority of South Africans. It will do this by banning new bank loans, nuclear trade, and computer sales to South Africa, and by denying South African Airways landing rights in the United States. In addition, this bill will require South Africa to reduce the number of consulates it has in the United States to the number the United States maintains in South Africa. Finally, this bill states the sense of the Congress that the President should consult with allied heads of state at the next economic summit, to explore the possibility of joint, effective action against apartheid.

In short, this bill is intended to apply considerable economic and political pressure on South Africa, and to reduce its ability to enforce its racist policies, without jeopardizing the precarious economic position of South Africa's black majority. It is a broader bill than the others now being considered by the Senate. I urge my colleagues to support it.●

ADDITIONAL COSPONSORS

S. 44

At the request of Mr. Thurmond, the name of the Senator from Georgia [Mr. Mattingly] was added as a cosponsor of S. 44, A bill to grant the consent of the Congress of the Southeast Interstate Low-Level Radioactive Waste Management Compact.

S. 67

At the request of Mr. Gore, the name of the Senator from Tennessee [Mr. Sasser] was added as a cosponsor of S. 67, a bill to amend the Agricultural Adjustment Act of 1938 to prohibit the importation of tobacco which has been grown or processed using pesticides and other chemicals whose use has been prohibited in this country for health reasons.

S. 177

At the request of Mr. Hart, the name of the Senator from North Dakota [Mr. Burdick] was added as a cosponsor of S. 177, a bill to authorize a national program of improving the quality of education.

S. 274

At the request of Mr. Denton, the names of the Senator from Nebraska [Mr. Zorinsky], the Senator from New York [Mr. D'Amato], and the Senator from Alabama [Mr. Heflin] were added as cosponsors of S. 274, a bill to provide for the national security by allowing access to certain Federal criminal history records.

S. 606

At the request of Mr. D'Amato, the name of the Senator from Hawaii [Mr. Matsunaga] was added as a cosponsor of S. 606, a bill to provide for notification to a city or county of the presence of hazardous substances in or near such city or county.

S. 612

At the request of Mr. Nunn, the name of the Senator from Virginia [Mr. Trible] was added as a cosponsor of S. 612, a bill to authorize the establishment of competitive health insurance programs for Federal employee organizations.

S. 744

At the request of Mr. Cochran, the name of the Senator from Arizona [Mr. DeConcini] was added as a cosponsor of S. 744, a bill to amend the Agriculture and Food Act of 1981 to provide protection for agricultural purchasers of farm products.

At the request of Mr. Symms, his name was withdrawn as a cosponsor of S. 744, supra.

S. 822

At the request of Mr. Zorinsky, the name of the Senator from Montana [Mr. Baucus] was added as a cosponsor of S. 822, a bill to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1986.

S. 873

At the request of Mr. Chafee, the name of the Senator from Tennessee [Mr. Sasser] was added as a cosponsor of S. 873, a bill to amend title XIX of the Social Security Act to assist severely disabled individuals to attain or maintain their maximum potential for independence and capacity to participate in community and family life.

S. 980

At the request of Mr. Trible, the name of the Senator from North Carolina [Mr. Helms] was added as a cosponsor of S. 980, a bill to amend title I of the Housing and Community Development Act of 1974.

S. 1016

At the request of Mr. Proxmire, the name of the Senator from Ohio [Mr. Glenn] was added as cosponsor of S. 1016, a bill to amend the Federal Deposit Insurance Act and the National Housing Act with respect to junk bonds.

S. 1048

At the request of Mr. Denton, the name of the Senator from North Dakota [Mr. Andrews] was added as a cosponsor of S. 1048, a bill to amend title 18 of the United States Code and the Adoption Reform Act.

S. 1054

At the request of Mr. Heinz, the name of the Senator from South Carolina [Mr. Thurmond] was added as a cosponsor of S. 1054, a bill to amend the Age Discrimination in Employment Act of 1967 to remove the maximum age limitation applicable to employees who are protected under such act, and for other purposes.

S. 1147

At the request of Mr. Hatch, the names of the Senator from Tennessee [Mr. Gore], and the Senator from North Dakota [Mr. Burdick] were added as cosponsors of S. 1147, a bill to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act, and related laws.

S. 1156

At the request of Mr. Denton, the names of the Senator from North Dakota [Mr. Andrews], and the Senator from North Carolina [Mr. East] were added as cosponsors of S. 1156, a bill to amend chapter XIV of the Comprehensive Crime Control Act of 1984, relating to victims of crime, to provide funds to encourage States to implement protective reforms regarding the investigation and adjudication of child abuse cases which minimize the additional trauma to the child victim and improve the chances of successful criminal prosecution or legal action.

S. 1206

At the request of Mr. D'Amato, his name was added as a cosponsor of S. 1206, a bill to require the Director of the Office of Management and Budget to prepare and transmit to the Con-

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gress a comprehensive report and plan on the reorganization, restructuring, consolidation, or realignment of Federal field offices, and for other purposes.

SENATE JOINT RESOLUTION 78

At the request of Mr. SYMMS, the name of the Senator from Arizona [Mr. GOLDWATER] was added as a cosponsor of Senate Joint Resolution 78, a joint resolution to provide for the designation of June 10 through 16, as "National Scleroderma Week".

SENATE JOINT RESOLUTION 136

At the request of Mr. HATFIELD, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from North Carolina [Mr. EAST], the Senator from Nevada [Mr. LAXALT], the Senator from Maine [Mr. MITCHELL], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of Senate Joint Resolution 136, a joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with Sunday, April 13, 1986, as "National Garden Week."

SENATE JOINT RESOLUTION 137

At the request of Mr. HUMPHREY, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Mississippi [Mr. COCHRAN], the Senator from Tennessee [Mr. GORE], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of Senate Joint Resolution 137, a joint resolution to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awareness Week."

SENATE JOINT RESOLUTION 139

At the request of Mr. HATCH, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Hawaii [Mr. MATSUNAGA] , the Senator from Mississippi [Mr. COCHRAN], and, the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of Senate Joint Resolution 139, a joint resolution to designate the week of December 1, 1985 through December 7, 1985, as "National Home Care Week."

SENATE RESOLUTION 82

At the request of Mr. D'AMATO, the name of the Senator from Arkansas [Mr. BUMPERS], was added as cosponsor of Senate Resolution 82, a resolution to preserve the deduction for State and local taxes

SENATE RESOLUTION 174

At the request of Mr. GORE, the names of the Senator from West Virginia [Mr. BYRD], the Senator from Maryland [Mr. SARBANES], the Senator from New Jersey [Mr. BRADLEY], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Florida [Mrs. HAWKINS], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of Senate Resolution 174, a resolution expressing the sense of the Senate with respect to the proposed closing and downgrading of certain offices of the Social Security Administration.

At the request of Mr. D'AMATO, his name was added as a cosponsor of Senate Resolution 174, supra.

AMENDMENT NO. 175

At the request of Mr. ROTH, the name of the Senator from Alaska [Mr. MURKOWSKI], was added as a cosponsor of Amendment No. 175 proposed to S. 1160, an original bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

AMENDMENT SUBMITTED

DEPARTMENT OF DEFENSE AUTHORIZATION FISCAL YEAR 1986

KERRY (AND OTHERS) AMENDMENT NO. 252

Mr. KERRY (for himself, Mr. CRANSTON, Mr. SIMON, Mr. KENNEDY, and Mr. BAUCUS) proposed an amendment to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes; as follows:

On page 14, between lines 2 and 3, insert the following:

EXCLUSIVE AUTHORIZATION OF FUNDS FOR STRATEGIC DEFENSE

SEC. 204. (a) Notwithstanding section 201, funds authorized to be appropriated by this section for the purposes of the Strategic Defense Initiative for fiscal year 1986 are in lieu of funds authorized to be appropriated for such purposes for such fiscal year in section 201. The limitation prescribed in section 202 shall be inapplicable to funds appropriated pursuant to the authorization in this section.

(b)(1) The Secretary of Defense shall ensure that the Strategic Defense Initiative is carried out in a manner consistent with the policy on antiballistic missile research expressed in the Joint Explanatory Statement of the Committee on Conference contained in House Report No. 93-1212, relating to the Department of Defense Appropriation Authorization Act, 1975.

(2) Under the Strategic Defense Initiative program, basic research on technology and equipment may be carried out for the purpose of improving antimissile technology. Demonstrations of prototype and preprototype weapon systems or component of weapon systems shall not be an objective of the Strategic Defense Initiative program and may not be carried out under such program.

(c)(1) Funds are hereby authorized to be appropriated to the Defense Agencies for fiscal year 1986 in th total amount of $1,400,000,000 for research, development test, and evaluation on strategic defense systems and on an antitactical missiles system as follows:

(A) For the Surveillance, Acquisition, and Tracking Program $446,000,000.

(B) For the Directed Energy Weapons Program, $482,000,000.

(C) For the Kinetic Energy Weapons Program, $192,000,000.

(D) For the Systems Concepts and Battle Management Program, $127,800,000.

(E) For the Survivability, Lethality, and Key Technologies Program, $144,000,000.

(F) For Management Headquarters of the Strategic Defense Initiative, $9,000,000.

(2)(A) None of the funds appropriated pursuant to the authorizations of appropriations in paragraph (1)(A) may be obligated or expended to carry out the Booster Surveillance and Tracking Demonstration Project, the Space Surveillance and Tracking Demonstration Project, the Airborne Optical System Demonstration Project, the Terminal Imaging Radar Demonstration Project, or the Space-Based Imaging Demonstration Project.

(B) None of the funds appropriated pursuant to the authorization of appropriations in paragraph (1)(C) may be obligated or expended to carry out the High-Endoatmospheric Defense System Demonstration Project, the Exoatmospheric Reentry Vehicle Intercept System Demonstration Project, the Submarine Launched Ballistic Missile Bootphase Engagement Demonstration Project, the Space-Based Hyper-V Launch Demonstration Project, the Space-Based Nonnuclear Kill Rocket Demonstration Project, or the Terminal System Demonstration Project.

(d)(1) At the time of the submission by the Secretary of Defense to the Congress of his annual budget presentation materials for each fiscal year beginning with fiscal year 1987 and ending with fiscal year 1991 (but not later than March 15 of the calendar year in which such fiscal year begins), the Secretary of Defense shall transmit to the Committee on Armed Services and the Committee on Foreign Relations of the House of Representatives and the Committee on Armed Services and the Committee on Foreign Relations of the Senate a report on the programs that constitute the Strategic Defense Initiative and other programs, if any, relating to defense against targets which have the characteristics of strategic ballistic missiles or their elements in a flight trajectory.

(2) Each report required by paragraph (1) shall include—

(A) details of all programs and projects included in the Strategic Defense Initiative or relating to defense against targets which have the characteristics of strategic ballistic missiles or their elements in a flight trajectory;

(B) a clear definition of the objectives of the Strategic Defense Initiative;

(C) an explanation of the relationship between each such objective and each program and project associated with the Strategic Defense Initiative or with defense

against targets which have the characteristics of strategic ballistic missiles or their elements in a flight trajectory, including a sound technical analysis of the status and potential of the technologies and systems designed to achieve such objectives and a sound and informed presentation of criticisms and alternative approaches for achieving such objectives;

(D) the status of consultations with other member nations of the North Atlantic Treaty Organization, Japan, or other appropriate allies concerning research being conducted in the Strategic Defense Initiative program;

(E) a statement of any anticipated impact on the anti-ballistic missile treaty;

(F) consideration of a process by which Congress could review potential Soviet countermeasures to specific Strategic Defense Initiative programs and evaluate the adequacy of such programs to respond to such countermeasures;

(G) details on the funding of programs, projects, and tasks for the Strategic Defense Initiative, including—

(i) prior and current year funding levels for all such programs, projects, and tasks in the Strategic Defense Initiative budgetary presentation materials;

(ii) the amount requested to be appropriated for such programs, projects, and tasks for the fiscal year for which the budget is submitted; and

(iii) the amount programmed to be requested for the following fiscal year.

(e)(1) The Director of the Congressional Budget Office shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiatives programs for fiscal years 1986 through 1991 will likely have on the research and development budget of the Department of Defense for each of such years and on the research and development budget for the entire Federal Government for each of such years.

(2) The Director shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

(f)(1) The Joint Economic Committee shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiative programs for fiscal years 1986 through 1991 will likely have on the research and development efforts by the civilian sector of the economy for such years.

(2) The Committee shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

(g) The Congress reaffirms its commitment to the 1972 Treaty on the Limitation of Anti-Ballistic Missile Systems between the Soviet Union and the united States and strongly believes that special care should be exercised by the Department of Defense to ensure that all research and development programs conducted by the Department be conducted in a manner that fully complies with the treaty. None of the funds appropriated pursuant to the authorizations of appropriations in subsection (c)(1)(A) may be obligated or expended in a manner or for a purpose that would violate the treaty.

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER AND RESOURCES CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that the hearing scheduled before the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources on Thursday, June 20, at 10 a.m. on S 816, has been moved to a different room than the original announcement indicated. The hearing will be held in room SD-342 of the Senate Dirksen Office Building in Washington, DC.

For further information, please contact Mr. Tony Bevinetto of the subcommittee staff at (202) 224-5161.

SUBCOMMITTEE ON WATER AND POWER

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources has added an additional bill to the list of bills which the subcommittee will receive testimony on at its hearing scheduled for Tuesday, June 11 at 10 a.m. in room SD-366 in the Senate Dirksen Office Building in Washington, DC.

The additional bill is S. 1219, to amend the Federal Power Act to ensure fair competition in the licensing of existing hydroelectric projects and, in doing so, to maintain and enhance diversity within the electric utility industry, thereby ensuring the maximum development and utilization of the Nation's public resources for the benefit of all electric consumers, and for other purposes. As previously announced, the subcommittee will also receive testimony on S. 403 and S. 426.

For further information regarding this hearing, please contact Mr. Russ Brown of the subcommittee staff at (202) 224-2366.

SUBCOMMITTEE ON NATURAL RESOURCE DEVELOPMENT AND PRODUCTION

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public that scheduling of an oversight hearing before the Natural Resources Development and Production Subcommittee on the Senate Energy and Natural Resources Committee.

The hearing is scheduled for Tuesday, July 9, 1985, beginning at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC. Testimony is invited regarding the impact on the coal industry of the Office of Surface Mining's proposed rulemaking to collect permit application fees.

For further information regarding this hearing, you may wish to contact Mr. Bob Terrell or Mr. Pat Sullivan on the subcommittee staff at (202) 224-5205. Those wishing to testify or who wish to submit a written statement for the hearing should write to the Natural Resources Development and Production Subcommittee, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, DC 20510.

ADDITIONAL STATEMENTS

TRADE RELATIONS WITH JAPAN

● Mr. WILSON. Mr. President, today I rise to discuss some disturbing developments in our strained trade relations with Japan, which could have a profound effect on one of the industries in our agricultural community, as well as on our Nation as a whole.

The industry to which I refer is the citrus industry. This industry is not alone in the hurdles it has had to overcome in order to sell even limited amounts of citrus products in the Japanese market. On the contrary, I believe that the citrus industry is representative of the sense of profound frustration that permeates numerous U.S. industries which have unsuccessfully sought reasonable access to the Japanese market—a market which is, practically speaking, blocked to many Americans by a complicated and unrelenting maze of tariff and nontariff trade barriers that serve to protect that country's domestic industries.

While Japanese markets have remained virtually closed to U.S. exporters of a wide variety of goods and services, it is no secret that Japanese exporters have, over the past years, enjoyed virtually free access to U.S. markets. One need not look far for evidence of this blatant inequity. Japan currently finds itself in a $37 billion positive balance of trade position with the United States.

Even when faced with this situation, I continue to believe it is in the long-term best interest of each country to strive for good, sound, healthy, open trade relations with Japan. In the meantime, however, we in this Government are compelled to press for free and fair access to Japanese markets for our own exporters. The patently unfair and increasingly unacceptable trade practices promoted by the Japanese Government must come to an end.

Mr. President, several industries have sought to alleviate trade problems through seeking liberalized access to Japanese markets. The U.S. citrus industry is one such industry, whose efforts first bore fruits in 1964 when a reluctant Japanese Government allowed limited access to its domestic market to U.S. lemon growers. This, in turn, led to limited market access for U.S. grapefruit in 1971 and, after seemingly dozens of both extensive and intensive meetings, to U.S. oranges in 1972.

Since that time, the progress made by the citrus industry has been noteworthy. In 1972, the Japanese quota for imported oranges was 12,000 metric tons. Due to the persistence of both the industry and our negotiators, this quota will have increased by more than tenfold by 1987—to 126,000 metric tons. I ask that a chart showing the progress made by the citrus industry since 1972 be included at this point in the RECORD.

Japan Fiscal year:	*Import quota metric tons*
1972[1]	12,000
1973	15,000
1979	45,000
1980	68,000
1981	72,500
1982	77,000
1983	82,000
1984	93,000
1985	104,000
1986	115,000
1987	126,000

[1] Prior to Japan's fiscal year 1972 there was no separate quota for fresh oranges, it was grouped in a category with fresh grapefruit.

While these figures represent significant progress over the past 12 years and have held forth the expectation of expanded citrus trade during the next 2 years, they are unfortunately threatened by recent legislative and regulatory changes in Japan. I have learned of three specific developments which, individualy or collectively, could unilaterally negate the liberalized access American citrus growers have worked so hard and so long to achieve. These developments threaten to undermine a $167-million-a-year citrus export industry and further demonstrate Japan's commitment to support and protect its domestic agricultural industry, at the cost of achieving the free trade about which Prime Minister Nakasone recently spoke to his countrymen.

The first development deals with the "fruit trees agriculture promotion special measures law," passsed by the Japanese diet on April 19 of this year. According to an article which appeared in a Japaneses newspaper on April 8, 1985, this law is designed to regulate sales of both domestic and imported citrus, for purposes of protecting domestic citrus growers. The mechanism used is basically the establishment of a new semigovernmental corporation that acts as the sole importer of citrus products. This import mechanism would strip our fresh fruit exporters to Japan of all their bargaining power and give absolute authority to this newly established body to set prices. I have been told by citrus growers and exporters in California that this law may, if implemented, effectively shut the door to Japanese markets for U.S. suppliers.

It is my understanding that the new law does not automatically take effect, but must be implemented by the administration. The Japanese Government has apparently made an effort to ease the concerns of the United States by pointing to the following statutory language:

> The government shall seek to insure the consistency with the GATT and other international agreements while endeavoring to prevent the situation that the production or shipment of the specified fruit be seriously impeded.

The Japanese Government's position is that due to this language it is unlikely the measure will be implemented; however, in my opinion, the mere existence of the law is a continuing threat to U.S. suppliers and may potentially be used by the Japanese to gain bargaining leverage. If implemented, it will undoubtedly result in a lesser amount of exports at lower prices, which will merely exacerbate the already unacceptable balance of trade situation between our two countries.

Mr. President, the second development of concern to me involves a proposed regulatory change in Japan's quota allocation policy. This change, which would eliminate the utilization of past import records in the quota allocation system, has been proposed by Japan's Ministry of International Trade and Industry [MITI].

In past years MITI has issued import licenses and established quota shares for individual importers. Over 90 importers receive quota allocations, although many of these companies have been "merged" into a few so-called "lead companies" that control the actual importation of products.

Existing regulations require an import quota holder to utilize fully his quota allotment or risk a reduced allotment level in the subsequent year. This so-called "use it or lose it" requirement has effectively ensured that the full amount of U.S. citrus, which was scheduled for importation under the yearly quota, will actually enter the country.

In past years, when quotas were more restrictive, these companies exacted enormous profits from imports. As the quotas have expanded and competition has increased, they have become increasingly concerned over their profit margins. It is my understanding that, due to the yearly quota increase, importers in Japan are now pressuring MITI to allow them to import less than their total allocations without being penalized in any way.

The orange quota has been viewed by the United States and Japan as a commitment on the part of the Japanese to import a specified amount of U.S. citrus products. This new policy, if applied to fresh oranges, could result in Japan not fulfilling its commitment under the Brock-Yamamura beef and citrus understanding to import 104,000 metric tons of oranges in fiscal year 1985. It is apparent that this action taken by MITI will only serve to protect the profit margins of Japanese importers—at the expense of our fresh orange exporters.

The final development, Mr. President, involves an alteration in the average test weight of imported orange cartons. Current import quotas are based upon total weight of the oranges, not the number of cartons imported, and compliance with the quota limit is determined by converting the current standard carton weight of 37.5 pounds into total metric tons.

It is my understanding that Japanese authorities are reportedly revising their basis for converting the number of cartons of fresh oranges to pounds of fresh oranges by increasing the standard shipping carton weight. Initial indications are that the Government of Japan is considering an average test weight 46 pounds per carton, which would substantially cut back U.S. shipments.

I have been told that the Japanese have recently been weighing imported shipments and have found the average weight to be close to 46 pounds. On the other hand, according to the U.S. Department of Agriculture, it has no information which can substantiate the Japanese claim that the average carton weight of U.S. oranges imported into Japan exceeds 37.5 pounds. In any event, by increasing the per carton standard weight the Japanese Government would, in effect, reduce the number of cartons entering their country on an annual basis. This would result in further deterioration of U.S. access to the Japanese market.

Mr. President, it is time that the United States stop turning its other cheek to these and other trade-related actions taken by the Japanese Government. At a time when the Japanese Prime Minister is urging his countrymen to buy American goods, we in the United States must do all that we can to ensure that there will be an adequate supply of those goods available for the Japanese consumer. We must demand that the Japanese back their words with concrete actions which will afford our producers the fair and equal access to the Japanese market which their producers currently enjoy in the United States. For if we fail to make these demands today, then we cannot assure the vitality of American agriculture tomorrow.●

CONGRESSIONAL CALL TO CONSCIENCE FOR SOVIET JEWRY

● Mr. HART. Mr. President, in January of this year, I spent 4 days in Moscow and Leningrad as a guest of the Supreme Soviet and of the U.S.A. and Canada Institute. During my stay, I met with Soviet Foreign Minister Andrei Gromyko, with senior foreign and defense policy officials, and with Soviet academicians. I visited the war memorials and cemeteries which stand as grim reminders of the price paid by the Soviet Union in World War II; and I visited the museums and institutions which are the sources of so many of the cultural gifts the Russian people have given the world.

Yet the single most emotional and moving moment of my visit to the Soviet Union took place not in the corridors of the Kremlin, nor at the cemeteries, nor among the treasures displayed at the Hermitage or the Winter Palace. It took instead in a small, cramped apartment in Moscow where, for 90 minutes, I listened to a middle-aged woman—a teacher of English who 10 days earlier had undergone her third operation for what has been diagnosed as terminal cancer—and her husband—a former member of the Soviet Helsinki Review Commission—describe the life of isolation and harrassment they have experienced as a result of their simple desire to emigrate from the Soviet Union.

Dr. Naum Meiman and his wife, Inna have been trying for years, unsuccessfully, to leave the Soviet Union and join their daughter, Olga Plam, who is a constituent of mine in Colorado. The Meimans repeatedly have been denied emigration visas to seek medical treatment and to be reunited with their daugther. They have been told that Mrs. Meiman is too ill to travel; that satisfactory medical treatment for Mrs. Meiman is already available in the Soviet Union; that a Ministry of Health certificate, stating that treatment abroad is necessary, must be presented to Soviet emigration officials—only to be told by the Ministry of Health that such cetificates do not exist.

It was bitterly cold in Moscow in January, but the atmosphere in the Meiman's apartment could not have been warmer. Despite almost weekly intrusion and harrassment by Soviet officials accusing the couple of "hooliganism" and "anti-Soviet activities," the Meimans showed an outward courage and determination and an inner peace that can only be described as a testament to the human spirit. Their "crimes against the state"are simple: They are Jewish. They wish to speak and practice their religion freely. They wish to leave a society in which such "crimes" are not permitted.

Mr. President, of the many paradoxes which struck me during my Soviet visit, none made a stronger impression than that of a country which fought so valiantly against oppression in World War II, only to impose systematic oppression on segments of its own society. In Leningrad, a haunting memorial to the 900-day siege of that city reminds all who visit of the triumph of the human spirit over seemingly insurmountable oppression. There, my family and I met a Soviet war veteran who told my children of the ties that bound Soviet and American soldiers of his generation. My son and daughter did not have an opportunity to meet or have a cup of tea with Naum and Inna Meiman—living examples of the triumph of the human spirit over seemingly insurmountable oppression. Their fortitude and good cheer are, in a supposedly "revolutionary" society, truly revolutionary.

I will not forget the evening I spent with Naum and Inna Meiman in Moscow, and I hope they will not forget that they are not alone. Their friends around the world—including my distinguished colleague from New York, Senator MOYNIHAN—continue to support their efforts to obtain an emigration visa, raising their case at every opportunity. In Moscow, I raised the issue directly with Foreign Minister Gromyko and my Soviet hosts. I have pursued the case with the Soviet Ambassador and I have written to General Secretary Mikhail Gorbachev, asking for his help in securing an exit visa for the Meimans.

Forty years after the Holocaust, 40 years after Leningrad, 40 years after Hiroshima and Nagasaki, the world is both a vastly different place and a not-so-different place. A generation which knew the horrors of World War II has been succeeded by a generation that must never know the horrors of nuclear war. Acting in good faith, representatives of the United States and the Soviet Union can take tangible steps to lessen the threat of nuclear war. Permission to let Naum and Inna Meiman—threats to no one—leave the Soviet Union would be a small but tangible demonstration of Soviet good faith.

Mr. President, I look forward to the day when the Senate can ratify an arms control agreement between the United States and the Soviet Union—and I look forward to the day when my son and daughter have the pleasure of having a cup of tea with Naum and Inna Meiman in our home in Denver.●

● Mr. D'AMATO. Mr. President, I rise today to salute the dairy industry; the industry which feeds and nourishes our Nation so well. In June of every year the American Dairy Association sponsors "Dairy Month." Through this endeavor, we heighten our awareness of both the agricultural achievements and nutritional needs of the United States.

Dairy products comprise one of the most vital food groups necessary to our diets if we are to maintain our health. The average American consumes 345 pounds of dairy products each year. It takes approximately 15 million milk cows in the United States to fulfill our Nation's dietary needs. With over a 25-percent production increase between 1965 and 1981, these 15 millon cows have an annual production rate of 12,147 pounds each, for a total of some 133 billion pounds each year—over 11.6 billion pounds of milk came out of New York alone in 1983.

These figures represent the staggering task of feeding a country our size. There are over 445,000 families earning all or part of their living from dairying. New York State plays a vital role in this agri-economic picture. New York State's largest industry is agriculture.

There are some 48,000 farms in the State; approximately 15,000 are involved in dairying. New York's involvement in this industry makes it the third largest dairy producing State in the country. This reflects the historical role of dairying in my State where the first butter factory, or creamery, in the United States was established in 1856.

Dairy Month allows us an opportunity to take note of this major contribution to our society. We can be proud of the contribution of our dairy farmers, and the American farmer in general, in the ongoing struggle to feed and nourish our country and our world.

I urge my colleagues to take note of this praiseworthy industry.●

OPPOSITION TO CLOSING AND DOWNGRADING OF 770 LOCAL SOCIAL SECURITY OFFICES

● Mr. D'AMATO. Mr. President, I am pleased today to add my name as a cosponsor of the resolution, Senate Resolution 174, introduced by the distinguished Senator from Tennessee which calls upon Congress to oppose the closing or downgrading of 770 local Social Security offices.

Fifty years ago, our predecessors here in the Senate had the foresight to pass legislation establishing the Social Security Program. The Social Security Program was a giant step forward for all Americans to improve our standard of living. Social Security provides a modest income for our senior citizens in their retirement years and allows them the peace of mind to know that they can provide for their own needs.

It is very sad in this 50th anniversary year, the golden anniversary, of the Social Security Program to know that the Social Security Administration is attempting to close or downgrade 770 local Social Security offices throughout the country. This is just one more attack on our senior citizens.

Two years ago, they heard that the Social Security system might fail. Last month, they feared the elimination of the cost-of-living adjustments. Now, they learn of the planned shutdown of their local Social Security offices, which are staffed by concerned local people whom they know and who understand their problems. They rightfully ask us why? Why are they being singled out to pay for the reduction in the Federal deficit?

Each day I receive many calls from my constitutents who are concerned about the proposed closing of their Social Security offices. These office closings and service reductions will create a very real hardship for our elderly. Many of these people do not drive or own cars—they cannot afford one—so they must rely on public transportation. In urban areas, closing the local Social Security office often can mean they must endure a 1- or 2-hour commute and take 3 buses in order to reach the new Social Security office. In rural areas, closing the local office means embarking on a long trip of many miles to a far off city if they want to visit a Social Security office. Such a trip will be out of the question for many of our senior citizens.

I would like to invite each of you to put yourselves in their place for a moment. Now here you are at home, no car, no relatives nearby, your wife or husband is ill—you feel all alone—and your Social Security check does not come. You need that check for money to pay the rent and buy food. You ask yourself, is there a problem with the mail? Is there a problem with the computer? Did that form you sent in last month get lost? What do you do?

You go to your local Social Security office and those friendly people help solve your problem while you wait.

Now suppose some bureaucrats in Washington decide to close your Social Security office and put all those nice helpful people out of work. What do you do when your check does not come?

Well, that main office they talked about is too far away. You cannot walk there. You cannot drive or find a ride there. The bus from your neighborhood will not go there. You try and telephone the place but the line is busy, always busy. What do you do?

One thing you do is get mad. You worked all your life and paid into the system. Now that you are retired, you are entitled to receive a check and to receive it on time. There is no reason to close down these offices which will help process your check, make certain it is for the correct amount, and deliver it on time.

I get very distressed when I hear of this plan to close or downgrade 770 local Social Security offices. I believe that this will impose a terrible hardship on millions of our Social Security recipients. This plan will frustrate the lives of millions of Americans on retirement, disability, and income security programs. I also ask why? Why do we, their elected representatives, let this happen? I for one will not sit here idly and let them close or reduce service at 770 Social Security offices.

Mr. President, I believe this is the time to begin to recognize 1985 as the 50th anniversary, the golden anniversary, of the Social Security Program. We can do this by supporting this resolution to oppose the Social Security Administration proposal which will close or downgrade 770 local Social Security offices. As a cosponsor of this resolution, I urge all Members of this body to unanimously support it.

TRADE DEFICIT

● Mr. BAUCUS. Mr. President, last Friday the Commerce Department announced another increase in the U.S. trade deficit. The April deficit increased 7.3 percent from March—to $11.9 billion.

Imports grew only 0.5 percent but exports fell 3.6 percent. The $11.9 billion monthly deficit was up 7.3 percent from March. The April 1985 figures are the same as April 1984.

This has become a monthly routine—an almost numbing litany of bad trade numbers.

But we must not become numbed. We must recognize the pain and the danger behind these numbers. These numbers are not abstract statistics; they are the statistical description of idle workers, farmers in distress, idle miners, and disappearing industrial plants.

Like many of my colleagues, I spent last week at home. In Montana the trade deficit is not an abstract number. Everyone is being hurt by the trade situation. Forty-one percent of our lumber is now imported Canadian softwood lumber; a mill closed last week—130 jobs gone. The U.S. aluminum industry currently is not competitive—and in Columbia Falls an efficient plant is in danger. We have miners out of work—again, victims of the international trade wars. And the Montana wheat farmer—like his colleagues across the Nation—is losing export sales. No, Mr. President, to Montanans the trade figures and the overvalued dollar are not abstractions—they are the numerical description of their pain.

But, Mr. President, bad as this is, I fear worse. I fear the pattern of large and continuing trade deficits—and the administration's response to it—may also tell a more ominous story: of a country ignoring its obligation to the future.

That is a strong statement, but if we fail to deal with the reality of an international economy, and if we fail to act, the statement will be accurate.

No nation should sit idly by and watch its trading position disappear. Yet that is what this administration appears to be doing.

There is no one at the helm of the trade apparatus. William Brock left his position as Special Trade Representative on April 26. At the Department of Commerce Lionel Olmer is leaving. Yet the new Special Trade Representative has not even been formally nominated. I hope we will not go another month without an STR—trade is too important to allow a vacuum.

In the last week the President has spoken a great deal about the need to change the tax system. Tax reform is important—but it is not the only important issue we face. We cannot ignore the external face of this economy; we do not operate in a vacuum.

Mr. President, these figures emphasize again that we need a commitment to international competitiveness and a trade policy in this country.●

THE FIELD OFFICE REPORT ACT OF 1985

● Mr. D'AMATO. Mr. President, I rise today in support of S. 1206, the Field Office Report Act of 1985. I commend my colleague, Senator ROTH, for his leadership in this area.

I am certain that many of my colleagues share my frustration over the huge assortment of administrative proposals and rumors of administrative proposals which have circulated regarding closings or consolidations of various field offices. We all know how vital these offices are to the citizens of our States, and we have all been attempting to ensure that any changes to the field office structure do not result in problems for the people they serve.

It has become increasingly difficult to assess all of these proposals, and, even worse, there often has been inadequate opportunity for input if a Senator has serious concerns about the effects of these changes. This has been compounded by the feeling that, in some cases, many of these proposals are arbitrary and that there is no coordination of efforts between agencies.

This legislation will provide an opportunity for the Office of Management and Budget to study this situation and to submit to Congress a comprehensive report on all proposed agency field office reorganizations, consolidations, and closings. In the meantime, it would place a 270-day freeze on the closing or reorganization of these offices.

This report would be provided to the Congress 180 days after enactment. Congress would have 90 days to review the findings and recommendations.

Mr. President, we are simply asking for the facts. Without this review, proposals to close or consolidate field offices may continue to be scattered and uncoordinated. With this information, agencies can work together to ensure that any changes are cost effective, and they can help State and local governments and constituents to be better prepared. Most importantly, the Congress will have had the opportunity to see that constituents are properly served.●

LEGAL BASIS FOR U.S. FOREIGN POLICY IN CENTRAL AMERICA

● Mr. ARMSTRONG. Mr. President, during recent weeks, questions have

been raised regarding the legal authority for U.S. policy in Central America. Such questions should not be ignored. And I am therefore pleased to call the attention of my colleagues to the following documents which respond to the legal questions which have arisen:

"Legal Issues In the Central American Conflict", by John Norton Moore, remarks before the Annual Meeting of the American Society of International Law, April 25, 1985.

John Norton Moore is Walter L. Brown, professor of law and director of the Center for Law and National Security at the University of Virginia. Previously he served as counselor on international law to the Department of State and as a U.S. Ambassador to the Law of the Sea Negotiations. He was a member of the President's delegation to observe the March 1984 Presidential elections in El Salvador and was a deputy agent of the United States before the International Court of Justice in the case of Nicaragua versus United States.

The reader should bear in mind that this paper was prepared for the ear rather than the eye.

"Fact Sheet: U.S. Economic Sanctions Against Nicaragua: Domestic and International Legal Bases", furnished by Mary Wild Ennis, Acting Assistant Legal Adviser for Inter-American Affairs, Department of State.

Affidavit of Secretary George P. Shultz to International Court of Justice.

Affidavits of the Government of El Salvador.

I ask that the documents be printed in the RECORD.

The documents follow:

Legal Issues in the Central American Conflict

(By John Norton Moore)

(Remarks before the Annual Meeting of the American Society of International Law, April 25, 1985).

INTRODUCTION

Secretary General Perez de Cuellar recently said that "an extended and tolerable future for all humanity ultimately depends upon our success in making the purposes and principles of the Charter of the United Nations the basis of day-to-day relations of governments and peoples." The American Society of International Law is properly dedicated to that proposition.

There is, sadly, today a grave threat to those principles in Central America. That threat, however, is not, as some would have us believe, from the United States and its allies. Rather it is a deliberate and ongoing repudiation by the nine Sandinista "commandantes" in Nicaragua of the non-use of force, self-determination and human rights provisions of the United Nations and OAS Charters in the fervent pursuit of ideological "true beliefs."

In exploring this repudiation of fundamental Charter principles, I will briefly examine the background of the conflict in Central America, then turn to a brief legal analysis and finally discuss two recurrent misperceptions about the conflict.

FACTUAL CONTEXT

The United States actively sought good relations with the new Sandinista government when it took power in Nicaragua in 1979.

The U.S. cut off military aid to Somoza during the revolution and voted for an OAS Resolution endorsing the revolution.

The U.S. gave $118 million in economic assistance to the Sandinistas in the first two years of the new regime—more aid than it gave to the Somoza regime in the preceding 20 years.

The U.S. supported $292 million in World Bank and Inter-American Development Bank loans to the Sandinistas.

The U.S. offered a substantial Peace Corps commitment but this was rejected by the Sandinistas in favor of thousands of Cuban, Bulgarian, East German, Libyan, PLO and other Soviet-bloc and radical regime advisors. (There are approximately 10,000 such advisors today in Nicaragua.)

President Carter invited Daniel Ortega to the White House.

On the point of U.S. efforts to have good relations with the Sandinistas, the bipartisan Kissinger Commission found that the U.S. "undertook a patient and concerted effort to build a constructive relationship of mutual trust with the new government."

In response to these overtures of friendship the nine commandantes began three policies that are the root cause of the challenge to Charter principles in Central America.

First, they began consolidation of a Leninist vanguard party to control Nicaragua and renegged on their 1979 pledge to the OAS to build a democratic, pluralist society that would be nonaligned and supportive of human rights. Their actions included:

The nine commandantes—who had been chosen three each from the three Nicaraguan Marxist parties at a 1979 meeting in Havana—began a purge of the many genuine democrats such as Arturo Cruz, who had fought against Somoza.

The commandantes began a massive campaign against the Miskito Indians. This included attacks on villages, destruction of houses, crops, and livestock, arrest of the Indian leadership, disbanding of the Indian's organization as "counterrevolutionary" and in some cases brutal killings and attacks. Of approximately 100,000 Indians at the beginning of these atrocities some 20,000 have fled Nicaragua and another 20,000 have been moved to "relocation camps."

The commandantes began to put in place the depressingly familiar apparatus of a totalitarian police state including suppression of labor movements, attacks on the Church and religious freedom, press censorship, an internal security system down to the block level, a merger of the Sandinista Party with the State, suspension of habeas corpus and detention of growing numbers of political prisoners without charges. The Pope was insulted by carefully orchestrated mobs when he sought to bring a message of peace to Nicaragua.

Within nine months of taking power—as massive U.S. aid continued—the Sandinistas made their first pilgrimmage to Moscow. Their official anthem pledged "We shall fight against the Yankee aggressor, the enemy of humanity."

Moreover, their voting record was aggressively aligned with the Soviet bloc. For example, in the 1983–84 session of the U.N. General Assembly they voted for a unified Soviet-Cuban position 96% of the time. They voted for the Vietnamese invasion of Kampuchea and they refused to condemn the Soviet invasion of Afghanistan.

Although human rights abuses were legend under Somoza, by 1984, 120,000 Nicaraguans who stayed under Somoza had fled the Sandinista revolution.

Second, the commandantes began a massive military buildup even as the United States poured in economic assistance. Before any contra threat they had built up the Nicaraguan armed forces to nearly six times that of the Somoza National Guard. Today they are nine times that level and still escalating. At present they have some 350 tanks and armored vehicles compared with three tanks under Somoza, none in Costa Rica, sixteen armored reconnaisance vehicles in Honduras, and less than 30 armored personnel carriers in El Salvador—a nation with a substantial military insurgency. A major airfield capable of staking the largest aircraft in the Soviet arsenal is being built at Punte Huete and Nicaraguan Mig pilots are being trained in Bulgaria.

Third, and most importantly for our legal analysis, the Cubans and Sandinistas began active support for "revolution without frontiers" in neighboring Central American states, as the revolution in Nicaragua was consolidated. Remember in this connection that Cuba has supported insurgencies and other operations for the overthrow of indigenous Latin and Caribbean governments in some 17 nations over the first 20 years of its existence beginning in 1959 with attacks against Panama and Nicaragua. Cuba was condemned by the OAS for the serious attacks against Venezuela. Che Guevera's own diary detailed the unsuccessful attack in Bolivia and elsewhere in Latin America.

The evidence of the 1979 "revolution without frontiers" attacks on neighboring Central American states from Cuba and Nicaragua is clear. Indeed, by late 1980 the Carter Administration had become alarmed by the evidence, suspended U.S. economic assistance to the Sandinistas and had begun a program of emergency military assistance to El Salvador and neighboring states. This evidence includes:

In December of 1979 and May of 1980 Castro held meetings in Cuba to organize competing Salvadoran insurgent factions into a unified command controlled by the DRU following a Moscow line.

In 1980 FMLN leaders of the Salvadoran insurgency travelled to Moscow, East Germany, Bulgaria, Ethiopia and Vietnam in order to obtain arms and supplies for the insurgency. In response they received a major shipment of arms—primarily U.S. arms taken in Vietnam and Ethiopia for a total of over 700 tons of arms and ammunition.

Weapons serial numbers and defectors' reports show conclusively that the preponderance of weapons used by the insurgents are transshipped from Soviet bloc sources through Cuba and Nicaragua. Morever, it is rather easy to prove they are not captured locally when the insurgents were equipped with M16 rifles and M60 machine guns prior to the Salvadoran army and when the Salvadoran army has regularly captured more arms from the insurgents than it has lost to them. The Department of State has issued detailed reports on weapons intercepts in February 1981, March 1982, May 1983 and July 1984. The Governments of El Salvador, Costa Rica and Honduras have confirmed this. Of particular importance is the 1980 report of the Costa Rican Special Legislative Commission detailing the arms flow to Costa Rica and Salvadoran insurgents.

Command and control of the insurgency—and orders on a daily basis come from a headquarters complex near Managua, Nicaragua. The Kissinger Commission found "The guerrilla front has established a unified military command with headquarters near Managua."

The statements of Sandinista leaders themselves confirm these intentions and assistance. As early as May 1980, well before the U.S. government ended its assistance to the Sandinista regime, no less an authority than Foreign Minister D'Escoto said: "You [the U.S.] may look at us as five countries, six now with Panama, but we regard ourselves as six different states of a single nation in the process of reunification."

In short, the evidence supports the finding that Cuba and Nicaragua are involved in the instigation, organization, training, financing, the preponderance of arms, supply, command and control and political and technical support to the ongoing insurgency in El Salvador.

That insurgency is neither temporary nor small time. It fields forces roughly one-fifth the size of the Salvadoran army, it operates 67 offices in 35 countries in support of the attack and it has inflicted more than $1 billion in direct war damage on the economy of El Salvador.

These are not just conclusions of the United States Executive Branch. The governments of Costa Rica, Honduras and El Salvador have all issued reports documenting Sandinista subversive efforts and attacks. The Kissinger Commission found that the Sandinistas together with the Cubans and Soviets "committed all-out support" to the Salvadoran insurgents. And Congress has repeatedly made similar findings. For example, Congress found in the Intelligence Authorization Act of 1983 that "activities of the government of Cuba and Nicaragua threaten the independence of El Salvador and threaten to destabilize the entire Central American region and the government of Cuba and Nicaragua refuse to cease these activities."

The May 13, 1983, Report of the House Permanent Select Committee on Intelligence found:

"The insurgents are well-trained, well-equipped with modern weapons and supplies and rely on the sites in Nicaragua for command and control and for logistical support. The intelligence supporting these judgments provided to the committee is convincing. There is further persuasive evidence that the Sandinista government of Nicaragua is helping train insurgents and is transferring arms and financial support from and through Nicaragua to the insurgents. They are further providing the insurgents bases of operations in Nicaragua. Cuban involvement, especially in providing arms, is also evident.

And Congress as a whole found in the Intelligence Authorization Act of 1984:

By providing military support, including arms, training, logistical command and control and communications facilities, to groups seeking to overthrow the government of El Salvador and other Central American governments, the Government of National Reconstruction of Nicaragua has violated Article 18 of the Charter of the Organization of American States.

It is important to keep in mind two other points about the factual background. First, that Sandinista armed attacks against their neighbors began in August 1979. There was no "contra" response until the spring of 1982, more than two and a half years later. Second, the Sandinistas have simply lied about their secret war against neighboring states. As one sample: Foreign Minister D'Escoto filed a sworn affidavit with the World Court declaring "I am aware of the allegations made by the . . . United States that my Government is sending arms, ammunition, communication equipment and medical supplies conducting a civil war against the Government of El Salvador. Such allegations are false".

A Brief Analysis of the Law

The Cuban-Nicaraguan activities described above in attacking third states in Central America violate:

Article 2(4) of the United Nations Charter.

Articles 3, 18, 20 and 21 of the Revised Charter of the Organization of American States.

Article 1 of the hemispheric Rio defense treaty.

Article 1, 2, 3 and 5 of the United Nations Definition of Aggression.

Article 3 of the 1949 General Assembly Essentials of Peace Resolution.

Article 1 of the 1950 General Assembly Peace Through Deeds Resolution.

Article 2 of the 1954 International Law Commission Draft Code of Offenses Against the Peace and Security of Mankind.

The 1965 General Assembly Declaration on Inadmissibility of Intervention.

The 1970 General Assembly Friendly Relation Declaration.

The 1972 Principles Agreement.

Principle 5 of the Helsinki accords.

And even Articles 1, 2 and 8 of the Soviet draft definition of aggression.

This pattern of ongoing aggression constitutes an armed attack justifying the use of force in collective defense under Article 51 of the United Nations Charter and Article 3 of the Rio Treaty. Indeed, Article 27 of the OAS Charter, declares that such an attack is "an act of aggression against . . . [all] the American States" and Article 3 of the Rio Treaty creates a legal obligation on the United States to assist in meeting the armed attack. This obligation is parallel to that owed by the United States to NATO under Article 5 of the NATO Treaty in the event of an attack on a NATO member or under Article 5 of the Mutual Defense Treaty with Japan in the event of an attack on Japan.

A response in defense may lawfully be overt, covert or both, as has been the case in virtually every conflict in which America has fought in this century. In World War II no one regarded Allied support for partisan forces or covert operations in Germany as illegal in responding to Axis aggression. Such activities in defense against an armed attack have never been and are not now "state terrorism." Indeed, to make such a charge is to undermine the most important distinction in the United Nations and OAS Charters—that between aggression and defense.

Some have argued that a covert attack cannot amount to an armed attack justifying a response in defense under Article 51 of the UN Charter. This is wrong both as a matter of law and policy.

Kelsen writes "Since the Charter of the UN does not define the term armed attack used in Article 51, the member of the UN exercising their right of individual or collective . . . defense, may interpret armed attack to mean not only an action in which a state uses its own armed forces but also a revolutionary movement which takes place in one state but which is initiated or supported by another state." This conclusion is broadly and strongly supported by McDougal and Feliciano in perhaps the best scholarly treatment of the subject, Law and Minimum World Public Order (1961). Indeed, even the Soviet Draft Definition of Aggression says "that State shall be declared the attacker which first commits support of armed bands . . . which invade the territory of another State, or refusal, on being requested by the invaded State, to take in its own territory any action within its power to deny such bands any aid or protection." And within this hemisphere the principle that states may respond with use of force to a covert attack through assistance to insurgents was affirmed at the Ninth Meeting of Consultation of the Ministers of Foreign Affairs serving as the Organ of Consultation under the RIO Treaty in response to the earlier problem of Cuban covert attack.

Some have conceded that the United State may respond in defense but have argued that support for contras is disproportionate. But why is it disproportionate for the United States to respond to an armed attack on a democratically elected government aimed at the overthrow of that government by not ruling out that same objective against the Sandinista military junta in Nicaragua? Remember, Nicaragua in its attack on El Salvador has no Boland Amendment or funds cut-off. That attack continues and is meant to replace the government of El Salvador before proceeding to Costa Rica as, in the words of Commandante Borge "the dessert."

RECURRENT MISPERCEPTIONS

The United States has not violated the non-intervention Articles 18 and 20 of the Revised OAS Charter. Article 22 of the Revised Charter specifically says "measures adopted for the maintenance of peace and security in accordance with existing treaties"—in this case Article 3 of the Rio Treaty—"do not constitute a violation of the precepts set forth in Articles 18 and 20. And Article 21 of the OAS Charter says, "The American States bind themselves in their international relations not to have recourse to the use of force, except in the case of self-defense. . . . "Articles 27, 28 and 137 of the Revised OAS Charter support the same legal point that actions in defense under the Rio Treaty and the UN Charter are not illegal.

The United States is not simplistically seeking military solutions in Central America or aligning itself against social change in the region. In fact:

Approximately 4 out of 5 of all U.S. dollars to the region go for economic assistance in sharp contrast to the Soviet practice of emphasizing military assistance.

The United States has strongly supported land reform and genuine democratic processes in Central America and has vigorously opposed human rights abuses from all sides.

During the decade of the 1970's U.S. military advisors in Latin America declined from 516 to 70 while Soviet and Soviet-bloc advisors were undergoing a major buildup in the region. By 1981 the Soviet Union had 50 times more military advisors in Latin America than did the U.S.

From 1962-1982 the Soviets provided more than twice as much security assistance to Latin America as did the United States, or roughly $4 billion for the USSR to $1.5 billion for the U.S.

In 1984 the Soviet Union gave $4.9 billion in assistance to Cuba and Nicaragua—nearly six times the $837 million in U.S. assistance to all of Central America. Indeed the Soviet Union gave considerably more military

assistance to Nicaragua last year than the U.S. gave to all of Central America combined.

The Cubans have 2000-3000 military advisors in Nicaragua compared with 55 U.S. advisors in El Salvador. There are even more East German military advisors in Nicaragua than U.S. military advisors in El Salvador.

In conclusion, U.S. policy in Central America continues to include four elements pursued simultaneously: support for democracy; economic aid to improve living conditions; active diplomacy; and security assistance. The United States has supported peace efforts through the Contadora process. It will not, however, simply accept a parchment barrier while the Nicaraguan secret war on its neighbors continues in violation of at least twelve important legal charters and resolutions.

Thank you.

Fact Sheet—U.S. Economic Sanctions Against Nicaragua: Domestic and International Legal Bases

The actions taken by the President on May 1 (E.O. 12513) affecting trade between the U.S. and Nicaragua, were legitimate actions taken in accordance with the requirements of both domestic and international law. The actions were consistent with the International Emergency Economic Powers Act of 1977 (IEEPA), 50 U.S.C. § 1701, *et seq.*, the U.S.-Nicaragua Friendship, Commerce and Navigation Treaty, the General Agreement on Tariffs and Trade (GATT), the United Nations Charter, and the OAS Charter.

I. DOMESTIC LAW—IEEPA

The actions taken May 1 were carried out pursuant to the President's statutory authority under IEEPA. Under IEEPA, the President has extraordinarily broad authority to regulate or prohibit economic transactions with respect to "any property in which any foreign country or national thereof has any interest," 50 U.S.C. § 1702(a), to deal with "an unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States, if the President declares a national emergency with respect to such a threat." *Id.* § 1701(a). In this case, following consultations with the Congress in accordance with § 204 of IEEPA, the President (1) declared a national emergency in accordance with the procedures of the National Emergenices Act (NEA), 50 U.S.C. § 1621(a) and (2) determined that an "unusual and extraordinary threat to the national security and foreign policy of the United States" was posed by "the policies and actions of the Government of Nicaragua." (E.O. 12513). These determinations and the bases therefore were reported to the Congress pursuant to § 204 of IEEPA and § 1621(a) of the NEA. (Copy attached of E.O. and report to Congress.)

II. CUSTOMARY INTERNATIONAL LAW

Customary international law does not oblige a state to trade with any other state. Common sense suggests and international practice confirms that, in general, a state is free to choose its trading partners. A state is not compelled by international law to put its commercial interests ahead of its national security interest and the measures that the U.S. has taken were taken solely under its sovereign prerogatives. They were carefully tailored so as to affect third countries or raise questions of extra-territoriality.

III. TRADE AGREEMENTS TO WHICH THE U.S. AND NICARAGUA ARE PARTIES PERMIT THE U.S. TO RESTRICT TRADE WITH NICARAGUA UNDER THE CIRCUMSTANCES

There are two agreements which set forth rules relevant to trade between the U.S. and Nicaragua. These agreements permit a state to exercise its customary law rights to restrict trade to protect its security interests.

A. *FCN Treaty.*—The U.S. action is consistent with U.S.-Nicaragua Friendship, Commerce and Navigation (FCN) Treaty. Article 21(1)(D) of the FCN Treaty states. "The present Treaty shall not preclude the application of measures necessary to fulfill the obligations of a party for the maintenance or restoration of international peace and security, or necessary to protect its essential security interests." U.S. actions are designed to further overall efforts to restore peace in Central America by restricting Nicaragua's capacity to carry on subversion and aggression directed at its neighbors, and are based on a specifc presidential finding that they are necessary to respond to an unusual and extraordinary Nicaraguan threat to U.S. security interests.

B. *GATT.*—Similarly the U.S. action is consistent with the GATT. Article 21 of GATT expressly permits measures a party "considers necessary for the protection of its essential security interest taken in the time of war or other emergency in international relations." (In 1961, Ghana relied on Article 21 of the GATT to impose a boycott on trade with Portugal because of that country's policies in Angola.) Again, the President made the determination that these measures were necessary to deal with an extraordinary and unusual threat to U.S. security, based on Nicaragua's aggressive actions toward its neighbors.

IV. U.N. CHARTER

There is nothing in the Charter of the United Nations which prevents a state from exercising its right to terminate trade. While under the Charter the Security Council may mandate certain types of economic measures and bind all states, the Charter in no way precludes action by individual states in pursuance of their customary and sovereign rights to safeguard their security.

V. OAS CHARTER

Neither are the measures recently taken by the United States inconsistent with the provisions of the OAS Charter. On the contrary, the actions further its purposes. It is Nicaragua that has violated the OAS Charter by conducting a campaign of subversion and aggression against its neighbors, violating the political and human rights of the Nicaraguan people, and interfering in the internal affairs of its neighbors. Nicaragua's conduct is incompatible with the maintenance of normal commercial relations. The United States decision to cease trading with Nicaragua was primarily intended to prevent Nicaragua from deriving benefits from trade with the United States which would directly or indirectly, support its illegal, aggressive, and destabilizing course of action in the region.

VI. GENERAL PRACTICE

U.S. actions with regard to Nicaraguan trade are not without precedent. Thus, for instance, a number of states who were nonbelligerents during the Falkland/Malvinas conflict imposed strict economic sanctions against Argentina. The U.S. has imposed restrictions on commercial air traffic in response to actions by the Soviet Union and Poland. The U.S. maintains restrictions on commerce with Libya in light of its export of subversion, and virtually complete embargoes against Cuba, Vietnam, Cambodia and North Korea.

Presidential Documents

Executive Order 12513 of May 1, 1985.

Prohibiting Trade and Certain Other Transactions Involving Nicaragua.

By the authority vested in me as President by the Constitution and laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), chapter 12 of Title 50 of the United States Code (50 U.S.C. 191 *et seq.*), and section 301 of Title 3 of the United States Code.

I, Ronald Reagan, President of the United States of America, find that the policies and actions of the Government of Nicaragua constitute an unusual and extraordinary threat to the national security and foreign policy of the United States and hereby declare a national emergency to deal with that threat.

I hereby prohibit all imports into the United States of goods and services of Nicaraguan origin; all exports from the United States of goods to or destined for Nicaragua, except those destined for the organized democratic resistance, and transactions relating thereto.

I hereby prohibit Nicaraguan air carriers from engaging in air transportation to or from points in the United States, and transactions relating thereto.

In addition, I hereby prohibit vessels of Nicaraguan registry from entering into United States ports, and transactions relating thereto.

The Secretary of the Treasury is delegated and authorized to employ all powers granted to me by the International Emergency Economic Powers Act to carry out the purposes of this Order.

The prohibitions set forth in this Order shall be effective as of 12:01 a.m., Eastern Daylight Time, May 7, 1985, and shall be transmitted to the Congress and published in the Federal Register.

Ronald Reagan.

The White House, *May 1, 1985.*

To The Congress of the United States:

Pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703, I hereby report to the Congress that I have exercised my statutory authority to declare a national emergency and to prohibit: (1) all imports into the United States of goods and services of Nicaraguan origin; (2) all exports from the United States of goods to or destined for Nicaragua except those destined for the organized democratic resistance; (3) Nicaraguan air carriers from engaging in air transportation to or from point in the United States; and (4) vessels of Nicaraguan registry from entering into United States ports.

These prohibitions will become effective as of 12:01 a.m., Eastern Daylight Time, May 7, 1985.

I am enclosing a copy of the Executive Order that I have issued making this declaration and exercising these authorities.

1. I have authorized these steps in response to the emergency situation created by the Nicaraguan Government's aggressive activities in Central America. Nicaragua's continuing efforts to subvert its neighbors, its rapid and destabilizing military buildup, its close military and security ties to Cuba and the Soviet Union and its imposition of

Communist totalitarian internal rule have been described fully in the past several weeks. The current visit by Nicaraguan President Ortega to Moscow underscores this disturbing trend. The recent rejection by Nicaragua of my peace initiative, viewed in the light of the constantly rising pressure that Nicaragua's military buildup places on the democratic nations of the region, makes clear the urgent threat the Nicaragua's activities represent to the security of the region and, therefore, to the security and foreign policy of the United States. The activities of Nicaragua, supported by the Soviet Union and its allies, are incompatible with normal commercial relations.

2. In taking these steps, I note that during this month's debate on U.S. policy toward Nicaragua, many Members of Congress, both supporters and opponents of my proposals, called for the early application of economic sanctions.

3. I have long made clear that changes in Sandinista behavior must occur if peace is to be achieved in Central America. At this time, I again call on the Government of Nicaragua:

To halt its export of armed insurrection, terrorism, and subversion in neighboring countries;

To end its extensive military relationship with Cuba and the Soviet Bloc and remove their military and security personnel;

To stop its massive arms buildup and help restore the regional military balance; and

To respect, in law and in practice, democratic pluralism and observance of full political and human rights in Nicaragua.

4. U.S. application of these sanctions should be seen by the Government of Nicaragua, and by those who abet it, as unmistakable evidence that we take seriously the obligation to protect our security interests and those of our friends. I ask the Government of Nicaragua to address seriously the concerns of its neighbors and its own opposition and to honor its solemn commitments to non-interference, non-alignment, respect for democracy, and peace. Failure to do so will only diminish the prospects for a peaceful settlement in Central America.

RONALD REAGAN.

THE WHITE HOUSE.

AFFIDAVIT OF GEORGE P. SHULTZ

1. I, George P. Shultz, hereby declare and state as follows: I am Secretary of State of the United States of America. I have held this office since July 16, 1982. As Secretary of State, I am responsible, pursuant to the guidance of the President of the United States, for the formulation and execution of the foreign policy of the United States.

2. As Secretary of State and as a member of the National Security Council, I have access to the entire range of diplomatic and intelligence information available to the Government of the United States.

3. The information available to the Government of the United States through diplomatic channels and intelligence means, and in many instances confirmed by publicly available information, establishes that the Government of Nicaragua has, since shortly after its assumption of power in 1979, engaged in a consistent pattern of armed aggression against its neighbors. Other responsible officials of the United States Government, including the President and the responsible Committees of the United States Congress having access to such information, share this view. In addition, responsible officials of other States in the region have reached a similar conclusion based on their own sources of information.

4. The United States has abundant evidence that the Government of Nicaragua has actively supported armed groups engaged in military and paramilitary activities in and against El Salvador, providing such groups with sites in Nicaragua for communications facilities, command and control headquarters, training and logistics support. The Government of Nicaragua is directly engaged with these armed groups in planning ongoing military and paramilitary activities conducted in and against El Salvador. The Government of Nicaragua also participates directly in the procurement, and transshipment through Nicaraguan territory, of large quantities of ammunition, supplies and weapons for the armed groups conducting military and paramilitary activities in and against El Salvador.

5. In addition to this support for armed groups operating in and against El Salvador, the Government of Nicaragua has engaged in similar support, albeit on a smaller scale, for armed groups engaged, or which have sought to engage, in military or paramilitary activities in and against the Republic of Costa Rica, the Republic of Honduras, and the Republic of Guatemala. The regular military forces of Nicaragua have engaged in several direct attacks on Honduran and Costa Rican territory, causing casualties among the armed forces and civilian populations of those States.

6. I am aware of the allegation made by the Republic of Nicaragua in its Application to the International Court of Justice dated April 9, 1984, that the United States is engaged in an unlawful armed attack against Nicaragua, conducted by means of "mercenary" forces employed and directed by the United States, which has as its objective the overthrow of the Government of Nicaragua. I am further aware that the Government of Nicaragua has sought to characterize the current dispute between the Republic of Nicaragua and the United States as exclusively the product of United States opposition towards the domestic and foreign political orientation of the Government of Nicaragua.

7. I hereby affirm that the United States recognizes and respects the prohibitions concerning the threat or use of force set forth in the Charter of the United Nations, and that the United States considers its policies and activities in Central America, and with respect to Nicaragua in particular, to be in full accord with the provisions of the Charter of the United Nations. Pursuant to the inherent right of collective self-defense, and in accord with its obligations under the Inter-American Treaty of Reciprocal Assistance, the United States has provided support for military activities against forces directed or supported by Nicaragua as a necessary and proportionate means of resisting and deterring Nicaraguan military and paramilitary acts against its neighbors, pending a peaceful settlement of the conflict. I further affirm that the overthrow of the Government of Nicaragua is not the object nor the purpose of United States policy in the region. Our position in this respect is clear and public. As President Reagan stated in a published letter to Senator Baker of April 4, 1984:

"The United States does not seek to destabilize or overthrow the Government of Nicaragua; nor to impose or compel any particular form of government there.

"We are trying, among other things, to bring the Sandinistas into meaningful negotiations and constructive, verifiable agreements with their neighbors on peace in the region.

"We believe that a pre-condition to any successful negotiations in these regards is that the Government oi Nicaragua cease to involve itself in the internal or external affairs of its neighbors, as required of member nations of the OAS."

8. I am aware of the diplomatic efforts made by the Central American States, other hemispheric nations including particularly the "Contadora Group" of Colombia, Panama, Mexico, and Venezuela, the United Nations Security Council, the Organization of American States, and the United States over the past five years to resolve the conflict in Central America. In this regard, I have personally engaged in a dialogue with the Nicaraguan leadership, as well as with the leaders of the other nations in the region. There has been widespread recognition that, despite Nicaragua's efforts to portray the conflict as a bilateral issue between itself and the United States, the scope of the conflict is far broader, involving not only cross-border attacks and State support for armed groups within various nations of the region, but also indigenous armed opposition groups within countries of the region. It has been further recognized that under these circumstances, efforts to stop the fighting in the region would likely be fruitless and ineffective absent measures to address the legitimate economic, social and political grievances of the peoples of the region which have given rise to such indigenous armed opposition.

9. In this regard, States in the region, including the Contadora Group, the United States, the leadership of the Catholic Church in both El Salvador and Nicaragua, and others have called for a dialogue between the respective governments and their armed opponents aimed at achieving internal reconciliation. The Government of El Salvador has called for a dialogue with the armed goups in that country and has offered them the opportunity to lay down their arms and participate in free elections. The United States has supported and facilitated these efforts at reconciliation, including meetings between United States representatives and members of the Salvadoran opposition. The armed opposition within Nicaragua is a manifestation of dissatisfaction with the failure of the Government of Nicaragua to carry out the commitment to broadly representative democratic government that it made to the Organization of American States and the Nicaraguan people prior to its assumption of power. The armed opposition groups in Nicaragua have offered to lay down their arms if given an opportunity to participate in free and fair elections. The Government of Nicaragua has thus far refused this offer, and has condemned, *inter alia*, the leadership of the Catholic Church for suggesting a dialogue. The leaders of the armed opposition in Nicaragua were allies of the members of the current government during the Nicaragua revolution and many were senior officials of the current government prior to going into opposition. It is my judgment that these groups would continue their acts of opposition against the Government of Nicaragua, regardless of any arrangements made between Nicaragua and other States that failed to address their legitimate grievances.

10. The need for internal reconciliation as well as inter-State arrangements is reflected in the defined objectives of the dispute settlement process established under the auspices of the Contadora Group and endorsed by the United Nations Security Council, the Organization of American States and the United States. These objectives—agreed upon by each of the Central American

States, including Nicaragua—include political, economic and social reforms designed to deal with the indigenous causes of conflict, as well as a cessation of hostilities, address of cross-border security problems, the establishment of arms limitations, the creation of effective verification mechanisms. These agreed objectives have been incorporated by the Contadora Group into a detailed text of a proposed comprehensive negotiating document, which is now under discussion by the Parties.

11. The United States fully supports the objectives already agreed upon in the Contadora Process as a basis for a solution of the conflict in Central America. The objectives of United States policy towards Nicaragua are entirely consistent with those broader agreed objectives and full and verifiable implementation of the Contadora document of objectives would fully meet the goals of United States policy in Central America as well as the expressed security concerns of Nicaragua.

12. On June 1, 1984, I personally travelled to Managua, Nicaragua, to initiate a dialogue directly with Nicaraguan leaders designed to facilitate the achievement of the Contadora objectives. On the basis of my meeting with leaders of the Government of Nicaragua, senior representatives of the United States and Nicaragua have subsequently met on several occasions. While the substance of these diplomatic discussions is being kept confidential by both sides, Nicaragua is fully aware of the seriousness of the United States' commitment to the achievement of a comprehensive solution on the basis of the agreed Contadora objectives. Nicaragua has sought publicly to portray as intervention in its internal affairs United States expressions of support (a) for an end to Nicaraguan armed acts against its neighbors, (b) for political pluralism in Nicaragua, (c) for reductions in the massive arms inventory of that nation, and (d) for the removal of foreign advisers from its territory. These charges are belied by the fact that (a) the termination of all support for armed insurgencies in the region, (b) the development of democratic and pluralistic political institutions in each of the countries, (c) arms reductions to achieve regional balance, and (d) the elimination of foreign military advisers throughout the region are objectives expressly agreed to by Nicaragua in the Contadora Process.

13. As indicated above, the United States recognizes the applicability to the conflict in Central America of international law relative to the use of force, and considers its own policies and activities to be fully consonant with its international obligations. The United States considers, however, that in the current circumstances involving ongoing hostilities, adjudication is inappropriate and would be extremely prejudicial to the existing dispute settlement process. Achieving agreement on both the nature of the dispute and the scope of the issues to be addressed in a settlement was a major accomplishment of the Contadora Group, fully supported by the appropriate international organs. To permit one party to create a parallel dispute settlement process dealing with only one aspect of the dispute and of the issues required to be addressed in a comprehensive solution would affect adversely the current multilateral and bilateral negotiating processes encompassed in the Contadora framework, and could, in the opinion of the United States, delay, if not forestall, an end to the fighting.

GEORGE P. SHULTZ.

Signed and sworn before me this 14th day of August, 1984.

LOIS M. BUTLER,
Notary

AFFIDAVITS OF THE GOVERNMENT OF EL SALVADOR

SIR: I have the honour to transmit herewith to Your Excellency a certified copy of a document dated 15 August 1984 and entitled "Intervention Pursuant to Article 63 of the Statute of the International Court of Justice. Case Concerning Military and Paramilitary Activities in and Against Nicaragua. Declaration of Intervention of the Republic of El Salvador."

The document is signed by Ambassador Ivo P. Alvarenga who is appointed Agent of the Republic of El Salvador before the International Court of Justice by the President of the Republic of El Salvador.

I am also sending to you a certified copy of an affidavit signed by the Acting Minister of Foreign Affairs of the Republic of El Salvador, which was filed with the above-mentioned declaration.

I have in addition to inform you that, in exercise of his functions under Article 13, paragraph 3, of the Rules of Court, the Vice-President of the Court has fixed Friday 14 September 1984 as the time-limit for the filing by your Government of written observations on the above-mentioned declaration filed by the Government of El Salvador, as provided in Article 63, paragraph 1, of the Rules of Court.

Accept, Sir, the assurances of my highest consideration.

EDUARDO VALENCIA-OSPINA,
Deputy-Registrar.

EMBAJADA DE EL SALVADOR

AUGUST 15, 1984.

Intervention Pursuant to Article 63 of the Statute of the International Court of Justice.

Case Concerning Military and Paramilitary Activities in and Against Nicaragua.

Declaration of Intervention of the Republic of El Salvador.

I. I have the honor to refer to the application of 9 April 1984 filed by the Republic of Nicaragua against the United States of America.

The Government of Nicaragua, in a malicious and improper fashion, has assured the Court that El Salvador does not consider itself the object of armed attack from Nicaragua. (Public Sitting of the Court, 25 April 1984, CR/8, p. 74). In view of these false allegations, the Republic of El Salvador has no alternative but to participate in the proceedings resulting from Nicaragua's application of 9 April 1984.

Pursuant to Article 63 of the Statute of the Court and Article 82 of the Rules of the Court, the Republic of El Salvador hereby intervenes by right in the current phase of the proceedings resulting from Nicaragua's application of 9 April 1984. El Salvador makes this intervention for the sole and limited purpose of arguing that this Court does not have forth therein, that for multiple reasons the Court should declare itself unable to proceed concerning such application and claims, and that such application and claims are inadmissible.

El Salvador also wishes to participate in order to make it a matter of record that contrary to what Nicaragua has asserted in its allegations in this case, El Salvador considers itself under the pressure of an effective armed attack on the part of Nicaragua and feels threatened in its territorial integrity, in its sovereignty, and in its independence, along with the other Central American countries. This is proved by the protests which Central American countries have made against the Nicaraguan Government. In view of the political use which Nicaragua has attempted to make of the International Court of Justice in its application before the Court, El Salvador comes here to affirm before the International Court of Justice and before the entire world, the aggression of which it is a victim through subversion that is directed by Nicaragua, and that endangers the stability of the entire region.

II. In 1979, each day it became more apparent that the Somoza Government was collapsing and a new force, ostensibly dedicated to reform and progress, would eventually assume power in the brother country of Nicaragua. For that reason, many of us in El Salvador looked with hope at our neighbor Nicaragua during the spring and summer of 1979. When that moment arrived, we, along with many other countries, were very pleased when the Sandinistas promised to the Organization of American States, in July 1979, that their goals for Nicaragua were peaceful and democratic. Indeed, our hopes for a new era of democracy, progress, reform, and an end to every form of repression in Central America were manifested in the same year when our country also adopted a program of progress in accordance with popular ideals.

III. However, our hopes and expectations for a new era of peace and progress were frustrated, for very soon it became clear that Nicaragua had deceived its people, Central America, and the democratic world.

In place of peace, the Sandinista Government of Nicaragua opted for aggression. Nicaragua has become converted into an armed camp whose military forces are completely out of proportion to its strict and legitimate security requirements.

Moreover, especially for the Salvadorans, Nicaragua has been converted into a base from which the terrorists seek the overthrow of the popularly elected government of our nation. They are directed, armed, supplied, and trained by Nicaragua to destroy the economy, create social destabilization, and to keep the people terrorized and under armed attack by subversives directed and headquartered in Nicaragua. Despite all of these interventions by Nicaragua, the Government of El Salvador has not wanted to present any accusation or allegation to any of the jurisdictions to which we have a right to apply because we were seeking, and we continue to seek, a solution of understanding and mutual respect between the two nations, despite the fact that Nicaragua has on many occasions used international fora to attack and denigrate its neighbors, and especially El Salvador.

On the other hand, our nation cannot, and must not, remain indifferent in the face of this manifest aggression and violent destabilization of the Salvadoran society which oblige the State and the Government to legitimately defend themselves. For that reason we have sought and continue to seek assistance from the United States of America and from other democratic nations of the world; we need that assistance both to defend ourselves from this foreign aggression that supports subversive terrorism in El Salvador, and to alleviate and repair the economic damage that this conflict has created for us.

IV. The reality is that we are the victims of aggression and armed attack from Nicaragua and have been since at least 1980. Moreover, even before the Sandinistas assumed power in Nicaragua in July 1979, Nicaraguans and Cubans were involved with the subversive groups in El Salvador, and used them for the guerrilla warfare in Nicaragua in order to take and consolidate Sandinista power.

V. Nicaraguan and Cuban officials work directly with Salvadoran guerrillas, through the "Comision Militar," to channel Nicaraguan military support to the Farabundo Marti National Liberation Front (FMLN). The "Comision Militar" is under the control of the Minister of Defense, Humberto Ortega Saavedra, and Sandinista Army Chief of Staff Joaquin Cuadra. The general headquarters of the FMLN near Managua is the command center which directs guerrilla operations and coordinates the logistical support, including the provision of munitions, clothes, and money. As our former President, Alvaro Magana, said in a press conference in December 1983: ". . . Nicaragua is the launching pad for armed subversion in El Salvador."

VI. The facts concerning the deaths, which occurred in April 1983 in Managua, of the two Salvadoran subversive leaders, Melida Anaya Montes and Cayetano Carpio, confirmed once again the presence of the subversive leadership of the FMLN in Nicaragua, and demonstrated their close ties with the Sandinista leadership. In addition, Nicaragua provides houses and hideouts to the subversives of the FMLN, and communications facilities of the same group are located in northwest Nicaragua. These facilities are used to pass instructions and messages to subversive units in El Salvador.

VII. In addition to the entire terrorist training operation established in Cuba, since mid-1980 the Sandinista National Liberation Front has made available to the Salvadoran guerrillas training sites in Nicaraguan territory. The training includes small-unit tactics, experience with firearms and explosives, etc. These training centers, managed by Cuban and Nicaraguan military personnel, have been identified and located in El Paraiso, Jocote Dulce, Bosques de Jilao, and at Kilometer 14 on the South Highway. The first two locations are situated in the southern suburbs of Managua; the second two are outside the city.

(A) One Salvadoran subversive, who deserted to Honduras in September 1981, reported that he and 12 other personnel went from Nicaragua to Cuba for intensive military training, where over 900 Salvadorans were then receiving training.

(B) Several subversives captured in a raid in Tegucigalpa, Honduras, in November 1981, told Honduran authorities that the Nicaraguan Government had provided them with funds for their travel and with explosives for use in El Salvador.

(C) In March 1983, Honduran security officials surprised a group of Salvadoran subversives traveling across Honduras from El Salvador and on to training camps in Nicaragua, which proves that there are land infiltration routes between Nicaragua and El Salvador.

VIII. A blatant form of Nicaraguan aggression against El Salvador is the Sandinista involvement in supply operations for the FMLN subversives. Although the quantities of arms and supplies, and the routes used, vary, there has been a continuing flow of arms, ammunition, medicines, and clothing from Nicaragua to our country.

(A) Clandestine deliveries of arms and munitions by air and by sea are sent from Cuba to El Salvador by way of Nicaragua, where they are stored pending their final delivery to the Salvadoran subversives. Such warehouses have been specifically identified and located in Managua.

(B) Direct supply flights were made from Nicaragua, for the purpose of supporting the insurgents, during the January 1981 final offensive, which was designed to overthrow the government of our country.

(C) The weapons intercepted in Honduras have been identified as originating from weapons supplied to United States units in Vietnam. Documents we have captured from subversives operating in our country indicate that they, with the assistance of the Governments of Nicaragua and Cuba, have negotiated arms supply agreements with Vietnam and other Communist countries, designating Nicaragua as the vehicle and medium for delivery.

A leader of the Armed Forces of National Resistance (FARN), captured by our regular forces in August 1982, stated that the Nicaraguans were delivering to the subversives weapons provided by Vietnam to Nicaragua, and confirmed other aspects of the support provided by the Sandinista National Liberation Front to the subversives.

(D) We have positive proof of the use of FAL rifles and the munitions manufactured in Venezuela, which were delivered, during the administration of President Carlos Andres Perez, to the Sandinista guerrillas who were fighting against Somoza. All these arms have been passed on by the Sandinista government to the Salvadoran subversives.

(E) Another subversive commander, captured in Honduras in August 1982, confirmed that Nicaragua is the major supplier of arms and munitions to the insurgents. One of his comrades had personally obtained arms from Nicaragua on five occasions in that same year.

(F) Arms and munitions, including heavy weapons, are also provided to the subversives not only by land, but also by air and by sea from Nicaragua. These weapons and other materiel are brought by sea across the Gulf of Fonseca from Nicaragua to our territory.

The weapons, munitions, and stores are transported by sea in fishing vessels, and by small craft (called cayucos) which are powered by small outboard motors and have limited fuel supplies, which proves conclusively that these supplies do not come from distant ports and that the short range of these vessels does not extend beyond Nicaraguan territory. For this reason, all of the supply points are located on the beaches of southeast El Salvador.

(G) In May of this year, our Armed Forces destroyed a subversive camp which was an important element of the supply route, capturing approximately 30 transport trucks, and maps showing these supply routes.

(H) In late 1983 a United States reporter named Sam Dillon visited a small Nicaraguan port, called La Concha, located about 60 kilometers across the Gulf of Fonseca from El Salvador. Mr. Dillon reported that the residents of the so-called "Fishing Cooperative" had—as traditional smugglers— introduced since 1979 large quantities of weapons into El Salvador, under instructions of the Nicaraguan government.

(I) Seventy-three percent of the 214 M-16 rifles captured on 21 July 1984, from FMLN subversives, by the Salvadoran Armed Forces were originally delivered by the United States to Vietnam. Documentation has recently been prepared showing the routes by which these weapons were transported from Vietnam to Cuba, from Cuba to Managua, and from Managua to the FMLN, to El Salvador.

(J) The former official of Nicaraguan security, Miguel Bolanos, has stated that small aircraft have been used to transport materiel and armaments from Nicaragua.

(K) The presence of aircraft from Nicaragua increases noticeably before the launching of large scale subversive operations.

IX. Nicaraguan officials have publicly admitted their direct involvement in waging war on us. Foreign Minister Miguel D'Escoto, when pressed at a meeting of the Foreign Ministers of the Contadora group in July 1983, by our Foreign Minister, Dr. Fidel Chavez Mena, on the issue of Nicaraguan materiel support for the subversion in El Salvador, shamelessly and openly admitted such support in front of his colleagues of the Contadora group. That statement, made in those particular circumstances, is significant, inasmuch as the interventionist attitude of the Nicaraguan Government, in its eagerness to export subversion, not only manifests itself in relation to El Salvador, but also has had to do with countries such as Colombia, Costa Rica, Honduras and other Latin American countries, with some of which it has had serious problems. This is because Nicaragua, as Nicaragua has itself recognized officially, has been converted into the center of exportation of revolution to all of the countries in the area.

The Marxist international intervention has been the subject of statements by numerous political leaders, both those of Nicaragua as well as those of other countries in the Marxist-Leninist revolutionary orbit: Thus, the former Prime Minister of Grenada, Maurice Bishop, stated in a speech of 19 July 1980, during a ceremony commemorating the first anniversary of the Sandinista Revolution, that ". . . now we can speak not only about a revolutionary Cuba, not only about a revolutionary Nicaragua, but also about a revolutionary El Salvador, a revolutionary Guatemala, and a revolutionary Honduras." Moreover, Fidel Castro, said: ". . . and we are certain that the Sandinista Revolution will teach us much, just as we are certain that its example will have extraordinary influence in the rest of Latin America."

On 5 October 1980, in San Jose, Rafael Cordova, one of the five members of the Sandinista Junta, declared that ". . . If the left wins (in El Salvador), and we can do no less than crave that our Salvadoran comrades will win, Guatemala will fall immediately like a ripe fruit and in Nicaragua the Sandinista revolutionary process will become established."

X. The most positive proof of Nicaraguan intervention and participation in the subversive process against El Salvador was shown to the world the day of 10 January 1981, when the national radio of Nicaragua, Radio Sandino, was used for an entire day as an instrument of direct support, with harangues, instructions, and, under the pretense of giving the news, events were described before they occurred. This clearly demonstrates Nicaragua's participation in the planning of the offensive.

XI. The damage caused to the economy, to our infrastructure, and to the people of our country is immense and very difficult to calculate. The cost in human lives is alarming. As a result of the insurgency supported by the Sandinistas, we have approximately half a million persons internally displaced in our country and over 30,000 persons have been killed in the conflict since it was unleashed in 1979. The subversives, aided and

abetted by their allies in Nicaragua, have destroyed farms, businesses, bridges, roads, dams, power sources, trains, and buses. They have mined our roads in an attempt to disrupt our economy and with the purpose of preventing our citizens from participating effectively in the national elections. The total of the damages produced by the subversion to the Salvadoran economy since 1979 to the end of 1983 has been conservatively estimated to amount to approximately US $800 million.

XII. Faced with this aggression, we have been called upon to defend ourselves, but our own economic and military capability is not sufficient to face any international apparatus that has unlimited resources at its disposal, and we have, therefore, requested support and assistance from abroad. It is our natural, inherent right under Article 51 of the Charter of the United Nations to have recourse to individual and collective acts of self-defense. It was with this in mind that President Duarte, during a recent visit to the United States and in discussions with United States Congressmen, reiterated the importance of this assistance for our defense from the United States and the democratic nations of the world.

This was also done by the Revolutionary Junta of Government and the Government of President Magana.

XIII. Despite all of the foregoing, the Government of El Salvador has always sought peaceful co-existence with its neighbors. Indeed, President Duarte was prepared to send a high-level delegation, represented by the Deputy Foreign Minister of the Republic, to the recent fifth anniversary celebrations of the popular Sandinista Revolution. This gesture of friendship was responded to by a statement by the Nicaraguan Chief of State and Coordinator of the Sandinista Junta, Daniel Ortega, during a recent interview by German television. He publicly stated that: ". . . he could meet with President Duarte, but that would not impede the fact of continuing support to the Salvadoran guerrillas." In the face of such a declaration of hostility, the Government had no other alternative but to cancel the visit to the Nicaraguan ceremony. Furthermore, it considers that these statements by Mr. Ortega involve a self-confession of intervention and that they state the official position in that regard of the Government of Nicaragua, inasmuch as they come directly from the Chief of State of Nicaragua.

The Chief of State of Nicaragua himself recognizes and confesses to that country's intervention in the internal affairs of El Salvador.

The Nicaraguan Government never explained or apologized for Ortega's public statement regarding support to the FMLN. And certainly, up to this moment, Nicaragua continues to be the principal source of material assistance to the subversives (munitions, arms, medical supplies, training, etc.) in preparation for the expected general summer offensive, predicted by the very same FMLN.

In our opinion there are two levels of jurisdictional competence to settle conflicts of an international nature; one is eminently political and the other is legal or juridical.

XIV. Nicaragua has availed itself in this case of the second of the systems. Nicaragua bases its jurisdictional claim on Article 36 of the Statute of the Court in the introduction of its application, paragraph 13. Nicaragua founds its principal claim against the United States on supposed violations of the Charter of the United Nations, the Charter of the Organization of American States, the Convention on Rights and Duties of States, and the Convention Relative to the Duties and Rights of States in the Event of Civil Strife. The pretension of Nicaragua is that the United States is involved in the use of armed force against Nicaragua in violation of pertinent provisions of those multilateral treaties or conventions.

Assuming arguendo the supposed validity of Nicaragua's jurisdictional allegation, El Salvador also is a party to the Statute of the International Court, having become so when it signed and ratified its participation in the Charter of the United Nations. El Salvador became a member of the Charter on the same date. It became a member of the Organization of American States and ratified that Convention on 16 June 1950. It became a member of the Convention Relative to the Duties and Rights of States in the Event of Civil Strife and ratified it on 25 April 1936. It ratified the Convention on Rights and Duties of States on 25 April 1936. Therefore, El Salvador is party to all the multilateral conventions on which Nicaragua alleges the jurisdictional basis of its substantive claims.

These treaties give to El Salvador equally the rights to demand that Nicaragua cease in its overt intervention in our internal affairs, and El Salvador considers, and this is a reason for intervening in the case of Nicaragua vs. the United States, that all these multilateral treaties and conventions constitute the lawful mechanisms for the resolution of conflicts, having priority over the assumption of jurisdiction by the International Court of Justice. This position has been maintained by the Republic of El Salvador on other occasions, accepting the jurisdiction of the Organization of American States, for example, in the conflict which we had with Honduras in 1969. On that occasion there was a resolution and El Salvador respected that resolution. The spirit of that acceptance, which involved a manifestation of our jurisdictional reservation with respect to the Court at The Hague, was precisely to respect the jurisdicational supremacy of multilateral conventions.

In the opinion of El Salvador, therefore, it is not possible for the Court to adjudicate Nicaragua's claims against the United States without determining the legitimacy or the legality of any armed action in which Nicaragua claims the United States has engaged and, hence, without determining the rights of El Salvador and the United States to engage in collective actions of legitimate defense. Nicaragua's claims against the United States are directly interrelated with El Salvador's claims against Nicaragua.

Moreover, the application of Nicaragua is inadmissible inasmuch as it is based on a fallacy, which is to say that El Salvador is not being affected by Nicaragua's actions in exporting subversion.

Any case against the United States based on the aid provided by that nation at El Salvador's express request, in order to exercise the legitimate act of self-defense, cannot be carried out without involving some adjudication, acknowledgement, or attribution of the rights which any nation has under Article 51 of the United Nations Charter to act collectively in legitimate defense. This makes inadmissible jurisdictional action by the Court in the absence of the participation of Central America and specifically El Salvador, in whose absence the Court lacks jurisdiction.

Finally, El Salvador points to the fact that it has entered a reservation concerning acceptance of the Court's jurisdiction, with specific reference to disputes relating to facts or situations involving hostilities, armed conflicts, individual or collective acts of legitimate defense, resistance to aggression, fulfillment of obligations imposed by international organizations, and other similar acts, measures, or situations in which El Salvador is, has been, or might be an involved party.

The other instance or level of jurisdiction to which we have made reference is the political one.

XV. The current world situation suggests that, in addition to bilateral disputes, multinational conflicts have arisen which traditional juridical mechanisms are inadequate to resolve, and new means of multilateral political dialogue are being sought that would consider political, military, economic, and international factors as well as legal factors. This can be said of the conflicts in Asia Minor; it applies more acutely to those between various nations of the Middle East; and it is specifically true of the Central American conflict.

In this sense El Salvador states that in its view everyone has acknowledged that the Central American phenomenon has moved beyond the scope of simple bilateral treatment and has become a regional issue entrailing the participation of multilateral interests. In this case it is clear that competent bodies such as the United Nations Security Council and General Assembly and the Thirteenth Meeting of Foreign Ministers of the Organization of American States have had to defer to a new instrument of good offices.

A. It is in line with this concept that four Western Hemisphere countries—Mexico, Colombia, Venezuela, and Panama—took an initiative and created the instrument to deal with this crisis, which, as is well known, is called the Contadora process. The five Central American countries—Guatemala, Honduras, Costa Rica, El Salvador, and Nicaragua—have accepted that political initiative to settle the conflicts of the Central American crisis, which, it must not be overlooked, involves other countries such as Cuba, Russia, and the United States itself.

B. It should be recalled that all parties of this group have accepted the 21 points of Contadora and the other structural documents of the process, in which is contemplated a solution by political consensus of each and every one of the claims presented by Nicaragua before the International Court of Justice, as well as the claims of the other Central American nations against Nicaragua. This argument would suffice to deem jurisdictional action by the Court inappropriate, for it would fundamentally undermine the negotiations currently being carried out within the Contadora process.

This process has been specifically endorsed by the Security Council of the United Nations and by the Organization of American States, and has thus far enjoyed public support from practically all of the nations of the world, to such an extent that next September a meeting will be held of the four Contadora countries, the five Central American countries, and the ten foreign ministers representing the European Economic Community, as well as Spain and Portugal, within the general context of the framework established by Contadora.

C. El Salvador considers that it would be very harmful and inappropriate for the Court to consider the Nicaraguan Application, for to do so would entail transferring the forum from the political forum, which is one of understanding and tolerance, to the forum of legal confrontation, which has other mechanisms and other means of solution.

D. It would also set a precedent on the basis of which all other nations participating in the Central American conflict would have to resort to that coerced judicial jurisdiction which would give rise to multiple litigation with ramifications which go beyond strictly juridical frameworks.

XVI. In this intervention, presented by El Salvador on the basis of Article 63 of the Statute of the Court and Article 82 of the Rules of Court, El Salvador places on record its valid points of view regarding the interventionist attitude of Nicaragua and regarding the Court's lack of jurisdiction over this case and its inadmissibility. El Salvador reserves its other rights under the Statute of the Court and the Rules of the Court to make its views known and to assert its interests, including the right to file written pleadings in support of El Salvador's intervention in this case.

In the name and on behalf of the State of El Salvador:

Ivo P. Alvarenga.

Ambassador Extraordinary and Plenipotentiary Agent to the International Court of Justice.●

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 1 p.m. having arrived, the Senate will now proceed to the consideration of the unfinished business, S. 1160, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

The Senate resumed consideration of the bill.

Mr. GOLDWATER. Mr. President, I yield to the majority leader.

Mr. DOLE. Mr. President, under the unanimous-consent agreement, I think at 1 o'clock, the distinguished Senator from Massachusetts [Mr. Kerry] was to be recognized. Is that correct?

The PRESIDING OFFICER (Mr. Nickles). The Senator is correct.

Mr. DOLE. I ask unanimous consent that while we are waiting for Senator Kerry, the distinguished chairman of the committee might be permitted to make his statement, followed by recognition of the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, taking a look ahead at the next few days, there are efforts being made to move the strategic arms compliance amendments to a Foreign Relations bill, which will come up either at the end of this week or, probably, next week following the decision that the President will make on this subject, which was due today. It has been unfortunately held up. We are very hopeful that can be done, because the Committee on Armed Services has no subcommittee to even consider matters like strategic arms compliance. In fact, we only have Senators Levin, and Nunn, and Senator Glenn on the committee who have had any experience in depth with this subject at all. So I am very hopeful that we can move this matter.

If that can be done, Mr. President, I feel relatively certain that we can finish the bill by not later than Wednesday and very possibly tomorrow evening. I should like to explain briefly to the Senators how I envision our proceeding to complete action on the DOD authorization bill this week.

First, let me extend my appreciation to all Senators for their cooperation and assistance before the recess. By my count, there were some 93 amendments offered and disposed of before Memorial Day. We considered numerous subjects of critical importance to the country, and I think we did that in a thorough and constructive way.

Second, we are now at a point where, by unanimous consent, the issues remaining to be resolved on this bill have been substantially limited.

The amendment of the Senator from Massachusetts on reducing the funding for the strategic defense initiative is the first item of business today. Though no order has been entered preventing rollcall votes today or tomorrow, it is my understanding that there is a desire on both sides not to have any votes until after the party caucuses tomorrow. I can assure both leaders that the chairman will not insist on any. I emphasize that, while this is an understanding, there is no formal agreement to that effect.

I would expect to spend this afternoon and tomorrow morning discussing the strategic defensive initiative. Mr. President, we have 16 amendments addressed to that subject, so we are going to have a little time.

I understand that the right has been reserved to offer 15 amendments on this subject. As I say, we have 16. If any Senator who has reserved the right to offer an SDI amendment would like to do so today, I would be glad to discuss with the Senator from Massachusetts the possibility of temporarily setting his amendment aside to permit other SDI amendments to be offered. I am told that Senator Proxmire will offer at least one of his three.

There is an order entered that we move to the amendment of the other Senator from Massachusetts [Mr. Kennedy] tomorrow at 2 p.m., which amendment relates to the provisions of S. 1160 dealing with the modifications of the Davis-Bacon Act. There is a 1-hour time limit on the Kennedy amendment. I would expect us to vote on the Kennedy amendment upon completion of the debate, and I hope that we can dispose of the Kerry amendment at the same time, assuming that debate on that amendment has been completed.

It would then be my intention to consider the balance of the SDI amendments tomorrow until such time as all SDI amendments which Senators wish to offer pursuant to the terms of the unanimous-consent agreement have been disposed of. I shall ask the majority leader to permit us to have a late session tomorrow night if necessary to complete action on SDI amendments. It will then be my intention on Wednesday to proceed to all of the amendments regarding strategic arms limitation unless we can get that transferred, which I fervently hope we can, which are permitted under the unanimous-consent request.

I see no reason why we cannot complete action on these amendments on Wednesday and then proceed to passage of S. 1160. By Wednesday, we will have worked on this bill for 9 full days, including a number of late sessions. This should certainly be ample time to complete consideration of the measure.

To repeat, Mr. President, I ask all Senators who have reserved the right to offer SDI amendments to be prepared to do so immediately after the disposition of the Kennedy and Kerry amendments tomorrow. I shall ask all Senators who have reserved the right to offer strategic arms limitation amendments to prepare to do so on Wednesday, unless, of course, we are able to get that transferred to consideration under the Foreign Relations Act, which we are working on.

If the majority leader is agreeable, it will be my intention to work late both Tuesday and Wednesday evenings if that is necessary to complete action on the remaining amendments to achieve passage of this bill.

I see that my friend, the Senator from Massachusetts, is here.

Mr. DOLE. Mr. President, will the Senator yield to me?

Mr. GOLDWATER. I am happy to yield.

Mr. DOLE. Mr. President, I have been listening to the Senator from Arizona. Let me indicate that we are prepared to stay as late as the Senator wants to stay tomorrow night, maybe all night. A lot of people feel, we do not want to take up amendments today because a lot of people are out of town and we want to wait until we get a big crowd in the Senate, which is not going to happen. I do not know how many SDI amendments will actually be offered. I think we have 16 and if they only take 20 minutes apiece, that will take all day tomorrow.

I am hopeful that Senators who have asked us if they can present their amendments today will do so; we will try to line up as many as we can. There will be no rollcall votes today, but we can at least have rollcall votes tomorrow. If some Senators wish, before they have to vote, they might be able to reserve 10 minutes on a side so they can make their last pitch.

I know the Senator from Arizona may not agree with this, but it is our hope that we can complete action on his bill on Tuesday so on Wednesday we can move to State Department authorization. The President is very anxious that we take up Contra aid, which will be an amendment to that bill. We have a long list of amendments on this subject with time agreements. So I think what I am suggesting is that we are certainly going to cooperate with the chairman of the committee. I think every Member may be on notice that it may not be 8 o'clock tomorow, it may be midnight, it may be 2 a.m., it may be later.

If I look at this list correctly, I have a feeling that many of these SDI amendments will never be offered. It is my hope that will be so.

Mr. GOLDWATER. We do not know. They are all written with the idea that they would be offered. Senator Proxmire has three and he is going to offer one as soon as Senator Kerry has dispensed with his arguments.

I think we ought to put Members on notice that we are going to start running this Senate in the way that it is supposed to be run and that we are supposed to be here to vote, not in Timbuktu or out in the middle of the Pacific or over the Atlantic but right here. And I am going to be very insistent that we hold these votes and not withhold them for any specific purposes.

Mr. DOLE. Mr. President, let me indicate that we will have votes every day this week with the exception of today. I know that some Members have other official commitments during the week, but we only have 20 legislative days left in June. Then there is a recess, and then we are back for about 20 legislative days. Then there is the entire month of August and the first week in September. So I figure we have maybe 80 legislative days left between now and November 1, when some of us think it might be a good time to adjourn for the year, or maybe a little later than that if the tax reform is rolling along. But the Senator is correct in that we will be voting. If we can start to have some votes prior to the policy lunch tomorrow, that would help, but I only mention that as a possibility.

I understand the distinguished Senator from Massachusetts does not want to complete debate on his amendment today, but if he could accommodate us, maybe do the major thrust of the debate today and wind up tomorrow with some debate on each side before the vote, we can probably accommodate most Senators who would like to do that. But what we really need to do is get seven or eight of these amendments taken up today, if not to a final stage, at least through the preliminary stages so that we could dispose of the amendments tomorrow.

AMENDMENT NO. 252

Purpose: To provide an overriding, exclusive authorization for Strategic Defense Initiative programs for fiscal year 1986

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. I thank the Chair.

If I could simply respond to the chairman and the majority leader, it is certainly this Senator's desire to proceed on my amendment. However, I would like to merely lay it down for a moment and then, if I could have a moment to confer with the chairman, I would appreciate it.

So, Mr. President, I send my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. Kerry] proposes an amendment numbered 252.

Mr. KERRY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows.

On page 14, between lines 2 and 3, insert the following:

EXCLUSIVE AUTHORIZATION OF FUNDS FOR STRATEGIC DEFENSE INITIATIVE RESEARCH PROGRAMS FOR FISCAL YEAR 1986

Sec. 204. (a) Notwithstanding section 201, funds authorized to be appropriated by this section for the purposes of the Strategic Defense initiative for fiscal year 1986 are in lieu of funds authorized to be appropriated for such purposes for such fiscal year in section 201. The limitation prescribed in section 202 shall be inapplicable to funds appropriated pursuant to the authorization in this section.

(b)(1) The Secretary of Defense shall ensure that the Strategic Defense Initiative is carried out in a manner consistent with the policy on antiballistic missile research expressed in the Joint Explanatory Statement of the Committee on Conference contained in House Report No. 93-1212, relating to the Department of Defense Appropriation Authorization Act, 1975

(2) Under the Strategic Defense Initiative program, basic research on technology and equipment may be carried out for the purpose of improving antimissile technology. Demonstrations of prototype and preprototype weapon systems or components of weapon systems shall not be an objective of the Strategic Defense Initiative program and may not be carried out under such program.

(c)(1) Funds are hereby authorized to be appropriated to the Defense Agencies for fiscal year 1986 in the total amount of $1,400,000,000 for research, development, test, and evaluation on strategic defense systems and on an antitactical missile system as follows:

(A) For the Surveillance, Acquisition, and Tracking Program, $446,000,000.

(B) For the Directed Energy Weapons Program, $482,000,000.

(C) For the Kinetic Energy Weapons Program, $192,000,000.

(D) For the Systems Concepts and Battle Management Program, $127,800,000.

(E) For the Survivability, Lethality, and Key Technologies Program, $144,000,000.

(F) For Management Headquarters of the Strategic Defense Initiative, $9,000,000.

(2)(A) None of the funds appropriated pursuant to the authorizations of appropriations in paragraph (1)(A) may be obligated or expended to carry out the Booster Surveillance and Tracking Demonstration Project, the Space Surveillance and Tracking Demonstration Project, the Airborne Optical System Demonstration Project, the Terminal Imaging Radar Demonstration Project, or the Space-Based Imaging Demonstration Project.

(B) None of the funds appropriated pursusnt to the authorization of appropriations in paragraph (1)(C) may be obligated or expended to carry out the High-Endoatmospheric Defense System Demonstration Project, the Exoatmospheric Reentry Vehicle Intercept System Demonstration Project, the Submarine Launched Ballistic Missile Boostphase Engagement Demonstration Project, the Space-Based Hyper-V Launch Demonstration Project, the Space-Based Nonnuclear Kill Rocket Demonstration Project, or the Terminal System Demonstration Project.

(d)(1) At the time of the submission by the Secretary of Defense to the Congress of his annual budget presentation materials for each fiscal year beginning with fiscal year 1987 and ending with fiscal year 1991 (but not later than March 15 of the calendar year in which such fiscal year begins), the Secretary of Defense shall transmit to the Committee on Armed Services and the Committee on Foreign Relations of the House of Representatives and the Committee on Armed Services and the Committee on Foreign Relations of the Senate a report on the programs that constitute the Strategic Defense Initiative and other programs, if any, relating to defense against targets which have the characteristics of strategic ballistic missiles or their elements in a flight trajectory.

(2) Each report required by paragraph (1) shall include—

(A) details of all programs and projects included in the Strategic Defense Initiative or relating to defense against targets which have the characteristics of strategic ballistic missiles or their elements in a flight trajectory;

(B) a clear definition of the objectives of the Strategic Defense Initiative;

(C) an explanation of the relationship between each such objective and each program and project associated with the Strategic Defense Initiative or with defense against targets which have the characteristics of strategic ballistic missiles or their elements in a flight trajectory, including a sound technical analysis of the status and potential of the technologies and systems designed to achieve such objectives and a sound and informed presentation of criticisms and alternative approaches for achieving such objectives;

(D) the status of consultations with other member nations of the North Atlantic Treaty Organization, Japan, or other appropriate allies concerning research being conducted in the Strategic Defense Initiative program;

(E) a statement of any anticipated impact on the anti-ballistic missile treaty;

(F) consideration of a process by which Congress could review potential Soviet countermeasures to specific Strategic Defense Initiative programs and evaluate the adequacy of such programs to respond to such countermeasures;

(G) details on the funding of programs, projects, and tasks for the Strategic Defense Initiative, including—

(i) prior and current year funding levels of all such programs, projects, and tasks in the Strategic Defense Initiative budgetary presentation materials;

(ii) the amount requested to be appropriated for such programs, projects, and tasks for the fiscal year for which the budget is submitted; and

(iii) the amount programmed to be requested for the following fiscal year.

(e)(1) The Director of the Congressional Budget Office shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiative programs for fiscal years 1986 through 1991 will likely have on the research and development budget of the Department of Defense for each of such years and on the research and development budget for the entire Federal Government for each of such years.

(2) The Director shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

(f)(1) The Joint Economic Committee shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiative programs for fiscal years 1986 through 1991 will likely have on the research and development efforts by the civilian sector of the economy for such years.

(2) The Committee shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

(g) The Congress reaffirms its commitment to the 1972 Treaty on the Limitation of Anti-Ballistic Missile Systems between the Soviet Union and the United States and strongly believes that special care should be exercised by the Department of Defense to ensure that all research and development programs conducted by the Department be conducted in a manner that fully complies with the treaty. None of the funds appropriated pursuant to the authorizations of appropriations in subsection (c)(1)(A) may be obligated or expended in a manner or for a purpose that would violate the treaty.

Mr. KERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERRY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HATFIELD). Without objection, it is so ordered.

Mr. KERRY. Thank you, Mr. President.

Mr. President, I rise to speak on behalf of the amendment which I have sent to the desk.

Many Senators over the course of time have risen in this distinguished Chamber to express their heartfelt feelings about one subject or another, but it is my sincere and deeply-held belief that the Senate confronts today one of the most serious national security issues of our time. That is whether or not we will approve the development and testing of the foundation for a nationwide defense against intercontinental ballistic missiles, or to save—and I mean literally to save—the Anti-Ballistic Missile Treaty of 1972, which most observers, and this Senator believes is the most important arms control agreement ever signed by the United States of America and the necessary precondition for any future progress in limiting and reversing the arms race.

The decision that Congress reaches on this issue will have the most far-reaching consequences for world peace, and I hope without being trite or cliched, perhaps even with respect to the issue of survival of our civilization. We cannot, and we dare not, make this grave decision lightly.

The administration's Strategic Defense Initiative Program would repudiate the bipartisan national consensus built through two Republican and Democratic administrations alike that mutual restraints on antimissile defense are essential to the maintenance of the stability of the superpower balance and preventing nuclear war.

The administration claims that it is carrying out the SDI Program in compliance with the ABM Treaty, but the fact is that it includes a number of testing and engineering projects that will either directly violate the treaty or render it meaningless, and at the very least at this moment in time with the current funding send the signal to the Soviet Union that will mandate a similar response from the Soviet Union. These violations will not be merely technical but will strike at the heart of the treaty, making treaty compliance by the United States a mockery—a position that this country has never been in or been accused of.

The choice we confront is a choice between the pursuit of a new and unrestrained competition in both defensive and offensive armaments or the pursuit of limitations on both types of weapon systems.

The amendment I am introducing today, on behalf of myself, Senator SIMON, Senator CRANSTON, Senator BAUCUS and Senator KENNEDY, is aimed at protecting the ABM Treaty from what will otherwise be its inevitable nullification by the administration's plans for developing star war's defensive hardware. This amendment would eliminate funding for those testing and advanced engineering projects that would negate the ABM Treaty, while increasing basic research projects by 23 percent over last year's level. Overall, it would freeze the funding level for fiscal year 1986 at last year's level of $1.4 billion. That would allow the United States to maintain a major research effort unparalleled—incidentally, unparalleled to any kind of research effort that we have conducted since perhaps the Manhattan project itself during World War II. It would allow us to maintain our superiority in technology as a hedge against any future evidence that the Soviets are moving toward a nationwide strategic defense system.

In other words, just to make it very clear that the only programs that my amendment would zero fund or attempt to eliminate are those that run up directly against the ABM Treaty.

But to every other program that is of importance—and I will admit that importance because the Soviet Union is doing research in many of these areas today and it is absolutely vital to our security that we also do research to prevent their breakouts—every one of those areas where they have done research or are doing research would still be researched to a degree unparalleled in American history if this amendment were to be adopted.

Mr. President, a vote on this amendment is not a vote to have more defense or less for the United States. It is a vote on whether this Nation should maintain the prudent course it has followed during three administrations for seeking mutual restraints on ABM systems or whether we will now embark on the supremely perilous course of triggering a new phase of the arms race, with vastly increased, more dangerous, more complex, arms. We cannot have both the administration's SDI Program and arms control.

They are incompatible and the talks in Geneva to this moment in time have only underscored their incompatibility.

I would like to examine the concept of star wars for a moment.

To begin with, we should examine, and I hope that my colleagues on the other side of the aisle will join with us

in acknowledging, that even Members of the Reagan administration admit that President Reagan's determination to use the SDI system to render nuclear weapons "impotent and obsolete" is a fantasy, an illusion. While the President and the Secretary of Defense continue to assert that SDI will seek to abolish the threat of nuclear weapons and phase out offensive arms altogether, key specialists on SDI in the administration say that these goals are impossible. As the Director of the SDI Office, Lt. Gen. James Abrahamson has testified, "Nowhere have we stated that the goal of the SDI is to come up with a leakproof defense." According to General Abrahamson, "a perfect astrodome defense is not a realistic thing." And as Richard DeLauer said, while Under Secretary of Defense, "There's no way an enemy can't overwhelm your defenses if he wants to badly enough."

Former Secretary of Defense Harold Brown has put it more succinctly: "Star wars is an impossible dream." Secretary Brown has stated that "there is no realistic prospect" that star wars could protect the U.S. population against all-out nuclear attack, even at a cost of $1 trillion.

Why do the experts, even within the Reagan administration, agree that star wars cannot defend our population? Why cannot American technology, which began the nuclear arms race with the bombs that destroyed Hiroshima and Nagasaki, why cannot that same technology solve our greatest desire in life which is to take genie and put it back into the bottle? Why can they not give us that great and noble goal of defending us against the missiles of the Soviet Union or of any other country?

There are at least four principal reasons, which are articulated by Prof. Ashton B. Carter of Harvard University and MIT in his study of ballistic missile defense for the Congressional Office of Technology Assessment.

First, it is cheaper and easier to attack in the nuclear era than it is to defend. This is because the defense must be able to stop all kinds of attacks, but the offense only has to find one way to get through. As a result, the cost exchange favors the offense, rather than the defense. If it were possible for the United States to put up a defense that worked against the current Soviet nuclear threat, the Soviet Union would turn its resources into improving or replacing a portion of its weapons to sidestep the defense. For example, the Soviet Union might harden 1 percent of its boosters, concealing which ones were hardened, to meet U.S. lasers, or might deploy a few fast-burn boosters immune to x-ray lasers and neutral particle beams, or build a variety of ASAT devices to render U.S. defense satellites useless at the start of a conflict.

A second principal reason why star wars cannot protect our population is that for every defense concept proposed, countermeasures have already been identified. In general, these countermeasures can be implemented with today's technology, while the defenses are still looking to tomorrow's. The costs of the countermeasures can be estimated and shown to be relatively low; the costs of the defenses are unknown but appear to be beyond anything we have ever spent for a military program.

And most importantly, the future technologies envisioned as part of the defense concept would also be potent weapons for the offense. The main purpose of star wars might well be to shoot down the other side's star wars weapons, leaving neither side's population protected at all.

A third reason star wars cannot protect our people is that the obvious response of both the United States and the Soviet Union to strong defenses on the other side—absent a total change in our relationship—is to target nuclear weapons exclusively on damaging cities. At that point, it would not matter how accurate missiles were—only that they be massively destructive, and that some might get through. When a nuclear war started, each side could destroy the population of the other side. That is mutual assured destruction—the same strategic position we are in today and have been in for decades—and it cannot be changed by star wars.

Let me be more clear about that, Mr. President. If we build star wars and star wars is what most people who describe it to be, that is to say, only a 90-percent effective system, if all you can do is defend to a 90-percent ability, the 10 percent that breaks through are enough to destroy ourselves and the Soviet Union. So you cannot play with the term mutual assured survival and pretend to translate it away from mutual assured destruction; 90 percent is 90 percent, 10 percent is 10 percent, and the 10 percent of the 10,000 warheads by today's count is enough to destroy this country, enough to implement a nuclear winter, enough to render all of us impotent and obsolete.

I say to all those who look to this effort to get this genie back into the bottle that to be seduced by the notion that somehow you are better off having that point defense protection of 90 percent or otherwise that will alter the equation is to really avoid reality, because the reality is that today we sit here and we make a judgment and that judgment is how badly can they hit us and how badly can we hit them back.

We are left making a judgment about what damage will result as a consequence of that attack and counterattack.

If we build star wars, if we spend trillions of dollars, if we take all of our technological resources and creative energy away from the efforts to do and solve all those other things that people want in this country, at the end of that effort we will be right where we are today, making a judgment about how badly they can hit us and how badly we can hit them. We will have changed nothing in the nuclear equation.

Finally, star wars will not stop other methods of delivering nuclear weapons to American soil, from bombers to cruise missiles to submarine launched ballistic missiles and intermediate range ballistic missiles to clandestine, terrorist activities. Each presents different problems from ICBM's and all appear to be outside the mandate of the President's SDI Program. With these delivery methods, the Soviet Union could continue to hold the U.S. population hostage, and the United States could continue to hold the Soviet population hostage, even if star wars were 100-percent effective against ICBM's.

All these obstacles to an effective defense of population from strategic attack are quite apart from the question of whether there is a technological solution to the basic problem that such defenses must be triggered almost instantly. The crucial boost phase of Soviet missiles lasts less than 5 minutes from the moment of launch. In that 5 minutes—which we are told will soon shrink further, perhaps to only a minute—the star wars system would have to detect an attack, make a decision that the attack has taken place and that defenses are in order, aim the defenses at the attack, and stop the attack. And that is, of course, leaving out the midcourse or terminal-phase possibilities.

We should also recognize that we can never test that system in its propriety under realistic conditions until the very moment of an all-out actual nuclear attack. Until that moment, we will never know whether or not this system we spent trillions of dollars on really works or does not work.

I for one would not want to risk the future of my children or of any of my constituents on a system that we cannot test prior to deploying it and to having to rely on it with that kind of confidence.

Finally, Mr. President, the star wars system would not be controlled by the President or by any human being. It would be totally subject to the control of computers because of the short reaction times necessary for the defense to respond. Any glitch in any computer could create a mistake that is literally life-threatening.

Since star wars defenses will inevitably include antisatellite weapons and antidefense weapons, a computer mal-

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function by which the United States istration is saying, no, no, this is really is extremely easy for an attacker to function by which the United States mistakenly destroyed a Soviet satellite or defensive system could well provoke a war.

For all these reasons, it is clear that the President's promise that the Star Wars Program could protect the American people from enemy missiles is illusory—a promise that cannot be kept. Star wars cannot eliminate the reality of mutually assured destruction as the basis for our national security. As Professor Carter has pointed out in his study for OTA, mutually assured destruction is not merely a theory about nuclear weapons, but a technological reality that cannot be changed.

The notion of "mutually assured survival" promoted by the Heritage Foundation and repeated by administration officials as the goal of SDI is therefore a meaningless and misleading slogan. No one can say whether anyone would be alive after an all-out nuclear war, even with full-scale deployment of star wars defenses. In the nuclear age, a policy based on mutually assured survival which results in a nuclear war will still mean mutually assured destruction.

Mr. President, do I object to the immorality of that fact? Yes. Is it immoral? Yes, it is. But it is a reality that, even if you build star wars because you only have the 90 percent, because you are only protecting missiles, you are still left with the immorality, the fundamental immorality of the fact that we both maintain the ability to destroy each other and even with star wars, that will be the state of our mutual deterrence and of our relationship to the Soviet Union.

Now will SDI cause us or the Soviets to abandon our ability to destroy the other side with our nuclear missiles. It is true that Secretary Weinberger declared in August 1983 that SDI would "eliminate the need to keep, maintain, and modernize offensive weapons."

I might just add parenthetically here, Mr. President, that it is disturbing to all of us, I think, who are called on to vote on the expenditure of billions of dollars and to expound on the national security of this country, which we all care deeply about, to see that a program as important as this in terms of what it means in the transition, an enormous transition, from where he have been in keeping a very unstable and fragile peace—it is disturbing that, in the course of propounding this theory, there are as many different opinions as to what it is for as there are spokespeople within the administration.

The President may be saying it is going to save people while the Secretary of Defense is saying it is going to eliminate the need for offensive weapons, while the Under Secretary of Defense is saying no, that is not true at all, while somebody else in the administration is saying, no, no, this is really for point defense, we want to use this because this is going to put the Soviets off balance in their understanding of a first strike and put them off balance in their wanting to commit a first strike. Yet we go from theory to theory, and they wanted $1.5 billion originally and want 100 percent more than they were willing to spend last year.

Mr. President, I think we have a right as representatives of the citizens of this country to ask why it is that a program as vital as this cannot even have one central theme, one central agreement among those who propound it, as to what it is they are propounding. I think we ought to look hard and long in this body before we take steps to spend those kinds of sums of money while we are cutting Amtrak, cutting human services, cutting legal services, cutting a host of other efforts, from women's and children's nutrition to other important programs, yet we are going to give to that great gobbling monster over there, which is going to consume all this money and backwater it, not even spend it, give it this unlimited permission to spend.

Mr. President, the distinguished Senator from Georgia, who sits here comanaging this bill, asked the Under Secretary for Research and Engineering, Dr. Richard DeLauer, a key administration expert on SDI, at hearings before the Armed Services Committee in March of 1984, "Can you envision our having a system that would, in fact, avoid the necessity of deploying our own offensive forces?" DeLauer answered, "No."

Senator NUNN then asked, "Does anyone?" To which DeLauer replied, "Not in the foreseeable future." So there is a basic contradiction between the Under Secretary and the Secretary of Defense as to where they are coming from on this issue.

While President Reagan and Secretary Weinberger continue to claim fantastic goals for SDI, other administration officials have been trying to establish somewhat more modest goals for the program. We are now told that the purpose of star wars defense is not to replace mutually assured destruction with mutually assured survival, but merely to enhance deterrence by making it more difficult for the Soviets to predict what will happen in a nuclear war.

Not only does star wars not do that, Mr. President, but I find it particularly disturbing that the administration is conducting and unwarranted attack on the credibility of this Nation's deterrent. In a speech last March, National Security Adviser Robert C. McFarlane suggested that the Soviets can plan a first strike against U.S. strategic forces without fearing an overwhelming retaliatory blow. "Without defenses," Mr. McFarlane said, "it is extremely easy for an attacker to plan his first strike. * * *. He can plan and calculate just what forces he needs to destroy the forces on the other side."

This portrayal of the situation Soviet planners face is also pure illusion. There is no way that a potential attacker will be able to plan a first strike without expecting the total destruction of his society. Let me remind my colleagues that, according to the Congressional Budget Office study of 1983, the United States now has some 6,000 warheads that would survive a Soviet first strike. This number is obviously far in excess of what is necessary to convince the Soviets that a first strike would be madness. Just a single Poseidon submarine, carrying less that 2 percent of the total U.S. strategic arsenal, carries enough warheads to destroy every large- and medium-sized city in the Soviet Union.

I know what people say about our choice to fire against cities. Obviously that is not a first choice, and obviously it is not a moral one. But we are talking about a first-strike situation. We are talking about the retaliation in the interest of the United States. I cannot believe that any Commander in Chief of the United States, if attacked, is not going to use whatever ability and whatever forces are available to him or her in the effort to guarantee the preservation of freedom and of what this country stands for.

Under these circumstances, it is irresponsible to suggest that U.S. nuclear deterrent is no longer reliable, or that it will become unreliable at any time in the foreseeable future. The administration, I think, is attempting to stimulate an absolutely baseless fear of an increased danger of nuclear war without an ABM system. Without the SDI that danger will become even greater.

It is true that technological changes have made land-based missiles increasingly vulnerable to a first-strike attack than they have been. We in the Senate have been seriously questioning the usefulness of more MX missiles precisely because of that fact. But it must be pointed out that the United States has less than 20 percent of its nuclear warheads on land-based missiles, while the Soviet Union has nearly 70 percent of its warheads on land-based missiles. Nearly half of the U.S. nuclear arsenal is based on relatively invulnerable submarines, while the Soviets have only about one-fourth of their weapons on submarines. So if land-based missiles are growing more vulnerable, it is the Soviets who ultimately have more to fear about that than the United States. I fail to see how this development justifies unilaterally proceeding with plans for a strategic defense system.

Even if our deterrent needed to be enhanced, however, starting an antimissile defense competition with the Soviets would not be the way to go about it. The ABM Treaty already provides the United States with the assurance that we can retaliate against the Soviets should they engage in a first strike. Today, we know that our missiles would get through Soviet defenses, because the Soviet Union does not at this point, contrary to some assertions, have a national ABM system. But if we built an ABM system to protect more of our own missiles, the Soviets would also proceed to develop a more advanced strategic defense system, and then we would not be sure any longer how many of our missiles would get through. So increased ICBM survival brought about by an SDI has to be balanced against the loss in penetration capability.

We must also add the fact that ABM deployments would improve the survivability of only a fraction of U.S. strategic forces—those that are land based and hence theoretically vulnerable. They will decrease the penetration capability of all U.S. ballistic missiles, including submarine-launched missiles, which today provide us with essentially unlimited retaliatory power. So an unrestrained defensive arms race—accompanied by much greater offensive arms deployment—would not in fact improve the U.S. deterrence position.

The underlying premise of star wars is that the United States can solve the dilemma of the nuclear age represented by mutually assured destruction. As former Under Secretary of State George Ball has said:

> What the President's defense initiative reflects is a fantasy that nuclear danger can be eliminated through some wonderful new invention—a purely mechanistic approach that denies the reality that the world will never be free from the nuclear threat until there is some reconciliation of interests and some agreement on coexistence between the nuclear powers.

In the past, this Nation has recognized, under both Republican and Democratic administrations, that there is no defense against nuclear war except policies that prevent the escalation of tensions to the nuclear brink. The ABM Treaty is the clearest expression of that recognition, and it is to that treaty, rather than to star war schemes, that we should turn today for real security from the threat of nuclear war.

Mr. President, perhaps the gravest threat that star wars defenses would pose to our security is that it would seriously undermine the stability of the strategic relationship in the event of a serious crisis. This was understood by both the United States and the Soviet Union when they signed the ABM Treaty. We agreed then that a treaty to forbid nationwide strategic defense systems was necessary to curb the race in strategic offensive arms. We also agreed that if one or both sides build ABM systems, it would be dangerously destabilizing to the Soviet-American military relationship. If the United States were to deploy an ABM system in advance of a Soviet deployment of such a system, the Soviets would probably fear that its own deterrent would be threatened. In a severe crisis, this fear could only strengthen the Soviet predilection to attack preemptively. And under these circumstances, the United States would be pushed to draw the same conclusion—that it had to act before the other side struck first.

Soviet dissident Andrei Sakharov, at that time one of the Soviet Union's top defense physicists, referred to this problem when he told a Soviet journalist in 1967:

> The two countries are, speaking figuratively, armed with nuclear "swords." The construction of an antimissile defense system would mean adding a "shield" to the "sword." I think that such an expansion of nuclear missile armament would be very dangerous.

The Soviet journalist then asked Dr. Sakharov why nuclear defenses were dangerous. Dr. Sakharov replied:

> Under the present political and technological conditions, a "shield" could create the illusion of invulnerability. For the "hawks" and the "madmen," a shield would increase the lure of nuclear blackmail. It would strengthen their attraction to the idea of a preventive thermonuclear strike.

The kind of shield proposed by President Reagan was understood in 1967 to strengthen the attraction of the madmen to the idea of a preventive nuclear strike.

Sakharov was not alone in recognizing this problem. President Nixon recognized this in signing the ABM Treaty in 1972. And he still understands it today. He told a reporter for the Los Angeles Times last summer that star wars would be destabilizing if "they provided a shield so that you could use the sword."

Yet combining the shield with the sword is exactly what a 90-percent effective system does, and it is also part of what we know to be the current Defense Department's efforts to articulate a policy for being able to fight a prolonged and controlled nuclear war. As an article in the New York Times on May 28 has revealed, the Defense Department is devising a nuclear warfighting plan that would coordinate offensive nuclear forces with the star wars shield. It is plans such as these, linking an offensive buildup with a defensive system, that will increase the dangers that Andrei Sakharov and Richard Nixon, and a host of other arms control experts have warned against.

Because one can combine the sword and the shield with star wars, deployment of such a system increases the risk of nuclear war.

Because the sword of offense and shield of defense are so potent in combination, it is ludicrous for an administration that is planning to combine them to argue that the Soviet Union can be educated to accept the U.S. position that a combination of defensive systems and offensive reductions will be in the Soviet security interests. But that is the plan, Mr. President. That is what we are currently saying we are going to do. We are going to unilaterally try to build this system and we are going to try to educate the Soviet Union of the need to adopt a similar system. It is very clear today that they are already alarmed by the combination of U.S. buildup of highly accurate, multiwarhead missiles such as the MX, and we have yet to have the Trident 5 come along, coupled with the talk of a strategic defense system.

Now, I do not believe, Mr. President, with all due respect to those who are expert, that it requires a Ph.D. in nuclear strategy to figure out that the deployment of a strategic defense system by the United States will suggest to the Soviets the intention by the United States to have a first-strike capability. Virtually everyone agrees that the Soviets would react to U.S. development of a star wars defense system by vastly increasing their deployment of offensive forces, by deploying decoys to frustrate the U.S. ABM system, and by deploying their own nationwide ABM system and going all out to acquire the technology to match the U.S. ABM system.

In short, the Soviets will do everything in their power to restore the level of survivably retaliatory forces they believe necessary to maintain a credible deterrent. As a result of this Soviet response to an ABM system, the United States will face many, many thousands more Soviet warheads than we face today, and I do not believe that that is a world that will be more safe.

The response of administration officials to this problem is to resort to wishful thinking. If one is to believe the Director of the SDI Office, General Abrahamson, the Soviets will simply be overwhelmed by U.S. technological superiority, and will quail before the complexity and cost of trying to nullify the U.S. ABM system.

In an interview with Science magazine last August, General Abrahamson said:

> Remember that the Russians are afraid of our technology. That is what this business is all about. When they see that we have embarked on a long-term effort to achieve an extremely effective defense, supported by a strong national will, then they will give up on the development of more offensive missiles and move in the same direction.

Mr. President, I cannot believe that there is one of my colleagues in this body who believes for one moment that the Soviets are simply going to give up on the idea of maintaining their ability to deter us from attacking them with our nuclear weapons by being able to retaliate themselves with weapons against our cities as well as against our weapons themselves.

I think this is another one of the illusions on which the star wars process is gaining a dangerous momentum.

I do not think we can base our national security interests on that kind of wishful thinking, on that kind of supposition about how they may or may not respond, particularly when that supposition runs contrary to the last 20 or more years of history of the arms race.

I believe that an equally dangerous illusion that the administration seeks to have this body accept is that its strategic defense initiative funds only research. Here we get to one of the most important parts of this debate, for the administration is asserting that every project is within the confines and restrictions of the ABM Treaty.

Mr. President, I ask my colleagues—I implore my colleagues—in this body, over the course of the next few hours before we vote, that they take the time to examine each of these programs and to determine whether or not they are in fact funding experiments or tests or breadboard prototypes or whether they are funding advanced technology, and to measure the impact of each of those funding steps against, No. 1, the terminology of the ABM Treaty and, No. 2, to measure it, please, against the intent and the overall object of that treaty.

When one takes a close look at the SDI Program, it becomes absolutely clear that SDI rides roughshod over the intent and even in some places the specifics, the specific language, of the opportunity.

Mr. President, I understand that at this point the distinguished Senator from Wisconsin [Mr. PROXMIRE] would like to have a moment to be able to offer an amendment and to entertain a colloquy. So I interrupt my comments, and I will return to my discussion of the SDI and to the specific components of the program as I think it impacts the ABM Treaty; and, more specifically, I would like to discuss how my amendment would impact each of those efforts.

At this point, I inquire of my colleague how much time he thinks he would need.

Mr. PROXMIRE. I will take just a few minutes. I do not want to offer an amendment. I want to speak in support of the Senator's amendment.

Mr. KERRY. Mr. President, I yield such time as my distinguished colleague may need.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield the floor?

Mr. KERRY. I yield the floor to my colleague, with the understanding that I will have the floor after he finishes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. Mr. President, I congratulate the distinguished Senator from Massachusetts on this amendment. It is an amendment which has great merit.

I think few people appreciate the fact that the amendment would still continue research on the SDI, the strategic defense initiative, at an extradordinarily high level. It does not increase it. As I understand, it keeps it at $1.4 billion. At $1.4 billion, we will still have a massive research program, one of the biggest we have ever had. At the same time, this proposal would save, compared to the committee bill, $1.6 billion. Of course, at a time when we have a very serious budget crisis, that $1.6 billion is an enormous saving.

Even more important than the saving of the $1.6 billion, important as that is, it would prevent the drain of our scientific capability from both the military and the civilian sectors.

A distinguished professor at Harvard, Robert Rich, recently addressed this in an article in the New York Times. He pointed out that star wars is going to have an enormous effect in taking scientists and engineers from some very vital civilian research. The estimates have ranged from 10,000 scientists and engineers to 40,000, depending on the point at which you measure it, whether it would be 1986 or later. It is a tremendous diversion of one of our most precious resources, a critical advantage in many other military areas. If we take scientists at this rate, it will mean a slowdown in other research programs that are important for the protection of our country. So I think it is most important that the Senator from Massachusetts challenges the SDI Program.

I believe this amendment is critical because, so far as I know—and the manager of the bill and others can correct me if I am wrong—there never has been in the past a thorough challenge of the SDI. After all, $1.4 billion is a lot of money, and I cannot remember much debate on it in the past. It marks a very important shift not only in scientific resources but also in allocated defense and research resources into a program that has been challenged by some of the most outstanding scientific and defense experts in our country. A number of former Secretaries of Defense have vigorously challenged and criticized this program.

Furthermore, it is an amendment that has the support of some distinguished scientists. Richard Garvin, one of the outstanding experts in this area, has devoted much of his life to this kind of military technology and is recognized and highly respected everywhere; and he has indicated that he favors keeping the level of research at the present $1.4 billion level, which is precisely what the amendment does.

So, Mr. President, I congratulate the distinguished junior Senator from Massachusetts for offering this amendment and for making this challenge and leading off on this challenge, because it is something we have a duty to examine very carefully.

I have found that, whether it is in Wisconsin or elsewhere, the people of this country are very concerned about star wars. They are puzzled about it. It is a kind of mystery to them. I believe that the kind of understanding and knowledge we will get from this, not only from the fine statement of the Senator from Massachusetts but also from the rebuttal, will be very enlightening and helpful to this body. So I believe that, in many ways, the Senator from Massachusetts has made an excellent contribution in offering this amendment. It is an amendment which may or may not succeed. I will be delighted to support it enthusiastically. It is exactly the kind of challenge we need.

I thank my good friend.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I thank my distinguished colleague, who for a long time has tried to call to the attention of this body the question of the effectiveness of many of our programs.

I am delighted not only that he points out the savings this will make but also the important, larger issues which citizens all across this country are asking about this particular program.

Mr. President, at this time, I should like to yield 10 minutes——

The PRESIDING OFFICER. Does the Senator from Massachusetts wish to propound a unanimous-consent request?

Mr. KERRY. Mr. President, I ask unanimous consent that the distinguished Senator from Illinois [Mr. SIMON] be able to speak for 15 minutes and that I be permitted to continue my remarks at that point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I thank my colleague for granting me the time and for his leadership in this area.

I am pleased to support this amendment sponsored by Senator KERRY and others who I am sure will vote in favor of displaying fiscal responsibility and policy wisdom. Our approach in this area of gradual space weaponization is straight forward: more than generous support for basic research that is consistent with the ABM Treaty, and strong skepticism for early testing of systems or components that violate both the letter and the spirit of the SALT accords.

This amendment calls for authorizing the same level of funding in 1986 that was appropriated in 1985, a level of $1.4 billion. Between 1984 and 1985, spending on SDI increased by 41 percent, rising from $991 million to $1.4 billion. Yet after half a year of budget authority, the SDIO [Strategic Defense Initiative Office] in 1985 has only been able to spend 4 percent of funds appropriated—far less than is usual for Pentagon R&D programs, according to CBO Director Rudolph Penning. This illustrates how difficult it is to undertake a massive spurt in R&D spending, no matter what the area. Former Secretary of Defense James Schlesinger has warned in this regard, before the Senate Armed Services Committee this March: "I have seen few research programs that can profitably expand at a rate in excess of 30 to 35 percent."

Yet on SDI, the administration would have us believe that a 166-percent increase is both viable and desirable. When you break the SDI down into its constituent elements, you find even greater increases: 154 percent for surveillance, acquisition, tracking, and kill assessment; 157 percent for directed energy weapons; to 36 percent for kinetic energy weapons; 145 percent for battle management; and 130 percent for survivability and lethality. Many individual projects have growth rates far in excess of 200 percent, and some over 1,000 percent. The only realistic program in the entire SDI request is that asked for management support, which will grow by a modest 10 percent.

Our amendment suggests that a far more prudent course to chart lies on the path of programmatic and budgetary restraint. In this way we can give the negotiating process a chance to survive in Geneva, since our language calls for a recommitment to abide by the terms of the ABM Treaty. The only significant way the United States can translate this sentiment into action is a simple refutation of SDIO's plans to forge imprudently ahead with both terrestrial and exoatmospheric tests—euphemistically labeled "demonstration projects"; our plan eliminates funding for these testing purposes which clearly violate several articles of the treaty. In addition, the amendment calls for a variety of reporting requirements so that the Congress can best exercise its oversight function. One report will come from SDIO, another from the CBO on SDI's impact on defense and federal R&D, and a third from the Joint Economic Committee on SDI's impact on the civilian economy.

Far more is at stake today than saving the Treasury several billion dollars—$2.3 billion, by no means an insubstantial sum. The larger question must be the relationship of this controversial program to U.S. national security and grand strategy. How will such an effort be integrated with existing alliance commitments, and how will it interact with our arms control objectives? Fortunately for those of us who have examined the SDI, there is no need to wait 10 or 20 or 50 years before the research has been completed in order to formulate a response. The answers lie close at hand, and they do not require to top-secret security clearance or an indepth knowledge of the associated technologies; they simply require an understanding of history, of arms race dynamics, and a good dose of common sense.

The Soviet-American nuclear arms race is not a unilateral phenomenon. Actions we take with respect to R&D and deployment inevitably involve a Soviet response, and vice versa. In the early 1960's, Moscow began construction of an ABM defense around the capital city limits; the Soviet goal was clearly to provide as much damage limitation as possible in the event that deterrence failed. The United States, fearing that its deterrent might well be emasculated, responded by accelerating its MIRV Program to overwhelm Moscow's ABM defense. SAM's for air defense have led to cruise missile proliferation and stealth radar-reduction efforts. Defenses in the nuclear age, in short, only invite countermeasures that almost always prove far more cost effective both at the margin and in bulk than do defensive deployments.

The SDI debate has unleashed some interesting arguments put forth by those advancing its case. For many years we were told by defense professionals that the Soviet Union could be educated on the arms race to accept the theory known as MAD—mutually assured destruction. These same professionals, after a number of years, then told us that the Kremlin did not really accept MAD, that the American education lesson had not really been effective. Now, the same group is telling us that it is time for another U.S. strategic education primer and this time Moscow surely will listen. Unfortunately, the evidence was never great that the Soviets felt they could actually escape the grim confines of MAD, nor is there any basis for the administration's pipedream that the present or future generation of Soviet leaders will supinely accept the new doctrine of defensive dominance. Among other things, this assumes naively that the only threat to civilization is from missiles delivered through space. A nuclear warhead can be delivered by sea or air without passing through space; it can even be delivered on the back end of a pickup truck. In the presence of so many readily achieved countermeasures, why would Moscow accept a unilateral attempt "to render nuclear weapons impotent and obsolete," to quote the President from his "star wars" speech of 2 years ago?

Why would the Kremlin accept an effort that would render impotent and obsolete their massive investment in ICBM's, currently 75 percent of their strategic nuclear firepower? Can any Soviet specialist convincingly argue that the Soviets will give up the leading edge of their strategic deterrent so as to accommodate an American President's naive vision?

We are drifting inevitably toward a weakening or dissolution of the ABM Treaty. The Soviets may well be interested in reopening the ABM Treaty restrictions to allow extensive hard-site point defense of missile fields; they would be capable of providing at least some defense over two-thirds of their deployed strategic forces—their land-based missiles. However, the United States will only be capable of defending some 20 percent of our deployed strategic nuclear warheads, because that is the percentage we have placed on our ICBM's as a part of our total force. This already low percentage will further decline as we place increasingly more warheads on our sea-based missile fleet. Will we all sleep more soundly knowing that the Soviet Union can theoretically defend a much higher proportion of its strategic power, especially its ICBM's that have traditionally been designated their most lethal and effective counterforce weapons?

In the nuclear age, it has been said that "offense is good, defense is bad." The SDI proponents have repeatedly used this aphorism to demonstrate the immorality of offensive nuclear deterrence. But SDI will not end the era of offensive weaponry; the internal logic of the SDI doctrine leads toward additional offensive weapons and countermeasures which both sides will describe as preserving their notions of what deters the other. It has always been true that defensive weapons can be used for offensive ends, and that offensive weapons for defensive purposes. Such is the case with strategic defense against nuclear weapons. Our only sure defense remains controlling nuclear forces through the negotiating arena, however arduous or long the process.

Mr. President, for my colleagues who may not have seen it, there was an article in yesterday's New York Times, by Marshall Schulman, raising serious questions about where we are going in this whole area.

I should like to ask a couple of fairly fundamental questions. One is, how much defense do we actually need?

The answer is we need enough so that we have an adequate deterrent. Where exactly that is no one knows for sure.

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If there are rational people in the Pentagon—I mean not in the Pentagon, although there also—but in Moscow, obviously one huge bomb should be enough. But since that might be knocked out we get two, and each side moves up so that now we have about 9,500 strategic warheads on our side, and they have about 9,000 on their side, plus we have about 30,000 tactical warheads.

We, it seems to me, have a sufficient deterrent.

Then, there is a second question. If we have a sufficient deterrent, why do we keep piling up all these weapons?

The answer is we pile up these weapons because on each side there is fear of the other side and fear feeds on itself, and the more weapons we pile up the more we fear each other and, therefore, the more weapons we pile up.

Restraint is needed on both sides, by the new leaders of the Kremlin and by those of us who are in this body and the other body and in the administration.

I heard just 2 weeks ago in this Chamber one of the best talks just summarizing where we are in this area of defense and what we should be doing by our colleague, Senator BENNETT JOHNSTON, of Louisiana, who said we should have a flexible deterrent but something that does not pose first-strike fears into the minds of the Soviets.

I think that is almost precisely where we are, and I think it is one of the things that is troublesome about the SDI.

We have to have some research. The Soviets are going ahead with it.

I notice where Gorbachev says we should cut out all research. The difficulty with that is we cannot verify where we are on that so we have to have some. But we also should send a signal to them, I think as well as to the Pentagon, that we want some restraint here.

Now, the fundamental question, and one I have heard the distinguished Senator from Wisconsin raise in this Chamber on at least two occasions since I have been a brand-new Member of this body, and he has done it most effectively, and if this amendment should not carry, I am going to be supporting his amendment, is the whole question of the strategic defense initiative.

There are, it seems to me, two fundamental objections.

One is the technical objection. If, as the gentleman who is in charge of this project suggests, we come to the point where we are 90 percent successful in providing a shield for weapons in space, that means since the Soviets have 9,000 strategic warheads, most of them with more power than all the bombs of World War II, including Nagasaki and Hiroshima, if we are 90 percent successful, that still means that 900 strategic warheads can hit our country, and that is the end of things as far as having civilization as we know it today.

Second, you do not have to deliver nuclear warheads through space. We do it with manned bombers. Many of those on submarines do not go into space. Cruise missiles do not go into space. You can deliver a nuclear warhead on the back end of a pickup truck, park it in downtown Manhattan, push a putton 2,000 miles away, and there is no more Manhattan.

We simply are not going to bring an end to nuclear weapons through this SDI Program.

The second problem is the cost. The Senator from Wisconsin has just pointed out one of the costs, and that is the drain from scientists who are going to be working on that instead of working on other things.

Why do we have this imbalance of trade with Japan? Well, there are a variety of reasons, but one of the reasons is Japan is devoting her research to television sets, recorders, refrigerators, and things that people buy, while we are spending our research on space weapons and things that people do not buy.

But there is a practical dollar cost also, and as to that dollar cost, I have seen all kinds of estimates. The lowest estimate I have seen was the New York Times where three administration spokesmen were quoted as saying it would cost something in excess of $126 billion. That is the lowest one I have seen. Another administration estimate I saw was up to $500 billion. Jim Schlesinger, former Secretary of Defense, has said $700 billion to $800 billion. Harold Brown, another former Secretary of Defense, has said $1 trillion. And I saw where a committee of scientists said $1.3 trillion.

I do not think anyone has the vaguest idea of what it is going to cost. We just know it is going to be horrendous.

First of all, what does that compare with? The biggest expenditure in the history of humanity up to this point is the Interstate Highway System. The Interstate Highway System has cost us $123 billion. You are talking about something that is going to cost many times more than the Interstate Highway System.

How do we pay for it? My friends, the citizens of Wisconsin, the citizens of Arizona, the citizens of Oregon, the citizens of Massachusetts, the citizens of Illinois, and all of the citizens of the United States of America have just three choices as to how to pay for this.

No. 1, you dramatically reduce Social Security, education, farm programs, all the other domestic programs we have in this country or, No. 2, we increase taxes tremendously, or, No. 3, we increase deficits beyond the imagination of anyone here and have huge inflation with it.

Those are the only alternatives. There is no other way of paying for this monstrosity.

So, I think that my colleague from Massachusetts so eloquently has put in something that just makes an awful lot of common sense. It is a way of saying we want some restraint.

My understanding, and I will be happy to be corrected either by the Senator from Massachusetts or the Senator from Arizona, is that of the $1.4 billion that they already have, they have only spent about 6 percent of it. Am I correct?

Mr. KERRY. Mr. President, if I may answer the question of my colleague, at the current moment, to date, out of $1.4 billion allocated last year, the current level of expenditure as of March 31, 1985, was 3.99 percent, and that is by CBO figures.

Yesterday, I read in one of the Sunday newspapers that the expenditure was at 8 percent, which represents now almost two-thirds, almost three-quarters of the way through the fiscal year we have not yet spent 10 percent of the $1.4 billion given last year, and all we are doing here is suggesting that we give them the same they were given last year, which is still not expended.

Mr. SIMON. I thank my colleague for that information.

It just seems to me that underscores the need for using some restraint.

I note that the Presiding Officer here today is the chairman of the Appropriations Committee who has to struggle with all the requests that come to us.

Here is a place where we are saying they have only spent 10 percent of what they have; let us not just overwhelm them with all these huge expenditures.

I have seen in State government and in Federal Government over the years, not just in the Defense Department, but in any agency, you give them too much money too rapidly and the money is going to be spent foolishly and not wisely.

I hope we can give serious consideration to this amendment and adopt it, and I think we will serve the economy of this Nation well. I think we will serve the military future of this Nation well. And it just is simply one of these things we should be supporting strongly.

I commend my colleague and thank him for yielding me the time.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Thank you, Mr. President.

I wish to thank my colleague and classmate in this great institution and welcome his support and energy in this particular effort.

Mr. President, I was articulating my concern for the ABM treaty and for the particular experiments which the current proposal by the administration for SDI puts forward that I believe run directly counter to the ABM Treaty.

It becomes absolutely clear, on examination, that, at the very least—and I would suggest to my colleagues that this very least should not be taken as a very least because it is one of the most vital parts of the process by which we respect treaties and arrive at agreements with the Soviet Union, and that is the question of perceptions. If we take steps, no matter how bona fide our intentions, and the clear consequence of those steps is to give to the Soviet Union the ability to believe that something else is happening, then that is the real consequence of those actions, not our good intentions, but what they perceive and the reactions they will take as a consequence of those perceptions.

Mr. President, what we are proposing here—and I know the distinguished chairman of the Armed Services Committee, the Senator from Arizona, is one of those who has stood stronger than anybody in this country for a strong defense and for protecting the interests of this Nation, and I share with him that desire to protect those interests—but it is my, obviously, new opinion to this body, but nevertheless considered judgment that what we will do by moving forward with each of these experiments is, if not in and of themselves at their earliest stages to violate the treaty, we will in each case come so close to it, we will in each case take a step which in and of itself can be interpreted by the Soviet Union as being an anticipatory breach of it so as to predict with certainty what the response of the Soviet Union will be as a consequence.

The ABM Treaty prohibits the development, testing, and deployment of ABM systems or components that are space-based, sea-based, air-based, or mobile land-based. The Strategic Defense Initiative Office's own analysis, contained in its report to the Congress issued this April, states that:

> "Development" begins when "field testing" is initiated on either a "breadboard model" or "prototype" of an ABM component.

As the SDIO report states:

> The definition of "development," coupled with Article V of the Treaty, led to the prohibition on "field testing" of ABM systems" and "components" or their "prototypes" and "breadboard models" which are other than fixed, land-based.

As the SDI office agrees, "SDI 'field tests' of space or other mobile-based devices cannot involve ABM components or prototypes or breadboard models thereof."

Yet that is exactly what the strategic defense initiative is testing.

As evidence of this, let us look first at the structure of the program. All projects within SDI are described as research, but they fall under three categories—category 6.2 projects, which constitute "exploratory development," category 6.3A projects, which constitute "advanced development," and category 6.3 and 6.4 projects, which constitute "engineering development" and "advanced engineering development."

In some SDI program, projects are funded under several, or all of the categories. Examples of this include each of the directed energy weapons projects, including the ground and space-based laser systems, the space based particle beam and the nuclear directed energy project.

Projects funded under all the categories therefore include basic research, exploration of technologies, development of technologies, engineering of devices, and tests of SDI devices.

But other projects are organized so that they involve only one category. For example, the radar discrimination technology project under the Surveillance or SATKA Program, involves only exploratory development. This is also true of the optical discrimination technology project. Other projects, such as imaging radar technology and imaging laser technology, are categorized as advanced development, but include no engineering development. Still others—this is very important—such as booster surveillance and tracking and space surveillance and tracking, and the airborne optical system, have the sole goal of building and testing hardware—models for ABM components. In essence, these projects do nothing less than fund the building of ABM prototypes.

The SDI report to the Congress, issued this April in its unclassified form, provides useful, if sometimes vague, summaries of each of these projects.

For example, the SDI office states the following about its boost surveillance and tracking system (BSTS) experiment:

> Project Description: This project pursues the technical research necessary for a near real-time, fully responsive experiment. The program includes system concept definition efforts and development/validation of critical sensor and data processing components associated with these concepts . . . A concept selection decision is being conducted to review technical approaches and to start demonstration and development of the experimental system.

That is straight out of the SDI report.

What should be noted is that the project's goal is to conduct a "near real-time, fully responsive experiment," and is already moving to make the experiment possible by developing the sensor and data processing hardware and software to do it.

BSTS is not research of the kind that goes on in a laboratory. It is a project whose goal is a test of a satellite in the sky against ballistic missiles in their boost phase.

As the SDI report states, in its section on ABM compliance, "The boost surveillance and tracking system experiment is a space-based experiment * * * to demonstrate technology capable of upgrading the current satellite early warning system."

(Mr. DOMENICI assumed the chair.)

Mr. KERRY. Mr. President, the goal is not research. The stated goal in the SDI report itself is not research. The stated goal is the demonstrate technology and to do it in space.

The SDI office contends that this demonstration or test of technology does not violate the ABM Treaty, because the BSTS satellite and related technology will "not be a prototype of an ABM component, and will be limited in capability so that it cannot substitute for an ABM component."

And the report goes on to explain why this is true, stating that the BSTS satellite "may measure the signature of booster plumes, but not in real time."

This statement is very significant, for it reveals the fundamental approach of the Reagan administration to ABM under SDI. It amounts literally to creating a sham of compliance. Let us take a moment to analyze it, because I think it is that critical.

The BSTS project's sole purpose is to fund the creation of a satellite designed to track intercontinental ballistic missiles in their boost phase—an essential component of the first stage of star wars defense, boost phase defense. This satellite will be designed to measure the signature of booster plumes, to enable the United States to track Soviet missiles to shoot them down while they are in the boost phase.

Such a capability against ICBM's clearly violates the ABM treaty, which, as the SDI Office stated, prohibits field testing of ABM systems or their components or their prototypes or bread-board models in space.

The SDI office says BSTS does not violate the ABM Treaty because it will not be conducted in real time.

In other words, instead of transmitting the information about the boost plumes to the United States immediately, BSTS will store the information for a while before sending it along. That way, supposedly the ABM experiment under SDI will not have an immediate ABM capability.

That is like saying that when you have built a gun, and because you have intentionally left out the firing pin, it is not a gun at all—or even a prototype of a gun, or a bread-board model of a gun.

It certainly would look like a gun, and it would function like a gun once one made the very simple addition of putting the firing pin in.

The very simple addition of that change, and all we have to do, Mr. President, is take the satellite, is exactly like that gun.

These are exactly the dangers of BSTS. I do not know how the Soviet Union is supposed to determine that the BSTS device does not violate the ABM Treaty. It will look like a space-based ABM sensor which violates the treaty. It will appear to have all the capabilities of a space-based ABM component sensor prohibited by the treaty, and certainly could following very minor modifications. But it will not have ABM capacities, because it will not operate in real time, according to the SDI office.

For better or worse, we live in a world that does operate in real time, and so does the Soviet Union. The clear effect of the kind of treatment of the ABM Treaty that the United States has undertaken with a program such as BSTS will be to destroy the ABM Treaty in real time—and that is no illusion.

BSTS is not the only test project in SDI that appears to violate the ABM Treaty. There are others. For example, there is the space-based space surveillance and tracking system experiment, which will use cryogenically cooled infrared sensors to detect and track warheads and decoys during the midcourse of their flight. Why would the United States want to track decoys in their midcourse of flight? That is not necessary for early warning, or necessary for surveillance. It is a function required by a national ballistic missile defense system for use with midcourse interceptors of Soviet intercontinental missiles.

The SDI Report states that SSTS will "demonstrate the tracking and signature data on a number of space objects" but won't have the capability to "achieve ABM performance levels."

In other words, because SSTS will not work quite as well as it needs to in order to be an effective ABM system, SDI claims that SSTS does not violate the ABM Treaty prohibition on having space-based sensors that are "prototypes" or "breadboard models" of ABM capable systems.

If a system designed to perform the ABM function of tracking warheads and decoys during the midcourse of their flight is not an ABM prototype sensor, then I cannot imagine what would be considered a prototype of an ABM sensor. SSTS is either nothing less than a prototype on which to base an ABM capable system, or it is a very peculiar use of the $475 million projected for its cost in the first 5 years of SDI. If it is not a prototype for an ABM sensor, why are we spending the money to put it up in space?

Possibly in a class by itself of the SDI experiments is the Airborne Optical Adjunct, an ABM sensor system to be based in the air and designed to track ballistic missiles. This experiment the SDI report describes as not violating the treaty because of "sensor and platform limitations," despite the fact that the experiment will test the system, through observing tests of ballistic missile reentry vehicles! The SDI Report contends that this test, too, is not of a prototype ABM-capable component. Again, if it is not a prototype, why is the SDI Office asking us for nearly half a billion to test it?

Then there is the space based imaging experiment. Its purpose is to distinguish reentry vehicles from decoy warheads. When it is demonstrated, it too will either violate the ABM Treaty's prohibition against ABM sensors in space, or require definitions of the treaty that make its limits almost without meaning.

We are not merely putting sensors in space—SDI plans to demonstrate every component of an ABM system. That is why we are spending $400 million as of next fiscal year on the space based kinetic kill vehicle project, to test rocket propelled projective launch and guidance. The SDI office does not plan on testing it against ICBM's, but instead on satellites as an antisatellite device, on the theory that somehow if it has an antisatellite capability it by definition does not have an ABM capability.

That defies common sense. If you can shoot down a satellite from space, you are on the way to shooting down a missile from space. The latter is prohibited by the ABM Treaty, and I believe in the space-based kinetic kill vehicle test, we are doing nothing less than testing an ABM prototype.

Possibly the most appalling of all the statements in the unclassified SDI report may be the justification given for the test of the space-based Railgun experiment, or "Sagittar experiment." This launcher will use an electromagnetic accelerator, analogous in concept to a particle beam accelerator, to propel projectiles to very high velocities that may be significantly greater than those achieved by conventional rocket interceptors. In essence, this project is to develop and test a space-based antimissile gatling gun capable of rapid fire on the order of about one shot per second.

This experiment appears to violate the ABM Treaty in at least two ways—first, by being a test of a space-based ABM capable weapon or prototype weapon, and second, by constituting "development, testing, or deployment or an automatic or semiautomatic system for rapid reload of ABM launchers."

SDI justifies this test as in compliance with the ABM Treaty with the following words:

> Specific performance parameters will be established to satisfy treaty compliant guidelines.

I read this statement to mean that as of this April, the SDI Office has not figured out any way that it could justify the test being made without violating the ABM Treaty, but has decided to go ahead with it anyway and figure out a way to justify it later.

So they want us to expend the money for a program that on the clear face of it will send a signal to the Soviet Union we are willing to violate the treaty and they are going to tell us after we expend the money, Mr. President, after we have exercised our constitutional responsibility as Senators, how it does not violate the treaty.

Well, I am one Senator who is not satisfied with the notion that we should vote hundreds of millions of dollars for a project that may destroy the ABM Treaty without knowing how they intend to adhere to that treaty. I think we have a right to ask that question.

If the Soviet Union were to undertake a program like that, Mr. President, the United States would absolutely rightly so conclude, and I believe the Senator from Arizona and a host of other Senators would be the first people to take the floor of the Senate to say that the Soviet Union is moving away from the ABM Treaty, and that they would no longer consider themselves bound by it.

It is true that the tests involved in putting BSTS, SSTS, the Hypervelocity launcher are, with the exception of the Airborne Optical System, not scheduled to be actually put into place until after President Reagan's term expires. I acknowledge that readily. But the whole point of the prohibition on the creation of prototypes is so that each side would be assured that the other side was not about to break out of the treaty. If you cannot build a prototype, you cannot break out and build, in short order, a nationwide ballistic missile defense system; it is not about to snap into creation.

At the very least, the United States is engaged in committing an anticipatory breach of the ABM Treaty. More importantly, SDI puts us in the position of eliminating the protections offered both the United States and Union of Soviet Socialist Republics by the treaty, by redefining the treaty in such a way that it no longer provides a buffer against breakout.

As John Rhinelander, the legal adviser to the SALT I delegation, has written, "the basic legal position of the administration [that its SDI tests do not violate the ABM Treaty] is factually suspect and legally questionable. If this represents the administration's basic approach to preventing erosion of the ABM Treaty, it makes a mockery of treaty compliance."

If we decide to accept the position taken by the Reagan administration, that no hardware is a prototype unless it has all the capabilities of a working ABM component, we give up our right to complain if the Soviets put what appear to be prototype laser beam weapons in space, so long as they do not function in "real time," or are only capable of shooting down our satellites, rather than our missiles. So long as the Soviets can make the kind of claims for their systems that the SDI office has made for our tests, they can go forward as fast as they would like with the development of the basic hardware for a national nuclear defense system.

The ABM Treaty will have come essentially without meaning rendered useless, without really a formal note and without really a determination that it ought to be.

This is why it is so important that Congress not accept the rationales offered by the administration and the SDI office in trying to justify these projects.

So today, we must ask ourselves, is what we are seeking to do with SDI worth the destruction of the ABM Treaty—a treaty ratified by this body by the vote of 98 to 2, and representing a profound commitment on the part of both the United States and the Soviet Union?

The President and his administration clearly believe that the answer to this question is yes, for several reasons. First of all, many members of the administration do not believe in the ABM Treaty. Secretary of Defense Weinberger has stated that he "has never been a proponent," and Richard Perle has indicated his open hostility to the treaty on numerous occasions.

Just last Friday, U.S. arms negotiator Paul Nitze said we could amend the ABM Treaty to make it compatible with SDI. ACDA chief Kenneth Adelman made a similar statement in Boston.

While I have great respect for Ambassador Nitze, I think to keep the ABM Treaty as it is, is more important and is really in the interest of this country.

The legislation I offer today does exactly that.

Although it freezes SDI spending overall, it gives a 23-percent increase to every project in SDI which constitutes real research. Let me describe some. Under this amendment, we will give a 23-percent increase to projects like radar discrimination technology, optical discrimination technology, imaging radar technology, imaging laser technology, infrared sensors and data technology, endoatmospheric nonnuclear kill technology, exoatmospheric nonnuclear kill technology, system engineering and analysis, novel concepts, research into the hyper-velocity launcher, battle management and command, communication and control, systems architecture, systems survivability, lethality and hardening, space power and conversion, space logistics, laser, directed energy and particle beam research. That is something we are not doing to anything else in this entire budget, as the President well knows.

Each and every one of those areas I mentioned will receive a 23-percent increase over the $1.4 billion, of which only 8 percent has been spent almost 8 months into the fiscal year.

This amendment would cut those projects which threaten the ABM Treaty and nuclear stability.

This legislation leaves in place $2.4 billion for research in the area of ballistic missile defense, a 41-percent increase over the amount spent by the United States in fiscal year 1984. This is more than enough to prevent Soviet breakout in the area of BMD and to make it possible for the United States to negotiate broader limitations on offensive and defensive systems in Geneva. What this legislation prevents is the destruction of a treaty that has served and continues to serve U.S. strategic interests.

This was the unanimous position of the Senate Foreign Relations Committee when it last considered the issue in the fall of 1983. In a report issued by then Chairman Percy without dissent on November 18, 1983, the committee reiterated the benefits to U.S. security maintained by the ABM Treaty in the following words:

> The Committee believes that U.S. interests have been well served by the ABM Treaty. It has saved many billions in acquisition and operations and maintenance costs. Had systems been deployed in the early 1970's, they would be outdated today and additional expenditures would have been required to modernize or replace them. The treaty has helped to avert a defense planner's nightmare by avoiding contests in defensive systems and in offensive technologies designed to defeat them. Conditions created by the Treaty provide incentives for implementing current strategic arms control proposals in which MIRVed missile would be abandoned in favor of more stable single warhead systems.
>
> Since research activities are not fully verifiable under the terms of the accord, the Committee believes that vigilance through an active ABM research program is a necessary guarantee against Soviet breakthrough. Absent evidence to the contrary, proposals reportedly under consideration by the Administration appear to go well beyond the level of effort required in guarding against this contingency.

The committee report continues with the following judgment about the SDI Program:

> These proposals call for a level of effort that would permit a U.S. deployment decision rather than simply a hedge against a Soviet deployment.
>
> The U.S. ABM Treaty Negotiator, Gerard Smith, noted two principal risks of this approach. First, rightly or wrongly, it could "signal our intention to annul the ABM Treaty." This could propel the Soviet BMD program and potentially place the Soviets in position to quickly break free of treaty constraints, even if the U.S. ultimately decides against adopting advanced BMDs. Second, "Any major program to implement the President's dream [to eliminate the threat posed by nuclear weapons] would very quickly run afoul of the ABM Treaty's constraints. Even engineering work to develop a space based system is banned under the Treaty.

The committee then said the following:

> We question the merits of jeopardizing an extremely valuable arms control accord for the purpose of exploring programs of uncertain utility. Given the grave strategic implications, the technological uncertainties and cost of advanced ballistic missile defense concepts, U.S. interests would best be served by eschewing programs that threaten continued adherence to the ABM Treaty.

Mr. President, the Senate Foreign Relations Committee wisely understood that much of what is contained in the SDI Program is both unnecessary to protect against Soviet breakout and threatens the continued viability of the ABM Treaty. And in drafting this amendment, I have sought to follow exactly the unanimous opinion of the members of the committee, for whom I have a great deal of respect, in judging parts of the SDI Program to be a profound threat to the treaty.

Mr. President, some key administration officials have done their best to discredit the ABM Treaty by suggesting that the Soviet Union is already violating it, and that it has the capability for a breakout of the treaty by suddenly deploying a nationwide ABM system, I want to take a moment to look closely at these allegations before concluding the ABM Treaty has already become a dead letter which is no longer in the U.S. interest to observe.

What these officials have done is to turn a problem of ambiguity in the ABM Treaty into an issue of unilateral Soviet violation.

It has been charged that the phased array radar deployed by the Soviets near Krasnoyarsk in Siberia is apparently capable of battle management as part of an ABM system and almost certainly violates article VI(b) of the ABM Treaty.

Mr. President, I share the concern of my colleagues about that radar. I believe Krasnoyarsk, when turned on, has exactly that potential, to be a violation of the ABM Treaty. And yet I think we have to be careful not to misrepresent both the legal and the military significance of what it portends as we make a judgment about something as significant as the SDI initiative.

The legal issue raised by that radar system is whether it is used for early warning of strategic ballistic missile attack or for space-tracking. Article VI(B) states:

> Each party undertakes * * * not to deploy future radars for early warning of strategic ballistic missile attack except at locations along the periphery of its national territory oriented outward.

The administration has charged that the Krasnoyarsk system is for early warning, and because it is clearly not located along the periphery and therefore cannot be oriented outward, it is an unqualified violation of the treaty.

Now it may be true that the Krasnoyarsk radar can be used for early warning, but it is agreed by technical experts that it is difficult to distinguish phased array radars designed for tracking satellites and those designed for early warning. There is an ambiguity inherent in such radars, because they have the potential for either function.

What the administration does not mention in its campaign to downgrade the importance of saving the ABM Treaty is that the Soviets have raised parallel complaints about two new large, phased array radars which the United States is building in Georgia and Texas. When these radars, called Pave Paws, become operational in 1986, they will each provide a 240-degrees field of coverage, and along with two earlier Pave Paws radars, will cover a very wide area of the United States in terms of early warning of attack.

Now the United States contends that these radars are used only for space tracking and early warning of submarine-launched ballistic missiles, and that is true. But what we are dealing with here, what I have been saying throughout my comments is that we are in a battle of perception. And if our perceptions with respects to Krasnoyarsk are that we are threatened by it, what will the Soviet perception be with respect to each and every one of the experiments that I have articulated? We have a forum that we could go before, the Standing Consultative Commission, that was set up by the ABM Treaty. We have yet to pursue that particular effort, and I think we ought to.

Now, Mr. President, the Defense Department has compared United States and Soviet military technologies in its "Statement by the Under Secretary of Defense Research and Engineering to the 99th Congress," issued on March 7. In that report, the DOD compared relative U.S./U.S.S.R. standing in the 20 most important areas of basic military technologies. Its conclusion was—and this is important in deciding whether or not we are going to double the budget for SDI research—that the United States was superior to the Soviet Union in 15 of the 20 basic technologies, and that the U.S.S.R. was superior in none. The other five, which included directed energy, it viewed the U.S. and U.S.S.R. to be equal.

In what is probably the most important of all technologies for the deployment of a national ballistic missile defense system, computers and software, the Defense Department judged the United States lead in technology as increasing.

So the claim that the Soviets are on the verge of a major breakthrough in that technology should not prompt us, given those realities, to feel that we need this sudden, huge increase.

Also, it is one thing for the United States to maintain a research team and the potential for future tests as a hedge against possible future Soviet decisions to carry out the testing necessary to master the complex technology of nationwide ABM systems. It is another thing entirely to unilaterally decide to destroy the mutual constraints imposed by the ABM Treaty in the absence of clear evidence of Soviet moves toward a breakout.

As we have this debate today, one cannot help but be reminded of a similar debate in these Chambers two decades ago, about the first generation strategic defense initiative, namely the antiballistic missile. That debate was followed in sequence by the emotional and informed debate on ratification of the ABM Treaty, a treaty which is the heart of this SDI debate even today.

Those debates are instructive. For although technology has sprung forward by quantum leaps compared to those early systems, the very backbone of the debate is the same.

In closing, Mr. President, I would ask this Chamber to once again think back to that debate on the ABM Treaty and the ABM systems themselves. The real issue contained in SDI, the real heart of what we are debating in determining whether or not we will add so much momentum to this system that we may never be able to pull it back, is the question of are we or are we not as a nation truly committed to alternatives to nuclear war? Are we or are we not as a nation ready today to engage in the most feasible, the most time-tested alternative available to nuclear war, and that is nuclear arms control.

Will we as a country decide to honor the commitments and the treaty obligations that we have and that we are pledged to or are we going to brazenly ignore the intent, if not the letter, of the treaty to which we are prime signatories?

The debate I believe, Mr. President, is really no less than that. We either have to make the decisions now that we are going to respect that treaty or we may put ourselves in a predicament where we will not even have the choice in the future to make the determination; it will be made for us, because by putting these experiments underway and by challenging the treaty and entering into a whole new area that is absolutely the gray area of the treaty, we will be inviting the Soviet Union to do the same.

The debate over SDI and the debate over ABM both began when scientists, who understand that the ABM system cannot protect people, started to try to arouse people's interests and to state what really was at stake. And I think that we can remember that in cities and towns all across this country, from my State to every other State in the Union, citizens stood up and said they did not want ABM systems placed in their communities.

Community meetings and every newspaper and editorial across this country at that time legitimately questioned that system. Today we are here in this Chamber debating the exact same system, the exact same formulas, only we are putting them in a different form which, hopefully, because they will be in space and not in the backyard of every community in America, will become more palatable to citizens in this country.

Mr. President, I think as elected officials we have a major responsibility to question how we are going to spend this money and why. I join with my colleagues in wanting to create a defensive posture for this country that is second to none. I join with my colleagues in wanting to guarantee that we are never disadvantaged as to any system that the Soviet Union has.

I understand the Soviet Union has done research in this area and, needless to say, yes, we must do research. Yes, we must keep up. Yes, we must even be ahead. But in every single technology involving SDI, with the possible exception of one, we are judged to be ahead by our own experts today.

We are moving at a rate of increase in expenditure for that research which far exceeds anything that the Soviet is engaged in today, or anything that any planner or expert or member of the Defense Department has shown they are engaged in today.

This amendment to freeze at $1.4 billion will permit the United States to continue its important and needed research, but it will also permit the United States to maintain the integrity of the ABM Treaty and to hopefully provide us the time for the Geneva talks to be able to provide us with even greater assurances as to our ability to gain control over technology and to be able to avoid the greater risk of confrontation which will come from star wars.

Finally, I will reiterate the comment I made earlier, Mr. President. Even if we spend these trillions of dollars, even if we develop a star wars system as the best expert can define it, even if that system can knock down 90 percent of the weapons the Soviet Union were to send at us, we still would be left in exactly the same predicament then as we are today, which is making judgments about how badly they can hit us and how badly we can hit them, and we would still be living under the cloud of mutual assured destruction.

I believe that there are better ways, that Geneva offers us greater hope, and that this system will preclude any kind of arms limitation that came out ot Geneva, until we show ourselves willing to protect this treaty and move in a different direction.

I urge the adoption of this amendment.

Mr. GOLDWATER. Mr. President, I do not believe there is a person in Congress who has a finer combat record than my friend from Massachusetts. When he makes the statement that war is not moral, he finds himself agreed with by every person who has ever been to war or been close to war. There is nothing moral about war. The sad thing is that moral people engage in it and immoral people engage in it.

I should like to think that I will live to see the day when the moral forces of the world might prevail and the world can understand the hopelessness, the stupidity, and the frustration of war.

However, I am on my feet now to speak in opposition to the amendment offered by my colleague from Massachusetts, Senator KERRY. His amendment would fund the President's strategic defense initiative at $1.4 billion in fiscal year 1986, a reduction of $2.32 billion from the administration's request.

In view of budgetary constraints, the Committee on Armed Services has already recommended a reduction of $750 million from the administration's request. The committee made this recommendation with some reluctance, because it will slow important work being done in the area of strategic defense research.

Mr. President, the Senator from Ilinios asked a question which I should like to answer in a little more precise way. He asked if it were true that only a small percentage of the money appropriated for this project had been spent.

As of October 30, the SDIO had obligated 62 percent of the funds appropriated to it for fiscal year 1985. This compares to 52 percent for DARPA, 58 percent for the Army, 74 percent for the Navy, and 57 percent for the Air Force.

While the strategic defense initiative expenditure rate of 12 percent is somewhat low, it is not out of line. For example, as of April 30, DARPA had expended just 5 percent of the money appropriated to it for fiscal year 1985, and the Air Force had expended just 15 percent of the RDT&E funds. But because of the congressionally imposed requirement to report on the impact of the fiscal year 1985 funding reduction, the SDIO was not able to begin its work this year in earnest until January, 3 months into the current fiscal year. Because it is still in its first year, the SDI is composed largely of new-start research programs. In view of the need to negotiate new contracts, it got a much slower start expending its funds this year.

Mr. President, the Armed Services Committee is charged with the effort of trying to maintain a proper defense for our country and a proper offensive position. As chairman of that committee, I do not look upon SDI exactly as my friend from Massachusetts looks at it. I look upon it as an antiweapon.

Down through all the history of war—in fact, through all the history of mankind—for every weapons system that has been developed, there has been an antiweapons system developed against it, and they are always successful. We can read history and learn that when men fought with their fist, somebody thought of a club; then somebody invented a shield. Somebody came up with a bow and arrow. They invented a bigger shield, catapults, all kinds of machinery of war. We have always been able to come up with one that will resist a weapon.

That is what we are looking at. That is all SDI is about. People mistakenly call it star wars. That is a bad name. I think the President dreamed that one up, and that is the worst thing he ever came up with. We are not having war up where the stars are. We are trying to prevent war, and that is all this whole subject is about.

I recall reading that General Smuts, in South Africa, prophesied that the airplane would become the great weapon of war, against which there would be no defense. Well, in World War I it got partly that way. In World War I, we developed the tank, another weapon it was said could never be stopped. Well, we invented ways to stop it.

World War II brought the airplane even closer to perfection; yet, it did not quite win the war. Now the airplane, thanks to nonpiloted vehicles, missiles, and other weapons, will probably take a back seat to some antiweapon we do not know about.

To get back to this amendment, by funding the SDI at $1.4 billion in fiscal year 1986, this amendment does not even permit an increase over last year's funding level to account for inflation. This amendment funds the SDI at more than $1 billion below the level that will be required simply to continue with contracts initiated last year. It is $1.5 billion below the Funding Constrained Program recommended by the Fletcher Commission. In my judgment, a reduction the magnitude of that recommended by the Senator from Massachusetts would impair U.S. national security.

Not only is the funding level contained in the amendment well below that which prudence would dictate, but the way in which this reduction is allocated raises some important questions. The Senator's amendment would drastically reduce, and in some cases even terminate, some of the most important activities within the SDI program.

For example, the Army's programs to develop ground-based antiballistic missile [ABM] interceptors are terminated. I cannot understand the basis for this recommendation. The development of these interceptors raises no concerns about U.S. compliance with the ABM Treaty. In fact, these systems could be deployed in limited numbers within the treaty. The Soviet Union currently has 100 ABM interceptors deployed around Moscow. Yet, the Senator from Massachusetts cries at great length about our violating the ABM Treaty. If Moscow has not violated it, I do not know what violation is or sounds like. The only difference between the ones they have and the ones we are developing is that ours are nonnuclear.

The Senator's amendment also terminates two important programs that are developing the capability to discriminate between attacking warheads and decoys. Critics of the SDI argue that an opponent can overwhelm the defense by utilizing cheap decoys that look like warheads. The airborne optical adjunct [AOA] and the terminal imaging radar [TIR] programs are designed to insure that defenses can be effective by discriminating between actual warheads and the decoys. The Army's ABM interceptor programs, and these discrimination projects, would be important aspects of a terminal defense of the United States or NATO.

These programs also make up an important part of the United States hedge against a Soviet break-out or "creep-out" of the ABM Treaty. In view of Soviet violations of that treaty like the Krasnoyarsk radar, and what appears to be their preparation of a territorial ABM defense, termination of these programs is in my judgment irresponsible.

Mr. President, the amendment also terminates, and I wish to emphasize this, two important satellite development programs, the booster surveillance and tracking system [BSTS], and the space surveillance and tracking system [SSTS]. These programs were underway well before the President's March 23, 1983, speech, and they are designed to perform missions that will be necessary even if we do not decide to deploy strategic defenses.

The BSTS is developing a replacement for the Defense Support Program [DSP] satellite, which is our most important sensor for providing warning of a Soviet nuclear attack against the United States. The DSP needs to be replaced in order to improve our capability to identify and characterize a potential attack. The SSTS program is developing a satellite that will be capable of monitoring objects in space, and thus providing warning of potential threats to our important space-based assets. This is an important program for enhancing the survivability of key U.S. space-based assets, and like the BSTS it would be necessary even if the SDI did not exist.

The Committee on Armed Services conducted a number of hearings on the SDI this year, and we heard testimony from both administration and public witnesses. We not only reviewed the technology program, but we analyzed the policy issues surrounding this important initiative as well. Based on this analysis, we concluded that the SDI is a high priority program. Strategic defenses could not only help to enhance the survivability and effectiveness of U.S. strategic forces, but they hold the promise or reducing this country's current sole reliance on offensive nuclear retaliation for deterrence.

In view of budgetary constraints, the Committee on Armed Services has already recommended a large reduction in the SDI budget this year. I strongly urge my colleagues to oppose the amendment before the Senate—and any others that seek further reductions in SDI funding—and to support the committee's recommendation.

Mr. President, just to wind up, I am carried back to the days that I first served on the Space Committee just after it was first formed. I remember President Kennedy making the statement over in the other House that we were going to put a man on the Moon, and everyone thought he was sort of half crazy, but those of us on the Space Committee who did not quite have all of his confidence recognized that there were problems, just as there are problems in this SDI Program, problems that could be overcome, and, Mr. President, they were overcome, and we put a man on the Moon, and we have satellites now in space that enable us to use them for television, telephone, telegraphy, radio, for any purpose that we want to. We now are thinking of exploring in more depth the planet Mars.

There is no end, Mr. President, in my humble opinion, to what this country can do if it makes up its mind to do it, including perfecting a system that will not just be 90 percent effective against incoming missiles; I think we can perfect one that will shoot down any missile that is fired in our direction.

I can go on and on recalling days of the problems we have had with programs similar to SDI. The B-17 program in the 1930's, that took four straight Congresses to approve it because people said it would not fly. I do not have to tell you what the B-17 did in World War II. And I think of the proximity fuse that everyone sort of laughed at—"You mean you can develop a fuse that will go off 5 feet from the object? It can't be done." It was done, and we had it stolen from us by our enemies.

So, Mr. President, I wind up in opposition to this amendment. I think it is a bad, bad mistake.

I think the Armed Services Committee has already cut this program by a sufficient amount. I think when we get through with the House Committee, it probably will be cut a little more. But I do not want to see the United States being accused once again of failing to go ahead.

And I will end by reciting a story I have told in this Chamber before when we so foolishly stopped our experimentation with the supersonic transport.

I spent part of the following month in Paris at the Paris Air Show, and one day at lunch with all of my friends from the countries over there that make aircraft that I flew with many and knew, the president of Aerospecial pointed his finger at me and said, "I never thought I would see the day when the United States quit, and we are going to catch you."

And I only remind my colleagues that at that time we were selling over 80 percent of the aircraft in avionics and parts in this world, and today we are struggling with 65 percent.

So let us not be foolish. Let us not be overwhelmed by the cries of those who think that war can be ended by amendments. War can only be ended when men make up their minds to end it.

I yield the floor.

Mr. NUNN. Mr. President, I rise to oppose the Kerry amendment. I will just take a few minutes because I know there may be others coming over to debate this afternoon. We are not going to vote on this one today.

But first a brief explanation of the amendment as I analyze it.

It limits the funds for 1986 to the fiscal year 1985 appropriated level of $1.4 billion, and it eliminates the funding for numerous tactical applications of technologies but permits them to be funded from the strategic defense initiative $1.4 billion. In other words, it blocks certain programs in other parts of the budget, but permits them to be funded under the $1.4 billion. It extends fiscal year 1985 reporting requirements. It adds studies by CBO and the Joint Economic Committee, and it eliminates all demonstrations.

Section 2 states that funds authorized by the SDI Research Authorization Act are in lieu of any other authorization for SDI in fiscal year 1986.

Section 3 reaffirms the policy established by Congress in 1975 and all research related to antiballistic missiles may be carried out for the purpose of improving antimissile technology, but that demonstrations or prototypes or preprototype weapons systems may not be an objective of SDI and may not be carried out under the program.

Mr. President, I do not agree with this amendment. I think it goes far beyond any cuts I would be willing to make. It basically freezes the funding. It does not permit us sufficient progress toward understanding what is feasible in this overall area. Even though I am skeptical as to some of the claims, some of the exaggerated claims made on the part of some spokesmen for the administration as far as SDI, I certainly believe we should have a vigorous and complete research program.

It leaves us no money for a number of new starts planned for later than fiscal year 1985, and it certainly reduces the leverage we would otherwise have in the arms control negotiations related to strategic defense.

Mr. President, I will have further comments on this amendment tomorrow, but at this point in time I just urge my colleagues to look very carefully at this amendment. We are going to have at this count at least 10 or 12 amendments on SDI. This will be one of them. It is my impression that this amendment cuts further than any of the other amendments will cut.

So even for those Senators who are inclined to believe that the committee bill is too high, I urge them to not support this amendment but rather to look for other amendments that will take a more balanced approach which we will be debating later this afternoon and tomorrow.

Mr. BUMPERS. Mr. President, will the Senator yield? Since this is Monday afternoon, and obviously nothing very much exciting is going to happen, might I just make a record on a couple of items?

Mr. NUNN. Mr. President, is the Senator about to say something important and exciting? If he is, I yield.

Mr. BUMPERS. I never say anything important on Monday afternoon.

Mr. NUNN. I yield to my friend from Arkansas anyway.

Mr. BUMPERS. Mr. President, could the Senator tell us approximately how much time was spent in committee on debating this issue?

Mr. NUNN. I really do not know how much time was spent debating it. We had rather vigorous debate when we

were marking it to the zero level, the last mark we made before bringing this bill to the floor. We had a rather vigorous debate in the committee at a 3-percent level which was the first bill we reported to the floor before the budget deliberations. Most of the careful examination of SDI was done in Senator WARNER's Subcommittee on Strategic Matters, although some hearings were held on the full committee level. If you add it all up, it would be considerable, but I would be afraid to guess.

Mr. BUMPERS. Mr. President, just the other day the chairman of the committee said, I think sort of euphemistically but I think with a grain of truth in it, that you really do not know what is going on in this process. That concerned me a little bit because it confirmed a very nagging suspicion I had about who really does know where this money is going, what it is being spent for, and how efficient this program is.

I was just wondering if the ranking member of the committee can assure other Senators that the committee is right on top of this, that you know where the money is going and what it is being spent for, and that it is being spent for the most efficient and in the most efficient possible way toward an ultimate SDI.

Mr. NUNN. Mr. President, I say to the Senator from Arkansas, based on recent news articles about the Pentagon spending in general and certain projects in particular, that I would not give the Senator that kind of assurance on any project we have in this bill or any project that is being funded. I would not say that is just true in the Defense Department, but I would say it is pretty generally true across the Government.

The SDI is a very broad program. It has been defined, in my opinion, much too broadly by the President when he says basically it will allow us to have such a comprehensive shield that we can eliminate all nuclear weapons and then, paraphrasing him, we will be magnanimous enough to turn it over to the Soviet Union. I do not agree with that definition and, therefore, I look rather skeptically at the funding level.

I supported the funding level of $2.9 billion, which the committee has come out with, which is considerably lower than the administration's request, not because I am against the research on the program—I think it is very important research; I have always supported research in this area—but because, when you define a program, as this one has been defined, as broad as universal salvation, it is awfully hard to have meaningful criteria to measure it against.

This program is in that category. They are ambiguous projects. But, by the very nature of research, a lot of them are ambiguous. By the very nature of basic research, they are ambiguous and we cannot pinpoint it to the degree I would like and to the degree most people would like.

There are a number of outstanding requests we have made for various information and we have not received answers to some of those questions. I am waiting this week and I hope before the debate is concluded I will be able to have more information than I have now.

But the short answer to the Senator's question is, no, we do not have all the information that would give me total comfort in this program, but I think that is also true in many other research programs and perhaps more so in this one than most because of its background, because of its very broad definition from the Presidential level.

Mr. BUMPERS. Senator PROXMIRE apparently is going to be over in a minute to at least lay down an amendment that he and I will offer at a level of $1.9 billion. It also does some other things and I will not debate that amendment now.

But it also does another thing. It appoints a panel to investigate the way this money is being spent. These would be scientists, physicist types who could evaluate the program and the expenditure of money and give some of us the assurance that this program is really on track.

I am not asking the Senator from Georgia to support the amendment of Senator PROXMIRE and myself. But I just wonder if he thinks that that part of the amendment has merit; that is, the appointment of a blue-ribbon panel which would report back to the Congress. This, of course, is a very secretive undertaking, but I get the feeling that I am not alone in worrying about this because we have been giving the Pentagon anywhere from a 10- to 12-percent increase plus inflation each year and you have seen some of the results—the $7,400 coffeepots, and I am not going to go through that litany.

But I wonder if the Senator feels that 3 years from now we might be back here in the midst of revelation that make $435 clawhammers look like peanuts when you are talking about doubling a budget from $1.4 billion to $2.9 billion, a really basic research program, doubling it from $1.4 billion to $2.9 billion.

Would it be reasonable to assume we might very well come back here 2 or 3 years from now and yearn for the good old days of the $435 clawhammer?

Mr. NUNN. Mr. President, I do not think I would yearn for those days, but there may be other problems that will occupy our minds 3 or 4 years from now. The Senator may be correct in that. I hope we do not ever look back and think that hammers at $435 are good bargains.

Mr. BUMPERS. The Senator from Georgia, I believe, shares the profound respect that I have and I think he has for former Secretary of Defense Harold Brown, who is a physicist. I think the Senator will also recall either in a luncheon that I hosted for the former Secretary or when he testified before the Armed Services Committee that he said it would be the height of folly to increase this program by 100 percent or certainly anything in excess of 100 percent. He said he had never seen a program that would absorb a 100-percent increase in funding efficiently. Is the Senator familiar with the former Secretary's views on this?

Mr. NUNN. I have talked to former Secretary Brown at length on this subject. I heard him speak on it. I have read lengthy papers that he has written on it. I think he has much to say that is of great use and benefit in analyzing this program.

I am also familiar with the testimony of former Secretary of Defense James Schlesinger. I also have, and I am sure the Senator from Arkansas has, great respect for former Secretary Schlesinger, as well as former Secretary Brown. I think both support research, but both think the levels requested by the administration are very high and cannot be justified under any research formula based on previous programs.

I believe you have to start, though, with the definitions. If you define the program as the program that will provide an impenetrable shield over the United States and you further define it as one that will allow us to abolish nuclear weapons because we would have such a great defense we would not even need the threat of retaliation, and then you say, you begin to hint very strongly and say the defense as we have defined it in the past, that is,m the ability to take the first strike and respond to that, we can deter that first strike without it being made because of our great ability to respond, and even that whole question is now under debate because we are going to have such perfect defenses, and you top all of that off by saying we are going to at some point in the future, once we perfect these defenses, turn over that technology to the Soviet Union so that we can then arrive at a millennium together, I think if you define a program that broadly and you are sitting down there in the bureaucracy somewhere deciding how much you spend against those targets, then there is no limit to the amount that you need to spend.

I would say that you could probably say, if you were in the bureaucracy under that kind of definition coming from the highest levels of Government, the amount of money that could be at least bureaucratically justified would be infinite.

So I think the beginning point is not the detailed line items, which I suppose probably none of us have enough information to completely analyze, but the beginning point is the defintion. I hope that we begin to evolve a more realistic definition as to what our goals and objectives are with this overall program known as the strategic defense initiative. That, to me, is the beginning point. It is not going to be easy. I do not think we can solve it in the debate in the next couple of days on the strategic defense initiative.

But I hope we can begin addressing that definition and I hope we can particularly try to pinpoint the administration in the months to come out with their definition.

I do not know whether the Senator follows my exact logic on that. But the logic is if you define a program that broadly it is awfully hard to ever say a particular line item is not necessary in order to achieve that goal which, again, is as broad as what I call universal salvation.

Mr. BUMPERS. We are not talking now about the concept or the advisability of SDI or any of the arguments about that. We are simply talking about we are proceeding here on the assumption that we are going forward with at least the basic research, and we are talking about how much money is going to be required to stay on track on some elusive time schedule with which I am not familiar.

But just to get down to a more basic problem, let me say in that connection that the real agony and fear that we have here is that we are shotgunning this program. As the Senator knows, there is a whole host of research projects in this. I have this feeling that perhaps we are just throwing a lot of money into different projects.

Some of these things probably can absorb a 100-percent increase, some of these proposals within the SDI research project can probably absorb a 100-percent increase. Some others cannot. The question is, which ones can and which ones are most likely to give us some benefit, even should SDI ultimately be scrapped? Those are decisions that I do not know whether they have been made or not.

Just conceptually, have there been representations made to the committee that SDI can be made 100 percent effective and guarantee the people of this country that a Soviet missile could not penetrate some kind of a shield over us or our allies?

Mr. NUNN. I have never heard that.

Mr. BUMPERS. Would it be fair to say, as the Union of Concerned Scientists have said in a fairly comprehensive article, that after we spend whatever amount we will spend, say $27 or $28 billion in research, $500 billion to $1 trillion in deployment, that 90 percent of the effectiveness is the very highest efficacy anybody has ever suggested SDI could attain? If that is true, of course, if the Soviet Union were to launch 10,000 warheads at the United States, it would be fair to say 1,000 of them would find their target, would they not?

Mr. NUNN. I think the Senator's arithmetic is correct. I do not know about the 90-percent figure. I am not sure about 90 percent, 95 percent or 100 percent. Again, there is the basic definition. If your definition is to have the capability of retaliating by having a survivable weapons system because of your system, then 90 percent would be very high and it would be a great help in preserving deterrence. If you determine 100 percent reliability as the necessary protection in protecting the population of this country, then 90 percent, to say the least, is not invincible. In fact, it would be a disaster of unprecedented world proportions, were 10 percent of the Soviet missiles to get through. So, again, it depends on one's definition of where you are trying to go. That is what is missing in this debate, in my opinion. That is also what is missing in the President's approach to this overall problem.

Mr. BUMPERS. Let us assume that the Soviet defensive staff says that the SDI is something that is offensive to them. If I were a Soviet defense planner, I might consider two things: No. 1, I might plan to go to roughly 35,000 warheads instead of the roughly 9,000 they have right now so that if the 90-percent effectiveness did somehow or other occur—I do not think it will ever be 90 percent effective but that is the highest claim I have heard made for it—if the Soviet Union decided to go to 35,000 warheads, which some people say they can reach by 1995, at a cost of probably a lot less than it would cost them to build the SDI, that means 3,500 warheads would get through and we might preserve some retaliatory capability. But the net effect would be that the Soviet Union and the United States would cease to exist, would it not?

Mr. NUNN. I think there are a large number of scientific experts who believe that to be the case, with that kind of explosive power. Again, this gets us to the theory which I believe deserves very careful consideration by both superpowers. I am hopeful that studies which are ongoing in both capitals will assist.

I could not answer that. The Senator is asking about 3,500 warheads getting through and dealing this country a devastating blow of unprecedented magnitude. I would say the answer to that is yes.

Again, if you are talking about protecting the population of the country, in my opinion, if the country faced that kind of an attack, you would not have succeeded at all.

If your definition of defense is one that is designed to protect the ability to retaliate, then the 3,500 that get through, depending on their targeting, what they have had to do to evade defenses, what they have done in their boost phase to avoid a possible boost phase defense capability we may have developed, and how that affected their accuracy—all those questions would have to be computed to determine whether they succeeded in eliminating your ability to retaliate. Of course, that would still be land based. We would still have sea-based retaliation, which is almost invulnerable. It would give us the ability to retaliate. Under those circumstances, as long as we have the ability to retaliate with a massive strike against the Soviet Union, not only their military targets but even including, as a last resort, the massive retaliation or mutual assured destruction, then that whole ability to plant in the Soviet mind the indelible thought that any such strike against this country would not be successful in the sense of eliminating your ability to retaliate, hopefully that kind of attack would never occur because they would know that we could retaliate, that they would suffer grievous damage, and deterrence would have been worse. Again, it depends on the definition.

(Mr. WILSON assumed the chair.)

Mr. BUMPERS. I do not want to detain the Senator, but I want to make one observation. Just from a basic standpoint, when you consider that somewhere between 50 and 60 of our strategic warheads are on submarines and nobody knows that better than the Soviet Union, and SDI is not designed to protect them because right now and for the foreseeable future our submarine forces are going to be invulnerable, what we are really doing is building a $1 trillion system or somewhere in that vicinity to protect about 1,000 missiles sitting in static siloes, which leads me to believe that perhaps SDI's argument really goes not to protecting command and communications centers but to protecting population centers. I see that as a very dangerous concept for the American people, to be led to believe that the population centers will be protected by this system.

Mr. NUNN. If that is the view of the American people, I hope the debate that occurs in the next couple of days will begin to have people think about that in depth.

I have always supported defense research and I continue to, and I support the level in the committee's bill, but I do think it is enormously important for the American people to recognize that this hope of a complete and total population protection that will allow us to move into some different posture relating to nuclear weapons,

to do away with nuclear weapons, to do away with the concept of deterrence, meaning the ability to retaliate, is something that is not supported by any testimony, including even the administration experts.

The thing that is frustrating to me is if you listen to the administration experts, none of them will support the President's own definition of strategic defense. They do not say that right now, but when you ask them question after question and pull them back to this definition, I can find no scientific administration testimony that supports the definition. They do support his program, but not the definition.

What concerns me, and I know I have a slightly different approach than my friend from Arkansas, is we may very well find some very useful technological approaches. If we do not have arms control agreements in Geneva, we may have to find a way to protect our land-based deterrence systems. I believe we do have to have some other basing modes, some new elements of detection.

What gives me great concern is that if you listen to the description by the President and even the Secretary of Defense of the goals of this program and you look down the road 3 or 4 years and the public discovers that, indeed, as the Senator said, you are not going to be able to achieve 100-percent protection, and any kind of nuclear attack by the Soviet Union against U.S. cities would be devastating to our country, and the population of this country will still be very vulnerable, even though defensive systems which are essential to maintain deterrence survive, it may be confusing to American people that they have been misled in this justification.

So as one who believes that defensive systems may very well have to play a role in the future, I am very concerned about the definitions that have been articulated.

Mr. BUMPERS. Mr. President, I thank the Senator.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays on the Kerry amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. GOLDWATER. Mr. President, I ask unanimous consent that, following the disposition of the Kennedy amendment on tomorrow, there be 40 minutes of debate on the Kerry amendment No. 252, 30 minutes under the control of the Senator from Massachusetts [Mr. Kerry] and 10 minutes under the control of the chairman of the Committee on Armed Services or their designees, to be followed immediately by a vote on the Kerry amendment.

Mr. BYRD. Mr. President, reserving the right to object, I shall not object.

What is the number of the amendment by Mr. Kerry?

Mr. GOLDWATER. 252.

Mr. BYRD. Mr. President, is that the number that is presently before the Senate?

Mr. GOLDWATER. I believe it is.

Mr. BYRD. I thank the distinguished chairman.

I have no objection, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. PROXMIRE. Mr. President, will the distinguished chairman yield?

Mr. GOLDWATER. Yes, I yield.

Mr. PROXMIRE. Would it be possible for the chairman to permit the amendment that Senator Bumpers, Mr. Chafee, Mr. Mathias, and I have follow the action on the Kerry amendment so we may take it up, debate it, and act on it?

Mr. GOLDWATER. I have no objection to that, Mr. President. We can include that in the unanimous-consent agreement. It will take a little rewording, but it would be very proper.

Mr. PROXMIRE. I have no objection to that, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, I do not object. Did Mr. Goldwater include the request by Mr. Proxmire?

Mr. GOLDWATER. Yes, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS ON BEHALF OF THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 86-380, appoints the following Senators to the Advisory Commission on Intergovernmental Relations:

The Senator from Delaware [Mr. Roth] and the Senator from Minnesota [Mr. Durenberger].

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ELIGIBILITY FOR FEDERAL EMPLOYEE HEALTH BENEFITS

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 873, a bill to permit employee organizations which are not eligible to participate in the Federal Employee Health Benefits Program solely because of the requirements that applications for approval be filed before January 1, 1980, to do so under certain conditions, which is not being held at the desk.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 873) to amend title 5, United States Code, to provide that employee organizations which are not eligible to participate in the Federal employees health benefits program solely because of the requirement that applications for approval be filed before January 1, 1980, may apply to become so eligible, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, was read the third time, and passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECOGNITION OF MINORITY LEADER AND RECESS

Mr. DOLE. Mr. President, I ask unanimous consent that the distinguished minority leader now be recognized in morning business for a history of the Senate statement and that following the conclusion of that statement the Senate automatically stand in recess until 11 a.m. on Tuesday, June 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

The minority leader is recognized.

Mr. BYRD. Mr. President, I thank the distinguished majority leader for his courtesy in arranging for me to deliver at this time my 74th speech on the "United States Senate."

THE UNITED STATES SENATE

SENATE COMMITTEES, 1900–1946

Mr. BYRD. Mr. President, the United States Senate works by committee in considerable part and all senators realize that their careers here will, in large part, be determined by the committee assignments they receive. These days, every senator, no matter how new to this body, serves on at least one major standing committee. But it was not always this way. Only after Lyndon Johnson became Democratic leader in 1953 did Senate

Democrats agree to place freshman senators on major committees, before giving senior members second major assignments. Republicans did not adopt a similar practice until 1965. Because of this policy, when I came to the Senate in January 1959, I received a seat on the Appropriations Committee, an honor for which other members of the Senate had waited years to achieve. I will always be grateful to Lyndon Johnson, and to Senator Hayden and Senator Richard Russell, especially, for that assignment. My reception in the Senate, so far as committee posts were concerned, was therefore considerably different from the fate that befell some very prominent senators at the turn of the century.

Let me begin with a portrait of an ambitious young man, newly elected to the United States Senate at the age of thirty-six. The year was 1899; the senator was Albert J. Beveridge, Republican of Indiana. Senator-elect Beveridge personified the young man on the rise, with visions of national glory and the presidency fixed in his head. His eloquent speeches defending American expansion in the Philippines and the Caribbean had drawn national press coverage of his campaign in Indiana. Immediately after winning a Senate seat, Beveridge had sailed for the Philippine Islands to examine first-hand that newly-acquired American colony. As a result of that trip, and his already flourishing reputation, Beveridge believed he had earned an appointment to the Senate Foreign Relations Committee. He also wanted an assignment to the Committee on the Philippines—indeed, he expected to become its chairman. If that were not enough, he also requested appointment to the Judiciary Committee. Senator Beveridge campaigned intensively for those posts, writing important senators and encouraging his friends to write letters and lobby on his behalf.[1]

Beveridge's efforts were almost for naught. While he was assigned to the Philippines Committee, the chairmanship went to a senior senator, Henry Cabot Lodge. Beveridge instead became chairman of the Forest Reservation and Protection-of-Game Committee, which existed solely to provide him with an office and a clerk. His other committee memberships were on Indian Depredations; Organization, Conduct, and Expenditures of the Executive Departments; Private Land Claims; Territories; and a select committee to investigate the condition of the Potomac River Front. None of these could be considered high-ranking committees. Theodore Roosevelt, then Governor of New York, had been among the many who lobbying to put Beveridge on Foreign Relations. Roosevelt's friend, Henry Cabot Lodge, wrote back that he agreed Beveridge was "a very bright fellow, well informed and sound in his views." But Lodge added that Beveridge had "a very imperfect idea of the rights of seniority and . . . a large idea of what he ought to have." There would be no seat on Foreign Relations until a few years later when Beveridge had seasoned. For the time being, Senator Lodge observed that Beveridge was "fortunate" just to get on the Philippines Committee.[2]

A few years later another man with powerful ambitions entered the Senate. Robert La Follette, a crusading reformer, has served as Governor of Wisconsin before his election to the Senate, and he was used to executive prerogatives. In the Senate, however, La Follette started out on the botton rung, no matter what his previous experience. He had received a form letter from the chairman of the Republican Committee on Committees asking for his preference in committee assignments. La Follette replied that he had only one preference, and that was the Committee on Interstate Commerce. Considering his experience in regulating railroads in Wisconsin, this was an obvious choice, but it was the last place that the conservative Old Guard of his party intended to place him. Instead, La Follette was assigned to the committees on Census, Civil Service and Retrenchment, Claims, Immigration, Indian Affairs, Pensions, and the select committee to investigate the condition of the Potomac River front, the latter of which he would chair.

"I had immediate visions of cleaning up the whole Potomac River front," La Follette later wrote, "until I found that in all its history the committee never had a bill referred to it for consideration, and had never held a meeting. My committee room was reached by going down into the sub-cellar of the Capitol, along a dark winding passage lighted by dim skylights which leaked badly, to a room carved out of the terrace on the west side of the Capitol."

From his subterranean committee room, La Follette reflected on the nature of Senate committees. Some of the committees to which he was assigned, including the one he chaired, had no business to conduct at all. Others, especially Claims, Indian Affairs, and Pensions were tremendously busy with a multiplicity of minor bills of a private nature. He could see the motives of the party hierarchy that controlled the Republican Committee on Committees: "We will give the gentleman so much routine work to do that he will not trouble us at all," he imagined them saying. The real power and influence lay in other committees. "Of first importance is the great Finance Committee," La Follette observed, "which has charge of all bills affecting the tariff, currency and banking." At that time the Finance Committee was chaired by Senator Nelson Aldrich of Rhode Island. "Other very powerful committees," La Follette went on, "are Interstate Commerce, with its control of bills relating to railroads, trusts and combinations, and the Committees on Rules, on Appropriations, on Foreign Relations, and on the Judiciary."[3]

Mr. President, at the turn of the century there were fifty-five standing committees of the Senate, eight select committees, one joint committee, and two joint commissions. That made a total of sixty-six committees and commissions for a Senate with ninety members. As Senators Beveridge and La Follette discovered, the majority of these committees were non-performing. One way to sort out the working committees from those that existed only to provide their chairmen with some space, was to look at the committee staffs. Each committee was assigned at least one clerk. Those committees with more work were entitled to additional clerks and messengers. Using the staff as a standard, the Finance Committee ranked first on the list with four clerks and a messenger. Appropriations and Pensions each had three clerks and a messenger. Committees with two clerks and a messenger included Claims, the District of Columbia, Foreign Relations, Judiciary, and Military Affairs. Those with two clerks were Immigration, Naval Affairs, Pacific Islands and Puerto Rico, the Philippines, Post Office, Printing, Public Buildings, and Territories. That suggests at least eighteen working committees.[4]

Location also served as an indication of a committee's status and prestige. The Finance Committee, lair of Senator Aldrich—by all accounts the most powerful senator of that generation—operated out of the second floor rooms, just off the Senate chamber, which I currently occupy as Democratic leader. Only two other committees were located on the second floor off the chamber: Appropriations and the District of Columbia. Now, at that time, the District Committee in effect ran the nation's capital city. The District Committee then operated out of what is now known as the Lyndon Johnson Room, the LBJ Room—a room now assigned the Democrat Leader's use. Elsewhere on the second floor, important committees had rooms on the West Front, which had, until the 1980's, been occupied by the Library of Congress. They shared space there with the Justices of the Supreme Court. Other committees of stature (or at least committee chairmen of stature) had rooms on the ground floor and third floor of the Capitol. Further down the pecking order, a senator like Robert La Follette would be assigned to dark and damp "committee rooms" under the Olmstead Terraces on the West Front. Even more isolated were those freshmen senators, and minority senators, who received committee rooms in the Maltby Building, which the Senate leased. That building stood approximately where the Taft Carillon is located today, but no subway or tunnel linked it to the Capitol. Senators assigned rooms there could be observed trudging across the Capitol grounds and streets. With seniority they would hope for more convenient quarters.[5]

Minority members at times chaired committees. That practice has not carried over to our own day. But when the Senate created committees as a device for providing office space and staff, it made some provisions for senior members of the minority. Looking through the *Congressional Directory*, the easiest way to determine whether a committee lacked any real business is to see if its chairman was a minority member. Thus in 1901, senior Democrats, then the minority party, chaired Audit and Control of the Contingent Expenses of the Senate, Corporations Organized in the District of Columbia, Engrossed Bills, Private Land Claims, Public Health and National Quarantine, Revolutionary Claims, Additional Accommodations for the Library of Congress, Five Civilized Tribes of Indians, Transportation and Sale of Meat Products, and Woman Suffrage Committee. We can assume that the Senate in 1901 had just as much likelihood of passing a bill to permit women to vote as it did to find a Revolutionary War claimant at that late date![6]

The growth in the number of standing committees was astonishing. Between 1863 and 1898, the Senate more than doubled its committees—from twenty-two to forty-nine. Then in 1899 and 1909, as Walter Kravitz has pointed out, the Senate "indulged itself in two bursts of creation," creating twenty-three new standing committees. That is, they elevated a host of select committees to standing committee status. By 1914, the number of standing committees of the Senate had reached seventy-four (or seventy-five, if one counted the Joint Committee on the Library).[7]

This was all the more remarkable since the opening of the Senate Office Building, now know as the Richard B. Russell Building, in 1909 alleviated a major reason for the multiplicity of minor committees. Every senator received an office in the new building, whether a committee chairman or not. Generally these were two-room suites: one room for the senator and one room for his staff of two or three aides. We might expect to see a housekeeping resolution in the Senate to abolish the non-meeting committees, but instead the Senate promoted them to standing committees. Senator Elmer Burkett, a Nebraska Republican, counted only twenty committees of the Senate that actually held hearings. The rest, he observed, were "graveyards to the great body of senators." Graveyards or not, the Senate clung to its non-functioning committees as a source of extra patronage and hideaway offices in the Capitol.

In 1909, Senator Burkett introduced a resolution to reform the committee structure. By his estimate there were seven powerful committees: Appropriations, Commerce, Finance, Foreign Relations, Interstate Commerce, Judiciary and Rules. Then he counted thirteen second-level committees which also conducted business: Agriculture, Indian Affairs, Military Affairs, Naval Affairs, Pensions, Post-Offices and Post-Roads, Immigration, District of Columbia, Interoceanic Canals, Philippines, Privileges and Elections, Public Buildings and Grounds, and Public Lands. On the seven powerful committees there were eighty-nine seats. But twenty-eight senators held sixty-three of those eighty-nine places. This concentration of committee seats favored Republicans, especially those east of the Mississippi River. As the Nebraska senator pointed out, sixty-six of the eighty-nine seats went to Eastern senators.

Combining both the primary and secondary level committees, Burkett found that twenty-eight percent of the senators held fifty-one percent of the seats on functioning committees. Twenty-six senators served on more than two of these functioning committees; twenty-two served on one; and fourteen served on none at all. Fourteen senators were, therefore, shut out of the real work of the Senate as done in committee. Yet, as Burkett pointed out, there were eighty-nine seats and ninety-two senators, almost enough for one to a senator. For that purpose he introduced a resolution that no senator should serve on more than two of the seven most powerful committees or any other committee that carried appropriations bills. However, the Senate had no desire to hear such heresy in 1909. Burkett's resolution was referred to the Rules Committee, and there it died.[8]

The staggering number of standing committees continued on through the first World War. In the aftermath of the war came a movement to generally streamline the operations of the federal government. It was at that time that the Bureau of the Budget was created (now the Office of Management and Budget), and the General Accounting Office was established, symbolizing the improved managerial attitudes. In that context, the Senate conducted some serious housecleaning.

On May 26, 1920, Senator Philander C. Knox, chairman of the Rules Committee, gave notice of a proposed change in the Senate Rules. The next day, Knox reported that the Rules Committee had unanimously voted to abolish forty-one standing committees. This would "cut out all the committees that rarely if ever meet." In addition, the Rules Committee voted to limit membership on the ten major committees to fifteen senators, and reduced membership on the less important committees proportionately. This reform was adopted by voice vote after very little discussion, indicating it was non-controversial and universally accepted proposal. Democratic leader Oscar Underwood and Joe Robinson, representing the minority, urged its adoption. For historical purposes we might wish that the Senate had spent just a little time debating and explaining the proposed reform, but the Senate that day was debating agricultural appropriations, and Senator Wesley Jones of Washington, a supporter of that measure, objected to any discussion of the rules change. Since there seemed to be no opposition, proponents of the change gladly accommodated him. Thus we have almost no record of one of the most sweeping committee reforms in Senate history—very different, I might add, from the reforms that followed in 1946.[9]

As one might expect from precipitous change, some of the results were unanticipated. The new committee structure had a profound impact on seniority in the Senate. Previously, what had been most significant was a senator's seniority within the Senate as a whole, not within a particular committee. Prior to the 1921 revisions, senators might be appointed chairmen of committees on which they had never served. After the revisions, with fewer committees in existence, seniority progressed strictly within each committee.

A second unexpected result in limiting the number of standing committees was the explosion of subcommittees. As Walter Kravitz has observed: "The Senate discovered that reducing the number of standing committees under these circumstances was like squeezing a fistful of water: out squirted a stream of subcommittees." By 1946, some sixty-eight subcommittes were in existence.[10]

Since the resolution cutting the number of committees had also cut the number of seats on those committees, the parties found it difficult to satisfy the demands of their members. This was especially true of the Republicans, who had recently regained the majority in 1918, after six years in the minority. At the time the Senate adopted the committee reforms, the Republicans held a slim 49 to 47 margin. But by the time the reforms went into effect, in April 1921,[11] the Republicans had won a landslide election, putting Senator Warren G. Harding in the White House, and increas-

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Footnotes at end of article.

ing their margin in the Senate to 59 to 37. The Republican majority, wanting to satisfy its swelled ranks and to strengthen support for the new president's legislative programs, amended the new committee reforms to allow sixteen rather than fifteen members on each committee. The new positions would be filled, naturally, by Republicans. Democrats, who until then had supported the committee reforms, now objected. Asked Mississippi Democrat Pat Harrison: "Is it the object of the steering committee on the other side of the chamber to grab all 10 places that is, one new seat on each of the ten major committees, or is it proposed to give to the minority half of them or any of them." Responded Republican Senator Frank Brandegee of Connecticut: "I would not use the word 'grab.' It is only our object to take them." Democrats charged that conservative Republicans wanted to increase their margin to diminish any effective Democratic opposition. No matter what their objections, Democrats lacked the necessary votes, and the majority party "grabbed" or "took" the additional seats.

But Senate Republicans had their own inner problems as well. The party was divided between the majority conservative faction and a small but vocal progressive faction. The feuding between these two factions spilled over into committee assignments. In 1923, a group of Western Progressive Republicans used Senator Albert Cummins' position as president pro tempore as a reason to deny him the chairmanship of the Senate Interstate Commerce Committee. President Harding having died, and Vice President Coolidge having gone to the White House, the president pro tempore now presided regularly. But this was simply an excuse. Cummins, a former Progressive, had strayed into the conservative camp and had become a potent critic of the Western agricultural bloc. Progressives viewed him as too close to the railroad interests to serve effectively as chairman of the Interstate Commerce Committee. Thus, the Progressives called for a vote of the Senate on the chairmanship, and withheld their votes from Cummins, casting them for the next ranking Republican, Robert La Follette. With Republicans split and Democrats voting for their ranking committee member, South Carolina's Ellison Smith, it took the Senate a month to choose the chairman of the Interstate Commerce Committee. It was clear that Progressives would not relent on their opposition to Cummins, but Republican regulars had no intention of making the insurgent La Follette chairman of the committee. Finally, on January 9, 1924, enough of the Progressives threw their support to Smith (a thoroughly conservative gentleman) to make him chairman. Here at least was one case where neither side within the Republican ranks showed much allegiance to seniority.[12]

Later in 1924, Senator La Follette broke openly with the Republicans and ran for president on the Progressive party ticket, against the Republican incumbent, Calvin Coolidge. La Follette lost badly. But victory at the polls did not satisfy party regulars, they wished to further punish those senators who had "bolted" from the party and supported La Follette. Some Progressive Republicans, such as George Norris and Hiram Johnson, had clearly leaned toward La Follette, but not openly endorsed him. No disciplinary action was taken against them. But Senators Edwin Ladd and Lynn Frazier of North Dakota, and Smith Wildman Brookhart of Iowa, had endorsed La Follette over Coolidge. The Republican Conference retaliated by voting not to admit them, or La Follette, to the conference. It stripped them of their committee seniority, and voted not to assign them to Republican vacancies on committees. Stripping of committee seniority denied La Follette the chance to become chairman of Interstate Commerce, which went instead to a party regular, James Watson of Indiana, who chaired the Republican Committee on Committees. Ladd lost his chairmanship of the committee on Public Lands and Surveys. Brookhart, relatively low in seniority, lost little standing. Professor Ralph Huitt has ably described the fate of Edwin Frazier: "In a move that today would scarcely seem like chastisement but obviously ran counter to his preference, Frazier was transferred from Indian Affairs, whose business he understood, to Banking and Currency, whose business he did not. The reason given was forthright. With La Follette also on the /Indian Affairs/ committee, the progressives and the Democrats together would control it; and since La Follette ranked him, Frazier had to go."[13]

These cases represent some of the very few occasions when any political party has attempted to discipline its senators. And it proved very difficult to maintain such a draconian policy. Later in 1925, when Senator Robert La Follette died, he was succeeded by his son, Robert, Jr. The son had been active in his father's campaign and was clearly a party bolter. Should the Republicans welcome or bar him? Should they assign him to committees? While the young La Follette watched in silent bemusement, the Republicans squabbled over his fate. "It has been rather fun," he wrote to his brother, "to sit tight and watch them squirm." Finally, the conference found him room on three committees. Retribution against the revolt was clearly over.[14]

Mr. President, during the 1920's, Senate committees were quite fairly likened to feudal baronies. A committee could not meet except at the call of its chairman, and the chairman ran the proceedings as he wished. The behavior of chairmen ranged from dictatorial to benign. When the elder Henry Cabot Lodge ran the Foreign Relations Committee, for instance, neither Presidents Harding and Coolidge, nor other members of the committee and the Senate could pry from his committee a resolution calling for American membership on the World Court, which Lodge strongly opposed. Democratic leader Joe Robinson complained that "The senator from Massachusetts has very effectively and, in my judgment, finally pigeonholed or entombed the proposal of the president respecting the World Court." On the other hand, fortunate were the Senators assigned to the Rules Committee when Philander Knox served as its chairman. Arizona Senator Henry Ashurst glowingly recalled how Chairman Knox "served a sumptuous luncheon to his fellow committeemen" at committee meetings. That was, I suppose, at least one way of establishing a quorum![15]

The basic structure of the Senate committee system remained unchanged in the decades following the 1921 reorganization. By contrast, the leadership of the committees changed dramatically. From 1919 through 1932 the Republican party held the majority in the Senate, with margins ranging from 59 to 37 in 1921, to 48 to 47 and one Independent in 1931. But with the election of 1932, which brought Franklin D. Roosevelt into the White House, the Democrats won control of the Senate, a majority they would hold for next fourteen years.

Although causing a change in party, the 1932 election did not cause as great an ideological shift as we might expect. A number of Republican committee chairmen had been members of the Progressive wing of their party. Peter Norbeck of South Dakota chaired the Banking Committee; Hiram Johnson of California, the Commerce Committee; William Borah of Idaho, the Foreign Relations Committee; James Couzens of Michigan, the Interstate Commerce Committee; George Norris of Nebraska, the Judiciary Committee; Robert La Follette, Jr., of Wisconsin, the Manufactures Committee; and Gerald Nye of North Dakota, the Public Lands and Surveys Committee. The Democratic victory saw many conservative Democrats, especially those representing Southern states, with sufficient seniority to move into the chairmanships. Ellison D. "Cotton Ed" Smith of South Carolina became Agriculture chairman; Carter Glass of Virginia chaired Appropriations; Josiah Bailey of North Carolina chaired the Claims Committee; Hubert Stephens of Mississippi chaired Commerce; Pat Harrison of Mississippi chaired the Finance Committee; with Kenneth McKellar of Tennessee heading Post Offices and Post Roads; and Walter George of Georgia chairing Privileges and Elections.[16] Historians have noted that these Southern chairmen exerted a powerful influence during the New Deal years and forced the Roosevelt administration to either bend to their wishes, or at least take them into consideration when planning legislation. In particular, they help explain the New Deal's weak record on civil rights. But on economic matters, with the Nation entrapped in its worst depression, these conservative chairmen generally supported the New Deal and floor-managed its legislative initiatives.[17]

A prime example was Pat Harrison, a talented and shrewd legislator who headed the powerful Finance Committee. By nature, Harrison leaned more conservatively than did the New Deal; yet, he shepherded Roosevelt's tax proposals through the Senate, including the so-called "soak-the-rich" plan, no matter how unhappy he felt about it personally. Harrison also served as floor leader for the Social Security Act, one of the most significant pieces of New Deal legislation.[18]

Until 1937, President Roosevelt enjoyed a fairly united front among Senate committee chairmen, who were willing to put aside individual differences—at least publicly—to support the president's recovery and reform legislation. With Roosevelt's "Court Packing" proposal, which I have discussed in an earlier address, that consensus began to dissolve, and, during his second term, Roosevelt had far greater difficulty in winning congressional support. The committee chairmen exerted more independence and became more baronial. In foreign policy, for example, as Roosevelt moved to an internationalist position, he could not always count on the support of Foreign Relations Committee chairman Key Pittman. And, as Professor Ernest May recently observed, "Consultation with Congress [in the 1930's] was largely a matter of catching Key Pittman, the chairman of the Senate Foreign Relations Committee, when he was sober."[19]

Another element of committee activity during the 1930's was the profusion of congressional investigations, by both standing and select committees. The success of the Teapot Dome investigation in 1924, and the suspicions raised by the economic collapse in 1929, all spurred Congress to investigate. Foremost among these investigations were the Wall Street probe, popularly known as the "Pecora Investigation" after its chief counsel, Ferdinand Pecora, conducted by the Senate Banking and Currency Committee from 1932 to 1934; the Special Committee Investigating the Munitions Industry, chaired by Senator Gerald P. Nye in 1934; the Special Committee to Investigate Air and Ocean Mail Contracts and the Special Committee to Investigate Lobbying Activities, both chaired by Senator Hugo Black in the mid-1930's; and the Senate Education and Labor Committee's investigation of unfair labor practices, chaired by "Young Bob" La Follette in 1938. As Telford Taylor, himself a staff member on several of these investigations, stated in his book *Grand Inquest: The Story of Congressional Investigations.* "Observing the immense success, both psychological and legislative, of the Pecora hearings, the leaders of the Roosevelt administration rightly concluded that investigations were unsurpassed as a means of formulating and awakening popular support for the governmental measures they had in mind."[20]

Indeed, the average citizen was more likely to be aware of these investigating committees than of the prestigious standing committees of the Senate. The special investigations drew the press, the radio broadcasters, and the newsreel makers (in those days, when newsreels and such picture magazines as *Life* provided the visual side of the news that we now get from nightly television newscasts). The investigators sought the type of dramatic testimony and conflict that caught public attention and fixed itself in the people's minds. For most of the 1930's, these congressional investigations were a strong force in winning reform legislation and contributed to the public good. But at the same time, an ominous cloud was forming. In 1938, the House of Representatives created the Special Committee to Investigate Un-American Activities. That committee, originally consituted to investigate pro-Nazi activities in the United States, quickly directed its attention to anti-communism and a renewed "Red Scare." The excesses of investigations by Senator Joseph McCarthy, would raise serious questions about the tactics and ethics of congressional investigations unforeseen in the 1930's.[21]

Although the number of standing committees had remained the same since 1921, the proliferation of subcommittees and special committees increasingly became a problem that called for reform and simplification. The demands of the Second World War further exacerbated matters. In 1942, for example, there were fourteen special committees, covering everything from wool production to gasoline shortages. The special committees performed essential services to meet the national emergency, most notable among them being the Special Committee to Investigate the National Defense Program, better known as the "Truman Committee," the watchdog committee that lifted its chairman out of obscurity and headed him on the road to the White House. But so many simultaneous committee meetings wore down both the senators and the administration officials called to testify. One offical reported being called to discuss the rubber shortage with as many as seventeen different committees of the Senate and House. The war, wrote Walter Kravitz, "revealed how exasperating it could be to have more than thirty committees whose jurisdiction largely depended on their names and on outdated precedents."[22]

Staffing this profusion of committees also posed a problem. Because of the lack of provision for a permanent, professional staff, Senate committees began "borrowing" staff from executive agencies. By the end of World War II, Senator Kenneth Wherry of Nebraska reported that thirteen committees had borrowed help from twenty-seven different departments of the executive branch, totaling ninety-six persons. The number ranged from one person borrowed for the Pensions Committee to twenty-three for the Small Business Committee. "I am convinced that the Small Business Committee needs all personnel it has today in order to do its work," said Senator Wherry. "I am also of the opinion that if the employees were employed directly, they would be loyal beyond any question. I do not mean to say they are not loyal now; but being employed by a department, to a certain degree they have a loyalty to that department which otherwise they might give to the Senate committee in a study of the problems covered in the investigation."[23]

Dual loyalty of "borrowed" staff was clearly a problem, but understaffing created similar difficulties. The Foreign Relations Committee in 1945, during the debate over the founding of the United Nations, had only three regular staff members, two of whom worked just part-time. Naturally, the committee depended upon the Department of State to draft reports and supply information for its hearings. Independent action under such limitations was no easy feat. When the chairman and ranking member of the committee left for San Francisco to attend the opening meeting of the UN, they borrowed a staff member to accompany them. This was Francis Wilcox, the foreign policy specialist of the Legislative Reference Service, the tiny predecessor of the current Congressional Research Service. Wilcox continued to devote much of his time during the next two years—a critical period in American foreign policy—to the committee until he eventually joined its staff in 1947 as its first chief of staff.[24]

The mechanism which allowed the committee to hire Wilcox and other professional staff members, rather than "borrow" them, was the Legislative Reorganization Act. This was perhaps the single most important reform in the history of the United States Senate, which set the course for the institution we know today. The Reorganization Act provided for a full-time, permanent, non-partisan, professional staff for committees, and increased each senator's personal staff. It reduced the number of Senate committees to fifteen, and defined specifically, for the first time, each committee's jurisdiction, set forth in what is now Rule XXV of the Senate's standing rules. The Legislative Reorganization Act was such a pivotal point, that I intend to devote the entirety of my next address in this continuing series to its history and impact. Needless to say, this Act did not solve all the problems of the Senate, but it changed and strengthened the institution, and especially its committee structure.

Footnotes to "Senate Committees, 1900–1946"

[1] John Braeman, *Albert J. Beveridge, American Nationalist* (Chicago, 1971), 43.

[2] Claude G. Bowers, *Beveridge and the Progressive Era* (New York, 1932), 115–6.

[3] Robert M. La Follette, *La Follette's Autobiography* (Madison, 1913), 161–2.

[4] *Congressional Directory*, 57th Congress, 1st sess., 1901, 168–70.

[5] Ibid., 176–183.

[6] Ibid., 146–163.

[7] Walter Kravitz, "Evolution of the Senate's Committee System," *The Annals of the American Academy of Political and Social Sciences*, 411 (January 1974), 33.

[8] *Congressional Record*, 60th Congress, 2nd sess., 1909, 3067–9.

[9] *Congressional Record*, 66th Congress, 2nd sess., 1920, 7715–6.

[10] Kravitz, "Evolution of the Senate's Committee System," 35–6.

[11] *Congressional Record*, 67th Congress, special session, 1921, 204; *New York Times*, April 19, 1921.

[12] *Congressional Record*, 68th Congress, 1st sess., 1923–1924, 159, 747.

[13] Ralph K. Huitt and Robert L. Peabody, *Congress: Two Decades of Analysis* (Westport, 1969), 121–3.

[14] George H. Haynes, *The Senate of the United States* (Boston, 1938), I, 291; Patrick J. Maney, *"Young Bob" La Follette: A Biography of Robert M. La Follette, Jr., 1895–1953* (Columbia, 1978), 42–3.

[15] Eleanor E. Dennison, *The Senate Foreign Relations Committee* (Stanford, 1942), 111; George F. Sparks, ed., *A Many-Colored Toga: The Diary of Henry Fountain Ashurst* (Tucson, 1962), 153.

[16] Information drawn from *Congressional Directory*, 72nd Congress, 2nd sess. (1933), and 73rd Congress, 2nd sess. (1934).

[17] See Nancy Weiss, *Farewell to the Party of Lincoln: Black Politics in the Age of FDR* (Princeton, 1983).

[18] Martha H. Swain, *Pat Harrison: The New Deal Years* (Jackson, 1978), 33–122.

[19] Ernest R. May, "Writing Contemporary International History," *Diplomatic History*, VIII (Spring 1984), 104.

[20] Telford Taylor, *Grand Inquest: The Story of Congressional Investigations* (New York, 1955), 67.

[21] See Michael Wreszin, "The Dies Committee, 1938" in Arthur M. Schlesinger, Jr., and Roger Bruns, eds., *Congress Investigates; A Documented History, 1792–1974* (New York, 1975), IV, 2923–2956.

[22] Kravitz, "Evolution of the Senate's Committee System," 35.

[23] Joint Committee on the Organization of Congress, *Organization of Congress*, 97th Congress, 1st sess., 1945, 164–7.

[24] Francis Wilcox Oral History Interview, Senate Historical Office.

Mr. BYRD. Mr. President, I yield the floor.

During the foregoing remarks Mr. COCHRAN assumed the chair.

(The following orders for Tuesday and the statement of the program were entered earlier and are printed at this point by unanimous consent.)

ORDERS FOR TUESDAY

ORDER FOR RECESS UNTIL 11 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. on Tuesday, June 4, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. DOLE. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order on tomorrow, there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, following the special order just identified, I ask unanimous consent that on tomorrow there be a period for the transaction of routine morning business, not to extend beyond 12 noon, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TOMORROW BETWEEN 12 NOON AND 2 P.M.

Mr. DOLE. Mr. President, I ask unanimous consent that on tomorrow, at 12 noon, the Senate stand in recess until 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, at 2 p.m. tomorrow, by previous unanimous-consent agreement, the Senator from Massachusetts [Mr. KENNEDY] will be recognized to offer an amendment to strike the Davis-Bacon provisions, limited to 1 hour. Rollcall votes can be expected on the Kennedy amendment and throughout the day.

Following the Kennedy amendment, there will be 40 minutes of debate on the Kerry amendment, No. 252.

Following disposition of the Kerry amendment, Senator PROXMIRE will be recognized to offer his SDI amendment.

It is the intention of the majority leader to conclude action on S. 1160, the DOD authorization bill, tomorrow.

I understand that there are about 15 or 16 amendments, and probably 8 or 9 of those may be offered. So it will probably be sometime around 3:30 or 4 o'clock before we get to those amendments. If we add up the hours it will be very late tomorrow evening.

So I alert my colleagues that we could be in quite late tomorrow evening, probably 10 or 11 o'clock or later. I say that not to punish anyone; but on Wednesday it is our hope to turn to the State Department authorization bill and to consider, among other things, contra aid amendments. There are a number of those to be disposed of.

I think there is a feeling on both sides of the aisle that we would like to turn to that business on Wednesday. So it is important that we complete action on S. 1160, the DOD authorization.

One thing we have not yet resolved is what happens to the SALT amendments. It is my hope that after we both meet in our policy luncheons or caucuses, we might agree to move that agreement over to arms control and disarmament which I pledge to Members on both sides we will call up early next week.

RECESS UNTIL 11 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 11 a.m. tomorrow.

Thereupon, at 5:27 p.m., the Senate recessed until Tuesday, June 4, 1985, at 11 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate May 29, 1985, under authority of the order of the Senate of January 3, 1985:

THE JUDICIARY

Wayne E. Alley, of Oklahoma, to be U.S. district judge for the western district of Oklahoma vice a new position created by Public Law 98-353, approved July 10, 1984.

U.S. INTERNATIONAL TRADE COMMISSION

Anne E. Brunsdale, of the District of Columbia, to be a member of the U.S. International Trade Commission for the term expiring June 16, 1993, vice Veronica A. Haggart, resigned.

NATIONAL SCIENCE FOUNDATION

Thomas B. Day, of California, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990, vice Michael Kasha, term expired.

EXECUTIVE OFFICE OF THE PRESIDENT

Thomas Gale Moore, of California, to be a member of the Council of Economic Advisers, vice William A. Niskanen, Jr., resigned.

DEPARTMENT OF STATE

John Douglas Scanlan, of Hawaii, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Federal Republic of Yugoslavia.

Executive nominations received by the Secretary of the Senate May 31,

1985, under authority of the order of the Senate of January 3, 1985:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Lee L. Verstandig, of the District of Columbia, to be Under Secretary of Housing and Urban Development, vice Philip Abrams, resigned.

FEDERAL COMMUNICATIONS COMMISSION

Dennis R. Patrick, of the District of Columbia, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1985, reappointment.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. William H. Rowden, 009-28-2013/1110, U.S. Navy.

IN THE ARMY

The following-named officer for posthumous promotion in the U.S. Army in accordance with Article II, section 2, clause 2 of the Constitution of the United States:

To be lieutenant colonel

Arthur D. Nicholson, Jr., 228-62-6589

Executive nominations received by the Senate June 3, 1985:

DEPARTMENT OF DEFENSE

Robert K. Dawson, of Virginia, to be an Assistant Secretary of the Army, vice William R. Gianelli, resigned.

DEPARTMENT OF EDUCATION

Chester Evans Finn, Jr., of Tennessee, to be Assistant Secretary for Educational Research and Improvement, Department of Education, vice Donald J. Senese, resigned.

NATIONAL SCIENCE FOUNDATION

James Johnson Duderstadt, of Michigan, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990, vice Edwin Ernest Salpeter, term expired.

WITHDRAWAL

Executive nomination withdrawn by the President May 29, 1985:

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

George Charles Roche III, of Michigan, to be a member of the National Council on Educational Research for a term expiring September 30, 1986, reappointment, which was sent to the Senate on January 3, 1985.

Executive nomination withdrawn by the President May 31, 1985:

DEPARTMENT OF LABOR

Robert A. Rowland, of Texas, to be an Assistant Secretary of Labor, vice Thorne G. Auchter, resigned, to which position he was appointed during the recess of the Senate from June 29, 1984, until July 23, 1984, which was sent to the Senate on January 3, 1985.

EXECUTIVE OFFICE OF THE PRESIDENT

Anne Elizabeth Brunsdale, of the District of Columbia, to be a member of the Advisory Board for Radio Broadcasting to Cuba for a term of 2 years, new position, which was sent to the Senate on February 20, 1985.

EXTENSIONS OF REMARKS

RECOGNITION OF THE CONFERRING OF THE GRAND DECORATION OF CHIVALRY UPON THE UNKNOWN OF THE VIETNAM CONFLICT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. MATSUI. Mr. Speaker, I am pleased to call to the attention of the House of Representatives the recent conferring of the Grand Decoration of th Chivalry upon the Unknow of the Vietnam Conflict. The ceremony was held at the Arlington National Cemetery on the occasion of the 50th Annual Pilgrimage of Odd Fellows and Rebekahs. The jewel which was conferred is the highest honor bestowed by the Sovereign Grand Lodge of the Independent Order of Odd Fellows.

I am honored to number among my constituents, Loring D. Swift, the current Sovereign Grand of the Lodge.

In keeping with a tradition established by the Odd Fellows after the conferring of the Grand Decoration of Chivalry upon the Unknown of World War I, World War II, and the Korean Conflict, I would like to insert, for the CONGRESSIONAL RECORD, the grand master's address and the presentation ceremony.

ADDRESS AT THE 1985 PILGRIMAGE TO THE TOMB OF THE UNKNOWN SOLDIER GIVEN BY SOVEREIGN GRAND MASTER LORIN D. SWIFT, MAY 5, 1985 AT ARLINGTON NATIONAL CEMETERY, WASHINGTON, DC.

Mr. Chairman, members of the Sovereign Grand Lodge, the International Association of Rebekah Assemblies, the General Military Council Patriarchs Militant, and the International Association of Ladies Auxiliaries Patriarchs Militant; Brothers, Sisters, and Friends of the Independent of Odd Fellows:

"Here rests in Honored Glory an American Soldier known but to God."

This inscription, found on the Tomb of the Unknown Soldier certainly must have touched the hearts of many Americans whose loved ones were among the unknown. Silent prayers, heard throughout the heavens, must have been said by all those of this country who, seeing the tomb, felt it represented a final resting place for what they hoped was their own loved one.

From our lodges, also, many members lost their lives while serving our country and joined the ranks of the unknown. In 1934, lodges from District of Columbia, Maryland, Virginia, and Pennsylvania met here to honor members of the Order and others who had made the supreme sacrifice during the First World War. In 1935, fifty years ago this year, Grand Sire William Pittenger addressed what was to become an annual pilgrimage. It is estimated more than a thousand brothers and sisters were present at that ceremony.

Following this Pilgrimage fifty years ago there have been many additional sad hearts as our world has been plunged into a Second World War and two armed conflicts. In each of these strifes there have been members of our Order among those making the supreme sacrifice in faithfulness to their country.

In 1940, Grand Sire Georg Starrett presented the Grand Decoration of Chivalry to the Unknown Soldier of the World War One in behalf of the Independent Order of Odd Fellows. This was followed in 1959, with the presentation of two additional Grand Decorations of Chivalry for the Unknowns of World War Two and the Korean Conflict.

Now, in 1985, we meet once again in this hallowed place. We offer our annual prayers for those who have given their lives in the name of their country. Today, however, we will also recognize the recently interred Unknown servicemen of the Vietnam Conflict by presenting him with the Grand Decoration of Chivalry. This jewel will take its place in a location set aside in the Trophy Room along with the other three Grand Decorations of Chivalry.

The jewel presentation ceremony will take place immediately following this portion of the day's program.

Yes, for fifty years we have made this Pilgrimage to pay tribute to those of our country who have fallen. Tribute to those who are represented by these four Unknown Soldiers. Praying, all through these years for a time when, as it is written in one of our degrees: "A calm repose has come upon the elements of strife. The spear of the warrior is broken and the sword of the conqueror lies rusting in the scabbard, and discord and contention shall be known no more."

Are these idle words to be quoted in the Golden Rule Degree and forgotten? No, the evidence of these grave markers all around us, the Tomb on the Plaza behind us is proof that among them our members have given their lives in pursuit of that calm and peaceful time.

The purpose of our Order is to improve and elevate the character of man; to practice the principles of Friendship, Love and Truth. In our lodges around the world these principles are exemplified.

Our Order can be one of the means by which the calm of peace can be accomplished. Each of us must make the resolve that we will help others know of our Order, that we will strengthen our Lodges to the point that the principles of our Order become the principles of the world. It can be done and we're the ones who can do it. We're the ones who will let the spirit of these departed know that they have not died in vain.

As our Order strengthens in the United States and Canada it will strengthen around the world. Hands of Friendship extending to countries across the seas. Hands of Friendship helping others to live our way of life.

Our tribute will not end today. The deeds of those departed shall be remembered forever in our hearts. Our prayers and appreciation to those departed will be shown as the Jurisdictions place their wreaths in front of the Tomb of the Unknown. As we have traveled this way for the past fifty years, may this Pilgrimage continue.

The Independent Order of Odd Fellows appreciates the privilege and honor of holding this annual Pilgrimage. We hold in highest esteem the dignity and efficiency of the military unit under whose authority this cemetery is maintained.

The following tribute is given in honor of all those who have made the supreme sacrifice:

Today again we've gathered here to pause
and to reflect,

To offer humble thanks once more from
those you did protect.

The gift you gave that we might live—the
Sacrifice Supreme,

Gave others opportunity to help fulfill your
dream.

The tribute and the honor paid is just the
smallest part

Of all respect and gratitude that's deep
within the heart.

God Bless—Rest In Peace.

THE GRAND DECORATION OF CHIVALRY TO BE CONFERRED UPON THE VIETNAM CONFLICT UNKNOWN SOLDIER

AT THE ARLINGTON NATIONAL CEMETERY SUNDAY, MAY 5, 1985, AS A PART OF THE WREATH-LAYING CEREMONY BY THE INDEPENDENT ORDER OF ODD FELLOWS

Place: On the stage of the Amphitheater.

Time: Immediately following the program in the Amphitheater.

Participants: Sovereign Grant Master; General Commanding; Chaplain General; Escort to the Unknown Soldier; Six Man Guard of Honor; and James Albright, Deputy Superintendent of Arlington National Cemetery.

(*Sovereign Grand Master*) The conferring of decorations upon men and women who have rendered valiant or meritorious service in the cause of their fellows, is a very ancient practice.

Men and women have been decorated for such services by their kings and countrymen from the dawn of civilized governments. All of the great countries of the world have established some sort of jewels, medals, or other symbols usually to be worn upon the breast of those who have rendered services to merit this distinction.

Following this practice Odd Fellowship has provided such a decoration. These decorations are bestowed upon our members because of service they have rendered to their fellow man by the relief of the wants and sufferings of the common people.

The particular decoration that we are about to bestow upon our hero today is the Grand Decoration of Chivalry which is the highest and most desirable decoration given in the Independent Order of Odd Fellows.

The Grand Decoration of Chivalry is given for the most extraordinary service and must be approved by the General Military Council and authorized by the Sovereign Grand Lodge.

The Grand Decoration of Chivalry to be bestowed today upon the Unknown Soldier of the Vietnam Conflict is the fourth such decoration to be bestowed by the Independent Order of Odd Fellows. Previous Grand Decorations of Chivalry have been bestowed upon the Unknown Soldiers from World War I, World War II and the Korean Conflict.

General, Sir, have you prepared a proper jewel to be bestowed upon the spirit of the Unknown Soldier of the Vietnam Conflict?

(*General Commanding*) Sir, I have prepared this jewel, an emblematic decoration suspended from a brilliant representation of light, typical of the age of civilized chivalry, embodying enlightenment and justice, being a white cross of ancient design, having mounted upon the face a scarlet heart, and bearing a golden crown; and inscribed upon the back, the motto of action, "Be just, merciful, honorable, and brave." The interpretation of all which is: The enameled whiteness representing the purity upon which, as a basis, all justice is built; the scarlet heart, representing the heart of man, from which flows the fountain of mercy; the golden crown being indicative of the crowning virtue, honor, when practiced with the moral courage and bravery to defend all women and not oppress the weak.

(*Sovereign Grand Master*) General, Sir, you will request an escort to present the Spirit of the Vietnam Unknown Soldier to us. You will see that he is escorted through crossed swords as proper tribute.

(*Sovereign Grand Master* when escort presents Spirit) General, Sir, as an emblem of this chivalrous ceremony, I would now request you to deliver to the Deputy Superintendent of Cemetery the Grand Decoration of Chivalry for the Unknown Soldier of the Vietnam Conflict, to take its place of honor with the previously bestowed Grand Decorations of Chivalry. (General Commanding will march to the U.S. Military Representative, salute and deliver the Grand Decoration of Chivalry. He will then step back, about face and return to his position).

(Military representative might speak at this time).

(*Sovereign Grand Master*) Sir, it is fitting and proper at this time that the Chaplain General invoke prayer.

(*General Commanding*) Chevaliers, Uncover.

(*Chaplain General*) Let us pray. We have assembled here to honor the memory of our departed Chevalier who has finished his course on earth and now rests from his labor. We do not mourn for him who has answered the final summons of the Great Commander, firmly believing that he has come to the attainment which a well-moulded life has fitted him for, the life immortal that fadeth not away.

But with us the march goes on. We take up the work of our Order and Country where he has left it off, and with lines unfaltering, pressing onward until we reach our final goal. Our journey ended and the long day done, may we hear the voice of the Great Commander, "Well done, good and faithful servant; enter into the joy of thy God." Amen.

(*General Commanding*) Chevaliers, Recover.

(*Sovereign Grand Master*) General, Sir, make proclamation.

(*General Commanding*) Sir, the decoration being so bestowed on behalf of the Spirit of the Unknown Soldier of the Vietnam Conflict; I now in this presence, recognize and publicly create the Unknown Soldier of the Vietnam Conflict a Knight of the Grand Decoration of Chivalry. (Commanding General draws sword and gently taps the Vietnam Plaque twice with flattened sword).

(The Chairman of the Wreath Laying Ceremony takes his place at the speakers stand and the usual wreath laying procession begins).●

A CONGRESSIONAL TRIBUTE TO HENRY M. "MIKE" HURD

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. ANDERSON. Mr. Speaker, I rise to pay tribute to Henry M. "Mike" Hurd of Los Angeles, CA, who will end his tenure as president of the Wilmington Coordinating Council on June 11.

After finishing high school, Mike Hurd served 3 years in the Army and was stationed in Germany. He received a bachelor of science degree at California State University, Los Angeles, and a masters degree from Chapman College.

Mike has worked in the Los Angeles Unified School District for the past 23 years as elementary school teacher, counselor, truant officer, head counselor, and his present position as assistant principal of the district's Harbor Occupational Center.

Mike has worked with the district on many programs such as Federal lunch program, student visa program, summer recreational activities, and preventing the issuance of alcoholic beverages near school campuses. His most challenging job was truant officer, trying to help 16- to 17-year-old students return to school.

In terms of adult experience, Mike prefers regional occupational centers because they offer many diversified job training programs such as auto repair, word processing, machine shop and welding. The district's occupational centers help older adults as well as high school students learn skills that will benefit them in the job market.

As vice-president and then president of the Wilmington Coordinating Council, Mike Hurd has been a service to the local community by using the council as a forum to discuss issues that are of interest to the community. In his spare time, Mike enjoys playing tennis and racquetball.

Although he will no longer be president, Mike Hurd will continue to be active in the Wilmington Coordinating Council. He will also continue his work in the Los Angeles Unified School District.

My wife, Lee, joins me in wishing Mike Hurd and his two grown children, Seana and Sydric, all the best in the years ahead.

The tribute follows:

LOS ANGELES UNIFIED
SCHOOL DISTRICT,
HARBOR OCCUPATIONAL CENTER,
San Pedro, CA, May 6, 1985.

Hon. GLENN ANDERSON,
32nd District Representative,
Long Beach, CA.

DEAR SIR: We would like you to be present for the installation of officers of the Wilmington Coordinating Council for the year 1985–86.

This important event will take place on Tuesday, June 11, 1985, at 12:00 noon at Trani's Restaurant, 145 West Sixth Street in San Pedro. It will be our last meeting of the year.

This will mark the end of my tenure as President of the Wilmington Coordinating Council and I would appreciate your presence very much.

In view of your heavy congressional schedule and other commitments, if it is not possible for you to attend, may we please have the services of Mr. Don Comparsi, District Assistant, to stand in your behalf?

Sincerely,

HENRY M. HURD,
Assistant Principal/President,
Wilmington Coordinating Council.

LOS ANGELES UNIFIED
SCHOOL DISTRICT,
HARBOR OCCUPATIONAL CENTER,
San Pedro, CA.

BIOGRAPHY

Henry Michael "Mike" Hurd was born on December 15th in St. Louis, Missouri. After finishing high school, he served three years in the Army and was stationed in Germany. Mike has two grown children, Seana and Sydric. He received a Bachelor of Science Degree at Cal State Los Angeles and a Masters Degree from Chapman College. Mike has worked in the Los Angeles unified School District for the past 23 years as elementary school teacher, counselor, truant officer, head counselor, and his present position as Assistant Principal. Mike has worked with the District on many programs such as federal lunch program, student visa program, summer recreational activities, and preventing the issuance of alcoholic beverages near school campuses. His most challenging job was truant officer—trying to help 16–17 year old students return to school. Mike enjoys playing tennis and racquetball. In terms of adult experience, Mike prefers regional occupational centers because they offer many diversified programs.●

TRIBUTE TO THE HONORABLE SAM B. HALL, JR.

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. MURTHA. Mr. Speaker, one of the pleasures of working with Congressman SAM HALL has been that he goes right to the point and tells you what is on his mind.

So, in joining in honoring SAM as he moves on the Federal bench, please let me do the same: SAM is a man who has brought integrity to the House of Representatives, he is a hard worker who cared about his constituents and the

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

direction of his Nation; he was dedicated to helping preserve the great traditions of America and enhance the future for our young people.

In an even fewer set of words, please let me observe: SAM HALL will be missed by us all in this Chamber.

I wish SAM HALL well as a Federal judge in the Eastern District of Texas, and I do so with every confidence that he will do the same outstanding job that he has in Congress.●

NAMIBIAN NATURAL RESOURCE PROTECTION ACT

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. DIXON. Mr. Speaker, 2 weeks ago Members of Congress considered H.R. 1460, the Anti-Apartheid Act which would impose sanctions on the South African Government. As we move to revise our foreign policy position in South Africa, we cannot turn our back on Namibia—a country that has been illegally occupied by South Africa for nearly three decades. I believe the Namibian Natural Resource Protection Act is a step toward preserving Namibia's natural resources for the benefit of the Namibian people and signaling to the South African Government to end its illegal occupation of this country and allow free elections.

The people of Namibia are suffering under South Africa's illegal and repressive apartheid policies—policies that continue to intimidate and insult the well-being and humanity of Namibians. It is clear that nothing constructive has emerged from the Reagan administration's engagement with South Africa. The time has come for the United States to take a firm stand against South Africa because of its refusal to withdraw from Namibia. People of conscience in America must work to change U.S. policies which allow the continued oppression of 1.5 million Namibian people.

The U.N. Resolution 435, sets the terms for South African withdrawal from its illegal occupation of Namibia, and remains the political basis upon which independence can best be achieved. I believe that anything short of this internationally accepted formula is unacceptable. Until Namibia is free, the U.N. Council for Namibia remains the legal authority and is responsible for protecting its natural resources and ensuring that those resources are not exploited to the detriment of Namibia and its people.

The South African Government, in collaboration with U.S. firms, continue to exploit Namibia's natural resources in direct violation to the U.N. council.

Namibia is among the world's largest producers of gem diamonds and uranium, and its diversified mining industry accounts for over 70 percent of foreign exchange earnings. I agree with my colleagues that it is illegal and immoral to deny the Namibian people the right to the wealth of their own country, and we cannot remain silent as South Africa enriches its treasury at the expense of the Namibia people.

I support the Namibian Natural Resource Protection Act, which will prohibit U.S. companies from exploiting the natural resources of Namibia until the people of Namibia are free and self-determination has been achieved.●

WATER DEVELOPMENT

HON. BEAU BOULTER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. BOULTER. Mr. Speaker, Robert Olson, the Acting Commissioner of the Bureau of Reclamation in the Department of the Interior, recently prepared a speech containing some important information on water project construction which was delivered at the Texas Water Conservation Association meeting in San Antonio. Because of the need to work closely with Secretary of the Interior, Donald Hodel, on various budget matters, Mr. Olson was not able to attend the meeting. However, his remarks were presented to the association by Reclamation's Southwest Regional Director, Eugene Hinds. Mr. Speaker, Commissioner Olson's remarks speak candidly about the need for further water development and the realities of sharing the construction costs with non-Federal project sponsors. That message is very much to the point as we deal with this vital aspect of natural resources conservation and development. I commend Mr. Olson's remarks to the attention of my colleagues and ask that the full text of his presentation be printed in the RECORD.

REMARKS OF ROBERT A. OLSON, ACTING COMMISSIONER OF RECLAMATION, U.S. DEPARTMENT OF THE INTERIOR, AT THE TEXAS WATER CONSERVATION ASSOCIATION

I am glad to be here to talk about water resources and especially about where we are headed in the program of water development carried out by the Bureau of Reclamation. It is a special pleasure to be with you today in Texas, which is associated the world over with the reputation of things that are the biggest and the best.

Today, as we take a look at the road ahead for the Reclamation Program, the picture is pretty clear. Looking ahead, we see a recognition by the Bureau of Reclamation, by the States, and by the water users that our work in developing the water America needs is not yet completed. We also see a time of increasing financial participation by the States and the water users as the Reagan administration moves ahead on reducing the size, influence, cost, and indebtedness of the Federal Government, while preserving basic services, strengthening national defense, and freeing the private sector from the burden of over-regulation.

Four years ago, the previous administration's "hit list" canceling needed water projects was itself canceled by the Reagan administration's desire to restore the needed level of water development. But some of the cynical voices were saying, "What's the difference between a 'hit list' and a 'no money' list?" There was and is plently of difference. Look at the dollar figures. The total Bureau of Reclamation budget for fiscal 1981 through fiscal 1985 adds up to $4.4 billion, of which $3.2 billion was for construction. During that period, 17 new projects were started through loans under the Small Reclamation Projects Act. Five new starts under the regular construction program were requested. They were considered by Congress in 1984 but got lost in the end-of-session shuffle. In fiscal 1985, the Bureau of Reclamation's annual appropriation went over $1 billion for the first time, with $740 million for construction. We subsequently trimmed $5.8 million from our fiscal 1985 budget, including $2.6 million from our fiscal 1985 construction program. That was done as part of the economy move mandated by the Deficit Reduction Act of 1984, which applies to all Federal agencies across-the-board.

This year, the administration has requested a Bureau of Reclamation appropriation totaling $821 million for fiscal 1986, which includes $532 million for construction and three new construction initiatives, as well as six new loan project starts. So it is plain that rumors saying we are out of the water business are totally off-base.

Your are aware, I am sure, that as part of the search for ways to economize, President Reagan asked the Interior Department and the Defense Department to look at the possibility of combining all or part of the functions of Interior's Bureau of Reclamation and the civil works program of the Army Corps of Engineers. The corps and the Bureau both do engineering and construction for water projects. That made it natural to see if the taxpayers could save money by eliminating any possible duplication of effort or duplication of facilities.

Independently, as well as jointly, the Bureau and the corps examined their respective areas of responsibility and studied the people and facilities both agencies use to do their jobs. The results showed that the differences between the Corps of Engineers and the Bureau of Reclamation are more important than the apparent similarities. It would cost money to put a merger into effect, and it would be at least 3 years before any savings resulted. As matters stand, the consolidation studies will be thoroughly evaluated at the White House, and we will wait for the outcome of that evaluation.

Meanwhile, the administration's fiscal 1986 budget plans for the Bureau of Reclamation have already been transmitted to Congress. Let's take a closer look.

The Budget request of $821 million is a decrease of $228 million from 1985. The major cut is in construction, which at $532 million is $205 million below 1985. The budget provides for continuation of 57 construction projects already underway, the new loan projects, plus three new major modification projects for existing reclamation structures—enlargement of Buffalo Bill Dam and Powerplant in Wyoming, construction of power generating facilities at Headgate Rock Dam in Arizona for the Colorado

River Indian Reservation, and construction of improved visitor facilities at Hoover Dam in Nevada. Preconstruction work will continue on the Narrows unit in Colorado and the Unitah unit in Utah. Rehabilitation and betterment work will get underway at the Crooked River project in Oregon. Up to three safety of dams projects will be started.

On paper, the decrease in construction funds looks rather subtantial. But it is not as great as it might appear. At some of our construction projects, notably the Central Utah project and the Central Valley project in California, things have not moved ahead as expected. As a result, we're not ready to go ahead with as much new construction as we otherwise might be able to. Elsewhere, on such project as the Columbia Basin project in Washington, the Dolores project in Colorado, and some of the rehabilitation and betterment projects already underway, we are getting close to the completion point, and program expenditures are down accordingly. However, not all the cuts are completely painless. In some cases, there will be construction delays.

General investigations is our program of studies into the potential for water projects to develop and conserve water and related land resources. Our budget request for that program is $32 million, down $3.3 million from the current fiscal year.

For construction work in Texas, our 1986 budget request includes $5.4 million. That covers over $4.8 million at the Nueces River project for mineral acquisition in the reservoir and recreation areas, for completion of the fishery management and archaeological work in the area, and for continuation of work on the recreation facilities themselves. The construction total includes $500,000 at the Palmetto Bend project for acquisition of mineral interests and completion of minor modification work at Palmetto Bend Dam.

Three Texas projects financed by the reclamation small loan program and budgeted to continue in 1986. The budget request includes $521,000 to continue rehabilitation work on the Delta Lake Irrigation District's existing irrigation facilities, which serve 69,000 acres in the southernmost part of the State, and $500,000 to begin rehabilitation work on Hidalgo County Irrigation District No. 1's existing irrigation facilities, which serve over 33,000 acres. It also contains $2.5 million to continue rehabilitation work on Hidalgo County Irrigation District No. 2's distribution system, which supplies irrigation water to 62,700 acres in addition to delivery of 9,430 acre-feet of water to cities and domestic users.

In addition to the construction and loan funds, we are requesting $1.6 million for project investigations and advance planning work in Texas. That amount will support the continuing Bedias Reservoir investigations and the San Jacinto River studies. The Colorado Coastal Plains project investigation is scheduled for completion during the current fiscal year and advance planning for the Colorado Coastal Plains is budgeted to continue in fiscal 1986. We are requesting $744,000 for special investigations and technical assistance, partly in Texas and partly in the adjoining and nearby States of New Mexico, Oklahoma, Colorado, and Kansas.

For operation and maintenance in Texas during fiscal 1986, our budget request includes $350,000 for the Pecos River Salvage project in Texas and New Mexico and over $2.4 million for the Rio Grande project, also in Texas and New Mexico.

In all, Texas won't be feeling the impact of the 1986 reclamation budget cuts as much as some of the other reclamation States. Yet overall, there is an impact.

It was no secret that major budget cuts were coming. Former Secretary of the Interior William Clark was still in office when the budget went forward. He made it clear early on that he was in full support of President Reagan's program to reduce the deficit by holding down Federal spending. Our new Secretary of the Interior is Donald Hodel, an experienced member of the Reagan Cabinet and no stranger to the Department of the Interior. He shares the same commitment to reducing the deficit.

Secretary Hodel is currently preparing for the budget hearings in Congress, set for next week in the Senate and the following week in the House of Representatives. Those hearings will be one of Secretary Hodel's first major responsibilities since taking over at Interior. He will explain in detail to the committees, as I have done in brief for you, that while the 1986 reclamation budget does not include optimum construction funding for all our ongoing projects, it does meet our priority program needs. While it does not include funding for all we might like and all that we are ready to undertake, it does provide for three new major modifications that are definitely much needed. Secretary Hodel will also reiterate administration policy on financing water projects and sharing the construction costs with project beneficiaries, pointing out that case-by-case negotiations are needed to work out the appropriate non-Federal share of the costs for future projects.

The push for cost sharing is well known. What is not so well known is the degree to which that policy is already in place, the degree to which it has been recognized by Congress, and the degree to which it has met with success.

The project proposed by the Bureau of Reclamation over the past 3 years all have non-Federal financing components covering from 20 percent to nearly 100 percent of the construction cost, with the exception of the Indian projects. Moreover, last year Congress passed and President Reagan signed into law several important water resource measures containing cost-sharing provisions that had been worked out, through case-by-case negotiations, to arrive at the appropriate division of financial responsibility. Let's go down the list.

Safety of dams amendments.—This added $850 million to the authorized appropriations ceiling under the Safety of Dams Act. It enables us to make improvements and modifications at a number of reclamation dams throughout the West. It includes 15 percent cost sharing.

Groundwater recharge.—This authorizes the Secretary of the Interior to select 21 pilot projects in the 17 Western States to test the potential for artificial groundwater recharge in order to stem the growing problem of groundwater depletion. It includes 20 percent cost sharing.

Salinity control.—This measure permits the Bureau of Reclamation, under title II of the Salinity Control Act, to start moving on salinity control in the Colorado River Basin, which includes Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming. It includes 30 percent cost sharing.

Hoover Dam improvements.—This legislative package authorizes uprating the world-famous powerplants and improving tourist facilities at Hoover Dam. It also ratifies the agreement between Arizona, California, and Nevada on future allocations of power from the dam. It includes 100 percent cost sharing for uprating the generators.

Trinity River fish restoration.—This authorizes $57 million worth of work on the fisheries of California's Trinity River. It includes three-way cost sharing, with the State and localities paying 15 percent and the water and power users paying 50 percent.

Yakima Fishery restoration.—This authorizes improvements on the Yakima project in the State of Washington to restore the salmon and stripped bass fisheries. It includes roughly 50 percent cost sharing.

President Reagan did not single-handedly set the cost-sharing figures on those laws. Congress did not unilaterally impose the cost-sharing percentages. There is no fixed formula in the Bureau of Reclamation that dictates the non-Federal share. Instead, what we have is a record of legislative accomplishment based on individual, case-by-case negotiations. That is the administration policy for cost sharing on water projects. It is a policy that works. It is a way we can get new projects started containing specific cost-sharing provisions appropriate to the nature of the project and carefully tailored to reflect the beneficiaries' ability to pay. It is a way to reduce the Federal outlay. What is more important, it is a way we can get needed development going again.

Our three requested new starts in the 1986 budget show the same thing. Power beneficiaries are paying 100 percent of the costs of uprating the generators at Hoover Dam; that was part of last year's legislative record. The State of Wyoming is contributing $47 million of the $119 million Buffalo Bill Dam modification project; the 1986 amounts we are proposing are $10 million from the Federal Government and $7.9 million from the State. The Headgate Rock Hydroelectric project in Arizona is all Federal. However, the beneficiaries of Headgate Rock are members of the Colorado River Indian Tribe, whose economic development is the responsibility of the Interior Department through programs administered in the Bureau of Indian Affairs. Consequently, the cost-sharing arrangements were primarily a matter of Interior Department budget formulation rather than the kind of outside negotiation involved in the other examples I cited. The net result is the same: cost sharing gets projects started. Without cost sharing, water legislation goes nowhere.

What's the outlook for Texas? That depends on a lot of variable factors.

Last July, the Chicago Tribune ran a story datelined Corpus Christi, TX, summarizing the devastating effects of a 2-year drought. The water shortage cost farmers and ranchers in Texas about $1 billion in losses. It put a big crimp in the State's tourist business at vacation resorts. It made 67 Texas cities enact voluntary or mandatory restrictions on the use of municipal water. One of the hardest-hit cities was San Antonio. Lakes, reservoirs, and aquifers across mid-Texas were far below normal levels. The headline said, "Forget Oil, Texas Needs Water."

What the story didn't say is that, as bad as the situation is, the State of Texas is not lacking in substantial resources that can be used to stabilize the water situation if—and this is a big if—if the right kinds of planning and financing actions are taken. As in so much of the West, the water problem is not so much a sheer lack of water. Rather, it's the problem of not having the water where it's needed, when it's needed, and in the volume that's needed. It's not the water resources that are lacking so much as the water development.

BEST COPY AVAILABLE

Texas does have water resources. The ways these resources could be put to use productively and reliably are the focus of those planning studies I mentioned a few minutes ago. In fiscal 1988, the San Jacinto River Basin Report is scheduled for completion. We will complete the Bedias Reservoir Report in fiscal 1987. The Texas Big Sandy Report is due for completion in fiscal 1986. During fiscal 1985, the report on the Colorado Coastal Plains project will be completed and advance planning will continue for that project.

Depending on the findings and recommendations of those studies, and depending on how the State and local authorities—and the water user groups themselves—respond to the development opportunities reported, it is possible that some of the answers to the questions on future water supplies in Texas may already have started to emerge. Or maybe not. The kind of response I mean, of course, is financial. The organizations most directly concerned will have to take a close, analytical look at the options that come from those planning studies. They will have to make decisions—not the simple decision, "Are we for it or are we against it?" They will have to decide the most difficult question, "How much of the construction cost can we afford to invest in?" They will have to decide, "Can we afford not to take on a significant share of the costs?"

In the Bureau of Reclamation, we stand ready to work as closely with you as you want us to in dealing with the difficult issues of cost sharing, project development, and budget priorities. We believe we have a good record of cooperating with those affected by what we do. Texas itself has many advantages as it faces the task of providing the future water supplies needed for urban growth, continued industrial development, and the sustenance of strong agricultural infrastructure. Texas has a strong State economy. Texas has effective planning mechanisms in place for resource decisionmaking. Texas has a tradition of supporting the Bureau of Reclamation and enjoying a high level of cooperation from the Bureau in return. Texas has a history built not only on its large amount of land, but also on its ability to develop the resources of that land.

Texas Land Commissioner Garry Mauro recently spoke on that subject to the Austin Association of Builders. He told how Texans from the earliest days transformed the potential wealth of the undeveloped land into the Texas of today. Commissioner Mauro said: "We've all studied the glories of the famous battles our forefathers fought against Mexico to gain independence for the Republic of Texas. The Republic got its independence all right, along with $10 million worth of debts and no money for repayment. But there was a lot of public land.

"In fact, Texas was claiming everything west to the Rio Grande, east to the Sabine, and north to the Red River. And so, since there was no money, the Republic began using its vast amount of land instead.

"Land was used to repay survivors of the Battle of San Jacinto and widows of the Battle of the Alamo; land was sold to create a public school system and, instead of collecting taxes, land was also sold to pay for running the government of the new Republic.

"Then Texas joined the Union. Most other States gave up their public lands to the Federal Government when they joined the Union. Texas was more than happy to sacrifice its land, too, if the Federal Government would just take over the State's huge debt. But the Union officials refused, so Texas kept its holdings."

Commissioner Mauro's point—that land means potential wealth through opportunities for development—is well taken. Today, however, it is the Federal Government that is carrying the huge debt. Although there is still an active Federal role in developing the water needed to make the land productive, that role today is a partnership role. It is no longer the sole-sponsorship role that it was in the early days of the West. Back then, the mission was settlement of the land and establishment of agriculture. Today, it is a multipurpose mission of sustaining what has already been created in agriculture, hydroelectric power production, municipal and industrial water supply, flood control, fish and wildlife habitat, and water-based outdoor recreation.

Awareness of reclamation's value is at last starting to grow. Nationally, that awareness is still much too small. But it is starting to expand. For many years, and especially in the heyday of the "hit list" mentality, reclamation was treated like Rodney Dangerfield: we got no respect. Now, fortunately, that is starting to turn around. George F. Will, the conservative political columnist and television commentator who once criticized reclamation as "pork barrel," has changed his view. On ABC television's "World News Tonight" broadcast of February 1, 1985, George Will told it like it is for one of the best-known reclamation projects. He said, "I think before we complain about the farmers, and every year at budget time we complain about America's farmers and the cost of them, let's understand something: the farmers are carrying this country, and the success of American agriculture is in no small measure a tribute to Government programs that work. Yes, price supports are expensive. In recent years, they've been the fastest growing major entitlement program. But look at what we're getting for that. Three percent of the American public is feeding the other 97 percent of us and a good bit of the rest of the world as well. The farmers are feeding us so cheaply that we are spending an incredibly small percentage of our disposable income on our food. And furthermore, agricultural exports are keeping us from going absolutely off the brink with our trade deficit . . . I don't think more help should be given, and obviously some reforms are in order, but let's keep some historical perspective. Land grant colleges, a Government program, made American agriculture scientifically progressive. Furthermore, our viewers are about to eat a salad with dinner. It's going to be hard to have a salad without something from the Central Valley of California. God didn't make the Central Valley of California. He started the work, but the Bureau of Reclamation, a Federal Government program, finished the job and made that and the rest of American agriculture very productive."

I'd like George Will to come to Texas. Up in the Panhandle, he could get acquainted with the Canadian River project. In the central part of the State, he could see the Texas Colorado River project and the San Angelo project. I'd like him to see the Rio Grande project, the Nueces River project, and Palmetto Bend, as well as the smaller projects financed through reclamation loans. There's an important reclamation story in Texas that people ought to know about. Maybe more people would pay attention to that story if they heard it from George Will. Meanwhile, we'll have to keep telling the story ourselves.

It is a real pleasure being with you and enjoying your Texas hospitality. Thank you for this chance to talk about our Bureau of Reclamation program and the direction it is headed in the years to come.●

CONTRA AID—STILL NO

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. BARNES. Mr. Speaker, as we approach yet another vote on Contra aid, I wish to share with my colleagues an excellent Christian Science Monitor editorial on the subject. As the Monitor editorial makes clear, the issue may have been repackaged, but it has not changed—and our vote should not change, either. Four times this House has voted against aiding the Contras. That was the right policy then, and it is the right policy now.

President Reagan is a master at giving things new labels, and making people think that those labels reflect a new reality. So he has renamed Contra aid humanitarian assistance. But as our last floor debate clearly established, it is no such thing. It is logistical support for an insurgency that is dedicated to the overthrow of a recognized government. It is the same failed policy that we have voted against before—and we ought to vote against it again.

As the Monitor says in its trenchant last paragraph:

> It is understandable that some members of Congress who voted against the $14 million in humanitarian aid to the contras should feel used by the Sandinistas, in light of the immediate Ortega trip to Moscow. But ire is no substitute for national policy. It is time to explore ways of reaching agreement, rather than refinancing the Contras.

I include the entire editorial for the information of my colleagues:

> "Contra" Aid—Still No
>
> For the US House of Representatives to reverse itself and vote $14 million to the Nicaraguan contras, a distinct possibility, would be unwise.
>
> It is right for the United States government to adopt a policy that will deal effectively with the troublesome leftist Sandinista regime. But continued aid to the opposing contra force is not the proper step: It is hard to see how additional assistance, whether military or nonmilitary, will lead either to accommodation of the opposing forces or to overthrow of the Nicaraguan regime. As US military officials admit, the contras are likely to be too weak for years to have a realistic prospect of defeating the Sandinistas, irrespective of the merits of such action.
>
> The current military actions in Nicaragua carry the seeds of enlarged conflict for the region. A way should be found to bring about accommodation.
>
> Current trade sanctions have virtually no prospect of causing the Sandinistas to change course.

> Instead the US should focus on negotiations, both bilateral and multilateral. The US has supported a United Nations resolution calling for Washington-Managua talks to resume; Nicaraguan President Daniel Ortega responded that such a stance was "positive." Such talks should be tried.
>
> But more important is full-scale Washington support for the Contadora process, spearheaded by four Latin American nations. Any initiative led by these four will have a far greater prospect of being approved by Nicaragua, as was the last but inadequate Contadora proposal, compared with any plan offered by the US, a de facto participant in the contra effort. In pursuit of its pro-contra policy toward Nicaragua, the US has stood almost isolated: International support is important in the pursuit of foreign policy.
>
> At the same time, it is essential not to be naive. For years it has been apparent that Sandinista leanings are pro-Soviet. The Moscow trip of Nicaraguan President Daniel Ortega ought not to have surprised anyone in the US Congress, although its timing left some who voted against contra aid feeling betrayed.
>
> In addition, the Sandinistas talk of their support for elections and held one, albeit flawed, last fall. However, whether in fact they would have turned over control of their government had they lost is highly problematic: As anticipated, they won by a substantial margin.
>
> But whether the Sandinistas remain in control of Nicaragua's government is not the real issue. Rather it is how that government behaves. In contemplating any talks, Washington's principal concerns ought to be:
>
> Preventing Nicaragua from becoming a Soviet military base, or from importing sophisticated Soviet weapons with offensive potential, such as MIG fighters. It should be made clear to the Sandinista government that the US will not tolerate either activity.
>
> Keeping Nicaragua from exporting its Marxist revolution to its neighbors, as it does by supplying rebels elsewhere with weapons or ammunition, or by training them in Nicaraguan bases. Experience has shown the difficulty of preventing infiltration. Complicating the matter is Central America's long history, in which forces for change in any one country support their soul mates in other nations, sending men and military supplies back and forth across the borders, just as Nicaragua has been doing of late.
>
> Developing ways of reintegrating the *contras*, who number some 15,000, into everyday Nicaraguan life—including politics. The biggest stumbling block to an ending of hostilities is what to do with the *contras*. Honduras, where they are based, wants them out due to their potential for causing problems for that fragile government. Most *contras* are small landowners in Nicaragua, where they want to stay. The Sandinistas have offered amnesty: Such offers should be explored with much caution.
>
> It is understandable that some members of Congress who voted against the $14 million in humanitarian aid to the *contras* should feel used by the Sandinistas, in light of the immediate Ortega trip to Moscow. But ire is no substitute for national policy. It is time to explore ways of reaching agreement rather than refinancing the *contras*.●

NICARAGUA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. HAMILTON. Mr. Speaker, as we approach debate yet again on the issue of aid to the Contras, I feel it would be helpful to establish some factual and analytical predicates which Members can use in determining how to cast their votes. Many Members have made up their minds, but for those who have not, I offer the following.

This statement represents an attempt to answer some of the questions most commonly asked about Nicaragua—either those which have been raised by administration statements on particular issues or others which follow from an examination of the conflict in Nicaragua. The conclusions I state are my own, but they are derived from a review of a wide, and I believe, representative, sampling of available information. They cover not only the conduct of the Sandinista government of Nicaragua but the Contra forces seeking to overthrow that government.

NICARAGUA

MILITARY BUILDUP

Military equipment deliveries to Nicaragua from the Soviet bloc are estimated at $250 million in value during 1984. In 1980, this amount was $10 million; in 1981, $50 million; in 1982, $100 million; in 1983, $135 million.

One way to look at these figures is to see a dramatically increasing reliance on the Soviet Union and Cuba for military supplies and to posit that deliveries made in 1 year must have been contracted for months, if not years, before actual receipt. Another way to look at the influx of equipment is to note that the large amount of this assistance (for example, armed helicopters) did not begin in earnest until 1982, the year when the Contras began to operate with U.S. assistance. In any event, it is clear that the great majority of military deliveries occurs after 1982.

What type of military equipment do these figures represent? The chart that follows reflects approximate numbers of major weapons systems possessed by Nicaragua and compares them to those of Honduras, El Salvador, and Guatemala. (Costa Rica has no armed forces.)

	El Salvador	Guatemala	Honduras	Nicaragua
Tanks	0	15	0	140
APC's	50	50	100	200
Rocket launchers	140	0	0	25
Artillery pieces	60	70	25	90
Antiaircraft guns	50	10	30	170
Antitank weapons	40	250	40	125
Fighter aircraft	26	10	20	0
Trainer/attack aircraft	23	12	10	3
Transport/attack aircraft	2	0	0	0
Helicopter gunships	0	0	0	9
Transport/other helicopters	45	30	35	20
Patrol boats	15	20	20	20
Minesweepers	0	0	0	6

Are these weapons systems offensive or defensive in nature? Most of the equipment that the Nicaraguans have acquired has a counterinsurgency or defensive capability. In this category fall some major elements of Nicaragua's new (since 1979) military capabilities: air defense (radars and antiaircraft weapons), signals intelligence and communications, and antiarmor weapons. Some, such as tanks, artillery, and attack helicopters, can be used both offensively and defensively but are generally considered offensive weapons. It should be noted that while the Nicaraguan tank inventory is both unusual and overwhelming vis-a-vis the inventories of its neighbors, tanks can be employed in the Central American context in only a limited fashion. Attacking north toward Honduras, for instance, there is only one rather narrow avenue which would accommodate tanks. This area, on the Pacific coast and called the Choluteca Gap, was the scene of the Big Pine III joint United States/Honduran military antiarmor exercise. Further, the Nicaraguan ability to use tanks in any invasion of its neighbors must be viewed in the context of its ability to supply these tanks with fuel. Nicaragua is chronically short of fuel to keep its economy running and totally dependent on tanker shipments for oil. It would need significant improvements in fuel supply, storage and transportation plus the ability to withstand a possible naval embargo to sustain and support an invasion force using its armor.

What is the size of the Nicaraguan armed forces? The Nicaraguans have 62,000 men on active duty and another 57,000 reserve and militia—for a total of 119,000. By contrast, El Salvador has an army of 45,000 and is building a civil defense force (currently, it stands at 7,000). Honduras has an army of 22,000. Guatemala has an army of 43,000.

NICARAGUAN INTENTIONS

What are the intentions of Nicaragua toward its neighbors? Are the military forces referred to above likely to be used to attack other Central American countries?

There is no evidence that Nicaragua has such an intention. It is clear that Nicaraguan forces have, from time to time, crossed its borders with Honduras and Costa Rica to attack Contras retreating to or concentrated in those countries. The intent in these attacks has been either retaliatory or hot pursuit—and not to take and hold territory or to invade a neighboring country. Some may have been intended to indicate Nicaraguan displeasure with the sanctuary afforded the Contras across Nicaraguan borders.

SUPPORT FOR INSURGENTS IN EL SALVADOR

On the other hand, the Nicaraguan Government appears to have committed itself to a policy of support for insurgencies in other Central American countries. The most important example of this policy is the assistance provided by Nicaragua to the Salvadoran guerrillas. It seems clear that the Nicaraguan commitment to the Salvadoran guerrillas stems from FMLM support to the Sandinistas during their efforts to overthrow Somoza and is a matter of revolutionary price and solidarity.

The flow of arms from Nicaragua to the Salvadoran guerrillas continues. The network used for this purpose is run by Salvadorans with Nicaraguan support. The supplies provided by the network are thought to be mostly ammunition but also medicine and other supplies. It is also thought that the Salvadoran guerrillas have enough arms but still rely, to some significant degree, on other types of assistance from Nicaragua.

There have been no appreciable interdiction of arms shipments by the Salvadoran armed forces and none at the point of entry into El Salvador. The capture of supplies of arms in the past have been in Honduras while in transit or in safehouses.

The flow of assistance and supplies comes by water along the southeast coast of El Salvador, by land through Guatemala and Honduras, and possibly by air from Nicaragua. The inability of the Salvadoran or Honduran forces to interdict shipments by water routes alone is a factor of their corruption or lack of proficiency and of what must either be an extremely effective querrilla network or a very small volume of shipments.

Nicaragua also provides communications facilities, safe haven, training, and logistical support to the Salvadoran guerrillas. The system employed to provide all of these types of assistance is flexible and, apparently, very well run.

The judgments made above concerning assistance to the Salvadoran guerrillas are inferential and based on substantial, but circumstantial information.

SUPPORT FOR INSURGENTS IN HONDURAS

Nicaragua on two occasions has trained and dispatched teams of Hondurans bent on initiating insurgent activity in Honduras. Nicaragua also provides Honduran leftists with training, funds, and equipment. The Nicaraguans did not provide this kind of assistance to Honduran groups prior to 1982 when U.S. assistance to the Contras began.

SUPPORT FOR INSURGENTS IN COSTA RICA

In Costa Rica, there is no insurgency. There have been clashes along the border between Nicaraguan forces and Costa Rican border officials. These have usually been in connection with the use by Contra forces of sanctuaries across the border. In addition, there is evidence that Nicaragua has provided funds and assistance to Costa Rican Communists and that some Costa Rican Communists have operated in units in Nicaragua against Contra forces operating along the Costa Rican/Nicaraguan border. Again, these events postdate the 1982 U.S. assistance to the Contras.

It is clear in both the case of Honduras and Costa Rica that each of these governments has not only tolerated but, particularly in the case of Honduras, provided safe harbor to Contra forces. It is also clear that the Nicaraguan Government has been careful not to give either country good cause for requesting assistance from U.S. military forces.

SUPPORT FOR INSURGENTS IN GUATEMALA

The nature of Nicaragua's assistance to Guatemalan insurgents has only recently become known. It appears that the Nicaraguan assistance to these insurgents permits them to both propagandize and coordinate their operations in Guatemala. In addition, these groups have headquarters in Managua.

In addition to assistance to the insurgencies referred to above, some of these groups, in particular Salvadoran guerrilla groups, may assist Nicaraguan forces in combat against Contra forces. One way to view this phenomenon is to look at Nicaragua as a focal point for subversion in the Western Hemisphere. Another is to view the presence of these so-called internationalists as spontaneous support for the Sandinista revolution. The overthrow of Somoza, for instance, was achieved by the Sandinistas with the assistance of internationalists from other countries (as well as from governments such as those of Costa Rica, Panama, and Cuba).

PLO

In addition to the presence of Central American insurgents, a number of other groups are reported to be present in Nicaragua. The PLO, which has had a relationship to the Sandinistas since before 1979, has a very small military and security presence in Nicaragua (less than 20) and is thought to provide assistance in the maintenance and piloting of some Nicaraguan aircraft. The PLO has also provided some antiaircraft guns and an airplane to Nicaragua.

LIBYA

Libya also has had a relationship with Nicaragua since the overthrow of Somoza. The Libyans have a small military and security presence (approximately 25) in Nicaragua and their personnel appear to serve as pilots, mechanics, and air defense advisers. Libya has provided some helicopters, light ground attack airplanes, antiaircraft missiles, multiple rocket launchers and small arms to Nicaragua. It has attempted to transfer additional light ground attack aircraft but these attempts have been frustrated to date. In addition to military assistance, Libya has provided economic assistance, both through cash and credits and in oil barter arrangements.

IRAN

There is no Iranian military or security presence in Nicaragua. While there have been rumors of Iranian agreements to provide arms to Nicaragua, none have been delivered.

What information there is concerning PLO, Libyan, or Iranian relationships to Nicaragua does not indicate joint terrorist operations or Nicaraguan complicity in terrorism by the PLO, Libya, or Iran.

RED BRIGADES

While there have been reports that the Italian Red Brigades have a presence in Nicaragua, there is no evidence to confirm these reports,.

CUBA

The single largest foreign presence in Nicaragua is that provided by Cuba. The intelligence community believes there are approximately 3,000 military and security personnel assisting the Nicaraguans. Cuban military advisers are thought to be placed in all elements of the military and security forces at every level. It is believed that if the Soviet-supplied MI-24 helicopter gunships are flown in the near future, they likely will be piloted by Cubans since the Nicaraguans do not have the capability of piloting these aircraft.

There are an additional 2,000 Cuban construction workers in Nicaragua. This work force appears to have changed in character in the aftermath of the Grenada operation. Older men and women have been replaced by younger workers with military experience; 1,500 teachers who recently returned to Cuba in a regular annual rotation are not expected to return.,

SOVIET UNION

There is a Soviet military and security presence in Nicaragua estimated to range from 40 to 50 personnel. They are most likely assigned as advisers in the military and intelligence services or assist in the assembly and maintenance of the Soviet military equipment provided to Nicaragua. These Soviet military and security advisers maintain a low profile. Yet, they represent the willingness of the Soviet Government to invest in supporting a Nicaraguan Government friendly to the Soviet Union.

The Soviets have made no commitment to the defense of Nicaragua in

terms of troops or military deployments although they are likely to have great and growing influence in Nicaragua. It appears that they need not exert pressure on the Nicaraguan Government, which has consistently asked for more assistance and become more dependent on the Soviet Union both militarily and economically. Common Soviet-Nicaraguan views on many issues result in parallel policies more conducive to Soviet interests than total Nicaraguan dependence and subservience to the Soviet Union.

NORTH KOREA

There is a small North Korean military presence in Nicaragua training the Nicaraguans in the use of four North Korean-provided patrol boats.

EAST EUROPEANS

There are several hundred East European advisers in Nicaragua. Most are Bulgarians associated with the construction of a deepwater port in El Bluff. There are also over 60 East German military and security advisers placed in the intelligence, security and telecommunications agencies of the Nicaraguan Government.

HUMAN RIGHTS ABUSES

MISKITO INDIANS

The Nicaraguan Government has been accused of genocide of the Miskito Indians on the Atlantic coast of Nicaragua. This appears not to be true.

The treatment of the Miskito Indians by previous Nicaraguan governments under the Somoza family could best be characterized as benign neglect. After the revolution of 1979, the Sandinistas attempted to force Miskitos into participating in the full range of the Nicaraguan Government's political and economic programs. The nature of many of these programs clashed with the Miskitos' independent traditions. The tactics employed by the Government caused a great deal of discontent in Miskito communities. That discontent manifested itself in opposition to the regime or support for an armed group (known as Misura) under the leadership of Steadman Fagoth.

Fagoth's group operated in the extreme northeatern part of the country along the Rio Coco River separating Honduras and Nicaragua. These operations led the Nicaraguan Government in early 1982 to resettle large numbers of Miskito Indians away from the border so as to deprive Fagoth's group of sanctuaries. In the course of this resettlement, the Nicaraguan Government razed Miskito villages in an area that had been the home of Miskito Indians for centuries. Those Miskitos who were resettled were removed to relatively secure surroundings and afforded the basic necessities but were uprooted from their traditional farming and fishing areas and required to shift to radically new ways of living.

In the course of the resettlement, a number of Miskito Indians were killed or have disappeared. The documentation concerning the resettlement is not good but the range of estimates for those killed or unaccounted for is from 50 to 100 individuals.

The Nicaraguan Government apparently realized the great unpopularity of its policy for the Miskitos and has since taken a much ameliorated approach to Miskito concerns. In some cases, they have permitted Miskitos to leave the resettlement camps and return to their ancestral villages. Some fighting still continues in Miskito and other Indian areas on the Atlantic coast of Nicaragua, but the abuses of which the Nicaraguan Government was originally, and justly, accused have largely disappeared.

HARASSMENT OF THE CATHOLIC CHURCH

The Nicaraguan Government has had very strained relations since 1979 with the hierarchy of the Catholic Church in Nicaragua. It has accused the bishops and, in particular, Cardinal Archbishop Obando y Bravo of engaging in partisan politics. The Government has restricted the broadcast of masses on church holy days, has censored material to be broadcast over the church's radio stations, has sought to embarrass and deport clerics who have come into disfavor with the regime, and appears to have attempted to embarrass the Pope in his 1983 visit to Nicaragua. At various times, the Government has also attempted to exert more control over the church's schools and limit their enrollment.

One reason the church has become a target of the Government has been the outspoken nature of the bishops' pastoral messages to the faithful, particularly messages which have been critical of the sectarian nature of the Government, the economic failures of the Sandinista system, and which have endorsed a dialog between the Government and the Contras.

While the Nicaraguan Government has harassed the archbishop and others it has considered opponents of the regime, it appears to have developed good relations with many other religious figures, among them foreign priests, nums, and various lay groups—both Catholic and otherwise—who live and work throughout Nicaragua. The experience of many who serve in parishes or religious communities outside Managua, as well as within the city, is that the regime has been generally tolerant of religious expression and very actively engaged in supporting the kinds of social welfare activities, such as literacy, health, and education programs, in which these church groups assist.

Another factor in the Nicaraguan church-state relations equation is the division within the Catholic Church between of the so-called popular church and traditional, orthodox Catholicism. Some of the religious figures who hold high Government positions in the Nicaraguan Government today are central figures in the popular church, whereas the bishops represent the orthodox and majority position in the church. The Government is thought to have tried to use the popular church as a way of distancing some Catholic congregations from the authority and teaching of the bishops.

PRESS CENSORSHIP

The Nicaraguan Government has consistently and pervasively censored all but clearly pro-Government media in Nicaragua. This has included the radio stations of the church but, particularly, the opposition newspaper; La Prensa. Censorship has ensured that information contrary to the regime's viewpoint is not published. The extent of censorship ranges from excising reports on Soviet actions in Afghanistan to stories that involve sports issues. The process by which La Prensa is censored is a cumbersome one and can be viewed, in part, as an attempt to limit the distribution of the newspaper. Without a variety of foreign financial contributions, including assistance provided by the National Endowment for Democracy and various friendly Western governments, La Prensa would have ceased publication years ago.

Censorship has been a constant in Nicaraguan life since 1981 and has been justified by the Government of Nicaragua under a state of emergency declared in the spring of 1982 because of the attacks by Contra forces.

UNFAIR ELECTION PROCESS

The Nicaraguan elections in November 1984 have been referred to by some as Soviet style, sham elections. There are some similarities to Soviet bloc-style elections in that the military and security forces of the Government are identified completely with the ruling party, the media was controlled by the Government, and the conditions for the elections—including censorship and limits on opposition access to the media and political organizing, and so forth—were regulated by a statute promulgated by the ruling party. All of these factors gave a great advantage to the Sandinistas in the 1984 election. At the same time, the conditions of the election were not so dissimilar from those taking place in many other countries throughout the Third World about which the U.S. Government does not suggest that a sham has taken place or a fraud been perpetrated upon a country's electorate.

With some notable exceptions of violence directed against opposition candidates, the actual conduct of the electioneering period was not marked by significant harassment of the opposition by the Nicaraguan Government. The election results probably reflect not only the advantages the ruling party had given itself but also its real popularity within the country. Even under more democratic conditions, the Sandinistas likely would have won a majority in the election.

The unknown factor in the election, besides the conditions under which they were held—conditions dictated by the Sandinista party—was the effect of the withdrawal of the major opposition [CDN] coalition from the election. There is speculation that the race could have been much closer had the CDN not withdrawn. There can be justifiable skepticism about the willingness of the Sandinista party to accept election results which gave it less than a clear majority but no evidence is available which suggests that the election tallies were altered by the Sandinistas.

WHO ARE THE CONTRAS

Those armed groups opposing the Nicaraguan Government by force of arms are called the Contras. They are not unified and are geographically separated. The single largest Contra force is the Nicaraguan Democratic Force, estimated to have between 12,000 to 15,000 active fighters. In addition, there are Miskito and other Indian groups that are active on the Atlantic coast of Nicaragua. In the north, these groups are headed by Steadman Fagoth and are referred to as the Misura. In the south, they are headed by Brooklyn Rivera and referred to as Misurasata. The northern Misura are loosely allied with the FDN. Both the FDN and Misura operate from sanctuaries in Honduras: The Misura in the northeast along the Rio Coco into Nicaragua south of Puerto Cabezas; the FDN, principally in mountainous areas in the north central and northwestern parts of the border region and as far south as Matagalpa.

In the south of Nicaragua, along the Costa Rican border and both inside Nicaragua and in Costa Rica, are groups of Contras who, at one time, all came under the titular command of Eden Pastora, the famous Comandante Zero of revolutionary fame, who left the Nicaraguan Government to head military operations of a number of Contra factions united under the banner of the Democratic Revolutionary Alliance, or ARDE. Since the effective cutoff of U.S. Government assistance to the Contras in June 1984, ARDE has split. Pastora and his Sandinista Revolutionary Front [FRS] faction left the rest of ARDE, led by Alfonso Robello. Robello and the political wing of ARDE then joined in a loose alliance with the FDN under an overall umbrella group called the Nicaraguan Unity for Reconciliation [UNIR]. Although some assistance has trickled from FDN to ARDE forces, they are largely inactive at the present moment. The Misurasata faction has been negotiating with the Nicaraguan Government over the past months and it, too, has remained largely inactive.

ORIGINS

The armed struggle against the Sandinista regime began in earnest almost immediately after the overthrow of Somoza. A number of ex-Somoza national guardsmen escaped and settled in El Salvador and Guatemala. A small number settled in Honduras and many civilians settled in Miami.

The core group, known as the 15th of September Legion (named after Nicaragua's liberation day) set up headquarters in Guatemala.

There were also small pockets of resistance operating along the Honduran border, perhaps three or four groups of 50 to 75 ex-guardsmen involved in petty thievery and cattle rustling.

The organization of a resistance that could have some impact in Nicaragua began in early 1981 with the support of sympathizers in El Salvador and Guatemala assisted by another Latin American government. This government had provided training to some Salvadoran conservative groups and was also connected with senior officials in the Honduran military.

Was this a home-grown resistance movement that sought out the assistance of Honduras and the other country and later the United States, or did it begin with the United States seeking out assistance of the Hondurans and this other country to develop a unified opposition to the Sandinistas?

What is known is that the Latin American country forged a merger of the ARDEN [Nicaraguan Democratic Revolutionary Alliance], the military arm of which was the 15 September Legion, with the Nicaraguan Democratic Union [UDN] in September 1981 in an organizational meeting in Guatemala City. This group became known as the Nicaraguan Democratic Armed Force [FADN], later shortened to the Nicaraguan Democratic Force [FDN].

The close relationship that key Honduran officials had with the Latin American government and the close ties that developed between these officials and the U.S. Government in moving the Contra support effort forward were the key relationships in the creation of the FDN.

By the end of 1982, the general staff of the FDN had received so much criticism because its major task force commanders and officers were filled with ex-national guardsmen, the U.S. Government suggested and helped facilitate changes in the political directorate of the FDN. The object of the changes was to create a structure with genuine political credentials, untainted by association with Somoza. Edgar Chamorro, one of the individuals brought into the directorate, has explained how the U.S. Government secured his participation and how the directorate was actually run. While the directorate had seven members, Chamorro states that actual power was wielded only by two individuals—Adolfo Calero, who was later named president of the Nicaraguan Democratic Force, and Enrique Bermudez, the commander for military operations.

When U.S. assistance first began, the plan set forth to the congressional intelligence committees was that there would be a military arm and a separate, political arm which would attempt to secure support from other nations. These two groups would not necessarily be part of the same movement. The greatest problem for the U.S. Government in managing assistance to the Contras was not the actual running of the war but developing a strong unified political movement that could attract support in Nicaragua.

In fact, there were few strong Contra political leaders and no effective political platform. In 1983, the new ARDE group, the Democratic Revolutionary Alliance, led by Alfonso Robello and the ex-Sandinista Commander Zero, Eden Pastora, had no basic political platform whatsoever. Pastora was and is charismatic, but his political goals were ill defined.

Contra unity efforts began shortly after Pastora's forces first began fighting in Nicaragua in April 1983. All such unity efforts eventually foundered on Pastora's reluctance to join with the FDN because of its ex-national guard leadership. On the other hand, although the U.S. Government provided Pastora with funds, his claims about numbers of armed fighters and their military capabilities were thought by U.S. officials to be exaggerated.

The FDN, after some early reverses, became capable of conducting patrols in north and north central Nicaragua by early 1983. The FDN was never able to capture territory. Further, abuses against civilians and attacks against economic targets (which the congressional intelligence committees had been assured from the outset would not be undertaken) became commonplace. For some of the worse examples of such attacks, U.S. officials blamed the Latin American government advising the FDN. When this Latin American government pulled out of the operation in 1983 and only U.S. assistance and direction was provided, the FDN's record showed little change. As the FDN's numbers grew, so did attacks on economic targets or against civilians.

The FDN today still has as its political hierarchy the group that was selected by the U.S. Government in 1982 and still has a strong element of ex-national guard military leadership. FDN essential goals and objectives are no different today than they were at the outset, to overthrow the ruling Sandinista government of Nicaragua and install a new regime.

EXTENT OF NATIONAL GUARD INFLUENCE IN FDN

Many of the FDN's top military leadership consist of former national guard officers and noncommissioned officers. They permeate the general staff and field commander posts. As a percentage of the FDN membership, the numbers of these individuals is small, but their influence in FDN military affairs is great.

CONTRA ATROCITIES

There have been a range of accusations of Contra atrocities. These allegations fall into two categories: Contra attacks and human rights abuses in Nicaragua, and so-called Contra death squads acting in Honduras.

A number of human rights groups have conducted studies, including interviewing alleged victims, to document Contra atrocities in Nicaragua. Almost exclusively, these consisted of attacks alleged to have been made by the FDN. In addition, many North American religious who have lived in Nicaragua and who have either witnessed such attacks or have seen or spoken with the victims of such attacks have provided reports concerning Contra abuses. Some of the reports or interviews conducted by particular groups have been attacked as lacking objectivity or fairness.

Several things are apparent concerning these allegations. First, the administration basically relies on the statements of the FDN concerning these attacks. While this information is relevant, it is clearly biased. Second, what the FDN itself admits (for example, on its 15th of September radio) and what eyewitnesses make clear, is that the FDN will attack, and has attacked, collective farms in Nicaragua. The FDN views these collectives as organs of the Sandinista government. Undeniably, such attacks have led to the death of innocent agricultural workers. Some collectives have been defended. It seems clear that many have been defended because of previous Contra attacks.

The FDN also attacks any other so-called organs of the Sandinista government. These include health clinics and schools. The FDN considers any Government officials, however lowly, legitimate targets whether or not they are armed. Transportation of any kind of rural highways and roads in northern Nicaragua is subject to FDN attack. Many such vehicles are Government vehicles, including buses operated by the state to transfer passengers from one point to another.

Other firsthand accounts detail executions, sometimes preceded by torture, of individuals in towns or villages which the Contras have temporarily occupied. The FDN denies that it tortures prisoners. However, Edgar Chamorro, the ex-FND political directorate member, has stated that the FDN often makes a practice of not taking prisoners, particularly those who have fought fiercely against them in battle. The FDN also admits that its forces in the past have sometimes not been under its full control and will admit to abuses of particular commanders whom the FDN has later punished.

It is clear that sometimes the Nicaraguan Government invents abuses attributed to the Contras where none occurred or exaggerates the effect of Contra attacks. But, these efforts at propaganda and disinformation cannot hide what appear to be clear factual evidence of the widespread nature of Contra attacks, individual cases of executions and torture as well as the continuing nature of such activities.

Facts concerning allegations of Contra abuses in Honduras are scarce. There is little or no evidence that reflects on allegations made concerning death squad-type activities by the FDN or some FDN members. There simply is little information available which bears on this issue that does not come from the Contras themselves.

At the same time, what is otherwise available in the press suggests, but in no concrete way supports, so-called Contra death squad operations. It appears possible that before 1982, some activities in Honduras were engaged in by individuals who became FDN officials that resulted in disappearances or deaths. Such activities could have taken place after 1982 as well. But if such activities did take place, whether they would have represented a policy of the FDN cannot be established.

POPULAR SUPPORT

The numbers of armed Contras has grown to perhaps 15,000 today. This growth was directly related to provision of U.S. assistance to arm, clothe, train, and feed these fighters. It appears that many of the recruits to the FDN were compesinos from the northern provinces of Nicaragua. Another source of recruits was Sandinista militia or regular troops who either deserted or, when captured, decided to join the FDN. The political base of the FDN appears to be rural and to stem from those areas where the FDN actually operates. The FDN apparently has not developed a base of support in Nicaragua's cities.

One view of this situation is that many compesinos cooperate with the FDN rather than suffer reprisals. Another is that the FDN has developed true support among such people. What remains constant is that FDN supplies, ammunition and other support must come from Honduras. Most of such aid appears for the moment to come from contributions from private U.S. sources. Previously, these funds were provided by the U.S. Government.

A somewhat different pattern of support has evolved among the Miskito and other Indian groups who have operated in the Atlantic coast region. There, fighters have all been indigenous to the region. These groups have, at times, claimed the allegiance of the great mass of the population. However, actual support appears to have waxed and waned and, in the period since U.S. aid has effectively stopped, so, too, have the great number of Miskito insurgent activities.

POLITICAL MESSAGE

The Contras' political message is one of democracy, pluralism, a free economy, fair, open elections, and so forth. The link between this political platform and the activities of the armed. Contras is less clear. The political directorate of the FDN, for instance, appears to have been more an afterthought than the generating force behind creation of the FDN.

The political education and attitudes of the rank and file within the FDN are difficult to ascertain. They are poorly educated. Reports of their political message suggest it is as religious as it is political. In any event, this message of the FDN appears not to have taken root in terms of any armed resistance outside the areas where the Contras have been able to operate, that is, in the rural mountain areas of the north and north central Nicaragua. Particularly in the cities, there have been no developments that would indicate that the Contras' proselytizing has been in any way effective. Indeed, the Contras have gained what political respectability they have by allying themselves with the unarmed political opposition in Nicaragua and by the opposition's endorsement of them.●

THE SOVIETS ARE STEALING OUR HIGH TECHNOLOGY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. BROOMFIELD. Mr. Speaker, whether we realize it or not, the Soviets and their friends are using a variety of devious means to rob our most modern technology. While the administration has done much to stem this outflow, more must be done, especially in the private sector.

Soviet and Eastern European intelligence services are determined to rob us of raw data, plans, and modern computers. Much of this equipment has direct military application and will serve to upgrade Soviet defense and offensive systems. To overcome their traditional deficiencies in many areas of technology, the Kremlin has decided to target the United States and get our best equipment by hook or crook.

Some information is obtained from unclassified publications while other material is obtained by East European commercial enterprises and Eastern bloc embassies.

While most U.S. businessmen are patriotic American citizens who realize the massive damage that this outflow of technology can do to America, there are some in the private sector who think of profits and nothing else. I can only hope that the FBI prosecutes these violators of Federal export law to the maximum extent of the law.

By obtaining this high-tech information and equipment, the Communist bloc saves research and development costs and use our latest technology to enhance their own national defenses.

With these serious concerns in mind, I recommend the following Washington Times article to my colleagues in the House.

[From the Washington Times, May 20, 1985]

RUSSIANS ARE "ROBBING US BLIND"

"We all know that the Soviets are robbing us blind," says presidential science adviser George Keyworth.

He is referring to the acquisition of U.S. high technology. Buying it or stealing it by hook or by crook, is one of the principal secret missions of Soviet bloc agents in North America.

"I think there is an increasingly wide perception that we've not been as good as we could in running faster in this security competition," he admits.

Attorney General Edwin Meese adds, "A great deal of the technological advance by the Soviet military has been a result of stolen technological data from the United States."

Acquisition of U.S. high technology is one of the main activities of Soviet bloc agents in North America, according to senior U.S. officials.

As troublesome as the problem is, it is expected to get worse as more U.S. companies undertake Pentagon-funded research into the Strategic Defense Initiative, or "star wars" technologies. These anti-missile systems employ high-powered lasers or particle beams using futuristic technologies coveted by the Kremlin.

The Soviets have been working for 15 years on developing their own "stars wars"-type system and reportedly have made gains in theoretical studies. But they are said to seek the precision engineered components and know-how developed by U.S. firms through very costly and time-consuming research and development.

Officials in the U.S. intelligence and enforcement "community," as they refer to themselves, claim they know fairly well how Soviet bloc agents are attempting to purloin U.S. science and technology.

But, they add, the KGB, GRU and East European surrogate services in turn have become more sophisticated. It is a cat-and-mouse game that is played across the face of the United States and spills over into Canada and Mexico where surveillance and restrictions are not as great.

Fundamental objectives of the Soviet high-tech effort include raw data, plans and studies, hardware, such as high-speed computers and semiconductor manufacturing equipment and advanced software or programming instructions for sophisticated data processing applications frequently having military applications.

"Hardware, but also documents are just as valuable," says Stephen Bryen, deputy assistant secretary of defense and an expert on technology diversion.

William von Rabb, commissioner of the U.S. Customs Service, agrees. "What we're dealing with here is equipment—hardware—things that the Russians either need or want to maintain their military, industrial and scientific operations. It's a terribly expensive operation to set up to make some of this equipment," he says, so they seek to steal it.

Targets of this Soviet acquisition effort include almost any private company, university or contractor engaged in science and technology. More than one million Americans in industry alone have been granted security clearances.

"Never before in history," says FBI Director William Webster, "has the U.S. been faced with as many cases of espionage." It used to be that ideology was once the main lure, he adds. Now it's simply greed, or money.

Prime targets include the hundreds of small- to medium-sized high-tech firms that populate California's "Silicon Valley" south of San Francisco and their counterparts along the East coast, from Boston to the Capital Beltway in Washington.

These and hundreds of other firms specializing in advanced computers, memory designs, peripherals and software have sprung up across the country. Many of these companies are run by young entrepreneurs; most are hungry for capital—a fact that officials say make them tempting targets of Soviet bloc operations.

But large and established companies, especially those having defense contracts, also attract KGB scrutiny. More than 600 firms in Silicon Valley alone are engaged in some form of classified government work.

But intelligence experts estimate that the Soviets get 90 percent of their scientific and technical information from open sources. Hundreds of agents under the control of Directorate T of the KGB comb through publicly available Western scientific and technical publications.

These officials and operatives attend scientific conferences and trade shows and join scientific societies—all in the hopes of gleaning useful information as well as seeking potential recruits, says Edward O'Malley, director of the FBI's intelligence division.

Scientific and technical information often is sent back to the Soviet Union for translation and analysis. This open-source information, Mr. O'Malley says, "helps them to orchestrate their clandestine operations."

"They know from overt sources that something is being produced by a certain company. If they know that they cannot get it overtly, they call on the covert side to see if they can do it," he says.

The KGB he says, frequently "tasks" East European agents in the United States to collect the desired technology. This not only is a good use of available labor but it has an added advantage: the East Europeans are not subject to the 25-mile radius travel restrictions as Soviet diplomatic personnel are.

In fact, Soviet use in the United States of East Europeans services—the Poles, Hungarians, Czechs, East Germans and Bulgarians—appears to be on the increase.

The National Technical Information Service (NTIS), for instance, is a federally funded program operated by the Commerce Department. Each year NTIS makes publicly available some 80,000 scientific and technical documents on a wide variety of topics, including tens of thousands that are military and defense-related. Defense intelligence officials said that the Soviets had been ordering each of the 80,000 documents offered.

Commerce Secretary Malcolm Baldrige, not usually thought of as a hardliner on strategic trade issues, recently called NTIS "a massive giveaway program" that greatly benefits the Soviets.

In 1982, the Soviet Embassy was cut off from the services of NTIS. But since then, East European diplomats and commercial establishments have correspondingly increased their orders for the NTIS documents. They then quite simply turn the reports over to the KGB.

Much of the KGB's bidding is done by the East Europeans through their legally established commercial trading operations in the United States. The FBI's O'Malley says that the number of East European commercial enterprises now numbers about 230, up from 100 three or four years ago.

Representatives of these trading companies are free to travel to areas restricted to Soviet personnel, including Silicon Valley and Las Vegas (which is off-limits due to its proximity to Nevada nuclear testing sites).

The Polish-American Machinery Corp., known as Polamco, has offices in seven U.S. cities. In 1981, Marion Zachharski, who was Polamco's president, was convicted on espionage charges and sentenced to life in federal prison. In 1978 he recruited William Holden Bell, a radar expert employed by Hughes Aircraft Co.

Mr. Bell testified that he gave Mr. Zachharski some 20 classified defense reports over a three-year period in exchange for about $110,000. The technology was valued in the hundreds of millions of dollars; the loss to U.S. national security was inestimable, officials said.

Soviet bloc agents also operate clandestinely as an "illegal" or under a "false flag," Mr. O'Malley explains. As an "illegal," an agent portrays him or herself under an assumed name and an assumed "legend" or cover to disguise his or her true identity and background.

Under a "false flag," an East German agent might claim to be from West Germany and a Czech agent might claim to be from France. This is done, Mr. O'Malley says, to ease American apprehension of talking with someone from the communist bloc.

One big problem, U.S. officials agree, is corrupt U.S. businessmen who place profits above the law and national security. "Corrupt middlemen [are] prepared to do business with a foreign agent," says Customs' von Raab.

"Whether he knows or cares if that fellow is a KGB agent is almost irrelevant to the guy who wants to make a fast profit."

Sen. Dave Durenberger, R-Minn., chairman of the Senate Intelligence Committee, bemoans the fact that "we have an unfortunate situation in this country in which we are trusting a lot of very good technology to a lot of people who can be easily bought."

Two weeks ago a Maryland engineer was sentenced to five years in prison and fined $110,000 for violating federal export laws.

D. Frank Bazzarre, chairman of the board of Technics, Inc., admitted in court that he illegally sold microcircuits abroad. The federal prosecutor for the case said that the microelectric production equipment Mr. Bazzarre supplied was transshipped to East Germany, Poland and the Soviet Union,

where they "enhanced . . . military capabilities and threatened our national security."

And two weeks ago a high-ranking East German trade official was in town to encourage U.S. high-technology exports to that country.

Gerhard Bell, second highest official of the GDR's Foreign Trade Ministry, told the U.S.-East German Trade Council that they are willing to give "priority" to U.S. exports of microelectronics, energy, machine and other industries during the next five years.

Customs and FBI officials say that U.S. capability to clamp down on Soviet bloc technology acquisition efforts is improving. Much of the credit, they say, goes to those businessmen in the private sector who have become sensitized to the Soviet efforts and now actively cooperate with federal law enforcement efforts.

But J. Fred Bucy, president of Texas Instruments and an export on Soviet technology theft, says that such enforcement activities as Project Exodus have not been successful.

"There's no doubt about it. They've not been successful in what they set out to do," he says, "because they've been concentrating on products and not technology." Technology or know-how is more of a security threat because it can be directly applied to Soviet military purposes.

The Soviet-U.S. cat-and-mouse game of technology acquisition remains an uphill battle, and the stakes are very high.

A Pentagon report released last week assessed the cost benefits that accrued from denying specific technologies to the Soviet Union. Between 1983–84, the report found, the United States and its allies saved up to $17 billion in weapons development by not allowing the Soviets access to specific technology for which export licenses were openly requested.

Acquiring the technology, on the other hand, would have saved the Soviets anywhere from $6.6 billion to $13.3 billion between now and 1997 in weapons development, according to Richard Perle, assistant secretary of defense for international security policy.

Last month French intelligence officials released confidential Soviet documents that they had acquired detailing the Kremlin's success in clandestinely acquiring Western technology for military use.

The Soviet Ministry of Aviation Industry, which is responsible for aircraft development, alone saved $256 million by obtaining advanced Western technology between 1976 and 1980—most of it from the United States.

The purloined technology was used to solve design construction problems in weapons aiming systems for advanced Soviet jet fighters, including the MiG-25, Su-25 and Su-27 aircraft, the Soviet report stated.—Ted Agres.●

A SALUTE TO DR. FRANCIS LAUFENBERG ON HIS RETIREMENT AS SUPERINTENDENT OF THE LONG BEACH UNIFIED SCHOOL DISTRICT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. ANDERSON. Mr. Speaker, on June 21, the many friends of Dr. Francis Laufenberg will gather at the Hyatt Regency Hotel to celebrate his retirement as superintendent of schools for the Long Beach Unified School District.

A native of Illinois, "Lauf" served in the military as a Marine Corps aviator from 1943 to 1946. In 1948, he received his bachelor of arts degree from the University of California at Santa Barbara. He would later attend the University of Southern California and receive a master of science in education (1951) and a doctor of education (1958).

His career in the field of education began in 1948 when he became a teacher in the Los Angeles City School District. After holding various positions in Los Angeles, Lauf was selected as assistant superintendent of the Oxnard City Schools. He held this position from 1958 to 1960, and in 1960, he joined the Long Beach Unified School District as a budget director. After years of hard work and dedication, he was named superintendent of schools in 1978.

In addition to his many official duties, Lauf has somehow found the time to become actively involved with numerous civic and professional organizations. These include: Delta Tau Delta Fraternity; Phi Delta Kappa campus chapter, USC; EDUCARE, Support Group for Graduate School of Education; Association of California School Administrators; California Association of School Business Officials; Downtown Kiwanis, Long Beach; Recreation Commission, city of Long Beach; Large City Schools Superintendents Association; Southern California City Superintendents; California City School Suprintendents; American Association of School Administrators; and the Council of Great City Schools.

Mr. Speaker, Lauf has done a fantastic job as superintendent of the Long Beach Unified School District. Today, there are 62,000 students within the system and its operating budget is approximately $200 million annually. It is recognized as one of the top school districts within the entire State.

My wife, Lee, joins me in congratulating Dr. Francis Laufenberg on a job well done. We wish him and his wife, Lee, and their two children, Lawrence and Linda, continued success in all their future endeavors.●

CONGRESS MUST SPEAK OUT AGAINST HUMAN RIGHTS ABUSES IN POLAND

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. VENTO. Mr. Speaker, news from Poland is no longer splashed across the front page. However, serious human rights violations are still commonplace in Poland, and I would like to bring this situation to the attention of my colleagues.

Certainly, Poland's decision to jail four members of their own security police for the murder of Rev. Jerzy Popieluszko is without precedent in a Communist state. This is a positive development. However, it does not represent a wider move toward liberalization and national reconciliation. In fact, the trial shows the Government's unwillingness to enforce the law impartially. The state prosecutor tried to limit the Government's responsibility in this murder and failed to investigate the possibility that higher level officials in the Ministry of Internal Affairs were involved. Instead, the prosecutor attempted to reverse the blame and suggested that the church, the CIA, the Germans, and even the victim were partially responsible for Reverend Popieluszko's death. In a further example of the state's unwillingness to take a firm stand against human rights abuses the defendants were sentenced to relatively lenient jail terms.

Recently, other serious violations of human rights in Poland have occurred. Three labor leaders were indicated for attempting to organize a strike, and Lech Walesa's freedom of movement has been restricted. In fact, since the amnesty for political prisoners was declared last July, approximately 100 Poles have been arrested for political reasons.

Mr. Speaker, on March 26, the State Department informed the Committee on Foreign Affairs of its support for my resolution, House Concurrent Resolution 24, that calls attention to the state of human rights in Poland. Such a statement is needed because serious human rights abuses continue. It is my hope that Congress will pass this resolution and thus encourage the Polish Government to fulfill its pledges to the world community and to its people and respect the human rights of all Polish citizens.●

REPRESENTATIVE HENRY WAXMAN HONORED BY ALBERT EINSTEIN COLLEGE OF MEDICINE

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. SCHEUER. Mr. Speaker, I wish to note the distinguished honor of doctor of humane letters that has been bestowed upon our colleague, Mr. WAXMAN, by the Albert Einstein College of Medicine of Yeshiva University.

The Albert Einstein College of Medicine has, in its 30-year history, become one of this Nation's great centers of medical education and biomedical research, and together with its partner institution, Montefiore Medical Center, is one of the largest health care centers in the United States.

The Albert Einstein College of Medicine was founded by Yeshiva University in 1955, in significant measure to challenge the obstacles then common to Jews seeking to pursue an academic medical career in this country. Indeed, the dream of Yeshiva's then president, Dr. Samuel Belkin, was not only achieved at Einstein but served, through Einstein's swift rise to national prominence in biomedical science, to eliminate all barriers to Jewish achievement throughout American academic medicine.

The distinction conferred on our colleague from California at a special convocation on May 16 is, therefore, particularly noteworthy.

I would like to share with my colleagues and associate myself with the words of those investing Congressman WAXMAN with this high honor.

Dr. Dominick Purpura, dean of Einstein, in presenting Congressman WAXMAN for the doctoral investiture:

> President Lamn, I am honored to present Congressman Henry Waxman for the honorary degree of Doctor of Humane Letters. At a time when too many in public life are turning away from the humanitarian ideals that have always represented the best of America, it is timely as well as fitting and appropriate that we should here today recognize and pay tribute to a man who continues to personify the highest standards of public service and humanitarian concern.

Dr. Norman Lamn, president of Yeshiva University, stated in his citation:

> Too often, the elected representative bows to the winds of change and addresses himself only to those issues that become prominent through media attention or popular opinion. Yet you have shown yourself to be guided as much by your conscience as by consensus; by your basic beliefs as well as by the ballot box.
>
> Your programs address the needs of those in our society whose experience is not broadcast daily on the evening news or written about in bold newspaper headlines, but who bear their suffering silently in abandoned ghetto buildings, secluded hospital rooms, and lonely single-room apartments.
>
> You also raise your distinct and prominent voice on issues that affect us all—the quality of the air we breathe and of the food we eat, and the quality and accuracy of the information that is fed to us daily. You are still fighting for the causes that others abandoned long years ago because of changing fashions.
>
> It is not only the impressive constituency in the State of California whom you serve with integrity and forthrightness, but the citizens of the entire nation, for by your example you inspire other elected officials to meet the moral values which you exemplify in every aspect of your life.
>
> It is my privilege to confer upon you the degree of Doctor of Humane Letters, *Honoria Causa.*
>
> In token thereof, I cause to be placed over your shoulders this visible symbol of our high regard for you and I hand you this diploma.●

CONFERRAL OF THE ALEXANDER O. GETTLER AWARD TO INTERNATIONALLY RENOWNED FORENSIC TOXICOLOGIST DR. SIDNEY KAYE, LONG-TIME RESIDENT OF PUERTO RICO

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. FUSTER. Mr. Speaker, I honor Dr. Sidney Kaye, professor emeritus of the University of Puerto Rico, and long time resident of the island.

The importance of Dr. Sidney Kaye's contributions in the field of forensic science cannot be overemphasized. He can be called a pioneer in the field of forensic science and forensic toxicology because of the many contributions he has made to analysis, the literature and poison control, as well as activities in alcohol and drug analysis. He has been fortunate in being a part of history through his relationship as a student, to Dr. Alexander Gettler, the founder of modern-day forensic toxicology, and by working with Dr. Gradwohl in St. Louis, MO, in the 1950's, when the American Forensic Sciences were being organized. Dr. Kaye is one of the founders of the American Academy of Forensic Sciences, the foremost and largest forensic science organization in the world. It is, for these reasons, that he was conferred the Alexander O. Gettler Award by the toxicology section of the American Academy of Forensic Sciences for outstanding analytical achievements in forensic toxicology, at the annual meeting of the American Academy of Forensic Sciences, in Las Vegas, NV, on February 14, 1985.

During his illustrious and productive career, he founded and served as the director of four major forensic laboratories: The toxicology section of the Medical Laboratory of the U.S. Army, Antilles Department (1942–44), the St. Louis Police Laboratory (1946–47), the toxicology laboratories of the Chief Medical Examiner's Office of the Commonwealth of Virginia (1947–62), and the toxicology laboratories of the Institute of Forensic Medicine at the University of Puerto Rico (1962–present). Each of these laboratories, under his direction, gained a wide and well-deserved reputation for services of the highest quality and integrity, and for contributions to analytical toxicology and other forensic sciences.

More than 150 major scientific publications contain the record of those contributions, ranging from determination of heavy metals through analysis of organic drugs, diagnosis and management of poisonings, economic poisons, and massive work on the toxicology of ethanol. Now in its enlarged fourth edition, his Handbook of Emergency Toxicology, subtitled "A Guide for the Identification, Diagnosis and Treatment of Poisoning," rapidly became the most widely used emergency toxicology text in its first publication, 31 years ago. His magnum opus remains an intensely practical and comprehensive reference, full of little gems for the clinician and chemist faced with the urgent diagnosis and treatment of chemical intoxications. A joint publication by Professor Gettler and his student Sidney Kaye, published in the Journal of Laboratory and Clinical Medicine 35 years ago, remains a classic in the analytical toxicology of the heavy metals, delineating simple yet elegant chemical methods for their detection and estimation. It was the culmination of a series of brief and highly practical publications on that subject by Sidney Kaye over the preceding 10 years. Equally noteworthy was his pioneering application of new enzymatic and other procedures in clinical chemistry to problems in criminalistics, such as identification of seminal stains by acid phosphatase measurement; and his work in the identification of marihuana.

Interwoven with these contributions to the forensic sciences has been Professor Kaye's distinguished academic career, now extending over 40 years, as a faculty member at Washington University School of Medicine, Medical College of Virginia, the University of Virginia School of Medicine, and the University of Puerto Rico Schools of Medicine and Public Health. His rise through the academic ranks culminated in appointments as professor of toxicology, of legal medicine, of pharmacology, and of pathology. Generations of students and practitioners in medicine, pathology, pharmacy, and toxicology have learned their toxicology and legal medicine from Professor Kaye, and through him received and kept alive in the Gettler tradition of analytical and forensic toxicology.

Forensic toxicologists and other forensic scientists owe much to Professor Kaye, not only for his massive contributions to the art and science of our field, but also for his many contributions in organizational matters, both official and especially behind the scenes.

His latest organizational effort was the presidency of the highly successful 9th International Conference on Alcohol, Drugs and Traffic Safety held in San Juan, Puerto Rico, in November 1983. In his organizational efforts, Sidney Kaye has built permanent bridges throughout his career, between toxicology and our sister professions of medicine, pathology, criminalistics, and the academic world.

In recognition of his important and continuing contributions to the establishment and maturing of the modern field of forensic toxicology, including his career-long outstanding contributions to analytical toxicology, the toxicology section of the American Academy of Forensic Sciences joined the dozens of other governmental and private bodies in the United States and abroad honoring him; conferring to him the Alexander O. Gettler Award for outstanding analytical achievements in forensic toxicology.●

THE IMPORTANCE OF THE U.S. SYNTHETIC FUELS PROGRAM

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. CLINGER. Mr. Speaker, evidence is mounting that the United States will face a serious energy crisis before the end of this century. Studies recently released by the Interior Department and the Congressional Office of Technology Assessment point to a sharply declining offshore reserve base, a decline since 1981 of 55 percent for oil and 44 percent for natural gas. Domestic exploration is falling, finding rates are down, and imports once again are rising. The so-called oil glut has directed our attention away from these trends and created a false and dangerous sense of complacency.

In the face of these negative trends, a move is now underway in the Congress to halt entirely or to cripple seriously the Nation's modest program to develop alternative energy sources, specifically from our abundant coal, tar sands, heavy oil and shale resources. Just last fall, the Congress slashed planned spending on our synthetic fuels program by 45 percent but agreed on the need to continue the program to build a commercial synthetic fuels capability. The effort to undo this decision 6 months later and abandon the program today is the worst kind of false economy.

On May 16, the synthetic fuels committee of the U.S. National Committee, World Energy Conference, adopted a resolution which recognizes the adverse trends in our national energy outlook and urges continued support for the program of the U.S. Synthetic Fuels Corporation. I ask unanimous consent that a copy of this resolution be placed in the RECORD.

COMMITTEE ON SYNTHETIC FUELS, U.S. NATIONAL COMMITTEE, WORLD ENERGY CONFERENCE

RESOLUTION

Whereas the United States is endowed with abundant hydrocarbon resources of coal and oil shale; and

Whereas current and projected rates of consumption for oil and natural gas continue to exceed domestic additions to the existing proved resources of these fuels; and

Whereas the prospects for continued economic growth depend in substantial part on assured supplies of energy in essentially the forms now used; and

Whereas the current oversupply of oil and gas is clearly a temporary condition, and the United States will at some time in the foreseeable future need to avail itself of its abundant resources of coal and oil shale; and

Whereas the temporary availability of conventional oil and gas at reasonable prices provides an opportunity for the orderly development of a national synthetic fuels capability by constructing and operating a limited number of synthetic fuels projects (that by their nature have long lead times) to demonstrate commercial-scale technology for a diverse mix of technologies and resources; and

Whereas experience with such synthetic fuels projects, to include using such projects as test beds for future technological developments, is the only way to generate the technical, economic, environmental, and socio-economic information required to provide the basis for expedited commercial production when synthetic fuels promise to be economic at prevailing market prices; and

Whereas the business plan recently promulgated by the Board of Directors of the U.S. Synthetic Fuels Corporation can meet the requirements set out above at minimal initial cost and provides that if energy prices were to increase substantially during the life of projects that profit sharing payments from project sponsors could produce a positive return to the Treasury;

Now, Therefore, the Committee on Synthetic Fuels of the U.S. National Committee, World Energy Conference, urges the support of the business plan recently promulgated by the Board of Directors of the U.S. Synthetic Fuels Corporation as being clearly in the national interest for the reasons set out above.

S. WILLIAM GOUSE,
Chairman.●

CONTELLO TOWERS: A SILVER ANNIVERSARY FOR A COMMUNITY GOLD MINE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. SOLARZ. Mr. Speaker, I rise to pay tribute to the residents of Anthony J. Contello Towers I, who will celebrate the 25th anniversary of their opening at a gala block party on Saturday, June 8, 1985.

Built on what was once swamp land, this high-rise Mitchell-Lama development has provided affordable housing to the hundreds of middle-income families in the Bensonhurst community. "Contello I," as it is affectionately known, is home to many dedicated community activists who have become involved in a wide range of neighborhood improvement projects.

They have worked tirelessly to maintain, promote, and preserve Bensonhurst as a quality residential area, by improving the parks, the roads, and countless other vital services to the community.

Contello I residents helped establish the first auxiliary police satellite station in the 62d precinct and were instrumetal in the establishment of the Committee to Save Bensonhurst, an active community organization under the able leadership of its cofounder and chairman, Marty Markman. They were also instrumental in the development of plans to build the Narrows-Verrazano Youth Program Sports Complex whose ballfields provide a much needed recreational outlet for area youngsters and helped in securing volunteer ambulance service for the residents of Bensonhurst.

Indeed, the residents of Contello I have given much to their community. They have been active in the schools, the religious organizations, and a wide range of other community activities and have made Bensonhurst a better place for all to live.

I take special pleasure in congratulating the dedicated and capable members of the board of directors under the leadership of its president, Irving Cohen, for their tireless efforts on behalf of the residents of Contello I, as well as the men's club and its president, Danny Mongelli, who have worked closely with the board and the residents to ensure the stability and longevity of this cooperative. It is through their hard work that Contello I has reached this important milestone true to the spirit of the Mitchell-Lama legislation and the goals of cooperative housing ownership and residency.

Neighbors working together to build a better community. That is what Contello Towers stands for. I'm proud to be the Congressman from Contello.●

DISABLED AMERICAN VETERANS REACH MEMBERSHIP GOAL

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. FAZIO. Mr. Speaker, it gives me great pleasure to call the attention of my colleagues to the efforts of the Disabled American Veterans. The DAV realized an extraordinary goal this year as its membership ranks swelled over the 1 million mark. What makes this so significant is that the total number of Americans suffering from compensable, service-connected disabilities is 2.2 million. Very few organizations of any kind, and no other veterans' group, have enjoyed this kind of recruiting success.

It is also interesting to note that this year's surge culminates an impressive growth increase of over 40 percent in the past 3 years. This indeed signifies a unique commitment on the part of the DAV. More importantly, the disabled veteran now has access to an expanded network of information, services, and communications on important issues.

I am pleased to report that the California DAV played an important role in this success. Our Statewide enrollment now totals 78,000 and we lead the Nation in membership. This kind of local success, coupled with that achieved on the regional and national levels, has led to this impressive accomplishment.

Mr. Speaker, I would like to extend my congratulations and appreciation to the DAV and its more than 1 million members on this remarkable achievement.●

THOMAS R. WILTSE: AN OUTSTANDING AMERICAN

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. TRAXLER. Mr. Speaker, I rise today to pay special tribute to an outstanding American who was born and raised in my district, and resides there now. He is Thomas R. Wiltse—a man who rose from the ranks of production employee to become general manager of the world's largest foundry organization, which keeps its headquarters in the Eight Congressional District.

As Mr. Wiltse now prepares for retirement at the end of this long and distinguished career, he does so with the unqualified respect and admiration of the people in the foundry industry, as well as those who live in his community. He is known as an aggressive innovator who has sought out and supported new technology to produce the castings needed by American industry. He has shown himself to be a creative manager with skillful approaches to welding together an effective team of management and production people. And Mr. Wiltse is an unquestioned leader among leaders in the family of American metalcasters.

Tom Wiltse began his career as a foundryman in 1942 at General Motors Corp.'s Saginaw Malleable Iron Plant in Saginaw MI. Like many young Americans at that time, Mr. Wiltse's career was soon interrupted by his country's call to arms in the conflict with the axis powers during World War II. He served honorably as a combat carrier fighter pilot in the Pacific theater of operations. And when those hostilities were over, Mr. Wiltse returned to his chosen career among the metalcasters of the world.

The malleable iron plant in Saginaw, which was and still is the largest malleable iron foundry in the world, had by now become a part of the new Central Foundry Division of General Motors. Taking advantage of the cooperative engineering education program available through the plant for outstanding young people, Tom Wiltse completed the requirements for a degree in industrial engineering from General Motors Institute in Flint, MI, in 1950.

Mr. Wiltse progressed rapidly through the ranks of manufacturing management at the Central Foundry plants in Saginaw, and in Defiance, OH. In 1956, Mr. Wiltse was singled out for advanced development with a Sloan fellowship to Massachusetts Institute of Technology, after which he returned to Defiance, where he became manager of the plant there by the end of 1957. He subsequently served the foundry division of General Motors as director of reliability, general sales manager, works manager, and in 1974, Tom Wiltse became general manager of this highly successful American enterprise.

During his 11-year tenure as Central Foundry general manager, Mr. Wiltse guided the division through a period of expansion in which the group's number of plants and employment doubled. He also saw this flagship of America's basic industries through the petroleum crisis in the midseventies, and the turbulent economic times in the early eighties. Central Foundry and the people who make up this dynamic organization are the stronger for Tom Wiltse's leadership—in no small part because of his unrelenting commitment to improvement of inplant working conditions, and to the concept of involving employees at all levels in decisions that affect the future of the business.

Mr. Wiltse has also contributed his leadership skills to the betterment of the industry as a whole. He has served as president of the American Foundrymen's Society, and has been a leader in the Iron Castings Society—both nationwide organizations dedicated to the advancement of metalcasting professionalism in the United States. Mr. Wiltse has also served as president of the International Committee of Foundry Technical Associations. As member and leader of this prestigious organization, Tom was an energetic opponent of efforts by eastern European representatives to politicize this forum for the exchange of foundry technology, and the ICFTA remains strongly committed to its high professional standards today. Tom Wiltse has succeeded as a leader in these foundry professional organizations because of his belief and commitment to the notion that foundry technology should be shared between foundry people for the betterment of the science. It is a position that has garnered him respect and admiration from his fellow professionals in the industry.

In addition to a long list of leadership positions in education, his profession, and his community, Tom Wiltse has received extensive peer recognition for his achievements. In 1979, he was awarded the Gold Medal of the Iron Castings Society for "outstanding contributions to the foundry industry," and for "his leadership in advancing the stature and capabilities of the iron casting industry in the United States and abroad." More recently, in May of this year, Tom received the Peter L. Simpson Gold Medal of the American Foundrymen's Society, whose citation referred to "his unselfish manner in making available existing and developing technology, management philosophies, and operational expertise to the benefit of the entire industry."

Mr. Speaker, I have apprised you of only these few of Tom Wiltse's many personal and professional achievements, and yet I submit to you and the Members of this distinguished body that we are both sad and happy because of the impending retirement of Thomas R. Wiltse as general manager of Central Foundry Division of General Motors Corp.

We regret his leaving, because his bold and far-reaching leadership will be remarkably missed and long remembered by his friends, his associates, and by his respected competitors in the dynamic American foundry industry.

And yet we are pleased to wish Tom Wiltse the finest of retirement times. He is a special friend to us, and I am pleased for this opportunity to pay him special tribute. On behalf of the people of the Eighth Congressional District of Michigan, I wish to extend our sincere and heartfelt thanks and best wishes to Tom Wiltse and his charming family on the occasion of his retirement.●

CONGRATULATIONS TO SAM B. HALL, JR.

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BARTON of Texas. Mr. Speaker, when SAM B. HALL, JR., of Marshall came to Congress 9 years ago, to borrow an old Texas phrase, he had tall boots to fill, his predecessor, Wright Patman, had served nearly half a century in the House.

In Harrison County, the Hall family has established a tradition of public service. His father was a county judge there. As a Federal judge, he will be continuing his family tradition at a higher level.

SAM brought to this Chamber his views and experience as a successful lawyer and school board member. His

experience and ability enabled him to serve with distinction on the Committee on the Judiciary, where he chaired its Subcommittee on Administrative Law. He has also done an outstanding job as a member of the Committee on Veterans' Affairs.

One of the things I admire most about my colleague is his conservative voting record over the years—reflecting well his constituency in the first district. As a new Member of the House this year, my admiration increased with his sense of fairness in consideration of the seating of Rick McIntyre.

SAM will serve on the Federal bench with the same distinction he has served in this great legislative body. Mr. Speaker, I join my colleagues from Texas in this special salute to Representative HALL and wish him much success.●

TRIBUTE TO GLADYS SWACKHAMER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I would like to take this opportunity to extend recognition to one of my constituents. I recognize Gladys Swackhamer for her founding of a trust to support an annual award contest on a peace related theme for high school seniors.

Miss Swackhamer, a longtime Santa Barbara, CA, resident, has set up the Austin H. and Florence Anderson Swackhamer Prizes in the memory of her parents. These prizes will be awarded annually on July 15 to three college-bound high school seniors who write winning essays entitled "Steps That Can Change Our Thinking in the Nuclear Age." The winner will receive a $1,500 scholarship, and second and third place runners-up will get $1,000 and $500, respectively.

I extend to Miss Swackhamer my appreciation for her efforts and accomplishments for this noble cause.

[From the Santa Barbara News-Press, Jan. 20, 1985]

"ACTIVIST," 91, INVITES PUPILS TO PEN IDEAS ABOUT PEACE

(By Karen O'Hara)

With 91 years of experience, Gladys Swackhamer is well qualified to advise the younger generation on her secret of longevity.

In a word, it's "involvement."

To be involved in the issues and the organizations she cares about has been a primary motivating factor in Miss Swackhamer's life.

Lately, the longtime Santa Barbara resident has turned her attention to what she believes is the most important issue in the world today: peace in the nuclear age.

And to encourage serious thinking among the young people on that subject, she is sponsoring an annual, nationwide essay contest through the local Nuclear Age Peace Foundation.

The first Austin H. and Florence Anderson Swackhamer Prizes (named in memory of her parents) will be awarded July 15 to three college-bound high school seniors who write winning essays entitled "Steps That Can Change Our Thinking in the Nuclear Age."

All essays entered in the contest will be judged by a Nuclear Age Peace Foundation Committee headed by board member Wallace Drew. The winner will receive a $1,500 scholarship, and second- and third-place runners-up will get $1,000 and $500 respectively.

In addition, the peace foundation will oversee nominations for the Gladys V. Swackhamer Prize, a periodic award for outstanding teachers or researchers in dealing in subjects related to peace in the nuclear age.

Miss Swackhamer has established a trust fund so the prizes will be maintained as her legacy for peace.

The prizes carry a name that can be traced in America as far back as 1732. Another fund, established by Miss Swackhamer's brother to help students go to college from their hometown of Woodbury, N.J., also bears the Swackhamer name.

"I got the idea for the prize from my brother," said Miss Swackhamer, who has made a comfortable niche for herself at the Valle Verde retirement center. "He has aided many deserving students over the years."

Miss Swackhamer's father was a judge, appointed after he supported Woodrow Wilson in his successful bid for the New Jersey governorship. Wilson, a progressive Democrat in a stalwart Republican state, later went on to win the presidency when the Republican ticket was split by Teddy Roosevelt and William Taft, said Miss Swackhamer, whose own politics reflect that of her father.

Miss Swackhamer began a career in psychiatric social work and research in New York City after earning her master's degree at Smith College. Then she decided to move West.

"I got tired of the dust and the difficulties of traveling in the city, so I decided to go to the opposite end of the country," she explains.

Miss Swackhamer picked Santa Barbara as her destination at the recommendation of her parents, who had visited here. The cross-country drive with a companion in 1949 proved to be "quite an adventure—a wonderful time."

"I was lucky to get the car," she said. "There weren't many around in those days."

Once in Southern California, she was hired at Camarillo State Hospital, where she had her "first real experience with serious mental illness." Eventually, Miss Swackhamer was transferred to a special unit for children, where research was being conducted on the treatment of mentally ill youngsters by exposing them to daily activities being carried out by normal children.

Miss Swackhamer also pursued other interests. She lived and studied in Germany, where she worked as a translator of psychoanalytical material.

And when Japan first opened its doors to American students, she lived for awhile with a 60-year-old woman in a suburb of Osaka, and traveled extensively.

Although she is recovering from a broken hip, she still gets out frequently to meetings and lectures. She has attended the Hungry Club Forum for years, and says her membership in the Unitarian Church "means a great deal" to her.

Another important aspect in her life is her membership in the American Civil Liberties Union.

"I would belong to the ACLU at all costs," she said. "It's the one organization that fought against (Sen. Joseph) McCarthy . . . .

"I've had so many interesting experiences in my life because of the time in which I've lived," she said.

But on second thought, Miss Swackhamer admitted, that sense of fulfillment could have something to do with "getting involved."

STUDENT ESSAY ON NUCLEAR AGE CAN WIN $1,500

Area high school seniors headed for college are encouraged to enter the first annual Swackhamer Prizes essay contest, in which they will compete with other students nationwide for a $1,500 scholarship.

Essays must be a minimum of 1,000 words and a maximum of 2,500 words in length, typewritten and double spaced on white paper. Essays will be judged by a Nuclear Age Peace Foundation Committee on the basis of clarity, creativity and depth of thinking, said David Krieger, foundation president.

Entrants should include their name, age, address, telephone number and school on a cover page accompanying their assay.

The title of the essay must be "Steps That Can Change Our Thinking in the Nuclear Age." Krieger said contestants should consider Albert Einstein's statement, "The unleashed power of the atom has changed everything save our modes of thinking," in preparing their statements.

Entries should be mailed no later than May 15 to the Nuclear Age Peace Foundation, 1187 Coast Village Road, Suite 123, Santa Barbara 93108. Entry forms are available by contacting the foundation office and at local schools.

All entries will become the property of the foundation, Krieger said, and the winning essays will be published. The Swackhamer Prizes, including $1,000 and $500 to the second and third-place runners-up, will be awarded July 15.

The foundation—overseen by a six-member local board of directors and a national advisory council—is a non-profit research and educational organization focusing on reversing the nuclear arms race.●

A TRIBUTE TO MR. ADOLPH J. "AL" CROSSFIELD

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. MATSUI. Mr. Speaker, I am pleased to rise today in recognition of Mr. Adolph J. "Al" Crossfield who is retiring after 35 years of dedicated service as an educator.

After receiving his master of science degree in chemistry from Stanford, Al began his teaching career at San Juan High School. There he rose to the position of science division chairman and was awarded six summer National Science Foundation fellowships.

Al is retiring from his position with the chemistry department at American River College. He has also held summer jobs at Aerojet and at the State of California Public Works Laboratory. Al is well published. His articles have appeared in Science Teacher Journal and the Journal of Chemical Education. He is a member of the National Science Teachers Association, the American Chemical Society, and the California Association of Chemistry Teachers.

Al is a shining example of what is right about public education in America. In three and a half decades of teaching he broadened the horizons of countless students with his enthusiastic and dedicated service. His innovative teaching methods and unequaled integrity earned Al the respect and admiration of his students and colleagues.

On June 7, 1985, friends and family, students and colleagues, will gather in Sacramento to honor Al Crossfield at a retirement dinner. I join with them in saluting Al on a job well done and in wishing Al a most enjoyable retirement.●

TRIBUTE TO THE UNITED BLACK FUND

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. FAUNTROY. Mr. Speaker, I would like to bring to the attention of the Congress, the 13th annual victory luncheon of the United Black Fund, Inc. of Greater Washington, DC, to be held on June 6, 1985 at the Sheraton Washington Hotel.

This year the workshops and luncheon theme—"Is Drug Abuse More Than a Local Problem?"—addresses a crisis situation which affects the residents of the Washington metropolitan area, as well as the entire Nation. The United Black Fund continues to provide needed resources to programs that seek to improve the quality of life for citizens of the District of Columbia.

Under the capable leadership of Dr. Calvin W. Rolark, founder and president of the United Black Fund, this organization has for 16 years contributed to numerous educational, social, health, and community programs activities throughout the Metropolitan Washington area.

Today, the United Black Fund supports more than 50 participating member agencies and grants emergency funds to many qualified nonprofit organizations. In addition to financial support, the UBF provides technical and managerial assistance to member agencies and employment referrals to the general public.

The United Black Fund has established itself as a viable social service agency directing resources to where they are most needed. Thousands of people have been helped and our community has been made richer by its contribution.

I extend an invitation to my colleagues in the U.S. Congress to join the United Black Fund at its victory luncheon.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. HUBBARD. Mr. Speaker, more and more Americans are becoming aware that the U.S. Justice Department is the most politically conscious, politically active agency in our Federal Government.

Art Buchwald, the noted, national columnist whose syndicated column appears in many daily newspapers, has written a column about the Justice Department in newspapers from coast to coast, with the following taken from the May 26, 1985 edition of the Washington Post:

TAKE THAT, CORPORATE CRIME!

As part of the Justice Department's unending war against corporate crime, a new facility has just been built to deal with serious offenders.

I was taken on a tour by an assistant attorney general for corporate crime, who was quite proud of the place.

He took me into the receiving area, which turned out to be a beautifully furnished lobby with leather chairs, couches and a TV set.

"This is where we ask the defendants to wait while we are negotiating a plea-bargaining session with their lawyers."

"It is nice of you to provide a waiting room for them."

"Just because a man has committed a corporate crime is no reason why he can't be comfortable."

"How long do you keep him in the pen?"

"It depends. If the guy wants to plead guilty and go along with the Justice Department's recommendations on punishment, we'll let him out in a couple of hours. But if he's going to play hardball and try to get off lightly, we'll keep him in here until he misses his business lunch."

"I had heard your corporate criminal division was tought, but I never thought you'd make someone miss a business lunch."

All the leather chairs were taken. "Is that man in the pin-striped suit over there a white-collar criminal?"

"No," he replied. "That's his lawyer. The other fellow in a pin-striped suit is the criminal. The toughest thing about prosecuting corporate crime is you can't tell the defendants from the lawyers."

My guide pointed over to a large sign on the wall. "That's our rate card for each white-collar crime. We put it up there so the defendants can study it while waiting to see a Justice Department attorney."

"The rates seem very reasonable," I said.

"We try to keep them low so we don't have to go to trial," he said. "It's to our advantage to settle out of court and save the taxpayer money."

"What did that guy reading The Wall Street Journal over there do?"

"He's a contractor and we have 540 counts against him for overcharging the Defense Department $10 million for missile parts."

"He doesn't seem very worried."

"He better be. We're going to fine his company $5,000."

"Will he pay it?"

"He will if he doesn't want a long, drawn-out trial with a lot of publicity. We don't fool around here."

"Okay, so let's say he agrees to pay the $5,000. Then what happens?"

My guide led me into a quiet carpeted room. "After the defendant agrees to plead guilty and pay his fine, we bring him in here and make him swear on this Bible that he will never do it again."

"Do what again?"

"Commit a corporate crime."

"And that's it?"

"Not by a long shot," he said. "Over here is where the real punishment is meted out. You see this wooden block? Well, every person who pleads guilty has to put his hand on the block. Then the attorney general or one of the assistants slaps him on the wrist."

"Is it painful?"

"Put your hand up here and find out for yourself."

I did and he slapped my wrist as hard as he could. "Did it hurt?" he asked me.

I though about it for a moment and then said, "Ouch."●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. MONTGOMERY. Mr. Speaker, the House and Senate are expected to go to conference next week on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the Chiefs of Staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain nonservice-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the VA Medical Center in Memphis, TN:

VETERANS ADMINISTRATION,
Memphis, TN, February 21, 1985.

HOWARD H. GREEN, M.D.,
Chief of Staff, President, NAVACOS, White River Junction, VT.

DEAR DR. GREEN: You letter of January 2, 1985 was delayed in reaching me as Acting Chief of Staff, and I regret the delay in reply.

Memphis is an affiliated tertiary care medical center with 882 operating beds, 120 NHCU beds and 155,000 outpatient visits per year.

The problems in budget which are outlined in Dr. Wolcott's letter were more acute for this facility in the 1984 budget year and forced a series of cutbacks, especially in workload of NSC veterans. For example, because of lack of funding we were forced to reduce our allocated personnel ceiling by 73 positions. Because of limitations in funding we have had to place stringent controls on open heart surgery and surgery involving implants, (especially lens and joint replacements) creating waiting lists for these procedures. Since a significant proportion of our burgeoning pharmacy budget was in outpatient care, we have been reviewing all NSC patients at frequent intervals limiting visits arbitrarily and discharging many patients from the rolls. This is in addition to a restricted formulary. When bed census reached a specified high level on Medical Service, we restricted NSC admissions only to emergencies and refused all NSC hospital transfers.

As a result of these measures already instituted in 1984 and a slight increase in our 1985 budget as a result of DRG redistribution, activation of a new ambulatory care construction and anticipated activation of a spinal cord injury building, our FY 85 budget so far does not project a deficit. However, the problem here is no less acute than that described by Dr. Wolcott, and we would echo each of the problems he has enumerated. A particularly significant problem again this fiscal year is a totally unrealistic equipment budget so that outmoded equipment cannot be replaced, and we cannot offer some standard and certainly no new technical services.

I would also agree that these restrictions have reduced availability of care to veterans, have impaired quality of care and continuity of care, reduced efficiency of our entire operation and adversely affected staff morale.

The only solution which seems to be possible or popular with administration and budget directors is to reduce availability of service to NSC veterans. This may be possible in the short run, but if continued eventually will lead to the downfall of the VA system as we know it. We share your concern.

Sincerely yours,
A.S. TOWNES, M.D.,
Acting Chief of Staff.●

SOCIAL SECURITY: QUESTIONS AND ANSWERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, May 29, 1985 into the CONGRESSIONAL RECORD:

SOCIAL SECURITY: QUESTIONS AND ANSWERS

Social Security is again a major source of dispute in Congress. With Senate adoption of a one-year freeze on the cost-of-living adjustment, many Hoosiers are wondering what might be in store for their benefits. The following are some of their most-often asked questions, with my replies:

Q: Isn't it unfair to consider cuts in social security when it is running a surplus and is not contributing to the deficit?

A: The social security trust funds are in much better shape than in previous years, because of recent changes in the law and the strong economic recovery. Although some argue that trimming the program could help protect it over the next few years when the margin of safety is slim, most of the talk of reducing social security is instead based on general efforts to reduce the federal deficit—to "spread the pain" across broad segments of society. On the one hand, it must be realized that social security accounts for one fifth of all federal spending. A program of that size cannot be totally exempt from any budget secrutiny, especially when federal programs for the poor are being sharply cut. However, it must also be realized that social security is different from most federal programs, in that it involves a long-term commitment to millions of retirees who may have made irreversible decisions based upon promised benefits. It should be looked at only as a last resort, and in a very limited way. Any proposal that would force a number of retirees into poverty would be unacceptable to me.

Q: How could social security be used to reduce the deficit when it is an entirely self-contained system, based on its own payroll taxes?

A: It is correct that the social security system is self-contained in that funds come into the system almost entirely from social security payroll taxes, and go out only to pay social security benefits. However, the social security system is part of the overall federal budget, and has been since 1969. As such, any savings from cutting social security show up as savings in the budget, and hence would lower the federal deficit. Other "self-contained" federal programs, such as the unemployment compensation program, also are part of the formal federal budget, and are subject to the same sort of general budgetary pressures. Social security is scheduled to be put "off-budget" in 1993, though that could be changed.

Q: How could Congress consider tampering with my social security account, which I have been paying into for years?

A: Social security is not like a savings account, in which your deposits accumulate and then are withdrawn during retirement. From the beginning, it has been basically a pay-as-you-go" system, with most of the incoming taxes going out immediately as benefits. You pay the retirement benefits of your parents' generation; your retirement benefits will be paid by your children's generation.

Q: Are retirees getting back in benefits as much as they paid in?

A: Yes. The return for older retirees is the best, because of the much lower payroll taxes levied in earlier years. But even for workers retiring in 1985, the returns are significant. Their total lifetime contribution to social security, including their employers' matching contribution and including interest, would average $50,000. Yet a single man could expect to get back $88,000 in benefits, a single woman $113,000, and a married couple $165,000. However, the size of the return compared to what they paid in will decline sharply for today's younger workers.

Q: Aren't a large number of the elderly dependent upon social security to avoid poverty?

A: One of the major success stories of all federal programs has been the extent to which social security has reduced poverty among the elderly, once the most disadvantaged age group. Twenty-five years ago, more than 35% of those 65 or older were below the poverty line; today that number is 14.1%. The poverty rate among the elderly is now lower than the poverty rate for the rest of the population, and is significantly lower than the poverty rate among children and young people, currently almost 22%. It should be noted that social security benefits do not go primarily to the elderly poor. In 1983, the aged below the poverty line received only 10% of social security benefits, while retirees with incomes over $25,000 received at least 25% of the benefits.

Q: Haven't those on social security fallen behind workers in keeping up with inflation?

A: Not in recent times. Since 1970, the cost of living increased 185%, while social security benefits went up 250%. By contrast, private sector earnings increased 155% over this period, federal employees' pay increased 135%, and pay of Members of Congress increased 70%. However, it should be noted that for many retired persons, social security was the only source of income that kept up with inflation. Moreover, should economic times improve considerably, wages could increase faster than inflation.

Q: What cuts are being considered?

A: The major proposals to make reductions in social security involve cutting back future increases—not lowering current benefits. Even if the most severe of the proposed changes passes, the monthly social security check a recipient now gets will be no lower next year. Modifications in the social security COLA could produce large budget savings. For example, eliminating the COLA for one year, as proposed by the Senate, could save some $35 billion over 5 years. The House, on the other hand, rejected cutting back the COLA, so differences must be resolved. Some proposals mentioned as possible compromises would provide increases for the low-income elderly while trimming increases given wealthier retirees, or would give the full COLA to all, but tax away a larger portion of benefits given the well-to-do. However, even modest changes in social security would have great difficulty passing unless the overall deficit-reduction plan is widely perceived to be spreading out the pain broadly, and calling for sacrifices from all sectors in a fair and balanced way.●

TRIBUTE TO REBEKAH EVANS SELLERS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. SKELTON. Mr. Speaker, recently a very fine and wonderful lady from my hometown of Lexington, MO, passed away. Rebekah Evans Sellers made a great contribution to our community and to Wentworth Military Academy through the years. I was pleased to call her my friend.

The Lexington News summed up the life of this remarkable lady, and I ask that it be included in the Congressional Record herewith.

[From the Lexington News, May 27, 1985]

Great-Granddaughter of Wentworth Founder Dies May 22

Rebekah Evans Sellers, wife of Col. James M. Sellers, Sr., president of Wentworth Military Academy, died last week at her home in Lexington. Mrs. Sellers, 83, a member of a pioneer Lexington family, was born and raised in Independence, MO, and lived in Lexington for 60 years. She attended public school in Independence, Bradford Academy in Milford, MS, in 1924, where she was elected to Phi Beta Kappa. She was married to Colonel Sellers in December 1925 and lived in Lexington for the rest of her life.

On the weekend before her death, Mrs. Sellers greeted hundreds of visitors at Wentworth on the occasion of the 90th birthday celebration for Colonel Sellers.

Mrs. Sellers made her mark on the community in many ways over the years. A devoted wife and mother, she raised three sons, Stephen Wentworth and James M., Jr., both of Lexington, and Fred Evans of Tulsa, OK. At Wentworth she played the role of unofficial first lady, greeting patrons, guests and visitors in the academy dining hall and in her home. She played hostess to hundreds of cadets on many kinds of occasions, including the monthly "best squad" which came to the Sellers home for dessert and conversation after being taken out for a steak dinner by Colonel Sellers. For many years she sponsored cadet attendance at concerts of the Kansas City Philharmonic Orchestra.

In Lexington she was active in efforts to preserve the historical character of the community. A long-time member of the Garden Club, she was publicity chairman for the first Old Homes Tour held in the early 1950s. She was delighted to obtain a lead article on the front page of the Feature section of the Sunday Kansas City Star. Nonetheless, "we printed up 500 tickets and wondered whether anybody would show up," she recalled of the event, which ended up attracting 5,000 people—doubling the town's population—in the one day of the tour. She remained active in the tour. She remained active in organizing successive old homes tours, heading it up in 1961. She was also active in the Lexington Memorial Hospital auxiliary and the First Presbyterian Church.

Mrs. Sellers' great-grandfather, Stephen G. Wentworth, came to Lexington in the 1920s and played a major role in the development of the community as a founder of the old Morrison-Wentworth bank and as a land developer. It was he who founded Wentworth Military Academy in 1880 as a memorial to a son who had died in his early 20s. Mrs. Sellers' grandfather, Judge Richard Field, married Frances Wentworth, daughter of Stephen, and it was through childhood visits with her grandparents that Mrs. Sellers came into contact with the community and with her future husband. Mrs. Sellers' mother, Rebekah Field Evans, was a Lexington native. Her father, L. Fred Evans, was treasurer and chairman of the old Emery, Bird, Thayer Dry Goods Store in Kansas City.

In addition, to her husband and her three sons, Mrs. Sellers is survived by six grandsons, James M. Sellers III of Sunnyvale, CA; William Sandford Sellers of Baton Rouge, LA; John Singleton Sellers of Bryn Mawr, PA; William Wentworth Sellers and Robert Foster Sellers both of Lexington; and Mark Griggs Sellers of Tulsa, OK; and a granddaughter, Rebekah Field Sellers of Tulsa.●

TAKE A BITE OUT OF CRIME, SUPPORT H.R. 2570

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. TRAFICANT. Mr. Speaker, I have introduced legislation, H.R. 2570, that would withhold Federal criminal justice block grants to those States that do not enact firearm registration laws. Given the fact that an average of at least 9,000 Americans have been killed by handguns in the last 5 years, I feel that the time has come for action to address violent crime in this country.

My bill would leave it up to the states to implement their own firearm registration laws and penalties. My bill would also require that States, in order to continue receiving Federal criminal justice block grants, make it a criminal penalty to obliterate, remove or alter the serial number on a firearm. Mr. Speaker, I want to make it perfectly clear that I strongly support the constitutional right of law-abiding Americans to have firearms. As a former sheriff, I recognize that simply requiring that firearm owners register their weapons with local police would be of great help to the law enforcement community. All my bill would do is get States to require that people register their weapons with local police—nothing more. I also recognize, Mr. Speaker that firearm registration alone will not solve this Nation's violent crime problem.

The fight against violent crime is a war that must be fought on many fronts and with many tactics. I feel that firearm registration is one tactic that cannot be ignored. By making it a criminal penalty not to register a weapon, police officers and prosecutors would be given further ammunition with which to apprehend and convict dangerous criminals. Many people vehemently oppose any form of firearm registration—in the name of the right to bear arms. Again, I make it clear that my bill would in no way infringe upon that right. Given this Nation's disgraceful homicide rate, I feel that action of this type is long overdue.

Public opinion on this issue shifted dramatically in recent years. By a significant margin, Americans—including the majority of handgun owners—are in favor of some form of registration. I feel that my bill is a solid approach that would still leave the implemention and enforcement of firearm registration laws up to the individual States. The time has come for this Cognress to take positive steps in the fight against violent crime. Stiffer penalties, more assistance to law enforcement agencies—and firearm registration measures should be the main focus of this effort.

Mr. Speaker, at this time I would like to insert into the Record a Gallup Poll released on May 26, 1985, which clearly shows that a large majority of Americans actually support gun registration. I urge my colleagues to take a close look at this poll and a close look at H.R. 2570.

Large Majority Favors Handgun Registration

(By George Gallup, Jr.)

Princeton, N.J.—A large and growing majority of Americans, including those who own handguns, favors registration of these weapons. Public support for the passage of local laws banning the sale and possession of handguns, however, appears to be waning.

In the Gallup Poll's latest sounding, 70% favor and 25% oppose handgun registration, representing a slight shift toward control since 1982, when 66% favored registration and 30% opposed it.

The current pro-registration majority includes 61% of persons from households possessing guns of any kind, and 56% of those from homes in which handguns, specifically, are owned. Non-owners favor registration by almost a 5-to-1 ratio, 78% to 16%.

Following is the question and the trend:

Do you favor or oppose the registration of all handguns?

HANDGUN REGISTRATION

[In percent]

	1985	1982
Favor	70	66
Oppose	25	30
No opinion	5	4
Total	100	100

As shown in the following table, heavy support is found in all major population segments:

HANDGUN REGISTRATION

[In percent]

	Favor	Oppose	No opinion
National	70	25	5
Men	64	33	3
Women	77	16	7
Whites	69	25	6
Blacks	81	16	3
18 to 29 yr	73	21	6
30 to 49 yr	69	27	4
50 and older	69	25	6
College grads	72	25	3
College inc.	72	22	6
High school grads	68	26	6
Not H.S. grads	60	25	5
East	78	16	6
Midwest	74	21	5
South	65	31	4
West	62	32	6
Gun owners	61	35	4
Non owners	78	16	6
Handgun owners	56	41	3

The Gallup Poll periodically has assessed public opinion on many handgun control measures and consistently has found Americans throughout the nation and from all walks of life supportive of stricter handgun laws. However, while the public heavily endorses more stringent controls, it has stopped short of favoring an outright ban on the sale or private possession of handguns.

The Chicago suburb of Morton Grove, Illinois, made national headlines in 1981 when it became the first municipality in the U.S. to enact an ordinance prohibiting both the sale and private possession of handguns. The Morton Grove ordinance has withstood all legal challenges.

In the current survey, 40% favor having their city or community pass a law or ordinance similar to Morton Grove's while 56% are opposed. This represents a shift toward greater opposition since the question was first asked two years ago. In a 1983 survey, 44% favored and 48% opposed a local ban on the sale and private possession of handguns.

Following is the question asked:

Some communities have passed laws banning the sale and possession of handguns. Would you favor or oppose having such a law in this city/community?

As shown below, men opposed the handgun ban by a 2-to-1 margin, while women are very evenly divided. Majority opposition is found in every geographical region but the East, and in all but the very largest metropolitan areas, those with one million residents or more. Whites oppose the measure while blacks are closely divided.

As expected, the vast majority of those opposing handgun registration also opposed a ban on their sale and possession, as do gun owners. Non-owners and persons favoring registration are fairly evenly split on the issue of a community ban.

COMMUNITY BAN ON HANDGUNS

[In percent]

	Favor	Oppose	No opinion
National	40	56	4
Men	30	67	3
Women	48	46	6
Whites	38	58	4
Blacks	51	45	4
East	56	39	5
Midwest	36	59	5
South	30	66	4
West	38	58	4
City size:			
1,000,000 and over	51	44	5
500,000 to 999,999	36	61	3
50,000 to 499,999	43	54	3
2,500 to 49,999	33	62	5
Under 2,500, rural	26	69	5
Gun owners	22	75	3
Non-owners	53	41	6
Handgun owners	16	83	1
Favor handgun registration	50	47	3
Oppose handgun registration	13	86	1

The latest results are based on in-person interviews with 1,525 adults, 18 and older, conducted in over 300 scientifically selected localities across the nation during the period April 12-15. For results based on sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be 3 percentage points in either direction.

In addition to sampling error, the reader should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls. These statements conform to the standards of disclosure of the National Council on Public Polls.●

TRIBUTE TO ALFRED A. EGGLESTON

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. COELHO. Mr. Speaker, next month, Mr. Alfred A. Eggleston, a constituent of mine, will retire after more than a quarter century of sevice to the Government and the military.

In 1943 Mr. Eggleston began his career as a machinist with the Army in Massachusetts. From 1943 to 1946, he served in the Marine Corps, and for the next 6 years was a resident inspector/production specialist for the Army. From 1959 to 1966 Mr. Eggleston served as a production/material controller with the Air Force in Connecticut, and from 1966 to 1978 he served in the Army as a property administrator/industrial specialist in California. After a few years of retirement and work in the private sector, Mr. Eggleston returned to Government service in 1982 as the commander's representative of the Riverbank Army Ammunition Plant, the position which he now holds.

Throughout his years of service to the military and the Government, Mr. Eggleston has distinguished himself as a champion of efficiency and cost-effectiveness. During his command of the Riverbank Army Ammunition Plant, production and maintenance costs have fallen dramatically, saving the taxpayers millions of dollars. When he took over command of the plant, unemployment was a great problem in the area. Mr. Eggleston was able to secure enough contracts to insure the efficient employment of the plant's 270 workers.

Alfred Eggleston's distinguished career stands as a model for others in military and Government service. I would like to commend Mr. Eggleston for his many years of dedicated service to our country, and I wish him much happiness in his retirement.●

HONORING A SCHOLAR AND GENTLEMAN, DR. FERNANDO TORRES-GIL

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. TORRES. Mr. Speaker, I rise today before my colleagues to recognize and honor a distinguished educator and friend, Dr. Fernando Torres-Gil. His dedication as a community advocate and academician is admired and appreciated by his students and colleagues.

Dr. Torres-Gil received his Ph. D. from Brandeis University in social policy, planning and research. Since 1980 he has been an assistant professor of gerontology and public administration in the Leonard Davis School of Gerontology at the University of Southern California. He has had several works published including "Political Involvement Among Older Members of Minority Groups: Problems and Prospects," in Aging in Minority Groups and The Politics of Aging Among Elder Americans.

In his professional capacity he has served as a policy associate for the National Policy Center on Employment and Retirement, Special Assistant to Secretary Patricia Harris at the Department of Health and Human Services and Special Assistant to Secretary Joseph Califano at the Department of Health, Education and Welfare. He was a member of California Health Commission, the Citizens Advisory Commission for the Los Angeles Olympic Organizing Committee and is a member of the board of directors for the National Council of La Raza and the United Way. His commitment to excellence has earned him recognition as a White House Fellow, and Outstanding Young Man of America, and a Presidential Appointee to the Federal Council on Aging.

I have known Fernando both as a nationally recognized expert in gerontology and as a close friend. I have had the honor and privilege of working with him on various issues. Because of his outstanding record of achievement Congressman Edward Roybal selected him to be the staff director for the House Select Committee on Aging. I have no doubt that Dr. Torres-Gil will contribute a high level of professional experience and do an outstanding job for the committee.

Mr. Speaker, I ask my colleagues to join with me in wishing Fernando much success. I am looking forward to following his future accomplishments. We are fortunate to have such a hard working and dedicated individual heading the staff of such an important committee.●

TRIBUTE TO HON. SAM B. HALL, JR.

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. BROYHILL. Mr. Speaker, Sam Hall has been my good friend since he came to the House of Representatives back in 1976. His integrity and sound judgment assures that he will have an outstanding record on the bench, and his temperament and knowledge of the law which made him so successful as a Member of Congress will make him tremendously effective in his next career as a judge.

My very best wishes will always be with SAM and I know that he will do an exceptional job as he undertakes his Federal judgeship in the eastern district of Texas.●

DIAL-A-RIDE

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. FISH. Mr. Speaker, with all of the talk today of preventing young people from drinking and driving I represent a radio station in my congressional district that is doing something about it.

WRVH of Patterson, NY, and its sister station WPUT of Brewster, NY, organized a dial-a-ride program to assist high school students returning home after their proms.

The radio stations worked with representatives from Pawling, Carmel, Mahopac, and Brewster school districts to publicize and promote the program. Student volunteers from each school were used on the phones the nights of the proms, while adult volunteers were used as drivers.

Each student was given a dial-a-ride card with the station's phone number with the message: "Need a ride home after the prom because you just should not be driving? Call the WRVH/PUT dial-a-ride."

According to the station's president, Dick Novik, several calls were received each prom nite and drivers were kept busy. I am pleased and proud to say that there were no accounts of accidents on any of the prom nights in this area. Our community owes a great debt of gratitude to WRVH/PUT for taking the initiative to put words into action and providing a great community service.

Teenage alcoholism is a serious problem in our country, and drunk driving is the leading cause of death of teenagers. We should all follow in the footsteps of WRVH/PUT and help to prevent the unnecessary and premature deaths of our young people.●

THE 75TH ANNIVERSARY OF THE DEER PARK SCHOOL DISTRICT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. DOWNEY of New York. Mr. Speaker, on May 23, 1985, the Deer Park School District of Deer Park, NY, celebrated its 75th anniversary. I am honored to congratulate Deer Park on these 75 years of excellence in education.

Deer Park is not an ordinary school district—it is an extraordinary one. Seventy-five years ago there was a one-room school house, and Mrs. May Moore was Deer Park's first teacher. There were 48 enrolled students. Today, there are 4,200 students enrolled, and they are continuing to receive one of the highest quality educations anywhere in our country. With new computer courses, Writing to Read Programs, and one of the finest art departments in New York State, the Deer Park School District continues to distinguish itself as a leader in the field of public education.

This Nation's future is in its children and in the education they receive. I am personally grateful to the Deer Park School District for helping to ensure a bright future for all of us.●

FAMILY RESOURCE HOUSE OF UNITY FIRST ANNUAL TESTIMONIAL BRUNCH

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. DELLUMS. Mr. Speaker, I would today like to join members of the Oakland, CA, community in honoring four families who are being inducted at the family resource house of unity's first annual testimonial brunch. This event, entitled, appropriately, "Honor Thy Father and Mother—A Tribute to Black/African-American Parents," will be held in honor of Mr. and Mrs. W. T. Aikens, Mrs. Georgene Anthony, Mr. and Mrs. Harvey Peters, Sr., and Mrs. Eliza Ashley.

These individuals, who are the first recipients of this award, have each rendered exemplary service and support to their families and to their local communities. They have set an outstanding example to the community by virtue of their special warmth, caring and love, which have enriched the lives of their families while extending a similar benefit to their communities.

By noting these achievements in the RECORD, I hope to emphasize the importance of such individual efforts as examples for others to follow; by honoring these parents, we would honor and show our respect and appreciation for parents throughout the country and the world. To the honorees, I extend my special congratulations and share in the joy of your recognition.●

TRIBUTE TO LORENA J. FALASCO

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. COELHO. Mr. Speaker, next month, Ms. Lorena J. Falasco will retire from the Los Banos, CA, Unified School District after 38 years of dedicated service to her community as both educator and principal.

Lorena was born in Los Banos, and attended elementary and high school there. In 1946 she was graduated from the University of California at Berkeley, and the next year was awarded her general secondary credential in education from U.C. Berkeley.

In 1947 Lorena began her career in education as a teacher at the Los Banos Union Elementary School. In 1953 she was awarded her elementary administrator credential, and since that time has been principal of the George Miller Elementary School. In 1976 she also became principal of the Volta Elementary School.

Lorena's service to her community has not been limited to the realm of education. She is a charter member of the La Caridad Guild at Valley Children's Hospital, helped to organize the Los Banos Mental Health Services, and currently serves on the Los Banos Community Advisory Committee of Merced College.

Lorena will be missed greatly by the Henry Miller Elementary School, the Volta Elementary School, and in fact all of the Los Banos Unified School District. On behalf of the citizens of Los Banos, I would like to thank Lorena Falasco for her many years of selfless service to the youth of her community as their principal, educator, and friend, and I wish her great happiness in her retirement.●

SALUTING THOMAS H. SCOGGINS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. COURTER. Mr. Speaker, I rise today in recognition of the outstanding work Thomas H. Scoggins has done as president of Hackettstown Community Hospital. During his 11 years at the hospital, Henry has made many superb and benevolent contributions to this medical facility as well as to the greater Hackettstown community. He has served as the president of the Hackettstown Rotary Club and as a member of the advisory board of United Jersey Bank Northwest. As such, Henry has shown the ability to

organize and motivate people to accomplish tasks that are very difficult, but also very worthwhile. His acute administrative talent is complemented by a sincere intrinsic desire to help those in need.

All of us in the northwest New Jersey area who have come to know Henry and appreciate his excellent work will miss him as he assumes new duties and challenges at Loma Linda University Medical Center in California. Henry has inspired many people, though, who will continue and expand upon all that he has been able to accomplish. I join Henry's colleagues in saluting him for a job well done and wishing him all the best in the future.●

SOCIAL SECURITY: AND THE BATTLE GOES ON

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. DORGAN of North Dakota. Mr. Speaker, today I would like to call your attention to an editorial published in the Record Herald of Cando, ND, in which Blanche M. Denison explains very clearly why tampering with Social Security benefits won't do a darn thing to cut the budget deficit. Because of the ongoing debate and the importance of the issues involved, I would like to share Blanche's thoughts on "Social Security: And the Battle Goes On" with my colleagues:

[From the Cando (ND), Record Herald, Apr. 24, 1985]

SOCIAL SECURITY: AND THE BATTLE GOES ON

(By Blanche M. Denison)

One of the fiercest battles ahead in Congress will be concerning the budget deficit, which everyone knows must be attacked. First and foremost, however, seems to be the option of the Budget Committee to reduce the benefits of future Social Security payments.

We have always believed that this generation of Americans will do anything to help reduce the debt. However they should not and will do it unless Congress, Civil Service, the military and postal pensions and the rest that DO come out of the budget every year accept the same cap on THEIR benefits.

It is pure gobbledy-gook to suggest that taking a portion of the Social Security payment out of the budget will save one cent on the deficit, which they all know is a trust fund. It would indirectly have an impact on what the government borrows, since the government has felt free to use payroll funds that are a surplus as something they could feel free to borrow from.

Why games that will not cut the deficit by one penny should ever be played is hard to understand, for this is about the only solvent fund the government has. Last year, there was a six months postponement on Social Security increases that were scheduled, while giving a 5 percent raise plus cost of living increases (colis) to Congress and every other type of civil servant. Everyone, even the Cabinet members and judges, got raises, while Social Security was asked to stand by.

What is amazing is that every commentator, newscaster, civil servant and panelist in economics or financial advisor seems to have no idea what Social Security does to the national budget and why it is listed there. They just lick their chops because it is such a huge sum and feel that that is where the government should take another hunk.

Social Security will balance NO budget if it is handled honestly. It was a nice fat surplus that President Lyndon Johnson couldn't keep his hands off because he wanted the Viet Nam War to look as if it were costing nothing, so he convinced Congress to transfer the trust fund into the general budget.

It is still a trust fund by law; and every extra dollar that is not paid to recipients must be paid interest on, just like a savings bond, if it is used for expenses of the general government. In other words, it goes into the black pit of a trillion-dollar national debt.

On the ledgers, it is government obligation that is a trust fund that must be repaid, and obligation that exceeds any payments to war manufacturers or any other government expense. This is why dipping into it only means that the government borrows less to pay out the checks to recipients—a duty in any event.

This is NOT true of civil service salaries and pensions, military salaries and pensions, Congressional salaries and pensions—all of which are direct checks drawn on the treasury. Any savings in these pensions and any raises would immediately reflect on the spending of the United States Government budget and be saved.

Even President Reagan pointed out in his State of the Union message that Social Security would not be touched because it would be no savings to the national budget. However, his administration has been silent ever since.

The only way I can explain this is capping the payment of Social Security that might act as a lever to force the other pension funds to take the same medicine. Since they all got five percent raises last fall, including Congress itself, it does not seem likely that this would happen.

It will be disappointing if the people who have earned Social Security are the only ones asked to sacrifice and with the knowledge that their sacrifice will do nothing to reduce the horrendous national deficit.

There has been a surplus every year since Social Security began. In the last year, $209 billion was paid in by payroll workers and employers, and only $178 billion paid out, which should leave a $20.8 billion-dollar surplus.

In 1986, the income is expected to be $255 billion and the payout about $202 billion. This is just a sample, and no one wants to discuss just how the surpluses are used, except that President Reagan assures us that they are listed as a government obligation that collects interest, just as a savings bond.

Since there is no way that cutting Social Security will save one cent in the deficit, it seems pointless. Of course, we admit that the soundness of the health of the economic system is vital to us all. If Congress and every other facet of government, including the pensions, would say "Me, too—count us in, "that would be a savings in the budget, and older folks could be proud that they have everyone pulling together. If this would happen, it might also help curb inflation; and these constant raises demanded by each group negotiating for increases, which seems to be almost everyone.

When the committee last year raised payroll taxes to make Social Security solvent for 75 years, they must have been counting on the use of surplus yearly funds. By 1990, they thought the government could put these in the trust fund and it could again not be at risk in the general fund.

However, G.S.A. reported this week that if all of President Reagan's budget cuts were put in effect, the deficit would still be $190 billion a year through 1990. There are more and more people going along with Mr. Stockman, that the 1981 tax cut—which served to wipe out corporate tax and even allowed a tax base where huge companies that paid no taxes had so many exemptions that they actually got several million dollars a year in government checks—has been a disaster and has cost the nation a trillion dollars so far. Several senators admit that there would be no budget deficit without that 1981 tax cut.

Perhaps a few million or billion more can be squeezed out of Social Security . . . or health . . . or education . . . or from the 22 million hungry in the United States; but in the end, the only real way to cut the deficit is to put back in force the tax charge of 1981. You can only squeeze the infrastructure of this nation—including its future health and education, transportation and basic services—so much; and it has certainly been squeezed about as far as it can go.●

CHICAGO'S MILWAUKEE AVENUE ACHIEVES MAIN STREET DESIGNATION

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. ROSTENKOWSKI. Mr. Speaker, it is with pride and pleasure that I announce to the House that Chicago's Greater Milwaukee Avenue Business District has been selected by the National Trust for Historic Preservation for a special 3-year demonstration program of commercial area revitalization.

The Greater Milwaukee Avenue Business District stretches between Division and Caton Streets, in the heart of the Eighth Congressional District of Illinois, which I am privileged to represent. The business district is ripe for commercial renewal, and local interest is highly evident. I am pleased to have been able to participate in this effort to make the dreams of its merchants and residents more likely to come true.

I extend congratulations to the Greater Milwaukee Avenue Chamber of Commerce, who developed the successful application and saw it through the strongly competitive field of some 56 other applications from across the country. I also want to note the outstanding contribution of Alderman Terry Gabinski of the 32d ward of the city of Chicago, for his avid support for the chamber's application.

The "National Main Street Program" of the National Trust is an effort to identify the issues and needs in urban area commercial revitalization and to develop practical approaches to successfully address those problems. The competition for designation of eight business districts nationwide as "Main Streets U.S.A." turned on such areas as design, urban planning, and economic and community development.

This competition is another in a lengthy list of innovative preservation actions taken by the National Trust in pursuit of its unique mission. As you are aware, Mr. Speaker, the National Trust for Historic Preservation is the only national, nonprofit, membership organization chartered by the Congress dedicated to the protection and continued use of America's architectural and cultural heritage. It is an organization which earns its coveted congressional charter on a continuing basis, and one which deserves the respect it commands.

I look forward to working with the National Trust, the city of Chicago, and all others involved in making the most of the opportunities now at hand to demonstrate that a once vital urban business district can be brought back as a "Main Street" where citizens can walk, talk, shop, and simply enjoy city life.●

CONGRESSIONAL SALUTE TO SACRAMENTO COUNTY SHERIFF ROBBIE WATERS

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. MATSUI. Mr. Speaker, I rise today to pay tribute to my good friend and an outstanding public servant, Robbie Waters. He was born in Sacramento, attended high school and college in Sacramento and today embodies the spirit, vitality, and progress of our metropolitan area as the sheriff of Sacramento County.

Robbie began his law enforcement career as a patrolman with the Sacramento Police Department, where he rose to the rank of lieutenant and was awarded the silver medal of valor. In addition to his work on the beat, Robbie put in countless classroom hours studying criminology and management. He has authored a widely recognized college-level textbook on the practical methods of police procedures.

Robbie was elected sheriff in 1982. In 3 short years he has developed many innovative and important programs which serve to link law enforcement officers to the community they protect and serve. The department now has a community council, whose members act as liaisons from the community. The volunteer sheriff's marine reserve has been formed to help boaters on the county's hundreds of miles of waterways. The Neighborhood Crime Watch Program now has grown to include 41,000 participants.

Under Robbie's leadership, the sheriff's department has also seen physical and logistical improvements. There is now a full-service substation with patrolmen and detectives to serve the county's rapidly growing northeastern suburbs. The new county jail will be one of the most modern and efficient in the Nation when completed in 3 years.

Robbie Waters is also a man of compassion. He is on the board of directors of the United Way Campaign and the Red Cross. He has been intimately involved with the operation of the Sacramento affiliates of the Salvation Army and the Boy Scouts of America.

On Sunday, June 2, a number of friends joined his wife, Judie, and the Waters' children, Darren, Deedee, and Danny, to honor Robbie for a job well done and to wish him continued success. Mr. Speaker, I ask you and all of my colleagues to join me in adding our thanks and appreciation to this fine public servant for his consistent, outstanding performance and our best wishes for future success in his law enforcement career.●

TRIBUTE TO JUDGE MARK WILSON

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1985

● Mr. SKELTON. Mr. Speaker, I would like to take this time to inform my colleagues and pay a final tribute to an outstanding American from my district who recently passed away.

Mark Wilson was probate-magistrate judge of Henry County for 32 years before retiring in 1978. Judge Wilson ran a strict, no-nonsense court. Lawyers and arresting officers knew that when Judge Wilson set a date and time for a case, they better be present and ready to proceed.

The high regard in which Mark Wilson was held in by the citizens of Henry County is evident by the fact that he was elected and reelected for 32 years. Before serving on the bench, Judge Wilson was also elected and served as the prosecuting attorney of Henry County.

An avid baseball fan, Judge Wilson was also considered an excellent baseball player. In fact, he followed batting averages, trades, and made predictions on team actions throughout the year.

Mr. Speaker, Mark Wilson established a fine record in the legal profession through his years of dedicated public service. He will be sorely missed not only by the people he served in Henry County, but by the entire State.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 4, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 5

9:15 a.m.

Finance

To hold hearings on the nomination of Robert M. Kimmitt, of Virginia, to be General Counsel for the Department of the Treasury.

SD-215

9:30 a.m.

Banking, Housing, and Urban Affairs
Financial Institutions and Consumer Affairs Subcommittee

To hold oversight hearings on broker deposits.

SD-538

Finance

To hold hearings on S. 814, to make technical corrections to certain provisions of the Tax Reform Act of 1984, and proposed technical corrections to the Retirement Equity Act (P.L. 98-397).

SD-215

Environment and Public Works
Nuclear Regulation Subcommittee

To continue joint hearings with the Committee on Labor and Human Resources on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.

SD-430

Finance

To continue hearings on the President's tax reform proposal.

SD-215

Labor and Human Resources

To continue joint hearings with the Committee on Environment and Public Works' Subcommittee on Nuclear Regulation on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.

SD-430

Rules and Administration

To hold hearings on the nomination of Ralph E. Kennickell, Jr., of Virginia, to be Public Printer.

SR-301

Veterans' Affairs

Business meeting, to mark up proposals to clarify and improve certain health-care programs and services provided and administered by the Veterans' Administration, including S. 6, S. 875, S. 876, S. 1007, and S. 1052; S. 367, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; and proposed legislation authorizing funds for construction of Veterans' Administration facilities.

SR-418

2:00 p.m.

Commerce, Science, and Transportation

To hold hearings on a proposal to purchase the Consolidated Rail Corporation (Conrail) by Morgan Stanley International, Inc.

SR-253

Labor and Human Resources

To hold hearings on drug export reform.

SD-430

10:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.

SR-328A

Appropriations
HUD-Independent Agencies Subcommittee

To hold closed hearings on a reprogramming request for certain space launch vehicles.

SD-124

Energy and Natural Resources

Business meeting, to consider the nominations of Eric Reichl, of Connecticut, Tom Corcoran, of Illinois, and Paul W. MacAvoy, of New York, each to be a member of the Board of Directors of the U.S. Synthetic Fuels Corporation.

SD-366

Governmental Affairs

To resume hearings on the nomination of Donald J. Devine, of Maryland, to be Director of the Office of Personnel Management.

SD-342

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

SD-226

JUNE 6

9:00 a.m.

Banking, Housing, and Urban Affairs
Securities Subcommittee

To resume hearings to examine corporate takeovers, focusing on securities, financing and other aspects of mergers and acquisitions.

SD-538

9:30 a.m.

Energy and Natural Resources
Natural Resources Development and Production Subcommittee

To hold oversight hearings on the impact of coal imports on the domestic coal industry.

SD-366

10:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.

SR-328A

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To hold hearings on the in-flight activities of Space Shuttle mission 51-D.

SR-253

Judiciary

Business meeting, to consider pending calendar business.

SD-226

11:15 a.m.

Labor and Human Resources
Handicapped Subcommittee

To resume hearings on S. 415, to clarify the intent of Congress to protect the educational rights of handicapped children, and S. 974, to provide for protection and advocacy for mentally ill persons.

SD-430

11:30 a.m.

Appropriations
District of Columbia Subcommittee

To hold oversight hearings on the prison system.

SD-138

4:00 p.m.

Select on Intelligence

Closed briefing on intelligence matters.

SH-219

JUNE 7

9:30 a.m.

Joint Economic

To hold hearings on the employment/unemployment situation for May.

2359 Rayburn Building

10:00 a.m.

Appropriations
Defense Subcommittee

Closed briefing on the strategic modernization program of the Department of Defense.

S-407, Capitol

Judiciary

To hold hearings on S. 51, the Superfund Improvement Act, focusing on certain judicial provisions.

SD-226

JUNE 10

2:00 p.m.

Energy and Natural Resources
Energy Research and Development Subcommittee

To resume oversight hearings on proposed budget requests for fiscal year 1986 for programs of the Department of Energy, focusing on fossil energy programs.

SD-366

JUNE 11

9:30 a.m.

Environment and Public Works
Environmental Pollution Subcommittee

To resume oversight hearings on the implementation of section 404 of the Clean Water Act, relating to the wetlands dredge and fill permit program.

SD-406

Environment and Public Works
Nuclear Regulation Subcommittee

To hold joint hearings with the Committee on Labor and Human Resources on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.

SD-430

Finance

To hold hearings on the President's tax reform proposal.

SD-215

Labor and Human Resources

To hold joint hearings with the Committee on Environment and Public Works' Subcommittee on Nuclear Regulation on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.

SD-430

Labor and Human Resources
Handicapped Subcommittee

To hold oversight hearings on administrative activities of Gallaudet College and the National Technical Institute for the Deaf.

SR-428A

10:00 a.m.

Energy and Natural Resources
Water and Power Subcommittee

To hold hearings on S. 403, to revise requirements with respect to the issuance of licenses for existing hydroelectric facilities, and S. 426, to provide for more protection to electric consumers.

SD-366

Governmental Affairs

To hold hearings on the nominations of John M. Steadman, to be an Associate Judge of the District of Columbia Court of Appeals, and Richard A. Levie, to be an Associate Judge of the Superior Court of the District of Columbia.

SD-342

2:00 p.m.

Small Business
Small Business: Family Farm Subcommittee

To hold hearings on small issue industrial development bonds as a source of capital for small business expansion.

SR-428A

JUNE 12

9:00 a.m.

Office of Technology Assessment

The Board, to hold a general business meeting.

EF-100, Capitol

9:30 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To hold hearings on S. 1218, to provide for the revocation of certain certificates for air transportation.

SR-253

BEST COPY AVAILABLE

JUNE 13

9:30 a.m.

Banking, Housing, and Urban Affairs
To resume oversight hearings on the condition, structure, and competition within the domestic financial services industry, focusing on implications of further deregulation of depository institutions.
SD-538

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on S. 635, Anti-Apartheid Act.
SD-538

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Finance
To continue hearings on the President's tax reform proposal.
SD-215

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1105, to reform the Walsh-Healey Act to allow Federal contractors in the private sector to work flextime hours.
SD-628

JUNE 14

9:30 a.m.

Finance
Health Subcommittee
To hold hearings on health promotion and disease prevention strategies for Medicare beneficiaries.
SD-215

Special on Aging
To hold hearings on certain pension issues.
SD-106

JUNE 17

9:30 a.m.

Finance
To resume hearings on the President's tax reform proposals.
SD-215

Labor and Human Resources
To hold hearings on home health reform.
SD-430

10:00 a.m.

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold oversight hearings on issues relating to groundwater protection.
SD-406

JUNE 18

9:30 a.m.

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the current status of and factors affecting the natural gas market.
SD-366

Finance
To continue hearings on the President's tax reform proposal.
SD-215

10:00 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed amendments to S. 100, the Product Liability Act.
SR-253

Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

Labor and Human Resources
To continue hearings on home health care reform.
SD-430

JUNE 19

9:30 a.m.

Judiciary
Constitution Subcommittee
To hold hearings on voting rights issues.
SD-226

Select on Indian Affairs
To hold hearings on S. 954, to provide additional protection of steelhead trout as game fish.
SR-253

10:00 a.m.

Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings to review Environmental Protection Agency regulations concerning ocean incineration of hazardous waste.
SD-406

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1986 for the National Endowment of the Arts and the National Endowment for the Humanities.
SD-430

JUNE 20

9:30 a.m.

Labor and Human Resources
Aging Subcommittee
To hold hearings on the diagnosis and treatment of osteoporosis.
SD-430

Veterans' Affairs
To hold oversight hearings on the Administration's proposed health care policy changes.
SR-418

10:00 a.m.

Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 816, to establish the Pine Ridge Wilderness and Soldier Creek Wilderness in the Nebraska National Forest.
SD-342

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume oversight hearings on issues relating to groundwater protection.
SD-406

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1986 for the National Endowment of the Arts and the National Endowment for the Humanities.
SR-485

JUNE 24

2:00 p.m.

Finance
Social Security and Income Maintenance Programs Subcommittee
To hold oversight hearings on the implementation of the Adoption Assistance and Child Welfare Act (P.L. 96-272), and on proposals to modify the foster care and adoption assistance program.
SD-215

JUNE 25

9:30 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To resume hearings on proposed amendments to S. 100, the Product Liability Act.
SD-253

Labor and Human Resources
To hold oversight hearings to examine certain barriers to adoption.
SD-430

Veterans' Affairs
Business meeting, to meet, to consider, proposed reconciliation legislation on the budget.
SD-418

10:00 a.m.

Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

JUNE 26

10:00 a.m.

Select on Indian Affairs
To hold hearings on S. 902, to establish federal standards for gaming activities on Indian lands.
SD-628

JUNE 27

10:00 a.m.

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings to examine the problem of drugs in the military.
SD-430

JULY 10

9:30 a.m.

Labor and Human Resources
To resume oversight hearings to examine certain barriers to adoption.
SD-430

10:00 a.m.

Environment and Public Works
Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Aid Highway Program.
SD-406

JULY 11

10:00 a.m.

Environment and Public Works
Transportation Subcommittee
To continue hearings on proposed legislation authorizing funds for the Federal Aid Highway Program.
SD-406

JULY 15

9:30 a.m.

Finance
International Trade Subcommittee
To hold hearings on S. 660, the Textile and Apparel Trade Enforcement Act.
SD-215

2:00 p.m.

Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 16

9:30 a.m.

Labor and Human Resources
To hold oversight hearings to examine U.S. relations with the International Labor Organization (I.L.O.).
SD-430

10:00 a.m.

Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 17

9:00 a.m.

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.

Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings to review Environmental Protection Agency regulations concerning ocean incineration of hazardous waste.
SD-406

JULY 18

10:00 a.m.

Environment and Public Works
Transportation Subcommittee
To resume hearings on proposed legislation authorizing funds for the Federal Aid Highway Program.
SD-406

JULY 22

2:00 p.m.

Environment and Public Works
Regional and Community Development Subcommittee
To resume hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 25

9:30 a.m.

Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the impact of the Supreme Court's ruling in Garcia vs. San Antonio Metropolitan Transit Authority on the coverage of State and local government employees under the Fair Labor Standards Act.
SD-430

JULY 31

9:30 a.m.

Labor and Human Resources
To hold hearings to examine certain barriers to health care.
SD-430

10:00 a.m.

Environment and Public Works
Transportation Subcommittee
To resume hearings on proposed legislation authorizing funds for the Federal Aid Highway Program.
SD-406

OCTOBER 1

11:00 a.m.

Veterans' Affairs
To hold hearings to review the legislative priorities of the American Legion.
SD-106

CANCELLATIONS

JUNE 6

9:30 a.m.

Veterans' Affairs
To resume oversight hearings on the Veterans' Administration home loan guaranty program.
SR-418

HOUSE OF REPRESENTATIVES—*Tuesday, June 4, 1985*

The House met at 12 o'clock noon.

Rabbi Joshua O. Haberman, Washington Hebrew Congregation, Washington, DC, offered the following prayer:

Creator of all the world:

Thou who hast turned dust into creatures of intelligence, how wondrous is Thy work, how mysterious Thy power which brings order out of chaos! Help us to create order in the affairs of man.

Thou who hast set limits to the forces of nature to keep all things in marvelous balance, help us to cope with the forces of human nature.

Help us distinguish clearly the line between right and wrong; between the interest of the few and the welfare of the many; between the instant gain of today and the larger, lasting good of future years.

Lead us by Thy justice to enact just laws and by Thy mercy to lift up the fallen, feed the hungry, clothe the naked and bring healing to those who suffer.

We thank Thee for all men and women who uphold the public trust with integrity and lead this Nation as faithful servants. May they keep America free, strong, and just. May the Lord grant strength unto His people. May the Lord bless His people with peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. DORNAN of California. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DORNAN of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will inform absent Members.

The vote was taken by electronic device, and there were—yeas 250, nays 144, answered "present" 2, not voting 37, as follows:

[Roll No. 132]

YEAS—250

Ackerman
Addabbo
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Barnard
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Boland
Boner (TN)
Bonior (MI)
Borski
Bosco
Boucher
Breaux
Brooks
Broomfield
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Carper
Carr
Chappell
Coelho
Coleman (TX)
Conyers
Cooper
Coyne
Daniel
Darden
Daschle
de la Garza
DeLay
Dellums
Dicks
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Dwyer
Dyson
Early
Edgar
Edwards (CA)
English
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Foley
Ford (TN)
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Gray (PA)
Green
Guarini
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hertel
Holt
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kemp
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McHugh
McKinney
McMillan
Mica
Mikulski
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pease
Pepper
Perkins
Petri
Pickle
Price
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Rinaldo
Robinson
Roe
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Scheuer
Schneider
Schulze
Schumer
Seiberling
Sharp
Shelby
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith, Robert
Snowe
Snyder
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Weaver
Weiss
Wheat
Whitley
Whitten
Wirth
Wise
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (MO)

NAYS—144

Armey
Badham
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Brown (CO)
Burton (IN)
Callahan
Campbell
Carney
Chandler
Chappie
Cheney
Clay
Coats
Cobey
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis
Derrick
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Durbin
Eckert (NY)
Edwards (OK)
Emerson
Evans (IA)
Fiedler
Fields
Fish
Franklin
Frenzel
Gallo
Gekas
Gilman
Goodling
Gradison
Gregg
Grotberg
Gunderson
Hansen
Hendon
Henry
Hiler
Hillis
Hopkins
Hunter
Hyde
Ireland
Jacobs
Jeffords
Kasich
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Mack
Madigan
Marlenee
McCandless
McDade
McEwen
McGrath
McKernan
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Monson
Moorhead
Nielson
Packard
Parris
Pashayan
Penny
Porter
Pursell
Ritter
Roberts
Roemer
Rogers
Roth
Saxton
Schaefer
Schroeder
Schuette
Sensenbrenner
Shaw
Shumway
Shuster
Sikorski
Siljander
Skeen
Slaughter
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Solomon
Stangeland
Strang
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Vucanovich
Walker
Weber
Whitehurst
Wolf
Young (AK)
Young (FL)
Zschau

ANSWERED "PRESENT"—2

Dymally
Fawell

NOT VOTING—37

Akaka
Boggs
Bonker
Boxer
Byron
Clinger
Collins
Crockett
Dingell
Dixon
Eckart (OH)
Flippo
Florio
Foglietta
Ford (MI)
Fowler
Gingrich
Gray (IL)
Hartnett
Martin (IL)
Martin (NY)
Martinez
McCain
Mitchell
Nichols
Oxley
Ridge
Rodino
Stenholm
Torricelli
Towns
Traficant
Udall
Waxman
Whittaker
Williams
Wilson

☐ 1220

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

H.R. 873. An act to amend title 5, United States Code, to provide that employee organizations which are not eligible to participate in the Federal employees health benefits program solely because of the requirement that applications for approval be filed before January 1, 1980, may apply to become so eligible, and for other purposes.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 144. Joint resolution to authorize the printing and binding of a revised edition of Senate Procedure and providing the same shall be subject to copyright by the author.

The message also announced that pursuant to the provisions of Public Law 86-380, the Vice President appoints Mr. ROTH and Mr. DURENBERGER as members of the Advisory Commission on Intergovernmental Relations.

RABBI JOSHUA O. HABERMAN

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I ask my colleagues to join me in welcoming Rabbi Joshua O. Haberman of Washington as our guest chaplain.

Rabbi Haberman is a distinguished clergyman from the Washington area, where he has served as senior rabbi of the Washington Hebrew congregation for the past 16 years. Rabbi Haberman was born in Austria and began his studies at the University of Vienna, but was forced to continue his education, following the Nazi invasion, in the United States at the University of Cincinnati and the Hebrew Union College in Cincinnati.

Rabbi Haberman has served congregations in Mobile, AL, in Buffalo, NY, and in Trenton, NJ. He was awarded an honorary degree of doctor of divinity by the Hebrew Union College and has received numerous other awards as well. In addition to his work as a professor, author, and lecturer, he has long been a leader in interfaith activities.

On behalf of my colleagues I am honored to welcome Rabbi Haberman to the Chamber today and to thank him for his eloquent prayer and to reiterate my appreciation for his officiating at my recent marriage to Rita Gail Gilman.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

CERTAIN FORMER FLIGHT ENGINEERS OF WESTERN AIRLINES

The Clerk called the bill (H.R. 484) for the relief of certain former flight engineers of Western Airlines.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MEALS ON WHEELS OF THE MONTEREY PENINSULA, INC.

The Clerk called the bill (H.R. 1095) for the relief of Meals on Wheels of the Monterey Peninsula, Inc.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

PERMISSION FOR SUBCOMMITTEE ON FINANCIAL INSTITUTIONS OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT DURING 5-MINUTE RULE ON WEDNESDAY, JUNE 5, 1985, AND THE REMAINDER OF THE WEEK

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Financial Institutions of the Committee on Banking, Finance and Urban Affairs be permitted to sit during proceedings under the 5-minute rule on Wednesday, June 5, and the remainder of the week.

Mr. Speaker, this request has been cleared with the ranking minority member of the committee, the gentleman from Ohio [Mr. WYLIE].

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. WRIGHT. Mr. Speaker, in view of the fact that there is a meeting of the Republican Conference tomorrow morning, and also a meeting of the Democratic caucus, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon tomorrow, rather than at 10 a.m.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 512

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the name of the gentleman from Connecticut [Mr. GEJDENSON] be removed from the list of cosponsors of H.R. 512.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 192

Mr. HUTTO. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Joint Resolution 192.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2600

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of the bill, H.R. 2600.

The SPEAKER. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1401, H.R. 1402, AND H.R. 1403

Mrs. BENTLEY. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of the bills, H.R. 1401, H.R. 1402, and H.R. 1403.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

PREDICTION ON FUTURE OF FEDERAL JUDGE SAM B. HALL, JR.

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, I had the privilege of being present in Marshall, TX, last week for the swearing in as a Federal judge of our former colleague, Sam Hall, from the First District of Texas.

I wanted to take just a moment today to reflect on Sam's 9 years in Congress and to make a prediction on his future as a Federal district judge.

Sam Hall is a true gentleman in every sense of the word. He took his work seriously as a Member of this body, studied the issues carefully and did what he thought was best. During the 4 years that I have served as chairman of the Committee on Organization, Study and Review of the Democratic Caucus, Sam served as one of that committee's most thoughtful members. He helped us deal with some very difficult procedural matters as we fashioned changes in the Democratic caucus rules and the rules of the House.

Sam Hall has the perfect temperament to be a Federal district judge. He is careful and he is evenhanded. And, I would like to make a small prediction about his career on the bench. Like so many men and women before him who have been appointed to Federal judgeships, Sam Hall may surprise the U.S. Senator who recommended him and the President who appointed him. He may not decide every case the way they would like to see them decided.

Sam Hall is a conservative, he will enforce the law as written, and he will do it fairly. Some elements in our society would like to see activist Federal judges who rewrite the laws to fit their particular moral or religious views. These forces of the extreme right may well be disappointed in Sam Hall. He will administer justice consistent with the constitution and do so in an outstanding way.

□ 1230

WATER PROJECTS WOULD ADD PORK TO THE BUDGET

(Mr. PETRI asked and was given permission to address the House for 1 minute.)

Mr. PETRI. Mr. Speaker, tomorrow we are scheduled to debate a bill to add billions of dollars of additional spending to the current fiscal year.

We've just gone through a lot of pain trying to craft budgets for next year and the following years. And all around the country people are asking, "Are the savings in these budgets for real, or is it just blue smoke and mirrors?"

Now here we go, as virtually our next major act, proposing new, added spending for the current fiscal year. While everyone's attention is on the proposed budget cuts in fiscal year 1986, this House is proposing to cram tons of pork into the tail end of fiscal year 1985—while nobody's looking.

The worst part of the supplemental appropriation bill is chapter IV, which would fund 66 new water projects, costing an eventual $4.8 billion.

Whom are we trying to fool? Sooner or later the country will realize that this trick can be pulled every year, and Congress will be left without a shred of credibility.

Supplemental appropriations are supposed to be for emergencies, but there is nothing urgent about these 66 new water projects. Accordingly, I will offer an amendment to strike these projects from the bill.

I urge the support of every Member of this House. There could hardly be a clearer test vote on our commitment to control Federal spending.

NEW STRICT PENALTIES FOR TRAITORS

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, it is difficult for most Americans to comprehend the idea of selling out their own Nation and their patriotism. But, as the competition for high technology in this world of ours has increased in recent years, more individuals have found it profitable to sell out their country. Our national security has been compromised due to the increasing theft of high technology; and as of today, never before have so many people been awaiting trial on charges of espionage against the United States. Now because of the Walker case, who knows to what degree our national security has been endangered for a fast buck.

Death should be the penalty for traitors who jeopardize America's security; however, since 1972, the Supreme Court of the United States has issued a series of rulings which make it clear that it would be a violation of our Constitution to make the death penalty automatic with respect to any crime, espionage included. That is why today I am introducing legislation which would require a judge to impose either the sentence of death or the strictest penalty of true life imprisonment. Under my bill, the sentence for life could not be suspended and the defendant will not be granted a probationary sentence or be eligible for parole.

An individual who sells out his country should be physically removed from society never to return again. That is what my legislation accomplishes.

Presently, the law permits a judge to sentence a defendant in an espionage case either to the death penalty, now unconstitutional, or to life imprisonment, or any term of years. This legislation would add an entirely new sentencing provision which would apply to those individuals who transmit our defense secrets for the advantage of another nation, group, or individual. A judge would no longer be able to sentence an individual to "any term of years" but would have to impose the death penalty or true life imprisonment.

Those who desire to turn their backs on this Nation deserve the strictest of penalties, and those who even contemplate such an act, must know that if they are convicted of having committed espionage their punishment will be certain and irrevocable.

THE DEATH PENALTY FOR TRAITORS

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, I have introduced a bill which has been pending since February to do exactly what the previous speaker wants to accomplish; that is, to apply the death penalty to anybody who would betray our country through an act of espionage or treason.

There is no more reprehensible crime an American citizen can commit than to betray our own Nation. That, in the judgment of everyone in this room, is punishable by death, or should be. Yet we have been struggling for two or three Congresses now to pass a proper death penalty bill. It is the only proper deterrent we have against espionage and treason.

I invite the gentleman who just spoke to join with me in producing a proper bipartisan approach to the restoration of the death penalty in the Federal jurisdiction.

Mr. Speaker, those people who rant and rave about the threat of nuclear war and all the other dangers this country is facing had better face up to the fact that we ought to have this deterrent on the books to prevent destruction from within.

A TRIBUTE TO THE LATE HONORABLE MARK W. HANNAFORD

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, I rise to pay tribute to my predecessor former California Congressman Mark W. Hannaford. Following a 6-month illness, Mark passed away last Sunday at Doctors Hospital in his hometown of Lakewood, CA.

Mark Hannaford was born and educated in the Midwest. His educational accolades included bachelor and master of arts degrees in political science. He went on to become a teacher, first in grammar school and later on in high school. In 1966 he became a political science professor at Long Beach City College. Hannaford served his country as a bombardier in the Army Air Corps during World War II.

The main efforts of his adult professional life were directed toward serving his neighbors and friends as an elected official. Mark Hannaford served on the Lakewood City Council for 8 years, and was twice voted mayor. Congressman Hannaford served in the House of Representatives from 1974 to 1978. As a Member of Congress, Mark Hannaford was referred to as the "de facto spokesman"

for the Sun Belt States. He was the organizer of the Sun Belt caucus, which was formed to counter balance forces which sought to divert Federal funds from the South and West.

Congressman Hannaford and I grew to respect one another during two campaigns as political adversaries. The congressional races between us were very tough, and we went after each other pretty hard. But I believe we did not retain any hard feelings.

Mr. Speaker, today I offer my condolences to Mark Hannaford's wife Sarah, his three children, and three grandchildren. Congressman Hannaford had the respect and admiration of many. His unselfish life serves as a fine example of the rewards of hard work and determination. He will be missed by all of us.

KING HUSSEIN OF JORDAN—A "STATESMAN" SEEKING ARMS

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, beware of "statesmen" seeking arms. That characterization seems to fit Jordan's King Hussein and his efforts last week to put forth a new Middle East peace initiative while he awaits final approval of a request for new advanced military equipment from the United States.

What is most flawed about the King's latest proposal is his dangerously naive assumption about the Palestine Liberation Organization. He contends that the PLO is now prepared to accept those United Nations resolutions which recognize and accept Israel's right to exist. On the basis of his expectations, he is asking Israel to participate in and the United States to back negotiations that involve the PLO.

The idea of PLO participation in future Mideast negotiations should not even be contemplated until they take two basic steps. The first is to make an explicit and unequivocal statement of support for U.N. Security Council Resolutions 242 and 338 and Israel's right to exist. The second step would be the declaration of a ceasefire as a precondition for participation.

The Reagan administration is right to express reservations about the Hussein peace plan. They would also be well served to shelve the King's latest request for military equipment until he demonstrates a commitment to enter into direct negotiations with Israel.

FORM 1099 PAPERWORK RELIEF ACT: AN UPDATE

(Mr. SLAUGHTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLAUGHTER. Mr. Speaker, as the first Member of Congress to introduce legislation to modify the separate mailing requirement for corporations, I want to give an update on the progress of H.R. 1423, the Form 1099 Paperwork Relief Act of 1985.

Twenty-seven of my colleagues from both sides of the aisle have agreed to cosponsor this effort to relieve corporations of this unnecessary and expensive requirement. Businesses of all sizes have contacted my office in support of this legislation, and the support continues to grow.

It has been conservatively estimated that the present provision of the Internal Revenue Code costs publicly owned companies, and consequently their stockholders, at least $20 million to make these separate mailings during the month of January 1985. A large brokerage firm spent almost $900,000 to notify its clients of their dividend earnings last year. The case against the separate mailing requirement gets stronger every day; and the situation can only get worse next year due to the increase in first-class postage rates.

I believe the objectives of the interest and dividend tax compliance law of 1983, of which the separate mailing requirement is a part—namely to assure that interest and dividend payments will be faithfully and accurately reported to the Internal Revenue Service by payees as income—have been fulfilled by other sections of the law; that is by the requirements that payees must provide payors with a taxpayer identification number, certified under penalty of perjury, with significant penalties both for failure to comply with this provision and for failure to report dividend and interest income to the IRS.

I believe, and a steadily increasing group of H.R. 1423 supporters agrees, that the requirement for a separate mailing of 1099 statements adds little or nothing to the increased compliance this measure achieved, and that the unnecessary corporate expense has, in fact, had a modest negative effect on tax revenues.

This separate mailing requirement needs to be modified before businesses are forced to waste over $20 million again next January.

My bill would once again allow corporations to mail out 1099 statements in the same envelope with dividend checks, while continuing to prohibit their inclusion with other extraneous matter likely to be thrown away.

I invite my colleagues to cosponsor H.R. 1423 and strike a blow for simplicity, fairness, and efficiency in our Tax Code, while adding to the code a small piece of badly needed common sense and practicality.

RESTORE MEMORIAL DAY TO MAY 30

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute.)

Mrs. BENTLEY. Mr. Speaker, many people have expressed concern about the tendency in our Nation to neglect our roots and our traditions. Such concerns are quite valid. Last week, a few people observed Memorial Day, May 30.

The major reason that it was only a few was that Memorial Day was an ordinary work day for most people. The Congress in the name of recreation had moved the observance of several of our national holidays to weekends, among them Memorial Day which is now simply, the last Monday in May.

I have introduced a bill to restore Memorial Day to May 30 so that those of us who wish to remember with tangible acts, the sacrifices of all the brave people who made and kept us a great nation, might have the opportunity to do so.

If we wish to retain our traditions and restore our national identity, we can give up celebrating the first Monday of summer. Compared to the debt we acknowledge on Memorial Day, it doesn't seem such a large burden.

LET US NOT GRATUITOUSLY AFFRONT A NATO ALLY

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, scheduled today is a bill under the suspension of the rules having to do with a resolution condemning genocide by the Turks 70 years ago. Well, no one is in favor of genocide, and certainly I would be one of the first to condemn such acts; but I have just returned from the country of Turkey as a member of the Armed Services Committee. Going back 70 years to dredge up the memories and hostilities, the ill will and bad feelings, certainly is not in the best interests of this country at this time. Turkey is one of the strongest allies and friends that we have in NATO. They are strategically placed. We need them as friends. They fought beside us in Korea. They fought and bled and died beside us.

We do not need to gratuitously affront a friend and ally; so I would hope that when the bill comes up today under suspension that the Members of the House will be apprised of what is involved and the sensitivity of the Turks; not to say that we condone genocide, of course not, but to gratuitously affront and insult a friend and ally—for what purpose?

It does not do anyting except work against our best interests; so I would hope that we would vote it down when it comes up today.

KEVIN COLLINS, MISSING, BUT NOT FORGOTTEN

(Mrs. BURTON of California asked and was given permission to address the House for 1 minute.)

Mrs. BURTON of California. Mr. Speaker, on February 10, 1984, Kevin Collins, who had recently celebrated his 10th birthday, disappeared from a street in San Francisco. He remains missing, but not forgotten.

Yesterday Kevin's parents, Dave and Anne Collins of San Francisco, visited me in my office to plea for all possible assistance, not just to find their son, but for all the families of missing children around the Nation.

Despite their heartbreak, they have managed to form the Kevin Collins Foundation in an effort to marshall the financial and emotional resources to find missing children and to prevent further abductions.

Mr. Speaker, I was moved by the Collins' appeal. They are working with State and local law enforcement agencies in California to improve the coordination and cooperation between agencies on reported missing children and they seek more funding for search and prevention activities.

The Collins' came to Washington seeking a grant from the Justice Department for a joint program with the University of California for the study of impacts of missing children on families and family members, a long-neglected and important area of study.

Mr. Speaker, I am tremendously moved by David and Anne Collins' dedication and their courage. I am hopeful that their effort to obtain the grant will be successful and I pray that Kevin will be returned to his family in the very near future.

THE BUDGET CHARADE

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, I think most of us when we were home on the recent recess found the American people are still concerned about deficits and still concerned about the fact that this Congress goes on spending, spending, and spending, with seemingly no end to that spending in sight.

Coming back from that recess, how does Congress respond to the American people? Well, we come up with this bill that will be on the House floor tomorrow. This is a supplemental appropriations bill. Supplemental appropriations is another word to say add-on spending. In other words, it is to increase spending for fiscal year 1985.

Oh, we will be assured that the spending is within the Budget Act and so on. It is add-on spending. There is 13.5 billion dollars' worth of add-on spending for pork barrel projects to feather our own nests to the tune of millions of dollars.

Forty-five of the one hundred and one pages in this bill are in violation of the House rules. So what do we get? We will get rule from the Rules Committee out here on the floor waiving those provisions so that we can violate our own rules in order to spend the money.

We will also probably have a waiver of the Budget Act in there so that the whole exercise that went on for the budget last week will be meaningless with regard to this particular bill.

Of course, what we found out in that budget last week is that we have overspent, to use their own figures, we have overspent our own budgets around here by $157 billion in the last 5 years. This is how we do it and it is about time we stop it.

□ 1250

REINSTATING DEATH PENALTY FOR CRIMES OF TREASON AND ESPIONAGE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, the FBI recently uncovered what could prove to be one of the most serious and extensive cases of espionage against the United States. Three members of the Walker family of Virginia have been charged with spying for the Soviet Union over a period of as many as 18 years. A fourth man has been arrested in the case in California.

This one case is grave enough, but the fact is that we have had more people charged with espionage in the last year than at any time in our Nation's history. The current maximum penalty of life in prison is obviously not enough, and the time has come to make it clear that those convicted of espionage will be punished severely and irreversibly.

Early this year, I introduced H.R. 704 to reinstate the death penalty for crimes of treason and espionage. Anyone who is thinking about doing irreparable harm to the Nation's security will have to think twice with the death penalty hanging over them.

I urge my colleagues to join me in cosponsoring H.R. 704.

BALANCED BUDGET AMENDMENT

(Mr. SILJANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SILJANDER. Mr. Speaker, the State of Michigan could literally change the course of economic history in this country.

So far, 32 States have passed resolutions calling for a balanced budget. Michigan could have been the 33d. The State senate passed the resolution. The State house, by a four-vote narrow defeat, with nine Republicans voting no, defeated the measure. But it could come back again.

Is it not time that America and those of us in the State of Michigan realized we cannot continue to spend, spend, spend. We have a $2 trillion debt, nearly a $1 trillion budget. Even if freezing Social Security and freezing defense were to pass we would still have a $175 billion deficit in 1986. And keep in mind the interest on the national debt is over $220 billion in 1986.

The gentleman from North Carolina, Congressman BILLY HENDON, came to my district and he said that the credit card that Members of Congress own has a trillion dollar limit. That credit card is our voting card. Yes; we in this Congress can vote $1 trillion with this credit card.

I plead with the people of Michigan and the people of Connecticut, who could make the 33d and the 34th States, respectively, please put a limit to our spending. We in Congress seem to be addicted and cannot stop the spending frenzy.

PRAYER IN SCHOOL

(Mr. KINDNESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINDNESS. Mr. Speaker, it is with some concern that I call to the attention of the House the action of the Supreme Court of the United States in announcing today the decision in the case of Wallace, Governor of Alabama and others, against Jaffree and others, a case in which the Court has decided that an Alabama statute which authorizes or allows a 1-minute period of silence in all public schools for meditation or voluntary prayer is unconstitutional.

The Court is quite divided in its opinion on the case. There are a majority of five Justices concurring. In the majority, however, one of them files a separate concurring opinion and another concurring opinion by an additional Justice, with the Chief Justice and two other Justices dissenting.

In one of the dissents the Chief Justice says with regard to the majority opinion, "To suggest that a moment of silence statute that includes the word 'prayer' unconstitutionally endorses religion, while one that simply provides for a moment of silence does not, manifests no neutrality but hostility toward religion," and, indeed, that seems to be the gist of the majority opinion.

It brings home, Mr. Speaker, to us the importance of our effort here in the House to present a constitutional amendment which would allow voluntary prayer, which would allow the exercise of our first amendment right of free speech as well as religion.

The establishment clause is in the first amendment. The arguable concept of separation of church and state is not in the first amendment, is not in the Constitution. That is the basis for the majority's opinion in this case, a sadly mistaken and long continued mistake.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
June 4, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 9:50 p.m. on Monday, June 3, 1985 and said to contain a message from the President transmitting documents extending the waiver authority under section 402 of the Trade Act of 1974 for the Hungarian People's Republic, the People's Republic of China, and the Socialist Republic of Romania.

With kind regards, I am,
Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

DOCUMENTS EXTENDING WAIVER AUTHORITY UNDER SECTION 402 OF THE TRADE ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-75)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, June 4, 1985.)

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5 of rule I, the Chair announces he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has been concluded on all motions to suspend the rules.

The Chair will note also that he had earlier informed certain Members that he intended to postpone votes until tomorrow in lieu of the fact that Members were overseas.

But in view of the fact that the committee in question is back, the Chair has changed that decision and has notified both sides of the aisle that the votes will take place today.

DEFERRAL OF WHEAT REFERENDUM

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1614) to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1986, as amended.

The Clerk read as follows:

H.R. 1614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 336 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1336) is amended by striking out the last sentence and inserting in lieu thereof the following: "Notwithstanding any other provision hereof, the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1986, shall not be conducted before thirty days after adjournment sine die of the first session of the Ninety-ninth Congress.".

The SPEAKER pro tempore (Mr. KILDEE). Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 20 minutes, and the gentleman from Montana [Mr. MARLENEE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1614 will postpone—until 30 days after adjournment sine die of the first session of the 99th Congress—the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1986.

I urge my colleagues to join me in voting for this measure because it will avoid a costly, confusing, and needless exercise.

BACKGROUND

The law currently in effect with respect to the Department of Agriculture's wheat program, enacted as part of the Agriculture and Food Act of 1981 and applicable to the 1982 through 1985 crops of wheat, suspends the applicability of the wheat quota and referendum provisions of the Agricultural Adjustment Act of 1938 to those crops of wheat.

In fact, these provisions of the 1938 act have been suspended and supplanted by wheat program provisions contained in periodic omnibus farm bills for every crop since 1965. However, without enactment of new legislation or an extension of the 1981 act, the program for the 1986 crop of wheat will be governed by the Agricultural Adjustment Act of 1938.

Under section 332 of the 1938 act, if the Secretary of Agriculture determines that the total supply of wheat in a marketing year, in the absence of a marketing quota program, will likely be excessive, he must proclaim a quota applicable to the marketing year not later than April 15 of the calendar year preceding the year in which the marketing year starts. On April 12, 1985, Secretary Block announced a marketing quota applicable to the 1986 crop of wheat under section 332.

Because the quota for 1986 has been proclaimed, under section 336 of the 1938 act, a referendum on the quota must be held by August 1, 1985, to determine whether producers favor or oppose imposition of the quota.

NEED FOR THE LEGISLATION

Congress is now considering an omnibus farm bill to govern the 1986 and succeeding crops of wheat and other commodities. The wheat program under the new farm bill, once enacted, will take the place of the out-of-date provisions that will be the subject of the referendum; so, it is just good common sense to delay the referendum.

That is what H.R. 1614 will do. It will require the Secretary of Agriculture to defer conducting the 1986 wheat referendum under the 1938 act until Congress has had the opportunity to complete action on the 1985 farm bill. Specifically, the bill will postpone the referendum until 30 days after the adjournment sine die of the first session of the 99th Congress.

Since the conducting of the referendum would involve substantial outlays, perhaps as much as $1 million, enactment of H.R. 1614 will ensure that the outlay of funds is not made unless needed.

Further, since the wheat program under the 1938 act bears little relation to current realities, the referendum would not give our wheat producers a fair choice to vote on.

Therefore, I urge adoption of the measure.

Mr. Speaker, I yield such time as he may consume to the distinguished majority whip, the chairman of the subcommittee which handled this legislation, the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. I thank the distinguished chairman of the full committee.

Mr. Speaker, similar legislation has been enacted on several occasions in the past to postpone the otherwise required national wheat referendum.

The last such wheat referendum provided for in the Agricultural Adjustment Act of 1938 was conducted in 1965, 20 years ago, and was resoundingly rejected by wheat producers at that time. On those occasions when reauthorization of the omnibus farm bill has been considered since 1965, legislation has been adopted to postpone the wheat referendum so as not to require the Secretary to hold such a referendum by August 1 of the year previous to the marketing year for which the referendum is conducted.

This particular year, however, the committee has been advised of the Department's objection to a postponement. The Secretary, in effect, has indicated his desire to conduct the referendum.

It was the judgment of the subcommittee and the full committee that the wheat referendum would serve no purpose. Accordingly, by a strong bipartisan, indeed unanimous vote, it was decided to adopt this legislation, first in the form of the postponement and then, because of the acceptance of an amendment offered by the gentleman from Kansas [Mr. GLICKMAN]. The legislation now prohibits the holding of the referendum until after the Congress adjourns this year.

Having thus evolved, the bill now comes before the House in an amended form prohibiting the Secretary from conducting such a referendum.

The referendum itself is now a question which is no longer a relevant one in terms of the development of farm programs; it is based on a 1938 act which provides for a judgment on the part of farmers as to whether they want to submit to mandatory marketing quotas on a much smaller production base. It is almost universally conceded that the referendum would be rejected by the wheat producers. But beyond the waste of time and manpower and money involved in holding the referendum, it offers no instruction to the Congress or any assistance in the development of farm programs. Accordingly, I would strongly urge my colleagues to agree to the motion of the gentleman from Texas to suspend the rules and to adopt this bill.

I thank the gentleman from Texas for yielding.

The SPEAKER pro tempore (Mr. KILDEE). The gentleman from Montana [Mr. MARLENEE] is recognized.

Mr. MARLENEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1614 as reported by the Committee on Agriculture provides for the extension of time for conducting a referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1986.

The referendum shall not be conducted until 30 days after adjournment sine die of the 1st session of the 99th Congress. That is a part of the language of the bill. As I have stated publicly on numerous occasions, a national wheat referendum is unnecessary, frustrating and confusing.

Now, under permanent law the referendum would be necessary if Congress fails to approve a new 4-year farm bill in 1985. The law calls for a nationwide referendum of wheat growers who would vote to accept a 1986 Wheat Program calling for a 54-million-acre allotment—substantially below current production levels. The referendum would be a nightmare to administer, and would be especially confusing and frustrating at the local level. We have some 3,000 local ASCS offices who would have to deal with this particular referendum to say nothing of the numerous farmers and agricultural producers who would have to participate.

The cost would be substantial, some $7 million, and that would not include the cost of the producer's time. The producers do not want a referendum, they do not need a referendum. The bill provides that the referendum cannot be conducted until 30 days after Congress adjourns in 1985. Congress has an adjournment target date of November 1.

I would remind the Members of the Congress that in a letter in 1981 the Department of Agriculture recommended postponing the referendum until October 15, 1981, which is 45 days earlier than the present legislation provides for.

So I would recommend that we pass this legislation and proceed with marking up a farm bill that is both beneficial to the producer and beneficial to the taxpayer.

H.R. 1614 provides the opportunity to send a clear signal that the wheat referendum is simply bad policy. I strongly urge my colleagues to support this measure mandating the Secretary of Agriculture to postpone the scheduled July 19-26 wheat referendum.

Mr. Speaker, I ask unanimous consent to enter into the RECORD a letter of May 31, 1985, from the Department of Agriculture that says that the Department strongly opposes enactment of this bill. In spite of that I think we should go ahead.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, May 31, 1985.

Hon. E (KIKA) DE LA GARZA,
Chairman, Committee on Agriculture, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is in reply to your request for a report on H.R. 1614, a bill "To extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1986."

The Department strongly opposes the enactment of this bill.

H.R. 1614, as reported by the Committee on Agriculture, provides for the extension of time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1986. The referendum shall not be conducted before thirty days after adjournment sine die of the 1st Session of the 99th Congress.

A delay in holding the referendum would postpone wheat producer decisions as to 1986 crop plantings. We believe most producers would consider the early announcement of a marketing quota and acreage allotment program preferable to a late announcement since this would avoid misunderstandings, dispel rumors as to program content, and avoid costs and probably errors which would be incurred in implementing a program at the last minute.

Producers have frequently complained that enactment of major farm legislation has always been too late to allow adequate planning for the next year's crop. If the referendum is conducted to determine whether a marketing quota and acreage allotment program will be in effect for wheat producers will have the benefit of knowing what the program will be and will have the opportunity to make contingency plans on that basis should no new legislation be enacted.

If the referendum is postponed now and no new legislation is enacted, producers would be left in a quandary until such time as the legislative issue was resolved. Further, if at the last moment (adjournment sine die of the 1st Session of the 99th Congress) no new legislation is enacted, it would be virtually impossible to then implement the mandated statutory requirements of the Agricultural Adjustment Act of 1938 involving marketing quotas and acreage allotments without severe hardship on the part of winter wheat producers.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

JOHN R. BLOCK.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I was just reading the Legislative Digest on this particular bill. I do notice that the administration opposes the legislation.

Can the gentleman give us some explanation as to why the administration does not agree with the position that evidently the majority and minority have taken on this bill?

Mr. MARLENEE. Well, the administration's position is outlined in the letter. They say a postponement of the referendum would not give producers enough time to make the planting decisions, and they mention that producers have frequently complained that enactment of major farm legislation has always come too late to allow adequate planning for next year's crop.

Yet I would remind my colleague from Pennsylvania that on May 18, 1981, they wrote a letter to the Speaker, THOMAS "TIP" O'NEILL, recommending that we pass similar legislation. So there seems to be some conflict here from the earlier legislation to this legislation on their position.

Mr. WALKER. If the gentleman would yield further, but I think that the gentleman is basing that on the fact that our proposed date of adjournment is November 1. However, there is a good deal of talk because of the tax bill that we might go to Christmas. If that is the case, then we would be in a considerably different situation, would we not, than an October 15 date compared to a January 1, perhaps, date, or January 15 date?

Mr. MARLENEE. That might well be. But I think that this Congress and particularly the Agriculture Committee and this House of Representatives will pass permanent legislation by the time that we adjourn that will make null and void any referendum that would take place. For the sake of the producer, for the sake of this country, I hope we pass comprehensive agricultural legislation.

Mr. WALKER. If the gentleman would yield once again.

Mr. MARLENEE. I am happy to yield further.

Mr. WALKER. I hope the gentleman's optimism can be sustained but I am also hearing that passage of a farm bill may indeed be very difficult particularly getting it through both Houses of Congress by the end of this year, that we may get a farm bill at some point in this Congress but it may not take place this year.

I am left a little bit confused here about what the dates are because we are providing a fairly indefinite kind of arrangement; if it is dependent upon the farm bill which may or may not happen this year and it is dependent on the sine die adjournment of Congress which may or may not take place on November 1. It seems to me at that point the administration has some legitimate concerns as to whether or not the wheat farmers are going to have enough information in order to get their crops planted in a timely manner. The gentleman is far more expert in the business of farming than I am.

Mr. MARLENEE. Regaining my time, this is exactly why we need to pass farm legislation out of the House of Representatives and out of the U.S. Congress, both the Senate and the House.

In addition, I bring up, with reluctance, the rumor that the administration would like to have a referendum to be used for blackmail purposes in forcing us into legislation that would be unpalatable both to the U.S. Congress and to the producers themselves. And I would not like to pursue that any further but that seems to be the intent of some of the letters that we are getting and some of the signals we are getting from the Department of Agriculture.

Mr. WALKER. If the gentleman would yield further.

Mr. MARLENEE. I am happy to yield further.

Mr. WALKER. I just wanted to get something clear in my own mind here because, as I say, it does not say anything in the administration view that I am reading in the Legislative Digest anything about blackmailing, but it does say they want to make certain that we have proper information to enable the wheat farmers to make informed planning decisions for the 1986 crop. Is the gentleman's assurance to the body that in fact that is not a danger, that the administration's position on this is ludicrous and that we are not faced with that kind of a choice?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. MARLENEE. I am happy to yield to my colleague and chairman of the subcommittee.

Mr. FOLEY. I thank the gentleman for yielding.

Mr. Speaker, in response to the gentleman from Pennsylvania's question, in order to provide enough time for farmers to make a decision for planning purposes in winter wheat country you would have to make the decision within a matter of weeks. The fact that the administration said 4 years ago that the referendum was unnecessary and estimated its cost at that time at $4.8 million; now $4.8 million is not a huge sum, unfortunately, as Congress appropriates the money, and the gentleman knows. But if it is unnecessary, if it accomplishes no purpose, it serves no advantage to wheat farmers, to the administration, to the conduct of the programs and it seems obvious to us that it ought to be dispensed with.

That is the reason that this bill has been brought today.

I share the gentleman's concern about the administration's position because we have been unable, I think on both sides of the aisle, to really determine why the administration is determined to go ahead with such a costly and unnecessary activity.

□ 1310

Mr. MARLENEE. Reclaiming my time, I would say also to the gentleman that we are working most diligently to complete legislation for the 1986 farm bill, legislation that would be beneficial to the farmers, and that would come in under budget. It is no easy task. We are meeting this week, and next week; we had met prior to the Memorial Day recess and will continue to meet until we hammer out legislation that will be of benefit and that will come in with the budget savings that have been promised by both the chairman and by myself.

As a matter of fact, the chairman today exhorted the committee, admonished them, to keep this legislation under budget and to proceed expeditiously with the legislation. So we are working at that, and I give the gentleman assurances that this member, as ranking member on the Wheat Subcommittee will do everything that he can to see that the process is complete in time for planning.

Mr. WALKER. Will the gentleman yield again?

Mr. MARLENEE. I would be happy to yield to the gentleman.

Mr. WALKER. I thank the gentleman for continuing to yield. I see by it again, the same digest, that there are no significant costs associated with the passage of this bill.

Do I understand that if in fact we would not pass this bill that there would be a cost of $4.8 million associated with failing to pass this bill. Is that correct?

Mr. MARLENEE. Failing to pass this bill would incur the cost of administering the referendum.

Mr. WALKER. In other words, it is not going to cost us any money to pass the bill, but if we do not pass the bill we are going to have a referendum that will cost $4.8 million, at least.

Mr. MARLENEE. We are going to have a referendum that will cost some money; that is correct.

Mr. WALKER. That is good enough for me. I thank the gentleman.

The SPEAKER pro tempore. The gentleman from Montana has consumed 10 minutes.

Mr. MARLENEE. Mr. Speaker, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas [Mr. GLICKMAN], a member of the committee.

Mr. GLICKMAN. Mr. Speaker, I urge support for this bill. Without this bill and the deferral of the referendum, producers vote on a system based on the Agricultural Adjustment Act of 1938. There are proposals before the Committee on Agriculture calling for producer referendum. Those proposals, however, set choices based on the conditions of the 1980's, not the 1930's.

Also, those proposals would apportion votes according to existing growing patterns, unlike the impending referendum which the administration seems to want, which disenfranchises many farmers who now grow wheat and enfranchises farmers who have long since left the business.

No matter what kind of farm program you favor, I think you will agree that it should be based on present circumstances, not ones nearly 40 years old. I think farmers share that view, also.

No one expects that the referendum, which is contemplated by this bill, would receive the two-thirds necessary for approval. The outdated system of mandatory quotas and acreage allotments plus the skewed voter pattern virtually guarantee defeat. That does not mean, however, that the current farm program would continue.

If the referendum is held and defeated, as is likely, so-called permanent law would take effect in the absence of new farm legislation, and that permanent law would be most discriminatory against the wheat farmers of this country.

As my colleague from Washington stated, the Department of Agriculture opposes this bill, but my colleagues also ought to be aware that in 1981, when faced with the same situation, Agriculture Secretary Block called the referendum an almost certainly needless and somewhat costly exercise, and recommended enactment of legislation delaying the referendum.

I am not sure, Mr. Speaker, why the Secretary of Agriculture wants to have this referendum when it will cost millions of dollars to conduct and when its results are already known right now is a mystery to me, but whatever his reasons are, this bill ought to be passed and the referendum ought to be postponed.

Mr. MARLENEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I enter into the RECORD a letter of May 18, 1981, to the Honorable THOMAS P. O'NEILL, JR., from the Department of Agriculture, from the Secretary of Agriculture, regarding the request for postponement:

OFFICE OF THE SECRETARY,
Washington, DC, May 18, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Enclosed for the consideration of the Congress is a bill "To extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1982."

The Department recommends enactment of this legislation.

This legislation is needed to avoid USDA's having to conduct a wheat referendum on August 1, 1981. In such a referendum, producers would vote yes or no on the question of whether a marketing quota should be in effect for the 1982 crop of wheat. When the final version of the 1981 farm legislation is passed, wheat marketing quotas will probably not be required. However, should the 1981 farm legislation not pass by August 1, the Department would be required, under the Agricultural Adjustment Act of 1938, to conduct the referendum—an almost certainly needless and somewhat costly exercise. The Department estimates that the total cost of preparing for and conducting the referendum would be about $4.8 million.

The proposed legislation is similar to P.L. 95-48, passed June 17, 1977, which postponed the wheat referendum that was scheduled for August 1, 1977.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

A similar letter has been sent to the President of the Senate.

Sincerely,

JOHN R. BLOCK,
Secretary.

Mr. Speaker, I yield back the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I would like to give an example to the Members before I close. Having this referendum on wheat as stipulated in the 1938 act would be comparable to having a referendum today on whether to terminate World War II, and only persons living at that time would be eligible to vote. That would be about what we would be doing if we went on with a wheat referendum.

I would urge the Members to support passage of the bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. DE LA GARZA] that the House suspend the rules and pass the bill, H.R. 1614, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REDUCTION OF COSTS OF PRESIDENTIAL LIBRARIES

Mr. ENGLISH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1349) to reduce the costs of operating Presidential libraries, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1349

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUITABILITY OF BUILDING AND EQUIPMENT FOR PRESIDENTIAL ARCHIVAL DEPOSITORY.

(a) REQUIREMENT FOR CERTIFICATION OF SUITABILITY.—Subsection (a) of section 2112 of title 44, United States Code, is amended by inserting at the end of the five indented clauses of the second paragraph of such subsection the following new clause:

"(F) a certification that such building and equipment (whether offered as a gift or made available without transfer of title) comply with minimum standards prescribed by the Archivist relating to suitability for use for archival purposes.".

(b) CLERICAL AMENDMENTS.—Subsection (a) of section 2112 of title 44, United States Code, is further amended—

(1) by inserting "(1)" after "(a)" in the first paragraph of such subsection;

(2) by inserting "(A)" after "public interest he may" in such paragraph;

(3) by inserting "(B)" after "archives system; and" in such paragraph;

(4) by designating the second paragraph of such subsection as paragraph (2) and by designating the five indented clauses in such paragraph as clauses (A) through (E), respectively;

(5) by striking out "and" at the end of the clause so designated as clause (D), by striking out the period at the end of the clause so designated as clause (E) and inserting in lieu thereof "; and"; and

(6) by designating the third paragraph of such subsection as paragraph (3).

SEC. 2. GIFTS AND BEQUESTS FOR THE SUPPORT OF PRESIDENTIAL ARCHIVAL DEPOSITORIES.

(a) AUTHORITY TO SOLICIT GIFTS.—Subsection (g) of section 2112 of title 44, United States Code, is amended by striking out "accept gifts or bequests of money or other property" and inserting in lieu thereof "solicit and accept gifts or bequests of money or other property".

(b) DEPOSIT AND USE OF GIFT PROCEEDS.—Subsection (g) of such section is further amended—

(1) by inserting "an account in" before "the National Archives Trust Fund"; and

(2) by striking out "including administrative and custodial expenses as the Archivist determines" and inserting in lieu thereof "for the same purposes and objects, including custodial and administrative services for which appropriations for the maintaining, operating, protecting, or improving Presidential archival depositories might be expended".

(c) REQUIREMENT OF ENDOWMENT TO SUPPORT BUILDING OPERATIONS.—Subsection (g) of such section is further amended—

(1) by inserting "(1)" after "(g)"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) The Archivist shall provide for the establishment in such Trust Fund of separate endowments for the maintenance of the land, buildings, and equipment of each Presidential archival depository, to which shall be credited any gifts or bequests received under paragraph (1) that are offered for that purpose. Income to each such endowment shall be available to cover the cost of building operations, but shall not be available for the performance of archival functions under this title.

"(3) The Archivist shall not accept or take title to any land, building, or equipment under subsection (a)(1)(A), or make any agreement to use any land, building, or equipment under subsection (a)(1)(B), for the purpose of creating a Presidential archival depository unless the Archivist determines that there is available, by gift or bequest for deposit under paragraph (2) in an endowment with respect to that depository, an amount for the purpose of maintaining such land, buildings, and equipment equal to at least 20 percent of the sum of—

"(A) the total cost of acquiring or constructing such buildings and of acquiring and installing such equipment; and

"(B)(i) if title to the land is to be vested in the United States, the cost of acquiring the land upon which such buildings are situated, or such other measure of the value of such land as is mutually agreed upon by the Archivist and the donor; or

"(ii) if title to the land is not to be vested in the United States, the cost to the donor of any improvements (other than such buildings and equipment) to the land upon which such buildings are situated.".

(d) EFFECTIVE DATE OF ENDOWMENT REQUIREMENTS.—Paragraph (3) of section 2112(g) of title 44, United States Code, as added by subsection (c) of this section, shall apply with respect to any Presidential archival depository created as a depository for the papers, documents, and other historical materials and Federal records pertaining to any President who takes the oath of office as President for the first time on or after January 20, 1985.

SEC. 3. STUDY OF MUSEUM OF THE PRESIDENTS.

(a) STUDY BY ARCHIVIST.—The Archivist of the United States, in consultation with the Secretary of the Smithsonian Institution and the Chairman of the National Capital Planning Commission, shall study the demand for, and the cost, and space and program requirements of, establishing a museum of the Presidents. With respect to such costs, the study shall examine the feasibility of establishing and operating such museum exclusively with non-Federal funds.

(b) COOPERATION OF OTHER FEDERAL AGENCIES.—Each Federal agency shall cooperate with the Archivist in conducting the study required by subsection (a).

(c) SUBMISSION OF RESULTS OF STUDY.—In the annual report for fiscal year 1986 required by section 2106 of title 44, United States Code, the Archivist shall include a statement of the results of the study required by subsection (a) and any recommendations of the Archivist with respect to establishing such a museum.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Oklahoma [Mr. ENGLISH] will be recognized for 20 minutes and the gentleman from Ohio [Mr. KINDNESS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Oklahoma [Mr. ENGLISH].

Mr. ENGLISH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the cost of keeping our former Presidents has received a great deal of attention in recent years, and rightfully so. The cost has grown from $64,000 in 1955 to an estimated $27 million for the current year. One element of that cost, the Presidential library system, is addressed in H.R. 1349.

Mr. Speaker, before I talk about the money-saving aspects of H.R. 1349, I would like to make a point about Presidential libraries: To characterize Presidential libraries as simply serving to aggrandize former Presidents—as a perquisite—perk—in the same sense as office space, staff allowances, and mailing privileges may well be inappropriate. While the libraries frequently have an associated museum, they do serve as depositories for documents pertaining to the service and life of Presidents. Consequently, Presidential libraries are a valuable link in the chain of our Nation's rich documentary heritage, and the public is the primary beneficiary.

Nevertheless, while these libraries are built with private funds, once donated to the Federal Government, they do cost money to operate; and, this cost is borne entirely by the taxpayer. It behooves us, therefore, to do what we can to limit the burden on the taxpayer of operating future, and to the extent possible, current, Presidential libraries.

The bill before you would accomplish this by shifting the burden of ongoing operating costs for future libraries from the taxpayer to endowment funds required to be provided by the same private parties who build and donate library buildings.

H.R. 1349 requires that the gift of a Presidential library be accompanied by an endowment equal to at least 20 percent of the cost of constructing and equipping that facility. The earnings from the endowment would then be used to offset building-related operations costs. An endowment would be required for the library of any President taking office for the first time after January 20, 1985.

With respect to existing libraries—of which there are seven—and those not otherwise covered by the 20-percent endowment requirement—the Nixon, Carter, and Reagan facilities—the bill encourages the voluntary establishment of endowments; and, in this regard, requires the establishment of endowment accounts in the National Archives Trust Fund for each such facility.

In a further effort to ensure that new facilities are both efficient to operate and suitable for their principal—archival—purpose, all future Presidential libraries would be required to comply with minimum standards prescribed by the Archivist.

The bill also clarifies the authority of the Archivist to solicit, as well as accept gifts and bequests in support of the Presidential libraries. Finally, H.R. 1349 provides for a study by the Archivist—in conjunction with other interested agencies—of the desirability and feasibility of establishing, exclusively with non-Federal funds, a Museum of the Presidents in Washington. This provision—the only substantive change from H.R. 5584 which was passed by the House last year—was prompted by the concerns of the National Capital Planning Commission over tourist pressures on the White House.

This bill is the product of a lengthy, indepth, and bipartisan examination of the Presidential library system by the Committee on Government Operations; it is virtually identical to the bill passed by the House last year, and I think it represents the best opportunity to limit the burden to the taxpayer with respect to the Presidential library system.

□ 1320

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support H.R. 1349 and urge my colleagues to do so. I ask that we consider this bill in a strictly bipartisan or nonpartisan context.

Thirty years have passed since the Congress enacted the Presidential Libraries Act authorizing the U.S. Government to accept the donation of land, buildings, and equipment for use for Presidential libraries or to enter into agreements with States or other institutions which would make facilities available for use as Presidential libraries.

The law has changed in the meantime. At that time, the condition of the law was that the papers of a President were presumed to be his own personal property. Through the Presidential Libraries Act of 1955, a mechanism was provided to encourage former Presidents to donate there papers to the Federal Government for preservation in facilities that were located around the country.

The law has changed further since that time, with the Presidential Records Act of 1978. That made it clear that the United States shall preserve and retain complete ownership, possession, and control of Presidential records, beginning with the first term of the now current administration. Thus, with the advent of this administration, the U.S. Government acquired all of the responsibilities for ownership of the Presidential records of this and future administrations.

So it is timely, Mr. Speaker, that the Congress act to control the situation, as described by the gentleman from Oklahoma, the chairman of the subcommittee.

I think it is interesting to note that, as stated by the gentleman from Oklahoma, H.R. 1349 is identical to the product passed by the House of Representatives in the last Congress. It was supported by the administration last year. I supported the bill last year because the committee decided to exempt the incumbent President from the endowment requirement.

In a surprising if not offensive communication at the time of our full committee markup this year, the Office of Management and Budget said that that exemption did not go far enough. OMB stated that the incumbent should be exempted from the building standards for archival suitability. Such a suggestion, Mr. Speaker, should not be taken seriously, and I cannot believe that this is in furtherance of the President's wishes. I think something I have seen in print indicates that the administration's position on this measure is that it has no objection to House passage of H.R. 1349 but will seek clarifying amendments in the Senate. I certainly hope and trust that one of the clarifying amendments is not to exempt the current administration from the requirements of the building standards for archival suitability for Presidential libraries.

I might mention also that section 3 of this bill is new this year. I would just like to say for the record that the performance of the study that is called for by section 3 of the bill should not be based on a forgone conclusion. The National Capital Planning Commission has suggested several ideas for museums on the Mall, of which a Presidential museum would have been one. Given the responsibilities of the National Archives, I think it is appropriate that the Archives conduct that study, but I would certainly not think it a foregone conclusion that there should be, with certainty, such a museum established.

Before yielding back, Mr. Speaker, I would like to thank our subcommittee chairman, the gentleman from Oklahoma [Mr. ENGLISH], for the thoughtful, pragmatic, and cooperative approach that he and his staff have taken with respect to this issue which has brought us to this point today.

Mr. ENGLISH. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. BROOKS], the outstanding chairman of the Government Operations Committee.

Mr. BROOKS. I thank the gentleman for yielding time to me.

Mr. Speaker, I want to commend the chairman, the gentleman from Oklahoma [Mr. ENGLISH], and the gentleman from Ohio [Mr. KINDNESS], the Republican counterpart, on their fine work on this bill and to say that I am pleased to rise today in support of H.R. 1349. This bill will establish a procedure for funding part of the operational costs of future Presidential libraries, by requiring that endowments for such libraries be donated for deposit in the National Archives Trust Fund. The bill also would create similar endowments for existing Presidential libraries and specify that the income to each endowment be applied to the building operations costs of that particular library. Further, all future Presidential libraries will be required to comply with minimum standards laid down by the Archivist of the United States.

Mr. Speaker, this bill is a modest and sensible effort to get control of the operations costs of Presidential libraries. It will shift part of the burden of building operations costs for future libraries from the taxpayer to endowment funds provided by the private parties who build and donate Presidential library buildings. In addition, H.R. 1349 provides for a study by the Archivist, in conjunction with other agencies, of the desirability and feasibility of establishing a museum of the Presidents to be supported with non-Federal funds.

Mr. Speaker, H.R. 1349 is a worthwhile and prudent measure, and I hope that we will act favorably upon it today.

● Mr. OWENS. Mr. Speaker, let me first of all congratulate the capable gentleman from Oklahoma for his effective leadership in handling this legislation and managing its hopeful passage today.

I rise today in support of H.R. 1349 which begins the process of shifting the financial burden of Presidential libraries from the taxpayer to the private sector. This legislation would also further improve the preservation and management of Presidential records. These institutions for the last three decades now have made a valuable contribution to our Nation's history by providing appropriate archival services. While the Presidential Library Act of 1955 provided a structured process for insuring that the papers of Presidents would be properly preserved, we have, however, experienced a tremendous growth in cost to maintain these libraries. Unlike other perks former Presidents receive such as Secret Service, staff assistants and generous office allowances and pensions, libraries are not really frills but a wise investment for present and future generations. As the only elected librarian in the Congress, it is with pride and in sincerity that I make the claim that Presidential libraries contribute to our Nation's cultural and historical wealth.

Since the system's inception, the initial appropriation of less than $70,000 has skyrocketed. The cost of operating these institutions is nearly $2 million each library or $14 million in fiscal year 1984, an increase that is 250 times the Congress' initial investment. With the completion of the Nixon, Carter, and Reagan Libraries, the cost is expected to reach $20 million annually.

It is right that this Congress in the midst of an alarming deficit confront the ever-increasing cost associated with Presidential libraries. It is right at a time when this administration seeks to savagely reduce Federal support of public libraries in the name of economy that this Congress should also apply the brakes to escalating cost regarding these libraries. H.R. 1349 enables us to finally develop a process which would hold down cost while not reducing the quality of services. It is only right that this Congress does what is prudent and our duty in these austere times. We have no other option except to limit the cost of Presidential libraries on the taxpayer and to share that cost with those who can afford to contribute. I must say that the bill's flaw is that it should be effective now, not 3 years hence. Any President who talks about deficits and the responsibility of the private sector to absorb costly governmental programs surely should put his "money where his mouth is." The "great communicator" should also show great action and volunteer to advance the effective date of this bill and thus demonstrate to the Nation the practice of his philosophy.

This bill is not only about the establishment of endowments of 20 percent to offset Federal cost for operating Presidential libraries. Additionally, the bill establishes standards governing the planning and design of future Presidential libraries. It further requires the National Archives and Records Service to certify to the Congress that the proposed new projects conform with building and equipment standards appropriate for archival maintenance. Finally this bill would clarify the authority of the National Archives to solicit and receive gifts or bequests.

While the bill's schedule of effect is not consistent with my own timeline, I believe that this bill will be effective in limiting governmental financial support of Presidential libraries and will strengthen these institutions. Again I want to commend the subcommittee chairman for his thoughtful and cooperative work on this legislation.●

● Mr. McCANDLESS. Mr. Speaker, as a member of the Government Operations Committee and a cosponsor of H.R. 1349, I rise in strong support of this legislation. H.R. 1349 will reduce the burden that taxpayers must bear to maintain and operate Presidential libraries.

When Congress passed the Presidential Library Act of 1955, it was anticipated that each library would cost the Government about $150,000 a year to operate. Last year, the Federal Government spent over $14 million on the seven existing Presidential libraries, and that figure is expected to jump to over $20 million annually when former Presidents Nixon, Ford, and Carter build their libraries.

While Presidential libraries are recognized as being necessary for preserving and maintaining important public papers, H.R. 1349 reflects the view of the committee that, in view of the deficit, Presidents planning to establish libraries must bear more of the responsibility for the upkeep of their libraries.

H.R. 1349 requires all future Presidents to provide for an endowment at least equal to 20 percent of the total costs of the library's physical structure and grounds. The interest from the trust account will be used to defray the costs of the operations of that library.

While the bill is prospective, and applicable only to Presidents after

Ronald Reagan, it is my hope that President Reagan and former Presidents Nixon, Ford, and Carter will voluntarily abide by the provisions of this legislation.

H.R. 1349 is quite modest in terms of deficit reduction. It is, however, symbolic that Congress is willing to address some of the "frills" that have been added to the Federal budget and which, collectively, do have a direct impact on the deficit. Therefore, I urge my colleagues to support H.R. 1349.●

● Mr. HORTON. Mr. Speaker, I rise in support of H.R. 1349.

Mr. Speaker, the National Archives and Records Administration currently operates seven Presidential libraries, each of which is located in a community which a President called home at one time or another in his life. These libraries are vital repositories for the preservation of the documentary history of the periods in which the Presidents served their country. Not only historians, but also persons from all walks of life, visit these libraries to see firsthand the documents and artifacts that they would otherwise know about only through news media accounts and what they have learned at school.

These libraries are built entirely with donations of private funds. Once they have been built and turned over to the National Archives, regular annual appropriations pay for their operation and maintenance. It now costs the U.S. Government approximately $15 million annually to operate these Presidential libraries and to care for the papers of the Presidents for whom there is no library yet—specifically, Presidents Nixon, Carter, and Reagan.

The Government Operations Committee has long been concerned with the preservation of the papers of our Presidents. We proposed the original Presidential Libraries Act of 1955, and in 1978 recommended the law which provided for permanent U.S. Government responsibility for Presidential records, beginning with the current administration.

In 1982, the committee issued a report which made several recommendations of administrative actions which might be taken with respect to the costs of operating the libraries. One of those recommendations was that the donation of each future Presidential library be accompanied by the donation of a sum of money—an endowment—the income from which would cover the cost of operation and maintenance of that library. The General Services Administration, which was responsible for the Archives at that time, believed that it did not have authority to implement this recommendation. The bill before us now would grant that authority.

H.R. 1349 is substantially similar to legislation which was passed by the House last year and was supported by the administration. The broad bipartisan support for this legislation within the Committee on Government Operations is a direct result of the very thoughtful and cooperative effort put behind this bill by the members. I would especially like to commend the Subcommittee on Government Information, Justice, and Agriculture; its chairman, GLENN ENGLISH; and its ranking minority member, TOM KINDNESS, for the very thorough way in which, over the past several years, they have reviewed the Presidential libraries program and the concerns that have been raised regarding its cost, and then come up with practical and effective recommendations on how to reduce the growth in the cost of the Presidential libraries system of the National Archives.

I commend this measure to my colleagues and urge its passage.●

● Mr. LIGHTFOOT. Mr. Speaker, I rise to indicate my support for requiring the private sector to help defray the expense of operating Presidential libraries.

In 1955, when the Presidential Libraries Act was passed, Congress expected each Presidential library to cost about $150,000 a year. However, in fiscal year 1984 the Federal Government spent over $14 million on the seven existing libraries. When libraries are built for former Presidents Nixon, Ford, and Carter, the cost is expected to exceed $20 million a year. This figure will continue to balloon as new Presidents are continuously added to the program.

I recognize that the Federal Government has a responsibility to preserve Presidential documents and other important public papers for posterity. The Presidential libraries are a good way to provide for this and to honor our former Presidents at the same time.

However, I also believe that Presidents and their supporting sponsors who plan to establish libraries should be required to relieve the taxpayers of some of the financial burden involved.

H.R. 1349 would require an individual or group that has donated land or buildings to contribute an endowment equal to 20 percent of the land and buildings' cost. The interest from this endowment would only help defray the cost of operating the libraries. It does not require full funding from the endowment—in fact, it comes far from it. Instead, H.R. 1349 creates a fair balance of costs according to the responsibilities of the private sector and the Federal Government.

As a nation, the Federal deficit is the greatest problem we are currently faced with. In our attempts to rid ourselves of this burden we can't afford to leave any stones unturned. That's why the passage of H.R. 1349 today is important to each and every American.●

● Mr. YOUNG of Florida. Mr. Speaker, I rise in support of H.R. 1349, legislation to reduce the costs of operating Presidential libraries.

Earlier this year I introduced the Former Presidents' Benefits Containment Act that would among other things reduce the cost to the American taxpayers of Presidential libraries. The legislation we consider today is similar to that I introduced February 21 in calling for the establishment of an endowment prior to construction of these libraries to defray future operating costs. H.R. 1349 also requires, as does my legislation, that Presidential libraries meet minimal architectural and design standards to ensure that Presidential papers are properly preserved and that they contain adequate research facilities.

Although I recognize the historical importance of preserving and maintaining Presidential documents for future generations to study, I am concerned that the American taxpayers are being asked to shoulder an increasing financial burden to cover the operating expenses of these libraries. When Congress authorized the Federal Government in 1955 to operate Presidential libraries donated by private foundations, the estimated cost of operating each library was $150,000. Thirty years later, taxpayers are paying $2 million per year for each of the seven Presidential libraries, with three more libraries scheduled to open in the next few years.

While the legislation I introduced is more comprehensive than H.R. 1349 in also limiting former Presidents' staff, office, travel expenses, communication services, and Federal protection, the legislation we consider today is an important first step in this effort. While I continue to honor and respect those who have served in our Nation's highest office, it is time that we reduce the escalating cost of Presidential libraries. It's my hope that after passage of this measure we soon will consider the other important issues addressed by my legislation.●

● Mr. CLINGER. Mr. Speaker, in this time of soaring Federal budget deficits, it is imperative that we reduce the operating costs of the Federal Government as much as possible without risking important services. One such service, the housing of important documents in Presidential libraries, costs the Federal Government over $14 million annually for the seven existing Presidential libraries. Keeping in mind that these costs are expected to increase significantly when Presidents Nixon, Ford, and Carter build their respective libraries, I wholeheartedly support the Committee on Government Operations' proposal to drastically reduce the enormous costs associated with maintaining the Presidential library facilities.

H.R. 1349 proposes that Presidents be required to contribute to the maintenance costs of the library buildings and properties, thereby relieving the taxpayers of some of the current maintenance burdens. Meanwhile, the National Archives and Records Administration [NARA] will be responsible for the preservation, cataloging, and display of Presidential materials.

Presidents after Ronald Reagan will be required by H.R. 1349 to provide a minimum endowment of 20 percent to the total cost of the library buildings, NARA's required equipment, and the surrounding property. In addition, it is also hoped that Presidents Nixon, Ford, Carter, and Reagan will voluntarily comply with H.R. 1349 if passed. Such actions on the part of the former Chief Executives would allow for savings for the taxpayers, while representing the Federal Government's sincere concern and interest in eliminating excess spending.

While H.R. 1349 may not have an immediate effect on the Federal budget, it is anticipated that substantial savings will be realized for the taxpayers beginning in the 1990's. For this reason, I urge my colleagues to vote for the saving of taxpayers' dollars while simultaneously ensuring the future of our valuable historical documents.●

Mr. KINDNESS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

GENERAL LEAVE

Mr. ENGLISH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 1349.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ENGLISH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oklahoma [Mr. ENGLISH] that the House suspend the rules and pass the bill, H.R. 1349, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

MEDICARE AND MEDICAID PATIENT AND PROGRAM PROTECTION ACT OF 1985

Mr. PICKLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1868) to amend the Social Security Act to protect beneficiaries under the health care programs of that act from unfit health care practitioners, and otherwise to improve the antifraud provisions of that act, as amended.

The Clerk read as follows:

H.R. 1868

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES IN ACT.

(a) SHORT TITLE.—This Act may be cited as the "Medicare and Medicaid Patient and Program Protection Act of 1985".

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this Act an amendment is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

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SEC. 2. EXCLUSION FROM MEDICARE AND STATE HEALTH CARE PROGRAMS.

Section 1128 (42 U.S.C. 1320a–7) is amended to read as follows:

"EXCLUSION OF CERTAIN INDIVIDUALS AND ENTITIES FROM PARTICIPATION IN MEDICARE AND STATE HEALTH CARE PROGRAMS

"SEC. 1128. (a) MANDATORY EXCLUSION.—The Secretary shall exclude the following individuals and entities from participation in any program under title XVIII and shall direct that the following individuals and entities be excluded from participation in any State health care program:

"(1) CONVICTION OF PROGRAM-RELATED CRIMES.—Any individual or entity that has been convicted of a criminal offense related to the delivery of an item or service under title XVIII or under any State health care program (as defined in subsection (h)).

"(2) CONVICTION RELATING TO PATIENT ABUSE.—Any individual or entity that has been convicted, under Federal or State law, of a criminal offense relating to neglect or abuse of patients in connection with the delivery of a health care item or service.

"(b) PERMISSIVE EXCLUSION.—The Secretary may exclude the following individuals and entities from participation in any program under title XVIII and may direct that the following individuals and entities be excluded from participation in any State health care program:

"(1) CONVICTION RELATING TO FRAUD.—Any individual or entity that has been convicted, under Federal or State law, in connection with the delivery of a health care item or service or with respect to any act or omission in a program operated by or financed in whole or in part by any Federal, State, or local government agency, of a criminal offense relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or financial abuse.

"(2) CONVICTION RELATING TO OBSTRUCTION OF AN INVESTIGATION.—Any individual or entity that has been convicted, under Federal or State law, in connection with the interference or obstruction of any investigation into any criminal offense described in paragraph (1) or in subsection (a).

"(3) CONVICTION RELATING TO CONTROLLED SUBSTANCE.—Any individual or entity that has been convicted, under Federal or State law, of unlawful manufacture, distribution, prescription, or dispensing of a controlled substance or other criminal offense relating to a controlled substance.

"(4) LICENSE REVOCATION OR SUSPENSION.—Any individual or entity—

"(A) whose license to provide health care has been revoked or suspended by any State licensing authority, or who otherwise lost such a license, for reasons bearing on the individual's or entity's professional competence, professional conduct, or financial integrity, or

"(B) who surrendered such a license while a formal disciplinary proceeding was pending before such an authority and the proceeding concerned the individual's or entity's professional competence, professional conduct, or financial integrity.

"(5) EXCLUSION FROM FEDERAL HEALTH CARE PROGRAM.—Any individual or entity which has been suspended or excluded from participation, or otherwise sanctioned, under any Federal program, including programs of the Department of Defense or the Veterans' Administration, involving the provision of health care, or under a State health care program (as defined in subsection (h)).

"(6) CLAIMS FOR EXCESSIVE CHARGES OR UNNECESSARY SERVICES AND FAILURE OF CERTAIN ORGANIZATIONS TO FURNISH MEDICALLY NECESSARY SERVICES.—Any individual or entity that the Secretary determines—

"(A) has submitted or caused to be submitted bills or requests for payment under title XVIII or a State health care program containing charges (or, in applicable cases, requests for payment of costs) for items or services furnished substantially in excess of such individual's or entity's customary charges (or, in applicable cases, substantially in excess of such individual's or entity's costs) for such items or services, unless the Secretary finds there is good cause for such bills or requests containing such charges or costs;

"(B) has furnished items or services to patients (whether or not eligible for benefits under title XVIII or a State health care program) substantially in excess of the needs of such patients or of a quality which fails to meet professionally recognized standards of health care;

"(C) is—

"(i) a health maintenance organization (as defined in section 1903(m)) providing items and services under a State plan approved under title XIX, or

"(ii) an entity furnishing services under a waiver approved under section 1915(b)(1), and has failed substantially to provide medically necessary items and services that are required (under law or the contract with the State under title XIX) to be provided to individuals covered under that plan or waiver, if the failure has adversely affected (or has a substantial likelihood of adversely affecting) these individuals; or

"(D) is an entity providing items and services as an eligible organization under a risk-sharing contract under section 1876 and has

failed substantially to provide medically necessary items and services that are required (under law or such contract) to be provided to individuals covered under the risk-sharing contract, if the failure has adversely affected (or has a substantial likelihood of adversely affecting) these individuals.

"(7) FRAUD, KICKBACKS, AND OTHER PROHIBITED ACTIVITIES.—Any individual or entity that the Secretary determines has committed an act which is described in section 1128A or section 1128B.

"(8) ENTITIES CONTROLLED BY A SANCTIONED INDIVIDUAL.—Any entity with respect to which the Secretary determines that a person—

"(A)(i) with an ownership or control interest (as defined in section 1124(a)(3)) in that entity, or

"(ii) who is an officer, director, agent, or managing employee (as defined in section 1126(b)) of that entity—

is a person—

"(B)(i) who has been convicted of any offense described in subsection (a) or in paragraph (1), (2), or (3) of this subsection;

"(ii) against whom a civil monetary penalty has been assessed under section 1128A; or

"(iii) who has been excluded from participation under a program under title XVIII or under a State health care program.

"(9) FAILURE TO DISCLOSE REQUIRED INFORMATION.—Any entity that did not fully and accurately make any disclosure required of it by section 1124 or section 1126.

"(10) FAILURE TO SUPPLY REQUESTED INFORMATION ON SUBCONTRACTORS AND SUPPLIERS.—Any disclosing entity (as defined in section 1124(a)(2)) that fails to supply (within such period as may be specified by the Secretary in regulations) upon request specifically addressed to the entity by the Secretary—

"(A) full and complete information as to the ownership of a subcontractor (as defined by the Secretary in regulations) with whom the entity has had, during the previous 12 months, business transactions in an aggregate amount in excess of $25,000, or

"(B) full and complete information as to any significant business transactions (as defined by the Secretary in regulations), occurring during the five-year period ending on the date of such request, between the entity and any wholly owned supplier or between the entity and any subcontractor.

"(11) FAILURE TO SUPPLY PAYMENT INFORMATION.—Any individual or entity furnishing items or services for which payment may be made under title XVIII or a State health care program that fails to provide such information as the Secretary or the appropriate State agency finds necessary to determine whether such payments are or were due and the amounts thereof, or has refused to permit such examination of its records by or on behalf of the Secretary or that agency as may be necessary to verify such information.

"(12) FAILURE TO GRANT IMMEDIATE ACCESS.—Any individual or entity that fails to grant immediate access, upon reasonable request (as defined by the Secretary in regulations) to any of the following:

"(A) To the Secretary, or to the agency used by the Secretary, for the purpose specified in the first sentence of section 1864(a) (relating to compliance with conditions of participation or payment).

"(B) To the Secretary or the State agency, to perform the reviews and surveys required under State plans under paragraphs (26), (31), and (33) of section 1902(a) and under section 1903(g).

"(C) To the Inspector General of the Department of Health and Human Services, for the purpose of reviewing records, documents, and other data necessary to the performance of the statutory functions of the Inspector General.

"(D) To a State medicaid fraud control unit (as defined in section 1903(q)), for the purpose of conducting activities described in that section.

"(13) FAILURE TO TAKE CORRECTIVE ACTION.—Any hospital that fails to comply substantially with a corrective action required under section 1886(f)(2)(B).

Subject to subsection (d)(2), the Secretary shall exercise the authority under this subsection in a manner that results in an individual's or entity's exclusion from all the programs under title XVIII and all the State health care programs in which the individual or entity may otherwise participate.

"(c) NOTICE, EFFECTIVE DATE, AND PERIOD OF EXCLUSION.—(1) An exclusion under this section or under section 1128A shall be effective at such time and upon such reasonable notice to the public and to the individual or entity excluded as may be specified in regulations consistent with paragraph (2).

"(2)(A) Except as provided in subparagraph (B), such an exclusion shall be effective with respect to services furnished to an individual on or after the effective date of the exclusion.

"(B) Unless the Secretary determines that the health and safety of individuals receiving services warrants the exclusion taking effect earlier, an exclusion shall not apply to payments made under title XVIII or under a State health care program for—

"(i) inpatient institutional services furnished to an individual who was admitted to such institution before the date of the exclusion, or

"(ii) home health services and hospice care furnished to an individual under a plan of care established before the date of the exclusion,

until the passage of 30 days after the effective date of the exclusion.

"(3)(A) The Secretary shall specify, in the notice of exclusion under paragraph (1) and the written notice under section 1128A, the minimum period (or, in the case of an exclusion under subsection (b)(12), the period) of the exclusion.

"(B) In the case of an exclusion under subsection (a)(1), the minimum period of the exclusion may not be less than five years.

"(C) In the case of an exclusion under subsection (b)(12), the period of the exclusion shall be equal to the sum of—

"(i) the length of the period in which the individual or entity failed to grant the immediate access described in that subsection, and

"(ii) an additional period, not to exceed 90 days, set by the Secretary.

"(d) NOTICE TO STATE AGENCIES AND EXCLUSION UNDER STATE HEALTH CARE PROGRAMS.—(1) The Secretary shall promptly notify each appropriate State agency administering or supervising the administration of each State health care program (and, in the case of an exclusion effected pursuant to subsection (a) and to which section 304(a)(5) of the Controlled Substances Act may apply, the Attorney General)—

"(A) of the fact and circumstances of each exclusion effected against an individual or entity under this section or section 1128A, and

"(B) the period (described in paragraph (2)) for which the State agency is directed to exclude the individual or entity from participation in the State health care program.

"(2)(A) Except as provided in subparagraph (B), the period of the exclusion under a State health care program under paragraph (1) shall be the same as any period of exclusion under a program under title XVIII.

"(B) The Secretary may waive an individual's or entity's exclusion under a State health care program under paragraph (1) if the Secretary receives and approves a request for the waiver with respect to the individual or entity from the State agency administering or supervising the administration of the program.

"(e) NOTICE TO STATE LICENSING AGENCIES.—The Secretary shall—

"(1) promptly notify the appropriate State or local agency or authority, having responsibility for the licensing or certification of an individual or entity excluded (or directed to be excluded) from participation under this section or section 1128A, of the fact and circumstances of the exclusion,

"(2) request that appropriate investigations be made and sanctions invoked in accordance with applicable State law and policy, and

"(3) request that the State or local agency or authority keep the Secretary and the Inspector General in the Department of Health and Human Services fully and currently informed with respect to any actions taken in response to the request.

"(f) NOTICE, HEARING, AND JUDICIAL REVIEW.—(1) Any individual or entity that is excluded (or directed to be excluded) from participation under this section (or is denied termination of the exclusion under subsection (g)) is entitled to reasonable notice and opportunity for a hearing thereon by the Secretary to the same extent as is provided in section 205(b), and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g).

"(2) The provisions of section 205(h) shall apply with respect to this section and sections 1128A and 1156 to the same extent as it is applicable with respect to title II.

"(g) APPLICATION FOR TERMINATION OF EXCLUSION.—(1) An individual or entity excluded (or directed to be excluded) from participation under this section (other than under subsection (b)(12)) or section 1128A may apply to the Secretary, in the manner specified by the Secretary in regulations and at the end of the minimum period of exclusion provided under subsection (c)(3) and at such other times as the Secretary may provide, for termination of the exclusion effected under this section or section 1128A.

"(2) The Secretary may terminate the exclusion if the Secretary determines, on the basis of the conduct of the applicant which occurred after the date of the notice of exclusion or which was unknown to the Secretary at the time of the exclusion, that—

"(A) there is no basis under subsection (a) or (b) or section 1128A(a) for a continuation of the exclusion, and

"(B) there are reasonable assurances that the types of actions which formed the basis for the original exclusion have not recurred and will not recur.

"(3) The Secretary shall promptly notify each appropriate State agency administering or supervising the administration of each State health care program (and, in the case of an exclusion effected pursuant to subsection (a) and to which section 304(a)(5) of the Controlled Substances Act may apply, the Attorney General) of the fact and circumstances of each termination of exclusion made under this subsection.

"(h) Definition of State Health Care Program.—For purposes of this section and sections 1128A and 1128B, the term 'State health care program' means—

"(1) a State plan approved under title XIX,

"(2) any program receiving funds under title V or from an allotment to a State under such title, or

"(3) any program receiving funds under title XX or from an allotment to a State under such title.".

SEC. 2. CIVIL MONETARY PENALTIES.

(a) Grounds for Imposition.—(1) Subsection (a)(1) of section 1128A (42 U.S.C. 1320a-7a) is amended by striking out "the Secretary determines" and all that follows through "; or" and inserting in lieu thereof "the Secretary determines—

"(A) is for a medical or other item or service that the person knows or has reason to know was not provided as claimed,

"(B) is for a medical or other item or service and the person knows or has reason to know the claim is false or fraudulent,

"(C) is presented for a physician's service (or an item or service incident to a physician's service) by a person who knows or has reason to know that the individual who furnished (or supervised the furnishing of) the service—

"(i) was not licensed as a physician,

"(ii) was licensed as a physician, but such license had been obtained through a misrepresentation of material fact (including cheating on an examination required for licensing), or

"(iii) represented to the patient at the time the service was furnished that the physician was certified in a medical specialty by a medical specialty board when the individual was not so certified, or

"(D) is for a medical or other item or service furnished during a period in which the person was excluded under the program under which the claim was made pursuant to a determination by the Secretary under this section or under section 1128, 1156, 1160(b) (as in effect on September 2, 1982), 1862(d) (as in effect on the date of the enactment of the Medicare and Medicaid Patient and Program Protection Act of 1985), or 1866(b); or".

(2) Subsection (a)(2)(B) of such section is amended by inserting "(or other requirement of a State plan under title XIX)" after "State agency".

(3) Subsection (a) of such section is further amended by adding at the end thereof the following new sentence: "In addition the Secretary may make a determination in the same proceeding to exclude the person from participation in the programs under title XVIII and to direct the appropriate State agency to exclude the person from participation in any State health care program.".

(4) No civil penalty or assessment may be imposed under section 1128A(a) of the Social Security Act in the case of a claim filed before August 13, 1981, if liability for the amount of the penalty or assessment could not have been imposed with respect to the claim under section 3729 of title 31, United States Code (relating to false claims).

(b) Statute of Limitation on Actions.—Subsection (b)(1) of such section is amended by adding at the end the following new sentences: "The Secretary may not initiate an action under this section with respect to any claim later than six years after the date the claim was presented. The Secretary may initiate an action under this section by personal service or by mailing, by registered or certified mail, the notice required by paragraph (2).".

(c) Conforming Amendment.—Subsections (b), (c), (f), and (g) of such section are each amended by striking out "penalty or assessment" and inserting in lieu thereof "penalty, assessment, or exclusion" each place it appears.

(d) Pro-Rated Payment of Recoveries to State Agencies.—Subsection (e)(1)(A) of such section is amended by striking out "equal to the State's share of the amount paid by the State agency" and inserting in lieu thereof "bearing the same proportion to the total amount recovered as the State's share of the amount paid by the State agency for such claim bears to the total amount paid".

(e) Notice to State Agencies.—Subsection (g) of such section is further amended by inserting "the appropriate State agency or agencies administering or supervising the administration of State health care programs (as defined in section 1128(h))," after "professional organization,".

(f) Application of Subpoena Power and Injunctive Powers.—Such section is further amended by adding at the end the following new subsections:

"(i) The provisions of subsections (d) and (e) of section 205 shall apply with respect to this section to the same extent as they are applicable with respect to title II.

"(j) Whenever the Secretary has reason to believe that any person has engaged, is engaging, or is about to engage in any activity which makes the person subject to a civil monetary penalty under this section, the Secretary may bring an action in an appropriate district court of the United States (or, if applicable, a United States court of any territory) to enjoin such activity, or to enjoin the person from concealing, removing, or encumbering assets which may be required in order to pay a civil monetary penalty if any such penalty were to be imposed or to seek other appropriate relief.".

SEC. 4. CRIMINAL PENALTIES FOR ACTS INVOLVING MEDICARE AND STATE HEALTH CARE PROGRAMS.

(a) Technical Amendments.—Section 1909 (42 U.S.C. 1396h) is amended—

(1) by amending the heading to read as follows:

"CRIMINAL PENALTIES FOR ACTS INVOLVING MEDICARE OR STATE HEALTH CARE PROGRAMS";

(2) in subsection (a)(1), by striking out "a State plan approved under this title" and inserting in lieu thereof "a program under title XVIII or a State health care program (as defined in section 1128(h))";

(3) in the matter in subsection (a) following paragraph (4), by striking out "this title" the first place it appears and inserting in lieu thereof "the program";

(4) in the last sentence of subsection (a), by striking out "this title" the first place it appears and inserting in lieu thereof "title XIX", and by striking out "this title" the second place it appears and inserting in lieu thereof "that title";

(5) in paragraphs (1)(A), (1)(B), (2)(A), (2)(B), and (3)(A) of subsection (b), by striking out "this title" and inserting in lieu thereof "title XVIII or a State health care program" each place it appears;

(6) in subsection (c), by striking out "or home health agency (as those terms are employed in this title)" and inserting in lieu thereof "home health agency, or other entity for which certification is required under title XVIII or a State health care program"; and

(7) in subsection (d), by striking out "this title" and inserting in lieu thereof "title XIX" each place it appears.

(b) Criminal Penalties for Physician Misrepresentations.—Subsection (a) of such section is further amended—

(1) by striking out "or" at the end of paragraph (3),

(2) by inserting "or" at the end of paragraph (4), and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) presents or causes to be presented a claim for a physician's service for which payment may be made under a program under title XVIII or a State health care program and knows that the individual who furnished the service either—

"(A) was not licensed as a physician, or

"(B) was licensed as a physician, but such license had been obtained through a misrepresentation of material fact (including cheating on an examination required for licensing),".

(c) Redesignation of Section 1877(d) as Section 1128B(e).—Subsection (d) of section 1877 (42 U.S.C. 1395nn) is redesignated as subsection (e) and is transferred and inserted in section 1909 at the end thereof.

(d) Redesignation of Section 1909 as Section 1128B.—Section 1909, as amended by subsections (a), (b), and (c) of this section, is redesignated as section 1128B and is transferred to title XI and inserted immediately after section 1128A.

(e) Repeal.—Section 1877 (other than subsection (d) thereof which was transferred under subsection (c) of this section) is repealed.

SEC. 5. INFORMATION CONCERNING SANCTIONS TAKEN BY STATE LICENSING AUTHORITIES AGAINST HEALTH CARE PRACTITIONERS AND PROVIDERS.

(a) Medicaid Plan Requirement.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking out "and" at the end of paragraph (45),

(2) by striking out the period at the end of paragraph (46) and inserting in lieu thereof "; and", and

(3) by inserting after paragraph (46) the following new paragraph:

"(47) provide that the State will provide information and access to certain information respecting sanctions taken against health care practitioners and providers by State licensing authorities in accordance with section 1919.".

(b) Information Required.—Title XIX is amended by adding at the end the following new section:

"INFORMATION CONCERNING SANCTIONS TAKEN BY STATE LICENSING AUTHORITIES AGAINST HEALTH CARE PRACTITIONERS AND PROVIDERS

"Sec. 1919. (a) Information Reporting Requirement.—The requirement referred to in section 1902(a)(47) is that the State must provide for the following:

"(1) Information reporting system.—The State must have in effect a system of reporting the following information with respect to formal proceedings (as defined by the Secretary in regulations) concluded against a health care practitioner or entity by any authority of the State (or of a political subdivision thereof) responsible for the licensing of health care practitioners or entities:

"(A) Any adverse action taken by such licensing authority as a result of the proceeding, including any revocation or suspension of a license (and the length of any such suspension), reprimand, censure, or probation.

"(B) Any dismissal or closure of the proceedings by reason of the practitioner or entity surrendering the license or leaving the State or jurisdiction.

"(C) Any other loss of the license of the practitioner or entity, whether by operation of law, voluntary surrender, or otherwise.

"(2) Access to documents.—The State must provide the Secretary (or an entity designated by the Secretary) with access to such documents of the authority described in paragraph (1) as may be necessary for the Secretary to determine the facts and circumstances concerning the actions and determinations described in such paragraph for the purpose of carrying out this Act.

"(b) Form of Information.—The information described in subsection (a)(1) shall be provided to the Secretary (or, under suitable arrangements made by the Secretary, to another entity) in such a form and manner as the Secretary determines to be appropriate in order to provide for activities of the Secretary under this Act and in order to provide, directly or through suitable arrangements made by the Secretary, information—

"(1) to licensing authorities described in subsection (a)(1),

"(2) to State agencies administering or supervising the administration of State health care programs (as defined in section 1128(h)),

"(3) to utilization and quality control peer review organizations described in part B of title XI, and

"(4) to State medicaid fraud control units (as defined in section 1903(q)),

in order for such authorities to determine the fitness of individuals to provide health care services, to protect the health and safety of individuals receiving health care through such programs, and to protect the fiscal integrity of such programs.

"(c) Confidentiality of Information Provided.—The Secretary shall provide for suitable safeguards for the confidentiality of such of the information furnished under subsection (a) as is not otherwise available to the public.".

SEC. 6. OBLIGATION OF HEALTH CARE PRACTITIONERS AND PROVIDERS.

Section 1156 (42 U.S.C. 1320c-5) is amended—

(1) by striking out "title XVIII" and "such title" in subsection (a) and inserting in lieu thereof "this Act" in each instance, and

(2) by striking out "title XVIII" in subsection (b) and inserting in lieu thereof "this Act" each place it appears.

SEC. 7. EXCLUSION UNDER THE MEDICAID PROGRAM.

Section 1902 (42 U.S.C. 1396b) is amended by inserting after subsection (f) the following new subsection:

"(g)(1) In addition to any other authority, a State may exclude any individual or entity for purposes of participating under the State plan under this title for any reason for which the Secretary could exclude the individual or entity from participation in a program under title XVIII under section 1128, 1128A, or 1866(b)(2).

"(2) In order for a State to receive payments for medical assistance under section 1903(a), with respect to payments the State makes to a health maintenance organization (as defined in section 1903(m)) or to an entity furnishing services under a waiver approved under section 1915(b)(1), the State must provide that it will exclude from participation, as such an organization or entity, any organization or entity that—

"(A) could be excluded under section 1128(b)(8) (relating to owners and managing employees who have been convicted of certain crimes or received other sanctions), or

"(B) has, directly or indirectly, a substantial contractual relationship (as defined by the Secretary) with an individual or entity that is described in section 1128(b)(8)(B).

"(3) As used in this subsection, the term 'exclude' includes the refusal to enter into or renew a participation agreement or the termination of such an agreement.".

SEC. 8. MISCELLANEOUS AND CONFORMING AMENDMENTS.

(a) Maternal and Child Health Program.—Section 504(b) (42 U.S.C. 704(b)) is amended—

(1) by striking out "or" at the end of paragraph (4),

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or", and

(3) by adding at the end thereof the following new paragraph:

"(6) payment for any item or service furnished by an individual or entity excluded from participation in the program under this title pursuant to section 1128 or section 1128A.".

(b) Disclosure Requirements.—(1) Subsection (a) of section 1126 (42 U.S.C. 1320a-5) is amended—

(A) in the first sentence, by striking out "or other institution" and all that follows through the period at the end and inserting in lieu thereof "or other entity (other than an individual practitioner or group of practitioners) shall be required to disclose to the Secretary or to the appropriate State agency the name of any person that is a person described in subparagraphs (A) and (B) of section 1128(b)(8).", and

(B) in the second sentence, by striking out "institution, organization, or agency" and inserting in lieu thereof "entity".

(2) Subsection (b) of such section is amended by striking out "institution, organization, or agency" and inserting in lieu thereof "entity" each place it appears.

(c) Medicare Payments.—(1) Section 1862 (42 U.S.C. 1395y) is amended—

(A) by striking out subsection (d), and

(B) by amending subsection (e) to read as follows:

"(e) No payment may be made under this title with respect to any item or service furnished by an individual or entity during any period when the individual or entity is excluded from participation in a program under this title pursuant to section 1128 or section 1128A.".

(2) Section 1842(j) (42 U.S.C. 1395u(j)) is amended—

(A) in paragraph (2)—

(i) by amending subparagraph (A) to read as follows:

"(A) excluding a physician from participation in the programs under this title for a period not to exceed 5 years, in accordance with the procedures of subsections (c), (f), and (g) of section 1128, or", and

(ii) by striking out "barred from participation in the program" in the second sentence and inserting in lieu thereof "excluded from participation in the programs"; and

(B) by striking out "bar" in paragraph (3)(A) and inserting in lieu thereof "exclude".

(3) Section 1862(h)(4) (42 U.S.C. 1395y(h)(4)) is amended by striking out "paragraphs (2) and (3) of subsection 1862(d)" and inserting in lieu thereof "subsections (c), (f), and (g) of section 1128".

(4) Paragraph (3) of section 1886(f) (42 U.S.C. 1395ww(f)) is amended to read as follows:

"(3) The provisions of subsections (c) through (g) of section 1128 shall apply to determinations made under paragraph (2) in the same manner as they apply to exclusions effected under section 1128(b)(13).".

(d) Termination of Provider Agreements Under Medicare.—Section 1866 (42 U.S.C. 1395cc) is amended—

(1) by striking out paragraph (3) of subsection (a);

(2) by amending subsection (b) to read as follows:

"(b)(1) A provider of services may terminate an agreement with the Secretary under this section at such time and upon such notice to the Secretary and the public as may be provided in regulations, except that notice of more than six months shall not be required.

"(2) The Secretary may refuse to enter into an agreement under this section or, upon such reasonable notice to the provider and the public as may be specified in regulations, may refuse to renew or may terminate such an agreement after the Secretary—

"(A) has determined that the provider fails to comply substantially with the provisions of the agreement, with the provisions of this title and regulations thereunder, or with a corrective action required under section 1886(f)(2)(B),

"(B) has determined that the provider fails substantially to meet the applicable provisions of section 1861, or

"(C) has excluded the provider from participation in a program under this title pursuant to section 1128 or section 1128A.

"(3) A termination of an agreement or a refusal to renew an agreement under this subsection shall be effective on the same date, and with respect to the same items and services, as an exclusion from participation under the programs under this title would become effective under section 1128(c).";

(3) in paragraphs (1) and (3) of subsection (c), by striking out "an agreement filed under this title by a provider of services has been terminated by the Secretary" and inserting in lieu thereof "the Secretary has terminated or has refused to renew an agreement under this title with a provider of services";

(4) by inserting "or nonrenewal" in subsection (c) after "termination" each place it appears; and

(5) by adding at the end the following new subsection:

"(g)(1) Except as provided in paragraph (2), an institution or agency dissatisfied with a determination by the Secretary that it is not a provider of services or with a determination described in subsection (b)(2) shall be entitled to a hearing thereon by the Secretary (after reasonable notice) to the same extent as is provided in section 205(b), and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g).

"(2) An institution or agency is not entitled to separate notice and opportunity for a hearing under both section 1128 and this section with respect to a determination or determinations based on the same underlying facts and issues.".

(e) Conforming Amendment.—Section 1869 (42 U.S.C. 1395ff) is amended by striking out subsection (c).

(f) Medicaid Plan Revisions.—Section 1902(a) (42 U.S.C. 1396b(a)) is amended—

(1) in paragraph (23), by inserting "subsection (g) and in" after "except as provided in",

(2) in paragraph (38), by striking out "respectively, (A)" and all that follows up to the

semicolon at the end and inserting in lieu thereof "the information described in section 1128(b)(9)", and

(3) in paragraph (39)—

(A) by striking out "bar" and inserting in lieu thereof "exclude",

(B) by striking out "person" and inserting in lieu thereof "individual or entity" each place it appears, and

(C) by inserting "or section 1128A" after "section 1128".

(g) Denial of Federal Financial Participation Under Medicaid.—Paragraph (2) of section 1903(i) (42 U.S.C. 1396b(i)) is amended to read as follows:

"(2) with respect to any amount expended for items or services furnished under the plan by any individual or entity during any period when the individual or entity is excluded from participation in the State plan under this title pursuant to section 1128 or section 1128A; or".

(h) Other Medicaid Conforming Amendments.—(1) Subsection (n) of section 1903 (42 U.S.C. 1396b) is repealed.

(2) Paragraph (2) of section 1915(a) (42 U.S.C. 1396n(a)) is amended to read as follows:

"(2) restricts for a reasonable period of time the provider or providers from which an individual (eligible for medical assistance for items or services under the State plan) can receive such items or services, if—

"(A) the State has found, after notice and opportunity for a hearing (in accordance with procedures established by the State), that the individual has utilized such items or services at a frequency or amount not medically necessary (as determined in accordance with utilization guidelines established by the State), and

"(B) under such restriction, individuals eligible for medical assistance for such services have reasonable access (taking into account geographic location and reasonable travel time) to such services of adequate quality.".

(i) Title XX.—Section 2005(a) (42 U.S.C. 1397d(a)) is amended—

(1) by striking out "or" at the end of paragraph (7),

(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; or", and

(3) by adding at the end thereof the following new paragraph:

"(9) for payment for any item or service furnished by a person excluded from participation in the program under this title pursuant to section 1128 or section 1128A.".

(j) Denial, Revocation, or Suspension of Registration to Manufacture, Distribute, or Dispense a Controlled Substance for Entities Excluded From the Medicare Program.—Section 304(a) of the Controlled Substances Act (21 U.S.C. 824(a)) is amended—

(1) by striking out "or" at the end of paragraph (3),

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or", and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) has been excluded (or directed to be excluded) from participation in a program pursuant to section 1128(a) of the Social Security Act.".

SEC. 9. CLARIFICATION OF MEDICAID MORATORIUM PROVISIONS OF DEFICIT REDUCTION ACT OF 1984.

Section 2373(c) of the Deficit Reduction Act of 1984 (Public Law 98-369; 98 Stat. 1112) is amended—

(1) in paragraph (1)—

(A) by inserting "(whether or not approved)" after "such State's plan",

(B) by inserting "(including any part of the plan operating pursuant to section 1902(f) of that Act), or the operation thereunder," after "Social Security Act", and

(C) by inserting "(or its operation's)" after "such plan's"; and

(2) by adding at the end the following new paragraph:

"(5) In this subsection, a State plan is considered to include any amendment or other change in the plan which is submitted by a State, or for which the Secretary otherwise has notice, whether before or after the date of enactment of the Deficit Reduction Act of 1984 and whether or not the amendment or change was approved, disapproved, acted upon, or not acted upon by the Secretary.".

SEC. 10. EFFECTIVE DATES.

(a) In General.—Except as provided in subsections (b), (c), (d), and (e), the amendments made by this Act shall become effective at the end of the fourteen-day period beginning on the date of the enactment of this Act and shall not apply to administrative proceedings commenced before the end of such period.

(b) Mandatory Minimum Exclusions Apply Prospectively.—Section 1128(c)(3)(B) of the Social Security Act (as amended by this Act), which requires an exclusion of not less than five years in the case of certain exclusions, shall not apply to exclusions based on convictions occurring before the date of the enactment of this Act.

(c) Effective Date for Changes in Medicaid Law.—(1) The amendments made by sections 5 and 8(f) apply (except as provided under paragraph (2)) to payments under title XIX of the Social Security Act for calendar quarters beginning more than thirty days after the date of the enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(3) Subsection (j) of section 1128A of the Social Security Act (as added by section 3(f) of this Act) takes effect on the date of the enactment of this Act.

(d) Physician Misrepresentations.—Clauses (ii) and (iii) of section 1128A(a)(1)(C) of the Social Security Act, as amended by section 3(a)(1)(F) of this Act, and subparagraph (B) of section 1128B(a)(5) of the Social Security Act, as amended by section 4(b)(3) of this Act, apply to claims presented for services performed on or after the effective date specified in subsection (a), without regard to the date the misrepresentation of fact was made.

(e) Clarification of Medicaid Moratorium.—The amendments made by section 9 apply as though they were originally included in the enactment of section 2373(c) of the Deficit Reduction Act of 1984.

(f) Treatment of Certain Denials of Payment.—For purposes of section 1128(b)(8)(B)(iii) of the Social Security Act (as amended by section 2 of this Act), a person shall be considered to have been excluded from participation under a program under title XVIII if payment to the person has been denied under section 1862(d) of the Social Security Act, as in effect before the effective date specified in subsection (a).

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentelman from Texas [Mr. Pickle] will be recognized for 20 minutes and the gentleman from Louisiana [Mr. Moore] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. Pickle].

GENERAL LEAVE

Mr. PICKLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1868, the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PICKLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, ever since the Medicare Program was created nearly 20 years ago, we've been trying to eliminate fraud and abuse and protect both the patient and the Government. The bill we are considering today, H.R. 1868, was reported by the Ways and Means Committee as the latest effort toward this goal.

Under this legislation, where Medicare and Medicaid sanctions are imposed on health care providers in one State, they would be extended to other States as well. No longer will a physician who has lost his license in one State be able to simply relocate across a State border and resume business as usual.

This bill will protect patients from providers who have violated professional standards and will protect the Government from cheats. Enacting this legislation will send a clear message and help teach providers that crime doesn't pay.

I urge my colleagues to support this useful antifraud and abuse legislation.

☐ 1330

Mr. Speaker, I now yield such time as he may consume to the gentleman from California [Mr. Stark], the chairman of the Subcommittee on Health, for a more detailed explanation of this legislation.

Mr. STARK. I thank the gentleman for yielding time to me.

Mr. Speaker, today we are considering legislation approved by the Ways and Means and Energy and Commerce Committees designed to reduce fraud and abuse in the Medicare and Medicaid Programs. We make no grand claim for H.R. 1868. It will not eliminate fraud or abuse. But it will curtail

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them and, for that reason alone, deserves passage.

This legislation protects both patients and the Government. It is aimed at physicians and other health professionals who are disciplined for improper activity in one State and simply move to another State and sin again. When this happens, a patient may be at risk because of treatment by a health professional who has already been judged guilty of abuse. Or the Government may be paying someone who has been barred from program participation in another State because of financial misbehavior.

This bill empowers the Secretary of Health and Human Services and the States to bar such providers from a number of Government programs, including Medicare, Medicaid and Maternal and Child Health programs on a national basis.

Patients whose care is purchased have a right to believe that they are treated by competent providers. The Government has an obligation not to continue paying providers who have been disciplined for fraudulent behavior. This bill will help achieve both of these goals.

Mr. MOORE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the consideration today of H.R. 1868, which will protect Medicare and Medicaid patients from unscrupulous doctors, and will protect the American taxpayer at the same time from paying for fraudulent or false claims.

I especially appreciate the chairman of the Health Subcommittee of the Energy and Commerce Committee and the chairman of the Health Subcommittee of our own Ways and Means Committee, the two gentlemen from California, for joining me in authoring this legislation and for moving it to the House and through their committees so expeditiously.

We are also joined in sponsoring this legislation by 62 of our colleagues from both sides of the aisle. The bill reflects the recommendations of the inspector general; the Department of Health and Human Services; the American Association of Retired Persons; the Federation of State Medical Licensing Boards, and other physician and hospital groups.

Recently, there has been a great deal of attention given to doctors who lose their license in one State, but continue to practice in another. This bill is intended to give the inspector general the necessary authority to prevent those doctors from treating Medicare and Medicaid patients.

Only a very small percentage of physicians are abusing the system, but they must be stopped. This bill represents a significant improvement toward protecting the integrity of the Medicare and the Medicaid Programs.

Since the Medicare and Medicaid programs were established in 1965, Federal and State spending for direct health care services has grown from $5 billion to over $112 billion. An unfortunate byproduct of that growth has been an increase in the problems relating to fraud and abuse.

With the implementation of prospective payment legislation, there are fewer opportunities now for fraudulent billing. Hospitals are being paid a fixed amount for providing health care services. As long as hospitals are accurately reporting the services they provide, they will not be affected by this legislation.

This legislation will work hand-in-hand with the prospective payment system, and insure that the Government is getting what it is paying for. We are especially attempting to crack down on those providers that have shown a pattern of abuse and have made no attempt to correct their misconduct.

The Department of Health and Human Services has already had a great deal of success in cracking down on fraudulent providers through the authority provided by Congress in 1972, and again in 1977 under the Medicare-Medicaid antifraud and abuse amendments. The Secretary's authority was delegated to the inspector general in 1983. Since that time, more than 647 sanctions have been imposed, an amount more than 2 times the total imposed in the previous 11 years.

This increased activity to protect patients as well as the fiscal integrity of the Medicare and Medicaid programs is indeed heartening and is to be commended. However, with this increased activity has come an awareness that serious loopholes still exist in these sanction statutes.

The General Accounting Office identified one such loophole for us recently. The Department is currently powerless to bar certain practitioners from participating based upon disciplinary actions imposed on them by State and medical licensing boards. For example, if a physician is found to be unqualified to practice medicine, and therefore, no longer allowed to practice medicine in that State, he simply moves to another State where he has already, previously been licensed or can gain license, and he is allowed to continue practicing upon Medicare and Medicaid patients, among others, even though he has been found unqualified to do so.

This is the gap that allows a physician who loses his license in one State to continue to practice in another. This loophole has subjected many of our elderly and poor to inferior medical attention at the hands of these practitioners. This legislation will close that loophole.

In addition, we have also stiffened the penalties from existing civil monetary penalties only up to disbarment from the program of participating in Medicare and Medicaid for a minimum of 5 years. Our prompt action in approving this legislation will assure that the Department has the adequate authority to further curtail fraud and abuse in our governmental health programs. It will also assure quality health care services to our Nation's elderly and poor.

In passing this legislation, we are sending a signal to the American people that fraudulent and abusive health care providers will not be allowed to destroy the integrity of the Medicare and Medicaid programs.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would be remiss if I did not point out to my colleagues in the House that H.R. 1868 bears the name of Mr. Moore, the distinguished gentleman from Louisiana, and who, in the previous Congress, was the ranking member of the Health Subcommittee of the Committee on Ways and Means, and who was the original author of this bill.

I think that I would be remiss if I did not thank him for his work in the previous Congress which led to this legislation. It was reported out of our committee in the 98th Congress, and due to scheduling problems, never did come to the floor. We are sure that had it come to the floor, we would have passed it then.

I want to just add my voice to the distinguished gentleman from Louisiana for the pioneering work that he did in this area.

I would also recognize as a very new participant in health legislation, to my distinguished colleague from California, who chairs the Subcommittee on Health and the Environment of the Committee on Energy and Commerce, whose collateral work in this area has led to the bill being referred to the floor today.

I am most pleased to yield such time as he may consume to the distinguished gentleman from California [Mr. Waxman] who chairs this Committee on Energy and Commerce which has done so much in this area.

Mr. WAXMAN. I thank my friend and colleague for yielding this time to me, and I want to join him in commending the gentleman from Louisiana [Mr. Moore] for this very important legislation.

Mr. Speaker, I rise in strong support of H.R. 1868, the Medicare and Medicaid Patient and Program Protection Act of 1985.

At a time when Federal spending for Medicare and Medicaid are under intense budget scrutiny, we simply cannot tolerate the diversion of pro-

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gram funds by fraudulent or abusive providers.

Unfortunately, there are some individuals who try to rip off the Medicare and Medicaid programs.

Just last week, the inspector general of the Department of Health and Human Services announced the imposition of civil money penalties and assessments in the amount of $1.79 million against a Florida chiropractor and his wife for fraudulently billing Medicare for 2,700 separate services. The services were billed under the names of medical doctors who had at one time been employed by the couple but did not render the services. A substantial portion of these claims were for x rays routinely taken of Medicare beneficiaries that were filed and never read by any practitioner. In addition to imposing the civil fines, the IG also suspended the couple from participating in Medicare for 25 years.

Both the General Accounting Office and the inspector general testified before the Health and Environment Subcommittee this spring that they needed additional tools to deter and punish fraud and abuse in the Medicare and Medicaid programs. This bill gives them the necessary tools.

H.R. 1868 has four major elements: First, it broadens the grounds for exclusion of health care providers from Medicare and Medicaid and the Maternal and Child Health Services Block Grant.

Second, H.R. 1868 clarifies the Secretary's authority to consolidate exclusion and civil money penalty determinations involving the same provider in a single administrative proceeding.

Third, H.R. 1868 provides criminal penalties for the submission of claims by individuals who are not licensed as physicians or who obtained their licenses through misrepresentation or cheating on a licensing exam.

Finally, the bill requires States, as a condition of receiving Federal Medicaid matching funds, to provide information to the Secretary regarding actions taken against health care providers by State licensing authorities.

According to CBO, this bill has no cost. CBO argues that it won't actually save us money because Medicare and Medicaid beneficiaries will continue to receive services from nonfraudulent providers. My own view is that the bill may well save us money by deterring the systematic abuses of the kind in the Florida chiropractor case, which resulted in, among other things, a lot of unnecessary x rays for Medicare patients.

I want to recognize the contributions of both Congressman Madigan and Congressman Wyden of the Health Subcommittee. This bill is not only bipartisan, it is bicommittee. The bill before you today was reported by the Energy and Commerce Committee in a form identical to that reported by the Committee on Ways and Means. There was no opposition to the bill in either committee.

The bill has the support of the General Accounting Office, the inspector general and the administration.

I urge my colleagues to vote to suspend the rules and pass H.R. 1868.

□ 1340

Mr. MOORE. Mr. Speaker, I yield such time as he may consume to the gentleman from Utah [Mr. Nielson].

Mr. NIELSON. I thank the gentleman for yielding time to me.

Mr. Speaker, I urge my colleagues to join in supporting H.R. 1868, the Medicare and Medicaid Patient and Program Protection Act. I strongly support its main purpose which is to assure that those providers of health care services who have demonstrated that they are not professionally responsible may be excluded from Medicare, Medicaid, and other federally funded health care programs.

I would especially like to point out sections of this bill which provide authority to exclude providers of criminal offenses that involve criminal neglect or abuse of patients from federally funded health care programs.

I also note the section contained in this bill that requires States, as a condition of receiving Federal Medicaid matching funds, to provide information to the Secretary of Health and Human Services regarding sanctions taken against health care practitioners by State licensing authorities. It is important that Federal officials know about errant providers so that these providers cannot simply cross a State line and begin billing the Medicare and Medicaid programs again.

While I support all aspects of this bill, I hope that all investigators and prosecutors who use the authorities contained in it use their resources wisely and make it their priority to pursue those providers whose transgressions are most costly to Federal health care programs.

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon [Mr. Wyden].

Mr. WYDEN. I thank the gentleman for yielding time to me. Mr. Speaker, today we have the opportunity to vote on an important bill which will send the strong message that the Federal Government won't let the Medicare Program and senior citizens be swindled.

We're not talking about some sort of abstract, theoretical issue here—we're talking about cold, hard facts.

Fact one: The inspector general of the Department of Health and Human Services has testified that there may be more than a dozen diploma mills operating in this country—rings where people make and sell medical degrees to people who have never attended medical school and have absolutely no medical training whatsoever. One of those mills was operating in my home State of Oregon.

Fact two: A recent hearing before the Subcommittee on Health and Long Term Care, chaired by Mr. Pepper, disclosed that there may be as many as 10,000 phony doctors practicing medicine in this country. Many of these people purchased phony degrees, never even attended medical school or attended foreign medical schools that have no pretense of quality.

These mills and the thousands of phony doctors working in our clinics and hospitals make a sham of our health care system and are an insult to the many fine physicians in this country. They're an insult to our taxpayers, too, who often pay the bills for bogus "medical services."

This legislation to stamp out consumer fraud and abuse and to put these dangerous charlatans out of business makes particular good sense at a time when critically needed government health care programs are being cut back and frozen.

In addition to cracking down on phony physicians, the legislation will allow the Federal Government to stop the Medicare and Medicaid traveling road show, where physicians who are found incompentent in one State simply move to another State to continue their practice, with Medicare and Medicaid continuing to pay their bills.

In order to address this serious problem, I introduced with Mr. Pepper the Medical Imposters Act of 1985, which has been fully incorporated with H.R. 1868.

This part of the legislation will close a dangerous loophole that currently allows phony doctors to receive Medicare payment for physician's services without incurring any penalty. I think it's absurb that currently there is a stiff penalty for beneficiaries who apply for Medicaid or Medicare benefits under false pretense, but there is no penalty for phony physicians. My bill will close this gap in the laws by penalizing bogus doctors who file for Medicare or Medicaid reimbursement for physican's services and penalizing doctors who falsely claim to be certified in a medical speciality and then seek Medicare or Medicaid reimbursement.

I applaud Mr. Waxman and Mr. Stark, distinguished chairs of the Health Subcommittees in the House, for their leadership and dedication in bringing this important bill to the floor quickly. Strong bipartisan support has made clear that we need to put the health and safety of our seniors before the greed and fast footwork of charlatans. H.R. 1868 will allow the Federal Government to take concrete steps toward putting medical imposters out of business.

Mr. MOORE. Mr. Speaker, I want to thank the gentleman from Oregon for his remarks, and certainly I thank the chairman of our committee, the gentleman from California, and the chairman of the Health Subcommittee of the Committee on Energy and Commerce for their help, their support, and their coauthorship.

With that, Mr. Speaker, I yield back the balance of my time.

● Mr. BIAGGI. Mr. Speaker, as a cosponosor of this legislation I urge the House to quickly pass H.R. 1868, the Medicare and Medicaid Patient and Program Protection Act of 1985. It is time that we take another strong and definitive step in the battle to rid Medicare and Medicaid of the dual evils of fraud and abuse which cost this Nation at least $7 billion a year.

The particular type of fraud and abuse we are going after with this legislation involves another angle far more dangerous than just waste of dollars. It has to do with the very integrity of the program and those providers who participate in it. This bill has as its main purpose to strengthen the hand of the Secretary of HHS to keep out of the Medicare and Medicaid programs those providers who through either criminal acts or other travesties have reached the degree of incompetence to have had their license to practice in one State revoked.

More specifically the bill has four main elements. It mandates the exclusion from Medicare and Medicaid of individuals convicted of program related crimes or patient abuse and neglect. The bill extends the coverage to include the Maternal and Child Health Services Block Grant as well as the Social Services Block Grant.

The committee bill also revises the current civil money penalty authorities. It clarifies the Secretary's authority to consolidate exclusion and civil money determinations involving the same provider into a single administrative proceeding, and it broadens the Secretary's authority to seek injunctive relief to protect assets for the payment of civil money penalties imposed.

Third, the bill provides for criminal penalties for the submission of claims by individuals who are not licensed as physicians or who obtained their licenses through misrepresentation or cheating on a licensing exam.

Finally, the bill requires States as a condition of receiving Federal Medicaid matching funds to provide information to the Secretary regarding actions taken against health care practitioners by State licensing authorities.

All of these steps are necessary if we are to, in fact, combat still another form of fraud and abuse practiced against these Federal health programs. This legislation was in some measure spurred by a General Accounting Office report which recommended that HHS needed to have expanded Federal authority to protect Medicare and Medicaid patients from health practitioners who lose their licenses. It was developing into far too common a practice. A health care provider would lose their license in one State for any number of reasons. Many were licensed in several States and what they did was simply pick up their practice and move elsewhere to one of the other States where they did have a license to practice, resume the practice and resume their participation in Medicare and Medicaid. This practice served as an invitation to the kind of abuse which was happening in far too many States. In some instances even when States were notified, their processes could take up to 3 years to bring to final resolution, meanwhile the health care practitioner could continue to practice.

Those individuals served by Medicare and Medicaid have a right to be treated by the best qualified health care providers. They most certainly should not be subjected to treatment by someone who has committed a criminal offense perhaps involving the misuse of drugs or fraud and abuse. The taxpayers of this Nation should not be subsidizing the continued participation in Medicare or Medicaid of unscrupulous and incompetent health care providers. This bill will go a long way toward correcting this obvious abuse.

In a time when we are conscious of the need to develop better solvency for the Medicare program—one obvious place to start is to rid the system of the rampant fraud waste and abuse that does exist. The work of the inspector general at HHS has been commendable and has made some genuine inroads. However there is much more to do. Just yesterday according to an article in U.S.A. Today, 21 Texas hospitals have filed billions of dollars in false Medicare claims in a scandal likened by the GAO to defense contract overcharges. The amounts may reach into the billions.●

● Mr. FRENZEL. Mr. Speaker, as a cosponsor of H.R. 1868, the Medicare Patient and Program Protection Act of 1985, I would like to stress the importance of this long overdue legislation which protects our Social Security beneficiaries from fraudulent health practitioners.

All of our citizens deserve to be protected from unscrupulous practitioners who woud otherwise be able to treat Medicare and Medicaid patients in one State, after losing their licenses in a different State for reasons of fraud, financial abuse, or neglect or abuse of patients. These practices are not only direct abuses against our Federal and State medical programs, but also against the elderly and disadvantaged people of our country.

I am pleased that Congress is taking action to close the existing loopholes which allow for such obvious wrongdoings to take place within our Nation's medical system.●

Mr. STARK. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. Pickle] that the House suspend the rules and pass the bill, H.R. 1868, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 192

Mr. BURTON of Indiana. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Joint Resolution 192.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

NATIONAL DAY OF REMEMBRANCE OF MAN'S INHUMANITY TO MAN

Mr. FORD of Michigan. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 192) to designate April 24, 1985, as "National Day of Remembrance of Man's Inhumanity to Man," as amended.

The Clerk read as follows:

H.J. Res. 192

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 24, 1986, is hereby designated as "National Day of Remembrance of Man's Inhumanity to Man", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day as a day of remembrance for all victims of genocide, especially the one and one-half million people of Armenian ancestry who were victims of the genocide perpetrated in Turkey between 1915 and 1923, and in whose memory this date is commemorated by all Armenians and their friends throughout the world.

The SPEAKER pro tempore. Is a second demanded?

Mr. HANSEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. Ford] will be recognized for 20 minutes and the gentleman from Utah [Mr. Hansen] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. Ford].

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution before us today is reported from the Committee on Post Office and Civil Service. Even though it has 232 sponsors, as of a moment ago 231, I guess, we would normally bring this kind of a resolution to the floor with that many cosponsors under a unanimous consent. That was not possible in this case.

I want to make it very clear that members of the committee did object to the resolution when it was being considered; that we held open the offer of bringing this bill with a rule so that it would be amendable on the floor, and the minority indicated to me that they did not wish to have it handled in that fashion, that they would rather have it come on suspension with a straight up-or-down vote.

It is a privilege for me to support House Joint Resolution 192, which designates April 24, 1986 as "National Day of Remembrance of Man's Inhumanity to Man." It sets aside a day of commemoration for all victims of genocide, and especially the 1.5 million Armenians who were the victims of mass killings in Turkey between 1915 and 1923.

I would like to emphasize that this resolution does not criticize the Government of Turkey. It deals entirely with the past and in no way reflects negatively on the present Government of Turkey with whom we enjoy good relations. I urge my colleagues to keep this in mind.

These has been some objection to the resolution from the State Department, which feels it could damage sensitive negotiations. For my part, I think this is a specious argument. We are talking here of events that occurred in eastern Turkey at a time when the Ottoman Empire was in the last throes of its decline, and before the modern-day Republic of Turkey was established.

This resolution is extremely important to the thousands of Armenian-Americans who have contributed and are contributing so much to our Nation. I think it would be impossible to explain to them that this body, which has passed many Holocaust-type resolutions in the past, closed it eyes to this period of horrendous mass murdering. We would, and I think rightly, be accused of discrimination.

Many of the Armenian-Americans are themselves survivors of that terrible time. Others are sons and daughters of those who lived through it. We will be breaking faith with those people if we fail to take simple recognition of this event.

We will be breaking faith with people like Levonti Azadian, who lives in Southfield, outside Detroit. She was born in 1907 and well remembers the genocide. Her family numbered 42 before the nightmare. When it ended, there were four. She remembers well her grandfather's throat being slit and his body thrown into a well. She worries now that when survivors like her die there will be no memory of the nightmare.

Michael Nishanian, who also lives in Southfield, also remembers. Born in 1920, there were 44 members of his family before the genocide. When it was all over, there were 11. He recalls that the police took his father and his brother and that they were never seen again. During it all his strength came from his father's admonition that he was born a Christian and should die a Christian no matter what they tried to do to make him a Moslem.

Just recently the President addressed several groups in Europe and pointed out repeatedly that it is not our policy to hold the present Republic of West Germany responsible for the activities of their predecessors when Germany was a totalitarian state under the rule of the Nazis.

The parallel here, the State Department concern notwithstanding, is striking.

And I don't think we want to be in a position where we are saying that we recognize the mass murders of some as genocide, but not the mass murders of others. Given our clear position on the Holocaust, I don't think we can simply shrug our shoulders here and say this is something that happened a long time ago and let's just forget it.

We have an opportunity to speak up and say the things that should have been said a long time ago: that what happened in Turkey those many decades ago is against all that America stands for—that when people turn against their own in a national orgy of bloodletting just because they don't like someone else's religion or the church they go to, they can expect our condemnation in the court of world opinion.

In the history of man, few acts of violence even come close to what happened in Turkey during those terrible 8 years. Virtually the whole Christian population was wiped out. And their only crime was that they were Christians in a Moslem country.

It is their annihilation that we are proposed to remember. And such a rememberance is in no way an attack on the prevent government or the brave Turkish soldiers who fought shoulder-to-shoulder with us in Korea. Our only purpose here is to call attention to an act of incredible inhumanity in the hope that what we do will serve as a reminder for the future.

□ 1350

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong opposition to the adoption of this resolution.

It is a bill that appears to be noncontroversial. Who among us could oppose establishing a day to remember those who have suffered and to ponder the tragedy? Yet, Mr. Speaker, this resolution goes far beyond the noble purpose.

It is an accusation of the history, the disputed facts, so to speak. Sunday's Washington Post wondered if it was legitimate and a serious question that we were finding ourselves involved in.

The think that really bothers me, Mr. Speaker, is whether this Chamber is really qualified to get into this issue. Should we take one side or the other? It always reminds me of a trial where the plaintiff gets up and says the person has a tremendous injury and the defense gets up and says the plaintiff is a malingerer. I do not really know, if we look at this and look at the scholars who have been involved in this particular issue, whether or not this Chamber, this group is qualified or if there is one among us, in this group of 435, who can say this is truly a genocide.

And whether or not it is a genocide is really not the issue, in my mind. The issue comes down to another more important fact, and that fact comes out that in our NATO alliance we have this country, the Republic of Turkey. The Republic of Turkey has been one of our very faithful and strong allies for many years. We have bases there. We have a good rapport with these people.

Now, as the distinguished committee chairman pointed out, the Ottoman Empire is now gone. This is an empire that in effect perpetuated this so-called genocide, if there was one. How can we in good conscience stand here and say this Ottoman Empire that is gone, completely defunct and over with, did this, and we are now going to put this on a government that stepped into that country and say, "You are responsible for what they did"? I have a hard time believing that. Just like there were people on this continent before this Nation took over. Are we responsible for anything they did? I would have a hard time believing that.

So as I look at it, Mr. Speaker, I think it is a little wrong for us to pick out this one thing.

The chairman of the committee mentioned that the reason these people had these problems was because they believed in Christianity. I would say that the founder of Christianity made it abundantly clear how He should treat those who walk against him. I have a hard time buying that argument. I think, as I read the Book, what the founder of Christianity talked about was to forgive your enemies and turn the other cheek; it was not to go back and seek revenge.

So as I look at this, this is one particular thing we are pulling out, extracting from all others all around this world. We are seeing it in Cambodia, we have seen it in Russia, we have seen it in Nazi Germany, and we have seen it in many other places. So why today? Why today, on this particular day, do we extract just the one and bring it up and say this is the one we are going to look at?

Contrary to those of us in America who think we are the only God-given people who have pure hearts and clean hands, we have had it practiced right here. In one of our States in 1832 they issued an order to exterminate the Mormons, and that was not even rescinded until 4 years ago. So when you get down to it, is it our position to rehash all these old problems and bring them up in front of our eyes and say, "Here, let's do it again"? Or is it our position to look at it a little differently?

So as we look at it today, this is not a political issue. This is not an issue of whether or not you have Armenians in California, in Illinois, or New York, or whether you have Turks in your area. This is an issue of what is right for a great ally that we have had for many years, and I think we would be amiss, Mr. Speaker, if we went beyond that point and passed this. I think today we should look at our conscience and say that this is one fine ally that we have had; let us forget it at this point, let us forgive, and let us have this one behind us.

Mr. Speaker, I would call upon the Members of this House who walk past the Supreme Court building and see that sign that says, "Equal Justice under the Law" to remember that if we are going to play games, if we are going to do this today, let us be equal with everybody. If we are going to pass this, I personally felt that it should not have come out of committee specifying these two different groups of individuals that we all respect very much, but it should have gone over the whole gamut of those involved.

Therefore, Mr. Speaker, I would suggest to the body that we vote no on this particular issue.

Mr. Speaker, I reserve the balance of my time.

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to observe that the gentleman's party has been embarrassed on more than one occasion by the nominee in my congressional district who does not believe there were 6 million Jews killed and further believes they brought it on themselves if there were any killed.

So the idea that people have quibbled about these things afterwards is not unusual. That has never been raised on the floor of this House in my years here with the literally dozens and dozens of resolutions that have touched directly or indirectly on the incidents that were perpetrated by what is now our strongest European ally during a bad period of time in that country. And as recently as a couple of weeks ago, the President of the United States was saying that. I do not find myself out of step with the sentiments and comments of the President at all. One might suggest that because of the heightened public interest in his visit to the cemetery, his remarks went further than he might have wanted, but I am not going to question whether the President really meant it or not. He said it with sincerity, the American people heard it with sincerity and understood it to be what he believed, and I am taking him at his word.

Mr. Speaker, I am not going to quibble with the gentleman. And if he wants a resolution commemorating the persecution of the Mormons, he can have my support immediately.

Mr. HANSEN. No.

Mr. FORD of Michigan. I would support that immediately.

Mr. Speaker, I reserve the balance of my time.

□ 1400

Mr. HANSEN. Mr. Speaker, I yield 2½ minutes to the gentleman from Virginia [Mr. Whitehurst].

Mr. WHITEHURST. Mr. Speaker, there is one word to describe this resolution. It is egregious. In nine terms in this body, I have seen my share of resolutions that were not worth our time to consider, but this really takes the prize, because the sponsors of this resolution are trying to have their cake and eat it, too.

On the one hand, they say that attention should be called to an example of genocide that allegedly occurred 70 years ago. On the other hand, they say it is not directed against the Turkish Republic.

The question I ask is, Whose diplomats are being murdered by Armenian terrorists today? Not from the Ottoman empire, they are current servants of the Turkish Republic.

We speak about resolutions for other groups who have been victims of genocide. What is it going to be next week, one for the American Indians?

There is hardly a country that does not have some shadow on its past that is a blemish and that causes its present generation some shame; but this is going to boomerang on us. Several of us have just returned from a visit to Turkey. We have been advised in no uncertain terms about the sensitivity of this resolution in that country. The people are very proud and take no responsibility for what might have happened more than two generations ago.

The Turkish Republic was born out of the ashes of the Ottoman empire, so they see this for what it is, a gratuitous slap in the face to a loyal and most faithful ally.

I think that we place in jeopardy the vital interests of the United States if we pass this resolution. I hope and urge my colleagues to vote against it. All we are doing is creating for ourselves and for our friends a great deal of mischief.

Mr. HANSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. Burton].

Mr. BURTON of Indiana. Mr. Speaker, the gentleman from Michigan indicated that this was not a slap at the Turkish Government, but they consider it to be one.

I received this telegram from the Turkish Ambassador:

> H.J. Res. 192 which would indict Turkey for fallacious and historically unsubstantiated charges of genocide on the Armenians living in the Ottoman empire in 1915. If such such resolutions were to be adopted by the U.S. Congress, that would be tantamount to the validation and legitimization of the pretexts advanced by Armenian terrorists each time they assassinate a Turkish official or an innocent bystander.
>
> In the eyes of the Turkish people, such a course of action would constitute nothing less than encouraging the terrorists to continue shedding further Turkish blood. As you know, in the past decade, Armenian terrorists have murdered over 40 Turkish diplomats and their family members. The attempt during the 98th Congress to pass such a resolution caused great furor in Turkey. The Turkish nation as a whole equated the endorsement of Armenian allegations with the U.S. congressional support for hostile forces whose aim is to carve out a portion of Turkey (a NATO ally) and annex it to the Soviet Socialist Republic of Armenia, in keeping with the declared aim of Armenian terrorist organizations.
>
> The passage of H.J. Res. 192 would strike at the innermost sensitivities of the Turkish people and will be regarded by them as a manifestly hostile action.

Turkey is a great ally. The largest military facility between Italy and the Philippines is in Turkey. They are on the Soviet border. We really need them and to jeopardize our relationship with Turkey by passing this resolution, I think would be a terrible mistake.

Mr. HANSEN. Mr. Speaker, I yield 3 minutes and 15 seconds to the gentleman from Virginia [Mr. Bateman].

Mr. BATEMAN. Mr. Speaker, after studying this issue carefully and after 3 intense days of visits to American NATO and Turkish military installations and discussions with the Foreign Minister, the Minister of Foreign Affairs and the Minister of Defense of Turkey, I have concluded that it would not only be a mistake, but a tragic one, for this House to pass House Joint Resolution 192. At best, its passage would be an exercise in ethnic politics appealing to a handful of constituents. At worst, it will deliver a serious blow to our alliance with one of our must supporting and vital NATO allies.

The political and military leadership of Turkey are concerned about House Joint Resolution 192 to an extent and depth that its passage will indeed damage the steadfast manner in which the people of Turkey have supported the United States and they have done so in an extraordinary way.

The good intentions of the sponsors of House Joint Resolution 192 in condemning genocide are not questioned. The wisdom of a gratuitous insult to one of our most needed and trusted allies is another matter.

The leaders of Turkey dispute the assertions of House Joint Resolution 192 on a factual basis. They deplore it beyond any factual dispute on the basis that whatever wrong was perpetrated early in this century, those wrongs were committed by the Ottoman empire, which was allied with the Kaiser in World War I and not the Republic of Turkey which emerged from the ashes of the Ottoman empire.

There is indeed serious and sincere dispute over the factual premises of this resolution. It charges: "the genocide perpetrated in Turkey between 1915 and 1923."

This resolution perpetuates this persistent misstatement of historical fact. The atrocities perpetrated on the Armenian people between 1915 and 1923 were not the responsibility of the people of the Republic of Turkey. There is no dispute over the noninvolvement of the nation of Turkey, founded in 1923 as one of the new nations emerging from the ashes of the Ottoman empire. Turkey is a country which is a bridge between East and West and predominantly and historically the Turks are an Islamic people; yet, following the vision of their hero and the founder of the Turkish Republic, Kemal Ataturk, the people and the Government chose a European pro-Western orientation. As one of the most strategic areas on Earth, controlling access to and from the Black Sea and the Eastern Mediterreanean Sea, through the Bosporus and the Dardanelles, Turkey is of paramount importance to the United States.

Turkey has been intensely pro-American and was among the few nations who deployed troops to fight along with us in Korea.

Turkish acceptance of its defensive mission in NATO is crucial to NATO's success and to the security of the United States.

With the reelection of Andreas Papandreou's Pan-Hellenic Socialist government in Greece, the importance of Turkey to protect NATO's southern flank is all the more pronounced. The Papandreou government, recently aligned with Greece's pro-Moscow Communist Party, emits increasingly anti-American rhetoric and maintains a declared intention of closing the four U.S. NATO military bases in Greece. If the Socialists and Communists in Greece follow through with their pledges and threats, it certainly makes our Turkish alliance even more important.

I hope we will not do unnecessary and gratuitous damage by passing this resolution.

Mr. HANSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. Leath].

Mr. LEATH of Texas. Mr. Speaker, I hate that I have to be against this resolution, because it sounds like a resolution that anybody could vote for and I have great respect for my friend, the gentleman from California, Mr. Tony Coelho. As I look down the cosponsor list, I have great respect for most everybody on that list; but I think something that appears to us, sitting in this Chamber today as very innocent, is very much differently perceived by our great ally, Turkey.

We just returned, a number of us, from an Armed Services Committee trip to Turkey. I can understand why our Armenian people in this country would be upset about the events that happened 70 years ago, so are we.

Let me tell you, the Turkish people today do not like to remember that any more than we do. It is a very difficult thing, but the problem is one of perception. What will we accomplish if we pass this resolution?

We will make some people who, obviously, have some bad memories that are currently living in this great country of ours perhaps feel a little better, but we are going to take the strongest link in NATO, Turkey, and embarrass them.

Now, visualize, if you can, the country of Turkey, sitting there with a 700-kilometer border on the Soviet Union. Its next neighbor is Iraq. Its next neighbor is Iran. Its next neighbor is Syria and across the Bosporus Straits, Papandreou constantly causing turmoil. These people are sitting there on a powder keg, the most strategic piece of geography to the free world on the face of this Earth.

Now, we can sit here and say they should not get upset about this resolution. Let me tell you something. They are upset about it, because they do not feel that they should be slapped in the face. We can say we are not doing that, but as far as the Turks are concerned, that is what we are doing; for something that happened prior to the time that the republic they live in today even came into existence.

☐ 1410

Now, I do not think we can just sit here and just slough it off and say, well, this does not mean anything.

So I would hope we would think deeply before we vote on this resolution.

Mr. HANSEN. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. Rahall].

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. WALKER. Mr. Speaker, is the bill under consideration House Joint Resolution 192?

The SPEAKER pro tempore. It is House Joint Resolution 192, as amended.

Mr. WALKER. And that amendment took place at the beginning of this process?

The SPEAKER pro tempore. The amendment was included in the motion to suspend the rules.

Mr. WALKER. It was included in the motion to suspend the rules. Is it possible for another motion for amendment?

The SPEAKER pro tempore. The Chair would state, not at this time.

Mr. WALKER. Is it possible under unanimous consent to amend the bill?

The SPEAKER pro tempore. Any modification of the motion offered by the manager of the bill would require unanimous consent.

Mr. WALKER. The manager would have to yield for that purpose?

The SPEAKER pro tempore. The gentleman is correct.

Mr. WALKER. I thank the Chair.

Mr. RAHALL. Mr. Speaker, many commentators have argued that, whatever the consequences for our relations with the Republic of Turkey, or for our policy of fighting terrorism, we should pass House Joint Resolution 192 on purely moral grounds. I am sympathetic to this argument. How could we morally defend ignoring or covering up a crime as heinous as that of genocide?

And I salute my distinguished friend from the State of Michigan, Mr. Ford, and my distinguished friend from California, Mr. Coelho, for defending this argument and making it before us today, and I find myself in agreement with them on more issues than I am in disagreement.

However, Mr. Speaker, I think it is important that we ask the question: Is it moral to levy such a great charge when the historical assumptions on which it rests are so clearly open to historical debate? And, as has already been mentioned, it is important that we look at that historical debate and let scholars who are very knowledgeable in this area decide the true resolution of this issue. It is important, as has already been pointed out, that we consider the importance of Turkey to our NATO defenses and security of the United States.

I urge a "no" vote on the resolution.

Mr. Speaker, let us review the open letter to the House recently published by over 60 of our most distinguished scholars of Turkish, Ottoman, and Middle Eastern studies. That letter asks the House to recognize that the nature of the events which occured in Eastern Anatolia during the period cited by this resolution is still a matter of historical debate. Armenians argue passionately that the tragedy which befell their people in Turkey was the result of a deliberate Ottoman government policy to destroy their race. This is the view adopted by the resolution. Turks argue just as passionately that hundreds of thousands of Muslims met the same fate in that time and place, and that these horrors were the result of war and the disease and famine which accompanied it. They deny vehemently that there was a deliberate policy to exterminate the Armenian people. Let us not forget that the tens of thousands of Armenians living in Istanbul—the Ottoman capital—were largely left alone and continue to live there.

The historians point out that congressional endorsement of a resolution based on the views held by only one side of this debate will limit historical enquiry and damage the credibility of the legislative process. Be that as it may, lending the authority of this body to a statement on which a large number of scholars is unable to agree will debase the value of this House, harm our relations with Turkey, and give heart to the terrorists who seek to force the world to accept a characterization these historians are not yet prepared to accept.

I ask my colleagues to leave resolution of this historical point to scholars equipped to do so, and to vote no on this resolution.

Mr. HANSEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. Siljander].

Mr. SILJANDER. Mr. Speaker, I intend to vote against House Joint Resolution 192. Like many Members I find this to be a difficult vote.

I do not dispute the historical reality of the enormous number of Armenian deaths. I am satisfied that the evidence is sufficient to justify the claim hundreds of thousands of Armenians died during the reign of the decrepit and corrupt Ottoman empire which was allied to Germany in World War I.

I must vote against this resolution because it is clearly being aimed at the present Government of Turkey which has no political relationship to the Ottoman empire. The Turkey of today is one of our most vital allies in NATO. It is supportive of our efforts in the Middle East. It has fought with us in Europe and Asia over the course of the last 50 years.

The Turkey of today is a young democracy constantly under threat of disruption from the Communist nations of Bulgaria and the Soviet Union on its borders, and a intimidating and anti-NATO Prime Minister in Greece. Our goal in Congress should be to build bridges between our family of allies, not build walls. This resolution clearly will have a destructive effect on our bilateral relationship with present day Turkey and do nothing to punish the evils of the Ottomans.

I do not question the intentions of the sponsors of this resolution. Yet, I am deeply distressed that this resolution is little more than an insult aimed at the Republic of Turkey for the sake of appeasing special interest groups in the United States. The Republic of Turkey did not exist at the time the sponsors claim the Armenian genocide took place.

I urge my colleagues to resist the pressure of special interests and vote against this resolution, not because we dispute the historical accuracy of the sponsors, but because we value the friendship of our allies in the Republic more that we remember the evils of the Ottoman empire.

Mr. HANSEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana [Mr. Hillis].

Mr. HILLIS. Mr. Speaker, I rise in opposition to the pending resolution.

Mr. HANSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. Dickinson].

Mr. DICKINSON. Mr. Speaker, I would like to endorse and underscore what has already been stated from the well of this House by the opponents to this resolution.

Nobody is condoning or wants to be on record as voting against something condemning genocide. But that is not really what is involved here.

As has been pointed out, our committee has just returned from Turkey, one of our most important links in the NATO chain. We met with the Speaker of the parliament, we met with the Prime Minister, we met with the Deputy Chief of the Turkish General Staff. What it all boils down to is that we are gratuitously and for no real good reason affronting a good friend and ally.

Now, in my district I do not have many Turks. I do not have many Armenians. But I have got over 530,000 Americans in my district and the best vote and the most important thing that we can do for the American people, my constituents and your constituents, is to vote this resolution down because this is not in our best interest.

We can moralize as much as we want, but I am telling my colleagues that we are offending a very good, staunch friend and ally if we do this. You cannot cast it in any other shape or form. That is the way they perceive it, according to the people with whom we have just talked.

I think we are going to be winding up where we are likely to be shooting ourselves in the foot, and we get nothing good out of it if we pass this.

So I hope we would vote no.

Mr. FORD of Michigan. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. Lehman].

Mr. LEHMAN of California. Mr. Speaker, I am really distressed at this debate today and I am ashamed of my State Department because I think they have taken an unconscionable position when they have said that they will ignore the truth, they will ignore what happened in that part of the world at the beginning of this century because of a particular political relationship they have at the present time with the current Government of Turkey.

That is the same kind of attitude that led to this holocaust. It is the same kind of attitude that led to the next holocaust against the Jewish people. I think by taking this strictly limited political view and ignoring the truth of history they are doing a grave injustice, not just to the Armenian people, but to the American people as well.

I have a lot of firsthand knowledge of the circumstances of this. I know people who witnessed the genocide firsthand. My wife is of Armenian descent, as are many of my friends.

This is not a matter of conjecture. The only people in the world who reject the notion that there was genocide against the Armenian people is the present Government of Turkey. It is a matter of historical fact accepted by every single historian of the time. And if we go around this world making judgments about what happened in the past based upon what our current political situation is, then I think we are going to get ourselves in a lot more trouble real fast.

I ask this body to recognize the truth of what happened at the beginning of this century to the Armenian people. This is the surest way to ensure that we never have another genocide.

Mr. FORD of Michigan. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. Johnson].

Mrs. JOHNSON. Mr. Speaker, I rise in support of this resolution, and I agree with the preceding speaker that the issue here is fact, not responsibility. We are not asking the Turkish Government to take responsibility for the genocide of Armenians in Turkey. The current Turkish Government was not the government in power when this massacre occurred.

We are asking rather that the current Turkish Government recognize the reality of this happening, the fact of this event.

I represent many Armenian people. If you could sit, as have I, and listen to people talk about watching their parents murdered, about being a part of that long march, about the experience of genocide, of facing death for the mere crime of nationality, you would understand that it is a miracle that they survived and a deep and abiding insult that our Government at this time does not admit this event as a fact of history.

There was a genocide in Armenia. Our own records before our own Foreign Affairs Committees affirm that reality and the only reason that this resolution, whose larger purpose is to recognize all victims of genocide, refers specifically to the Armenian genocide is to assure that the record of history is accurate and the fact of that event is recognized and recorded.

We are asking no more than that, and surely if we do not acknowledge the events of history we will be doomed to repeat them. That is one of the reasons why the Holocaust in Germany has been kept before the eyes of the German people, the Western World, and the entire globe. It is one of the reasons why it is important that we as American citizens acknowledge the fact of this tragic event in the history of one of our close and important allies.

It should not disturb that ally relationship but that ally relationship must not require us to deny what is very real in the lives of our own people is a fact of history. I urge passage of the resolution.

Mr. HANSEN. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. Badham].

□ 1420

Mr. BADHAM. Mr. Speaker, I believe that it is important that we reassure our friend and ally, the Republic of Turkey, that the United States remains committed to that friendship and alliance. House Joint Resolution 192 is an attack on the integrity of the people and government of modern Turkey. Indeed, the country and government involved in the Armenian Tragedy of 1915, the Ottoman Empire, collapsed and disappeared in 1918. The Turkish nation which arose from the ashes of the Ottoman Empire has little in common with its predecessor. Mustapho Kemal Ataturk led Turkey into the Western community of democratic nations, of which Turkey is now an integral part and key member. Turkish soldiers fought and died beside our own in the defense of freedom in Korea. And, Turkey was one of the few nations to give sanctuary to Jewish Refugees of the Nazi Holocaust.

In addition, we must not in any way concede legitimacy to the extremist positions and criminal activities of the contemporary Armenian terrorists. These terrorists have perpetrated their acts of violence throughout the Western World, including the United States. More than 50 Turks have been murdered, mostly diplomats who sought to maintain Turkey's links to the West. Americans also have been targeted and killed. The Armenian terrorists, who have links with other antidemocratic and anti-American terrorist organizations such as the Islamic Jihad, seek to undermine, and ultimately dismember Turkey.

Secretary Shultz expressed his concern about the potential implications of similar legislation, House Joint Resolution 37, in a letter to the Speaker. I share the Secretary's concerns and believe that after reviewing this correspondence my colleagues will oppose House Joint Resolution 192. Thus, I request that the Secretary's letter be inserted after my remarks.

It would be the height of immorality for us to allow this resolution to be used to condemn our loyal ally Turkey, whose sons have died beside our own, and serve the interests of terrorists who have murdered the citizens of both Turkey and the United States. Let us remember whom our friends and allies are.

The Secretary of State,
Washington, March 4, 1985.

Hon. Thomas P. O'Neill, Jr.,
Speaker of the House of Representatives.

Dear Mr. Speaker: I seek your assistance concerning a problem which has significant implications for American security policy and which I fear may not receive the attention it deserves without your intervention.

A resolution (H.J. Res. 37) has been introduced into the House of Representatives which seeks designation of April 24, 1985, as a day of remembrance for all victims of genocide, especially Armenians who died in Turkey in 1915. A copy of the resolution is enclosed. Other, similar, resolutions are expected to be introduced in both houses of Congress during the legislative year.

A resolution similar to H.J. Res. 37 was adopted by the House last September 10. Although its adoption passed almost unnoticed in the United States, it was greeted by a universal public outcry in Turkey. A movement for parliamentary review of diplomatic relations with the United States was headed off by Prime Minister Ozal at that time, but the Turkish Government has informed us that adoption of further resolutions to this effect would seriously damage the vital relationship between Turkey and the United States.

The underlying cause of this emotional reaction to such resolutions stems not merely from the strong feelings aroused by a US judgment that Turkey bears the guilt of perpetrating genocide. It relates to the dangerous problem of modern day Armenian terrorism. Since 1975 over 50 Turkish citizens, mostly diplomats, have been killed by Armenian terrorists. In addition to demanding Turkish government recognition of an Armenian genocide, the terrorists demand reparations and cession of a major portion of eastern Turkey to form an independent Armenian state. The Turks thus view the campaign to characterize the tragedy of 1915 as a genocide as the first step toward their territorial dismemberment.

Armenian terrorism has not only struck at Turkish citizens, but also our own. Four assassinations have occurred on our soil. U.S. citizens have been the target of a number of attempted bombings or other harassment in the course of this terrorist campaign, and one US citizen died in an Armenian attack on a Turkish airport. ASALA, one of the two major Armenian terrorist groups engaged in these activities, also aids other terrorist groups which have Americans as their primary target. It has publicly declared its support of Islamic Jihad, the Iranian-supported terrorist organization responsible for so much of the violence in Lebanon.

The Department of State greatly regrets and does not dismiss the tragic events early in this century when, in the declining days of the Ottoman Empire, incalculable devastation, including widespread massacres struck at Armenians and members of other ethnic groups in an area encompassing what is now eastern Turkey. We, nonetheless, believe that resolutions such as H.J. Res. 37, however well intentioned and however worded, will inevitably be seen by the terrorists as an encouagement and justification for their acts.

In addition, we need and value Turkish cooperation in mutual security matters. This is important to the defense of Europe, Southwest Asia, and our lines of communication to that part of the world. Recognizing the passions aroused by this issue we must take seriously the Turkish Government's warnings that adoption of these resolutions would diminish sharply its ability to maintain the smooth and effective relationship now existing between our two countries.

Starting with parliamentary elections at the end of 1983, the Turkish Government has made major strides in its return to full democracy after a three-year period of military rule undertaken to deal with widespread domestic terrorism. Turkey is also engaged in a revolutionary program of economic reform which stresses free-market principles, the supremacy of private capital and commitment to monetary and fiscal responsibility which has gained it widespread respect in international banking circles. Favorable action on the resolutions would not only weaken the government of Prime Minister Ozal, the architect of these reforms, it could also greatly set back our ability to influence Ankara positively on Cyprus—another issue which invokes deep nationalist sentiments and on which the Turkish government is currently playing a constructive and helpful role.

I thus ask for your strong efforts in opposition to these resolutions throughout the current Congressional session.

Sincerely yours,

George P. Shultz.

Mr. HANSEN. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska [Mr. Bereuter].

Mr. BEREUTER. Mr. Speaker, I ask my colleagues if this resolution merits consideration today. After all, the resolution has a basic and crucial flaw.

While it certainly is appropriate to designate a day of remembrance of man's inhumanity to man, it really is a mistake and unnecessarily controversial to give only a single example of man's cruelty by citing the death and killing of Armenians in Turkey almost 75 years ago. Man has unfortunately been cruel to man innumerable times—even on a massive scale. No matter how well intentioned are the sponsors of the resolution, and how real and massive the Armenian tragedy, this resolution will not change the past but will only create greater difficulties in the present and future.

On the other hand, while this Member knows that emotions run high on this issue, I would respectfully suggest that the Government of Turkey should not assign to this resolution which would express the sense of Congress the importance it does. Turkey, under its present Government, is one of our allies, and holds a vital place in the Western Alliance. Our purpose today should not be and is not to offend a friend.

Turkey should, after all, recognize this resolution only for what it really is. While I emphatically do not question the motives of the sponsor or cosponsors of this resolution, it does reflect a partisan competition, primarily centered in California, for the support of the Armenian-American community. This is particularly unfortunate because resolutions such as these can lead to tragic misunderstandings. This Member knows full well that it is not the intent of any of my California colleagues to alienate and rebuke the moderate, democratic Government of present-day Turkey. Nor, I am certain, do any of my colleagues wish by the resolution to offer any encouragement to a small group of Armenians who espouse terrorism and violence. But, actions such as these today can be misunderstood and misconstrued. That is the key point we must consider in the House today. What unintended messages and acts will be stimulated by the passage of this flawed resolution?

Our colleague, the gentleman from Virginia [Mr. Bateman] said in his recent "Dear Colleague" letter, that passage of House Joint Resolution 192 will accomplish nothing constructive. The gentlemen correctly noted that the resolution does nothing for any Armenian. If it did, it would be worthy of consideration, but it does not. The gentleman is correct.

The action in Armenia, in which over a million people died, was taken by the army of the Ottoman Empire in 1915. That army consisted of Turkish and Kurdish soldiers. I do not wish to belabor the obvious, but present-day Turkish realities have as little to do with the Ottoman Empire as does present day Austria represent a mirror image of the Hapsburg Empire.

Few of the democratically elected political leaders of today's Turkey were even born when these tragic events occurred. It is a grave lesson which they and all of us must remember, but it should not be held or used against the leaders or people of modern-day Turkey.

Last, I would reemphasize that this resolution should not be misconstrued or misunderstood. While recognizing that the tragic deaths of millions of Armenians did take place, we also should speak out in the strongest terms against the acts of the small faction of Armenians who choose to remember their slain ancestors by sowing terror and violence.

It is time to reconcile our differences and not to exacerbate them. It is time to emphasize and strengthen American ties with friends throughout the world and with all peoples. I urge my colleagues to vote against this flawed resolution.

Mr. FORD of Michigan. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. Coelho].

Mr. COELHO. Mr. Speaker, does the gentleman from Michigan [Mr. Ford] yield for a unanimous-consent request?

Mr. FORD of Michigan. Mr. Speaker, may I ask, what would be the request?

Mr. COELHO. Mr. Speaker, I would like to substitute the words "Ottoman Turkish Empire" for the word "Turkey" on line 2 of page 2 of the resolution.

Mr. FORD of Michigan. Mr. Speaker, I would only yield if it was acceptable to the other side. I do not know at this moment what their position would be.

Mr. HANSEN. Mr. Speaker, I would respectfully object.

Mr. COELHO. I thank the gentleman.

Mr. FORD of Michigan. Then I will not yield for that purpose, Mr. Speaker.

Mr. COELHO. I thank the gentleman.

Mr. Speaker, I felt that the objection would be heard. I just wanted to make sure that we had it on record that it was heard.

Mr. Speaker, some of my colleagues who have appeared on the floor here have talked about the fact that this resolution is directed at the current Government of Turkey. That is not the intent of the resolution and that amendment would have clarified that.

I think the interesting thing is that some of the previous speakers have talked about the fact that a genocide did not occur. I think it is interesting that if we look at an August 1, 1926, issue of the Los Angeles Examiner that we would see that there was an interview with a Mr. Kemal, who is recognized by all of Turkey as the George Washington of Turkey. He said that the Young Turk Party, the party that he brought into being, that now controls Turkey, "should be made to be aware of what happened under the Ottoman Empire when they killed millions of our Christian subjects."

And he goes on and says that they were driven en mass and massacred.

This is a significant acknowledgment by the father of the current Government of Turkey and I find it intriguing that the current Government of Turkey does not accept it and that some of my colleagues on the other side of the aisle do not accept it. I find it also interesting, Mr. Speaker, that we are here responding to the wishes of the Ambassador of a foreign power.

Mr. Speaker, I did not know that ambassadors had the right to lobby the Congress. I find it intriguing that one of my colleagues introduced to the Record a telegram from that ambassador. I think that bears looking into and I will.

I think another question was raised: Why was only this particular incident issued in this particular resolution about man's inhumanity to man. My colleague from Connecticut, Mrs. Johnson, appropriately addressed that issue when she said that the only reason that it is discussed here specifically is that there is some abiguity with the State Department, and that was brought up by one of our colleagues, that whether or not this massacre did or did not occur.

This fact of history has been in official records of the U.S. Government since the 1920's. It was on the records, and all administrations, in both parties, until 1981, when the Turkish Government successfully lobbied the current administration to remove the reference to it.

All we are trying to do here is to put back that same reference, nothing more, nothing less. It is only fair that those millions of people who were massacred by the previous Turkish Government are recognized for what happened.

I find it intriguing that some of my colleagues are hesitant. They have a right to be hesitant. We are talking about man's inhumanity to man. We are not talking about any particular government. We are talking about anytime in our history that a particular group of people took it upon themselves to persecute those who disagree with them for religious or political reasons and killed them. That is what we are talking about.

We as a government are saying that we do not go along with that.

Now, there is some reference to our allies. We have another ally. I am sure collegues on the other side of the aisle recognize that our ally, West Germany, is a critical ally, is an important ally. Does West Germany, the current Government in West Germany, do they deny the fact that the massacre occurred against the Jewish people? No. They support it. And I urge my colleagues to support this resolution as the right and decent thing to do.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. Ford] has 3 minutes remaining and the gentleman from Utah [Mr. Hansen] has 1¼ minutes remaining.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. Dornan].

Mr. DORNAN of California. Mr. Speaker, I do not understand the attitude of some distinguished diplomats from Turkey who have been making these exaggerated statements about our friendship being in jeopardy over our simple recognition of historical fact, that is the genocide of 1 million Armenians by the Ottoman Empire. Now a handful of Turkish diplomats see this resolution as somehow or another a deep insult to the current government over something historical 70 years ago. It may be their response to the vicious and cowardly killing of Turkish diplomats around the world. But at the root of this tragic horror of young Armenians, many of them Americans, resorting to violence is in great park due to the absense of simple recognition by the world that in fact one of the great horrors in all of history took place during the final years of the decadent 400-year-old Ottoman Empire in what is now the state of Turkey. A massacre of a people, the Armenians, who at one time made up the world's first Christian nation.

□ 1430

Yes, Turkey is a great ally in NATO, and I have faith that they will continue to be a great ally even if we do what is right here today and vote to recognize that this horrible genocide of the Armenian people took place in 1915.

President Woodrow Wilson sent a team of investigators to assess the truthfulness of the claims of what was then history's greatest massacre. The only reason Wilson's confirming report never penetrated the world consciencIousness was the carnage of World War I that followed within months where 10 million of Europe's youth died in the trenches of France and Belgium.

And please keep in mind that there were several genocides of Armenians under the Ottomans that went on from 1895 until 1915, and we simply must recognize that terrible, terrible suffering to ease the pain of the survivors and their progeny. We must acknowledge the history of man's inhumanity to man.

Mr. FORD of Michigan. Mr. Speaker, I reserve the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield 1 minute to the gentlewoman from Maryland [Mrs. Holt].

Mrs. HOLT. Mr. Speaker, I think we are missing the point on this resolution. I can see that it does absolutely no good for anyone, and we have certainly been warned that the people of the Republic of Turkey feel that this is a slap in the face to them. We have been warned that there has been a tremendous public outcry about this resolution; there was in September of last year. The Prime Minister was barely able to avoid a parliamentary review of our diplomatic relations.

We need these allies; they are good allies; they are attempting to set up a democratic form of government; to improve their economy, look how narrow the straits into the Black Sea are and how the Soviet ships steam through. Look at that long border with the Soviet Union, and the great job that our Turkish allies do there in helping us to protect freedom in that part of the world. I see absolutely no reason to pass this kind of resolution.

I urge the defeat of the resolution.

The SPEAKER pro tempore. The gentleman from Utah has one-quarter minute remaining.

Mr. HANSEN. Mr. Speaker, I appreciate the debate that has taken place. Let me just add what the gentleman from Texas [Mr. Leath] said: What do we really accomplish from this, when you do nothing more than affront a great ally? We've known we can't be the policemen of the world, we can't be the paymaster of the world, I don't know why we try to be the conscience of the world.

I urge a no vote.

Mr. FORD of Michigan. Mr. Speaker, I yield the balance of my time to the gentleman from Calfornia [Mr. Pashayan].

Mr. PASHAYAN. Mr. Speaker, how much time remains?

The SPEAKER pro tempore. The gentleman has 2 minutes remaining.

Mr. PASHAYAN. One question for my colleague from California, who is well known for advocating a strong defense, not only of the United States but of NATO:

Do you believe that this resolution, the passage of it, will hurt either our defense or NATO's defense?

Mr. DORNAN of California. Absolutely not. I spoke with one of the Turkish ambassadors to a European country—I do not have his permission to use his name—but he said that for us to keep using the quotes of Ataturk who is, as stated by the gentleman from California, every bit the George Washington of that country. He had bonfires to burn all the fezes and change their cultural background, change the alphabet from a Cyrillic alphabet to a Roman alphabet.

Not only in this Los Angeles Examiner issue of August 26, but on other occasions he admitted a genocide took place in the country of Turkey.

Mr. PASHAYAN. I appreciate that.

Mr. Speaker, no American, no American of Armenian descent agrees with the terrorism. The cause of the terrorism is the fact that the Government of Turkey has refused to acknowledge what took place 70 years ago, in a prior government, in the same manner as the present West German Government acknowledged what took place in a prior German government.

That is the cause of the frustrations among those people against whom the atrocity was directed.

The irony here is that Turkey not only is creating the problem here, they also have the answer. It will not hurt the defenses of NATO if Turkey, this Government, admitted what a prior government did.

Now my own personal background is relevant here. I spent 2 years in the Pentagon in strategic intelligence. Every piece of paper I saw had a code word on it. I had travel restrictions where I could go. I am more aware than most of the value of Turkey to NATO. I am all in favor of that. That is very important to the defense of NATO and to the defense of the United States, but I cannot see where in modern law and society this present Government of Turkey's admitting that a prior government committed this crime will affect one weapon, one gun, one defensive position in NATO strategy whatsoever.

Mr. Speaker, if the present Government of Turkey would take as much care to prevent the exportation of opium from their country as they do on this issue, we all would be better off.

● Mr. WAXMAN. Mr. Speaker, it is with a sense of sorrow, urgency, and indignation that I call the attention of Congress and the American people to the commemoration of the 1915 genocidal campaign by the Ottoman government of Turkey against the Armenian people.

During the World War I era, approximately 1.5 million Armenian men, women, and children died at the hands of the Turks. The victims of this genocide were unarmed civilians. Their deaths reflected a desire to obliterate both the Armenian nation and the ancient culture with which it was infused.

It should be a source of concern to every decent person that to this very day Turkey does not acknowledge the facts of the 1915 genocide despite eyewitness accounts, including those by Henry A. Morgenthau, U.S. Ambassador to Turkey during this time, and other State Department officials which provide indisputable documentation of the genocide. I am gratified that the U.S. Holocaust Memorial Council unanimously resolved to include the Armenian genocide in its museum and educational programs.

But more must be done. It is our duty to educate the young and the uninformed of this atrocity and to persuade those who still refuse to accept the historical truth of the annihilation of approximately half the world's Armenian population.

We cannot allow Turkey to insist on perpetrating a collossal historical

hoax. Turkish officials, textbooks, and mass media insist that the Armenians died as a result of cold, famine, and unavoidable consequences of World War I. I do not know of a single objective historian who gives any credence to these crude alibis. The historical truth is that Armenians were murdered simply because they were Armenians.

It is impossible to exaggerate the historical significance of the Armenian genocide. The line from Armenia to Auschwitz is a direct one. The Holocaust which took the lives of 6 million Jews, and millions of other innocent people, was inspired by the war against innocent Armenians.

At one of the earliest meetings on the "Final Solution to the Jewish Question," key Nazi officials were astonished at the audaciousness of Adolf Hitler's plan to eliminate the Jewish people. One adviser asked, "What about world opinion? Surely we cannot get away with this." Hitler laughed, "World opinion? A joke! Whoever cared about the Armenians?"

America has a special responsibility with respect to the Armenian genocide. Many of our countrymen are either survivors of the massacres and death marches, or are the children or grandchildren of survivors.

Let me make abundantly clear that I do not hold the Turkish people as a whole or the existing Government of Turkey responsible for the past. Our grievances are not with individual Turks, but with the members of the Turkish political and cultural elite who insist on generating "agit prop" and refuse to acknowledge the past by recognizing the responsibility for the bitter truth.

After World War II, the democratic Government of West Germany accepted responsibility for the crimes of the Third Reich. It adopted a plan of denazification to reduce the influence of the Nazi era on Germany's future. In the name of the German people, the West German Government undertook a costly program of restitution and reparations, both to the new Jewish state of Israel and to Holocaust survivors.

More than a half century has passed without a single gesture of acknowledgment or good will from the Government of Turkey toward the survivors of the Armenian genocide. Nothing has been done to acknowledge and compensate for the monstrous atrocities of that dark period.

The United States must press vigorously for the widespread dissemination of historically reliable information about the Armenian genocide. It is our duty to condemn racial and religious hatred in all its manifestations. It is up to us in this free country to dedicate ourselves to a policy of action, not merely of words, to promote worldwide justice and human rights and to put an end to this kind of madness forever.

Only when the most horrible chapters in human history are courageously acknowledged can we increase the prospects for preventing future holocausts.●

● Mr. FRENZEL. Mr. Speaker, nobody is for inhumanity. Nor is there any support here for genocide. That's why it is difficult to vote against a resolution like House Joint Resolution 192.

There is no dispute about the enormity of the outrage committed 70 years against Armenians in what has subsequently became the Republic of Turkey. Inhumanity is a good description of what has taken place.

However, there are problems with House Joint Resolution 192. It is offensive to a NATO partner, the Republic of Turkey, which feels the resolution may endanger more of its diplomats. They have been subjected to terrorism by Armenian terrorist groups all over the world. Forty Turkish diplomats, or members of their families, have been killed in a mindless, misguided campaign of revenge. The Government of Turkey believes the passage of this resolution will lead to more terrorism.

In addition, the resolution names Turkey as the location of the death of one-half million Armenians. The geographical location is accurate, but the resolution does not state that the event took place in what was then the Ottoman Empire, under the rule of its government.

The Republic of Turkey was formed later. It has been a staunch NATO ally, and a good trading partner. It's government feels the resolution is unfair to the Republic of Turkey, because it creates confusion between location and government.

In my judgment, there is no reason why we should pass a resolution which one of our partners finds insulting unless, of course, we wish to insult it.

We can, I submit, word a resolution against inhumanity more artfully than this one. House Joint Resolution 192 contains the sort of inflammatory language from which we expect the Committee on Foreign Affairs to protect us.

Because we can do a better job, I shall vote against House Joint Resolution 192.●

● Mr. BOLAND. Mr. Speaker, I strongly support House Joint Resolution 192, which would establish April 24, 1986, as a Day of Rememberance of Man's Inhumanity to Man.

This day is intended as a day of commemoration for all victims of genocide. But as the resolution notes, it particularly recognizes the 1.5 million people of Armenian ancestry who were victims of the genocide perpetrated in the Ottoman Empire between 1915 and 1923. By setting aside this day, we will acknowledge the pain and suffering of the men, women, and children who died for no other reason than the fact they were Armenians. In remembering those who perished in the Armenian genocide, we can reaffirm our dedication to the principles of personal and religious freedom, and our commitment to promoting peace and liberty throughout the world.

The Armenian genocide is a historical fact and to deny that fact is to deny the enormous amount of evidence supporting it. Today, some, 70 years after the fact, the Turkish Government refuses to even acknowledge the events which took place under its predecessor government. We cannot accept distortions of history that deny the humanity of the Armenians who perished. We owe it to every victim of genocide to remember the horrible events of the past, to better understand and appreciate the magnitude of suffering involved, and to educate our children so that these terrible acts will not be repeated.

I urge my colleagues to support this resolution, which will help keep alive the memory of all victims of genocide. In passing this measure we can acknowledge the fact that there are instances in history when man's worst instincts prevail over his best. As unpleasant as that fact may be, seeking to ignore it or deny its existence poses a far greater threat to the world's future than any effort to recognize it. Only in acknowledging the past can we learn from it. House Joint Resolution 192 can make an important contribution toward that end and it deserves the support of the House.●

● Ms. OAKAR. Mr. Speaker, I urge support for House Joint Resolution 192, designating a National Day of Remembrance of Man's Inhumanity to Man. It is appropriate that such a day be designated. Mankind, which is capable of great creativity and good, has also perpetrated enormous destruction and human suffering.

Tragically, the world has witnessed many examples of systematic inhumanity directed against different nationalities and races. During the winter of 1932–33, for example, millions of Ukrainians were deliberately starved to death in a state-organized famine. That same year, the Soviet Union was exporting grain. In World War II, another monstrous dicator ship declared that entire nations were "subhuman" and therefore subject to genocide. Six million Jews, along with millions of Gypsies and Slavs, were victims of Nazi mass murder. More recently, we witnessed the horrors unleashed by the Khmere Rouge in Cambodia, where once again, horrifying numbers of men, women, and children fell victim of man's inhumanity to man. Our own history is blighted by inhumanity directed against native Americans and black slaves.

The resolution we are considering today refers specifically to the horrible experience of the Armenian people in the earlier part of this century, when 1½ million people fell victim to the repressions of the Ottoman regime. My own parents, of Arab heritage, experienced the cruelties of the Ottoman Empire and fled from today's Lebanon and Syria to find refuge in America.

It is particularly important that we remember Armenians during the day we designate to commemorate man's inhumanity to man. Strong claims are being made that the massacre of Armenians in Ottoman Turkey never took place. This historical revisionism is also found among those who deny the historical reality of the Jewish Holocaust or the Ukrainian famine. This kind of denial is unfortunate and dangerous. When the historical record is denied, no lessons from it can be learned and the horrible cycle of man's inhumanity to man continues.

Commemoration of a National Day of Remembrance of Man's Inhumanity to Man does not assign guilt to any nation. It does not condone any acts of terrorism. The commemoration, instead, recognizes the dark side that lurks in the human soul. Our recognition of this horrible trait states our humble acknowledgement that mankind can be cruel indeed—whether in Ottoman Turkey, Stalin's Soviet Union, Hitler's Germany or our own Wild West or ante bellum South. Implicit in this recognition is the resolve to keep that dark side harnessed, to reject cruelty and assert our compassion, cooperation, and tolerance for one another so that man's inhumanity to man, while a painful memory, will serve as a lesson to guide us toward a more humane and peaceful future.●

● Mr. DONNELLY. Mr. Speaker, I rise in strong support of House Joint Resolution 192, which would designate April 24 as a National Day of Remembrance of Man's Inhumanity to Man. The resolution calls special attention to the first genocide of the 20th century, that was carried out by the Ottoman Turkish Empire against the Armenian people in Turkey in the period 1915–23.

I am a cosponsor of this deserving resolution, and urge its swift passage by the House. It is difficult to believe that 70 years after the Armenian genocide, some are now engaged in a campaign to convince the international community that the genocide against the Armenian people never took place. Our American Ambassador in Turkey from 1913–16, Henry Morganthau, provided President Wilson with a heart-wrenching account of the Armenian genocide, and left little doubt as to the identity of the perpetrators of that crime against humanity. It is estimated that at least 1½ million Armenians fell victim to the genocide of 1915. Not too many years after the Armenian genocide, Adolf Hitler dismissed criticism of the extermination of 6 million Jews by forces under his control by posing the obscene, yet telling question, Who still talks nowadays about the extermination of the Armenians?

It is critical that official statements by our Government show no confusion on the historical fact of the Armenian genocide. House Joint Resolution 192 accomplishes the noble purpose of maintaining historical integrity. It should be passed without objection.●

● Mr. HERTEL of Michigan. Mr. Speaker, I speak in support of House Joint Resolution 192 to designate April 24, 1986 as National Day of Rememberance of Man's Inhumanity to Man. The attempts to destroy the Armenian race is a violation of every human code. It is unconscionable and a blot on the entire human race. The calculated slaughter of more than a million and a half Armenians and the incredible torture experienced by hundreds of thousands must indeed be remembered by every nation where life, liberty, and the pursuit of happiness is a right.

The atrocities committed were an attempt to destroy and exterminate a race whose only crime was their Armenian heritage.

Unless we dedicate ourselves in strong and unequivocal terms, to the belief that all men must be treated with human dignity and that liberty is for everyone, we add to the shame of history.

A day of rememberance is a necessary and meaningful demonstration of our commitment to human rights and dignity.●

● Mr. COUGHLIN. Mr. Speaker, my vote today for the resolution to declare April 24, 1986, as "National Day of Remembrance of Man's Inhumanity to Man" is, simply, a condemnation of genocide wherever and whenever it took place. It should not be misconstrued as a rebuke to the Republic of Turkey—either the current government or its people—which have been most sensitive to the allegations that the mention of the massacre of Armenians many years ago is intended as an insult.

While it is true that the resolution could have been worded more diplomatically, it also is true that no one can fail to condemn genocide which is defined by one dictionary as, "The systematic, planned annihilation of a racial, political, or cultural group." What took place in Turkey between 1915 and 1923 was a tragedy of immense proportions. Nothing—not even this resolution—can erase that from history.

From the Holocaust perpetrated by Hitler and his Nazi minions to the genocide that began in Cambodia in 1975—all should and must be condemned by the civilized governments of the world. I include in this list the systematic murder and exile of the Miskito Indians by the Sandinista government of Nicaragua.

No excuses. No alibis. Genocide is one of the most horrible of all crimes.

To the Armenians and those of Armenian ancestry, the passage of this resolution can never excise from the pages of history the cruel and merciless murder of men, women, and children in Turkey. I understand that official recognition of the deaths of these people may, in some way, provide solace to Armenians in this country and throughout the world. I hope it does.

To our great friend and ally, Turkey, I can only ask that its government and people understand. I would prefer not to get into the politics involved in the drafting and presentation of this resolution, but I will say that many—if not most—of us who voted for the resolution recognize only too well that Turkey stands as a true NATO ally on the frontiers facing the Soviet Union. I would hope that the Turkish officials and people understand that it is well nigh impossible for an American official not to vote against genocide. Those of us who voted for the resolution know only too well that it was not the Republic of Turkey nor the present-day Turkish Government that can be held responsible for the murder of Armenians.

Likewise, a vote for this resolution does not encourage terrorism. There is no Member of this body who would condone the assassinations of Turkish officials by self-styled Armenian vengeance groups. Terrorism, like genocide, is a crime that holds no redeeming virtue, no glorifying feature and no rational explanation. If the passage of this resolution would abort one terrorist plot against Turkish officials, it would have served a useful purpose. I doubt it, however. Terrorism, like genocide, is the absence of reason.

Let us instead, take this resolution as reaffirmation that civilized peoples want to rid the world of genocide. We are recalling history only so its lessons survive. We must speak out against genocide and condemn it as we have condemned terrorism. That is what we have done today. Nothing more, nothing less.●

● Mr. HILLIS. Mr. Speaker, I rise to voice my strong disapproval of House Joint Resolution 192 which I believe is an ill-conceived and unnecessary resolution that could seriously undermine America's relationship with the Government of Turkey.

I would like to have taken a more active role in today's debate but, unfortunately, the short time limit prescribed for each side prevented me from doing so.

I was a member of the House Armed Services Committee delegation which traveled to Turkey during the Memorial Day recess. While there, we had the opportunity to meet with several high level officials including Prime Minister Turgut Ozal. In virtually every meeting, the Turkish officials with whom we spoke steered the conversation toward House Joint Resolution 192, expressing their vehement opposition to the resolution.

I don't believe this House has an appreciation for the importance the Turkish Government attaches to the defeat of this resolution. But understand this: Turkey considers House Joint Resolution 192 a slap in the face and Prime Minister Ozal stressed time and time again that passage would seriously and adversely affect Turkish-American relations.

There are three reasons for Turkey's opposition to House Joint Resolution 192.

First, the genocide against the Armenian people to which this resolution refers was not an act of the present-day Ankara government. These so-called "acts of genocide" occurred in the years during and just after World War I in the waning days of the Ottoman Empire.

Second, Armenian terrorists have assassinated 43 Turkish diplomatic personnel including one diplomat in Los Angeles. The Turkish Government worries, and in my opinion justifiably so, that this resolution would only serve to intensify and encourage the activities of such terrorist groups. This, of course, would serve to foster instability in the eastern Mediterranean.

Third, many of the so-called "acts of genocide" referred to in House Joint Resolution 192 occurred in the war zone between the Ottoman Empire forces and the armies of czarist Russia. Turkey fervently disputes many of the allegations made pertaining to the acts of genocide which are presented as fact in the resolution.

Why should we disrupt or destroy our good and valuable alliance with modern Turkey by treating this allegation of a bygone era as fact?

Turkey has moved steadily toward democracy in the last generation and their people are now enjoying many of the same freedoms we Americans enjoy. They treat their minorities with respect and dignity, making little, if any distinction among the various ethnic and religious groups.

They are an important American ally and a key to the NATO alliance. Their border with Soviet Union is the longest of any NATO partner and they guard the strategic waterway between the Black Sea and the Mediterranean.

They are a vital key to the NATO defense strategy which we should be acting to strengthen, not weaken. I might add, the White House and State Department also recognize the importance of our alliance and strongly oppose this resolution.

Mr. Speaker, passage of House Joint Resolution 192 will gain nothing and could lose us much—a good friend in a vital region of the world.

Let's not pick a fight. Let's defeat House Joint Resolution 192.●

The SPEAKER pro tempore. All time has expired.

The question is on the motion offered by the gentleman from Michigan [Mr. FORD] that the House suspend the rules and pass the joint resolution, House Joint Resolution 192, as amended.

The question was taken.

Mr. FORD of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 192, the joint resolution just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ENERGY POLICY AND CONSERVATION ACT EXTENSION

Mr. SHARP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1699) to extend titles I and II of the Energy Policy and Conservation Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1699

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSIONS.

(a) GENERAL EXTENSION.—Section 531 of the Energy Policy and Conservation Act (42 U.S.C. 6401) is amended by striking out "June 30, 1985" each place it appears and inserting in lieu thereof "June 30, 1989".

(b) INTERNATIONAL VOLUNTARY AGREEMENTS.—Subsection (j) of section 252 of such Act (42 U.S.C. 6272(j)) is amended by striking out "June 30, 1985" and inserting in lieu thereof "June 30, 1989".

(c) MATERIALS ALLOCATION.—Section 104(b)(1) of such Act is amended by striking out "December 31, 1984" and inserting in lieu thereof "June 30, 1989".

SEC. 2. NOTIFICATION REQUIREMENTS.

(a) AMENDMENTS TO STRATEGIC PETROLEUM RESERVE PLAN.—Section 159(e) of the Energy Policy and Conservation Act (42 U.S.C. 6239(e)) is amended to read as follows:

"(e) Any amendment transmitted pursuant to subsection (d), may become effective after the date of such transmittal.".

(b) SUSPENSION OF PROVISIONS RELATING TO THE STRATEGIC PETROLEUM RESERVE.—Section 160(e) of such Act (42 U.S.C. 6240(e)) is amended—

(1) by inserting "and" at the end of clause (i) of paragraph (1)(B);

(2) by striking out clauses (ii) and (iii) of paragraph (1)(B) and inserting in lieu thereof the following:

"(ii) the President has transmitted such finding to the Congress.";

(3) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) The suspension of the application of subsections (c) and (d) under paragraph (1)(B) may become effective on the day the finding is transmitted to the Congress and shall terminate 9 months thereafter or on such earlier date as is specified in such finding."; and

(4) by redesignating paragraph (4) as paragraph (3).

SEC. 3. TERMINATION OF AUTHORITY UNDER PART A OF TITLE II.

Part A of title II of the Energy Policy and Conservation Act is amended by adding the following new section at the end thereof:

"TERMINATION DATE

"SEC. 204. Except as provided in section 203(f), authority to carry out the provisions of this part and any rule, regulation, or order issued pursuant to such part shall expire at midnight, June 30, 1985.".

SEC. 4. TEST DRAWDOWN AND DISTRIBUTION.

(a) DIRECTIVE TO CARRY OUT TEST DRAWDOWN.—Section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241) is amended by adding the following new subsection at the end thereof:

"(g)(1) In order to evaluate the implementation of the Strategic Petroleum Distribution Plan, the Secretary shall, commencing within 180 days after the date of the enactment of this subsection, carry out a test drawdown and distribution under this subsection through the sale or exchange of approximately 1,100,000 barrels of petroleum product from the Reserve. The requirement of this paragraph shall not apply if the President determines, within the 180-day period described in the preceding sentence, that implementation of the Distribution Plan is required by a severe energy supply interruption or by obligations of the United States under the international energy program.

"(2) The Secretary shall carry out such drawdown and distribution in accordance with the Strategic Petroleum Distribution Plan and implementing regulations and contract provisions, modified as the Secretary considers appropriate taking into consideration the artificialities of a test and the absence of a severe energy supply interruption. In order to meet the requirements of subsections (d) and (e) of section 159, any such modification of the Plan, along with explanatory and supporting material, shall be transmitted to both Houses of the Congress no later than 15 calendar days prior to the offering of any petroleum product for sale under this subsection.

"(3) The Secretary may not sell or exchange any petroleum product under this subsection to or with any Federal agency, as defined in section 551(1) of title 5, United States Code.

"(4) The Secretary may not sell any petroleum product under this subsection at a price less than that which the Secretary determines appropriate and, in no event, at a price less than 90 percent of the sales price, as estimated by the Secretary, of comparable petroleum product being sold in the same area at the time the Secretary is offering petroleum product for sale in such area under this subsection.

"(5) The Secretary may cancel any offer to sell or exchange crude oil as part of any drawdown and distribution under this subsection if the Secretary determines that there are insufficient acceptable offers to obtain such product.

"(6)(A) The minimum required fill rate in effect for any fiscal year shall be reduced by the amount of any oil drawn down from the Reserve under this subsection during such fiscal year.

"(B) In the case of a sale of any petroleum product under this subsection, the Secretary shall, to the extent funds are available as a result of such sale in the SPR Petroleum Account, acquire petroleum product for the Reserve within the 12-month period beginning after the completion of the sale. Such acquisition shall be in addition to any acquisition of petroleum product for the Reserve required as part of a fill rate established by any other provision of law.

"(7) Rules, regulations, or orders issued in order to carry out this subsection which have the applicability and effect of a rule as defined in section 551(4) of title 5, United States Code, shall not be subject to the requirements of subchapter II of chapter 5 of such title or to section 523 of this Act.

"(8) The Secretary shall transmit to both Houses of the Congress a detailed explanation of the drawdown and distribution carried out under this subsection. Such explanation may be a part of any report made to the President and the Congress under section 165.".

(b) Conforming Amendments.—(1) Section 160(d) of such Act (42 U.S.C. 6240(d)) is amended by adding the following new paragraph at the end thereof:

"(3) In determining the number of barrels of crude oil for the purposes of subparagraph (A) of paragraph (1), any crude oil drawn from the Strategic Petroleum Reserve as a result of any drawdown and distribution carried out under section 161(g) shall be considered to be within the Reserve.".

Section 161(b) of such Act (42 U.S.C. 6241(b)) is amended by striking out "in subsections (c) and (f)" and inserting in lieu thereof "otherwise in this section".

The SPEAKER pro tempore. Is a second demanded?

Mr. DANNEMEYER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. Sharp] will be recognized for 20 minutes and the gentleman from California [Mr. Dannemeyer] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana [Mr. Sharp].

Mr. SHARP. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, H.R. 1699 extends title I of the Energy Policy and Conservation Act, which contains the basic authority to build, fill, maintain, and use the Strategic Petroleum Reserve [SPR]. The extension is for 4 years, until June 30, 1989.

The SPR is a large stockpile of oil held in gulf coast storage sites, and now totals about 470 million barrels of oil—enough to replace all U.S. crude imports for nearly 5 months.

When we first began to develop the SPR, after the enactment of EPCA in 1975, the Nation was very vulnerable to an oil import disruption. Our vulnerability was clearly demonstrated when the gasoline lines and price hikes of 1979 took many by surprise. At that point, SPR held hardly any oil.

Now, the SPR gives us the means to replace oil lost in a disruption. Instead of merely allocating a shortage, we can prevent it—or at least greatly ease its impact on our economy. That is why continued authority to build and use the SPR, if necessary, enjoys wide support.

There has been some debate about how fast SPR should be filled. The bill does not settle this issue. It does authorize a fill rate of up to 300,000 barrels per day. But separate legislation will set the specific rate for future years. I personally support a rate of only 50,000 barrels per day—less than one-third the current rate—because we face strong budget pressures. Indeed, the House budget resolution specifies a rate of 50,000 barrels per day.

But while we may disagree over the future fill rate, we all agree that we must maintain and be ready to use the oil we now have in SPR. The current glut will not last forever. Oil is a depleting resource. The Middle East remains unstable. And confident "predictions" of what will happen in the oil markets continue to turn out wrong.

H.R. 1699 also extends other "energy emergency" authorities in EPCA, including those in title II which allow U.S. participation in the International Energy Agency [IEA], for 4 years, until June 30, 1989.

The IEA is a group of oil importing nations, including the United States and its major allies, which have agreed to coordinate their responses to a future supply shortage in order to minimize its impact.

The bill also requires that the Department of Energy carry out a small "test sale" of SPR oil within 6 months.

This will test the complex mechanical and "paper" bidding and sales processes that must work rapidly in an oil disruption, if our $18 billion investment in SPR is to effectively protect consumers.

While there have been some tests to date of the SPR pumping machinery, and some simulated sales of SPR oil, current law bars any actual sale of SPR oil except in a crisis. H.R. 1699 removes this restriction, but only for a single, small test sale of about 1.1 million barrels—enough to test the five different SPR sites, and the actual bidding and purchasing process.

The bill also deletes EPCA's unconstitutional "legislative veto" provisions, and replaces them with a requirement that the President notify Congress before making a new SPR plan.

The gentleman from California has been very cooperative and supportive on these two measures. I appreciate his efforts to develop this bipartisan legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. DANNEMEYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge adoption of H.R. 1699, which would simply extend for 4 years, parts of titles I and II of the Energy Policy and Conservation Act that are otherwise scheduled to expire on June 30, 1985. These parts of EPCA contain the basic authority for the construction and filling of the strategic petroleum reserve, and for this Nation's participation in the international energy agency.

Aside from the extension of authority for the SPR and U.S. participation in the IEA, H.R. 1699 would accomplish three other things, I would like to mention here:

First, the existing unconstitutional one-House veto and advance joint concurrence provisions would be replaced by a presidential notification requirement.

Second, section 202 of subsection A of title II would not be extended beyond June 30, 1985. This section authorizes the President to impose demand restraint measures during a shortage. This Administration has declared, I believe wisely, that it would never use this provision.

Third, the Secretary of Energy would be required to conduct a small—1.1 million barrel—test drawdown of the SPR within 180 days of enactment.

● Mr. SYNAR. Mr. Speaker, today the House considers legislation to extend the expiration date for titles I and II of the Energy Policy and Conservation Act [EPCA] and to require a 1.1-million barrel strategic petroleum reserve [SPR] test. I support the extension of EPCA titles I and II, which provide authorities for SPR and for U.S. participation in the International Energy Program [IEP]. These authorities are important for this Nation to be able to respond to domestic and international energy supply emergencies. I also strongly support an SPR test.

I do, however, have some concerns about the bill. I question the wisdom of extending the IEP-related authorities in title II for 4 full years through

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June 30, 1989, and would prefer a shorter extension. Some have suggested that Congress may want to review U.S. participation in the IEP. I think that this is appropriate given that the IEP was established more than a decade ago when different world oil market conditions prevailed.

Additionally, I have concerns about the administration's consideration of a new plan of action, extending EPCA section 252 antitrust and breach-of-contract defenses to certain so-called type I oil transactions, which are essentially day-to-day commercial oil company transactions not undertaken at the specific request of the International Energy Agency or with the IEP's approval or sanction. I am concerned that this type of antitrust/breach-of-contract coverage would go beyond the scope of what Congress envisioned in enacting EPCA and could possibly result in providing participating companies with wholesale, rather than limited, antitrust/breach-of-contract protection. Certainly this extension of coverage would depart significantly from past administration positions on this issue.

I believe that a careful review of what the administration is proposing is in order, so that we can address the many unanswered questions about the proposal. A shorter extension will allow Congress to revisit the authorities for U.S. participation in the IEP after a careful review of these issues.

While I strongly support a test to demonstrate the reliability of the SPR system—one that will test the drawdown, distribution and sale of SPR oil—I fear that the test envisioned in this bill will do little more than test the sale of SPR oil. I remain convinced that to have a meaningful test of SPR we must actually stress the reserve system, which would require a drawdown at high levels sustained over a period of days. The General Accounting Office reached this same conclusion in a report done recently for the House Government Operations Subcommittee on Environment, Energy and Natural Resources, which I chair.

In that report, GAO concluded that to be fully confident of overall SPR system reliability, a test should involve drawdown and distribution of SPR oil at the maximum sustainable rate—currently about 2.3 million barrels/day—and that a test of this magnitude for 5 to 7 days would be feasible and reasonable.

Importantly, as GAO pointed out, a test of sufficient size to actually stress the system need not involve the sale of all the oil drawn down and run through the distribution system. DOE has the capability to provide temporary storage for the amount of oil drawn down under a sustained test, and this storage—as opposed to actual sale of it—would minimize the costs of the SPR test and the potential impact on world oil markets. Accordingly, while I intend the support the legislation, I continue to hope that DOE will undertake such a test on its own or, barring that, that Congress will manage such a test.

Finally, I would like to take this opportunity to say how disappointed I am with the administration over the whole area of energy emergency preparedness. As my colleagues know, many of us in Congress have spent much time pushing and prodding the administration on preparedness policies and programs. We have urged the Department of Energy to exert some leadership toward coming up with a solution to the fair sharing problem for companies participating in the IEA Program. We have urged the development of an emergency economic response program to assist those who simply cannot afford substantially higher energy prices. Last year we were moving forward and seemed to be making some progress. Then-Secretary Donald Hodel stated in a public hearing in September that he intended to work toward submission to Congress early this year of energy emergency preparedness legislative proposals, including legislative recommendations for an emergency economic response program. That promise has since vanished into thin air.

Even though oil supplies are not plentiful and a sense of complacency seems to abound, adequate preparation for a future energy crisis is no less important today than it was in the past. Unfortunately, emergency preparedness issues have not been sufficiently addressed by the administration.

The issues I noted, along with some general questions about U.S. participation in the International Energy Program, should be addressed, and a shorter extension of the EPCA reauthorization would provide the impetus for a review of these issues. Accordingly, should the Senate adopt a shorter extension, I hope our House conferees would concur in it.●

☐ 1440

Mr. DANNEMEYER. Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 1699.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana [Mr. Sharp] that the House suspend the rules and pass the bill, H.R. 1699, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to extend title I and part B of title II of the Energy Policy and Conservation Act, and for other purposes."

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 192

Mr. BUSTAMANTE. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of House Joint Resolution 192.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

NATIONAL DAY OF REMEMBRANCE OF MAN'S INHUMANITY TO MAN

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the joint resolution, House Joint Resolution 192, as amended.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. Ford] that the House suspend the rules and pass the joint resolution, House Joint Resolution 192, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 233, nays 180, not voting 20, as follows:

[Roll No. 133]

YEAS—233

Ackerman
Addabbo
Akaka
Anderson
Andrews
Annunzio
Aspin
Atkins
AuCoin
Barnes
Bates
Bedell
Beilenson
Berman
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior (MI)
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Burton (CA)
Carr
Chappie
Clay
Coats
Coelho
Coleman (TX)
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crockett
Dannemeyer
Daschle
Davis
de la Garza
Dellums
Derrick
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dymally
Early
Eckart (OH)
Edgar
Edwards (CA)
Evans (IA)
Evans (IL)
Fascell
Fazio
Feighan
Fiedler
Fish
Foglietta
Foley
Ford (MI)
Ford (TN)

Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gilman
Glickman
Gonzalez
Gordon
Gray (PA)
Green
Guarini
Hall (OH)
Hall, Ralph
Hamilton
Hawkins
Hayes
Heftel
Henry
Hertel
Horton
Howard
Hoyer
Hughes
Hunter
Ireland
Jacobs
Jeffords
Johnson
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Long
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lungren
MacKay
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
McCloskey
McCollum
McHugh
McKernan
McKinney
Mikulski
Miller (CA)
Miller (WA)
Mineta
Mitchell
Moakley
Mollohan
Moody
Moorhead
Morrison (CT)
Mrazek
Myers
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Porter
Pursell
Rangel
Reid
Richardson
Rinaldo
Robinson
Rodino
Roe
Roemer
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Roybal
Russo
Sabo
Savage
Saxton
Scheuer
Schneider
Schulze
Schumer
Seiberling
Sharp
Sikorski
Slattery
Smith (FL)
Smith (NH)
Smith (NJ)
Snowe
Spence
St Germain
Stallings
Stokes
Strang
Studds
Synar
Tauzin
Thomas (CA)
Torres
Towns
Traficant
Traxler
Udall
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Waxman
Weaver
Weiss
Wheat
Williams
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Yates
Yatron
Young (AK)
Olin
Oxley
Perkins
Petri
Pickle
Price
Quillen
Rahall
Ray
Regula
Ritter
Roberts
Rogers
Rowland (GA)
Rudd
Schaefer
Schroeder
Schuette
Sensenbrenner
Shaw
Shelby
Shumway
Shuster
Siljander
Sisisky
Skeen
Skelton
Slaughter
Smith (IA)
Smith (NE)
Smith, Denny
Smith, Robert
Snyder
Solomon
Spratt
Staggers
Stangeland
Stenholm
Stratton
Stump
Sundquist
Sweeney
Swift
Swindall
Tallon
Tauke
Taylor
Thomas (GA)
Valentine
Vander Jagt
Walker
Watkins
Weber
Whitehurst
Whitley
Whitten
Wylie
Young (FL)
Young (MO)
Zschau

NAYS—180

Alexander
Anthony
Archer
Armey
Badham
Barnard
Bartlett
Barton
Bateman
Bennett
Bentley
Bereuter
Bevill
Boner (TN)
Bonker
Boulter
Brown (CO)
Broyhill
Burton (IN)
Bustamante
Callahan
Campbell
Carney
Carper
Chandler
Cheney
Cobey
Coble
Coleman (MO)
Combest
Craig
Crane
Daniel
Darden
Daub
DeLay
DeWine
Dickinson
Dicks
DioGuardi
Dowdy
Duncan
Dyson
Eckert (NY)
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fields
Flippo
Franklin
Frenzel
Fuqua
Gibbons
Gingrich
Goodling
Gradison
Gregg
Grotberg
Gunderson
Hammerschmidt
Hansen
Hartnett
Hatcher
Hefner
Hendon
Hiler
Hillis
Holt
Hopkins
Huckaby
Hutto
Hyde
Jenkins
Jones (NC)
Jones (OK)
Kasich
Kemp
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leath (TX)
Lent
Lewis (FL)
Lightfoot
Livingston
Lloyd
Loeffler
Lott
Lundine
Mack
Madigan
Marlenee
Martin (IL)
Mazzoli
McCain
McCandless
McCurdy
McDade
McEwen
McMillan
Meyers
Mica
Michel
Miller (OH)
Molinari
Monson
Montgomery
Moore
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Nielson
O'Brien

NOT VOTING—20

Applegate
Byron
Chappell
Clinger
Collins
Dingell
Florio
Fowler
Gray (IL)
Hubbard
Lantos
Lewis (CA)
McGrath
Morrison (WA)
Ridge
Solarz
Stark
Torricelli
Whittaker
Wilson

☐ 1450

Messrs. PRICE, DICKS, and ERDREICH changed their votes from "yea" to "nay."

Messrs. DE LA GARZA, WORTLEY, and RALPH M. HALL, and Mrs. VUCANOVICH changed their votes from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

☐ 1500

ANTI-APARTHEID ACT OF 1985

The SPEAKER pro tempore. Pursuant to House Resolution 174 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1460.

☐ 1500

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, with Mr. DE LA GARZA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose on Tuesday, May 21, 1985, the amendment in the nature of a substitute recommended by the Committee on Foreign Affairs was open to amendment at any point.

Are there any further amendments to the committee amendment in the nature of a substitute?

AMENDMENT OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDSON: Page 34, after line 4, insert the following new section:

SEC. 15. BAN ON IMPORTING URANIUM AND COAL FROM SOUTH AFRICA AND NAMIBIA

(a) PROHIBITION.—Notwithstanding any other provision of law and except as provided in subsection (b), the following products of South Africa and Namibia may not be imported into the United States: coal, uranium ore, and uranium oxide.

(b) WAIVER.—The prohibition contained in subsection (a) may be waived by the President in accordance with section 6.

(c) NEGOTIATIONS.—The President shall, during the course of any bilateral or multilateral negotiation held pursuant to section 10, include attempts to persuade the governments of other countries to ban imports of coal, uranium ore, and uranium oxide from South Africa and Namibia. The President shall include the status of those attempts in any report submitted to the Congress under section 10.

☐ 1510

Mr. RICHARDSON. Mr. Chairman, this amendment sends two messages: First of all, the message of rendering objectionable the policies of the South African Government of apartheid. The second message that this amendment sends is that we are here to protect American jobs.

Despite the fact that our country has some of the largest coal deposits in the world, the United States continues to increase our coal imports from South Africa, the leading exporter of coal to the United States. Our uranium imports from South Africa-Namibia have increased 350 percent since 1981, and this is at a time when the number of domestic uranium mines has dropped from 362 to 15 and 85 percent of our miners have lost their jobs.

While the importation of these minerals holds economic implications for this country, it is also a significant moral issue. Labor conditions for black miners in South Africa-Namibia are deplorable. Black miners have virtually no job security. They must contract for a limited number of months and then reapply for their jobs. They are not allowed to live with their families; white miners are. They are prohibited by law from holding skilled labor positions; these slots are reserved for white miners only. They must pay for their health insurance; white miners receive free insurance. And their low wages have artificially depressed the world price of uranium and coal, making U.S. coal and uranium less competitive.

Sixty thousand American coal miners are out of work. Our uranium industry is in danger of extinction. This affects many States in the West that have uranium capacity and many States throughout the country that have significant coal reserves.

If these two minerals are terminated in their imports from South Africa, it would not affect national security. No

tariffs are involved. No quotas are involved. The financial implications are minimal.

In addition to that, we feel that this amendment would send a very strong signal that the United States is saying that we will give a chance to our own energy industry. We have a sufficient capacity in this country to make up for this very limited shortfall from South Africa.

This amendment does not affect existing contracts. We would not be abrogating any existing contracts. To accommodate members of the Committee on Ways and Means, we did not include uranium oxide, so that no tariffs whatsoever would be involved.

The main message that is sent is a twofold message: First of all, that this country finds the policies of apartheid objectionable, that the reason that the competitive nature of our coal and uranium industries is so adversely affected is because of the conditions of the black miners in South Africa, and we are also sending a message to our depressed mining industry in this country that the United States is prepared to stand behind our coal miners and that the United States is prepared to stand behind the uranium industry that has virtually gone under. In another 2 years, unless certain steps are taken such as limited import restrictions, our uranium industry for all practical purposes will be terminated.

So I ask for the support of this House to send that dual message. The first is that we find the policies of apartheid objectionable, that we will not tolerate the continued exploitation of workers, but also that we will stand behind those coal miners throughout the Western, Eastern, and Midwestern States, and that we will stand behind uranium miners in this country and say no to this practice that continues.

Mr. Chairman, I ask for the unanimous support of the Members of the House for this amendment.

Mr. WOLPE. Mr. Chairman, I rise in very reluctant opposition to the amendment offered by my distinguished colleague, the gentleman from New Mexico [Mr. RICHARDSON].

My opposition is reluctant because I regard this amendment as clearly a friendly amendment. I certainly support the thrust and the intent of the amendment that is before the House at this point.

In fact, the uranium import sanction would strike at what is the fourth largest South African import into the United States. It has produced $197 million in foreign exchange for South Africa in 1983 and $145 million in 1984, and as my distinguished colleague has noted, while U.S. jobs in the uranium industry are disappearing, uranium produced by cheap labor in South Africa and South African-occupied Namibia is being exported into the United States in increasing amounts. These exports now account for about 20 percent of South African-Namibian uranium production. South African-Namibian uranium accounts for nearly 8 percent of the uranium enriched for U.S. utilities and even more that is enriched for reexport to other countries.

So on the substance there is much that is meritorious in what the gentleman from New Mexico has said in his observations.

Having said that, it needs to be noted that the authors of the legislation before us spent considerable time trying to craft legislation that would offer up those sanctions that would be most effective vis-a-vis South Africa, that would send the kind of message that needs to be sent with both economic and political meaning in South Africa, and that would also be politically doable within this institution.

My opposition to the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON] is based upon a concern that this amendment would actually have the effect of weakening the position of the House as we enter into conference with the other body. I will be in a position a little later in this proceeding of opposing other friendly amendments that are intended to strengthen the sanctions and to add new sanctions to those already embodied in this legislation before us, and I do so again, not because of a disagreement with the thrust or with the intent, but because I want to make certain that the strongest possible package emerges from this House and becomes the vehicle for discussion with the other body. There has already been legislation offered by way of various bills in this body to prohibit tax credits for U.S. firms in South Africa, to prohibit landing rights for South African Airways, various kinds of trade embargo restrictions, the closing of primary consulates, and a whole range of initiatives.

In short, there has been a whole range of initiatives that have been suggested. We could have added this particular sanction to those that are already part of our legislation. We could have added other sanctions, but we decided that we had to draw the line somewhere, and I would submit the legislation that is before this body right now represents a very balanced approach to addressing the issue of apartheid in South Africa, to distancing the United States from the apartheid regime, and to make clear to South Africa that unless there is progress made toward the elimination of apartheid, there will be growing costs in terms of the American-South African relationship and a growing isolation vis-a-vis South Africa and the international community.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I am pleased to yield to my distinguished colleague, the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I thank my friend for yielding.

I thank the gentleman from New Mexico [Mr. RICHARDSON] may be on the right track. This is just a personal opinion. I do not like my country and important leaders in my country to speak loudly and carry a small stick, a little twig. That reverses the traditional posture we like to find ourselves in.

I have a copy of the speech, the Democratic radio response last Saturday to the President that was delivered by our Speaker, TIP O'NEILL, and in that speech he said some very important things. He said, and I quote:

> We will pass the kind of tough economic sanctions against South Africa that tell the world that we Americans place a higher value on the treasure of human rights and democracy than we place on the treasure of South African gold and South African diamonds.

Those are important words, and I think we ought to take them to heart. Why do we just want to ban uranium and coal? We have all kinds of coal in Illinois and in Pennsylvania. If there is no pain, there is no gain. Why do we not really hit them where it hurts and say, "No more gold, no more diamonds"? Not just the diamonds that are displayed in full-page ads in Dossier magazine, but industrial diamonds as well. Let us hit them where it hurts, and if it hurts us, why we will risk this in defense of principle.

☐ 1520

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLPE] has expired.

(At the request of Mr. HYDE, and by unanimous consent, Mr. WOLPE was allowed to proceed for 2 additional minutes.)

Mr. HYDE. Mr. Chairman, if the gentleman will continue to yield, I have just four more minerals I would like to mention; bauxite, titanium, cobalt, and manganese.

Mr. WOLPE. Well, let me just say, if I can reclaim my time, to the gentleman from Illinois, that there are many, many other sanctions that are available to the United States to impose against South Africa. My own personal judgment is that unless movement is made by that regime to dismantle apartheid, that many of those measures to which the gentleman referred will become in order in due course.

I believe that this legislation, however, represents a moderate, reasonable, first-step effort in formulating our approach to South Africa.

I would note that while the amendment of the gentleman from New Mexico [Mr. RICHARDSON] contains some important sanctions, as I indicated in my opening remarks, they are simply not as powerful as the no-new-investment portion of H.R. 1460, which would prevent new companies from entering South Africa, which would eliminate tens of millions of dollars of newly U.S.-funded expansion occurring within South Africa and would stop the $1 billion rise in bank loans to the private sector since 1982.

Mr. RICHARDSON. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from New Mexico.

Mr. RICHARDSON. I respect my colleague, the gentleman from Illinois, for the point he has made. I agree with my colleague about the other minerals.

The point I want to make is the ones that I am directly affected with and many others throughout the country—coal and uranium I think can easily be made up by domestic production. A case can be made that there are other minerals that have unlimited national security. I am not going to get into that. I am not a member of the Foreign Affairs Committee, but the point I do want to make is that I do not think this amendment would adversely affect the economic situation in South Africa that much.

We are not talking about a significant amount. We are talking about industries in the United States that are dying. The uranium industry is dying. The coal industry can easily make up this difference.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. Yes, of course.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Wolpe] has again expired.

(At the request of Mr. Hyde, and by unanimous consent, Mr. Wolpe was allowed to proceed for 1 additional minute.)

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. Yes.

Mr. HYDE. It just seems to me the purpose of this legislation is not to economically improve our country, but it is to stand before the world and tell the world, as our Speaker did on Saturday, that human rights mean more to us than South African gold and South African diamonds.

I would like to implement his language by banning from our country any diamonds, industrial or decorative; gold, and while we are at it, chrome, titanium, and manganese.

Let us really back our brave words with brave actions.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Wolpe] has again expired.

(By unanimous consent, Mr. Wolpe was allowed to proceed for 1 additional minute.)

Mr. WOLPE. Mr. Chairman, I yield to the gentleman from New Mexico.

Mr. RICHARDSON. Mr. Chairman, I just wanted to add to my colleagues that the main reason that I am offering this amendment, obviously, the moral apartheid reason is paramount, but I also want to make it very clear that I want to protect American mining jobs; uranium and coal jobs that are significant, as my colleague knows.

We are talking on uranium, about an industry that is dying simply because there are nations that subsidize their uranium industry and we do not offer the same kind of thing. I am not asking for protection. I am saying reciprocity, with the coal industry in the same way. Our coal industry can easily make this up. This would not be interpreted as a massive sanction against South Africa; although if my colleague offered such an amendment on the other minerals, here is one colleague who would support him.

I am being very specific about the ones I have because I am concerned about the national security argument. You cannot make a national security argument that we would be adversely affected if we stopped these two areas. This is why I am concerned that the Foreign Affairs Committee did not take them up. They took krugerrands. They dealt with many other issues. Why did they omit this?

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. Richardson].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. RICHARDSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENTS OFFERED BY MR. ZSCHAU

Mr. ZSCHAU. Mr. Chairman, I offer two amendments and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Zschau:

Page 29, line 2, insert "(a) In General.—" immediately before "The".

Page 29, line 8, insert immediately before the period the following: ", and other restrictions in effect under United States law with respect to South Africa".

Page 29, insert the following after line 9:

(b) Future Anti-Apartheid Measures.—The Congress urges the President to consult with other countries, particularly the major allies of the United States, with respect to the implementation in the future of any anti-apartheid measures being considered by the United States or any such country, in order to encourage multilateral, rather than unilateral, implementation of such measures.

Page 29, insert the following after line 9 and redesignate succeeding sections and references thereto accordingly:

SEC. 11. REPORT ON STATUS OF APARTHEID AND HUMAN RIGHTS IN SOUTH AFRICA.

(a) Monitoring and Report.—The President shall monitor the status of apartheid and human rights in South Africa and shall report annually to the Congress on the progress or lack of progress of the Government of South Africa in eliminating apartheid and promoting human rights in that country.

(b) Additional Anti-Apartheid Measures.—It is the sense of the Congress that the United States should take measures in addition to the sanctions imposed by this Act unless the Government of South Africa makes substantial progress toward the goals set forth in subsection (a).

Mr. ZSCHAU [during the reading]. Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ZSCHAU. Mr. Chairman, these two amendments are designed to strengthen the sanctions in this bill and the process for bringing pressure on the Government of South Africa.

The first amendment provides that the United States when considering, any future sanctions toward South Africa consult with other countries, particularly our major allies, and urge our allies to implement any such sanctions toward the Government of South Africa in unison with us. This is based on the principle that multilateral action is more effective than unilateral action.

Let me give an example. In this bill, H.R. 1460, there is a provision which would ban the future sales of computers to the Government of South Africa. This is a ban designed to disassociate ourselves with the activities of the Government that administers and enforces apartheid.

The United States has about one-half of the sales of computers in South Africa. Other countries have the other half. The largest growth in the sales of computers to South Africa comes from the Japanese.

Let us make no mistake about it: If we ban the sales of our computers to the Government of South Africa, it will not mean that the government will no longer get computers. It will merely get them from the Japanese or the British or the French or the other vendors. However, if such sanctions were to be implemented in concert with our allies, it could mean that South Africa could not get the latest and best computer equipment. That would bring much greater pressure to bear on the South African Government than the unilateral action proposed in this bill.

The second amendment provides that we should monitor the situation in South Africa and we should take future actions based on the results of

the sanctions that we are implementing under this bill and the actions that the Government of South Africa takes to end apartheid.

The second amendment would require that regular reports be made to Congress and that it is the sense of Congress, if progress is not made toward dismantling apartheid in South Africa, that the Congress should consider taking stronger actions in the future.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. ZSCHAU. I would be happy to yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Chairman, I thank the gentleman.

What would happen if multilateral action was not forthcoming and the United States still felt the need to act unilaterally?

If the gentleman's amendment were adopted, do we have that option?

Mr. ZSCHAU. Yes. My amendment suggests that we encourage our allies through whatever means that we might have to enter into multilateral approaches with us rather than following a unilateral approach by ourselves.

It also says that we should consult with other countries so the likelihood of multilateral action is increased.

Mr. ROEMER. But if the gentleman would yield further, assume the worst. I agree with the premise of the gentleman that if we act together, we act more strongly. There is no doubt about that; but there are some of us who think we need action, whether alone or together.

I just want to make clear that the gentleman is telling this body that the gentleman's amendment does not preclude our standing alone if we think that is what it takes.

Mr. ZSCHAU. That is correct.

Mr. ROEMER. I thank the gentleman.

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. ZSCHAU. Yes, I would be happy to yield to the gentleman from Michigan.

Mr. WOLPE. I would just like to say to the gentleman in the well that I believe the two amendments that he is discussing at this point are very constructive.

□ 1530

I certainly intend to support them. We have a provision in our own bill that talked about the importance of international consultation with respect to the sanctions in the legislation. The gentleman carries that a step further to talk about any further antiapartheid measures. I think it is a very constructive addition.

Mr. ZSCHAU. I thank the Chairman for his support and his comments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California [Mr. Zschau].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. ZSCHAU

Mr. ZSCHAU. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Zschau:

Page 20, line 20, add the following after the period: "The prohibition contained in the preceding sentence shall apply only to the extent it is not inconsistent with the obligations of the United States under the General Agreement on Tariffs and Trade."

Mr. ZSCHAU. Mr. Chairman, this amendment deals with the provision which would ban the importation of the gold coin, the krugerrand, from South Africa. That ban is designed to be a symbolic gesture to express our outrage toward the policy of apartheid.

Everyone knows, and is under no illusions to the contrary, that banning the importation of krugerrands will not bring the Government of South Africa to its knees or stop the mining of gold in that country. But it does give us a warm feeling that at least we are not assisting the South African Government directly by importing their gold coins.

I support this kind of symbolic gesture. However, I only support them if they do not do immense damage to this country. I am concerned that this ban may be damaging to the United States because there is an indication at least that the importation ban on krugerrands would be a violation of about obligations under the General Agreement on Tariffs and Trade and would make it more difficult for us to enforce the GATT when other countries appear to be violating the GATT.

When we are facing a situation of $130 billion a year in trade deficits—which is not only hurting the economic situation currently for people across this country in the heavy industries, the light industries, and in the farming communities but is also undermining the industrial structure of this country which could have a long-lasting effect—we should be doing everything we can to maintain our capability to make sure that our trading partners do not violate the GATT.

Where do we have such violations in the actions of our trading partners? We allege that the Japanese have restrictions on beef and citrus imports which are in violation of GATT and hurt our farmers. We allege that the European Community has subsidies on various farm exports that also make it difficult for our farmers to survive.

If we are going to be able to argue persuasively that they should cease violating the legal procedures for conducting international trade, we are going to have to have our hands clean. If we should implement a ban like this or any other action which violates our obligations under GATT, our ability to enforce those obligations among our trading partners will be undermined.

What is the situation with the General Agreement on Tariffs and Trade? Under that agreement, South Africa, which is a signatory, is entitled to most favored nation status. It therefore enjoys the same privileges, immunities, and advantages in its gold coin exports to the United States as do other gold coin exporting countries such as Canada.

Article XI of the GATT says:

> No prohibitions or restrictions other than duties, taxes, or other charges shall be instituted or maintained by any contracting party on the importation of any product of the territory of another contracting party.

There is an exception to that in article XX for gold and silver. However, it says in article XX that any gold or silver import restrictions are subject to the qualification that they may not constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail.

Some people say that the Government of South Africa, with its apartheid policy, constitutes such a situation where different conditions prevail. Other people disagree. They say it is not the political situation but the economic situation that should be considered to determine if different conditions prevail.

I do not know what the answer is. I do not know whether the ban on krugerrands is GATT legal or not. However, I strongly believe that if this ban is a violation of GATT we should not be instituting it. If it is GATT illegal, such a ban can harm the very economic fabric of this country. It can undermine our capability to enforce international trade rules with our trading partners. At a time when our basic industries, our high tech industries and American agriculture is under intense pressure in world markets as well as domestic markets, it is no time, in a cavalier fashion, to institute a ban that can come back to haunt us.

I ask for support of this amendment which would provide that the ban on the importation of krugerrands could only be implemented if it were not in violation of our obligations under the GATT.

The CHAIRMAN. The time of the gentleman from California [Mr. Zschau] has expired.

(On request of Mr. Roemer and by unanimous consent Mr. Zschau was allowed to proceed for 1 additional minute.)

Mr. ROEMER. Will the gentleman yield?

Mr. ZSCHAU. I yield to the gentleman from Louisiana.

Mr. ROEMER. Are you not assuming in your amendment something that you have admitted is impossible to assume, and that is the question of GATT legal? Do you not assume by removing the krugerrand from one package that this prohibition would be termed GATT illegal? Are you not making that assumption?

Mr. ZSCHAU. No; that is not correct. What I suggested is that I do not consider myself to be an expert on whether the ban is legal or not under the GATT. I do not know all the facts.

As a matter of fact, there is a case pending where a Canadian province has put a tax on importation of krugerrands and that is being argued right now.

I am trying to establish here a principle: When we take a symbolic move that is really not going to have much of an effect other than to express outselves symbolically, it should not be done if it has serious repercussions on our own international trade.

Mr. ROEMER. I thank the gentleman.

Mr. WOLPE. Mr. Chairman, I rise in very strong opposition to this amendment offered by the gentleman from California [Mr. Zschau].

I rise in opposition because the effect of this amendment would be very simply to gut the krugerrand prohibition that is embodied within the legislation; that is, the ban on the importation of krugerrands. I say that very simply because the administration is already on record. In recent testimony before our committee the administration indicated they felt that such a ban might in fact be inconsistent with GATT.

I might point out that that testimony by the administration witness was in direct conflict with earlier testimony by another administration witness to the effect that there was no inherent conflict between GATT and the contemplated prohibition on importation of krugerrands.

It was also in conflict with the Congressional Research Service study which indicated there is no conflict between the proposed sanction and the GATT agreement. But we know in advance that the administration has not come to the view that it is not consistent with GATT and therefore this provision will be used to essentially gut that provision.

I would also point out that we have imposed a whole range of additional sanctions against other countries that were not necessarily in conformity with GATT. That has simply never been the all-abiding criterion as to how we respond to nations of this world that are very serious human rights violators, and which the United States believes it important to make a very clear expression of our own views and to distance ourselves from those regimes.

☐ 1540

With that, I yield to the distinguished gentleman from New York, my collegue [Mr. Solarz].

Mr. SOLARZ. I thank the very distinguished chairman of the Subcommittee on Africa for yielding to me.

Mr. Chairman, I would like to make some brief observations on the Zschau amendment. I do not know whether the prohibition contained in the legislation before us with respect to the importation of krugerrands into the United States is or is not a violation of GATT. I have heard some learned arguments to the effect that it is not a violation of GATT inasmuch as GATT primarily deals with items that are traded, and the krugerrands involves a monetary item, and coins have generally not been considered within the purview of GATT.

So a case can be made that this legislation does not constitute a violation of GATT. But I do know that whether or not a prohibition on the importation of krugerrands is a violation of GATT, the administration will inevitably conclude that it is a violation of GATT and, therefore, if this amendment is adopted, we can be absolutely certain that the prohibition on the importation of krugerrands will be scuttled by the administration.

But I also know something else, and that is that even if it does constitute a violation of GATT, it would not be the first time when, in pursuit of an important human rights objective, we have violated GATT. We have a total trade embargo on Cuba; we have a trade embargo on Vietnam; we have a trade embargo on Cambodia; we have a trade embargo on North Korea; we have a trade embargo against Iran; and we have a trade embargo against other countries all of which constitute a presumptive violation of GATT. Yet in spite of that, the Congress and the administration have supported these embargoes.

Mr. ZSCHAU. Mr. Chairman, will the gentleman from Michigan yield?

Mr. WOLPE. I yield to the gentleman from California.

Mr. ZSCHAU. I thank the gentleman for yielding.

Mr. Chairman, I would just point out that the distinction between the countries that the gentleman mentioned and the instance of South Africa is that South Africa has most-favored-nations' status. So that the way in which those signatories that have most-favored-nations' status is different than those that the gentleman mentioned.

Mr. SOLARZ. If I may conclude my argument, I would say to my friend from California that there is no question but that we have violated the GATT in the past when we have imposed embargoes for human rights purposes. We violated it when we imposed an embargo against Uganda when Idi Amin was murdering his own people in wholesale lots. And I recall some of the Members on the gentleman's side of the aisle who supported us at that time in imposing an embargo against Uganda because of the human rights violations which were taking place in that country who dismissed out of hand the argument that the embargo against Uganda constituted a violation of GATT because they thought there was a more important principle at stake.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(On request of Mr. Solarz and by unanimous consent, Mr. Wolpe was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, will the gentleman continue to yield?

Mr. WOLPE. I yield to the gentleman from New York.

Mr. SOLARZ. Similarly, the administration just imposed a total embargo against Nicaragua. That clearly violates GATT. Yet the administration believed, rightly or wrongly, that a larger objective justified it.

So I would urge the defeat of this well-intentioned amendment by my very good friend from California [Mr. Zschau] because it would have the effect of scuttling one of the most important provisions in the bill.

The gentleman says this is purely symbolic. If it is symbolic, there is 600 million dollars' worth of symbolism here, because that is the amount of krugerrands South Africa exports to the United States, and that is the amount of foreign exchange we are sending to South Africa for the purchase of krugerrands which is helping to strengthen the apartheid system there.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman from Michigan yield to me?

Mr. WOLPE. I yield to the chairman of the Committee on the Budget, the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. Mr. Chairman, I thank the gentleman for yielding.

I would like to ask the distinguished gentleman from New York [Mr. Solarz], particularly in light of the comments made earlier by the gentleman from California [Mr. Zschau], in offering the amendment, that this is purely emotional symbolism that has no significant effect.

The gentleman from New York [Mr. Solarz] has made an observation, made a statement that it is not symbolism, it is not emotionalism, that the prohibition of Krugerrands sales is about $600 million. Is that what the gentleman said, Mr. Chairman?

Mr. SOLARZ. Yes.

Mr. GRAY of Pennsylvania. Also would the gentleman perhaps further explain what does that impact upon the apartheid system in terms of its ability to finance that insidious political system?

Mr. SOLARZ. If the gentleman from Michigan will continue to yield, as always, the gentleman is absolutely accurate. We are spending $600 million a year for the purchase of krugerrands. That money goes to South Africa. It helps to strengthen the apartheid system in that country. What is involved here is much more than just symbolism. There is a lot of substance—600 million dollars' worth—involved here. And for the same reason we were prepared to violate GATT when we opposed an embargo against Uganda, we should be prepared to violate it now in the case of South Africa, if such a prohibition actually violates GATT, which it very well may not.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, without reference to the major bill or whatever its motivations are, I do not see why we would object to the amendment of the gentleman from California [Mr. Zschau].

We are laboring in a trade environment in which we have accrued a deficit of $120 billion in the year of 1984. And in that same environment we are likely to show a deficit of $150 billion in 1985.

We are a country that alleges that we honor our international obligations. Everybody in this room knows that we do not always honor them. Occasionally, they are honored in the breach.

Then at least we ought to think about it, if we are in danger of dishonoring an international agreement that is worth keeping. And that is a question I think the gentlemen from California has brought to this body at this time. If you want to violate that agreement and you think it is important, then you should go ahead. If, on the other hand, you think those international agreements are worthwhile and that they ought to be a matter of negotiation, then I think many Members will want to support the amendment of the gentleman from California, as I believe I am going to do.

I must confess, however, that I am perhaps a prejudiced witness. I do not see this bill as living up to the expectations of its promoters. So I am not enthusiastic about it in the first place.

The chief reason for my lack of enthusiasm is that I doubt the passage of the bill will cause benefit to the black citizens of South Africa.

Again and again, I have seen our country, with the highest of motivations, adopt splendid statements affirming the highest principles of human rights and establishing policies which not only do no good to the oppressed, but also exacerbate the oppression.

Our outrage and high moral position did not improve conditions in Russia, or areas where the U.S.S.R. was at war, when we instituted embargoes or denied trade privileges. I supported most or all of these actions, as did most Members of this body, in the hope that our actions would help. Perhaps not every case was a failure, but the overall effect of our human rights policies against the U.S.S.R., Nicaragua, Chile, Rhodesia, Poland, and others has not been successful.

At the same time, the presence of U.S. companies in South Africa is probably the greatest hope for the training and promotion of black South Africans. Disinvestment would remove this hope.

For instance, three very large Minnesota companies, known for their good citizenship, and a number of other fine, but less-well known companies, are active in South Africa. According to a recent article in the Minneapolis Tribune, all three of the majors say, "they do more to promote racial equality by remaining." Together they employ over 2,000 South Africans of which over 900 are nonwhite. All have signed the Sullivan principles. Two were rated as "making good progress," and the other as "making progress."

The CEO of one of these firms, who was, as I recall, the only private industrial leader to testify in favor of the Humphrey-Hawkins bill, was quoted as saying disinvestment would "deny black people help from one of their most important allies." All three companies indicate that disinvestment would likely force U.S. firms out of South Africa.

The Minnesota experience in South Africa, and the U.S. experience in trying to force unwilling governments to improve their policies, lead me to the conclusion that this bill will not improve the conditions, or prospects, of black South Africans. In the absence of other compelling evidence, my indention is to vote against it on final passage.

I do say, however, that this country has lived within the regimen, or tried to live within the regimen, of the only trading system the free world has, and if we break it we ought to at least know that we are breaking it and be doing so for a good reason.

I think the amendment of the gentleman from California [Mr. Zschau] is eminently sensible and I intend to support it.

☐ 1550

Mr. ZSCHAU. Will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. ZSCHAU. I thank the gentleman for yielding and I thank him for his remarks. It has been stated here by the gentleman from Michigan [Mr. Wolpe] that this would gut the krugerrand ban. It would only do so if the Krugerrand ban were in violation of the GATT. If it were not in violation of the GATT, then it would not.

Mr. WOLPE. Will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Michigan.

Mr. WOLPE. If I could just clarify to the gentleman from California, I said it would gut the Krugerrand provision because the administration has most recently testified that it does in fact view this provision as inconsistent with GATT, even though as I said earlier that the administration had previously testified that it could in fact be consistent. In this case, it has changed his position.

Mr. FRENZEL. I yield to the gentleman from California.

Mr. ZSCHAU. I appreciate the gentleman yielding to me.

Mr. Chairman, I believe we should establish a principle here, and the principle is this: If we are going to implement a ban, then it should not be in violation of our trade agreements.

If it does not violate the GATT, the ban would go ahead. If it does violate the GATT, I submit that it has enormous cost to the farmers, to the steel industry, to the automobile industry, to the high technology industry across this country, and we had better consider that when we are proposing such a ban.

It has been suggested that we have violated GATT in the past. We had an embargo on sales of wheat to the Soviet Union. Well, you know what that did to the farmers in this country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ZSCHAU. I ask unanimous consent the gentleman have 2 additional minutes.

Mr. FRENZEL. Reserving the right to object.

The CHAIRMAN. Does the gentleman desire additional time?

Mr. FRENZEL. Mr. Chairman, I withdraw my reservation of objection.

(On request of Mr. Zschau and by unanimous consent, Mr. Frenzel was allowed to proceed for 2 additional minutes.)

Mr. FRENZEL. I yield to the gentleman from California.

Mr. ZSCHAU. I thank the gentleman for yielding.

We had an embargo on pipelaying equipment that would have been used to build the gas pipeline with the Soviet Union. Who did that hurt? That hurt the industrial firms in the Midwest.

We have taken these unilateral actions in the past but the people that it has hurt each time have been American citizens rather than the people that we are trying to persuade.

We should not be undermining our ability to persuade our trading partners to respect the international

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agreements. However, if we implement a ban on importation of krugerrands that does violate the GATT, we will be undermining our ability to make other countries adhere to those provisions.

Mr. FRENZEL. Mr Chairman, I yield back the balance of my time.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words.

I thank the Chair for recognition. The gentleman from California, the author of this amendment [Mr. ZSCHAU] has advanced the argument that what is at stake here is in effect the integrity of the GATT agreement and the overriding interest of the United States in preserving a free and fair international trading system.

He has suggested that if we were to reject his amendment and adopt a prohibition on the importation of krugerrands, and if it should turn out that it constitutes a violation of the GATT, the potential damage this might do to the United States, and to those sectors of our economy which depend on the capacity of our country to export, could be so great as to really outweigh whatever advantages might be obtained by imposing such a prohibition on krugerrand exports to the United States.

In pursuance of that argument, he has suggested that there have been a whole series of occasions in the past where we have imposed embargoes that have turned out to be more harmful than helpful to our own interests.

Now I would be the first to agree that there have been many occasions in the past when we have imposed embargoes that turned out to be either ineffective or counterproductive, but virtually all of the examples the gentleman cited had absolutely nothing whatsoever to do with violations of GATT in the sense that even if the examples he cited were violations of GATT, the counterproductive consequences for the United States had nothing to do with the extent to which the embargoes in question were a violation of the GATT.

If the American farmers were hurt by the grain embargo against the Soviet Union, it was not because that constituted a violation of GATT; it was because the farmers of our country lost the opportunity to make substantial sales to the Soviet Union and because that impaired our reputation as a reliable trader in grains.

The same arguments are true with respect to the gentleman's contention concerning the sanctions we imposed on the sale of components for the pipeline to the Soviet Union. That created severe political problems for us with our allies, but it was not because of the violation of GATT.

In fact, I would challenge my friend from California or anybody else on the other side of the aisle to give us a single example, let alone a series of examples, of situations in which by virtue of violations of the GATT, due to sanctions imposed for human rights purposes, we hurt our capacity to benefit from the international trading system.

It did not happen when we imposed the embargo against Cuba; it did not happen when we imposed the embargo against a whole variety of other countries; I think we may have isolated ourselves politically and diplomatically when we imposed the embargo against Nicaragua, but I have not heard the argument advanced that we hurt ourselves by virtue of the embargo against Nicaragua because we violated GATT.

Now in terms of this particular instance, it literally boggles the imagination to think that because we might impose a prohibition on the importation of krugerrands, that we are going to upset the entire GATT treaty and international trading system. I have no doubt South Africa will complain, but South Africa does not have too many friends in the world today, and I think that we will do much more to benefit the reputation of our country by imposing such an embargo than we will to damage it.

So I say to my friend, I do not know whether this does constitute a violation of GATT. I am not prepared to concede that it does. I think an argument can be made that it does not, but I do know that the administration will contend that it violates GATT and, therefore, if the gentleman's amendment is adopted, the ban on the importation of krugerrands will be null and void.

His amendment, therefore, guts one of the major provisions in the bill, and it does so on the grounds that if his amendment is rejected, we will disrupt the entire GATT arrangement, and that is simply not the case.

Mr. ZSCHAU. Will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman.

(On request of Mr. ZSCHAU and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. I yield to the gentleman.

Mr. ZSCHAU. As usual, the gentleman has described my amendment better than I was able to describe it, and has also made an excellent point, that the examples I was using did not speak directly to this but rather to the fact that when we take action, it can sometimes backfire, which was the point that I was trying to make.

In terms of the specifics of this situation, we are faced now with persuading our trading partners such as Japan and members of the European Community to cease and desist from practices that we consider to be in violation of the GATT. The ban on importation of, or the restrictions on importation of citrus and beef in the case of Japan; some subsidies in the case of the European Community.

It undermines our position; it does not destroy the trading system, but it undermines our position if we are similarly violating through this kind of a measure.

So what I am suggesting is, that when we implement a measure like this, we should take into account the fact that that situation of undermining our position could occur.

Mr. SOLARZ. Well, I take the gentleman's point and I can only say that I would find it far more persuasive if we had not done this on human rights grounds on innumerable occasions in the past, and if in spite of that, GATT has not survived, we have not survived, and the international trading system has not survived. But we have, and so has GATT, and we both will continue to survive, even if the gentleman's amendment is rejected and we retain the prohibition on the importation of the Krugerrand.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ZSCHAU].

RECORDED VOTE

Mr. ZSCHAU. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 127, noes 292, not voting 14, as follows:

[Roll No. 134]

AYES—127

Archer
Armey
Badham
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bonker
Boulter
Brown (CO)
Broyhill
Burton (IN)
Callahan
Campbell
Chandler
Cheney
Coble
Combest
Courter
Craig
Crane
Dannemeyer
Daub
Davis
DeLay
DeWine
Dickinson
Dornan (CA)
Dreier
Duncan
Eckert (NY)
Emerson
Evans (IA)
Fiedler
Fields
Franklin
Frenzel
Gallo
Gekas
Gradison
Grotberg
Gunderson
Hall, Ralph
Hammerschmidt
Hansen
Hartnett
Henry
Hiler
Holt
Hyde
Ireland
Johnson
Kemp
Kindness
Kolbe
Kramer
LaFalce
Lagomarsino
Latta
Leath (TX)
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Lowery (CA)
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McCain
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Miller (OH)
Monson
Montgomery
Moorhead
Morrison (WA)
Myers
Nielson
O'Brien
Olin
Packard
Parris
Petri
Pursell
Quillen
Ritter
Roberts
Roth
Rudd
Saxton
Schaefer
Schneider
Schuette
Sensenbrenner
Shaw
Shumway
Shuster
Siljander
Skeen
Slaughter
Smith (IA)
Smith (NE)
Smith, Denny
Smith, Robert
Snyder
Solomon
Spence
Strang
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Vander Jagt
Whitehurst
Whittaker
Wolf
Wortley
Zschau

NOES—292

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnes
Bates
Bedell
Bellenson
Bennett
Berman
Bevill
Biaggi
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Burton (CA)
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Carney
Carper
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Chappell
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Clay
Coats
Cobey
Coelho
Coleman (MO)
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Conyers
Cooper
Coughlin
Coyne
Crockett
Daniel
Darden
Daschle
de la Garza
Dellums
Derrick
Dicks
DioGuardi
Dixon
Donnelly
Dorgan (ND)
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Early
Eckart (OH)
Edgar
Edwards (CA)
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Ford (MI)
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Frank
Frost
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Gephardt
Gibbons
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Goodling
Gordon
Gray (PA)
Green
Gregg
Guarini
Hall (OH)
Hamilton
Hatcher
Hawkins
Hayes
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Howard
Hoyer
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Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lipinski
Lloyd
Long
Lowry (WA)
Luken
Lundine
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
McCandless
McCloskey
McCurdy
McDade
McHugh
McKernan
McKinney
Meyers
Mica
Mikulski
Miller (CA)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
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Obey
Ortiz
Owens
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Pashayan
Pease
Penny
Pepper
Perkins
Pickle
Porter
Price
Rahall
Rangel
Ray
Regula
Reid
Richardson
Rinaldo
Robinson
Rodino
Roe
Roemer
Rose
Rostenkowski
Roukema
Rowland (CT)
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Roybal
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Schroeder
Schulze
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Seiberling
Sharp
Shelby
Sikorski
Sisisky
Skelton
Slattery
Smith (FL)
Smith (NH)
Smith (NJ)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitley
Whitten
Williams
Wirth
Wise
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)

NOT VOTING—14

Barnard
Byron
Clinger
Collins
Dingell
Florio
Fowler
Gray (IL)
Hubbard
McGrath
Ridge
Rogers
Torricelli
Wilson

□ 1610

Mrs. VUCANOVICH, Mr. ROE, and Mr. STRATTON changed their votes from "aye" to "no."

Messrs. MORRISON of Washington, CAMPBELL, and BADHAM changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. COLLINS. Mr. Speaker, I was unavoidably absent on rollcall No. 134, the vote on the Zschau amendment to H.R. 1460, the Anti-Apartheid Act of 1985. I oppose the amendment, and would have voted "no."

□ 1620

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 34, add the following after line 4:

SEC. 15. WAIVER OF PROVISIONS OF SECTION 4.

The provisions of section 4 of this Act shall cease to be effective if—

(1) the Secretary of State determines, after conducting a poll of substantial numbers of non-white South Africans, that a majority of non-white South Africans oppose the prohibition on new investment contained in section 4 or oppose the divestiture by United States persons of their investments in South Africa; and

(2) the Secretary submits that determination, and the basis for the determination, to the Congress.

The CHAIRMAN pro tempore (Mr. LIPINSKI). The gentleman from Indiana is recognized for 5 minutes in support of his amendment.

Mr. McCANDLESS. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to my colleague, the gentleman from California.

Mr. McCANDLESS. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to this bill.

The issue before us is not apartheid.

We all agree that apartheid is morally wrong and a gross violation of human rights. Apartheid is like a cancer and must be eradicated. However, just as competent doctors can differ over an effective treatment of cancer, so, too, can we differ on the best way to eliminate apartheid. Our course of action must be predicated on what is best for the people—of all races—of South Africa, the region, and the United States.

I do not believe that H.R. 1460 would eradicate apartheid. In fact, it would have the opposite result. There is evidence that punishing business firms which operate in South Africa would undercut even those moderate reforms which have already taken place, would result in increased unemployment for blacks, and would undo the good work already accomplished by American companies, both through the example of the Sullivan principles for equal employment conditions, and the voluntary contributions toward black education and development which American firms have made.

Mr. Chairman, several polls taken in South Africa show that the black population there is opposed to an American economic boycott of their country. In August 1984 the Centre for Applied Social Sciences of the University of Natal issued a report on the attitudes of black construction workers. That report stated that those interviewed indicated that "disinvestment by U.S. companies and trade sanctions are a threat to their material and work interests."

A Human Sciences Research Council report, based on polling of 1,500 blacks, noted that 66 percent believed an economic boycott would hurt nonwhite South Africans most.

Market Research Africa surveyed 1,000 blacks about U.S. disinvestment as a means of pressuring the South African Government to remove apartheid. Researchers found that 79 percent rejected disinvestment while only 20 percent supported it.

I would like to quote a brief statement by Chief Minister Gatsha Buthelezi, who was elected in 1975 as leader of the 5.6 million Zulus, the largest single black group in South Africa, and was also elected in 1976 as President of Inkatha, the largest black South African political organization:

> Economic sanctions, such as the divestment by public pension funds of stocks in U.S. companies operating in South Africa, will only hurt the people intended to be helped. * * * You talk here about divestment as a stick with which to rap the knuckles of the South African regime. But divestment will end up crushing black people, the victims of apartheid. There is no point in doing something symbolic which just causes more misery to those who are actually suffering.

H.R. 1460 would place a ban on new investment—including loans—by U.S. persons or firms in South Africa, except for the earnings of a business enterprise established in South Africa prior to the date of enactment. Nearly 300 U.S. companies do business in South Africa. These American companies, which employ approximately 120,000 people, are actively engaged in all sectors of the South African economy. According to the Commerce Department, U.S. direct investment in

South Africa, at the end of 1983, amounted to $2.3 billion.

Prohibiting new investment would not be a moderate or symbolic measure as its proponents allege. It would be the first step toward disinvestment. In the 6 years since Sweden took this same action, the number of Swedish companies and employees in South Africa has diminished by 50 percent. Defining bank loans as investment would hinder normal U.S. commercial transactions, including $200 million in agricultural commodities sales to South Africa. Companies already established in South Africa would be enable to move capital there for normal retooling operations or stockpiling.

Over 70 percent of South Africans who work for American companies in South Africa are employed by firms that adhere to a code of employment conduct established by the Reverend Leon H. Sullivan in 1977, known as the Sullivan Principles. These companies have established the practice of nondiscrimination in the workplace and have set up programs to upgrade the working conditions, skills and earning levels of their nonwhite employees.

American companies in South Africa have spent $100 million in the last 7 years on social programs to benefit nonwhites. These include assistance to black education, support for black business development, and assistance to housing, health and welfare and community recreation programs. These programs are sponsored by American firms on a voluntary basis.

A ban of American investment in South Africa would reduce and could even eliminate the funds used by American companies to finance social programs. Existing programs would be cut back, and new ones would not be started, due to lack of funds.

H.R. 1460 calls for a ban on new loans by American persons or firms to the Government of South Africa, or any entity owned by it. At a time when the banking community has been having so much trouble with foreign loans, it does not seem wise to deny American banks access to a low-risk market. The business would be immediately snapped up by banks in the United Kingdom, France, and Switzerland. This would hurt our banking business and assist foreign banks. Under this prohibition, agencies owned by the South African Government which are not involved in apartheid enforcement, such as the Electricity Supply Commission or South African Airways, would be unable to get U.S. financing for the purchase of American products. This would penalize U.S. banks and other firms without any real impact on South Africa. It would involve extraterritorial application of U.S. laws, which might raise objections from our largest trading partners.

The bill would also prohibit importation of Krugerrand gold coins, and I believe this would not have any significant effect on eliminating apartheid. Instead, it would cost American jobs and harm American interests. Over 3,200 American firms sell Krugerrands. Prohibiting the importation of these coins would reduce these firms' sales significantly. Of course, importation of gold coins from other foreign countries would increase, but the gold that is used in manufacturing them would still come from South Africa. Such a ban would give the South African Government the right, under international law, to take similar action against imports to that country from the United States. South Africa is an important market for a wide range of American goods, including agricultural commodities, consumer and capital goods. At a time of huge trade deficits, when the U.S. Government is seeking to promote American exports, it would be foolish to impede U.S. export business in this way.

H.R. 1460 would also place a ban on the export from the United States of computer goods and technology for use by the Government of South Africa or any entity owned by it. U.S. regulations already prohibit the sale of computers to military, police, and other Government bodies involved in the enforcement of apartheid. This measure would cut off sales to other Government agencies such as the Reserve Bank, the Electricity Supply Commission, and other potential computer purchasers as harmless as the Banana Control Board. Our 50-percent share of a half-billion-dollar annual market would be quickly taken up by other countries, especially Japan.

Mr. Chairman, the white South African Government has taken a few tentative steps toward social change. We may perceive these as far too slow, but they do indicate some progress. In November 1983, black voters nationwide elected mayors and town councils to govern their communities. On November 2, 1983, a national referendum was conducted in which the then all-white electorate overwhelmingly approved a new South African Constitution that extended the national franchise to nonwhites for the first time in the country's history.

In August 1984 voters of the colored and Indian communities went to the polls for the first time to elect direct representatives to Parliament. On January 25, 1985, the multiracial, tricameral South African Parliament convened. Whites, coloreds, and Indians, enjoying equal franchise, participated jointly in the executive and legislative functions of the national government for the first time.

On January 25, 1985, in a speech opening Parliament, President Botha announced that the Government accepted the permanence in South Africa of the urban black population, and agreed that they should have the right of political participation in both their own affairs and in matters of common interest in the country as a whole. President Botha indicated that the question of citizenship would be negotiated with black leaders and announced that a forum for negotiations with black leaders to develop constitutional mechanisms for political participation for blacks would be established.

On February 1, 1985, the South African Government announced discontinuation of resettlement to black communities, thereby abandoning so-called black-spot policy.

On February 8, 1985, downtown commercial districts, nationwide, were opened to all businessmen irrespective of race.

In February 1985, amnesty, conditioned only on a renunciation of the use of violence for political ends, was offered to and refused by Nelson Mandela and others serving prison sentences following conviction of sabotage.

Between the years 1979 and 1984 South Africa saw desegregation of trade unions and the workplace. Black and multiracial trade unions were legalized. Of 200 trade unions in South Africa today 79 are multiracial, 21 are black, 43 are colored, and 57 are white. Job reservation for whites was eliminated in 1983. The right to strike and to bargain collectively is now protected by statute, the apprentice system is opened to blacks, and equal opportunity hiring is becoming widely accepted. All reference to race, color, or sex has been removed from all labor legislation. Factories and offices have been desegregated.

From 1970 to 1980 there was a rise in black income in South Africa and a black middle class began to emerge. In the same years, the black share of total personal income in South Africa rose from 25 to 40 percent, and in 1985 it is nearly 50 percent.

Between 1970 and 1980 black high school students increased from 105,000 to over one-half million. Spending on black education increased 230 percent from 1975 to 1980, and another 51 percent in 1980 and 1981, and is still rising. The literacy rate for blacks ages 12–22 is reported to be 80 percent.

South Africa trains more black doctors than any other African country. It offers the most comprehensive health services on the continent. Complete treatment to all patients is provided at a nominal fee of about $2. Infant mortality is the lowest in Africa. South Africa has the highest doctor-patient ratio in Africa.

Since 1975, $2 billion has been spent to build new homes for urban blacks, at a rate of 100 houses per day. Home ownership was opened to blacks in 1982.

Despite its problems, South Africa has the highest living standards, per capita income, literacy and life expectancy in Africa. It accounts for about 20 percent of the entire continent's economic output, 40 percent of its industrial output, 85 percent of its steel production, and 50 percent of the continent's electrical power. South Africa is also host to some 1 million "guest workers" from other African states.

Mr. Chairman, I believe that we have a responsibility to listen to those most affected by our actions and consider carefully the consequences of this bill. Economic growth is the major agent for change in South Africa, and American companies doing business in that country are the best means we have of influencing social change. Let's not hurt the very people who need help in South Africa. I urge a "no" vote on H.R. 1460.

Mr. BURTON of Indiana. Mr. Chairman, when I was in South Africa about a year ago I took the opportunity to talk to a number of black leaders over there about the question of disinvestment, and section 4 of this bill deals with no future investments by the United States of America, or loans to the South African Government.

Every single black leader with whom I talked, including the chief of the largest tribe, Mr. Buthelezi of the Zulus, said that disinvestment, or a lack of future capital by the United States of America would work a hardship on the blacks of that country. In the gold mines, for instance, they have about 600,000 blacks who work on a daily basis. Each one of those blacks feed about 5 to 6 individuals, so if you multiply by 6 the number of blacks who are working in the gold mines alone, you come up 3.6 million people.

I believe those people should be heard. I believe that if we are going to pass legislation that is going to affect millions of black citizens in South Africa, we ought to know how they feel about it. All this amendment does is say that we should have the Secretary of State conduct a very extensive poll among the majority blacks in South Africa to find out how they feel about the lack of future investment by the United States of America and American companies in that country.

I do not think that is too much to ask. I believe this amendment goes right to the heart of the matter. It finds out from the people who will be affected most by disinvestment or future investment in South Africa what they think about it. I am confident that if this poll is taken at the direction of the Secretary of State of the United States of America, we will find that the blacks in South Africa do not want disinvestment and they want a continuation of capital from the United States of America.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indian. I would be happy to yield to my colleague, the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman for yielding.

Mr. Chairman, I would like the gentleman to know that not only do the majority of the blacks in South Africa support no new investment, but the majority of them, if their leaders are any criteria, support disinvestment in its entirety.

The leaders of the two largest black trade unions, the Federation of South African Trade Unions, and the Council of Unions of South Africa have issued calls for disinvestment over the years, as did the late Steve Biko, Mandela went to jail for this same enunciation, so there is little doubt in my mind.

I think the principle that the gentleman adheres to is perfectly fine, that we are not inventing the policy and the political direction for 22 million people across the continent. The fact of the matter, though, is that we have sought that advice, we have sought that counsel, and it seems to me it is clear that they are for it.

Mr. BURTON of Indiana. Mr. Chairman, if I may reclaim my time, I talked to some of those black leaders myself when I was there and in an article from Barron's, Mr. Bremlow quoted black leaders like Zulu Chief Buthelezi and they said that in a number of surveys they opposed disinvestment.

So all I am saying with this amendment, and I hope you support it, and I get the indication that you might, is that the Secretary of State conduct a public opinion poll among blacks and majority people in South Africa to find out exactly what they feel and to report back to the Congress. That will give us future guidance.

Mr. CONYERS. If the gentleman would continue to yield, let me assure him I cannot support the amendment. I like the principle, but we have already consulted. When the gentleman talks about Mandela, Biko, Luthuli, Sobukwe, and many of the other leaders of the unions——

Mr. BURTON of Indiana. Mr. Chairman, if I may reclaim my time, I do not understand what the gentleman fears. What this amendment says is that if the blacks support disinvestment in South Africa, then the bill will go on as previously written; if they oppose disinvestment or future investment in South Africa, then the provisions of section 4 of this bill will no longer be in force.

Mr. CONYERS. Is the gentleman talking about no new investment or is he talking about disinvestment?

Mr. BURTON of Indiana. I am talking about future investment.

Mr. CONYERS. All right. They have spoken to that already.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(On request of Mr. SILJANDER and by unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 3 additional minutes.)

Mr. SILJANDER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to my colleague, the gentleman from Michigan.

Mr. SILJANDER. I thank the gentleman for yielding.

Mr. Chairman, obviously there seems to be significant disagreement as to what the black labor unions in South Africa believe. From my information, there is not one that supports disinvestment in South Africa.

In terms of polls, there was a poll done in 1984, the Schlemmer poll, which indicated 74 percent of the blacks in South Africa opposed disinvestment. There was another poll, a second poll done, by the Human Sciences Research Council that reported, with 1,478 blacks, that 66 percent believe that economic boycott would hurt nonwhite South Africans most. The survey found also that only 10.2 percent favored any type of economic boycott. There was another poll taken by a commercial research organization, Market Research of Africa. They surveyed 1,000 blacks and they found that 79 percent rejected disinvestment and 20 percent supported it.

□ 1630

So while I hear interesting counterstatements, it seems consistent that many polls, four of these that I have numbered, do not support South African disinvestment. Still there seem to be some advocations to the contrary.

What the gentleman is proposing is that once and for all we do a completely unbiased survey by those that would be untouched by one bias or another. This approach is a good approach. It brings to light issues, how the black Africans feel.

I see one thing that has not been touched on throughout this entire debate, and that is, just how do black Africans feel about disinvestment? How do they feel about no new investment? How do they feel about banning Krugerrands, new bank loans, and computers? That is one thing in this debate that has been clearly understated.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for his contribution. Those statistics and polls that he quoted, I think, are accurate, and all we want to do is verify the accuracy of those polls by having a further poll done or a further poll taken by the Secretary of State, a very comprehensive poll that will show us in very clear terms exactly what the blacks in South Africa want.

If they do not want us to cut off our investments in South Africa or the bank loans in the future, then the provisions of section 4 of the bill will no longer be in force.

Mr. GUNDERSON. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Chairman, I appreciate the gentleman's yielding, and I simply want to bring this point to the attention of our colleagues who may suggest or try to infer that everyone in South Africa of the black race happens to support immediate sanctions or disinvestment or anything of that sort. And I would state that even Bishop Tutu on February 3, when he was enthroned—and I read this a couple of weeks ago when we began our debate.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. Burton] has expired.

(On request of Mr. Gunderson, and by unanimous consent, Mr. Burton of Indiana was allowed to proceed for 2 additional minutes.)

Mr. GUNDERSON. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to my colleague, the gentleman from Wisconsin.

Mr. GUNDERSON. Again, Mr. Chairman, I appreciate the gentleman's yielding.

Let me just read again the ending line or part of the speech Biship Tutu gave when he was enthroned. He said,

> I will give notice that if in 18 or 24 months from today apartheid has not been dismantled or is not being actively dismantled, then for the first time I will myself call for punitive economic sanctions.

So I think not only the elected bishops or chairmen of tribes but also people such as Bishop Tutu, who clearly is perceived as the moral leader of the black population in South Africa, if not the elected leader, are not even asking for immediate sanctions.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to my colleague, the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. Mr. Chairman, is the distinguished gentleman from Indiana aware that under the laws of South Africa, if anyone who is a South African, regardless of what group they may belong to, advocates economic restrictions, it is a violation of South African national law, sedition, and treason? Is the gentleman aware of that fact as he talks about making Secretary Shultz into Gallup?

Mr. BURTON of Indiana. Mr. Chairman, all I can say in response to my colleague is that polls have been taken in the past and nobody has accused anyone who answered the polls of sedition or treason, and I do not think a poll taken under the auspices of the Secretary of State of the United States would be considered treasonous in the future.

Mr. SILJANDER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to my colleague, the gentleman from Michigan.

Mr. SILJANDER. Mr. Chairman, there are two points dealing with what the gentleman from Pennsylvania [Mr. Gray] mentioned, dealing with this Terrorist Act. Under the 18 years since this Terrorist Act has been passed, not one person has been incarcerated. One person was arrested and has not yet been convicted, and that was 9 years ago.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. Burton] has again expired.

(On request of Mr. Siljander, and by unanimous consent, Mr. Burton of Indiana was allowed to proceed for 2 additional minutes.)

Mr. SILJANDER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to my colleague, the gentleman from Michigan.

Mr. SILJANDER. Mr. Chairman, I thank the gentleman for yielding.

The second point is that the poll taken by Larry Schlemmer, who conducted a survey of black workers, showed that 27 percent of blacks in urban areas said that they supported the African National Congress, which is also illegal to state.

So on one hand we have those who argue that they cannot answer honestly in the polls and that is why the numbers are so high because it is illegal under the Terrorist Act, but on the other hand 27 percent answered and responded that they support in fact the African National Congress.

Mr. ROEMER. Mr. Chairman, will the gentleman yield on that point?

Mr. SILJANDER. These polls were taken by an unbiased survey. They were taken by a well-known antiapartheid pollster, by the liberal South African Institute of Race Relations. They were taken to clearly show that the black South Africans overwhelmingly opposed disinvestment, and 75 percent of those in the survey indicated as such. Another additional 10 percent said they would oppose disinvestment if Sullivan Principles were mandatory. That makes 85 percent. Another 5.5 percent did not care one way or the other. That brings it up to a grand total of 95.5 percent who either do not care, oppose disinvestment, or oppose it under the conditions of mandatory Sullivan, which this gentleman intends to substantially quote in effect later on in the debate.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to my colleague, the gentleman from Louisiana.

Mr. ROEMER. Mr. Chairman, I want to make just one point.

The gentleman quoted a figure in a so-called scientific poll of 27 percent, and because 1 person out of 1,000 said they supported a certain group, he says that is proof positive that the poll was both accurate and fair. That is not proof that the poll was accurate and fair.

How does the gentleman know the real figure was not 97 percent and because of fear and repression and lack of social intercourse and discussion on the matter, 27 percent came out? This idea is not a good one.

Mr. BURTON of Indiana. Mr. Chairman, if I may, I would like to reclaim my time.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. Burton] has again expired.

(By unanimous consent, Mr. Burton of Indiana was allowed to proceed for 2 additional minutes.)

Mr. BURTON of Indiana. Mr. Chairman, I have had an opportunity to talk to black leaders, not just one, but about 15 or 20 of them, black leaders in South Africa, tribal leaders, and they told me firsthand face-to-face that disinvestment would incur an undue hardship on the black population of South Africa.

What I am asking for in this amendment is to find out through a very broad-based poll exactly what the black South Africans think. I talked to people in all stratas of society over there. I talked to a young black man who was a caddy on a golf course, and I talked to a fellow who was a busboy. They were very open with me.

I believe that if a poll was taken nationwide over there, we would get a pretty good picture of what black South Africans feel about disinvestment.

Mr. ROEMER. Mr. Chairman, will the gentleman yield one more time?

Mr. BURTON of Indiana. I yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Chairman, the gentleman's sincerity is not in question by me, but he has a false assumption at the core of his premise, and that is that when people speak to you they always tell you the truth. In a society that has been split and splintered, where man is against man and color against color, I submit that the chance of a scientific poll yielding the truth is minimal, not maximal.

Mr. BURTON of Indiana. Mr. Chairman, if I may reclaim my time, I just want to say that Bishop Tutu was just quoted, and he and Buthelezi, the chief of the Zulu tribe,were not afraid. They said exactly what they thought. Tutu was quoted earlier as saying he would not oppose new investment in South Africa unless apartheid was not started to be dismantled within a 2-year period.

Mr. Chairman, I yield back the balance of my time.

Mr. WOLPE. Mr. Chairman, I rise in opposition to the amendment, and I will be very brief.

This amendment is an effort again to counter the entire thrust of the legislation. The suggestion that the Secretary of State is going to be out there polling black workers in South Africa I think is a reflection of how distant we Americans are from the South African political system and society. We are talking about a society in which 85 percent of the population has no involvement whatsoever in the key political decisions that impact on their lives on a daily basis and in which advocacy of economic pressure, of measured economic sanctions and the like, is widely considered to be treasonous, subject to action by South African law.

The notion that somehow scientific polling can have any validity is, I think, a tragic commentary on the failure to comprehend what apartheid is in the everyday existence of millions upon millions of people who happen not to be white but happen to be the vast majority of the population.

Mr. Chairman, I urge opposition to this amendment.

☐ 1640

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. Burton].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 40, noes 379, not voting 14, as follows:

[Roll No. 135]

AYES—40

Archer
Armey
Badham
Bartlett
Barton
Bilirakis
Burton (IN)
Callahan
Cheney
Cobey
Crane
Dannemeyer
DeLay
Dornan (CA)
Eckert (NY)
Emerson
Fawell
Fields
Grotberg
Hansen
Hendon
Hunter
Lott
Lowery (CA)
Michel
Monson
Petri
Ritter
Shuster
Siljander
Smith, Denny
Smith, Robert
Solomon
Spence
Stangeland
Strang
Stump
Taylor
Vander Jagt
Vucanovich

NOES—379

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barnes
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Campbell
Carper
Carr
Chandler
Chappell
Chapple
Clay
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crockett
Daniel
Darden
Daschle
Daub
Davis
de la Garza
Dellums
Derrick
DeWine
Dickinson
Dicks
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Edwards (OK)
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fazio
Feighan
Fiedler
Fish
Flippo
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Franklin
Frenzel
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Rinaldo
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Sikorski
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Snowe
Snyder
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

NOT VOTING—14

Byron
Carney
Clinger
Collins
Dingell
Florio
Fowler
Gray (IL)
Hubbard
McGrath
Ridge
Smith (FL)
Torricelli
Wilson

☐ 1650

Mr. HARTNETT and Mr. WALKER changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. COLLINS. Mr. Speaker, I was unavoidably absent on rollcall No. 135, the vote on the Burton of Indiana amendment to H.R. 1460, the Antiapartheid Act of 1985. I oppose the amendment and would have voted "no."

☐ 1700

Mr. MILLER of Washington. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I gave serious consideration to offering an amendment to H.R. 1460. The amendment that I considered offering would have added to this sanctions bill provisions to positively promote, with U.S. help, black efforts to being democracy and an end to apartheid in South Africa. I envisioned the United States, through an agency such as the Endowment for Democracy, funding black political groups seeking peaceful change. I think this would be both in the long-term interest of black South Africans and the United States.

Mr. Chairman, I am not offering this amendment because, first, of concern by sponsors of this bill that such an amendment would take from the sanctions effort which I support and, also, because many sponsors have either offered private assurances that they would support such an amendment or seriously consider such an amendment, if such an amendment were offered as an amendment to the foreign aid authorizations bill.

I am, therefore, not offering the amendment at this time and serving notice that I will offer such an amendment when the foreign aid authorization bill comes up.

Mr. WOLPE. Mr. Chairman, would the gentleman yield?

Mr. MILLER of Washington. I yield to the gentleman.

Mr. WOLPE. I thank the gentleman. I would like to express my appreciation both for the Member's interest in the subject and for his cooperation in expediting the passage of the sanctions legislation before us.

I certainly would be prepared to consider the provisions that the gentleman is suggesting when we get to subsequent legislation that will be before this body.

Mr. MILLER of Washington. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CONYERS: Page 26, insert the following after line 18 and redesignate succeeding sentences and references thereto accordingly:

SEC. 8. NUCLEAR EXPORTS.

(a) COOPERATION.—Cooperation of any kind provided for in the Atomic Energy Act of 1954 is hereby prohibited with respect to the Republic of South Africa.

(b) NUCLEAR REGULATORY COMMISSION AUTHORIZATIONS.—The Nuclear Regulatory Commission may not issue any license or other authorization under the Atomic Energy Act of 1954 for the export to the Republic of South Africa of any source or special nuclear material, any production or utilization facility, any sensitive nuclear technology, any component, item, or substance determined to have significance for nuclear explosive purposes pursuant to section 109 b. of the Atomic Energy Act of 1954, or any other material or technology requiring such a license or authorization.

(c) DISTRIBUTION OF NUCLEAR MATERIAL.—The authority of the Atomic Energy Act of 1954 may not be used to distribute any special nuclear material, source material, or byproduct material to the Republic of South Africa.

(d) SUBSEQUENT ARRANGEMENT.—No department, agency, or official of the United States Government may enter into any subsequent arrangement under the Atomic Energy Act of 1954 which would permit the transfer to or use by the Republic of South Africa of any nuclear materials and equipment or any nuclear technology.

(e) AUTHORIZATIONS OF SECRETARY OF ENERGY.—The Secretary of Energy may not provide any authorization (either in the form of a specific or a general authorization) under section 57 b. (2) of the Atomic Energy Act of 1954 for any activity which would constitute directly or indirectly engaging in the Republic of South Africa in activities which require an authorization under that section.

(f) EXPORT LICENSES.—

(1) NUCLEAR RELATED USES.—The Secretary of Commerce may not issue any license under the Export Administration Act of 1979 or other provision of law for the export directly or indirectly to the Republic of South Africa of any goods or technology—

(A) which are intended for a nuclear related end use or end user;

(B) which have been identified pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978 as items which could, it used for purposes other than those for which the export is intended, be of significance for nuclear explosive purposes; or

(C) which are otherwise subject to the procedures established pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978.

(2) PROHIBITION OF ADDITIONAL EXPORTS.—In addition, the Secretary of Commerce shall use the authorities set forth in the Export Administration Act of 1979 (notwithstanding section 20 of that Act) to prohibit any export directly or indirectly to the Republic of South Africa of any goods and technology contained on any of the lists prepared pursuant to paragraph (3) of this subsection. Export controls shall be imposed pursuant to this paragraph without regard to the requirements otherwise applicable to the imposition of export controls under the Export Administration Act of 1979.

(3) LIST OF PROHIBITED GOODS AND TECHNOLOGY.—Not later than 6 months after the date of the enactment of this Act, the Nuclear Regulatory Commission, the Secretary of Commerce, the Secretary of Energy, and the Secretary of State shall each prepare a list of all goods or technology, whose transfer to the Republic of South Africa is not otherwise prohibited by this Act, which in their judgment could, if made available to the Republic of South Africa, increase the ability of that country to design, develop, fabricate, test, operate, or maintain nuclear materials, nuclear facilities, or nuclear explosive devices. Such lists shall include goods or technology which, although not intended for any of the specified nuclear related end uses, could be diverted to such a use.

(g) INFORMATION.—No officer or employee in any department or agency of the executive branch (including the Nuclear Regulatory Commission) may make available to the Republic of South Africa, directly or indirectly, any technology or other information which could increase the ability of that country to design, develop, fabricate, test, operate, or maintain nuclear materials, nuclear facilities, or nuclear explosive devices. This subsection does not require that an officer or employee withhold information in published form which is available to the public from such officer or employee.

(h) PRIOR LICENSES AND AUTHORIZATIONS.—Any license or authorization described in this section which was issued before the enactment of this Act is hereby terminated.

Mr. CONYERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CONYERS. Mr. Chairman, this amendment is intended to prohibit all nuclear assistance to South Africa, including equipment, technology, dual-use items, and nuclear information. It is a very simple, straight-ahead amendment.

This amendment banning nuclear collaboration between our country and South Africa is based on a simple premise; that is, that South Africa is a regime that seeks the capability of nuclear weapons, has repeatedly refused to sign the Nuclear Non-Proliferation Treaty, has refused to submit to international inspections of any kind, and a regime which has made unabashed statements of its nuclear intentions. So that in some respects this is not just an antiapartheid amendment to go on some important legislation. This is a propeace amendment for the African Continent.

The question that this amendment puts into debate here is whether or not we should continue to aid South Africa with nuclear assistance, given its militarism at home and its intransigence and violence, even, in their region; its utter refusal to enter into agreements and the numerous statements that it has made regarding its nuclear intentions, such as: "No rules apply to us with regard to nuclear development." So that question is a very important one.

Now some of you may be wondering what we are doing in the first place dealing with nuclear materials, dual-use equipment, with South Africa in the very first place. And the reason is that, notwithstanding our embargo and our agreements not to do it, there were small loopholes in the legislation of 1978 which allowed the Department of Commerce, the Department of Energy, the State Department to grant licenses that precluded that ban.

So this is a very modest attempt to carry on discussions and understandings and an importance which was reached by many Members many times before.

Mr. WOLPE. Would the gentleman yield?

Mr. CONYERS. I yield to the chairman of the subcommittee.

Mr. WOLPE. I thank my distinguished colleague from Michigan for yielding.

I want to commend the gentleman from Michigan on the introduction of this amendment. I have no objections to it and intend to support it. My original concern had to do with whether or not it might weaken our ability to secure support in conference for the other sanctions in this legislation. But it appears that the other body will be likely accepting language very similar to that which is being offered by the gentleman from Michigan. This similar amendment passed this House last year as it did pass the other body as well. So I think both the House and the Senate have spoken very clearly that we do not think it serves American national interests to be perceived as assisting in the development of South Africa's nuclear program, particularly when South Africa has expressly refused to renounce further efforts to acquire nuclear weapons. It

has not signed the Nuclear Non-Proliferation Treaty, it has given no indication of cooperation in that area whatsoever.

Mr. CONYERS. I thank the manager of this bill. It can now be revealed that he himself advanced this notion about nuclear abolition of any relationship and I appreciate his support for it.

Mr. SILJANDER. Will the gentleman yield?

Mr. CONYERS. Yes; I yield to the gentleman from Michigan.

Mr. SILJANDER. Just a point of inquiry. I thank the gentleman for yielding.

I did not quite catch, what do we now as a U.S. Government, as a nation, provide in nuclear techology, advice, assistance, et cetera, to the South African Government? I understand we do have some elements of nuclear technology that are in fact banned now.

Mr. CONYERS. There are a number of things. First of all, and this is a sorry episode in foreign relations, we are responsible for whatever nuclear development South Africa has. We are the ones that gave them the go-ahead sign. We are now currently under Commerce licenses, under Energy licenses, furnishing them with uranium-enriched materials; we are supplying them with computers that are for specific nuclear development application; we are even supplying them with personnel managers, engineers to facilitate and operate their equipment.

□ 1710

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CONYERS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WORTLEY

Mr. WORTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WORTLEY: Page 20, strike out lines 16 through 25 and insert in lieu thereof the following:

SEC. 5. GOLD COINS

(a) REGISTRATION AND FEE.—No South African Krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa may be entered into the customs territory of the United States unless and until, at the point at which the Krugerrand or gold coin is entered—

(1) the Krugerrand or gold coin is registered with the Secretary of the Treasury, in such form as the Secretary may prescribe, and

(2) a fee of 5 percent of the value of the Krugerrand or gold coin is paid.

(b) USE OF FEES AND FINES.—It is the sense of the Congress that the amounts of the fees collected under subsection (a)(2) and the amounts of fines collected under section 9(b)(2)(B) should be used—

(1) to pay for the costs of the registration required by subsection (a)(1), and

(2) for financing scholarships, awarded on the basis of merit and financial need, to black and other nonwhite South Africans for undergraduate or professional education in the United States or South Africa, particularly in those fields of study in which the percentage of qualified persons in South Africa who are nonwhite is substantially less than the percentage of nonwhite persons in the general population in South Africa.

Mr. WORTLEY [during the reading]. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FRENZEL. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Minnesota reserves a point of order on the amendment.

The gentleman from New York is recognized for 5 minutes on behalf of his amendment pending the reservation of the gentleman from Minnesota.

Mr. WORTLEY. Mr. Chairman, my amendment offers my colleagues the opportunity to adopt an affirmative policy in dealing with South Africa. Our distinguished former colleague, Paul Tsongas, offered similar language to a bill considered by the other body in a previous Congress. He believed as I do that a positive force makes more sense than sanctions.

Instead of banning the importation of krugerrands, this amendment would require that they be registered upon entry. A nominal fee of 5 percent would be payable at that time. My amendment goes on to express the sense of the Congress that amounts equal to those collected in registration fees should be used to cover the costs of registration with any remaining amounts to be used for scholarships for nonwhite South African students.

Rules of the House preclude being more specific at this time about the use of the registration fees. Detailed language providing for covering the cost of registration and administering the scholarship program will have to be included in this year's foreign assistance appropriations legislation.

There are several reasons why my amendment is an improvement over a complete ban on the importation of krugerrands. First, it would be effective. It would help—not hurt—black and other nonwhite South Africans. And it would be a positive force for change.

Last year, $485 million worth of krugerrands was imported into the United States. This represents roughly 25 percent of total South African krugerrand exports. When H.R. 1460 was being developed, it was assumed that 1984 imports amounted to $600 million or 50 percent of total South African krugerrand exports. This figure was an estimate and has been adjusted downward, which in turn reduces the anticipated effect of banning krugerrands. It is interesting to note that the U.S. share of the krugerrand export market has generally declined since the late 1970's.

In addition, the ban on krugerrands as currently contained in H.R. 1460 would not be enforced if this bill were implemented in good faith. The President would be able to determine immediately that one of the eight conditions enumerated in H.R. 1460 has been met because on February 1, 1985, the South African Government announced the discontinuation of resettlement of black communities. Once Congress has enacted a joint resolution approving the President's determination, the ban on krugerrands would be lifted for 12 months. Even without extensions of the waiver, this would give the South African Government and U.S. importers plenty of time to work out ways to get around the ban, either by minting in third countries or exporting the gold in forms other than coins.

Even if it were effective, a ban on krugerrands would do nothing to help the situation in South Africa. The more likely result would be entrenchment of opposition to progress. Of equal importance, reducing South Africa's main source of foreign exchange would result in a constriction of the South African economy. This would hurt all South Africans, but it would be especially hard on the poorer segment of South African society—mostly blacks and other nonwhites. While this may well foster violence, revolution, and an eventual end to apartheid, the cost in lives and destruction would be very high.

I believe there is a better alternative.

My amendment offers an affirmative policy for change and progress in South Africa. Instead of promoting a policy of noninvolvement in South Africa, it promotes active efforts to improve the educational opportunities of nonwhite South Africans. Improving and expanding education provides the impetus for evolutionary change by increasing the economic and political activity and influence of those disenfranchised under the current system of apartheid.

If we had had registration of krugerrands in 1984, registration fees would have amounted to $24.25 million. If the cost of administering the registration program amounted to half of this amount, which is unlikely, that would still have left more than $12 million available for scholarships for nonwhite South African students to pursue undergraduate or professional studies in the United States or South Africa.

It seems to me that using fees from the importation of krugerrands to privately finance $12 million in scholarships is a much more constructive approach to ending apartheid peacefully than banning krugerrands altogether.

In short, a vote for my amendment is a vote for black education. A vote against my amendment is a vote for a policy of attrition against black South Africans.

The CHAIRMAN. Does the gentleman from Minnesota [Mr. Frenzel] wish to proceed with his point of order?

Mr. FRENZEL. Mr. Chairman, if the gentleman wishes to extend his time to yield, I would reserve my point of order until he is through with his extended time.

The CHAIRMAN. Has the gentleman from New York concluded?

Mr. WORTLEY. I have concluded, Mr. Chairman.

The CHAIRMAN. The gentleman has concluded.

POINT OF ORDER

Mr. FRENZEL. Mr. Chairman, I make a point of order that the amendment offered by the gentleman from New York is in violation of clause 5 of rule XXI which prohibits amendments carrying a tax or tariff measure from being offered during consideration of a bill not reported by the committee having jurisdiction over such tax and tariff matters.

Clause 5(b) of rule XXI states:

> No bill or joint resolution carrying a tax or tariff measure shall be reported by any committee not having jurisdiction to report tax and tariff measures, nor shall an amendment in the House or proposed by the Senate carrying a tax or tariff measure be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction.

Section (a)(2) of the amendment imposes a fee of 5 percent as a condition of the importation of Krugerrands or gold coins into the United States. This has the equivalency of a tariff which must be collected by Customs officials at the point of entry as a condition of entry.

Mr. Chairman, I think it is quite clear that there is first of all a restriction of imports, and second of all, the imposition of a tariff, and for that reason, I believe that the amendment of the gentleman from New York is in violation of clause 5 of rule XXI.

Mr. WORTLEY. Mr. Chairman, will the gentleman yield so I can respond?

Mr. FRENZEL. I think the Chair will recognize the gentleman.

The CHAIRMAN. The Chair will hear the gentleman from New York.

Mr. WORTLEY. Mr. Chairman, I have attempted to choose my words very carefully in this amendment, and my purpose was merely to establish a surcharge, not a tax.

The Banking Committee has jurisdiction on surcharges, and we have had surcharges on gold coins. As a matter of fact, the Olympic gold coin, the proceeds of which went to the Olympic Committee. We have approved or we have rejected surcharges on credit cards. The fee involved here is a registration. It is not an imposition of a tax.

The fee is to cover the registration costs and the balance of the proceeds go to educate nonwhite South Africans. I submit that the cause is an admirable one and contributes to the betterment of the South African society.

This is an affirmative amendment for evolutionary change; it is not a tax.

Mr. FRENZEL. Mr. Chairman, I would like to be heard in addition.

I do not question that the cause is an admirable one, and I have no objection to the gentleman's amendment. It is simply in the protection of the jurisdiction of a committee of this House that I make the point of order.

The amendment calls the charge a fee. It seems to me that it is overwhelmingly clear that what is called here for is a tariff and a condition of entry into the United States; that it is likely to have to be collected by the Customs Service, and I therefore renew my point of order.

□ 1720

The CHAIRMAN (Mr. de la Garza). The Chair is prepared to rule.

The Chair finds that the amendment provides for a uniform charge at the port of entry for South African coins, the proceeds to be deposited into the Treasury of the United States.

It appears, therefore, to the Chair that the amendment is in fact a tariff, an amendment only in order to bills reported from the Committee on Ways and Means under clause 5(b) of rule XXI.

The Chair, therefore, sustains the point of order.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Burton of Indiana:
>
> SEC. 1 WAIVER OF PROVISIONS OF SECTION 4.
>
> The provisions of section 4 of this Act shall cease to be effective if—
>
> (1) An internationally supervised referendum has been conducted which demonstrates that a majority of nonwhite South Africans oppose the prohibition on new investment contained in section 4;
>
> (2) The Secretary certifies to the Congress that such referendum was conducted in a fair manner, gave nonwhite South Africans a full opportunity to express their position and the results are believed to be definitive.

Mr. BURTON of Indiana. Mr. Chairman, the previous amendment which went down to a resounding defeat dealt with a poll being taken in South Africa under the auspices of the Secretary of State of the United States of America.

I do not see how anybody who is thinking logically can oppose this amendment. What this amendment says is that the blacks in South Africa will participate in a referendum on whether or not they want no further investment by the United States of America in their country. The blacks in that country for the first time in history would have an opportunity to go to the polls and express their will. Why anybody would oppose that, I know not.

Now, the argument, I am sure, is going to be raised: Will the South African Government participate or allow this to take place?

If they do not allow this to take place, then section 4 would go into effect.

I think it is very important, before we pass a bill as far-reaching as this, that we have some indication as to how the blacks in South Africa feel about it.

Now, all the polls that we have seen indicate the blacks want apartheid ended immediately. But they do not want disinvestment, they do not want elimination of further investment.

Now, the previous amendment that I suggested was taking a poll of the blacks in South Africa to find out how they felt about disinvestment or lack of future capital from the United States being invested in their country. This amendment allows them to participate in an internationally supervised referendum on the subject. For the first time they are going to be able to vote, for the first time their will is going to be expressed at the ballot box, and we will know for sure how they feel about the United States pulling their investments out of that country.

I see nothing wrong with this, and I do not understand why my colleagues on the other side of the aisle would oppose it. If the provisions of this amendment were not complied with by the South African Government, then section 4 would go into effect. So you would get what you want, anyhow. This would force the South African Government to allow this referendum to take place. Why would you oppose that? We have heard time and again from the people on this side of the aisle and members of my party, as well, that we want the blacks to be involved in the elective process, to have the right to express themselves at the ballot box. Here is an opportunity for that to take place. Why you would oppose it is beyond me.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to my colleague, the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. I am glad that the gentleman has brought this issue to our attention. And he asks why would anybody be opposed to this. Well, I am certainly opposed to

the gentleman's amendment because the issue is not whether people want to vote at the ballot box on a poll. It is not about Lou Harris or Gallup. It is about people having the right to vote for their elected officials. And it seems to me that if the gentleman wants to have a referendum in South Africa, he would have an amendment which would say that the South African Government ought to move immediately to a public referendum where all of the people of the apartheid regime, including the 20 million people who are denied their very basic human rights, would have a right not to vote on a Gallup poll or a Lou Harris poll or a Peter Hart poll, but whether they could vote for the head of state, whether they could vote for elected officials, whether they would have the right to own property, whether they would have the right to hold jobs. And those are the kinds of things. That is why I am opposed to the gentleman's amendment.

Mr. BURTON of Indiana. The point is that we are not going to change the South African Government's attitude toward the blacks participating in the elective process so far as electing their leaders is concerned right now, and we all know that. But what we can do is through this amendment force them to allow those people to vote to find out how they feel about these economic sanctions we are talking about.

The blacks in South Africa are going to suffer if we pull all future investment out of that country. We talked about that before. There are 600,000 blacks in the gold mines alone. And we know that will affect 3 million blacks' ability to survive if we do not allow Krugerrands to be sold throughout the world. I think that we ought to let the blacks in South Africa have a voice in whether or not the United States cuts investment to that country.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. Burton] has expired.

(On request of Mr. Gray of Pennsylvania and by unanimous consent, Mr. Burton of Indiana was allowed to proceed for 2 additional minutes.)

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield further?

Mr. BURTON of Indiana. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. I would simply say to the gentleman from Indiana that I do not think the issue is about employment. I think a mistake in the debate we have heard so far is that we have somehow got to be supportive of apartheid and we cannot take any actions, as we do in many other countries around the world, simply because somehow we are going to lose jobs, we are going to lose employment opportunities. I find that very interesting for us to follow that argument, when the argument is not about a loss of employment or loss of jobs, it is about a loss of justice and a loss of life. That is what this debate is about. It is not about employment opportunities at all. And none of these restrictions in any way in the Anti-Apartheid Act will cause the loss of one job in South Africa, including the ones held by 125,000 people, 78,000 of whom are a majority South Africans, in Amercian subsidiaries. So it is not an argument that somehow this is going to cause a loss of jobs. This is an issue of the loss of justice.

Mr. BURTON of Indiana. If I may reclaim my time, if that is the case, then why would you not want to support this amendment? Because you are going to find out, if the referendum is held, whether or not the blacks are concerned about the lack of future investment and future capital coming from this country into theirs.

I do not understand why you would be opposed to this. The blacks over there are the people who are going to be affected adversely by disinvestment or lack of future capital from this country going to South Africa.

Mr. GRAY of Pennsylvania. I would say the answer, very simply—I thought I made it clear earlier—is that the plebiscite referendum that the gentleman is suggesting is totally irrelevant to the debate that we are talking about. It is like making Secretary of State Shultz Lou Harris and Peter Hart. I think the House demonstrated that. That is why I would disagree with the gentleman.

Mr. BURTON of Indiana. If I may reclaim my time, I do not think it is irrelevant when we are talking about a person's livelihood or the ability of them to feed their families in South Africa.

Mr. WEBER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Minnesota.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. Burton] has again expired.

(On request of Mr. Weber and by unanimous consent, Mr. Burton of Indiana was allowed to proceed for 1 additional minute.)

Mr. WEBER. My colleagues on the other side of the aisle keep referring to Gallup and Harris and Hart, and things like that. As I understand the gentleman's amendment, it is to ask the South African Government to establish an internationally supervised referendum.

Mr. BURTON of Indiana. That is correct.

Mr. WEBER. So all this talk about Hart and Gallup, you are not talking about a poll anymore; that was your previous amendment.

Mr. BURTON of Indiana. We are talking about an actual referendum where the blacks have an opportunity to go to the polls and express themselves on this issue.

Mr. WEBER. Conducted by the Government and internationally supervised?

Mr. BURTON of Indiana. Internationally supervised.

Mr. WEBER. What kind of international supervision? It could be similar to the kind of referendum we have had in El Salvador, the kind of supervision that is bipartisan?

Mr. BURTON of Indiana. Yes. That formula can be worked out.

Mr. WEBER. I thank the gentleman for yielding.

(On request of Mr. Dellums and by unanimous consent, Mr. Burton of Indiana was allowed to proceed for 5 additional minutes.)

Mr. DELLUMS. Mr. Chairman, would my colleague yield?

Mr. BURTON of Indiana. I yield to may colleague, the gentleman form California.

Mr. DELLUMS. Let me now try to address the proposition the gentleman offered.

First of all, your previous amendment did in fact deal with a poll supervised by the Secretary of State.

Mr. BURTON of Indiana. Yes; it did.

Mr. DELLUMS. You have now revised that proposition. It is now not a poll taken, supervised by the Secretary of State; it is now a referendum inside South Africa, supervised internationally; is that correct?

Mr. BURTON of Indiana. That is correct.

Mr. DELLUMS. So, in effect, it really is a poll. It is just a poll taken by the South African people internationally supervised.

Mr. BURTON of Indiana. No. If I may reclaim my time, I do not know how you can consider it a poll if the blacks in South Africa go to the ballot box and express their will by voting.

Mr. DELLUMS. All right. The major point of it is that you want to get a sense of what you think ought to be appropriate action that is taken, and you want to have a referendum in order to see that that is done; is that not correct?

Mr. BURTON of Indiana. I want to find out——

Mr. DELLUMS. I do not want to trick the gentleman. I want to engage him in colloquy.

Mr. BURTON of Indiana. I understand. I think every Member of this body ought to know how the blacks in South Africa feel about the lack of future capital and future investment from the United States of America.

Mr. DELLUMS. Will the gentleman yield so I can answer his question about why I would oppose it?

Mr. BURTON of Indiana. I yield to the gentleman from California.

Mr. DELLUMS. We have not asked the Nicaraguan people for an interna-

tionally supervised referendum on the

have a responsibility to exercise our

We should consider a forum of some

tionally supervised referendum on the embargo that has been imposed upon them. We have not asked the Soviet people for an international referendum on whether we ought to deploy the MX missile aimed at them.

Just let me finish, and I will ask for as much time as the gentleman wants. Again, I am not here to fancyfoot the gentleman. I want to engage him in a serious debate.

Now, we are asking other nations to give us their thoughts about what we ought to do because the one important referendum that we all must deal with is the one that brought us here, the election that brought my distinguished colleague and this gentleman to the Congress to exercise our major responsibility.

☐ 1730

Where I think the gentleman and I both do in fact agree is that based upon the world's history of looking at Nazi Germany, we have now fully internalized that we have a responsibility whenever we see injustice to stand up and speak out against that injustice. You can either do it violently or you can do it peacefully.

Mr. BURTON of Indiana. If I may reclaim my time, I, like my colleague, opposed apartheid. I think it is reprehensible; I think it is something that should be done away with. But in the process, I do not believe we ought to hurt the people we are tryng to help. It is my contention that the blacks in South Africa do not want us to disinvest or cut off future investment in that country because it is going to hurt them more than anybody else economically.

I think we ought to find out how they feel. Now, polls have been taken, time and again, which show that the blacks do not want us to cut off our investments. Time and again it has happened. We were cited four or five earlier in this debate. All I am saying is that let us find out once and for all how they feel about it before we cut all that investment over there which is going to work a hardship first on the people we are trying to help, the blacks of South Africa.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman.

Mr. DELLUMS. I appreciate that. I am simply saying to the gentleman that we have a major burden of responsibility. You have expressed a judgment. I may agree or disagree with that judgment, but every time we make a decision, we are exercising judgment.

For example, on abortion and on gun control and on other issues, we could cite polls and you would then tell me to take my poll and shove it somewhere. What I am saying is is that if we put those polls aside, we have a responsibility to exercise our judgment.

Mr. BURTON of Indiana. If I may reclaim my time here, we are not talking about a poll here and we are not talking about abortion, and we are not talking about Nicaragua; we are talking about——

Mr. DELLUMS. You just cited a poll; you said three polls.

Mr. BURTON of Indiana. South Africa and a referendum which will allow the people of that country, the blacks, to express themselves on a very important issue economically to them.

Mr. SILJANDER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman.

Mr. SILJANDER. You know, you did introduce an amendment which did go down; I supported you regarding a poll. the advocation was the former polls taken were not good enough; they were not accurate for one reason or another. You advocated a separate poll; that was voted down and that was not good enough. Now you are advocating for the first time in history blacks, in full, to participate in some form of referendum to determine how blacks feel about what we want to do to them. That also is being criticized.

All right; fair enough. Fair enough. What would the other side suggest as a means to determine the attitude and the opinions of those very individuals that we are, in our self-righteousness, attempting to assist?

I think the point is very clear. If the blacks themselves were truly for disinvestment, and disrupting the economy in the way that disinvestment would rock an economy, then why is there not a general strike and a general walkout by blacks in South Africa? They could simply, in unity, walk off their jobs and create a terrible disruption to the economy, but they choose not to do that.

I think blacks are not interested in our self-righteous attitudes.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(On request of Mr. SILJANDER and by unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 1 additional minute.)

Mr. BURTON of Indiana. I yield to the gentleman.

Mr. SILJANDER. I am not sure that the blacks are concerned, as we ponder their fates from our easy chairs, in our convenient environments here in Congress, telling them that their emptybellied children and wives themselves is in their best interests for their future as we try to decide which entre we may order at our next reception.

So I appreciate the gentleman's interest and his genuine sincere interest, attempting to solicit the opinions of the people who count. I think we should consider their opinions.

We should consider a forum of some kind to determine how the blacks feel about what Americans want to do. It may not be an issue of jobs, as Mr. GRAY suggested. It is an issue of opportunity, of equal rights, and a racist society. I agree with that point; it is an issue of 350 blacks who have been killed. I agree with that point. However, is it not important to find out and determine the feelings of those we are trying to affect?

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

Mr. BURTON of Indiana. Mr. Chairman, I ask unanimous consent for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. WOLPE. Mr. Chairman, reserving the right to object, and I shall not object, I just want to make the general admonition that we really would like to try to move through the amendment process this evening so we can be in position to move on the substitutes tomorrow. I would hope that we might try to restrict the extensions of time.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The gentleman from Indiana [Mr. BURTON] is recognized for 2 additional minutes.

Mr. BURTON of Indiana. I yield to the gentleman from Michigan [Mr. SILJANDER].

Mr. SILJANDER. So my point is just that while we are listing innumerable lists of black leaders and white leaders who feel one way about disinvestment or the other; Mr. CONYERS from Michigan listed a long list of those who favor disinvestment. Others have listed those such as Chief Buthelezi who are against it. We have mentioned Tutu's name dozens of times during this debate. Why is it so wrong to ask the average black in that country what their opinions are? Instead, we seem to be focusing on just the leadership, which is fine, but we ought to broaden our base, broaden our vision and the gentleman on that side of the aisle. I know they do not agree with the poll, the previous polls, with your first amendment which is a new poll, or a complete referendum unless you supervise. What do they agree on? What do they suggest as an alternative to identify the opinion of the clientele, the average worker, black worker in South Africa?

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman.

Mr. FAUNTROY. Let me suggest that the only thing that would make this amendment or the one you previously offered reasonable for consideration, would be a rider that the South African Government end its law which makes it a crime for persons to advocate disinvestment. Otherwise, you would be subjecting the 22.3 million people to the threat of being arrested, and thus an effort on the part of the South African Government to build enough jails to contain those who had the courage enough to say what was on their minds.

Mr. BURTON of Indiana. Let me interrupt and just say, I want to understand; what is the amendment to my amendment you are suggesting?

Mr. FAUNTROY. I am talking about the previous amendment which was voted down because it lacked——

Mr. BURTON of Indiana. We talking about this amendment.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has again expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 2 additional minutes.)

Mr. BURTON of Indiana. You are saying that if an amendment to this amendment were added which said that there was no prohibition on the blacks speaking their minds regarding disinvestment, that you could support this amendment?

Mr. FAUNTROY. No; I said it would be worthy of consideration then.

Mr. BURTON of Indiana. What do you mean, "worthy of consideration"?

Mr. FAUNTROY. It is not worthy of consideration so long as there is a law which, if the persons polled—you asked a question; may I answer your question?

Mr. BURTON of Indiana. If I may reclaim my time, I just want to say, and I am not cutting the gentleman off——

Mr. FAUNTROY. Oh, you are not?

Mr. BURTON of Indiana. If he is making this kind of a suggestion, would he be willing to support this amendment if your language was put into it?

Mr. FAUNTROY. I felt it was very clear. The only thing that would make it worthy of consideration.

Mr. SILJANDER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman.

Mr. SILJANDER. This is the third time we have discussed the Terrorism Act. It has been instituted for 18 years in South Africa. It is a terrible act; it should be abolished. But there is the one point of reality that needs to be considered. Not one person has been convicted of that act in 18 years. One person has been arrested and is not yet convicted of the act in 18 years.

Again, I repeat that there were other polls taken which indicated that 27 percent of blacks in South Africa supported the ANC which is also illegal under the same act. So what about the 27 percent that fear this act upon them?

The CHAIRMAN. The gentleman will suspend.

The order is that the gentleman from Indiana has the time.

Mr. BURTON of Indiana. I will just conclude by saying this: This will give the blacks for the first time in the history of South Africa the ability to express themselves at the ballot box. If the South African Government interferes with that process and does not allow the referendum to take place, then section IV goes into effect. Why would you oppose that? There is no prohibition against section IV unless there is a referendum held and the blacks say that they do not want future investment cut off in that country.

I think this is a very reasonable amendment; one that you should not oppose, because if it is not implemented, the provisions of this amendment, then your section IV would go into effect.

If the referendum is held and the blacks express themselves saying that they want continued investment, then section IV is eliminated. I think it is time for you to put up or shut up. Here is a time, here is a chance for the blacks to express themselves in South Africa.

☐ 1740

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the amendment.

I am sure the amendment was well intentioned and the author of the amendment is undoubtedly sincere, but I think it is unfortunate that we have taken up well over 30 minutes of the time of the House with a debate on what is fundamentally a ludicrous proposition.

This amendment is utterly unacceptable for three reasons: It is intrinsically unworkable, it would set a very dangerous precedent, and it is politically offensive. It is intrinsically unworkable because in South Africa, in the unlikely event they ever agreed to such an internationally supervised referendum, which even the sponsors of the amendment know they would never do, you could not have a truly honest referendum because it would be a totally one-sided debate.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I would like to finish my remarks first. I listened to a long debate before I had a chance to get up.

Even those who are opposed to sanctions would be precluded from speaking out. They have no access to the media. The Government controls the television and the radios, and you could not have a genuinely honest referendum in which the people could freely express their opinions.

Second, it would set a very dangerous precedent. I see some people sitting on the other side of the aisle who believe it is appropriate for us, from time to time, to impose sanctions against the Soviet Union. Should we insist that before those sanctions become effective that a referendum be conducted in the Union of Soviet Socialist Republics in order to determine whether the people we are trying to help there are for it? Should we make sanctions against Poland or sanctions against Cuba or sanctions against Vietnam or sanctions against Libya or sanctions against Iran contingent on internationally supervised referendums in those countries?

When this amendment was first suggested, there was some question here as to whether or not we should accept it, because obviously, even if it was in the bill, the South African Government would never agree to such a referendum and it would be null and void, and we decided not to accept it because we do not want to make a mockery of the legislative process.

This amendment is ludicrous on the face of it. And finally, it is politically offensive, and the reason it is politically offensive is that here we have in South Africa a country in which the overwhelming majority of the people are denied the right to vote in any election which would give them the opportunity to play a role in the determination of their own destiny. Here we would be, the world's greatest deliberative body, the Congress of the United States, the embodiment and repository of democracy and the ideals of self-determination, saying in effect to the Government of South Africa, permit your black majority to vote for one reason and one reason only: On whether or not the United States should impose sanctions against South Africa which might hurt them, but do not proceed to give them the right to vote in elections in which they can pick their own leaders and their own Government.

Let me just say that if they want to have elections in South Africa in which the blacks can participate, there will not be any need for these sanctions. In fact, we have in this legislation a provision that when the day comes that the blacks can vote there, then the sanctions become null and void because the President can waive them.

So I really think the House already addressed itself to this issue. We rejected by an overwhelming margin the notion that there should be a survey conducted by the Secretary of State of the United States. A referendum conducted by the Government of South Africa is no better, and it should be rejected for the same reason.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to my friend, the gentleman from Indiana.

Mr. BURTON of Indiana. I thank the gentleman for yielding.

Good heavens, if something we were

I think we ought to congratulate the

citizens to participate? And that, of

Mr. Chairman, we have been involved with internationally supervised elections in the past, have we not?

Mr. SOLARZ. Certainly.

Mr. BURTON of Indiana. All right. Why would an internationally supervised referendum over there be any different?

That is No. 1. I have one more question, and I will let the gentleman answer both of them.

The second question is, would this not be a first step toward the elective process that we all want for South Africa? Would this not open the door?

Mr. SOLARZ. The answer to the gentleman's question is that we have never, to my knowledge, made the imposition of sanctions against a government engaged in the gross violation of human rights contingent upon a referendum in that country.

Mr. BURTON of Indiana. How about El Salvador?

Mr. SOLARZ. First of all, we did not apply sanctions against El Salvador.

Mr. BURTON of Indiana. There were human rights violations down there.

Mr. SOLARZ. Second, there was no American policy made contingent on an internationally supervised referendum. There was an election in that country. We thought it was important.

Mr. WEBER. Mr. Chairman, will the gentleman yield on that point?

Mr. SOLARZ. I yield to the gentleman from Minnesota.

Mr. WEBER. I thank the gentleman for yielding, and I will not take a lot of time.

Mr. Chairman, the gentleman is right in the de jure interpretation of law, but as the gentleman well knows, aid from this country to El Salvador de facto was determined based on the success of those elections. We would not be sending aid to El Salvador today if they had not had successful and internationally applauded elections.

The CHAIRMAN. The time of the gentleman from New York [Mr. Solarz] has expired.

(On request of Mr. Burton of Indiana and by unanimous consent, Mr. Solarz was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. I say to my friend that to the extent that our aid to El Salvador was contingent upon their having an internationally supervised free and fair election, the imposition of sanctions against South Africa by the very terms of this legislation is contingent on the Government of South Africa not having free and fair elections in which the black majority in their country can participate.

Forget about referendums on sanctions. If what you are interested in is free and fair elections, then all the Government of South Africa has to do is agree to have an election in which all the people of that country can participate and these sanctions become null and void the day after.

Mr. SILJANDER. Mr. Chairman, will the gentleman yield on that point?

Mr. SOLARZ. I yield to my friend on the other side, the gentleman from Michigan.

Mr. SILJANDER. I thank the gentleman for yielding.

Fair enough. The gentleman's criticism of a poll, criticisms of a public forum, fair enough.

What would you suggest we ought to do, if anything, to solicit the opinion of the average black in South Africa?

Is that not a fair question?

Mr. SOLARZ. Yes, it is a very fair question.

Mr. SILJANDER. What would the gentleman suggest?

Mr. SOLARZ. I will tell the gentleman exactly what we ought to do, what some of us have done, and that is to go to South Africa, speak to the people of South Africa.

Mr. SILJANDER. I have done that, too.

Mr. SOLARZ. I did not interrupt the gentleman from Michigan.

So have I, and I suppose that is what makes a ball game. You came to one conclusion; I came to another conclusion. The conclusion I came to, based on a broad range of black leaders ranging from homeland leaders on the right to ANC activists on the left, people in the rural areas, people in the urban areas, the conclusion I came to is that there is very strong support of sanctions by the United States against South Africa, just as there was on the part of the black people of Rhodesia for international sanctions against them.

Mr. SILJANDER. If the gentleman will yield further, I understand his point. He went to South Africa.

The CHAIRMAN. The time of the gentleman from New York [Mr. Solarz] has again expired.

(On request of Mr. Siljander and by unanimous consent, Mr. Solarz was allowed to proceed for 1 additional minute.)

Mr. SOLARZ. I yield to the gentleman from Michigan.

Mr. SILJANDER. I appreciate the fact that the gentleman visited South Africa and talked to the leaders from the right to the left, to the homelands and the cities and the urban areas and the rural areas. But again, that is not necessarily an empirical analysis of public opinion. Obviously, there are other polls that have interviewed 3,000 blacks, by blacks, on off-work hours, 110 hours of interviews.

Mr. SOLARZ. Mr. Chairman, if I may reclaim my time, I have heard the gentleman make that argument before and I can only tell him that public opinion polls on issues like this in South Africa are about as relevant as public opinion polls in the Soviet Union or any of their satellite countries in Eastern Europe or elsewhere around the world. In an authoritarian regime where people can go to jail for expressing a point of view that differs from that of the Government, polls are worthless.

Mr. WALKER. Mr. Chairman, I move to strike the last word.

Mr. SILJANDER. Mr. Chairman, will the gentleman yield for 30 seconds?

Mr. WALKER. I would be glad to yield to the gentleman from Michigan.

Mr. SILJANDER. I thank the gentleman for yielding.

Mr. Chairman, in response to the gentleman from New York, he has criticized the polls. I certainly criticize his individual poll, and his visit to South Africa certainly is no more legitimate than scientifically sophisticated polls. All right. So all the polls are bad. Still, what is the alternative? How do I identify the concerns of the blacks. Your visiting South Africa and my visiting South Africa does not identify the concerns of the average black person in South Africa.

☐ 1750

Mr. WALKER. Mr. Chairman, I am sorry that I just heard democracy called ludicrous, because that is what we just heard. We heard the process of democracy called ludicrous.

What this says is that we are going to allow people to vote. Now, I do not see anything wrong with that. As a matter of fact, one of the arguments that has been made on the floor here consistently has been that we ought not look at this as merely an economic tool, that we ought to look at it as a political tool, and that we ought to be doing what we can to empower black Africans in South Africa in a political sense. For the first time in history this would do that under internationally supervised conditions if the South African Government decided they wanted to go that direction.

Now, I am not here to say that they will decide that, but they will be given a choice. It may be a Hobson's choice, but nevertheless it is a choice. It is a choice between either going this direction and having the economic problems connected with that, or not going this direction and having the economic problems that are connected with section 4.

But let us think about the things that the gentleman from New York just told us about this approach. First of all, it is internationally supervised, and so we would have the same conditions as other internationally supervised elections that we have endorsed in the past have had. We would also, it seems to me, have a situation where I would not have any problem with that as a precedent.

Good heavens, if something we were going to do in the Soviet Union would cause them to have an internationally supervised election within the Soviet Union where the people of the Soviet Union could get a chance to vote on some issue in an internationally supervised election, I think that would be wonderful. I think that would be great if we as a House could in some way effect that kind of a change in a totalitarian state like the Soviet Union, and I think it would be great if we could effect that kind of a change in a totalitarian country such as South Africa.

If we are concerned about whether or not everybody has a chance to voice their opinions in such a referendum, that is covered in this resolution or in the amendment, because we say that the Secretary has to certify to the Congress that the referendum gave nonwhite South Africans a full opportunity to express their position, otherwise the Secretary could not certify it; that the elections were conducted in a fair manner, otherwise the Secretary could not certify it; and that the results are believed to be definitive, otherwise the Secretary could not certify it.

In other words, it is not just a referendum conducted by the Government, because then it has to be certified by our Secretary of State before section 4 would not apply. So we have a two-way protection under the bill, and it seems to me that if what we can do is bring about something that gives the first smidgeon of registering people to vote and having them go out and make their position felt in some way, using the ballot, that is a positive, and that is the direction we ought to be going. And here is something where the interests of the South African Government are so great—otherwise I do not think we would be going through this exercise if we did not believe we were doing something here that was meaningful—OK, if it is meaningful enough that we should go through this exercise, it ought to be meaningful enough to the South African Government that they would consider having such a referendum at the appropriate time. And if in fact they would go through with it, if a referendum would be taken, it would be a major step toward giving the blacks the kind of power that so many have said all the way along is what they want to achieve.

I think it is worth a try. If it is totally ludicrous, if the South African Government is not going to consider it, fine, then it is a provision of the bill that never came to be. But if there is some chance that democracy might have a little bit of an opportunity, I would say to the gentleman from New York and the rest of my colleagues that that is not ludicrous, that is a positive step in the right direction that we ought to follow.

I think we ought to congratulate the gentleman from Indiana [Mr. Burton] for bringing forth an amendment that offers us a chance to get away from polling data and all that kind of thing and gives the people a chance to make a choice. We make choices in referendums throughout this country, and when the people speak in those referendums, we listen. It is not just us and our opinions; we listen to the people when they speak in referendums across the country.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I would like for every one of my colleagues on the other side of the aisle, as well as my colleague in the well, to answer this question in their own minds: Who would this amendment put the pressure on?

I think the answer is self-evident. It would be on the South African Government. They would have to provide a mechanism for a referendum for the first time in history, and the dike would be broken.

Mr. WEBER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have not participated widely in the debate. I might say that I have voted more often than not with my colleagues on the other side of the aisle on this issue, the gentleman from New York, the gentleman from California, and others, and I understand that as emotional and as important as this issue is, we are probably at a point where anything suggested by that side of the aisle is not acceptable on this side, and vice versa. Nonetheless, I truly think that the majority has made a mistake in not giving a little more serious thought to this particular amendment.

I think that we share objectives in terms of what we seek in South Africa. Our objectives are human rights, a pluralistic society, a democratic political system, and economic progress for all South Africans.

I agree with the speakers on the other side of the aisle who have made the point repeatedly that jobs are not the primary issue. They are an issue, but they are not the primary issue. I also agree that the issue of polls and public opinion should not be the primary consideration when we are dealing with a truly fundamental and moral issue.

However, in my discussions with Members on both sides of the aisle around this very important question, it has been my understanding, or at least what I have learned is that the major obstacle we face in achieving those objectives we agree on is political participation. How do we force the South African Government to open up its doors politically and allow all its citizens to participate? And that, of course, is also the area where we have minimal leverage. Even the Gray amendment and the bill that we have before us today, I think the authors and supporters would concede, carries no guarantee that it will change the political makeup of the South African Government. It is the best attempt to put certain pressure on the South African Government, and I have certainly not been critical of that approach at all.

But what I am suggesting is that the amendment that is on the floor today offered by the gentleman from Indiana does in my view offer a legitimate means of perhaps opening the door just a crack to genuine political participation. I am not under my illusions that the amendment or this law would be accepted by the South African Government or that it would be easy to conduct a referendum, but I do think that the majority has misjudged the situation by rejecting it out of hand.

What happens if something like this is passed into law and the South African Government then simply rejects it, as you and I suspect they would reject it? Does that not substantially strengthen the case of everybody who has criticized the white racist Government of South Africa? Does that not expose them even more for what they fundamentally are? Does that not strengthen the case that the ultimate issue is political participation in the Government, and that even on this very narrow issue of public policy and economic policy the South African Government was unwilling to open its doors ever so slightly?

I think that it is worth a try. I do not know what caused the gentleman from Indiana to offer the amendment. I do not know that his reasons for supporting it are necessarily the same as mine, but I do think the majority judged it a little too quickly and judged it a little too harshly. I think it is an amendment that deals with the fundamental question that we face and will continue to face, which is political participation, and I think it is deserving of our support.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. WEBER. I am glad to yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Chairman, I thank the gentleman for yielding.

I remind the gentleman that he has premised his argument by asking, what is the objection to this amendment? It would put the pressure on the Government of South Africa.

What pressure would this amendment put on the Government that has in the law now the prohibition of blacks to vote? It is the law in South Africa that they cannot vote. What kind of pressure does this put on them?

Mr. **WEBER**. Mr. Chairman, if I may reclaim my time, the Government of South Africa has repeatedly stated that should be no disinvestment because the black population of South Africa is not in favor of disinvestment. I think from our standpoint, given the ideals that we represent, I might ask, what stronger case can we make than to say to those people, "Well, we want you to prove that through a genuine and honest election, not a poll or referendum but an election. We want at least on this one issue to bring all of your citizens into the political decisionmaking process"? Then if they refuse to do that, it seems to me that we have simply enhanced the pressure that we can put on them through the court of public opinion.

Mr. **ROEMER**. Mr. Chairman, will the gentleman yield for a final point?

Mr. **WEBER**. I yield to the gentleman from Louisiana.

Mr. **ROEMER**. Without getting into the esoteric question of what an election is—is it just the vote itself, or is it a period of social intercourse prior to the vote?—without getting into that, let me as the gentleman——

Mr. **WEBER**. Let me reclaim the question, because the gentleman has gotten into something.

Mr. **ROEMER**. Fine.

Mr. **WEBER**. We are talking about an internationally supervised election. If the international supervision is not to our liking, of course, that does not meet the specifications of the amendment as put forth by the gentleman from Indiana. And as I pointed out, I am under no illusions that this is likely to happen, but certainly we can dictate the terms under which we would consider such an election or referendum to be acceptable. We do not have to accept the Botha government's definition of an acceptable election.

Mr. **ROEMER**. Mr. Chairman, will the gentleman yield further?

Mr. **WEBER**. I yield to the gentleman from Louisiana.

□ 1800

Mr. **ROEMER**. Fair enough. Just to reassure me on the gentleman's stance on this issue, let me ask the gentleman two quick questions.

The **CHAIRMAN**. The time of the gentleman from Minnesota [Mr. WEBER] has expired.

(At the request of Mr. ROEMER, and by unanimous consent, Mr. WEBER was allowed to proceed for 1 additional minute.

Mr. **ROEMER**. Mr. Chairman, will the gentleman yield?

Mr. **WEBER**. I yield to the gentleman from Louisiana.

Mr. **ROEMER**. Two questions, if the gentleman could, in his opinion. One, would the Government of South Africa accept this amendment? Would they have a referendum, in the gentleman's opinion?

Mr. **WEBER**. Reclaiming my time, no.

I yield to the gentleman from Louisiana.

Mr. **ROEMER**. Question No. 2. If they were to allow such a referendum and the 22 million blacks in South Africa were given the right to vote on this question, in the gentleman's opinion, how would they vote, in the gentleman's opinion?

Mr. **WEBER**. In my opinion? I have no opinion how they would vote, but that is really not as important. If we could have a genuine, honest referendum, in which all the people of South Africa could participate, that it would seem to me would break open that system in a way that none of us can even dream of breaking it open, even given the full application of the sanctions in the bill that is before us today. So for me to judge the outcome of that election, that is not appropriate. I do not know how it would come out; but I think to have a genuine election that would satisfy the gentleman from Louisiana and the gentleman from Minnesota would do more to change that political system and that social system than anything this legislation could do.

Mr. **HYDE**. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I dislike alienating myself from my dear friends on this side of the aisle, but I do not intend to support this amendment, for some of the reasons the gentleman from New York [Mr. SOLARZ] pointed out, perhaps not in as much depth as he did, but I do not think it is workable. I think it is untenable and I think the effect of it, not the intent of it, the effect of it is to trivialize a very important issue, not the intent of it. The intent of it was to underscore a very important point, that is, that public opinion among those most to be affected by disinvestment, the black working man and woman inside South Africa, may have a very different concern and view about disinvestment than do the moral leaders of the crusade against apartheid in this country.

I think that their sensibilities are entitled to be considered in this debate. I think we do not need to have an election or a referendum or a poll. We have listened to their leaders, their labor leaders, their tribal leaders, and responsible people who understand that this takes away leverage that we might have.

Now, it is an argument that can be argued the other way, too. How long are you going to tolerate apartheid without doing something effective to get rid of it? I understand and respect that argument, but the other argument also is deserving of respect; namely, to impoverish people who are already impoverished, to take away their economic sustenance, is to cause a great deal of suffering and to solidify a hardcore apartheid regime over there that will exacerbate and not solve the problem; so this is a terrible conundrum. It is a terrible riddle that many of us are trying to move toward a proper solution for the most people involved.

Now, that said, I should like to point out, and I regret that my friend, the gentleman from New York, has left the floor, because he is chairman of the Asiatic and Pacific Subcommittee. When I think about apartheid, I think of the two types of sins, the sin of omission and the sin of commission. I would characterize apartheid of a sin of commission. It is an affirmative act that disenfrancises people and makes them less than full citizens of their homeland and their country. That is an affirmative committed sin; but there are sins of commission, too. I think of the great country of India whose Prime Minister is visiting this country and I think of the caste system and I think of the tolerance that we seem to bestow on the caste system and I wonder if we are not guilty of the sin of omission by not dedicating some of the fervor, just a fraction of the fervor toward the great country of India to try to help break down their caste system.

Religious apartheid exists in the Soviet Union. Now, Bishop Tutu is able to come and go and I bless him for that. The world is richer for that; but Shcharansky cannot leave the Soviet Union and come out and accept Noble Prizes, he dare not. So these are all sins of omission and commission and in the total context of fighting racism, of fighting the denial of human rights, whether it is in one continent or over the globe, it deserves attention and it deserves the considered attention of those people who share with all of us the concern that human rights be shared by every human being.

Mr. **MITCHELL**. Mr. Chairman, will the gentleman yield?

Mr. **HYDE**. I yield to my friend from Baltimore.

Mr. **MITCHELL**. I am grateful the gentleman did, because good vibrations flow between us on this floor for the first time in a long, long time, and I am grateful for those good vibrations.

I just wanted to respond to the gentleman's question of why we did not take on India and other places. There is a Gospel hymn that goes, "One day at a time, sweet Jesus, one day at a time." This one solved and we will deal with the next one.

Mr. **HYDE**. Well, I appreciate that, but we have a lot of time and a lot of talent, but we never get around to much else. We do not consider Liberia, which has a great problem.

Mr. **MITCHELL**. Mr. Chairman, will the gentleman yield again? I just do not want the gentleman to destroy the good vibrations. We have gone so well up to this point.

Mr. **HYDE**. No. I want resonations as well as vibrations.

Mr. **MITCHELL**. One day at a time.

Mr. **HYDE**. I thank the gentleman and I will wait for tomorrow, and tomorrow and tomorrow.

Mr. **SHAW**. Mr. Chairman, will the gentleman yield?

Mr. **HYDE**. I yield to my friend, the gentleman from Florida.

Mr. **SHAW**. Mr. Chairman, I would join my friend, the gentleman from Illinois, in opposing this particular amendment to this bill.

I am somewhat disturbed by some of the debate that has gone into the Chamber today. The reason I am opposed to this is not because of the fact that we are setting up any form of election as a trigger for some type of action as far as our foreign relations are concerned, but that we would make the result of that election a determining factor as to what the foreign policy of the United States would be.

The **CHAIRMAN**. The time of the gentleman from Illinois [Mr. HYDE] has expired.

(By unanimous consent, Mr. HYDE was allowed to proceed for 2 additional minutes.)

Mr. **HYDE**. Mr. Chairman, I yield to my friend, the gentleman from Florida.

Mr. **SHAW**. And because of that, I believe it would be precedent-setting to the foreign policy of the United States. I know of no other situation where you would make the outcome of an election contingent upon this.

Mr. **HYDE**. What the gentleman is saying is that our foreign policy ought not to depend on a referendum in another country by people who are going to be the object of our foreign policy. We ought to have the resources to make our own judgment here.

Mr. **SHAW**. Mr. Chairman, if the gentleman will yield further, I think that is exactly the case, but I did say, if the gentleman would yield further to me, that I am somewhat concerned about the way the debate has been gathered, because I do have the feeling that there are many here who are pressing forward on this bill that really are not considering the true feelings and concerns of those who are going to be economically affected by what we may or may not do here in this Chamber.

A man's livelihood, his job, his self-respect, these are things we talk about in our own country when we are talking about jobs for people. We talk about that because we think that is a very precious and dear thing to the people of the United States.

I can tell you, having been to Mozambique, having been to Zimbabwe and having been to South Africa and talked to the working people, I know they are men and women just like we are and they are very concerned about such things.

Mr. **CONYERS**. Mr. Chairman, will the gentleman yield to me?

Mr. **SHAW**. It is not my time. It belongs to the gentleman from Illinois.

Mr. **CONYERS**. Mr. Chairman, would the gentleman from Illinois yield?

Mr. **HYDE**. I yield to my friend, the gentleman from Michigan.

Mr. **CONYERS**. Mr. Chairman, I thank the gentleman.

When we start talking about the jobless and jobs, it strikes a responsive chord. In my district, the unemployment rate for black males is 26 percent. For youths, it is 53 percent, for black youth; so we have got a big job to do there.

I hope that we will bring that consideration and concern for those in South Africa to the United States when our turn comes on that.

I thank the gentleman for raising the point.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. **BURTON** of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 30, noes 384, not voting 19, as follows:

[Roll No. 136]

AYES—30

Armey
Badham
Bartlett
Barton
Bilirakis
Burton (IN)
Cobey
Coble
Craig
Crane
Dannemeyer
DeLay
Dornan (CA)
Eckert (NY)
Fields
Gingrich
Hansen
Hendon
Hunter
Petri
Ritter
Roth
Siljander
Smith, Denny
Solomon
Stump
Vucanovich
Walker
Weber
Young (AK)

NOES—384

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Barnard
Barnes
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Borski
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Callahan
Campbell
Carper
Carr
Chandler
Chappell
Chapple
Cheney
Clay
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crockett
Daniel
Darden
Daschle
Daub
Davis
de la Garza
Dellums
Derrick
DeWine
Dickinson
Dicks
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fish
Flippo
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Franklin
Frenzel
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Henry
Hertel
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Rinaldo
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Robert
Snowe
Snyder
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Strang
Stratton
Studds
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whittaker

Whitten
Williams
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)
Young (MO)
Zschau

NOT VOTING—19

Biaggi
Bonker
Bosco
Byron
Carney
Dingell
Florio
Fowler
Holt
Hubbard
Jones (NC)
Levine (CA)
McGrath
Ridge
Roukema
Torricelli
Vento
Whitehurst
Wilson

☐ 1820

Mrs. LONG changed her vote from "aye" to "no."

Mr. COBLE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

● Mr. LEVINE. Mr. Chairman, I rise in strong support of H.R. 1460, the Anti-Apartheid Act.

As you know, the administration opposes this bill. After all this is the administration that thinks constructive engagement is the way to encourage peaceful change in South Africa—change that would move the Government of that country away from apartheid and toward a system that treats all its citizens equally. But treating the odious practice of apartheid in this benign manner has not worked.

The South African Government operates under an entrenched system of institutional racism, in open defiance of any standard of civilized society. Yet, the Reagan administration still prefers to adhere to its misguided policy and to reward this inhuman government by making it the United States largest trading partner and by becoming the second-largest foreign investor in South Africa.

Through apartheid, the South African Government allows a minority of 4.5 million whites to deny 22 million black South Africans their basic human rights. Black South Africans cannot vote. They cannot run for political office to have a voice in their own destiny. The South African Government's homelands policy has resulted in over 9 million black South Africans being stripped of their citizenship in the land of their own birth. The South African Government has increased its oppression of trade unions. Its policies have resulted in the deaths of blacks fighting for their rights and for their ever-elusive freedom. A virtual police state exists in South Africa.

Mr. Chairman, as Members of this body, as citizens of this country, where freedom and equality are held precious and inviolable, we must raise our voices in opposition to the unconscionable practice of apartheid and take action designed to end it. Tolerance of apartheid is not the answer. Our national values and interests mandate that we take up the cause of those longing to be free of the shackels of their oppressors. It is our moral responsibility.

The bill before us would help achieve that worthwhile goal by imposing four economic sanctions on South Africa. The first sanction prohibits all loans and extensions of credit to that Government, including corporations or organizations controlled by the South African Government, unless the funds are used for educational, housing, or health facilities that would be available on a nondiscriminatory basis to all South Africans. The second sanction prohibits all investment, direct or indirect, in new business enterprises in South Africa, or any new investments in existing South African businesses. The third sanction prohibits the importation into the United States of South African krugerrands or any other gold coins minted or sold by the South African Government. Fourth, the bill prohibits the direct and indirect export of U.S. computers, computer software, or other computer parts to the South African Government and corporations or organizations controlled by that Government.

This bill contains eight conditions that permit a Presidential waiver of sanctions for 12 months if the South African Government meets one of the eight conditions stipulated in the bill. For each additional condition met by that Government, the waiver can be extended for 6 months. These conditions include: eliminating policies that prohibit black employees and their families from living in family accomodations near their place of employment; eliminating "influx control" policies that restrict blacks from seeking employment where they choose, and that prevent them from living near where they find employment; eliminating policies that make distinctions between the South African nationality of blacks and whites; stopping the removal of black populations from certain locations for reasons involving race or ethnic origin; entering into negotiations with representative leaders of the black population for a new, nondiscriminatory political system; and freeing all political prisoners.

Mr. Chairman, let us remember the human beings for whom and with whom we fight. We must oppose Reagan administration policy and pass this antiapartheid legislation.

South African Bishop Desmond Tutu, recipient of the 1984 Nobel Prize for Peace, has said that no amount of repression can contain the millions of black South Africans who are determined to be free. Let us join with them and help them achieve their aspirations. One day all the people of South Africa will be free, and I, for one, want to help hasten that day.

I urge my colleagues to support H.R. 1460.

Thank you.●

● Mr. BARNES. Mr. Chairman, I am very pleased to be an original cosponsor of the antiapartheid bill; H.R. 1460, and to have the opportunity to voice my strong support for this legislation.

Something very fundamental is happening here in this Chamber. On the one hand, as I listen to the debate, there is no mistaking this Congress' clear repudiation of the administration's failed policy of constructive engagement. On the other hand, this House is, as a result of the administration's failure, going about the business of reshaping our country's policy toward South Africa.

For over 4 years we have been told that things have gotten better in South Africa, that people of color have been permitted to participate in the political process, that we are seeing the beginnings of racial equality, that the apartheid system is being dismantled, that freedom for the 20 million victims of apartheid is coming—if only we will be patient. It just is not happening. A promise of freedom is not the measure of freedom. It is time, long past time, for us to define our role for positive change. The strength of our own principles of democracy and freedom compel us to do so. This Congress is past the rhetoric, the promises, and the petty distractions that some say represent real progress. We are about to do something meaningful.

H.R. 1460 is not just another piece of legislation. It is, as my colleague from Pennsylvania, Representative Bill Gray, has said, a U.S. commitment not to continue to finance apartheid. It enacts four sanctions against South Africa: A ban on loans to the South African Government and on the sale of computer goods and technology to the Government; a ban on new investments—including loans to enterprises; and a ban on the importation of Krugerrands into the United States. Implementation of these sanctions will not topple the South African Government, nor bring about economic devastation. This legislation lends authority to our official position against apartheid, and brings our moral weight to bear on the situation.

This House took a stand last year when we took up the Export Administration Act legislation. I remember well our battle during the last Congress to gain the other body's acceptance of the South Africa provisions. As a member of the conference committee on that bill, I strongly supported the Gray amendment to prohibit new investment; the package of trade sanctions, mandatory work standards, and ban on Krugerrand imports; the provision to prohibit all exports to the

South African military and police; and the amendment to cut nuclear assistance to South Africa. This House twice voted for those measures last year.

As I listen to my colleagues debate this bill, I am reminded of the words of Robert F. Kennedy as he spoke in 1966 to the students at the University of Capetown in South Africa. He began:

> "There is," said an Italian philospher, "nothing more perilous to conduct, or more uncertain in its success than to take the lead in the introduction of a new order of things." * * *
>
> Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those ripples build a current that can sweep down the mightiest walls of oppression and resistance.

When we vote on this bill, we should ask ourselves if what we do sends a ripple of hope, if we cherish liberty enough to take measured, practical steps for its universal application.

Taking up this legislation is exactly the kind of thing that makes our work meaningful. We are facing up to the fact that our trade with South Africa helps to finance a system of institutionalized, Government-sponsored racism. We are facing the reality that, although it is not within our power—nor should it be—to establish a more just system there, when we linger too long and too close to the forces of apartheid, we unwittingly lay down our arms against it and draw ourselves further away from what this Nation stands for. We are taking up our responsibility, as legislators, to have the political will to do the right thing, to exercise prudent and, if required, bold leadership to correct a misdirected approach, one which has compromised our commitment to individual rights, and equivocated on our moral stand against apartheid.

In South Africa, an independent homeland is a land of internal exile, freedom of access means obeying the pass laws, political expression results in Government repression, love between races is a deadly sin, individual worth is color coded, and democracy is a euphemism for apartheid. Our relationship with South Africa cannot be one of comfort and convenience, or hinge on expediency and practicality. It is not a relationship that comes without special burdens and responsibilities for us. At the core is the pressing question of principle and conviction, of our commitment to individual rights and democratic institutions. Reinhold Niebuhr wrote, "Man's capacity for justice makes democracy possible, but man's inclination to injustice makes democracy necessary." I believe that this Congress is finally prepared to put this country back on track, to redirect U.S. policy toward South Africa, and to demonstrate that we can fashion a genuinely constructive policy that does not forsake, but rather promotes, our ideals. Passage of this legislation is our opportunity to make this happen. I strongly urge my colleagues to support this important endeavor.●

● Mr. DURBIN. Mr. Chairman, I would like to express my strong support for H.R. 1460, the Anti-Apartheid Act, introduced by my colleague from Pennsylvania, Mr. Gray.

Recent events in South Africa have demonstrated convincingly that the Reagan administration's policy of constructive engagement is woefully inadequate to dismantle the South African Government's well-entrenched system of apartheid. Nightly newscasts in this country have vividly portrayed how protests against apartheid are brutally suppressed. They evoke images of Selma and Birmingham that are engrained in our memory, with one fundamental distinction—the segregation and discrimination in South Africa are sanctioned by the state.

I am unwilling to acquiesce to a policy of constructive engagement with a country in which, according to the State Department's 1984 human rights report:

The Government spends seven times more to educate each white child than each black child;

Poor sanitary conditions and the lack of doctors and hospitals in black areas have contributed to an infant mortality rate of 200 per 1,000 live births, compared to a white infant mortality rate of 15 per 1,000 live births;

The average monthly wage for blacks in 1980 was $145 versus $500 for whites.

Because the South African Government has proved to be relatively intransigent in allowing change to take place, stronger measures are clearly needed. Some suggest that we institute a policy of abrupt divestiture of all U.S. investments in South Africa. However, I am concerned that this approach will be counterproductive because it will eliminate our strongest leverage to work for change in South Africa—our economic relations with that country.

If all American corporations pulled out of South Africa, many blacks would be thrown out of work. Many contend that other corporations would simply move in to take their place, based on the free enterprise concept that businesses will spring up where there is money to be made.

More important than the employment issue, however, is that civil rights policies instituted by U.S. firms would no longer be in effect. Following the guidelines of the Sullivan principles, U.S. firms must integrate their workplaces and pay equal wages. These are teaching skills, which helps to develop a black middle class. Bringing an end to American involvement in South Africa would represent a slap in the face of the limited progress that has been made.

I believe that H.R. 1460 represents an important step. It not only repudiates our policy of constructive engagement, but also acknowledges the importance of the leverage we can exercise through our trade relations. It prohibits any future loans or investments in South Africa, any additional imports of the South African Krugerrand, or any exports of U.S. computers to South Africa. However, it also provides conditions under which two of the conditions can be waived if progress is made in South Africa.

I believe that enactment of H.R. 1460 would demonstrate clearly and convincingly that this country is fundamentally opposed to the South African Government's policy of apartheid, and that it is also willing to exercise its leverage to achieve progress in South Africa. I urge my colleagues to support this bill.●

● Mr. TRAFICANT. Mr. Chairman, today I rise in strong support of H.R. 1460, the Anti-Apartheid Act. I believe this measure takes the necessary action against the apartheid policies of the South African Government and demonstrates to the people of that country that the United States wants equality and fairness for all people in South Africa.

In the view of many, including myself, the United States has a moral obligation to take whatever action is necessary to end the apartheid action in South Africa. If America values political and social equality and the opportunity to advance as set forth in our Declaration of Independence and bill of rights are to be reflected in our foreign policy, then our policy must reflect our desire to see these changes made. This legislation sets forth economic sanctions against the Government of South Africa and at the same time establishes goals, if achieved, can result in the lifting of these sanctions. I believe H.R. 1460 represents a comprehensive approach to eliminating its system of racist rule.

The administration's policy of constructive engagement has not worked. It has not helped those who have been oppressed, those whose rights as an individual have been violated over and over again. Instead, I believe the administration's policy of constructive engagement has aligned the United States more closely with South Africa's white rule while further alienating us from the South African black majority. We as a nation must take action to resolve this conflict and dissociate ourselves from the policies of the South African Government.

The sanctions contained in this legislation will not decrease American in-

(4) The Congress recognizes that the ob-

SEC. 103. MEMBERSHIP.

SEC. 104. STAFF OF COMMISSION; EXPERTS AND fluence, but rather provide incentives for real reforms, real change, clearly connecting the United States with the kind of positive change needed in South Africa.

I urge my colleagues to support this legislation and provide all people in South Africa, black and white, the opportunity to live in peace, fairness, and equality.●

● Mr. STOKES. Mr. Chairman, I rise in support of H.R. 1460, the Anti-Apartheid Act of 1985, introduced by my distinguished colleague, the gentleman from the State of Pennsylvania, Mr. Gray. I urge my colleagues, on both sides of the aisle, to vote for this important legislation.

Today, Mr. Chairman, the House of Representatives must do what President Reagan has failed to do. We must pass H.R. 1460 and thereby put the South African Government on notice that apartheid cannot exist.

The American Government can no longer sit back and watch 22.7 million black South Africans be subjected to racism and oppression by the ruling minority white government. The harsh reality and urgency of this situation will not allow us that luxury any longer. If we do nothing to correct this problem, we will become part of the problem.

The news media depicts, almost daily, the mounting injustices, senseless killings and horrors that are a part of everyday life for the black South Africans. Ronald Reagan would have us believe that America is doing all that it should and can do through the constructive engagement approach. This is simply untrue.

Constructive engagement means that we simply talk tough with the South African Government. However, this approach does nothing to demonstrate to the ruling minority run government that America is committed to the idea of justice and equality for the majority of the South African people.

The Antiapartheid Act of 1985 makes the U.S. Government position quite clear. By prohibiting new investments by U.S. corporations and banks in South Africa; by banning the sale of the South African Krugerrand coin in America; and by prohibiting U.S. computer sales to the South African Government, Congress will send the unmistakable message to Pretoria that apartheid will not be tolerated.

Time is running out. While the United States simply watches, the grand scheme of apartheid, to establish satellite black townships where blacks are relegated and robbed of their homeland, is in full swing. Institutional discrimination and overt racism are the law of the land. Violence and unjustified killings by Government police against unarmed black South Africans are on the increase. And, as black South Africans become more frustrated with apartheid, South Africa moves loser to the brink of an all-out bloodbath.

Mr. Chairman, this is not an easy issue to face, but it is an essential one.

American businesses and our Government have an interest in South Africa. Over 300 United States-based corporations conduct business in South Africa. The United States is a major importer of South African minerals. South Africa is a major United States ally in that part of the globe.

Some Members may try to make the case that for these reasons we should not pass this bill today. When you stop to look at the total picture, the major point comes into focus. We have to choose. Either America can continue to play the constructive engagement game and turn our backs on the majority of the people in South Africa or we can stand up on the side of justice.

If we elect to stand on the side of justice, then we should and we must vote today for the Anti-Apartheid Act of 1985. Thank you, Mr. Chairman.●

The CHAIRMAN. Are there further amendments to the bill?

Mr. WOLPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, may I engage in a colloquy for a moment with my distingushed friend from Michigan [Mr. Siljander]?

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Mr. Chairman, in order to try to assist the Members of this body, my understanding of where we are at this point is that there may be one more amendment pending, that of the distinguished gentleman from Michigan, and it would be my intention to move to take that amendment—I am not aware of any other amendment that is going to be offered—and then that would move us to the substitute of the gentleman from Michigan [Mr. Siljander], and at that point the Committee would rise and we would return to the bill tomorrow, having reached the Siljander substitute.

I would be pleased to yield to my distinguished ranking member, to see if that is consistent with his understanding of where we are.

Mr. SILJANDER. I thank the gentleman for yielding. I do not intend to offer my amendment. I will, however, be offering the substitute amendment tomorrow.

Mr. WOLPE. Well, which you can in fact offer this evening, and then we will rise.

Mr. SILJANDER. I do not anticipate any other amendments on this side.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SILJANDER

Mr. SILJANDER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Siljander:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "South Africa Act of 1985".

SEC. 2. DECLARATION OF POLICY AND STATEMENT OF FINDINGS.

(a) In General.—The Congress declares that it is the policy of the United States to be a positive influence in bringing an end to the apartheid system of racial discrimination in South Africa.

(b) Findings.—The Congress finds that the policy and practice of apartheid—

(1) separates millions of workers from their families;

(2) is based on a form of rule in South Africa by a minority only, which denies political rights to the majority;

(3) consigns the masses of people living under it to lives of poverty;

(4) denies nonwhite nationals of South Africa the right to travel freely within their own country;

(5) provides economic privileges for some by denying basic freedoms from others;

(6) results in forceable removals of peoples from their homes against their wills;

(7) denies the majority of the people of South Africa their basic human rights;

(8) has damaged the status and reputation of the Republic of South Africa as a civilized nation; and

(9) has contributed significantly to a general climate of instability throughout southern Africa.

(c) Declarations of Policy.—The Congress makes the following declarations:

(1) The policy and practice of apartheid runs counter to the principles of civilized nations and bebases human dignity, and is repugnant to the values of the United States of America. The Congress consequently reaffirms that it is the continuing policy of the United States Government to oppose the practice of apartheid by the Government of South Africa, especially through diplomatic means, and, when necessary and appropriate, through the enactment and implementation of laws intended to reinforced United States policy with respect to apartheid.

(2) It is the policy of the United States to promote change in South Africa through peaceful means. The Congress directs the Secretary of State to consider urgently the best possible means to use United States influence to bring an end to this morally repugnant practice in a nonviolent manner, recognizing that this objective will best be achieved through cooperative action on the part of all nations and through the exercise of political rights by all of the people of South Africa.

(3) The Congress recognizes that the objectives of peaceful change in South Africa and the exercise of political rights by all people in that country can be served if United States influence is directed toward building institutions that will enable the South African people to challenge the inequities of the apartheid system. To this end, the Congress declares it is the policy of the United States to support an independent and impartial judicial system in South Africa. The Congress declares further that it is the policy of the United States to support free trade unions for South African workers and to encourage the full participation of all the people of South Africa in the social, political, and economic life in that country.

(4) The Congress recognizes that the objectives of peaceful change in South Africa cannot be achieved unless representatives of all segments of the population in South Africa are convened for the purpose of making the necessary changes to establish a fully representative democratic system.

TITLE I—UNITED STATES COMMISSION ON SOUTH AFRICA

SEC. 101. ESTABLISHMENT OF COMMISSION.

There is established a commission to be known as the "United States Commission on South Africa" (hereinafter in this title referred to as the "Commission").

SEC. 102. DUTIES OF COMMISSION.

(a) Study and Report on Progress Against Apartheid.—The Commission shall conduct an ongoing study of, and shall report to the Congress on, the progress that the Government of South Africa has made—

(1) in eliminating the system of apatheid; and

(2) toward the full participation of blacks and other nonwhites in the social, political, and economic life in South Africa.

The Commission shall also study the economic and political relations between the United States and South Africa.

(b) Focus of Study.—In carrying out subsection (a), the Commission shall—

(1) with respect to the progress toward eliminating apartheid, pay particular attention to the termination of—

(A) the Group Areas Act;

(B) the Pass Laws;

(C) the Influx Control Act;

(D) the Mixed Marriages Act;

(E) the Immorality Act;

(F) the homelands policy; and

(G) the detention of persons without due process of law; and

(2) with respect to the goals referred to in subsection (a)(2), pay particular attention to the involvement of recognized representatives of the black and nonwhite population in South Africa in achieving these goals, including the convening, as soon as possible, by the Government of South Africa of a national congress, composed of all pro-democratic groups in South Africa, to establish a timetable for granting full citizenship to blacks and other nonwhites in South Africa.

(c) Schedule of Study and Reports.—

(1) Study.—The Commission shall conduct the study under subsection (a) during the 3-year period beginning on the date of the enactment of this Act.

(2) Reports.—The Commission shall submit interim reports to the Congress at the end of each 6-month period beginning on the date of the enactment of this Act. Not later than the end of the 3-year period beginning on the date of the enactment of this Act, the Commission shall submit a final report to the Congress. The final report shall contain—

(A) a determination by the Commission of whether the Government of South Africa has made substantial progress toward the goals set forth in paragraphs (1) and (2) of subsection (a), and

(B) if the Commission determines under subparagraph (A) that substantial progress has not been made, a recommendation as to which of the following should be imposed:

(i) A ban on new commercial investment in South Africa.

(ii) A ban on new bank loans to the Government of South Africa.

(iii) A ban of the sale of computers to the Government of South Africa.

(iv) Changes in diplomatic relations with South Africa.

SEC. 103. MEMBERSHIP.

(a) Number and Appointment.—

(1) In general.—The Commission shall be composed of 15 members, as follows:

(A) The chairman and ranking minority member of the Committee on Foreign Affairs of the House of Representatives.

(B) The chairman and ranking minority member of the Committee on Foreign Relations of the Senate.

(C) The chairman and ranking minority member of the Subcommittee on Africa of the Committee on Foreign Affairs of the House of Representatives.

(D) The chairman and ranking minority member of the Subcommittee on Africa of the Committee on Foreign Relations of the Senate.

(E) Seven members appointed by the President from among persons knowledgeable in South African affairs, as follows:

(i) One member shall be an officer of the Department of State.

(ii) One member shall be an officer of the Department of Commerce.

(iii) One member shall be an officer of the Department of the Treasury.

(iv) Four members shall be appointed from among persons who are not officers or employees of any government who are specially qualified to serve on the Commission by virtue of their education, training, or experience.

(2) Designation of substitutes.—If any member referred to in paragraph (1)(A) or (1)(B) is the same individual as a member referred to in paragraph (1)(C) or (1)(D), then the individual shall designate another member of the Committee on Foreign Affairs or Foreign Relations, as the case may be, to serve as a member of the Commission.

(3) Filling of vacancies.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(b) Continuation of Membership.—If any member of the Commission who was appointed to the Commission as a Member of the Congress leaves that office, or if any member of the Commission who was appointed from persons who are not officers or employees of any government becomes an officer or employee of a government, he or she may continue as a member of the Commission for not longer than the 60-day period beginning on the date he or she leaves that office or becomes such an officer or employee, as the case may be.

(c) Terms.—Members shall be appointed for the life of the Commission.

(d) Basic Pay.—

(1) For non-government employees.—Except as provided in paragraph (2), members of the Commission shall serve without pay, but shall be allowed travel or transportation expenses, including per diem in lieu of subsistence, to the same extent as employees serving intermittently in the Government Service are allowed such expenses under section 5703 of title 5, United States Code.

(2) For government employees.—Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(e) Quorum.—Eight members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) Chairman.—The Chairman and Vice Chairman of the Commission shall be elected by the members of the Commission.

(g) Meetings.—The Commission shall meet at the call of the Chairman or a majority of its members.

SEC. 104. STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.

(a) Staff.—The Commission may appoint and fix the pay of such additional personnel as it considers appropriate.

(b) Applicability of Certain Civil Service Laws.—The staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

(c) Experts and Consultants.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the minimum annual rate of basic pay payable for GS–18 of the General Schedule.

(d) Staff of Federal Agencies.—Upon the request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

SEC. 105. POWERS OF COMMISSION.

(a) Hearings and Sessions.—The Commission may, for the purpose of carrying out this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) Powers of Members and Agents.—Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) Obtaining Official Data.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon the request of the Chairman or Vice Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) Gifts.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(e) Mails.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) Administrative Support Services.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administative support services as the Commission may request.

(g) Subpoena Power.—

(1) In General.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commission. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) Refusal to obey a subpoena.—If a person issued a subpoena under paragraph (1) refuses to obey such subpoena or is guilty of contumacy, any court of the

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United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) Serving of subpoenas.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) Venue of process.—All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or may be found.

(h) Immunity.—No person shall be excuse for attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to a subpoena, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture by reason of any transaction, matter, or thing concerning which such individual is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

SEC. 104. TERMINATION.

The Commission shall cease to exist 90 days after submitting its final report pursuant to section 412(c).

TITLE II—FAIR EMPLOYMENT PRINCIPLES

SEC. 201. IMPLEMENTATION OF FAIR EMPLOYMENT PRINCIPLES.

(a) Statement of Policy.—It is the sense of the Congress that any person who—

(1) has a branch of office in South Africa, or

(2) controls a business enterprise in South Africa, should implement, in the operation of such branch, office, or business enterprise, those principles relating to employment practices set forth in section 202.

(b) Sanctions.—

(1) Applicability.—The sanctions set forth in paragraph (2) shall apply to any person who—

(A) has a branch or office in South Africa, or

(B) controls a business enterprise in South Africa,

in which more than 20 people are employed, and who does not implement the principles set forth in section 202 in the operation of that business enterprise.

(2) Sanctions.—With respect to any person described in paragraph (1)—

(A) no department or agency of the United States may—

(i) enter into any contract with,

(ii) make any loan, issue any guaranty of a loan, or issue any insurance to,

(iii) provide any counseling on economic or political risks to, or

(iv) intercede with any foreign government or any national regarding the foreign investment or export marketing activities in any country of, that person; and

(B) that person may not receive any credit or deduction under the Internal Revenue Code of 1954 for any income, war profits, or excess profits paid or accrued to South Africa.

SEC. 202. STATEMENT OF PRINCIPLES.

The principles referred to in section 201 are as follows:

(1) Desegregating the Races.—Desegregating the races in each employment facility, including—

(A) removing all race designation signs;

(B) desegregating all eating, rest, and work facilities; and

(C) terminating all regulations which are based on racial discrimination.

(2) Equal Employment.—Providing equal employment for all employees without regard to race or ethnic origin, including—

(A) assuring that any health, accident, or death benefit plans that are established are nondiscriminatory and open to all employees without regard to race or ethnic origin; and

(B)(I) implementing equal and nondiscriminatory terms and conditions of employment for all employees, and (ii) abolishing job reservations, job fragmentation, apprenticeship restrictions for blacks and other nonwhites, and differential employment criteria, which discriminate on the basis of race or ethnic origin.

(3) Equitable pay system.—Assuring that the pay system is equitably applied to all employees without regard to race or ethnic origin, including—

(A) assuring that any wage and salary structure that is implemented is applied equally to all employees without regard to race or ethnic origin;

(B) eliminating any distinctions between hourly and salaried job classifications on the basis of race or ethnic origin; and

(C) eliminating any inequities in seniority and ingrade benefits which are based upon race or ethnic origin.

(4) Minimum wage and salary structure.—Establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families.

(5) Increasing blacks and other nonwhites in certain jobs.—Increasing, by appropriate means, the number of blacks and other nonwhites in managerial, supervisory, administrative, clerical, and technical jobs for the purpose of significantly increasing the representation of blacks and other nonwhites in such jobs, including—

(A) developing training programs that will prepare substantial numbers of blacks and other nonwhites for such jobs as soon as possible, including—

(i) expanding existing programs and forming new programs to train, upgrade, and improve the skills of all categories of employees, and

(ii) creating on-the-job training programs and facilities to assist employees to advance to higher paying jobs requiring greater skills;

(B) establishing procedures to assess, identify, and actively recruit employees with potential for further advancement;

(C) identifying blacks and other nonwhites with high management potential and enrolling them in accelerated management programs;

(D) establishing and expanding programs to enable employees to further their education and skills at recognized education facilities; and

(E) establishing timetables to carry out this paragraph.

(6) Improving Life Outside the Workplace.—Taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transporation, schooling, recreation, and health, including—

(A) providing assistance to black and other nonwhite employees for housing, health care, transportation, and recreation either through providing facilities or services or providing financial assistance to employees for such purposes, including the expansion or creation of in-house medical facilities or other medical programs to improve medical care for black and other nonwhite employees and their dependents; and

(B) participating in the development of programs that address the education needs of employees, their dependents, and the local community.

(7) Fair labor practices.—Recognizing labor unions and implementing fair labor practices, including—

(A) recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity;

(B) refraining from—

(i) interfering with, restraining, or coercing employees in the exercise of their rights of self-organization under this paragraph,

(ii) dominating or interfering with the formation or administration of any labor organization, or sponsoring, controlling, or contributing financial or other assistance to it,

(iii) encouraging or discouraging membership in any labor organization by discrimination in regard to hiring, tenure, promotion, or other condition of employment,

(iv) discharging or otherwise disciplining or discriminating against any employee who has exercised any rights of self-organization under this paragraph, and

(v) refusing to bargain collectively with any organization freely chosen by employees to represent them;

(C)(i) allowing employees to exercise rights of self-organization, including solicitation of fellow employees during nonworking hours, (ii) allowing distribution and posting of union literature by employees during nonworking hours in nonworking areas, and (iii) allowing reasonable access to labor organization representatives to communicate with employees on employer premises at reasonable times;

(D) allowing employee representatives to meet with employer representatives during working hours without loss of pay for purposes of collective bargaining, negotiation of agreements, and representation of employee grievances;

(E) regularly informing employees that it is company policy to consult and bargain collectively with organizations which are freely elected by the employees to represent them; and

(F) utilizing impartial persons mutually agreed upon by employer and employee representatives to resolve dispute concerning election of representatives, negotiation of agreements or grievances arising thereunder, or any other matters arising under this paragraph.

(8) Increased activities outside the workplace.—Increasing the dimension of activities outside the workplace, including—

(A) supporting the unrestricted rights of businesses owned by blacks or other nonwhites to locate in the urban areas of South Africa;

(B) attempting to influence other companies in South Africa to implement equal rights principles;

(C) supporting the freedom of mobility of black and other nonwhite employees to seek employment opportunities wherever they exist, and making possible provisions for adequate housing for families of employees near the place of employment; and

(D) supporting the termination of all apartheid laws.

SEC. 203. GUIDELINES.

The Secretary may issue guidelines and criteria to assist persons who are or may be subject to this title in complying with the principles set forth in section 202. The Secretary may, upon request, give an advisory opinion to any person who is or may be subject to this title as to whether that person is subject to this title or would be considered to be in compliance with the principles set forth in section 202.

SEC. 204. ENFORCEMENT PROVISIONS.

(a) Authority of the Secretary.—The Secretary shall take the necessary steps to ensure compliance with the provisions of this title and any regulations, licenses, and orders issued to carry out this title. In ensuring such compliance, the Secretary shall establish mechanisms to monitor compliance with this title and such regulations, licenses, and orders, including onsite monitoring, at least once in every 2-year period, of each person subject to section 201(b) who files a report under subsection (b) of this section. In ensuring such compliance, the Secretary may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(b) Reports by Persons Subject to Section 201.—Each person subject to section 201(b) shall submit to the Secretary—

(1) a detailed and fully documented annual report on the compliance of that person with the principles set forth in section 202, and

(2) such other information as the Secretary considers necessary.

(c) Determinations of Compliance.—The Secretary shall, within 90 days after giving notice and an opportunity for a hearing to each person subject to section 201(b) who files a report under subsection (b) of this section, make a determination with respect to the compliance of that person with the employment principles set forth in section 202 and any regulations issued to carry out that section.

(d) Applicability of Section 201(b).—The sanctions set forth in section 201(b)(2) shall apply to any person—

(1) who fails to file the reports required by subsection (b) of this section, or

(2) with respect to whom the Secretary makes a determination under subsection (c) or (f) of this section either that the person is not in compliance with the employment principles set forth in section 202 (or any regulation issued to carry out that section), or that such compliance cannot be established on account of a failure to provide information to the Secretary or on account of the provision of false information to the Secretary.

(e) List of Persons in Compliance and Non-Compliance.—The Secretary shall issue a list of all persons with respect to whom determinations are made under subsection (c) and redeterminations are made under subsection (f), and what the determinations and redeterminations are. The Secretary shall distribute the list to all departments and agencies of the Federal Government.

(f) Redeterminations.—

(1) In general.—With respect to each person concerning whom a determination is made under subsection (c), the Secretary shall, at least once in every 2-year period, review and, in accordance with subsection (c), make a redetermination with respect to the compliance of that person with the employment principles set forth in section 202 and any regulations issued to carry out that section.

(2) Upon request.—In the case of any person with respect to whom the Secretary makes a determination under subsection (c) or paragraph (1) either that—

(A) the person is not in compliance with the employment principles set forth in section 202 (or any regulations issued to carry out that section), or

(B) such compliance cannot be established on account of a failure to provide information to the Secretary or on account of the provision of false inforamtion to the Secretary,

the Secretary shall, upon the request of that person and after giving that person an opportunity for a hearing, review and redetermine that person's compliance within 60 days after that person files the first annual report under subsection (b) after the negative determination is made.

(g) Judicial Review of Determinations.—Any person aggrieved by a determination or redetermination of the Secretary under subsection (c) or (f) may seek judicial review of that determination or determination in accordance with the provisions of chapter 7 of title 5, United States Code.

(h) Report of Congress.—The Secretary shall submit an annual report to the Congress on the compliance of those persons subject to section 201(b) with the employment principles set forth in section 202.

SEC. 205. REGULATIONS.

The Secretary shall, not later than 60 days after the date of the enactment of this Act, issue such regulations as are necessary to carry out this title. The regulations shall include dates by which persons subject to section 201(b) must comply with the provisions of this title, except that the date for compliance with all the provisions of this title shall be not later than 1 year after the date of the enactment of this Act.

SEC. 206. WAIVERS.

The President may waive the requirements of this title with respect to any person if the waiver is necessary to protect the national security of the United States. The President shall publish each waiver in the Federal Register and shall submit each waiver and the justification for the waiver to the Congress.

SEC. 207. DEFINITIONS.

For purposes of this title—

(1) Person.—The term "person" means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization, and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality of any such government, incliding a government-sponsored agency).

(2) Control.—A person shall be presumed to control a business enterprise if—

(A) the person beneficially owns or controls (whether directly or indirectly) more than 50 percent of the outstanding voting securities of the business enterprise;

(B) the person beneficially owns or controls (whether directly or indirectly) 25 percent of more of the voting securities of the business enterprise, if no other person owns or controls (whether directly or indirectly) an equal or larger percentage;

(C) the business enterprise is operated by the person pursuant to the provisions of an exclusive managment contract;

(D) a majority of the members of the board of directors of the business enterprise are also members of the comparable governing body of the person;

(e) the person has authority to appoint a majority of the members of the board of directors of the business enterprise; or

(F) the person has authority to appoint the chief operating officer of the business enterprise.

(3) Business enterprise.—The term "business enterprise" means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage.

(4) Branch.—The term "branch" means the operations or activities conducted by a person in a different location in its own name rather than through a separate incorporated entity.

SEC. 208. APPLICABILITY TO EVASIONS OF TITLE.

This title and the regulations issued to carry out this title shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this title or such regulations.

TITLE III—ADDITIONAL MEASURES REGARDING SOUTH AFRICA

SEC. 301. HUMAN RIGHTS FUND.

Section 116(e)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n) is amended—

(1) in subparagraph (A)—

(A) by striking out "1984 and" and inserting in lieu thereof "1984,";

(B) by inserting after "1985" the following: ", and $2,000,000 for the fiscal year 1986 and for each fiscal year thereafter"; and

(C) by adding at the end thereof the following: "Grants under this paragraph shall be made by the Assistant Secretary for Human Rights and Humanitarian Affairs."; and

(2) by striking out subparagraph (C) and redesignating subparagraph (D) as subparagraph (C).

SEC. 302. NATIONAL ENDOWNMENT FOR DEMOCRACY.

In addition to any other amounts made available to the National endowment for Democracy for the fiscal years 1986 and 1987, there is authorized to be appropriated for each of those fiscal years $1,500,000 for private enterprise and free labor union development in the nonwhite communities in South Africa. Of the amounts authorized by the preceding sentence—

(1) $500,000 for each such fiscal year shall be for the Free Trade Union Institute; and

(2) $500,000 for each such fiscal year shall be for the Center for International Private Enterprise.

SEC. 303. SCHOLARSHIPS FOR BLACK SOUTH AFRICANS.

Section 105(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Beginning with the fiscal year 1986, and for each fiscal year thereafter, $15,000,000 of assistance provided under this section shall be used to finance scholarships for black South Africans who are attending universities, colleges, and secondary schools in South Africa. Of the funds available under the preceding sentence to carry out this paragraph, not less than $5,000,000 shall be available only for assistance to full-time teachers or other educational professionals pursuing studies towards the improvement of their professional credentials.".

SEC. 304. OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) Eligibility of Certain Projects in South Africa.—Section 237(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2197(a)) is amended—

(1) by striking out "(a) Insurance" and inserting in lieu thereof "(a)(1) Except as provided in paragraph (2), insurance"; and

(2) by adding at the end thereof the following:

"(2) Insurance, reinsurance, and guaranties of loans may be issued to cover an investment made in connection with a project in South Africa, notwithstanding the absence of an agreement with the Government of South Africa, except that—

"(A) the issuance of any such insurance, reinsurance, or guaranty shall only be made to promote joint ventures between business enterprises controlled or owned by South African blacks or other nonwhite South Africans and business enterprises controlled or owned by United States nationals; and

"(B) with respect to such a joint venture, the national or nationals of the United States hold a minority interest or agree to relinquish its majority interest during the course of the joint venture.".

(b) National of the United States Defined.—Section 238 of the Foreign Assistance Act of 1961 (22 U.S.C. 2198) is amended—

(1) in subsection (c) by striking out "and" at the end thereof;

(2) in subsection (d) by striking out the period at the end thereof and inserting in lieu thereof; "and"; and

(3) by adding at the end thereof the following:

"(e) the term "national of the United States" means—

"(1) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; or

"(2) a corporation, partnership, or other enterprise if—

"(A) natural persons who are nationals of the United States own or control, directly or indirectly, more than 50 percent of the outstanding voting securities;

"(B) natural persons who are nationals of the United States own or control, directly or indirectly, 25 percent or more of the voting securities, and natural persons of another nationality do not own or control an equal or larger percentage;

"(C) any natural person who is a national of the United States operates the corporation, partnership, or enterprise pursuant to the provisions of an exclusive management contract;

"(D) a majority of the members of the board of directors are also members of the comparable governing body of a corporation or legal entity organized under the laws of the United States, any State or territory thereof, or the District of Columbia; or

"(E) natural persons who are nationals of the United States have authority to appoint the chief operating officer.".

SEC. 305. POLICY ON COOPERATION WITH ALLIED GOVERNMENTS.

It is the sense of the Congress that the President should consult with the heads of governments of countries allied to the United States regarding the important issues raised by the existence of apartheid in South Africa, particularly the prospect for joint, effective action among the allied countries in the field of economic relations to bring about an end to apartheid.

SEC. 306. STUDY; REPORTS

(a) Study on Starvation and Malnutrition in Homelands.—The Secretary of State shall conduct a study to ascertain the amount of starvation and malnutrition taking place in the "homelands" areas of South Africa.

(b) Report on Study.—The Secretary of State shall, not later than 3 months after the date of the enactment of this Act, prepare and trasmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the results of the study conducted under subsection (a).

TITLE IV—GENERAL PROVISIONS

SEC. 401. SOUTH AFRICA DEFINED.

For purposes of this Act, the term "South Africa" includes—

(1) the Republic of South Africa,

(2) any territory under the administration, legal or illegal, of South Africa, and

(3) the "bantustans" or "homelands", to which South African blacks are assigned on the basis of ethnic origin, including the Transkei, Bophuthatswana, Ciskei, and Venda.

SEC. 402. CONSTRUCTION OF ACT.

Nothing in this Act shall be construed as constituting any recognition by the United States of the homelands referred to in section 401(3).

SEC. 403. TERMINATION OF PROVISIONS OF ACT.

(a) Determination of Abolition of Apartheid.—If the President determines that the system of apartheid in South Africa has been abolished, the President may submit that determination, and the basis for the determination, to the Congress.

(b) Joint Resolution Approving Determination.—Upon the enactment of a joint resolution approving a determination of the President submitted to the Congress under subsection (a), the provisions of this Act, and all regulations, licenses, and orders issued to carry out this Act, shall terminate.

(c) Definition.—For purposes of subsection (a), the "abolition of apartheid" shall include—

(1) the repeal of all laws and regulations that discriminate on the basis of race; and

(2) the establishment of a body of laws that assures the full national participation of all the people of South Africa in the social, political, and economic life in that country.

SEC. 404. COMPLIANCE WITH BUDGET ACT.

Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this Act shall be effective for any fiscal year only to such extent or in such amounts as provided in appropriation Acts. Any provision of this Act which authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1985.

Mr. SILJANDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 174, the gentleman from Michigan [Mr. Siljander] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Is the gentleman from Michigan [Mr. Wolpe] opposed to the amendment?

Mr. WOLPE. I am, Mr. Chairman.

The CHAIRMAN. The gentleman from Michigan [Mr. Wolpe] will be recognized for 30 mintues.

The Chair recognizes the gentleman from Michigan [Mr. Siljander].

Mr. SILJANDER. Mr. Chairman, I yield to the gentleman from Michigan [Mr. Wolpe].

Mr. WOLPE. I thank the gentleman for yielding.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker pro tempore [Mr. Foley] having assumed the chair, Mr. de la Garza, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, had come to no resolution thereon.

NATIONAL THEATRE WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 25) to designate the week beginning June 2, 1985, as "National Theatre Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but would simply like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I would like to yield to the gentleman from New York [Mr. Green], who is the chief sponsor of House Joint Resolution 25.

Mr. GREEN. Mr. Speaker, I would like to invite my colleagues to join with me in celebrating National Theatre Week which began on June 2, 1985. This week celebrates 301 years of theatrical entertainment in America.

I am bringing this to the attention of my colleagues in order to address the important role the legitimate theatre has played in everyday life of our country. Many of our larger cities

already know the impact of and important role the theatre plays.

It is a fact that, during his lifetime, George Washington was an avid supporter of the theater, so much so that his support brought about the repeal of earlier Continental Congress resolutions of October 1778 banning theater altogether. The purpose of the ban was to prepare Americans for a period of hardship and austerity, but the resolutions failed miserably. In fact, more theatrical activity was engaged in than ever before. The performances may have been illegal; however, they boosted the morale of the troops and of the citizenry.

It has been my pleasure to introduce this commemorative legislation for the last 3 years. With passage of House Joint Resolution 25, we can continue to commemorate this great American tradition.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

● Mrs. BOXER. Mr. Speaker, I rise to express my support for House Joint Resolution 25 introduced by Congressman Bill Green which designates June 2 through 8, 1985 as "National Theatre Week."

Theater has played a large part in the heritage of American and the San Francisco Bay area; 1985 marks the 135th anniversary of this first theater in the bay area, Washington Hall. This anniversary is being commemorated by the Committee for National Theatre Week which researched its history, the San Francisco Board of Supervisors which has jointly acknowledged the site and the California Historical Resources Commission which has unanimously consented to the request of the aforementioned. These have memorialized Washington Hall by making it a point of historical interest.

It was on January 16, 1850, that Messrs Atwater and Madison's theatrical company performed "The Wife." Shortly after Washington Hall's opening theater in the bay area flourished and has become a leader in the dramatic arts. Many greats such as Edwin Booth, Maude Adams, and David Belasco, amonth others, have graced its stages. It has also helped many aspiring thespians "break" into show business.

Through the years nearly every theatrical personality has performed on a bay area stage and bay area theaters rightfully claim that they have given the American theater some great talent. This is one reason that I am making these remarks for the record. Those theatrical personalities or greats may not be stars in the usual sense. They are students in a college drama production; they are your neighbors in the community playhouse comedy; and they are our own children. It is to them that we, the Congress of the United States dedicate this commemorative week and to those who have devoted themselves to the theater arts—one of our national treasures.

It is with this in mind that I ask my colleagues to support live theater.●

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 25

Whereas many Americans have devoted much time and energy to advancing the cause of theater;

Whereas the theaters of America have pioneered the way for many performers and have given them their start in vaudeville and stage;

Whereas theater is brought to Americans through high schools, colleges, and community theater groups as well as through professional acting companies;

Whereas the people of America have been called upon to support the theatre arts in the Nation's interest; and

Whereas many individuals and organizations are hailing the strength and vitality of the theatres of America: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning June 2, 1985, is designated as "National Theatre Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week by providing assistance to theaters throughout the Nation.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1229

Mr. MAVROULES. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1229.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There were no objection.

BETTER HEARING AND SPEECH MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 93) to designate the month of May 1985 as "Better Hearing and Speech Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object. I would simply like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Does the gentleman from New York have an amendment?

Mr. GARCIA. Mr. Speaker, the answer to that is no.

The SPEAKER pro tempore. The resolution that the Chair has before it designates the month of May 1985.

Mr. GARCIA. Mr. Speaker, if I may address myself to that, this is a Senate joint resolution that we just received.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 93

Whereas more than fifteen million Americans of all ages experience some form of hearing impairment, ranging from mild hearing loss to profound deafness;

Whereas more than ten million Americans of all ages experience some form of speech or language impairment;

Whereas the deaf, hard of hearing, and speech or language impaired have made significant contributions to society in virtually every occupational category and profession;

Whereas those with communication disorders continue to encounter impediments and obstacles which limit their education and employment opportunities; and

Whereas the remaining barriers which prevent the communicatively handicapped from fulfilling their potential must be recognized and eliminated: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of May 1985 is designated "Better Hearing and Speech Month" and the President is requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMEMORATING THE 75TH ANNIVERSARY OF THE BOY SCOUTS OF AMERICA

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 159) commemorating the 75th anniversary of the Boy Scouts of America, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the

House the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I would like to yield to the gentleman from Idaho [Mr. STALLINGS], who is the chief sponsor of House Joint Resolution 159.

Mr. STALLINGS. Mr. Speaker, I would like to thank the gentleman from New York [Mr. GARCIA], chairman of the Subcommittee on Census and Population, and the ranking minority member of the subcommittee, Mr. HANSEN, for bringing this legislation to the floor. I am pleased to note that a majority of our colleagues have joined with me in sponsoring House Joint Resolution 159, officially recognizing 1985 as the 75th anniversary of the Boy Scouts of America.

The worldwide Scouting movement was founded by Lord Baden-Powell in England in the early 1900's. A parallel movement began in the United States, and on February 8, 1910, the Boy Scouts of America was incorporated by William D. Boyce here in Washington, DC.

The essential principles of Scouting have remained the same since its inception—the mission of the organization is to prepare young people to make ethical choices throughout their lifetime as they strive to achieve their full potential. Among other qualities, the Scout law emphasizes family values, and directs a Scout to be trustworthy, loyal, helpful, friendly, courteous, brave, and reverent. It is these values that the Boy Scouts of America has sought to instill in the hearts and minds of young people for over 75 years. Having spent a number of years as both a Scout and a Scout leader, I have seen the impact of this goal-oriented program, and I have watched young people learn that they can succeed.

More than 70 million people have benefited from membership in this organization, and millions more have benefited from the service, inspiration, and leadership provided by the Boy Scouts. I am proud to recognize that in my home State of Idaho, there are more than 35,000 Boy Scouts.

This 75th anniversary offers an opportunity to recognize the contributions of this organization to the enrichment of our Nation's young people, and to congratulate and commend the volunteer adult leaders who make the Scouting program possible.

I thank my colleagues for their consideration of this bill, and I urge unanimous consent of House Joint Resolution 159.

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Mr. HANSEN. Mr. Speaker, I would like to associate myself with the excellent remarks of the gentleman from Idaho. I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 159

Whereas the Boy Scouts of America is our Nation's largest organization for young people and has served our Nation's youth since the founding of the organization in 1910;

Whereas more than 70 million people have benefited from membership in this highly regarded youth organization, and millions more have benefited from the service, inspiration, and leadership provided by the Boy Scouts;

Whereas Scouting builds character and fitness, teaches good citizenship skills, and provides leadership development opportunities for all young people regardless of their race, religion, or socioeconomic background;

Whereas the Boy Scouts encourages conservation of natural resources through environmental awareness;

Whereas the Boy Scouts has remained true to its original values and purposes as outlined in its Federal charter, while also demonstrating its ability to be innovative;

Whereas the Scout Oath, Scout Law, Scout Slogan, and Scout Motto, which express the essential principles of Scouting, are the same now as they were in 1910;

Whereas Scouting is supported by religious, civic, educational, fraternal, and community organizations, and is encouraged by the continued commitment of such organizations to its values, ideals, and traditions;

Whereas the Boy Scouts of America is moving into the future with even greater emphasis on personal ethics, values, and the importance of the family;

Whereas many Members of Congress have participated in the Boy Scouts, including some who have become Eagle Scouts; and

Whereas the 75th anniversary of the founding of the Boy Scouts of America provides an opportunity to recognize the contribution of the organization to the improvement of our Nation's youth and to congratulate and commend the volunteer adult leaders who make the Boy Scouts possible: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the year 1985 is designated as the "75th Anniversary of the Boy Scouts of America", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such year with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolutions just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL EXPLANATION

Mr. SEIBERLING. Mr. Speaker, as a result of the airline strike, I was unable to be present for the vote on final passage of the budget resolution on May 23. Had I been present, I would have voted "aye" on final passage.

THE IMPORTANCE OF INCREASED MILITARY AIRLIFT CAPABILITY

(Mr. DARDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DARDEN. Mr. Speaker, When the House debates the defense authorization bill, we spend most of our time discussing MX missiles, the strategic defense initiative, Trident submarines and B-1 bombers. Little if any of our attention is concentrated on airlift. Yet, military airlift is one of the most important components of our national defense. Airlift is not glamorous like star wars and missiles, but it is as important to our peace and security as any other program. If we cannot deploy our troops and equipment to the scene of a conflict, our own security is threatened and the possibility of a nuclear war is increased.

In a recent column in the Baltimore Sun, defense analyst Jeffery Record addresses this important issue. He correctly points out that we need increased airlift capability and that the best, least expensive way to provide it is through the C-5 transport, not the C-17. I commend this article to the attention of all Members and include it for insertion in the RECORD as follows:

[From the Baltimore Sun]

U.S. FORCES MUST BE ABLE TO GET TO SCENE OF ACTION

(By Jeffrey Record)

The United States has a unique military problem. As the only major military power having an extensive network of binding defense commitments overseas, it must be able to move its forces rapidly over vast expanses of water. Forces in the United States that cannot be moved overseas when and where they are needed are difficult to justify except as preparation against direct threats to the security of North America itself.

Yet such threats, other than a Soviet nuclear attack, are notable for their absence: not since the War of 1812 has the United States been compelled to defend its own territory against a foreign invader. For today's U.S. military, getting on the scene of action is in most cases a prerequisite to fighting at all.

There are two ways by which the United States has sought to make sure that its military forces will be at the right place at the right time.

The first, known as prepositioning, involves simply stationing them ahead of time in areas of anticipated danger. This method has been employed extensively in Europe and Korea, where sizable U.S. ground and tactical air forces are deployed; powerful U.S. naval forces also are routinely maintained in European and Northeast Asian waters.

Prepositioning has certain disadvantages, however. Unlike forces kept in the United States, forces prepositioned overseas are relatively inflexible in their availability for combat outside places where they are deployed. They cannot be easily withdrawn without offending the political sensibilities of allied governments hosting their presence and without sending the wrong signal to potential aggressors.

Additionally, in many places, including the Middle East, prepositioning is politically infeasible, militarily undesirable or both. Some U.S. allies and friends will not permit the stationing of U.S. troops on their soil; and, as our disastrous Lebanese military misadventure of 1982-1983 demonstrated, in certain political environments the presence of U.S. military forces ashore actually invites rather than deters attacks.

This brings us to the second means of strategic mobility: providing non-prepositioned U.S. forces—i.e., those kept in the United States—with the sealift and airlift necessary to get them overseas.

For this purpose the Pentagon long ago established two organizations—the Military Sealift Command and the Military Airlift Command—and has brought hundreds of special ships and long-range transport aircraft capable of sailing or flying U.S. ground forces anywhere in the world.

The advantages of sealift are obvious. It is far cheaper to move anything by sea than air, and ships can carry much more cargo than can airplanes. Airlift, however, has two major advantages over sealift: It can deliver forces quickly, at speeds far exceeding that of ships; and it can deliver them deep inland, beyond coastlines where ships must necessarily end their voyages.

There is thus no substitute for airlift, especially in circumstances requiring the swift deployment of U.S. forces to areas where the United States does not enjoy the advantages of prepositioning in peacetime.

Unfortunately, the Pentagon has never seen fit to buy enough airlift even for those U.S. ground forces slated for rapid deployment. Current airlift programs, which include the purchase of 50 more giant C-5 "Galaxy" transports, will substantially reduce the longstanding gap between capabilities and those minimum requirements postulated by the Joint Chiefs of Staff.

However, unless additional measures are undertaken, significant shortfalls will persist, jeopardizing the ability of the United States to project its military power overseas in a timely fashion.

There are, to be sure, significant obstacles to buying more airlift, obstacles that account in large measure for the fact that the United States has always had more military forces than it could move overseas in a timely fashion.

Airlift has always been a bureaucratic stepchild within the Pentagon. No service, including the Air Force, which operates the Military Airlift Command, likes to spend money on things designed primarily to help another service accomplish its mission. Most senior Air Force officers would much rather buy warplanes than unglamorous transports designed to haul Army forces around the world.

A second obstacle has been strategic airlift's association in the minds of many with undesirable military intervention in distant areas of the Third World where the United States is perceived to lack security interests worth fighting for. Some believe that the best way to avoid another Vietnam is to deny the Pentagon the means, including airlift, of getting to such places.

But perhaps the most formidable obstacle of all is budgetary. Airlift is very expensive. For example, the cost of each of the C-5s the Air Force intends to buy by 1989 is $149 million. Even more expensive is the C-17, a smaller but allegedly more versatile plane. Although still in the design phase, the C-17 has a hefty price tag. The C-17 is $178 million a copy, a figure that is sure to rise as the plane moves toward acutal production in the early 1990s.

Given present federal budgetary crisis and mounting congressional pressures on defense spending, hard choices in airlift would seem inescapable. Indeed, a Senate Armed Forces subcommittee recently recommended canceling the C-17 program, which entails an expenditure of $37.5 billion for 211 aircraft.

The alternative to the C-17 would be to continue production of the C-5 beyond the 50 now slated for purchase. This alternative may well be the most politically feasible and budgetly cost-effective means.

Although the C-17 is designed to operate on smaller, more rugged runways than the C-5, and therefore presumably will be able to perform tactical as well as strategic airlift missions, it remains cloaked in technological and cost uncertainties.

The C-5 in contrast is a proven design already in production on the basis of a fixed-price contract. Moreover, additional C-5s could be had at a substantially reduced price because of economies of scale; Lockheed, the plane's manufacturer, recently offered to build an additional 24 C-5s at a fixed price not to exceed $2.98 billion, or a measly (by current Pentagon standards) $124 million a piece.

To be sure, were money no object, a strong case could be made for buying both the C-5 and C-17. But money is an object, and certainly in a fiscal climate characterized by $200 billion federal deficits and an economic recovery of still uncertain size and durability. Difficult choices have to be made, and the choice between the C-17 and more C-5s may be one of them.

CENTRAL AMERICA: A DOSE OF REALITY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. GONZALEZ. Mr. Speaker, those of us trained in the law have often heard of the "clean hands" doctrine. In civil law, when a victim wants to recover against a wrongdoer, the court looks not only to the actions of the wrongdoer but also to the actions of the purported victim in order to balance the equities. I raise the issue of this doctrine today for the purpose of reminding our President that his hands are not clean in Central America, and he must begin cleaning up his own act before he yells "foul" on others.

In one of last month's New York Times, I read that the President is now using the Rio Treaty to justify aiding Honduras against the insurgence of Sandinistas into Honduran territory. The President stated that the United States is obligated under this treaty to aid a fellow OAS country, such as Honduras, in the fight against aggression by another country, in this case Nicaragua. Unfortunately, the Reagan administration has violated the Rio Treaty so many times and so many ways in Central America that it is laughable for him to call upon this very treaty to support its cause.

As we have seen, the current administration has used its own aggression in Central America. The administration is even trying to overthrow the Government of Nicaragua—as clear a violation of the Rio Treaty as there could be. And now, our President is coming forth with his dirty hands, claiming to uphold the very treaty that he has violated repeatedly and egregiously. Our President now talking about the Rio Treaty, rendered meaningless by his distorted interpretation of its intent and purpose, and is attempting to lay upon it the groundwork for future United States intervention and aggression against Nicaragua.

The very reason for the Sandinista push of the Contras back into the territory of Honduras is because the United States has supported and funded and housed and armed the Contra army in camps just over the Honduran/Nicaraguan border. If the Sandinistas are to be blamed for the present threat to Honduras, the United States is also to blame for setting up the armed camps all along the border. The Reagan administration has set up the conflict, and the Sandinistas are reacting.

Mr. Speaker, the world is balancing the equities in judging U.S. foreign policy in Central America, and the judgment is clear. The rest of the world is not responding to our policy in Central America—it is clear that they have balanced the equities and found that both the United States and the Sandinistas have unclean hands. If the administration wants the support of the free world, which we desperately need if we are going to pursue our activities in Central America, President Reagan is going to have to play fair and obey the laws that he wants the others to obey.

WHAT'S THE BOTTOM LINE?

The SPEAKER pro tempore (Mr. GRAY of Illinois). Under a previous order of the House, the gentleman from Ohio [Mr. PEASE] is recognized for 5 minutes.

Mr. PEASE. Mr. Speaker, "OK, what's the bottom line?"

That question, so often used by Americans to cut through rhetoric and get to the heart of something, is the best way to approach the tax reform debate launched in earnest last week by President Reagan.

For me, the bottom line is that President Reagan's plan, though not perfect, is a major tax reform measure which deserves support. I intend to use my position on the House Ways and Means Committee to boost it and, hopefully, to improve it.

For American citizens, there are two bottom-line considerations to keep in mind.

One is the net tax decrease or increase for each taxpayer. Special interest groups will be trying to get Americans to focus on what, with tax reform, they will lose—the right to deduct State and local taxes from gross income, the right to deduct charitable contributions if you don't itemize, and so on.

Such a focus spells trouble for tax reform.

But for four out of five Americans, any such losses will be offset by lower tax rates combined with larger personal exemptions and standard deductions. The bottom line in most cases will be a net tax reduction.

The other bottom-line consideration to keep in mind involves the issue of fairness.

President Reagan is often accused of favoring the rich over the poor and middle class. At least partially, his new tax reform proposal can surely be criticized on that score.

From a tax burden viewpoint, President Reagan's tax reform plan treats low-income familes very well. Families with incomes below $20,000 would get, overall, an 18.3-percent reduction in their taxes.

Middle-income families—$20,000 to $50,000—would get an overall tax reduction of 7.2 percent, and well-off Americans—$50,000 to $200,000—would get a 4.1-percent reduction.

But the very rich—those with family incomes above $200,000—would receive a 10.7-percent reduction.

Since public clamor for tax reform is based largely on the perception of tax evasion by corporations and the very rich, it seems anomalous that President Reagan's tax reform plan rewards the very rich more than the middle class.

Tax reform doesn't have to work that way. It shouldn't work that way.

Indeed, the tax reform plan devised last December by the U.S. Treasury Department didn't work that way. President Reagan tinkered with what's now known as Treasury I so that it now disproportionately favors the very rich.

He did so for both philosophical and political reasons.

Normally, the benefits touted for tax reform are fairness and simplicity. President Reagan adds a third goal—economic growth.

The President's plan lowers the top marginal tax rate from 50 to 35 percent, a tremendous tax break for the rich. The President is still a "supply-sider" who believes that stronger economic growth will be the result.

Similary, capital gains taxation is seen by the President in terms of how it influences economic growth. Treasury I recommended taxing capital gains at 35 percent, up from the current maximum of 20 percent. President Reagan's new tax reform plan would actually reduce the capital gains tax to 17.5 percent, a major break for the rich.

Political considerations were chiefly responsible for two other concessions—preferential treatment for oil well drillers and full deductibility for itemized charitable contributions—used largely by the rich.

These and other retreats from pure "fair and simple" tax reform could easily be used as a reason to oppose the President's tax reform package.

But, again, what's the bottom line?

The bottom line is that the President's tilt toward the very rich, while regrettable and irksome philosophically, is not a major distortion. The Nation ought not reject what is very good simply because it's not perfect.

The bottom line is that Treasury I—a fairer, simpler, better proposal—probably could not have passed the Congress. The President's new plan probably can.

The bottom line is that it's an historic opportunity for tax reform when a communications wizard like President Reagan is willing to champion the cause. We ought to jump at the chance.

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VIOLATIONS OF HOUSE RULES ADD TO THE BUDGET DEFICIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

Mr. WALKER. Thank you, Mr. Speaker.

Mr. Speaker, the American people are rightly concerned about deficits; they are rightly concerned about the amount of national debt that we have accumulated over recent years, and they think that Congress ought to begin doing something about bringing down deficits and stopping the increase in our national debt.

They have to be concerned about the fact that in the last 5 years Congress has overspent its own budgets by $157 billion. Let me repeat that. The budgets that we adopt here in the House, that we always sweat such blood over and all of these things that we go out to the American people and tell them how sacrosanct this budget process is, we have violated those budgets over the last 5 years to the tune of $157 billion. We are spending, spending, and spending, even more so than the spending that is included in our budget resolutions.

How do we do that? Well, we do that in many ways around here, but one of the chief devices for spending that kind of money is a process known as a supplemental appropriation. Tomorrow we are going to have a dandy out here on the floor. We have got out latest in the series of supplemental appropriation bills being brought to the floor, a $13.5 billion monster.

This monster contains 101 pages of spending. Now, supplemental appropriation, that simply means add-on spending. We have got 101 pages here of add-on spending. Forty-five of those 101 pages contain things which violate the House rules. Nearly half of this bill has something on its pages that violates House rules.

As a matter of fact, I did a little bit of a compendium and I found on several pages there are more than one violation of House rules. On page 2 there is one violation; on page 3 there are two violations; on page 4 there are two violations; on page 5 there are two violations; on page 8 there is a violation; on 9 there is a violation; on 10 there are two violations; on page 11 there is a violation; on 14 there is a violation, on 16 there are two; on page 17 there are two violations; on page 18 there are two violations, and so it goes.

We have one dandy from page 30 to page 38, everything on those eight pages is a violation of House rules. Now, why is that important? Because the rules around here are supposed to protect the integrity of the process. That is how we assure the American people that we do not go off and do silly things. What we are supposed to do is authorize bills, and then we are supposed to appropriate the money that goes along with those authorizations. What are we doing in this bill? We are just ignoring the authorization process in many instances and going ahead and appropriating the money despite the fact there is no authorization.

In other cases, what we are doing is just prohibiting reappropriation from taking place in violations of the House rules, and then we are going to violate the Budget Act in a number of other instances. Well, this is nuts. When you have got billions of dollars worth of deficits for us to be running around here with these kinds of rules violations and so on is just totally crazy.

How are we going to do it? We are going to get a rule down here tomorrow from the Rules Committee that is going to waive all of those things. We are going to be able to do that because what we are going to have is a rule on the floor which says that regardless of what the rules of the House say, we can go ahead and spend the money anyway.

The American people ought to take a look at that vote on that rule tomorrow. You ought to find out who the people are who really want to do something about spending, because the people who really want to do something to stop spending ought to be voting against the rule tomorrow. We ought not be waiving the provisions of rules that are then resulting in big spending measures.

We ought to vote down that rule. We ought to send the message back to the Appropriations Committee, "No, we are going to follow the rules around here, and by following the rules, maybe save the taxpayers a little bit of money."

Now, let us understand what some of the things are in this bill, because supplemental appropriations are usually brought out here because of emergencies; that there are big emergencies that exist of some sort that we have just got to do and we have got to violate the rules in order to do them.

We have got $4.8 billion worth of pork barrel projects in this bill; that is among the emergencies that we have. Then we have got some real dandies when we go to feathering our own nests. Get this now, the American people who think we are concerned about spending around here when we go through the budget process. In tomorrow's bill we are going to appropriate $91,000 more for House leadership offices; for the House of Representatives we are going to appropriate over $1 million more for salaries, officers, and employees. We are going to give committee employees around here over $1 million more. We are going to give the Members for their clerk hire over $2.5 million more, as a matter of fact. For our allowances and expenses around here, we are going to come up with another $669,000. For the Joint Economic Committee we are going to come up with $75,000 more. For the Joint Committee on Printing, another $8,000. For the Capitol Guide Service another $10,000. We are just loaded up with things. We are even going to give the Botannical Gardens another $36,000 in salaries and expenses.

Then you get over to the Executive Office of the President. The President wants to save money, we think we ought to have it. Well, we ought to get salaries and expenses to the White House of $204,000 more. Just the executive residence of the President, we are going to give him $57,000 more. Special assistance to the President is another $13,000.

For the Office of Management and Budget we are going to come up with another $352,000. This bill is just rife with this kind of thing. Then, as I say, $4.8 billion goes to pork barrel projects that are scattered all across the country.

I have got to tell you, that if we are really serious in this body about doing something about spending, what we ought to be doing is saying "no" to this kind of legislation. We ought to be saying "no" to the kinds of rules that bring this legislation to the floor, and then we ought to say "no" to the legislation itself.

If Congress is not willing to say "no" to these kinds of bills we are going to continue to pile up these spending amounts over and above our own budgets. I think the American people have to be disgusted by a Congress that would overspend its own, already too-big budgets by $157 billion in just 5 years. I will tell you how it is done. It is done with bills like we have tomorrow, and if the Congress votes for that kind of legislation, they will be voting to add more to that $157 billion of overspending.

IMPLEMENTATION OF THE COMPETITION IN CONTRACTING ACT BY THE EXECUTIVE BRANCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BROOKS] is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, on Monday the Attorney General announced that he would advise the executive agencies to comply with all provisions of the Competition in Contracting Act. Strange as it sounds, the Justice Department had previously advised agencies to disobey the law. The Attorney General's action follows the unanimous recommendation of the Committee on Government Operations in a report adopted several weeks ago. In its report entitled "The President's Suspension of the Competition in Contracting Act Is Unconstitutional" (H. Rept. 99-138), the committee concluded that the administration's decision to ignore portions of a duly enacted law was an unconstitutional assertion of Executive power. The committee said the administration was violating the Executive's constitutional obligation to "faithfully" execute the laws under article II and exceeded Executive lawmaking authority under articles I and II, amounting to an unconstitutional absolute veto power.

In addition to the committee's action, a Federal district judge in New Jersey has now ordered full compliance with the law. In *Ameron, Inc.* against *United States Army Corps of Engineers* Civ. No. 85-1064, Judge Harold Ackerman enjoined administration defendants from applying executive directives that were inconsistent with the Competition in Contracting Act and ordered them to issue regulations to implement the law. Judge Ackerman's decision is a powerful reaffirmation of America's constitutional system. In his opinion, the judge quoted frequently from the brief filed on behalf of the House leadership by the counsels for the House Clerk, Steve Ross and Charles Tiefer. I believe it is important to include Judge Ackerman's order in the RECORD and I commend it to my colleagues.

This controversy is not finished, however. While the Justice Department's announcement is an important step in the right direction, it is not clear if the administration has reversed its assertion of Executive power to suspend law pending a court ruling. The Justice Department has advised the agencies to comply with the court's ruling, but does not indicate that it has changed its view that the Executive may suspend laws prior to court rulings.

By issuing its directive to the executive branch agencies to ignore the law, the administration directly challenged a basic principle of America's constitutional form of government—the supremacy of legislatively created law. That principle has had a long development in Western civilization. With the ascent of Lockean political theory over the medieval notion of the divine right of kings, the English adopted their bill of rights in 1688. Its first article states "that the pretended power of suspending of laws, or the execution of laws by regall authority without consent of Parliament is illegal."

Our Founding Fathers, well versed in political philosophy, established a nation based, in large measure, on Lockean principles. In doing so, they rejected attempts at the Constitutional Convention in 1787 to give the Executive the power to suspend law; instead, they adopted a requirement that he "faithfully" execute them.

This administration, wittingly or unwittingly, has attacked our constitutional system. I am pleased that they have now reconsidered and are going to comply with the court order, but it remains to be seen whether they intend to comply with all duly exacted statutes in the future. Congress must remain vigilant in its efforts to protect America's constitutional form of government.

[In the U.S. District Court for the District of New Jersey, Civil No. 85-1064]

Transcript of Proceedings

AMERON, INC., PLAINTIFF, *v.* U.S. ARMY CORPS OF ENGINEERS, ET AL., DEFENDANTS

OPINION

Newark, N.J., May 28, 1985.

Before: The Honorable Harold A. Ackerman, U.S.D.J.

Appearances:

Meyner & Landis, Esqs., By: Theodore I. Botter, Esq. for the Plaintiff.

D'Alessandro, Sussman, Jacovino & Mahoney, Esqs., by: Brian E. Mahoney, Esq. for Spiniello Construction Co.

Charles Tiefer, Esq., for Speaker of the House of Representatives and Bipartisan Leadership Group.

Morgan Frankel, Esq., for the U.S. Senate.

W. Hunt Dumont, U.S. Attorney, by: Edward Spell, Assistant U.S. Attorney, for U.S. Army Corps of Engineers.

The Court. Let me proceed here.

On March 27, 1985 I ruled on the plaintiff's motion for a preliminary injunction in this matter holding that although the Army Corp's decision to reject Ameron's bid was unreviewable, the Army Corps must hold up all work on the contract until the Comptroller General had reviewed Ameron's protest in accordance with the Competition and Contracting Act (CICA) Public Law No. 98-369, 98 Stat. 494 (1984), which I found to be constitutional.

Since my ruling the Comptroller General has reviewed plaintiff's protest pursuant to CICA provision 31 U.S.C. 3553(d)(1) and has issued a decision denying plaintiff's protest. As there seemed to be no disputes of fact in this case, but only strongly contested disputes of law, plaintiff-intervenors have now moved for summary judgment. In addition, the defendants have moved to dissolve the preliminary injunction in light of the GAO's issuance of a decision on plaintiff's protest.

Rule 58 of the Federal Rules of Civil Procedure provides that summary judgment is not to be granted unless, after all reasonable inferences are drawn in favor of the non-moving party, there is no genuine issue of material fact, and the moving party is entitled to judgment as a matter of law. *See Delong Corporation* v. *Raymond International*, 622 F. 2d 1132 (3d Cir. 1980).

Thus I must give each party in turn the benefit of any reasonable inferences in their favor should there be any factual disputes.

The plaintiff-intervenors have also requested that the Secretary of Defense, the Honorable Casper W. Weinberger, and Office of Management and Budget Director, the Honorable David A. Stockman, be joined in order to effectuate complete relief in any order issued by this Court. I find it necessary and proper to join these two individuals as defendants and the relief sought in that respect will be granted.

I will first address plaintiff's motion for summary judgment concerning the legality of the denial of its bid in the first place. Plaintiff contends that the Comptroller General's decision is irrational and unreasonable and conflicts with established law concerning alteration of documents. Plaintiff's counsel has enlarged on that theme very eloquently today and, of course, his brief speaks also to the points. I may say that I have already substantially addressed these arguments in my opinion on March 27 of 1985. After careful consideration of Ameron's brief and its oral argument today, I must say that the presentation of these arguments does not change my analysis of the law from what it was on the motion for preliminary injunction. I find, as a matter of law, that the Army Corps' decision was not illegal or irrational and I, therefore, cannot interfere with that decision. My reasoning relies principally on *Princeton Combustion Laboratories* v. *McCarthy*, 574 F. 2d 1016 (3d Cir. 1980) and is discussed in more detail on pages 8 to 11 of my previous opinion.

Plaintiff's motion for summary judgment is accordingly denied in part. For the same reasons I grant defendants' cross-motion for summary judgment as to the issue of the legality of the Army Corps' denial of Ameron's bid. The denial of Ameron's bid had a legal and rational basis and will not be disturbed by this Court.

I turn then to the plaintiff-intervenor's motion for summary judgment concerning the constitutionality of the stay provisions in CICA. Defendant's have cross-moved for summary judgment on this same issue. All parties agree that there are no disputed issues of material fact, and each party maintains its original position that it is entitled to judgment as a matter of law.

Before I can consider any futher motions in this matter, I must determine whether this Court still has jurisdiction over this matter following the Comptroller General's dismissal of Ameron's bid protest. It is axiomatic that federal courts may constitutionally decide only actual controversies. See, e.g. *Southern Pacific Terminal Co.* v. *Interstate Commerce Commission*, 219 U.S. 498 at 514, (1911). This Court preliminarily enjoined defendant from proceeding any further with the contract award until the Comptroller General decided Ameron's bid protest in compliance with the provisions of the Competition in Contracting Act. As I stated earlier, the Comptroller General has now decided the bid protest and issued a decision all in accordance with CICA.

While the legal merits of the Army Corps denial of Ameron's bid did remain for final adjudication following the preliminary injunction, the question of the constitutionality of CICA may possibly be moot.

All parties urge that this issue is still justiciable under the "capable of repetition, yet evading review" doctrine. This doctrine was discussed at length in Southern Pacific Terminal cited supra, at page 515 where the plaintiff sought to have declared illegal an order of the Interstate Commerce Commission. There the Court quoted from the rule announced in *United States* v. *Trans-Missouri Freight Association*, 166 U.S. 290 at 308. The Court said:

"Private parties may settle their controversies at any time, and rights which a plaintiff may have had at the time of the commencement of the action may terminate before judgment is obtained or while the case is on appeal, and in any such case the Court being informed of the facts would proceed no further in the action. Here, however, there's been no extinguishment of the rights . . . of the public, the enforcement of which the government has endeavored to procure by the judgment of a court under the provisions of the act of Congress . . . The defendants cannot foreclose these rights nor prevent the assertion thereof by the government as a substantial trustee for the public under the act of Congress by any such action as has been taken in this case."

The Court again discussed the "capable of repetition yet evading review" doctrine. In *Super Tire Engineering* Co. v. *McCorkle*, 416 U.S. 115 (1974) where the Court stated at pages 125 and 126;

"It is sufficient, therefore, that the litigants show the existence of an immediate and definite governmental action or policy that was adversely affected and continues to affect a present interest. Otherwise (the policy at issue) could be adjudicated only rarely and the purposes of the . . . Act, would be frustrated."

After citing numerous cases where the Court rejected claims of mootness, the Court emphasized:

"The important ingredient in this case was governmental action directly affecting, and continuing to affect the behavior of citizens in our society." See Super Tire at page 126.

This case I find falls squarely within the "capable of repetition yet evading review" doctrine as explained in these cases. Were a final judgment on the constitutionality of CICA to be evaded by the Comptroller General's dismissal of the protest, the constitutionality of CICA would most likely never be finally adjudicated. Under the provisions of CICA the Comptroller General must render a decision on the protest in 90 days. This makes it nearly impossible for a Court to render a final decision on the constitutionality of the stay provision before the protest is dismissed.

While the nature of the CICA procedures make it difficult, if not impossible, to finally adjudicate their constitutionality before the review provision is completed, the policy of the Executive Branch not to follow some of the CICA provisions is clearly capable of repetition. As I discussed in my earlier opinion and I will discuss, supra, it is the policy of the Executive Branch to instruct all administrative agencies not to comply with the CICA provision that I explicitly held to be constitutional. As I noted in my prior opinion, the procedures mandated under CICA could potentially effect the process of bid protest for something in the range of $168 billion, the amount of government contracts awarded in 1983 which Congress attempted to bring under a more competitive bidding structure. The Executive Branch's action in directing noncompliance with CICA is "governmental action directly affecting and continuing to affect the behavior of citizens in our society" and if the issue is not adjudicated, the purposes of the Act are frustrated. See Super Tire Engineering, supra.

Before turning to the parties' cross-motions for summary judgment as to the constitutionality of the Act, I would like to address a few preliminary matters.

The House intervenors have asked that this Court affirm its jurisdiction in this case to decide the legal issue before it. While this Court always notes whether or not it has jurisdiction before proceeding further on any issue, this is an unusual request in a case such as this where the basis for this Court's jurisdiction is clear and straightforward.

I find the House's request to be warranted, however, in light of the novel approach that the Executive Branch has taken in this case to deliberately determine to disobey portions of the law passed by Congress and signed by the President of the United States.

In reviewing the position of the Executive Branch in events both before and after my March 27th decision, I am forced to conclude that the fundamental role of this Court in stating what the law is has now been challenged by the Executive Branch. Almost as disconcerting as the facts of such a confrontation, which I find to be grievious, is the fact that the Executive Branch has mounted this assault elsewhere rather than in filings submitted to this Court.

In order to fully relate the extent of this attack, I repeat some of the background contained in my earlier opinion. When President Reagan signed CICA into law he "objected to certain provisions that would unconstitutionally attempt to delegate to the Comptroller General . . . duties and responsibilities . . . which may be performed only by officials of the Executive Branch." 20 Weekly Compilations Presidential Documents, Page 1027, July 18, 1984. The President "instructed the Attorney General to inform all Executive Branch agencies as soon as possible with respect to how they may comply with the provisions of this bill in a matter consistent with the Constitution."

On December 17, 1984, the Honorable David Stockman, Director of the Office of Management & Budget (OMB) issued Bulletin No. 85-8 entitled Procedures Governing Implementation of Certain Unconstitutional Provisions of the Competition in Contracting Act of 1984, hereinafter designated as "The Unconstitutionality Bulletin," which explained that the Executive Branch had decided that CICA was unconstitutional. Although both houses of Congress had duly passed the law and CICA had become law upon the signature of the President, the Unconstitutionality Bulletin commanded not merely that the Executive Branch present *views* opposing the statute, but that all agencies carry out the Executive Branch's decision that the Act was unconstitutional. Over strenuous congressional protest, the Executive Branch continually reaffirmed its view that the Executive possessed the power to decide statutes unconstitutional.

The Executive's position is that there is no difference between merely offering a *view* that a statute is unconstitutional (such as by declining to defend the statute in a court challenge) and deciding that a law is unconstitutional. See, for example, the letter of February 22, 1985 from Attorney General William French Smith to the Honorable Peter Rodino, Jr. when the then Attorney General stated that "the Executive Branch's decision not to execute or not to defend a statute are inextricably intertwined."

The Acting Deputy Attorney General then testified before the House Committee on Governmental Operations on March 7, 1985, that "the President's duty faithfully to execute the laws requires him not to observe a statute that is in conflict with the Constitution, the fundamental law of the land."

See "Testimony of D. Lowel Jensen, reprinted in a volume entitled Constitutionality of GAO's Bid Protest Function, Hearings Before a Subcommittee of the House Committee on Government Operations, 99th Congress, 1st Session (1985) at pages 302 and 318.

In April of this year, the Attorney General of the United States, the Honorable Edwin Meese, III, again so testified before the House Committee on the Judiciary, and again in April, again so stated in a public letter to the New York Times, (see the letter of May 21st, 1985, entitled "President's Right to Challenge a Law"), which the House intervenors have attached to their brief.

The present Attorney General has specifically assailed the jurisdiction of this Court in this case. In testimony on April 18, 1985, before the House Committee on the Judiciary, Attorney General Meese stated that this Court's decision of March 27 was not being followed because the Executive Branch was waiting until a court competent to decide the constitutionality of the law had decided the issue.

Such a position by the Executive Branch, I find, flatly violates the express instruction of the Constitution that the President shall "take care that the Laws be faithfully executed." United States Constitution Article II, Section 3. It has been one of the bedrocks of our system of government that *only* the Judiciary has the power to say what the law is. See *Marbury* v. *Madison*, 5 U.S. (1 Cranch) 137, 177 (1803).

The Executive Branch's position that they can say when a law is unconstitutional equates the powers of mere executive officials with those of the Judiciary. It flies in the face of the basic tenet laid out so long ago by the United States Supreme Court in *United States* v. *Lee*, 100 U.S. 196 at Page 220, (1882). The Court said, "No man in this country is so high that he is above the law. No officer of the law may set that law at defiance, with impunity. All the officers of the Government, from the highest to the lowest, are creatures of the law and are bound to obey it."

The rule that no executive official can decide for himself what laws he is bound to obey, but must await decisions of the Judiciary and until then must obey the laws, has deep roots in our constitutional history. As explained in Mr. Tiefer's presentation to the House, which is in the House Hearings Bulletin previously cited at page 257. During the reign of absolute British monarchs, the notion that the Executive, at the time the King, could decide for himself, without a decision of the courts, which laws should be obeyed was put to the test.

As Mr. Tiefer correctly noted, "After the Restoration, King James II attempted to claim such authority, but the English people would no longer tolerate such a claim, and their judicial system rejected it in the historic Seven Bishops Case of 1688.

"Shortly, thereafter, James II was forced into exile in the Glorious Revolution of 1689, and the English Bill of Rights was enacted. The first article of that historic charter of freedom declared, 'That the pretended power of Suspending of Laws, or the Execution of Laws by Regal Authority, without Consent of Parliament is Illegal.' Scholars have concluded that the 'faithful execution' clause of our Constitution is a mirror of the English Bill of Rights 'abolition of the suspending power,' that is, the abolition of what the English Bill of Rights had called 'the pretended (Royal) power of Suspending'. . .

"In fact, the Constitutional Convention in 1787 expressly rejected the attempt to re-introduce some power for the President to decide to suspend the execution of laws. In that summer of 1787 Mr. Elbridge Gerry, a Delegate, observed, after a proposal was made at the Philadelphia Convention, "that the national executive have a power to suspend any legislative act . . ." He noted, "that the power of suspending might do all the mischief dreaded from the nevative of useful laws (i.e., the President's vetol, without answering the salutary purpose of checking unjust or unwise ones."

The Constitutional Convention, I note, rejected the proposal. Mr. Tiefer noted, "If the Framers had intended to give the President any such awesome power of deciding the constitutionality of laws as they gave to the Judiciary, there clearly would have been a clear record of it. Yet Alexander Hamilton, who discussed in detail the authority of the Judiciary to decide the constitutionality of laws, provided no such discussion of the supposedly equilvalent Presidential power.

"Any possible doubt about the matter was resolved in the historic case of *Kendall* v. *United States*, 37 U.S. 912 Pet) 524 (1838). There, a Cabinet Member claimed that because he was subject to the President, who, in turn, supposedly derived a vast power from the 'faithful execution' clause, he was not bound by the laws.

"The Supreme Court utterly rejected any such argument of Executive supremacy. The Supreme Court said that 'to contend, that the obligation imposed on the President to see the laws faithfully executed, implies a power to forbid their execution, is a novel construction of the constitution, and entirely inadmissible.'

"That Court," Mr. Tiefer noted, "harkened directly back to the classic language of the English Bill of Rights, and the Framers in a Constitutional Convention, in rejecting Executive power to 'forbid [the] execution' of the laws.

"In rejecting the Executive's argument, the Court explained that the effect of such power would be the 'vesting in the President [of] a dispensing power, which has no countenance for its support, in any part of the constitution; [such an argument is] asserting a principle, which, if carried out in its results, to all cases falling within it, would be clothing the President with a power entirely to control the legislation of Congress, and paralyze the administration of justice."

More recently the Supreme Court reaffirmed the distinction between the Executive Branch's right to express views on the constitutionality of a law and the Judiciary's right to decide the constitutionality in *Immigration & Naturalization Service* v. *Chadha*, 103 S. Ct. 2764 (1983).

I thus reject any attempt to characterize this Court as imcompetent to make binding decisions of constitutional law and I order all parties, specifically the Executive Branch, to follow any ruling I make in this case in this district in which I am sitting. And that refers also to the Honorable Casper A. Weinberger and the Honorable David Stockman.

I, and the members of the Executive Branch of the Government have taken an oath to execute and fulfill the duties of my office according to the Constitution and laws of the United States. I believe I adhered to that oath and I would expect no less from members of the Executive Branch of the Government, regardless of what their station is within that Branch.

I order them to uphold that oath with respect to following this Court's order, which remains legally viable in this district until overruled by an appellate court.

I now turn to the parties' cross-motions for summary judgment as to the constitutionality of the act.

Defendants rely on the arguments submitted in opposition to the motion for preliminary injunction and supplement those arguments with additional case law discussing the position of the Comptroller General. Defendants continue to assert that the Comptroller General is part of the Legislative Branch.

I have carefully reviewed defendants' additional theories as to why the Comptroller General cannot constitutionally carry out the duties assigned to that office under the Competition in Contracting Act and find them to be as unpersuasive now as I found them on the motion for preliminary injunction. United States Supreme Court case law clearly distinguishes the unconstitutionality of giving legislative officers executive duties from the constitutionality of giving executive officers legislative powers. See, for example, *Springer* v. *Philippine Islands*, 277 U.S. 189 at 202 (1928), *Buckley* v. *Valeo*, 424 U.S. 1.

I found that the appointment of the Comptroller General by the Executive allows the Comptroller General to exercise those duties which are statutorily assigned to him, whether they be executive and/or legislative in nature.

I do not find it necessary to repeat my entire analysis of the law for purposes of this motion. For the reasons I stated in my opinion of March 27, 1985, I find Title 31, U.S.C. Section 3553(d)(1) to be constitutional. The plaintiff intervenor's motion for summary judgment on this issue is accordingly granted, and that of the defendants is denied.

Lastly, I turn of the defendants' motion to dissolve the preliminary injunction. Motions to dissolve an injunction are addressed to the sound discretion of the district court. See *Securities and Exchange Commission* v. *Warren*, 583 F. 2d 115 (3d Cir. 1978). Where, however, a final judgment has been entered on the merits, the preliminary injunction comes to an end and is superseded by the final order.

A preliminary injunction is by its very nature interlocutory, tentative and impermanent. See, *Hamilton Watch Co.* v. *Benrus Watch Co.*, 738 at 742 (2d Circuit 1953). The preliminary injunction is, therefore, superseded by my final judgment on the merits that the stay provisions in CICA are constitutional.

Thus, my interlocutory order that the CICA stay provisions are constitutional and that they must be followed is now a final order that they are constitutional and must be followed.

I specifically note that the preliminary injunction has only been dissolved because it has been superseded by a final order.

As there are two separate issues for appeal here, my ruling on the constitutionality of the CICA provisions and my ruling of the denial of Ameron's bid, I am entering two separate orders here today with respect to this matter.●

THE CONSUMER BANKING ACT OF 1985—H.R. 2661

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. Schumer] is recognized for 5 minutes.

● Mr. SCHUMER. Mr. Speaker, today I am introducing the Consumer Banking Act of 1985. It is my hope that this legislation will help bring about needed reforms in a rapidly changing banking industry that has left the average consumer often confused and sometimes abused.

The U.S. banking system touches the lives of virtually every citizen of this country on a daily basis, yet few segments of our society are as far removed from meaningful consumer control and accountability as our financial institutions. The banking industry has undergone radical changes in style and structure over the past few decades, yet its centuries-old image as an aloof and mysterious business is as valid as ever for the majority of American citizens.

While many of the changes that have ripped through the banking world in recent years have been publicly justified on the basis of their benefits to consumers, for the most part these changes have been suggested by, lobbied for, and enacted, either legislatively or by regulation, in order to benefit one or more segments of the banking industry. So, in this new world of banking, just what do consumers see?

They see fees and charges rising rapidly, sometimes being notified of changes when they show up as a deduction on their monthly or quarterly statement.

They see banks placing holds on their checks far in excess of the time it takes to collect the funds, earning interest on the float while the consumer is denied access to his or her funds.

They see banks leaving their neighborhoods preferring to pursue risky new high flyer opportunities than to lend to the local small businessman or homeowners.

More and more of them, and particularly those with low incomes, see the doors closing to them, as restrictive requirements have made bank accounts too costly or inaccessible.

They see a multitude of mortgages—and, increasingly, other loans—offered with a variable interest rate, with no standardized way to compare them, each advertised in a different way, and few of them understandable in plain language.

They hear about the banks that offer the good deals on basic services, but can't seem to find them, and even have difficulty getting information out of the banks to facilitate their own comparison shopping.

They know that many of the most important decisions affecting their relationship with banks and thrifts are made by regulatory agencies or courts, but frequently they are powerless to affect the outcomes in these forums, as they lack a voice that can speak for them with the expertise and depth of knowledge necessary for effective representation.

There is a dramatic need to reexamine the entire financial service system from the consumer's perspective rather than the industry's for once—the ordinary consumers, the ones who pay the bulk of the bank fees, the ones whose bedrock confidence in the system is its most valuable asset, but whose confidence is being worn down by the feeling that they are not being treated fairly by their bank.

They know, as events in Ohio and Maryland have poignantly shown them, that sometimes the bank they are doing business with is not as solid as it seems, and that they should get more information about it, but they don't know the first place to begin and have no one to turn to for help.

That is why I am introducing the Consumer Banking Act of 1984, which is the result of such a consumer-oriented reexamination of the banking system. This has been a major undertaking, and I need to thank a number of individuals and groups whose efforts have been essential to the research and development of this bill. They are: Ralph Nader, the Consumer Federation of America, Public Citizen's Congress Watch, Consumers Union, U.S. PIRG, the Center for Community Change, the Bankcard Holders of America, and the National Committee Against Discrimination in Housing.

A summary of the bill follows:

TITLE I EXPEDITED FUNDS AVAILABILITY

Current bank practices involve holding periods ranging from 1 to 15 days, even though the Federal Reserve testified that 99 percent of all checks are paid in two days, and most of the rest of them are paid shortly thereafter. This provision shortens the maximum time that a financial institution may "hold" a check to 1-3 days, depending upon the category of check, with exceptions for checks which present a high risk of loss to the institution of deposit.

TITLE II CONSUMER ACCESS TO DEPOSITORY INSTITUTIONS

This provision requires all financial institutions to offer a basic "lifeline" checking account to all consumers with a small initial balance requirement, and no fees or changes for a limited package of services. Account holders would be allowed 8 free checks per month, with a $1.00 per check charge thereafter, and could not be assessed any charge for maintenance of the account or for making deposits.

In addition, depository institutions would be required to offer (for a charge equal to the reasonable costs of processing) consumers a check cashing card which would allow the holder to cash any government check without charge.

TITLE III TRUTH IN DEPOSITING

This provision requires all depository institutions to maintain a schedule of fees, charges, terms and conditions applicable to each account it offers. The information on the schedule must include, among other things, information on minimum balances required to open or maintain an account, maintenance charges, per transaction charges, early withdrawal charges, balance inquiry charges, and interest rates.

The interest rate disclosure must include a statement of the interest rate, deposit period, method of compounding, and the "annual percentage yield", a standard measure of interest rates that allows comparison between different interest rate options. Advertisements for deposits would also be required to disclose this information.

TITLE IV CONSUMER-BIASED PREEMPTION

This provision will provide that, unless Congress explicitly provides otherwise, federally-chartered banks, thrifts, and credit unions must comply with all state laws which provide better consumer protection, better promote community reinvestment, or better protect against credit discrimination than federal law. In New York, for example, the state issued regulations governing check hold periods, only to have the Federal Home Loan Bank Board preempt the law for federally-chartered thrifts. Actions like this will be prevented by this provision.

TITLE V ADJUSTABLE RATE MORTGAGE PROVISIONS

This title has three parts. First, it amends the Truth in Lending Act to require a detailed disclosure of ARM terms to prospective borrowers, including a "worst case" scenario, in which the lender must disclose the maximum interest rate and payment that could be required under the mortgage, and the earliest dates on which such rate or payment might take effect.

Second, this title applies certain safeguards to all ARMs, including a two percent annual interest rate cap, five percent life-of-loan cap (based in the initial rate), and a cap on negative amortization at the purchase price of the home.

Third, it helps promote a consumer-oriented adjustable rate mortgage by requiring institutions which receive federal net worth guarantees must offer a mortgage in which annual payment increases are determined by the average growth in wages rather than by the cost of funds, and negative amortization is limited to one fifth of the average appreciation rate of homes in the U.S. The Federal National Mortgage Association will be directed to purchase these mortgages from the origination institutions.

TITLE VI FINANCIAL INSTITUTIONS CONSUMER INFORMATION AND REPRESENTATION ASSOCIATIONS

In order to help consumers cope with the modern financial world, this title will provide non-financial federal support for the formation of statewide membership associations of financial institutions consumers. The purpose of these associations is to promote the interests of consumers in financial service matters, by conducting research, surveys, and investigations, and by representing, informing, and educating consumers in financial service matters.

The federal support offered to these institutions will be the right to place inserts into a limited number of deposit statement mailings of federally-insured financial institutions, in order to inform consumers about the association, and to survey them about financial services. Any additional cost of mailing caused by the insert will be borne by the association. Such associations offer a low-cost, non-regulatory, self-help approach to consumer protection in financial services.

TITLE VII COMMUNITY REINVESTMENT ACT AMENDMENTS

This title rewrites and expands the current CRA to insure that financial institutions meet the credit needs of the communities they service, including low- and moderate-income neighborhoods, consistent with safety and soundness.

Principal changes to the Act include:

Requiring public disclosure of CRA ratings (from No. 1 to No. 5, with No. 1 being the highest), and allowing public comment on preliminary ratings of No. 1 or No. 2 before a final rating is given, both of which are necessary to improve the quality of CRA examinations;

Limiting interstate expansion only to those institutions with the top two ratings;

Limiting the use of real estate equity investment powers on a sliding scale linked to the CRA rating, similar to proposed regulations in New York state; and

Enacting a system of assessments and rebates supervised by the FDIC and FSLIC in which institutions with poor CRA ratings would face a monetary sanction, and institutions with the best CRA ratings would receive a benefit. Such a provision would give teeth to the enforcement of the Act.

TITLE VIII EQUAL ACCESS TO FINANCIAL SERVICES

Prohibits depository institutions from adopting or maintaining any policy practice or standard which results in denying or discriminating in the availability or terms of financial services because of race, religion, sex, or national origin, unless such policies, practices, or standards are justified by proof that they are required by reason of safety and soundness or other business necessity.

THE 10TH ANNIVERSARY OF THE ENVIRONMENTAL AND ENERGY STUDY CONFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. Green] is recognized for 60 minutes.

GENERAL LEAVE

Mr. GREEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GREEN. Mr. Speaker, 10 years ago, in 1975, 11 Members of the House headed by our former colleague from New York, Richard Ottinger, organized the Environmental and Energy Study Conference.

Tomorrow, on June 5, which is World Environment Day, symbolic of the necessity of governments around the world to work together to protect our ecological balance on this planet, the Environmental and Energy Study Conference will be celebrating its 10th anniversary. The Conference is the largest legislative service organization in the Congress, comprising over 250 Members of the House of Representatives and 70 Members of the other body.

It is a nonpartisan, information-oriented organization designed to provide accurate, unbiased information on energy and environmental legislation and topics for the benefit of Members. It publishes a weekly bulletin; a comprehensive analysis of the coming weeks' events relating to the environment every Monday, as well as special reports which provide detailed and analytical pieces on developments in specific energy and environmental issues.

The Conference organized briefings for Members and their staffs. It provides research materials to assist in drafting legislation, speeches, and floor statements. It assists Members with constituent services on environmental issues and in organizing public meetings on those issues.

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In honor of this 10th anniversary, there will be a reception tomorrow hosted by the Speaker and the minority leader, and I think the fact that they are both hosting this event, to which all Members have been invited, shows the bipartisan support that exists in this House to provide the information to solve environmental and energy problems.

Mr. Speaker, at this point I would like to yield to the distinguished outgoing House cochair of the Environmental and Energy Study Conference, the gentleman from Michigan [Mr. Wolpe].

Mr. WOLPE. I thank the gentleman for yielding and for taking this evening's special order.

Mr. Speaker, I want to join in extending congratulations to the Environmental and Energy Study Conference on the occasion of its 10th anniversary. The anniversary is a milestone not just for the Study Conference and its members but also for the entire Congress, because of the important role the Conference has played in the many debates on environmental and energy issues.

I am particularly proud of this anniversary because I have just finished my term as House chairman of the Study Conference. During that term we were able to provide the services and offer the forums for members that have made the Study Conference the largest legislative service organization in Congress. In fact, in the 98th Congress, more than 280 Members of the House and 86 Senators were members of the bipartisan Study Conference.

The Study Conference has elected a new Executive Committee and new officers for the 99th Congress. It is a strong, well-balanced group that is committed to the goals of the Study Conference. I am delighted that the gentleman in the well, Mr. Green of New York, has assumed the House chairmanship, while Bob Wise of West Virginia has been elected House vice chairman. The new Senate chairman is Slade Gorton of Washington, and the new Senate vice chairman is Albert Gore, Jr., of Tennessee.

The new House Executive Committee includes: Representatives Chester G. Atkins of Massachusetts, Anthony C. Beilenson of California, George E. Brown, Jr., of California, William F. Clinger, Jr. of Pennsylvania, Bob Edgar of Pennsylvania, Hamilton Fish, Jr. of New York, John Paul Hammerschmidt of Arkansas, Cecil Heftel of Hawaii, Paul B. Henry of Michigan, James M. Jeffords of Vermont, Dale E. Kildee of Michigan, Bob Livingston of Louisiana, Edward R. Madigan of Illinois, Jan Meyers of Kansas, John R. Miller of Washington, John F. Seiberling of Ohio, Mike Synar of Oklahoma, and Ron Wyden of Oregon. As a former officer, I will continue to serve on the Executive Committee.

The new Senate Executive Committee includes: Senators Rudy Boschwitz of Minnesota, John H. Chafee of Rhode Island, Christopher J. Dodd of Connecticut, Gary Hart of Colorado, John Heinz of Pennsylvania, Patrick Leahy of Vermont, Claiborne Pell of Rhode Island, and Warren Rudman of New Hampshire.

My tenure as chairman was a rewarding one, since it gave me an opportunity to play a role in the many forums and activities organized by the

Conference. I am grateful, particularly for the opportunity to work with my cochairman in the 98th Congress, Senator Leahy. I am also grateful to the staff, who are responsible for the fine publications and services of the Study Conference: Staff Director John Dineen, Editor Robert Livernash, Executive Assistant Linda Cartwright, Special Projects Coordinator Jane Beal, Office Manager Paula Ptacek, and staff writers Joseph Raeder, Mark Holt, Carol Covey, Jim Ketcham-Colwill, and Mary Houghton.

While the Study Conference has played an important role in the congressional debate on environmental and energy issues during the past 10 years, the next 10 years may be even more important.

During the early 1970's the Nation reached a consensus on the need to protect and improve the quality of our environment. We passed laws to clean up our water, our air, our drinking water.

To a certain degree, these laws have worked. We have made tremendous progress in controlling the conventional sources of pollution that we understood back then to be our biggest problem. But as the decade wore on our technology improved and our knowledge of the field increased. Now, we are beginning to understand how pervasive are the chemicals we have introduced into the environment. The problems we confronted back then are simple compared with the task confronting us today.

For example, we must try to evaluate the potential hazard of the 60,000 chemicals that are now in use and pervade our environment. At the same time more chemicals come into use every day.

Another example concerns the protection of our ground water, on which the Nation depends for its drinking water. We have 15 Federal agencies and 16 Federal statutes that have some say about protecting ground water. Yet ground water is still being polluted, and it is very difficult to clean, once contaminated.

So Congress must contend with the expensive and contentious problem of reducing, as much as reasonable possible, the risk we all face from the chemicals we have created. The recognition of the importance of that work is there. That is why, in a year when deficit politics are taking a piece out of virtually everyone's financial hide in this town, the EPA budget will grow—a little, but it will grown. Critics argue that EPA spending only now has reached again its 1975 spending level with far greater responsibilities, but relative to other programs, it is nonetheless charmed.

But while the recognition of the urgency of our problems is there, the solutions are neither easy, nor easily arrived at.

Those are only a few of the environmental challenges we face. And we face another, related, set of challenges in the energy field. Over the past 10 years we have seen fundamental changes in the energy industry, and we will no doubt see many more in the coming 10 years. Energy, we all now realize, is a basic national security issue. We must ensure that our national security is protected and the Nation's energy needs met. We also must ensure that as we meet those energy needs we do not squander our natural resources.

The complexity of the problems we face only serves to emphasize the importance of the Study Conference to the coming search of solutions. That importance is the very reason the Conference is the largest legislative organization in Congress. It is why I congratulate my colleagues who are members and urge those who are not yet members to join. The environmental and energy policy decisions we will make in the coming years will affect the quality of life in this country the way few other issues can. It is vital that we all take part in the discussion and debate. The Study Conference has served as our primary vehicle for discussion and dissemination of information.

My colleague in the well has observed that the Study Conference was founded in 1975 by my friend and former colleague Richard L. Ottinger and 10 other Members of the House: Representative John Dingell, Tim Wirth, John Heinz, Larry Pressler, Gil Gude, Alan Steelman, Guy Vander Jagt, Ken Hechler, Henry Reuss, and Charles Vanik. We all remember Dick Ottinger as a passionate environmentalist. But he believed that, regardless of one's point of view, Congress and the Nation would benefit if there were a resource that provided objective analysis of environmenal and energy issues, that provided a forum for Members of both parties and all political persuasions to exchange views and consider policy alternatives.

The Study Conference is the realization of that belief. Its commitment to bipartisan, objective analysis provides Congress with the information it needs to consider every facet of the environmental debate. That kind of constructive dialog is the only path toward solving the problems of the future. And those problems, complex as they may be, must be solved here in Congress. As Dick Ottinger stated recently in a speech at Pace University Law School:

> Man alone, of all the species on earth, has the capacity to exercise control over his environment. * * * Whether we pull the environmenal trigger * * * whether we follow the well-traveled road to extinction or blaze a new trail to a better world through enhancement and preservation of our great environmental heritage is, in the last analysis, entirely up to us.

Again, Mr. Speaker, I want to thank the gentleman in the well not only for taking this evening's special order, but for assuming the leadership of the Environmental and Energy Study Conference. I know it will be in very good hands in the coming term.

Mr. GREEN. I thank the gentleman from Michigan for his excellent remarks, and I want to congratulate him and thank him for the distinguished service he rendered to us in his role as House chair of the Environmental and Energy Study Conference.

Let me say that I concur with the gentleman in his view that these problems have become a good deal more complex than when we started on them a couple of decades ago. About that time, two decades ago, I was in the State legislature and I authored what I believe is one of the country's first laws requiring that pollution control devices be included in the annual inspection of motor vehicles, an issue that is still controversial on the floor of this House to this day, but certainly, as ranking minority member on the Appropriations Subcommittee for EPA, I know how much more difficult the issues are that we are facing today, how much more complex they have become and, therefore, it seems to me that the work of the Environmental and Energy Study Conference is more important today than it has ever been.

I want to thank all of our other colleagues who have participated in this special order for doing so, and look forward to seeing all of our colleagues in the House at the reception tomorrow night commemorating the 10th anniversary.

● Mr. FASCELL. Mr. Speaker, I rise today to join many of our distinguished colleagues in paying tribute to the work done by the Environmental and Energy Study Conference. It is appropriate that we honor the EESC today on its 10th anniversary. This date marks 10 years of valuable and highly respected work done by the Members and the staff of the Conference, and it is an honor to join in this celebration.

The Environmental and Energy Study Conference has, throughout the years, been an invaluable source of information and throughtful analyses about issues and concerns which are important to us all. Environmental problems, both domestic and international, have plagued this Earth for generations. Issues such as clean air and water, ocean dumping, endangered species, and nuclear energy, to cite only a few, have been a continual source of frustration and complexity for legislators.

The same briefs, publications, and forums which the EESC develops and organizes have helped us to unravel these complex issues and to formulate

constructive and comprehensive environmental and energy policies. The information provided by the EESC has made all of us, I am sure, more aware and appreciative of the harsh realities of the domestic environmental issues which confront this Nation, as well as the potential solutions to these problems.

Internationally, the EESC has helped to draw attention and concern to the tremendously important issues facing the global environment. Resource deterioration, levels of pollution, and environmental and resource management are several of the topics of concern to the world today. The EESC is presently studying the various ways in which the United States might help developing nations better manage their changing environmental situations and challenges. Situations such as those in Bhopol, India, and Ethiopia have forced many to take a closer and more detailed look at some of the challenges facing these nations and the ways in which we might help them.

Again, allow me to pay tribute to the Environmental and Energy Study Conference for the assistance and expertise which it has provided over the past 10 years. The work done has been invaluable and, as a member of the EESC, I am grateful for the opportunity to pay tribute to this outstanding organization.●

● Mr. WEAVER. Mr. Speaker, today is the 10th anniversary of the Environmental and Energy Study Conference. I am proud to join with my colleagues today in recognizing this milestone in the history of our Nation.

The Environmental and Energy Study Conference was founded 10 years ago in the House of Representatives by Representative Richard L. Ottinger of New York. Today, the Conference is the largest service organization in the Congress. Over 250 Members of the House and 70 Senators now belong to the Conference.

Thanks to the forward looking concerns of Representative Ottinger and the hundreds of members that have served in the Conference since its inception, our Nation is better prepared and determined to address the serious environmental and energy problems confronting us today.

Oregon is home of some of our Nation's most beautiful natural treasures. From the Blue Mountains of eastern Oregon to the western coastal dunes, from Crater Lake to Mount Hood, our State and our people have fought to preserve these treasures for future generations.

The people of Oregon demand that their elected officials act to preserve and protect our natural resources. Throughout my 11 years in Congress I have authored and passed legislation to insure the preservation of our natural resources. The information provided by the Environmental and Energy Study Conference has been invaluable in these efforts.

The Conference publishes special reports to members that detail and analyze developments in environmental and energy issues. The Conference organizes briefings and meetings for Members and staff to facilitate discussion and debate.

As we move toward the 21st century, our Nation is faced with enormous environmental challenges. We must learn more about the causes and impact of acid rain on our forests, rivers, and streams. We must address the abusive use of dangerous chemicals in agriculture. We must continue to fight to insure that our wilderness areas are protected. We must continue to adequately fund Superfund and other programs that seek to correct the damage already done to our environment by the introduction of massive amounts of toxic waste. We must stand together to ensure that our people will be protected from nuclear accidents and that our children will not become the victims of pollution caused by the disposal of hazardous, radioactive nuclear waste products.

The Environmental and Energy Study Conference will continue to play an important role as Congress moves to address these problems.

Mr. Speaker, I commend the efforts of the Conference and wholeheartedly support its continuation. On this, its 10th anniversary, I join with my colleagues in thanking the members and staff of the conference for providing me with information and assistance on environmental and energy issues throughout my years in Congress. I look forward to working with the Conference on environmental and energy issues critical to the future or our Nation.●

● Mr. FRENZEL. Mr. Speaker, today we mark the 10th anniversary of the Environmental and Energy Study Conference [EESC]. I would like to take this opportunity to commend the Study Conference for its work providing accurate and up-to-date information on important environmental and energy issues facing Congress.

I offer my congratulations to the founders and subsequent officers, as well as the very able staff, of the Environmental and Energy Study Conference as it marks its 10th anniversary.●

● Mr. DOWNEY of New York. Mr. Speaker, I want to join my colleagues today in paying tribute to the Environmental and Energy Study Conference in honor of its 10th anniversary.

Since coming to the House over 10 years ago, I have had the pleasure and privilege of helping the Congress take on the energy and environmental challenges facing our country. We have enacted laws to keep our air and drinking water clean, to ensure that the waste we produce is disposed safely and to clean up problems caused by the improper disposal of hazardous waste. The Environmental and Energy Study Conference has been with us, providing invaluable information on these various challenges, and raising important questions as we struggled to determine the shape we wanted our environmental and energy laws to take. Its value and success can be measured by its broad, bipartisan membership in both Chambers of Congress.

Today, new challenges need attention. As we attempt to reauthorize the Clean Water Act, Superfund, the Clean Air Act, and the Safe Drinking Water Act, we need to evaluate their impact and effectiveness. I believe that these statutes must be expanded and strengthened to meet new challenges such as acid rain or the problems associated with disasters such as Bophal. I believe that Congress must undertake a comprehensive effort to protect this Nation's supply of ground water. As the debate develops on all of these issues, I am sure that the EESC will be in the thick of it, providing information to Members and staffers, and I look forward to another 10 years of its success.●

● Mrs. BURTON of California. Mr. Speaker, during the last decade, we have witnessed some dramatic shifts in national environmental policy—some in the form of tangible progress and others in the shape of protracted neglect. The progress we have realized is due in no small measure to the efforts of the Energy and Environmental Study Conference [EESC] to raise our collective consciousness here in Congress.

The EESC has developed into the largest informal member organization in Congress with a majority of both the House and Senate subscribing to its public policy services. The contributions of this group, from its inception 10 years ago to its current-day position as an unmatched auxiliary information source for Members, are truly unique.

The EESC provides an invaluable service to many offices in the weekly bulletin it prepares and the objective analysis this research publication offers. In addition to the detailed legislative and status reports, workshops and special briefings on specific, timely topics are offered. The type of in-depth environmental analysis EESC provides is essential for Congress in the discharge of its duties as a steward of our natural resources.

We are learning that shortsighted, stopgap approaches to solving our environmental problems will no longer work. We are recognizing the need for education, examination, and caution in seeking solutions. And, we are realizing that these problems and their solutions require knowledge, cooperation, and commitment. Environmental quality is an issue for everyone and it is our shared interest and common purpose that will allow us to meet this challenge and enhance the quality of our lives.

The EESC has been a very effective research arm of Congress in highlighting important environmental concerns and assisting the Congress in responding to the environmental challenges of this past decade. We all owe a special debt of gratitude to Dick Ottinger who had the farsighted vision to create an environmental clearinghouse for Congress. I am most pleased to be a member of the EESC and a recipient of the fine work it produces. Many thanks to all of the excellent staffers who make this possible and my best wishes to everyone at EESC in the observance of your 10th anniversary serving Congress.

There could not be a more appropriate celebration to preface World Environment Day and to encourage our appreciation of the world's resources.●

● Mr. STUDDS. Mr. Speaker, I would today like to join my colleagues in honoring the Environmental and Energy Study Conference on its 10th anniversary. With over 360 Members of the House and Senate, the Study Conference is the largest legislative service organization in Congress. The EESC offers its membership each week timely, accurate, and usable information on energy and environmental legislation.

From providing up-to-date information on the status of pending legislation to offering meetings and seminars on current topics, the Conference is invaluable to Members and staff in dealing with increasingly complex energy and environmental issues. In the 10 years of its existence, the EESC has helped educate Members on the broad range of problems which Congress has been required to address. Few of these legislative issues, ranging from hazardous waste disposal to acid rain to ground water protection, have simple solutions. The legislative process is made far easier, however, when one has ready access to the facts necessary to make informed decisions on these critical issues.

I would like to commend the Environmental and Energy Study Conference for a job well done. As it moves into its second decade, I have full confidence that the EESC will continue to provide a service of inestimable value to Members and those whom we have the privilege to represent in the U.S. Congress.●

● Mr. MOODY. Mr. Speaker, I am pleased to join my colleagues in congratulating the Environmental and Energy Study Conference on the occasion of its 10th anniversary. I, along with a majority of the Members of this body, recognize the critical nature of the environmental problems facing us. As Members of the EESC, we not only recognize these problems, but are organized to deal with them in a more effective manner as legislators.

The EESC's anniversary coincides with recognition of World Environment Day, June 5. The plethora of issues that arise under the broad description of "environment" can often be misleading and confusing. We are only now beginning to realize that energy and environmental questions reach into every corner of our day-to-day lives and occupations. No longer can we separate out each concern and treat it as if it were the latest disease. Instead, we must try to achieve a deeper, broader understanding of how these concerns are interwoven together to complete our surroundings.

One such issue that is usually set aside is that of world population. Few appreciate the distinct pressure that the geometrically increasing populations levy on world environment and the utilization of natural resources. Despite the monumental efforts made by ours and other nations to answer the world's food and energy demands, there will not always be enough. If we are to keep stripping the Earth of its gifts, people may no longer have a choice of how to size and space their families. That choice may be dictated by the availability of agricultural lands for food, drinkable water, and breathable air. Steps must be taken to curb this excessive growth for the good of the entire world, as well as the health of each individual. The promotion of voluntary family planning programs is one such step.

I applaud the EESC for its farsightedness in addressing the population issue. We should encourage and assist this fine organization in its efforts.●

● Mr. KILDEE. Mr. Speaker, I would like to extend my wholehearted congratulations to the Environmental and Energy Study Conference [EESC] on the 10th anniversary of its establishment. I first joined the Study Conference as a freshman in the 95th Congress some 8 years ago. Since 1979 I have been honored to sit on the EESC's Executive Committee.

Many of the issues and problems which we address in Congress are of a temporary and transient nature. However, the preservation of the global environment in which we live is of enduring importance to present and future generations. We owe it to the children of the world to leave to them a planet on which they can thrive as well as survive.

I have always found the Study Conference to be an invaluable source of research materials, information with which to answer my constituents' concerns, and up-to-date tracking of important legislation. As the largest bipartisan and bicameral legislative service organization in Congress, the Study Conference provides the necessary forum for Members of Congress to express their concern about the pressing energy and environmental issues of the day as well as to gain further insight into the intricacies of these often complex problem areas.

I strongly urge my colleagues who have not joined the Study Conference to consider becoming a member in this session of Congress. With more than 360 current Members in the House and Senate, the Study Conference encompasses the full range of viewpoints on energy and environmental questions. However, we are all bound together by our shared concern with providing our country with the energy resources sufficient to meet our future needs while protecting and preserving our Nation's environment. In the 10 years of its existence, the Energy and Environmental Study Conference has provided the meeting place for Members and ideas needed to address this shared concern.●

● Mrs. SCHNEIDER. Mr. Speaker, in the decade since the first world environmental conference held in Stockholm, we have learned that economic security and prosperity need not be achieved at the expense of environmental destruction. I would like to take this opportunity to inform the Members of the House of an important effort I am participating in with a number of my colleagues and with the assistance of the Environmental and Energy Study Institute. The Institute's project is entitled, "Helping Developing Countries Help Themselves: Toward a Congressional Agenda for Improved Resource Management in the Third World."

The project is operating on two tracks. A task force made up of U.S. corporate, environmental, academic and congressional leaders. We are in the process of identifying actions the U.S. Congress can take to help developing countries better manage their resources for sustainable development. Paralleling this effort, EESI has launched a series of initiatives to increase awareness among Members of Congress and congressional staff of the environmental and natural resource problems in the developing world.

I believe this project is especially timely in the wake of events in Africa, India, and elsewhere which are raising consciousness in this country about environmental problems in the developing world and the U.S. stake in them.

In many developing countries, the seriousness of environmental and natural resource problems makes U.S. problems pale by comparison. Some of the most prominent concerns are: The loss of agricultural lands and productive potential due to erosion and desertification; widespread deforestation; degradation of watersheds and consequent flooding and loss of vital water supplies; loss of genetic resources and biological diversity; urban congestion; pollution and related sanitation problems; environmental health and major accident problems; the misuse and overuse of pesticides; shortages of domestic supplies of energy; and population pressure. Moreover, because their struggling economies generally are tied closely to the use of natural resources, the deterioration of the resource base in many developing countries has serious implications for the future.

The developing country task force chaired by World Resources Institute president, Gus Speth, met for the first time on March 27 and identified 15 draft priority options for congressional action. The task force used as a starting point for discussion a paper prepared for this project by the World Resources Institute entitled, "Helping Developing Countries Help Themselves: Toward a Congressional Agenda for Improved Environmental and Resource Management in the Third World." Individual task force members are taking the lead in refining and elaborating on each specific option.

The task force will continue its work throughout the summer of 1985. During this time, the Institute will bring interim results and recommendations to the attention of Members and staff. There will be extensive followup during the fall of 1985 and in 1986.

In order to insure that the task force recommendations meet real needs in the developing world, EESI has convened a foreign advisory group to review the task force recommendations. The group contains environmental leaders from throughout the developing world.

Unless their environmental and natural resource problems are effectively addressed, much of the developing world is destined to be ill-fed, ill-housed and dependent upon other nations for the basic necessities of life. In addition, much of the billions of dollars of past and future U.S. aid will be wasted, the ability of the developing countries to pay back their huge outstanding debts to U.S. banks will be jeopardized, and their capability to become effective trading partners will be undermined.

The Environmental and Energy Study Institute's project is an attempt to educate Members and staff and identify solutions for some of the most pressing environmental and natural resource problems in the Third World. I urge my colleagues to take advantage of the opportunity to learn about and act on these issues.

Finally, these enormous problems of environmental degradation will only be solved if there is increased involvement by the citizens of developing countries. One organization in this country which is working to stimulate that involvement is the Global Tomorrow Coalition. The Coalition recently sponsored a conference on international environmental issues, the Globescope National Assembly, April 17-21, 1985. The assembly passed a series of resolutions which add up to an exciting action plan for establishing a sustainable world environment. The Developing Country Task Force is working on a number of the agenda items in this plan. I commend the action plan to my colleagues as an example of the kind of commitment and involvement needed by both elected officials and all citizens to stem the tide of world environmental degradation.

ACTION PLAN—GLOBESCOPE NATIONAL ASSEMBLY, PORTLAND, OR, APRIL 17-21, 1985

We, the participants of the Globescope National Assembly, held in the city of Portlnd, Oregon, April 17-21, 1985, recognize that world peace is the ultimate environmental issue. We also recognize that the security of the United States and all other nations depends on environmentally sustainable economic and cultural structures as well as on rational military policies. After a comprehensive review of global problems involving nuclear war, population growth, resource use, environmental stress, and unsustainable development, we hereby declare our determination to pursue the initiatives, objectives, and solutions set forth below:

I. CHANGES IN PUBLIC POLICY

Take all appropriate steps to initiate and support Congressional actions to:

A. Address global environmental issues of critical importance, including:

1. Threat of nuclear war; 2. rapid population growth and overconsumption of resources; 3. deforestation (tropical and temperate); 4. elimination of species; 5. desertification and soil loss; 6. degradation of freshwater and marine resources; 7. acid deposition and air pollution; and 8. toxic substances and radioactive wastes.

B. Provide significantly increased funding for international family planning programs and the United Nations Environment Program.

C. Increase financial assistance to international and local citizen groups in developing countries engaged in sustainable development programs.

D. Shift U.S. development assistance away from environmentally damaging, culturally destructive, non-sustainable projects and into sustainable, appropriately scaled activities such as soft energy projects, reforestation, restoration of damaged watersheds, regenerative agriculture, and population stabilization. Such reform should promote greater equity and wider participation of affected people.

E. Reform the lending policies of the multilateral development banks (e.g., World Bank, Inter-American Development Bank) to involve local citizens, both women and men, in project planning and implementation; to make project information internationally available; and to shift their lending into the sustainable activities described above.

F. Ensure environmentally responsible behavior of multinational corporations, by:

1. Encouraging corporate investment in the sustainable activities described above;

2. Strengthening and enforcing laws governing the use, export, and import of pesticides and other toxic substances;

3. Requiring compliance with U.S. health and environmental standards when operating abroad (or local standards existing abroad if they are more stringent); and

4. Assuring completion of environmental impact statements on major overseas projects and operations.

G. Restore equilibrium to the national and international economy by cutting military expenditures to reduce the national debt and to release resources for promoting sustainable development projects on a global scale.

H. Ratify and support the Law of the Sea Treaty.

II. COMMUNICATION

Take all appropriate actions to:

A. Work with community-level organizations, stressing a thorough understanding of the need for solutions to long-term problems, by:

1. Carrying home the message and spirit of the Globescope National Assembly;

2. Holding follow-up discussions jointly with groups representing a wide spectrum of related concerns;

3. Initiating projects to demonstrate the many ways in which the everyday lives and concerns of U.S. citizens are both similar to and closely linked with those of the rest of the world's citizens;

4. Participating in town meetings; and

5. Organizing training workshops on effective political action techniques.

B. Find common ground for dialogue, interaction, and long-term cooperation—based on respect for the self-interest and legitimate needs of all parties—with corporations, labor unions, non-union labor, unemployed people, religious groups, minority groups, senior citizen organizations, representatives of foreign governments, political organizations, and communications media, by:

1. Co-hosting conferences with corporate strategic planners;

2. Addressing meetings of clergy and lay religious leaders;

3. Organizing programs for youth and the elderly;

4. Briefing representatives of press, radio, and television;

5. Promoting better access for grassroots organizations to the print and electronic mass media; and

8. Recognizing and rewarding excellence on the part of volunteers, business people, legislators, politicians, and others.

C. Expand the quantity and improve the quality of information on long-term global problems and potential international solutions, and the opportunity for U.S. leadership in achieving such solutions, through:

1. Adopting and widely publicizing the Globescope logo or other symbol that effectively communicates the goal of sustainable global development;

2. Encouraging and/or participating in a series of Globescope meetings and conferences throughout the country;

3. Distributing publications, documents, and other materials, including the Global Tomorrow Coalition newsletter, Citizen's Guide to global Issues, Contact Directory, Globescope audio and visual recordings, and Carl Sagan's Marshall Lecture on nuclear winter;

4. Creating new networks and hotline information services based on the most modern electronic technology; and

5. Establishing speaker bureaus and public outreach programs.

D. Establish closer liaison with similarly oriented citizen groups in other countries, by means of:

1. Information sharing; 2. individual visits; 3. transfer of administrative and technical skills; and 4. financial support.

E. Foster better international understanding and cultural awareness, by encouraging and/or promoting:

1. An international citizens' network to communicate about and cooperate on actions to create a sustainable global future;

2. Cultural events (including educational programs in the print and electronic mass media) and artistic performances;

3. Exchange programs, including people-to-people projects;

4. Use of foreign students as speakers and information sources for Globescope and community-level organizations;

5. Tours and travel;

6. Sister city programs; and

7. Study of foreign languages and cultures.

III. EDUCATION

Take all appropriate actions to:

A. Develop the understanding of education as a life-long learning process.

B. Influence state and local educational systems and institutions at all levels to include programs on global issues of population, resources, environment, economics, and development, with an emphasis on long-term sustainability.

C. Expand international student and teacher exchange programs.

D. Organize and carry out programs of community education through the communications media and environmental, church, and other community organizations, to:

1. Inform us as to the impacts of our consumptive lifestyles on the sustainability of resource use and the carrying capacity of the earth;

2. Motivate individuals to become aware of and take action on global problems of population, resources, and environment and ways of solving them, including recycling and reusing materials and energy; and

3. Assist people to understand the urgency of these issues and their significance to the national security of the United States.

E. Identify existing resources and promote the preparation and distribution of additional materials and speakers for community education programs.

F. Encourage wide cooperation among all elements of our society in learning about and helping to solve global problems of population, resources, environment, and development, stressing the non-violent resolution of conflict.

G. Promote and expand youth conservation programs.

IV. PERSONAL ACTIONS

As individual participations of Globescope, we acknowledge that our personal choices have a cumulative impact on the sustainability of the earth's resources, and recognize that living in an interdependent global society requires change in attitudes, values, and behavior. We therefore strongly commit ourselves to take all appropriate actions to:

A. Reduce or eliminate our personal habits of wasteful resources and energy consumption, and install respect for a conservation ethic in our children.

B. Work toward peaceful resolution of conflicts in our personal and community relationships.

C. Exercise responsible family planning.

D. Manage our personal finances and consumer decisions so as to support farms, businesses, and other enterprises with positive social and environmental records and aims.

E. Actively lead, participate in, or support organizations working toward a sustainable future.

F. Participate directly in the political process.

G. Have fun and keep a sense of humor.

RESOLUTIONS

Be it resolved that the participants at the Globescope National Assembly:

A. Urge President Reagan to initiate a summit meeting with Chairman Gorbachev and other world leaders on the subjects of nuclear war, rapid population growth, and environmental degradation.

B. Urge President Reagan to propose immediately to the Soviet Union a mutual, verifiable, drastic, and prompt reduction in nuclear weapons to levels sufficient to preclude the possibility of nuclear winter.

C. Commit themselves to building a continuing and expanding cooperative partnership with the business community, including the use of ecologically sound cost-benefit analysis and balance, in recognition of the role of profitable productivity in achieving a sustainable future. We further urge the employment of linking processes such as dialogue and negotiation on environmental policy, stressing the interconnections between long-term and short-term concerns and between international and domestic issues, so as to meet the legitimate needs of all involved stakeholders.●

● **Mr. STENHOLM.** Mr. Speaker, I take pride in joining my colleagues in the House of Representatives in commemorating the 10th anniversary of the Environmental and Energy Study Conference. I want to thank Mr. Wolfe, Mr. Green, Mr. Wise, and the other officers of the Environmental and Energy Study Conference for putting together this special order.

For 10 years now, the EESC has provided Members of both Houses of Congress with vital information on activities in the broad and complex area of environmental and energy issues, both inside and outside of Congress. But the Environmental and Energy Study Conference has ventured well beyond providing merely news of hearings and committee actions. The briefings, informal discussion sessions, and forums the EESC has conducted on a regular basis have offered Members and their staffs the indepth information and insight that are extremely necessary toward making sensible public policy in an area of growing importance and complexity.

As chairman of the Subcommittee on Energy, Environment, and Safety Issues Affecting Small Business, I find the weekly EESC update vital to my staff and myself. It keeps us informed on the variety of issues in the energy and environment area within Congress, and is instrumental in carrying out the week-to-week business of the subcommittee which I chair. For that reason alone, I commend the Environmental and Energy Study Conference for its work and purpose in Congress. Moreover, the EESC is truly a unique provider of information: it is bipartisan and bicameral in membership, and nonpartisan in its reporting. Put simply, it is an important tool to all of us in this institution, and one which we should continue to support for many years to come.●

● **Mr. LIVINGSTON.** I want to thank the gentleman from New York, our new Environmental and Energy Study Conference chairman, Bill Green, for taking this special order out to celebrate the 10th anniversary of the EESC. I also want to commend and thank the gentleman from West Virginia, Mr. Wise—our new vice chairman—and our past chairman, Mr. Wolpe for joining Mr. Green in taking out this time to pay tribute to the excellent work of the EESC.

Mr. Speaker, I have been a proud member of the study conference for approximately 7 of the 8 years I have been in Congress. For the last three Congresses, I have been privileged to be a member of the conference's executive committee. Under the able leadership of past chairman and founder Richard Ottinger of New York, Past Chairmen Gary Hart, Jim Jeffords, John Chafee, Joe Fisher of Virginia, Paul McCloskey of California, and Howard Wolpe, the conference has established a standard of excellence in reporting to its members and readers on energy and environmental issues that no organization can match.

Most importantly, the conference, throughout its history, has reported energy and environmental issues in an unbiased and bipartisan fashion unmatched on Capitol Hill. In doing so, the conference allows members to vote with a much greater awareness of the facts and politics behind a particular issue. To the benefit of the country, this awareness has resulted in the passage of worthy and beneficial legislation over the last 10 years.

For conservative members like me, the conference has provided a forum for the discussion and dissemination of views which advocate a more balanced approach in environmental and energy development and preservation. In addition, the conference has always accurately and fairly portrayed the environmental and energy issues critical to Louisiana—oil and gas drilling, injection well disposal, hazardous waste disposal, petrochemical production, drinking water, flood control, offshore development, and coastal marsh erosion.

Mr. Speaker, one of the most impressive testaments to the conference is the respect Members of Congress have for its work. The conference now boasts over 360 House and Senate Members from every political spectrum. Even more important and impressive is that the staff personnel of Members rely heavily on the conference's weekly reports, updates, and yearend reviews to provide themselves, their Members, and constituents with critical information on every energy and environmental issue addressed by Congress. Staff acceptance of the conference's work is a true barometer of the EESC's success.

Mr. Speaker, the work of the conference, its staff, members and officers in the last 10 years has been both monumental and commendable. I know the effective and able leadership of our new chairman, Bill Green, as well as our vice chairman, Bob Wise, will sustain and invigorate the excellent work the conference already performs.

Happy anniversary, EESC!

Finally, Mr. Speaker, in recognition of World Environment Day Tomorrow and in concert with the conference's 10th anniversary, I believe Members of this body would benefit from two articles on research being conducted by native New Orleanian Mark Plotkin. Mr. Plotkin, currently a Harvard ethnobotanist, to be be commended for his efforts to make all of us aware of the critical importance of our Earth's rain forests. I ask that these articles be inserted in the Record immediately following my remarks.

[From the Times-Picayune, New Orleans, LA, Apr. 1, 1984]

Jungle Researcher Seeks Old Answers to New Problems

(By Renee Peck)

When Mark Plotkin travels between his two worlds it's like crossing a time wrap—one not always traversed with ease.

In a steamy tropical rain forest, surrounded by curious Indians, Plotkin once attempted to initiate friendly conversions with the nearest breechcloth-clad native: "Hi, what do you do?"

Six months later, at a Cambridge cocktail party attended largely by spectacled Boston academics, all he could think of to say was, "Hi, what do you hunt?"

Today Plotkin laughs at that early discomfiture. In the past decade or so, he has learned to easily doff the hat of Harvard ethnobotanist for that of jungle reseachers. He is equally at home in the rarefied atmospheres of both academia and rain forest.

Supported by the World Wildlife Fund, a Washington D.C.-based organization that has spent more than $60 million on conservation projects in 131 countries, Plotkin, 28, spends every moment he can studying ethno-botany—the study of the utilization of plants by aboriginal people—in South American jungles. In between, he teaches, gives lectures and pursues a doctorate degree.

And he bounces happily back and forth between civilized world and primitive one.

He casually uses a computer to catalog plants used medicinally by South American Indians since Columbus' day. He is as proud of the fact that he was the first to catch a rare blue lizard in Venezuela as he is of the master's degree he obtained from Yale. He teaches a course to Harvard students on rain forest preservation, and is writing a textbook on Indian plants for children in South American mission schools.

But there is a single purpose to all these diverse endeavors: Mark Plotkin is out to save the rain forests.

This is no starry-eyed conservationist, no idealist who preaches the necessity of preserving the jungle to save a single monkey, a certain bird. His aim is more practical, and more realistic.

He hopes to show the economic advantages of preserving the rain forest. His aim is to make it pay by giving the world medicines and foods and materials such as latex or rubber, contraceptives or pesticides.

Plotkin traces his fascination with exotic flora and fauna to his childhood in New Orleans.

"My mother keeps saying that if it hadn't been for all those outings in Audubon Park, I'd have grown up to be something useful, like a lawyer," said the bearded young man during a recent visit home.

"I spent all my weekends running around the swamps," recalls Plotkin. "We'd head down oil roads off Highway 69 and then walk into the swamps. I was mostly looking for snakes, though I had a fascination with all reptiles."

For years, the Newman School student filled his mother's wash house—much to her despair, he says—with reptilian specimens. He fed and charted and studied a multitude of turtles and snakes and lizards. He developed a quick, sure skill with a slingshot.

That background came in handy when Plotkin went to work at the Harvard Zoology Museum in the reptile department. He also began taking night classes at Harvard. His career took its present turn during a course in economic botany taught by Richard Evans Shultes, who had spent 15 years living with Indians along the Amazon.

"I remember the slide that did it," Plotkin recalls, with a missionary gleam in his eye. "A black-and-white picture that could have been 300 years old. It was of three Indians of the Yukuna tribe, wearing barkcloth masks and dressed for the sacred Kai-ya-ree dance—it keeps away the forces of darkness. Professor Shultes said, 'See these three Indians—the one on the left has a Harvard degree.' It was him. After that, I got very interested in the Amazon, Indians and plants."

Soon after, Plotkin signed up for a summer stint in Haiti with a zoology department lizard project.

"I got down there, and they had this graduate student catching lizards," says Plotkin. "He was using a noose, and had caught nine lizards in a week. I caught 11 by hand before lunch."

Thus began Plotkin's brief career as a master lizard catcher. His days in the Louisiana swamp, he says, proved invaluable.

The next year he joined Amazon authority Russ Mittermeier on an expedition seeking a 2-foot-long rare blue lizard in a small area of Venezuela. Three expeditions had failed to snare it; the two men were successful.

"The secret went back to those old wrist rockets—wrist slingshots—I had perfected in Louisiana," says Plotkin. "You use clods of dirt to knock 'em out."

Plotkin's next stint was in Surinam, where he studied tribes of bush Negros—descendants of African slaves who had escaped in the 17th and 18th centuries into the interior where they established tribal lifestyles.

"I kept finding them using medicinal plants, and I got very interested," says Plotkin. "The bush Negros told me the best way to learn about plants would be with the Indians."

So, during a revolution in Surinam, Plotkin hopped a cargo plane and asked the pilot to fly him to the farthest point possible.

"He dropped me off on a dirt strip near the border of French Guiana," says Plotkin. "He said, 'My friend, don't go after their women, because the men will shoot you. And their arrows are poisoned.' Then he climbed in his plane and took off."

Plotkin wandered into the jungle's edge and soon was surrounded by curious Indians.

"They started pulling my hair and poking me," he recalls. "Though there were a couple of missionaries there, so they had seen a white man before. They took me in and gave me a house. I lived with them for several months."

Plotkin soon learned that it takes diplomacy, cajolery, even trickery to get Indians to share their knowledge about plants. But he persevered.

Less of a trial to him was the tropical climate.

"If you can get through an August in New Orleans," he says, "you can stand anything that the Amazon throws at you."

Since his sojourn in Surinam, Plotkin has spent every possible moment in one area of the jungle or another. And what he has seen saddens him.

"The Indians are giving up their ways. As modern medicines are brought to them, they're giving up traditional medicinal uses. Tribal taboos, for example, once prevented over-fishing. But that's breaking down. And what disappears is lost forever."

While foreign influence inevitably has brought change to the jungle, the biggest threat comes from the natives themselves, Plotkin says.

"They're shifting to agriculture on a scale the rain forest can't handle. Population growth has caused them to clearcut trees to plant crops. An area of forest the size of Louisiana is clearcut every year."

The loss, for Plotkin, is not just a cultural one. He thinks that many plant species approaching extinction could be of great benefit to mankind—and are disappearing before their potential uses can be explored.

"Who knows how many cures for cancer are going up in smoke? Or new contraceptives? As the ecologist Aldo Leopold said, the first rule of intelligent thinking is to save all the parts.

"We already use an extract of curare in abdominal surgery in hospitals everywhere. And curare cannot be synthesized in the lab."

Other rain forest plants used widely today include those that produce quinine; rotenone, a biodegradable pesticide; and, of course, such common products as rubber and fiber. Not to mention those foods with tropical origins, such as oranges, black pepper, cinnamon, chocolate, vanilla, rice, corn and sugar cane.

Plotkin says that 90 percent of the plants used medicinally by the Indians are unknown to scientific researchers.

"In Surinam alone, more than a hundred plants are used by the Indians as medicine. Some of those might even be unknown species. And I think the percentage of plants that could be useful to us is high."

Some of these exotic plants, believes Plotkin, may one day be as common as corn is today. The rosy periwinkle, he says has six antitumor alkaloids and already is being used in cancer research. NASA is interested in a Caribbean drug that slows the metabolic rate and could have applications for extended space travel. The copaifera, known as "the gasoline tree, can produce up to 20 gallons a year of diesel-like heavy oil.

So far, very little money is being poured

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ronmental and energy legislation,

So far, very little money is being poured into research on the economic potential of the jungle. Plotkin hopes to change that.

With a grant from the World Wildlife Fund, he will conduct a pilot study next January of the rain forest as a renewable resource. He hopes that his research will prove that the jungle can pay its own way.

He will take a sample section of jungle and inventory it for economic value—so many dollars if it is clearcut, so many if planted with crops, so many if medicines and products are removed from it.

"Most of the people who live in the rain forest are trying to feed a family," says the scientist. "They're hungry. If you tell them we should save the forest for conservation reasons, they couldn't care less. But if you say, look, the forest will be worth more to you this way, it means something to them."

While bringing big business to the jungle—in the form of rubber plants or fiber mills or medicinal laboratories—has its own problems, Plotkin finds it the lesser of two evils.

"Take the rubber trees. Do you want the people to cut the rubber—or cut the trees? It's inevitable that civilization will come to the jungle. The only question is, how?"

[From the New Age Journal, February 1985]

Environment: Healing Trees

Mark Plotkin walked through the Surinam jungle one day beside a Tirió shaman, asking about the medicinal uses of the plants they passed. The shaman, however, remained silent, so Plotkin tried another tack. Pointing to a plant at random, he said, "Grandfather, in our country we use this to treat dandruff." Exasperated, the shaman blurted out, "No! Everyone knows that plant is for earaches."

Plotkin, an ethnobotanist at Harvard University's botanical museum, has been trying to learn plant lore from reluctant herbalists and medicine men in Surinam since 1977. Because our prescribed drugs come in brightly colored capsules, we don't realize how many medicines originate in places like the jungle. Indians use curare, for instance—which we use as a muscle relaxant and anesthetic—as arrow-tip poison; and during Plotkin's latest trip, he found golobé, a fungus which the Tirió Indians use to treat earaches. Plotkin suspects it is an antibiotic. "If we had paid attention," he says, "we could have discovered antibiotics hundreds of years ago."

Only a few pharmaceutical companies have approached Plotkin about his work. Although many of them tried researching plants back in the '40s and '50s, the approach was unprofitable, according to Dr. David Berman, professor of pharmacology at the University of Southern California Medical School. "The problem with plants is that there are so many things in there," he says. "You can't tell what constituents are useful or working." Isolating these constituents is a long and expensive process, and according to Dr. Bruce Medd, director of professional and marketing services at Roche Laboratories, testing drug formulas through such techniques as computerized molecular modeling is easier and more efficient than chemically testing leaves and powders through trial and error.

Plotkin is not concerned about the lack of interest from pharmaceutical companies, though. He is motivated by the hope that his work will help not only the medical community but conservationists, botanists, resource planners, and Third World developers. With funding from the U.S. division of the World Wildlife Fund, he is compiling a catalog of useful Amazonian plants. It will have some 4,000 entries, cross-referenced by geographical distribution, local usage, chemical composition, and economic value. "You can't go to the leaders of a debt-ridden nation like Brazil," he explains, "and say 'Don't cut down the rain forest because there are cute animals which will suffer if you do.' But you can go and say, 'You shouldn't cut down the rain forest because you have an edible oil there, and you are spending millions of dollars each year on olive oil imports.' In this way, conservation speaks."—Leonora Wiener ●

● Mr. WALGREN. Mr. Speaker, I want to add my voice to the many others who are here today to congratulate the Environmental and Energy Study Conference on its 10th anniversary. As a member of the Energy and Commerce Committee's Subcommittee on Health and the Environment and Subcommittee on Fossil and Synthetic Fuels, I have deep interest in the work performed by EESC which has made a real contribution to the debates over environmental and energy policies over the past decade.

The conference has done an excellent job in steering Members of Congress toward the proper balances between our energy needs and concerns over protecting the environment. Congressional deliberation over issues ranging from natural gas policy to the Clean Air Act has been all the more meaningful and effective because of the bipartisan leadership and support services provided by the EESC. The substantive and timely newsletters and briefings on a wide range of issues have helped me tremendously over the years, and I look forward to continuing to work with the EESC.

I want to especially congratulate those who have served as officers of the EESC over the years for their leadership and initiative. The current cochairmen, Howard Wolpe and Patrick Leahy, have continued to lead the EESC in the proper direction, and they each deserve our appreciation.●

● Mr. BONKER. Mr. Speaker, I am pleased to join my distinguished colleagues in this special order in recognition of two important events: the 10th anniversary of the founding of the Environmental and Energy Study Conference and the 13th World Environment Day.

Over the years, the EESC has consistently provided the Congress with the highest quality information about energy and environmental issues and pending legislation in these areas. I commend the present and past chairmen, officers, and staff of EESC for their outstanding work and the contribution they have made to improving and expanding our knowledge of these vital matters.

The other event we are commemorating—World Environment Day—offers the opportunity to review the state of the global environment and the progress we have made in concert with other nations in addressing problems that defy national boundaries. As a member of the Foreign Affairs Committee and as one who has been intimately involved in international environmental matters, I am proud of the leadership the United States has exercised in this area for more than a decade. Our committee has played an active role in strengthening the environment and natural resource component of our bilateral and multilateral foreign assistance programs, particularly in the critical areas of tropical deforestation and the conservation of biological diversity. The Foreign Affairs Committee has helped assure that U.S. financial support for the U.N. Environment Program remains commensurate with our commitment to the important work of this U.N. agency. We have also taken the lead in pressing for an end to the commercial killing of the world's threatened whale species through the International Whaling Commission.

As we consider the accomplishments of the last 13 years in the international environmental field, we must not lose sight of the many difficult problems which remain on the global environmental agenda. We should use the occasion of World Environment Day to renew our commitment to working with other countries to resolve these complex problems.●

● Mr. SEIBERLING. Mr. Speaker, World Environment Day provides us with an excellent opportunity to examine the environmental issues that confront our world. While the United States has come a long way in recent years in protecting our environment, many problems remain, both at home and abroad.

At home we still face such environmental problems as acid rain, groundwater contamination, desertification, and the cleanup of toxic wastes. These problems do not stop at our borders, however. For example, our native songbirds are in danger of extinction because their winter habitats in Central and Latin America are rapidly being destroyed. The Canadians are concerned about the acid rain originating in our country and we, in turn, are alarmed by the pollutants that will soon be coming across our border from smelters in Mexico. It is, therefore, increasingly important that we in Congress look at environmental issues in a global context.

Last November, I was asked to represent the United States at an Inter-Parliamentary Conference on the Environment sponsored by the Inter-Parliamentary Union [IPU] in cooperation with the United Nations Environment Programme [UNEP]. Forty-two nations were represented at the conference, including all the leading

industrial nations and many less developed countries. This was IPU's first conference on this subject, and it represents the type of coordinated action that is needed to deal with environmental problems on an international scale.

The conference examined the changes in the world environment that have occurred during the 10 years since the first United Nations Conference on the Human Environment in Stockholm in 1972. We looked at both the successes and failures over the past decade in coming to grips with many of the pressing environmental issues that confront us. The focus was not to pat ourselves on the back but to examine what remains to be done.

The conference came up with a number of excellent recommendations for addressing international environmental concerns. One of the resolutions called for the IPU, in cooperation with UNEP, to convene a meeting in 1986 to survey progress made in implementing the conference's recommendations. I understand that this was followed up by an additional resolution adopted by the full IPU Council at its meeting in Togo this past spring, a copy of which I would like to insert at the end of my remarks. Among other things, the resolution requests IPU's Secretary General to study the possibility of giving effect to the proposal to hold a meeting to survey the progress made in implementing the recommendations of the November 1984 conference.

I hope that all of us who deal with environmental issues in our committees and other congressional activities would develop the practice of looking at the international ramifications, as well as the national aspects, of the decisions we make and the problems we confront. The prospective 1986 IPU-UNEP conference should provide an excellent focus for such an effort and a way to share our information and learn from other countries as well.

Among other things, we in the Congress can review, through our relevant committees, the various international aspects of the environmental activities of relevant Federal agencies. For example, the Department of the Interior is quite active, through the National Park Service and other agencies, in providing foreign countries with technical assistance on park and conservation matters. In looking at these programs, the mandates of the Federal agencies need to be examined to determine whether additional language is needed to enable them to work more effectively.

Additionally, it would be helpful to convene an intercommittee meeting or workshop of Members of the relevant House and Senate Committees to discuss our roles and responsibilities in addressing environmental issues in Congress. I would hope this could be done well in advance of the next IPU-UNEP conference, perhaps in collaboration with an organization such as the Environmental and Energy Study Institute, which is currently conducting a study of the environmental problems facing developing countries.

Last, I would simply note that we in the Congress have a great opportunity to build upon the excellent environmental record we have already achieved. By working together with other countries, we can truly keep the world a livable place for us and for future generations. I urge all Members to help in this effort.

At this point I would like to place in the Record a copy of the IUP resolution on implementing the recommendations of the IPU-UNEP Conference.

IMPLEMENTATION OF THE CONCLUSIONS AND RECOMMENDATIONS OF THE INTER-PARLIAMENTARY CONFERENCE ON ENVIRONMENT

Resolution unanimously adopted by the Inter-Parliamentary Council at its 136th session (25 March 1985)

The Inter-Parliamentary Council,

Having considered the results of the Inter-Parliamentary Conference on Environment, held in Nairobi from 26 November to 1 December 1984,

1. Expresses its gratitude to the National Group of Kenya for hosting the Conference and for the cordial welcome and hospitality extended to the participants;

2. Thanks the United Nations Environment Programme [UNEP] for its active and generous support at all stages of the project;

3. Notes with satisfaction the Conclusions and Recommendations unanimously adopted by the Conference;

4. Endorses in particular the recommendations of the Conference that the National Groups should:

(a) Bring the Conclusions and Recommendations of the Conference to the attention of their respective Parliaments and Governments and promote their implementation;

(b) Give wide publicity to the findings of the Conference through the information media and national environmental groups;

(c) Encourage the establishment of parliamentary committees on environment (where this has not already been done) and promote contacts between their Parliaments and the representatives of UNEP and other international organizations concerned with the environment, so as to facilitate the progressive implementation of the recommendations of the Conference;

(d) Inform the Secretariat of the Inter-Parliamentary Union of the steps taken and the results achieved so that it may transmit this information to the other National Groups, UNEP and the other relevant international organizations;

5. Requests the Secretary General to study with the Executive Director of UNEP the possibility of giving effect to the proposal concerning the holding of a meeting to survey progress made in implementing the recommendations of the Conference.●

● Mr. FISH. Mr. Speaker, it gives me great pleasure to stand here today to commemorate the 10th anniversary of the founding of the Environmental and Energy Study Conference.

This organization has consistently been the most useful resource for environmental and energy legislation. Since its founding, the Environmental and Energy Study Conference has provided nonpartisan material on every environmental issue that has come before this body. Their concise analyses of proposed legislation and up-to-date information on possible floor amendments help us make informed decisions. Their timely briefings on issues and legislation provide us and our staffs with the wherewithal to keep current on upcoming environmental concerns. These briefings have served as informal forums for the sharing of views and the consideration of policy alternatives. One measure of the conference's efficacy at keeping abreast of the issues of major Federal environmental concern was the recognition of the importance of maintaining a Federal energy policy in keeping with our environmental concerns.

Perhaps the most important service the conference has rendered is in helping guide us through the tremendous energy and environmental challenges we face. I would like to congratulate my friend, former Congressman Richard Ottinger, for his foresight in recognizing the importance of an organization of this caliber, both to serve our informational needs, and to focus our attention, and the attention of our constituents, on the importance Congress places on environmental and energy issues. I am proud to have been elected to the executive committee of the conference. The EESC has become a vital institution, helping us keep pace with the increasing environmental and energy challenges that we face.●

● Mr. BROWN of California. Mr. Speaker, I am pleased to rise to congratulate the Environmental and Energy Study Conference [EESC] today on the occasion of its 10-year anniversary. As a long-standing member of EESC, and as a member of its executive committee, I can say from experience that this organization is not only the largest of the legislative service organizations serving Congress, but it is also one of the most effective organizations. The work of the staff is always professional, accurate, and nonpartisan.

The study conference provides its members with valuable publications tailored to meet the various needs of Members and their staff regarding energy and environmental legislation before the House and Senate. ESSC provides research materials to assist Members in their work here in Washington as well as in their districts. The study conference occasionally polls its members to ensure that the services provided match the needs of the members. The staff is very professional, and always willing to help Members in their work, even when under deadline to get the Weekly Bulletin, or another

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of the EESC publications, to the printers.

Mr. Speaker, I urge my colleagues who are not members of the Environmental and Energy Study Conference to seriously consider becoming members. I again congratulate the study conference on its 10-year anniversary, and look forward to continuing my work with this fine organization.●

● Mr. ECKART of Ohio. Mr. Speaker, the contributions of the Environmental Study Conference over the past decade have been innumerable. We have often been the catalyst in surmounting obstacles to environmental legislation in the Congress. The conference has played a significant role in protecting our environment and in assisting in the fashioning of commonsense laws in an era of constant demands for trade offs between economic considerations and the interests of effectively protecting our environment.

My interest in the conference has been one of being concerned with ensuring that the right of the people to a safe and decent environment is given consideration equal to the demands of those special interests who would weaken our environmental laws. The choices between the environment and economic interests are often difficult. The environmental movement is to a large degree the very heart of our political system. Our system holds that no person or no company should place their profit ahead of the rights of people to live in a safe and healthy enviroment. The first half of this century was too often marked by unprecedented spoiling of our environment. The supreme necessity to guarantee a safe environment was relegated to second place. It did not share equally with other economic demands in our society. In the latter part of this century we have learned painfully and harshly that a safe environment is a human right and essential to those who are advocates of human welfare and protection, not destruction of our environment and precious resources.

We cannot forget that we are the heirs of an ancient heritage and we serve as the stewards for the preservation of that heritage. We dare not risk passing on to future generations an environment more battered and more abused. The environmental study conference during the past 10 years has contributed to this kind of understanding and commitment. The conference has performed a valuable service. It deserves our commendation and our support, so that the next 10 years can be even more productive. Thank you very much.●

● Mr. O'NEILL. Mr. Speaker, today I join my colleagues in extending congratulations and many thanks to the Environmental and Energy Study Conference for their 10 years of service to the Congress.

Since its founding in 1975 by our former colleague Richard Ottinger, the conference has provided Members and staff with accurate, precise, and unbiased information that allows the individual to understand the many complex and pressing areas of our country's environmental and energy issues.

This bipartisan and bicameral organization has enabled the House and Senate to tackle the task of implementing comprehensive legislation that ensures the protection of our Nation's natural resources and environment. The Environmental and Energy Study Conference's Weekly Bulletin, provides valuable analysis that allows Members to track the issues, monitor committee action and upcoming floor debate and qualifies all disputes that emerge.

The task before the 99th Congress in regards to environmental laws and policies is by no means an easy one. I am certain the services furnished by the conference will aid Members and staff in considering policy alternatives and to explore the global environmental issues confronting our world today.

I commend the chairmen, the executive committee and the staff, both past and present, for their invaluable contributions to our legislative process. I wish the conference continued success in fostering a conscientious and informative arena for debate and action on environmental and energy issues.●

● Mr. REGULA. Mr. Speaker, it is a pleasure to join with my colleagues in congratulating the Energy and Environmental Study Conference on its 10-year anniversary. The work of the conference has been instrumental in providing current, nonpartisan information to Congress in the important energy and environmental issues of the day.

The commemoration of this anniversary also falls on the eve of World Environment Day, providing us an opportunity to reflect on the status of our environment and our energy resources. Further, it enables us to pause for a moment to assess our accomplishments and to set new goals for protecting our environment in the future.

For centuries man has been contaminating his environment, especially in urban areas where air and water pollution have been almost constant concerns. Not until the 1970's, however, did Congress view such pollution as a national problem, requiring national policy decisions. As a responsible society, we have realized that, in the words of Lester Brown in "Building a Sustainable Society," "We have not inherited the Earth from our fathers, we are borrowing it from our children."

With this philosophy Congress enacted major pollution control legislation. As we reflect on these acts and their amendments over the last decade, we witness major accomplishments in the decrease of industrial pollutants and municipal discharges and a reduction in the amount and types of air pollution. From 1976 until 1982, for example, we have decreased sulfur dioxide emissions by 33 percent.

As Congress again prepares to amend these crucial acts during the 99th Congress, we look toward a more effective control of nonpoint source pollution in the protection of water resources and a decreasing number of air pollutants being emitted into the atmosphere.

More frightening to our society than air or water pollution, however, are the implications of contamination of our environment by hazardous wastes. While Congress has asserted a two-pronged approach to the effective management of hazardous wastes, in the forms of the Resource Conservation and Recovery Act [RCRA] and the Comprehensive Environmental Response, Compensation, and Liability Act [CERCLA] or Superfund, the hazardous waste crisis continues to mount.

According to a report from the Conservation Foundation in "State of the Environment," approximately 2,500 pounds of hazardous waste per capita is generated annually. While our technologies for rendering hazardous wastes harmless continue to fall short of our needs, we are pressed with the continuing dilemma of proper treatment, storage, and disposal of the culprit. The 1984 amendments to RCRA seek to protect more stringently our environment, and especially our groundwater resources.

Clearly, the most discouraging environmental program Congress has enacted in terms of accomplishment is Superfund. With 538 sites already on the national priority list, more than 200 sites recommended for inclusion on the list, and the estimated number of total sites on the list reaching between 1,400 and 2,200, our Nation's contamination problems seem insurmountable.

I share the firsthand knowledge of the tragedy which the discovery of a hazardous waste site can bring to a community. Like many of my colleagues who also possess current or potential Superfund sites in their districts, I daily confront the problems of a family's concern for the quality of its drinking water and the inability to sell its home.

While both the House and Senate are currently developing the extension of Superfund for an additional 5 years, with a more than fivefold increase in funding, the question of our ability to effectively solve this problem remains.

Critical concerns in the Superfund reauthorization include the "how clean is clean" debate and the issue of victims' compensation. While all of us

in Congress share the common goal of resolving the crisis of soil and water contamination due to hazardous waste sites, we must recognize the overwhelming challenge of this task.

With this urgent need to both protect that environment which has been contaminated and to prevent further contamination, comes the necessity of properly treating the environment as we remove the world's natural resources to sustain our standard of living and our industrial strength.

From the early days of our Nation's development, our society has viewed its energy resources as infinite, taking advantage of their low prices and seeming abundance. During the 1970's, however, the Nation was devastated with the oil shocks of 1973 and 1979, forcing a reevaluation of our treatment of these resources.

This trauma brought about a new resolve in our Nation to formulate a national energy policy, with President Carter dubbing our energy situation the "moral equivalent of war."

Out of this crisis atmosphere in 1980 emerged the Energy Security Act which, among other things, created the Synthetic Fuels Corporation and mandated a resumption of filling of the strategic petroleum reserve.

The act declared: "the achievement of energy security for the United States is essential to the health of the national economy, the well-being of our citizens and the maintenance of national security."

Five years later the goal of achieving energy security remains no less admirable, but I fear, just as elusive. Unfortunately what has changed today with respect to our energy policy is the sense of urgency felt in the 1970's.

Former Energy Secretary James Schlesinger summed up our country's response to energy policy well when he said, "this country vacillates between panic and complacency. We're in a complacency period right now and that is going to induce another panic."

An article entitled "Synfuels" written in 1979 cited several issues influencing congressional decisionmakers on the synfuels issue. These included:

Political and military vulnerability caused by the U.S. dependence on imported fuels; gasoline lines; high inflation rates and large balance of trade deficits caused by the outflow of $60 to $70 billion to the Organization of Petroleum Exporting Countries [OPEC]; U.S. inability to influence OPEC price and production levels; and Middle East instability.

Since that article appeared in December 1979 gasoline lines have disappeared and inflation has been controlled. On the other hand trade deficits have reached record high levels, the situation in the Middle East is no more stable, and oil imports are once again on the upswing.

In fact, after years of progress in cutting energy dependence, the United States is once again losing ground on several fronts:

Oil imports rose last year for the first time since 1979; U.S. oil companies are cutting back sharply on exploration needed to assure future domestic supplies—partially an involuntary response to congressional actions which keep limiting their options, that is, moratoria on Outer Continental Shelf explorations in certain areas, bans on leasing in wilderness study areas; the strategic petroleum reserve, the U.S. Government stockpile of crude oil stored for an emergency, stands far short of its planned goal and Congress continues to slow the rate of fill; and Government support for fossil fuel research and development, as well as for synthetic fuel demonstration projects continues to decline.

Charles DiBona, president of the American Petroleum Institute, earlier this year warned that "We are at the high point of our energy security and consumer comfort * * * in terms of the availability of supplies and the percentage of consumption we import. A number of factors suggest that the improvement that has occurred since the last oil crisis in 1979 may be peaking."

This forecast is supported by estimates that the huge Prudhoe Bay field is expected to fall from the current 1.5 million barrels of oil per day to between 250,000 and 750,000 barrels. This loss equals three to six times as much oil as America lost in 1979, following the Iranian revolution. To compensate we would have to increase imports 22 to 35 percent above present levels.

I serve as the ranking Republican on the Interior Appropriations Subcommittee. Many of this subcommittee's decisions impact on our future energy policy and posture.

In 1978, in the midst of the energy crisis, Congress by an overwhelming majority mandated expedited exploration and development of the Outer Continental Shelf. Just 3 years later the Interior Subcommittee imposed a ban on oil and gas leasing activities on portions of the Outer Continental Shelf. The acreage under prohibition has grown from 736,000 acres in 1981 to nearly 45 million acres in 1985.

The 4-year ban on leasing off California has rendered unavailable an estimated 850 million barrels of oil, more than twice as much as we have stockpiled in the strategic petroleum reserve. With oil prices down and seemingly plentiful supplies, we run the risk of being lulled into a false sense of security. There is no immediate crisis today, making it the opportune time to pursue a responsible leasing program.

The Interior Subcommittee also has jurisdiction over funding for fossil energy research and development programs, strategic petroleum reserve construction and filling, leasing on Federal onshore lands, and the Synthetic Fuels Corporation.

The subcommittee has always been a strong supporter of the Synthetic Fuels Program. A number of managerial problems, however, have eroded confidence in the Corporation and by implication, its mission. A number of these problems are, in part, a result of the crisis atmosphere in which it was created in 1980.

Now, with the energy crisis seemingly at bay, we are just as precipitously considering dismantling the Synthetic Fuels Corporation. This may or may not be wise policy, but I am struck by how many of the conditions precipitating creation of the Corporation remain unchanged between 1980 and today.

The same article I quoted earlier, "Synfuels," pointed out that major economic and regulatory uncertainties are associated with synfuels commercialization and investment in many synfuels projects will be risky and expensive. This is as true today as it was in 1980.

When the Synthetic Fuels Corporation was created, synfuel production was seen as the key to reducing our dependence on imported oil, as well as the main source for our long-term energy needs. In 1980, oil prices were projected to continue to increase to extremely high levels, making synfuels economically competitive.

A severe economic recession, increased conservation in response to higher oil prices, and increased production from non-OPEC sources, have combined to lower prices.

Whether prices rise or continue to drop, most experts believe our dependence on imports is once again on the upswing, making us no closer to the original goal of energy security then we were 7 years ago. The Energy Information Administration predicts imports will climb to 40 percent of U.S. oil consumption in 1990. That percentage could approach 44 percent—or the highest since the 1977 peak—if world oil prices continue to fall.

The Synthetic Fuels Corporation, if it serves no other purpose, should stand as a monument to the flaws of crisis management. While the goal was and is admirable, the Corporation has disappointed even its most ardent supporters.

Today we have no energy crisis, so as former Secretary Schlesinger notes, we appear complacent. I see this complacency manifested in a number of actions which individually may seem insignificant, but collectively signal a complete abandonment of our 1978 goal of energy security.

In 1978 Congress mandated accelerated exploration of the Outer Continental Shelf. In fiscal year 1980 Congress appropriated $20 billion for the Synthetic Fuels Corporation and $746.6 million for fossil energy research and development.

In fiscal year 1985 Congress rescinded $7.4 billion from the Synthetic Fuels Corporation and funding for fossil energy research and development dropped to $280.6 million. That same year nearly 45 million acres of the Outer Continental Shelf were withdrawn from potential exploration and approximately 50 million acres of onshore Federal lands were excluded from oil and gas exploration. That same year Congress also agreed to slow the fill rate of the strategic petroleum reserve to 159,000 barrels per day from a 1981 peak of 292,000 barrels per day, and earlier this year the committee agreed to further reduce that rate to a minimum of 50,000 barrels per day.

Minus an energy crisis we are retreating on all fronts from our objective of energy security. This is a very unwise policy.

Elihu Bergman, executive director of Americans for Energy Independence wrote in a recent article entitled "The Glut Will End" that:

> * * * before we become too comfortable with the gratifying spectacle, we had better take stock, because there may be more thunderbolts over the horizon. The seductively attractive vision of today conceals ambushes that are building up to afflict us in the 1990's.

From a national security perspective, a balance-of-payments perspective and from the perspective of insuring that our domestic energy industries can continue to compete in a world market, we must pursue a balanced energy program. We cannot afford to put all of our eggs in one basket as we did in 1980 with the creation of the Synthetic Fuels Corporation. Neither, however, can we afford to tie the industries hands by continuing to shut-off more and more areas from exploration.

Even now our domestic industry is showing an inability to produce enough to keep pace with demand. While demand was down the problem was masked. Weak prices and some major drilling disappointments are crimping domestic oil production. A strong dollar favors development of foreign, rather than domestic energy sources and recently the Department of the Interior lowered its estimates of the resource potential of the Outer Continental Shelf by 55 percent.

Bergman believes world oil demand will increase significantly in the 1990's with the major pressures on world oil supplies coming from the less developed and Communist countries. According to Bergman:

> We have about 5 years in which to do something about this gloomy but inevitable prospect. To get anything done we had better start now, in a noncrisis atmosphere when we are less likely to do wrong things. But doing so requires a reversal of our traditional national behavior.

We must begin that reversal now if Bergman's words are not to come back to haunt us.

Reflecting on these crucial energy and environmental issues, I compliment my colleagues in the responsible policies which they have pursued over the past decade. Through the legislation enacted by this body, we have witnessed the revitalization of our Nation's water resources and the cleaning of our air. We have taken the responsibility of tightly regulating the disposal of hazardous wastes in an attempt to prevent environmental contamination, and we have begun the long process of cleaning up that environment which we have contaminated.

We have enjoyed the return of a low price for our natural resources including fuel oil, gasoline and coal, and we even face the prospect of lower natural gas prices in the near future. We have created a reserve of oil in the strategic petroleum reserve to protect our Nation from a cutoff in oil imports for 108 days by the end of this fiscal year.

Let us take this moment to assess these accomplishments and challenge ourselves to improve upon their effectiveness. Only with these goals may we, as a responsible society, turn over a safer and more plentiful environment to our children.●

● Mr. DERRICK. Mr. Speaker, I rise today to recognize the 10th anniversary of the Environmental and Energy Study Conference. Since 1975 this conference has provided Members with complete and timely reporting and briefings on the full range of energy and environmental issues. Under the capable new leadership of Chairman BILL GREEN, I am sure the conference will continue in the tradition of excellence set by the founder of the organization, Richard Ottinger.

I have been a member of the conference for 9 of its 10 years and have found the quality of information to be consistently topnotch. On countless occasions I have depended on the EESC for an unbiased analysis of current legislation. In addition to the Weekly Report which provides information on recent activities and upcoming hearings, the conference schedules briefings from the experts and policy makers on the important issues of the day. The Briefing Book which encapsulates each issue in a short cogent summary is well used by my staff as well as myself.

This anniversary celebration is particularly timely as tomorrow is also to be commemorated as World Environment Day. It is appropriate that we take this opportunity to recognize and remain mindful of the far-reaching implications resulting from tampering or misuse of our environment. For example, we have seen how the release of noxious chemicals from powerplants in North America causes acid rain which in turn has contributed to damage to European forests, especially in Germany. It is time that we begin to recognize the world as a great ecosystem with complicated interdependencies among all the subsystems.

We must acknowledge our responsibility to maintain the faithful stewardship of our natural resources in the manner that was set by our forefathers. With care and patience, we can restore some of the harm done to our natural lands in the past. However, there is no replacement of our clean water and air. The EESC is rich in its own resources and has demonstrated its appreciation of the work we have ahead of us. I am proud to be a member of such a group and to offer my tribute to this 10th anniversary.●

● Mr. YATRON. Mr. Speaker, I rise to join my colleagues in commemorating the 10th anniversary of the Environment and Energy Study Conference, and to discuss pressing global environmental issues. I want to commend the gentleman from Michigan, Congressman WOLPE and the gentleman from New York, Congressman GREEN for their leadership in holding this important special order.

The study conference is the biggest service organization in Congress, consisting of over 360 Members of the House and Senate. The large membership reflects the importance of energy and environmental issues and the study conference has made a valuable contribution toward congressional deliberations of these matters. Throughout its 10 years, the study conference has conducted briefings, issued publications, offered informal forums, and hosted special activities which have kept members informed and sharpened the discussion of energy and environmental legislation.

The study conference has been a great help to me. As chairman of the Subcommittee on Human Rights and International Organizations—which has jurisdiction over the international environment—I have actively worked to address some of the world's most pressing environmental issues, and will continue to do so. I would like to take this opportunity to introduce a resolution in support of the United Nations Environment Program.

In 1972, the United Nations declared that June 5 is to be observed worldwide as World Environment Day. The date commemorates the anniversary of the United Nations Conference on the Human Environment, held in 1972 in Stockholm, Sweden. The Conference was attended by representatives of over 113 countries and was the first time that environmental problems were formally recognized as a matter of global concern. It is often described

as a watershed event in the effort to address global environmental issues.

It is particularly appropriate that we use this day to recognize the United Nations Environment Programme. UNEP was created as an implementing secretariat after the Stockholm Conference. It is an independent agency of the United Natons family and is funded by voluntary contributions from member governments. It is governed by a governing council of 58 nations representing the major regions of North America, Latin America and the Caribbean, Europe, West Asia, Africa, Asia and the Pacific. UNEP's headquarters is in Nairobi, Kenya—the first U.N. agency to be headquartered in a developing country.

Among U.N. agencies, UNEP serves an advocate for the protection of the environment and natural resources, and encourages the integration of environmental criteria in development projects to avoid unnecessary economic and social costs. It is due largely to UNEP's catalytic role that over 110 nations now have national environmental agencies.

UNEP has made an immeasurable contribution to the protection of our global environment. Some of its most notable achievements include:

The first World Industry Conference on Environmental Management, hosted by the French Government in November 1984. The meeting was a first by a U.N. agency in cooperation with the International Chamber of Commerce, and provided business and industry worldwide with a forum to promote sustainable development in the Third World.

The establishment of a worldwide International Registry for Potentially Toxic Chemicals. This was done in cooperation with industry and governments as an information bridge between developed and developing countries in response to a need by the latter to ascertain the health implications of importing, exporting or using chemicals.

In 1980, UNEP instigated the formation of the Committee on International Development Institutions on the Environment [CIDIE]. This mechanism has proven to be a crucial first step in fostering the integration of environmental criteria in international financing.

UNEP has established a Global Environment Monitoring System [GEMS] to develop methods to store, retrieve, and analyze natural resource data.

UNEP embraces over 120 countries through 11 regional seas programs whereby nations sharing common coastal waters have begun the difficult process of creating common calibrations in monitoring coastal water pollution.

I also want to take this opportunity to announce that the subcommittee will be conducting a hearing on U.S. Policy on Biological Diversity on June 6, 10 a.m. in 2200 Rayburn. Biological diversity refers to the myriad life forms that exist on Earth. The preservation of these life forms is, perhaps the most fundamental environmental problem facing humankind, as it is critical to the maintenance of our ecosystem and to our way of life. Scientists have documented how the loss of biological diversity affects atmospheric quality, climatic stability, water supply, soil fertility, disease and pest control, the improvement of crop and livestock yields, the development of new medicines and pharmaceuticals and many other important scientific and industrial undertakings.

One of the most informed discussions of biological diversity was presented in an address by Mr. Thomas E. Lovejoy of the World Wildlife Fund, to the Annual Conference of the New York State Association of Independent Schools on November 1. The speech is entitled, "Making the World Safe for Diversity" and I want to make it available to my colleagues through the CONGRESSIONAL RECORD.

MAKING THE WORLD SAFE FOR DIVERSITY

(By Thomas E. Lovejoy)

Whenever I see a copy of the International Herald Tribune I feel a twinge of nostalgia for the New York Heralds Tribune—now extinct for many years. I am also reminded of that frosty morning in 1957, when as a schoolboy I picked up my copy of that newspaper with its so comfortable typeface, and read of a new voice in the heavens: that of Sputnik. Soon the United States government began channeling funds at a major rate into American science and science education at an unprecedented rate, with an emphasis on physical sciences and technology.

Five years later the environmental destruction engendered by the arms race in the form of the Aswan Dam, led me to Egypt on behalf of Yale's Peabody Museum of Natural History. Early that autumn I participated in a collecting expedition for mammals of the Eastern Desert. Like most desert animals they are nocturnal so we took jeeps into the desert by night. To be both safe and effective we needed an experienced guide so our first destination was a Bedouin camp.

There we participated in an age old ceremony. A rug was laid out upon the sand, transforming the entire Sahara into an enormous livingroom. We removed our shoes, sat upon it, and drank tea, bathed in the brilliant but pallid blue light the moon casts in the desert. At that moment, I by chance looked up to see one of the early statellites pass overhead. That was the moment when I first noted the traditional and modern worlds rushing apart like galaxies propelled by the Big Bang. Today I would also think of it in terms of the furtility of pinning hopes on a star when our feet remain fettered by degraded and impoverished environments like those of most of the Middle East and parts of the Mediterranean.

One has only to look around to see the signs of environmental deterioration. Yesterday's New York Times reports that 50% of West Germany's forests are affected by acid rain or other pollution. In Nepal the mountains are being stripped of forests; the erosion is fierce and destroys the land. It chokes hydroelectric projects with silt which, its benefits lost to agriculture, otherwise plunges to the Gangetic Plain. The World Bank considers this deforestation such a problem as to make it the top priority for its work in Napal.

In the tropics the forests are in full retreat. An area the size of Great Britain is deforested every year. The topics approach the ideal conditions for life as we know it: of continual warmth and wetness. Here life reaches its fullest expression, and the diversity of life reaches astounding levels. Perhaps half or more of all species of plants and animals occur on this 6% of the earth's surface, and the arrangements between them are novel and complex. There is a potential, about to be realized in the tropics, for mass extinctions of a sort never experienced in human history—of several hundreds of thousands of species out of a world total of somewhere between three and ten million.

The imprecision of the estimated total number of species on earth indicates part of the problem—despite the much vaunted achievements of the modern scientific enterprise, we remain largely ignorant about that branch of science most important to us as living creatures—namely biology. Only a million and a half species have actually been described, and the number reasonably studied and understood in terms of present knowledge can only be in the hundreds. And even for those few there is much to learn as knowledge expands. Why should anyone be surprised when biologists sound weak when asked about the merits of a particular species?

The world is made up of physical gradients of temperature, moisture, pressure, pH, and concentrations of various elements and molecules. The animals and plants that live near the ends of these gradients are of great interest to biologists. How do the archaeobacteria survive temperatures greater than the boiling point of water? Some years ago Ruth Patrick's laboratory discovered a yeast generally very rare because it is found only in waters of high mercury content. It is capable of removing mercury compounds from water and depositing quicksilver in a vacuole. The potential usefulness of this species in cleaning up waste and polluted waters is obvious.

These species at the ends of gradients are even more useful in what they can tell us about the limits under which life can exist, and the solutions these species have evolved for such extreme conditions. These are the real environmental extremists and they are to be treasured. The point is really valid for all species: namely the full potential for the growth of biological knowledge depends on the ability to study the full variety of life on earth.

I occasionally encounter the attitude of why bother about these extinctions when extinction is the almost universal experience of all species of life to have existed on this planet? I usually see a glimmer of understanding when I ask if the questioner would like to visit the herd of small dinosaurs that I have managed to sequester in the South Bronx. We in North America consider Limulus, the horseshoe crab as rather ordinary, but for scientists visiting for the first time it is a special treat to glimpse a species apparently little changed in the course of 150 million years. My apocryphal dinosaurs and the humble horseshoe crab both relate to the importance of biological knowledge and all its attendant benefits for human society. The massive extinctions which loom would be a devastating anti-intellectual act.

Another version of this approach is to remain passive about it all. Mass extinctions have occurred before so shouldn't we just let things take their course? Only recently has it appeared that mass extinction may be a somewhat regular event. Why this has only just come to light I don't know. One is tempted to say the paleontologists had their heads in the sand but, then again, that is their job. But today's situation and that of the dinosaurs are not analogous, and besides it probably wasn't much fun to be a dinosaur in those last saurian moments. The dinosaurs did not do it to themselves; their world fell apart beneath them. We have the ability to prevent this if we wish, and unless nuclear winter is invoked, I doubt our actions will lead to our own extinction, although plenty of misery will be engendered.

The problem is more than an intellectual one, for there is a web, rather like the handiwork of spiders in an abandoned cellar, of unseen connections between the biological world and human society. There are obvious links such as the millions of people alive and healthy because of medicines derived from the wild. Fully a quarter of the United States Gross National Product derives from wild species and wildlands. Obvious too are some of what Paul Ehrlich calls public services, such as the economic benefits of watershed forests, but most of these remain unrecognized, and are neither evaluated nor included in the economic calculus of most governments.

Less obvious is what dwindling natural resources mean to rising costs of living, and when mistakenly counted, to inflation. It is difficult to separate cost increases from decreasing supply and those from increasing demand—generally both have been occurring simultaneously. But the point has to be valid. In colonial Connecticut it was illegal to serve shad to servants more than twice a week, and today's salmon and lobster prices undoubtedly partly reflect diminishing supply. Substitution—today's trash fish becoming tomorrow's delicacy—is possible for a while, but it doesn't work indefinitely and each overexploited resource wreaks an economic toll.

There are echoes of this on the national level in the correlation between living standards and biological impoverishment. Those nations which have lost a significant portion of their biological diversity are also ones that suffer declining standards of living. Columbus' log records he "never beheld so fair" an isle as Hispaniola. Haiti on the western end became France's most valuable colony, and led Napoleon, because he failed to retake it after its revolution, to abandon his ambitions to conquer the New World. Today it is the poorest and most densely populated nation in the western hemisphere. Only 9% of the forests remain, only on the steepest slopes and in the most inaccessible places. El Salvador, the most densely populated non-island nation presents a similar picture. The relationship between national ecologies and national economies is complex, but it is clear when landscapes are used to the point that large numbers of species have vanished, that they have been misused and that the carrying capacity of the land is overshot. One scarcely need point out that this generates social and political problems that reach beyond the borders of such countries to the most powerful nations on earth.

Recently Julian Simon has questioned concerns about population growth, natural resources and the human condition. The matter certainly is not simple. It is not a question of the survival of certain species or human welfare. The fate of people and of the Creation are very bound together. Some development is necessary before the people of tropical lands can be more concerned about the environment. The tropical forest slash and burn agriculturalists, whose incursions are bemoaned by many, have no choice but to destroy forest to feed themselves and their families. Development of some sort is necessary to provide them a suitable alternative. This is why the World Conservation Strategy developed by the International Union for the Conservation of Nature can be summarized as: development depends on conservation and conservation depends on development—of the right sort of course.

What is disturbing about Simon's book, "The Resourceful Earth," is its blind faith that everything will work out and that the more people the merrier. It is pinned in part on the recurring hope that technology will solve any problems. The latest version of this is that biological engineering will, like some technological methadone, free us from our dependence on the biota. In reality it only illuminates the dependence further: to realize the full potential of biological engineering it is necessary to protect the full array of genetic material, i.e., the diversity of life.

The people and biological resource issue is far from simple. It revolves around the ecological paradox: to exist, any plant or animal, ourselves included, must affect our environment. Seen on a global scale that is why our atmosphere is different from that of any known planet, and it is profoundly disturbing that we are beginning to notice changes on such a vast scale as the atmosphere meaning we are beginning to tinker with the basic physics and chemistry of the planet. The dilemma, of course, revolves around what are the acceptable and reasonable ways, what is the reasonable scale, for people to be affecting their environment?

Sometimes I wonder if the environmental problem is not one of the familiar? We are clearly approaching our use of the planet differently than were we to have just arrived with a colonization plan. Such a plan would surely include a global system of protected wild areas, a representative series of ecosystems which could serve as an international bureau of ecological standards. Such protected ecosystems provide a basis for measuring success and failure with which similar ecosystems are being manipulated for production of various sorts. Such a system of protected ecosystems in fact constitutes the only rational basis for managing the biology of our planet. It is sobering how far from completion such a system is.

This is not an easy time to grow up in, not like the golden glow Eisenhower years so rudely interrupted by Sputnik. Students today must learn to appreciate diversity of cultures, and in nature, to an extent never before, because each of them will, by their votes and daily decisions, be contributing to the problem or the resolution. Julian Simon is right on two points: First, that people cannot ingest a constant diet of gloom and doom; and second, people will be the solution to the problem—if there is to be a solution.

I have not said much about the ethical and moral side of this topic, but a lot of the hope lies there. Diversity is, in fact, a much greater source of joy and fun than the homogenized cultures that homogenize their landscapes, and the homogenized landscapes that homogenize cultures. John F. Kennedy probably was thinking only of cultures when he used the phrase "making the world safe for diversity" but I am sure he would have recognized the interdependence of cultural and biological diversity.

A week ago as I sat in a meeting of the Smithsonian Council listening to the need for a new larger facility to store and exhibit larger aircraft and spacecraft—Concordes, 747's, the space shuttle—my mind wandered to undesigned generations of air and spacecraft, and needs for yet larger facilities. Would we, I wondered, someday hear the Smithsonian seek an appropriation to house and old and worn out planet? I think not, for I believe we are up to the challenge to manage the earth properly—this magnificent planet of life.

H. Con. Res. 158

Concurrent resolution in support of the United Nations Environment Program

Whereas nations around the world are confronting increasing demands on soil and water systems;

Whereas populations are fleeing drought conditions and starvation, complicating foreign relations;

Whereas the number of chemical and industrial related accidents is increasing in number and severity, as evidenced by the Bhopal and Mexico City disasters;

Whereas the world's renewable resource bases are shrinking and potentially renewable resources are not being wisely managed;

Whereas pollution continues to alter the climate and seas in ways that have profound implications for global productivity;

Whereas environmental problems such as soil erosion, tropical deforestation, desertification, pollution, and wildlife loss (both plant and animal), are a source of human misery and instability in developing nations and affect the economic well-being and national security of the United States;

Whereas the United Nations Environment Program was established in 1972 as an independent, voluntarily-funded agency of the United Nations system to coordinate and catalyze global actions to address the major environmental problems;

Whereas this agency, through its Global Environmental Monitoring System, its International Register of Potentially Toxic Chemicals, its Regional Seas Program, its convening of the Conference on Environmental Management, its joint collaboration with members of national parliaments and legislatures worldwide, its extensive consultation with academic and scientifc communities and non-governmental organizations, and its several environmental action programs, has made a significant contribution in arresting environmental degradation, promoting sustainable development, and improving the quality of life for all people, especially those in the developing world;

Whereas the capacity of these different programs and activities to respond to increasing national and international demands is deteriorating due to uncertain funding sources;

Whereas the annual budget of the United Nations Environment Program has not increased since 1974;

Whereas past and present Administrations have testified on many occasions how important the United Nations Environment Program is to United States interests and have provided critical leadership and support to this institution; and

Whereas this support is now in question: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States Government, in its endeavor to enhance the capacity of developing societies to become self-sufficient, to mitigate the effects of drought and starvation and lessen human misery, to encourage the wise use of natural resources, to preserve the health of environmental systems, to promote global peace and security, and to gain more benefit from United States foreign assistance programs, should maintain the level of its contribution to the United Nations Environment Program at no less than the amount of its 1973 contribution.●

● Mr. **LEVINE** of California. Mr. Speaker, I am pleased to have this opportunity to participate in today's special order celebrating the 10th anniversary of the Environmental and Energy Study Conference. While serving in the Congress, I have found the Study Conference to be a valuable resource. Its publications, briefings, meetings, research papers, and special services have been informative, thoughtful, and reliable.

Since its inception in 1975 as an environmental caucus, the organization has grown both in numbers and in expertise. Its services have been expanded to include energy and it currently boasts a membership of more than 360 participants from the House and Senate. Presently, it is the largest legislative service organization in Congress.

Although this country has accomplished a great deal, we continue to face enormous environmental and energy challenges. Air pollution, clean water, hazardous waste, and energy security are only a few of the issues that demand our attention today, and will for many years to come. If we are to solve these problems, it will take a determined effort from all sides. I am sure that, through its multifaceted activities, the Environmental and Energy Study Conference will continue to play a leadership role in these efforts.

Mr. Speaker, it is a privilege to join with my colleagues in saluting the Study Conference and its founders on its 10th anniversary. May I also extend my sincere wishes for many more successful years.●

● Mr. **WIRTH**. Mr. Speaker, I am delighted to join with the gentleman from New York [Mr. Green] and my many other colleagues in saluting the Environmental and Energy Study Conference on its 10th anniversary. Many of our friends rising tonight from both sides of the aisle to commemorate this anniversary are among those of us who were founding members of the EESC. I am confident that they, and all who have since become members of the Conference, join with me in commending the Conference's officers and staff for a job well done—indeed, a job which has far exceeded our original expectations of 10 years ago.

Over the years, the breadth of the issues addressed by EESC has grown in direct proportion to the increasing complexities this body confronts in its ongoing resolve to ensure that this Nation reaches toward a secure energy future and a safe and healthy environment for all American citizens. The policy analyses provided members of the Conference have proven an immeasurable aid in helping to guide us through some of the most difficult and contentious issues we have faced in the Congress over the past decade—from reauthorization of the Clean Air Act, RCRA, the Clean Water Act, and the creation of Superfund to the highly emotional debate surrounding deregulation of natural gas and oil. In each case, the EESC had produced timely, well-thought out analyses of all positions, in the process assisting the policymaking process in a manner few others can provide.

It is appropriate that we rise to salute EESC on the eve of World Environment Day. In recent years, the EESC and its sister organization, the Environmental and Energy Study Institute, have helped focus attention on the growing importance of examining natural resources challenges in their global context. As our economic interdependence within the global community has grown, so too has the recognition that environmental considerations throughout the world, in developed and developing countries alike, must be examined. Both the Conference and the Institute have been in the forefront of the Congress in bringing Members' attention to the imperative of global considerations—be it the ongoing drought and famine in Africa or the threats to water quality throughout the developing nations or the experiences of the Western European nations in their ongoing fight against the devastation wrought by acid rain.

Mr. Speaker, considerable environmental challenges remain before this body, challenges which go the heart of meeting our responsibilities to both current and future generations of American citizens. I am confident that the Congress will stand up to those challenges, aided by the strong support for such action we enjoy from the American public. Likewise, I am confident that EESC will play a major role in helping us reach those goals and welcome their continued support, input and expertise.●

● Mr. **WAXMAN**. Mr. Speaker, I wish to extend my congratulations to the Environmental and Energy Study Conference, its founder, Richard Ottinger, our former colleague, and all of its officers, as EESC celebrates its 10th anniversary.

The Environmental and Energy Study Conference, with its unique bicameral and bipartisan composition, has performed an outstanding service over the past 10 years in providing the Members and staff of the House and the Senate with invaluable, objective information about the substance of and prospects for energy and environmental legislation in the Congress.

Its briefings about energy and environmental issues for Members and staff have often provided the critical forum for exchanges of views that have led to more balanced legislation. Such briefings have provided rare opportunities for House and Senate Members and staff to share and test ideas before their peers in a setting where others can objectively evaluate the merits of positions taken.

The Environmental and Energy Study Conference's weekly bulletin has become an indispensable source of information about the legislative process. Its comprehensive approach to energy and environmental issues, with perspectives about the prospects for passage of legislation, offers the only complete picture of the week's energy and environmental calendar.

Mr. Speaker, it is appropriate that we are celebrating the 10th anniversary of EESC on the event of World Environmental Day. Although we have made considerable progress in the United States in protecting public health and the environment in the past 10 years, there is growing recognition that many of these problems are global problems as well.

Acid rain is clearly a worldwide problem. Anyone who has followed this issue even casually over the past several years knows that we face serious and widespread acid damages unless we move quickly to reduce the sulfur dioxide and nitrogen oxides pollution that causes acid rain.

Evidence continues to mount that in ignoring the acid rain problem we risk an environmental and economic tragedy of historic proportions—not just in New England but over large parts of our country—and not just in this country but in Canada and Western Europe as well.

In a national survey in 1982 the U.S. Environmental Protection Agency [EPA] found that lakes in large parts of New England, the Upper Midwest, the Mountain West, and the Southeast are vulnerable to acid rain, because their soils are low in natural minerals, such as lime, that can neutralize acids. The region with the largest sensitive area was not New England but the Southeast where, by unhappy coincidence, acid-forming sulfur dioxide emissions have increased more than fivefold since 1950.

The World Resources Institute recently published a new study warning that large areas of the West face the

threat of serious acidification dam-

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● Mr. **MORRISON** of Washington.

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strides in protecting our environment.

to correct is the loss of genetic and species threat of serious acidification damages.

Lakes are but a small part of the problem. Forests are showing signs of a precipitous unexplained decline over large areas of the Eastern United States, and acid rain, along with other air pollutants, leads the list of suspected causes.

Once lush spruce and fir forests on Eastern mountains, such as Camel's Hump in Vermont and Mount Mitchell in North Carolina, are now littered with dead or dying trees—resembling battlefields more than forests. Trees are also suffering in the Midwest, especially in the heavily polluted Ohio River Basin, where much of the acid rain in the Eastern United States originates. The growth of economically important pine species, vital to the economy of many States in the Southeast, has declined dramatically in the past decade.

The warning signs could hardly be more clear. Those who label such concern alarmist have only to consider the acid devastation that has already befallen Central Europe and Scandinavia. In Sweden and Norway more than 30,000 lakes have been acidified. In West Germany the government reported in 1984 that fully one-half of the nation's trees have been damaged by air pollution. Official skepticism over acid rain in these countries, as in most of Western Europe, has given way to public alarm and government action. It is time that the United States followed suit.

The tragic Union Carbide gas leak in Bhopal, India, that resulted in over 2,000 dead and 150,000 injured has made all the world gasp.

We owe a great debt to chemical companies—their products are essential to our society and benefit millions of people around the world. But along with the benefits, there are dangers. We can no longer ignore the public health risks posed by poison gases leaked from chemical plants.

I think Bhopal has changed our way of looking at the chemical industry. We now know that poisonous chemicals can injure in large or small amounts, instantly or over many years. Because they kill indiscriminately and casually, they must be handled with extraordinary care.

By sensitizing the public to this risk, Bhopal forces us to scrutinize the chemical industry. What we are learning is not reassuring.

The chemical industry cannot continue to operate on a worldwide honor system. It is a system which cannot work. Competitive pressures discourage any investment in pollution control. Companies are reluctant to make investments for public health protection which may not be matched by others in the industry. As a result the whole industry tends to move toward the level of pollution control of the dirtiest company.

We face this situation because all levels of government have abdicated their responsibility to prevent leaks of poison gases into the public's air supply.

We clearly have a crisis of inaction at EPA today across the many programs that were adopted by Congress to protect public health.

The challenge for the Environmental and Energy Study Conference and for all of us who care about health and environmental issues is to bring the facts before the Members of Congress and the American public and seek equitable and fair policy solutions to these difficult problems.●

● Mr. LUNDINE. Mr. Speaker, I rise to join my colleagues in commemorating the 10th anniversary of the founding of the Environmental and Energy Study Conference. I think it is especially fitting that we reflect on the job the EESC does at this time because, as Members know, tomorrow is World Environment Day.

Although the job of protecting our environment at home is far from done, I think that we are all increasingly aware of the environmental crisis in the developing world. As chairman of the House Banking Committee's Subcommittee on International Development Institutions and Finance, I am particularly aware of the ways in which inappropriate environmental planning and management can quickly create serious economic problems in poor countries desparate to develop rapidly. The subcommittee held extensive hearings on environmental practices of the multilateral development banks during the 98th Congress and made recommendations to relevant agencies on how environmental information could be collected and used to help plan sustainable development strategies. I am pleased to say that a number of the subcommittee's suggestions have been adopted, both by the U.S. administration and by several of the multilateral development banks themselves.

I am also happy to note that the Environmental and Energy Study Conference has recently begun a new project called Helping Developing Countries Help Themselves: Toward a Congressional Agenda for Improved Resource Management in the Third World. I expect the recommendations that will result from this study to be of great use to the members of my subcommittee as we continue to review the impact of U.S.-funded development projects on the natural resource base of the Third World.

Again, Mr. Speaker, let us all congratulate the EESC on having its 10th year with such a wealth of accomplishment and such exciting plans for the future.●

● Mr. MORRISON of Washington. Mr. Speaker, I am pleased to be able to take this opportunity to extend my congratulations to the Environmental and Energy Study Conference [EESC] as it celebrates its 10th anniversary. When I first came to Congress 5 years ago, I quickly learned that the EESC provided a balanced and comprehensive review of the many energy and environmental issues before Congress and the efforts to deal with these issues. Since that time, the EESC has continued to live up to its reputation and its publications have become a valued resource in my office.

It is appropriate that the EESC is celebrating its anniversary at a time when the consideration of energy and environmental legislation requires an ever increasing amount of Congress' time and effort. A review of the weekly bulletin published every Monday by the EESC provides a graphic illustration of the wide range of issues affecting the health, safety and well-being of this and future generations that must be addressed. It also illustrates the interrelationship between many issues and the need for greater understanding of this relationship if we are to reach a comprehensive solution to the problems we are facing.

I think that the subject of food irradiation, which I have become increasingly involved with in the past 3 years, provide a good example of the need to examine one issue in the context of other environmental issues facing Congress.

Food irradiation is a process whereby ionizing energy is used to treat harvested food commodities to protect them from pests and to inhibit spoilage. While this process offers obvious benefits to the commercial sector, it also has the potential to be part of the solution to two environmental problems now facing Congress. The first has to do with the use of postharvest fumigants, such as ethylene dibromide [EDB], that are now used to protect food from pest infestation. There is a genuine concern regarding the toxic residue left by these fumigants, and irradiation offers an alternative that has been proven safe and effective. The second, and more pressing, problem involves the efforts worldwide to provide food to the hungry in many underdeveloped countries. One of the major obstacles to these efforts is that spoilage significantly reduces the amount of food that reaches the world's hungry. Food irradiation extends the life of fresh fruits, vegetables and grains and has the potential to minimize the amount of food lost due to spoilage while in transit and during distribution.

While the issue of food irradiation is relatively uncomplicated, it does illustrate the need for accurate information in order to properly evaluate the potential impacts of our decisions here in Congress. The EESC has admirably served as a source of information for the past 10 years, and I am certain that it will continue to do so for many years to come.●

● Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to the Environmental Energy Study Conference on its 10th anniversary and to discuss some of the changes that have come about in the attitude of Americans to the environment. The Study Conference, which was founded in 1975 by then Representative Richard Ottinger and 10 fellow Members, has grown to include over 250 Members of the House. In addition, the Study Conference admitted Members of the Senate beginning in 1976, and today there are 70 Senators who are members of that conference. In the period of time since the formation of the Environmental and Energy Study Conference was formed, the Congress has succeeded in passing landmark legislation that will go a long way toward improving the American environment.

For too many years Americans had squandered the rich resources of the American lands. Respect for the land and the rich resources that it provided was sorely lacking. In my years in Congress, and especially in the years since the formation of the Environmental and Energy Study Conference, the Congress has taken many remedial actions which have represented a good first step in correcting our long-standing tradition of disregard for the environment.

In fact, in the last 10 or so years, Congress has taken dramatic action to improve both the looks and the quality of the American landscape. Measures like the Superfund and the Resource Conservation and Recovery Act have gone a long way toward improving the regulation of the disposal of hazardous wastes, and measures like the Clean Air and Clean Water Act have made our environment a healthier one in which to live. There is still more work to be done. We have, however, developed both an awareness and concern for the Environment that will ensure that we keep working toward the goal of creating a healthier and more beautiful America.

The Environmental and Energy Study Conference has encouraged this by providing information on actions that affect the environment, by providing lectures and seminars that focus on specific areas of concern, and by generally making all Members of Congress more aware of the need to protect and preserve our environment.

In its 10 years the Environmental and Energy Study Conference has encouraged and facilitated the passage of legislation that safeguards the environment and the public health. In those 10 years we have made great strides in protecting our environment, however, there is still more work to be done. I am sure that in the capable hands of Chairman BILL GREEN and Vice Chairman BOB WISE in th House, and Chairman SLADE GORTON and Vice Chairman ALBERT GORE in the Senate, we can continue to advance American concern for the environment and provide a better world for present and future generations of Americans.●

● Mr. HEFTEL of Hawaii. Mr. Speaker, it gives me great pleasure to participate in this special order honoring the Environmental and Energy Study Conference on this its 10th anniversary of serving the Congress.

The Environmental and Energy Study Conference was born out of the creative genius of our distinguished former colleague, Dick Ottinger, who in 1975 saw a critical need for an information gathering service that would assist Members with the critical environmental and energy decisions that were then confronting the Congress. The hallmark of the original Environmental Study Conference was its position of issue nonadvocacy, and this continues to govern the Conference. It is fair to say, however, that the assistance rendered by the Conference and its creative and talented staff during these crucial days was instrumental in guiding the Members of the House and the Senate.

I am proud to have served on the executive committee over the past 4 years and I look forward to serving with our new House and Senate leaders, Congressmen BILL GREEN and BOB WISE and Senators SLADE GORTON and AL GORE. The Environmental and Energy Study Conference is in good hands as it begins its second decade of service to the Congress. I am confident that it will continue to serve the Congress in an exemplary fashion in the years ahead.●

● Mr. ANDREWS. Mr. Speaker, in commemoration of this special order on the tenth anniversary of the Environmental and Energy Study Conference, I am submitting the remarks of the Honorable Russell Train before the World Affairs Council of Northern California for your consideration:

CONSERVATION AND DEVELOPMENT: THE GLOBAL CHALLENGE

(Remarks of Hon. Russell E. Train, President, World Wildlife Fund-U.S., The World Affairs Council of Northern California, June 18, 1984)

At the start of this decade, the eminent American biologist, E.O. Wilson, was asked to describe the one event likely to happen in the 1980s that our descendants will most regret, even those living a thousand years from now.

He answered that: "The worst thing that can happen—will happen—is not energy depletion, economic collapse, limited nuclear war, or conquest by a totalitarian government. As terrible as these catastrophes would be for us, they can be repaired within a few generations. The one process ongoing in the 1980s that will take millions of years to correct is the loss of genetic and species diversity by the destruction of natural habitats. This is the folly our descendants are least likely to forgive us."

For most of us, that must come as startling news indeed. We had no idea that we were suffering such losses in biological diversity. And we find it very hard to understand why such losses should rank as an even worse catastrophe than limited nuclear war or economic collapse.

Beyond and behind the human suffering and deprivation—and the political and economic instability—that afflict so many countries of the Third World, and that frequently dominate the news from those countries, is another kind of devastation that we rarely see or hear about but that is intimately linked to the political, social and economic unrest in those areas. I speak of the environmental devastation that is occurring in many of those countries—a devastation that is often both a root cause and a result of the human problems.

I want to talk, briefly, today about that devastation, about some of its causes and consequences and, above all, about how vital it is that we take immediate, tangible steps toward trying to help them achieve political, social and economic stability.

The environmental movement that emerged in this country and spread across the world in the past 15 years rests to a large extent upon a single, surpassing insight: that continued human progress and well-being depend upon the sustainable use of the basic biological and natural resources of the earth we inhabit. The point is not that these resources cannot or should not be used for human purposes. Rather, the point is that these resources can only continue to serve human purposes—and to support human life—if they are used in ways that do not strike at their basic integrity.

That is why I have always believed and argued that, over the long run, there is no inherent conflict among our major goals and concerns—environmental, economic, energy, agricultural, social. What we need to develop are convergent strategies which enable us to move, over the long term, toward the simultaneous achievement of these goals—strategies that allow us to achieve a long-term sustainable relationship between people and resources.

In this connection, let me briefly outline what is happening to tropical forests, why it is happening and why our own future—as well as that of the developing world—will be deeply affected by it.

During this century, humankind has wiped out about half the world's tropical forests. The remaining forest covers about 6% of the earth's surface—an area that adds up to about the size of the United States west of the Mississippi River. At current rates, every year we are destroying an area of tropical forest the size of the states of Pennsylvania or Ohio. One authority (Dr. Peter Raven) has estimated that, at current rates, we face the prospect of "total destruction of tropical moist forest, the richest and biologically most poorly known ecosystem in the world, by the early decades of the next century."

The tropical forests are by far the world's largest treasure trove of genetic materials and diverse biological species. Estimates are that between five and ten million species of plants and animals now live on earth, and I suspect that these estimates are very much on the low side. About half of these species live in the tropical forests. As the forests go, so do these species. One thousand species a

year is a conservative estimate of the cur-

three-fourths of wood harvested is used for

often, forests have been cleared for agricul-

proper consideration to protection and

double over the next 38 years from its

dency by the Vice President and the

year is a conservative estimate of the current extinction rate. By the end of the decade, that could well rise to 10,000 species a year—or one species every hour. During the lifetimes of many of us, we could—if extinction rates continue to accelerate—annihilate as much as one-fourth of the species that now inhabit the earth.

So why does it matter? For at least three reasons: (1) when a species is gone, it is gone forever—we cannot bring it back or create it anew; (2) we don't really know what we're losing; and (3) on the basis of what we do know, we can be certain that we are throwing away an enormous untapped potential for improving the human lot.

Scientists have named only one-sixth of all the species in the world, and only a fraction of these have been studied for possible uses to mankind. What we know of that fraction suggests that they represent potential benefits to humankind that are as great as they are incalculable.

To mention briefly just a few of the benefits we already receive from the world's diverse wild species:

In the field of pharmaceuticals and medicine, they generate products whose worldwide across-the-counter sales amount to an estimated $40 billion a year.

In agriculture, regular infusions of superior genetic materials into crop plants account for at least 1 percent of increased productivity a year—an estimated $1 billion worth in the U.S. alone.

Virtually all of our agricultural crops come from wild species. Moreover, we rely on only eight varieties of food crops for about 75 percent of our food, and more than 98 percent of the crop production in the United States is based on plant species from outside. Because modern agriculture depends on the intensive cultivation of a few crops, it is increasingly vulnerable to pests, diseases and climatic changes unless wild relatives are available for cross-breeding with domestic varieties. Indeed, the ability of modern agriculture to produce enough food for the growing population of the world in the decades ahead will require a rich reservoir of biological diversity upon which we can constantly draw to increase yields and develop new and pest-resistant crops.

Only three years ago, a single species of corn was discovered which could transform global agriculture. Not only is it a perennial but it can grow in extremely damp soils and, thus, has the potential of increasing corn output worldwide by about $1 billion a year. It is also resistant to at least four leading diseases that now cause a 1 percent loss—or about $500 million worth—to the world's corn harvest each year.

Estimates are that, in agriculture alone, breakthroughs in genetic engineering will generate products worth $50 billion to $100 billion a year well before the end of the century. How much of that potential can be realized will depend upon how much genetic diversity the scientists have to work with.

The massive and accelerating loss of the world's wealth of biological and genetic diversity is only one consequence—although a consequence of major proportions—of the destruction and devastation of tropical forests. The long list of adverse environmental and human consequences includes both desertification and flooding, the loss of invaluable watersheds, soil erosion and sedimentation, disruption of irrigation and water supplies, shrinking agricultural productivity as a result of flooding, acute fuelwood shortages (in the developing countries some three-fourths of wood harvested is used for fuel, and in some countries firewood is the main fuel of 90 percent of the people). If forest destruction remains unchecked, the eventual result of these and other environmental consequences will be hunger and disease among large and spreading segments of the population of the developing world.

In this connection, I commend to your attention a searching article on the extent and implications of global deforestation in the Spring issue of Foreign Affairs. "Each time," the author writes, "we read of floods, landslides, starvation and loss of life in India, Brazil, the Philippines, Haiti, East Africa, and elsewhere in the tropics, we are reading about problems caused or exacerbated by environmental destruction, often of rain forest." [1]

One final, potential consequence of rain forest destruction that would directly and drastically affect us all: the warming of the earth's climate as a result of excessive amounts of carbon dioxide in the atmosphere. What that could cause—in the view of some scientists, although they do not all agree—is a melting of the polar ice caps, the flooding of coastal cities and a massive disruption to world agriculture—as, for example, the movement of the corn belt from the midwestern United States several hundred miles north into Canada. A recent article in Science magazine concluded that reducing deforestation could well be the single most effective step we could take to achieve a dramatic slowdown in the rate of carbon dioxide increase: not only does the reduction of deforestation cut the release of carbon dioxide into the atmosphere, but it also cuts the amount of carbon dioxide already in the atmosphere because living forests consume carbon dioxide and release oxygen.

What makes the accelerating loss of tripical forests and species so tragic is that their destruction—like a great deal of the environmental degradation that occurs in the Third World countries—has much the same source as the exploding population rates in those countries: the desperate attempt by the poor to stay alive and to stave off disaster.

The late Barbara Ward once wrote: "One of the saddest of all metaphors is surely that of eating the seed corn. Yet the inexorable pressures of population on a limited environment and its resources are at the moment forcing hundreds of millions of people to do just this, to burn cow dung instead of using it to enrich the soil, to cultivate steep slopes until the precious earth is washed away down the rivers."

Some two-thirds of tropical forest losses are the result of agricultural activities—for the most part undertaken by the poor who simply have no choice but to eke out a meager and precarious existence by clearing a patch of tropical forest, farming it for a few years, and moving on to clear another patch.

Despite their lush growth, most tropical forest grows on soils that are virtually sterile and simply cannot support human agriculture on any sustained basis. Nearly all of the nutrients in these forests lie in the lush life of the forests themselves and in thin layers of rotting matter on the surface of the soil. Once cleared, they can support some agriculture at a low level of productivity for two or three years at the most.

A 1983 report of the Inter-American Development Bank observed that: "All too often, forests have been cleared for agriculture on soils that should never have been disturbed." The report went on to suggest that: "About 50 percent of Latin America's land should probably be under permanent forest cover, including large areas of tropical soils, e.g., in the Amazon Basin, and areas of fragile soils in parts of the Andes, Central America, and other mountainous regions."

Besides having virtually all of the world's tropical forests, the nations of the developing world have most of the world's poor—and millions upon millions of those poor have little alternative, if they want to stay alive, but to mine the tropical forests for food and fuel. The World Bank estimates that, of the 2.5 billion people now living in the tropics, 1 billion exist in a state of absolute poverty. That means that they have no assurance whatsoever that they will be able to meet their basic needs for food, clothing and shelter from one day to the next. These are, for the most part, the rural poor, who are the immediate, if not the ultimate, cause of most forest destruction. They are also, of course, the immediate victims of many of the worst results of that destruction—such as desertification, flooding, loss of agricultural productivity and, ultimately, disease and starvation.

In the past, the leaders of the developing world tended to regard development and the safeguarding of natural resources as mutually exclusive goals. Natural resources, particularly biological resources such as the vast tropical rain forests, were regarded as at best the raw materials for commercial exploitation and industrial development and, at worst, an enormous barrier to development and the very symbol of the primitive backwardness that they sought to overcome. That perception, however, is changing. Increasingly, many of those leaders are recognizing that sustainable growth and economic development can only occur on an ecologically sound basis. They are coming to understand—far more clearly, in fact, than many in the industrialized countries who do business with, or administer aid to, those countries—that development at the expense of their rich and irreplaceable biological resources is development without a future. They are starting to see that the kind of development they need—the only kind they can sustain over the long run—is the kind that allows people to make their living without destroying or impairing their cropland, pasture, forests and water supplies which are essential both to meeting human needs and to supporting the diversity of other life on the planet. Slowly and belatedly, the industrialized world is also beginning to comprehend that it has a huge stake in helping preserve the wealth of biological resources in the developing countries, and that the conservation and wise use of those resources must be a prime objective of its efforts, public and private, to aid and encourage stable and sustainable development.

The fundamental premise that must guide development in the Third World—and development aid to the Third World—was spelled out in the World Conservation Strategy developed by the International Union for Conservation of Nature and Natural Resources (IUCN) with major funding from the World Wildlife Fund. That premise is that conservation and development are, and must be, convergent and not conflicting goals. Conservation programs that ignore the development aspirations of local people, not to speak of their basic needs, will not succeed. Development programs which do not give proper consideration to protection and maintaining the natural resource base cannot be sustained. Sustainable development requires effective conservation. The two must go hand in hand.

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[1] Nicholas Guppy, "Tropical Deforestation: A Global View," Foreign Affairs, Spring 1984, pp. 928-965.

The key concept in trying to make common cause between development and conservation in the Third World is sustainability—by which I mean sustainability over the long term. Development that relies simply or mainly on the consumption of biological—and thus otherwise renewable—resources cannot be sustained.

It seems clear to me that the development of a reasonably harmonious relationship between human populations and their natural resource base will be a critical and perhaps even a decisive factor in bringing about political, economic and social stability throughout the Third World. It goes without saying that the United States has a vital self-interest in the promotion of that kind of stability. Indeed, the growing lack of such stability poses a fundamental threat to our national security. That is why it seemed to me an extraordinary oversight that the National Bipartisan Commission on Central America, chaired by Henry Kissinger, did not include any natural resource expertise. When one looks at El Salvador and its exploding human population, destroyed forests, devastated watersheds, and eroding soils, it is hard not to conclude, as in Haiti, that we have an ecological disaster of major dimensions on our hands and that such a disaster is one of the root problems of the area.

It is more than a mere coincidence that those Central American countries most afflicted by political instability have also suffered the greatest environmental degradation. Nor is it surprising that deforestation and other forms of environmental damage are greatest in those areas of the tropics where population densities and poverty are highest. Nine countries of West Africa, where the population density is three times that of any other African region, account for half the forest losses in tropical Africa. El Salvador has the highest population density of any non-island nation in the Western Hemisphere. It has also suffered the greatest deforestation of any Central American country. In Haiti, only 7 percent of the land is still forested, and the population density on habitable land is the highest of any nation in the hemisphere.

In his book, "Losing Ground: Environmental Stress and World Food Prospects," Erik Eckholm said:

"A common factor linking virtually every region of acute poverty, virtually every rural homeland abandoned by destitute urban squatters, is a deteriorating natural environment. Ecological degradation is to a great extent the result of . . . economic, social, and political inadequacies . . . and with growing force, a principal cause of poverty. If the environmental balance is disturbed, and the ecosystem's capacity to meet human needs is crippled, the plight of those living directly off the land worsens, and recovery and development efforts—whatever their political and financial backing—become all the more difficult."

The fact that population rates continue to explode in most parts of the Third World is surely the most discouraging fact that confronts conservation and development efforts there. For as long as such rates continue, both efforts will fall increasingly short. Unless effective steps are taken to cut the rate of population growth, the population of the tropical countries will appoximately double over the next 36 years from its present level of 2.5 billion to about 5 billion—or from about 45 percent to about 64 percent of the total world's population. Imagine what a staggering task it would be—at such rates of growth—simply to keep living standards at their current low levels!

Over the past 10 years, many developing countries have strengthened their population policies and family planning programs, and birth rates have begun to decline in many of these countries. U.S. assistance, both financial and technical, has been an extremely important factor in this achievement. I must admit, therefore, that I was shocked to learn this past week that the White House has drafted a policy paper for the guidance of the U.S. delegation to the International Population Conference to be held in Mexico City in August that would have the practical effect of substantially reversing the long-standing U.S. support for family planning programs in developing countries. I can think of no more shortsighted policy. I can think of no policy more inconsistent with the need for constructive U.S. leadership in world affairs or one more at variance with our own long-range self-interest.

Both the World Bank and the Agency for International Development (AID) have made significant and welcome progress in recognizing that environmental factors must be made an integral part of development programs. However, we have only begun to scratch the surface in this regard. And, as I have just noted, our own government has suddenly begun to signal a possible shift in the opposite direction.

The need to bring human populations and their natural resource base into long-term productive harmony is, in my view, the overriding imperative of international affairs. The need to integrate conservation and development is truly a global challenge—one that cries out for United States leadership. It is a challenge that requires the combined efforts of governments, the business community, and other private sector institutions, including organizations such as the World Wildlife Fund.

The problems are difficult but they are far from hopeless. They require a positive, creative, and cooperative international effort. Above all, they require a recognition in our own society that we Americans have a vital stake in the ecological health of the rest of the world. We need to understand that environmental degradation in the Third World, especially in the tropics, is a root cause of political, economic, and social instability and that such instability poses a direct threat to our own national self-interest. We need to know that our own fate is inextricably bound up in the fate of these distant places and peoples.

After all, when yet one more stretch of tropical forest goes up in flames, when yet one more species of life is wiped forever from the face of the earth, need we ask for whom the bell tolls?●

REPEAL THE 25TH CONSTITUTIONAL AMENDMENT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

● Mr. **GONZALEZ**. Mr. Speaker, in 1967 the 25th amendment to the U.S. Constitution became effective—a move that sanctioned a coup of the Presidency by the Vice President and the members of the President's Cabinet. This provision was proposed and ratified in the wake of President Kennedy's assassination—a time when it would have been wise to proceed ever so cautiously but, because overpowering grief and emotion clouded the judgment of lawmakers, the elected representatives of the Federal and State Governments moved blindly to pass and ratify this dangerous constitutional amendment.

The 25th amendment has two major components designed to clarify article II, section 1, of the U.S. Constitution which sets forth how power will be transferred in the case of Presidential disability. The Constitution states to whom the Presidential powers go, but does not define the disabilities that would cause this shift in power. The 25th amendment was adopted to remedy this gap, but it does not do the job. As with most cases, it is better to act in anticipation of a crisis than in reaction to one. By reacting to President Kennedy's assassination, we in the Government—although I opposed this amendment and voted against it—passed a remedy worse than the problem.

Article 11, section 1, of the Constitution states that when the President is disabled to the point of inability to discharge the powers and duties of the Office of the President, the Presidential powers and duties must be passed on to the Vice President. In 1947, Congress enacted legislation designating the line of succession after the Vice President—that being the Presidential powers are then transferred to the Speaker of the House, then to the President pro tempore of the Senate. Still, even with the 1947 act, we had only a sense of where the power goes, not when it should go there. But the issue of when to transfer power had arisen several times prior to President Kennedy's assassination, and his death so aroused confusion and fears that Congress and 39 State legislature acted hastily and unwisely in passing and ratifying the 25th amendment.

The 25th amendment has never been invoked, but could potentially have been used most recently in 1981 when President Reagan was shot and unconscious for 2 hours while being operated on for his gunshot wound. The first time the problem arose was 100 years earlier when President Garfield was shot and lingered 2½ months before succumbing to his injuries. And in 1919, President Wilson suffered a stroke that disabled him for the last 17 months of his term. In both of these instances, the Presidents discharged virtually none of their Presidential duties. History tells us that the Vice Presidents under Garfield and Wilson wanted to take over, but were afraid they would appear disloyal and, in effect, conducting a coup on the Presidency.

In 1974, 7 years after the 25th amendment was ratified, there was a coup of sorts of the Presidency in our government, but the 25th amendment was not invoked. Again, the same fears as in the Garfield and Wilson cases prevented anyone from publicly assuming the Presidency in 1974. But there was a coup—a silent coup, however, because the American people were kept in the dark about what was going on in the Nixon White House. There reached a point in the Watergate scandal when President Nixon had lost control—of his job, of his mind, and of the country. Henry Kissinger, who does not even meet the three constitutional requirements to be a U.S. President, and Alexander Haig, who tried to be President a second time in 1981 when he told the country he was in control while President Reagan was undergoing surgery, became our de facto President. Again, the question arose of when the President is disabled to the point of incapacity, but the 25th amendment was not invoked because, despite its intent, it provides no guidance in the very situations it was meant to address.

We Americans may think that we have the strongest and most stable government in the world—and we do, absolutely. But it still is a very fine line that separates our stability from potential instability. We hear of unrest, governmental corruption, and coups from all around the world and we think that these could never happen in America. We envision ourselves as superior to those kinds of horrors, but we are not so superior—remember 1974.

A coup is simply the overthrow of a government from within, bypassing the constitutional procedures for an orderly change in that government. In a democracy such as ours, the power to change the government is vested in the people. But does the 25th amendment mention any involvement by the people—by the voting electorate? Absolutely no mention is made of this—the 25th amendment removes the decisionmaking prerogative of the people and vests it in one elected official and the unelected Cabinet members. This is dangerous—very dangerous—for the very person who has the most to gain by the removal of the President is the person who is vested with that decisionmaking power. In a crisis situation, this could be like asking the fox to watch the henhouse.

This is what the 25th amendment allows—it allows the Vice President and a majority of the Cabinet to send a note to Congress certifying the President's incompetency and, with no further action, the Vice President assumes immediate control of the country. Certainly, the President may protest to the Congress, but in the meantime the Vice President has become Chief Executive and, most importantly, Commander in Chief of the Armed Forces.

It is ironic to realize that the Vice Presidency is one of the most maligned offices in our country—we make fun of the Vice President's lack of authority and lack of importance, and how many times in the past 4 years have we joked at Vice President Bush's only apparent official duty of attending state funerals? And how much consideration does the American public give to Cabinet members? Many would have a tough time even naming the Cabinet members, let alone stating any biographical details. Yet, it is these people who are empowered now by the 25th amendment to overthrow the Presidency.

From history and the events surrounding the implementation of the 25th amendment, it is obvious that the intent of the 25th amendment was to address situations such as those that had occurred in our Nation's history, where the physical disability of the President impaired his ability to perform the duties of his office. But while the language of the 25th amendment may cover this possibility, it is so broad that it encompasses situations that clearly were not intended. The 25th amendment still does not define a disability, it only provides that the Vice President and a majority of the Cabinet make the decision. If you ask the fox what is best for the hen, the hen is likely to come up short.

Let us suppose that a President meets with unforeseen disasters and handles them poorly. The President than becomes unpopular to the point where he is effectively immobilized by the unwillingness of the rest of the Government to cooperate with his policies. At the point of this standoff, the country begins to believe that they would be better off with a different President. Under the original Constitution, there are provisions for the impeachment of the President for the remainder of his term. As we saw in 1974, however, the impeachment process is an arduous wrenching procedure that can tear the country apart and effectively immobilize the Government. Under the 25th amendment, however, the Vice President could avoid this constitutional process by convincing a majority of the Cabinet that it would be in the best interests of the country to have a quick transition in the Presidency—under the 25th amendment, this is all the Vice President has to do in order to assume power. He would certify that the President was disabled mentally, as evidenced by his poor decisions, and the Vice President could take over immediately. Shouldn't this be the prerogative of the people? The Congress, as representatives of the people, have the impeachment process available under the Constitution. But the 25th amendment circumvents this by allowing the Vice President and the Cabinet, who represent not the people but their own interests, to overthrow the President.

The problem that was meant to be solved with the 25th amendment was the lack of a constitutional definition of the Presidential disability that triggers a change in power. The 25th amendment fails to do this, as it only delegates the power to define Presidential disability. It delegates this power not to the American people, but to a select few, most of whom are unelected Government officials. The 25th amendment is dangerous in its lack of defining Presidential disability; it is dangerous in its delegation of decisionmaking to the Vice President and the Cabinet; and it should be repealed so that the people of this country may be deprived of the right to a President whom they elected, at the hands of ambitious or simply hysterical officials who decide that a palace coup is preferable to any constitutional process, and believe they could get away with it. Such a possibility is not too far-fetched, given the hysterical reaction of Alexander Haig to the shooting of President Reagan, and the little noticed by equally grave silent coup during which Mr. Haig and Henry Kissinger decided that Richard Nixon was no longer fit or responsible. The 25th amendment invites such hysteria, and it also invites an open coup against a President who may be perfectly fit, but facing a crisis which his advisers think is being mishandled, or which they believe could open the door to power for themselves.●

REPEAL THE NATIONAL MINIMUM DRINKING AGE

The SPEAKER. Under a previous order of the House, the gentleman from Louisiana [Mr. Livingston] is recognized for 60 minutes.

Mr. LIVINGSTON. Mr. Speaker, in the blink of an eye last year, Congress enacted a law saying that the States would lose part of their Federal highway funds unless they raised their minimum drinking age to 21 by next year. As a result of this law, 27 States and the District of Columbia stand to lose $285 million in 1986 and $590 million in 1987. Everyone who drives on the highways presumably might also be losers, in as much as Federal highway aid promotes safety in our surface transportation system.

We passed this law with the best of intentions. We thought we were doing something constructive about the problem of drunk driving in this country, a problem that has generated a great deal of emotion and media attention over the last year or so. As one who has lost members of his own family to highway accidents, I am extremely sensitive to the emotion impacting this issue, and, I am equally committed to saving the 700 lives that the Metropolitan Insurance Co. and the National Safety Council estimated would be saved under the law we passed, Public Law 98-363 (creating section 158 of title 23, United States Code).

I am afraid, however, that this law will not get the job done. It may make us feel better, but if we scrutinize it, we find that it creates more problems than it can ever pretend to solve. It does nothing to bring about stricter penalties, better enforcement, or education and public awareness programs—the areas I think we must concentrate on if we really want to solve the problem.

Since the States are not forced to change their laws until next year and the year after, Congress has time to repeal this national minimum drinking age and to rethink its action in the light of day, apart from emotional outburst. I have today introduced repeal legislation to initiate this reconsideration, and I urge all of my colleagues—not just those from the 27 States immediately effected—to join me as cosponsors.

I have already alluded to some of the flaws in last year's law—the haste in which it was passed as a floor amendment to a child restraint device, bill, its coercive nature, and its peculiar approach of seeking safer highways by withholding safety-related highway aid—but let me now review some of the problems in greater detail.

In the first place I believe we have discriminated against an entire class of American citizens—those ages 18, 19, and 20—in a heavy-handed, overly broad manner that at best only indirectly addresses the problem, specifically, how to get drunk drivers off the road. The law does absolutely nothing about 85 to 97% of DWI fatalities caused by those over the age of 20 (or those younger than 18, for that matter), nor does it even target drinkers who drive. Instead, it targets drinkers who merely drink and it says that those persons 18 to 20 years of age cannot drink anymore.

There are millions of Americans in this age bracket, and the vast majority of them never have been and never will be involved in an alcohol related traffice accident. On the contrary, they are responsible citizens who from the age of 18 can marry, vote, hold public office, enter into contracts, and, most importantly, can be called upon to serve—and possibly die for—their country in the Armed Forces. How can we say to these people, you can die for your country, but you cannot legally drink?

Now there are those who would say—and we apparently accepted this view—that statistics reveal a disproportionate number of 18-, 19-, and 20-year-olds are involved in alcohol-related traffic accidents, and therefore we should raise the drinking age to 21. But again, Mr. Speaker, these statistics cannot conceal the undisputed fact that the vast majority in this age bracket are totally blameless. It is also wrong to take a blanket approach against one age bracket when—and, again, this is undisputed—it is all the other age brackets that account for the vast majority of the problem. One example of the inherent unfairness of the blanket approach is that women ages 18 to 20 pose no greater DWI threat than older drivers.

Now that I have broached the subject of statistics, Mr. Speaker, I have reached the second major area of flaws in the national minimum drinking age law we passed. In reviewing last year's debate in the other body and relevant press reports, I have discovered a number of statistical disparites which severely undermine the notion that raising the drinking age is what reduces drunk driving accidents. The gist of these disparities is, first, that some States have raised their drinking age but did not achieve a corresponding improvement, and, second, that the worst offenders as a group are actually those ages 21 to 24, not 18 to 20. The lesson to be learned from these statistics, I believe, is that drunk driving is reduced primarily by enacting tougher laws against drunk driving, enforcing those laws more diligently, and educating all drivers about the dangers of mixing alcohol and gasoline.

If a higher drinking age correspondingly reduces DWI accidents, it is hard to explain the wide variance in results from eight states which raised theirs: the improvements ranged from 6 to 75 percent, and Montana had a change of zero. In New York, which raised the legal age from 18 to 19, 18-year-olds had 42 percent fewer accidents, but 19-year-olds also had fewer alcohol-related accidents—29 percent fewer—suggesting that both declines may have been caused by some outside factor like tougher enforcement. Similarly, Vermont did not raise its drinking age, yet it experienced better results than some States who did. Neighboring Massachusetts, for example, had no real improvement after raising its legal age, according to the New England Journal of Medicine.

In a few States, the number of alcohol-related accidents actually went up. Michigan and Minnesota experienced increases when they raised the age to 19, and in Florida, which also banned the sale of alcohol to 18-year-olds, fatalities increased by 21 percent in that group and decreased in all other groups. In Florida's case, it is also relevant to point out that there were no surrounding States with lower drinking ages. Thus, the so-called border-crossing argument—that we need uniform 21 age from the Federal level to discourage people from driving across jurisdictional lines to buy liquor and drive back home while intoxicated—is also undermined. And, of course, any border-crossing problem would be solved equally well by a national uniform drinking age of 18.

As I also mentioned, Mr. Speaker, there is good evidence that last year's law targets the wrong age bracket. A study of 15 States by the National Highway Transportation Safety Administration found that drivers 18 to 20 years of age had 2,274 alcohol-related fatalities while those 21 to 24 years old had more—2,590. And according to the Morris study in January 1984, 37-year-olds are most likely the ones to be involved in an alcohol-related accident. Similarly, in figures taken from the DWI arrests column of the Morning Advocate between May 20, 1983, and May 29, 1984, 11 percent of the arrests involved persons 18 to 21; 43.5 percent involved persons 21 to 30, and 35 percent between 31 and 50. Another 8 percent were over 51. Of the 1,830 DWI arrests made in that period, only 11 percent were in the 18- to 21-year-old category. Why don't we ban them from drinking?

My final area of concern, Mr. Speaker, is that the Federal Government has once again overstepped its proper bounds of authority. This affects both the States and individual liberties.

Since late 1983, 19 States carefully considered and rejected raising their legal drinking age. And it is their drinking age. Under the 21st amendment to the Constitution, which repealed prohibition, the regulation of alcoholic beverages was left to the States, not the Federal Government. Yet we have decided that we know better than elected State officials how their own affairs should be handled. Because they cannot afford to lose the millions of dollars in Federal highway aid—which comes from the taxpaying citizens of the States—we are in effect forcing State governments to raise their drinking age to 21. We completely ignore the unique social mores and customs which differentiate States from each other. We should not legislate that way, Mr. Speaker.

With respect to individual freedom, I would like to quote part of a letter that appeared in the Washington Post last July, when the law passed. This letter was also referred to in the Post's editorial the same day, which pointed out that Congress had "* * * cut off an entire age bracket of adults from a freedom enjoyed (and abused) by all other adults * * *." The letter itself said this: "Ideally, a law should achieve the greatest amount of social utility through the least imposition on personal freedom." The letter goes on to point out that Congress did just the opposite by passing a law that "* * * makes scapegoats of a relatively powerless segment of the population while presenting the illusions of solving a social problem."

Mr. Speaker, I believe in making people responsible for their actions—and punishing them if they act irresponsibly toward their neighbors. This law we have passed seeks to prevent them from irresponsible action, and as such is wholly unenforceable.

Far better to adopt an approach emphasizing not restrictions on drinking, but instead strict and certain sanctions, including a system where if you are apprehended while driving under the influence of drugs or alcohol, you could stand to lose your license for up to 2 years. A mandatory term of imprisonment of 6 months or 1 year for those who injure or kill a fellow human being while driving while intoxicated puts the burden squarely on the offender, rather than an innocent class of citizenry.

Mr. Speaker, I again urge my colleagues to join me in repealing section 158 of title 23.

[From the CONGRESSIONAL RECORD—June 22, 1984]

H.R. 4616, TRANSPORTATION BILL

Mr. LIVINGSTON. Mr. Speaker, the ends do not justify the means. As much as all of us want to end the horrors of drunk driving, it is wrong for the Federal Government to coerce the States into changing their legal drinking age to 21. And that is precisely what this bill does—out of the noblest of intentions—by cutting necessary highway funds to those States that fail to comply with Washington's mandate.

The legal drinking age should be left to State legislatures whose members know the local demographics, customs, and mores, all of which are different in different parts of the country. The problems associated with drunk driving—and they are great—defy uniform classification by the National Government. Some States have voluntarily raised the drinking age only to see an increase in per capita alcohol related deaths, while others have been more successful with the same kind of approach. An approach that succeeds in New Jersey may not succeed in Louisiana because the two States are different in many vital respects. The same is true for all of the States when compared to each other.

Statistics are legion, Mr. Speaker, and we could quote them all night, oblivious to the maxim that they make liars of us all. A number of concerned, responsible student groups and insurance officials, whose voices have come to be heard only recently, can point to reliable figures indicating that the vast majority of under-21 citizens are involved in no alcohol-related accidents whatever. They also point out that if you banned the sale of alcohol to 22-, 23-, and 24-year-olds you could derive the same effect as a ban for those 18 to 21. Proponents of the bill can point to similar statistics for their side, equally reliable.

But as columnist William Raspberry asks in today's Washington Post, "I suppose that if you raised the drinking age to 45—and found some way to enforce it—you would save perhaps 90 percent of the victims of drunk driving. But should you do it?" That is a good question, but an even better one is "Why should we do it?" And if we insist that we know better than the elected State officials on the scene, we should still ask also, "Why must we do it this way?"

This bill would cut off 15 percent of highway funds wherever the drinking age is not raised to 21, though part of the bill takes a much better approach—the incentive approach. Specifically, it would increase by 5 percent the highway funds for those States that enact mandatory sentence laws for drunken driving. That is the general approach this Congress should take—incentives—if we must preempt the local officials.

Mr. Speaker, I urge my colleagues to oppose this bill under these conditions. States deserve better, our 18-year-old adults deserve better, and we deserve better. I have lost members of my own family to highway accidents but this is not the way to attack a serious problem. The ends don't justify the means, and this is no way to legislate.

[From the Washington Post, July 3, 1984]

DRINKING AT 21

Ideally, a law should achieve the greatest amount of social utility through the least imposition on personal freedom. When judged by this criterion, the recent legislations compelling states to raise the drinking age to 21 fails miserably.

It is a perfect example of a bill that makes scapegoats of a relatively powerless segment of the population, while presenting the illusion of solving a social problem.

While it is true that 18- to 20-year-olds' involvement in DWI fatalities is disproportionate to their share of the driving population, fatalities caused by this group are an extremely small part of the total picture. Estimates of the percentage of DWI deaths caused by those over age 20 range from 85 to 97 percent.

Given this fact, the recent fanfare and self-congratulation in Congress—bolstered by the media—seem unjustified. Further, given the less than overwhelming social benefits predicted, as well as the clear availability of alternative solutions, the sacrifice asked of 18-, 19- and 20-year-olds, seems both arbitrary and unwarranted.

The clumsiness and inefficiency of the bill are highlighted when one considers that 18- to 20-year-old females represent no greater threat on the highways than do older people, but are still penalized by this shotgun approach.

The choice of 21 as the drinking age is quite arbitrary using the same rationale, one could raise the drinking age to 25 in order to maximize the effect on public safety. The reason this is not done is that as the age gets higher the political clout of the targeted population gets greater, making such initiatives unthinkable.

The National Safety Council Estimates that mandatory seat belt laws would save 13,000 lives, compared with the 700 predicted for the drinking age hike. However, when proposals to mandate the use of seat belts are put forth, complaints about government impositions on personal freedom begin to ring out.

The recent drinking age legislation reveals one of the ancient truths of public policy—those backed by political lobbies are treated permissively by the law, while those without power are treated restrictively.

JEFFREY ROWAN.

WASHINGTON.

[From the Washington Post, July 3, 1984]

AS 21 BECOMES ONE FOR THE ROADS

In no time flat, the political bandwagon for a minimum drinking age of 21 became a steamroller. Member of Congress and the Reagan administration found it much easier to cut off an entire age bracket of adults from a freedom enjoyed (and abused) by all the other adults than to say no and to focus instead on drinking and driving by anybody.

So now the federal government is making an offer to the states and the District that they can refuse—for a price; make the drinking age at least 21 or lose 5 percent of your highway construction money in the third year and 10 percent in the fourth. To offset this negative feature, the measure also provides a bonus of up to 5 percent for states that impose mandatory jail terms and revoke licenses for drunk-driving offenses.

We continue to have reservations about this approach to drunk driving, including some that are among the criticisms made by reader Jeffrey Rowan in a letter to the editor today. But the new level of national concern about drunken driving is encouraging—and the objective of saving lives indisputable. And it boils down to whether states with various versions of lower drinking ages—Virginia and the District among them—will comply.

Betting among elected officials is that they will. You could argue that maybe enough drinks could be sold to 18-to-21-year-olds in and around Virginia and the District to offset any road-money penalties—but who among the politicians would touch that idea with a fork? We wouldn't either.

Better to wait for the next finding after "21" goes nationwide. Studies may show then—and dramatically so—that among legal drinkers involved in alcohol-related fatal traffic accidents, the 21-to-24 group has the worst national average. Will Congress step in again in the name of saving lives? Or will a separate finding show that even a selective prohibition won't fly in this day and age, that the target should be drinkers who drive, not drinkers who just drink (which can be another, separate problem).

This has been the gist of messages aimed specifically at graduating students, holiday drivers and, just under way, the "Safe Summer 1984" campaign promoted by the Washington Regional Alcohol Program—with warnings, charts and stickers posted in some 1,000 area gasoline stations that urge people to report any drunk driver to police. If this cooperative campaign involving business, government and individual volunteers is as successful as the organization's other campaigns over the last two years, Greater Washington will have made effective, noteworthy progress against America's most frequently committed violent crime.

[From the Washington Post, June 27, 1984]

A 21-YEAR-OLD DRUNK DRIVER CAN KILL

(By William Raspberry)

Listen to the backers of the legislation to raise the national drinking age to 21—passed by the Senate yesterday—and you get the idea that the 18-, 19- and 20-year-old drivers are the major contributors to the carnage on our highways.

Take away their alcohol, we are told, and you save as many as 1,200 lives a year. Just this week, the Metropolitan Insurance Co., which undoubtedly knows about statistics, offered somewhat more modestly, that raising the drinking age to 21 would save 700 lives a year.

Still, that's a lot of lives, and the numbers make a strong argument for the national minimum.

Well, some of the young people who would be affected by the measure were in town just before this bill's passage to make an even stronger argument that the statistics are misleading, that the bill is wildly discriminatory, and that enactment of the controversial measure would constitute "selective discrimination not justified by the actions of our young people."

Stuart Friedman, executive vice president of the Student Association of the State University of New York, told a Senate hearing that "19- and 20-year-olds are actually less guilty of driving drunk than 21- to 24-year-olds."

Celeste Bergman, speaking for the Florida Student Association, made it even stronger. Not only are 99.2 percent of the under-21 Floridians involved in no alcohol-related accidents whatever, she said, but when Florida, in 1980, raised its drinking age from 18 to 19, "alcohol-related fatalities among 18-year-olds rose by 21 percent, while in all other age groups they decreased."

That may be a statistical aberration. It stands to reason that some number of lives would be saved if alcohol could be kept away from drivers under age 21. Aren't those lives worth saving?

That's the toughest part of the argument to handle emotionally. It is obvious that some lives would be saved from drunken drivers if you could keep any three-year cohort from drinking. Indeed, if you banned alcohol sales to 22-, 23- and 24-year-olds you might save nearly as many lives as you would by raising the drinking age to 21. On the other hand, Metropolitan Life officials tell me that the alcohol-related fatality rate is virtually the same for 16- and 17-year-olds who are already legally barred from drinking as for 18-to-20-year-olds, which should say something about the prospective effectiveness of the Senate proposal. I suppose that if you raised the drinking age to 45 (and found the means to enforce it) you would save perhaps 90 percent of the victims of drunk driving. But should you do it?

In a way, it's the same sort of argument that was put forth for keeping the speed limit at 55 miles per hour. If the lower limit, introduced primarily as a fuel-conservation measure, had the happy side effect of reducing highway fatalities, raising it again would, in effect, condemn some statistically acertainable number of people to death. So what do you do? Keep it at 55 mph to save those lives? Lower it to 45 and save more? Reduce it to 15 and wipe out highway deaths?

Virtually all the young people who testified Monday stressed their belief that education is the best way to get at the problem of drunk driving.

In that regard, Sweden has adopted a highly educational rule. A Swedish driver found to have a blood-alcohol concentration of .5 parts per thousand (say, two drinks for a 150-pound man) can go to prison for six months. If the concentration is 1.5 per thousand or higher, he can go to prision for a year.

The result is that in Sweden, which used to have a major problem with drunk driving, the present social custom is for partygoers to select one person among them as the driver, and that person does not drink.

The Swedes have figured out what seems to have escaped the backers of the Senate bill: You're just as dead if the drunk who plows into you is over 21 or only 18.

[From the Times-Picayune/the States-Item, Feb. 28, 1985]

PANEL WARNS OF BIG LOSSES IF DRINKING AGE GOES TO 21

(By Ed Anderson)

Raising the state drinking age to 21 could cost the New Orleans area $10 million a year in tourist and convention business, a state Senate committee meeting in New Orleans was told Wednesday.

At the same time, if the state leaves the minimum drinking age at 18, the federal government will withhold $14 million in highway money in 1986 and another $28 million in 1987, state Sen. Oswald Decuir, D-New Iberia, said.

A bill to raise the drinking age died in last summer's legislative session. Under new federal laws all states must raise their legal drinking age to 21 by 1986 or lose federal highway money.

Decuir said lawmakers may postpone action at the session beginning April 15 on a bill to raise the drinking age. Decuir, chairman of the committee, said his panel will report to the Senate before the session begins.

Testimony at the committee meeting at the University of New Orleans centered on the economic impact of the proposal, its fairness and effectiveness.

Some conventions come to New Orleans just because of the low drinking age, Paul Arrigo of the Greater New Orleans Tourist and Convention Commission said. Losing those conventions could cost the city $10 million a year, he said.

Louisiana is one of three states with a legal drinking age of 18 and the city "will lose a competitive edge" if the drinking age limit is raised, he said.

Sonny Oechsner, general manager and an owner of Pat O'Brien's in the French Quarter, said that about 20 percent of his business is from people 18 to 21. But those young adults cause less problems at his bar than those over 21, he said.

James Funk, executive director of the Louisiana Restaurant Association, said an increase in the drinking age would force some smaller restaurants out of business. He said it would also hurt caterers, hotels and others who are involved in liquor sales.

The state's restaurant industry pumps about $2 billion a year into the Louisiana economy, he said.

But Kathleen Brown of Mandeville who described herself as a reformed teen-age alcoholic, urged the drinking age be raised to 21.

Referring to the 47 other states with a higher drinking age than Louisiana, Brown said, "I just don't see them losing business. Other states are thriving."

Several witnesses urged that instead of raising the drinking age, more time and money be spent on alcohol awareness programs in junior and senior high schools, colleges and universities.

But Brown said she started talking her way into bars with fake IDs at 13 and was an alcoholic at 17. She said education programs are not enough.

The State should also consider raising the driving age to further protect citizens against youthful drinkers, she said.

Rep. Jon Johnson, D-New Orleans, who has twice backed bills to raise the drinking age to 21, said the Legislature has an obligation to raise the drinking age. "It is an issue of public policy, it is an issue of safety and it is an issue of moral values," he said.

National figures show people are drinking at younger ages, Johnson said, and that 18-year-olds buy liquor for their underage friends.

He said a 21-year-old would not usually associate with teenagers the way 18-year-olds do. Johnson said raising the drinking age would cut the number of teen-age deaths and injuries from alcohol-related car accidents.

On a more practical level, Johnson said the state would not be wise to keep the law as it is and possibly forfeit million of federal dollars. "There is no way in the world, with the deficit we are experiencing in state government, that we can afford to lose 10 to 15 percent of our federal highway money," said Johnson.

The presidents of the student government associations of UNO, Tulane University and Southeastern Louisiana University urged the committee not to tamper with the law.

"That would be abridging an inherent right of freedom of choice," said Billy Rippner of Tulane. Raising the drinking age to 21 "would be a farce" because students will find ways to circumvent the higher drinking age, said UNO Student Government President Byran O'Rourke.

State Rep. Quentin Dastugue, R-Metairire, made similar statements about the fairness of the proposal and drew laughter when he said, "To be a member of the Legislature—and you know you can't be one without drinking—you have to be 18 years old."

But no matter what the age limit, the law is no good unless it is enforced. New Orleans police Lt. Clinton Lauman said that last year police arrested 41 juveniles for buying drinks and 14 bar managers or bartenders at eight locations for selling drinks to minors.

But the district attorney's office dropped charges against 13 of the 14, and a judge found the remaining defendant innocent because drinking "is a way of life" in New Orleans, Lauman said.

MINIMUM LEGAL DRINKING/PURCHASE AGES AND DATE OF LAST LEGISLATIVE CHANGE FOR THE 50 STATES AND THE DISTRICT OF COLUMBIA

18: Hawaii (1972); Louisiana (1948); Vermont (1971).

19: Alabama (1970); Florida (1980); Georgia (1980); Idaho (1972); Iowa (1978); Minnesota (1976); Montana (1979); New York (1982); Tennessee (1979); Texas (1981); West Virginia[1] (1983); Wisconsin (1983); Wyoming (1973); North Carolina[2] (1983); Ohio[2] (1982); South Carolina[3] (1935); South Dakota[4] (1984); Virginia[2] (1983).

20: Connecticut (1983); Maine (1977); Massachusetts (1979); New Hampshire (1979).

21: Alaska (1983); Arizona (1984); Arkansas (1925); California (1933); Delaware (1983); Illinois (1980); Indiana (1934); Kentucky (1938); Maryland (1982); Michigan (1978); Missouri (1945); Nebraska[5] (1984); Nevada (1933); New Jersey (1983); New Mexico (1934); North Dakota (1936); Oklahoma (1983); Oregon (1933); Pennsylvania (1935); Rhode Island (1984); Utah (1935); Washington (1934).

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[1] 19 (residents), 21 (non-residents).

[2] 19 (Beer), 21 (Wine & Distilled Spirits).

[3] 18 (Beer & Wine), 21 (Distilled Spirits).

[4] (3.2% Beer), 21 (over 3.2% Beer, Wine & Distilled Spirits).

[5] 21 effective July 1, 1985.

18 to 21: Colorado[2] (1945); District of Columbia[6] (1934); Kansas[2] (1949); Mississippi[6] (1966).

[From the Times-Picayune/the State-Item, Jan. 17, 1985]

Worst DWI Offenders Are 21 to 25, Panel Told

Baton Rouge.—Although many paint them as reckless and inexperienced individuals, 18- to 21-year-old drinkers accounted for just over 1 percent of all state traffic accidents in 1983, a state safety official said Wednesday.

"Those between the ages of 21 and 25 are the biggest DWI offenders," Ed Sherman, a computer programmer for the Louisiana Highway Safety Commission, told a committee studying the consequences of raising the legal drinking age from 18 to 21.

The special Senate committee is examining a federal law aimed at forcing states to set the age for purchase and consumption of alcoholic beverages at 21 or risk smaller federal highway funds in the 1987 and 1988 fiscal years.

Now, people 18 and older can legally buy and consume beer, liquor and wine.

State officials have estimated that Louisiana would lose about $15 million or 5 percent of its federal highway money in fiscal 1987 if it doesn't follow the federal law, and 10 percent or as much as $31 million the next year.

Sherman said that out of 151,621 traffic accidents in 1983, 1,790 or 1.2 percent involved a driver between 18 and 21 who had been drinking. Comparable figures for other age groups were not available.

Sherman said 6.1 percent of the 18- to 21-year-olds involved in alcohol-related accidents had been drinking, compared with 6.5 percent of those aged 21 to 25—the highest drinking and driving rate of any age group studied.

Carl Jackson, director of research of the Louisiana Commission on Law Enforcement and the Administration of Criminal Justice, was unable to provide statistics on DWI convictions for 18- to 21-year-olds because the state does not keep such statistics.

"Louisiana has no such information on anybody," Jackson said. "There is no way of knowing the number of DWIs issued short of going to each parish and municipality and manually pulling the files."

Jackson said such statistics were kept until 1979 and were readily accessible to law enforcement officials looking for repeat offenders.

But Jackson said the Legislature had not appropriated money to keep the program going, once federal financing ended.

"It would take manpower in my office that we just don't have right now," Jackson said. He estimated it would take three to six months for his office to find last year's DWI totals for arrests and convictions.

Mike Baer, secretary of the state Senate and a committee member, asked Jackson if the lack of DWI arrest records reduced the effectiveness of a multiple offender law passed by the last session of the Legislature.

"Yes, sir," Jackson said. "Without a law requiring the reporting of the arrests, we won't have the statistics. It all depends on what has been submitted to the state."

Baer also asked Jackson how much it would cost to reinstate the centralized reporting system.

"We estimate that it would cost about $400,000 to build the system up again from ground zero," Jackson said.

Baer criticized the move to raise the drinking age, and said it might be better to concentrate on getting repeat DWI offenders off the road.

"We're taking the easy stuff, the glamour stuff, when at the same time we're not spending $400,000 to get a computer system to track multiple DWI offenders," Baer said.

Sen. Oswald Decuir of New Iberia, chairman of the committee, said the group would meet again in mid-February.

[From the Washington Post, May 29, 1985]

Drinking Ages Alone Aren't It

The same political and highway-money pressures that have been moving many states to adopt a minimum drinking age of 21 are being felt by the District of Columbia—only more so, what with the 16-to-21 set from Maryland and Virginia already swooping into the city regularly for beer and wine. A proposal before the D.C. Council would set the minimum age for any purchase of alcoholic beverages at 21. Though on first glance this measure has great appeal, it does not deal realistically or effectively with the central issue, which is *drunk driving at all ages.*

It is a tough call. There is no question that drunken driving—by people of all ages—has become a deadly menace. It is, in fact, the most frequently committed violent crime in the country. Still, the argument for simply declaring 21 a minimum has many things wrong with it at a time when society has conferred so many other responsibilities of adulthood on 18-year-olds. What about that married couple of 20-year-olds who may wish to buy a bottle of wine for home consumption, with no driving afterward? No sale? Wink at this violation? Arrest them for "possession"?

There are measures that can and should be taken to separate alcohol and driving at all ages. Highway checkpoints have proved effective; why not increase them along both sides of the District's borders? What about lifting drivers' licenses in all alcohol-related cases? How about more pressures on those who sell beer, wine and hard liquor to enforce all existing drinking laws and to continue discouraging driving while under the influence? If the object is to reduce risks, drunken drivers in any age group are menaces—and every one of them above the age of 21 is a poor example for every teen-ager.

To oppose a raising of the minimum legal drinking age is not to minimize the extremely serious issue of alcohol use by minors. But the most deadly aspect of this use is behind the wheel. Instead of tinkering with the drinking age—and you don't hear much about raising the driving age, say from 16 to 18—the concentration should be on enforcing laws that involve the *combination* of drinking and driving by anyone of any age.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Bentley) to revise and extend their remarks and include extraneous material:)

Mr. Gingrich, for 60 minutes, today.

Mr. Walker, for 5 minutes, today.

Mr. Gingrich, for 60 minutes, June 5.

Mr. Dreier of California, for 60 minutes, June 5.

Mr. Walker, for 60 minutes, June 5.

Mr. Siljander, for 60 minutes, June 5.

Mr. Swindall, for 60 minutes, June 5.

Mr. Gingrich, for 60 minutes, June 6.

Mr. Siljander, for 60 minutes, June 6.

Mr. Siljander, for 60 minutes, June 7.

(The following Members (at the request of Mr. Stallings) to revise and extend their remarks and include extraneous material:)

Mr. Conyers, for 5 minutes, today.

Mr. Brooks, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Schumer, for 5 minutes, today.

Mr. Fazio, for 60 minutes, June 6.

Mr. Feighan, for 60 minutes, June 11.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Livingston, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,802.50.

Mrs. Collins, immediately following the vote on the Burton of Indiana amendment to H.R. 1460, in the Committee of the Whole, today.

Mrs. Collins, immediately following the vote on the Zschau amendment to H.R. 1460, in the Committee of the Whole, today.

(The following Members (at the request of Mrs. Bentley) and to include extraneous matter:)

Mr. Siljander.
Mr. McKernan.
Mr. Wortley.
Mr. Lagomarsino.
Mr. Lent.
Mr. Lewis of California.
Mr. Conte in two instances.
Mr. Bilirakis.
Mr. Fields.
Mr. Moorhead.
Mr. Rinaldo.
Mr. Courter in two instances.
Mr. Hyde in two instances.
Mr. Crane in three instances.
Mr. Hammerschmidt in two instances.
Mr. Green.
Ms. Fiedler.
Mr. Gunderson.
Mr. Broomfield.
Mr. Horton.
Mr. Green.
Mr. Swindall.
Mr. Coughlin.

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[6] 18 (Beer & Table Wine), 21 (Fortified Wine & Distilled Spirits).

Mr. Evans of Iowa.
Mr. Sensenbrenner.
Mr. Parris.
Mr. Saxton.
Mr. Lewis of Florida.
Mr. Leach of Iowa.
Mr. Lightfoot.

(The following Members (at the request of Mr. Stallings) and to include extraneous matter:)

Mr. Mazzoli.
Mr. Montgomery.
Mr. Ford of Michigan.
Mr. Hall of Ohio.
Mr. Barnes in two instances.
Mr. Schumer.
Mr. Hubbard.
Mrs. Lloyd.
Mr. Edwards of California.
Mr. Guarini in two instances.
Mr. Rodino.
Mr. Fascell.
Mr. Stark.
Mr. Bustamante.
Mr. Manton.
Mr. Garcia in two instances.
Mr. Yatron.
Mr. Traxler in two instances.
Mr. Borski.
Mr. Skelton.
Mr. Waxman in three instances.
Mrs. Boggs.
Mr. Synar.
Mr. Rangel in three instances.
Mr. Jacobs.
Mr. Mavroules.
Mrs. Byron.
Mr. Frank.
Mr. Fuster.
Mr. Richardson.
Mr. Solarz.
Mr. Hertel of Michigan.
Mr. Ackerman.
Mr. Weiss in two instances.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 144. Joint Resolution to authorize the printing and binding of a revised edition of Senate Procedure and providing the same shall be subject to copyright by the author; to the Committee on House Administration.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2268. An act to approve and implement the Free Trade Area Agreement between the United States and Israel.

ADJOURNMENT

Mr. WOLPE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until Wednesday, June 5, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1399. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Army's proposed Letter of Offer to Pakistan for Defense Articles and Services (Transmittal No. 85-36), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1400. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Air Force's proposed Letter of Offer to Bahrain for defense articles to cost $50 million or more (Transmittal No. 85-37), pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

1401. A letter from the Secretary of Defense, transmitting notification that the current procurement unit cost for the Peacekeeper ICBM has increased by more than 25 percent over unit cost shown in baseline SAR, pursuant to 10 U.S.C. 139b(d)(3)(A); to the Committee on Armed Services.

1402. A letter from the Secretary of Education, transmitting a report entitled "The Condition of Education, 1985 Edition", pursuant to GEPA, section 406(d)(1) (88 Stat. 556); to the Committee on Education and Labor.

1403. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Air Force's proposed Letter of Offer to Bahrain for defense articles and services (Transmittal No. 85-37), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1404. A letter from the Inspector General, Department of Energy, transmitting a report on activities of the Office of the Inspector General, pursuant to Public Law 95-91, section 208(c); to the Committee on Government Operations.

1405. A letter from the Inspector General, Department of Health and Human Services, transmitting a report on the activities of the Office of the Inspector General, pursuant to Public Law 94-505, section 204(a) (96 Stat. 1824); to the Committee on Government Operations.

1406. A letter from the Inspector General, Department of Housing the Urban Development, transmitting a report on the activities of the Inspector General, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

1407. A letter from the Acting Administrator, General Services Administration, transmitting a report on activities of the Inspector General, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

1408. A letter from the Administrator, National Aeronautics and Space administration, transmitting a report on the activities of the Inspector General, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

1409. A letter from the Norfolk Naval Shipyard Co-Operative Association, transmitting the annual report on the association's pension plan, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1410. A letter from the Administrator, Veterans' Administration, transmitting a report on the disposition of claims for benefits by former POW's under chapter 11 of title 38, U.S.C., pursuant to Pubic Law 97-37, section 6(b)(2); to the Committee on Veterans' Affairs.

1411. A letter from the Acting U.S. Trade Representative, transmitting a report on foreign industrial targeting in autos and computers, pursuant to Public Law 98-573, section 625 (98 Stat. 3042); to the Committee on Ways and Means.

1412. A letter from the Deputy Assistant to the President for National Security Affairs, transmitting notification that the report on the future policy of interim restraint will be delayed, pursuant to Public Law 98-525, section 1110(b)(4) (98 Stat. 2587); jointly, to the Committees on Armed Services and Foreign Affairs.

1413. A letter from the Director, Office of Civilian Radioactive Waste Management, Department of Energy, transmitting a proposal for construction of one or more retrievable storage facilities for radioactive waste and spent nuclear fuel, pursuant to Public Law 97-425, section 141(b)(1); jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

1414. A letter from the Comptroller General, General Accounting Office, transmitting a review of the audit of the Tennessee Valley Authority's financial statements for the year ended September 30, 1983 (GAO/AFMD-85-16, May 30, 1985) pursuant to 31 U.S.C. 9106(a); jointly, to the Committee on Government Operations and Public Works and Transportation.

1415. A letter from the Comptroller General, General Accounting Office, transmitting a report entitled "Foreign Industrial Targeting—U.S. Trade Law Remedies" (GAO/NSIAD-85-77, May 23, 1985), pursuant to Public Law 98-573, section 625 (98 Stat. 3042); jointly, to the Committee on Government Operations and Ways and Means.

1416. A letter from the Comptroller General, General Accounting Office, transmitting a report entitled "Why Some Weapon Systems Encounter Production Problems While Others Do Not; Six Case Studies"; jointly, to the Committees on Government Operations and Armed Services.

1417. A letter from the United States Holocaust Memorial Council, transmitting a draft of proposed legislation authorizing appropriations to the Executive Director, U.S. Holocaust Memorial Council, for services necessary to perform the functions of the U.S. Holocaust Memorial Council; jointly, to the Committees on House Administration, Interior and Insular Affairs and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and references to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1602. A bill to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1986 through 1988; with amendments (Rept. No. 99-155). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPIN: Committee on Armed Services. S.J. Res. 108. Joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control. (Rept. No. 99-156). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Commmittee on Energy and Commerce. H.R. 2418. A bill to amend the Public Health Service Act to revise and extend the programs of assistance for primary health care; with amendments (Rept. No. 99-157). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2409. A bill to amend the Public Health Service Act to revise an extend the authorities under that Act relating to the National Institutes of Health and National Research Institutes, and for other purposes; with amendments (Rept. No. 99-158). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2369. A bill to revise and extend the programs of assistance under title X of the Public Health Service Act. (Rept. No. 99-159). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California (for himself, Mr. Foley, Mr. Levine of California, Mr. Mitchell, Mr. Stark, Mr. Parris, Mr. Lantos, and Mr. Torricelli):

H.R. 2653. A bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals; to the Committee on Agriculture.

By Mr. BROWN of California (for himself, and Mr. Stark):

H.R. 2654. A bill to amend the Animal Welfare Act to establish a Federal penalty for damaging or destroying an animal research facility; jointly, to the Committees on Agriculture and the Judiciary.

By Mrs. BENTLEY:

H.R. 2655. A bill to restore Memorial Day to its original date; to the Committee on Post Office and Civil Service.

By Mr. BROWN of California:

H.R. 2656. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide that the label and advertising of certain alcoholic beverages contain a statement warning consumers of possible health hazards associated with consumption of the beverage unless such a requirement is in effect under other Federal law; to the Committee on Energy and Commerce.

H.R. 2657. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductable expense; to the Committee on Ways and Means.

By Mr. FRANKLIN:

H.R. 2658. A bill granting the consent of the Congress to the Arkansas-Mississippi Great River Bridge Construction Compact; to the Committee on the Judiciary.

By Mr. MRAZEK:

H.R. 2659. A bill to establish a program in the Department of Justice to fund State medical malpractice programs which comply with Federal standards, and for other purposes; jointly, to the Committees on the Judiciary and Energy and Commerce.

By Mr. RODINO (for himself, Mr. Fish, and Mr. Edwards of California):

H.R. 2660. A bill to amend title 28 and title 11 of the United States Code to provide for the appointment of U.S. trustees to serve in bankruptcy cases in judicial districts throughout the United States, to make certain changes with respect to the role of U.S. trustees in such cases, and for other purposes; to the Committee on the Judiciary.

By Mr. SCHUMER:

H.R. 2661. A bill to promote the interests of consumers in securing financial services; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SKELTON:

H.R. 2662. A bill to amend section 794 of title 18, United States Code, to provide more severe penalties for certain forms of espionage; to the Committee on the Judiciary.

By Mr. SLATTERY:

H.R. 2663. A bill to amend title 5, United States Code, to credit time spent in the Cadet Nurse Corps during World War II as creditable service for civil service retirement; to the Committee on Post Office and Civil Service.

By Mr. DENNY SMITH (for himself, Mr. Levine of California, Mr. Boulter, Mr. Bereuter, Mrs. Schroeder, Mr. Levin of Michigan, Mr. Strang, Mr. Berman, Mr. Chandler, Mr. Smith of Florida, and Mr. Dicks):

H.R. 2664. A bill entitled the "Competition and Ethics Enforcement Act of 1985"; to the Committee on Armed Services.

By Mr. WEISS:

H.R. 2665. A bill to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to modify certain limitations on the amount of financial protection required with respect to nuclear incidents, to remove the limitations on the aggregate liability for a single nuclear incident, to limit the financial obligations of the United States with respect to such incidents, and for other purposes; to the Committee on Insular Affairs.

By Mr. BUSTAMANTE:

H.J. Res. 299. Joint resolution recognizing the accomplishments over the past 50 years resulting from the passage of the Historic Sites Act of 1935, one of this Nation's landmark preservation laws; to the Committee on Interior and Insular Affairs.

H.J. Res. 300. Joint resolution designating August 14, 1985, as "Social Security Day," and the week of August 11, 1985, through August 17, 1985, as "Social Security Week"; to the Committee on Post Office and Civil Service.

By Mr. CONTE:

H.J. Res. 301. Joint resolution to designate the decade beginning January 1, 1966, as the "Decade of the Brain"; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H.J. Res. 302. Joint resolution proposing an amendment to the Constitution of the United States to repeal the 25th amendment to that Constitution; to the Committee on the Judiciary.

By Mr. GUNDERSON:

H.J. Res. 303. Joint resolution to establish a national commission to study and make recommendations concerning the future provisions of the Dairy Price Support Program; to the Committee on Agriculture.

By Mr. HAMILTON (for himself and Mr. Stump):

H.J. Res. 304. Joint resolution to designate the week of June 2, 1985, through June 8, 1985, as "National Intelligence Community Week"; to the Committee on Post Office and Civil Service.

By Mr. YATRON:

H. Con. Res. 158. Concurrent resolution in support of the U.N. Environment Program; to the Committee on Foreign Affairs.

By Mr. WIRTH:

H. Res. 181. Resolution to establish the Select Committee on Defense Procurement; to the Committee on Rules.

By Mr. BRYANT:

H. Res. 182. Resolution to designate the week beginning June 16, 1985, as "National Sheriffs Week"; to the Committee on Post Office and Civil Service.

By Mr. GUARINI:

H. Res. 183. Resolution establishing the House of Representatives Foreign Student Intern Program; to the Committee on House Administration.

By Mr. SAVAGE (for himself, Mr. Conyers, Mr. Daniel, Mr. Clay, Mr. Weiss, Mr. Dellums, Mr. Kolter, Mr. Rahall, Mr. Murphy, Mr. Evans of Illinois, Mrs. Collins, Ms. Kaptur, Mr. Bustamante, Mr. Monson, Mr. Owens, Mr. Courter, and Mr. Crockett):

H. Res. 184. Resolution expressing the sense of the House of Representatives that employee life support programs should be protected by continuing the current tax benefits for such programs; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ACKERMAN introduced a bill (H.R. 2666) for the relief of Merceditas Villanueva, Flordelica Villanueva, and Emmanuel Villanueva; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. Dickinson, Mr. Rogers, Mr. Hunter, Mr. Owens, Mr. Mollohan, Mr. Coble, and Mr. Hopkins.

H.R. 52: Mr. Markey.

H.R. 62: Mr. Wise.

H.R. 236: Mrs. Schroeder.

H.R. 281: Mr. McHugh, Mr. Obey, Mr. Synar, Mr. Udall, Mr. Wise, Mr. Roybal, Mr. Skelton, Mr. Coyne, and Mr. Dyson.

H.R. 370: Mr. Waxman, Mr. Feighan, Mrs. Burton of California, Mr. Wolpe, Mr. Stark, and Mr. Savage.

H.R. 452: Mr. Packard.

H.R. 469: Mr. Badham and Mr. Kindness.

H.R. 528: Mr. Torricelli, Mrs. Lloyd, Mr. McHugh, and Mr. Andrews.

H.R. 604: Mr. Ralph M. Hall, and Mr. Stallings.

H.R. 661: Mr. Rodino.

H.R. 685: Mr. Oberstar.

H.R. 691: Mr. Eckart of Ohio, Mr. Kolbe, Mr. Moody, Mr. Grotberg, and Mr. Wolpe.

H.R. 704: Mr. Smith of New Hampshire.

H.R. 749: Mr. Mineta and Mr. Gray of Illinois.

H.R. 776: Mr. Martinez.

H.R. 932: Mr. Saxton, Mr. Coelho, and Mr. Addabbo.

H.R. 950: Mr. de Lugo, Mr. Fauntroy, Mr. Fish, Mr. Flippo, Mr. Foglietta, Mr. Fowler, Mr. Garcia, Mr. Horton, Mr. Leland, Mr. McGrath, Mr. Mrazek, Mr. Stark, Mr. Vander Jagt, Mr. Ford of Tennessee, Mr. Duncan, Mr. Solarz, and Mr. Ackerman.

H.R. 976: Mr. Walgren.

H.R. 983: Mr. McMillan, Mr. Ortiz, Mr. Richardson, Mr. Torres, Mr. Brooks, Mr. Whitehurst, Mr. Flippo, Mr. Rose, Ms. Kaptur, and Mr. Cooper.

H.R. 1031: Mr. Savage.

H.R. 1032: Mr. Savage.

H.R. 1059: Mr. Bedell.

H.R. 1090: Mr. Dymally, Mr. Leath of Texas, and Mr. Wolpe.

H.R. 1123: Mr. Wolf, Mr. Hartnett, and Mr. Young of Alaska.

H.R. 1190: Mr. Breaux, Mr. Yatron, and Mr. Mazzoli.

H.R. 1284: Mr. Green, Mr. Schumer, Mr. Stokes, Mr. de Lugo, Mr. Boucher, Mr. Mitchell, Mr. Ridge, Mr. Whitehurst, Mr. Hughes, Mr. Vander Jagt, Mr. Stangeland, Mr. Valentine, Mr. Frost, Mr. Clinger, Mr. Fascell, Mr. LaFalce, Mr. Pease, and Mr. Rahall.

H.R. 1294: Mr. Mollohan.

H.R. 1316: Mr. Packard.

H.R. 1335: Mr. Udall, Mr. Hayes, Mr. Seiberling, Mr. Torricelli, Mr. Dixon, Mr. Evans of Illinois, Mr. Lowry of Washington, and Mr. Sikorski.

H.R. 1375: Mr. Mrazek, Mr. Hertel of Michigan, and Mr. Frank.

H.R. 1398: Mr. Perkins.

H.R. 1423: Mr. Daub and Mr. Dreier of California.

H.R. 1427: Mr. Wirth.

H.R. 1463: Mr. Tauke.

H.R. 1464: Mr. Hamilton.

H.R. 1465: Mr. Hamilton.

H.R. 1524: Mr. Bonior, of Michigan, Mr. Swift, Mr. Moakley, Mr. English, Mr. Wheat, Mr. Hoyer, Mr. Walgren, Mr. Yates, Mr. Mavroules, and Mr. Levine, of California.

H.R. 1535: Mr. Reid.

H.R. 1536: Mr. Reid.

H.R. 1542: Mr. Sunia, Mr. Ford of Tennessee, and Mr. St Germain.

H.R. 1589: Mr. Addabbo.

H.R. 1616: Mr. Towns, Mr. Sikorski, Mrs. Boxer, Mr. Carr, Mr. Torres, Mr. Stratton, and Mr. Murtha.

H.R. 1626: Mr. Wylie, Mr. Leland, Mr. Fazio, Mr. Synar, and Mr. Perkins.

H.R. 1629: Mr. Aspin, Mr. English, Mr. Hefner, Mr. Hopkins, Mr. McDade, Mr. Perkins, Mr. Quillen, Mr. Staggers, Mr. Tallon, Mr. Volkmer, and Mr. Whitley.

H.R. 1632: Mr. Hayes, Mr. Mitchell, and Mr. Staggers.

H.R. 1633: Mr. Mitchell, Mr. Staggers, and Mr. Weaver.

H.R. 1634: Mr. Mitchell and Mr. Staggers.

H.R. 1659: Mr. Edgar.

H.R. 1689: Mr. Martinez and Mrs. Roukema.

H.R. 1701: Mr. Gonzalez, Ms. Kaptur, Mr. Carr, Mr. Stark, Mr. Miller of California, Mr. Murphy, Mr. Martinez, and Mr. Gray of Illinois.

H.R. 1704: Mr. Monson, Mr. Towns, and Mr. Edwards of Oklahoma.

H.R. 1769: Mr. Thomas of Georgia, Mr. Conyers, and Mr. Wise.

H.R. 1809: Mr. Markey, Mr. Chappell, and Mr. Downey of New York.

H.R. 1816: Mr. Gonzalez and Mr. Weaver.

H.R. 1817: Mr. Gonzalez and Mr. Weaver.

H.R. 1834: Mrs. Collins, Mr. Penny, Mr. Frank, Mr. Hayes, Mr. Mineta, Mr. Edwards of California, Mr. Kolter, Mr. Leland, Mr. Fauntroy, Mr. Weaver, Mr. Savage, Mr. Evans of Illinois, Mr. Mitchell, Mr. Rangel, Mr. Lowry of Washington, Mr. Martinez, Mr. Dellums, Mr. Murphy, Mr. Mrazek, Mr. Crockett, Mr. Studds, Ms. Kaptur, Mrs. Burton of California, Mr. Seiberling, Mr. Clay, and Mr. Lehman of Florida.

H.R. 1840: Mr. Spratt, Mr. Stenholm, Mr. Derrick, Mr. Huckaby, Mr. Stangeland, Mrs. Bentley, Mr. Thomas of Georgia, Mr. Ackerman, and Mr. Conyers.

H.R. 1908: Mr. Emerson and Mr. Monson.

H.R. 1911: Mr. Edwards of Oklahoma and Mr. Nielson of Utah.

H.R. 1987: Mr. Downey of New York.

H.R. 2003: Mr. Vento and Mr. Gray of Illinois.

H.R. 2013: Mr. de la Garza, Mr. Nielson of Utah, Mrs. Lloyd, Ms. Oakar, Mr. Barton of Texas, Mr. Kolbe, Mr. Ortiz, Mr. DioGuardi, Mr. Young of Florida, Mr. Dixon, Mr. Shaw, Mr. Bustamante, Mr. Crockett, Mr. Feighan, Mr. Scheuer, Mr. Hawkins, and Mr. Daub.

H.R. 2014: Mr. Wortley, Mr. Eckart of Ohio, Mr. Williams, Ms. Oakar, Mr. Vento, Mr. Ortiz, Mr. Young of Florida, Mr. Dixon, Mr. Bennett, Mr. Foglietta, Mr. Crockett, Mr. Heftel of Hawaii, Mr. Guarini, Mr. Scheuer, and Mr. Daub.

H.R. 2020: Mr. Wirth, Mr. Miller of California, and Mr. Dymally.

H.R. 2064: Mr. Weber and Mr. Penny.

H.R. 2116: Mr. Weber, Mr. Mitchell, and Mr. McHugh.

H.R. 2119: Mr. Sunia, Mr. Hunter, Mr. Emerson, Mr. Scheuer, Mr. Mack, and Mr. Sikorski.

H.R. 2205: Mrs. Bentley, Mr. Dickinson, Mrs. Holt, Mr. Murphy, Mr. Scheuer, Mrs. Schroeder, and Mr. Smith of Florida.

H.R. 2211: Mr. Berman, Mr. Gray of Illinois, and Mr. Perkins.

H.R. 2216: Mr. Crockett, Mr. Waxman, Mr. Feighan, and Mr. Oberstar.

H.R. 2247: Mr. Kolter and Mr. Seiberling.

H.R. 2258: Mr. Owens and Mr. Valentine.

H.R. 2262: Mr. Savage, Mr. Sharp, Mr. Panetta, Mr. Vento, Mr. Rangel, and Mr. Ackerman.

H.R. 2263: Mr. Crockett, Mr. Berman, Mr. Ford of Michigan, Mrs. Holt, Mr. AuCoin, and Mr. Daub.

H.R. 2277: Mr. Roberts and Mrs. Bentley.

H.R. 2293: Mr. Bates, Mr. Leland, and Mr. Erdreich.

H.R. 2302: Mr. Bedell, Mrs. Bentley, Mrs. Collins, Mr. Kanjorski, Mr. Martinez, Mr. Neal, Mr. Perkins, Mr. Ridge, Mr. Roberts, Mr. Solomon, Mr. Stangeland, Mr. Valentine, and Mr. Whitehurst.

H.R. 2322: Mr. Wortley, Mr. Jeffords, and Mr. Clinger.

H.R. 2326: Mr. Weber and Mr. Armey.

H.R. 2342: Mr. Markey, Mr. Anderson, Mr. Hughes, Mr. Roe, Mr. Oberstar, Mr. Borski, Mr. Frank, Mr. Mitchell, Mr. Frost, Mrs. Schroeder, Mr. Owens, Mr. Skelton, Mr. Bedell, and Mr. Savage.

H.R. 2346: Mr. Lightfoot and Mr. Rose.

H.R. 2361: Mrs. Schroeder, Mr. Fuster, Mr. Savage, Mr. Leland, and Mr. Richardson.

H.R. 2365: Mr. Jacobs, Mr. Smith of Florida, Mr. Whitehurst, Mr. Berman, Mr. Weaver, Mr. Howard, Mr. Eckart of Ohio, Mr. Evans of Illinois, and Mrs. Burton of California.

H.R. 2397: Mr. Coleman of Texas, Mr. Crockett, Mrs. Johnson, Mr. Bonker, Mr. Eckart of Ohio, Mr. Young of Florida, Mr. Staggers, and Mr. Shelby.

H.R. 2411: Mr. Synar.

H.R. 2412: Mr. Synar.

H.R. 2441: Mr. Coble, Mr. Frank, Mr. McKinney, Mr. Gray of Illinois, Mr. Mitchell, Mr. Beilenson, Mr. Frost, and Mr. Hunter.

H.R. 2458: Mr. Davis, Mr. Howard, and Mr. Dickinson.

H.R. 2470: Mr. Mollohan, Mr. Ortiz, and Mr. Bevill.

H.R. 2489: Mr. Bonior of Michigan, Mr. Manton, and Mr. Williams.

H.R. 2524: Mr. Lott.

H.R. 2589: Mr. Stokes, Mr. Wheat, and Mr. Hayes.

H.R. 2626: Mr. Michel, Mr. Reid, Mr. Stark, Mr. Solomon, Mr. Grotberg, Mr. Lightfoot, Mr. Weber, and Mr. Mack.

H.J. Res. 3: Mr. Gallo, Mr. Yates, Mr. Frost, and Mr. Boucher.

H.J. Res. 20: Mr. Murphy, Mr. Udall, Mr. Mrazek, Ms. Oakar, Ms. Mikulski, Mr. Wolpe, Mr. Rowland of Connecticut, Mr. Green, Mr. Gunderson, Mr. Manton, Mr. Chappie, Mr. Addabbo, Mrs. Burton of California, Mr. Gallo, Mr. Markey, and Mr. Bevill.

H.J. Res. 131: Mr. Packard, Mr. Fish, Mr. Lagomarsino, Mrs. Boxer, Mr. Chandler, Mr. Anderson, Mr. Wheat, Mr. Feighan, Mr. Levin of Michigan, Mr. Chappie, Mr. Akaka, Mr. Darden, Mr. Barnard, Mr. Hefner, Mr. Rose, and Mr. Whitley.

H.J. Res. 133: Mr. Murphy, Mr. Nowak, Mr. Kostmayer, and Mr. St Germain.

H.J. Res. 144: Mr. Andrews, Mr. Biaggi, Mr. Boner of Tennessee, Mr. Carr, Mr. Emerson, Mr. Fawell, Mr. Fazio, Mr. Hertel of Michigan, Mrs. Holt, Mrs. Lloyd, Mr. Lowry of Washington, Mr. Lundine, Mr. Martinez, Mr. Porter, Mr. Reid, Mrs. Roukema, Mr. Roybal, Mr. Sabo, Mr. Skelton, Mr. Solarz, Mr. Stangeland, and Mr. Yates.

H.J. Res. 156: Mr. Torricelli, Mr. Sunia, and Mr. Skelton.

H.J. Res. 159: Mr. Clinger.

H.J. Res. 172: Mr. Martin of New York, Mr. Kostmayer, Mr. Horton, Mr. Shuster, Mr. Applegate, Mr. Roe, Mr. Berman, Mr. Howard, Mr. Hoyer, Mr. Oberstar, Mr. Stokes, Mr. Carney, Mr. Biaggi, Mr. Bonior of Michigan, Mr. Mrazek, Mr. Waxman, Mr. Brown of California, Mr. McGrath, Mr. Fauntroy, Mr. Frank, Mr. Guarini, Mr. Lagomarsino, Mr. McHugh, Mr. Towns, Mr. Young of Missouri, Mr. Ackerman, Mr. Owens, Mr. Smith of New Jersey, Mr. Dwyer of New Jersey, Mr. Jacobs, Mr. Barnes, Mrs. Burton of California, Mr. Rinaldo, Mr. Hughes, Mr. Weaver, Mr. Anthony, Mr. Dellums, Mr. Bereuter, Mr. Martinez, Mr. Chandler, Mr. Bedell, Mr. Carper, Mr. Conyers, Mr. Neal, Mr. Dixon, Mr. Gejdenson, Mr. de Lugo, Mr. Evans of Iowa Mr. Rodino, Mr. Solarz, Mr. Spratt, Mrs. Collins, Mr. Emerson, Mr. Chappie, Mr. Henry, Mr. Florio, Mr. Brown of California, Mr. Frost, Mr. Hayes, Mrs. Boxer, Mr. Green, Mr. Blaz, Ms. Kaptur, Mr. Hansen, Mr. Lungren, Mr. Murphy, Mr. DeWine, Mr. Hertel of Michigan, Mr. Rangel, Mr. Volkmer, Mr. Mavroules, Mr. Durbin, Mr. Hefner, Mr. Kolter, Mr. Addabbo, Mr. Jones of North Carolina, Mr. Torricelli, Ms. Oakar, Mr. Ortiz, Mr. Matsui, Ms. Mikulski, Mr. O'Brien, Mr. Broomfield, Mr. Foglietta, Mr. Pepper, Mr. Molinari, Mr. Traxler, Mr. Andrews, Mr. Sunia, Mr. Morrison of Washington, Mr. Reid, Mr. DioGuardi, Mr. Edwards of Oklahoma, Mr. Mazzoli, Mr. Fazio, Mr. Wortley, Mr. Durbin, Mr. Levin of Michigan, Mr. Hammerschmidt, Mr. Scheuer, Mr. Thomas of Georgia, Mr.

Wirth, Mr. Levine of California, Mr. Heftel of Hawaii, Mr. Bryant, Mr. Courter, Mrs. Holt, Mr. Feighan, Mr. Barnard, Mr. Crockett, Mr. Mitchell, Mrs. Johnson, Mr. Smith of Florida, Mr. Wheat, and Mr. McHugh.

H.J. Res. 178: Mrs. Burton of California, Mr. Denny Smith, Mr. Broomfield, Mr. Whitten, Mr. McKinney, Mr. Madigan, and Mr. Wise.

H.J. Res. 179: Mr. Anthony, Mr. Dymally, Mr. Frank, Mr. Ralph M. Hall, Mr. Jacobs, Mr. Leland, Mr. Martin of New York, Mr. Moakley, Mr. Roberts, Mr. Roe, Mr. Rowland of Georgia, Mr. Saxton, Mr. Scheuer, Mr. Skelton, Mr. Solarz, Mr. Synar, Mr. Tallon, Mr. Torres, Mr. Walgren, Mr. Wolpe, and Mr. Young of Alaska.

H.J. Res. 211: Mr. Young of Missouri, Mr. Dicks, Mr. Guarini, Mr. Fazio, Mrs. Collins, Mr. Reid, Mr. Waxman, Mr. Kasich, Mr. Coble, Mr. Emerson, Mr. Franklin, Mr. Ireland, Mr. Bustamante, Mr. Ford of Michigan, Mr. Erdreich, Mr. Miller of Ohio, Mr. Dornan of California, Mr. Chandler, Mr. Gunderson, Mr. Smith of New Jersey, Mr. Matsui, Mr. Wortley, Mr. Morrison of Washington, Mr. Grotberg, Mr. Bedell, Mr. Levine of California, Mr. Edwards of Oklahoma, Mr. Markey, Mr. Mack, and Mr. Porter.

H.J. Res. 216: Mr. Rangel, Mrs. Collins, Mr. Akaka, Mr. Applegate, Ms. Mikulski, Mr. Young of Florida, Mrs. Kennelly, Mrs. Boxer, Mr. Bustamante, Mr. Murphy, Mr. Florio, Mr. English, Mr. Hughes, Mr. Carney, Mr. Savage, Mr. Duncan, Mr. Dwyer of New Jersey, Mr. Torricelli, Mr. Lundine, Mrs. Holt, Mr. Volkmer, Mr. Alexander, Mr. Kanjorski, Mr. Reid, Mr. Boehlert, Mr. Lewis of Florida, Mr. Annunzio, Mr. Bonior of Michigan, Mr. Jones of North Carolina, Mr. Roemer, Mr. Tallon, Mr. Yates, Mr. Daschle, Mr. Panetta, Mr. Fauntroy, Mr. Sisisky, Mr. Mollohan, Mr. Smith of Florida, Mr. Levin of Michigan, Mr. Horton, Mr. Richardson, Mr. Solarz, Mr. Bedell, Mr. Morrison of Connecticut, Mr. Frost, Mr. Kolter, Mr. Wolpe, Mr. Feighan, Mr. Matsui, Mr. Spratt, Mr. Saxton, Mr. McCain, Mr. Shaw, Mr. Sikorski, Mr. Stokes, Mr. Wortley, and Mr. Heftel of Hawaii.

H.J. Res. 218: Mr. Kostmayer, Mrs. Collins, Mrs. Lloyd, Mr. Lagomarsino, Mr. Stenholm, Mr. Feighan, Mr. Weiss, Mr. Berman, Mr. Reid, Mr. Florio, Mr. Frost, Mr. Crockett, Mr. Borski, Mr. Dwyer of New Jersey, Mr. Morrision of Connecticut, and Mrs. Holt.

H.J. Res. 230: Mr. DioGuardi, Mr. Horton, and Mr. Spratt.

H.J. Res. 263: Mr. Dixon, Mr. Lungren, Mr. Sunia, Mr. Yatron, Mr. Carr, Mr. Mrazek, Mr. Bedell, Mr. Berman, Mrs. Holt, Mr. Bereuter, Mr. Hyde, Mr. Hertel of Michigan, Mr. Lipinski, Mr. Conte, Mr. Mineta, Mr. Barnes, Mr. Synar, Mr. Coyne, Mr. Neal, Mr. Packard, Mr. Bonior of Michigan, Mr. Schuette, Mr. Anderson, Mr. Stokes, Mr. Horton, Mr. Burton of Indiana, Mr. Carr, Mr. Ford of Michigan, Mr. Porter, Mr. Tallon, Mr. Hayes, Mr. Natcher, and Mr. Pursell.

H.J. Res. 267: Mr. Strang.

H.J. Res. 270: Mr. Bedell, Mr. Boucher, Mrs. Boxer, Mrs. Collins, Mr. Coyne, Mr. Daub, Mr. DeLay, Mr. DeWine, Mr. Fish, Mr. Florio, Mr. Kolbe, Mr. Levine of California, Mr. Martinez, Mr. Matsui, Mr. Mineta, Mr. Oberstar, Mr. Pepper, Mr. Rangel, Mr. Reid, Mr. Ritter, Mr. Scheuer, Mr. Solarz, Mr. Waxman, Mr. Wheat, and Mr. Wirth.

H. Con. Res. 6: Mr. Manton and Mr. Kanjorski.

H. Con. Res. 7: Mr. Kanjorski.

H. Con. Res. 26: Mr. Frank, Mr. Fauntroy, and Mr. Crane.

H. Con. Res. 37: Mr. Boucher, Mr. Brown of California, Mr. Broyhill, Mr. Craig, Mr. Emerson, Mr. Hutto, Mr. Kleczka, and Mr. Parris.

H. Con. Res. 57: Mr. Bereuter, Mr. Emerson, Mr. Mavroules, Ms. Mikulski, Mr. Towns, and Mr. Wirth.

H. Con. Res. 101: Mr. Garcia, Mr. Walgren, Mr. Lent, Mr. Bryant, Mr. Berman, Mr. Manton, Mr. Coyne, Mr. Roe, Mr. Smith of Florida, Mr. Ackerman, Mr. Frank, Mr. Evans of Illinois, Mr. Borski, Mr. Dwyer of New Jersey, Mr. Mitchell, Mr. Weiss, and Mr. Foglietta.

H. Con. Res. 123: Mr. Ireland, Mr. Shelby. Mr. Guarini, Mr. Stangeland, Mr. Fuqua, Mr. Kanjorski, Mr. LaFalce, Mr. Hendon, Mr. McEwen, Mr. Owens, Mr. Dorgan of North Dakota, Mr. Downey of New York, Mr. Heftel of Hawaii, Mr. Hayes, Mr. Towns, Mr. Lott, Mr. Grotberg, Mr. Lagomarsino, Mr. McCain, Mr. Lehman of Florida, Mr. Daub, Mr. Neal, Mr. Addabbo, Mr. Stenholm, Mr. Bedell, Mr. Frenzel, and Mr. Brown of Colorado.

H. Con. Res. 131: Mr. Spence and Mr. Wheat.

H. Res. 126: Mr. Murphy and Mr. Lewis of California.

H. Res. 131: Mr. Crockett.

H. Res. 134: Mr. Wirth, Ms. Kaptur, Mr. Thomas of Georgia, Mr. Eckart of Ohio, Mr. Morrison of Washington, Mr. Matsui, Mr. Berman, and Mr. Craig.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 512: Mr. Gejdenson.

H.R. 1229: Mr. Mavroules.

H.R. 1401: Mrs. Bentley.

H.R. 1402: Mrs. Bentley.

H.R. 1403: Mrs. Bentley.

H.R. 2600: Mrs. Schroeder.

H.J. Res. 192: Mr. Hutto and Mr. Burton of Indiana.

PETITIONS, ETC.

Under Clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

118. By the SPEAKER: Petition of Douglas J. (Doug) Johnson, et al, Cook, MN, relative to the boundary between the United States and Canada; to the Committee on Foreign Affairs.

119. Also, petition of Jesus R. Querubin, Bacolod City, Philippines, relative to immigration; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R.1460

By Mr. DORNAN of California:

—Page 20, insert the following after line 15:

(c) Waivers.—If the President determines that a business enterprise in South Africa that is controlled by a United States person has incurred financial losses as a direct result of an act of terrorism, then the President may issue an order permitting that United States person, notwithstanding the prohibition contained in subsection (a), to make investments in that business enterprise in amounts not exceeding the amount of those financial losses.

—Page 34, add the following after line 4:

SEC. 15. EFFECTIVE DATE.

(a) Effective Date.—Subject to subsection (b), the provisions of this Act and the amendment made by section 7 of this Act shall take effect at the end of the 1-year period beginning on the date of the enactment of this Act.

(b) Limitation.—The provisions of this Act and the amendment made by section 7 of this Act shall not take effect if, not earlier than 30 days before the end of the 1-year period referred to in subsection (a), the President certifies to the Congress that the African National Congress has not renounced the use of violence by that organization in the achievement of its goals.

—Page 34, add the following after line 4:

SEC. 15. WAIVER OF PROVISIONS OF THE ACT.

The President may waive the provisions of this Act and the amendment made by section 7 of this Act after the end of the 1-year period beginning on the date of the enactment of this Act if, before the end of that 1-year period, the United Kingdom, France, the Federal Republic of Germany, Canada, Japan, Italy, and Israel have not imposed sanctions against South Africa substantially the same as those imposed by all the provisions of this Act.

H.R. 1872

—Page 13, line 15, strike out "$9,039,500,000" and insert in lieu thereof "$10,102,000,000".

—Page 23, line 12, strike out "$6,305,732,000" and insert in lieu thereof "$7,545,000,000".

Page 26, strike out lines 18 through 22 and insert in lieu thereof the following:

(1) $3,712,962,000 is available only for the Strategic Defense Initiatives;

H.R. 2577

By Mr. ARCHER:

—Page 101, after line 6, insert the following:

Sec. 303. That (a)(1) notwithstanding any other provision of law, when any general or special appropriation bill or any bill or joint resolution making supplemental, deficiency, or continuing appropriations passes both House of Congress in the same form, the Secretary of the Senate (in the case of a bill or joint resolution originating in the Senate) or the Clerk of the House of Representatives (in the case of a bill or joint resolution originating in the House of Representatives) shall cause the enrolling clerk of such House to enroll each item of such bill or joint resolution as a separate bill or joint resolution, as the case may be.

(2) A bill or joint resolution that is required to be enrolled pursuant to paragraph (1)—

(A) shall be enrolled without substantive revision,

(B) shall conform in style and form to the applicable provisions of chapter 2 of title 1, United States Code (as such provisions are in effect on the date of the enactment of this Act), and

(C) shall bear the designation of the measure of which it was an item prior to such enrollment, together with such other designation as may be necessary to distinguish such bill or joint resolution from other bills or

joint resolutions enrolled pursuant to paragraph (1) with respect to the same measure.

(b) A bill or joint resolution enrolled pursuant to paragraph (1) of subsection (a) with respect to an item shall be deemed to be a bill under clauses 2 and 3 of section 7 of article 1 of the Constitution of the United States and shall be signed by the presiding officers of both Houses of the Congress and presented to the President for approval or disapproval (and otherwise treated for all purposes) in the manner provided for bill and joint resolutions generally.

(c) For purposes of this Act, the term "item" means any numbered section and any unnumbered paragraph of—

(1) any general or special appropriation bill, and

(2) any bill or joint resolution making supplemental, deficiency, or continuing appropriations.

(d) The provisions of this Act shall apply to bills and joint resolutions agreed to by the Congress during the two-calendar-year period beginning with the date of the enactment of this Act.

By Mr. BREAUX:

—On Page 18, line 4, after the period, insert:

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

For an additional amount for "Payment to the Legal Services Corporation" for a grant for the establishment of the Gillis W. Long Poverty Law Center at the Loyola University School of Law in New Orleans $4,000,000 to remain available until expended.

—On Page 18, line 4, after the period, insert:

LEGAL SERVICES CORPORATION

For the establishment of the Gillis W. Long Poverty Law Center at the Loyola University School of Law in New Orleans $4,000,000 to remain available until expended.

By Mr. BROWN of Colorado:

—On page 44, line 3, strike "$2,008,000,000" and insert in lieu thereof "$1,508,000,000"; and on line 5, strike "$500,000,000 shall be available for Egypt;"

Explanation: The amendment deletes $500,000,000 provided in the bill for economic support for Egypt.

—On page 63, strike line 17 and all that follows through line 4 on page 64.

Explanation: The amendment deletes provisions of the bill which provide additional funds totaling $20,385,000 for the Legislative Branch for "salaries, officers, and employees," "committee employees," "allowances and expenses," and "official mail costs." (Note: The amendment does not affect the payment provided by the bill to Catherine S. Long, the widow of Rep. Gillis W. Long of Louisiana.)

—On page 80, strike line 22 and all that follows through line 2 on page 82.

Explanation. The amendment deletes provisions of the bill which provide funds totaling $9,069,000 for increased pay costs for the Legislative Branch.

By Mr. DORGAN of North Dakota:

—Page 6, after line 3, insert the following:

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

For necessary expenses for States and local agencies to carry out the distribution of surplus commodities under the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note), $4,270,000.

By Mr. EDGAR:

—Page 25, line 22, strike out "Fort" and all that follows through "Arkansas;" on lines 24 and 25.

Page 26, lines 1 and 2, strike out "Oakland Inner and Outer Harbor, California;".

Page 26, line 2, strike out "Richmond" and all that follows through line 3.

Page 26, line 4, strike out "Fountain" and all that follows through "Florida;" the first place it appears on line 6.

Page 26, line 6, strike out "Tampa" and all that follows through "Georgia; " on line 8.

Page 26, line 8, strike out "Locks" and all that follows through "Management;" on line 10.

Page 26, line 12, strike out "Des Moines" and all that follows through "Louisiana;" on line 15.

Page 26, line 16, strike out "Town" and all that follows through the semicolon at the end of such line.

Page 26, line 19, strike out "Gulfport Harbor, Mississippi;".

Page 26, lines 23 and 24, strike out "Kill Van Kull, Newark Bay Channel, New York and New Jersey;".

Page 26, line 25, and page 27, line 1, strike out "Cleveland Harbor, Ohio;".

Page 27, line 6 strike out "Parker" and all that follows through "Washington;" on line 7.

Page 27, line 8, strike out "Monongahela" and all that follows through "Virginia;" on line 10.

Page 27, line 11, strike out "Monongahela" and all that follows through "nia;" on line 12.

Page 27, line 13, strike out "Colorado" and all that follows through "Austin, Texas;" on line 14.

Page 27, line 14, strike out "Lake" and all that follows through "Texas;" on line 15.

Page 27, line 16, strike out "Norfolk" and all that follows through "Project;" on line 17.

Page 27, line 18, strike out "Gallipolis" and all that follows through "River)" on line 19.

Page 29, line 19, strike out the colon and all that follows through line 4 on page 30 and insert in lieu thereof a period.

By Mr. ENGLISH:

—On page 27, line 1, strike all after "Geneva-on-the-Lake, Ohio;", down through "Arkansas-Red River Basin:" on line 6 and insert the following:

Red River Chloride Control, Oklahoma and Texas: *Provided*, That Section 201 of the Flood Control Act of 1970, as amended by Section 153 of the Water Resources Development Act of 1976, is amended by striking out the last sentence under the heading "Arkansas-Red River Basin" and inserting in lieu thereof the following: "Construction shall not be initiated on any element of such project involving the Arkansas River and/or its tributaries until such element has been approved by the Secretary of the Army. The chloride control projects for the Red River Basin and the Arkansas River Basin shall be considered to be authorized as separate projects, with separate authority under section 203 of the Flood Control Act of 1966, as amended.";

By Mr. FAZIO:

—On page 40, line 6 strike the words "just and reasonable and".

On page 40, delete all of the language from lines 12 through line 24, and insert the following: "To the extent that the Federal Energy Regulatory Commission has jurisdiction over the Memorandum or of mutually agreed upon contractual provisions which implement the Memorandum, the Commission shall review and take final action under the Federal Power Act, as amended (40 stat. 1063), with respect to the Memorandum and contractual provisions within 180 days from the date of the filing thereof.".

—On page 41 after line 3 of the bill, as reported, add the following three paragraphs:

DEPARTMENT OF ENERGY

The Congress finds that the timely construction, operation, and use of a third 500 kV AC transmission line between the Pacific Northwest and California in accordance with the Memorandum of Understanding for the California-Oregon Transmission Project dated December 19, 1984, as approved and conditioned by the Secretary of Energy's Memorandum of Decision dated February 7, 1985, and by the Secretary's letter to the Chairman of the House Appropriations Subcommittee on Energy and Water dated May 20, 1985, and a May 4, 1985 letter from the Energy Department Acting General Counsel (the "Memorandum"), will be of significant benefit to both regions and is in the public interest. However, neither this Act nor the Memorandum shall in any way affect the authorities or policies of the Bonneville Power Administration regarding wholesale power rates, transmission rates, or transmission access.

To the extent that the Federal Energy Regulatory Commission has jurisdiction over the Memorandum or of mutually agreed upon contractual provisions which implement the Memorandum, the Commission shall review and take final action under the Federal Power Act, as amended (40 Stat. 1065), with respect to the Memorandum and such contractual provisions within 180 days from the date of the filing thereof.

The line constructed pursuant to the Memorandum is hereby named "The Harold T. (Bizz) Johnson California-Pacific Northwest Intertie line".

By Mr. PETRI:

—Page 25, strike out line 3 and all that follows through line 3 on page 41.

Redesignate succeeding chapters of title I of the bill accordingly.

By Mr. STUDDS:

—On page 93, strike lines 8–12, and insert in lieu thereof the following: "Operating expenses", $15,000,000 to be derived from funds available in fiscal year 1985 from the Boat Safety Account; and $3,275,000 to be derived from the unobligated balances of "Payments to air carriers": *Provided*, That not to exceed $785,000,000 shall be available in fiscal year 1985 for compensation and military benefits of military personnel of the Coast Guard;

BEST COPY AVAILABLE

SENATE—*Tuesday, June 4, 1985*

(Legislative day of Monday, June 3, 1985)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. Thurmond].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of grace and glory, our hearts are heavy this morning as we think of those who experienced the cosmic tragedy in Ohio, Pennsylvania, New York, and Ontario, Canada. We pray for Vice President Bush as he surveys the situation today, that he may be guided in his response.

We, who have never experienced such disaster, find it difficult to identify with a situation in which our homes stand solid and secure 1 minute and lie in ruins the next. We pray for those who lost home, loved ones, friends and neighbors, as they put back together the pieces of their lives. We pray for the Governors and all in authority who bear the official burden in rebuilding. And we thank Thee, Lord, for the faithful National Guard, who, through the years, have responded with such immediacy, efficiency, and compassion in thousands of similar desolations.

Be with them all gracious Father, and save us from ever being indifferent to the tragedies and pains in the lives of others. "Bless the Lord, O my soul, and all that is within me, bless His Holy Name." Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each. There is a special order in favor of the Senator from Wisconsin [Mr. Proxmire] for not to exceed 15 minutes, to be followed by routine morning business, not to extend beyond 12 noon, with statements therein limited to 5 minutes each.

The Senate will stand in recess, as it customarily does on Tuesday, from 12 noon to 2 p.m., so that polity luncheons can occur.

At 2 p.m., by unanimous consent, the Senator from Massachusetts [Mr. Kennedy] will be recognized to offer an amendment to strike the Davis-Bacon provisions in the DOD authorization bill, with a time agreement of 1 hour; and I assume that there will be a rollcall vote on that amendment.

Following the Kennedy amendment, there will be 40 minutes of debate on the Kerry amendment. I assume that will be a rollcall vote.

Following the Kerry amendment, Senator Proxmire will be recognized to offer one of his SDI amendments. As I recall, he has three.

I indicate to my colleagues that in order to complete action on this bill today, it will probably require a very late night session. So I alert my colleagues who have engagements planned for 6 o'clock or later that they should keep in mind that we will probably be in session until 10 or 11 o'clock or later this evening. We do that not to punish Members but because we do hope to have the State Department authorization bill before us tomorrow; and I think there is a bipartisan consensus that we should act on Contra aid, one way or the other, tomorrow, prior to the House action on Thursday.

Much of this depends upon whether or not we get some agreement on the various SALT amendments that were intended to be offered to the DOD authorization bill. Members with amendments thought there would be a report by the President on June 3. That has now been postponed to June 10. So I hope we will be able to postpone all those amendments until next week.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. Gorton). Under the previous order, the minority leader is recognized.

SCHEDULE

Mr. BYRD. Mr. President, I should like to ask the distinguished majority leader a question. He has indicated that he hopes to finish the bill numbered S. 1160, the Defense Department authorization bill, today. One of the orders also provides that upon the disposition of the DOD authorization bill, the Senate will go to the State Department bill.

S. 1160, which is the Defense Department authorization bill, also is the vehicle to which amendments dealing with SALT compliance would be offered. I believe it is the indication by the distinguished majority leader that he would like those amendments to be offered to the State Department authorization bill. But if we cannot get to the State Department authorization bill until the disposition of S. 1160, what is the distinguished majority leader's plan of procedure?

Mr. DOLE. I say to my good friend that at this point I do not have a plan. If we cannot resolve the SALT amendment question, I assume that Members will offer them to the DOD authorization bill, which they have a perfect right to do, and I would certainly extend the time for final disposition of the DOD bill. I know Members who will not let us complete action on any matter that deals with SALT until the President has issued his report, which will be next Monday. So I suppose that if they are insisting on offering the amendments to the DOD authorization bill, we will probably be on those amendments the remainder of the week.

It is my hope that all Members on both sides of the aisle will be agreeable to simply lifting that agreement with reference to the DOD authorization bill so far as SALT is concerned, transferring it or making some new agreement, if I would pledge to bring up the Arms Control and Disarmament Agency bill next week, and offer the SALT amendments to that vehicle.

Mr. BYRD. I thank the distinguished majority leader.

Mr. President, I ask unanimous consent that I may reserve the remainder of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. Proxmire] is recognized for not to exceed 15 minutes.

HOW BIG A THREAT IS NUCLEAR PROLIFERATION?

Mr. PROXMIRE. Mr. President, with the query, "Nuclear Club About to Explode?" the Wall Street Journal began a series of articles on November 26, 1984. That was last November.

In the June 3, 1985, edition of Time magazine is also an excellent article that brings the nuclear weapons proliferation problem up to date. In fact, it was the cover story in Time magazine last week.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The first article in the Wall Street Journal by John Fialka described how Pakistan, for one, frustrated the attempts by leading NATO countries to stop the spread of nuclear weapons. Pakistan scientists simply bought the necessary parts from Canadian suppliers who sold them components made by U.S. companies. The articles finds that Pakistan is close to becoming a nuclear weapons state. In doing so, Pakistan would join India and Israel as well as the United States, Russia, the United Kingdom, France, and China. That is not all, South Africa and Argentina are close to nuclear weapons capability. Libya, South Korea, Taiwan, Iraq, and Iran are only a very few years away from developing nuclear weapons arsenals.

So what? Suppose 5 or 10 additional countries develop nuclear weapons capability, then what? Does this really pose a threat to the United States? In the Wall Street Journal article, reporter Fialka speculates that Pakistan will probably have 8 or 10 Hiroshima-size nuclear bombs by 1986. This could concern its arch rival India. But why would such a relatively paltry arsenal disturb the United States or any other major power?

After all, we have 10,000 strategic warheads, the Soviet Union has about 10,000, and we have some 30,000 nuclear bombs altogether. So why should a few, a dozen, or two dozen, in the hands of Pakistan or India bother us?

Well, Mr. President, if the nuclear development stopped there, we would, indeed, have little to worry about. But if Pakistan could have 8 or 10 atom bombs each capable of taking out a city—the way our fat bomb took out Hiroshima, and have that capability by 1986, where will the nuclear arms race bring Pakistan and India by 10 years from now or 20 years? Certainly the kind of deadly competition on which India and Pakistan have embarked will provide precisely the dynamism that will drive both countries to increasingly greater destructive capability and how about other about-to-be nuclear powers? After all the 10 or 20 nations that have the capacity and the motive to develop nuclear arsenals will also have the advantage of the immense progress the two superpowers have made through extensive research and development investment over the past 40 years. Once these new nuclear weapons powers have surmounted the first big technological, economic, and especially political hurdles that prevented them from making the Hiroshima bomb, they can telescope the remaining obstacles that took the superpowers 40 years to overcome. Now this country and the Soviet Union have infinitely increased our respective military powers by developing our nuclear arsenals. And we have bought this supermilitary power on the cheap. Each superpower spends less than 25 percent of its military budget on nuclear weapons, 75 percent on conventional weapons. But 95 percent or more of the destructive power of each superpower is nuclear. The United States and NATO have solved the problem of reconciling big military budgets with the burden such budgets impose on national economies by relying heavily on the much cheaper nuclear option.

Why has our country refused to pledge no first use of nuclear weapons? Because we recognize that if we rely on conventional weapons we will have to spend hundreds of billions of dollars to build up our ground, air, and sea forces. We defend Western Europe the cheap way which right now is also the most effective way. We do so by telling the Soviets that if they invade Western Europe they will promptly run into a barrage of tactical nuclear weapons if they make any progress. Armageddon will be here. We will start the nuclear war that might end human life on Earth and certainly would totally destroy the Soviet Union as well as the United States. This is the terrible doctrine that keeps the peace. Meanwhile it makes sound if temporary dollar-and-cents logic. What a combination: it is cheap and it keeps the peace. How much imagination does it take for us to envision 15 or 20 other nations perceiving this precise logic in defending their nation against the feared aggression of a stronger neighbor. The neighboring rival may have a far larger economy. It may have more manpower. It may have far more military power. But there is an obvious answer to such a dilemma—go nuclear. Given this situation we have to be very naive indeed not to foresee that within 20 or 30 years nuclear weapons probably will be the big answer for nations that seek national security without a crushing arms burden. Could it also lead to a more peaceful world? Could the deterrence that has kept the peace for 40 years between the superpowers now establish a peace in the Middle East, in Asia and elsewhere? Well, anything is possible, but the prospects of nuclear war under such circumstances seem very great indeed. Such a war could be brief and limited. The human casualties would be enormous. Of course, such a war could also be contagious and continuous. In fact, if 15 or 20 different countries develop nuclear arsenals as seems very likely by the turn of the century, the odds against mankind's survival would be serious and growing with every year. The time, the place, the manner in which mankind's last war would break out cannot be foretold, but break out it almost certainly would. This is why stopping the spread of nuclear arms should be America's No. 1 priority.

Mr. President, I ask unanimous consent that the Wall Street Journal article by John Fialka to which I have referred be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Nuclear Spread—How Pakistan Secured U.S. Devices in Canada To Make Atomic Arms

(By John J. Fialka)

Montreal.—In July 1980 two members of Pakistan's Atomic Energy Commission came here in secret with a high-priority shopping list: vital parts for Pakistan's fledgling effort to become a nuclear power.

Nonproliferation was a major Western emphasis then. Led by the Carter administration, the U.S., France, Britain, West Germany, the Netherlands and Canada were attempting to halt what they suspect was a Pakistani nuclear-weapons program.

After years of ambivalence, those nations had acted to restrict exports of some high-technology items. The goal was to bar Pakistan and other developing nations from producing plutonium or highly enriched uranium, the two metals used in atomic weapons.

Pakistani scientists, however, have apparently hurdled that barrier in four short years, aided by a Canadian connection that provided them with electrical components made by top U.S. companies. Israeli analysts estimate that Pakistan may have an "operational nuclear capability" with 10 Hiroshima-sized bombs by 1986. U.S. and Indian estimates of Pakistan's efforts are more cautious, although they agree that Pakistan is close to becoming a nuclear weapons state.

If Pakistan is that close, can others be far behind? The "club" of nuclear-weapons states that evolved in the 1960s included the U.S., the Soviet Union, Britain, France and China. India stunned neighboring Pakistan and the rest of the world with its "peaceful nuclear explosion" in 1974. Most Western experts believe that Israel quietly acquired a nuclear arsenal in the late 1960s or early 1970s.

Now others seem to be approaching the threshold. Among them, South Africa and Argentina have used major development programs to work toward nuclear "independence" and to sidestep embargoes. Experts in the West also worry about Libya, South Korea, Taiwan and Iraq.

THE EASY PART

The Pakistanis made at least one stage of the nuclear quest look easy. According to court records here, the two Pakistani officials who came to Canada—Anwar Ali and I.A. Bhatty—brought with them a list of parts needed for a key item embargoed by the U.S. and others, a high-frequency inverter. This exotic electrical device is used to spin a gas centrifuge at extremely high speeds to enrich uranium.

The parts were bought from manufacturers, including General Electric Co., Westinghouse Electric Corp., RCA Corp. and Motorola Inc. by two small electrical-equipment stores in Montreal, according to the court papers. Then they were repackaged and shipped to the Middle East. The effort was aided by a network of highly educated Pakistani expatriates in the U.S. and Canada. Some of them were attracted by newspaper advertisements and then persuaded to spend their vacations working in Islamabad with

Abdul Qadir Khan, the man who heads Pakistan's nuclear effort.

Pakistan's president, Mohammed Zia ulHaq, repeatedly has denied suggestions that his nation wants to produce nuclear weapons. "Somebody's imagination has gone wild," he said in a recent interview, claiming Pakistan's efforts have been strictly for peaceful purposes. But Western experts are increasingly skeptical of the disavowals.

CANADIAN RECORDS

The records here yield a view of Mr. Khan and his nuclear program, which in some ways resembles the so-called Manhattan Project that produced the material for America's first atom bombs. Pakistani pride in the project is comparable. Mr. Khan, a reclusive, European-educated metallurgist, has achieved legendary status in Pakistan.

He ended the suspicion and rumor surrounding his work earlier this year by announcing that Pakistan now is able to enrich uranium using ultra-high-speed gas centrifuges. "Such an achievement by our team in a country where no basic infrastructure is available, where we cannot make a good bicycle or even a grinding machine, speaks (for) itself," he wrote in Defence Journal, a scholarly Pakistani publication.

It certainly speaks to U.S. and European experts on nuclear controls. After more than a decade of diplomatic rhetoric and agreements to stop the spread of weapons-prone technology, Pakistan was able to draw expertise and equipment from nearly every industrial country in the West. Last spring, a committee of industrial nations reacted by enlarging its list of embargoed items to include the parts Pakistan bought to build its centrifuge-enrichment plant.

Events of late have heightened international concern. A Pakistani businessman, Nazir Ahmed Vaid, recently pleaded guilty in Houston to a charge that he illegally attempted to export 50 high-speed switches used to trigger atom bombs. U.S. intelligence sources say Pakistan also has attempted to buy precision-shaped explosives that are part of A-bomb triggers.

The specter of a nuclear-armed Pakistan revives anxieties about the politics of southwest Asia. Will neighboring India, a perennial adversary, feel compelled to make a conventional-weapons strike on Pakistan's nuclear facilities? Others worry that Israel, concerned about a "Moslem" bomb that might be obtained by radical states such as Libya, might mount a preemptive strike like the one it unleashed in 1981 on an Iraqi nuclear reactor.

A concerned President Reagan already has warned Pakistan that it may lose the remaining part of a $3.2 billion military-aid package if it continues on its nuclear-weapons path. The aid program is scheduled to end in 1987.

Canadian authorities are embarrassed. They spent five years trying to prosecute three men arrested in the parts-buying scheme. Their trial ended this summer, with two of the men being fined $3,000 each on a minor, technical charge.

The third man was the prime suspect, Abdul Aziz Khan, a soft-spoken electrical engineer with Canadian citizenship. He carried on a lengthy correspondence with Abdul Qadir Khan (no relation), helped with the parts purchasing and worked with him during month-long vacations in Islamabad.

He was acquitted after apparently convincing a jury that A.Q. Khan is a benevolent sort who does research on such things as synthetic butter factories. Canadian prosecutors were unable to dispel this image, they say, because rigid rules against hearsay evidence left them unable to explain what Messrs. Ali, Bhatty and A.Q. Khan really do for the government of Pakistan.

Canadian export-control laws, which were meant to bolster U.S. controls, were depicted at the trial as a kind of "honor system" that left it up to exporters to declare whether a shipment might violate the rules. "It does seem to be a bit of a laughter when you're dealing with atomic energy materials," says Jack Waissman, one of the prosecutors.

"The whole thing was a farce," grumbles Sgt. Rene Garceau, who developed the case for the Royal Canadian Mounted Police.

The evidence produced intriguing letters written by Abdul Qadir Khan to Abdul Aziz Khan, seized in the latter's apartment. In 1977, Abdul Qadir Khan wrote asking Abdul Aziz to come home to work on "a project of national importance" for which Pakistani scientists in Britain and the U.S. were being recruited. Wages of $325 a month were offered, along with subsidized rent and servants.

"People getting these facilities in Pakistan can be counted on fingers and belong to the elite of the country," Abdul Qadir Khan wrote. Abdul Aziz Khan declined. But he agreed to collect technical literature in the U.S. and Canada and to use his vacations to train young engineers working in Islamabad.

AMBIGUOUS URDU

One letter, written like the others in Urdu, an official Pakistani language, was ambiguous, perhaps deliberately. "June 4 is a historic day for us," Abdul Qadir Khan exulted. "We put 'air' in the machine and the first time we got the right product and its efficienty was the same as the theoretical. Everybody was quite happy." A.A. Khan explained at his trial that this referred to an experiment to make synthetic cooking gas.

A.Q. Khan's laboratory sounds like an exciting place. "As you have already seen," he wrote A.A. Khan in this summer of 1978, "my team consists of all the crazy people, they don't care for night or day. Now they are after it with all their might."

A year later, the work tempo had slowed, for interesting reasons. "All our material has been stopped, everywhere they are delaying it," A.Q. Khan wrote, according to the court papers, "The material that we were buying from the British and Americans has been stopped. Now we will have to do some work ourselves."

There were problems. In June 1978 a British member of Parliament asked the government why a British subsidiary of Emerson Electric Co. of the U.S. was selling Pakistan the AS 1604 high-frequency inverter—the very device being used by the U.K. in a uranium-enrichment project.

DUTCH DOCUMENTS

In March 1979, the Dutch government learned from a West German television broadcast that one A.Q. Khan, employed by a Dutch company between 1972 and 1975, may have stolen secret high-speed centrifuge technology from a uranium-enrichment plant at Almelo in the Netherlands. In 1980 the Dutch Parliament released documents asserting that A.Q. Khan was using the list of suppliers and subcontractors who had helped build the Almelo plant.

Pakistan, it turned out, was getting a lot of help. Special high-strength steel needed for high-speed centrifuges had been bought from a company in the Netherlands. A West German company sold Pakistan a fluoridation plant capable of turning uranium into a gas, uranium hexafluoride. (Conversion into the gas is a necessary stage of the enrichment.) A Swiss company supplied a special gas system that could pump the gas in and out of the centrifuge. U.S. companies sold radiation-resistant thermometers and air-conditioning equipment.

U.S., Israeli and Indian intelligence reports tended to confirm suspicions that Pakistan was building a centrifuge-type uranium enrichment plant at a heavily guarded site in Kahuta, a suburb of Islamabad. The Pakistanis were sensitive about Kahuta, especially after the French withdrew from a separate project for building a plant to extract plutonium from spent nuclear fuel.

TROUBLE IN FRANCE

In June 1979, a French diplomat was beaten up after he and the French ambassador to Pakistan had driven near the Kahuta site. And A.Q. Khan complained the following month in a letter to A. A. Khan, "The Britishers are stalling it more than before. They are even stopping nails and screws. And since we have said goodbye to the French ambassador, he is also mad and (they) have stopped our material. We are making the inverters ourselves and hoping that by the end of the year, if God is willing, we will make them."

Aug. 29, 1980: more trouble. Canada's Mounties, acting on a tip from the British Customs Service, broke the Canadian connection. They seized 19 boxes of equipment being prepared for shipment to Pakistan at Montreals Mirabel Airport. They arrested A.A. Khan and two others: Salam Elmenyawi, the owner of an electrical-equipment store in Montreal; and Mohammad Anmad, a mechanical engineer working for the province of Quebec.

During a night-long grilling by the Mounties, Messrs. Elmenyawi and Anmad said they didn't know the ultimate purpose for the seized parts. (Ten other shipments of inverters, their records revealed, already had gone to Pakistan.)

The following day, after A.A. Khan was released, the Mounties followed him to a downtown railroad station. There he took a suitcase from a locker, removed several documents, tore them in half and threw them into a trash can. Then he took a bus to the airport to catch a flight to Pakistan. The Mounties rearrested him at the airport.

The discarded documents, pieced together by the police, included a paper by a U.S. scientist on uranium enrichment using a high-speed gas centrifuge. A.A. Khan said he knew nothing of the article, which he was bringing to another scientist. The inverter parts, he testified, were for use in a textile plant and a food-processing plant.

ENRICHMENT LEVEL

Pakistan's nuclear chief shed considerably more light on his project this year in the Defence Journal article. Uranium in nature has only 0.7% content of fissionable uranium. When it is enriched for power-reactor fuel, the fissionable content is 3% to 4%. A. Q. Khan wrote, "There is nothing which stands in our way technically to stop us from enriching to 90%." That level of enrichment is sufficient for weapons use.

"It is this possibility and capability (no matter how hypothetical it may be) that has sent jitters to Indians and to a number of Western countries," the article continued.

However, in a recent interview with a Pakistani newspaper, Mr. Khan said, "We are doing all this for power production. The enriched uranium fuel at the Kahuta plant is for reactors which will be built to produce electricity." Western experts are skeptical about that claim. One major reason: Pakistan doesn't have a nuclear power plant that uses enriched uranium fuel and may not have one for years.

Perhaps the most skeptical nation is Israel, which has waged a long behind-the-scenes campaign to hamper the Pakistani effort. U.S. experts seem less certain of the extent of Pakistani success. They point to intelligence reports of a number of centrifuge failures at Kahuta and of an earthquake last November that seriously damaged the plant.

An Indian diplomat who has closely followed the Pakistani effort believes that Pakistan, faced with a strong political reaction from the West, may simply choose a "basement" capability—the ability to make a weapon quickly without testing.

Engineers and technicians from China recently have been seen at Kahuta and are believed to be involved in the repair work. There have been European intelligence reports that China may have given Pakistan an A-bomb design in exchange for access to the centrifuge-enrichment technology.

A. Q. Khan, in any case, doesn't sound like the kind of man to be deterred by strong foreign reactions. In a letter to A. A. Khan in Canada, he said, "The way they (Canada and the U.S.) are after us, it looks as we have killed their mother. . . . There is lots of pressure, but I have trust in God in doing my work. I am thinking, if I finish this job, then I would solve the purpose of my life."

INDIA, KEEPING ITS NUCLEAR OPTIONS OPEN, MONITORS ARMS PROGRAM IN NEIGHBORING PAKISTAN WITH CONCERN

(By Suman Dubey)

NEW DELHI, INDIA, May 18, 1974.—A government scientific aide rushed from Prime Minister Indira Gandhi's red and buff secretariat building. "Can't wait," he said breathlessly to a friend. "We have a big show on."

Indeed they did. India that morning had detonated a nuclear blast at Pokharan in the western desert state of Rajasthan, Raja Ramanna, chief of the Atomic Energy Commission, recently explained, "We wanted to keep ourselves abreast of all aspects of the possibilities and benefits of peaceful nuclear explosions."

More to the point, India wanted "to impress the world that India had the capability," says Bhabani Sen Gupta of the Independent Center for Policy Research here. The major nation to impress was China, which had made its own nuclear-weapons debut in 1967 and which had fought a border war with India in the early 1960s. Sino-India relations still were tense.

A decade later, another nation in this part of the world is knocking at the nuclear door, or so many Indians believe: Pakistan. India renounced nuclear-weapons ambitions after its 1974 blast, and the Pokharan site now is a scrub-covered hole in the ground. But India could gatecrash the nuclear club once again, and in a relative hurry, to counter a perceived threat from Pakistan, with whom it last fought a war in 1971.

SOLID MAJORITY

India's city dwellers have said what they think. A public-opinion poll in 15 cities in 1981, when reports of a Pakistani bomb first began to be taken seriously, showed 70.2% of the urban residents queried believe that India should develop nuclear weapons regardless of what Pakistan does.

The hard-line view is typified by Subramanyam Swamy, a member of Parliament who says India should have a bomb to dramatize the nation's importance. "What we need is a whole generation of Indians brought up to think in terms of a global role for this country," he says.

At the other end of the spectrum, George Verghese, editor of the newspaper Indian Express, believes that India and Pakistan should talk about the matter, and that India shouldn't develop the bomb even if Pakistan does. "Once we fall into this trap, we are all on the escalator, and the moment you are on it, it moves and another, higher round of competition for armaments begins," says Mr. Verghese.

Between those extremes lies a broad, moderate view. K. Subrahmanyam, director of the government-aided Institute of Defense Studies and Analysis, says, "All I urge is that we keep in step with Pakistan, so that the moment they go nuclear, we can also do the same." He adds, "No Indian prime minister would last if he didn't do anything about it."

Pakistan's denials of nuclear ambitions aren't taken seriously by most officials here. Public opinion became particularly inflamed last spring when Abdul Qadir Khan, Pakistan's nuclear czar, was quoted as saying that his country had the ability to make a bomb if it chose to. Mrs. Gandhi reaffirmed India's policy, that it hadn't any intention of making more bombs even if Pakistan did.

But the prime minister remained ambivalent. Two months ago, in her last statement on the subject, she told the annual conference of India's naval commanders that a Pakistani bomb would pose a great threat to India. Since her assassination, her son and successor, Rajiv Gandhi, has commented that reports of Pakistan's nuclear plans are "a matter of great concern for India." But he hasn't signaled any new directions on nuclear matters. Analysts here suggest that he isn't secure enough politically to initiate basic policy changes yet.

So India seems to be keeping its nuclear options open, with much uncertainty about exactly what course to chart. One official describes India's nuclear policy as a case of "not wanting to think about it." Mr. Gupta of the policy-research center contends that the country doesn't really have a credible policy.

India refused to sign the nuclear nonproliferation treaty of 1968, contending that it allowed nuclear "club" members unlimited latitude to develop their weapons while keeping other countries out of the club. So Western nuclear nations cut off nuclear-technology aid, and the Indian program slipped. Some projects were set back by as much as five years.

FOREIGN PULLOUTS

Canada ended its participation. The U.S. was forced by new nonproliferation laws to tear up a 1963 treaty to supply enriched uranium to the Tarapur reactor near Bombay, because India wouldn't allow international inspection of all its nuclear facilities. France declined aid in setting up an experimental fast-breeder reactor. Another important research center, designated simply R-5, near Bombay, also was set back several years.

But all of that forced Indian scientists to do things for themselves, and they now feel the aid cutoff was something of a blessing in disguise. The fast breeder, of Indian design, is scheduled to start work next year. The R-5 facility, also of Indian design, is supposed to go into operation shortly.

Those two installations are crucial to any plans India may have for nuclear weapons. Its commercial power reactors and the fuel they use are subject to international safeguards imposed by foreign suppliers, with the exception of the 40 megawatts Cirus reactor that was built in 1963 with Canadian help and produced the fissile plutonium 239 for the Pokharan explosion.

The Cirus alone couldn't support a weapons program, however. It yields less than 10 kilograms (22 pounds) of fissile plutonium a year. The Pokharan explosion, which was comparable to the Nagasaki and Hiroshima bombs, used 6 to 8 kilos, In any case, much of the plutonium produced by the Cirus is consumed by other research programs. Cirus also is scheduled to supply the initial fuel supply for the 15 megawatt fast breeder being built near Madras.

A serious bomb program would have to await the R-5, which could produce up to 100 kilos of plutonium 239 a year, enough for a dozen bombs. Mr. Subrahmanyam of the Institute of Defense Studies and Analysis believes that it then would be a matter of weeks needed to fabricate bombs once a decision to do so had been taken.

Money wouldn't be a problem, experts here say. India's nuclear program is geared essentially to power generation; the weapons would be a spinoff. The Pokharan explosion cost the 1974 equivalent of $400,000. Estimates here of the cost for bombs now range from $30,000 up to $180,000. In contrast, India is buying Mirage 2000 jets for its air force at a cost of about $20 million each.

Indian-built bombs theoretically could be carried to points in Pakistan by the Mirages or other Indian warplanes. Indian-built missiles that could be used for that task still are in the future, however. Indian scientists have shown they can make intermediate-range missiles, but they haven't yet experimented with guidance systems that could bring a missile back to earth on a specified target.

Indian policy makers don't seriously consider the option of a "surgical" strike on Pakistan nuclear facilities, particularly the Kahuta reactor some 70 miles from the Indian border. As one Indian analyst puts it, "We offer them more nuclear hostages than they offer us." Several Indian nuclear facilities, including the research complex near Bombay, are within striking distance of Pakistan.

For the moment, the debate remains at a more realistic level. Maj. Gen. D. K. Palit, now retired and a writer on strategic affairs, believes that Pakistan is doing in 1984 what India did in 1974, telling the world that it can make a bomb.

But Pakistan, he says, doesn't need to go the whole route, because the scientific and intelligence grapevines have picked up evidence that it can succeed. "Both countries now have the capability to make it, but I don't think either will" says Gen. Palit. "They don't need to, the state of uncertainty suits their strategic needs well enough."

HILBERG'S NEW EVIDENCE

Mr. PROXMIRE. Mr. President, according to a recent article in the New York Times, in about 2 weeks bookstores will begin carrying the expanded edition of Raul Hilberg's classic book, The Destruction of the European Jews. First published in 1961, the analytical study focuses on the Nazi bureaucracy which organized the extermination of the Jews and on the network of men and machines that carried it out. This new version is the result of an additional 20 years of research; the index alone took 6 months to compile. Hilberg's new work is especially symbolic in this, the 40th anniversary year of the end to the Nazi terror, as it reveals some very disturbing new evidence.

Hilberg researched primary documents all over Europe and the United States, including the files of the American Office of Strategic Services, or OSS. Hilberg found that American Government records, previously hidden from the public eye, lend credence to the assertion that the United States knew more about the Holocaust than it cared to admit. The OSS had received a number of documents, one of which was smuggled directly out of Auschwitz in 1943 through the Polish Government in exile. However, Hilberg's research has revealed that these and other records of the Nazi's "final solution," all "graded for reliability," were filed away unheeded, by the War Department as well as by the OSS.

Hilberg's findings also include startling facts concerning the working of the German railroads. The Times reports Hilberg's discovery that in order to finance the transport of the millions of Jews and other victims of the Holocaust, as well as to pay its extensive network of over 800,000 workers and 400,000 civil servants—of course, the Germans knew about the Holocaust, and this is the best evidence they did—the railroads charged the SS a one-way fare for each prisoner shipped to his death. One can only imagine the number of people who were privy to the fate of the Jews, Slavs, and Gypsies, Hitler's genocide.

Hilberg's expanded work will be a source of continuing discussion in the years to come. Hilberg's findings raise questions, not only concerning German guilt, but also about the official American silence. Raul Hilberg has dealt with what he has uncovered by recalling a lecture that Freud gave following World War I. According to the Times, Hilberg commented, "[Freud] said something like, 'We all may be tempted to be disappointed by what we now see going on on the battlefields of Europe, but we shouldn't be. Mankind has not fallen as much as we now hear because it has never risen as high as we once believed'."

America must also deal with the questions Professor Hilberg raises. However, unlike the eminent scholar, we cannot assuage anger or guilt with Sigmund Freud's conclusion that man is not as good as one would like to believe. In order to contradict Hilberg's and Freud's pessimism concerning mankind, the Senate must actively seek to defeat evil. We must ratify the Genocide Convention Treaty in order to "rise high" and fulfill our obligation to the millions who perished under the inhuman Nazi ideology.

Once again, Mr. President, I remind the Senate the Foreign Relations Committee has reported the Genocide Convention for the sixth time. It is on the floor, on the Calendar, ready to be called up, and ready in response to a resolution the Senate passed overwhelmingly with only two dissenting votes, something like 90 to 2, just last October.

So I earnestly hope the leadership will see its way clear to call up the Genocide Convention so we may at long last take the step that 95 other nations have taken—in fact, every other developed nation in the world has taken—and that every President since Dwight Eisenhower, every President has pleaded with the Senate to take, including, of course, President Reagan.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 12 noon with statements therein limited to 5 minutes each.

PENTAGON PROCUREMENT PROBLEMS

Mr. LEVIN. Mr. President, a bizarre situation has developed in the seemingly endless panorama of problems in Pentagon procurement. It shows how skewed the values and priorities of the Pentagon have become.

On the one hand, Mr. President, we have the Secretary of Defense and the Secretary of the Navy moving quickly—even abruptly—to discipline three officers in connection with the purchase of $659 ashtrays—even though some of them may have had nothing to do with that purchase. On the other hand, the Department of Defense has committed a clear violation of the law with much more significance in the effort to reform the procurement process and the violation goes unremedied. The law I am referring to is the 1985 Defense Authorization Act, which was enacted last October. Section 1245 of the law directed the Secretary of Defense to prescribe, by regulation, how defense contractors might properly allocate overhead expenses in billings for products supplied to the Government.

As we all know, this charging for overhead costs has been rife with abuse for years as contractors have claimed as costs such items as extravagant hotel rooms, entertainment, tickets to sporting events, gifts, vacation trips, and even the boarding of a company official's dog. The 1985 DOD Authorization Act, adopted last October, directed the Secretary to promulgate specific regulations for curtailing these abuses by April 19 of this year—more than 6 weeks ago. But those regulations have not been promulgated. And we continue to see, day after day, more and more revelations of excessive charges for ashtrays and stool caps and allen wrenches—charges which in many cases are the result of the very abuses of overhead allocations which the overdue regulations are supposed to curtail.

Is it not ironic, Mr. President, that no one at the Pentagon is being disciplined for this significant and clear violation of law—a violation that is permitting millions of dollars to be squandered in abuses of the procurement system—while three Navy officers are being punished, abruptly and perhaps unjustly, for a specific purchase that has happened to catch public attention? This is a topsy-turvy situation which threatens to disrupt the morale of the military services, and it cries out for rectification.

Mr. President, yesterday I wrote to the chairman and ranking member of the Armed Services Committee asking for a prompt investigation of the ashtray discipline case. I pointed out that our Defense Department leadership is supposed to be cool under pressure and not strike out at a convenient target just because the heat is on. By the same token, our Pentagon leadership is supposed to enforce the law promptly and vigorously, and this it has not done with regulations to curtail the costly abuses of contractor overhead allocations. Today, I am again writing to the chairman of the Armed Services Committee, asking him to obtain from Defense Secretary Weinberger an explanation of why this badly needed law to reform the defense procurement system is not being enforced with at least the same speed as people are being disciplined for individual violations they probably had nothing to do with. Congress cannot tolerate this topsy-turvy system of Pentagon justice.

Mr. President, I ask unanimous consent that the letters to the chairman of the committee and the ranking member of the committee be printed at this point in the Record in full.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Armed Services,
Washington, DC, June 3, 1985.

Hon. Barry Goldwater,
Hon. Sam Nunn,
Committee on Armed Services, Washington, DC.

Dear Senator Goldwater and Senator Nunn: I am deeply disturbed by the circumstances surrounding the discipline levied

against Admiral Thomas J. Cassidy, Jr. and two others relative to the $659.00 ash tray purchase at Miramar Naval Air Station. It appears that Admiral Cassidy may not even have been at Miramar at the time of the purchase in question. If so, there would appear to be an obvious injustice which our Committee should investigate promptly.

A great deal of justifiable pressure has been placed against our military leadership relative to waste and fraud in the Department of Defense procurement processing. One shocking story after another has surfaced relative to abusive pricing practices, and negligent and wasteful purchases by DOD. Indeed, I have spent a good part of the last few years helping to craft legislative reforms to end these abuses. Our Defense Department leadership is supposed to be cool under pressure and not strike out at whatever target is handy, regardless of the injustice which they might thereby perpetrate. It is not very reassuring to me if, and I emphasize "if," our top DOD leadership under pressure of procurement scandals take disciplinary action against the wrong people just to relieve the pressure from themselves.

The American public wants reform and not scapegoats. They want common sense procurement and not injustice perpetrated against our uniformed military personnel. If the appearances of injustice are borne out by our investigation, the impact on morale would be great. To restore that morale, I hope our Committee will promptly investigate the facts surrounding the discipline against the three Navy officers. If they were in positions of responsibility and violated Navy regulations, that is one thing. If they were not in positions of responsibility or if they followed Navy regulations, then it is the Navy's and the Defense Department's judgment that should be called into question rather than theirs.

Thank you for considering this request.

Sincerely,

CARL LEVIN.

U.S. Senate,
Washington, DC., June 4, 1985.

Hon. Barry Goldwater,
Chairman, Committee on Armed Services, Washington, DC.

Dear Mr. Chairman: Section 1245 of the Fiscal Year 1985 Department of Defense Authorization Act required the Secretary of Defense to issue by April 19, 1985 new regulations governing the allocation of overhead to items purchased by the Department. To date the Secretary has not complied with the law nor has he bothered, to my knowledge, to write the Committee regarding any possible rationale for breaking the law.

Over the last year, the public has become intensely interested in the subject of overhead charges on defense contracts. Yet one of the Committee's actions taken nearly a year ago, which would have provided the Secretary with some of the tools needed to combat this problem, has not been complied with. How can the public have confidence in a Defense Department which fails to obey the law or even ask for an extension of the law on a matter that is the subject of intense public scrutiny?

On Thursday, May 30, 1985, the Secretary took strong action against three Navy officers regarding the recent procurement scandal over $659 ashtrays. The Secretary claimed that "nobody paid the slightest attention" to these procurements. That claim is the subject of a letter I wrote you yesterday. The point here is that Secretary Weinberger is paying no attention to the proper implementation of a law enacted by Congress.

I strongly urge you to have the Department of Defense explain its failure thus far to comply with a law which is critical to reducing the absurd charges for products such as ashtrays, coffee pots, stool caps, allen wrenches, pliers, light bulbs and so on procured by the Department.

Sincerely,

CARL LEVIN.

STRATEGIC DEFENSE INITIATIVE

Mr. MITCHELL. Mr. President, President Reagan has proposed spending $3.7 billion in fiscal year 1986 and $26 billion during the next 5 years on a complex, expensive, and untried system of strategic defense.

If adopted, this program will fundamentally alter our approach to strategic defense. But it is based on technology which has not yet been developed and upon strategic doctrine that has yet to be thoroughly studied.

On March 23, 1983, in a nationally televised speech, President Reagan asked the scientific community to use its expertise to render nuclear weapons "impotent and obsolete." This speech marked the formal birth of the strategic defense initiative—a program intended to develop new, high technology defensive weapons that would intercept nuclear weapons launched toward the United States.

Some of the weapons contemplated by this new defensive system would be placed in space; others would be based on Earth but fired into space against Soviet satellites or incoming missiles. Thus, the new system has come to be called star wars.

By whatever name, this new defense initiative marks a potentially radical departure in our Nation's strategic doctrine. Star wars is a highly complex, long term, and tremendously expensive initiative. It cannot be lightly rejected. It cannot be carelessly endorsed.

The idea of developing a ballistic missile defense is not new. Research on space weapons—lasers, for example—is not new.

The novelty of star wars, as expressed by the President, lies in integrating a large scale, long term, research program in a fashion calculated to deploy an impermeable, layered defense against missiles aimed at the United States. Unlike the ABM system, which was designed to intercept enough incoming missiles to preserve our deterrent force, SDI is designed to provide a protective shield for the entire United States.

SDI will be a dramatically larger program than either the Manhattan project or the Apollo project—$26 billion has been requested for just the next 5 years. Development of the star wars system is expected to take several decades. The entire program may well cost over $1 trillion.

Nonetheless, cost is not the most important problem with star wars.

The attractiveness of this SDI program lies in its apparently defensive and nonnuclear character. The administration has suggested that developing SDI would allow us to abandon strategic offensive weapons and that it would allow us to depend on a nonnuclear defense.

Neither is likely to be true.

Administration spokesmen have stated repeatedly that SDI would coexist with rather than replace our offensive deterrent. In 1984, for example, Robert S. Cooper, Director of the Defense Advanced Research Projects Agency said to the Senate Armed Services Committee:

> I think it is fair to say that there is no combination of gold or platinum bullets that we see in our technology arsenal that we are pursuing in this program that would make it possible to do away with our strategic offensive ICBM forces.

The system would also not necessarily be nonnuclear. At present roughly 10 percent of the SDI research budget is for nuclear weapons.

The nuclear weapons portion of the SDI Program is also the most advanced. By proceeding to the prototype or pre-prototype phase of development we only tend to preordain a decision based not on the technological superiority of a system but solely on its development status. The fact is that systems which are ready for production, regardless of technical merit, tend to crowd out less developed systems where the defense budget is concerned. At present in SDI these are its nuclear components.

The President's SDI request runs the double risk of committing the United States to an SDI strategy that is nuclear and that has yet to be adequately examined.

The President's vision of SDI is simple and attractive. Were it technically possible to deploy such a system economically and safety it would require serious consideration.

It is not. And everyone in the Senate who has considered this program knows that it is not. The road to achieving the ideal embodied by SDI is difficult, dangerous, and expensive.

I will support research on strategic defense technologies as a prudent means of ensuring our national security, preventing Soviet breakout from the ABM Treaty, and providing options for stabilizing defenses.

But no one, given what we know at this point, can endorse the deployment of the star wars system. In the event that all technological, doctrinal, and financial problems are worked out, there will still be plenty of time to decide on deployment. Until then there are several reasons to proceed at a more deliberate pace than the administration has proposed.

First, SDI represents a serious threat to the Anti-Ballistic Missile Treaty which was signed by the United States and the Soviet Union in 1972.

The ABM Treaty has been the most effective arms control agreement ever signed by the United States and the Soviet Union. It limits the United States and the Soviets to no more than 100 defensive missiles at a single site. The Soviets decided to deploy their system around Moscow. The United States decided to defend ICBM's by deploying defensive missiles in North Dakota. That decision was later abandoned as an ineffective, expensive, and futile approach to defense.

That treaty also commits each side not to "develop, test, or deploy ABM system or components which are sea based, air based, space based, or mobile land base." If we choose to engage in prototype or pre-prototype testing or to actually deploy SDI components, the ABM Treaty will be useless. The administration's request contains a number of so-called demonstration projects that pose a very real threat to the treaty.

The administration claims that the Soviets are violating the treaty and that the implications of our research for the ABM Treaty ought to be ignored. This is absurd. We should be working to preserve the ABM framework not abandoning it.

Everyone acknowleges that the Soviets have engaged in a number of actions which threaten aspects of the treaty. But further violation of the treaty does not solve these issues. And it is especially critical that any action we take be proportionate to theirs. Proceeding to deploy a star wars system as a response to alleged Soviet action would be totally disproportionate. Moreover, if we violate the treaty ourselves we only serve to undermine our own case.

Is the ABM Treaty worth saving? Without question, the answer is yes. As the President's own Commission on Strategic Forces, chaired by Gen. Brent Scowcroft, USAF (retired), concluded in 1983:

> The strategic implications of ballistic missile defense and the criticality of the ABM Treaty further arms control agreements dictate extreme caution in proceeding to engineering development in this sensitive area.

The ABM Treaty is the centerpiece of the arms control regime. It signals both sides' acceptance of a strategic balance based upon deterrence. At present it restrains one whole area of the arms race.

Star wars threatens the vital assumptions upon which this strategic balance is based. Termination of the treaty will force us to engage in an offensive and a defensive arms race simultaneously.

U.S. national security requires research that protects us against sudden advances in Soviet missile defense technologies. The treaty specifically allows each side the latitude to do this. We should take advantage of those provisions just as the Soviets have. But we should not protect against a Soviet breakout by staging a preemptive breakout of our own.

Prudent levels of SDI research can contribute to arms control; an imprudently expanded program can only threaten that process.

Second, history, logic, and the Soviet's own statements dictate that they will develop offensive systems to counter star wars technology. Thus, instead of supplanting offensive systems, SDI will serve only to encourage further such development, by both sides, of new offensive weapons to overcome defensive technologies.

Faced with the prospect of a potentially effective strategic defense, the Soviets will respond either by multiplying the number of offensive missiles they possess, or improving the ability of existing weapons to penetrate such a defense, or both.

The Arms Control and Disarmament Agency and the Pentagon have recently concluded studies that indicate the Soviet Union might rapidly expand its force of ICBM's or ICBM warheads to counter a U.S. defensive system. The President's own chief arms control negotiator has come to the same conclusion, saying recently that deployment of SDI would "encourage a proliferation of countermeasures and additional offensive weapons to overcome deployed defenses, instead of a redirection of effort from offense to defense."

Recent news reports indicate that the Soviets could easily double the number of warheads they presently have deployed by simple replacing their current missiles with a new generation of multiple warhead ICBM's. In the absence of the constraints created by adherence to the limitations of the SALT I and II treaties, the Soviets will be able to go far beyond even that.

Should the Soviets decide to deploy their own defensive system the most likely U.S. response would be to increase its own offensive capabilities. Thus, an all out offensive and defensive arms race would result.

This, of course, would seriously undermine the prospect for any arms control agreement between the U.S. and the Soviets—a result which is contrary to the very purpose of the strategic defense initiative. Indeed the Soviets have made it clear that no agreement reducing offensive arms will be possible as long as the United States is seriously pursuing the deployment of a defensive system.

Third, notwithstanding frequent statements made by the administration to the contrary, star wars is not a solely defensive system. To the contrary, the system is potentially destabilizing because of its offensive capacities.

The system might, for example, be used as an adjunct to an offensive nuclear attack. This would allow an offensive attack to occur while the defensive capability was held in reserve to cope with any retaliatory action by the Soviets.

The system might also be used in a preemptive fashion to attack Soviet satellites and blind its early warning system or parts of its command and control. Any system capable of destroying missiles in flight would also be capable of destroying satellites with relative ease.

Finally, if the full range of technologies were deployed the system might actually be used to attack some ground targets from platforms in space.

Admittedly, none of these scenarios is likely. And the United States has no intention of launching a first strike attack against the Soviet Union. But if faced with the capabilities inherent in the star wars system the Soviets will be forced to offset those advantages with systems of their own.

The most serious threat, of course, and the one which led the United States and Soviets to agree to the ABM Treaty, is the threat posed by an invulnerable first-strike missile force. The ABM Treaty is an explicit recognition of the dangers posed by one side or the other achieving complete protection for its own missile force.

If both sides could guarantee complete protection for their populations and defensive systems, a negotiated exit from the ABM Treaty might be warranted. But the prospects for such a situation are remote.

Worse yet, the SDI budget proposed by the President makes them even more remote by overemphasizing demonstration projects and limiting the chances that the full range of technologies embraced by SDI will be thoroughly studied.

A report recently released by a bipartisan group at Stanford University's Center for International Security and Arms Control has offered an explicit warning in this regard:

> * * * it is now far too early for any program in strategic defense to consider technology demonstrations of types that could raise serious compliance with the ABM Treaty * * *. [P]remature promotion to the demonstration-and-test phase can be very harmful to attainment of any particular goal in strategic defense * * * [T]hey tend to freeze the technology being demonstrated before it is fully mature, thus guaranteeing less than full capability. [And] they tend to absorb money from the associated R&D program (because of cost overruns), thus eliminating the possibility of better solutions.

If we are to fully explore the options for strategic defense—and I believe we should—then we must ensure that a broad-based, high-quality, research program results. Indiscriminate increases, particularly on demonstration projects which threaten existing arms control agreements, do not aid that cause.

Fourth, and finally, no amount of research can overcome the system's most fatal flaw: It can never be fully tested. There is simply no way to be sure the system will work adequately in the event of an actual nuclear exchange. As with any system, various components can be tested. But no comprehensive test can ever be performed.

In 1983, Richard N. Perle, Assistant Secretary of Defense for International Security Affairs, told the House Armed Services Committee:

> There will always be uncertainties about the ultimate effectiveness and vulnerability of any defense system.

What President would ever trust the survival of the United States to a system that has never been tested?

The answer is obvious. No President would.

Failing such a test, and without sufficient faith in the system's capabilities, we will never abandon our own offensive systems. And if we cannot abandon our offensive systems, the primary rationale for the system proposed by President Reagan is removed. Absent that, the need for dramatic funding increases to fuel a crash program in strategic defense will have disappeared.

For all of these reasons I will support cuts in the star wars budget proposed by the President. The technologies embraced by the strategic defense initiative deserve to be carefully and completely examined. But the President's budget request goes too far, too fast.

Mr. President, I urge my colleagues to support research on strategic defense at levels which will ensure a high-quality program, consistent with the ABM Treaty and our national security interests.

REDUCING JAPAN'S TARIFF ON CHOCOLATE

Mr. DOLE. Mr. President, last December, over 25 of my Senate Republican and Democratic colleagues joined me in urging Japanese Prime Minister Nakasone and his Cabinet Ministers to reduce Japan's 20-percent tariff on imported chocolate confectionery to 10 percent this year and to the United States rate of 7 percent by 1986. I have undertaken several subsequent efforts to encourage Japanese Government officials to show further liberalization in this area.

This issue does not rank in the billion dollar class with trade in telecommunications, wood products, and pharmaceuticals. It is, however, a sector that can be quickly and relatively easily resolved by Japan, bringing immediate benefit to U.S. exporters. Reciprocity in trade between the United States and Japan is more crucial today than ever before, and must involve every aspect of our trading relationship—large and small. If stronger and more balanced relations are to be restored, the support and participation of Japanese industry, including the confectionery manufacturers, is essential.

We strongly urge the Japanese Government to include the requested duty reduction on chocolate in the June tariff announcements, which Prime Minister Nakasone promised in April. Chocolate may be a relatively minor element in our bilateral trade picture, but Japan's positive action on such issues will contribute importantly to generating the momentum needed for solving our more complex trade problems. I am hopeful that Prime Minister Nakasone, his cabinet, and Japan's confectionery industry will not neglect this opportunity.

SUMMARY OF U.S.-EEC TRADE ISSUES BY SENATOR PRESSLER

Mr. DOLE. Mr. President, recently I led a delegation of Senators on a trip to Western Europe to discuss trade, arms control, and many other issues. During our discussions with European officials, Senator Pressler, a member of the delegation, took a leading role in emphasizing the need for the European Economic Community to bring their agricultural and trade policies more in line with U.S. policies. European agricultural policies have a great impact on the U.S. farm economy and U.S. farm programs. The Senate will begin consideration of the 1985 farm bill. During deliberations on that legislation, it will be important that members keep in mind the effect of EEC policies on U.S. farm policies.

Upon our return, Senator Pressler compiled a summary of our discussions on the EEC policies and their impact on American farmers, and, Mr. President, I ask unanimous consent that this summary be included in the Record at this point.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Europe and America's Trade and Agricultural Problems

(By Senator Pressler)

Mr. President, during the Easter recess, I had the privilege of joining five of my Senate colleagues on a trip to the United Kingdom, France, West Germany and Italy to discuss trade issues, agricultural policies, arms control, and many other topics. The members of the delegation, led by Majority Leader Dole, included Senators Thurmond, McClure, Laxalt, Cochran and me. We all had a particular interest in agricultural policies and agricultural trade issues. As a result, many of our discussions with the foreign ministers and other officials focused on the many agricultural and trade disputes between the United States and the European Economic Community. Attached is a list of the European Agriculture and Trade officials with whom we met on the trip. We also met with many officials involved in other areas of government.

At all the meetings, the group expressed the United States' concern over the following EEC agricultural and trade policies:

The EEC continues to maintain inflated support prices for domestic production. In 1984 the EEC spent nearly $10 billion on domestic price support programs. The Common Agricultural Policy establishes a target price for the various commodities. For example, the target price for corn is $3.79 per bushel. This compares to the U.S. rate of $3.03. If the market price falls below the target price, the government begins purchasing the commodity. These inflated prices have forced the EEC to restrict the importation of farm commodities.

The overpricing of EEC commodities is exemplified by the problem the EEC faces with U.S. corn gluten exports. Because cereal grains are supported at such a high level, European farmers import corn gluten from the U.S. to feed their cattle. In 1979 the EEC agreed to allow corn gluten duty-free access to the EEC. Since 1973, EEC imports of corn gluten have increased from 37,000 tons to almost 3 million tons in 1982. To resolve this problem, the EEC continually threatens to place a duty on corn gluten imports. In addition to import problems, high support levels have encouraged excess production, while the EEC and other nations such as the U.S. have huge surpluses. These policies are in conflict with U.S. efforts to control and reduce production of various commodities. Since 1970, the EEC has doubled its production of wheat and in 1984, it exceeded the U.S. in wheat production.

To dispose of its surplus production and allow its commodities to be competitive on the world market, the EEC pays an export subsidy to exporters of certain agricultural commodities. In 1984 the EEC paid over $5 billion for such export restitutions. Over $1.5 billion is paid each year to subsidize the export of surplus dairy products. Wheat and other commodities are also heavily subsidized in this manner. At times, the export restitution for wheat has been as high as $2 per bushel. These policies have allowed the EEC to substantially increase its export markets—largely at the expense of the U.S. For example, the EEC's share of world wheat trade has increased six percent in the past 15 years. At the same time, the U.S. share has declined. The decline in U.S. agricultural exports has helped to increase the cost of U.S. farm programs.

The EEC continues to maintain various trade barriers on U.S. farm products and threatens to impose additional barriers. The largest single U.S. agricultural export to Europe is corn gluten. The EEC is continually threatening to limit corn gluten imports. This action is threatened despite EEC formal trade agreement guarantees of duty-free corn gluten entry to Europe. Another formal agreement which is not fully honored is the U.S. quota to export 10,000 metric tons of high quality beef to the EEC. Through various inspection requirements and other restrictions, the EEC has effectively limited its high quality U.S. beef imports to only approximately 1,000 metric tons.

In response to these points, the European officials offered several comments, including:

The U.S. Public Law 480 (Food for Peace) program, Blended Credit and other export promotion programs have the same effect as export subsidies. These programs have allowed the U.S. to expand export markets and reduce the prices foreign nations pay for U.S. farm commodities. The U.S. also dramatically increased agricultural exports during the 1970s.

The U.S. provides domestic subsidies to its farmers. Through target payments, commodity loans and other farm policies, the U.S. supports farm prices and encourages increased production. In fact, U.S. crop loan levels, in many cases, set the world prices for commodities. Again, the U.S. has substantially increased agricultural production in recent years.

The U.S. also maintains trade restrictions on European agricultural commodities such as quotas and duties on dairy products and sugar.

In short the Europeans had some very frank comments.

CONCLUSION AND RECOMMENDATIONS

During the discussions, we stated opposing viewpoints on these European arguments. Our delegation made the point that the U.S. is reaching the point where it might retaliate against harmful EEC agricultural trade policies. For example, Senator Cochran's bill, the Farm and Market Recovery Act of 1985, was discussed frequently. The bill provides for a market bonus program which would use surplus CCC commodities to expand markets and counter foreign subsidy programs, use aid for trade to allow nations otherwise unable to afford commodities to purchase U.S. farm products, and also increase the U.S. food donation program. The bill would also lower U.S. crop loan rates so that they would not work as a floor for world market prices.

The changes proposed in Senator Cochran's bill would make U.S. farm products more competitive on the world market. The cost of current EEC farm programs and export programs would also be increased substantially if the U.S. took retaliatory actions. In 1983, nearly $15 billion was spent by the EEC on its Common Agricultural Policy. Further increases in the cost of that farm program are of particular concern because the Treaty of Rome, which established the EEC, makes deficit spending illegal.

Also, as in the U.S., the maintenance of a strong agricultural economy is critical to the EEC and farm groups are a powerful political force. Substantial reductions in domestic farm price supports would be met with strong objections from European farm groups. This creates a difficult political problem for European leaders.

All of the meetings were very constructive and frank. The Europeans have taken a very firm stand on these issues. If the issues are to be resolved, the U.S. must make it clear that we no longer will allow the EEC to expand agricultural exports at our expense or limit U.S. exports to the EEC. The meetings also indicated that the EEC understanding its need to modify farm programs to control costs. This is a common problem, both for the U.S. and for the EEC. I believe there is room for compromise on these problems and serious trade negotiations would help to resolve some of them. However, to get the Europeans to negotiate seriously, the U.S. may have to take some retaliatory type actions in the agricultural trade area.

In most cases, both the U.S. and the EEC would benefit if our agricultural policies were more consistent. The U.S. and the EEC should continue to pursue, through negotiations, more consistent domestic and export agricultural policies.

A list of the foreign ministers and other officials follow:

Simon C. Coombs, Esquire, 109A Belgrave Road, Lower Flat, Pimlico, London SW1, U.K.

His Excellency Pierre Beregovoy, Minister of Economics and Finance, Paris, France.

His Excellency Alain Pohrer, President of the Senate, Paris, France.

The Honorable Millicent Fenwick, Ambassador to the United Nations FAO Organizations, Rome, Italy.

Ms. Barbara Huddleston, Chief, Food Security and Information Service, Commodities and Trade Division, Food and Agriculture Organization of the United Nations, Rome, Italy.

Mr. Howard W. Hjort, Director, Policy Analysis Division, Food and Agriculture Organization of the United Nations, Rome, Italy.

Mr. James D. Lincoln, Director, Financial Services Division, Food and Agriculture Organization of the United Nations, Rome, Italy.

Mr. D.C. Kimmel, Former Director, Liaison for North America, Food and Agriculture Organization of the United Nations, Rome, Italy.

Mr. Edward M. West, Deputy Director-General, Food and Agriculture Organization of the United Nations, Rome, Italy.

Mr. Dean K. Crowther, Assistant Director-General, Food and Agriculture Organization of the United Nations, Rome, Italy.

Mr. Edouard Saouma, Director-General, Food and Agriculture Organization of the United Nations, Rome, Italy.

His Excellency Giulio Andreotti, Minister of Foreign Affairs, Rome, Italy.

His Excellency Bettino Craxi, President of the Council of Ministers, Rome, Italy.

His Excellency Hans-Dietrich Genscher, Foreign Minister of the Federal Republic of Germany, Bonn, Germany.

His Excellency Dr. Manfred Woerner, Defense Minister of the Federal Republic of Germany, Bonn, Germany.

His Excellency Giovanni Spadolini, Minister of Defense, Rome, Italy.

His Excellency Charles Hernu, Minister of Defense, Paris, France.

ANTIBIOTIC TREATMENT FOR RHEUMATOID ARTHRITIS

Mr. DeCONCINI. Mr. President, the story of Mrs. Barbara Matia is one of tragedy turned to triumph. Mrs. Matia, a constituent from Scottsdale, AZ, was almost totally disabled in the prime of her life by rheumatoid arthritis. She was bedridden and unable to care for her small children. She had virtually abandoned hope for a productive and happy life with her husband and family. But that dismal outlook was turned into a bright future after Barbara received treatment for her arthritis under a program developed by Dr. Thomas McPherson Brown of the Arthritis Institute of the National Hospital of Arlington, VA.

Dr. Brown has developed an antibiotic treatment therapy for rheumatoid arthritis which has proved successful with thousands of patients. Yet, this treatment has not been accepted by the medical community at large. For many years, the Senate Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies has expressed interest in this program and has urged the National Institutes of Health to keep the subcommittee advised on progress in this treatment therapy. A 3-year grant application for a clinical trial of Dr. Brown's treatment therapy is currently being reviewed by the NIH. It is my hope that the grant will be approved and that NIH will, at long last, proceed to a clinical trial of the antibiotic approach to the treatment of rheumatoid arthritis. If the clinical trial proves successful, millions of Americans who are currently disabled with this painful and crippling disease will have hope for a healthy tomorrow.

I ask unanimous consent that the testimony presented by Mrs. Matia, Mr. E. Douglas Reddan, trustee of the Arthritis Institute of the National Hospital of Arlington, VA, and Ms. Myra Frank representing Dr. Thomas McPherson Brown, before the Senate Appropriations Subcommittee for Labor, Health and Human Services, Education and Related Agencies on May 2, 1985, be printed at this point in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Testimony of Myra Frank Representing Arthritis Institute of the National Hospital

Mr. Chairman, Members of Congress, my name is Myra Frank and I'm from Davenport, Iowa. I was diagnosed as having severe rheumatoid arthritis (R.A) at the age of 12. Up until that time in my life I guess you could say I "had the world by the tail." You know how it is when you're a kid. Your whole life is ahead of you, your hopes and dreams, with hardly a care in the world. For me, it was better because I was very athletic, my grades were good, I was very competitive (I hated to lose to anyone or anything and seldom did) and I was confident in myself. As a result, I was probably one of the most popular kids in my class. Hardly one you would expect to fall prey to such a crippling disease.

I wasn't about to give up though. I expected some pain now and then, but I had no idea what the disease was capable of doing to me physically or mentally. In the beginning I tried everything to stop the terrible pain and progressive crippling. I was put on cortisone, gold, plaquenil, penicillamine; all standard medically approved treatments for R.A. But being medically approved does not necessarily mean it's safe. I didn't realize there could be something worse than the extreme pain I was already experiencing—side effects. By the time I found this out, it was almost too late. The drugs that had helped me in the beginning, took over my body and actually appeared destined to finish me off. The side effects were unbelievably worse than the disease itself. At this point I no longer cared. I spent most of

my time in bed because there was little else I could do. Those years taught me a lot. I learned to be scared. I learned to be weak and dependent on others. And I learned to know when I'd been beaten. It was easy to learn, but very hard to swallow. After 8 years of fighting, I could fight it no longer.

It's hard to explain the pain and the sense of hopelessness. Picture how you would feel to have the people you care most about, our family and friends, the people who love you and respect you, watch you being reduced to a useless cripple. Someone who needs assistance with even the most menial tasks, that is where I was and I have to tell you—it's a terrible place to be. Day-by-day get worse and you know you're getting worse. Your family can't help you and they will try so hard. And worse of all, you can't help yourself. It isn't fair to you or those around you. That is where I was when I came to Dr. Brown. I was a long way from the girl who had the world in the palm of her hand. The confidence was all gone—right along with the hopes and dreams.

It's been six years since my first visit to Dr. Brown and the beginning of a whole new life. My future is once again open to dreams. There are a lot of people out there suffering from R.A. Granted the severity of the pain and crippling varies, but the point is it doesn't have to be that way. Many of these people will try the same drugs I did and possibly develop severe side effects, a chance they don't have to take. I'm asking your support of the grant recently submitted for a clinical trial of Dr. Brown's antibiotic treatment program—a program I know is right because I've been there. Give victims of arthritis a future they can look forward to.

Testimony of Barbara A. Matia, Before the Subcommittee on Labor, Health and Human Services, Education and Related Agencies of the Committee on Appropriations

Mr. Chairman, Senators and Staff, I am Barbara Matia from Scottsdale, Arizona. I appreciate the opportunity to appear before you again.

It is hard for me to believe that the program that brought me from being bedridden as a result of rheumatoid arthritis to being fully functional in six years is still not widely available to the 36 million arthritics in our country today!

As you may remember from my testimony last year, the program I am talking about is a treatment program for arthritis developed by Dr. Thomas Brown of The Arthritis Institute of the National Hospital which uses antibiotics in conjunction with anti-inflammatories. As you may also remember, I told you that Dr. Brown told me the first time I met with him that I would be getting worse for a period of time and would then begin to improve each year thereafter as long as I remained on the program. It was because I worsened, as predicted, that I sensed this doctor was actually tinkering with the disease process that had made me feel so ill. The fact that this doctor had the confidence to tell me that I would be getting worse before I got better and the fact that that actually occurred showed that there was real significance to this program.

This is a program that arthritics travel from all over the United States and the World to receive; that patients are willing to wait more than six months to a year to receive for the first time; that the International Congress of Rheumatology selected for presentation at their annual meeting in Sydney, Australia later this month; that is safer and more effective over a long term, without toxicity, than any other treatment currently available; and that could lead us to a breakthrough to the cure for arthritis.

Three significant developments have occurred since I was here last year. First, Dr. John T. Hicks, a noted rheumatologist, has joined the Arthritis Institute because of the promise he feels Dr. Brown's work holds for relieving the suffering of arthritics. Immediately prior to joining the Arthritis Institute, Dr. Hicks served in the Rheumatology/Immunology Division of the Smith Kline Beckman Corporation where he was responsible for large-scale, controlled trials of oral gold therapy. Thus, he is experienced in developing, organizing and directing clinical trials of long acting drugs in double-blind studies.

The second significant event is the completion of an evaluation of the Arthritis Institute's patient records by an independent biostatistical firm of national reputation. Using 98 patients as the control group, this retrospective study indicated that after five years of treatment, over 70% of the control group were still benefitting from antibiotic therapy, a percentage far higher than with other treatment programs. The study concludes that in spite of the results noted in the 1971 Boston study, among others, a properly designed and managed clinical trial of the antibiotic treatment program is in order at this time.

The third significant development is that a grant application has been filed and is now pending at the National Institutes of Health requesting a clinical trial which will compare the antibiotic treatment program to gold therapy as a treatment for rheumatoid arthritis. Based upon my experience over the last three years discussing the antibiotic treatment program with the medical establishment, I believe that it will take the involvement of this subcommittee to make sure that the opportunity before us does not die in the peer review committees. The grant application calls for a political decision, not a medical decision. The political decision is whether this subcommittee thinks the 36 million arthritics are worth two cents per year over the next three years which could potentially lead to the availability of the best treatment program for arthritis yet known. It is the clinical trial which will provide the medical decision! If the peer review committees turn down the grant on the basis of earlier trials improperly conducted, or if this grant is not made for whatever reason, we may have missed one of those rare opportunities in the history of mankind to positively affect the human condition. When you consider that the amount being requested is only six cents per arthritic, can we afford not to permit the trial to be conducted?

To the arthritics in this country, this grant could mean the difference between just coping and a full life, pain and no pain, crippling and no crippling, and despair and hope.

Let us all stay involved in the processing of this application so we can put this program to the test! This could be the best six cents the federal government has or ever will spend on me!

Thank you very much.

Statement of E. Douglas Reddan, Trustee of the Arthritis Institute of the National Hospital, Arlington, VA

Mr. Chairman and Distinguished Members of this Committee, I appreciate the opportunity to appear before you today to discuss a matter of critical importance to millions of arthritics and to recommend a course of action which many thoughtful and reasonable people believe to be long overdue.

As you are aware, arthritis is a disease which afflicts 35,000,000 Americans, causes an estimated annual loss of $20 billion to the economy and is due to grow to a $100 billion burden by the year 2000. It bears the ignominious title of "the nation's number one crippler."

Its cost in human suffering is beyond measurement. To millions of arthritics it's the most important happening in their lives, every day of their lives.

A half billion dollars of federal funds over the past four decades have produced no single approved therapy offering anything other than short-term relief for a life-long, chronic, dreadfully painful, disease. As an example, the drug of first choice, gold, has a five year success rate of 10% and also has been reported in the literature as having the highest mortality rate of all prescribed drugs.

Fifteen years ago promising clinical research in an antibiotic approach to the disease by Dr. Thomas McPherson Brown of Arlington, Virginia was cut off from further NIH funding when a highly questionable short-term clinical trial on 13 patients at Boston University was interpreted as disproving the efficacy of the antibiotic approach.

Despite the cut-off of federal backing, Dr. Brown continued with his antibiotic therapy research and today is treating patients from all over the country, from all age groups, and all walks of life—including Congress, the White House, the Cabinet, the Supreme Court and the Embassies. With very few exceptions all are referrals from other physicians. Lacking NIH funding his research has been supported entirely by grateful patients.

By now Dr. Brown has in all probability treated more arthritics than any other physician—over 10,000—in the history of rheumatology. His practice is so crowded it takes up to a year for new patients to get an appointment. And he is not alone; other physicians, under his guidance, in various parts of the country, are having similar success with his antibiotic therapy.

Over the past five or six years, commuting monthly from Santa Barbara to Washington, and spending several thousand hours with Dr. Brown, his colleagues at the Arthritis Institute and his patients, I've learned a great deal about the plight of arthritics and the hopeless, pain-racked future facing most of them. I've come to believe he's closer to the truth about arthritis than anyone in the field.

The purpose of my testimony today is to suggest to this committee that a government sponsored clinical trial of Dr. Brown's antibiotic therapy is a reasonable course of action for this committee to recommend at this time in light of the markedly unimpressive record of existing approved therapies and Dr. Brown's record of success now clearly recorded in both retrospective and prospective clinical trials.

It is my hope, and that of thousands of arthritics, that this Committee will lend its full support to an immediate clinical trial of Dr. Brown's antibiotic approach. A grant application for such a trial is currently in the hands of NIH.

Thank you.

12TH ANNIVERSARY OF CAROLYN LEVOCK'S SENATE EMPLOYMENT

Mr. HATFIELD. Mr. President, today marks a milestone in the career of a member of my staff, and I would like to take a moment of the Senate's time to extend my congratulations and thanks to Carolyn Levock. Carolyn began her career in the Senate exactly 12 years ago today on June 4, 1973.

Twelve years of service in any occupation is an accomplishment of which take note. But 12 years of service in the stress-filled and fast-paced environment of a Senate office is doubly notable. Carolyn has been a pioneer in the Senate—pioneering the use of automated systems of all kinds. When the correspondence management system was first placed in Senate offices Carolyn was a key person in testing and rewriting the program to make it suitable for application throughout the Senate. She also was instrumental in the first placement of computer equipment in a Senate field office. Most recently she has continued to serve not only me, but the entire Senate, by working closely with those who are installing individual office computer systems. Her special talent in analyzing technical computer programs for their practicality and usefulness in a real office setting is once again benefiting everyone who is using the systems.

I cannot begin to count the number of speeches and statements that Carolyn has typed on my behalf. As every one of my colleagues will understand, such an assignment requires patience, extraordinary speed, intelligence and lots of common sense—all of which Carolyn Levock possesses in large quantity.

Besides maintaining a professional and excellent career in the Senate, Carolyn is the mother of three wonderful children, Richard, Alexi, and Sonya who would attest to her love and care on a personal basis.

Congratulations, Caroyln. I wish you continued success in the years ahead.

PROABORTIONIST INFILTRATES SEX EDUCATION COURSES

Mr. HELMS. Mr. President, the May 18 edition of Human Events contained an article by the distinguished and courageous Phyllis Schlafly, and it is as thought provoking as any piece I have read in quite awhile. It has a message for everyone—especially those who pretend that they cannot define secular humanism.

Specifically, Mrs. Schlafly clearly illustrates how secular humanism has infected the classrooms of America under the guise of sex education.

Mr. President, the Phyllis Schlafly article in Human Events is headed, "Proabortionist Infiltrates Sex Education Courses." The details she presents speak for themselves. Sex education has been around for a long time, but the old health class on reproduction has been shelved and replaced by a so-called valueless approach to teaching sexual behavior.

Young teens are assumed sexually active and so with the aid of Planned Parenthood, a large part of classroom time is spent teaching teens sexual responsibility. The children learn all about the different methods of birth control and, of course, abortion.

Sexual abstinence is viewed merely as a method of birth control, if that. No one ever mentions the Judeo-Christian belief that sexual intercourse should be postponed until marriage. In numerous instances teachers have passed around the different contraceptives and have domonstrated how each should be used. Additionally, proabortion groups have come in with a price list of the different types of abortions.

Clearly, the teenager is left with the message, loud and clear, "go ahead and have sex, but just don't get caught. If you do get caught, there's a way to solve that problem, too."

In the early 1970's the Planned Parenthood types pushed sex education as a solution to the growing number of teenage pregnancies. In their opinion, if children knew the how to of sex, there would be less teenage pregnancy. Although Planned Parenthood would deny these statistics, there are ample studies to show that this objective has failed miserably.

Between 1971–80 there has been a 397-percent increase in the number of teenagers in federally subsidized birth control programs. The percentage of sexually active females age 15 to 19 in the United States who were never married or who prior to their marriage always used contraception increased by 84.8 percent. The percentage of those in the same age group who have experienced a premaritial unwanted pregnancy and were unmarried at the time the pregnancy was resolved has skyrocketed 206.3 percent. Abortions among this age group have increased by 228.5 percent, from 135,400 in 1971 to 444,800 in 1980. Abortions in the under-15 age group have increased by 255.8 percent from 4,300 in 1971 to 15,300 in 1980.

Mr. President, when concerned parents have taken their complaints to the local school boards, they have been dismissed as meddling parents who are interfering with the classroom. But these parents deserve commendation for having had the courage and belief in their convictions to fight the secular humanism which has made such inroads into the American classroom. Unless a concerted effort is made to stop this trend, the Nation's moral fiber will be weakened even further.

Mr. President, I ask unanimous consent to have Mrs. Schlafly's article inserted in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Proabortionist Infiltrates Sex Education Course

(By Phyllis Schlafly)

Does "sex education" in the public schools mean having an employe of the local abortion clinic conduct a class for 15-year-olds and peddle its commercial services? That's the shocking news the public learned on a recent MacNeil-Lehrer TV report.

This issue first came out in the open in January at a public meeting in Asheville, N.C., where parents aired their complaints about violations of parents' and pupils' rights in the local public schools.

Hershel Ted Anderson of Candler, N.C., the father of three boys in the public schools, requested and received permission from the principal of Enka High School to attend the 10th-grade biology class when "sex education" was taught. He, his wife and three friends audited the class on Oct. 23, 1984, and here are excerpts from his written report.

"The Western Carolina Abortion Clinic was giving the instructions. The women started their salesmanship. They were after the children's business. The class was mixed boys and girls. All kinds of contraceptives was opened up and put on display, along with the price of each. All were passed around the classroom. . . .

"Right away, the home was forgotten. All authority of parents was dismembered. The child became a business customer for the abortion clinic. All business to these clinics would be held highly confidential: not even a court order could reveal their business relationship between the child and the abortion clinic.

"The young kids were told that abortions were a means of birth control. . . . The class picked up and went over all female birth control devices, which was very offensive to the class. The abortion clinic gave their price of services, the days and hours they are open for business, and transportation would even be furnished, if needed.

"The woman speaking regarded the home as non-existent. Father and Mother were dead, as far as respect to us. I feel the teaching is directed to oppress the youth of our age into suicide, no hope, no reason to retain their virtue. Once the virtue is gone, the emptiness is present. These kids were treated as harlots, prostitutes and whores in the way this abortion clinic treated the audience. They assumed all kids were fornicators . . . The male condom was presented to the class, passed around to all present.

"I still cannot believe what I saw at Enka High School. What a shame to any state or nation. . . . The assistant principal stated after the class that she felt this was a good class for the kids. The teacher of the biology class stated that he did not represent the child's home or parents, he only represented the child. . . ."

Dr. Ralph Sexton Sr. attended the sex education class on Oct. 24, 1984. In his written statement he told how stunned he was "to sit in that class and hear sex discussed, and contraceptives displayed with what appeared to me, to be with only one thing in mind—'Young people, go ahead and have sex, but here is how to keep from getting

pregnant, and if you do, come by and we will abort it for a price.'

"There was not one mention of God, home, husband and wife and keeping themselves until marriage and home. The young people were told about their 'sex partners' and how to use their contraceptives, etc."

The parents who audited these "biology" classes took copious notes and presented a transcript at the public meeting. The abortion clinic employe gave the class a detailed explanation of how to use every kind of contraceptive and described its percentage of effectiveness. Then she quoted her clinic's prices for abortions.

After reading through this transcript, it is easy to see why "sex education" classes *cause* teenage pregnancies and abortions. Most teenagers who sit through these tedious and complex descriptions would conclude: *(a)* it's normal to engage in sex with any "sex partner" you want, *(b)* contraceptives are a hassle, have unpleasant side effects and don't provide 100 percent protection anyway, so *(c)* don't bother with contraceptives; it's so easy to have an abortion (and you're guaranteed your parents will never know).

The $600-million-a-year business is using the public schools, financed by taxpayers, to conduct its sales meetings and recruit its customers. Sex education classes are like in-home sales parties for abortions.

And, if parents, object, a well-organized smear brigade moves in to denounce them as "censors," "right-wingers," "fundamentalists who don't want their children to take 'biology' " and "rednecked enemies of public shools." What a racket!

ROPER MOUNTAIN'S CENTER VALUABLE TO GREENVILLE

Mr. THURMOND. Mr. President, I would like to call to the attention of my colleagues an editorial printed in the May 13, 1985, issue of the Greenville Piedmont. The editorial is entitled "Roper Mountain Center Valuable to Greenville" and concerns a community's efforts to work with its school system to educate children and adults about the community's history and the expanding sciences through hands-on experience. It is refreshing to find a community so actively involved in improving the educational opportunities for the area.

Mr. President, this project in Greenville, SC, is an excellent example of community involvement in education. Donations of time and money from organizations throughout the county will result in the opening soon of a working farm center typical of a 19th century farm set in Greenville County. The center is to expand to include other aspects of scientific discoveries. It will provide visitors with hands-on learning not available in the traditional classroom.

Mr. President, the community of Greenville, SC, has committed itself to better education by drawing upon its own resources to provide a learning center for its citizens. I recommend this community harmony to everyone, and invite all my colleagues to read this editorial. Mr. President, I ask unanimous consent that this editorial be printed in the Record at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Greenville Piedmont, May 13, 1985]

Roper Mountain Center Valuable to Greenville

The wraps are coming off of one of Greenville's best-kept secrets. It's a secret that promises to teach school children and adult visitors about the complex world around them while reminding them of the past.

It's the Roper Mountain Science Center, which will become a valuable learning tool for students and a marketable asset for the growing Greenville area.

Plans for a May 26 opening of one component of the fascinating Roper Mountain project were announced last week, as well as projected opening dates for the other Phase I components. Set to open in less than two weeks is the Living Pioneer Farm, which will help history come alive for students and adults alike.

Adopted by the Junior League of Greenville for one of its 1984 projects, the pioneer farm has benefited from a number of donations, including a 1834 smokehouse, an early 1800 corn crib and other authentic buildings. The seven-acre farm, typical of those in the Upstate in the 19th century, will offer a realistic glimpse of life in the previous century.

Other components of the science center will teach about life in this complex, technological world, with the goal in mind of demystifying science and making it fun to learn about. Remaining components of Phase I of the project, which might be completed by October 1986, will be an observatory, the Hall of Science and the science center's natural habitat, where the natural environments of this state's diverse geographical areas will be recreated.

All of this is part of Phase I of Science Center's development, a $4 million project, of which $2.1 million has been raised by the Roper Mountain Science Center Association. The core of the Science Center has been in operation for three years, with 30,000 students having participated in the programs and activities that show the wonders of this changing world.

The other parts of this project are needed to open the world of scientific discovery up even more to these future leaders. The observatory will house the historic 23-inch refractor telescope given to the School district by the U.S. Navy, while the Hall of Science will be include exhibits on the human body, robotics, communications, lasers and advanced computers.

All of this comes at a time when the importance of a sound science education is being stressed for today's young people. Roper Mountain gives Greenville students, and those of other Upstate communities, a chance to get the type of education that's simply not available in a small classroom.

This challenging undertaking is based on a partnership between the Greenville County School District, which will operate the science center, and the Greenville community, which must raise the funds necessary to complete the project. Donations of time and money have come from groups such as the Junior League, Greenville County Medical Auxiliary, several foundations and countless individuals.

More remains to be done, including raising almost $2 million. The success of the project to date indicates the momentum is in place to see Greenville's best-kept secret through its completion.

COMMEMORATIVE CEREMONY IN HONOR OF THE LATE GEN. MARK WAYNE CLARK

Mr. THURMOND. Mr. President, it was an honor and a privilege for me to attend a commemorative ceremony at the Pentagon on April 18, 1985, to honor the memory and accomplishments of Gen. Mark Wayne Clark, who died 1 year earlier on April 17, 1984.

The Secretary of the Army, the Honorable John O. Marsh, Jr., presided at this important ceremony to dedicate a commemorative display site of memorabilia of General Clark in the Pentagon Hall of Heroes. Gen. Lyman L. Lemnitzer, U.S. Army, retired, former Chairman of the Joint Chiefs of Staff; and Maj. Gen. James A. Grimsley, U.S. Army, retired, president of The Citadel, eulogized Gen. Mark Clark, recalling some of his numerous achievements. As the keynote speaker, General Lemnitzer paid special tribute to General Clark and recounted highlights in the distinguished career of General Clark.

General Grimsley praised General Clark for his immeasurable contribution to The Citadel, while General Clark was president of the Military College of South Carolina for 11 years. General Grimsley said:

> Certainly I can say, without equivocation, that the institution today stands much taller and much prouder through the legacies of Mark Wayne Clark.

Mr. President, Gen. Mark Clark of South Carolina was a soldier, statesman, diplomat, educator, and one of our most distinguished and renowned American leaders in war and peace. General Clark served our Nation with remarkable distinction for over 66 years, not only as one of our great military leaders, but also in the fields of diplomacy, philanthropy, Federal administration, and education. His diplomatic skills were astutely demonstrated in North Africa in 1942, when he was instrumental in restoring France to the Allied cause as a free and independent nation. General Clark commanded all Allied forces in the Mediterranean Theater of Operations in World War II. His comprehension of the post-World War II political, economic, and social needs of Italy gained for the United States the everlasting gratitude of the Italian people.

Mr. President, General Clark was the key figure in securing the political freedom of Austria after the war and became the champion of the Austrian people in successfully resisting Soviet efforts to politically dominate Austria. He worked closely with Secretaries of State George C. Marshall and James

F. Byrnes in Conferences of Foreign Ministers, designed to bring order and stability to the postwar world. In Korea, he signed the Armistice Agreement and supervised the delicate prisoner-of-war exchange.

As president of The Citadel for 11 years after the Korean war, General Clark contributed significantly to linking the demands of scholarship with military service requirements. Under his outstanding leadership in the educational field, The Citadel continued to provide the Armed Forces with some of our most distinguised military leaders.

While chairman of the American Battle Monuments Commission the last 14 years of his life, General Clark continued to participate in national affairs, philanthropic and cultural activities of all kinds. In his eventful career, he served as consultant to various Government agencies, particularly the Hoover Commission to reorganize the National Government; acted as adviser to serveral Presidents; and maintained his influence on ligislation affecting the Free World, national defense and the armed services. General Clark has always been a proponent of American strength and champion of our fundamental freedoms.

Mr. President, few Americans contributed more to the security of the United States, the attainment of world peace, and the education and development of American youth than General Clark. Many Americans, Italians, Austrians, and Koreans have the highest esteem and respect for General Clark and appreciate his contribution to the free world. He received 17 foreign decorations reflecting this admiration.

It was most appropriate for the Army and our country to honor General Clark and his contribution to America. The commemorative display site in the Pentagon will recall his remarkable career and serve as a lasting tribute to a great American.

Mr. President, I ask unanimous consent that the program for this commemorative ceremony and the remarks by General Lemnitzer and General Grimsley be printed in the Record.

There being no objection, the program was ordered to be printed in the Record, as follows:

Ceremony Opening the Gen. Mark W. Clark Commemorative Display

Mark Wayne Clark, General, U.S. Army, Retired, was born in Madison Barracks, New York, on May 1, 1896. He graduated from the United States Military Academy and was commissioned a second lieutenant of Infantry in April 1917. General Clark, a highly educated and decorated soldier, began his military career during World War I, held numerous command and staff positions after his return to the states, and was one of America's greatest leaders during World War II.

As a heroic World War II leader, he is credited with numerous successful military operations and accomplishments, but he is best known for his role as the Commanding General, Fifth Army which was the first American Army to be activated in the European theater. Under General Clark's direction, the Fifth Army successfully invaded Italy and after weeks of bitter fighting captured Rome, making it the first Axis capital to be liberated from the enemy. When the war ended, General Clark was commanding the 15th Army Group.

After World War II, General Clark continued to serve in key leadership positions in Austria, the United States, and the Far East. On July 27, 1953, General Clark, representing the United Nations Command, signed a military armistice agreement ending the open conflict in Korea. His long and distinguished military career ended with his retirement in 1953. After his retirement, he assumed the Presidency of The Citadel, The Military College of South Carolina, and remained in the position until 1965.

On April 17, 1984, General Mark W. Clark died, but his legacy lives in the quality education at The Citadel and in the accomplishments of the men whose lives have been affected by him and his example.

PARTICIPANTS

The Honorable John O. Marsh, Jr., Secretary of the Army.

DISTINGUISHED GUESTS

General Lyman L. Lemnitzer, USA Retired, former Chairman, Joint Chiefs of Staff.

Major General James A. Grimsley, USA Retired, President, The Citadel.

SEQUENCE OF EVENTS

Pre-Ceremony Concert, The United States, Army Band (Pershing's Own).

March-On, Presentation of Command, Troop in Review, Retreat, National Anthem.

Remarks, Secretary Marsh.

Remarks, General Lemnitzer.

Remarks, General Grimsley.

March in Review

Final Musical Salute, The United States Army Band (Pershing's Own).

Conclusion of Outdoor Ceremony, Ceremonial Ribbon Cutting, (Commemorative Display Site), Tour of Display.

Remarks by Gen. L.L. Lemnitzer, U.S. Army (Ret.)

A soldier of three wars, General Mark Wayne Clark served 36 years in the U.S. Army and capped his military career with 11 years as President of The Citadel, The Military College of South Carolina. In those 47 years of service, General Clark built a formidable reputation as an American patriot, an outstanding soldier, and an international figure in a period of great upheavel that reshaped the world.

South Carolina was honored when General Clark in 1953 accepted the invitation of Governor James F. Byrnes to become President of The Citadel on his retirement from the Army.

"I am determined to dedicate my remaining years of service" General Clark said, "to training the cream of our young manhood to be the kind of leaders we need so desperately for the salvation of our way of life."

That very much-to-the-point statement summed up the aims and ideals that guided General Clark throughout his distinguished career. He was born May 1st, 1896 to an Army family stationed at Madison Barracks in New York.

Graduating from West Point in April 1917, he was among those graduated early for duty in World War I. Commissioned a second lieutenant a few days before his 21st birthday he moved up fast, to a first lieutenant in May and Captain in June.

He went overseas immediately and was wounded in Vosges mountains in France. He later took part in the St. Mihiel and Meuse-Argonne offensives.

Back in the United States, he served in various assignments and in May 1942 he became Chief of Staff to General McNair, Commander of the Army Ground Forces. I was Director of Plans and it was on that assignment that I first met General Clark and had an opportunity and privilege of working closely with him on the first elements of the enormous wartime mobilization plans that ultimately expanded the U.S. Army into a force of 89 divisions in World War II.

In August 1942 he was in London and assigned as Deputy to General Eisenhower for preparations of plans for the Allied landings in North Africa. In late October 1942 President Roosevelt and Prime Minister Churchill agreed to a proposal by U.S. Ambassador Robert Murphy to send a secret mission to North Africa for consultations with friendly French military. General Clark was designated to head the 5-man mission (of which I was a member) to exchange views with the French regarding a possible invasion of North Africa. Admiral Jerauld Wright of the U.S. Navy, who is here in the audience today, was also a member of the secret mission. We are the only survivors of the secret mission today.

We flew from England to Gibraltar in a B-17 where we boarded a small British submarine (the Seraph) for a rendezvous with General Mast and his staff at a chateau near Churchel, on the coast of North Africa. The story of the mission is one of the most sensational high-level stories of World War II.

However, when the story of the mission was released after the invasion took place on 8 November 1942, the media gave more publicity to General Clark and myself loosing our trousers rather than the important military accomplishments of the secret mission.

It was indeed a very dangerous and important mission. We were very nearly captured by the Vichy police. If we had been captured it would have ended our respective military careers in October 1942.

General Clark lost his trousers when his small boat, known as a falboat, which was used between submarine and shore was overturned in the high waves and he was nearly drowned.

I lost mine because my roommate (Col. Holmes) packed my uniform in his baggage in the hurry and hiatus of getting out of the chateau to hide in the nearby woods to avoid the Vichy police. After being in my underwear all night, I next saw my trousers on General Clark when I reached the submarine many hours later.

After the North African invasion, General Clark took custody of Admiral Darlan, the Vichy French Commander, and induced him to cease resistance to the Allied landing forces.

After the situation stabilized, General Clark with Hq at Oujda, Morocco, organized the Fifth US Army—the first time an American Army was ever completely organized overseas.

In Sept. 1943 General Clark's Fifth Army was the first allied forces to land at Salerno, Italy, on Hitlers-held Fortress Europe.

Slowly his Fifth Army moved up the Italian boot, captured Naples, and Rome in

June 1944—the first Axis capital to be liberated in World War II.

He received the surrender of one quarter of a million German troops in May 1945, the first large scale surrender of a German field command.

In June of 1945 he was named commander of the US occupation forces in Austria. As high commissioner to Austria, he successfully resisted Soviet efforts to push Austria behind the Iron Curtain. Later he went to London and Moscow to negotiate a treaty for Austria.

During the wartime months, General Clark was associated with many world leaders. Tall and slender, with sharp features and impressive military bearing, he was dubbed "the eagle" by Winston Churchill.

After the war, he commanded the US Sixth Army at the Presidio in San Francisco and was later Chief of Army Field Forces at Fort Monroe.

In April 1952 he was appointed Commander-in-Chief of the Far East and United Nations Commands at a time when the Korean War was winding down. On 27 July 1953 he signed the Armistice with North Korea and requested retirement on 31 October 1953. On 1 March 1954, he took office as President of The Citadel.

The Citadel today reflects General Clark's many, many important contributions as General Grimsley, its President, will now explain.

Gen. James A. Grimsley, Jr., Pentagon Speech Honoring Gen. Mark W. Clark

Secretary Marsh, I wish to express deep appreciation to you, sir, to General Wickham, the Old Guard, and the United States Army Band from all of us in The Citadel family who are here present today for this splendid ceremony. You have honored us deeply and we are most grateful. At this time, I want to present to this audience four young men who are representing the Corps of The Citadel, the centerpiece of the college. If you will stand gentlemen, please: Cadet Colonel Ralph Engeler, Regimental Commander; Cadet Lieutenant Colonel Charles Maxwell, Regimental Executive Officer; Cadet Captain Tom Clark, Company Commander; and Cadet Sergeant Major Luther Kissam, Regimental Sergeant Major. Thank you gentlemen—please be seated. These young men represent the cream of the Corps of Cadets. I like to think that they are also representative of the vast majority of our fine young people throughout the United States.

"Whatever we do, we must be proud." On several occasions, General Clark told me that he and Mrs. Clark used those words as he was contemplating the next step in his life after he retired from the United States Army. As General Lemnitzer has stated, in 1953, General Clark accepted the presidency of the college and, on 1 March 1954, he assumed that position. He threw all of his energies, his talents, his character, his leadership, his prestige into The Citadel.

He initially turned his energies to the Physical Plant. I can recall, as a cadet a long time ago at The Citadel, seeing in the school library a mockup-a cardboard mockup of the master plan for the college which had been developed by a great giant among my predecessors, General Charles P. Summerall. The second giant among my predecessors, General Mark Clark, saw most of that cardboard plan come to fruition during his time as president and shortly thereafter. General Clark made that plan a reality.

But you and I know that bricks and mortar do not a college make.

General Clark turned his efforts almost immediately to bringing the Corps of Cadets up to full strength, a situation we have consistently maintained in the years since. In addition, he went to great friends and alumni of the college and, through his prestige and by setting the example with his very generous contributions of his own resources, helped to establish The Citadel Development Foundation-a magnificent organization dedicated to the academic enrichment of the college. He raised to a high standard the stature-and performance of the faculty. He formalized the Cadet Honor System. Parenthetically, let me state that, during the four years I was privileged to have him give me his sound counsel, the adrenalin flowed very rapidly as he wagged his finger at me and said "Don't let them tamper with the Honor System!" I am proud to state that the Cadet Honor System is as strong today as it has ever been.

I've already mentioned his generous contributions of his resources to his chosen alma mater. The Citadel for many years has had a national reputation. General Clark enhanced that reputation. We believe today we are continuing to produce those cadets who accept responsibility and who take great pride in the Corps of Cadets. We are producing responsible leaders, within the concept of the "whole man." In short, we are producing the citizen-soldier in the best traditions of this great country.

At his request, General Clark now rests on The Citadel campus. I am confident that he rests smiling with justifiable pride, remembering his words at the outset of his second career, "Whatever we do, we must be proud." The Citadel is a proud institution, and has been since its founding in 1842. Certainly I can say, without equivocation, that the institution today stands much taller and much prouder through the legacies of Mark Wayne Clark. I've adopted and reinforced as the hall mark and the standard for everything we do at The Citadel: "Whatever we do, we must be proud" as we go about accomplishing our mission. This, I believe, is the greatest legacy of all that General Clark gave to his adopted alma mater. The Citadel.

Thank you very much.

DANGER OF NUCLEAR WAR LESSENED BY ACTIVITIES OF LANAC

Mr. LEAHY. Mr. President, it was a little over 1 year ago that I stood on this floor and talked about the dangers of a lack of high level contact between Soviet and American leaders, especially in the area of arms control.

Last year, the chairs at the arms control negotiations in Geneva were empty. There appeared no immediate prospect for a resumption of those talks.

At the time, the only faint but persistent hope came from the activities of the Lawyers Alliance for Nuclear Arms Control [LANAC], a group of distinguished attorneys who took the initiative to keep some semblance of dialog alive. Representatives of LANAC traveled to the Soviet Union, and with members of the Association of Soviet Lawyers, agreed on several constructive working papers, that I then placed in the Congressional Record.

With the new year comes hope. The United States and the Soviet Union are—at the very least—talking once again. While it is clear that many obstacles lie in the path of an agreement, both superpowers appear serious about overcoming these problems at the bargaining table.

Recently, a delegation from LANAC completed another trip to the Soviet Union. They and their Soviet counterparts agreed on four new joint working papers that I believe my colleagues and members of their staffs should read as the Senate continues its debate on the defense authorization bill.

LANAC should be commended for its continuing efforts to lessen the danger of nuclear war.

Mr. President, I ask unanimous consent that a letter from John Downs, a prominent member of LANAC, and the joint papers from the third conference of the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

St. Johnsbury, VT,
May 3, 1985.

Re: LANAC-ASL Joint Papers.
Senator Patrick J. Leahy,
Senate Russell Building,
Washington, DC.

Dear Senator Leahy: I am pleased to enclose copies of the four joint papers negotiated by lawyers from the Lawyers Alliance for Nuclear Arms Control with lawyers from the Association of Soviet Lawyers at our recent conference in Moscow in March.

This was the third conference between the groups and perhaps was the most productive one.

The most significant paper concerns the legal questions involved with the ABM treaty and preventing an arms race in outer space. We were able to identify some of the critical issues and constructively address them.

The other papers are indicative of the broad range of problems that we address at these conferences. Nonproliferation, future goals for arms control and the elements of a good working relationship are all very pertinent to the solution of the nuclear dilemma.

On behalf of the LANAC members and the delegates to the conference, I want to thank you for your continued interest in our work and your efforts to give these papers the widest possible distribution.

Sincerely,

John H. Downs.

A Joint Statement on Legal Issues Under the Anti-Ballistic Missile (ABM) Treaty and the Prevention of an Arms Race in Outer Space

This paper is a result of the combined efforts of delegates of The Lawyers Alliance for Nuclear Arms Control and The Association of Soviet Lawyers. The paper was prepared on the basis of draft papers and discussions at a conference in Moscow on March 2-11, 1985. Although each participant does not necessarily agree with everything in the document, all are in general agreement with its contents.

1. The delegations of the Lawyers Alliance for Nuclear Arms Control and The Association of Soviet Lawyers welcome the forthcoming talks on nuclear and space armaments between their two countries in Geneva.

2. Since the beginning of the SALT negotiations in 1969, the US and USSR have recognized that constraints on offensive and defensive weapons systems are interrelated. The premise of the ABM Treaty is that steps to acquire the capability to eliminate the other party's strategic weapons by means of ABM systems would inevitably be perceived by that party as an effort to impair its retaliatory capability. Therefore, there can be no limits or reductions of nuclear weapons systems unless antiballistic missile systems are tightly constrained. To abandon the premise would not only threaten the possibility of new agreements for the limitation and reduction of nuclear weapons, but, to the contrary, would accelerate the arms race on earth and turn outer space into a new arena of confrontation.

3. In this connection, the delegates stress the importance of the ABM Treaty and call upon the two sides to reaffirm their commitment to this Treaty. The ABM Treaty is the only bilateral arms control agreement legally in force between the two countries. As such, it is the cornerstone of the strategic nuclear arms control enterprise.

In order to remain effective, the Treaty must be kept abreast of the changing strategic situation. In this connection, any activity on either side that threatens to erode the Treaty or to undermine its continued viability should be avoided.

The ABM Treaty provides in Article V that neither side shall "develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based." All the delegates agree that this provision certainly prohibits the testing and deployment of ABM systems or components (subject to Article V) and that this prohibition is verifiable by national technical means. All the delegates also agree that fundamental research for general purposes of scientific and technical progress is not prohibited.

As to development, the Soviet delegates suggest that the Treaty bans even the earliest stages of research conducted for the purpose of creating systems or components mentioned in Article V. They believe that those research programs aimed at the creation of ABM systems can achieve a scale and intensity where they might become irreversible and thus threaten the Treaty.

The Lawyers Alliance delegates believe that research on ABM systems is permitted under Article V and that the line of impermissible development is when prototypes of ABM components are field-tested. Basically, what is prohibited is what can be verified by national technical means. Capability rather than intent is controlling.

Instead of debating over the past, it is important to agree on the future. In this connection, it is important to achieve an agreement on banning work on weapon systems and components subject to Article V at the earliest possible stage to be determined in accordance with the ABM Treaty.

4. In addition, the delegates put on the table and had a discussion of a number of problems which one side or the other considers to be very serious:

(a) Certain new technologies create problems under the Treaty because they may have dual or multiple capabilities. In this connection we note questions about large phased-array radar under construction by both sides, the other systems or weapons that raise the issue of dual-capability. Certain technologies suitable for anti-satellite (ASAT) use could also be used in connection with ABM systems. The ABM Treaty would be undermined if equipment capable of uses prohibited by the Treaty were developed and deployed for some other purpose. The delegates note that at present both countries are currently refraining from ASAT testing and express the hope that both will continue to exercise self-restraint on ASAT testing pending negotiation and completion of an agreement on ASATs.

(b) The meaning of the words "systems" and "components" is critical to application of the ABM Treaty. In order to avoid misunderstanding, especially in view of the changing technological environment, it is important that mutual, specific and verifiable understandings of these terms be reached. The nature of prohibited "components" of ABM systems capable of substituting for ABM missiles, ABM launchers, and ABM radars should be agreed upon. For example, both sides should decide whether the term "component" includes major subcomponents which, when assembled, substitute for ABM components.

(c) The problem of prevention of an arms race in outer space is one of global concern, requiring bilateral and multilateral approaches. It could require not only adherence to and strengthening of the ABM Treaty but the conclusion of new treaties, in particular, a ban on the development of ASAT systems and the elimination of existing ABM systems.

5. The delegates of the Lawyers Alliance for Nuclear Arms Control and The Association of Soviet Lawyers recall that at their last meeting in Washington they emphasized the importance of the Standing Consultative Commission established under Article XIII of the ABM Treaty to "consider questions concerning compliance with the obligations assumed and related situations which may be considered ambiguous." The delegates note that the proper body of experts should address and resolve questions of the kind mentioned above.

6. Public accusations by the parties against each other of alleged violations of the ABM Treaty tend to undermine confidence in the Treaty. These issues should be dealt with in a proper forum, such as the SCC, so that they do not adversely affect arms negotiations.

Joint Working Paper on the Non-Proliferation of Nuclear Weapons

This paper is a result of the combined efforts of delegates of the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers. The paper was prepared on the basis of draft papers and discussions at a conference in Moscow on March 2-11, 1985. Although each participant does not necessarily agree with everything in the document, all are in general agreement with its contents.

The non-proliferation of nuclear weapons is a vital element in the preservation of peace and human life in the nuclear age. The Treaty on the Non-Proliferation of Nuclear Weapons of 1970 is the legal foundation of international control of the spread of nuclear weapons. Although 123 nations are parties to the Treaty, more than 40 nations have not signed or ratified the Treaty. This latter group includes states which currently possess nuclear weapons and states with the capability of producing such weapons now or in the immediate future. It is of the utmost importance that all these states become parties to the Treaty.

The International Atomic Energy Agency inspects and monitors nuclear facilities for the purpose of ensuring that nuclear energy for peaceful uses shall not be diverted to make nuclear weapons or other nuclear explosive devices for military purposes. More than 80 participating states have concluded agreements for safeguards with the Agency. During the fifteen years that the Non-Proliferation Treaty has been in operation, no case has been reported in which a participating recipient state has used its nuclear technology, materials or equipment to build a nuclear weapon or explosive device. The effectiveness of the Agency can be enhanced by increasing the commitment of member states to improve the Agency's resources for performing its work.

Effective non-proliferation policy requires control of nuclear exports. At the present time the U.S.S.R., the U.S. and some other participants in the London guidelines require recipients of their nuclear exports of sensitive materials to accept full scope safeguards on their nuclear facilities, pursuant to the Guidelines of the London Suppliers' Conference of 1977. These efforts would be enhanced if all nuclear supplier states likewise required full scope safeguards as a condition of their sale of nuclear material or technology.

The Convention on the Protection of Nuclear Materials of 1979 establishes procedures to physically protect nuclear materials from theft, interception, or seizure by terrorists or other malefactors. To date, only nine states, including the United States and the U.S.S.R., have ratified the Convention. To become effective, the Convention must be ratified by twenty-one states. It is very important to protect nuclear materials from diversion for the purpose of nuclear blackmail, terrorism, or extortion. Ratification of the Convention by at least twelve more states must be attained as soon as possible.

To limit the spread of nuclear weapons to states that have hitherto been free of them, we note the commendable example of the Treaty of Tlatelolco of 1967, which obligates the parties to it to use nuclear energy solely for peaceful purposes and prohibits its use for weapons purposes. Under this Treaty, progress has been made in preventing nuclear weapons from being introduced in parts of Latin America and has been useful in strengthening international security.

In order to reinforce the legal structure of international treaties and agreements which serve to prevent the spread of nuclear weapons, the representatives of the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers urge their respective governments to:

1. Take effective steps to prevent the emergence of new nuclear weapons states through observance of the Non-Proliferation Treaty, enhancing the activities of the International Atomic Energy Agency, and strengthening international controls over nuclear exports;

2. Work for a successful Third Review Conference of the Non-Proliferation Treaty so as to prevent the undermining of the Treaty and achieve its enhancement;

3. Ratify the Threshold Test Ban Treaty and the Peaceful Nuclear Explosion Treaty as steps toward the completion of a comprehensive test ban treaty and as a means of enhancing confidence in U.S.-Soviet relations;

4. Seek the agreement of all nuclear supplier states to require the application of full scope safeguards to all nuclear activities of the nuclear recipient states as a necessary condition of their export of nuclear technology and materials; and

5. Seek the entering into force, as speedily as possible, of the Convention on Physical Protection of Nuclear Materials and the adherence to the Convention of as many states as possible.

[A Joint Statement]

Realistic Arms Control Goals for the Mid-Term

Delegates of the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers, gathered in Moscow on March 2-11, 1985, for their third regular meeting, have discussed the state and prospects of arms control in U.S.-Soviet relations, and adopted the following statement on the subject. While each delegate may not agree with every detail of the statement, all are in agreement about its general content.

In order to facilitate success of the efforts toward limitation and reduction of nuclear and other weapons, it is vitally important to look broadly at the negotiating process and find ways it can be substantially improved.

In the arms control area a great deal of attention has been devoted to what we do not want to have happen. We do not want a nuclear war, we do not want competition in nuclear weapons, we do want nuclear blackmail, for example. These efforts are important but they have not been enough. We believe it would help to spend more time looking forward in as specific terms as possible to what we do want to happen in the mid-term years ahead.

Attention should, of course, be devoted to immediate issues, such as a freeze, no-first use, a test ban, a moratorium, restrictions on new types of weapons systems. In addition, support has been expressed for long-term goals, such as the complete abolition of nuclear weapons. Far too little attention, however, has been paid to mid-term planning—to considering what could be realistic mid-course arms control steps after completion of the nuclear and space negotiations in Geneva.

Consideration by the Soviet Union and the United States of mid-term goals will, we believe, be useful despite conflicting interests. We suggest that our two governments seriously discuss realistic objectives in the arms control area that they might attain in the period following Geneva.

A NEED FOR CONSENSUS

No progress is possible without a sufficient degree of consensus about goals. A U.S.-Soviet consensus on arms control should involve some common understanding of what impact arms and arms control have on the security of both sides, of their allies and of the whole international community.

We suggest that the consensus might include the following points.

1. *The value of nuclear equilibrium.* The existing balance of strategic forces not only greatly reduces the danger of nuclear war, but also tends to limit the use of force at a lower level, even if very inadequately. A situation in which neither of the sides can use the main components of its military forces against the other without committing suicide, is historically unprecedented. This nuclear stalemate makes further competition in armaments between the two alliances of no value. More arms will not buy more security. More arms means only greater costs and greater danger of decreased stability. This reality must be fully understood by both sides.

2. *The equilibrium should not be upset.* There can be two major attitudes towards the nuclear stalemate. One reflects the traditional approach to military force. Under this approach military force is a useful tool of policy, and there is something wrong with a situation where such a tool cannot be used effectively. Under this view, military force should be "freed" from the constraints of the strategic equilibrium.

This traditional attitude is enhanced by efforts to develop new technologies designed to increase military capabilities and enable one to escape the nuclear stalemate altogether. These trends are dangerous and destabilizing.

The two sides should be guided by a different approach. They should view the nuclear equilibrium as an opportunity to drastically reduce the role of force, and particularly of nuclear weapons, in international affairs.

3. *There can be no security without arms control.* Measures to limit and reduce the entire spectrum of nuclear armaments should receive a higher priority in the national security policies of both states. Indeed, such measures should become central to the task of providing for national security. This calls for a major philosophical, legal and institutional reinforcement of arms control practices, including cooperative measures to enhance verification procedures.

4. *There can be no arms control between the U.S.A. and the U.S.S.R. without parity.* Neither of the two powers will allow the other to gain military superiority which would lead it to think it can gain political advantage of fight and win a war with the other side. Accordingly, arms control should not be seen as a diplomatic way to run an arms race.

PRACTICAL GOALS

Provided there is a working consensus, one might realistically expect the following arms control goals to be reached. Some of these measures can be achieved in a short-term, others might require more time, but it would seem highly desirable to see the whole set in place over a mid-term period, which would substantially reduce tensions and strengthen peace and the rule of law in international relations.

1. Effective prevention of an arms race in space.
2. Steps for the steady, continued reductions in nuclear weapons, based upon agreed procedures for the dismantling and disposition of the weapons.
3. A comprehensive nuclear test ban.
4. Effective measures to curb the dangers resulting from modernization of nuclear delivery means.
5. Establishment of new nuclear-free zones, including a zone in Europe free of battlefield nuclear weapons.
6. Reductions and changes in dispositions of conventional arms and armed forces, designed to improve confidence and security.
7. A strengthened regime of nuclear non-proliferation.
8. Measures towards the limitation of chemical weapons.

IMPROVEMENTS IN THE PROCESS

The arms control agenda for the next ten years is large and complex. Work on it will require significant improvements in the process of dealing with arms control issues beginning in the immediate future. Such improvements might include the following measures:

1. *Establishment of a regular consultative process* to review the state of and prospects for arms control and disarmament. It might be desirable to find ways of joint planning in this area.

2. *Development of effective institutional arrangements.* Instead of treating negotiations as an unusual occurrence that requires the designation of special teams, the two governments should consider how best to establish an ongoing process, perhaps with a full-time staff and subcommittee dealing with special subjects.

To make such a process effective, there should probably be frequent and regular high-level review and guidance at the ministerial level.

3. *Building on the SCC experience.* The Standing Consultative Commission has been an effective instrument of the process of compliance with existing nuclear arms agreements. There is also work to be done in adapting and interpreting any agreement to new circumstances. As the scope of arms control measures expands, the SCC's role might also increase, or other similar mechanisms might be created in connection with new arms control agreements.

4. *Working out war-head dismantling procedures.* Once the two governments have agreed to reductions in the number of nuclear weapons, there will be a need for agreed plans and procedures for destroying or disposing of the nuclear material (without disclosing national weapon designs) and banning the production of additional weapons-grade nuclear materials and the conversion of materials to weapons use. These complex matters could profit by joint consultations between experts from both sides.

[A Joint Statement]

Elements of a Good Working Relationship

This paper is a result of the combined efforts of delegates of the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers. The paper was prepared on the basis of draft papers and discussions at a conference in Moscow on March 2-11, 1985. Although each participant does not necessarily agree with anything in the document, all are in general agreement with its contents.

The Soviet Union and United States have serious differences—differences in interests, in values, in goals, and in perceptions. These differences often interfere with the development of good relations between our two countries. It is far easier for countries that have similar views to have good relations.

Because of these substantive differences, we will not always agree with each other or approve of each other's conduct. Despite those substantive differences, and, indeed, because of them, it is important that our two governments have and maintain a good negotiating relationship. The greater our substantive differences, the more important it is that we have an effective process for dealing with them wisely and efficiently. Our two governments need to develop a good working relationship—a pattern of interactive behavior that is conducive to successful joint problem solving. In this connection the 1972 U.S.-Soviet document on Basic Principles of Relations between the U.S.A. and the U.S.S.R. is of great importance.

We believe that it may be helpful to clari-

confidence between the partners. Trust and

CONCLUSION OF MORNING

We believe that it may be helpful to clarify elements of the kind of professional and effective working relationship toward which our two governments should be striving. We believe that a good working relationship between the two countries should be based on the following elements:

1. Mutual acceptance

Despite fundamental differences of substance, each government needs to accept the other as an equal and legitimate negotiating partner with equal rights and legitimate interests. Whether called peaceful coexistence or respect for international law and non-interference in the internal affairs of others, we will each benefit from according a decent respect to the views of others, their perceptions, their concerns, and particularly their right to hold beliefs that differ from ours.

Such acceptance and respect do not mean that either side accepts the view and conduct of others as right. To the extent we compete it should be in the realm of ideas and by peaceful means. Any ideological competition should rest on an acceptance of those who differ as fellow human beings, with equal rights.

2. Mutual understanding

It is hard to solve problems unless one understands what the problem is. In a negotiation, the problem lies in the fact that the parties have differing perception, differing values, differing interests and differing goals. A good working relationship involves trying to understand, as fully as possible, how the other party's point of view, including how it sees things, what it cares about, what it thinks it needs, what its legitimate interests are in this field, and where it wants to go.

3. A "demilitarized" relationship

If ideas are to be exchanged and problems solved on their merits, neither government should attempt to coerce the other to accept a particular solution to a particular problem through military postures. Neither side can hope to win a major war with the other. The working relationship would be seriously damaged if either tried to exert pressure by suggesting, by words or deeds, that it is more willing than the other to risk nuclear disaster. Both sides must avoid attempts to achieve security by making the other side less secure. The other side's security should be seen as a necessary condition of one's own.

4. Effective communication

Mutual understanding requires good communication. The better the communication practices between two governments, the better their ability to negotiate wisely and efficiently.

Clear communication is helped to the extent that government officials are talking to each other rather than performing for world and national public opinion. On the other hand, the world public is the constituency to which all leaders owe a responsibility, and it should be kept informed.

In these circumstances, it seems clear that the choice is not between, on the one hand, private communication among officials of the two countries and, on the other, public statements. Both are needed. The critical point is that the practice of private communication—which is likely to be better communication—be improved. Its advantages should be understood by government officials, by the public, and by the media.

5. Reliability

Good working relations are impossible without a reasonable measure of trust and confidence between the partners. Trust and confidence are highly valuable and at the same time, highly vulnerable resources. It is necessary to avoid statements and actions undermining mutual trust. To increase confidence both sides should honor in good faith the agreements they have made, and be predictable in their behavior. Full disclosure is neither required not to be expected. Yet a high degree of candor and honesty are essential ingredients of a good negotiating relationship.

6. Consultation

If negotiations are to succeed, the practice should be to talk more extensively with the other side before taking one's own decision. Postponing a decision on what is the best outcome until after a government has had a chance to listen to the views of the other should greatly enhance the quality of the working relationship. It demonstrates respect for the other side's views. It also makes it easier to be open to persuasion.

This suggests that the traditional practice of opening negotiations with parties setting forth a "final position" may not be wise. It might be far better for the parties to have some "pre-negotiation" sessions of experts at which they jointly clarify interest, generate alternative standards of fairness and equality, and produce some suggested frameworks for possible agreements—frameworks into which each country could fit its ideas.

7. Building on common interests

The relationship between the United States and the Soviet Union is not simply one of competition. The two countries share a wide range of common interests that are too often disregarded or down-graded. The areas of common interests include: Prevention of nuclear war and reduction of armaments; improvement of the quality of life in both societies; solution of pressing global problems, such as the ecological crisis, hunger, proverty, health and demographic problems, lack of economic development in the Third World; mutually beneficial trade and economic cooperation; peaceful settlement of international crises.

These common interests are to be served and advanced—above all, by working together to develop a durable structure of agreements, means of managing compliance with them, and ways of adapting them to ever-changing circumstances.

Mr. LEVIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

The PRESIDING OFFICER. The Chair, in his capacity as the Senator from Washington, asks unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the hour of 12 noon having arrived, the Senate will stand in recess until 2 p.m.

Thereupon, the Senate, at 12 noon, recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. TRIBLE].

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

The Senate resumed the consideration of the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

Mr. GOLDWATER. Mr. President, Gen. Lawrence Skantze, commander of the Air Force Systems Command, recently wrote an excellent article about quality and productivity in the production of weapon systems. I think that Members of the Senate will find General Skantze's thoughts of interest, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

QUALITY, PRODUCTIVITY

(By Gen. Lawrence A. Skantze)

For many years we have operated under the premise that America's national security is grounded in its industrial and technology base. Confidence in that base has been bolstered by the fact that our weapon systems have consistently prevailed in combat.

For example, the AIM-9L missile provided a technological advantage to British forces in the Falklands.

In addition, U.S.-produced F-15 and F-16 jets carrying Sidewinder and Sparrow missiles gave the Israeli Air Force an extremely impressive victory against Syrian MIG-21s and MIG-23s when it engaged in combat over the Bekaa Valley. The Israelis, as you may recall, downed 85 Syrian aircraft with no losses of their own.

Most importantly, however, no nation has ever directly risked the full retaliatory capabilities of U.S. forces—indicating the credibility of our deterrent.

Although the record speaks well of American weapon systems, our nation is facing serious challenges from without and from within that cannot and must not be rationalized away on the strength of past successes.

In this regard, the Defense Intelligence Agency recently released an analysis of Soviet military space doctrine. The preface to the 36-page booklet says, "Western analyses of the Soviet space program provide convincing evidence of Moscow's intention to acquire military superiority in outer space."

The report further states that Soviet military space doctrine may be characterized as follows: "The Soviet Armed Forces shall be provided with all resources necessary to attain and maintain military superiority in outer space sufficient both to deny the use of outer space to other states and to assure maximum space-based military support for

Soviet offensive and defensive combat operations on land, at sea, in air, and in outer space."

Given this assessment of Soviet intentions, and the propensity of the Soviet Union to back its military programs with budgets that exceed those of the United States, how are we to maintain the credibility of our deterrent forces? The answer is the same as it has been for the past several decades: we must continue to field qualitatively superior weapon systems to offset the numerical advantages of our potential adversary.

This challenge is truly formidable because Soviet military power is continuing to grow not only in sheer numbers but in quality as well. We still have an edge, but our margin of qualitative superiority is being seriously challenged.

Our deterrent capability also is being threatened from within—threatened by a loss of confidence of the American people in the ability of our nation's defense industry to produce high-quality, technologically superior weapon systems at a fair and reasonable price. Headlines about exorbitant prices for spare parts and support equipment, about weapon systems that don't work as advertised, and about sloppy workmanship in the manufacture of weapon system components all contribute to the public's perception that something is wrong with the way defense contractors build weapon systems and with the management capabilities of the defense acquisition community. Some news stories have not been totally fair and accurate, but others have reflected problems that are cause for concern.

The message is clear. To maintain America's qualitative edge over the Soviet Union and to revitalize the American public's confidence and trust in the defense acquisition system, both government and industry must do their part.

For the past few years, Air Force Systems Command has been working hard to control costs. We have had some considerable successes resulting from baselining, multiyear procurement, increased competition, and more realistic cost analyses. While continuing these efforts, we also are focusing increased emphasis on quality assurance and on initiatives that enhance productivity.

Simply stated, the Air Force expects superior workmanship and is not accepting products that do not meet specifications. To settle for anything less would be unfair to the men and women who operate aerospace systems in the defense of our freedoms. The Air Force also is insisting on quality products at a fair and reasonable price to ensure that the American people receive the highest possible value for their tax dollars.

The defense industry—and I mean employees at all levels, not just managers—needs to think about what is at stake and must make individual commitments to ensure high quality and increased productivity. The reason is simple. We are talking about producing hardware to be used in defending our nation. That hardware has to work, and it has to work *right* every time it's used. This is the true measure of value of a military system, and is an essential element in establishing and maintaining a credible deterrent. This is particularly true in the case of strategic systems and deployed satellite systems that must be at peak readiness at all times.

I am sure that you have heard or read that the way to ensure a quality product is to establish *quality* as a paramount corporate objective at the outset. To follow through, all persons involved in product design, engineering, manufacturing, and testing must "think quality" as they make their contributions toward production of the final product. All along the line, everyone must have the opportunity to express his or her thoughts on how quality can be built into the product. We must get it right the first time.

I believe in this concept, and have seen it work, but it isn't as pervasive in the defense industry as it needs to be. And lip service alone doesn't do the trick. Building a quality product that delivers the desired value takes a genuine commitment to excellence on the part of every employee.

Of course, this isn't as easy as it sounds. To achieve a corporate commitment to excellence requires an organizational setting that encourages innovative thinking, the free exchange of ideas, and individual assumption of responsibility, as well as one that recognizes and rewards outstanding performance. It has got to be a team effort from top to bottom. That's the only way it will work.

In the area of productivity—reducing the time and manpower required to produce a system—the challenge also is great. There is a particular need to find more-cost-effective ways to produce space systems. I believe it's time to institutionalize modern manufacturing techniques for space systems, while abandoning the "skunk works" type of engineering and manufacture where handcrafted components and buses are the norm. Antiquated production methods contribute to the cost of aerospace systems, decrease quality, and limit the ability to increase production rates.

One way to modernize in the defense industry is through the productivity-enhancing incentives offered by the Industrial Modernization Incentives Program (IMIP). This program provides incentives for defense contractors to modernize their production capabilities as a means of reducing costs. The Air Force has 34 IMIP efforts under way with more than 80 defense contractors. Six relate to space systems programs.

By 1990, the Air Force will invest some $400 million in the IMIP as "seed money." During the same period, aerospace contractors will invest $1 billion. This arrangement will give the contractors concerned a fair and incremental return on investment while the government will pay lower prices for systems that it would have paid without the efficiencies resulting from the modernization effort.

Through IMIP, we anticipate up to $4 billion in taxpayer savings over the next decade, as well as a strengthened industrial base.

A historical lack of program stability in space contracts in terms of funding and requirements has hampered investment in new technology to improve productivity. However, the Air Force now is fostering stability with acquisition initiatives like baselining and multiyear procurement.

We have had great success with multiyear procurement, including six major programs under multiyear contracts instead of annual buys. Three of these programs include space systems: the Navstar Global Positioning System, the Defense Meteorological Satellite Program, and the Defense Satellite Communication System.

Although space systems are playing an increasing role in our nation's warfighting capability, I realize that the space business is still largely characterized by high-cost piece parts and low-volume system acquisitions. However, we still must find ways to reduce costs. If there are low-cost ways to automate production, even for limited quantities of space hardware, we need to find them. One place to start is by taking a hard look at computer-aided manufacturing applications in all facets of space system production.

Despite the fact that space systems are bought in small quantities, improved methods for manufacturing them are not contract-specific. Therefore, a space systems producer who invests in versatile machining systems like robotics, automation, and computer-aided manufacturing has the ability to diversity and become more competitive in the marketplace. For example, one aerospace company modernized a facility that makes integrated circuits for tactical missiles. That same facility now can make integrated circuits for space and C^3 systems. Modernization pay dividends.

Much of what I have said here about the need for high quality and increased productivity in our nation's defense industry has been said before. In fact, these very issues were discussed at length a little over two years ago in this same publication. Since then, many of us in the defense acquisition business have repeated the same themes in countless speeches, articles, and meetings with defense industry representatives. Some companies have responded to our call for action; many have not. As a consequence, our industrial base still faces problems that require vigorous action to ensure timely and lasting resolution.

Let's face facts. At one time there was no question about the industrial superiority of the United States. We were the world's supplier of technologically advanced products, and our defense industry produced weapon systems that were superior to those of other nations. Today, many of our systems are still the best in the world, but our margin of superiority is slipping.

It's time to get back on track—and without delay. Air Force Systems Command is doing its part in what must be a mutual get-well effort. We are looking for ways to work smarter, not harder, and we're sharing our ideas with our partners in industry. We are looking for a complementary effort on the part of industry so we can get on with solving the problems of today and meeting the even greater challenges of the future.

In a very real sense, our national security is at stake. Our potential adversary continues to outproduce us in military hardware, and the quality of his systems is on the rise. At the same time, the American people are getting fed up with reports about the way we in the defense-industry team are conducting our business. The American people do not understand overpriced hammers, missiles that don't work, or poor workmanship on sophisticated weapon system components—nor should we have to ask them to. We must get it right the first time.

By working together, with a genuine commitment to improve quality and productivity, I firmly believe that we can regain our qualitative edge and restore the public's confidence and trust. We must succeed in this endeavor because the alternative, quite simply, is unacceptable.

Mr. BUMPERS. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. Under the previous order, the Senate will now temporarily lay aside the pending amendment, and the Senator from

Massachusetts [Mr. KENNEDY] is recognized to offer an amendment to strike the Davis-Bacon provision.

Mr. BUMPERS. Is the amendment that is being laid aside the Kerry amendment?

The PRESIDING OFFICER. That is correct.

Mr. BUMPERS. Is there a time agreement on the Kerry amendment and the Kennedy amendment—a time certain to vote?

The PRESIDING OFFICER. There is a 1-hour time agreement on the Kennedy amendment and a 40-minute time agreement on the Kerry amendment. There is no time certain for a vote.

Mr. BUMPERS. Following the disposition of the Kennedy and Kerry amendments, are there any unanimous consent agreements to dictate the schedule for the remainder of the DOD bill?

The PRESIDING OFFICER. Yes. Under the previous order, upon the disposition of the Kerry amendment, the Senator from Wisconsin [Mr. PROXMIRE] will be recognized to offer amendment No. 119.

Mr. BUMPERS. Is that going to be after a vote on the Kennedy amendment?

The PRESIDING OFFICER. After the vote on the Kennedy amendment and the Kerry amendment.

Mr. BUMPERS. Are there any orders following the Proxmire amendment?

The PRESIDING OFFICER. There are not.

Mr. BUMPERS. I thank the Chair.

Mr. GRAMM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRAMM. Is there a unanimous-consent request pending that the Kennedy amendment be in order, that there be 30 minutes to each side, that there be a yea-and-nay vote, and that the yeas and nays be ordered at that time that both sides have used up their time?

The PRESIDING OFFICER. That would take unanimous consent. The amendment is not pending at this time—relating to the yeas and nays, specifically.

Mr. GRAMM. So, further making a parliamentary inquiry, the unanimous-consent request does not set out a requirement for the yeas and nays?

The PRESIDING OFFICER. That is correct.

AMENDMENT NO. 254

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Massachusetts [Mr. KENNEDY], for himself, Mr. SPECTER and Mr. PACKWOOD, proposes an amendment numbered 254.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> Beginning on page 74, line 3, strike all through page 76, line 13.

Mr. KERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERRY. Mr. President, it was my understanding, although there was not a unanimous-consent agreement with respect to the yeas and nays—perhaps the chairman of the committee, the manager of the bill, can clarify this—whether or not there was an understanding that there would be a proceeding to the yeas and nays with respect to that amendment.

The PRESIDING OFFICER. Any Senator has the right to request the yeas and the nays at an appropriate time.

Mr. KERRY. It is my understanding that we were proceeding along an agreement that we would do that. Is that clear?

Mr. GOLDWATER. My President, I think the yeas and nays were ordered on the Kerry amendment.

The PRESIDING OFFICER. The yeas and nays were ordered. On the Kennedy amendment there has been no order for the yeas and nays.

Mr. KERRY. But with respect to my amendment, I believe the yeas and nays have been ordered.

The PRESIDING OFFICER. The Senator is correct.

Mr. KERRY. I thank the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I understand that we have a 1-hour time limitation, and I ask unanimous consent that the previous inquiries not be counted against the time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I yield myself such time as I may use.

Mr. President, this amendment, which I am offering on behalf of myself, Senator SPECTER and Senator PACKWOOD, strikes the Davis-Bacon provisions of the so-called Gramm amendment from the pending defense authorization bill. Those provisions, which were added to the bill in committee, at the last minute, without any hearings and little opportunity for debate, are an unjustified intrusion on the jurisdiction of the Labor and Human Resources Committee and an indefensible assault on the wages of construction workers across this country. Contrary to the claims of the Senator from Texas, his language does not codify existing administrative practice, it will not reduce military construction costs, it will not produce any savings for the Federal Government, and it does not belong in this bill. What it will do is effectively strip both union and nonunion workers on military construction projects, in both urban and rural areas across the country, of all the prevailing wage protections currently provided under every other type of federally supported construction project.

The Gramm amendment makes two major changes in the Davis-Bacon law as it applies to military construction projects. First, it would raise the current $2,000 coverage threshold to $1 million and thereby exempt the vast majority of military construction contracts from the Davis-Bacon Act.

According to figures prepared for CBO by the Federal procurement data center, 95 percent of all military construction contracts, or about 48,000 out of approximately 51,000 contracts, covering 40 percent of the dollar volume of those contracts, will be totally exempt from Davis-Bacon requirements if the pending language is adopted.

The Gramm amendment also substantially alters the way in which job classifications and wage rates are established for those few contracts that would still be subject to Davis-Bacon and would, in effect, repeal the law with respect to those contracts as well.

Supporters of the Gramm provisions claim their amendment will simply "codify" existing Labor Department regulations which have been upheld by the courts. That claim is wrong. The Gramm amendment goes far beyond anything the Reagan administration has ever proposed regarding the administration of the Davis-Bacon Act. In the first place, the administration has never proposed an increase in the threshold by $1, let alone to $1 million. Second, on two of the regulatory changes adopted by the administration, the Gramm amendment removes worker protections which the Reagan administration, after a 2-year evaluation, chose to retain.

One of the changes the Senator from Texas proposes would prohibit the use of Federal project wage data in making prevailing wage determinations on heavy and highway construction projects. That change was specifically rejected by the Reagan administration as "not * * * practical" because in many instances Federal project data are the only data available for "heavy" and "highway" construction.

The Gramm language also claims that it codifies administrative interpretations the courts have already approved. In fact, the bill before us adopts a portion of the administration's regulations on which the District of Columbia Court of Appeals specifically ruled, saying that the Department of Labor had no legal authority to issue the regulation, subsection (B) of the Gramm amendment would allow the Secretary of Labor to issue regulations permitting the unlimited use of "helper" classifications in all circumstances on all military construction projects. However, the court of appeals told the Labor Department that it may not issue a regulation permitting the unlimited use of helper classifications because that would, and I quote, "undermine the fundamental purpose of the act, which is, that wages on Federal construction projects mirror those locally prevailing," and because it would "result in payment of lower wages than those prevailing in the community for the same work * * *."

I want to underscore that point for a moment because we sometimes lose track of just what the Davis-Bacon Act is intended to do. It does not and was never intended to require the payment of high wage rates or low wage rates or union wage rates or nonunion wage rates. The law was and is simply designed to pay the prevailing wage rate for a particular class of work in a given local area. Nothing more, but surely nothing less.

I don't know how anyone can disagree with that principle. We can argue about how to define the concept "prevailing wage." But surely we should not throw out the concept altogether. Of course, the Federal Government should not pay excessive wage rates; but just as surely, the Federal Government should not be a substandard employer.

The real purpose of the Gramm amendment is not to codify existing Davis-Bacon rules or to reform the law, but rather to repeal the concept of prevailing wage on all military construction projects for all practical purposes.

Nor is there any substantial evidence that the Federal Government will save money if this amendment becomes law. To the contrary, it is far more likely that overall costs on military construction projects will escalate. The CBO evaluation projects a small savings from the adoption of the Gramm language; it relies on previous studies by the Department of Labor, GAO, and other Federal agencies which have been thoroughly discredited. Even the best of these prior studies assume that wage cuts will automatically translate into reductions in overall construction project costs. That key assumption ignores differences in worker productivity and their role in determining total project costs. Even the Department of Labor, the Agency relied on most heavily by CBO, agrees that its inability to take worker productivity differences into account raises valid questions about its own cost savings estimates. As Dr. John Dunlop, Secretary of Labor in the Ford administration and one of the leading authorities in this country on the construction industry has said in this regard:

> There is simply no sound basis for fratuitously assuming that lower wage rates in the construction industry generally mean lower costs.

The Senate should not accept an amendment whose cost-saving rationale is based on such flimsy projections.

In fact, the Gramm provisions may well increase, rather than decrease, overall costs on military construction projects; will arbitrarily and unfairly reduce wages for both union and nonunion construction workers; and will not produce any savings for the Federal Government.

I urge the adoption of my amendment that would strike the Davis-Bacon provisions from the bill.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, this Senator asks the Senator to yield for actually two questions.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. First of all, let me say I ask this question from the standpoint of someone who has not made up his mind.

Mr. KENNEDY. I am glad to yield for a question on my time.

Mr. JOHNSTON. Mr. President, I tell my distinguished colleague I am asking these questions—and I wish the Senator from Texas to answer the same two questions—from the standpoint of a Senator who has not actually made up his mind on this point.

First, does the administration support the Gramm amendment?

Second, I had thought that the problem of Davis-Bacon, that is the artificially high wage rates which I thought were insupportable under the previous law, had been pretty well cured by the regulations which the administration has adopted.

Will the Senator answer both questions? Is that true?

Mr. KENNEDY. First of all, there has been no indication that I'm aware of that the administration supports the Gramm amendment. We have no statement by the Secretary of Labor, Mr. Brock, to that effect.

Second, in the regulatory changes which became effective in January of this year, were designed to address the problem of transferring urban wage rates into rural areas as well as the possibility that union negotiated wage rates were given too much weight.

So the current regulations are self-evident. In my view and I discussed them in detail in the letter that I sent to the Senator from Louisiana.

Mr. JOHNSTON. If the Senator will yield further, do I understand that the change in regulations which goes in on January 1 applies alike to military construction as well as other Federal projects so there is no special problem here with military projects that needs curing, that the problem if there remains one is the same throughout all areas of industry?

Mr. KENNEDY. The Senator is quite correct, and I think what you may very well have, if my amendment is not accepted, is a good deal of confusion for contractors who will have to apply one set of standards in one area of contracting and a completely different one in another.

Mr. JOHNSTON. One final question: Employers, I think, want this as do the chamber of commerce and other groups, but their problem principally is, as I understand it, that they want to codify these rules because they think these rules are good rules. Is that correct? They are afraid they will be changed by some later administration.

Mr. KENNEDY. The fact is, and I tried to point out that in spite of the assurances that have been given by the chairman of the committee, the Gramm amendment does not codify the existing Reagan proposals of January of this year. It goes far beyond them.

There is a letter from the Defense Department indicating in the last line:

> Accordingly, the Department has no objection to the inclusion of either version in the authorization bill.

That is hardly administration position.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated May 22, 1985, from the Deputy Secretary of Defense to the chairman of the Committee on Armed Services.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE DEPUTY SECRETARY OF DEFENSE,
Washington, DC, May 22, 1985.

Hon. BARRY GOLDWATER,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of May 1, asking for my comments on legislation which would waive the Davis-Bacon Act for military construction.

I agree with your estimated savings of $300 million for total repeal based on the Fiscal Year 1986 budget originally submitted by the President. The latest provision, however, only exempts DoD contracts less than $1 million from the Davis-Bacon Act. We estimate this provision would save about $150 million annually.

In addition to saving money, either version would significantly reduce administrative burdens on the government and contractors, especially small contractors.

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> Relief from the provisions of the Davis-Bacon Act would be of great benefit to the Department at a time when we are under severe budget constraints. Accordingly, the Department has no objection to the inclusion of either version in the authorization bill.
>
> Sincerely
>
> WILLIAM H. TAFT, IV.

Mr. KENNEDY. Mr. President, I withhold the balance of the time.

Mr. JOHNSTON. I have no further questions.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. Mr. President, I control the time on this side.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, let me set the parameters of this debate. We are here not debating labor law in a whole entire debate about Davis-Bacon. We are here debating the authorization of the Department of Defense bill for 1986 fiscal year.

In this bill we find ourselves in a difficult circumstance. We have a growing Soviet menace on one hand and we have a mounting deficit menace on another.

We have adopted in this body a budget that calls for a zero real growth rate, a substantial change in public policy from the previous 4 years. The other body has adopted a budget that calls for a 4-percent reduction in the real growth of defense by denying the COLA for defense in their budget.

We, therefore, find ourselves in a position of having to reject the status quo, having to look for additional savings to allow us to meet this dual crisis of the Soviet threat and the deficit threat. And it is in that dilemma that we address this issue.

Now, the distinguished Senator from Massachusetts has questioned whether there are savings to be had from Davis-Bacon. No independent reputable authority in this Nation questions that.

Let me again, with just some data, substantiate my point. This is a study done by Alice Rivlin, Democrat, former Director of the Congressional Budget Office. In a study published in July 1983, she finds that the repeal of the Davis-Bacon provision would save over a 5-year period from 1984 to 1988 $7.6 billion in budget authority and $5.2 billion of outlays.

In fact, the GAO and OMB, under the Carter administration and the Congressional Budget Office have consistently found that the Davis-Bacon provisions squander the taxpayers' money. In fact, a premium as much as 40 percent above the market wage for contract labor in construction has been paid by the Pentagon, not in a ripoff of the taxpayer caused by inept administrators or corrupt officials but by an act imposed in a period of national depression in 1931 which has no applicability to today's problems. The fact that we have not changed this law, which is long overdue, is costing the taxpayer great amounts of money.

Now let me relate what we have done to bring us to this point. Initially, in the Armed Services Committee, we exempted the Pentagon from Davis-Bacon. That saved us an estimated $300 million a year. When we went back into committee in our effort to strike a compromise, we came out with a compromise that does the following things:

First of all, it codifies the regulations that were imposed by the Labor Department as amended by a court ruling which subsequently struck down part of that proposal. Now let me outline basically what we do.

Under the old regulation, we could look at only 30 percent of the labor market to define a prevailing wage. Under this new regulation, we can look at 50 percent. Under the old regulation, we were precluded from looking at helpers that were involved in construction. Under this new regulation, we are allowed to look at helper wages if helpers are used in the production process as part of standard prevailing procedures.

Now there is a confusion here because the labor market set out to use helpers where they were clearly identifiable as part of the production process in defining Davis-Bacon. The court struck that down, but the court made it clear that where it was a prevailing practice that it was allowable. And all we have done is taken the procedures of the Labor Department that are strongly supported by American business and amended it to deal with the problems raised by the court. This is the procedure as the Labor Department intended to implement it in revising from the proposal it initially made that was in fact struck down by the court.

The second thing we did was to set out a threshold of $1 million below which the Davis-Bacon provisions would not apply. Now this is important, Mr. President, because it opens up defense construction to small business.

I want to read you a card sent out by the National Federation of Independent Business outlining their strong support for these provisions and their opposition to the Kennedy amendment.

> On behalf of the more than 500,000 members of the National Federation of Independent Business, I urge you to vote no on the Kennedy amendment to strike the Davis-Bacon reform provisions of the DOD authorization bill. After 54 years it is certainly time to reform this statute. This legislation was originally intended to provide local workers and contractors with a fair opportunity to compete on Federal projects with firms outside the area. Instead, local firms, usually small and sometimes minority owned, are now at a competitive disadvantage with large firms outside who are able to pay the higher than average Davis-Bacon wage as compared with the lower wage in the private sector locally. Substantial savings will result from the enactment of these reforms. The Department of Defense has estimated that over $150 million a year can be saved. Additionally, both CBO and GAO have long advocated reform of Davis-Bacon along these lines. Once again, NFIB's members urge you to oppose the Kennedy amendment to strike the Davis-Bacon reform provisions. Your vote on this issue will be used as a key small business vote in the 99th Congress.

There was question about the administration's support or opposition. We are not debating labor law here. We are debating authorization for defense. We are debating economics in spending the taxpayers' money. We are not debating how we are going to set about relationships between management and labor.

I have a letter here from the Deputy Secretary of Defense, William H. Taft IV. I would like to read a portion of that letter.

> I agree with your estimated savings of $300 million for total repeal based on the Fiscal Year 1986 budget originally submitted by the President. The latest provision, however, only exempts DOD contracts less than $1 million from the Davis-Bacon Act. We estimate this provision would save about $150 million annually.

Now, Mr. President, I could go into great length in documenting what the Davis-Bacon provision set out to do and what it has in fact produced, but that is not the key issue here. The key issue is, are we going to allow a well-defined special-interest group that supports the preservation of existing law, a law that is out of touch with the economic reality of the 1980's, to stand and cost the taxpayers money, more money than all the toilet seats, all the crescent wrenches, all the cathode ray tubes ever bought by the Pentagon in the history of the Republic?

We are going to, on the Kennedy amendment, cast one vote that can save the taxpayer more money than all the ripoffs that we have all stood up in front of the television cameras and cursed and damned and belittled. On this one vote, by simply allowing small contractors to get a chance to compete, by simply codifying regulations that make eminently good sense, by simply looking at the labor market as it exists, we can save $150 million a year.

The question here is the public interest of $150 million a year in defense savings versus the special interests. That is the question to be decided here. I hope my colleagues will stay with the committee, implement these reforms that are needed, allow small business to enter into defense construction, promote competition, promote jobs, and allow us to run the Pentagon as a business.

What kind of story would it make? Where do you think it would run in the Washington Post if it were uncovered tomorrow that there was a ripoff of the taxpayer occurring because the Pentagon was paying noncompetitive wages and it was costing us $300 million a year? It would run on the front page. That is not happening.

Congress has imposed this inefficiency for a bill that was passed with good intentions 54 years ago. The time has come in this important area with the crises we face, with the Soviet threat and a deficit threat, to change this provision of law. This, Mr. President, is not a repeal. It is a compromise provision.

I urge my colleagues to judge it not on the basis of partisanship but on the merits of the situation. Look at the merits of the debate, look at the $150 million a year, look at how reasonable the proposal is, and make your decision on that basis.

Mr. NUNN. Mr. President, will the Senator yield for a couple of factual clarifications?

Mr. GRAMM. I am happy to yield.

Mr. NUNN. I am trying to listen to both sides of this debate. I think it is an important question.

It is my understanding that the Senator from Texas, on the $1 million threshold, moving from $2,000 to $1 million in terms of exempting the contractor from the provision of Davis-Bacon, the Senator from Texas, I believe, he said, and I may not be precise on this—is 40 to 45 percent of the DOD contracts, the number of contracts that would be exempt?

Mr. GRAMM. If the Senator will yield back, in terms of the dollar amount, about 40 percent of the contracts would be exempt. In terms of the number of pieces of paper, obviously there are many small contracts, a smaller number of large contracts, and we are talking about in the 90-percent range. But we are talking about here opening up about 40 percent of all contracts for construction that are a million dollars or less.

I remind our distinguished ranking member that a million dollar contract in 1931 was a big contract. Today it is quite small. By the time you get subcontractors, by the time you pay for material, you are talking about a job that there are literally thousands of small independent contractors who could undertake this, but because they face the dilemma of having to keep a different set of books to pay Davis-Bacon wages, have their laborers being paid the market wage on one job and this artificial wage on another job, they are effectively precluded from being involved. That is why the National Federation of Independent Business opposes this amendment.

Mr. NUNN. I think that clarifies my question, because the Senator is talking about 90 to 95 percent of the number of contracts, but about 40 percent of the dollars involved in those contracts.

Mr. GRAMM. That is correct.

Mr. NUNN. I believe that reconciles with the Dear Colleague letter put out by Senators KENNEDY and PACKWOOD. I have one other question along that line. I believe the Senator from Texas said his amendment incorporates existing regulations.

Mr. GRAMM. If I might clarify that. It incorporates existing regulations as modified by court decision. Let me explain that very briefly.

Let me explain that very briefly. The regulations proposed by the Department of Labor injected the use of helpers which is a common practice in many areas of the country in construction. It used the language related to helpers as an identifiable practice. The Court struck that down saying that the provisions of Davis-Bacon dealt with not identifiability but with prevailing practice.

So what I have done is amend the sections of the bill related to the prevailing practice to allow helpers where that is a prevailing practice to be counted in the determination of wages so that we are not paying helpers journeymen's wage because of Government mandating a wage that is out of touch with reality.

So it is the regulations at the Labor Department, after the court ruling, which will be forced to make the modification, and the court suggested that modification.

Mr. NUNN. If I understand the Senator correctly, then it is a regulation that is in the works, and not one that is final.

Mr. GRAMM. That is correct.

Mr. NUNN. It is not a final regulation.

Mr. GRAMM. That is correct.

Mr. NUNN. I thank the Senator.

Mr. NICKLES. Will the Senator yield?

Mr. GRAMM. I yield 4 minutes to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I commend my good friend, the Senator from Texas, and I urge opposition to the amendment of my friend, Senator KENNEDY. Mr. President, I think it is awfully important that we save some money in the Department of Defense. Everyone I know says that the Defense Department wastes some money. This is one excellent example of how we are wasting something like $150 million a year. We can save money in defense, and this is one area. I hope we will do it.

Mr. President, I support the Armed Services Committee language reforming the Davis-Bacon requirements for military construction projects. The Gramm amendment is identical to a reform proposal (S. 1005) that I introduced along with Senators EAST, HAWKINS, HUMPHREY, LAXALT, THURMOND, DENTON, GRAMM, GOLDWATER, QUAYLE, and MATTINGLY earlier this year, but this particular amendment only applies to DOD procurement. It is not governmentwide reform. Senator GRAMM's language codifies the three essentials of the administration's regulatory changes, and increases the current statutory threshold from $2,000 to $1 million.

The three basic reforms in the Gramm amendment are long overdue. Even President Carter's study group recommended most of these changes. It should be stressed that these Reagan reforms have been upheld by the courts as truly reflective of the original premise behind the Davis-Bacon Act: that the Federal Government should indeed be paying the prevailing wages on Federal construction projects. Unfortunately in the past 20 years the Davis-Bacon Act has become grossly inflationary as the required wage rates frequently have been out of line with the true rates in many areas.

I would like to discuss each of the reforms separately and state for the record the comments advanced by the U.S. Court of Appeals for the District of Columbia on each reform.

First, as to the new definition of a prevailing rate, that is, a majority rate—50 percent rule—the appellate court held that the new definition of prevailing, or absent an identifiable 50 percent, a weighted average is within a common and reasonable reading of the term. The courts then upheld the new definition of a prevailing rate. The Gramm amendment simply codifies this new definition.

Second, the Gramm amendment bars the DOL from importing urban wage data and rates into rural areas. Perhaps more than any other change, this ban on importing wage rates from large cities hundreds of miles into rural counties will reduce the number of fictitious wage determinations issued by the DOL. The court held this new regulation rational and furthers the purposes of the statute. Again the Gramm amendment simply codifies the administration's regulatory change.

Third, the Gramm amendment would require the Secretary of Labor to recognize helper classifications if they prevail in an area and issue wage determinations accordingly. The appellate court upheld the Secretary's right to add helpers under the present law, but did send the regulation back to the drawing board to resolve exactly under what circumstances helpers must be recognized. Accordingly, the appellate court held the new regulation, as modified by the requirement that the classification prevail in an area before it may be used, is an entirely logical response to the problem of Federal construction practice not reflecting the widespread, but not universal, practice of using helpers. Again, Senator Gramm's amendment simply codifies what the courts have held to be in keeping with the purposes of the original act.

Finally, the Gramm amendment makes one Davis-Bacon change that the Secretary of Labor may not do through regulation: an increased threshold. By increasing the threshold from $2,000 to $1 million, thousands of small contracts will be freed of Government mandated wage determinations. This is essentially a deregulatory move and will result in an increased number of bidders on these Federal jobs. Opponents will argue that fly-by-night contractors will thus bid and receive Government work and likely perform in a shoddy manner. This ignores basic Federal construction-contractor qualification requirements. In order to bid, contractors must post a bond. Contractors incapable of performing the work—for example inexperienced or with poor labor relations practices—are unable to acquire the necessary bonding and will be ineligible to bid. Opponents of reform conveniently overlook these requirements.

These four changes will save, according to CBO estimates supplied to me this week, some $245 million in outlays and $415 million in budget authority in fiscal year 1986 through fiscal year 1988. This money could be better spent by the Armed Services Committee and the Congress as we look for all necessary savings in the Defense budget.

There is one final point I would like to make to my colleagues. If the Senate accepts the Gramm amendment—codification of the administration's court approved regulations—then we can finally dispense with Davis-Bacon as an issue. Codification will result in prevailing wage calculations that are truly reflective of area rates. There will be no more applying Philadelphia wage rates into rural New Jersey; no more applying Oklahoma City wage rates 10 counties away; and no more setting wage rates based on a minority proportion of a classification obtained in a wage survey. By accepting the Gramm amendment now, and subsequently codifying these changes as they apply to other types of Federal construction the Senate can finally reform the Davis-Bacon Act, save millions of tax dollars, and put this issue behind us once and for all.

Mr. President, I ask unanimous consent to have printed in the Record the CBO numbers on DOD authorization as it relates to Davis-Bacon savings.

There being no objection, the table was ordered to be printed in the Record, as follows:

DOD AUTHORIZATION—DAVIS-BACON SAVINGS (CBO NUMBERS)

[In millions of dollars]

	1986	1987	1988	3 yr. total
A. Gramm amendment (codification plus $1,000,000 threshold):[1]				
Budget authority	−135	−140	−140	−415
Outlays	−45	−85	−115	−245
B. $1,000,000 threshold alone:				
Budget authority	−75	−80	−80	−235
Outlays	−25	−50	−65	−140
C. $1,000,000 threshold—percent of DOD construction contracts: above $1,000,000, 10 percent; below $1,000,000, 90 percent. Percent of DOD construction dollars: above $1,000,000, 60 percent; below $1,000,000, 40 percent.				

[1] The dollar difference between A & B is essentially all based on the helper provision.

	1986	1987	1988	3 yr. total
The numbers are:				
Budget authority	−60	−60	−60	−180
	−20	−35	−50	−105

Mr. NICKLES. In reference to my good friend, the Senator from Georgia, when he is talking about helper classification, and what that means, the Secretary of Labor came out, and made this change in Davis-Bacon dealing with helpers—that they wanted to allow people to be helpers. In other words, they wanted nonskilled workers to be paid those wages, and not be mandated to pay journeymen's wages. And in many cases, it totally prohibits minority workers, and those on the lowest end of the economic scale, from participating in any Government work.

There are a lot of changes that need to be made. They should be made. The Senator from Texas compromised. He did not repeal Davis-Bacon for all of the Department of Defense contracts. He came up with a compromise, and said, well, let us reform prevailing wage. It is sort of saying that we will use the 50-percent factor instead of the 30-percent factor. So it will actually be closer to a real prevailing wage. The Senator would say in those areas of predominantly helper classification that they can use it. They would not be prohibited from it. The Senator said in those rural areas that have cheaper wages we would use those rural areas instead of importing high urban wage rates.

Then the Senator also said, "Let us increase the threshold from $2,000 up to $1 million." Presently the Department of Labor—if anybody does a construction project, whether it is the Department of Defense or elsewhere—deals with Federal Government construction, and the Department of Labor comes in and mandates what those labor rates would be. That makes no sense whatsoever. That is really saying that an emloyer and employee do not know what they should be paying the employee. It means that the Department of Labor should come in and mandate what they believe that rate should be. It makes no sense.

The sum of $1 million is not that large a construction project. Again, I hope that Congress will use the commonsense that this proposal provides. I hope we can have the courage and the conviction to say yes, we are going to cut spending, and this is one area. We can actually create jobs by passing the Gramm amendment and defeating the Kennedy amendment. We can create more jobs because you can get more military construction for the same amount of dollars. That is more jobs.

I hope Congress will have the commonsense to adopt it. I again compliment my good friend, the Senator from Texas.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 18 minutes left.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

Mr. President, I would like to place in the Record the material provided by the Department of Labor by CBO on their estimated savings by this particular amendment.

In spite of the eloquence of the Senator from Texas, the Senator is just plain wrong. The CBO estimate on budget outlays is $47 million by 1987.

Mr. President, I ask unanimous consent that it be made a part of the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE 3.—AUTHORIZATIONS IN FUNCTION 050 IN THE NATIONAL DEFENSE AUTHORIZATION ACT, 1986 AS REPORTED BY THE SENATE ARMED SERVICES COMMITTEE

[By fiscal year, in millions of dollars]

Category	1986	1987	1988	1989	1990
Endstrengths:					
Estimated authorization level	71,013				
Estimated outlays	68,838	2,175			
Housing allowances:					
Estimated authorization level	−14	8	23	31	37
Estimated outlays	117	7	22	31	37
Travel allowances:					
Estimated authorization level	664	674	681	688	693
Estimated outlays	643	674	681	687	693
Reserve bonuses:					
Estimated authorization level	80	94	35	28	17
Estimated outlays	77	93	36	28	17
Stockpile acquisitions: Estimated outlays	−230	140	90		
Davis-Bacon repeal:					
Estimated authorization level		−140	−140	−150	−155
Estimated outlays		−47	−86	−119	−135
Overtime pay restrictions:					
Estimated athuorization level	−555	−575	−600	−625	−650
Estimated outlays	−65	−270	−480	−550	−595
Other 050:					
Estimated authorization level	78	92	93	93	92
Estimated outlays	73	94	93	93	92
Function 050 total:					
Estimated authorization/budget authority	71,266	153	91	64	34
Estimated outlays	69,453	2,867	357	170	109

Note.—Totals may not add due to rounding.

Mr. KENNEDY. Mr. President, these figures are not dreamed up to be bandied about like the $7 billion figure the Senator from Texas just cited. This CBO estimate says $47 million in 1987, and I think the methodology used to reach that figure is open to question.

Mr. President, the Senator from Texas talks as if the Department of Labor does not belong to this administration. It is an arm of this administration. They have the opportunity to promulgate regulations. If they want to promulgate regulations, why not let them promulgate regulations? The fact of the matter is that the studies that are done—even by the Department of Labor, and by CBO which projects a $47 million savings assumes that reductions of wage rates imply equal reductions in project costs. It assumes, therefore, that wage rates are uncorrelated with productivity. That is interesting—not related to productivity, uncorrelated with productivity. The fact of the matter is productivity is important, and it is as important in terms of our national security as any other issue. If you want to cut locally prevailing wage rates on military construction, you stay with the Gramm amendment.

You will then find that school is out with regard to the defense contracts. You will find school is out on the military construction projects to house these servicemen and women of this country.

All we are saying in this amendment is that we don't want to pay more than the prevailing wage, but we are not going to pay less than the prevailing wage either. We want contractors to compete on efficiency, on quality, and on price. But on wages we don't want the Federal Government to depress locally prevailing wage practices. It is quite interesting to hear about saving money on defense when the Senator well knows that the IG has found another $1.8 billion, and just 3 weeks ago, they found another $4.7 billion on the day of the markup in the Armed Services Committee.

So, Mr. President, I think that if we are truly interested in ensuring quality construction—that is all we are talking about, military construction—for the military personnel of this country, then the men and women that are going to build that military construction are going to get the same wages that are going to go on in that local community.

The argument of the Senator from Texas, is that if we seek the most substandard wages possible, we are going to save money. That is hogwash. Everyone in this body knows that we will get cost overruns as those contractors come back to the Department of Defense and say: "We know we came in too low. You aren't going to have that hospital completed unless we add another $5-$10 million to that contract."

We have seen this time in and time out in this body. The amendment of the Senator from Texas is just inviting us to start down on that road with regard to military construction. So, Mr. President, I would hope that this amendment would be accepted.

Several Senators addressed the Chair.

Mr. KENNEDY. I reserve the remainder of my time. How much time have I remaining?

The PRESIDING OFFICER (Mr. Nickles). The Senator from Massachusetts has 14 minutes remaining.

Mr. JOHNSTON. Will the Senator from Massachusetts yield for a couple of questions?

Mr. KENNEDY. Certainly.

Mr. JOHNSTON. As I understand it, there have been no hearings held on this. I understand that the data base for determining what the savings would be under the new regulations are completely nonexistent because the regulations have been changed from the old law where if you could not find a majority of workers which had a particular prevailing wage, under the old rule you went to that where you could identify 30 percent which had a particular prevailing wage. Under the new rules, if you cannot find a majority who have a particular prevailing wage, then you go to a weighted average of those workers.

Since we do not know what those weighted averages will be under the new regulations, how in the world can we determine what the savings would be? That concerns me. I really wanted to ask the question of the Senator from Texas but maybe the Senator from Massachusetts wishes to answer.

Mr. KENNEDY. I think the Senator is exactly right. The difficulty in making that estimate has been documented by the Department of Labor, the CBO, and various studies on this question. I think the whole question is how do you factor in productivity, in terms of the skills of the workers.

I think it is fair to say that the savings have never been justified, and certainly do not warrant the statements made by the supporters of this amendment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Let me begin with reference to the question of the Senator from Louisiana on procedure. Under the old procedure, there was the ability to find 30 percent of the workers who had that wage. Under the new procedure, it is based on 50 percent.

Under the old procedure, if you could not find 30 percent, you went to the highest 50 percent, and then if you could not find that, you went to an average. Under this, we go to the average. So in terms of makeup, scope, study, there is no change.

I am afraid the American people would have to laugh at the assertion of the Senator from Massachusetts that somehow the paying of artificially high wages on Government construction produces quality, whereas the payment of market wages in the private sector produces junk.

I assert there is no study, there never has been a study, that could substantiate that.

The quality of private construction on for-profit business is uniformly better than the Federal Government. In fact, our papers are full every day of poor workmanship and junk being bought at the taxpayers' expense. Paying artificially high wages, paying helpers, journeymen, and contractor wages, does not in itself produce quality. Squandering the taxpayers' money is not and has never been the path to quality in construction or anything else.

I yield 2 minutes to the Senator from Idaho.

Mr. SYMMS. I thank the Senator for yielding.

Mr. President, I want to begin by complimenting my colleague and friend from Texas, Senator Gramm, for working so hard to see that this package of labor and procurement reforms was included in this year's defense authorization bill. I also want to compliment the distinguished chairman for the Armed Services Committee, Senator Goldwater, for the determination and leadership with which he has guided this bill through his committee and brought it to the floor in its present form. Without doubt, enactment of the contract and employment provisions in this legislation would be a strong, positive step forward in our effort to reduce the waste and unnecessary expenses often associated with procurement procedures and construction projects of the Department of Defense.

Mr. President, the Davis-Bacon reforms included in this legislation would codify current Labor Department regulations pertaining to certain provisions of the Davis-Bacon Act. These reforms would:

First, establish a definition of prevailing wage rates based on identifying a majority—50 percent—of a job classification paid the identical rate. If such a majority cannot be identified, a weighted average would be used to establish the prevailing rate.

Second, ban the use of urban wage data to determine the prevailing wage in rural areas and vice versa.

Third, require the Department of Labor to recognize helper classifications in areas where they are a prevailing practice.

Fourth, increase the threshold application of Davis-Bacon from $2,000 to $1 million.

All of these reforms, with the exception of the increased threshold, have been implemented administratively by the Secretary of Labor. Moreover, these Labor Department regulations have been upheld in a 1983 decision of the U.S. Court of Appeals for the District of Columbia as well as a 1984 decision of the U.S. Supreme Court which affirmed the lower court ruling. In its 1983 ruling, the court of appeals declared that all but two of the new regulations promulgated by the Secretary of Labor were consistent with the letter and intent of the Davis-Bacon Act. The two regulations struck down by the court are not included in the provisions of this bill.

The Davis-Bacon reforms included in this bill are not only highly desirable but they are essential if we are to bring military construction costs into some reasonable conformity with the cost of similar construction projects in the private sector. Recently, we have heard and read a great deal of discussion about toilet seats, hammers, nuts, bolts, and other goods charged to the Defense Department at exorbitant prices. On the Senate floor, a number of my colleagues have contributed to this debate by expressing their shock and outrage at the overpricing unveiled by Defense Department auditors. The legislation before us today gives all of us who are concerned about unjustified and unreasonable DOD expenditures a chance to approve reforms that will dramatically reduce waste and unnecessary expenses in DOD procurement and construction costs. I urge all of my colleagues to give careful consideration to the tremendous savings associated with the labor and procurement provisions of this bill.

The first of these reforms eliminates the 30-percent rule under which the prevailing wage could be determined by finding any wage paid to at least 30 percent of the workers in an area. Reliance upon the 30-percent rule has given undue weight to collectively bargained rates, thereby inflating the rates DOL must use to determine the prevailing wage.

I believe it is eminently reasonable and fair for Congress to amend the Davis-Bacon Act to provide a more realistic accounting of the prevailing wage in an area. If the Secretary of Labor is unable to identify a single wage paid to a majority of a job classification, then the prevailing wage should be determined on the basis of a weighted average of all wages paid in that job classification. In its ruling on this matter, the court of appeals declared, "The Secretary's new definition of 'prevailing' as, first, the majority rate, and, second, a weighted average, is within a common and reasonable reading of the term." The court based its judgment on the legislative history established by supporters of the Davis-Bacon Act and the 1932 amendments to the act.

Since it is the purpose of the Davis-Bacon Act to ensure that wages on Federal construction projects comport those paid on other construction projects in the area, it makes good sense to exclude the use of urban wage data and rates when determining the prevailing wage in rural areas. The language of the act, as adopted in the 1930's, instructs the Secretary to determine the prevailing wage for laborers and mechanics employed on projects of a character similar to the contract work in the city, town, village, or other civil subdivision of the State in which the work is to be performed. Clearly, legislation prohibiting the use of urban wage data in rural areas or vice versa is in accord with both the language and purpose of the act.

In defending this change in DOL regulations, the Secretary said that the disparity between urban and rural wages was such that no reliable prevailing wage determination could be made based on the combination of both urban and rural wage data. Union officials have argued that higher urban wages are justified in nearby rural areas because it is urban workers who often do the work. The obvious rejoined made by the administration is that if urban workers generally are performing construction work in rural areas, the wage scales for those rural areas will reflect that fact. "All of this makes sense," the court of appeals said, "and the new regulation has not been shown to undermine the central purpose of the statute, which is to ensure that Federal contractors pay the wages prevailing in the locality of the project." I believe anyone employing a little common sense would agree with the judgment of the court on this matter.

Finally, I believe it is reasonable and fair for Congress to require the DOL to recognize helper classifications in areas where they are a prevailing practice. In its 1983 decision, the court of appeals struck down one of the new DOL regulations which provided that a helper classification need only be "identifiable" in an area. The court ruled that this provision would "operate to undermine the fundamental purpose of the act: That wages on Federal construction projects mirror those locally prevailing." The legislation before us today furthers the fundamental purpose of the act by requiring that DOL recognize job classifications (including the helper classification) when they are a prevailing practice in an area. I believe these provisions deserve the strong, bipartisan support of the Senate.

Mr. President, I want to reiterate my gratitude to Senator GRAMM and Senator GOLDWATER for working so hard to incorporate these Davis-Bacon reforms in this defense authorization package. I will ask unanimous consent that two letters supporting these reforms be inserted in the RECORD following my remarks.

The first letter, from the National Federation of Independent Business, declares the strong support of NFIB members for the Davis-Bacon, Walsh-Healey, and contracting out provisions in this bill. NFIB, the largest association of small and independent business in the Nation, polls its members to establish policy positions for the association. Based on such a poll, the association has determined that the labor and procurement reforms in this bill are so important that the vote on these reforms will be used as a "Key Small Business" vote in the 99th Congress. I fully concur with judgment of the Nation's small business men and women regarding the importance of our decision on this matter.

The second letter, from the U.S. Chamber of Commerce, announces the full support of the chamber for reform of the Davis-Bacon and Walsh-Healey Acts as provided in this bill. The chamber notes that "these Federal contract laws artificially inflate wage rates for Government contractors and reduce competitive bidding, both of which significantly increase Government costs in general and military costs in particular."

I appreciate the receipt of both letters, and I am pleased to share them with my colleagues today.

I ask unanimous consent that the two letters to which I earlier referred printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE
OF THE UNITED STATES,
Washington, DC, May 17, 1985.

Hon. STEVEN D. SYMMS,
U.S. Senate, Washington, DC.

DEAR SENATOR SYMMS: The U.S. Chamber of Commerce respectfully requests that you consider our comments concerning Title VII of the Fiscal Year 1986 Defense Authorization Bill (S. 1029).

First, the Chamber strongly supports section 721, which removes restrictions on the Department of Defense's (DOD) ability to contract out activities to the private sector. This provision is extremely important for the following reasons:

1. It gives the Secretary of Defense specific authority and responsibility to contract out when it is cost efficient and consistent with national security.

2. It improves DOD's ability to save money. DOD now estimates that contracting out has saved over $400 million per year, despite current limitations.

3. It enhances DOD's flexibility and responsiveness, by allowing greater use of the private sector's ability to increase or reduce

activities without cumbersome civil service and personnel requirements.

Further, the Chamber fully supports reform of the Davis-Bacon and Walsh-Healey Acts as provided by the bill's competitive labor purchase requirements (sections 711, 712 and 713). These sections provide for substantial cost savings on military contracts for construction covered by the Davis-Bacon Act and goods covered by the Walsh-Healey Act. These federal contract laws artificially inflate wage rates for government contractors and reduce competitive bidding, both of which significantly increase government costs in general and military costs in particular.

Both laws also disadvantage the employers by significantly and inappropriately increasing labor costs. The Davis-Bacon and Walsh-Healey Acts force federal contractors to adopt premium wage and/or overtime rates which can create major economic and administrative burdens and can be disruptive of personnel practices.

Finally, the Chamber has some concerns regarding section 702, which deals with the allowability of contractor "general and administrative costs." While we commend Senator Gramm for attempting to resolve the perceived problems in a reasonable and careful manner, the Chamber questions the need for such specific guidelines in legislation. We are not opposed to what we understand to be the Senate's major concerns in this area and are in agreement with the objectives of the legislation. However, we believe that this type of specificity is more appropriate for the regulatory process.

We appreciate this opportunity to comment, and we ask that you carefully consider our views.

Sincerely,

ALBERT D. BOURLAND.

S. 1029, DOD AUTHORIZATION BILL

DEAR SENATOR: During debate on the DOD Authorization bill an attempt may be made to strike the Committee's language on Davis-Bacon, Walsh-Healy, and/or "contracting out". The National Federation of Independent Business (NFIB) urges you to oppose all such efforts.

The Davis-Bacon Act should have been updated years ago. By codifying current Department of Labor regulations and increasing the threshold of application for DOD contracts the Senate will have gone a long way in that direction. Conforming Walsh-Healy to the Fair Labor Standards Act is a matter of equity: if civil servants and private employees can work under flextime schedules why not employees working for federal contractors? And it has been demonstrated over and over again that contracting out is a very cost effective way to provide goods and services for the government. Leaving all three of these provisions in the bill will save hundreds of millions of dollars for the taxpayers.

NFIB's members urge you to support these changes in DOD contracting. Your votes on these issues will be used as "Key Small Business" votes in the 99th Congress.

JOHN J. MOTLEY III,
Director of Federal Legislation.

Mr. SYMMS. Talk about hogwash—the Senator from Massachusetts was making reference to hogwash. I have never heard an argument based on more hogwash than saying that the wages you pay has anything to do with the quality of the work on housing or hospitals for military families. Those buildings will be built according to specifications and the wage rate has nothing to do with it.

As a matter of fact, even though I compliment the Senator from Arizona and the Senator from Texas for including this provision, the very fact that the Department of Labor has to find a wage rate paid to 50 percent of the construction workers in an area strikes me as a travesty. It is an even greater travesty when they take the 30-percent mark because they remove many skilled workers who might be available to do those jobs and who may produce better workmanship rather than more shoddy workmanship.

I think that the Davis-Bacon provisions ought to be kept in this bill as the Senators from Texas and Arizona have recommended. We have heard a lot of railing about toilet seats, hammers, nuts and bolts, and all kinds of things that the Defense Department is paying an exorbitant price for. A lot of my colleagues here have made those arguments very eloquently on this floor. But I believe we now have an opportunity to save the taxpayers a very signficiant amount of money.

I would say to my colleagues that we have an opportunity to save the taxpayers some money and get more out of our defense dollar—more houses, better health facilities, better everything for the military families of this country. I urge my colleagues to vote down this amendment, and I compliment the Senator from Texas for his work on this issue. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. KENNEDY. I yield 4 minutes to the Senator from Montana.

(Mr. ARMSTRONG assumed the chair.)

Mr. MELCHER. Mr. President, the purpose of Davis-Bacon as of the 1930's when it was enacted was to protect against the fly-by-night operators getting a Federal contract, a Government contract, by bidding low on a contract and by paying very low wages to workers brought in from outside the community or State. The purpose of the act is to preserve the prevailing wage of workers in a specific area based on a community and its immediate surrounding area. That is meritorious.

There are parts of Davis-Bacon that are wrong now, that do not protect using the prevailing wages. That problem should be addressed in a procedure using the law. Those should be thoughtfully corrected by action on all Federal construction contracts, not just on military contracts.

The Reagan regulations just issued and now being implemented and first used seem to move in that direction. If there is something wrong with that, we can look at it on the basis of all Federal contracts.

Once again, Congress is confronted with an attempt to remove Davis-Bacon protection from military construction projects? In the name of cost saving, this bill would guarantee nothing but shoddy construction performed by unskilled workers in an area of the country where the Nation can least afford it, our national defense stystem. Congress has repeatedly rejected attempts to eliminate Davis-Bacon from military construction in recent years, once in 1979 and again in 1980.

To quote from the committee report of 1979, the Labor Committee report, after consideration of Davis-Bacon, they concluded by saying:

> The removal of the Davis-Bacon Act prevailing wage requirement could have the long-term effect of undermining the skilled labor base on which the military installations rely.

We rejected it in 1979 and again in 1981. The vast majority of construction firms are responsible and reliable but there is a significant minority that are not reliable or scrupulous. Without Davis-Bacon, contractors would seek to win bids by undercutting the standards of the local community.

With the law, they must pay whatever wage prevails in the community whether that is a nonunion, union, or mix of the union and nonunion wage. The law does not and never has required the payment of the union wage. With the Davis-Bacon Act, reputable contractors are given a fair chance to compete for Government projects, instead of losing the work to competitors who underbid them by paying substandard wages which only attract unskilled workers.

As the Senate Labor Committee found in 1979, with a prevailing wage floor, contractors are allowed to compete for public projects on the basis of their skills and efficiency rather than on the basis of low wages they pay. As we know, Federal construction, including military construction, involves far more than single family residences. Rather, it involves building harbors, dams, sewage treatment plants, missile silos, superhighways, office buildings, and other sophisticated structures. This type of construction obviously requires sound contractors who employ highly skilled and experienced craft workers.

Those arguing that Davis-Bacon is inflationary and costly assume that paying anything more than the lowest possible wage leads to excess costs. This reasoning is misleading in that it ignores the important issue of the relative productivity of high wage and low wage workers. Slashing wages below the locally prevailing level may lead to no savings at all, since the likely result would be the employment of less skilled, less productive workers who will take a longer time to finish the job and do poorer quality work.

Most recently in 1982, the Congress acted to ensure that Davis-Bacon would apply to the rebuilding of our Federal Interstate Highway System when it enacted the Federal Aid-Highway Improvement Act of 1982, recognizing once again that highway construction—like that of military construction—requires quality skills and quality workers. We should recognize again today, as we have so frequently in the past, that this law has served the Government, workers, their communities, contractors, and the taxpayers well for 50 years. We should not abandon its many benefits today on an area as vital to the Nation's military construction.

The PRESIDING OFFICER (Mr. ARMSTRONG). The time of the Senator has expired.

Mr. GRAMM. Mr. President, I yield 4 minutes to the distinguished chairman of the Military Construction Subcommittee.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise in support of Senator GRAMM's modifications to the Davis-Bacon Act, and oppose the Kennedy amendment.

In the past, I have spoken many times on this floor recommending the repeal of the Davis-Bacon Act. It has cost us billions of dollars in additional costs over the years for federally financed construction. Nowhere is this burden felt more heavily than on military construction. While Senator GRAMM's provision does not repeal the Davis-Bacon Act for military construction, it does allow significant modification that will allow us to realize $150 million in savings for fiscal year 1986 alone.

The principal provisions have been discussed, but let me just highlight a few.

The Gramm provision will waive Davis-Bacon for construction contracts up to $1 million. Previously, the threshold was only $2,000. I cannot begin to tell you what a tremendous administrative burden existing law places on both the Government and the contractor for these relatively small contracts. In fact, it is estimated that more than 10,000 projects within the military construction budget fall in this category.

This provision also codifies the Department of Labor reforms which have been sustained by the U.S. Court of Appeals. Under this formula, the prevailing wage would be the single wage paid to at least 50 percent of the laborers and mechanics, rather than the previous formula of 30 percent.

It will also prohibit importing urban computed wages into a local rural area where a prevailing wage does not exist. While it is true that the courts have acted in this area, it will leave no doubt as to the implementation of the Department of Labor reforms.

Finally, it will clear up when a "helper" wage can be paid, by specifying that such a wage is applicable when helpers are prevailing in the geographic area. This alone will save substantial money.

I believe that this well thought-out provision will be of great benefit in allowing us to get a fair and competitive wage for our construction projects, not an artificially inflated wage.

Mr. President, I urge my colleagues to oppose the Kennedy amendment.

In closing, I want to commend the distinguished and able Senator from Texas [Mr. GRAMM] for his fine leadership in this important matter and also commend the able chairman of the Armed Services Committee [Mr. GOLDWATER] for approving this amendment and supporting it so strongly.

The PRESIDING OFFICER. Who yields time?

The Senator from Massachusetts has 4 minutes remaining. The Senator from Texas has 6 minutes remaining.

Mr. KENNEDY. Mr. President, just a final few comments. The point that I am making in requesting the Senate to strike the Gramm amendment is the "commonsense" position with regard to the issue of wages and small businesses. If we do not accept the amendment we are asking contractors to compete on who can pay the lowest wages rather than who can provide the best quality work in the most efficient manner.

The military construction work we are talking about is vital to our security interests, and we should not be taking chances with nonperformance. We are talking about building radar sites, we are talking about building submarine facilities, we are talking about runways for our jets. We want to make sure that we are going to get timely and quality performance on these jobs. Without the amendment of the Senator from Massachusetts, we will be saying, You have one standard for EPA, you have one standard for HUD—because they are still going to be under the prevailing wage law—and another standard for military construction. I submit that doesn't make any sense.

Where in the world, Mr. President, do we think the most highly skilled workers are going to go? They are going to go to those jobs where there is protection of prevailing wages and they will avoid military construction projects that are vital to our national security.

I say, Mr. President, that that is unwise in terms of our security interests with regard to the kinds of runways, military bases, radar sites, submarine pens, and the other kinds of important matters of security. It seems to me to be unwise.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from Texas.

Mr. GRAMM. Mr. President, I yield 3 minutes to the distinguished Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I am grateful to the Senator from Texas for yielding to me and I really congratulate him for the leadership he has shown in this matter. I urge defeat of the amendment.

Mr. President, it is my opinion that the vote we are going to have is going to be one of the most revealing votes we will have in the Senate because not only of what it will say about our seriousness in reducing the budget deficit but what it will say about the world view of Senators. The underlying reality is there is more than just national defense, more than just the budgetary impact at stake here. In every economy, somebody is going to decide the price of every transaction. The question here is going to be whether we are going to have the free market setting these prices or the Government doing that job.

For about the first 150 years in this country, we had the principle in this land that the free market, the natural interaction of supply and demand for goods and services, including the price of labor, would be determinative. About 50 years ago, we began to experiment with Government regimentation of prices, commodities, tariffs, and all kinds of economic regulation. At every step of the way, people who believe in the free market fought that, and they lost battle after battle. Gradually, we found this country's economy in an economic straitjacket. It is not any wonder that you could not hire anybody, you could not fire anybody, you could not give anybody a pay cut, you could not build anything or tear anything down or start a business, go out of business, or move a business or make any kind of economic decision without consulting somebody in the Federal Government to get their approval of your decision.

About 10 years ago, the tide began to turn. Partly under the direction of the Senator from Massachusetts, there began to emerge a deregulation. The effort undertaken by the Senator from Texas is part of that, to restore economic decisionmaking in the private sector, and not just because it is more efficient. I do not see how anybody could really argue that it is not more efficient. The GAO has affirmed that; common experience, common sense affirm that.

But there is a deeper underlying principle. Are we going to stand here today, in the U.S. Senate, and take out of this bill the amendment which leads us not only in the direction of economic efficiency but also economic freedom? That is part of the underlying principle at work here.

The facts are clear. The General Accounting Office has said repeatedly—not just this month or just this year, but over and over—that we can save billions of dollars by repealing Davis-Bacon. I wish that is what we were voting on here today, and I judge that, sooner or later, that is what we will vote on.

As a moderate and a small first step in that constructive direction, we have the Gramm amendment, which is contained in the bill recommended to us by the Armed Services Committee. It would be a tragic mistake—indeed, a travesty—if we were to adopt the Kennedy amendment, the effect of which would be to kill this common sense reform.

Mr. CHAFEE. Mr. President, I am opposed to this amendment. The provisions dealing with the Davis-Bacon Act as reported from the Armed Services Committee are reasonable, and in my opinion necessary in these times of fiscal austerity and of emphasis on opportunity for small business.

We have spent the better part of the last 5 months beating up on the defense budget. Labor interests have been major participants in the debate supporting drastic cuts in the Defense budget. These reforms are right up that alley. To be sure, there is disagreement as to how much they will save, but the bottom line is that these reforms will reduce costs.

What is wrong with encouraging maximum competition in bidding for defense projects? It is contrary to the best economic policy to narrow the scope of competition, geographic or otherwise. The Federal Government should be combating this type of protectionism, not promoting it.

The reforms included in this legislation will open up the defense industry to small businesses. In recent years, I am convinced, the act has worked to the detriment of small businesses. The act gives unfair advantage to large union employers over small nonunion employers in bidding for government contracts. It tends to discourage the small contractors who have not normally paid union wages and all of the restrictions that come with the Davis-Bacon regulations including the onerous reporting requirements.

The Department of Labor regulations now require that Federal contractors and subcontractors submit a weekly copy of their payrolls, listing the name and address of each laborer and mechanic and his or her classification, rate of pay, daily and weekly hours worked, deductions made and actual wages paid. They also require the payroll be accompanied by a statement indicating that the payroll is correct and complete, that the wage rates are not less than those determined by the Secretary, and that the classifications for each laborer and mechanic conform to the work done.

It is not hard to imagine that requirements like these are enough of a road block to small businesses to prevent them from bidding on Government contracts which require compliance with Davis-Bacon regulations.

The act might also adversely affect the entry of minority groups into the construction industry. These groups have fewer opportunities because frequently they find it easier to obtain employment in the nonunion sector of the industry, the sector which the act places at a disadvantage in bidding for Government contracts. While minority groups are special targets for jobs under Federal public works programs, such programs are frustrated to some extent by the act. As outlined previously minority groups are hurt in another way as well; they often enter construction work informally as helpers or trainees. Because the job structure in the act's wage determinations tends to follow union occupational classifications and seldom includes separate categories for helper or informal trainees, employers under Government contract must pay these individuals at the higher wage rates for skilled laborers or not hire them at all which is the more likely result.

The provision raising the threshold to $1 million would exempt 95 percent of all DOD contracts; however, it would only affect 40 percent of the total dollars expended for DOD contracts. In other words the very large contracts will still be subject to the requirements of the act.

In short, the provisions included in this legislation are small but needed changes in existing law. These reforms are a step forward in encouraging competition, opening up Federal contracts to small businesses and reducing to some extent the costs of defense.

Mr. SPECTER. Mr. President, I support this amendment which would strike the language in the bill that weakens the Davis-Bacon Act.

The fundamental issue that is raised by any effort to weaken Davis-Bacon is whether we wish to encourage competition in the construction industry that is based on wage cutting. Our national policy, quite properly, is generally to encourage competition in the private sector. We have long since recognized in our labor laws, however, that we must avoid forms of competition which are unfair to working men and women.

The temptation to engage in wage cutting is particularly acute in the construction industry because of its very nature. Not only does the industry consist of a vast number of companies, many of which are relatively small, but new entry into the field is relatively easy. Since the structures to be built and the materials to be used are commonly specified in detail by the buyer, competition tends to shift to labor costs and wages.

Mr. President, it is just common sense that, in this world, you get what you pay for. If we pay substandard wages to construction workers on Government-funded projects, it follows that we will get substandard work in return. It is worth paying a few extra dollars to attract highly skilled workers, who will provide the quality labor that the taxpayers deserve in return for their dollars on vital matters for national defense. It would be penny wise and pound foolish to attack the Davis-Bacon Act now, only to spend large amounts of tax dollars later on extra maintenance and repairs.

When one considers the benefits that flow from the Davis-Bacon Act, it soon becomes clear that this important law does not only protect workers. It also provides important benefits for business, because it promotes competition that is fair. With Davis-Bacon on the books, local builders have a fair chance to compete for Government contracts based on skill and efficiency, rather than losing work to competitors who underbid them solely by paying lower or substandard wages.

If we are to change Davis-Bacon, let us at least avoid doing so hastily or carelessly. Let there be hearings before the Labor Committee, with both business and labor enjoying opportunities to provide their testimony. Let there be careful committee markup and a detailed report to explain the action taken. Then, and only then, will this body be in a position to give this important topic the deliberate treatment it deserves.

Mr. GRAMM. Mr. President, I yield 1 minute to the distinguished chairman of the Armed Services Committee.

Mr. GOLDWATER. Mr. President, as chairman of the Armed Services Committee, I am happy to support this provision. This is long, long overdue.

The Davis-Bacon Act was written back in the early 1930's when there was an understandable need for it. Those of us who live in the remote parts of this country where labor unions are not available have watched military construction cost three, four, five, even eight or nine times as much as it would have cost had it been built near a large city.

This is not an antiunion movement. This is not an effort to get wages down. This is merely an effort to repeal part of a law—change the rules, really—that will allow the Defense Department to operate a little more cheaply than it operates today.

I should like to repeat what the Senator from Texas has emphasized: That in this day, when we are looking for ways to cut expenses, I cannot think of a better way to do it than to change the rules. That is all the Gramm amendment does—change the rules relative to the application of Davis-Bacon on military construction.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. KENNEDY. Mr. President, the fact is that the Gramm amendment will effectively repeal the Davis-Bacon Act on military construction. If the Senator from Texas was interested in reform, he could codify the regulations promulgated by this administration, a Republican administration, supported by the Department of Labor, and made effective by the court of appeals this January. We ought to review the effectiveness of those regulations as well as a number of issues that have been talked about here today, before we try to reach a legislative decision. That is the appropriate way to address this issue, not in the haphazard way we are proceeding here today.

I hope my amendment to strike that provision will be accepted.

Mr. GRAMM. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. DANFORTH). The Senator has 2 minutes.

Mr. GRAMM. I yield myself the remainder of the time.

Mr. President, we are down to a final decision on an issue that has long been a controversial issue. I urge my colleagues, in making a final decision, to ask themselves what is in the public interest.

We have seen outrage from the American people about overcharges on defense. We see a feeling in the country that, while there is sensitivity to the fact that we face a growing Soviet threat, our money is not being well spent.

We tried in this bill, for the first time on a concerted basis, to address those problems—stiff penalties for contractors who overcharge and overbill. We took the extraordinary action of clearing the way for the closing of as many as 100 military bases. We allowed contracting out. We reformed ancient labor provisions that no longer fit under the name of the Maroni amendment and Walsh-Healey.

We are now down to one final issue. The issue has to do with whether or not, on small contracts, we are going to open competition and let the small, independent contractor have an opportunity to bid; whether or not we are going to look at 50 percent rather than 30 percent of the wages being paid to determine what the prevailing wage is.

This is a compromise. Logic and the interests of the people dictate a clear repeal of this provision in defense. But in taking the spirit of compromise, we have come up with a proposal that reforms.

I urge my colleagues to be true to the principle that the American people have called upon us to present, and that is to get the maximum defense we can at the lowest price we can afford to pay. This is an opportunity to tell the American people that we are for real on the issue of economy in the defense operation of this country.

I urge my colleagues to vote down this amendment and to allow us to buy labor, to buy parts, and to procure defense at a competitive price.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. KENNEDY. Mr. President, do I have 30 seconds remaining? I do not believe I have used all my time.

The PRESIDING OFFICER. All time has elapsed on the amendment.

Mr. NUNN. Mr. President, I ask unanimous consent that there be 2 minutes equally divided between the parties.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I yield myself 1 minute.

Mr. President, I believe that the American people are outraged by fraud, by waste, and by abuse, by the fact that the public is being gouged by defense contractors.

The Senator from Texas has not said that when the Defense Department was paying $700 for a toilet seat, the worker who was making it was being overpaid, or that when the Defense Department was paying $685 for ashtrays for military jets, the worker on that assembly line was getting an inflated wage.

I refuse to accept the argument of the Senator from Texas that those who are going to be working in the most important areas of national security, for American service men and women, should not be entitled to the prevailing wage in the community. The American people are not upset about blue collar wages. They are concerned about gouging by defense contractors. That is not the question here.

Mr. GRAMM. Mr. President, apparently fraud, waste, and abuse are the things we do not accept when a contractor is doing it, but we do accept it when Congress is doing it.

In every abuse you outlined, those were union laborers being paid premium wages.

You talk about toilet seats and cathode tubes and crescent wrenches. We are talking about a larger saving here, on this one vote, than we have ever paid in the history of the Republic, for toilet seats.

Mr. KENNEDY. You tell me——

Mr. GRAMM. Regular order, Mr. President. I have the floor.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. GRAMM. We are talking about more money here, on this one vote, than we have ever paid for toilet seats and crescent wrenches and cathode tubes in the whole history of the Republic.

The issue here is: Are we going to impose the same standards of efficiency in the actions we take that we call on defense contractors to take? Are we going to play politics with special interest groups, or are we going to represent the interests of the American people? That is the issue here, and that is the issue that is going to be determined on this vote.

The PRESIDING OFFICER. The Senator's time has expired.

The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from South Dakota [Mr. PRESSLER] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. EAST] would vote nay.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 49, nays 49, as follows:

[Rollcall Vote No. 97 Leg.]

YEAS—49

Andrews
Baucus
Biden
Bingaman
Bradley
Burdick
Byrd
Chiles
Cranston
D'Amato
Danforth
Dixon
Dodd
Durenberger
Eagleton
Ford
Glenn
Gore
Harkin
Hart
Heflin
Heinz
Inouye
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Packwood
Pell
Proxmire
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stafford
Stennis
Stevens
Weicker

NAYS—49

Abdnor
Armstrong
Bentsen
Boren
Boschwitz
Bumpers
Chafee
Cochran
Cohen
DeConcini
Denton
Dole
Domenici
Evans
Exon
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins
Hecht
Helms
Hollings
Humphrey
Johnston
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
McConnell
Nickles
Nunn
Pryor
Quayle
Roth
Rudman
Simpson
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Zorinsky

NOT VOTING—2

East
Pressler

So the amendment (No. 254) was rejected.

Mr. GOLDWATER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order.

The majority leader is recognized.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GRAMM. I move to lay that motion on the table.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to lay on the table to reconsider the vote by which the amendment was rejected. The yeas and nays have been ordered and the clerk will call the roll.

Mr. HEINZ (when his name was called). Mr. President, I have a live pair with Senator EAST. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. SIMPSON. I announce that the Senator from South Dakota [Mr. PRESSLER] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST], is absent due to illness.

The result was announced—yeas 49, nays 48, as follows:

[Rollcall Vote No. 98 Leg.]

YEAS—49

Abdnor
Armstrong
Bentsen
Boren
Boschwitz
Bumpers
Chafee
Cochran
Cohen
DeConcini
Denton
Dole
Domenici
Evans
Exon
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hawkins (Mrs.)
Hecht
Helms
Hollings
Humphrey
Johnston
Kassebaum (Mrs.)
Kasten
Laxalt
Lugar
Mattingly
McClure
McConnell
Nickles
Nunn
Pryor
Quayle
Roth
Rudman
Simpson
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Zorinsky

NAYS—48

Andrews
Baucus
Biden
Bingaman
Bradley
Burdick
Byrd
Chiles
Cranston
D'Amato
Danforth
Dixon
Dodd
Durenberger
Eagleton
Ford
Glenn
Gore
Harkin
Hart
Heflin
Inouye
Kennedy
Kerry
Lautenberg
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Packwood
Pell
Proxmire
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Stafford
Stennis
Stevens
Weicker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Heinz, against

NOT VOTING—2

East
Pressler

So the motion to lay on the table the motion to reconsider was agreed to.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President, let me indicate that we are now prepared to start what could be a lengthy day on SDI amendments. The distinguished Senator from Massachusetts [Mr. KERRY] has 30 minutes on his amendment; Senator GOLDWATER has 10. Then there will be a vote of some kind. Then Senator PROXMIRE will offer his SDI amendment, and there are 13 additional SDI amendments if they are all offered. It is our hope to finish the SDI amendment today—today and tonight, probably into the morning. So I indicate to my colleagues that if we can make our points in good, brief debate, it will be very helpful.

The chairman of the committee, the managers on both sides, it is my understanding, would like to finish the SDI portion this evening. In the meantime, I shall try to work out some arrangement on all the different SALT amendments that could be offered to this legislation, because tomorrow, we would like to move to the State Department authorization to offer the so-called Contra amendments. There are seven of those.

AMENDMENT NO. 252

(Purpose: To provide an overriding, exclusive authorization for Strategic Defense Initiative programs for fiscal year 1986)

Mr. GOLDWATER. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator from Arizona has 10 minutes under his control. The Senator from Massachusetts [Mr. KERRY] has 30 minutes under his control.

Mr. GOLDWATER. A parliamentary inquiry Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. What is the amendment?

The PRESIDING OFFICER. The amendment is the amendment of the junior Senator from Massachusetts [Mr. KERRY], No. 252.

Mr. GOLDWATER. I yield myself 4 minutes.

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the amendment of the Senator from Massachusetts [Mr. KERRY], amendment No. 252. The yeas and nays have been ordered. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] for himself and others, proposes an amendment numbered 252.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I was struck by the comments that the Senator from Massachusetts made yesterday in support of his amendment to reduce funding for the President's strategic defense initiative. My colleague provided an extremely moderate view of Soviet ballistic missile defense capabilities, and their implications for U.S. national security. This rather misleading view of Soviet activities is consistent with the lack of urgency in his amendment in pursuing the strategic defense initiative. However, the facts about Soviet ballistic missile defense capabilities and the implications they bear for our Nation's security, are far more serious.

Since the signing of the ABM Treaty in 1972, the Soviets have continued to invest just as much in their strategic defensive forces as they have in their strategic offensive forces. This includes a large investment in strategic air defense and it demonstrates that the Soviet Union never abandoned strategic defense as we have in the United States.

Today, the Soviet Union has the world's only operational anti-ballistic missile [ABM] system deployed around Moscow. This system is permitted by the ABM Treaty, and it is being upgraded with more modern and effective interceptors. The Soviets also have a network of large phased-array early-warning radars that can perform battle management functions when linked together. One of these radars, located in central Siberia near the town of Krasnoyarsk, is a clear violation of the 1972 ABM Treaty. This radar network, together with an open production line for ABM interceptors, provides the Soviet Union with the capability to rapidly deploy nation-wide ballistic missile defenses. These facts contradict the assertions of the Senator from Massachusetts.

I also remind my colleague from Massachusetts that it is the location and orientation of the Krasnoyarsk radar that makes it a violation of the ABM Treaty. Ballistic missile early warning radars can perform space tracking functions, but this does not change the fact that their function is still early warning. The Pave Paws radars that the Senator from Massachusetts cites with concern regarding U.S. compliance with the ABM Treaty are located along the periphery of the United States, and oriented outwards, as required by the treaty.

The Soviets also have surface-to-air missiles [SAM's], such as the SA-12, that are capable of shooting down a number of U.S. strategic ballistic missile warheads. And while we have no proof that the Soviets have tested this system against strategic reentry vehicles, these SAM's have been operating at ballistic missile defense test facilities during such testing. Thus, without committing an overt violation of the ABM Treaty, the Soviets have developed—and will soon be deploying in large numbers—a surface-to-air missile that can function as an ABM interceptor.

All of these factors viewed together suggest that the Soviet Union is preparing an ABM defense of their national territory. Such defenses would be particularly effective against U.S. retaliatory forces that have been crippled by a Soviet preemptive attack. The preparation of a nationwide defense by the Soviet Union undermines the letter, spirit, and intent of the ABM Treaty.

The facts regarding Soviet ballistic missile defense activities are available from the intelligence community, and I urge the Senator from Massachusetts to avail himself of this information. I suggest that my colleague's time would be well spent expressing his concern about Soviet ballistic missile defenses that are being deployed today in violation of the ABM Treaty, rather than the potential threat of U.S. defenses that might be developed as a result of the SDI sometime in the future.

Mr. President, the threat to our security posed by Soviet ballistic missile defense activities is just one of the many reasons to support the committee's position on SDI funding. The defenses being developed in the SDI could help to enhance the survivability of U.S. strategic forces, and would thus serve to strengthen deterrence. However, the comments made yesterday by the Senator from Massachusetts regarding Soviet capabilities in this area were misleading, and I felt it necessary to use this opportunity to set the record straight.

Again, I urge my colleagues to oppose the Senator's amendment, and I urge them to support the committee action which has already reduced the administration's request for the SDI by $750 million.

COMMITTEE MEETING DURING SESSION OF THE SENATE

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. D'AMATO). The majority leader is recognized.

Mr. DOLE. Mr. President, will the Senator from Arizona yield to me for a unanimous-consent request?

Mr. GOLDWATER. Yes, Mr. President.

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, June 5; Thursday, June 6; and Friday, June 7, to mark up S. 616, the farm bill and related issues.

Mr. BYRD. Mr. President, reserving the right to object, reluctantly, I shall have to object. This request was not cleared on my side of the aisle. We did not run the telephone checks. I might suggest that the distinguished leader might wish to renew the request on tomorrow. It might be that we can do it and there would be no objection. I cannot be sure, however. The Senator might want to try that. I do have to object at this time.

Mr. DOLE. Would the distinguished minority leader object to just Wednesday?

Mr. BYRD. There would be an objection today. If the distinguished majority leader wishes to put that request on tomorrow, we would be glad to run the telephones on it and hope there will be no objection. I cannot guarantee it.

Mr. DOLE. I appreciate that.

The distinguished chairman of Agriculture Committee is trying to get the bill completed, and it is hard to do that if he is limited to 2 hours in a day. I hope we can work out some agreement so that the committee can meet during the session on tomorrow, Thursday, and Friday.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the time spent on this unanimous-consent request not be taken from either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

The Senate continued with the consideration of S. 1160.

The PRESIDING OFFICER. Who yields time?

Mr. KERRY. I yield myself 8 minutes.

Mr. President, I share the concern of the distinguished chairman of the Armed Services Committee about the Krasnoyarsk radar. I do not approach this debate, in any sense of imagination, with any delusions about Soviet intentions or Soviet ability to continue to confound us, nor do I approach it with any naive assumptions about their goals or aspirations.

Mr. President, in response to the Senator, I must say that it seems to me that what really is at issue in this debate, as we begin at this threshold level of funding for SDI, is a larger debate about where we are going with respect to arms control and what is at issue in this vote.

My amendment is no way strips the ability of the United States to continue research at a level far ahead of the Soviet Union. That is not restricted in my amendment. In fact, every single area of research with respect to SDI, outside of a few specific demonstration projects which I believe violate the ABM Treaty, receive a 23-percent increase under this amendment. I do not think that it is an irresponsible approach to the issue of the defense of the United States. There is not one program within the Defense Department budget that can point to the kinds of increases which we are giving to SDI in the same year as we are cutting women, infants, and nutrition programs; cutting funding for mass transit; cutting funding for education; in fact, cutting funding in every program and function of the Federal budget. Yet, what is gaining an increase? SDI research.

I am still giving that research a 23-percent increase in image radar, laser beam, nonnuclear kill technology, battle management, command, and control—a host of different areas. But the question here, which I fear the U.S. Senate is going to run over roughshod, is this: What are the implications of a funding above a $1.4 billion area? What are the implications of funding some of the programs we are going to fund with this?

It was not long ago that this Chamber was the scene of a debate about MIRV and whether or not that would help us. Once again, we made a decision to build a wholly new technology, with the great wish that somehow that was going to be the bargaining chip that moved us to be able to conclude a treaty that would be to the advantage of the United States. What did we do? Not the Soviet Union. The United States of America MIRV'd our missiles, with the understanding that that was going to force the Soviet Union into an agreement.

What did it do? It put us in the very predicament we have been debating in recent weeks about the MX missile, where, because of our own response to so-called vulnerability, we made our own missiles vulnerable; and we created a situation in which the Soviet Union, with MIRV'd land-based missiles, has far greater ability to impact the United States and to destroy our missiles.

So, in the same way today, I fear that without even debating the issue, without even understanding what we are doing, we are going to make the same significant change in nuclear policy that we have made in this country, where we move away from assumptions about nuclear destruction, and the arms race will reach a situation which nobody ever imagined it would.

My amendment is structured off the SDI report itself. That report breaks down each of the categories on which we are voting into specific areas. The 6.2 category is exploratory development. I do not touch exploratory development. The 6.3(a) category is advanced technology. I do not touch advanced technology. The 6.3 engineering development and the 6.4 advanced engineering development are the only areas that are subject to some restraint in this amendment that holds the spending level down.

The administration is saying to us that each and every piece of SDI will be in adherence to the ABM Treaty. I ask the Members of this body to look hard at each of those programs, because they are not in keeping with the ABM Treaty. The ABM Treaty is very clear. It prohibits the development, the testing, and the deployment of ABM systems or components that are space-based, sea-based, air-based, or mobile land-based, or prototypes for such systems.

The ABM Treaty forbids the testing of prototypes. If forbids the testing of space-based prototypes. Yet, that is exactly what we are going to do with the SDI funds going into these programs, unless we make the cuts in my amendment.

Let me be specific. The SDI office said—and I am not drawing from my language; this is the language of the Defense Department and the SDIO, in what they said they are doing—that its boost surveillance and tracking system [BSTS] experiment will conduct a near real-time, fully responsive experiment to test a satellite in the sky against ballistic missiles in their boost phase.

The SDI office contends that this demonstration or test of technology does not violate the ABM Treaty, because the BSTS satellite and related technology will "not be a prototype of an ABM component, and will be limited in capability so that it cannot substitute for an ABM component."

How is it going to do that? How do they guarantee that it is going to do that? They say it is going to do that because it is going to measure the signature of booster plumes but not in real time. "Not in real time" means that they will gather the information of the signature plume of a missile, which could be a missile fired from the Soviet Union, but they will store it in the satellite; and at a later moment in time, they will transmit that information to the United States.

We will say that we are not violating the ABM Treaty. But how is the Soviet Union supposed to know that? How is the Soviet Union supposed to determine what is being transmitted? We complain about the Krasnoyarsk radar. I heard the distinguished chairman point to that breach of that treaty. That is a multibased radar with a number of possible duties; and until it is turned on in 1986 or 1987, it is not going to be in violation because of those gray area possibilities. I do not like it, and I think we should complain about it to the National Consultative Commission. If we are concerned about it, why has not the administration taken it to that commission? They prefer to use it as a whipping boy and as a leverage point rather than resolve the issue.

As to this booster-based satellite, the Soviets will say, "How do we know what it is supposed to do? It is a violation." Unlike the Krasnoyarsk radar, it does not have alternative possibilities. It has one possibility, and that one possibility is to be an antiballistic missile component.

I said yesterday that it is like putting together a gun. Build a prototype of the gun, pointed at somebody, but do not put the firing pin in it, and it is not a gun, supposedly. It is not even a prototype of a gun, supposedly. But all you have to do is put that firing pin in and you have an immediate breakout from the treaty.

BSTS is not the only test that I think falls under that. There is the space surveillance and tracking system experiment. If we vote for this money for SDI, we are going to fund an experiment that will put cryogenically cooled infrared sensors into space that will detect and track warheads and decoys during the midcourse of their flight.

The SDI report says that is going to "demonstrate the tracking and signature data on a number of space objects," but they then say it will not have the capability to "achieve ABM performance levels."

In other words, because it does not work quite as well as it needs to be an effective ABM system, SDI claims it does not violate the treaty on having prototypes in space.

But for the life of me, Mr. President, for the life of me I do not understand how a space-based sensor that is going to be tracking missiles in midcourse flight is not a prototype and is not, in fact, a violation of the ABM Treaty.

The airborne optical experiment, that is the test of an ABM sensor system to be based in the air to track ballistic missiles, and this experiment the SDI report says will not violate the treaty because of "sensor and platform limitations," despite the fact that the experiment will test the system, and it is going to test it by observing ballistic missiles in their reentry phase. Once again they say that is not a prototype, but I do not know again what is a prototype if that is not a prototype.

Then there is the space-based imaging experiment or the space-based kinetic kill vehicle project which is going to be tested. Instead of testing against ballistic missiles they are going to test then against antisatellites, the only distinction then being we did not test it against a missile, therefore, it cannot be a component of ABM system.

Finally, perhaps one of the most egregious is the Sagittar. This is the test of a space-based antimissile gun, space-based antimissile gun, and we are going to test it in space, and the money is not for research. The money is to put together the system and put it up there and test it, and it is going to be a rapid fire test on the order of about one shot per second of an electromagnetic impulse vehicle.

This experiment comes up against the ABM Treaty in two ways, Mr. President: First, it is a space-based ABM capable weapon or prototype weapon and, second, by constituting the "development, testing, or deployment of an automatic or semiautomatic system for rapid reload of ABM launchers," and that is directly from the language of the ABM Treaty.

So, Mr. President, I suggest that before the U.S. Senate ratifies a program which will run so close against every clear definition of the ABM Treaty, we would think not only twice but 3 or 4 or 100 times before we take that kind of step.

What would we say if the Soviet Union did any one of those things? What would we say if they had a satellite up there tracking our plumes of our missiles? I think we would be screaming 20 times louder than we are now about the Krasnoyarsk radar.

What is important here, and I do not want to get lost, Mr. President, in the technology or in the detail of the particular program because that really is outside of the much larger issue of what is at stake here, we are dealing with a very delicate process of perceptions. We respond based on our perceptions of what the Soviet Union does and they respond based on their perception of what we do.

And as long as we continue to ride into the gray area, as long as we continue to speed up the equation at the Geneva talks where SDI is not even part of the talks, then how can we expect to ever try to gain control over this technology or to reassert the notion that arms control takes precedence as a philosophy?

The theory behind the putting of the ABM Treaty into place, in the first place, a treaty which was passed by a vote of 98 to 2 by this body, was that it was to prevent the creation of a prototype, to prevent pushing into the gray area so that neither side had the capacity to break out at any moment in time.

Every time we push closer to this area we undermine that treaty which most people say is the single most important arms agreement of our time because it has managed to keep the peace and it has managed to restrain the level of the arms race.

The distinguished chairman cited the Krasnoyarsk radar, and I am glad, obviously, to discuss the Krasnoyarsk radar, but what is important, I think, is to look not only at the Krasnoyarsk radar, but look at the whole notion of where we go if we are not willing to put this kind of issue in front of the standing consultative commission.

It seems to me that that was the body that we established to try to establish these gray area differences, not a tit for tat, you did it, we do it challenge to the very essence of the treaty in and of itself.

I believe that the legislation which I am putting forward today is restrained inasmuch as it permits the research which is necessary to prevent the possibilities of breakout.

In a report issued recently to the Congress of the United States, I think it was this March or April, by the Defense Department, an annual report, the Defense Department measured each of the major measuring technologies by which we judge our capacity against the Soviet Union.

Mr. President, in 15 out of the 20 major technologies by which measurements are made of who is ahead, our own Defense Department said we are ahead. In the five other technologies, Mr. President, the Defense Department said we are equal. And in the most important technology with respect to the ability to put an ABM system into place, the computer technology, they not only said we are ahead, but they said our lead is increasing.

Mr. President, when I tried cases, and there are other lawyers in this body, we had to present a case before a jury that was carried by clear and convincing evidence, by preponderance of the evidence, beyond a reasonable doubt, but by evidence, by evidence.

We are about to vote to change the entire approach that has kept the uneasy peace in the nuclear balance of power, we are going to vote to take that change without any evidence. There is no evidence before this body that the Soviet Union is ahead of us. There is no evidence by the Defense Department or in any of the hearings before the Armed Services Committee that they are about to break out or that we do not have the ability to penetrate that defense.

The distinguished chairman of the Armed Services Committee pointed to the fact that they have this only system in the world around Moscow.

Mr. President, we had a system, the ABM Treaty allows us to have a system. You know what? We decided to put that system to bed, to dismantle it. We did it ourselves. It was out in Grand Forks, and we took it down because we said it was not worth the cost of maintenance. It was not worth the cost of maintenance.

Now the Krasnoyarsk radar which he cited, sure it is on the periphery of our country, but it is orientated that there is a 240-degree coverage of the United States of America, and the point is that it could be as a large-phased radar utilized for battle management.

But again, Mr. President, I do not think we should get lost in that particular part of this debate because there is a far larger issue here, a far larger issue here.

Let us assume for the purpose of argument that you could build a star wars system that is the best of what the President wants to build, that meets the highest, most fanciful dream of humankind, a system that can knock down every single ballistic missile sent at us 100 percent effective. Mr. President, even if we built that system we would not have changed a thing in the nuclear equation because cruise missiles, clandestine delivery of bombs, long-range bombers, all of the other delivery systems of nuclear weaponry remain outside of the SDI system as defined by the President. And what is more, if you build a system that is 100 percent effective, then you have in effect developed a first-strike ability because if you can knock down every missile sent at you, you are in fact impregnable against the largest portion of the land-based force of the Soviet Union which means you have a first-strike ability.

Who in their right mind believes that we are going to be allowed to go ahead and develop this system, that the Soviet Union is going to sit there sanguinely while the United States of America develops a first-strike ability? It is not going to happen.

They have said it is not going to happen. And every single major arms expert in this Nation has said the Soviet Union will respond by building offensive weapons to overwhelm our defense.

It just happens to be that no scientists in this country, not even General Abramson, who has been selected to run this program, asserts that it can be 100 percent effective. It cannot be 100 percent effective. And so, Mr. President, as we debate whether or not to fund this system that we are rushing toward beyond even the ability to consider it a hedge against Soviet breakout, but rather to put us in a position where we will decide whether or not to deploy it, as we rush to do that, we are running headlong against reality that a 90-percent system or 95-percent effective system will change nothing, Mr. President. A system that is less than 100 percent effective is a system that leaves you exposed to an unacceptable level of nuclear retaliation at any level. And let us not kid ourselves. If we get to the point that they are firing a missile at us and we are going to retaliate——

The PRESIDING OFFICER. The 20 minutes the Senator has yielded himself has expired.

Mr. KERRY. I yield myself an additional 8 minutes, Mr. President.

Mr. KERRY. Mr. President, if we get to the point that one missile is being fired or two missiles are being fired, then we are not talking about anything different from the situation we have today. If we are talking about all missiles being fired, Mr. President, then we are talking about the same level of mutual assured destruction that we have today. In other words, go ahead, spend trillions of dollars researching this program, put all of our scientific and creative energy of a lifetime into it, divert our focus from kids who do not get enough food to eat, divert our focus from streets that are falling apart from the need of revitalizing our industry and compete with Japan and put trillions of dollars into the future of this Nation, divert it all and build this system and if it is less than 100 percent effective, which, in itself, is destructive, you have got a system that leaves you right where you are today, where we are making a judgment about how badly they hit us and they will make a judgment about how badly they can retaliate and we will make a judgment about how badly we can retaliate, but you do not change the defense equation or offensive equation.

Now, I have heard some people say that the very least it will do is put the Soviet Union on notice that we can all catch the ragged edge of an attack and that if we have the ability to divert them from a first strike that in itself will equal the balance of power. But, absent a fundamental change in the relationship between the United States and the Soviet Union which, if we got that change, we would not need to build star wars, and if we do not get that change, absent that change, Mr. President, all you are going to do is push both sides to find different ways to deliver countermeasures against countermeasures, systems to divert the warheads, decoy systems, and a host of other systems. Everyone knows that. And there is not a person on the Select Committee on Intelligence who has not studied nuclear and biological and chemical warfare who does not understand that if these two nations cannot change the way they think and ever get to the point of firing those missiles, there are a host of other forms of lethal warfare that will be unleashed by the two nations that decide that they have come to that point in their relationship.

So I believe we have a fundamental choice here and we ought to examine it on the basis of that choice and try to make a decision about whether or not we are going to allow surreptitiously, by default, the ABM Treaty to slip away from us. We put that in there as the single most important buffer against breakout, as the single time that we have been able to not build systems when we thought we had to.

What is worse, Mr. President, is if we go ahead and deploy or ever even

deploy, even if we find it can be successful, a system like star wars, we will not have changed anything.

Winston Churchill referred to the uneasy peace that we have today. I think it was something along the lines of survival being the twin brother of annihilation and safety is the sturdy stepchild of terror. What is sad is if we have a system that still permits a nuclear winter to take place, if we have a system which is 5 percent ineffective, and, therefore, 500 warheads of the 10,000 pointed at us can still hit this country and we hit them, we have really not changed anything at all. In effect, Mr. President, we have taken away from humankind the current ability to make those choices, because if we put this system into outer space it will be the computers that will decide. And a computer glitch against some defensive weapon or against some satellite could heighten the tensions of the world and put us in a position where, indeed, that stepchild of terror and that brother of annihilation will be lost forever.

I do not mean to sound cataclysmic or overly dramatic or cliched or anything. But I will tell you, Mr. President, that I cannot think of an issue that is as vital in terms of the future of the world.

If we are serious at the Geneva talks about talking, then SDI has got to be on the table. If we are not serious about talking, then SDI remains off the table and then you will never see the Soviet Union reduce the current level of their land-based missiles. You cannot have SDI and arms control at the same time. I ask my colleagues to look intently at each of these programs that they are being called on to fund because it is my considered belief, and inexperienced as I may be as a Senator and as young as I may be in this process, that we are challenging the ABM Treaty in ways that we have never meant to and that we are risking the future not only of our country but of civilization as a consequence. I hope this body will respond accordingly.

I do not yield back my time. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes and 48 seconds.

Mr. GOLDWATER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Five minutes.

Mr. GOLDWATER. Mr. President, I yield 2½ minutes to my friend from Nebraska.

Mr. EXON. I thank the chairman of the committee.

Mr. President, I have listened with keen interest to the remarks, well thought out and well delivered, by my talented friend and colleague from Massachusetts. We frequently agree on defense matters, having seen eye to eye on such recent issues before the Senate as opposition to the deployment of the MX in vulnerable silos and the recommissioning of a fourth battleship. However, I cannot agree with his conclusion that we should fund the SDI at his suggested amount in this amendment.

Mr. President, I strongly oppose the Kerry amendment and its size in reduced funding for the strategic defense initiative.

I have just returned from Geneva, where I met last week with our negotiators there who are attempting to formulate an arms reduction agreement with the Soviet Union. It is tough work and will be a very long process. Patience and shrewdness will have to be our watchwords. I am convinced more than ever that we will have to use every possible tool and incentive we have in order to make progress and hopefully obtain a workable and verifiable agreement. SDI in this concept is the best tool we have available and the amount proposed in the amendment before us would, in my opinion, make that tool less effective.

Mr. President, I believe the most important reason the Soviet Union is back at the bargaining table at Geneva is SDI. It is the only significant change which has taken place since the talks broke down in late 1983. Even the President's original MX Program did not entice them back. SDI did.

While I believe that research and development into the strategic defense initiative is essential at this juncture, I am not ready at this time to sign up to all of the potential uses for such a system when and if it becomes operational. There is a significant amount of controversy surrounding that subject and I will keep an open mind about it. However, right now as we begin the second round of arms reduction talks with the Soviet Union, let's not radically cut way back on the program which offers so much promise and which has had such an impact on the Soviets.

For 1986, the President requested approximately $3.7 billion for the SDI. The Armed Services Committee has already reduced that request by $300 million to $3.4 billion. The Kerry amendment would freeze research at this year's level of $1.4 billion. That kind of a cut would gut this important program and significantly harm our negotiating effort. SDI is expensive and will become more so. But it is an investment we simply must make and in my view 1986 funding should be in the area of $2.9 billion.

On a related subject, Mr. President, SDI will also serve as a hedge for our country against a possible Soviet breakout from current or future arms control agreements. We must all remember that the President has reported to Congress that the Soviet Union has violated the Helsinki Final Act, the Geneva protocol on chemical weapons, the biological and toxin weapons convention and two provisions of the SALT II Treaty, specifically telemetry encryption and ICBM modernization.

Further, the President has also reported that the Soviets have probably violated the SS-16 deployment prohibition of SALT II and is likely to have violated the nuclear testing yield limit of the Threshold Test Ban Treaty. The President also reports that the Soviet Union has violated the ABM Treaty with regard to radars and related equipment and tests.

There may be differences of opinion regarding the President's conclusions in this regard. However, I know of no Senator who believes the Soviet Union has not violated at least one provision of an arms control agreement currently in force.

The President of the United States is currently deciding how to deal with Soviet noncompliance and whether the United States should continue to adhere to the SALT II Treaty.

Today, I sent a letter to the President on this subject. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, DC, June 4, 1985.

Hon. RONALD W. REAGAN,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to offer you a potential solution to the question of continued U.S. compliance with the provisions of the SALT II treaty.

Having just returned from observing the current arms reduction negotiations in Geneva, I understand the difficulties we face in attempting to come to a workable and verifiable reduction in nuclear weapons. I certainly support your efforts and those of our able negotiators.

The question of further SALT II compliance has been hotly debated and will continue to be this week in the United States Senate. We all await your report and recommendations to the Congress on this subject. Unfortunately, I believe the discussions to debate have taken on an "all or nothing" context. I believe a middle ground approach is appropriate here.

Mr. President, I recommend that you approach the Soviet Union on the following basis. The SALT II treaty, which the U.S. has been observing, expires at the end of 1985. The U.S. will continue not to undercut its terms if the following conditions are met: 1.) Meaningful negotiations are still ongoing regarding future arms reductions; and 2.) The Soviet Union has made substantial progress in bringing the size and nature of its nuclear and related forces back into compliance with those provisions of SALT II which they have violated.

This approach would place the Soviet firmly on notice that the United States will not tolerate continued violations of a treaty which we are adhering to. It would also demonstrate to the world, and especially our allies, that the U.S. is willing to go the "extra mile" in our leadership role of attempting to lessen the nuclear danger.

I also believe this approach could be used with regard to the decision you must make later this year regarding the USS Alaska sea trials. The Soviets could be told immediately that, if they make progress toward coming back into compliance with SALT II, the U.S. will decommission a POSEIDON submarine to stay under the treaty's limits. If substantial progress is not made, the U.S. will respond in kind and retain usable weapons systems in service even if it means exceeding the treaty limits.

I hope you will give this proposal thorough consideration. I pledge my support to you should you choose to move in this direction.

Sincerely,

J. James Exon,
U.S. Senator.

Mr. EXON. Mr. President, In summary, the letter advises the President that I believe he should establish the following policy. The United States will continue not to undercut SALT II if the following conditions are met: (1) Meaningful negotiations are still ongoing regarding future arms reductions; and (2) The Soviet Union has made substantial progress in bringing the size and nature of its nuclear and related forces back into compliance with those provisions of SALT II which they have violated.

The President could also use this approach with regard to the decision he must make later this year regarding the USS *Alaska* sea trials. The Soviets could be told immediately that, if they make progress toward coming back into compliance with SALT II, the United States will decommission a Poseidon submarine to stay under the treaty's limits. If substantial progress is not made, the United States will respond in kind and retain usable weapons systems in service even if it means exceeding the treaty limits.

We cannot stand idly by and continue to tolerate Soviet arms control treaty violations. The strategic defense initiative research and development will further tell the Soviet Union that they had better get into compliance and negotiate seriously on future arms reductions. These matters are all related and should not be viewed in isolation.

I urge the defeat of the amendment and support the current research and development into the strategic defense initiative.

Mr. THURMOND. Mr. President, I rise in opposition to the Kerry amendment.

This amendment would reduce the committee recommended funding level for the SDI by over one-half, or a further reduction of $1.57 billion. The committee already reduced the administration's request by $750 million, so the amendment would reduce their original request by 63 percent.

The funding level contained in this amendment is $1.5 billion below the "funding constrained" program recommended by the Fletcher Commission. It is $1 billion less than is requested just to continue with the contracts initiated in fiscal year 1985.

The amendment drastically reduces funding for virtually every project within the SDI. Some of the specific funding reductions would be particularly damaging. For example:

First, the Booster Surveillance and Tracking System (BSTS) and the Space Surveillance and Tracking System (SSTS) programs are terminated in the amendment. These satellite programs were ongoing well before the President announced the SDI, and they will be required even if we don't proceed with the development and deployment of strategic defenses.

Second, the BSTS Program is developing the follow-on to the Defense Support Program (DSP), our single most important sensor for identifying a Soviet nuclear attack against the United States. The DSP satellite is based largely on 1960's technology, it has limitations in the area of attack characterization, and its replacement—the BSTS—is a very high priority program.

Third, the SSTS Program is developing a satellite that can monitor objects in space, and thus identify potential threats to our critical space-based assets. By warning our key space-based assets of potential threats to them, this program will make an important contribution to enhancing their survivability.

Fourth, the amendment terminates the Airborne Optical Adjunct (AOA) Program. The AOA platform is being used to develop sophisticated discrimination capabilities to distinguish between warheads and decoys. The tactical system that could be derived from this technology program would be an important part of a terminal defense of the United States or NATO.

Fifth, the amendment terminates the Terminal Imaging Radar (TIR) Program. The TIR is a ground-based radar that will perform important discrimination functions during the last phases of an incoming warhead's flight. It, too, would be an important aspect of a terminal defense of the United States or NATO.

Sixth, the amendment also terminates the High Endoatmospheric Defense System (HEDS), and the Exoatmospheric Reentry-Vehicle Interceptor Subsystem (ERIS) programs. These programs are developing ground-based antiballistic missile (ABM) interceptors. Unlike our ABM interceptors in the past, these programs are designed to achieve a nonnuclear kill against attacking warheads.

Seventh, the ERIS and HEDS interceptor programs, and the TIR and AOA discrimination projects, constitute a major portion of the U.S. hedge against Soviet breakout or "creep-out" of the 1972 ABM Treaty. In view of Soviet violations of that treaty, and activities which suggest that they may be preparing an ABM defense of their national territory, termination of these programs would be extremely ill-advised.

Eighth, this amendment would reduce funding for Battle Management and C activities by 60 percent, and it would significantly reduce funding for survivability and lethality activities. These are areas where both supporters and critics of the SDI agree that additional work needs to be done.

Mr. KENNEDY. Mr. President, I am pleased to join with Senator Kerry in offering this amendment to limit funding for the strategic defense initiative to the current level of funding—$1.4 billion. I will not repeat at length the many compelling arguments offered by my colleague from Massachusetts. But I do want to take this opportunity to stress a few key points.

First, I support appropriate research in the area of key strategic technologies, not only as a hedge against possible Soviet breakout from the ABM Treaty, but also because I believe that many of the technologies will make an important contribution to our national security in areas outside strategic defense—including arms control verification, early warning, and more effective conventional systems. The amendment offered by my colleague would actually increase basic research components by 23 percent, by transferring funds away from costly, public relations demonstrations which threatens the ABM Treaty, into more valuable, treaty compliant research. It is precisely in these areas that we need to maintain our edge over the Soviets, and this amendment will allow us to pursue our advantages.

Second, this amendment will pull the United States back from the brink of violating the ABM Treaty, violations which would threaten to undermine the already precarious state of mutual deterrence and inaugurate a virulent new arms race—in both defensive systems and the offensive systems that each side would build to overcome the other's defense. No serious study has suggested that the President's hope for an impenetrable shield against nuclear missiles is even remotely achievable in the foreseeable future. Given this stark fact, beginning to deploy defense systems will not create incentives to reduce offensive weapons—on the contrary, each side will increase its weapons of mass destruction to assure that its adversary cannot obtain a first strike advantage. Thus deployment of partial ABM systems could sound a death knell for our universal hope for a reduction and ultimately elimination of nuclear arms.

Third, there is serious question whether the SDI Program can spend these funds effectively. Two former Secretaries of Defense, James Schlesinger and Harold Brown have expressed extreme skepticism that any R&D program could absorb 100 percent plus increases. In this case, the actual pattern of spending by SDIO reinforces this concern. After fully one-half of the fiscal year, SDIO has spent less than 9 percent of the funds appropriated—less than half the typical rate of expenditures for defense research. Much of the funding is still going into basic attempts to define concepts—the horse race approach—yet billions of dollars are being allocated in advance of defining where we are going. Under the circumstances prudent control of Government expenditures suggest that we exercise caution.

Fourth, it is critically important that we pay heed to the impact of SDI on our other research efforts—both military and nonmilitary. Tens of thousands of scientists will be diverted from other activities. A significant percentage of all new research dollars will go to SDI. Research funds are not unlimited and capable scientists and engineers are in short supply. We must keep in mind the cost in opportunities foregone—to strengthen our conventional forces, to achieve biomedical breakthroughs or to keep U.S. Industry competitive—when we divert such a significant share of our research budget to this single effort.

Finally, a word about compliance. I am deeply troubled by Soviet compliance with the ABM and other treaties, and have consistently indicated my concern about the phased array radar at Krasnoyarsk. But if we are seriously concerned about Soviet compliance, we are unlikely to persuade them to stay within the limits when we are all but announcing that we intend to abrogate the treaty when we are ready to. We constantly accuse the Soviets of readying themselves for breakout while talking about the need to preserve the treaty, yet when looked at from the other side, our own activities appear to be designed to provide for our own massive breakout. I believe we should be tough on the need for the Soviets to comply fully with arms control regimes. We must make clear to them that further progress on arms control is critically dependent on their willingness to resolve problems of compliance with exisitng treaties. But at the same time, it is counterproductive for the United States itself to undermine those critical treaties that most agree contribute to our own security.

Mr. President, the balance of terror that is deterrence is not a happy state in which to live. But it has prevented nuclear war for nearly 40 years. The ABM Treaty is an integral part of that fragile stability. We should not stand by and cavalierly abandon its proven principals in favor of an unknown and technologically incredible magic bullet. This amendment represents a calm, thoughtful, and responsible approach to SDI approach and I urge my colleagues to support it.

Mr. D'AMATO. Mr. President, in March 1983, President Reagan introduced the Strategic Defense Initiative [SDI] as a comprehensive new research program with a goal of the eventual elimination of the threat to this country posed by nuclear armed ballistic missiles. SDI was started as, and continues to be, an intensive research program focused on advanced defensive technologies with the aim of lessening the probability of nuclear war.

SDI will not deploy a weapons system. Rather, it will provide strategic and early warning options for our Nation and our allies. The question of whether to proceed to deployment of an actual ballistic missiles defense system will not arise for several years until after SDI research provides programmatic options for effective defenses that are both achievable and affordable. This research effort will allow a future President and a future Congress to decide whether to go ahead with such a defensive system.

Our adversaries have not been idle in this area of research. The Soviet Union's research and development efforts in strategic defensive systems became public when George Keegan, in March 1977, published his article "Aviation and Space Technology." At that time, it became evident that Soviet programs for the development and application of technologies to strategic defense were well underway.

According to the 1985 edition of Soviet Military Power, the Soviet Union's High-Energy Laser Program, which dates from the 1960's, is much larger than the U.S. effort. They have built at least 6 R&D facilities and test ranges, and employ over 10,000 scientists and engineers associated with laser development. Recently, the Soviets progressed beyond technology research; some sources even report the development of prototype laser weapons. Since the early 1970's, they have had a research program to explore the feasibility of a particle beam weapon in space.

The Soviet Union also maintains active programs on more conventional approaches to their defensive strategy. These including upgrading the antiballistic missile system now in place around Moscow and advanced research and development on a new rapidly deployable antiballistic missile system.

Soviet programs for the development and application of directed-energy technologies to strategic defense have been vigorous in the past. They will continue to be so in the future, regardless of what the United States does about new strategic defense initiatives.

The SDI Program is a prudent response to a very active Soviet Research and Development Program. The U.S. pursuit of the SDI does not, and will not, violate our treaty obligations. The ABM Treaty permits the kind of research envisioned under SDI.

Our preliminary space research in the early 1960's led not only to man's first steps on the Moon in 1969, but also to hundreds of new technological developments. From this technological data base evolved many new advancements in computers for business, weather and crop forecasts for agriculture, and satellite TV and communications which bring the world into our living room. So also SDI will provide new technological discoveries which will greatly increase our industrial productivity and enhance our standard of living.

Today, our support for the President's Strategic Defensive Initiative and the full $3.42 billion funding request recommended by the Armed Services Committee is most essential if SDI is to move forward. There is much work to be done and the future safety and security of our Nation depends on our moving forward today.

This Nation needs the Strategic Defense Initiative. Research and development must continue as planned. We cannot afford to fall behind.

Some of my colleagues may recall the concern in this country back in 1957 when we witnessed the first Russian sputniks passing overhead. We had no space program. It took us many years to catch up. We may not have that catchup opportunity again.

Mr. GOLDWATER. Mr. President, I yield 2½ minutes to my friend from Virginia.

Mr. WARNER. Mr. President, I thank the chairman.

Mr. President, I congratulate my distinguished colleague from Nebraska. I was with him in Geneva. I think that he would regard our trip as having clearly left an impression with all those Senators who were present there for 2 days with our negotiators and with their immediate level of technical advisers, and that impression carried back with us was to support this program at a level which will enable the negotiators to go forward.

In talking today with others at the Arms Control Agency, this subject is being discussed at Geneva and our Ambassadors assured us of that fact.

Mr. President, I regret to inform my distinguished colleague from Massachusetts that in my judgment this amendment would simply gut the SDI Program. It would leave it in a shape that would question whether we should go forward with it in any way.

Second, his arguments today, in my judgment, were riddled with technical

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errors. Let me just bring one to your attention. For example, the BSTS is the follow-on to the Defense Support Program, which is one of our most important satellite sensors for providing warning of a Soviet ballistic missile attack. The BSTS has been under development for many years and well before the President's March 23 speech. If the BSTS raises the concerns of the Senator from Massachusetts about the future U.S. compliance with the ABM Treaty, then I would like to ask the Senator, is he not concerned with the defense support program which has been in space for a decade and performing a very vital mission; namely, that of giving us the early warning of a Soviet missile attack?

It is that type of technical error that I regret to find throughout the comments of today and yesterday given in support of this amendment.

Mr. KERRY. Mr. President, will the Senator yield?

Mr. WARNER. The Senator from Nebraska—I will yield—correctly stated that the Soviets returned to the negotiating table primarily as the result of the enhanced SDI Program and ballistic missile defense work, and at this time to gut the program would be simply to jerk the chairs from beneath our negotiators and, indeed, the Soviets could pack up and go home having won their victory over SDI.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I would answer the very distinguished Senator from Virginia by saying, first of all, indeed, I am concerned about our other satellite abilities. In fact, I think we are moving into a new era in satellite testing where the sanctity of our command and control systems may indeed also be threatened.

But I would point out to the Senator, when he says that this program will be gutted, that is really the kind of misappropriation of what in fact the real effect will be that sends a pall over people and gives them a sense that somehow they would in fact be gutting the program when they are not.

The current funding level of this program is such that the obligations are running higher than any other program within the Defense Department, but the spending is running lower than any other program within the Defense Department.

Obligations versus spending. As of March of this year—this is not obligated, this is spent—only 8.7 percent of the program funds had been spent.

Now, it seems to me that our judgment is not to worry about whether we gut one or two portions of these experiments, if those experiments have a more negative impact of gutting the ABM Treaty. The larger issue is, Should we be spending the money for them in the first place?

Now, that is what we ought to be voting for. I think a 23-percent increase to almost every aspect of this program is more than a generous increase when every other area of the Defense Department and every other area of Government has been either gutted or significantly cut. And so I think the judgment we ought to be making is the overall impact.

Now, I should like to ask the Senator from Virginia, because I asked this question of Mr. Nitze before the Foreign Relations Committee and Mr. Kampelman, and they did not say it was and have not to this day—is the potential future deployment currently on the table and being negotiated against a reduction of current land forces and ICBM forces?

Mr. WARNER. Mr. President, in response to a question posed by the senatorial delegation just a few days ago in Geneva in two sessions, the answer was that the subject has been discussed. Now, the time as to when a formal proposal will be made should be left to the administration. The administration is keenly aware of the fact that this was the issue that brought the Soviets back to the negotiating table.

Mr. KERRY. Mr. President, there is a lot of debate, obviously, and we could go on forever about what brought the Soviets back to the table. It seems clear to me that there was much impetus for doing so. But let me say with respect to the spending issue, there is nothing in this amendment that would gut the SDI Research Program, nothing whatsoever.

I spoke with the President of MIT the other day, who said,

> You ought to see them. They are buzzing around MIT like vultures trying to find professors who want to do some SDI research so they can say, "Wow, we have an MIT professor doing SDI research."

This from the president of the university.

We will know what happens then. We obligate contracts without knowing for what the heck they are spending the money. We are going to spend money for these things for many years and build momentum, with everybody having a piece of the pie. And finally, when it comes time to make the considered judgment of whether or not this is really what we want to do, everybody is going to stand here and say, "We can't pull back now. We can't do this now. Look what the Soviet Union is doing now." It will be too late. It is exactly that kind of decision by default that I think we ought to be considering.

My distinguished colleague answered my question as I thought he would. They have not yet put the issue on the table. As long as SDI is not on the table, you cannot have an agreement in Geneva because the Soviet Union would be mindless, mindless to begin to agree to reduce their land-based missiles, which are 70 percent of their force, while we are building a defensive system that totally renders that force useless. They are not going to do it. We know they are not going to do it. Until they do, arms control talks are not real.

So, Mr. President, that is part of what we are voting on today, whether or not we are going to make arms control talks real and whether or not we are going to control spending.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. GOLDWATER. Mr. President, I yield back the remainder of my time.

Mr. LEVIN. Mr. President, I wonder if my friend from Arizona will yield me the 30 seconds they may have left for a question for my friend from Virginia.

Mr. GOLDWATER. I am all out of time.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. GOLDWATER. Does the Senator from Massachusetts yield back his time?

Mr. LEVIN. Mr. President, if there is any time to yield, I wonder if someone——

The PRESIDING OFFICER. There is no time. All time has expired, unless the Senator seeks unanimous consent.

Mr. LEVIN. I thank the Chair. I ask unanimous consent that I be allowed 1 minute to ask my friend from Virginia a question.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WARNER. Mr. President, I assume I will have a minute to reply.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. We now have 2 minutes equally divided.

Mr. LEVIN. Mr. President, I am one willing to vote for money for research, indeed, billions for research, but not one penny to test or deploy or develop an ABM system, or a component in violation of the ABM Treaty. I have listened to the description of my friend from Massachusetts in terms of how he believes the money in this bill would violate the treaty. I want to ask my friend from Virginia this question: Is he stating that there is not any money in this bill as it came from committee to test, develop, or deploy a system or a component in violation of the treaty? Is he making that representation to the Senate?

Mr. WARNER. The testimony that we took in the Armed Services Committee and the Strategic Subcommittee—and I am certain the Senator from Massachusetts availed himself of

that—does not support any other conclusion but that the present program of SDI is in full compliance with each and every term of the ABM Treaty.

Mr. LEVIN. Does my friend from Virginia oppose any expenditure of money at this time to test or develop or to deploy an ABM system or component in violation of that treaty?

Mr. WARNER. The Senator from Virginia, at whatever time may be appropriate, will express his opinion that the ABM Treaty should be kept intact at this time and supported.

Mr. LEVIN. So that the Senator would oppose any such expenditure?

Mr. WARNER. I would have to examine those expenditures, but in a general response I support the ABM Treaty.

Mr. LEVIN. I thank the Chair.

Mr. GOLDWATER. I repeat, I yield back whatever time I have remaining.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 21, nays 78, as follows:

[Rollcall Vote No. 99 Leg.]

YEAS—21

Bumpers
Burdick
Cranston
Eagleton
Harkin
Hart
Hatfield
Inouye
Kennedy
Kerry
Leahy
Matsunaga
Melcher
Metzenbaum
Pell
Proxmire
Pryor
Riegle
Sarbanes
Simon
Weicker

NAYS—78

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Byrd
Chafee
Chiles
Cochran
Cohen
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Garn
Glenn
Goldwater
Gore
Gorton
Gramm
Grassley
Hatch
Hawkins
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Johnston
Kassebaum
Kasten
Lautenberg
Laxalt
Levin
Long
Lugar
Mathias
Mattingly
McClure
McConnell
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pressler
Quayle
Rockefeller
Roth
Rudman
Sasser
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Zorinsky

NOT VOTING—1

East

So the amendment (No. 252) was rejected.

Mr. WARNER. I move to reconsider the vote by which the amendment was rejected.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

AMENDMENT NO. 198

(Purpose: To reduce funds authorized for the Strategic Defense Initiative and increase funds for certain programs by an amount equal to the reduction.)

The PRESIDING OFFICER. Under the previous order, following the disposition of the Kerry amendment, the Senator from Wisconsin [Mr. Proxmire] is recognized to offer amendment No. 198.

Mr. PROXMIRE. Mr. President, I ask unamimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. BYRD. Mr. President, the Chair has not obtained order in the Senate.

The PRESIDING OFFICER. Thank you for assisting the Chair.

Mr. BYRD. The Chair is required to do that. I thank the Chair.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. Proxmire], for himself and Mr. Bumpers, Mr. Chafee, Mr. Mathias, Mr. Leahy, Mr. Simon, Mr. Levin, Mr. Matsunaga, Mr. Riegle, Mr. Kennedy, and Mr. Kerry, proposes an amendment numbered 198.

Mr. WARNER. I move to reconsider the vote by which the amendment was rejected.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following new title:

TITLE X—STRATEGIC DEFENSE INITIATIVE AUTHORIZATION

SEC. 1001. This title may be cited as the "Alternate Strategic Defense Initiative Authorization Act for Fiscal Year 1986".

EXCLUSIVE AUTHORIZATION OF FUNDS FOR STRATEGIC DEFENSE INITIATIVE PROGRAMS AND ADVANCED STRATEGIC MISSILE SYSTEMS FOR FISCAL YEAR 1986

SEC. 1002. Funds authorized to be appropriated by this title for the Strategic Defense Initiative and for advanced strategic missile systems for fiscal year 1986 are in lieu of any authorization for the appropriation of funds for such purposes for such fiscal year contained in section 201.

AUTHORIZATION OF APPROPRIATIONS FOR STRATEGIC DEFENSE INITATIVE AND FOR THE ADVANCED STRATEGIC MISSILE SYSTEMS PROGRAM

SEC. 1003. (a) Funds are hereby authorized to be appropriated to the Defense Agencies for fiscal year 1986 in the total amount of $1,860,200,000 for research, development, test, and evalation in connection with the Strategic Defense Initiative as follows:

(1) For the Surveillance, Acquisition, and Tracking Program $683,500,000, of which amount not more than $49,400,000 may be expended for the Boost Surveillance and Tracking System Project, not more than $48,100,000 may be expended for the Space Surveillance and Tracking System Project, not more than $121,700,000 may be expended for the Optical Surveillance Project and not more than $6,200,000 may be expended for the Terminal Imaging Radar Demonstration Project.

(2) For the Directed Energy Weapons Program, $446,800,000, of which not more than $169,200,000 may be expended for the Space-Based Laser Concepts Project.

(3) For the Kinetic Energy Weapons Program, $305,000,000, of which not more than $28,700,000 may be expended for the Endo NNK Test Bed Project; not more than $13,200,000 may be expended for the Exo NNK Test Bed Project; not more than $3,600,000 may be expended for the Hypervelocity Launcher Development Project; not more than $31,200,000 may be expended for the Kinetic Kill Vehicle Project; and not more than $33,600,000 may be expended for the Terminal Technologies Intergration Project.

(4) For a new program, to be carried out under the Strategic Defense Initiative Organization and to be designated as the Hard Point Defense Technology Development Program, to continue research, development, test, and evaluation of conventional antiballistic missile systems for the defense of strategic military targets, $75,000,000. Research under such new program shall be coordinated with the present schedule of the ICBM survivability effort.

(5) For the Systems Concepts and Battle Management Program, $127,800,000.

(6) For a new program, to be carried out under the Strategic Defense Initiative Organization and to be designated as the Threat Analysis Program, to conduct research into Soviet countermeasures, analyze Soviet offensive responses, and evaluate the cost effectiveness of developing and deploying offensive nuclear systems to defeat defensive systems, $20,000,000.

(7) For the Survivability, Lethality, and Key Technologies Program, $192,900,000, of which $72,100,000 may be expended only for the System Survivability Project and $103,500,000 may be expended only for the Lethality and Target Hardening Project.

(8) For Management Headquarters of the Strategic Defense Initiative, $9,200,000.

(b) Funds are hereby authorized to be appropriated to the Air Force for fiscal year 1986 in the amount of $196,000,000 for research, development, test, and evaluation in connection with the Advanced Strategic Missile Systems Program.

(c) The limitations prescribed in section 202 shall be inapplicable to funds appropriated pursuant to this title.

THREAT ANALYSIS PROGRAM

SEC. 1004. (a) The Threat Analysis Program provided for in subsection (a)(6) of section 1003 shall be carried out as a part of the Air Force Advanced Strategic Missile Systems Program.

(b) The Secretary of the Air Force shall submit a report each year to the office of the Secretary of Defense, the Joint Chiefs of Staff, the Science Advisor to the President, the Strategic Defense Evaluation Panel (established under section 1005), and the Congress on the results of the research referred to in section 1003(a)(6). The Secretary shall submit a classified and unclassified version of each such report to the Congress.

STRATEGIC DEFENSE EVALUATION PANEL

SEC. 1005. (a) There is established an independent panel of experts to be known as the Strategic Defense Evaluation Panel (hereinafter in this section referred to as the "Panel").

(b) The Panel shall be composed of 8 members appointed as follows:

(1) Two members to be appointed by the Speaker of the House of Representatives.

(2) Two members to be appointed by the by the minority leader of the House of Representatives.

(3) Two members to be appointed by the President pro tempore of the Senate upon the recommendation of the majority leader of the Senate.

(4) Two members to be appointed by the President pro tempore of the Senate upon the recommendation of the minority leader of the Senate.

(c) No person may be appointed to the Panel who was employed at any time during the previous year by the Strategic Defense Initiative Organization or by an organization otherwise compensated under contract by the Strategic Defense Initiative Organization.

(d) Members of the Panel shall be appointed for a term of three years except that of the members first appointed to the Panel, two shall be appointed for a term of one year, three shall be appointed for a term of two years, and three shall be appointed for a term of three years, as determined by lot at the first organizational meeting of the Panel.

(e) It shall be the function of the Panel to evaluate defensive research and development activities of the Department of Defense, the technical and programmatic status of work within the Strategic Defense Initiative Organization, and the effect of the Strategic Defense Initiative on United States arms control goals and policies and United States compliance with existing arms control treaties.

(f) The Panel shall submit classified and unclassified reports to the Congress each year containing the results of its evaluations made pursuant to subsection (e) for the preceding year together with such recommendations for legislative and administrative action as it considers appropriate. The first such report shall be submitted not later than April 1, 1986.

(g) Panel members shall be subjected to appropriate clearance investigations and given access to all classified materials pertinent to evaluating the Strategic Defense Initiative.

(h) Expenses of the Panel, for such administrative and staff support as it may require, shall be paid out of funds made available for the Strategic Defense Initiative Organization.

REDESIGNATION OF PROJECTS FOR PURPOSES OF REPORTING

SEC. 1006. All Strategic Defense Initiative projects on which work is being carried out on the date of the enactment of this Act, which the Secretary of Defense estimates will cost a total of more than $200,000,000 to complete, and on which (before the date of the enactment of this Act) no Selected Acquisition Report was required to be submitted shall be designated as a major defense acquisition program for purposes of section 139a to title 10, United States Code.

REQUIREMENT FOR AN ANNUAL REPORT ON THE STRATEGIC DEFENSE INITIATIVE

SEC. 1007. (a) At the same time that the Secretary of Defense submits his annual budget presentation materials to the Congress for each fiscal year, beginning with fiscal year 1987 and ending with fiscal year 1991 (but in no event later than March 15 of the year in which the fiscal year begins), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on Foreign Affairs of the House of Representatives a report on the programs of the Department of Defense that constitute the Strategic Defense Initiative and on all other programs of the Department of Defense, if any, that relate to defense against strategic ballistic missiles.

(b) Each report required under subsection (a) shall be an update (in classified and unclassified form) of the 1985 report on the Strategic Defense Initiative submitted to the Congress pursuant to section 1102 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2582), and shall be of the same scope and in the same format as that report, including the information on the Strategic Defense Initiative required to be submitted to the Congress pursuant to House Report 98-1086.

STUDY BY THE DIRECTOR OF THE CONGRESSIONAL BUDGET OFFICE

SEC. 1008. (a) The Director of the Congressional Budget Office shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiative programs for fiscal years 1986 through 1991 will likely have on the research and development budget of the Department of Defense for each of such years and on the research and development budget for the entire Federal Government for each of such years.

(b) The Director shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

STUDY BY THE JOINT ECONOMIC COMMITTEE

SEC. 1009. (a) The Joint Economic Committee shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiative programs for fiscal years 1986 through 1991 will likely have on the research and development efforts by the civilian sector of the economy for such years.

(b) The Committee shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

CONGRESSIONAL COMMITMENT TO THE ABM TREATY

SEC. 1010. (a) The Congress reaffirms the commitment of the United States to the 1972 Treaty on the Limitation of Anti-Ballistic Missile Systems between the Soviet Union and the United States and strongly believes that special care should be exercised by the Department of Defense to ensure that all research and development programs conducted by the Department be conducted in a manner that fully complies with the treaty.

(b) The Congress calls on the Soviet Union and the President to take such action as may be necessary to reverse the erosion of the Anti-Ballistic Missile Treaty that has occurred over the last decade by using the procedures established in the treaty to clarify any ambiguities concerning permitted and prohibited activities with regard to research, testing, development, and demonstrations relating to strategic defense and space weapons.

On page 3, line 4, strike out "$2,408,300,000" and insert in lieu thereof "$3,040,800,000".

On page 3, line 5, strike out "$5,049,500,000" and insert in lieu thereof "$5,109,600,000".

On page 6, line 23, strike out "$11,344,600,000" and insert in lieu thereof "$11,384,600,000".

On page 10, line 3, strike out "$8,706,400,000" and insert in lieu thereof "$8,773,800,000".

On page 10, line 11, strike out "$100,000,000" and insert in lieu thereof "$144,000,000".

On page 10, line 12, strike out "$192,000,000" and insert in lieu thereof "$213,500,000".

On page 10, between lines 14 and 15, insert the following:

For the Air Force Reserve, $6,500,000.

On page 108, between lines 20 and 21, insert the following new section:

ADDITIONAL AUTHORITY TO CONSTRUCT AND IMPROVE FAMILY HOUSING

SEC. 2104. The Secretary of the Army may construct, acquire, or improve family housing units (including land acquisition), as such locations as he determines new units or improvements are most critically needed, in the amount of $120,000,000. Such amount is in addition to the amounts provided in sections 2102 and 2103. Improvements to existing military family housing units shall be subject to section 2825 of title 10, United States Code.

On page 121, between lines 18 and 19, insert the following new section:

ADDITIONAL AUTHORITY TO CONSTRUCT AND IMPROVE FAMILY HOUSING

SEC. 2125. The Secretary of the Navy may construct, acquire, or improve family housing units (including land acquisitions), at such locations as he determines new units or improvements are most critically needed, in the amount of $50,000,000. Such amount is in addition to the amounts provided in sections 2122 and 2123. Improvements to existing military family housing shall be subject to section 2825 of title 10, United States Code.

On page 121, line 21, strike out "Sec. 2125" and insert in lieu thereof "Sec. 2126".

On page 137, between lines 5 and 6, insert the following new section:

ADDITIONAL AUTHORITY TO CONSTRUCT AND IMPROVE FAMILY HOUSING

SEC. 2144. The Secretary of the Air Force may construct, acquire, or improve family housing units (including land acquisition), at such locations as he determines new units or improvements are most critically needed, in the amount of $70,000,000. Such amount is in addition to the amounts provided in sections 2142 and 2143. Improvements to existing military family housing shall be subject to section 2825 of title 10, United States Code.

On page 137, line 8, strike out "Sec. 2144" and insert in lieu thereof "Sec. 2145".

On page 138, line 9, strike out "$3,141,513,000" and insert in lieu thereof "$3,261,513,000".

On page 138, line 24, strike out "$288,080,000" and insert in lieu thereof "(including improvements under section 2104), $408,080,000".

On page 140, line 2, strike out "$2,323,403,000" and insert in lieu thereof "$2,373,403,000".

On page 140, line 20, strike out "$154,000,000" and inserting in lieu thereof "(including improvements under section 2125), $204,000,000".

On page 141, line 18, strike out "$2,624,041,000" and insert in lieu thereof "$2,694,041,000".

On page 142, line 13, strike out "$212,600,000" and insert in lieu thereof "(including improvements under section 2144), $282,600,000".

Mr. PROXMIRE. Mr. President, Senator BUMPERS, Senator CHAFEE, Senator MATHIAS, Senator LEAHY, Senator SIMON, Senator LEVIN, Senator MATSUNAGA, Senator RIEGLE, Senator KENNEDY, and I offer an amendment to provide $1.9 billion for a high-quality Strategic Defense Initiative for fiscal year 1986.

This amendment is not the product of any one Senator. It is the product of four Senators, who have devoted a tremendous amount of time and effort to the preparation of this amendment.

As a former Secretary of Navy, Senator CHAFEE has had vast experience in managing military programs. This experience was extremely important in drafting this comprehensive measure, which seeks to implement some commonsense congressional management of the star wars program.

My good friend from Maryland, Senator MATHIAS, is one of the leading experts in the Senate on NATO and European affairs. As such, he possesses an indepth knowledge and insight on the impact United States-Soviet strategic defenses would have on our military and political alliances in Europe. And that impact would be tremendous indeed.

Finally, I want to thank my colleague from Arkansas, Senator BUMPERS, for the countless hours he and his fine staff put into the preparation of this amendment. One of the Senate's most knowledgeable arms control specialists, Senator BUMPERS has worked long and tirelessly and has become this Chamber's most eloquent spokesman for curtailing the nuclear arms race through adherence to the SALT accords.

The Armed Services Committee set funding for SDI at $2.97 billion. Our amendment, at $1.9 billion, would result in about a $1.1 billion saving.

Under our amendment, Mr. President, that $1.1 billion would be transferred to critical military readiness accounts such as ammunition, spare parts, trucks, military housing, and weapons systems for the Guard and Reserve.

These are not glamorous programs that receive the transferred money Mr. President—certainly not as flashy as the star wars projects. But they are programs that affect our immediate military readiness.

This amendment is the product of literally hundreds of hours of intensive research into the Strategic Defense Initiative by our four offices.

Our investigation and research of the Strategic Defense Initiative began as far back as last December and involved countless briefings by the top experts in ballistic missile defense.

For example, our offices brought in all five of SDI's program managers—its senior scientists—for indepth briefings on what exactly the administration was doing with this initiative.

We called in scientists from this country's top weapons labs involved in SDI research—Los Alamos, Lawrence Livermore, and Sandia National Laboratories—to give us the latest update on star wars technology.

We also consulted with numerous outside scientists and military experts to get their independent assessments of star wars.

We received extensive briefings from the Defense Intelligence Agency on the Soviet threat, particularly in space.

The $1.9 billion funding level we set for SDI in fiscal year 1986 came as a result of a close examination of SDI goals and what it could prudently spend next year to pursue those goals.

Many distinguished scientists and military experts in this country have concluded that about $2 billion is all SDI can reasonably spend in fiscal year 1986.

For example, Dr. James Schlesinger, who was Secretary of Defense under Presidents Nixon and Ford, testified before the Armed Services Committee that a 30- to 35-percent increase in the SDI budget for fiscal year 1986 was about all the program could handle in 1 year.

I ask unanimous consent to have printed in the RECORD letters we have received from three other former Defense Secretaries—Robert S. McNamara, Clark M. Clifford, and Elliot Richardson—who have endorsed our measure and a funding level for SDI in the neighborhood of $1.9 billion.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, DC,
May 10, 1985.

HON. WILLIAM PROXMIRE,
U.S. Senate,
Washington, DC.

DEAR BILL: A vigorous but prudent program of research in ballistic missile defense is very much in the security interest of the United States. Therefore, I believe that the nation would be best served by a fiscal year 1985 funding level for such research in the neighborhood of $1.9 billion.

It is particularly important that all such research be carried out in a manner fully consistent with the ABM Treaty. To ignore such treaty restraints would encourage Soviet disregard for it on a scale that would dwarf our current concerns about their compliance. This would seriously damage U.S. and allied security. In view of the large spending increases planned for the Strategic Defense Initiative and its security implication, it is especially important that Congress fulfill its responsibilities in monitoring this program.

Accordingly, I endorse measures like those contained in S. 879 which seek to achieve these objectives.

Sincerely,

ROBERT S. MCNAMARA.

CLIFFORD & WARNKE,
ATTORNEYS AND COUNSELLORS AT LAW,
Washington, DC, May 14, 1985.

Hon. DALE BUMPERS,
U.S. Senate,
Washington, DC.

DEAR SENATOR BUMPERS: A prudent program of research in ballistic missile defense is very much in the security interest of the United States. Therefore, I believe that the nation would be best served by a fiscal year 1986 funding level for such research not to exceed $1.9 billion.

It is preeminently important that all such research be carried out in a manner fully consistent with the ABM Treaty. To ignore such treaty restraints would encourage Soviet disregard for it on a scale that would dwarf our current concerns about their compliance. This would seriously damage the United States and allied security. In view of the large spending increases planned for the Strategic Defense Initiative and its security implications, it is especially important that Congress fulfill its responsibilities in monitoring this program.

Accordingly, I endorse measures like those contained in S. 879 which seek to achieve these objectives.

Sincerely yours,

CLARK M. CLIFFORD.

MILBANK, TWEED, HADLEY & MCCLOY,
Washington, DC, May 31, 1985.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, DC.

DEAR BILL: A vigorous but prudent program of research in ballistic missile defense is very much in the security interest of the United States. Therefore, I believe that the nation would be best served by a fiscal year 1986 funding level for such research in the neighborhood of $1.9 billion.

It is particularly important that all such research be carried out in a manner fully consistent with the ABM Treaty. To ignore such treaty restraints would encourage Soviet disregard for it on a scale that would dwarf our current concerns about their compliance. This would seriously damage U.S. and allied security. In view of the large spending increases planned for the Strategic Defense Initiative and its security implications, it is especially important that Congress fulfill its responsibilities in monitoring this program.

Accordingly, I endorse measures like those contained in S. 879 which seek to achieve these objectives.

With best regards,

Sincerely,

ELLIOTT L. RICHARDSON.

Mr. PROXMIRE. Mr. President, in my nearly 28 years in the Senate, this is the first time I have seen an amend-

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ment which has been supported by such a diversity of former Secretaries of Defense, people who are obviously expert, people who have dedicated much of their lives to a strong military force. I think that their testimony and their position should carry considerable weight with the Senate.

As they said in their letters to us, a vigorous but prudent program of research into ballistic missile defenses is very much in the national security interests of this country.

Under our amendment, Mr. President, every program in the administration's SDI budget would be allowed to increase.

In fact, some projects, which are critical to the SDI effort are allowed to increase even higher than 33 percent. These projects include the system survivability project, the lethality and hardening project, and the space logistic project.

In each of the other 20 basic and advanced technology projects in SDI, our amendment would allow a 30-percent increase in funding over fiscal year 1985.

Only in the technology demonstration projects—that is, the projects where SDI is rushing to demonstrate some piece of hardware—does our amendment slow the increase in funding. There is still an increase but it will be slowing.

And I repeat, all we are doing in these projects is slowing the increase to 4 percent. We are not zeroing out the project or cutting its budget. We are simply pacing these projects more so they do not get too far ahead on us.

And we are doing this for a very good reason.

President Reagan has insisted that the Strategic Defense Initiative is a long-term research project in its very early stages at this point and—this is President Reagan speaking—"Is not based on any single or preconceived notion of what an effective defense would look like." The President has stressed that he wants SDI to explore a "wide range of technologies," again his words.

Unfortunately, his SDI budget would end up doing exactly the opposite.

The SDI budget the President sent to Congress would have one-third of the $3.7 billion requested—more than $1 billion—going to technology demonstration projects. These are projects where an actual piece of hardware is tested in space or on the ground.

What is wrong with spending such a colossal amount of money on technology demonstrations at such an early stage of the SDI research?

Four things:

First, we may be pumping hundreds of millions of dollars into space demonstration projects that may not have any military value later when we learn more about other technologies.

The hundreds of millions of dollars the administration wants to pump into demonstrating space-based chemical lasers is a perfect example. This is one of our more mature technologies, so SDI is rushing to prove that it can get some type of laser station in the air. But a number of scientists—including star wars supporters like Dr. Edward Teller—have concluded that space-based chemical laser will not have much military utility.

Why?

Because we would have to deploy too many of these satellites in space to cover the Soviet targets at all times; because we would have to keep vast stores of equipment and chemicals in space to operate these systems, at a tremendous cost; and because these huge space systems would be extremely vulnerable to Soviet attack.

Second, the problem with rushing into demonstration projects is that they tend to freeze the technology being demonstrated before it is fully mature. All the research effort ends up going into getting the hardware into the air rather than developing further the technology. And that guarantees a less than full capability for your weapons system.

Third, technology demonstration projects tend to absorb money from other research projects, particularly when the demonstrations run into the inevitable cost overruns. This tends to eliminate the possibility of better solutions, particularly among research projects where the technology is not as mature.

And fourth, the technology demonstrations SDI plans seem headed toward violations of the ABM Treaty. And if they do not violate the ABM Treaty, they are likely to raise serious compliance questions.

Mr. President, one of the other goals of the SDI Program, in addition to exploring various technology options, is to be able to respond to the ongoing Soviet ABM effort.

While the Soviets, of course, lead us in deployed ABM systems, those systems are based on technology we had 10 to 20 years ago. Overall, the United States has a sizeable lead over the Soviets in ballistic missile defense technology.

We rejected that kind of technology that is deployed. We did so because we were convinced that it would not work, it would not do the job.

Inspite of the fact that we are ahead of the Soviet Union clearly in technology, I think we all agree that we should maintain a vigorous research program in ballistic missile defenses—if for no other reason than to serve as a hedge against a Soviet technological surprise or against a Soviet breakout of the ABM Treaty.

Unfortunately, the SDI Program as it is now structured has seriously downgraded research into conventional ABM systems and in its place is pursuing research into far-out technologies.

What has been downgraded has been research that offers the most immediate hedge to a near-term Soviet breakout of the ABM Treaty.

The Armed Services Committee realized this and in its report on the fiscal year 1986 DOD authorization recommended that "a higher priority should be assigned to research on near-term deployment options in support of our deterrent capability." That was the Senate Armed Services Committee position.

Our amendment, Mr. President, therefore, would redirect some funds to continue R&D into conventional ABM systems.

More importantly, our amendment would double the budget of the Advanced Strategic Missile Systems Program. This is the Air Force Penetration Aids Program. In the event of a Soviet breakout from the ABM Treaty the penaids technology would likely be our most immediate and our most effective hedge to ensure that our offensive nuclear forces got through any Soviet missile defense.

Perhaps the most critical questions SDI must answer, Mr. President, were the two posed by the administration's chief arms control adviser, Ambassador Paul Nitze.

In a February 20 speech, which the State Department has circulated widely now as a policy statement of this administration, Ambassador Nitze said that before a star wars system is deployed it must meet two important conditions:

First, the system must be survivable in the face of Soviet countermeasures and an increased offensive threat.

And second, the system must be cost effective at the margin.

Unfortunately, the SDI Program, as it is presently structured, has no formal mechanism to adequately address these two important questions.

We believe that at a minimum, 1 percent of every annual SDI budget should be devoted to a program that would research these two important questions that Ambassador Nitze has raised.

Therefore, our amendment would establish a Threat Analysis Program in SDI funded at $20 million for fiscal year 1986. This program would investigate possible Soviet countermeasures to a star wars system. It would analyze Soviet offensive responses to a U.S. defense system. And it would evaluate the cost effectiveness of offensive nuclear forces for defeating a defensive system.

Mr. President, if we are going to meet the standard proposed by Mr. Nitze we have to have the data, and there is no evidence that we are going to get that data unless we have this kind of a program.

This program would serve as a red team to SDI and would submit an annual report to the Pentagon, the President, and Congress on its research.

Mr. President, this morning I appeared on the Columbia Broadcasting System news with General Abrahamson to discuss this matter, and General Abrahamson's position was that the red team that I want to set up and we want to set up in this amendment is unnecessary. He said SDI already has a red team that is analyzing the Soviet threat.

I disagree, and I want to explain why I disagree, because I have great admiration and respect for General Abrahamson. He is an extraordinarily able man and is doing an excellent job.

The reason I disagree is that the threat analysis research the SDI is conducting is not buried deep within the program. In fact, you have to look hard to find it.

Within SDI there is the Systems and Battle Management Program. Within that program there is a systems architecture project. Within that project, there is a task devoted to threat analysis.

Just think of it. The ability of the star wars system to survive in the face of a Soviet threat is one of the two most important hurdles of SDI, according to Ambassador Paul Nitze, and you have to practically use a microscope to find where they are doing threat analysis research in the star wars program.

To put in prespective the attention that that threat analysis now is receiving in this program, just take a look at the unclassified 1985 report to Congress on the Strategic Defense Initiative made by the Department of Defense. In that 104-page report only one short paragraph is devoted to the threat task. That is buried within this system's architecture project.

What our amendment does is to make the red team the real McCoy. We would double the funding for threat analysis. We would make it a separate program. The program would be under SDI. It would be run by the Air Force Penetration Aids Program, since they are the experts in countermeasures to overcome a ballistic missile defense, and we would require the threat analysis program to report to the Pentagon, the White House, and the Congress on its research. This way we would have a real red team to study this all-important question.

We believe at least 1 percent of the SDI budget should go through threat analysis. That is why we funded it at $20 million in our amendment.

Mr. President, our amendment contains several other important provisions.

It requires that major research projects be designated programs to provide for better congressional oversight of them.

It requires the Secretary of Defense to submit the same reports on SDI for the fiscal 1987 budget as he did for the fiscal 1986 budget.

It reaffirms the U.S. commitment to the ABM Treaty, calls on the United States and U.S.S.R. to reverse the erosion that has occurred in the treaty, and urges that SDI's research be fully compliant with the treaty.

It requires a study by the Congressional Budget Office and the Joint Economic Committee on the impact of SDI research on military and civilian R&D efforts.

These studies, incidentially, would be critically important. SDI officials have estimated that the fiscal year 1986 budget alone would require the hiring of tens of thousands of extra scientists and engineers.

The obvious question is, Where will all these scientists and engineers come from? What other valuable research in military and civilian R&D projects will be shortchanged as a result of this massive drain on our pool of scientists and engineers?

Unfortunately, we think, Mr. President, in this body consistently about the money that these programs cost, and we should, but we ignore the real resources and assets behind that money. One of our most precious and vital assets in short supply, of course, are our expert scientists and engineers.

And finally, this amendment would set up a very important review panel.

President Reagan has said that the SDI Research Program was established to "provide to a future President and a future Congress the technical knowledge necessary to support a decision in the early 1990's on whether to develop and deploy such advanced defensive systems."

So not only does the President have to make the decision whether to deploy, so does the Congress.

Therefore, in order for the Congress to make this critically important decision, it will need the objective analysis and evaluation of this country's top scientists and experts in defense and arms control.

Our amendment would establish an independent and congressionally appointed panel of experts who would review the SDI technology and report to Congress annually on its progress and its implications for U.S. national security policy.

Let me emphasize that this panel would not be running the SDI Program. It would just be reviewing and evaluating the program.

As I have said, Mr. President, the $1.1 billion in savings from the SDI budget would be transferred to military readiness accounts that need that money now.

Our ammunition reserves have been chronically underfunded. This is not my view but rather the assessment of the Armed Services Committee. Our amendment would add $552.1 million for Army war reserve ammunition and $110.4 million for Army training ammunition.

The Army also has been short of 5- and 10-ton trucks to get ammunition and equipment to the field. Our amendment would add back $60 million to buy these trucks. I would also add back $40 million that was cut by the committee for Navy aircraft spare parts.

To compensate for earlier DOD cuts, the Air Force would receive $67 million for CBU-87, combined effect munitions.

We all realize that this Nation's Guard and Reserve units, which are so important to our conventional defense posture, suffer from severe equipment shortages. Under our amendment, the Guard and Reserve would receive $72 million for 33 millimeter gun pods, Sidewinder missile procurement and modification, improved TOW vehicle trainers, and fire support team vehicles.

These items will not produce the flashy headlines that laser battle stations or particle beam weapons do. But they would make our guardsmen and reservists better prepared to deal with the kind of conflicts we would likely face in the immediate future.

My good friend and colleague from California, Senator WILSON, recently held a hearing at Fort Ord, near Monterey, during which he learned that 2,500 military families there are on year-long waiting lists for housing on post. He also found that 1,000 more military families are living in substandard rentals. He found many military families are sharing single-family rentals with other families.

He also found that other military families are living in tents and campers with few showers and flush toilets.

Tents and campers, Mr. President!

I say this Congress has no business putting gold-plated hardware in space as long as we cannot put our military personnel—the people who are laying their lives on the line for this country—in decent housing.

Our amendment, therefore, would add $240 million to build new housing and rehabilitate old units.

Let me end Mr. President by saying that this Senator takes a back seat to no one in favoring a strong defense for this Nation. A defense second to none.

But we should have a defense that works.

We should have a defense that we can afford.

And we should have a defense that meets our real national security interests.

Whether star wars does all this, time will tell.

Many Members—myself included—think it will not. Others think it will.

But regardless of which way a Member comes out on star wars at the moment, the research we are conducting into this idea should make some sense.

It should be vigorous, but prudent research.

It should be research that addresses our national security interests.

And it should be research that still allows us to meet our immediate military readiness needs.

Our amendment does this, Mr. President. I therefore strongly urge its adoption.

I ask unanimous consent that a section-by-section analysis of our amendment be printed in the Record, as well as a table showing how the SDI programs and projects would be funded under our amendment.

I also ask unanimous consent that a New York Times column on star wars by Dr. Sidney Drell, codirector of the Stanford University Center for International Security and Arms Control, and Ambassador Gerard Smith, chief negotiator for SALT I and the ABM Treaty, also be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Section-by-Section-Analysis

Sec. 1003(a) This sets the overall funding level for SDI in FY86 at $1.8602 billion, which is an increase of $463 million (33%) over the FY85 appropriation of $1.3972 billion. The Administration had requested $3.7223 billion for FY86, an increase of $2.3251 billion over FY85 (166%). The Alternate Strategic Defense Initiative (ASDI) would cut the Administration's request by $1.8621 billion.

Sec. 1003(a)(1) The Surveillance Program would be allowed to grow at an overall rate of 25% from $546 million in FY85 to $683.5 million in FY86. Because technology demonstrations are much too premature at this point in the strategic defense effort and can only do damage to attaining the goals of SDI, the funding increase for the two technology demonstration projects under the Surveillance Program—the Optical Surveillance Project and the Terminal Imaging Radar Project—would be held to 4%. Funding for the other nine technology research projects would increase by 30%.

Sec. 1003(a)(2) The Directed Energy Weapons Program would be allowed to grow at an overall rate of 19% from $376.3 million in FY85 to $446.8 million in FY86. Funding for the Ground-Based Laser Concepts, Space-Based Particle Beam Concepts and Nuclear Driven Concepts projects would be allowed to increase by 30%. A number of concerns, however, have been raised by SDI proponents and critics alike over the value of space-based chemical lasers in a defensive system because of (a) their vulnerability to attack, (b) the costly redundancy involved in maintaining laser satellites on station at all times, and (b) the vast amount of equipment and energy stores that would be placed at risk in space. Because the technology demonstration planned in the Space-Based Laser Concepts Project is premature and highly questionable at this point, funding for this program would hold to a 4% increase.

Sec. 1003(a)(3) The Kinetic Energy Weapons Program also would be allowed to grow at an overall rate of 19% from $256 in FY85 to $305 million in FY86. Funding for the five technology research projects (Projects 0001-0005) would be allowed to increase by 30%. Again, because the technology demonstration in Projects 0006-0011 are premature until SDI planners have a better idea of the basic technology requirements (particularly in terminal and midcourse defense), funding for these projects would be held to a 4% increase.

Sec. 1003(a)(4) It is important that one of the goals of SDI be to serve as a hedge against Soviet breakout of the ABM Treaty. Deploying penetration aids and other countermeasures could be the most immediate response to a Soviet defensive system. However, to protect ourselves against technological surprise by the Soviets, it is also important to continue R&D of conventional antiballistic missile systems, within the constraints of the ABM Treaty, which was conducted before the establishment of SDI. Unfortunately, SDI as it is now structured seriously downgrades R&D for conventional ABM systems. This section, therefore, would establish a new program within SDI, entitled Hard Point Defense Technology Development and funded at $75 million for FY86, which would continue RDT&E into conventional ABM systems for the defense of strategic military targets. The figure would grow over the next several years.

Sec. 1003(a)(5) The Systems Concepts and Battle Management Program would be allowed to grow at an overall rate of 30% from $99 million in FY85 to $127.8 million in FY86. This funding increase would be more than enough to accommodate the battle management research and systems analysis that needs to be conducted at this early stage of the SDI technology development.

Sec. 1003(a)(6) As the Fletcher Panel noted, SDI system survivability in the face of Soviet countermeasures is a critical hurdle for any defensive system. It is therefore important to begin a vigorous research program within SDI, which would investigate possible Soviet countermeasures, analyze Soviet offensive responses and evaluate the cost effectiveness of offensive nuclear forces for defeating defensive systems. At the very minimum, 1% of the SDI budget should be allocated to a program that would perform this all important research. This section, therefore, establishes a new program within SDI, titled Threat Analysis and funded at $20 million for FY86, which in effect would institutionalize a Red Team within SDI. Sec. 4.(a) further specifies that the Air Forces' Advanced Strategic Missile Systems Program, which specializes in countermeasures research, will serve as the executing agent for the Threat Analysis Program. In addition, an annual report on the Threat Analysis Program's research shall be submitted to the Office of the Secretary of Defense, the Joint Chiefs of Staff, the White House Science Adviser, the Congress, and the Strategic Defense Evaluation Panel, which would be established in Sec. 5(a).

Sec. 1003(a)(7) Because of the importance of projects within the Survivability Lethality and Key Technologies Program, overall funding would be allowed to increase by 72% from $112 million in FY85 to $192.9 million in FY86. One of the major obstacles facing SDI is the vulnerability of space-based components. Accordingly, funding for the System Survivability Project and the Lethality and Target Hardening Project would be allowed to increase per the Administration's request (99% and 63% respectively). The remaining funds would be distributed between the Space Power and Conversion Project and the Space Logistics Project.

Sec. 1003(a)(8) Funding for the new Management Headquarters Program would be allowed to increase at the Administration's request from $8 million to $9.2 million.

Sec. 1004(b) The Air Force's Advanced Strategic Missile Systems (ASMS) program conducts research into the improvement of U.S. ICBM systems, such as penetration aids and countermeasures to Soviet defensive systems. The work of ASMS, therefore, is critical as a hedge to a possible Soviet breakout of the ABM Treaty. The ASMS appropriation for FY85 was $98 million, and the Administration requested an increase to $173.9 million. The Alternate Strategic Defense Initiative would go even further, doubling the ASMS budget to $196 million.

Sec. 1005(a) As the President has stated, the SDI research program has been established to "provide to a future President and a future Congress the technical knowledge necessary to support a decision in the early 1990's on whether to develop and deploy such advanced defensive systems." In order for the Congress to make this important decision, it will need the objective analysis and evaluation of experts in defense, arms control and ballistic missile defense technology. This section therefore establishes a senior-level, congressionally appointed panel of experts to monitor and report to Congress annually on SDI technology and its implications for U.S. arms control policy.

Sec. 1006. Because SDI projects are becoming so large, it is important that the Congress have the means to properly oversee the work in this major research effort. This section requires that SDI projects, which the Secretary of Defense estimates will cost more than $200 million to complete, will be designated as programs. The $200 million threshold is same threshold used by the SAR.

Sec. 1007. This section is self-explanatory. It imposes generally the same reporting requirements called for in the FY85 Defense Authorization on SDI goals, program explanations, consultations with the allies, and impact on the ABM Treaty.

Sec. 1008. and Sec. 1009. These sections are self-explanatory. They would have the CBO study the impact of SDI research on the R&D budget within DoD and the entire federal budget, and report to Congress. The Joint Economic Committee also would be tasked with studying the impact of SDI research on the civilian sector of the economy and reporting to Congress on its findings.

Sec. 1010.a. This section also is self-explanatory. It reaffirms Congress' commitment to the 1972 ABM Treaty and urges that all SDI research be conducted in a manner that fully complies with the treaty.

Sec. 1010.b. Using language from Secretary of State George Shultz, this section calls on the U.S. and U.S.S.R. to "reverse" the erosion in the ABM Treaty and settle any compliance questions in the Standing Consultative Commission.

SDI ALTERNATE BUDGET

[Current year dollars, in millions]

		Fiscal year 1984 appropriation	Fiscal year 1985 appropriation	Fiscal year 1986 request	Fiscal year 1986 alternate budget	Plus percent over fiscal year 1985
	Total	$991.8	$1,397.2	$3,722.3	$1,860.2	33
63220C	Surveillance	366.5	546.0	1,386.3	683.5	25
0001	Radar discrimination technology	24.1	29.9	74.1	38.9	30
0002	Optical discrimination technology	50.5	133.7	198.7	173.8	30
0003	Imaging radar technology [SBR]	6.3	15.3	45.8	19.9	30
0004	Imaging laser technology [LIDAR]	5.6	28.3	127.0	36.8	30
0005	IR sensors and data technology	86.8	57.8	151.4	75.1	30
0006	Booster surv and track [BSTS]	28.3	38.0	131.1	49.4	30
0007	Space surveil and track [SSTS]	35.6	37.0	136.0	48.1	30
0008	Airborne optical system [AOS]	28.8	117.0	191.6	121.7	4
0009	Terminal imaging radar [TIR]	100.5	6.0	74.6	6.2	4
0010	Space-based imaging demo	.0	.0	5.8	5.8	
0011	Common technology and architecture	.0	83.0	250.2	107.8	30
63221C	Directed energy weapons	322.5	376.3	965.4	446.8	19
0001	Space-based laser system	167.0	162.7	371.9	169.2	4
0002	Ground-based laser systems	133.1	178.1	431.5	231.5	30
0003	Space-based particle beam	13.9	32.1	133.4	41.7	30
0004	Nuclear-directed energy	8.5	3.4	28.6	4.4	30
63222C	Kinetic energy weapons	195.8	256.0	860.0	305.0	19
0001	Endo nonnuclear kill technology	111.1	68.7	100.6	89.3	30
0002	Exo NNK technology	.1	49.1	109.7	63.8	30
0003	System engineering and analysis	2.4	4.0	11.8	5.2	30
0004	Hypervelocity launcher	6.6	19.1	68.7	24.7	30
0005	Novel concepts	2.3	9.0	29.5	11.7	30
0006	High-endo defense system [HEDS]	36.8	27.6	101.9	28.7	4
0007	Exo RV intercept system [ERIS]	24.2	12.7	120.7	13.2	4
0008	SLBM boostphase engagement	.1	.0	.0	.0	
0009	Space-based hyper-V launch	6.6	3.5	39.3	3.6	4
0010	Space-based NNK rocket	5.5	30.0	147.4	31.2	4
0011	Terminal system demo	.1	32.3	130.1	33.6	4
63225C	Hard point defense technology development				75.0	
63223C	Systems concepts and BMC3	83.0	99.0	243.3	127.8	30
3001	Battle management and C3	50.0	46.0	145.0	58.9	30
3002	SDI systems architecture	33.0	53.0	98.2	68.9	30
63226C	Threat analysis				20.0	
63224C	Support projects	24	112.0	258.1	192.9	72
0010	System survivability	9	36.2	72.1	72.1	99
0011	Lethality and hardening	11.3	63.3	103.5	103.5	63
0012	Space power and conversion	2.0	11.0	63.8	14.3	30
0013	Space logistics	1.0	1.5	18.7	3.0	100
65898C	SDIO management HQ	.5	8.0	9.2	9.2	15
63311F	Advanced strategic missile system		98.0	173.9	196.0	100

Keep a Firm Eye on "Star Wars"

(By Sidney D. Drell and Gerard C. Smith)

Washington.—A central component of the proposed defense budget for fiscal 1986, under consideration in Congress now, is a staggering 166 percent increase in funding for the Strategic Defense Initiative, or "Star Wars." This requested increase, to $3.7 billion, raises serious questions about the direction that Star Wars research will take and its impact on our national security.

Certainly, the country needs vigorous research into the technology of ballistic missile defense. That is the only way to hedge against Soviet technological advances or possible abrogation of the 1972 Anti-Ballistic Missile Treaty. But it is crucial that the research be conducted in full compliance with that treaty, in a manner that does not exploit its ambiguities or circumvent its restrictions. Otherwise, the ABM treaty—the single most important achievement to date in the superpowers' effort to reduce the risk of nuclear conflict—may be the first casualty of Star Wars.

The research should also examine a wide range of technologies, without directly or indirectly committing the United States to developing a system that could be ineffective or destabilizing, or both. The Star Wars program does exactly the opposite.

There is considerable evidence that premature "demonstrations," or tests, of new technology tend to distort research and compromise the search for better solutions. Overly accelerated programs can thus constrict rather than increase the range of technology options. Yet this is exactly the Administration's approach in this case. We are already developing and planning to test new types of hardware—such as airborne optical sensors—that raise serious questions about our compliance with the ABM treaty.

There are good reasons for the United States to continue research on the limited defense of "hardened" military targets: we have no other prospects for decreasing the vulnerability of our existing land-based Minuteman and MX missiles. But the 1986 Star Wars budget would in fact lessen the President's ability to undertake a defense of hardened military targets. The current research is focused on far-off technologies to be used in an invulnerable defense of the population—a much more ambitious and questionable project—while research into the more plausible ballistic missile defense technologies has been seriously downgraded.

Fortunately, more and more members of Congress, on both sides of the aisle, are beginning to question the program's accelerated funding and misplaced priorities. A bipartisan group of Senators has introduced legislation to increase the funding by 33 percent, to $1.9 billion in fiscal 1986—a substantial jump. But their "alternative budget" would also redirect the Star Wars program—away from premature tests of hardware and toward high-quality research within the limits of the ABM treaty.

We agree with the President's arms control adviser, Paul H. Nitze, that two important conditions must be met before defensive weapons are deployed: they must be judged "survivable" and cost-effective. Unfortunately, however, there is no mechanism to provide the President or Congress with an objective evaluation of how successfully the Star Wars program is meeting those criteria.

An independent panel of experts, appointed by and responsible to Congress, should monitor the technical progress of the research, keeping an eye on the Nitze criteria and advising the Government on the program's broader impact on our arms control and defense policy. It should include a "Red team" to keep careful track of the countermeasures being developed in the Soviet Union and challenge those in the Star Wars program to keep abreast of them. Finally, it should monitor whether or not the research is consistent with our obligations under the ABM Treaty.

Congress cannot afford to be merely a cheerleader. It cannot write the checks for the Star Wars program yet leave all the important decisions to the White House and the Strategic Defense Initiative Organization. Congress has a constitutional responsibility to control the purse strings and oversee the program.

Mr. PROXMIRE. Mr. President, before I yield the floor to my good friend from Maryland, let me say that I understand there are technical problems with the amendment. I ask unanimous consent that the amendment be in order. This does not change the substance of the amendment in any way, but it meets the problem involved because there have been changes in the bill which have been made since the amendment was originally drafted.

The PRESIDING OFFICER. Is there objection?

Mr. NUNN. Reserving the right to object, has the Senator from Virginia looked at this? I believe the Senator from Wisconsin is asking unanimous consent to make minor technical modifications in his amemdment. Is that what they are?

Mr. PROXMIRE. This is correct.

Mr. NUNN. Could the Senator restate that? I think the Senator from Virginia needs to give us his attention on this.

Mr. PROXMIRE. Mr. Presidnt, the amendment was originally drafted from the bill as it came from the committee, as I understand it. There have been changes in the bill since that time. Therefore, the amendment, as drafted technically does not go to the places in the original bill.

Mr. WARNER. Mr. President, as a courtesy to the Senator, this side would have no objection.

Mr. NUNN. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I very much thank the managers.

Mr. President, I yield the floor.

[Mr. WILSON assumed the chair.]

Mr. MATHIAS. Mr. President, this amendment, as the Senator from Wisconsin has explained, would reduce the strategic defense initiative [SDI] budget for fiscal year 1986 from $2.9 billion to $1.9 billion. It should be understood that the amendment would not reduce defense spending below the mark already established by the Senate Budget and Armed Services Committee, but would transfer the approximately $1 billion saved to sorely needed spare parts accounts, National Guard and Reserve units and servicewide housing programs.

All of us who support this amendment agree on several very important, general points: First, that robust research and development into conventional ballistic missile defenses must continue; second, that the SDI program must be crafted in such a way as to permit the most cost-effective allocation of resources for this essential goal, and third, that the SDI Program in its present configuration will not help in achieving this goal.

The $1.86 billion funding level that would be authorized by our amendment represents a 33-percent increase in SDI spending over last year. And that, Mr. President, represents a larger increase than for any other portion of the Department of Defense fiscal 1986 budget. It is, however, lower than the 170-percent increase in SDI funding that is sought by the Pentagon. Under our amendment, every program in the SDI account would still experience real growth.

Now, in addtion to establishing a lower funding level for SDI, our amendment would increase support for the most promising, near-term BMD technologies. It does this by creating a Hard Point Defense Technology Development Program to improve our knowledge of conventional ABM systems for the defense of strategic military targets—the best possible hedge against early Soviet breakout of the 1972 ABM Treaty.

The amendment also establishes a strategic defense evaluation panel composed of independent experts appointed by both Houses of Congress to conduct annual reviews of the SDI Program as it takes shape.

The challenge from President Reagan to the scientific community 2 years ago was to render strategic offensive nuclear weapons obsolete, to use the President's word, and that challenge has gradually come to rest in the offices of the strategic defense initiative organization. And as the SDI Program has come into a semblance of focus over these 2 years, one fact, at least, has emerged: Neither the United States nor the Soviet Union ever has contemplated or undertaken a military project of such overwhelming, and I might say, daunting proportions.

The SDI is daunting in all of its aspects. Its prospective ultimate cost—not to mention the enormous expenditures over the next 5 years—but the prospective ultimate costs are probably impossible to estimate. The more exact estimate you get from the so-called experts, the less accurate it probably will be. But as a rough attempt at an estimate, we have to look at the $2 trillion mark—$2 trillion. In addition to the dollar costs, there are at least four painstakingly crafted international and bilateral accords defining the kinds of military activities the superpowers may properly pursue in outer space, and all of them are endangered if the United States and the Soviet Union maintain their present courses.

Then there is the question of our allies and of their reaction to the strategic defense initiative. In my opinion, the United States has not yet adequately explained exactly how the safety net envisioned by the President will also protect our allies in Europe and elsewhere.

A national leader in one of the NATO nations told me recently that the presentation of star wars in Europe was a "disaster" for the United States and for NATO. And he further called it a "gift to Soviet propaganda." Those words of warning come from a proven friend of America. Dr. Colin S. Gray, no fan of the Soviet Union, and an ardent supporter of the Strategic Defense Initiative, asked the following question in his new book titled "Missiles Against War":

> If impenetrable (to ballistic missile and air breathing threats) astrodomes can be erected over superpower (and allied) homelands, has the world been made "safe" for nonnuclear war? In such a world, what would deter a Soviet attack against Europe?

That, Mr. President, is a question worth asking. Nor has the administration done enough in the way of demonstrating the type of technological role that our allies might be able to play in SDI development.

Indeed, that inadequacy is illustrated by the fact that France, Norway, and Denmark all have stated within the last 3 weeks that they do not intend to participate in the SDI project.

Reports recently submitted to the North Atlantic Assembly by legislators from the United States, Britain, Canada, and West Germany suggest that the strategic defense initiative could cause serious divisions in the Western alliance.

Another source of concern is the fascination the Pentagon seems to have for spending billions of dollars for the most idiosyncratic aspects of a strategic defense. I have in mind a number of the demonstration projects that are part of the fiscal 1986 SDI request. Not only do I doubt that such systems ever could provide the level of protection needed for effective strategic defense, but these more ambitious, futuristic projects syphon off funds from accounts where the money truly is needed. Our amendment would strictly limit growth in those accounts to prevent depleting more realistic near-term options of much needed research and development dollars.

Now, the entire question of SDI funding is intimately related to another issue with which we wrestle regularly: the issue of U.S. ICBM modernization. It is a relationship that bears intense scrutiny.

Earlier this year I supported the recommendations of the Scowcroft Commission for limited deployment of the MX missile. I did so largely out of the belief that the Scowcroft Commission fundings paved the way for a bipartisan national security policy that both the President and the Congress could embrace. The heart of the Commission's recommendations, as I understand it, was the eventual transition from heavy MIRV'ed ICBM's like the

MX or the SS-18 and the SS-19 to smaller, more stabilizing, single-warhead ICMB's. This approach makes sense to me if what we are trying to accomplish is making each U.S. ICBM a less appealing, less lucrative target. This could persuade the Soviet Union to be less reliant on its huge, land-based, MIRV'ed ICBM force. So in addition to addressing an American deficiency in hard target capability, the MX seemed worth supporting as the transitional system envisioned by the Scowcroft Commission.

Now, into this picture of a world populated by single warhead ICBM's of a world in which less lucrative individual targets supposedly create an incentive to reduce offensive strategic capabilities on both sides, where does the strategic defense initiative fit? The simple answer, Mr. President, is that the strategic defense initiative does not fit.

Yet, incredible as it may seem, the Congress and the Pentagon are marching quickstep down divergent paths: The SDI path, which encourages the Soviet Union to proliferate warheads, penetration aids, and decoys in the largest numbers possible as an inexpensive way of overwhelming incredibly costly U.S. defenses; and the other path recommended by the Scowcroft Commission, which presumably creates incentives for both the United States and the Soviet Union to de-MIRV, to deploy more survivable, stabilizing strategic missiles. Unless I am terribly wrong, it seems unwise for the United States to pursue two such contradictory and costly courses. For the small ICBM route is expensive also, but not nearly as expensive as the two-pronged offensive and defensive arms race that star wars encourages. Star wars is a torpedo, it is a torpedo aimed at sinking the Midgetman.

Now, I would hope that Senators here on the floor and Senators who are glued to their squawk boxes in their offices will think very long and hard about the philosophical conflict between the small ICBM—Midgetman—and the star wars programs.

There are innumerable other aspects of the SDI debate that merit our attention here today, but I am not expert enough to enumerate all of them. Now is the time to think about the strategic choices that confront us. We all know how, even with DOD programs that enjoy very little congressional support, perhaps especially with DOD programs that enjoy little congressional support, the contract and research awards are spread very carefully among virtually every industrialized congressional district in the country. Before we know it, political and industrial constituencies have been established, all with an understandable interest in perpetuating their particular programs. At that point, it is difficult to resist the political advantages of supporting even those programs that we know in our hearts should not continue.

We are not suggesting that star wars should be shut down altogether, that the light should be turned off and SDI should be terminated. As I said earlier, this amendment would actually permit 33-percent real growth in the SDI Program for fiscal year 1986. But we do urge that Congress exercise restraint with respect to the SDI purse strings and a lot more oversight with respect to the SDI's progress if the program is ever to address the true need of the American people for a credible defense that will carry them into the 21st century.

Again, I urge all Senators to support this amendment which is now before the Senate, and in so doing impose some prudent congressional restraint on a program that deserves a certain level of funding, but not the mind-boggling increase proposed by the Pentagon.

Mr. WARNER. Mr. President, before the distinguished Senator from Maryland completes his presentation, I wonder if I might ask a question.

The Senator has gained a reputation respected by all in the area of defense. I would like the Senator to place himself in the seat of the U.S. negotiating team in Geneva when it hears that the Senate of the United States stripped out another billion dollars plus, from this program which this amendment would do. This would occur at the very time it seemed, as witnessed by those in the overseeing capacity and those taking the initiative to go over there, that it is this program which induced, moreso than any other, the Soviets to return to the table; that it is this program which provides the key leverage. I ask the distinguished Senator from Maryland how he would explain to our negotiating team such a drastic reduction as envisioned by this amendment. This issue, which I think is most vital to the consideration of the program, has not been raised by one proponent of an amendment.

Mr. MATHIAS. The Senator poses a very valid question, and a question which should have been raised in the administration long before star wars took off. When we get these vast movements going, they are very difficult to control or to limit. That is one reason we should act before it is too late.

But let me pose to the Senator from Virginia a correlative question: What will happen to our negotiators in Geneva when the vibrations coming from Paris, from Copenhagen, from Oslo, from Bonn—yes, from Bonn—begin to indicate that the pressures which star wars is placing on the allied governments are destabilizing the political systems in the those countries?

That is a very real possibility. You do not have to talk to very many European officials to recognize the validity of that concern.

As I pointed out a minute ago, one of America's staunchest friends in Europe says the presentation of star wars is a "disaster" for the United States.

The question the Senator from Virginia raises is an appropriate question, a valid question, but there are counterbalancing questions that have to be asked as well.

Mr. WARNER. I would say in reply to my distinguished colleague from Maryland the words that I would suggest, and I hope our President will suggest, to those negotiators is to hang tough; that we do not intend to recede from our positions on star wars at this time when the very research which is being funded has not proven the viability of this program to the point where we could possibly go in and include in the negotiations the issue of future deployment and certain aspects of testing which border on the ABM Treaty.

So it would be my hope that we would hang tough. Otherwise, the Soviets would have succeeded in their foremost goal. That is to begin to drive a wedge between the United States and its allies in NATO.

Mr. CHAFEE. I wonder if the distinguished Senator from Virginia will yield for a question.

Mr. WARNER. I am happy to yield.

Mr. CHAFEE. What was the answer of the distinguished Senator from Virginia to the negotiators when the Armed Services Committee cut the appropriations request from $3.9 billion to $3.1 billion? Was that torpedoing the negotiators?

Mr. WARNER. May I reply?

Mr. CHAFEE. I wanted to make it clear.

Mr. WARNER. It is clear. The answer is that specific point was raised, initiated, by myself. I said it was on the motion by this Senator that the Armed Services reduced the President's request by $750 million, for the sole purpose that the budgetary constraints compel the strategic account to accept a portion of these cuts. The negotiators understood the problem that faced the Senate, and indeed, the whole Congress, in reaching the $50-billion goal, and the fact that the Department of Defense had certain programs, strategic included, which had to take a percentage cut.

Mr. MATHIAS. If the Senator will yield, I cannot help but observe that the Senator from Virginia believes it is not the cut, but the cutters. Well, we think we are just as good cutters as he is, and our $1 billion is just as good as his $1 billion.

Mr. CHAFEE. Somehow the Armed Services Committee cuts are a bigger slice. If the Senators here on the floor start wielding a scalpel, it then becomes dangerous to the negotiators. The question should be about how pregnant we should be here.

Mr. WARNER. I would suggest the Senator from Rhode Island restore the cut initiated by the Senator from Virginia.

I yield to the Senator from Wisconsin.

Mr. PROXMIRE. To say that we are receding in this program and reducing it by 33 percent, $750 million, I think is not fair. I think the message this sends to the Soviet Union is that we intend to proceed with high-quality research, high-quality research without wasting money on demonstration projects until we are prepared to do it. I think that is a clear, solid, convincing position which, as I say, is supported by a majority of our former Secretaries of Defense who have the same concern, I am sure, as the distinguished Senator from Virginia about the arms control talks that are going on now in Geneva.

Mr. GORE addressed the Chair.

The PRESIDING OFFICER (Mr. McCONNELL). The Senator from Tennessee.

Mr. GORE. Mr. President, I ask unanimous consent to pose two questions to the distinguished Senator from Wisconsin concerning the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. I would first of all express my deep appreciation and thanks to the Senator from Wisconsin for his leadership in this whole area. I have often listened to the Senator from Wisconsin expounding upon this subject and raising very, very pertinent matters that command the attention of the entire Senate.

But I have a theoretical concern about this amendment which I want to get some reassurance on. I have discussed it privately with the Senator from Wisconsin.

Let me ask first of all, does the amendment reorient the SDI Program to conventional ABM research so we can deploy defensive systems to protect our missiles or other hardened military targets?

Mr. PROXMIRE. Our amendment allows more than enough money for the administration to conduct research into an astrodome type of defensive system to protect the entire population. But our amendment does, however, reorient some funds, about $75 million, to a hard-point defense technology development program which would continue research in the conventional ABM systems to defend our ballistic missiles. Why do we do that? To continue such research is a hedge against any Soviet breakout of the ABM Treaty. I want to emphasize in response to my friend from Tennessee that the research under this program should first be conducted in strict compliance with the ABM Treaty and (b) serve only as a hedge if the Soviets break out of the ABM Treaty.

I repeat, we should pursue this technology as a hedge in the event that the Soviets broke out of the ABM Treaty or came up with some technological surprise that threatened our concerns.

Mr. WILSON. Will the Senator from Wisconsin yield for a question?

Mr. PROXMIRE. If the Senator from Tennessee——

Mr. WILSON. It is on this point.

Mr. GORE. Mr. President, let me complete this exchange. Then I shall be happy to yield.

Am I correct in concluding from the Senator's first response that he would not favor deployment of a conventional ABM system to protect our ICBM's? Am I understanding that correctly?

Mr. PROXMIRE. Mr. President, I do not at this point for three reasons. First, we have no need for a ballistic missile defense at this time. The President's own Scowcroft Commission concluded that the window of vulnerability theory is a myth. I could not agree more with the Scowcroft Commission on this point. They are right. We have more than adequate nuclear deterrence.

Because so much of our nuclear force is in invulnerable subs and so much of the Soviet nuclear force is in vulnerable silos, our retaliatory capacity is superior to that of the Soviets. Down the road, if arms reduction talks fail and the vulnerability of our ICBM's increase, we may have to look at other options. But most likely, other measures than an ABM system would more effectively address the vulnerability problem—such as the Midgetman missile.

Second, it will likely be easy for the Soviets to overcome our limited ballistic missile defense with countermeasures or a proliferation of offensive nuclear threats.

Third, a limited deployment to defend ICBM's would presently bring us much more trouble than it would be worth. It would result in the United States abrogating the ABM Treaty, would launch a dangerous and costly offensive-defensive arms race between the United States and the Soviet Union, and would likely be highly destabilizing and increase the danger of nuclear war.

Mr. GORE. I thank my colleague, the Senator from Wisconsin, for his response.

I do find it reassuring, because I am frankly concerned that many Senators who strongly support arms control and have deep misgivings about the whole strategic initiative will find themselves inadvertently reorienting the thrust of the program toward the kind of site defense and defense of silos that some in the Pentagon really prefer to the President's stated vision of a leakproof population defense.

The rationale the Senator from Wisconsin has offered is very different. That is that he wants to have a hedge against a Soviet treaty breakout. And we are talking about $75 million transfer on hard-point defense, in any event, which is not a large restructuring of the program in and of itself.

Mr. President, I appreciate the response of the Senator from Wisconsin. I shall be glad to yield to the Senator from California, who asked me to yield earlier.

Mr. WILSON. I thank my friend from Tennessee.

The question I wish to pursue, Mr. President, really was suggested by his line of questioning. I ask the author of the amendment, the distinguished Senator from Wisconsin [Mr. PROXMIRE] if I am correct in my understanding of his amendment in that it would reduce by one-third the Airborne Optical Adjunct Program. Is that correct?

Mr. PROXMIRE. It would allow, as I understand it, for a 4-percent growth in that program.

Mr. WILSON. A 4-percent growth?

Mr. PROXMIRE. That is correct.

Mr. WILSON. Am I correct that it would reduce funding for the terminal imaging radar program from the $70 million that is projected to $6 million?

Mr. PROXMIRE. That is correct. That would also be a 4-percent increase.

Mr. WILSON. It is true as well that the High-Endoatmospheric Defense System and the Exoatmospheric Defense System and the Kinetic Kill Vehicle Development Program will also be substantially reduced by almost $300 million.

Mr. PROXMIRE. That is correct, and let me tell my friend I think he is making a very useful point, because it does delineate exactly what the amendment does.

We have done this because we are concerned about demonstration projects. That is another way of talking about tests. We are concerned that this might violate the ABM Treaty and certainly create a very distinct ambiguity with respect to it.

Mr. WILSON. I thank my friend from Wisconsin for confirming my understanding of this proposal.

Let me say, Mr. President, that with that shared understanding as to what the amendment actually does, I think whatever his goal, it would achieve something very different, something that he would not desire.

What it will do, notwithstanding the $75 million that it allocates to hard-point defense, is totally undermine the system that is aimed at the kind of protection that in fact enhances our deterrent capability. These are hedges

also against a Soviet ABM Treaty breakout.

Clearly, no one wants that. We all say we are for research, but it is clear that we are for differing amounts of research.

We all say that we are very much concerned about the possibility of a Soviet breakout. Yet I think we should be guided by the wisdom of a former Member of this body, the former distinguished Senator from Massachusetts, Paul Tsongas, who in debate last year, with characteristic candor, said—this is not a verbatim quote, but he said effectively, a weapons system that is not tested has no military value. He is absolutely right. So, in our concern that we not give offense to allies or to observers, there are some who think we should be extraordinarily cautious about any kind of demonstration program or, call it as you will, a test.

I think, Mr. President, that several who have suggested lesser funding for these research programs, which are within the ABM Treaty provisions, have made it clear that they are really hostile to this program of the Strategic Defense Initiative.

To come specifically to focus on the amendment that is proposed by the Senator from Wisconsin, it will not enhance deterrence. If that is its purpose, I respectfully suggest that the aim is off the mark, because inevitably, what it will do is decimate several of the very programs that are aimed at enhancing what are termed near-term objectives, not the far off, the remote, the exotic results that some will say are unattainable. If, in fact, this is to give our negotiators in Geneva the kind of bargaining power that, in fact, they insist that it will, then it must be that whatever else we do, we give adequate attention to those near-term projects, those susceptible of realistic deployment at some time in the future if the research proves them out. That will give the Soviets an incentive, as they now claim they have, to engage in what they have termed radical reductions in offensive weaponry.

I think that that is a subject that deserves independent investigation. Indeed, I shall address it later. I want to know what the Soviets mean by radical reductions in offensive weaponry. That is another point, however related, for another time.

Let me just say that the point, I think, cannot be avoided. The $75 million that is addressed by the amendment for hard-point defense does not begin to address the damage that will be done in this area by the other specific cuts that are made by the Senator's amendment.

In fact, the systems which are an essential part—the very highest priorities in the SDI for application to near-term defenses for the United States and NATO allies—these programs would be decimated. Some $300 million would be taken from them, or 80 percent of the amount requested.

As the Senator from Wisconsin has said with characteristic candor, he would allow growth for the Airborne optical adjunct program of 4 percent, hardly a great stride forward; and for the terminal radar program, which is essential if we are to have any kind of terminal defense system, he would also allow a stunning 4-percent growth.

(Mr. HECHT assumed the chair.)

Mr. GORE. Mr. President, will the Senator yield for a question on this point?

Mr. WILSON. I yield.

Mr. GORE. I ask this question, not in a provocative way, but in the hope that we can get down to the essence of what this program is about.

I have listened to my colleague's statements about enhancing deterrence. Yet, I have listened to the President of the United States say that the strategic defense initiative is supposed to replace deterrence. A report submitted to Congress by the Department of Defense says:

> Such defenses could offer an entirely new concept of deterring nuclear war based on defense against attack, rather than fully relying on retaliation.

These "near-term options," as the Senator from California refers to them, are really intended to enhance the survivability of our retaliatory forces. I submit that that is a concept entirely different, not just in degree but in kind, from the concept offered by the President of the United States in support of his strategic defense initiative proposal.

If we put the emphasis on technologies that are supposed to enhance the survivability of retaliatory forces, would not the Senator from California agree that that is almost the opposite of what the President of the United States has outlined as the purpose of the program, to make offensive forces obsolete and to replace deterrence?

I ask the Senator from California for his response on that.

Mr. WILSON. My response is that they are indeed different but not necessarily inconsistent.

I think that those who have been concerned with this program would concede that the kind of thing that the President of the United States hopes can be attained will require a great deal of research, a great deal of time. No one, I submit, can tell you either when or if that result is ever to be attainable. We cannot tell you what the cost of attainment will be. We can say that if it is possible, every effort should be bent toward achieving that result. I would think we could all agree that it is better to save lives than to avenge them.

However, in the near term, it is possible, in the view of many—and apparently many on both sides of this aisle—to deploy far more fundamental technologies that do hold promise of enhancing the survivability and therefore the deterrence capability of our retaliatory force.

Mr. GORE. Mr. President, if the Senator will yield again, I respect the views of Senators who vigorously advocate defenses of our weapons to enhance the retaliatory capability of our arsenal. I respect that view, but I disagree with it strongly.

However, I must say that I am very concerned that the President's idea or vision of a leakproof population defense is serving as a kind of stalking horse for a very different concept. I am not saying that the Senator from California is using it as a stalking horse. The Senator from California has been very straightforward and clear from the beginning of this debate about what he thinks this technology ought to be all about. But some have not been all that clear, and the image left in the minds of the American people is the image of a leakproof population defense.

I submit, Mr. President, that if the American people really understood that the principal purpose for this program is to defend our weapons and to go back to the course of action the United States rejected during the 1969 and 1970 debate over the ABM Treaty, they would not support this program.

The President's dream is offered, and yet the program is actually pursued in a very different way. I think we have to choose. Is it supposed to replace deterrence, or is it supposed to enhance retaliatory capability? Which is it?

Mr. WILSON. Mr. President, will the Senator yield?

Mr. GORE. I will yield in a moment. I am getting wound up here.

Mr. WILSON. Stimulating me as well.

Mr. GORE. The American people support the idea of exploring the chance that we could create a population defense. I believe that is probably going to prove to be impossible. Yet, it will be explored. But I do not believe that the American people really support an effort to go back and undo the ABM Treaty and get into two arms races instead of one—defensive as well as offensive—because that is what this is going to do, if it ends up being what I suspect it will end up being.

I yield at this point to my colleague.

Mr. WILSON. I ask, first, if my friend from Tennessee agrees that for four decades, however unfortunate, the morality we have relied upon for deterrence has been the doctrine of mutually assured destruction, in order to avoid nuclear exchange. Would the Senator agree?

Mr. GORE. Would I agree that we have relied upon deterrence?

Mr. WILSON. Yes.

Mr. GORE. Yes; I would. Moreover, I submit that it has worked to prevent war. It is very painful. It is an oppressive burden on our country. But it is going to be hard to move to anything else. Yes; we have relied upon deterrence. I think that increasingly we have moved away from mutually assured destruction and toward a different version of retaliation with a new strategy. But basically, yes, I would agree.

Mr. WILSON. It is oppressive. It is all those things. Yet, it is what we have relied upon to avoid nuclear exchange.

The basic proposition has been that we would refrain from first strike because, however evil the intent, the rational expectation is that we would suffer retaliation. That has resulted in forbearance from first strike on both sides, because neither could possibly expect that it would escape a retaliation that would be devastating.

Let me ask the Senator whether he thinks that a first strike, were it not what it in fact is, a suicidal thought—if he thinks that the result of a first-strike decision taken by the Soviet Union, not against our retaliatory force but against major metropolitan population centers, would be what some have described as a nuclear winter.

Mr. GORE. I believe that the evidence submitted by the scientists who participated in the so-called TAPPS study is compelling evidence that the likelihood of nuclear winter cannot be discounted.

Mr. WILSON. In fact, it is very likely that if they hit population centers, it would be almost a certainty, in the minds of many.

Mr. GORE. I am trying to be cautious in my response.

Mr. WILSON. The Senator is succeeding. I am trying to draw him out a little bit.

Mr. GORE. OK. I will cooperate.

I had hearings when I served in the other body on this very question, some 6 months before the TAPPS study was presented, and the nature of the targets chosen is one of the most important variables in increasing the chances that nuclear winter would occur.

But almost regardless of the targeting doctrine, if the TAPPS study is correct, then some 30 to 40 percent of the current arsenals would create a nuclear winter effect. But there are a lot of uncertainties involved in the evidence.

I personally believe that the evidence becomes stronger with each scientific study that is conducted.

And if the Senator is making the point that an attack against population centers increases the likelihood of nuclear winter, I certainly agree with that point.

Mr. WILSON. I thank my friend from Tennessee. We are in agreement.

I think the fact that it does increase that likelihood makes infinitely less likely the possibility that rational decisionmakers, however evil in intent, will engage in a suicidal first strike that will result in nuclear winter that finally in time will afflict all of the Northern Hemisphere. That may seem somewhat tangential. I do not think it is.

Really, the point is we have continued over the period of four decades to rely upon the system that some term mutually assured destruction, this idea that there will be no exchange.

Now, the one thing, of course, that could change all of that is if one side or the other became convinced that they could in fact successfully engage in a first strike, a crippling blow against the other side's retaliatory force.

To the extent that a near-term deployment in point defense or terminal defense, or choose your term, enhances the survivability of that retaliatory force, I ask my friend from Tennessee if we do not make much, much less plausible the decision of a rational war planner to engage in a first strike when he knows that the odds are materially reduced that he can cripple?

Mr. GORE. I respond to my colleague by saying that the creation of a limited defensive capability along with massive offensive capabilities creates the perception of a first-strike capability, and the nation on the other side of that capability would seek to do everything possible to prevent that sort of advantage to be gained by the other nation, and as a result we would find ourselves in a double arms race, an offensive arms race continuing and accelerating as each nation sought to guarantee its ability to penetrate the limited defenses of the other and a new defensive arms race as each nation sought to gain a little edge on the defensive capabilities of the other.

But again I am not challenging the sincerity of the Senator from California, because he has been consistent in this.

The only point I am trying to make, I would say, is that many advocates of the strategic defense initiative in the administration, particularly in the Office of the Secretary of Defense, appear to use the President's vision of a leakproof population defense as a stalking horse for a very different kind of system, one designed not to replace deterrence but to enhance the ability of our offensive forces to retaliate, and the result would be two arms races instead of one.

I have encroached upon the time the Senator from Rhode Island intended to take earlier on, and I yield back the floor, Mr. President.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, let me just say, first, I thank my colleague from Tennessee. I have enjoyed our exchange, and I think that he has raised some interesting points.

Let me respond further: I think that the point that he has sought to develop here, there is some difference between the Presidentially expressed hope for an ultimately leakproof defense for metropolitan areas for population centers and the near term and less ambitious objective of terminal defense of a retaliatory force, is not nearly so inconsistent as he seems to think.

I suggest that the President is his own best spokesman, and I refer the Senator from Tennessee and others to a document published in January 1985 entitled "The President's Strategic Defense Initiative." I will quote what I think are pertinent passages. In the Presidential foreword this paragraph occurs:

> In the near term, the SDI research program also responds to the ongoing and extensive Soviet anti-ballistic missile (ABM) effort, which includes actual deployments. It provides a powerful deterrent to any Soviet decision to expand its ballistic missile defense capability beyond that permitted by the ABM Treaty. And, in the long-term, we have confidence that SDI will be a crucial means by which both the United States and the Soviet Union can safely agree to very deep reductions, and eventually, even the elimination of ballistic missiles and the nuclear weapons they carry.

Later at page 3 under the general heading, "Why SDI?" the statement is made:

> The primary responsibility of a government is to provide for the security of its people. Deterrence of aggression is the most certain path to ensure that we and our allies survive as free and independent nations. Providing a better, more stable basis for enhanced deterrence is the central purpose of the SDI program.

I point out further, Mr. President, that technology has changed since 1972 when the Antiballistic Missile Treaty was crafted and adopted. Today terminal defense can provide population protection.

I point out that the superpowers are not the sole possessors of nuclear weapons. Indeed, we must come to grips with the awful reality that in the near future, if not already, much less stable governments will possess nuclear weapons and the means of delivering them. Terrorism is by no means beyond the pale.

And the idea of terminal defense for population centers makes a great deal of sense because they need not be nearly as expensive as those that would be deployed to face the far more heavy attack that would be made against a retaliatory force.

Finally, Mr. President, let us just address some of the other points that have been made by other detractors from this program.

There has been much made this afternoon on this floor of the rate of increase in spending upon the research that is envisioned in the President's SDI Program. The fact of the matter is, Mr. President, that contrary to these statements our history yields a number of examples of not only the same rate of spending but in fact substantially greater rates. I think that many will recall, even if they were not privileged to serve in this body at the time, that from fiscal year 1986 and 1987 the ICBM Program will grow by 191 percent; from fiscal year 1981–82 the Trident II Program grew by 150 percent; from fiscal year 1983–84 it grew by 303 percent.

We have in history the Thor Program; we have the Atlas Program, which had similar or greater ramp-ups than is envisioned for SDI.

And very candidly I think that we should be spending at a rate that affords a basis for our negotiators in Geneva to have the kind of leverage that only SDI seems to have given them.

When someone says, "Don't give me the old bargaining chip routine again," I will say, "Bargaining chips are bargaining chips only because they have value, the value conferred upon them by the Soviet Union." And, in a fit of rare candor, the Soviet Union has made abundantly clear that the reason that they are back at the tables at all in Geneva far earlier than anyone had thought possible and having abandoned all their stated preconditons to return is because of their clear concern about the Strategic Defense Initiative.

Premier Gorbachev has left us in no doubt. He has, in threatening terms, issued an ultimatum that there can be no reduction in offensive weapons unless we agree totally to forbear even from research. And having thrust out the stick, he has left it to Viktor Karpov, the chief Soviet negotiator, to offer the carrot, and the carrot is the prospect of the "radical reductions in Soviet offensive weaponry."

Well, I think we should challenge the Soviets to define what they mean by radical reduction because if we conclude that their concern is well placed, that their fear of the efficacy of American technology is justified, then it may be that what they are thinking is that a three-phased defensive technology could well eliminate the threat of their substantial arsenals and particularly the 75 percent of their arsenal that is devoted to intercontinental ballistic missiles.

Well, let me suggest that what they may be thinking is that the three phases, the boost phase, the midcourse phase, and the terminal defense phase, even if they are accorded limited effectiveness, even if we suggest that they can be only 50 percent effective, would require an incredible reduction on the part of the Soviet Union to offset what we would give up by forbearing from a deployment of feasible defensive technologies that would allow attack in both the boost and the midcourse phases.

If we reserve to ourselves purely the option of a terminal defense, then we would be in a position of saying to the Soviet Union, "If you are serious about radical reductions, let us tell you what that must mean." And as we challenge them to define it, let us give them some help.

A Congressional Budget Office set of figures reveals that in 1984 the Soviets were in possession of 9,200 warheads. If we were to forbear from a deployment of boost phase and midcourse phase defensive technologies, the necessary offset would be a reduction by the Soviets in that warhead force from 9,200 down to 2,000. A similar projection by the Congressional Budget Office says that with or without a continuation of a no undercut policy on SALT II, we can project that the Soviet arsenal will have grown to over 15,000 warheads by 1996. And if you apply that same factor against that much increased number, then the Soviets, in order to offset what we would be giving up by forbearing from deployment of boost phase and midcourse defensive technologies, what they would have to give up would be a reduction from more than 15,000 down to approximately 4,000 warheads.

Now I doubt they will be willing to do that based upon experience. But, I certainly would be curious as to their willingness to try.

In any case, Mr. President, this amendment, however well intended it may be, attacks the very purpose which its proponents have argued as its purpose. It will decimate essential defensive technologies, not for the remote, the unattainable in the view of many, defensive technologies, but for the kind of realistic, near-term terminal defense technologies that have gotten the Soviets back to the table.

Mr. President, there is much more to say but I think that that is sufficient and very good reason not to jerk the rug from beneath our negotiators in Geneva but instead to allow them the kind of leverage, and the kind of incentive to the Soviets to engage in negotiation for radical reductions which only the Strategic Defense Initiative has given them.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. DOLE. Will the Senator yield?

Mr. CHAFEE. Yes.

Mr. DOLE. Mr. President, the distinguished sponsor of the amendment, the Senator from Wisconsin, indicated earlier he did not want any time agreement entered into. I know there are still two sponsors who have not spoken. There are still 13 amendments pending that we will complete action on this evening, or between now and tomorrow morning.

I am wondering if it might be possible now or whether you think you are making progress without any time agreement?

Mr. PROXMIRE. May I ask my good friend from Arkansas what is his feeling about this and the Senator from Michigan?

Mr. BUMPERS. Well, I am generally inclined to enter into an agreement. What does the majority leader have in mind?

Mr. DOLE. I did not have anything in mind. I am just shopping around. I do know we have a number of amendments. I do not want to shut off anyone's thoughts on this issue because it is an important issue. The distinguished Senator from Rhode Island indicated earlier that he might be willing. The Senator from Wisconsin indicated he might be willing after a couple of speeches have gone by. I know there are going to be a host of other SDI amendments. So if we could complete action on this amendment and, say, vote at 7:30.

Mr. CHAFEE. I will tell the leader if I had 15 minutes that would satisfy me. I do not know what the others may have in mind.

Mr. DOLE. And 10 minutes for the Senator from Michigan.

Mr. BUMPERS. I think we can finish by then. I certainly do not intend to delay it. I do have a statement that I want to make. I am not sure how long it is going to take. It depends on how much time will be taken on the other side. But if the Senator from Rhode Island and I are the only two people left to speak, and the Senator from Michigan, maybe just the three of us, I do not know how much time they are going to want on that side, but if the three of us speak, we can vote by 7:30 easily.

Mr. PROXMIRE. Senator LEAHY might want to speak about 10 minutes, also.

Mr. GLENN. I would like to have about 10 minutes.

Mr. DOLE. Let us just proceed then. But keep in mind we still have 13 amendments after this one. I am in no rush to go home.

THE PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I suppose it is just as well the majority leader is not in a rush to go home with 13 amendments out here.

Mr. President, the administration has requested $3.9 billion for the SDI Program for fiscal year 1986. This represents a 170-percent increase over this year's funding. The Armed Services Committee proposed a little less than $3 billion, which is over a 100-percent increase. There has been some discussion on the floor that we must not undercut our negotiators at Geneva and we cannot go below the administration's request. We have already seen that the Armed Services Committee has gone below the request. So the point we are arguing here is how much, not whether it can be done or whether it cannot be done.

Is this massive funding increase necessary, Mr. President? I do not think so. That is why I have joined with the distinguished cosponsors of the amendment to offer an alternate SDI budget that cuts the President's initial request to $1.86 billion.

Mr. President, I am not going to go into all the details here which have been covered before. Let me emphasize that the alternate budget, the proposal we have made here today, does not stop research into these new and promising technologies, nor does it freeze research. It simply slows it to a point where we can establish a high quality research program for promising missile defense technology while spending the dollars most efficiently and, importantly, Mr. President, in a manner that prevents premature violations to the ABM Treaty.

This amendment still allows for a funding increase for every project in the SDI account and provides the program with a substantial 33 percent increase over last year's funding.

The administration has never given us a figure on the eventual deployment costs. In testimony before the House and the Senate Armed Services Committees, two former Secretaries of Defense, Harold Brown and James Schlesinger, both said that such a system could cost a trillion dollars. This would not be only a one-time expense—you spend a trillion dollars and then you are home free; that is all there is to it—a space-based missile defense would require a constant investment in maintenance, replacement, and upgrading. This system would also need continued modifications to deal with Soviet countermeasures.

Secretary Schlesinger continued by saying:

> I have seen few research programs that can profitably expand at a rate in excess of 30 to 35 percent.

Let us remember, as we debate SDI, the budgetary constraints under which we are working. The overall defense budget, at a maximum, will receive a 4-percent increase to keep up with inflation.

That is what we passed here and that has not even gone to conference yet. We hope it will have the inflation factor when it survives.

Any increases made in SDI should be based on justifications that surpass those that applied in the rest of other important military programs—in other words, where do we want to spend our money? Is this the best place or is it in other programs?

It is not our intention in making these reductions to decrease the overall Department of Defense funding. We have transferred the money, as the Senator from Wisconsin earlier said, from the SDI account to other accounts for a number of conventional—mind you, conventional—readiness and troop welfare programs, which were detailed to some degree by the Senator from Wisconsin. Maybe the Armed Services Committee has a better way of spending the money, and that is all right with me, but let us hear from them. My only constraint would be—as far as I concerned and I cannot speak for the others—my own personal constraint would be that the money be spent for conventional forces and for conventional weapons, because it seems to me that is where we are falling short.

Although the President's initial statement for a technological alternative to the present nuclear stalemate—in other words, the SDI—had powerful appeal, I have found subsequent justifications for this program wanting, and we have had some discussion on that here on the floor. Is this a thoroughly reliable and total defense? Can we create an astrodome type of defense? Lieutenant General Abrahamson has indicated no. "A perfect astrodome defense is not a realistic thing."

It has also been asserted that SDI will bring about the end to mutually assured destruction. This argument again assumes that the SDI will produce a perfect defense. In a world of less than perfect defense, offensive forces necessary will remain the cornerstone of deterrence. Proponents of the SDI in its current unrestrained mode acknowledge that large offensive nuclear forces would have to be maintained as they are now for the purpose of threatening retaliation. The condition of the mutually assured destruction, in which the knowledge that both nations would be destroyed if one were to launch an attack, would not change. And this is an uneasy system to live with, but we have listed with it for 30-plus years.

Now, let us address the question of whether a population defense can ever be built at any price given the immense destructiveness of nuclear weapons and the difficulties of building a perfect defense. The technological difficulties of population defense which would necessarily have to be near perfect symmetry, near perfect levels, are enormous. Even defenders of SDI for ICBM protection, negotiating leverage, or war-fighting potential—no matter whether you claim these things or not—tend to shy away from claiming any realistic hope of protecting our cities against which a leakage rate of even a few percent is quite literally fatal. The attackers seem simply to have too many opportunities for countermeasures, surprise or saturation.

Mr. President, a missile defense system good enough to give its possessor any hope of reducing the force of a first strike would likely—now, this is an interesting thought—be far more effective in protecting the initiator against retaliation by an already grievously disabled opponent. In other words, the Strategic Defense Initiative or the counterforce—or the equivalent that the Soviets might have to this really does not reduce the presumption for a first strike, and indeed it seems to encourage the initiation of a first strike because the retaliation that would come back would come from a grievously disabled opponent, as I mentioned before. Many responses to preserve retaliatory capability are theoretically possible. But at the minimum the impulse to expand offensive forces in an effort to overcome defenses is very strong. And that is one of our major concerns here today. You set up a defense. It seems pretty good. What is the response? The response is to have more offensive forces, knowing that some of them will be able to get through. And indeed the incentive for the first strike is encouraged, not discouraged.

Mr. President, the Nation's budget is tight and we all know that. We have spent weeks here on the budget. Cuts are being made in many domestic and military programs. Increases in the SDI account will come at the expense of something else. Thus it seems to me we have to balance the justifications for the SDI against the justifications for other programs.

By accelerating the funding in this area, the terms, the dangers that are incurred as I mentioned before seem to me to be substantial and these dangers are not just something we have raised here. They have been raised by many outside critics of the SDI including five former Secretaries of Defense. The real danger is that the SDI program could invigorate the already dangerous United States-Soviet military rivalry. The most likely Soviet response to the SDI development would be a buildup, as I said before, in their own offensive forces in order to penetrate a U.S. defense. Indeed, the SDI could well deliver the death knell to attempts to limit Soviet offensive nuclear arsenals which we are trying for in Geneva.

Lt. Gen. Brent Scowcroft, who we all admire and who, of course, was chosen by the President to Chair the MX Commission, has questioned the SDI and its impact on negotiations taking place in Geneva. According to General Scowcroft, who served as National Security Adviser to President Ford, "The proposal for SDI will seriously complicate the arms control negotiations with the Soviet Union." I do not think anybody will deny that. That is what he said. "There are immense arms control implications because it has been difficult enough to negotiate simply strategic offensive weapons agreements. When you throw defense in, it obviously makes it greatly more complicated."

It seems to me, as I have mentioned earlier, that it is obvious that the Soviets would increase their offenses in order to combat the SDI. One need only recall what happened previously when the Soviets on their part came up with a ballistic missile defense system deployed around Moscow. What did the United States do? We came up with the MIRV. And in response to the Soviet antiaircraft system of the 1970's, we have pushed forward with the B-1 and the Stealth and the Cruise missile, all of which are designed to penetrate a defense. So that when you put up a defense, the natural reaction is a better offense.

Now, in recent reports to Congress from the SDI office, it is acknowledged that the likely Soviet response to the SDI may be doubling of their offense forces. This could be done, the report says, with little increase in the number of their launchers. The Soviets have large land-based missiles, we all know that, much larger than the United States has. Right now those missiles, the SS-18, carry 10 warheads apiece. They are capable, we all acknowledge again, of carrying up to 20 warheads. One of the real dangers of the SDI is that it could prompt the Soviets into unrestrained competition in offensive as well as defense forces.

Since it will take approximately a decade to develop an SDI system, the Soviets will want to delay any move for deep cuts in their nuclear arsenal, such as those called for by the United States, until they could assess the effects of the new defensive system. Why make a cut in the offensive system when they do not know what is going to happen with the defensive system which will take some time for us to fully develop?

Certainly our Nation needs vigorous research in the technology of ballistic missile defenses. That is the only way to hedge against Soviet technological advances or possible abrogation of the 1972 ABM Treaty. It is crucial that research be conducted in full compliance with the treaty. Otherwise, the ABM Treaty, the single most important achievement to date in the superpowers' efforts to reduce the risk of nuclear conflict, may be the first casualty of the star wars.

As presently conceived, the SDI is on a collision course with ABM. The SDI includes the testing of components of space-based ballistic missile defense systems, which is outlawed by the ABM Treaty. Without the ABM Treaty, the prospects of controlling offensive forces will be greatly reduced.

Mr. President, politically the hope of population defense has great popular appeal. We all acknowledge that. Previously, of course, there has been deterrence, which we talked about before.

The SDI grandly conceived holds out another course. It is this hope that it will not be necessary for this deterrence. Certainly, the traditional strategy of deterrence is properly subject to question and debate. It will be for many years to come. However, we cannot avoid the reality of the present, the need to continue the painful process of negotiated limits on, or reductions in, the number of strategic weapons each side has targeted upon the other. As part of this process, we must recognize just as the Soviet Union will not likely lay down its arms if we were to unilaterally disarm ourselves, neither will the Soviets sit idly by to face a massive SDI program. If we do not scale down SDI, we run the real risk of undoing any progress toward a new arms control agreement.

The amendment we have before the Senate today, I believe, is a prudent step, for it retains and even expands essential research programs while slowing down those elements of the SDI most likely to damage or destroy the ABM Treaty.

Mr. President, I think we have a good amendment, and I hope it will be supported tonight.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I support a reasonable level of carefully designed research on defense missiles consistent with the ABM Treaty, because we must hedge against the possibility of Soviet abrogation of that treaty, because we may some day want to move jointly with the Soviets to a new strategic balance based on defense rather than on the threat of offensive retaliation.

But, Mr. President, I am deeply concerned about the star wars program which we are debating today. I am troubled by its assumptions, its rhetoric, and its potential direct conflict with the ABM Treaty.

This is the second amendment dealing with the star wars program the Senate will consider today. We have already defeated the amendment proposed by my friend from Massachusetts (Mr. KERRY) who put in an extraordinary amount of useful work. His analysis of the SDI program reflects many of my own conclusions. It demonstrates his deep concern for the ABM Treaty, a concern which I fully share. I could not vote for his amendment in part because it would amount to a cut in real terms in the authorization for the SDI program over last year's level, not because of the protections the Senator sought to build into the law for the ABM Treaty.

Mr. President, the dilemma we face is awesome and perhaps fateful. Defensive systems could, if deployed jointly, save this planet. If deployed unilaterally, they could be so destabilizing as to endanger the planet. At a minimum, unilateral deployment would plunge us into a new chapter of the arms race, this time in defensive weaponry.

I will resolve this dilemma by voting for a very healthy increase in the program, the $1.9 billion level proposed in the Proxmire amendment which I cosponsor. While it signals a willingness to consider the potential benefits of a mutual shift to defensive weapons, it also creates a critically-needed assessment of systems and a needed evaluation panel, a independent evaluation panel, to determine whether our expenditures are consistent with the ABM Treaty.

So the pending amendment, Mr. President, could not be successfully challenged as an attack on the SDI research program, since it actually would provide funding increases for that program. It does more. It also helps clarify the intent of the United States with respect to arms control. It would help brush away the rhetorical threats of unilateral deployment in violation of the ABM Treaty, a treaty which has kept at least one type of a lid on excessive military expenditures. It would help eliminate the ambiguities of U.S. policy which threaten to sink chances of an arms control agreement at Geneva.

How could we tell the Soviets at Geneva we want deep cuts in offensive nuclear weapons on the one hand, when, on the other hand, influential members of the Reagan administration hold out the prospect of ABM Treaty abrogation by saying there will be a unilateral U.S. deployment of a defensive system?

In the view of just about every observer, the prospect of unilateral deployment of defenses would push the Soviets to increase their offensive arsenal so as to be able to overwhelm such defenses.

The Proxmire amendment seeks to create the conditions and the climate. Research on defensive systems is not threatening but stabilizing. It does not jeopardize critical arms control negotiations.

The Secretary of State has said we should seek to strengthen the ABM Treaty. To do that, we should not be threatening its abrogation, but we should be seeking to clear up any ambiguities and resolve claims of violations which, may I say, have been made by both sides relative to the placement of radars. We have claimed the Krasnoyarsk radar is a violation because it is not located at the periphery of the Soviet Union. They say our Pave Paws radars are violations on the ground they are not oriented exclusively outward and thereby cover a good deal of the continental United States.

However one operates relative to the authorization figure, it is the provision controlling how the money is spent so as to assure compliance with the ABM Treaty which is so critical.

The Proxmire amendment puts reasonable limits on the fastest-growing defense program in the DOD bill. This amendment would authorize $1.9 billion for the SDI Program, a 33-percent increase over the $1.4 billion we provided in the 1985 authorization bill, which is certainly in marked contrast to the zero real growth in the rest of the DOD bill and the actual reductions we have made in so many other critical domestic programs.

I am pleased that the sponsors of this amendment have transferred the $1.1 billion cut from SDI to important conventional ammunition, spare parts, readiness, and guard reserve programs.

Mr. President, as I indicated, I support a carefully managed research program in defensive technology which might one day allow us to move away from weapons which threaten the very survival of the planet. I am extremely doubtful that such technological solutions to problems of neutralizing the awesome speed and destructive power of modern ballistic missiles can be achieved in the foreseeable future. We must make the effort just in case. But the effort must be a prudent one without the explosive growth which we have already seen leads to such tremendous waste in other parts of the defense budget over the last 4 years. More than doubling the funds provided for SDI from one year to the next is an invitation to waste which will make the allen wrenches and the ashtrays that we read so much about look like bargains.

This amendment would apply some limits, some reasonable, prudent limits, and we need those limits or we are going to have a runaway program on our hands.

Just a moment further to look at where we are today relative to the contracts being awarded on SDI.

I have been trying to get some facts out of the strategic defense initiative office which would pin down just what has been done with funds already supplied by the Congress for the star wars efforts. I wanted to know how many contracts had been awarded competitively and whether they were fixed-price contracts, cost-plus contracts, fixed-price incentive contracts, and so forth.

Well, the star wars office said they did not know the answers to that question. They said it would "take several months to receive the data."

That sounds like pretty loose administration to me. I am concerned about how carefully this program is being administered.

That is not the end of the things that trouble me about the way the SDI Program is being administered. General Abrahamson contends that in order to carry on the contracts awarded in fiscal year 1985, when $1.4 billion was available, a total of $2.5 billion will be required in fiscal year 1986. During markup on the bill before us, several of our colleagues used the argument that $2.5 billion would be needed just to maintain the present pact of research.

How can that be, Mr. President? If we are spending $1.4 billion in the current fiscal year, then $1.4 billion is the current level of research regardless of Pentagon wish lists and how they might expand that research without even writing new contracts.

It is Pentagon math to say that the maintenance of the $1.4 billion 1985 level of research will require $2.5 billion in 1986.

Inflation does not account for the argument. That would raise the $1.4 billion to about $1.5 billion. No, Pentagon math results in those figures. Imagine, it takes $2.5 billion in 1986, they argue, to do what $1.4 billion did in 1985.

Mr. President, the Senate must not adopt that kind of math. The Proxmire amendment before us allows for a healthy 33 percent increase in research at the same time it protects what I hope all of us are dedicated to protect. That is the one treaty which has kept at least some kind of restraint on the arms race and prevented us from adding a defensive arms race to the offensive arms race which we have both been engaged in.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, when we get into specifying particular types of research, when we place limits here and there, and when we try, in effect, to micromanage from the floor of the Senate what is a very difficult job at best, conducting basic research, it seems to me we are going beyond what we should be doing here and will cause more harm than good.

I was interested, too, in a discussion a few moments ago here between the Senator from Tennessee and the Senator from California involving whether we are getting away from mutual assured destruction or whether we are heading toward mutual assured survival, as it has been called. I think when we get into some of these concepts here, we should bear in mind that what we are talking about is a research project, and a very, very difficult research project at best.

This discussion about whether it is mutual assured destruction or mutual assured survival reminded me of a statement that Dr. James Schlesinger made before the Subcommittee on Strategic and Theater Nuclear Forces of the Senate Armed Services Committee on March 19 of this year. This goes right to the heart of what the discussion is here as far as the nature of research that we are doing and whether we are getting into so much detail as to how it affects treaties that we are putting the cart before the horse. I would like to read this short excerpt from Dr. Schlesinger's statement:

> Till the end of our children's lifetimes, at the earliest, our security will continue to rest on deterrence. For members of the Administration to join in the attack on deterrence as immoral strikes me as quite irresponsible.
>
> It (the Strategic Defense Initiative) is at this stage only a technology program. That is all it is and that is the way it should be treated. It should be treated like a research program. And for research programs, technology efforts, what we normally do is to withhold judgement until the technical uncertainties have been resolved. And this withholding of judgement in the case of spaceborne strategic defense will require us waiting ten, fifteen, or twenty years to resolve those technical uncertainties.
>
> The hoopla has gotten well ahead of the program. We have people who are now writing learned essays on the transition from Mutual Assured Destruction to Mutual Assured Survival, learned essays about Mutual Assured Survival when, as yet, we do not know what Mutual Assured Survival may be. It has not yet been defined. We have in these learned essays an attack on deterrence, an attack on deterrence as immoral.
>
> Now I would underscore, Mr. Chairman, that at this stage, to attack deterrence as immoral is reckless and pernicious. It undermines the security not only of this country but of the Free World and, notably, of Western Europe.
>
> It is not necessary for those who are advocates in the Administration of the Strategic Defense Initiative to indulge in this kind of inflated prose. It is not necessary for them to attack what we are presently doing. In many areas, Mr. Chairman, we have been attempting to reduce the risks and the attractiveness to the opponent of an initial move against our forces or against our allies, and we add to that at the same time that we discourage such attacks through defense. We say that, if necessary, we will retaliate with nuclear weapons. We continue to rely on nuclear deterrence for NATO defense as well as defense of the North American continent, and see no inconsistency between the pursuit of defense and the maintenance of deterrence.
>
> So I think that it is necessary for us to straighten out this issue: till the end of our children's lifetimes our security and the security of the western world will continue to depend upon deterrence and that it is harmful to us to attack it.

Mr. President, I think that is an excellent statement by Dr. Schlesinger on the discussion we had here earlier today on mutual assured destruction against mutual assured survival.

Mr. President, I also would like to make some specific comments on the amendment, what it might do.

Reductions as outlined in the measure, the strategic defense initiative office has said, will absolutely cripple the SDI and throw the program into disarray. The great reductions proposed here would not be in keeping with the allocations that they have set up already. Carrying the SDI into fiscal 1986 by their estimate, as described by the Senator from Michigan a few moments ago, will cost $2.5 billion to continue existing contracts.

Contracts start out if they are multiyear contracts with, usually, the smallest amount of money being spent in the first year; the amount increases in the second year, the third, the fourth, and however many years the contract runs until the program is reduced and then terminated. I do not see any inconsistency necessarily in the fact that we have allocated $1.4 billion for this fiscal year and the fact that the SDIO sees their minimum to continue existing contracts is $2.2 billion to $2.5 billion for the next fiscal year.

Even funding SDI at that $2.5 billion level will mean that the program could obligate that entire amount without initiating a single new project. That is the reason why I do not see that it is possible to go to the lower figure proposed in this amendment, because we are going to need some expansion of the type of research that is necessary in such an extensive program as this, and one which needs the technological breakthroughs that this one is going to have to have if it is going to have any success.

While severely cutting the program, this proposed alternative funding would nevertheless fund two new starts. It would include hard point defense and, secondly, allot $20 million for a threat analysis program.

What would some of these specific effects of the proposed alternative SDI Program be? These are some selected items? Well, under the satellite acquisition tracking kill assessment, SATKA Program, as it is called—that is sensors, basically—it would reduce the manned SATKA Program by more than 50 percent. SATKA is really the eyes of the SDI. Without that kind of sensor development, there will never be any hope of making much progress in this area. So the sensors to begin this whole program are something that are key and they cannot be cut back without cutting back on the whole program.

So it is one of the first of the technologies that must be examined and understood completely if any of the rest of this is to work at all.

Two experiments would be specifically limited. Under directed energy weapons in general, there is a 50-percent reduction. It would postpone all the initiation of major integration experiments and demonstrations.

Space-based laser would be postponed more than a year. Ground-based laser would be postponed by more than a year.

In another area, under the kinetic energy weapons programs, there would be extensive delay to the Ground-Launched and Space-Based Miniature Kill Vehicle Program. The Hypervelocity Launcher Program would be reduced in scope. The multifunction sensor for the space-based kinetic kill vehicle would be severely delayed.

In another project, The SLKP—survivability, lethality, and key technologies—though the funds would be left intact for system survivability and lethality and target hardening, there would be cuts to space power and space logistics, the very heart of the project, and it would be catastrophic so far as the program is concerned.

According to the SDIO an informed desision by the early 1990's, which the managers of the program had hoped to make, would certainly not be possible with the limited funding proposed in this amendment. However, I think that any informed decision is going to come beyond the early 1990's in any event.

I made the rounds of high tech aerospace R&D last summer, spent 10 days talking to our leading scientists in laser and directed energy weapons research. Without exception, they indicated to me that it would be at least 10 years before we could make an informed decision on SDI deployment systems. They felt that it would take 10 years before we would have the technology far enough along to make a decision as to whether or not to go ahead.

In another area, the BM/C3 Program [battle management/command, control and communications] would be drastically reduced. Software technology would be deferred. And integrated experiments or demonstrations would be severely limited.

Those are just some of the examples of the SDI cutbacks that would be necessary were this amendment to be passed. I do not think we want to see this type of research program cut back that much, because basic research of this nature is not something we can turn on and off from one year to the next like a water faucet. It has to go on at a consistent pace or it is set back.

In another area of the proposal with respect to the amendment, I concern myself with what has been called the investigative panel that will make assessments for us, supposedly. It will bring some expertise we do not now have. But his panel, it turns out, would be made up of Representatives and Senators who should be conducting SDI oversight to begin with. I see no need to form an additional committee to do the job we already are charged to do in the Senate and in the House.

For all these reasons and others, Mr. President, I oppose this amendment.

I will have an amendment of my own that I will offer at an appropriate time later, which will leave the director of the SDI Program free to manage the basic research, so that he can stress areas where they appear to be breakthoughs imminent. He will have control over that. That is key in any research program.

I have talked to General Abrahamson about this at length, and he says that whatever happens, please do not tie his hands. Whatever happens on dollar amounts, please do not tie his hands. He needs to be free to run the program as he sees the need arise. I agree with him completely. I have been involved in research programs in the past. The people running the program need to have the freedom to do the research that has to be done in certain areas; it is the only way a program such as that can be prudently brought to any good conclusion.

We here in the Congress, cannot micromanage this and try to tell the program director who has followed the program every day, with a competent technical staff, specifically where he should or should not put every dollar.

So the amendment I will propose later will leave his free to manage the SDI Program, subject, of course, to congressional oversight. It will propose a $2.8 billion level, which takes into account the fact that SDI needs between $2.2 billion and $2.5 billion to keep ongoing contracts viable and under way. It also would allow several hundred million dollars for research and advances in other program areas as are necessary in the coming year. Overall, my amendment would double the amount SDI had allocated this past year, which admittedly is a big increase.

I thought that the administration's $3.72 billion original request was excessive, and I think the $2.8 billion level that I will propose is about where it should be. I hope to have support for that amendment later, and I will oppose the present amendment.

I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER (Mr. COHEN). The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I have a proposition I will make to the majority leader, and it is that if this amendment is adopted, we adjourn for the night. I understand that there are 13 other amendments, and Senators do not want to hear the same arguments 13 more times. It seems to me that this is a dynamite proposal. It would be difficult for anybody to vote against this amendment if they knew that they would not have to listen to the arguments 13 more times. I think there is a good possibility, even without asking for a unanimous-consent agreement, that the majority leader might consider that.

We are only talking about the survival of civilization here, with about six or seven Senators on the floor. I know that everybody has more important things to do than to talk about such mundane matters. Since it does not amount to any more than that, it seems to me that we might cut a deal here—everybody just vote for this amendment. It is meritorious. Then we will get out of here tonight, and we will not have to worry about civilization.

However, pending that happy moment, let me just make a few remarks about this matter and start off by saying that it is impossible to debate this issue without talking about the merits of the entire concept of the strategic defense initiative, even though every amendment to be offered recognizes the political reality, and the political reality is that SDI research is going to be expanded at a very significant rate. Nobody is going to suggest at this time that we try to eliminate funding for SDI, even though I suppose what the President asked for is probably the biggest increase in peacetime for any weapons system.

The amendment that the Senators from Wisconsin, Rhode Island, and Maryland and I are offering here seems to me about as sensible as anything you can extract from this whole subject.

First, it increases funding for this program by 33 percent. Even that is a colossal increase for any system. It has been endorsed by three Secretaries of Defense. A fourth, Harold Brown, has said that he has very serious misgivings about this whole star wars concept, particularly as it relates to abolishing what we have always known as MAD—mutually assured destruction.

That term is offensive to a lot of people. I understand that.

But in any event, Secretary McNamara, Secretary Schlesinger, and Secretary Clifford have all endorsed this specific amendment as has Sidney Drell.

Mr. WARNER. Mr. President, will the Senator yield a minute on that point for a question?

Mr. BUMPERS. Yes.

Mr. WARNER. I ask about the letters, and I have them here. I was astonished to find that it is a form letter. Is the Senator aware of the fact that these letters are identical?

Mr. BUMPERS. They are all virtually identical. I have them.

Mr. WARNER. Yes.

Mr. BUMPERS. That does not invalidate them, does it?

Mr. WARNER. There is not even a period difference in this form letter or great minds think alike.

Mr. BUMPERS. There actually are a few differences, but even if there weren't, what possible difference does that make?

Mr. WARNER. Normally I thought these gentlemen could work up a response on their own.

Mr. BUMPERS. I am not sure, but we may have even sent the letter to them for their signature.

Mr. WARNER. That speaks for the issue.

Mr. BUMPERS. I am sure that Clark Clifford, Robert McNamara, and Jim Schlesinger have enough sense not to sign their names on letters that they do not believe in.

Mr. WARNER. Mr. President, may I ask the Senator where the Schlesinger letter is?

Mr. BUMPERS. I am sorry. I said Schlesinger.

Mr. WARNER. I think the Senator is confused.

Mr. BUMPERS. I stand corrected. It was Elliot Richardson, not Jim Schlesinger. I will come back to Jim Schlesinger in a moment.

But I want to make the point very clear that Clark Clifford, Elliott Richardson, and Robert McNamara are considered to be fairly intelligent men and I assume they did not sign those letters because they just wanted to accommodate me. I assume they signed them because they meant it.

They said they endorse this amendment and that is the only point I was trying to make.

And Sidney Drell, who is codirector of the Stanford Center for International Security and Arms Control, and Gerard Smith, who was our chief negotiator for SALT I and for the ABM Treaty, have written an article in the New York Times dated May 13, also endorsing this amendment, and, Mr. President, I ask unanimous consent that that article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUMPERS. Mr. President, we are trying to deal with a very important issue, with tremendous far-reaching implications in a very sane and rational way.

I point out, first of all, that we have only two treaties in existence, one ratified and one unratified, that keep the entire arms race from just going more berserk than it already is.

And everyone here should know before they vote that we plan in 1988 with the extended planned funding of this program to violate the ABM Treaty. Make no mistake about that. We talk about the Soviet Union's phased array radar system in Krasnoyarsk, and I suspect that it is a violation of the ABM Treaty, and as I see it one of the differences is they are ahead of us in violating.

That is just like our building the Midgetman. When we fly the Midgetman, we are going to be in violation of the SALT II Treaty which is unratified.

Everyone says they are in violation, and maybe they are, by having the SS-20's and SS-25's. And again the only difference is they are ahead of us because we intend to test the Midgetman missile in 1988, and we will then be in violation of the SALT II treaty. I support the Midgetman, but again the difference between the Soviets and us on SALT compliance here is just a couple of years.

There is one other thing that I think is worth mentioning and that is no one has any idea of whether this thing makes any sense technologically or not. But I have not heard one single proponent of the SDI system say that it will protect us from bombers, that it will protect us from cruise missiles, that it will protect Western Europe from the SS-21's, 22's and 23's and maybe not even the SS-20's.

Our NATO allies are very nervous about this. Every story you read coming out of Western Europe is that they are very nervous and four of them are openly hostile to it, and Prime Minister Mulroney of Canada told the President as recently as 2 week ago that Canada was extremely apprehensive about it.

If I may be indulged just a political observation, my guess is that Helmut Kohl is not going to be reelected in Germany for the very precise reason that he has been playing footsie on this very system.

And Bernard Rogers, our supreme military commander for the entire NATO Alliance, says that it promises to be very controversial and threatening to the NATO Alliance. That is our military commander of the NATO Alliance who said that.

So the NATO allies find themselves in the position of knowing that they are vulnerable, but faced with a psychological uncertainty that the United States may not defend them in case of an attack.

The Soviets are into research on this very type thing. We must not be naive or myopic about that, and we are not, and that is the reason we are putting $1.9 billion in here.

Let me tell you one other thing: The Soviet Union has all kinds of options on how they will deal with this. Under the best case scenario, let us assume that the system is going to work, according to the very best and highest optimistic predictions, 90 percent. Soviet military planners are going to have to make a decision. They are going to have to decide, first, do they want to build the same system or, second, do they want to overwhelm the system?

If the President fesses up, as I anticipate he will, what he intends to do about continuing to abide by the SALT II Treaty, and says we are going to put a Poseidon in drydock or going to do something else other than actually dismantle a submarine or take some Minuteman missiles out of their silos, if he should do that we all know that the Soviet Union is in a great position to break out of that treaty. They are 10 times better off than we are, and I might also add that if we continue abiding by the SALT II Treaty the Soviet Union will have to dismantle the equivalent of about 50 percent of the megatonnage that we have in our entire strategic missile force. It restrains them, not us.

But that is not the point I want to make. The figures I have seen are that by 1995 the Soviet Union will have a minimum of 20,000 warheads and a maximum number of 35,000 warheads. Let me be the devil's advocate for a moment and assume they are going to go for the maximum of 35,000 warheads then. The maximum effectiveness of this system, 90 percent, will permit 3,500 warheads to land in the United States.

I just do not think it is going to be a very good place to live after that happens and I am not at all sure I am willing to put $1 trillion into a system that lets 3,500 warheads in.

The other thing the Soviet Union can do from a countermeasure standpoint is a whole host of things: No. 1, they can deploy thousands of decoys at a relatively inexpensive cost to themselves, and this system is going to have to be smart enough either to detect the decoys or to kill them all.

I forget what king it was who sent out the word "Kill all the Christians," and the messenger came back and said, "We can't sort them out." and the king said, "Kill them all; the Lord will know his own."

This system is going to have to pick the decoys out. And in addition to that, this system is designed to kill these missiles in the boost phase. To all the military savants in the Senate, you know, of course that the boost phase on a Soviet missile is about 5 minutes long.

The President right now has 5 minutes to make a decision: "Is it or is it not a launch?" But did you know the Soviet Union can reduce the boost phase by 50 percent to 2½ minutes and maybe even less? And I invite your consideration of this question: Is the world safer when the time for the President to trigger the SDI and start destroying everything that looks like a boost, is the world safer when we cut his time to make that decision to 2½ minutes from 5 minutes?

Now there is not any question about their ability to do that. There is not any question about their ability to thicken the skins on their missiles. And do you know how much power it is going to take—I want you to listen to this because power is a big issue in my State. The people of Arkansas are being threatened with 35 percent of the cost of a nuclear reactor down on the gulf coast which generates 2,200 megawatts of power. It cost $3½ billion. Now bear in mind, $3½ billion for 2,200 megawatts of power.

Do you know what it takes to maintain this system under the best case scenario, And you have to build this much power in order to have it available in an instant under several of the approaches invisioned for star wars. You cannot just draw on the whole power grid of the United States at any given moment; 300 1,000-megawatt plants. That, my colleagues in the Senate, is 60 percent of all the electrical generating power in the United States today.

Now I tell you, as W.C. Fields said, "We ain't talking about beanbag here." You are talking about somewhere between $100 billion and $500 billion just to build the electrical powerplants so that they will be available for 3 minutes if the Soviets ever launched, in order to get, as I say, 90 percent of those missiles.

Let me read you a little article here, just a paragraph, from Scientific American, a very respected publication.

> If the time available for interception were 100 seconds and the lasers had an electrical efficiency of 6 percent, the power requirement would be more than the output of 300 1,000 megawatt powerplants or more than 60 percent of the entire United States. Moreover, this energy could not be extracted instantaneously from the national power grid and it could not be stored by any known technology for instantaneous discharge. Special powerplants would have to be built, even though they would need to operate only for minutes. An investment of $300 per kilowatt is a reasonable estimate. So the outlay for the power supply alone would exceed $100 billion.

The only thing I quarrel with in Scientific American is you cannot build power generating capacity today for $300 a kilowatt capital investment.

Now a third alternative for the Soviet Union is to build their own star wars system. And if they do build their own, this would be a very dangerous hair trigger situation because this system can destroy their system and their system can destroy our system. So then it becomes a question of whether Ronald Reagan or Mikhail Gorbachev pushes the button 3 seconds before the other one does. So that whoever destroys the other system leaves that particular country vulnerable and their SDI star wars system destroyed.

Mr. President, the second thing that we do in our amendment, other than increasing funding by 33 percent, is to take the billion dollars that we saved and put it into readiness. I want to read to you in just a moment here what the committee report says on readiness. How many of you saw just recently the stories that came out of the Pentagon that we have the ability to fight a war of the magnitude of World War II, we now have the ability and that is the conventional readiness, to fight for 30 days?

Ever since I have been in the Senate, 10 long years, everybody gets up on the floor of the Senate and laments our lack of readiness. And every year we vote for every goldplated weapons system we can find from the MX to SDI and we still wind up with a 30-day fighting capacity.

Here is a statement by Larry Korb, Under Secretary of Defense, made on August 25, 1984. He says that we can double our ammunition capacity from 30 to 60 days by the end of this decade.

Here is what the Armed Services Committee says in their report. They say:

> The administration requested $2.494 billion for ammunition in support of our training war reserve and production base requirement.

They say it is 20 percent above 1984 and 14 percent in real growth. However—and this is what the Armed Services Committee says:

> However, in the view of this committee the growth is based on a program which has been repeatedly underfunded. The fiscal year 1984 request was $292 million below 1983 request. Consequently, real growth in the fiscal year 1984 request is only the result of a 20-percent congressional reduction in fiscal year 1983.

The committee went on to say:

> The committee remains concerned that current trends in ammunition procurement and ammunition production base support provide an insufficient base from which to achieve training, war reserve and production capacity objectives.

The committee goes on to say:

> The fiscal year 1985 request for training ammunition remains far below the newly established requirement.

And on and on and on. The Armed Services Committee of the U.S. Senate says we are slighting readiness.

And so this amendment takes the billion dollars we are saving out of the committee bill and putting it into things like trucks and ammunition—a host of conventional weaponry that we do need.

Now the third thing we have done—and I said this on the floor yesterday afternoon but I will repeat it—the chairman of the Senate Armed Services Committee led me into this one night when he said nobody really knows what is really going on with this SDI business. And I assume he was speaking for me.

And so what we do under this amendment is to appoint a panel to monitor the Soviet threat, the U.S. program, how the money is being expended and report back to the Congress.

I am willing to concede that Congress, certainly the Senate, does not understand anything of the technological nature of this thing. It is immensely complex. And so we have arranged for the appointment of a panel to report back to us.

Mr. President, I have a host of quotes I was going to use but most people are getting ready to vote. But, you know, Paul Nitze said that we ought not to get into this unless it is going to be cost effective and unless it is going to be invulnerable. And how does anybody know that? I can tell you one thing, it is not going to be invulnerable. And it is not going to be cost effective. You are talking about a trillion-dollar program for one weapons system. That is three times as big as the biggest defense budget we have ever had for 1 year. Now, we are looking at roughly $300 billion budget for 1986, and we are talking about going into a program that is going to cost a trillion dollars—three times—for one weapons system.

Mr. President, historians now agree that Khrushchev was not as bad a fellow as some believe. Oh, he beat his shoe on the desk up at the United Nations and at times he acted like a clown so far as we were concerned, but historians now believe that he was literally pleading with Eisenhower to avoid the nuclear arms race. That is what historians are saying today. And I am not going to say that Gorbachev is pleading, but I will say this: He has talked about reducing tension between the superpowers, he has talked about stopping this nuclear arms race. Now, he has more than one reason. He has an economy on his hands that is in shambles. The Soviet economy is in a terrible mess, and he wants to deal with it, and rightly so.

Now, they are in Geneva right now and we are in Geneva right now and they are saying, "If you are insisting on going ahead with this program, there is not going to be an arms agreement." They said they would walk out if we deployed the Pershing and the cruise and they did, but they came back. And I am glad they did come back. I do not understand why the United States and the Soviet Union cannot sit down and agree on something sensible to stop this insanity. But as long as they do not, we do not have any choice but to be realistic and continue our deterrent policies, and that is the reason we are offering this amendment.

I think that $1.9 billion is a good figure. I think it is the best figure of all that are going to be offered today. And while MAD sounds terrible, it has worked. I will tell you what is about to happen. Any time one side tries to achieve invulnerability to the other side, you are escalating the arms race beyond any stopping. That is where we are headed. We do not really know what we are doing here. We know one thing. This is a very sophisticated, complex technology, and I have no quarrel with continuing some of the research. But I have a quarrel with going from $1.4 billion, when only 8 percent of this year's $1.4 billion has been spent, and giving them $3 billion. A 166-percent increase is what the President asked for and the committee has come up with a 112-percent increase. I said yesterday afternoon, if this Congress is not careful 3 years from now you are going to be yearning for the good old days of the $435 claw hammer. That is the reason we have this panel in the amendment—to oversee this program. I strongly urge my colleagues to support this amendment.

Exhibit 1

Keep a Firm Eye on "Star Wars"

(By Sidney D. Drell and Gerard C. Smith)

Washington.—A central component of the proposed defense budget for fiscal 1986, under consideration in Congress now, is a staggering 166 percent increase in funding for the Strategic Defense Initiative, or "Star Wars." This requested increase, to $3.7 billion, raises serious questions about the direction that Star Wars research will take and its impact on our national security.

Certainly, the country needs vigorous research into the technology of ballistic missile defense. That is the only way to hedge against Soviet technological advances or possible abrogation of the 1972 Anti-Ballistic Missile Treaty. But it is crucial that the research be conducted in full compliance with that treaty, in a manner that does not exploit its ambiguities or circumvent its restrictions. Otherwise, tne ABM treaty—the single most important achievement to date in the superpowers' effort to reduce the risk of nuclear conflict—may be the first casualty of Star Wars.

The research should also examine a wide range of technologies, without directly or indirectly committing the United States to developing a system that could be ineffective or destabilizing, or both. The Star Wars program does exactly the opposite.

There is considerable evidence that premature "demonstrations," or tests, of new technology tend to distort research and compromise the search for better solutions. Overly accelerated programs can thus constrict rather than increase the range of technology options. Yet this is exactly the Administration's approach in this case. We are already developing and planning to test new types of hardware—such as airborne optical sensors—that raise serious questions about our compliance with the ABM treaty.

There are good reasons for the United States to continue research on the limited defense of "hardened" military targets: we have no other prospects for decreasing the vulnerability of our existing land-based Minuteman and MX missiles. But the 1986 Star Wars budget would in fact lessen the President's ability to undertake a defense of hardened military targets. The current research is focused on far-off technologies to be used in an invulnerable defense of the population—a much more ambitious and questionable project—while research into the more plausible ballistic missile defense technologies has been seriously downgraded.

Fortunately, more and more members of Congress, on both sides of the aisle, are beginning to question the program's accelerated funding and misplaced priorities. A bipartisan group of Senators has introduced legislation to increase the funding by 33 percent, to $1.9 billion in fiscal 1986—a substantial jump. But their "alternative budget" would also redirect the Star Wars program—away from premature tests of hardware and toward high-quality research within the limits of the ABM treaty.

We agree with the President's arms control adviser, Paul H. Nitze, that two important conditions must be met before defensive weapons are deployed: they must be judged "survivable" and cost-effective. Unfortunately, however, there is no mechanism to provide the President or Congress with an objective evaluation of how successfully the Star Wars program is meeting those criteria.

An independent panel of experts, appointed by and responsible to Congress, should monitor the technical progress of the research, keeping an eye on the Nitze criteria and advising the Government on the program's broader impact on our arms control and defense policy. It should include a "Red team" to keep careful track of the countermeasures being developed in the Soviet Union and challenge those in the Star Wars program to keep abreast of them. Finally, it should monitor whether or not the research is consistent with our obligations under the ABM Treaty.

Congress cannot afford to be merely a cheerleader. It cannot write the checks for the Star Wars program yet leave all the important decisions to the White House and the Strategic Defense Initiative Organization. Congress has a constitutional responsibility to control the purse strings and oversee the program.

Mr. WARNER and Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, before the distinguished Senator leaves the floor I wish to bring to his attention that 12 percent is what has been expended thus far under the SDI program, not 8 percent which the Senator used. And it is interesting. It does not appear to be out of line. For example, as of April 30, DARPA which as the Senator is fully aware has an important research program——

Mr. BUMPERS. I was not aware of that. Two-thirds of the fiscal year is out and they have spent 12 percent, not 8 percent.

Mr. WARNER. But I use as an example here that DARPA has expended only 5 percent of their money, and the Air Force has expended just 15 percent of its entire strategic R&D funds.

Mr. BUMPERS. Could the Senator enlighten us, because I do not know, as to how many specific grants have been made to colleges and universities across this country with this money?

Mr. WARNER. I can get that information before the night is out, and at the rate we are going it will be a long night unless we get to a vote. I am anxious to speak a few moments and hopefully get to a vote.

Mr. KERRY. Will the Senator yield for a question?

Mr. WARNER. Let me finish a few remarks and I will be happy to yield to the Senator from Massachusetts.

In fairness to our colleagues, I was concerned about a point raised by several of the proponents of this amendment, namely, that the Secretaries of Defense are concerned about the rate of growth in this program. So I went back and drew on my memory and I would like to share these facts with my distinguished colleague, a former Secretary of the Navy. It was my privilege to have succeeded him in the fiscal year 1972. I bring to his attention that as Secretary of the Navy in planning the budget for 1973, the then Secretary of the Navy, Mr. Chafee, allowed for a 434-percent growth in the Trident I Missile Program. So that is a fairly interesting statistic—somewhat larger than this.

Now, turning to Secretary Elliot Richardson, who signed one of the letters, which seemed to be form in nature, he says:

> A vigorous but prudent research program in ballistic missile defense is very much in the security interests of the United States.

And I had the privilege of serving under him when he was Secretary of Defense in 1973, during the period when there was 434-percent growth in the Trident I Program. And then Secretary Schlesinger—and I was present in the hearing room, presiding as chairman when he gave his views on the SDI Program and his thoughts about the growth. I would now like to read exactly what the Secretary said. I am reading from page 19 of the transcript dated Tuesday, March 19, 1985:

> It occurs to me as an old-time budgeteer that there may be a certain amount of "cut insurance" in that request. Indeed, I think there is probably some substantial cut insurance in there.

I focus on the words he is saying, "I think there is probably"—equivocations throughout his testimony. He continues:

> I offer that as initial comment because I think the administration expects to see some reduction and is prepared to deal with that by requesting a generous amount at the outset. The second point is that I have seen few research programs that can profitably expand at a rate in excess of 30 or 35 percent.

Well, again having worked with him in the Department of Defense—and, indeed, on the Trident II Program we worked together—it is interesting that the budget that he laid down provided for a 150-percent growth in the Trident II Program in fiscal year 1982. So later on I asked of the Secretary—Senator Warner speaking, page 26:

> I'm inclined to believe, Dr. Schlesinger, as one who will be responsible on the floor for the SDI program, that I will hear the statement that you have made about a 33⅓-percent growth being realistic several times. The question I pose is this: Have you had the opportunity to really examine the basis for this rather substantial incremental growth request?

And the reply was he had not had the opportunity to go into detail in the SDI Program.

Mr. President, it is my hope that we can proceed to vote on this amendment. I might add the principal sponsor from Wisconsin has some very good parts in his amendment. On the assumption that he will go forward with his plan to submit various parts of the amendment, assuming it is not adopted by the Senate tonight, in subsequent amendments I am prepared to say I am going to support some of those parts, particularly that section that deals with the ability to establish an independent analysis which we call I think the "Red Team." I think it is a very good suggestion and there are other parts of the amendment that are quite good which I will be able to support.

I urge all Senators not to accept this cut.

Mr. NUNN. Will the Senator yield?

Mr. WARNER. I yield the floor.

Mr. NUNN addressed the Chair.

Mr. JOHNSTON. Mr. President, if I may be recognized, I will yield momentarily to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. I yield briefly to the Senator from Georgia.

Mr. NUNN. I, too, find this testimony very interesting. Although the Senator from Virginia knows I do not support this amendment for a good many reasons, I do think it would have been very helpful to the administration if the administration had followed through the offer of the Senator from Virginia of having the administration fully briefed by former Secretary Schlesinger. Had he been fully briefed and had he altered any of his testimony after being fully briefed, I think we might have a different background for this debate because there are a number of us, including myself in that number, who have a very high regard for Secretary Schlesinger's opinion.

I know so well, after the Senator from Virginia going through that dialog, he said that, "I would like to see you get fully briefed on this program." And the administration has never done that.

So the administration has a lot to explain in this program that has not been explained, although I support the committee position.

In talking about the number of university grants which have been made, the Senator from Massachusetts made a valid point on that earlier today when he made the comment that there are grants being made all over, and we are not quite sure about what they are. I have been asking for that information, however, for the past 2 months repeatedly. Never have I gotten the answers to the questions.

The way they are running this program now I think has undermined a lot of credibility for the program. I do support a very vigorous research effort in this whole area.

Mr. WARNER. Mr. President, I thank the Senator from Georgia for his observations.

On page 26 of the transcript, I said to the Secretary,

> If not, would you be willing to avail yourself of such a briefing, which I would be happy to arrange, if that is necessary?
>
> Dr. Schlesinger: I would be happy to do that.

It was not until tonight that I learned that he for some reason had not been given a briefing.

Following that, I said:

> Following that briefing, might you be willing to revise or supplement your remarks for the Record as appropriate?
>
> Dr. Schlesinger: Of course I would.

I had the privilege of serving with him in the Department and he is an extraordinary man. His views are highly respected. I appreciate the Senator from Georgia bringing that to my attention, and also his comments that he does not support this amendment. Indeed, during the course of the deliberations in the Senate Armed Services Committee, the Senator from Georgia and I and the Senator from Maine [Mr. Cohen], now the presiding officer, agreed on this figure which is presently before the Senate in the bill, $2.9 billion, as being a reasonable consensus of the funding profile required for this program.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BUMPERS. Will the Senator yield briefly?

Mr. JOHNSTON. I have been waiting for some time. I will speak briefly and then yield.

Mr. WARNER. If the Senator from Louisiana wanted to pose a question, I would have retained the floor.

Mr. JOHNSTON. Mr. President, I want to stop for a brief moment and pay tribute to the President of the United States, the Great Communicator, because I think this amendment is a real tribute and edifice to the Great Communicator and his skills.

Let me make very clear, as much as anybody, certainly on this side of the aisle, I admire, like, and respect President Reagan. But I think what we are seeing tonight is almost a surreal world.

A couple of years ago, star wars, which did not even have that name, was funded at a couple hundred million dollars. Tonight we find that the $1.4 billion in last year's bill would be increased by the Senator from Wisconsin and the Senator from Arkansas to $1.8 billion, a half-billion dollar increase. The committee would go to $2.9 billion.

We are dealing with multiples of dollars so big that it ordinarily would choke a horse.

Mr. NUNN. Will the Senator yield for the brief observation?

Mr. JOHNSTON. I yield.

Mr. NUNN. I believe before this started the committee was somewhere around $900 million.

Mr. JOHNSTON. Two years ago it was around $200 million.

Mr. NUNN. It was much more than that. I do not want to dilute the Senator's tribute to the Great Communicator, but I wanted him to be accurate.

Mr. JOHNSTON. I think the point is the same. Two years ago it was what?

Mr. WARNER. $990 million at the time the President made the star wars speech.

Mr. JOHNSTON. I was not referring to that. I was referring to 2 years ago, fiscal 1983.

Mr. NUNN. That was about 2 years ago when he made the speech.

Mr. WARNER. July 1984.

Mr. NUNN. This last year it was $1.4 billion. I think there is a lot of confusion here between what the President is requesting and what he has gotten. He has not gotten anything like what he is requesting and is not likely to this year.

Mr. JOHNSTON. Mr. President, I stand corrected. The point is the same. It was less than $1 billion then. Now the Senator from Arkansas and the Senator from Wisconsin would add hundreds of millions of dollars to it. The committee would add almost $2 billion to it. Whatever those figures are, whatever the exact multiple of $100 million, is, the fact of the matter is that since before the President made his speech and today not one thing has happened that I am aware of, technologically.

There has been no breakthrough. There has been no discovery. We are not on the threshold of building a new weapons system.

No, Mr. President, nothing has happended, except the President's speech.

What did he say? The President said, "We are going to build, in effect, an astrodome over the United States and make nuclear weapons obsolete."

Does anybody of any substance believe that speech, believe the essential gravemen of that speech? The answer, Mr. President, is absolutely not. I have not heard a serious scientist yet who has said you could put an astrodome over the United States. About the best you can get is to do a point defense with the surety basis of about 90 percent, or you might get somebody to go 95 percent.

Well, we could do a point defense on ABM years ago, before the ABM Treaty. That is not to say we have not increased technology since that time.

But what have we discovered? We have not discovered anything except a speech, which was wrong. It was wrong, Mr. President. We know that.

Is there anybody in here—the Senator from Virginia, the Senator from Georgia, any of you—who will get up on this floor and say the President was right, that we have any possibility of making nuclear weapons obsolete? Of course not. Of course not.

We are here doing this little dance tonight because the political landscape has been changed by a speech we all know to be wrong.

What is the truth of the matter? The truth of the matter is we do not know what star wars is. It is a whole collection of technologies that we are going to be chasing out there with the almighty American dollar. We hope we can find it. We hope we can find a series of things.

There is only one thing sure about the ABM and that is if we do eventually find it, whatever it is, whether it is a point defense or a space ray or an ionized beam or an electron beam or a neutrino beam, or whatever it is, there is only one thing sure: that is that it is going to violate the ABM Treaty and put us into a new space race with the Russians.

Can it ever make nuclear weapons obsolete? Mr. President, even if you had a leak-proof system it would not make nuclear weapons obsolete.

At a hearing the other day, we said, "What do you do about the car bomb?"

The Russians can put these nuclear weapons in a pouch, and the pouch, by the way, can be a great big van or something, not just a satchel bag. They send in big vans of material all the time. They can put nuclear weapons in that van, put it in a truck, drive it down by Lafayette Park, and have it wait there until the appropriate moment when somebody pushes a button. They can have those all over the country.

They are not going to make nuclear weapons obsolete.

That is not to mention the cruise missile, which I guess star wars is not supposed to interdict. We do not know what star wars is supposed to interdict because we do not know what star wars is.

What we do know is that the administration wants to spend $25 billion over a period of 5 years. Twenty-five billion dollars is more than three times the 1-year saving from a 1-year freeze on Social Security, more than three times that amount.

And for what? We do not know. We really do not know. If we got it, we do not know whether it would violate the treaty. We do not know whether we would want to build it to violate the treaty and we do not know what it would cost, we do now know what it would do.

The only thing we are sure of is that the President is wrong, that it cannot make nuclear weapons obsolete. We know that the President is wrong in that it is not going to be leakproof. We know that the President is wrong in that when we invent this thing and it makes nuclear weapons obsolete, we are not going to share it with the Russians.

I mean even if it did work, Mr. President, can you imagine us with this thing we are spending $3 trillion for, sharing it with the Russians? We are not even going to give them a computer now.

Can you imagine calling up the head of the Soviet Army and saying, "Say, we have all this new technology equipment out here, don't you want to pick it up?"

Mr. NUNN. It is going to be delivered by Richard Perle.

Mr. JOHNSTON. Mr. President, I do not know how we got into this surrealistic, metaphysical debate. It is just amazing to me. The whole landscape of this place has been changed by men smart enough to know better. As a matter of fact, they do know better.

I am not going to point around this room, Mr. President. But I know Members of this body who know better but for various reasons, political and otherwise—and please do not think I exclude myself from making an occasional political vote, maybe even on this very day. On this very day, some of us may have made political votes.

Mr. NUNN. Mr. President, will the Senator yield just for a brief question?

Mr. JOHNSTON. Of course, Mr. President.

Mr. NUNN. I agree a with a great deal of what the Senator has said. I think he is getting down to the heart of the matter. That is that the definition that the President has given is not one people can support. I have supported that definition. I have said over and over again that the President's definition of this program is dream world. The Senator is making that point very vividly. It seems to me that is what we really ought to be trying to define in this debate—what is it we really want?

Mr. JOHNSTON. Should we be going so far so fast to get to whatever it is?

Mr. NUNN. The first thing we have to do is define the program. The Senator is correct, the program is ill defined by the administration. That does not mean that the fact that the Senator from Louisiana, the Senator from Georgia and perhaps some others—maybe even the Senator from Virginia—do not agree with the administration's definition of maybe eliminating nuclear weapons from the face of the Earth with an astrodome and turning it over to the Soviet Union—I do not believe that is what we want. Maybe

some people do. Nevertheless, what is it we want to do?

The Carter administration had a very vigorous program going in this area. They did not have an absurd definition, though. I have supported that program all along. The Senator has to tell us where we want to go. We can certainly agree that the definition as given by the President is not something that can be taken seriously by people who have studied this. But the definition as given by Paul Nitze is something different. The definition as given by Paul Nitze is something different. The definition given by Secretary Weinberger is something different again. The definition given by General Abrahamson is something different again. So which definition are we going to choose?

I think the Senate has to follow that along and see where we come out and see what we agree upon.

Mr. JOHNSTON. Mr. President, what I would advocate is that, among other things, the distinguished Senator from Georgia would put his acute and agile mind to the business of defining this matter. I suspect if he were doing so in a darkened room with nothing around, no committee around, he would probably come out somewhere around where I would—which is to say you cannot define the program until you know what you are dealing with. All you can define is some general directions and a rate at which you get there.

What I am saying is we are being asked to go way too fast to get to a destination we know not of and the purpose of the trip is as yet undefined. So I say, let us slow it down a little bit. Let us not increase this thing three times over what it was before the President made his speech, with which we all disagree. Let us put our own definition to it and let us come out somewhere around where the Senator from Wisconsin and the Senator from Arkansas have defined—not because there is any magic to those numbers, but because I think there is a little less demonstrated illogic in going that fast than there is in going as fast as the committee wants to do.

Mr. NUNN. Mr. President, let me ask the Senator if he would address just this one point, because one of the reasons—I can agree with much of what the Senator says. One of the reasons I do not favor this amendment, and I think the authors have done an enormous amount of work and have put a lot of thought into it and I think they have helped in this debate and I hope the debate will help us define the program in the end.

If you look at the Dear Colleague letter and look at the attachment and look at the SDI alternate budget, there is a whole page of line items here. Each one of these line items has a particular mark by it. This indicates that there is a specific direction that the authors of this amendment want to lead us in terms of the SDI. They have gone down to 4 percent on anything that is a demonstration project, everything that is going to have a demonstration attached to it.

Where does that lead us? It is one thing to critique the President's program, but we have to critique our alternatives, too. I wonder where it leads us. Because how can you ever know what you have if you do not ever have a demonstration project? With a 4-percent funding increase, you are not going to have it.

Clearly, with this amendment, if it were to pass, as I have determined it, what we have done is define a program and there is going to be infinite research and never enough result from any kind of demonstration project so that we know what we have when we get there.

I do not know if we contribute with this particular amendment. As the Senator from Virginia said, I can support parts of this amendment, but I cannot support a detailed micromanagement approach when, as the Senator from Louisiana articulated so clearly this evening, we have not even a definition of where we want to go.

Mr. JOHNSTON. If I may say to the Senator from Georgia, the essential part of this program is the dollar amount. As I say, the line item—I know the Senator from Arizona, the distinguished chairman of this committee, and the ranking minority member would work this over very well in the conference committee and maybe 4 percent and maybe demonstrations should or should not be in. They can work that over in the conference committee. But the important thing here is the dollar amount.

Mr. NUNN. If the Senator will yield, the House should not pass anything like this either. If the House passes something like this, what we have is a massive research program that will never have a conclusion or a judgment point because we have no way to reach that. The effort here is to avoid violating the ABM Treaty, but there is nothing in the 1986 bill that is going to violate the ABM Treaty.

We are a long way from tests and demonstrations. The money will lead to that. I cannot give the dates because they are classified but I think the ABM violation debate is relevant now and I think some of the points made by the Senator from Massachusetts are relevant. But I have looked at this very clearly and I do not think there is anything in the program this year that is going to violate that treaty.

Mr. JOHNSTON. Mr. President, let me make two quick points and I shall sit down. No. 1 has to do with the overall budget amount. We had a knockdown, drag-out fight here on the floor of the Senate with respect to the budget resolution. The Senate in its wisdom came up with a figure of no real growth but 4 percent above last year's; that is, the inflation amount. I thought that was too small, frankly. I voted against that. I voted for the 3-percent growth. The House has come up with no growth at all, so we are going to go to conference.

I would predict that, as we usually do in conference, a budget resolution will come up with something between no real growth and no growth, maybe about a minus 2 percent in real terms.

Mr. President, the Senate and the House have gone into this budgeteering business as if they were really doing something. But when it comes to each weapons program, it is full speed ahead. Do you think we cut the weapons programs? Oh no, let us not cut the programs. Let us just cut the figures. Let us go ahead with MX, 50 MX's. Maybe that will save a little money.

The Air Force said it would not save much money. I had a communication from the Air Force, believe it or not, that said to build 100 MX's would cost $22 billion; to build 50 MX's would cost $25 billion. [Laughter.]

No, I am absolutely serious.

Mr. NUNN. I know that the Senator is serious in that. I have seen that approach. The more you build, the cheaper it is.

Mr. JOHNSTON. Not only the more you build, the cheaper it is. It is the overall figure. You save $3 billion by building 50 more MX's. As a matter of fact, I think I gave that to the Senator's assistant; and if we can find that, I will put it in the RECORD.

Mr. NUNN. I hope that going from 40 to 50 will save money.

Mr. JOHNSTON. The point is somewhat valid, and that is that we do not save very much. I do not know how much we save, but we do not save enough on 50 MX's.

Here we go with star wars. I do not know whether we are going to adopt this amendment, but if we do not, we will increase star wars way up there.

Where are we going to save the money to meet the Senate figure of 4 percent of last year, no real growth, or the House figure? I do not think we can.

I think we are going to end up some day down the road, after we solemnly pass a budget resolution, and we all beat our chests about how we held back Pentagon spending, and we are going to stop the expensive toilet seats and all that, and we will have to end up voting by majority to pierce the budget resolution to make room for all the weapons programs we are increasing.

Mr. NUNN. The Senator makes another good point. I do not agree with his conclusion. His conclusion is that

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he supports this amendment. But as to the question of where we are saving money, we are cutting down the number of items in production lines. We are cutting out weapons systems.

Mr. JOHNSTON. It increases the unit cost.

Mr. NUNN. That is going to increase the unit cost, and we are going to end up with very few production lines and we will have less coming off those production lines. But, at the same time, we will have massive new starts, and we will have to take a look at this in the appropriation bill.

Mr. JOHNSTON. Why do we not take a look at it now and build fewer of what we are going to build, if we know what it is we are going to build?

Mr. NUNN. I have two major problems with this amendment. One is micromanagement of the program. I do not believe Congress is in a position to do that. I know that I am not in a position to make these line item judgments. Maybe my colleagues are.

The other problem is that if we are going to save $1 billion, in my opinion what it should be used for is beefing up the per unit production on a lot of existing lines rather than the use that is being made of it.

Mr. JOHNSTON. The Senator could do that in the conference.

Mr. NUNN. We cannot handle everything in conference. We have to get some of these matters cleaned up on the floor. We have a lot of work in conference.

Mr. JOHNSTON. I have seen the Senator operate in conference.

One final point, and that is to reiterate the point President Eisenhower made back in 1958, I believe, about the military-industrial complex. I think I can safely talk about it, because I think I have been what is generally regarded as a hawk around here.

This SDI Program really does scare me. The Senator from Massachusetts [Mr. KERRY] was talking about the fact that the word is out at MIT to find the scientists up there.

I can tell you that former Secretary Jim Schlesinger told us in our briefing the other day that the word is out on the street that they are looking for good scientists to come on board, and they will fund them nicely and send them to Europe, have them talk to Europeans. This is what former Secretary Schlesinger said is really going on.

So that would kind of co-opt the whole scientific community. You make them all part of it. When you have this kind of money to spread around, you can make little grants. I do not mean to say you buy the integrity of the scientists, but you get them on board, working for it, and they believe in the program. That is human nature. We all feel like that.

You get in one political party, and you tend most of the time to believe what comes out. At least, if somebody is paying your freight, you tend to believe that.

I am very much afraid that what is going to happen with SDI for the scientific community, and later the Senate, is what happened on the B-1 bomber. I sat in the Senate, as other Senators did, and saw Senator after Senator vote the interests of his State, being faithful to represent his people, when he really did not believe that. One Senator I know had made a whole political life out of opposing weapons, but he got up in favor of the B-1 because they made it in his State.

That is what I am afraid, in part, is going to happen with SDI, because it involves so many dollars. We build this whole air castle out of a speech nobody believes. We purchase all the minds in the country, in support of it, and pretty soon we in the Senate are rushing out chasing the tail of that SDI, not knowing where we are going, but ending up with a country that is closer to bankruptcy than it is now—and some say it is pretty close—and certainly no more secure than it is now.

I yield the floor.

Mr. DOLE. Mr. President, at 3 minutes after 5 we started on this amendment, and we were told it would take about 90 minutes. It has taken 180 minutes, and we are sort of in the dinner doldrums. Members are coming in; it is a good time to speak.

I wonder if we might now try to get a time agreement on this amendment. There are still 13 other amendments we are going to do this evening. So we can even talk about the Synfuels Corporation. I remember that little gem that was sold to the U.S. Senate, a multibillion dollar item. We can go into a lot of these things that cost money.

I would like to vote on this amendment. I wonder if the principal sponsor of the amendment might be willing to do that.

Mr. WARNER. Mr. President, this side is ready to vote.

Mr. PROXMIRE. This side is ready to vote. I do not know of any other Senators who have speeches. They may have 1 or 2 minutes.

Mr. WARNER. I say to the leader that one Member has been waiting patiently for an hour or more, and that is the Senator from Alabama.

Mr. DOLE. I do not want to cut off anybody. I am wondering if we might expect to vote.

Is there anybody else who feels an urge to speak on this amendment, or can they speak on the next amendment? I know that the Senator from Alabama wants to speak.

Mr. PRESSLER. I do want to speak on this amendment.

Mr. DOLE. How much time?

Mr. PRESSLER. About 5 minutes.

Mr. DOLE. Can we agree that we will have the vote on the amendment at 8:30, that the distinguished Senator from South Dakota have 5 minutes and the distinguished Senator from Alabama have 20 minutes?

Mr. HEFLIN. I will settle for 12.

Mr. KERRY. I will take 5 minutes.

Mr. DOLE. Is there anybody else? If not, it will be 8:30.

I ask unanimous consent that the vote on this amendment occur at 8:30.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object—

Mr. DOLE. Let me complete my request.

With 5 minutes each for the Senator from Massachusetts and the Senator from South Dakota, and 12 minutes for the distinguished Senator from Alabama.

Mr. BYRD. Mr. President, would the distinguished majority leader include in his request that there be no intervening motion, amendment, debate, point of order, appeal, when the time is up, just prior to the vote?

Mr. DOLE. All right.

Mr. WARNER. Mr. President, I recall that the Senator from Massachusetts wanted to ask questions.

Mr. DOLE. He has been given 5 minutes. Let us get the agreement.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

The Senator from Alabama.

Mr. HEFLIN. Mr. President, I have been interested in some of the basic technology that is involved in the Strategic Defense Initiative for some time. As a member of the Subcommittee on Space, Science, and Technology, in 1979 and 1980 that subcommittee held four hearings on laser technology. I believe that was the first time any aspect of the Strategic Defense Initiative had hearings. Some of those hearings were classified, and classified reports were made at that time. This was substantially in advance of the decision to go forward with the Strategic Defense Initiative.

At that time it was clear that the technology was developed relative to lasers, but there were a lot of engineering problems that would be involved and there was a great deal of dispute in the scientific community as to the time that it could take to bring into fruition some of the ideas of technology that had been developed.

I think that the President's scientific adviser on a hearing before the Commerce Committee back in 1980 at that time acknowledged that there were technology advancements in this field and that he was looking further into it.

I think it took some time to convince various people in the administration and to convince the President of this technology and the feasibility of it.

So I do not think it was just necessarily a speech that was made on a day, but it was something that had been carefully considered after hearing from many sides relative to the technology that would be involved.

Mr. President, I rise in opposition to the amendment to reduce the funding for the Strategic Defense Initiative Program. In my judgment, the amendment is ill advised at a time when the United States is embarking upon a vigorous and comprehensive research program to analyze and design defenses that enhance the security of our Nation and our allies, provide a hedge against a Soviet breakout of the ABM treaty and ultimately, if feasible, provide options on whether to develop and deploy advanced defensive systems. As I have said many times before this body, the SDI represents a welcome shift in our strategic policy from one which relies upon mutual assured destruction for deterrence to one based upon a commitment to self-defense. The effect of this amendment would be to gut many of the existing projects now ongoing within the SDI organization.

The administration requested $3.7 billion in its 1986 defense budget for the SDI in order to build upon the 1985 program. The Armed Services Committee, in keeping with the Senate approved first concurrent budget resolution, reduced this figure by $750 million down to $2.97 billion. I believe this is the minimum acceptable funding for the SDI if we are to continue the intensive research already begun in many defense technologies.

Thus far the SDI has taken a balanced approach toward ballistic missile defense by stepping up the pace of research on advanced, long-range defense concepts such as directed energy devices while continuing work on more mature, nearer term BMD concepts. This is an approach I have advocated since the inception of the SDI. However, the SDI organization should place greater emphasis on research in conventional defense technology in my opinion. The United States must maintain the option of deploying a BMD system of relatively mature technology within a decade. This is an appropriate response to the ongoing and extensive Soviet antiballistic effort. The Soviet Union has had a very active BMD Program for many years and has constructed an ABM system around Moscow. They are also engaged in extensive research on lasers and neutral particle beams for strategic defense. It is vital to our Nation's security that we provide a deterrent to any Soviet decision to expand its ballistic missile defense capability beyond that permitted by the ABM Treaty.

The ability to respond the unforeseen national and international developments quickly and effectively constitutes one of the greatest reasons for pursuing BMD research. We have already shown substantial success in this area when, last June, the Army homing overly experiment demonstrated the capability of a nonnuclear missile to intercept and destroy an incoming warhead outside the Earth's atmosphere. If we are to maintain this momentum it is essential that the Senate support the Armed Services Committee funding recommendations.

Critics of the SDI Program argue that it constitutes a breach by the United States of the ABM Treaty. In my opinion and that of many people who are recognized as experts, this charge is totally unfounded. The ABM Treaty places limitations on deployment of an ABM system and prohibits development, testing, or deployment of space-based, sea-based, air-based, or mobile land-based ABM systems or components. SDI is a comprehensive research program only and does not include development or testing inconsistent with the treaty. No decision on development or deployment of the system has been made and will not be until we know the results of the research. Nothing in the ABM Treaty prohibits this type of research. With the SDI Program the United States is merely investing in research of a wide range of technology such as computers, sensors, radars, high energy particle beams, and lasers. If a comprehensive, strategic defense system proves not to be feasible the program should nonetheless yield many important technological spinoffs.

A second criticism leveled at the SDI Program is that it will prove both destabilizing and provocative. In my judgment, development of a strategic defense system would only accelerate a nuclear ballistic missile disarmament. If these new technologies do prove feasible and a defense system can be both cost effective and survivable it would ultimately increase a potential attackers' uncertainty about the likelihood of a successful attack, which would enhance deterrence. If each side neutralizes the others offensive ICBM capability the threat of ICBM's must be reduced. The United States must pursue equal and verifiable agreements with the Soviet Union to produce real reductions in the nuclear arsenals of both sides. The SDI can be a crucial means by which such agreements can be reached.

Mr. President, those of us who support the strategic defense initiative also demand the cost of the program be kept reasonable. However, the funding reduction proposed in this amendment would absolutely cripple the SDI Program. To merely sustain the contracts already begun will cost $2.5 billion. Further, the current funding proposed for the program by the Armed Services Committee is below that recommended by the Fletcher study and must be maintained if we are to meet the goals and timelines established for the SDI by that study and the President. Anything less will mean delays in meeting the objectives of the program and arriving at the ability to provide a basis for informed decisions regarding strategic defense.

In its report accompanying the Defense authorization bill the Armed Services Committee endorsed the priority of the strategic defense initiative as contained in the administration's budget request. However, in reducing the program by $750 million it was the committee's view that the allocation of the reduction should be left to the discretion of the program manager. As a guideline to the program manager the committee stated that the reduction should not detract from technology demonstrations nor from the priority which the committee believed should be assigned to research and development on near-term options. The amendment we are now considering, Mr. President, would do just that.

First, the amendment reduces funding for the Surveillance, Acquisition, Tracking and Kill Assessment Program by more than 50 percent. This program is the "eyes" of the SDI and includes technology development and technology experiments. Two experiments that would be severely limited if this amendment is adopted is the airborne optical adjunct, which will provide late mid-course and terminal phase detection, tracking, and discrimination from a nonspace platform and the terminal radar, a key element in any terminal defense to perform detection, discrimination, and tracking as well as guidance to interceptors.

Second, the amendment would reduce the Directed Energy Weapons Program by 50 percent which would result in postponing all the initiations of major integration experiments and demonstrations, and delay by more than 1 year the date by which system level development decisions could be made. Cuts in this program will also postpone by more than 1 year all spaced-based acquistion tracking and pointing experiments, the Multiple Aperture Phased Array Program, and the single aperature ground experiment.

Third, the Kinetic Energy Weapons Program would be greatly dismembered. This is the portion of the SDI that could most readily support near-term options and conceivably contribute to a hedge against a Soviet breakout of the ABM Treaty. This amendment eliminates the ability to explore unique KEW capability to cover all phases of the SDI including both endoatmospheric and exoatmospheric research efforts. Also, there would be extensive delay in the ground launced and space-based Miniature Kill Vehicle Program and could also preclude action of the recent homing overlay experiment success.

Fourth, under the Survivability, Lethality and Key Support Program cuts to space power and space logistics would be catastrophic. Power technology development would be discontinued and there would be no investment in technologies for reducing launch and support cost. Without investment in system definition and enabling technology, an informed decision by the early 1990's on economic and technical feasibility of the SDI will not be possible.

Fifth, the heart of the SDI, the Battle Management and Systems Concepts Program, would be cut by this amendment by nearly 50 percent. Architecture concepts would be effected by retarding development of allocation concepts and deferring development of evaluation test beds. Software technology for battle management and mission requirements would be deferred and investigation of technology supporting communications leaks would be slowed. Most importantly, integrated experiments or demonstrations would be severely limited by the amendment which means that many technologies would be developed in isolation so that the interaction of the parts of any whole would not be fully understood. Decisions in the absence of integration work or demonstrations are unreliable, faulty, and incomplete if not irresponsible.

Mr. President, while supporting the survivability programs and raising the visibility of the Countermeasures Program the amendment tends to eliminate the efforts aimed at a demonstrable military capability as well as those aimed at substantive evaluation of military capabilities. Furthermore, it suppresses the programs that would provide a focus for the technology. This amendment is a major departure from the current SDI and, if passed, would require a complete reappraisal of the program. The amendment would require elimination or cut back of many of the 140 technology thrusts within the SDI Program. To reduce the program beyond the viability needed to protect our defense options would send the wrong signals to the Soviet Union at this time. I therefore urge my colleagues to oppose the amendment.

(Mr. KASTEN assumed the Chair.)

Mr. PRESSLER. Mr. President, I have been deeply troubled by this strategic defense initiative debate. I am skeptical about whether SDI can do what it says it will do. However, I, unfortunately, am not going to be able to support this amendment. I am going to support a higher level of funding.

One of the key reasons is that we do have arms control talks underway. I was with a group of Senators who met with German Foreign Minister Genscher in April. It was his assessment that the Russians have come back to the bargaining table because of this star wars thing. He was of the opinion that in the 1940's, when Gromyko was in Washington as a young Ambassador, he had been very impressed with the U.S. development of the atomic bomb. He believes that Gromyko is a most influential person in the Politburo in terms of Russian foreign policy.

He also told us that he believes that Gromyko urged the Soviet Union to return to the bargaining table because of the existence of this star wars concept.

I must say that I agree with my colleague from Louisiana that we do not know much about it. But it does seem to be the single central thing that has brought the Soviets back to the bargaining table. So that is one difference from last year in terms of looking at this SDI project.

Also, this, we must all admit, is probably going to be an offensive weapons system. Anything that can destroy a foreign ICBM within seconds after it is launched would also be capable of delivering a weapon in the same area. I think we have to be frank about that. But it is a can-do approach on an offensive weapon.

We are bogged down with MX's and other weapons in which our only option seems to be building more of them to count who has the most. This may provide the breakdown.

Also, I have been concerned about protecting our satellites. I have just recently attended a seminar on informational satellites and the technologies for peace that are being used by satellites. I know that this does not necessarily include antisatellite weaponry, but it could.

The point is that we must make these informational satellites secure for our country. It does appear that the Russians have one operational antisatellite weapon and it appears they are doing research in this area.

So I conclude very painfully that we have no choice but to push forward at some level. I feel that the level agreed upon by the Armed Services Committee is perhaps a bit high. Later this evening I hope to offer an amendment which will provide for a slightly lower level of spending, with some money fenced, until the President certifies that he has information that the Soviets are violating the Anti-Ballistic Missile Treaty.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Massachusetts.

Mr. KERRY. Mr. President, I have had a great opportunity to speak on this. I do not intend to use my 5 minutes.

But I would just like to draw the Senate's attention to perhaps a couple of points. I heard my colleagues say in the last few moments that we do not really know where we are going with this, that we do not know where it is going to wind up. It seems to me that that really avoids the reality.

We do know where we are going. We do know what this research is set out to do. We know that it is set out to do it in a way that is not a mere hedge against Soviet breakout, but which is very clearly, as rapidly as possible, bringing the United States to the point of deciding whether or not to deploy or not deploy.

I listened to the Senator from California and others on the other side arguing for this. Throughout their language is not the terminology of merely answering a question, but throughout is the terminology of deployment and the terminology of how we will, in fact, enhance deterrence with some kind of defensive posture.

Once again, Mr. President, I ask the Senate to consider the reality. Do you buy the deployment of any defensive system? We are all grown people who have been taught how to think. We can make a judgment for ourselves by assumption. Assume it is 100 percent effective. Do not wait for the results of the research. Make the assumption that it is 100 percent effective. Make the assumption it is more effective than the 90 percent the Senator from Arkansas talks about or that every scientist in this country has predicted.

Make that assumption and do you want to deploy it? That is the issue. Does it enhance deterrence?

Now, I do not believe that a system that puts us in the position of us having a defensive ability where you enhance war fighting capacity is a system that enhances deterrence. Is a system where you have less than mutual destruction a system in which the world is really safer or are we going to rise as great superpowers more easily to the whole question of conventional confrontations? That is at least something that was eliminated by the bombs dropped on Nagasaki and Hiroshima.

But, in the final analysis, if you look at what has happened, if you were to deploy this system, perfect or less than perfect, we have merely reached the point where we still maintained assured destruction of each other. That is a given. It is a fact. It is a reality. You cannot escape it. That genie cannot be put back into the bottle.

So this level of funding or a higher level of funding or a lower level of funding, all of them avoid that fundamental confrontation with what is at the end of the line. When we have finished this research, we know what the choices will be. They will be to deploy a less than perfect system, deploy a perfect system, or do not deploy it.

And, as intelligent human beings, we have the ability to understand what the consequences of that will be.

If the Soviet Union came back to the talks in Geneva because they fear the specter of this, so much the better for the judgment of the Soviet Union to have done so. And we should now be making our own judgment about the consequences of this action. Someday it will enhance the terms, Mr. President. A system where you have the ability to defend up to a certain point is still a system where total destruction lies at the end of the road. And that is what we are going to have to make judgments about down the road.

I believe that for all the reasons that it will do injury to satellites, do injury to the ABM Treaty, do injury to the current process of deterrence, that we are avoiding the confrontation of that fundamental issue.

Mr. President, lest anybody doubt it, this administration does not have a sense of where it is because here we are on the eve now of breaking the SALT II agreements and they do not even know what their attitude is going to be about that just days before a decision is due. How can we trust an administration that does not know whether or not it wants to keep the SALT II agreements, to keep the agreements of the only other treaty which we have and which was ratified by a vote of 98 to 2?

So I urge my colleagues to consider not just the level of funding but consider the primary issue that is at stake. We know what the results will be.

Mr. LEAHY. Mr. President, I am very pleased to cosponsor the alternative strategic defense initiative budget amendment. It seeks to implement one of my major goals in the area of defense: to restrain the Defense Department's appetite for pouring the taxpayers' money into fabulously expensive, overly complex and technically questionable programs. At the same time, it transfers some of these funds into needed upgrades of our conventional forces.

I do not oppose a robust research program into defensive technologies. We have long had a vigorous research effort in ballistic missile defense, because it makes sense. It is essential to provide a hedge against a surprise technological breakthrough or a Soviet breakout of the ABM Treaty. Our expenditures for ballistic missile defense have run over the $1 billion mark annually for several years now.

The President's strategic defense or "star wars" initiative goes far beyond the bounds of normal ballistic missile defense. The goal, as the President said in his speech of March 23, 1983, is nothing less than rendering nuclear weapons "impotent and obsolete."

According to the Department of Defense's report to Congress on the strategic defense initiative, the effort will cost some $26 billion between 1985 and 1989. This is only the research phase. It will be up to a future President and Congress to decide whether to proceed to the next stage: the development and deployment of actual antiballistic missile systems.

The costs of this vast undertaking are staggering. Estimates vary wildly, but all start in the many hundreds of billions of dollars and go up from there. We are talking about a defensive that might be deployed in the early 21st century, if ever.

I do not want to criticize this effort on cost grounds alone, however.

My real concerns about the star wars idea are threefold: Its potential destabilizing impact; its probable damage to the Atlantic Alliance; and its effect on the arms control process.

We cannot be sure what the Star Wars Program will really deliver or even what the true aim of its proponents in the White House and the Pentagon is.

I believe, from everything I have seen, that an effective shield against a massive Soviet ballistic missile attack on the United States is technologically impossible. A perfect defense would have to be virtually leak proof, meaning that it would have to stop more than 95 percent of all incoming Soviet ballistic missile warheads. Assuming the Soviets launched an attack of 10,000 warheads at us, a 95-percent effective defense would allow 500 warheads—that's 10 per State—to get through. It would be the greatest catastrophe of human history.

Maybe the President's advisers don't think such a defense is technically feasible; there are signs their real goal is different. Many in the U.S. defense community, in and out of Government, have for years sought to overcome the vulnerability of U.S. land-based missiles by deploying antiballistic missiles around our missile silos. This kind of defense does not have to be perfect, or anywhere near it. Even 50 percent effectiveness would probably be more than enough to deter an attacker from attempting to knock out our missiles, because at least half would survive for a counterstrike.

Either scenario is destabilizing. In the first case, the nationwide defense alternative (which is what the President and Secretary Weinberger say they want), could enormously increase the risk of a massive nuclear strike on the United States. However skeptical U.S. political and military leaders might be about actually trying to rely on such a defense, we could never be sure the Soviet shared our skepticism. In that case, in a superpower confrontation, Soviet leaders, fearing we might strike first, would be strongly tempted to preempt and cause as much damage as possible before our attack arrived. They would be driven to a full-blown "launch on warning" strategy to ensure they were not caught by a U.S. first strike.

Should either side come to believe that the other has a truly effective anti-ballistic missile defense of the population, the risks of a massive preemptive strike grow.

In the second case, an equally dangerous situation would arise. If each side believed its own silo-based missiles were relatively protected by an ABM system, while the other side remained vulnerable, the risks of a disarming first strike during a crisis would be high. Imagine the consequences of 2,000 or 3,000 warheads bursting over the United States, even if confined to our military assets. Casualties would be in the millions. And this might be only the beginning, not the end, of the strikes and counterstrikes.

The administration contends the safe way to proceed is to phase strategic defenses in gradually and in the framework of an arms control regime with the Soviet Union. This is utter nonsense. It would be folly to rely on such a notion as the basis of our national security policy.

Instead of some harmonious agreement, we will get a rapid and massive buildup of Soviet offensive striking power in order to assure that it retains the capability to devastate the United States. At the same time, as soon as they are able, the Soviets will seek to deploy their own version of star wars. In all likelihood, it will be less efficient than whatever we do, and there will be a strong temptation on our part to regard it as flawed and penetrable if we decide to attack.

The consequence of star wars is not going to be the elimination of nuclear ballistic missiles through arms control, no matter how hard the President wishes it were true. Over 15 years of negotiations with the Soviet Union in arms control shows that arms limits will have to be agreed incrementally. Radical, comprehensive steps have not been possible because of the profound mistrust and hostility which exists between the two countries. How can anyone seriously believe that the United States and the Soviet Union are going to agree on a joint, phased deployment of a vast, extraordinarily complicated strategic defense system?

The administration also contends that the first stage of the star wars effort will be compatible with the ABM Treaty, because it will be research only. This is sophistry. The Defense Department's own report to Congress makes clear that testing and deployment of systems is envisioned by the mid- to late-1990's.

Research is not verifiable and is not limited by the ABM Treaty, but development, testing and deployment of ABM systems and components other than fixed land-based systems certain-

ly are. The truth is the United States

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ly are. The truth is the United States, in star wars, is launching on a course patently designed to require the abrogation of the ABM Treaty within less than 10 years.

Star wars has within it the capacity of destroying the arms control negotiating process entirely, a fact which no doubt pleases some of the President's hardline advisers. It would lead to a vast growth, not reduction, in offensive systems, including nonballistic missile means of delivery such as cruise missiles and bombers, and it would destroy the ABM Treaty.

There is a third consequence of the star wars effort that is not receiving enough attention: Its impact on America's allies, especially NATO. Within the star wars idea there is more than a trace of a "Fortress America" mentality. This is dangerous. There is no way, not even through the marvels of American science and technology or even with the vast wealth of this country, to shut ourselves off from a dangerous, unstable, and intractable world.

We have allies because it is in our most fundamental national interests to do so. We need these ties and connections not only for security, but for profound cultural, economic, and psychological needs. Fortress America is not the answer to the dilemmas of the nuclear age or of a seemingly unremitting hostility from the Soviet Union. We cannot allow visions of star wars to blind us to this reality.

Mr. President, this amendment would enable the United States to continue funding a vigorous research effort in strategic defense without setting the United States on the uncertain, dangerous, and ill-considered path the President and Secretary Weinberger wish to follow. We can examine technologies and study possibilities at a pace consistent with our economic means, the pace of arms control negotiations, and the evolution of the stategic situation.

In addition, it would enable the Pentagon to shift $1.1 billion into badly needed conventional force improvements. For example, this amendment would add back $522 million for war reserve stocks of ammunition and $110 million for ammunition used in training. The National Guard and Reserves would receive $72 million for 30 mm gun pods, smokeless engine kits, Sidewinder missiles, improved TOW vehicle turret trainers, and other equipment. It also restores $60 million for 5-ton trucks for the Army to move ammunition, and $40 million for Navy spares.

There is a finite amount of resources this country can afford to put into defense. We must make choices and set priorities. There is now a strategic balance and some hope of arms control. The clear defense need at this point is conventional forces to respond to challenges to our vital interests around the world and to deter a Soviet attack on Western Europe and our other allies. This amendment would respond to that priority without damaging a robust Strategic Defense Research Program. I urge my colleagues to join me in supporting this amendment to reduce funding for star wars to $1.9 billion for fiscal year 1986.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Wisconsin, Mr. PROXMIRE, and others.

The recommended funding level is $1.1 billion lower than the committee's recommendation, which already reduced the administration's request by $750 million.

The recommended funding level is $1 billion below the "funding constrained" program recommended by the Fletcher Commission, and over $600 million below the level required to execute the contracts initiated in fiscal year 1985.

While the amendment's sponsors argue that they are preserving near-term deployment options involving conventional defensive technologies, their amendmnent in fact decimates these programs. For example:

First, the airborne optical adjunct [AOA] program is reduced by one-third. This would terminate work to develop a tactical system based on the technology being developed in this research program. This tactical system, would be an important aspect of a terminal defense of the United States or NATO.

Second, the terminal imaging radar [TIR] program is virtually eliminated—$70 million reduced to $6 million. This is a research program designed to develop an advanced ground-based radar to perform sophisticated discrimination functions for terminal defenses. This radar would be central to terminal defenses of the United States or NATO. This reduction is fundamentally inconsistent with an emphasis on terminal defense, you can't have terminal defense without the TIR.

Third, the high endoatmospheric defense system [HEDS], the exoatmospheric reentry-vehicle interceptor subsystem [ERIS], and the kinetic kill vehicle [KKV] development program are the very highest priorities in the SDI for application to near-term defenses for the United States and our allies. These programs constitute the U.S. hedge against a Soviet break-out or "creep-out" of the 1972 ABM Treaty. Yet the amendment decimates these programs, reducing them by almost $300 million—or 80 percent of the amount requested.

Fourth, having reduced the research programs with application to near-term defensive deployment options by over $500 million, the amendment adds $75 million for hard point defense. This doesn't begin to redress the damage done in this area.

Critics of the SDI argue that the Soviets will be able to overcome U.S. defenses with "short-burn" boosters, or other means. Yet the amendment reduces funding for the hyper velocity launcher by 90 percent, and funds for the space based laser project by well over 50 percent. These are two important research efforts designed to meet exactly these types of responsive threats.

The amendment reduces funding for battle management and C^3 activities by almost one-half, or $114 million. This is one area in which both critics and supporters are in agreement that additional work needs to be done.

I hope the amendment will be defeated.

Mr. LAUTENBERG. Mr. President, I rise in support of the amendment of my colleagues from Arkansas and Wisconsin, the Bumpers-Proxmire amendment. This amendment would reduce the level of funding for the strategic defense initiative by $1 billion from the levels provided for in the bill before us, but would provide an adequate level of funding to prudently explore this proposed technology. It would transfer the funds diverted from the SDI Program to conventional, readiness accounts in the Defense Department.

Mr. President, we are still in the early stages of research into ballistic missile technologies. There are many unanswered questions about whether such a system can work, or even what it would look like. But, until more is known, it is appropriate to continue to provide adequate funds for research.

The Bumpers-Proxmire amendment provides an adequate level of funding for defensive research and development in ballistic missile technologies, and represents a realistic funding level in light of our other defense needs. It provides $1.9 billion for SDI research and development in fiscal year 1986, a 33 percent increase over last year's funding level, but cuts about $1 billion from the committee's recommendation of $2.97 billion. It also redirects the money saved from the SDI Program into conventional readiness items like munitions and spare parts accounts.

The Bumpers-Proxmire amendment would also redirect the emphasis of the SDI research program away from premature tests of hardware and toward high-quality research within the limits of the ABM Treaty. It would increase funding for research into penetration aids, a capability that would provide the promptest response to a Soviet violation of the Antiballistic Missile Treaty and would reorient some funding toward more conventional ballistic missile defense research, another hedge against a Soviet treaty violation. Finally, the amendment would slow the rate of growth for hardware demonstration projects which pose the greatest risk of violating the ABM Treaty.

Mr. President, the level of funding and the program provided for under the Bumpers-Proxmire amendment will help to provide a hedge against the possibility that the Soviets are developing their own system in violation of the ABM Treaty but not commit us to following this path ourselves.

Mr. President, in supporting this level of funding I want to make clear my serious reservations about accelerating the SDI Program to inappropriate levels. The budget of $2.97 billion for SDI contained in the bill before us represents a $1.57 billion increase over last year's SDI budget. This enormous boost in funding—a more than doubling in 1 year—especially given the funds still in the Pentagon's pipeline from fiscal year 1985, is too great an increase. The $1.9 billion provided by this amendment will be more than adequate to pursue a prudent research path clearly permissible under the ABM Treaty until the technological prospects for ballistic missile defense are more fully understood.

Mr. President, my reservations about the SDI system stem from a number of factors. First, I share the concern of many scientists and military experts who question whether the "star war" plan to deploy an "impenetrable shield" for the U.S. population is technically feasible now or in the forseeable future. The Soviet Union currently has approximately 8,000 nuclear warheads on its missiles aimed at the United States. Even if we could build a system to intercept 90 to 95 percent of those missiles, such a system would still allot 400 to 800 missiles to leak through our antiballistic missile defense shield. Five hundred warheads falling on our country would annihiliate half the U.S. urban population, injure the rest, and totally destroy all major cities.

Even if we could guarantee an ABM system that was 99.9-percent effective, permitting only 8 warheads to leak through to strike at 8 large cities, several million people would die, and more than 10 million would be injured. With no margin for error, the system would have to work at 100-percent efficiency the first time it was used, without having been tested first. Unfortunately, the chances of such perfection are very small.

Second, enormous technical obstacles exist to the construction of any missile defense system. Beam weapons and other exotic weaponry are still in the basic research stage, with no guarantee that such devices could ever be developed. The Pentagon's own chief of research has conceded that the missile defense sought by the administration would require scientific breakthroughs in eight separate technologies, each the equivalent or of greater magnitude than the Manhattan project that produced the first atomic bomb.

Another difficulty with developing a viable ABM system is that the Soviet Union would actively try to thwart any defense system we were able to build. They would not want to be disarmed if we were able to build a system that could protect us from Soviet retaliation while still leaving us with the means to strike against the Soviet Union.

The Soviets could reasonably be expected to increase their offensive capabilities by building more missiles, warheads, and decoys to overwhelm our system. The Soviets might also be expected to rely on bombers, cruise missiles, or terrorist devices to circumvent our space-based defense system. They could attack our space-based devices, such as orbiting mirrors or laser battle stations with space mines or antisatellite weapons, or shorten the boost phase for their missiles by improving the engine, thus diminishing the time available to the U.S. defense system to find Soviet incoming missiles and destroy them.

While our ABM system would have to protect against all forms of attack in order to fulfill its mission of population defense, the Soviet Union would only need to find one hole in our system through which to deliver its missiles. And while development of an effective ballistic missile system would require significant scientific breakthroughs, countermeasures already exist to defeat many space weapons.

Mr. President, in addition to the technological difficulties of creating a workable ballistic missile defense shield, I am concerned about how development of such a system will affect nuclear stability and the arms race. An imperfect ballistic missile defense system may reduce nuclear stability by magnifying the advantage of a first strike. Although a ballistic missile defense system offers little protection against a massive first strike, it could encourage one by protecting the aggressor nation from the small number of retaliatory missiles that might escape its surprise attack. Recognizing this, each side would have an incentive to strike first and preempt the other. In addition the vulnerability of a missile defense system to enemy attack makes it a tempting target for a first strike, further increasing the incentive for such an attack.

The development of a functioning strategic defense might also escalate the arms race by giving the Soviets an incentive to increase the size of their offensive missile force to overwhelm the U.S. missile defense system. It could also stimulate the Soviets to build a missile defense system of its own, causing us to improve and increase our own offensive forces as we did in the 1960's when the Soviet Union began to develop its own ABM system.

"Star Wars" will also increase the difficulty of negotiating arms control agreements since the need to consider offensive and defensive systems will complicate the negotiations and make it harder to determine what a fair tradeoff is for giving up a defensive system.

Mr. President, despite my deep reservations about the feasibility and wisdom of actually developing an SDI system, I believe ths amendment is our wisest choice. This amendment would provide a modest, prudent increase in the SDI Program over last year, while moving to improve our conventional readiness. It would continue the research and development for the strategic defense initiative, but at a slower, more realistic pace. The level of funding in this amendment will permit us to assure a technological hedge against Soviet breakout of the ABM Treaty while continuing to observe the ABM Treaty. And it redirects the funding away from premature tests of hardware and toward high-quality research that does not violate the ABM Treaty. Mr. President, I believe this is a responsible alternative to the funding level in the committee bill, and I urge my colleagues to adopt it.

Mr. GRASSLEY. Mr. President, earlier today the Senate defeated an amendment by the distinguished Senator from Massachusetts [Mr. KERRY] that would have frozen funds authorized for the strategic defense initiative at the fiscal year 1985 level. After some deliberation, I joined the majority of my colleagues in voting against the Kerry amendment. My reason for deciding not to support the Kerry amendment is that I feel SDI should continue to move forward. In freezing the authorization for SDI, in my judgment, the amendment did not allow for sufficient growth in the SDI.

On the other hand, Mr. President, I will vote for the amendment offered by the distinguished Senator from Wisconsin [Mr. PROXMIRE]. The Proxmire amendment allows the authorization for SDI to grow by 33 percent in fiscal year 1986, thus permitting the program to continue to move forward. In addition, the Proxmire amendment contains a mechanism, the independent panel of experts, to assist Congress in making future decisions based upon expert advice as to technical and programmatic progress and the effect of SDI on U.S. arms control goals and policies and on U.S. compliance with existing arms control treaties.

I am uncomfortable with the SDI figure recommended by the Amred Services Committee, which more than doubles the authorization for SDI, especially since in my opinion current oversight mechanisms are not sufficient. The SDI is a promising research initiative, but serious questions have been raised as to the feasibility of ballistic missile defense and the impact of SDI on arms control. It would be a shame, Mr. President, to find ourselves in a situation where we have decided that the kind of defense we can reasonably expect to obtain is not worth the resources necessary to procure it, while at the same time our research effort has seriously eroded arms control. If that were to happen, we would be the losers, for we would have sacrificed a large amount of our security and received nothing in return.

In light of my past experience in the area of defense procurement, I am also not convinced that such a large increase as that recommended by the Armed Services Committee would be spent efficiently. Certainly it would not be prudent to approve such an increase without better oversight mechanisms that those provided in the Armed Services Committee bill. In all too many cases, Congress has approved large amounts of money for defense programs only to cut back in later years because of fiscal constraints or because it has lost faith in the programs. It seems to me to be more prudent to say at the outset that we will go more slowly than some might wish us to and carefully evaluate what we have done than to rush into a program that we might decide a few years down the road was not worth the effort. I would hate to see us get into the same situation with SDI that we are now with MX.

Mr. President, I still consider SDI to be a promising initiative. If it is possible to provide an effective nonnuclear defense against nuclear weapons, then I would say we ought to move ahead with that. Certainly the proposition merits systematic scientific study. But I also think that in the long run we will end up with a stronger program if we say at the outset we will go slowly until we have examined the practicality of the various options we have and compared the benefits of a strategic defense system against the monetary costs and the cost in terms of the possible impact on arms control.

The PRESIDING OFFICER. The hour of 8:30 having arrived, the question is on agreeing to the amendment.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BOREN (after having voted in the negative). Mr. President, on this vote, I have a live pair with the Senator from Delaware [Mr. BIDEN]. If he were present and voting, he would vote yea. I have already voted in the negative. Therefore, I withdraw my vote.

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 38, nays 57, as follows:

[Rollcall Vote No. 100 Leg.]

YEAS—38

Baucus
Bumpers
Burdick
Chafee
Chiles
Cranston
DeConcini
Dodd
Eagleton
Ford
Gore
Grassley
Harkin
Hart
Hatfield
Inouye
Johnston
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Proxmire
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Weicker

NAYS—57

Abdnor
Andrews
Armstrong
Bentsen
Bingaman
Boschwitz
Bradley
Byrd
Cochran
Cohen
D'Amato
Danforth
Denton
Dixon
Dole
Domenici
Durenberger
Evans
Exon
Garn
Glenn
Goldwater
Gorton
Gramm
Hatch
Hawkins
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Boren, against.

NOT VOTING—4

Biden
East
Specter
Stennis

So the amendment (No. 198) was rejected.

Mr. WARNER. Mr. President, I move to reconsider the vote.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, let me indicate to my colleagues that I hope now we can start getting time agreements on the amendments. It is now about 9 o'clock. There are essentially a dozen amendments. They may not all be offered but there are at least two or three amendments that probably will be debated to some degree.

I urge my colleagues that we complete action on this bill, at least on the SDI portion of it, and we still may work something out on the SALT restraint amendments so we can go to Contra aid tomorrow.

AMENDMENT NO. 256

(Purpose: To prohibit the obligation of $250,000,000 of funds available for SDI until the President makes a certain certification to the Congress)

Mr. GORE and Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 256.

On page 11, line 20, strike out "$6,126,266,000" and insert in lieu thereof "$5,906,266,000".

On page 12, line 2, insert "(a)" after "Sec. 202.".

On page 12, between lines 18 and 19, insert the following new subsection:

(b) Of the funds appropriated pursuant to the authorization in section 201 for the Strategic Defense Initiative program, the sum of $250,000,000 shall not be available for obligation unless and until the President certifies in writing to the Congress, after the date of the enactment of this Act, that the Soviet Union has clearly violated the 1972 Anti-Ballistic Missile Treaty.

Mr. PRESSLER. Mr. President, this amendment would set SDI funding at $2.5 billion with another $250 million made available upon Presidential certification of clear Soviet ABM violations. Before addressing the specifics of SDI funding, I would like to share some observations on this program with my distinguished colleagues.

First, I remain somewhat skeptical of the final outcome of the SDI, but I do support research. As I said earlier this evening, I think it is significant that some of our European allies told a group of Senators in Europe in April that they felt the reason that the Russians had come back to the bargaining table was the fact that the SDI exists.

Mr. President, as Paul Nitze has said, such a system must be both survivable and cost effective. While the survivability question is highly debatable itself, I recognize that only additional research will answer it.

However, the cost-effective issue is also a crucial one. Here we are today debating year 2 of what the President envisions as a 5-year, $26 billion research effort. This does not even address what might be needed beyond that point, when decisions will have to be made on further development and deployment. Also, we must assume that funding will rise as the Soviets develop countermeasures to offset SDI.

What I want to emphasize to my colleagues is that while a well-managed,

cost-efficient SDI Program is desirable, we must settle for no less. A blank check for funding will not contribute to lowering the deficit and will not necessarily promote a better SDI Program.

SDI funding for fiscal year 1985 is approximately $1.4 billion. Before the President officially initiated this program, we were spending roughly $1 billion a year on research relevant to SDI. For fiscal year 1986, the administration has asked that $3.722 billion be committed to SDI. However, two Senate Armed Services Committee recommendations have reduced this to $3.42 billion and the $2.97 billion figure that we debate today.

On the other hand, we have had a proposal on the floor to freeze the funding authorization at the current level and another proposal to set it at $1,86 billion, with numerous qualifications added. There are other amendments, including my own, that would make less substantial changes.

I also point to the fact that the House Armed Services Committee recommended, in its May 10, 1985, report, that $2.47 billion be spent for SDI. Of course, this represents a one-half billion dollar difference from the recommendation on our Senate Armed Services colleagues.

What I am trying to point to here is that there is no hard and fast proposal for what fiscal year 1986 Strategic Defense Initiative funding should be. Here we have a $2.3 billion difference between what some of my distinguished colleagues would authorize and what the administration has requested. On top of that, there is a considerable divergence of opinion as to how SDI funding should be utilized in the specific research and development areas.

This amendment would authorize $2.5 billion up front. It would not impose restrictions or conditions on how this money should be suballocated. Indeed, in light of the differences of opinion here, I prefer to leave this management aspect to the SDI Program Director.

Mr. President, my amendment would also provide another $250 million to the SDI Program at such time as the President certifies that the Soviet Union has clearly violated the ABM Treaty. Let me explain why I think this fencing provision is important.

First of all, it would call on the President to be more forthcoming with Congress in regard to Soviet ABM violations. Up to now, this contact has not been what it should be. While we often hear of the Krasnoyarsk radar system and Soviet surface-to-air missiles [SAM's] as being in potential violation, do we really know for sure? I would submit that Congress gets more information in this area from the press than from the administration. This is a particularly unhealthy situation. Such a vital issue requires the maximum amount of information from the President, if Congress is to effectively carry out its oversight function.

A second feature of this fence is to let the Soviets know that ABM violations on their part do matter. Here we are, with the DOD and its SDI Management Office, the Strategic Defense Initiative Organization [SDIO], specifically structuring the SDI Program so as to stay within ABM constraints. The Soviets must realize that an ABM breakout would not be to their advantage.

In future years, such a fence may be a useful way to inform the Soviets that additional violations, or the failure to remedy current ones, will result in increased SDI funding. I must emphasize that, regardless of Soviet acts, we should adequately fund the SDI Program. However, it seems reasonable that Soviet behavior is considered in this already expensive equation.

Mr. President, many in this body feel that our arms control negotiators should have the maximum amount of leverage in Geneva. I concur in that belief. Some would say that our work on SDI has been the major factor in bringing the Soviets to the bargaining table and we should defer to administration funding requests.

As I have already pointed out, there is no magic figure on what the SDI authorization should be. The extent of disagreement on that is quite remarkable. The $2.5 billion that this amendment offers, along with the $250 million in fenced money, should be quite adequate. This is almost a 100-percent increase over fiscal year 1985. I question whether larger amounts can be adequately managed and efficiently plugged into our current SDI framework.

Finally, as I mentioned before, my amendment does not suballocate funding. It is not a micromanagement vehicle. Rather, it gives the DOD and the SDIO the maximum leverage to carry out essential SDI research, while promoting congressional oversight capabilities. I ask my distinguished colleagues to join me in support of this amendment.

(Mr. QUAYLE assumed the chair.)

Mr. GORE. Mr. President, will the Senator yield?

Mr. PRESSLER. I yield.

Mr. GORE. Did not the President already report to Congress on February 1, 1985, that the sort of violation which makes up the contingency in the Senator's amendment had already taken place?

Let me quote from the President's unclassified report to Congress on Soviet noncompliance on arms control agreements dated February 1, 1985, released at 3:30 p.m. at the White House: "The U.S.S.R. has violated the ABM Treaty through the existing orientation and capability of the Krasnoyarsk radar."

Mr. PRESSLER. As I understand it, the White House made that statement, but they have not certified—that is, they have not made a formal complaint—that the treaty has been violated.

What I am trying to do here is to get the President, in addition to making a general statement, to be in a position where he would have to certify to Congress that the treaty is being violated.

Mr. GORE. Mr. President, if the Senator will yield, this is a report to Congress required by law, and the President is fulfilling a legal obligation which Congress imposed in law and is reporting back to Congress, and is saying in this legally required report to Congress, "The U.S.S.R. has violated the ABM Treaty." That is not a general statement.

Mr. PRESSLER. If the President, after the enactment of this act, should notify Congress that it is being violated, then the amendment would come into effect.

The point is that it would be my judgment that the President probably would have a basis to do that. I agree with my friend that the President did send such a report, but it has never been clear in my mind. Are we still bound by the treaty? Does this represent a formal act on the part of the President?

Under this amendment, the amount for SDI would increase by $250 million, if the President, after the date of the enactment of this act, made a certification that the Soviet Union had clearly violated the Anti-Ballistic Missile Treaty.

Mr. GORE. Mr. President, this report is in writing. It is pursuant to law.

I understand my friend's statement that if the President does it again, subsequent to the adoption of this amendment, then the contingency in the amendment would be triggered.

I would simply make the further point that I know of no reason whatsoever to suppose that the President would not do tomorrow what he has already done yesterday. As a result, I am left to conclude that the real effect of this amendment is to set a funding level of $2.75 billion. I do not quarrel with the amendment insofar as it does set that funding level, but I do not think the rest of it is likely to be too onerous in terms of requiring the President to analyze what has happened under the ABM Treaty.

I appreciate my colleague's statement.

Mr. LEVIN. Mr. President, following the line of inquiry of the Senator from Tennessee, I wonder if the Senator from South Dakota will tell me whether the word "clearly" is what he is emphasizing, because I also have trouble seeing how what the President has already done is any different from what the Senator would require him to do in order to get the $250 million.

Is the Senator suggesting that the President has not stated in writing that the Soviet Union has clearly violated; that the letter from the President, dated February 1, merely says that the Soviet Union has violated, but not with the word "clearly"? Is that the distinction?

Mr. PRESSLER. I say to my friend that I am not in argument over whether the President has indicated to Congress that in his opinion the ABM Treaty has been violated. I have been somewhat frustrated by the fact that the President has said this in a document, but yet it is still business as usual.

If the President after the date that this amendment comes into effect, notifies Congress that in his opinion the Soviet Union is clearly violating the Anti-Ballistic Missile Treaty, it is quite clear that there would be a dramatic difference—a quarter of a billion dollars more would be spent. That is the point.

Mr. LEVIN. If the President sent the same report with the same language, would that meet the test of the Senator's amendment?

Mr. PRESSLER. Yes; it would.

Mr. LEVIN. I thank the Senator.

Mr. PRESSLER. I think it is important to note that the President has said this and there has been no result. Nothing has happened. Under this amendment, something would happen.

Mr. LEVIN. Mr. President, it strikes me that the likelihood that the President would send the same certification again is great. So, in effect, the amendment amounts to a $2.75 billion authorization level because we have to assume that the President would say the same thing now that he said in February, and the Senator said that if he put it in exactly the same words, that they would constitute the certification which his amendment suggests would be required to lift the fence. So I think what we are really voting on in effect is a $2.75 billion authorization.

Mr. PRESSLER. I respond by saying that it is $2.75 billion if the President decides to certify that the Soviets are in violation of the ABM Treaty—the point is that the report that came over from the President has had no effect one way or another. It has made an interesting news story, but Congress has not responded in any way. There would be some response under this amendment if the President were to do that.

Mr. LEVIN. He would have an added incentive to repeat what he said before because if he repeated it, he would get an additional $250 million for the program he believes in. So the effect would be very obvious and very appealing to the President.

I do not have any reason to doubt he would repeat in June what he said in February.

Mr. PRESSLER. But at the same time it would allow the President to have a framework. Some people argue that with the SDI Program we are violating the ABM Treaty, and this would create a framework for the entire SDI legislation; it would have the imprimatur that it would take that argument away.

Indeed I am one who believes that probably at some point the SDI will violate the ABM Treaty if it is all carried out, and that is an issue that we have to resolve and clear up.

I think at this time an amendment would do that. It would put the whole SDI thing within that framework. It would take away the Europeans' argument. They say are you violating the ABM? We would say our President certified to us in the legislation that the Soviets are violating the ABM.

Mr. WARNER. If the Senator will yield, I will say that following that line of argument the President could ignore the $250 million and violate without asking for the $250 million. It seems to me quite clearly that could be done.

So it seems to me in effect that the mathematics of the amendment, indicate $2.75 billion of which $250 million is fenced, subject to a report from the President.

I am wondering if the Senator from South Dakota might consider the following: I am not prepared to accept the amendment on this side in its present form. But I think there is merit in having the President on an annual basis make this report. Would the Senator consider amending his amendment to call for that report on an annual basis and then allow the dollar figure to remain at the present figure in the bill? I think the Senator would have achieved his objective.

Mr. PRESSLER. Yes; my objective here is to tie in the ABM issue.

I just saw 2 nights ago on television all the concerned scientists saying that we are violating the ABM Treaty. I think that what we pass has to intellectually and factually include a justification for going forward, and I am not saying we are violating the ABM Treaty, but a lot of people and European leaders—I had the privilege of attending meetings with our majority leader—were concerned about this. This amendment would provide a built-in guarantee.

I think the discussion here is good. And I must admit a weakness in this amendment in that the President has already sent a paper over here. But nothing has been done about it. On the other hand, I am quite sure the President would probably resend the report. So I would take such a change in the amendment.

Mr. WARNER. I will be happy to look at that amendment and perhaps the Senator would be willing to withdraw his amendment without prejudice and we will look at a subsequent amendment. I point out that I do not think $250 million is necessarily going to preclude this President or a subsequent President from violating the ABM Treaty. I think he could stay under that threshold quite easily and go ahead on his merry way if that were his intention.

I think there is a means by which the Senator could propose an amendment which would allow Congress sufficient period of time within which to act if in the judgment of Congress this treaty is about to be violated by virtue of certain elements in this program. I am wondering if the Senator will——

Mr. PRESSLER. I will take that. I am really interested in addressing this ABM question, and Senator Lugar is not on the floor. But recently the Foreign Relations Committee has held a joint hearing with the Judiciary Committee on this matter. I have long been an advocate of joint hearings, but if the two committees, my Subcommittee on European affairs and the subcommittee of the Armed Services Committee, could within the next 4 to 6 months hold a comprehensive hearing specifically on whether the ABM Treaty is being violated, and maybe it has to be off the record, I would be satisfied. But I cannot speak for the Foreign Relations Committee, and Senator Lugar would, of course, have to approve that. We could have such a prospective hearing. I would request that the manager include in the language of this some time this evening that there would be an annual report on violations, or somehow have the AMB provision written in in such a fashion that we are defending the Treaty. Indeed, I have changed my position on SDI somewhat I am supporting it more than I have.

But when I am out defending it, this ABM problem is a stumbling block.

Mr. WARNER. If the Senator will yield, I think there are two points. First, the Senator is anxious to have a joint hearing either at subcommittee level or full committee level between the Foreign Relations Committee and the Armed Services Committee. The distinguished chairman of our committee is on the floor now. It is entirely within his province to make that decision.

Would the chairman care to address the issue?

Mr. GOLDWATER. Yes.

I might say with the limited knowledge we have on it and the fact that the President is pretty much required to do this in the coming months, I wish the Senator would withdraw his amendment and we could discuss it. This is the type of thing we can do

without an amendment. I do not think the Senator's amendment would be properly taken at this point. But I would be very happy as chairman to discuss it with him, if he will take it down, and, as I say, it is something we can do. We do not need an amendment. We can have hearings any time we want, and we will be glad to discuss it with him. I promise him that.

Mr. PRESSLER. I will withdraw the amendment.

I also request general agreement that I could offer another short amendment later this evening requiring this annual report if it is not now required or work it out so the language would be in the final SDI bill.

Mr. WARNER. I think all the options are open to the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER (Mr. Durenberger). The Senator has a right to withdraw his amendment.

AMENDMENT NO. 257

(Purpose: To reduce funds authorized for the Strategic Defense Initiative program and impose certain limitations on such program)

Mr. GORE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. Gore], for himself, Mr. Simon, Mr. Levin, and Mr. Hart, proposes an amendment numbered 257.

Mr. GORE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 20, strike out "$6,126,266,000" and insert in lieu thereof "$5,654,266,000".

On page 12, between lines 18 and 19, insert the following new section:

LIMITATIONS ON THE STRATEGIC DEFENSE INITIATIVE

Sec. 203. (a) Subject to subsection (b), of the amount authorized in section 201(a) for Defense Agencies, $2,500,000,000 is available for the Strategic Defense Initiative program.

(b) Of the $2,500,000,000 referred to in subsection (a), not more than $29,000,000 shall be available for the Airborne Optical Sensor Project (also known as the Optical Surveillance Experiment carried out under the Surveillance, Acquisition, and Tracking element of the Strategic Defense Initiative program and designated as project number 63220C-0008 in the 1985 Report to the Congress on the Strategic Defense Initiative by the Department of Defense, Senate Document No. 99-41), not more than $3,500,000 shall be available for the Hypervelocity Launcher Development Project (carried out under Kinetic Energy Weapons element of the Strategic Defense Initiative program and designated as project number 63222C-0009 in such report), and not more than $30,000,000 shall be available for the Kinetic Kill Vehicle Project (carried out under the Kinetic Energy Weapons element of the Strategic Defense Initiative program and designated as project number 63222C-0010 in such report) until—

(1) the President submits to Congress a report described in subsection (c);

(2) the special advisory committee established under subsection (d) submits the special report described in paragraph (3) of that subsection; and

(3) a joint resolution approving the obligation of those funds is enacted as provided for in section 203a.

(c) A report under subsection (b)(1) shall be a report by the President in which the President addresses and provides responses on the following matters:

(1) Whether an early execution of the projects referred to in subsection (b) are essential to the fundamental research needed to carry out successfully the Strategic Defense Initiative program and, if so, why the projects are essential and whether failure to carry them out as currently planned would result in the failure of the Strategic Defense Initiative program.

(2) Whether there is an existing concept of the overall design for a Strategic Defense Initiative into which the projects referred to in subsection (b) fit and, if so, what specific purpose such projects would serve in the design concept.

(3) How a defensive system incorporating elements developed by such projects would be protected against Soviet countermeasures, including a precusor attack on the defensive system itself.

(d)(1)(A) There is established within the executive branch a Special Advisory Committee on Compliance (hereinafter in this subsection referred to as the "Advisory Committee") to advise the President and the National Security Council on matters relating to compliance with and violations of the 1972 Anti-Ballistic Missile Treaty and in particular whether activities carried out in connection with the Strategic Defense Initiative program violate such treaty.

(3) The Advisory Committee shall be composed of the Legal Advisor of the Department of State, the General Counsel of the Department of Defense, and the General Counsel of the Arms Control and Disarmament Agency.

(3)(A) Not later than the date on which the report referred to in subsection (b)(1) is submitted by the President, the Advisory Committee shall submit a special report to the Congress containing the views of the committee on the likelihood, if any, of the projects referred to in subsection (b), or of identical or comparable projects carried out by the Soviet Union, violating the 1972 Anti-Ballistic Missile Treaty and, if the Advisory Committee finds that carrying out such projects would likely violate the treaty, what provisions of the treaty would be violated and the extent of the violations. The Advisory Committee may include in such report such other comments and recommendations as the committee considers appropriate relating to the Strategic Defense Initiative program and compliance with the 1972 Anti-Ballistic Missile Treaty.

(B) In the event one or more members of the Advisory Committee believe there is a possible conflict between the provisions of the 1972 Anti-Ballistic Missile Treaty and the research and development projects referred to in subsection (b), the committee shall include in its report a discussion of both sides of the issue.

(4)(A) The Advisory Committee shall study and assess, on a continuing basis, all activities conducted in connection with the Strategic Defense Initiative and all identical or comparable activities carried out by the Soviet Union with a view to determining whether such activities have violated or will likely violate the 1972 Anti-Ballistic Missile Treaty. The Advisory Committee shall submit to the President, the Congress, and the National Security Council, not later than February 1 each year, a report containing the results of its studies and assessments. The first report required under this paragraph shall be submitted not later than February 1, 1987.

(B) In the event any member of the Advisory Committee in any year believes there is a possible conflict between the provisions of the 1972 Anti-Ballistic Missile Treaty and any research and development projects carried out by the Department of Defense in connection with the Strategic Defense Initiative, the committee shall include in its report for such year a discussion of both sides of the issue.

(5) All reports of the Advisory Committee which contain classified information shall also be submitted is an unclassified version. The unclassified version of a report shall convey, to the maximum extent practicable, the same information as that contained in the classified version of the report.

(e) Not later than March 1, 1986, and not later than March 1 each year thereafter, the President shall furnish to the Congress an updated report of the 1985 report on the Strategic Defense Initiative submitted to the Congress pursuant to section 1106 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2582). Each such report shall be of the same scope and content as the 1985 report, including an update of the information on the Strategic Defense Initiative called for in the Joint Explanatory Statement of the Committee of Conference contained in House Report 98-1159, dated October 14, 1984.

PROCEDURES FOR CONSIDERING THE JOINT RESOLUTION UNDER SECTION 203

Sec. 203a. (a) For the purposes of section 203(b)(3), "joint resolution" means only a joint resolution introduced after the date on which the report of the President under section 203(b)(1) and the special report of the Advisory Committee under section 203(d)(3)(B) are received by Congress the matter after the resolving clause of which is as follows: "That the Congress approves the obligation of all funds appropriated for fiscal year 1986 for the Strategic Defense Initiative program.".

(b) A resolution described in subsection (a) introduced in the House of Representatives shall be referred to the Committee on Armed Services of the House of Representatives. A resolution described in subsection (a) introduced in the Senate shall be referred to the Committee on Armed Services of the Senate. Such a resolution may not be reported before the 8th day after its introduction.

(c) If the committee to which is referred a resolution described in subsection (a) has not reported such resolution (or an identical resolution) at the end of 15 calendar days after its introduction, such committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

(d)(1) When the committee to which a resolution is referred has reported, or has been deemed to be discharged (under subsection (c)) from further consideration of a resolution described in subsection (a), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(2) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(3) Immediately following the conclusion of the debate on a resolution described in subsection (a), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in subsection (a) shall be decided without debate.

(e) If, before the passage by one House of a resolution of that House described in subsection (a), that House receives from the other House a resolution described in subsection (a), then the following procedures shall apply:

(1) The resolution of the other House shall not be referred to a committee.

(2) With respect to a resolution described in subsection (a) of the House receiving the resolution—

(A) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(B) the vote on final passage shall be on the resolution of the other House.

(f) This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

On page 12, line 22, strike out "Sec. 203." and insert in lieu thereof "Sec. 204.".

Mr. GORE. Mr. President, I offer this amendment this evening on behalf of myself, Senator SIMON, Senator LEVIN, and Senator HART.

Mr. President, we have heard a lot about SDI today and there is more ahead, so I am going to be sparing of words.

My amendment has two major components: a spending level of $2.5 billion overall for the Strategic Defense Initiative, and a section that addresses concerns many of us have about the consistency of various parts of the SDI Program and our responsibility to comply with the ABM Treaty.

The latter section identifies and seeks to put at least a temporary hold on three of the proposed demonstration projects which are nearest in time to execution, and of most direct concern from the point of view of compliance and precedent regarding the ABM Treaty.

One of these programs is the airborne optical sensor, another is the hypervelocity launcher, and the third is the kinetic kill vehicle. I will describe these projects shortly, but prefer now to explain what my amendment proposes to do with them.

Funds for the these projects would be partially fenced, by restricting authorizations to certain levels pending our receipt of additional information from the administration and an affirmative vote to release the balance of funds already available in the bill.

The airborne optical sensor project, because farthest along, would be held to fiscal year 1984 levels, pending our action. The other two projects would be held to fiscal year 1985 levels.

This amendment would require the administration to respond to us in two ways: First, a technical justification for the three projects that gives us a better case than we now have for them from the administration; second, a report on the consistency of these projects and elements of the ABM Treaty.

That second report would be prepared by a special panel comprising the general counsel of the Departments of Defense and State, and of the Arms Control and Disarmament Agency.

Upon receipt of the President's technical analysis and the special panel's views as to compliance, we would then have an expedited up or down vote to release the balance of the authorization for the projects.

Under the amendment, this special panel would be kept in existence and would annually report on the full array of SDI enterprises in relation to the ABM Treaty.

Now that I have described the basic elements of my amendment, I shall provide the rationale.

Why $2.5 billion? What should concern us about these three demonstration projects? And why should we go to the trouble of having a future debate and vote centered on funds for them?

I have selected the figure of $2.5 billion plainly and simply on the basis that it is very likely the lowest number that the Senate might choose to legislate: that it may be the point where those who are deeply concerned about SDI can agree to meet those who are more enthusiastic but not zealous about it, providing a very large percentage increase in the program but, nevertheless, cutting it from the levels recommended by the committee. A decision by these two blocks of opinion to coalesce around the number of $2.5 billion amounts to a broad statement of policy by the Senate. That statement would be more or less along the following lines:

First, we are prepared to support an SDI research program, up to and including readiness to increase resources available by more than 80 percent over last year's levels.

Second, we believe that SDI has not been defined clearly enough to our satisfaction, nor has the country been able as yet to fully absorb its enormous implications.

Third, therefore, we are not willing to open the throttle as wide as it will go. Hopefully, our example will also encourage the other body not to cut the bottom out of the program, so that what might emerge from conference will be a logical and moderate total.

Now, Mr. President, I would like to briefly discuss the three demonstration projects in question.

First of all the airborne optical system experiment consists basically of infrared telescopes mounted on an aircraft. At high altitude, the telescopes would be trained on incoming RV's which we would launch, presumably at one of our two test ranges. What we will be trying to establish is whether the telescopes can detect and track the RV's. Operating through onboard computers, the telescopes will then transmit data on the number and course of the RV's to a ground-based radar; the terminal imaging radar, which integrates this information with its own data. This experiment could fly in the very near future.

According to article V of the ABM Treaty, "Each party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based."

According to the administration, this experiment does not involve the testing or development of an air-based ABM component. Yet, the experiment is designed to perform all the basic functions of an ABM radar: to detect, track, and hand off information on the positions and trajectories of incoming reentry vehicles.

I am not charging in this statement that this particular demonstration project will definitely be a violation of the ABM Treaty. I am not saying that. I am saying on the face of it the demonstration project raises serious questions and concerns about whether or not it will violate the ABM Treaty. If this amendment passes, all that will be required is that the administration will have to report back to the Senate on that specific question and answer that question: Will it violate the treaty or will it not? The general counsel of Defense, State, and the Arms Control and Disarmament Agency will have to certify that opinion and then we will have an opportunity to review it. I think that is a very reasonable approach.

Now, let me continue to the second one. The space-based hypervelocity launcher experiment project has not yet been fully defined, but in broad terms the objective would be to use an electromagnetic cannon to fire a projectile at a velocity on the order of several kilometers per second. The projectile would have built in guidance, which would be tested as part of the experiment, by destroying a target satellite, which, though in orbit, would be flying at speeds equivalent to that of an ICBM RV at midcourse. This experiment could fly in the early 1990's.

I have already quoted article V of the ABM Treaty, which forbids developing or testing ABM systems or components that are space based. Let me add now article VI, which says that parties to the treaty will commit "not to give missiles, launchers, or radars, other than ABM interceptor missiles, ABM launchers, or ABM radars, capabilities to counter strategic ballistic missiles or their elements in flight trajectory, and not to test them in an ABM mode."

It might be said that testing the gun against a target satellite is not the same as testing against an actual ballistic missile or its elements. But the United States itself made the following statement in 1972, regarding the meaning of testing in an ABM mode. "We note that we would consider a launcher, missile or radar to be tested in an ABM mode, if, for example * * * an interceptor is tested against a target vehicle which has a flight trajectory with characteristics of a strategic ballistic missile flight trajectory."

The space-based kinetic kill vehicle experiment would essentially duplicate the rail gun experiment, except that a rocket launched from a space platform would be used against a satellite target, rather than a magnetically driven projectile. This experiment could also fly in the early 1990's.

Now, let me say at once that the second policy-oriented section of my amendment is decidedly not an effort to micromanage SDI, nor is it an effort to redirect the focus of the program. Those of my colleagues who have seen some views that I expressed earlier this week will understand that in my opinion the President's goal of a highly effective defense for populations is legitimate, even if improbable. I believe that we would have been better off without the SDI altogether, but since SDI is now very much a fact of life, it is of the essence, in my opinion, that we keep research focused on the concept that the President has sold to the American people and not try to move it in other directions, especially those that would lead to a less-than-perfect defense deployed against the backdrop of massive nuclear arsenals on both sides subject to only informal limits of the sort that we now have.

This amendment, however, does not restrict the ability of General Abrahamson, or whoever in the administration, to determine what the $2.5 billion will be spent for and how it will be spent, with the exception of the three demonstration projects that I have outlined.

Now, Mr. President, I believe that the Senate, which has a special constitutional role in the ratification of treaties, also has responsibility for scrutinizing the behavior of our Government in the matter of compliance with those treaties. Where SDI is concerned we are in danger of not meeting those responsibilities. The technologies are exotic, the nomenclature is hard to grasp, the justifications shifting and obscure. But it is precisely in these details that one can find actions which, if carried out, may or may not do very much to validate SDI but which could certainly do much to destroy the meaning of the language of the ABM Treaty, and therefore the treaty itself.

The Senate needs to better inform itself as to these details. While we are doing so, however, it is vital to hang on to the one restraint that we do have and that we do fully understand—the purse string. This, Mr. President, is why my amendment seeks to constrain overall spending for SDI to a prudent level, while subjecting certain projects to closer scrutiny before allowing them to gain full momentum under the bill before us.

Now, some have said in debate on prior amendments, "Don't micromanage."

Let me underscore once again, Mr. President, that this amendment does not micromanage. It does not propose to remodel the program. It is a chance for a second look by the Senate at those three demonstration projects which, in the judgment of many, are most likely to pose a serious threat to the ABM Treaty.

Second, some will argue that one or another of these demonstration projects is not a violation of the ABM Treaty. I am not charging that they are violations of the treaty. I am simply saying, as I mentioned before, that they raise such serious questions about whether or not they will violate the treaty that they need to be reviewed.

Third, some will say, "Well, two of these projects at least may not be on stream until the early 1990's, one possibly later this year. So isn't there plenty of time to look? Why put a partial fence on the program now?"

Mr. President, these programs are going to grow in size and speed each year. This is the time to be sure that we have done right by the ABM Treaty and have done right by our responsibilities under the Constitution to the American people.

Now, others have raised an objection to other amendments which I do not think apply to this one, and that is that it might hurt Geneva. I disagree strongly for this reason. No. 1, it calls for an 80-percent increase in the program. No. 2, if you want to hurt the negotiations in Geneva, there is nothing you can do that would hurt them more than to break up the logic of the ABM Treaty, destroy the meaning of the language of the ABM Treaty, unravel the ABM Treaty. That is the way to hurt the negotiations in Geneva and make it impossible for us to come to any meaningful conclusion in those negotiations.

So in summary, Mr. President, I should like to say again that I introduce on behalf of myself and others—and some will speak, but I want to summarize the intent of the amendment—an amendment that has two parts—to cut SDI to $2.5 billion, which represents an 80-percent increase, and no restrictions on how General Abrahamson can spend that money, with the exception of a partial fence on three demonstration projects. I have listed them. The reason for the partial fence is that they raise serious questions about whether or not we will be in violation of the AMB Treaty.

Now, many in the Armed Services Committee supported a level of $2.5 billion. I submit to you, Mr. President, that this is a very reasonable and robust funding level. This amendment would also satisfy the major concerns about compliance with ABM. I urge my colleagues on both sides of the aisle to support this amendment.

Mr. President, I yield the floor.

Mr. WARNER. Mr. President, we will have to oppose the amendment and oppose it very forcefully because, again, we are decreasing the dollar amounts. More importantly, despite what my friend from Tennessee has stated, this is clearly an amendment that does include micromanagement of the program, particularly in three key areas.

Further, if you read the amendment, as I have—and I urge other Senators to look at these 10 pages—it seems to be a catch-22 situation. The three experiments to which the Senator refers can only be carried out if the President certifies in advance how well they will work and how they would fit into the SDI Program. If he does that and Congress approves, then one could do the research and see whether any of it works.

Now, to me, that is a very backward way to approach a precaution that the Senator raises with respect to the ABM Treaty. I see the Senator reaching for his microphone.

Mr. GORE. Will the Senator yield?

Mr. WARNER. Yes, of course.

Mr. GORE. The Senator has described the certification, saying it would require the President to tell us how well they would work. Let me just read the language. It requires the President to tell us "whether an early execution of the projects referred to are essential to the fundamental research needed to carry out successfully the Strategic Defense Initiative Program and, if so, why the projects are essential and whether failure to carry them out as currently planned would result in the failure of the Strategic Defense Initiative Program."

That does not say he has to tell us how well they will work. It says he has to give more information to the Senate about how they fit into the concept. What is the concept of the SDI? We have had Senators on both sides of the aisle today during the debate say they wished the concept to be more clearly defined.

That is all that section would require. It does not require them to tell us in advance how well the demonstration projects work.

Mr. WARNER. The Senator and I have a difference of view as to how the language reads.

The next point is, of course, we do have a fencing arrangement of $400 million, so effectively the $2.5 billion is reduced to $2.1 billion.

Last, the advisory committee is composed of the chief counsels from the Departments of Defense, and State, and the Arms Control and Disarmament Agency lawyers. Although I at one time was a member of the profession, I somehow feel that they might not be the best qualified to pass on the highly technical issues that will arise in this program. Therefore, for that and other reasons I strongly oppose the amendment.

Mr. GOLDWATER. Will the Senator yield?

Mr. GORE. Will the Senator yield?

Mr. WARNER. I yield to the distinguished chairman.

Mr. DOLE. Will the chairman yield for an inquiry?

Mr. GOLDWATER. Yes, I will be happy to yield.

Mr. DOLE. Mr. President, I am not certain when we started on this amendment, but I had hoped that we might have a time agreement. The Senator from Tennessee indicated to me earlier that he would be willing to accept 30 minutes on that side and 30 minutes on this side. Is there a chance we can get a time agreement on this amendment?

Mr. GORE. I say to the distinguished majority leader that the Senator from Illinois wants to speak, and I do not know of anyone else who does, and I do not think it is going to take too much time.

Mr. SIMON. Seven or eight minutes.

Mr. GORE. I will want another 5 minutes to respond to some of the statements that have been made. But I think we could vote by 10 o'clock.

Mr. DOLE. Let me check with the distinguished minority leader.

Why not go ahead, Mr. President.

Mr. GOLDWATER. Mr. President, I agree completely with the chairman of the subcommittee charged with the responsibility for this subject.

I would like to call attention to this amendment which is, I believe, 10 pages long. The first time we saw it was when it was sent to the desk, and I had to borrow the only copy in order that the staff might have an opportunity to read it. I am not going all the way through it. I agree with the chairman of the subcommittee that we cannot consider this amendment.

On page 4, for example, paragraph 3:

> The Advisory Committee shall be composed of a legal adviser of the Department of State, general counsel of the Department of Defense, and general counsel of the Arms Control and Disarmament Agency.

These are lawyers, Mr. President. I have nothing against lawyers, but I do not know what they know about SDI or scientific knowledge to discuss these matters.

Then I am a little disturbed on page 6.

I find section 203 to be almost, as I recall it, word for word to the MX procedures. Having just gone through too many years of MX and the arguments, I would not want to have another similar undertaking.

As chairman of the Armed Services Committee, Mr. President, we just cannot accept this amendment.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I rise in support of this amendment for several reasons. One is we simply have to be exercising some restraint in this arms race. The Senator from South Dakota earlier this evening made a point that is absolutely valid. That is the distinction between a defensive weapon and an offensive weapon is almost impossible to tell in most areas. You can find some weapons that are defensive weapons. An antitank weapon is, obviously, in most instances a defensive weapon.

But this shield that we are talking about, this star wars, this SDI, raises fears. We can say they are unjustified, but it raises fears about first-strike possibilities in the minds of the Soviets. Once there is an overwhelming need to move ahead in some arms field, we ought to be showing some restraint.

Mr. DOLE. Will the Senator from Illinois yield?

Mr. SIMON. I am pleased to yield.

Mr. DOLE. As I understand, Senator Gore would like 8 minutes, and another Senator wants 8 minutes. I wonder if we might agree to vote at 10 o'clock on this amendment?

Mr. GORE. That would be fine, reserving 5 minutes for a closing statement.

Mr. DOLE. Yes.

The PRESIDING OFFICER. Is there objection to the request? If not, without objection, it is so ordered.

Mr. SIMON. Mr. President, the Senator from Louisiana earlier this evening pointed out that the hope of making nuclear weapons obsolete simply is not valid. He mentioned the possibility of a van parked at Lafayette Park. I mentioned yesterday that you can put a nuclear weapon on the back end of a pickup truck, park it in midtown Manhattan, and press a button 2,000 miles away and there is no more Manhattan.

The gentleman in charge of this project says he thinks we probably, and he couches it very carefully, can get 30 to 90 percent shield in space weapons.

Let us just say we get two-thirds shield. That means 3,000 Soviet strategic missiles can land in this country. As the Senator from Louisiana pointed out a couple of weeks ago, 3,000 means 60 per State. It means 60 nuclear warheads landing in the State of Minnesota, the State of the presiding officer, 60 nuclear warheads each larger than all the bombs of World War II, including Nagasaki and Hiroshima. That is true for Arizona, Michigan, Vermont, South Dakota, Tennessee, and every State represented on this floor tonight.

We are simply not going to make nuclear warheads obsolete. What we are doing is raising fears and escalating the arms race.

The Senator from Virginia earlier this evening said that the accurate figure on expenditure for fiscal year 1985 is 12 percent.

This fiscal year is two-thirds over, and they have spent 12 percent.

The need for escalating the research beyond the point the Senator from Tennessee suggests just is not there. I have heard $1 trillion used on the floor tonight, but nobody knows. It could be $1 trillion. It could be, as the committee of scientists said, $1.3 trillion.

I will point out again as I did the other day, there are only three ways to pay that kind of a bill. One is to cut back dramatically on domestic programs, Social Security, education, farm programs, everything else, and conventional defense programs; or, No. 2, raise taxes tremendously; or, No. 3, have huge deficits and huge inflation. There is no other way to do it. We are talking about something that is going to cost 3 to 10 times as much as the most costly project in the history of humanity up to this point, the Interstate Highway System. Somebody is going to have to pay for it.

We have to look at costs.

Finally, Mr. President, the Senator from Massachusetts [Mr. Kerry] earlier this evening asked the question, Where are we going?

Well, I think he answered the question properly. We are headed toward violation of the ABM Treaty. I do not think there is much question about it.

The Senator from Tennessee says there is a possibility we are going to be violating it. I think there is a probability we are going to be violating it. And as we stretch that, we are going to be stretching SALT II, we will be stretching SALT I. The next thing is we will be stretching the Nuclear Test Ban Treaty.

We ought to be moving in precisely the opposite direction.

Somehow we have to create a climate that is better than the present climate.

One of the questions the Members of this body have to ask ourselves is, By proceeding this way on this tremendously costly thing that probably is not going to work, are we creating a climate that makes meaningful, tough, enforceable arms control more likely or less likely?

I come down on the side that we are making it much less likely.

So I support heart and soul the amendment of the Senator from Tennessee. I think it is practical. I think, frankly, it goes way beyond what is necessary. But perhaps the most important point is the point the Senator from Virginia objects to, and I respect his judgment—it is a judgment call. What the Senator from Tennessee is asking is, let us have some restraint; let us put a fence around these items that come dangerously close to violating the ABM Treaty, if they do not violate it. Let us not precipitously jump over this cliff until we know what we are doing.

Then, after we have studied it and get all the facts, if we jump over the cliff you are not going to do it with my vote, but I hope we do not do it. I am pleased and proud to be a cosponsor of this amendment. I recognize there is not a great probability of it being accepted, but let me tell you, it is a vote I am going to be proud of in the years to come.

Mr. GORE addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, first of all I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GORE. Mr. President, let me first of all correct a couple of statements that have been made about the amendment, and then I will give a brief closing statement. I will probably not use the full 5 minutes I am allowed.

To begin with, the Senator from Virginia, who is one of the most able strategic thinkers I have ever encountered, makes a rare error when he says this amendment contains $2.1 billion plus the additional amount to be expended if the fences are removed.

Actually, whether or not the fence is removed, $2.5 billion can be spent. The money for the three items involved could be spent elsewhere in the program if the Senate voted to keep the fence on or if, for some reason, the reports were not made to the Senate.

In other words, it is $2.5 billion, plain and simple. It is not going to be any less than $2.5 billion.

Second, the point was made that the committee which is required to report to the Senate about whether or not these three demonstration projects are likely to violate the ABM Treaty is made up of lawyers. Well, that is true: the general counsel of the Department of Defense, the general counsel of the Department of State, and the general counsel of the Arms Control and Disarmament Agency. Not an outside body, lawyers from within the administration.

I simply submit that it is, in my opinion, better to have those three examine the legal questions involved and report to the Senate than to have only the general report which is now done not by lawyers but by public relations specialists in large part, and is just a general public statement. I believe that the Senate is capable of reviewing the judgment of these three lawyers and reaching its own determination about the likelihood that these demonstration projects will in fact violate the treaty.

Let me conclude with a few brief thoughts. This program is quite possibly the most important item that we in this body will vote on during this entire 2-year cycle. It has the potential for gravely threatening the future of all arms control. We should proceed with caution. We have a constitutional responsibility to ratify treaties and with that responsibility comes a concommitant obligation not to blindly authorize activities which will violate the treaties that we have ratified. Unless we are prepared to closely scrutinize the demonstration projects which we are authorizing in this bill, we will have failed in our responsibility to the Constitution and to the American people. I believe that very strongly.

The political climate in this country is such that a great deal of money is going to be authorized for the strategic defense initiative no matter what. We may just as well face that. With that as a given, let us exercise some caution about how the money is spent and, in particular, let us live up to our constitutional responsibility.

Mr. President, I am prepared to yield back the time that I have been allocated and simply encourage all of my colleagues to support this amendment.

Mr. WARNER. Mr. President, I think all Members of the Senate share the concern that we do not want to do anything in the SDI Program or, indeed, in any other program that might be authorized by this authorization bill that would place in jeopardy the ABM Treaty. we have put in the bill language to the effect that none of these moneys can be expended if, in fact, they result in a violation of the treaty. That section is on page 98 of the bill:

> (2) that action by the Congress is approving funds for research on the Strategic Defense Initiative does not express or imply an intention on the part of the Congress that the United States should abrogate, violate, or otherwise erode such treaty, and does not express or imply any determination or commitment on the part of the Congress that the United States deploy ballistic missile strategic defense weaponry that would contravene such treaty.

So we have put in here the restriction that the Senator from Tennessee essentially desires. It is in the bill now.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WARNER. Yes, of course, Mr. President.

Mr. GORE. I ask this purely for information: Can the Senator tell me how many days or hours of the Senate Armed Services Committee time on this bill went explicitly to reviewing the treaty compliance matters? I ask the question very seriously, not in any way to say that the committee did not.

Mr. WARNER. Mr. President, after consulting with the distinguished chairman, the Senator from Arizona, and based on all recommendations from the staff, I can say at least two of the six hearings covered this issue.

Mr. GORE. Two complete hearings?

Mr. WARNER. Not necessarily devoted to that issue, but during the course of the hearings.

Mr. GORE. Two hearings on the projects?

Mr. WARNER. No; Mr. President, two hearings on the expenditure of any funds in this bill which might in any way violate the treaty.

Mr. GORE. What portion of those two hearings would the Senator estimate was spent on the treaty? I am simply asking because it is my impression, and I do not say this in any way to reflect on the committee but to reflect on the entire body, myself included, it is my impression that this thing has grown up so rapidly that we really have not looked very closely at whether or not these projects are going to violate the treaty.

Mr. GOLDWATER. Mr. President, I might say to my friend from Tennessee that I can recall at least five committee hearings at which the subject of SDI was discussed and the possibility that might lie within those discussions of the violation of the SALT Treaty. It was very thoroughly discussed. The whole subject of the SDI was not only thoroughly discussed once or twice, but we kept going back to it and back to it because those of us on the committee, just as many Members of the body, find the SDI is a very difficult thing to understand. It is highly technical. It is not something that anybody can move into and understand.

I assure my friend that we gave it the most thorough discussions and I know my friend from Virginia, the chairman of the subcommittee, held other hearings and even visited places where he could learn first hand about what we could not do.

Mr. GORE. If the Senator would yield, I certainly accept that assurance. Again, by my question, I did not mean to imply that the committee did not do its job. I just meant to express my concern that we have not really reviewed the potential for violation of that treaty. I think this amendment will give us a second look at those three projects that are most likely to violate the treaty.

Mr. WARNER. I refer again, Mr. President to page 98 where there is a very explicit provision written into this bill:

> (b) The Congress, therefore, declares—
>
> (1) that it fully supports the declared policy of the President that a principal objective of the United States in negotiations with the Soviet Union on nuclear and space arms is to reverse the erosion of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation sof Anti-Ballistic Missile Systems, signed on May 26, 1972;

Then I read the second section which said no money will be spent under this.

Mr. GORE. If the Senator would yield, Mr. President, I say that leaves only the question as to whether we are saying one thing and inadvertently doing another.

Mr. WARNER. Within this administration, the previous administration and future administrations, there are dozens of lawyers within the agency constantly monitoring all these programs for the specific purpose of seeing that we do not have a violation of the ABM Treaty.

Mr. LEVIN. Mr. President, while I happen to support this amendment and think it represents the exercise of responsibility in the best tradition of the Senate, I am glad to hear the Senator from Virginia reassure us as to the meaning of the language on page 98 of this bill, that it is the intention of the Armed Services Committee that we not spend any money to violate the ABM Treaty.

I think I can safely say that he, as chairman of the Strategic Subcommittee, will spend some time in the future—ongoing time—to be sure that none of the programs are violated.

I feel that this amendment is responsible. It is not micromanagement. It identifies three programs very carefully where we have some real concern, and I am proud to cosponsor it. I think all of us are happy to hear the assurances of the Senator from Virginia.

Mr. BYRD. Mr. President, The distinguished junior Senator from Tennessee [Mr. GORE] has quickly demonstrated an expertise on complicated arms control and technical military matters since he took his seat in this body. The amendment he is offering on the question of the important research programs known as the strategic defense initiative is a thoughtful and balanced one. He recognizes the need for vigorous funding of these programs in order to meet the challenge of the Soviets in this field, and to enhance American security in the area of high technology weaponry. At the same time, he is cognizant of the need to respect the treaty commitments this Nation has made—specifically the Anti-Ballistic Missile Treaty of 1972.

Our negotiators at the arms control negotiations with the Soviet Union at Geneva are wrestling with the most complex and complicated issues in the history of arms control. Mr. GORE has already begun to make his mark in the Senate in a thoughtful, realistic and energetic way on these difficult questions.

I support the amendment offered by Mr. GORE.

In addition, Mr. President, Mr. GORE has written an incuisive and illuminating piece, which was published on the Op-Ed page of the New York Times of yesterday, June 3, 1985, on the question of the direction and purposes which he perceives as central to America's so-called star wars programs.

I believe this is an important contribution to the debate in the Senate on this matter, and I commend it to my colleagues for their reading. I ask unanimous consent that it be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 3, 1985]

REASSESS THE FOCUS OF "STAR WARS"

(By Albert Gore, Jr.)

WASHINGTON.—In spite of deep confusion about its nature and mission, President Reagan's Strategic Defense Initiative, popularly known as "Star Wars," has gained enough momentum to pose a serious challenge to the future of arms control. The initiative has been questioned and criticized, to be sure, but often for the wrong reasons. We should reevaluate the focus of the program—and should be very careful about precisely how we do so.

Serious strategic analysts know that the addition of defenses to an offensive buildup will not enhance stability. But the President's vision of a defensive system to make nuclear weapons "obsolete" has gained enough popular support to convince realists that a frontal attack on the program is futile. Consequently, many opponents have taken refuge in two propositions they believe to be self-evident and therefore safe.

First, they suggest, we should abandon or defer the President's proposal for a leakproof population defense, but concede the feasibility of a more limited defense of our missile silos that would complicate a Soviet attack. Second, it is argued, we should vigorously pursue research on strategic defenses—because the Russians are doing so and, in any event, whether or not either side is doing research cannot be verified.

I believe that both of these propositions should be challenged. They are leading many arms control advocates to tacitly support, if only by default, a dangerous effort to develop a less than perfect defense.

Ironically, many arms control opponents in the Pentagon agree that population defense is impossible and have been using the President's popular vision as a stalking horse for a more limited defense that would complicate a Soviet attack. Unlike the President's dream, their version of a strategic defense is intended not to replace deterrence but to limit the damage that would be caused by an attack and enhance the survivability of our retaliatory missile systems.

The problem is that the likely result—a partly effective defense combined with powerful offensive forces—would be perceived by the other side as a threatening first-strike capability. Both sides would fear the other gaining this advantage, and we would find ourselves caught in two arms races—offensive and defensive—with greater instability.

Clearly, we should choose a different course. If Star Wars is a genie out of the bottle, then rather than discarding the President's concept of leakproof population defense, we should insist that the research program remain focused on that goal. I believe it will prove to be impossible. But it is, after all, a noble vision. That cannot be said of the dangerous alternative—a limited defense—proferred as more "realistic."

As for the assumption that research alone is benign, far too little attention has been paid to the nature of the experiments now imminent—or to the grave challenge they would pose to the Anti-Ballistic Missile Treaty. As originally understood in that accord, the term "research" applied to activities that would take place in a laboratory and would not involve actual components of an anti-ballistic missile system. In contrast, in the Administration's view, the "laboratory" could be outer space itself, and the experimental devises—though termed "subcomponents"—could come uncomfortably close to the real McCoy.

The critical technologies are very high-energy beam weapons and missiles capable of unprecedented velocities. It is still open to question whether such energy levels or velocities can be generated, even with the most elaborate experimental apparatus. Research on these subjects should continue but should be conducted in ground-based facilities. Once we or the Russians introduce such experiments in space, we shall have passed beyond research into a gray area at the threshold of weapons development.

The United States is fast moving toward that threshold with such projects as rail guns, high-energy lasers in space and high-powered energy beams aimed from the ground at cooperative mirrors in space. A mutual ban on such activities in space would reinforce the dividing line between research and development while allowing essential basic research to continue on the ground.

Moreover, because such a ban could be verified, it could form the baisis for ending the stalemate in the arms control talks in Geneva. At the moment, both sides persist in unrealistic negotiating positions. The Russians demand a total ban on all strategic defense research, knowing it could not be verified and at the same time hypocritically pursuing their own vast strategic defense program. Meanwhile, with not much greater realism, we insist that the Russians sharply reduce their offensive forces and simultaneously allow us to go full speed ahead with a defense designed to render their remaining missiles "impotent."

An agreement defining permissible research would be a first step toward greater realism on both sides. Without such an accord, the emerging strategic defense technologies may soon make "obsolete" not nuclear weapons but arms control.

The PRESIDING OFFICER. Time has expired.

Mr. WARNER. Mr. President, time is about to expire——

The PRESIDING OFFICER. Time has expired.

Mr. WARNER. With the acquiescence of the Chair——

The PRESIDING OFFICER. Time has expired.

Mr. WARNER. I want to make sure it is understood that the Senator from Georgia does not support this amendment.

Mr. LEVIN. The Senator is correct.

The PRESIDING OFFICER. Time on the amendment has expired.

The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maryland [Mr. MATHIAS] and the Senator from Pennsylvania [Mr. SPECTER] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Arkansas [Mr. PRYOR] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER (Mr. MURKOWSKI). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 36, nays 59, as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—36

Baucus
Bentsen
Biden
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
DeConcini
Dodd
Eagleton
Ford
Gore
Harkin
Hart
Hatfield
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Proxmire
Riegle
Rockefeller
Sarbanes
Sasser
Simon

NAYS—59

Abdnor
Andrews
Armstrong
Bingaman
Boren
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dixon
Dole
Domenici
Durenberger
Evans
Exon
Garn
Glenn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hawkins
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Kassebaum
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Zorinsky

NOT VOTING—5

East
Mathias
Pryor
Specter
Stennis

So the amendment (No. 257) was rejected.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I will just take 1 minute. There are a number of Senators who have been asking me how much longer we would be here. I guess that would depend on how many more amendments there are.

The distinguished Senator from Ohio has indicated he will not take a great deal of time. There will be, I believe, a couple other amendments which may be accepted, maybe three. There may be other amendments that require a rollcall. If so, it would be helpful if that were made known to the managers of the bill.

It seems to me are making good progress and we should be able to complete action on the SDI portion of this measure this evening.

It is still my hope to turn to the State Department authorization tomorrow. We have been meeting with a number of Members who have SALT amendments and one suggestion has been that, when we complete action on the SDI amendments on the DOD authorization bill, we postpone any futher action on the DOD authorization bill until next Wednesday, at which time we would then start on the SALT amendments. There are, I believe, five or six SALT amendments. That would be after whatever the President does report on the 10th.

Then, tomorrow, we would go the State Department authorization, the Contra amendments, and complete action on the State Department authorization, if not tomorrow on Thursday, and then move to a number of Commerce Committee bills we think are fairly noncontroversial on Friday, and then start on clean water on Monday, finish that up on Monday or Tuesday, then be back on the DOD authorization bill on Wednesday, hopefully complete action on that, then move on to anything else that may be on the calendar. That is the rosy scenario.

Mr. GOLDWATER. Will the Senator yield?

Mr. DOLE. Yes.

Mr. GOLDWATER. I certainly hope, as chairman as chairman of the Armed Services Committee, that you can move the SALT matter over to another committee. We do not even have a subcommittee that studies that. We really do not know a lot about it, but I know some people would like to see it kept with this committee.

If the leader is unable to get that arrangement made, then I would be perfectly agreeable to withdrawing the bill until next week after the President has made his announcement, and then maybe on Wednesday or Thursday we could take up the SALT part.

Mr. DOLE. If any Members have any questions, I will be available.

SHUTTLE MISSION FLIGHT CREW WELCOMED TO SENATE

Mr. GLENN. Mr. President, before I submit my amendment, I would like to have the attention of my colleagues for just a moment, if I might.

I had the pleasure this evening of having dinner with our colleagues, JAKE GARN, and all of the flight crew of the last shuttle mission and they are all present in the Capitol with JAKE right now.

It was a real pleasure getting together with that group tonight. I can tell you I felt like old father time with that group.

AMENDMENT NO. 258

(Purpose: To reduce the amount authorized to be appropriated for research, development, test, and evaluation under the Strategic Defense Initiative)

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 258.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 20, strike out "$6,126,266,000" and insert in lieu thereof "$5,954,082,000".

On page 11, after line 25, insert the following new subsection:

(c) Of the amount authorized in subsection (a) for the Defense Agencies, $2,800,000,000 is available only for Strategic Defense Initiative programs.

Mr. GLENN. Mr. President, I believe the debate on this matter on the whole star wars concept and on the Strategic Defense Initiative has been fully ventilated. Today, for some 7½ hours now, we have been debating various phases of this. I think our move now is not to once again plow through the same old arguments again, nor do I propose to do that. What we need now is to settle on the amount we are going to fund for star wars, and that is what my amendment deals with. It sets the amount at $2.8 billion. And, I would add, it has no additional fencing language, which I think is very important.

Let me say that I am a very firm believer in the SDI goals. I am not for overestimating what we can do with star wars because it is still in the research phase. It is basic, fundamental research, nothing more than that.

Earlier this evening as part of an earlier debate, I read into the RECORD a statement by Dr. James Schlesinger, a former Secretary of Defense, in which he made the point that it might be 10, 15, 20 years before we see the results of SDI research or even have the option of moving on toward deployment of major parts of the SDI concept. But I remain a firm believer in doing that kind of research.

I do not want to see this Nation of ours ever get behind in research in this area. While it's primarily for defense purposes there are many spinoffs which come from something like this.

Last summer, pursuant to that interest, I made a 10-day trip and visited some of our aerospace, high tech areas and talked to some of the finest directed energy scientists in the world with the primary emphasis on determining what they thought we could do with regard to SDI. Without exception, those people felt a good, solid research program might—I repeat might—within 10 years give us the option of whether or not to go ahead, but only if we proceeded on a steady course with regard to the basic, fundamental research with lasers, with neutral particle beam projectors, and so on.

That is my objective, Mr. President, to keep the funding level such that we can do that kind of high tech R&D which can lead us someday perhaps to that kind of option.

Now, I feel, that the administration has the public believing we have much of the SDI system available here and now, ready to go. This is not really the case, because we still have to invent the basics of the system. One day when General Abrahamson was over he described the trajectory of an ICBM and noted that we hope to be able to zap them here and zap them there, and that another weapons system would do the job in another part of the trajectory. I told him that it was a little bit like Julius Caesar stockpiling 12 gauge shotguns. He could draw up all the plans where he could shoot them coming around the forum, draw up tactics and procedures, but he better do one thing first; he better invent gunpowder. That is a little bit where we are now with star wars concept. We are trying first to invent gunpowder. Let us not get all the deployment, all the arms control and everything ahead of the fact that we have not yet invented the basic physics to do this job, and that is what we want to concentrate on.

What is the proper funding level to do that? That is the major question. We have argued up and down the Hill today on various proposals, so I think it has been adequately debated.

I see a need for $2.8 billion based on several factors, not just that it is double this year's budget for star wars, but also because General Abrahamson says he has committed $2.2 billion to $2.5 billion in fiscal year 1986 money in existing projects.

Now, this means at $2.8 billion we can fund current research and still give him enough extra flex money of $300 to $400 million, which brings it up to the $2.8 billion, so that he has enough flexibility to go ahead and do the job that he has been charged with doing.

So it is double what we have now, which is adequate. I do not fence any of this money because I think, above all, in any research program, if there is one thing I have ever learned out of any research I have been in, whether it was in the space program or doing test piloting work before that, or whatever, it is that we cannot take a research program and micromanage it from the floor of the Senate or House of Representatives. We have to give the boss of that program authority to go ahead and conduct the research as he sees fit because, as things change through the year, he may need to redirect some of that money. He may want to put a little bit of the extra money we would be giving him with this $2.8 billion budget into exploiting something that has been found. He has to have that kind of flexibility.

We have talked to General Abrahamson about this, and if there is one thing on which he is adamant, it is that at whatever level we come out on this bill, he pleads with us to give him the flexibility to conduct the research the way he thinks it has to be done. I agree with him on that 100 percent.

I intend to follow this whole program very closely with an additional trip this summer to talk to some of the people directly involved with SDI to see what our funding is doing, whether it is adequate.

In summary, Mr. President, I know the hour is late and I would like to keep the remarks short—$2.8 billion is a 100-percent increase over fiscal year 1985. It is quite ample, I feel, to keep the program alive and well. It still would cut $922 million from the administration's request and $172 million from the committee bill, but it has no additional fencing language. I think it is the direction we should go. It is quite adequate and I think it gives General Abrahamson everything that he needs. I would be prepared to go to a vote on it. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, with great reluctance, I rise to oppose the amendment of my distinguished colleague from Ohio, one of the most forceful and interesting members of the Armed Services Committee. But I want to take three sentences from his own debate tonight. His figure—and he said it three times—would give General Abrahamson what he needs. But I bring to the attention of my distinguished colleague that tonight the majority of the Senate has stood by the Armed Service Committee and its recommendation for a funding level of 2.97—four separate votes have been taken in support of that figure. Another, a fifth amendment, was withdrawn which had a lower figure.

During the deliberations by the Armed Services Committee, he voted for that figure. Now, I ask my distinguished colleague, what has changed in the interim for his support with the majority of the committee for the mark that is in this bill and the figure that he submits to the Senate tonight?

Mr. GLENN. Mr. President, I will be glad to reply to that. As I presume the Senator knows, in the subcommittee and in the full committee, I preferred the 2.8 figure. When we were in the final markup on the bill in committee, the Senator from Virginia proposed 2.97. I indicated I would support that out of the committee reserving the right to go with my original figure on the floor. My statement then, I agree, could have been a little ambiguous, but I indicated then it was always my

intent to go to $2.8 billion. Last August when we came back from this assessment trip, we sat down and tried to come up with a figure that we thought would be realistic for his year, and $2.5 to $2.8 billion was what we determined to be adequate, and so I voted the $2.97 billion out of committee reserving the right to bring up on the floor my original hoped-for figure.

Mr. WARNER. Mr. President, could I again bring to my distinguished colleague's attention that the House is at $2.47 billion. There is a $500 million difference. If the Senator from Ohio is quite confident that $2.8 is what General Abrahamson needs, it would seem to me that he would accord to the conferees, of which he will be one, I presume, the right to go in there and get that figure. We need the higher amount in order to negotiate in that conference. So, I ask my distinguished colleague, in view of the need to get $2.8 billion and the present difference of $500 million with the House, would it not be wiser to let the mark, as established in the bill, remain tonight and the Senator join us in the conference to see whether or not we can hold that figure of $2.8 billion and hopefully some more?

Mr. GLENN. Mr. President, I reply to my friend that I realize quite often in conference with the House we wind up splitting the difference, but I think if we are to base our legislation on that all the time, all we are going to do is take a House figure that has been passed and then we pass something equally in the other direction from what we truly believe. It is a rather strange way to set up a procedure for doing business on a neutral basis. I believe $2.8 billion is what SDI needs. I am willing to fight for that $2.8 billion, and I hope we can bring the House around to our view. I am willing to make those arguments in conference if I am accorded the honor of being included in that group. I would hope we could convince them to come up to $2.8 billion because I firmly believe that is what we need.

Mr. WARNER. I think the issue has been clearly strained for the Senate and that we would be prepared to vote on it. I only suggest that we repose in the conferees the ability to go in there and have the leverage to negotiate to reach that figure of 2.8 that the Senator has stressed several times tonight is essential in his judgment. The majority of the Members of this body have supported the mark in the bill. It is my fervent hope that we continue with the last vote to keep that mark.

Mr. GLENN. Mr. President, I am prepared to yield the floor if there is no further debate.

The PRESIDING OFFICER. Is there further debate?

Mr. GLENN. The yeas and nays have been ordered.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. COCHRAN], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Arkansas [Mr. PRYOR] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 36, nays 59, as follows:

[Rollcall Vote No. 102 Leg.]

YEAS—36

Baucus
Bentsen
Bingaman
Bradley
Bumpers
Burdick
Byrd
Chiles
Cranston
DeConcini
Dodd
Eagleton

Exon
Ford
Glenn
Gore
Hatfield
Heinz
Inouye
Johnston
Kasten
Lautenberg
Levin
Matsunaga

Melcher
Mitchell
Moynihan
Pell
Proxmire
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Specter
Weicker

NAYS—59

Abdnor
Andrews
Armstrong
Biden
Boren
Boschwitz
Chafee
Cohen
D'Amato
Danforth
Denton
Dixon
Dole
Domenici
Durenberger
Evans
Garn
Goldwater
Gorton
Gramm

Grassley
Harkin
Hart
Hatch
Hawkins
Hecht
Heflin
Helms
Hollings
Humphrey
Kassebaum
Kennedy
Kerry
Laxalt
Leahy
Long
Lugar
Mathias
Mattingly
McClure

McConnell
Metzenbaum
Murkowski
Nickles
Nunn
Packwood
Pressler
Quayle
Roth
Rudman
Simpson
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Zorinsky

NOT VOTING—5

Cochran
East

Pryor
Stafford

Stennis

So the amendment (No. 258) was rejected.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, who has the floor?

The PRESIDING OFFICER. The floor is available.

AMENDMENT NO. 259

(Purpose: To establish a Strategic Defense Evaluation Panel)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 259.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following new section:

STRATEGIC DEFENSE EVALUATION PANEL

SEC.   . (a) There is established an independent panel of experts to be known as the Strategic Defense Evaluation Panel (hereinafter in this section referred to as the "Panel").

(b) The Panel shall be composed of 8 members appointed as follows:

(1) Two members to be appointed by the Speaker of the House of Representatives.

(2) Two members to be appointed by the minority leader of the House of Representatives.

(3) Two members to be appointed by the President pro tempore of the Senate upon the recommendation of the majority leader of the Senate.

(4) Two members to be appointed by the President pro tempore of the Senate upon the recommendation of the minority leader of the Senate.

(c) No person shall be eligible for appointment to the Panel who has been employed in the previous year by the Strategic Defense Initiative Organization of the Department of Defense or by an organization otherwise compensated under contract by the Strategic Defense Initiative Organization.

(d) Members of the Panel shall be appointed for a term of three years except that of the members first appointed to the Panel, two shall be appointed for a term of only one year, three shall be appointed for a term of two years, and three shall be appointed for a term of three years, as determined by lot at the first organizational meeting of the Panel.

(e) It shall be the function of the Panel to evaluate defensive research and development activities of the Department of Defense, the technical and programmatic status of work within the Strategic Defense Initiative Organization, and the effect of the Strategic Defense Initiative on United States arms control goals and policies and United States compliance with existing arms control treaties.

(f) The Panel shall submit classified and unclassified reports to the Congress each year containing the results of its evaluations made pursuant to subsection (e) for the preceding year together with such recommendations for legislative and administrative action as it considers appropriate. The first such report shall be submitted not later than April 1, 1986.

(g) All persons appointed to the Panel shall be given appropriate security clearances. Members of the Panel shall be given access to all classified materials pertinent to evaluating the Strategic Defense Initiative.

(h) Expenses of the Panel, for such administrative and staff support as it may require, shall be paid out of funds made available for the Strategic Defense Initiative Organization.

The PRESIDING OFFICER. The Senate is not in order. Those Senators wishing to converse will please leave the Chamber.

Mr. BUMPERS. Mr. President, this amendment is very simple, and I hope the managers of the bill will be willing to accept it. It was part of the amendment that Senator Proxmire, Senator Mathias, Senator Chafee, and I offered earlier.

It simply sets up a panel of 8 persons to be appointed by the Speaker of the House and the minority leader and by the majority leader and the minority leader of this body. The intent is very simple. It is designed to have somebody look at this program, how the money is being spent, and report back to Congress.

The Armed Services Committee is privy to a lot of information to which some of the rest of us are not.

This star wars project is an immensely complex undertaking. Many Members of this body do not have the foggiest notion of what is involved in this whole concept. This panel is designed to monitor the program and come back and report to the Senate, both in a classified and an unclassified way, so that we can be reasonably informed as to what we are spending $3 billion per year for.

I hope this amendment will be acceptable to the committee.

(Mr. PRESSLER assumed the chair.)

Mr. GOLDWATER. Mr. President, I know that this amendment has a lot of appeal. Let me point out just a few things.

Such a panel would duplicate the ongoing work of the congressional committees and other organizations, such as the General Accounting Office and the Office of Technology Assessment, which are charged with such responsibilities.

The Committee on Armed Services has held six hearings on the SDI, totaling over 15 hours of testimony.

The DOD has testified 23 times thus far in the 99th Congress.

The DOD has chartered a distinguished independent panel of scientists to review the program. This resource is available to Congress as well.

The OTA is conducting an extensive review of the SDI.

Those are a few of the things we would find objectionable, offhand.

I do not think there is any need to legislate such a panel, nor is there need to expand the nature of the report until their research is further along.

However, I do not want to make my statement final. I think the chairman of the subcommittee will have something to say.

Mr. WARNER. I thank the distinguished chairman.

Mr. President, I think this has been a very profitable session today on a series of SDI amendments. While the majority of the Senate has supported the bill as written and recommended by the Armed Services Committee, there is obviously within the Senate a deep concern on both sides of the aisle about the complexity of this program and the ability of the Senate to have some independent viewpoint.

I am wondering if the distinguished Senator from Arkansas would consider laying this amendment aside and allowing the chairman of the committee and the ranking minority member to discuss the possibility of establishing a panel comparable to what is recommended here, but a panel that would be designated in equal numbers by the chairman and the ranking minority member—some thought along that line, as opposed to the diversity of individuals with the authority to select, under the amendment offered by the Senator from Arkansas.

Mr. NUNN. Mr. President, I should like to join the Senator from Virginia in that suggestion.

The Senator from Arkansas could still bring up his amendment later this evening, if we do not reach some agreement. I think it would be worth exploration as to whether we can come to some conclusion of this matter that perhaps would be along the line suggested by the Senator from Virginia, if the Senator from Arkansas would agree to take a few minutes.

It is apparent that there is a profound concern in this body with the SDI program—not just the funding, but more so, I think, of the definition of where we are going and the arms control ramifications.

I think it is clear that there is a lack of confidence in the direction of the program at this point by a lot of people, perhaps not a majority, but I think that even those who voted against the amendments have had unease in terms of where this program is going. I believe that starts with the definition.

I should like very much to have an independent group of people who are experts in this overall area, but who do not have preconceived opinions, to be able to share their views with the Senate. I should like it to start in the Armed Services Committee. I think it is worth exploring.

The Senator from Michigan and I have discussed this matter in the last 2 or 3 hours. We have talked about it with the chairman, the Senator from Arizona, as well as with the chairman of the subcommittee, the Senator from Virginia.

I hope that in a few minutes we will be able to find a path that will be acceptable to the Senator from Arkansas and to many other Members of the Senate.

Mr. BUMPERS. I thank the Senator from Georgia very much.

For the edification of my colleagues I should like to read a couple of things in the amendment, so that Senators will understand the rationale for it.

First of all, it says that no person shall be eligible for appointment to the panel who has been employed in the previous year by the Strategic Defense Initiative Organization of the Department of Defense or by an organization otherwise compensated under contract by the Strategic Defense Initiative Organization.

Finally, it is the function of the panel to evaluate defensive research and development activities of the Department of Defense, the technical and programmatic status of work within the Strategic Defense Initiative Organization, and the effect of SDI on U.S. arms control goals and policies and U.S. compliance with existing arms control treaties.

It goes unsaid we are talking about the Antiballistic Missile Treaty.

For the past couple of weeks the chairman of the committee has told us that the committee does not know anything about arms control and that has been the reason the committee did not want our SALT no-undercut amendment on the DOD bill.

Now if the committee, in fact, does not know anything about arms control and is preparing to spend $26 billion as a small down payment on basic research and development of the SDI, it seems entirely appropriate to me that all of the Senate, not just the members of the Armed Services Committee, that all of the Members of the Senate have somebody evaluating this program that can report to all of us. These should be people who have no conflict of interest, people who have no connections with the Armed Services Committee, and I am not denigrating the committee. I am just saying this is a monumental decision we are making here tonight, the dimensions of which are absolutely unforeseeable.

And why not? Why not appoint an independent panel that is going to evaluate the expenditures of the programs on the kinds of research being done and what impact it is going to have on any existing treaties?

That is a very simple request. I say to the Senator from Virginia, I appreciate his willingess to try to work something out on this. But I really think that the House of Representatives has something to say about this. With this amendment we are setting up an eight-member panel, two members to be appointed by the Speaker, two members by the minority leader in the House, two by the majority leader, and two by the minority leader. That is as bipartisan as you can get it, and I trust their judgment and discretion in appointing people who are qualified.

I think I speak for an awful lot of Members of this body who are not members of the Armed Services Committee who want to really be well-informed on the progress of this program, and it seems to me that this is a very effective and perfectly legitimate way of doing that.

Mr. WARNER. Mr. President, I think the Senator from Arkansas has very correctly perceived within the Senate there is a deep concern about this program unlike any that I have experienced in my brief tenure in the Senate. Out of that respect for my colleagues and for the principal author of this amendment, I agree with the thrust of it, speaking only for myself, but I do believe out of courtesy and respect and indeed the authority reposed in the chairman and the ranking minority member, they could select a suitable panel for the purpose of advising this body. The House of Representatives may or may not wish to do this for themselves. But we would have the benefit of this group for the purpose of advising the Senate.

Mr. BUMPERS. Let me say no one holds the chairman and ranking minority member in higher regard than I do.

But I am trying to make this a panel that will be a cross-section of people who are well-qualified, who understand the program, but also people who do not have any bias toward the program, for or against it.

Mr. NUNN. May I say to the Senator from Arkansas on this point, I think that is a lofty objective. But I do not think it is possible to get people who both have the expertise and qualifications to get into this very complex subject and to get people who have no opinions on the subject at this point in time. If they do not have opinions now with all the debate on the strategic defense initiative in the last 2 years and all the ramifications, it will be my contention they probably would not be qualified to serve.

Mr. BUMPERS. Let me say, No. 1, I would hate to think there is not an objective independent scientist in this country who cannot look at this program without saying I think this is either the greatest thing since night baseball or the worst thing since Satan.

Mr. NUNN. I thought the Senator said he prefers to have people who did not have opinions on this subject or preconceived notions on this subject. I have not talked to anyone who testifed before the committee who did not have some preconceived notions on the subject. It is inherent.

Mr. BUMPERS. Perhaps I misspoke myself. At least we will have a balance between those who thought it was great and those who did not think it was not so hot.

Mr. NUNN. I agree with that. I think we need a balance. I definitely think we need a balance. We need people who are reasonable and analytical people who are very skeptical of the program and we need people who are for the program. We need balance on both sides, absolutely.

I do not think we could find people who do not have opinions going in.

Mr. BUMPERS. Let me say to the distinguished Senator that is all I am asking for. I am just asking for the opportunity for other Members of the body who feel they are getting some information that is from reputable people, honest opinions about the effects this is likely to have on existing treaties. That is one of my primary concerns.

Mr. WARNER. Mr. President, I think the Senator from Arkansas recognizes considerable agreement on this side and with the ranking minority member as to the purpose of this amendment, and for the moment we are asking to accept some procedural device by which we can continue addressing amendments to the bill tonight while this matter is considered by the Senator and others.

Mr. BUMPERS. What is the Senator's suggestion?

Mr. WARNER. My suggestion is that the Senator simply lay the amendment aside until such time as we have gone on to other amendments, and each time we can lay it aside until hopefully we reach some sort of consensus agreement.

Mr. BUMPERS. The Senator is willing. OK. I agree with that.

Mr. WARNER. Does the Senator care to make that request?

Mr. BUMPERS. Mr. President, I ask unanimous consent that the amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. If the Senator will yield, I say to my friend from Arkansas as chairman of the committee I promise him there will be a thorough consideration given to this and discussion with him, because I think it is a very worthwhile thought. I think there are some little ideas that he has expressed in the amendment that we can work out, and I am glad the Senator has agreed to withdraw it so we can get something that he will like, the Senate will like, and we can get along with it.

I thank him.

Mr. WALLOP. Mr. President, what is the pending business?

The PRESIDING OFFICER. S. 1160.

Mr. WALLOP. Has the amendment of the Senator from Arkansas been withdrawn?

The PRESIDING OFFICER. It has been laid aside temporarily.

Mr. WALLOP. It has been laid aside.

AMENDMENT NO. 260

Mr. WALLOP. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. Wallop], for himself, Mr. Wilson, Mr. Quayle, Mr. Boren, Mr. Hollings, Mr. Heflin, Mr. Kasten, Mr. Simpson, Mr. Denton, Mr. McClure, Mr. Symms, Mr. Helms, Mr. East, Mr. Mattingly, and Mrs. Hawkins proposes an amendment numbered 260.

Mr. WALLOP. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

Of the funds authorized for the Strategic Defense Initiative, $800,000,000 is available only for research and development of non-nuclear ballistic missile defense systems, to be deployed within five to seven years.

The Secretary of Defense shall report to the Committees on Armed Services of the Senate and House of Representatives by February 1, 1986, a plan for this research and development program, including such factors as schedule and cost. Specifically, this report shall address the role that such strategic defenses could play in enhancing the survivability and effectiveness of U.S. strategic forces, particularly the land-based missile force.

Mr. WALLOP. Mr. President, I offer this amendment on behalf of myself and Senators Wilson, Quayle, Boren, Hollings, Heflin, Kasten, Simpson, Denton, McClure, Symms, Helms, and East.

Mr. President, this amendment is both modest and revolutionary. It is modest because it involves only about one-third of the money that all of us assume will be left under the label SDI by the time the appropriations process is finished.

It specifies that $800 million shall be available for building actual defenses against ballistic missiles to be deployed within 5 to 7 years. One-third of the money available for strategic defense should go, Mr. President, to actually building things that will protect Americans.

The amendment is revolutionary because the strategic defense initiative as it is right now would not spend a single penny to build any device or any components of any device that would shoot down a missile.

This country used to have programs for building such things and then SDI came along and those defensive programs were swept up into it and they were redirected to produce fruit, if ever, in the next millennium. Meanwhile, antimissile devices continue to roll off Soviet assembly lines.

And so this amendment goes against the grain of today's Pentagon, and against the grain of what this body has done in the field of strategic weapons. This amendment proposes, strange to say, that we use a little of the money we spend to actually give something useful to ourselves.

Now I admit that the trends are in the other direction. The White House and the bipartisan coalition proudly

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led by the Senator from Georgia capped MX at 50, raising the unit costs. We get to pay but we will not get to build and certainly will not get to deploy it. This same body has capped the number of B-1 bombers, again raising unit costs. Once again, we pay extra not to get weapons. All of this is supposedly for the sake of the Stealth bombers and for Midgetman—things we pay for handsomely now, but of course are too advanced to build. Who will bet that when the time comes, and we note that the first batch of Stealth bombers ready for production will have unit costs about twice the B-1, some of those wise men will not take note of the fact that Stealth is liable to certain countermeasures and will not propose another long, expensive R&D program? Who will bet that when the time comes to decide how Midgetman will be based, we will not even consider the only cheap choice, regular 18-wheel trucks? Who will bet against our rejecting the same sad scene we have played out with MX? Setting up and knocking down basing modes like targets at an amusement park?

Who is really surprised that a consensus seems to be developing among so-called right thinking people at the White House and in Congress that it is all right to spend billions for research into exotic principles that might or might not be useful in the next generation, so long as we promise not even to start developing any protective devices or components of protective devices for the next 7 years? The President's Science Adviser, Jay Keyworth, and Secretary Weinberger tell the press that the Soviets will be mightily impressed by the amount of money dedicated to SDI. Perhaps they even believe it. So no one would have been surprised, certainly not I, when this wise bipartisan coalition agreed that it would be good to cutdown the money for the Army's airborne optical adjunct, an airplane that performs for an antimissile battle the same control function that AWACS plays for antiaircraft battles. Not only that, but the infrared focal plane that is at the heart of the system was split up, lest anyone accuse us of violating the ABM Treaty that the Soviets have violated. Of course, the program was stretched out and may bear fruit a decade hence at several times the original price tag. I am not surprised that is called good management nowadays. The House Armed Services Committee and the SDIO will defend it. Just wait and see.

No one should have been surprised that the Talon Gold Program, which was supposed to produce a space-based pointer-tracker by 1984 at a cost of $400 million was tampered with 54 times in 52 weeks under SDI, and will now bear fruit in 1991 at the very earliest at a total cost of over a billion at the very least. But do not get upset over this. All of this was necessary, you see. Why if this had not been done, had the Carter administration's plan simply been followed, we would have an American space-based laser in orbit at the latest by 1991 at a total cost, according to the Carter administration, of $2.3 billion. We could not allow that! That would only have left us say 5 years behind the Soviets. But after a dose of good management, if we even have such a thing, we will have spent several times that amount, and, under the present plan, might have it sometime after 1995.

No one should be surprised that, as Soviet SA-12 mobile antimissile devices roll off Soviet assembly lines, even as I speak tonight, the SDI has no program remotely like it. No, the SA-12 is not good enough. So we are researching a radar four times as powerful which, however, will not be mobile and will not be ready for another decade, and will probably be too expensive to build, because you heard us in here tonight talking about cost effectiveness. Meanwhile, we are asked to pay and pay, but not to ask for any protective antimissile devices, because such a request just would not go down right with the coalition of certain professionals, the White House, and some of our experts here on the Hill.

So this modest amendment is something of a revolutionary act. It is an act by a bipartisan coalition of Senators that has had quite enough of the kind of up-to-date defense management we have seen in SDI. At least one third of the money for SDI, if this amendment will pass, will do to protect the American people. If the House does not agree, the conference report will not even come to a vote in the Senate.

This bipartisan coalition asks you, our colleagues, to look at our strategic situation with some sense of realism. This country, that means you and I and our families are in a bad fix. The Soviets long ago achieved superiority in counterforce missiles. Last week we here in the U.S. Senate voted to let them have it for the foreseeable future. Nothing, I repeat, nothing, absolutely nothing, is now programmed to come off American assembly lines in the near or the far future in numbers sufficient to keep the gap from getting wider and wider and wider. At what point do we stop treating these matters as if our lives and our country's life were not involved?

When does the time come for us to wake up and see what is happening to us and see that we are wasting what we know how to do with the technology that we have in hand, some of which we have had in hand since 1969?

Now, if and when we seriously consider our predicament, we can see that there is only one way out—building antimissile weapons. Dollars will not do the job. Papers will not do the job. The question is, Do we build weapons, or not? This bipartisan coalition says, let us build the weapons we can build. What are they? What does our simple, cryptic, little amendment have in mind?

A surface-to-air missile system not inferior in performance to the Soviet SA-12. Something in production today. Whether or not to build this is not a question of technology, it is a question of will.

We could build a space-based chemical laser. Long ago this ceased to be liable to questions of feasibility. Indeed, the opposition to this protective device is due primarily to the fact that it can be built. Oh, it is easy to be for excimer laser ABM's or for free electron laser ABM's because the question in their regard is not whether to build. It is a question in this regard of whether we ever can build them, because we do not have that technology. But the question with regard to chemical lasers is, do we want to build? I hope that maybe sometime in this body we might say yes. Why? Because we can, and because they will do well enough until something better comes along. But for us to continually sit here and say, "I am not going to have dinner tonight because I will only be hungry for breakfast," is to declare ourselves a Nation of fools.

We also mean to use the Air Force antisatellite homing vehicle from orbit against missiles. The SDI wants to spend years and billions researching "smart rocks." Well, the Air Force vehicle that we have today and know how to build is not genius but it is plenty good enough to take care of lots of the dangers that Americans find themselves in today. The Soviet Union will not give us time, and the Treasury Department and two Houses of Congress will not provide the money to accommodate the SDIO's way of doing things, and that is why this bipartisan coalition asks you for one portion of this money to do something differently. We ask you, our colleagues, to stop following the so-called defense experts who know nothing of the technology and whose only expertise—a well-practiced expertise—has been in finding artful ways to say "no" to protective weapons for the American people while staying in the bureaucracy's graces by feeding it the taxpayers' money.

We ask you not to follow anyone who says, "I haven't had time to study these horribly complex things but, believe me, they are so complex that we will have to pay billions and we promise you will get nothing while the Soviets build."

Some of us have taken the time to study, Mr. President. Ask us. Note that not in the 5 years since I first brought up space-based defenses to the attention of this body has any Member of the body challenged any facts that I have brought before you? Those who have opposed building defenses have always done so by asking us to delay in the name of expert bureaucracy. But now look for youselves. A half a decade has passed since we began talking about this subject, a half-decade during which our knowledge has increased a bit, and the Soviets have been building a lot, and our programs have become less oriented to produceable weapons than ever before. It makes no sense.

The American people are entitled to protective weapons now because we can build protective weapons now. They are entitled to do what we can do now and not in the 21st century. I ask you in the Senate to do at least one thing, share with this bipartisan coalition the regard that this amendment will be something other than a diminution of the protection of the American people.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

Mr. GOLDWATER. Mr. President, I am wondering if the Senator from Wyoming would consider deleting the first paragraph:

> Of the funds authorized for the strategic defense initiative, $800,000,000 is available only for research and development of nonnuclear ballistic missile defense systems, to be deployed within 5 to 7 years.

Mr. WALLOP. Can the Senator from Arizona suggest any plausible reason why I would?

Mr. GOLDWATER. Well, we would be able to take the amendment.

Mr. WALLOP. I am sure the Senator would be able to take the amendment, but it would mean nothing. It would put us right back to the situation I just described.

Mr. GOLDWATER. That is all I wanted.

Mr. WALLOP. Mr. President, in the debate we just had on MX, I would like to quote the Senator from Georgia. He said:

> This amendment was deliberately drafted in a way that gives us a chance in another year to take another look if things have changed. We have said many times on this floor in debate if the President comes in with a different basing mode—for example, the Senator from Wyoming last night, if I understood him correctly, was talking about the near-term application of some ballistic missile defense. If I understood the Senator's critique of the SDI programs, he was saying that it is couched too much in the long term, and we are ignoring some of the near-term possibilities. In spite of the fact that if did not sound like the Senator from Wyoming and I were agreeing on anything last night in the terms the debate was couched, I did not have a chance to reply, but. I think there is some merit in it. I think we ought to take a look at ballistic missile defense * * *.

I am suggesting that I am responding to the committee's reaction with regards to the MX debate.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. Cochran] and the Senator from Vermont [Mr. Stafford] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. East] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Arkansas [Mr. Pryor] and the Senator from Mississippi [Mr. Stennis] are necessarily absent.

The result was announced—yeas 33, nays 62, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—33

Abdnor
Armstrong
Boren
D'Amato
Denton
Domenici
Garn
Gramm
Grassley
Hatch
Hawkins
Hecht
Heflin
Helms
Hollings
Humphrey
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
Murkowski
Nickles
Pressler
Quayle
Rudman
Simpson
Specter
Symms
Wallop
Wilson
Zorinsky

NAYS—62

Andrews
Baucus
Bentsen
Biden
Bingaman
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Chiles
Cohen
Cranston
Danforth
DeConcini
Dixon
Dodd
Dole
Durenberger
Eagleton
Evans
Exon
Ford
Glenn
Goldwater
Gore
Gorton
Harkin
Hart
Hatfield
Heinz
Inouye
Johnston
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Mathias
Matsunaga
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Packwood
Pell
Proxmire
Riegle
Rockefeller
Roth
Sarbanes
Sasser
Simon
Stevens
Thurmond
Trible
Warner
Weicker

NOT VOTING—5

Cochran
East
Pryor
Stafford
Stennis

So the amendment (No. 260) was rejected.

Mr. BYRD. Mr. President, did the Chair announce the vote?

The PRESIDING OFFICER. The Chair did.

Mr. BYRD. Was a motion to reconsider made and a motion to table?

The PRESIDING OFFICER. None was made.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on amendment No. 259 offered by the Senator from Arkansas.

Mr. BYRD. Mr. President, will the distinguished Senator yield to me?

Mr. BUMPERS. I shall be happy to yield.

Mr. BYRD. Mr. President, I take the floor to ask the distinguished majority leader what his program is for the rest of the evening and morning.

Mr. DOLE. Mr. President, if I may have the attention of my colleagues, it is my understanding that we might be able to complete the SDI amendments. We might have some difference of opinion with the distinguished Senator from Wisconsin, but that may be resolved—I hope.

I also understand that there are two amendments that have been combined, the Bumpers and Levin amendments, which may be acceptable to the managers. That would be the end of the SDI amendments. Then we would need to work out some agreement on the SALT amendments, but I think after disposition of the SDI amendments, that would complete the day for us.

Mr. BYRD. Then the Senate, upon coming in tomorrow, would be still on the DOD authorization bill, with the SALT II compliance amendments in order under the unanimous-consent agreement?

Mr. DOLE. That is true, but it is my hope that after the initial SALT II amendment is laid down and discussed at some length, we might still have reached some agreement to ask the Senate to temporarily lay aside the DOD authorization bill and move to the State Department authorization bill and dispose of the so-called Contra amendments, either sometime tomorrow or Thursday, and then get back on the DOD authorization bill, with the SALT amendments offered on tomorrow to be pending on Thursday.

Mr. BYRD. Mr. President, that would all require unanimous consent.

Mr. DOLE. That is correct.

Mr. BYRD. Otherwise, if the distinguished majority leader moved to take up another measure or, even by unanimous consent, the Senate went to the State Department authorization bill, unless provisions were made in the unanimous-consent agreement to the contrary, the various amendments that are set forth at the top of page 2 of the calendar would no longer be in the sequential order mentioned in that agreement, nor would they be bound by the time amendments unless such a provision were included in the unanimous-consent agreement.

Mr. DOLE. That is correct.

Mr. President, I just say in response I hope we can work out some arrangement with the distinguished Senator from Wisconsin to take one or table one, whichever may be worked out. I know a number of my colleagues would like to complete action on this portion of this bill in the next 30 minutes.

AMENDMENT NO. 259

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, is the Bumpers amendment the pending amendment at this time?

The PRESIDING OFFICER. It is.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I may be permitted to withdraw that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 259) was withdrawn.

AMENDMENT NO. 261

Mr. BUMPERS. Mr. President, I send an amendment to the desk on behalf of Mr. Levin and myself which we have discussed with the chairman of the committee. I ask that it be immediately considered.

[The following proceedings occurred after midnight:]

The PRESIDING OFFICER. There is no provision in the agreement for an additional amendment by the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the amendment be in order.

The PRESIDING OFFICER. Is there objection?

Mr. WILSON. Mr. President, reserving the right to object, I suggest the absence of a quorum, so that there may be some discussion.

Mr. BUMPERS. Mr. President, if the Senator will withhold, let me state that this is simply a modification of the amendment I offered earlier to establish a panel. I have discussed it with the chairman of the committee and the chairman of the subcommittee. Senator Nunn, the ranking minority member, was not here at the time. It simply sets up a panel to monitor the SDI and report back to the Senate.

Mr. WILSON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. NUNN and Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, if the Senator from Arkansas will let me have a moment, we asked the Senator from Arkansas—the chairman of the committee and I—to withdraw his amendment. The Senator from Virginia went into an explanation about trying to work out another amendment. In good faith, we all asked the Senator from Arkansas to withdraw his amendment.

I suggest that we allow the Senator to resubmit the amendment. If there is objection, it is my understanding from the Parliamentarian that it can be reoffered by the Senator from Arkansas and the Senator from Wisconsin as a Bumpers-Proxmire amendment, and it would be in order.

Mr. BUMPERS. It would be in order if the Senator from Wisconsin and I offered the amendment.

Mr. LEVIN. Mr. President, if the Senator will yield, it is my intention to offer a similar amendment, and I have a right to do that, and I will do it, in any event. Since Senator Bumpers was pressing this, we thought it appropriate that he be the one to offer it.

Mr. WARNER. Mr. President, I believe that the Senator from Arkansas has acted in good faith in responding to the request of the chairman and the ranking minority member of the committee and several others as we tried to work this out. Procedurally, it can be brought back in under a number of guises. So I urge my distinguished colleague from California to reconsider his objection.

Mr. WILSON. Mr. President, I was not aware of what the managers on this side had agreed to with respect to the withdrawal by the Senator from Arkansas of his earlier amendment.

I think this is a very important amendment. I gather that the change is a slight one in form. I do not know what the Senator from Michigan intends.

I am willing to withdraw my objection, provided we can have an understanding that this matter is going to be debated fully and that those of us who are unaware of the contents of the amendment offered by the Senator from Arkansas will have ample opportunity to learn the contents. I think the Senator will agree with me that this is an important matter and not one to be treated lightly.

Mr. BUMPERS. Does the Senator withdraw his objection?

Mr. WILSON. If I have assurance from the Senator from Arkansas that we will have a full explanation and debate, I will be happy to do so.

Mr. NUNN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NUNN. The amendment is debatable. Is that correct?

The PRESIDING OFFICER (Mr. Gramm). The amendment is debatable, and it is not under a time limit.

Mr. WILSON. Mr. President, the matter is debatable, but I think what we need to know is what is being proposed. So I ask the Senator from Arkansas to take a moment and conduct a full exposition of what he is proposing and what the changes are from the earlier amendment.

Mr. GOLDWATER. Mr. President, as one who asked the Senator from Arkansas to withdraw his amendment so that it might be worked on, I think it is only proper that he be allowed to reoffer the amendment as amended.

Senator Levin participated in this new amendment, and the language incorporates language of Senator Levin's amendment. He would have offered that as a separate amendment, and it includes the language of the amendment by the Senator from Arkansas. I think full debate is proper. I might say that both the minority and majority sides have agreed to the corrected amendment.

Mr. BUMPERS. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the consideration of this amendment? There being no objection, the amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. Bumpers], for himself and Mr. Levin, proposes an amendment numbered 261.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. Hecht). Is there objection? The Chair hears none, and it is so ordered.

The amendment is as follows:

On page 99, between lines 4 and 5 insert the following new section:

STRATEGIC DEFENSE ADVISORY PANEL

Sec. 914. (a) It is the sense of the Senate that there should be established an advisory panel to be known as the Strategic Defense Advisory Panel.

(b) The Advisory Panel shall be composed of 10 members appointed as follows:

(1) Two members each to be appointed by the Chairman of the Committee on Armed Services and the Committee on Foreign Relations of the Senate after consultation with the ranking minority member of such committees.

(2) Two members each to be appointed by the ranking minority member of the Committee on Armed Services and the Committee on Foreign Relations of the Senate after consultation with the Chairman of such committees.

(3) One member each to be appointed by the majority leader and the minority leader of the Senate.

(c) Members of the Advisory Panel shall serve at the pleasure of the appointing authority.

(d) It shall be the function of the Advisory Panel to evaluate strategic defense research and development activities of the Department of Defense, the technical and programmatic status of work within the Strategic Defense Initiative Organization, and the effect of the Strategic Defense Initiative on United States arms control goals and policies. The Advisory Panel shall submit such reports as the Chairmen and Ranking Minority Members of the Committees deem necessary to the Committees.

(e) Expenses of the Advisory Panel shall be paid out of the Contingent Fund of the Senate upon vouchers approved by the Chairman and ranking minority member of the Committee on Armed Services and the Committee on Foreign Relations of the Senate.

On page 99, redesignate sections 914, 915, and 916 as sections 915, 916 and 917 respectively.

Mr. BUMPERS. Mr. President, those Senators who were in the Chamber a moment ago heard me describe the amendment, which was one that would set up a panel to monitor the expenditure of money of SDI and the kinds of research, and so on, that was going to take place under it and report back, both in a classified and an unclassified way, to Members of the Senate.

The Armed Services Committee does an excellent job, but not all of us are members of the Armed Services Committee, and SDI will cost a monumental amount of money.

The amendment is designed to give the Senate some idea as to the kinds of development going on and the effects it might have on any treaties in existence. The amendment that I offered and withdrew provided for the appointment of an eight-person committee—two to be appointed by the Speaker of the House and two by the minority leader in the House, two by the majority leader in the Senate and two by the minority leader in the Senate.

Senator Levin had been working with members of the Armed Services Committee on panel with a slightly different makeup and appointed by the chairman and the ranking minority member of the Armed Services Committee.

So we got together, put our heads together, and came up with a compromise which encompasses the thrust of it but changes the mix of the panel. What we have agreed to now—and I think it makes more sense than my original amendment—is that it allows the chairman and the ranking minority member of the Armed Services Committee to appoint two persons each, the chairman and ranking minority member of the Foreign Relations Committee to appoint two persons each, the majority leader of the Senate and the minority leader to appoint one person each. This makes up a 10-person panel.

The thrust of the amendment is the same—to try to keep this body abreast of the status of the expenditure of money, how the research is going, and so forth, so that everybody in the Senate, not just the members of the Armed Services Committee, will be privy to what the money is being spent for. It is a fairly simple, straightforward amendment.

I yield the floor.

Mr. LEVIN. Mr. President, I thank Senator Goldwater, Senator Nunn, and Senator Warner for the participation they gave us in drafting this amendment. It does achieve what my friend from Arkansas has indicated. It is straightforward.

It took the cooperation of the chairman and the ranking minority member of the committee, as well as Senator Warner, to work this out, and I hope the Senate will accept it. It reflects the concern of many of us, and at the same time it is a modest amendment.

Mr. BUMPERS. Mr. President, the chairman of the committee, Senator Goldwater, and the chairman of the subcommittee, Senator Warner—I did not get a chance to talk to Senator Nunn—were helpful in working out this amendment, and I thank them for their cooperation.

Mr. WILSON. Mr. President, I direct a question to my friend from Arkansas, the proponent of this measure.

Did the Senator say what the length of existence of this panel would be? What is its life to be? I did not find anything in the amendment.

Mr. BUMPERS. The Senator is right. There is no self-destruct clause in here for this panel.

Mr. LEVIN. If the Senator will yield, we tried to keep it simple. We suggested putting all of the conditions, all of the proposals in here. Then someone said, "My God, we will end up with 10 pages. Keep it simple." We did not put the self-destruct clause in. It is apparent it will serve at the pleasure of the appointing authority. It will last as long as the appointing authority wants them to, the chairman and ranking minority member and majority and minority leaders of the Senate.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, let me repeat what I said a moment ago when I expressed concern about this measure. It is an important proposal. Whether we favor or oppose it I think it is of sufficient importance to give it close attention.

In my case having not seen it before and having now to rely upon the explanation of the Senator from Arkansas and the Senator from Michigan, we will have to give it quick careful attention and that may be something that is not judicial in terms, but even quick careful attention suggests a number of reasons to be very hesitant about this measure.

There really does not seem to be a great deal in the way of precedent, and perhaps that is because this body has been jealous of abdicating its responsibilities.

We have ample opportunities for expert advice and in a time like this and with a subject as, admittedly, complex and difficult as the strategic defense initiative, certainly no one can quarrel with the Senate seeking to obtain the best expert advice possible.

But I suggest that we do have the opportunity without this additional panel. Specifically, the Department of Defense has chartered an independent panel of scientists to review the program. The Office of Technology Assessment is available and is, in fact, conducting extensive review of the strategic defense initiative. The Committee on Armed Services has held six hearings this year on the subject. Those six hearings total more than 15 hours of testimony. The Department of Defense, I am advised, has sent representatives to Capitol Hill to discuss the strategic defense initiative alone 23 times.

Now, I say that if that is not adequate then fine; let us give it more attention. But this body apparently felt adequately informed enough tonight to reject several amendments that have been offered, in my view wisely so, but the point really is that this is not another Scowcroft Commission that is being proposed. There is no limit to the life of this panel. It serves at the pleasure of the appointing body or bodies. It does not have a self-destructive mechanism in it. Rather it simply is one more layer, and I think we have all at one time or another agreed with various articles, various programs that have criticized Congress for endless overlay upon overlay, the kind of redundancy that is, in fact, not a fail-safe but a confusing and delaying factor that impedes the work of Congress rather than supports it.

Mr. President, the proponents of this measure seek to have the Senate fully informed upon the strategic defense initiative. While there is no shortage of advice, those on the committee, I think, feel almost surfeited with advice solicited and unsolicited. Those who do not serve on the committee from their casual observation of the news media cannot help having observed that there is abundant advice, whether it be on op-ed pages, in news columns, on MacNeil-Lehrer, on virtually every news show, but the point really is this: What is being proposed here is you might say simply another advisory panel.

I suggest that it is more than simply an advisory panel. It is one that the proponents I think without intending to will create a body that we are told we must follow, we must accept their evaluation. I think that we would do better, Mr. President, whether the subject before us is tax reforms it will be, or whether it be the MX, as it has been, when we have received the advice of a distinguished panel and have accredited its report and then disbanded to not create a new precedent in this instance, one where we have different members of different committees, ranking and chairmen, appointing a couple of members.

I will not seek at this late hour to evoke any amusement by repeating the definition of a committee. But I think that this good intention and the effort to make it palatable by withdrawing the earlier amendment and placing the substitute before us is a good intention that really will not add to our store of knowledge. It seems to me that it creates, if not a dangerous, at least an unfortunate and undesirable precedent.

It seems to me that Congress should work hard, that we should have the benefit of expert advice, and that indeed we have it now. We were elected to exercise independent judgment on the basis of the best information available to us.

We have the General Accounting Office. We have OTA. We have the Department of Defense. We have all of the resources which the chairman of the Armed Services Committee, the Intelligence Committee, the Foreign Relations Committee can bring to bear through the sample exercise of a request or if necessary a subpoena to those whose testimony we seek.

Mr. President, I urge my colleagues not to support this good intention because I think it is misfired.

Mr. **WARNER**. Mr. President, will the Senator yield?

Mr. **WILSON**. I yield to my friend from Virginia.

Mr. **WARNER**. Mr. President, the Senator from California I think raises a very valid point as to the term of office and the destruct provisions; and I am sure had the authors of the amendment not acted under a very short time frame they might have inserted—as a matter of fact, the earlier version, my recollection is, did have terms of office, and so forth.

The question to the Senator: Would in some manner it alleviate the Senator's concerns, which I think are well taken, if there were to be fashioned here an amendment to the pending amendment whereby the panel would be for a life of 2 years? And that would enable, then, I think, a fair trail period. And the various appointing officers under this amendment would have a chance to evaluate it, as well as the members of the committees in the Senate. Would that be of some help?

Mr. **WILSON**. I say to my friend from Virginia, if you have an idea that you dislike, the shorter duration the better. But in all seriousness what we are talking about here is a panel whose expressed purpose, whose charge is the evaluation of research in progress, and although the measure that I have seen here in print differs I gather only from the substitute in terms of the composition of the panel, what it is seeking is to advise this body in research in progress. So I have mixed feelings. I think it is a bad idea.

I wish to see it as short as possible if in fact we are going to have to entertain it at all. But considering its purpose, that seems to be almost at cross purposes.

Mr. **GRAMM**. Mr. President, will the Senator yield?

Mr. **WILSON**. I yield to the Senator from Texas.

Mr. **EXON**. I suggest that the Senator from California cannot be the Presiding Officer. He is not in the chair.

Mr. **WILSON**. Mr. President, I am not yielding the floor. It is my purpose to retain the floor.

The **PRESIDING OFFICER**. He only yields for a question.

Mr. **WILSON**. I am yielding for a question to the Senator from Texas.

Mr. **GRAMM**. My question, Mr. President, to the Senator from California is with regard to his concerns. Is not his concern more based on the fact as the Senator from Virginia stated in his reference to a term of office? What is to be the term of office? Is not his concern what they are going to be paid, which is not addressed; who is going to pay their expenses, that is not addressed; how long they are going to serve, that is not addressed? But we are speaking of their term of office. Is not his concern here that we are credentializing people to go out and be on Good Morning America, to give us their expert advice, to have their dissent quoted as authority here on the floor of the Senate?

Is not your concern that we are going to have experts give advice with new credentials, not the credentials they have as physicists or chemists or as engineers, but with credentials that they will have in their term of office in being appointed to do the work of the United States to supplant our committee and people who were elected by the people of the United States? Is that not the Senator's concern?

Mr. **WILSON**. That is my concern to a very considerable extent. It seems to me the role of the committee is to gather the expert advice that will come to them from a variety of sources and it seems to me there is a danger in seeking to, through the prejudgment and the selection of members, set up one quintessential screening panel that may very well supplant needed expert advice that is otherwise available to us from a variety of sources.

Mr. **NUNN**. Will the Senator yield for a brief question?

Mr. **WILSON**. Yes; I yield for a question.

Mr. **NUNN**. In response to the concern of the Senator from Texas, I would say if the responsibility of authority of the Congress and the Senate has been eroded by the panel idea, then we do not have much responsibility and authority left anyway. Because over the last 4 years we have been operating on one panel or one commission after another. I am not sure it is altogether a good idea. We had a Kissinger panel on Central America that was quoted on both sides of the aisle. We had the Scowcroft panel on the MX and arms control. I do not remember the name of it, but we had the Social Security panel. We have had one panel after another.

This is the most infinitely complex subject that we have addressed. All those other subjects are easy compared to the complexity of SDI.

When you say the responsibility and authority of the committee is being eroded—I think there are good reasons to be against any kind of panel and I know there are feelings on that subject both ways—I think that simply is just not accurate. We are still going to have the full authority and responsibility to make decisions.

We had a good example this year. We had recited earlier that former Secretary Schlesinger came up and testified and gave some very interesting testimony. It was very profound testimony. The Senator from Virginia suggested that the Secretary look into the program in more depth and the former Secretary of Defense said he would be glad to look into it in more depth if he were invited to do so by the administration and would be given access to the information.

The Senator from Virginia suggested, I believe, that to the administration but nothing ever happened. He never was given access, he never had more information, he never came back and was not able to give clarification of any views. His views as they were stated were not exactly helpful to the Strategic Defense Initiative Program. This was a case, in my view, where the administration would have been well served to take someone in and inform them in depth of the program, but they chose not to do so.

I can sense what is happening here. I have been through these debates for a few years. What is happening is the strategic defense initiative and the enthusiasm for it is waning here in the Senate very rapidly. It is not reflected in the votes so far, but it is reflected in what you are hearing and what people are saying. The reason is because people just do not have confidence in the definition. It is being attacked now from not only the left but it is being attacked from the right. And there is a lot of skepticism in the Senate.

If we do not get some people that enjoy the confidence of the Armed Services Committee, the Foreign Relations Committee, and others in this body to begin looking at this and report to us, then we are going to see the continued erosion of a program that I think, if it is properly defined and handled, is very important in not only our defense but in arms negotiations and relationships with our allies, and so forth.

So I am not saying this panel is going to solve all the problems, but I certainly do not believe it is going to create any problems that do not already exist.

Mr. **WILSON**. Mr. President, I respectfully disagree with my good friend from Georgia. There really is

not a precedent for the kind of thing that is being proposed in this measure.

The Senator mentioned the Scowcroft Commission and I mentioned it earlier. He mentioned, as well, the bipartisan National Commission on Central America. Both of those were Presidentially appointed but, perhaps more to the point, they both had a fixed single purpose mission and a fixed life and self destructed upon that, leaving the Congress to evaluate their work and to take advantage of it as we chose to do.

This has no limit to its life. Rather it seems that it is set up in perpetuity. It is without precedence in terms of its creation.

Even the social security panel was different, quite different. And I think my friend would agree.

We are talking about a very complicated subject, indeed. In fact, we are talking about conceivably 140 very difficult subjects. And there is no gainsaying the complexity. That does not argue for creating this mechanism which will not, in fact, make our lives simple. It will not.

Mr. President, I believe the Senator from Nebraska had a question. If he has, I will be happy to yield to him for the purpose of a question.

Mr. **EXON**. Mr. President, I choose not to ask the Senator to yield for the purpose of a question. I was seeking the floor in my own right to speak on this subject in support of the position taken by the Senator from California. But I would like to do it by having the floor because I would like to ask some questions of the chairman and the ranking member of the Armed Services Committee, who seemingly have agreed to this proposition that has left me in the position that I do not understand, frankly, what our leaders are doing. I will seek the floor in my own right.

Mr. **GRAMM**. Will the Senator yield?

Mr. **WILSON**. I will yield for one final question from the Senator from Texas, then I will be happy to yield the floor.

Mr. **GRAMM**. My final question, Mr. President, to the Senator from California is whether the Social Security Commission or the Scowcroft Commission was established with a sense-of-the-Senate resolution at 12:30 at night that did not specify tenure or salary or expense? Is that the Senator's understanding?

Mr. **WILSON**. That is my understanding and all the scope of what they sought was quite different.

Mr. **GOLDWATER**. Will the Senator from California yield for a question?

Mr. **WILSON**. Yes; I will reverse myself one time to honor my chairman.

Mr. **GOLDWATER**. Mr. President, it is quite obvious that the chairman of the committee has been in error in accepting this amendment. The Senator from California has raised an objection. Would the Senator from California like to have a vote?

Mr. **WILSON**. Yes; the Senator from California intends to ask for the yeas and nays.

Mr. **GOLDWATER**. Mr. President, I ask for the yeas and nays on this amendment.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. **WILSON**. Mr. President, I yield the floor.

Mr. **EXON**. Mr. President, I wish to ask the chairman of the Armed Services Committee, on which I serve, and the ranking minority member if they have fully recognized the oftentimes heard complaint that we have too many committees, staff, subcommittees, and expenses in the U.S. Senate. I am sure they have heard that.

I would also like to ask whether or not that was a consideration in their agreeing to the proposition that is before the U.S. Senate and if so how much money is this going to cost, how much staff are going to be hired, if any, and to whom will they be reporting and at what time?

Mr. **GOLDWATER**. Mr. President, I might try to answer my friend from Nebraska by saying that all through this debate it has become more and more obvious that the Members of this body do not trust the SDI. It was very obvious to me that an amendment such as has been offered by my friend from Arkansas would pass, whether it was good or bad. The Senator from Michigan had what I considered to be an excellent amendment on this.

If the Senator asks why I have asked for a vote on it, it is because my friend from California has made it not unanimous, in which it should be in the case of any chairman who accepts an amendment, in my opinion. So I have given him that pleasure. He asked for a vote, I have suggested a vote, and a vote has been called.

I want to say one more thing. I think that Congress has loused up this Government beyond redemption because of their appointing committees, committees, committees. We would not be in all this damned trouble if we had not started appointing committees and agencies back in 1934.

Mr. **EXON**. And if I might add we are about to appoint one more.

Mr. **GOLDWATER**. The Senator said so.

Mr. **EXON**. Would the ranking member of the Armed Services Committee please advise me how much staff does he think will be hired, how much money is going to be appropriated for staff and to whom will they report?

Mr. **GOLDWATER**. I cannot report that because I do not know of any money that has been talked about. I do not know of any staff that has been talked about. If the Senator from Nebraska wants to give us part of his salary to overcome the expenses, we will consider it.

Mr. **NUNN**. I would suggest to the Senator from Nebraska that there is no money mentioned, there is no staff mentioned, there is no expense mentioned. How can they spend anything?

Mr. **EXON**. What are they going to do?

Mr. **NUNN**. I do not think they are going to have staff. I think what we want is a group of people who will be able to have access to the information in the executive branch under the auspices of the Senate and give us their views. Now, if anybody thinks we know too much about the strategic defense initiative in this body, then I would like to find out who knows it because I have not heard it. I have not heard it in debate. I have not heard it in committee. I have not heard it in testimony. I have not heard it from the executive branch, and I have not heard it from Congress, so I do not think we have an overabundance of knowledge on this complex subject and I do not see any great danger this amendment is going to have. I have never seen so much concern about something that is so relatively harmless as getting more information. But if we want to vote on it, we will vote on it. I plan to vote for it.

Mr. **DOLE** addressed the Chair.

The **PRESIDING OFFICER**. The majority leader.

Mr. **DOLE**. Mr. President, I think I am safe to say if we are ready to vote—I hope we are—that there are three other minor amendments which I think have been worked out, the Senator from Wisconsin, the Senator from Alabama, the Senator from South Dakota, and the Senator from Michigan.

Mr. **LEVIN**. My little one is worked out.

Mr. **DOLE**. Right.

Mr. **WARNER**. And the Senator from Maryland.

Mr. **DOLE**. So I will announce at this time this will be the last rollcall vote this evening. We will probably start on this bill again about 10 o'clock in the morning, and we will have an amendment—there will not be any votes at 10 o'clock. We will start on the bill. There probably will not be any votes until after 11 a.m.

Mr. **BUMPERS** addressed the Chair.

The **PRESIDING OFFICER**. The Senator from Arkansas.

Mr. **BUMPERS**. Mr. President, on May 22, this body on a voice vote appointed—a voice vote, without objection—a 21-man commission suggested by Senator DeConcini and Senator

ROTH and that commission goes on forever, their duties are outlined here to go on forever, and the last line is, "There shall be such sums authorized as necessary to carry out the provisions of this commission." A 21-person commission.

Finally, let me say that this is a sense-of-the Senate resolution. If the people involved in making the appointments choose to, they do not have to do anything. They do not have to appoint anybody. But you see, some of us are not members of the Armed Services Committee. I know that everybody on the Armed Services Committee knows what radar discrimination technology is, optical discrimination, and imaging radar technology commonly known as SBR, and booster surveillance and track, normally known as BSTS. I know they know all that stuff, but I confess before God and the U.S. Senate I do not. Now, they held 15 hours of hearings. That comes to $200 million an hour; 15 hours of hearing, $3 billion for SDT, so $200 million an hour, and you object to a commission here which is likely to cost $500,000 or $600,000 that might very well wind up saving us $1 billion of the $3 billion we are authorizing tonight. I yield the floor, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. COCHRAN], the Senator from Florida [Mrs. HAWKINS], the Senator from Oregon [Mr. PACKWOOD], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST], is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Oklahoma [Mr. BOREN], the Senator from Florida [Mr. CHILES], the Senator from Missouri [Mr. EAGLETON], the Senator from Hawaii [Mr. INOUYE], the Senator from Arkansas [Mr. PRYOR] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER (Mr. GRAMM). Are there any other senators in the Chamber desiring to vote?

The result was announced—yeas 38, nays 49, as follows:

[Rollcall Vote No. 104 Leg.]

YEAS—38

Baucus
Biden
Bingaman
Bradley
Bumpers
Burdick
Byrd
Cranston
DeConcini
Dixon
Dodd
Ford
Gore
Harkin
Hart
Heflin
Heinz
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Proxmire
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Warner

NAYS—49

Abdnor
Andrews
Armstrong
Boschwitz
Chafee
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
Evans
Exon
Garn
Glenn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hatfield
Hecht
Helms
Hollings
Humphrey
Kassebaum
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
McConnell
Murkowski
Nickles
Pressler
Quayle
Roth
Simpson
Specter
Stevens
Symms
Thurmond
Trible
Wallop
Weicker
Wilson
Zorinsky

NOT VOTING—13

Bentsen
Boren
Chiles
Cochran
Eagleton
East
Hawkins
Inouye
Packwood
Pryor
Rudman
Stafford
Stennis

So the amendment (No. 261) was rejected.

Mr. MATHIAS addressed the Chair.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote.

Mr. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. How many hands have to be shown?

The PRESIDING OFFICER. The Constitution requires one-fifth of those present.

Mr. GOLDWATER. How many Members answered the question?

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. Is it appropriate to set aside the motion to reconsider, along with the order for the yeas and nays, and then complete action on about four amendments? Would the motion to reconsider then come back as the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I ask unanimous consent that we set aside the motion to reconsider and the order for the yeas and nays, so that the managers of the bill might complete action on four amendments. I think there are four amendments we can dispose of.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object—and I will not object—do we correctly understand, then, that tomorrow, when the Senate returns to the DOD authorization bill, the question then would recur on the motion to reconsider? The yeas and nays have been ordered thereon. Of course, that would remain intact.

Mr. DOLE. That is correct. But I assume a motion to table would be in order, too.

Mr. LEVIN. Mr. President, reserving the right to object—

Mr. BYRD. Have I had my question answered?

The PRESIDING OFFICER. Will the Senator restate his question?

Mr. BYRD. If the request is granted, and I hope it will be—I take it that the distinguished majority leader intends to take action on four amendments, and they are to be disposed of by voice vote—this would mean that on tomorrow, upon the return of this measure before the Senate, the pending question would be the motion to reconsider, and the yeas and nays have been ordered. That would be debatable, and a motion to table would be in order. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. I thank the Chair. I have no objection.

Mr. NUNN. Mr. President, reserving the right to object, there is nothing in this request, as I understand it, that would preclude any amendments that are already agreed to under the unanimous-consent agreement, under the strategic defense initiative. Is that correct?

Mr. DOLE. I am not certain. I think it is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. LEVIN. Mr. President, reserving the right to object, how many amendments remain that can be offered under this portion of the bill?

Mr. DOLE. Only four, as I understand it.

Mr. LEVIN. I should like to withhold my amendment, so that I can consult with Mr. BUMPERS. He left on the assumption that the amendment he offered was going to be adopted.

I should like to see if we can address some of the concerns which were raised and perhaps have another shot at it in this amendment, since we will have to go over until tomorrow.

I will choose not to offer that amendment tonight, if we have to go over until tomorrow on the vote on the motion to reconsider.

Mr. GOLDWATER. Would that amendment be in order?

Mr. LEVIN. I do have an amendment in order which I thought was cleared. I should like to consult with Mr. BUMPERS before I offer that amendment. If there is going to be a vote on reconsideration on tomorrow anyway, I should like to offer this amendment tomorrow, after consulting with Mr. BUMPERS.

Mr. GOLDWATER. Is that amendment in order?

Mr. DOLE. I would have to check.

Mr. President, a parliamentary inquiry. If the distinguished Senator from Michigan offered to combine his amendment with that of the Senator from Arkansas, would he then be qualified to offer a second amendment?

Mr. LEVIN. If the majority leader will yield on that, I sponsored the amendment of the Senator from Arkansas. That was not my amendment nor was it ever, and I indicated as much during the debate.

I think Senator GOLDWATER and Senator NUNN are aware of the fact that I did have an amendment which was cleared. If I try to modify it, obviously it is no longer cleared.

The PRESIDING OFFICER. Under the previous unanimous-consent request, an amendment by the Senator from Michigan is in order.

Mr. DOLE. Then, we will dispose of three amendments, and the Senator from Michigan can withhold his amendment until tomorrow morning.

Mr. BYRD. Mr. President, will the Senator yield so that I might propound a parliamentary inquiry?

Mr. DOLE. I yield.

Mr. BYRD. Mr. President, will the Chair enlighten the Senate, for the RECORD, as to how many amendments remain, if all are called up, that were allowed under the order—how many amendments remain in the SDI section?

Mr. GOLDWATER. I can answer that, Mr. President. We have five.

The PRESIDING OFFICER. Eleven.

Mr. BYRD. I thank the Chair.

Mr. GOLDWATER. Will the Chair stipulate what they are? I have five, and we have agreed to them.

The PRESIDING OFFICER. The Bumpers-Proxmire amendment, two Chafee amendments, a Heflin amendment, a Levin amendment, two Mathias amendments, and three Proxmire amendments.

Mr. GOLDWATER. I should like to retabulate those, If the Chair does not mind.

We have three Proxmire amendments. He has agreed to withdraw one. We have accepted another. He is withholding the other for possible use tomorrow. Am I correct?

Mr. PROXMIRE. That is correct.

Mr. GOLDWATER. We have two amendments by Senator MATHIAS.

Mr. MATHIAS. Only one amendment.

Mr. GOLDWATER, There is one Mathias amendment and one Pressler amendment which we have agreed to. We have not acted on them. I say we have agreed to act on them—assuming that the Senator from Georgia will agree.

Mr. NUNN. I do not think there will be any problem with the ones we have discussed.

I might suggest that between now and the time we start tomorrow and debate, the Senator from Arkansas be consulted as to the fact that his amendment was not agreed to. He thought it had been agreed to by both managers. We might avoid some serious problems tomorrow.

Everyone has a right to vote as he or she chooses, but there was definitely an understanding by the Senator from Arkansas that both managers had agreed, and what we ended up with was almost a straight party line vote. I suggest that that is going to cause some reconsideration tomorrow on SDI, and it also might play a role in what happens on the SALT II amendments.

So it seems to me that it would be in order for someone to consult with the Senator from Arkansas, to see if he can be satisfied with some type of arrangement for outside, independent expertise addressing this SDI subject.

I do not feel strongly about it, but I feel that there has been a good-faith effort to work out the amendment. The Senator from Arizona and I pleaded with the Senator from Arkansas not to offer his amendment, to withdraw it temporarily, and we thought we worked it out; and, lo and behold, we have a straight party line vote. It seems to me that by doing that, which was everyone's right, we have made it more complex—a situation which is already pretty complex.

I suggest that between now and tomorrow, some people might want to think about that subject.

I certainly would not want to urge anyone on our side to give up their place in line on those 11 amendments, under the present circumstances, and I am as anxious to get through with this bill as is the Senator from Arizona. I would think that people on our side who have those amendments would reserve all rights until we have at least explored this subject further.

Mr. GOLDWATER. In order to bring this to a conclusion, is the Senator from Georgia agreeable to the amendments I have enumerated?

Mr. NUNN. I think I have to look at them.

Mr. GOLDWATER. There is one Proximire amendment; one Mathias amendment; and one Pressler; and PROXMIRE would withhold his right to his third amendment. He had three.

Mr. NUNN. I have to review each one of those. I am sure we are talking about the same amendments. If they are the ones we reviewed, I would. I will take a look at them.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

Mr. BYRD. Mr. President, will the Chair state the request again?

The PRESIDING OFFICER. The unanimous consent request was to set aside the motion to reconsider and to consider three additional amendments.

Without objection, it is so ordered.

AMENDMENT NO. 262

(Purpose: To express the sense of the Senate that the President should involve our NATO allies in the SDI process to the fullest extent possible)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask that it be in order.

The PRESIDING OFFICER. Under the unanimous-consent request, the Senator does not have the right to send an amendment to the desk. Is there a unanimous-consent request for it to be considered.

Mr. PRESSLER. I so ask unanimous-consent.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The distinguished minority leader.

Mr. BYRD. Had the Senator asked to withdraw this amendment previously?

Mr. WARNER. Mr. President, if I could respond to the minority leader, I personally——

Mr. BYRD. The only reason I ask that question is it is the same thing that happened to Senator BUMPERS.

The PRESIDING OFFICER. The Senator did withdraw the amendment.

Mr. WARNER. Mr. President, at the request of myself, at that time I was the manager of the bill, the thought being that we could work out an amendment to his satisfaction, and he did cooperate. The amendment was worked out, and it was my understanding this amendment now being sent to the desk represents the compromise which the managers on this side agreed to.

Mr. PRESSLER. No, that is not correct.

Mr. WARNER. All right. I stand corrected.

Mr. PRESSLER. Originally—this is a long story—originally I asked to have two amendments. There was only one printed in the RECORD. I asked to have two amendments to be called over and I said to work out the amendments on both sides, to get unanimous-consent to offer the amendments, and that is what I requested.

Both sides have agreed to accept it.

Mr. NUNN. Is this one sent to the desk?

The PRESIDING OFFICER. Is there objection to consideration of the amendment?

Mr. SYMMS. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Is it on the SDI?

The PRESIDING OFFICER. Yes, it is.

There being no objection to the consideration of the amendment, the amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. Pressler] proposes an amendment numbered 262.

Mr. PRESSLER. Mr. President, I ask unanimous-consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At an appropriate place in the bill, insert the following:

Recent attempts by the President of the United States to initiate cooperation on the Strategic Defense Initiative between our government and the governments of the North Atlantic Treaty Organization should be commended; and our mutual defense is strengthened by the ability of the NATO alliance to achieve the highest level of cooperation and consultation possible; Now, therefore,

It is the sense of the Senate that the President should continue consultations with the governments of the North Atlantic Treaty Organization concerning the Strategic Defense Initiative, and within applicable U.S. national security guidelines inform these countries of our progress, plans, and potential proposals in this area to the maximum extent feasible.

Mr. PRESSLER. Mr. President, this amendment expresses the sense of the Senate that the President should, within the guidelines of the U.S. defense classification rules, keep our NATO allies informed of plans and progress on the strategic defense initiative.

Recently, I had the privilege of joining Senate Majority Leader Dole, and Senators Thurmond, McClure, Laxalt, and Cochran on a trip to Europe to discuss a variety of issues which affect our relations with the European countries. These talks were very productive. Included were discussions with Italian Minister of Foreign Affairs Giulio Andreotti, Italian Prime Minister Bettino Craxi, Italian Defense Minister Giovanni Spadolini, West German Foreign Minister Hans-Dietrich Genscher, West German Defense Minister Dr. Manfred Woerner, France Defense Minister Charles Hernu, the President of the French Senate Alain Pohrer, United States Ambassador to France Evan G. Galbraith, United States Ambassador to West Germany Arthur Burns, United States Charge d'Affaires in Great Britain Mr. Raymond Seitz, United States Charges d'Affaires at the United States Mission to NATO Mr. Stephen J. Ledogar and Mr. William Barraclough, Vice Adm. Robert F. Schoultz, and others. One subject of particular concern to all of these leaders was the strategic defense initiative. The concern was not so much due to opposition to the SDI, but rather to concern that the United States was not treating the NATO allies like reliable partners in this matter. I am offering this amendment as a result of those consultations. I believe that the strategic defense initiative could have dramatic effects on the NATO organization.

European leaders expressed to me some apprehension about the possible changes in NATO defensive strategy that could occur if the SDI Program continues. This apprehension was not necessarily opposition to the SDI. Rather, the Europeans wanted to make clear that there were certain questions that had to be dealt with before they could accept the SDI.

A brief listing of some of these questions can demonstrate the complexity of this issue. For example, if both the United States and the Soviet Union had an SDI-type system, where would that leave Europe in terms of defensive strategy? If President Reagan's vision of nuclear weapons becoming obsolete comes true, then wouldn't Europe suddenly be susceptible to a conventional attack by Warsaw pact forces—forces which now outnumber NATO forces? Would the United States contribute more conventional forces to NATO to counteract that threat? Another example: If the United States has a workable SDI-type system, will the Europeans be protected as well? How could it protect Paris or Bonn, both of which could be bombed from planes or low-flying missiles? How could the United States respond to a nuclear attack on Western Europe if both the United States and the Soviet Union had a viable ballistic missile defense? One more example: How much money will the Europeans have to contribute to the research and deployment of a SDI-type system? How much of a say would the Europeans then have in the strategic decisions that would have to be made? Would the Europeans share equally in the technological and scientific benefits of such research? Our allies believe that these issues must be addressed before they can make a decision on the merits of the SDI. These are only a few of the many complex questions that trouble our NATO allies.

I mention these concerns only to underscore the point that constant consultation with our allies on the SDI is necessary to assure that this issue does not harm relations within the alliance.

President Reagan's recent proposal to include our NATO allies in SDI research is a case in point. I applaud this effort by the President to bring our allies into this research program. Many European leaders, however, were somewhat taken aback because they had not been consulted prior. Consultation with them before the proposal was made could have prevented the resultant misunderstanding and the European charges of U.S. insensitivity to their needs.

The Europeans were also troubled by the limited time given them to respond to the offer. They wondered if the United States was either trying to bully them into saying yes, or to shut them out of the entire process. President Reagan, recognizing that the Europeans had a false perception on the meaning of this limit, extended it. I applaud this wise move by the President. Nonetheless, this misunderstanding could have also been avoided if consultations had occurred before the proposal was made. The reaction of the Europeans to this proposal is a specific example of how closer consultation and cooperation could have prevented a problem from arising.

As research on the SDI continues, and as decisions are made, it is clear that the need for close cooperation with our NATO allies grows stronger. The changes in strategy that the SDI could bring about are so great that close consultation is a necessity.

Last week in Stuttgart, at a meeting of the North Atlantic Assembly, delegates from France, Norway, and Denmark expressed fears that the SDI would be destabilizing and lead to a new arms race. West German leader Kohl expressed concern as well. "SDI means opportunity and risk for the North Atlantic at this time," Kohl said while indicating that he would most likely support involvement in the research program. The easiest way to ease concerns within the alliance is through consultation—extensive consultation.

Mr. President, this amendment would call for continued Presidential consultation with the NATO allies on SDI, which would lessen the likelihood of misunderstandings, while increasing the chances of constructive cooperation. This would benefit all parties involved. The SDI debate is a debate concerning a dramatic change in our whole system of defense and nuclear strategy. These changes cannot be made without working closely with our NATO allies.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 262) was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATHIAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 263

(Purpose: To require certain studies to be carried out by the Congressional Budget Office and the Joint Economic Committee)

Mr. MATHIAS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland [Mr. Mathias] proposes an amendment numbered 283.

Mr. MATHIAS. Mr. President, I ask unanimous-consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 3 and 4, insert the following new sections:

STUDY BY THE DIRECTOR OF THE CONGRESSIONAL BUDGET OFFICE

Sec. . (a) The Director of the Congressional Budget Office shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiative programs for fiscal years 1986 through 1991 will likely have on the research and development budget of the Department of Defense for each of such years and on the research and development budget for the entire Federal Government for each of such years.

(b) The Director shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

STUDY BY THE JOINT ECONOMIC COMMITTEE

Sec. . (a) The Joint Economic Committee shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiative programs for fiscal years 1985 through 1991 will likely have on the research an development efforts by the civilian sector of the economy for such years.

(b) The Committee shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

Mr. MATHIAS. Mr. President, this is a very simple amendment. It looks to the economic impact of the Strategic Defense Initiative.

It requires two reports, one to be made by the Congressional Budget Office on the impact of the expenditures for SDI on military research and military projects; second, it requires a report by the Joint Economic Committee on the impact of SDI expenditures on the civilian economy.

That is all it does.

Mr. GOLDWATER. Mr. President, the majority finds no fault with this amendment and we are willing to take it.

Mr. NUNN. Mr. President, we have no objection to the amendment.

The PRESIDING OFFICER (Mr. Pressler). The question is on agreeing to the amendment of the Senator from Maryland.

The amendment (No. 263) was agreed to.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MATHIAS. Mr. President, I thank the managers of the bill for their consideration and kind support.

AMENDMENT NO. 264

(Purpose: Prohibition on the deployment of a Strategic Defense Initiative system without specific authorization by law for the deployment of such system)

Mr. PROXMIRE. Mr. President, I send my amendment to the desk which is one of the three amendments that I have and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. Proxmire] proposes an amendment numbered 264.

Mr. PROXMIRE. Mr. President, I ask unanimous-consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IX of division A of the bill, insert the following new section:

REQUIREMENT FOR SPECIFIC AUTHORIZATION FOR DEPLOYMENT OF STRATEGIC DEFENSE INITIATIVE SYSTEM

Sec. 917. A strategic defense system developed as a consequence of research, development, test, and evaluation conducted on the Strategic Defense Initiative program may not be deployed in whole or in part unless—

(1) the President determines and certifies to the Congress in writing that the system is—

(A) survivable against Soviet countermeasures and be able to maintain a sufficient degree of effectiveness to fulfill its mission, even in the face of determined attack against it, and

(B) cost effective at the margin to the extent that it must be able to maintain its effectiveness against the offense at less cost than it would take to develop offensive countermeasures and proliferate the ballistic missile necessary to overcome it.

(2) funding for the development of such system has been specifically authorized by legislation enacted after the date on which the President makes the certification to the Congress.

Mr. PROXMIRE. Mr. President, this amendment provides that before a star wars system is deployed, it should meet two conditions:

First, that the defensive system be survivable; and

Second, that the defensive system be cost effective.

Mr. President, this amendment requires the two criteria the administration itself has said must be met.

On February 20, Ambassador Paul H. Nitze, the administration's senior arms control adviser, delivered a speech to the Philadelphia World Affairs Council and which has been widely circulated by the State Department as a major policy statement, Ambassador Nitze laid down these two conditions that must be met before we deploy any star wars system—survivability and cost-effectiveness.

Here's exactly what Ambassador Nitze said in that Philadelphia speech:

> The criteria by which we will judge the feasibility of such technologies will be demanding. The technologies must produce defensive systems that are survivable; if not, the defenses would themselves be tempting targets for a first strike. This would decrease, rather than enhance, stability.
>
> New defensive systems must also be cost effective at the margin, that is, it must be cheap enough to add additional defensive capability so that the other side has no incentive to add additional offensive capability to overcome the defense. If this criterion is not met, the defensive systems could encourage a proliferation of countermeasures and additional offensive weapons to overcome deployed defenses, instead of a redirection of effort from offense to defense.

"These criteria are demanding," Ambassador Nitze goes on to say. "If the new technologies cannot meet these standards, we are not about to deploy them."

My amendment states what Ambassador Nitze has stated—that no defensive system will be deployed unless both the President and Congress determine that it is survivable in the face of a Soviet offensive threat and countermeasures, and that it is cost effective at the margin.

Mr. President, I don't think anyone in this Chamber would favor deploying a star wars system if it were not survivable.

No one would want to pour hundreds of billions of dollars for a defensive system if the Soviets could easily knock it out, or if they could overcome it by beefing up their offensive nuclear forces.

Not only would that be a collosal waste of money, but, as Ambassador Nitze has pointed out, it would be a dangerous deployment on our part.

A star wars system that was not survivable would be a tempting target itself. That would decrease, rather than enhance, stability, according to Ambassador Nitze.

Likewise, Mr. President, I don't think there is anyone in this Chamber who would favor pouring hundreds of billions of dollars into a star wars system if the Soviets can deploy countermeasures and additional offensive capability at a cheaper price. That would make no sense.

As Ambassador Nitze has pointed out, such a star wars system would only encourage a Soviet nuclear buildup—instead of the reductions the administration is looking for.

These two conditions, therefore, are critically important, Mr. President. I urge my colleagues in the Senate to endorse these two conditions that Ambassador Nitze has laid down—just as the administration has endorsed them.

Whether we agree that a star wars system can meet these two conditions is another matter. We won't have the answers to these important questions for years.

In this amendment we provide that these two important criteria have to be met before we consider deploying a star wars system.

This amendment requires that the President certifies to Congress that the defense system is survivable and cost effective. Congress must then approve funds for the deployment of the system.

Mr. President, these are the criteria set forth by Paul Nitze on behalf of the administration.

I have discussed this with the managers of the bill. I have worked out the language with Senator Warner and I think both managers have agreed to accept the amendment.

Mr. GOLDWATER. We have.

Mr. President, the majority has considered this and we are willing to take it providing the Senator from Wisconsion will drop one of his remaining two amendments.

Mr. PROXMIRE. I am certainly happy to do that.

As the Senator stated several times, I do leave one slot open, but I drop that.

Mr. GOLDWATER. I wish the Senator would not.

Mr. NUNN. Mr. President, I have looked at the amendment and I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment [No. 264] was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. That is all we have, is it not?

Mr. President, that concludes the SDI amendments that we have available.

Mr. President, before we depart for the evening, very briefly once again—I keep thinking we are through with this, and I wake up and find out we are not.

I thank my good friend from Georgia for his constant help. I thank my friend from Virginia for his help. And the remainder of my committee and the members of the staff, both minority and majority, have done a really excellent job.

I think this is the first time in my years here that I can recall not having lost a committee amendment. So I am very grateful to all of them, and I will just say "thank you."

Mr. WARNER. Mr. President, speaking for myself and I think other Senators, we are very grateful to the distinguished chairman of the committee for his leadership and tenacity in seeing this bill brought to conclusion. I am privileged to work with him.

I thank my distinguished colleague from Georgia.

I think on the whole the majority of the Senate was quite supportive of the Armed Services Committee in its recommendation as reflected in this pending bill.

Mr. NUNN. Mr. President, I agree with my colleague from Virginia, and I compliment the chairman on his tenacity.

We are going to finish this bill. I do not know when, but we will. Also, I wish to say that I think all of us are delighted and relieved to find that Mrs. Goldwater is doing much better.

Mr. GOLDWATER. Thank you.

Mr. NUNN. And I am sure that having Senator Goldwater at home had something to do with that.

Mr. GOLDWATER. I do not know.

Mr. NUNN. Perhaps it was in spite of him being there.

Mr. GOLDWATER. I guess that is all.

STRATEGIC DEFENSE INITIATIVE

Mr. BINGAMAN. Mr. President, I have listened carefully to the debate over the past 2 days on the Strategic Defense Initiative.

It seems to me that the critical issue before us is not the funding level for SDI. Instead, I see two issues. First, is this really just a research program aimed at looking at the feasibility of effective defensive technologies without precommitment to developing and deploying whatever technologies the research produces? And second, will our SDI Research Program be accompanied by a good-faith effort to seek arms control restraints on weapons in space.

I have supported the SDI as a research effort which will be carried out in conformance with our obligations under the ABM Treaty. I see this research as a hedge against Soviet activities in this area and as a means of obtaining leverage in the Geneva arms control talks on these weapons. I am frankly very skeptical that the research effort will be successful. I would define success much as Paul Nitze has. The defensive system would have to have a high probability of meeting three criteria before we should even consider developing and deploying it; namely, it should be effective against countermeasures, it should be survivable and not itself invite attack, and it should have a cost-exchange ratio favorable to it and not to the offensive systems trying to overwhelm it. I think that it is going to be extremely hard to meet these criteria. But I am not a scientist, and it is conceivable, I suppose, that such a system will be the result of our research effort.

Based on my talks with scientists and our hearings before the Senate Armed Services Committee, I think that at least as likely an outcome will be that the offensive use of some of these weapons will prove more attractive than the defensive use. What do I mean by offensive use? By that I mean the use of these weapons to destroy satellites instantaneously perhaps all the way to geosynchronous orbit by some time in the 1990's. Each of the directed energy and kinetic energy weapons being pursued under the SDI Research Program will be an antisatellite weapon long before it is useful for ballistic missile defense. For example, the nuclear-driven x ray laser being pursued by the Department of Energy at a very modest funding level may have more application as an ASAT weapon, perhaps a dominant ASAT weapon, than as a defensive weapon. By the way, that is one reason why we cannot totally disregard the nuclear component of our ballistic missile defense research, even though we would all agree that a nonnuclear defense is far preferable. If there is nuclear countermeasure to our nonnuclear defensive system, then we need to know it before we plunge tens of billions of dollars into testing and deployment of such a defense system.

But, if I am right, and our research program has some substantial chance of producing not an effective defense, but a variety of weapons which will threaten the survival of essentially all space assets, should we not be looking at that possibility and asking whether we would be better off restraining the testing and deployment of some or all of these weapons via mutual and verifiable arms control agreements with the Soviet Union?

This would primarily involve negotiation of strict limitations on testing and deployment of antisatellite weapons [ASAT's] and on active defenses against antisatellite weapons [DSAT's], which tend to utilize the same technologies. There is no doubt that such an agreement would constrain our SDI research efforts at some point. Some of the experiments planned under the SDI Program in 3-5 years exploit the ASAT and DSAT loopholes in the ABM Treaty. And I suspect that unwillingness to forego those experiments is one of the primary reasons why this administration has been reluctant to pursue an antisatellite arms control agreement with the Soviet Union.

I do not think that it is a wise approach to reject antisatellite arms control out of hand. We really must look more analytically at the costs of having no arms control restraints in this area. It may well be that mutual and verifiable arms control restraints, faithfully pursued, will prove very difficult to negotiate and that a world in which both sides' vital satellites are almost instantaneously vulnerable will inevitably emerge sometime in the next 20 years as the result of technological momentum on both sides. If so, we are going to have to sharply decrease our dependence on satellites for vital missions in the coming decades. For example, we are going to have to rethink our approach to both strategic and tactical command, control, communications, and intelligence [C^3I]. If those systems are fragile and nonenduring today, as Bruce Blair in his recent book, "Strategic Command and Control," asserts, they may be more so 10 years from now.

But it is also possible that arms control restraints in space will prove both negotiable and verifiable. Indeed, some of the space-based sensors being developed under the SDI's surveillance, acquisition, targeting, and kill assessment program coupled with speedier data processing equipment have great promise of enhancing our verification capabilities across the board. Sidney Graybeal, vice president of System Planning Corp., is quoted to that effect in this week's issue of Defense Week.

My bottom line is that at the moment we need to pursue both a vigorous R&D Program in this area of new strategic defensive technologies and an arms control strategy under which we would be willing to accept limits on testing and deployment of these technologies and an arms control strategy under which we would be willing to accept limits on testing and deployment of these technologies, limits that go beyond those in the ABM Treaty.

The R&D Program must be supported as a hedge against the substantial Soviet activities in this area and to provide leverage in the arms control talks on these weapons. The arms control strategy must be pursued because the odds of the SDI Research Program producing a cost-effective, survivable defense are long. Previous technological advances, such as MIRV technology, had unintended side effects, namely, the sharply increased vulnerability of fixed land-based missiles, and almost everyone today agrees that we would have been better off banning the testing and deployment of those weapons in the SALT I agreement. The SDI Research Program is likely to have a similar side effect, the sharply increased vulnerability of satellites.

Not to pursue a dual strategy of research and arms control will in the long run jeopardize support for the research program. Two weeks ago, on May 24, the Senate passed the Warner amendment on ASAT arms control which clearly called for the United States to endeavor, "in good faith, to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on antisatellite weapons consistent with the national security interests of the United States." Under the Warner amendment, the President must certify he is doing this before he can test our current miniature homing vehicle ASAT system up to three times against objects in space and he must recertify this before he carries out additional tests. The House is likely to take an even stronger position on such testing in its upcoming debate on this bill.

I think the administration should heed this congressional advice. Both Houses of Congress want to pursue arms control restraints in space. The testing and demonstration experiments to be conducted under the SDI Program at the end of this decade and early in the next decade which exploit ASAT and DSAT loopholes in the ABM Treaty will come under closer and closer scrutiny as the testing dates approach. If ASAT arms control restraints have not been pursued by the administration, and if the Soviet Union has shown restraint in carrying out such tests in the interim, then the Congress may not be willing to fund such tests. Many of my colleagues are saying today that they are already unwilling to fund such tests. I am willing to pursue the dual approach of research and arms control until those decisions are closer upon us in a few years time. I hope that the administration will truly pursue a dual approach. This, along with Soviet actions in its strategic defense programs and at the negotiating table, will be a major factor in the Congress' future consideration of the SDI Program, and especially of its testing and demonstration aspects.

TO COSPONSOR AMENDMENT NO. 171

Mr. WARNER. Mr. President, I rise to congratulate my two colleagues, the senior Senator from Massachusetts [Mr. Kennedy] and the junior Senator from California [Mr. Wilson], on the amendment to assist military families which they introduced and which was passed by unanimous-consent agreement on Tuesday, May 21.

Having examined the provisions of this amendment, I applaud their efforts to improve conditions for the members of our military families, who make great sacrifices for our Nation's security and to whom we owe so very much.

These families are called upon to make frequent and inconvenient moves, many times to remote, isolated locations.

Separations are frequent and place great strain and hardship on all members of the military family.

I have been a strong and consistent supporter of our military families, and ask unanimous consent that I be added as a cosponsor to this amendment.

STRATEGIC DEFENSE INITIATIVE

Mrs. HAWKINS. Mr. President, every year we spend hundreds of billions of dollars on the defense budget, and for all that money we hope to buy weapons that will defend our country, our neighborhoods, and our homes from attack. But even with all that money, including the tens of billions of dollars we spend on nuclear weapons, this country has no means of defending ourselves against a Soviet nuclear attack.

For the last 40 years, the United States has relied on a policy known as mutual assured destruction [MAD] to respond to the threat of Soviet nuclear weapons. What this policy involves is holding Soviet population hostage to a possible American nuclear retaliation in the hope that this will dissuade the Soviet leaders from launching an attack on the United States. While the point of this policy has been to defend the United States by making such an attack too costly for the Soviets themselves, I believe that it would be sounder policy for the United States to develop an outright ability to defend itself rather than relying on a threat to annihilate Russian society in the hope of increasing our own security.

One thing is clear, we do not currently have the capability to defend ourselves from Soviet nuclear missiles, and that is the reason we need the Strategic Defense Initiative [SDI]. The SDI is a research program. It is designed to explore possible technologies that might provide the United States with the ability to defend itself against a Soviet nuclear attack. In recent years, it has become clear that advances in certain technologies have for the first time made strategic defense conceivable. Make no mistake. There are considerable technical obstacles to actually developing a system, and the point of the SDI research and development program is to see if these obstacles can be overcome and a defensive system developed. Many opponents of SDI appear intent on preventing the United States from even considering defensive technologies before we even know what they are, or if they will work reliably.

The SDI has short-term and long-term prospects that pursuade me that the effort is worth it. We have already seen the short-term results in Geneva—the Russians have come back to the table to negotiate on arms control. Few would doubt the critical role that SDI played in pursuading the Soviets to renew the negotiations. If it accomplishes nothing else, I believe that this has already made a significant contribution to advancing American interests. But I do not believe that this is the limit for what SDI can do for the United States. In fact, I consider the long-term potential for the SDI to be considerable.

In the best case, SDI holds out the hope of 1 day providing an effective shield for the American people from Soviet nuclear weapons. Given the choice between effectively defending themselves from Soviet nuclear weapons and relying on the reasonableness of Soviet leaders for their protection, as under the MAD doctrine, I have little doubt that most Americans would opt to defend themselves.

It may be, however, that an effective population defense may not be possible, either for technological or budgetary reasons, and that a more modest system is all that can be developed. This would still provide an effective support for the American deterrent force. While I do not consider this the preferred option, such a system would increase Soviet uncertainty about the likelihood of achieving a successful nuclear attack, and further reinforce caution on the part of Soviet planners about the use of such weapons.

In addition, the SDI would also provide the United States with a cushion against a possible accidental launch of a Soviet nuclear missile. In the event of such an inadvertent launch, the presence of a reasonably effective defensive system would give the United States the ability to shoot such a missile down and avoid great loss of life and potentially catastrophic confrontation between the superpowers.

Mr. President, I believe that we owe it to the American people to explore the options and technologies involved in the SDI in order to discover if we can provide ourselves with the ability to end the reign of terror caused by Soviet missiles aimed at our homes, schools, factories, and offices. We cannot make sound decisions, nor develop effective policies unless we know what options are available to us, and that is why I support the SDI, it will provide us with that knowledge.

Mr. SIMPSON. Mr. President, defense spending and Social Security spending are two of the most important issues facing the American public today. There is a common perception among our American people that the Defense Department is a palace of waste, fraud, abuse, and inefficiency. I trust that when the Senate completes this authorization bill, the changes included in this bill will improve this current perception.

Defense spending must be reduced in some areas, but not at the expense of national security. Some weapons systems should receive reduced funding for military and economic reasons. We have all identified some weapons systems that should either be shelved or that need much more development and testing before they can be considered as combat-ready items. However, Congress cannot get the bulk of needed reductions in defense spending from weapons systems alone—or the result might be that our national security is injured. Most of us understand that any real savings in defense must be derived from operation or maintenance accounts and sensitive areas such as military retired pay.

With regard to weapons systems, Congress must ask: "How little is enough to preserve national security?" In regard to strategic arms—we must spend enough to close that window of vulnerability that developed in the late seventies and early eighties. Where conventional forces are concerned, we must spend enough to provide a credible deterrent in the European theater. Where operation and maintenance accounts are concerned, it is indeed more difficult to determine what cuts will hurt our national security. It is obvious that we have too many military bases around this country and we have duplicative training facilities. We need to reform the military retirement system, but we must be aware of the dangers of trying to do that on this Senate floor. The mail room may breakdown.

The Congress must be careful about stretching out the development of certain weapons systems because with some systems this will only increase the unit cost of those weapons and that might ultimately result in more defense spending instead of less. Congress must severely reduce some programs while providing substantial funding for others—and we must do that in a responsible manner and in consultation with Secretary of Defense Cap Weinberger. If we do that, we will preserve and enhance the weapons systems that are truly vital for our national security.

The harsh realities of defense spending are that the United States lost its momentum in the strategic area during the Vietnam war and then fell behind the Soviets in the late seventies. We are now paying the price for that past neglect. But simply because we have to catch up with the Soviets, this does not mean that we should solve this problem by blindly throwing bucks at the Defense Department.

We must continue to update our strategic arsenal if we are to preserve peace into the next century. Funding must be provided for additional Peacekeeper missiles if the administration is to have a solid negotiating posture with the Soviet Union on arms control. The Soviet Union usually gives lip service to arms control talks while continuing to pursue an arms buildup. We have all heard of the various SALT II violations that have been blatantly undertaken by the Soviet Union. The Soviet Union does not approach arms control talks from the same angle of vision that Americans do and it is a grave mistake to mirror image the Soviets. Americans pursue arms control negotiations because we sincerely desire to see a less maddening, nuclear-free world. However, the Soviets use arms control talks to place restraints on American technology and "know-how" and to seek a position of superiority through any possible loopholes that they may find in negotiated arms control agreements.

There is another arena in which the Congress must provide funding if the United States is to maintain a credible deterrent in Europe. Chemical weapons sound awesome and terrible—they assuredly are. However, the United States has a ticking timebomb in the batch of old leaky weapons that are stacked around bases inside the United States and Europe.

America has acted in good faith in the past by not building up new chemical and biological weapons. The Soviet Union has paid only lip service to these goals, for they have continued with a buildup of chemical weapons that is unprecedented in the modern world.

The tendency of the Soviet Union toward hypocrisy with regard to chemical arms talks is demonstrated in a recently published book by the highest level Soviet defector since World War II—Mr. Schevchenko—the former Soviet Ambassador to the United Nations. In this book, Schevchenko points out that while the Soviets have often talked about their desire to limit chemical and biological weapons, they have continued to outstrip the United States in both the development and production of these ghastly weapons. Congress must respond to this threat even though it may be wholly distasteful to some. It is vastly important to maintain a credible conventional deterrent in Europe so that if there is a flash point in that theater, the United States will not be forced to resort to tactical nuclear weapons early in any conflict. In order to maintain that deterrent we must have a substantial number of conventional forces and we must have a chemical deterrent as well. Too bad we have to talk of such grotesque and bizarre things. But we do.

The Soviets are now using arms control negotiations in an effort to limit the U.S. move toward development of space weapons of a defensive nature. The Soviets and critics of the strategic defense initiative [SDI] conveniently forget that the Soviets already have an antiballistic missile defense system in place and that the United States does not. We should not allow the Soviets to prevent us from playing our ace in the hole, which is superior technological development.

It is interesting for me to watch the ebb and flow of Soviet statements and propaganda. Last week, when it became obvious to the Soviets that the Senate would be voting on SDI matters, the drum beat flow of propaganda against American SDI research efforts was stepped up significantly. The Soviets are very, very good at keeping information from us about their decisionmaking process. At the same time, the Soviets have become more and more skilled at influencing the U.S. decisionmaking process. The recent Soviet outburst regarding SDI is but another example of this behavior. The Soviet Union deeply fears advances in Western technology because they are unable to duplicate this technology without stealing it. And they are doing a good bit of that lately too. We should not stall the strategic defense initiative or severely limit it because of harsh and shrill Soviet rhetoric.

The Soviet Union has already tested an aircraft-fired antisatellite weapon in space, while the United States has not. Congress cannot afford to make the same mistake made in the middle 1970's in allowing the Soviets to again jump ahead of us—we must always seek ways to maintain a credible deterrent. One of the most remarkable ways we may be able to do that is to place defensive weapons in space that would make a Soviet first strike a futile goal. That is our mission.

Congress is indeed carrying out a delicate balancing act. On the one hand we must maintain a highly credible military and scientific deterrent and we have a very real responsibility to the American people to reduce the budget deficit. I think we are now well on our way to achieving both of those critical national goals.

ROUTINE MORNING BUSINESS

(During the day routine morning business was transacted and additional statements were submitted as follows:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXTENSION OF AUTHORITY TO WAIVE CERTAIN PROVISIONS OF THE TRADE ACT—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 54

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate on June 3, 1985, during the recess of the Senate, received the following message from the President of the United States, together with accompanying documents; which was referred to the Committee on Finance:

To the Congress of the United States:

I hereby transmit the documents referred to in subsection 402(d)(5) of the Trade Act of 1974 with respect to a further 12-month extension of the authority to waive subsection (a) and (b) of section 402 of the Act. These documents constitute my decision to continue in effect this waiver authority for a further 12-month period.

I include as part of these documents my determination that further extension of the waiver authority will substantially promote the objectives of section 402. I also include my determination that continuation of the waivers applicable to the Hungarian People's Republic, the People's Republic of China, and the Socialist Republic of Romania will substantially promote the objectives of section 402. The attached documents also include my reasons for extension of the waiver authority; and for my determination that continuation of the waivers currently in effect for the Hungarian People's Republic, the People's Republic of China and the Socialist Republic of Romania will substantially promote the objectives of section 402.

RONALD REAGAN.

THE WHITE HOUSE, *June 3, 1985.*

MESSAGES FROM THE HOUSE

At 2 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 48. Concurrent resolution relating to the death of President-elect Tancredo Neves of Brazil.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 37. An act to identify, commemorate, and preserve the legacy of historic landscapes of Frederick Law Olmsted, and for other purposes;

H.R. 284. An act to designate the Charles Nagel Station of the United States Postal Service in St Louis, Missouri, as the "Frederick N. Weathers Station of the United States Postal Service";

H.R. 446. An act to designate the Federal Building in Akron, Ohio, as the "Paul C. Weick Federal Building and United States Courthouse"; and

H.R. 633. An act to designate the United States Post Office Building in Flushing, New York, as the "Benjamin S. Rosenthal Post Office Building."

The message further announced that House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 33. Concurrent resolution expressing the support of the Congress for Costa Rica's neutrality and urging the President to support such neutrality.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 2268. An act to approve and implement the Free Trade Area Agreement between the United States and Israel.

The enrolled bill was subsequently signed by the President pro tempore [Mr. THURMOND].

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 37. An act to identify, commemorate, and preserve the legacy of historic landscapes of Frederick Law Olmsted, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 284. An act to designate the Charles Nagel Station of the United States Postal Service in St. Louis, Missouri, as the "Frederick N. Weathers Station of the United States Postal Service"; to the Committee on Governmental Affairs.

H.R. 446. An act to designate the Federal Building in Akron, Ohio, as the "Paul C. Weick Federal Building and United States Courthouse"; to the Committee on Environment and Public Works.

H.R. 633. An act to designate the United States Post Office Building in Flushing, New York, as the "Benjamin S. Rosenthal Post Office Building"; to the Committee on Governmental Affairs.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 33. Concurrent resolution expressing the support of the Congress for Costa Rica's neutrality and urging the President to support such neutrality; to the Committee on Foreign Relations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1196. A communication from the Executive Associate Director for Budget, Office of Management and Budget, transmitting, pursuant to law, a report on the reapportionment of an appropriation on a basis that indicates a need for a supplemental appropriation; to the Committee on Appropriations.

EC-1197. A communication from the Acting Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the value of property, supplies, and commodities provided by the Berlin Magistrate for the quarter January 1 through March 31, 1985; to the Committee on Armed Services.

EC-1198. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Why Some Weapon Systems Encounter Production Problems While Others Do Not: Six Case Studies"; to the Committee on Armed Services.

EC-1199. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of the Export-Import Bank's Financial Statements for Fiscal Years Ended September 30, 1984 and 1983"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1200. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of the Federal Deposit Insurance Corporation's Financial Statements for the Years Ended December 31, 1984 and 1983"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1201. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Reviews of the Audits of the National Credit Union Administration Central Liquidity Facility's Financial Statements for the Years Ended September 30, 1983 and 1982"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1202. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Reviews of the Audits of the National Consumer Cooperative Bank's Financial Statements for the Years Ended December 31, 1983 and 1982"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1203. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-1204. A communication from the Assistant Secretary of the Interior (Water and Science), transmitting, pursuant to law, a copy of an application by the Gila River Farms, Pinal County, Arizona, for a loan under the Small Reclamation Projects Act; to the Committee on Energy and Natural Resources.

EC-1205. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, notice of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-1206. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of the Great Plains Coal Gasification Project—December 31, 1984"; to the Committee on Energy and Natural Resources.

EC-1207. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Reviews of the Audits of the United States Synthetic Fuels Corporation's Financial Statements For the Years Ended September 30, 1983 and 1982"; to the Committee on Energy and Natural Resources.

EC-1208. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Review of the Audit of the Tennessee Valley Authority's Financial Statements For the Year Ended September 30, 1983"; to the Committee on Environment and Public Works.

EC-1209. A communication from the Acting Secretary of Transportation transmitting, pursuant to law, a report entitled "The Status of the Nation's Highways: Conditions and Performance"; to the Committee on Environment and Public Works.

EC-1210. A communication from the Comptroller General transmitting, pursuant to law, a report on the effects of foreign industrial targeting practices on U.S. commerce; to the Committee on Finance.

EC-1211. A communication from the Assistant Secretary of the Treasury (Enforcement and Operations) transmitting, pursuant to law, a copy of the Nicaraguan Trade Control Regulations; to the Committee on Finance.

EC-1212. A communication from the Acting United States Trade Representative transmitting, pursuant to law, economic studies on foreign targeting in autos and computers; to the Committee on Finance.

EC-1213. A communication from the Comptroller General Transmitting, pursuant to law, an examination of the Inter-American Foundation's Financial Statements for the year ended September 30, 1984; to the Committee on Foreign Relations.

EC-1214. A communication from the Secretary of Agriculture transmitting, pursuant to law, a semiannual report of the Inspector General for the period October 1, 1984, through March 31, 1985; to the Committee on Governmental Affairs.

EC-1215. A communication from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Resolution 6-136, adopted by the Council on May 14, 1985; to the Committee on Governmental Affairs.

EC-1216. A communication from the Chairperson of the District of Columbia Commission on Judicial Disabilities and Tenure transmitting, pursuant to law, the annual report of the Commission for the fiscal year 1984; to the Committee on Governmental Affairs.

EC-1217. A communication from the D.C. Auditor transmitting, pursuant to law, the annual audit of the D.C. Boxing and Wrestling Commission for 1984; to the Committee on Governmental Affairs.

EC-1218. A communication from the D.C. Retirement Board transmitting, pursuant to law, the Board's annual report for 1984; to the Committee on Governmental Affairs.

EC-1219. A communication from the Inspector General of the Department of Health and Human Services transmitting, pursuant to law, the semiannual report of the Inspector General for October 1984-March 1985; to the Committee on Governmental Affairs.

EC-1220. A communication from the Inspector General of the Department of Energy transmitting, pursuant to law, the Inspector General's semiannual report for October 1984-March 1985; to the Committee on Governmental Affairs.

EC-1221. A communication from the Secretary of Education transmitting, pursuant to law, the semiannual report of the Inspector General for October 1984-March 1985; to the Committee on Governmental Affairs.

EC-1222. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, the Inspector General's semiannual report for October 1984-March 1985; to the Committee on Governmental Affairs.

EC-1223. A communication from the Acting Administrator of GSA transmitting, pursuant to law, the Inspector General's semiannual report for October 1984-March 1985; to the Committee on Governmental Affairs.

EC-1224. A communication from the Secretary of Transportation transmitting, pursuant to law, the Inspector General's semiannual report for October 1984-March 1985; to the Committee on Governmental Affairs.

EC-1225. A communication from the Secretary of the Postal Rate Commission transmitting, pursuant to law, the Commission's 1984 Government in the Sunshine report; to the Committee on Governmental Affairs.

EC-1226. A communication from the Chief Immigration Judge, Department of Justice, transmitting, pursuant to law, a report under section 244(a)(1)(2) of the Immigration and Nationality Act, on grants of suspension of deportation; to the Committee on the Judiciary.

EC-1227. A communication from the Attorney General of the U.S. transmitting, pursuant to law, recommendations for coordination of policy, objectives, and priorities for Federal juvenile delinquency programs; to the Committee on the Judiciary.

EC-1228. A communication from the Acting Assistant Attorney General transmitting a draft of proposed legislation to amend the Comprehensive Crime Control Act; to the Committee on the Judiciary.

EC-1229. A communication from the Acting Assistant Attorney General of the U.S. transmitting, pursuant to law, a report on activities of the Attorney General relative to civil rights of institutionalized persons; to the Committee on the Judiciary.

EC-1230. A communication from the Secretary of Education transmitting, pursuant to law, a report on final annual funding priority for training personnel for the education of the handicapped program; to the Committee on Labor and Human Resources.

EC-1231. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on the status of federal support of the National Decade of Disabled Persons; to the Committee on Labor and Human Resources.

EC-1232. A communication from the Executive Secretary of the Office of the Secretary of Defense transmitting, pursuant to law, the report on DOD procurement from Small and Other Business Firms for October 1984-January 1985; to the Committee on Small Business.

EC-1233. A communication from the Administrator of the Veterans Administration transmitting, pursuant to law, a report on the disposition of certain claims for service-connected disabilities filed by former prisoners of war; to the Committee on Veterans Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment, and without recommendation:

S. Res. 161. Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1132.

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 148. Resolution commemorating the fiftieth anniversary of the Rural Electrification Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LUGAR, from the Committee on Foreign Relations:

Donald S. Lowitz, of Illinois, for the rank of Ambassador while serving as the United States Representative to the Conference on Disarmament:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Donald S. Lovitz.

Post: U.S. Representative to the Conference on Disarmament.

Contribution, amount, date, donee.

1. Self: $300 January 3, 1980, Porter for Congress Committee, $25 January 17, 1980, New Leadership Fund, $250, [1] February 18, 1980, Citizens for Percy, $100, March 6, 1980, Committed Republicans for a Republican President, $25, July 8, 1980, Committed Republicans for a Republican President, $500, July 11, 1980, Committed Republicans for a Republican President, (Services rendered), $125, October 1, 1980 Citizens for O'Neal, $500, October 1, 1980 Porter for Congress Committee, $48, October 17, 1980 Porter for Congress Committee, $250, October 27, 1980, Cheney for Congress, $500, [2] July 11, 1981, Percy Senate Club, $250, September 30, 1982, Porter for Congress Committee, $250, October 5, 1982 Cheney for Congress, $500, [3] January 6, 1983, Senate Leadership Dinner (Charles H. Percy), $500, [7] December 12, 1983, Reagan-Bush 1984, $500, [4] January 26, 1984, Citizens for Percy, $100, January 31, 1984, Porter for Congress Committee, $875, [5] February 17, 1984, Citizens for Percy, $500, [7] March 6, 1984, Reagan-Bush 1984, $250, August 18, 1984, Cheney for Congress.

2. Spouse, Shana Lowitz: $125 [6] Feb. 17, 1984, Citizens for Percy, $875 [6] Aug. 10, 1984 Citizens for Percy.

3. Children and spouses—names: Amy and Jonathan Wishnick, Theordore Lowitz, Joshua Lowitz.

4. Parents names: Deceased.

5. Grandparents names: Deceased.

6. Brothers and spouses names: Robert H. and Renee Lowitz—None.

7. Sisters and spouses names: Deceased.

Robert Dean Blackwill, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during the tenure of his service as the Representative of the United States for Mutual and Balanced Force Reductions Negotiations.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Robert Dean Blackwill.

Post: Ambassador to MBFR, Vienna.

Contributions, amount, date, donee.

1. Self: Robert D. Blackwill—none.

2. Spouse: Anne Heiberg Blackwill—none.

3. Children and spouses names: Kirsten Blackwill, Sarah Blackwill, Hannah Blackwill—none.

4. Parents names: Albert and Roma Blackwill—none.

5. Grandparents names: Deceased—none.

6. Brothers and spouses names: None—none.

7. Sisters and spouses names: None—none.

William Andreas Brown, of New Hampshire, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Kingdom of Thailand.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: William Andreas Brown.

Post: Ambassador to Bangkok, Thailand.

Contributions, amount, date, donee.

1. Self: None.

2. Spouse: None.

3. Children and spouses names: Joannamaria, Margarita, Anastasia, Alexander (spouse: Judith St Lawrence)—None.

4. Parents names: Margaret J. McConnell (mother); George D. Couchavles (father-in-law)—none.

5. Grandparents names: All deceased—none.

6. Brothers and spouses names: None—none.

7. Sisters and spouses names: None—none.

Ernest Eugene Pell, of Maryland, to be an Associate Director of the United States Information Agency;

George Southall Vest, of Maryland, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Director General of the Foreign Service; and

Abraham D. Sofaer, of New York, to be Legal Advisor of the Department of State.

(The above nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HELMS (for himself, Mr. East, Mr. Cochran, Mr. Symms and Mr. Warner):

S. 1229. A bill to amend the Social Security Act to provide that social security coverage for employees of religious organizations shall be optional; to the Committee on Finance.

By Mr. MATHIAS:

S. 1230. A bill to amend the patent laws implementing the Patent Cooperation Treaty; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S. 1231. A bill to suspend for 3 years the duty on 3,5-dinitro-o-toluamide; to the Committee on Finance.

By Mr. GRASSLEY:

S. 1232. A bill to suspend for 3 years the duty of P-sulfobenzoic acid, potassium salt; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. Heinz):

S. 1233. A bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MATSUNAGA:

S. 1234. A bill for the relief of William E. Shattuck of Nanakuli, Hawaii; to the Committee on the Judiciary.

By Mr. SIMPSON (for himself and Mr. Specter):

S. 1235. A bill to reorganize the functions of the Nuclear Regulatory Commission by abolishing the Commission and, in its place, establishing the Nuclear Regulation Agency, in order to promote more effective and efficient nuclear licensing and regulation; to the Committee on Environment and Public Works.

By THURMOND (for himself, Mr. Biden, Mr. Laxalt, and Mr. Kennedy) (by request):

S. 1236. A bill to amend title 18 of the United States Code and other laws to make minor or technical amendments to provisions enacted by the Comprehensive Crime Control Act of 1984, and for other purposes; to the Committee on the Judiciary.

By Mr. DODD:

S. 1237. A bill to provide a comprehensive legislative program for children, adolescents, and families, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon) as indicated:

By Mr. KENNEDY (for himself, Mr. Heinz, Mr. Abdnor, Mr. Andrews, Mr. Armstrong, Mr. Baucus, Mr. Bentsen, Mr. Biden, Mr. Bingaman, Mr. Boschwitz, Mr. Bradley, Mr. Bumpers, Mr. Burdick, Mr. Chiles, Mr. Cohen, Mr. Cranston, Mr. D'Amato, Mr. Danforth, Mr. DeConcini, Mr. Dixon, Mr. Dodd, Mr. Durenberger, Mr. Eagleton, Mr. Exon, Mr. Ford, Mr. Glenn, Mr. Gore, Mr. Gorton, Mr. Gramm, Mr. Grassley, Mr. Harkin, Mr. Hart, Mrs. Hawkins, Mr. Hecht, Mr. Heflin, Mr. Hollings, Mr. Humphrey, Mr. Inouye, Mr. Johnston, Mr. Kasten, Mr. Kerry, Mr. Lautenberg, Mr. Leahy, Mr. Levin, Mr. Long, Mr. Matsunaga, Mr. Mattingly, Mr. McConnell, Mr. Metzenbaum, Mr. Mitchell, Mr. Moynihan, Mr. Murkowski, Mr. Nickles, Mr. Packwood, Mr. Pell, Mr. Pressler, Mr. Proxmire, Mr. Pryor, Mr. Quayle, Mr. Riegle, Mr. Rockefeller, Mr. Sarbanes, Mr. Sasser, Mr. Simon, Mr. Specter, Mr. Stennis, Mr. Weicker, Mr. Wilson, and Mr. Zorinsky):

S. Res. 177. Resolution to assure Israel's security, to oppose advanced arms sales to Jordan, and to further peace in the Middle East; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS (for himself, Mr. East, Mr. Cochran, Mr. Symms, and Mr. Warner):

S. 1229. A bill to amend the Social Security Act to provide that social security coverage for employees of religious organizations shall be optional; to the Committee on Finance.

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[1] Feb. 18, 1980, $250 allocated to the 1978 campaign debt.

[2] July 11, 1981, $375 allocated to the 1978 campaign debt and $125 to the 1984 primary account.

[3] Jan. 6, 1983, $500 allocated to the 1984 primary account.

[4] Jan. 26, 1984, $375 allocated to the 1984 primary account and $125 to the 1984 general election account.

[5] Feb. 17, 1984, $875 allocated to the 1984 general election account.

[6] Feb. 17, 1984, $125 contributed by my wife, Shana Lowitz, allocated to the 1984 primary account.

[7] By letter of December 5, 1983 from the Illinois Finance Committee for Reagan-Bush '84, I (along with many others I am sure) was asked to contribute to the 1984 Reagan-Bush Campaign. Many long-time friends are members of the Illinois Finance Committee. Being supportive of the president's re-election effort, I pledged $1,000 to the Illinois Finance Committee on December 12, 1983 and on that day made a payment of $500, with an indication that the second $500 would be paid in 1984. This second payment was made on March 8, 1984.

EXEMPTION OF CHURCHES, RELIGIOUS ORGANIZATIONS, AND THEIR EMPLOYEES FROM SOCIAL SECURITY TAXATION

Mr. HELMS. Mr. President, today I am introducing legislation to exempt churches, religious organizations and their employees from mandatory taxation by the Federal Government.

From the creation of the Social Security system in 1935 until 1983, employees of nonprofit groups operating exclusively for religious, charitable, or other public purposes, as defined by section 501(c)(3) of the Internal Revenue Code, were exempt from taxation under the Social Security system. Congress realized that failure to grant such an exemption would jeopardize religious freedom. A 1946 report of the House Committee on Ways and Means declared that these groups were exempted from taxation because their representatives—

> Feared endangering their freedom from taxation and the separation of church and state; they feared extension of government influence on religious and educational policies and contended that anything paid by nonprofit organizations for social benefit purposes would decrease dollar for dollar what they could use for the public services for which they were organized.

The 1983 Amendments to the Social Security Act—(Public Law 98-21—reversed this established principle by removing the exemption of employees tax-exempt nonprofit organizations. After passage of these amendments, a public outcry arose because Congress had considered all categories of nonprofit groups together and had failed to address the special first amendment concerns raised by mandatory coverage of religious groups. This past fall, in partial response to these concerns, Congress added to the Deficit Reduction Act of 1984 and amendment to the Social Security Act which allows religious organizations, not their employees, to elect out of the system. Unfortunately, the effect of this legislation is merely cosmetic. If a church elects not to be covered, the individual who works for that organization is taxed as if self-employed which means he bears a substantially greater economic burden than do employees of other organizations. In effect, the tax that the church would have paid is shifted to the employee who must now pay the full 14-percent tax himself rather than the usual 7-percent share of the tax. Clearly, churches who realize what this added economic burden will do to their employees will be under pressure either to raise salaries—and thus pay the taxes for their employees—or to remain within the system. For practical purposes then, churches, as well as their employees, are still subject to Social Security taxation.

Mr. President, traditionally Congress has tried to protect religion by refraining from taxing both religious organizations and those involved in religious activities. We provide these tax exemptions because of our longstanding recognition that Government exists to serve the common good of society. Government is the servant, not the master, of the people. Therefore, it is entirely proper for Government to restrain itself, out of concern for the public good, from diverting the resources of religious institutions to Government's own secular ends.

I believe that Government's insatiable desire for revenue has blinded some in Congress to the full implications of what has been done to churches and other religious groups. The tax system, in addition to imposing an economic burden, inevitably involves the government in the operations and finances of the enterprises it oversees and investigates. Financial records, employee data and other materials will become fair game for Government scrutiny. I hope Congress will never come to the point where there is a willingness to sacrifice the freedoms guaranteed by the first amendment in the search for new sources of money to fund our programs.

Mr. President, as long as I am a U.S. Senator, I will fight to preserve the freedoms of the religious organizations of this country. These institutions have supported and nourished the moral resolve of our citizens, upon which the strength and stability of this republic is based. Without this strong moral base, the freedoms we hold dear will slip away and be forever lost. And with the loss of these freedoms follows the jeopardizing of our democracy.

Mr. President, the bill I am introducing will relieve religious organizations and their members from the stifling grip of mandatory Government taxation. It will allow a religious organization to remain under Social Security—but only if it chooses. Otherwise, the church or religious organization and its employees will not be forced to contribute to the system. It will reestablish the status quo that existed before the 1983 Social Security Amendments. It is modeled upon the exemptive provisions of the Federal Unemployment Tax Act, but I hasten to add that the terms used in this bill should not be interpreted as affecting any similar or related terms employed elsewhere in the Internal Revenue Code, or as affirming any previous interpretations made by the IRS of such terms—including IRS definitions of "integrated auxiliaries" of churches.

I will welcome my colleagues to join as cosponsors of this bill to protect one of the most fundamental of our freedoms.

Mr. President, I ask unanimous consent that the text of the legislation and a section-by-section analysis of my bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1229

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Exemption From Social Security Program and Taxes.—(1) Section 210(a)(8)(B) of the Social Security Act is amended to read as follows:

"(B) Service performed in the employ of a church or religious organization (as defined in section 3121(k)(3) of the Internal Revenue Code of 1954), other than service—

"(i) performed under a voluntary participation agreement in effect under section 3121(k) of such Code, or

"(ii) in an unrelated trade or business (within the meaning of section 513(a) of such Code);".

"(2) Section 3121(b)(8)(B) of the Internal Revenue Code of 1954 is amended to read as follows:

"(B) service performed in the employ of a church or religious organization (as defined in section 3121(k)(3), other than service—

"(i) performed under a voluntary participation agreement in effect under section 3121(k), or

"(ii) in an unrelated trade or business (within the meaning of section 513(a));".

"(b) VOLUNTARY PARTICIPATION.—Section 3121 of the Internal Revenue Code of 1954 is amended by inserting after subsection (j) the following new subsection:

"(k) Voluntary Participation of Churches and Religious Organizations.—

"(1) VOLUNTARY PARTICIPATION BY CHURCHES OR RELIGIOUS ORGANIZATIONS.—

"(A) A church or religious organization (as defined in paragraph (3)) may file a certificate with the Secretary certifying that such church or religious organization desires to have the insurance system established by title II of the Social Security Act extended to service performed by its employees. Subject to the provisions of this subsection, such certificate shall constitute a voluntary participation agreement between the Secretary and the church or religious organization to include all of the church's or religious organization's employees in the insurance system under title II of the Social Security Act.

"(B) The certificate shall be in effect (for purposes of subsection (b)(8)(B) and for purposes of section 210(a)(8)(B) of the Social Security Act) for the period beginning with whichever of the following may be designated by the church or religious organization:

"(i) the first day of the calendar quarter in which the certificate is filed,

"(ii) the first day of the calendar quarter succeeding such quarter, or

"(ii) the first day of any calendar quarter preceding the calendar quarter in which the certificate is filed, except that such date may not be earlier than the first day of the twentieth calendar quarter preceding the quarter in which such certificate is filed.

"(C) If a certificate filed pursuant to this paragraph is effective for one or more calendar quarters prior to the quarter in which the certificate is filed, then—

"(i) for purposes of computing interest and for purposes of section 6651 (relating to addition to tax for failure to file tax return or pay tax), the due date for the return and payment of the tax for such prior calendar quarters resulting from the filing of such certificate shall be the last day of the calendar month following the calendar quarter in which the certificate is filed; and

"(ii) the statutory period for the assessment of such tax shall not expire before the expiration of 3 years from such due date.

"(2) TERMINATION OF AGREEMENT.—

"(A) If the Secretary finds that any church or religious organization which filed a certificate pursuant to this subsection has failed to comply substantially with the requirements applicable with respect to the taxes imposed by this chapter or is no longer able to comply with the requirements applicable with respect to the taxes imposed by this chapter, the Secretary shall give such church or religious organization not less than 60 days' advance notice in writing that the period covered by such certificate will terminate at the end of the calendar quarter specified in such notice. Such notice of termination may be revoked by the Secretary by giving, prior to the close of the calendar quarter specified in the notice of termination, written notice of such revocation to the church or religious organization. No notice of termination or of revocation thereof shall be given under this subparagraph to a church or religious organization without the prior concurrence of the Secretary of Health and Human Services.

"(B) The period for which a certificate filed pursuant to this subsection is effective may be terminated by the church or religious organization, effective at the end of a calendar quarter, upon giving 2 years' advance notice in writing, but only if, at the time of the receipt of such notice, the certificate has been in effect for a period of not less that 8 years. The notice of termination may be revoked by the church or religious organization by giving, prior to the close of the calendar quarter specified in the notice of termination, a written notice of such revocation. Notice of termination or revocation thereof shall be filed in such form and manner, as may be prescribed by regulations made under this chapter.

"(C) In the event the period covered by a certificate filed pursuant to this subsection is terminated by the church or religious organization pursuant to subparagraph (B), or by the Secretary pursuant to subparagraph (A), no certificate may subsequently be filed by such church or religious organization pursuant to this subsection for a period of 5 years.

"(3) DEFINITIONS.—For purposes of this subsection and subsection (b)(8)(B), and section 210(a)(8)(B) of the Social Security Act—

"(A) the term 'church' means a church, a convention or association of churches, or an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or by a convention or association of churches; and

"(B) the term 'religious organization' means an organization, other than an organization which meets the definition in subparagraph (A), which is operated primarily for religious purposes and which is exempt from Federal income tax as an organization described in Section 501(c)(3), including (but not limited to) religious preschools, elementary schools, secondary schools, and colleges.".

(c) CONFORMING AMENDMENTS.—(1) Section 3121 of the Internal Revenue Code of 1954 is amended by striking out subsection (w).

(2) Section 211(c)(2) of the Social Security Act is amended—

(A) by inserting "and" at the end of subparagraph (E);

(B) by striking out ", and" at the end of subparagraph (F) and inserting in lieu thereof a semicolon; and

(C) by striking out subparagraph (G).

(3) Section 1402(c)(2) of the Internal Revenue Code of 1954 is amended—

(A) by inserting "and" at the end of subparagraph (E);

(B) by striking out ", and" at the end of subparagraph (F) and inserting in lieu thereof a semicolon; and

(C) by striking out subparagraph (G).

(4) Section 211(a) of the Social Security Act is amended—

(A) by inserting "and" at the end of paragraph (11);

(B) by striking out "; and" at the end of paragraph (12) and inserting in lieu thereof a period; and

(C) by striking out paragraph (13).

(5) Section 1402(a) of the Internal Revenue Code of 1954 is amended—

(A) by inserting "and" at the end of paragraph (12);

(B) by striking out "; and" at the end of paragraph (13) and inserting in lieu thereof a period; and

(C) by striking out paragraph (14).

(d) EFFECTIVE DATE.—The amendments made by this Act shall apply to service performed after December 31, 1983.

(e) TRANSITION PROVISIONS AND REFUNDS OF TAXES PAID.—

(1) CHURCH OR RELIGIOUS ORGANIZATION WHICH WAS NOT COVERED IN 1983.—

(A) Any church or religious organization (as defined for purposes of section 3121(k) of the Internal Revenue Code of 1954) which is covered under the insurance system established under title II of the Social Security Act on the date of the enactment of this Act, but was not covered under such system on December 31, 1983, shall notify the Secretary of the Treasury with respect to whether such church or religious organization wishes to enter into a voluntary participation agreement under section 3121(k) of the Internal Revenue Code of 1954.

(B) If such church or religious organization notifies the Secretary of the Treasury that it does not wish to enter into such an agreement, or if such church or religious organization does not make any notification under subparagraph (A) within 12 months after the date of the enactment of this Act—

(i) such church or religious organization shall not be covered under such system for service performed after December 31, 1983,

(ii) a refund of taxes paid for service performed after December 31, 1983, shall be made in accordance with paragraph (4), and

(iii) such church or religious organization may not enter into such a voluntary participation agreement until January 1, 1989.

(C) If such church or religious organization notifies the Secretary of the Treasury that it does wish to enter into such an agreement within such 12-month period (and does enter into such agreement), such agreement shall be retroactive to January 1, 1984, or, if later, to the date such church or religious organization became covered under the insurance system established under title II of the Social Security Act.

(2) CHURCH OR RELIGIOUS ORGANIZATION WHICH WAS COVERED IN 1983.—

(A) Any church or religious organization (as defined for purposes of section 3121(k) of the Internal Revenue Code of 1954) which is covered under the insurance system established under title II of the Social Security Act on the date of the enactment of this Act, and was covered under such system on December 31, 1983, shall be deemed to have entered into a voluntary participation agreement under section 3121(k) of the Internal Revenue Code of 1954, effective for all service performed after December 31, 1983, but subject to subparagraph (B).

(B) For purposes of section 3121(k)(2)(B) of the Internal Revenue Code of 1954, in measuring the 8-year period during which a voluntary participation agreement must be in effect before a church or religious organization may give notice of intent to terminate such agreement, the date on which a church or religious organization described in subparagraph (A) entered into an agreement under section 3121(k) of such Code as in effect prior to 1984 shall be the date on which such 8-year period begins.

(3) CHURCH OR RELIGIOUS ORGANIZATION NOT CURRENTLY COVERED.—Any church or religious organization which is not covered under such insurance system on the date of the enactment of this Act shall not become covered under such system unless it enters into a voluntary participation agreement after such date.

(4) REFUND OF TAXES.—If a church or religious organization which is covered under the insurance system established under title II of the Social Security Act on the date of the enactment of this Act does not choose to enter into a voluntary participation agreement under such section, and is not deemed to have entered such an agreement by reason of paragraph (2), the Secretary of the Treasury shall refund (with interest) to such church or religious organization the taxes paid under sections 3101 and 3111 of the Internal Revenue Code of 1954 with respect to service performed after December 31, 1983. The refund shall be conditional upon the church or religious organization agreeing to pay to each employee (or former employee) the portion of the refund attributable to the tax imposed on such employee (or former employee) under section 3101, and such employee (or former employee) may not receive any other refund payment of such taxes.

(5) REFUND OF SELF-EMPLOYMENT TAXES.—The Secretary of the Treasury shall refund (with interest) to any individual the taxes paid by reason of section 1402(c)(2)(G) of the Internal Revenue Code of 1954 (as in effect prior to the amendments made by this Act), and amounts described in section 211(c)(2)(G) of the Social Security Act (as in effect prior to the amendments made by this Act) shall not be considered self-employment income.

(6) INAPPLICABILITY OF SPECIAL COVERAGE PROVISION.—In the case of an individual with respect to whose services a refund is made pursuant to paragraph (4), the provisions of section 102(e) of the Social Security Amendments of 1983 shall not apply.

SECTION-BY-SECTION ANALYSIS

Section (a) of this bill amends section 210(a)(8)(B) of the Social Security Act to exempt religious organizations and churches from mandatory Social Security coverage except for those churches or religious organizations that 1) enter into voluntary participation agreement as defined under Section 3121(k) of the Internal Revenue Code, or 2) provide service in an unrelated trade or business as defined by Section 513(a) of the Internal Revenue Code.

Section 3121(b)(8)(B) of the Internal Revenue Code is amended to include services performed in the employ of a church or religious organization other than service performed 1) under a voluntary participation agreement or 2) in an unrelated trade or business.

Section (b) of this bill amends section 3121 of the Internal Revenue Code by adding subsection (k) to define voluntary participation by the church or religious organization. If a church wants its employees to be covered by Social Security, the church must file a certificate with the Secretary certifying that the church or religious organization desires to participate in the Social Security System.

The bill provides for the effective date of the certificate as designated by the church or organization. The church can choose between 1) the first day of the calendar quarter in which the certificate if filed, or 2) the first day of the calendar quarter succeeding such quarter or 3) the first day of any calendar quarter preceding the quarter in which the certificate is filed except that the effective date may not be earlier than the first day of the twentieth calendar quarter preceding the quarter in which the certificate is filed.

The statute is also amended to include a provision stating that if the effective date of the certificate precedes the filing date, then the due date of the Social Security tax shall be the last day of the calendar month following the calendar quarter in which the certificate is filed and the statutory period for the assessment of such tax shall not expire for three years from due date.

Section 3121 of the Internal Revenue Code is amended to provide the Secretary with the power to terminate the voluntary participation agreement if the church or religious organization has failed or is no longer able to comply with the requirements of this chapter, the Secretary shall give the church or religious organization a 60-day advance notice of termination. The Secretary has the power to revoke the notice of termination by giving to the church or religious organization a written notice of such revocation. The Secretary of Health and Human Services must concur with this decision prior to the revocation.

Section 3121 of the Internal Revenue Code is amended to give church or religious organizations the opportunity to terminate participation in Social Security upon giving a two-year advance notice. The church or religious organization can terminate participation in Social Security only if they have participated in the system for a period of not less than eight years. If participation in the Social Security System is terminated either by 1) the church or religious organization, or 2) the Secretary, the church or religious organization may not re-enter the Social Security System for a 5-year period.

The term "church" is defined in this legislation as a church, a convention or association of churches, or an organization which is operated, supervised, controlled or principally supported by a church or association or convention of churches, and the term "religious organization" means an organization other than an organization which meets the definition in (A), which is operated primarily for religious purposes and which is exempt from Federal income tax as an organization described in Section 501(c)(3), including (but not limited to) religious preschools, elementary schools, secondary schools, and colleges.

Section (c) of the bill amends Section 3121 of the Internal Revenue Code by striking out subsection (w). Section (c) of the bill also makes technical changes to Sections 211(a) and 211(c)(2) of the Social Security Act and technical changes to Section 1402(c)(2) of the Internal Revenue Code.

Section (d) of the bill amends Section 3121 of the Internal Revenue Code by adding a section to state that the amendments of this Act shall apply to service performed after December 31, 1983.

Section (e) of the bill directs the church or religious organization which entered the Social Security System after December 31, 1983 to notify the Secretary of the Treasury within 12 months from the date of enactment of this legislation whether it wishes to enter into a voluntary participation agreement under Section 3121 (k) of the Internal Revenue Code. If such Church or religious organization fails to notify the Secretary of the Treasury within twelve months from the date of this legislation's enactment, such churches or religious organizations shall not be covered for services performed after December 31, 1983. Such churches and religious organizations shall receive a refund of taxes paid for services performed after December 31, 1983 and may not enter into a voluntary participation agreement until January 1989. If the church or religious organization which was not in the Social Security System prior to December 31, 1983 decides to enter into a voluntary participation agreement, the agreement shall be retroactive to January 1, 1984 or at the later date in which the church or religious organization became covered under Social Security.

Churches or religious organizations which entered into Social Security on or before December 31, 1983, shall be deemed to have entered into a voluntary participation agreement under Section 3121 (k) of the Internal Revenue Code of 1954.

For purposes of Section 3121(k)(2)(B) of the Internal Revenue Code of 1954, in measuring the 8-year period during which a voluntary participation agreement must be in effect before a church or religious organization may terminate such an agreement, the time shall begin to run from the date the church or religious organization entered into the agreement prior to 1984.

If the church or religious organization which is covered under the Social Security System on the date of enactment of this lagislation does not choose to enter into a voluntary participation agreement because of voluntary participation prior to January 1, 1984, the Secretary of the Treasury shall refund (with interest) to such church or religious organization the taxes paid under Section 3101 and 3111 of the Internal Revenue Code. Payment of the refund shall be conditional upon the church or religious organization agreeing to pay each employee the portion of the refund attributable to the tax imposed on the employee under Section 3101 and the employee may not receive any other refund payment. The amount refunded will be the amount paid pursuant to Section 1402(c)(2)(G) of the Internal Revenue Code.

Section 102(e) of the Social Security Amendments of 1983 shall not apply if a refund is made pursuant to Section (e) of this legislation.

By Mr. MATHIAS:

S. 1230. A bill to amend the patent laws implementing the Patent Cooperation Treaty; to the Committee on the Judiciary.

ACT TO AUTHORIZE THE UNITED STATES TO PARTICIPATE IN CHAPTER II OF THE PATENT COOPERATION TREATY

Mr. MATHIAS. Mr. President, today I introduce legislation to implement chapter II of the Patent Cooperation Treaty. That treaty is a major multilateral convention under which 35 countries, including the United States, have joined together to facilitate the filing of patent applications for the same invention in a number of countries. U.S. inventors rely on the convention to obtain protection for their technology in other countries.

At present under the treaty, patent holders around the world, after obtaining a patent in their own country, can file a single international application in their native language at their national patent office and have that application acknowledged in as many other countries as the applicant designates. An international search report is prepared by the patent offices in the designated countries. This report gives the inventor information needed to decide whether to pursue and perfect a full-scale patent application in those countries, involving payment of additional fees and submission of translations. Under the treaty, this decision is not required until more than 1½ years after first filing the application, giving, the inventor ample time to evaluate the chances of obtaining a patent in the other countries based on the information supplied in the search report.

This entire procedure is embodied in chapter II of the Patent Cooperation Treaty, on which the United States placed a reservation when it ratified the document in 1975; because of this reservation, the benefits of the process outlined above currently are denied to U.S. patent holders.

In 1975, the prevailing opinion in the patent community was that the differences in methods of examining and processing patents in our country and elsewhere would make adherence to chapter II unmanageable. But since then, we have made considerable headway in harmonizing the patent procedures in different countries. As a consequence, we now are in a position to remove the reservation and take advantage of the greater information, lead time and flexibility U.S. inventors would enjoy if our country adhered to chapter II. President Reagan has asked the advice and consent of the Senate to remove the reservation on chapter II, and the bill I am introducing today would implement that removal.

The U.S. Patent and Trademark Office is working toward its ambitious goal: Reducing patent application pendency time in the United States to 18 months by 1987. The Office will not produce examination reports for international applications from patent

holders in other countries until it completes this "18 by 87" project. In the meantime, arrangements have been made for the European Patent Office to prepare the examination reports for U.S. applicants during the interim.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1230

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Act to Authorize the United States to Participate in Chapter II of the Patent Cooperation Treaty."

Sec. 2. (a) Section 351(a) of title 35, United States Code, is amended by striking out ", excluding chapter II thereof".

(b) Section 351(b) of title 35, United States Code, is amended by striking out "excluding part C thereof".

(c) Section 351(g) of title 35, United States Code, is amended by—

(1) striking out "term" and inserting in lieu thereof "terms";

(2) inserting "and 'International Preliminary Examining Authority'" after "Authority"; and

(3) striking out "means" and inserting in lieu thereof "mean".

(d) Section 361(d) of title 35, United States Code, is amended to read as follows:

"(d) The international fee, and the transmittal and search fees prescribed under section 376(a) of this part, shall either be paid on filing of an international application or within such later time as may be fixed by the Commissioner."

Sec. 3. The item relating to section 362 in the analysis for chapter 36 of title 35, United States Code, is amended to read as follows:

"362. International Searching Authority and International Preliminary Examining Authority."

Sec. 4. Section 362 of title 35, United States Code, is amended to read as follows:

"Sec. 362. International Searching Authority and International Preliminary Examining Authority

"(a) The Patent and Trademark Office may act as an International Searching Authority and International Preliminary Examining Authority with respect to international applications in accordance with the terms and conditions of an agreement which may be concluded with the International Bureau, and may discharge all duties required of such Authorities, including the collection of handling fees and their transmittal to the International Bureau.

"(b) The handling fee, preliminary examination fee, and any additional fees due for international preliminary examination shall be paid within such time as may be fixed by the Commissioner."

Sec. 5. Section 364(a) of title 35, United States Code, is amended by—

(a) striking out "or", first occurrence and inserting in lieu thereof ",";

(b) inserting "International Preliminary Examining Authority" after "Authority, or"; and

(c) striking out "both".

Sec. 6. Section 368(c) of title 35, United States Code, is amended by—

(a) striking out the second occurrence of "or" and inserting in lieu thereof ","; and

(b) striking out "both" and inserting in lieu thereof "International Preliminary Examining Authority".

Sec. 7. (a) Section 371(a) of title 35, United States Code, is amended to read as follows:

"(a) Receipt from the International Bureau of copies of international applications with any amendments to the claims, international search reports, and international preliminary examination reports including any annexes thereto may be required in the case of international applications designating or electing the United States."

(b) Section 371(b) of title 35, United States Code, is amended to read as follows:

"(b) Subject to subsection (f) of this section, the national stage shall commence with the expiration of the applicable time limit under article 22 (1) or (2), or under article 39(1)(a) of the treaty."

(c) Section 371(c)(4) of title 35, United States Code, is amended by striking the "." and inserting in lieu therefore ";".

(d) Section 371(c) of title 35, United States Code, is amended by adding at the end thereof the following new paragraph (5):

"(5) a translation into the English language of any annexes to the international preliminary examination report, if such annexes were made in another language.".

(e) Section 371(d) of title 35, United States Code, is amended by adding at the end thereof the following sentence:

"The requirement of subsection (c)(5) shall be complied with at such time as may be fixed by the Commissioner and failure to do so shall be regarded as cancellation of the amendments made under article 34(2)(b) of the treaty.".

(f) Section 371(e) of title 35, United States Code, is amended by inserting "or article 41" after "28".

Sec. 8. (a) Section 376(a) of title 35, United States Code, is amended by—

(1) inserting "and the handling fee" after the first occurrence of "fee";

(2) striking "amount is" and inserting in lieu thereof "amounts are";

(3) redesignating paragraph (5) as paragraph (6); and

(4) inserting the following new paragraph (5):

"(5) A preliminary examination fee and any additional fees (see section 362(b))."

(b) Section 376(b) of title 35, United States Code, is amended by—

(1) inserting "and the handling fee" after the first occurrence of "fee" in the first sentence; and

(2) inserting "the preliminary examination fee and any additional fees," after "fee," in the third sentence.

Sec. 9. Sections 2 through 8 of this Act shall come into force on the same day as the effective date of entry into force of chapter II of the Patent Cooperation Treaty with respect to the United States, by virtue of the withdrawal of the declaration under article 64(1)(a) of the Patent Cooperation Treaty. It shall apply to all international applications pending before or after its effective date.

By Mr. DOLE (for himself and Mr. Heinz):

S. 1233. A bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals; to the Committee on Agriculture, Nutrition, and Forestry.

IMPROVED STANDARDS FOR LABORATORY ANIMALS ACT

Mr. DOLE. Mr. President, we are pleased today to introduce S. 1233, the Improved Standards for Laboratory Animals Act as an amendment to the Animal Welfare Act [AWA] and to be joined as a cosponsor by my distinguished colleague Senator Heinz.

The bill we are introducing today is similar to legislation my colleagues and I introduced in the Senate during the last session of Congress and which, I understand, will again be introduced in the House by Congressman George Brown this week.

BACKGROUND OF LEGISLATION

Mr. President, we have had ample opportunity to discuss the substance of this legislation in Congress. The legislation being introduced today has undergone several changes since the original version was introduced in the 97th Congress with a modified version subsequently introduced in the 98th Congress.

It is a product of numerous Senate and House staff meetings with representatives of both the animal welfare community and the scientific community. I believe this bill represents a fair and reasonable attempt to balance the public's concern over the welfare of animals with the need to continue achieving medical advancements which benefit the lives and health of both man and animals.

A REASONABLE APPROACH

In addition to the numerous meetings that took place to arrive at a concensus on this issue, hearings were also held in both the House and Senate during the last session of Congress. Throughout the debate on this issue it has been pointed out that experimentation and testing on animals has benefited our society by yielding medical breakthroughs that have aided the development of new knowledge, new drugs, and better surgical techniques in addition to saving millions of lives.

It has also been pointed out that the use of animals will need to continue for the time being until alternative methodologies which do not use animals or which reduce the numbers of animals used and reduce the pain they experience can be further developed. At the same time, we need to ensure the public that adequate safeguards are in place to prevent unnecessary abuses to animals and that everything that is reasonably possible is being done to decrease the pain that animals suffer during experimentation and testing.

It is very likely that USDA could further improve their effectiveness in administrating the Animal Welfare Act if the improvements contained in this legislation are implemented.

Mr. President, I ask that a summary of the bill and the text of the bill be

BEST COPY AVAILABLE

printed in the Congressional Record at the conclusion of my remarks and I urge my colleagues to support the legislation.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Improved Standards for Laboratory Animals Act".

FINDINGS

Sec. 2. The Congress finds that—

(1) the use of animals has been instrumental in certain research and education for advancing knowledge of cures and treatments for diseases and injuries such afflict both humans and animals;

(2) methods of testing that do not use animals are being and continue to be developed which are faster, less expensive, and more accurate than traditional animal experiments for some purposes and further opportunities exist for the development of these methods of testing;

(3) measures which eliminate or minimize the unnecessary duplication of experiments on animals can result in more productive use of Federal funds; and

(4) measures which help meet the public concern for laboratory animal care and treatment are important in assuring that research will continue to progress.

STANDARDS AND CERTIFIÇATION PROCESS

Sec. 3. (a) Section 13 of the Animal Welfare Act (7 U.S.C. 2143) is amended—

(1) by redesignating subsections (b) through (d) as subsections (f) through (h), respectively; and

(2) by striking out the first two sentences of subsection (a) and inserting in lieu thereof the following:

"(1) The Secretary shall promulgate standards to govern the humane handling, care, treatment, and transportation of animals by dealers, research facilities, and exhibitors.

"(2) The standards described in paragraph (1) shall include requirements—

"(A) for handling, housing, feeding, watering, sanitation, ventilation, shelter from extremes of weather and temperatures, and separation by species where the Secretary finds necessary for humane handling, care, or treatment of animals; and

"(B) For exercise of dogs.

"(3) In addition to the requirements under paragraph (2), the standards described in paragraph (1) shall, with respect to animals in research facilities include requirements—

"(A) for animal care, treatment, and practices in experimental procedures to ensure that animal pain and distress are minimized, including adequate veterinary care with the appropriate use of anesthetic, analgesic, tranquilizing drugs, or euthansia;

"(B) that the principal investigator considers alternatives to any procedure likely to produce pain to or distress in an experimental animal;

"(C) in any practice which could cause pain to animals—

"(i) that a doctor of veterinary medicine is consulted in the planning of such procedures;

"(ii) for the use of tranquilizers, analgesics, and anesthetics;

"(iii) for pre-surgical and post-surgical care by laboratory workers in accordance with established veterinary medical and nursing procedures;

"(iv) against the use of paralytics without anesthesia; and

"(v) that the withholding of tranquilizers, anesthesia, analgesia, or euthanasia when scientifically necessary shall continue for only the necessary period of time;

"(D) that no animal is used in more than one major operative experiment from which it is allowed to recover except in cases of—

"(i) scientific necessity; or

"(ii) other special circumstances are determined by the Secretary; and

"(E) that exceptions to such standards may be made only when specified by research protocol and that any such exception shall be detailed and justified in a report outlined under paragraph (7) and filed with the Institutional Animal Committee.".

(b) Section 13(a) of such Act is further amended—

(1) by designating the third and fourth sentences as paragraph (4);

(2) by designating the fifth sentence as paragraph (5); and

(3) by striking out the last sentence and inserting in lieu thereof the following:

"(6) Nothing in this Act shall be construed as authorizing the Secretary to promulgate rules, regulations, or orders with regard to the design, outlines, or guidelines of actual research or experimentation by a research facility: *Provided*, That the Secretary shall require every research facility to show that professionally acceptable standards governing the care, treatment, and practices on animals are being followed by the research facility during research and experimentation.

"(7)(A) The Secretary shall require, at least annually, every research facility to report that the provisions of this Act are being followed.

"(B) In complying with subparagraph (A), the research facility shall provide—

"(i) the details of any procedure which was likely to produce pain or distress in any animal and assurances demonstrating that the principal investigator considered alternatives to those procedures;

"(ii) assurances satisfactory to the Secretary that such facility is adhering to the standards described in this section; and

"(iii) an explanation for any deviation from the standards promulgated under this section.

"(8) Paragraph (1) shall not prohibit any State (or a political subdivision of such State) from promulgating standards in addition to those standards promulgated by the Secretary under paragraph (1).".

(c) Section 13 of such Act is further amended by inserting after subsection (a) the following new subsections:

"(b)(1) The Secretary shall require that each research facility establish at least one Institutional Animal Committee. Each Committee shall be appointed by the chief executive officer of each such research facility and shall be composed of not fewer than three members. Such members shall possess sufficient ability to assess animal care, treatment, and practices in experimental research as determined by the needs of the research facility. Of the members of the Committee—

"(A) at least one member shall be a doctor of veterinary medicine;

"(B) at least one member shall not be affiliated in any way with such facility other than as a member of the Committee, shall not be a member of the immediate family of a person who is affiliated with such facility, and shall be responsible for representing society's concerns regarding the welfare of the animal subjects; and

"(C) in those cases where the Committee consists of more than three members, not more than three members shall be from the same administrative unit of such facility.

"(2) A quorum shall be required for all formal actions of the Committee, including inspections under paragraph (3).

"(3) The Committee shall inspect at least semiannually all animal study areas and animal facilities of such research facility and review as part of the inspection—

"(A) practices involving pain to animals, and

"(B) the condition of animals,

to ensure compliance with the provisions of this Act and that pain and distress to animals is minimized. Exceptions to the requirement of inspection of such study areas may be made by the Secretary if animals are studies in their natural environment and the study area is prohibitive to easy access.

"(4)(A) The Committee shall file an inspection certification report of each inspection at the research facility. Such report shall—

"(i) be signed by a majority of the Committee members involved in the inspection;

"(ii) include reports of any violation of the standards promulgated, or assurances required, by the Secretary, including any deficient conditions of animal care or treatment, any deviations of research practices from originally approved proposals that adversely affect animal welfare, any notification to the facility regarding such conditions, and any corrections made thereafter;

"(iii) include any minority views of the Committee; and

"(iv) include any other information pertinent to the activities of the Committee.

"(B) Such report shall remain on file for at least three years at the research facility and shall be available for inspection by the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency.

"(C) In order to give the research facility an opportunity to correct any deficiencies or deviations discovered by reason of paragraph (3), the Committee shall notify the administrative representative of the research facility of any deficiencies or deviations from the provisions of this Act. If, after notification and an opportunity for correction, such deficiencies or deviations remain uncorrected, the Committee shall notify (in writing) the Animal and Plant Health Inspection Service of the Department of Agriculture and the funding Federal agency of such deficiencies or deviations.

"(5) The inspection results shall be available to Department of Agriculture inspectors for review during inspections. Department of Agriculture inspectors shall forward any committee inspection records which include reports of uncorrected deficiencies or deviations to the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency of the project with respect to which such uncorrected deficiencies and deviations occurred.

"(c)(1) The research facility shall provide for annual training for scientists, animal technicians, and other personnel involved with animal care and treatment in such facility. Such training shall include instruction on—

"(A) the humane practice of animal maintenance and experimentation;

"(B) research or testing methods that minimize or eliminate the use of animals or limit animal pain or distress; and

"(C) utilization of the information service at the National Agricultural Library, established under subsection (d).

"(2) Research facilities shall inform their employees of the provisions of this Act and shall inform such employees to report any violations of such provisions. Any such employee may not be discriminated against on grounds that such employee reported a violation of such provisions.

"(d) The Secretary shall establish an information service at the National Agricultural Library. Such service shall, in cooperation with the National Library of Medicine, provide information—

"(1) pertinent to employee training;

"(2) which could prevent unintended duplication of animal experimentation as determined by the needs of the research facility; and

"(3) on improved methods of animal experimentation, including methods which could—

"(A) reduce or replace animal use; and

"(B) minimize pain and distress to animals, such as anesthetic and analgesic procedures.

"(e) In any case in which the funding Federal agency determines that conditions of animal care, treatment, or practice in a particular project have not been in compliance with standards promulgated under this Act, despite notification by the Secretary or the funding Federal agency to the research facility and an opportunity for correction, such agency shall suspend or revoke Federal support for the project. Any research facility losing Federal support as a result of actions taken under the preceding sentence shall have the right of appeal as provided in sections 701 through 706 of title 5, United States Code.".

INSPECTIONS

Sec. 4. Section 16(a) of the Animal Welfare Act (7 U.S.C. 2146(a)) is amended by inserting after the first sentence the following:

"The Secretary shall inspect each research facility at least once each year and, in the case of deficiencies or deviations from the standards promulgated under this Act, shall conduct such follow-up inspections as may be necessary until all deficiencies or deviations from such standards are corrected.".

PENALTY FOR RELEASE OF TRADE SECRETS

Sec. 5. The Animal Welfare Act (7 U.S.C. 2131-2156) is amended by adding at the end thereof the following section:

"Sec. 27. (a) It shall be unlawful for any member of the Institutional Animal Committee to release any confidential information of the research facility, including any information that concerns or relates to—

"(1) the trade secrets, processes, operations, style of work, or apparatus, or

"(2) to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of the research facility.

"(b) It shall be unlawful for any member of such Committee—

"(1) to use or attempt to use to his advantage, or

"(2) to reveal to any other person, any information which is entitled to protection as confidential information under subsection (a).

"(c) A violation of subsection (a) or (b) is punishable by—

"(1) removal from such Committee, and

"(2)(A) a fine of not more than $1,000 and imprisonment of not more than one year, or

"(B) if such violation is willful, a fine of not more than $10,000 and imprisonment of not more than three years.

"(d) Any person, including any research facility, injured in its business or property by reason of a violation of this section may recover all actual and consequential damages sustained by such person and the cost of the suit including a reasonable attorney's fee.

"(e) Nothing in this section shall be construed to affect any other rights that any such person may have, nor shall subsection (d) be construed to limit the exercise of any such rights arising out of or relating to a violation of subsection (a) and (b).".

INCREASED PENALTIES FOR VIOLATION OF THE ACT

Sec. 6. Subsection (b) of section 19 of the Animal Welfare Act (7 U.S.C. 2149(b)) is amended—

(1) in the first sentence by striking out "$1,000 for each such violation" and inserting in lieu thereof "$2,500 for each such violation"; and

(2) in the sixth sentence by striking out "$500 for each offense" and inserting in lieu thereof "$1,000 for each offense".

DEFINITIONS

Sec. 7. (a) Section 2(e) of the Animal Welfare Act (7 U.S.C. 2132(e)) is amended by adding after "The term 'research facility' means" the following: "each department, agency, or instrumentality of the United States which uses live animals for research or experimentation,".

(b) Section 2 of such Act is further amended by redesignating subsections (f) through (j) as subsections (j) through (n), respectively and by inserting after subsection (e) the following new subsections:

"(f) The term 'Federal agency' means an Executive agency as such term is defined in section 105 of title 5, United States Code, and with respect to any research facility means the agency from which the research facility receives a Federal award for the conduct of research, experimentation, or testing, involving the use of animals;

"(g) The term 'Federal award for the conduct of research, experimentation, or testing, involving the use of animals' means any mechanism (grant, award, loan, contract, or cooperative agreement) under which Federal funds are provided to support the conduct of such research;

"(h) The term 'quorum' means a majority of the Committee members;

"(i) The term 'Committee' means the Institutional Animal Committee established under section 13(c);".

EFFECTIVE DATE

Sec. 8. This Act shall take effect one year after the date of the enactment of this Act.

Summary of Animal Welfare Act [AWA] Amendment

RESEARCH STANDARDS

The Secretary of Agriculture shall promulgate standards for animal care; treatment and practices; standards to minimize pain; and for exercise of dogs.

CERTIFICATION PROCESS

Facilities will report annually that they are in compliance with the AWA and provide in its' justification of the research: a description of painful procedures and indicate that alternatives have been considered, assurance that standards to minimize pain are being adhered to; an explanation of any deviations from the standards.

RESEARCH REVIEW

Establishes an institutional Animal Committee appointed by the research facility which will include one member who represents society's concerns for the welfare of animal subjects and a veterinarian. Includes trade secret protection.

COMMITTEE ACTIVITIES/INCREASED ENFORCEMENT

The committee will conduct semi-annual inspections; file reports with the research facility; and notify the institutions and appropriate federal authorities of violations. If a facility, given the opportunity to correct violations, does not adhere to the AWA, federal agencies are directed to suspend or revoke funding. The USDA Animal and Plant Health Inspection Service (APHIS) would be required to inspect facilities at least once a year, with follow-up visits until violations are corrected. APHIS would be required to inspect federal facilities.

INFORMATION SERVICE

Establishes an information service at the National Agricultural Library to work in conjunction with the National Library of Medicine to provide information on improved methods of experimentation. The data base will be made available on a voluntary basis to researchers and will focus on reducing or replacing animal use, minimizing pain and distress and preventing unintentional duplication of animal experimentation. Requires facilities to provide for instruction of personnel involved in animal care and treatment.

PENALTIES

Awarding agencies may suspend or revoke grants when facilities have been negligent of humane treatment despite notification. Fines for violators of the AWA will be increased.

By Mr. SIMPSON (for himself and Mr. Specter):

S. 1235. A bill to reorganize the functions of the Nuclear Regulatory Commission by abolishing the Commission and, in its place, establishing the Nuclear Regulatory Agency, in order to promote more effective and efficient nuclear licensing and regulation; to the Committee on Environment and Public Works.

NUCLEAR REGULATION REORGANIZATION ACT

Mr. SIMPSON. Mr. President, today I am introducing the "Nuclear Regulation Reorganization Act of 1985," for the purpose of abolishing the Nuclear Regulatory Commission, and in its place, establishing an independent regulatory entity, the Nuclear Regulation Agency. This new agency would be headed by a single administrator and would be responsible for carrying out those licensing and regulatory functions now exercised by the Nuclear Regulatory Commission.

When I first arrived in the Senate in January 1979, Mr. President, I assumed the role of ranking minority member of the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works. What appeared to me at the time, was a legislative responsibility for which I would have the luxury of devoting a good deal of time in learning the complicated issues involving this Nation's commercial nuclear power industry. It didn't pan out that way. The task quickly became a major focus of many Americans and everyone in the Congress, as we all witnessed the "Three Mile Island Accident" unfold in Pennsylvania in late March 1979.

After that incident and before I really knew it, I was on a helicopter with my good friend and colleague, Senator HART—who was, at the time, the chairman of the Nuclear Regulation Subcommittee—winging our way up to Pennsylvania to witness "first-hand" those unsettling days immediately following the accident.

Since that time, of course, this Nation's commercial nuclear power industy and the agency that was established in 1975 for the purpose of regulating that industry, the Nuclear Regulatory Commission, have been tested by the most difficult of times. For the commercial nuclear power industry, we have witnessed a major retrenchment, with no new reactor orders submitted since 1978. Reactors originally planned in the early 1970's, in the midst of the oil crises that this country experienced, are not working their way through the licensing pipeline, battered by the high interest rates that resulted in skyrocketing construction costs and by the failure of many utilities to devote the careful scrutiny which is so very essential to the construction and operation of a nuclear powerplant.

On the regulatory side, the Nuclear Regulatory Commission has struggled to regain its posture as a credible, disciplined, and effective regulator. Faced with mounting criticism from all quarters, the Nuclear Regulatory Commission has attempted to steer a steady and straight course through some pretty heavy seas that have plagued the Commission from virtually the day that it was established.

Throughout all of this, Mr. President, I have observed with great interest and ever increasing concern—for the past 4½ years as chairman of the Nuclear Regulation Subcommittee—as we have lost ground in the struggle to restore the credibility and stability of the nuclear power industry and the Nuclear Regulatory Commission. In the absence of full public confidence in both the commercial nuclear power industry and in the agency that is charged with regulating that industry, we shall never succeed in realizing the potential that nuclear power holds for us—and it distresses me to report that, in the absence of fundamental change in our approach to the regulation of nuclear power in this country, I honestly feel that we will never overcome the problems facing us today. It is for that reason, Mr. President, that I am proposing today a fundamental change—an important improvement, in my view—in our approach to regulating commercial nuclear power. We would do this by abolishing the "collegial" Nuclear Regulatory Commission and, in its place, we would establish an agency headed by a single administrator.

BACKGROUND

The Nuclear Regulatory Commission's roots go back to 1946, when the Congress established the 5-member Atomic Energy Commission and charged it with the responsibility to oversee the development and management of nuclear weapons. Congress established this "independent regulatory commission" to ensure that the far-reaching policy decisions associated with this country's nuclear weapons program were not the responsibility of a single individual, but rather would be made after the collegial, deliberative discussions of a 5-member commission, drawn from many and diverse backgrounds.

When the Congress opened the door for the commercial development of nuclear power in 1954, the collegial body was retained. As it turned out, however, the principal focus of the AEC continued to be upon the development of nuclear weapons, and to an increasing degree, on the development of a commercial nuclear power industry. To a large extent, those functions involving the licensing and regulation of nuclear power were carried out within the AEC by the AEC staff, with a very minimal involvement of the five-member collegial commission.

In 1975, the Atomic Energy Commission was abolished and the Nuclear Regulatory Commission was then established to assume the licensing and regulatory responsibilities of the former AEC. At the time, two major advantages were cited in support of the "collegial approach:" First, an independent regulatory commission, such as the NRC, would be insulated from undue executive branch interference, and thereby the agency would be enabled to function in a truly independent capacity; and second, a five-member collegial body would provide a diversity of views and philosophies and opinions consensus decisionmaking.

Today, 10 years after the Congress formally constituted the Nuclear Regulatory Commission and charged it with the responsibility for regulating the commercial nuclear power industry on a "collegial" basis, we now see the results.

The principal advantage of the original Commission approach—the value of bringing diverse views to bear, in a collegial context, on the licensing and regulatory issues facing the Commission, has all but been hopelessly lost. The Commissioners simply do not communicate with one another. This is nowhere near what the American public expects and deserves. We have a "collegial body that doesn't college"! Former Commissioner Victor Gilinsky—a thoughtful and effective man—who served on the Commission from 1975 through 1984, testified before the Subcommittee on Nuclear Regulation that "the interaction between the Commissioners has dwindled over the past several years, with little interchange of ideas or collective decisionmaking taking place."

As a most unfortunate consequence of this failure of effective communication, the Commission has failed to come to grips with many major policy issues, such as safety goals, a standardization policy, the Three Mile Island Unit No. 1 restart issue and a backfitting policy. Instead of establishing a comprehensive and uniform policy on these and other issues, the Commission ends up only addressing these concerns in the context of individual adjudicatory proceedings—with the Commission's licensing boards and appeal panel taking the lead responsibility for formulating policy in the context of individual cases. This, in turn, has generated an amazingly complex legal system at the Commission—with lawyers hired, in turn, to "make it work."

Beyond that, this "collegial" body is almost isolated from their own staff in those instances where adjudicatory proceedings are pending before the NRC. As the ultimate "supreme court" for all of these adjudicatory proceedings, the Commissioners cannot legally discuss the substance of ending adjudications with staff members who are involved as a party to those proceedings. Unfortunately, the Commission has taken this separation of functions concept far beyond what even the Administrative Procedures Act requires and, as a result, the Commission has only severely limited communications with staff on important safety matters.

Finally, the collegial approach has resulted in the lack of any real responsibility to be vested in a single member to carry out a decision, and a corresponding lack of any real accountability by any single individual for the decisions that are made—or not made. This pernicious and confounding diffusion of responsibility and accountability, at a moment of time when virtually all "collegial" decisionmaking has essentially stopped anyway, has resulted in not only the appearance but the clear and documented reality of indecisive, inefficient, and ineffective regulation of the commercial nuclear power industry—the worst of all possible worlds. The Commissioners are fine and honest people, but they cannot succeed in performing their tasks. I have come to know them all and I admire them greatly. They work

hard—but are trapped in a feckless exercise.

SUMMARY OF THE BILL

It is for these reasons, Mr. President, that I am introducing legislation to convert the Nuclear Regulatory Commission to an agency headed by a single administrator. The Nuclear Regulatory Commission is virtually the last Federal agency, with the exception of the Consumer Product Safety Commission, where critical public health and safety responsibilities—that in many cases require prompt and decisive action—are undertaken by a "collegial body." The Environmental Protection Agency, the Federal Aviation Administration, the Food and Drug Administration and many others all function quite effectively, independently, and with the benefit of considerable "diversity of opinions," even though headed by a "single administrator." It is now time for us, Mr. President, to consider this option very seriously for the proper and responsible regulation of commercial nuclear power in this country.

The legislation which I am introducing establishes a new agency, the "Nuclear Regulation Agency," to be administered by a Director who will be appointed by the President, with the advice and consent of the Senate. In addition, the bill provides for a Presidentially appointed Deputy Director, and Presidentially appointed Assistant Directors, one each for the four present functions of nuclear reactor regulation, inspection and enforcement, nuclear material safety, and research. All functions, duties, and responsibilities of the Nuclear Regulatory Commission are then to be transferred to this new Agency.

I would ask unanimous consent, Mr. President, that a copy of the bill be printed in the CONGRESSIONAL RECORD following my remarks, and I urge my colleagues to give their thoughtful personal attention to this issue as we embark on our consideration of this bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Nuclear Regulation Reorganization Act of 1985".

DECLARATION OF PURPOSES

SEC. 2. The Congress declares that—

(1) a clear and coordinated national policy for the development, use, and regulation of atomic energy for peaceful purposes, in accordance with the objectives of the Atomic Energy Act of 1954, as amended, is in the best interest of the general welfare and the common defense and security of this Nation; and

(2) to best achieve these objectives, improvements in the effectiveness and efficiency of the current approach to the licensing and regulation of atomic energy for peaceful purposes are required.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) the term "Agency" means the Nuclear Regulation Agency established under section 4; and

(2) the term "Director" means the Director of the Nuclear Regulation Agency appointed under section 5(a).

ESTABLISHMENT OF NUCLEAR REGULATION AGENCY

SEC. 4. (a) There is established as an independent regulatory agency of the Government the Nuclear Regulation Agency (hereinafter in this Act referred to as the "Agency"). The Agency shall succeed the Nuclear Regulatory Commission in existence on the day before the effective date of this Act.

(b) For purposes of chapter 9 of such title, the Agency is an independent regulatory agency.

OFFICERS

SEC. 5. (a) The Agency shall be administered by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall carry out all functions transferred to the Agency by this Act and shall have authority and control over all personnel, programs, and activities of the Agency.

(b) There shall be in the Agency a Deputy Director, who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director shall perform such functions as the Director shall prescribe. The Deputy Director shall act for and perform the functions of the Director during the absence or disability of the Director, or in the event of a vacancy in the office of the Director.

(c) There shall be in the Agency not to exceed four Assistant Directors, one each for nuclear reactor regulation, inspection and enforcement, nuclear material safety, and research, who shall be appointed by the President, by and with the advice and consent of the Senate. The Assistant Directors shall perform such functions as the Director shall prescribe. The Director shall designate the order in which the Assistant Directors shall act for and perform the functions of the director during the absence or disability of the Director or the Deputy Director, or in the event of vacancies in all of those offices.

(d)(1) Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following:

"Director, Nuclear Regulation Agency.".

(2) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"Deputy Director, Nuclear Regulation Agency.".

(3) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"Assistant Administrators, Nuclear Regulation Agency.".

ABOLITION OF NUCLEAR REGULATORY COMMISSION

SEC. 6. The Nuclear Regulatory Commission is hereby abolished. Section 201, 203, 204, 205, and 209 of the Energy Reorganization Act of 1974, as amended, are repealed.

TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL

SEC. 7. The personnel employed and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorization, allocations, and other funds employed, held used, arising from, available, or to be made available, in connection with the Nuclear Regulatory Commission and the functions transferred under this Act, are, subject to section 1531 of title 31, United States Code, transferred to the Agency for appropriate allocation.

EFFECT ON PERSONNEL

SEC. 8. (a) The transfer of personnel pursuant to this Act shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of such transfer.

(b) Any person who, on the day before the effective date of this Act, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Agency to a position having duties comparable to those performed immediately preceding his appointment, shall continue to be compensated in his new position at not less than the rate provided for his previous position for the duration of his service in his new position.

INCIDENTAL TRANSFERS

SEC. 9. (a) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the transfer of the Nuclear Regulatory Commission pursuant to this Act and the transfer of functions under this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriation, authorization, allocations, and other funds held, using, arising from, available to, or to be made available in connection with the Nuclear Regulatory Commission and the functions transferred under this Act, as may be necessary to carry out the provisions of this Act. The Director of the Office of Management and Budget shall provide for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

(b) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized, at such time as the Director of the Office of Management and Budget provides, to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with the transfer of the Nuclear Regulatory Commission pursuant to this Act and the transfer of functions under this Act.

SAVINGS PROVISIONS

SEC. 10. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, the Nuclear Regulatory Commission, or any court of competent jurisdiction, in the performance of functions which are transferred under this Act; and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the President, the Director, a court of competent jurisdiction, or by operation of law.

(b)(1) The provisions of this Act shall not affect any proceedings pending at the time this Act takes effect before the Nuclear Regulatory Commission with respect to functions transferred under this Act; but such proceedings, to the extent that they relate to functions so transferred, may be continued before the Agency. Orders may be issued in such proceedings, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings may continue in effect until modified, terminated, superseded, or repealed by the Administrator, by a court of competent jurisdiction, or by operation of law.

(2) The Director is authorized to promulgate regulations providing for the orderly transfer of proceedings continued under paragraph (1) to the Agency.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect actions commenced prior to the date this Act takes effect, and

(2) in all such actions proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

(d) No action or other proceeding commenced by or against any officer in his official capacity as an officer of the Nuclear Regulatory Commission shall abate by reason of the enactment of this Act. No cause of action by or against the Nuclear Regulatory Commission or functions transferred under this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of action and actions or other proceedings with respect to any function transferred under this Act or with respect to the Nuclear Regulatory Commission, may be asserted by or against the United States or an official of the Agency, as may be appropriate, and, in an action pending when this Act takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(e) If, before the date on which this Act takes effect, the Nuclear Regulatory Commission, or any officer thereof in the official capacity of such officer, is a party to an action, and under this Act such action shall be continued with the Director or other appropriate official of the Agency, as the case may be, substituted or added as a party.

(f) Orders and actions of the Director in the exercise of the functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the Nuclear Regulatory Commission in exercising such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, actions upon the record, or administrative review that apply to any functions transferred under this Act shall apply to the exercise of such functions by the Director.

REFERENCE

SEC. 11. With respect to any function transferred under this Act and exercised after the effective date of this Act, any reference in any other law, or in any rule, regulation, certificate, directive, instruction, or other official paper in force on the effective date of this Act to the Nuclear Regulatory Commission shall be deemed to refer and apply to the Agency or the Director.

EFFECTIVE DATE

SEC. 12. This Act shall take effect one hundred and twenty days after the date of its enactment, or on such earlier date as the President may prescribe and publish in the Federal Register, except that at any time on or after the date of enactment of this Act, any of the officers provided for in section 5 may be nominated and appointed, as provided in this Act. Funds available to the Nuclear Regulatory Commission may, with the approval of the President, be used to pay the compensation and expenses of any officer appointed pursuant to this section and other transitional and planning expenses associated with the establishment of the Agency until such time as funds for such purposes are otherwise available.

By Mr. THURMOND (for himself, Mr. BIDEN, Mr. LAXALT, and Mr. KENNEDY) (by request):

S. 1236. A bill to amend title 18 of the United States Code and other laws to make minor or technical amendments to provisions enacted by the Comprehensive Crime Control Act of 1984, and for other purposes; to the Committee on the Judiciary.

MINOR AND TECHNICAL CHANGES TO THE COMPREHENSIVE CRIME CONTROL ACT OF 1984

Mr. THURMOND. Mr. President, at the request of the Department of Justice, I am introducing today a package of technical and minor changes to the Comprehensive Crime Control Act of 1984. Joining me as original cosponsors of this bill are Senator JOSEPH R. BIDEN, JR., the ranking minority member of the Judiciary Committee; Senator PAUL LAXALT, the chairman of the Criminal Law Subcommittee; and Senator TED KENNEDY.

The Comprehensive Crime Control Act of 1984 was the product of considerable deliberation and effort in all three branches of Government, in addition to input from scores of interested parties. During the 7 months following its enactment, its operation in practice has exposed the need for some technical amendments and other minor adjustments. For instance, last month, we passed legislation which would facilitate the operation of the Sentencing Commission, by permitting the appointment of senior status judges and authorizing the Administrative Office of the U.S. Courts to make an initial budget request. In addition, due to a clerical error, certain portions of the bill relating to the DEA, which were passed by the House and Senate, were not included in the bill signed by the President and need to be reinstated.

The bill which I am introducing today represents the proposal by the Justice Department to address the minor and technical problems that have been encountered in the implementation of the act. We will carefully examine these suggestions, and I hope that we will be able to process a noncontroversial bill as expeditiously as possible.

Mr. President, I ask unanimous consent that a copy of the bill I am introducing at the request of the administration, the letter of transmittal from the Department of Justice, and their section-by-section analysis be included in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1236

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

BAIL (CHAPTER I)

Section 1. (a) Paragraph (1) of section 3142(f) of title 18 of the United States Code is amended by—

(1) deleting the word "or" before subparagraph (D);

(2) redesignating subparagraph (D) as subparagraph (E); and

(3) inserting a new subparagraph (D) as follows:

"(D) an offense that is a felony punishable under 18 U.S.C. 844, 18 U.S.C. 924, 18 U.S.C. App. 1202, 26 U.S.C. 5685, or 26 U.S.C. 5871; or".

(b) Subparagraph (E) of section 3142(f)(1) of title 18 of the United States Code, as redesignated by this section, is amended by—

(1) striking out the words "any felony committed after the person had been convicted of two or more prior offenses" and inserting in lieu thereof "any felony if the person has been convicted of two or more offenses";

(2) inserting before the semicolon ", or a combination of such offenses"; and

(3) striking "(C)" both places it appears and inserting in lieu thereof "(D)".

(c) Subparagraph (A) of section 3142(f)(2) of title 18 of the United States Code is amended by inserting the word "or" after the semicolon.

(d) Subsection (f) of section 3142 of title 18 of the United States Code is amended by adding at the end thereof the following: "The hearing may be reopened, before or after a determination by the judicial officer, at any time prior to trial if the judicial officer finds that information exists that was not known to the movant at the time of the hearing and that has a material bearing on the issue whether there are conditions of release that will reasonably assure the appearance of the person as required and the safety of any other person and the community.".

SENTENCING (CHAPTER II)

FINES

SEC. 2. (a) Part I of title 18 of the United States Code is amended by inserting after chapter 27 the following new chapter:

"CHAPTER 28—DEFAULT ON FINE

"Sec.
"562. Criminal default on fine.

"§ 562. Criminal default on fine

"(a) Whoever, having been sentenced to pay a fine or penalty, willfully does not pay an amount due—

"(1) in the case of an individual, shall be fined not more than the greater of $100,000 or twice the unpaid balance of the fine or penalty, or imprisoned not more than one year, or both; and

"(2) in the case of a person other than an individual, shall be fined not more than the greater of $250,000 or twice the unpaid balance of the fine or penalty.

"(b) It is a defense to a prosecution under subsection (a)(1) of this section that the individual was unable to make the payment because of such individual's responsibility to provide necessities for such individual or other individuals financially dependent upon such individual. The defendant has the burden of establishing the defense under this subsection by a preponderance of the evidence.".

(b) The chapter analysis for part I of title 18 of the United States Code is amended by adding after the item relating to chapter 27 the following:

"28. Default on fine.............................. 562.".

(c) Chapter 229 of title 18 of the United States Code is amended by striking out section 3621.

(d) The sectional analysis for chapter 229 of title 18 of the United States Code is amended by striking out: "3621. Criminal default on fine.".

SEC. 3. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (a) of section 3559 of title 18 of the United States Code by adding at the end thereof the following: "A Class B or C misdemeanor, or an infraction, is a petty offense.".

SEC. 4. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subchapter C of chapter 227 of title 18 of the United States Code by making it read as follows:

"Subchapter C—Fines

"Sec.
"3571. Sentence of fine.
"3572. Imposition of a sentence of fine.
"3573. Modification or remission of fine.
"3574. Implementation of a sentence of fine.

"SUBCHAPTER C—FINES

"§ 3571. Sentence of fine

"(a) IN GENERAL.—A defendant who has been found guilty of an offense may be sentenced to pay a fine.

"(b) AUTHORIZED FINES.—Except to the extent that a greater amount is specified in the section setting forth the offense, and except as otherwise provided in this chapter, the authorized fines are—

"(1) if the defendant is an individual—

"(A) for a felony, not more than $250,000;

"(B) for a misdemeanor resulting in the loss of human life, not more than $250,000;

"(C) for any other Class A misdemeanor not more than $100,000;

"(D) for any other Class B or C misdemeanor, not more than $5,000; and

"(E) for an infraction, not more than $1,000; and

"(2) if the defendant is an organization—

"(A) for a felony, not more than $500,000;

"(B) for a misdemeanor resulting in the loss of human life, not more than $500,000;

"(C) for any other Class A misdemeanor, not more than $100,000;

"(D) for any other Class B or C misdemeanor, not more than $10,000; and

"(E) for an infraction, not more than $5,000.

"(c) ALTERNATE AUTHORIZED FINE.—If the defendant derives pecuniary gain from the offense, or if the offense results in pecuniary loss to another person, the defendant may be fined, in lieu of the amount authorized in subsection (b), not more than the greater of twice the gross gain or twice the gross loss, unless imposition of such a fine would unduly complicate or prolong the sentencing process.

"§ 3572. Imposition of a sentence of fine

"(a) FACTORS TO BE CONSIDERED IN IMPOSING FINE.—The court, in determining whether to impose a fine, and, if a fine is to be imposed, in determining the amount of the fine, the time for payment, and the method of payment, shall consider—

"(1) the factors set forth in section 3553(a), to the extent they are applicable, including, with regard to—

"(A) the circumstances of the offense under section 3553(a), the desirability of depriving the defendant of any pecuniary gain, and of compensating the victim for any pecuniary loss; and

"(B) the characteristics of the defendant under section 3553(a), the ability of the defendant to pay the fine in view of the defendant's income, earning capacity, and financial resources and, if the defendant is an organization, the size of the organization;

"(2) the burden that payment of the fine will impose on the defendant, on any person who is financially dependent on the defendant, and on any other person who would be responsible for the welfare of any person financially dependent on the defendant, relative to the burden that other kinds of sentences would impose;

"(3) any restitution made by the defendant to the victim of the offense, and any obligation imposed upon the defendant to make restitution to the victim of the offense;

"(4) the likelihood of the defendant's passing on to other persons the expense of the fine;

"(5) if the defendant is an organization, any measure taken by the organization to discipline the individuals responsible for the offense and to prevent a recurrence of such an offense; and

"(6) any other pertinent equitable consideration.

If the court orders that the defendant make restitution to a victim of the offense pursuant to the provisions of section 3556, the court shall sentence the defendant to pay a fine only to the extent that the payment will not impair the ability of the defendant to make restitution.

"(b) LIMIT ON AGGREGATE OF MULTIPLE FINES.—Except as otherwise expressly provided, the aggregate of fines authorized under section 3571(b) that a court may impose on a defendant at the same time for different offenses that arise from a common scheme or plan, and that do not cause separable or distinguishable kinds of harm or damage, is twice the amount imposable for the most serious offense.

"(c) TIME AND METHOD OF PAYMENT.—Payment of a fine is due immediately unless the court, at the time of sentencing, directs payment—

"(1) by a specified date within five years of the date of sentencing; or

"(2) pursuant to a specified installment schedule ending within five years of the date of sentencing.

In computing a five-year period under this subsection, any period during which the defendant is imprisoned shall be excluded.

"(d) ASSURANCE OF PAYMENT.—In order to assure payment of a fine—

"(1) the court, at the time of sentencing or at any later time, if it finds by a preponderance of the information that the defendant has the present ability to pay a fine, may direct imprisonment of the defendant until the fine is paid; and

"(2) the court, if it decides to stay a sentence to pay a fine pending appeal, shall, in the absence of exceptional circumstances, enter an order—

"(A) requiring the defendant, pending appeal, to deposit the entire amount of the fine, or the amount that will become due under any specified installment schedule during the pendency of the appeal, in an escrow account in the registry of the district court, or to provide a bond or other security assuring payment of such an amount; or

"(B) restraining the defendant from transferring or dissipating any assets that would be sufficient, if sold, to assure payment of the amount of the fine or the amount that will become due pending appeal.

"(e) EFFECT OF FINALITY OF JUDGMENT.—Notwithstanding the fact that a sentence to pay a fine can subsequently be—

"(1) modified or remitted pursuant to the provisions of section 3573;

"(2) corrected pursuant to the provisions of rule 35 and section 3742; or

"(3) appealed and modified, if outside the guideline range, pursuant to the provisions of section 3742;

a judgment of conviction that includes such a sentence constitutes a final judgment for all other purposes.

§ 3573. Modification or remission of fine

"(a) PETITION FOR MODIFICATION OR REMISSION.—A defendant who has been sentenced to pay a fine, and who—

"(1) has made a good faith effort to comply with the terms of the sentence and has paid a reasonable portion of the fine or has encountered exceptional circumstances that precluded him from doing so, and concerning whom the circumstances no longer exist that warranted the imposition of the fine in the amount imposed or payment by the date or installment schedule specified, may at any time petition the court for—

"(A) an extension of the payment date or installment schedule, not to exceed two years in the absence of exceptional circumstances; or

"(B) a remission of all or part of the unpaid portion, including interest and penalties; or

"(2) has thereafter voluntarily made restitution to the victim of the offense, may at any time petition the court for a remission of the unpaid portion of the fine in an amount not exceeding the amount of such restitution.

The petitioner shall notify the Attorney General that the petition has been filed within ten working days after filing.

"(b) ORDER OF MODIFICATION OR REMISSION.—If, after the filing of a petition as provided in subsection (a), and after consideration of the provisions applicable to the initial imposition of the sentence to pay a fine, the court finds that the circumstances warrant relief, the court may enter an appropriate order.

"§ 3574. Implementation of a sentence of fine

"The implementation of a sentence to pay a fine is governed by the provisions of subchapter B of chapter 229.".

SEC. 5. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (d) of section 3583 of title 18 of the United States Code by—

(1) making the first sentence read as follows:

"The court shall order, as explicit conditions of supervised release, that the defendant not commit another Federal, State, or local crime during the term of supervision, and, if a fine is imposed, that the defendant make a diligent effort to pay the fine.";

(2) inserting ", (b)(3)" after the words "any condition set forth as a discretionary condition of probation in section 3563(b)(1)"; and

(3) inserting a comma after "(b)(10)".

SEC. 6. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subchapter B of chapter 229 of title 18 of the United States Code by making it read as follows:

"Subchapter B—Fines

"Sec.

"§ 3611. Payment of a fine.

"§ 3612. Collection of an unpaid fine.

"§ 3613. Civil remedies for satisfaction of an unpaid fine.

"SUBCHAPTER B—FINES

"§ 3611. Payment of a fine

"(a) Responsibility for Payment.—A person who has been sentenced to pay a fine, pursuant to the provisions of subchapter C of chapter 227, is responsible for its payment. If the person is a director, officer, employee, or agent of an organization, payment shall not be made, directly or indirectly, from assets of the organization, unless the sentencing court finds that such payment is expressly permissible under applicable State law. If the person is an organization, it is the duty of each individual authorized to make disbursements for the organization to make payment from assets of the organization.

"(b) Time for Payment.—Payment of a fine shall be made immediately upon the imposition of the sentence, or by the date or installment schedule specified by the sentencing court pursuant to the provisions of section 3572(c). If payment is to be made on a deferred date or on an installment schedule, interest on the unpaid balance, at a rate of 1.5 percent per month, shall be added to the amount due.

"(c) Receipt of Payment.—Payment of a fine shall be made to the clerk of the court. Each payment received shall be forwarded to the United States Treasury.

"§ 3612. Collection of an unpaid fine

"(a) Responsibility for Collection.—The Attorney General shall be responsible for collection of an unpaid fine concerning which a notification has been issued as provided in subsection (b).

"(b) Notification to Facilitate Collection.—At the time a fine is imposed, the sentencing court—

"(1) shall promptly notify the Attorney General of—

"(A) the name and address of the person fined;

"(B) the docket number of the case;

"(C) the amount of the fine imposed; and

"(D) any specified payment date or installment schedule; and

"(2) shall, if other than immediate payment is specified, require the person fined to notify the appropriate United States Attorney of any change in his name or address.

"(c) Delinquency.—If a sentence to pay a fine specifies other than immediate payment, and any portion is not paid when it is due, the entire unpaid balance shall, at the discretion of the Attorney General, be payable immediately. Interest on the unpaid balance, at a rate of 1.5 percent per month, shall be added to the amount due. If any portion of a fine is not paid within 90 days after it is due, the person fined shall pay, in addition to any amount otherwise payable, a penalty equal to 25 percent of the amount past due.

"(d) Notice of Satisfaction Upon Collection.—When a fine is satisfied as provided by law, the Attorney General shall file with the court a notice of satisfaction of judgment if—

"(1) the amount of the fine exceeds $500; or

"(2) the person fined makes a written request to the Attorney General for the filing of such a notice. The clerk of the court shall, upon request, provide the person fined with a certified copy of the notice.

"(e) Expiration of Collectibility.—A fine becomes uncollectible, and the obligation to pay a fine ceases, upon the death of the person fined or the expiration of twenty years after the date of the entry of the judgment, whichever occurs earlier. the person fined and the Attorney General may agree in writing to extend the twenty-year period.

"§ 3613. Civil remedies for satisfaction of an unpaid fine

"(a) Lien.—A judgment imposing a sentence to pay a fine shall, upon the filing of a notice of lien in the manner in which a notice of tax lien would be filed under section 6323(f) of the Internal Revenue Code of 1954 (26 U.S.C. 6323(f)), be a lien in favor of the United States upon all property and rights of property belonging to the person fined except with respect to—

"(1) property or transactions specified in section 6323 (b), (c), or (d) of the Internal Revenue Code of 1954 (26 U.S.C. 6323) for which a notice of tax lien properly filed on the same date would not be valid; and

"(2) property that would be exempt from levy of taxes under section 6334(a) of the Internal Revenue Code of 1954 (26 U.S.C. 6334(a)).

The lien arises at the time of the entry of judgment and continues until the liability is satisfied, remitted, or set aside, or until it expires pursuant to section 3612(e). The lien is valid against property referred to in paragraphs (1) and (2) if, but for those paragraphs, applicable law would permit enforcement of the lien.

"(b) Effect of Lien.— A lien imposed by subsection (a) shall be valid against any subsequent purchaser, holder of a security interest, mechanic's lienor, or judgment creditor. A writ of execution may be issued with respect to any property or rights to property subject to the lien.

"(c) Effect of Notice of Lien.—A notice of a lien imposed by subsection (a) shall be considered a notice of lien for taxes payable to the United States for the purposes of any State or local law providing for the filing of a notice of a tax lien. The registration, recording, docketing, or indexing, in accordance with 28 U.S.C. 1962, of the judgment under which a fine is imposed, shall be considered for all purposes as the filing prescribed by section 6323(f)(1)(A) of the Internal Revenue Code of 1954 (26 U.S.C. 6323(f)(1)(A)).

"(d) Alternative Enforcement.—Notwithstanding any other provision of this section, a judgment imposing a fine may be enforced by execution against the property of the person fined in the same manner as a judgment in a civil case.

"(e) Execution on Salary, Wages, or Other Income.—The effect of any execution, whether by attachment, garnishment, levy or other means, on salary, wages, or other income payable to or receivable by a person fined, shall be continuous from the date the execution is first made until the liability for the fine is satisfied, the liability ceases to exist or becomes unenforceable, or the execution is released. Salaries, wages, and other income shall be exempt from execution only to the extent of the exemptions from levy for taxes provided in section 6334(d) of the Internal Revenue Code of 1954 (26 U.S.C. 6334(d)).

"(f) Discharge of Debts Inapplicable.— A discharge of debts pursuant to a bankruptcy or insolvency proceeding shall not render a lien under this section unenforceable, and shall not discharge liability to pay a fine.".

Sec. 7. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (e) of section 3624 of title 18 of the United States Code by making the last sentence read as follows:

"A prisoner shall not be released on supervision unless such prisoner agrees to adhere to an installment schedule to pay for any fine imposed for the offense.".

Sec. 8. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in section 3673 of title 18 of the United States Code—

(1) in subsection (b) by striking out the word "and" after the semicolon;

(2) in subsection (c) by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding the following new subsection:

"(d) 'fine' means a fine, a monetary penalty, or for purposes of chapter 229, an assessment, imposed in a criminal case.".

OTHER SENTENCING AMENDMENTS

Sec. 9. (a) Section 4216 of title 18 of the United States Code is repealed.

(b) The item relating to section 4216 in the sectional analysis of chapter 311 of title 18 of the United States Code is amended to read as follows:

"4216. Repealed.".

Sec. 10. Section 992 of title 28 of the United States Code is amended—

(1) in subsection (c) by striking out "section 225(a)(1)(B)(ii) of the Sentencing Reform Act of 1983" and inserting in lieu thereof "section 235(a)(1)(B)(ii) of the Sentencing Reform Act of 1984";

(2) in subsection (c) by adding at the end thereof the following sentence:

"The salary increment provided to a district judge as compensation for service on the Commission shall not be continued beyond the end of such service."; and

(3) by adding at the end thereof the following new subsection:

"(d) The provisions of sections 44(c) and 134(b) of this title, regarding the residence of judges, shall not apply to any judge holding a full-time position on the Commission pursuant to subsection (c) of this section.".

Sec. 11. Section 994 of title 28 of the United States Code is amended—

(1) in subsection (a)(2)(C) by making it read as follows:

"(C) the sentence modification provisions set forth in section 3563(c), 3564, 3573, 3582(c), and 3583(e) of title 18;";

(2) in subsection (a)(3) by making it read as follows:

"(3) guidelines or general policy statements regarding the appropriate use of the provisions for revocation of probation and supervised release set forth in sections 3565 and 3583(e) of title 18, and the provisions for modification of the term or conditions of probation and supervised release set forth in sections 3563(c), 3564, and 3583(e) of title 18.";

(3) in subsection (b) by inserting before the period in the second sentence ", except that if the maximum of the range is life imprisonment, the minimum shall not be less than thirty years' imprisonment";

(4) in subsection (h) by striking out "by section 3581(b) of title 18, United States Code,";

(5) in subsection (q) by striking out "1983" and inserting in lieu thereof "1984"; and

(6) in subsection (t) by inserting the words "in what circumstances and" after the word "specify" and by deleting the words "that are outside the applicable guideline ranges".

Sec. 12. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended—

(1) in subsection (b) of section 3552 of title 18 of the United States Code by striking out the word "take" in the third sentence and inserting in lieu thereof the word "be";

(2) in subsection (b) of section 3552 of title 18 of the United States Code by inserting the words ", if the defendant is in custody," after the words "the United States Marshall shall" in the eighth sentence; and

(3) in subsection (c) of section 3552 of title 18 of the United States Code by striking out "4247" and inserting in lieu thereof "4244".

Sec. 13. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended—

(1) in subsection (a) of section 3553 of title 18 of the United States Code by striking out the words "of this subsection" in the first sentence; and

(2) in subsection (b) of section 3553 of title 18 of the United States Code by adding the following sentence at the end thereof:

"In the absence of an applicable sentencing guideline, the court shall impose an appropriate sentence, having due regard for its relationship to sentences prescribed by guidelines applicable to similar offenses and offenders and the purposes of sentencing set forth in subsection (a)(2).".

Sec. 14. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (c) of section 3553 of title 18 of the United States Code by inserting "or if it includes an order of only partial restitution," after "If the sentence does not include an order of restitution,".

Sec. 15. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (d) of section 3553 of title 18 of the United States Code by—

(1) striking out "or Restitution" from the catchline; and

(2) striking out "or an order of restitution pursuant to section 3556,".

Sec. 16. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (a) of section 3561 of title 18 of the United States Code by striking out the second sentence.

Sec. 17. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in paragraph (2) of section 3563(a) by inserting before the period ", except in extraordinary circumstances as provided by the Sentencing Commission".

(b) Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in paragraph (11) of section 3563(b) of title 18 of the United States Code by striking out "in section 3581(b)".

Sec. 18. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (c) of section 3563 of title 18 of the United States Code by—

(1) striking out the phrase ", after a hearing,"; and

(2) inserting the phrase "the provisions of Rule 32.1 of the Federal Rules of Criminal Procedure and" after the words "pursuant to".

(b) Subdivision (b) of Rule 32.1 of the Federal Rules of Criminal Procedure is amended by—

(1) inserting the words "to be" after the word "relief"; and

(2) striking out the period at the end and inserting in lieu thereof ", and the attorney for the government, after having been given notice of the proposed relief and a reasonable opportunity to object, has not objected.".

Sec. 19. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (b) of section 3564 of title 18 of the United States Code by striking out the second sentence and inserting in lieu thereof the following":

"A term of probation runs concurrently with any Federal, State, or local term of probation, supervised release, or parole for another offense to which the defendant is subject or becomes subject during the term of probation. A term of probation does not run while the defendant is imprisoned in connection with a conviction for a Federal, State, or local crime unless the imprisonment is for a period of less than thirty consecutive days.".

(b) Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (c) of section 3564 of title 18 of the United States Code by inserting before the word "terminate" the phrase", pursuant to the provisions of Rule 32.1 of the Federal Rules of Criminal Procedure,".

Sec. 20. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (b) of section 3583 of title 18 of the United States Code—

(1) in paragraph (1) by striking out the word "three" and inserting in lieu thereof the word "five"; and

(2) in paragraph (2) by striking out the word "two" and inserting in lieu thereof the word "three".

Sec. 21. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (e) of section 3583 of title 18 of the United States Code—

(1) by amending the catchline to read as follows:

"Modification of Conditions or Revocation.";

(2) in paragraph (1) by striking out the words "previously ordered" and by inserting after the words "one year of supervised release," the phrase "pursuant to the provisions of Rule 32.1 of the Federal Rules of Criminal Procedure that are applicable to probation modification,";

(3) in paragraph (2) by striking out the words "after a hearing," and by inserting after the words "pursuant to" the words "the provisions of Rule 32.1 of the Federal Rules of Criminal Procedure that are applicable to probation modification and";

(4) in paragraph (2) by striking out the word "or" after the semicolon;

(5) by redesignating paragraph (3) as paragraph (4) and by amending it to read as follows:

"(4) treat a violation of a condition of supervised release as a contempt of court pursuant to section 401(3).";

and

(6) by inserting the following new paragraph after paragraph (2):

"(3) revoke a term of supervised release, and require the person to serve in prison all or part of the term of supervised release without credit for the time previously served on post-release supervision, if it finds by a preponderance of the evidence that the person violated a condition of supervised release, pursuant to the provisions of Rule 32.1 of the Federal Rules of Criminal Procedure that are applicable to probation revocation and to the provisions of applicable policy statements issued by the Sentencing Commission; or".

Sec. 22. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (f) of section 3603 of title 18 of the United States Code by striking out the word "supervise" and inserting in lieu thereof "assist in the supervision of," and by inserting a comma after the word "about".

Sec. 23. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (b) of section 3624 of title 18 of the United States Code by striking out "beginning after the first year of the term" in the first sentence and inserting in lieu thereof "beginning at the end of the first year of the term".

Sec. 24. Subsection (a) of setion 212 of the Comprehensive Crime Control Act of 1984 is amended in subsection (e) of section 3624 of title 18 of the United States Code by striking out the third sentence and inserting in lieu thereof the following:

"The term runs concurrently with any Federal, State, or local term of probation, supervised release, or parole for another offense to which the person is subject or becomes subject during the term of supervised release. A term of supervised release does not run while the person is imprisoned in connection with a conviction for a Federal, State, or local crime unless the imprisonment is for a period of less than thirty consecutive days.".

Sec. 25. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in section 3663 (formerly section 3579) of title 18 of the United States Code by—

(1) striking out "or in lieu of" in subsection (a)(1); and

(2) striking out "sections 3812 and 3813" in subsection (h) and inserting in lieu thereof "sections 3612 and 3613".

Sec. 26. Subsection (a) of section 212 of the Comprehensive Crime Control Act of 1984 is amended in section 3672 (formerly section 3656) of title 18 of the United States Code by adding at the end thereof:

"He shall have the authority to contract with any appropriate public or private agency or person for the detection of and care in the community of an offender who is an addict or a drug-dependent person within the meaning of section 2 of the Public Health Service Act (42 U.S.C. § 201). This authority shall include, but not be limited to, providing equipment and supplies; testing; medical, educational, social, psychological, and vocational services; corrective and preventive guidance and training; and other rehabilitative services designed to protect the public and benefit the addict by eliminating his dependence on addicting drugs, or by controlling his dependence and his susceptibility to addiction. He may negotiate and award such contracts without regard to section 3709 of the Revised Statutes (41 U.S.C. §5).

"He shall pay for presentence studies and reports by qualified consultants and presentence examinations and reports by psychiatric or psychological examiners ordered by the court under section 3552(b) or (c) except for studies conducted by the Bureau of Prisons.".

Sec. 27. (a) Subsection (a) of section 213 of the Comprehensive Crime Control Act of 1984 is amended—

(1) in subsections (a)(2), (b)(2), (d)(2), and (e)(1) of section 3742 of title 18 of the United States Code by striking out "an in-

correct" and inserting in lieu thereof "a

"(2) in subsection (h) by striking out the

"(3) in subsection (c) by deleting the

correct" and inserting in lieu thereof "a clearly erroneous construction or";

(2) in subsection (d) of section 3742 of title 18 of the United States Code by—

(A) striking out "or" at the end of paragraph (2);

(B) striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(C) inserting after paragraph (3) the following new paragraph:

"(4) was imposed for an offense for which there is no applicable sentencing guideline and is plainly unreasonable.";

(3) in paragraph (2) of subsection (e) of section 3742 of title 18 of the United States Code by inserting "or was imposed for an offense for which there is no applicable sentencing guideline and is plainly unreasonable," after "is outside the range of the applicable sentencing guideline and is unreasonable,";

(4) in paragraph (3) of subsection (e) of section 3742 of title 18 of the United States Code by making it read as follows:

"(3) is not described in paragraphs (1) or (2), it shall affirm the sentence."; and

(5) by adding at the end of section 3742 of title 18 of the United States Code the following new subsection:

"(f) Application to a Sentence by a Magistrate.—An appeal of an otherwise final sentence imposed by a United States magistrate may be taken to a judge of the district court, and the provisions of this section shall apply as though the appeal were to a court of appeals from a sentence imposed by a district court.".

(b) Subsection (b) of section 215 of the Comprehensive Crime Control Act of 1984 is amended in subdivision (a) of Rule 35 of the Federal Rules of Criminal Procedure by striking out "an incorrect" and inserting in lieu thereof "a clearly erroneous construction or".

Sec. 28. Section 214 of the Comprehensive Crime Control Act of 1984 is amended—

(1) in subsection (a) of section 5037 of title 18 of the United States Code by striking out "(e)" and inserting in lieu thereof "(d)";

(2) in subparagraph (B) of section 5037(c)(1) of title 18 of the United States Code by striking out "by section 3581(b)";

(3) in subparagraph (B) of section 5037(c)(2) of title 18 of the United States Code by striking out "by section 3581(b)"; and

(4) in subsection (c) of section 5037 of title 18 of the United States Code by adding the following new paragraph at the end thereof:

"The provisions of section 3624 are applicable to an order placing a juvenile under detention.".

Sec. 29. Section 215(a)(5) of the Comphrehensive Crime Control Act of 1984 is amended in subdivision (c)(2)(B) of Rule 32 of the Federal Rules of Criminal Procedure by striking out the word "than" and inserting in lieu thereof the word "from".

Sec. 30. Section 215(f) of the Comprehensive Crime Contol Act of 1984 is amended in Rule 6 of the Federal Rules of Criminal Procedure by—

(1) striking out the word "or" in subdivision (e)(3)(C)(iii); and

(2) striking out the period at the end of subdivision (e)(3)(C)(iii) and inserting in lieu thereof "; or".

Sec. 31. Subsection (f) of section 223 of the Comprehensive Crime Control Act of 1984 is amended by striking out the word "and" at the end of paragraph (1), by striking out paragraph (2), and by inserting in lieu thereof the following paragraphs:

"(2) in subsection (b) by striking out the word 'or' after 'reversal' and inserting in lieu thereof a comma, and by inserting ', or a sentence that does not include a term of imprisonment' after the word 'trial'; and

"(3) in subsection (c) by adding at the end thereof the following: 'Other than in a case governed by subsection (b), in a case in which an appeal has been taken by the United States pursuant to the provisions of section 3742, the judicial officer shall—

" '(1) order that a person who has been sentenced to a term of imprisonment be detained; and

" '(2) treat a person who has not been sentenced to a term of imprisonment in accordance with the provision of section 3142.' ".

Sec. 32. Subsection (m) of section 223 of the Comprehensive Crime Control Act of 1984 is amended in paragraph (3)(B) to read as follows:

"(B) by amending subsection (b) to read as follows:

" '(b) An offender transferred to the United States to serve a sentence of imprisonment that is longer than the maximum period of time specified in the applicable sentencing guideline promulgated pursuant to 28 U.S.C. 994(a)(1), as determined by the Bureau of Prisons, shall serve in an official detention facility the maximum period of time specified in the applicable sentencing guideline and shall serve the remainder of the term imposed as a term of supervised release. To the extent permitted by the applicable treaty, a determination by the Bureau of Prisons as to whether the transferred offender shall serve a term of supervised release and the length of such term to be served may be appealed to the United States court of appeals for the district in which the offender is imprisoned after transfer to the United States, and the court of appeals shall decide and dispose of the appeal in accordance with section 3742 as though the determination appealed had been imposed by the United State district court.'; and".

Sec. 33. (a) Subsection (a) of section 224 of the Comprehensive Crime Control Act of 1984 is amended—

(1) in paragraph (1) to read, "in subsection (b)(1)(A), by deleting the sentence which begins 'Any sentence imposing a term of imprisonment under this paragraph' ";

(2) in paragraph (2) to read, "in subsection (b)(1)(B), by deleting the sentence which begins 'Any sentence imposing a term of imprisonment under this paragraph';";

(3) by inserting the following new paragraph after paragraph (2):

"(3) in subsection (b)(1)(C), by deleting the sentence which begins 'Any sentence imposing a term of imprisonment under this paragraph';";

(4) by adding the word "and" at the end of paragraph (4);

(5) by deleting paragraph (5); and

(6) by redesignating paragraphs (3) and (4) as (4) and (5), respectively.

(b) Section 224 of the Comprehensive Crime Control Act of 1984 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following:

"(c) Section 405A (21 U.S.C. § 845A) is amended—

"(1) in subsection (a) by deleting '(1)' after the word 'punishable', and by deleting the semicolon and all that follows and inserting in lieu thereof a period;

"(2) in subsection (b) by deleting '(1)' after the word 'punishable', and by deleting 'and (2) at least three times any special parole term' and all that follows and by inserting in lieu thereof a period; and

"(3) in subsection (c) by deleting the second sentence.".

Sec. 34. Subsection (a) of section 225 of the Comprehensive Crime Control Act of 1984 is amended—

(1) in paragraph (1) to read, "in subsection (b)(1), by deleting the sentence which begins 'If a sentence under this paragraph provides for imprisonment';";

(2) in paragraph (2) to read, "in subsection (b)(2), by deleting the sentence which begins 'If a sentence under this paragraph provides for imprisonment';";

(3) by redesignating paragraph (3) as paragraph (4); and

(4) by inserting the following new paragraph after paragraph (2):

"(3) in subsection (b)(3) by deleting the sentence which begins 'If a sentence under this paragraph provides for imprisonment'; and".

Sec. 35. Subsection (a) of section 232 of the Comprehensive Crime Control Act of 1984 is amended by—

(1) striking out the word "and" the second time it appears and inserting in lieu thereof a comma; and

(2) inserting before the period ", and 'and who are not sentenced to treatment under the Narcotic Addict Rehabilitation Act of 1966' ".

Sec. 36. (a) Subsection (a)(1) of section 235 of the Comprehensive Crime Control Act of 1984 is amended—

(1) by striking out "on the first day of the first calendar month beginning";

(2) in subparagraph (B)(i) by inserting the word "pursuant" after the word "promulgated" and by striking out "within eighteen months of the effective date of the chapter" and inserting in lieu thereof "eighteen months after the effective date of chapter 58 of title 28, United States Code"; and

(3) in subparagraph (B)(ii) by striking out "shall not go into effect until the day after" and inserting in lieu thereof "shall go into effect when".

(b) Subsection (a)(1) of section 235 of the Comprehensive Crime Control Act of 1984 is amended—

(1) in subparagraph (B)(ii)(III) by striking out "; and" and inserting in lieu thereof a period;

(2) in subparagraph (B)(ii)(IV) by striking out "sections 227 and 228" and inserting in lieu thereof "section 237"; and

(3) by redesignating subparagraph (B)(ii)(IV) as subparagraph (C).

Sec. 37. (a) Subsection (b) of section 235 of the Comprehensive Crime Control Act of 1984 is amended by striking out paragraphs (1) through (4) and inserting in lieu thereof the following:

"(1) Except as provided in this subsection, the amendments made by this chapter shall not apply to an offense committed before the effective dates set forth in subsection (a).

"(2) The United States Parole Commission shall be abolished effective September 30, 1991. The Parole Commission shall have no jurisdiction over an offender who is sentenced after March 31, 1991, who violates a condition of parole after that date, or who is transferred to the United States pursuant to chapter 306 of title 18, United States Code, after that date. The Parole Commission shall not revise its guidelines in effect on March 31, 1991. No later than May 15, 1991, the Commission shall set a presumptive release date in accord with applicable parole guidelines for each prisoner who will be in its jurisdiction on September 30, 1991.

"(3) After September 30, 1991, the Bureau of Prisons may, in accord with applicable regulations of the Parole Commission in effect on March 31, 1991, adjust the release date and impose or modify conditions of release for a prisoner who had been in the jurisdiction of the Parole Commission on September 30, 1991. The Director of the Bureau of Prisons is authorized to promulgate such regulations as may be necessary to implement the provisions of this subsection. The regulations must provide the same substantive rights to the prisoners as were provided under the Parole Commission regulations in effect on March 31, 1991, but need not provide the same procedural mechanisms to implement those rights.

"(4) The court which imposed sentence shall set a presumptive release date and the conditions of release in accord with the applicable parole guidelines in effect on March 31, 1991, with respect to an offense committed before the effective date set forth in subsection (a)(1)(B)(ii) in the case of—

"(A) a defendant sentenced after March 31, 1991, or

"(B) any other defendant for whom the Parole Commission has not on or before May 15, 1991, set a presumptive release date.

The determination with respect to a defendant described in subparagraph (A) shall be made at the time of sentencing. The Bureau of Prisons may adjust the release date and modify the conditions of release in accord with its regulations promulgated under paragraph (3).

"(5) If a defendant who is on parole violates a condition of release after March 31, 1991, the United States district court for the district to which the defendant has been paroled may revoke parole or amend the conditions of release in accord with the regulations of the Parole Commission in effect on March 31, 1991, or may transfer jurisdiction in the interest of justice to any other district court, which may take such action as provided by this paragraph. The court may set the date of reparole and the conditions of release in accord with those regulations. The Bureau of Prisons may adjust the release date and may impose or modify the conditions of release in accord with its regulations promulgated under paragraph (3).

"(6) The Bureau of Prisons shall set a presumptive release date in accord with its regulations promulgated under paragraph (3), for an offender serving a sentence of imprisonment in a foreign country for an offense committed before the effective date set forth in subsection (a)(1)(B)(ii) if the offender is transferred to the United States pursuant to chapter 306 of title 18, United States Code, after March 31, 1991. The Bureau of Prisons may adjust the release date and impose or modify conditions of release for such an offender in accord with its regulations.

"(7) Notwithstanding the provisions of section 4202 of title 18, United States Code, as in effect the day before the effective date set forth in subsection (a)(1)(B)(ii), the term of office of a Commissioner who is in office on the effective date is extended through September 30, 1991. A vacancy on the Commission may be filled in accord with section 4202, except that the term of office will end September 30, 1991.".

(b) Paragraph (5) of section 235(b) of the Comprehensive Crime Control Act of 1984 is redesignated as paragraph (8) and is further amended by—

(1) striking out "until the expiration of the five-year period following the effective date of this Act" and inserting in lieu thereof "from the effective date of this chapter until September 30, 1991"; and

(2) striking out the phrase "during the five-year period" both places it appears and inserting in lieu thereof "during this period".

FORFEITURE (CHAPTERS III AND XXIII)

Sec. 38. Section 1963 of title 18 of the United States Code is amended—

(1) in subsection (c) by striking out "(m)" and inserting in lieu thereof "(l)";

(2) in subsection (j) by striking out "(m)" and inserting in lieu thereof "(l)"; and

(3) by redesignating subsections (e), (f), (g), (h), (i), (j), (k), (l), and (m), as subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l), respectively.

Sec. 39. Section 608 of the Tariff Act of 1930 (19 U.S.C. ¶1608) is amended in the sentence beginning "Upon the filing", by striking out "$2,500" and inserting in lieu thereof "$5,000".

Sec. 40. (a) Subsection (c) of section 616 of the Tariff Act of 1930 (19 U.S.C. § 1616(c) as enacted by Public Law Number 98–573 is amended by inserting "any other Federal agency or to" after "property forfeited under this Act to".

(b) Section 616 of the Tariff Act of 1930 (19 U.S.C. §1616) as enacted by Public Law Number 98–473 is repealed.

Sec. 41. Section 413 of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. §853) is amended—

(1) in subsection (c) by striking out "(o)" and inserting in lieu thereof "(n)";

(2) in subsection (f) by striking out "subsection (f)" and inserting in lieu thereof "subsection (e)"; and

(3) in subsection (k) by striking out "(o)" and inserting in lieu thereof "(n)".

Sec. 42. (a) Subsection (b) of section 511 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. § 881(b)) is amended—

(1) by striking out "or criminal" after "Any property subject to civil";

(2) in paragraph (4) by striking out "or criminal" after "is subject to civil"; and

(3) by adding the following at the end thereof:

"The Government may request the issuance of a warrant authorizing the seizure of property subject to forfeiture under this section in the same manner as provided for a search warrant under the Federal Rules of Criminal Procedure.".

(b) Subsection (i) of section 511 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. § 881(i)) is amended by inserting ", or a violation of State or local law that could have been charged under this title or title III," after "title III".

Sec. 43. (a) Subparagraph (E) of section 524(c)(1) of title 28 of the United States Code is amended by inserting "the Federal Bureau of Investigation, the United States Marshals Service," after the words "for official use by", and by inserting a comma before the word "or".

(b) Paragraph (4) of section 524(c) of title 28 of the United States Code is amended by striking out "remaining after the payment of expenses for forfeiture and sale authorized by law" and inserting in lieu thereof ", except all proceeds of forfeitures available for use by the Secretary of the Treasury or the Secretary of the Interior pursuant to section 11(d) of the Endangered Species Act (16 U.S.C. 1540(d)) or section 6(d) of the Lacey Act Amendments of 1981 (16 U.S.C. 3375(d))".

OFFENDERS WITH MENTAL DISEASE OR DEFECT (CHAPTER IV)

Sec. 44. Subdivision (c) of Rule 12.2 of the Federal Rules of Criminal Procedure is amended by inserting "4241 or" before "4242".

DRUG ENFORCEMENT AMENDMENTS (CHAPTER V)

Sec. 45. Paragraph (14) of section 102 of the Controlled Substances Act (21 U.S.C. § 802(14)) is amended in the second and third sentences by striking out the word "the" after the words "the term 'isomer' means" and inserting in lieu thereof "any".

Sec. 46. Paragraph (4) of subsection (a) of schedule II of the Controlled Substances Act (21 U.S.C. § 812) is amended to read as follows:

"(4) coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed; cocaine, its salts, optical and geometric isomers, and salts of isomers; ecgonine, its derivatives, their salts, isomers, and salts of isomers; or any compound, mixture, or preparation which contains any quantity of any of the substances referred to in this paragraph.".

Sec. 47. (a) Subparagraph (A) of section 401(b)(1) of the Controlled Substances Act (21 U.S.C. § 841(b)(1)(A)) is amended—

(1) in clause (i) to read as follows:

"(i) 100 grams or more of a mixture or substance containing a detectable amount of a narcotic drug in schedule I or II other than a narcotic drug consisting of—

"(I) coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed;

"(II) cocaine, its salts, optical and geometric isomers, and salts of isomers;

"(III) ecgonine its derivatives, their salts, isomers, and salts of isomers; or

"(IV) any compound, mixture, or preparation which contains any quantity of any of the substances referred to in subclauses (I) through (III);";

(2) in clause (ii) by adding "a mixture or substance containing a detectable amount of" after "a kilogram or more of";

(3) in clause (iii) by adding "a mixture or substance containing a detectable amount of" after "500 grams or more of";

(4) in clause (iv) by adding "a mixture or substance containing a detectable amount of" after "5 grams or more of"; and

(5) by adding at the end thereof, "Any sentence imposing a term of imprisonment under this paragraph shall, in the absence of such a prior conviction, impose a special parole term of at least 4 years in addition to such term of imprisonment and shall, if there was such a prior conviction, impose a special parole term of at least 8 years in addition to such term of imprisonment.".

(b) Paragraph (5) of section 401(b) of the Controlled Substances Act (21 U.S.C. § 841(b)(5)) is amended by adding the words "the fines provided in" after the word "Notwithstanding".

Sec. 48. Subsection (b) of section 405A of the Controlled Substances Act (21 U.S.C. § 845A(b)) is amended by inserting "parole" after "(2) at least three times any special".

Sec. 49. Section 503(a) of the Controlled Substances Act (21 U.S.C. § 873(a)) is amended by—

(1) striking out "and" at the end of paragraph (5);

(2) striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(3) adding at the end thereof the following:

"(7) notwithstanding any other provision of law, enter into contractual agreements with State and local law enforcement agencies to provide for cooperative enforcement and regulatory activities under this Act.".

Sec. 50. Section 508 of the Controlled Substances Act (21 U.S.C. § 878) is amended by—

(1) inserting "(a)" before "Any officer or employee";

(2) inserting after "Drug Enforcement Administration" the following: "or any State or local law enforcement officer"; and

(3) adding at the end thereof the following new subsection:

"(b) State and local law enforcement officers performing functions under this section shall not be deemed Federal employees and shall not be subject to provisions of law relating to Federal employees, except that such officers shall be subject to section 3374(c) of title 5, United States Code.".

Sec. 51. (a) Paragraph (1) of section 1010(b) of the Controlled Substances Import and Export Act (21 U.S.C. § 960(b)(1)) is amended—

(1) in subparagraph (A) by striking out clauses (i), (ii), and (iii) and inserting in lieu thereof the following:

"(i) coca leaves, except coca leaves and extracts of cocoa leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed;

"(ii) cocaine, its salts, optical and geometric isomers, and salts of isomers;

"(iii) ecgonine, its derivatives, their salts, isomers, and salts of isomers; or

"(iv) any compound, mixture, or preparation which contains any quantity of any of the substances referred to in clauses (i) through (iii);";

(2) in subparagraph (B) by inserting "a mixture or substance containing a detectable amount of" after "a kilogram or more of";

(3) in subparagraph (C) by inserting "a mixture or substance containing a detectable amount of" after "500 grams or more of";

(4) in subparagraph (D) by inserting "a mixture or substance containing a detectable amount of" after "5 grams or more of";

(5) by adding at the end thereof, "If a sentence under this paragraph provides for imprisonment, the sentence shall include a special parole term of not less than four years in addition to such term of imprisonment.".

(b) Paragraph (3) of section 1010(b) of the Controlled Substances Import and Export Act (21 U.S.C. § 960(b)(3)) is amended by striking out ", except as provided in paragraph (4)".

JUSTICE ASSISTANCE (CHAPTER VI)

Sec. 52. (a) Part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. §§ 3796–3796c) is amended by adding at the end thereof the following new section:

"JUDICIAL REVIEW

"1205. The United States Claims Court shall have exclusive jurisdiction over all actions seeking review of the final decisions of the Bureau under this part.".

(b) The table of contents of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. §§ 3701–3799) is amended by inserting after the item relating to section 1204 the following:

"1205. Judicial review.".

LABOR RACKETEERING AMENDMENTS (CHAPTER VIII)

Sec. 53. Paragraph (2) of section 411(a) of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1111(a)(2)) is amended by striking out "entity" and inserting in lieu thereof "person".

CURRENCY AND FOREIGN TRANSACTIONS REPORTING ACT AMENDMENTS (CHAPTER IX)

Sec. 54. Paragraph (2) of section 5316(a) of title 31 of the United States Code is amended by striking out "$5,000" and inserting in lieu thereof "$10,000".

MISCELLANEOUS VIOLENT CRIME AMENDMENTS (CHAPTER X)

Sec. 55. Subsection (a) of section 373 of title 18 of the United States Code is amended by—

(1) inserting after the words "the person or property of another" the words ", or against such person's own property,"; and

(2) inserting before the word "death" the words "life imprisonment or".

Sec. 56. Subsection (c) of section 924 of title 18 of the United States Code is amended by—

(1) adding after the words "during and in relation to any" the words "felony described in the Controlled Substances Act (21 U.S.C. § 801 et seq.), the Controlled Substances Import and Export Act (21 U.S.C. § 951 et seq.), or section 1 of the Act of September 15, 1980 (21 U.S.C. § 855a), or any";

(2) adding after the words "in addition to the punishment provided for such" the words "felony or"; and

(3) adding after the words "term of imprisonment including that imposed for the" the words "felony or".

Sec. 57. Subsection (a) of section 929 of title 18 of the United States Code is amended by—

(1) adding after the words "during and in relation to the commission of a" the words "felony described in the Controlled Substances Act (21 U.S.C. § 801 et seq.), the Controlled Substances Import and Export Act (21 U.S.C. § 951 et seq.), or section 1 of the Act of September 15, 1980 (21 U.S.C. § 855a), or a";

(2) adding after the words "in addition to the punishment provided for the commission of such" the words "felony or"; and

(3) adding after the words "terms of imprisonment including that imposed for the felony" the words "or crime of violence".

Sec. 58. (a) Subsection (d) of section 1201 of title 18 of the United States Code is amended by adding the words "or (a)(5)" after the words "subsection (a)(4)".

(b) Paragraph (2) of section 115(b) of title 18 of the United States Code is amended to read as follows:

"(2) A kidnaping or attempted kidnaping in violation of this section shall be punished as provided in section 1201 of this title for the kidnaping or attempted kidnaping of a person described in section 1201(a)(5) of this title.".

Sec. 59. (a) Chapter 65 of title 18 of the United States Code is amended by redesignating section 1365 as enacted by Public Law Number 98–473 as section 1366.

(b) The analysis at the beginning of chapter 65 of title 18 of the United States Code is amended by striking out "1365" the second time it appears and inserting in lieu thereof "1366".

SERIOUS NONVIOLENT OFFENSES (CHAPTER XI)

Sec. 60. Section 215 of title 18 of the United States Code is amended—

(1) in subsections (a) and (b) by inserting the words ", bank holding company, or savings and loan holding company" after the words "financial institution" the second and third place in which they appear;

(2) in subsection (c)(1)(D) by striking out "Administrator of the"; and

(3) in subsection (d) by inserting the words ", bank holding company, or savings and loan holding company" after the words "financial institution" each place in which they appear.

Sec. 61. Section 219 of title 18 of the United States Code is amended—

(1) in the first paragraph to read:

"Whoever, being a public official, is or acts as an agent of a foreign principal required to register under the Foreign Agents Registration Act of 1938, as amended, shall be fined not more than $10,000 or imprisoned for not more than two years, or both."; and

(2) in the last paragraph by striking out "the Delegate from the District of Columbia" and inserting in lieu thereof "Delegate", and by striking out ", or a juror".

Sec. 62. (a) Chapter 25 of title 18 of the United States Code is amended by redesignating section 511 as enacted by Public Law Number 98–473 as section 513.

(b) The analysis at the beginning of chapter 25 of title 18 of the United States Code is amended by striking out "510. Securities of the State and private entities.", and by adding at the end thereof "513. Securities of the States and private entities.".

Sec. 63. (a) Sections 1791 and 1792 of title 18 of the United States Code are amended by striking out the phrase "Federal penal or correctional facility" each time it appears and inserting in lieu thereof "Federal penal, detention, or correctional facility".

(b) Section 1791 of title 18 of the United States Code is further amended—

(1) in subparagraph (a)(1)(B) by adding the words "ammunition or" before "any other weapon";

(2) in subparagraph (a)(1)(C) by adding before the semicolon the words ", lysergic acid diethylamide, or phencyclidine";

(3) in subparagraph (a)(1)(D) by striking out "other than a narcotic drug, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)" and inserting in lieu thereof "other than a controlled substance described in subparagraph (C)"; and

(4) by making subsection (c) read as follows:

"(c) Definitions.—As used in this section, 'ammunition', 'firearm', and 'destructive device' have the meaning given those terms, respectively, in 18 U.S.C. 921.".

PROCEDURAL AMENDMENTS (CHAPTER XII)

Sec. 64. Subsection (e) of section 1028 of title 18 of the United States Code is amended by striking out "title V of the Organized Crime Control Act of 1970 (18 U.S.C. note prec. 3481)" and inserting in lieu thereof "chapter 224 of this title".

Sec. 65. Subsection (f) of section 1029 of title 18 of the United States Code is amended by striking out "title V of the Organized Crime Control Act of 1970 (18 U.S.C. note prec. 3481)" and inserting in lieu thereof "chapter 224 of this title".

Sec. 66. Section 3076 of title 18 of the United States Code is amended by striking out "title V of the Organized Crime Control Act of 1970" and inserting in lieu thereof "chapter 224 of this title".

Sec. 67. Section 3522 of title 18 of the United States Code is amended—

(1) in subsection (a) by striking out the word "parolees" in the second sentence and inserting in lieu thereof "probationers or parolees, as the case may be";

(2) in subsection (b)—

(A) by striking out "subsection (a)" and inserting in lieu thereof "probation or parole"; and

(B) by striking out the word "shall" and inserting in lieu thereof "may";

(3) by striking out subsection (c); and

(4) by redesignating subsection (d) as subsection (c).

Sec. 68. Rule 29 of the Federal Rules of Criminal Procedure is amended by adding a new subdivision (d) as follows:

"(d) Same: Conditional Ruling on Grant of Motion. If the motion for judgment of acquittal after verdict of guilty, provided for in subdivision (c), is granted, the court shall also rule on the motion for a new trial, if any, by determining whether it should be granted if the judgment is thereafter vacated or reversed, and shall specify the grounds for granting or denying the motion for the new trial. If the motion for a new trial is thus conditionally granted, the order thereon does not affect the finality of the judgment. In case the motion for a new trial has been conditionally granted and the judgment is reversed on appeal, the new trial shall proceed unless the appellate court has otherwise ordered. In case the motion for a new trial has been conditionally denied, the appellee on appeal may assert error in that denial; and if the judgment is reversed on appeal, subsequent proceedings shall be in accordance with the order of the appellate court.

Sec. 69. Section 1921 of title 28 of the United States Code is amended by adding the following new paragraph at the end thereof:

"Notwithstanding the provisions of section 3302 of title 31, the United States Marshals Service is authorized, to the extent provided in appropriations acts, to credit to its appropriation account all fees, commissions, and expenses collected for—

"(1) the service of civil process, including complaints, summonses, subpenas, and similar process; and

"(2) seizures, levies, and sales associated with judicial orders of execution,

by the United States Marshals Service and to use such credited amounts for the purpose of carrying out such activities.".

VICTIM COMPENSATION AND ASSISTANCE (CHAPTER XIV)

Sec. 70. Section 3013 of title 18 of the United States Code is amended by adding the following new subsection at the end thereof:

"(c) No assessment shall be imposed on any person convicted of an offense for which local rules of the district court, or other federal law, establishes that collateral may be posted in lieu of appearance in court.".

Sec. 71. Subsection (a) of section 3671 of title 18 of the United States Code, as enacted by section 1406(a) of the Comprehensive Crime Control Act of 1984, is amended by striking out "chapter 227 or 231 of" after the words "an order of restitution under".

Sec. 72. (a) Sections 3671 and 3672 of title 18 of the United States Code, as enacted by section 1406(a) of the Comprehensive Crime Control Act of 1984, are redesignated as sections 3681 and 2682, respectively.

(b) The sectional analysis of chapter 232 of title 18 of the United States Code, as added by section 1406(a) of the Comprehensive Crime Control Act of 1984, is amended by striking out "3871" and "3672" and inserting in lieu thereof "3681" and "3682", respectively.

Sec. 73. (a) Chapter 232 of title 18 of the United States Code, as enacted by section 1406(a) of the Comprehensive Crime Control Act of 1984, is redesignated as chapter 232A.

(b) The chapter analysis of part II of title 18 of the United States Code is amended by striking out the item relating to chapter 232, as added by section 1406(b) of the Comprehensive Crime Control Act of 1984, and inserting in lieu thereof the following:

"232A. Special forfeiture of collateral profits of crime .... 3681".

Sec. 74. Subsection (e) of section 1402 of the Comprehensive Crime Control Act of 1984 is amended by—

(1) striking out "the next succeeding fiscal year" and inserting in lieu thereof "the next two succeeding fiscal years"; and

(2) striking out "year" after "at the end of which".

Sec. 75. Section 1407 of the Comprehensive Crime Control Act of 1984 is amended—

(1) in subsection (h) by striking out "1302" and inserting in lieu thereof "1402"; and

(2) by redesignating subsection (h) as subsection (g).

Sec. 76. Chapter XIV of the Comprehensive Crime Control Act of 1984 is amended by striking out section 1410.

Sec. 77. (a) Chapter 113 of title 18 of the United States Code is amended by redesignating section 2320 as enacted by Public Law Number 98–473 as section 2321.

(b) The analysis at the beginning of chapter 113 of title 18 of the United States Code is amended by striking out "2320. Trafficking in counterfeit goods or services.", and by adding at the end thereof "2321. Trafficking in counterfeit goods or services.".

ACCESS DEVICES AND COMPUTERS (CHAPTER XXI)

Sec. 78. Section 1030 of title 18 of the United States Code is amended by adding the following new paragraph at the end thereof:

"(f) This section does not prohibit any lawfully authorized investigative, protective, or intelligence activity of a law enforcement agency of the United States, a State, or a political subdivision of a State, or of an intelligence agency of the United States.".

MISCELLANEOUS AMENDMENTS

Sec. 79. Section 3 of title 18 of the United States Code is amended by inserting before the word "death" the words "life imprisonment or".

Sec. 80. (a) Chapter 1 of title 18 of the United States Code is amended by adding a new section 17 as follows:

"§ 17. Organization defined

"For purposes of this title, the term 'organization' means a person other than an individual.".

(b) The sectional analysis for chapter 1 of title 18 of the United States Code is amended by adding after the item relating to section 16 the following:

"17. Organization defined.".

Sec. 81. Subsection (a) of section 201 of title 18 of the United States Code is amended by striking out "the Delegate from the District of Columbia" and inserting in lieu thereof "Delegate".

Sec. 82. Paragraph (1) of section 203(a) of title 18 of the United States Code is amended by striking out "Delegate from the District of Columbia, Delegate Elect from the District of Columbia" and inserting in lieu thereof "Delegate, Delegate Elect".

Sec. 83. Subsection (h) of section 844 of title 18 of the United States Code is amended to read as follows:

"(h) Whoever uses fire or an explosive to commit, or carries an explosive during the commission of, any felony which may be prosecuted in a court of the United States, including a felony which provides for an enhanced punishment if committed by the use of a deadly or dangerous weapon or device, shall, in addition to the punishment provided for such felony, be sentenced to imprisonment for five years. In the case of his second or subsequent conviction under this subsection, such person shall be sentenced to imprisonment for ten years. Notwithstanding any other provision of law, the court shall not place on probation or suspend the sentence of any person convicted of a violation of this subsection, nor shall the term of imprisonment imposed under this subsection run concurrently with any other term of imprisonment including that imposed for the felony in which the fire or explosive was used or the explosive was carried. No person sentenced under this subsection shall be eligible for parole during the term of imprisonment imposed herein.".

Sec. 84. Section 1961(1) of title 18 of the United States Code is amended by adding, after the words "section 1511 (relating to the obstruction of State or local law enforcement)," the words "section 1512 (relating to tampering with a witness, victim, or an informant), section 1513 (relating to retaliating against a witness, victim, or an informant,".

Sec. 85. The first and second paragraphs of section 2315 of title 18 of the United States Code are amended by—

(1) inserting "possesses," after "receives,"; and

(2) striking out "moving as, or which are a part of, or which constitute interstate or foreign commerce," and inserting in lieu thereof "which have crossed a State or United States boundary after being stolen, unlawfully converted, or taken,".

MINOR AND TECHNICAL AMENDMENTS TO COMPREHENSIVE CRIME CONTROL ACT OF 1984

SECTION-BY-SECTION ANALYSIS

The proposed bill makes minor and technical amendments to federal law in response to enactment of the Comprehensive Crime Control Act of 1984, Pub. L. No. 98–473, which was signed by the President on October 12, 1984. Some of the amendments made by the proposal result from the fact that the Act was passed in the final days of the 98th Congress when other statutes amending title 18 of the United States Code were also enacted. As a consequence, several section numbers of title 18 were duplicated. In other cases the proposal makes corrections to take into account the effect of certain sections of the Act on other statutes. In addition, the proposed bill contains minor amendments to add provisions inadvertently deleted from the final version of H.J. Res. 648, which the 98th Congress enacted as the Comprehensive Crime Control Act of 1984, or to clarify provisions now recognized as nuclear or problematic. In a few instances, amendments are proposed to provisions not directly affected by the Comprehensive Act, but where the same kind of perceived ambiguity or problem associated with a provision of that Act is also present in another statute.

BAIL (CHAPTER I)

Section 1 amends 18 U.S.C. § 3142(f)(1), as enacted by section 203 of the Comprehensive Crime Control Act of 1984, to modify the category of prosecutions for which pretrial detention on grounds of dangerousness would be authorized so as to clearly include serious explosives and forearms violations. Chapter I of the Comprehensive Crime Control Act of 1984 revised the bail statutes (18 U.S.C. § 3141 et seq.) to authorize pretrial detention on grounds of danger to the community in certain prescribed categories of offenses. The principal category of offenses, apart from those carrying a possible sentence of life imprisonment or death and certain controlled substances violations, is "a crime of violence". 18 U.S.C. § 3142(f)(1)(A). The term "crime of violence" is defined to mean an offense that has as an element the use or threatened use of physical force against the person or property of another, or any other felony offense that by its nature involves a substantial risk that physical force against the person or property of another may be used "in the course of committing the offense". 18 U.S.C. § 16 (as enacted by section 1001 of the Comprehensive Crime Control Act of 1984).

While the definition of "crime of violence" would clearly encompass crimes in which a firearm or explosive is used as a means of committing an offense of broader definition, such as using an explosive to commit arson or to damage a federal building, or using a firearm to commit a bank robbery, it may not reach other dangerous offenses involving the transfer or possession of firearms or explosives themselves. For example, while a transfer of explosives and weapons to an organization which evidently intends to use the materials in terrorist activities is clearly an offense that poses a danger to human life and property, the offense itself—i.e., the transfer of the explosives and firearms from A to B—could be construed not to be an offense that "by its nature" involves a substantial risk that physical force will be used "in the course of committing the offense," but rather as one in which the risk is that force will be used upon future victims as a consequence of the offense. A similar example is possession of a firearm by a previously convicted felon under 18 U.S.C. App. § 1202. The addition of felony firearms and explosives offenses to the categories of offenses listed in 18 U.S.C. § 3142(f)(1) would clarify the intended scope of, and is consistent with the types of offenses currently included within, this provision—those underlying offenses that evidence a significant likelihood that the perpetrator may pose a danger to the community. Accordingly, the amendment adds to section 3142(f) an enumeration of the felony provisions involving explosives and firearms offenses in the United States Code the perpetrators of which are liable to be dangerous, so that in appropriate cases, such as sales to terrorists or possession offenses involving career criminals, the public may be protected by the invocation of the pretrial detention statute.

Section 1(b) of the proposed bill amends 18 U.S.C. § 3142(f)(1)(E), as amended by section 203 of the Comprehensive Crime Control Act of 1984 and as redesignated by subsection (a) of this section of the proposal, to provide that a pretrial detention hearing shall be held upon motion of the Government in a felony case if the defendant has been convicted of two or more offenses of the types described in subparagraphs (A) through (D) of section 3142, regardless of whether the felony in question was committed after the other convictions. Under the Act as written, if a person were charged with, e.g., a felony committed before his commission and conviction of two other violent felonies, the pretrial detention provisions would not be applicable. This is, however, a clear anomalous result not in keeping with the evident congressional purpose, since the reason for permitting pretrail detention of a person with a prior record of violent or drug felonies is that such a person has already established a propensity to commit expecially serious crimes. The amendments also clarify that a combination of two or more prior Federal, State, and local offenses of the types described in subparagraphs (A) through (D) of section 3142(f)(1) warrants a pretrial detention hearing in a felony prosecution.

Subsection (c) makes a purely technical amendment of 18 U.S.C. § 3142(f)(2) to add the word "or" between subparagraphs (A) and (B).

The amendment in subsection (d), explicitly granting the court discretion to reopen the detention hearing, is to clarify that such power exists notwithstanding the time constraints set forth in subsection (f) which require that the hearing be held "immediately" upon the person's first appearance unless a brief continuance is sought. The overriding purpose of the pretrial detention provision is to determine whether there are conditions that will adequately assure the person's appearance at trial and protect the public. If information not known at the time of the hearing that may have a material bearing on the determination becomes known to either the government or the individual, then common sense dictates that the court should have the power to reopen the hearing to consider the information and to reverse of modify its initial order (if such order has been entered) accordingly. The clarification is needed inasmuch as some lower courts in unreported orders have held, erroneously in our view, that the structure of subsection (f) is such as to preclude the usual authority of a judicial officer to entertain a motion for reconsideration.

Nothing in the proposed amendment is designed to create an implication that a court lacks inherent detention authority to deal with a situation in which, although no detention hearing was initiated at the defendant's first appearance, there is subsequent information that the defendant has threatened or plans to injure or intimidate a juror or witness or plans to flee. Cases arising under the 1966 Bail Reform Act recognized an inherent right of the trial court to protect the integrity of the judicial process by ordering detention if necessary in such circumstances, *United States* v. *Wind*, 527 F.2d 672 (6th Cir. 1975); *United States* v. *Gilbert*, 425 F.2d 3 (D.C. Cir. 1969); *United States* v. *Abrahams*, 575 F.2d 3 (1st Cir. 1978), and nothing in the 1984 Act should be deemed to limit that power. In fact, in *United States* v. *Resek*, 602 F. Supp. 1126, 1130 (S.D. N.Y. 1985), the court recognized that under the 1984 Act—specifically, 18 U.S.C. § 3142(c), which allows the amendment of a release order at any time—the government may seek a detention order after the defendant's first appearance if it has new information.

SENTENCING (CHAPTER II)

Chapter II of the Comprehensive Crime Control Act off 1984 provides significant reforms in the area of sentencing. It establishes determinate sentencing and provides for the creation of sentencing guidelines so as to eliminate the disparity and uncertainty characteristic of the current sentencing system. It also abolishes parole and treats probation as a form of sentence rather than as a suspension of imposition of a sentence. The amendments made by the proposal clarify provisions in and make technical corrections to the sentencing scheme established by chapter II of the Act. However, the amendments made herein are not designed to alter the purposes of sentencing reform as established by chapter II of the Act.

It should be noted that where a provision contained in this proposal amends a section of chapter II of the Comprehensive Crime Control Act of 1984, upon enactment, such amendment will become effective when chapter II of the Act becomes effective. However, where a provision of this proposed legislation amends a section of law currently in effect, such amendment is intended to have immediate effect.

Fines

Section 2 through 8 of the proposal amend title 18 of the United States Code and chapter II of the Comprehensive Crime Control Act of 1984 to preserve, with one major exception discussed later, provisions of the Criminal Fine Enforcement Act of 1984 (CFEA), Public L. No. 98-596, that would otherwise be repealed when chapter II of the Comprehensive Act goes into effect. The amendments seek to preserve the CFEA provisions in a format consistent with that of chapter II of the Comprehensive Act. In general, the CFEA amended chapters 227, 229, and 231 of title 18, which will be repealed by section 212(a)(2) of the Comprehensive Act, and 18 U.S.C. § 1, which will be repealed by section 218(a) of the Comprehensive Act on its effective date. In addition, the amendments preserve certain provisions of chapter II of the Comprehensive Act not reflected in the CFEA, such as 18 U.S.C. § 3573, concerning the modification or remission of a fine.

Section 2 adds a new chapter 28 and new section 562 to title 18, United States Code, proscribing the offense of criminal default on a fine. The amendment merely moves section 3621 of title 18, as enacted by section 6 of the CFEA, to new chapter 28 in part I of title 18. Since part I of title 18 sets forth substantive crimes and part II contains procedural provisions, the former is a more logical location for the offense of criminal default on a fine.

Section 3 of the proposal amends section 212(a) of the Comprehensive Crime Control Act of 1984 with respect to 18 U.S.C. § 3559(a), which provides a sentencing classification of offenses. The amendment provides that a Class B or C midemeanor or an infraction is a petty offense. The amendment preserves the concept of petty offense, currently defined in 18 U.S.C. § 1, which is repealed by section 218(a) of the Comprehensive Act. Along with certain other provisions in the proposal, this section of the proposed legislation in effect carries out the purpose behind the amendment of 18 U.S.C. § 1 by section 8 of the CFEA, which defines petty offenses as subject to greater fines than under prior law.

Section 4 amends section 212(a) of the Comprehensive Act by substituting a new subchapter C in chapter 227 of title 18, United States Code, for the subchapter enacted by the Act. The proposed subchapter generally deals with the imposition and modification of fines. Proposed section 3571 of title 18 establishes the maximum fines applicable to categories of offenses, except to the extent that a greater amount is specified in the section setting forth the offense and except as otherwise provided in chapter

227. The amounts provided accord with those set forth in 18 U.S.C. § 3623, as enacted by the CFEA. Like section 3623(c) as enacted by the CFEA, proposed section 3571(c) provides an alternate authorized fine, applicable to all cases, of twice the gross gain or loss resulting from the offense. It is recognized that these alternate authorized fines will transform some petty offense cases, which would otherwise be tried before magistrates, into cases tried before district courts—barring consent by the defendant to trial before a magistrate.

Proposed section 3572(a) of title 18, United States Code, sets forth the factors to be considered in imposing a fine and is essentially equivalent to 18 U.S.C. § 3622, as enacted by the CFEA. Section 3572(b), as set forth in the proposal, which limits the aggregate of multiple fines that may be imposed, is similar to 18 U.S.C. § 3623(c)(2) as enacted by the CFEA, except that it does not apply to alternate authorized fines imposed under proposed section 3571(c). The remainder of proposed section 3572 carries forward provisions of the CFEA (particularly, 18 U.S.C. §§ 3565 (a)(1), and (b), and 3624), except that proposed subsection (e) of section 3572, concerning the effect of finality of a judgment including a sentence to pay a fine, reflects a provision of the Comprehensive Act (18 U.S.C. § 3572(c)) not included in the CFEA.

Proposed 18 U.S.C. § 3573, concerning the modification or remission of a fine, is derived from a similar provision in the Comprehensive Act. There is no equivalent provision in the CFEA.

Proposed section 3574 of title 18 states that the implementation of a sentence to pay a fine is governed by subchapter B of chapter 229.

Section 5 amends section 212(a) of the Comprehensive Crime Control Act of 1984 in 18 U.S.C. § 3583(d), regarding conditions of supervised release. The amendment provides that the court must include as a mandatory condition of supervised release that the defendant make a diligent effort to pay a fine if one is imposed but removes the actual payment of a fine as a possible condition of supervised release. Thus, while the court must require the defendant to make a diligent effort to pay a fine imposed, under the amendment it cannot condition a term of supervised release on fulfillment of the requirement to pay a fine. This amendment carries forward the objective of section 7 of the CFEA, which amended 18 U.S.C. § 4209(a) regarding conditions of parole.

Section 6 of the proposal amends section 212(a) of the Comprehensive Act by revising subchapter B of chapter 229, title 18, United States Code, concerning the implementation of a sentence to pay a fine. Proposed section 3611 deals with the payment of a fine and carries forward similar provisions in 18 U.S.C. § 3565, as amended by the CFEA, with the notable exception that proposed section 3611 provides for the payment of fines to the clerk of the court, rather than to the Attorney General. The Justice Department's experience to date has shown that payment of fines to the Department has created significant difficulties that can best be resolved only through a return to the prior practice of payment of fines to the clerk of the court.

Proposed section 3612 concerns collection of an unpaid fine and incorporates provisions of 18 U.S.C. § 3565, as amended by the CFEA, with some minor variations.

Proposed section 3613 sets forth the civil remedies available for satisfaction of an unpaid fine. In effect, it carries forward 18 U.S.C. § 3565(a)(1) (as amended by the CFEA), which provides that a criminal fine may be enforced by execution against the property of the person fined in the same manner as a judgment in a civil case. The proposed section also incorporates the amendments of 18 U.S.C. § 3565 made by the CFEA authorizing the treatment of a criminal fine as a tax lien and specifying the effect of any execution on salary or other income. Finally, proposed section 3613 incorporates 18 U.S.C. § 3613(f), as enacted by the Comprehensive Act, providing that a discharge of debts pursuant to a bankruptcy or insolvency proceeding shall not render a lien imposed under section 3613 unenforceable and shall not discharge liability to pay a fine. The CFEA does not include such a provision, which clarifies the effect of bankruptcy or insolvency proceedings on the liability to pay a fine. However, given the importance of fines to the goals established by chapter II of the Comprehensive Act, the provision is needed to override any bankruptcy or other law that may in certain cases allow for a discharge of liability to pay a fine.

Section 7 of the proposal amends section 212(a) of the Comprehensive Crime Control Act of 1984 in 18 U.S.C. § 3624(e), regarding supervision after release of a prisoner. The language amended currently provides that a prisoner shall not be released on supervision unless he agrees to adhere to an installment schedule not to exceed two years except in special circumstances to pay for any fine imposed for the offense. The amendment deletes the requirement that the installment schedule not exceed two years except in special circumstances since there are situations in which a longer period of time for payment may be warranted. Moreover, proposed 18 U.S.C. § 3572(c) provides that if an installment schedule is imposed by the court at the time of sentencing, the schedule may extend for five years after the date of sentencing, excluding any period during which the defendant is imprisoned.

Section 8 of the proposal amends section 212(a) of the Comprehensive Crime Control Act of 1984 by amending 18 U.S.C. § 3673, which sets forth definitions for chapters 227 and 229. The amendment adds a definition of the term "fine" to mean a fine, a monetary penalty, or, for purposes of chapter 229, an assessment imposed in a criminal case. This amendment is necessary to clarify that the provisions contained in this proposal regarding fines apply as well to criminal monetary penalties (such as the twenty-five percent penalty that may be imposed under proposed 18 U.S.C. § 3612(c) for a fine not paid within ninety days after it is due) and, for purposes of chapter 229, to assessments (such as the special assessment imposed on convicted persons under 18 U.S.C. § 3013, as enacted by section 1405 of the Comprehensive Act). The CFEA addressed this issue by specifically including a reference to fines or penalties throughout.

It should be noted that the proposal does not preserve 18 U.S.C. § 3569, concerning the discharge of an indigent prisoner, as amended by section 3 of the CFEA. Section 3569 provides that an indigent prisoner confined solely for nonpayment of a fine may apply to the nearest United States magistrate in the district in which he is imprisoned for release based on his inability to pay the fine. This section is not carried forward in this proposal because it is not needed in light of certain other included provisions. At the outset it should be noted that under proposed 18 U.S.C. § 3572(a)(1) one of the factors the court must consider in imposing a fine is the ability of the defendant to pay the fine in view of the defendant's income, earning capacity, and financial resources. Moreover, under proposed 18 U.S.C. § 3572(d)(1), the "stand-committed" fine provision, a person may only be imprisoned until a fine is paid if the court finds by a preponderance of the evidence that the person has the present ability to pay it. Thus, the basic premise of 18 U.S.C. § 3569—that an indigent defendant would be imprisoned for the nonpayment of a fine—is not a realistic likelihood under the amendments. Moreover, under proposed section 3573 a defendant who has been sentenced to pay a fine may petition the court for a remission of all or part of the unpaid portion, based on exceptional circumstances that preclude him from paying a reasonable portion of the fine, and the court may enter an appropriate order after considering the provisions applicable to the initial imposition of the sentence to pay a fine.

Other sentencing amendments

Section 9 repeals 18 U.S.C. § 4216, which authorizes the imposition of sentence pursuant to the Federal Youth Corrections Act, chapter 402 of title 18, for young adult offenders who are at least twenty-two years of age but not yet twenty-six at the time of conviction. Since section 218 of the Comprehensive Crime Control Act of 1984 repealed the Federal Youth Corrections Act, effective October 12, 1984, thereby nullifying section 4216, as intended, the amendment made by the proposed bill merely removes from the books a statute that was effectively repealed.

Section 10 amends 28 U.S.C. § 992(c), concerning the terms of office and compensation of members of the Sentencing Commission, as enacted by section 217 of the Act. Paragraph (1) of the amendment makes technical corrections to a reference to section 235(a)(1)(B)(ii) of the Sentencing Reform Act of 1984 (chapter II of the Comprehensive Act), regarding the effective date of the sentencing guidelines.

Section 10(2) amends 28 U.S.C. § 992(c), which provides that persons engaged in full-time service on the Commission are to be compensated at the same rate as federal appellate judges. The amendment clarifies that the increase in the salary of a district judge appointed to serve on the Commission is a separate stipend compensating him for such service—not part of the salary of his judicial office—and that this increment is accordingly to be terminated at the conclusion of the service for which it is provided.

Section 10(3) adds new subsection (d) to 28 U.S.C. § 992 to waive the normal requirement that district judges must live in their districts and circuit judges must live in their circuits so as to enable judges engaged in full-time service on the Sentencing Commission to live near the place or places in which it carries on its activities.

Section 11 of the proposed bill amends 28 U.S.C. § 994, regarding duties of the Sentencing Commission, as enacted by section 217 of the Act. The amendments of section 994 (a)(2)(C) and (a)(3) (in paragraphs (1) and (2)) add references to 18 U.S.C. §§ 3564 and 3583(e), concerning modification of the term of probation and modification or revocation of supervised release, respectively, to the requirement that the Sentencing Commission issue guidelines and policy statements. Paragraph (3) of this section of the proposal amends subsection (b) of section

994, which currently provides that the Commission shall establish in the sentencing guidelines a sentencing range for each category of offense involving each category of defendant and that if the sentence specified by the guidelines includes a term of imprisonment, the maximum for the term shall not exceed the minimum by more than 25 percent. Since the provision does not address the question of an appropriate range when the maximum of the range is life imprisonment, the amendment in paragraph (3) adds that in this case the minimum shall not be less than thirty years.

Section 11(4) amends subsection (h) of 28 U.S.C. § 994, which requires that the sentencing guidelines specify a sentence to a term of imprisonment at or near the maximum authorized by 18 U.S.C. § 3581(b) for defendants convicted of certain serious offenses. The amendment deletes the reference to 18 U.S.C. § 3581(b) as inappropriate since under 18 U.S.C. § 3559(b)(2) the maximum term of imprisonment will be the maximum prescribed by the statute describing the offense (rather than the maximum set forth in section 3581(b)). The amendment in paragraph (5) corrects a reference in section 994(q) to the Sentencing Reform Act of 1984.

Paragraph (6) of section 11 amends subsection (t) of 28 U.S.C. § 994, which provides that if the Commission reduces the term of imprisonment recommended in the guidelines for a particular offense or category of offenses, it shall specify by what amount the sentences of prisoners serving terms of imprisonment "that are outside the applicable guideline ranges" may be reduced. The amendment deletes the requirement that reduction of a sentence apply to terms of imprisonment outside the applicable guideline ranges and further provides that the Commission shall specify under what circumstances a sentence may be reduced. The amendment is needed because section 994(t) would most likely be construed to mean that the phrase "that are outside the applicable guideline ranges" refers to the new guideline ranges. See S. Rep. No. 98–225, 98th Cong., 1st Sess. 180 (1983). Under this construction a prisoner sentenced below the old guideline, but whose sentence falls within the reduced guideline, cannot have his sentence reduced when the term of imprisonment recommended in the guideline is reduced. If a judge sentenced one codefendant within (the old) guidelines and another below these guidelines because of mitigated culpability, the result would be that the more culpable defendant could have his sentence reduced to a level within the new guideline range while the less culpable defendant, whose sentence already fell within the new guideline range, could not have his sentence reduced. Consequently, the distinction between the two defendants might be eliminated because of the reduction of the term of imprisonment recommended in the guidelines. Indeed, it is even possible that the more culpable defendant would have his sentence reduced to the middle of the new guideline range while the less culpable one would be left with a sentence in the high end of the new range. As amended, section 994(a) would authorize the Commission to specify under what circumstances and by what amount a sentence may be reduced regardless of whether a particular sentence falls within the new guideline range.

Section 12 amends section 212 of the Comprehensive Crime Control Act of 1984 with respect to 18 U.S.C. § 3552(b), concerning presentence studies and reports, to clarify that the United States marshal shall return the defendant to the court for final sentencing only if the defendant is in custody. In addition, it amends section 3552(c) to provide that a presentence examination and report by a psychiatric or psychological examiner be carried out pursuant to 18 U.S.C. § 4244, which (as amended by chapter IV of the Act) provides the basis for the hospitalization of a convicted person suffering from a mental disease or defect.

Sections 13 through 15 amend section 212(a) of the Comprehensive Crime Control Act of 1984 to make several amendments to 18 U.S.C. § 3553, dealing with the imposition of a sentence. Section 13 adds language to the end of section 3553(b) to clarify that in the absence of an applicable sentencing guideline, the court shall impose an appropriate sentence taking into account the guidelines for similar offenses and offenders and the purposes of sentences set forth in section 3553(a)(2). This language is needed because a defendant may be convicted under a new crime before guidelines are established for it and because an existing guideline may be declared invalid. The legislation does not currently include guidance for district court judges about sentencing in these circumstances.

Section 14 amends subsection (c) of 18 U.S.C. § 3553 to provide that the court shall include a statement of the reason for ordering only partial restitution to a victim. This change is a technical amendment to conform the language of this subsection with the similar language of 18 U.S.C. § 3663(a)(2), as redesignated by the Act from 18 U.S.C. § 3579(a)(2).

Section 15 amends 18 U.S.C. § 3553(d), to delete the requirement that the court give notice to the parties before imposing an order of restitution pursuant to section 3556 and that it allow opportunity for the parties to address matters relevant to such an order both in written and oral form. The notice requirement in this context would add an extra, time-consuming step to the sentencing process and is unnecessary to protect the rights of defendants. Sections 3663 and 3664 (as redesignated by chapter II of the Act from sections 3579 and 3580) require that the imposition of a restitution order be considered routinely. Moreover, under Rule 32(c) of the Federal Rules of Criminal Procedure, the presentence report must address the restitution needs of the victim, and under section 3552(d) the report must be disclosed to the defendant and counsel ten days before sentencing. In light of these requirements, it makes no sense to add an additional requirement that the court give notice that it is considering imposing a restitution order.

Section 16 amends section 212(a) of the Act to delete inappropriate language from 18 U.S.C. § 3561(a), concerning probation. Specifically, the amendment deletes a sentence which states that the fulfillment of the terms and conditions of probation discharges the defendant's liability for any unexecuted fine or other punishment imposed as to which probation is granted. Since chapter II of the Act makes probation a sentence in its own right and does not base it on the suspension of a sentence imposing a fine or imprisonment, the language deleted is inappropriate.

Section 17 amends section 212(a) of the Act with respect to 18 U.S.C. §§ 3563 (a)(2) and (b)(11), regarding mandatory and discretionary conditions of probation. Section 3563(a)(2) requires that if probation is imposed for a felony, the sentence also include one or more of a fine, restitution, or community service. The amendment would provide a safety-valve exception to this requirement by allowing the court not to impose a fine, restitution, or community service in extraordinary circumstances as provided by the Sentencing Commission.

The amendment to subsection (b)(11) deletes an incorrect reference to 18 U.S.C. § 3581(b) as the section which specifies terms of imprisonment authorized for offenses. Under section 3559(b)(2) the maximum term of imprisonment for an offense not classified by letter grade in the statute defining it will be the maximum prescribed by that statute (rather than the maximum set forth in section 3581(b)).

Section 18 amends section 212(a) of the Act with respect to 18 U.S.C. § 3563(c), regarding modification of the conditions of probation, to qualify the overly broad requirement that in all cases of modification, reduction, or enlargement of the conditions the court must hold a hearing prior to taking action. Instead, the amendment allows modification of the conditions of probation pursuant to the provisions of Rule 32.1, as amended by subsection (b) of this section. As a result, the court may modify the conditions of probation without a hearing if the following conditions are met—the relief to be granted the probationer must be favorable to him and the attorney for the government, after having been notified of the proposed relief and given a reasonable opportunity to object, must not have objected. Rule 32.1 currently allows the granting of relief favorable to the probationer without a hearing but is amended by subsection (b) of this section to impose this notification requirement. Without the notification requirement, the court would be free under the current rule to modify the conditions of probation in the probationer's favor without informing the government.

Section 19(a) amends section 212(a) of the Act to provide in 18 U.S.C. § 3564(b) that a term of probation does not run while a defendant is imprisoned for a federal, State, or local conviction unless the imprisonment is for a period of less than thirty consecutive days. The amendment merely clarifies similar language in the current provision.

Subsection (b) of section 19 amends section 212(a) of the Act with respect to 18 U.S.C. § 3564(c) to add the requirement that a court must, among other things, comply with the provisions of Rule 32.1 of the Federal Rules of Criminal Procedure in order to bring about an early termination of probation. Rule 32.1 is amended by this proposal to require notification to the attorney for the government and no objection by the government before action favorable to the defendant can be taken without a hearing. The amendment of 18 U.S.C. § 3564(c) is consistent with the amendment by this proposal of 18 U.S.C. § 3563(c), regarding modification of the conditions of probation.

Section 20 amends section 212(a) of the Act with regard to 18 U.S.C. § 3583(b) to lengthen the authorized terms of supervised release. As enacted, this section provides that for a Class A or B felony the maximum term of supervised release is three years; for a Class C or D felony, two years; and for a Class E felony or a misdemeanor, one year. The amendment would increase the maximum term of supervised release authorized for a Class A or B felony to five years and for a Class C or D felony to three years; the term for a Class E felony or a misdemeanor would be left unchanged. This amendment is needed because it is believed that the

terms originally enacted will not adequately protect the public and deter criminal activity. Moreover, for the most serious offenders, the periods of supervised release enacted by the Comprehensive Act would have been considerably shorter than periods of supervision available under prior law. It should be noted that under 18 U.S.C. § 3583(e) the court may order an early termination of the term of supervised release (after the expiration of one year of supervision) if such action is warranted by the conduct of the person released and the interest of justice.

Section 21 amends section 212(a) of the Act with respect to 18 U.S.C. § 3583(e), concerning modification of supervised release. Specifically, the amendment of section 3583(e)(1) provides that the court may order early termination of a term of supervised release only if, among other things, it does so pursuant to Rule 32.1 of the Federal Rules of Criminal Procedure. That is, the provisions of Rule 32.1 applicable to probation modification are made applicable to early termination of supervised release. Thus, the attorney for the government must be notified of the proposed relief and not object before early termination can be ordered without a hearing. This amendment is analogous to the proposed amendment of 18 U.S.C. § 3564(c) on early termination of probation. The amendment of 18 U.S.C. § 3583(e)(2) is similar. It applies the provisions of Rule 32.1 of the Federal Rules of Criminal Procedure that are applicable to probation modification to extension of the term or modification of the conditions of supervised release. This amendment is analogous to the proposed amendment of 18 U.S.C. § 3563(c) on the modificiation of the condition of probation. (It should be noted that this proposal amends Rule 32.1.) The section also adds a new revocation procedure, new paragraph (3), to section 3583(e), as an alternative to a contempt proceeding under redesignated paragraph (4), when a condition of supervised release is violated. Under the proposed amendment the provisions of Rule 32.1, that are applicable to probation revocation are made applicable to revocation of a term of supervised release. In addition, the revocation must be accomplished pursuant to applicable policy statements issued by the Sentencing Commission. This provision implements a suggestion of the Administrative Office of the United States Courts for a streamlined procedure for enforcing the conditions of supervised release.

Section 22 of the proposed bill amends section 212(a) of the Act to provide that probation officers have the authority under 18 U.S.C. § 3603(f) to assist in the supervision of persons within the custody of the Attorney General while on work release, furlough, or other authorized release from confinement. The amendment clarifies that primary responsibility for supervising people committed to the custody of the Attorney General remains with the Bureau of Prisons and that the role of the Probation Service is ancillary.

Section 23 amends section 212(a) of the Comprehensive Crime Control Act of 1984 with respect to 18 U.S.C. § 3624(b), regarding credit toward the service of a sentence for satisfactory behavior. The amendment clarifies that the "good time" credit applies to the first year of the term of imprisonment as well to subsequent years. As currently drafted, the provision may be interpreted as applying only after the first year of imprisonment.

Section 24 amends section 212(a) of the Act to conform a provision concerning the running of a term of supervised release in 18 U.S.C. § 3624(e) with a similar provision about probation in 18 U.S.C. § 3624, discussed above.

Section 25 amends section 212(a) of the Act with respect to 18 U.S.C. § 3663, as redesignated by the Act from section 3579 and as amended (by section 212(a)(3)), concerning orders of restitution. The amendment of subsection (a)(1), in effect, provides that the court may order restitution in addition to, but not in lieu of, any other penalty authorized by law. This amendment is consistent with 18 U.S.C. § 3656, as enacted by section 212(a) of the Act, authorizing an order of restitution. This section of the proposal also amends subsection (h) of 18 U.S.C. § 3663, which extends certain remedies available for the collection or satisfaction of unpaid fines to the enforcement of a restitution order. The amendment merely corrects an incorrect citation to these fine-collection provisions.

Section 26 amends section 212(a) of the Act with regard to 18 U.S.C. § 3672, as redesignated from 18 U.S.C. § 3656, concerning duties of the Director of the Administrative Office of the United States Courts. The amendment authorizes the Director to contract with appropriate public or private agencies or persons for the detection of and care in the community of offenders who are addicts or drug-dependent persons. This amendment is necessary because section 218(a)(6) of the Act, which repealed the criminal provisions of the Narcotic Addict Rehabilitation Act of 1966, 18 U.S.C. Chapter 314, also repealed existing authority of the Director of the Administrative Office to contract for drug care in the community. The amendment also authorizes the Director to pay for presentence studies and reports by qualified consultants and presentence examinations and reports by psychiatric or psychological examiners ordered under 18 U.S.C. § 3552 (b) or (c) except for studies conducted by the Bureau of Prisons.

Section 27(a) amends section 213(a) of the Act, which enacted 18 U.S.C. § 3742, regarding review of a sentence. Paragraph (1) amends section 3742 to clarify the applicable standard of review in cases based upon a challenged application of the sentencing guidelines. According to the amendment the appellate court must find that the lower court's construction or application of the guidelines was "clearly erroneous" before the appellate court is required to remand the case for further sentencing proceedings or to correct the sentence. The section currently provides that an "incorrect" application of the guidelines by the lower court would result in a remand or a correction of the sentence by the appellate court. The amended language makes it clear that an appellate court would be constrained to affirm a sentence even if it disagreed with the lower court's application of the guidelines unless the construction or application was "clearly erroneous" and would compel the appellate court to give a great degree of deference to the lower court's interpretation of the guidelines. Although the original language was intended to have the same effect, it may have been viewed as allowing broader review of a sentence and may have been likely to foster meritless appeals, for example, in cases based on claims that the application of the guidelines did not take into account an unimportant fact. An "incorrect" standard may have allowed an appeal to be taken for a "harmless error." A "clearly erroneous" standard is a concept recognized in criminal law and is a better description of the standard of review applicable to sentence appeals. In addition, this standard would recognize the expertise that trial judges bring to sentencing. Subsection (b) amends section 215(b) of the Comprehensive Act with regard to Rule 35(a) of the Federal Rules of Criminal Procedure, concerning correction of a sentence on remand, to conform to the proposed language discussed above regarding the standard of review in 18 U.S.C. § 3742.

The amendment of subsections (d) and (e) of section 3742 provides a standard of review and an appropriate disposition of appeals from sentences for offenses for which there are no applicable sentencing guidelines. Although subsections (a)(4) and (b)(4) of section 3742 permit appeals by both the defendant and the government from a sentence imposed for an offense for which no sentencing guideline has been issued, subsections (d) and (e) fail to address this situation. The amendment of these subsections provides both for situations in which the Sentencing Commission has not issued a sentencing guideline and for situations in which there is no applicable guideline because, for example, although one may have been issued, it was later struck down by a court considering its application to a particular case. In addition, this section amends section 3742(e)(3), which establishes the basis for affirming an appeal. As currently drafted, subsection (e)(3) fails to address all the situations in which a sentence should be affirmed and, consequently, fails to address all possible dispositions. For example, in a case in which the court of appeals finds that the sentence is outside the range of the applicable sentencing guideline but, nevertheless, is not unreasonable, subsection (e) fails to instruct as to the appropriate disposition. The amendment would require the court of appeals to affirm such a sentence and, likewise to affirm any sentence challenged as outside the range of the applicable sentencing guideline which it finds is not outside that range. (The appellate court would not need to consider the reasonableness of the sentence in this latter case.) The amendment of subsection (e)(3) requires the court of appeals to affirm a sentence not described by paragraphs (1) or (2) of the subsection. Finally, this section of the proposal adds a new subsection (f) to 18 U.S.C. § 3742 to make it clear that district courts are to review sentences imposed by magistrates according to the same standards that apply to appellate court review of district court sentences.

Section 28 amends section 214(a) of the Act in 18 U.S.C. § 5037, regarding dispositional hearings for persons adjudicated juvenile delinquents. The amendment of subsection (a) of section 5037 corrects a reference in that provision to subsection (d), as redesignated by the Act from subsection (c). The section also amends section 5037(c)(1)(B) and (2)(B) to delete the reference to 18 U.S.C. § 3581(b) as establishing the maximum term of imprisonment that would have been authorized had the juvenile been tried as an adult. Because of the effect of 18 U.S.C. § 3559(b)(2), deleting the reference to section 3581(b) will tie the maximum sentences for juveniles to the maximum for adults, rather than making juvenile sentences more severe than adult sentences. Finally, the proposal amends section 5037(c) to make section 3624, dealing with the release of prisoners, applicable to juvenile detention. The main effect of this amendment will be to allow "good time" for juveniles. The Act does not now clearly provide that the "good time" provisions applicable to adults are also applicable to juveniles. If terms of incarceration for juveniles are to be made fully determinate, as they are in the Comprehensive Act, there is little justification for making juvenile sentences more severe than adult sentences. This amendment carries forward the current practice of granting "good time" to juveniles.

Section 29 amends section 215(a)(5) of the Comprehensive Crime Control Act of 1984, with respect to Rule 32(c)(2)(B) of the Federal Rules of Criminal Procedure, to make a grammatical correction only.

Section 30 amends section 215(f) of the Comprehensive Crime Control Act of 1984 with respect to Rule 6(e)(3)(C) of the Federal Rules of Criminal Procedure, regarding exceptions to the rule of secrecy set forth in Rule 6(e). The amendment is technical and moves the word "or" to the end of subdivision (e)(3)(C)(iii) from the end of subdivision (e)(3)(C)(ii), so as to take into account the amendment by section 215(f) of the Act, which added a new subdivision (e)(3)(C)(iv).

Section 31 amends section 223(f) of the Act, which amended that portion of the new bail statute, 18 U.S.C. § 3143, governing release or detention pending an appeal to take into account that the sentence may be appealed once the new sentencing provisions take effect. Unfortunately, these amendments failed to deal with one problem and created another. Section 223(f) made no changes in section 3143(b) dealing with whether convicted defendants should be released on appeal. As a result, it was not clear whether a defendant who appealed his sentence, as opposed to his conviction, should be released pending that appeal. This amendment places a defendant who appeals his sentence on an equal footing with a defendant who appeals his conviction with respect to release conditions. Any defendant sentenced to imprisonment will be detained unless the judicial officer finds that he is not a danger or a flight risk and that the appeal raises a substantial legal or factual question likely to result in a reversal, a new trial, or a sentence that does not include imprisonment. Moreover, while section 223(f) amended 18 U.S.C. § 3143(c) to cover appeals of a sentence by the government, it created an anomalous situation in which a defendant sentenced to imprisonment would be released pending an appeal by the government of his sentence, unless he was found to be a danger to the community or a flight risk. This amendment makes it clear that defendants already sentenced to imprisonment and who are not appealing their convictions will remain in custody pending a government appeal protesting the length of the sentence.

Section 32 amends section 223(m)(3)(B) of the Act with regard to 18 U.S.C. § 4106, which governs the parole or conditional release of persons sentenced to a term of imprisonment by a foreign court who are transferred to the United States to complete service of sentence under one of our prisoner transfer treaties. Under the majority of our prisoner transfer treaties (those with Mexico, Canada, Panama, Peru, and Bolivia), the United States may not modify the sentence imposed by the foreign court, but may reduce the portion of the sentence to be served in official detention through application of laws related to parole or conditional release. In light of the Act's abolition of parole, it amended 18 U.S.C. § 4106(b), which permits the parole of transferred offenders in the same manner as persons sentenced by a United States court, to provide that a transferred prisoner is to be released after serving the term of imprisonment specified in the applicable sentencing guidelines. Whether the prisoner would be required to serve any of the remainder of the sentence imposed by the foreign court under supervised release would depend on the applicable guideline.

Since application of this amendment could, in certain circumstances, result in modification of the term of sentence imposed by the foreign court, rather than simply a reduction of the portion of that sentence to be served in official custody, the Act's amendment of 18 U.S.C. § 4106(b) could be viewed as violative of a number of our prisoner transfer treaties. Thus, the proposed amendment makes it clear that, consistent with our treaty obligations, the overall sentence imposed may not be modified, but only the portion of that sentence which is to be served in official custody. In sum, the amendment continues current practice mandated by our treaties and simply substitutes the concept of supervised release for that of parole. The amendment also makes it clear that the sentencing guidelines may not be applied to result in an increase of the sentence imposed by the foreign court. In cases in which the sentence imposed by the foreign court is less than or equal to the maximum specified in the applicable guidelines, the prisoner would serve the sentence imposed by the foreign court, in accordance with 18 U.S.C. § 4105(a). Under the proposed amendment the Bureau of Prisons would make the determination as to what constitutes a crime equivalent to the one of which the offender was convicted in the foreign country and as to relevant offender characteristics for purposes of determining the applicable maximum term of imprisonment specified in the guidelines.

The Act's amendment of 18 U.S.C. § 4106 also provided that the right to appeal a sentence under 18 U.S.C. § 3742 would apply to sentences imposed on transferred prisoners. Whether such an appeal would apply in the case of a transferred prisoner depends on the nuances of the applicable treaty. Thus, this amendment provides that, to the extent permitted by the applicable treaty, a determination by the Bureau of Prisons as to whether a transferred prisoner shall serve a term of supervised release and the length of such term may be appealed to the United States court or appeals for the district in which the offender is imprisoned after transfer to the United States and that the appeal shall be decided in accordance with section 3742 as though the determination by the Bureau of Prisons had been imposed by the United States district court.

Section 33 amends section 224 of the Comprehensive Crime Control Act of 1984, which is part of the technical and conforming amendments in chapter II of the Act regarding sentencing reform. Specifically, the amendment concerns the deletion of provisions in the Controlled Substances Act regarding special parole. Section 224 of the Comprehensive Crime Control Act, which is due to take effect October 12, 1986, as amended by this proposal, fails to take into account the amendments made by chapter V of that Act to the Controlled Substances Act. Section 33(a) of the proposed bill corrects this deficiency with regard to 21 U.S.C. § 841, and section 33(b) corrects it with regard to 21 U.S.C. § 845A.

Section 34 makes corrections to section 225 of the Comprehensive Crime Control Act of 1984 regarding the Controlled Substances Import and Export Act which are similar to the amendments made to section 224.

Section 35 amends section 232(a) of the Comprehensive Crime Control Act of 1984, which amended 42 U.S.C. § 257(a), concerning the care and treatment of narcotic addicts. The amendment deletes a reference to the Narcotic Addict Rehabilitation Act of 1966 since section 218(a) of the Comprehensive Crime Control Act repeals chapter 314 of title 18, United States Code, which provided for the treatment of convicted narcotics addicts under the Narcotic Addict Rehabilitation Act of 1966.

Section 36 amends section 235(a) of the Comprehensive Crime Control Act of 1984 regarding the effective date of chapter II on sentencing reform. Section 36(a) makes amendments designed to assure that the sentencing guidelines take effect on the same date that chapter II of the Act generally takes effect. This effective date will be October 12, 1986, which is twenty-four months after the date of enactment of the Act. Without this amendment the guidelines will come into effect approximately two weeks before the effective date of chapter II of the Act.

Section 36(b) amends section 235(a)(1)(B)(ii)(IV), which currently provides that sections 227 and 228 of the Act take effect on the date of enactment. At the time of enactment, this internal reference should have been to sections 237 and 238, which concern fine collection and imposition. The error arose because of renumbering of sections in title II of S. 1762 when it was added to title II of H.J. Res. 648, which became the Comprehensive Crime Control Act of 1984. Whereas formerly chapter II began with section 201, as added to H.J. Res. 648, chapter II was numbered by sections beginning with the number 211, thus causing this error in internal references. The amendment corrects the reference to section 227 by substituting section 237 but deletes the reference to section 228 (which should have been 238). Section 238 added a new chapter 228 to title 18, United States Code, on imposition, payment, and collection of fines. However, section 12(a)(1) of the Criminal Fine Enforcement Act of 1984, Pub. L. No. 98-596, repealed chapter 228 and substituted other fine enforcement measures.

Section 37 amends section 235(b) of the Comprehensive Crime Control Act of 1984 regarding effective dates. First, it provides that the amendments made by chapter II of the Act, expect those made by section 235(b), shall not apply to an offense committed before the effective dates set forth in section 235(a). If the offense is committed prior to that time, current law, as modified by section 235(b), applies. The purpose of this amendment is to prevent any problems under the ex post facto clause with respect to the amendments made by chapter II. See *Weaver* v. *Graham*, 450 U.S. 24 (1981); *Warden* v. *Marrerro*, 417 U.S. 653 (1974). Generally, the amendments of section 235(b) in this proposal relate to the abolition of parole and the Parole Commission and establish a system for continuing the substantive effect of parole laws for persons whose offenses were committed prior to the effective dates of chapter II.

Section 37(a) provides that the Parole Commission shall be abolished effective September 30, 1991, approximately five years after the effective date of chapter II as amended by this proposal—October 12,

1986. (The September 30 date was chosen since it represents the end of the fiscal year.) The amendments in paragraph (2) also provide that the Parole Commission shall have no jurisdiction over an offender who is sentenced after March 31, 1991, who violates a condition of parole after that date, or who is a prisoner transferred to the United States pursuant to chapter 306 of title 18, United States Code, after that date. Paragraph (2) further provides that by May 15, 1991, the Commission must set a presumptive release date for persons who will be in its jurisdiction on its last day of business—September 30, 1991. The purpose of this requirement is to assure that the Commission has adequate time to complete its work with respect to those over whom it will have jurisdiction before its abolition. Paragraph (2) also provides that the Commission shall not revise its guidelines in effect on March 31, 1991. These guidelines will provide substantive rights relative to the parole laws once the Parole Commission is abolished. However, while the Parole Commission's guidelines effective March 31, 1991, will establish the substantive rights to be accorded persons subject to the parole laws after that date, paragraph (3) provides that the same procedural mechanisms as set forth in the guidelines to implement those rights need not be continued. Wherever section 37 provides that determinations shall be made in accord with applicable parole guidelines, it should be construed to mean that current practice in applying the guidelines shall continue. It is not meant to imply that all release dates must be within the applicable guideline ranges, as currently provided in section 235(b)(3) of the Comprehensive Act.

Paragraphs (3), (4), and (6) concern the treatment of persons previously within the Parole Commission's jurisdiction once the Commission is abolished and persons who never come within its jurisdiction despite the fact that their offenses were committed prior to the effective date of chapter II. Certain duties with respect to such persons are to be carried out by the Bureau of Prisons, which will have the authority to issue regulations to implement section 235(b) of the Act, and others are to be carried out by the courts. The amendments in paragraph (5) provide a mechanism for revoking the parole of a defendant who violates a condition of parole after March 31, 1991.

FORFEITURE (CHAPTERS III AND XXIII)

Chapters III and XXIII of the Comprehensive Crime Control Act of 1984 substantially revise civil and criminal forfeiture law and procedure. These chapters add new criminal forfeiture sanctions to the Comprehensive Drug Abuse Prevention and Control Act of 1970, create a fund for the use of the Department of Justice in enforcing forfeiture laws, and amend existing provisions regarding the disposition of forfeited property. The amendments made by this proposal clarify provisions where necessary and make other changes resulting from the subsequent enactment of the Trade and Tariff Act of 1984, Pub. L. No. 98-573.

Section 38 makes technical amendments to 18 U.S.C. § 1963, part of the Racketeer Influenced and Corrupt Organizations statute, necessitated by amendments to this provision in chapters III and XXIII of the Comprehensive Crime Control Act of 1984. Specifically, chapter III of the Act, which significantly expanded the provisions in 18 U.S.C. § 1963 regarding criminal forfeiture, included a provision in section 1963(d) on the forfeiture of substitute assets. However, chapter XXIII of the Act further amended section 1963, as amended by chapter III, by deleting subsection (d) but failed to reletter either the subsections which followed subsection (d) or references to these subsections in other provisions of the section. Section 38 makes the necessary corrections to 18 U.S.C. § 1063 in this regard.

Section 39 amends 19 U.S.C. § 1608, as amended by section 312 of the Comprehensive Crime Control Act and later by section 213 of the Trade and Tariff Act of 1984, Pub. L. No. 98-573, to resolve an inconsistency between the two Acts. The amendment concerns the maximum amount of a bond required in order for a claimant to obtain judicial forfeiture of property otherwise subject to administrative forfeiture and retains the higher figure provided in the Comprehensive Crime Control Act ($5,000), instead of the $2,500 amount provided by the Trade and Tariff Act.

Section 40 amends 19 U.S.C. § 1616(c), as enacted by section 213 of the Trade and Tariff Act of 1984 to provide authority for the Secretary of the Treasury to transfer forfeited property to any other federal agency (as well as to any State or local law enforcement agency, currently provided for in the provision). Such an amendment is consistent with the enactment of 19 U.S.C. § 1618 by section 318 of the Comprehensive Crime Control Act of 1984 and the amendment of 21 U.S.C. § 881(e) in section 309 of the Comprehensive Crime Control Act. Section 40 also repeals 19 U.S.C. § 1616 as enacted by section 318 of that Act.

Section 41 makes technical amendments to section 413 of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. § 853) which are similar to the amendments to 18 U.S.C. § 1963 made by section 38 of the proposal. The amendments adjust for the deletion by chapter XXIII of the Comprehensive Crime Control Act of 1984 of the substitute assets forfeiture provision which would have been added as section 413(d) to the Comprehensive Drug Abuse Prevention and Control Act of 1970 by chapter III of the Act. While chapter XXIII relettered the subsections following subsection (d), which it deleted, it failed to reletter the references to these relettered subsections in section 413.

Section 42(a) amends 21 U.S.C. § 881(b), as amended by section 306 of the Comprehensive Crime Control Act of 1984. Section 881(b) authorizes the seizure of property subject to forfeiture under the Controlled Substances Act upon process issued pursuant to the Supplemental Rules for Certain Admiralty and Maritime Claims and seizures without such process in certain circumstances. The proposed bill amends this provision to clarify that seizures pursuant to the admiraty rules are authorized only for property subject to civil forfeiture under the Controlled Substances Act since the admiralty rules apply only to civil forfeiture *in rem*. In addition, the amendment provides that the authority to seize property without such process, but based on probable cause to believe that the property is subject to forfeiture under the Controlled Substances Act, is limited to property subject to civil forfeiture. Since the amendments to forfeiture law made by the Comprehensive Crime Control Act of 1984 provide for criminal forfeiture following a conviction, the requirement of a conviction or one of the alternative procedures, such as a warrant of seizure, should be met in order to seize any class of property subject only to criminal forfeiture.

Section 42(a) also amends 21 U.S.C. § 881(b) to provide authority to obtain a warrant to seize property subject to forfeiture under section 881. The warrant request procedures would be the same as those provided in Rule 41 of the Federal Rules of Criminal Procedure. This amendment clarifies that Rule 41 applies to requests for warrants to seize property under 21 U.S.C. § 881 despite the general civil nature of the forfeiture proceeding otherwise and should serve to protect law enforcement officers who seize property in cases in which a warrant would be most appropriate. However, this amendment is not meant to authorize motions under Rule 41(e) for the return of property seized under 21 U.S.C. § 881 since the amendment makes the Rules applicable with respect to warrant request procedures only. As indicated in *Castleberry* v. *Alcohol, Tobacco and Firearms Division of the Treasury Department*, 530 F.2d 672 (5th Cir. 1976), the proper place to litigate the legality of a seizure pursuant to a statute authorizing the seizure and forfeiture of property is in the forfeiture proceedings.

Section 42(b) amends 21 U.S.C. § 881(i), as added by section 306(f) of the Comprehensive Crime Control Act of 1984, which permits the government to file a motion for a stay of a civil forfeiture procedding if an indictment or information charging a federal drug violation is filed. The amendment allows the government to seek a stay of a federal civil forfeiture action if a State indictment or information for the same kind of offense is filed.

Section 43(a) amends 28 U.S.C. § 524(c)(1)(E), as enacted by section 2303 of the Comprehensive Crime Control Act of 1984, which concerns the Department of Justice Assets Forfeiture Fund. The amendment would authorize use of the Fund for the purpose of equipping forfeited vessels, vehicles, and aircraft for law enforcement functions for use by the Federal Bureau of Investigation and the United States Marshals Service. The Drug Enforcement Administration and the Immigration and Naturalization Service are already included in the provision.

Section 43(b) amends 28 U.S.C. § 524(c)(4), as enacted by section 310 of the Comprehensive Crime Control Act of 1984 and as further amended by section 2303 of the Act. Section 524(c) of title 28 establishes the Department of Justice Assets Forfeiture Fund, which consists of amounts from the forfeiture of property under any law enforced or administered by the Department of Justice (as described in section 524(c)(9)) remaining after the payment of expenses for forfeiture and sale authorized by law. The amendment of section 524(c)(4) accomplishes two purposes. First, it deletes the language authorizing the payment of expenses for forfeiture and sale prior to the deposit of forfeited property in the fund. Authorization to pay expenses in advance of deposit in the fund is unnecessary in light of the fact that section 534(c)(1) authorizes the payment of such expenses from the fund itself. In addition, the amendment excepts from the requirement of deposit in the fund all proceeds of forfeitures available for use by the Secretary of the Treasury or the Secretary of the Interior pursuant to section 11(d) of the Endangered Species Act, 16 U.S.C. § 1540(d), or section 6(d) of the Lacey Act Amendments of 1981, 16 U.S.C. § 3375(d). Thus, the proceeds of such forfeitures will be unaffected by the requirements of the Department of Justice Assets Forfeiture Fund and will be available to the Secretary of the Interior or the Secretary of the Treasury for the payment of rewards under the above statutes.

OFFENDERS WITH MENTAL DISEASE OR DEFECT (CHAPTER IV)

Section 44 amends Rule 12.2(c) of the Federal Rules of Criminal Procedure, as amended by section (11)(a) of the Criminal Fine Enforcement Act of 1984, Pub. L. No. 98-596, concerning psychiatric or psychological examinations of defendants who intend to rely on the defense of insanity. Subdivision (c) of the rule provides that the court may upon motion of the attorney for the government order the defendant to submit to an examination pursuant to 18 U.S.C. § 4242 (as enacted by section 403 of the Comprehensive Crime Control Act of 1984), concerning the existence of insanity at the time of the offense. Subdivision (c) also provides that no statement made by the defendant in the course of any examination provided for by this rule and no fruits of such a statement shall be admitted in evidence against the defendant in any criminal proceeding except on an issue respecting mental condition on which the defendant has introduced testimony. Since the prohibition against the admission of evidence relates only to examinations "provided for by this rule," and the rule provides for examinations ordered only under 18 U.S.C. § 4242, on the issue of insanity at the time of the offense, this evidentiary proscription does not relate to examinations ordered under 18 U.S.C. § 4241 on the issue of mental competency to stand trial. Prior to the enactment of the Comprehensive Act, 18 U.S.C. § 4244 had included a similar evidentiary proscription applicable to examinations pertaining to the mental competency of the accused to stand trial. However, prior section 4244 was deleted (along with the rest of prior chapter 313, title 18, United States Code) by section 403 of the Act. The amendment of Rule 12.2(c) restores this evidentiary bar with respect to examinations ordered on the issue of the defendant's competency to stand trial.

DRUG ENFORCEMENT AMENDMENT (CHAPTER V)

Section 45 amends section 102(14) of the Controlled Substances Act, 21 U.S.C. § 802(14), as added by section 507(a) of the Comprehensive Crime Control Act of 1984, which defines the term "isomer." The definition is amended to clarify that any optical, positional, or geometric isomer is included for hallucinogenic isomers and any optical or geometric isomer is included for cocaine isomers. The amended language is preferable since there may be isomers of hallucinogens and cocaine that are yet unknown or undetected.

Section 46 amends subsection (a)(4) of schedule II of the Controlled Substances Act, 21 U.S.C. § 812, which describes cocaine. Although this provision of schedule II was amended in a somewhat different fashion by section 507(c) of the Comprehensive Crime Control Act of 1984, the amendment made by this proposal makes the description of cocaine in the schedule identical to its description in the definition of "narcotic drug" in 21 U.S.C. § 802(17), as amended by section 507(b) of the Comprehensive Act. This uniformity is particularly desirable in enforcing provisions, such as 21 U.S.C. § 841(b)(1)(A), which refer both to the term "narcotic drug" and to schedule II.

Section 47(a) amends section 401(b)(1)(A) of the Controlled Substances Act, 21 U.S.C. § 841(b)(1)(A), concerning drug penalties, as amended by section 502 of the Comprehensive Crime Control Act of 1984. Paragraph (1) amends 21 U.S.C. § 841(b)(1)(A)(i) to clarify that the "100 grams or more" of the mixture or substance giving rise to the enhanced penalties need not be 100 grams or more of a mixture entirely of controlled substances; i.e., the 100 grams or more may contain other substances as long as the total includes a detectable amount of a narcotic drug in schedule I or II other than cocaine. This amended language is intended to avoid a literal reading of the provision that would make little sense in terms of drug-selling practices; the language is identical to that used in section 1010(b)(1)(A) of the Controlled Substances Import and Export Act, 21 U.S.C. § 960(b)(1)(A), as amended by section 504 of the Comprehensive Crime Control Act. Paragraph (1) also amends the description of coca leaves and their derivatives in 21 U.S.C. § 841(b)(1)(A)(i) to make it identical to the description of coca leaves and their derivatives in the definition of "narcotic drug" in 21 U.S.C. § 802(17) (C), (D), (E), and (F), as amended by section 507(b) of the Comprehensive Crime Control Act of 1984. Paragraphs (2), (3), and (4) provide that large quantities of cocaine, phencyclidine (PCP), and lysergic acid diethylamide (LSD) need not be in pure form for the enhanced penalty provisions to apply. As a rule, clandestinely manufactured controlled substances are impure. The language amending these clauses is identical to that used in clause (i) regarding opiates. The amendment made by paragraph (5) authorizes imposition of a special parole term applicable to violations of 21 U.S.C. § 841(b)(1)(A) similar to that provided for violations of subparagraphs (B) and (C). The special parole language in all these provisions will be repealed when the Sentencing Reform Act of 1984 takes effect. See section 224 of the Comprehensive Crime Control Act of 1984 as amended herein.

Section 47(b) amends section 401(b)(5) of the Controlled Substances Act, concerning cultivating a controlled substance on federal property, as amended by section 502 of the Comprehensive Crime Control Act of 1984. The amendment clarifies that the enhanced fines applicable to offenses involving cultivating a controlled substance on federal property apply in addition to any term of imprisonment which would otherwise apply.

Section 48 amends section 405A(b) of the Controlled Substances Act, 21 U.S.C. § 845A(b), concerning distribution of controlled substances in or near schools, as added by section 503 of the Comprehensive Crime Control Act of 1984. The amendment adds the word "parole" inadvertently dropped from language which should have read "special parole term."

Section 49 amends section 503(a) of the Controlled Substances Act, 21 U.S.C. § 873(a), as amended by section 517 of the Comprehensive Crime Control Act of 1984, to authorize the Attorney General to enter into contractual agreements with State and local law enforcement agencies to provide for cooperative enforcement and regulatory activities under the Controlled Substance Act. This provision comprised section 530(b) of H.J. Res. 648 as passed by the House and Senate in the 98th Congress. However, section 530 was inadvertently omitted by the House enrolling clerk's office from the hand-enrolled version of that bill. The hand-enrolled version, without section 530, was then certified by the Speaker of the House and the President of the Senate, was sent to the President, and was signed by the President on October 12, 1984, becoming Public Law 98-473, the Comprehensive Crime Control Act of 1984. *Cf. Field* v. *Clark*, 143 U.S. 649. This section corrects the inadvertent omission of section 530(b).

Section 50 amends section 508 of the Controlled Substances Act, 21 U.S.C. § 878, to empower the Attorney General to authorize State and local law enforcement officers to perform certain law enforcement functions. This provision comprised section 530(a) of H.J. Res. 648 as passed by the House and Senate in the 98th Congress and is included here for the reasons set forth in the discussion of section 49.

Section 51 amends section 1010(b) of the Controlled Substances Import and Export Act, 21 U.S.C. § 960(b), concerning drug import/export penalties, as amended by section 504 of the Comprehensive Crime Control Act of 1984. Subsection (a)(1) amends the description of coca leaves and their derivatives in 21 U.S.C. § 960(b)(1)(A) for the reasons set forth in the discussion of the parallel amendment in section 47(a)(1) of the proposal. The amendments in paragraphs (2) through (5) are parallel to those in paragraphs (2) through (5) of section 47(a) of the proposed bill, regarding the enhanced penalties under the Controlled Substances Act, and are included for the reasons set forth in the discussion of that section. The amendment in section 51(b) deletes words which incorrectly refer to a nonexistent paragraph (4) in 21 U.S.C. § 960(b).

JUSTICE ASSISTANCE (CHAPTER VI)

Section 52 amends part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended by section 609F of the Comprehensive Crime Control Act of 1984, concerning public safety officers' death benefits. The amendment adds a new section 1205 (42 U.S.C. § 3796d) granting the United States Claims Court exclusive jurisdiction over all appeals from administrative denials by the Bureau of Justice Assistance of public safety officers' benefits claims. In the past claimants who have been denied benefits have sought judicial review in a variety of forums: the courts of appeals, the district courts, and the Claims Court. The Department of Justice has asserted that the Claims Court is the appropriate forum for these appeals because they are claims against the Treasury in excess of $10,000 and are, therefore, committed to the exclusive jurisdiction of the Claims Court pursuant to the Tucker Act, 28 U.S.C. § 1346(a)(2). However, several courts of appeals have continued to assume jurisdiction over appeals involving disputed public safety officers' benefits claims under the appeal procedures available elsewhere in the Omnibus Crime Control and Safe Streets Act to denied agency grant applicants. By expressly granting exclusive jurisdiction to the Claims Court, the amendment will save both appellants and the government the expense and effort required to dispute jurisdiction and will bring about a speedier resolution of appeals.

LABOR RACKETEERING AMENDMENTS (CHAPTER VIII)

Section 53 amends section 411(a)(2) of title I of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1111(a)(2), as amended by section 802 of the Comprehensive Crime Control Act of 1984, concerning disqualification from serving as a consultant or advisor to an employee benefit plan because of conviction of certain crimes. The amendment clarifies that a disqualified consultant or adviser includes any person, rather than entity, whose activities are in whole or substantial part devoted to providing goods or services to any employee benefit plan. This amendment is consistent with subsection (c)(2) of the amended section, which defines "consultant" in terms of any "person" who provides assistance to the plan concerning its establishment or operation. The applicable definition of the term "person" is broadly stated to mean "an individual, partnership, joint venture, corporation, mutual company, joint-stock company, trust, estate, unincorporated organization, association, or employee organization." 29 U.S.C. § 1002(9).

CURRENCY AND FOREIGN TRANSACTIONS REPORTING ACT AMENDMENTS (CHAPTER IX)

Section 54 amends 31 U.S.C. § 5316(a)(2), which requires a person who knowingly receives monetary instruments of more than $5,000 at one time transported into the United States to file a report. The amendment would increase the $5,000 reporting amount to $10,000. This conforms with the increase provided by section 901 of the Comprehensive Crime Control Act of 1984 to $10,000 in section 31 U.S.C. § 5316(a)(1) concerning the transportation of monetary instruments into or out of the United States.

MISCELLANEOUS VIOLENT CRIME AMENDMENTS (CHAPTER X)

Section 55 amends 18 U.S.C. § 373(a), enacted by section 1003 of the Comprehensive Crime Control Act of 1984, which prohibits solicitation to commit a crime of violence against the person or property of another. Paragraph (1) amends section 373 to include crimes of violence perpetrated against the offender's own property. Such an amendment is needed to reach all types of solicitations to commit violent crimes, many of which in fact involve the use of force, such as an explosive, to damage or destroy the solicitor's own property (e.g., pursuant to an insurance fraud). Solicitation to commit an offense against one's own property may be equally dangerous to human life as solicitation to commit a violent crime involving the property of another. Thus, the rationale for the solicitation offense—"to allow law enforcement officials to intervene at an early stage where there has been a clear demonstration of an individual's criminal intent and danger to society", S. Rep. No. 98–225, 98th Cong., 1st Sess. 308 (1983)—justifies its application to crimes of violence sought to be perpetrated against the solicitor's property. The amendment made by paragraph (2) addresses the problem of sentencing a defendant to a term of one-half of the term of imprisonment applicable to the crime solicited where that crime is punishable by life imprisonment. See *State* v. *Williams*, 440 P.2d 311 (Sup. Ct. Ariz. 1968). Section 55 provides that solicitation to commit such a crime is punishable by up to twenty years' imprisonment.

Section 56 amends 18 U.S.C. § 924(c), as amended by section 1005 of the Comprehensive Crime Control Act of 1984, to assure that criminals who carry firearms during the commission of serious drug offenses, such as drug sales, will be subject to the mandatory minimum additional penalties provided by section 924(c). Prior to its amendment by the Comprehensive Act, 18 U.S.C. § 924(c) applied to the use or unlawful carrying of a firearm during the commission of any federal felony. The amendments to section 924(c) strengthened the law in a number of ways, but at the same time limited its application to the use or carrying of a firearm during the commission of a federal "crime of violence" (as defined in 18 U.S.C. § 16). The definition of "crime of violence" is sufficiently broad to encompass many drug violations, in view of the often encountered danger accompanying, for example, crimes involving transfers of drugs in which the perpetrators are frequently armed and there is a substantial risk that physical force will be used. Nevertheless, ambiguity remains as to the applicability of section 924(c) to all drug felonies because of the lack of specificity of the definition of "crime of violence" and an unfortunate absence of illuminating legislative history as to whether Congress intended the offense as revised to reach instances in which a perpetrator uses or carries firearms during drug offenses. See unpublished order in *United States* v. *Wells*, Crim. No. 84–88 (S.D. Iowa) (decided February 7, 1985) (new section 924(c) inapplicable to the carrying of a pistol during a cocaine distribution to undercover federal agents).

The proposed amendment would resolve the uncertainty and make clear that section 924(c) will continue to be applicable in such situations. This is an appropriate result. Section 924(c) was confined to "crimes of violence" in order to avoid imposing the harsh sanctions of the section in cases in which the carrying of a firearm had no real relation to the underlying federal offense, as where a person utters a fraudulent statement or falsely fills out a government form while coincidentally having on his person a firearm. Serious drug violations, including manufacturing and trafficking offenses, are clearly not in this category. In such cases the offender's possession or use of a firearm adds a significant, extra element of dangerousness to the commission of the offense, the punishment and deterrence of which it is and should be the aim of section 924(c) to accomplish.

Section 57 amends 18 U.S.C. § 929, as enacted by section 1006 of the Comprehensive Crime Control Act of 1984, concerning the use of armor-piercing ammunition. Section 929 makes it unlawful to use or carry a handgun loaded with armor-piercing ammunition during and in relation to the commission of a crime of violence and makes this offense punishable by five to ten years' imprisonment in addition to the punishment provided for the commission of the underlying offense. The amendment accomplishes the same goal as the above amendment of 18 U.S.C. § 924(c) by adding drug felonies as underlying offenses. In addition, the amendment made by this section clarifies that the term of imprisonment imposed under section 929 may not run concurrently with a term of imprisonment imposed for any crime of violence as well as any of the enumerated drug felonies in which the armor-piercing handgun ammunition was used or carried.

Section 58, which amends 18 U.S.C. §§ 1201 and 115, is designed to solve two problems related to the attempted kidnaping of federal law enforcement officers and members of their families. Section 1007 of the Comprehensive Crime Control Act amended section 1201 by expanding its coverage to include the kidnaping of any of the persons listed in section 1114. Section 1008 of the Comprehensive Act also added a new section 115 to punish, among other things, the kidnaping or attempted kidnaping of a close relative of one of the persons listed in section 1114 in certain circumstances. This has created the anomalous situation in which the attempted kidnaping of a close relative of a person listed in section 1114 is a federal crime, but the attempting kidnaping of the federal officer himself is not covered.

Moreover, section 115(b)(2) as presently worded states: "A kidnaping or attempted kidnaping in violation of this section shall be punished as provided in section 1201 of this section." Unfortunately, section 1201 only sets out a punishment for an attempted kidnaping of a foreign official in violation of subsection 1201(a)(4). As a result, there is arguably no punishment for an attempt to violate any part of section 1201 other than section 1201(a)(4), and the portion of section 115(b)(2) which refers to an attempted kidnaping of a family member of a federal officer or official might be held not to state an offense since no punishment is set out.

The amendments to sections 1201 and 115 will solve both of these problems. The amendment to section 1201 will make the attempted kidnaping of a federal law enforcement officer listed in section 1114 an offense punishable by imprisonment for up to twenty years. (An actual kidnaping is already punished by imprisonment for up to life.) The amendment to section 115 will result in that section's clearly stating that the punishment for a kidnaping or attempted kidnaping of a close relative of a federal officer or official listed in that section, including all the officers listed in section 1114, is determined by reference to section 1201 and will be the same as the punishment for the kidnaping or attempted kidnaping of one of the federal officers listed in section 1114.

Section 59 redesignates 18 U.S.C. § 1365, destruction of an energy facility, as enacted by section 1011 of the Comprehensive Crime Control Act of 1984, as section 1366. Prior to the enactment of the Comprehensive Crime Control Act, title 18, United States Code, included section 1365, relating to tampering with consumer products.

SERIOUS NONVIOLENT OFFENSES (CHAPTER XI)

Section 60 amends 18 U.S.C. § 215, regarding bank bribery, as amended by section 1107(a) of the Comprehensive Crime Control Act of 1984. The amendment makes a technical change to include a reference to bank holding companies and savings and loan holding companies in several places in the statute in order to make the reference to these organizations parallel to the initial reference to such organizations. It also includes a technical amendment to correct a reference to the National Credit Union Administration.

Section 61 amends 18 U.S.C. § 219, as amended by section 1116 of the Comprehensive Crime Control Act of 1984. The provision prohibits a public official of the United States from acting as an agent of a foreign principal required to register under the Foreign Agents Registration Act of 1938. The Comprehensive Crime Control Act added a definition of "public official" to 18 U.S.C. § 219 but did not delete redundant language from the substantive paragraph of the provision. Section 61 makes this correction. It also deletes the reference to jurors from the definition of "public official." The definition of the term "public official" in the amendment of section 219 by the Comprehensive Act was based on the definition of that term in 18 U.S.C. § 201, which prohibits bribery of public officials and witnesses and related acts. The main effect of that amendment was to make section 219 applicable to members of Congress. While the inclusion of jurors within the definition of public official for purposes of the bribery provision is appropriate, the inclusion of jurors within the purview of section 219, regarding the

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acting as an agent of a foreign principal, is not. It is believed that this result was most likely overlooked at the time section 219 was amended by the Comprehensive Act. In addition, the section amends the definition of "public official" in section 219 to include any delegate to the Congress. As presently drafted, the provision applies to all members of Congress and to the delegate from the District of Columbia, but not to other delegates to the Congress, such as the delegates from Guam or the United States Virgin Islands. This anomalous result is corrected by the proposal. A similar amendment is made by later sections of this proposal to 18 U.S.C. §§ 201 and 213.

Section 62 redesignates 18 U.S.C. § 511, securities of the States and private entities, enacted by section 1105 of the Comprehensive Crime Control Act of 1984, as 18 U.S.C. § 513. This amendment arises from the fact that the Motor Vehicle Theft Law Enforcement Act of 1984, Pub. L. No. 98-547, enacted sections 511 and 512 of title 18.

Section 63 amends 18 U.S.C. §§ 1791 and 1792, which were amended by the Comprehensive Crime Control Act of 1984 (Chapter XI, Part H) to strengthen the provisions relating to the introduction or possession of contraband in prisons. At the time the Act was enacted, the House had passed a separate bill (H.R. 5910) that contained certain later developed improvements to the provisions in the Comprehensive Act that were supported by the Administration. These amendments implement those provisions and make other useful clarifications.

The first amendment made by section 63 adds a specific reference to "detention" facilities, thus, clarifying that such facilities are covered by the prohibitions against introduction or possession of contraband and rioting. The amendments made by subsection (b) (1) and (4) make clear that ammunition (as defined in 18 U.S.C. § 921(a)(17)) is encompassed within the category of dangerous weapons or objects whose possession or introduction into a prison is proscribed at a five-year felony level. This reflects the understanding of the Bureau of Prisons as to the intent of the current law. The amendment in subsection (b)(2) adds the drugs LSD and PCP to the subparagraph proscribing the introduction of narcotic drugs, thereby treating these substances equally for purposes of punishment in section 1791(b). This is consistent with amendments made to the underlying drug offenses themselves, in chapter V of the Comprehensive Act, essentially equating the penalties for dealing in LSD and PCP to those applicable to narcotic drugs.

PROCEDURAL AMENDMENTS (CHAPTER XII)

Section 64 amends 18 U.S.C. § 1028(e), fraud and related activity in connection with identification documents, by substituting a reference to chapter 224 of title 18, enacted by section 1208 of the Comprehensive Crime Control Act of 1984, for a reference to prior law repealed by the Act. Chapter 224 concerns the protection of witnesses.

Section 65 is similar to section 64. It amends 18 U.S.C. § 1029(f), concerning credit card fraud, as enacted by chapter XVI of the Comprehensive Crime Control Act of 1984, to refer to chapter 224 of title 18 instead of prior law repealed by the Act.

Section 66 amends 18 U.S.C. § 3076, as enacted by the 1984 Act to Combat International Terrorism, Pub. L. No. 98-533, regarding eligibility for the witness security program, for the reason set forth in the discussion of sections 64 and 65.

Section 67 amends 18 U.S.C. § 3522, as enacted by section 1208 of the Comprehensive Crime Control Act of 1984, concerning probationers and parolees provided protection as witnesses under chapter 224 of title 18, United States Code. Subsection (a) of section 3522 provides that a probation officer may, upon the request of the Attorney General, supervise any person provided protection under chapter 224 who is on probation or parole under State law if the State consents. It further provides that a person so supervised shall be under federal jurisdiction and subject to all federal laws pertaining to parolees. The amendment provides that a person so supervised shall be subject to all federal laws pertaining to probationers or parolees, as the case may be. Such laws would include, for example, provisions relating to the revocation of probation or parole, as well as any provisions applicable following revocation of probation or parole.

The amendment of 18 U.S.C. § 3522 also affects subsection (b), which currently provides that the failure of a probationer or parolee to comply with the memorandum of understanding entered into by that person regarding his or her protection shall be grounds for revocation of probation or parole if the protected person is under supervision pursuant to section 3522(a), relating to State probation or parole. The amendment extends section 3522(b) to all probationers and parolees under the witness protection program, including those under strictly federal supervision as the result of a federal conviction. In addition, the amendment clarifies that the revocation of probation or parole because of the failure to comply with the memorandum of understanding is discretionary.

Section 67 also deletes subsection (c) of 18 U.S.C. § 3522. This subsection would have granted the United States Parole Commission the same powers and duties over probationers and parolees transferred from State supervision as it has with respect to persons convicted in a federal court and paroled under chapter 311 of title 18, United States Code. Since subsection (a) authorizes probation officers to supervise such persons, subsection (c) is unnecessary. Moreover, chapter II of the Comprehensive Crime Control Act of 1984 repeals chapter 311, which provides for parole and which established the Parole Commission. The specific sections of chapter 311 referred to in subsection (c), regarding provisions applicable following revocation of probation or parole, are an unnecessary reference, given the general language of subsection (a) making all federal laws pertaining to probationers and parolees applicable to State probationers or parolees supervised under federal law.

Section 68 amends Rule 29 of the Federal Rules of Criminal Procedure to incorporate the same procedure for a conditional ruling on a defendant's motion for a new trial in connection with the granting of a post-verdict acquittal in a criminal case as exists under Rule 50(c) of the Federal Rules of Civil Procedure in the comparable situation in which a motion for a new trial is coupled with a motion for judgment notwithstanding the verdict. Such an addition to Rule 29 is appropriate in light of Part E of Chapter XII of the Comprehensive Crime Control Act of 1984, which granted the United States the right to appeal in a criminal case from the post-verdict granting of a motion for a new trial. The amendment insures that principles of judicial economy will apply in the circumstance in which a defendant, following a verdict of guilty, makes alternative motions for acquittal and for a new trial and the judge grants the former motion. In that event, without the procedure requiring a conditional ruling on the motion for a new trial, the court of appeals if it were to reverse the judgment of acquittal would be unable to rule at the same time on the motion for a new trial; rather, it would be compelled either to remand the case to the district court for a ruling or to retain jurisdiction while remanding for the purpose of causing the district court to rule on the new trial motion. The procedure set forth in the proposed amendment, which is taken without change from Rule 50(c) of the civil rules, will clearly serve the interests of economy of judicial resources by allowing both motions to be resolved by the appellate court in the same appeal. Moreover, just as in the case on the civil side, the proposed amendment serves the additional function of further informing the decision by the United States whether to appeal the initial granting of the motion for a judgment of acquittal.

Section 69 amends 28 U.S.C. § 1921, which concerns the taxing as costs of fees of the United States Marshals Service. The amendment adds language authorizing the United States Marshals Service, to the extent provided in appropriations acts, to credit to its appropriation account all fees, commissions, and expenses collected for the service of civil process and seizures, levies, and sales associated with judicial orders of execution by the Marshals Service and to use such credited amounts for the purpose of carrying out these activities. This provision was inadvertently deleted from the final version of Part F of chapter XII of the Comprehensive Crime Control Act of 1984.

VICTIM COMPENSATION AND ASSISTANCE (CHAPTER XIV)

Section 70 amends 18 U.S.C. § 3013, which imposes a special assessment of twenty-five dollars on individuals convicted of misdemeanors and fifty dollars on individuals convicted of felonies. This provision was enacted by section 1405 of the Comprehensive Crime Control Act of 1984. The amendment makes the special assessment inapplicable to any offense for which the local rules of the district court or other federal law establishes that collateral may be posted in lieu of appearance in court. The Department of Justice, in attempting to effectuate what it had believed to be the legislative intent behind the current provision, had construed it as being inapplicable to the forfeiture of collateral for an offense, which it had regarded as not being a conviction. However, in *Scharf* v. *United States*, Crim. No. 85-00023-A (April 3, 1985), the United States District Court for the Eastern District of Virginia held that the forfeiture of collateral for a misdemeanor offense was a conviction for purposes of the special assessment provision of 18 U.S.C. § 3013. The court also held that imposing the assessment on a person who chose to appear in court but not on a person who forfeited collateral in lieu of appearance unconstitutionally chilled a defendant's right to trial. By making the penalty assessment provision inapplicable to cases in which collateral may be posted, as opposed to cases only where it in fact is posted in lieu of appearance in court, the amendment eliminates the constitutional problem arising under the prior construction of the existing provision and avoids the administrative burdens associated with imposing the special assessment for minor offenses.

Section 71 amends 18 U.S.C. § 3671, as enacted by section 1406(a) of the Comprehensive Crime Control Act of 1984, concerning special forfeiture of the collateral profits of crime. The amendment deletes references to chapters 227 and 231 of title 18, United States Code, in conjunction with orders of restitution, since it is unnecessary to specify these chapters and since chapter II of the Act, when it becomes effective, will make these references incorrect because of the redesignation of numerous sections of title 18.

Section 72 redesignates 18 U.S.C. §§ 3671 and 3672, as enacted by section 1406(a) of the Act, concerning orders of special forfeiture and notice to victims of orders of special forfeiture, as sections 3681 and 3682. This amendment is necessary since section 212(a) of the Act assigns section numbers 3671 and 3672 to redesignated sections 3620 and 3658 of title 18.

Section 73 redesignates chapter 232, as added by section 1406(a) of the Act, as chapter 232A. This amendment is necessary since section 212(a) of the Act creates a new chapter 232 concerning miscellaneous sentencing provisions.

Section 74 amends section 1402 of the Comprehensive Crime Control Act of 1984, which created the Crime Victims Fund for the purpose of funding annual grants to the States for victim compensation programs and other programs providing services to victims of crime. Subsection (e) of section 1402 provides that any sums awarded as part of a grant under chapter XIV of the Act that remain unspent at the end of a fiscal year in which the grant is made may be expended during the next succeeding fiscal year, at the end of which any remaining unobligated amounts must be returned to the general fund of the Treasury. The amendment extends this deadline to the end of the next two succeeding fiscal years after the fiscal year in which the grant is made. Given the constraints imposed on States by the timing of legislative sessions, budget intricacies, and State contracting processes, grantee States may not be able to obligate funds in an appropriate manner by the current statutory deadline. The pressure of the current deadline is less likely to result in a return of funds to the Treasury than in a rash expenditure of funds by States anxious to avoid such a return of unspent funds. The extension provided by the amendment of section 1402(e) would alleviate this pressure and would result in a more efficient, productive use of the Crime Victims Fund.

Section 75 amends section 1407 of the Comprehensive Crime Control Act of 1984, which provides administrative provisions for chapter XIV. Subsection (h) of section 1407 requires the Attorney General to report to the President and the Congress by December 31, 1987, on the revenue derived from each source described in section 1302. This reference is incorrect and should have been to section 1402, which establishes the Crime Victims Fund and describes the sources of revenue for it. The amendment also redesignates subsection (h), which was mislettered, as subsection (g).

Section 76 deletes section 1410 of the Comprehensive Crime Control Act of 1984, which had made a conforming amendment to 18 U.S.C. § 3150(a). (Section 1410 contained a typographical error and probably was intended as an amendment of 18 U.S.C. § 3150a.) The proposal deletes section 1410 because chapter I of the Act, concerning bail reform, repealed 18 U.S.C. § 3150a, among other sections of chapter 207 of title 18.

TRADEMARK COUNTERFEITING (CHAPTER XV)

Section 77 redesignates 18 U.S.C. § 2320, as enacted by section 1502 of the Comprehensive Crime Control Act of 1984, as 18 U.S.C. § 2321. This provision concerns trafficking in counterfeit goods or services. The redesignation is necessitated by the fact that the Motor Vehicle Theft Law Enforcement Act of 1984, Pub. L. No. 98-547, enacted section 2320 of title 18.

ACCESS DEVICES AND COMPUTERS (CHAPTER XXI)

Section 78 provides an exemption to 18 U.S.C. § 1030, regarding computer crimes, for any lawfully authorized investigative, protective, or intelligence activity of a federal, State, or local law enforcement agency or of a federal intelligence agency. Section 1030 was enacted by chapter XXI of the Comprehensive Crime Control Act of 1984. A similar exemption was included in 18 U.S.C. § 1029(f), enacted by chapter XVI of the Act, regarding credit card fraud, but was inadvertently dropped from the computer crime provision in the House/Senate conference regarding H.J. Res. 648. Statement of Senator Rudman, 130 Cong. Rec. S14213 (daily ed. Oct. 11, 1984).

MISCELLANEOUS AMENDMENTS

Section 79 amends 18 U.S.C. § 3, which provides that the penalty applicable to an accessory after the fact is not more than one-half the maximum penalty prescribed for the punishment of the principal or not more than ten years of imprisonment if the principal is punishable by death. This section amends 18 U.S.C. § 3 to provide that if the principal is punishable by life imprisonment, the maximum prison term applicable to an accessory after the fact is also ten years. The purpose of this amendment is to prevent difficulties that can arise from statutory authorization to sentence a defendant to a term of one-half of life imprisonment. See section 55 herein.

Section 80 of the proposal adds a new section 17 to title 18 of the United States Code defining the term "organization." The term "organization" is used in the Comprehensive Crime Control Act of 1984, particularly in connection with sentencing.

Section 81 amends 18 U.S.C. § 201, which prohibits bribery of public officials and witnesses and related acts. The amendment broadens the scope of the provision by including within the term "public official" any delegate to the Congress. Section 201 currently applies to all members of Congress and to the delegate from the District of Columbia, but not to other delegates to the Congress, such as the delegates from Guam or the United States Virgin Islands. This anomalous result is corrected by the proposal, which also includes an identical amendment in section 61 of 18 U.S.C. § 219.

Section 82 amends 18 U.S.C. § 203, which prohibits public officials from receiving compensation for services rendered in relation to any proceeding in which the United States is a party or has a direct and substantial interest and related acts. The amendment accomplishes the same purpose as the amendment of 18 U.S.C. § 201, discussed above.

Section 83 amends 18 U.S.C. § 844(h), to strengthen the offense of using or carrying an explosive or using fire during the commission of a federal felony, so as to bring it in line with similar amendments adopted in section 1005 of the Comprehensive Crime Control Act of 1984 with respect to the analogous offense of using or carrying a firearm during the commission of a federal felony. The amendments would accomplish three major changes. First, the penalties would be strengthened so as to make them truly mandatory. Second, the scope of the offense would be enlarged by the addition of language clearly stating its applicability to offenses which contain provisions for an enhanced punishment if committed by the use of a deadly or dangerous weapon or device. Third, the carrying offense in section 844(h) would be expanded to include all cases in which explosives are carried during the commission of a federal felony, not only those in which the carrying was "unlawful".

Section 84 amends 18 U.S.C. § 1961(1), the statute which defines "racketeering activity" for purposes of the racketeer influenced and corrupt organizations (RICO) law. The amendment includes within this definition 18 U.S.C. § 1512 (relating to tampering with a witness, victim, or an informant) and 18 U.S.C. § 1513 (relating to retaliating against a witness, victim, or an informant). The offenses in sections 1512 and 1513 were included, prior to the adoption of the Victim and Witness Protection Act of 1982, Pub. L. No. 97-291 (effective October 12, 1982), in section 1503 of title 18, a general obstruction of justice statute. Section 1503, in turn, was and is embodied in section 1961(1). In enacting new sections 1512 and 1513 in 1982, so as to strengthen the provisions proscribing offenses against victims and witnesses, Congress inadvertently failed to make a conforming amendment adding these sections to section 1961(1). As a consequence, some criminal conduct directed against witnesses and victims may no longer be prosecutable under RICO, inasmuch as there is some judicial authority that offenses within the purview of sections 1512 and 1513 may not be proceeded against under the residual clause of section 1503 which punishes anyone who obstructs or impedes the due administration of justice. *United States* v. *Hernandez*, 730 F.2d 895 (2d Cir. 1984). The proposed amendment will correct this situation and restore RICO coverage for such crimes.

Section 85 makes minor changes to 18 U.S.C. § 2315, which deals with the receipt in general of stolen property in interstate or foreign commerce, to conform with changes made to its sister statute, 18 U.S.C. § 2313, dealing with the receipt of stolen motor vehicles, in section 203 of the Motor Vehicle Theft Law Enforcement Act of 1984, Pub. L. No. 98-547.

The first change adds a possession offense so that the section will reach persons who knowingly possess stolen property that has moved in interstate or foreign commerce as well as those who receive, conceal, or store such property. While obviously a person who possesses such property must have received it, a successful prosecution of a receipt-of-stolen-property case requires proof that the person received the property in the district of prosecution. *United States* v. *Bozza*, 365 F.2d 206, 220-221 (2d Cir. 1966). The addition of a possession offense eliminates the requirement that the government prove that the defendant first received the stolen property in a particular district, an element which is sometimes difficult to prove and which has no bearing on the defendant's criminal culpability.

The second change, which is related to the first, eliminates the present requirement that the property still be considered as moving in interstate or foreign commerce at the time the defendant receives, conceals, or disposes of it. Although the courts have construed the "in commerce" requirement broadly, see, e.g., *United States* v. *Licavoli*, 604 F.2d 613 (9th Cir. 1979), this requirement is also unnecessarily burdensome and is unrelated to the blameworthiness of the defendant's conduct.

U.S. DEPARTMENT OF JUSTICE,
May 24, 1985, Washington, DC.

The VICE PRESIDENT,
United States Senate,
Washington, DC.

DEAR MR. VICE PRESIDENT: Enclosed for your consideration and appropriate reference is a legislative proposal to amend title 18 of the United States Code and other laws to make minor or technical amendments to provisions enacted by the Comprehensive Crime Control Act of 1984, and for other purposes. Also enclosed is a section-by-section summary setting out the purpose of and need for each of the various sections of the proposal.

In enacting the Comprehensive Crime Control Act of 1984, the 98th Congress passed the most significant series of changes in the federal criminal justice system ever enacted at one time. It brought about much needed and sweeping reforms in the areas of bail, sentencing, forfeiture, the insanity defense, drug enforcement, and many other aspects of criminal law. The benefits and value of this important criminal law reform are just beginning to take effect, and its impact is expected to continue for years to come. However, because passage of the Act came during the final weeks of the 98th Congress, under demanding time constraints, a number of ambiguities and technical defects inevitably found their way into the statute. In some cases the technical difficulty is merely a duplicated section number, whereas in other cases the problem relates to the omission of language needed to fully implement the congressional intent, or to the need for clarification of an unclear provision.

The enclosed proposal seeks to remedy the difficulties with the Act which have been noted since its approval by the President on October 12, 1984. In removing ambiguities, remedying minor omissions, clarifying unclear provisions, and making other minor changes, these amendments are designed to improve criminal enforcement while enhancing overall fairness and reducing the need for litigation to resolve disputes. It is our hope that these various proposals will not prove to be controversial.

The Office of Management and Budget has advised this department that there is no objection to the submission of this proposal from the standpoint of the Administration's program.

Sincerely,

PHILLIP D. BRADY,
Acting Assistant Attorney General.

By Mr. DODD:

S. 1237. A bill to provide a comprehensive legislative program for children, adolescents, and families, and for other purposes; to the Committee on Finance.

CHILDREN'S SURVIVAL ACT

Mr. DODD. Mr. President, today I am introducing a measure to restore essential health, nutrition, education, employment, and support programs for our Nation's children. I am pleased to introduce the Children's Survival bill on behalf of the Children's Defense Fund, a nonprofit organization working on behalf of poor children and their families. I introduced a similar, comprehensive measure during the last session of Congress.

The Children's Survival bill addresses the biggest risk facing over 13 million American children today; namely, poverty. In 1983, one out of every four children under the age of 6 lived in poverty. That same year, half of all black children and close to half of all Hispanic children under the age of 6 lived in families with incomes below the poverty line.

Yet poverty does not afflict only the youngest children in this country. Children of all ages now constitute the poorest group in America. And, adults living in families with children are three times more likely to be poor than other adults.

Since this administration took office, childhood poverty rates have skyrocketed. Even by conservative estimates, some 3.3 million more children have been added to the poverty rolls over the past 5 years—the sharpest increase on record. Moreover, the depth of that poverty has intensified. Over 40 percent of all poor children live in families whose incomes do not even reach the halfway mark with respect to the poverty level.

Childhood poverty results in a much greater risk of abuse and neglect, injury, poor health, and even death. A study in Maine showed that poor children are three times more likely to die before reaching adulthood than nonpoor children. Twice as many children die today of poverty-related causes than of cancer and heart disease. The black infant death rate increased in 1983. And after steadily decreasing over the past 20 years, the overall infant mortality rate now remains frozen. That rate is highly correlated with the lack of prenatal care and malnutrition which accompany poverty.

Poor children who survive face a greater risk of dropping out of school, becoming teen parents, and ending up unemployed. The birth rate among white, unmarried adolescents has increased in recent years. And, as the Children's Defense Fund pointed out in a study released yesterday, black children today are more likely to be born into poverty, lack early prenatal care, have an adolescent or single mother, have an unemployed parent, be unemployed themselves as teenagers, and not go to college upon high school graduation.

Mr. President, we are the only Western, industrialized nation in which children constitute the poorest age-group. The rates of teen parenthood in this country, resulting more often than not in unemployment and poverty, are higher than those of our Western Allies. And, the rate at which American young people are dropping out of high school is also higher than that in many other Western nations. Close to one out of every three students in this country will leave school before graduating. In cities like New York, Chicago, and Detroit, that figure is over 50 percent. I ask my colleagues how this Nation will compete in the future with Western Allies when our childhood poverty, teen parenthood, and high school dropout rates are so much higher.

The measure I am introducing today addresses the serious risk to the future of this Nation posed by the recent dramatic increases in both the incidence and intensity of childhood poverty. This bill would restore funding to a wide range of children's health, nutrition, education, employment, and support programs. It includes new provisions aimed at providing tax relief for poor, working families with children. And, it lays out a series of innovative demonstration programs to help find new ways to meet the urgent and ever-increasing demand for child care.

This legislation focuses on the following crucial services for children and their families: First, crisis intervention for abused, neglected, and troubled children; second, child care; third, health services; fourth, education; fifth, child nutrition and food stamps; sixth, family supports; seventh, tax reform; and eighth, employment and training.

In closing, Mr. President, this comprehensive measure would make children's programs a high, national priority. Even in this era of fiscal austerity, we must never lose sight of the kinds of initiatives we ought to be considering to ensure the health, education, and welfare of future generations of Americans. For our children will quite literally determine the future of this Nation. I urge my colleagues to join me in sponsoring this omnibus measure to guarantee a strong, healthy future for millions of American children now living in poverty and growing up at risk.

ADDITIONAL COSPONSORS

S. 65

At the request of Mr. DOLE, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 65, a bill to improve the transfer of technology from Government laboratories to the public and for other related purposes.

S. 361

At the request of Mr. MOYNIHAN, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 361, a bill to amend the Internal Revenue Code of 1954 to make permanent the deduction for charitable contributions by nonitemizers.

S. 426

At the request of Mr. WALLOP, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 426, a bill to amend the

Federal Power Act to provide for more protection to electric consumers.

S. 452

At the request of Mr. BRADLEY, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 452, a bill to enact the Gifted and Talented Children's Education Act.

S. 657

At the request of Mr. THURMOND, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 657, a bill to establish the Veterans' Administration as an executive department.

S. 665

At the request of Mr. HATCH, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 665, a bill to amend the Fair Labor Standards Act of 1938 to facilitate industrial homework, including sewing, knitting, and craftmaking, and for other purposes.

S. 680

At the request of Mr. THURMOND, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 680, a bill to achieve the objectives of the Multi-Fiber Arrangement and to promote the economic recovery of the U.S. textile and apparel industry and its workers.

S. 681

At the request of Mr. MATHIAS, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 681, a bill to amend chapter 89 of title 5, United States Code, to authorize the Office of Personnel Management to waive certain eligibility requirements relating to enrollment of annuitants in a Federal employees health benefits plan.

S. 746

At the request of Mr. CHILES, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 746, a bill to require the National Drug Enforcement Policy Board to provide a comprehensive assessment of the designer drug problem and make recommendations to Congress for necessary legislation.

S. 751

At the request of Mr. D'AMATO, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 751, a bill to provide for Medicare demonstration projects for alternative medicare benefits for individuals with Alzheimer's disease or a related memory disorder.

S. 752

At the request of Mr. D'AMATO, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 752, a bill to establish in the Department of Health and Human Services a Home Health Care Clearinghouse to provide elderly individuals with a single place where they can obtain complete information on available Federal home health care programs.

S. 753

At the request of Mr. D'AMATO, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 753, a bill to promote the establishment of family support groups for families of victims of Alzheimer's disease or a related memory disorder.

S. 777

At the request of Mr. HEINZ, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 777, a bill to amend the Tax Equity and Fiscal Responsibility Act of 1982 to extend hospice benefits under the Medicare Program for an additional 3 years.

S. 788

At the request of Mr. BRADLEY, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 788, a bill entitled the "Senior Citizens Independent Community Care Act."

S. 797

At the request of Mr. HATCH, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 797, a bill to authorize an employer to pay a youth employment opportunity wage to a person under 20 years of age from May through September under the Fair Labor Standards Act of 1938 which shall terminate on September 30, 1987 and for other purposes.

S. 810

At the request of Mr. CRANSTON, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 810, a bill to amend title XX of the Social Security Act to assist States in improving the equality of child-care services.

S. 827

At the request of Mrs. HAWKINS, the names of the Senator from Georgia [Mr. NUNN] and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 827, a bill to amend the Public Health Service Act to provide for the compensation of children and others who have sustained vaccine-related injuries, and for other purposes.

S. 837

At the request of Mr. HEINZ, the names of the Senator from New Jersey [Mr. BRADLEY] and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 837, a bill to amend the Social Security Act to protect beneficiaries under the health care programs of that act from unfit health care practitioners, and otherwise to improve the antifraud provisions of that act.

S. 855

At the request of Mr. PRYOR, the names of the Senator from North Dakota [Mr. ANDREWS], the Senator from South Carolina [Mr. HOLLINGS], the Senator from South Dakota [Mr. ABDNOR], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of S. 855, a bill for the relief of rural mail carriers.

S. 865

At the request of Mr. MATHIAS, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 865, a bill to award special congressional gold medals to Jan Scruggs, Robert Doubek, and Jack Wheeler.

S. 940

At the request of Mr. ROTH, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 940, a bill to amend title 10, United States Code, title 31, United States Code, and the Renegotiation Act of 1951 to control the cost of Department of Defense contracts.

S. 942

At the request of Mr. DANFORTH, the names of the Senator from South Carolina [Mr. THURMOND], the Senator from Illinois [Mr. DIXON], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 942, a bill to promote expansion of international trade in telecommunications equipment and services, and for other purposes.

S. 961

At the request of Mr. SARBANES, the names of the Senator from Arkansas [Mr. BUMPERS], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 961, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 983

At the request of Mr. McCLURE, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 983, a bill to provide for limited extension of alternative means of providing assistance under the School Lunch Program and to provide for national commodity processing programs.

S. 987

At the request of Mr. EXON, the names of the Senator from South Dakota [Mr. ABDNOR], the Senator from Arizona [Mr. GOLDWATER], the Senator from Vermont [Mr. STAFFORD], and the Senator from Minnesota [Mr. BOSCHWITZ] were added as cosponsors of S. 987, a bill to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861–65.

S. 1025

At the request of Mr. PRESSLER, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1025, a bill to require the U.S. International Trade Commission to investigate and report on the effects of honey imports and to require the President under certain conditions to take action based on such report.

S. 1039

At the request of Mr. Cranston, the name of the Senator from Connecticut [Mr. Weicker] was added as a cosponsor of S. 1039, a bill entitled the "Ocean Incineration Research Act of 1985."

S. 1093

At the request of Mr. Mathias, the name of the Senator from Iowa [Mr. Grassley] was added as a cosponsor of S. 1093, a bill to amend the patent law to resore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

S. 1100

At the request of Mr. Heinz, the name of the Senator from North Dakota [Mr. Burdick] was added as a cosponsor of S. 1100, a bill to authorize appropriations for research, education, and training in geriatrics.

S. 1171

At the request of Mr. McClure, the names of the Senator from Colorado [Mr. Hart] and the Senator from Montana [Mr. Melcher] were added as cosponsors of S. 1171, a bill to amend the Small Reclamation Projects Act of 1956, as amended.

S. 1180

At the request of Mr. D'Amato, the name of the Senator from Kansas [Mr. Dole] was added as a cosponsor of S. 1180, a bill to provide for waiver of the requirement that proof of actual use be furnished within 3 years after the date an article is entered, and for reliquidation of certain entries of tubular tin products.

S. 1218

At the request of Mr. Danforth, the name of the Senator from New Mexico [Mr. Domenici] was added as a cosponsor of S. 1218, a bill to amend the Federal Aviation Act of 1958 to provide for the revocation of certain certificates for air transportation, and for other purposes.

S. 1224

At the request of Mr. McClure, the name of the Senator from North Carolina [Mr. East] was added as a cosponsor of S. 1224, a bill to limit the importation of softwood lumber into the United States, and for other purposes.

SENATE JOINT RESOLUTION 24

At the request of Mr. Bradley, the names of the Senator from Arkansas [Mr. Bumpers], and the Senator from New Jersey [Mr. Lautenberg] were added as cosponsors of Senate Joint Resolution 24, joint resolution to designate the month of October 1985 as "National Make-A-Wish Month."

SENATE JOINT RESOLUTION 66

At the request of Mr. D'Amato, the name of the Senator from Ohio [Mr. Glenn] was added as a cosponsor of Senate Joint Resolution 66, joint resolution designating June 14, 1985, as "Baltic Freedom Day."

SENATE JOINT RESOLUTION 73

At the request of Mr. Grassley, the names of the Senator from Nebraska [Mr. Exon], the Senator from Georgia [Mr. Nunn], the Senator from Minnesota [Mr. Boschwitz], the Senator from Montana [Mr. Baucus], the Senator from Nebraska [Mr. Zorinsky], and the Senator from Utah [Mr. Hatch] were added as cosponsors of Senate Joint Resolution 73, joint resolution to designate the week of September 15, 1985, through September 21, 1985, as "National Independent Free Papers Week."

SENATE JOINT RESOLUTION 88

At the request of Mr. Levin, the name of the Senator from Ohio [Mr. Glenn] was added as a cosponsor of Senate Joint Resolution 88, joint resolution to designate the week beginning September 8, 1985, as "National Osteopathic Medicine Week."

SENATE JOINT RESOLUTION 111

At the request of Mr. Dixon, the names of the Senator from Utah [Mr. Hatch], the Senator from Pennsylvania [Mr. Heinz], the Senator from North Carolina [Mr. Helms], the Senator from Michigan [Mr. Reigle], and the Senator from Minnesota [Mr. Durenberger] were added as cosponsors of Senate Joint Resolution 111, joint resolution to designate the month of October 1985 as "National Spina Bifida Month."

SENATE JOINT RESOLUTION 117

At the request of Mr. Levin, the names of the Senator from New Jersey [Mr. Lautenberg] and the Senator from Nebraska [Mr. Exon] were added as cosponsors of Senate Joint Resolution 117, joint resolution designating the week beginning September 22, 1985, as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 122

At the request of Mr. Bradley, the names of the Senator from Mississippi [Mr. Stennis], the Senator from Mississippi [Mr. Cochran], the Senator from Arkansas [Mr. Bumpers], the Senator from Pennsylvania [Mr. Heinz], the Senator from Indiana [Mr. Lugar], the Senator from Oklahoma [Mr. Nickles], the Senator from Alabama [Mr. Denton], the Senator from Tennessee [Mr. Gore], the Senator from Minnesota [Mr. Boschwitz], and the Senator from Minnesota [Mr. Durenberger] were added as cosponsors of Senate Joint Resolution 122, joint resolution to authorize the President to proclaim the last Friday of April each year as "National Arbor Day."

SENATE JOINT RESOLUTION 132

At the request of Mr. Danforth, the names of the Senator from Kansas [Mr. Dole], the Senator from New Jersey [Mr. Bradley], the Senator from South Carolina [Mr. Hollings], the Senator from New Hampshire [Mr. Humphrey], and the Senator from Michigan [Mr. Levin] were added as cosponsors of Senate Joint Resolution 132, joint resolution designating October 1985, as "National Head Injury Awareness Month."

SENATE JOINT RESOLUTION 142

At the request of Mr. Levin, the names of the Senator from Montana [Mr. Baucus], the Senator from Kansas [Mr. Dole], the Senator from Massachusetts [Mr. Kerry], the Senator from North Dakota [Mr. Andrews], the Senator from New York [Mr. D'Amato], the Senator from Louisiana [Mr. Johnston], the Senator from Michigan [Mr. Riegle], the Senator from Pennsylvania [Mr. Specter], the Senator from Tennessee [Mr. Sasser], the Senator from Maryland [Mr. Sarbanes], the Senator from Wisconsin [Mr. Proxmire], the Senator from Nevada [Mr. Laxalt], the Senator from Minnesota [Mr. Boschwitz], and the Senator from Massachusetts [Mr. Kennedy] were added as cosponsors of Senate Joint Resolution 142, joint resolution to designate June 12, 1985, as "Anne Frank Day."

SENATE CONCURRENT RESOLUTION 11

At the request of Mr. Kennedy, the names of the Senator from New Mexico [Mr. Bingaman], the Senator from Tennessee [Mr. Gore], the Senator from Michigan [Mr. Levin], the Senator from Michigan [Mr. Riegle], and the Senator from Maryland [Mr. Sarbanes] were added as cosponsors of Senate Concurrent Resolution 11, concurrent resolution calling for the restoration of democracy in Chile.

SENATE RESOLUTION 82

At the request of Mr. D'Amato, the name of the Senator from Alaska [Mr. Murkowksi] was added as a cosponsor of Senate Resolution 82, a resolution to preserve the deduction for State and local taxes.

AMENDMENT NO. 171

At the request of Mr. Warner, his name was added as a cosponsor of amendment No. 171 proposed to S. 1160, an original bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

AMENDMENT NO. 198

At the request of Mr. Proxmire, the names of the Senator from Michigan

[Mr. Riegle], and the Senator from Massachusetts [Mr. Kennedy] were added as cosponsors of amendment No. 198 proposed to S. 1160, an original bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for fiscal year, and for other purposes.

At the request of Mr. Kerry, his name was added as a cosponsor of amendment No. 198 proposed to S. 1160, supra.

SENATE RESOLUTION 177—OPPOSING ADVANCED ARMS SALES TO JORDAN

Mr. KENNEDY (for himself, Mr. Heinz, Mr. Abdnor, Mr. Andrews, Mr. Armstrong, Mr. Baucus, Mr. Bentsen, Mr. Biden, Mr. Bingaman, Mr. Boschwitz, Mr. Bradley, Mr. Bumpers, Mr. Burdick, Mr. Chiles, Mr. Cohen, Mr. Cranston, Mr. D'Amato, Mr. Danforth, Mr. DeConcini, Mr. Dixon, Mr. Dodd, Mr. Durenberger, Mr. Eagleton, Mr. Exon, Mr. Ford, Mr. Glenn, Mr. Gore, Mr. Gorton, Mr. Gramm, Mr. Grassley, Mr. Harkin, Mr. Hart, Mrs. Hawkins, Mr. Hecht, Mr. Heflin, Mr. Hollings, Mr. Humphrey, Mr. Inouye, Mr. Johnston, Mr. Kasten, Mr. Kerry, Mr. Lautenberg, Mr. Leahy, Mr. Levin, Mr. Long, Mr. Matsunaga, Mr. Mattingly, Mr. McConnell, Mr. Metzenbaum, Mr. Mitchell, Mr. Moynihan, Mr. Murkowski, Mr. Nickles, Mr. Packwood, Mr. Pell, Mr. Pressler, Mr. Proxmire, Mr. Pryor, Mr. Quayle, Mr. Riegle, Mr. Rockefeller, Mr. Sarbanes, Mr. Sasser, Mr. Simon, Mr. Specter, Mr. Stennis, Mr. Weicker, Mr. Wilson, and Mr. Zorinsky) submitted the following resolution; which was referred to the Committee on Foreign Relations.

S. Res. 177

Whereas Israel is a stable, democratic and reliable ally of the United States;

Whereas the security of Israel is in the national interest of the United States;

Whereas Jordan continues to oppose the Camp David peace process;

Whereas Jordan has aligned with Iraq, whose government is committed to the destruction of Israel;

Whereas Jordan is purchasing advanced weapons from the Soviet Union;

Whereas the sale of advanced arms to Jordan would jeopardize the security of Israel and increase the overall instability of the region;

Whereas promises to sell advanced U.S. arms to Jordan set the stage for an unnecessary and divisive confrontation with Congress; and

Whereas an escalation of the arms race in the Middle East is contrary to the interests of the United States, Israel and Jordan.

Resolved, That it is the sense of the Senate of the United States of America that—

(1) the United States should not sell advanced fighter aircraft, mobile anti-aircraft missiles, or any other advanced arms to Jordan under present conditions, in which Jordan continues to oppose the Camp David peace process and purchases arms from the Soviet Union, and in which such sales jeopardize both the security of Israel and progress towards peace in the Middle East;

(2) the United States should ensure that Israel retains its qualitative military edge over any combination of Mideast confrontation states; and

(3) the United States should focus its efforts on bringing Jordan into direct peace negotiations with Israel.

Mr. KENNEDY. Mr. President, I am joining with Senator John Heinz of Pennsylvania and 66 other Senators to submit a resolution opposing arms sales to Jordan and calling on Jordan to enter into direct peace negotiations with Israel. A similar resolution was submitted with 53 sponsors in the 97th Congress in 1982 and 51 sponsors in the 98th Congress in 1983.

All of us hope that the optimistic reports in the wake of King Hussein's visit to Washington last week will bear fruit, and that Jordan is at last on the verge of embracing the Camp David peace process.

At the same time, many of us in Congress are troubled by the companion reports that the Reagan administration is also considering the resubmission of its misguided plan of recent years to sell advanced weapons to Jordan, before that nation actually accepts the Camp David process.

What we need in the Middle East is lasting peace, not a new round of escalation of the arms race. The Camp David process is the best hope for peace—Jordan is the key to progress in that process.

The submission of our resolution at this time, sponsored by more than two-thirds of the Members of the Senate, is a clear signal to the administration of our desire to give priority to the Camp David process, and to oppose destabilizing arms sales in that volatile region of the world.

At this critical juncture, there is no justification for the sale of advanced weapons to Jordan. We all know the wish list the administration is considering—F-16 and F-20 fighter planes, Sidewinder air-to-air missiles, Stinger antiaircraft missiles, mobile I-Hawks, and other state-of-the-art weaponry.

The F-16 and F-20—highly capable aircraft built to carry advanced missiles, including Sidewinders, bombs, and other ordnance—could be readily integrated into the AWAC's system which, under the administration's misguided policy, is already being sold to Saudi Arabia.

The advanced avionics of the F-16 and F-20 combined with their quick acceleration, maneuverability, and ground attack capabilities would greatly enhance Jordan's ability to participate in a surprise Arab attack against Israel.

The introduction of Stinger missiles into Jordan would represent a substantial threat to Israel. Their portability means only that they can be carried and fired by individual soldiers—but that they can also be seized by terrorists.

In addition, the mobile I-Hawk is a highly advanced first-line medium-range ground-to-air missile system, which would provide air defense cover to enhance Jordan's ability to mount air assaults on Israel and protect offensive Jordanian forces in an attack.

Sales of such weapons to Jordan would significantly increase the military threat against Israel. The Arab states give high priority to strengthening their air and ground forces, and Jordan is the state with the best geographic position to spearhead a coordinated Arab attack on Israel. Jordan shares the longest border with Israel and has airfields closest to key targets in Israel. Amman itself is barely 50 miles from Jerusalem. With advanced new military capability, Jordan may find it impossible to stay out of any future war in the Middle East.

We know that Jordan has continued to acquire advanced weapons from the Soviet Union, including surface-to-air missiles. Jordanian forces have received military training on Soviet territory and from Soviet technicians in Jordan. These Kremlin ties raise serious questions about the security of any high technology weapons supplied by the United States to Jordan.

Jordan obviously has its own legitimate defense requirements. But what is needed now from the United States is not more sophisticated arms for Jordan, but more sophisticated diplomacy in bringing Jordan into the Camp David peace process. There will be ample time to consider weapons sales when Jordan sits down with Israel. Until then, the United States can most effectively advance the cause of peace by withholding weapons sales to Jordan.

● Mr. HEINZ. Mr. President, today Senator Kennedy and I, along with 67 of our colleagues, are submitting a resolution expressing opposition to the sale of advanced weapons systems to Jordan under current circumstances. At the same time our resolution calls upon the United States to focus its efforts on bringing Jordan into direct peace negotiations with Israel.

The sale of advanced arms to Jordan under present circumstances will neither enhance Israel's security nor bring peace to the Middle East. At a time when Israel's defense forces are attempting to reconstitute themselves and when Israel is addressing serious economic problems caused in part by a heavy defense burden, it would be wrong for us to up the military ante by providing Jordan with sophisticated weapons.

Our resolution is designed to encourage the King to go beyond the status quo to bring peace to the Middle East. At the same time, we recognize that at this time, a new, destabilizing arms sale would only serve to frustrate our ultimate goal of negotiations between Israel and all legitimate parties in the Middle East.

While I do not question King Hussein's sincerity about the goal of entering direct negotiations with Israel, I would be less than candid if I were not concerned about both his ability to deliver the PLO to the negotiating table committed to U.N. Resolutions 242 and 338, and Israel's right to exist and his desire to allow the Soviet Union a place of prominence at the negotiating table.

Mr. President, despite King Hussein's assertion of the PLO's commitment to U.N. Resolutions 242 and 338, Yasser Arafat has not explicitly stated such a commitment. As a result we can only conclude that the PLO remains committed to the destruction of Israel.

In addition, although the King has called for direct negotiations with Israel, he has done so in the context of a so-called umbrella negotiating forum to include the Soviet Union and other permanent members of the U.N. Security Council.

Mr. President, we do not need the good offices of the Soviet Union to bring peace to the Middle East. The Soviets continue to stand for all that is wrong in that troubled region; terrorism, subversion, and the direct support of nations dedicated to the destruction of the State of Israel.

While we can appreciate the King's desire to buffer himself against radical Arab States, allowing the Soviets a place of prominence will only lend further credibility to those who seek to sabotage an Israeli-Jordanian peace agreement.

We must encourage the King to replicate the formula of success represented by the Camp David accords. It is a mistake to suggest that he has already succeeded in doing so. As a result, we cannot at this time support the sale of sophisticated arms to Jordan when so many obstacles to constructing a meaningful peace process have yet to be resolved.

Mr. President, it is my hope that King Hussein succeeds in creating a peace process which can lead to meaningful negotiations and peace. It is my expectation that on the basis of such results that this Nation will then examine the need to enter into a long-term security relationship with Jordan. But such a relationship can only be based on results, as optimism alone cannot suffice, and it is the goal of our resolution to explicitly set forth such a framework, one which can lead to just and lasting peace in the Middle East.●

Mr. LAUTENBERG. Mr. President, I rise today in support of the resolution offered by Senators KENNEDY and HEINZ of which I am an original cosponsor. This resolution opposes the sale of advanced weapons and sophisticated aircraft to Jordan until Jordan joins the Camp David peace process and begins direct negotiations with Israel.

Mr. President, Jordan's King Hussein stated on his recent visit to the United States that Jordan is committed to direct peace negotiations with Israel on the basis of U.N. Resolutions 242 and 338 within the framework of an international forum which includes the Soviet Union. King Hussein says that the PLO's Yasser Arafat shares this position as well. These new developments may be cause for hope about the peace process, and for that, I welcome them.

But Israel must be the one to decide with whom it can negotiate and on what terms. Israel has made those terms very clear on many occasions—it seeks direct negotiations with Jordan without preconditions. Jordan has not yet agreed to sit down at the bargaining table and negotiate face to face with Israel without such preconditions. It has agreed to negotiate under an international umbrella including the Soviet Union; it has agreed to negotiate if the United States first participates in a dialog with Palestinians who may or may not be members of the PLO; and it has agreed to negotiate, I understand, if the United States agrees to sell it F-20's. Clearly, Jordan still has a distance to travel on the road to peace. Some may suggest that Jordan should receive arms as an incentive to negotiate for peace. But Mr. President, I do not believe that the instruments of war are the proper encouragement for peace. It is perverse to suggest that the only way to keep King Hussein on course in the peace process is to give him the ability to make war. When King Hussein actually sits down at the bargaining table with the Israelis, then we can consider the provision of advanced weapons. I do not see what it gains us to do so before then.

Mr. President, I urge my colleagues to adopt this resolution.

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1986

PROXMIRE AMENDMENT NO. 253

(Ordered to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes; as follows:

On page 14, between lines 2 and 3, insert the following new section:

PROHIBITION AGAINST FURNISHING STRATEGIC DEFENSE INITIATIVE INFORMATION TO THE SOVIET UNION

SEC. 204. Neither the Secretary of Defense nor any other officer or employee of the United States may furnish to the Soviet Union or to any ally of the Soviet Union any research data, technological information, equipment, or component of any equipment relating to the Strategic Defense Initiative program of the United States unless specifically authorized to do so by legislation enacted after the date of the enactment of this Act.

KENNEDY (AND OTHERS) AMENDMENT NO. 254

Mr. KENNEDY (for himself, Mr. SPECTER, and Mr. PACKWOOD) proposed an amendment to the bill S. 1160, supra; as follows:

Beginning on page 74, line 3, strike all through page 76, line 13.

SMALL BUSINESS ADMINISTRATION AUTHORIZATION ACT

WEICKER AMENDMENT NO. 255

(Ordered to lie on the table.)

Mr. WEICKER submitted an amendment intended to be proposed by him to the bill (S. 408) to amend the Small Business Act to provide program levels, salary and expense levels, and authorizations for the Small Business Administration's programs for fiscal years 1986, 1987, and 1988, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SMALL BUSINESS ADMINISTRATION PROGRAM LEVELS

SECTION 1. Section 20 of the Small Business Act is amended—

(1) by adding the following new subsections:

"(u) The following program levels are authorized for fiscal year 1986:

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make 35,000,000 in direct and immediate participation loans; and of such sums, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), and 20,000,000 in loans to be made only to disabled veterans, and veterans of the Vietnam era, as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72.

"(2) For the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make 2,930,000,000 deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $60,000,000 in loans as provided in paragraph (11), $15,000,000 in loans as provided in paragraph (12), and $200,000,000 in loans as provided in paragraph (13) and guarantees and debentures as provided in section 503.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $250,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,115,000,000.

"(5) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $150,000,000.

"(6) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for administrative expenses.

"(v) There are authorized to be appropriated to the Administration for fiscal year 1986, $534,000,000. Of such sum $312,000,000 shall be available for carrying out the programs referred to in subsection (u), paragraphs (1) through (3); $12,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; and $210,000,000 shall be available for salaries and expenses of the Administration.".

"(w) The following program levels are authorized for fiscal year 1987:

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $35,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), and $20,000,000 in loans to be made only to disabled veterans, and veterans of the Vietnam era, as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72.

"(2) For the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $3,050,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $63,000,000 in loans as provided in paragraph (11), $16,000,000 in loans as provided in paragraph (12), and $200,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $261,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,164,000,000.

"(5) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $157,000,000.

"(6) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(x) There are authorized to be appropriated to the Administration for fiscal year 1987, $561,000,000. Of such sum $331,000,000 shall be available for carrying out the programs referred to in subsection (w), paragraphs (1) through (3); $16,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; and $214,000,000 shall be available for salaries and expenses of the Administration.".

"(y) The following program levels are authorized for fiscal year 1988:

"(1) For the programs authorized in section 7(a) of this Act, the Administration is authorized to make $35,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), and $20,000,000 in loans to be made only to disabled veterans, and veterans of the Vietnam era, as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72.

"(2) For the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $3,169,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $6,000,000 in loans as provided in paragraph (10), $65,000,000 in loans as provided in paragraph (11), $16,000,000 in loans as provided in paragraph (12), and $200,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $272,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,213,000,000.

"(5) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $163,000,000.

"(6) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of section 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(z) There are authorized to be appropriated to the Administration for fiscal year 1988, 566,000,000. Of such sum 333,000,000 shall be available for carrying out the programs referred to in subsection (y), paragraphs (1) through (3); 15,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; and 218,000,000 shall be available for salaries and expenses of the Administration."; and

(2) in subsection (t)—

(A) by striking "each of fiscal years 1985 and 1986," and inserting in lieu thereof "1985"; and

(B) by striking "for each of such years".

BUSINESS LENDING REFORMS

SEC. 2. Section 7(a) of the Small Business Act is amended by striking our "90" each place it appears and inserting in lieu thereof "80".

SEC. 3. Section 7(a) of the Small Business Act is amended by adding at the end thereof the following:

"(16) The Administration shall collect a guarantee fee equal to 2 per centum of the amount of the deferred participation share of any loan under this subsection other than a loan repayable in one year or less or a loan under paragraph (13). The fee shall be payable by the participating lending institution and may be charged to the borrower.".

PROGRAM GUARANTEE AUTHORITY

SEC. 4. Section 20(a) of the Small Business Act is amended—

(1) by inserting "(1)" after "SEC. 20. (a)"; and

(2) by adding at the end thereof the following:

(2) Notwithstanding any other provision of law, the Administration shall enter into commitments to guarantee loans, debentures, payment of rentals, or other amounts due under qualified contracts and other types of financial assistance and enter into commitments to guarantee sureties against loss pursuant to programs under this Act and the Small Business Investment Act of 1958, in the full amounts provided by law subject only to (A) the availability of qualified applications for such guarantees, and (B) limitations contained in appropriations Acts. Nothing in this paragraph authorizes the Administration to reduce or limits its authority to enter commitments for such guarantees to qualified applicants.".

DISASTER LENDING REFORMS

SEC. 5. (a) Section 7(b) of the Small Business Act is amended—

(1) by striking "The" after "(b)" and inserting in lieu thereof "Except as to agricultural enterprises as defined in section 198(b)(1) of this Act, the";

(2) by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof a period; and

(3) by striking paragraphs (3) and (4).

(b) Section 7(c)(4) of such Act is amended by striking out the last, undesignated paragraph.

(c) Section 18(c) of such Act is amended by striking all that follows "Federal Government" and inserting in lieu thereof a period.

SEC. 6. (a) Title III of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new section:

"GUARANTEED OBLIGATIONS NOT ELIGIBLE FOR PURCHASE BY FEDERAL FINANCING BANK

SEC. 320. Nothing in any provision of law shall be construed to authorize the Federal Financing Bank to acquire after September 30, 1985—

"(1) any obligation the payment of principal or interest on which has at any time been guaranteed in whole or in part under this title,

"(2) any obligation which is an interest in any obligation described in paragraph (1), or

"(3) any obligation which is secured by, or substantially all of the value of which is attributable to, any obligation described in paragraph (1) or (2).".

(b) The table of sections for such title III is amended by adding at the end thereof the following new item:

"SEC. 320. Guaranteed obligations not eligible for purchase by Federal Financing Bank.".

Amend the title so as to read: "A bill to amend the Small Business Act to establish program levels and authorizations for the Small Business Administration, and to amend the Small Business Investment Act of 1958, and for other purposes.".

● **Mr. WEICKER.** Mr. President, on March 26, 1985, by a vote of 16–3, the Small Business Committee reported out S. 408 authorizing funds for SBA's programs and activities for the next 3 fiscal years. As reported, S. 408 achieves $851 million in outlay savings over the next 3 fiscal years. The Senate budget resolution Senate Congressional Resolution 32 reflected a compromise reached by myself, the Republican leadership and the administration requiring the committee to achieve $2.5 billion in outlay savings in the SBA budget over the next 3 fiscal years.

When S. 408 is considered by the Senate, I intend to offer this amendment in the nature of a substitute to S. 408, to reflect this compromise. This substitute amendment would modify S. 408 to achieve these additional savings in the following manner: First, effective October 1, 1985, farmers would be required to go to Farmers Home Administration (FmFA) for disaster assistance. Second, the small business investment companies (SBIC's) would be required to sell their 100 percent federally guaranteed debentures to the private capital markets rather than the Federal financing bank. This proposal was initially suggested by Senator BOSCHWITZ during markup on the committee bill. Third, the 503 local development program would be reduced from $450 million to $200 million in fiscal year 1986 and frozen at that level in fiscal years 1987 and 1988. Fourth, the veterans and handicapped direct loan programs would be reduced by $5 million in fiscal year 1986 and frozen in the outyears. Finally, the substitute amendment would freeze the Minority Enterprise Small Business Investment Company (MESBIC) Program at $41 million in fiscal years 1987 and 1988.

Mr. President, I would like to insert at this point in the RECORD a table summarizing the savings achieved by the substitute amendment and a table delineating SBA's loan program levels set forth by this amendment.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TOTAL SAVINGS ACHIEVED BY S. 408, AS AMENDED

[In millions of dollars]

	1986		1987		1988		
	Budget authority	Outlay	Budget authority	Outlay	Budget authority	Outlay	Outlay 3 yr
Savings from S. 408, as reported with proposed technical amendments:							
Freeze of salaries and expenses in fiscal year 1986	−33	−24	−34	−32	−35	−38	−94
Eliminate bulk of direct loans; freeze guarantee lending; freeze MESBICS in fiscal year 1986	−201	−128	−188	−192	−195	−185	−505
Terminate nonphysical disaster	0	−59	0	−68	−346	−63	−190
Freeze in fiscal year 1986 the SBIC	−9	−9	−10	−8	−9	−5	−22
Freeze in fiscal year 1986 the 503	−13	−13	−13	−13	−15	−15	−41
Total savings	−256	−233	−246	−314	−600	−306	−853
Additional savings achieved:							
Require small business investment companies to sell their 100 percent federally guranteed debenture directly to the private capital markets rather than the Federal Financing Bank	−194	−194	−202	−181	−211	−154	−529
Effective Oct. 1, 1985, require farmers to go to FmHA for disaster assistance	0	−70	0	−353	−113	−394	−817
Reduce 503 program from $450 million to $200 million in fiscal year 1986; freeze fiscal years 1987 and 1988; Reduce Handicapped and Veterans direct loan program by $5 million in fiscal year 1986; freeze program in fiscal years 1987 and 1988	−10	−6	−180	−178	−193	−190	−374
Total savings	−204	−270	−382	−712	−517	−738	−1,720

BUSINESS LOAN AND INVESTMENT FUND, SMALL BUSINESS ADMINISTRATION, PROGRAM LEVELS

[Dollars in millions]

	Fiscal year 1985 appropriated	S. 408, as amended, program levels		
		1986	1987	1988
General business loans	2,758			
Direct and IP	108.0	0.0	0.0	0.0
Guaranteed	2,650.0	2,650.0	2,766.0	2,882.0
Handicapped loans	29.0	.0	.0	.0
Direct and IP	24.0	15.0	15.0	15.0
Guaranteed	5.0	5.0	5.0	5.0
Economic opportunity loans	105.0	.0	.0	.0
Direct and IP	45.0	0.0	0.00	0.0
Guaranteed	60.0	60.0	63.0	65.0
Energy loans	18.0	.0	.0	.0
Direct and IP	3.0	0.0	0.0	0.0
Guaranteed	15.0	15.0	16.0	16.0
Development company loans	455.0	.0	.0	.0
Direct and IP	5.0	0.0	0.0	0.0
Guaranteed	450.0	200.0	200.0	200.0
Investment company loans	312.0	.0	.0	.0
Direct and IP	47.0	41.0	41.0	41.0
Guaranteed	265.0	250.0	261.0	272.0
Veterans loans	25.0	.0	.0	.0
Direct and IP	25.0	20.0	20.0	20.0
Guaranteed	0.0	0.0	0.0	0.0
Total business loans	3,702.0	.0	.0	.0
Direct and IP	257.0	76.0	76.0	76.0
Guaranteed	3,445.0	3,180.0	3,311.0	3,440.0

Mr. WEICKER. Mr. President, CBO has estimated that $817 million in outlays will be achieved in fiscal years 1986 through 1988 by requiring farmers to go to FmHA for disaster assistance. This amendment is critical in preventing SBA's Disaster Loan Program from growing out of control as it did in 1978 and 1979 when the program grew from $200 million to $2.5 billion primarily due to crop-related disaster lending.

I have long advocated that requiring two separate agencies, SBA and FmHA, to be prepared to handle the same problem area is not a proper use of limited Government resources, and affords increased opportunities for waste, abuse, and mismanagement. Duplicative farm disaster programs have caused many problems in the past as has been set forth by the SBA inspector general, GAO reports, and an extensive investigation and hearings by the Senate Small Business Committee.

The problems and needs of farmers should be handled by the Department of Agriculture, and specifically FmHA, which has the expertise in, and the knowledge of, the unique financial and business problems of agricultural enterprises, which SBA does not. With 2,300 field offices nationwide, and experts trained in the needs of farmers, the Department of Agriculture has the resources and special expertise to handle the problems of agricultural enterprises. The Department staff is in excess of 110,000 of which more than 17,000 are employed by FmHA. SBA's staff is less than 4,900 and operates its disaster Lending Program from its central and four regional offices with a core staff of 150 people, which is supplemented when major disaster occurs.

The Agriculture Committees will need to resolve how crop related disasters will be handled. They are the committees of jurisdiction which have the expertise in this area. As chairman of the Small Business Committee, I defer to those committees to render a decision on this matter.

Mr. President, CBO estimates that loan demand for SBA disaster assistance under its current program for each of fiscal years 1986–88 will be:

[In million of dollars]

	1986	1987	1988
Farm demand	529	552	575
Business and home demand	381	408	428
Total demand	901	960	1,001

CBO's estimated demand far exceeds the statutory ceiling of $500 million in fiscal year 1986, Public Law 98–270 established for the first time an artificial cap on SBA's Disaster Loan Program as a means of generating paper savings. A statutory cap on the Disaster Loan Program is poor public policy. If businesses or homeowners have suffered loss due to a natural disaster, they should be eligible for disaster assistance regardless of the number of disasters that occur in any 1 year.

Mr. President, if CBO is correct with its estimate of demand, the SBA Disaster Loan Program, as currently constituted, it will be shut down sometime in fiscal year 1986. My amendment would resolve this problem by: First, reducing the demand on the SBA Disaster Program, and two, by removing the artificial cap on the program. However, homeowners and businesses would still be able to obtain critical and timely disaster assistance from SBA to cover uninsured losses resulting from natural disasters, such as floods, tornados, and hurricanes.

In summary, Mr. President, this amendment achieves substantial savings of $2.5 billion in the SBA budget over the next 3 years, while at the same time preserves the SBA credit programs so critical to our Nation's small businesses. SBA's management assistance network which operates through small business development centers [SBDC's], service corps of retired executives [SCORE], and small business institute [SBI's] will also continue to exist and provide affordable counseling and training to millions of small businesses throughout the United States. Also, SBA's field structure, advocacy, procurement assistance, and special programs designed to assist women entrepreneurs, veterans, and minority businesses will remain. I believe it to be a fair compromise which achieves significant savings, responds effectively to our serious budget deficit problem, and does so in a way that allows the agency to respond to the diverse needs of the small business community.●

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1986

PRESSLER AMENDMENT NO. 256

Mr. PRESSLER proposed an amendment to the bill S. 1160, supra; as follows:

On page 11, line 20, strike out "$6,126,266,000" and insert in lieu thereof "$5,906,266,000".

On page 12, line 2, insert "(a)" after "SEC. 202.".

On page 12, between lines 18 and 19, insert the following new subsection:

(b) Of the funds appropriated pursuant to the authorization in section 201 for the Strategic Defense Initative program, the sum of $250,000,000 shall not be available for obligation unless and until the President certifies in writing to the Congress, after the date of the enactment of this Act, that the Soviet Union has clearly violated the 1972 Anti-Ballistic Missile Treaty.

GORE AMENDMENT NO. 257

Mr. GORE proposed an amendment to the bill S. 1160, supra; as follows:

On page 11, line 20 strike out "$6,126,266,000" and insert in lieu thereof "$5,654,266,000".

On page 12, between lines 18 and 19, insert the following new section:

LIMITATIONS ON THE STRATEGIC DEFENSE INITIATIVE

SEC. 203. (a) Subject to subsection (b), of the amount authorized in section 201(a) for Defense Agencies $2,500,000,000 is available for the Strategic Defense Initiative program.

(b) Of the $2,500,000,000 referred to in subsection (a), not more than $29,000,000 shall be available for the Airborne Optical Sensor Project (also known as the Optical Surveillance experiment carried out under the Surveillance, Acquisition, and Tracking element of the Strategic Defense Initiative program and designated as project number 63220C–0008 in the 1985 Report to the Congress on the Strategic Defense Initiative by the Department of Defense, Senate Document No. 99–41), not more than $3,500,000 shall be available for the Hypervelocity Launcher Development Project (carried out under the Kinetic Energy Weapons element of the Strategic Defense Initiative program and designated as project number 63222C–0009 in such report), and not more than $40,000,000 shall be available for the Kinetic Kill Vehicle Project (carried out under the Kinetic Energy Weapons element of the Strategic Defense Initiative program and designated as project number 63222C–0010 in such report) until—

(1) the President submits to Congress a report described in subsection (c);

(2) the special advisory committee established under subsection (d) submits the special report described in paragraph (3) of that subsection; and

(3) a joint resolution approving the obligation of those funds is enacted as provided for in section 203a.

(c) A report under subsection (b)(1) shall be a report by the President in which the President addresses and provides responses on the following matters:

(1) Whether an early execution of the projects referred to in subsection (b) are essential to the fundamental research needed to carry out successfully the Strategic Defense Initiative program and, if so, why the projects are essential and whether failure to carry them out as currently planned would result in the failure of the Strategic Defense Initiative program.

(2) Whether there is an existing concept of the overall design for a Strategic Defense Initiative into which the projects referred to in subsection (b) fit and, if so, what specific purpose such projects would serve in the design concept.

(3) How a defensive system incorporating elements developed by such projects would be protected against Soviet countermeasures, including a precursor attack on the defensive system itself.

(d)(1)(A) There is established within the executive branch a Special Advisory Committee on Compliance (hereinafter in this subsection referred to as the "Advisory Committee") to advise the President and the National Security Council on matters relating to compliance with and violations of the 1972 Anti-Ballistic Missile Treaty and in particular whether activities carried out in connection with the Strategic Defense Initiative program violate such treaty.

(3) The Advisory Committee shall be composed of the Legal Advisor of the Department of State, the General Counsel of the Department of Defense, and the General Counsel of the Arms Control and Disarmament Agency.

(3)(A) Not later than the date on which the report referred to in subsection (b)(1) is submitted by the President, the Advisory Committee shall submit a special report to the Congress containing the views of the committee on the likelihood, if any, of the projects referred to in subsection (b), or of identical or comparable projects carried out by the Soviet Union, violating the 1972 Anti-Ballistic Missile Treaty and, if the Advisory Committee finds that carrying out such projects would likely violate the treaty, what provisions of the treaty would be violated and the extent of the violations. The Advisory Committee may include in such report such other comments and recommendations as the committee considers appropriate relating to the Strategic Defense Initiative program and compliance with the 1972 Anti-Ballistic Missile Treaty.

(B) In the event one or more of the Advisory Committee believe there is a possible conflict between the provisions of the 1972 Anti-Ballistic Missile Treaty and the research and development projects referred to in subsection (b), the committee shall include in its report a discussion of both sides of the issue.

(4)(A) The Advisory Committee shall study and assess, on a continuing basis, all activities conducted in connection with the Strategic Defense Initiative and all identical or comparable activities carried out by the Soviet Union with a view to determining whether such activities have violated or will likely violate the 1972 Anti-Ballistic Missile Treaty. The Advisory Committee shall submit to the President, the Congress, and the National Security Council, not later than February 1 each year, a report containing the results of its studies and assessments. The first report required under this paragraph shall be submitted not later than February 1, 1987.

(B) In the event any member of the Advisory Committee in any year believes there is a possible conflict between the provisions of the 1972 Anti-Ballistic Missile Treaty and any research and development projects carried out by the Department of Defense in connection with the Strategic Defense Initiative, the committee shall include in its report for such year a discussion of both sides of the issue.

(5) All reports of the Advisory Committee which contain classified information shall also be submitted in an unclassified version. The unclassified version of a report shall convey, to the maximum extent practicable, the same information as that contained in the classified version of the report.

(e) Not later than March 1, 1986, and not later than March 1 each year thereafter, the President shall furnish to the Congress an updated report of the 1985 report on the Strategic Defense Initiative submitted to the Congress pursuant to section 1106 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2582). Each such report shall be of the same scope and content as the 1985 report, including an update of the information on the Strategic Defense Initiative called for in the Joint Explanatory Statement of the Committee of Conference contained in House Report 98-1159, dated October 10, 1984.

PROCEDURES FOR CONSIDERING THE JOINT RESOLUTION UNDER SECTION 203

Sec. 203a. (a) For the purposes of section 203(b)(3), "joint resolution" means only a joint resolution introduced after the date on which the report of the President under section 203(b)(1) and the special report of the Advisory Committee under section 203(d)(3)(B) are received by Congress the matter after the resolving clause of which is as follows: "That the Congress approves the obligation of all funds appropriated for fiscal year 1986 for the Strategic Defense Initiative program.".

(b) A resolution described in subsection (a) introduced in the House of Representatives shall be referred to the Committee on Armed Services of the House of Representatives. A resolution described in subsection (a) inroduced in the Senate shall be referred to the Committee on Armed Services of the Senate. Such a resolution may not be reported before the 8th day after its introduction.

(c) If the committee to which is referred a resolution described in subsection (a) has not reported such resolution (or an identical resolution) at the end of 15 calendar days after its introduction, such committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

(d)(1) When the committee to which a resolution is referred has reported, or has been deemed to be discharged (under subsection (c)) from further consideration of a resolution described in subsection (a), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(2) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(3) Immediately following the conclusion of the debate on a resolution described in subsection (a), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in subsection (a) shall be decided without debate.

(3) If, before the passage by one House of a resolution of that House described in subsection (a), that House receives from the other House a resolution described in subsection (a), then the following procedures shall apply:

(1) The resolution of the other House shall not be referred to a committee.

(2) With respect to a resolution described in subsection (a) of the House receiving the resolution—

(A) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(3) the vote on final passage shall be on the resolution of the other House.

(f) This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

On page 12, line 22, strike out "Sec. 203." and insert in lieu thereof "Sec. 204.".

GLENN AMENDMENT NO. 258

Mr. GLENN proposed an amendment to the bill S. 1160, supra; as follows:

On page 11, line 20, strike out "$6,126,266,000" and insert in lieu thereof "$5,954,082,000".

On page 11, after line 25, insert the following new subsection:

(c) of the amount authorized in subsection (a) for the Defense Agencies, $2,800,000,000 is available only for Strategic Defense Initiative programs.

BUMPERS AMENDMENT NO. 259

Mr. BUMPERS proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following new section:

STRATEGIC DEFENSE EVALUATION PANEL

Sec. . (a) There is established an independent panel of experts to be known as the Strategic Defense Evaluation Panel (hereinafter in this section referred to as the "Panel").

(b) The Panel shall be composed of 8 members appointed as follows:

(1) Two members to be appointed by the Speaker of the House of Representatives.

(2) Two members to be appointed by the minority leader of the House of Representatives.

(3) Two members to be appointed by the President pro tempore of the Senate upon the recommendation of the majority leader of the Senate.

(4) Two members to be appointed by the President pro tempore of the Senate upon the recommendation of the minority leader of the Senate.

(c) No person shall be eligible for appointment to the Panel who has been employed in the previous year by the Strategic Defense Initiative Organization of the Department of Defense or by an organization otherwise compensated under contract by the Strategic Defense Initiative Organization.

(d) Members of the Panel shall be appointed for a term of three years except that of the members first appointed to the Panel, two shall be appointed for a term of one year, three shall be appointed for a term of two years, and three shall be appointed for a term of three years, as determined by lot at the first organizational meeting of the Panel.

(e) It shall be the function of the Panel to evaluate defensive research and development activities of the Department of Defense, the technical and programmatic status of work within the Strategic Defense Initiative Organization, and the effect of the Strategic Defense Initiative on United States arms control goals and policies and United States compliance with existing arms control treaties.

(f) The Panel shall submit classified and unclassified reports to the Congress each year containing the results of its evaluations made pursuant to subsection (e) for the preceding year together with such recommendations for legislative and administrative action as it considers appropriate. The first such report shall be submitted not later than April 1, 1986.

(g) All persons appointed to the Panel shall be given appropriate security clearances. Members of the Panel shall be given access to all classified materials pertinent to evaluating the Strategic Defense Initiative.

(h) Expenses of the Panel, for such administrative and staff support as it may require, shall be paid out of funds made available for the Strategic Defense Initiative Organization.

WALLOP (AND OTHERS) AMENDMENT NO. 260

Mr. WALLOP (for himself, Mr. Wilson, Mr. Quayle, Mr. Boren, Mr. Hollings, Mr. Heflin, Mr. Kasten, Mr. Simpson, Mr. Denton; Mr. McClure, Mr. Symms, Mr. Helms, Mr. East, Mr. Mattingly, and Mrs. Hawkins) proposed an amendment to the bill S. 1160, supra; as follows:

At the appropriate place, insert the following:

Of the funds authorized for the Strategic Defense Initiative, $800,000,000 is available only for research and development of non-nuclear ballistic missile defense systems, to be deployed within five to seven years.

The Secretary of Defense shall report to the Committees on Armed Services of the Senate and House of Representatives by February 1, 1986, a plan for this research and development program, including such factors as schedule and cost. Specifically, this report shall address the role that such strategic defenses could play in enhancing the survivability and effectiveness of U.S. strategic forces, particularly the land-based missile force.

BUMPERS (AND LEVIN) AMENDMENT NO. 261

Mr. BUMPERS (for himself and Mr. Levin) proposed an amendment to the bill, S. 1160, supra; as follows:

On page 99, between lines 4 and 5, insert the following new section:

STRATEGIC DEFENSE ADVISORY PANEL

Sec. 914. (a) It is the sense of the Senate that there should be established an advisory panel to be known as the Strategic Defense Advisory Panel.

(b) The Advisory Panel shall be composed of 10 members appointed as follows:

(1) Two members each to be appointed by the Chairmen of the Committee on Armed Services and the Committee on Foreign Relations of the Senate after consultation with the ranking minority member of such committees.

(2) Two members each to be appointed by the ranking minority members of the Committee on Armed Services and the Committee on Foreign Relations of the Senate after consultation with the Chairman of such committees.

(3) One member each to be appointed by the Majority Leader and the Minority Leader of the Senate.

(c) Members of the Advisory Panel shall serve at the pleasure of the appointing authority.

(d) It shall be the function of the Advisory Panel to evaluate strategic defense research and development activities of the Department of Defense, the technical and programmatic status of work within the Strategic Defense Initiative Organization, and the effect of the Strategic Defense Initiative on United States arms control goals and policies. The Advisory Panel shall submit such reports as the Chairmen and Ranking Minority Members of the Committees deem necessary to the Committees.

(e) Expenses of the Advisory Panel shall be paid out of the Contingent Fund of the Senate upon vouchers approved by the Chairman and ranking minority member of the Committee on Armed Services and the Committee on Foreign Relations of the Senate.

On page 99, redesignate sections 914, 915, and 916 as sections 915, 916, and 917 respectively.

PRESSLER AMENDMENT NO. 262

Mr. PRESSLER proposed an amendment to the bill, S. 1160, supra; as follows:

At an appropriate place in the bill, insert the following:

Recent attempts by the President of the United States to initiate cooperation on the Strategic Defense Initiative between our government and the governments of the North Atlantic Treaty Organization should be commended; and

Our mutual defense is strengthened by the ability of the NATO alliance to achieve the highest level of cooperation and consultation possible; Now, therefore,

It is the sense of the Senate that the President should continue consultations with the governments of the North Atlantic Treaty Organization concerning the Strategic Defense Initiative, and within applicable U.S. national security guidelines inform these countries of our progress, plans, and potential proposals in this area to the maximum extent feasible.

MATHIAS AMENDMENT NO. 263

Mr. MATHIAS proposed an amendment to the bill, S. 1160, supra; as follows:

On page 100, between lines 3 and 4, insert the following new sections:

STUDY BY THE DIRECTOR OF THE CONGRESSIONAL BUDGET OFFICE

Sec. . (a) The Director of the Congressional Budget Office shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiative programs for fiscal years 1986 through 1991 will likely have on the research and development budget of the Department of Defense for each of such years and on the research and development budget for the entire Federal Government for each of such years.

(b) The Director shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

STUDY BY THE JOINT ECONOMIC COMMITTEE

Sec. . (a) The Joint Economic Committee shall conduct a comprehensive study of the impact that projected expenditures for Strategic Defense Initiative programs for fiscal years 1986 through 1991 will likely have on the research and development efforts by the civilian sector of the economy for such years.

(b) The Committee shall report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act.

PROXMIRE AMENDMENT NO. 264

Mr. PROXMIRE proposed an amendment to the bill S. 1160, supra; as follows:

At the end of title IX of division A of the bill, insert the following new section:

REQUIREMENT FOR SPECIFIC AUTHORIZATION FOR DEPLOYMENT OF STRATEGIC DEFENSE INITIATIVE SYSTEM

Sec. 917. A strategic defense system developed as a consequence of research, development, test, and evaluation conducted on the Strategic Defense Initiative program may not be deployed in whole or in part unless—

(1) the President determines and certifies to the Congress in writing that the system is—

(A) survivable against Soviet countermeasures and be able to maintain a sufficient degree of effectiveness to fulfill its mission even in the face of determined attacks against, and

(B) cost effective at the margin to the extent that it must be able to maintain its effectiveness against the offense at less lost than it would take to develop offensive control measures and proliferate the ballistic missile necessary to overcome it.

(2) finding for the deployment of such system has been specifically authorized by legislation enacted after the date on which the President makes the certification to the Congress.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that on June 10, 1985, the Senate Small Business Committee will hold a field hearing in Chicago, IL, on the administration's plan to tax employee benefits and the effect upon small business. The hearing will be held in the Ceremonial Courtroom 2525, of the Dirksen Federal Building and will begin at 9:30 a.m. For further information call Stewart Hudson of the committee staff at 224-0840 or Tom Walsh at 224-3052.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, June 4, 1985, in order to receive testimony concerning the nomination of William Bradford Reynolds to be Associate Attorney General.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, June 4, to hold an oversight hearing on impact of imported petroleum products on the domestic petroleum industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 4, 1985, in order to conduct a business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SALUTE TO THE U.S. PARK POLICE

● Mrs. HAWKINS. Mr. President, today, I would like to pay tribute to a very special group of Federal law enforcement officials, the U.S. Park Police.

These brave men and women utilize their unique talents and abilities to ensure the security of the diverse and beautiful park areas of our Nation's Capital. For District residents, and visitors to Washington alike, the U.S. Park Police have a major impact on the safety of these individuals and their property.

Mr. President, over 42,000 acres of National Capital Park area has to be policed by these law enforcement agents; that includes 781 different sites, and 224 miles of roadway. People from all over America, from all over the world, come to Washington every day to witness the majesty of this beautiful Capital City, and to take advantage of the varied National Capital Park lands, from the wooded areas of Rock Creek Park, to the Georgetown bike path. And every inch of this terrain is protected, superbly, by the U.S. Park Police. They are known far and wide for their innovative methods of crime control and prevention.

For example, when muggings, purse snatchings, and automobile break-ins became a problem on the Mall, it was the Park Police who began patroling the Mall regularly on horseback. Their performance was such that within a very short time, larcenies had decreased a full one-third. Another area of crime control in which the U.S. Park Police has been particularly effective is in drug abuse control. The intensely wooded area of Rock Creek Park has become a haven for drug transactions, and the members of the U.S. Park Police have stepped up patrols to try and put a stop to this situation. These law enforcement officers have been so effective thus far that they have been deemed responsible for a large part of Metropolitan Washington's increasingly successful drug control activity.

And yet, Mr. President, though these crime fighters are indeed frontline soldiers in the battle against drug abuse, they are still renowned for their sense of community spirit and humanity. I am aware that numerous members of the U.S. Park Police on horseback will make sure to be riding their patrols near a schoolyard, around recess time, so that the children can come into contact with their horses. This kind of compassion is consistently displayed by members of the U.S. Park Police, whether they partol on horseback, in squad cars, or on motorcycles.

I was, therefore, not surprised, Mr. President, to learn of the esteem in which the Chief of the U.S. Park Police, Chief Lynn H. Herring, is held. From what I have come to know about Chief Herring, he not only embodies the qualities of these very special law enforcement officers, but he is, indeed, an example to everyone under his command.

I thank Chief Herring and the members of the U.S. Park Police for their consistently fine contributions to the law enforcement of our beautiful capital city, Mr. President. I am sure that my colleagues in the U.S. Senate join me in offering our continued support of their exemplary operations.●

MATHOPESTAD

● Mr. KENNEDY. Mr. President, a recent article in the New York Times by Alan Cowell describes the continuing efforts of the South African Government to move the citizens of the town of Mathopestad from their land. They have owned this land since 1910. I visited Mathopestad in January and I met with the people of that town. It is called a "black spot" by the South African authorities because it is totally surrounded by white-owned farmland. As part of its program to separate the races, the South African Government has sought to eliminate these "black spots" by forcibly removing blacks from their traditional homes and moving them to resettlement camps. This process is brutal, frequently violent, always wrenching.

In 1980 the people of Mathopestad learned that the South African Government planned to move them to Onderstepoort, to land which they consider infinitely inferior to Mathopestad. The Mathopestad landowners have steadfastly resisted the Government's efforts to remove them, but they fear that the Government will nevertheless force them to leave.

I raised the issue of Mathopestad with the Minister of Cooperation, Development and Education, Gerrit Viljoen, during my visit with him in January. Shortly after I left, Dr. Viljoen anounced a suspension of forced removals to allow the Government to review its policy on this matter.

Shortly thereafter Dr. Viljoen reported that the Government would not remove people without their consent, but, he added, the Government would continue to resettle black communities if "their leaders agreed," or if "health considerations" warranted such removals. This statement caused concern because the Government had long tried to install puppet "leaders" in place of these communities' real leaders.

Most recently, in reply to a question in Parliament on April 9, Mr. Viljoen said that the Government planned to go ahead with its plan to resettle the 1,500 residents of Mathopestad "in consultation with the residents." During the past 2 years the Government has never discussed the subject with legitimate leaders of the community, but it has instead met secretly with a small group of residents, most of whom are tenants rather than landowners. A recent report on the state-owned television corporation [SABC] stated that 100 of the 330 families living at Mathopestad have agreed to move. Now the fear is that, if a sufficient number of tenant families agree to move in the hope of obtaining their own land, the Government will use their consent to justify a wholesale removal of the community.

The legitimate leaders of Mathopestad—along with an overwhelming majority of the citizens—oppose any move, and 750 people have signed a petition opposing removal. But they have good reason to fear that the Government will forcibly remove them, as it did in nearby Magopa last year, if they refuse to leave voluntarily.

Mr. President, I request that the entire text of the May 7 New York Times article be inserted at this point in the RECORD, as well as the following additional background material on Mathopestad: An April 22 open letter from Sub-Chief John Mathope to Secretary of State Shultz, an October 5, 1984, newsletter published by the white South African civil rights organization Black Sash about Mathopestad, and a Black Sash update on forced removals dated April 23, 1985.

The material follows:

[From the New York Times, May 7, 1985]

BLACK LANDOWNERS RESIST APARTHEID'S HARD SELL

(By Alan Cowell)

MATHOPESTAD, SOUTH AFRICA, MAY 1.—The wind. It is the wind, rustling the blue gum trees and building across wide plains, that seems to distinguish this place, where people have lived for decades, from another place 60 miles away, where the Government wants them to move.

Here, said John Mathope, subchief of the Bakubung tribe, there is wind all year, and the freshness of the highlands.

There, in Onderstepoort, a resettlement area marked out for 1,000 families, the sky was leaden today, holding warmth to land contested by thorns. The land is dotted with outhouses, arrayed in the empty bush, that symbolize the authorities' desire to build new locations for black people from elsewhere. Always, it seems, the outhouses are built first, baleful harbingers of enforced removal.

Mathopestad, 90 miles northwest of Johannesburg, is one of South Africa's best-known "black spots," a place where black families surrounded by white farmland hold freehold title that was granted before legislation made it impossible for most blacks to own land.

LETTER IS SENT TO SHULTZ

In January, Senator Edward M. Kennedy, Democrat of Massachusetts, came here during his tour of South Africa. Last week, Mr. Mathope wrote to Secretary of State George P. Shultz, asking him to intercede with the white authorities to prevent removal. But such courtship of prominent foreigners has not eroded the gnawing sense that the authorities wish to shift this community to Onderstepoort. And neither has the defiance diminished.

"We do not consent to move," said Mr. Mathope, a man in blue overalls and a stained trilby hat, who seems truculent with outsiders. "We do not trust the Government's intention."

In the last two decades, church groups say 3.5 million people have been resettled in pursuit of the policies of racial compartmentalization called apartheid. But, in January, Gerrit Viljoen, the white Cabinet minister responsible for the destinies of millions of blacks, announced a moratorium on forced removals while the policy was reviewed.

The announcement was greeted with skepticism by threatened communities, a skepticism that seemed reinforced when, on April 9, Mr. Viljoen was asked in Parliament whether the Government planned to resettle the 1,500 residents of Mathopestad.

The reply was, "Yes, in consultation with the residents." And there, the uncertainties and anomalies were illuminated.

WE WILL NOT BE MOVED

Mathopestad is not marked on roadmaps, and it is reached by dirt road, across the way from the village of Boons, where giant silos bear testimony to the agricultural richness of these lands. The residents are building a new high school here, hard by a sign that proclaims, "We will not be moved from Mathopestad."

The houses, many of them, are solid and built of stone, and the people say they are used to contentment. "This is the happiest place on earth," Mr. Mathope said.

In the authorities perspective, it is different. "Black spots" collide headon with notions of separation. When people are moved, official like to say, that they are moved for their own good, to more hygienic, more fertile places. Mr. Viljoen, for instance, said on April 9 that a move to Onderstepoort was "in the interest of all parties concerned."

That is disputed. "Here, we have a river that flows all year," Mr. Mathope said. "There, the river is dry, and the water comes from a dam. We have boreholes here. If we move there, we are moving straight to our graveyard."

The concern among civil rights groups over a move to Onderstepoort has grown with coverage of the community's affairs on the state-owned radio and television. The South African Broadcasting Corporation, for instance, used television coverage last Saturday to portray Onderstepoort as a luscious garden, focusing on an irrigation project there, and it called Mathopestad unhygienic. It noted, too, that Onderstepoort was close to Sun City, a luxury complex of hotels and casinos and sports facilities whose lushness offers a stark, sad contrast to the thorn and scrub of the resettlement site.

FAMILIAR TACTIC SEEN

The television report said more than 100 of the 300 families living at Mathopestad had agreed to move. For civil rights groups like Black Sash, which monitors removals, that statement smacked of familiar tactics.

Repeatedly, according to a Black Sash report dated April 23, the authorities have sought to make their own definition of a community's leadership and seek the agreement of puppet figures for removals. Thus, the report says, the authorities have negotiated only with "the small group that the Government has met with clandestinely and which consists mostly of tenants."

"The leaders of Mathopestad and the majority of the landowners are clearly against the move," the report says.

The fear is that, if sufficient numbers of tenant families, lured by a hope of land that is unlikely to be redeemed, agree to the move—as many tenants seem to have done—their assent will be deemed by the authorities to be justification for a wholesale removal of the community.

Similar tactics were used last year, when the nearby community of Magopa was forcibly removed, despite the fact that the people living there had rejected the leader with whom the authorities negotiated the move.

LANDOWNERS DON'T WANT TO GO

Some Mathopestad residents say they expect to start moving within the next two weeks, but landowners—and members of the tribe who live in cities but regard Mathopestad as home—say they do not wish to go with them.

A further concern is that Onderstepoort lies close to the invisible frontier between South Africa and the nominally independent homeland of Bophuthatswana. If the relocation site is "incorporated" into Bophuthatswana, the people of Mathopestad will lose all claim to South African citizenship, and their tribal identity will be swamped in a community much larger than their existing settlement.

So far, according to Black Sash figures, 750 people have signed a petition opposing removal, which the authorities insist will not take place, in their language, before the Government "has discussed the settlement with them."

"We own our land," Mr. Mathope said in a statement on April 10. "We were born here and our parents were born here. We will not move."

[Open Letter]

APRIL 22, 1985.

Mr. G. SHULTZ,
Secretary Of State,
United States of America.

DEAR MR. SHULTZ: I was very much surprised to hear that you said that there will be no more forced removals in South Africa. I think that you are mistaken because the Minister in our government, Mr. Viljoen, is still saying that we are going to be removed. It seems to to us that they say one thing to you but they say altogether different things to us.

We have always said we are not prepared to move. Our forefathers bought this land in 1910 for their children and grandchildren until the last generation of man on earth. It is our land and we farm it well. It is our only home. We explained all these things to Senator Kennedy when he came to visit us in January.

But the government is still doing everything it can to persuade us to give up our land and go far away. They even say that many of our people are willing to go. But these people who say that they will go are not the landowners. They are our tenants, or people who have sought shelter here. They are welcome amongst us, but are also quite free to go if they want to. We the landowners will never go. We want to keep our land and are not interested in any other place they offer us.

On the 20th of April we held a tribal meeting to test the people's feelings about the removal. The Chief, the headmen of all the clans, the landowners, and all the people present signed a petition to say they do not want to move. Even if the government still says the tenants are willing to go, everyone should know that we, the tribe who own this land, are determined to remain here.

What will the government do if we still refuse? We are very much afraid that the police will come in the night with guns and force us out. That is what happened last year in Magopa when the people refused to go from their place. Dr. Viljoen says the Magopa people agreed to go and this makes us even more afraid because we know about the police with guns.

I am writing to explain these things to you because we think a big man like you can try to speak to our government and stop them from taking away our land and forcing us to go. That is why we are asking you, Mr. Shultz, to help us. I would also like to put this letter in your newspapers so that all your people can also know that is happening in our village.

Yours faithfully,
JOHN MATHOPE,
Subchief of Bakubung Tribe
(Acting for Chief Solomon Mathope).

BLACK SASH UPDATE ON FORCED REMOVALS

Dr. Viljoen's statement in February 1985, that forced removals would be suspended while the government reviewed its policy on this matter, was greeted with mixed feelings. Communities in the Transvaal reacted skeptically that they would "wait and see".

Dr. Viljoen mentioned to the Rand Daily Mail that his department was 'unwilling' to proceed with a removal without the agreement of the people concerned. However, his statement on the 1st of February said that the government would continue to resettle black communities if "their leaders agree".

The communities themselves felt no such relief. In a joint statement replying to Dr. Viljoen they asked: "What leaders are the government talking about when it says it will move the people whose leaders agree? Are these the chiefs and 'leaders' they have put over us or our real leaders?"

There is therefore some vagueness as to whether the bottom line of halting a removal will be due to the resistance of the leaders or the people in the community, or to put it the other way, whether the government will move a community if the leader agrees or whether an agreement of the majority of the people is also needed. It seems as if the strategies used by the government since February 1st have varied according to the 'inroads' the government has made to persuade the people in various communities to move.

In Kwa Ngema for example, the strategy has been concentrated on the leadership, because the authorities have been able to gain the support of a member of the Kwa Ngema family. Steps were then taken to impose this man, Cuthbert Ngema as a Chief over the community that traditionally has never had a Chief, but rather an elected representative. The Ngema Committee, famous for resistance to the removal, applied for an interdict to stop government officials from dealing with Cuthbert Ngema as 'acting chief' of the so-called Ngema tribe. The action was brought on an urgent basis after the Chief Commissioner, Northern Areas had appointed Cuthbert as acting chief on 1 December 1984.

Cuthbert has agreed to the removal and in terms of his appointment he was quite correct in saying: "I as acting Chief am the person with whom the government liaises concerning all matters affecting the Ngema tribe". Here the threat of removal still remains, but the government has not consulted the community as a whole on this—it would not be in their interests to do so, as the majority reject the removal as fervently as they reject Cuthbert. However, if Cuthbert agrees to this removal, it will be an "officially negotiated" removal.

The most recent example of such "negotiations" was Mogopa. The state insisted that it had negotiated the removal with an officially recognized headman. No matter that the headman had been democratically deposed by his tribe, that the majority of the tribe refused to follow him when he moved, and that the government then had to smash the schools and church in a further effort to get the people to go. Even then they refused.

In Mathopestad the government strategy has included several unsuccessful attempts to co-opt the existing acting Chief, and in the past vague attempts have been made to set up an illegitimate child of the wife of a past chief as the rightful Chief.

After these unsuccessful attempts at obtaining the agreement of the chief, it seems the local commissioner concentrated on secret meetings with informers in the village—who in turn were able to get a small amount of followers in the village to agree to go and see Onderstepoort (the proposed resettlement camp).

On 11 March 1985 a truck belonging to a neighbouring white farmer, arrived on Mathopestad land, and parked near the bus rank. The driver did not approach the chief to announce his business. 29 people, got onto the truck. It then drove off Mathopestad land to where two government buses were parked (it was as if a larger number of people were expected). The people were taken to Onderstepoort, the resettlement camp earnmarked for Mathopestad. It seems that most of the 29 people who went on the 11th March to see Onderstepoort on buses arranged by the government were tenants—and not the landowners or members of the Mathopestad tribe. The tenants are often labourers who were evicted from farms and sought refuge in Mathopestad. Now these people were promised a place of their own and were serving the government's strategy of getting a number of people to move, who would then be classified as residents of Mathopestad. Obviously from the government's point of view no distinction being made between tenants and landowners in the tribe.

The leaders of Mathopestad and the majority of the landowners are clearly against the move. They have not been consulted by the government since May 1983, where their strong opposition was voiced to Dr. Koornhof in a meeting held in Pretoria.

The government insisted on a planning committee being set up to liaise about the removal. It was set up by the tribe and voiced its opposition to the removal. Since then it has never been consulted.

Therefore the only contact the government has had with the community in the past two years has been through devious means. It is clear that the event on the 11th March was arranged secretly because the headman and Chief knew nothing about it beforehand. The Chief had in fact complained to Dr. Koornhof in May '83 about strangers having secret meetings in Mathopestad at night and Koornhof had agreed that the government officials concerned, especially the local commissioner could only come to Mathopestad with the knowledge and permission of the Chief. Sending a white farmer onto the land was a pathetic attempt at circumventing this agreement.

On Tuesday 9th April 1985 Peter Soal a member of the PFP opposition party, asked a question in Parliament about whether it is the intention to resettle the residents of Mathopestad in Onderstepoort. The reply by Dr. Gerrit Viljoen was Yes, because it is in the interests of all parties concerned. He added the date would be determined in consultation with the residents of Mathopestad.

Acting Chief John Mathope's response to the statement was: "We read in the newspapers that Dr. Gerrit Viljoen says the removal of Mathopestad will go ahead. Why didn't he come to us before he wrote our name in the papers? Dr. Viljoen has said that there will be no more removals unless the leaders agree. With whom did he talk? With whom did he settle this removal? We as owners of Mathopestad are innocent of this.

"We the Mathopestad people will not move from our land. If we move we will lose our farming and be poor. There will be no progress. We will die there. We own our land. We were born hear and our parents were born here. We will not move."

On the 10th April the Black Sash sent Dr. Viljoen a telegram. It read: "You stated 1 February all forced removals would be suspended. Now you tell Parliament Mathopestad will be moved. You misled South Africa and the World. Again you promise, you withdraw, you inflame peaceful people. Black Sash" Dr. Viljoen replied on the 10th in a telegram stating that: "Removals are suspended except where it takes place with the agreement, that is in consultation with residents." Here Dr. Viljoen equates agreement with consultation. The residents of the tribe of Mathopestad have never been officially consulted neither have they agreed (except for the small group that the government has met with clandestinely and which consists of mostly tenants.) Has Dr. Viljoen made a foregone conclusion of removal therefore?

On the 10th, the SABC announced that the Deputy Minister of Co-operation and Development, Mr. Ben Wilkens had informed the radio station that a large number of Mathopestad residents have declared themselves willing to go to Onderstepoort and that on request many residents have been taken by the department to see Onderstepoort.

On Monday 15th April the Mathopestad acting Chief, John Mathope invited the Commissioner of Koster and Rustenburg to a tribal meeting in Mathopestad on the 20th April. On Thursday these Commissioners came to inform John that they had received a phone call from Dr. Viljoen and that they were coming to fetch their people from Mathopestad on Saturday at 8 am to go and see Onderstepoort. They invited John and headmen too. In fact the buses came at 6.30 am to fetch the people and about 150 people, about 12 of them teenagers, boarded the bus.

Reporters from the BBC and CBS News followed these buses to Onderstepoort. There they interviewed people. It became clear that the majority of these people had agreed to leave Mathopestad because they were tenants, and therefore did not own land. The landowners there had given them a stand to live on when they were homeless. Now they were under the impression that if they moved they would get land. The reporters asked the Chief Commissioner of Rustenburg, Mr. Pretorius which land the tenants would be given. The answer was that he could not guarantee these tenants any land—it would depend on the Mathopestad tribe once they were moved. Then afterwards if the tribe did not decide to give these tenants land they would be in the same position as before. The tenants clearly did not know this.

Back in Mathopestad the tribe held their meeting. There were also tenants present who had no wish to leave. The Chief, six headmen of the six sections of the tribe and the planning committee declared their rejection of the removal. The people then signed a petition and this showed that a clear majority wanted to stay in Mathopestad. 291 men and women (no teenagers) signed the petition. Many urban members of the tribe were absent because of a funeral in town, but they too are opposed to the removal and will sign the petition on this week. The tribal leaders have said that the tenants are free to go or stay, but in no way does this change the stand of the tribe.

Referring to the latest government strategy of misleading tenants to persuade them to move, a member of the tribe stated, "Who has heard before of a man owning a house and letting someone rent a part of it, and then, when the lodger decides to leave, the owner loses his house? This is madness!" Madness it might be, but it seems that the government will use any device to uproot this stable, peace-loving community.

The Mathopestad people will complete the school this month that they have been building since January. Their crops are ready for harvesting. It has been a good year agriculturally. This should be a time of feasting and happiness. Yet a shadow of uncertainty hangs over the tribe—the shadow of forced removal.

MATHOPESTAD—OCTOBER 1984

It is seven months now since Mogopa was surrounded by police at 4 am on the 14th February, and the people moved at gunpoint. The anger and despair of these people is still present. Yet the threat of removals as part of the 'ground plan' of Apartheid persists, and communities in Kwa Ngema, Driefontein, Mathopestad, Huhudi—to name but a few, wait for the sword of Damocles to fall upon their heads. Recent events have caused people in Mathopestad to stir uneasily, for once more, the pressure seems to be mounting on this community that has faced the threat of removal and government strategies surrounding this, for many years.

The people of Mathopestad first had hint of their removal when numbers were painted on the doors of their houses in 1967 and 1968. Between 1966 and 1972, the Monnakhotla people, a related tribe, living on a

farm adjacent to the Mathope place of residence were moved to Ledig, near Sun City. This too, must have served as a warning.

Subsequently, the Mathopestad tribe has had various meetings with officials. In 1980, the people heard that they were to go to Onderstepoort, near Sun City. Onderstepoort was previously a white-owned farm. It is now administered by the South African Development Trust, and will later be incorporated into Bophuthatswana. In early 1981, officials sent a bus to show the people of Mathopestad their proposed destination. Only six went to survey the area. In a meeting of March that year, the following reasons were put forward by Cooperation and Development officials as to why the Mathopestad community should move to Onderstepoort;

The new village was a very fertile place, and moreover it was nearer to Sun City where tribesmen could go and 'enjoy' their money,

The place had been inspected by Agricultural officials and it was suitable for the planting of vegetables.

The tribe hotly contested these points. They pointed out that far from being 'very fertile', it was doubtful whether the soil could support mealies, let alone the wide variety of crops they had been harvesting for decades in Mathopestad. They viewed the fact that the place was near Sun City, the notorious gambling palace in Bophuthatswana, with contempt. With nothing substantial to offer, despite official sales-talk, the Mathopestad people concluded that voluntarily moving to the new village would be tantamount to signing their own death sentence.

These were the premises on which the proposed move was established.

GENERAL DESCRIPTION

Mathopestad is a freehold area in the Western Transvaal. Approximately 1,500 people live on the land—another 1,500 work in the towns and come home over weekends. In 1911, 22 families bought 1,300 morgen for which they hold the title deed. In 1949, another piece measuring 304 morgen was bought by Chief Cyprian Mathope—this was used for grazing land.

The Mathopestad people grow mealies, sorghum, beans and vegetables, besides owning many herds of cattle. A stream flows through the land, and springs and boreholes supply the community with water. Grazing is plentiful. A primary and junior secondary school are operative, as well as several churches. In 1982, the tribe spoke of 800 bags of sorghum and 700 bags of mealies being harvested a year. The surplus is sold to the Co-operative at Koster. Mathopestad falls into the Maize Triangle in the highveld, with steady rainfall, suitable for the rotation of crops. Seven families own their own tractors. The tribe holds mineral rights to the land as well, and according to an opinion given by a geologist in early 1983, there are gold deposits in Mathopestad. As an indication of the amount of gold in the area he pointed out that there was a gold mine on a farm nearby to Mathopestad.

ATTEMPTS AT DEVELOPMENT

Over the years, the tribe has attempted to maintain a decent standard of living and to develop and improve their way of life. They have been hindered at every point by officials who have used the argument that because they are going to be moved, they should not extend or develop Mathopestad, but rather the new place. Then, ironically, Koornhof has said lately that the reason why the tribe has to be moved, is for development, i.e., because they lack facilities where they are. The tribe has responded by requesting that the money that is to be spent to develop their proposed destination, be rather used to develop Mathopestad. Meanwhile, attempts by the tribe to develop Mathopestad, that have been thwarted, include the following:

1. In 1973 and '76, the tribe applied for medical facilities in the form of a clinic. A local doctor had offered his services, should the clinic be built. The Government refused the tribe's application.

2. Since 1977 the tribe repeatedly applied for a telephone. In March of this year, they received a reply to the effect since they were to be resettled, the high cost of extending this service to them, would not be justified.

3. In 1978/79 the tribe attempted to build a secondary school. They were stopped.

4. Shopowners have been forced to operate illegally, because their applications for licenses have been refused on the grounds of the impending move. Police have then raided shop owners because they do not have licenses.

THE PROPOSED DESTINATION—COMMUNITY FEARS VERSUS GOVERNMENT PROPAGANDA

The land the community is supposed to be removed to, Onderstepoort, is in the bushveld. It has come under heavy criticism by the Mathopestad people, press and churchpersons, as well as the Black Sash women who have visited it. One old councillor of Mathopestad remarked,

"The Bushveld soil is dry, and we are a maize farming community, which does not want to fight for jobs with the poverty striken people of Bophuthatswana. In fact, the people who were moved from our neighbouring villages (a reference to the Monnakhotlas) to barren patches of Bophuthatswana, starve and come back to beg for food."

There are over 4,000 tin toilets demarcating plots ⅒ of an acre each at Onderstepoort. To date, these toilets form the only infrastructure, besides a school and a reservoir. The number of toilets raised the fear that other people besides the Mathopestad community would be moved in and this was confirmed by a statement in Hansard last year. The Deputy Minister remarked.

"Many more people are going to be resettled in the Onderstepoort area than only the people of Mathopestad. We are going to see if we can accommodate the people of Mathopestad at Onderstepoort."

All this directly contradicts the statement made by Co-operation and Development in 1979 that the land given to Mathopestad, in compensation would allow them to retain their present standard of living, and also be registered in their name on the same basis as their land is presently being held.

The farmer who had lived on the farm at Onderstepoort previously did not plant maize or sorghum—he rather left a legacy of unavable, hot bush country, covered with stubbly bushes and a bone dry riverbed. Transferring the cattle to a new area is a problem. 'Even cattle that could graze, often die when brought from the Highveld to the Lowveld' remarked one of the tribe. 'The people will not have the facilities to farm at Onderstepoort as they do now, nor will the climate be suitable to the crops they are experienced in growing,' was Joyce Harris's (the then President of the Black Sash) remark.

Government propaganda has claimed otherwise. In 1981 officials claimed the tribe could sell vegetables to Sun City (despite the fact that people already face malnutrition and unemployment on the borders of Sun City). The following year, the Deputy Minister of Co-operation and Development said there was a river flowing through the territory of Onderstepoort. Referring to Mathopestad, the same Deputy Minister said in 1983 that it had 4 classrooms, at a time when it had 10. The most startling statement came from P Ulrich Ruch, Deputy Consul General (information) in New York, on the 9th of February 1983. He claimed that Mathopestad had no purified or running water, no bus services (a regular bus service exists!), no irrigation and no grazing, while the new site at Onderstepoort had running water, taps and toilets on each premise, and the Elands River nearby could be used for irrigation purposes! To our knowledge, Mr. Ruch has not been to either place.

BOPHUTHATSWANA'S RESPONSE

The issue of title to the land is another point on which people are resisting removal. Co-operation and Development official said once again in 1981 that the people will enjoy the same tenure as before, once they are removed. Experience of other removals, where people who held title to their original land did not get title to the new land (instead, it reverted to the Bophuthatswana Government), has made the Mathopestad people wary. Despite this, the Mathopestad community have said that they would not fight against incorporation into Bophuthatswana from where they are, provided they retain title to the land. Therefore in 1981 the people wrote to the President of Bophuthatswana with this request. The reply came in March 1982 from C M Mokgoko (Dept. of the President). Briefly, it said that resettlement was primarily a matter between the Government of the RSA and the tribe, and did not involve Bophuthatswana. (The Department of Co-operation and Development contradicted this rather 'impartial' stand, when they repeatedly stated in meetings that the land, removal, etc., is considered in co-operation with the Bophuthatswana Government.) The Bophuthatswana Government only becomes involved after negotiations have been finalised. But, the Bophuthatswana Government will not agree to the incorporation of Mathopestad where it is, as it will create 'another island'. Rather, the Bophuthatswana Government desired the Mathopestad people 'under its wings as soon as possible, and regards Onderstepoort as a suitable place'. This is a very different stand from that taken by Chief Mabuza of KaNgwana for instance. When Moses Ngema, of the farm KwaNgema (which is threatened with removal into KaNgwane) approached the Chief to help them stop this removal, Mabuza publicly refused to take the Ngema people into his country, and thus tried to help the Ngema's remain part of the RSA.

In April 1983 President Mangope of Bophuthatswana told the Rand Daily Mail that he would look and see whether Mathopestad's request was feasible. Nothing else has been heard from him on this issue.

ASPECTS OF THE REMOVAL

There are other facts of the removal that weigh heavy on the tribe. Old people when moved, will not be able to rebuild the houses that they built in their prime. Joyce Harris, then National President of the Black Sash, wrote in February 1982,

"It is horrifying to think that these solid houses must be demolished, the life that has been established there destroyed, and the people uprooted, with what is left of their property after the demolitions, and dumped on the bare ground in a forest of shiny tin toilets, there to try to re-establish themselves as a community and somehow find a means of earning their livelihood, having been deprived of their cattle and their farms."

STRATEGIES OF PERSUASION

Moves have been made to divide the tribe on various grounds. In June 1981 at a meeting of the tribe with the Commissioner, the latter arrived with a list of non-Tswanas resident in Mathopestad, and wanted to move them out. Mr. Rankoko, one of the councilors, said the Commissioner should come back and talk to them about that 'when the Government separates the Boers from the English'. Many non-Tswanas have married into the tribe. The councillor continued to say that if they let the Zulus and Xhosa be moved, they will have allowed the Commissioner to chop off one leg, and he'd come back again to cut off an arm—in such a manner would the tribe be dismembered.

In 1982, Mr. Wentzel of Co-operation and Development said that non-landowners would not be allowed to take stock with them to the new place, only landowners.

Recently, two members of the tribe have been found going around taking names of those who want to move, for the Commissioner. People complained to the Chief that even if they did not want to move, their names were written down. The Commissioner has denied knowledge of this, yet the two tribespeople claim they did it on his request.

Intimidation has been used as well. In 1981 in reply to a letter from the Mathopestad lawyer asking whether the people would be moved by force if they resist, a Co-operation and Development official reminded him that the removal had been approved by Parliament and Section 5 of Act 38 of 1927 (this is the State President's Order, which was served on Mogopa shortly before the forced removal there).

On the 17th October 1981 the police came at night and took one man from his house—he was not a leader, but proved to be very mettlesome under the circumstances. They drove him to Rustenburg where he was questioned, and asked to organise people to prepare for the move. He asked who had sent them to fetch him and insisted he had nothing to discuss, that they could talk directly to the Chief. He also said that as they had taken him from his house in the night, and left it unlocked, he would hold them responsible for any losses or missing possessions. He was then returned home.

John Mathope was visited by Security Police in February 1983, after the PFP MP Helen Suzman had visisted him, and asked what they had discussed. And the notorious strategy of bribing the Chief of the tribe has been attempted in Mathopestad by officials. Arthur, a young chief who served in 1981/1982, at first resisted the removal, but in March 1982 the Mathopestad lawyer had a letter from the Tribal Council declaring a vote of no confidence in the chief. He had begun to have secret meetings with the Commissioner, and to deliver by hand letters from the latter, something forbidden by the tribe. The tribe felt that he had made a deal to move. They therefore agreed that the chief had no powers to communicate with the local Commissioner without the consent of the headmen and deputy chief.

Arthur died in September 1982. His wife, Dorothy, had a son by a previous marriage and no son by Arthur. Therefore it was decided by the tribe that Arthur's uncle, John, should be head. The Commissioner was informed of this on 21 May 1983. In July the Mathopestad family were called to the Commissioner and told that in fact John was only regent and that his older brother's son, Solomon (Arthur's cousin) was to be chief. This was agreed to. Solomon is also against the move. Recently however, John and Solomon were called to another meeting with the Commissioner at which they were told that Solomon is only acting chief, and that Dorothy's son is in fact Arthur's son, and the rightful heir. (In previous meetings with the tribe, the Commissioner had admitted that Dorothy's son was not Arthur's.) The tribe say that Dorothy had had this baby by another marriage, and already had the child when she first came to their village. Yet the Commissioner now supports her claim. Dorothy will agree to the move.

The officials of the Department of Co-operation and Development have at recent meetings hinted that Onderstepoort is not necessarily the only place that the Mathopestad people have to move to. Rather, officials have encouraged the formation of a Planning Committee, consisting of fourteen members of the tribe, to work with Co-operation and Development officials to meet the demands of the tribe and find a more suitable place. The Planning Committee has been formed—not to agree to the move on the tribe's part, but rather so that they can keep in touch with what is being planned for them.

And so it continues . . . the co-option and hidden force. Recently officials came to Mathopestad to declare that land that the Monnakhotlas used to live on would be fenced off. The Mathopestad people feel that a lot of this land was theirs, and the Monnakhotlas merely had the use of it. Four top officials came to a meeting recently to talk about this fence. A reporter, an MP and a Black Sash field worker were present. When the reporter asked one official why four people had come to talk about a fence, he said, 'Keep guessing, I came to feel the mood of the people.'

Two days later, on the 14th September 1984, the Mathopestad lawyer received a letter from Koornhof confirming that the Mathopes would have to move. No date has been given, or destination confirmed. This is merely another waiting game with attempts to weaken the resolve of the tribe that they will not be moved unless it is by force.

CONCLUSION

Mathopestad is one of two 'Black spots' left in the western Transvaal. It is surrounded by pieces of land that was black freehold land, now scattered with ruins of houses. Mogopa, Tsetse, Omega, Putfontein, Monnakhotla, to name but a few.

The Mathopestad people have decided to go ahead and build a school, and continue to rebuild and repair their houses. They are adamant that they will not move except if they are forced. Money is being collected by the tribe for a new high school. They are developing and improving their quality of life, in a situation where they already have more security and income than most of their removed neighours have in the homelands. To move them would be to destroy this viable community and allow their quality of life to decline, for ideological fanaticism.●

THE MENACE IN THE FARM DILEMMA

● Mr. HARKIN. Mr. President, recently several articles have appeared in major newspapers concerning the farm crisis in Iowa.

On Thursday, May 30, 1985, an article entitled "The Field of Fear" appeared in the Washington Post. This article outlined some of the hard times, anger, and acts of despair that exist in farm families in Iowa. It is an accurate portrayal of the human suffering caused by the current economic crisis in my State.

The article cites several appalling statistics:

Every 6 minutes, an American farm goes under.

In Iowa, 42 percent of all farmers are thought to be sliding toward insolvency.

One-third of all Iowa farmers are facing foreclosure.

The suicide rate among Midwestern farmers is 30 to 40 percent above the national nonfarm rate, and is rising.

On Sunday, May 19, 1985, an article entitled, "Iowa, National Menace," appeared in the New York Times. It is written in a humorous style, but the subject matter is deadly serious to all Iowans: The Reagan administration's continuing lack of concern for the problems of the farmers and businessmen of Iowa, and other Midwestern States, who are suffering from its shortsighted economic and agricultural policies.

Mr. President, I ask that these articles be printed in the RECORD.

The articles follow:

[From the Washington Post, May 30, 1985]

THE FIELDS OF FEARS

(By Paul Hendrickson)

AMES, IOWA.—Beauty is a cruel mask when the earth rolls right up to the edge of the interstate, freshly turned. When the rosebud trees are bleeding into pinks and magentas. When the evening rain is soft as lanolin.

And yet . . . five students from Iowa State University killed themselves during the past academic year. Why? Nobody really knows.

It's almost as if acute stress were an infectious disease in Iowa, like pinkeye in cows. A blooded humming presence in the sweet-smelling air. People can just reach up now and touch it.

This past March, in a place called Strawberry Point (population 1,463), men with mud on their boots sat in St. Mary's Catholic Church and wrote names on small pieces of paper. Maybe it was the name of the person in the Federal Land Bank who killed their loan. Maybe it was the auctioneer who sold off the family possessions as if they were bingo cards. Maybe it was the smart-ass from John Deere who had said, sorry, this time he'd just have to have cash. How are you supposed to get your corn in when they won't give you credit?

One by one, these proud, humiliated men got up from their pews and walked to the altar and deposited their slips of paper into a coffee can wrapped in tinfoil. Then they set it on fire. What they were trying to do

was burn away their bitterness and anger before something worse happened. Yes, it was symbolism, but it was also an expression of community grief. The priest who ran it said it was an effort to find a spiritual dimension to so much suffering and loss.

A month and a half ago, a man near the town of Osage told his wife he'd be back by supper. He had recently sold out, and the sale didn't go well. He and his wife were renters on the land, and the land had turned sour as gall. All five of his children were dead. (Four of them were killed in the same car crash years ago.) Maybe it was the lousy sale; maybe it was the lousy world. A priest said he just walked out into an open field and shot himself. He was in his sixties. There was no note.

A farmer up near Mason City was digging a coffin-sized hole beside his house a while back. His wife rushed up.

"Oh, my God," she said, putting her hands up to her mouth. "What are you doing?"

"It's not for me," he said, and kept on digging. "It's for our banker."

They got him psychiatric help.

All over the state, it is happening, and has been happening, and few want to talk of it. Neighbors avert their eyes. But it isn't only suicide and murder, or the threat of it. Less savage gods are loose here, too: wife beating, alcoholism, child abuse. All of it is alarmingly up, say social workers and psychologists and ministers.

What is the explanation? A desperate economy is much of it, of course. The rest of it is eerily devoid of logic. But violence, self-directed or otherwise, isn't chained to reason.

Maybe we've been living too long old myths. Maybe Meredith Wilson and "The Music Man" died a long time ago.

Statistics won't tell this sad story, but here are several chilling ones:

A farm goes down in America every six minutes.

In Iowa, according to a poll in Farm Journal this past winter, 42 percent of all farmers are thought to be "sliding toward insolvency."

One-third of all Iowa farmers are facing foreclosure. What this means, in the jargon of agricultural economists, is that their debt-to-asset ratio is 70 or higher: 70 cents or more on every dollar they're worth is owed to a pale figure in a slack suit behind a big desk in a bank.

According to a sociologist at the University of Missouri, the suicide rate among midwestern farmers is 30 to 40 percent above the national nonfarm rate—and rising.

And yet, farmers have always had a way of defying odds. Many have found credit this year when all the betting went the other way. The spring crop has gotten in the ground, after all.

Says Paul Lasley, director of the Iowa Farm and Rural Life Poll at Iowa State: "We know suicide is happening. All the signals I get tell it's happening. There's a lot of despair. I don't know—mark it from the last 18 months. But how do you count? Let me give you an example of the problem: Occupation is listed on Iowa death certificates, but they don't put them in the computer that keeps track of vital statistics. You'd have to go through by hand and try to figure out which ones were farmers."

The first Iowa State suicide occurred last fall. He was a good kid from good German stock. He shot himself on his parents' farm in a bucolic little spot at the top of the state named Buffalo Center. He was in love with things coming up out of the ground. He left his dorm one night, rented a room in a motel, drove home several days later. The neighbors spotted his car by the side of the road.

"He was just lying out there in the corn," says his ag-ed adviser, pulling lint off his sock, unable to look up.

But here is the mystery: His parents' farm wasn't going under. It is doing fine, in fact. The flash point was elsewhere.

Last year, three teen-agers in Storm Lake committed suicide. One was the basketball coach's son. They say he just walked past his parents into his bedroom and shot himself. A psychiatrist was brought in from the Menninger Foundation in Topeka, Kan. He talked to a lot of people and ran some tests and told the town its problems were pretty normal. What happened might have been just a statistical quirk.

In Harlan (population 5,357), on the western edge of the state, three farmers killed themselves in 18 months. The American Psychological Association sent a writer out earlier this year and residents hinted darkly that the actual number was higher than that.

These are recent, random headlines from the Suicide File at The Des Moines Register, the state's largest daily:

"Man Slays Woman, Then Himself"

"Sioux City Boy, 10, Dies of Hanging"

"Clive Man Found Dead in Home of Gunshot Wound"

"Officers Say Farmer Left Notes Planning Suicide"

"Jobless Clinton Plumber Shoots, Kills Wife, Then Self"

"Farmer Slays Ex-Fiancee, Then Turns Shotgun on Self"

"Despondent Woman Commits Fiery Suicide"

"Minister Who Drowned Despaired Over Losing Job"

"We had to start a separate file for the first quarter of the year," says the paper's librarian, matter-of-factly. She kindly does a computer run on suicides in the last nine months, and the list is as long as her leg. The file from 10 years ago is scant by comparison, but the comparison isn't really fair. For one thing, until recently medical examiners in Iowa have been reluctant to put the word "suicide" on death certificates. They're still reluctant. The word cancels life insurance policies. But it is more than that. People want to respect their neighbors. The word was and is such a taboo.

So a man is found hanging one morning from a rope in his machine shed. So somebody puts a .410 shotgun in his mouth under a beech tree one evening. So somebody is found crushed beneath his International Harvester tractor. Well, you put it down as "accidental." Either way, somebody didn't have to watch the sheriff come out and nail signs on his land. Everybody can tell these stories now.

In the town of Spencer, up near the Minnesota border, it is not uncommon for 75 families a week to walk into the Northwest Iowa Mental Health Clinic. One of the common thoughts that come out is suicide. Four separate crisis intervention support groups are currently operating in Spencer. Breaking through the resistance is the hardest part. "We're past the point of positive pretending," says Joan Blundell, a social worker at the clinic.

Life in rural America was never easy. If it wasn't the ruinous weather, it was the harsh loneliness. And still, the outside world wants to romanticize rural life—or mock it.

To the naked eye, much of Iowa is doing just fine. Many farms are fat and healthy. So are some city dwellers. The temptation is to say the problem doesn't exist. It's the hard-to-see bottom tier that's hurting. The gap between rich and poor widens in Iowa, as it does everywhere else in America. The midwestern state that helped vote in Ronald Reagan in the last two elections now gives him, in a recent poll, a 24 percent approval rating. In February, the president had a 42 percent approval rating in Iowa. But then, in March, he vetoed farm emergency credit relief legislation.

You land at Des Moines and cows are grazing behind a fence at the end of the runway. You drive out into the countryside and the quiet crashes all around you. It is the contrast between what pleases the eye and what burdens the soul, but you don't have to live in Iowa to feel that. People have long suffered at the hands of their place's beauty, whether in Northern Ireland or South Africa or Appalachia.

There are no easy answers to any of this. The five Iowa State suicides this past year, none of which occurred on campus, are thought to be the highest number of self-inflicted deaths of any college in the country. That report went out on National Public Radio in April. The university would like to think it is an isolated phenomenon, freakish as lightning in a rainless summer sky. And, in fact, maybe it is.

But several weeks ago, the Office of Student Life at ISU released the final results of a March "Student Stress" poll. More than half of the 212 students polled—54 percent—said their anxiety was indeed related to the state's farm crisis. One in every four polled said they felt that "life was not worth living." Extrapolated to the total campus enrollment of 26,000, that would mean more than 6,000 students are walking around with suicidal feelings. That number blew the lid off the poll.

Maybe the questions were phrased wrong. Maybe you'd get that response on any campus in the seemingly placid '80s.

An outsider dare not make something more than it is. The five ISU students (two from the same dorm) conform to no particular profile. One was in preventerinary. One was a new transfer into entymology. Two had no farm background at all. Overall, the links in these five student deaths to the state's rural stress seem tenuous. And yet one would be a fool not to think something is terribly awry in the middle of the country.

"It would be a mistake to think that ISU is an island of psychological depression," University President Robert Parks told The DesMoines Register. The Register broke the suicide story. "This may be part of a sad nationwide condition."

The university is in the town of Ames, in Story County, in the richest agricultural belt in one of the richest agricultural states. The land is so black it almost hurts your eyes. You stand on the steps of the massive student union and watch kids fishing in Laverne Lake, right on campus. The bells in the carillon toll every 15 minutes. Lovers drift head to head. It feels like a 1940s movie starring William Holden as Biff Baker, with June Allyson on his handlebars. In the library, students sit near a mural engraved with words from Daniel Webster: "When Tillage Begins, Other Arts Follow."

"I wouldn't argue the right to cover the story, no, no," says Dave Lendt, the university's public information director, a nice man who of course wants to put the lid on.

"We're all First Amendment freaks around here. I do know that these are not flaky people. I do know that these are people who have values, who do not come here without anchors, without family ties. These are people who do not believe they can take up a space in the world without giving something back. What you've got here are center-of-the-road, corn-fed, land-grant type of students."

Lisa Birnbach, author of "The Official Preppy Handbook," came to Ames a while back and called it Silo Tech and Mule U. Har-har. In Agronomy 600, there are lectures entitled "Water Relationships in Alfalfa" and "Effect of Residues on Maize Growth." The University of Iowa is two hours away, in Iowa City, and over there they like to style themselves as the Left Bank of the Mississippi. Iowa City is where the artists are, Ames is where the hayseeds are—never mind that Iowa State has a huge engineering college, that it did some of the earliest atomic energy research in the nation, that its National Public Radio affiliate plays Liszt and Mozart. Things are never quite what they seem.

In ISU faculty mailboxes these days are memos about detecting "warning signs."

His name is Pete Kapustka, and his voice is high and reedy, his body trim and muscular. He wears cowboy boots and walks with one hand in his back pocket.

He's thought about suicide, yes, driving his car into a bridge, but he's past that. He's only 20 but now he's head of the family. His father, at 46, is on his back in an Omaha hospital: bone cancer. He may never farm again. In fact, there may be nothing left to farm: The family is threatened with foreclosure—not just to the bank, that's the half of it. But to relatives who hold the notes.

"I found out last night my dad's family is serving us with papers of forfeiture," he says. "I sat up half the night trying to figure out what to do."

He came home from Iowa State on April 1 to get the spring crops in. College has to wait. He brought home with him his favorite poster and put it on a new wall: "They that sow in tears shall reap in joy."

"Now my dad, without ever telling me to my face, has entrusted me with putting this year's crops in the ground," he says, and there is a sonorous, almost dreamy, quality about the sentence. "From his bed in Omaha, my dad figured out how much seed corn we need. He's been farming down in Omaha for a couple weeks now."

He went to see his dad in the hospital. He had just come out of surgery. There he was, full of tubes and dangling things, with nurses and funny-smelling stuff all around, and all he could fix on was his calluses. He kept saying. "Pete, Pete, come over here and look at my caluses. They're peeling."

The son who has become the man is telling you this in a huge equipment shed on a suddenly glowering afternoon in Barnum, which is a wide spot in the road west of Fort Dodge. His eldest sister is in the house making supper; she has become the mom, because the real mom spends a couple of days every week in Omaha. The wind is racking fiercely at an aluminum roof. Pete's little brother, Tony, who is 10, is skimming stones on a dirt floor. Tony is chubby and in a red satin school jacket. The difference between 10 and 20, between the big brother and little brother, seems as vast as the tilled fields spreading beyond the house.

"I've been to Chicago once, for about 20 hours," Pete says, laughing at himself.

He slaps at the fender of a mudcaked tractor, "This is the staple of the American family farm, a 4020 John Deere."

"I can drive'er," Tony calls over.

Pete walks around a four-wheel drive with an enclosed cab.

"This is our 8640. We bought it when things were good. It cost $80,000. You couldn't sell it now for $20,000."

"Nah, we don't use 'er much," says Tony.

Pete squints over at his little brother. "I'm about numb to all this stuff. I keep a journal. It's hard to remember when things were normal. But I've always heard, if you think you're crazy, you're probably not."

In the late '50's, his dad came out of the Army and had no choices but to take over the family farm. His own father, Pete's grandpa, had walked out into a winter field just a little while before and split his head open on a patch of ice. He just bled out. By the time they got him into the house, he was almost gone. So the son, just sprung from the service, had all his options foreclosed.

"And in a way, I feel it's kind of happening all over again."

Nights are the roughest. You go in and try to sleep. Often it doesn't come. You're up anyway as soon as the light is pale.

One bad night a couple of months ago, Pete Kapustka wrote a letter to the president of the United States. He wrote it in longhand on Alpha Gamma Rho stationery. Alpha Gamma Rho is the big ag house at Iowa State. The stationery was a kind of classy yellow parchment; he figured that might catch the president's eye.

"I said, 'Sir, we're just a family farm. My dad's dying of cancer, we're losing our land, and you not only rejected the farm emergency bill, but you made a spectacle of it. Please do something, sir, do anything.' "

He never heard back.

In Nora Springs, Mary Beth Janssen and her husband Gary run farm survival meetings. They've set up a computer in their living room. They meet with fellow farmers in local churches. The first thing they do is pray. There is no particular agenda—people just stand up and talk, get it out. Sometimes Gary accompanies bankrupt friends to the bank.

Mary Beth is telling you this on the phone and she sounds as if she's talking from Ethiopia. "We've been through bankruptcy. We're still farming and sometimes I ask myself, 'What the hell for,' Gary and I lost a farm that had been in the family 80 years. 'We were failures.' You hear a lot of that. When somebody goes down, you hear, 'Oh, he deserved it.' I think people are so afraid that it's going to happen to them next. But Gary and I are through rolling over and giving in. For years we sat on the dumb side of the desk when it came to bankers. What Gary and I are trying to get people to realize is that it's not their fault. It's been coming on for years. That's what happened in the '30s."

Gary takes the line. "I have no degree in anything. Yeah, I've probably saved some lives. To say who, I couldn't give you a name. I don't know who's in the back row. The people in the front row, you don't worry about."

[From the New York Times, May 19, 1985]

IOWA, NATIONAL MENACE

(By Gilbert Cranberg)

DES MOINES.—If Nicaragua is "an unusual and extraordinary threat to the national security and foreign policy of the United States," what do you call Iowa?

Though Iowa is a ministate, with about the same area and population as Nicaragua, beware—it is a dagger pointed at America's midsection. Iowa is within commuting distance of the Strategic Air Command's headquarters near Omaha, and it controls vital Mississippi and Missouri shipping passages and interstate highway lanes. Since America depends for national security on air, sea and truck power, Iowa is positioned to cut off, at the knees, one or more legs of this strategic triad.

Washington's meddling in Iowa has put the two at loggerheads. Relations are at a low point. The grim farm economy, blamed on Washington, is turning even merchants and bankers against the Administration. The toll includes widespread farm liquidations and seven banks shut since Jan. 1—Iowa ranks No. 1 in bank closings. A poll found two-thirds of our farmers angry at President Reagan. His kneeslapper—"Keep the grain, export the farmers"—fueled outrage.

As the rift widens, Iowa is turning increasingly to the Kremlin. So John Chrystal, a prominent banker-farmer, will visit Moscow in June to hand Mikhail S. Gorbachev (they've met before) an invitation. The Voice of Iowa—The Des Moines Register—in urging Mr. Gorbachev to visit, offers to "share farm technology" to strengthen Soviet agriculture. Iowa depends on the Soviet Union as a corn customer—it wants increased Soviet economic aid.

Iowa can be a destabilizing force. It fights with its neighbors over boundaries and water flow. Its refugees strain the economies of other states. Its legalized gambling will weaken those economies.

Iowa's seal, dominated by a soldier clutching a rifle, speaks a thousand threatening words. In fact, the state's military might exceeds its self-defense needs. More than 10,000 National Guardsmen and military reservists are supported by tens of thousands of irregulars with rifles and handguns. The National Guard's 42 A-7 attack planes put at risk missiles and military bases throughout the continent. Iowa possesses a nuclear reactor, atomic laboratories and nuclear know-how.

Iowa doesn't hesitate to fight White House military strategy. The House delegation in 1984 unanimously supported a freeze on the testing, production and deployment of nuclear weapons—a move the Administration considers Soviet-orchestrated. All but one of Iowa's Congressmen voted this year against the MX missile.

The senior Senator, Charles Grassley, a Republican, is a leading critic of the Pentagon. He ridicules the defense industry as "a new generation of welfare queens," and recently convinced the Senate to adopt his plan to cut $17.7 billion from Mr. Reagan's proposed increase in military spending. Defense Secretary Casper W. Weinberger called the cut "a prescription for weakening the United States." The President called it "an irresponsible act."

All this adds up to "an unusual and extraordinary threat to the national security and foreign policy of the United States." The Administration fears Iowa. How else can you explain its assaults on the state—budget director David A. Stockman's comments about getting rid of farmers, the President's gibes, his veto of emergency credit for farmers, his plan to cut farm supports?

In reprisal, the Adminsitration seeks to bring Iowa to its knees. Its success in devastating Iowa's economy unquestionably encouraged it to invoke economic sanctions against Nicaragua. Will Iowa cry uncle? Will Nicaragaua? Don't bet on it.●

LATCHKEY KIDS

● Mrs. HAWKINS. Mr. President, I rise today to call attention to a problem facing children of the 1980's and 1990's. Increasingly, we find both parents of a family or single parents who must work full-time. This leaves children alone and responsible for themselves for many hours each day. I submit for the RECORD an article which discusses the issue and offers preventive safety guidelines should such a situation exist. We must be aware of the long-term effects on our children if we leave them alone for a good part of their day for a good part of their life. On a daily basis, we must think about the potential dangers in such a situation and teach our children what to do should an emergency occur. Finally, we must make parents aware of the alternatives available to them such as extended day care or other organized activities. Latchkey kids need to be included in our efforts of education and prevention in order to keep our Nation's children as safe as possible.

The article follows:

BEHIND LOCKED DOORS

Every day at 3 p.m., the Riverdale, Maryland girl leaves her school, walks several blocks to pick up her three year old sister at a babysitter's then walks her home, where the two spend the afternoon locked inside. At 5:30 p.m., she starts dinner for her little sister and her working parents.

The child is eight years old. And she is not unusual. All over the metropolitan Washington area, such scenarios are being played and replayed: children caring for younger children, or children alone caring for themselves.

Approximately six and seven million children under the age of thirteen come home from school each day to empty houses, the Children's Defense Fund has found. In the Washington area, that translates conservatively to 75,000 children.

They are called latchkey children, for the house keys they carry to let themselves in. In many cases, they are taking care of themselves because of economic necessity—their parents cannot afford adequate childcare. In others, the parents simply feel their children are ready to handle the responsibility. And the more educated the parents, according to researchers, the more likely they are to have their children take care of themselves.

Experts are divided on the psychological effects of being a latchkey child. A few researchers have found that in adulthood, some people are better managers as a result of the experience; others say latchkey children are more fearful, depressed and less sociable as adults.

The age at which children become latchkey children appears to be a factor. Too much responsibility too soon can be anxiety-provoking, say child development experts.

"Too many children at too young an age are being robbed of their childhoods by being forced to assume adult responsibilities," says Helen Blank, director of childcare at the Children's Defense Fund.

There is also the safety issue. In one instance in the District last year, a five-year-old boy and his four-year-old brother died in their Adams Morgan apartment after apparently starting a fire by playing with a cigarette lighter. Their mother had left the children alone to run an errand.

Besides safety issues, child development experts point to psychological development as major latchkey issues. Fear is a major one, according to Thomas Long, associate professor in the School of Education at Catholic University. Long and his wife, Lynette, an associate professor in the School of Education at American University, have been studying latchkey children in this area since 1979.

"The most startling thing we've found is that many latchkey children are afraid," says Long. "That's the case more so the younger they are, and more so if they are alone and not with other children. We found that one-third of the children who were left unattended and alone, were in the high fear category, as were one-fifth who were unattended but with underage siblings."

When fear is high, the children's reaction is to hide. In their book, *The Handbook for Latchkey Children and Their Parents*, the Longs tell of a third grade Washington girl who was at the top of her class, but who spent her afternoons alone at home in a closet to cope with her fear.

"Being in a large room, such as a living room, with many doors, is more threatening than being in a smaller space," says Long. "We interviewed children, who would only play in their bedrooms or would move into a closet or bathroom, often the only room in the house which would lock. Some kids said when they heard noises outside, they would go into the bathroom and get into the shower and stay there as the most protected place in the house."

The long-term fear stays with them. "Children who are very young-six, seven, eight—and afraid, and who can't handle the constant fear, repress it," says Long. "We found that when they got to be twelve, thirteen, and fourteen, when they might better deal with fear, they don't. If the fear pattern was established at seven and eight, it often didn't go away at twelve, and it didn't at thirty-five either."

Among the latchkey children they have interviewed, the Longs also have found a sense of abandonment, particularly in the youngest child.

"The youngest child often feels that mama doesn't love him or her as much as the older children, because mama stayed home with the oldest but wouldn't stay home with them," Long says.

Being with a brother or sister can lessen the stress on the at-home child, Long has found, just because "another warm body is there." But he cautions that many older children simply cannot handle the responsibility of supervising younger children.

A tragic example occurred in a Richmond suburb last year, involving two young children, whose mother had left them at home alone while she was at work. A fire broke out and the older child, a nine year old girl, called the emergency number. She told the operator her street name, but she was not able to give her street number. Ultimately, she and her five year old brother burned to death, as the screams of the children were recorded on the emergency line. The mother was charged with child neglect, but the case was subsequently dismissed.

Each jurisdiction has its own definitions of child neglect, using words such as "necessary" or "proper care" and "control." In terms of parental responsibility. There is no standard law specifying at what age a child may be left alone, but some jurisdictions have guidelines. The Pro-Child Unit of Arlington County's Department of Human Services, Social Services Division, for instance, stipulates that children up to the age of six should not be left unsupervised; that children seven to nine should not be left for more than an hour and a half and cannot be responsible for younger siblings; and that those ages ten to eighteen may be left alone if they have no emotional or medical problems and are comfortable with the arrangement. Youths ages eleven to twelve can begin to babysit, the guidelines say, but only if they do not have emotional or medical problems and only for siblings who are over the age of four and have no emotional or medical problems.

The factors in a successful latchkey arrangement, says Michelle Seligson, director of the School-Age Children Project, Wellesley College Center for Research on Women, are the age of the child, the safety of the neighborhood, and the support resources of the family. "I doubt if any child under the age of nine or ten should be on his own," she says.

Despite her misgivings on age, large numbers of children start being left alone when they are eight years olds, according to the Long studies. More important than age may be psychological readiness. "You can find children and parents who speak about the fact that it is nice for children to be able to go home and structure their own time and do things that interest them," Seligson says.

In looking at positive aspects of the experience, experts point to an increase in self-reliance and a sense of self-responsibility. "Many adults," says Long, "said they were much better managers because of their latchkey experiences. They had to make decisions and suffer consequences. No one bailed them out, and as adults, they feel they can make decisions quickly, which is good managerial style."

For every one of them, however, Long found that half of the adults studied still talk of heightened fear at being alone, of loneliness, of having fewer social skills, and of resentment over the fact that they were latchkey children.

Yet, two researchers, Hyman Rodman, an Excellence Foundation Professor in Child Development and Family Relations at the University of North Carolina, and Nicholas Zill, president of Child Trends, a Washington-based nonprofit research organization, concluded in separate studies that there was no significant difference in social and psychological development between children who took care of themselves and those who were taken care of by others after school. Rodman studied children nine and thirteen, and Zill studied children between the ages of seven and eleven.

"There is a big difference between the three year old who is left home alone for six hours at a time, and the eleven year old who is left for an hour or two," says Zill.

"I have mixed emotions about the experience," says one Washington mother, who started leaving her daughters, ages eight and eleven, home alone three years ago when she had to fire her housekeeper after her business hit hard times. Since there was no available after-school program for her children, she had them care for themselves. "It was all right for my older daughter, but rougher for my younger. In retrospect I see she needed more socialization and support. I

BEST COPY AVAILABLE

won't really know whether or not it's worked until she's an adult, will I?"

"With all the latchkey survival courses and publicity over the issue, parents are being lulled into thinking that their children can take care of themselves just fine. And that is frightening to me," says Leah Lefstein, associate director at the Center for Early Adolescence at the University of North Carolina.

There is more than the latchkey issue involved, says Lefstein. "They are missing positive opportunities for growth if they come home every afternoon and shut themselves up alone in their homes. Many young people today are growing up in a much more sterile environment than we did."

Lefstein advises parents to enroll their children in after-school activities, and points to programs such as the Reston Children's Center and the Camp Fire Kids Care Clubs in Springfield sponsored by the Potomac Area Council as models for preteens.

SURVIVAL SKILLS FOR LATCHKEY KIDS

The key to a successful latchkey situation, says Tom Long, associate professor in the School of Education at Catholic University, and his wife Lynette, an associate professor in the School of Education at American University, who have been studying latchkey children, is a strong parental-child relationship. "If parents and children have a very strong, positive relationship, the bad effects of self care are reduced," he says.

He suggests that parents:

Plan an after-school schedule for their child, so he or she won't come home and simply watch television.

Schedule out-of-the-house activities for certain days in the week, so the child is not alone. Activities might include doing schoolwork in the library, taking lessons, or going to a school sporting event.

Make certain their child can make contact with a parent during the time alone. If a parent can't be reached, Long advises that someone else can be.

Arrange for an adult who is home in the neighborhood to be a contact to whom the child can turn in an emergency during the time alone.

Set up rules, such as whether and which friends can come over; which kitchen appliances can be used; how much and which television programs can be watched; whether the child can go to a friend's or play outdoors; and what is expected of the child in the way of chores and homework.

Teach the child survival skills, such as not telling telephone callers he or she is home alone; not letting anyone who comes to the door in; keeping a list of emergency numbers by every phone; keeping the door locked; and conducting a home fire drill.

Practice all the rules. Simply telling your child is not enough.

In the program, youths check in with a family daycare provider after school, then leave to engage in after-school activities, play with friends, or spend time alone at home. Children, their parents, and the family daycare provider plan a weekly schedule of activities.

While the Washington area is a leader in the country in the numbers of before- and after-school programs, most only serve children from kindergarten through the sixth grade. Not every jurisdiction has extended day programs and none has enough to meet the demand. In Fairfax County, for instance, 41 of the 116 general elementary schools, and four programs for children with special needs, have extended daycare. Approximately 1,500 children are enrolled, yet an additional 2,600 need the extended care.

In Montgomery County, which unlike Fairfax County has no centrally organized extended day program, a recent study found 21 percent of the children in the county under the age of fourteen "regularly" cared for themselves or were cared for by a sibling under the age of fourteen. According to the survey by Applied Management Sciences, Inc., self care occurred primarily in households in which the parents were highly educated. In 58 percent of the households, at least one member of the household had completed graduate school. The average income of the families relying on latchkey care was between $20,000 and $34,000, the study found. In fashionable Potomac, for instance, almost 50 percent of the nonparental care was latchkey.

A good latchkey experience occurs gradually, the experts contend. "A goal of parenting is to create responsibility," says Zill. "You give graded doses of independence. It is not appropriate to shelter school-aged children all the time. Part of the skill of parenting is deciding how much independence to give a child. Families in which there are a lot of family activities and they do things together are those families that foster greater practical skill development on the part of the child. Parents can teach various skills, such as taking care of pets, shopping, and traveling around the city as steps toward taking more responsibility."

Often, the latchkey child who is used to caring for himself on a regular basis is better off than the child who is left alone on an irregular basis. Chances are the latchkey child has been taught certain skills, such as what to do if a fire breaks out, that the other children haven't been, says Ronnie O'Branovich, who heads the You're In Charge program for latchkey youths in Prince George's County.

In the areas, survival skills training for latchkey children is held by a number of groups, including local cooperative extension services, and the Mental Health Association of Prince George's County Inc. There also are several "warm lines," which youths who are alone after school can call to ease their loneliness or anxiety.

The Oakleaf Center, a community mental health center in Bethesda, operates a 23-hour call-in line for latchkey children (986-8886). The year and a half old program, averages thirty calls a day from all over the metropolitan area. Most are from youths ages eight to fifteen, to whom operators talk on the average of ten minutes.

O'Branovich's You're In Charge, which began last October, is the Mental Health Association of Prince George's County's program for latchkey children. One part of it is a telephone hotline. (522 CARE), operating from 2 to 9 pm weekdays, and from 4 to 9 pm on Saturdays and Sundays. The line currently receives about ten calls a day from kids.

You're In Charge also operates a registration program in which parents sign up their children to be called after school. Only a dozen families have registered their children, although the program has a capacity of a hundred. "There is a reluctance on the part of parents to say they have latchkey children," says O'Branovich. Before children are registered, program administrators require parents to bring their children to the office to meet, so program officers can ascertain if the children are able to dial a phone. They will not take children under the age of six. The majority of the children in the program are eight and nine.

You're In Charge also has written a workbook for latchkey children and their parents; developed a cable television program, the first of which aired on Storer Cable in the county last February; and recently started a support group for parents of latchkey children.

The D.C. Hotline is starting two telephone call-in lines for latchkey children in September. The lines will be open from 3 to 7 pm weekdays, and on school holidays and close-downs. The number of the two lines will be separate from the regular hotline number.

The local call-in lines haven't received many emergency calls, but they have become the place many youths are turning for the kind of advice and interpersonal relationships they traditionally received from an adult supervisor after school.

"Many call because they have nothing to do," says Margaret Riggs, who heads the Oakleaf line. "They are lonely, or have problems with school or friends, and just want to talk about how to manage it. They call because they got a bad grade on an exam. Some call because they want to know how to make a snack. Others call because they are frightened or bored and want to know what to do. Many just want someone to talk to."●

THEATER/CHICAGO AND THE KENNEDY CENTER FOR THE PERFORMING ARTS

● Mr. DIXON. Mr. President, I wish to pay special tribute to a cultural program from my home State, one that will be showcased at the new American National Theater in the Kennedy Center for the Performing Arts this summer.

Between June 14 and August 10, Wisdom Bridge Theater Company and the Steppenwolf Theater Company, both from Chicago, will be in residence in the Nation's Capital presenting bold, innovative drama that is representative of the high-voltage theater taking place in my home State—theater that has made the Nation and the world sit up and take notice.

But this is far more than a story of two superlative theater companies. It is the story of an entire theater movement, of corporate/social responsibility, and a story of artistic encouragement and marketing savvy that have melded to keep our Nation's cultural beacon beaming brightly. There is much to praise and many to salute in this endeavor.

There is Roger Stevens, director of the Kennedy Center for the Performing Arts, who is using his position to bring from the heartland some of the best representatives of the best theater that is happening * * * anywhere.

There is Peter Sellars, artistic director of the American National Theater, who has daringly concluded his nationwide search by bringing to Washington these Illinois organizations, which he is convinced should have a national * * * even international showcase.

Next, there is the League of Chicago Theaters, responsible for marketing and fueling the great new public awareness and climate for theater in Chicagoland. The league's new campaign, Theater Chicago, has lofty aspirations to replace the "second city" label with the theme: "See it first, see it better, see theater in Chicago."

Finally, we must applaud AT&T, the company that made it all possible.

AT&T has provided the very significant subsidy needed to finance and promote the entire production in the finest tradition of corporate support of artistic excellence.

AT&T, lead by central region vice president Joe Reed, championed the choice of Chicagoland theater companies to open the AT&T performing arts festival at the Kennedy Center for the Performing Arts. Their performance will launch the company's effort to give America a national stage for outstanding regional theater and performing arts companies.

We thank AT&T, Joe Reed, and the 29,000 men and women of AT&T who work and live in Illinois.

The two theater companies that will appear in Washington have left both patrons and critics stunned with the dramatic force of their performances. Much of the credit goes to the fine casts, companies and, of course, the directors . . . John Malkovich and Terry Kinney of Steppenwolf, and Robert Falls and Shozo Sato of Wisdom Bridge.

It should be noted that although Steppenwolf and Wisdom Bridge were the two companies selected, there are many outstanding companies in Chicago, and while the two who were chosen are exceptional, they are also representative.

I would be remiss if I did not salute the arts and cultural climate of my entire State, one that has seeded theater throughout the State, one that has increased its responsibility for funding, one that is providing tangible nourishment to artists and to their respective disciplines in the performing and visual arts.

With all due respect to my colleagues from New York and elsewhere, and with a mea culpa to the grammarians, Theater Chicago is where it's at.●

BY THE COMPANY THEY KEEP

● Mr. ARMSTRONG. Mr. President, a lot of thoughtful, well-informed people are seriously troubled by U.S. policy in Nicaragua. They are particularly concerned not only about our tactics, but also the underlying justice of our cause. They worry, and with some reason, that we may be making alliances that we will later come to regret.

Dr. Curtin Winsor, Jr., former U.S. Ambassador to Costa Rica, has made a very valuable contribution to the thought life of our country. In his recent essay: "By the Company They Keep: A Look at the Communist Sandinistas and the FDN." I commend this to the attention of my colleagues.

Dr. Winsor is a man of great experience in Latin America. He holds a master of arts and doctor of philosophy degrees in the field of Latin American studies from the School of International Service of American University in Washington, DC. He was a research assistant at the special operations research office at American University from 1964 to 1967, working on Latin American subjects. Ambassador Winsor was vice president and manager of international affairs at the Washington, DC, office of the Chase Manhattan Bank and associate director of the Alliance for Free Enterprise, a private organization in Washington. Following President Reagan's election, Ambassador Winsor served as a member of the transition team for the Department of State and the Agency for International Development. From July 1983 through February 1985, Dr. Winsor represented our country as U.S. Ambassador to Costa Rica.

I ask that Dr. Winsor's essay be printed in the RECORD.

The essay follows:

BY THE COMPANY THEY KEEP: A LOOK AT THE COMMUNIST SANDINISTAS AND THE FDN

I have just returned from service as President Reagan's Ambassador to the Republic of Costa Rica, which is the flagship democracy of Latin America, a wholehearted friend of the United States, and a worried ally. Such is the depth of Costa Rica's commitment to democratic principles that no one person speaks for all of the country. However this quality has also led many of our better informed leaders to particularly respect Costa Rican views of Central American problems.

As the most recent United States Ambassador to this peaceful country, I believe that I can describe the views of most Costa Ricans and of their leadership. When President Luis Alberto Monge recently visited President Reagan and endorsed his policy toward Nicaragua, he embodied a strong conviction of his own people, who have been increasingly concerned about the growing threat of Communist FSLN activities and strategy. They are also concerned about the allies which the Communists Sandinistas have attracted. I would like to note this concern and several others for the benefit of American public opinion, for as our representatives move toward a vote on Freedom Fighter Aid, they must be made aware of what a negative vote would mean.

A vote against aid to the Freedom Fighters of Nicaragua is not just a vote against Nicaraguan self determination. It would be a vote for the communist Sandinistas and their friends. I believe that we should be fully aware of who the friends of those who will be supported by negative votes are. For this will be a very important vote for the future of our international neighborhood. Our Costa Rican friends believe that we should be concerned about the guests the Sandinistas have invited and who would be a permament and growing presence, if our congressmen vote no.

The friends of the Sandinistas include: the complete list of the world's worst terrorist organizations; several outcast, anti-American nations; and the scum of the Soviet Empire. The terrorist organizations are most conspicuously represented by the Palestine Liberation Organization (PLO), which has opened an "embassy" with over 50 "representatives" in Managua. Several hundred PLO types are said to be training Nicaraguans in terrorist techniques and working with aircraft. The ETA (Basque) terrorist organization is also involved with the Communist Sandinistas. They have been clearly identified with several Nicaraguan sponsored terrorist attacks in Costa Rica. The ETA are regarded by the Costa Ricans as killers without pity. One of their membership is in a Costa Rican prison at the present time. He was caught planning an attach near San Jose. The Red Brigades of Italy are known to be involved in Nicaragua, although their capacity is uncertain. However, their fanatical anti-Americanism and anti-libertarian bent leaves little doubt as to their category. Also known to be present in Nicaragua in some numbers are: the Bader Meinhof gang of Germany; the Tupumarus, who contributed to the fall of Democracy in Uruguay; the Montoneros, whose activities provoked the counter-terror by the armed forces of Argentina and the Red Guards of Japan.

The terrorist international is joined, trained and recruited by a handful of communist leaning nations who finance and protect their efforts. The Libyans are present in Nicaragua to help with arms procurement and to probably bankroll the terrorists. The Iranians are sending people who are rumored to be intent on training anti-American suicide squads. The North Koreans, who are not to be outdone for anti-human brutality anywhere, are training the Sandinista Security apparat in messy techniques of torture and murder. North Vietnamese are represented and active in Nicaragua's arms for terrorism and the training of terrorist elements.

The Soviet Empire is represented by over 100 Russians, who are mainly in communications and intelligence work. There is a large contingent from East Germany, who are involved in training the Security Service in repressive techniques. Significantly, they have been associated with the establishment of Nicaragua's concentration camps for the Misquito Indians. The Bulgarians are present in force to help with Nicaragua's moribund economy and to sell arms and munitions to the Sandinistas and other terrorists of the region.

There are approximately 10,000 Cubans in Nicaragua today. They have all had military training. 3,000 of them are actively participating in the fight against the Freedom Fighters, as leaders, instructors and insurance to minimize desertion. The remainder are working on construction of strategic airfields, teaching (lest one get enthusiastic, their work is limited for the purpose of aiding the propaganda effort), and the provision of low quality medical care.

Our Costa Rican friends are particularly bitter about the entry of the Cubans, in that it was the Cubans who were chosen instead of the Costa Ricans, who had offered 10,000 teachers and doctors free to help Nicaragua's recovery at the end of the war. The Comandante's decision to pick Cubans over Costa Ricans was a watershed for Costa Rica, in that it foretold the direction the Communist Sandinistas would take, it was one of the indicators which revealed to the world that the Nicaraguan revolution has been stolen by the Communists.

We have noted bad company that the Sandinistas keep. They also have attracted some well-intentioned, perhaps guilt-ridden, Western Europeans and some Americans, who seek reasons to express resentment of their own country. Much of this support appears to have been attracted under false pretenses. The Sandinistas have the only thing that Communists are good at going for them. They are effective with the big lie. They have set up "Potemkin Village" tours for visitors, which give appearances of success and happiness. They have founded a "popular church" which despiritualizes religion and which has claimed its share of fallen catholics, particularly amongst the Maryknoll Order, and a scattering of Jesuits and others. These "Internationalists" are distinguishable for their romanticism, their propensity to believe anything ill of the United States, and, perhaps, their gullibility. They follow in the train of those who cut cane for Fidel Castro in the 1960s. They are relicts of the "now" attitude of a society which has led some of its youth to believe that old problems can be quickly solved. The "new" solutions however revert to older problems yet, in this case totalitarianism in its most trenchant and durable guise.

On the other hand, let us consider the company that the Freedom Fighters keep. They are overwhelmingly drawn from the Nicaraguan poor rural class (called campesino). They are fighting for self determination and the Nicaraguan character of their country. They are fighting for their religion and their children's souls. They are joined by a few Costa Ricans and a smattering of others from the region. Their numbers now exceed by three fold the high water mark of the Sandinistas before they were given the Government of Nicaragua by the OAS (strongly supported in turn by the Carter Administration). Their leadership is democratic. Both Calero and Robelo were imprisioned or in trouble with Somoza. But above all, the friends of the Freedom Fighters are the people of Nicaragua.

We must support the Freedom Fighters now, so they may rectify a betrayed Nicaraguan revolution in time for it to have a Nicaraguan outcome and result in a Nicaraguan democracy. The vote on the small aid package will in effect, be a vote on whether we can face up to making possible a democratic Nicaraguan outcome now or making a bloody war inevitable in the future, for the nature of the Sandinistas and their own pronouncements make clear that this will be their intent. Ours is the choice. Let us hope that we seize an opportunity to strengthen democracy and block tryanny. We failed to do so in the past at great cost, in Europe, in Asia, and in Cuba.●

DEFENSE DE-ORGANIZATION

● Mr. **HOLLINGS.** Mr. President, the Congress is constantly being lectured by experts on the urgent need to reform the Department of Defense. These reforms touch virtually all aspects of the DOD program decision process and the entire defense organizational structure.

The supporters of the reforms see them as a panacea to cure all ills. In their view, waste, fraud, and abuse and those responsible for such evils would become relics of the past if the reforms were enacted. Of course, there is no precedent supporting such a view. To others, including myself, many of these reform attempts—however well conceived—spring from a bloated legislative bureaucracy intent on micromanaging a DOD organization already so overstaffed that it is impossible to determine lines of authority and accountability.

Recently, Secretary of the Navy John Lehman expressed the concerns about the pitfalls of reforms and a growing bureaucracy as well as can be stated. I ask that Secretary Lehman's remarks in the Washington Post of May 26, 1985, be printed in the RECORD.

The article follows:

WHAT DEFENSE NEEDS: "DE-ORGANIZATION"

(By John Lehman)

Over the past four years President Reagan's defense budgets have averaged 7 percent real growth. Shipbuilding, fleet manning, aircraft readiness and ammunition have increased substantially. The actual percentage increase now in the fleet in each of these categories is 11 percent, 10 percent, 42 percent and 37 percent, respectively.

Critics unfairly say little has been achieved. In rightly rejecting the critics we in Defense pass over the reality that we could have achieved much more under a system less convoluted than that which was passed to us in January 1981.

Dr. Samuel Johnson once said that what is remarkable about a dog's walking on his hind legs isn't that it is not done well but that it is done at all. Such is the wonder that secretaries of defense these past 15 years have provided as well for the common defense as they have, given the monstrousness of the system that besets them.

Cap Weinberger was charged by his president to take the existing institution and get on with rebuilding a common defense ravaged by Vietnam, Watergate and false prophets. He was not asked to reform congressional micromanagement, corporate greed and bureaucratic elephantiasis first. He did as bidden and saved a collapsing balance of power.

Now the horrendousness of the system within which he made this prodigy has suddenly become topical. Good. Perhaps now we can actually gain a long overdue bipartisan consensus to change it.

The fact that so much simple-mindedness is written about how to fix Defense by armchair experts innocent of any service in government should not be allowed to discredit the insight that solutions to our current problems involve the application of simple principles. For while the problems of Defense are enormous in number and great in complexity, their causes may be traced to a single root; unceasing bureaucratic growth in Congress and the Defense establishment over the past 30 years.

Have profits been excessive in Defense industry? Yes, indeed, when measured as a percent of assets. For the last two decades it has averaged nearly four times the norm of nongovernment profit. Why? Because Congress has wanted it that way for 30 years, and its legislation and the implementing regulations often require that the taxpayer pay for the contractor's capital assets. Despite Cap Weinberger's progress in driving that ratio down, when we build a tank or an airplane, the legislation, regulations and appropriations still require the taxpayer to buy the contractor the tools, equipment and often the building.

Is contractor overhead excessive? Yes, often more than 100 percent of direct costs. Why? Because those same statutes and regulations invite padding and because as each new bureaucracy is legislated into the Defense establishment to oversee environment, equal-opportunity, work safety, women-owned enterprise, minority business, value engineering, etc., etc., contractors must hire more bureaucrats to fill out forms and pass their cost on as overhead—and if a few Learjets or dog kennels get added along the way, well, who's to know?

Have contractors paid no taxes since 1972? Largely true for the biggest, but not unique to defense contractors. Why? Because Congress enacted loopholes to make it legal.

Are weapons systems often gold-plated and is the best often the enemy of good enough? Yes. Why? Because authority on any given weapon has been dissipated among so many mandated offices and entities outside of the line authority of the military departments that the chain of common sense is often destroyed.

Has legislative oversight become anarchy? Yes. How? Ten years ago four committees wrote legislation on Defense. Today 24 committees and 40 subcommittees oversee Defense. By actual measurement, current law and regulation on Defense procurement fill 1,152 linear feet of law library shelf space. Thousands of new pages are enacted yearly and almost none removed.

Is the Defense establishment overgrown? Yes. To cope with this avalanche of legislation and regulation, each military department headquarters numbers 2,000, as does the Joint Staff and its appendages and the Office of the Secretary of Defense staff. There are 10 Defense agencies numbering 85,000, and nine joint and specified commands that each average nearly a thousand. No intelligent human being would pay $700 for a toilet cover; it took a unified buying agency of 50,000 billets to do that.

This vast bloat in Congress and the executive branch has all been done over the past 30 years in the name of reformation at the altar of the false idols of centralization and unification. It has completely "clericalized" the procurement process, destroying authority and accountability and creating an environment in which only monopoly, cost-plus and single-source contracting processes flourish in a natural state. Competition, discipline, austerity and accountability are forcefully opposed by statutory complexity, bureaucratic inertia and congressional resistance. All this despite a few steady voices in Congress who have for years tried to improve the process.

What has been accomplished by Secretary Weinberger in reducing decades of gold-plating, cost overrunning and contract sole-sourcing has been done because he has begun to reverse 30 years of overcentralization and begun to restore accountability. In shipbuilding alone competition has been increased from 15 percent to 84 percent in only four years, with a payoff of $2.4 billion in cost underruns.

What must be done now is to recognize the falsity of current calls for more bureaucracy and centralization; to lay aside the calls of those who seek to use the current debate to settle old political or ideological scores; and to begin to apply the lessons so visible in current headlines.

We need no new legislation; we need the repeal of hundreds of linear feet of existing statutes and regulations.

We need no new bureaucratic entities; we need a large reduction in the number and size of existing ones.

We need no more centralization and unification; we need more decentralization and accountability through which the strong secretary of defense can unify all efforts to a central policy.

We need Congress to end the current chaos of subcommittees and reassert an orderly, strong role in meeting its constitutional responsibilities through a reasonable number of serious subcommittees.

In short, both Congress and the defense establishment must be de-organized to liberate the thousands of dedicated defense professionals in both institutions from their bureaucratic bondage and allow their common sense to prevail.●

PROPOSED ARMS SALES

● Mr. **LUGAR.** Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, June 3, 1985.

In reply refer to: I-00264/85ct.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-36 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Pakistan for defense articles and services estimated to cost $19 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this transmittal.

Sincerely,

Lt. Gen. PHILIP C. GAST,
Director.

[Transmittal No. 85-36]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Pakistan.

(ii) Total Estimated Value: Major Defense Equipment [1] $18 million; other, $1 million; Total, $19 million.

(iii) Description of Articles or Services Offered: A quantity of 2,030 BGM-71C I-TOW missiles.

(iv) Military Department: Army (VDX).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending September 30, 1984.

(viii) Date Report Delivered to Congress: June 3, 1985.

[1] As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

PAKISTAN—I-TOW MISSILES

The Government of Pakistan has requested the purchase of a quantity of 2,030 BGM-71C I-TOW missiles, with 30 missiles to be expended in a "fly-to-buy" test program. The estimated cost is $19 million.

This sale will contribute to the foreign policy objectives of the United States by enabling Pakistan to increase its capability to provide for its own security and defense, particularly in view of the increased threat resulting from the Soviet invasion of Afghanistan.

The Government of Pakistan will use this equipment to upgrade its overall force modernization plan and to enhance its basic defense capability.

The Government of Pakistan has an overall validated requirement for several thousand additional I-TOW missiles over the next few years. We will be notifying additional requests as appropriate.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Company of Tucson, Arizona.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Pakistan.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

PRESIDENT REAGAN'S TAX REFORM PROPOSAL AND THE DEFICIT—VOODOO II

● Mr. **MOYNIHAN.** Mr. President, there is something awry with the President's tax proposal, something that has nothing to do with tax reform. The President's proposal, it now appears, would increase the budget deficit by some $200 billion over the next 5 years.

The reason is simple: The President's plan assumes that we are embarking this year on 4 years of 4 percent real economic growth, followed by 2 years of only marginally lower real growth. The economy has not grown so fast in the near past and will not do so in the near future. As a consequence, the revenue estimates in the President's proposal are too optimistic, which is to say overstated. The President's tax proposal would cut taxes by nearly $200 billion over 5 years.

In the course of the 1980 Republican Presidential primary campaign, George Bush challenged the assertion of Reaganomics that taxes could be cut without increasing deficits. In Flint, MI, on May 17, 1980, Mr. Reagan forecast: "We would use the increased revenues the Federal Government would get from this tax decrease to rebuild our defense capabilities."

Mr. BUSH had described this as voodoo economics.

The key to Mr. Reagan's proposal was that the tax cuts would spur economic growth sufficiently to make up for the lost revenues. This did not happen. Instead, there followed a succession of $200 billion deficits "as far as the eye can see," to use Mr. Stockman's phrase.

The President's new tax proposal is based on the same proposition, and while it cannot be disproved, it can surely be questioned.

The President's tax plan, we are told, is "revenue neutral," by which is meant the proposal would raise neither more nor less revenues than the current tax system. But the plan's revenue projections are based on a forecast that the real growth rate for the economy will be 4 percent for the next 4 years, followed by 3.8 percent real growth in fiscal year 1989 and 3.6 percent in fiscal year 1990.

But in the past 10 years, real growth has averaged 3.15 percent. If we do as well in the next 5 years as we have done in the past 10, the President's proposal would lose $170 billion in revenues. Here's the breakdown. The President's proposal would go into effect January 1, 1986. In the first year, 3.15 percent real economic growth would cut the revenue estimates for the administration's tax plan by $13.6 billion. In the second year, by $27.2 billion; in the third, by $42.5 billion; by $45.5 billion in the fourth year, and by $41.4 billion in 1990, the fifth year. That comes to $170 billion.

All of this shortfall will have to be borrowed, at prevailing Treasury rates, and those interest costs will then begin to compound. The interest costs for these additional deficits will come to $40 billion over the 5 years, for a total additional deficit of more than $200 billion. In the next 5 years, then, we would in effect run six $200 billion deficits.

Already, the signs of an economic downturn—that would drive revenues down further—are appearing. Real gross national product grew at but 0.7 percent in the first quarter of 1985. In the much respected Industry Forecast newsletter of May 22, S. Jay Levy and David A. Levy write: "Industrial production's small decline in April signaled the resumption of a downward trend that will become steep."

Once again, this administration has projected an economic growth path that we are not on. Once again, it has proposed a tax program that is going to deepen the deficit.

A further proposition that we surely must consider: The Treasury estimates of the revenue to be gained by eliminating the deduction for State and local taxes are based on a static model, as are all its revenue estimates. An administration that speaks often of the power of tax changes to alter behavior, now assumes, for revenue-estimating purposes, that no one will change his or her residence in order to reduce this loss.

Yet Treasury I invited people to "vote with their feet." When they do, as some will surely do, when plants and offices relocate or economic patterns shift, the end of the deduction will raise less revenues than forecast.

This is to say, there will be a certain outmigration of taxpayers who want to reduce their Federal taxes, from, say, New York to Connecticut. By so doing, their Federal taxes would fall some $500. Others will cross the New York border to Vermont, and save $750 in Federal taxes. On the other coast, a Californian who moves to the Nevada shore of Lake Tahoe would find his Federal taxes reduced $650 a year. Some such is inevitable; precisely how much is not yet known. What we do know is that the revenues gained by repealing the deduction for State and local taxes will be less then the Treasury forecasts.

This is nothing mysterious about such; the amounts can be calculated using what economists call a dynamic simulation model. And to the better, a dynamic model that assumes historic economic growth rates, rather than those merely hoped for. Can not the President tell the Treasury to go back, use a dynamic model that assumes historic economic growth rates, and tell us what will happen to the budget deficit under this tax plan? Then we can consider each of its parts on the merits.●

ILLITERACY

● Mr. SIMON. Mr. President, in a weekly column I write for newspapers in my State, I call attention to this country's poor track record on improving literacy among our own citizens and our failure to assist other countries. At the same time, Cuba has sent an army of literacy workers to Nicaragua. Those workers have helped dramatically improve Nicaragua's illiteracy rate. We should be showing leadership instead of Cuba. I ask to have the following editorial printed in the RECORD.

The editorial follows:

U.S. RATES "F" IN LITERACY

There is a little-known aspect of the Nicaraguan situation from which we can learn, both for foreign and domestic policy.

President Reagan has expressed concern about the Cuban military presence in Nicaragua, and while I do not view a few thousand Cuban troops there as a threat to our country, I would feel better if they were not there.

I am more concerned about another Cuban presence in Nicaragua, both because of its long-range implications for Nicaragua and for what it says about the United States.

Among the realities the new leadership of Nicaragua recognized at the time of the revolution were these three:

1. Nicaragua had a major problem with illiteracy in its population.
2. Cuba faced a similar situation when Fidel Castro took over and he dramatically improved Cuba's illiteracy rate.
3. The United States, despite many pluses in education, still has a high illiteracy rate and has done virtually nothing about it.

Faced with these three realities, and already having a Marxist tinge that made Cuba's government attractive to them, Nicaragua's new leaders called on Cuba to help with their illiteracy problem.

The result has been a reduction in Nicaraguan illiteracy from 52 percent of the population in 1979 to 12 percent since the Somoza dictatorship fell.

Another not-so-incidental result is that there have been 2,000 Cuban literacy workers covering the countryside in tiny Nicaragua. Those literacy workers are probably going to have a much greater influence on the long-range political course of Nicaragua than the Cuban troops ever will.

To my knowledge, there is no country on the face of the earth that has asked the United States for help in solving literacy problems, because we have done such a miserable job in solving our own.

We rank 49th among the 158 nations that belong to the United Nations in literacy levels.

We have 5 percent of the world's population, one-third of the world's economic power—and we are 49th in our literacy levels! We have 23 million Americans who can read a stop sign, but cannot address an envelope, cannot fill out an employment form—and worst of all—cannot help their children with their school work.

If the figures compiled by the U.S. Department of Education are accurate, they forecast a terrible trend.

In addition, there are many who can address an envelope but cannot read a book or a magazine article or a newspaper. About one-third of the adults in America cannot read and understand these words I am now writing.

What are we doing about this drag on the nation's culture and economy?

Almost nothing.

People who cannot read and write are hiding it, out of embarrassment. The rest of us are ignoring it.

Last year I got $5 million placed in the library bill to help libraries assist on this problem—especially by encouraging neighborhood libraries to double as tutoring centers for these adults—but that is only a token of what needs to be done. Every dollar we spend to teach people how to read and write will be repaid several hundred times in added tax revenue, in addition to an otherwise enriched and better society.

Most important, we need a national commitment to solve this problem. And solve it we can.

If we do, other nations will not have to look to Cuba as an example of moving on the literacy problem. They can look to us.

(Readers interested in learning more about this problem may want to read the new book, Illiterate America, by Jonathan Kozol.)●

ADDRESS OF SENATOR BUMPERS AT NORTHWESTERN UNIVERSITY SCHOOL OF LAW

● Mr. HART. Mr. President, this year's graduating class of the Northwestern University School of Law are entering their profession with a heightened appreciation of their obligations and opportunities. In addition to the fine education they received, they were treated to the enlightened and enlightening oratory of our colleague, the senior Senator from Arkansas, DALE BUMPERS. In his address, Senator BUMPERS spoke about the role of law in our society. His remarks deserve special attention—not only by the 61 members of the legal profession in this Senate—but by the public at large.

Senator BUMPER's departure point was that the glue which holds this diverse country together is the web of law. To the extent that our people develop cynicism toward the system—because of their economic plight or because of some other kind of abuse—then our Nation is threatened. And he identified areas in which that insidious cynicism is growing: denial of legal services to the poor, untargeted reductions in income maintenance programs, poverty particularly among the young, the absence of adequate health care protection, and the pollution of the political process due to the presence of special interest money.

His concluding message to the graduates was most important. The legal profession has a profound obligation to see that the system works, that truth will emerge from a healthy debate over the most devisive issues in our society, and that law can be used to demonstrate that positive change can occur.

I commend our colleague, Senator BUMPERS, for articulating a positive view of a profession which is often maligned for being more interested in profits and being a priesthood than in the legal needs of the clients we serve. I ask that the text of his remarks be printed in the RECORD.

The text follows:

REMARKS OF SENATOR DALE BUMPERS

The tendency to get sentimental and nostalgic is well nigh irresistible, but I can't think of a single thing of note that happened here between 1948-51 that would be even remotely entertaining, let alone instructive. As a matter of fact, at our last class reunion, a classmate, whose name I have mercifully forgotten, said "I don't know how you became a Senator. I don't even remember you in school." I didn't remember him either, but I do know why he never became a Senator.

But, since you must be tortured one last time before actually receiving your diploma, I have decided to take advantage of the situation by saying a few things that either were not said to me when I sat where you sit, or were said in such a pedagogical and stultifying way that they never penetrated.

Friday morning, following a Thursday night speech in New York, I took a cab from my hotel to La Guardia, and as I pondered on what I would say here this morning, I wondered what on earth is the glue that holds that megalopolis together; why has absolute anarchy not taken over and the place become ungovernable? There were hordes of people, mostly scurrying to work—people from sanitation workers to window washers, from flower vendors to chauffeur driven limosines toting corporate executives to work—and the traffic congestion almost created a gridlock, making it virtually impossible to move.

There is no single answer, but the one that I believe comes closest is obedience to law. Not so much a fear of the consequences of violating the law, but an evolutionary programming of people from childhood that we survive as a nation because we are committed to the proposition that we are a nation of laws. That is the glue that holds New York City together, and it is the glue that holds this nation together. And when any sizable segment of our people reject that proposition because of their economic plight, or because of a pattern of abuse permitted by a system gone awry, then the nation is threatened.

My basic difference with the President is that he sees only one threat to the nation, and that is the external military threat of the Soviet Union and I grant that that threat does indeed exist. But I see another threat, more insidious, and perhaps even more dangerous, and that is the internal threat of cynicism toward our economic and political system. How we feel about each other, about our institutions—from Congress to our educational institutions to our judicial system—is vitally important.

I can understand people believing the Legal Services Corporation might be tightened up, but to oppose legal services for the poor, to deny relief to oppressed people because they have no "up front" money, is right up there with Marie Antoinette's "Let them eat cake."

I can understand the hostility that fraud in the Food Stamp Program evokes, but because about 8% of food stamps are indeed procured wrongly is not a sufficient justification for depriving the other 92%, mostly elderly and children, of food.

In the past five years we have doubled the number of millionaires, while dramatically increasing the number of children living in poverty—now 23% of preschoolers and 21% of all school children. Twenty-five to 30 million people have absolutely no health care protection. Can this situation bode well for our future? Can we expect those children, when they become adults, to respect the system and believe they have a duty to participate? Is America really back and standing tall?

For years now we have been unable to increase the number of people participating in our democratic process. Either too many people feel alienated from the system, or the importance of their participation was not emphasized in 9th grade Civics. Only little Colombia has a smaller number of its eligible voters bothering to do so. I don't defend all so-called social programs, because some have been marginal, and Congress has been addressing the problem, but we are now spending five times as much per year on defense as we are on all programs of nutrition, health-care, and education. We would do well to remember that weapons quickly become obsolete, but a well-trained mind is a national treasure for a lifetime. I believe that our commitment to a just, fair and compassionate society gives us an internal strength that protects us as much as all our weapons.

The disenchantment with the political process may also stem not just from economic deprivation, or social discrimination, but from the process itself.

First, the cost of being elected anything has become prohibitively expensive. Members of Congress, as well as many other officeholders and would-be officeholders, have been relegated to the position of pleaders—pleaders for money from every source to wage the next campaign. The average successful Senate campaign in 1984 cost $2.7 million and is anticipated to be $3.7 million in 1986. Who gives—who gets? Even the most naive must be troubled by such a system. And the most worrisome aspect, the aspect that makes me fear for our national soul, is the campaigns themselves, which Governor Cuomo has described as a series of 28-second color movies, movies I might add that have the intellectual vitality of a shampoo commercial and the moral fiber of cotton candy.

When I was first elected Governor, I was invited to speak at the annual Truman Day Dinner in Kansas City honoring President Truman. I was reluctant to leave town because the Legislature was in session, but the promise of a one-hour visit with President and Mrs. Truman was irresistible. I had not been an admirer of Truman's while he was President—but became an ardent admirer later. I was in Law School here in 1948 and walked down to Chicago Avenue and Michigan Boulevard election night to get a late edition of the Tribune and there it was in big, bold, now legendary, headlines "Dewey Defeats Truman."

But in retrospect, my original antipathy for Truman was for all the wrong reasons. I couldn't stand his nasal-twang voice, his wire-rimmed glasses, his slicked-down hair, and the way he chopped the air when he spoke. In today's slick, living-color, political commercials, Harry Truman couldn't be elected Justice of the Peace. Nor could Abe Lincoln for that matter.

I began to tell President Truman what a tough job it was being Governor of Arkansas, until it suddenly dawned on me that I was talking to the man who probably made the most momentous decision ever made by an American President—the decision to drop the bomb. So I changed the subject. As I left, he said, "Don't ever be afraid to put the awful truth before the people. They can handle it." I believe it, and I deplore rhetoric that says problems have been solved when they haven't, or worse still, rhetoric that denies there is a problem. There isn't anything wrong with people feeling good about themselves. It's therapeutic. But the rhetoric of "I'm okay, you're okay" doesn't erase the existence of grinding problems. I believe our open and healthy debate over the propriety of our presence in Viet Nam demonstrated a much greater strength than our victory in Grenada.

We will never have a perfect society, but that doesn't give us the right to quit striving for one or improving the one we have. Adlai Stevenson said in his magnificent 1952 Presidential campaign, notable for its candor and absence of marketing techniques:

"Let's talk sense to the American people. Let's tell them the truth, that we are now on the eve of great decisions, not easy decisions like resistance when you're attacked, but a long, patient, costly struggle which alone can assure triumph over the greatest enemies of man—war, poverty and tyranny—and the assaults on human dignity which are the most grievous consequences of each."

When the leaders of the nation refuse to trust people with the truth, and choose instead a path of deception, then our future is being built on quicksand.

Well, where do you fit in all of this?

Sociologists have pondered for centuries the question of when a child loses his innocence. When does racism and bigotry or mean-spiritedness replace a loving and tender attitude? How on earth does man ever become inhuman enough to slaughter 6,000,000 innocent Jewish men, women and children? At what stage in life does our individual greed or indifference overwhelm our commitment to Judeo-Christian principles?

When does a law graduate, starry-eyed with idealism and committed to constitutional principles and guaranteed freedoms for all, lose that zeal and enthusiasm? It is an insidious thing.

There are 61 lawyers in the Senate membership of 100. Yet when the President submitted a constitutional amendment, not to permit voluntary prayer in school, but to mandate official, written prayers in school that would move this country toward a state or established religion in direct contravention of the establishment clause, many lawyers forgot their role as lawyers, and their original devotion to those cherished freedoms in the First Amendment. Religious freedom was hotly debated by the Founding Fathers. There can be no misunderstanding of their intention if one understands English, our mother tongue. George Washington wrote:

"For you doubtless remember, that I have often expressed my sentiments that every man, conducting himself as a good citizen, and being accountable to God alone for his religious opinions, ought to be protected in worshipping the Deity according to the dictates of his own conscience."

And Thomas Jefferson in the bill establishing religious freedom for Virginia said:

"Be it therefore enacted by the General Assembly, That no man shall be compelled to frequent or support any religious worship, place or ministry whatsoever, nor shall be enforced, restrained, molested, or burthened in his body or goods, nor shall otherwise suffer on account of his religious opinions or belief; but that all men shall be free to profess and by argument to maintain their opinions in matters of religion, and that the same shall in no wise diminish, enlarge, or effect their civil capacities."

Justice Black put it well when he said that the establishment clause's "first and most immediate purpose rested on the belief that a union of government and religion tends to destroy government and to degrade religion."

I hope you never forget to ask a simple question when you see government moving into an official position on religion: Whose religion is it going to be?

We have had more amendments to the Constitution offered in the past four and a half years than at any time in our history. One would have required a balanced budget. It is curious that Congress would seek a constitutional amendment requiring a balanced budget, since its passage would require 67% of both houses, and ratification by 75% of the states, when the budget can be balanced any time by a simple majority of the members.

You cannot leave your vow to uphold the Constitution at the courthouse door—it follows you into the corporate boardroom or the government agency for which you may work, just as it follows me to Senate Chamber each day.

Your duty is to minister to the needs of your clients in a way that does not undermine or subvert our Constitution or the institutions founded under it. The law is designed to resolve conflicts between individuals, or between the individual and society. You will be taking one side or the other, and oftentimes purely in the interest of the individual's right to be heard. You will be constantly cast in a judgmental role, and your judgments should be as ethical and compassionate as they are legally correct. Invariably one side loses or comes out second best, and you must explain to your client that the system makes judgments too—not always correct, but always necessary.

The system is still intact after 200 years. Not a bad record. And as long as we tailor our conduct to comport with time-honored and time-tested principles, especially those of the Constitution, and not try to reshape or rewrite those principles to fit our behavior everytime there's a passing whim or fad, we should make it through another 200 nicely.●

GRADUATE STUDENT SUPPORT

● Mr. SIMON. Mr. President, I would like to bring to your attention a May 11 article in the Chicago Tribune by Steve Sanders, a graduate student in the liberal arts. In it, Mr. Sanders cites a recent report by Columbia University President Michael Sovern. Dr. Sovern notes that the supply of Ph.D.'s in the liberal arts will not keep pace with the demand. More and more talented students are choosing law and business at a time when it is projected that a majority of those currently teaching in colleges and universities will be retiring in the next decade. Dr. Sovern asks who will be there in the next century to open up young minds, to light the way to new discoveries, to teach humanity's history? Sanders, a graduate student whose career could answer that question, replies that a significant investment in graduate student support is required to ensure that there will be quality teachers and professors to conduct research and teach our common history, our cultures, and our philosophies.

We are approaching the reauthorization of the Higher Education Act. I ask my colleagues to read Mr. Sanders comments and keep them in mind as we debate and vote on Federal graduate programs, not only for those in the sciences, but those in the disciplines of the humanities, and other fields making up the liberal arts. Our heritage and our past is necessary to help us make wise decisions about the present and future. The liberal arts teach us to think and play a vital role in a complete education giving us perspective and context. The liberal arts require the best in research and teaching faculties, just as those disciplines which teach us to build.

I ask to include Mr. Sanders May 11 article in the Chicago Tribune in the Record at this point.

The article follows:

Preserving the Professoriate

(By Steve Sanders)

Between now and the year 2000—a mere decade and a half away—the majority of professors now teaching in America's colleges and universities will retire. Who will take their places? How good will the new faculty members be?

The supply of Ph.Ds is not keeping pace with the need for new scholars in the liberal arts and sciences. Wary of the uncertainties and sacrifices an academic career can entail, top undergraduates are shunning graduate education in arts and sciences in favor of law school, business school and lucrative careers in the private sector.

The consequences, according to a new report by Columbia University President Michael Sovern, could be "a disaster for the country and for the chain of human knowledge." If America's brightest young people continue steering away from the professoriate, Sovern asks, "who will be there in the next century to open up young minds, to light the way to new discoveries, to teach humanity's history?"

Graduate schools have been victims of their own success. They turned out huge crops of Ph.Ds in the early 1970s, and young scholars competed fiercely for a relatively small number of academic job openings. The result was a Ph.D. glut that scared off talented students who might otherwise have been attracted to academic life.

As a result, graduate school enrollments have declined and, Sovern notes, "the quality of the applicant pool has been diluted by the comparative failure of other careers."

Without first-rate faculty members there can be no first-rate colleges and universities. A professor shortage would hurt the quality of undergraduate education. Even if faculty ranks do remain filled, what if their members are not up to the levels of excellence we rightfully demand? Every student knows how frustrating it is to have a lackadaisical, indifferent professor, or one who can't convey information in a meaningful way. We must weed out such people, not produce more of them.

Equally important are the consequences for research. Professors must spend half their time in libraries and laboratories, studying what has been done in their specialties and quite literally producing new knowledge. Research is continual education and discovery; it keeps faculty members fresh and enriches their teaching. As long as it does not override classroom responsibilities, it is an important, indispensable function of a university.

But if there are fewer and less-qualified scholars, there will be less research. Artistic and cultural life would be less vibrant. The social sciences might stagnate, and we would know less about ourselves and society. America's vital and diverse system of higher education would decline further, and the United States would be in danger of losing scientific and intellectual advantages.

What can be done to forestall these dire problems? As usual, much of the answer involves money.

Despite rising tuitions, faculty salaries at most schools still haven't caught up with the inflation of the '70s. Young faculty members essentially take a vow of poverty, as Sovern puts it, when they enter the profession. If we want academicians to be the "custodians of civilization," we must pay them more than janitorial wages.

Graduate students also need better financial support, for grad school is an improverishing experience Foundations and other private benefactors must be persuaded to contribute more; universities must find new ways to support their best graduate students and maintain strong library, computing and research facilities.

Finally, the federal government, which traditionally has recognized the national interest in supporting education and advanced research must devise a coherent national policy toward graduate education. Current graduate-support programs have come as afterthoughts to aid directed at undergraduates or institutions as a whole. Educators are hoping a new graduate education policy will emerge when Congress considers reauthorization of the Higher Education Act later this year.

Two bills in Congress would provide $150 million and $400 million, respectively, in new federal support for graduate schools and direct grants to students. Such appropriations would be investments in every sense; they would pay dividends in scientific progress, intellectual growth and quality of American life. It's difficult to advocate new spending in an age of austerity, but it becomes more palatable if we realize that national security depends on more than just weapons.●

CREDIT PROGRAM FEES ASSUMED IN THE SENATE-PASSED BUDGET RESOLUTION

● Mr. DOMENICI. Mr. President, the Senate-passed budget resolution includes the assumption that fees would be imposed or increased for certain Federal credit programs and quasi-governmental credit agencies. A number of questions have been raised about these proposals. I would like to take this opportunity to try to clear up some of the confusion.

The budget resolution incorporates administration proposals for Government-sponsored enterprises, the Government National Mortgage Association, and the Veterans' Administration Home Loan Guaranty Program. The details of these proposals, modified since the President released his budget in February, are as follows:

GOVERNMENT-SPONSORED ENTERPRISES

The resolution assumes that the Treasury will collect $0.1 billion in fees over 3 years from privately owned, Government-sponsored credit agencies. As with other budget assumptions, the exact form of these fees would be left to the authorizing committees. In this case, the Committee on Banking, Housing, and Urban Affairs, the Committee on Agriculture, Nutrition and Forestry, and the Committee on Labor and Human Resources have jurisdiction over the five privately owned, Government-sponsored enterprises.

The resolution assumes that these fees would eqaul 0.01 percent—1 basis point—of debt and passthrough securities issued in fiscal year 1986, then increasing by 1 basis point a year until 1990, whey they would total 5 basis points.

As part of this agreement, the administration has proposed that after 1986, these fees would only be applied if the Federal National Mortgage Association—Fannie Mae—has had positive earnings in the preceding year. If Fannie Mae has not had positive earnings, the subsequent year's fee would be waived for Fannie Mae and other privately owned, Government-sponsored credit agencies.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

The Government National Mortgage Association—Ginnie Mae—differs from the Government-sponsored enterprises in that it is part of the Department of Housing and Urban Development, not privately owned. Ginnie Mae currently charges a 6-basis-point origination fee for mortgage-backed securities that it guarantees.

The administration proposes to raise the Ginnie Mae fee by the same amount as the fee proposed for the privately owned, Government-sponsored enterprises—that is by 1 basis point a year until 1990 when it would total 11 basis points. The fee would not increase in years when it was waived for the other credit agencies.

VA HOME LOAN GUARANTY PROGRAM

The resolution assumes an increase in the VA origination fee from the current 1 percent to 2 percent in fiscal year 1986. In subsequent years, the fee would be increased based on an actuarial evaluation of VA's revolving fund, to no more than 2.5 percent in 1987, 3 percent in 1988, 3.5 percent in 1989, and 3.8 percent in 1990.

The administration has agreed to annual cost studies by the Veterans' Administration and to lower the origination fee in years when it would exceed the actuarial cost of the program.

FHA MORTGAGE INSURANCE

The resolution assumes no increase in premiums for FHA mortgage insurance. Furthermore, the administration has agreed that the cost of FHA mutual insurance should be reviewed to see if the origination fee should be lowered in fiscal year 1987 and subsequent years.●

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. NICKLES. Mr. President, I rise today as a participant in the congressional call to conscience for Soviet Jews. As many of my colleagues have done, I would like to point out some of the injustices which have been occurring repeatedly to the Soviet Jews who wish to emigrate. In particular, I would like to mention the life of Boris Vainerman.

Boris is a physicist who currently lives in Leningrad. For the past 5 years, he and his family have been trying to emigrate to Israel to be with his uncle who is an invalid. He has been refused repeatedly.

For 10 years, Boris was employed in the Marine Hydro-Physical Institute of the Academy of Science in Sevastopol. He published four research papers which were not considered to be secret and were published in open scientific journals. However, after becoming involved in Judaism and requesting permission to leave the Soviet Union, he experienced great difficulties in remaining in his field. As a refusenik, Boris was unable to find any kind of qualified work as a physicist, and now works as a telephone repairman.

The transition he has undergone is a very difficult one. The new job provides only a minimal salary for he and his wife and child to live on. In addition to material hardship, Boris as a scientist, suffers from the lack of scientific contacts.

It is distressing to think that the only reason this family is suffering from material and moral hardships is because of their desire to live in their own country among their own people.

We as Americans need to recognize the liberties that we have in this country and strive to help those who are not as fortunate. It is my sincere hope that Boris and his family will soon be allowed to leave the Soviet Union and live in Israel.●

TELEVISION IN THE SENATE

● Mr. SIMON. Mr. President, along with some of my colleagues, I support televising the proceedings of this body. Recently, I wrote a column for the newspapers in my State about the lack of debate and poor attendance on the Senate floor. This editorial from the White Hall-Greene Prairie Press supports televising floor debate, as it is done in the House, as one solution. I ask to have the following editorial printed in the Record.

The editorial follows:

Televise the Senate

The U.S. Senate has long been touted as the world's greatest deliberative body. But according to one of its newer members, that accolade is no longer fitting.

Sen. Paul Simon, in a column he sends to Illinois newspapers, said that it is rare to have one-third of the senators present to hear debate and that the best debate he heard on the MX missile was in a Democratic caucus. As Mr. Simon wrote, "This issue . . . should not be a partisan matter and the whole Senate, and the nation, should have heard that exchange, not just one political party's caucus."

But the existing system makes floor debate the most easily expendable of the many demands made on a senator's time. Committee, subcommittee, staff and constituent meetings all seem to take precedence over debates before the full Senate. And indeed the volume of legislative work provides some excuse for missing many a droning speech of parochial interest.

The Simon reflections struck a responsive chord with Norman J. Ornstein of the American Enterprise Institute for Public Policy Research. He believes that the logical solution the problem Mr. Simon has outlined is televising floor debate, as is done in the House. We wholeheartedly concur. The give and take of ideas will be made richer and more rewarding as more senators attend debates. And, with the possibility of television cameras focusing on their empty seats, more senators would be likely to participate in debates on major topics.●

ORDERS FOR WEDNESDAY, JUNE 5, 1985

ORDER FOR RECESS UNTIL 9 A.M.

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that once the Senate completes its business today it stand in recess until the hour of 9 a.m. on this date, Wednesday, June 5, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Mr. President, I ask unanimous consent that, following the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators Gorton, Proxmire, Metzenbaum, and Leahy.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, following the special orders just identified, if time permits, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m. with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, following the conclusion of routine morning business, the Senate will resume consideration of S. 1160, the DOD authorization bill. Pending is a motion to reconsider the vote by which the Bumpers amendment was defeated. The yeas and nays are ordered, therefore votes could occur prior to the hour of 12 noon. Also, other amendments remain and might be offered dealing with the SDI.

It is the hope of the majority leader that once a strategic arms compliance amendment has been offered to the DOD authorization bill on this day that the Senate then agree to lay the DOD bill aside and take up S. 1003, the State Department authorization bill, for the purpose of considering the 10 Contra amendments, as described in the unanimous-consent agreement of May 23. Rollcall votes can be expected throughout the day.

RECESS UNTIL 9 A.M.

Mr. SIMPSON. Mr. President, there being no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9 a.m.

The motion was agreed to; and, at 1:24 a.m., the Senate recessed until Wednesday, June 5, 1985, at 9 a.m.

EXTENSIONS OF REMARKS

THE TRAGEDY OF MISSING CHILDREN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BIAGGI. Mr. Speaker, the welfare of children has always been one of my primary concerns. I sponsored the Child Abuse Prevention Act which became law in 1974. Later, I worked to extend the act to help children who are victims of sexual exploitation. I also sponsored legislation to correct mismanagement in the foster care industry and to provide adoption assistance for hard-to-place children. During a period of severe budgetary pressures, I succeeded in preventing an attempt by this administration to weaken the Education for All Handicapped Children's Act. More recently, however, my attention as well as the attention of the Nation has been focused on yet another problem affecting our children.

The television film "Adam," shown nationwide, vividly portrays the grief and anguish of families who have suffered the disappearance of a child. However, despite national attention to the problem, it continued to grow. The National Center for Missing and Exploited Children estimates that throughout the Nation, 1.5 million children are reported missing from their homes each year. Last year, the National Crime Information Center [NCIC] of the Federal Bureau of Investigation [FBI] maintained active records on 19,000 missing children. This year, the number of active records maintained by the Center has grown to 28,000. Over 1,500 of these children come from the State of New York, and of this number, 880 are from the New York City metropolitan area alone.

Children disappear for a number of reasons. They leave home voluntarily, they may be victims of noncustodial parental kidnaping, or they may be abducted by nonfamily members. Of particular concern is abduction or false imprisonment of children by nonfamily members. The statistics I have cited do not adequately illustrate the magnitude of this problem, and it is doubtful that anyone could produce such data.

According to the National Center for Missing and Exploited Children, one of the critical difficulties in establishing effective statistics in regard to this particular kind of abduction has to do with legal, statutory, and practical interpretations of abduction and false imprisonment. One common misunderstanding occurs because many individuals and official organizations anticipate that most children who are abducted by unknown individuals or nonfamily members are gone for a substantial period of time, sometimes forever. The reality is that there are thousands of children in this country who are kidnaped or falsely imprisoned each year by nonfamily members or unknown individuals and yet they only remain missing for a number of minutes or hours. This situation often involves the kidnaping or false imprisonment of a child for sexual abuse or exploitation. In legal, statutory, and practical terms, these children are missing and are the victims of abduction or false imprisonment by nonfamily members. These cases are typically recorded as sexual offenses rather than as abductions.

There are at least three other groups of missing children who are in fact the victims of abductions or false imprisonment by nonfamily members but whose cases are never recorded as such. One group is the children who are classified as voluntarily missing or labeled as "runaways" simply because of the age of the child. Often, the circumstances discovered later indicate that these children were the victims of abduction or homicide. Another population of abducted missing children are those who are classified as "voluntarily missing" simply because of an absence of facts upon which to conclude that the child is a victim of foul play or abduction. Unfortunately, many of these children are victims of abduction or exploitation or even murder, but because of a lack of evidence indicating an abduction, these cases are recorded as "runaways." Another group of cases that are rarely included in the abduction category are those situations where the child has voluntarily left his or her home and yet later becomes a victim of abduction or murder.

When we finally apply proper legal, statutory, and practical interpretations to this part of the problem of missing children, we will certainly learn that this is a tragedy that affects many thousands in this country each year.

There have been a number of efforts to deal with this problem on the Federal level. Two laws have been passed. The Missing Children Act—Public Law 97-292—enacted in 1982, provides the Attorney General with the discretionary authority to acquire direct information from the parent or guardian of a missing child in order to create a missing person record for inclusion in the files of the NCIC. Under the law, confirmation that such a record has been created may be obtained by the parent or guardian of a missing child. The Missing Children's Assistance Act—chapter VI of Public Law 98-473—passed in 1984, provides, among other things, for coordination of federally funded missing children programs, the establishment of a national "hotline" for missing children, and the operation of a national resource center and clearinghouse. I fully supported both acts. It is clear, however, that more needs to be done on the Federal, State, and local levels.

On the State and local levels, we find that only a few States and localities have developed automated missing persons files. A small number have legislation that requires the collection of dental records on missing subjects. Several have attempted to educate the public on preventive measures to thwart the abduction of children. Generally, however, the efforts of States and localities to deal with this problem have been scattered and only loosely, coordinated with similar efforts on the Federal level. The efforts of private organizations have augmented State and local initiatives, but to a limited degree. In addition, as States and localities have attempted to establish or improve automated missing person files, a number of problems have emerged. A key problem has been the difficulty experienced in obtaining a commitment by top management in the law enforcement community. In some instances, the impetus for implementing innovations in missing persons files has come from an individual who has singlehandedly pursued the matter. Even these efforts are slowed by the difficulties in classifying the causes for child disappearances that I previously explained.

Several bills have been introduced in the 99th Congress that address these and other matters relating to missing children. These include H.R. 604, H.R. 605, and H.R. 2201.

H.R. 604 requires grants to States for the purpose of establishing, operating or expanding missing children information clearinghouses. The State clearinghouses are required to: First, work in conjunction with the NCIC; second, educate parents, children and community agencies; third, provide public information to assist in locating missing children; fourth, publish a directory of organizations that provide assistance in locating missing children; fifth, establish an in-State "hotline"

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

for reporting missing children; sixth, work with other public and private organizations; and seventh, work with the National Center for Missing and Exploited Children.

H.R. 605 refers to nonparental or stranger abductions. This bill would amend section 1201 of title 18 of the United States Code to provide for a mandatory life sentence without parole for any non-parent who kidnaps a minor. If a homicide results from a kidnaping, this legislation then calls for a mandatory life sentence or the death penalty, depending on the court's determination.

H.R. 2201 would amend chapter 55 of title 18 of the United States Code by adding a new section on child-stealing. This bill deals with parents who entice, transport or detain children 14 years of age or younger from States in violation of custody orders. Parents guilty of such enticement, and so forth, could be punished by jail sentences of between 1 and 5 years. This bill also would penalize parents who attempt to obtain new custody orders after stealing children, parents who fail to return children after 72-hours of visitation outlined in a court order, and persons who aid, abet or counsel parents to violate custody orders. This third group of people would have to forfeit any money received from aiding parents who steal children in violation of custody orders.

While I will give these bills my complete support, another aspect of this problem troubles me deeply. In the enforcement area, the actual investigation of missing persons has not been pursued as vigorously as one would expect. State and local law enforcement managers, confronted with limited resources, have either declined involvement or have not given the issue top priority. A related factor is the limited expertise available to deal with the varied circumstances involved in a missing child case.

The enforcement problem is compounded by the fact that the FBI considers missing child cases to be a local law enforcement issue and has declined to provide direct assistance. Parents of missing children complain bitterly about the FBI's refusal to help find missing children. The FBI will become involved only when there is proof of a kidnaping—such as a ransom note—or evidence that the child has been taken across State lines. I find this attitude surprising, to say the least. Surely reasonable men will agree that the first-time disappearance of a minor is a strong indication that the child has been taken involuntarily and that there is more than probable cause to believe that a kidnaping has taken place. If the disappearance is extended, it is entirely possible, if not probable, that the child has been taken across State lines. I believe that this should be sufficient to establish the interstate commerce link needed for the FBI to become involved, if so requested by State and local authorities who cannot cope with the problem. This hasn't happened.

Mr. Speaker, I can understand the FBI's reasoning in not wishing to become involved. I don't agree with that reasoning, but it is clear that something more needs to be done to assure the FBI's help in missing child cases. The scope of this problem demands it. I will, therefore, pursue legislation to promote a cooperative investigative effort among Federal, State and local law enforcement agencies in cases involving missing children where there is reasonable cause to believe that a kidnaping has taken place and that the child has been transported across State lines. The thousands of families that have been visited by this national tragedy deserve no less.●

NEW MONROE DOCTRINE CALLED FOR BY REPRESENTATIVE DAVID BONIOR

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BARNES. Mr. Speaker, later this week the House will again debate the question of whether we should, for the first time, give the official recognition of this body to a guerrilla army that is attempting to overthrow a recognized government. Every time the House has been faced with this question before, it has properly answered "no." The removal of other governments by force is not a right that we grant to others, and it is not a right that we should arrogate to ourselves. Yet, by granting direct aid to the Nicaraguan Contras, that is exactly what the administration's proposal would do.

The Democratic Party has a better idea. In essence, it is to work with our friends in the region for peaceful political and diplomatic settlements of Central America's conflicts. I had the privilege of participating in the announcement of the Democratic alternative last week, along with several of my colleagues including the gentleman from Michigan, Mr. BONIOR. I was so impressed with the gentleman's statement on that occasion that I wanted to share it with my colleagues.

Mr. BONIOR calls for "a new Monroe Doctrine, one capable of meeting contemporary challenges" to the security and sovereignty of the nations of this hemisphere. The time is past when the United States can dictate to Latin America. We need to work with our allies in the region to protect our mutual security interests. That is what the Democratic Party proposes. Instead of the go-it-alone policies of the Reagan administration, we call for cooperative effort with our allies. That is how to advance the purposes of the Monroe Doctrine in this day and age.

I include Mr. BONIOR's statement at this point.

A NEW MONROE DOCTRINE

Since the time of President Monroe, the United States has stressed our historic commitment to protecting the security and sovereignty of the nations of this hemisphere. Yet, today that commitment is foundering on an ineffective policy. We need a new Monroe Doctrine, one capable of meeting contemporary challenges. That is what we propose today.

The United States needs a foreign policy that expands our options. Yet our current policy ties us to a cause of action that does exactly the opposite. Each day, our unilateral actions in Nicaragua rob us of one option after another, pushing us closer, as the administration's own spokesmen have made clear, to the use of U.S. troops.

It is time for the United States to stop talking tough, but acting weak. We cannot afford to continue to hide our failures behind ever tougher rhetoric. It is time to sit back and face the facts of our record and to seek creative alternatives.

What are those facts?

We have been asked to embrace as freedom fighters paramilitary forces who burn homes, and destroy crops, who murder, torture, rape and kidnap innocent civilians in their effort to overthrow the government of Nicaragua.

Our policy has involved us in acts of state supported terrorism, such as the mining of Nicaragua's harbors, and has forced us to flee the judgement of the International Court of Justice. It has left us isolated, unable to command the support of even our closest allies, all but one of whom refuses to give us their endorsement of economic sanctions against Nicaragua.

In a move that can only be interpreted as a sign of profound desperation, the administration has turned its attacks on those who oppose its policy. It has accused its critics of being tools of foreign governments, and it has called upon the FBI to investigate U.S. citizens who dare to examine for themselves the full force of U.S. policy in Central America.

The American people are crying out for alternatives. The most recent Harris Poll shows that 81% of our nation is concerned that the U.S. will end up sending troops to fight in Nicaragua, 73% are opposed to sending military aid to the Contras, and a substantial majority oppose sending any aid at all.

Our policy does provide a clear and sharp alternative. It recognizes direct aid to the Contras for what it is: logistical support for an army in the field. There is none in our resolution. It recognizes the historic importance or the Boland Prohibition and extends the full prohibition, without any weakening.

The American people are prepared to stand up for the security of our hemisphere. But we cannot let our ideals, so long symbolized by the Monroe Doctrine, be used as a cloak for gunboat diplomacy.

Since 1900, the U.S. has unilaterally intervened in the Caribbean Basin 28 times. These military interventions have left a residue of resentment that continues to hamper our effectiveness in the region.

Such unilateral action is long out of date. Time has given our allies in the region, like Mexico, Venezuela, Colombia, and Panama, new power, and with that power, renewed pride and independence.

We must not treat this independence as an annoyance, but as a promising opportunity. We need to welcome our allies as partners in a strong commitment to the security of our hemisphere.

In 1823, President Monroe asserted our nation's profound interest in the security and sovereignty of the nations of this hemisphere. Each succeeding generation has had to face that challenge anew. We are here today to rise to that preeminent task of leadership, to set forth a policy that is inspired by the principles of our forefathers, but grounded in the hard realities of our time; a policy that can command the support of our own people and the respect of our allies; and above all else, a policy that can bind the nations of this hemisphere to protect the security and sovereignty of us all.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. HUBBARD. Mr. Speaker, as I have reminded my colleagues in the past, more and more Americans are becoming increasingly aware that the U.S. Justice Department is the most politically conscious and active agency in our Federal Government.

On an almost daily basis, newspaper stories appear which support this fact.

The following newspaper article appeared in the May 30, 1985, edition of the Washington Post entitled "FBI Trying To Determine if Cover-up Occurred in Surveillance Case."

[From the Washington Post, May 30, 1985]

FBI TRYING TO DETERMINE IF COVER-UP OCCURRED IN SURVEILLANCE CASE

(By George Lardner, Jr.)

NEW YORK, May 29.—The FBI, after more than four years of controversy, is trying to determine whether there was a bureau cover-up in connection with the organized-crime surveillance that indirectly led to indictment of former U.S. labor secretary Raymond J. Donovan and nine others.

Informed sources said the word "cover-up" was used in recent weeks in questioning several FBI agents associated with the 1979 case, named Operation Tumcon.

The FBI's Office of Professional Responsibility began conducting the internal investigation last fall and, according to one source, the bureau has established an "independent squad" to probe possible crimes uncovered in Tumcon that might be prosecuted.

As far as can be determined, no FBI agent or management official questioned has said he has information concerning a possible cover-up.

The current inquiries appear to have been instigated by developments in Bronx Supreme Court in March, beginning with disclosure of hundreds of previously secret summaries of conversations overheard during Tumcon wiretap surveillance.

The summaries included allegations of crimes ranging from gangland murders to bribery and political corruption involving federal, state and local officials.

Disclosures in court March 6 of some Tumcon conversations produced publicity about the fact that the $1 million FBI inquiry resulted in only two federal indictments.

The internal review of how Tumcon was handled came as a result of the indictment of Donovan and others under New York state law on charges of fraud and grand larceny involving his company, Schiavone Construction Co. of Secaucus, N.J.

Not until late March did the FBI reportedly begin asking agents connected with Tumcon whether they knew of any attempt to "cover up" matters regarding any part of the Tumcon investigation.

The new line of questioning apparently coincided with a Bronx Supreme Court ruling that there was sufficient credible evidence to sustain Donovan's indictment and with Donovan's resignation from the Cabinet the same day.

At the time of Donovan's 1981 Senate confirmation hearings, the FBI's New York office had sent a memo dated Jan. 10, 1981, to FBI headquarters. It was only partially shared with Senate Labor Committee members considering Donovan's nomination.

Made public recently in connection with Donovan's court case, the memo stated that a review of the Tumcon file showed that William P. Masselli, a reputed member of the Genovese organized-crime family, "has a very close and personal relationship" with Schiavone Construction.

That relationship, the memo stated, included "preferential treatment on subcontracting projects, financing of equipment for Masselli to lease back [to] Schiavone and numerous, possibly fraudulent schemes to raise federally required minority participation levels in urban mass transit projects."

The chief FBI spokesman at the Donovan hearings, former executive assistant director Francis M. (Bud) Mullen Jr., did not mention those assertions. He told the Senate committee Jan. 27, 1981, that FBI background checks on Donovan amounted to "a favorable investigation" for him and Schiavone.

Mullen admitted in mid-1982 that he "consciously" withheld from the Senate the fact that Donovan's name had been mentioned on a wiretap involved in an organized-crime probe. Mullen maintained that the conversation was "not pertinent" to the background check.

The Senate committee's special counsel concluded in 1983 that the FBI had withheld "pertinent" and "significant" information from the panel.

Donovan, Masselli and eight other men face trial on charges of conspiring to defraud the New York City Transit Authority of $7.4 million.

Meanwhile, assistant FBI director in New York Lee F. Laster, 52, is leaving for a job in private industry, and deputy assistant director Kenneth Walton is leaving to head the Detroit office. Both were among FBI personnel questioned recently in the OPR investigation. FBI officials said neither move is connected with the probe.●

PEACE AND PROSPERITY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I wish to call to the attention of my colleagues an editorial which appeared in the June 2 edition of the Santa Barbara News-Press on the advances of democracy in El Salvador. Entitled "Peace and Prosperity: El Salvador Faces a Window of Opportunity," the editorial describes the current stage in Salvadoran history as a pivotal moment for solidifying the cause of democracy and development in that Central American nation.

As my colleagues will recall, when he was in Washington 2 weeks ago, President Duarte reiterated his strong commitment to strengthening the forces of democracy, promoting economic development, protecting human rights, and seeking a just political settlement with the armed opposition in El Salvador. At the same time, President Duarte also expressed his concern about the threat for his country represented by Nicaragua and his hope that some means would be found to counter that threat.

I urge my colleagues to consider carefully the message expressed in the following Santa Barbara News-Press editorial:

PEACE AND PROSPERITY: EL SALVADOR FACES A WINDOW OF OPPORTUNITY

That Jose Napoleon Duarte was able to celebrate a June 1 anniversary as El Salvador's popularly elected president may be the best that can yet be said of the moderate democrat's accomplishments. But in a land where five crippling years of civil war have bankrupted the economy and given too much power to the military, Duarte's survival in office after a year is a significant achievement.

The United States has spent close to $2 billion to help the Salvadoran government to this promising point. It will need to continue subsidizing—with many millions a year for several years—the fragile democracy while efforts continue to end the war with leftist guerrillas.

El Salvador's many problems all clamor for priority, but the state of its economy may prove to be the most acute in the long term. Half the youthful workforce has little or no gainful employment. The government's depleted treasury cannot handle a ballooning foreign debt. The economy's growth is 25 percent behind what it was in 1980, when civil war began. An alarmingly high birth rate stirs more trouble into the pot, as the number of workers needing, but failing to get, jobs swells rapidly. As unemployment grows, so does social discontent, and pressure from the people on President Duarte to end the war with the rebels and get on with rebuilding the economy.

Getting the guerrillas to lay down their arms is easier demanded than arranged, however. After exploratory talks held amid heady optimism last fall, both sides have dug in behind inflexible positions. The rebels say they are prepared to maintain a draining campaign of sabotage. Such a strategy could backfire on them, however. For although the strain on the economy would put pressure on Duarte's government, it would likely diminish what popular support the rebels still enjoy, and weaken their ability to continue fighting. Duarte needs to bring his greatest political skill to bear in persuading the outcasts that it is in their best interest to negotiate for peace.

The political climate for such a full-court attack is perhaps as good now as Duarte can hope for. Right-wing opponents are still in disarray after Duarte's Christian Democratic Party unexpectedly captured control of the Constituent Assembly in March. The army, traditionally allied with the rightists, is ostentatiously backing Duarte. Death squad activity sanctioned by the military is noticeably down. Abroad, Duarte has earned widespread respect for his principles and his cautious damping of El Salvador's ideological fires.

This auspicious atmosphere could easily dissipate. The army is cooperative; it has not relinquished its power. Ultra-conservative parties are off balance; they're working to regroup. So Duarte needs to move quickly to pursue peace and the hope of economic recovery. His hold on the government—and the country itself—could quickly reach a point of no return.●

MY PLEDGE TO AMERICA

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. SILJANDER. Mr. Speaker, I would like to share with my distinguished colleagues this prize-winning script, written by Miss Kirsten H. Osolinski of Portage, MI. Kirsten, a high school student of my district, was the Michigan winner of the Voice of Democracy Contest, sponsored by the Veterans of Foreign Wars of the United States and its Ladies Auxiliary. The title of Kirsten's theme is "My Pledge to America."

MY PLEDGE TO AMERICA

(By Kirsten H. Osolinski)

"I pledge allegiance to the flag of the United States of America and to the Republic * * *" This simple yet beautiful affirmation is recited at school functions, national sport events, and governmental occasions. It is as much a part of the United States as the flag itself. Each person makes a variety of pledges in everyday life. As one becomes older, one finds more ties and commitments. This gradual increase of commitments resembles the life of a tree. It begins from a single seed, a need for life. After the first budding, more growth follows.

To understand the pledges people make during life, one must look at the actual meaning of "pledge". Since a pledge is a solemn promise to do or not do something, it must be personal. One cannot learn a promise. He must implant his own or if need be, live by one others have phrased. One must intuitively feel compelled to carry out this or her promise. Whether one's tree branches into "I do solemnly swear that I will support and defend the Constitution of the United States * * *" or a multitude of other pledges, each is naturally a contributor to American morale, devotion, and loyalty.

Historically, America has grown through collective efforts and sacrifices. Our early leaders made vows to the seedling nation of America, pledging to work for freedom and justice. The initial promises of Benjamin Franklin, John Hancock, and others who signed the Declaration of Independence all have made our country what it is today. These "planters" cultivated the country and the tree beginning to grow. In doing so they helped form a basis for all patriots who have followed.

The Scout oath is perhaps the first loyalty a youth may have toward his country. After such a beginning commitment, each young person faces many more. Each pledges to further his mind in school and his body in fitness. Perhaps he gives his word to repay student loans, remain unprejudiced, or help friends and family. Yet the tree potentially may tower at a greater height. As President Theodore Roosevelt once said: "Do what you can, with what you have, where you are." As each youth reaches adulthood he faces more challenges and opportunities to pledge his services and goodwill. The first implanted seed has grown into a tree of proportionate size. Each American also grows as he learns about himself, his country, and his relationship to it. One day one of these youths in great sacrifice and honor will take the ultimate pledge: "I do solemnly swear that I will faithfully execute the office of President of the United States. * * *"

My personal pledge is to turn all my energies toward bettering the country in which I am proud to live. I wish to always remain true and faithful to my pledge and to the integrity of my country. Even if I do not make a significant impact on society, any effort I make is important toward a group goal. Consider women's suffrage, which did not occur until 14 years after Susan B. Anthony sacrificed for that goal. Consider Martin Luther King who did not even see the rewards of his martyrdom. Consider even the heroics of the little man, such as Lenny Skutnik, who gave his life saving the lives of five drowning strangers when a DC-10 crashed in the Potomac River.

Until each person feels this way, our country will never have complete unity. Whether or not a person belongs to an organization, each person can contribute to our country through a mere promise to be true to it. The common man's pledges are just as weighty as the President's. If both keep their commitment, each of their promises will influence their lives and the lives of others they touch. One tree will multiply into many.

Let us believe and trust that this tree of commitment is growing in all of us. As it grows, America's proud future will be guaranteed. Its fruit will be America's accomplishments. Then, as you and I both know, our tree will live as long and stand as firm as the giant Sequoias.●

U.S. MILITARY PREPARED FOR MOVE AGAINST NICARAGUA

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BARNES. Mr. Speaker, a very disturbing article in today's New York Times suggests that there are people in the Reagan administration and the military who are not only giving serious thought to a U.S. invasion of Nicaragua, but who also think an invasion would be a piece of cake. The article demonstrates what many of us have said all along: That the exercises and the buildup that we have been conducting in Central America have the purpose of creating the necessary infrastructure for direct U.S. military intervention in Nicaragua. The article also says that this process is now complete; the staging area is ready.

Mr. Speaker, a refusal to support and strive for diplomatic solutions makes military action inevitable. In a couple of days we will have a chance to vote for diplomacy, against war. When the House again considers aid to the Contras, I hope and expect that we will again reject this proposition, as we have four times previously. I hope and expect that our colleagues will vote with those of us who offer a peace plan. I hope that we will vote to stop the process that is leading to U.S. military intervention.

I include the article at this point. I hope that my colleagues will study it carefully.

U.S. MILITARY IS TERMED PREPARED FOR ANY MOVE AGAINST NICARAGUA

(The following article is based on reporting by Bill Keller and Joel Brinkley and was written by Mr. Keller.)

PANAMA.—In the last two years, the United States Southern Command, from its tropical hilltop headquarters here, has presided over the establishment of a sophisticated military apparatus in Central America.

While President Reagan and his top advisers say the use of American military force in the region is an unlikely and undesirable last resort, the military is prepared for contingencies, according to military officers and diplomats in Washington and Central America. Authorities say this has been accomplished with a vigorous tempo of war games, construction of staging areas and listening posts, the creation of an elaborate intelligence network and a major effort to fortify allied armies.

The United States military presence, once devoted almost exclusively to defending the Panama Canal, was expanded in the name of protecting stability throughout Latin America. More recently, the officials say, its focus has narrowed on Nicaragua, which the Reagan Administration believes is the main threat to peace in Central America.

The military officers and diplomats said in interviews that the buildup of the Southern Command, one of six global subdivisions of the American military, is now largely complete and that it is adequate to carry out any likely emergency in the region.

These officials also challenged what they called the apparently popular belief that if the United States was drawn into direct military involvement in Central America, it would inevitably lead to a Vietnam-style quagmire.

"LIKE FALLING OFF A LOG"

According to American military and intelligence assessments presented at the highest levels of the government, the United States could quickly and easily rout the Sandinistas who govern Nicaragua.

An intelligence official whose opinions have been solicited by members of the National Security Council said that an invasion of Nicaragua was undesirable "from a propaganda point of view," but that if it became necessary it would be "like falling off a log."

As Congress begins another round of debate over how to deal with Nicaragua, both supporters and opponents of Administration policies are examining the military options embodied in the Southern Command with renewed interest.

One reason is that the Administration has begun talking more openly about the risk of American military involvement if Congress continues to foreclose less drastic measures, such as renewed military aid to the United States-backed Nicaraguan rebels seeking the overthrow of the Sandinista Government.

Moreover, United States and Central American officials say, the unpredictable behavior of the Nicaraguan government could increase the likelihood of American involvement at any time.

PRUDENT, OFFICIALS SAY

American military officials say the activities at the Southern command is prudent preparation for such dangers.

"I can say with some confidence that the exercises have provided us with a significantly improved capability to operate in the region," said Col. Charles Pearcy, who heads the command's task force in Honduras.

Some critics, on the other hand, have long seen the muscle-flexing at the Southern Command in a more ominous light.

Eugene J. Carroll Jr., a retired admiral who is director of the Center for Defense Information, a group often critical of the Pentagon, wrote last year that "accelerating U.S. military preparations" in Central America "suggest that the decision has already been made by President Reagan to send U.S. troops into Nicaragua."

House Speaker Thomas P. O'Neill, Jr., brushing aside the President's consistent statements that he is determined to avoid sending combat troops to Central America, said in April, "I've said all along that I don't think the President of the United States will be happy until American troops are down there."

THE COMMAND'S MISSION

The decision to use military force would be made in Washington, but the preparation and execution are the responsibility of the Southern Command, known as Southcom.

The headquarters, a cluster of neat frame buildings under coconut trees, has changed little in size or appearance since a few years ago when the command, in the words of its spokesman, Co. William C. Hansen, "one of those final assignments" on the way to retirement.

But in 1983 the Southern Command's importance began growing in earnest. That year the Administration, fighting one anti-Government insurgency in El Salvador while underwriting another in Nicaragua, without fanfare rewrote the command's mission statement.

Once assigned primarily to defending the Panama Canal, the command was committed, among other responsibilities, to "counter Soviet and Cuban militarization and other destabilization undertakings."

"There would not even be a United States Southern Command today, I am convinced, had it not been for the propensity of these Marxist-Leninists to pursue their own goals, ignoring the aspirations and needs of their own peoples" in Central America, Gen. Paul F. Gorman, the head of Southern Command, told the Senate Armed Services Committee in February, a few days before he retired.

THE CHANGES ARE MADE

General Gorman is widely considered responsible for changing the command to suit its new mission.

"When I cam to Panama two years ago, I found an Army component very well designed to defend the Panama Canal against brawlers and rioters, but ill suited for supporting allies in the region," he told the Senate committee. He promptly disbanded the Army's canal-oriented mechanized infantry unit and sent to Washington for experts in intelligence, communications, aviation, medicine and construction.

Within a year of General Gorman's arrival, Southern Command had begun to build or enlarge eight airfields in Honduras, using engineering battalions brought in for military exercises. A member of the Senate Intelligence Committee who has toured the installations recently described them as "a pretty sophisticated staging area."

At Palmerola, in the central highlands west of Tegucigalpa, the largest airstrip was dedicated last February. The 8,000-foot, lighted, all-weather runway shimmers like a mirage in the midst of a sprawling military town of wood huts, camouflaged antiaircraft emplacements and repair shops. It can handle any plane the United States military owns, including jumbo C-5 and C-141 transports and high performance fighter planes.

VERSATILE PLANE SOUGHT

Palmerola is home for Joint Task Force Bravo, the American operating arm in Honduras, established in 1983 to train Hondurans, build and maintain shared facilities, organize war games and assist American military missions in the area.

In the last year, the buildup has continued. The fiscal 1986 budget, for example, calls for moving to Southern Command a detachment of C-7 Caribou planes, a plane of 1960's vintage that can land on tiny, undeveloped airstrips. General Gorman told the Senate that, whereas 30 airfields in Central America can handle C-130 cargo planes, the little Caribou can deliver troops or materiel to some 900 locations.

Much of the more recent activity at Southern Command is not visible at all, involving intelligence-gathering.

In his testimony, General Gorman said that he had built "a very close working relationship with the entire intelligence community" and that he met constantly with Central Intelligence Agency station chiefs in his region.

A Congressional source said that within the last several months the National Security Agency had installed "the best technology we've got" at electronic eavesdropping posts on Tiger Island, in the Gulf of Fonseca near Nicaragua, and other locations.

SUPPLIES OF FUEL IN PLACE

The military has been thwarted by Congress in some of its more ambitious proposals, including a plan for storing bombs and rockets at Palmerola and San Lorenzo, about 49 miles from the Nicaraguan border.

The Southern Command has, however, stored fuel. According to a classified Pentagon report, the Southern Command on Jan. 1 was the only one of the six regional commands that divide responsibility for American military commitments around the globe that had stored 100 percent of its estimated oil requirements.

In manpower, the Southern Command is the smallest of the six commands, with about 9,600 people stationed at various installations in Panama and an average of 1,200 troops in Honduras.

But General Gorman noted that this was deceptive. Southern Command is designed to have a small permanent staff, but to draw troops, in event of conflict, from the United States Readiness Command, based at MacDill Air Force Base in Florida, and the United States Atlantic Command, based in Norfolk, Va., which patrols the Caribbean and the Atlantic.

BEHIND THE WAR GAMES

Getting those forces to Central America has been a central point of exercises conducted over the past two years.

Until 1983, Colonel Hansen, the Southern Command's spokesman, said, the command staged only one sizable exercise a year, an annual drill called Kindle Liberty that practiced defense of the Canal.

Since 1983, the Pentagon has added several major war games a year, testing on the playing field of Honduras virtually every wartime contingency that might arise in the region.

In an exercise called Big Pine III, completed May 3, the Americans staged Nicaraguan-style tank attacks near the Choleteca gap on the Honduras-Nicaragua border, while Honduran troops practiced defensive tactics. Universal Trek, which ended May 5, practiced landings by Marines and paratroopers—and for the first time tested how the Pentagon would handle reporters covering an unannounced military operation.

TROOPS WILL BUILD ROAD

This year's third major Honduras exercise, beginning June 7, will send 1,800 American troops to build a 15-mile road to the airfield at San Lorenzo and practice paratrooper attacks against guerrillas.

Colonel Pearcy, the Joint Task Force commander, said these war games served multiple purposes, including realistic training of American and allied troops, and served to remind the Nicaraguans of American resolve.

Most of the lessons could be applied to other regions. But the exercises, American officials said, have worked extensively on two abilities that would be essential in a Central American conflict: moving men and equipment to the region in a hurry and working in tandem with the Honduran Army, which American officials say would be a likely partner in any American military enterprise.

"What you do on the ground is often less important than the preparation for going, getting there and existing," Colonel Pearcy said.

MILITARY ADVICE PROVIDED

In addition to being host for exercises and training, Southern Command has helped run a gradually increasing program of military aid and advice for Nicaragua's neighbors, El Salvador, Honduras and Costa Rica.

In May, the United States sent 20 Green Berets from the Army Seventh Special Forces in Panama to train the Costa Rican civil guard in basic military skills at a new camp near the Nicaraguan border.

The Defense Department said it was the largest American military training team ever dispatched to Costa Rica, a neutral country that does not maintain an army, and the move prompted protests from some Costa Ricans that the United States was pressing their country to militarize.

THE DEBATE ON INVASION

Whether these preparations are enough to assure American success in any military operation that might arise is still a matter of lively debate.

No one in Government is suggesting that an invasion of Nicaragua is imminent or desirable. Still, in recent weeks senior Reagan Administration officials have for the first time begun openly discussing this as a possibility.

For example, in a speech to the American Bar Association on May 23, Secretary of State George P. Shultz warned members of Congress that if they did not approve renewed aid for the American-backed Nicaraguan rebels, "they are hastening the day when the threat will grow, and we will be faced with an agonizing choice about the use of U.S. combat troops."

Interviews with numerous American and foreign government officials in Washington and in Central America indicate that the possibility of United States military involvement in Nicaragua has become a matter of open discussion.

THE FEARFUL ANALOGY

One factor that has caused many Americans to recoil from the idea of direct military involvement in Nicaragua is the Vietnam analogy.

In a conflict with the United States, the argument goes, the Sandinistas would quickly retreat to the hills like the Vietcong—jungle-wise guerrillas—and would draw American troops into a bloody quagmire.

"I think most people think it would be a very messy business, and don't want to do it for that reason," said Mark Falcoff, a Latin American scholar at the American Enterprise Institute who was a consultant to the commission on Central America headed by former Secretary of State Henry A. Kissinger.

In Nicaragua, where an American invasion is a topic of constant speculation, Cmdr. Julio Ramos Arguello, the army Chief of Staff, also said "this would be a kind of Vietnam war."

But a contrary view seems to have gained wide acceptance within the Administration. The view is that an invasion of Nicaragua, however undesirable for political reasons, would not be such a difficult task in military terms.

SANDINISTA DEFICIENCIES NCTED

In interviews, American military officers and other Government officials familiar with the region argued that the Sandinistas lacked the military skills, the popular base and the supply lines to prolong a guerrilla war in the face of an American invasion.

United States intelligence sources in the region have told their superiors in Washington that major Nicaraguan installations are lightly defended. In the Managua area, for example, an intelligence official said the Sandinistas had 13 potential targets that were protected by antiaircraft artillery, primarily 57-millimeter and 37-millimeter antiaircraft guns.

"If proper tactics and proper ordnance were applied to those sites, they'd never know what hit them," an intelligence officer said.

This officer and others said that with minimal risk, American pilots could destroy the small Nicaraguan Air Force, radar, artillery, tanks, supply depots and command centers.

According to a source who has discussed the subject with him, Col. William C. Comee Jr., the director of operations at Southern Command, has estimated that it would take the United States two weeks to gain control of 60 percent of the Nicaraguan population.

Colonel Comee, who has overseen war games and other operations in Central America since 1982, declined through a spokesman to be interviewed. In June he will replace Colonel Pearcy as commander of the Joint Task Force in Honduras.

Another United States political-military officer in the region said the most plausible scenario in the event of a full-scale conflict would be this: "The U.S. would come in heavily for a month or so, mostly with air strikes against major facilities. Then a new government would be put into place, and it would come with its own army."

It would be up to the new government, presumably organized from the existing democratic opposition, to pursue the Sandinistas, several military analysts said.

"The Sandinistas would be up in the hills, but that would be a problem for the new Nicaraguan government," an American officer said. "It wouldn't be our problem. We'd probably have a program like El Salvador, advisers and assistance, but no Americans involved in the fighting."

One United States military officer who has briefed members of the National Security Council asserted that the Nicaraguan people would rise up in support of an American invasion and that neighboring armies would assist the United States eagerly.

In addition, the officer has told senior officials in Washington that the Sandinistas would find the hills inhospitable because their presumed sanctuaries are now inhabited by the rebels and by largely conservative farmers who consider the Sandinistas a threat to their private property rights.

The officer said: "They've lost the support of people in the mountains," the officer said. "They'll get their heads chopped off up there."

Commander Ramos, whose responsibilities include the defense of Managua, said in an interview that this was a dangerous assumption. The initial American assault, he said, would kill thousands of Nicaraguans, uniting the citizenry in their outrage.

Another problem for the Sandinistas, according to several American military analysts, is that Nicaragua has no counterpart to Vietnam's Ho Chi Minh Trail, which was used to deliver the Vietcong ammunition and other supplies from the North. In Nicaragua, land supply routes would be through mountainous jungle, while air and sea routes would be policed by American forces.

"We could seal that place tighter than a drum," an American military officer said. Other officials, noting that the United States had been unable to cut off arms traffic between Nicaragua and El Salvador, were not as confident that blocking arms to Nicaragua would be easy.

American intelligence reports show no evidence the Sandinistas have prepared large caches of ammunition or fuel in the hills, according to one knowledgeable official. Commander Ramos said: "We do have some things. Not many. Some fuel."

Colonel Pearcy, commander of the United States task force in Honduras, and other analysts noted that for the United States, the logistics would be much more favorable than they were in Vietnam. In addition to shared facilities in Honduras, the United States has bases in Panama and Puerto Rico, and Nicaragua is a five-hour transport plane flight from the American mainland.

Colonel Pearcy added a cautionary note, "I've been in the Army 24 years, and I've never seen anything neat."

Other American officials noted that even the 1983 invasion of Grenada, in which Army, Air Force, Navy and Marine units swarmed onto a tiny island, left 18 American servicemen dead and 116 wounded.

Invading Nicaragua, said Senator Sam Nunn of Georgia, who is the senior Democrat on the Armed Services Committee, "would be a much tougher military situation than that."

THE POLITICAL PITFALLS

Many experts say the worst difficulties of a United States invasion would be political rather than military.

One would be assembling a stable government in Managua from the contentious military and political rebel groups. Another would be a possible torrent of refugees into neighboring countries.

A senior Costa Rican official said that in the event of an invasion, his Government would probably issue a statement blaming the Sandinistas for provoking it. But he added: "We will suffer the consequences. We will have the Sandinista leaders in Costa Rica. We will have hundreds upon thousands of refugees. We will have instability."

And a third consequence, some experts say, would be a deep and lasting resentment in Latin America.

"You have to understand the emotional scar tissue left there by our historical involvement in the region," said a former Administration official, who supports the present White House policy. "The political, emotional, psychological cost would be high."●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. MONTGOMERY. Mr. Speaker, the House and Senate are expected to go to conference next week on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the VA Medical Center in Denver, CO:

VETERANS ADMINISTRATION,
Denver, CO, February 11, 1985.

In reply refer to 554/11.

HOWARD H. GREEN, M.D.,
Chief of Staff (11), VA Medical Center, White River Junction, VT.

DEAR HOWARD: Belated thanks for your November draft of the cost containment article. I utilized it in my January 9, 1985 Medical Grand Rounds at the University of Colorado School of Medicine on hospital cost containment. The annotated bibliography I distributed is enclosed in return. I found your article to be a very helpful economic model to help control cost.

Let me answer the specific questions in your letter of January 2, 1985;

a. Major construction currently underway; 273 beds at present; upon construction completion in mid-1986, we expect 389 beds and 12 dialysis stations; anticipate opening 60-bed Nursing Home Care Unit in July 1985.

b. Closely affiliated with the University of Colorado School of Medicine.

c. Projected dollar deficit on January 1, 1985 = $760,000.00. Because we are in the process of hiring 75 of the 175 FTE associated with the construction activation, it is difficult to be specific about projected personnel deficits. We are concerned that budgetary constraints may not allow us to recruit the approximately 75 FTE anticipated with activation in fiscal year 1986.

d. High cost of surgical hardware is limiting our surgical procedures, including cardiac valvular surgery, total joint replacement, vascular grafts and intraocular lenses. Partly owing to activation resources, we have experienced no significant equipment problems and expect none. Enclosed is the surgery waiting list dated January 4, 1985.

e. We have undertaken separate activities for fiscal year 1985 and fiscal year 1986. Several task forces are presently at work on fiscal year 1985 matters: the cost center for the home oxygen program has been assigned to the Medical Service with a severe budgetary constraint and anticipated waiting lists in an attempt to control the until now uncontrollable home oxygen program expenditures; another task force is developing a system of effective controls at the service chief level for sharing/non-sharing expenses, chiefly expensive diagnostic studies and radiation therapy; another task force is looking at pharmacy cost control trying to save $100,000 in each of the last two quarters of FY 85 and looking hard at over the counter prescribing. In this area, physician restraint in writing prescriptions appears to be the most promising initiative. Chief, Surgical Service is being required to limit expensive surgical procedures despite their high DRG value in an effort to stay within his budget despite remarkable inflation in the cost of surgical hardware and supplies. A blue ribbon panel comprising of ACOS/Mental Health, Chief Nurse and Assistant Chief, Surgical Service has been formed to advise the Supply Officer concerning the clinical aspects of expensive trends in equipment costs and usage.

For FY 86 and beyond, the Director has pointed a high level ad hoc committee to review programs and FTE from a management and productivity viewpoint. It includes Chief of Staff; Associate Director; Assistant Director; Director of Management and Planning; Chief Nursing Service; ACOS/Ambulatory Care; Chief Fiscal Service; and Chief Personnel Service. Most of February, March and April will be devoted to individual meetings with service chiefs reviewing under-utilized or redundant programs and a reduction may be expected.

From the MEDIPP point of view, clearly increased regionalization of expensive services is needed as well as attention to appropriate outplacement to disimpact some of the long stay neuropsychiatric facilities. Certain decisions need to be made at the regional level concerning transplantation programs or other expensive surgical activities, such as neurosurgical services and major joint replacements.

In actuality, activities at VAMC Denver may not be as compromised as at some other stations owing to our activation resources, but that is chiefly a timely accident. Even when the construction ends, we will be short of space, understaffed and underfunded to meet the ever-growing demand here.

I hope that this has been somehow helpful.

Sincerely yours,

LARRY G. SEIDL, M.D.,
Chief of Staff.

Enclosure.

VETERANS ADMINISTRATION,
January 4, 1985.

MEMORANDUM

To Chief of Staff (11).
From Chief of Surgery (112).
Subject Surgical waiting list.

As of January 5, 1985, the various sections of the Department of Surgery have waiting lists for surgical admissions as listed below. A waiting list patient is defined as one who cannot be scheduled for operation within the next two weeks.

Podiatry, no report; plastic, 0; hand, no report; otolaryngology, 0; cardiac, 10.

General surgery, 34; vascular surgery, 10; urology, 25; ophthalmology, 58; neurosurgery, 0; orthopedic, 5.

LAWRENCE W. NORTON, M.D.,
Chief of Surgery.●

HARRIET HENRY: A PROMINENT MAINE JUDGE

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. McKERNAN. Mr. Speaker, it is with great honor that I take this opportunity to pay tribute to an accomplished public figure and pioneer, Judge Harriet P. Henry. When appointed district judge in 1973, she became the first female judge in Maine's long history. She has now set standards in the field and opened the doors for the four other female judges who now serve with her in Maine.

An economics major at Smith College, her first job was in the Army's Office of the Quartermaster General in Washington, DC, as an economic analyst. She later transferred to the National Security Agency, working as an intelligence analyst. It was while working there that Mrs. Henry decided to take up law. She entered night school at George Washington University, and got her degree in 3½ years.

Four years after marrying Merton Henry, a fellow law student and now a prominent attorney, the couple moved to Portland, ME, in 1958, and she became involved in community activities. As a volunteer, she contributed to the community through her efforts on the Maine Status of Women Commission and as president of the Portland League of Women Voters.

While involved in these organizations, Henry also found time to author a four-volume report entitled "Maine Law Affecting Marine Resources," a landmark survey of 50 State agencies related to or affecting marine resources, sponsored by the University of Maine and the National Science Foundation. Later, she chaired the Joint Action Commission on University Goals and Directions for the University of Maine at Portland-Gorham.

In 1965, Mrs. Henry became a member of the Portland Housing Authority and, in 1973, became its chairperson. Later that year, Governor Curtis appointed her Maine's first female judge. She is currently active in several judicial organizations, including the executive committee of the National Conference of Special Court Judges, where she serves as editor of its newsletter.

There comes a time when old traditions must make way for progress. Harriet Henry not only proved that a female could be a judge in Maine, but she showed that one's gender is not in the least way a determinate factor for success in law or any other profession. I ask my colleagues to join me in commending Judge Henry for this and her many other noteworthy achievements.●

BIG BEAR LAKE CIVIC CENTER NOW A REALITY

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. LEWIS of California. Mr. Speaker, I appreciate the opportunity to bring to the attention of my colleagues a most philanthropic, honorable act. In the city of Big Bear Lake, a civic center will be built that will benefit all of the citizens of the region. Because of the forward thinking and kindness of one man, a site for the center has been found. I would like to quote from an article written by Brian Anderson of Riverside, CA, that best tells the story:

> On October 1, 1985, the wishes of one man and the plans of the City of Big Bear Lake meet in fulfillment. That day, Milton W. Hofert turns over his Happy Hill Resort and Tamarack Lodge to his fellow citizens and long-time neighbors for use as the area's Civic Center.
>
> The donation of the adjacent properties was planned over more than two years. In the spring of 1983, Mr. Hofert tendered his proposal to the Big Bear Lake City Council: He would sell the 12 acres adjoining Highway 18 on the west side of town—including all buildings comprising the historic resort

and former girls' camp—for $60,000, to be refunded to the city once construction begins on the Civic Center.

The city fathers, who had long been seeking a site suitable for a Civic Center and other public uses, responded heartily to the "one in a million" proposition. In a letter to Mr. Hofert, Mayor John C. Eminger and City Manager Robert L. Van Nort wrote, "The city will be forever indebted for your kind and generous offer for this property at a most reasonable price."

After an independent firm estimated the value of the grounds and structures in excess of $1.5 million, and after the City Council debated the merits of situating the Civic Center two miles west of Big Bear Lake's commercial center, the Council affirmed the sale in a November, 1984 vote.

. . . Mr. Hofert seeks to give something back to Bear Valley and its people who made him so happy and welcome there. In transferring his property to the city, he also recognizes that placing the Civic Center away from the well-developed town center and eastern half provides a low traffic, low density alternative for residents to congregate—and that the location may help swing attention back to one of Big Bear's earliest settlements . . .

The agreement with Mr. Hofert allows the City of Big Bear Lake to use the land and structures for a museum and historic center, animal park, performing arts center, public recreation facilities, parks and recreation offices, senior citizens center and open space for public recreation.

In 1909, the site and the adjacent Mill Creek marked the end of the road now called Highway 18. Today, it marks the beginning of another road taken by the City of Big Bear Lake.

Mr. Speaker, once again I am filled with pride by the generosity and sense of community demonstrated by the citizens that I represent. Our Nation is great because of people like Milton Hofert and his neighbors, and we here in Washington can be humbled by their selfless acts and admirable ambitions. I ask you and my colleagues to join with me in expressing our thanks to Mr. Hofert, and our hopes that we can all learn from his example.●

RESTORING CIVIL RIGHTS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. EDWARDS of California. Mr. Speaker, last year's Grove City decision of the U.S. Supreme Court severely damaged the major civil rights laws, designed to ensure fair treatment to women, the handicapped, older Americans, and minority Americans.

The New York Times editorial of Sunday, June 2, points out that the House Judiciary Committee's bill "clarifies Congress' intent for all the laws".

Last year the House supported such a bill by a majority of 3 to 1. The New York Times urges a similar approval in 1985.

[From the New York Times, June 2, 1985]

RESTORING CIVIL RIGHTS

Should a school or hospital be free to discriminate in hiring for, say, its cafeteria, while it accepts Federal funds to build a new department? Overwhelming majorities in Congress believe not and were dismayed last year when the Supreme Court narrowed the scope of anti-discrimination laws to permit such devious bookkeeping.

The House voted 3 to 1 last year to make clear that any Federal subsidy requires fair hiring in all parts of the benefiting institution. Senate supporters broke a filibuster by a vote of 92 to 4, yet die-hard opponents managed to run out the clock as Congress adjourned. Now the bill is back, still widely supported. It deserves quick passage despite the nitpicking of some legislators and the Administration.

The problem arose in the case of Grove City College in Pennsylvania, during which the Justice Department persuaded the Court to narrowly construe the 1972 law against sex discrimination in higher education. The Court said a college getting Federal funds for student aid could still ignore the Federal law in its sports or chemistry departments. As William Bradford Reynolds, the head of the Civil Rights Division, was quick to point out, the Court's language logically would curtail similar laws protecting the handicapped and older Americans. It could even limit the landmark 1964 law prohibiting racial discrimination by recipients of Federal funds.

A coalition then formed to guarantee the full force of all four laws. For technical reasons, it could not be accomplished in simple language. Seizing every ambiguity, Mr. Reynolds and other resisters argued that the new bill, contrary to its clear intent, would vastly expand civil rights guarantees and Government intrusion in private institutions.

Mr. Reynolds persists in refusing to acknowledge the bill's modest goal of restoration, even though its supporters have fought off all amendments to either enlarge or restrict previously recognized rights. He contends Congress need only amend the discrimination laws that affect education, as urged by the Senate majority leader, Bob Dole, and 14 other Republicans. But that would leave the other rights laws exposed to Mr. Reynolds's cramped interpretation.

Fortunately, 48 other senators support the bill recently produced by the House Judiciary Committee, which clarifies Congress's intent for all the laws. It's time to wind up this wasteful re-enactment of civil rights battles decided long ago.●

THE BICENTENNIAL OF EASTHAMPTON, MA, JUNE 17, 1985

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. CONTE. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues the coming celebration of the bicentennial of the incorporation of the town of Easthampton, MA, on June 1, 1985. What began as a small settlement of courageous men and women at the foot of Mount Tom in the second half of the 17th century has become a rich and vibrant community which has contributed greatly to the prosperity of the Connecticut River Valley, the First Congressional District, the Commonwealth of Massachusetts and the Nation.

Easthampton's first settler, John Webb, purchased land from the Indians in a place then called Pascommuck in 1664 and built the town's first residence. Other settlers arrived in 1669, settlers who, 5 years later were subjected to a vicious attack by marauding Indians who burned the homes of 38 people, killed 19 and carried the rest off as captives. The lives of the town residents who followed were no less difficult, each family consumed by the back breaking labor of clearing land for settlements, building homes, and surviving through harsh winters.

Joseph Bartlett, who came to the area in 1725, constructed one of the first buildings near today's center of town, high on the banks of the Munhan River. The town's industry began with the establishment of a saw mill near the town center, and then a corn mill and a fulling mill further downstream. These few small mills provided the services necessary to maintain the town's residents and establish the possibility of future commerce to support the new community's later generations.

As the community grew, so did the number of children needing formal education, leading to the founding of the settlement's first school in 1739. In spite of the many hardships the townspeople faced and the uncertainty fueled by the Revolution, the town was incorporated as a separate district on June 17, 1785.

In 1789, the first member of one of the most important families in the town's history arrived to become the town's first minister. According to town records, Rev. Payson Williston came on horseback from Connecticut "with sermons in his saddlebags, a cheery though solemn smile on his face," His son Samuel founded Williston Academy, now known as Williston-Northampton School, in 1841. The school was established to provide sound secondary education to area boys, and has continued that tradition and more, consolidating with the Northampton School for Girls on the lovely Easthampton campus in the early 1970's. The high standards set by the school's founders have continued to be followed and the school holds a prominent position among New England's and America's fine preparatory schools.

Williston Academy was not the only contribution that the Williston family made to the town—they also harnessed many of the town's natural resources to industrialize the downtown area, making the town a vibrant mill

community. Samuel Williston's wife Emily began their first business, enlisting the aid of her neighbors to make the special cloth-covered buttons that were only available in New York. With the help of an area family, a button-covering machine was invented and built. In 1847, Williston dammed Broad Brook, built a button mill, and began the town's industrial revolution. Within the next 20 years, mills were opened to manufacture suspended webbing, elastic fabric, vulcanized rubber products, cotton yarn, twine and batting and many other products.

With these strong foundations of industry, education, religion, and government set in the town's early years, the community continued to grow. In subsequent years, the townspeople welcome large numbers of European and Canadian immigrants who were attracted to the town by its charm, industry, and people.

Easthampton continues to thrive to this day—a real tribute to the strength and stability of its founding families, many of the descendants of whom are planning the town's 10-day bicentennial celebration. Included in the plans are concerts in the town's beautiful parks, contests for fishing, pie baking, and beard growing, dances, historical walks, fireworks, a parade, and even the production of a play about the town's history written and directed by a Williston teacher.

Like so many other New England towns, Easthampton has been built on the hopes, ingenuity, and hard work of its people. As they join together to celebrate 200 years of prosperity, community, and harmony, I salute them on the contributions they have made to sustain this model town.●

DR. TAYLOR G. WANG, SPACELAB 3 PAYLOAD SPECIALIST

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. MOORHEAD. Mr. Speaker, today, June 4, 1985, Dr. Taylor G. Wang of Glendale, CA, is being honored by his hometown for being the first civil scientist to conduct his own experiments in the vast, weightless environs of space.

In every sense of the phrase, Dr. Wang is a space pioneer. He is the first nonmilitary scientist to step beyond the constraining bonds of Earth to test his own revolutionary theories of fluid mechanics. He moved out from under the heavy mantel of gravity aboard the space shuttle *Challenger* to work in an atmosphere where weight and mass are as free to float as the imagination. In this unique lab, the scholar/adventurer trailblazed in the arcane field of drop dynamics.

Dr. Wang is a constituent of mine and a distinguished senior scientist at Caltech's Jet Propulsion Laboratory, where he is the program manager of materials processing in space. As a member of the April 29 *Challenger* crew, he tested the acoustic levitation and manipulation chamber for the drop dynamics module [DDM]. The DDM is a devise invented in part by Dr. Wang and his JPL associates, Drs. Daniel Ellerman and Eugene H. Trinh, engineer Donald McFarland and systems analyst Arvid Croonquist. It is designed to test the behavior of liquids in space.

Dr. Wang's history-making experiments were termed a great success. Coming out of the oldest environment, his new discoveries are likely to lead to the development of innovative materials for both scientific and industrial application.

Mr. Speaker, because of the courage, discipline, and intelligence of Dr. Wang, we all stand to benefit; because of the efforts and heroics of men like Dr. Wang, America is preeminent in space and space exploration; because of Dr. Wang and his colleagues, space awareness has become one of our Nation's greatest successes and one of our greatest hopes for a productive and secure future.

It is an honor for me to join with the city of Glendale in paying tribute to Dr. Taylor Wang, a patriot, scholar, adventurer, spaceman, and now community hero.●

A TRIBUTE TO MR. GREGORY JAMES WEISMAN

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. SCHUMER. Mr. Speaker, I would like to take a moment to praise the fine achievements of Mr. Gregory James Weisman, a young man from my district who will enter the U.S. Naval Academy this summer. Gregory is a recent graduate from Brooklyn Technical High School, and a resident of Starrett City. He exemplifies the spirit and leadership qualities that will be important for ensuring the future of our Nation's Armed Forces.

I am sincerely pleased that Gregory James Weisman has been accepted to the U.S. Naval Academy as he was one of many qualfied applicants who applied for admission. It was certainly an honor to nominate Gregory for a place in the class of 1989, and I know that the people of the 10th Congressional District share my pride in Gregory's achievement. We wish him well as he begins his formal education and military training in Annapolis.●

ARMED SERVICES WEEK COMMEMORATED BY OOLTEWAH ELEMENTARY SCHOOL

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mrs. LLOYD. Mr. Speaker, on Friday, May 10, it was my pleasure to be among the participants in Ooltewah Elementary School's annual parade to commemorate Armed Services Week. The entire student body and faculty of Ooltewah Elementary School, past and present members of the armed services, the Ooltewah High School Band and ROTC unit along with numerous civic leaders including myself marched in observance of Armed Services Week.

The parade marked the end of a week of programs and festivities aimed at recalling the great history of our Nation, our debt to the armed services of all generations, and our responsibilities as citizens of all ages to our Nation. The children donated a week's worth of hard effort raising money through their programs to contribute to the refurbishment of the Statue of Liberty.

Mr. Speaker, I'm proud to be the representative of a group of young people who realize and take it upon themselves to work toward the betterment of our country. This patriotic event mirrored the heart of American patriotism that all citizens could do well to follow.

Following a prime example is exactly what these children have done. The school's principal, Mr. William Elsea, is certainly to be commended for his supreme leadership. He is a true patriotic role model that his students respect and love. I am grateful for the partriotism displayed on this occasion and I am especially grateful for Bill Elsea, a man who in this day and age instills pride in our American heritage.●

THE POLISH LEGION OF AMERICAN VETERANS AND THE POLISH ARMY VETERANS OBSERVE MEMORIAL DAY

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. WORTLEY. Mr. Speaker, since the early days of our Nation's Revolution, the sons of Poland have steadfastly exemplified a dedication to their love of their adopted country and to the defense of freedom.

Today, this dedication is as strong as ever.

To illustrate this, I wish to bring to the attention of my colleagues the inspiring Memorial Day observance that I was privileged to participate in last Thursday, May 30, in Syracuse.

This annual commemoration, under the auspices of the Polish Legion of American Veterans, Post 14, and the Polish Army Veterans of Syracuse, is especially meaningful because of the year-round deeds of these veterans who have volunteered over 28,000 hours at the Veterans' Administration Medical Center in New York State's 27th Congressional District.

So, while the Polish Legion and the Polish Army Veterans faithfully honor fallen comrades and all those who have served America in uniform each May 30, they also, throughout the year, tend the disabled veterans who made sacrifices for the preservation of freedom and the blessing of peace.

Most appropriately, last Thursday's observance began with mass said by Msgr. Adolph Kantor at Sacred Heart Church. We have much to be thankful for, the brave who have served, and the men and women in our armed services who maintain the watch, and the peace we enjoy.

The mass was followed by services at the Soldier's Monument in Pulaski Park and at the Sacred Heart Cemetery where, with the help of Boy Scouts, 50 dozen American flags were posted as well as the banner that had been flown over our Capitol.

To the moving address by Councilman Edward Nowakowski, I had the honor of adding my own remarks and participating in the laying of wreaths in memory of those who gave their lives for America.

Among the notables who graced these solemn ceremonies were Casimir Chorazy, past national commander of the Polish Legion of American Veterans; his wife, Mrs. Florence Chorazy, president of the Polish Legion's Women's Auxiliary; Cmdr. Raymond Oleynik; Mrs. Nellie Zajac, the oldest surviving member of the Polish Legion Auxiliary; Mrs. Harriet Andrezewski, past State president of the auxiliary; and Mrs. Antonette Nowicki, the widow of Frank Nowicki, who headed the Legion's Fathers' Club and who was the moving force in the fund campaign to erect the Soldier's Monument.

Firing squad duties were performed by Stanley Pietrowicz, James Jennis, and Arthur Kempinski.

The master of ceremonies for these never-to-be-forgotten services was my friend, Casimir Chorazy. Because of his thoughtfulness to invite me to attend the 1985 Memorial Day services, I shall always be grateful.●

TRIBUTE TO REV. MSGR. JOHN F. HARRINGTON

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. CONTE. Mr. Speaker, I rise to commend and honor one of our most distinguished constituents, Rev. Msgr. John F. Harrington, who was ordained to the priesthood on July 7, 1935. On this occasion of his 50th anniversary of his ordination, I want to share this monumentous event with my colleagues.

Monsignor Harrington, originally of Holyoke, MA, has had a rich and fulfilling 50-year career. After his ordination at Sacred Heart Church in Holyoke, he was sent to Rome for 2 years where he studied canon law and has long been considered by his colleagues to be a learned scholar in this area. As a doctor in canon law and a linguist, he has earned the respect and admiration of his peers.

My constituents have been the real beneficiaries of the monsignor's many God-given talents and I am happy to report that he has brought an unselfish dedication and devotion to each assignment. In addition to serving as chancellor of the Diocese of Springfield for approximately 25 years, he is now the chairman of the diocese personnel committee which has allowed him to become involved in many priestly assignments throughout the diocese. Since 1971, monsignor has been the pastor of the Holy Cross Church in Holyoke where he has also been the director of the propogation of the faith.

It will interest my colleagues to know that the Harrington family have three vocations to its credit. I am sure that the monsignor's parents have been extremely proud of their children who have shown a strong faith and commitment to serve God their fellow man. When parents have three children enter the religious life, there can only be a special place in heaven awaiting the Harrington family. Monsignor's brother, Timothy is Bishop of Worcester and sister Nora is a sister of the St. Joseph Order and vice president of Elms College in Chicopee.

Mr. Speaker, the devotion of this man to God and his parishioners is truly astonishing and worthy of recognition. Throughout his priesthood, Monsignor Harrington has maintained a sense of humor, yet remained a quiet and humble man and always ready to help those who are in need. It is now time for those of us who have benefited from his warm and giving ways to offer our many thanks and sincere gratitude.●

A TRIBUTE TO TOM McAVOY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. LENT. Mr. Speaker, there are few professions which play a more important and lasting role in shaping our Nation's leaders, great thinkers, and writers than the teaching profession. Teachers educate our children in the basic, but essential, skills of reading, writing, and arithmetic. An educated electorate is critical to the functioning of our democratic system of American Government. Teachers perform an equally valuable service by guiding America's youth to become responsible citizens and active members of the community.

At this time, I would like to recognize an individual who has made outstanding contributions to the field of education. That individual is Mr. Tom McAvoy, who is retiring from the Farmingdale, NY, School District after 21 years of dedicated service.

Mr. McAvoy began his career in the Long Beach, NY, schools where he taught for 10 years. His long and distinguished career with the Farmingdale public schools included positions as guidance counselor, assistant principal, and principal. Mr. McAvoy was also coordinator of the Drug and Alcohol Abuse Intervention Program which has helped many young people overcome the terrible and frightening addiction to drugs and alcohol and find a new beginning in their lives.

Tom McAvoy has earned the respect and admiration of many for his commitment to excellence in education and his dedication to the students and their families.

On June 14, Mr. McAvoy will be honored at a retirement party. I'd like to join his many friends and colleagues on this memorable occasion in extending my heartfelt appreciation for his remarkable contributions to teaching and to the entire community, and I offer my warmest wishes for health and happiness in the years ahead.●

ROMULUS JUNIOR HIGH SCHOOL BAND PROGRAM RECEIVES HIGH HONORS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. FORD of Michigan. Mr. Speaker, I would like to call your attention to the recent accomplishments of the Romulus Junior High School Concert and Symphonic Bands. Romulus Junior High School is located in the

15th District of Michigan, which I represent.

Both the Romulus Concert and Symphonic Bands performed at the State Band Festival on May 4 and received first division superior ratings. The concert band was in the class "C" Junior high band category and the symphonic band was in the class "A" junior high school band classification.

Earlier, on March 16, the Romulus groups received first division ratings at the District Band Festival held at the Romulus Senior High School. This qualified the young musicians for the State Festival.

The bands were graded by three judges in the prepared music section, which includes a required composition, a march and a selected number, and then by another judge in the sight reading section, where two numbers are performed without practice. The State Band Festival is administered by the Michigan School Band and Orchestra Association.

The Romulus Junior High School Band program, under the leadership of band director Richard Kruse, was one of only six junior high schools in the State of Michigan out of 624 to have two groups earn the coveted first division rating at the State Festival. The individual judges ratings for both the concert and symphonic band were the highest in Michigan in 1985. The symphonic band received all first division ratings from the four judges at the Festival, thus becoming only one of three class "A" junior high school bands to achieve this goal.

The Romulus Junior High School bands have achieved these high performance goals because of the concern, sacrifice, and outstanding support from the Romulus Board of Education. These members are: Daniel R. Bales, president; Kenneth E. Berlinn, vice president; Sandra F. Langley, secretary; Jo Ann Marvicsin, treasurer; Mary King, trustee; Edward Wilkerson, trustee; and Pat Patterson, trustee.

The bands have also received the help and special support provided by superintendent Dr. William Bedell. Additional encouragement and expertise has been forthcoming from Dr. Terrel LeCesne, assistant superintendent for administrative services; Joel Carr, business manager; Nick Tottis principal; and William McDonald, assistant principal.

Mr. Speaker, I want to take this opportunity to express my congratulations to the Romulus community and to these fine bands. The members of these bands who performed at the State Festival and who have made us all so proud are:

CONCERT BAND

Flute: Jennifer Samples, Belinda Scott, Terry Smith, Amy Grube, Heather Sparagowski, Jennifer Crutchfield, Angie Beckett, Shelly Kopchia, Mary King and Terri Rea.

Clarinet: Laura Robbins, Andre Peters, Yvonne Kenner, Shane Paszkowski, Amie Harriff, Michelle Kushner, Nicole Thomas, Veronica Marusak and Leslie Vance.

Bass Clarinet: Mike Hanson and Yolanda Marion.

Alto Sax: Beccy Szente, Stephanie Kennedy, Christina Inch, Mary Trent and Sandy Jones.

Baritone Sax: Garth Hixon.

Cornet: Sandy Kushner, Carrie Corpe, Ed Wilkerson, Todd Pollard, Michelle Farhat, Kelly Miller, Billy Hudson, Bradley Conrad, Thomas Patterson, Christine Paton and Scott Boger.

French Horn: Billy Lincoln.

Trombone: Ginger Barley, Nancy Budnik, Jeff Martinez and Jeff VanAmeyde.

Baritone: Donna Mitchell, Chris Braxton and Joel McClure.

Tuba: John Bizalik and Matthew McIntosh.

Percussion: Mark Gonzales, Shawn Shelby, Pat Kortas, Deanna Deague, Lanise Parker and Michelle Gaffka.

SYMPHONIC BAND

Flute: Lisa Kreutzer, Michelle Duprey, Jennifer Stump, Susan Hamel, Cina Jackson, Christine Fortune, Laura Wasvary, Mary Kathleen Metro, Juan Rivera, Kim Picciano and Lynnette Cain.

Oboe: Wendy Mezza.

Bassoon: Anita Wood.

Clarinet: Amy McDonald, Debbie Graham, Krystal Brown, Sharon Panek, Elizabeth Jones, Amran Mukarran, Becky Bales, Denice Miller, Tonya Tompkins, Carissa Steele, Pam King, Jerry Warren and Charlene Clelland.

Alto Clarinet: Charlotte Wallen.

Bass Clarinet: Tonya Rutledge.

Alto Saxophone: Elizabeth Bergman, Sherry Coffey, Alice Ozog and Christine Martell.

Baritone Sax: Joe Callockio.

Cornet: Laurie Stewart, Mark Wehrmeister, Roberto Austria, Jennifer Tabbs, Chad Blackburn Mark Hoinka, Matthew Felice, Vincent Winer, Laurie Berlinn, Harold Gregory, Billy Ferguson, Dominic Parise and Kevin Vichinsky.

French Horn: Wendy King, Rochelle Brooks, Lisa Roy, Marc McAlister and Amy Ursiny.

Trombone: Terrie Kerekes, Julie Rose, Rhonda Payne, Bruce White and Donald Pochmara.

Baritone: David Dudley, Tony Alongi and David Ditsch.

Tuba: Dasain Coleman, Barbara Ferfuson, Kim Aggison and Lisa Molenda.

Percussion: Joe Long, Doug Allen, Gary Hardt, Mike Maul, Mikki DiBenedetto and Chris Jones.●

FAIR LABOR STANDARDS ACT

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. PICKLE. Mr. Speaker, I want to insert, into the CONGRESSIONAL RECORD, a copy of a resolution passed by the city council of the city of West Lake Hills, in my district, regarding the Garcia versus San Antonio Mass Transit Authority Supreme Court case. I want to insert this resolution at the request of the city council and mayor of West Lake Hills. The matter involved is of great concern to many counties and cities, particularly the small cities or rural areas of my district.

RESOLUTION 1985-5-1

Whereas, In 1974 the United States Congress extended the application of the federal Fair Labor Standards Act to the 50 states and their political subdivisions; and

Whereas, The United States Supreme Court two years later invalidated that action for most purposes, holding that the Congress had no power to enforce overtime and minimum wage provisions against states in areas of traditional governmental functions (*National League of Cities* v. *Usery*, 426 U.S. 833 (1976)); and

Whereas, On February 19, 1985, however, the court overruled its earlier opinion, finding the distinctions created by that opinion to be unworkable while commenting that the states and their political subdivisions, if dissatisfied with the courts new opinion, could encourage the Congress to modify the law (*Garcia* v. *San Antonio Mass Transit Authority*, 53 LW 4135 (1985)); and

Whereas, The effect of the Garcia decision has been to make all state agencies and political subdivisions subject to the law immediately, without time to prepare for the transition; and

Whereas, The resulting fiscal impact on Texas state and local governments could be significant; overtime requirements for state and local governments could be particularly burdensome, since the federal law requires time and one-half payment for hours that were previously compensated by equivalent time off; and

Whereas, The City of West Lake Hills has for many years provided an equitable compensatory time system for City employees who work overtime and many City employees prefer that system of compensation to the one that is now to be required; and

Whereas, The federal law, as characterized by the Supreme Court in 1976, is an interference "with the integral governmental functions" of state and local governments to such a degree as to 'impair the States' ability to function effectively in a federal system", and

Whereas, It results in substantially increased costs in a time of limited revenue, weakens the delivery of public services to the citizens of West Lake Hills, and penalizes the City for choosing to hire governmental employees on terms that are different from, but not necessarily less beneficial than, those sought by the Congress; and

Whereas, This imposition is especially ironic, given that the United States Congress is itself exempt from the law: Now, therefore, be it

Resolved, That the City Council of the City of West Lake Hills hereby request the United States Congress to exempt state and local governmental employees from the federal Fair Labor Standards Act; and

That the City Council of the City of West Lake Hills hereby request the Secretary of Labor, while we attempt to influence the Congress to amend the Fair Labor Standards Act, to work with the representatives of the National League of Cities, the Texas Municipal league and other public interest groups to provide administrative relief under the Department of Labor's regulatory authority to develop rules which provide some flexibility for key governmental operations such as fire, police; and

BEST COPY AVAILABLE

That the City Secretary forward official copies of this resolution to the President of the United States, to the President of the Senate and Speaker of the House of Representatives of the United States Congress, to the Secretary of Labor, and to each member of the Texas delegation to the Congress, with the request that it be entered in the Congressional Record as a memorial to the Congress of the United States of America.●

SENATOR TOM EAGLETON RECEIVES HARRY S. TRUMAN PUBLIC SERVICE AWARD

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. SKELTON. Mr. Speaker, my dear friend and colleague from Missouri, Senator Tom Eagleton, recently received the prestigious Harry S. Truman Public Service Award at the Truman Library in Independence, MO. I wish to share the following thought provoking speech with the members of this House, which he delivered at the award ceremony at the Truman Library on May 10:

[From the Kansas City Star, May 26, 1985]

TRUMAN RISKED POLITICAL FUTURE WITH CIVIL RIGHTS STAND

(The following is taken from a speech given by Sen. Tom Eagleton when he received the Harry S. Truman Public Service Award at the Truman Library earlier this month.)

To study history is to subject the lives of the great world players to microscopic inspection and analysis. But the price a great man pays for his place in history is also great. His official conduct and his far-reaching decisions are never left unstudied, even after he is departed. This is the case with Harry S. Truman of Independence, the 33rd president of the United States.

Eleven distinguished individuals have received the Harry S. Truman Public Service Award in past years. I have attended nine of those memorable ceremonies. I listened with pleasure as many speakers addressed President Truman's undeniable and remarkable leadership in foreign affairs and policymaking for international peace.

One memorable speech—Mrs. Coretta Scott King's in 1983—dealt with Harry Truman's tremendous contribution toward guaranteeing civil rights for America's black people. I, too, wish to pursue the theme of civil rights, because I deem it the field in which that Truman conscience and personality, that Truman courage and basis sense of fair play had the most telling, penetrating and lasting historical impact.

It is impossible to appreciate the Truman contribution to civil rights without recalling the political climate of his time. No president before or since faced a more fearsome array of challenges than befell Harry Truman in the closing days of World War II. His was a presidency dogged by controversy, embattled on all sides, and forever shadowed by comparison with the fallen and deeply revered FDR.

As his political fortunes sank deeper and deeper in the polls, the very last thing Mr. Truman needed was to stir up a storm over civil rights with the risk of dividing his own party. A more calculating politician, but a lesser man, might have shrunk from the challenge.

Think back, too, to the social climate of 1945 when Harry Truman became president. The status of civil rights in this country was, to put it mildly, deplorable. Blacks were segregated in every facet of American life: education, housing, public facilities, employment, military service. You name the area and America was distinctly separate and distinctly unequal. We were the America of Jim Crow and malign neglect.

In St. Louis, as I grew up in the 1930s and 1940s, segregation was a totally accepted and accustomed way of life. Public swimming pools were segregated. Restrictive covenants were commonplace in deeds and property. In Sportsman's Park, one area was assigned to blacks—the right field pavilion—and blacks were not permitted elsewhere in the park.

When Satchel Paige pitched in St. Louis, he pitched in the Negro American League before a virtually all-black crowd. When Jackie Robinson played his first game for the Brooklyn Dodgers in St. Louis in May, 1947, blacks were still segregated to the right field pavilion. Enos Slaughter, perhaps the most popular player in St. Louis, threatened not to take the field for the Cardinals with Robinson in the opposing lineup.

Only a ringing statement by National League President Ford Frick prevented a players strike. Even so, Robinson was mocked, ridiculed, spiked, and spat upon whenever he played the St. Louis Cardinals in that season of anguish and advancement.

Why? Missouri is a border state with a legacy of tensions arising out of the Civil War and Reconstruction. Yet out of such an apparently unpromising heritage came the man who, more than any president since Abraham Lincoln, changed America from a land of racial isolation and rank discrimination to a country of equal access and equal opportunity. 1948 was not the first time Harry Truman risked his political future for what he believed was right.

Listen to a younger Harry Truman in 1940 speaking in Sedalia, Mo. (certainly no hotbed of liberalism then or now) at a time he was fighting for his political life in the famous Truman-Stark-Milligan senatorial primary.

"I believe in the brotherhood of man, not merely the brotherhood of white men but the brotherhood of all men before law.

"I believe in the Constitution and the Declaration of Independence. In giving Negroes the rights which are theirs, we are only acting in accord with our own ideals of a true democracy.

"If any class or race can be permanently set apart from, or pushed down below the rest in political and civil rights, so may any other class or race when it shall incur the displeasure of its more powerful associates, and we may say farewell to the principles on which we count our safety.

"In the years past, lynching and mob violence, lack of schools and countless other unfair conditions hastened the progress of the Negro from the country to the city. In these centers the Negroes never had much chance in regard to work or anything else. By and large they went to work mainly as unskilled laborers and domestic servants.

"They have been forced to live in segregated slums, neglected by the authorities. Negroes have been preyed upon by all types of exploiters from the installment salesmen of clothing, pianos, and furniture to the vendors of vice.

"The majority of our Negro people find cold comfort in shanties and tenements. Surely, as free men, they are entitled to something better than this. . . . It is our duty to see that Negroes in our locality have increased opportunity to exercise their privilege as free men. . . ."

What moved a man with basically a small-town orientation to hold such views? The answer is Mr. Truman's profound sense of fairness. As I read the Truman record, he had one fundamental test he applied to public decision-making: Is it fair? I think that is the test he applied to civil rights. Harry Truman was no flaming crusader. He was first, last, and always a just man who knew in his heart and mind that blacks in America were not treated fairly.

On Jan. 15, 1947, he launched the historic President's Commission on Civil Rights with these words:

"This country could very easily be faced with a situation similar to the one with which it was faced in 1922. That date was impressed on my mind because in 1922 I was running for my first elective office—county judge of Jackson County—and there was an organization in that county that met on hills and burned crosses and worked behind sheets. There is a tendency in this country for that situation to develop again unless we do something tangible to prevent it."

Later, on June 29, 1947, he said this to a meeting of the NAACP at the Lincoln Memorial:

"We cannot be content with a civil liberties program which emphasizes only the need of protection against the possibility of tyranny by the government.

"We must keep moving forward with new concepts of civil rights . . . The extension of civil rights today means not protection of the people against the government, but protection of the people by the government.

"We must make the federal government a friendly, vigilant defender of the rights and equalities of all Americans. And again I mean all Americans."

And when the commission came in with its historic report—a landmark civil rights document entitled "To Secure These Rights"—President Truman gave the report his blessing knowing full well it might further split an already splintered Democratic Party.

Henry Wallace had already indicated he was going to run for president and split off the Democratic far left. Now, by espousing a civil rights cause, Mr. Truman knew that he was putting his candidacy in grave peril in the Deep South. Yet he did it because it was the fair thing to do, the right thing to do.

Mr. Truman later described it this way:

"When 1948 was coming along, they said that if I didn't let up with my asking for a Fair Employment Practice Commission and asking for a permanent commission on civil rights and things of that kind, why, some of the Southerners would walk out.

"I said if that happened, it would be a pity, but I had no intention of running on a watered-down platform that said one thing and meant another. And the platform I did run on and was elected on went straight down the line on civil rights.

"People said I ought to pussyfoot around, that I shouldn't say anything that would lose the Wallace vote and nothing that would lose the Southern vote.

"But I didn't pay any attention to that. I said what I thought had to be said. You can't divide the country up into sections and have one rule for one section and one rule for another, and you can't encourage people's prejudices. You have to appeal to people's best instincts, not their worst ones. You may win an election or so by doing the other, but it does a lot of harm to the country."

Every Democratic president following President Truman and three Republican successors (Eisenhower, Nixon and Ford) have followed the civil rights precepts of Harry Truman. His beliefs, his fundamental sense of fair play, have become the inviolable bipartisan conscience of America.

This, to me, is the greatest of the innumerable Truman legacies of America Today, when the commitment to fairness and to equal rights and opportunities for all America is again being tested, Mr. Truman's example stands as an inspiration to us all. Let us never forget his unshakeable, unswerving call to action—"to secure these rights." ●

UNDERMINING APARTHEID IN SOUTH AFRICA

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. FIELDS. Mr. Speaker, to date, some 21 bills have been introduced in Congress concerning South Africa. A majority of these bills, including the one which we are considering today, contain a common theme: Legislative sanctions to restrict or halt private U.S. economic activity in South Africa.

Few Americans, if any, defend South Africa's brutalizing racial separation policies that are called apartheid. Being for or against apartheid has never been an issue. The controversy lies, rather, in finding the best way by which the United States can foster the disappearance of apartheid.

Mr. Speaker, the proposed disinvestment campaign in H.R. 1460 rests on a faulty analysis of the economics and politics of South Africa. The economic impact of disinvestment would be marginal at best. Its main effects would be to strengthen Afrikaner resolve, weaken the growing economic power of blacks and antiapartheid segments of the business community, and reduce the pace of change stimulated by economic growth. Disinvestment, therefore, would strengthen, not weaken, apartheid.

The best way by which the United States can foster the disappearance of apartheid is by constructive engagement which involves extensive economic and diplomatic contact with South Africa.

Following is an article which appeared in the Christian Science Monitor on April 11, 1985. This article discusses further the implications of both disinvestment and constructive engagement. I encourage my colleagues to carefully consider the alternatives.

[From the Christian Science Monitor, Apr. 11, 1985]

KEEPING A DISTANCE FROM SOUTH AFRICA

(By Dimitri K. Simes)

That the South African regime of apartheid is offensive to civilized values should be taken for granted. This issue is how the United States should respond. And the issue is more complex than the coalition of forces lobbying for U.S. disinvestment and other sanctions against South Africa would like Americans to believe.

South Africa is going through some difficult economic times due to the low prices of its principal export commodities—gold and diamonds—and is uniquely vulnerable to punishment from Washington. And politically, South Africa, almost universally treated as an international outcast, feels a strong need to maintain its connection with the U.S. In short, if the American objective is to hit President P.W. Botha's government where it hurts, sanctions are the way to go.

But is creating trouble for the current government a principal goal of U.S. policy toward South Africa? The emotional response is clearly "yes." But emotions are rarely a wise guide for effective foreign policy. Here are some facts to consider before determining the course the U.S. should take.

First, South Africa is neither a friend nor foe of America. It does not receive any U.S. assistance. There is no alliance relationship which would make the U.S. responsible by association for South African practices. Conversely, Pretoria is not hostile to Washington. On the contrary, it wants to be on the same side in the struggle against the Soviet Union and its clients in the region.

True, South African racism serves as a magnet of sorts for Soviet penetration of the area. But the South African military machine proves to be an effective instrument for the containment of the Soviets, their proxies, and allies. Both Angola and Mozambique were forced to discover that reliance on Moscow and Havana does not buy adequate protection against Pretoria and indigenous rebel movements supported by it. The USSR's superpower credibility has suffered in the process.

Second, there is a danger that destabilization of South Africa could provide a pretext for a Soviet intervention—either directly or, more likely, by proxy. Moscow is pouring sophisticated military hardware, including T-62 tanks, MIG-23 combat aircraft, and MI-24 helicopter gunships (used with deadly results in Afghanistan) into Angola. A peaceful evolution in South Africa could reduce opportunities for the Soviets, but a civil war would provide a tempting opening.

Third, the U.S. has neither the power nor will to assure a peaceful evolution in South Africa which would lead to multiracial harmony. There is a vigorous debate among South African whites as to how far and fast they should go in dismantling the most appalling aspects of apartheid. But nobody, including the liberal opposition, is willing to accept a "one man, one vote" principle. Blacks would not settle for less.

President Botha cannot accommodate U.S. demands for racial justice even if he wants to. South Africa happens to be a democracy—albeit only for whites. And there is simply no base of domestic support that would allow President Botha to go beyond his current, very limited reforms. Even assuming that the U.S. asked him to overthrow this limited democracy for some, in the name of higher justice for all, he has no way of doing so. The military and security services fear that he is going too far too fast in giving blacks the most modest rights.

Is there any punishment the U.S. can inflict upon South Africa or any incentive it can offer which would persuade whites to accept black majority rule? Probably not. The majority of South African whites are committed to their privileges. Moreover, the record of black African states does not inspire any confidence that, once the whites surrender power, their minimal rights would be respected. A number of African states do not specifically discriminate against whites. But tyranny rather than democracy is a way of life to one degree or another in all black African states. Majority rule is an appealing concept. But so are the minimal minority rights and, considering the current state of race relations in South Africa, whites have every reason to be concerned that, deprived of their current coercive mechanism, they may face a bleak future.

Fourth, if whites refuse to surrender power and blacks increasingly attempt to take it by force, the potential for a blood bath will increase. And anyone who has had a chance to observe the combination of firepower, professionalism, and brutality of the South African police and Army can easily predict that it would be a predominantly black blood bath. Those who are ready to play with the destabilization of South Africa should be prepared to accept responsibility for triggering an unmitigated disaster.

Finally, there is a tiny element of hope. Both South African white and black communities are not monolithic. There are moderate blacks who are opposed to a violent revolution. And a growing number of moderate whites, including those in P.W. Botha's own government, increasingly realize that the current situation is intolerable.

It is in the U.S. interest to encourage these responsible trends. An economic warfare against South Africa would probably have just the opposite impact. Conservative critics of the Botha government would wrap their opposition to any concession to blacks in a banner of patriotism. And blacks, simultaneously encouraged by American support and deprived of opportunities provided by U.S. companies, would become further radicalized. That is a prescription for confrontation, not accommodation.

The Reagan administration's policy of constructive engagement is not a perfect answer. But there are no perfect answers in dealing with the tragic dilemma. Any leverage—short of sanctions—to persuade President Botha and his associates to expedite long overdue reforms is a political and ethical imperative. Yet nobody appointed the U.S. to become the moral policeman of the world. We should not be shy in communicating America's extreme disapproval of Pretoria's repugnant repression. But with all its sins, South Africa is not Nazi Germany reincarnated. If we launch an economic war against it, what are the implications for dealing with such oppressors as Zimbabwe, Iraq, or the USSR? The U.S. should keep a distance from South Africa. To become involved without being able to control the outcome may be a prescription for trouble.●

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H.R. 1349

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BILIRAKIS. Mr. Speaker, I am pleased that the House has the opportunity today to consider H.R. 1349, a bill to reduce the costs of operating Presidential libaries.

I am a cosponsor of this bill and I want to thank my distinguished colleague, Representative GLENN ENGLISH, for guiding this bill to the floor today. As chairman of the Subcommittee on Government Information, Justice and Agriculture, Representative ENGLISH has diligently pursued this issue and has sought to develop sound legislation to limit the cost of Presidential libraries. I was glad to testify before his subcommittee last year and I would like to urge adoption of the pending measure, which was a product of those hearings and other consideration by the Government Information Subcommittee.

Mr. Speaker, we all receive complaints from our constitutents regarding various Federal spending programs which they consider excessive or unnecessary. It is only natural and justified that people react strongly to reports of Government waste.

However, one of the most consistent compliants that I have heard from people in the Ninth Congressional District of Florida concerns the benefits we bestow upon our ex-President. I believe people truly respect and admire our former Presidents—but they are rightly incensed when they hear reports of wasteful spending. We owe our former Presidents respect—we do not owe them a free ride at the taxpayer's expense.

In 1955, we spent about $64,000 of the taxpayer's money on our former Presidents. By 1983, however, readily identifiable costs to the American taxpayer involving our former Presidents amounted to $27 million.

Since over half of the total amount we spend on former Presidents is associated with the operation and maintenance of Presidential libraries, I think it is very appropriate that we are considering H.R. 1349 today, in the midst of congressional deliberations on the fiscal year 1986 budget. While the amount of savings from this legislation pale in comparison to the deficit problem—I think approval of this legislation would send a positive signal to the American people.

Presidential libraries are the most visible, lasting expense of former Presidents in the eye of the general public. Their construction leaves the American taxpayer picking up the tab for countless years of operation. Indeed, the construction of opulent libraries with large museum space may do more to create the impression of an imperial ex-Presidency than any other single expenditure.

H.R. 1349 would require, for the first time, that a private endowment be established to cover part of the costs involved in operating a Presidential library. Therefore, I believe the bill makes an important contribution toward defining the public and private interests in the benefits we grant our former Presidents. The bill provides, in effect, that if a President wants to establish a library to house the records of his or her administration, then a private effort must be made to defer the excess costs involved in making this storage arrangement.

Therefore, I believe H.R. 1349 recognizes that Presidential libraries serve not only a public purpose—but that they serve as private memorials. As such, the taxpayers of this country should not continue to bear the full cost of their operation. We should remember the dedicated public service of our past Presidents—but we should not have to continually pay for this remembrance.

More generally, I support H.R. 1349 as a first step to limit all expenses associated with our former Presidents. I favor limits on the cost of former President offices, staff, travel, and Secret Service protection. To this end, I will soon be reintroducing legislation that I submitted during the last Congress to control the escalating costs of our ex-Chief Executives. I hope that the action of this Chamber today on H.R. 1349 will spur further measures to control such costs.

In closing, I would like to state that I believe we need to accord our former Presidents the dignity of the office in which they once served. I believe they deserve certain considerations, and require some public funds, when they leave our Nation's highest public office.

However, our former Presidents should never appear to be newborn millionaries living at the taxpayer's expense. As we ask the average American to tighten his or her belt—we must ask our former Presidents to forego extensive travel, plush offices, and excessive amenities.

Compared to the vast bureaucracy in Washington, the expenses of our former Presidents are not a great sum. But there is an essential question of fairness involved. As we seek to approve a budget resolution to cut the cost of Government, and as we begin deliberations on tax reform, I believe we must make a parallel effort to bring former President expenses under control. Today we have made a start by considering this legislation on Presidential libraries. Let's finish the job by placing caps on all former President expenses.●

HOUSE REPUBLICAN POLICY COMMITTEE URGES FEDERAL RESERVE FOCUS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. COURTER. Mr. Speaker, due to the outstanding leadership of Representatives DICK CHENEY and JOHN KASICH, the House Republican Policy Committee has issued an important policy statement highlighting the central role the Federal Reserve Board plays in determining interest rates and economic growth.

I urge my colleagues to review this statement as we continue the debate over how best to reach the goals of full employment, high levels of growth and output, and deficit reduction.

The statement follows:

HOUSE REPUBLICAN POLICY COMMITTEE—STATEMENT NO. 2

Continued strong economic growth must be a vital component of any realistic deficit reduction program. Lower interest rates are essential to achieve sustained high growth.

The House Republican Policy Committee notes that real interest rates in the United States remain at historically high levels, despite their recent decline. One cause has been the failure to apply a consistently sound monetary policy. Equally important is the failure of the Congress to enact an effective policy for controlling the federal deficit.

High real interest rates affect growth in a variety of ways, including the exchange rate of the dollar. The almost 15 per cent appreciation in the dollar last year was due, in part, to those abnormally high interest rates. In addition, the confidence of foreigners in the future of the U.S. economy, and the earnings opportunities President Reagan's economic policies offer, contributed to the rise of the dollar.

This rise in the dollar has made it increasingly difficult for American farmers and manufacturers to export their products. The price of agricultural exports alone fell by 8.9% last year. At the same time the rise in the dollar resulted in a flood of imports and a $123.3 billion merchandise trade deficit in 1984.

Continued growth is vital to America's economic health. Real Economic growth will not only help us reduce the deficit, it will provide more jobs, more prosperity, more housing, and a better standard of living for Americans.

The House Republican Policy Committee supports President Reagan's call for a monetary policy which will promote price stability and the maximum amount of non-inflationary growth possible, and calls for a monetary policy that will not slow, but rather promote those policies for the good of all Americans. The House Republican Policy Committee reaffairms our belief that no policy-making body should place a ceiling on economic growth as a part of the nation's monetary policy. The Republican Policy Committee also supports President Reagan's progam of deficit reduction through the containment of public expenditures. We see these as key elements of a strategy aimed at lowering interest rates, the creation of conditions conducive to more appropriate dollar exchange rates, and a much needed improvement in our foreign trade balance.●

GRASPING THE NETTLE OF TERRORISM

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. HYDE. Mr. Speaker, over the past few years upward of 300 Americans have been killed by acts of terrorism in the Middle East. After each of these tragic episodes there were predictable outcries of intelligence failures that came from those who usually shrink from supporting the kind of measures that must be taken in order to come to grips with this most difficult and growing problem. One of the best analysis of what's wrong and what can be done to remedy the situation was written by George Carver, Jr. and appeared in the May 30 edition of the Wall Street Journal. Carver, an ex-intelligence officer now serving as a senior fellow at Georgetown University's Center for Strategic and International Studies, exhibits a real world perspective when he notes that "the kind of intelligence needed cannot be antiseptically collected by technology alone. Most if it can only be collected by the right kind of human sources; ones who can penetrate terrorist groups thoroughly enough to become privy to their targets, operational plans and timetables. This is not a task for Eagle Scouts."

Mr. Speaker, with these words of wisdom, I recommend to my colleagues Mr. Carver's entire article:

[From the Wall Street Journal, May 30, 1985]

GRASPING THE NETTLE OF TERRORISM

(By George A. Carver, Jr.)

For America and Americans, burgeoning international terrorism poses a decidedly thorny dilemma. Among America's noblest, most admirable attributes are its love of openness and its aversion to governmental secrecy, its public regard for morality and virtue, its continuing preoccupation with the "decent respect to the opinions of mankind" enshrined in the Declaration of Independence's Preamble, and its reverence for law. Yet these very aspects of its national character, along with the behavior of some of its most important institutions—including Congress and the constitutionally protected free press—make this nation singularly vulnerable to the growing threat of terrorism, and make this a particularly difficult threat for America to counter.

This difficulty gets compounded by this society's pluralistic nature and the truth in the cliche that one person's terrorist is another's freedom fighter. Almost all Americans oppose terrorism in the abstract. Nonetheless, many groups around the world that use violence and armed force to avenge or redress what they consider grievances, or to pursue their political objectives, have pockets of strong support in U.S. society.

OUTRAGE AND ANGER

In recent years, the most virulent terrorist attacks on specifically American targets, and on Americans, have been mounted by Shiite extremists inspired or instigated by Iran's Ayatollah Khomeini. Terrorist attacks against America and Americans, however, are not limited to the Middle East and are not mounted only by Shiite extremists. Nor are they confined to targets outside the U.S.

Each such terrorist incident inevitably prompts a spasm of outrage, recriminations and angry questions about the U.S.'s counterterrorist capabilities, questions on which recent events—instructively, if ironically—have shed considerable light.

On the front page of its May 12 edition, the Washington Post prominently published a story alleging at least indirect Central Intelligence Agency complicity in a March 8 Beirut car bombing apparently targeted against a Shiite leader believed responsible for some of the just-mentioned terrorist attacks. The very fact of that story's publication, augmented by the media and congressional outcry it engendered, graphically illustrates why the U.S.'s response to the demonstrably burgeoning threat of international terrorism has so far been so ineffective. The fault, to paraphrase Shakespeare, is not in our stars, but in ourselves.

The attitudes reflected by that newspaper story and the response it evoked manifestly inhibit the government's development of the three keys to any effective address to terrorism's problems and threats; prevention, pre-emption (one form of prevention) and, when prevention fails, appropriate retaliation. All of these require superb, timely and accurate intelligence—of a kind that the ethos currently so prevalent in the U.S. media, and on Capitol Hill, makes it difficult if not impossible for U.S. intelligence services to acquire.

The kind of intelligence needed cannot be antiseptically collected by technology alone. Most of it can only be collected by the right kind of human sources, ones who can penetrate terrorist groups thoroughly enough to become privy to their targets, operational plans and timetables. This is not a task for Eagle Scouts.

Terrorists, generally, are unlovely zealots—ruthless, suspicious, frequently pathological and often paranoid. Terrorist leaders, even more so. Those admitted to their company are seldom the sort of people with whom watchdogs of governmental purity would like U.S. intelligence services to consort.

Advance information on terrorist plans and targets is usually kept within an even tighter circle of those who have proved themselves and their professed devotion to the terrorists' cause by stealing weapons or cars, robbing banks or successfully doing other things that congressional and media critics would be outraged to have U.S. intelligence services even indirectly "condone."

If or when intelligence on a planned terrorist attack is acquired, the very concrete, practical question then arises of how best to prevent that attack, or minimize its damage—preferably without compromising the sensitive, vulnerable sources and methods by which this important intelligence was obtained. In some cases, essentially passive protection measures—improved roadblocks, augmented guard forces, even removing assassination targets from the area—may provide the best answer. In others, more active pre-emption may be preferable.

In such situations, purely American resources—naval gunfire, air strikes, helicopters or troops—may be ill-suited to the task of pre-emption, or their use may entail an unacceptable risk of undesirable political or other consequences. Any development of non-American pre-emptive capabilities, however, inevitably requires dealing with foreign intelligence services or, at least, foreign nationals—who invariably have their own private agenda and priorities, and over whom U.S. control can never be complete.

Furthermore, developing the essential intelligence on terrorists' plans and the capabilities needed to cope with their threats requires a level of security that current congressional and media attitudes make almost impossible for U.S. intelligence services to attain or preserve. In this sphere, loose lips cost lives. Terrorists dispose of even suspected informers in singularly unpleasant ways, and they have no compunction about launching their own pre-emptive strikes against even potential enemies or threats.

Foreign intelligence services and individuals whose assistance and cooperation the U.S. urgently needs are increasingly reluctant, quite understandably, to put their welfare, reputations and, above all, their lives hostage to U.S. discretion—particularly in light of the U.S. government's manifest inability to protect even its own secrets. Such trepidation and doubts are intensified by the very publication of stories such as the one the Washington Post featured so prominently—whether or not such stories have any basis in fact. With equal inevitability, such foreign concerns then get further intensified by the kind of public lathering that that particular newspaper story engendered.

In this sphere, it would be hard to overestimate the chilling effect abroad of gratuitous grandstanding on Capitol Hill. On May 13, for example, two members of the House Judiciary Committee—Reps. Patricia Schroeder (D., Colo.) and Don Edwards (D., Calif.)—introduced a resolution that would require the CIA to provide the House (not just its oversight committees) with "documents and factual information" about covert support for counterterrorist activities in the Middle East. In the real world, of course, any such information provided to the whole House would also soon be given, with minimal controls, to many members of its personal and committee staffs. Should any such resolution ever be seriously discussed, let alone passed, no sane foreign national or intelligence service would want to cooperate with the U.S. in any delicate or potentially risky counterterrorism endeavor.

When no warning is obtained or prevention fails, and terrorism against the U.S. and its citizens does occur, related problems bedevil the question of retaliation; for the operational imperatives for decisiveness, speed and secrecy run counter to the political imperatives of our contentious, open, democratic society. A response delay of more than 48 hours, 72 at the most, will render the exercise pointless. There is hence minimal time for decision, and almost none for debate—even within the government.

There is no time at all for public discussion or advance consensus building in support of a specific retaliatory action. Even if there were, any open, advance discussion would almost ensure operational failure. These facts, in turn, compound another problem. Given the intelligence difficulties just described, there can be no absolute guarantee that any retaliatory action taken in the immediate aftermath of a terrorist attack will indeed be directed against those who are actually guilty of that *particular* atrocity. Also, terrorists do not thoughtfully separate or segregate themselves from civilian innocents in order to aid retaliation. Any dramatic U.S. response to a terrorist depredation is therefore bound to produce unappetizing pictures on prime-time television, along with a rash of critical comment in U.S. newspapers and, among other places, on Capitol Hill.

In this regard, those who have been most active in thwarting—and articulate in opposing—concrete, practical steps necessary to develop U.S. intelligence and response capability needed to counter and combat terrorism can be confidently counted upon to charge "intelligence failure" whenever a new terrorist attack occurs, then cavil at any specific retaliatory action the U.S. even considers.

HARD QUESTIONS, PAINFUL LESSONS

Coping with international terrorism and its threats, in short, requires grasping nettles that few in our media, in Congress, in our governmental bureaucracy, or in any administration are willing to grasp. As a result, mounting terrorist attacks on U.S. installations and U.S. citizens have come to be widely perceived as easy and relatively riskless.

There are no easy answers to terrorism's thorny dilemma, let alone perfect ones—or any likely to be universally endorsed. There are only hard questions, and painful lessons about responses that do not work. Yet unless Americans in all walks of life become willing to confront these questions, candidly and realistically, they will have to keep relearning these unpalatable lessons at great cost. That would be truly tragic, since the tuition for them will continue to be denominated—and will have to be paid—in American lives.●

JESSIKA CHUCK SHARES CONCERNS OF ELDERLY IN NEW YORK CITY

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. GREEN. Mr. Speaker, a week ago I was honored to have one of the most vibrant, informed and dedicated senior citizens I have met work in my Washington office. Ms. Jessika Chuck, my 1985 participant in the Congressional Senior Intern Program, not only displayed her enthusiasm for learning about the legislative process, but also was kind enough to share with me her work at the Murray Hill SRO project for older people in New York City, and the concerns these people have.

At 75 years of age, Ms. Chuck remains active in a variety of senior activities in New York City. She was the first senior citizen selected to be trained for the Special Program of the Aging by the International Center for the Disabled. In addition, she interned at the Bellvue Hospital geriatric unit, and recruited elderly persons in Long Beach, NY who were trained to work with individual nursing home seniors. Her work at the Murray Hill SRO project followed these activities in 1978. After beginning as a social worker and outreach worker, she then became nutrition-activities coordinator in 1983, a position she holds to the present.

As nutrition-activities coordinator, Ms. Chuck is responsible for coordinating food protection, menus and meal deliveries, as well as exercise programs, medical lectures, entertainment, social activities, special outings and other events.

Further, she serves as chairman of the Murray Hill Interagency Council on Aging; representative to the Manhattan Interagency Council on Aging; and was selected by the United Hospital Fund Division of Voluntary Programs to conduct health promotion classes for older women. Most recently, Ms. Chuck was selected this year by the Brookdale Institute to be trained in the Seniors Teaching Seniors Program, and accordingly received a certificate from the Columbia University School of Social Work.

As Representatives in Congress, we hear frequently from our senior citizens and have many opportunities to visit with them in their communities. However, even this cannot give us the deep insight that people like Jessika Chuck have acquired by helping these people on a daily basis. This remarkable woman sets a fine example for how our Nation's elderly can remain independent and active in their homes and neighborhoods, if we are willing to provide the necessary support for older Americans. Ms. Chuck has taken the time to tell me about her work and the problems faced by the people she serves. Indeed, senior citizens throughout the country contend with the same or similar problems. As such, I commend her eloquent presentation to my colleagues.

This is to let you know about the needs of older people in the Murray Hill Area. We are not greedy, we are needy.

I have the special opportunity of being the Nutrition-Activities Coordinator of Murray Hill SRO (Single Room Occupancy) Project for Older People located in the Parish Room of The Little Church Around the Corner at 11 East 29th Street.

This is a unique project for frail, elderly single room occupants in hotels. We have a client-membership of approximately 400, age 60 to 97. Seventy-seven (plus) meals are served daily: 47 on site and 30 "meals on heels." Since we do not have vans available to us, the seniors walk to deliver these "meals on heels" to homebound clients. Breakfast is not funded, but is served daily at 9:00 a.m., through the support of the Murray Hill Committee HONEY (Help Our Neighbors Eat Year-round) Program, and contributions by members of the Murray Hill Committee.

SRO clients have been hotel residents for as many as 40 years, and prefer to remain in hotels, although living conditions are substandard, because there is a social network and protection by front-desk management. For many, housing is unavailable; others are too frail to cope with the responsibilities of maintaining themselves elsewhere. This project enables them to keep a sense of independence without loneliness and lack of assistance so many of the aging endure.

The Murray Hill SRO has three full-time social workers on staff, who provide concrete services: They link clients with medical care; inform them about entitlements; escort them in the community; support them with legal services when hotel managers harass them and threaten them with eviction. The Murray Hill SRO provides not only social services and meals to seniors, but also daily activities which include exercise, movies, music, dances, political discussions, bingo, medical lectures, arts and crafts, and trips. Special events include monthly birthday parties, and holiday celebrations (including Christmas, Easter, Passover, Purim and national observances).

Most of these older people have small Social Security benefits (some receive as little as $300 per month, which is absorbed completely by the cost of their rent.) Most of them are on SSI.

The main concern of these seniors, next to their fragile health, is their low economic status. Proposals to freeze or reduce Social Security and SSI cost-of-living adjustments create tremendous anxiety for them. Last Labor Day, an elderly frail female's SSI check was delayed in the mail. Since the project was closed, she had no money to eat for three days, nor was she able to pay her weekly rent and faced threat of eviction.

Cuts in Medicare and Medicaid are a threat to their hospitalization. The Department of General Social Services does not move rapidly to provide home attendants for patients who are medically ready for hospital-release, so many patients deteriorate while waiting. Loneliness, rejection and abandonment are problems particularly threatening to SRO residents. Often it becomes necessary to identify them in the morgue, and to arrange for their funerals because relatives have long since detached themselves from them.

This illustrates the urgency of the need for this unique project. The caring, concern, and devotion of project staff creates a "home away from home" for these single room occupant clients. We supply the warmth, support, confidence and completely good feeling of a good family for them.●

NUCLEAR TESTING AND ARMS CONTROL

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BROOMFIELD. Mr. Speaker, the House Foreign Affairs Committee recently voted to report House Joint Resolution 3 to the House floor. This resolution calls on the President to submit the Threshold Test Ban and Peaceful Nuclear Explosions Treaties to the Senate for its advice and consent to ratification, and to resume comprehensive test ban negotiations with the Soviet Union.

On May 8, 1985, Dr. Robert Barker of the Arms Control and Disarmament Agency [ACDA] testified on behalf of the administration before the Arms Control, International Security and

Science Subcommittee on which I am the ranking Republican member. As Dr. Barker pointed out in stating the administration's opposition to House Joint Resolution 3, this resolution is full of pitfalls: the TTBT/PNET is not effectively verifiable in its current form; the TTBT should not be ratified unless verification improvement can be negotiated beforehand; and the Soviet Union is in likely violation of the TTBT's 150 kiloton test limit.

The same concerns over effective verification also exist for a comprehensive test ban. Moreover, Dr. Barker pointed out that the United States still needs to ensure the credibility of its nuclear deterrent forces by testing. Therefore, immediate resumption of comprehensive test ban negotiations would not be in U.S. national security interests.

I would encourage my colleagues to pay careful attention to Dr. Barker's points, as we may have to debate this issue on the House floor in the foreseeable future.

Dr. Barker's statement follows:

STATEMENT OF DR. ROBERT BARKER, DEPUTY ASSISTANT DIRECTOR FOR THE BUREAU OF VERIFICATION AND INTELLIGENCE, U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Good afternoon, I am happy to appear to comment on House Joint Resolution Number 3.

This resolution, in its current form, calls for the President, at the earliest possible date, to request advice and consent of the Senate to ratification of the Threshold Test Ban and Peaceful Nuclear Explosions Treaties. The President is also invited to submit with these Treaties a report on any plans he has to negotiate supplemental verification procedures or any understanding or reservation on the subject of verification which should be attached to the treaty. Further, H.J. Res. 3 calls for the President, at the earliest possible date, to propose to the Soviet Union the immediate resumption of negotiations toward conclusion of a verifiable comprehensive test ban treaty.

This resolution is unacceptable to the Administration. Careful study led us, four years ago, to conclude that the Threshold Test Ban Treaty, in its current form, is not effectively verifiable; ratification of this treaty before verification improvements can be negotiated with the Soviet Union is not in the national security interest of the United States.

Similarly, thorough evaluation has led the Administration to reaffirm that a comprehensive test ban remains a long-term objective of the United States; an objective which we will seek to pursue within the context of broad, deep and verifiable arms reductions, maintenance of a credible nuclear deterrent, expanded confidence-building measures and improved verification capabilities. There is much to be accomplished with respect to each of these objectives; it is not yet time to undertake negotiations of a comprehensive test ban.

Let there be no doubt about this Administration's commitment to effective arms reduction agreements and to the objective of the total elimination of nuclear weapons. We seek to achieve these goals while striving to strengthen and maintain the security and stability which the entire world desires. In this context, we are convinced that deep reductions in the offensive nuclear weapons of the Soviet Union and the United States must have our highest priority. The recent return by the Soviets to the negotiating table they walked away from in 1983 has given us the opportunity to resume our effort in this regard. In seeking deep reductions we will demand equality and require effective verification in any resultant treaty. These criteria are critical for strategic stability. We and the whole world must be convinced that agreements negotiated are agreements to be complied with. Unfortunately, the Soviet record on compliance, rather than giving increased confidence in arms control, gives rise to grave concerns.

As the President has said, "Soviet noncompliance is a serious matter. It calls into question important security benefits from arms control, and could create new security risks. It undermines the confidence essential to an effective arms control process in the future."

The Threshold Test Ban Treaty offers an area where the Soviets can demonstrate that they take arms control seriously, that they too recognize that the true benefits of arms control can only be achieved when all parties are secure and confident that the treaty terms are being complied with. The United States must stand by its standard of effective verification with respect to the Threshold Test Ban Treaty; anything less would undermine our ability to demand effective verification in this and other treaty areas, as well as being a disservice to the objectives of the TTBT.

There is almost universal acceptance in this country that true treaty verification cannot be based upon trust. Yet the TTBT, in the name of verification, offers only an exchange of data which, while appearing extensive, contains not a single meaningful element that can be independently validated by the United States. There is a no ability for us to independently measure any of the important parameters upon which our estimates of Soviet yield are based.

Those who negotiated and signed the TTBT were optimistic. They believed that our understanding of the science of seismology was good enough for us to determine Soviet nuclear weapon test yields to an accuracy sufficient to protect U.S. security. They also expected that the Soviets would comply with the treaty. Since 1976, when the Soviet Union claimed that it would abide by the provisions of the TTBT, two things have happened to change that earlier perspective. First, we have had to recognize that we cannot determine Soviet nuclear yield with the accuracy required for effective verification. Secondly, we have had to conclude that it is likely that the Soviets have violated their legal obligation with respect to the TTBT. As reported by the President in 1984 and 1985, in the Congressionally mandated reports on Soviet noncompliance with arms control agreements, while ambiguities in the pattern of Soviet testing and verification uncertainties continue to exist, evidence available leads to the conclusion that Soviet nuclear testing activities for a number of tests constitute a likely violation of the 150 kiloton limit.

The TTBT cannot now be effectively verified. The Soviets are in likely violation of their legal obligation to limit test yields to 150 kilotons and below. Verification must be improved before the President could in good faith determine that this treaty is in the national security interest of our nation and before he could thus seek the advice and consent of the Senate to its ratification.

The Administration has not been passive on this issue. In 1983 and 1984 we sought on a number of occasions to engage the USSR in discussions on verification improvements for the TTBT and PNET. In addition, in his address to the United Nations General Assembly on September 24, 1984, President Reagan proposed an exchange of visits to allow Soviet experts to come to the U.S. nuclear test site and U.S. experts to go to a Soviet nuclear test site to measure directly the yields of nuclear weapons tests. We recognize that any improvements to verification of the TTBT must be mutually arrived at—must be negotiated. They cannot be dictated by the United States and imposed upon the Soviet Union. For this reason we have not approached the Soviets with a unilateral, non-negotiable demand; we have instead sought an honest exchange of technical views on how verification can be improved. Regrettably the Soviets have thus far rejected all our proposals to meet and confer on verification improvements.

Today the Soviets may perceive a lack of unanimity—a lack of commitment—within the American government on the issue of TTBT verification. They can have no doubt about the Administration's position—effective verification must precede ratification. But thus far the Soviets have not heard Congressional endorsement and support for the Administration position on the strengthening of verification of measures; H.J. Res. 3 does not now call upon the Soviets to join us in seeking verification improvements to the TTBT.

Returning to the subject of the Comprehensive Test Ban Treaty, our problems with H.J. Res. 3 are no less severe. We would all like to reduce and eventually eliminate our dependence upon nuclear arms. However, as the current discussion of the Strategic Defense Initiative has highlighted, many Americans, as well as American allies are seeking assurance that the U.S. nuclear deterrent will be effectively maintained until a better alternative is available. Today, this requires nuclear testing.

As we modernize our nuclear deterrent to make it more survivable and better able to contribute to stability, we will require some new nuclear weapons to arm those new weapon systems. In the interest of stability we must also retain our confidence that our deterrent is reliable. And, while the safety and security record of our nuclear forces is unparalleled, as technologies come available which can make them even more safe and secure, who would bear the burden of not incorporating those improvements into our nuclear weapons? Weapon modernization, confidence in the deterrent, and enhanced nuclear weapon safety and security are today all dependent upon nuclear testing. It is important, therefore, to understand that our reliance on a credible nuclear deterrent has an essential bearing on the time frame within which consideration can realistically be given to negotiation of a CTB.

As with the case of the TTBT, effective verification is also a necessary condition for a Comprehensive Test Ban Treaty. Today it does not exist. The U.S. has spent hundreds of millions of dollars on research to establish the basis for verifiable nuclear test limitations. This Administration is continuing that search. As part of that effort we have actively supported multilateral involvement in nuclear test ban verification studies at the 40-Nation Conference on Disarmament in Geneva.

In sum, the ingredients are not yet available for comprehensive test ban negotiations. Further, we must not allow a search for a CTB to become once again a diversion and surrogate for negotiations of deep and meaningful arms reductions. The signatories of the Non-Proliferation Treaty sought in Article VI of that Treaty the elimination of the discrimination that is manifest in the differentiation between nuclear weapon states and non-nuclear weapons states. Elimination of that distinction can only be achieved with the elimination of nuclear weapons; radical reductions in the number of offensive nuclear weapons should be the first step in that direction. Congressional support for U.S. efforts to achieve such reductions in the current Geneva negotiations has been substantial and we believe such support is not lost on the Soviets. Clearly, where Administration and Congress are seen working together, our chances for success with the Soviets are greatest.

It is therefore to be regretted that H.J. Res. 3 is not supportive of these clearly and consistently stated administration objectives and priorities. Your support for our efforts to enhance verification would be most helpful and most welcome.

This completes my prepared remarks. I will be happy to answer your questions.●

MEDICAL MALPRACTICE REFORM ACT OF 1985

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. MRAZEK. Mr. Speaker, I rise today to introduce the Medical Malpractice Reform Act of 1985. This legislation addresses the current national medical malpractice problem, which clearly has reached crisis proportions.

Medical malpractice insurance rates continue to skyrocket. In some parts of the country, specialists are now paying annual premiums in excess of $100,000. Malpractice-wary physicians are forced to practice defensive medicine by ordering costly and unnecessary tests. Lengthy and expensive malpractice cases are clogging our court system. In the end, it is the health-care consumer that must pay the price.

It is equally important to recognize the Federal role in malpractice reform. With the Federal Government paying for over one-third of our Nation's total health care costs, it is time for national lawmakers to take a careful look at this urgent problem.

Mr. Speaker, this legislation creates Federal financial incentives to encourage malpractice reform on the State level. In order to qualify for Federal funding, States must establish medical malpractice arbitration panels to hear and resolve malpractice claims. Panels will have the authority to dismiss frivolous claims and will provide for structured award settlements. Recoveries for noneconomic losses to compensate for pain and suffering will be limited to $250,000. The act also establishes maximum amounts for lawyers' contingency fees in malpractice cases.

Mr. Speaker, this comprehensive legislation which I am introducing will attempt to ease our current malpractice crisis by assuring the equitable financial reparation of victims of medical malpractice, providing for the prompt resolution of claims, and reducing the burden on our court system. I ask for the support of my colleagues in the House.

A summary and explanation of the legislation follows:

THE MEDICAL MALPRACTICE REFORM ACT OF 1985

The legislation will establish a program in the Department of Justice to fund state medical malpractice programs which comply with minimal federal standards. It creates financial incentives for states to take certain reform measures in order to ease the malpractice crisis.

Medical malpractice screening panels, requirements for federal funding: To receive payments, a state must establish one or more medical malpractice screening panels which will have at least three members, with at least one health care professional, one member of the state bar, and one layperson. All claims for damages resulting from malpractice will be heard and decided by the panels using expedited procedures.

A health care professional serving on a panel, wherever practicable, will represent the same medical specialty as the defendant. In cases involving multiple defendants, a representative from each defendant's specialty will be appointed to the panel. In such cases, no more than three health professionals will be appointed and will cumulatively have one vote.

The use of screening panels on a nationwide basis will provide a means of encouraging prompt and fair settlements of malpractice claims and reduce the burden on the court system. Today, the average claim filed in court may take up to eight years to be decided. Establishing these panels will not only aid in reaching just and timely resolutions of claims, but will lower administrative and litigation costs.

Many states have experimented successfully with nonjudicial malpractice claim systems using screening panels. Other states have had less success primarily because the systems have been established on a voluntary basis or have given the panels' only limited authority to arbitrate claims. The legislation sets forth minimum standards designed to give these panels the necessary power to expedite cases, while at the same time, give the states the flexibility to shape individual systems to fit local needs and conditions.

PANEL DECISIONS

Malpractice claims will be adjudicated according to the state law in which a panel sits, subject to any special rules that the State Attorney General may promulgate. A panel is encouraged to decide a claim within one year after the date on which the claim is filed.

Information on collateral sources of payment will be allowed in evidence for the sole purpose of determining the amount of an award. The amount of any collateral source payments received will be deducted from the panel award.

Studies have indicated that modifying the "collateral source rule" will bring about cost-savings by preventing plaintiffs from receiving a double recovery for their injury.

FRIVOLOUS CLAIMS

Panels will have the authority to dismiss claims that it determines to be frivolous and to impose administrative costs upon claimants who pursue cases which are determined to be frivolous.

If a panel system is to be effective, it must have the authority to weed out unmeritorious claims. This provision would apply to a party which has commenced a frivolous claim or against a defendant who has interposed a frivolous defense.

AWARD OF DAMAGES

If a panel finds a compensable injury resulting from medical malpractice, the panel will determine the amount of damages owed. The panel will provide for structured settlements in annual or other periodic payments, rather than lump sum payments to reduce the impact of awards on medical insurers.

Allowing panels to decide on the amount of the award will permit the use of experienced and knowledgeable decision-makers who will be able to produce fairer, more reasonable settlements of malpractice claims. Increasing jury awards have clearly had a significant impact on the severity of the current malpractice crisis.

LIMIT ON AMOUNT RECOVERABLE FOR NONECONOMIC LOSSES

A claimant will be entitled to recover noneconomic losses to compensate for pain and suffering and other nonpecuniary damage. However, recoveries for pain and suffering may not exceed $250,000.

The California State Supreme Court has recently upheld the constitutionality of the California law which caps pain and suffering payments in the state at $250,000. Limiting noneconomic damages will reduce distorted awards in liability cases and could save 5% to 19% in medical liability litigation costs according to a Rand Corporation study.

JUDICIAL REVIEW

Any party to a claim decided by a panel will be allowed to appeal the panel's decision to the state court of appropriate jurisdiction, as determined under state law. A high standard of review will apply: the court reviewing the case will uphold the panel's decision unless it finds it to be clearly erroneous or in violation of the rules and procedures set forth in the bill. If the court finds a panel's decision to be clearly erroneous, the appellant will be entitled to a trail de novo and the right to a trial by jury.

The key to a successful arbitration/panel system is that the screening panels must be able to permanently dispose of cases. This approach makes the panel system more effective and makes appeals likely. At the same time, it maintains the right to due process by allowing a plaintiff or defendant to appeal in court and to receive a new trial under certain circumstances.

REPORT OF PANEL'S FINDINGS

The panel, after rendering its decision, must transmit a report of its findings to the state insurance commissioner. The state will provide that insurance companies offering malpractice coverage are authorized to charge higher premiums to health care providers with a history of malpractice liability. This is designed to ensure accountability on that part of the health provider.

AWARD OF ATTORNEY'S FEES

Each state will provide that the amount of payments to a claimant's attorney will be limited to a standard contingency fee formula. A lawyer could collect no more than one-third of the first $100,000 of any judgment and is limited to a progressively declining share of each additional $100,000 increment.

All too often in malpractice cases today, attorneys receive anywhere from 25% to 50% of the eventual malpractice award. Establishing a sliding scale for contingency fees will help insure that the bulk of the award goes as compensation to the injured party, not the attorneys.

PAYMENTS TO STATES

The U.S. Attorney General will make payments to states in two installments. The Attorney General will allocate funds based on the needs of individual states. In making this determination, the Attorney General will consider the need for states with a high incidence of malpractice claims to have a sufficient number of panels to expeditiously process these claims. If thirty months after enactment, a state has not complied with federal standards, the Attorney General will re-allocate funds to states most in need of additional funding. A total of $500 million is authorized annually under the bill.

RECOMMENDED ACTIONS

States are encouraged to establish risk management programs to develop measures which will reduce the frequency of avoidable injuries to patients. States are also encouraged to establish public awareness programs to educate the public about the severity of the malpractice crisis and its negative impact on consumers.●

MANHANDLING MAC

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. LUKEN. Mr. Speaker, I ask that an editorial from the Cincinnati Post of Saturday, June 1, 1985, be inserted in the RECORD.

I am asking for a report from the Justice Department and the District of Columbia on this alleged assault on the constitutional rights of Reverend McCrackin.

[From the Cincinnati Post, June 1, 1985]

MANHANDLING MAC

Now we know what a "Mac attack" is in the nation's capital.

It's taking a gentle 79-year-old pacifist minister from Cincinnati—the Rev. Maurice (Mac) McCrackin—who has been arrested for demonstrating outside the White House, jolting him with a stun gun, bending his fingers back so far that it causes his hand to swell and then twisting the handcuffs so hard that they cut into his wrists.

The U.S. marshal's office admitted one of its men did use the electrically-charged stun gun on Mr. McCrackin. That offending officer was immediately reassigned to new duties. The U.S. marshal's office is to be commended for its quick disciplinary action.

The Washington, D.C., police, however, deny they did anything wrong. We take that denial with a grain of salt. One can disagree with Mr. McCrackin's politics, but we don't think he lies.

Admittedly, Mr. McCrackin, an old hand at passive resistance, can be a nuisance when he goes into his "noncooperative slump," lying on the floor and refusing to give any information other than his name. But he does it quietly, as a matter of conviction. "I would rather be considered a criminal by my government than be a traitor to my conscience," he told a reporter from The Post.

Mere inconvenience is no excuse for using goon tactics in dealing with peaceful demonstrators—especially in the nation's capital. There if anywhere a man should be free to exercise a fundamental American right without being cuffed around by the police.●

H.R. 2205

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. HAMMERSCHMIDT. Mr. Speaker, I am indeed pleased to be a cosponsor of H.R. 2205, which has as its purpose the establishment of an appropriate memorial to the veterans of the Korean war. Congressmen JAMES FLORIO, SONNY MONTGOMERY, and I believe that such a memorial is long overdue.

The Korean war was long and difficult. Sometimes its purposes were obscured, but the Americans who served their country in that era did so with honor and distinction. This memorial would cause our Nation to constantly reflect upon their sacrifices and it will remind future generations of their service in the cause of freedom.

The passage of H.R. 2205 would require appropriate approval of this memorial by the National Commission on Fine Arts and the National Capital Planning Commission. The Interior Department would be charged with erecting it. It would be an inspiring addition to other memorials in the Washington, DC, area.

Mr. Speaker, just as the war in Vietnam divided many of our citizens, so too did the war in Korea. But I believe our citizens are not divided on this proposal. I am certain they applaud it.

Mr. Speaker, I was pleased and honored to be the original sponsor of the bill that gave birth to the Memorial for Vietnam Veterans. That memorial has assisted in healing a national wound. It has evoked a thankfulness in the minds and hearts of all Americans. It has told us that national divisiveness should not ever dilute our appreciation for men and women who serve us in uniform in times of conflict.

Mr. Speaker, the proposed Memorial for Korean Veterans will also be healing for our country. It too will evoke thankfulness. It too will stir our hearts and minds. I urge my colleagues to join with me, Congressman FLORIO and Congressman MONTGOMERY in giving H.R. 2205 their wholehearted support. I am indeed proud to be one of its original sponsors.

Thank you, Mr. Speaker.●

WHY WE SO DESPERATELY NEED TAX REFORM

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. STARK. Mr. Speaker, in case anyone doubts the need for a complete overhaul and reform of our Nation's tax laws, I would like to include in the RECORD a portion of an excellent pamphlet, entitled, "Assessing Tax Reform," by Henry J. Aaron and Harvey Galper, which has just been published by the Brookings Institution.

This concise summary is why we must proceed full speed ahead on rewriting the Tax Code.

WHY THE UNITED STATES MUST REFORM ITS TAX SYSTEM

The U.S. tax system has become a swamp of unfairness, complexity, and inefficiency. The accumulation of credits, deductions, and exclusions designed to help particular groups or advance special purposes conflict with one another, are poorly designed, and represent no consistent policy. The tax system causes investors to waste resources on low-yield investments that carry large tax benefits, while high-yield investments without such benefits go unfunded. The result is a shrunken tax base that requires needlessly high rates on wages, salaries, and other taxable income. Overall the system undermines the faith of citizens that tax burdens are shared fairly. The time has arrived for basic reform.

The case for rewriting our tax laws would be compelling even if revenues were sufficient to pay for government expenditures—but they are not. Even with Draconian reductions in government spending, the deficit cannot be closed unless revenues are also increased. But raising tax rates on the current highly distorted and shrunken tax base will compound the system's inequites and inefficiencies.

While the need to change our tax laws may be obvious, Congress and the American public receive conflicting advice about exactly what to do. The Treasury Department has advanced one plan. Members of Congress have introduced numerous and diverse proposals of their own. In choosing among these and other plans, Congress and the American public will hear opposing and inconsistent testimony from groups representing business, nonprofit organizations, homeowners, the poor, the elderly—indeed almost any organized coalition one can imagine—about the likely consequences of moving in one direction or another.

To help make some sense out of this chrous of claims and counterclaims, this book dispassionately and analytically examines the issues. To begin, this chapter explains why tax reform is necessary. It also indicates the probable magnitude of the tax increases that will be necessary to balance the federal budget. Finally, it provides a road map to the rest of the book that will help readers over some difficult terrain and let them locate topics of particular interest to them.

THE INDICTMENT OF THE CURRENT TAX SYSTEM

The personal and corporation income taxes (other than payroll taxes to finance social security programs) accounted for 83 percent of federal revenues in 1984.[1] When these taxes are in disrepair, Americans have a serious economic and political problem. And they are indeed in disrepair; a prosecuting attorney would have no difficult persuading an impartial jury to convict the federal income tax system of gross unfairness, inefficiency, and complexity. The indictment contains several counts.

Distorting investment

First, the tax system distorts investment. According to one recent study, the effective rate of tax on broad categories of investments ranges from 91.2 percent to -21.5 percent, depending on the type of investment, the source of funds for the investment, the methods of finance, and the tax status of the owner.[2] These variations are causing investment decisions to be based on tax considerations instead of economic productivity.

The social costs of such tax-related distortions can be enormous. They divert resources from their most productive uses—those with highest rates of return before taxes—into uses that are less productive but yield higher after-tax returns. The result is reduced national output, lower productivity, and sluggish economic growth. A simple example illustrates how such antisocial consequences can occur.

Suppose that type A investments are taxed at 80 percent (that is, 80 percent of their yield is paid in taxes), type B investments are taxed at 40 percent, and type C investments are free of tax. If the investment risks of each are the same, investors will put their money where they earn the most after taxes. If type C investments yield 6 percent before and after tax (that is, they pay the investor 6 cents per year for every dollar invested), how much will the other two investments have to yield in order to attract investors? The answer is that type B investments will have to earn 10 percent before tax (paying a tax of 40 percent on a return of 10 percent leaves a 6 percent after-tax yield), and type A investments will have to earn 30 percent. That means that a type A investment that yields, say, 29 percent before tax will lose out to a type C investment that yields only 6 percent. When tax rules cause investors to select projects yielding 6 cents per dollar invested in place of others yielding 29 cents, the economy as a whole sacrifices 23 cents (nearly four-fifths) of the potential return. Not all misallocations attributable to the tax system are so extreme. But some are worse.

It is even possible for tax rules to make losing investments profitable. The undesirability of a $10,000 investment this year that pays back a total of only $9,000 seems beyond question. But the tax system can make such a project pure gold. This financial alchemy occurs if the cost of the investment is deductible from ordinary income and the return is treated as a long-term capital gain, only 40 percent of which is taxed. For a taxpayer in the 50 percent tax bracket, the cost of the investment is $5,000 because the $10,000 deduction saves the taxpayer $5,000 in taxes. The investment returns $7,200, calculated as follows: 40 percent of the $9,000 capital gain, or $3,600, is taxable at 50 percent, for a tax of $1,800; so the return is $9,000 less tax of $1,800, or $8,200. Thus, after taxes, the investment returned $2,200 more than the after-tax cost of $5,000—a gain of 44 percent. By the quaint and curious—and economically destructive—rules of the U.S. income tax, an investment with a negative before-tax return of 10 percent is transmuted into a bonanza paying a whopping 44 percent after-tax return. Of such rules are tax shelters made.

Not all tax shelter arrangements are so direct as this example would suggest, and some provisions in the tax code serve to limit the gains from such practices. But the net effects of these tax rules are clear: society as a whole loses from less-productive investment even as investors realize a private gain.

Distorting wages and salaries

As a second count in the indictment, the tax system distorts compensation. Unlike other income, most fringe benefits, such as health and life insurance, are not part of employees' taxable income. The tax system thereby encourage, fringe benefits, even when the cost of those benefits exceeds the amount employees would be willing to pay for them. The result, once again, is waste of scarce economic resources.

Take employer-financed health insurance, for example. Let's say that a unit of health insurance that costs $1 to provide is subjectively worth only 80 cents to an employee. In the absence of taxes, the employee would choose wages rather than health insurance. If the taxpayer is in the 30 percent tax bracket, however, and health insurance premiums are tax free, the worker would choose health insurance because $1 of wages yields only 70 cents after tax, in contrast to the 80 cents of value the worker ascribes to the health insurance. Thus, the tax system induces people to buy fringe benefits, such as health insurance, that they would not otherwise have bought. The decision to buy health insurance means the sacrifice of other goods and services that yield $1 of benefits for every $1 of cost. If both cash wages and the cost of providing health insurance were taxed equally, the worker in the preceeding example would choose cash compensation, because he or she would prefer 70 cents in after-tax cash income to health insurance that would now give a net benefit of only 50 cents (health insurance benefits subjectively worth 80 cents minus the tax of 30 percent levied on the $1 cost of providing the health insurance).

The same problem arises with other fringe benefits such as group legal insurance, child care services, term life insurance, and accident and disability insurance. If one's employer buys these items, there is no tax. If one buys other consumer goods, one must pay for them out of income remaining after taxes have been paid. Recent legislation has increased the attractiveness of tax-free fringe benefits by permitting employers to offer "cafeteria plans," which are packages that allow workers to choose from a menu of benefits.

The waste from the consumption of products or services with low before-tax, but high after-tax, benefits parallels that which arises when money is put into an investment with a relatively low before-tax yield but high after-tax gains. In both cases, the economy as a whole sacrifices opportunities that have a higher social value than the goods or investments actually chosen.

In short, the tax system encourages people to buy commodities indirectly that they would not choose to buy if all consumer goods were treated alike by the tax system. But this is not the end of the story. By narrowing the tax base, the exclusion of fringe benefits necessitates higher tax rates to collect a given amount of revenue, thus adding to the distortions of all economic decisions.

Distorting saving

The third count would charge the tax system with distorting saving. If income is saved in some forms such as specific kinds of pensions and retirement accounts, the funds saved are not included in current taxable income, and both the income and interest earnings on it are taxed only when withdrawn from these accounts. Other forms of savings are not treated so favorably. As a result, people who save the same amount but in different forms face fifferent tax rates.

It is even possible for people to lower their taxes by depositing funds in retirement accounts, but without saving a dime, simply by transferring funds from one account to another. The Bowery Savings Bank of New York used exactly this argument in a full page advertisement in the New York Times (June 6, 1984) to solicit new individual retirement accounts: Were you to shift $2,000 from your right pants pocket into your left pants pocket, you wouldn't make a nickle on the transaction. However, if those different "pockets" were accounts at The Bowery, you'd profit by hundreds of dollars.

Setting up an Individual Retirement Account is a means of giving money to yourself. The magic of an IRA is that your contributions to yourself are tax deductible. A New Yorker in the 40 percent tax bracket who gave herself the maximum $2,000 would receive an $800 present at tax time.

The Bowery may be excused for failing to emphasize that the same options were available at competitors that could accept IRA deposits and that residents of the other forty-nine states also qualified. They may also be excused for not pointing out that the same result could be achieved by borrowing the $2,000 for deposit into the IRA or other tax-sheltered account. In each case, taxpayers who save nothing can cut current taxes under a provision promoted as a savings incentive. Again, these and other base-narrowing provisions boost the tax rates needed to raise a given amount of revenue and thereby increase other tax-related distortions.

Penalizing work

The fourth charge against the current tax system is that it needlessly penalizes work. As shown in the previous counts of this indictment, the numerous exclusions, deductions, and credits not only give rise to inefficiencies but also greatly constrict the tax base. That means that tax inefficiencies but also greatly constrict the tax base. That means that tax rates on wages and salaries, most of which are taxable, must be much higher than they would be if the base were larger. High tax rates on additional earnings, that is, high marginal tax rates, greatly reduce the reward for work.

Complexity

The fifth charge against the tax system is that it is appallingly complex. Some complexity is the unavoidable side-effect of trying to pursue fairness through precise definitions of the individual circumstances that affect ability to pay. More complexity arises from special incentives for particular activities. And still more arises from an effort to prevent these particular activities. And still more arises from an effort to prevent these incentives from unduly reducing tax burdens of high-income taxpayers.

The results is a maze of rules and provisions that makes the tax form all but incomprehensible. An entire industry has arisen to sell advice on how to shelter income legally and another to help people fill out their returns. In the business world, success increasingly rests not on innovating, cutting costs, or marketing effectively but on minimizing taxes. Tax rules cause investors to search for tax provisions they can manipulate instead of investments that are socially and economically productive.

Unfairness

The final, perhaps most serious count is that as a result of all of these provisions, the tax system is just plain unfair. Many people suspect that if the tax system is too complex for them to understand, it must be cheating them. And they are usually right, because those who can hire tax experts to plan their affairs do, indeed, avoid taxes that ordinary citizens pay. However, sometimes the unfairness is replaced by economic inefficiency. This can happen when so many people take advantage of a particular tax provision that the rate of return drops, and the investor gets little more than is available on ordinary investments. In such cases the before-tax return on favored investments is driven below that on fully taxed investments, and this difference is a measure of tax-induced inefficiency mentioned earlier. In short, tax distortions always show up as inequity, inefficiency, or some combination of the two.

Most of the special credits, deductions, and exclusions that complicate the tax code have some appeal when viewed in isolation. Most of them were adopted to advance some social or economic purpose that commands widespread support. However, they partially offset each other and taken together produce unrecognized and unintended side effects, bewilder taxpayers, and undermine the faith of ordinary citizens in the laws to which they are subject.

The prosecutor's closing argument would emphasize another aspect of all this unfairness, inefficiency, and complexity; it doesn't have to be that way.●

THE FAILED CARTER POLICY FOR SOUTH-WEST AFRICA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. CRANE. Mr. Speaker, when President Reagan came to office in 1981, he inherited a foreign policy position toward South-West Africa (Namibia) developed during the Carter administration. Its principal architects were Mr. Carter's United Nations Ambassador Andrew Young and his Deputy Ambassador Donald McHenry. Carter's policy for Namibia was embodied in U.N. Security Council Resolution 435, which called for a United Nations supervised election of a constituent assembly to write an independence constitution for South-West Africa, a territory which has been administered by the Republic of South Africa under a 1920 League of Nations Mandate.

The fatal flaw in Carter's plan was that the United Nations had already picked the winner of the election by designating SWAPO, a Soviet-backed terrorist organization based in Angola, as the sole and authentic representative of the Namibian people, and by granting SWAPO permanent observer status at the United Nations. What's more, at that time the United Nations began the practice continued to this day of providing funds to support SWAPO's propaganda offices in New York and London. These offices constantly criticize the United States and the other members of the Western Five (Great Britain, France, West Germany, and Canada) for not immediately implementing U.N. Resolution 435 and holding elections the outcome of which has already been determined by the United Nations.

But now Senator Strom Thurmond and a number of his colleagues have called on President Reagan to appoint a special commission to make recommendations on how best to achieve independence for Namibia without letting the United Nations turn that vast and strategically important territory into yet another Soviet puppet led by the terrorist leaders of SWAPO. I applaud this request by my Senate colleagues, and hope that President Reagan will take their counsel to heart. For to merely stand by and watch as mineral-rich Namibia is dragged behind the Iron Curtain would be a terrible mistake. I recommend to my colleagues here in the House the following report on Senator Thurmond's letter, for I believe that the implications of this situation on our national security interests are tremendous.

The report follows:

[From the Washington Times, May 22, 1985]

TWELVE SENATORS URGE TOUGHER U.S. STANCE ON NAMIBIA

(By Bill Outlaw)

Twelve Republican senators on the Senate Steering Committee have sent President Reagan a letter calling on him to appoint a panel to recognize the Multi-Party Conference in South African-administered Namibia and include the conference in negotiations on independence for the territory.

The letter takes issue with a proposal by Chester Crocker, assistant secretary of state for African affairs, that the United States will no longer insist on the withdrawal of all Cuban troops from Angola before the issue of independence for Namibia (South-West Africa) can be settled.

It also requests that an independent study be conducted by a "carefully selected commission of informed persons to report on what alteration may be made to U.S. policy at this time."

Current U.S. policy views the Multi-Party Conference as "null and void," a State Department official said. U.S. policy also calls for the United States to support United Nations Resolution 435, which in effect would allow the South West Africa People's Organization (SWAPO)—now fighting a guerrilla war to oust South Africa from Namibia—to take power until elections can be held. That, the senators argue, would give SWAPO too much of a chance to take control of the country.

"It can be argued with credibility that the U.S. has gone too far in its support of the United Nations position and has consequently supported the Soviet-backed terrorists, SWAPO, against the legitimate internal parties of the country," the letter states.

"Now, after seven years, it is obvious that the communist team of Angola, the U.S.S.R. and SWAPO will never agree to any proposal that does not give them total control of the government of Namibia."

It criticizes Mr. Crocker for substituting an agreement calling for future withdrawal of Cuban troops from Angola rather than having the withdrawal at the same time that South African troops are pulled back from Namibia.

It was signed by Senators Jesse Helms of North Carolina, Orrin Hatch and Jake Garn of Utah, James McClure and Steve Symms of Idaho, Malcolm Wallop of Wyoming, Phil Gramm of Texas, Bob Kasten of Wisconsin, Chic Hecht of Nevada, Gordon Humphrey of New Hampshire and Barry Goldwater of Arizona.●

STOPPING THE BUCK AT THE OVAL OFFICE

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. LEACH of Iowa. Mr. Speaker, one of the little noticed provisions of the administration's tax reform plan is the abandonment of the voluntary checkoff for Presidential campaign financing.

If we want to hold Presidential candidates accountable to the public rather than to acronymed interest groups, if we want a fair chance at fair taxes and fair hearings about fair budgets, the checkoff can't be allowed to be lost in the glamour of tax reform.

How campaigns are run determine how governments govern. If the buck flows to, rather than stops at the Oval Office, the ability of any administration to establish the perception, let alone the reality, of even-handed policies is compromised.

The cost of campaigning is so steep today that without the provision of funds to candidates through the checkoff mechanism, those groups which finance an election would become more important to the victor than the individuals who cast the votes. Government would become of, by, and for the largest and most powerful interest groups, with the public at large serving every 4 years as props to big business and big labor.

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[1] Congressional Budget Office, Reducing the Deficit: Spending and Revenue Options (CBO, 1985), p. 53.

[2] Mervyn A. King and Don Fullerton, The Taxation of Income from Capital: A Comparative Study of the United States, the United Kingdom, Sweden, and West Germany (University of Chicago Press, 1984), p. 244. If one looks at narrow categories of investment, the range is even larger. Furthermore, these estimates refer to tax rates and other economic assumptions valid in 1980. By 1982 legislation has widened still further the already diverse treatment of different forms of investment.

Some argue that the Republican Party would do comparatively better if Presidential campaigns returned to a dependence on special interest contributions. But as a Republican I would like to stress that all Americans have a vested interest in good government and the holding of both parties accountable to high ethical standards. For Republicans, for instance, it matters a great deal not only who our party nominates but what kind of candidate the Democrats present to the American people.

Given the escalating cost of campaigns, any future Democratic Presidential nominee would almost certainly become unconscionably beholden to a very few large unions if the checkoff is eliminated. Likewise, the influence of a few major industries like oil would be disproportionately strong on the Republican side.

The campaign checkoff serves to keep the extremes in line, to keep the Democratic Party from becoming a carbon copy of Britain's Labor Party and the Republican party from becoming increasingly vulnerable to the interests of big business and the ideology of far right fundraisers.

To allow taxpayers the right to designate $1 of their annual taxes to Uncle Sam to ensure that candidates for President remain obligated to the public rather than to special interests seems eminently reasonable and in the context of the President's tax reform package implies no additional tax liability for individuals or corporations.

The proposal to eliminate the checkoff is presented not so much as a tax issue as ideological posturing. The Government will receive the same revenue with or without this particular change in the tax code. The question is not how much money is to be raised, but rather how funds once raised will be allocated.

As long as public financing is maintained it doesn't matter in theory whether Presidential campaigns are funded through the checkoff or through a direct congressional appropriation, but in practice ending the checkoff jeopardizes the prospect of maintaining the most important reform of the Watergate era.

For these reasons I commend to my colleagues the perspectives contained below in the recent editiorials of the Washington Post and New York Times.

[From the Washington Post, June 2, 1985]

CHECKING OUT THE CHECKOFF

One of the unexpected casualties in President Reagan's tax plan is the $1 checkoff for financing presidential elections. Unexpected, because this really isn't a tax provision at all. Your tax bill is the same whether you check off the $1 or not. The revenue the government receives is the same too; the only difference is that the amount checked off is put into a fund for financing presidential campaigns. That amounts to something on the order of $35 million a year—not enough to make any noticeable difference in the government's fiscal position.

But it's enough to make a substantial difference in our quadrennial presidential politics. The fund created is dispersed to candidates according to two formulas: in matching funds to candidates for their parties' nominations and for the major-party nominees in general elections. If the checkoff were abolished, as Mr. Reagan proposes, and the fund allowed to run dry, there would be only two ways to finance presidential campaigns, both unsatisfactory. One would be to depend on appropriations by Congress. The possibilities of political manipulations here are vast. You only have to remember the unseemly scrambling and huge pressures when a Supreme Court decision suspended operation of the campaign finance laws until Congress rewrote them during the 1976 primary season.

The other alternative is for presidential campaigns to be financed entirely by private contributions. There must be a part of Mr. Reagan that wants this: he has refused to check off $1 from his own taxes even though his campaigns have been the biggest beneficiaries in history of the public financing provisions. But nothing in the current law prevented Mr. Reagan or prevents future candidates from financing campaigns from private contributions. Most candidates (including Mr. Reagan three times) have decided to seek public funding, even though in doing so they have had to accept overall ceilings on spending and have had to meet detailed accounting requirements. They have done so for good reason: the amount of time and effort required for raising the $60 million or so needed in a presidential campaign these days would divert time and energy needed for campaigning. Is this what Mr. Reagan wants candidates to go back to?

The official answer is that the checkoff was eliminated in the Reagan plan because it takes a line on the tax return and has confused some taxpayers; you see, they say, we just wanted to simplify things. Sure. Intentionally or not, the scrapping of the checkoff makes a major change for the worse in a campaign finance law that has worked tolerably well. This isn't a tax issue at all. Whatever Congress does with the President's bill, it should keep the checkoff as it is.

[From the New York Times, June 3, 1985]

SNEAK ATTACK ON CAMPAIGN FINANCE

President Reagan, usually open and honorable in battle, seems suddenly to be acting like a sneak. The issue is public financing of Presidential campaigns, a system that has given him $90 million and given the nation a successful reform. The system has been accepted by candidates, Congress and the public. Yet Mr. Reagan doesn't like it and is trying, under cover of tax reform, to slit its throat.

Public financing, which includes the $1 checkoff that taxpayers can mark on their tax returns, has demonstrably improved Presidential campaigns. Perhaps alterations are in order after the experiences of 1976, 1980, and 1984. If so, let there be clear complaints and open debate.

The checkoff is the principal issue. It permits taxpayers to authorize that $1 of their annual tax payments go into a fund for Presidential campaigns. About a third of those who owe taxes contribute. The checkoff is part of a system created in reaction to CREEP, Richard Nixon's Committee to Reelect the President. When private financing was the only way, CREEP attracted a parade of corporate couriers bearing briefcases of cash. Under the reform law, the Federal Government matches small contributions to Presidential primary candidates, up to $10.1 million in 1984. For the general election, nominees receive full funding—$40.4 million each in 1984.

The Reagan tax plan would abolish the checkoff fund, and also repeal another measure, enacted in 1971 to stimulate public participation: a tax credit of up to $50 for campaign contributions. The Administration is probably right in thinking that this credit does little to encourage contributions. Only 6 percent of taxpayers claim it. The advantages of the checkoff, however, are clear. One is participation. Treasury purists hating loading up Form 1040 with anything extraneous, yet tax returns and Presidential elections are two facets of the Federal Government that involve every citizen.

A still-better argument for the checkoff and public campaign financing is that they eliminate the need for private financing. Republicans are no doubt correct that public financing benefits Democrats more. Democrats do have more trouble attracting those corporate couriers with their stuffed briefcases. But so what?

Why is a system that depends on such briefcases good for the nation? What's good about a system that forces candidates of both parties to fawn over big contributors? Wasn't it President Reagan who, in 1984, so regularly reviled "special interests"? Public financing confers on President candidates the freedom not to grovel.

You need not be a Democrat to prize a system that gives the nominees enough money to get their message across to the country. You'd think that Mr. Reagan would gladly preserve a financing system under which he had just won 49 states. But if he must oppose it, let the fight be open. A tax package is the wrong place, and stealth is the wrong way to revise campaign and election law.●

DEDICATION OF THE DR. JEROME H. HOLLAND LABORATORY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. HORTON. Mr. Speaker, we all recognize the tremendous effort that the National American Red Cross makes to alleviate suffering during times of community crisis. Unsung, but equally important is the role that the American Red Cross plays in medical research. The Red Cross predicts that its R&D effort will double within the next 5 years. In order to accommodate this effort, they have announced that a capital drive will be initiated to build a new research facility. This facility will be dedicated to their late chairman, and one of my constituents, Dr. Jerome "Bud" Holland. I am submitting for the record, a statement which details this important effort.

AMERICAN RED CROSS MEDICAL RESEARCH

Whenever disaster strikes, the American people count on their Red Cross to respond with relief activities. Similarly, we are aware that the American Red Cross teaches vital life saving techniques in CPR, first aid, small craft operation and water safety. The Red Cross also serves the men and women in our Armed Forces and their families, supplying financial assistance and handling emergency requests through its worldwide communications network. Its blood donor operations provide blood to more than half of the nation's medical facilities. But not so well known is the Red Cross role in medical research and its efforts to increase the effectiveness and efficiency of the blood donor's precious gift.

Red Cross medical scientists in Washington, D.C. and elsewhere in the country are also at work in such blood-related areas as genetics, epidemiology and immunology. In fact, the more researchers dive into the mysteries of blood the more they tend to believe that this fluid has a boundless horizon in the diagnosis and treatment of the body's ills.

In recent years blood products have been used to increase the success of transplants, improve the care of the newborn as well as the elderly, make possible more effective cancer chemotherapy and protect against infection.

The unit of blood donated in World War II was used to supply only two items—whole blood and plasma. Now, the blood donated by only one individual can serve many patients. It can be fractionated into components such as red cells, platelets, plasma, albumen and Factor VIII for hemophiliacs. Each component can go to a different patient, providing only the more specific fractions needed.

RESEARCH

In 1958 American Red Cross Services embarked on an expansion of its medical research activity. Among its aims at the time was to perfect a freezing technique for the longer term preservation of blood. This was finally accomplished in the 1970's by Harold T. Meryman, M.D., a Red Cross researcher whose frozen blood technique made it possible to store red cells indefinitely. The technique also destroyed the virus of serum hepatitis, a major risk in blood transfusions.

Today, Red Cross medical researchers are carrying on many varied and vital investigations into blood. One major focus is on interferon, a protein generated by white cells, and the role it plays in the fight against viral diseases. Many Red Cross regional blood centers are harvesting this minute substance from the donated blood they receive. Interferon has shown promise in battling cancer and rabies and it may be useful in helping prevent rejection of transplanted organs. It may also afford some protection against malaria and such diseases as rehumatoid arthritis, multiple sclerosis, herpes and AIDS.

The American Red Cross has also been instrumental in testing for the AIDS virus referred to as HTLV-III. All donations through the Red Cross are now tested for this virus to ensure that supplies are safe. The growth and strength of Red Cross research and development activities are recognized throughout the medical world. They are supported by grants and contracts from the federal government, private foundations and industrial groups in addition to Red Cross funds. The National Institutes of Health selected Red Cross Blood Services, for instance, to maintain and develop the National Institute and Infectious Disease serum bank. In this role, the American Red Cross will provide HLA typing trays to researchers through the world.

Currently, Red Cross Medical and Laboratory facilities are located in a rented facility in Bethesda, Maryland. While space there is considered adequate, the lease for the building is subject to periodic and uncertain contract renewals.

A few miles away is another building which houses most of the Red Cross research and development activities. Although it has the advantage of proximity to the National Institutes of Health, this structure is far from adequate. It was originally designed as an office building, not for research laboratories. Its cramped quarters are occupied by 112 scientists and technical and support staff members.

The American Red Cross Board of Governors recently recommended that all Red Cross headquarters research, development, production and service laboratories be housed in a single facility. This would minimize needed overhead, laboratory space and support costs.

Red Cross projections show that its research and development effort will double within the next five years and that a much larger facility will be needed. A study committee recommended that the new quarters should be near a major university or research institute and, if possible, a Red Cross regional blood center. Such a property has been located in Rockville, Maryland.

The Red Cross plans to dedicate the structure to its late Chairman of the Board, Dr. Jerome H. Holland, who gave six years of dedicated service to the organization, a reflection of his commitment to humanitarian ideals. Before becoming Red Cross Chairman, Dr. Holland served the Red Cross for 12 years on its Board of Governors. A former ambassador, heading to Sweden, he also had a distinguished career as an educator, heading two predominatly black colleges, Hampton Institute in Virginia and Delaware State College.

To finance the purchase of the new research and development facility, the American Red Cross estimates that $17 million in funding will be required. The Red Cross has always been a dependable source of assistance to the federal Government and other organizations and agencies seeking ways to serve the American people. Now it seeks to broaden its medical contribution by expanding its research ability.

We, the American people, branches of the federal establishment, universities and corporations—should stand ready to help with this funding. It is we who will reap the rewards of new findings of American Red Cross medical researchers, whose aim is to prolong life and ease suffering.●

GUNDERSON LEGISLATION TO ESTABLISH A NATIONAL DAIRY POLICY COMMISSION

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. GUNDERSON. Mr. Speaker, as many of my colleagues on the Livestock, Dairy and Poultry Subcommittee know, in the last few months I have become increasingly concerned about the impact emerging technologies will have on the American dairy industry and on how our national dairy policy can best respond to those new challenges.

This concern was underscored by the recent Office of Technology Assessment report entitled "Technology, Public Policy, and the Changing Structure of American Agriculture" which essentially concluded that larger dairy operations already enjoy a major advantage in the production of milk and that, under current Federal dairy policy, the development and use of new technologies will permit a continued trend toward fewer and larger dairies throughout the United States.

Similarly, a recent visit to the California dairy industry, where some of these new technologies are now in use, clearly demonstrated that these innovations can truly revolutionize how we produce milk in this country and, thus, may cause even greater surpluses of dairy products in the future and even threaten the current small- and moderate-sized family farm structure of dairy agriculture.

Accordingly, I am today introducing a joint resolution to create a National Dairy Policy Commission whose 18-month mission would be to study these emerging technologies and report back to Congress with recommendations on how our national dairy policy can respond to the new challenges created by these innovations so that additional surplus production is avoided and the family farm structure of dairy agriculture is preserved. That report is due on March 31, 1987.

It is my hope that the provisions of this joint resolution will be included in the dairy title of the 1985 farm bill. As such, I commend the attention of my colleagues to the section-by-section summary that follows:

SECTION-BY-SECTION SUMMARY OF JOINT RESOLUTION CREATING A NATIONAL DAIRY POLICY COMMISSION

Sec. 101. Findings and declaration of policy.—Finds that consumers have benefitted from the current small- and moderate-sized family farm structure of the dairy industry as well as from the dairy price support program which prevents large fluctuations in the price and supply of dairy products. Declares the policy of Congress to respond to the development of new technologies by adopting such policies as are needed to ensure that surplus production does not increase and the current family farm structure of dairy agriculture is preserved.

Sec. 102. Establishment of Commission.—The National Commission on Dairy Policy will be composed of 18 dairy producer members appointed by the Secretary of Agriculture. In making appointments, the Secretary will take into account the geographical distribution of milk production in the United States.

Sec. 103. The study.—The Commission would study the current dairy price support program, its alternatives, new technologies that will become a part of the dairy industry before the end of the century, and the impact these innovations will have on surplus dairy production, the future functioning of the dairy price support program, and the future structure of the dairy industry.

Sec. 104. Recommendations and reports.—The Commission will make findings and develop recommendations with respect to the future provisions of the dairy price support program.

Sec. 105. Administration.—The various Executive agencies, the Office of Technology Assessment, the General Accounting Office, and the Congressional Budget Office are authorized to provide the Commission with such information as it may require. The bill also authorizes the appointment and compensation of a staff and staff director as well as the payment of travel expenses and a per diem for Commission members.

Sec. 106. Financial support.—The Secretary of Agriculture is authorized to accept contribution of money and services from persons, corporations, foundations, and other entities within the United States to assist in the financing of the activities of the Commission and its staff. No single entity may contribute more than 10 percent of the Commission's total budget. The expenditure of up to $1 million in Commodity Credit Corporation funds is also authorized in the event of insufficient private financing of the Commission.

Sec. 107. Termination.—The Commission terminates 30 calendar days after it submits its report to the Secretary of Agriculture and Congress.●

EXPANDED CAPITAL OWNERSHIP AND THE IDEOLOGICAL HIGH GROUND

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. CRANE. Mr. Speaker, this week I will begin to include in the CONGRESSIONAL RECORD a series of important discussions of a new and profoundly different concept: Expanded capital ownership. This idea is one that deserves our fullest attention and our careful consideration, for it could turn the tide of socialism that has plagued our neighbors to the south for the past decade.

Karl Marx's answer to economic injustice caused by the concentration of wealth in the hands of the few was to wage class warfare and abolish all private ownership of the means of production. For years capitalism has seemed unable to provide a convincing rejoinder to this Marxist siren's call of common ownership by all, even though socialism as an economic system has failed miserably at every turn. The slogans were too appealing and the lure was too great for those who did not hold power, and many underdeveloped countries turned to socialism to solve their problems and correct the inequities that had existed for centuries.

But now, for the first time, there has begun to appear a convincing and workable alternative to Marx's plan. This alternative, which is called expanded capital ownership, provides a tangible option to world's underdeveloped countries, one which promises true economic democracy as well as increased productivity. The beauty of expanded capital ownership lies in its simplicity: the employees of corporations gain an ownership stake in the corporation for which they work. Here in the United States these plans have come to be known as employee stock ownership plans, or ESOP's, and they are cropping up with greater and greater frequency as employers and employees alike begin to recognize their worth.

If we are to prevent the Soviets and their proxies from achieving success in Central and South America, as well in other parts of the world, it is imperative that we seize the high ground in the ideological battle being waged. Expanded capital ownership provides us with a weapon that will put us on that high ground. I hope that my colleagues will read the material included below and that they will follow the sections of this series that follow in the coming days.

The above-mentioned material and a resolution offered by Mr. BARNES and myself follow:

EXPANDED CAPITAL OWNERSHIP: THE ONLY ANSWER TO CREEPING SOCIALISM

(By Gov. Ronald Reagan)

(Address to the Young Americans for Freedom and to the Bohemian Grove Encampment, July 1974.)

* * * In our resistance to what some of us see as a creeping socialism, we have just theorized about the superiority of capitalism. Have we really made capitalism work to prove those benefits can do everything for everybody better than the promises of the socialists? All they can offer with their system, if you analyze it, is to take from the 'haves' and give to the 'have-nots'. That doesn't eliminate have-nots—it just changes them around.

But capitalism can work to make every body a "have". Some years ago, a top Ford official was showing the late Walter Reuther through the very automated plant in Cleveland, Ohio, and he said to him jokingly: "Walter, you'll have a hard time collecting union dues from these machines," and Walter said, "You are going to have more trouble trying to sell them automobiles." Both of them let it stop right there. But there was a logical answer to that. The logical answer was that the owners of the machines could buy automobiles and if you increase the number of owners, you increase the number of consumers.

Over one hundred years ago, Abraham Lincoln signed the Homestead Acts. There was a wide distribution of land and they didn't confiscate anyone's already privately-owned land. They did not take from those who owned to give to others who did not own. It set the pattern for the American capitalistic system. We need an Industrial Homestead Act . . . I know that plans have been suggested in the past that all had one flaw. They were based on making the present owners give up some of their ownership to the non-owners. Now this isn't true of the ideas that are being talked about today.

Very simply, these business leaders have come to the realization that it is time to formulate a plan to accelerate economic growth and production at the same time we broaden the ownership of productive capital. The American dream has always been to have a piece of the action.

Income, you know, results from only two things. It can result from capital or it can result from labor. If the worker begins getting his income from both sources at once, he has a real stake in increasing production and increasing output. One such plan is based on financing future expansion in such a way as to create stock ownership for employees. It does not reduce the holdings of the present owners, nor does it require the employees to divert their own savings into stock purchases.

This one plan, and undoubtedly there are alternatives, utilizes an Employee Stock Ownership Trust to purchase newly issued stock when a corporation needs new capital for expansion. The trust acquires its funds by borrowing with a guarantee from the corporation, from a commercial bank or other lending institution. Over a ten-year period, it is possible for 500 billion of newly-formed capital to be owned by individuals and families who today have little or no hope of acquiring a vested interest in our capitalist system . . . What better answer could we have to socialism? What an export item on the World market! What argument could a foreign land have against a corporation which made its "have-not" citizens into "haves"?

In short, I am suggesting that we face a choice between government that has grown desperate, embarking on a course that leads to confiscation and redistribution or using the great talent and expertise of the private sector to spread legitimate capital participation in free enterprise to those who now are only property-less employees.

RADIO COMMENTARY, VIEWPOINT WITH RONALD REAGAN, FEBRUARY 1975

TAX PLAN NO. 1: EXPANDED CAPITAL OWNERSHIP THROUGH AN INDUSTRIAL HOMESTEAD ACT

Capitalism hasn't used the best tool of all in its struggle against Socialism—and that 's capitalism itself.

Roughly 94% of the people in capitalist America make their living from wages or salaries. Only 6% are true capitalists in the sense of deriving their income from ownership of the means of production.

Both groups enjoy the highest standard of living the world has ever known; certainly far better than anything socialism has produced for its people. We can win the argument once and for all by simply making more of our people capitalists.

More than 100 years ago, Abe Lincoln signed the Homestead Act making it possible for our people to own land. This was a revolutionary development. Ownership of land in most of the world had not been possible for the ordinary citizen. Generally, land belonged to the King of Emporer and thru him to the favored aristocracy.

The Homestead Act set the pattern for American capitalism. Today, 53 million Americans own their own homes. Now we need an industrial Homestead Act, and that isn't impossible. As a matter of fact, any number of companies and corporations in America have tried in a variety of ways to spread ownership to their employees.

In San Francisco, a man named Louis Kelso has evolved a plan which a number of corporations have already implemented.

Now when a corporation needs to expand, it finances the expansion either by borrowing or by selling new stock issue. Under the Kelso plan, an employee trust is formed. A company desiring new capital sells a new stock issue to this employee trust. The trust, in turn, borrows the money from a bank or lending unit, using the stock as collateral. Each individual employee winds up owning stock in the company directly proportionate to his salary or wage level and he has a vested interest in the company's ability to prosper and to increase earnings.

Over the next 10 years, there will probably be $500 billion worth of new investment for businesses and industrial expansion. It can also be $500 billion worth of corporate ownership by employees. An ever-increasing number of citizens thus would have two sources of income—a pay check and share of the profits. Could there be a better answer to the stupidity of Karl Marx than millions of workers individually sharing in the ownership of the means of production?

OWNERSHIP SHARES FOR WORKERS

(Ronald Reagan)

"He's an amateur crank." It was Paul Samuelson talking, professor of economics at the Massachusetts Institute of Technology and winner of the Nobel Prize. He was talking to Mike Wallace on "60 Minutes" about a self-taught San Francisco economist who wants to make every American worker a capitalist: Louis Kelso.

Kelso had been swimming upstream in the rarefied world of economics for nearly 20 years; until the last two years or so when some journalists and politicians began to listen and found he had something to say.

According to Kelso, "America's-official policy is to have a "full employment" economy.

This is irrational when technology and automation are destroying jobs faster than new ones can be created. What we need to do is develop a way for the workers to own a 'share of the action'—a share of the machines that actually produce the wealth.

He points out that only about 6 percent of the U.S. population derives a significant portion of its income from capital. The rest of the people must rely entirely on wages, salaries and commissions. No job, no money.

What if most of the workers also owned some of the capital and began to derive a healthy portion of their income from this source, he asks. In time, he says, the boom-and-bust cycle, wild stock speculation and the wage-and-price spiral of inflation would be a thing of the past.

Kelso points out that Amerian industry has a steady need for fresh capital to update and expand itself. If, instead of turning to traditional sources for this capital, a company created instead an Employe Stock Ownership Plan for its workers, that "ESOP" could go to a bank, borrow the money to buy the new stock of the company, and pay it back out of dividends from the stock. After all, he says, industry now pays off its capital borrowings out of profits.

As soon as the loan was paid (typically in three to five years), the workers could begin to get their own dividends. And, it wouldn't cost them a cent out-of-pocket to become shareholders. Nor would it require present shareholders to give up any ownership. No "redistribution" scheme. All the while, industry would have its fresh capital at a cost less than it now pays.

That's Kelso's plan in brief. There's more to it, of course Sen. Russell Long, D-LA, chairman of the Senate Finance Committee, is seriously interested in Kelso's visionary solutions to some of our economic problems, and the energetic Kelso (who has put a version of his plan to work in several score private firms) is beginning to get a full hearing for his ideas in Washington. Those ideas may not be perfect, but they offer some real hope that the fraternity of ruling economists—captives of Keynesian orthodoxy who have held away for four decades—may be near the end of the road.

Kelso's challenges to debate Samuelson (or any other orthodox economist) have gone unchallenged.

But no wonder Samuelson was so tight-lipped when he dismissed Kelso out-of-hand on the television program. Kelso, after all, hasn't been annointed by the priesthood. Neither was Louis Pasteur.

[From Times Picayune, October 1980]

EXPANDING OWNERSHIP

(By Ronald Reagan)

It is no secret that the American economy is in trouble. Federal deficit spending has fueled the fires of inflation. More and more Americans are suffering the anguish of unemployment—Americans who, in a strong and vibrant economy would be producing wealth for the benefit of the people of this nation. Government is claiming an ever-increasing portion of citizen incomes to pay for programs too often riddled with waste, fraud, and irresponsibility.

These baneful trends can be reversed. The method is clear. Americans deserve a major across the board tax cut. Runaway spending must be restrained; fraud and waste identified and eliminated. Excessive regulation of business must be cut back. Honest value must be restored to the dollar. Americans must be given new incentives to save, invest and produce.

But yet more must be done to restore and maintain this nation's economic well-being. For we must make sure that the ownership of America's great productive wealth remains broadly distributed among the American people.

Our Founding Fathers well understood that concentrated power is the enemy of liberty and the rights of man. They knew that the American experiment in individual liberty, free enterprise, and republican self-government could succeed only if power were widely distributed. And since in any society social and political power flow from economic power, they saw that wealth and property would have to be widely distributed among the people of this country.

The truth of this insight is immediately apparent.

Could there be anything resembling a free enterprise economy, if wealth and property were concentrated in the hands of a few, while the great majority owned little more than the shirts on their backs?

Could there be anything but widespread misery, where a privileged few controlled a nation's wealth, while millions labored for a pittance, and millions more were desperate for want of employment?

Could there be anything resembling a free government, where citizens without property dared not to resist the commands of the few who controlled their livelihoods?

Could any country be a land of free men and women, where the pride and independence of property ownership was reserved to the few, while the majority existed in dependency and servility?

It should be clear to everyone that the nation's steadfast policy should afford every American of working age a realistic opportunity to acquire the ownership and control of some meaningful form of property in a growing national economy.

This is not to say that the government should confiscate from the "haves" and bestow upon the "have-nots", beyond the requirements of a compassionate welfare program to provide for those who cannot provide for themselves. Far from it. But it is to say that our duty is to foster a strong, vibrant, wealth-producing economy which operates in such a way that new additions to wealth accrue in greater measure to those who presently have little or no ownership stake in their country.

This is not a new policy. Jefferson and Adams, Webster and Lincoln, Cleveland and Wilson—all understood its importance. But it is a policy that needs strong new emphasis in an age where its basic truth has sometimes been forgotten.

H. CON. RES. 31

Whereas it is in the national interest of the United States to assist the countries of Central America and the Caribbean in expanding individual freedom, self-determination, and democratic systems of government;

Whereas the United States is committed to the expansion of free enterprise as a means of sustaining and increasing economic development and economic and social justice;

Whereas the right of all persons to own private property in the means of production, take risks, and share in the fruits of ownership is a key element in decentralizing economic power and preventing economic power from being monopolized by a small number of owners or by the government;

Whereas the institutional barriers to more equitable sharing of ownership opportunities cause artificial class divisions and social strife between the owners and those who are denied participation in free enterprise, and the denial of fair ownership opportunity generates ever-increasing hostility toward private property, increasing the potential for expropriation, nationalization, or revolution;

Whereas the expansion of personal involvement by each worker in corporate ownership, control, and profits contributes in a significant fashion to promoting free enterprise and economic and social justice and to providing a stake in the future for persons who are politically and economically disenfranchised;

Whereas Congress enacted sixteen laws to encourage employee stock ownership plans as a tax-advantaged technique of corporate finance which makes accessible to all employees of United States companies the benefits of corporate capital credit and profits for acquiring significant accumulations of ownership shares, without reducing take-home pay, savings, or other benefits;

Whereas the use of employee stock ownership plans has proven successful in thousands of profitable United States companies as a means of breaking the distinction between workers and owners, as a means of allowing worker involvement in decisions that impact their lives, and as a means of reducing industrial strife and improving worker commitment to the values of democratic free enterprise; and

Whereas employee stock ownership plans can make a major contribution in assisting the countries of Central America and the Caribbean in expanding justice in the workplace and individual freedoms generally, in broadening the ownership constituency for free enterprise and private property, in improving the climate for accelerated growth of private sector investment and job opportunities, in strengthening regional economic integration, and in mobilizing the untapped resources and productivity of a democratic free enterprise system: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress declares that—

(1) employee stock ownership plans can be an important component in achieving United States goals in Central America and the Caribbean; and

(2) employee stock ownership plans should be used as an instrument in financing growth and transfers of equity in industrial, farming, banking, and other enterprises in the region, in reorganizing State-owned enterprises into viable employee-owned businesses, in expanding political and economic pluralism, and in strengthening democratic institutions in the region.

SEC. 2. (a) The President is urged to develop a plan for the expanded use of employee stock ownership plans in all development efforts of the United States in Central America and the Caribbean, with an emphasis on policy and infrastructural changes needed to encourage voluntary employee stock ownership initiatives by multinational corporations and other private sector enterprises which have investments, are considering making new investments, or are interested in management contracts and joint ventures in the region.

(b) To assist in this effort, the President should call upon leaders of the private sector to create and finance without public funds a private sector voluntary task force, to be known as the Presidential Task Force on Project Economic Justice. The Task Force should be charged with the responsibility of making a report and specific recommendations on strategies for using employee stock ownership plans as a means of accelerating the rate of private sector capital formation in Central America and the Caribbean that is systematically linked to expanding ownership and profit-sharing opportunities for all employees. The President should appoint the Chairman of the Task Force, who would assume the responsibility of appointing a volunteer fund-raising committee and of recommending to the President other distinguished leaders of the private sector of the United States for appointment as volunteer members of the Task Force. At least twenty percent of the Task Force should be union representatives of workers in successful companies with employee stock ownership plans, and at least twenty percent should be nationally recognized experts in all phases of design, implementation, and operation of employee stock ownership plans. The Task Force should submit its report and recommendations to the President and to the Congress no later than December 31, 1985.●

THE AIDS EPIDEMIC

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. WAXMAN. Mr. Speaker, today I would like to call note to one item among the many that was included in the House budget resolution. Among the pages and charts of numbers and projections was one line that I think many of my colleagues should know of. In the resolution reported by the Budget Committee and adopted by the House was a listing of "Function 550: Health" and major policy issues within it. At that point, the Budget Committee included language recommending extra funding for low-income and high priority public health programs, saying, "The recommendation also assumes additions to accommodate high priority public health activities, including immunizations, vaccine stockpiles, and efforts to combat AIDS."

I would like to take this opportunity to thank my colleagues on the Budget Committee and especially the distinguished chairman from Pennsylvania for their attention to the AIDS crisis. While the administration chose to treat the epidemic in a business-as-usual manner, the House Budget Committee recognized that this disease is not routine and that thousands of Americans are dying.

The budget resolution is often a place where substance is lost amid the rhetoric and the statistics. I am pleased that the committee and the House took this opportunity to recognize that millions of dollars more are necessary before we can honestly say that we have acted with even minimal adequacy.

Mr. Speaker, I submit the following statistics for the week ending May 26 and for the week ending June 2:

ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS) WEEKLY SURVEILLANCE REPORT, U.S. CASES

	Reported cases	Reported deaths
MAY 27, 1985		
Adult/adolescent	10,413	5,019
Pediatric (under 13 at diagnosis)	120	86
Total	10,533	5,105
Age of AIDS patients:		
Under 13	120	
13 to 19	57	
20 to 29	2,223	
30 to 39	4,983	
40 to 49	2,197	
Over 49	953	
Total	10,533	
Residence:		
New York	3,885	
California	2,432	
Florida	706	
New Jersey	653	
Texas	519	
Pennsylvania	217	
Illinois	215	
Massachusetts	185	
District of Columbia	162	
Georgia	159	
Maryland	123	
Puerto Rico	123	
Connecticut	116	
Louisiana	113	
Washington	110	
Virginia	94	
Colorado	75	
Michigan	68	
Ohio	68	
Missouri	53	
Arizona	46	
North Carolina	46	
Hawaii	35	
Indiana	33	
Oregon	33	
Minnesota	25	
Wisconsin	25	
South Carolina	24	
Kentucky	23	
Alabama	21	
Oklahoma	16	
Nevada	15	
Delaware	14	
Rhode Island	14	
Tennessee	12	
Utah	11	
Other States (12)	64	
Total	10,533	
June 3, 1985		
Adult/adolescent	10,553	5,149
Pediatric (under 13 at diagnosis)	125	90
Total	10,678	5,239
Age of AIDS patients:		
Under 13	125	
13 to 19	59	
20 to 29	2,252	
30 to 39	5,059	
40 to 49	2,221	
Over 49	962	
Total	10,678	
Residence:		
New York	3,917	
California	2,483	
Florida	706	
New Jersey	669	
Texas	535	
Pennsylvania	218	
Illinois	216	
Massachusetts	187	
District of Columbia	167	
Georgia	162	
Maryland	130	
Puerto Rico	125	
Connecticut	119	
Louisiana	116	
Washington	110	
Virginia	95	
Colorado	75	
Michigan	68	
Ohio	68	
Missouri	51	
North Carolina	46	
Arizona	48	
Hawaii	35	
Indiana	33	
Oregon	33	
Minnesota	25	
Wisconsin	25	
South Carolina	24	
Kentucky	23	
Alabama	22	
Oklahoma	16	
Nevada	15	
Delaware	14	
Rhode Island	14	
Tennessee	12	
Utah	11	
Other States (12)	65	
Total	10,678	

●

PHASING OUT THE DEDUCTIBILITY OF STATE AND LOCAL TAXES

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. SENSENBRENNER. Mr. Speaker, it is clear that President Reagan's plan to eliminate the Federal deductions for State and local taxes could very well be the most controversial aspect of his comprehensive tax reform plan—Treasury II.

Studies show that the cost of any proposal eliminating the State and local tax deductions would create a severe distributional shift, placing the Federal tax burden on high-tax States. For example, according to a recent Congressional Research Study, the increased Federal tax liability per itemizer in Wisconsin would be approximately, $1,128 a year, while the average itemizer in Wyoming—the State least affected—would experience an increase of only $322.81. This means itemizers in Wisconsin would be paying $805.63 more per year than those in Wyoming.

Tax increase per itemizer/year

1. New York	$1,646.15
2. District of Columbia	$1,433.82
3. Delaware	$1,293.92
4. Massachusetts	$1,246.16
5. Maryland	$1,207.35
6. Minnesota	$1,132.27
7. New Jersey	$1,128.51
8. Wisconsin	$1,128.44
9. California	$1,099.82
10. Rhode Island	$1,095.46
11. Michigan	$1,074.88
12. Hawaii	$1,048.84
13. Connecticut	$1,039.88
14. Vermont	$1,003.29
51. Wyoming	$322.81

(Chart is based on May 1985 study by Congressional Research Service.)

Under the Reagan proposal, the deduction for State and local taxes would be repealed on January 1, 1986. However, it is vitally important to insulate the State taxpayer from an outright repeal by providing a transitional period in which this deduction would be phased out. I have devised a plan which would do this and put State governments on a 5-year notice. This would allow each State to first assess the impact of eliminating this deduction and then take appropriate action.

Under my proposal, the deductions for State and local taxes, as currently allowed under section 164 of the Internal Revenue Code of 1954, would be phased out over a 5-year period beginning with the taxable year 1986. My plan would allow full deduction for State and local taxes to be taken in 1986, 75 percent of the full deductions in 1987, 50 percent in 1988, 25 percent in 1989, and a complete repeal in 1990.

People across America have reacted in a positive manner to the idea of tax reform. Americans are clearly expressing support for simplifying the current complicated and unfair Tax Code. Congress now has the opportunity—and the obligation—to reevaluate our system and develop legislation which will make it simpler, equitable, and economically efficient. However, as we move through the legislative process, let us not make these changes at the expense of millions of Americans who are being victimized by their own State governments' irresponsible tax and spending policies.●

HARD WORK AND DEDICATION AT NARF ALAMEDA ENHANCE OUR SECURITY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. STARK. Mr. Speaker, in the midst of our debates over major weapons systems we sometimes lose sight of what our national security really rests on: The hard work and dedication of those who maintain and operate the weapons we purchase.

The men and women who work at the Naval Air Rework Facility in Alameda, CA, have recently been duly congratulated for their contribution to our defense by the commander of the Naval Air Force of the U.S. Pacific Fleet. The NARF Alameda has moved from sixth to fourth place in the Nation in efficiency.

I would like to add my congratulations and gratitude to the employees at NAFR Alameda for a job well done. Below is the memo of congratulations from the Commander Naval Air Force, U.S. Pacific Fleet.

The memo follows:

NAVAL AIR STATION,
NORTH ISLAND,
San Diego, CA, May 13, 1985.

To: Commanding Officer, Naval Air Rework Facility Alameda.

From: Commander Naval Air Force, U.S. Pacific Fleet.

Subject: Aircraft programs support.

1. The enthusiastic, dedicated and aggressive support provided by the Naval Air Rework Facility Alameda during recent months has contributed substantially to PACFLT aircraft readiness. During the past year:

a. US-3A BUNO 157995 was converted from a preproduction S-3A aircraft three months ahead of schedule. This brings to five the number of US-3A aircraft available to support deployed carrier battle groups (CVBG's). These unique aircraft have simultaneously supported CVBG's in the Indian Ocean, Northern Pacific and Caribbean Sea.

b. Naval Air Rework Facility Alameda's rapid response to sudden appearance of wing spar cap cracks on deployed EA-3B aircraft kept these vital aircraft on station and an effective component of CVBG's. Your response in providing an ISR Field Team to perform A-6 AFB 325 part III on USS VINSON, USS MIDWAY and MCAS Iwakuni during the Christmas holiday season indicates your commitment to fleet readiness and safety.

c. The Fleet Readiness Action Group (FRAG) performance has been impressive. Their expeditious shipment of critical aircraft components directly contributed to S-3A/A-3 readiness improvement and elimination of S-3A special interest aircraft (SPINTAC) at NAS North Island.

2. Your responsiveness to fleet needs and consistent high quality product output attest to the dedication and patriotism of the men and women at Naval Air Rework Facility Alameda.

3. You have my appreciation for your contributions to the high state of material readiness in Pacific Fleet. Congratulations for a job well done. Keep up the good work.

C.A. EASTERLING.●

TRIBUTE TO THE HONORABLE SAM B. HALL, JR.

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. LIVINGSTON. Mr. Speaker, I want to pay tribute to one of our most distinguished colleagues, the distinguished gentleman from Texas, Mr. SAM B. HALL, JR., who is regrettably leaving this body.

SAM HALL has now ably served his constituents in the great State of Texas for 9 years, and has at all times comported himself with the highest degree of integrity, colleaguality, virtuosity, and courtesy.

But the gentleman from Texas has not only served his constituents well, he has served this great Union which is the United States of America. The distinguished gentleman has been a true leader on legislation concerning the vital areas of regulatory reform, veterans affairs, narcotics control, and Federal administrative law. All Members on both sides of the aisle have confidently been able to look to the distinguished and wise leadership of SAM HALL on judiciary legislation throughout his illustrious career in Congress.

On a more personal note, SAM, I want to commend you for always voting your conscience. You have always stood for what you believed to be right—partisanship be damned. That may have cost you at times, but I firmly believe that our country benefited from your devotion to principle.

SAM has produced tremendous results for this country. History will look back on the career of the gentleman and render a verdict that it has been indeed distinguished.

I know that I can speak for all of my colleagues on both sides of the aisle in saying that we are all terribly burdened with sadness to see the gentleman from Texas, SAM HALL, leaving this body. He will be sorely missed.●

TRIBUTE TO THE HONORABLE SAM HALL, JR.

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1985

● Mr. HAMMERSCHMIDT. Mr. Speaker, I would like to add my own thanks and best wishes to the others being offered to my good friend and colleague, SAM HALL, who is leaving the House of Representatives to accept a Federal judgeship in his home State of Texas. Sam has served the people of the First Congressional District with integrity, determination, and success since 1976, and will be missed by all of us.

I have had the pleasure of working with Sam on matters of importance to our Nation's veterans, in that we both serve on the Veterans' Affairs Committee. As the former chairman of the Subcommittee on Compensation, Pension, and Insurance, of which I am privileged to be a member, Sam and I have cosponsored a number of bills to provide compensation to our service-connected disabled veterans, their dependents and survivors, as well as measures dealing with other veterans' issues. We have both also served on the Subcommittee on Oversight and Investigations, where we conducted hearings on the general operation of the Veterans' Administration.

Last June Sam and I were honored to be part of the congressional delegation which participated in the ceremonies commemorating the 40th anniversary of D-Day at Normandy. We shared emotional moments during this trip as we recalled the sacrifice of the brave men who made the massive assault on the beaches 40 years earlier, and recalled our own military experiences during World War II.

Sam is also chairman of the Judiciary Subcommittee on Administrative Law and Governmental Relations—a position in which all of his colleagues on the House Judiciary Committee have had the benefit of his keen legal mind as they have crafted complex pieces of legislation. And as a member of the Select Committee on Narcotics Abuse and Control, Sam has battled against illicit drugs, which destroy the lives of too many young Americans.

His fine work in Congress has not gone unnoticed, as Sam has won many awards, including three Watchdog of the Treasury awards, and the Peace Through Strength award.

I am going to miss not only Sam's outstanding work as a Member of the House of Representatives, but also his tremendous sense of humor and his valued friendship. I wish him only the best as a Federal Judge.●

LEST WE FORGET

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. CRANE. Mr. Speaker, the following article appeared recently in the Chicago Tribune. I include it in the Record today to serve as a reminder of the activities engaged in by Jane Fonda and her husband during the Vietnam war. Although memories can sometimes be painful, it is often necessary to remember them.

[From the Chicago Tribune, Apr. 28, 1985]

EGOS THAT ARE MONUMENTAL ENOUGH

(By Raymond Coffey)

Washington.—The big problem as we arrive this week at the 10th anniversary of the fall of Saigon and the end of the Vietnam War seems to be where to erect the statue of Jane Fonda and husband Tom Hayden.

In case you missed the story, Hayden, the middle-aging hero of what in the 1960s called itself the New Left, proposed in an interview out in California last week, while referring to the Vietnam Memorial honoring those who fought and died in the war, that "the antiwar movement deserves monuments as well."

With the blushing modesty that has always so characterized their careers, Hayden did not specifically suggest that the antiwar monument take the form of a statue of him and his actress-wife.

But what could be more appropriate? Is there really any other choice?

Gracious as always, Hayden allowed as how he didin't really mind that a memorial has been at last erected to the Vietnam veterans.

But, he said, "There was no less a sense of honor or patriotism among those of us who opposed the war out of our sense of what this country was all about. I think the antiwar movement deserves some kind of credit and some kind of memorialization."

Sure, Tom. Sense of honor and patriotism.

That obviously is what sent your Jane off to Hanoi to pose gleefully at the trigger of a North Vietnamese anti-aircraft gun while those same North Vietnamese were shooting down American pilots.

It was also a sense of honor and patriotism, I'm sure, not to mention her famous political-social-intellectual depth and brillance that led Jane—or "Sister Fonda," as Radio Hanoi happily called her—to publicly proclaim her hope that the Vietnamese communists would win the war.

"We thank you for your brave and courageous and heroic fight," she proclaimed—presumptively speaking for all Americans with the collective "we"—in one of her Radio Hanoi speeches to the enemy.

During her tour of North Vietnam, Fonda also exhorted American troops and pilots in effect to disobey orders and quit fighting. She also claimed, in her Radio Hanoi broadcasts, that the American pilots and other prisoners of war in North Vietnam were not being tortured—that in fact they were all "healthy and repentant."

That came as quite a surprise to the men who in fact were horribly tortured.

Busy as she was displaying her sense of honor and patriotism, Jane still had time to pass along her always clear-eyed and coherent political insights.

In 1969, for instance, according to a Detroit reporter's record of her speech at Michigan State University, she said:

"I would think that if you understood what communism was, you would hope, you would pray on your knees, that we would someday become communist."

Again, in one of her Radio Hanoi reports, Jane announced that "U.S. society is not an answer to those who seek happiness."

All that, of course, was before the communists won the war and hundreds of thousands of "boat people" and other Vietnamese refugees risked their lives to flee to the United States.

Along with their sense of honor and patriotism, Jane and Tom have also demonstrated a wondrous flexibility. Jane has converted to capitalism, and with her hugely successful physical fitness program has become so outrageously rich that she can pour in millions of dollars to a new political career as a California state legislator for Tom, whose last brush with fame was as one of the Chicago Seven defendants.

There were, of couse, genuine, sincere, reasonable critics of the Vietnam War.

But Tom and Jane did—and still do, it seems to me—specialize in cynicism, self-indulgence, dilettantism, hypocrisy and runaway egos.

If they think they deserve a monument, let them build one in their back yard.

Or maybe their old heroes in Vietnam could find room for a Tom and Jane statue among the "Esso, signs and the Shell signs and the Coca-Cola signs and the Hondas and the TV sets" and other manifestations of "American imperialism" which—according to Jane's Radio Hanoi reports—is what the Americans in Vietnam were fighting for.●

U.S. TRUSTEE ACT OF 1985

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. RODINO. Mr. Speaker, today I am introducing, along with Mr. Fish and Mr. Edwards of California, the U.S. Trustee Act of 1985, legislation that will implement the U.S. Trustee Program in bankruptcy administration on a nationwide basis. This legislation will greatly enhance efficient and honest bankruptcy administration at no cost to the taxpayer—the program is designed to be self-funding after its initial year of nationwide operation.

Prior to the Bankruptcy Reform Act of 1978, all administrative as well as judicial functions in bankruptcy were handled under the direction of the bankruptcy courts. As one example, private trustees who administered estates were appointed by the bankruptcy court. But these trustees also appeared before the same judges who appointed them to make recommendations regarding matters of the estate. The trustees were therefore reluctant to "bite the hand that fed them" by taking positions contrary to judges. This made it difficult for the private trustees to fill their role as impartial case administrators. This awkward relationship between trustee and judge created an improper appearance of favoritism, cronyism, and bias and generated great disrespect for the bankruptcy system, as noted in House Report No. 595 at page 113, accompanying the Bankruptcy Reform Act of 1978 (95th Cong., 1st Sess.).

The Bankruptcy Reform Act of 1978 sought to separate the administrative duties in bankruptcy from the judicial tasks, to leave the bankruptcy judges free to resolve disputes untainted by knowledge of matters unnecessary to a judicial determination, and to promote

the smooth workings of and impartiality in the bankruptcy system. To accomplish these goals, the Bankruptcy Reform Act created the U.S. Trustee Pilot Program, originally to run through 1984 but later extended to 1986.

Ten U.S. trustee positions were created encompassing 18 Federal judicial districts. The U.S. trustees were given responsibility for many of the administrative functions that had previously been handled by the bankruptcy courts. The pilot program was housed in the Department of Justice in order to ensure the separation of administrative from judicial functions and the independence of the U.S. trustees. In addition, the U.S. trustees were given important oversight and watchdog responsibilities to insure honesty and fairness in the administration of bankruptcy cases and to prevent and ferret out fraud.

Evaluations of the U.S. Trustee Pilot Program have been uniformly positive. At the request of the Department of Justice, and to fulfill the Department's statutory mandate to evaluate the pilot program, Abt Associates of Cambridge, MA, conducted a detailed, 15-month study of the program in January 1982, after the pilot program had been in operation for several years. The study compared the administration of bankruptcy cases in pilot U.S. trustee districts to administration in nonpilot districts and concluded that the U.S. Trustee Program "is sound in theory and has demonstrated its effectiveness empirically."

The study recommended that the U.S. Trustee Program be expanded and implemented on a nationwide basis. The study further recommended that the program continue to be housed in the Department of Justice, the most logical place for the program. The study found that placing the program within the judiciary, which is under the control of the Administrative Office of the U.S. Courts, would "in many ways threaten the independence from the judiciary that was originally sought in creating the U.S. Trustee Program." The study went on to conclude that:

> An Association between the court and the U.S. trustee's office, even if loosely structured, would hinder both the independent operation of each and the public perception of independence . . . . Over time, this would blur the distinction between the administrative functions and judicial functions, and . . . would not be desirable.

When the pilot program was placed within the Department of Justice in 1978, some opposed this placement because they felt that there would be conflicts of interest created by putting the program in the Department. The Abt Associates study found that this did not occur, noting that "initial fears that there would be conflicts of interest between DOJ as an advocate for the U.S. Government and the U.S. trustee as impartial case administrator have not materialized."

The Department of Justice itself has evaluated the program and provided numerous examples of its success, particularly in carrying out the critical watchdog responsibilities. The program has prevented fraud and other abuses and saved considerable sums for both creditors and the Government. The U.S. trustees have worked closely with law enforcement authorities within the Department in the detection and prosecution of white collar crimes related to bankruptcy, such as embezzlement, fraud, theft, and concealment of assets.

Perhaps most important to the Government, the U.S. trustees have monitored debtors-in-possession in chapter 11 reorganization cases to ensure that they make full and timely remittance of employee Social Security deductions and withholding tax. Thus, they have prevented incidents such as one occurring in a nonpilot district where a chapter 11 debtor ran up a withholding tax liability in excess of $1 million.

In short, in the 6 years since its inception, the pilot U.S. Trustee Program has been a great success, and we have learned from it. The bill introduced today takes into account the experience of the pilot program. It establishes 12 U.S. trustee regions, which correspond generally to the Federal circuits. The ninth circuit is divided into two U.S. trustee regions, though, because of the extremely heavy bankruptcy caseload in California.

Each of the 12 U.S. trustees will be appointed by the Attorney General of the United States for a 4-year term. The Attorney General will also appoint assistant U.S. trustees and will determine how many such positions are necessary for effective bankruptcy administration.

The U.S. trustees will continue to perform administative, supervisory and watchdog functions in bankruptcy cases under the general supervision of the Attorney General. The existing statutory duties of the U.S. trustees remain but are further elaborated upon in the bill. Among the duties to be performed by U.S. trustees are: monitoring applications for fees and expenses, monitoring reorganization plans and disclosure statements, taking action to insure that all statutorily required reports are filed by debtors, organizing and monitoring creditors' committees, notifying and assisting the U.S. attorney if the U.S. trustee discovers violations of the criminal laws, monitoring the progress of cases, and monitoring applications filed to employ professional persons. The U.S. trustee may file pleadings with the court taking positions on any of these matters.

The bill makes clear that the U.S. trustee has standing to be heard by the court on any issue in a bankruptcy case by making the U.S. trustee a party-in-interest. The U.S. trustee, however, cannot file a plan of reorganization in a case under chapter 11.

As an important part of bankruptcy administration, all matters concerning private trustees will be handled by U.S. trustees. These matters include monitoring the performance of private trustees; maintaining panels of private trustees qualified to serve in chapter 7 and 13 cases; appointing a standing chapter 13 trustee where appropriate; and, when the appointment of a trustee is ordered by the court, appointing a trustee in chapter 11 reorganization proceedings. By removing from the courts the purely administrative duties associated with maintaining panels of trustees, overseeing trustees, and appointing trustees, the workload of the bankruptcy courts will be reduced. More important, any improper appearance created by having private trustees under court control will be eliminated.

Although the courts will no longer have the power to appoint a specific trustee, it is important that the courts be able to remove a trustee if cause is shown. This power of the court is left intact. However, since the U.S. trustee has the day-to-day responsibility for appointing private trustees in chapter 7 and 13 cases and for supervising case administration and private trustee performance, the U.S. trustee is also given the power to remove a private trustee for cause in chapter 7 and 13 cases. To prevent arbitrary removals by U.S. trustees, the U.S. trustees, must file a notice of withdrawal with the court setting forth the reasons for removal before a trustee is removed. The notice of withdrawal, however, is not a pleading that must be approved by the Court.

The bill also frees the bankruptcy courts from other administrative functions. All meetings of creditors will be convened and run by the U.S. trustee. The U.S. trustee may examine the debtor at these meetings. In cases under chapter 11, the U.S. trustee will be responsible for appointing a committee on unsecured creditors.

A wealth of experience and expertise has been gained by those persons now serving as U.S. trustees in the pilot program. To make maximum use of this experience, the bill provides for a transition period in which the existing U.S. trustees will be assigned to the new expanded trustee regions until the earlier of either (a) 2 years after the expiration of their present terms or (b) 4 years after the effective date of the legislation. This will immediately provide experienced U.S. trustees for 10 of the 12 trustee regions established by the act. The act calls upon the Attorney General to promptly fill the remaining vacancies and any vacancies that may arise unexpectedly.

The bill also introduces a new aspect to the U.S. Trustee Program—self-funding. The operating costs of the program will be funded entirely by user fees after the first year of nationwide operation. The filing fee paid by a debtor upon filing a chapter 7 liquidation or a chapter 13 wage-earner proceeding is increased by a modest $15, with this increase going toward funding the U.S. Trustee Program. Chapter 11 debtors will pay a fee toward funding the program of three-fourths percent of their scheduled assets, up to a maximum fee of $5,000. Chapter 11 debtors will contribute more to the fund than other debtors because these reorganization cases often require more time and attention by the U.S. trustee than do cases filed under chapter 7 or chapter 13. Although these fees should support the operation of the program at current levels of bankruptcy filings, the bill provides for a safety valve of additional funds to be appropriated by Congress in the event there is an unexpected shortfall of funds in any future year.

The U.S. Trustee Program has proven to be highly successful during its experimental stage. It has improved the administration of bankruptcy cases and has served as an effective watchdog on the bankruptcy system, saving creditors and taxpayers large sums of money. The program has been enhanced by being housed within the Department of Justice. The bill introduced today will preserve this very worthwhile program and expand it nationwide at no cost to the taxpayer, greatly benefiting the administration of the bankruptcy laws of the United States.●

THE 23D DISTRICT OF TEXAS CELEBRATES OLDER AMERICANS MONTH

HON. ALBERT G. BUSTAMANTE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BUSTAMANTE. Mr. Speaker, throughout May, citizens across the country celebrated Older Americans Month. To mark this occasion, residents in the 23d District of Texas held many and varied special events.

The Middle Rio Grande Development Council-Area Agency on Aging held its Third Annual Senior Olympics on May 3, an all-day event with more than 200 participants. The Senior Olympics were held in Carrizo Springs and included participants from eight counties.

Numerous other countywide celebrations marked Older Americans Month. Bexar County senior citizens joined together for an annual picnic. Maverick, Kinney, Uvalde, and Zavala counties held banquets and presented awards to honor area senior citizens for their years of contribution to the community. In cities throughout the district, special programs took place. In Laredo, Del Rio, Asherton, Batesville, Carrizo Springs, and others, people gathered together to celebrate Older Americans Month with dances, dinners, and awards ceremonies. All who joined in the month-long tribute contributed to the success of Older Americans Month. All who continued to dedicate their time and efforts to helping senior citizens keep the spirit of Older Americans Month going throughout the year.

Indeed, senior citizens and those who care about them have cause to celebrate throughout 1985. This year marks the 50th anniversary of the national Social Security system, the most significant social and legislative achievement of this century. It also marks the 20th anniversary of Medicare, Medicaid, and the Older Americans Act. These programs represent a commitment by the Federal Government to the older citizens of our country.

Through Social Security, our Government provides basic economic security to the elderly, survivors, and disabled citizens. Millions of Americans who would fall below the poverty line without Social Security's protection are given the chance to support themselves and live with dignity. Medicare and Medicaid have provided millions of aged, disabled, and poor Americans with access to appropriate and affordable health care. Finally, the Older Americans Act set forth major Federal programs to serve the social and nutritional needs of our Nation's elderly. Over the last two decades, a national network of agencies and organizations has emerged as a result of need to assist our aging citizens, and the American people have responded with energy and innovation.

The theme of this year's Older American's Month was "Help Yourself to Independence." With the help of income security, vital community services and caring individuals, senior citizens are able to help themselves to independence. As we conclude our tribute to the Nation's senior citizens, we should all remember how we have benefited from the many contributions which today's elderly have made to our society. They have worked to improve life for all of us and deserve our thanks. We are better off because of their efforts, and we continue to benefit from their wisdom, their service, and their affection.●

JAMES S. JACKSON—A MAN TO REMEMBER

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. SEIBERLING. Mr. Speaker, on May 22 James S. Jackson, a retired editor of the Akron Beacon Journal, died unexpectedly at the age of 80. Jim Jackson was a newspaperman's newspaperman, a plain spoken, clear thinking, clear speaking, honest and dedicated professional, in every sense of the word. But he was much more than that.

Jim Jackson loved his city and the people in it. As the Beacon Journal editorial on the day following his death said so well:

> He fretted over it, worked for it, tried to change it for the better, persuaded others to join his cause.

He had not one cause but many causes, all good.

Jim Jackson and his wife, Margot, were both crusaders for the protection of our region's historical and natural values, and above all those of the Cuyahoga Valley. They not only wrote about it in magazine articles and fascinating books, they were among those who worked incessantly to protect the valley. Their help was instrumental in building the base of support that enabled the enactment of the legislation in 1974 that created the Cuyahoga Valley National Recreation Area.

I first met Jim 40 years ago when I was a young Army officer in France in the waning days of World War II, and he was on a visit to write about the war and the role local boys had in it. Jim was immensely interested in the world at large as well as the local world and was to travel extensively to many countries on both sides of the Iron Curtain in subsequent years. We both immediately developed a strong feeling of friendship which continued throughout the intervening years.

After the war, Jim called me in Akron one day and asked me to have lunch with him and his fellow editor, Robert Stopher. I discovered that the purpose of the luncheon was to try to persuade me to run for Congress on the Republican ticket. I laughed, and told them that I appreciated their confidence but had two problems: First, I was then in law school and, second, I was a registered Democrat. However, I appreciated their thought.

Certainly none of us had any idea then that 25 years later I would run for Congress, still a Democrat. As a congressional candidate, one of my great satisfactions has been having Jim as an active, indeed invaluable, member of my campaign committee.

Mr. Speaker, Jim Jackson was one of those wonderful human beings who

was so vital and so solid that one felt he would be there forever. Since his passing, the outpouring of affection for Jim Jackson has been truly impressive, though not surprising. The impact he had on his community and on his friends may be glimpsed from some of the articles recently written about him. I think it would be appropriate to include them in the RECORD. Accordingly, I offer an editorial of May 23 and two articles from the Akron Beacon Journal of May 29, one by Abe Zaidan, the senior editor, and one by Tom Horner, a retired Beacon Journal associate editor now living in California. They say, in terms both homely and eloquent, how much Jim Jackson meant to his community and to his friends. I am proud and happy to have been one of them.

A MAN WHO LOVED AKRON

It was in 1971—14 years ago—that the word got out that Jim Jackson had retired from the editorial page of the Beacon Journal. Actually, the "retirement" was no more than a career technicality. It is hard to remember a day over those 14 years when Jim wasn't up to something.

Jim and his wife Margot were blessed with many interests and often collaborated in their writing and research of their beloved Cuyahoga Valley. Indeed, just a few weeks back, Jim was in our office with a copy of their latest work: "Cuyahoga Valley Tales," a collection of historical vignettes about the valley.

With Jim, we grew accustomed to the fact that there was always another column or book on the way. He wrote a column of historical interest for the Beacon Journal's Saturday editorial page. Jim had convinced some of us that he would go on forever. Early Wednesday, unexpectedly, Jim Jackson died at the age of 80.

As a newspaperman, Jim was fussy and plain-spoken, insisting always on accuracy and clarity. He also crusaded for the Cuyahoga Valley National Recreation Area—so much so that many will remember him as the "father" of the project.

Above all, however, Jim possessed a quality that is becoming less and less apparent in an impersonal world. Jim loved his city, Akron. He fretted over it, worked for it, tried to change it for the better, persuaded others to join his cause.

Jim simply refused to allow anything to discourage him, not even the weather. On wintry days when most folks—"retired" or not—took refuge by the hearth, Jim bundled himself up and took to the valley roads for his day's agenda.

For those of us who continued to know him as a friend and a professional, the highest tribute we could pay him is that he was an inspiration to others. He was more interested in his mission than himself. As such, he made some older human values seem refreshingly new.

PRINCIPLE AND FRIENDSHIP

(By Tom F. Horner)

The one word that best describes James S. Jackson and his life's work is "friend."

From that cold, wintry night of Feb. 22, 1943, when he spread sand and cinders on an icy Ira Road hill so that I could get to Cleveland and tell my wife about my first day's work at the Beacon Journal, Jim Jackson has been my friend—my first friend in Akron, my true friend.

For 28 years we worked together on the Beacon Journal editorial page—first in the same office, later in separate side-by-side units. Together we shared the pride and joy of success and the misery of errors and failures. We also shared the ups and downs of our families' lives, in happiness and adversity.

Jim Jackson was a man of principle, strong opinions and courage. Long before it became popular, when Martin Luther King Jr. was still a boy, Jim was storming the barricades of racial prejudice and social injustice, personally and editorially. He fought unceasingly for the underprivileged. He was their friend.

In the field of labor relations, Jim's was a voice of authority. He knew personally the top executives of the rubber industry and the founders of the rubber union. All trusted him to be fair and just. He was their friend.

His efforts to be a helpful friend to his community are demonstrated in his achievements.

In all that he did, Jim maintained his honesty and integrity, his independence and his goals. He was an accurate reporter and an excellent editorial writer. He was fiercely loyal to the Beacon Journal and to its late editor, John S. Knight.

Today, countless others join me in mourning the death of a fine husband and father, an outstanding community leader and a most successful newspaper editor.

We have lost our friend.

JIM JACKSON HAD WAY OF LEADING OTHERS TO TOP OF THE MOUNTAIN

(By Abe Zaidan)

I remember the day very well.

A bleak, chilling day in the spring of 1984. Snow had been falling much of the morning.

If it had been anything other than a commitment to Jim Jackson, I would have stayed in bed. But I knew that Jim would not have accepted the miserable weather as an excuse to scrub the mission. Worse, yet, I would have never heard the end of it. That worried me more than snow and ice.

I had been working on a free-lance story about the Cuyahoga Valley, a piece that seemed to be growing to the length of the valley itself. Frankly, it was starting to overwhelm me. So Jim offered to take me on a tour of the valley to fill in some historical details. We couldn't have picked a worse day.

But Jim was a veteran of the valley's back roads, its gullies and slumping woodlands. So we spent most of the bumpy day challenging them with Jim at the wheel delivering a running commentary.

Now and then we would stop and tramp through a foot of snow for a closer look at a bend in the Cuyahoga River. I tried to take notes, gave up and turned on my tape recorder to pick up his non-stop descriptions.

"The snow's a little deep here," he said absently. "Do you want to go back?"

"No, no," I replied when I really meant "Yes, yes." I couldn't allow myself to concede that he, 27 years my senior, was a lot better at this sort of thing than I.

We spent several tiring hours together that day. Jim's auslere expression seldom changed. Now and then he seemed to grow impatient with me if I didn't seem to grasp the full meaning of what he clearly considered to be the divine truths that constituted the valley.

"We can follow up on that when we get back home," I said.

"Well," he said in a pained voice, "why don't we do it now? After all, we're right here."

OK, Jim, OK.

That day, I got more than hours of research for a story. I got a close-up of Jim Jackson on the loose in his natural environment: an intense but happy soul, making allowances for nature's excesses (of course beavers can be nuisances, but they come with the territory) and its glories.

It was the side of Jim Jackson that I had never really seen on those days in the office back when he was writing editorials for the Beacon Journal. He could be snappish, burdensome in his questions about a story, terribly out of sorts if a single comma went awry. I passed it off as a generation gap and went about my business, keeping a safe distance on days when we might have been on a collision course.

Too late did I learn that he possessed something that eludes too many of us: He had a passion for nature in all of its subtlest meanings. He never tired of learning one more obscure detail about the river bed or the arch of an oak's limbs. He stalked the history of the valley and sometimes politely, but always firmly, corrected a lapse in historical reporting.

One evening we sat through a slide show at the Cuyahoga Valley Recreation Area's Happy Day Lodge. Jim's hearing was at best minimal and I wondered how he could possibly pick up a single word of the lecture. Afterward, he casually remarked to me: "She was wrong about how the oxbow was cut off."

Jim did make concessions, but usually only to his wife Margot's enormous knowledge of the Cuyahoga Valley. A stranger might consider it a grudging concession, but a friend can vouch that there were certain expert opinions that Jim would just as soon leave to Margot at the risk of being corrected anyway.

Jim Jackson died last week. But people like Jim leave their mark in many ways. Mostly they lead other human beings to another dimension in life that would otherwise escape them.

When he described the history of a certain Norway spruce, your first inclination was to move on quickly to other things. But it also is true that you will never pass that tree again without pausing to recall his loving monologue. It's called awareness. A special quality in a face-value world.

Thanks, Jim.●

DR. JACQUELINE BARTON RECIPIENT OF 10TH ALAN T. WATERMAN AWARD

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mrs. BOGGS. Mr. Speaker, I wish to bring to the attention of the Members of the House of Representatives the honor which was bestowed upon Dr. Jacqueline K. Barton, assistant professor of chemistry, Columbia University, at the National Science Board dinner on May 15. Dr. Barton, the first woman to be so honored, was selected

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to receive the distinguished Alan T.

which she is being honored today while an

Dr. Burgess, the principal investigato receive the distinguished Alan T. Waterman Award for recognition of outstanding capability and exceptional promise for significant future achievements demonstrated through personal accomplishments in scientific or engineering research.

Mr. Speaker, the Members of this body, as promoters of the National Science Foundation's Fellowship Program for Women and Minorities, deserve to share in this recognition of Dr. Barton's work in bioinorganic chemistry which she began as NSF predoctoral fellow at Columbia. In his awards presentation remarks, Mr. Erich Bloch, the eminent Director of the National Science Foundation reminded his audience that:

> Programs and deserved recognition are important stimuli to attract our best young people to careers in research and in university faculty.

Mr. Speaker, I am pleased to enclose in their entirety the presentation remarks of Mr. Bloch:

PRESENTATION OF ALAN T. WATERMAN AWARD TO DR. JACQUELINE K. BARTON BY MR. ERICH BLOCH, DIRECTOR, NSF, DEPARTMENT OF STATE, MAY 15, 1985

I am truly delighted to present the Waterman Award this evening to Dr. Jacqueline Barton of Columbia University.

Dr. Barton's research is not only quite fundamental and interesting in its own right, but she has also developed a technique that will be very useful for further exploration of important areas of biology and chemistry that could lead to the design of new pharmaceutical agents.

Essentially, she has combined in an innovative way ideas and techniques from inorganic chemistry and other fields to develop a new tool and approach that can discriminate between two types of DNA, recognize the location and extent of one of the types, and intervene in the structure of a molecule.

This work has bridged the fields between molecular biology and inorganic chemistry, and has the potential for profoundly affecting research in this vital area.

As is the case with many discoveries, her work builds on many beginnings by others—not only recent ideas, but some that stretch far back in time:

The optical activity of metal complexes that she exploits goes back nearly 100 years to the work of another young investigator, the 26-year-old Swiss chemist, Alfred Werner;

The resistance of these metal complexes to structural change was central to the work for which Henry Taube (then an NSF grantee) received the Nobel Prize two years ago;

And, left-handed DNA was discovered by a former colleague of ours on the National Science Board, Alex Rich of MIT.

Dr. Barton was born in New York City and received her bachelor's degree with high honors in chemistry at Barnard College in 1974. She received the Ph.D. from Columbia in 1979, following thesis work in bioinorganic chemistry under the direction of Dr. Stephen J. Lippard. She was a National Science Foundation predoctoral fellow at the time.

She then undertook postdoctoral work in biophysics and biochemistry at Bell Laboratories and, with NIH support, at Yale University, Dr. Barton began the research for which she is being honored today while an assistant professor at Hunter College, and has continued it in her present position at Columbia.

Even before she was nominated for the Waterman Award, she had been identified as a bright new talent through the Presidential Young Investigators Program. I am pleased to say that she was one of the first 200 PYI's, the ones that received their awards in 1984.

In conjunction with that program, part of her work is being supported this year by the Sloan Foundation and last year by the American Cyanamid Corporation. As you know, the PYI program calls for contributions from non-Federal sources, and here is an example of cooperation between the Federal Government and the private sector and the leveraging of Federal tax dollars.

It is very important that we continue to recognize the work of our young people through programs such as the Presidential Young Investigators and the Waterman Award.

Programs and deserved recognition are important stimuli to attract our best young people to careers in research and to university faculty. Young people must be encouraged, stimulated and integrated early into the systems of science and its workings. They provide us with new insights and fresh ideas and, just as importantly, they are the ones that will inherit the system—they must also be asked early on to help build it, change it, and improve it.

And now, it is my pleasure to present the Waterman Award to Dr. Barton.

"For her imaginative and significant work in bioinorganic chemistry. Her use of small inorganic molecules to recognize and modify DNA sites in very specific ways has led to two major discoveries—enantiomeric selectivity in binding DNA to helices of different handedness, and Z-DNA 'punctuation' at the end of genes—with important implications for drug design and for the theory of gene expression."●

DR. ERNEST M. BURGESS: GIVING THE DISABLED NEW HOPE

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. MONTGOMERY. Mr. Speaker, Dr. Ernest M. Burgess, an orthopedic surgeon at the Seattle Veterans Administration Medical Center, has received the seventh annual Olin E. Teague Award for his achievements in aiding disabled veterans. VA Administrator Harry N. Walters and Mrs. Olin Teague presented the award to Dr. Burgess Monday in a ceremony at the Veterans Administration central office here in Washington.

The prestigious Olin E. Teague Award, named for our late colleague from Texas who served as chairman of the Committee on Veterans' Affairs for 18 years, is presented annually to a VA employee, or employees working as a team, whose achievements have been of special benefit to Veterans with service-connected injuries.

Dr. Burgess, the principal investigator of the Prosthetic Research Study Center at the Seattle VAMC, has been associated with the VA since 1964. He led the effort to develop the Seattle foot, an energy storing prosthetic device that enables foot amputees to participate in activities they were heretofore precluded from due to their disabilities, such as running, bicycling, and various sports. Earlier this year, the Seattle foot received the Presidential Design Award for Excellence.

Dr. Burgess is considered a pioneer and advocate in the rehabilitation of patients with lower extremity amputations and is credited with popularizing the use of immediate post-operative plaster cast techniques for protecting and molding the residual limb after an amputation.

Dr. Burgess received his B.A. from the University of Utah in 1932 and his M.D. from Columbia University in 1937. He interned at Swedish Hospital in Seattle and his orthopedic surgery residency was at the hospital for special surgery in New York from 1939 to 1941. He served as an orthopedic surgeon in the U.S. Army from 1943 to 1946.

Dr. Burgess is also a clinical professor of orthopedic surgery at the University of Washington School of Medicine where the Ernest M. Burgess Endowed Chair for Orthopedic Investigations was created in his honor.

Mr. Speaker, in words borrowed from a recent article in the Milwaukee Journal, the VA medical center system "has gone on from its humble roots to become a world leader in medical research and development."

The VA research team is one comprised of determined scientific investigators who are committed to excellence. One need look no further than the contributions of Dr. Ernest Burgess in order to understand how VA research is improving the quality of life for mankind.

Dr. Burgess is a grand example of the wonderful difference that one individual can make in a population of 5 billion. He has earned our deepest gratitude and highest praise for the hope he has given to the disabled and for the recognition and honor he has brought to himself, the VA and the international medical community in the course of his scientific search.

I know that my colleagues will want to join with me in congratulating Dr. Burgess for his remarkable achievements in a career spanning more than 50 years.

We offer our best wishes to Dr. Burgess for continued success at turning knowledge, perseverance, ingenuity, and desire into answers that address the health care needs of his fellow man.●

A CLOSE LOOK AT THE BRONX

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. GARCIA. Mr. Speaker, as evidence of the fact that the Bronx is coming back I would like to recommend to my colleagues the following article. In recent years efforts to reverse the Bronx's fortunes have begun to pay off. Already the changes are apparent—the evidence can be seen along all the major thoroughfares. These changes are the results of people in the Bronx who believe that the immediate past need not determine the future. I recommend the article to my colleagues.

A CLOSE LOOK AT THE BRONX

(By David B. Konigsberg)

Riverfront mansions grace its wooded cliffs and seaside cottages line its shores. Massive housing projects rise from former swamps and boulevards of bygone art deco elegance stand in counterpoint to acre upon acre of shattered, abandoned tenements. Just three decades ago, The Bronx was a bastion of the middle class, with tightly knit neighborhoods from river to Sound and a lively commercial heart. Today, many neighborhoods remain intact; some others are truly thriving; yet many others have suffered in the extreme from urban blight falling to disrepair, destruction and abandonment. As for tomorrow—who knows what's possible? For the momentum of devastation has finally been reversed, both by a concentrated infusion of government and philanthropic funds and by the tireless efforts of residents who are striving to make The Bronx a better place to live.

If New York is the world's most diverse, exciting city, The Bronx is its borough of stark contradictions, a living metaphor for the American urban experience and a precursor of its future. A complex social tapestry, it is a land divided by economic and ethnic boundaries into geographic quadrants. In the North, in communities like Riverdale, the rich are very rich. These are communities that foreign emissaries, businessmen and well-to-do professionals call home. In the west,.dense middle and working class neighborhoods of Italians, Jews, Hispanics and Blacks are anchored by some of the city's most famous attractions and institutions, and are, in many cases, vibrant and stable. In the east, tree-lined suburban streetscapes, sandy beaches and park land create a cool and quiet refuge, where middle class immigrants, many of them Russian, develop strong ethnic enclaves, and where a tiny spit of land, City Island, remains more like a New England seacoast village than a part of American's largest city.

Yet it is for its southern tier that The Bronx is best known, the infamous "South Bronx" that gives the borough an image that's hard to live down. Marked by abject poverty, it is a district that stands as an emblem of urban hardship, a vista of broken, burnt-out buildings that some have called a "moonscape" on earth. Here, until recently, good news has been hard to come by, and the future seemed terribly bleak. But these days, there is good news to speak of, for slowly, yet surely, the South Bronx is on the rebound, with rebuilding and renovation the watchwords for the decade.

In neighborhoods like Belmont, Bedford Park, Kingsbridge, University Heights and South Fordham, neighborhoods on the northern and western fringes of the devastation, rebuilding efforts are anchoring once drifting residential districts, giving them new hope for a prosperous future. Sidewalk improvements, rehabilitation, street repairs, and new lighting are not just creating a cosmetic lift, but giving local residents a sharp boost in morale, renewing their sense of hope and respect, and illustrating the considerable value these places offer the city at large.

Indeed, the neighborhood of Morris Heights is a prime example of where The Bronx is headed. Once one of the borough's most stalwart middle class areas, with a healthy commercial strip and a nationally respected campus (formerly of New York University, now of Bronx Community College), it was drained of residents in the late 1950s by a huge 15,000-unit northeast Bronx housing project known locally as Co-op City. The heights fell into headlong decline, and looked like it would never recover. Yet in recent years, an effort to reverse its fortunes has begun to pay off. Currently, a project underway will build and rehabilitate over 900 low and middle class housing units, while another will improve over a thousand more in thirty different buildings. Already the changes are apparent—the evidence can be seen along all the major throughfares. A graphic example? Just a few years ago the corner of Segwick and West Tremont avenues, was a typical core of urban decay. Today, however, this intersection looks like any other solid city neighborhood. Of course, residents don't see prosperity coming overnight, but they do admit improvements are hard to deny. They see their neighborhood rising, and as it does, so will the communities around it.

On the Grand Concourse, meanwhile, formerly one of the city's most exclusive thoroughfares, some of the nation's finest examples of art deco residential architecture met with a decline that has been both dramatic and moving. Yet slowly, developers have come to recognize the value of its solid, potentially luxurious, housing stock in a city whose housing shortage is pronounced and worsening. There's been no great rush by comfortable city dwellers to this magnificent avenue. Some, however, believe the Concourse will regain its former grandeur sooner if not later, and they're willing to put their money on that very possibility.

In fact, since government money and philanthropic aid can only go so far, it is private money and dedicated, creative individuals that stand as the best hope the borough has, most of all in the southernmost Bronx's poorest core. The question is, will they come? The answer is, some already have. Brave real estate speculators, betting on a sound, long-range investment, have raised capital and bought abandoned properties for a song. Indeed, in some of the most poverty stricken sections—the infamous Charlotte Street and the community of Morrisania—the first of hundreds of single family homes and townhouses have been built and sold to middle class homeowners promising to create a brand new landscape from the very ashes of the nation's most profound urban tragedy.

New signs of life are also stirring beyond The Bronx's residential sectors: in the industrial area of Hunt's Point, the outlook is rapidly improving. The Hunt's Point Terminal still serves as all of New York's chief clearing house for fresh produce from northeastern farms and around the world. Each day, some 5,000 truck drivers make pickups and deliveries here, and for them, government aid is enabling the construction of new dining, service and lodging facilities. Government contracts, inexpensive space and proximity to major highways and rail lines are also raining the prospects of the Bathgate Industrial Park—prospects that, in the future, will mean new jobs where jobs are needed most.

Beyond this, The Bronx has much to be proud of—much, that, in the end, will prove truly bankable: A marvelous parks system designed by the masters. Frederick Olmsted and Calvert Vaux: one of the world's largest and finest zoos; a botantical garden second to none; some of the nations most respected colleges: and, of course, Yankee Stadium, home of baseball's most famous team—a stadium steeped in the history of America's favorite pastime.

To some Americans. The Bronx still summons images of failure and despair. Yet, it's a TV image, quick and cursory, and one that is growing stale. In the real Bronx—today's Bronx—there are those who see things differently. They are people who believe the past need not determine the future.●

TRIBUTE TO TANCREDO NEVES

HON. ALBERT G. BUSTAMANTE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BUSTAMANTE. Mr. Speaker, in joining my colleagues and Members from the other body in paying tribute to the late Tancredo Neves, I wish also to salute the courage and legendary patience of the Brazilian people. From Amazonas to Rio Grande do Sul, Brazilians have waited for 19 years for a return to pluralistic, representative democracy. In that time, they have heard frequent mention of their country's great potential. Recently, they have been tantalized by the prospect of a constituent assembly. They have remained hopeful throughout a difficult period in negotiations over their external indebtedness.

Senor Neves embodied many of the contradictions of Brazilian politics through the latter stages of Brazil's political opening. As head of a new and moderate front, he managed to build a consensus around first principles. He had no more pressing item on his planned agenda than the reconciliation of diverse interests. He spoke often of the need to offer hope to the millions of children growing up in the squalor of urban favelas. In a country which has known many forms of political extremism this century, he promised to cling to the center.

On this occasion, the sincere best wishes of the Congress should be extended to President Jose Sarney. He will have the extremely difficult task of making good on pledges which he did not have a hand in formulating.

With the continued burden of hyperinflation and the cruel effects of draught in his native Northeast—and with thousands of workers demanding a return to the sustained growth of the early seventies—Brazil's new leader deserves our initial support and friendship.

In invoking the memory of Tancredo Neves, we mourn the passing of a consumately skilled and remarkably patient statesman. As cabinet minister, governor of the state of Minas Gerais, and finally, as President-elect of the Republic, he consistently demonstrated the virtues of flexibility and common sense. These attributes are praiseworthy not just in one man's career, but in the larger context of fostering democratic regimes throughout this hemisphere. We can only regret that the United States had missed an opportunity to work with this fine man in further improving bilateral relations. We extend our condolences to his family, but hope at the same time that everything he stood for will be remembered by those who wish to see a fully independent Brazil realize its enormous potential.●

EULOGIES TO SENATOR SAM ERVIN AND TO MILTON EISENHOWER

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. JACOBS. Mr. Speaker, the following eulogies to Senator Sam Ervin and to Milton Eisenhower which appeared in the National Taxpayers Union's publication, "Dollars and Sense," deserve the thoughtful attention of all Americans.

SENATOR SAM, R.I.P.

". . . I love my country and believe that its day as a viable economic entity is doomed unless the Constitution is amended to require Congress to balance the federal budget. I love my country so much I cannot keep silent while opponents of a balanced budget conjure up a non-existent ghost to defeat the efforts of those who believe in fiscal sanity."

Sam Ervin would have been 89 in September. His death was more a loss to us than to him. He had already done a good life's work when he pitched in to help the Balanced Budget Amendment Drive. He did help in many ways, writing letters, giving interviews, even recording messages that will probably be timely for years to come.

What came out in everything he wrote or said about the Constitution and our efforts to reform it to control runaway spending was a concern about the future. Sam Ervin was old-fashioned. He still used the old-fashioned word "posterity" that was so often on the lips of the Founders. Like them, he cared about the big issues in a big way. He cared about liberty. He cared about the legacy we are leaving to future generations. He cared about the Constitution and knew more about it than he needed to, even to be a Senator. And through it all he was practical enough not to leave home without his American Express card. He was a rare man. We will miss him.

MILTON EISENHOWER, R.I.P.

Milton S. Eisenhower, the lone surviving brother of President Dwight D. Eisenhower and Co-Chairman of NTU's Balance the Budget Amendment Committee, died on May 2. Dr. Eisenhower was one of our century's leading citizens. He aided eight U.S Presidents, working in high-level posts for Presidents Calvin Coolidge, Herbert Hoover, and Franklin D. Roosevelt. He continued in some capacity for every President through Nixon. He served on 12 presidential commissions, five of which he was Chairman. He was a close confidant of President Roosevelt, in spite of their political differences. During FDR's years in the White House, Dr. Eisenhower was a frequent guest there for lunch. He was also his brother's closest advisor, working with him intimately during the eight years that he was President. Dr. Eisenhower was twice President of the John Hopkins University. He received 37 honorary degrees and sat on the boards of 13 corporations.

A great and accomplished man, he had from his own intimate experience a better grasp of the history and operation of the American government in the 20th century than practically anyone now living. In fact it is doubtful whether anyone since the founding of the Republic has served so many Presidents in so high a capacity as Dr. Eisenhower.

His concerns for this country were not merely the dreamy thoughts of a theorist, they were based upon the solid foundation of experience. Dr. Eisenhower knew what he was talking about. Until his final days, he spoke eloquently about the dangers to our democracy posed by runaway deficit spending and the predominance in the Congress of selfish interest groups and selfish politicians who care more about being reelected than about doing what is right for the country.

He often spoke of deficits as being like sedatives. Taken in small doses, they encourage dependency, but do no great damage to health. But taken in large quantities for a long period of time, they are deadly. He was convinced that deficits in America had reached the deadly stage. He saw economic collapse looming ahead, with runaway inflation or outright repudiation of the national debt likely. He prayed that we would get the additional two states needed to force constitutional reform of federal finances—before it is too late. His vivid sense of the urgency of this problem did not come from pessimism, he wasn't a pessimistic man. He was a realist, who saw things as they are—a realist who wished to change them to what they should be. He fought for years in his final bout with cancer, without self-pity and self-delusion. He saved all his care for the cause he believed in—the American experiment in freedom. In his final days, his last message to us was a plea that we press forward for passage of a Balanced Budget Amendment. We will, of course, but it will be harder without him.●

THE CHEMICAL WEAPONS DEBATE

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. MAVROULES. Mr. Speaker, as the Members of the House consider the administration's request in the fiscal year 1986 defense authorization bill of $125.5 million for production of lethal binary chemical weapons, serious questions on the intent and direction of U.S. policy on this issue merit review. An editorial published in the Boston Globe earlier this year addresses these questions and draws some sobering conclusions.

I would like to share this editorial with my colleagues in the hope that it will help to inform the debate approaching on the nerve gas issue.

I urge support for the amendment being offered by Representatives JOHN PORTER and DANTE FASCELL to delete the funding request for chemical weapons production. A vote in favor of this amendment is the strongest signal we can send to the administration that a multimillion-dollar chemical weapons program is poor national security policy and a grave disaster for American foreign policy interests.

The article follows:

[From the Boston Globe, Jan. 15, 1985]

CHEMICAL OVERKILL

Congress and the Reagan Administration should move as quickly as practical to implement the recommendations of a special commission that the Army dispose of its enormous stock of chemical weapons by incineration. Congress should also review the decisions that led to such an enormous accumulation of toxic materials—one that may cost as much as $4 billion to render harmless.

Chemical weaponry has never been anything but dirty business. An assortment of international agreements, inspired by the barbaric experiences of World War I, has renounced the use of such materials. They have hardly ever been used since then; the latest example being an unconfirmed role in the Iran-Iraq war.

Nevertheless, American military policy—and presumably that of most other major nations as well—has incorporated chemical weapons in arsenals on the grounds that some potential enemy might use them first and that military prudence dictated the need to be able to retaliate in kind.

Even conceding the principle, it is less clear why such enormous quantities of potentially lethal materials were accumulated or why it has taken 16 years, since the last addition to the arsenal, to decide that it would be dangerous to keep them any longer than is necessary.

Scattered over at least 10 major depots in this country and abroad, the array of chemical weapons was found to include some that are in danger of leaking. The study panel has wisely counseled against moving the weapons from their present sites and has vetoed suggestions that they be buried or dumped in the ocean. Construction of incineration facilities should begin promptly so the task can be undertaken as soon as possible.

Review of the status of chemical weapons, some of them dating back 40 years, raises a question about the inventory of more than 10,000 nuclear warheads. Although no conspicuous accidents have occurred with this stockpile, it, too, has the potential for a lethal accident and should be controlled with great vigor.●

LEGISLATION TO COMBAT ALCOHOL ABUSE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BROWN of California. Mr. Speaker, in the past few years, public attention has focused on the negative social impact of alcohol abuse. As legislators, we must respond to this outcry. In 1983, alcohol provided $12.2 billion in taxes, but cost the Nation, according to an Office of Technology Assessment study, $120 billion in lost employment and productivity, health care, property loss, and crime, as well as immeasurable damage to the family lives of those involved. We also cannot tolerate the massive sacrifices in human lives that are lost each year as a result of alcohol abuse.

Great strides have been made in the last few years in heightening public awareness of the harmful effects of alcohol. The work of such groups as Mothers Against Drunken Driving [MADD] and the Center for Science in the Public Interest have helped clarify the issue. But, with an issue as important as alcohol abuse, this educational process must be vigilantly pursued.

As part of the continuing battle against alcohol abuse in America, today I will be reintroducing legislation to require warning labels on most distilled alcoholic beverages. My bill, the Alcoholic Beverage and Labeling Act, will broaden public understanding of possible harmful consequences of drinking. Far too few individuals know that alcohol can cause severe illness or even death after only 1 night's alcoholic binge; that as few as two drinks in 1 hour can cause a 25-percent impairment in driving ability; that alcohol can cause harm in the unborn fetus; that, for a large minority, alcohol abuse can result in alcoholism; and that excessive alcohol consumption can increase the risk of cancer, particularly of the mouth, pharynx, larynx, and esophagus.

This year's Alcohol Beverage and Labeling Act is slightly different from last year's bill. For one thing, I have added a warning that using alcohol may increase the risk of cancer. I believe there is strong enough evidence to support this contention, and that warning of this major risk should be included. The labeling bill also requires radio and television advertisers to give a verbal warning during the broadcast of advertisements of alcoholic beverages that are above 24 percent alcohol. I believe changes will enhance the intent of the bill.

The bill would require the following warning to be placed on most alcohol bottles:

WARNING

Using this product:

Too fast or too much may cause sickness or death;

May impair driving ability;

May create dependence or addiction;

During pregnancy may harm the unborn; and

May increase the risk of cancer.

LEGAL AGE REQUIRED FOR PURCHASE

Along with my alcohol labeling bill, I will also be reintroducing legislation to amend the Internal Revenue Code to disallow tax deductions for alcohol advertising. I do not think that the Federal Government should be supporting alcohol advertising through the tax laws.

Mr. Speaker, alcohol producers, like other businesses, are permitted to deduct all advertising expenses as a cost of doing business. Because of the size of producers' advertising budgets, these deductions amount to a very large tax break. Between 1970 and 1983, expenses for radio ads increased by 300 percent, and 490 percent for TV ads. Just last year, beer and wine companies spent over $700 million to advertise over TV and radio—3.5 percent of total TV ad revenues, 12 percent of radio ad revenues. This entire amount was subsidized by the Federal Government in the way of a business tax deduction. In effect, the Federal Government subsidizes alcohol advertising.

Despite recent leveling, per capita alcohol consumption is up by nearly 50 percent in the last 25 years. Close to 15 million Americans, including 3 million under the age of 18, have serious drinking problems. According to the National Institute of Drug Abuse, an alarming 41 percent of high school seniors reported binge drinking—five or more drinks in a row—during the 2 weeks before the survey.

Since TV became popular in the 1950's, overall per capita consumption of alcohol has increased over 40 percent. Consumption of alcoholic beverages is up 30 percent since 1970. Advertising expenditures have increased as per capita consumption increased. Although a direct link between these two phenomena has not been demonstrated, the purpose of alcohol advertising is most likely to increase total demand rather than simply affect preference for certain brands.

In terms of research, a widelynoted 1981 Michigan State University study by Charles Atkins and Martin Block concluded that advertising increases consumption by at least 10 percent. The 400-page study prepared for the Bureau of Alcohol, Tobacco and Firearms and the Federal Trade Commission, found that heavy exposure to alcohol advertising and self-reported heavy drinking were related. How can we, in good conscience, condone and even support this practice?

Mr. Speaker, alcohol is America's No. 1 drug problem, killing well over 100,000 of us each year and costing our Nation a staggering $120 billion annually in economic damages. We cannot continue down this path. I believe these alcohol bills are a good start at addressing the issue. By passing these bills, Congress would be sending a clear message to the alcohol industry and the public that, while we uphold their constitutional right to drink alcohol if they choose, it should be done responsibly. Also, the alcohol industry should not be supported by the Federal Government through our tax laws. I strongly urge my colleagues to join me in these initiatives.

H.R. 2656

A bill to amend the Federal Food, Drug, and Cosmetic Act to provide that the label and advertising of certain alcoholic beverages contain a statement warning consumers of possible health hazards associated with consumption of the beverage unless such a requirement is in effect under other Federal law

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Alcoholic Beverage Labeling Act Amendment".

SEC. 2. WARNING STATEMENT.

Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) is amended by adding at the end the following new paragraph:

"(q)(1) If it is a beverage consisting of more than 24 percent alcohol by volume unless its label, labeling, and advertising bear the following statement:

"WARNING

"Using this product:

Too fast or too much may cause sickness or death;

May impair driving ability;

May create dependence of addiction;

During pregnancy may harm the unborn; and

May increase the risk of cancer.

"LEGAL AGE REQUIRED FOR PURCHASE

Such statement shall be located in a conspicuous place on the label, labeling, and advertising as proximate as possible to the name of the beverage and shall appear in conspicuous and legible type in contrast by typography, layout, and color with other printed matter on the label, labeling, and advertising.

"(2) Any advertisement for a beverage consisting of more than 24 percent alcohol by volume which is to be broadcast over radio or television shall include the statement required by subparagraph (1).

"(3) The requirement of subparagraph (1) or (2) shall not apply with respect to a beverage if the Secretary has determined that a comparable requirement is in effect with respect to such beverage under any other Federal law.".

SEC. 3. STATE LAW.

Nothing in section 403(q) of the Federal Food, Drug, and Cosmetic Act shall preclude or deny the right of any State or political subdivision thereof to require any warning statement on the labels or labeling or in the advertising of alcoholic beverages which is in addition to those required by such section, unless such additional statement is inconsistent with the statement required by such section.

SEC. 4. EFFECTIVE DATE.

The amendment made by section 2 of this Act shall apply with respect to beverages introduced or delivered for introduction into interstate commerce after the end of the sixty-day period beginning on the date of the enactment of this Act.

H.R. 2857

A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DISALLOWANCE OF DEDUCTION.

Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) DISALLOWANCE OF DEDUCTIONS FOR ADVERTISING OF ALCOHOLIC BEVERAGES.—No deduction otherwise allowable under this chapter shall be allowed under this chapter for any amount paid or incurred to advertise alcoholic beverages.".

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply to amounts paid or incurred in taxable years ending after December 31, 1985.●

LESS AID FOR MINORITY STUDENTS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. GARCIA. Mr. Speaker, a recent article in the Washington Post, stated that a recent survey by the American Association of State Colleges and Universities had found that minority students were receiving a smaller share of financial aid. One of the reasons cited was the Reagan administration's plans to cut the Guaranteed Student Loan Program and "tough new eligibility standards for all types of Federal aid." This has led many minority applicants to be discouraged from applying.

Reagan must not be allowed to deprive the many worthy young people of this country from their chance at higher education. The administration's attempts to cut these funds must not be allowed to pass. As the article stated, "This calls for someone or some organization to take a closer look." We are that someone. I urge my fellow colleagues to block these measures and give the youth of America the chance to achieve all they can achieve.

The article follows:

[From the Washington (DC) Post, June 4, 1985]

MINORITY STUDENTS RECEIVE SMALLER SHARE OF FINANCIAL AID

(By Keith B. Richburg)

The percentage of student aid flowing to minorities at public colleges and universities dropped sharply in the 1983–84 academic year as more white, older and self-supporting students used aid money to go to school, according to a report released yesterday.

The number of aid recipients dropped by 2.3 percent that year compared with two years earlier, according to "Student Aid and Public Higher Education," prepared by the American Association of State Colleges and Universities.

But the percentage of aid recipients who were minorities dropped more dramatically: 12.4 percent from the 1981–82 academic year.

The report also found that more aid recipients work while attending school—suggesting that student aid has not kept pace with rising college costs.

Educators offered various explanations for the decline in the number of minorities receiving aid. They include a general decline in minority college enrollment, a perceived reluctance by minorities to assume massive debts as aid shifts from grants to repayable loans, and the possibility that news of pending aid cuts has discouraged some minorities from applying.

"This calls for someone or some organization to take a closer look," said Mary Margaret Walker, spokeswoman for the association.

The report comes amid an ongoing debate over the Reagan administration's proposed cuts in the Guaranteed Student Loan program and tough new eligibility standards for all types of federal aid.

The latest report follows a study by the association which found declining black and Hispanic enrollment in relation to the number of new college-eligible minorities.●

WORLD ENVIRONMENT DAY

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BRYANT. Mr. Speaker, I am privileged to join with many of my colleagues in observing "World Environment Day," emphasizing our recognition of the fact that the quality and the very existence of human life is dependent upon our environment and the delicate balance of all living things.

A recent review of Roger D. Stone's "Dreams of Amazonia" by Dallas Times Herald book editor, Jeffry S. Unger, impressed upon me the fact that the needs and actions of people half a world away—not to mention those close to home—can have influential effects upon the world's ecosystems. As we observe this special day, let us all remember that all of us are served by the balance of nature and human kind, whether in the Amazon—of which Mr. Unger wrote, "This extraordinary region, nourished by the world's longest river and its 1,100 tributaries, contains 20 percent of the world's river water and more species than any other place on Earth"—or along the Trinity River, which runs through my district in Dallas County, or in the piney woods of east Texas."

Progress can coexist with environmental preservation. Development can and must be accomplished cautiously and thoughtfully, with full consideration given to its effects upon the world around us. Otherwise—if its result is to make the world a poorer, less livable place, drained or beauty and variety—it is counterproductive.

I call the attention of my colleagues and the citizens we serve to this instructive article and the book it describes.

AMAZON BASIN: A FRAGILE REGION UNDER THE GUN

Earlier this year, a major American newspaper announced the appointment of a new book editor.

This was such a big deal that several other papers ran interviews with the guy.

He had a lot of interesting things to say about how he perceives his job, what his goals are and other sorts of highfalutin literary stuff.

Frankly, it all sounded pretty routine—except for his comment about how he judges books.

He said that he judged fiction and non-fiction by different standards and that what he's looking for in non-fiction isn't good writing but facts.

That's stupid.

Almost anyone can gather facts; few people can put them together to make compelling reading. There's a true art to weaving a good book out of the truth. Only a couple dozen authors this century have managed to make a career of it.

Charter members of this diverse and distinguished group include A.J. Liebling, Barbara Tuchman, Anthony Sampson and John McPhee (who has written on such unlikely topics as bark canoes and oranges).

Of course it's too early to say whether Roger D. Stone will gain admittance to the club, but if he can maintain the high standard he has set in his first book, he will be welcomed.

"Dreams of Amazonia" (Viking, $17.95) is Stone's history of the Brazilian Amazon, a region the size of Europe (including the Soviet Union west of the Urals).

This extraordinary region, nourished by the world's longest river and its 1,100 tributaries, contains 20 percent of the world's river water and more species than any other place on Earth.

Stone, former chief of the Time-Life News Bureau in Rio de Janeiro, traces the story of Amazonia from its geologic beginnings to the present. In between, Stone, now vice president of the World Wildlife Fund, examines the effects of exploration and development on the region, as well as current efforts to save Amazonia from human encroachment.

Stone's writing is reminiscent of McPhee's: straightforward, direct and easy to understand. Like McPhee, Stone achieves a matter-of-fact tone yet never bores.

Stone must have been a tireless reporter while gathering facts. He credits numerous previous studies of the region throughout his book (but doesn't muddy the text with

footnotes) and strives to present both sides of controversial issues—such as development, a process preservationists argue threatens the region's survival.

The Amazon basin and the vast wealth it is believed to contain have intrigued outsiders for centuries. Scientists have been observing and cataloging the region's flora and fauna since Columbus first set foot on South America in 1498. Until very recently, most of the research has concluded optimistically about the development potential of the region. Contemporary studies have shown, however, that Amazonia is an extremely fragile ecosystem, sensitive to the slightest unnatural disturbance. The soil in the basin, for example, generally is so unfertile that the trees within it have adapted their root systems to process the trees' own fallen and decaying leaves. Other recent research has proven that half or more of the rain that falls on Amazonia comes from transpiration within the basin, which means continued deforestation would result in a devastating regional drying trend.

"In its undisturbed state, the Amazonian forest is just as robust as any other forest," ecologist Carl F. Jordan of the University of Georgia told Stone. When parts of the forest are destroyed, however, leaching, erosion, species loss and other forms of instability affect the fragility of the entire forest.

In the last chapter, "Balance Sheet," Stone analyzes Amazonia's future. Currently the public mood has swung toward controlled development, and, thus, what Stone calls an improved climate. Realizing that a shift in economic or political conditions could reverse the trend, Stone offers recommendations for preserving the region's vitality.

But the bottom line in Stone's ledger is overwhelmingly pessimistic. The murderer of Amazonia won't be voracious capitalism, but human nature itself, Stone says.

"The notion of Amazonian development continues to be as fundamental to Brazilian thinking as was that of westward expansion in the United States of a century ago . . . The disappearance of Amazonia's forests will be gradual but inexorable, and there is precious little that anyone beyond Brazil can do about it."●

THE IMPORTANCE OF RETAINING THE STATE AND LOCAL TAX DEDUCTION

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. McGRATH. Mr. Speaker, as many of my colleagues know, I am adamantly opposed to any tax reform plan which contains the elimination of the deduction for State and local taxes on individual income tax returns. I believe such a proposal violates the principles of New Federalism and will have adverse economic impacts on my constitutents, resulting in tax increases and reductions in property values.

I am pleased to insert in the RECORD today a letter to President Reagan from the Honorable Francis T. Purcell, Nassau County executive. The letter points out that Nassau County's population is greater than 14 of the 50 States and that the loss of this deduction for county residents would cost the average homeowner in Nassau County more than $1,800 per year in additional Federal income taxes.

It is for this reason that I intend to persevere in my efforts to retain the deduction in any tax reform plan enacted.

OFFICE OF THE EXECUTIVE,
NASSAU COUNTY EXECUTIVE BUILDING,
Mineola, NY, March 6, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR PRESIDENT REAGAN: There is one item in the U.S. Treasury Department's proposed tax reform package to which I am vigorously opposed: That is the elimination of the deduction for state and local income, sales and property taxes from the federal income tax.

Eliminating this deduction would have a very serious impact on homeowners across the nation, but particularly on homeowners on Long Island and in Nassau County.

Nassau County's population is 1,321,582, more people than 14 of the 50 states. If we were Nassau City instead of Nassau County, we would be the sixth largest city in the nation. There are 434,045 housing units in Nassau County, 78.9 per cent of them owner-occupied, and 21.1 per cent rented. The average housing value in Nassau County in 1980 was $60,700, compared to $76,700 in Bergen County, New Jersey; $83,500 in Westchester County, New York; and $95,200 in Fairfax County, Virginia. There is also a growing trend towards conversion of apartments into cooperatives and condominiums, whose owners would also be affected by elimination of the federal income tax deduction for state and local taxes. The number of cooperatives and condominiums grew from 4,086 in 1979 to 9,397 in 1984.

Under existing law, Nassau County homeowners deduct from their income an average $675 for state and local sales taxes, an average $2,800 for state income taxes, and an average $3,199 for property taxes. Elimination of these deductions would cost the average homeowner more than $1,800 a year in additional federal income taxes. In a very real sense, this deduction is a social compact between the homeowner and the federal government, a compact originally intended by the federal government to promote and encourage home ownership. Eliminating this deduction now would be breaking this compact. Without the deduction, the cost of acquiring and maintaining a home would increase sharply, making home ownership too costly for many, especially for young people, whom we are trying to keep on Long Island. Your economic policies have greatly assisted our efforts to attract new businesses and jobs to Nassau County. However, we are beginning to experience some difficulty in filling these jobs. One reason is the scarcity of affordable housing for the young, a scarcity that would certainly be exacerbated if elimination of the federal income tax deduction moves housing even further beyond the realistic reach of young people who are just starting out.

State policies are largely responsible for the high level of taxes in New York State and in Nassau County. About two-thirds of all county spending is dictated by special mandates, many of them implementing federal social programs such as Medicaid. The Nassau County homeowner's county property tax bill averages 22 per cent of his total property tax bill. Between 50 and 60 per cent of his total property taxes, depending on the community in which he lives, goes to his school district. School districts could be especially severely affected by elimination of the federal deduction. I think there would be greater resistance to school spending and taxes, with a possible diminution in the high quality of education offered in Nassau County.

I hope you will reject this proposal from the Treasury Department.

May I again say how delighted I was to meet you again at the International Games for the Disabled last summer, and to be able to reminisce with you about our earlier meeting on the basketball court in California in the 1940's.

Sincerely,

FRANCIS T. PURCELL,
County Executive.●

THE 12TH DISTRICT FLORIDIANS WANT FAIR TAX SYSTEM, STRONG DEFENSE, AND SPENDING CUTS

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. LEWIS of Florida. Mr. Speaker, in February I mailed to constituents my 1985 12th District (Florida) questionnaire. The survey covered the wide range of issues now before the Congress and concerns facing south Floridians today. It is a pleasure to share with my colleagues the results of my survey.

The questionnaire was filled out by more than 12,000 adult residents of my congressional district, and I continue to receive responses to the survey. The results are based on a random sample of 11,600 responses.

The survey is by no means scientific. It was sent to everyone who receives mail in the 12th District of Florida, so responses come from Democrats, Republicans, independents, and nonvoters alike. The survey results do give me an idea—both in the results and the comments that accompany many of the returns—how my constituents feel about the issues and how I can better serve them.

That's what government is all about—a shared responsibility—and I'm pleased to see so many people getting involved in Florida.

Mr. Speaker, I think the results of my 1985 questionnaire indicate south Floridians are staunch supporters of tax reform, budget cuts, a strong defense, and better government leadership.

The results are as follows:

1. Reducing the Federal deficit is one of the most important issues facing Congress. Generally, do you favor: (please choose one)

A. Raising taxes? 3 percent agreed.

B. Cutting spending? 56 agreed.

C. A combination of raising taxes and cutting spending? 21 percent agreed.

D. Freezing all Federal spending at current levels? 20 percent agreed.

2. Do you support tax reform and simplification?

A. Yes—92 percent.

B. No—8 percent.

3. If your answer to number 2 was yes, do you favor:

A. A flat tax with no deductions? 24 percent agreed.

B. A graduated flat tax with some deductions such as home mortgage interest? 58 agreed.

C. A graduated flat tax with no deductions? 13 percent agreed.

D. Other? 5 percent agreed.

4. Should agricultural price supports and commodity loan payments be: (please choose one)

A. Increased? 4 percent agreed?

B. Decreased? 26 percent agreed?

C. Held level? 22 percent agreed?

D. Eliminated? 48 percent agreed?

5. Which of the following do you believe should be the United States' top priority in developing its policy in Latin America? (please choose one)

A. Promotion of human rights and political freedoms—27 percent agreed.

B. Stopping the spread of communism—45 agreed.

C. Economic assistance to "friendly" countries—13 percent agreed.

D. No involvement at all—15 percent agreed.

6. President Reagan has proposed a space based defense against nuclear missile attack on the United States. He calls the program Strategic Defense Initiative. Do you support such research?

A. Yes 76 percent.

B. No 24 percent.

7. Where would you like to see emphasis given in our war against drugs? (Please choose one)

A. U.S. foreign policy toward drug-source countries—18 percent agreed.

B. Drug abuse, treatment and education programs—6 percent agreed.

C. Sentencing reform for smugglers, dealers and users—7 percent agreed.

D. Nationwide drug eradication programs—4 percent agreed.

E. Federal, State and local law enforcement—7 percent agreed.

F. All of the above—55 percent agreed.

G. None of the above—4 percent agreed.

8. To fight youth unemployment, should employers be allowed to pay teenagers less than the minimum wage for summer work?

A. Yes—75 percent.

B. No—25 percent.

9. Congress may have to consider a proposal calling for reduced funding for loans or grants to college students. Should we: (please choose one)

A. Maintain existing funding? 3 percent agreed.

B. Decrease funding? 34 percent agreed.

C. Increase funding? 3 percent agreed.

D. Maintain existing funding while stepping up efforts to collect unpaid loans? 60 percent agreed

10. Education is primarily a State matter and Federal involvement is not necessary.

A. Yes—65 percent.

B. No—35 percent.

11. If you are a veteran and have used one of the veteran medical facilities in Florida, do you believe the quality of health care available to Florida veterans is adequate?

A. Yes—45 percent.

B. No—55 percent.

12. What is the biggest problem facing our area of Florida today? (please choose one)

A. Crime and drug trafficking—38 percent agreed.

B. Environment/Water—19 percent agreed.

C. Unemployment—2 percent.

D. Immigration—16 percent.

E. Growth Management—27 percent.

F. Transportation—4 percent.

G. Other—2 percent.

THE VALUE OF A QUESTIONNAIRE

Again, Mr. Speaker, the results of this questionnaire are by no means scientific. They only reflect the opinions of the persons who answered the survey. However, this process does provide me with an extremely valuable tool to routinely analyze new legislative proposals and it is an invaluable guide to the needs, views, and desires of the people I represent in making decisions.

A survey is not a substitute for letters, personal comments, or other forms of constituent communication. It cannot capture all shades or combinations of opinion, personal insights, or intensity of need. Questionnaire responses are like our votes on bills: We may not be particularly pleased with any of the options presented to us, but we choose the ones closest to our views.

As long as that is understood, the questionnaire is an extremely valuable complement to those forms of expression and communication.

None of us can hope to be an opinion leader without constant effort to tap into the collective wisdom of the people we represent. The questionnaire is an important part of that effort in my office. I am deeply impressed by the active involvement of my constituents and by the depth of their insights into the complex issues we face in Congress. Obviously, all of our votes are based on personal conscience and the best available information. My constituents have helped direct my course in their responses, giving me guidance to deal with a great many of the significant questions that face us now and in the foreseeable future.●

CORRECTING THE INEQUITIES OF PRICE-ANDERSON

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. WEISS. Mr. Speaker, we were sharply reminded of the tremendous risks associated with nuclear energy last week when the Nuclear Regulatory Commission voted to permit the undamaged reactor at Three Mile Island to be restarted.

Six years ago a stuck valve and operator error nearly caused a meltdown of the uranium core in TMI's unit 2 reactor. What turned out to be America's worst commercial nuclear accident released large amounts of radioactive particles into the air and triggered a state of emergency.

The overwhelmingly negative response from Harrisburg, PA area residents to the NRC's decision is hardly surprising, especially in light of the lack of recourse available to victims of nuclear accidents. The vulnerability of potential victims is a direct result of the antiquated Price-Anderson Act.

I am today reintroducing a bill to repeal the provisions in the 1957 Price-Anderson Act which provide the nuclear power industry with extraordinary protection from liability in the event of a major accident.

The act's original purpose was to encourage the growth of the fledging commercial nuclear industry. In limiting liability, Congress removed a major obstacle to nuclear development: the need to secure sufficient liability insurance in the face of a then-unknown risk.

What began as a temporary incentive has since become a permanent, subsidized insurance policy for an industry well into its adulthood. Though the original act was intended to expire after 10 years, it has twice been renewed by Congress—most recently through 1987. Leaving Price-Anderson unchanged as we approach a new reauthorization would be an unacceptable disservice to both potential victims and the American public.

Price-Anderson presently limits the liability of the nuclear industry to $630 million, based on a formula of combining $160 million in available insurance purchased by utilities from the private sector and $5 million from each of the 94 commercial reactors, to be paid by nuclear plant owners in deferred premiums to an insurance pool. The pool would become available to meet the liability claims resulting from any major accident.

Consequently, those people whose businesses, homes, and lives would be unalterably damaged by a nuclear accident currently could receive a combined compensation of no more than $630 million. If the damages exceed the available $630 million, the act gives Congress the vague mandate to review the situation and take "whatever action it deems appropriate." The Nuclear Regulatory Commission has estimated that if the accident at Three Mile Island had been more severe, property damage alone would have added up to $17 billion.

Price-Anderson unfairly places the risk of enormous losses on the potential victims and on the American taxpayers. As victims of a major nuclear accident, you and I would be likely to receive only a fraction of our financial losses in compensation. As taxpayers,

we would be likely to pick up the tab for any damage payments Congress felt obligated to pay.

The utility that may have been at fault would be resolved of all further financial obligation after making a $5 million contribution to the industry pool. Furthermore, the act protects secondary contractors such as plant designers and parts manufacturers—regardless of whether negligence or willful misconduct is involved—from liability suits.

Even the traditional last line of defense for citizens concerned with protecting their investments, property insurance, is unavailable when a nuclear reactor is the perpetrator. Every property insurance policy issued in the United States excludes coverage for damages to homes of businesses caused by radioactive contamination.

No other industry in this country is so insulated from traditional tort liability. No other industry is so protected by government from the consequences of its errors.

Whether intentional or not, Price-Anderson serves as a serious disincentive to safety. With only a maximum of $5 million at stake, a nuclear power-plant owner with several billion dollars in assets has little financial incentive to resist pressure to keep an unsafe plant in operation, or to take time-consuming and expensive safety precautions.

Such diverse organizations as the Enterprise Institute and the Heritage Foundation have concluded in recent years that the safety of nuclear power operations would be enhanced by removing the limitation on liability. And in December 1983, the Nuclear Regulatory Commission recommended the partial removal of the liability exemptions from the act.

The legislation I am reintroducing today would remove the Price-Anderson Act's $630 million compensation ceiling and make explicit that each nuclear plant licensee shall be liable for any accident at its facility resulting in injury to people or damage to property.

The firms involved in design and construction of nuclear plants would also no longer enjoy exemption from liability. My bill would permit victims to sue these parties if they share in the responsibility for the accident. And, a new section I developed with the Union of Concerned Scientists and the Environmental Policy Institute would permit utilities and the Federal Government to also sue those secondary parties to recoup part or all of their liability obligations. The new language would require DOE to sue its contractors when they would otherwise be liable (i.e. for negligent or reckless conduct) and prohibits "sweetheart" settlements of such suits.

This provision has a precedent. Prior to Price-Anderson, a standard clause in contracts entered into by the Atomic Energy Commission with nuclear plant owners, operators, parts manufacturers, suppliers, designers and builders held secondary contractors liable for losses resulting from willful misconduct, gross negligence or bad faith. Price-Anderson intervened to provide liability protection to these secondary contractors.

My bill would eliminate the arbitrary and unreasonable 20-year statute of limitations on claims resulting from a nuclear accident. Medical evidence indicates many cancers resulting from exposure to radioactivity can take as long as 40 years to develop.

Last, my bill would establish a structure to assist the nuclear industry in meeting its new liability obligations.

Specifically, it stipulates that:

Each licensee must obtain maximum coverage available from private insurers;

In the event of an accident at a particular plant, insurance on that facility would be the first source of payment;

If the judgement against a given facility exceeds available private insurance coverage, the plant would then be liable up to the total of its assets;

If a court determines the plant's assets are insufficient to meet the full judgement, an industry-funded pool of insurance (consisting of deferred premiums) shall cover the balance of outstanding claims;

Industry pool participants shall contribute to the cost of the judgement according to a formula based on each licensee's generating capacity, its degree of risk of nuclear incident (i.e. safety record), its total assets, and other factors the Nuclear Regulatory Commission deems appropriate;

Should a court determine that a given utility cannot meet its proportional share to the pool, it would then become eligible for long-term Federal loans to be secured against the plant's assets.

By making the nuclear industry fully accountable for its risks, this legislation would ensure that safety is given the highest priority by plant operators. Proponents of nuclear energy have long insisted it is safe and efficient, but they have resisted attempts to let the industry stand or fall on its own without special protections from the Federal Government.

I urge my colleagues to join me in sponsoring this vital legislation. As long as nuclear power is a part of America's landscape, we as elected representatives have an absolute obligation to promote the most stringent safety standards and, in the event those standards are insufficient, to provide financial protection to the victims.

The text of the bill is printed below:

H.R. 2665

A bill to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to modify certain limitations on the amount of financial protection required with respect to nuclear incidents, to remove the limitations on the aggregate liability for a single nuclear incident, to limit the financial obligations of the United States with respect to such incidents, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nuclear Incident Liability Reform Act of 1985".

SEC. 2. ELIMINATION OF FEDERAL INDEMNIFICATION.

(a) Indemnification Agreements.—Section 170 a. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(a)) is amended by striking out the second sentence.

(b) Indemnification of Licensees of Nuclear Regulatory Commission.—Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) is amended by striking out subsection c.

(c) Indemnification of Contractors of Department of Energy.—Section 170 d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)) is amended—

(1) by striking out "August 1, 1987", and inserting in lieu thereof "August 1, 2007"; and

(2) by striking out "; in the amount of $500,000,000" and all that follows through the period at the end thereof and inserting in lieu thereof a period.

(d) Indemnification Terms and Conditions.—Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) is amended by striking out subsections f., g., and h.

(e) Certain Indemnification Agreements.—Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) is amended by striking out subsections k., l., and m.

(f) Conforming Amendments.—

(1) Section 11 m. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(m)) is amended—

(A) by inserting "and" before "(2)"; and

(B) by striking out "; and (3)" and all that follows through the period at the end thereof and inserting in lieu thereof a period.

(2) Section 11 q. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(q)) is amended by striking out "as the term is used in subsection 170 l., it shall include any such occurrence outside the United States: *And provided further*, That".

(3) Section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014) is amended by striking out subsection t.

(4) Section 11 w. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(w)) is amended by striking out "indemnified" and inserting in lieu thereof the following: "required to obtain financial protection under section 170".

SEC. 3. PRIVATE INSURANCE; RETROSPECTIVE RATING PLAN.

Section 170 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(b)) is amended to read as follows:

"b. (1) The amount of financial protection required shall be the maximum amount of liability insurance available from private sources. Such amount shall be redetermined periodically by the Commission on the basis of the cost of living (including the cost of health care). Such financial protection may include private insurance, private contractual indemnities, self-insurance, other proof of financial responsibility, or a combination of such measures and shall be subject to such terms and conditions as the Commission may, by rule, regulation, or order, prescribe.

"(2)(A) All licensees required to maintain financial protection under this section shall also be required, without regard to the manner in which they obtained other types or amounts of financial protection, to participate in an industry retrospective rating plan. Such plan shall provide for premium charges deferred in whole or in major part until public liability from a nuclear incident exceeds or appears likely to exceed the sum of—

"(i) the level of primary financial protection required of the licensee involved in the nuclear incident; and

"(ii) the amount otherwise available from such licensee for the satisfaction of such liability (including all real and personal property of the licensee and any amounts available pursuant to applicable bankruptcy proceedings).

"(B) The deferred premium that shall be charged following any nuclear incident under such a plan shall be such amount as is required under rules promulgated by the Commission not later than 60 days after the date of the enactment of the Nuclear Incident Liability Reform Act of 1985. Such amount required under such rules shall be determined according to a formula based on—

"(i) the licensee's generating capacity;

"(ii) the degree of risk of nuclear incident associated with the licensee;

"(iii) the licensee's total assets; and

"(iv) such other factors as the Commission deems appropriate.

"(3) Payment of any State premium taxes that may be applicable to any deferred premium provided for in this Act shall be the responsibility of the licensee and shall not be included in the retrospective premium established by the Commission.

"(4) If any licensee is unable to meet any assessment of deferred premiums within a reasonable time following any nuclear incident without impairing the provision of electric utility service by such licensee, the Commission may loan such licensee the amount by which such assessment exceeds the amount which the licensee is able to play without such impairment. The loan shall be made upon such terms and conditions as may be established by the Commission except that such loan shall be secured by the liens on assets of such licensee and on the revenues derived therefrom and shall bear interest at a rate determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the making of such loan.".

SEC. 4. ELIMINATION OF LIMITATION OF LIABILITY

(a) In General.—Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) is amended by strking out subsection e.

(b) Conforming Amendments.—

(1) The section heading for section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) is amended to read as follows:

"Sec. 170. Liability for Nuclear Incidents.—".

(2) Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) is amended by striking out subsection o.

(3) Section 2 i. of the Atomic Energy Act of 1954 (42 U.S.C. 2012(i)) is amended by striking out ", and may limit the liability of those persons liable for such losses".

(4) The item relating to section 170 in the table of contents of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) is amended to read as follows:

"Sec. 170. Liability for nuclear incidents.".

SEC. 5. SURVEY OF CAUSES AND EXTENT OF DAMAGE OF NUCLEAR INCIDENTS.

Section 170 i. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(i)) is amended by striking out "which will probably require" and all that follows through "$560,000,000".

SEC. 6. WAIVER OF DEFENSES WITH RESPECT TO NUCLEAR INCIDENTS.

Section 170 n. (1) of the Atomic Energy Act of 1954 (42 U.S.C. 2010(n)(1)) is amended to read as follows:

"(1)(A) The Commission shall require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, which waive any issue or defense described in subparagraph (B) with respect to any nuclear incident with respect to which financial protection is required under this section and that—

"(i) arises out of, or results from, or occurs in the course, of the construction, possession, or operation of a production or utilization facility;

"(ii) arises out of, or results from, or occurs in the course of transportation of, source material, byproduct material, or special nuclear material to or from a production or utilization facility; or

"(iii) during the course of the contract activity arises out of, or results from, the possession, operation, or use by a Commission contractor or subcontractor of a device utilizing special nuclear material or byproduct material.

"(B) The issues and defenses required to be waived under subparagraph (A) are—

"(i) any issue or defense as to conduct of the claimant or fault of persons required to obtain financial protection;

(ii) any issue or defense as to charitable or governmental immunity; and

"(iii) any issue or defense based on any statute of limitations if suit is instituted within 3 years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the cause thereof.

"(C) The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. When so incorportaed, such waivers shall be judicially enforcible in accordance with their terms of the claimant. Such waiver shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages, nor shall such waivers apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant.".

SEC. 7. FEDERAL COURT JURISDICTION.

Section 170 n. (2) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)(2)) is amended by striking out "extraordinary nuclear occurrence' each place it appears and inserting in lieu thereof "nuclear incident".

SEC. 8. LICENSES FOR DOMESTIC DISTRIBUTION OF SPECIAL NUCLEAR MATERIAL.

Section 53 e. of the Atomic Energy Act of 1954 (42 U.S.C. 2073(e)) is amended—

(1) by striking out "; and" in paragraph (7) and inserting in lieu thereof a period;

(2) by inserting "and" at the end of paragraph (6); and

(3) by striking out paragraph (8).

SEC. 9. SECONDARY LIABILITY.

Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) is amended by adding at the end thereof the following new subsection:

"(q)(1) Nothing in this section shall limit the right of any licensee referred to in subsection a., or any contractor referred to in subsection d., or any other party (including the United States Government) that has paid or will pay deferred premiums or indemnity payments with respect to any nuclear incident to recover, under applicable State law, damages from any other party liable (in whole or part) for the nuclear incident in question, notwithstanding any indemnification of the other liable party pursuant to the provisions of this section.

"(2) When the United States Government has made any indemnity payments in accordance with this section, it shall exercise all rights preserved by this subsection against any party that would otherwise be liable, and shall not have the discretion to settle or compromise any such suit for less than the amount of the payments that the United States Government has made.".

SEC. 10. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date 60 days after the date of the enactment of this Act and shall apply with respect to all contracts referred to in section 170 d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)) and to all licenses referred to in section 170 a. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(a)) without regard to whether such contracts were entered into, or such licenses were issued, before, on, or after the date of the enactment of this Act.●

HUMANE CARE FOR LABORATORY ANIMALS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BROWN of California. Mr. Speaker, today I have introduced H.R. 2653 the Improved Standards for Laboratory Animals Act of 1985. This legislation is a revised version of H.R. 5725 which I introduced in the 98th Congress. A similar version will be introduced in the Senate by Senator Dole.

This legislation would amend the Animal Welfare Act, which was passed in 1964, and amended in 1970 and 1976. This law sets minimum standards for the care and treatment of animals used in research facilities, transportation and commerce and is the primary law governing the care and treatment of animals.

There has been a growing concern in our country about the welfare and rights of animals. The use of animals in research has in the past been instrumental in finding causes, treatments, and cures for diseases, both in animals and humans. However, I feel strongly that animals are sensing

beings, capable of feeling pain, and should be treated as humanely as possible. A growing percentage of the American public share this view.

For this reason, I have supported research to develop methodologies which use fewer animals, as well as procedures which do not require the use of live animals, such as tissue cultures. Some of these procedures show promise of being effective, economically acceptable replacements in some instances. And, I encourage continued exploration into these alternatives.

However, at this point, animals still play a vital role in certain research. While our current law sets minimum standards for the care of animals, it is clear to me that our society is ready to increase these safeguards to insure that animals are treated humanely.

Many of our research facilities already maintain high animal care standards. Several facilities have been accredited by the American Association for the Accreditation of Laboratory Animal Care [AAALAC], which sets standards more stringent than those outlined by the Animal Welfare Act. And I commend the work and dedication of these secientists.

However, over the past few years, there have been several publicized instances of research institutions, some highly respected academically, which have been found to be in violation of the Animal Welfare Act. Accounts of research facilities using stolen dogs and cats, working in poorly maintained buildings, and neglecting animals, work contrary to constructive scientific inquiry and are a blemish to the scientific community.

The Subcommittee on Department Operations, Research and Foreign Agriculture held a hearing on the Improved Standards of Laboratory Act of 1984, September 19, 1984. At that hearing, it was made clear that increased attention and priority to the Animal Welfare Act and its goals of insuring humane care and treatment of animals were needed.

At these hearings, a report was submitted by the Society for Animal Protective Legislation which studied APHIS inspection reports and annual reports from 186 institutions using live animals in research. Of the institutions studied, only 24 percent were in complete adherence to the standards set by the Animal Welfare Act. Of the rest, 23 percent had major violations as well as repeated deficiencies, 22 percent had less frequent major violations, and 28 percent had minor violations. Mr. Speaker, this high rate of violation signals that our animal care laws must receive a higher priority, both by animal users, and by our enforcement agencies.

On May 19, 1985, the Government Accounting Office [GAO] released its report regarding the Department of Agriculture's Animal Welfare Program. This report reveals that there is considerable room for improvement in the enforcement of the Animal Welfare Act. During fiscal year 1983, the year studied, GAO found that APHIS did not inspect all facilities using live animals. In fact, in my State, California, APHIS inspected only 48 percent of these research facilities. This means that 52 percent were not inspected at all. In addition, 55 percent of the registered animal dealers were not inspected that year.

The legislation I have introduced today will help to address all of the problems I have outlined above. It will help reduce the pain and distress of laboratory animals, while at the same time not interfering with scientific inquiry. It is a moderate and reasonable approach to insuring humane treatment of laboratory animals.

The Improved Standards for Laboratory Animals Act will:

First, strengthen standards for laboratory animal care. The legislation includes requirements for the use of painkillers and euthanasia, provisions for exercise for dogs, and requires researchers to give assurances that alternatives to practices which may cause pain and distress to animals have been considered. It encourages humane treatment of animals by requiring research facility employees working with animals to have animal care training once a year.

Second, increase enforcement of the Animal Welfare Act. The legislation requires each facility to appoint an institutional animal committee, including at least one member not affiliated with the laboratory, and a veterinarian. This committee will inspect the facility twice a year and notify the institutions and appropriate Federal authorities of violations. If a facility, given the opportunity to correct violations, does not adhere to the Animal Welfare Act, Federal agencies are directed to suspend or revoke funding. The USDA Animal and Plant Health Inspection Service [APHIS] would be required to inspect facilities at least once a year, with follow-up visits until violations are corrected. APHIS would be required to inspect Federal facilities. Fines for violators of the Animal Welfare Act will be increased.

Third, reduce unintended duplication of experiments using animals and encourage the use of more humane and nonanimal procedures. The legislation calls for the creation of a national data base of current and completed experiments, as well as information on humane and alternative procedures for animal use. This data base will be made available on a voluntary basis to researchers and will be used to disseminate this information.

Mr. Speaker, another distressing situation has arisen which I feel warrants our attention, and which I have addressed with a second piece of legislation, H.R. 2654. This legislation sets Federal penalties for breakins and destruction of research facilities using animals. There have been a number of breakins of research facilities which have included malicious destruction of property, vandalism, as well as the theft of research animals. The latest incident was at a university in my congressional district, the University of California, at Riverside. It is estimated that close to $700,000 worth of damage was done and over 460 animals stolen. The benefits of the research which had been undertaken were lost. The result was that several research projects have been set back or must be started over again.

While I sympathize with the goals of these activists to expose the public to the moral questions regarding the use of animals in research, I cannot, and will not, condone the use of vandalism and malicious destruction as a legitimate means for achieving policy changes.

Because of this increase in vandalism to laboratories, I have introduced a companion bill to the Improved Standards for Laboratory Animals Act that would make laboratory breakins a Federal crime. This would enable authorities to follow vandals across State lines. I consider this a package, but in light of the severity of this action, will introduce it separately to allow appropriate congressional consideration of this provision.

H.R. 2654

A bill to amend the Animal Welfare Act to establish a federal penalty for damaging or destroying an animal research facility

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PENALTY FOR DESTRUCTION OF RESEARCH FACILITIES

Section 1. The Animal Welfare Act (7 U.S.C. 2131-2156) is amended by adding at the end thereof the following new section:

"Sec. 27. Whoever willfully or maliciously, with the intent to interfere with or prevent research, which uses live animals destroys or damages a research facility which uses live animals or instruments, equipment, or other property within such facility, shall—

"(1) if the offender in the course of the offense places the life of any person in jeopardy, be fined not more than $250,000 or imprisoned not more than twenty years, or both; and

"(2) in any other case, be fined not more than $250,000 or imprisoned not more than five years, or both.".

EFFECTIVE DATE

The amendment made by section 1 shall take effect six months after the date of the enactment of this Act.

H.R. 2653

A bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Improved Standards for Laboratory Animals Act."

FINDINGS

SEC. 2. The Congress finds that—

(1) the use of animals has been instrumental in certain research and education for advancing knowledge of cures and treatments for diseases and injuries which afflict both humans and animals;

(2) methods of testing that do not use animals are being and continue to be developed which are faster, less expensive, and more accurate than traditional animal experiments for some purposes and further opportunities exist for the development of these methods of testing;

(3) measures which eliminate or minimize the unnecessary duplication of experiments on animals can result in more productive use of Federal funds; and

(4) measures which help meet the public concern for laboratory animal care and treatment are important in assuring that research will continue to progress.

STANDARDS AND CERTIFICATION PROCESS

SEC. 3. (a) Section 13 of the Animal Welfare Act (7 U.S.C. 2143) is amended—

(1) by redesignating subsections (b) through (d) as subsections (f) through (h), respectively; and

(2) by striking out the first two sentences of subsection (a) and inserting in lieu thereof the following:

"(1) The Secretary shall promulgate standards to govern the humane handling, care, treatment, and transportation of animals by dealers, research facilities, and exhibitors.

"(2) The standards described in paragraph (1) shall include requirements—

"(A) for handling, housing, feeding, watering, sanitation, ventilation, shelter from extremes of weather and temperatures, and separation by species where the Secretary finds necessary for humane handling, care, or treatment of animals; and

"(B) for exercise of dogs.

"(3) In addition to the requirements under paragraph (2), the standards described in paragraph (1) shall, with respect to animals in research facilities, include requirements—

"(A) for animal care, treatment, and practices in experimental procedures to ensure that animal pain and distress are minimized, including adequate veterinary care with the appropriate use of anesthetic, analgesic, tranquilizing drugs, or euthanasia;

"(B) that the principal investigator considers alternatives to any procedure likely to produce pain to or distress in an experimental animal;

"(C) in any practice which could cause pain to animals—

"(i) that a doctor of veterinary medicine is consulted in the planning of such procedures;

"(ii) for the use of tranquilizers, analgesics, and anesthetics;

"(iii) for pre-surgical and post-surgical care by laboratory workers in accordance with established veterinary medical and nursing procedures;

"(iv) against the use of paralytics without anesthesia; and

"(v) that the withholding of tranquilizers, anesthesia, analgesia, or euthanasia when scientifically necessary shall continue for only the necessary period of time;

"(D) that no animal is used in more than one major operative experiment from which it is allowed to recover except in cases of—

"(i) scientific necessity; or

"(ii) other special circumstances as determined by the Secretary; and

"(E) that exceptions to such standards may be made only when specified by research protocol and that any such exception shall be detailed and justified in a report outlined under paragraph (7) and filed with the Institutional Animal Committee.".

(b) Section 13(a) of such Act is further amended—

(1) by designating the third and fourth sentences as paragraph (4);

(2) by designating the fifth sentence as paragraph (5); and

(3) by striking out the last sentence and inserting in lieu thereof the following:

"(6) Nothing in this Act shall be construed as authorizing the Secretary to promulgate rules, regulations, or orders with regard to the design, outlines, or guidelines of actual research or experimentation by a research facility: *Provided*, That the Secretary shall require every research facility to show that professionally acceptable standards governing the care, treatment, and practices on animals are being followed by the research facility during research and experimentation.

"(7)(A) The Secretary shall require, at least annually, every research facility to report that the provisions of this Act are being followed.

"(B) In complying with subparagraph (A), the research facility shall provide—

"(i) the details of any procedure which was likely to produce pain or distress in any animal and assurances demonstrating that the principal investigator considered alternatives to those procedures;

"(ii) assurances satisfactory to the Secretary that such facility is adhering to the standards described in this section; and

"(iii) an explanation for any deviation from the standards promulgated under this section.

"(8) Paragraph (1) shall not prohibit any State (or a political subdivision of such State) from promulgating standards in addition to those standards promulgated by the Secretary under paragrah (1).".

(c) Section 13 of such Act is further amended by inserting after subsection (a) the following new subsections:

"(b)(1) The Secretary shall require that each research facility establish at least one Institutional Animal Committee. Each Committee shall be appointed by the chief executive officer of each such research facility and shall be composed of not fewer than three members. Such members shall possess sufficient ability to assess animal care, treatment, and practices in experimental research as determined by the needs of the research facility. Of the members of the Committee—

"(A) at least one member shall be a doctor of veterinary medicine;

"(B) at least one member shall not be affiliated in any way with such facility other than as a member of the Committee, shall not be a member of the immediate family of a person who is affiliated with such facility, and shall be responsible for representing society's concerns regarding the welfare of the animal subjects; and

"(C) in those cases where the Committee consists of more than three members, not more than three members shall be from the same administrative unit of such facility.

"(2) A quorum shall be required for all formal actions of the Committee, including inspections under paragraph (3).

"(3) The Committee shall inspect at least semiannually all animal study areas and animal facilities of such research facility and review as part of the inspection—

"(A) practices involving pain to animals, and

"(b) the condition of animals,

to ensure compliance with the provisions of this Act and that pain and distress to animals is minimized. Exceptions to the requirement of inspection of such study areas may be made by the Secretary if animals are studied in their natural environment and the study area is prohibitive to easy access.

"(4)(A) The Committee shall file an inspection certification report of each inspection at the research facility. Such report shall—

"(i) be signed by a majority of the Committee members involved in the inspection;

"(ii) include reports of any violation of the standards promulgated, or assurances required, by the Secretary, including any dificient conditions of animal care or treatment, any deviations of research practices from originally approved proposals that adversely affect animal welfare, any notification to the facility regarding such conditions, and any corrections made thereafter;

"(iii) include any minority views of the Committee; and

"(iv) include any other information pertinent to the activities of the Committee.

"(B) Such report shall remain on file for at least three years at the research facility and shall be available for inspection by the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency.

"(C) In order to give the research facility an opportunity to correct any deficiencies or deviations discovered by reason of paragraph (3), the Committee shall notify the administrative representative of the research facility of any deficiencies or deviations from the provisions of this Act. If, after notification and an opportunity for correction, such deficiencies or deviations remain uncorrected, the Committee shall notify (in writing) the Animal and Plant Health Inspection Service of the Department of Agriculture and the funding Federal agency of such deficiencies or deviations.

"(5) The inspection results shall be available to Department of Agriculture inspectors for review during inspections. Department of Agriculture inspectors shall forward any Committee inspection records which include reports of uncorrected deficiences or deviations to the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency of the project with respect to which such uncorrected deficiencies and deviations occurred.

"(c)(1) The research facility shall provide for annual training for scientists, animal technicians, and other personnel involved with animal care and treatment in such facility. Such training shall include instruction on—

"(A) the humane practice of animal maintenance and experimentation;

"(B) research or testing methods that minimize or eliminate the use of animals or limit animal pain or distress; and

"(C) utilization of the information service at the National Agricultural Library, established under subsection (d).

"(2) Research facilities shall inform their employees of the provisions of this Act and shall inform such employees to report any violations of such provisions. Any such employee may not be discriminated against on

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grounds that such employee reported a violation of such provisions.

"(d) The Secretary shall establish an information service at the National Agricultural Library. Such service shall, in cooperation with the National Library of Medicine, provide information—

"(1) pertinent to employee training;

"(2) which could prevent unintended duplication of animal experimentation as determined by the needs of the research facility; and

"(3) on improved methods of animal experimentation, including methods which could—

"(A) reduce or replace animal use; and

"(B) minimize pain and distress to animals, such as anesthetic and analgesic procedures.

"(e) In any case in which the funding Federal agency determines that conditions of animal care, treatment, or practice in a particular project have not been in compliance with standards promulgated under this Act, despite notification by the Secretary or the funding Federal agency to the research facility and an opportunity for correction, such agency shall suspend or revoke Federal support for the project. Any research facility losing Federal support as a result of actions taken under the preceding sentence shall have the right of appeal as provided in sections 701 through 706 of title 5, United States Code.".

INSPECTIONS

SEC. 4. Section 16(a) of the Animal Welfare Act (7 U.S.C. 2146(a)) is amended by inserting after the first sentence the following:

"The Secretary shall inspect each research facility at least once each year and, in the case of deficiencies or deviations from the standards promulgated under this Act, shall conduct such follow-up inspections as may be necessary until all deficiencies or deviations from such standards are corrected.".

PENALTY FOR RELEASE OF TRADE SECRETS

SEC. 5. The Animal Welfare Act (7 U.S.C. 2131-2156) is amended by adding at the end thereof the following section:

"SEC. 27. (a) It shall be unlawful for any member of the Institutional Animal Committee to release any confidential information of the research facility, including any information that concerns or relates to—

"(1) the trade secrets, processes, operations, style of work, or apparatus, or

"(2) to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of the research facility.

"(b) It shall be unlawful for any member of such Committee—

"(1) to use or attempt to use to his advantage, or

"(2) to reveal to any other person,

any information which is entitled to protection as confidential information under subsection (a).

"(c) A violation of subsection (a) or (b) is punishable by—

"(1) removal from such Committee, and

"(2)(A) a fine of not more than $1,000 and imprisonment of not more than one year, or

"(B) if such violation is willful, a fine of not more than $10,000 and imprisonment of not more than three years.

"(d) Any person, including any research facility, injured in its business or property by reason of a violation of this section may recover all actual and consequential damages sustained by such person and the cost of the suit including a reasonable attorney's fee.

"(e) Nothing in this section shall be construed to affect any other rights that any such person may have, nor shall subsection (d) be construed to limit the exercise of any such rights arising out of or relating to a violation of subsections (a) and (b).".

CIVIL PENALTY FOR VIOLATING ANIMAL WELFARE ACT

SEC. 6. (a) Subsection (b) of Section 19 of the Animal Welfare Act (7 U.S.C. 2149) is amended—

(1) in the first sentence by striking out "$1,000" and inserting in lieu thereof "$2,500"; and

(2) in the last sentence by striking out "$500" and inserting in lieu thereof "$1,500".

(b) Subsection (d) of such section is amended by striking out "$1,000" and inserting in lieu thereof "$2,500".

DEFINITIONS

SEC. 7. (a) Section 2(e) of the Animal Welfare Act (7 U.S.C. 2132(e)) is amended by adding after "The term 'research facility' means" the following: "each department, agency, or instrumentality of the United States which uses live animals for research or experimentation,".

(b) Section 2 of such Act is further amended by redesignating subsections (f) through (j) as subsections (j) through (n), respectively and by inserting after subsection (e) the following new subsections:

"(f) The term 'Federal agency' means an Executive agency as such term is defined in section 105 of title 5, United States Code, and with respect to any research facility means the agency from which the research facility receives a Federal award for the conduct of research, experimentation, or testing, involving the use of animals;

"(g) The term 'Federal award for the conduct of research, experimentation, or testing, involving the use of animals' means any mechanism (grant, award, loan, contract, or cooperative agreement) under which Federal funds are provided to support the conduct of such research;

"(h) The term 'quorum' means a majority of the Committee members;

"(i) The term "Committee" means the Institutional Animal Committee established under section 13(c);".

EFFECTIVE DATE

SEC. 8. This Act shall take effect one year after the date of the enactment of this Act.●

OPTIONS FOR THE FUTURE—THE FISCAL YEAR 1986 BUDGET

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. GREEN. Mr. Speaker, as the debate over the Federal budget for fiscal year 1986 evolved during the past several months, I told my constituents that I would vote for a budget proposal only if it contained three important elements: A significant limitation on the growth of military spending; an equitable mix of Federal spending so that we in the Congress would not place an unfair burden on the poor, the elderly, urban residents, or any other group whose existence somehow depends upon Federal assistance; and a substantial cut in projected Federal deficits.

After examining the five budget proposals presented to the House of Representatives on May 22-23, 1985, along with the two amendments to the House Budget Committee proposal, it became clear that only two of the proposals fulfilled these three criteria. Therefore, I voted in favor of the 92 Group/moderate Republican proposal, and for the budget plan which ultimately was approved by the House—the Democratic-sponsored House Budget Committee proposal.

Mr. Speaker, our Federal budget must respect the needs of all our Nation's people. The budget sets priorities on a national scale, and its elements will have tremendous effects on our country's economic future. The Congress has a responsibility to ensure the economic security of our Nation—a security which will be less and less bright if we do not get our fiscal policy and priorities in order. Deciding on a budget plan for the next 3 fiscal years, which will have a great deal of influence over the budgets of the succeeding 3 to 5 years, means that we are deciding on our future now.

I set the three criterias specified above for a number of reasons. I have been a vocal opponent of the type of increased defense spending which has caused the defense share of budget outlays to grow from 24.3 percent in 1981 to 29.4 percent in 1985. I was very disturbed by the administration's original defense request of $313.4 billion for fiscal year 1985 because not only are we spending too much on defense, but we are getting too little in return. The examples of $600 toilets and $110 diodes are more than just anecdotes—they are examples of a defense procurement system which needs a serious overhaul. I constantly have voted against appropriating funds for the MX missile, which could not survive a Soviet first strike, and the B-1 bomber, an unnecessary airplane, and I shall continue to do so whenever the chance arises. I am very much in favor of a sensible and economical approach to defending our country; we cannot solve our defense problems by throwing money at them.

This is especially true when these taxpayer dollars are thrown at defense at the expense of vital domestic programs. The administration's original budget request shifted $30 billion from domestic programs to defense in the guise of a Federal spending freeze. These types of budgetary shenanigans clearly are unacceptable. Drastic cuts in programs such as student aid, mass transit, and housing of the type proposed by the administration would hurt our country more than help it.

Finally, the fiscal year 1986 Federal budget must make significant strides in reducing our projected deficits. With no changes in policy—that is, the current services or baseline spending—our annual deficit would grow from a projected $229.35 billion in fiscal year 1986 to $244.35 billion in fiscal year 1988 and would total more than $700 billion in red ink in just 3 years. We have a moral responsibility not to sit idly by and watch this happen. With deficits at about 5 percent of our gross national product, our long-term economic outlook is deteriorating by the minute. To gain my support, a budget plan had to show that it would lower deficit projections to approximately 2 percent of GNP by the end of the 3-year period—fiscal year 1986–fiscal year 1988.

Two budget plans, one submitted by a group of moderate and liberal Republicans of which I am a member, and the other passed on an almost strictly party-line vote by the House Budget Committee, fulfilled these three criteria. I voted for both of these plans, Mr. Speaker, and the Democratic budget was approved by a majority of the House. Neither plan was perfect. As is the case with most large pieces of legislation, there were certain parts of each plan with which I disagreed. In making my decision, I had to weigh the advantages against the disadvantages in light of my three criteria.

The plan proposed by the 92 Group, the group of moderate and liberal House Republicans, held the line against increases in defense spending. It froze defense spending at current levels, without an increase in inflation. Given the astronomic increases in defense spending during the past 4 years, I have no doubt that our Nation's defense can withstand, and might very well improve, under a freeze. In addition, I believe that the 92 Group budget set the guidelines under which the Federal Government can help our Nation's agricultural sector help itself out of its current problems. I have constantly argued that there is no reason for the Federal Government to continue to hand out agricultural subsidies which only serve to raise consumer prices. The 92 Group budget reduced commodity price supports and related programs by 15 percent in fiscal year 1987 and 20 percent in fiscal year 1988, and overall savings would have totaled $8.1 billion over 3 years. Also, the 92 Group budget did not call for any reductions in the automatic cost-of-living adjustments for Social Security.

However, like all budget plans, there were some aspects of the proposal which I did not like. For example, it would have reduced mass transit subsidies, it would have reduced aid to bilingual education and for student loans—although by a far less drastic amount than the President's original budget proposed—and it would have placed a 3-year moratorium on filling the strategic petroleum reserve.

Overall, however, I believe that it was a fair budget for our Nation as a whole, and I believe that it was very important for the moderates and liberals of the Republican Party to show our resolve in the Congress. It would have reduced Federal deficits by $263.2 billion over the next 3 years, and it would have resulted in a deficit estimated at $120.3 billion in fiscal year 1988, approximately half of the current services—or baseline—deficit.

The only budget approved by the House, and the second plan which I supported and voted for, was the plan which was passed originally by the Democrats on the House Budget Committee. Interestingly, the proposal passed by the Budget Committee, and the House as a whole, used most of the same numbers generated by the 92 Group. As a matter of fact, most numbers were identical, including defense—no increase for the Pentagon, even adjusted for inflation. I also supported the plan because it froze mass transit subsidies, it did not accept the administration's proposal to drastically reduce Amtrak subsidies, and because domestic programs serving low-income people would be exempt from the overall budget freeze—and generally would receive full adjustments for inflation. These programs include education for handicapped children, aid to college students—including Pell grants and campus-based aid programs—job training, the Work Incentive Program—which seeks to help welfare mothers find jobs—child welfare services, and Head Start. The plan also did not accept the Medicare cuts proposed by the administration and, like the other plan for which I voted, provided for a full cost-of-living adjustment to be paid on schedule for Social Security and other retirement programs.

I did object to some of the plan's provisions, including the provision which assumes $4.0 billion in increased fiscal year 1986 revenues resulting from legislation to settle a legal dispute between the Federal Government and several States regarding royalties from oil production on the Outer Continental Shelf [OCS]. The question that I have, Mr. Speaker, is whether we can count on the Congress to enact this legislation, in view of the environmental controversy that has surrounded OCS drilling. In addition, although the package was similar to the 92 Group's, the entire package was not run through the Congressional Budget Office before it was presented to the House—a clear violation of the 1974 Budget Act. In other words, the House accepted "soft" numbers, that is, deficit reduction figures which have not been confirmed by the congressional budget experts.

Overall, however, the budget resolution reduces projected fiscal year 1986–88 deficits by approximately $260 billion, and calls for a deficit of about $120 billion in fiscal year 1988—again, notice how close this budget is to the 92 Group budget. It cuts the defense baseline during this 3-year period by almost $65 billion.

In sum, Mr. Speaker, I believe that the House has begun the accomplishment of its budget goals this year, and has done so despite the conflicting demands of our Nation's many and varied interests. I voted for two budgets which I believe addressed in a fair and equitable manner the three criteria which I stated earlier—the House has passed a budget which will lower our future defense spending, reduce deficits by a significant amount, and will help to ensure that our country's residents are protected from unfair budget cuts. By approving a budget which will cut projected deficits by $260 billion we have decided upon a course of action which can only help the American economy while, at the same time, we have continued to fund those Government programs which benefit us all.●

HIGH COURT FLUNKS SCHOOL PRAYER

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. ACKERMAN. Mr. Speaker, earlier today the U.S. Supreme Court, by a 6–3 vote, held unconstitutional an Alabama statute that provided for silent prayer in public schools. Writing for the majority, Justice Stevens concluded.

> An endorsement of [voluntary prayer] is not consistent with the established principle that the Government must pursue a course of complete neutrality toward religion.

Under the Constitution which has carefully guided our Nation for nearly two centuries, there has been a careful demarkation between the role of a public school classroom and the purpose of our religious institutions. When religion treads upon the common nonsectarian domain, and individual's liberities can be unnecessarily and adversely effected. The facts involved in this morning's decision—Wallace versus Jaffree—bear this point out.

The Alabama statute provides:

> At the commencement of the first class of each day in all public schools the teacher in charge of the room in which each class is held may announce that a period of silence not to exceed one minute in duration shall be observed for meditation or voluntary prayer, and during any such activity no other activities shall be engaged in.

In May 1982, Ishmael Jaffree a parent from Mobile, AL, brought suit against the local public school officials for permitting religious activities in the public schools. The complaint alleged that his two children were subjected to various acts of religious indoctrination; that the teachers had on a daily basis led their classes in prayer; and that the children were exposed to ostracism from their peer group class members if they did not participate. The last allegation is what I fear most. The primary effect of meditation or prayer, whether silent or not, is religious conformity. I strongly believe that this lockstep—even if unintentional—is what our Founding Fathers tried to protect us from. As the Court stated in Engel versus Vitale.

> The Establishment Clause . . . does not depend upon any showing of direct governmental compulsion and is violated by the enactment of laws which establish and official religion whether those laws operate directly to coerce non observing indivduals, or not.

Last year during consideration of the Equal Access Act, I argued that intrusion of religious activities would cause a negative effect on interpersonal relationships within the classroom—either forced conformity, or forced ostracism. Additionally, my friend from Kansas, Mr. GLICKMAN, recounted his personal experience of having to leave his schoolroom while the rest of his classmates participated in devotional activities. Mr. Speaker, although this House was constantly given assurances by our colleagues that ostracism could not occur, that no negative effect would be sustained by our youngsters, that religious indoctrination could not exist, the Alabama example emperically demonstrates what many of us have claimed all along.

On July 26, 1984, the House by a vote of 356-50 amended the Education Amendments of 1984 by adding a provision which permitted—and in fact encouraged—State and local educational agencies to provide for silent prayer. This vote was one of the many litmus tests that certain groups were using to determine the desirability of candidates for reelection. Fortunately, as a conferee on the 1984 act my motion to strike the silent prayer language was adopted. Although I feel our position has been constitutionally vindicated by today's ruling, those who would like to tear down the wall that the framers of our Nation so carefully constructed will no doubt not be deterred by today's Supreme Court action.

However, the constitutional safeguards that were placed in the paths of those who seek to impose their religious doctrines upon others will be stymied—at least for the time being.

In 1971, the Supreme Court, in Lemon versus Kurtzman, revised the establishment clause's three-pronged constitutional test:

First, the statute must have a secular purpose.

Second, the statute's primary effect must neither advance nor inhibit religion.

Third, the statute must not foster an excessive government entanglement with religion.

The Court, in deciding the Jaffree, case did not have to go beyond the first test to demonstrate that the statute was clearly unconstitutional—the law did not have a valid secular purpose. In fact, the legislative history of the measure clearly demonstrated that the sole impetus behind the bill was the desire to restore school prayer. Therefore, prima facie evidence existed to prove the unconstitutionality of the Alabama statute. If the Justice studied the debate of this House during the 98th Congress, I am confident that they would have reached the same conclusion on the Equal Access Act and the school prayer amendment.

Justice O'Connor argues, in concurrence with the majority opinion, that nothing in the U.S. Constitution prohibits public school students from voluntarily praying at any time, before, during, or after the school day. When, however, the sole purpose of a statute is to facilitate organized religious activity, the provision cannot be considered constitutional.

Mr. Speaker, no law in this land in any way restricts our opportunity and right to pray in a church, synagogue, mosque or on street corner. No law restricts a student from saying a grace before, during or after a meal. No law restricts a student from saying a short devotion prior to taking a physics examination. The constitutional line is drawn when that activity is organized, sanctioned by the State, and has the primary purpose of advancing religious beliefs. The Alabama statute clearly crosses the delineation, and attempts to scale the wall of separation.

Mr. Speaker, I commend the U.S. Supreme Court for once again safeguarding this Nation's religious liberities and our citizens' firmly entrenched right to believe and worship as they desire.

Thank you.●

GLOOMY CLARITY

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. FUSTER. Mr. Speaker, the Treasury's second tax simplification plan submitted to the Congress by the President last week proposes an alternative to the present section 936 of the Internal Revenue Code substituting it by a wage credit.

I request that the following editorial published on May 30, 1985, by the only English language newspaper in Puerto Rico, the San Juan Star, part of the Scripps Howard chain, be inserted in the RECORD. The views expressed with "gloomy clarity" in the editorial by an objective source clearly portray the disfavor with which the President's proposals regarding Puerto Rico have been met on the Island.

I hope our colleagues will read the article and thus be in a better position to gauge the impact of the elimination of section 936 on our industrial and investment prospects in the future. Those prospects are gloomy indeed.

The article follows:

[From the San Juan Star, May 30, 1985]

GLOOMY CLARITY

> It's becoming all too clear that the U.S. Treasury remains intent on closing what it views to be a major loophole in the federal tax system—Section 936 of the Internal Revenue Code.
>
> It's also getting to be distressingly obvious that Treasury's alternative for Puerto Rico to replace 936, the wage credit program, is a totally inadequate substitute with a pitifully weak mechanism for attracting new industry to the island.
>
> President Reagan has passed on the Treasury proposal to the Congress as part of his so-called historic tax reform bill. This does not mean that the president is unequivocally committed to the change for Puerto Rico, but it does put the Hernández Colón administration in a deep hole as it begins a new struggle to preserve 936 in the Congress.
>
> It is known that the position of the Puerto Rican government has support in the State and Defense Departments and with the National Security Council where Hernández Colón's idea to forge a twin-plant relationship with the rest of the Caribbean found favor as a means to promote Reagan's Caribbean Basin Initiative.
>
> Wednesday, Hernández Colón indicated that he intends to press ahead with his CBI strategy, taking the position that it will demonstrate its effectiveness to such a degree that the White House will decree a reprieve for 936 from the executioner.
>
> However, the governor's intentions received a rude bump with the announcements by Smith, Kline and French and Johnson & Johnson that they will not go ahead with their plans to invest in twin plants in Grenada. They said that Section 936 has been "torn asunder" by the Reagan tax proposal and would proceed with original plans only if 936 were to stay as it is. There was another prospective blow to the federal industrial incentives that Puerto Rico has depended on over the years. The tax reform would also terminate Section 957c, under which a subsidiary of a U.S. plant here could repatriate accumulated profits upon liquidation of the local operation.
>
> The Treasury-Reagan proposal, in effect, would strip Puerto Rico of Federal incentives for industrial promotion, save for the wage credit scheme.
>
> This shows that Washington just does not recognize that Puerto Rico is no longer a low-wage area attractive for labor intensive firms that could benefit from the wage credits. It has passed that stage of its development, and has entered the high technology arena.

The critical objective for the island is to find a way to bring that realization to the White House, the Senate and the House; to convince them that some sort of federal incentive is necessary if Puerto Rico is not to be merely another foreign country competing for the U.S. investor.●

WILLIAM RUSHER'S PENTAGON PROCUREMENT SOLUTIONS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. COURTER. Mr. Speaker, I commend to my colleagues the article below, offering some solutions to the Pentagon's procurement problems. The piece appeared in the Washington Times last Friday, and is written by William Rusher, the publisher of National Review:

Pentagon Procurement and the American Way

(By William Rusher)

The media have been having a field day with disclosures that private industry has been ripping off the Pentagon—charging it $7,600 for coffee makers, adding the kennel expenses of executive's dogs to the bill, and in some cases overcharging to the point of criminal misconduct.

Less remarked has been the fact that the great majority of these disclosures resulted not from zealous investigative reporting, or even from the probings of those famous (and publicity-hungry) whistle blowers, but from the patient efforts of the Pentagon's own corps of full-time inspectors.

If Congress and the public are going to indulge in a spasm of Pentagon-bashing every time the Defense Department uncovers and puts a stop to another corrupt practice, they will have only themselves to blame if fewer such corrupt practices come to light in the future.

It is, of course, no coincidence that all this hullabaloo occurs just as Congress is arguing over the 1986 budget. There are all sorts of special interests lined up for some of those precious dollars, if only they can be prized away from the Pentagon.

At the same time, certain current Pentagon practices in the matter of procurement are not, and ought not to be, above criticism. In particular, the tide recently has been running in favor of increased competition in everything from airline fares to health care, and there is no good reason why it shouldn't wash over the Pentagon as well.

As a matter of fact, some Defense Department officials have seen the tide coming and have already started swimming with it. Not long ago the Air Force invited two companies to bid on a contract to produce fighter engines, with the low bidder getting the larger share of the contract each year. The ensuing "great engine war" resulted, according to Air Force Secretary Verne Orr, not only in a better engine but in savings that may total $5 billion over the 20-year life of the contract.

Unfortunately, too much Pentagon procurement is still mired in the old system of the "sole-source contract": the system under which bids are invited, if at all, only on the original order, and reorders are thereafter automatically placed with the winner and subjected to all sorts of adjustments for increased costs owing to inflation and other factors. Such sole-source suppliers haven't the slightest economic inducement either to improve the product or to reduce its cost.

That is why the Northrop Corp.'s recent proposal to the Air Force deserves consideration. At present, the Air Force's state-of-the-art fighter plane is the F-16, built by General Dynamics at a price that wobbles between $18 and $20 million per plane.

Northrop proposes to supply the Air Force with 396 of its equivalent F-20's over a period of four years at a fixed price of $15 million each. What's more, Northrop will provide all necessary spare parts for a similarly fixed price of just $475 per flying hour over a period of 20 years—which is only a quarter of what General Dynamics is charging Uncle Sam for spare parts for the F-16.

Not surprisingly, the Air Force is taking a very serious look at Northrop's proposition. Perhaps the key point is not so much the immediate saving as the competitive pressure the deal would put on General Dynamics to bring its costs for the F-16 and its spare parts into line.

In short, as Pat Buchanan said in another connection not long before he took the veil and disappeared into the White House, "Sit back, open a Coors, and watch Adam Smith do his thing." The Pentagon is a fine place, with a tremendously important mission. Here's a chance to make it even better.●

TRADE THE WESTWAY LANDFILL FOR WHAT NEW YORK REALLY NEEDS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. WEISS. Mr. Speaker, congressional opposition to Westway, the interstate highway project which would be built entirely in my district along the West Side of Manhattan, has grown steadily in recent months.

Presently, the House Public Works Subcommittee on Transportation is considering two bills which would block spending of Federal funds on the landfill portion of Westway.

As a longtime opponent of this environmentally damaging and exorbitantly costly boondoggle, it is gratifying to note these recent developments. I would like to share with our colleagues testimony I presented to that subcommittee last month which details my reasons for objecting to the project and explains the alternatives I support.

The testimony is printed below:

Testimony of Congressman Ted Weiss

Mr. Chairman and members of the subcommittee, thank you for this opportunity to share my views on the Westway Interstate Highway Project.

As many of you know, Westway would be built entirely in my district. I have long opposed the project as presently proposed. We badly need a replacement highway along the West Side of Manhattan, but not one with the enormous economic, environmental and social costs of Westway. I favor instead a trade-in of the Westway interstate segment which would allocate federal funds for a modest replacement highway and improvements in New York's crumbling mass transit system.

Westway is an exorbitant real estate development scheme posing as an interstate highway. The proposal calls for filling in more than 200 acres of the Hudson River—in part with toxic-laden dredge materials—through which much of the highway would be tunneled. If Westway is ever built, this nation's taxpayers will have financed the creation of up to 100 acres of prime waterfront property for commercial, industrial and residential development.

The anticipated $4 billion to $10 billion construction pricetag for a four-mile stretch of road, at a time of soaring deficits and shrinking resources, is reason enough to object to Westway. Even using the Federal Highway Administration's extremely conservative cost estimate of $2 billion, Westway is more than twice as expensive, per mile, than any other interstate segment.

Even without this high cost, though, New Yorkers would be paying for Westway in many other ways for years to come. The majority of the city's residents who rely heavily on mass transit would lose the direct benefits of "trading in" Westway: a better mass transit system and a better highway. The Westway landfill would destroy one of the last major breeding habitats for the striped bass, a commercially popular fish responsible for a multi-million dollar industry. Air pollution would increase as Westway spurred increased driving and spilled traffic into crosstown streets and tunnels, while subway and bus service continued to deteriorate.

Westway doesn't even make good sense for the local economy. An improved mass transit system would do more to expand New York's economy in all five boroughs. Spending the same public funds for mass transit and road repairs would create more jobs.

Local concern about this boondoggle is very strong. Fifty-seven of the 63 public officials on record with the Army Corps of Engineers opposed issuance of a landfill permit. Among them are City Council President Carol Bellamy, Manhattan Borough President Andrew Stein, eight Members of the New York Congressional delegation, seven state senators, 21 state assembly members and eight city council members. Seventy-five percent of the constituents responding to my recent district-wide questionnaire favored the trade-in option over building Westway.

The three federal agencies charged with protecting aquatic resources—Environmental Protection Agency, Fish & Wildlife Service, and National Marine Fisheries Service—consistently opposed the landfill permit for seven years before acquiescing in March.

Now the fight has entered the Congressional arena, and I am pleased to see opposition to Westway rapidly growing. I am an original cosponsor of a bill (H.R. 1888) introduced by our colleague, Rep. Frank Guarini, which would prohibit the use of federal funds for the landfill portion of Westway. H.R. 1888, would, according to legislative counsel, preserve the trade-in option. And trade-in funds would permit the construction of one of the non-interstate highway alternatives such as the "Modified Arterial," for less than $100 million, or the "River Road" proposal, for less than $1 billion.

This week, as you well know, Chairman Howard introduced legislation that would also prevent the use of federal funds for the

Westway landfill. I applaud his recognition of the landfill component for what it is—a costly and environmentally damaging real estate scheme that has no right to Highway Trust Funds. His leadership on this issue is welcome.

However, I am dismayed that the bill would clear the way for construction of an Interstate alternative that is presently projected to cost $1.6 billion and may total $3 billion before completion. There is simply no need to build such an expensive highway, particularly at the expense of mass transportation. In lieu of a trade-in, the bill establishes a mechanism that could provide some funds for mass transit through the regular appropriations process. But no guarantees are included, and the earliest New York would learn if it was eligible for any mass transit aid would be in late 1992. Given these restrictions, a trade-in remains the preferred option.

I have been telling New York governors, mayors, and transportation officials for more than a decade that ultimately Westway would be too rich for the blood of the nation and in the end would not be funded by Congress. Westway was a bad idea when it was conceived fifteen years ago and it remains a bad idea today. This Subcommittee and the Congress can best serve the public interest by blocking landfill funds and supporting the trade-in before construction—and the irreversible damage it will cause—begins.●

FOREIGN STUDENT INTERN PROGRAM

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. GUARINI. Mr. Speaker, today I am introducing legislation which will help promote a better understanding among young people throughout the world. My bill would establish an intern program in the House of Representatives specifically for foreign students.

Modeled after the successful Lyndon Baines Johnson Congressional Intern Program, the Foreign Student Intern Program would provide the opportunity for foreign students to gain insight into American Government and an understanding of the legislative process. During their 1-month internships in the House of Representatives, foreign students would help us rediscover our shared heritage and identify mutual concerns.

Members and their staffs would benefit tremendously from the new perspectives which foreign students would bring to our work. There presence would enable us to gain a clearer picture of different cultures and societies as well as a sensitivity to the needs of other nations.

It is the youth of our world who will shape the future. Their ideas, perceptions and actions will determine if we are at peace or at war. The experiences of foreign student interns and their new knowledge of American Government would undoubtedly be shared with their peers at home. This small effort to foster global understanding would greatly enhance our chances for world peace. For these reasons, I urge you to join me in support of this legislation to establish a Foreign Student Intern Program in the House of Representatives.●

PARRIS SALUTES ALL-AMERICAN CITY ALEXANDRIA, VIRGINIA

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. PARRIS. Mr. Speaker, over the weekend a number of my constituents in the city of Alexandria, VA, celebrated the All-American Cities Award bestowed upon them for the second time in 20 years. This honor, which was last given to Alexandria's historic community in 1964, is awarded to those cities recognized as having outstanding citizen participation in their communities over a period of time. This year's award sponsors, the Citizens Forum On Self-Government, the National Municipal League and USA Today newspaper, cited three Alexandria institutions contributing in large part to the cities selection.

The Torpedo Factory Art Center, a creative example of adaptive reuse in architecture and the highlight of the revitalized waterfront of Alexandria, began as an experiment in 1974. During this time, the Art League of Alexandria began renovation of a dilapidated torpedo factory abandoned after World War II to be used as an art center. After 3 years, the popularity of the center convinced the city to continue expansion on a permanent basis. Today, thousands of tourists admire the art works of the more than 200 artists housed in the Torpedo Factory Art Center.

Born out of the belief that Alexandria's local agencies and church and charitable agencies could provide housing for city residents, Micah Housing, Inc. was created. A group of church and civic leaders formed this Alexandria-based organization in 1979 to provide safe and affordable housing for all racial and economic sectors of the city.

With a $1.5 million community block grant loan, the Micah board members bought and rehabilitated the Fayette Court Apartments with the intention of converting them into resident owned and managed cooperatives. Fayette Court residents are now involved in an intensive 2-year educational program, which includes property management and leadership training through fund raising, budgeting, landscaping, and the production of their own community newsletter. Micah Housing, Inc. has restored attractiveness to these buildings and encouraged Alexandrians to accept more responsibility in their community and neighborhood.

The third example of civic accomplishment cited by the award group is the Friends of the Alexandria Public Schools. This group was organized by two mothers who invited a number of city groups to pool their resources and put a stop to the declining enrollment in the city's public schools. What resulted was an informational campaign to the parents of preschoolers and prospective Alexandria home buyers that increased the total public school enrollment for the first time in 10 years. Also, the U.S. Department of Education confirmed Alexandria's confidence in its schools by presenting an Award of Excellence in 1983 to the city's only high school, T.C. Williams.

Mr. Speaker, Alexandria, VA, the hometown of George Washington, was founded on the principles of voluntarism and citizen activism. Over 250 years later, these same sentiments continue to thrive in Alexandria's families, churches, workplaces and neighborhoods.●

THE PERSECUTION OF RELIGIONS IN NICARAGUA

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Ms. FIEDLER. Mr. Speaker, freedom of religion is a basic human right and a critical indication of a government's pluralism and democratic spirit. The Government of Nicaragua has formally recognized the right of free religious expression and worship in article 19 of the official document, "Statute about the Rights and Guarantees of the Nicaraguan People," which is the functional equivalent of our "Bill of Rights." The Nicaraguan Government also is a party to the charters of the Organization of the American States and the United Nations and both documents specifically include freedom of religion as an explicit and fundamental right of all people.

However, the actual practice of the Nicaraguan Government has been a widespread campaign of harassment and intimidation of organized religions and religious communities in Nicaragua. Given the traditional antagonism of Communist regimes toward organized religions, the conduct of the Sandinistas is not that surprising. It is however, reprehensible.

The ongoing Sandinista campaign of religious persecution is the reason that I recently introduced House Concurrent Resolution 122. This bipartisan resolution condemns the persecution of religions by the Sandinista government and asks for compensation for the victims of that persecution.

A brief review of the Sandinista record of religious persecution will underscore the need for House Concurrent Resolution 122. One of the first religious communities to be victimized was the small Jewish community in Managua. This community had lived peaceably in Nicaragua since 1848, and had grown slightly as Jews fled the persecution and finally the Holocaust in Europe. In 1978, Sandinista soldiers firebombed the synagogue in Managua while the congregation was worshipping inside. After the revolution succeeded in July 1979, members of the Jewish community became the targets of an organized campaign of harassment and intimidation. It included threatening phone calls and letters, searches, arrests, and confiscation of property. Ironically, many of these Jews had escaped from the Holocaust in Nazi Germany and have now been forced from their homes again. Only two of the original Jewish community that existed in Nicaragua before July 1979 are still there today.

The virtual elimination of the Jewish community can't be understood without acknowledging the long and closer relationship between the Sandinistas and the Palestine Liberation Organization. In the early 1970's, Sandinista guerillas, including Tomas Borge, now the Minister of Interior, trained at PLO-run camps in Lebanon and Libya. Today, the PLO delegation in Managua is officially recognized as an embassy and there are at least 20 PLO military advisers in Nicaragua. As Rabbi Morton Rosenthal of the Latin American office of the ADL of the B'nai B'rith has stated, "PLO influence was a major factor" in the persecution of the Jewish community in Nicaragua.

The Catholic Church has also been the target of Sandinista intimidation. Churches have been vandalized by Sandinista "turbas divinas" or divine mobs. Pope John Paul II was shouted down during an outdoor mass in Managua by a spontaneous demonstration that later turned out to be a carefully planned Sandinista operation. In 1985 alone, 11 priests have been expelled and the government is forcing parochial schools to teach communism. Today, Catholic radio, sermons, and pastoral letters are all censored by the Sandinistas.

The Miskito Indians have been the victims of a particularly repressive campaign. The vast majority of the Miskitos are deeply attached to the Moravian Church. Since 1981, at least 40 of their churches, as well as at least that many villages, have been burned to the ground and 10,000 Miskito have been forcibly relocated from their ancestral homelands. Moravian pastors have been imprisoned for up to 2 years without being charged with any crime and two pastors were killed during 1982. The cultural and religious repression of the Miskitos has been so severe that out of a population of 150,000, 30,000 are now refugees in Honduras and Costa Rica.

The expulsion of the Salvation Army, a christian charitable organization, from Nicaragua, is typical of the modus operandi of Sandinista religious persecution. Members of the Salvation Army were subjected to a campaign of harassment and intimidation that gradually intensifed. Lt. Comdr. Stephen Miller, of the Salvation Army, stated in a letter to the White House, that the Salvation Army was finally forced out of Nicaragua after, "ominous verbal threats from authorities, and, finally, instructions to close up the program and leave the country."

Viewing the totality of the evidence, it seems clear that the Sandinista government is engaged in a widespread and organized campaign to intimidate and eventually eliminate organized religion in Nicaragua. The purpose of House Concurrent Resolution 122 is twofold; to draw congressional attention to the abuse of the human right of religious freedom by the Sandinistas and; to raise in a forceful way the issue of compensation for the illegal seizure of property of victims of religious repression by the Sandinista regime. This is a bipartisan resolution that seeks to underscore the already considerable consensus in Congress regarding the reprehensible behavior of the Sandinista government.●

MR. MARTIN A. DURKIN, DIRECTOR OF THE CARPENTER'S JOINT APPRENTICESHIP COMMITTEE OF PHILADELPHIA

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BORSKI. Mr. Speaker, I rise to pay tribute to Mr. Martin A. Durkin for his 25 years of dedicated service as director of the Carpenter's Joint Apprenticeship Committee of Philadelphia.

Marty Durkin has had a long and highly distinguished career as a carpenter. Not only has he exemplified the best technical skills of his craft, he has throughout his service proved an effective and respected leader, and a very capable administrator.

Mr. Durkin served in the Navy in World War II before he became a carpenter. He saw duty with the 3d and 5th Fleets in the Pacific and in the Occupation Force in Japan. He earned the Pacific Theater Ribbon with six bronze stars and the Philippine Liberation Medal.

Mr. Durkin has been a member of the Carpenters Local Union 122 since 1947, and has been a certified journeyman since 1949. For 33 of his 38 years in the union he has served in its leadership. From 1955 to 1961 he was the local's representative to the American Federation of Labor. In 1980 he was elected president of the carpenter's district council.

On Saturday, June 22, 1985, the Joint Apprenticeship Committee of Philadelphia will honor Marty Durkin for his 25 years of service on that body. His work there has been characteristic of the leadership and integrity he has brought to his every endeavor. I wish to join with the committee in honoring Marty Durkin, to commend him as an example to us all, and to pay tribute to a successful career of excellence, dedication, and service.●

COLA CAMPAIGN CONTINUES

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. SAXTON. Mr. Speaker, during the past several months I have received a number of letters from senior citizens in my district regarding the Social Security cost-of-living adjustments, or COLA's. I would like to begin by reading one of these letters which, I believe, typifies these seniors' feelings:

> DEAR CONGRESSMAN SAXTON: I am 71 and very tired of having to write to those in high office for help. I paid Social Security taxes since it began. Every year someone wants to take from us what is rightfully ours. My wife and I have to cut out everything we can. The next thing to do is stop eating. May the Lord guide you. Some day you may need help.

I think our recent budget debate in this Chamber illustrates that the issue of preserving Social Security COLA's transcends party lines. Both the Democrat-supported budget offered by the gentleman from Pennsylvania [Mr. GRAY] and the Republican substitute offered by the gentleman from Ohio [Mr. LATTA] called for full funding of the COLA's. And when an amendment was offered which would freeze the COLA's, this house responded with a resounding "no."

Clearly, this was an important victory for those of us who are a part of the COLA coalition, and who have long campaigned for this outcome. I wish to congratulate and thank my colleagues on both sides of the aisle for their solemn commitment to seniors.

Today, however, my message is directed more toward those Members of the House, as well as those in the other House, who will decide in conference how to reconcile the differences

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between the budgets of the two Houses. Regrettably, the version adopted in the other House calls for a COLA freeze.

I understand and appreciate the problems that the conferees will face. I am afraid that the temptation will be strong to compromise the issue, by perhaps giving seniors only a portion of the COLA to which they are entitled. I ask the conferees not to compromise, but to provide the full COLA.

We need only review the recent history of the Social Security Program to understand the importance of providing the COLA's in full, as promised. It was not that long ago that this entitlement program faced bankruptcy.

Not only were the elderly concerned, but the younger wage earners were as well. They had doubts that Social Security would be there when, after all their years of contributing to the trust fund, it came time for them to enjoy their earned retirement. Have we forgotten so soon the intensity of that issue, of that concern?

Unpopular reform legislation was drafted. COLA's were immediately delayed for 6 months. Social Security benefits are now subject to taxation if retired individuals record income of $25,000 or more, and for retired couples who bring in $32,000. The retirement age will eventually be increased. Nontaxable bonds—often the backbone of a retired person's financial security—are now counted when determining income levels.

As Members of Congress we need only look in our mailbags to learn just how unpalatable this legislation was. Until now, we could at least say in response, "Well, Social Security is saved and your COLA's are safe." What will we say if we compromise those COLA's now?

Again, I ask the conference committee to consider the importance of retaining full COLA's. This is not simply a budget issue; it is a fairness issue. Congress asked the elderly to accept some bitter changes in 1983. It is not fair to ask them to accept further cutbacks!

Embodied in the Social Security Amendments of 1983 was a provision that the program be eventually removed from the unified budget. If we truly believe that should be done, we will stop immediately the financial manipulation by which we use Social Security to bring our unnecesary deficit spending into balance.●

PRESIDENT'S VISIT TO BITBURG

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. RICHARDSON. Mr. Speaker, although some of the media's focus has now turned away from the President's visit to the Bitburg Cemetery, there are many Americans throughout this country that cannot forget.

The numerous letters that I am still receiving from the Third District of New Mexico confirms my belief that the Bitburg visit is not merely a narrow concern of Jewish and veterans' organizations—it is an issue which disturbs all persons of conscience. There cannot be any reconciliation with those who perpetrated the slaughter of millions of innocent civilians. There can be no dignified way to honor the graves of Hitler's SS.

I would like to share part of a letter from one of my constituents which illustrates some of the sentiments shared by those who have written me opposing the President's visit to Bitburg:

> The visit to Bitburg has opened old wounds. It has done a great disservice to the world view of today's German democratic people. It has pointed up the permanent insensitivity of the current Washington administration. Surely Americans will respect their German Allies and scorn the stupidity of "high" placed officials.●

TRIBUTE TO MR. VALERIAN PRZYGOCKI

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. TRAXLER. Mr. Speaker, I rise today in salute of a special individual who has served his country, his community, and his fellow man. The person I speak of is Mr. Valerian Przygocki of Bay City, MI. Val will be retiring from his position as a community services representative with the Bay County United Way, but I am sure he will continue his contributions to those who surround him.

Val was born and raised in Bay City. As he grew up, dramatic events were taking place which would shape Val's future and the future of the entire world. In April 1943, at the age of 20, Val left Bay City, and headed for Detroit where he was enlisted in the U.S. Army to serve as a medical technician during World War II. His assignments included battles and campaigns in Naples-Foggia, Rome-Arno, Southern France, Rhineland, central Europe. However, the locations are not as important as the bravery, courage, and dedication shown by Val during the war.

As evidence of Val's sense of duty he was decorated with the Silver Star, the Bronze Star, the Purple Heart, and the Distinguished Unit Citation for his service in the European theater. These decorations came after being wounded in 1945. Perhaps the best recount of Val's acts of courage was a newspaper story written by Pfc. Joe Ershun. In this story, Val as a medical technician, risks his life to recover an injured soldier who was left in the middle of a snow-covered battlefield. Val volunteered to retrieve the fallen man despite the fact that he would be a moving target for nearby German soldiers. Val rallied four other medics to join him—the group crawling on their stomachs through the deep snow. Once he was 50 yards from the injured solider, Val stood up and ran toward the wounded man. Private first class Ershun goes on to say:

> The Red Cross on his helmet caught the sun. Quickly he was at the side of the wounded man. He grabbed him by the collar and started pulling him towards the others. That's when the Germans opened up. The bullets were hitting all around Val. The snow seemed to come to life. It jumped up in a hundred different spots, leaving little black holes in the white carpet.

In the midst of enemy gunfire, Val was persistent, gripping his patient in hopes of reaching cover. Meanwhile, the 3d platoon opened fire on the Germans who stayed pinned down deep in their holes. The wounded man was safely returned to the aid station following Val's courageous rescue which earned him numerous decorations and citations for honest and faithful service to his country.

After his heroic acts, Val was honorably discharged from the service in October 1945. Returning to Bay City, Val began his long and productive service in the Bay City area. While a union steward and union committeeman, Val was active in community services. In 1970, he joined the Michigan United Labor Community Services staff through the Bay County United Way where once again he proved his dedication to helping those around him.

Now, as Val prepares to end his many years of long service, I want to wish him a happy and fulfilling retirement, and send my kind regards to his wife Mildred, his two children and two grandchildren. He has enriched the lives of those around him, and I am sure will continue to do so in the years ahead.●

HOW LONG AMERICA?

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. HYDE. Mr. Speaker, an interesting quirk of human nature is our penchant for judging others by our own standards and values. This is called mirror imaging. Americans by nature are a trusting people who like to believe others mean what they say. Unfortunately, modern history burgeons with instances of Communist nations rewarding this trust with treachery, much to the sorrow and suffering of those numberless victims caught in the political crossfire.

For example, Averill Harriman, while serving as our Ambassador to Moscow during World War II, cabled Washington on August 1, 1944, to report a conversation that he had had with Stanislaw Mikolajczyk, the then Polish Prime Minister, about Soviet plans for Poland. "In some detail," Harriman said, "I explained to him the evidence that satisfied me that the Soviet Government had no intention of communizing Poland." That analysis helps explain why the United States made some of the mistakes it did in Europe during the 1940's. Now hardly a day goes by without some graphic reminder of the ongoing tragedy of a communized Poland.

Some years later, a charismatic guerrilla leader marched into Havana and was celebrated by the American media as the George Washington of Cuba. Typical of the extravagant reporting is this excerpt from a Miami News account that appeared in the CONGRESSIONAL RECORD on January 22, 1959:

> Fidel Castro is perhaps the best thing which has happened to Cuba since the Spanish fleet was sent to the bottom outside Santiago Bay in the summer of 1898. He represents a fresh prospect for the establishment of democratic institutions in Cuba.

We eventually realized what Fidel Castro stood for, but by then it was again too late.

In 1973, Henry Kissinger returned from Paris with a peace treaty signed by the North Vietnamese. Most Americans breathed a sigh of relief. Two years later Saigon fell with desperate Americans anxiously airlifted from our Embassy rooftop, leaving behind the outstretched hands of abandoned Vietnamese whose fatal mistake was to trust us. I doubt, however, Mr. Kissinger undertook those treaty negotiations as trustingly as it might appear, because in his book, "White House Years," he teaches a lesson that every diplomat, every Member of Congress, and every American needs to learn. Kissinger writes:

> From Lenin to Stalin * * * to Brezhnev and whoever succeeds him, Soviet leaders have been partly motivated by a self-proclaimed insight into the forces of history and by a conviction that their cause is the cause of historical inevitability.
>
> Their ideology teaches that the class struggle and economic determinism make revolutionary upheaval inevitable. The conflict between the forces of revolution and counterrevolution is irreconcilable. To the industrial democracies peace appears as a naturally attainable condition, it is the composition of differences, the absence of struggle. To the Soviet leaders, by contrast, struggle is ended not by compromise but by the victory of one side. Permanent peace, according to Communist theory can be achieved only by abolishing the class struggle and the class struggle can be ended only by a Communist victory.

Despite a dreary record of Communist betrayal, Jimmy Carter declared during a May 22, 1977, Presidential commencement address at the University of Notre Dame that "we are now free of that inordinate fear of communism." It took the brutal Soviet invasion of Afghanistan to change his mind in late 1979 when he told the late Frank Reynolds of ABC-TV's World News Tonight broadcast team that:

> This action of the Soviets has made a more dramatic change in my own opinion of what the Soviets' ultimate goals are than anything they've done in the previous time I've been in office.

A certain amount of on-the-job training is to be expected of any President during his first term, but it ought not to involve such a fundamental issue as the nature and extent of the Soviet threat to freedom.

Nearly 6 years ago a band of seemingly patriotic Sandinista revolutionaries overthrew the Somoza dictatorship in Nicaragua and promised the Organization of American States that they would hold free elections and establish a democratically pluralistic society.

Proving that hope usually triumphs over commonsense, a majority of my colleagues voted in 1979 for millions of dollars of assistance to help the Sandinistas implement their revolution. I was one who joined in that hope with my vote. My learning period was accelerated in the few months following that vote. Some of my colleagues are still hoping—a hope that events ought to have dashed a long time ago. History indeed does repeat itself, and our trust and starry-eyed idealism has been exploited time and time again. So far we have survived our blunders. Not so some of our allies. How many more misjudgments we will be permitted without mortally wounding freedom is a question I hope never has to be answered.●

RABBI BARUCH SILVERSTEIN: 40 YEARS OF SERVICE TO GOD AND MAN

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. SOLARZ. Mr. Speaker, this Sunday, June 9, the Borough Park community is honoring Rabbi Baruch Silverstein who is retiring after 40 years of dedicated service as the spiritual leader of Temple Emanu-el in Brooklyn.

Rabbi Silverstein has been honored many times throughout his life. A list of his accomplishments and awards, however, does not really begin to give a glimpse of his enormous contribution to Jewish life both on the local and the national scene.

An eminent scholar of Jewish history and law, Rabbi Silverstein has taught two generations of students what Judaism has to say about the problems and questions facing our society today. He has always been available to try and help anyone who might need his assistance and his kindness and understanding has set an example that few people can equal.

In addition to his role as a religious leader, Rabbi Silverstein has placed great emphasis on involvement in civic affairs. He recognized that he could not divorce himself from the daily life of the community, and he has spent countless hours in trying to keep Borough Park a desirable place in which to live.

His perception of problems and his ability to develop solutions has made him one of the persons to whom the community turns during times of crisis. He can truly be described as a most brilliant modern Jewish leader.

I have known Rabbi Silverstein for many years and I have come to have the greatest respect for his learning, judgment, and his inspiring leadership. I feel honored to count him not only as one of my constituents but as a true friend. I hope to continue to be able to work closely with him in an effort to reaffirm America's historic and morally just commitment to the safety and existence of Israel.

I know that my colleagues join me in saluting this outstanding religious and civic leader on his retirement and wish him good health and a long life.●

TRIBUTE TO LILY MARCH

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. MRAZEK. Mr. Speaker, I would like to take this opportunity to commend the work of an outstanding U.S. citizen and educator.

Lily March, a dedicated and caring teacher for more than 35 years, will be retiring this week. Mrs. March has taught at the Burgundy Farm School in Alexandria for the past 18 years, and has exemplified and upheld the values and principles of a true educator. Her life has been dedicated to teaching others to appreciate her love of knowledge. She has taught more than 700 students in her career and has won the admiration of both her students and their parents.

Her accomplishment can be measured in the success that so many of her students have enjoyed after being imbued by Lily's insightful teaching techniques in the first critical years of their student experience. It is no accident that the children in Lily's classes invariably developed the basic interest in learning that leads to a young

person wanting to reach his or her fullest potential.

Above all, Lily demonstrated that her classroom could be a truly exciting place to spend each school day, a place to learn how to read for the pure enjoyment of doing so, to develop self-discipline, responsibility, and a caring attitude for other people; a classroom filled with animals and birds, old costumes to dress up in, sculpture, artwork of all kinds, and, of course, a wonderful teacher named Lily.

Mrs. March's work has extended beyond her contribution to the education of so many children. For more than 30 years she has been an active member in St. Mark's Episcopal Church here on Capitol Hill. First, the director of religious education, she later organized and initiated new educational programs to help build a support system for single parents.

Historian Henry Brooks Adams once wrote that "a teacher affects eternity; she can never tell where her influence stops." Lily March is one of those very rare teachers who has indelibly affected the lives of hundreds of students. She will be greatly missed at the Burgundy Farm School by the faculty, students, and my own daughter Susannah Rose.●

BLUE CROSS AND BLUE SHIELD OF GREATER NEW YORK CELEBRATES 50TH ANNIVERSARY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. RANGEL. Mr. Speaker, it is with great pleasure that I call the attention of my colleagues to the occasion of the 50th anniversary of the founding of the Blue Cross and Blue Shield of Greater New York.

Fifty years ago in May 1935, the origins of Blue Cross and Blue Shield of Greater New York were established to help the "person of average means" afford the then high cost of health care. Today, that organization provides protection through health insurance coverage for over 9 million people in the Greater New York area.

From its inception, this nonprofit corporation has aided New Yorkers in paying health care expenses. And its roots in saving its customers' money date back almost as far to when this organization first negotiated reduced rates for hospital stays by its customers.

This corporation has grown over these 50 years into a unique organization in partnership with health care providers in planning health care for the future and in reducing the rate of increase of health care expenses.

The efforts expended in this area have paid handsome dividends in containing costs in this era of evolving high technology medicine that has become so expensive, and a rapidly growing demand for services, especially among the over age 65 population. They have preserved a level of high quality medical care through their innovative programs and the active participation of health care institutions, providers, business, labor, and government.

While the future of health care and its rising expense remains an uncertain but costly challenge in the years ahead, Blue Cross and Blue Shield of Greater New York is well equipped and positioned within the community to effect real change on current problems and to confront new developments with the same inventiveness and care for the people of New York that inspired its founding 50 years ago.

Let us record for posterity this noteworthy event of May 1985, the 50th anniversary of Blue Cross and Blue Shield of Greater New York, and award recognition by my colleagues to the thousands of dedicated employees, and especially to Edwin R. Werner, chairman of the board and chief executive officer, for his valuable contributions in leading this corporation that provides security for millions of New Yorkers.●

TRIBUTE TO MARSHALL WORTMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. WAXMAN. Mr. Speaker, on June 6, 1985 Marshall Wortman will be honored at the annual salute of the State of Israel to the film industry of California. The Torch of Freedom Award will be presented to Mr. Wortman by the Honorable Yoav Biran, Deputy Director General of the Ministry of Foreign Affairs of the State of Israel.

Marshall was born in Brooklyn, NY. Following his graduation from Erasmus Hall High School, he received an MBA in accounting from Pace University.

Marshall served in World War II as a combat pilot in the U.S. Air Force flying missions over Germany. He was awarded the Distinguished Flying Cross and the Air Medal with Three Oak Leaf Clusters. He returned to service during the Korean War.

Marshall's lifelong affinity to "the movies," which began at the Kameo Theatre in Brooklyn, shaped his future. For the past 33 years he has held important posts in the movie industry, specializing in labor relations. His integrity and expertise have earned him the respect of his colleagues on both sides of the table. Among his credits are his service as vice president of the Association of Motion Picture and Television Producers, director of labor relations and managing director of Universal Pictures, and senior vice president of industrial relations personnel at Twentieth Century Fox. He has served as well on the permanent charities committee, motion picture and television fund and hospital, and many guild and industry pension plan committees.

The honor accorded to Marshall Wortman by the State of Israel on the 37th anniversary of independence and the commemoration of the 18th year of the reunification of Jerusalem is most noteworthy. I ask my colleagues to join me in congratulating Mr. Wortman on this distinctive occasion and to wish his wife Janet, daughter Jane, and son William many more years of accomplishment and personal fulfillment.●

IMPORTANT EVENT REGARDING HUMAN RIGHTS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. YATRON. Mr. Speaker, I want to take this opportunity to discuss an important event regarding human rights. On May 15, 16, and 17, 1985, the Research Center for Religion and Human Rights in Closed Societies—publishers of Religion in Communist Dominated Countries (RCDA)—held a conference at Marymount College, VA, entitled "Violations of Religious Freedom and Human Rights in Soviet Controlled Central Europe: Czechoslovakia, East Germany, Hungary and Poland." The Anti-Defamation League of B'nai B'rith cooperated with RCDA in this most worthwhile project. It was an outgrowth of the highly successful Conference on Religious and Ethnic Oppression in the U.S.S.R. also held at Marymount in May of last year, and the Conference on Religion in the Soviet Union, sponsored jointly with B'nai B'rith and held in New York City, January 29, 1985.

The topic of this conference was very timely in view of the changes in Soviet leadership and the developments in Central Europe. In addition, a critical 6-week meeting is now taking place in Ottawa, Canada, to review how the human rights provisions of the Helsinki Accords are being fulfilled. The conference was highly educational and addressed such issues as the consequences of the 1945 Yalta Conference; the unprecedented challenge to the Communist regime in Poland by Solidarity; the murder of Father Popieluszko, and the trial of the secret police agents involved in

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that crime; anti-Semitism and the vanishing Jewish congregation of Central Europe; the impact of the Charter 77 human rights movement on the developments in Czechoslovakia; tensions between the church and the state in Hungary and East Germany; and, other topics.

The conference was chaired by Hon. Richard T. Davies, former U.S. Ambassador to Poland, and president of the Research Center. Among the speakers were diplomats, scholars, clergymen, and other notables acquainted with the situation in Central Europe, including Prof. Ludvik Nemec, Prof. Albert Boiter, Prof. Thomas Molnar, retired foreign service officer Mr. Wallace W. Littell, Prof. Pedro Ramet, Rev. Andrew Harsanyi, Mr. Alexander Ginzburg, Mr. Vladimir Kajlik, Mrs. Olga Hruby, Rev. Blahoslav Hruby, and others.

As chairman of the Subcommittee on Human Rights and International Organizations, I have actively worked to promote respect for fundamental freedoms and liberties in Soviet-dominated countries and I will continue to do so. The RCDA conference contributed to the cause of freedom through an enlightened and informed discussion of how East European governments maintain order and oppress their people. Current issues were discussed within a historical and social context, which enhanced the understanding of these complex issues, as well as the differences that exist among the Communist nations of East Europe.

Clearly, the citizens of East Europe continue to be governed by totalitarian regimes which deny basic human rights and deal harshly with dissent. These regimes use a variety of subtle and insidious means to maintain power. They also resort to brute force when necessary. Prison, physical abuse, harassment, loss of job, exile, and other forms of cruelty are often employed against those who try to exercise certain basic rights. The fact that these nations have signed human rights treaties and belong to international human rights organizations seem to make little difference.

It is up to the free people of the world to continue to expose this hypocrisy and to mobilize pressure against totalitarian governments to respect basic human rights. Such efforts do yield positive results, although progress can be distressingly slow. We must be steadfast and resolute in the pursuit of our goal of improving the human rights condition of the world's oppressed people. We must remain ready to take advantage of every opportunity to advance the cause of freedom and liberty.●

VETERANS TO BE HONORED FROM THE 36TH CONGRESSIONAL DISTRICT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. BROWN of California. Mr. Speaker, on June 14, the Inland Empire Veterans' Recognition Committee of Riverside and San Bernardino Counties [IEVRC] will pause to recognize and honor veterans from the 36th Congressional District.

They have planned a full schedule of activities concluding with a dinner and awards presentation honoring the veteran of the year. This organization reflects my district's desire to recognize its veteran population and to express to them our sincere appreciation for the efforts and sacrifices that they have offered in guaranteeing the security of our Nation and its principles. The goals of IEVRC are to identify and publicly recognize the efforts of veterans and their many contributions to our community; to promote a more positive image of veterans by fostering public awareness of veteran contributions to the community and country; to enhance the pride of all veterans; and to thank them for their many contributions to San Bernardino and Riverside Counties.

Mr. Speaker, I would like to read the resolution adopted by IEVRC into the CONGRESSIONAL RECORD:

> Whereas, the Inland Empire Veterans' Recognition Committee of Riverside and San Bernardino Counties [IEVRC] is composed of veterans and other individuals concerned with the needs of veterans; and
>
> Whereas, through contributions made by individuals and organizations throughout the Inland Empire efforts have been made to provide a better quality of life to veterans; and
>
> Whereas, in order to salute and pay tribute to all veterans who served their country with honor and courage, the people of San Bernardino and Riverside County will join in a salute to veterans on June 14, 1985; and
>
> Whereas, the day of June 14, 1985, has been selected as Veterans' Recognition Day throughout the Inland Empire;
>
> Now, therefore, be it resolved by the Inland Empire Veterans' Recognition Committee of Riverside and San Bernardino Counties in the State of California, that all residents be encouraged to pay honor to all veterans, to observe this as a special period in time, and to sponsor and participate in suitable ceremonies and activities to recognize the service performed by veterans on behalf of us all.●

NEW JERSEY INTERNATIONAL AND BULK MAIL CENTER AND MICHAEL McDERMOTT PLACE

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. GUARINI. Mr. Speaker, today I am introducing legislation to correct a serious injustice to the State of New Jersey and to increase public consciousness of the great need to ensure safety in the workplace. This legislation would redesignate the New York Bulk and Foreign Mail Center, in Jersey City, NJ, as the "New Jersey International and Bulk Mail Center." It would also dedicate the street leading into the facility to the memory of Michael McDermott, a former postal employee who lost his life in a tragic industrial accident at the facility.

Since my legislation has two distinct provisions, I would like to address the need for each separately. As I previously mentioned, this bulk and foreign mail center is located in Hudson County, NJ. For many years it has been located in this county and has well served both the northern New Jersey and New York areas. Yet oddly enough, although the center is in New Jersey, we have continued to refer to it as the New York Bulk and Foreign Mail Center.

This practice has been going on for years and I see no justifiable reason to continue to misidentify this center. New Jersey residents have already suffered from enough of an identity crisis. For too long New Jersey has been looked upon as merely a suburb of New York.

Recently, however, New Jersey residents have taken significant steps to change this image. Ten years ago, New Jersey didn't have a professional sports team of its own. Today, New Jersey is home to one of the finest sports complexes in the Nation and four major league teams. Along the same lines, New Jersey has recently acquired its own VHF commercial television station. Before then, New Jersey residents depended solely upon New York and Philadelphia stations.

New Jersey residents are continuing to emerge from New York's shadow. Day after day they are recognizing that New Jersey is blessed with a very special character of its own. I believe it is crucial to the entire United States to preserve the unique character of every State. It is also important for each State to develop and maintain a clear identity of which its residents can be proud.

The postal facility known as the New York Bulk and Foreign Mail Center is clearly located in New Jersey. There can be no dispute about that. It is time for us to acknowledge

this fact and rightfully designate it as the New Jersey International and Bulk Mail Center. We must allow New Jerseyites its right to be proud of being home to the largest bulk mail facility in the Nation. We must enable New Jersey residents to have another reason to take pride in their State.

The second provision in my bill would designate a portion of the roadway leading to the center as "Michael McDermott Place." For those of you who are not familiar with the story of Michael McDermott, I would like now to share with you the reasons for dedicating this street to his memory.

Michael McDermott was a 25-year-old employee at the New York Bulk and Foreign Mail Center. On December 15, 1979 he tragically lost his life when he became entangled in a faulty conveyor. Safety devices which were meant to prevent the kind of accident which caused the death of this young public servant had been removed to speed the flow of mail at Christmas.

McDermott's death touched off a wave of charges that postal management was neglecting the safety of its workers. Subsequent investigations of McDermott's death revealed that 5,000 accidents had occurred at this facility in the 2 years preceding this fatal accident. An onsite survey conducted by the congressional Subcommittee on Postal Personnel and Modernization 1 week after the incident, also turned up a number of other safety violations. These same conveyor belt violations which caused the young father's death still existed.

What is very important about this bill for me and the many men and women who have spent their lives in the front lines of public service is the symbol of safety consciousness which Michael McDermott can become. Designating a portion of this street to his memory will provide us with a monument symbolizing the sacrifice of all working men and women who have lost their lives in public service. It will be a constant reminder to all of the employees at the postal facility that safety in the workplace must be a top priority.

This legislation to redesignate the bulk mail facility in Jersey City, the "New Jersey International and Bulk Mail Center" and dedicate a portion of the road leading into the center to the memory of Michael McDermott would help prevent a grave injustice to the State of New Jersey. It would give New Jersey residents another reason to take pride in their State. It would also pay tribute to a dedicated employee who lost his life in the line of public service and provide us with a constant reminder of the importance of maintaining high safety standards in the workplace. This legislation is very important to me, residents of the entire State of New Jersey and especially the 4,100 postal employees who work at this facility. For all of these reasons, I urgently ask for your support.●

TRIBUTE TO THE INDUCTION OF MARV HERZOG AND THE LATE WALLY LOESEL

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. TRAXLER. Mr. Speaker, I rise in tribute today to the induction of Marv Herzog and the late Wally Loesel into the Michigan Polka Hall of Fame, and in honor of their hometown of Frankenmuth, MI, which I have the honor to represent.

Frankenmuth, which will celebrate the 25th annual Bavarian Festival this year, is now Michigan's No. 1 tourist attraction. The Marv Herzog band played at the first Bavarian Festival, back in 1960, and has been a central part of the festival ever since. For many people, especially the 2,000 Marv Herzog Polka Boosters, there would be no Bavarian Festival without Marv.

Frankenmuth is a town with a rich German heritage that Marv has carried with him throughout the United States, Canada, and Western Europe. Both Marv and Wally grew up hearing the German folksongs that they made famous through their appearances and recordings. Marv's father sang these songs in the Frankenmuth community men's choir. Wally's father was a charter member of the male choir at historic St. Lorenz Church, a tradition that Wally followed.

Although Marv has been actively performing much longer, this is the 30th straight year that Marv has entertained the public, acting as Frankenmuth's unofficial musical ambassador of German music and culture. Marv and Wally have also recorded songs in English, Italian, and Polish.

The late Wally Loesel is fondly remembered for a rich tenor voice, and a straightforward, warm and humble manner that masked his enormous talent and devotion to those he entertained. It is difficult to assess the extent of his contribution to music in Michigan, and the pleasure he brought to the many people he entertained.

I am proud to see Marv and Wally receive the well-deserved recognition of the Michigan Polka community, of which they have been an integral and innovative part. Having heard Marv perform, I want to offer my personal congratulations to Marv, the Herzog Boosters and family, the Loesel family, and the people of Frankenmuth on this recognition. I also wish Marv many more years of entertaining the public and enriching the cultural life of the Saginaw Valley of Michigan.●

H.R. 99, AMERICAN CONSERVATION CORPS

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mrs. BYRON. Mr. Speaker, I rise today in support of H.R. 99, the American Conservation Corps Act of 1985. As an original consponsor, I feel strongly that this legislation will provide countless benefits to both the youth and natural resources of this Nation.

As my colleagues are well aware, this bill can be closely traced to such programs as the Youth Conservation Corps and the Civilian Conservation Corps, depression-era programs which put millions of unemployed youths to work. I can confidently say that this act's predecessors provided innumerable benefits for the six national parks within my district. At Mount Catoctin Park alone, the Youth Conservation Corps constructed the salt storage shed, the wood storage shed, and countless other buildings which currently house park equipment. All trail maintenance at Catoctin was performed almost exclusively by the Youth Conservation Corps. Similar accomplishments were made in my five other parks as well.

While H.R. 99 is a more modest proposal, I believe that it will provide benefit similar to those which my parks and its visitors have reaped in the past. This bill would result in greater efforts to revitalize urban areas and preserve historic and cultural sites. It would contribute to the development of roads, trails, erosion, and pest control; and it would provide for increased conservation of forests, fish, wildlife, rangelands, and soil.

Most important, however, this legislation would provide jobs for an estimated 18,500 youths in the first year of the program. The number would increase to 37,000 by the third year. Mr. Speaker, I can't think of a better goal than that of giving young Americans both an opportunity to work and to experience our Nation's invaluable natural resources. I urge my colleagues to support this worthwhile legislation.●

PERSONAL EXPLANATION

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. SYNAR. Mr. Speaker, on Thursday, March 7, I was absent and consequently missed consideration of H.R. 22 to establish the Select Committee on Narcotics Abuse and Control. Had I been present, I would have voted for the resolution as I did during the last Congress.●

CREATIVE APPROACHES TO THE LEGAL PROFESSION

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1985

● Mr. FRANK. Mr. Speaker, there has been a great deal of discussion in Washington and elsewhere recently about the desirability of new ways of conducting our country's legal business. But rarely has this discussion led to very much. One place where interest in new ways to teach and practice law has become something very concrete and very valuable is the new City University of New York Law School based at Queens College. I'm especially familiar with the work of Queens Law School because of my long friendship with its dean, Charles Halpern, who has been one of the leaders in the public interest law movement in this country for more than 10 years. The work that Charles Halpern began with the Center for Law and Public Policy here in Washington is being continued in an exemplary way at Queens Law School.

His selection as dean at CUNY was a manifestation of the university's commitment to develop a new kind of law school—one which would emphasize public interest and public service law; would serve the diverse community of New York City; would provide educational opportunities to disadvantaged students; would explore nonadversarial systems of resolving disputes; and would integrate the study of philosophy, sociology, and economics into the study of law.

The unique curriculum developed at the City University of New York Law School has lived up to the early objectives of the city university. With the strong support of the CUNY Chancellor, Joseph S. Murphy, and the board of trustees, chaired by James P. Murphy, the CUNY Law School has established a remarkable record of creative and constructive development in legal education, in only 2 years of operation. The students undertake a curriculum which is rich in actual lawyering experiences; they work on simulated problems and develop skills in the kinds of tasks that lawyers actually have to perform. They have opportunities to reflect on their experiences, and think about legal careers which will serve the public interest. After its first summer of operation, more than 80 percent of the first year students were employed in public interest and public service jobs, ranging from legal aid offices to district attorney's offices; from Federal agencies to judge's chambers. A generous grant from the Charles Revson Foundation aided the summer program.

The accreditation committee of the American Bar Association voted in May 1985 to recommend provisional accreditation for the CUNY Law School at Queens College. It is unusual that a new law school is accredited in its second year of operation. The unique contributions and the success of the CUNY program make this unusual recognition appropriate in this case. The council of the section on legal education and admissions to the bar of the American Bar Association has joined in this recommendation, which will be before the house of delegates of the American Bar Association in Washington, DC, at its annual meeting in July for final action.

This is a time when there is much disillusionment with the legal system generally, and with legal education in particular. Many people ask why lawyers seem to make problems worse rather than moving toward solutions. The CUNY Law School at Queens College is one of the most striking responses to these criticisms, and one of the most hopeful.

At a time when the Federal Government is undermining those programs which are providing legal services to the poor, it is heartening to find this vigorous and innovative law school building on the idealism and commitment of students and faculty to provide legal services for the poor, the disadvantaged, and those who are excluded from the legal system. The American Bar Association should be commended for its prompt recognition of this outstanding program.

Gov. Mario Cuomo expressed his aspirations for the law school at his inaugural ceremonies: "All of us have great hopes for this institution. We expect it will be where men and women know that if our system is to survive, then it must be willing to change and that, if the law is to speak for all of us, then we must be ready to reshape the law—adding, amending, revoking, struggling to realize the ideals the founders of this Nation dare to call self-evident. We believe it will be a place where thoughtful, committed, compassionate lawyers are trained."

It appears that Governor Cuomo's hopes for the law school are being realized. As shown in a recent article from the Chronicle of Higher Education about the law school, which I asked be printed here in part.

LAW SCHOOL AT NEW YORK'S CITY U. TRIES RADICAL APPROACH

(By Beverly T. Watkins)

NEW YORK.—The administrative-law judge, wearing blue jeans and a plaid shirt, opened the "fair hearing" on the homeless family.

Legal Services was challenging a decision by the Human Resources Administration to place the Bennets, who had always lived in Brooklyn, in a run-down Manhattan hotel used as temporary housing for homeless families.

On hand to testify were four witnesses, two for each side.

The lawyers for Legal Services called Mr. Bennet, who had been on public assistance since May 1983. In response to questions, he recounted his fruitless attempts to get the local welfare agency to find decent housing for him, his wife, and their two children in their community, where they had friends to help them. He said his daughter, who commuted two hours each way to school in Brooklyn, was having trouble in class, and his young son had no place to play.

An education specialist with the Organization of Homeless Families testified as an expert witness about the educational problems of children who are moved out of their neighborhoods.

Then the lawyers for the Human Resources Administration called a caseworker, who had placed Mr. Bennet and his family in several decrepit hotels after failing to persuade him to move his family in with his mother.

* * * * *

Legal educators around the country are keeping close watch on the City University's new law school, with its non-traditional curriculum, and on the administrators, faculty members, and students who are laboring to make the program work.

Charles R. Halpern, known to his colleagues as "the father of public-interest law," began to create the experimental program about 3½ years ago. As the school's first dean, he was able to lay the foundation for a new curriculum, taking what he wanted from traditional programs and ignoring the rest.

For the new venture, he sought a mix of administrators and teachers with "a pioneering spirit" who were willing to gamble with their careers for something they believe in. He recruited socially conscious students from varied economic and cultural backgrounds who, in many cases, would not have been admitted to a traditional law school.

Together, they are developing a program focused on public-interest law that is a dramatic departure from the education that has been offered by the majority of the nation's accredited law schools for more than a century.

Mr. Halpern and his colleagues at Queens College have done away with the time-honored case method, in which students learn rules of law by analyzing appellate-court opinions. They have eliminated the Socratic method of instruction, in which the professor interrogates students on fine legal points.

They have also abandoned the traditional grading system, class rankings for students, many examinations, the traditional law review, and the placement office.

In their place, says Mr. Halpern, is "a radically different educational experience, in which we teach doctrine, theory, and practice in an integrated fashion in each course." The curriculum relies heavily on simulated legal cases that are handled in simulated law firms.

"It doesn't feel like going to law school," says the dean.

CHALLENGING, DEMANDING, EXHAUSTING

Faculty members call their experiences with the new school, which opened in September 1983, "challenging," "demanding," and "exhausting."

"We're flying by the seat of our pants in some places," says Harold McDougall, an associate professor of law." Fortunately, the curriculum is sufficiently focused so that it is producing what it is supposed to produce."

Although a great deal of time went into planning, he says, "we're still just a hair ahead of the students."

Mr. McDougall adds, "Everyone is very tired a lot of time. You miss getting to the bank before it closes, and you don't get your laundry done. But it is an exciting life."

"There is a tremendous sense of commitment, excitement, and idealism here that is lost in other law schools," says Anna Rumberg, a student who was director of ethnic studies at Queens College for seven years before she decided to become a lawyer.

"We are new, we have no reputation, we are non-traditional, so there is a lot of suspicion in the outside world," she says, "but we are sincerely excited about the school and the sense of community here."

The Queens College program is designed around broad, integrated courses with such titles as "Law and a Market Economy," "Law and Family Relations," and "Responsibility for Injurious Conduct." Those courses, part of the first-year curriculum, include material on torts, contracts, civil procedures, property, and other standard topics that would be taught separately in a traditional law school.

By offering an integrated curriculum, says Mr. Halpern, "we can teach law in the larger context and show the overlap." He gives an example: "If you buy a washing machine, turn it on, and get electrocuted, you could have either a tort or a contract case."

Clinical training, which Mr. Halpern calls an "add-on" in many law schools, begins immediately at Queens College. Students spend at least half their time in "houses," which function like law firms. Faculty members are the senior partners and students, in groups of 20 to 25, are the associates. The future lawyers tackle simulated cases under the watchful eye of the "house counselor."

"The concept of the house, which is the basic teaching and learning unit, is radical to legal education," says Victor Goode, an instructor who helps teach a course called "Liberty, Equality, Due Process, in Historical and Philosophical Context."

"Traditionally, the first, second, and third years of law school are all laid out," he says. "This creates a passive student and wipes out the value of learning.

"With the house, which is a manageable group of people with a supervisor, the students' experiences at school are just like going to work. They have their own personal space and their own working space. They begin to demonstrate initiative and self-directedness."

The simulated cases, all based on standard legal problems, are developed and taught by teams of faculty members and include both specific legal concepts and basic skills.

"Simulation is the very best way to teach law and get the best of both worlds," says Mr. McDougall. "You can examine the basic premises of the law itself, and then break down the different categories."

First-year students, for example, tackle a simulation in which a lawyer for the Legal Aid Society has been fired for refusing to take her turn at handling arraignments in criminal court because her case load is already too heavy. Students meet in their houses "to brainstorm the legal issues," which include torts, contract law, public-policy choices, and legal ethics. They receive written instructions to "formulate an argument that takes into account the strengths and weaknesses of the case" and draft "an advocacy letter."

Second-year students take on more elaborate cases, such as the "homeless family" simulation with its hearing before an administative-law judge. In addition to coping with the legal issues in this case, the student "associates" must prepare for and conduct a hearing, playing all the roles themselves. The faculty "senior partners" keep things moving with a blizzard of memos to "welfare unit staff attorneys" and "Legal Services lawyers."

"You can get so excited about simulation that you want to teach everything that way," says Mr. McDougall.

GRADES OF "PASS" OR "FAIL"

Sometimes, the school day begins with lectures to large groups of students—one of Mr. Halpern's few concessions to traditional legal education. In those instances, however, the faculty members often teach in teams, rather than independently, and on occasion they may argue cases before the students instead of lecturing.

Law students at Queens College receive grades of "pass" or "fail," and they are not ranked in their class. Instead, they are evaluated on a scale of one to six on their skills in six different areas: professional ethics, clinical judgment, legal reasoning, theoretical perspectives, communication skills, and time management. The students take "mastery examinations" to indicate whether they are "understanding and learning to use legal doctrine, skills important both for law practice and for passing the bar examination," says Mr. Halpern.

The law school has no placement office, largely because it would be "antithetical to everything we are trying to do here," says Holly Hartstone, a faculty member. "Most law-school placement offices arrange interviews, put up sign-up sheets, and help students get jobs. They give a fake view of the world by creating the impression that it is easy to get a job."

In the public-interest field, which many students plan to enter, she says, "lawyers have to sell themselves. You have to convince employers they should hire you. You have to write the letter that will get you an interview."

Ms. Hartstone, who directs the Integration of Practice and Learning program and teaches in a course called "The Work of A Lawyer," says, "We train the students in career development at the same time they are learning how to be a human-services lawyer."

By integrating job training into the courses, "we teach students the skills they need to get themselves jobs, and we show them how to create positions for themselves," she says.

AIM: TO SERVE THE UNDERSERVED

The idea for this unusual law school dates back to the early 1970's, when C.U.N.Y.'s current chancellor, Joseph E. Murphy, then president of Queens College, and several local political leaders proposed a program that would concentrate on public-interest law and produce lawyers who would serve the "underserved population" of metropolitan New York.

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The C.U.N.Y. law school, which acknowledges its debt to Columbia, Georgetown, and New York Universities for some of its educational concepts, has opened during a period of general dissatisfaction with legal education and the performance of new lawyers.

The Chief Justice of the United States, Warren E. Burger, has been complaining for years that young lawyers have inadequate practical skills and too little grasp of legal ethics.

Harvard University's President Derek C. Bok has called it "inexcusable" that the United States "has developed a legal system that is the most expensive in the world, yet cannot manage to protect the rights of most of its citizens."

"Professors spend vast amounts of time examining the decisions of appellate courts, but make little effort to explore new voluntary mechanisms that might enable parties to resolve various types of disputes without going to court in the first place," said Mr. Bok, a former dean of Harvard's law school. He has called for more emphasis on "the gentler arts of reconciliation and accommodation."

Legal educators and students have also complained about the curriculum.

"You know what they say," says Mr. Halpern. "The first year they scare you to death, the second year they work you to death, and the third year they bore you to death."

C.U.N.Y.'s experimental program is attempting to address some of those criticisms, Mr. Halpern says.

"I think people in legal education are glad to see non-traditional things being done in a responsible way by substantial people," he says. "Perhaps, they may not want to do the experimenting themselves."●

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